Written by Administrator
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French retailer Casino, which is battling investor concerns over its high debt, vowed to boost profits and cash flow in its core French market and said it would dispose of additional assets under a three-year strategy plan.

Casino, along with domestic peers such as Carrefour and Auchan, faces intense price competition in its home market as well as challenges from online players such as Amazon which has made in-roads in the sector.

The company, which had its credit rating cut to junk by Standard & Poor's in March 2016, has embarked upon asset sales to reduce its debt and ease concerns over the financial position of both Casino and its parent holding company Rallye.

The plan focuses on profit growth through the monetisation of client data, savings from purchasing deals and a greater focus on E-commerce, organic food, convenience stores and energy services.

Casino targets 10 percent growth per year in trading profit for its French retail business between 2019 and 2021 and the generation of 500 million euros ($566 million) in free cash flow per year.

Shares in Casino rose around 1 percent as analysts welcomed the new plan and outlook. The shares have gained 25 percent so far this year, almost reversing last year's 28 percent fall.

"The remarkable bit is the level of detail and the long time period over which Casino feels confident to provide very strong guidance," wrote brokerage Bernstein.

Casino, which also controls Brazil's top retailer Grupo Pao de Acucar, set out those targets after it reported 2018 group operating profit of 1.209 billion euros, a rise of 18 percent on an organic basis, excluding tax credits, beating the company's own guidance for 10 percent growth.

Read more https://www.cnbc.com/2019/03/14/retailer-casino-pushes-for-more-profit-growth-asset-disposals.html