

First quarter 2020

Strong quarter affected by COVID-19

First quarter 2020

- Consolidated net sales amounted to SEK 30,366 million (28,098), an increase of 8.1%
- Operating profit excluding items affecting comparability was SEK 1,310 million (1,125)
- Consolidated sales and operating profit were affected by the ongoing COVID-19 pandemic. The effect on operating profit during the first quarter, which arose during March, is estimated to be in the range of SEK +50 million
- Profit for the period was SEK 976 million (813)
- Earnings per share were SEK 4.83 (4.02)
- Cash flow from operating activities was SEK 2,381 million (1,669). Excluding ICA Bank, cash flow was SEK 2,009 million (1,609)

Events after the end of the quarter

- ICA Real Estate's acquisition of the logistics property in Västerås for net SEK 1 billion is concluded
- Anna Nyberg was named as new CEO of ICA Real Estate and takes up her position on 17 August
- ICA Gruppen's Annual General Meeting approved the Board's changed dividend proposal for payment of SEK 6 per share. The intention is to have an Extraordinary General Meeting decide on a second payment of SEK 6 per share in the autumn

SEKm	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Group				
Net sales	30,366	28,098	121,563	119,295
Operating profit before depreciation/ amortisation (EBITDA)	2,624	2,439	10,378	10,193
Operating profit (EBIT) excluding items affecting comparability	1,310	1,125	5,541	5,356
Operating profit (EBIT)	1,309	1,115	5,128	4,934
Profit before tax	1,183	974	4,611	4,402
Profit for the period	976	813	3,613	3,450
Cash flow from operating activities	2,381	1,669	10,460	9,748
Cash flow from operating activities excluding ICA Bank	2,009	1,609	10,323	9,923
Operating margin excluding items affecting comparability, %	4.3	4.0	4.6	4.5
Operating margin, %	4.3	4.0	4.2	4.1
Return on capital employed, %	8.2	7.8	8.2	7.9
Return on equity, %	10.6	10.9	10.6	10.1
Earnings per share, SEK	4.83	4.02	17.96	17.06

CEO's comments

Today we are reporting on a quite unusual quarter, characterised by a pandemic with global impact that none of us have experienced before. For us this resulted in a sudden and dramatic surge in sales as a result of hoarding, which for a time created major challenges for the entire operation. Even though this highly intensive period is over, the effects of the ongoing COVID-19 pandemic will likely affect society and our operations for a long time into the future.

The hoarding in March boosted growth for the entire quarter. It also put extreme pressure on our e-commerce operations, as considerably more customers – including customers in new categories, such as the elderly – bought food and pharmacy products online. Despite significantly higher volumes than normal, we managed to handle the flows in a good way and with good control, even though a few items were periodically missing on store shelves. We managed this situation with the help of immense efforts by ICA retailers and our employees in various parts of the supply chain.



ICA Sweden – higher profitability and strong volume growth

Obviously, ICA Sweden benefited from the strong volume growth. Earnings were also strong, and this applies even if we disregard the COVID-19 effects. Not all parts of the ICA system have benefited from the current situation, however. There are a number of stores at locations where customer traffic has decreased, and as a result their sales have fallen. During the most intensive period of the hoarding, nor did we benefit from our store structure, with a relatively large share of small and medium-sized stores. We believe that this is the main reason why, despite high growth, we did not achieve that same level of growth as the overall market.

Our e-commerce business has grown faster than the market, and we saw a very strong increase in customer traffic to our online channels during the period. Thus our online sales as a share of total sales were very high and at levels that we had not expected to see for a couple of years. Here it is important that we can meet the higher demand with higher capacity and a positive customer experience so that we can continue to build further upon our favourable development. In this regard, our important e-commerce project with Ocado is very timely.

Rimi Baltic – volume growth and e-commerce launch. Apotek Hjärtat – strong COVID-19 impacts

Rimi Baltic had favourable volume growth, and we are now online in all three countries after pushing up the launches in Lithuania and Estonia. Development in the three countries is quite varied, and this is largely due to the structures of our store networks in the respective countries. In short it can be said that we are at a disadvantage in Estonia, have a neutral effect in Latvia and a slight advantage in Lithuania. Overall, COVID-19 had a limited impact on earnings. Preparations to address new competition, the e-commerce roll-out and completion of our new warehouse in Riga are continuing at a fast pace.

Apotek Hjärtat is one of our units that has been affected most by the COVID-19 pandemic, with high volume growth, high pressure in e-commerce – where we grew more than the market – and a large earnings effect. Despite high volumes, the supply chain and logistics have worked well, and our pharmacies located near ICA grocery stores had extra strong performance. During the quarter, e-commerce at times accounted for a very high share of sales volume in the market, and here, too, new customer categories discovered the opportunity to shop online. Effectively being able to meet this higher online demand is one of our top priorities.

Favourable underlying performance for ICA Bank, but higher loan losses. Limited exposure for ICA Real Estate

ICA Bank's underlying, favourable earnings performance continues, but looking ahead we can see that we will be encountering a slight increase in COVID-19-related loan losses, which explains the drop during the quarter. In other respects, work is continuing on launching the new mortgage company according to plan.

In our property portfolio we have some tenants that are active in more exposed sectors, but this exposure is limited. In April ICA Real Estate completed the acquisition of the logistics property in Västerås where ICA has had a large warehouse operation for many years. We now have control ourselves over how it can be developed to suit our future needs in the best way. The acquisition entails that our level of investment this year will increase by SEK 1 billion over the SEK 4 billion we have previously guided for.

Sustainability work – new climate target

Today we are presenting our new climate ambition, which will take over in 2021 when our current climate target expires. Our goal is to achieve at least zero net GHG emissions from own operations by 2030 and thereby continue to have an ambitious and responsible climate ambition that is based on leading climate research and the Paris Agreement. ICA has previously included suppliers in its sustainability work, and now this work will be intensified by also embracing the ambition to cut the climate impact of our customers' grocery purchases in half by 2030.

In other respects, many initiatives are being taken to deal with the ongoing crisis. These include, for example, simplifying grocery and pharmacy shopping through new home delivery and ordering services, and supporting local producers. Added to this are the many local initiatives being taken by ICA retailers. We can also mention our recently announced cooperation with the Swedish Red Cross for home deliveries of groceries and pharmacy products to people in at-risk categories.

After COVID-19

The time after COVID-19 will entail changes. We are now dedicating quite a bit of time to understand what these may entail and what the consequences will be. It is likely that the playing field will look different than before – not because an entirely new trend has arisen, but because the weighting between the various trends that already exist is changing. E-commerce growth, price, views on health and local products, etc., will be affected by changed customer behaviours and priorities. What seems clear is that value-driven companies will emerge from the crisis stronger. In this regard ICA Gruppen has a natural place, and we truly want to show that we can make a difference by acting in a socially responsible way in all areas.

Group performance

Net sales and earnings

First quarter 2020

Consolidated net sales increased by 8.1% during the quarter compared with 2019. Excluding currency effects and adjusted for the divestment of Hemtex, the increase was 8.5%. The leap year day in February accounted for +0.7 percentage points of the increase, and higher sales associated with the COVID-19 crisis are estimated to have contributed +2.9%. All operations had higher volumes during the quarter, but positive price and mix effects also contributed, especially in Rimi Baltic. Operating profit excluding items affecting comparability grew to SEK 1,310 million (1,125), which is SEK 165 million higher than for the preceding year, excluding Hemtex. The volume effect on earnings was positive and considerably greater compared with the preceding quarter and same quarter a year ago. Price and other mix effects (product range and formats) had a positive effect on earnings, except for Apotek Hjärtat. Other costs rose, mainly associated with continued investments in digital business development and high capacity due to the sharp increase in demand in e-commerce. Overall, however, the operating margin rose to 4.3% (4.0%) excluding items affecting comparability. Profit for the period was SEK 976 million (813). Profit includes the result of divestments and impairment losses for a combined total of SEK -1 million (-10). Earnings per share were SEK 4.83 (4.02).

Hemtex was included in consolidated sales and profit through 14 May 2019. See also Note 4.

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 44 million (41) during the first quarter.

Estimated effects of the COVID-19 pandemic

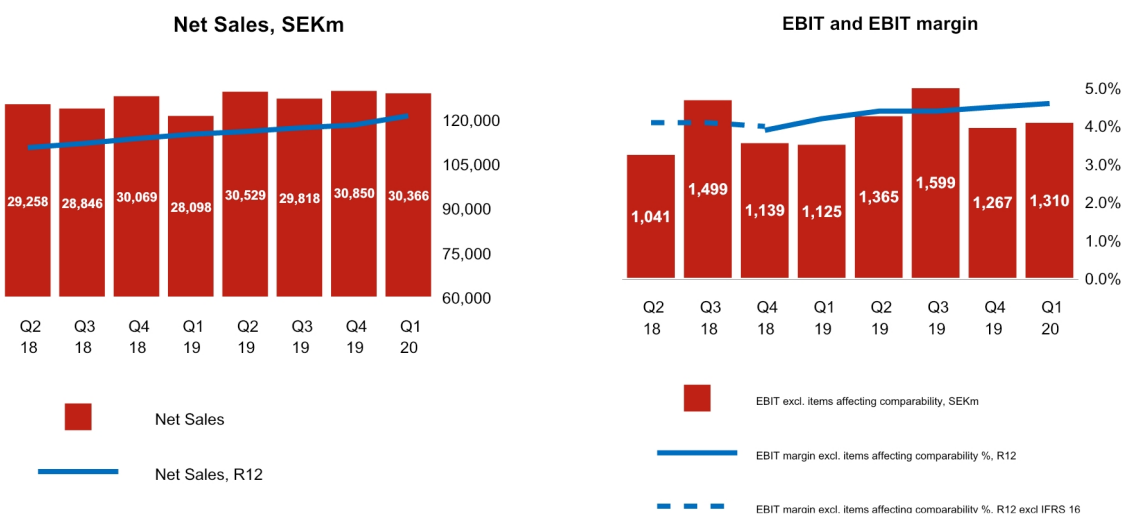
COVID-19 is estimated to have affected consolidated sales growth by +2.9% and consolidated operating profit in the range of SEK 50 m.

