

First quarter 2019

Good start to the year – improved profitability

First quarter 2019

- Consolidated net sales amounted to SEK 28,098 million (27,181), an increase of 3.4%
- Operating profit excluding items affecting comparability was SEK 1,125 million (972). Operating profit, recalculated according to IFRS 16, was SEK 1,005 million in 2018
- ICA Sweden's operating profit excluding items affecting comparability includes an estimated negative calendar effect of approximately SEK 35 million for the Easter weekend. At the same time, the result includes positive effects in roughly the same amount from divestments of store subsidiaries in ICA Sweden and the effect of the changed assessment of the useful life for properties and their components in ICA Real Estate
- Profit for the period was SEK 813 million (700). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK -10 million net (0)
- Earnings per share were SEK 4.02 (3.46)
- Cash flow from operating activities amounted to SEK 1,669 million (732). Excluding ICA Bank, cash flow was SEK 1,609 million (1,016)

Events after the end of the quarter

- On 11 April the Annual General Meeting approved the dividend of SEK 11.50 per share, in accordance with the Board's proposal
- At the Annual General Meeting, Lennart Evrell and Bo Sandström were elected as new directors on ICA Gruppen's board, replacing Göran Blomberg and Bengt Kjell, both of whom declined re-election

Implementation of IFRS 16 has a large effect on ICA Gruppen's financial statements. To facilitate comparisons, ICA Gruppen has opted to present 2018 recalculated for IFRS 16 as a complement to presentation of the formal comparison figures for 2018. Recalculation of 2018 has been done as if IFRS 16 had begun to be applied on 1 January 2018 with the leases then in effect. Key ratios for 2018 that are based on rolling 12-month data are presented only for the full year 2018, as 2017 figures are not recalculated for IFRS 16. ICA Gruppen's segments will continue to recognise all rents as operating leases. The segment reporting for 2019 is therefore unchanged compared with 2018. See also Note 1.

SEKm	First quarter			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
Group						
Net sales	28,098	27,181	27,181	116,271	115,354	115,354
Operating profit before depreciation/amortisation (EBITDA)	2,439	1,364	2,237	10,052	6,302	9,850
Operating profit (EBIT) excluding items affecting comparability	1,125	972	1,005	4,931	4,651	4,811
Operating profit (EBIT)	1,115	972	1,005	4,768	4,498	4,658
Profit before tax	974	888	845	4,186	4,227	4,057
Profit for the period	813	700	665	3,656	3,647	3,508
Cash flow from operating activities	1,669	732	1,605	10,390	6,802	10,326
Cash flow from operating activities excluding ICA Bank	1,609	1,016	1,889	9,798	6,555	10,078
Operating margin excluding items affecting comparability, %	4.0	3.6	3.7	4.2	4.0	4.2
Operating margin, %	4.0	3.6	3.7	4.1	3.9	4.0
Return on capital employed, %	7.8	11.2	N/A ³⁾	7.8	10.2	7.7
Return on equity, %	10.9	11.7	N/A ³⁾	10.9	11.1	10.6
Earnings per share, SEK	4.02	3.46	3.28	18.09	18.05	17.35

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

3) Key ratios for 2018 based on rolling 12-month figures are presented only for the full year 2018, as 2017 figures have not been recalculated for IFRS 16.

CEO's comments

We have had a good start to the year with good sales and profitability in most of our businesses. This is particularly noticeable for ICA Sweden and Rimi Baltic, which despite negative calendar effects for Easter posted a considerably better quarter than a year ago. Starting with this report we are integrating the sustainability report in our quarterly earnings reports. In doing so we are further underscoring the importance of – and our strong focus on – sustainability issues.



The new Food Retail Index (DVI*) for the market's development, which is published by the Swedish Food Retailers Federation (SvDH) and HUI Research every month, shows that we performed in line with the market during the first quarter. The Food Retail Index incorporates most of Statistics Sweden's Retail Trade Index (DHI) and can therefore be used as an accurate measure of the market's growth. As usual, however, when Easter falls in different months, we have a calendar effect, and as a result the figures do not show the entire picture until we see the final outcome for sales in April. We can also note that ICA's e-commerce business continues to grow faster than the market and that we are thereby further strengthening our market-leading position for food online.

ICA Sweden – considerable improvement compared with a year ago

ICA Sweden posted considerably improved earnings compared with a year ago, despite the negative Easter effect and continued rising logistics costs. Granted, we benefited from higher gains from divestments of stores, but the underlying improvement of gross profit nevertheless shows that we have succeeded in reversing many of the negative factors we cited a year ago. We also have good volume growth in our online sales, but the start-up of the e-commerce warehouse in Stockholm will continue to weigh down earnings for some time. The start-up of the e-commerce warehouse is giving us a wealth of helpful and valuable experience as we now proceed to open a similar facility also in Gothenburg at the end of 2020. In addition, during the first half of the year ICA Sweden is conducting the previously announced reorganisation, which is an important step in our ongoing change process.

Rimi Baltic – strong quarter despite many challenges; favourable performance for Apotek Hjärtat

Rimi Baltic also posted a strong quarter with good earnings performance, albeit with continued slightly weaker sales performance than the market. An important challenge lies ahead for us there – to resume market growth. In other respects, however, business was very good during the quarter, and through focused work in a number of areas, Rimi Baltic has parried a number of challenging factors in the macro environment, which can also be seen in its profitability performance.

Apotek Hjärtat was weighed down somewhat by Min Doktor, which is included in full-quarter earnings for the first time. This effect will linger for the rest of the year as we build up operations, among other things with the roll-out of new clinics. The strong focus on e-commerce continues and is developing according to plan. We have now started express deliveries from pharmacies to further improve the level of customer service. In parallel with this we are working further with the physical customer meeting, where we are achieving good results across the board. On the whole we can assert that Apotek Hjärtat is performing well and with good profitability.

Good underlying earnings for ICA Bank – ICA Real Estate stable

ICA Bank continues to improve its earnings with higher lending volume and an improved result from ICA Insurance. Earnings have also been helped, of course, by a higher repo rate. ICA Real Estate had a stable quarter in terms of earnings, with slightly higher investments. Within ICA Real Estate we have conducted an overview of the potential risks we are facing, such as the continued strong growth for e-commerce. Based on our assessment we have a well-balanced property portfolio with low risk, but given the substantial value this represents, naturally it is an important issue to keep in focus going forward.

Halving of food waste in own operations by 2025

During the quarter we decided to adopt a new Group goal for food waste. We have focused on reducing food waste for many years, and now we are elevating this issue by setting a target to cut food waste in our own operations in half by 2025. The work on implementing our new plastics strategy has continued, among other things through launches of products and packaging that use fossil-free plastic. ICA was named as Sweden's greenest brand in an annual survey conducted by the strategic consulting firm Differ. In addition, Rimi Estonia was designated as an Environmentally Friendly Company by Estonia's Ministry of Environment for its work on implementing environment-friendly changes. Finally, we can confirm that ICA Gruppen has now reduced its greenhouse gas emissions by 60% from the base year 2006. The pace of improvement is slightly lower than previously due to external factors, such as a lower share of biofuel used in goods transports and some delays in the extensive work that is currently being carried out on changing over to refrigerants with a lower climate impact.

Good profitability – the foundation for continued change work

We are maintaining a high pace in our change work at all levels. At the same time we have also succeeded at upholding a favourable level of profitability in our businesses. It is fundamental for our continued journey of change that we can maintain this also in the future. With good profitability and strong cash flows we create the resources that we need to achieve our strategic objectives, not least all of the initiatives that we are working with in the Group to improve the customer offering and simplify our customers' interactions with us.

Per Strömberg
CEO ICA Gruppen

*DVI = Retail Food Index, published monthly by the Swedish Food Retailers Federation (SvDH) and HUI Research.

Group performance

Net sales and earnings

First quarter 2019

Consolidated net sales increased by 3.4% during the quarter compared with 2018. The increase in local currency was 2.8%, and the Easter effect on sales is estimated at -1.2%. Underlying sales growth was mainly price-driven, but included positive volume growth in ICA Sweden's wholesale operation, Apotek Hjärtat and ICA Bank. Despite negative calendar effects, operating profit excluding items affecting comparability was higher than a year ago at SEK 1,125 million (972), and approximately 12% higher than the preceding year's result of SEK 1,005 million recalculated according to IFRS 16. Operating profit includes one-off items that were higher than in the corresponding period a year ago. Divestments of store subsidiaries generated an earnings effect this year of slightly more than SEK 20 million, and changed assessment of the useful life for properties and their components in ICA Real Estate had a positive earnings effect of nearly SEK 15 million. It is believed that this latter effect will be the same for every quarter in 2019 compared with a year ago. At the same time, the calendar effect of Easter weekend is estimated to have affected ICA Sweden's operating profit by approximately SEK -35 million. In other respects, price and range effects as well as currency effects, and to some extent volume, had a positive earnings contribution, which was countered by continued high logistics costs and higher costs mainly related to digital business development and e-commerce. The operating margin excluding items affecting comparability grew to 4.0% (3.6%). The operating margin a year ago including IFRS 16 was 3.7%. Profit for the period was SEK 813 million (700). Profit for the period includes gains from divestments/impairment losses for a combined total of SEK -10 million (0). Earnings per share increased to SEK 4.02 (3.46).

Effect of IFRS 16

The segments are reported excluding IFRS 16. The total effect of IFRS 16 is reported only at the consolidated level in ICA Gruppen, see Note 1. The effect of IFRS 16 on consolidated operating profit excluding items affecting comparability was SEK 40 million (33).

Net sales per segment

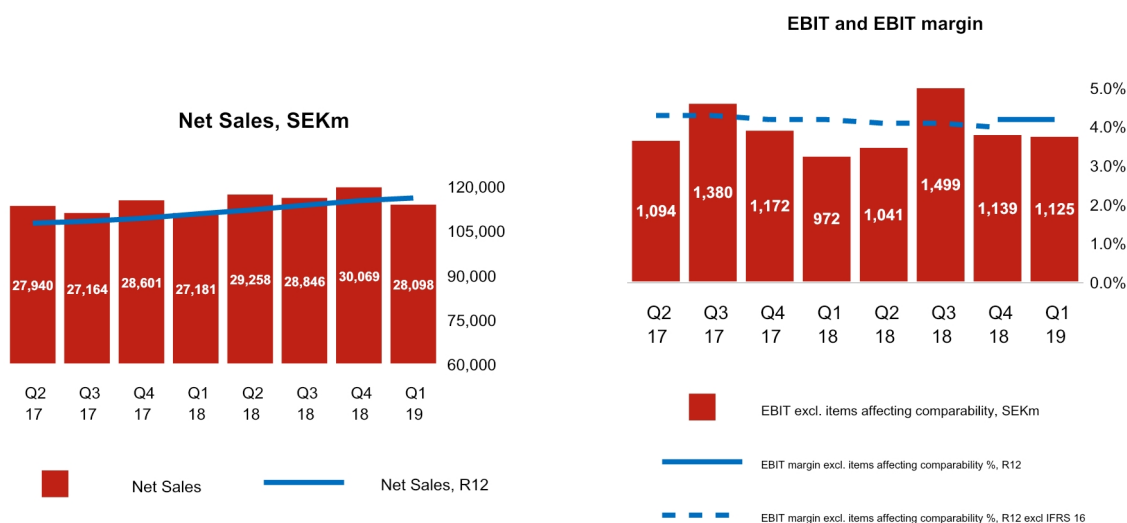
SEKm	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
ICA Sweden	19,793	19,358	82,846	82,411
Rimi Baltic	3,774	3,548	15,481	15,255
Apotek Hjärtat	3,634	3,430	14,314	14,110
ICA Real Estate	676	642	2,625	2,591
ICA Bank	370	322	1,401	1,353
Hemtex	213	223	1,010	1,020
Other	301	247	1,096	1,042
Intra-Group sales	-662	-589	-2,502	-2,429
Net sales	28,098	27,181	116,271	115,354

Operating profit excluding items affecting comparability per segment

SEKm	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
ICA Sweden	825	758	3,399	3,332
Rimi Baltic ¹⁾	145	118	658	631
Apotek Hjärtat	96	94	535	533
ICA Real Estate	109	90	436	417
ICA Bank	39	26	183	170
Hemtex	-20	-20	13	13
Other ¹⁾	-110	-94	-460	-444
Operating profit excluding items affecting comparability by segment	1,085	972	4,764	4,651
IFRS 16 Leases ²⁾	40	33	167	160
Operating profit excluding items affecting comparability²⁾	1,125	1,005	4,931	4,811

1) Q1 2018 includes SEK -9 million in costs associated with the previously planned integration of IKI, of which SEK -8 million was in Rimi Baltic and SEK -1 million in Other.

2) The amount reported on this line for 2018 pertains to recalculated amounts as if IFRS 16 had begun to be applied on 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.



