

## Second quarter 2018

### Strong sales – investments weighing down margin in near term

#### Second quarter 2018

- Consolidated net sales amounted to SEK 29,258 million (27,940), an increase of 4.7%
- Operating profit excluding items affecting comparability was SEK 1,041 million (1,094)
- Operating profit excluding items affecting comparability includes costs of SEK 17 million (16) for the previously planned integration of IKI in Lithuania
- Profit for the period was SEK 935 million (1,021). Profit includes capital gains on sales of non-current assets and impairment losses of SEK -90 million net (165)
- Earnings per share were SEK 4.62 (5.06)
- Positive tax effect of SEK 202 million from remeasurement of deferred tax liabilities and deferred tax assets due to the forthcoming reduction of the Swedish corporate tax rate
- Cash flow from operating activities amounted to SEK 2,755 million (2,001). Excluding ICA Bank, cash flow was SEK 2,188 million (1,836)
- Agreement signed with the British company Ocado on new e-commerce solution in Sweden

#### January-June 2018

- Consolidated net sales amounted to SEK 56,439 million (53,643), an increase of 5.2%
- Operating profit excluding items affecting comparability was SEK 2,013 million (2,090)
- Operating profit excluding items affecting comparability includes costs of SEK 26 million (28) for the previously planned integration of IKI in Lithuania
- Profit for the period was SEK 1,635 million (2,153). Profit includes capital gains on sales of non-current assets and impairment losses of SEK -90 million net (564)
- Earnings per share were SEK 8.08 (10.67)
- Cash flow from operating activities amounted to SEK 3,487 million (1,950). Excluding ICA Bank, cash flow was SEK 3,204 million (2,328)

#### Events after the end of the quarter

- No significant events have taken place after the end of the quarter

|                                                                           | Second quarter |        | Jan-Jun |        | 12 months           | Full year |
|---------------------------------------------------------------------------|----------------|--------|---------|--------|---------------------|-----------|
| SEKm                                                                      | 2018           | 2017   | 2018    | 2017   | Jul 2017 - Jun 2018 | 2017      |
| <b>Group</b>                                                              |                |        |         |        |                     |           |
| Net sales <sup>1)</sup>                                                   | 29,258         | 27,940 | 56,439  | 53,643 | 112,204             | 109,408   |
| Operating profit before depreciation/amortisation (EBITDA)                | 1,430          | 1,646  | 2,794   | 3,421  | 6,129               | 6,756     |
| Operating profit (EBIT) excluding items affecting comparability           | 1,041          | 1,094  | 2,013   | 2,090  | 4,565               | 4,642     |
| Operating profit (EBIT)                                                   | 951            | 1,259  | 1,923   | 2,654  | 4,489               | 5,220     |
| Profit before tax                                                         | 869            | 1,172  | 1,757   | 2,485  | 4,125               | 4,853     |
| Profit for the period                                                     | 935            | 1,021  | 1,635   | 2,153  | 3,627               | 4,145     |
| Cash flow from operating activities                                       | 2,755          | 2,001  | 3,487   | 1,950  | 6,138               | 4,601     |
| Cash flow from operating activities excluding ICA Bank                    | 2,188          | 1,836  | 3,204   | 2,328  | 6,692               | 5,816     |
| Operating margin excluding items affecting comparability, % <sup>1)</sup> | 3.6            | 3.9    | 3.6     | 3.9    | 4.1                 | 4.2       |
| Operating margin, % <sup>1)</sup>                                         | 3.3            | 4.5    | 3.4     | 4.9    | 4.0                 | 4.8       |
| Return on capital employed, %                                             | —              | —      | 10.4    | 11.9   | 10.4                | 12.3      |
| Return on equity, %                                                       | —              | —      | 11.3    | 13.6   | 11.3                | 13.4      |
| Earnings per share, SEK                                                   | 4.62           | 5.06   | 8.08    | 10.67  | 17.94               | 20.53     |

1) Earlier periods have been recalculated, see Note 1.

# CEO's comments

*The trends from the first quarter of the year continued into the second quarter - good sales growth, good momentum in e-commerce, strong cash flow and favourable earnings performance for several of the Group's operations. At the same time, ICA Sweden showed weak earnings, where the favourable sales performance was not reflected in operating profit. Targeted measures are on-going to restore profitability.*

ICA's store sales in Sweden have had strong performance thus far this year. Definitive market data show that we gained market shares during the first quarter, and we believe that this favourable performance continued into the second quarter. We have had a period of unusually warm weather in Sweden, which has benefited sales, and we have had a higher number of customer visits and a higher average spend. The price factor during the quarter was high, 2.6%, but given the quarter's negative calendar effect we can nevertheless say that underlying volume growth was strong.

## ICA Sweden's earnings unsatisfactory - measures in place

Despite this, ICA Sweden's earnings are at a level that we are not satisfied with. High volume variations and transport costs have pushed up logistics costs. We had a negative currency effect - especially at the start of the quarter - and in our added services we saw a poorer result, which is mainly due to the start-up of our e-commerce warehouse in Stockholm. On top of this, the high level of activity - with many different ongoing development projects - has led to a higher overall cost level for ICA Sweden compared with a year ago. What is positive to note for the quarter - in addition to the strong sales - is that our new stores are doing well, our private label share is rising at a good rate, we had slightly higher income from profit sharing, and we saw a slightly better earnings in our non-food business.

Corrective measures to restore profitability include improved cost efficiency in logistics and reducing administrative costs to create scope for continued investments. If no further weakening of the Swedish krona occurs, the currency effect from the first half of the year, has been remedied. Volume growth in the e-commerce warehouse will gradually result in full cost coverage through the fees paid by participating stores. The realignment of other added services is expected to contribute to improved earnings during the second half of the year, and we believe that profit sharing will continue to show a positive trend.

## Favourable performance for the Group's other operations

For other segments, performance during the second quarter ranged from stable to very strong. ICA Real Estate had stable earnings but slightly higher costs. Hemtex had a slightly tougher quarter and was hurt by the warm weather. Rimi Baltic continues to show very good development, even though sales growth is still a bit too weak, but it is moving in the right direction. I am particularly happy to note ICA Bank's and Apotek Hjärtat's very strong profitability. Parallel with this we can also see that growth for all of our e-commerce businesses continues to outpace the market. We have also taken a decisive step in further developing our e-commerce through the agreement with Ocado that was announced in May.

## ICAx - first deliveries

Yesterday we presented an important delivery from ICAx when we, together with Google, launched our digital "Monica" in Google Assistant. This new service will give ICA's customers help with shopping lists and recipes, and over time it will be expanded with new functions. Later this autumn we will also launched our digital service ICA Spara ("ICA Save") - an app that will make daily life easier for our customers while at the same time strengthening our digital ecosystem by tying together various parts of our business.

## Focus on sustainability

In our quarterly sustainability report that was also published today you can read about our work on reducing the use of plastics and about ICA Gruppen's entrepreneur award. In general the report describes the focus of our sustainability work during the quarter and our performance in delivering on our sustainability targets.

As widely reported, the extremely warm summer has created major problems for Sweden's farmers. Among other things, it has led to greater slaughtering and a short-term higher supply of meat. For many years ICA has made a concerted effort to secure the conditions for Swedish production, and today roughly 90% of the meat sold by ICA Sweden is sourced in Sweden. We are now working actively on replacing products with Swedish alternatives as far as possible and are engaged in a close dialogue with the Federation of Swedish Farmers (LRF) on the situation.

## Long-term plan remains firm

All in all we are not satisfied with earnings for the second quarter, but we see good opportunities to return to a satisfactory profitability level for ICA Sweden and thereby reach the Group's profitability target. Parallel with this we will continue to carry out our investments, which of course are ultimately aimed at creating future profitable growth and ensuring that we uphold our leading position in a new, even more, digital world.



# Group performance

## Net sales and earnings

### Second quarter 2018

Consolidated net sales increased by 4.7% compared with the second quarter of 2017. The increase in local currency was 3.8%. Calendar effects, mainly related to the Easter holiday, affected sales by -1.2%, and an increase in prescriptions for high-price drugs contributed 0.7%. Underlying sales growth of 4.3% was both price- and volume-driven, with good volume growth especially for ICA Sweden, but also for Apotek Hjärtat and ICA Bank. Operating profit excluding items affecting comparability was SEK 1,041 million (1,094). Despite the increase in sales, operating profit and the operating margin were lower than a year ago, mainly owing to a lower gross margin for ICA Sweden and a slightly higher cost level. Joint-Group costs were higher as a result of the start-up of the Group's innovation hub ICAx and also partly owing to the Group's work on adapting operations to the GDPR. Operating profit also includes SEK 17 million (16) in costs associated with the previously planned integration of IKI in Lithuania, of which SEK 15 million (14) were in Rimi Baltic. The operating margin excluding items affecting comparability was 3.6% (3.9%). Profit for the period was SEK 935 million (1,021). The outcome for the same period a year ago included capital gains from divestments and impairment losses totalling SEK 165 million combined, while the corresponding figure for the second quarter this year was SEK -90 million. This also affected earnings per share, which fell to SEK 4.62 (5.06), despite a lower tax cost.

### January-June 2018

Consolidated net sales increased by 5.2% during the first half of the year compared with the same period in 2017. The increase in local currency was 4.4%, and an increase in prescriptions for high-price drugs contributed 0.4%. Underlying sales growth of 4.0% was both volume- and price-driven. Operating profit excluding items affecting comparability was slightly lower than in 2017 and amounted to SEK 2,013 million (2,090). Operating profit includes SEK 26 million (28) in costs associated with the previously planned integration of IKI in Lithuania, of which SEK 23 million (23) were in Rimi Baltic. The operating margin excluding items affecting comparability was 3.6% (3.9%). Profit for the period was SEK 1,635 million (2,135). The outcome for the same period a year ago included capital gains from divestments and impairment losses totalling SEK 564 million combined, while the corresponding figure for the first half this year was SEK -90 million. This also affected earnings per share, which fell to SEK 8.08 (10.67), despite a lower tax cost.

#### Net sales per segment

| SEKm                          | Second quarter |               | Jan-Jun       |               | 12 months           | Full year      |
|-------------------------------|----------------|---------------|---------------|---------------|---------------------|----------------|
|                               | 2018           | 2017          | 2018          | 2017          | Jul 2017 - Jun 2018 | 2017           |
| ICA Sweden <sup>1)</sup>      | 20,975         | 20,366        | 40,333        | 38,859        | 80,827              | 79,353         |
| Rimi Baltic                   | 3,814          | 3,530         | 7,362         | 6,828         | 14,542              | 14,008         |
| Apotek Hjärtat                | 3,625          | 3,298         | 7,055         | 6,471         | 13,460              | 12,876         |
| ICA Real Estate               | 643            | 627           | 1,285         | 1,223         | 2,530               | 2,468          |
| ICA Bank                      | 332            | 235           | 654           | 461           | 1,158               | 965            |
| Hemtex                        | 217            | 232           | 440           | 460           | 1,058               | 1,078          |
| Other                         | 251            | 237           | 498           | 459           | 948                 | 909            |
| Intra-Group sales             | -599           | -585          | -1,188        | -1,118        | -2,319              | -2,249         |
| <b>Net sales<sup>1)</sup></b> | <b>29,258</b>  | <b>27,940</b> | <b>56,439</b> | <b>53,643</b> | <b>112,204</b>      | <b>109,408</b> |

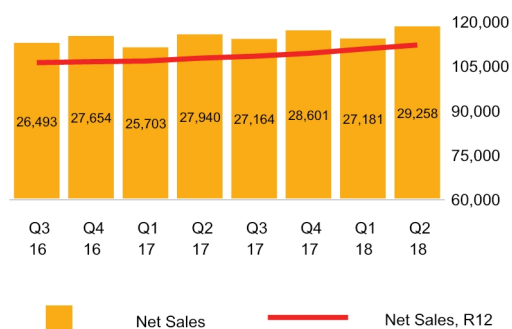
1) Earlier periods have been recalculated, see Note 1.

#### Operating profit excluding items affecting comparability per segment

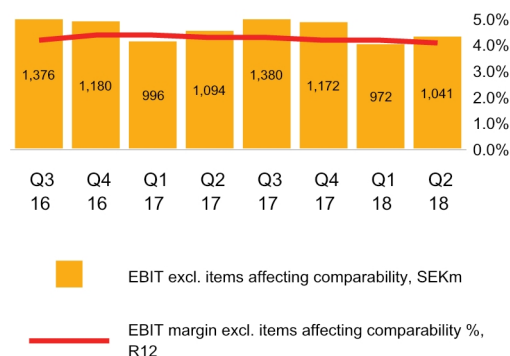
| SEKm                                                            | Second quarter |              | Jan-Jun      |              | 12 months           | Full year    |
|-----------------------------------------------------------------|----------------|--------------|--------------|--------------|---------------------|--------------|
|                                                                 | 2018           | 2017         | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| ICA Sweden                                                      | 784            | 870          | 1,542        | 1,659        | 3,390               | 3,507        |
| Rimi Baltic <sup>1)</sup>                                       | 156            | 128          | 274          | 222          | 609                 | 557          |
| Apotek Hjärtat                                                  | 156            | 135          | 250          | 225          | 486                 | 461          |
| ICA Real Estate                                                 | 90             | 99           | 180          | 208          | 401                 | 429          |
| ICA Bank                                                        | 26             | 8            | 52           | 14           | 109                 | 71           |
| Hemtex                                                          | -25            | -18          | -45          | -32          | 18                  | 31           |
| Other <sup>1)</sup>                                             | -146           | -128         | -240         | -206         | -448                | -414         |
| <b>Operating profit excluding items affecting comparability</b> | <b>1,041</b>   | <b>1,094</b> | <b>2,013</b> | <b>2,090</b> | <b>4,565</b>        | <b>4,642</b> |

1) The second quarter of 2018 includes SEK -17 million in costs associated with the previously planned integration of IKI, of which SEK -15 million were in Rimi Baltic and SEK -2 million in Other. Accumulated in 2018 these amount to SEK -26 million, of which SEK -23 million were in Rimi Baltic and SEK -3 million in Other.

Net Sales, SEKm



EBIT and EBIT margin



### Net financial items and tax

Net financial items amounted to SEK -83 million during the quarter (-87) and SEK -166 million for the entire period (-169). Interest expenses were slightly lower, owing to a lower level of net debt than a year ago.

The tax expense for the quarter was SEK +66 million (-151). The positive tax expense is due to the remeasurement of deferred tax assets and deferred tax liabilities as a result of the forthcoming reduction in the Swedish corporate tax rate, starting in 2019. The one-time effect of this during the second quarter was SEK 202 million. Adjusted for this item, the tax expense was SEK -136 million, corresponding to a tax rate of 15.7% (12.9%). For the entire period the adjusted tax expense was SEK -324 million (-332), corresponding to a tax rate of 18.4% (13.4%). The lower tax rate for both the second quarter and first half a year ago is explained by tax-exempt capital gains on sales of properties. Paid tax totalled SEK -218 million (-214) for the quarter and SEK -445 million (-482) for the period January-June.

