



Strong earnings improvements for Apotek Hjärtat and Rimi Baltic

- Apotek Hjärtat – strong earnings improvement and higher market share
- Rimi Baltic – significantly stronger earnings and higher market share
- ICA Sweden – stable quarter, higher online costs
- ICA Bank – acquisition of Forex's customer portfolios completed
- Group earnings and margin on same level as previous year
- Covid-19 effects approximately SEK +30 million net (-60)

Events after the end of the quarter

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

Key data

	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Group, SEKm								
Net sales	32,401	31,924	1.5	63,004	62,290	1.1	126,997	126,283
Operating profit before depreciation/amortisation (EBITDA)	2,836	2,774	2.2	5,467	5,399	1.3	11,209	11,141
Operating profit excluding items affecting comparability	1,446	1,452	-0.4	2,710	2,762	-1.9	5,779	5,831
Operating profit	1,466	1,454	0.8	2,756	2,763	-0.3	5,767	5,774
Operating margin excluding items affecting comparability, %	4.5	4.5	—	4.3	4.4	—	4.6	4.6
Profit before tax	1,365	1,338	2.0	2,557	2,521	1.4	5,344	5,308
Profit for the period	1,139	976	16.7	2,123	1,952	8.8	4,344	4,173
Cash flow from operating activities excluding ICA Bank	3,181	2,911	9.3	4,957	4,920	0.8	10,480	10,444
Return on capital employed, %	—	—	—	9.2	9.0	—	9.2	9.2
Return on equity, %	—	—	—	12.2	11.8	—	12.2	11.7
Earnings per share, SEK	5.64	4.83	16.8	10.49	9.66	8.6	21.48	20.65

CEO's comments

We had a good performance during the second quarter, where the strongly improved earnings for Apotek Hjärtat and Rimi Baltic are especially gratifying. Moreover, we took market shares in both segments. ICA Sweden also performed well given challenging comparison figures. In addition, during the quarter ICA Bank completed its acquisition of customer portfolios from Forex, which creates new growth opportunities for the bank.



The Swedish grocery market is now on track to more normal growth numbers following a long period of pandemic-driven high growth. Above all this can be seen in e-commerce, where the online market experienced a clear but at the same time natural levelling during the second quarter. We can also note that following a few months in which the sales trend in physical stores has been negative, it returned to positive growth in June. Growth has also been dampened by food price inflation, which was unusually low at -0.6% during the quarter and the lowest it has ever been since ICA Gruppen was established. Here it is reasonable to expect that we will now slowly return to more normal inflation numbers. The markets in the Baltic countries also saw higher growth in pace with the easing of pandemic restrictions. In the pharmacy market in Sweden, development turned from the preceding quarter's negative growth and resumed to positive growth again. Sales from physical pharmacies also showed favourable growth during the quarter for the first time in a long time.

ICA Sweden – online remains in focus, priorities remain firm

ICA Sweden did not have the same growth as the market during the quarter. This also includes, for the first time, e-commerce, which is explained by the very strong volume growth that the ICA stores managed to achieve last year, when we grew much faster than the market. Moreover, in a market in which a larger share of growth is taking place online, ICA is at a disadvantage, since we still have a smaller online market share. Now a larger share of our e-commerce growth is taking place via stores that are tied to our central warehouses, where we are working intensively to build volume in the new warehouse in Gothenburg at the same time that preparations to start deliveries from the Ocado warehouse in Stockholm are in the final phase. Apart from mobilising online, our other priorities remain firm. These include a focus on price value, among other things by developing private label products, leveraging the strength of our business model together with ICA stores – where store upgrades are an important measure together with many others – developing our offerings in health and sustainability, and further developing our capacities in personalisation, where the Stamma loyalty programme plays a key role. All in all we have our strategy in place for continued favourable development.

Rimi Baltic – very strong earnings and higher market shares

Rimi Baltic delivered very strong earnings, and what is extra gratifying is that we have succeeded in combining earnings performance with good sales growth and higher market shares. The fact that we are entering the second half of the year on a stronger note is important given that the point in time is nearing when Lidl will open its first stores in Latvia, which could potentially take place already during the third quarter.

Apotek Hjärtat – strong improvement. ICA Bank – Forex customer portfolio acquisition completed. ICA Real Estate stable

On the back of a considerably stronger pharmacy market, Apotek Hjärtat delivered a significant earnings improvement. We are also taking market shares – both online and in physical pharmacies – and are now the clear market leader in the pharmacy market. Even though we had considerably improved earnings, especially compared with the first quarter, we will continue to maintain a strong focus on efficiency improvement, on offering a competitive omnichannel offering, and on achieving improved profitability online. During the quarter we also made the decision to move in to a new e-commerce warehouse, which will give us considerably better conditions in the years ahead to achieve the goals we have set.

In May we were able to close the acquisition of Forex's portfolio of banking customers, which brought in more than 200,000 customers to ICA Bank and approximately SEK 12 billion in new business volume. Through this deal we have created conditions for higher growth and profitability for the bank.

ICA Real Estate delivered stable performance during the third quarter, which was slightly better than in 2020.

Sustainability – fossil-free transports a key factor for achieving our climate targets

Goods transports account for nearly 50% of our total remaining carbon emissions, and successfully reducing these emissions is crucial for achievement of our overall climate targets. Important steps in this area in 2021 include, for example, ICA Sweden's investments in biogas and deployment of our first fully electric truck, which will take place shortly as part of our collaboration with Volvo Trucks in the area of climate-friendly transports.

We are now beginning to emerge from a very special period in which many of us have made crucial efforts that have allowed us to deliver good results in a difficult situation. As a result, we are now standing on solid ground ahead of coming quarters, where a number of important events await, not least with respect to our online ventures and our aspiration to be the leading omnichannel actor.

Group performance – second quarter

Net sales

Consolidated net sales increased by 1.5% during the quarter compared with 2020. Excluding currency effects the increase was 2.1%. This performance is explained by positive volume effects in all segments, while price and mix effects were positive in all segments except ICA Sweden. Overall, Covid-19 is assessed to have impacted consolidated net sales during the second quarter by approximately +0.8% (+0.3), while the calendar effect of the Easter holiday is estimated to have been approximately -0.8%.

Net sales per segment								
SEKm	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
ICA Sweden	23,376	23,496	-0.5	45,450	44,926	1.2	92,208	91,684
Rimi Baltic	4,313	4,051	6.5	8,380	8,149	2.8	16,604	16,373
Apotek Hjärtat	3,923	3,638	7.8	7,629	7,725	-1.2	15,082	15,178
ICA Real Estate	696	696	0.1	1,385	1,396	-0.8	2,829	2,840
ICA Bank	474	408	16.1	900	825	9.1	1,774	1,699
Other	331	322	2.8	680	641	6.1	1,321	1,282
Internal sales	-712	-687	3.6	-1,421	-1,372	3.6	-2,822	-2,773
Net sales	32,401	31,924	1.5	63,004	62,290	1.1	126,997	126,283

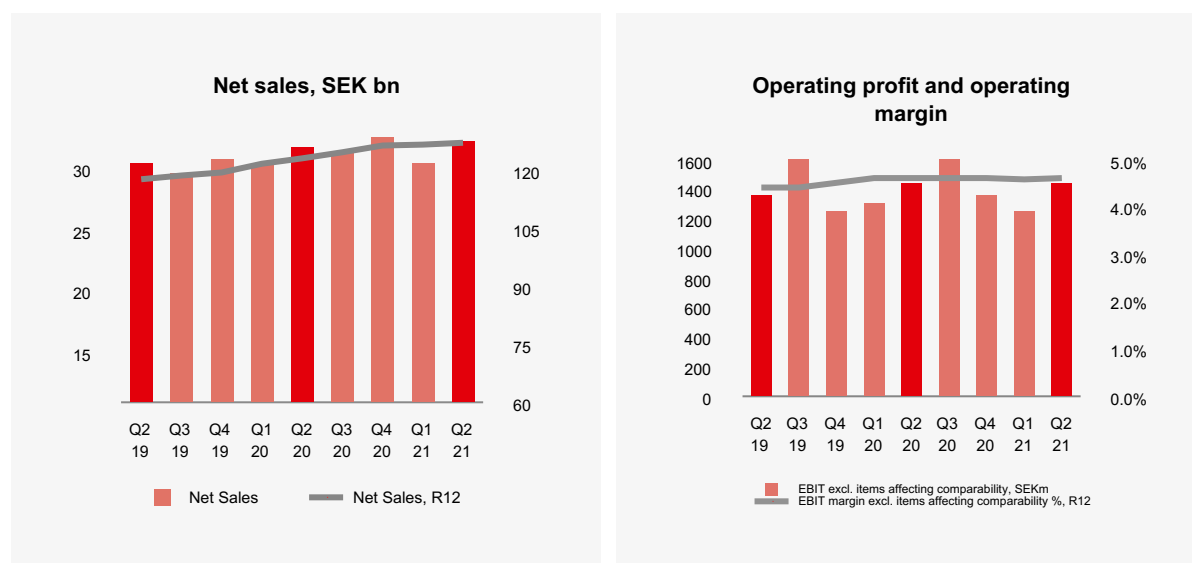
Operating profit

Operating profit excluding items affecting comparability was level with a year ago. Operating profit improved significantly for Rimi Baltic and Apotek Hjärtat, while it was lower for ICA Sweden and ICA Bank. ICA Bank's operating profit for the quarter was strongly impacted by one-off effects associated with the acquisition of Forex's consumer loan portfolio. For the Group as a whole, both the volume and price effects were positive, and both gross profit and the gross profit margin strengthened. The Covid-19 pandemic is estimated to have affected operating profit by approximately SEK +30 million (-60). The operating margin excluding items affecting comparability was 4.5%, which is unchanged from the preceding year, and profit for the period totalled SEK 1,139 million (976). Profit includes the result of divestments and impairment losses totalling SEK 20 million (3). Earnings per share increased to SEK 5.64 (4.83), which is explained by a lower tax cost and improved net financial items.

Covid-19 effects include certain, general government assistance payments, mainly compensation for sick pay, of approximately SEK 20 million (80) during the quarter.

