

FLASH REPORT



## Carrefour (ENXTPA: CA) 2Q17 Sales Update: Improving Sales Momentum

- Carrefour reported that sales including VAT increased by 6.1% year over year in 2Q17, to €21.8 billion, and that comparable group sales rose by 2.8% year over year.
- French comps came in at 1.9% year over year, driven by strength in supermarket and convenience store formats. Hypermarkets returned to positive comp growth in the quarter.
- International comps were up 3.4% in 2Q17, driven by strength in both other European countries and Rest of the World businesses.

### 2Q17 Update

Like most European companies, Carrefour reports sales performance quarterly, but only provides updates on profits at the half-year and full-year points.

Carrefour reported the following regarding 2Q17:

- Total group sales including VAT climbed by 6.1% year over year, to €21.8 billion; this was above analysts' estimates recorded by S&P Capital IQ. Currency effects added 1.8% to reported group-level growth and automotive fuel sales subtracted 0.3% from the total.
- On a comparable basis, stripping out fuel and calendar effects, group sales rose by 2.8% year over year. This marked a significant sequential strengthening from 1.4% comparable sales growth in 1Q17.
- The company's French revenues nudged up by 0.8%, or by 1.9% on a comparable basis excluding fuel and calendar effects. Again, this was stronger growth than seen in 1Q17, when French comps were up 0.5%.
- International sales leaped by 11.1%, and were up 3.4% on a comparable basis excluding fuel and calendar effects. This compared with an increase of 2.1% in international comps in 1Q17.

### Performance by Region and Format

The following figures are for 2Q17 comparable sales growth, which strips out fuel, calendar and currency effects:

- Carrefour's French sales were up 1.9%, with hypermarkets up 0.5%, supermarkets up 1.9% and convenience/other formats up a strong 6.7%. 2Q17 represented a strengthening of growth versus 1Q17, and hypermarkets posted their first positive quarterly comparable store sales growth since 3Q15.
- Spanish sales were up 2.6%, Italian sales were up 3.9% and Belgian sales were up 2.4%. In Spain, Italy and Belgium, sales were significantly stronger in 2Q17 than in 1Q17.
- The Rest of the World segment saw sales increase by 3.4%, despite a slowdown in inflation in certain countries.



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## Outlook

Carrefour did not comment on guidance for FY17.

At actual exchange rates, analysts expect the company to grow revenues by 4.5%, to €80.1 billion, in FY17. Consensus calls for EBIT to rise by 6.6% and for normalized EPS to increase by 12.1%, to €1.56.



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