



ICA
GRUPPEN

ICA Gruppen Equity story

A stable foundation for continued profitable growth

#1

Leading positions and strong brands

ICA Gruppen has leading market positions in grocery retail and pharmacy supported by very strong brands.

#2

Unique business model in Sweden

Grocery retail business in Sweden combines market leading scale with local knowledge and entrepreneurship through independent retailers.

#3

Strong financial position and stable returns

A stable business and a strong financial position provides attractive returns for shareholders.

#4

Capacity to invest to capture new opportunities

Strong operational cashflows and scale enables investments in innovation, digitalisation and infrastructure.

#5

Extensive digital agenda

Ambitious agenda to reduce cost and capture additional synergies through digitalisation.

Leading positions and strong brands

- A leading retail company **focused on food and health**
- A **synergistic group** structure where **each part contributes** to the whole
- Core business in grocery retail – **leading positions both online and offline** in Sweden under the ICA brand and strong position in the Baltics under the Rimi brand
- Supporting businesses, profitable in their own right and providing synergies to the core
- 2019 **total sales**: SEK 119bn of which **ICA Sweden**: SEK 85bn
- 2019 **Operating profit**: SEK 5.4 bn
- Share **listed on Nasdaq Stockholm** (Large Cap)

Our vision:

We make everyday a little easier

ICA

Grocery retail market leader in Sweden

1,277 Stores **36%** Market share

85,187 Net sales **3,712** EBIT

rimi

Grocery retail with leading positions in Estonia, Latvia & Lithuania

277 Stores **15%** Market share

16,168 Net sales **744** EBIT

APOTEK 

2 pharmacy chain in Sweden

390 Stores **31%** Market share

14,778 Net sales **464** EBIT

Ambitious sustainability targets

- Climate-neutral operations by 2020
- Cut food waste in half by 2025
- Best at helping consumers make healthy choices by 2020
- Socially audited and quality certified corporate brand suppliers

Long-term financial targets

Growth faster than the market

EBIT margin: **4.5%** Dividend payout ratio: **>50%**

ROCE: **7.5%** Net debt/EBITDA: **<3**

ICA Fastigheter

ICA Real Estate - supports ICA Sweden's store network

Real estate portfolio – book value SEK 15.4 bn, estimated market value SEK 21.3 bn.