Operating profit excluding items affecting comparability per segment								
SEKm	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
ICA Sweden	1,007	1,113	-9.5	1,949	2,029	-3.9	4,159	4,240
Rimi Baltic	225	147	53.3	373	299	24.7	777	703
Apotek Hjärtat	132	66	98.6	154	196	-21.4	341	383
ICA Real Estate	165	154	7.2	325	296	9.7	632	603
ICA Bank	-21	50	-142.9	8	67	-88.5	115	174
Other	-108	-120	-10.5	-192	-212	-9.4	-426	-446
Operating profit excluding items affecting comparability per segment	1,400	1,410	-0.7	2,616	2,675	-2.2	5,598	5,657
IFRS 16 Leases	47	42	11.0	94	86	9.3	183	175
Operating profit excluding items affecting comparability	1,446	1,452	-0.4	2,710	2,762	-1.9	5,779	5,831

IFRS 16 The segments are reported excluding IFRS 16. The total effect of IFRS 16 is reported only on a consolidated basis at the ICA Gruppen level.



Net financial items and tax

Net financial items improved by SEK 16 million during the quarter, mainly owing to lower interest expenses coupled to refinancing of loans at lower interest rates, lower interest on the pension liability and lower interest costs for lease liabilities.

Both the tax cost and effective tax rate were lower than in 2020. Tax on dividends received from Rimi Baltic was booked during the second quarter of 2020. Starting in December 2020 this is booked through monthly provisions, which is the main explanation for the difference between the years. In addition, starting in 2021 the tax rate in Sweden was lowered from 21.4% to 20.6%. Paid tax was at the same level as in 2020.

Net financial items and tax	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Net financial items, SEKm	-100	-116	-14.1	-199	-242	-18.0	-423	-466
Of which, interest expenses, SEKm	-104	-125	-16.7	-205	-250	-18.0	-438	-483
Tax cost, SEKm	-226	-363	-37.7	-434	-570	-23.9	-999	-1,135
Effective tax rate, %	16.6	27.1	—	17.0	22.6	—	18.7	21.4
Paid tax, SEKm	-309	-311	-0.7	-581	-705	-17.6	-954	-1,078

Cash flow (excluding ICA Bank)

Cash flow from operating activities during the quarter (excluding ICA Bank) increased by SEK 270 million compared with a year ago. The increase is mainly attributable to a calendar-related favourable development of working capital.

Cash flow from investing activities was affected by a lower level of investment in ICA Real Estate and Rimi Baltic. Added to this were divestments in ICA Real Estate, which contributed to the development to some extent. The difference in cash flow from financing activities between the years consists mainly of a SEK 1.4 billion increase in dividends paid than in 2020, as the dividend in 2020 was paid in two parts – half during the second quarter and half during the third quarter. Added to this is a capital contribution of SEK 700 million that was made to the bank in connection with the completion of the Forex deal and regulatory capital adequacy requirements. The amount is lower than the estimate of SEK 800 million that was communicated in connection with the announcement of the deal on 22 December 2020.

During the quarter an agreement was reached with six banks on a new, syndicated Revolving Credit Facility (RCF). The new SEK 5 billion facility replaces the previous facility and has a three-year term with a one-year extension option on each of the two first one-year dates.

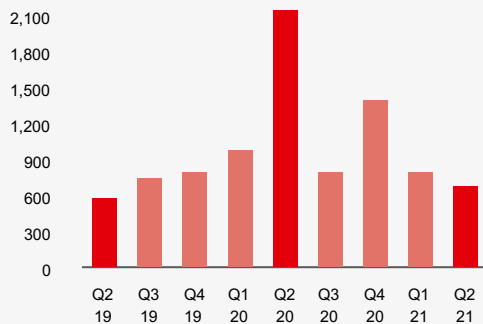
Effect of IFRS 16 on cash flow

During the second quarter of 2021, lease payments (interest and principal) amounted to SEK -897 million (-869).

Cash flow, Group excl. ICA Bank

SEKm	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
From operating activities before change in working capital	2,590	2,572	0.7	4,825	4,741	1.8	10,217	10,133
Change in working capital	591	341		131	180		261	310
From operating activities	3,181	2,911	9.3	4,957	4,920	0.8	10,480	10,444
Investing activities, net	-566	-2,128		-1,105	-2,990		-3,299	-5,184
Before financing activities	2,615	784	233.5	3,852	1,930	99.6	7,181	5,259
Financing activities, net	-4,171	-2,099		-4,786	-849		-8,739	-4,802
Cash flow for the period	-1,556	-1,315	18.3	-934	1,081	-186.4	-1,558	457

Investments (cash flow), SEKm



Investments and divestments

The Group's investments were considerably lower than in the same period in 2020, when a large purchase of a logistics property in Västerås was made by ICA Real Estate. The investment level in Rimi Baltic also decreased, as the major warehouse investment in Riga in 2020 has now been completed.

ICA Real Estate's level of investment was slightly more than SEK 1.3 billion lower than a year ago.

Total investments for 2021 are expected to amount to approximately SEK 3.5 billion, including SEK 1.5 billion in ICA Real Estate. Major capex projects include purchases of logistics properties, future store locations, new establishments, investments in the Group's e-commerce and IT investments.

Investments (cash flow) by segment

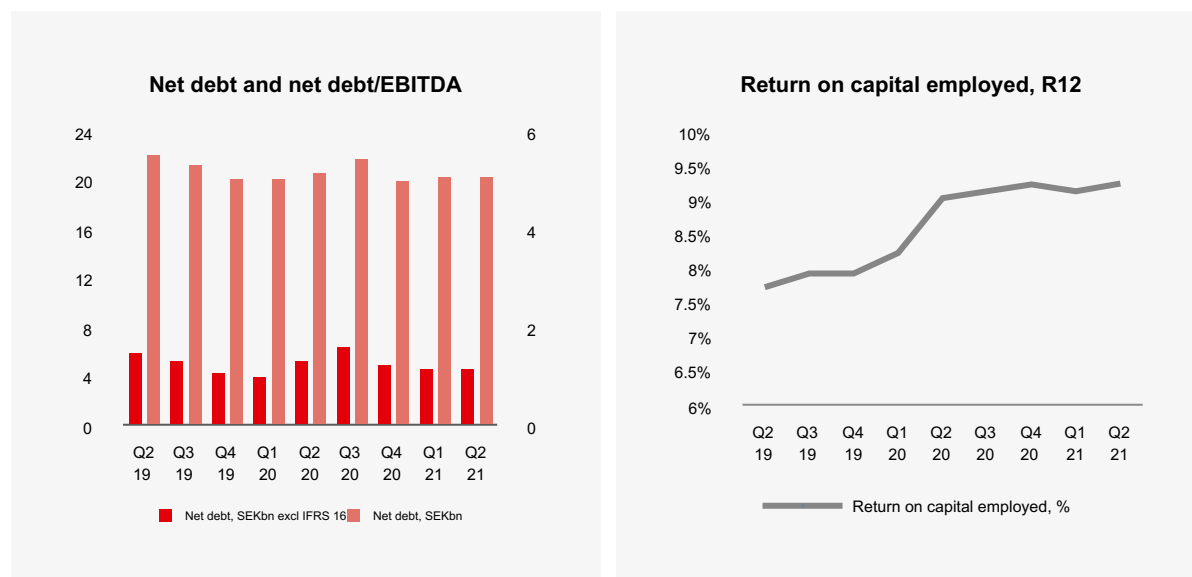
SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
ICA Sweden	255	259	516	423	918	825
Rimi Baltic	118	275	246	569	745	1,068
Apotek Hjärtat	64	62	116	115	213	212
ICA Real Estate	172	1,512	458	1,926	1,537	3,005
ICA Bank	29	26	54	41	101	88
Other	57	33	104	86	192	174
Investments	695	2,167	1,494	3,159	3,707	5,372

Depreciation/amortisation by segment

SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
ICA Sweden	168	151	326	295	642	611
Rimi Baltic	110	102	219	198	426	405
Apotek Hjärtat	45	41	88	79	176	167
ICA Real Estate	145	131	290	253	570	533
ICA Bank	6	6	10	12	22	24
Other	36	35	71	70	145	144
Depreciation/amortisation by segment	510	466	1,003	91	2,796	1,884
IFRS 16 Leases	847	854	1,691	1,726	3,386	3,421
Depreciation/amortisation	1,357	1,321	2,694	2,633	5,366	5,305

Net debt and return on capital employed

The Group's net debt (excluding IFRS 16 lease liabilities, ICA Bank and pension liabilities) was slightly more than SEK 1 billion higher at the end of the quarter than a year ago. The higher level of net debt is attributable to a higher paid dividend and to the capital contribution paid to ICA Bank, described above. This was partly compensated by the lower level of investment this year. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to SEK 21.4 billion (20.6) at the end of the quarter. At 30 June 2021 net debt in relation to EBITDA was 1.9 (1.9), which is well in line with the Group's long-term target of <3.0. Return on capital employed was 9.2% (9.0%) on a rolling 12-month basis.



Net debt (excl. ICA Bank and pension liability)

SEKm	30 Juni		12 months	Full year
	2021	2020	Jul 2020 - Jun 2021	2020
Net debt	-21,375	-20,573	-21,375	-19,901
Net debt excl. IFRS16	-6,264	-5,248	-6,264	-4,904
Net debt/EBITDA	1.9	1.9	1.9	1.8

Important events during the quarter

15 April – ICA Gruppen's Annual General Meeting approved the Board's proposed dividend of SEK 13 per share for the 2020 financial year.

15 April – ICA Gruppen's Annual General Meeting elected Charlotte Svensson as a new board member.

Important events after the end of the quarter

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

Performance for the period January-June 2021

ICA Gruppen's net sales increased by 1.1% during the period to SEK 63,004 million. Excluding currency effects, the increase was 1.8%. The increase is attributable to both positive volume and price effects.

Operating profit excluding items affecting comparability totalled SEK 2,701 million and was SEK 52 million lower than for the same period in 2020. Overall the price effect on profit was positive, while the volume effect was slightly negative. Operating profit for Rimi Baltic and ICA Real Estate was higher, while other segments had lower earnings than in the same period a year ago. The operating margin was 4.3% (4.4%), and earnings per share were SEK 10.49 (9.66).

Covid-19 is estimated to have affected the Group's sales by approximately +1.2% (1.6%) and operating profit by approximately SEK 10 million (-10).

Sustainability Report

Sustainability is an integral part of the daily activities of all of ICA Gruppen's operations. All segments work actively on improvements in 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. ICA Gruppen's sustainability reporting is broken down into five focus areas: Environment, Health, Local, Inclusion & Diversity, and Quality.

Important events during the quarter

Environment

"We will minimise our environmental impact, go from climate neutral to net zero emissions in our own operations, and help our customers make more sustainable choices."



