



Challenging market situation

- Continued high inflationary pressure on food products led to falling volumes
- Earnings for Rimi Baltic weighed down by sharply higher energy prices
- Operating profit includes SEK 300 million in capital gains on sales of properties in Sweden
- Nina Jönsson appointed as new CEO – taking office on 1 January 2023

Important future events

- The Swedish Companies Registration Office has announced that the merger between ICA Gruppen and Murgröna can be executed on 1 November 2022

Key data

Group, SEKm	Third quarter			Jan-Sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Net sales	34,533	32,094	7.6	100,706	95,098	5.9	133,566	127,957
Operating profit before depreciation/amortisation (EBITDA)	3,458	3,197	8.2	9,627	8,664	11.1	12,371	11,408
Operating profit excluding items affecting comparability	1,694	1,818	-6.8	4,501	4,528	-0.6	5,799	5,826
Operating profit	1,991	1,815	9.7	5,262	4,572	15.1	6,567	5,876
Operating margin excluding items affecting comparability, %	4.9	5.7	—	4.5	4.8	—	4.3	4.6
Profit before tax	1,871	1,713	9.2	4,903	4,270	14.8	6,111	5,478
Profit for the period	1,586	1,389	14.2	4,289	3,511	22.2	5,332	4,554
Cash flow from operating activities excluding ICA Bank	2,124	2,318	-8.4	7,482	7,275	2.8	9,861	9,654
Return on capital employed, %	—	—	—	9.5	9.4	—	—	9.2
Return on equity, %	—	—	—	13.2	12.2	—	—	12.7
Net debt	—	—	—	-17,986	-20,207	—	—	-20,915

CEO's comments

Since late summer the difficult economic situation has become tangible for all of us, and higher costs are significantly affecting the behaviour of our customers, who are prioritising low prices and buying a greater share of discount products when they shop. In the short- and medium-term this means that we at ICA must be even better at offering price value, strengthen customer loyalty and ensure a competitive cost level throughout the entire company. The importance of this is extra clear given the outcome for the third quarter, with slightly narrower grocery retail margins and unsatisfactory sales growth.



Food price inflation in Sweden was 14.5% during the third quarter, and in the Baltics it ranged from 22% to 30% in the three countries. Sales growth was high in our grocery retail businesses, but the rate of inflation was even higher, which translates to falling volumes. In both Sweden and Rimi Baltic our store sales are not growing in pace with the market, which means we are losing market shares. In Sweden this is increasingly due to the prevailing price focus, where discount alternatives are growing in importance. Our focus on price value and strengthening customer loyalty will therefore be intensified. We are seeing the same thing in the Baltic countries, where new discounters have entered the market. This trend is not unique and is prevalent in grocery retail markets across Europe. As for Apotek Hjärtat, we continue to note favourable growth both in physical pharmacies and online, and during the quarter we took market shares. We have thereby further strengthened our market-leading position in the pharmacy market.

Higher costs in the grocery retail operations, but positive development for ICA Bank and ICA Real Estate

We posted a slightly weaker operating profit excluding items affecting comparability for the third quarter. It is above all Rimi Baltic that had weaker earnings, largely owing to the fact that higher energy costs are not yet fully reflected in our pricing. In Sweden, too, the operating margin was lower, but earnings in kronor are stable. In addition to smaller sales volumes, ICA Sweden has been affected mainly by higher logistics and transport costs, while higher energy prices are something that impact ICA stores to a higher degree. Apotek Hjärtat's earnings have also been affected by higher costs. In part we have higher costs if we compare with the very low cost level in pharmacies during the pandemic last year, and in part one-off costs attributable to the successful move to the new e-commerce warehouse that was carried out in September. Despite the move we managed to strengthen our online market shares, which bodes well for performance going forward. ICA Bank's earnings improved and benefited from developments in the interest rate market, and ICA Real Estate posted higher earnings driven by higher revenue from completed investments. In addition, sales of properties strengthened ICA Real Estate's operating profit by slightly more than SEK 300 million.

Building on our strengths in a tough situation

We find ourselves in a challenging situation in the world around us, which shows no signs of easing in the near future. This entails continued pressure on value chains and high inflation, with significantly rising prices and reductions in disposable income for our customers, who are now being forced to take a close look at their expenses and refrain from certain purchases or prioritise others – both in Sweden and even more so in the Baltic countries. In this regard, from our side we need to work hard together with the ICA retailers to offer price value and competitive offerings to our customers in an effort to make life easier in a tougher situation.

The work with this is ongoing continuously, but we have stepped up the pace considerably. This goes for how we will conduct promotional campaigns and focus on our private labels as well as for using our loyalty programmes in the best way possible. Our "Stammis" programme in Sweden has over five million members, and with this as a foundation we have – as I see it – clearly unique opportunities to also present broad offerings within our ecosystem – across businesses and channels. To enable stronger focus on price value and loyalty, it is also imperative that we succeed in parrying costs and become more efficient so that we can free up resources. Our work has intensified in this area as well.

We have good profitability, stable cash flows and a strong position in the market. We have all the conditions to succeed if we build further and employ our strengths in the right way. This pertains to, for example, having good knowledge about our customers and working closely with the ICA retailers to leverage the power of the entire ICA system. None of this goes against our long-term goals and strategies, but in a world that is now challenging us in many different ways, it is essential that we act quickly and adapt – something that ICA has proven to be good at more than once through history.

Per Strömberg
CEO ICA Gruppen

Group performance – third quarter

Net sales

Consolidated net sales increased by 7.6% compared with 2021. In local currencies the increase was 7.0%. Price effects were positive, mainly for Rimi Baltic and ICA Sweden, but strongly negative volume effects dampened sales growth. However, for Apotek Hjärtat and ICA Insurance, sales were driven primarily by increased volumes.