Key ratios for 2018 that are affected by IFRS 16 and that are based on rolling 12-month data are presented only for the full-year 2018, as data for 2017 has not been recalculated for IFRS 16. Thus the EBIT and EBIT margin chart above presents only the EBIT margin including IFRS 16 for periods from Q4 2018 and forward. The chart includes the EBIT margin excluding IFRS 16 for periods up to and including Q4 2018. See also Note 1.

Net financial items and tax

Net financial items for the quarter amounted to SEK -141 million (-83). Interest expenses excluding IFRS 16 were lower than a year ago due to the refinancing that was carried out during the second quarter of 2018. Implementation of IFRS 16 affected interest expenses for the quarter by SEK -89 million.

The tax cost for the quarter was SEK -161 million (-188), corresponding to a tax rate of 16.5% (21.2%). The tax rate in the preceding year was higher due to taxable dividends from Rimi Baltic (Estonia). Paid tax during the quarter totalled SEK -188 million (-227). The lower amount is explained by a refund for overpayment of preliminary tax.

Cash flow

Cash flow from operating activities (excluding ICA Bank) was SEK 1,609 million during the quarter, a decrease of SEK 280 million compared with the recalculated outcome for 2018 according to IFRS 16. Cash flow was positively affected by earnings and lower paid tax. However, an unfavourable change in working capital driven by negative calendar effects and a less significant positive effect from the Supply Chain Financing (SCF) programme a year ago entailed on the whole that cash flow from operating activities was lower than a year ago.

The change in cash flow from investing activities during the quarter is mainly explained by a lower level of investment by ICA Real Estate, while cash flow from financing activities was positively affected by a completed refinancing.

Effect of IFRS 16 on cash flow

According to IFRS 16, lease payments are reported under financing activities instead of under operating activities. Thus cash flow from operating activities is higher and cash flow from financing activities is lower, all else equal. During the first quarter of 2019, lease payments (interest and principal) amounted to SEK 925 million, which is SEK 52 million higher than in the same period in 2018, when they were SEK 873 million.

Consolidated cash flow statement, excluding ICA Bank

SEKm	First quarter			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
Cash flow						
From operating activities before change in working capital	2,218	1,076	1,949	9,246	5,430	8,977
Change in working capital	-608	-60	-60	553	1,125	1,101
From operating activities	1,609	1,016	1,889	9,798	6,555	10,078
Investing activities, net	-862	-1,138	-1,138	-3,301	-3,577	-3,577
Before financing activities	747	-121	752	6,497	2,979	6,502
Financing activities, net	-240	78	-795	-7,468	-4,500	-8,023
Cash flow for the period	507	-43	-43	-971	-1,521	-1,521

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

Capex (cash flow), SEKm



Investments and divestments

The Group's investments amounted to SEK 913 million (1,118) during the quarter. Of this total, SEK 481 million (684) is attributable to ICA Real Estate. During the first quarter ICA Real Estate sold properties for SEK -1 million (2).

Major capex projects include purchases of future store locations, investments in the Group's e-commerce, IT investments, a new warehouse in Riga, and new stores and store conversions.

Investments by segment

SEKm	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
ICA Sweden	135	221	782	868
Rimi Baltic	178	110	430	362
Apotek Hjärtat	58	49	202	193
ICA Real Estate	481	684	1,642	1,845
ICA Bank	2	2	10	10
Hemtex	2	5	24	27
Other	57	47	211	201
Investments	913	1,118	3,302	3,507

Depreciation/amortisation by segment

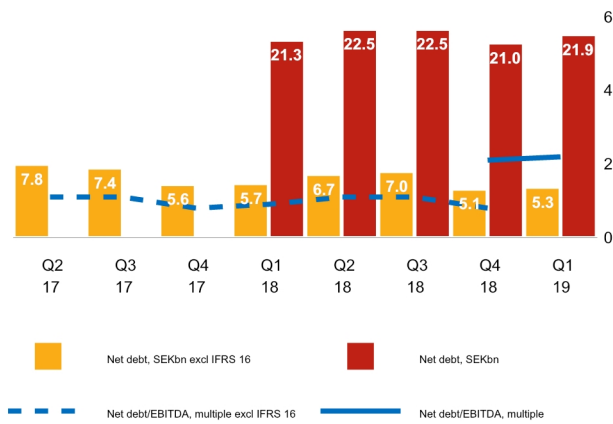
SEKm	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
ICA Sweden	130	111	475	456
Rimi Baltic	84	84	336	336
Apotek Hjärtat	38	39	156	157
ICA Real Estate	129	124	519	514
ICA Bank	7	7	27	27
Hemtex	5	6	21	22
Other	30	20	101	91
Depreciation/amortisation by segment	422	391	1,633	1,602
IFRS 16 Leases ¹⁾	892	840	3,440	3,388
Depreciation/amortisation¹⁾	1,314	1,231	5,073	4,990

1) The amounts reported for 2018 on this line have been recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors

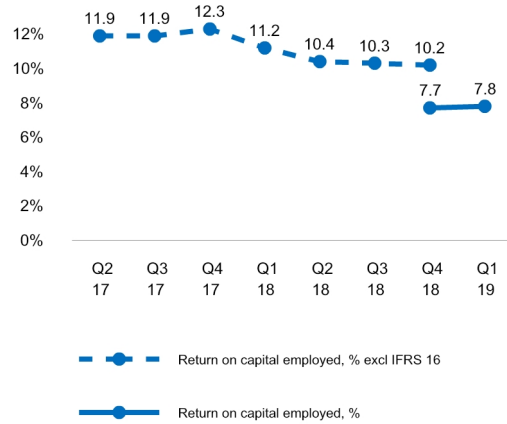
Financial position

The Group's net debt excluding IFRS 16 (i.e., excluding lease liabilities, ICA Bank and pension liabilities) amounted to SEK 5.3 billion (5.7) at the end of the quarter. The lower level of net debt is mainly attributable to a positive cash flow from operating activities. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to SEK 21.9 billion (21.3) at the end of the quarter. At 31 March 2019 net debt in relation to EBITDA was 2.2 (0.9), which is well in line with the Group's long-term target of <3.0. Recalculated according to IFRS 16, the key ratio for the full year 2018 was 2.1. Return on capital employed was 7.8% (rolling 12 months), which is lower than the preceding year's level of 11.2%. The change is mainly attributable to the changed accounting according to IFRS 16, which results in a considerably higher capital base. Recalculated according to IFRS 16, return on capital employed for the full year 2018 was 7.7%.

Net debt and Net debt/EBITDA



Return on capital employed, R12



Key ratios for 2018 that are affected by IFRS 16 and that are based on rolling 12-month data are presented only for the full year 2018, as data for 2017 has not been recalculated for IFRS 16. Thus the chart Net debt and Net debt/EBITDA above includes only net debt/EBITDA including IFRS 16 in periods from Q4 2018 forward, and the chart for return on capital employed above includes only IFRS 16 in periods from Q4 2018 and forward. The charts include net debt/EBITDA excluding IFRS 16 and return on capital employed excluding IFRS 16 up until Q4 2018. Net debt includes recalculation for IFRS 16 for 2018. See also Note 1.

Important events during the quarter

15 February 2019 – Announcement that Liv Forhaug, ICA Gruppen's Chief Strategy and Business Development Officer, is leaving the Group for a position as CEO of the Martin & Servera Group.

Important events after the end of the quarter

11 April 2019 – The Annual General Meeting approved the Board's proposed dividend of SEK 11.50 per share.

11 April 2019 – At the Annual General Meeting, Lennart Evrell and Bo Sandström were elected as new directors on ICA Gruppen's board, replacing Göran Blomberg and Bengt Kjell, both of whom declined re-election

Sustainability Report

Sustainability is an integral part of the daily activities of all of ICA Gruppen's operations. All segments work actively on improving the value chain, by setting standards for and working in cooperation with suppliers, working towards common goals and certifications, and by developing new, sustainable products and services that make it easier for the customers to make healthy and sustainable choices.

Outcome – sustainability targets

- ICA Gruppen's greenhouse gas emissions decreased by 60% on a rolling 12-month basis compared with the base year 2006. The pace of decline is slightly lower, mainly owing to a lower share of biofuels used in goods transports and to a delay in the changeover to refrigerants with a lower climate impact.

Extensive investments are being made to change over to natural refrigerants in stores, but the pace of this transition is affected by external factors such as a shortage in capacity of certified refrigeration technicians. During 2018, a new law took effect in Sweden requiring a blend of biofuels in fossil-based fuels, which led to higher demand for HVO (hydrogenated vegetable oil) and subsequent price fluctuations. Further restrictions on the use of PFADs (palm fatty acid distillates) in HVO are expected in 2019, which will likely affect pricing even more.

The fuel market is currently undergoing changes, and work is therefore being conducted in ICA Gruppen to formulate a long-term fuel strategy that both addresses the challenges and takes advantage of opportunities. The work on reducing the operations' carbon footprint is continuing also in other areas, as for example energy efficiency measures and investments in renewable energy. The overall target that ICA Gruppen's operations will be climate-neutral by 2020 remains.

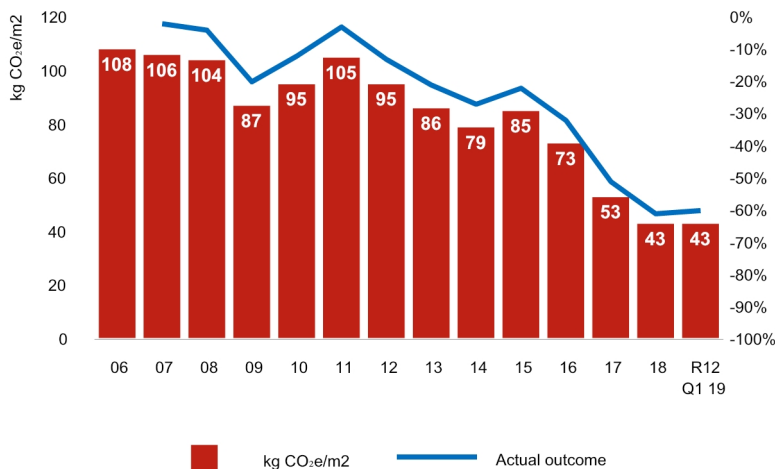
- The outcome for the target that 100% of ICA Gruppen's corporate brand suppliers in high-risk countries will be socially audited was slightly lower for the period April 2018–March 2019 than the preceding period. This is due to a change in the supplier base and is a result of a changed risk classification for high-risk countries and subsequent delays in internal follow-up processes. The process following changes in risk classification takes time, and the short-term outcome can be adversely affected.
- A target was adopted in 2018 that at least 90% of ICA Gruppen's corporate brand suppliers in high-risk countries will have a valid follow-up social audit by the end of 2020. The rolling 12-month outcome can therefore not be compared with previous periods due to a lack of data. The outcome for the first quarter isolated was 87%, which is a significant increase compared with the rolling 12-month outcome (80%). This is a result of work on ensuring achievement of the new Group target.
- During the quarter ICA Gruppen adopted a new Group target: to cut food waste in its own operations in half by 2025. ICA Gruppen has worked actively on reducing food waste for many years, but now both a concrete target and methodology are being adopted to measure and follow up performance. Food waste will be measured using an international standard created by the FLW Protocol (Food Loss and Waste Protocol) and will be reported in ICA Gruppen's sustainability report.

Key Performance Indicators

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

	12 months	
	Apr 2018 - Mar 2019	Apr 2017 - Mar 2018
Decrease in emissions compared with 2006	-60%	-54%

Emissions kg CO₂e/m² 2006-Q1 2019



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

	12 months	
	Apr 2018 - Mar 2019	Apr 2017 - Mar 2018
Outcome	95%	97%

At least 90% of ICA Gruppen's corporate brand suppliers in high-risk countries will have a valid follow-up social audit by year-end 2020

	12 months	
	Apr 2018 - Mar 2019	Apr 2017 - Mar 2018
Outcome	80%	n.d.

90% of ICA Gruppen's corporate brand suppliers will be quality certified by year-end 2020

	12 months	
	Apr 2018 - Mar 2019	Apr 2017 - Mar 2018
Outcome	85%	86%

Sustainability activities during the quarter

Environment

Sales in organic range

Store sales of organic products in ICA Sweden's central range decreased by 3% during the period April 2018–March 2019 (rolling 12 months) compared with the corresponding period a year ago. As a percentage of total food sales, organic food products amounted to 6% during the same period. Changes in sales in the organic range are partly attributable to poorer harvests, which affected supply and in turn prices. The warm Swedish summer in 2018 also had an effect by resulting in a shortage of organic products in certain categories. This, combined with growing interest in local and Swedish-sourced products and plant-based alternatives along with higher prices for certain organic products owing to the weaker Swedish krona, also affected sales. The range was expanded during the quarter with a number of new private label products, such as ICA I love eco yoghurt and ICA I love eco cooking stock.