Environment indicators	12 months	12 months
	Jul 2020 - Jun 2021	Jul 2019 - Jun 2020
Net zero emissions from own operations by 2030 (tonnes CO ₂ e)	86,709	107,606
Net zero emissions from own operations by 2030 (tonnes CO ₂ e / SEKm turnover)	0.68	0.88
Cut the climate impact of customers' grocery purchases in half by 2030 (kg CO ₂ e/kg sold food)	1.78	1.79 ¹
Cut food waste in half by 2025 (food waste weight share)	1.62%	1.63%
Cut food waste in half by 2025 (development as % relative to base year 2016)	-11%	-11%

¹ Pertains to full year 2020 (data for 2019 not available)

ICA Gruppen's climate impact from its own operations (stores, pharmacies, warehouses, offices and transports) shall be net zero by 2030. This means that emissions are to be reduced as much as possible. At the same time, emissions that cannot be eliminated by 2030 will be offset by measures that result in a net zero effect on the atmosphere. Emissions from own operations amounted to 86,709 tonnes of CO₂e equivalents (CO₂e) for the last 12 months, of which roughly half come from goods transports, just over a third from refrigerants, and the rest from energy consumption and business travel.

ICA's ambition is to cut the carbon footprint of customers' grocery purchases in half by 2030. The average carbon footprint during the quarter was 1.78 kg CO₂e per kg sold food (R12), compared with the benchmark measurement of 1.79 kg CO₂e per kg sold food and the ambition to reduce this to 0.895 kg CO₂e per kg sold food in 2030. Current data pertains to ICA Sweden (Rimi Baltic will be included in future reporting).

ICA has set a target to cut food waste in half by 2025 (base year 2016). Improved methods for data collection that have been introduced during the year form the basis for quarterly reporting of waste, entailing that more waste is being registered correctly. In total, food waste amounted to 1.62% of sold food (R12), representing a decrease of 11% since 2016.

Future report: Grow together

This year's future report from ICA Sweden, *Växa tillsammans – konsumenten och den växtbaserade maten 2023* ("Grow together – consumers and plant-based foods") explored trends and drivers behind foods of the future. The report also presented new insights from the ICA Växa ("ICA Grow") initiative. ICA Växa is contributing both to the ambition to cut the climate impact of customers' grocery purchases in half and to strengthening local ecosystems for food production and consumption.

Reduced use of plastics and expanded commitment to sustainable package design

Package replacements aimed at reducing the use of plastic are continuing in Sweden, where for example the new bottles for ICA Selection juice, made of 100% recycled plastic, will result in reduced use of plastic by 10 tonnes per year, and in the Baltic countries, where a new, thinner plastic wrap for products packaged in stores will result in reduced use of plastic by 37 tonnes per year. ICA Gruppen has also expanded its commitment to work in line with the Consumer Goods Forum's (CGF) design rules for packaging. The design rules have been drawn up by CGF's Plastic Waste Coalition of Action with the aim to improve conditions for circular plastic flows.

Reduction in carbon emissions by 10,000 tonnes CO₂e through increased use of biogas

In May ICA Sweden announced that the company's use of biogas for transports has grown during the last two years from around zero to more than 2,500 tonnes in 2020. Approximately 3,200 tonnes are expected to be used in 2021, which reduces the carbon footprint by 10,000 tonnes of CO₂e compared with corresponding diesel transports. The increased use of biogas contributes to the goal of having fossil-free road transports in Sweden by 2030 and net zero climate impact from the Group's own operations by the same year.

Research collaboration to accelerate transition to a more sustainable food system

In April ICA Sweden announced that, within the framework of ICA Växa, it will be participating in FINEST, a knowledge and research centre composed of researchers from Research Institutes of Sweden (RISE), Chalmers University of Technology and

Uppsala University along with 15 representatives from the Swedish food industry value chain. The aim is to work together to accelerate the transition to a more sustainable food system.

Collaboration with start-ups in the Baltic countries to reduce food waste

Through the start-up accelerator Future Hub, Rimi has initiated cooperation with two start-ups that are focusing on reducing food waste. Plant Jammer provides a widget for smart recipes on Rimi's website to help customers reduce their food waste at home, and later this year testing will begin of the Food4All app, which will help customers find products that are nearing their best-before dates at a reduced price.

Health

"We will actively contribute to improved public health by leveraging the strength of our entire organisation."



Health indicators

	Q2 2021
Customers' daily consumption of fruits and vegetables is to correspond to 500 g per customer by 2025, ICA Sweden (grams)	358
Number of products with reduced sugar, ICA Sweden ¹	1

¹ Target under development.

To estimate how much fruit and vegetables ICA's customers in Sweden consume, a calculation is performed based on sales data for the customers who are assumed to do most of their grocery shopping with ICA. Sales during the second quarter of 2021 corresponded to daily consumption of 358 grams per person, which is a marginal change compared with the benchmark measurement that was conducted during the first quarter (357 grams).

ICA's work on reducing the sugar content in its private label products involves both reducing the sugar content in existing products and developing alternatives with less sugar. During the quarter a new low-fat yoghurt was launched with no added sugar.

Health month in the Baltics

In April Rimi conducted a "health month" in the three Baltic countries, encompassing among other things special customer offerings in cooperation with pharmacy and gym chains, communication campaigns to promote healthy lifestyles, and health promotion activities for employees. In Estonia a health project was also started in which a number of families are getting help from dietitians and cooks to eat a more healthy diet.

Strong employee participation in spring wellbeing initiative

Physical activity is a key component in ICA Gruppen's new employee wellbeing initiative. In May Vårpeppen ("Spring boost") was conducted with help of the We+ corporate wellness challenge, where groups of employees inspire each other online to be physically active. More than 2,700 employees in Sweden participated in a total of 61,913 diverse activities in which they were physically active an average of 320 minutes per week.

Pop-up clinics for better accessibility to simple healthcare services

Min Doktor has opened 12 new summer clinics adjacent to ICA stores around Sweden, where Min Doktor's nurses can help with matters such as birthmark evaluations, antibody tests and vaccinations for tick-borne encephalitis (TBE), for example.

Local

"We will actively contribute to the local communities where we operate."



Four new Folke projects that promote physical activity

A share of the profit from every sold "Folke" product is donated via the ICA Foundation to local meeting places for inclusion and physical activity around the country. During the second quarter, funds were granted for a skateboard ramp in Kålltorp, a skills area in Sollefteå, an outdoor gym in Österfärnebo and a multi-arena in Kårda.

Ready, set, clean!

ICA Sweden and the ICA Foundation have continued their collaboration with the Ståda Sverige association in the "Ready, steady, clean!" project, in which young people from sports teams participate in litter clean-up projects commissioned by local ICA retailers in exchange for grants to their club coffers. Retailers and sport associations in 42 locations together cleaned up 1,023 sacks of litter during the spring.

"Grow Latvia" – campaign to highlight the benefits of local food production

Against the background of the higher focus on local consumption during the pandemic, Rimi in Latvia engaged experts from the among others the banking and academic sectors to highlight the macro-economic benefits of shopping locally. The cooperation also served formed the basis for a communication campaign in cooperation with local food producers.

Inclusion & diversity

"We work proactively with openness, diversity and equality in order to be the most inclusive workplace and contribute to a more inclusive society."



Inclusion & diversity indicators	Q2 2021
50/50 gender balance in key positions, ICA Gruppen (women/men, %)	50/50

ICA's target is to achieve a 50/50 gender balance in key positions, which includes approximately 230 positions in ICA Gruppen. At the end of the quarter the breakdown of these positions was 50% women and 50% men.

Activities to observe European Diversity Month

In May ICA Gruppen observed European Diversity Month 2021, created by the European Commission. In Sweden, activities included talks on themes such as LGBT awareness and neuropsychiatric diagnoses, workshops, and an e-learning initiative, among other things. In Lithuania Rimi cooperated with NGOs for greater inclusion of individuals with physical or intellectual disabilities.

Football celebration to promote inclusion in sport

In connection with the Euro 2020 football championship held in summer 2021, ICA Sweden conducted the Fotbollsfest fundraising campaign, where a portion of sales of blue and yellow-marked products was donated to the Swedish Football Association's "Everyone is different, different is good" campaign. A total of SEK 5.5 million was raised for the initiative, which awards grants to football clubs that work actively for equality and inclusion in football.

Quality

"We will ensure that quality and social responsibility always guide our operations and our business relationships."



Quality indicators	12 months	12 months
	Jul 2020 - Jun 2021	Jul 2019 - Jun 2020
Share of socially audited suppliers of ICA Gruppen's corporate brand products in high-risk countries (%) ¹	92	93
Share of suppliers of ICA Gruppen's corporate brand products in high-risk countries with a valid follow-up social audit (%) ¹	87	87
Share of suppliers of ICA Gruppen's corporate brand products with quality certification (%) ¹	92	88

¹ Reported until further notice, new target under development.

At the end of the quarter, 92% of suppliers of ICA Gruppen's corporate brand products in high-risk countries had been socially audited, and 87% had undergone a valid follow-up social audit. 92% of suppliers of ICA Gruppen's corporate brand products were quality-certified.

Criticism, media debates and dialogues

- As the only grocery retailer in Estonia to openly report on its food waste, Rimi was asked to comment on a report from the country's ministry of environment which indicated that food waste had risen in all sectors.

Awards and distinctions

- ICA Gruppen was included on the *Financial Times*' list of Climate Leaders, i.e., companies that have shown the largest decreases in greenhouse gas emissions intensity in relation to their sales during the period 2014–2019.
- Following the annual review in June it was confirmed that ICA Gruppen will continue to be included in the ESG index series FTSE4Good.

About ICA Gruppen's sustainability report

This is a quarterly status report with information about ICA Gruppen's work with 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. ICA Gruppen publishes the actual Sustainability Report once a year, which provides a comprehensive picture of the Group's sustainability work, including boundaries and materiality analysis. The full 2020 report as well as reporting principles can be found at ICA Gruppen's website: <https://www.icagruppen.se/en/sustainability/#/>.

ICA Sweden

ICA Sweden conducts grocery retail business in cooperation with independent ICA retailers. The retailers own and manage their 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.

Net sales

ICA Sweden's net sales were essentially unchanged compared with the same period in 2020 despite the preceding year's pandemic-driven sales increase of more than 7%. Positive volume effects in the wholesale operations were countered by negative price effects. The Covid-19 pandemic has continued to affect performance and is estimated to have had an effect this year of approximately +2.3% (+3.4%) at the same time that the calendar effect during the quarter of the Easter holiday is estimated to have been -1.1%.

