

ITM Entreprises S.A.

August 4, 2026

This report does not constitute a rating action.

Credit Highlights

Overview

Key strengths	Key risks
Mousquetaires Group's position as the third-largest food retailer in France, with €48.8 billion revenue (net of VAT) in 2025 and a growing market share trending toward 20% by 2028.	More than 85% of revenue is exposed to the extremely competitive French grocery market.
A healthy consolidated S&P Global Ratings-adjusted EBITDA margin of 6.0%-6.5% in a very competitive market, supported by a compelling value proposition, strong brand image, and the independents business model.	Some execution risks from continual M&A, with the integration of about 284 Casino stores, 81 Colruyt stores, and approximately 300 Auchan stores over 2023-2027.
Clear financial policy with a maximum leverage ceiling of 2.5x (or about 3.5x in S&P Global Ratings-adjusted term), under which the group rebuilt a significant buffer in 2025.	Governance and financial policy depend on the balance of powers between the rated perimeter of Société les Mousquetaires and the independents, and could come under pressure in case of financial or operational unbalances.

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Société Les Mousquetaires S.A.S. (SLM) delivered strong operating performance in full-year 2025, with significant de-leveraging. In 2025, Société Les Mousquetaires S.A.S. (SLM), the parent company of ITM Entreprises, reported about €43.9 billion revenue, a 2.4% increase from €42.9 billion in 2024, benefiting from both organic growth and the performance rebound of recently acquired Casino stores. S&P Global Ratings-adjusted EBITDA amounted to €1.09 billion, up from €1.02 billion in 2024 and slightly above our previous forecast. The group was able to sharply reduce its adjusted debt by about €1.0 billion, to €2.4 billion, thanks to a €435 million working-capital inflow and proceeds from disposals, including from the sale of the remaining Casino stores to the independents, as well as lower capital expenditure (capex) and interest expenses. Consequently, SLM's S&P Global Ratings-adjusted debt to EBITDA declined to 2.2x (1.4x under the company's definition), from about 3.5x in 2023-2024 (about 2.6x under the company's definition).

This improvement highlights that the group was able to absorb the increased financial debt it raised in the context of the acquisition of Casino stores over 2023-2024, while turning around their operations. We forecast leverage to slightly increase to 2.5x in 2026 due to lower margins, as SLM keeps investing in prices to close the gap with market leader Leclerc, and then to converge toward 2.0x in 2027-2028, absent additional acquisitions or one-off investments. This level

provides the company with significant buffer under the downside triggers of the 'BBB-' rating as well as the company's own financial policy.

The Mousquetaires Group is getting closer to its objective of a 20% market share by 2028, acting as consolidator in the very competitive French grocery market. In 2025, the group's net sales (including those of SLM and the independents, net of value-added tax) rose to €48.8 billion in 2025, from €47.2 billion in 2024, and we expect they will increase to about €54.5 billion by 2028. As a result, we expect that the group will approach its objective of a 20% market share target by 2028. It has already steadily increased its share to 17.9% in May 2026 from 16.3% in May 2021, according to marketing data and analytics company Numerator.

The key drivers of growth are a series of acquisitions and partnerships, both at SLM and at the independents' level. These include the acquisition of 225 stores (net of the ones closed or sold to competitors) from Casino completed between 2023-2025, and the acquisition of 81 stores from Colruyt completed in the first months of 2026, which have strengthened the group's regional footprint and cumulatively added an estimated €3.5 billion of revenue.

Over the second half of 2026 and 2027, the group's network will also integrate up to 300 supermarkets from Auchan, representing roughly €3.0 billion of additional sales. The deal will be structured in two tranches, with up to 91 stores to be acquired by the independents and the remaining (up to) 200 stores joining the Intermarché and Netto banners under a long-term franchise agreement. Auchan will move these stores to a new legal entity and continue to manage the day-to-day operations, stores, and personnel, while the SLM will provide the brand and the products, gaining a gross margin and a royalty fee. Conservatively, we do not include any incremental EBITDA for the SLM in 2026-2027, because we think these stores' performance has been deteriorating, and the SLM could provide some limited support for rebranding, capex, and reorganization. At the same time, we do not expect this transaction to significantly affect SLM's credit metrics, while it will temporarily increase the leverage of the independents directly acquiring the stores.

The group's consolidated profitability remains healthy despite fierce competition and the integration of Casino stores. We estimate the group's consolidated adjusted EBITDA margin (including the EBITDA of SLM and the EBITDA of the independents) was stable at 6.0%-6.5% in 2022-2025, and we project it will remain in that range in 2026-2028. Profitability is supported by the group's scale, purchasing alliances, a food-focused network of moderate-size supermarkets, and the partner-member model that enhances cost discipline allowing for pricing competitiveness relative to integrated players.