Net sales per segment

SEKm	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
ICA Sweden	21,430	19,793	86,824	85,187
Rimi Baltic	4,098	3,774	16,492	16,168
Apotek Hjärtat	4,087	3,634	15,231	14,778
ICA Real Estate	700	676	2,755	2,731
ICA Bank	417	370	1,617	1,570
Hemtex	—	213	93	306
Other	319	301	1,215	1,197
Intra-Group sales	-684	-662	-2,662	-2,640
Net sales	30,366	28,098	121,563	119,295

Operating profit excluding items affecting comparability per segment

SEKm	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
ICA Sweden	916	825	3,803	3,712
Rimi Baltic	152	145	751	744
Apotek Hjärtat	130	96	498	464
ICA Real Estate	142	109	537	504
ICA Bank	17	39	222	244
Hemtex	—	-20	-16	-36
Other	-92	-110	-425	-443
Operating profit excluding items affecting comparability by segment	1,266	1,085	5,370	5,189
IFRS 16 Leases	44	40	170	166
Operating profit excluding items affecting comparability	1,310	1,125	5,541	5,356



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 -126 million (-141) for the quarter. Interest expenses excluding IFRS 16 were lower than a year ago due to short-term financing at low interest rates during most of the quarter. Interest expenses coupled to IFRS 16 are included in net financial items for the quarter in the amount of SEK -83 million (-89).

The tax cost for the quarter was SEK -207 million (-161), corresponding to a tax rate of 17.5% (16.6%). Paid tax during the quarter totalled SEK -394 million (-188) and was SEK 206 million higher than a year ago due to a higher preliminary tax payment than during the first quarter a year ago.

Cash flow

Cash flow from operating activities (excluding ICA Bank) was SEK 2,009 million (1,609), which is an increase of SEK 358 million excluding an IFRS 16 effect of SEK 42 million. Cash flow during the quarter was mainly affected by the higher COVID-19-related sales, entailing a more favourable development of working capital than a year ago. Higher paid tax countered this development to some extent.

Cash flow from investing activities during the quarter remained at the same level as a year ago, with a slightly higher level of investment that was balanced by a few smaller divestments. The increase in cash flow from financing activities is mainly attributable to the issue of new bonds in February.

On 28 February ICA Gruppen issued two bonds for a combined total of SEK 2.25 billion. One of the bonds was for SEK 1.75 billion with a tenor of three years, and one was for SEK 0.5 billion with a tenor of five years.

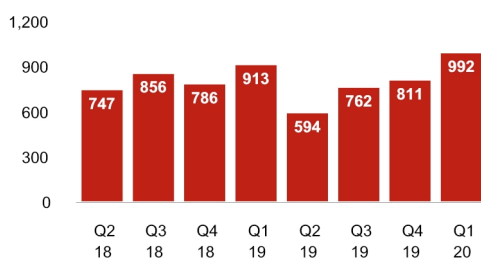
Effect of IFRS 16 on cash flow

Lease payments during the first quarter of 2020 (interest and principal) totalled SEK -967 million (-925).

Consolidated statement of cash flows, excluding ICA Bank

	First quarter		12 months	Full year
SEKm	2020	2019	Apr 2019 - Mar 2020	2019
Cash flow				
From operating activities before change in working capital	2,169	2,218	9,910	9,959
Change in working capital	-161	-608	412	-35
From operating activities	2,009	1,609	10,323	9,923
Investing activities, net	-862	-862	-2,811	-2,811
Before financing activities	1,146	747	7,512	7,113
Financing activities, net	1,250	-240	-5,554	-7,044
Cash flow for the period	2,396	507	1,958	69

Capex (cash flow), SEKm



Investments and divestments

The Group's investments amounted to SEK 992 million (913) during the quarter. The level of investment in ICA Sweden increased slightly and pertained mainly IT and e-commerce. The higher level of investment in Rimi Baltic pertains to the ongoing warehouse project in Riga and store investments. Of total investments, SEK 414 million (481) is attributable to ICA Real Estate. During the first quarter ICA Real Estate sold building rights for SEK 29 million (1).

Total investments for 2020 are expected to amount to approximately SEK 5 billion, including SEK 2.6 billion in ICA Real Estate. The investment level has been raised as a result of the completed acquisition of the logistics property in Västerås for SEK 1 billion after tax deduction. Major capex projects include the acquisition of the warehouse property, purchases of future store locations, investments in the Group's e-commerce, IT investments, the new warehouse in Riga, and new stores.

Investments (cash flow) by segment

SEKm	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
ICA Sweden	164	135	685	656
Rimi Baltic	294	178	1,101	985
Apotek Hjärtat	53	58	221	226
ICA Real Estate	414	481	925	992
ICA Bank	14	2	49	37
Hemtex	—	2	2	4
Other	52	57	174	179
Investments	992	913	3,159	3,080

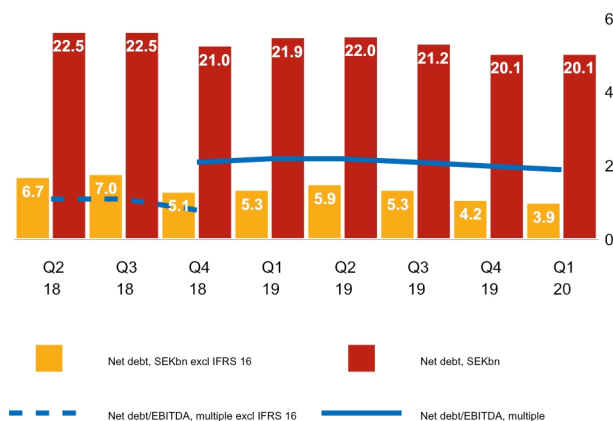
Depreciation/amortisation by segment

SEKm	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
ICA Sweden	144	130	579	565
Rimi Baltic	96	84	364	352
Apotek Hjärtat	38	38	147	147
ICA Real Estate	121	129	493	501
ICA Bank	6	7	27	28
Hemtex	—	5	2	7
Other	34	30	141	137
Depreciation/amortisation by segment	441	422	1,755	1,736
IFRS 16 Leases	872	892	3,463	3,483
Depreciation/amortisation	1,312	1,314	5,217	5,219

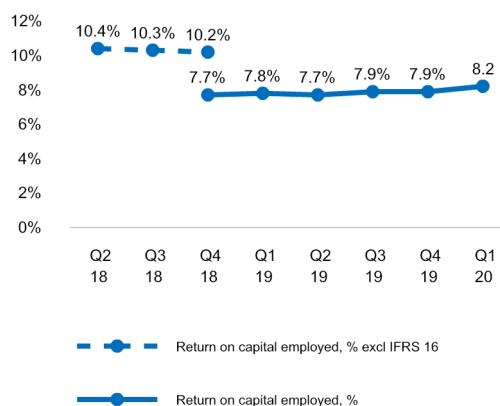
Financial position

The Group's net debt excluding IFRS 16 (i.e., excluding lease liabilities, ICA Bank and pension liabilities) amounted to SEK 3.9 billion (5.3) 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 20.1 billion (21.9) at the end of the quarter. At 31 March 2020 net debt in relation to EBITDA was 1.9 (2.2), which is well in line with the Group's long-term target of <3.0. Return on capital employed was 8.2% (7.8%) on a rolling 12-month basis.

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

9 March – ICA Real Estate signed a conditional agreement to acquire a logistics property in Västerås from Saltängen Property Invest AB. The purchase price was SEK 1.1 billion before tax deduction, which preliminary corresponds to approximately SEK 1 billion after the tax deduction

Important events after the end of the quarter

7 April – Against the background of the ongoing COVID-19 pandemic, ICA Gruppen's board of directors decided to change its dividend proposal to the Annual General Meeting. The new proposal entails that instead of a dividend of SEK 12 per share, a dividend of SEK 6 will be paid in April. The intention is to have an Extraordinary General Meeting decide on a second payment of SEK 6 per share in the autumn

14 April – ICA Real Estate concludes the acquisition of a logistics property in Västerås after approval from the sellers Annual General Meeting

21 April – ICA Gruppen's Annual General Meeting approved the Board's dividend proposal of SEK 6 per share

22 April – It was announced that Anna Nyberg has been named as new CEO of ICA Real Estate. She will take up her position on 17 August

Sustainability Report

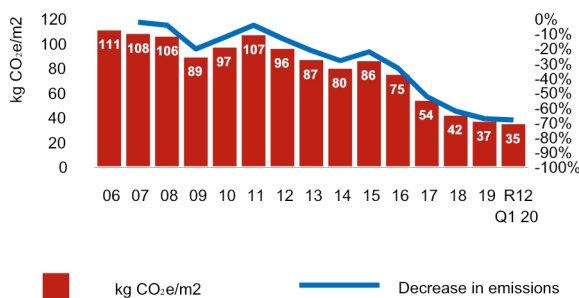
Sustainability is an integral part of the daily activities of all of ICA Gruppen's operations. All segments work actively on improving the value chain, by setting standards for and working in cooperation with suppliers, working towards common goals and certifications, and by developing new, sustainable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

