Casino Group announces plan to strengthen its liquidity and financial structure

Paris, 22 October 2019,

In order to strengthen its liquidity and capital structure, the Group is negotiating the extension of all of its credit lines in France and announces its intention to raise new financings for a targeted amount of €1.5bn in order to refinance part of its existing debt.

The Group is working with the banks participating in its confirmed credit lines (whether syndicated or bilateral) to agree a new syndicated revolving facility, maturing in October 2023, for approximately €2.0bn. The Group has already received commitments from 14 French and international banks for more than €1.6bn, subject to final documentation and customary conditions.

In parallel, the Group intends to raise new financings for a target amount of €1.5bn, through a term loan facility (Term Loan B) and an additional senior secured debt instrument, both maturing in January 2024. The proceeds will be used to partially refinance the Group's existing debt. Specifically, Casino intends to launch a tender offer on its bonds which mature in 2020, 2021 and 2022.

As part of these financing agreements, the Group plans to provide security over the following assets:

- Those banks involved in the new revolving facility and term loan investors will benefit from security over the main French operating subsidiaries, Casino Finance and the French holding companies owning the Group's stakes in Latin America;
- The additional senior secured debt instrument will benefit from security over the shares of Immobilière Groupe Casino, which itself owns approximately €1.0bn of real estate assets in France.

The documentation for the new revolving facility, the term loan and the additional senior secured debt instrument will include covenants related to Casino dividend payments. Beyond an envelope which will allow the payment of an ordinary dividend[1], additional dividend payments will only be permitted if Casino respects an agreed debt / EBITDA ratio post dividend distribution. This ratio will be calculated at the French perimeter (including E-commerce), based on gross debt less disposal proceeds allocated to debt reimbursement, and must not exceed 3.5x post dividend payment. As of end June 2019, this ratio was 6.4x.

The banks' participation in the new syndicated revolving facility is conditioned upon Casino raising at least €1bn by May 2020, via the financings described above and/or proceeds of disposals that have not yet been signed.

The two parts of this project will significantly improve the Group's liquidity and increase Casino's average debt maturity in France. This strengthening of the capital structure will allow the Group to fully concentrate on reaching its operating, financial and strategic objectives as well as on executing its asset disposal plan. The Group confirms its intention to reach net debt in France of less than €1.5bn at end-2020 and maintain this level over time.

[1] This envelope will be calculated as 50% of the cumulated underlying net profit (Group share), including the contribution of discontinued operations, over the period at the French perimeter, with a floor of €100m distributable every year starting in 2021, plus an envelope of €100m than will be available in one or several installments over the life of the instruments.

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