We believe consolidated profitability is further supported by the group's vertical integration, with the SLM managing food processing (more than 50 production units) and supplies, enhancing cost control, enabling a large private-label offering, and providing it with significant bargaining power vis-à-vis large consumer product companies. Negotiating power is also strengthened by a 10-year purchasing alliance with Auchan and Casino, which should start to benefit gross margin from this year, although we think the group will balance profitability with attractive pricing to support volume growth.

Overall, we consider an EBITDA margin structurally above 5.0% as satisfactory, in the context of the very competitive French grocery market, as well as the integration of recent acquisitions. We estimate that former Casino, former Colruyt, and Auchan stores are less profitable than Intermarché's historical network, and their integration and profitability turnaround could generate some one-off costs for both the independents and SLM.

Given the group's structure and governance mechanisms, the SLM's track-record of respecting its own financial policy is a key rating factor.

As a supply co-op, SLM has lower operating margins (with an S&P Global Ratings-adjusted EBITDA margin of 2.5% in 2025) than those of independent retailers. SLM's aim is not to maximize its own profitability but to pass the value it creates onto the retailers it serves, while securing financial leverage in accordance with its financial policy. As such, the financial discipline of SLM's board--a governance body that includes the independent retailers in their capacity as shareholders--is a key rating factor. Its financial policy includes a maximum reported debt to EBITDA (leverage) of about 2.5x, or about 3.5x (S&P Global Ratings-adjusted).

The group has temporarily exceeded its 2.5x maximum leverage target on various occasions, including in 2022-2024, approaching our downside rating trigger. This was due to high inflation in 2022, then the net debt increase from the Casino stores acquisition. This signals SLM's management cannot act discretionarily to retain higher earnings if needed, but must balance its credit metrics with the independents' profitability and creditworthiness. The strong deleveraging in 2025 provides the company with a significant buffer under the downside triggers of the 'BBB-' ratings as well as the company's own financial policy.

While we focus on SLM's audited credit metrics in our analysis, we recognize that recent transactions have weighed on the independents' stand-alone credit quality.

SLM and independent retailers are separate legal entities, with separate accounts, funding, and credit standing. Therefore, we focus our analysis and outlook triggers on SLM's audited figures, excluding those of the independent retailers. This approach is further supported by the absence of cross-default, cross-acceleration, guarantees or cash pooling between SLM and independents. Lastly, SLM does not provide ongoing financial support to underperforming independent retailers.

Nevertheless, its credit quality is intrinsically linked to the operating performance and financial strength of its unconsolidated independent retail members, and vice versa. For this reason, although audited accounts are not available, we also estimate and monitor the performance and the credit metrics of the independents, including at the personal holding company (Holdco) level, as well as the total adjusted consolidated leverage, comprising the S&P Global Ratings-adjusted debt for SLM and our estimate of the independents' total debt. This stood at 2.4x in 2025, down from 2.8x in 2024, driven by the strong deleveraging of the SLM, and we project it will marginally increase to 2.5x-2.6x in 2026-2027 as the independents acquire Colruyt's 81 French stores and up to 91 stores from Auchan.

As a result of recent acquisitions, we estimate that the independent's stand-alone leverage level (at 1.7x in 2025 and 1.9x in 2026) is now above SLM's. While we expect the two to follow a similar trajectory in the coming years, we will monitor the creation of potential imbalances, including among the less and more leveraged partner members depending on their involvement in recent acquisitions.

Outlook

The stable outlook reflects our expectation of sound operating performance of the Mousquetaires Group (including SLM and its partner members) in the competitive French market, and smooth integration of recent acquisitions. For SLM, this will translate into annual S&P Global Ratings-adjusted EBITDA of about €1.0 billion per year, and prudent investment decisions, balancing capex and disposals, to keep S&P Global Ratings-adjusted leverage sustainably below 3.5x, in line with its financial policy commitment.

Downside scenario

We could lower our ratings over the next 24 months if SLM's S&P Global Ratings-adjusted debt to EBITDA exceeds 3.5x and funds from operations (FFO) to debt declines below 20%. This could happen if:

- The group's market position or profitability weaken because of higher-than-expected competitive pressure in France or challenges from the integration of recent acquisitions; or
- SLM adopted a more aggressive financial policy regarding capital investment or acquisitions, or prioritized the partner members' earnings over those of the company, demonstrating its inability or unwillingness to maintain S&P Global Ratings-adjusted leverage below 3.5x sustainably, in line with its current financial policy.