Outcome – sustainability targets

- ICA Gruppen's greenhouse gas emissions decreased by 68% on a rolling 12-month basis compared with the base year 2006. Emissions decreased during the reporting period due to a gradual increase in the use of refrigerants with a lower climate impact in stores and a switch to renewable electricity by Rimi Baltic
- During the quarter ICA Gruppen decided on a new climate ambition – read more under the heading Environment below
- The outcomes for the quarter for the targets for social audits and quality certification of suppliers of ICA Gruppen's corporate brands were level with the preceding period. We have noted, however, a declining trend in the number of socially audited suppliers in high-risk countries. This is because the COVID-19 crisis has led to closed factories, reduced access to factories to perform audits and travel restrictions. The opportunities to perform audits have therefore been dramatically affected. The impact of COVID-19 will in all likelihood adversely affect the outcomes for supplier targets during the coming quarters. The goal that at least 90% of suppliers of ICA Gruppen's corporate brands in high-risk countries will have a valid follow-up social audit by year-end 2020 was adopted in 2018. The focus in operations on ensuring that follow-up social audits are performed contributed to the positive development

Key Performance Indicators

Emissions kg CO₂e/m² 2006-Q1 2020



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

	12 months	12 months
	Apr 2019 - Mar 2020	Apr 2018 - Mar 2019
Decrease in emissions compared with 2006	-68%	-63%

Outcome other sustainability targets

	12 months	12 months
	Apr 2019 - Mar 2020	Apr 2018 - Mar 2019
100% of suppliers of ICA Gruppen's corporate brands in high-risk countries will be socially audited	94%	95%
At least 90% of suppliers of ICA Gruppen's corporate brands in high-risk countries will have a valid follow-up social audit by year-end 2020	88%	78%
90% of suppliers of ICA Gruppen's corporate brands will be quality certified by year-end 2020	87%	86%

Sustainability activities during the quarter

Local

ICA expedites opportunity for more customers to have food delivered home

ICA Sweden has approximately 300 stores that offer online shopping, but to quickly expand opportunities for stores to offer home deliveries, ICA complemented its e-commerce business with a swift roll-out of its meal app ICA Pronto. This was done to quickly meet the sharp increase in demand for home deliveries based on the recommendation by the Swedish Public Health Agency that at-risk people and people afflicted with COVID-19 avoid shopping in stores. The goal is that some 150 stores will be affiliated with the app during the spring. The service is available for everyone, but right now it is being prioritised for customers in risk categories or those afflicted with COVID-19.

Environment

ICA Gruppen decides on new climate ambition

During the quarter ICA Gruppen decided on a new climate ambition to take effect in 2021 when the current climate target expires. The goal is to achieve at least net zero emissions from own operations by 2030 and thereby continue to have an ambitious and responsible climate ambition that is based on leading climate research and the Paris Agreement. ICA has previously included suppliers in its sustainability work and will now be intensifying this work by also adopting the ambition to cut the climate impact of our customers' grocery purchases in half by 2030. The climate ambition is broken down into three parts:

- ICA Gruppen shall achieve at least a net zero climate impact from own operations by 2030
- ICA Gruppen will cut the climate impact of customers' grocery purchases in half by 2030
- ICA Gruppen's suppliers, which account for 70% of the Group's upstream climate impact, shall have adopted science-based climate targets by 2025 at the latest

ICA launches "Klimat" (Climate) ready packed grocery bags

During the quarter ICA Sweden launched its "Klimat" (Climate) ready packed grocery bag concept, consisting of four dinners for four persons. The recipes have been climate-calculated based on the Research Institutes of Sweden's climate database, and the "Klimat" ready packed grocery bags are inspired by WWF's One Planet Plate project. The ingredients, processing and transport are included in the total climate impact. On average, each portion contains 0.5 kg CO₂ equivalents, which is the benchmark set by WWF to meet the Paris Agreement's 1.5 degree celsius goal.

Continued work with plastics shift

Work is continuing with ICA Gruppen's plastics strategy, which entails among other things that all food packaging of ICA's private label products shall be recyclable or reusable after 2022 and that after 2030 it shall be made of recycled or renewable material. One important initiative during the quarter was ICA Sweden's packaging change for more than 200 of ICA's private label meat products. The shift will result in a switch to recycled plastic for 250 tonnes of plastic per year. In addition, the packages will be smaller, reducing plastic use by 60 tonnes per year.

In February 2020 Rimi Baltic began offering customers in all its markets environment-smart grocery bags, such as reusable bags made of 100% recycled plastic. In Estonia, Rimi began charging for single-use plastic bags in February as a measure to help reduce the use of plastic, resulting in a 67% monthly decrease.

Apotek Hjärtat spotlights environmental problem in pharmaceutical industry

During the quarter Apotek Hjärtat participated in a stakeholder dialogue with pharmaceutical manufacturers via the industry organisation Sveriges Apoteksförning. The goal of the dialogue was to begin the hand-over of the "Välj med hjärtat" (Choose with your Heart) ecolabel to the industry. Previously, Apotek Hjärtat highlighted the problems created for people and the environment by pharmaceutical manufacturing via the campaign "A Hard Pill to Swallow", which documented the production of a drug produced from pharmaceutical residuals in the water surrounding factories in India. Apotek Hjärtat is also participating as a stakeholder in a report from Swedwatch focusing on this problem, which was published during the quarter.

Health

ICA helping customers live healthier daily lives

During the quarter ICA and Min Doktor conducted their first joint pilot project to help patients live healthier lives by putting them in contact with licensed dietitians. The consultation is conducted digitally, and customers receive expert advice on how a better diet can help them live healthier and prevent lifestyle-related diseases. The pilot project will continue for eight weeks and is a collaboration between ICA Gruppen's innovation hub ICAX and Min Doktor.

ICA Insurance is offering its customers help with talk therapists in connection with, for example, a job loss or sick leave via a collaboration with the e-health company BlueCall. Customers who purchase ICA Insurance's loan protection insurance gain access to the expanded support in the form of three free-of-charge consultations with a talk therapist in the event of an unforeseen life event. The aim is to reduce the risk for long-term stress and anxiety. The service started on 1 April.

Awards and distinctions

- ICA was named by Swedish consumers as the most sustainable grocery retail brand in the 2020 Sustainable Brand Index survey.
- Apotek Hjärtat won the Sustainable Brand Index's award for "Sustainable Brand-Building Initiative of the Year" for its "A Hard Pill to Swallow" campaign, which highlighted the problems created for people and the environment by pharmaceutical manufacturing in India.

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 2019 Annual Report: <https://www.icagruppen.se/globalassets/3.-investorare/5.-rapporter/arkiv---finansie/engelska/2020/02.-annual-report-2019/icagruppen-annual-report-2019.pdf> pages 119–121 and 130–132. In the first quarter of 2020, the Reporting principle for goods transports within ICA Gruppen's Swedish companies was adjusted. Greenhouse gas emissions from goods transports are now reported directly from contracted transport firms.

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 is responsible for sales of non-food items at Maxi ICA (Hypermarket) stores.

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

Net sales and earnings

First quarter 2020

ICA Sweden's net sales increased by 8.3% compared with a year ago. The increase is mainly attributable to dramatically higher volume effects in the wholesale operations that occurred during the hoarding period in March. Positive price effects also contributed to the increase as did the leap year day in February.

Operating profit excluding items affecting comparability increased to SEK 916 million (825). The positive earnings effect of the sales increase was partly countered by higher costs. On the whole, the gross margin was level with the preceding year. Strong sales performance for private label products had a favourable effect. On the other hand, pressure from online order volumes was very high, which led to capacity shortages and higher costs, especially coupled to the dark store in Stockholm. The logistics operations in general showed good cost efficiency under a high rate of volume growth. On the other hand, IT costs and other overheads were higher than in the same period a year ago. This development is mainly due to a higher level of activity related to a number of development projects and competence broadening activities.

The earnings impact from the leap year day in February is estimated at approximately SEK +15 million, and the earnings effect of the COVID-19 situation is estimated at approximately SEK +35 million. The operating margin rose to 4.3% (4.2%).

E-commerce

At the end of the period 308 ICA stores were active with e-commerce (food online), and 637 stores offered the ICA Matkassen meal kit concept. Online sales totalled SEK 766 million (570) during the first quarter, up 34% compared with the same period a year ago. The e-commerce share for the ICA stores that offer online shopping was 3.8%. According to the Retail Trade Index (DVI), the e-commerce market for food in Sweden grew by 27% during the first quarter.

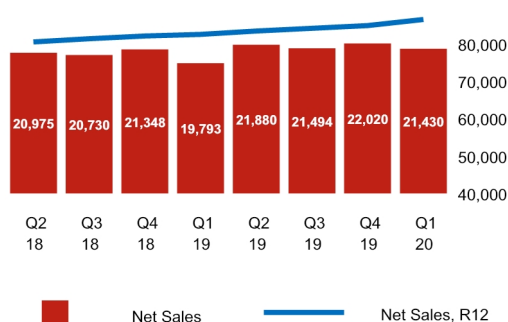
Estimated effects of COVID-19 pandemic

The COVID-19 situation is estimated to have affected sales growth by +3.0%. The effect on operating profit is estimated to have been approximately SEK +35 million. The sales increase that took place in March was favourable for the ICA system on a net basis, but differences between stores were considerable. Certain stores situated near Norway and Finland as well as in shopping centres experienced sharp drops in sales.