Active work to reduce use of plastics

Work continued during the quarter with ICA Gruppen's Group-wide plastics strategy. ICA Gruppen has participated in numerous external dialogues to promote collaboration and is working together with the Swedish Food Retailers Federation to develop industry-wide measurement methods. ICA Sweden has launched a number of products and packages made of fossil-free plastic, such as toothbrushes made of bioplastic and fabric softener with a package made of recycled plastic from PET bottles and trays. As part of its work in reducing plastic consumption and increasing awareness about environmental issues, in March Rimi Estonia carried out a campaign under the theme "Let's consume smart". Among other activities, all stores offered tips and advice to inform customers about environmentally conscious consumption, customers were offered to use their own containers for purchases of prepared foods in stores, and certain stores sold only grocery bags made of other material than plastic.

Health

Continued strong vegetarian trend

Interest in plant-based foods is strong among consumers, mainly for health and environmental reasons, and all indications are that demand will continue to rise. To meet this demand, in 2019 ICA Sweden will be launching some 50 new vegetarian products. During the quarter members of ICA Sweden's Facebook community Bäst på vego ("Best at veggies") had the opportunity to vote for the creation of an additional two products. The winners were vegan sauces and a vegan fresh, ready-made pizza, which are planned for launch in September.

Diversity

Activities focusing on diversity, inclusion and bias

During the period, ICA Gruppen's work on spreading knowledge about diversity and inclusion, exposing unconscious bias and preventing violations continued. Among other activities, the research firm Norstat was commissioned by ICA Gruppen to conduct a survey with questions for the Swedish ICA stores. The survey showed that:

- Approximately 1,500 individuals with functional disabilities work at ICA stores
- Approximately 12,800 individuals younger than 26 work at ICA stores
- Approximately 10,000 individuals younger than 26 completed internships at ICA stores in 2018
- Approximately 600 newcomers obtained work (employment or trainee positions) at ICA stores in 2018

The survey is conducted yearly to follow up diversity at ICA's stores in Sweden.

Awards and distinctions

- ICA was named as Sweden's greenest brand in the strategic consulting firm Differ's annual survey in which consumers answer questions about the environment and sustainability with respect to 100 brands.
- ICA Gruppen has been nominated as Sustainable Retail Company of the Year in Sweden. The winner will be announced at the Retail Awards on 13 May, arranged by the Swedish retail trade employer organisation Svensk Handel and the trade magazine Market.
- Mitt klimatmål ("My climate target") was nominated as the year's best sustainable brand-building initiative and was named the winner at the Sustainable Brand Index awards on 11 April.
- Rimi Baltic's campaign to draw attention to the risk for age-based discrimination, #AgeDoesNotMatter, received awards in two categories at the Baltic Communication Awards: Internal Communication and Employer Branding. The campaign also won the national equal opportunity and diversity award in Lithuania, which was presented by Office of the Equal Opportunities Ombudsperson and the National Equality and Diversity Forum.
- In 2018 Rimi Estonia was designated as an Environmentally Friendly Company by Estonia's Ministry of Environment for its work on implementing environment-friendly changes.

About this report

This is a quarterly status report with information about ICA Gruppen's work with issues related to sustainability. The report highlights continuing developments during the year and covers all companies in ICA Gruppen. The criteria applied in preparation of this report are based on the annual sustainability report published by ICA Gruppen. The quarterly report is not prepared in accordance with the GRI Guidelines and therefore does not address certain issues. ICA Gruppen publishes the actual Sustainability Report once a year, which provides a comprehensive picture of the Group's sustainability work. For reporting principles, boundaries and a materiality analysis, see ICA Gruppen's 2018 Annual Report: https://www.icagruppen.se/globalassets/3.-investera/5.-rapporter/arkiv---finansie/engelska/2019/02.-annual-report-2018/ica_gruppen_annual_report_2018.pdf pages 120–122 and 130–132.

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.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Net sales and earnings

First quarter 2019

ICA Sweden's net sales increased by 2.2% compared with a year ago. The increase is mainly attributable to price effects, but higher wholesale volumes, with a higher share of purchasing by ICA stores, also made a positive contribution. Volume growth was damped by an estimated negative calendar effect of -1.7% from Easter weekend not falling in the first quarter.

Operating profit excluding items affecting comparability increased by SEK 68 million to SEK 825 million (758). Gross profit and the gross margin improved compared with a year ago. Positive price, mix and currency effects were partly countered by continued cost increases in logistics and a negative effect of the e-commerce warehouse in Stockholm, which is in the start-up phase. In addition, the activity level in ICA Sweden remains high with ongoing reorganisation and a large number of development and improvement projects, which are generating higher costs. Profit sharing from ICA stores was marginally higher than a year ago. The calendar effect of Easter weekend is estimated to be SEK -35 million, while gains on sales of store subsidiaries were slightly more than SEK 20 million higher than a year ago.

Operating profit excluding items affecting comparability was SEK 825 million (758), and the operating margin rose to 4.2% (3.9%).

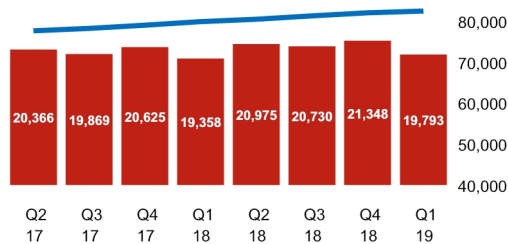
E-commerce

At the end of the period 283 ICA stores were active with e-commerce (food online), and 630 stores offered the ICA Matkassen meal kit concept. In total, e-commerce grew 34% during the quarter compared with the same period a year ago, with 41% growth in food online and 3% growth for ICA Matkassen. Online sales totalled SEK 570 million (424) during the first quarter.

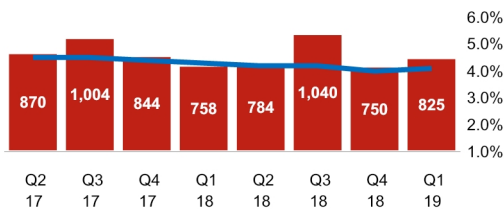
ICA Sweden

	First quarter		12 months	Full Year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales, SEKm	19,793	19,358	82,846	82,411
Operating profit before depreciation/amortisation (EBITDA), SEKm	955	869	3,873	3,787
Operating profit excl. items affecting comparability, SEKm	825	758	3,399	3,332
Operating margin excl. items affecting comparability, %	4.2	3.9	4.1	4.0
Investments, SEKm	135	221	782	868
Depreciation/amortisation, SEKm	130	111	475	456
Average number of employees	8,238	7,952	—	8,199
Private label share of store sales, %	26.8	26.0	—	25.4

Net Sales, SEKm



EBIT and EBIT margin



Net Sales (red bar), Net Sales, R12 (blue line)

EBIT excl. items affecting comparability, SEKm (red bar)

EBIT margin excl. items affecting comparability, R12 (blue line)

The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 1.0% during the quarter and by 0.7% on a like-for-like basis. The calendar effect during the quarter, mainly pertaining to Easter weekend, is estimated to be -1.8%. Food price inflation was 2.6% (2.1%) during the first quarter and 2.2% during the preceding quarter. Adjusted for inflation and the estimated calendar effect, volume growth during the quarter is estimated to have been approximately 0.2%, and approximately -0.1% on a like-for-like basis. According to the Retail Trade Index (DVI), market growth during the first quarter was 0.9%. Sales for ICA stores were thereby in line with the market trend.

Sales growth during the period was driven mainly by a larger number of customer visits, while the average spend was down slightly, mainly owing to a lower number of items per customer associated with the calendar effect of Easter weekend. The share of promotional sales was lower than a year ago. Product categories that performed strongly during the period include, among others, fruits & vegetables, frozen products, general grocery, bakery, salads and prepared foods.

Private label products as a share of accumulated sales amounted to 26.8% (26.0%).

One new store opened during the first quarter, one store was converted, and four stores were closed. During 2019, a total of eight to ten new stores are planned to be established.

Note:

DVI = Dagligvaruindex (Food Retail Index), which is published monthly by the Swedish Food Retailers Federation and HUI Research.

ICA store sales, incl. retailer-owned stores

Store sales in Sweden

Store sales excl. VAT	First quarter 2019		
	SEKm	All stores %	Like-for-like %
Maxi ICA Stormarknad	8,661	1.5	0.5
ICA Kvantum	6,905	0.5	0.6
ICA Supermarket	8,446	1.1	0.7
ICA Nära	4,135	0.4	1.6
Total	28,147	1.0	0.7

Number of stores in Sweden

Format	December 2018	New	Converted	Closed	March 2019
Maxi ICA Stormarknad	85	0	0	0	85
ICA Kvantum	126	0	0	0	126
ICA Supermarket	429	0	-1	-1	427
ICA Nära	637	1	1	-3	636
Total	1,277	1	0	-4	1,274

Rimi Baltic

Rimi Baltic conducts grocery retail business via 268 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.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Net sales and earnings

First quarter 2019

Rimi Baltic's net sales increased by 1.8% during the quarter (6.4% in SEK). Sales continued to be price-driven with slight underlying volume growth, which to some extent was an Easter-related calendar effect.

Gross profit and the gross margin improved as a result of positive price and mix effects, a lower share of promotional sales and more effective campaigns, improved margins for private label products, and positive effects from harmonisation of the product range. However, this was partly countered by higher logistics costs owing to higher salary costs and the ongoing warehouse project in Riga. The higher salary costs are also the main reason for the continued rise in store costs. Additionally, operating profit was weighed down by ongoing conversions of discount stores in Latvia and calendar effects. Overall, however, operating profit excluding items affecting comparability rose to SEK 145 million (118). This represents an increase of 15%, adjusted for the fact that operating profit a year ago included costs of SEK 8 million associated with the previously planned integration of IKI. The operating margin for the quarter increased to 3.8% (3.3%).

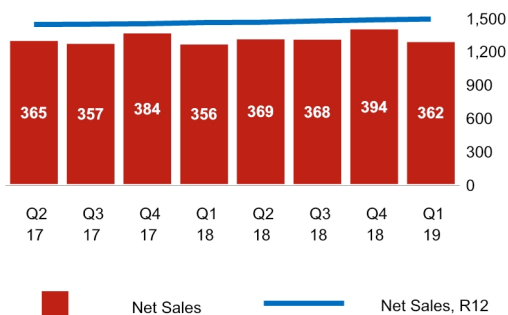
Other

Profit for the quarter included a net earnings effect of SEK -9 million (-1) from property sales/impairment losses on properties.

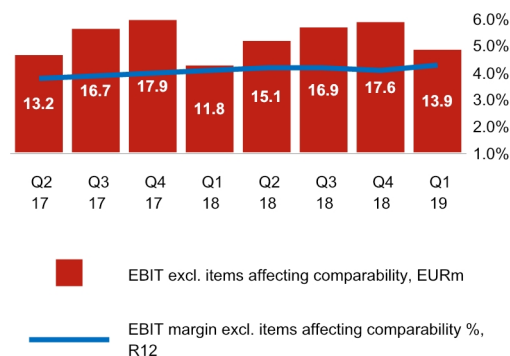
Rimi Baltic

	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales, SEKm	3,774	3,548	15,481	15,255
Operating profit before depreciation/ amortisation (EBITDA), SEKm	229	202	996	969
Operating profit excl. items affecting comparability, SEKm	145	118	658	631
Operating margin excl. items affecting comparability, %	3.8	3.3	4.3	4.1
Investments, SEKm	178	110	430	362
Depreciation/amortisation, SEKm	84	84	336	336
Average number of employees	10,548	9,402	—	9,572
Private label share of sales, %	25.3	26.0	—	24.3
EUR/SEK exchange rate, average	10.4221	9.9722	10.3664	10.2593

Net Sales, EURm



EBIT and EBIT margin



The market and store sales

Market growth in the first quarter was in Estonia 4.6%, in Latvia 4.3%, and in Lithuania 2.4%. For the region as a whole, market growth amounted to 3.5% (6.3). Food price inflation was substantially lower in Estonia and Lithuania than in the same period a year ago and higher in Latvia. Compared with the preceding quarter, food price inflation grew in Lithuania and Latvia, but was slightly lower in Estonia. For all three countries, food price inflation was 2.2% (3.7). Price competition continues to be intensive, with a high level of promotional activity in the market. However, Rimi Baltic's promotional activity decreased slightly during the first quarter.

The ongoing conversion programme of the Supernetto stores in Latvia had an estimated negative impact on sales for Rimi Baltic of just over 1%. Market data for the first quarter has not yet been published, but overall the assessment is that Rimi Baltic's market share in the region fell slightly during the period. This was due mainly to completed store conversions. In Lithuania, the market share is assessed to have increased marginally. Rimi Baltic opened one new store during the quarter and has eight to ten store openings planned for 2019.