### Cash flow

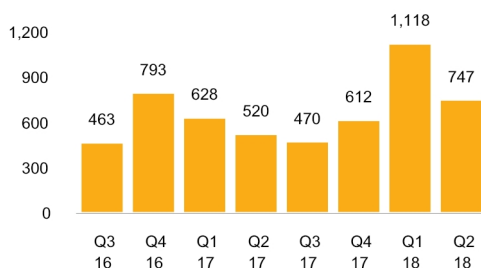
Cash flow from operating activities (excluding ICA Bank) increased by SEK 352 million during the quarter. The improvement is attributable a favourable change in working capital, driven by the Supply Chain Financing (SCF) programme, higher revenue and by calendar effects (Easter holiday). The improvement in operating cash flow for the entire period was SEK 876 million, where the SCF programme contributed approximately SEK 500 million.

The change in cash flow from investing activities during the quarter is mainly attributable to a higher level of investment and lower level of divestments than the same period in 2017, when real estate was sold by Secore Fastigheter with a cash flow effect of SEK 974 million. The same explanation applies for the entire period with the addition of the divestment of ICA's real estate in Norway, entailing that altogether, property sales during the first half of 2017 affected cash flow by approximately SEK 2.9 billion.

Consolidated cash flow statement, excluding ICA Bank

| SEKm                                                              | Second quarter |              | Jan-Jun      |              | 12 months           | Full year    |
|-------------------------------------------------------------------|----------------|--------------|--------------|--------------|---------------------|--------------|
|                                                                   | 2018           | 2017         | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| <b>Cash flow</b>                                                  |                |              |              |              |                     |              |
| <b>From operating activities before change in working capital</b> | <b>1,237</b>   | <b>1,357</b> | <b>2,313</b> | <b>2,451</b> | <b>5,137</b>        | <b>5,275</b> |
| Change in working capital                                         | 951            | 479          | 891          | -123         | 1,555               | 541          |
| <b>From operating activities</b>                                  | <b>2,188</b>   | <b>1,836</b> | <b>3,204</b> | <b>2,328</b> | <b>6,692</b>        | <b>5,816</b> |
| Investing activities, net                                         | -742           | 324          | -1,880       | 1,649        | -2,882              | 647          |
| <b>Before financing activities</b>                                | <b>1,444</b>   | <b>2,160</b> | <b>1,323</b> | <b>3,977</b> | <b>3,809</b>        | <b>6,463</b> |

Capex (cash flow), SEKm



## Investments

The Group's investments amounted to SEK 747 million (520) during the quarter. Of this total, SEK 201 million (193) is attributable to ICA Real Estate. During the second quarter ICA Real Estate sold properties for SEK 0 million (974), and for the entire period property sales totalled SEK 2 million (2,888). Investments during the same period increased to SEK 717 million, of which SEK 322 million is attributable to ICA Real Estate.

Major capex projects include investments in the Group's e-commerce (dark stores and e-commerce platform), property purchases, investments in future store locations, IT investments and new stores.

### Investments by segment

| SEKm               | Second quarter |            | Jan-Jun      |              | 12 months           | Full year    |
|--------------------|----------------|------------|--------------|--------------|---------------------|--------------|
|                    | 2018           | 2017       | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| ICA Sweden         | 347            | 185        | 568          | 294          | 934                 | 660          |
| Rimi Baltic        | 69             | 90         | 179          | 177          | 360                 | 358          |
| Apotek Hjärtat     | 59             | 27         | 108          | 55           | 181                 | 128          |
| ICA Real Estate    | 201            | 193        | 885          | 563          | 1,259               | 937          |
| ICA Bank           | 3              | 6          | 5            | 9            | 11                  | 15           |
| Hemtex             | 8              | 7          | 13           | 10           | 22                  | 19           |
| Other              | 60             | 12         | 107          | 40           | 180                 | 113          |
| <b>Investments</b> | <b>747</b>     | <b>520</b> | <b>1,865</b> | <b>1,148</b> | <b>2,947</b>        | <b>2,230</b> |

### Depreciation/amortisation by segment

| SEKm                             | Second quarter |            | Jan-Jun    |            | 12 months           | Full year    |
|----------------------------------|----------------|------------|------------|------------|---------------------|--------------|
|                                  | 2018           | 2017       | 2018       | 2017       | Jul 2017 - Jun 2018 | 2017         |
| ICA Sweden                       | 113            | 113        | 224        | 215        | 443                 | 434          |
| Rimi Baltic                      | 84             | 81         | 168        | 160        | 329                 | 321          |
| Apotek Hjärtat                   | 38             | 36         | 77         | 73         | 147                 | 143          |
| ICA Real Estate                  | 129            | 120        | 253        | 240        | 496                 | 483          |
| ICA Bank                         | 6              | 8          | 13         | 17         | 29                  | 33           |
| Hemtex                           | 5              | 5          | 11         | 11         | 23                  | 23           |
| Other                            | 22             | 22         | 42         | 44         | 84                  | 86           |
| <b>Depreciation/amortisation</b> | <b>397</b>     | <b>385</b> | <b>788</b> | <b>760</b> | <b>1,551</b>        | <b>1,523</b> |

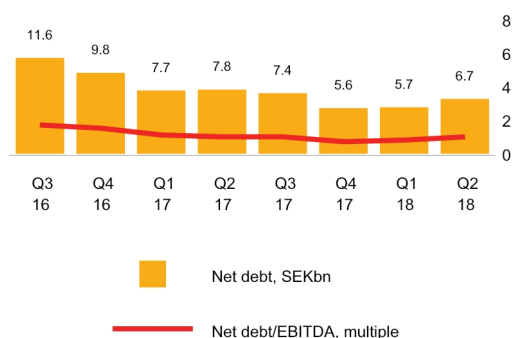
## Financial position

The Group's net debt (excluding ICA Bank and pension liabilities) amounted to SEK 6.7 billion (7.8) at the end of the quarter. The lower level of net debt is mainly attributable to a positive cash flow from operating activities. At 30 June 2018 net debt in relation to EBITDA was 1.1 (1.1), which is well in line with the Group's long-term target of <2.0. Return on capital employed was 10.4% at the end of the period (rolling 12-month basis), which is lower than the corresponding period a year ago, which included capital gains from sales of properties, as previously mentioned.

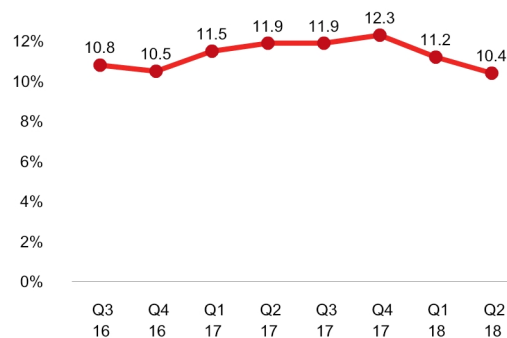
## Bond issue

In May 2018 worth SEK 1.2 billion were issued under the company's Swedish MTN programme. The bonds have a tenor until January 2021 and carries an interest of 0.465%. In June, bonds of SEK 3.5 billion with a higher interest matured, which taken together with the new bond issue and all else unchanged entails that quarterly interest expenses will decrease by approximately SEK 30 million.

### Net debt and Net debt/EBITDA



### Return on capital employed, R12



## Important events during the quarter

**2 May 2018** – Agreement with the British e-commerce company Ocado, under which ICA Sweden will use Ocado's e-commerce platform and technology for highly automated e-commerce picking warehouses.

**8 May 2018** – Issue of bonds for SEK 1.2 billion.

**No important events have taken place after the end of the quarter**

# ICA Sweden

ICA Sweden conducts grocery retail business in cooperation with independent ICA retailers. The retailers own and manage their own stores, but have agreements with ICA Sweden in areas such as purchasing, logistics, market communication and store development. ICA Sweden also includes ICA Special, which conducts sales of non-food items at Maxi ICA (Hypermarket) stores.

## Net sales and earnings

### Second quarter 2018

ICA Sweden's net sales increased by 3.0% compared with the same quarter a year ago. The increase includes an estimated calendar effect of -1.6% from the Easter holiday. The increase was driven mainly by higher volumes in the wholesale operations, where a higher share of purchasing by ICA stores also contributed to development.

Despite a positive volume effect, gross profit and the gross margin were lower than a year ago. This is explained by a number of factors. Logistics costs were approximately SEK 80 million higher than a year ago, partly driven by higher volumes during the quarter, but also by high volatility in volumes over the quarter, high transport costs and resource utilisation at near maximum capacity. Temporary currency effects owing to slight lag in exchange rate adjustments had an earnings impact of approximately SEK -25 million. In addition, lower earnings for add-on services – where the start-up of a dark store in Stockholm in April accounted for the largest part – had an earnings impact of approximately SEK -20 million. Further, the cost level in ICA Sweden's operations was higher than a year ago owing to high project activity, which in turn is driven by a large number of development and improvement projects. In all of these areas, work is under way to improve the outcome and minimise any continued earnings impact. On top of these factors, the calendar effect on operating profit is estimated to be SEK -20 million (17), while profit distribution from ICA stores was marginally higher than a year ago. Operating profit in 2017 included a result of SEK -20 million from fuel hedges, while the outcome this year was negligible. In total, operating profit excluding items affecting comparability decreased to SEK 784 million (870), and the operating margin narrowed to 3.7% (4.3%).

### January-June 2018

ICA Sweden's net sales during the period were 3.8% higher than the same period in 2017. The increase was mainly driven by higher volumes in the wholesale operations and newly opened stores, however, prices also had a positive effect.

Earnings performance for the entire period had the same, main explanation factors as for the quarter. Operating profit for the first half of 2017 included a loss of SEK -37 million on fuel hedges. In total, operating profit excluding items affecting comparability decreased to SEK 1,542 million (1,659), and the operating margin narrowed to 3.8% (4.3%).

### E-commerce

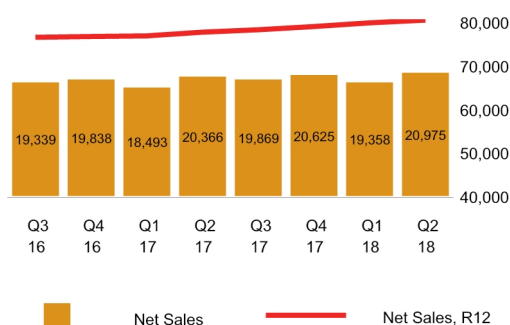
At the end of the period 242 ICA stores were active with e-commerce (food online), and more than 600 stores offered the ICA Matkassen meal kit concept. In total, e-commerce grew 42% compared with the same period a year ago, with 52% growth in food online and 7% growth for ICA Matkassen. Online sales totalled SEK 420 million (296) during the second quarter and SEK 845 million (576) during the first half of the year. On 2 May 2018 an agreement was signed with the British company Ocado under which ICA Sweden will use Ocado's e-commerce platform and technology for highly automated e-commerce picking warehouses. The change over to a new e-commerce platform led to an impairment in the second quarter of SEK 80 million of the current e-commerce platform. More information about the agreement is available on ICA Gruppen's website, [www.icagruppen.se](http://www.icagruppen.se).

### ICA Sweden

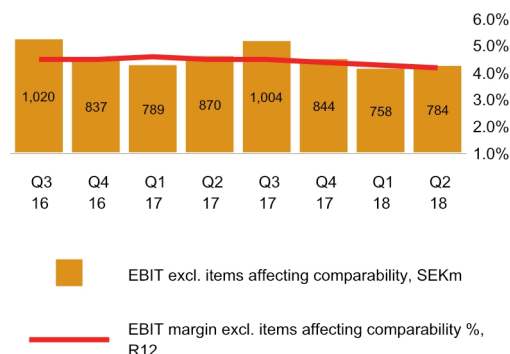
|                                                                       | Second quarter |        | Jan-Jun |        | 12 months           | Full Year |
|-----------------------------------------------------------------------|----------------|--------|---------|--------|---------------------|-----------|
|                                                                       | 2018           | 2017   | 2018    | 2017   | Jul 2017 - Jun 2018 | 2017      |
| Net sales, SEKm <sup>1)</sup>                                         | 20,975         | 20,366 | 40,333  | 38,859 | 80,827              | 79,353    |
| Operating profit before depreciation/amortisation (EBITDA), SEKm      | 897            | 982    | 1,766   | 1,872  | 3,833               | 3,939     |
| Operating profit excl. items affecting comparability, SEKm            | 784            | 870    | 1,542   | 1,659  | 3,390               | 3,507     |
| Operating margin excl. items affecting comparability, % <sup>1)</sup> | 3.7            | 4.3    | 3.8     | 4.3    | 4.2                 | 4.4       |
| Investments, SEKm                                                     | 347            | 185    | 568     | 294    | 934                 | 660       |
| Depreciation/amortisation, SEKm                                       | 113            | 113    | 224     | 215    | 443                 | 434       |
| Average number of employees                                           | —              | —      | 8,052   | 7,865  | —                   | 8,006     |
| Private label share of store sales, %                                 | —              | —      | 25.6    | 24.9   | —                   | 24.7      |

1) Earlier periods have been recalculated, see Note 1.

### Net Sales, SEKm



### EBIT and EBIT margin



### The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 2.5% during the quarter and by 2.1% on a like-for-like basis. Food price inflation was 2.6% (1.9%) during the second quarter and 2.1% during the preceding quarter. Adjusted for inflation and the estimated calendar effect of -1.7%, volume growth during the quarter is estimated to have been 1.6%, and 1.2% on a like-for-like basis. Definitive market data for the first quarter of the year show that sales for ICA stores grew faster than the market, and a balanced consideration of various preliminary data indicates that this trend continued into the second quarter. Definitive market data for the Swedish grocery retail market during the second quarter will be published at the end of August 2018.

The sales growth is attributable to a larger number of customer visits and a higher average spend. Product categories that performed strongly during the period included beverages, frozen products (ice cream), salads, prepared foods, and fruits and vegetables. In the non-food categories, apparel, shoes and home products had higher volumes.

Private label products as a share of accumulated sales amounted to 25.6% (24.9%).

Seven new stores opened during the second quarter, and ten were closed. During 2018, ten to 14 new stores are expected to be established.

## ICA store sales, incl. retailer-owned stores

### Store sales in Sweden

| Store sales excl. VAT | Second quarter 2018 |              |                 | January-June 2018 |              |                 |
|-----------------------|---------------------|--------------|-----------------|-------------------|--------------|-----------------|
|                       | SEKm                | All stores % | Like-for-like % | SEKm              | All stores % | Like-for-like % |
| Maxi ICA Stormarknad  | 9,240               | 1.6          | 0.8             | 17,772            | 3.9          | 3.1             |
| ICA Kvantum           | 7,155               | 2.2          | 2.6             | 14,028            | 4.2          | 3.7             |
| ICA Supermarket       | 9,181               | 2.3          | 1.4             | 17,533            | 2.8          | 2.5             |
| ICA Nära              | 4,602               | 5.0          | 5.7             | 8,719             | 4.8          | 5.3             |
| <b>Total</b>          | <b>30,178</b>       | <b>2.5</b>   | <b>2.1</b>      | <b>58,052</b>     | <b>3.8</b>   | <b>3.4</b>      |

### Number of stores in Sweden

| Format               | December 2017 | New      | Converted | Closed     | June 2018    |
|----------------------|---------------|----------|-----------|------------|--------------|
| Maxi ICA Stormarknad | 82            | 1        | 1         | 0          | 84           |
| ICA Kvantum          | 127           | 1        | -2        | -1         | 125          |
| ICA Supermarket      | 429           | 3        | 1         | -2         | 431          |
| ICA Nära             | 649           | 4        | 0         | -9         | 644          |
| <b>Total</b>         | <b>1,287</b>  | <b>9</b> | <b>0</b>  | <b>-12</b> | <b>1,284</b> |



# Rimi Baltic

Rimi Baltic conducts grocery retail business via 263 wholly owned stores in Estonia, Latvia and Lithuania. Store formats include Rimi Hyper, Rimi Super, Rimi Mini, Rimi Express, and the Supernetto discount chain. Rimi Baltic also includes the properties owned by the Group in the three Baltic countries.