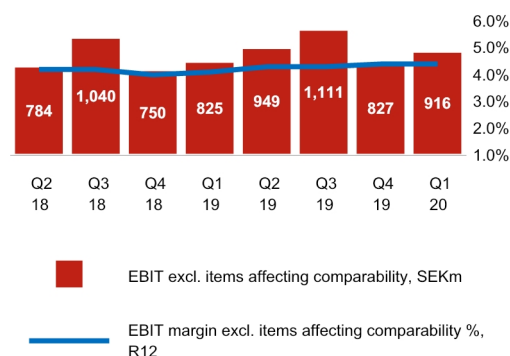
ICA Sweden

	First quarter		12 months	Full Year
	2020	2019	Apr 2019 - Mar 2020	2019
Net sales, SEKm	21,430	19,793	86,824	85,187
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,061	955	4,383	4,277
Operating profit excl. items affecting comparability, SEKm	916	825	3,803	3,712
Operating margin excl. items affecting comparability, %	4.3	4.2	4.4	4.4
Investments, SEKm	164	135	685	656
Depreciation/amortisation, SEKm	144	130	579	565
Average number of employees	8,173	8,238	—	8,292
Private label share of store sales, %	27.8	26.8	—	25.8

Net Sales, SEKm



EBIT and EBIT margin



The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 8.2% during the quarter and by 8.0% on a like-for-like basis. According to the Food Retail Index (DVI), market growth was 9.1% during the first quarter. Sales growth for ICA stores was thus slightly lower than growth for the market. The relatively high share of small and medium-sized stores in ICA's store network is believed to have been a disadvantage for growth during the most intensive period of hoarding, which is one explanation for the sales performance.

The estimated calendar effect for the quarter was 1.0%. Food price inflation was 2.6% (2.6%) during the first quarter and 3.1% during the preceding quarter. Adjusted for inflation and the calendar effect, estimated volume growth during the quarter was 4.6% and approximately 4.4% on a like-for-like basis.

Sales growth during the period was substantially affected by the COVID-19 pandemic and associated, changed customer behaviours during the month of March, where clear hoarding effects arose for several product categories. The increase was therefore primarily driven by a higher average spend and higher number of items per customer visit. The number of customer visits also increased, however, toward the end of the quarter customer visits decreased, and the average spend accounted for the entire sales increase in parallel with sharp growth in e-commerce volume. The share of promotional sales was lower than a year ago. Product categories that performed well during the period were dry goods, fruits & vegetables, frozen products, meat, household products and charcuterie products. Average prices per item increased mostly for fish, fruit, coffee, carbonated soft drinks and household paper products, while dairy products had lower prices than a year ago.

Private label products as a share of accumulated sales amounted to 27.8% (26.8%).

Three new stores opened during the first quarter and five stores were closed. During 2020 a total of eight to ten new stores are planned to be established.

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

ICA store sales, incl. retailer-owned stores

Store sales in Sweden

Store sales excl. VAT	First quarter 2020		
	SEKm	All stores %	Like-for-like %
Maxi ICA Stormarknad	9,583	10.6	9.6
ICA Kvantum	7,516	8.9	7.6
ICA Supermarket	8,878	5.1	6.5
ICA Nära	4,484	8.4	8.4
Total	30,461	8.2	8.0

Number of stores in Sweden

Format	December 2019	New	Converted	Closed	March 2020
Maxi ICA Stormarknad	86	1	0	0	87
ICA Kvantum	129	0	0	-1	128
ICA Supermarket	423	1	0	-2	422
ICA Nära	632	1	1	-2	632
Total	1,270	3	1	-5	1,269

Rimi Baltic

Rimi Baltic conducts grocery retail business via 277 wholly owned stores in Estonia, Latvia and Lithuania. Store formats include Rimi Hyper, Rimi Super, Rimi Mini and Rimi Express. Rimi Baltic also includes the properties owned by the Group in the three Baltic countries.

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

Net sales and earnings

First quarter 2020

Rimi Baltic's net sales increased by 6.2% during the quarter (8.6% in SEK). Sales continued to be mainly price-driven, however, the leap year day in February and the COVID-19 crisis in March also contributed to positive volume effects. The leap year day is estimated to have contributed 1.3 percentage points to growth during the quarter, while the preceding year's completed store conversions in Latvia had a continued weak negative impact on sales.

Operating profit excluding items affecting comparability rose to SEK 152 million (145). Higher margins on sales of private label products and a lower share of promotional activity together contributed to a stronger gross profit and margin, despite higher costs for shrinkage and logistics. The improved gross profit was partly countered by higher store costs coupled to investments in the store network and inflation. Added to this were higher costs for marketing and the launch of e-commerce, where the roll-out in Lithuania took place earlier than planned to be able to meet growing demand online. The operating margin was slightly lower than a year ago, at 3.7% (3.8%).

Other

Operating profit for the quarter includes a net earnings effect of SEK -3 million (-9) from property sales/impairment losses on properties.

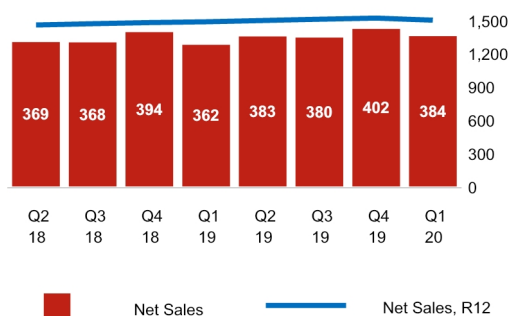
Estimated effects of COVID-19 pandemic

The COVID-19 situation is estimated to have affected sales growth by 1 percentage point, or slightly less than SEK 40 million. The difference between the countries was large, however. While Latvia and Lithuania saw positive sales effects, the opposite was the case in Estonia. Rimi Baltic has generally not benefited from the situation, given the stores' locations. A limited sales effect together with higher costs, including a provision for potential rental losses, together resulted in an effect on operating profit that was negligibly negative. The continued impact will be determined by when the Baltic economies open up again. They have all shut down to a considerably higher degree than Sweden.

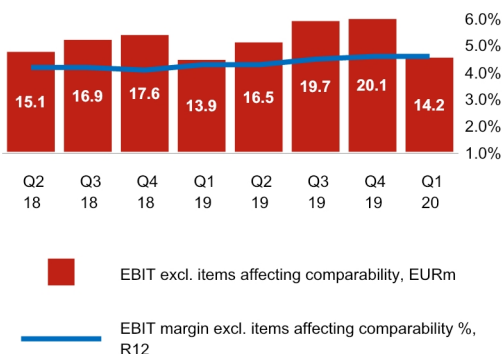
Rimi Baltic

	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Net sales, SEKm	4,098	3,774	16,492	16,168
Operating profit before depreciation/amortisation (EBITDA), SEKm	249	229	1,117	1,097
Operating profit excl. items affecting comparability, SEKm	152	145	751	744
Operating margin excl. items affecting comparability, %	3.7	3.8	4.6	4.6
Investments, SEKm	294	178	1,101	985
Depreciation/amortisation, SEKm	96	84	364	352
Average number of employees	10,439	10,548	—	10,494
Private label share of sales, %	24.8	25.3	—	23.9
EUR/SEK exchange rate, average	10.6685	10.4221	10.6474	10.5869

Net Sales, EURm



EBIT and EBIT margin



The market, store sales and e-commerce

Market statistics for the entire quarter are not yet available, but growth during the first quarter is estimated at around 7.5%. Food price inflation is preliminarily estimated to have been approximately 3%, which would entail underlying volume growth of approximately 4.5%. Food price inflation was lower in Estonia than in the same period a year ago while it was unchanged in Latvia and higher in Lithuania. Market growth for the full-year 2019 was 5.1%, while food price inflation was approximately 3.0%.

The COVID-19 pandemic and the dramatic disruption it led to in March characterised performance for the entire quarter. With extensive restrictions and closures, the number of customer visits decreased sharply, while the average spend increased. Stores that are located where customer traffic has decreased significantly, such as in shopping centres, experienced substantial sales declines in March. One consequence of this is that 7 small stores (Rimi Express) have been temporarily closed.

Rimi Baltic launched e-commerce in Latvia during the fourth quarter of 2019. Due to the COVID-19 pandemic, demand online has grown dramatically, and therefore the launch in Lithuania was pushed up to March and in Estonia to April 2020. The share of total sales is low.

Rimi Baltic has a slightly lower market share thus far in 2020 than in 2019, just under 15%, which has been affected by operations in Latvia, where the conversion of Supernetto stores had a negative impact on market shares. Rimi Baltic's share of promotional activity was lower than a year ago.

Rimi Baltic opened two stores during the quarter and closed two. A total of 16 to 18 store openings are planned for 2020.

Store sales in the Baltic countries

Store sales excl. VAT	First quarter 2020		
	EURm	All stores %	Like-for-like %
Estonia	96.1	5.5	1.5
Latvia	198.1	4.6	3.9
Lithuania	86.6	10.5	7.8
Total	380.7	6.1	4.2

Number of stores in Baltic countries

Country	December 2019	New	Closed	March 2020
Estonia	86	0	-1	85
Latvia	130	0	-1	129
Lithuania	61	2	0	63
Total	277	2	-2	277

Apotek Hjärtat

Apotek Hjärtat is the second-largest actor in the Swedish pharmacy market, with 391 pharmacies. Apotek Hjärtat is also a part owner of the digital healthcare company Min Doktor.

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

Net sales and earnings

First quarter 2020

Net sales for the quarter amounted to SEK 4,087 million (3,634), an increase of 12.5%. The increase was volume-driven to a very great extent and affected by strong growth in March coupled to the COVID-19 pandemic. Price effects also contributed to the increase, mainly due to higher average prices for prescription drugs, which were countered by negative mix effects in other parts of the range. Operating profit excluding items affecting comparability increased by SEK 34 million to SEK 130 million (96). The profit includes an impact from Min Doktor of SEK -16 million (-7). The earnings increase excluding Min Doktor impact, of SEK 43 million, was volume-driven in all essential respects, while price and mix effects were negative. The positive volume effects were countered to some extent by higher costs for logistics, shrinkage, marketing and pharmacy operations including e-commerce. The operating margin increased to 3.2% (2.6%). Adjusted for the effect from Min Doktor, the operating margin was 3.6%.