Store sales in the Baltic countries

Store sales excl. VAT	First quarter 2019		
	EURm	All stores %	Like-for-like %
Estonia	91.1	1.2	0.5
Latvia	189.3	1.1	5.1
Lithuania	78.4	2.9	2.5
Total	358.8	1.5	3.3

Number of stores in Baltic countries

Country	December 2018	New	Closed	March 2019
Estonia	86	1	0	87
Latvia	125	0	0	125
Lithuania	56	0	0	56
Total	267	1	0	268

Apotek Hjärtat

Apotek Hjärtat is the second-largest actor in the Swedish pharmacy market, with 388 pharmacies.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Net sales and earnings

First quarter 2019

Net sales for the quarter amounted to SEK 3,634 million (3,430), an increase of 5.9%. The increase includes an effect from higher sales of high-price drugs, and calculated in constant drug prices the increase was 3.8%. Added to this was a slight calendar effect. Underlying sales were primarily volume-driven in like-for-like pharmacies and online. Sales performance also included positive price effects from a favourable sales mix, with a higher share of OTC drugs and traded goods with higher average prices. Both the average spend and number of customer visits continued to rise. Operating profit excluding items affecting comparability increased slightly to SEK 96 million (94). Gross profit increased as a result of positive price and product mix effects and positive volume development. At the same time, costs were higher due to newly opened pharmacies, higher costs associated with investments in e-commerce and higher IT costs. Added to this was the negative earnings effect from Min Doktor, reported below. The operating margin was 2.6% (2.7%). Adjusted for the effect of higher sales of high-price drugs and Min Doktor, the operating margin was 2.9%.

Market trend and e-commerce

The total pharmacy market in Sweden grew 5.9% during the first quarter compared with the same period in 2018. Calculated in constant prices for prescription drugs, growth was 3.0%. Traded goods grew 9.8%, while Apotek Hjärtat's sales of traded goods increased by 8.0%. Apotek Hjärtat's market share was at the same level as the corresponding period last year, roughly 31%. Sales of pharmacy products online increased by 34% during the quarter, while Apotek Hjärtat's e-commerce sales grew by 56% (incl. click & collect). No pharmacies were opened or closed during the quarter. During 2019, six to eight new openings are planned, most at locations near ICA stores.

Min Doktor

Apotek Hjärtat owns 42.7% of Min Doktor since 1 November 2018, which since this date is reported as an associated company of Apotek Hjärtat. Operating profit for the quarter excluding items affecting comparability includes SEK -7 million attributable to Min Doktor. The business is currently in a build-up phase, and all Minutkliniker clinics have now been converted to Min Doktor clinics. During 2019, 13 new clinics are planned to open.

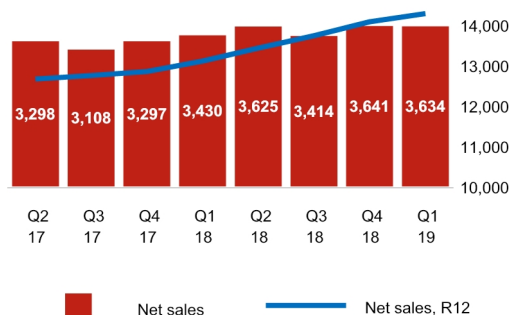
Apotek Hjärtat

	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales, SEKm	3,634	3,430	14,314	14,110
Of which, prescription drugs	2,719	2,567	10,664	10,512
Of which, OTC drugs	366	357	1,444	1,435
Of which, other products and services	549	506	2,206	2,163
Operating profit before depreciation/ amortisation (EBITDA), SEKm	134	132	742	740
Operating profit excl. items affecting comparability, SEKm	96	94	535	533
Operating margin excl. items affecting comparability, %	2.6	2.7	3.7	3.8
Investments, SEKm	58	49	202	193
Depreciation/amortisation, SEKm	38	39	156	157
Average number of employees	3,066	2,997	—	3,085
Private label share of other products, %	19.8	19.5	—	19.6

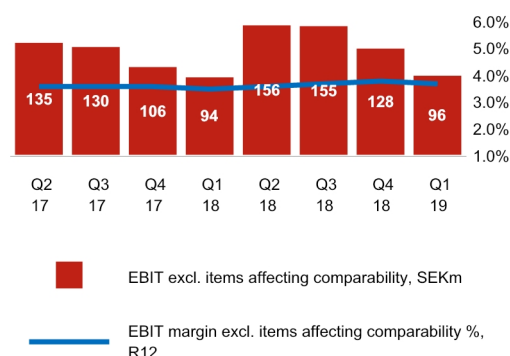
Number of pharmacies

	December 2018	New	Closed	March 2019
Apotek Hjärtat	388	0	0	388

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.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Net sales and earnings

First quarter 2019

Net sales for the quarter totalled SEK 676 million (642). The sales increase is mainly attributable to investments carried out during the past year and positive price effects. Operating profit excluding items affecting comparability increased to SEK 109 million (90). Operating profit was positively affected by revenue from new investments, a slightly higher earnings contribution from joint ventures, and a one-off depreciation effect described below. This was countered by higher underlying depreciation and a seasonal increase in operating expenses.

As a result of a changed assessment of the useful life for properties and their components, a one-off depreciation effect of SEK +13.5 million arose for the first quarter – SEK +12 million for ICA Real Estate and SEK +1.5 million for Ancore and Secore. All else equal, for the full year this change will entail a positive earnings effect of slightly more than SEK 60 million, of which approximately SEK 6 million in joint ventures.

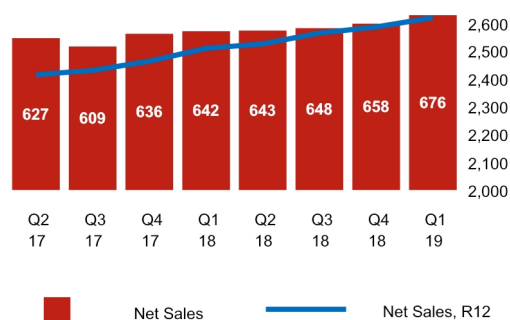
Other and investments

Operating profit for the quarter includes capital gains/impairment losses on properties totalling SEK -1 million (1) net. Investments during the quarter were lower than a year ago and amounted to SEK 481 million (684).

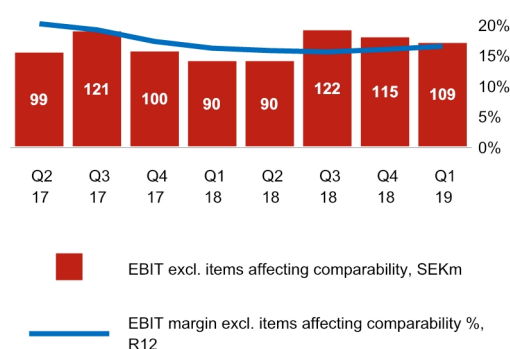
ICA Real Estate

	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales, SEKm	676	642	2,625	2,591
Of which, rental income from owned properties, SEKm	265	245	1,030	1,010
Operating profit before depreciation/ amortisation (EBITDA), SEKm	237	215	942	920
Operating profit excl. items affecting comparability, SEKm	109	90	436	417
Operating margin excl. items affecting comparability, %	16.2	14.0	16.6	16.1
Investments, SEKm	481	684	1,642	1,845
Divestments, SEKm	-1	2	283	286
Depreciation/amortisation, SEKm	129	124	519	514
Yield, %	6.6	6.5	—	6.8
Occupancy rate, %	99.0	99.5	—	99.3
Number of owned properties	122	111	—	121
Number of owned square metres, 000 sq. m.	664	626	—	669
Average number of employees	109	95	—	101

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.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Revenue and earnings

First quarter 2019

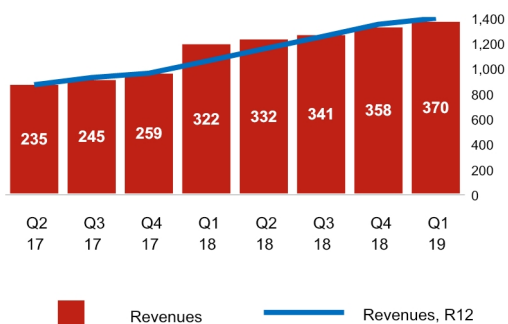
ICA Bank's revenue, including ICA Insurance, increased to SEK 370 million (322) compared with a year ago. The increase in revenue was driven by a continued positive sales trend for ICA Insurance and improvement in net interest income and higher lending volume for ICA Bank. Revenue for the first quarter a year ago included a one-off effect of SEK 12 million from a new card agreement.

Operating profit excluding items affecting comparability amounted to SEK 39 million (26). Operating profit for the first quarter a year ago included SEK 12 million from the new card agreement referenced above, while the first quarter of 2019 includes a one-off effect of the dissolution of a claims reserve in ICA Insurance, totalling SEK +10 million. Stripped of these two items, operating profit grew by SEK 15 million. The earnings improvement is attributable to positive development of net interest income following the increase in the repo rate, higher lending volume and a better result for ICA Insurance on top of the aforementioned change in the claims reserve. This was partly offset by higher IT costs and loan losses. At the end of the quarter the number of bank customers was more than 800,000, and the number of insurance customers had passed 150,000.

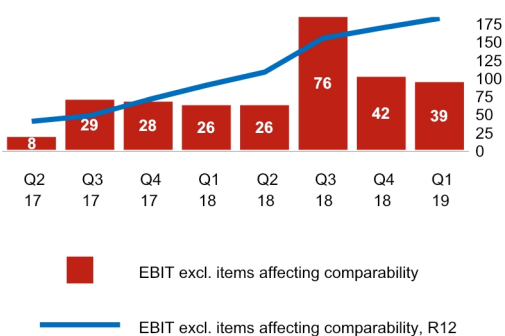
ICA Bank

	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Revenues, SEKm	370	322	1,401	1,353
Of which, net interest income, SEKm	142	110	519	487
Operating profit before depreciation/ amortisation (EBITDA), SEKm	46	33	218	205
Operating profit excl. items affecting comparability, SEKm	39	26	183	170
C/I ratio, %	80.8	85.8	—	83.5
Return on equity, %	5.0	3.6	—	4.5
Loan loss ratio, %	-1.0	-0.8	—	-0.4
Common Equity Tier I ratio, % (ICA Banken AB)	15.4	15.4	—	15.6
Business volume, SEKm	47,645	42,648	—	46,618
Average number of employees	416	359	—	383

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 141 stores, Hemtex is the Nordic region's leading home textiles retail chain.

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level, see Note 1.

Net sales and earnings

First quarter 2019

Hemtex's net sales totalled SEK 213 million (223) for the quarter. The price effect was positive, with slightly higher average prices and a lower share of promotional sales. Parallel with this, the number of customer visits decreased, which is the main reason for the negative volume effect during the quarter. The drop in volume was partly compensated by higher online sales, which rose 34% during the quarter. Sales were also affected by the fact that during the first quarter, Hemtex comprised nine fewer stores than a year ago.

Lower costs and positive price and currency effects together compensated for the negative volume effect, and operating profit excluding items affecting comparability remained level with a year ago, at SEK -20 million (-20).

Hemtex	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales, SEKm	213	223	1,010	1,020
Operating profit/loss after depreciation/ amortisation (EBITDA), SEKm	-15	-15	35	35
Operating profit/loss excl. items affecting comparability, SEKm	-20	-20	13	13
Operating margin excl. items affecting comparability, %	-9.4	-9.0	1.3	1.3
Investments, SEKm	2	5	24	27
Depreciation/amortisation, SEKm	5	6	21	22
Average number of employees	467	524	—	495

Store sales excl. VAT	First quarter 2019		
	SEKm	All stores %	Like-for-like %
Hemtex	220	-3.3	-3.3

Number of stores, incl. franchise stores	December 2018	New	Closed	March 2019
Hemtex	147	1	-7	141

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 50-54 of ICA Gruppen's 2018 Annual Report.

Related party transactions

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

Parent Company

First quarter 2019

The Parent Company's net sales amounted to SEK 280 million (225). Profit after financial items totalled SEK -92 million (-110).

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.

During the first quarter of 2019 the share price rose 17.7%. The OMX Stockholm Index gained 11.7% during the same period.