## Net sales and earnings

### Second quarter 2018

Rimi Baltic's net sales increased by 1.2% during the quarter (8.0% in SEK). The sales growth includes an estimated calendar effect of approximately -0.8% attributable to the Easter holiday. Sales continued to be strongly price driven with underlying negative volume development. Prices rose especially for fresh foods, and fruits and vegetables.

Gross profit and the gross margin continued to improve, and operating profit excluding items affecting comparability grew nearly 22% to SEK 156 million (128). In local currency the increase was 14.4%. The positive earnings performance was driven by positive price effects, a higher gross margin for converted stores and for private label products, and positive margin effects from improvement measures. Logistics costs and operating expenses increased slightly, mainly driven by higher personnel costs. Operating profit includes SEK 15 million (14) in costs associated with the previously planned integration of IKI. Operating profit for the same period a year ago also included store conversion costs of SEK 7 million. The operating margin increased to 4.1% (3.6%).

### January-June 2018

Rimi Baltic's net sales increased by 1.9% during the period (7.8% in SEK), mainly driven by higher prices for fresh products.

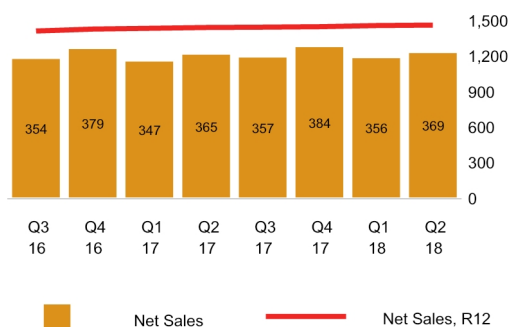
Gross profit and the gross margin improved compared with year ago, and operating profit excluding items affecting comparability grew by just over 24% to SEK 274 million (222). In local currency the increase was 16.5%. Operating profit includes SEK 23 million (23) in costs associated with the previously planned integration of IKI. Profit for the corresponding period a year ago also included store conversion costs of approximately SEK 10 million. The operating margin increased to 3.7% (3.3%).

### Other

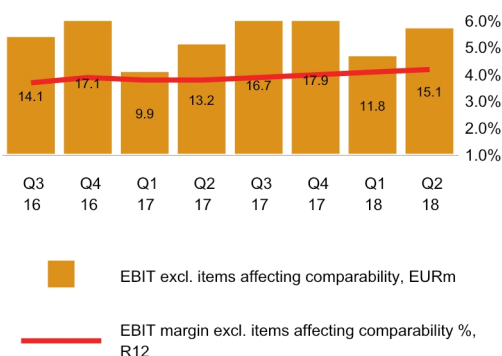
Profit for the quarter included a net earnings effect of SEK -3 million (-1) from impairment of property values, where the comparison period a year ago also included a capital gain on the sale of property. The corresponding amount for the entire period January-June was SEK -4 million (-3).

|                                                                   | Second quarter |        | Jan-Jun |        | 12 months           | Full year |
|-------------------------------------------------------------------|----------------|--------|---------|--------|---------------------|-----------|
|                                                                   | 2018           | 2017   | 2018    | 2017   | Jul 2017 - Jun 2018 | 2017      |
| Net sales, SEKm                                                   | 3,814          | 3,530  | 7,362   | 6,828  | 14,542              | 14,008    |
| Operating profit before depreciation/ amortisation (EBITDA), SEKm | 240            | 214    | 442     | 390    | 945                 | 893       |
| Operating profit excl. items affecting comparability, SEKm        | 156            | 128    | 274     | 222    | 609                 | 557       |
| Operating margin excl. items affecting comparability, %           | 4.1            | 3.6    | 3.7     | 3.3    | 4.2                 | 4.0       |
| Investments, SEKm                                                 | 69             | 90     | 179     | 177    | 360                 | 358       |
| Depreciation/amortisation, SEKm                                   | 84             | 81     | 168     | 160    | 329                 | 321       |
| Average number of employees                                       | —              | —      | 9,531   | 9,626  | —                   | 9,634     |
| Private label share of sales, %                                   | —              | —      | 25.3    | 24.4   | —                   | 24.1      |
| EUR/SEK exchange rate, average                                    | 10.3324        | 9.6824 | 10.1556 | 9.5965 | 9.9051              | 9.6431    |

Net Sales, EURm



EBIT and EBIT margin





### The market and store sales

The total market for the three Baltic countries grew by 3.7% during the quarter. Growth was 2.2% in Estonia, 3.3% in Latvia and 5.0% in Lithuania. The inflation rate was 4.7% in Estonia, 0.8% in Latvia and 1.9% in Lithuania. The inflation rate in all three countries was thereby lower than in the preceding quarter and the same period in 2017. The underlying volume development was thus negative in Estonia, but considerably better in Latvia and Lithuania. The lower store sales for Rimi Baltic in Estonia is due in all essential respects to conversions/closures of Säästumarket discount stores carried out during the preceding year. All in all it is estimated that Rimi Baltic's market share in the region decreased during the period, mainly owing to development in Estonia. Rimi Baltic opened two new stores during the quarter, and a total of six to eight store openings are planned during 2018.

#### Store sales in the Baltic countries

| Store sales excl. VAT | Second quarter 2018 |              |                 | January-June 2018 |              |                 |
|-----------------------|---------------------|--------------|-----------------|-------------------|--------------|-----------------|
|                       | EURm                | All stores % | Like-for-like % | EURm              | All stores % | Like-for-like % |
| Estonia               | 92.9                | -2.6         | -0.3            | 182.9             | -2.5         | 0.5             |
| Latvia                | 194.7               | 2.9          | 1.7             | 382.0             | 3.6          | 2.7             |
| Lithuania             | 79.0                | 1.7          | -2.1            | 155.2             | 2.8          | 0.1             |
| <b>Total</b>          | <b>366.6</b>        | <b>1.2</b>   | <b>0.4</b>      | <b>720.1</b>      | <b>1.8</b>   | <b>1.6</b>      |

#### Number of stores in Baltic countries

| Country      | December 2017 | New      | Closed   | June 2018  |
|--------------|---------------|----------|----------|------------|
| Estonia      | 82            | 2        | 0        | 84         |
| Latvia       | 121           | 2        | 0        | 123        |
| Lithuania    | 56            | 0        | 0        | 56         |
| <b>Total</b> | <b>259</b>    | <b>4</b> | <b>0</b> | <b>263</b> |

# Apotek Hjärtat

Apotek Hjärtat is the second-largest player in the Swedish pharmacy market, with 385 pharmacies.

## Net sales and earnings

### Second quarter 2018

Net sales for the quarter amounted to SEK 3,625 million (3,298), an increase of 9.9%. The increase includes a significant effect from higher sales of high-price drugs for treatment of e.g., Hepatitis C. Stripped of this effect, the sales increase was 4.2% including an estimated positive calendar effect of approximately 0.9%. Underlying sales were driven primarily by continued favourable volume development in like-for-like pharmacies and in e-commerce. Sales were also affected by positive price effects from high growth of traded goods with higher average prices. Both the number of customer visits and average spend increased.

Operating profit excluding items affecting comparability increased to SEK 156 million (135). Gross profit was higher than a year ago, mainly driven by positive price and product mix effects and continued favourable volume development. At the same time, costs were higher owing to newly opened pharmacies, higher marketing costs and higher costs associated with investments in e-commerce and Minutkliniken. The operating margin was 4.3% (4.1%). Adjusted for the effect of higher sales of high-price drugs, the underlying operating margin was 4.5%.

### January-June 2018

Net sales for the period amounted to SEK 7,055 million (6,471), an increase of 9.0%. Stripped of the higher sales of high-price drugs, sales increase was 3.4%.

Operating profit excluding items affecting comparability was SEK 250 million (225), with an operating margin of 3.5% (3.5%). Adjusted for the effect of higher sales of high-price drugs, the underlying operating margin was 3.7%.

## Market trend and e-commerce

The total pharmacy market in Sweden grew 11.0% during the second quarter compared with the same period in 2017. However, calculated in constant prices for prescription drugs, growth was considerably lower, at 3.9%. Traded goods grew 11.2%. Apotek Hjärtat's sales of traded good increased by 10.7%. Apotek Hjärtat's market share was unchanged from the corresponding period a year ago, at 31%. Sales of pharmacy products online increased by 38% during the quarter, while Apotek Hjärtat's e-commerce sales grew by 51%. During the quarter two pharmacies opened and two were closed. During 2018, six new openings are planned, most at locations near ICA stores.

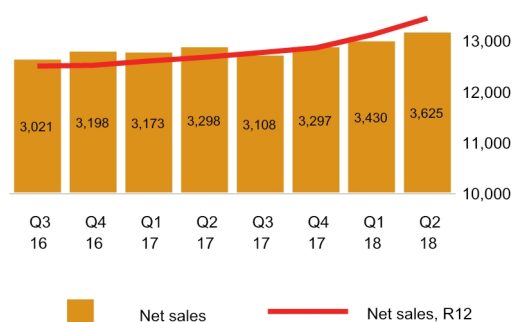
### Apotek Hjärtat

|                                                                   | Second quarter |       | Jan-Jun |       | 12 months           | Full year |
|-------------------------------------------------------------------|----------------|-------|---------|-------|---------------------|-----------|
|                                                                   | 2018           | 2017  | 2018    | 2017  | Jul 2017 - Jun 2018 | 2017      |
| Net sales, SEKm                                                   | 3,625          | 3,298 | 7,055   | 6,471 | 13,460              | 12,876    |
| Of which, prescription drugs                                      | 2,670          | 2,409 | 5,237   | 4,764 | 9,976               | 9,503     |
| Of which, OTC drugs                                               | 386            | 377   | 743     | 728   | 1,423               | 1,408     |
| Of which, other products and services                             | 569            | 512   | 1,075   | 979   | 2,061               | 1,965     |
| Operating profit before depreciation/ amortisation (EBITDA), SEKm | 195            | 171   | 327     | 298   | 633                 | 604       |
| Operating profit excl. items affecting comparability, SEKm        | 156            | 135   | 250     | 225   | 486                 | 461       |
| Operating margin excl. items affecting comparability, %           | 4.3            | 4.1   | 3.5     | 3.5   | 3.6                 | 3.6       |
| Investments, SEKm                                                 | 59             | 27    | 108     | 55    | 181                 | 128       |
| Depreciation/amortisation, SEKm                                   | 38             | 36    | 77      | 73    | 147                 | 143       |
| Average number of employees                                       | —              | —     | 3,021   | 3,081 | —                   | 3,083     |
| Private label share of other products, %                          | —              | —     | 19.2    | 17.9  | —                   | 18.5      |

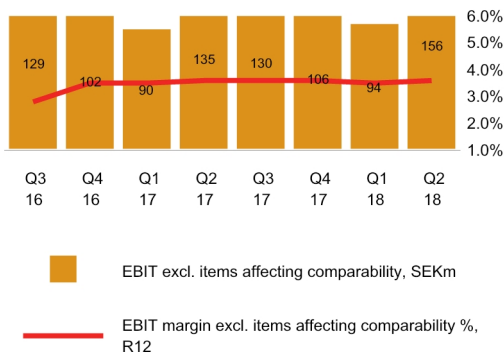
### Number of pharmacies

|                | December 2017 | New | Closed | June 2018 |
|----------------|---------------|-----|--------|-----------|
| Apotek Hjärtat | 386           | 3   | -4     | 385       |

Net sales, SEKm



EBIT and EBIT margin



# ICA Real Estate

ICA Real Estate's mission is to satisfy the Group's future needs for premises in the right marketplaces in Sweden. The real estate company is an active buyer and seller of properties and both develops shopping centres from scratch and buys strategic properties with existing ICA stores.

## Net sales and earnings

### Second quarter 2018

Net sales during the quarter totalled SEK 643 million (627). The change in sales includes SEK -16 million attributable to the effect of changed internal service charges, which did not affect operating profit. The underlying increase in net sales was 5.1% and can be credited to new investments and positive price effects.

Operating profit excluding items affecting comparability was slightly lower than the same quarter a year ago, totalling SEK 90 million (99). Operating profit was negatively affected by higher depreciation and administrative expenses, and above all by higher snow removal costs, which was largely compensated by income from new investments and a higher earnings contribution from joint ventures.

### January-June 2018

Net sales for the period totalled SEK 1,285 million (1,223). Of the sales increase, SEK 17 million is attributable to internal service charges, which do not affect operating profit. Net sales for the same period a year ago included approximately SEK 46 million from divested units.

Operating profit for the period excluding items affecting comparability was SEK 180 million (208). Operating profit for the same period a year ago included approximately SEK 24 million from divested units.

## Other and investments

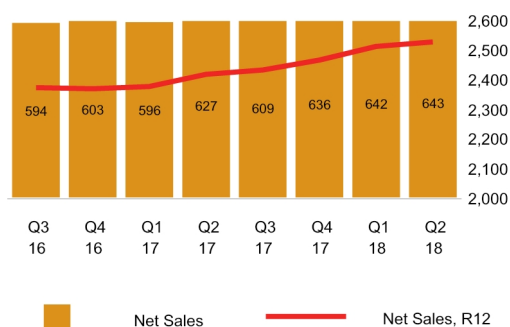
Operating profit for the quarter includes capital gains from sales of properties and impairment losses totalling SEK -8 million (167).

Investments were slightly higher than a year ago and amounted to SEK 201 million (193). There were no divestments. On 1 February ICA Real Estate and Secore Fastigheter took possession of eight and 15 of the properties, respectively, acquired from KPA Pension in December 2017.