Net sales per segment

SEKm	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
ICA Sweden	24,777	23,192	6.8	72,124	68,642	5.1	95,724	92,242
Rimi Baltic	4,660	4,225	10.3	13,394	12,605	6.3	17,780	16,991
Apotek Hjärtat	4,182	3,846	8.7	12,600	11,475	9.8	16,656	15,531
ICA Real Estate	720	691	4.3	2,150	2,075	3.6	2,907	2,833
ICA Bank	594	521	14.1	1,651	1,421	16.2	2,161	1,931
Other	323	322	0.3	972	1,002	-3.0	1,304	1,334
Internal sales	-723	-702	3.0	-2,185	-2,123	3.0	-2,967	-2,904
Net sales	34,533	32,094	7.6	100,706	95,098	5.9	133,566	127,957

Operating profit

Operating profit excluding items affecting comparability decreased compared with 2021. Owing to lower sales volumes and rising costs, earnings were considerably lower especially for Rimi Baltic, down SEK -115 million compared with 2021. Apotek Hjärtat's result was slightly lower, while ICA Sweden's underlying earnings were at the same level as in 2021, given that earnings in the preceding year included a one-off item of approximately SEK +25 million. ICA Real Estate's earnings strengthened as did ICA Bank's, which were positively affected by rising market interest rates. Overall, price effects in operating profit were positive, while volume effects were strongly negative. Gross profit grew, while price inflation led to a decrease in the gross margin. In addition, owing to cost inflation – such as the high energy prices in the Baltics – the operating margin excluding items affecting comparability decreased to 4.9% (5.7%) and was lower for all retail segments. Profit for the period increased by SEK 197 million to SEK 1,586 million (1,389), which is explained by capital gains and a lower tax cost, which were partly countered by a worsening of net financial items. The net result of divestments and impairment losses totalled SEK +298 million (-2) during the period, where the outcome for the year is coupled to capital gains from sales of properties.

Operating profit excluding items affecting comparability per segment

SEKm	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
ICA Sweden	1,171	1,198	-2.3	3,001	3,147	-4.6	3,873	4,019
Rimi Baltic	117	232	-49.6	390	605	-35.5	570	784
Apotek Hjärtat	142	157	-9.4	444	311	43.0	578	444
ICA Real Estate	177	166	6.7	508	491	3.5	667	650
ICA Bank	112	88	27.4	258	95	170.8	344	181
Other	-103	-74	38.5	-313	-267	17.3	-492	-446
Operating profit excluding items affecting comparability, excl. IFRS 16 Leases	1,616	1,767	-8.5	4,290	4,383	-2.1	5,539	5,632
IFRS 16 Leases	78	51	53.4	211	145	45.6	260	194
Operating profit excluding items affecting comparability, incl. IFRS 16 Leases	1,694	1,818	-6.8	4,501	4,528	-0.6	5,799	5,826

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 in the quarter were SEK -18 million compared with a year ago, including an IFRS 16 effect of SEK -26 million. Other changes consisted mainly of higher interest expenses for the pension liability, which was compensated by a positive effect from lower bond debt and an increase in financial income.

The effective tax rate and tax cost were lower than in 2021, owing to tax-exempt capital gains on sales of properties during the quarter and associated effects. Paid tax was lower than a year ago, mainly owing to differences in paid preliminary taxes between the years.

Net financial items and tax	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Net financial items, SEKm	-120	-102	-359	-302	-456	-399
Of which, interest expenses, SEKm	-126	-102	-368	-307	-465	-404
Tax cost, SEKm	-285	-325	-614	-759	-779	-924
Effective tax rate, %	15.2	19.0	12.5	17.8	—	16.9
Paid tax, SEKm	-168	-212	-708	-794	-890	-976

Cash flow (excluding ICA Bank)

Cash flow from operating activities (excluding ICA Bank) decreased slightly compared with a year ago. The decrease is mainly attributable to a calendar-related negative change in working capital and slightly lower earnings.

The year-on-year difference in cash flow from investing activities is coupled to sales of properties, which were partly countered by higher investments in ICA Sweden and ICA Real Estate.

Cash flow from financing activities was at the same level as a year ago, and overall cash flow for the period excluding ICA Bank was approximately SEK 45 million higher than in 2021.

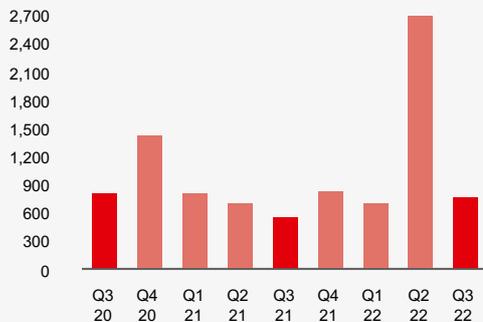
Effect of IFRS 16 on cash flow

During the third quarter of 2022, lease payments (interest and principal) amounted to SEK -987 million (-895).

Cash flow, Group excl. ICA Bank

SEKm	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
From operating activities before change in working capital	2,890	2,927	-1.3	7,821	7,752	0.9	10,370	10,301
Change in working capital	-766	-609		-339	-477		-509	-647
From operating activities	2,124	2,318	-8.4	7,482	7,275	2.8	9,861	9,654
Investing activities, net	-304	-534		-36	-1,639		-779	-2,382
Before financing activities	1,820	1,785	2.0	7,446	5,637	32.1	9,082	7,272
Financing activities, net	-1,624	-1,633		-4,045	-6,419		-4,907	-7,282
Cash flow for the period	196	151	29.9	3,402	-783	>200	4,175	-10

Investments (cash flow), SEKm



Investments

The Group's investments were higher than in the same period in 2021, mainly owing to a higher level of investment in ICA Sweden and ICA Real Estate, which in turn was mainly attributable to investments in stores, new warehouse capacity and IT.