Ownership structure – Largest identified shareholders in ICA Gruppen as per	31 March 2019	
	Number of shares	Share of capital and votes, %
ICA-handlarnas Förbund	108,643,330	54.0%
Industrivärden	4,278,566	2.1%
BlackRock	2,791,326	1.4%
SEB Fonder	2,682,013	1.3%
Vanguard	2,242,984	1.1%
XACT Fonder	1,645,712	0.8%
L Jönsson	1,279,601	0.6%
Spiltan Fonder	1,249,661	0.6%
Swedbank Robur Fonder	1,146,187	0.6%
Avanza Pension	1,076,886	0.5%
Ten largest shareholders total	127,036,266	63.2%
Other shareholders	74,110,529	36.8%
Total	201,146,795	100.0%
<i>Of which, foreign shareholders in total</i>	<i>30,415,112</i>	<i>15.1%</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	First quarter			12 months ²⁾	Full year	
		2019	2018	Recalculated 2018 ¹⁾	Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
Net sales		28,098	27,181	27,181	116,271	115,354	115,354
Cost of goods and services sold		-23,133	-22,758	-22,433	-95,834	-96,459	-95,134
Gross profit		4,966	4,423	4,748	20,438	18,894	20,220
Selling expenses		-3,128	-2,782	-3,074	-12,861	-11,640	-12,807
Administration expenses		-814	-762	-762	-3,045	-2,995	-2,993
Other operating income		88	86	86	348	346	346
Other operating expenses		—	-9	-9	-17	-26	-26
Share of profits of associates and joint ventures	2	13	15	15	69	71	71
Operating profit (EBIT) excl items affecting comparability		1,125	972	1,005	4,931	4,651	4,811
Capital gains/losses from sale of non-current assets (net)		0	1	1	48	49	49
Impairment (net)		-10	-1	-1	-211	-202	-202
Operating profit	3, 8	1,115	972	1,005	4,768	4,498	4,658
Financial income		2	2	2	11	11	11
Financial expenses	8	-143	-85	-162	-593	-283	-612
Net financial items		-141	-83	-160	-583	-272	-602
Profit before tax		974	888	845	4,186	4,227	4,057
Tax		-161	-188	-180	-530	-580	-549
Profit for the period		813	700	665	3,656	3,647	3,508
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax							
Remeasurement defined benefit pensions		-154	—	—	-390	-236	-236
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		44	137	137	37	130	130
Change in hedging reserve		33	65	65	43	75	75
Share of other comprehensive income of joint ventures		3	3	3	16	16	16
Total items that may be reclassified to profit or loss		80	205	205	96	221	221
Comprehensive income for the period		739	905	870	3,362	3,632	3,493
Profit for the period attributable to							
Owners of the parent		808	696	661	3,638	3,630	3,491
Non-controlling interests		5	4	4	18	17	17
Comprehensive income for the period attributable to							
Owners of the parent		733	900	865	3,338	3,609	3,470
Non-controlling interests		6	5	5	24	23	23
Earnings per share, SEK							
Earnings per share		4.02	3.46	3.28	18.09	18.05	17.35

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

Condensed consolidated statement of financial position

SEKm	Note	31 March 2019	31 March 2018	Recalculated 31 March 2018 ¹⁾	31 December 2018	Recalculated 31 December 2018 ¹⁾
ASSETS						
Non-current assets						
Goodwill		16,301	16,301	16,301	16,301	16,301
Trademarks		13,425	13,414	13,414	13,413	13,413
Other intangible assets		1,631	1,279	1,279	1,572	1,572
Land, buildings and investment properties		14,728	14,072	14,072	14,374	14,374
Right of use assets	8	17,052	—	16,023	—	16,162
Interests in joint ventures and associates	2	1,272	814	814	1,256	1,256
ICA Bank's lending and investments		12,213	11,325	11,325	11,916	11,916
Deferred tax assets		390	436	436	385	385
Other non-current assets		2,389	2,221	2,221	2,424	2,424
Total non-current assets		79,401	59,862	75,885	61,640	77,802
Current assets						
Inventories		4,555	4,694	4,694	4,490	4,490
ICA Bank's lending and investments		3,370	3,009	3,009	3,176	3,176
Other current assets		7,341	7,806	7,360	8,133	7,710
Assets held for sale	4	6	9	9	6	6
ICA Bank's cash and cash equivalents		2,466	1,923	1,923	2,427	2,427
Cash and cash equivalents		1,283	2,275	2,275	779	779
Total current assets		19,020	19,716	19,270	19,011	18,588
TOTAL ASSETS		98,422	79,578	95,155	80,651	96,391
EQUITY AND LIABILITIES						
Equity		33,988	32,825	32,789	33,249	33,110
Non-current liabilities						
Provisions		3,337	2,674	2,674	3,116	3,116
Deferred tax liabilities		4,177	4,514	4,506	4,236	4,205
Non-current interest-bearing liabilities		4,625	3,917	3,917	3,626	3,626
Non-current lease liabilities		13,177	—	12,287	—	12,553
Other non-current liabilities		20	86	86	45	45
Total non-current liabilities		25,335	11,191	23,470	11,022	23,545
Current liabilities						
Current interest-bearing liabilities		1,956	4,029	4,029	2,233	2,233
Deposits ICA Bank		15,709	14,445	14,445	15,385	15,385
Current lease liabilities		3,467	—	3,334	—	3,356
Other current liabilities		17,968	17,088	17,088	18,762	18,762
Total current liabilities		39,099	35,562	38,896	36,380	39,736
TOTAL EQUITY AND LIABILITIES		98,422	79,578	95,155	80,651	96,391

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

Condensed consolidated statement of cash flows

SEKm	Note	First quarter		Recalculated 2018 ¹⁾	12 months ²⁾	Full year	
		2019	2018		Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
Operating profit		1,115	972	1,005	4,768	4,498	4,658
Depreciation, amortisation and impairment		1,324	392	1,232	5,284	1,804	5,192
Dividend from joint ventures		—	—	—	35	35	35
Other non-cash items		-3	-43	-43	120	80	80
Income tax paid		-188	-227	-227	-764	-803	-803
Cash flow from operating activities before change in working capital		2,248	1,094	1,967	9,443	5,615	9,162
Change in working capital:							
Inventories		-53	-168	-168	147	32	32
Current receivables		360	-340	-340	-18	-694	-718
Current liabilities		-738	357	357	770	1,865	1,865
ICA Bank's net of deposits, lending and investments		-148	-211	-211	47	-16	-16
Cash flow from operating activities		1,669	732	1,605	10,390	6,802	10,326
Acquisitions of property, plant and equipment and intangible assets		-913	-1,118	-1,118	-3,302	-3,507	-3,507
Sale of property, plant and equipment and intangible assets		48	2	2	348	302	302
Change in financial assets		-18	5	5	-32	-9	-9
Interest received		0	1	1	0	1	1
Investments in joint ventures and associated companies		—	-30	-30	-350	-380	-380
Divestment of subsidiaries		—	0	0	0	0	0
Cash flow from investing activities		-883	-1,140	-1,140	-3,336	-3,593	-3,593
Dividend paid to shareholders of ICA Gruppen AB		—	—	—	-2,213	-2,213	-2,213
Change in loans		713	114	114	-1,384	-1,983	-1,983
Interest paid		-26	-35	-35	-221	-230	-230
Interest paid IFRS 16 Leases		-89	—	-77	-342	—	-330
Amortisation IFRS 16 Leases		-836	—	-796	-3,234	—	-3,194
Capital contributions, acquisitions, and dividends relating to non-controlling interests		-3	—	—	-90	-87	-87
Cash flow from financing activities		-241	80	-794	-7,483	-4,512	-8,036
Cash flow for the period	5	546	-329	-329	-428	-1,303	-1,303
Cash and cash equivalents at beginning of period		3,206	4,499	4,499	4,198	4,499	4,499
Exchange differences in cash and cash equivalents		-3	28	28	-21	10	10
Cash and cash equivalents at end of period	5	3,749	4,198	4,198	3,749	3,206	3,206

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2019	32,984	265	33,249
Change in non-controlling interests	—	—	—
Dividend	—	—	—
Comprehensive income for the period	733	6	739
Closing equity, 31 March 2019	33,717	271	33,988

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2018	31,720	297	32,017
Effect of change IFRS 9	-97	—	-97
Equity after change IFRS 9	31,623	297	31,920
Change in non-controlling interests	—	—	—
Dividend	—	—	—
Comprehensive income for the period	900	5	905
Closing equity, 31 March 2018	32,523	302	32,825

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 2018 Annual Report, except with respect to leasing, where IFRS 16 Leases began to be applied on 1 January 2019. In addition to this, ICA Real Estate has changed its assessment of the useful life for properties and their components, resulting in a prospective effect of slightly more than SEK 60 million in lower depreciation. 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.

New standards from IASB applied in 2019

ICA Gruppen applies IFRS 16 Leases starting in 2019.

IFRS 16 sets out primarily new rules governing lessees' reporting. Reporting as a lessor corresponds to the rules previously applied under IAS 17 Leases, except in cases of subleasing, where an asset is leased in and thereafter leased out. For subleasing, classification as operating or finance lease is based on the leased-in asset and not on the underlying asset, which was the case under IAS 17.

IFRS 16 requires lessees to recognise a liability and a right-of-use asset for all leases on the balance sheet, except for leases pertaining to intangible assets, unless the lease term is 12 months or less, or the underlying asset is of low value. The liability reflects the present value of the lease payments, usually discounted by the incremental borrowing rate. Variable lease payments based on e.g., sales are not included in the discounted liability, but continue to be recognised as a continuing expense through profit or loss. The asset is depreciated over its useful life, which in most cases corresponds to the lease term. Lease payments are broken down into interest and amortisation of the principal. The changeover to IFRS 16 has entailed that costs in EBIT pertaining to leases have been moved from the function Cost of goods and services sold to the function Selling expenses.

After the initial lease term a lease can be cancelled in full, renegotiated or extended. If it is not reasonably certain that a lease will be extended or will be extended without renegotiation, the extension is not included in the calculation of the lease liability.

The most significant leases in ICA Gruppen measured by value pertain to rents of properties and premises. ICA Gruppen leases in properties both for its own use and for subleasing to non-consolidated ICA retailers. In certain cases, contracts for transports using delivery trucks constitute a lease, while in others they constitute a contract for transport services. Contracts for the use of forklifts and passenger cars usually constitute leases.

In certain cases ICA Gruppen leases in properties and premises and thereafter subleases them to non-consolidated ICA retailers. The aim is to gain control over the commercial location. Having control over the commercial location through a right-of-use asset constitutes the basis for these lease arrangements being made in the first place. The right-of-use asset is an asset for ICA Gruppen that is not transferred via the sublease. All leasing as a lessor including subleases are classified as operating leases according to IFRS 16.

ICA Gruppen's segments will continue to recognise all rents as operating leases. Reporting in accordance with IFRS 16 is only done for ICA Gruppen in total, and the segmental reporting for 2019 will therefore be unchanged compared with 2018.

IFRS 16 offers alternative transitional rules. ICA Gruppen has chosen the transitional method that entails that IFRS 16 is applied prospectively as from 1 January 2019 and that any effect of the transition is recognised as an adjustment of opening equity as per 1 January 2019. As per 1 January 2019 a lease liability is recognised which equals the present value of the remaining payments for all leases. Discounting of payments is done using ICA Gruppen's incremental borrowing rate on the date of transition and using the interest rate that corresponds to the remaining terms of the respective leases. ICA Gruppen has also elected to use the transitional rule that entails that a right-of-use asset is recognised at the same value as the present value of the lease liability on the date of transfer. However, since lease payments are made in advance, the lease liability is lower than the right-of-use asset on the date of transfer, since the initial payment for 2019 has already been made at the end of 2018. The incremental borrowing rate that is used for discounting as per the date of transfer varies, depending on the remaining term of the lease. The weighted average incremental borrowing rate as per 1 January 2019 was 2.20% for contracts in Swedish kronor and 1.79% for contracts in euros.

As per 1 January 2019 the lease liability amounts to SEK 16,141 million, and right-of-use assets are valued at SEK 16,606 million.

There is no significant difference between the nominal amount recognised for future obligations in Note 7 Leases in the 2018 Annual Report and the nominal amount that the present value discounting of the initial value of the lease liability according to IFRS 16 is based on as per 1 January 2019, other than that the future obligations reported in Note 7 in the Annual Report include an amount of SEK 1.7 billion pertaining to leases where transfer of the asset had not taken place as per 31 December 2018. According to IFRS 16, leases for assets that have not been transferred are not included in the recognised lease liability. There is thus no other material difference between the discounted amount of obligations for leases as per 31 December 2018 compared with the recognised lease liability as per 1 January 2019, than leases committed but not yet commenced.

Recalculation of 2018 for IFRS 16

The chosen transitional rules entail prospective application of IFRS 16. This means that the formal comparison year 2018 is reported and presented in accordance with IAS 17 Leases, which applied at the time. To facilitate comparisons between years, ICA Gruppen – as a complement to its presentation of the formal comparison values for 2018 – has chosen to also present 2018 recalculated for IFRS 16.

Recalculation has been done according to the principles applied for 2019, but as if IFRS 16 had begun to be applied as per 1 January 2018. This means that as per 1 January 2018, a lease liability is recognised which consists of the present value of the remaining payments for all applicable leases. The payments are discounted using ICA Gruppen's incremental borrowing rate as per 1 January 2018 and using an interest rate that corresponds to the remaining terms of the respective leases at the time. The right-of-use asset is recognised at the same value as the present value of the lease liability as per 1 January 2018, except for in cases where leases were paid in advance, which entails that the lease liability is

lower than the right-of-use asset as per 1 January 2018. The payments have been broken down into amortisation and interest on the principal, in accordance with IFRS 16. The right-of-use asset has been depreciated. The lease liability and right-of-use asset have been affected by new and amended leases in 2018.

Application of IFRS 16 may differ somewhat between the recalculated figures for 2018 and 2019, but the significant principles are the same for both years. Since IFRS 16 is applied prospectively as from 1 January 2019, the closing balance for the recalculated figures for 2018 is not the opening balance for 2019.