Upside scenario

We could raise the ratings if SLM keeps FFO to debt above 30% and debt to EBITDA below 3.0x, sustainably. An upgrade would be contingent on SLM committing to a more conservative financial policy commensurate with these ratios, while the group's combined credit metrics remained at least stable, such that the improvement in SLM's credit quality is durable and not at the detriment of the partner members.

Our Base-Case Scenario

Assumptions

- France's real GDP to grow about 0.8% in 2026 and 1.1% in 2027-2028; the eurozone's real GDP to grow 0.5% and 1.0%-1.3% respectively; and consumer price index in France of 1.8% in 2026 and 1.6% in 2027.
- Despite the non-discretionary nature of food, geopolitical and economic uncertainty could weigh on consumers' sentiment and grocers' volumes and profitability. In this context, we expect the fragmented French food retail market to remain extremely price competitive.
- SLM's revenue to trend toward €49 billion in 2028, and the group's consolidated revenue (net of VAT) toward €55 billion by 2028, mostly on the full integration of recent acquisitions. We also forecast 1%-2% like-for-like volume growth, owing to Intermarché's relatively attractive value proposition and price point.
- SLM's S&P Global Ratings-adjusted EBITDA of about €1.0 billion in 2026, incorporating some further price investments, then increasing to €1.1 billion per year by 2027-2028, reflecting the SLM's normalized level of retained profitability.
- The group's consolidated S&P Global Ratings-adjusted EBITDA margin staying near 6% over 2025-2027.
- A €60 million working capital outflow per year over 2026-2028.
- SLM's gross capex declining to about 1.4% of sales, as the group slows down organic expansion following the strategic mergers and acquisitions. Gross capex outflows are somewhat offset by asset disposals to partner members and third parties, as the group manages investments and disposals together to keep net debt under control.
- Significant proceeds from disposals of €200 million-€300 million per year from 2026, including to partner members and third-parties, mostly from real-estate assets. SLM consolidates about €2.99 billion of real estate, including €1.56 billion of its own manufacturing, logistics, and office buildings, and €1.43 billion of stores rented to the partner members. It also manages about €2.99 billion of real estate owned by unconsolidated affiliates (Foncière Chabieres,

Fidemo, and Alcapredial). As part of its business model and expansion strategy, SLM builds and develops new stores, which are then rented or sold to the partner members, generating disposal proceeds.

- No material acquisitions for SLM. However, we expect an increase in the partner members' adjusted debt, to fund the acquisition of Colryut and Auchan stores.
- Dividends of €30 million per year.

Key metrics

Les Mousquetaires SAS--Forecast summary

Period ending	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. EUR)	2024a	2025a	2026f	2027f	2028f
Revenue	42,893	43,912	44,851	48,300	49,242
Revenue growth (%)	4.3	2.4	2.1	7.7	2.0
EBITDA	1,024	1,095	993	1,096	1,120
EBITDA margin (%)	2.4	2.5	2.2	2.3	2.3
Funds from operations (FFO)	758	860	795	875	861
Gross capital expenditure (capex)	790	689	628	676	689
Debt	3,456	2,428	2,475	2,375	2,117
Debt/EBITDA (x)	3.4	2.2	2.5	2.2	1.9
FFO/Debt (%)	21.9	35.4	32.1	36.8	40.7
Groupement Credit Metrics §					
Combined EBITDA	2,953	3,189	3,128	3,386	3,457
Combined Debt	8,125	7,708	8,036	8,419	8,229
Combined Debt to EBITDA (x)	2.8	2.4	2.6	2.5	2.4
Independents (stand-alone) Credit Metrics †					
EBITDA	1,929	2,095	2,135	2,291	2,336
Debt (including that of Holdco independents debt)	4,669	5,280	5,561	6,043	6,112
Debt to EBITDA (x)	2.4	2.5	2.6	2.6	2.6

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro.

§ Groupement's credit metrics comprise SLM's plus independents' adjusted to S&P Global Ratings' criteria, incorporating the Holdco debt of the Independents.

† Captures the independents' stand-alone but adjusted credit metrics, pro forma S&P Global Ratings' adjustments.

Company Description

Groupement Les Mousquetaires (the Mousquetaires Group) is a grocery and do-it-yourself (DIY) retail group formed by the supply co-op Société Les Mousquetaires S.A.S. (SLM) and more than 4,000 independent retail stores, which are owned and operated by more than 3,000 members of the co-op (the partner members). ITM Entreprises, the rated entity, is a fully owned financing subsidiary of SLM.