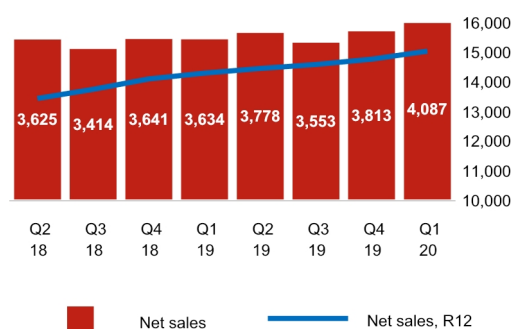
Estimated effects of COVID-19 pandemic

During the month of March, clear hoarding effects arose for certain products, which also included a sharp increase in the early filling of prescriptions. The exact effects on sales and earnings are hard to determine, but as an estimate, the COVID-19 outbreak during the quarter affected sales by 5.7% and operating profit by approximately SEK +35 million. It is estimated that the sharp growth in March will lead to lower sales during the second quarter. The location of pharmacies has had a major impact on sales performance. Growth was high in locations where customer traffic continued despite the crisis, such as near grocery stores, while pharmacies in shopping centres and hospitals in many cases noted a sharp drop in sales.

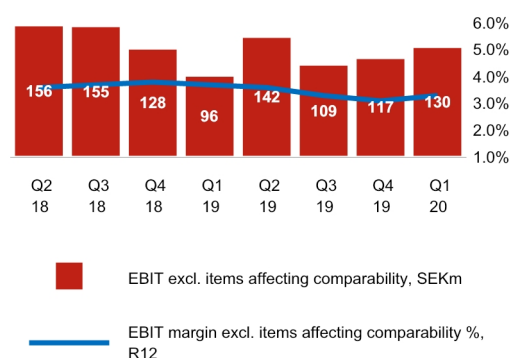
Apotek Hjärtat

	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Net sales, SEKm	4,087	3,634	15,231	14,778
Of which, prescription drugs	3,070	2,719	11,470	11,119
Of which, OTC drugs	413	366	1,500	1,453
Of which, other products and services	604	549	2,261	2,206
Operating profit before depreciation/amortisation (EBITDA), SEKm	168	134	645	611
Operating profit excl. items affecting comparability, SEKm	130	96	498	464
Operating margin excl. items affecting comparability, %	3.2	2.6	3.3	3.1
Investments, SEKm	53	58	221	226
Depreciation/amortisation, SEKm	38	38	147	147
Average number of employees	3,061	3,066	—	3,132
Private label share of other products, %	20.8	19.8	—	19.8

Net sales, SEKm



EBIT and EBIT margin



Market trend and e-commerce

Affected by the ongoing COVID-19 pandemic, the total pharmacy market in Sweden grew by a full 11.6% during the first quarter compared with the same period in 2019. Growth was concentrated in the month of March, when market growth exceeded 25%. Apotek Hjärtat's pharmacy sales increased by 11.4% during the quarter. Market growth for traded goods was 13.3%, while Apotek Hjärtat's sales of traded goods increased by 9.5%.

E-commerce sales for pharmacy products grew 48% during the quarter, and Apotek Hjärtat's e-commerce sales (incl. click & collect) grew by 53%. The dramatic rise in e-commerce sales is attributable to an increase in the number of customers who shopped online in the prevailing situation. E-commerce sales as a share of the total pharmacy market were above 13% during the quarter.

One pharmacy was opened during the quarter. During 2020, six to eight new openings are planned, most at locations near ICA stores. Apotek Hjärtat's market share was unchanged from the preceding year, at 31%.

Number of pharmacies

	December 2019	New	Closed	March 2020
Apotek Hjärtat	390	1	0	391

ICA Real Estate

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

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

Net sales and earnings

First quarter 2020

Net sales during the quarter totalled SEK 700 million (676). The sales increase was driven mainly by price effects. Operating profit excluding items affecting comparability increased to SEK 142 million (109). Apart from the revenue increase, operating profit was affected above all by lower maintenance costs and lower seasonal costs coupled to the mild winter. Depreciation was SEK 8 million lower, which is explained by the lower level of investment in 2019 and extensions of certain rental contracts. Revenue from joint ventures was higher during the quarter owing to lower seasonal costs than a year ago.

Other and investments

Operating profit for the quarter includes a net earnings effect of SEK 2 million (-1) from property sales/impairment losses on properties. Investments during the quarter were slightly lower than a year ago and amounted to SEK 414 million (481). Divestments during the quarter pertained mainly to building rights.

After the end of the quarter, the acquisition of a logistics property in Västerås was finalised. The possession date is 29 April, and it is estimated that in 2020 the acquisition will affect ICA Real Estate's operating profit excluding items affecting comparability by approximately SEK +35 million (8 months). The purchase price after a tax deduction was approximately SEK 1 billion. See also the ICA Gruppen press release dated 9 March 2020 at www.icagruppen.se.

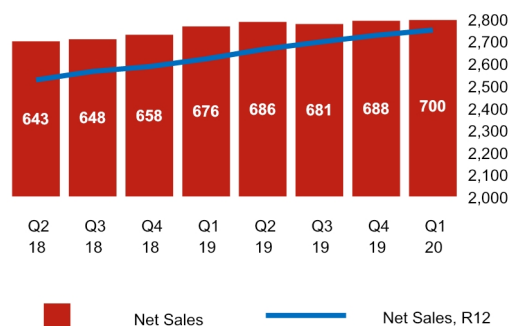
Estimated effects of COVID-19 pandemic

The crisis did not significantly affect operations during the quarter, however, there is a risk that certain tenants in the Group's, Ancore's and Secore's properties may develop a reduced capacity to pay if the crisis is prolonged. This pertains mainly to tenants engaged in other businesses than grocery retail, but also certain grocery stores at locations that have been put at a disadvantage by the current situation.

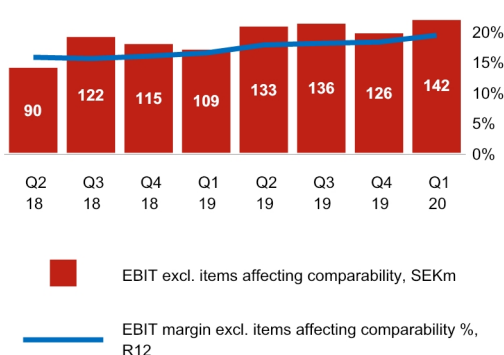
ICA Real Estate

	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Net sales, SEKm	700	676	2,755	2,731
Of which, rental income from owned properties, SEKm	276	265	1,091	1,080
Operating profit before depreciation/amortisation (EBITDA), SEKm	266	237	1,032	1,003
Operating profit excl. items affecting comparability, SEKm	142	109	537	504
Operating margin excl. items affecting comparability, %	20.3	16.2	19.5	18.4
Investments, SEKm	414	481	925	992
Divestments, SEKm	29	-1	29	-1
Depreciation/amortisation, SEKm	121	129	493	501
Yield, %	6.9	6.6	—	6.8
Occupancy rate, %	98.4	99	—	98.6
Number of owned properties	123	122	—	123
Number of owned square metres, 000 sq. m.	675	664	—	668
Average number of employees	110	109	—	110

Net Sales, SEKm



EBIT and EBIT margin



ICA Bank

ICA Bank and ICA Insurance (which is part of ICA Bank) offer a full range of financial services and insurance in Sweden. The goal is to increase customer loyalty to ICA and to reduce transaction costs for ICA stores and ICA Gruppen.

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

Revenue and earnings

First quarter 2020

ICA Bank's revenue increased to SEK 417 million (370) compared with a year ago. The increase is explained by higher lending volume and a higher repo rate as well as a positive sales trend for ICA Insurance, SEK +27 million.

Operating profit excluding items affecting comparability was SEK 17 million (39). Profit for the banking business before loan losses continued to improve in pace with the increase in revenue, with only a minor, negative impact from higher costs. However, loan losses were SEK 32 million higher than a year ago, which explains the lower profit. See the comments on COVID-19 below.

The result for the insurance business was SEK 9 million lower than a year ago due to slightly worse claims development this year and to the dissolution of a SEK 10 million claims reserve in the preceding year.

Estimated effects of COVID-19 pandemic

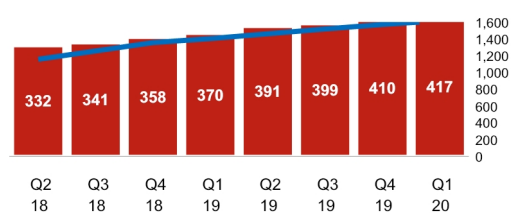
Of total loan losses during the quarter, SEK 26 million are attributable to the assessed higher risk for loan losses coupled to the ongoing COVID-19 pandemic. In addition, going forward the pandemic and its consequences may negatively affect loan volumes and revenues from bank cards. ICA Insurance has not been affected to any significant extent.

ICA Bank

	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Revenues, SEKm	417	370	1,617	1,570
Of which, net interest income, SEKm	173	142	633	602
Operating profit before depreciation/amortisation (EBITDA), SEKm	23	46	249	272
Operating profit excl. items affecting comparability, SEKm	17	39	222	244
C/I ratio, %	80.7	80.8	—	78.5
Return on equity, % ¹⁾	7.7	7.4	—	9.0
Loan loss ratio, %	-1.7	-1.0	—	-0.7
Common Equity Tier I ratio, % (ICA Banken AB)	14.4	15.4	—	14.9
Business volume, SEKm	48,924	47,645	—	50,515
Average number of employees	435	416	—	423

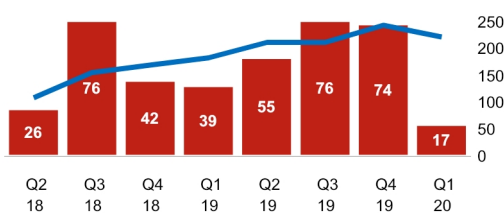
1) The calculation of return on equity for ICA Bank excludes the effect of Group contributions. The definition of return on equity for ICA Bank was changed in 2019, and the value for 2019 has been recalculated according to the new definition.