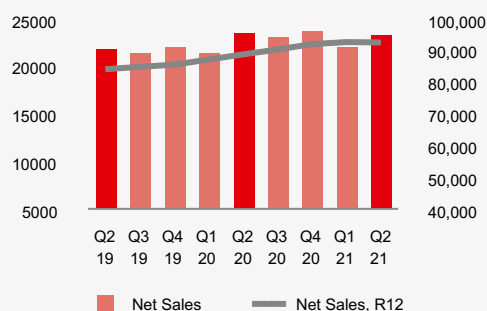
Earnings

Operating profit excluding items affecting comparability was SEK 106 million lower than in 2020. The Covid-19 effect on operating profit was lower than in the preceding year, as shown below. The Easter effect is estimated to have been SEK -20 million, while operating profit for the same period a year ago included SEK +20 million from an insurance matter. In contrast with the preceding quarter, price effects were negative. The cost level was also higher than a year ago, mainly owing to the ongoing, extensive projects in ICA Sweden aimed at increasing capacity and improving e-commerce efficiency. This was only partly compensated by higher profit distribution from ICA stores. The operating margin was therefore lower than the exceptionally strong margin for the second quarter of 2020, but in line with the second quarter of 2019. The earnings effect from Covid-19 is estimated to have been lower overall than a year ago, SEK +120 million compared with SEK +130 million a year ago. Included in these effects are certain general government assistance payments coupled to Covid-19 – mainly compensation for sick pay – that were considerably lower than a year ago and totalled approximately SEK 18 million (68). On the other hand, profit distribution from ICA stores was SEK 44 million higher than in 2020.

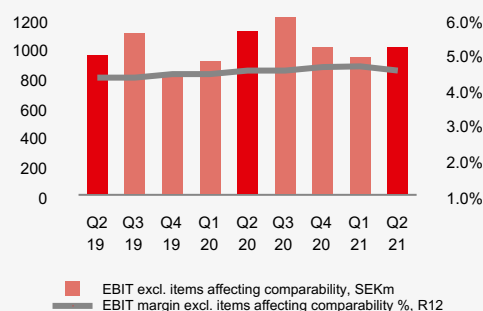
Key data

	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Net sales, SEKm	23,376	23,496	-0.5	45,450	44,926	1.2	92,208	91,684
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,175	1,264	-7.0	2,274	2,325	-2.2	4,800	4,851
Operating profit excl. items affecting comparability, SEKm	1,007	1,113	-9.5	1,949	2,029	-3.9	4,159	4,240
Operating margin excl. items affecting comparability, %	4.3	4.7	—	4.3	4.5	—	4.5	4.6
Investments, SEKm	255	259	-1.3	516	423	22.0	918	825
Depreciation/amortisation, SEKm	168	151	11.3	326	295	10.5	642	611
Average number of employees	—	—	—	8,517	8,243	3.3	—	8,412

Net sales, SEKm



EBIT and EBIT margin



ICA store sales and market development

Sales for ICA stores remained at the same level as a year ago despite high comparison figures. Sales continue to be driven by a higher average spend, while customer visits are at roughly the same level as a year ago. The store formats that are showing particularly positive development are hypermarkets and small stores in areas with many vacation homes. As the pandemic is subsiding, stores near residential areas in metropolitan areas are experiencing weaker growth. Market growth during the quarter was 0.6% according to the Food Retail Index (DVI), entailing that growth for ICA stores was slightly lower than for the market as a whole. This can be explained in part to online performance, where for the first time in several years, this quarter ICA did not grow faster than the market.

Two stores were opened and one was closed during the second quarter. A total of eight to twelve new stores are planned to be established in 2021, mainly in metropolitan areas.

E-commerce performance

Online sales continued to grow despite high comparison figures and reached nearly SEK 1.8 billion during the quarter, an increase of 23.5%. According to the Food Retail Index (DVI), the market for groceries online in Sweden grew by 26.9% during the second quarter. The slightly lower growth rate for ICA can mainly be attributed to the very fast capacity increase for e-commerce that the ICA stores achieved during the second quarter of 2020 and that resulted in significantly higher growth for ICA's online sales than for the market as a whole.

Key data, ICA stores

	Second quarter		Jan-jun		Full year
	2021	2020	2021	2020	2020
Sales growth, all stores	0.1	7.5	1.3	7.8	7.2
Sales growth, like-for-like stores	-0.3	7.3	1.1	7.6	7.0
Calendar effect, %	-1.0	-0.3	-0.8	0.4	0.3
Food price inflation, %	-0.6	3.3	0.0	2.9	2.1
Volume growth, total store sales ¹⁾	1.7	4.5	2.0	4.5	4.8
Volume growth, like-for-like stores	1.3	4.3	1.8	4.3	4.6
Private label share, %	26.7	26.7	27.3	27.2	26.9
Sales online, SEKm	1,754	1,420	3,664	2,186	4,975
Share of sales online, %	5.2	4.2	5.6	3.4	3.8
Number of stores offering e-commerce (groceries online)	—	—	426	338	374

¹⁾ Volume- and calendar adjusted.



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

Store sales and growth in Sweden (incl. retailer-owned stores)

Store sales excl. VAT ¹	Second quarter 2021			January-June 2021		
	SEKm	All stores, %	Like-for-like stores, %	SEKm	All stores, %	Like-for-like stores, %
Maxi ICA Stormarknad	11,045	0.4	-0.3	21,188	2.8	2.1
ICA Kvantum	8,137	0.1	-1.0	15,818	0.8	0.5
ICA Supermarket	9,546	-0.5	-0.4	18,447	-0.2	-0.1
ICA Nära	5,076	1.0	1.4	9,650	1.5	2.4
Total	33,804	0.1	-0.3	65,104	1.3	1.1

¹⁾ Starting in 2021, store sales also include online fees, mainly for home delivery. For the sake of comparison, figures for 2020 have been adjusted.

Number of stores in Sweden (incl. retailer-owned stores)

Format	December 2020	New	Converted	Closed	June 2021
Maxi ICA Stormarknad	87	1	0	0	88
ICA Kvantum	129	0	0	0	129
ICA Supermarket	422	0	0	0	422
ICA Nära	628	2	0	-2	628
Total	1,266	3	0	-2	1,267

Rimi Baltic

Rimi Baltic conducts grocery retail business via 284 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.

Net sales

Rimi Baltic's net sales increased by 11.9% during the quarter (6.5% in SEK). The increase was mainly volume-driven, but the price effect was also positive. The picture was similar in all three countries. The estimated Covid-19 effect on sales was approximately -2% (-5%).

Earnings

Operating profit excluding items affecting comparability increased by more than 60% in local currency during the quarter, and the operating margin rose significantly. This was driven by positive volume and price effects including an improved product mix, such as non-food products and prepared foods, which strengthened gross profit as well as the gross margin. This was countered to some extent by higher overheads associated with investments in the store network, including e-commerce, and wage inflation. Marketing costs were also higher during the quarter. The estimated Covid-19 effect on operating profit for the second quarter was approximately SEK -15 million (-65%).

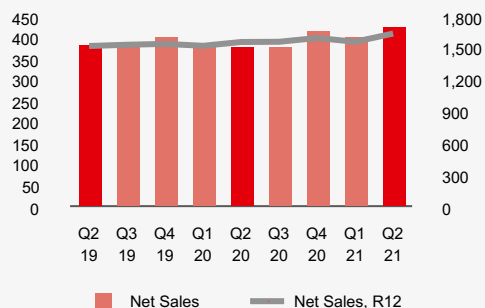
Other

Operating profit for the quarter includes a net result of SEK 9 million (2) from sales/impairment losses of properties.

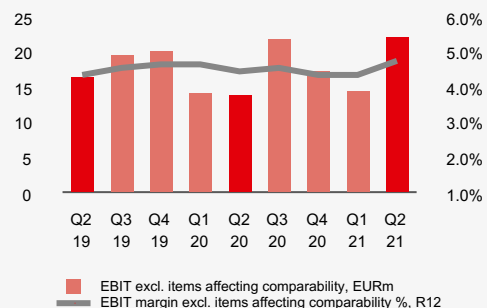
Key data

	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Net sales, SEKm	4,313	4,051	6.5	8,380	8,149	2.8	16,604	16,373
Operating profit before depreciation/amortisation (EBITDA), SEKm	356	250	42.4	613	499	22.8	1,225	1,111
Operating profit excl. items affecting comparability, SEKm	225	147	53.3	373	299	24.7	777	703
Operating margin excl. items affecting comparability, %	5.2	3.6	—	4.5	3.7	—	4.7	4.3
Investments, SEKm	118	275	-57.1	246	569	-56.8	745	1,068
Depreciation/amortisation, SEKm	110	102	7.8	219	198	10.6	426	405
Average number of employees	—	—	—	11,184	10,358	—	—	10,647
EUR/SEK exchange rate, average	10.14	10.65	-4.8	10.14	10.66	-4.9	10.22	10.48

Net sales, EURm



EBIT and EBIT margin



Rimi store sales and market development

Weighted market growth for all three countries was 6.3% during the second quarter, and food price inflation was 1.1%. Inflation-adjusted growth was highest in Estonia and lowest in Latvia. Food price inflation was higher in Lithuania than in the other two countries. Rimi Baltic's sales growth was higher than market growth in all three countries. In Estonia and Latvia, like-for-like sales growth was also higher than market growth. Rimi Baltic's market share thus increased during the quarter.

Customer visits increased in all three countries during the second quarter. The increases were substantial in Estonia and Lithuania – between 15% and 20% in like-for-like stores. At the same time, the average spend decreased in both countries. The easing of restrictions resulted in a sharp rise in sales of non-food products and prepared foods, for example.

Rimi Baltic opened one store during the quarter and closed one. A total of 22 to 25 store openings are planned for 2021.

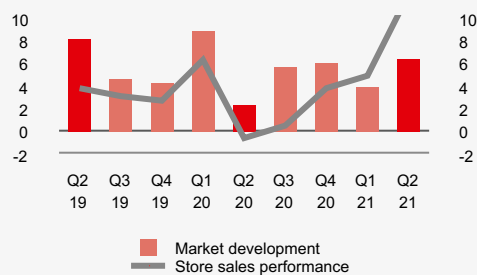
E-commerce performance

Rimi Baltic's online business continued to grow sharply and increased by 134% during the quarter. The share of total sales during the quarter was 2.6%, with the highest share in Estonia.