SLM, which does not consolidate the partner members in its accounts, has an instrumental role in the group's strategy and operations, considering it:

- Purchases, produces, and supplies goods to more than 4,000 stores;
- Oversees supply chain logistics and provides IT, advertising, and training support to retailers; and

- Acts as the group's main governance body, ensuring consistency in the merchandizing and pricing strategy for the partner members, which in turn own and control SLM through a collegial organization and decision-making process.

The group operates in the grocery segment under Intermarché and Netto; in the DIY segment under BricoMarché, BricoCash and Bricorama; and in the car services segment under Rody and Rapid Pare-Brise. In 2025, the overall group, including SLM and co-op members, generated €48.8 billion of net revenue. SLM alone generated €43.9 billion of sales, of which 61% came from food operations in France; 25% from other services to the partner members in France; 11% from international operations in Portugal, Poland, and Belgium; and 2% from its DIY and car operations.

SLM is majority owned (59.26%) by 1,804 partner members. The remaining 40.74% is held by Union des Mousquetaires, a not-for-profit organization representing the members who are not yet shareholders, granting them only one vote each in the general assembly.

Liquidity

We view SLM's liquidity as adequate and mainly limited by planned capex. We project liquidity sources will exceed uses by more than 1.2x over the 12 months from Dec. 31, 2025. Our assessment is also supported by SLM's generally prudent risk management and sound relationships with its banks.

Principal liquidity sources	Principal liquidity uses
As of Dec. 31, 2025, we estimate liquidity sources to be: • About €1.8 billion of available cash and marketable securities; • Undrawn committed bank lines of about €1.8 billion, excluding the portion maturing within 12 months; and • Cash FFO of about €790 million.	For the period, we estimate uses of liquidity to be: • Debt maturities and short-term debt instruments of about €2.0 billion, including commercial paper (CP) and the current portion of affiliated entity GIE; • No working capital outflow or additional seasonal working capital swings beyond those already funded by the CP program; • Committed capex of about €350 million; and • Dividends of about €30 million.

Covenant Analysis

Requirements

The group is subject to maintenance covenants, including a corporate net debt to EBITDA ratio of less than 2.75x, a corporate net debt to equity ratio of less than 100%, and a real estate net debt to asset value ratio of less than 50%.

Compliance expectations

We expect the group will fully comply with the financial maintenance covenants included in its bank debt.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of SLM.

The company's direct exposure to environmental risks is slightly more material than that of the broader industry. This is largely due to its more integrated supply chain, translating into a higher proportion of scope 1 and 2 emissions than other large retailers. As part of its corporate strategy, SLM focuses on improving its environmental impact and strengthening its competitive position. The group's environmental ambitions include reducing plastic packaging, food waste, and its carbon footprint. With respect to the latter, SLM's target is to reduce scope 1 and 2 carbon dioxide emissions by 63% by 2035 compared with 2023, and scope 3 emissions by 38%.

For Les Mousquetaires, a supply cooperative acting on behalf of partner members who are shareholders of SLM, governance factors are a significant consideration in the credit profile. We understand the number of partner members remains stable at about 3,000 overall, of which 1,804 are SLM shareholders, representing about 4,000 stores. A key performance indicator in our evaluation of governance effectiveness is the capacity to retain a broadly stable member base.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of December 2025, SLM's capital structure constituted various instruments, including the cash lent by the partner members, CP, bank debt, private placement loans, and the rated €800 million public bonds. Following the repayment of the debt issued by subsidiaries IEM and Immolog in first-half 2025, all debt outstanding is issued by ITM and ranks at the same seniority. We consider the about €1.2 billion of debt lent by the partner members (through the affiliated entity GIE) ranks at the same level as the rest of ITM's instruments. The amount on-lent by GIE largely stems from the member partners' excess cash available.

ITM is the debt-issuing entity, while the consolidating entity is Société les Mousquetaires. There is little difference in the companies' reporting perimeter, especially in terms of financial liabilities.

Analytical conclusions

We rate ITM's unsecured debt 'BBB-', mirroring the long-term issuer credit rating, because no significant elements of subordination risk are present in the capital structure.

Rating Component Scores

Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Satisfactory
Country risk	Low
Industry risk	Intermediate
Competitive position	Satisfactory
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bbb-
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Ratings Detail (as of August 04, 2026)*

Related Entities

[ITM Entreprises](#)

Issuer Credit Rating	BBB-/Stable/--
Senior Unsecured	BBB-

Ratings Detail (as of August 04, 2026)*

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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