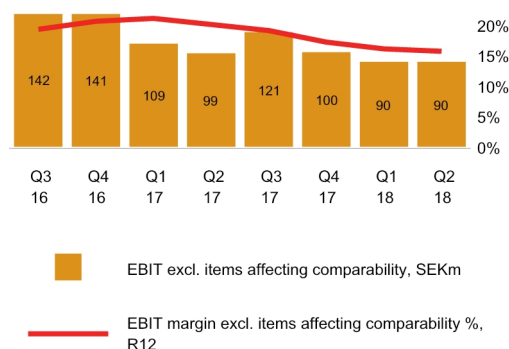
### ICA Real Estate

|                                                                   | Second quarter |      | Jan-Jun |       | 12 months           | Full year |
|-------------------------------------------------------------------|----------------|------|---------|-------|---------------------|-----------|
|                                                                   | 2018           | 2017 | 2018    | 2017  | Jul 2017 - Jun 2018 | 2017      |
| Net sales, SEKm                                                   | 643            | 627  | 1,285   | 1,223 | 2,530               | 2,468     |
| Of which, rental income from owned properties, SEKm               | 247            | 243  | 492     | 501   | 966                 | 975       |
| Operating profit before depreciation/ amortisation (EBITDA), SEKm | 211            | 382  | 426     | 1,012 | 904                 | 1,490     |
| Operating profit excl. items affecting comparability, SEKm        | 90             | 99   | 180     | 208   | 401                 | 429       |
| Operating margin excl. items affecting comparability, %           | 14.0           | 15.8 | 14.0    | 17.0  | 15.9                | 17.4      |
| Investments, SEKm                                                 | 201            | 193  | 885     | 563   | 1,259               | 937       |
| Divestments, SEKm                                                 | 0              | 974  | 2       | 2,888 | 41                  | 2,927     |
| Depreciation/amortisation, SEKm                                   | 129            | 120  | 253     | 240   | 496                 | 483       |
| Yield, %                                                          | —              | —    | 6.5     | 6.7   | —                   | 6.5       |
| Occupancy rate, %                                                 | —              | —    | 99.4    | 99.3  | —                   | 99.4      |
| Number of owned properties                                        | —              | —    | 112     | 103   | —                   | 102       |
| Number of owned square metres, 000 sq. m.                         | —              | —    | 633     | 564   | —                   | 596       |
| Average number of employees                                       | —              | —    | 97      | 87    | —                   | 90        |

Net Sales, SEKm



EBIT and EBIT margin



# ICA Bank

ICA Bank offers a full range of financial services and insurance in Sweden. The goal is to increase customer loyalty to ICA and to reduce transaction costs for ICA stores and ICA Gruppen.

## Revenue and earnings

### Second quarter 2018

ICA Bank's revenue, including ICA Insurance, increased to SEK 332 million (235) compared with the same quarter a year ago. Of the change, SEK +45 million is attributable to changed reinsurance volume (no quota share reinsurance) in ICA Insurance. In other respects, revenue increased as a result of higher lending volume and higher card revenue. A continued positive sales trend for ICA Insurance also contributed to the increase. The bank's business volume continued to grow, mainly driven by higher lending volume.

Operating profit excluding items affecting comparability increased to SEK 26 million (8). The increase in revenue was partly countered by slightly higher costs and higher loan losses during the quarter than in the same period in 2017. The insurance business continues to have a negative result, as expected. The loss was however lower than in the preceding year. Development of the insurance company is proceeding according to plan, and the number of customers is growing at a good rate.

### January-June 2018

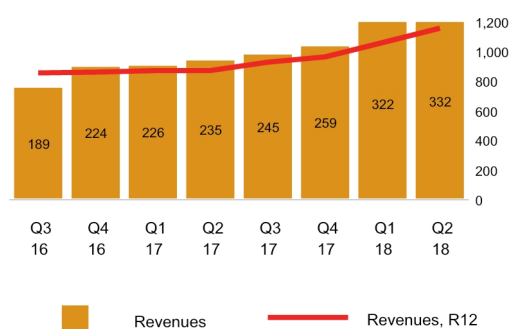
ICA Bank's revenue, including ICA Insurance, increased compared with the same period a year ago, to SEK 654 million (461). Of the change, SEK +81 million is attributable to changed reinsurance volume (no quota share reinsurance) in ICA Insurance. The increase also includes a one-time effect of SEK 12 million coupled to a renewed agreement pertaining to card commissions.

Operating profit excluding items affecting comparability increased to SEK 52 million (14), of which SEK 12 million is attributable to the one-time effect of the renewed card agreement referred to above.

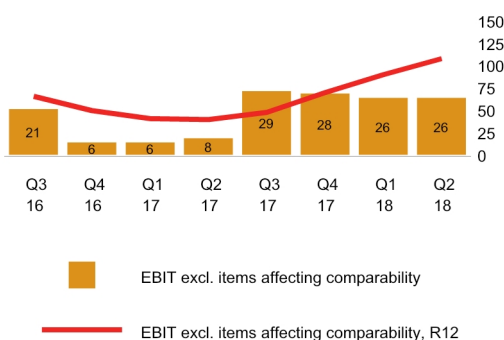
#### ICA Bank

|                                                                   | Second quarter |      | Jan-Jun |        | 12 months           | Full year |
|-------------------------------------------------------------------|----------------|------|---------|--------|---------------------|-----------|
|                                                                   | 2018           | 2017 | 2018    | 2017   | Jul 2017 - Jun 2018 | 2017      |
| Revenues, SEKm                                                    | 332            | 235  | 654     | 461    | 1,158               | 965       |
| Of which, net interest income, SEKm                               | 122            | 103  | 232     | 195    | 446                 | 409       |
| Operating profit before depreciation/ amortisation (EBITDA), SEKm | 33             | 16   | 66      | 31     | 138                 | 103       |
| Operating profit excl. items affecting comparability, SEKm        | 26             | 8    | 52      | 14     | 109                 | 71        |
| C/I ratio, %                                                      | —              | —    | 85.5    | 91.3   | —                   | 86.4      |
| Return on equity, %                                               | —              | —    | 4.4     | 1.5    | —                   | 2.3       |
| Loan loss ratio, %                                                | —              | —    | -0.8    | -0.9   | —                   | -0.7      |
| Common Equity Tier I ratio, % (ICA Banken AB)                     | —              | —    | 15.3    | 16.3   | —                   | 16.9      |
| Business volume, SEKm                                             | —              | —    | 44,662  | 35,914 | —                   | 40,866    |
| Average number of employees                                       | —              | —    | 364     | 367    | —                   | 368       |

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



# Hemtex

Hemtex is a chain of home furnishing stores in Sweden, Finland and Estonia. With a total of 148 stores, Hemtex is the Nordic region's leading home furnishings chain.

## Net sales and earnings

### Second quarter 2018

Hemtex's net sales decreased slightly during the quarter to SEK 217 million (232). Overall, a higher share of sales of low-price products led to a lower average spend, which had a negative effect on store sales during the quarter. Added to this was a slightly higher share of promotional campaigns and fewer customer visits to stores, which is very likely due to the unusually warm weather. This was compensated to some extent by higher online sales, which grew 69% during the quarter.

Operating profit excluding items affecting comparability decreased to SEK -25 million (-18). Gross profit was lower, mainly owing to lower volume associated with fewer customer visits and to some extent to negative price effects from a higher share of sales made at reduced prices. This was partly compensated by lower operating expenses.

### January-June 2018

Hemtex's net sales during the period were lower than a year ago, totalling SEK 440 million (460). E-commerce sales grew 57% during the first half of the year.

Operating profit excluding items affecting comparability decreased to SEK -45 million (-32). In addition to the effects on operating profit during the quarter, an unfavourable development of USD vs. SEK had a negative impact on gross profit for the entire period.

| Hemtex                                                                | Second quarter |      | Jan-Jun |      | 12 months           | Full year |
|-----------------------------------------------------------------------|----------------|------|---------|------|---------------------|-----------|
|                                                                       | 2018           | 2017 | 2018    | 2017 | Jul 2017 - Jun 2018 | 2017      |
|                                                                       |                |      |         |      |                     |           |
| Net sales, SEKm                                                       | 217            | 232  | 440     | 460  | 1,058               | 1,078     |
| Operating profit/loss after depreciation/ amortisation (EBITDA), SEKm | -19            | -12  | -34     | -21  | 41                  | 54        |
| Operating profit/loss excl. items affecting comparability, SEKm       | -25            | -18  | -45     | -32  | 18                  | 31        |
| Operating margin excl. items affecting comparability, %               | -11.5          | -7.8 | -10.2   | -7.0 | 1.7                 | 2.9       |
| Investments, SEKm                                                     | 8              | 7    | 13      | 10   | 22                  | 19        |
| Depreciation/amortisation, SEKm                                       | 5              | 5    | 11      | 11   | 23                  | 23        |
| Average number of employees                                           | —              | —    | 520     | 558  | —                   | 547       |

|                       | Second quarter 2018 |              |                 | January-June 2018 |              |                 |
|-----------------------|---------------------|--------------|-----------------|-------------------|--------------|-----------------|
|                       | SEKm                | All stores % | Like-for-like % | SEKm              | All stores % | Like-for-like % |
| Store sales excl. VAT |                     |              |                 |                   |              |                 |
| Hemtex                | 218                 | -6.1         | -6.4            | 445               | -5.4         | -5.5            |

|                                          | December 2017 |  | New | Closed | June 2018 |
|------------------------------------------|---------------|--|-----|--------|-----------|
|                                          |               |  |     |        |           |
| Number of stores, incl. franchise stores |               |  |     |        |           |
| Hemtex                                   | 153           |  | 1   | -6     | 148       |

## Other, Group

### Seasonal variations

Grocery retail sales are affected by national holidays and when these occur. Christmas and Easter in particular are key holidays. For a large part of the retail sector the fourth quarter is seasonally the strongest quarter of the year.

### Risks and uncertainties

ICA Gruppen works at the Group level to systematically identify and manage the risks associated with its operations. The risk management process is an integrated part of the strategy and planning work of each unit. Risks are consolidated, and risk management is reported to and monitored by ICA Gruppen's Executive Management and Board of Directors.

ICA Gruppen has significant exposure to the Swedish and Baltic grocery retail sector, and to the Swedish pharmacy market. An economic downturn and political decisions are factors that could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how financial risks are to be managed and mitigated. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 53-57 of ICA Gruppen's 2017 Annual Report.

### Related party transactions

No significant transactions have taken place between ICA Gruppen and related parties.

## Parent Company

### Second quarter 2018

The Parent Company's net sales amounted to SEK 239 million (209). Profit before tax amounted to SEK 3,257 million (4,385). The change is due in large part to dividends of SEK 3,400 million (4,535) from subsidiaries.

### January-June 2018

The Parent Company's net sales amounted to SEK 464 million (422). Profit before tax amounted to SEK 3,147 million (4,284). The change is due in large part to dividends of SEK 3,400 million (4,535) from subsidiaries.

## Share information

ICA Gruppen's share capital amounts to SEK 502,866,988 distributed among 201,146,795 shares, each with a share quota value of SEK 2.50. All shares have the same voting rights and carry equal dividend entitlement.

| Ownership structure – Largest identified shareholders in ICA Gruppen as per |                    | 30 June 2018                  |
|-----------------------------------------------------------------------------|--------------------|-------------------------------|
|                                                                             | Number of shares   | Share of capital and votes, % |
| ICA-handlarnas Förbund                                                      | 103,163,599        | 51.3%                         |
| Industrivärden                                                              | 20,625,000         | 10.3%                         |
| BlackRock                                                                   | 2,541,565          | 1.3%                          |
| Vanguard                                                                    | 2,073,377          | 1.0%                          |
| Avanza Pension                                                              | 1,397,968          | 0.7%                          |
| Spiltan fonder                                                              | 1,375,834          | 0.7%                          |
| L Jönsson                                                                   | 1,278,451          | 0.6%                          |
| Swedbank Robur Fonder                                                       | 1,273,119          | 0.6%                          |
| Swedbank försäkring                                                         | 1,257,160          | 0.6%                          |
| Xact fonder                                                                 | 1,087,401          | 0.5%                          |
| <b>Ten largest shareholders total</b>                                       | <b>136,073,474</b> | <b>67.6%</b>                  |
| Other shareholders                                                          | 65,073,321         | 32.4%                         |
| <b>Total</b>                                                                | <b>201,146,795</b> | <b>100.0%</b>                 |
| <i>Whereof foreign shareholders in total</i>                                | <i>16,124,586</i>  | <i>8.0%</i>                   |

Source: Euroclear Sweden AB and Modular Finance AB (The table include sums of holdings per owner)

# Financial statements

## Consolidated statement of comprehensive income

| SEKm                                                                                               | Note | Second quarter |              | Jan-Jun      |              | 12 months           | Full year     |
|----------------------------------------------------------------------------------------------------|------|----------------|--------------|--------------|--------------|---------------------|---------------|
|                                                                                                    |      | 2018           | 2017         | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017          |
| Net sales <sup>1)</sup>                                                                            |      | 29,258         | 27,940       | 56,439       | 53,643       | 112,204             | 109,408       |
| Cost of goods sold <sup>1)</sup>                                                                   |      | -24,511        | -23,319      | -47,269      | -44,714      | -93,636             | -91,081       |
| <b>Gross profit</b>                                                                                |      | <b>4,746</b>   | <b>4,621</b> | <b>9,169</b> | <b>8,929</b> | <b>18,568</b>       | <b>18,327</b> |
| Selling expenses <sup>1)</sup>                                                                     |      | -2,996         | -2,846       | -5,778       | -5,564       | -11,361             | -11,147       |
| Administrative expenses                                                                            |      | -793           | -752         | -1,555       | -1,430       | -2,959              | -2,834        |
| Other operating income <sup>1)</sup>                                                               |      | 80             | 74           | 166          | 157          | 297                 | 288           |
| Other operating expenses <sup>1)</sup>                                                             |      | -17            | -16          | -26          | -28          | -52                 | -54           |
| Share of profits of associates and joint ventures                                                  | 2    | 21             | 13           | 36           | 26           | 72                  | 62            |
| <b>Operating profit (EBIT) excl items affecting comparability<sup>1)</sup></b>                     |      | <b>1,041</b>   | <b>1,094</b> | <b>2,013</b> | <b>2,090</b> | <b>4,565</b>        | <b>4,642</b>  |
| Capital gains/losses net on sale of non-current assets (net) <sup>1)</sup>                         |      | -8             | 167          | -7           | 571          | 13                  | 591           |
| Impairment (net) <sup>1)</sup>                                                                     |      | -82            | -2           | -83          | -7           | -89                 | -13           |
| <b>Operating profit</b>                                                                            | 3    | <b>951</b>     | <b>1,259</b> | <b>1,923</b> | <b>2,654</b> | <b>4,489</b>        | <b>5,220</b>  |
| Financial income                                                                                   |      | 3              | 0            | 5            | 4            | 8                   | 7             |
| Financial expenses                                                                                 |      | -86            | -87          | -171         | -173         | -372                | -374          |
| Net financial items                                                                                |      | -83            | -87          | -166         | -169         | -364                | -367          |
| <b>Profit before tax</b>                                                                           |      | <b>869</b>     | <b>1,172</b> | <b>1,757</b> | <b>2,485</b> | <b>4,125</b>        | <b>4,853</b>  |
| Tax                                                                                                |      | 66             | -151         | -122         | -332         | -498                | -708          |
| <b>Profit for the period</b>                                                                       |      | <b>935</b>     | <b>1,021</b> | <b>1,635</b> | <b>2,153</b> | <b>3,627</b>        | <b>4,145</b>  |
| <b>Other comprehensive income, items that may not be reclassified to profit or loss</b>            |      |                |              |              |              |                     |               |
| Remeasurement defined benefit pensions                                                             |      | -128           | -107         | -128         | -107         | -179                | -158          |
| <b>Other comprehensive income, items that may be reclassified to profit or loss, net after tax</b> |      |                |              |              |              |                     |               |
| Change in translation reserve                                                                      |      | 35             | 30           | 172          | 135          | 225                 | 188           |
| Change in hedging reserve                                                                          |      | 54             | -24          | 119          | -65          | 172                 | -12           |
| Share of other comprehensive income of joint ventures                                              |      | 4              | 6            | 7            | 12           | 18                  | 23            |
| <b>Total items that may be reclassified to profit or loss</b>                                      |      | <b>93</b>      | <b>12</b>    | <b>298</b>   | <b>82</b>    | <b>415</b>          | <b>199</b>    |
| <b>Comprehensive income for the period</b>                                                         |      | <b>899</b>     | <b>926</b>   | <b>1,804</b> | <b>2,128</b> | <b>3,862</b>        | <b>4,186</b>  |
| <b>Profit for the period attributable to</b>                                                       |      |                |              |              |              |                     |               |
| Owners of the parent                                                                               |      | 930            | 1,017        | 1,626        | 2,146        | 3,610               | 4,130         |
| Non-controlling interests                                                                          |      | 5              | 4            | 9            | 7            | 17                  | 15            |
| <b>Comprehensive income for the period attributable to</b>                                         |      |                |              |              |              |                     |               |
| Owners of the parent                                                                               |      | 893            | 920          | 1,793        | 2,117        | 3,842               | 4,166         |
| Non-controlling interests                                                                          |      | 6              | 6            | 11           | 11           | 20                  | 20            |
| <b>Earnings per share, SEK</b>                                                                     |      |                |              |              |              |                     |               |
| Earnings per share                                                                                 |      | 4.62           | 5.06         | 8.08         | 10.67        | 17.94               | 20.53         |

1) Earlier periods have been recalculated, see Note 1.