Revenues, SEKm



■ Revenues
— Revenues, R12

EBIT excl. items affecting comparability, SEKm



■ EBIT excl. items affecting comparability
— EBIT excl. items affecting comparability, R12

Other, Group

Seasonal variations

Grocery retail sales are affected by the year's 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 47-51 of ICA Gruppen's 2019 Annual Report.

Related party transactions

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

Parent Company

First quarter 2020

The Parent Company's net sales amounted to SEK 294 million (280). Profit after financial items totalled SEK -56 million (-92).

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 2020 through 31 March the share price decreased by 4.4% to SEK 417.90. The OMX Stockholm Index was -18.4% during the same period.

Ownership structure – Largest identified shareholders in ICA Gruppen as per

31 March 2020

	Number of shares	Share of capital and votes, %
ICA-handlarnas Förbund	108,643,330	54.0%
BlackRock	3,765,513	1.9%
Vanguard	2,426,962	1.2%
XACT Fonder	1,826,820	0.9%
AMF Försäkring & Fonder	1,758,770	0.9%
Spiltan Fonder	1,617,256	0.8%
Swedbank Robur Fonder	1,382,991	0.7%
APG Asset Management	1,339,934	0.7%
Leif Jönsson	1,279,601	0.6%
Folksam	1,258,414	0.6%
Ten largest shareholders total	125,299,591	62.3%
Other shareholders	75,847,204	37.7%
Total	201,146,795	100.0%
<i>Of which, foreign shareholders in total</i>	<i>40,277,070</i>	<i>20.0%</i>

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

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	First quarter		12 months	Full year
		2020	2019	Apr 2019 - Mar 2020	2019
Net sales		30,366	28,098	121,563	119,295
Cost of goods and services sold		-25,109	-23,133	-100,304	-98,328
Gross profit		5,258	4,966	21,259	20,967
Selling expenses		-3,167	-3,128	-12,742	-12,703
Administration expenses		-882	-814	-3,390	-3,322
Other operating income		93	88	384	379
Other operating expenses		—	—	—	—
Share of profits of associates and joint ventures	2	8	13	29	34
Operating profit (EBIT) excl items affecting comparability		1,310	1,125	5,541	5,356
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	2	0	-380	-382
Impairment and impairment reversals	3	-3	-10	-32	-39
Operating profit	7	1,309	1,115	5,128	4,934
Financial income		3	2	5	4
Financial expenses	7	-129	-143	-522	-536
Net financial items		-126	-141	-517	-532
Profit before tax		1,183	974	4,611	4,402
Tax		-207	-161	-997	-951
Profit for the period		976	813	3,613	3,450
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax					
Remeasurement defined benefit pensions		—	-154	-394	-548
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					
Change in translation reserve		156	44	178	66
Change in hedging reserve		25	33	-36	-28
Share of other comprehensive income of joint ventures		0	3	15	18
Total items that may be reclassified to profit or loss		181	80	157	56
Comprehensive income for the period		1,157	739	3,376	2,958
Profit for the period attributable to					
Owners of the parent		972	808	3,596	3,432
Non-controlling interests		5	5	19	19
Comprehensive income for the period attributable to					
Owners of the parent		1,151	733	3,352	2,934
Non-controlling interests		6	6	25	25
Earnings per share, SEK					
Earnings per share		4.83	4.02	17.96	17.06

Condensed consolidated statement of financial position

SEKm	Note	31 March 2020	31 March 2019	31 December 2020
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		12,980	13,425	12,926
Other intangible assets		1,866	1,631	1,826
Land, buildings and investment properties		15,856	14,728	15,278
Right of use assets	7	16,440	17,052	16,142
Interests in joint ventures and associates	2	1,244	1,272	1,224
ICA Bank's lending and investments		13,791	12,213	13,474
Deferred tax assets		71	390	71
Other non-current assets		2,536	2,389	2,547
Total non-current assets		81,085	79,401	79,789
Current assets				
Inventories		4,977	4,555	4,611
ICA Bank's lending and investments		3,674	3,370	3,516
Other current assets		7,703	7,341	7,696
Assets held for sale	4	131	6	158
ICA Bank's cash and cash equivalents		2,545	2,466	2,311
Cash and cash equivalents		3,256	1,283	846
Total current assets		22,284	19,020	19,138
TOTAL ASSETS		103,368	98,422	98,927
EQUITY AND LIABILITIES				
Equity		35,001	33,988	33,844
Non-current liabilities				
Provisions		4,015	3,337	3,978
Deferred tax liabilities		3,906	4,177	3,882
Non-current interest-bearing liabilities		3,761	4,625	2,713
Non-current lease liabilities		12,791	13,177	12,521
Other non-current liabilities		63	20	87
Total non-current liabilities		24,536	25,335	23,182
Current liabilities				
Current interest-bearing liabilities		3,414	1,956	2,340
Deposits ICA Bank		17,437	15,709	16,698
Current lease liabilities		3,426	3,467	3,390
Other current liabilities		19,554	17,968	19,474
Total current liabilities		43,831	39,099	41,901
TOTAL EQUITY AND LIABILITIES		103,368	98,422	98,927

Condensed consolidated statement of cash flows

SEKm	Note	First quarter		12 months	Full year
		2020	2019	Apr 2019 - Mar 2020	2019
Operating profit		1,309	1,115	5,128	4,934
Depreciation, amortisation and impairment		1,315	1,324	5,250	5,259
Dividend from joint ventures		—	—	90	90
Other non-cash items		-58	-3	477	532
Income tax paid		-394	-188	-790	-584
Cash flow from operating activities before change in working capital		2,172	2,248	10,154	10,230
Change in working capital:					
Inventories		-352	-53	-567	-268
Current receivables		1	360	-466	-107
Current liabilities		289	-738	1,458	431
ICA Bank's net of deposits, lending and investments		271	-148	-119	-538
Cash flow from operating activities		2,381	1,669	10,460	9,748
Acquisitions of property, plant and equipment and intangible assets		-992	-913	-3,159	-3,080
Sale of property, plant and equipment and intangible assets		60	48	71	59
Change in financial assets		51	-18	-27	-96
Interest received		2	0	3	1
Investments in joint ventures and associated companies		-11	—	-18	-7
Divestment of subsidiaries	4	—	—	222	222
Cash flow from investing activities		-891	-883	-2,908	-2,900
Dividend paid to shareholders of ICA Gruppen AB		—	—	-2,313	-2,313
Change in loans		2,127	713	611	-803
Interest paid		-20	-26	-120	-126
Interest paid IFRS 16 Leases		-83	-89	-336	-342
Amortisation IFRS 16 Leases		-884	-836	-3,305	-3,257
Capital contributions, acquisitions, and dividends relating to non-controlling interests		—	-3	-50	-53
Cash flow from financing activities		1,140	-241	-5,514	-6,895
Cash flow for the period	5	2,630	546	2,036	-48
Cash and cash equivalents at beginning of period		3,157	3,206	3,749	3,206
Exchange differences in cash and cash equivalents		14	-3	16	-1
Cash and cash equivalents at end of period	5	5,801	3,749	5,801	3,157

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2020	33,604	240	33,844
Change in non-controlling interests	—	—	—
Dividend	—	—	—
Comprehensive income for the period	1,151	6	1,157
Closing equity, 31 March 2020	34,755	246	35,001

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

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 2019 Annual Report. There are no new or amended IFRSs or IFRIC interpretations that have an impact on the 2020 financial statements.

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 to be applied after 2020 with relevance for ICA Gruppen

No new or amended IFRSs or interpretations have been endorsed that are believed to have an effect on the financial statements after 2020. IFRS 17 Insurance Contracts, published in May 2017 with recommendations for amendments published in June 2019, is believed will have a limited effect on ICA Gruppen's financial statements. ICA Gruppen is monitoring the outcome of the approval process for IFRS 17 including the proposed amendments.

Effects of the coronavirus pandemic

ICA Gruppen conducts continuous impairment testing of asset values and recognises impairment losses when there is a decline in these values. No material effects from the coronavirus pandemic have been recognised in the values of property, plant and equipment or intangible assets. Nor are there any material effects on financial assets other than in ICA Bank. ICA Bank has updated its model for expected loan losses as a result of the coronavirus pandemic and has recognised an effect during the first quarter of SEK -26 million.

Recalculation of 2018 for IFRS 16

IFRS 16 Leases began to be applied prospectively as from 2019. To facilitate comparisons with 2018, including for key ratios, ICA Gruppen has complemented the formal amounts for 2018 with a recalculation of 2018 figures as if IFRS 16 had been applied from the start of 2018. The principles for this recalculation are outlined in the 2019 Annual Report.

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 current 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.

