Carrefour said on Tuesday it was confident its overhaul plan was on track, although sales growth slowed slightly in the fourth quarter as 10 weeks of anti-government protests hit hypermarket sales in its core French market.

Elsewhere in Europe, Spain and Italy remained tough spots amid competitive pressures and challenging economic conditions but Brazil continued to improve. Europe’s largest retailer is in the midst of a five-year plan it launched exactly one year ago to cut costs and jobs, boost e-commerce investment and seek a partnership in China with Tencent in a bid to boost profits and revenues and help it tackle competition from Amazon.

“2018 was year one of our transformation. It was a milestone year where we developed a new growth model. Everything we have achieved in 2018 shows we are on the right track,” Chief Executive Alexandre Bompard told analysts.

The company confirmed all its targets under the “Carrefour 2022” plan. Among 2018 achievements, Bompard cited generating sales of 1.8 billion euros in organic food, which he said was a first step towards reaching a 5 billion euros (£4.4 billion) target by 2022.

Carrefour, which reports its 2018 full-year results on Feb. 28, also said it expected 2018 recurring operating income of about 1.93 billion euros.

The reported figure for 2017 was about 2 billion euros.

‘YELLOW VESTS’

Fourth-quarter sales came to 22.6 billion euros (25.7 billion), broadly in line with expectations.
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Growth reached 1.9 percent on a like-for-like basis excluding fuel and calendar effects, against 2.1 percent in the previous quarter.

The fourth quarter performance reflected a slightly weaker performance in France, where the “yellow vests” protests resulted in blocked access to some stores, notably hypermarkets which make 51 percent of Carrefour sales in France.

Same-store sales at Carrefour’s hypermarkets fell 2.2 percent in the fourth quarter, following a flat performance in the third quarter. Other store formats such as supermarkets and convenience stores, however, posted sales growth in the quarter.

Last week, smaller rival Casino, whose hypermarket sales make 24 percent of French revenue, said the protests cost it about 50 million euros in lost revenue. Carrefour also faces pressure in France from discounting at rivals such as unlisted Leclerc.

In Brazil, Carrefour’s second-largest market after France, sales growth of 6.2 percent was boosted by a pickup in inflation for food products and a good performance for the Atacadão cash-and-carry stores.

Carrefour’s five-year plan has been well received by investors and in July analysts cheered the cost savings of 520 million euros achieved in the first half as a sign that execution of the plan was on track.