Large investment projects include capacity investments in logistics properties, new establishments, store refurbishments and investments in the Group's e-commerce and IT.

Investments (cash flow) by segment

SEKm	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
ICA Sweden	329	191	777	707	1,069	1,000
Rimi Baltic	132	146	332	393	446	507
Apotek Hjärtat	22	45	132	161	178	208
ICA Real Estate	224	125	2,751	583	3,057	889
ICA Bank	22	18	71	72	105	106
Other	44	28	100	131	131	162
Investments	773	553	4,162	2,047	4,987	2,872

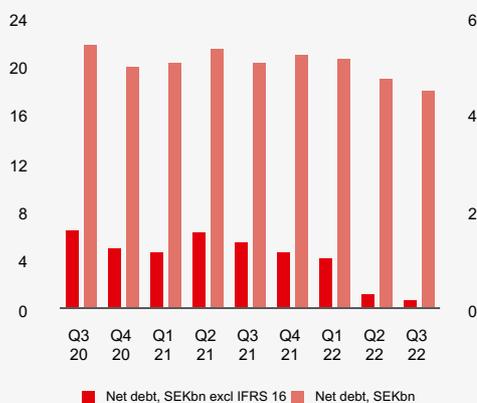
Depreciation/amortisation by segment

SEKm	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
ICA Sweden	189	175	562	500	751	689
Rimi Baltic	114	113	340	332	449	442
Apotek Hjärtat	50	46	149	135	198	184
ICA Real Estate	147	147	440	437	613	610
ICA Bank	10	6	26	16	33	22
Other	38	40	107	111	146	150
Depreciation/amortisation by segment	548	527	1,624	1,530	2,190	2,097
IFRS 16 Leases	914	849	2,733	2,540	3,596	3,403
Depreciation/amortisation	1,462	1,376	4,357	4,071	5,786	5,500

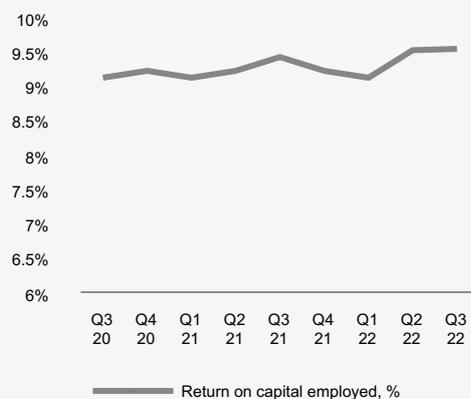
Net debt and return on capital employed

As per the end of the quarter the Group's net debt (excluding IFRS 16 lease liabilities, ICA Bank and pension liabilities) was approximately SEK 4.8 billion lower than a year ago. The lower level of net debt is attributable to completed divestments and stable cash flow from operating activities, which were partly countered by a higher level of investment and capital contributions to ICA Bank. The Group's net debt including IFRS 16 (excluding ICA Bank and pension liabilities) amounted to approximately SEK 18 billion (20.2) at the end of the quarter. As per 30 September 2022, net debt in relation to EBITDA was 1.5 (1.8), which is well below the Group's long-term target of <3.0. Return on capital employed was 9.5% (9.4%) on a rolling 12-month basis. For further comments on net debt and net debt in relation to EBITDA, see the section on Murgröna below.

Net debt and net debt/EBITDA



Return on capital employed, R12



Net debt (excl. ICA Bank and pension liability)

SEKm	30 June		Full year
	2022	2021	2021
Net debt	-17,986	-20,207	-20,915
Net debt excl. IFRS16	-618	-5,408	-4,680
Net debt/EBITDA	1.5	1.8	1.8

Performance for the period January–September 2022

ICA Gruppen's net sales increased by 5.9% during the period to SEK 100,706 million (95,098). In local currencies the increase was 5.2%. The increase is attributable to positive price effects in all operations, however, growth was dampened by relatively strong negative volume effects in ICA Sweden and Rimi Baltic.

Operating profit excluding items affecting comparability had stable development overall during the first nine months of the year and totalled SEK 4,501 million (4,528). Positive volume and mix effects led to significantly improved earnings for Apotek Hjärtat, and ICA Bank's earnings also improved. ICA Bank's earnings in the preceding year included a one-off accounting item of SEK -60 million coupled to the acquisition of Forex's customer portfolios, and earnings in the current year include approximately SEK +30 million for the dissolution of a claims reserve in ICA Insurance. ICA Sweden's earnings performance has been significantly affected by the start-up of e-commerce projects, such as the new, automated e-commerce warehouse in Stockholm. Added to this, logistics costs have increased during the year. In the preceding year ICA Sweden's earnings also included a one-off item of SEK +25 million. Rimi Baltic's earnings were considerably lower than a year ago, mainly owing to lower sales volume and sharply higher energy costs. On the whole, price effects during the year were positive, while volume effects were negative.

The operating margin excluding items affecting comparability was 4.5% (4.8%).

Profit for the period was SEK 4,289 million (3,511). In addition to the earnings changes described above, the improvement can be credited to capital gains on sales of properties during the second and third quarters, partly in connection with the formation of the new joint venture property company Trecore. Added to this is a lower tax cost, which can also be credited to the formation of Trecore. This development was countered to some extent by a worsening of net financial items. Earnings include the net result of divestments/impairment losses totalling SEK +762 million (+44).