## Condensed consolidated statement of financial position

| SEKm                                       | Note | 30 June<br>2018 | 30 June<br>2017 | 31<br>December<br>2017 |
|--------------------------------------------|------|-----------------|-----------------|------------------------|
| <b>ASSETS</b>                              |      |                 |                 |                        |
| <b>Non-current assets</b>                  |      |                 |                 |                        |
| Goodwill                                   |      | 16,301          | 16,301          | 16,301                 |
| Trademarks                                 |      | 13,425          | 13,362          | 13,377                 |
| Other intangible assets                    |      | 1,436           | 1,029           | 1,180                  |
| Interests in joint ventures and associates | 2    | 828             | 725             | 766                    |
| Deferred tax assets                        |      | 402             | 458             | 437                    |
| Lending and investments in ICA Bank        |      | 11,370          | 9,454           | 10,971                 |
| Land, buildings and investment properties  |      | 13,830          | 13,339          | 13,445                 |
| Other non-current assets                   |      | 2,276           | 2,130           | 2,234                  |
| <b>Total non-current assets</b>            |      | <b>59,868</b>   | <b>56,798</b>   | <b>58,711</b>          |
| <b>Current assets</b>                      |      |                 |                 |                        |
| Inventories                                |      | 4,638           | 4,474           | 4,488                  |
| Lending and investments in ICA Bank        |      | 3,154           | 3,050           | 2,890                  |
| Other current assets                       |      | 7,590           | 6,894           | 7,403                  |
| Cash and cash equivalents in ICA Bank      |      | 2,532           | 2,883           | 2,209                  |
| Cash and cash equivalents                  |      | 423             | 517             | 2,290                  |
| Assets held for sale                       | 4    | 357             | 27              | 9                      |
| <b>Total current assets</b>                |      | <b>18,694</b>   | <b>17,845</b>   | <b>19,289</b>          |
| <b>TOTAL ASSETS</b>                        |      | <b>78,562</b>   | <b>74,643</b>   | <b>78,000</b>          |
| <b>EQUITY AND LIABILITIES</b>              |      |                 |                 |                        |
| <b>Equity</b>                              |      | <b>31,477</b>   | <b>29,973</b>   | <b>32,017</b>          |
| <b>Non-current liabilities</b>             |      |                 |                 |                        |
| Provisions                                 |      | 2,881           | 2,512           | 2,638                  |
| Deferred tax liabilities                   |      | 4,246           | 4,526           | 4,533                  |
| Non-current interest-bearing liabilities   |      | 3,619           | 3,914           | 3,913                  |
| Other non-current liabilities              |      | 61              | 68              | 56                     |
| <b>Total non-current liabilities</b>       |      | <b>10,807</b>   | <b>11,020</b>   | <b>11,140</b>          |
| <b>Current liabilities</b>                 |      |                 |                 |                        |
| Deposits ICA Bank                          |      | 15,064          | 13,567          | 14,061                 |
| Current interest-bearing liabilities       |      | 3,455           | 4,380           | 3,975                  |
| Other current liabilities                  |      | 17,760          | 15,703          | 16,807                 |
| <b>Total current liabilities</b>           |      | <b>36,278</b>   | <b>33,650</b>   | <b>34,843</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <b>78,562</b>   | <b>74,643</b>   | <b>78,000</b>          |

## Condensed consolidated statement of cash flows

| SEKm                                                                        | Note | Second quarter |               | Jan-Jun       |               | 12 months           | Full year     |
|-----------------------------------------------------------------------------|------|----------------|---------------|---------------|---------------|---------------------|---------------|
|                                                                             |      | 2018           | 2017          | 2018          | 2017          | Jul 2017 - Jun 2018 | 2017          |
| Operating profit                                                            |      | 951            | 1,259         | 1,923         | 2,654         | 4,489               | 5,220         |
| Depreciation, amortisation and impairment                                   |      | 479            | 387           | 871           | 767           | 1,640               | 1,536         |
| Dividend from joint ventures                                                |      | 10             | 60            | 10            | 60            | 15                  | 65            |
| Other non-cash items                                                        |      | 30             | -128          | -13           | -550          | -73                 | -610          |
| Income tax paid                                                             |      | -218           | -214          | -445          | -482          | -819                | -856          |
| <b>Cash flow from operating activities before change in working capital</b> |      | <b>1,252</b>   | <b>1,364</b>  | <b>2,346</b>  | <b>2,449</b>  | <b>5,252</b>        | <b>5,355</b>  |
| Change in working capital:                                                  |      |                |               |               |               |                     |               |
| Inventories                                                                 |      | 65             | 63            | -103          | -40           | -101                | -38           |
| Current receivables                                                         |      | 362            | -413          | 22            | -185          | -403                | -610          |
| Current liabilities                                                         |      | 638            | 818           | 995           | 80            | 2,026               | 1,111         |
| ICA Bank's net of deposits, lending and investments                         |      | 437            | 169           | 226           | -354          | -637                | -1,217        |
| <b>Cash flow from operating activities</b>                                  |      | <b>2,755</b>   | <b>2,001</b>  | <b>3,487</b>  | <b>1,950</b>  | <b>6,138</b>        | <b>4,601</b>  |
| Acquisitions of property, plant and equipment and intangible assets         |      | -747           | -520          | -1,865        | -1,148        | -2,947              | -2,230        |
| Sales of property, plant and equipment and intangible assets                |      | 1              | 987           | 3             | 998           | 68                  | 1,063         |
| Sales of subsidiaries                                                       |      | —              | 9             | 0             | 1,953         | 0                   | 1,953         |
| Investments in joint ventures                                               |      | —              | -161          | -30           | -366          | -30                 | -366          |
| Change in financial assets                                                  |      | -7             | 2             | -2            | 202           | 5                   | 209           |
| Interest received                                                           |      | 0              | 0             | 1             | 1             | 3                   | 3             |
| <b>Cash flow from investing activities</b>                                  |      | <b>-753</b>    | <b>317</b>    | <b>-1,893</b> | <b>1,640</b>  | <b>-2,901</b>       | <b>632</b>    |
| Dividend paid                                                               |      | -2,213         | -2,112        | -2,213        | -2,112        | -2,213              | -2,112        |
| Change in loans                                                             |      | -909           | 142           | -795          | -1,894        | -1,220              | -2,319        |
| Interest paid                                                               |      | -107           | -113          | -142          | -150          | -254                | -262          |
| <b>Cash flow from financing activities</b>                                  |      | <b>-3,230</b>  | <b>-2,083</b> | <b>-3,150</b> | <b>-4,156</b> | <b>-3,687</b>       | <b>-4,693</b> |
| <b>Cash flow for the period</b>                                             | 5    | <b>-1,227</b>  | <b>235</b>    | <b>-1,556</b> | <b>-566</b>   | <b>-450</b>         | <b>540</b>    |
| Cash and cash equivalents at start of period                                |      | 4,198          | 3,179         | 4,499         | 3,974         | 3,400               | 3,974         |
| Exchange differences in cash and cash equivalents                           |      | -15            | -14           | 13            | -8            | 6                   | -15           |
| <b>Cash and cash equivalents at end of period</b>                           | 5    | <b>2,956</b>   | <b>3,400</b>  | <b>2,956</b>  | <b>3,400</b>  | <b>2,956</b>        | <b>4,499</b>  |

## Condensed consolidated statement of changes in equity

| SEKm                                  | Note | Attributable to owners of the parent | Attributable to non-controlling interests | Total         |
|---------------------------------------|------|--------------------------------------|-------------------------------------------|---------------|
| <b>Opening equity, 1 January 2018</b> |      | <b>31,720</b>                        | <b>297</b>                                | <b>32,017</b> |
| Effect of change IFRS 9               | 1    | -97                                  | —                                         | -97           |
| <b>Equity after change IFRS 9</b>     |      | <b>31,623</b>                        | <b>297</b>                                | <b>31,920</b> |
| Dividend                              |      | -2,213                               | -35                                       | -2,248        |
| Comprehensive income for the period   |      | 1,793                                | 11                                        | 1,804         |
| <b>Closing equity, 30 June 2018</b>   |      | <b>31,204</b>                        | <b>273</b>                                | <b>31,477</b> |

| SEKm                                  | Note | Attributable to owners of the parent | Attributable to non-controlling interests | Total         |
|---------------------------------------|------|--------------------------------------|-------------------------------------------|---------------|
| <b>Opening equity, 1 January 2017</b> |      | <b>29,666</b>                        | <b>22</b>                                 | <b>29,688</b> |
| Change in non-controlling interests   |      | 0                                    | 269                                       | 269           |
| Dividend                              |      | -2,112                               | —                                         | -2,112        |
| Comprehensive income for the period   |      | 2,117                                | 11                                        | 2,128         |
| <b>Closing equity, 30 June 2017</b>   |      | <b>29,671</b>                        | <b>302</b>                                | <b>29,973</b> |

# Supplementary disclosures – Group

## NOTE 1, ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods have been used as in the 2017 Annual Report, except regarding IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, both of which began to be applied on 1 January 2018. Disclosures in accordance with IAS 34.16A, are provided – in addition to in the financial statements – also in other parts of the interim report. All amounts in this report are presented in SEK millions, unless otherwise stated. Rounding differences may occur.

### Recalculation of earlier periods

In connection with application of IFRS 15 Revenue from Contracts with Customers as from 1 January 2018, net sales and the cost of goods sold have been recalculated. This recalculation is an effect of ICA Gruppen acting as a principal according to IFRS 15 instead of as an agent according to IAS 18 Revenue. The new assessment entails an increase in net sales for the ICA Sweden segment and for ICA Gruppen, but an unchanged operating profit and lower profit margin. ICA Gruppen has adopted IFRS 15 retrospectively, and historical values have been recalculated. See the column "Change in IFRS 15" in the tables below.

The grocery retail sector has undergone major changes in recent years. Customers are doing a greater share of their shopping online than previously. Sometimes customers choose to have their groceries delivered home or to their place of work, and sometimes they choose to collect them at a store or at the distributor's pick-up location. Previously ICA Gruppen recognised costs until the product was displayed in a store as costs of goods sold, which was natural as long as the sale to the consumer took place only in stores. A store that today offers its customers sales both online and in a physical store displays products in two ways – both online and in stores. For this reason, ICA Gruppen believes that it creates a better picture of operations to only include costs until the product arrives at the sales outlet's receiving dock as a part of the cost of goods sold. The costs that the store incurs to display the product, either online or in the store, is recognised as a selling expense. This new assessment entails that the cost of goods sold decreases, and that selling expenses increase by a corresponding amount, with a higher gross profit and unchanged operating profit. Historical values have been recalculated in accordance with this change. See the column "Other changes" and the lines "Cost of goods and services sold" and "Selling expenses" in the tables below.

ICA Gruppen has conducted a review of the Group's Statement of comprehensive income and has added additional lines to facilitate understanding for the reader. The items that ICA Gruppen considers to affect comparability, such as capital gains/losses on sales of non-current assets and impairment of non-current assets, are presented on separate lines in the Statement of comprehensive income. These items were previously included in other operating income and other operating expenses. Historical values have been recalculated in accordance with the change. See the column "Other changes" and the lines "Other operating income", "Other operating expenses", "Capital gains/losses on sales of non-current assets" and "Impairment losses" in the tables below.

### New standards from IASB applied in 2018

IFRS 15 Revenue from Contracts with Customers began to be applied by ICA Gruppen on 1 January 2018. The standard replaces IAS 18 Revenue. ICA Gruppen's main source of revenue is from the sale of goods where the performance obligation, date at which the customer takes control of the goods and payment are clearly distinguishable. The transition to IFRS 15 has therefore not had any effect on ICA Gruppen's financial statements other than for a few contracts in which ICA Gruppen acts as the principal according to IFRS 15 instead of as the agent according to IAS 18 Revenue. Historical values have been recalculated. See also above under Recalculation of earlier periods.

IFRS 9 Financial instruments began to be applied by ICA Gruppen on 1 January 2018. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Adoption of IFRS 9 affects ICA Gruppen's recognition of loan losses on lending by the subsidiary ICA Bank. The credit reserve model set out in IFRS 9 is based on expected loan losses, which are to be calculated as a probability-weighted outcome for lending. The effect of application of IFRS 9 is an increase in the credit loss reserve for ICA Bank's lending compared with IAS 39. In the final calibration of the models used in IFRS 9 for calculating expected loan losses in the transitional balance, the effect of the transition to IFRS 9 is an increase by SEK 24 million compared with what was communicated in the Annual Report, to SEK 124 million, without taking tax into account, and to SEK 97 million taking tax into account. The transitional effect is reported against equity as per 1 January 2018.

ICA Gruppen applies hedge accounting in accordance with IFRS 9. The changeover to IFRS 9 has not had any material effect on the financial statements. Under IFRS 9, ICA Gruppen has begun using hedge accounting of the variability of fuel (diesel and HVO/biofuel) in transport costs. Application is prospective as from 2018.

The rules on classification and measurement of financial instruments according to IFRS 9 do not give rise to any material effect on the financial reporting compared with previous accounting. The business models for financial assets, and the tests required by IFRS 9, show that the financial assets which under IAS 39 are recognised and measured at fair value through profit or loss and at amortised cost, respectively, are reported in the same way as under IFRS 9.

### New standards from IASB endorsed by the EU with relevance for ICA Gruppen

IFRS 16 Leasing was published in January 2016. The standard takes effect for financial years beginning on or after 1 January 2019. IFRS 16 was endorsed by the EU in November 2017 and includes mainly new rules for lessees' reporting. Reporting by lessors corresponds to the rules that apply under IAS 17 Leases, except for in cases of subleasing, where an asset is leased in and thereafter leased out (subleasing). For subleasing, classification of the lease as an operating lease or finance lease is based on the leased-in asset and not on the underlying asset, as is the case under IAS 17. IFRS 16 stipulates that all lessees' leases, except for those for which the lease term is 12 months or less or the underlying asset has a low value, are to be reported as an

asset and a liability on the balance sheet. The asset is depreciated over the asset's useful life. Lease payments are broken down into interest and amortisation of the liability. ICA Gruppen has a large number of leases. The most significant leases in terms of value pertain to properties that ICA Gruppen leases in both for its own use and leases out to non-consolidated ICA retailers. Preparation work for adoption of IFRS 16 is continuing in 2018. Among other things, classification of which contracts constitute a lease has been done, the reporting structure has been set up, and training in IFRS 16 has been conducted. Work is in progress on improving system support for IFRS 16. It is too early to reliably quantify the effects of adoption of IFRS 16, however, its adoption will entail a major effect on ICA Gruppen's financial statements.