2,731 Net sales **504** EBIT

ICA banken

ICA Bank - full-service bank and insurance offering

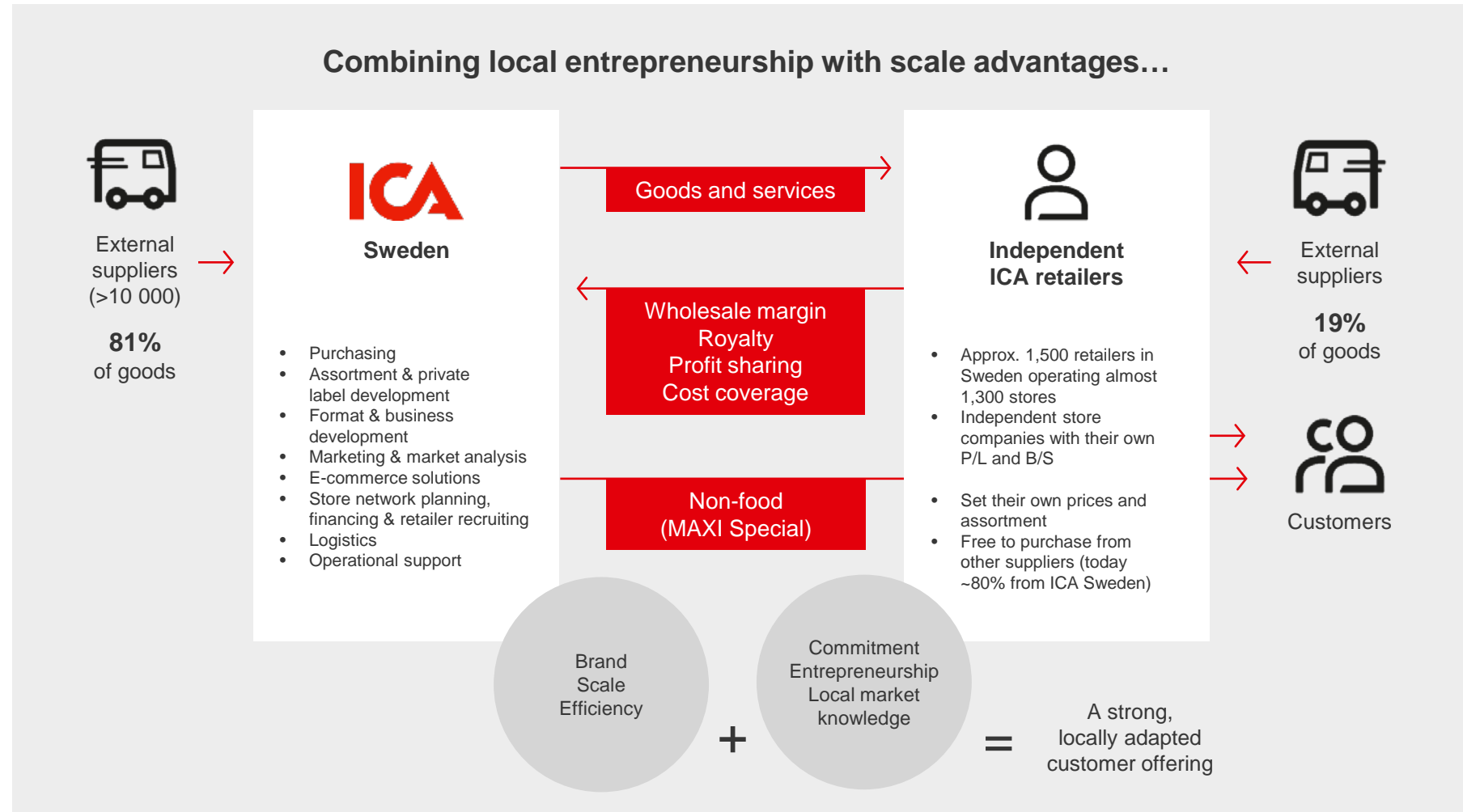
>800 000 Bank customers **>170 000** Insurance customers

1,570 Net sales **244** EBIT

SEK million. All figures as of end 2019. Real estate BV & MV as per Q3 2019

Unique business model in Sweden

- A unique business model where independent retailers own their stores and decide on assortment and pricing. Founded in 1917 and a major success factor for ICA over the past century. Still unique and relevant
- ICA Sweden – wholesale sales to the retailers while also offering supporting services, such as e-commerce fulfilment, central marketing and payment solutions
- ICA Sweden also responsible for store network planning, initial financing & retailer recruiting
- Four different store formats
 - ICA Maxi
 - ICA Kvantum
 - ICA Supermarket
 - ICA Nära



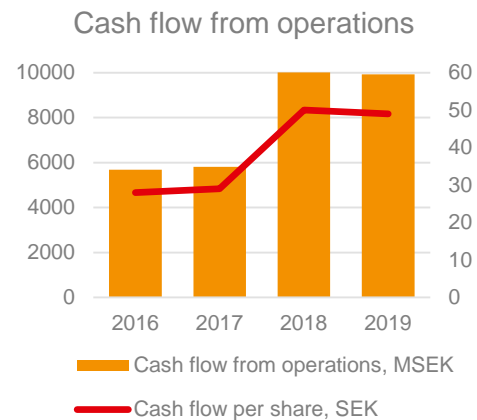
Strong financial position and stable returns with the capacity to invest to capture new opportunities

Leading positions and strong brands...