Murgröna

On 6 May 2022 Murgröna Holding AB ("Murgröna") received advance access to all of the shares in ICA Gruppen AB through a compulsory buyout process. The companies have thereafter decided that ICA Gruppen will take over all of Murgröna's assets and liabilities through a reverse merger by way of absorption. The Swedish Companies Registration Office has announced that the merger between ICA Gruppen and Murgröna can be executed on 1 November 2022. Starting with the fourth quarter of 2022, ICA Gruppen and Murgröna are reported as one company.

If the merger had taken place as per 30 September, it would have had an effect above all on the Group's balance sheet and level of debt as well as on net financial items as outlined below (incl. IFRS 16). ICA Gruppen's reported figures for the third quarter of 2022 are shown in parentheses.

The Group's net debt (excl. ICA Bank) would have amounted to approximately SEK 47.7 billion (18.0), and the debt multiple Net debt/EBITDA (excl. ICA Bank) would have been 3.9 (1.5). Excluding IFRS 16, net debt would have been SEK 30.3 billion (0.6) and Net debt/EBITDA (excl. ICA Bank and IFRS 16) would have been 3.4 (0.1). Net financial items would have been approximately SEK -398 million (-120).

Murgröna does not conduct any operating activities.

Important events during the quarter

23 August 2022 – ICA Gruppen's CEO Per Strömberg has decided to leave ICA Gruppen, and his last day will be 31 December 2022. Nina Jönsson has been appointed as the new CEO of ICA Gruppen and will take office on 1 January 2023. See also the ICA Gruppen press release of 23 August at www.icagruppen.se.

23 August 2022 – ICA Sweden's CEO Anders E Svensson has decided to leave ICA and was succeeded on 1 September by Eric Lundberg, who was previously CEO of Apotek Hjärtat. He has been succeeded by Monika Magnusson, who has previously served as Director of Sales for Apotek Hjärtat. See also the ICA Gruppen press release of 23 August at www.icagruppen.se.

Important events after the end of the quarter

The Swedish Companies Registration Office has announced that the merger between ICA Gruppen and Murgröna can be executed on 1 November 2022.

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.

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
	Oct 2021 - Sept 2022	Oct 2020 - Sept 2021
Net zero emissions from own operations by 2030 (tonnes CO ₂ e)	88,567	81,798
Net zero emissions from own operations by 2030 (tonnes CO ₂ e / SEKm sales)	0.66	0.64
Cut the climate impact of customers' grocery purchases in half by 2030 (kg CO ₂ e/kg sold food)	1.78	1.79
Cut food waste in half by 2025 (food waste weight share)	1.56%	1.66%
Cut food waste in half by 2025 (development as % relative to base year 2016)	-14%	-9%

ICA Gruppen's climate impact from its own operations (stores, pharmacies, warehouses, offices and transports) is to be net zero by 2030. This requires reducing emissions as much as possible, at the same time that 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 during the period October 2021–September 2022 amounted to 88,567 tonnes of CO₂ equivalents (CO₂e). The greatest emissions increases have taken place in goods transports.

ICA's ambition is to cut the carbon footprint of customers' grocery purchases in half by 2030. During the period October 2021–September 2022 the carbon footprint of the food sold in ICA stores was 1.78 kg CO₂e per kg sold food. The base year for this target is 2020, for which a carbon footprint of 1.80 kg CO₂e per kg sold food was measured. Current data pertains to ICA Sweden (Rimi Baltic will be included in future reporting).

ICA Gruppen has set a target to cut food waste in half by 2025 (base year 2016). Since the base year 2016, food waste from warehouses and stores has decreased by 14%. The share of food waste by weight during the 12-month period was 1.56%. The decrease compared with the preceding 12-month period can be credited in part to improved routines in both warehouses and stores.

Electrification of ICA's transports

ICA Gruppen has set a target for road transports within the Group's Swedish companies to be entirely fossil-free by 2030 at the latest. In city regions the goal is to achieve this already by 2025. As part of this work, during the quarter some of the transports between ICA Sweden's warehouse in Helsingborg and a number of ICA stores in western and southern Skåne were electrified. This project is being conducted within the framework of ICA Sweden's cooperation with Volvo Trucks. The truck model that has now been put in traffic is a pre-series truck with longer range that allows for transports between cities. The vehicle is part of the REEL project, which is a national initiative in which leading Swedish players have joined together to accelerate the transition to electrified, emission-free heavy transports.

The cooperation between ICA Sweden and Volvo Trucks started at the end of 2020. The partnership covers several areas, the most central of which pertains to enabling electric transport solutions in Sweden, for transports both in city centres and for longer routes between cities. The ambition is to work together to lay the foundation for electric transport solutions by making use of existing technologies and jointly testing new technologies.

Certification of logistics property in accordance with BREEAM "Outstanding" rating

In August the logistics property for ICA's e-commerce warehouse in Gothenburg was the first to receive the BREEAM "Outstanding" environmental certification. The building, which is located in Arendal, Hisingen in Gothenburg, is owned by ICA Real Estate and was developed by NCC. The certification level is unique for logistics properties in Sweden.

Ready, steady, pick!

