

Czech investor Kretinsky lifts stake in French retailer Casino

Written by Administrator

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PARIS (Reuters) - Czech businessman Daniel Kretinsky and his junior partner Patrik Tkac said on Monday they had raised their stake in Casino ([CASP.PA](#)) to 5.64% from 4.63%, in a further show of support to the troubled French retailer.

FILE PHOTO: The logo of Casino supermarket is pictured in Cannes, November 9, 2019.
REUTERS/Eric Gaillard/File Photo

The move comes as Casino CEO and controlling shareholder Jean-Charles Naouri is hunting for ways to ease the company's debts - and those of parent company Rallye ([GENC.PA](#)) - in part through asset sales.

Casino, which faces fierce competition in its home market from the likes of Amazon ([AMZN.O](#)), last week slashed its 2019 profit forecast, saying transport strikes in France against pension reforms had hit its fourth quarter.

Kretinsky and Tkac bought the additional shares on the market via their Vesa Equity Investment company on Jan. 17, the day Casino stock sank as much as 11% on the profit warning, a regulatory filing showed.

When they bought their initial stake in September, they became Casino's second-largest shareholding group.

The duo reiterated on Monday their support for Naouri's plans, saying: "We continue to give our full support to the management ... and our confidence in its ability to implement its long-term strategic vision, to which we subscribe."

Kretinsky, who also owns a stake in German supermarket group Metro AG ([B4B.DE](#)) and has holdings in French newspaper Le Monde as well as Czech soccer club Sparta Prague, described Casino as "one of the European leaders best able to respond to the profound changes in the sector."

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Casino, with a market value of 4.22 billion euros (\$4.68 billion) and group consolidated net debt of 4.7 billion euros at the end of June 2019, is undertaking a 4.5 billion euro disposal plan which includes the sale of its Leader Price discount chain.

Naouri said in a joint statement with the investors that, as announced in September, he would propose to the board of directors of Casino the appointment of a representative of Vesa.

At 1338 GMT, Casino shares were up 1.4% at 37.50 euros.

“This new announcement will once again drive speculation on Casino that a third-party player may be willing to acquire the group. Yet is a bid of Vesa really credible in the short-term?” Bryan Garnier analysts wrote, pointing to the complexities of the disposal program and the relations with Rallye.

They have a “neutral” rating on Casino shares.

Reporting by Dominique Vidalon; editing by Louise Heavens and Mark Potter

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