NOTE 2, INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
SEKm				
Ancore Fastigheter AB	16	12	58	54
Secore Fastigheter AB	8	7	33	32
MD International AB (Min Doktor)	-16	-7	-62	-53
Fastighetsaktiebolaget Postgården AB	—	0	0	0
Total	8	13	29	34

Book value, SEKm	31 March 2020	31 March 2019	31 December 2019
Ancore Fastigheter AB	747	734	731
Secore Fastigheter AB	142	139	134
MD International AB (Min Doktor)	330	392	346
Fastighetsaktiebolaget Postgården AB	7	7	7
Other	17	0	6
Total	1,244	1,272	1,224

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 properties at 33 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Ancore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Ancore Fastigheter AB	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
SEKm				
Income	123	111	460	448
Expenses	-54	-52	-192	-190
Operating profit	70	59	269	258
Net financial items	-27	-27	-107	-107
Tax	-11	-9	-42	-40
Profit for the period	32	24	119	111
Other comprehensive income	—	7	30	37
Comprehensive income for the period	32	30	150	148
Non-current assets	5,508	4,951	6,085	5,528
Current assets	196	344	-8	140
Total assets	5,704	5,295	6,077	5,668
Equity	1,433	1,404	1,430	1,401
Non-current liabilities	4,098	3,689	3,252	2,843
Current liabilities	173	202	1,395	1,424
Total equity and liabilities	5,704	5,295	6,077	5,668

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 properties at 40 marketplaces in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on all relevant information in the joint arrangement, Secore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Secore Fastigheter AB	First quarter		12 months	Full year
SEKm	2020	2019	Apr 2019 - Mar 2020	2019
Income	46	44	181	179
Expenses	-23	-23	-89	-89
Operating profit	23	21	92	90
Net financial items	-7	-7	-29	-29
Tax	-4	-4	-16	-16
Profit for the period	12	10	47	45
Other comprehensive income	—	—	—	—
Comprehensive income for the period	12	10	47	45
Non-current assets	2,352	2,362	2,339	2,349
Current assets	76	72	70	66
Total assets	2,428	2,434	2,409	2,415
Equity	809	823	783	797
Non-current liabilities	1,566	1,563	1,083	1,080
Current liabilities	54	48	543	537
Total equity and liabilities	2,428	2,434	2,409	2,415

Information regarding MD International AB (Min Doktor)

MD International AB (Min Doktor) is a joint arrangement between ICA Gruppen and a number of other parties, including EQT Ventures Fund. ICA Gruppen currently owns 49.37% 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 a number of drop-in clinics located primarily adjacent to larger ICA stores. 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

	First quarter		Full year
SEKm	2020	2019	2019
Capital gains/losses net on sale of subsidiaries and non-current assets			
Rimi Baltic	—	1	1
ICA Real Estate	2	-1	-2
Other	—	—	-381
Total	2	0	-382
Impairment and impairment reversals			
Rimi Baltic	-3	-10	-24
ICA Real Estate	—	—	-16
Other	—	—	1
Total	-3	-10	-39
Total items affecting comparability	-1	-10	-422

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.

NOTE 5, CONSOLIDATED CASH FLOW STATEMENT

January–March 2020, SEKm	Group 2020	ICA Bank 2020 ¹⁾	Group excl. ICA Bank 2020
Cash flow from operating activities before change in working capital	2,172	3	2,169
Change in working capital			
Inventories	-352	—	-352
Current receivables	1	-26	27
Current liabilities	289	125	165
ICA Bank's net of deposits, lending and investments	271	271	—
Cash flow from operating activities	2,381	372	2,009
Cash flow from investing activities	-891	-28	-862
Cash flow from financing activities	1,140	-110	1,250
Cash flow for the period	2,630	234	2,396
Cash and cash equivalents at the beginning of the period	3,157	2,311	846
Exchange differences in cash and cash equivalents	14	—	14
Cash and cash equivalents at the end of the period	5,801	2,545	3,256
January–March 2019, SEKm	Group 2019	ICA Bank 2019 ¹⁾	Group excl. ICA Bank 2019
Cash flow from operating activities before change in working capital	2,248	30	2,218
Change in working capital			
Inventories	-53	—	-53
Current receivables	360	-107	467
Current liabilities	-738	285	-1,023
ICA Bank's net of deposits, lending and investments	-148	-148	—
Cash flow from operating activities	1,669	60	1,609
Cash flow from investing activities	-883	-20	-862
Cash flow from financing activities	-241	-1	-240
Cash flow for the period	546	39	507
Cash and cash equivalents at the beginning of the period	3,206	2,427	779
Exchange differences in cash and cash equivalents	-3	—	-3
Cash and cash equivalents at the end of the period	3,749	2,466	1,283

1) 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 31 March 2020, financial assets measured at fair value in ICA Gruppen amounted to SEK 2,315 million (3,192). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 180 million (49) as per 31 March 2020. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value is less than the carrying amount by SEK 128 million (higher than the carrying amount by 72).

For effects on loan losses of the COVID-19 pandemic, see the report on the Group's performance and the segments.

NOTE 7, LEASES

	First quarter	First quarter
SEKm	2020	2019
Total lease revenue incl variable revenue	724	688
Variable lease payments	-24	-24
Interest expenses, lease liabilities	-83	-89

There are leases of low value and leases with a term shorter than 12 months, for which the amounts are immaterial.

Total right-of-use assets, SEKm	2020
At start of year, 1/1/2020	16,142
Changed and new contracts	995
Depreciation	-872
Translation differences	175
Book value, 31/03/2020	16,440

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

Note 8, EVENTS AFTER THE BALANCE SHEET DATE

On 9 March ICA Gruppen announced that ICA Real Estate had entered into an agreement to acquire the Saltängen 1 property in Västerås from Saltängen Property Invest AB (publ) for a purchase price of approximately SEK 1.0 billion after tax deduction. ICA has been the sole tenant in the property and today conducts logistics operations from the property. The acquisition was contingent upon approval by a general meeting of Saltängen Property Invest AB on 14 April 2020. The seller's board of directors unanimously recommended that the company's Annual General Meeting vote in favour of such an approval. The Annual General Meeting resolved in accordance with the Board's recommendation. Possession of the property was transferred on 29 April 2020. The acquisition was financed through cash funds.

Condensed parent company income statement

	First quarter		12 months	Full year
SEKm	2020	2019	Apr 2019 - Mar 2020	2019
Net sales ¹⁾	294	280	1,120	1,106
Cost of services sold	-274	-269	-1,053	-1,048
Gross profit	20	11	66	57
Administrative expenses	-107	-121	-460	-474
Operating profit/loss	-86	-110	-393	-417
Profit/loss from participations in Group companies	—	—	8,328	8,328
Financial income, Group companies	63	45	227	209
Financial income	0	7	13	20
Financial expenses, Group companies	0	0	0	—
Financial expenses	-33	-33	-114	-114
Profit/loss after financial items	-56	-92	8,062	8,026
Appropriations	—	—	1,214	1,214
Profit before tax	-56	-92	9,276	9,240
Tax	11	19	-204	-196
Profit for the period	-44	-73	9,073	9,044

1) Of net sales for the first quarter, SEK 293 million (274) pertains to Group companies.

Condensed parent company balance sheet

SEKm	31 March 2020	31 March 2019	31 December 2019
ASSETS			
Non-current assets			
Investments in Group companies	29,702	30,142	29,703
Other intangible assets	139	119	136
Deferred tax assets	25	222	26
Non-current receivables from Group companies	1,188	648	1,118
Other non-current assets	227	193	205
Total non-current assets	31,280	31,325	31,190
Current assets			
Current receivables from Group companies	15,296	12,208	18,053
Other current assets	424	245	320
Cash and cash equivalents	2,935	683	326
Total current assets	18,656	13,136	18,699
TOTAL ASSETS	49,936	44,461	49,889
EQUITY AND LIABILITIES			
Equity	35,578	28,817	35,619
Provisions	441	417	440
Non-current liabilities			
Non-current interest-bearing liabilities	3,750	3,700	2,700
Other non-current liabilities	14	20	36
Total non-current liabilities	3,764	3,720	2,736
Current liabilities			
Current interest-bearing liabilities	2,501	1,955	1,427
Current liabilities to Group companies	7,003	9,100	9,261
Other current liabilities	649	451	405
Total current liabilities	10,153	11,507	11,093
TOTAL EQUITY AND LIABILITIES	49,936	44,461	49,889

Quarterly overview

Quarterly overview with recalculated amounts for 2018

	Q2 2018 ¹⁾	Q3 2018 ¹⁾	Q4 2018 ¹⁾	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net sales, SEKm	29,258	28,846	30,069	28,098	30,529	29,818	30,850	30,366
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,317	2,805	2,491	2,439	2,284	2,894	2,576	2,624
Operating profit (EBIT) excl. items affecting comparability, SEKm	1,077	1,549	1,180	1,125	1,365	1,599	1,267	1,310
Operating margin excl. items affecting comparability, %	3.7	5.4	3.9	4.0	4.5	5.4	4.1	4.3
Operating profit (EBIT), SEKm	988	1,453	1,212	1,115	975	1,595	1,249	1,309
Operating margin, %	3.4	5.0	4.0	4.0	3.2	5.3	4.0	4.3
Profit before tax, SEKm	821	1,314	1,077	974	837	1,469	1,122	1,183
Profit for the period, SEKm	896	1,055	892	813	520	1,202	915	976
Earnings per share, SEK	4.43	5.22	4.42	4.02	2.56	5.96	4.52	4.83
Equity per share, SEK	154.76	159.52	163.29	167.62	158.66	163.23	167.06	172.79
Share price at the end of period, SEK	274.70	282.00	316.80	373.00	399.20	454.80	437.20	417.90
Return on equity, %	N/A ²⁾	N/A ²⁾	10.6	10.9	9.7	10.0	10.1	10.6
Return on capital employed, %	N/A ²⁾	N/A ²⁾	7.7	7.8	7.7	7.9	7.9	8.2
Cash flow from operating activities, SEKm	3,642	1,955	3,124	1,669	3,068	1,915	3,096	2,381
Cash flow per share from operating activities, SEK	18.11	9.72	15.53	8.30	15.25	9.52	15.39	11.84
Investing activities (cash flow), SEKm	747	856	786	913	594	762	811	992
Capital employed excl. ICA Bank, average, SEKm	N/A ²⁾	N/A ²⁾	58,251	58,762	58,866	59,080	59,278	59,799
Net debt, SEKm	-22,479	-22,455	-20,988	-21,939	-21,980	-21,233	-20,117	-20,134
Net debt/EBITDA	N/A ²⁾	N/A ²⁾	2.1	2.2	2.2	2.1	2.0	1.9