A large share of apples grown in home gardens are never eaten. To change this, during the quarter Rscued, Ståda Sverige and ICA Stiftelsen carried out a joint rescue initiative – Klara, färdiga, plocka! (Ready, steady, pick!). Anyone who lives in a house can download Rscued's app, register their garden and apple trees, and in such way give children and youths from sport clubs a chance to rescue the apples from their garden. The apples are sorted and pressed into cider by Rscued, filled into bottles and then sold as garden cider by local ICA retailers. All sport clubs that pick people's garden apples receive compensation towards their team coffers. The project runs from August through October, and an estimated 14 tonnes of donated apples will be picked, which translates to SEK 260,000 in compensation for 13 local sport clubs.

Health

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



Health indicators

Q3 2022

Number of products with reduced sugar, ICA Sweden ¹	3
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3

¹ Target under development.

During the quarter, three reduced-sugar products were launched: two quark products and one non-carbonated beverage.

Activities to promote physical activity

Encouraging and inspiring physical activity is a central feature of ICA's health ambition. Children and youths are particularly prioritised. Since 2020 ICA Stiftelsen has been supporting a Friskis&Svettis project aimed at getting more teen athletes to continue training and to reduce the number of young people who entirely give up on exercise. In connection with the start of school in autumn 2022, a pop-up gym container was set up at four high schools around Sweden, where students were given an opportunity to try out various forms of exercise free of charge along with free entry to their local Friskis&Svettis facility. In Estonia, Rimi Baltic – together with the Estonian Football Association – arranged a football camp for hundreds of children during the summer. In addition, Rimi Baltic has been supporting the Tallinn marathon for several years, and in September the first marathon was held since the pandemic began. Rimi Baltic has also been a years-long supporter of the Rimi Vilnius Marathon, the largest running event in Lithuania, which was held for the 19th time.

New approach to boosting consumption of fruits and vegetables in cooperation with Future Hub

At both ICA and Rimi Baltic a number of initiatives are being conducted to increase consumption of fruits and vegetables. This work involves promotional campaigns as well as technical innovation. During the quarter Rimi Baltic invited European startups to participate in developing innovative solutions that can contribute to the goal of increasing consumption. The initiative is being conducted in collaboration with the Future Hub accelerator programme. This is the third time that Rimi Baltic has collaborated with Future Hub. Previous projects addressed solutions for reducing food waste and reducing the use of plastics.

Initiatives to prevent mental illness – in uncertain times

Inflation, rising interest rates and falling prices in the housing market can contribute to greater uncertainty surrounding one's personal economy or even a tangible worsening – something that in turn can increase the risk for mental duress. To address this concern, during the autumn ICA Bank stepped up its efforts to offer advice on personal economy and useful tips on what private individuals should keep in mind during uncertain times.

Pink Ribbon

ICA has supported the Pink Ribbon movement since its start in 2003, and at the end of September this year's campaign got off to a start. In addition to selling pink ribbons and wristbands at ICA stores and Apotek Hjärtat pharmacies, more than 100 products are adorning pink packaging to signify that a portion of the price will be donated to Cancerfonden. This year's Pink Ribbon has been designed by Emma Örtlund, an actor and photo model known from, among other things, her role in the film "Catwalk – From Glada Hudik to New York".

Local

"Taking the ICA Idea and the unique local circumstances as our starting point, together with our customers, partners and suppliers we will contribute to positive development in communities and a stronger food system throughout the grocery chain."



Mobilisation for Swedish food

The prevailing situation in the world has led to sharply higher costs for many Swedish farmers and food producers. During the past half-year the situation has worsened further due to the ongoing war in Ukraine. To contribute to a better future for a thriving Swedish agricultural sector, during the quarter ICA carried out one of its most extensive marketing campaigns ever, with the message to continue choosing Swedish products. In parallel with this, ICA's work continues with assortment development along with meaningful efforts to facilitate Swedish and local food production through ICA's order portal for local vendors, adapted purchasing processes, and expanded and clearer guidance on Swedish and local products in stores.

Inclusion & diversity

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



Inclusion & diversity indicators	Q3 2022
50/50 gender balance in key positions, ICA Gruppen (women/men, %)	52/48

ICA's target is to achieve a 50/50 gender balance in key positions, which includes approximately 200 positions in ICA Gruppen. At the end of the quarter the breakdown of these positions was 52% women and 48% men.

Quality

"By being open and transparent we will actively take responsibility for quality and the impact of production on people, animals and the environment."



Quality indicators	12 months	12 months
	Oct 2021 - Sept 2022	Oct 2020 - Sept 2021
Share of socially audited suppliers of ICA Gruppen's corporate brand products in high-risk countries (%) ¹	94	93
Share of suppliers of ICA Gruppen's corporate brand products in high-risk countries with a valid follow-up social audit (%) ¹	91	88
Share of suppliers of ICA Gruppen's corporate brand products with quality certification (%) ¹	93	93

¹ Reported until further notice, new target under development.

At the end of the quarter, 94% of suppliers of ICA Gruppen's corporate brand products in high-risk countries had been socially audited, and 91% had undergone a valid follow-up social audit. 93% of suppliers of ICA Gruppen's corporate brand products were quality-certified.

Awards and distinctions

ICA Real Estate nominated for Environmental Strategy Award

ICA Real Estate has been nominated for the Environmental Strategy Award ("Miljöstrategipriset") presented by the environmental magazine Miljö & Utveckling for its sustainability strategy combined with its construction of ICA Lindvallen, a store built entirely of wood.

ICA Real Estate a finalist in the Sweden Green Building Awards

ICA Real Estate is a finalist in the "BREEAM Building of the Year" category for the e-commerce warehouse in Arendal, which was assigned a BREEAM Outstanding rating. The award is presented by the Sweden Green Building Council.

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 2021 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 increased by 6.8% during the third quarter. The increase was entirely price-driven, while volume effects were negative.

