

Second quarter 2019

Continued good earnings performance – Hemtex sold

Second quarter 2019

- Consolidated net sales amounted to SEK 30,529 million (29,258), an increase of 4.3%
- Operating profit excluding items affecting comparability was SEK 1,365 million (1,041). Recalculated according to IFRS 16, operating profit for the comparison period in 2018 was SEK 1,077 million
- Consolidated operating profit excluding items affecting comparability includes an estimated positive calendar effect of SEK 38 million for the Easter holiday
- Profit for the period, affected by, among other things, higher tax costs, was SEK 520 million (935)
- Profit includes capital losses on sales of non-current assets and impairment losses totalling SEK -390 million net (-90), of which SEK -382 million pertains to the sale of Hemtex
- Earnings per share were SEK 2.56 (4.62)
- Cash flow from operating activities amounted to SEK 3,068 million (2,755). Excluding ICA Bank, cash flow was SEK 3,047 million (2,188)
- Anders Bärlund new Chief Strategy & Business Development Officer

January-June 2019

- Consolidated net sales amounted to SEK 58,627 million (56,439), an increase of 3.9%
- Operating profit excluding items affecting comparability was SEK 2,490 million (2,013). Recalculated according to IFRS 16, operating profit for the comparison period in 2018 was 2,082 million
- Profit for the period was SEK 1,333 million (1,635). Profit includes capital losses on sales of non-current assets and impairment losses totalling SEK -400 million net (-90)
- Earnings per share were SEK 6.58 (8.08)
- Cash flow from operating activities amounted to SEK 4,737 million (3,487). Excluding ICA Bank, cash flow was SEK 4,656 million (3,204)

Events after the end of the quarter

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

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	Second quarter			Jan-Jun			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Group									
Net sales	30,529	29,258	29,258	58,627	56,439	56,439	117,542	115,354	115,354
Operating profit before depreciation/ amortisation (EBITDA)	2,284	1,430	2,317	4,723	2,794	4,554	10,019	6,302	9,850
Operating profit (EBIT) excluding items affecting comparability	1,365	1,041	1,077	2,490	2,013	2,082	5,219	4,651	4,811
Operating profit (EBIT)	975	951	988	2,090	1,923	1,993	4,755	4,498	4,658
Profit before tax	837	869	821	1,811	1,757	1,666	4,202	4,227	4,057
Profit for the period	520	935	896	1,333	1,635	1,561	3,280	3,647	3,508
Cash flow from operating activities	3,068	2,755	3,642	4,737	3,487	5,247	9,816	6,802	10,326
Cash flow from operating activities excluding ICA Bank	3,047	2,188	3,074	4,656	3,204	4,963	9,771	6,555	10,078
Operating margin excluding items affecting comparability, %	4.5	3.6	3.7	4.2	3.6	3.7	4.4	4.0	4.2
Operating margin, %	3.2	3.3	3.4	3.6	3.4	3.5	4.0	3.9	4.0
Return on capital employed, %	—	—	—	7.7	10.4	N/A ³⁾	7.7	10.2	7.7
Return on equity, %	—	—	—	9.7	11.3	N/A ³⁾	9.7	11.1	10.6
Earnings per share, SEK	2.56	4.62	4.43	6.58	8.08	7.71	16.22	18.05	17.35

1) In addition to the formal IFRS financial statements, 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

Also in the second quarter of the year we had good earnings performance in the Group and good sales growth, with a continued high pace of growth in our e-commerce business. An additional piece of the puzzle also fell into place with our sale of Hemtex in May. During the quarter we decided on a new, long-term fuel strategy, which is an important part of our ongoing sustainability work. Our process of change is continuing at a fast pace so that we can meet the high demands and expectations of our customers.



Sales for ICA stores were essentially in parity with the market trend during the second quarter as well as for the first half of the year, and we are upholding our strong market position. The summer thus far has been a bit more normal compared with last year's exceptionally warm weather, and this has naturally affected sales, with a slightly different mix between stores and pharmacies. All-in-all, however, sales have developed at a good pace, not least our food sales online, where we continue to outpace the market's growth as the clear market leader.

ICA Sweden – continued earnings improvement

Underlying earnings performance for ICA Sweden remains very strong. Of course, this performance should be viewed against the backdrop of last year's slightly weaker second quarter, but we could already see in the first quarter that we have rectified quite a few of the matters that weighed us down last year. Parallel with this, our work with change is continuing at a fast pace across a broad front. Apart from the ongoing reorganisation, a number of the projects that we have been working with for several years are being rolled out in operations and are beginning to generate effects in more precise customer offerings and more effective campaigns – tools that the ICA stores are now using to a large extent. We are also working intensively on developing new concepts for the ICA stores so that we can meet customers' evolving shopping behaviours in the best way. This can entail, for example, simplifying the experience for omnichannel customers, developing the range of meal solutions, or fine-tuning the non-food range. Working closely together with our retailers to develop their stores is a critical success factor for us. Even though we talk a lot about the necessary digital change journey, far from everything is digital. Of course, adapting the stores to meet customers' needs is very important, and a lot will be happening in this respect as well going forward.

Stable for Rimi Baltic and Apotek Hjärtat – but challenges remain

Rimi Baltic has stable earnings performance, and our growth continues to be slightly weaker than the market. After the summer the store conversions in Latvia will be completed – a measure that has cost us in sales and market shares, but which is an important component for staving off the increased competition that Lidl's entry in 2020 will give rise to. We continue to work with efficiency improvements in store operations, reducing waste and implementing new tools to increase the effectiveness of our campaigns, and during the second quarter we continued the roll-out of self-scanning in stores, which has been well-received by customers. At the end of 2019 we will also launch e-commerce in our Baltic operations.

Apotek Hjärtat's underlying earnings, excluding calendar effects and Min Doktor, were also good, and the favourable growth in e-commerce has continued. On the other hand, we have experienced certain disruptions at our newly automated warehouse in Norrköping, and the start-up continues to be challenging, which unfortunately has led to disruptions in deliveries, mainly of traded goods. Prescription drugs have not been affected. We now have strong focus on remedying the problems and thereby minimising any negative impacts during the rest of the year.

Continued positive volume growth for ICA Bank – favourable earnings for ICA Real Estate

ICA Bank is continuing its positive development with higher lending volume and improved earnings, which were further enhanced by strong performance for ICA Insurance. ICA Real Estate posted strong earnings for the quarter, and our strategic focus on creating value by working together with partners to develop smart and dynamic marketplaces around our stores continues.

New fuel strategy

During the quarter we decided on a new, long-term fuel strategy. It calls for all goods transports by road to be fossil-free by 2030 at the latest, and also sets the goal to achieve this in Sweden's major metropolitan areas already by 2025. It is an ambitious goal and will require greater investments in new technology and fossil-free fuels. Our work on cutting food waste in half in our own operations is being intensified, and on this point it will be important that we work together with other actors to achieve effects across the entire value chain. We can also report that we have now reduced ICA Gruppen's greenhouse gas emissions by 62% from the base year 2006, and that the changeover to new refrigerants with a lower climate impact in Swedish ICA stores has been a strong contributing factor to the reduced emissions. The strong focus on health and sustainability issues that now permeates the public debate is also having tangible effects on sales of plant-based products, where fresh products, for example, were up 44% during the first half of the year. Naturally, it is important that we continue developing an assortment that meets this strong trend.

An exciting second half awaits us

I can affirm that we have had a good first half of the year – in terms of sales, earnings, and in the progress of our development projects. Not everything is perfect, but a lot is very good and proceeding according to plan. The sale of Hemtex entails a further refinement of the Group structure, and we are now moving ahead by even more clearly tying together activities surrounding our core businesses. There is more to do – especially coupled to the opportunities offered by digitalisation to create better customer offerings in all of our businesses and in further increasing our efficiency and impact. I look forward to the rest of 2019, which will surely bring some exciting events, but above all continued development and change.

Group performance

Net sales and earnings

Second quarter 2019

Consolidated net sales increased by 4.3% during the quarter (4.8% adjusted for the sale of Hemtex) compared with 2018. The increase in local currency was 4.0%, and the Easter effect on sales is estimated to have been +1.1%. Underlying sales growth was mainly price-driven, but included positive volume growth in ICA Sweden's wholesale operation, Apotek Hjärtat and ICA Bank. Operating profit excluding items affecting comparability grew to SEK 1,365 million (1,041), which is SEK 288 million higher than for the preceding year's result of SEK 1,077 million recalculated according to IFRS 16. The estimated calendar effect of the Easter holiday on consolidated operating profit is SEK +38 million, net, of which SEK +39 million is attributable to ICA Sweden. Profit distribution from ICA stores increased by SEK 28 million during the quarter (mainly a timing effect), with an unusually large number of approved financial statements during the second quarter from stores that pay profit distributions. Operating profit also includes a positive earnings effect of approximately SEK 14 million as a result of changed assessment of the useful life of properties and their components in ICA Real Estate. On top of this, the gross margin moved in a positive direction compared with the corresponding period in 2018 owing to a better price and range mix, reduced waste and higher efficiency in logistics. In addition, marketing costs were lower, while costs coupled to digital business development and e-commerce remain high. The operating margin excluding items affecting comparability grew to 4.5% (3.6%). The operating margin a year ago including IFRS 16 was 3.7%. Profit for the period was SEK 520 million (935). Profit for the period includes the result of divestments and impairment losses for a combined total of SEK -390 million (-90) – mainly a capital loss of SEK -382 million on the sale of Hemtex, which, together with higher tax costs, also significantly affected earnings per share, which fell to SEK 2.56 (4.62).

Hemtex is included in consolidated sales and profit through 14 May. See also Note 4.

January-June 2019

Consolidated net sales increased by 3.9% during the period compared with 2018. The increase in local currency was 3.4%. Operating profit excluding items affecting comparability was higher than a year ago and amounted to SEK 2,490 million (2,013), which is SEK 408 million higher than the preceding year's result of SEK 2,082 million recalculated according to IFRS 16. Operating profit includes certain nonrecurring items. Sales of store subsidiaries had a higher earnings effect this year of slightly more than SEK 20 million, and the changed assessment of useful life of properties and their components in ICA Real Estate had a positive earnings effect of slightly more than SEK 28 million. It is estimated that this latter effect will affect 2019 operating profit by approximately SEK 60 million. The operating margin excluding items affecting comparability grew to 4.2% (3.6%). The operating margin a year ago including IFRS 16 was 3.7%. Profit for the period was SEK 1,333 million (1,635). Profit for the period includes capital losses and impairment losses for a combined total of SEK -400 million (-90). Earnings per share decreased to SEK 6.58 (8.08).