#### Important assumptions and assessments

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect application of the accounting principles and the amounts reported in the income statement and carried on the balance sheet. Estimates and assumptions are based on historical experience and a number of factors that are considered reasonable based on the circumstances. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assessments.

#### Tables – recalculation of earlier periods

Effect on the group's consolidated statement of comprehensive income in brief, Q1 2017

| SEKm                                                              | Reported     | Change IFRS 15 | Other changes | Restated     |
|-------------------------------------------------------------------|--------------|----------------|---------------|--------------|
| Net sales                                                         | 24,984       | 719            |               | 25,703       |
| Cost of goods sold                                                | -21,657      | -719           | 981           | -21,395      |
| <b>Gross profit</b>                                               | <b>3,327</b> |                | <b>981</b>    | <b>4,308</b> |
| Selling expenses                                                  | -1,737       |                | -981          | -2,718       |
| Administrative expenses                                           | -678         |                |               | -678         |
| Other operating income                                            | 487          |                | -404          | 83           |
| Other operating expenses                                          | -17          |                | 5             | -12          |
| Share of profits of associates and joint ventures                 | 13           |                |               | 13           |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>     |                |               | <b>996</b>   |
| Capital gains/losses net on sale of non-current assets (net)      | —            |                | 404           | 404          |
| Impairment (net)                                                  | —            |                | -5            | -5           |
| <b>Operating profit</b>                                           | <b>1,395</b> |                | <b>—</b>      | <b>1,395</b> |

Effect on the group's consolidated statement of comprehensive income in brief, Q2 2017

| SEKm                                                              | Reported     | Change IFRS 15 | Other changes | Restated     |
|-------------------------------------------------------------------|--------------|----------------|---------------|--------------|
| Net sales                                                         | 27,198       | 742            |               | 27,940       |
| Cost of goods sold                                                | -23,637      | -742           | 1,060         | -23,319      |
| <b>Gross profit</b>                                               | <b>3,561</b> |                | <b>1,060</b>  | <b>4,621</b> |
| Selling expenses                                                  | -1,786       |                | -1,060        | -2,846       |
| Administrative expenses                                           | -752         |                |               | -752         |
| Other operating income                                            | 241          |                | -167          | 74           |
| Other operating expenses                                          | -18          |                | 2             | -16          |
| Share of profits of associates and joint ventures                 | 13           |                |               | 13           |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>     |                |               | <b>1,094</b> |
| Capital gains/losses net on sale of non-current assets (net)      | —            |                | 167           | 167          |
| Impairment (net)                                                  | —            |                | -2            | -2           |
| <b>Operating profit</b>                                           | <b>1,259</b> |                | <b>—</b>      | <b>1,259</b> |

Effect on the group's consolidated statement of comprehensive income in brief, January-June 2017

| SEKm                                                              | Reported     | Change IFRS 15 | Other changes | Restated     |
|-------------------------------------------------------------------|--------------|----------------|---------------|--------------|
| Net sales                                                         | 52,182       | 1,461          |               | 53,643       |
| Cost of goods sold                                                | -45,294      | -1,461         | 2,041         | -44,714      |
| <b>Gross profit</b>                                               | <b>6,888</b> |                | <b>2,041</b>  | <b>8,929</b> |
| Selling expenses                                                  | -3,523       |                | -2,041        | -5,564       |
| Administrative expenses                                           | -1,430       |                |               | -1,430       |
| Other operating income                                            | 728          |                | -571          | 157          |
| Other operating expenses                                          | -35          |                | 7             | -28          |
| Share of profits of associates and joint ventures                 | 26           |                |               | 26           |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>     |                |               | <b>2,090</b> |
| Capital gains/losses net on sale of non-current assets (net)      | —            |                | 571           | 571          |
| Impairment (net)                                                  | —            |                | -7            | -7           |
| <b>Operating profit</b>                                           | <b>2,654</b> |                | <b>—</b>      | <b>2,654</b> |

Effect on the group's consolidated statement of comprehensive income in brief, Q3 2017

| SEKm                                                              | Reported     | Change IFRS 15 | Other changes | Restated     |
|-------------------------------------------------------------------|--------------|----------------|---------------|--------------|
| Net sales                                                         | 26,428       | 736            |               | 27,164       |
| Cost of goods sold                                                | -22,805      | -736           | 954           | -22,587      |
| <b>Gross profit</b>                                               | <b>3,623</b> |                | <b>954</b>    | <b>4,577</b> |
| Selling expenses                                                  | -1,659       |                | -954          | -2,613       |
| Administrative expenses                                           | -648         |                |               | -648         |
| Other operating income                                            | 68           |                | -9            | 59           |
| Other operating expenses                                          | -16          |                | 4             | -12          |
| Share of profits of associates and joint ventures                 | 17           |                |               | 17           |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>     |                |               | <b>1,380</b> |
| Capital gains/losses net on sale of non-current assets (net)      | —            |                | 9             | 9            |
| Impairment (net)                                                  | —            |                | -4            | -4           |
| <b>Operating profit</b>                                           | <b>1,385</b> |                | <b>—</b>      | <b>1,385</b> |

Effect on the group's consolidated statement of comprehensive income in brief, Q4 2017

| SEKm                                                              | Reported     | Change IFRS 15 | Other changes | Restated     |
|-------------------------------------------------------------------|--------------|----------------|---------------|--------------|
| Net sales                                                         | 27,845       | 756            |               | 28,601       |
| Cost of goods sold                                                | -24,112      | -756           | 1,088         | -23,780      |
| <b>Gross profit</b>                                               | <b>3,733</b> |                | <b>1,088</b>  | <b>4,821</b> |
| Selling expenses                                                  | -1,882       |                | -1,088        | -2,970       |
| Administrative expenses                                           | -756         |                |               | -756         |
| Other operating income                                            | 83           |                | -11           | 72           |
| Other operating expenses                                          | -16          |                | 2             | -14          |
| Share of profits of associates and joint ventures                 | 19           |                |               | 19           |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>     |                |               | <b>1,172</b> |
| Capital gains/losses net on sale of non-current assets (net)      | —            |                | 11            | 11           |
| Impairment (net)                                                  | —            |                | -2            | -2           |
| <b>Operating profit</b>                                           | <b>1,181</b> |                | <b>—</b>      | <b>1,181</b> |

Effect on the group's consolidated statement of comprehensive income in brief, full year 2017

| SEKm                                                              | Reported      | Change IFRS 15 | Other changes | Restated      |
|-------------------------------------------------------------------|---------------|----------------|---------------|---------------|
| Net sales                                                         | 106,455       | 2,953          |               | 109,408       |
| Cost of goods sold                                                | -92,211       | -2,953         | 4,083         | -91,081       |
| <b>Gross profit</b>                                               | <b>14,244</b> |                | <b>4,083</b>  | <b>18,327</b> |
| Selling expenses                                                  | -7,064        |                | -4,083        | -11,147       |
| Administrative expenses                                           | -2,834        |                |               | -2,834        |
| Other operating income                                            | 879           |                | -591          | 288           |
| Other operating expenses                                          | -67           |                | 13            | -54           |
| Share of profits of associates and joint ventures                 | 62            |                |               | 62            |
| <b>Operating profit (EBIT) excl items affecting comparability</b> | <b>—</b>      |                |               | <b>4,642</b>  |
| Capital gains/losses net on sale of non-current assets (net)      | —             |                | 591           | 591           |
| Impairment (net)                                                  | —             |                | -13           | -13           |
| <b>Operating profit</b>                                           | <b>5,220</b>  |                | <b>—</b>      | <b>5,220</b>  |

**NOTE 2, INTERESTS IN JOINT VENTURES AND ASSOCIATES**

| Share of profit                      | Second quarter |           | Jan-Jun   |           | 12 months           | Full year |
|--------------------------------------|----------------|-----------|-----------|-----------|---------------------|-----------|
| SEKm                                 | 2018           | 2017      | 2018      | 2017      | Jul 2017 - Jun 2018 | 2017      |
| Ancore Fastigheter AB                | 14             | 8         | 24        | 17        | 48                  | 41        |
| Secore Fastigheter AB                | 7              | 5         | 12        | 9         | 24                  | 21        |
| Fastighetsaktiebolaget Postgården AB | 0              | 0         | 0         | 0         | 0                   | 0         |
| <b>Total</b>                         | <b>21</b>      | <b>13</b> | <b>36</b> | <b>26</b> | <b>72</b>           | <b>62</b> |

| Book value, SEKm                     | 30 June 2018 | 30 June 2017 | 31 december 2017 |
|--------------------------------------|--------------|--------------|------------------|
| Ancore Fastigheter AB                | 680          | 614          | 649              |
| Secore Fastigheter AB                | 142          | 107          | 113              |
| Fastighetsaktiebolaget Postgården AB | 7            | 4            | 4                |
| <b>Total</b>                         | <b>828</b>   | <b>725</b>   | <b>766</b>       |

**Information regarding Ancore Fastigheter AB**

Ancore Fastigheter AB is a joint arrangement between the pension insurance company Alecta and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Ancore must be made as a joint understanding between the two owners. Ancore Fastigheter AB owns and manages 31 properties in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant data in the joint arrangement, Ancore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

| Ancore Fastigheter AB                      | Second quarter |           | Jan-Jun      |              | 12 months           | Full year    |
|--------------------------------------------|----------------|-----------|--------------|--------------|---------------------|--------------|
| SEKm                                       | 2018           | 2017      | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| Income                                     | 108            | 100       | 217          | 200          | 424                 | 407          |
| Expenses                                   | -49            | -41       | -102         | -84          | -187                | -169         |
| <b>Operating profit</b>                    | <b>59</b>      | <b>59</b> | <b>115</b>   | <b>116</b>   | <b>237</b>          | <b>238</b>   |
| Net financial items                        | -25            | -36       | -51          | -65          | -102                | -116         |
| Tax                                        | -5             | -8        | -14          | -17          | -35                 | -38          |
| <b>Profit for the period</b>               | <b>29</b>      | <b>15</b> | <b>50</b>    | <b>34</b>    | <b>100</b>          | <b>84</b>    |
| Other comprehensive income                 | 6              | 12        | 13           | 24           | 34                  | 45           |
| <b>Comprehensive income for the period</b> | <b>35</b>      | <b>27</b> | <b>63</b>    | <b>58</b>    | <b>134</b>          | <b>129</b>   |
| Non-current assets                         |                |           | 4,958        | 4,689        |                     | 4,993        |
| Current assets                             |                |           | 167          | 123          |                     | 95           |
| <b>Total assets</b>                        |                |           | <b>5,125</b> | <b>4,812</b> |                     | <b>5,088</b> |
| Equity                                     |                |           | 1,297        | 1,164        |                     | 1,235        |
| Non-current liabilities                    |                |           | 3,609        | 3,377        |                     | 3,604        |
| Current liabilities                        |                |           | 219          | 271          |                     | 249          |
| <b>Total equity and liabilities</b>        |                |           | <b>5,125</b> | <b>4,812</b> |                     | <b>5,088</b> |

**Information regarding Secore Fastigheter AB**

Secore Fastigheter AB is a joint arrangement between Första AP-fonden and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Secore Fastigheter AB must be made as a joint understanding between the two owners. At the start of the year Secore Fastigheter AB owned 25 properties in Sweden that house ICA stores operated by non-consolidated ICA retailers. In February 2018, 15 store properties were acquired from KPA Pension, which means that after the acquisition, Secore Fastigheter AB owns a total of 40 properties. Based on all relevant data in the joint arrangement, Secore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.



| Secore Fastigheter AB                      | Second quarter |           | Jan-Jun      |              | 12 months           | Full year    |
|--------------------------------------------|----------------|-----------|--------------|--------------|---------------------|--------------|
| SEKm                                       | 2018           | 2017      | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| Income                                     | 43             | 25        | 85           | 45           | 159                 | 119          |
| Expenses                                   | -31            | -12       | -57          | -23          | -101                | -67          |
| <b>Operating profit</b>                    | <b>12</b>      | <b>13</b> | <b>28</b>    | <b>22</b>    | <b>58</b>           | <b>52</b>    |
| Net financial items                        | -7             | -3        | -13          | -6           | -25                 | -18          |
| Tax                                        | -2             | -1        | -5           | -3           | -14                 | -12          |
| <b>Profit for the period</b>               | <b>3</b>       | <b>9</b>  | <b>10</b>    | <b>13</b>    | <b>19</b>           | <b>22</b>    |
| Other comprehensive income                 | —              | —         | —            | —            | —                   | —            |
| <b>Comprehensive income for the period</b> | <b>3</b>       | <b>9</b>  | <b>10</b>    | <b>13</b>    | <b>19</b>           | <b>22</b>    |
| Non-current assets                         |                |           | 2,379        | 2,067        |                     | 2,105        |
| Current assets                             |                |           | 37           | 42           |                     | 73           |
| <b>Total assets</b>                        |                |           | <b>2,416</b> | <b>2,109</b> |                     | <b>2,178</b> |
| Equity                                     |                |           | 845          | 800          |                     | 800          |
| Non-current liabilities                    |                |           | 1,527        | 1,237        |                     | 1,319        |
| Current liabilities                        |                |           | 44           | 72           |                     | 59           |
| <b>Total equity and liabilities</b>        |                |           | <b>2,416</b> | <b>2,109</b> |                     | <b>2,178</b> |

**NOTE 3, ITEMS AFFECTING COMPARABILITY**

|                                                                                               | Second quarter |            | Jan-Jun    |            | Full year  |
|-----------------------------------------------------------------------------------------------|----------------|------------|------------|------------|------------|
| SEKm                                                                                          | 2018           | 2017       | 2018       | 2017       | 2017       |
| <b>Capital gains/losses net on sale of non-current assets</b>                                 |                |            |            |            |            |
| Rimi Baltic                                                                                   | —              | 5          | —          | 8          | 15         |
| ICA Real Estate                                                                               | -8             | 163        | -7         | 564        | 578        |
| Other                                                                                         | —              | -1         | —          | -1         | -2         |
| <b>Total</b>                                                                                  | <b>-8</b>      | <b>167</b> | <b>-7</b>  | <b>571</b> | <b>591</b> |
| <b>Impairment, net</b>                                                                        |                |            |            |            |            |
| ICA Sweden                                                                                    | -79            | —          | -79        | —          | —          |
| Rimi Baltic                                                                                   | -3             | -6         | -4         | -11        | -21        |
| ICA Real Estate                                                                               | —              | 4          | —          | 4          | 8          |
| <b>Total</b>                                                                                  | <b>-82</b>     | <b>-2</b>  | <b>-83</b> | <b>-7</b>  | <b>-13</b> |
| <b>Result from capital gains/losses from sale of non-current assets and impairments (net)</b> | <b>-90</b>     | <b>165</b> | <b>-90</b> | <b>564</b> | <b>578</b> |

**NOTE 4, ASSETS HELD FOR SALE**

For all reported periods, assets held for sale pertain to properties in Sweden and the Baltic countries.

