

ICA Gruppen - A strong platform for profitable growth



We are a leading Swedish and Baltic grocery retailer and Swedish pharmacy operator: approx. 1,930 stores

ICA #1 grocery retail business in Sweden
ICA Sweden – market share:

36%



#2 Rimi Baltic has leading positions in grocery retailing in Estonia, Latvia and Lithuania – market share:

16%



Apotek Hjärtat
pharmacy chain in Sweden has a market share of 31%



ICA Real Estate supports ICA Sweden's store network by securing and developing store locations. Actively managed **real estate portfolio** – **book value** SEK 14.5 bn, estimated market value SEK 19.8 bn



ICA Bank & ICA Insurance full service bank with >800 000 customers and ICA insurance with >140,000 customers



ICA Non Food an attractive non-food offering through ICA Non Food



Profitability – high and stable margins with potential to increase Pharmacy margins



2018 total sales: SEK 115bn of which ICA Sweden: SEK 82bn



Strong sustainability focus climate-neutral by 2020

Core business in ICA Sweden has a unique and proven business model

Established in 1917 and market leader for 50 years, with very strong brand position and high customer loyalty

1,300 stores, 95% owned and operated by independent ICA retailers

ICA Sweden provides stores with centralized support services, as well as wholesale sourcing and distribution

Local store entrepreneurship is a key sales driver and competitive differentiator

Business model is funded through wholesale margin, royalties and store profit sharing and cost coverage for logistics and common functions

Drivers: Growing faster than the market; expanding retail operation in Sweden & Baltic countries and push omni-channel across all operations

ICA Sweden focusing on expanding footprint in metropolitan areas, meal solutions and digitalization, market leader offline & online. Strengthen store network in Rimi Baltic

Increase private label share of total sales. Target to grow 1 pp per year in Sweden from today's ~25%

Pharmacy market: expand traded goods share of sales, online growth

Digital transformation

EBIT equals EBIT before items affecting comparability

Supportive market fundamentals:

Rising diversity in consumption trends & increasing population

Stable retail market growth in Sweden with c. 3.0% annual growth and supporting macro environment

Consumer trends support purchase of more expensive products – organic, locally produced, healthy food

Growth potential in Online sales – Sweden: today ~3% (2018) to potentially 7-8%; Baltics and Pharmacy similar potential

● 2018 Sales, MSEK

ICA Sweden

The leading grocery retailer in Sweden

82,411 3,332

● 2018 EBIT, MSEK

Rimi Baltic

Grocery retail operations in Estonia, Latvia and Lithuania

15,255 631

Apotek Hjärtat

Sweden's second largest pharmacy chain

14,110 533

ICA Bank

The bank with a strong mobile offering

1,353 170

ICA Real Estate

One of the largest commercial retail real estate companies in the Nordic region.

2,591 417

Long term targets

– stable cash flow delivers attractive yields

Growth: faster than the markets

EBIT margin:

4.5% (4.0% 2018)

ROCE

10% (10.2% 2017)

Net debt/EBITDA

<2x (0.8x 2018)

Dividend:

≥50% (63% 2018*)

*to be proposed by the board on AGM April 11, 2019

We aim to be a leader in corporate responsibility

ICA Gruppen's operations will be **climate-neutral by 2020**

100% of ICA Gruppen's corporate brand suppliers in high-risk countries will be socially audited

80% of ICA Gruppen's corporate brand suppliers will be quality certified

Strategic themes and priorities

CREATE GROWTH



Closer to our customers

We are where our customers are, locally, digitally and personally, with strong and affordable customer offerings



Trusted & relevant

We earn our customers' loyalty with a great brand, a broad ecosystem and personalised, data driven communication



Empowered organisation

We are committed and inclusive. Together we build a fast moving and constantly learning company

ENABLE GROWTH



A positive force



Always better

We improve continuously and leverage technology to make it easier for our customers, improve efficiency and value for money

We lead the development towards a more sustainable and healthy society – for a good tomorrow

Q1 report 2019



Good start to 2019 – improved profitability

EBIT equals "EBIT excluding items affecting comparability" on all slides in this presentation.
As of January 1, 2019, ICA Gruppen reports in accordance with IFRS 16. 2018 numbers have been recalculated.