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

Other than implementation of IFRS 16, there are no other new or amended IFRSs or interpretations that have an impact on the financial statements for 2019.

ICA Gruppen AB

ICA Gruppen AB applies the exemption provided by RFR 2 Accounting for Legal Entities and continues to recognise all leases as an expense on a straight-line basis over the lease term. On the balance sheet, neither a right-of-use asset nor a lease liability is recognised in the way that is done in the Group according to IFRS 16. Through the continued recognition of all leases as operating leases under the previously applied IAS 17 Leases, no transitional effect arises as per 1 January 2019.

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 condensed consolidated statement of comprehensive income, Q1 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	27,181		27,181
Cost of goods sold	-22,758	325	-22,433
Gross profit	4,423	325	4,748
Selling expenses	-2,782	-292	-3,074
Administrative expenses	-762		-762
Other operating income	86		86
Other operating expenses	-9		-9
Share of profits of associates and joint ventures	15		15
Operating profit (EBIT) excl items affecting comparability	972	33	1,005
Capital gains/losses net on sale of non-current assets (net)	1		1
Impairment (net)	-1		-1
Operating profit	972	33	1,005
Financial income	2		2
Financial expenses	-85	-77	-162
Net financial items	-83	-77	-160
Profit before tax	888	-44	845
Tax	-188	8	-180
Profit for the period	700	-36	665

Effect on the Group's condensed consolidated statement of financial position, 31 March 2018

SEKm	Reported	Change IFRS 16	Recalculated
ASSETS			
Non-current assets	59,862		59,862
Right of use assets		16,023	16,023
Current assets	19,716	-446	19,270
TOTAL ASSETS	79,578	15,577	95,155
EQUITY AND LIABILITIES			
Equity	32,825	-36	32,789
Non-current liabilities	11,191	-8	11,183
Non-current lease liabilities		12,287	12,287
Current liabilities	35,562		35,562
Current lease liabilities		3,334	3,334
Total liabilities	46,753	15,613	62,366
TOTAL EQUITY AND LIABILITIES	79,578	15,577	95,155

Effect on the Group's condensed consolidated statement of cash flows, Q1 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	972	33	1,005
Depreciation, amortisation and impairment	392	840	1,232
Dividend from joint ventures	—		—
Other non-cash items	-43		-43
Income tax paid	-227		-227
Cash flow from operating activities before change in working capital	1,094	873	1,967
Change in working capital	-362		-362
Cash flow from operating activities	732	873	1,605
Cash flow from investing activities	-1,140		-1,140
Dividend paid	—		—
Capital contributions, acquisitions, and dividends relating to non-controlling interests	—		—
Change in loans	114		114
Interest paid	-35		-35
Interest paid IFRS 16 Leases		-77	-77
Amortisation IFRS 16 Leases		-796	-796
Cash flow from financing activities	80	-873	-794
Cash flow for the period	-329	—	-329
Cash and cash equivalents at beginning of period	4,499		4,499
Exchange differences in cash and cash equivalents	28		28
Cash and cash equivalents at end of period	4,198		4,198

Effect on the Group's condensed consolidated statement of comprehensive income, Q2 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	29,258		29,258
Cost of goods sold	-24,511	331	-24,180
Gross profit	4,746	331	5,077
Selling expenses	-2,996	-295	-3,290
Administrative expenses	-793		-793
Other operating income	80		80
Other operating expenses	-17		-17
Share of profits of associates and joint ventures	21		21
Operating profit (EBIT) excl items affecting comparability	1,041	36	1,077
Capital gains/losses net on sale of non-current assets (net)	-8		-8
Impairment (net)	-82		-82
Operating profit	951	36	988
Financial income	3		3
Financial expenses	-86	-83	-169
Net financial items	-83	-83	-166
Profit before tax	869	-47	821
Tax	66	9	75
Profit for the period	935	-38	896

Effect on the Group's condensed consolidated statement of financial position, 30 June 2018

SEKm	Reported	Change IFRS 16	Recalculated
ASSETS			
Non-current assets	59,868		59,868
Right of use assets		16,185	16,185
Current assets	18,694	-447	18,247
TOTAL ASSETS	78,562	15,738	94,300
EQUITY AND LIABILITIES			
Equity	31,477	-74	31,403
Non-current liabilities	10,807	-17	10,790
Non-current lease liabilities		12,463	12,463
Current liabilities	36,278		36,278
Current lease liabilities		3,367	3,367
Total liabilities	47,085	15,812	62,897
TOTAL EQUITY AND LIABILITIES	78,562	15,738	94,300

Effect on the Group's condensed consolidated statement of cash flows, Q2 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	951	36	988
Depreciation, amortisation and impairment	479	850	1,329
Dividend from joint ventures	10		10
Other non-cash items	30		30
Income tax paid	-218		-218
Cash flow from operating activities before change in working capital	1,252	887	2,139
Change in working capital	1,502		1,503
Cash flow from operating activities	2,755	887	3,642
Cash flow from investing activities	-753		-753
Dividend paid	-2,213		-2,213
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-35		-35
Change in loans	-874		-874
Interest paid	-107		-107
Interest paid IFRS 16 Leases		-83	-83
Amortisation IFRS 16 Leases		-804	-804
Cash flow from financing activities	-3,230	-887	-4,116
Cash flow for the period	-1,227	—	-1,227
Cash and cash equivalents at beginning of period	4,198		4,198
Exchange differences in cash and cash equivalents	-15		-15
Cash and cash equivalents at end of period	2,956		2,956

Effect on the Group's condensed consolidated statement of comprehensive income, January-June 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	56,439		56,439
Cost of goods sold	-47,269	656	-46,613
Gross profit	9,169	656	9,825
Selling expenses	-5,778	-587	-6,364
Administrative expenses	-1,555		-1,555
Other operating income	166		166
Other operating expenses	-26		-26
Share of profits of associates and joint ventures	36		36
Operating profit (EBIT) excl items affecting comparability	2,013	69	2,082
Capital gains/losses net on sale of non-current assets (net)	-7		-7
Impairment (net)	-83		-83
Operating profit	1,923	69	1,993
Financial income	5		5
Financial expenses	-171	-160	-331
Net financial items	-166	-160	-326
Profit before tax	1,757	-91	1,666
Tax	-122	17	-105
Profit for the period	1,635	-74	1,561

Effect on the Group's condensed consolidated statement of cash flows, January-June 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	1,923	69	1,993
Depreciation, amortisation and impairment	871	1,690	2,561
Dividend from joint ventures	10		10
Other non-cash items	-13		-13
Income tax paid	-445		-445
Cash flow from operating activities before change in working capital	2,346	1,760	4,106
Change in working capital	1,141		1,141
Cash flow from operating activities	3,487	1,760	5,247
Cash flow from investing activities	-1,893		-1,893
Dividend paid	-2,213		-2,213
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-35		-35
Change in loans	-760		-760
Interest paid	-142		-142
Interest paid IFRS 16 Leases		-160	-160
Amortisation IFRS 16 Leases		-1,600	-1,600
Cash flow from financing activities	-3,150	-1,760	-4,910
Cash flow for the period	-1,556	—	-1,556
Cash and cash equivalents at beginning of period	4,499		4,499
Exchange differences in cash and cash equivalents	13		13
Cash and cash equivalents at end of period	2,956		2,956

Effect on the Group's condensed consolidated statement of comprehensive income, Q3 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	28,846		28,846
Cost of goods sold	-24,099	337	-23,762
Gross profit	4,748	337	5,085
Selling expenses	-2,731	-287	-3,019
Administrative expenses	-640		-640
Other operating income	100		100
Other operating expenses	0		0
Share of profits of associates and joint ventures	23		23
Operating profit (EBIT) excl items affecting comparability	1,499	50	1,549
Capital gains/losses net on sale of non-current assets (net)	—		—
Impairment (net)	-96		-96
Operating profit	1,403	50	1,453
Financial income	2		2
Financial expenses	-58	-84	-142
Net financial items	-56	-84	-140
Profit before tax	1,347	-34	1,314
Tax	-265	6	-259
Profit for the period	1,082	-28	1,055

Effect on the Group's condensed consolidated statement of financial position, 30 September 2018

SEKm	Reported	Change IFRS 16	Recalculated
ASSETS			
Non-current assets	60,249		60,249
Right of use assets		15,748	15,748
Current assets	19,188	-428	18,760
TOTAL ASSETS	79,437	15,319	94,756
EQUITY AND LIABILITIES			
Equity	32,457	-102	32,355
Non-current liabilities	10,825	-23	10,802
Non-current lease liabilities		12,114	12,114
Current liabilities	36,155		36,155
Current lease liabilities		3,331	3,331
Total liabilities	46,980	15,421	62,401
TOTAL EQUITY AND LIABILITIES	79,437	15,319	94,756

Effect on the Group's condensed consolidated statement of cash flows, Q3 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	1,403	50	1,453
Depreciation, amortisation and impairment	499	854	1,352
Dividend from joint ventures	10		10
Other non-cash items	3		3
Income tax paid	-199		-199
Cash flow from operating activities before change in working capital	1,716	903	2,619
Change in working capital	-645	-19	-664
Cash flow from operating activities	1,071	884	1,955
Cash flow from investing activities	-859		-859
Dividend paid	—		—
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-39		-39
Change in loans	418		418
Interest paid	-27		-27
Interest paid IFRS 16 Leases		-84	-84
Amortisation IFRS 16 Leases		-800	-800
Cash flow from financing activities	352	-884	-532
Cash flow for the period	564	—	564
Cash and cash equivalents at beginning of period	2,956		2,956
Exchange differences in cash and cash equivalents	-21		-21
Cash and cash equivalents at end of period	3,498		3,498

Effect on the Group's condensed consolidated statement of comprehensive income, January-September 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	85,285		85,285
Cost of goods sold	-71,368	993	-70,375
Gross profit	13,917	993	14,910
Selling expenses	-8,509	-874	-9,383
Administrative expenses	-2,195		-2,195
Other operating income	266		266
Other operating expenses	-26		-26
Share of profits of associates and joint ventures	59		59
Operating profit (EBIT) excl items affecting comparability	3,512	119	3,631
Capital gains/losses net on sale of non-current assets (net)	-7		-7
Impairment (net)	-179		-179
Operating profit	3,326	119	3,446
Financial income	7		7
Financial expenses	-229	-244	-473
Net financial items	-222	-244	-466
Profit before tax	3,104	-125	2,980
Tax	-387	23	-364
Profit for the period	2,717	-102	2,616

Effect on the Group's condensed consolidated statement of cash flows, January-September 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	3,326	119	3,446
Depreciation, amortisation and impairment	1,370	2,544	3,913
Dividend from joint ventures	20		20
Other non-cash items	-10		-10
Income tax paid	-644		-644
Cash flow from operating activities before change in working capital	4,062	2,663	6,725
Change in working capital	496	-19	477
Cash flow from operating activities	4,558	2,644	7,202
Cash flow from investing activities	-2,752		-2,752
Dividend paid	-2,213		-2,213
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-74		-74
Change in loans	-342		-342
Interest paid	-169		-169
Interest paid IFRS 16 Leases		-244	-244
Amortisation IFRS 16 Leases		-2,400	-2,400
Cash flow from financing activities	-2,798	-2,644	-5,442
Cash flow for the period	-992	—	-992
Cash and cash equivalents at beginning of period	4,499		4,499
Exchange differences in cash and cash equivalents	-8		-8
Cash and cash equivalents at end of period	3,498		3,498

Effect on the Group's condensed consolidated statement of comprehensive income, Q4 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	30,036		30,069
Cost of goods sold	-25,091	332	-24,759
Gross profit	4,977	332	5,310
Selling expenses	-3,131	-293	-3,424
Administrative expenses	-800	2	-798
Other operating income	80		80
Other operating expenses	0		0
Share of profits of associates and joint ventures	12		12
Operating profit (EBIT) excl items affecting comparability	1,139	41	1,180
Capital gains/losses net on sale of non-current assets (net)	56		56
Impairment (net)	-23		-23
Operating profit	1,172	41	1,212
Financial income	4		4
Financial expenses	-54	-86	-139
Net financial items	-50	-86	-136
Profit before tax	1,123	-45	1,077
Tax	-193	8	-185
Profit for the period	930	-37	892

Effect on the Group's condensed consolidated statement of financial position, 31 December 2018

SEKm	Reported	Change IFRS 16	Recalculated
ASSETS			
Non-current assets	61,640		61,640
Right of use assets		16,162	16,162
Current assets	19,011	-423	18,588
TOTAL ASSETS	80,651	15,740	96,391
EQUITY AND LIABILITIES			
Equity	33,249	-139	33,110
Non-current liabilities	11,022	-31	10,992
Non-current lease liabilities		12,553	12,553
Current liabilities	36,380		36,380
Current lease liabilities		3,356	3,356
Total liabilities	47,402	15,878	63,280
TOTAL EQUITY AND LIABILITIES	80,651	15,740	96,391