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 data by segment

Net sales by segment

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
ICA Sweden	20,975	20,730	21,348	19,793	21,880	21,494	22,020	21,430
Rimi Baltic	3,814	3,827	4,066	3,774	4,071	4,044	4,279	4,098
Apotek Hjärtat	3,625	3,414	3,641	3,634	3,778	3,553	3,813	4,087
ICA Real Estate	643	648	658	676	686	681	688	700
ICA Bank	332	341	358	370	391	399	410	417
Hemtex	217	237	343	213	93	—	—	—
Other	251	262	282	301	299	288	309	319
Intra-Group sales	-599	-613	-628	-662	-669	-641	-668	-684
Net sales	29,258	28,846	30,069	28,098	30,529	29,818	30,850	30,366

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
ICA Sweden	897	1,152	869	955	1,087	1,255	980	1,061
Rimi Baltic	240	260	267	229	262	300	306	249
Apotek Hjärtat	195	196	217	134	179	146	152	168
ICA Real Estate	211	252	242	237	258	260	248	266
ICA Bank	33	82	57	46	62	83	81	23
Hemtex	-19	11	58	-15	-11	—	—	—
Other	-126	-51	-103	-80	-469	-52	-91	-58
Operating profit before depreciation/amortisation (EBITDA) by segment	1,430	1,902	1,606	1,506	1,369	1,993	1,674	1,709
IFRS 16 ¹⁾	887	903	885	933	916	901	901	916
Operating profit before depreciation/amortisation (EBITDA)¹⁾	2,317	2,805	2,491	2,439	2,284	2,894	2,576	2,624

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

Operating profit excluding items affecting comparability by segment

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
ICA Sweden	784	1,040	750	825	949	1,111	827	916
Rimi Baltic	156	175	182	145	175	211	213	152
Apotek Hjärtat	156	155	128	96	142	109	117	130
ICA Real Estate	90	122	115	109	133	136	126	142
ICA Bank	26	76	42	39	55	76	74	17
Hemtex	-25	5	53	-20	-16	—	—	—
Other	-146	-74	-130	-110	-115	-85	-133	-92
Operating profit excluding items affecting comparability by segment	1,041	1,499	1,139	1,085	1,323	1,558	1,223	1,266
IFRS 16 ¹⁾	36	50	41	40	42	42	42	44
Operating profit excluding items affecting comparability¹⁾	1,077	1,549	1,180	1,125	1,365	1,599	1,267	1,310

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

Depreciation/amortisation by segment

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
ICA Sweden	113	112	120	130	137	144	154	144
Rimi Baltic	84	84	84	84	86	89	93	96
Apotek Hjärtat	38	40	40	38	37	37	35	38
ICA Real Estate	129	130	131	129	125	125	122	121
ICA Bank	6	7	7	7	7	7	7	6
Hemtex	5	6	5	5	2	—	—	—
Other	22	24	25	30	33	32	42	34
Depreciation/amortisation by segment	397	403	411	422	428	434	452	441
IFRS 16 ¹⁾	850	854	844	892	873	859	859	872
Depreciation/amortisation¹⁾	1,247	1,257	1,255	1,314	1,301	1,293	1,311	1,312

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

Key figures ICA Gruppen

	First quarter		12 months	Full year
	2020	2019	Apr 2019 - Mar 2020	2019
Operating profit before depreciation/ amortisation (EBITDA), SEKm	2,624	2,439	10,378	10,193
Operating margin excl. items affecting comparability, %	4.3	4.0	4.6	4.5
Operating margin, %	4.3	4.0	4.2	4.1
Net margin, %	3.2	2.9	3.0	2.9
Return on capital employed, %	8.2	7.8	8.2	7.9
Return on equity, %	10.6	10.9	10.6	10.1
Equity/assets ratio, %	33.9	34.5	33.9	34.2
Net debt excl IFRS 16, SEKm	-3,919	-5,297	-3,919	-4,207
Net debt, SEKm	-20,134	-21,939	-20,134	-20,117
Net debt/EBITDA	1.9	2.2	1.9	2.0
Average number of employees	22,720	23,318	—	23,125
Share data				
Earnings per share, SEK	4.83	4.02	17.96	17.06
Share price at the end of period, SEK	417,90	373.00	417,90	437,20
Dividend per ordinary share, SEK	—	—	12.00	12.00
Dividend, SEKm	—	—	2,414	2,414
Dividend payout ratio, %	—	—	70	70
Equity per share, SEK	172.79	167.62	172.79	167.06
Cash flow from operating activities per share, SEK	11.84	8.30	52.00	48.46
Number of shares	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
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	201,146,795

Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures. The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. Data on these APMs and definitions is also provided at <https://www.icagruppen.se/en/investors/#!/financial-data/lb/en/investors/financial-data/definitions/>. The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding items affecting comparability) of 4.5%; to achieve a return on capital employed of 7.5%; and to maintain net debt in relation to EBITDA that is lower than a factor of 3. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends. More information about this is available on ICA Gruppen's website, www.icagruppen.se.

Reconciliation EBITDA

	First quarter		12 months	Full year
SEKm	2020	2019	Apr 2019 - Mar 2020	2019
Operating profit (EBIT)	1,309	1,115	5,128	4,934
Depreciation/amortisation	1,312	1,314	5,217	5,219
Impairment and impairment reversals	3	10	32	39
Operating profit before depreciation/amortisation (EBITDA)	2,624	2,439	10,378	10,193

Reconciliation EBITDA

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Operating profit (EBIT) excl IFRS 16	951	1,403	1,172	1,075	932	1,552	1,207	1,265
Depreciation/amortisation excl IFRS 16	397	403	411	422	428	434	452	441
Impairment and impairment reversals	82	96	23	10	8	6	15	3
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,430	1,902	1,606	1,506	1,369	1,993	1,674	1,709
IFRS 16 Operating profit (EBIT) ¹⁾	36	50	41	40	43	42	42	43
IFRS 16 Depreciation/amortisation ¹⁾	850	854	844	892	873	859	859	872
Operating profit before depreciation/amortisation (EBITDA)¹⁾	2,317	2,805	2,491	2,439	2,284	2,894	2,576	2,624

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.

Reconciliation Net debt excluding ICA Bank

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Non-current interest-bearing liabilities	-3,619	-3,627	-3,626	-4,625	-4,625	-3,713	-2,713	-3,761
Current interest-bearing liabilities	-3,455	-3,872	-2,233	-1,956	-1,734	-1,926	-2,340	-3,414
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—	—	—
Cash and cash equivalents	423	487	779	1,283	491	334	846	3,256
Net debt excl IFRS 16	-6,650	-7,012	-5,079	-5,297	-5,869	-5,304	-4,207	-3,919
Non-current lease liabilities ¹⁾	-12,462	-12,113	-12,553	-13,176	-12,721	-12,527	-12,521	-12,790
Current lease liabilities ¹⁾	-3,366	-3,330	-3,355	-3,466	-3,390	-3,402	-3,389	-3,425
Net debt¹⁾	-22,479	-22,455	-20,988	-21,939	-21,980	-21,233	-20,117	-20,134

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.

Reconciliation Capital employed excluding ICA Bank 2019 and recalculated 2018

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Equity ¹⁾	31,403	32,355	33,110	33,988	32,170	33,075	33,844	35,001
Provisions for pensions	2,857	2,896	3,072	3,309	3,353	3,843	3,928	3,979
Other provisions	12	3	32	15	14	8	37	31
Non-current interest-bearing liabilities	3,619	3,627	3,626	4,625	4,625	3,713	2,713	3,761
Current interest-bearing liabilities	3,455	3,872	2,233	1,956	1,734	1,926	2,340	3,414
Current interest-bearing liabilities to ICA Bank	—	—	—	—	—	—	—	—
Other non-current liabilities	61	50	45	20	24	23	87	63
Non-current lease liabilities ¹⁾	12,462	12,113	12,553	13,176	12,721	12,527	12,521	12,790
Current lease liabilities ¹⁾	3,366	3,330	3,355	3,466	3,390	3,402	3,389	3,425
Capital employed¹⁾	57,235	58,247	58,025	60,554	58,032	58,517	58,859	62,465
Average capital employed¹⁾	N/A²⁾	N/A²⁾	58,251	58,762	58,866	59,080	59,278	59,799

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.

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.

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 and major structural changes.

Like-for-like store/pharmacy sales

Sales for stores/pharmacies 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. ICABank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

Yield (ICA Real Estate)

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

This interim report and sustainability report has not been reviewed by the company's auditors.

Stockholm, 29 April 2020

Per Strömberg
CEO, ICA Gruppen

Contacts and calendar

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Conference call for the media and financial market

ICA Gruppen will hold a conference call at 10.00 CET on Wednesday, 29 April 2020, during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The conference call will be conducted in English and can be followed at www.icagruppen.se/investors. To participate, call tel. +46856642703 or +443333009273.

Calendar

19 August 2020	Q2 interim report
23 October 2020	Q3 interim report
9 December 2020	Capital Markets Day
10 February 2021	Year-end report 2020

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 Wednesday, 29 April 2020.

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.

For more information, see icagruppen.se.

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