Key data, Rimi stores

	Second quarter		Jan-jun		Full year
	2021	2020	2021	2020	2020
Sales growth, all stores	11.9	-0.8	8.2	2.6	2.3
Sales growth, like-for-like stores	7.1	-3.6	2.9	0.1	-1.3
Food price inflation, %	1.1	2.2	2.6	2.5	1.9
Volume growth, total store sales	10.8	-3.0	5.6	0.1	0.4
Volume growth, like-for-like stores	6.0	-5.8	0.3	-2.4	-3.2
Private label share, %	23.5	23.4	23.7	24.2	23.4
Sales online, EURm	10.8	4.6	22.9	5.9	18.7
Share of sales online, %	2.6	1.2	2.8	0.8	1.2

Store sales performance compared with market development *, %



*) Source: Country statistics.

Sales breakdown by country

Store sales excl. VAT	Second quarter 2021			January-June 2021		
	EURm	All stores, %	Like-for-like stores, %	EURm	All stores, %	Like-for-like stores, %
Estonia	101.4	12.5	11.0	196.5	5.5	3.3
Latvia	222.4	11.0	5.8	430.3	8.0	1.9
Lithuania	97.8	13.2	5.9	193.3	11.8	4.8
Total	421.6	11.9	7.1	820.1	8.2	2.9

Number of stores per country

Country	December 2020	New	Converted	Closed	June 2021
Estonia	84	1	0	-2	83
Latvia	131	1	0	-2	130
Lithuania	68	4	0	-1	71
Total	283	6	0	-5	284

Apotek Hjärtat

Apotek Hjärtat is the largest actor in the Swedish pharmacy market, with 390 pharmacies. Apotek Hjärtat is also a part owner of the digital healthcare company Min Doktor.

Net sales

Net sales increased during the quarter by nearly 8% in a market that had considerably more favourable development than a year ago and in which Apotek Hjärtat took market shares. The increase was mainly volume-driven, which was strengthened by positive price/mix effects for the self-care product range. The estimated effect of Covid-19 on sales was approximately -5%, (-11%).

Earnings

Operating profit excluding items affecting comparability increased by SEK 66 million. In addition to positive volume and price effects, parallel imports and lower logistics costs also contributed to the significantly improved operating profit. These positive effects were countered to some extent by higher costs mainly coupled to the higher online volume and IT. In other respects, cost-cutting made a positive contribution. The estimated Covid-19 effect on operating profit for the second quarter was negative by approximately SEK -50 million (-105).

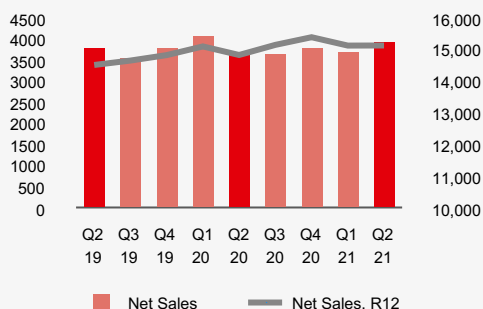
Operating profit for the quarter includes SEK -7 million for Min Doktor, an improvement of SEK 2 million compared with 2020.

Covid-19 effects include certain, general government assistance payments – mainly compensation for sick pay – totalling approximately SEK 3 million (16) during the second quarter.

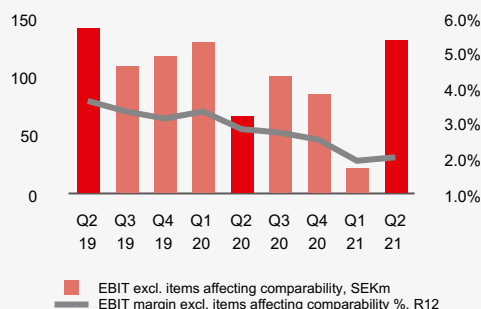
Key data

SEKm	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Net sales, SEKm	3,923	3,638	7.8	7,629	7,725	-1.2	15,082	15,178
Of which, prescription drugs	2,894	2,677	8.1	5,687	5,747	-1.0	11,324	11,384
Of which, OTC drugs	373	353	5.7	682	766	-11.0	1,305	1,389
Of which, other products and services	656	608	7.9	1,260	1,212	4.0	2,453	2,405
Operating profit before depreciation/amortisation (EBITDA), SEKm	177	107	65.4	242	275	-12.0	517	550
Operating profit excl. items affecting comparability, SEKm	132	66	98.6	154	196	-21.4	341	383
Of which, share in profit in Min Doktor	-7	-9	22.2	-19	-25	24.0	-37	-43
Operating margin excl. items affecting comparability, %	3.4	1.8	—	2.0	2.5	—	2.3	2.5
Investments, SEKm	64	62	4.3	116	115	1.0	213	212
Depreciation/amortisation, SEKm	45	41	11.4	88	79	11.4	176	167
Average number of employees	—	—	—	2,988	3,057	—	—	3,067

Net sales, SEKm



EBIT and EBIT margin



Pharmacy sales and market development

Growth in the pharmacy market during the second quarter was considerably stronger than a year ago as well as the preceding quarter, at 7.0%. Apotek Hjärtat noted a 7.6% increase in pharmacy sales during the quarter and thereby took market shares. Sales of traded goods increased by 7.1%, while the market grew 7.3%. Market growth for physical pharmacies was once again positive following a succession of quarters with falling sales. The increase was 5%, while the corresponding growth for Apotek Hjärtat was 6.2%. Customer visits to pharmacies increased for the first time in a year. Seen over the last 12-month period, Apotek Hjärtat's market share was just over 30%, entailing that Apotek Hjärtat continues to be the market leader.

No pharmacies were opened during the quarter and one was closed. Six to eight new pharmacies are planned to open in 2021, all at locations near ICA stores.

E-commerce performance

The shift to the online channel is continuing, but the rate of growth slowed during the quarter, and market growth was 16.7%. Apotek Hjärtat continues to take market shares online, with growth of more than 21%. The online share for the market was 19% during the quarter, while Apotek Hjärtat's online share was 10.3%.

In July it was announced that Apotek Hjärtat will be moving its e-commerce warehouse to new premises in 2022 to enable continued expansion and development of the omnichannel offering that encompasses pharmacies, e-pharmacies and ICA's online business. In addition, the move will contribute to improved efficiency and optimisation of warehousing. The move will entail investments of approximately SEK 70 million in 2022 and an additional approximately SEK 80 million during the years 2023–2029.

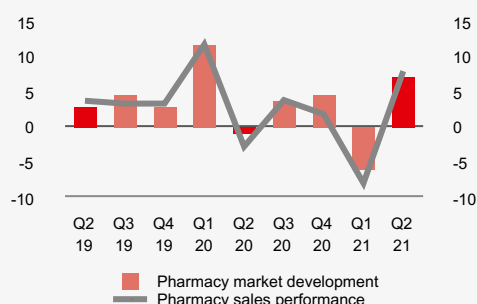
Key data

	Second quarter		Jan-jun		12 månader	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Stores sales	3,901	3,626	7,588	7,646	15,002	15,060
Sales growth, all pharmacies	7.6	-3.1	-0.8	4.0	—	3.2
Sales growth, like-for-like pharmacies	7.2	-4.0	-1.1	3.0	—	2.5
Private label share, other products, %	17.5	19.2	17.5	19.2	—	18.5
Sales online, SEKm	402	331	790	561	1,435	1,206
Share of sales online, %	10.2	9.1	10.4	9.6	—	8.0

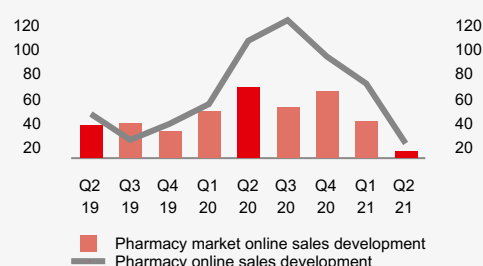
Number of pharmacies

	December 2020	New	Closed	June 2021
Apotek Hjärtat	391	3	-4	390

Pharmacy sales performance compared with pharmacy market development *, %



Pharmacy online sales performance compared with pharmacy market online sales development *, %



* Source: Sveriges Apoteksörening.

ICA Real Estate

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

Net sales

Underlying net sales increased by nearly SEK 40 million, driven by completed investments and higher sales-based rents. The level of total net sales was unchanged owing to transfers of leases between ICA Real Estate and ICA Sweden. These transfers have no earnings effect in SEK but affect the operating margin slightly.

Earnings

Operating profit excluding items affecting comparability increased by SEK 11 million during the quarter. The acquisition of the logistics property in Västerås in April 2020 affected operating profit by approximately SEK +4 million compared to 2020. In other respects, the increase in revenue during the quarter was countered by higher depreciation and slightly higher costs. Covid-19 effects for the quarter, which were entirely related to increases in sales-based rents, are estimated to be approximately SEK +7 million (-6).

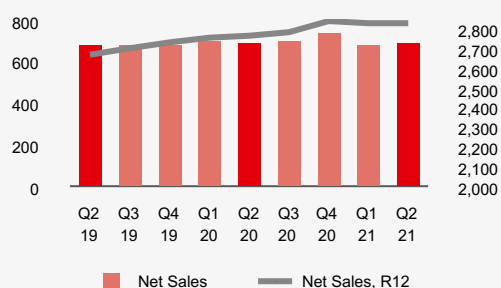
Other and investments

Operating profit for the quarter includes a net earnings effect of SEK 11 million (0) from property sales/impairment losses. Investments during the quarter were lower than a year ago, which is mainly explained by the acquisition of the logistics property in Västerås during the second quarter of 2020. Divestments were higher than in the same period a year ago and was primarily related to store properties.