Effect on the Group's condensed consolidated statement of cash flows, Q4 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	1,172	41	1,212
Depreciation, amortisation and impairment	434	844	1,279
Dividend from joint ventures	15		15
Other non-cash items	90		90
Income tax paid	-159		-159
Cash flow from operating activities before change in working capital	1,553	885	2,437
Change in working capital	691	-5	687
Cash flow from operating activities	2,244	880	3,124
Cash flow from investing activities	-841		-841
Dividend paid	—		—
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-13		-13
Change in loans	-1,640		-1,640
Interest paid	-61		-61
Interest paid IFRS 16 Leases		-86	-86
Amortisation IFRS 16 Leases		-794	-794
Cash flow from financing activities	-1,714	-880	-2,594
Cash flow for the period	-311	—	-311
Cash and cash equivalents at beginning of period	3,498		3,498
Exchange differences in cash and cash equivalents	18		18
Cash and cash equivalents at end of period	3,206		3,206

Effect on the Group's condensed consolidated statement of comprehensive income, full year 2018

SEKm	Reported	Change IFRS 16	Recalculated
Net sales	115,354		115,354
Cost of goods sold	-96,459	1,325	-95,134
Gross profit	18,894	1,325	20,220
Selling expenses	-11,640	-1,167	-12,807
Administrative expenses	-2,995	2	-2,993
Other operating income	346		346
Other operating expenses	-26		-26
Share of profits of associates and joint ventures	71		71
Operating profit (EBIT) excl items affecting comparability	4,651	160	4,811
Capital gains/losses net on sale of non-current assets (net)	49		49
Impairment (net)	-202		-202
Operating profit	4,498	160	4,658
Financial income	11		11
Financial expenses	-283	-330	-612
Net financial items	-282	-330	-602
Profit before tax	4,227	-170	4,057
Tax	-580	31	-549
Profit for the period	3,647	-139	3,508

Effect on the Group's condensed consolidated statement of cash flows, full year 2018

SEKm	Reported	Change IFRS 16	Recalculated
Operating profit	4,498	160	4,658
Depreciation, amortisation and impairment	1,804	3,388	5,192
Dividend from joint ventures	35		35
Other non-cash items	80		80
Income tax paid	-803		-803
Cash flow from operating activities before change in working capital	5,615	3,548	9,162
Change in working capital	1,187	-24	1,164
Cash flow from operating activities	6,802	3,524	10,326
Cash flow from investing activities	-3,593		-3,593
Dividend paid	-2,213		-2,213
Capital contributions, acquisitions, and dividends relating to non-controlling interests	-87		-87
Change in loans	-1,983		-1,983
Interest paid	-230		-230
Interest paid IFRS 16 Leases		-330	-330
Amortisation IFRS 16 Leases		-3,194	-3,194
Cash flow from financing activities	-4,512	-3,524	-8,036
Cash flow for the period	-1,303	—	-1,303
Cash and cash equivalents at beginning of period	4,499		4,499
Exchange differences in cash and cash equivalents	10		10
Cash and cash equivalents at end of period	3,206		3,206

NOTE 2, INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
SEKm				
Ancore Fastigheter AB	12	10	56	54
Secore Fastigheter AB	7	5	28	26
MD International AB (Min Doktor)	-7	—	—	-10
Fastighetsaktiebolaget Postgården AB	0	0	0	0
Total	13	15	69	71

Book value, SEKm	31 March 2019	31 March 2018	31 December 2018
Ancore Fastigheter AB	734	662	719
Secore Fastigheter AB	139	145	132
MD International AB (Min Doktor)	392	—	398
Fastighetsaktiebolaget Postgården AB	7	7	7
Total	1,272	814	1,256

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	First quarter		12 months	Full year
SEKm	2019	2018	Apr 2018 - Mar 2019	2018
Income	111	109	437	435
Expenses	-52	-53	-186	-187
Operating profit	59	56	251	248
Net financial items	-27	-26	-104	-103
Tax	-9	-9	-37	-37
Profit for the period	24	21	111	108
Other comprehensive income	7	7	31	31
Comprehensive income for the period	30	28	141	139
Non-current assets	4,951	4,978		4,944
Current assets	344	119		306
Total assets	5,295	5,097		5,250
Equity	1,404	1,262		1,374
Non-current liabilities	3,689	3,608		3,684
Current liabilities	202	227		192
Total equity and liabilities	5,295	5,097		5,250

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. Secore Fastigheter AB owns and manages 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	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
SEKm				
Income	44	42	176	174
Expenses	-23	-26	-105	-108
Operating profit	21	16	70	65
Net financial items	-7	-6	-27	-26
Tax	-4	-3	-13	-12
Profit for the period	10	7	30	27
Other comprehensive income	—	—	—	—
Comprehensive income for the period	10	7	30	27
Non-current assets	2,362	2,391		2,365
Current assets	72	74		49
Total assets	2,434	2,465		2,414
Equity	823	862		813
Non-current liabilities	1,563	1,528		1,562
Current liabilities	48	75		39
Total equity and liabilities	2,434	2,465		2,414

Information regarding MD International (Min Doktor)

The associated company MD International AB (Min Doktor) is a joint arrangement between ICA Gruppen and a number of other parties. ICA Gruppen owns 42.7% of the company through Apotek Hjärtat. All significant decisions pertaining to the operations of Min Doktor are made through joint agreement between the owners. Min Doktor is one of Sweden's largest actors in digital primary care services and operates the Min Doktor clinics (formerly Minutkliniker). Based on all relevant information in the joint arrangement, Min Doktor is an associated company and is consolidated according to the equity method.

NOTE 3, ITEMS AFFECTING COMPARABILITY

SEKm	First quarter		Full year
	2019	2018	2018
Capital gains/losses net on sale of non-current assets			
Rimi Baltic	1	—	1
Apotek Hjärtat	—	—	51
ICA Real Estate	-1	1	-11
ICA Bank	—	—	8
Total	0	1	49
Impairment, net			
ICA Sweden	—	—	-79
Rimi Baltic	-10	-1	-34
ICA Real Estate	—	—	-89
Total	-10	-1	-202
Result from capital gains/losses from sale of non-current assets and impairment (net)	-10	0	-153

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–March, SEKm	Group 2019	ICA Bank 2019	Group excl. ICA Bank 2018
Cash flow from operating activities before change in working capital	2,248	30	2,218
Change in working capital			
Inventories	-53	—	-53
Current receivables	360	-107	467
Current liabilities	-738	285	-1,023
ICA Bank's net of deposits, lending and investments	-148	-148	—
Cash flow from operating activities	1,669	60	1,609
Cash flow from investing activities	-883	-20	-862
Cash flow from financing activities	-241	-1	-240
Cash flow for the period	546	39	507
Cash and cash equivalents at the beginning of the period	3,206	2,427	779
Exchange differences in cash and cash equivalents	-3	—	-3
Cash and cash equivalents at the end of the period	3,749	2,466	1,283

January–March, SEKm	Group 2018	ICA Bank 2018	Group excl. ICA Bank 2018
Cash flow from operating activities before change in working capital	1,094	17	1,076
Change in working capital			
Inventories	-168	—	-168
Current receivables	-340	21	-361
Current liabilities	357	-112	469
ICA Bank's net of deposits, lending and investments	-211	-211	—
Cash flow from operating activities	732	-285	1,016
Cash flow from investing activities	-1,140	-2	-1,138
Cash flow from financing activities	80	1	78
Cash flow for the period	-329	-286	-43
Cash and cash equivalents at the beginning of the period	4,499	2,209	2,290
Exchange differences in cash and cash equivalents	28	—	28
Cash and cash equivalents at the end of the period	4,198	1,923	2,275

January–March, SEKm	Group recalculated 2018 ¹⁾	ICA Bank 2018	Group excl. ICA Bank recalculated 2018 ¹⁾
Cash flow from operating activities before change in working capital	1,967	17	1,949
Change in working capital			
Inventories	-168	—	-168
Current receivables	-340	21	-361
Current liabilities	357	-112	469
ICA Bank's net of deposits, lending and investments	-211	-211	—
Cash flow from operating activities	1,605	-285	1,889
Cash flow from investing activities	-1,140	-2	-1,138
Cash flow from financing activities	-794	1	-795
Cash flow for the period	-329	-286	-43
Cash and cash equivalents at the beginning of the period	4,499	2,209	2,290
Exchange differences in cash and cash equivalents	28	—	28
Cash and cash equivalents at the end of the period	4,198	1,923	2,275

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) The segments have not been recalculated according to IFRS 16. The effect on the bank of IFRS 16 is negligible.

NOTE 6, FINANCIAL INSTRUMENTS

As per 31 March 2019, financial assets measured at fair value in ICA Gruppen amounted to SEK 3,192 million (3,713). Financial liabilities measured at fair value amounted to SEK 49 million (118) as per 31 March 2019. In the fair value hierarchy, SEK 3,192 million (3,588) of financial assets are attributable to Level 1 and SEK 0 million (125) 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 72 million (214).

NOTE 7, BUSINESS COMBINATIONS

At the end of 2016 ICA Gruppen signed an agreement to acquire all of the shares in UAB Palink, which operates the IKI grocery store chain in Lithuania. 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 was not able to complete the acquisition of UAB Palink. ICA Gruppen incurred costs associated with the acquisition process through June 2018.

NOTE 8, LEASES

	First quarter
	2019
Total lease revenue incl variable revenue	688
Lease expenses pertaining to variable rents, low-value leases and short-term leases	37
Interest expenses, lease liabilities	-89
Total right-of-use assets, SEKm	
	2019
At start of year, 1/1/2019	16,606
Changed and new contracts	1,297
Depreciation	-892
Translation differences	42
Book value, 31/3/2019	17,052

Right-of-use assets consist mainly of properties and premises, but also include forklifts, trucks and passenger cars.

Condensed Parent Company income statement

SEKm	First quarter		12 months	Full year
	2019	2018	Apr 2018 - Mar 2019	2018
Net sales ¹⁾	280	225	1,027	972
Cost of services sold	-269	-189	-1,013	-933
Gross profit	11	36	14	39
Administrative expenses	-121	-133	-431	-443
Operating profit/loss	-110	-97	-417	-404
Profit/loss from participations in Group companies	—	—	3,690	3,690
Financial income, Group companies	45	40	175	170
Financial income	7	14	45	52
Financial expenses, Group companies	0	-2	-2	-4
Financial expenses	-33	-64	-169	-200
Profit/loss after financial items	-92	-110	3,321	3,303
Appropriations	—	—	393	393
Profit before tax	-92	-110	3,714	3,696
Tax	19	24	-15	-10
Profit for the period	-73	-86	3,700	3,687

1) Of net sales for the first quarter, SEK 274 million (217) pertains to Group companies.

Condensed Parent Company balance sheet

SEKm	31 March 2019	31 March 2018	31 December 2018
ASSETS			
Non-current assets			
Investments in Group companies	30,142	30,092	30,142
Other intangible assets	119	118	108
Deferred tax assets	222	231	223
Non-current receivables from Group companies	648	—	639
Other non-current assets	193	124	177
Total non-current assets	31,325	30,565	31,288
Current assets			
Current receivables from Group companies	12,208	11,525	11,889
Other current assets	245	246	204
Cash and cash equivalents	683	1,620	72
Total current assets	13,136	13,391	12,165
TOTAL ASSETS	44,461	43,956	43,453
EQUITY AND LIABILITIES			
Equity	28,817	27,330	28,889
Provisions	417	392	404
Non-current liabilities			
Non-current interest-bearing liabilities	3,700	2,991	2,700
Other non-current liabilities	20	50	21
Total non-current liabilities	3,720	3,041	2,721
Current liabilities			
Current interest-bearing liabilities	1,955	4,029	2,233
Current liabilities to Group companies	9,100	8,680	8,796
Other current liabilities	451	484	410
Total current liabilities	11,507	13,193	11,439
TOTAL EQUITY AND LIABILITIES	44,461	43,956	43,453

Quarterly overview

Quarterly overview 2019 and recalculation of 2018

	Q1 2018 ¹⁾	Q2 2018 ¹⁾	Q3 2018 ¹⁾	Q4 2018 ¹⁾	Q1 2019
Net sales, SEKm	27,181	29,258	28,846	30,069	28,098
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,237	2,317	2,805	2,491	2,439
Operating profit (EBIT) excl. items affecting comparability, SEKm	1,005	1,077	1,549	1,180	1,125
Operating margin excl. items affecting comparability, %	3.7	3.7	5.4	3.9	4.0
Operating profit (EBIT), SEKm	1,005	988	1,453	1,212	1,115
Operating margin, %	3.7	3.4	5.0	4.0	4.0
Profit before tax, SEKm	845	821	1,314	1,077	974
Profit for the period, SEKm	665	896	1,055	892	813
Earnings per share, SEK	3.28	4.43	5.22	4.42	4.02
Equity per share, SEK	161.51	154.76	159.52	163.29	167.62
Share price at the end of period, SEK	295.40	274.70	282.00	316.80	373.00
Return on equity, %	N/A ²⁾	N/A ²⁾	N/A ²⁾	10.6	10.9
Return on capital employed, %	N/A ²⁾	N/A ²⁾	N/A ²⁾	7.7	7.8
Cash flow from operating activities, SEKm	1,605	3,642	1,955	3,124	1,669
Cash flow per share from operating activities, SEK	7.98	18.11	9.72	15.53	8.30
Investing activities (cash flow), SEKm	1,118	747	856	786	913
Capital employed excl. ICA Bank, average, SEKm	N/A ²⁾	N/A ²⁾	N/A ²⁾	58,251	58,762
Net debt, SEKm	-21,290	-22,479	-22,455	-20,988	-21,939
Net debt/EBITDA	N/A ²⁾	N/A ²⁾	N/A ²⁾	2.1	2.2

1) In addition to the formal IFRS reports, recalculated figures are presented for 2018 as if IFRS 16 had been applied as per 1 January 2018, see Note 1.