Financial

Net sales
+3.4%

EBIT margin 4.0%

EBIT +0.3%

Events

Organizational changes in ICA Sweden

Announcement of e-commerce warehouse establishment in Gothenburg end of 2020

Market

Competitive pressure in all markets

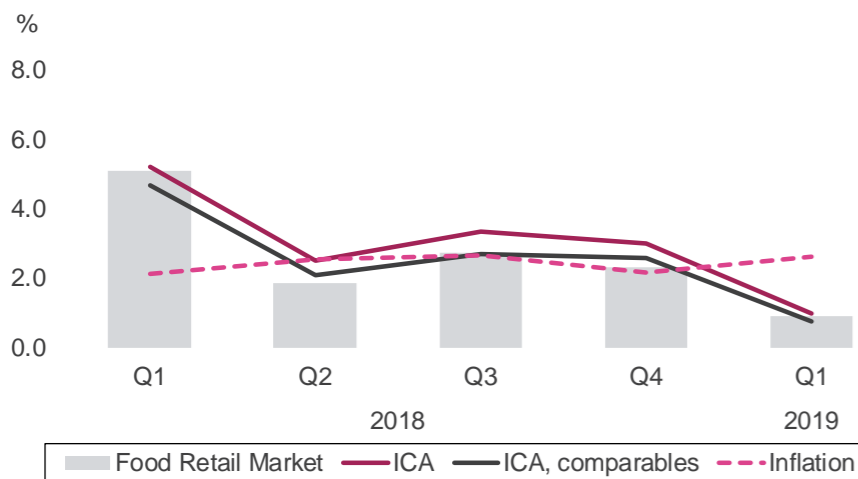
Higher inflation in Sweden

Salary inflation in logistics in the Baltics

Store sales and retail market in Q1

Sweden – Store sales growth in line with market growth

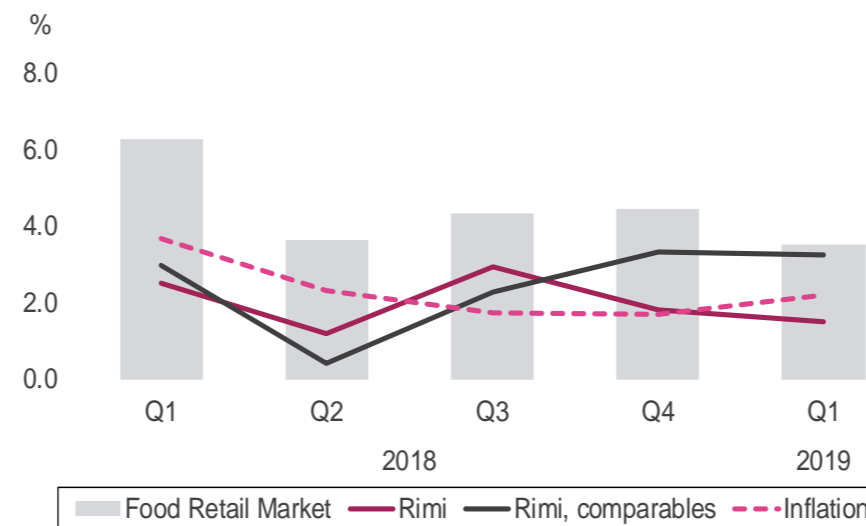
- ICA store sales growth of +1.0%, comparable stores +0.7%
- Increased number of customers and higher average buy
- Price and calendar effect +0.8% (price effect +2.6%, calendar effect -1.8%).
- Market growth according to DVI* +0.9%
- ICA Online sales growth +34%, (food online +41%, menu baskets +3%). Market** growth +19%
- Establishments Q1: 1 new store



* DVI= Food Retail Index includes grocery sales and online except Lidl and Netto **DVI sales online

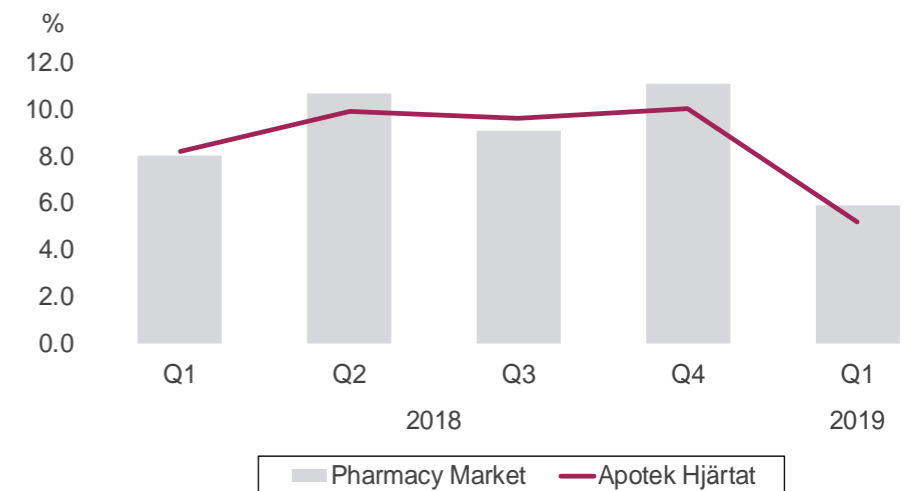
Rimi Baltic – price driven sales growth, continued store conversions negative impact on market share

- Rimi store sales +1.5%, comparable sales +3%
 - Estonia comparable +0.5%
 - Latvia comparable +5.1%
 - Lithuania comparable +2.5%
- Food inflation +2.2%: Estonia +2.3%, Latvia +3.0%, Lithuania comparable +1.7%
- Market growth +3.5%: Estonia +4.6%, Latvia +4.3%, Lithuania +2.4%
- Establishments Q1: 1 new store



Apotek Hjärtat – Sales development in line with market growth

- Apotek Hjärtat sales growth +5.2%, adjusted growth (constant prices prescription drugs) +3.1%
 - Prescription +5.1%
 - OTC 2.2%
 - Traded goods +8.0%
- Market growth of +5.9%. Adjusted 3.0%
 - Prescription +5.5%
 - OTC +2.4%
 - Traded goods +9.8%
- Strong online growth, Apotek Hjärtat +56%, market+34%
- Establishment Q1: no new pharmacies



MSEK	Net sales			EBIT			EBIT Margin		
	Q1 2019	Q1 2018	Change %	Q1 2019	Q1 2018	Change %	Q1 2019	Q1 2018	Change %
	28,098	27,181	+3.4%	1,125	1,005	+11.9%	4.0%	3.7%	+0.3pp