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 42 million (36) during the second quarter and SEK 82 million (69) for the period January-June.

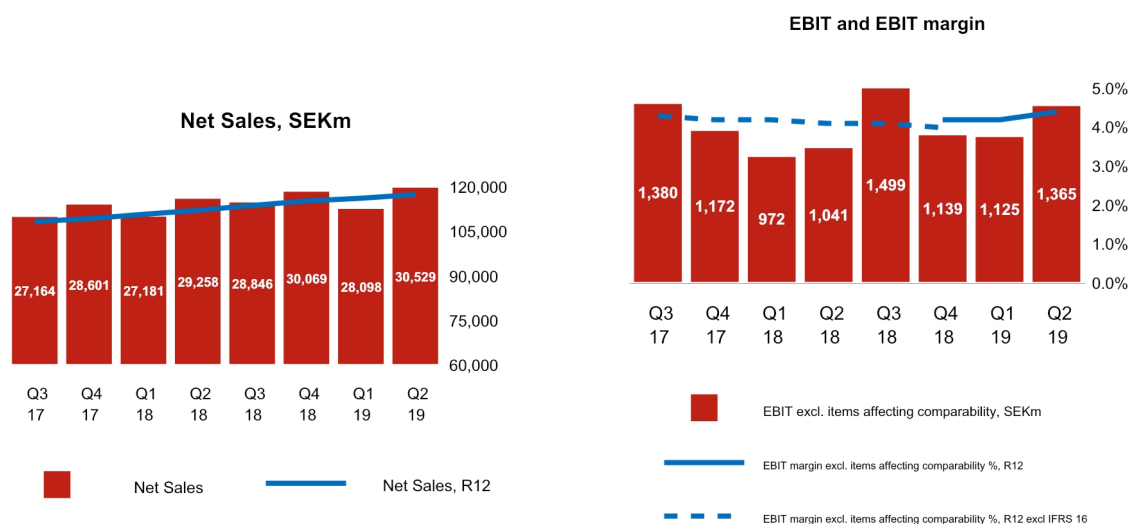
Net sales per segment

SEKm	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
ICA Sweden	21,880	20,975	41,673	40,333	83,751	82,411
Rimi Baltic	4,071	3,814	7,845	7,362	15,738	15,255
Apotek Hjärtat	3,778	3,625	7,412	7,055	14,467	14,110
ICA Real Estate	686	643	1,362	1,285	2,668	2,591
ICA Bank	391	332	761	654	1,460	1,353
Hemtex	93	217	306	440	886	1,020
Other	299	251	600	498	1,144	1,042
Intra-Group sales	-669	-599	-1,331	-1,188	-2,572	-2,429
Net sales	30,529	29,258	58,627	56,439	117,542	115,354

Operating profit excluding items affecting comparability per segment

SEKm	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
ICA Sweden	949	784	1,774	1,542	3,564	3,332
Rimi Baltic ¹⁾	175	156	320	274	677	631
Apotek Hjärtat	142	156	238	250	521	533
ICA Real Estate	133	90	242	180	479	417
ICA Bank	55	26	94	52	212	170
Hemtex	-16	-25	-36	-45	22	13
Other ¹⁾	-115	-146	-225	-240	-429	-444
Operating profit excluding items affecting comparability by segment	1,323	1,041	2,408	2,013	5,046	4,651
IFRS 16 Leases ²⁾	42	36	82	69	173	160
Operating profit excluding items affecting comparability²⁾	1,365	1,077	2,490	2,082	5,219	4,811

1) Q2 2018 includes SEK -17 million in costs associated with the previously planned integration of IKI, of which SEK -15 million was in Rimi Baltic and SEK -2 million in Other. Accumulated in 2018 these amount to SEK -26 million, of which SEK -23 million were in Rimi Baltic and SEK -3 million in Other.
2) Amounts reported on this line for 2018 pertain to recalculated 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.



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 amounted to SEK -139 million (-83) for the quarter and SEK -280 million (-166) for the entire period. 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. Adoption of IFRS 16 affected interest expenses by SEK -87 million for the quarter and by SEK -176 million for the period January-June.

The tax cost for the quarter was SEK -317 million (66), corresponding to a tax rate of 37.8% (+7.6%). The high tax rate for the second quarter is due in part to the non-tax-deductible capital loss on the sale of Hemtex and in part to tax of SEK -105 million on dividends received from Rimi Baltic. The positive outcome for the second quarter of 2018 is due to the remeasurement of deferred tax assets and tax liabilities related to the reduction of the corporate tax rate in Sweden. The one-off effect of this on the second quarter of last year was SEK +202 million. The tax cost for the period January-June was SEK -478 million (-122).

Paid tax during the quarter totalled SEK -188 million (-218). The lower amount is explained by the use of existing carryforwards, which entailed lower payment of preliminary tax. Paid tax for the entire period totalled SEK -376 million (-445). In addition to the above, the outcome was affected by a refund for preliminary tax paid that was too high.

Cash flow

Cash flow from operating activities (excluding ICA Bank) was SEK 3,047 million during the quarter, which is marginally lower than the outcome for 2018 recalculated according to IFRS 16. Cash flow was positively affected by earnings and lower paid tax. This was countered by a lower calendar-related positive impact of the change in working capital. In addition, the period January-June includes a negative effect of changes in working capital which, on top of the calendar effect, also includes a less significant positive effect from the Supply Chain Financing (SCF) programme a year ago. Cash flow from investing activities during the quarter was affected by the sale of Hemtex, by SEK +222 million. In other respects, the investment level was lower during the quarter as well as for the entire period. Cash flow from financing activities was positively affected by a completed refinancing.

Effect of IFRS 16 on cash flow

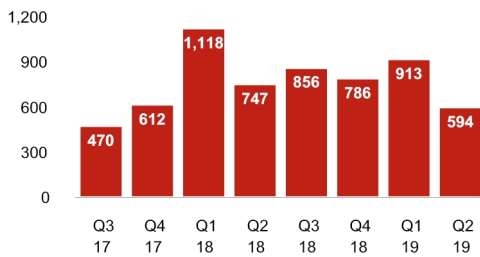
As a result of adoption of IFRS 16, lease payments are reported under financing activities instead of under operating activities. Thus cash flow from operating activities is higher and cash flow from financing activities is lower, all else equal. Lease payments (interest and principal) amounted to SEK -906 million (-887) during the second quarter of 2019 and SEK -1,831 million (-1,760) during the entire period.

Consolidated cash flow statement, excluding ICA Bank

SEKm	Second quarter			Jan-Jun			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Cash flow									
From operating activities before change in working capital	2,463	1,237	2,123	4,681	2,313	4,072	9,586	5,430	8,977
Change in working capital	583	951	951	-25	891	891	185	1,125	1,101
From operating activities	3,047	2,188	3,074	4,656	3,204	4,963	9,771	6,555	10,078
Investing activities, net	-359	-742	-742	-1,221	-1,880	-1,880	-2,918	-3,577	-3,577
Before financing activities	2,688	1,444	2,330	3,435	1,323	3,082	6,855	2,979	6,502
Financing activities, net	-3,488	-3,281	-4,167	-3,728	-3,203	-4,962	-6,789	-4,500	-8,023
Cash flow for the period	-800	-1,837	-1,837	-293	-1,880	-1,880	66	-1,521	-1,521

1) In addition to the formal IFRS financial statements, 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 594 million (747) during the quarter. Investments were slightly lower than a year ago, mainly owing to lower investments in ICA Sweden, which had a high level of investments a year ago in IT and online. In addition, there have been fewer store-openings than last year. The higher level of investments in Rimi Baltic pertains to the ongoing warehouse project in Riga. Of total investments, SEK 156 million (201) is attributable to ICA Real Estate. The lower investment level for ICA Real Estate is mainly due to a lower level of property acquisitions than last year. During the second quarter ICA Real Estate sold properties for SEK 0 million (0). Investments for the period January-June amounted to SEK 1,507 million (1,865).

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	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
ICA Sweden	145	347	280	568	580	868
Rimi Baltic	178	69	356	179	539	362
Apotek Hjärtat	62	59	120	108	205	193
ICA Real Estate	156	201	637	885	1,597	1,845
ICA Bank	6	3	8	5	13	10
Hemtex	2	8	4	13	18	27
Other	46	60	103	107	197	201
Investments	594	747	1,507	1,865	3,149	3,507

Depreciation/amortisation by segment

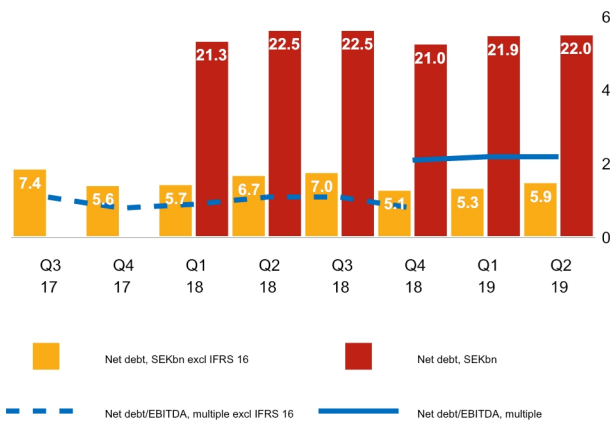
SEKm	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
ICA Sweden	137	113	267	224	499	456
Rimi Baltic	86	84	170	168	338	336
Apotek Hjärtat	37	38	75	77	155	157
ICA Real Estate	125	129	254	253	515	514
ICA Bank	7	6	14	13	28	27
Hemtex	2	5	7	11	18	22
Other	33	22	63	42	112	91
Depreciation/amortisation by segment	428	397	850	788	1,664	1,602
IFRS 16 Leases ¹⁾	873	850	1,765	1,690	3,463	3,388
Depreciation/amortisation¹⁾	1,301	1,247	2,615	2,478	5,127	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

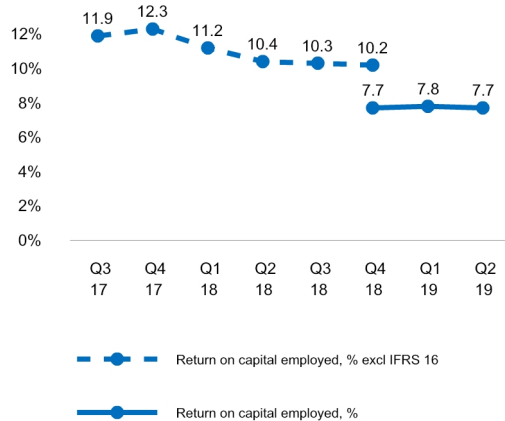
Financial position

The Group's net debt excluding IFRS 16 (i.e., excluding lease liabilities, ICA Bank and pension liabilities) amounted to SEK 5.9 billion (6.7) 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 22.0 billion (22.5) at the end of the quarter. At 30 June 2019 net debt in relation to EBITDA was 2.2 (1.1), 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 7.7% (rolling 12 months), which is lower than the preceding year's level of 10.4%. 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

14 May – ICA Gruppen sells Hemtex to the Norwegian home textiles chain Kid ASA. See also Note 4

25 June – Anders Bärlund appointed as new Chief Strategy & Business Development Officer (CSO) and member of the ICA Gruppen Management Team

Important events after the end of the quarter

No significant events have taken place after the end of the second quarter.