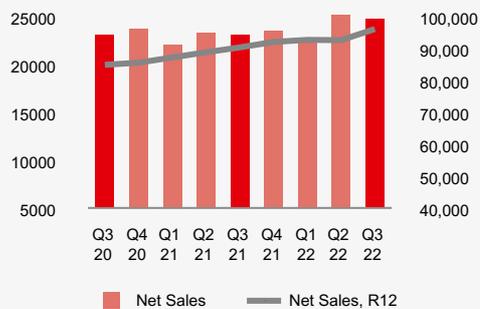
Earnings

Operating profit excluding items affecting comparability was at the same level as a year ago, given the fact that operating profit in the preceding year included a one-off item of approximately SEK +25 million. Price effects during the quarter were positive overall, while the negative impact of lower volumes increased further. At the same time, cost inflation and large volume variations resulted in higher logistics costs during the quarter. Added to this, the earnings impact from e-commerce during the ongoing build-up phase remained negative. Operating profit from non-food was also lower than a year ago. This development was countered by higher profit distribution, which is strongly linked to earnings performance for stores during the pandemic. The operating margin narrowed as a result of price inflation.

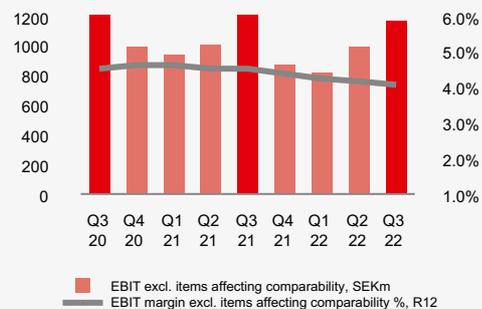
Key data

	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Net sales, SEKm	24,777	23,192	6.8	72,124	68,642	5.1	95,724	92,242
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,359	1,373	-1.0	3,565	3,647	-2.3	4,626	4,708
Operating profit excl. items affecting comparability, SEKm	1,171	1,198	-2.3	3,001	3,147	-4.6	3,873	4,019
Operating margin excl. items affecting comparability, %	4.7	5.2	—	4.2	4.6	—	4.0	4.4
Investments, SEKm	329	191	71.9	777	707	9.8	1,069	1,000
Depreciation/amortisation, SEKm	189	175	8.0	562	500	12.4	751	689
Average number of employees	—	—	—	8,727	8,613	—	—	8,662
Private label share, %	26.1	26.2	—	26.6	26.9	—	—	26.7
Sales online, SEKm	933	1,117	-16.5	3,529	4,781	-26.2	4,818	6,070
Share of sales online, %	2.7	3.3	—	3.5	4.9	—	—	4.6

Net sales, SEKm



EBIT and EBIT margin



ICA store sales and market development

Sales for ICA stores increased by 4.6% during the third quarter compared with the same period a year ago. Sales were driven by an increase in customer visits and higher average spend, but the number of items purchased per customer visit decreased relatively sharply. The decrease in sales online is dampening the growth rate of average spend. Market growth during the quarter was 8.2% according to the Food Retail Index (DVI), entailing that growth for ICA stores was lower than for the market as a whole. Food price inflation grew sharply during the quarter and was +14.5%. In the preceding quarter it was +8.9%, while during the third quarter a year ago it was +0.3%. Given the price trend and market growth, volume development was thus negative during the quarter for ICA stores as well as for the market as a whole.

One store was opened and two were closed during the third quarter.

E-commerce performance

Online sales for ICA stores decreased by 16.5% during the quarter compared with the same period in 2021. According to the Food Retail Index (DVI), the market for groceries online in Sweden decreased by 9.2% during the third quarter.



* 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	Third quarter 2022			January-September 2022		
	SEKm	All stores, %	Like-for-like stores, %	SEKm	All stores, %	Like-for-like stores, %
Maxi ICA Stormarknad	10,971	3.9	3.9	32,580	2.6	2.4
ICA Kvantum	8,249	4.5	4.2	24,463	3.2	2.8
ICA Supermarket	10,169	4.7	4.4	29,210	3.7	3.5
ICA Nära	5,606	6.1	5.6	15,618	4.6	4.2
Total	34,995	4.6	4.4	101,870	3.4	3.1

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

Format	December 2021	New	Closed	September 2022
Maxi ICA Stormarknad	88	0	0	88
ICA Kvantum	130	0	0	130
ICA Supermarket	422	2	-2	422
ICA Nära	627	6	-7	626
Total	1,267	8	-9	1,266

Rimi Baltic

Rimi Baltic conducts grocery retail business via 292 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 5.9% during the third quarter (increase of 10.3% in SEK). Sales growth was driven by positive price effects, which were largely countered by negative volume effects, however. Both Estonia and Lithuania had good sales growth, while sales in Latvia were level with the same period a year ago.

Earnings

Operating profit excluding items affecting comparability as well as the operating margin were considerably lower than a year ago. Positive price effects were countered by negative volume effects, including a slight rise in shrinkage, which together resulted in a slightly higher gross profit but narrower gross margin. Increased efficiency has been countered by higher transport costs, and logistics costs remained at the same level as a year ago. Greater competition brought by the Lidl store openings has entailed negative volume and earnings effects, especially in Latvia. In other respects, performance can be explained by substantial increases in energy costs, which grew by more than SEK 130 million during the quarter compared with 2021. Measures are being taken to bring about a long-term improvement in sales, efficient cost levels and restoration of the operating margin.