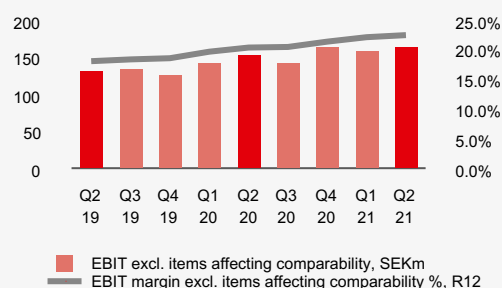
Key data

	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Net sales, SEKm	696	696	0.1	1,385	1,396	-0.8	2,829	2,840
Of which, rental income from owned properties	332	295	12.5	656	571	14.9	1,298	1,213
Operating profit before depreciation/amortisation (EBITDA), SEKm	326	285	14.4	660	551	19.8	1,247	1,138
Operating profit excl. items affecting comparability, SEKm	165	154	7.2	325	296	9.7	632	603
Of which, share in profit of JV companies Ancore and Secore	24	21	10.5	48	45	5.1	97	94
Operating margin excl. items affecting comparability, %	23.7	22.1	—	23.4	21.2	—	22.3	21.2
Investments, SEKm	172	1,512	-88.6	458	1,926	-76.2	1,537	3,005
Divestments, SEKm	41	0	100.0	198	29	582.8	198	29
Depreciation/amortisation, SEKm	145	131	10.6	290	253	14.6	570	533
Yield, %	—	—	—	7.0	7.0	—	—	7.0
Occupancy rate, %	—	—	—	98.5	98.3	—	—	98.5
Number of owned properties	—	—	—	130	129	—	—	136
Number of owned square metres, 000 sq. m.	—	—	—	856	829	—	—	822
Average number of employees	—	—	—	117	111	—	—	111

Net sales, SEKm



EBIT and EBIT margin



ICA Bank

ICA Bank and ICA Insurance (which is part of ICA Bank's operations) 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.

Net sales

ICA Bank's revenue, including ICA Insurance, increased during by SEK 66 million during the quarter, owing to higher net interest income and higher premium revenue. The increase in net interest income is essentially attributable to the completed acquisition of Forex's consumer portfolios, which contributed slightly more than SEK 30 million. Underlying performance, mainly loan volume, remained negative on account of the pandemic.

Earnings

Operating profit excluding items affecting comparability decreased by SEK 71 million during the quarter. The outcome includes a one-off accounting effect of SEK 60 million related to the completion of the aforementioned acquisition. This one-off effect, together with normal loan losses associated with the acquired portfolio, accounts essentially for the negative deviation in loan losses of SEK 75 million compared with the preceding year. The Forex deal also gave rise to certain integration costs during the quarter – together totalling approximately SEK 17 million – however, given the increased revenue described above, the deal made a positive contribution to operating profit exclusive of loan losses. The estimated Covid-19 effect on the bank's operating profit for the second quarter was approximately SEK -30 million (-8), mainly owing to a larger negative revenue impact than in the preceding year.

Operating profit for ICA Insurance was unchanged despite higher revenue, which can be explained by unfavourable claims experience during the quarter.

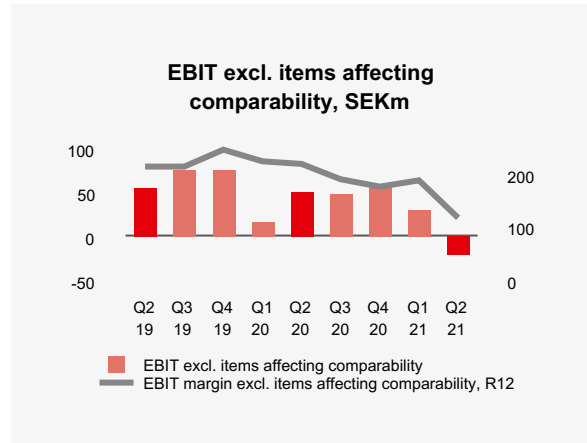
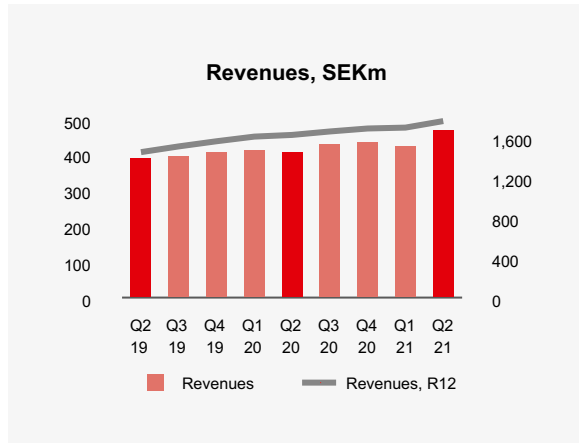
Other

The Forex deal was completed on 17 May and brought the bank slightly more than 200,000 new customers and an increase in business volume of more than SEK 12 billion (deposits, approx. SEK 6 billions, and consumer loans, approx. SEK 6 billions).

Key data

	Second quarter			Jan-jun			12 months	Full year
	2021	2020	%	2021	2020	%	Jul 2020 - Jun 2021	2020
Revenue, SEKm	474	408	16.1	900	825	9.1	1,774	1,699
Of which, net interest income	203	168	20.8	376	341	8.9	735	700
Of which, net commission income	60	57	4.9	115	126	16.9	241	252
Of which, premium revenue	184	156	17.6	354	303	29.9	685	634
Operating profit before depreciation/amortisation (EBITDA), SEKm	-16	56	-128.3	18	79	-77.8	136	197
Operating profit before items affecting comparability, SEKm	-21	50	-142.9	8	67	-88.5	115	174
Of which, ICA Insurance	2	2	0.3	-5	-7	29.9	3	1
C/I ratio, %	—	—	—	81.0	79.2	—	—	78.5
Return on equity, % ¹⁾	—	—	—	3.3	7.5	—	—	5.6
Loan loss ratio, %	—	—	—	-1.8	-1.4	—	—	-1.3
Common Equity Tier 1 ratio, % (ICA Banken AB)	—	—	—	13.9	14.0	—	—	14.0
Business volume, SEKm	—	—	—	53,845	47,335	—	—	38,722
Average number of employees	—	—	—	447	438	—	—	440

¹⁾ The calculation of return on equity for ICA Bank is adjusted with the effect of Group contributions. The definition of return on equity for ICA Bank was changed in 2021, and the value for 2020 has been recalculated according to the new definition.



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 as well as 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 43-48 in ICA Gruppen's 2020 Annual Report.

Related party transactions

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

Parent Company - second quarter

The Parent Company's net sales amounted to SEK 312 million (304). Profit after financial items totalled SEK 1,791 million (3,434). The change compared with the corresponding period a year ago is mainly attributable to dividends. Interest expenses attributable to bonds decreased compared with the preceding year in connection with refinancing.

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 entitlement to dividends. During 2021 through 30 June the share price increased by 3.1% to SEK 398. The OMX Stockholm index was +19.3% during the same period.

Ownership structure – largest identified shareholders in ICA Gruppen as per 30 June 2021

	Number of shares	Share of capital and votes, %
ICA-handlarnas Förbund	108,643,330	54.0
Spiltan Fonder	4,811,520	2.4
Black Rock	4,411,012	2.2
Handelsbanken Fonder	2,589,042	1.3
Vanguard	2,418,263	1.2
Livförsäkringsbolaget Skandia	1,312,349	0.7
SEB Fonder	1,296,483	0.6
Första AP-fonden	1,290,933	0.6
Leif Jönsson	1,279,601	0.6
Swedbank Robur	1,047,732	0.5
Ten largest shareholders total	129,100,265	64.1
Other shareholders	72,046,530	35.9
Total	201,146,795	100.0
Of which, foreign shareholders in total	36,720,204	18.3

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

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Second quarter		Jan-jun		12 months	Full year
		2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Net sales		32,401	31,924	63,004	62,290	126,997	126,283
Cost of goods and services sold		-26,872	-26,586	-52,312	-51,695	-105,356	-104,739
Gross profit		5,529	5,337	10,692	10,595	21,641	21,544
Selling expenses		-3,309	-3,111	-6,421	-6,278	-12,712	-12,569
Administration expenses		-927	-886	-1,838	-1,768	-3,705	-3,635
Other operating income		143	99	256	192	505	441
Share of profits of associates and joint ventures	2	10	12	22	20	52	50
Operating profit (EBIT) excl items affecting comparability		1,446	1,452	2,710	2,762	5,779	5,831
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	32	3	62	5	63	6
Impairment and impairment reversals	3	-12	—	-16	-3	-76	-63
Operating profit	7	1,466	1,454	2,756	2,763	5,767	5,774
Financial income		4	5	6	8	15	17
Financial expenses	7	-104	-121	-205	-250	-438	-483
Net financial items		-100	-116	-199	-242	-423	-466
Profit before tax		1,365	1,338	2,557	2,521	5,344	5,308
Tax		-226	-363	-434	-570	-999	-1,135
Profit for the period		1,139	976	2,123	1,952	4,344	4,173
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax							
Remeasurement defined benefit pensions		—	-215	398	-215	514	-99
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		-27	-138	17	18	-76	-75
Change in hedging reserve		3	-120	167	-95	105	-157
Share of other comprehensive income of joint ventures		2	1	5	1	8	4
Total items that may be reclassified to profit or loss		-22	-257	190	-76	38	-228
Comprehensive income for the period		1,116	503	2,710	1,660	4,896	3,846
Profit for the period attributable to							
Owners of the parent		1,134	971	2,111	1,943	4,321	4,153
Non-controlling interests		6	3	12	8	24	20
Comprehensive income for the period attributable to							
Owners of the parent		1,110	498	2,698	1,649	4,872	3,823
Non-controlling interests		6	5	12	11	24	23
Earnings per share, SEK							
Earnings per share		5.64	4.83	10.49	9.66	21.48	20.65

Condensed consolidated statement of financial position

SEKm	Note	30 June 2021	30 June 2020	31 December 2020
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		12,902	12,932	12,895
Other intangible assets		2,094	1,945	1,990
Land, buildings and investment properties		18,064	17,228	17,936
Right of use assets	7	15,159	15,487	15,054
Interests in joint ventures and associates	2	1,293	1,207	1,287
ICA Bank's lending and investments		20,984	13,925	15,591
Deferred tax assets		54	63	62
Other non-current assets		2,700	2,555	2,629
Total non-current assets		89,551	81,643	83,744
Current assets				
Inventories		4,722	4,653	4,731
ICA Bank's lending and investments		3,991	3,763	3,063
Other current assets		8,235	7,535	8,108
Assets held for sale	4	2	131	157
ICA Bank's cash and cash equivalents		5,204	3,630	3,276
Cash and cash equivalents		381	1,937	1,309
Total current assets		22,535	21,649	20,644
TOTAL ASSETS		112,086	103,292	104,388
EQUITY AND LIABILITIES				
Equity				
Equity		35,302	34,277	35,226
Non-current liabilities				
Provisions		3,888	4,337	4,272
Deferred tax liabilities		4,026	3,792	3,970
Non-current interest-bearing liabilities		3,759	4,673	4,173
Non-current lease liabilities		11,856	12,012	11,903
Other non-current liabilities		108	151	183
Total non-current liabilities		23,637	24,965	24,500
Current liabilities				
Current interest-bearing liabilities		2,886	2,512	2,040
Deposits ICA Bank		26,739	18,724	19,293
Current lease liabilities		3,256	3,315	3,096
Other current liabilities		20,266	19,498	20,233
Total current liabilities		53,148	44,049	44,661
TOTAL EQUITY AND LIABILITIES		112,086	103,292	104,388