## NOTE 5, CONSOLIDATED CASH FLOW STATEMENT

| January–June, SEKm                                                          | Group<br>2018 | ICA Bank<br>2018 | Group excl.<br>ICA Bank<br>2018 |
|-----------------------------------------------------------------------------|---------------|------------------|---------------------------------|
| <b>Cash flow from operating activities before change in working capital</b> | <b>2,346</b>  | <b>33</b>        | <b>2,313</b>                    |
| Change in working capital                                                   |               |                  |                                 |
| Inventories                                                                 | -103          | —                | -103                            |
| Current receivables                                                         | 22            | 89               | -67                             |
| Current liabilities                                                         | 995           | -65              | 1,060                           |
| ICA Bank's net of deposits, lending and investments                         | 226           | 226              | —                               |
| <b>Cash flow from operating activities</b>                                  | <b>3,487</b>  | <b>283</b>       | <b>3,204</b>                    |
| <b>Cash flow from investing activities</b>                                  | <b>-1,893</b> | <b>-13</b>       | <b>-1,880</b>                   |
| <b>Cash flow from financing activities</b>                                  | <b>-3,150</b> | <b>53</b>        | <b>-3,203</b>                   |
| <b>Cash flow for the period</b>                                             | <b>-1,556</b> | <b>324</b>       | <b>-1,880</b>                   |
| Cash and cash equivalents at the beginning of the period                    | 4,499         | 2,209            | 2,290                           |
| Exchange differences in cash and cash equivalents                           | 13            | —                | 13                              |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>2,956</b>  | <b>2,532</b>     | <b>423</b>                      |

| January–June, SEKm                                                          | Group<br>2017 | ICA Bank<br>2017 | Group excl.<br>ICA Bank<br>2017 |
|-----------------------------------------------------------------------------|---------------|------------------|---------------------------------|
| <b>Cash flow from operating activities before change in working capital</b> | <b>2,449</b>  | <b>-2</b>        | <b>2,451</b>                    |
| Change in working capital                                                   |               |                  |                                 |
| Inventories                                                                 | -40           | —                | -40                             |
| Current receivables                                                         | -185          | -122             | -63                             |
| Current liabilities                                                         | 80            | 100              | -20                             |
| ICA Bank's net of deposits, lending and investments                         | -354          | -354             | —                               |
| <b>Cash flow from operating activities</b>                                  | <b>1,950</b>  | <b>-378</b>      | <b>2,328</b>                    |
| <b>Cash flow from investing activities</b>                                  | <b>1,640</b>  | <b>-9</b>        | <b>1,649</b>                    |
| <b>Cash flow from financing activities</b>                                  | <b>-4,156</b> | <b>1</b>         | <b>-4,157</b>                   |
| <b>Cash flow for the period</b>                                             | <b>-566</b>   | <b>-386</b>      | <b>-180</b>                     |
| Cash and cash equivalents at the beginning of the period                    | 3,974         | 3,269            | 705                             |
| Exchange differences in cash and cash equivalents                           | -8            | —                | -8                              |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>3,400</b>  | <b>2,883</b>     | <b>517</b>                      |

## NOTE 6, FINANCIAL INSTRUMENTS

As per 30 June 2018 financial assets measured at fair value in ICA Gruppen amounted to SEK 3,429 million (3,305). Financial liabilities measured at fair value amounted to SEK 97 million (243) as per 30 June 2018. In the fair value hierarchy, SEK 3,429 million (3,064) of financial assets are attributable to Level 1 and SEK 0 million (241) are attributable to Level 2. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value exceeds the carrying amount by SEK 132 million (213).

## NOTE 7, BUSINESS COMBINATIONS

On 23 December 2016 ICA Gruppen communicated that an agreement was reached to acquire all of the shares in UAB Palink, which operates the IKI grocery store chain in Lithuania, for EUR 213 million on a cash and debt-free basis. In October 2017 the Lithuanian Competition Council gave its clearance to ICA Gruppen's acquisition under the condition that 17 specific stores be sold prior to completion of the transaction. On 18 April 2018 the Competition Council announced its decision to not approve the store sales agreement proposed by ICA Gruppen. As a result of the decision, ICA Gruppen cannot complete the acquisition of UAB Palink.

## Condensed Parent Company income statement

| SEKm                                               | Second quarter |              | Jan-Jun      |              | 12 months           | Full year    |
|----------------------------------------------------|----------------|--------------|--------------|--------------|---------------------|--------------|
|                                                    | 2018           | 2017         | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| Net sales <sup>1)</sup>                            | 239            | 209          | 464          | 422          | 880                 | 838          |
| Cost of services sold                              | -204           | -199         | -393         | -390         | -771                | -768         |
| <b>Gross profit</b>                                | <b>35</b>      | <b>10</b>    | <b>71</b>    | <b>32</b>    | <b>109</b>          | <b>70</b>    |
| Administrative expenses                            | -167           | -132         | -300         | -236         | -539                | -475         |
| <b>Operating profit/loss</b>                       | <b>-132</b>    | <b>-122</b>  | <b>-229</b>  | <b>-204</b>  | <b>-430</b>         | <b>-405</b>  |
| Profit/loss from participations in Group companies | 3,400          | 4,535        | 3,400        | 4,535        | 4,769               | 5,904        |
| Financial income, Group companies                  | 42             | 41           | 82           | 77           | 164                 | 159          |
| Financial income                                   | 14             | 1            | 28           | 13           | 55                  | 40           |
| Financial expenses, Group companies                | -2             | -4           | -4           | -7           | -8                  | -11          |
| Financial expenses                                 | -66            | -66          | -130         | -130         | -259                | -259         |
| <b>Profit/loss after financial items</b>           | <b>3,257</b>   | <b>4,385</b> | <b>3,147</b> | <b>4,284</b> | <b>4,291</b>        | <b>5,428</b> |
| Appropriations                                     | —              | —            | —            | —            | 446                 | 446          |
| <b>Profit before tax</b>                           | <b>3,257</b>   | <b>4,385</b> | <b>3,147</b> | <b>4,284</b> | <b>4,737</b>        | <b>5,874</b> |
| Tax                                                | 24             | 32           | 48           | 54           | -1                  | 5            |
| <b>Profit for the period</b>                       | <b>3,281</b>   | <b>4,417</b> | <b>3,195</b> | <b>4,338</b> | <b>4,736</b>        | <b>5,879</b> |

1) Of net sales for the second quarter, SEK 230 million (2017) pertains to Group companies, and SEK 447 million (405) accumulated.

## Condensed Parent Company balance sheet

| SEKm                                     | 30 June 2018  | 30 June 2017  | 31 December 2017 |
|------------------------------------------|---------------|---------------|------------------|
| <b>ASSETS</b>                            |               |               |                  |
| <b>Non-current assets</b>                |               |               |                  |
| Investments in Group companies           | 30,142        | 30,052        | 30,092           |
| Other intangible assets                  | 99            | 81            | 108              |
| Deferred tax assets                      | 223           | 228           | 233              |
| Other non-current assets                 | 719           | 107           | 106              |
| <b>Total non-current assets</b>          | <b>31,183</b> | <b>30,468</b> | <b>30,539</b>    |
| <b>Current assets</b>                    |               |               |                  |
| Current receivables from Group companies | 10,888        | 10,811        | 11,253           |
| Other current assets                     | 348           | 269           | 202              |
| Cash and cash equivalents                | 3             | 122           | 1,484            |
| <b>Total current assets</b>              | <b>11,239</b> | <b>11,202</b> | <b>12,939</b>    |
| <b>TOTAL ASSETS</b>                      | <b>42,422</b> | <b>41,670</b> | <b>43,478</b>    |
| <b>EQUITY AND LIABILITIES</b>            |               |               |                  |
| <b>Equity</b>                            | <b>28,399</b> | <b>25,873</b> | <b>27,415</b>    |
| <b>Provisions</b>                        | <b>395</b>    | <b>371</b>    | <b>386</b>       |
| <b>Non-current liabilities</b>           |               |               |                  |
| Non-current interest-bearing liabilities | 2,693         | 2,988         | 2,987            |
| Other non-current liabilities            | 28            | 69            | 57               |
| <b>Total non-current liabilities</b>     | <b>2,721</b>  | <b>3,057</b>  | <b>3,044</b>     |
| <b>Current liabilities</b>               |               |               |                  |
| Current interest-bearing liabilities     | 3,455         | 4,380         | 3,975            |
| Current liabilities to Group companies   | 6,972         | 7,557         | 8,227            |
| Other current liabilities                | 480           | 432           | 431              |
| <b>Total current liabilities</b>         | <b>10,907</b> | <b>12,369</b> | <b>12,633</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>42,422</b> | <b>41,670</b> | <b>43,478</b>    |

# Quarterly overview

|                                                                           | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q1 2018 | Q2 2018 |
|---------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales, SEKm <sup>1)</sup>                                             | 26,493  | 27,654  | 25,703  | 27,940  | 27,164  | 28,601  | 27,181  | 29,258  |
| Operating profit before depreciation/amortisation (EBITDA), SEKm          | 1,768   | 1,575   | 1,775   | 1,646   | 1,761   | 1,574   | 1,364   | 1,430   |
| Operating profit (EBIT) excl. items affecting comparability, SEKm         | 1,376   | 1,180   | 996     | 1,094   | 1,380   | 1,172   | 972     | 1,041   |
| Operating margin excl. items affecting comparability, % <sup>1)</sup>     | 5.2     | 4.3     | 3.9     | 3.9     | 5.1     | 4.1     | 3.6     | 3.6     |
| Operating profit (EBIT), SEKm                                             | 1,396   | 1,029   | 1,395   | 1,259   | 1,385   | 1,181   | 972     | 951     |
| Operating margin, % <sup>1)</sup>                                         | 5.3     | 3.7     | 5.4     | 4.5     | 5.1     | 4.1     | 3.6     | 3.3     |
| Profit before tax, SEKm                                                   | 1,301   | 941     | 1,313   | 1,172   | 1,272   | 1,096   | 888     | 869     |
| Profit from continuing operations, SEKm                                   | 1,049   | 784     | 1,132   | 1,021   | 1,100   | 892     | 700     | 935     |
| Profit/loss from discontinued operations, SEKm                            | 21      | —       | —       | —       | —       | —       | —       | —       |
| Profit for the period, SEKm                                               | 1,070   | 784     | 1,132   | 1,021   | 1,100   | 892     | 700     | 935     |
| Earnings per share, continuing operations, SEK                            | 5.21    | 3.89    | 5.61    | 5.06    | 5.45    | 4.41    | 3.46    | 4.62    |
| Earnings per share, discontinued operations, SEK                          | 0.10    | —       | —       | —       | —       | —       | —       | —       |
| Earnings per share, SEK                                                   | 5.31    | 3.89    | 5.61    | 5.06    | 5.45    | 4.41    | 3.46    | 4.62    |
| Equity per share, SEK                                                     | 142.59  | 147.48  | 153.44  | 147.51  | 152.96  | 157.70  | 161.69  | 155.13  |
| Share price at the end of period, SEK                                     | 283.30  | 277.90  | 305.80  | 313.60  | 306.10  | 297.90  | 295.40  | 274.70  |
| Return on equity, %                                                       | 13.6    | 11.9    | 13.1    | 13.6    | 13.4    | 13.4    | 11.7    | 11.3    |
| Return on capital employed, %                                             | 10.8    | 10.5    | 11.5    | 11.9    | 11.9    | 12.3    | 11.2    | 10.4    |
| Cash flow from operating activities, continuing operations, SEKm          | 550     | 2,689   | -51     | 2,001   | 1,045   | 1,606   | 732     | 2,755   |
| Cash flow from operating activities, SEKm                                 | 550     | 2,689   | -51     | 2,001   | 1,045   | 1,606   | 732     | 2,755   |
| Cash flow per share from operating activities, continuing operations, SEK | 2.73    | 13.37   | -0.25   | 9.95    | 5.20    | 7.98    | 3.64    | 13.70   |
| Cash flow per share from operating activities, SEK                        | 2.73    | 13.37   | -0.25   | 9.95    | 5.20    | 7.98    | 3.64    | 13.70   |
| Investing activities (cash flow), SEKm                                    | 463     | 793     | 628     | 520     | 470     | 612     | 1,118   | 747     |
| Capital employed excl. ICA Bank, average, SEKm                            | 43,184  | 43,050  | 42,946  | 42,607  | 42,169  | 41,938  | 42,024  | 42,086  |
| Net debt, SEKm                                                            | -11,563 | -9,758  | -7,683  | -7,776  | -7,384  | -5,598  | -5,670  | -6,650  |
| Net debt/EBITDA                                                           | 1.8     | 1.6     | 1.2     | 1.1     | 1.1     | 0.8     | 0.9     | 1.1     |

1) Earlier periods have been recalculated, see Note 1

## Quarterly data by segment

### Net sales by segment

| SEKm                          | Q3 2016       | Q4 2016       | Q1 2017       | Q2 2017       | Q3 2017       | Q4 2017       | Q1 2018       | Q2 2018       |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| ICA Sweden <sup>1)</sup>      | 19,339        | 19,838        | 18,493        | 20,366        | 19,869        | 20,625        | 19,358        | 20,975        |
| Rimi Baltic                   | 3,363         | 3,695         | 3,298         | 3,530         | 3,413         | 3,767         | 3,548         | 3,814         |
| Apotek Hjärtat                | 3,021         | 3,198         | 3,173         | 3,298         | 3,108         | 3,297         | 3,430         | 3,625         |
| ICA Real Estate               | 594           | 603           | 596           | 627           | 609           | 636           | 642           | 643           |
| ICA Bank                      | 189           | 224           | 226           | 235           | 245           | 259           | 322           | 332           |
| Hemtex                        | 252           | 369           | 228           | 232           | 252           | 366           | 223           | 217           |
| Other                         | 190           | 223           | 222           | 237           | 222           | 228           | 247           | 251           |
| Intra-Group sales             | -455          | -496          | -533          | -585          | -554          | -577          | -589          | -599          |
| <b>Net sales<sup>1)</sup></b> | <b>26,493</b> | <b>27,654</b> | <b>25,703</b> | <b>27,940</b> | <b>27,164</b> | <b>28,601</b> | <b>27,181</b> | <b>29,258</b> |

1) Earlier periods have been recalculated, see Note 1.