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

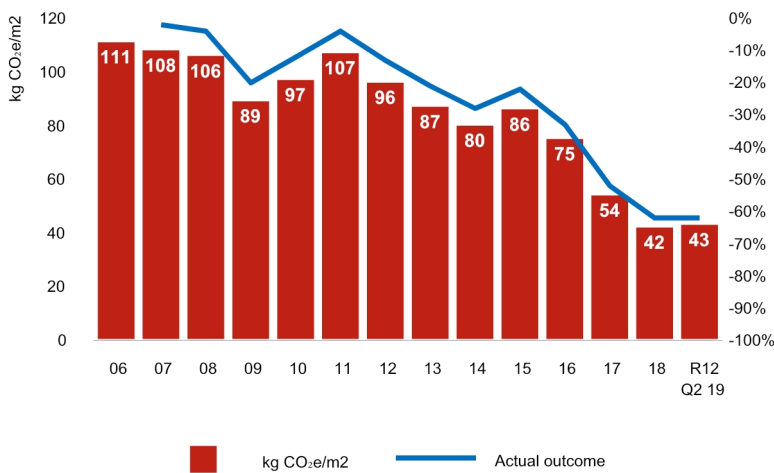
- ICA Gruppen's greenhouse gas emissions decreased by 62% on a rolling 12-month basis compared with the base year 2006. The reports on refrigerant use from the Swedish ICA stores came in during the quarter. These show significantly reduced emissions owing to extensive investments to change over to refrigerants with a lower climate impact and reduced leakage resulting from efficient store operations. However, ICA Gruppen sees challenges going forward with respect to refrigerants and goods transports, where actions are being taken to further reduce GHG emissions. ICA Gruppen decided on a new fuel strategy during the quarter. Read more under the Environment section below.
- The outcomes for the targets for social audits and quality certification of suppliers of ICA Gruppen's corporate brands were in level with the preceding period during the quarter.
- Work coupled to ICA Gruppen's goal to cut food waste in half in its own operations by 2025 continues. During the quarter ICA Gruppen provided data on food waste to the Swedish Food Agency, the Swedish Environmental Protection Agency and the Swedish Board of Agriculture in their work on setting a national interim goal in the environmental target system for reduced food waste according to target 12.3 of Agenda 2030. ICA Gruppen views this collaboration as an important path forward in reducing food waste across the entire food chain.
- In May ICA Gruppen sold all of its shares in Hemtex. Data from earlier years has been recalculated to exclude Hemtex operations from the Group targets.

Key Performance Indicators

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

	12 months Jul 2018 - Jun 2019	12 months Jul 2017 - Jun 2018
Decrease in emissions compared with 2006	-62%	-58%

Emissions kg CO₂e/m² 2006-Q2 2019



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

	12 months Jul 2018 - Jun 2019	12 months Jul 2017 - Jun 2018
Outcome	95%	96%

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 Jul 2018 - Jun 2019	12 months Jul 2017 - Jun 2018
Outcome	82%	n.d.

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

	12 months Jul 2018 - Jun 2019	12 months Jul 2017 - Jun 2018
Outcome	86%	87%

Sustainability activities during the quarter

Local

ICA Sweden changes over to Swedish-grown plum tomatoes

To meet consumer demand for Swedish products, ICA Sweden will be changing out imported tomatoes with Swedish-grown plum tomatoes during the summer and autumn. The switch is being carried out through an expanded collaboration with the southern Sweden-based growers' association Sydgrönt and is part of ICA Sweden and the Federation of Swedish Farmers' long-term partnership for promoting Swedish food ingredients, Swedish agriculture and a thriving countryside.

Water-smart recipe series featuring Swedish ingredients

Drought and water shortages pose a risk to Swedish agriculture. To spotlight these challenges and at the same time inspire people to reduce their water use, ICA Sweden has developed a water-smart recipe series based on Swedish ingredients that are beneficial from a water conservation standpoint and that are prepared in a way that saves the amount of water needed both for preparation and clean-up.

Environment

New fuel strategy for ICA Gruppen in Sweden

During the quarter ICA Gruppen decided on a new fuel strategy. The goal of the strategy is that all goods transports by road will be fossil-free by 2030 at the latest. In the Stockholm, Gothenburg and Malmö metropolitan areas the ambition is to achieve this already by 2025. The new fuel strategy pertains to all goods transports for ICA Gruppen's companies in Sweden. This entails that both national transports and all European transports from suppliers to ICA Gruppen's warehouses are included. To achieve this goal, ICA Gruppen will increase its investments in new technology and fossil-free fuels, among other measures.

Sales development for organic range

Store sales of organic products in ICA Sweden's central range decreased by 3% during the period July 2018-June 2019 (rolling 12 months) compared with the corresponding period a year ago. Changes in sales in the organic range are partly attributable to poorer harvests, which have affected supply and in turn prices. A weaker Swedish krona also affects. Interest in local and Swedish-sourced products continues to increase.

Active work to reduce use of plastics

Work coupled to ICA Gruppen's Group-wide plastics strategy continued during the quarter. The switch from imported ICA plum tomatoes to Swedish-grown tomatoes packaged in paper trays will result in an estimated annual reduction in the use of plastic by 10 tonnes. ICA Sweden has also decided to carry out a change in packaging size for ICA's own sliced cold-smoked and dill-cured salmon to 100 g, 150 g and 350 g, which will result in an estimated annual reduction in the use of plastic by 8 tonnes.

Two years ago Apotek Hjärtat was the first pharmacy chain in Sweden to begin charging customers for plastic bags. To date this measure has resulted in a 55% reduction in the amount of plastic used, or 112 tonnes of plastic. Apotek Hjärtat donates the revenue generated by sales of plastic bags to the Swedish Society for Nature Conservation, and to date more than SEK 3.2 million has been raised. The money is being used to finance a project highlighting the problems with and measures to reduce the existence of pharmaceuticals in the environment, among other things.

During the quarter ICA Sweden, ICA Foundation and Ståda Sverige launched a nationwide litter clean-up campaign, Klara, färdiga, städa! ("Ready, set, clean!"). The goal is to get 2,000 youths from more than 100 sport clubs to participate in a litter clean-up effort in locations where ICA retailers sell ICA Sweden's grocery bags made from renewable polyethylene. During 2019 the project is focusing on waterfront areas to prevent plastic litter from reaching the sea.

Health

ICA Insurance introduces insurance for domestic violence

Effective 1 April 2019 ICA Insurance introduced insurance for domestic violence. At present most home insurance plans exclude assault compensation and crisis assistance if the perpetrator lives in the same household as the victim. ICA Insurance has eliminated this exclusion and has also strengthened its home insurance to provide both professional ombudsman assistance and a transition benefit for insureds who need to move to sheltered housing.

Bike corral trial

ICA Real Estate is conducting a bike corral trial to encourage more customers to cycle to stores for health and environmental reasons. The bike corrals are furnished with individual e-bike chargers, a pump, roof and tool station. The bike corrals are being tested at the ICA Maxi Universitetet store in Örebro and the ICA Kvantum Klockaretorget store in Norrköping.

Criticism, media debate and dialogues

During the quarter, ICA Gruppen's CEO and ICA Gruppen's Chief Corporate Responsibility Officer published a debate article in the Swedish financial newspaper Dagens Industri to highlight climate-related challenges and opportunities in food production.

Awards and distinctions

- ICA Gruppen's CEO, Per Strömberg, is one of three finalists for the Sustainable Leadership award presented by NMC, the Swedish Association for Sustainable Business, to recognise a person who has made a notable contribution to sustainability work through competent leadership. The winner will be announced on 9 October.
- Mitt klimatmål ("My climate target") received an award for outstanding sustainability initiative at the 2019 Sustainable Brand Index awards.
- ICA Gruppen was a finalist in the Retail Awards category in the 2019 Sustainable Retail Company of the Year awards in Sweden.
- Rimi Estonia won a Gold Award in the Estonian Responsibility Business Forum Index Valuation, and Rimi Latvia scored in the highest category (Platinum) in the Sustainability Index with "Family Friendly" status.

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.-investerare/5.-rapporter/arkiv---finansie/engelska/2019/02.-annual-report-2018/ica_gruppen_annual_report_2018.pdf pages 120-122 and 130-132. In the second quarter of 2019, historical data for all Group targets has been adjusted for the sale of Hemtex. Also in the second quarter, data on refrigerant use by the Swedish ICA stores in 2018 has been adjusted due to newly reported documentation.

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

Second quarter 2019

ICA Sweden's net sales increased by 4.3% 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 also boosted by calendar effects of approximately 1.7%, mainly related to the Easter holiday.

Operating profit excluding items affecting comparability increased by SEK 165 million to SEK 949 million (784). The calendar effect of the Easter holiday on operating profit is estimated to be SEK +39 million. Gross profit and the gross margin improved compared with a year ago. Positive price and mix effects, and lower waste, were partly countered by higher logistics costs, which were at a lower level than a year ago owing to improved efficiency. Profit distribution from ICA stores was considerably higher than a year ago, totalling SEK +28 million (mainly a timing effect), with an unusually large number of approved financial statements during the second quarter for stores that pay profit distributions. Ongoing projects and investments in ICA Sweden, including the e-commerce warehouse in Stockholm, resulted in a continued high cost level and higher depreciation/amortisation, which was SEK 24 million higher than in 2018. The operating margin rose to 4.3% (3.7%).