Condensed consolidated statement of cash flows

SEKm	Note 5	Second quarter		Jan-jun		12 months	Full year
		2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Operating profit		1,466	1,454	2,756	2,763	5,767	5,774
Depreciation, amortisation and impairment		1,369	1,321	2,710	2,636	5,442	5,368
Dividend from joint ventures		25	50	25	50	75	100
Other non-cash items		12	95	-89	37	3	129
Income tax paid		-309	-311	-581	-705	-954	-1,078
Cash flow from operating activities before change in working capital		2,564	2,609	4,821	4,781	10,333	10,293
Change in working capital:							
Inventories		87	271	-46	-81	-164	-199
Current receivables		50	32	-85	33	-662	-544
Current liabilities		456	48	423	337	1,229	1,143
ICA Bank's net of deposits, lending and investments		50	1,062	1,127	1,333	744	950
Cash flow from operating activities		3,206	4,021	6,241	6,402	11,480	11,641
Acquisitions of property, plant and equipment and intangible assets		-695	-2,167	-1,494	-3,159	-3,707	-5,372
Sale of property, plant and equipment and intangible assets		99	13	257	73	265	81
Change in financial assets		5	-1	79	50	114	85
Interest received		0	1	1	3	3	5
Investments in joint ventures and associated companies		—	—	-5	-11	-102	-108
Cash flow from investing activities		-591	-2,153	-1,162	-3,044	-3,427	-5,309
Dividend paid to shareholders of ICA Gruppen AB		-2,615	-1,207	-2,615	-1,207	-3,822	-2,414
Change in loans		88	20	436	2,147	-472	1,239
Interest paid		-28	-21	-45	-41	-113	-109
Interest paid lease debts		-78	-81	-154	-164	-311	-321
Amortisation lease debts		-819	-788	-1,687	-1,672	-3,270	-3,255
Capital contributions, acquisitions, and dividends relating to non-controlling interests		-20	-20	-20	-20	-50	-50
Cash flow from financing activities		-3,472	-2,097	-4,085	-957	-8,039	-4,911
Cash flow for the period		-856	-229	994	2,401	15	1,422
Cash and cash equivalents at beginning of period		6,441	5,801	4,584	3,157	5,567	3,157
Exchange differences in cash and cash equivalents		0	-5	6	9	2	5
Cash and cash equivalents at end of period		5,585	5,567	5,585	5,567	5,585	4,584

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2021	35,013	213	35,226
Dividend	-2,615	-20	-2,635
Comprehensive income for the period	2,698	12	2,710
Closing equity, 30 June 2021	35,096	205	35,302

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2020	33,604	240	33,844
Dividend	-1,207	-20	-1,227
Comprehensive income for the period	1,649	11	1,660
Closing equity, 30 June 2020	34,047	231	34,277

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 2020 Annual Report. There are no new or amended IFRSs or IFRS IC pronouncements that have an effect on the 2021 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 millions of Swedish kronor (SEKm), unless stated otherwise. Rounding differences may occur.

New IASB standards to be applied after 2021 with relevance for ICA Gruppen

There are no new or amended, endorsed IFRSs that are believed will affect the financial statements after 2021. It is believed that IFRS 17 Insurance Contracts will have a limited effect on ICA Gruppen's financial statements. ICA Gruppen is monitoring the outcome of the approval process for IFRS 17.

Estimated effects of the Covid-19 pandemic

The estimated effects of the Covid-19 pandemic are described in the business review of ICA Gruppen including the segments.

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 to be reasonable based on the current circumstances. Estimated effects of the Covid-19 pandemic have been taken into account. The results of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are now 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 SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Ancore Fastigheter AB	19	13	34	29	69	64
Secore Fastigheter AB	5	8	14	16	28	30
MD International AB (Min Doktor)	-7	-9	-19	-25	-37	-43
Fastighetsaktiebolaget Postgården AB	0	0	0	0	0	0
IISÅ Holdco AB	-6	—	-6	—	-6	—
Total	10	12	22	20	52	50

Book value, SEKm	30 June		31 December
	2021	2020	2020
Ancore Fastigheter AB	739	736	725
Secore Fastigheter AB	152	125	138
MD International AB (Min Doktor)	372	321	391
Fastighetsaktiebolaget Postgården AB	7	7	7
IISÅ Holdco AB	24	17	26
Total	1,293	1,207	1,287

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 SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Income	121	123	243	246	489	492
Expenses	-53	-47	-114	-101	-224	-211
Operating profit	69	75	128	145	264	281
Net financial items	-19	-38	-38	-65	-80	-107
Tax	-12	-10	-22	-21	-45	-44
Profit for the period	38	27	69	59	139	129
Other comprehensive income	4	2	11	2	18	9
Comprehensive income for the period	42	29	79	61	156	138
Non-current assets			5,463	5,493		5,475
Current assets			201	189		188
Total assets			5,664	5,682		5,663
Equity			1,419	1,412		1,390
Non-current liabilities			4,109	4,099		4,120
Current liabilities			136	171		153
Total equity and liabilities			5,664	5,682		5,663

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	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
SEKm						
Income	46	45	92	91	184	183
Expenses	-32	-23	-55	-46	-109	-100
Operating profit	14	23	37	46	75	84
Net financial items	-6	-7	-13	-14	-27	-28
Tax	-2	-4	-6	-8	-13	-15
Profit for the period	5	11	18	23	36	41
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	5	11	18	23	36	41
Non-current assets			2,343	2,356		2,365
Current assets			77	33		49
Total assets			2,421	2,388		2,414
Equity			806	770		788
Non-current liabilities			1,562	1,565		1,565
Current liabilities			52	52		61
Total equity and liabilities			2,421	2,388		2,414

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 owns, through Apotek Hjärtat, 46.51% of the company. 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.

Information regarding IISÅ Holdco AB

In partnership with Ålandsbanken, Ikano Bank, Söderberg & Partners and Borgo, ICA Bank has continued work in 2021 on establishing a jointly owned mortgage company in the Swedish market. The necessary permits have been received from the Swedish Financial Supervisory Authority. Operations are planned to commence during the second half of 2021. The jointly owned company is an associated company in ICA Gruppen, and accounting is conducted according to the equity method.

NOTE 3 | ITEMS AFFECTING COMPARABILITY

SEKm	Second quarter		Jan-jun		Full year
	2021	2020	2021	2020	2020
Capital gains/losses net on sale of subsidiaries and non-current assets					
Rimi Baltic	21	2	22	2	3
ICA Real Estate	11	0	41	2	2
Other	—	1	—	1	1
Total	32	3	62	5	6
Impairment and impairment reversals					
Rimi Baltic	-12	—	-16	-3	-12
ICA Real Estate	—	—	—	—	-7
ICA Bank	—	—	—	—	-8
Other	—	—	—	—	-37
Total	-12	—	-16	-3	-63
Total items affecting comparability	20	3	46	2	-58

NOTE 4 | ASSETS AND LIABILITIES HELD FOR SALE

Assets held for sale pertain to properties in Sweden and the Baltic countries.

NOTE 5 | CONSOLIDATED CASH FLOW STATEMENT (excl. ICA Bank)

SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Cash flow from operating activities before change in working capital	2,590	2,572	4,825	4,741	10,217	10,133
Change in working capital						
Inventories	87	271	-46	-81	-164	-199
Current receivables	72	61	-53	88	-554	-413
Current liabilities	433	8	230	173	979	922
Cash flow from operating activities	3,181	2,911	4,957	4,920	10,480	10,444
Cash flow from investing activities	-566	-2,128	-1,105	-2,990	-3,299	-5,184
Cash flow from financing activities	-4,171	-2,099	-4,786	-849	-8,739	-4,802
Cash flow for the period	-1,556	-1,315	-934	1,081	-1,558	457
Cash and cash equivalents at the beginning of the period			1,309	846		846
Exchange differences in cash and cash equivalents			6	9		5
Cash and cash equivalents at the end of the period			381	1,937		1,309

NOTE 6 | FINANCIAL INSTRUMENTS

As per 30 June 2021, financial assets at fair value in ICA Gruppen amounted to SEK 2,848 million (2,023). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 75 million (215) as per 30 June 2021. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value is higher than the carrying amount by SEK 17 million (less than the carrying amount by 7).

NOTE 7 | LEASES

Lease items in the Income statement, SEKm	Second quarter		Jan-jun		Full year
	2021	2020	2021	2020	2020
Total lease revenue incl variable revenue	772	721	1,523	1,445	2,914
Variable lease expenses	-34	-35	-59	-59	-115
Interest expenses, lease liabilities	-78	-81	-154	-164	-321

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	Second quarter		Full year
	2021	2020	2020
At start of year	15,054	16,142	16,142
Changed and new contracts	1,774	1,059	2,438
Depreciation	-1,691	-1,726	-3,421
Translation differences	23	12	-105
Book value	15,159	15,487	15,054

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

NOTE 8 | ACQUISITIONS

In May 2021 ICA Bank acquired a portfolio of customer deposit and consumer loan business from Forex, which was announced in a press release on 22 December 2020. Further information about the acquisition is provided in the sections about the Group and ICA Bank.

Condensed parent company income statement

SEKm	Second quarter		Jan-jun		12 months	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Net sales ¹⁾	312	304	632	598	1,226	1,192
Cost of services sold	-301	-295	-591	-569	-1,159	-1,137
Gross profit	11	9	41	29	67	55
Administrative expenses	-112	-117	-224	-224	-460	-460
Operating profit/loss	-101	-109	-183	-195	-393	-405
Profit/loss from participations in Group companies	1,850	3,500	1,850	3,500	1,850	3,500
Financial income, Group companies	49	69	102	132	257	287
Financial income	9	5	18	5	25	12
Financial expenses	-17	-32	-33	-65	-80	-112
Profit/loss after financial items	1,791	3,434	1,754	3,378	1,659	3,283
Appropriations	—	—	—	—	211	211
Profit before tax	1,791	3,434	1,754	3,378	1,870	3,494
Tax	13	14	20	25	-5	—
Profit for the period	1,804	3,447	1,775	3,403	1,866	3,494

¹⁾ Of net sales for the second quarter, SEK 311 million (302) pertained to Group companies.