- ICA – a market leader in grocery retail in Sweden and one of Sweden’s best-known brands
- Rimi Baltic – strong retailer positions in Estonia, Latvia and Lithuania. #1 in Latvia
- Apotek Hjärtat – the second largest company in the Swedish pharmacy market
- ICA Real Estate has a large and actively managed property portfolio within the retail segment – AUM ~SEK 20 bn
- ICA Bank – >800,000 customers and a vital part of the ICA system

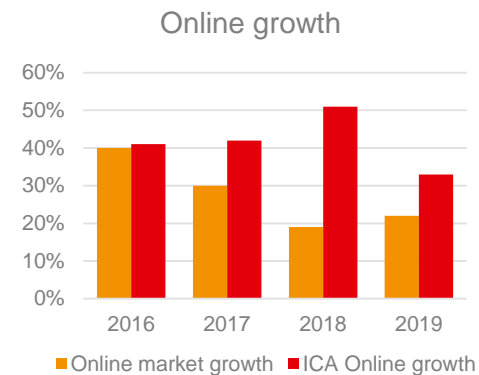
...generating a solid cash flow and a stable financial performance...

- Supports core business development
- Funds growth projects
- Enables stable return for the shareholders.



...that allows us to capture opportunities – both online and offline

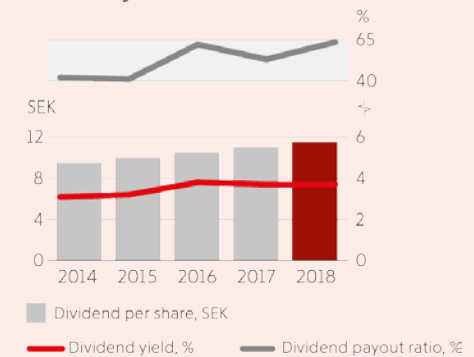
- Digitalisation of retail requires large upfront investments in infrastructure, systems and competences – scale matters
- Growth in online sales outperforming average online market growth



Attractive historical return

Since formed in 2013, ICA Gruppen has gradually increased its ordinary dividend while also managing to maintain a high level of investment. The Group’s financial targets include providing a dividend of at least 50% of profit for the year. The target reflects ICA Gruppen’s stable earnings and is to be at a competitive level for the sector.

Dividend per share and dividend yield



Extensive digital agenda – focus on four areas



E-commerce & omni channel

- ICA: Increased capex spend on e-commerce infrastructure with back-end systems and e-commerce warehouse. Ocado-powered CFC to open in 2022.
- Rimi Baltic: Launch of online shopping in 2019/2020
- Apotek Hjärtat: A broader offering and faster deliveries
- Aim to significantly improve last mile offer in major cities



Digital ecosystem

- ICAX has launched two services and has a strong pipeline in five areas: shopping journey, health, sustainability, simplifying life, and household economy



Personalized & digital marketing

- Scaling up personalisation across channels through new loyalty program (Customer Loyalty 2020)
- Large volume of customer data



Process automation

- Reduces labour costs and increases quality and speed
- Machine learning to optimise performance of pricing, assortment planning, etc

ICA online 2019



Total sales online:
SEK 2.3 bn

Online share of total sales
1.9%

Online share active stores:
2.9%

Growth in sales online 2019
+33%

Apotek Hjärtat online 2019



Online total market share of sales: **>10%**

Online market growth **+36%**

Apotek Hjärtat online growth **+40%**

Key digital initiatives

- AI & Data centre of excellence
- Ocado deal signed
- First ICA dark store
- Apotek Hjärtat launches Click&collect, Click&express
- Investment in and partnership with Min Doktor
- Launch of My climate goal, ICA Voice and ICA Spara

Q4 Report 2019

Good conclusion to a strong year

Financial

Net sales:
+2.6%

EBIT:
+7.3%

EBIT margin:
4.1%

Events

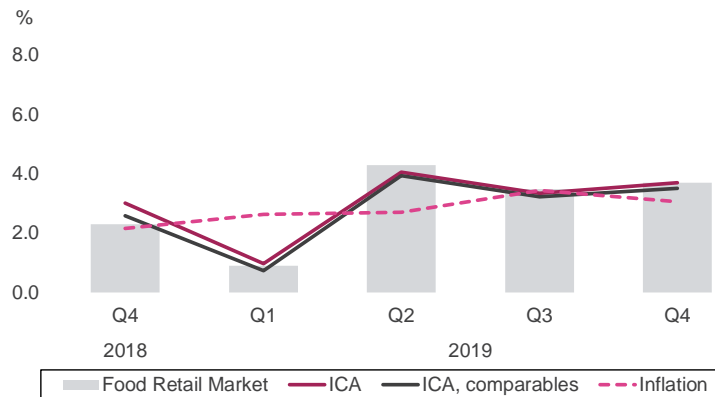
Ramp-up of Apotek Hjärtat warehouse in Norrköping back on track, improved efficiency
Rimi Baltic e-commerce launch