January-June 2019

ICA Sweden's net sales increased by 3.3% compared with the same period a year ago.

Operating profit excluding items affecting comparability increased by SEK 232 million to SEK 1,774 million (1,542). Gross profit and the gross margin improved compared with a year ago despite higher logistics costs. Profit includes gains on sales of store subsidiaries, which were slightly more than SEK 20 million higher than in the preceding year. The operating margin rose to 4.3% (3.8%).

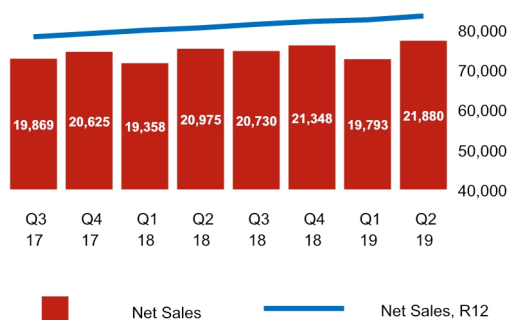
E-commerce

At the end of the period 291 ICA stores were active with e-commerce (food online), and 629 stores offered the ICA Matkassen meal kit concept. In total, e-commerce grew 36% during the quarter compared with the same period a year ago, with 42% growth in food online and 6% growth for ICA Matkassen. Online sales totalled SEK 572 million (420) during the second quarter and SEK 1,142 million (845) for the first half of the year. According to the Retail Trade Index (DVI), the e-commerce market in Sweden grew by 23.9% during the second quarter and by 21.4% accumulated in 2019.

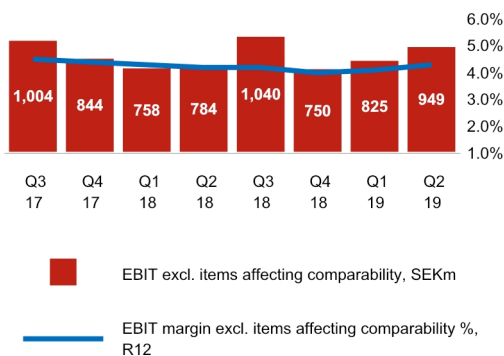
ICA Sweden

	Second quarter		Jan-Jun		12 months	Full Year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Net sales, SEKm	21,880	20,975	41,673	40,333	83,751	82,411
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,087	897	2,042	1,766	4,063	3,787
Operating profit excl. items affecting comparability, SEKm	949	784	1,774	1,542	3,564	3,332
Operating margin excl. items affecting comparability, %	4.3	3.7	4.3	3.8	4.3	4.0
Investments, SEKm	145	347	280	568	580	868
Depreciation/amortisation, SEKm	137	113	267	224	499	456
Average number of employees	—	—	8,261	8,052	—	8,199
Private label share of store sales, %	—	—	25.9	25.6	—	25.4

Net Sales, SEKm



EBIT and EBIT margin



The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 4.1% during the quarter and by 3.9% on a like-for-like basis. The calendar effect during the quarter, mainly pertaining to the Easter holiday, is estimated to be 1.7%. Food price inflation was 2.7% (2.6%) during the second quarter and 2.6% during the preceding quarter. Adjusted for inflation and the estimated calendar effect, volume growth during the quarter is estimated to have been approximately -0.4%, and approximately -0.5% on a like-for-like basis. According to the Food Retail Index (DVI), market growth during the second quarter of the year was 4.3%. Sales for ICA stores were thereby in line with the market trend.

Sales growth during the period was driven mainly by a higher average spend, but also by a larger number of items per customer visit. The number of customer visits was largely unchanged. The share of promotional sales was essentially the same as a year ago. Product categories that performed strongly during the period included confectionery and seafood, where Easter sales made a strong impact.

Private label products as a share of accumulated sales amounted to 25.9% (25.6%).

One new store opened during the second quarter and three 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	Second quarter 2019			January-June 2019		
	SEKm	All stores %	Like-for-like %	SEKm	All stores %	Like-for-like %
Maxi ICA Stormarknad	9,824	6.3	5.5	18,485	4.0	3.1
ICA Kvantum	7,539	5.4	4.0	14,444	3.0	2.3
ICA Supermarket	9,331	1.6	2.9	17,777	1.4	1.9
ICA Nära	4,714	2.4	2.7	8,849	1.5	2.2
Total	31,407	4.1	3.9	59,554	2.6	2.4

Number of stores in Sweden

Format	December 2018	New	Converted	Closed	June 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	2	1	-6	634
Total	1,277	2	0	-7	1,272

Rimi Baltic

Rimi Baltic conducts grocery retail business via 270 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

Second quarter 2019

Rimi Baltic's net sales increased by 3.9% during the quarter (6.7% in SEK). Sales continued to be price-driven with weak underlying volume growth, despite a slight, positive calendar effect of +0.9% from Easter. Volumes were also affected by ongoing store conversions in Latvia.

Conversions of discount stores in Latvia also had a negative impact on operating profit, both through lower volumes and costs for the conversions. However, Easter-related calendar effects had a positive impact on earnings of approximately SEK 6 million. In addition, gross profit and the gross margin improved – despite higher logistics costs – 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 also contributed to the improvements. Logistics costs increased as a result of high wage inflation and the ongoing warehouse project in Riga. The higher payroll costs are also the main reason for the continued rise in store costs. Overall, operating profit excluding items affecting comparability rose to SEK 175 million (156). Operating profit for the corresponding period a year ago included costs of SEK 15 million associated with the previously planned integration of IKI. The operating margin for the quarter was 4.3% (4.1%).

January-June 2019

Rimi Baltic's net sales increased by 2.8% during the period (6.6% in SEK).

Operating profit excluding items affecting comparability increased to SEK 320 million (274). Operating profit for the corresponding period a year ago included costs of SEK 23 million associated with the previously planned integration of IKI. The operating margin increased during the period to 4.1% (3.7%).

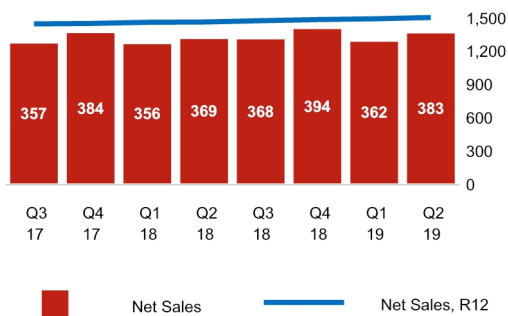
Other

Operating profit includes a net earnings effect of SEK -8 million (-3) from property sales/impairment losses on properties for the quarter and of SEK -18 million (-4) for the entire period.

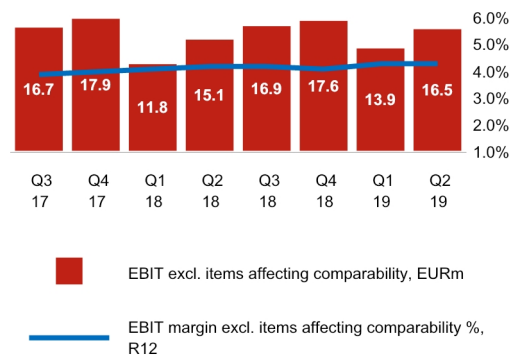
Rimi Baltic

	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Net sales, SEKm	4,071	3,814	7,845	7,362	15,738	15,255
Operating profit before depreciation/amortisation (EBITDA), SEKm	262	240	491	442	1,018	969
Operating profit excl. items affecting comparability, SEKm	175	156	320	274	677	631
Operating margin excl. items affecting comparability, %	4.3	4.1	4.1	3.7	4.3	4.1
Investments, SEKm	178	69	356	179	539	362
Depreciation/amortisation, SEKm	86	84	170	168	338	336
Average number of employees	—	—	10,466	9,531	—	9,572
Private label share of sales, %	—	—	24.7	25.3	—	24.3
EUR/SEK exchange rate, average	10.6182	10.3324	10.5230	10.1556	10.4405	10.2593

Net Sales, EURm



EBIT and EBIT margin



The market and store sales

Market growth during the second quarter was 6.5% in Estonia, 7.0% in Latvia and 9.8% in Lithuania. For the region as a whole, market growth was 8.2% (3.6%). Food price inflation was lower in Estonia than in the same period a year ago, while it was higher in Latvia and Lithuania. Compared with the preceding quarter, food price inflation grew in all three countries. Food price inflation for the region was 3.3% (2.3%), while it was 2.3% during the preceding quarter. 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 second quarter.

The ongoing conversion programme of the Supernetto stores in Latvia had an estimated negative impact on sales for Rimi Baltic of 1.6%. Overall, Rimi Baltic's market share in the region decreased during the period. During the quarter, Rimi Baltic opened three new stores and one was closed. A total of eight to ten store openings are planned for 2019.

Store sales in the Baltic countries

Store sales excl. VAT	Second quarter 2019			January-June 2019		
	EURm	All stores %	Like-for-like %	EURm	All stores %	Like-for-like %
Estonia	97.9	5.4	2.8	189.0	3.3	1.7
Latvia	198.6	2.0	6.3	387.9	1.5	5.7
Lithuania	83.4	5.6	4.9	161.8	4.3	3.7
Total	379.9	3.6	5.1	738.7	2.6	4.2

Number of stores in Baltic countries

Country	December 2018	New	Closed	June 2019
Estonia	86	1	-1	86
Latvia	125	2	0	127
Lithuania	56	1	0	57
Total	267	4	-1	270

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

Second quarter 2019

Net sales for the quarter amounted to SEK 3,778 million (3,625), an increase of 4.2%. The increase includes an effect from higher sales of high-price drugs, and calculated in constant drug prices the increase was 3.0%. Sales during the quarter included a negative calendar effect of -1.8%. Underlying sales were primarily volume-driven in like-for-like pharmacies and online. Operating profit excluding items affecting comparability decreased to SEK 142 million (156). Profit includes a calendar effect of SEK -7 million for the Easter holiday and an earnings effect of SEK -11 million from Min Doktor, reported below. Underlying earnings performance was affected primarily by positive volume effects. 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 were higher logistics costs resulting from disruptions in the ramp-up of the automated warehouse in Norrköping. The operating margin was 3.8% (4.3%). Adjusted for the effect of higher sales of high-price drugs and Min Doktor, the operating margin was 4.1%.