Condensed parent company balance sheet

SEKm	30 June 2021	30 June 2020	31 December 2020
ASSETS			
Non-current assets			
Investments in Group companies	30,402	29,702	29,702
Other intangible assets	155	137	143
Deferred tax assets	27	25	28
Non-current receivables from Group companies	1,369	1,123	1,357
Other non-current assets	258	214	223
Total non-current assets	32,210	31,201	31,452
Current assets			
Current receivables from Group companies	17,389	19,564	20,079
Other current assets	313	380	505
Cash and cash equivalents	113	1,602	877
Total current assets	17,816	21,546	21,461
TOTAL ASSETS	50,026	52,747	52,912
EQUITY AND LIABILITIES			
Equity	35,855	37,815	36,692
Provisions	465	445	456
Non-current liabilities			
Non-current interest-bearing liabilities	3,750	3,750	3,250
Other non-current liabilities	64	102	136
Total non-current liabilities	3,814	3,852	3,386
Current liabilities			
Current interest-bearing liabilities	1,974	2,512	2,040
Current liabilities to Group companies	7,530	7,676	9,824
Other current liabilities	388	446	514
Total current liabilities	9,892	10,634	12,379
TOTAL EQUITY AND LIABILITIES	50,026	52,747	52,912

Quarterly overview

Quarterly overview key ratios

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Net sales, SEKm	29,818	30,850	30,366	31,924	31,400	32,593	30,602	32,401
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,894	2,576	2,624	2,774	3,026	2,716	2,631	2,836
Operating profit excl. items affecting comparability, SEKm	1,599	1,267	1,310	1,452	1,698	1,371	1,264	1,446
Operating margin excl. items affecting comparability, %	5.4	4.1	4.3	4.5	5.4	4.2	4.1	4.5
Operating profit, SEKm	1,595	1,249	1,309	1,454	1,686	1,325	1,290	1,466
Operating margin, %	5.3	4.0	4.3	4.6	5.4	4.1	4.2	4.4
Profit before tax, SEKm	1,469	1,122	1,183	1,338	1,572	1,215	1,191	1,365
Profit for the period, SEKm	1,202	915	976	976	1,302	919	984	1,139
Earnings per share, SEK	5.96	4.52	4.83	4.83	6.45	4.54	4.86	5.64
Equity per share, SEK	163.23	167.06	172.79	169.26	168.75	174.07	181.96	174.49
Share price at the end of period, SEK	454.80	437.20	417.90	441.80	455.30	410.90	427.00	398.30
Return on equity, %	10.0	10.1	10.6	11.8	12.0	11.7	11.6	12.2
Return on capital employed, %	7.9	7.9	8.2	9.0	9.1	9.2	9.1	9.2
Cash flow from operating activities, SEKm	1,915	3,096	2,381	4,021	1,328	3,911	3,034	3,206
Cash flow per share from operating activities, SEK	9.52	15.39	11.84	19.99	6.60	19.45	15.08	15.95
Investing activities (cash flow), SEKm	762	811	992	2,167	802	1,411	799	695
Capital employed excl. ICA Bank, average, SEKm	59,080	59,278	59,799	60,102	60,821	61,355	61,631	61,518
Net debt, SEKm	-21,233	-20,117	-20,134	-20,573	-21,734	-19,901	-20,164	-21,375
Net debt/EBITDA	2.1	2.0	1.9	1.9	2.0	1.8	1.8	1.9

Quarterly data by segment

Net sales by segment								
SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
ICA Sweden	21,494	22,020	21,430	23,496	23,035	23,723	22,074	23,376
Rimi Baltic	4,044	4,279	4,098	4,051	3,946	4,278	4,067	4,313
Apotek Hjärtat	3,553	3,813	4,087	3,638	3,648	3,805	3,706	3,923
ICA Real Estate	681	688	700	696	699	745	689	696
ICA Bank	399	410	417	408	434	440	426	474
Other	288	309	319	322	323	318	349	331
Intra-Group sales	-641	-668	-684	-687	-686	-715	-709	-712
Net sales	29,818	30,850	30,366	31,924	31,400	32,593	30,602	32,401

Operating profit before depreciation/amortisation by segment (EBITDA)								
SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
ICA Sweden	1,255	980	1,061	1,264	1,361	1,165	1,100	1,175
Rimi Baltic	300	306	249	250	328	284	257	356
Apotek Hjärtat	146	152	168	107	144	131	65	177
ICA Real Estate	260	248	266	285	282	305	334	326
ICA Bank	83	81	23	56	54	64	34	-16
Other	-52	-91	-58	-85	-35	-125	-50	-72
Operating profit before depreciation/ amortisation (EBITDA) by segment	1,993	1,674	1,709	1,878	2,134	1,825	1,739	1,947
IFRS 16	901	901	916	896	892	892	892	889
Operating profit before depreciation/ amortisation (EBITDA)	2,894	2,576	2,624	2,774	3,026	2,716	2,631	2,836

Operating profit excluding items affecting comparability by segment								
SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
ICA Sweden	1,111	827	916	1,113	1,208	1,003	942	1,007
Rimi Baltic	211	213	152	147	227	177	148	225
Apotek Hjärtat	109	117	130	66	101	86	22	132
ICA Real Estate	136	126	142	154	143	164	160	165
ICA Bank	76	74	17	50	47	60	29	-21
Other	-85	-133	-92	-120	-71	-163	-85	-108
Operating profit excluding items affecting comparability by segment	1,558	1,223	1,266	1,410	1,656	1,326	1,216	1,400
IFRS 16	42	42	44	42	43	46	48	47
Operating profit excluding items affecting comparability	1,599	1,267	1,310	1,452	1,698	1,371	1,264	1,446

Operating margin, %, by segment								
SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
ICA Sverige	5.2	3.8	4.3	4.7	5.2	4.2	4.3	4.3
Rimi Baltic	5.2	5.0	3.7	3.6	5.8	4.1	4.5	5.2
Apotek Hjärtat	3.1	3.1	3.2	1.8	2.8	2.2	2.0	3.4
ICA Fastigheter	19.9	18.3	20.3	22.1	20.4	22.1	23.4	23.7
Group	5.3	4.0	4.3	4.6	5.4	4.1	4.4	4.5

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 multiple 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	Full year
	2021	2020	2021	2020	Jul 2020 - Jun 2021	2020
Operating profit	1,466	1,454	2,756	2,763	5,767	5,774
Depreciation/amortisation	1,357	1,321	2,694	2,633	5,366	5,305
Impairment and impairment reversals	12	—	16	3	76	63
Operating profit before depreciation/amortisation (EBITDA)	2,836	2,774	5,467	5,399	11,209	11,141

Avstämning EBITDA

SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Operating profit excl IFRS 16	1,552	1,207	1,265	1,412	1,643	1,279	1,243	1,424
Depreciation/amortisation excl IFRS 16	434	452	441	466	477	500	493	510
Impairment and impairment reversals	6	15	3	—	13	47	4	12
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,993	1,674	1,709	1,878	2,134	1,825	1,739	1,947
IFRS 16 Operating profit	42	42	43	42	43	46	48	42
IFRS 16 Depreciation/amortisation	859	859	872	854	849	846	844	847
Operating profit before depreciation/amortisation (EBITDA)	2,894	2,576	2,624	2,774	3,026	2,716	2,631	2,836

Reconciliation Net debt excluding ICA Bank

SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Non-current interest-bearing liabilities	-3,713	-2,713	-3,761	-4,673	-4,173	-4,173	-4,671	-3,759
Current interest-bearing liabilities	-1,926	-2,340	-3,414	-2,512	-3,021	-2,044	-1,875	-2,885
Cash and cash equivalents	334	846	3,256	1,937	827	1,309	1,937	381
Net debt excl IFRS 16	-5,304	-4,207	-3,919	-5,248	-6,367	-4,904	-4,610	-6,264
Non-current lease liabilities	-12,527	-12,521	-12,790	-12,011	-12,063	-11,902	-12,265	-11,855
Current lease liabilities	-3,402	-3,389	-3,425	-3,314	-3,303	-3,095	-3,290	-3,256
Net debt	-21,233	-20,117	-20,134	-20,573	-21,734	-19,901	-20,165	-21,375

Reconciliation Capital employed excluding ICA Bank

SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Equity	33,075	33,844	35,001	34,277	34,165	35,226	36,820	35,302
Provisions for pensions	3,843	3,928	3,979	4,301	4,623	4,256	3,807	3,859
Other provisions	8	37	31	30	13	7	24	21
Non-current interest-bearing liabilities	3,713	2,713	3,761	4,673	4,173	4,173	4,671	3,759
Current interest-bearing liabilities	1,926	2,340	3,414	2,512	3,021	2,044	1,875	2,885
Other non-current liabilities	23	87	63	151	137	183	90	108
Non-current lease liabilities	12,527	12,521	12,790	12,011	12,063	11,902	12,265	11,855
Current lease liabilities	3,402	3,389	3,425	3,314	3,303	3,095	3,290	3,256
Capital employed	58,517	58,859	62,465	61,270	61,500	60,887	62,843	61,046
Average capital employed	59,080	59,278	59,799	60,102	60,821	61,355	61,631	61,518

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. 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, 18 August 2021

Claes-Göran Sylvén
Chairman of the Board

Cecilia Daun Wennborg

Lennart Evrell

Andrea Gisle Joosen

Fredrik Hägglund

Magnus Moberg

Fredrik Persson

Bo Sandström

Charlotte Svensson

Anette Wiotti

Jonathon Clarke

Magnus Rehn

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Contacts and calendar

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Conference call for the media and financial market

ICA Gruppen will hold a webcast conference call at 10.00 CET on Wednesday, 18 August, 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/investerare. To participate, call tel. Sweden +46850558354 or UK +443333009032.

Calendar

28 October 2021	Q3 interim report
14 December 2021	Capital Markets Day
9 February 2022	Year-end report 2021

The information in this report is such that ICA Gruppen AB is obligated to disclose pursuant to the 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, 18 August 2021.

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, visit icagruppen.se.

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