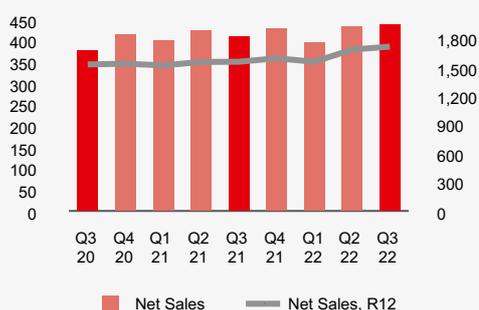
Other

Operating profit for the quarter includes a net result of SEK -6 million (-3) from divestments/impairment losses.

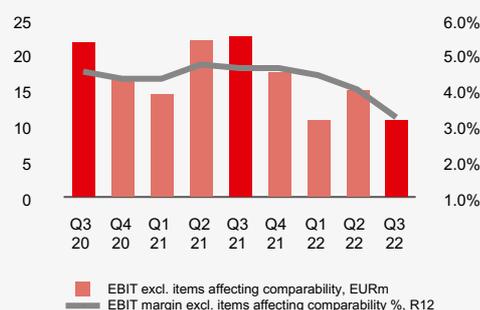
Key data

	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Net sales, SEKm	4,660	4,225	10.3	13,394	12,605	6.3	17,780	16,991
Operating profit before depreciation/amortisation (EBITDA), SEKm	232	346	-33.1	752	960	-21.7	1,056	1,264
Operating profit excl. items affecting comparability, SEKm	117	232	-49.6	390	605	-35.5	570	784
Operating margin excl. items affecting comparability, %	2.5	5.5	—	2.9	4.8	—	3.2	4.6
Investments, SEKm	132	146	-10.2	332	393	-15.5	446	507
Depreciation/amortisation, SEKm	114	113	1.0	340	332	2.3	449	442
Average number of employees	—	—	—	10,933	11,280	—	—	11,175
Private label share, %	23.8	22.3	—	24.1	23.2	—	—	23.1
Sales online, EURm	10.7	8.4	27.4	33.5	31.4	6.7	45.5	43.4
Share of sales online, %	2.5	2.0	—	2.7	2.6	—	—	2.6
EUR/SEK exchange rate, average	10.62	10.20	—	10.52	10.15	—	10.43	10.14

Net sales, EURm



EBIT and EBIT margin



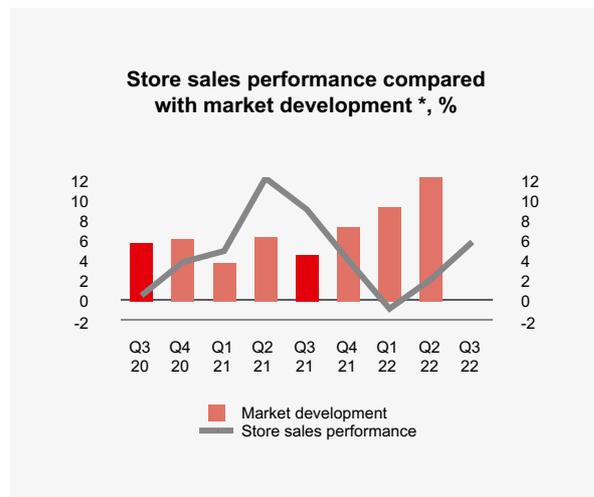
Rimi store sales and market development

Market growth during the third quarter in the Baltic countries is not yet known. Growth during the year has been entirely price-driven, with food price inflation in the region that has risen steadily during 2022 and was at very high levels in all three countries during the third quarter: 22% in Estonia, 26% in Latvia and 30% in Lithuania.

The average spend increased in Estonia and Lithuania during the quarter but decreased in Latvia. Customer visits increased in all three countries. Rimi Baltic opened two new stores during the quarter, while two were closed.

E-commerce performance

Rimi Baltic's online sales increased by approximately 26% during the quarter in local currencies. Growth was particularly high in Estonia. The share of total sales was higher than in the preceding year and was highest in Lithuania.



*) Source: Country statistics.

Sales breakdown by country

Store sales excl. VAT	Third quarter 2022			January-September 2022		
	EURm	All stores, %	Like-for-like stores, %	EURm	All stores, %	Like-for-like stores, %
Estonia	112.3	10.3	9.9	324.6	8.8	8.7
Latvia	214.2	1.2	0.2	622.5	-3.0	-3.7
Lithuania	107.0	10.3	4.9	310.3	6.9	0.7
Total	433.4	5.6	3.7	1,257.4	2.2	0.3

Number of stores per country

Country	December 2021	New	Closed	September 2022
Estonia	82	2	-3	81
Latvia	133	1	-2	132
Lithuania	79	0	0	79
Total	294	3	-5	292

Apotek Hjärtat

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

Net sales

Net sales grew by nearly 9% during the quarter in a market with favourable growth and in which Apotek Hjärtat continued to take market shares. As previously, this development was mainly volume-driven, with continued favourable volume growth for self-care products. Higher average prices for prescription drugs also contributed to sales growth.

Earnings

Operating profit excluding items affecting comparability decreased by SEK 15 million compared with the preceding year's strong third quarter. Higher volumes were partly countered by negative price effects, but above all by higher costs. Positive mix effects were lower during the third quarter this year, which in combination with higher logistics costs led to a slightly lower gross margin. Added to this, store costs were higher, mainly associated with higher sales volume and an increase in customer traffic to pharmacies compared with during the pandemic. During the quarter the new e-commerce warehouse was opened, which entailed certain non-recurring costs in the range of SEK 10 million. The share of profit in Min Doktor was slightly less negative than in 2021. On the whole, the operating margin was lower than a year ago.