January-June 2019

Net sales for the period amounted to SEK 7,412 million (7,055), an increase of 5.1%. The increase includes an effect from higher sales of high-price drugs, and calculated in constant drug prices the increase was 3.4%. Operating profit excluding items affecting comparability was SEK 238 million (250). The operating margin was 3.2% (3.5%). Adjusted for the effect of higher sales of high-price drugs and Min Doktor, the operating margin was 3.5%.

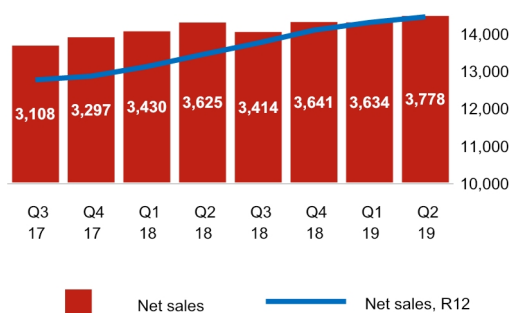
Min Doktor

Apotek Hjärtat owns 42.7% of Min Doktor since 1 November 2018, which is reported as an associated company of Apotek Hjärtat since this date. Operating profit excluding items affecting comparability includes SEK -11 million attributable to Min Doktor for the second quarter and SEK -18 million for the period January-June. The business is currently in a build-up phase, and all Minutkliniker clinics have now been converted to Min Doktor clinics. Currently 12 Min Doktor clinics are in operation, and the roll-out of an additional eight clinics is planned for 2019.

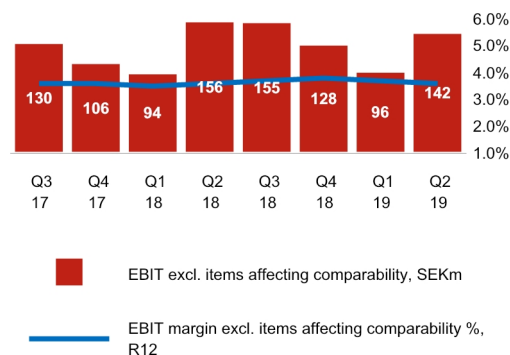
Apotek Hjärtat

	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Net sales, SEKm	3,778	3,625	7,412	7,055	14,467	14,110
Of which, prescription drugs	2,805	2,670	5,524	5,237	10,799	10,512
Of which, OTC drugs	393	386	759	743	1,451	1,435
Of which, other products and services	580	569	1,129	1,075	2,217	2,163
Operating profit before depreciation/amortisation (EBITDA), SEKm	179	195	313	327	726	740
Operating profit excl. items affecting comparability, SEKm	142	156	238	250	521	533
Operating margin excl. items affecting comparability, %	3.8	4.3	3.2	3.5	3.6	3.8
Investments, SEKm	62	59	120	108	205	193
Depreciation/amortisation, SEKm	37	38	75	77	155	157
Average number of employees	—	—	3,076	3,021	—	3,085
Private label share of other products, %	—	—	19.3	19.2	—	19.6

Net sales, SEKm



EBIT and EBIT margin



Market trend and e-commerce

The total pharmacy market in Sweden grew 2.9% during the second quarter compared with the same period in 2018. Calculated in constant prices for prescription drugs, market growth was 2.7%. Traded goods grew 8.6%, while Apotek Hjärtat's sales of traded goods increased by 5.8% adjusted for the inclusion of Minutkliniken in the outcome for 2018. Apotek Hjärtat's market share was level with the corresponding period a year ago, at roughly 31%. Sales of pharmacy products online increased by 37% during the quarter, while Apotek Hjärtat's e-commerce sales grew by 45% (incl. click & collect) during the second quarter and by 50% for the entire period. Three pharmacies were opened and three were closed during the quarter. During 2019, six new openings are planned, most at locations near ICA stores.

Number of pharmacies

	December 2018	New	Closed	June 2019
Apotek Hjärtat	388	3	-3	388

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

Second quarter 2019

Net sales for the quarter totalled SEK 686 million (643). 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 133 million (90). Operating profit was positively affected by revenue from new investments, a one-off depreciation effect described below and lower maintenance costs compared with the preceding year. This was countered by higher underlying depreciation.

As a result of a changed assessment of the useful life for properties and their components, a one-off depreciation effect of SEK +14 million arose for the second quarter: SEK +13 million for ICA Real Estate and SEK +1 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.

January-June 2019

Net sales for the period totalled SEK 1,362 million (1,285), and operating profit excluding items affecting comparability increased to SEK 242 million (180). In addition to the comments on the second quarter above, sales benefited from a higher earnings contribution from joint ventures, excluding depreciation effects.

The depreciation effect described above amounted to SEK +28 million for the period January-June: SEK +25 million for ICA Real Estate and SEK +3 million for Ancore and Secore.

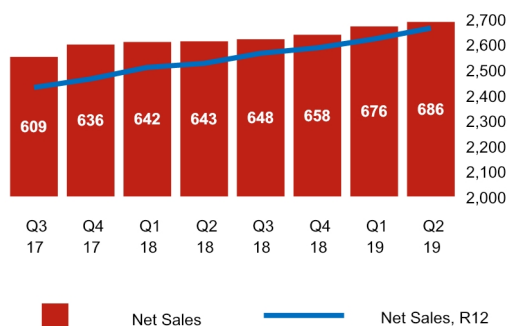
Other and investments

Operating profit includes a net earnings effect of SEK -1 million (-8) from property sales/impairment losses on properties for the quarter and of SEK -2 million (-7) for the entire period. Investments during the quarter were lower than a year ago and amounted to SEK 156 million (201). Also for the entire period, investments were lower than a year ago.

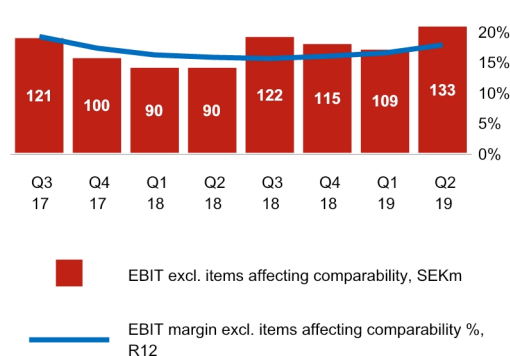
ICA Real Estate

	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Net sales, SEKm	686	643	1,362	1,285	2,668	2,591
Of which, rental income from owned properties, SEKm	268	247	533	492	1,051	1,010
Operating profit before depreciation/amortisation (EBITDA), SEKm	258	211	495	426	989	920
Operating profit excl. items affecting comparability, SEKm	133	90	242	180	479	417
Operating margin excl. items affecting comparability, %	19.4	14.0	17.8	14.0	17.9	16.1
Investments, SEKm	156	201	637	885	1,597	1,845
Divestments, SEKm	0	0	-1	2	283	286
Depreciation/amortisation, SEKm	125	129	254	253	515	514
Yield, %	—	—	6.8	6.5	—	6.8
Occupancy rate, %	—	—	98.8	99.4	—	99.3
Number of owned properties	—	—	122	112	—	121
Number of owned square metres, 000 sq. m.	—	—	667	633	—	669
Average number of employees	—	—	110	97	—	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

Second quarter 2019

ICA Bank's revenue, including ICA Insurance, increased to SEK 391 million (332) compared with a year ago. The increase is attributable to an improvement in net interest income and higher lending volume for ICA Bank, and a continued positive sales trend for ICA Insurance.

Operating profit excluding items affecting comparability amounted to SEK 55 million (26). The earnings improvement is attributable to positive development of net interest income, with improved deposit margins and higher lending volume. Operating profit includes a positive one-off item of SEK 8 million in ICA Insurance, which reported a better result than a year ago even excluding this one-off item. 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 160,000.

January-June 2019

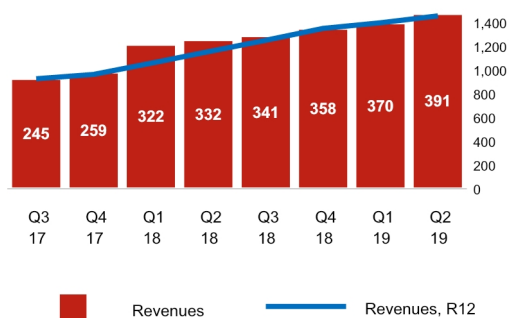
ICA Bank's revenue, including ICA Insurance, increased to SEK 761 million (654) compared with a year ago. Revenue in the same period a year ago included a one-off effect of SEK +12 million from a new card agreement.

Operating profit excluding items affecting comparability amounted to SEK 94 million (52). Operating profit for the corresponding period a year ago included SEK +12 million from the new card agreement described above. Operating profit for the period January-June includes a positive one-off effect of SEK +18 million in ICA Insurance from the dissolution of a claims reserve. All-in-all, like-for-like operating profit rose SEK 36 million compared with a year ago.

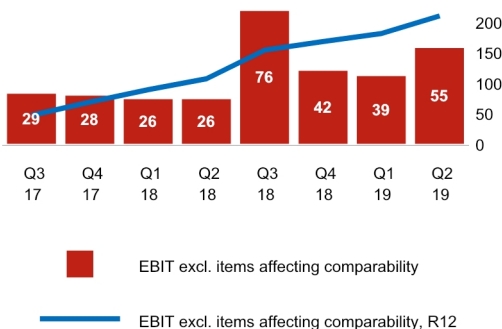
ICA Bank

	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Revenues, SEKm	391	332	761	654	1,460	1,353
Of which, net interest income, SEKm	147	122	289	232	544	487
Operating profit before depreciation/amortisation (EBITDA), SEKm	62	33	108	66	247	205
Operating profit excl. items affecting comparability, SEKm	55	26	94	52	212	170
C/I ratio, %	—	—	79.6	85.5	—	83.5
Return on equity, %	—	—	6.1	4.4	—	4.5
Loan loss ratio, %	—	—	-0.9	-0.8	—	-0.4
Common Equity Tier I ratio, % (ICA Banken AB)	—	—	14.5	15.3	—	15.6
Business volume, SEKm	—	—	49,224	44,662	—	46,618
Average number of employees	—	—	417	364	—	383

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



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

Second quarter 2019

The Parent Company's net sales amounted to SEK 279 million (239). Profit after financial items totalled SEK 3,233 million (3,257). The change is largely due to dividends of SEK 3,900 million (3,400) received from subsidiaries and a capital loss of SEK -572 million from the sale of Hemtex.