These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

2) Key ratios for 2018 based on rolling 12-month data are presented only for the full year 2018, as 2017 figures have not been recalculated for IFRS 16.

Quarterly overview excl. IFRS 16

	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Net sales, SEKm	27,940	27,164	28,601	27,181	29,258	28,846	30,069
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,646	1,761	1,574	1,364	1,430	1,902	1,606
Operating profit (EBIT) excl. items affecting comparability, SEKm	1,094	1,380	1,172	972	1,041	1,499	1,139
Operating margin excl. items affecting comparability, %	3.9	5.1	4.1	3.6	3.6	5.2	3.8
Operating profit (EBIT), SEKm	1,259	1,385	1,181	972	951	1,403	1,172
Operating margin, %	4.5	5.1	4.1	3.6	3.3	4.9	3.9
Profit before tax, SEKm	1,172	1,272	1,096	888	869	1,347	1,123
Profit for the period, SEKm	1,021	1,100	892	700	935	1,082	930
Earnings per share, SEK	5.06	5.45	4.41	3.46	4.62	5.36	4.61
Equity per share, SEK	147.51	152.96	157.70	161.69	155.13	160.02	163.98
Share price at the end of period, SEK	313.60	306.10	297.90	295.40	274.70	282.00	316.80
Return on equity, %	13.6	13.4	13.4	11.7	11.3	11.0	11.1
Return on capital employed, %	11.9	11.9	12.3	11.2	10.4	10.3	10.2
Cash flow from operating activities, SEKm	2,001	1,045	1,606	732	2,755	1,071	2,244
Cash flow per share from operating activities, SEK	9.95	5.20	7.98	3.64	13.70	5.32	11.16
Investing activities (cash flow), SEKm	520	470	612	1,118	747	856	786
Capital employed excl. ICA Bank, average, SEKm	42,607	42,169	41,938	42,024	42,086	42,425	42,648
Net debt, SEKm	-7,776	-7,384	-5,598	-5,670	-6,650	-7,012	-5,079
Net debt/EBITDA	1.1	1.1	0.8	0.9	1.1	1.1	0.8

Quarterly data by segment

Net sales by segment

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
ICA Sweden	20,366	19,869	20,625	19,358	20,975	20,730	21,348	19,793
Rimi Baltic	3,530	3,413	3,767	3,548	3,814	3,827	4,066	3,774
Apotek Hjärtat	3,298	3,108	3,297	3,430	3,625	3,414	3,641	3,634
ICA Real Estate	627	609	636	642	643	648	658	676
ICA Bank	235	245	259	322	332	341	358	370
Hemtex	232	252	366	223	217	237	343	213
Other	237	222	228	247	251	262	282	301
Intra-Group sales	-585	-554	-577	-589	-599	-613	-628	-662
Net sales	27,940	27,164	28,601	27,181	29,258	28,846	30,069	28,098

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
ICA Sweden	982	1,108	959	869	897	1,152	869	955
Rimi Baltic	214	245	258	202	240	260	267	229
Apotek Hjärtat	171	165	141	132	195	196	217	134
ICA Real Estate	382	243	235	215	211	252	242	237
ICA Bank	16	37	35	33	33	82	57	46
Hemtex	-12	12	63	-15	-19	11	58	-15
Other	-107	-49	-117	-73	-126	-51	-103	-80
Operating profit before depreciation/amortisation (EBITDA) by segment	1,646	1,761	1,574	1,364	1,430	1,902	1,606	1,506
IFRS 16 ¹⁾				873	887	903	885	933
Operating profit before depreciation/amortisation (EBITDA)¹⁾				2,237	2,317	2,805	2,491	2,439

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

Operating profit excluding items affecting comparability by segment

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
ICA Sweden	870	1,004	844	758	784	1,040	750	825
Rimi Baltic	128	161	174	118	156	175	182	145
Apotek Hjärtat	135	130	106	94	156	155	128	96
ICA Real Estate	99	121	100	90	90	122	115	109
ICA Bank	8	29	28	26	26	76	42	39
Hemtex	-18	6	57	-20	-25	5	53	-20
Other	-128	-71	-137	-94	-146	-74	-130	-110
Operating profit excluding items affecting comparability by segment	1,094	1,380	1,172	972	1,041	1,499	1,139	1,085
IFRS 16 ¹⁾				33	36	50	41	40
Operating profit excluding items affecting comparability¹⁾				1,005	1,077	1,549	1,180	1,125

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

Depreciation/amortisation by segment

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
ICA Sweden	113	104	115	111	113	112	120	130
Rimi Baltic	81	78	83	84	84	84	84	84
Apotek Hjärtat	36	35	35	39	38	40	40	38
ICA Real Estate	120	119	124	124	129	130	131	129
ICA Bank	8	8	8	7	6	7	7	7
Hemtex	5	6	6	6	5	6	5	5
Other	22	22	20	20	22	24	25	30
Depreciation/amortisation by segment	385	372	391	391	397	403	411	422
IFRS 16 ¹⁾				840	850	854	844	892
Depreciation/amortisation¹⁾				1,231	1,247	1,257	1,255	1,314

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

Key figures ICA Gruppen

	First quarter			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,439	1,364	2,237	10,052	6,302	9,850
Operating margin excl. items affecting comparability, %	4.0	3.6	3.7	4.2	4.0	4.2
Operating margin, %	4.0	3.6	3.7	4.1	3.9	4.0
Net margin, %	2.9	2.6	2.4	3.1	3.2	3.0
Return on capital employed, %	7.8	11.2	N/A ³⁾	7.8	10.2	7.7
Return on equity, %	10.9	11.7	N/A ³⁾	10.9	11.1	10.6
Equity/assets ratio, %	34.5	41.2	34.5	34.5	41.2	34.4
Net debt excl IFRS 16, SEKm	-5,297	-5,670	-5,670	-5,297	-5,079	-5,079
Net debt, SEKm	-21,939	—	-21,290	-21,939	—	-20,988
Net debt/EBITDA	2.2	0.9	N/A ³⁾	2.2	0.8	2.1
Average number of employees	23,318	21,753	21,753	—	22,272	22,272
Share data						
Earnings per share, SEK	4.02	3.46	3.28	18.09	18.05	17.35
Share price at the end of period, SEK	373.00	295.40	295.40	373.00	316.80	316.80
Dividend per ordinary share, SEK	—	—	—	—	11.50	11.50
Dividend, SEKm	—	—	—	—	2,313	2,313
Dividend payout ratio, %	—	—	—	—	63	66
Equity per share, SEK	167.62	161.69	161.51	167.62	163.98	163.29
Cash flow from operating activities per share, SEK	8.30	3.64	7.98	51.66	33.82	51.34
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) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

3) Key ratios for 2018 based on rolling 12-month data are presented only for the full year 2018, as 2017 figures have not been recalculated for IFRS 16.

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 at <https://www.icagruppen.se/en/investors/#!/financial-data/lb/en/investors/financial-data/definitions/>. 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 7.5%; and to maintain net debt in relation to EBITDA that is lower than a factor of 3. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends. More information about this is available on ICA Gruppen's website, www.icagruppen.se.

Reconciliation EBITDA

	First quarter			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	Apr 2018 - Mar 2019	2018	Recalculated 2018 ¹⁾
SEKm						
Operating profit (EBIT)	1,115	972	1,005	4,768	4,498	4,658
Depreciation/amortisation	1,314	391	1,231	5,073	1,602	4,990
Impairment losses (net)	10	1	1	211	202	202
Operating profit before depreciation/amortisation (EBITDA)	2,439	1,364	2,237	10,052	6,302	9,850

1) In addition to the formal IFRS reports, the column "Recalculated" presents amounts as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors.

2) Rolling 12-month figures include recalculated amounts for 2018.

Reconciliation EBITDA

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Operating profit (EBIT) excl IFRS 16	1,259	1,385	1,181	972	951	1,403	1,172	1,075
Depreciation/amortisation excl IFRS 16	385	372	391	391	397	403	411	422
Impairment losses (net)	2	4	2	1	82	96	23	10
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,646	1,761	1,574	1,364	1,430	1,902	1,606	1,506
IFRS 16 Operating profit (EBIT) ¹⁾				33	36	50	41	40
IFRS 16 Depreciation/amortisation ¹⁾				840	850	854	844	892
Operating profit before depreciation/amortisation (EBITDA)¹⁾				2,237	2,317	2,805	2,491	2,439

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

Reconciliation Net debt excluding ICA Bank

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Non-current interest-bearing liabilities	-3,914	-3,915	-3,913	-3,917	-3,619	-3,627	-3,626	-4,625
Current interest-bearing liabilities	-4,380	-3,998	-3,975	-4,029	-3,455	-3,872	-2,233	-1,956
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—	—	—
Cash and cash equivalents	517	528	2,290	2,275	423	487	779	1,283
Net debt excl IFRS 16	-7,776	-7,384	-5,598	-5,670	-6,650	-7,012	-5,079	-5,297
Non-current lease liabilities ¹⁾				-12,286	-12,462	-12,113	-12,553	13,176
Current lease liabilities ¹⁾				-3,333	-3,366	-3,330	-3,355	-3,466
Net debt¹⁾				-21,290	-22,479	-22,455	-20,988	-21,939

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

Reconciliation Capital employed excluding ICA Bank 2019 and recalculated 2018

SEKm	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Equity ¹⁾	32,789	31,403	32,355	33,110	33,988
Provisions for pensions	2,656	2,857	2,896	3,072	3,309
Other provisions	7	12	3	32	15
Non-current interest-bearing liabilities	3,917	3,619	3,627	3,626	4,625
Current interest-bearing liabilities	4,029	3,455	3,872	2,233	1,956
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—
Other non-current liabilities	86	61	50	45	20
Non-current lease liabilities ¹⁾	12,286	12,462	12,113	12,553	13,176
Current lease liabilities ¹⁾	3,333	3,366	3,330	3,355	3,466
Capital employed¹⁾	59,104	57,235	58,247	58,025	60,554
Average capital employed¹⁾	N/A²⁾	N/A²⁾	N/A²⁾	58,251	58,762

1) The amounts for 2018 on this line are recalculated as if IFRS 16 had been applied as per 1 January 2018, see Note 1. These amounts have not been reviewed by the auditors. Figures for 2017 have not been recalculated for IFRS 16.

2) Key ratios for 2018 based on rolling 12-month data are presented only for the full year 2018, as 2017 figures have not been recalculated for IFRS 16.

Reconciliation Capital employed excluding ICA Bank excluding IFRS 16

SEKm	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Equity	29,973	31,069	32,017	32,825	31,477	32,457	33,249
Provisions for pensions	2,488	2,521	2,619	2,656	2,857	2,896	3,072
Other provisions	13	10	11	7	12	3	32
Non-current interest-bearing liabilities	3,914	3,915	3,913	3,917	3,619	3,627	3,626
Current interest-bearing liabilities	4,380	3,998	3,975	4,029	3,455	3,872	2,233
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—	—
Other non-current liabilities	68	62	56	86	61	50	45
Capital employed excl IFRS 16	40,836	41,575	42,591	43,520	41,481	42,905	42,256
Average capital employed excl IFRS 16	42,607	42,169	41,938	42,024	42,086	42,425	42,648

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 excl IFRS 16

Interest-bearing liabilities excluding lease liabilities, 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.

This interim report has not been reviewed by the Company's auditors.

Stockholm, 3 May 2019

Per Strömberg
CEO, ICA Gruppen

Contacts and calendar

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Conference call for the media and financial market

ICA Gruppen will hold a conference call at 10.00 CET on Friday, 3 May 2019, during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The call will be conducted in English and can be followed at www.icagruppen.se/investerare. To participate in the call, ring tel. +46 8-505 58369 or +44 33-330 09268.

Calendar

15 August 2019	Q2 interim report
24 October 2019	Q3 interim report
6 February 2020	2019 year-end report

The information in this 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 Friday, 3 May 2019.

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.

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