Launch of new loyalty program in Sweden
Lena Boberg CEO of ICA Real Estate leaves by the summer
Board proposes dividend of 12.00 SEK/share at AGM

Store sales and retail market in Q4

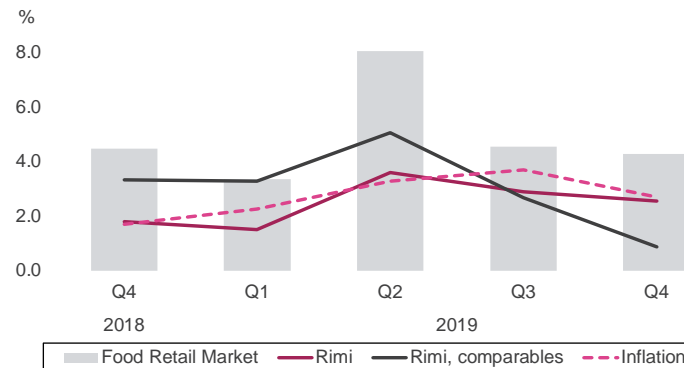
Sweden – Store sales growth in line with market

- ICA store sales in Sweden, growth of +3.4%, in comparable stores +3.7%.
- Price and calendar effect of +3.1% (price +3.1%, calendar 0%)
- Market growth* +3.7%
- ICA Online sales growth +25% (food online +40% and menu baskets -3%). Market growth* online +17%
- Establishments Q4: 5 new stores



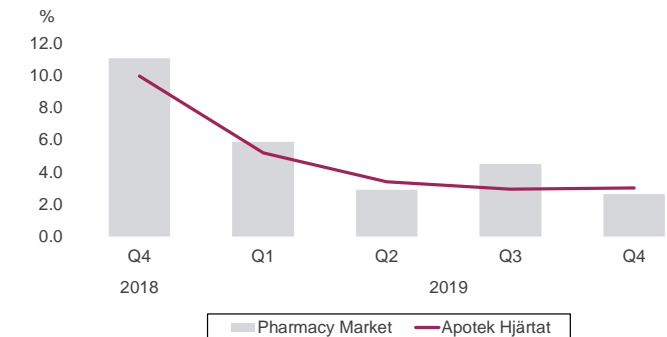
Rimi Baltic – Sales impacted by store conversions in Latvia

- Rimi store sales +2.6%, comparable sales +0.9%
 - Estonia comparable +0.7%
 - Latvia comparable +0.1%
 - Lithuania comparable +2.8%
- Market growth +4.3%
- Inflation +2.7%
- Establishments Q4: 7 new stores



Apotek Hjärtat – Sales above market growth – driven by prescription sales

- Apotek Hjärtat sales growth +3.0%
 - Prescription +3.3%
 - OTC +0.3%
 - Traded goods +3.2% (excl. Minutkliniken +3.7%)
- Market growth of %+2.7%
 - Prescription +1.7%
 - OTC +2.2%
 - Traded goods +7.1%
- Online growth, Apotek Hjärtat +37%, market+32%
- Establishment Q4: 2 new pharmacies



MSEK Net sales

Q4 2019	Q3 2018	Change %
30,850	30,069	+2.6%

EBIT

Q4 2019	Q3 2018	Change %
1,267	1,180	+7.3%

EBIT margin

Q4 2019	Q3 2018	Change %
4.1%	3.9%	+0.2pp

*Source DVI = Food retail index/Dagligvaruindex