January-June 2019

The Parent Company's net sales amounted to SEK 559 million (464). Profit after financial items totalled SEK 3,141 million (3,147). The change is largely due to dividends of SEK 3,900 million (3,400) received from subsidiaries and a capital loss of SEK -572 million from the sale of Hemtex.

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 half of 2019 the share price rose 26.0% to SEK 399.20. The OMX Stockholm Index gained 16.7% during the same period.

Ownership structure – Largest identified shareholders in ICA Gruppen as per		30 June 2019
	Number of shares	Share of capital and votes, %
ICA-handlarnas Förbund	108,643,330	54.0%
BlackRock	3,055,721	1.5%
SEB Fonder	2,708,685	1.3%
Vanguard	2,308,056	1.1%
XACT Fonder	1,948,182	1.0%
Deutsche Asset & Wealth Management	1,649,112	0.8%
Spiltan Fonder	1,482,572	0.7%
Swedbank Robur Fonder	1,416,626	0.7%
Leif Jönsson	1,279,601	0.6%
Avanza Pension	1,074,582	0.5%
Ten largest shareholders total	125,566,467	62.4%
Other shareholders	75,580,328	37.6%
Total	201,146,795	100.0%
<i>Of which, foreign shareholders in total</i>	<i>38,045,666</i>	<i>18.9%</i>

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

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Second quarter			Jan-Jun			12 months ²⁾	Full year	
		2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Net sales		30,529	29,258	29,258	58,627	56,439	56,439	117,542	115,354	115,354
Cost of goods and services sold		-25,197	-24,511	-24,180	-48,330	-47,269	-46,613	-96,851	-96,459	-95,134
Gross profit		5,332	4,746	5,077	10,298	9,169	9,825	20,693	18,894	20,220
Selling expenses		-3,232	-2,996	-3,290	-6,360	-5,778	-6,364	-12,803	-11,640	-12,807
Administration expenses		-853	-793	-793	-1,667	-1,555	-1,555	-3,105	-2,995	-2,993
Other operating income		108	80	80	196	166	166	376	346	346
Other operating expenses		—	-17	-17	—	-26	-26	0	-26	-26
Share of profits of associates and joint ventures	2	11	21	21	24	36	36	59	71	71
Operating profit (EBIT) excl items affecting comparability		1,365	1,041	1,077	2,490	2,013	2,082	5,219	4,651	4,811
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	-382	-8	-8	-382	-7	-7	-326	49	49
Impairment and impairment reversals	3	-8	-82	-82	-18	-83	-83	-137	-202	-202
Operating profit	7	975	951	988	2,090	1,923	1,993	4,755	4,498	4,658
Financial income		1	3	3	3	5	5	9	11	11
Financial expenses	7	-140	-86	-169	-283	-171	-331	-564	-283	-612
Net financial items		-139	-83	-166	-280	-166	-326	-556	-272	-602
Profit before tax		837	869	821	1,811	1,757	1,666	4,202	4,227	4,057
Tax		-317	66	75	-478	-122	-105	-922	-580	-549
Profit for the period		520	935	896	1,333	1,635	1,561	3,280	3,647	3,508
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax										
Remeasurement defined benefit pensions		—	-128	-128	-154	-128	-128	-262	-236	-236
Other comprehensive income, items that may be reclassified to profit or loss, net after tax										
Change in translation reserve		42	35	35	86	172	172	44	130	130
Change in hedging reserve		-48	54	54	-15	119	119	-59	75	75
Share of other comprehensive income of joint ventures		1	4	4	4	7	7	13	16	16
Total items that may be reclassified to profit or loss		-5	93	93	75	298	298	-2	221	221
Comprehensive income for the period		515	899	861	1,254	1,804	1,731	3,016	3,632	3,493
Profit for the period attributable to										
Owners of the parent		516	930	891	1,324	1,626	1,552	3,263	3,630	3,491
Non-controlling interests		4	5	5	9	9	9	17	17	17
Comprehensive income for the period attributable to										
Owners of the parent		509	893	855	1,242	1,793	1,720	2,992	3,609	3,470
Non-controlling interests		6	6	6	12	11	11	24	23	23
Earnings per share, SEK										
Earnings per share		2.56	4.62	4.43	6.58	8.08	7.71	16.22	18.05	17.35

1) In addition to the formal IFRS financial statements, 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	30 June 2019	30 June 2018	Recalculated 30 June 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		12,936	13,425	13,425	13,413	13,413
Other intangible assets		1,689	1,436	1,436	1,572	1,572
Land, buildings and investment properties		14,859	13,830	13,830	14,374	14,374
Right of use assets	7	16,451	—	16,185	—	16,162
Interests in joint ventures and associates	2	1,274	828	828	1,256	1,256
ICA Bank's lending and investments		12,594	11,370	11,370	11,916	11,916
Deferred tax assets		286	402	402	385	385
Other non-current assets		2,360	2,276	2,276	2,424	2,424
Total non-current assets		78,752	59,868	76,053	61,640	77,802
Current assets						
Inventories		4,434	4,638	4,638	4,490	4,490
ICA Bank's lending and investments		3,530	3,154	3,154	3,176	3,176
Other current assets		7,559	7,590	7,143	8,133	7,710
Assets held for sale	4	4	357	357	6	6
ICA Bank's cash and cash equivalents		2,472	2,532	2,532	2,427	2,427
Cash and cash equivalents		491	423	423	779	779
Total current assets		18,489	18,694	18,247	19,011	18,588
TOTAL ASSETS		97,241	78,562	94,300	80,651	96,391
EQUITY AND LIABILITIES						
Equity		32,170	31,477	31,403	33,249	33,110
Non-current liabilities						
Provisions		3,379	2,881	2,881	3,116	3,116
Deferred tax liabilities		4,049	4,246	4,229	4,236	4,205
Non-current interest-bearing liabilities		4,625	3,619	3,619	3,626	3,626
Non-current lease liabilities		12,721	—	12,463	—	12,553
Other non-current liabilities		24	61	61	45	45
Total non-current liabilities		24,799	10,807	23,253	11,022	23,545
Current liabilities						
Current interest-bearing liabilities		1,734	3,455	3,455	2,233	2,233
Deposits ICA Bank		16,234	15,064	15,064	15,385	15,385
Current lease liabilities		3,391	—	3,367	—	3,356
Other current liabilities		18,912	17,760	17,760	18,762	18,762
Total current liabilities		40,272	36,278	39,645	36,380	39,736
TOTAL EQUITY AND LIABILITIES		97,241	78,562	94,300	80,651	96,391

1) In addition to the formal IFRS financial statements, 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	Second quarter			Jan-Jun			12 months ²⁾	Full year	
		2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Operating profit		975	951	988	2,090	1,923	1,993	4,755	4,498	4,658
Depreciation, amortisation and impairment		1,309	479	1,329	2,633	871	2,561	5,264	1,804	5,192
Dividend from joint ventures		10	10	10	10	10	10	35	35	35
Other non-cash items		403	30	30	400	-13	-13	493	80	80
Income tax paid		-188	-218	-218	-376	-445	-445	-734	-803	-803
Cash flow from operating activities before change in working capital		2,510	1,252	2,139	4,758	2,346	4,106	9,814	5,615	9,162
Change in working capital:										
Inventories		-25	65	65	-78	-103	-103	57	32	32
Current receivables		-339	362	362	21	22	22	-719	-694	-718
Current liabilities		928	638	638	190	995	995	1,060	1,865	1,865
ICA Bank's net of deposits, lending and investments		-6	437	437	-154	226	226	-396	-16	-16
Cash flow from operating activities		3,068	2,755	3,642	4,737	3,487	5,247	9,816	6,802	10,326
Acquisitions of property, plant and equipment and intangible assets		-594	-747	-747	-1,507	-1,865	-1,865	-3,149	-3,507	-3,507
Sale of property, plant and equipment and intangible assets		9	1	1	57	3	3	356	302	302
Change in financial assets		-10	-7	-7	-28	-2	-2	-35	-9	-9
Interest received		1	0	0	1	1	1	1	1	1
Investments in joint ventures and associated companies		-1	—	—	-1	-30	-30	-351	-380	-380
Divestment of subsidiaries		222	—	—	222	0	0	222	0	0
Cash flow from investing activities		-374	-753	-753	-1,257	-1,893	-1,893	-2,957	-3,593	-3,593
Dividend paid to shareholders of ICA Gruppen AB		-2,313	-2,213	-2,213	-2,313	-2,213	-2,213	-2,313	-2,213	-2,213
Change in loans		-219	-874	-874	494	-760	-760	-729	-1,983	-1,983
Interest paid		-30	-107	-107	-56	-142	-142	-144	-230	-230
Interest paid IFRS 16 Leases		-87	—	-83	-176	—	-160	-346	—	-330
Amortisation IFRS 16 Leases		-819	—	-804	-1,655	—	-1,600	-3,249	—	-3,194
Capital contributions, acquisitions, and dividends relating to non-controlling interests		-20	-35	-35	-23	-35	-35	-75	-87	-87
Cash flow from financing activities		-3,488	-3,230	-4,116	-3,729	-3,150	-4,910	-6,855	-4,512	-8,036
Cash flow for the period	5	-794	-1,227	-1,227	-248	-1,556	-1,556	5	-1,303	-1,303
Cash and cash equivalents at beginning of period		3,749	4,198	4,198	3,206	4,499	4,499	2,956	4,499	4,499
Exchange differences in cash and cash equivalents		8	-15	-15	5	13	13	2	10	10
Cash and cash equivalents at end of period	5	2,963	2,956	2,956	2,963	2,956	2,956	2,963	3,206	3,206

1) In addition to the formal IFRS financial statements, 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	-2,313	-20	-2,333
Comprehensive income for the period	1,242	12	1,254
Closing equity, 30 June 2019	31,913	257	32,170