### Operating profit before depreciation/amortisation by segment (EBITDA)

| SEKm                                                              | Q3 2016      | Q4 2016      | Q1 2017      | Q2 2017      | Q3 2017      | Q4 2017      | Q1 2018      | Q2 2018      |
|-------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ICA Sweden                                                        | 1,124        | 951          | 890          | 982          | 1,108        | 959          | 869          | 897          |
| Rimi Baltic                                                       | 212          | 248          | 176          | 214          | 245          | 258          | 202          | 240          |
| Apotek Hjärtat                                                    | 165          | 160          | 127          | 171          | 165          | 141          | 132          | 195          |
| ICA Real Estate                                                   | 270          | 254          | 630          | 382          | 243          | 235          | 215          | 211          |
| ICA Bank                                                          | 29           | 6            | 15           | 16           | 37           | 35           | 33           | 33           |
| Hemtex                                                            | 5            | 62           | -9           | -12          | 12           | 63           | -15          | -19          |
| Other                                                             | -37          | -106         | -54          | -107         | -49          | -117         | -73          | -126         |
| <b>Operating profit before depreciation/amortisation (EBITDA)</b> | <b>1,768</b> | <b>1,575</b> | <b>1,775</b> | <b>1,646</b> | <b>1,761</b> | <b>1,574</b> | <b>1,364</b> | <b>1,430</b> |

### Operating profit excluding items affecting comparability by segment

| SEKm                                                            | Q3 2016      | Q4 2016      | Q1 2017    | Q2 2017      | Q3 2017      | Q4 2017      | Q1 2018    | Q2 2018      |
|-----------------------------------------------------------------|--------------|--------------|------------|--------------|--------------|--------------|------------|--------------|
| ICA Sweden                                                      | 1,020        | 837          | 789        | 870          | 1,004        | 844          | 758        | 784          |
| Rimi Baltic                                                     | 134          | 167          | 94         | 128          | 161          | 174          | 118        | 156          |
| Apotek Hjärtat                                                  | 129          | 102          | 90         | 135          | 130          | 106          | 94         | 156          |
| ICA Real Estate                                                 | 142          | 141          | 109        | 99           | 121          | 100          | 90         | 90           |
| ICA Bank                                                        | 21           | 6            | 6          | 8            | 29           | 28           | 26         | 26           |
| Hemtex                                                          | -1           | 57           | -14        | -18          | 6            | 57           | -20        | -25          |
| Other                                                           | -69          | -130         | -78        | -128         | -71          | -137         | -94        | -146         |
| <b>Operating profit excluding items affecting comparability</b> | <b>1,376</b> | <b>1,180</b> | <b>996</b> | <b>1,094</b> | <b>1,380</b> | <b>1,172</b> | <b>972</b> | <b>1,041</b> |

### Depreciation/amortisation by segment

| SEKm                             | Q3 2016    | Q4 2016    | Q1 2017    | Q2 2017    | Q3 2017    | Q4 2017    | Q1 2018    | Q2 2018    |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| ICA Sweden                       | 103        | 118        | 102        | 113        | 104        | 115        | 111        | 113        |
| Rimi Baltic                      | 78         | 81         | 79         | 81         | 78         | 83         | 84         | 84         |
| Apotek Hjärtat                   | 34         | 37         | 37         | 36         | 35         | 35         | 39         | 38         |
| ICA Real Estate                  | 114        | 113        | 120        | 120        | 119        | 124        | 124        | 129        |
| ICA Bank                         | 8          | 8          | 9          | 8          | 8          | 8          | 7          | 6          |
| Hemtex                           | 6          | 6          | 6          | 5          | 6          | 6          | 6          | 5          |
| Other                            | 23         | 23         | 22         | 22         | 22         | 20         | 20         | 22         |
| <b>Depreciation/amortisation</b> | <b>366</b> | <b>386</b> | <b>375</b> | <b>385</b> | <b>372</b> | <b>391</b> | <b>391</b> | <b>397</b> |

# Key figures ICA Gruppen

|                                                                       | Second quarter |             | Jan-Jun     |             | 12 months           | Full year   |
|-----------------------------------------------------------------------|----------------|-------------|-------------|-------------|---------------------|-------------|
|                                                                       | 2018           | 2017        | 2018        | 2017        | Jul 2017 - Jun 2018 | 2017        |
| Operating profit before depreciation/amortisation (EBITDA), SEKm      | 1,430          | 1,646       | 2,794       | 3,421       | 6,129               | 6,756       |
| Operating margin excl. items affecting comparability, % <sup>1)</sup> | 3.6            | 3.9         | 3.6         | 3.9         | 4.1                 | 4.2         |
| Operating margin, % <sup>1)</sup>                                     | 3.3            | 4.5         | 3.4         | 4.9         | 4.0                 | 4.8         |
| Net margin, % <sup>1)</sup>                                           | 3.2            | 3.7         | 2.9         | 4.0         | 3.2                 | 3.8         |
| Return on capital employed, %                                         | —              | —           | 10.4        | 11.9        | 10.4                | 12.3        |
| Return on equity, %                                                   | —              | —           | 11.3        | 13.6        | 11.3                | 13.4        |
| Equity/assets ratio, %                                                | —              | —           | 40.1        | 40.2        | 40.1                | 41.0        |
| Net debt, SEKm                                                        | —              | —           | -6,650      | -7,776      | -6,650              | -5,598      |
| Net debt/EBITDA                                                       | —              | —           | 1.1         | 1.1         | 1.1                 | 0.8         |
| Average number of employees                                           | —              | —           | 22,014      | 21,985      | —                   | 22,137      |
| <b>Share data</b>                                                     |                |             |             |             |                     |             |
| Earnings per share, SEK                                               | 4.62           | 5.06        | 8.08        | 10.67       | 17.94               | 20.53       |
| Share price at the end of period, SEK                                 | —              | —           | 274.70      | 313.60      | 274.70              | 297.90      |
| Dividend per ordinary share, SEK                                      | —              | —           | —           | —           | —                   | 11.00       |
| Dividend, SEKm                                                        | —              | —           | —           | —           | —                   | 2,213       |
| Dividend payout ratio, %                                              | —              | —           | —           | —           | —                   | 53          |
| Equity per share, SEK                                                 | —              | —           | 155.13      | 147.51      | 155.13              | 157.70      |
| Cash flow from operating activities per share, SEK                    | 13.70          | 9.95        | 17.34       | 9.69        | 30.52               | 22.87       |
| Number of shares                                                      | 201,146,795    | 201,146,795 | 201,146,795 | 201,146,795 | 201,146,795         | 201,146,795 |
| Average number of shares                                              | 201,146,795    | 201,146,795 | 201,146,795 | 201,146,795 | 201,146,795         | 201,146,795 |
| Average number of shares after dilution                               | 201,146,795    | 201,146,795 | 201,146,795 | 201,146,795 | 201,146,795         | 201,146,795 |

1) Earlier periods have been recalculated, see Note 1.

## Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures. The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. Data on these APMs and definitions is also provided on [www.icagruppen.se/investerare/#/finansuell-data/lb//investerare/finansuell-data/definitioner/](http://www.icagruppen.se/investerare/#/finansuell-data/lb//investerare/finansuell-data/definitioner/). The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding items affecting comparability) of 4.5%; to achieve a return on capital employed of 10%; and to maintain net debt in relation to EBITDA that is lower than a factor of 2. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends. ICA Gruppen presented on the 23 of May 2018 new financial targets recalculated for the effects of IFRS 15 and IFRS 16, valid from 1 of January 2019. More information about this is available on ICA Gruppen's website, [www.icagruppen.se](http://www.icagruppen.se).

### Reconciliation EBITDA

|                                                                   | Second quarter |              | Jan-Jun      |              | 12 months           | Full year    |
|-------------------------------------------------------------------|----------------|--------------|--------------|--------------|---------------------|--------------|
|                                                                   | 2018           | 2017         | 2018         | 2017         | Jul 2017 - Jun 2018 | 2017         |
| SEKm                                                              |                |              |              |              |                     |              |
| Operating profit (EBIT)                                           | 951            | 1,259        | 1,923        | 2,654        | 4,489               | 5,220        |
| Depreciation/amortisation                                         | 397            | 385          | 788          | 760          | 1,551               | 1,523        |
| Impairment losses (net)                                           | 82             | 2            | 83           | 7            | 89                  | 13           |
| <b>Operating profit before depreciation/amortisation (EBITDA)</b> | <b>1,430</b>   | <b>1,646</b> | <b>2,794</b> | <b>3,421</b> | <b>6,129</b>        | <b>6,756</b> |

Reconciliation EBITDA

| SEKm                                                              | Q3 2016      | Q4 2016      | Q1 2017      | Q2 2017      | Q3 2017      | Q4 2017      | Q1 2018      | Q2 2018      |
|-------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Operating profit (EBIT)                                           | 1,396        | 1,029        | 1,395        | 1,259        | 1,385        | 1,181        | 972          | 951          |
| Depreciation/amortisation                                         | 366          | 386          | 375          | 385          | 372          | 391          | 391          | 397          |
| Impairment losses (net)                                           | 5            | 160          | 5            | 2            | 4            | 2            | 1            | 82           |
| <b>Operating profit before depreciation/amortisation (EBITDA)</b> | <b>1,768</b> | <b>1,575</b> | <b>1,775</b> | <b>1,646</b> | <b>1,761</b> | <b>1,574</b> | <b>1,364</b> | <b>1,430</b> |

Reconciliation Net debt excluding ICA Bank

| SEKm                                             | Q3 2016        | Q4 2016       | Q1 2017       | Q2 2017       | Q3 2017       | Q4 2017       | Q1 2018       | Q2 2018       |
|--------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Non-current interest-bearing liabilities         | -7,706         | -7,407        | -7,404        | -3,914        | -3,915        | -3,913        | -3,917        | -3,619        |
| Current interest-bearing liabilities             | -4,068         | -3,057        | -736          | -4,380        | -3,998        | -3,975        | -4,029        | -3,455        |
| Current interest-bearing liabilities to ICA Bank | -150           | —             | —             | —             | —             | —             | —             | —             |
| Cash and cash equivalents                        | 362            | 705           | 455           | 517           | 528           | 2,290         | 2,275         | 423           |
| <b>Net debt</b>                                  | <b>-11,563</b> | <b>-9,758</b> | <b>-7,683</b> | <b>-7,776</b> | <b>-7,384</b> | <b>-5,598</b> | <b>-5,670</b> | <b>-6,650</b> |

Reconciliation Capital employed excluding ICA Bank

| SEKm                                             | Q3 2016       | Q4 2016       | Q1 2017       | Q2 2017       | Q3 2017       | Q4 2017       | Q1 2018       | Q2 2018       |
|--------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity                                           | 28,705        | 29,688        | 31,169        | 29,973        | 31,069        | 32,017        | 32,825        | 31,477        |
| Provisions for pensions                          | 2,475         | 2,286         | 2,318         | 2,488         | 2,521         | 2,619         | 2,656         | 2,857         |
| Other provisions                                 | 21            | 21            | 12            | 13            | 10            | 11            | 7             | 12            |
| Non-current interest-bearing liabilities         | 7,706         | 7,407         | 7,404         | 3,914         | 3,915         | 3,913         | 3,917         | 3,619         |
| Current interest-bearing liabilities             | 4,068         | 3,057         | 736           | 4,380         | 3,998         | 3,975         | 4,029         | 3,455         |
| Current interest-bearing liabilities to ICA Bank | 150           | —             | —             | —             | —             | —             | —             | —             |
| Other non-current liabilities                    | 168           | 138           | 122           | 68            | 62            | 56            | 86            | 61            |
| <b>Capital employed</b>                          | <b>43,293</b> | <b>42,597</b> | <b>41,761</b> | <b>40,836</b> | <b>41,575</b> | <b>42,591</b> | <b>43,520</b> | <b>41,481</b> |
| <b>Average capital employed</b>                  | <b>43,184</b> | <b>43,050</b> | <b>42,946</b> | <b>42,607</b> | <b>42,169</b> | <b>41,938</b> | <b>42,024</b> | <b>42,086</b> |



## Definitions of key ratios

### Business volume (ICA Bank)

Sum of lending, deposits, fund savings and home mortgages (including volume intermediated via collaborations).

### Capital employed

Equity plus interest-bearing liabilities.

### Cash flow from operating activities per share

Cash flow from operating activities for the period divided by the average number of shares outstanding.

### C/I ratio (ICA Bank)

Total costs in relation to total income.

### Common Equity Tier I ratio (ICA Bank)

The bank's capital base in relation to risk-weighted assets.

### Divestments

Payments received for sold tangible and intangible non-current assets during the period according to the statement of cash flows.

### Earnings per share

Profit for the period, excluding non-controlling interests, divided by the average number of shares outstanding.

### EBITDA

Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Taxes, Depreciation and Amortisation).

### Equity/assets ratio

Equity including non-controlling interests in relation to total assets.

### Equity per share

Equity, excluding non-controlling interests, divided by the total number of shares outstanding.

### Gross profit

Net sales less cost of goods sold.

### Investments

Investments paid in tangible and intangible non-current assets during the period according to the statement of cash flows.

### Items affecting comparability

Gain/loss on disposal of non-current assets, impairment of non-current assets as well as major structural changes.

### Like-for-like store sales

Sales for stores that generated sales both in the reporting period and in the comparison period.

### Loan loss ratio (ICA Bank)

Loan losses in relation to average lending.

### Net debt

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents.

### Net debt/EBITDA

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents in relation to EBITDA rolling 12 months.

### Net interest (ICA Bank)

The difference between the bank's interest income and interest expense.

### Net margin

Profit for the period as a percentage of net sales.

### Occupancy rate (ICA Real Estate)

Market rents for rented properties divided by total rental value (contracted annual rent + market rent for unrented premises).

### Operating margin

Operating profit as a percentage of net sales.

### Operating profit/loss

Profit/loss before net financial items and tax.

### Return on capital employed

Operating profit plus financial income (rolling 12 months) in relation to average capital employed. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on capital employed.

### Return on equity

Profit for the period (rolling 12 months) in relation to average equity. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

### Yield (ICA Real Estate)

Operating net in relation to the average book value of properties.

## Glossary

### Hard discount

Distinctively low price store with limited product range.

### Joint venture

A partnership project, a joint venture company.

### MTN

A medium-term note (MTN) is a continuously offered debt note with a set maturity date.

### Near Food

Items such as household products, pet food and over-the-counter drugs.

### Non-food

Items that are not food, such as clothing, housewares and toys.

### Private label products

Corporate brand products.

This half-year interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and earnings, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 16 August 2018

Claes-Göran Sylvén  
Chairman of the Board

Göran Blomberg    Jeanette Jäger    Cecilia Daun Wennborg    Andrea Gisle Joosen    Bengt Kjell

Fredrik Häggglund    Magnus Moberg    Anette Wiotti    Fredrik Persson

Magnus Rehn    Jonathon Clarke

Per Strömberg  
CEO ICA Gruppen

The information in this interim report is such that ICA Gruppen is obligated to disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07.00 CET on Thursday, 16 August 2018. The report has not been reviewed by the company's auditors.

## Contacts and calendar

### For further information, please contact:

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Tel +46 10 422 52 52

### Press and analyst meeting

ICA Gruppen will hold a press and analyst meeting at 10.00 CET on Thursday, 16 August 2018 during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The meeting will be held in English and can be followed at [www.icagruppen.se/en/investors](http://www.icagruppen.se/en/investors). There is also an opportunity to call in on tel. +46 8 56642695 or +44 20 30089809.

Location: IVA, Grev Turegatan 16, Stockholm

### Calendar

|                  |                      |
|------------------|----------------------|
| 25 October 2018  | Q3 interim report    |
| 13 December 2018 | Capital Market Day   |
| 7 February 2019  | 2018 year-end report |

The information in this interim report is such that ICA Gruppen is obligated to disclose pursuant to EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Thursday, 16 August 2018.

ICA Gruppen AB (publ) is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic, which mainly conduct grocery retail, Apotek Hjärtat, which conducts pharmacy operations, ICA Real Estate, which owns and manages properties, and ICA Bank, which offers financial services in Sweden. The Group also includes the company Hemtex.

For more information see [icagruppen.se](http://icagruppen.se).

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