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
Dividend	-2,213	-35	-2,248
Comprehensive income for the period	1,793	11	1,804
Closing equity, 30 June 2018	31,204	273	31,477

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, 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 from sale of subsidiaries and non-current assets	-8		-8
Impairment and impairment reversals	-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 from sale of subsidiaries and non-current assets	-7		-7
Impairment and impairment reversals	-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 from sale of subsidiaries and non-current assets	—		—
Impairment and impairment reversals	-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 from sale of subsidiaries and non-current assets	-7		-7
Impairment and impairment reversals	-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 from sale of subsidiaries and non-current assets	56		56
Impairment and impairment reversals	-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 from sale of subsidiaries and non-current assets	49		49
Impairment and impairment reversals	-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	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
SEKm						
Ancore Fastigheter AB	15	14	27	24	57	54
Secore Fastigheter AB	9	7	16	12	30	26
MD International AB (Min Doktor)	-11	—	-18	—	-28	-10
Fastighetsaktiebolaget Postgården AB	—	0	0	0	0	0
Total	11	21	24	36	59	71

Book value, SEKm	30 June 2019	30 June 2018	31 December 2018
Ancore Fastigheter AB	750	680	719
Secore Fastigheter AB	138	142	132
MD International AB (Min Doktor)	380	—	398
Fastighetsaktiebolaget Postgården AB	7	7	7
Total	1,274	828	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	Second quarter		Jan-Jun		12 months	Full year
SEKm	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Income	111	108	222	217	440	435
Expenses	-43	-49	-95	-102	-180	-187
Operating profit	68	59	127	115	260	248
Net financial items	-27	-25	-54	-51	-106	-103
Tax	-10	-5	-19	-14	-42	-37
Profit for the period	30	29	54	50	112	108
Other comprehensive income	1	6	8	13	26	31
Comprehensive income for the period	32	35	62	63	138	139
Non-current assets			4,958	4,958		4,944
Current assets			392	167		306
Total assets			5,351	5,125		5,250
Equity			1,436	1,297		1,374
Non-current liabilities			3,724	3,609		3,684
Current liabilities			191	219		192
Total equity and liabilities			5,351	5,125		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	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
SEKm						
Income	45	43	89	85	178	174
Expenses	-21	-31	-44	-57	-95	-108
Operating profit	24	12	45	28	82	65
Net financial items	-7	-7	-14	-13	-27	-26
Tax	-4	-2	-8	-5	-15	-12
Profit for the period	12	3	22	10	39	27
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	12	3	22	10	39	27
Non-current assets			2,354	2,379		2,365
Current assets			71	37		49
Total assets			2,425	2,416		2,414
Equity			815	845		813
Non-current liabilities			1,564	1,527		1,562
Current liabilities			46	44		39
Total equity and liabilities			2,425	2,416		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	Second quarter		Jan-Jun		Full year
	2019	2018	2019	2018	2018
Capital gains/losses net on sale of subsidiaries and non-current assets					
ICA Sweden	0	—	0	—	—
Rimi Baltic	0	—	1	—	1
Apotek Hjärtat	—	—	—	—	51
ICA Real Estate	-1	-8	-2	-7	-11
ICA Bank	—	—	—	—	8
Other	-381	—	-381	—	—
Total	-382	-8	-382	-7	49
Impairment and impairment reversals					
ICA Sweden	—	-79	—	-79	-79
Rimi Baltic	-8	-3	-18	-4	-34
ICA Real Estate	—	—	—	—	-89
Total	-8	-82	-18	-83	-202
Total items affecting comparability	-390	-90	-400	-90	-153

NOTE 4, ACQUISITIONS AND SALES OF OPERATIONS, AND ASSETS HELD FOR SALE

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

On 14 May ICA Gruppen sold all of its shares in Hemtex to the Norwegian home textiles chain Kid ASA. The purchase price was SEK 226 million on a debt-free basis. The cash flow effect, including the buyer's repayment of loans, was SEK 222 million, and a capital loss of SEK -382 million was recognised after transaction costs. The main assets sold pertain to trademarks and inventory.

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 5, CONSOLIDATED CASH FLOW STATEMENT

January–June, SEKm	Group 2019	ICA Bank 2019 ¹⁾	Group excl. ICA Bank 2019
Cash flow from operating activities before change in working capital	4,758	77	4,681
Change in working capital			
Inventories	-78	—	-78
Current receivables	21	-161	182
Current liabilities	190	320	-130
ICA Bank's net of deposits, lending and investments	-154	-154	—
Cash flow from operating activities	4,737	82	4,656
Cash flow from investing activities	-1,257	-36	-1,221
Cash flow from financing activities	-3,729	-1	-3,728
Cash flow for the period	-248	45	-293
Cash and cash equivalents at the beginning of the period	3,206	2,427	779
Exchange differences in cash and cash equivalents	5	—	5
Cash and cash equivalents at the end of the period	2,963	2,472	491

1) The column includes external leasing costs for ICA Bank. The effect of IFRS 16 on the bank is immaterial.

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

January–June, SEKm	Group recalculated 2018 ¹⁾	ICA Bank 2018 ²⁾	Group excl. ICA Bank recalculated 2018 ¹⁾
Cash flow from operating activities before change in working capital	4,106	34	4,072
Change in working capital			
Inventories	-103	—	-103
Current receivables	22	89	-67
Current liabilities	995	-65	1,060
ICA Bank's net of deposits, lending and investments	226	226	—
Cash flow from operating activities	5,247	284	4,963
Cash flow from investing activities	-1,893	-13	-1,880
Cash flow from financing activities	-4,910	53	-4,962
Cash flow for the period	-1,556	324	-1,880
Cash and cash equivalents at the beginning of the period	4,499	2,209	2,290
Exchange differences in cash and cash equivalents	13	—	13
Cash and cash equivalents at the end of the period	2,956	2,532	423

1) In addition to the formal IFRS financial statements, 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 column includes external leasing costs for ICA Bank. The effect of IFRS 16 on the bank is immaterial.

NOTE 6, FINANCIAL INSTRUMENTS

As per 30 June 2019, financial assets measured at fair value in ICA Gruppen amounted to SEK 3,075 million (3,429). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 67 million (97) as per 30 June 2019. 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 79 million (132).

NOTE 7, LEASES

	Second quarter	Jan-Jun
	2019	2019
Total lease revenue incl variable revenue	703	1,391
Lease expenses pertaining to variable rents, low-value leases and short-term leases	52	89
Interest expenses, lease liabilities	-87	-176

Total right-of-use assets, SEKm	2019
At start of year, 1/1/2019	16,606
Changed and new contracts	1,529
Depreciation	-1,765
Translation differences	81
Book value, 30/6/2019	16,451

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

Condensed Parent Company income statement

SEKm	Second quarter		Jan-Jun		12 months	Full year
	2019	2018	2019	2018	Jul 2018 - Jun 2019	2018
Net sales ¹⁾	279	239	559	464	1,067	972
Cost of services sold	-268	-204	-537	-393	-1,077	-933
Gross profit	11	35	22	71	-10	39
Administrative expenses	-119	-167	-240	-300	-383	-443
Operating profit/loss	-107	-132	-217	-229	-392	-404
Profit/loss from participations in Group companies ²⁾	3,328	3,400	3,328	3,400	3,618	3,690
Financial income, Group companies	46	42	91	82	179	170
Financial income	0	14	7	28	31	52
Financial expenses, Group companies	0	-2	0	-4	0	-4
Financial expenses	-34	-66	-67	-130	-137	-200
Profit/loss after financial items	3,233	3,257	3,141	3,147	3,297	3,303
Appropriations	—	—	—	—	393	393
Profit before tax	3,233	3,257	3,141	3,147	3,690	3,696
Tax	20	24	39	48	-19	-10
Profit for the period	3,253	3,281	3,180	3,195	3,672	3,687

1) Of net sales for the second quarter, SEK 271 million (230) pertains to Group companies, and SEK 545 million accumulated (447).

2) For the second quarter, the line includes a capital loss of SEK -572 million from the sale of Hemtex.

Condensed Parent Company balance sheet

SEKm	30 June 2019	30 June 2018	31 December 2018
ASSETS			
Non-current assets			
Investments in Group companies	29,553	30,142	30,142
Other intangible assets	136	99	108
Deferred tax assets	222	223	223
Non-current receivables from Group companies	657	575	639
Other non-current assets	189	144	177
Total non-current assets	30,757	31,183	31,288
Current assets			
Current receivables from Group companies	12,149	10,888	11,889
Other current assets	215	348	204
Cash and cash equivalents	30	3	72
Total current assets	12,394	11,239	12,165
TOTAL ASSETS	43,152	42,422	43,453
EQUITY AND LIABILITIES			
Equity	29,757	28,399	28,889
Provisions	422	395	404
Non-current liabilities			
Non-current interest-bearing liabilities	3,700	2,693	2,700
Other non-current liabilities	24	28	21
Total non-current liabilities	3,724	2,721	2,721
Current liabilities			
Current interest-bearing liabilities	1,734	3,455	2,233
Current liabilities to Group companies	7,125	6,972	8,796
Other current liabilities	390	480	410
Total current liabilities	9,249	10,907	11,439
TOTAL EQUITY AND LIABILITIES	43,152	42,422	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	Q2 2019
Net sales, SEKm	27,181	29,258	28,846	30,069	28,098	30,529
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,237	2,317	2,805	2,491	2,439	2,284
Operating profit (EBIT) excl. items affecting comparability, SEKm	1,005	1,077	1,549	1,180	1,125	1,365
Operating margin excl. items affecting comparability, %	3.7	3.7	5.4	3.9	4.0	4.5
Operating profit (EBIT), SEKm	1,005	988	1,453	1,212	1,115	975
Operating margin, %	3.7	3.4	5.0	4.0	4.0	3.2
Profit before tax, SEKm	845	821	1,314	1,077	974	837
Profit for the period, SEKm	665	896	1,055	892	813	520
Earnings per share, SEK	3.28	4.43	5.22	4.42	4.02	2.56
Equity per share, SEK	161.51	154.76	159.52	163.29	167.62	158.66
Share price at the end of period, SEK	295.40	274.70	282.00	316.80	373.00	399.20
Return on equity, %	N/A ²⁾	N/A ²⁾	N/A ²⁾	10.6	10.9	9.7
Return on capital employed, %	N/A ²⁾	N/A ²⁾	N/A ²⁾	7.7	7.8	7.7
Cash flow from operating activities, SEKm	1,605	3,642	1,955	3,124	1,669	3,068
Cash flow per share from operating activities, SEK	7.98	18.11	9.72	15.53	8.30	15.25
Investing activities (cash flow), SEKm	1,118	747	856	786	913	594
Capital employed excl. ICA Bank, average, SEKm	N/A ²⁾	N/A ²⁾	N/A ²⁾	58,251	58,762	58,866
Net debt, SEKm	-21,290	-22,479	-22,455	-20,988	-21,939	-21,980
Net debt/EBITDA	N/A ²⁾	N/A ²⁾	N/A ²⁾	2.1	2.2	2.2

1) In addition to the formal IFRS financial statements, 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

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

Quarterly data by segment

Net sales by segment

SEKm	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
ICA Sweden	19,869	20,625	19,358	20,975	20,730	21,348	19,793	21,880
Rimi Baltic	3,413	3,767	3,548	3,814	3,827	4,066	3,774	4,071
Apotek Hjärtat	3,108	3,297	3,430	3,625	3,414	3,641	3,634	3,778
ICA Real Estate	609	636	642	643	648	658	676	686
ICA Bank	245	259	322	332	341	358	370	391
Hemtex	252	366	223	217	237	343	213	93
Other	222	228	247	251	262	282	301	299
Intra-Group sales	-554	-577	-589	-599	-613	-628	-662	-669
Net sales	27,164	28,601	27,181	29,258	28,846	30,069	28,098	30,529

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
ICA Sweden	1,108	959	869	897	1,152	869	955	1,087
Rimi Baltic	245	258	202	240	260	267	229	262
Apotek Hjärtat	165	141	132	195	196	217	134	179
ICA Real Estate	243	235	215	211	252	242	237	258
ICA Bank	37	35	33	33	82	57	46	62
Hemtex	12	63	-15	-19	11	58	-15	-11
Other	-49	-117	-73	-126	-51	-103	-80	-469
Operating profit before depreciation/amortisation (EBITDA) by segment	1,761	1,574	1,364	1,430	1,902	1,606	1,506	1,369
IFRS 16 ¹⁾			873	887	903	885	933	916
Operating profit before depreciation/amortisation (EBITDA)¹⁾			2,237	2,317	2,805	2,491	2,439	2,284

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	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
ICA Sweden	1,004	844	758	784	1,040	750	825	949
Rimi Baltic	161	174	118	156	175	182	145	175
Apotek Hjärtat	130	106	94	156	155	128	96	142
ICA Real Estate	121	100	90	90	122	115	109	133
ICA Bank	29	28	26	26	76	42	39	55
Hemtex	6	57	-20	-25	5	53	-20	-16
Other	-71	-137	-94	-146	-74	-130	-110	-115
Operating profit excluding items affecting comparability by segment	1,380	1,172	972	1,041	1,499	1,139	1,085	1,323
IFRS 16 ¹⁾			33	36	50	41	40	42
Operating profit excluding items affecting comparability¹⁾			1,005	1,077	1,549	1,180	1,125	1,365

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	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
ICA Sweden	104	115	111	113	112	120	130	137
Rimi Baltic	78	83	84	84	84	84	84	86
Apotek Hjärtat	35	35	39	38	40	40	38	37
ICA Real Estate	119	124	124	129	130	131	129	125
ICA Bank	8	8	7	6	7	7	7	7
Hemtex	6	6	6	5	6	5	5	2
Other	22	20	20	22	24	25	30	33
Depreciation/amortisation by segment	372	391	391	397	403	411	422	428
IFRS 16 ¹⁾			840	850	854	844	892	873
Depreciation/amortisation¹⁾			1,231	1,247	1,257	1,255	1,314	1,301

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

	Second quarter			Jan-Jun			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,284	1,430	2,317	4,723	2,794	4,554	10,019	6,302	9,850
Operating margin excl. items affecting comparability, %	4.5	3.6	3.7	4.2	3.6	3.7	4.4	4.0	4.2
Operating margin, %	3.2	3.3	3.4	3.6	3.4	3.5	4.0	3.9	4.0
Net margin, %	1.7	3.2	3.1	2.3	2.9	2.8	2.8	3.2	3.0
Return on capital employed, %	—	—	—	7.7	10.4	N/A ³⁾	7.7	10.2	7.7
Return on equity, %	—	—	—	9.7	11.3	N/A ³⁾	9.7	11.1	10.6
Equity/assets ratio, %	—	—	—	33.1	40.1	33.3	33.1	41.2	34.4
Net debt excl IFRS 16, SEKm	—	—	—	-5,869	-6,650	-6,650	-5,869	-5,079	-5,079
Net debt, SEKm	—	—	—	-21,980	—	-22,479	-21,980	—	-20,988
Net debt/EBITDA	—	—	—	2.2	1.1	N/A ³⁾	2.2	0.8	2.1
Average number of employees	—	—	—	23,163	22,014	22,014	—	22,272	22,272
Share data									
Earnings per share, SEK	2.56	4.62	4.43	6.58	8.08	7.71	16.22	18.05	17.35
Share price at the end of period, SEK	—	—	—	399.20	274.70	274.70	399.20	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	—	—	—	158.66	155.13	154.76	158.66	163.98	163.29
Cash flow from operating activities per share, SEK	15.25	13.70	18.11	23.55	17.34	26.09	48.80	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	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	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	201,146,795	201,146,795	201,146,795

1) In addition to the formal IFRS financial statements, 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

SEKm	Second quarter			Jan-Jun			12 months ²⁾	Full year	
	2019	2018	Recalculated 2018 ¹⁾	2019	2018	Recalculated 2018 ¹⁾	Jul 2018 - Jun 2019	2018	Recalculated 2018 ¹⁾
Operating profit (EBIT)	975	951	988	2,090	1,923	1,993	4,755	4,498	4,658
Depreciation/amortisation	1,301	397	1,247	2,615	788	2,478	5,127	1,602	4,990
Impairment and impairment reversals	8	82	82	18	83	83	137	202	202
Operating profit before depreciation/amortisation (EBITDA)	2,284	1,430	2,317	4,723	2,794	4,554	10,019	6,302	9,850

1) In addition to the formal IFRS financial statements, 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	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Operating profit (EBIT) excl IFRS 16	1,385	1,181	972	951	1,403	1,172	1,075	932
Depreciation/amortisation excl IFRS 16	372	391	391	397	403	411	422	428
Impairment and impairment reversals	4	2	1	82	96	23	10	8
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,761	1,574	1,364	1,430	1,902	1,606	1,506	1,369
IFRS 16 Operating profit (EBIT) ¹⁾			33	36	50	41	40	43
IFRS 16 Depreciation/amortisation ¹⁾			840	850	854	844	892	873
Operating profit before depreciation/amortisation (EBITDA)¹⁾			2,237	2,317	2,805	2,491	2,439	2,284

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	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Non-current interest-bearing liabilities	-3,915	-3,913	-3,917	-3,619	-3,627	-3,626	-4,625	-4,625
Current interest-bearing liabilities	-3,998	-3,975	-4,029	-3,455	-3,872	-2,233	-1,956	-1,734
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—	—	—
Cash and cash equivalents	528	2,290	2,275	423	487	779	1,283	491
Net debt excl IFRS 16	-7,384	-5,598	-5,670	-6,650	-7,012	-5,079	-5,297	-5,869
Non-current lease liabilities ¹⁾			-12,286	-12,462	-12,113	-12,553	-13,176	-12,721
Current lease liabilities ¹⁾			-3,333	-3,366	-3,330	-3,355	-3,466	-3,390
Net debt¹⁾			-21,290	-22,479	-22,455	-20,988	-21,939	-21,980

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	Q2 2019
Equity ¹⁾	32,789	31,403	32,355	33,110	33,988	32,170
Provisions for pensions	2,656	2,857	2,896	3,072	3,309	3,353
Other provisions	7	12	3	32	15	14
Non-current interest-bearing liabilities	3,917	3,619	3,627	3,626	4,625	4,625
Current interest-bearing liabilities	4,029	3,455	3,872	2,233	1,956	1,734
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—
Other non-current liabilities	86	61	50	45	20	24
Non-current lease liabilities ¹⁾	12,286	12,462	12,113	12,553	13,176	12,721
Current lease liabilities ¹⁾	3,333	3,366	3,330	3,355	3,466	3,390
Capital employed¹⁾	59,104	57,235	58,247	58,025	60,554	58,032
Average capital employed¹⁾	N/A²⁾	N/A²⁾	N/A²⁾	58,251	58,762	58,866

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	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Equity	31,069	32,017	32,825	31,477	32,457	33,249
Provisions for pensions	2,521	2,619	2,656	2,857	2,896	3,072
Other provisions	10	11	7	12	3	32
Non-current interest-bearing liabilities	3,915	3,913	3,917	3,619	3,627	3,626
Current interest-bearing liabilities	3,998	3,975	4,029	3,455	3,872	2,233
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—
Other non-current liabilities	62	56	86	61	50	45
Capital employed excl IFRS 16	41,575	42,591	43,520	41,481	42,905	42,256
Average capital employed excl IFRS 16	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 half-year interim report provides a true and fair view of the Parent Company's and the Group's operations, financial position and earnings, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 15 August 2019

Claes-Göran Sylvén
Chairman of the Board

Bo Sandström	Jeanette Jäger	Cecilia Daun Wennberg	Andrea Gisle Joosen	Lennart Evrell
Fredrik Häggglund	Magnus Moberg	Anette Wiotti	Fredrik Persson	
	Magnus Rehn	Jonathon Clarke		
		Per Strömberg CEO ICA Gruppen		

The information in this interim report is such that ICA Gruppen is obligated to disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07.00 CET on Thursday, 15 August 2019. The report has not been reviewed by the company's auditors.

Contacts and calendar

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Conference call for the media and financial market

ICA Gruppen will hold a live webcast at 10.00 CET on Thursday, 15 August 2019, during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The webcast will be conducted in English and can be followed at www.icagruppen.se/investerare. To participate in the webcast, ring tel. +46850558353 or +443333009031.

Calendar

24 October 2019	Q3 interim report
11 December	Capital Markets Day 2019
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 Thursday, 15 August 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.

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