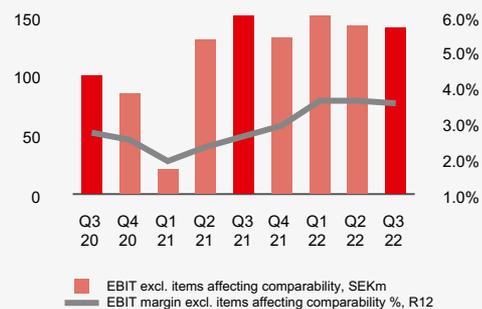
Key data

	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Net sales, SEKm	4,182	3,846	8.7	12,600	11,475	9.8	16,656	15,531
Of which, prescription drugs	3,127	2,870	9.0	9,319	8,557	8.9	12,320	11,558
Of which, OTC drugs	389	342	13.7	1,186	1,024	15.8	1,562	1,400
Of which, other products and services	665	635	4.7	2,095	1,895	10.6	2,774	2,574
Operating profit before depreciation/amortisation (EBITDA), SEKm	192	203	-5.6	593	445	33.3	775	627
Operating profit excl. items affecting comparability, SEKm	142	157	-9.4	444	311	43.0	578	444
Of which, share of profit in Min Doktor	-13	-14	-3.2	-57	-33	72.7	-81	-56
Operating margin excl. items affecting comparability, %	3.4	4.1	—	3.5	2.7	—	3.5	2.9
Investments, SEKm	22	45	-51.2	132	161	-18.0	178	208
Depreciation/amortisation, SEKm	50	46	7.0	149	135	10.7	198	184
Average number of employees	—	—	—	3,200	3,046	—	—	3,049
Private label share, other products, %	16.6	17.5	—	16.6	17.5	—	—	17.4
Sales online, SEKm	406	356	13.9	1,231	1,147	7.3	1,615	1,531
Share of sales online, %	9.7	9.3	—	9.8	10.1	—	—	9.9

Net sales, SEKm



EBIT and EBIT margin



Pharmacy sales and market development

Apotek Hjärtat's sales increased by 8.9% during the quarter, which can be compared to estimated market growth of 5.7%. Sales growth for physical pharmacies was 8.4% for Apotek Hjärtat during the quarter, compared to estimated market growth of 5.0%. Seen over the last 12-month period, Apotek Hjärtat's market share is now slightly higher than 31%, and Apotek Hjärtat's market-leading position has thereby strengthened.

The number of pharmacies was unchanged during the third quarter. No new pharmacies were opened and none were closed.

E-commerce performance

Apotek Hjärtat's online sales increased by 13.9% and thus are once again growing faster than sales in physical pharmacies. Online sales in the market increased by an estimated 8.9%. The online share for the market was 19.1%, while Apotek Hjärtat's online share was 9.7%.

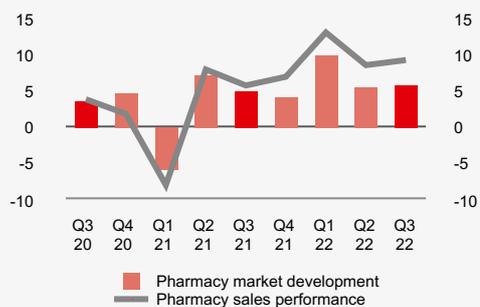
Key data

	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Store sales, SEKm	4,165	3,824	12,538	11,412	16,573	15,447
Sales growth, all pharmacies, %	8.9	5.4	9.9	1.2	—	2.6
Sales growth, like-for-like pharmacies, %	8.3	5.1	9.3	1.0	—	2.3

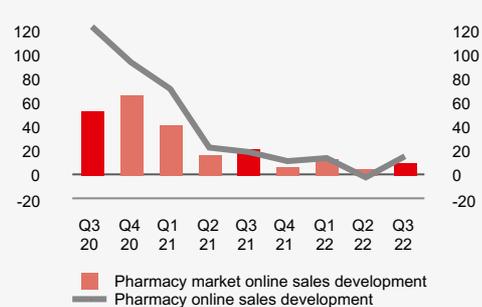
Number of pharmacies

	December 2021	New	Closed	September 2022
Apotek Hjärtat	390	1	0	391

Pharmacy sales performance compared with pharmacy market development *, %



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



* Source: Sveriges Apoteksförening.

ICA Real Estate

ICA Real Estate's mission is to satisfy the Group's future need of logistics and store properties at attractive locations 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

Net sales during the quarter were slightly higher than in the preceding year owing to investments in warehouses, such as the e-commerce warehouse in Brunna, and certain positive price effects. This was countered to some extent by sales of properties to the new joint venture company Trecore.

Earnings

Operating profit excluding items affecting comparability grew slightly compared with the same period a year ago. In addition to higher sales, earnings were favourably affected by lower maintenance costs. This was countered to some extent by a lower share of profit in joint venture companies, mainly owing to higher financing costs.

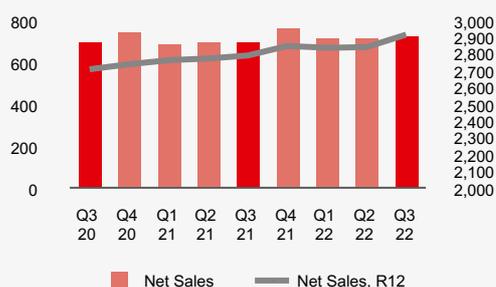
Other and investments

Operating profit includes the result of divestments/impairment losses totalling SEK +303 million, net (-1). The outcome for the quarter is essentially associated with sales of land. The higher level of investment during the quarter is associated with ongoing warehouse investments, such as a new flower warehouse in Västerås, and a number of smaller projects related to new stores and upgrades.

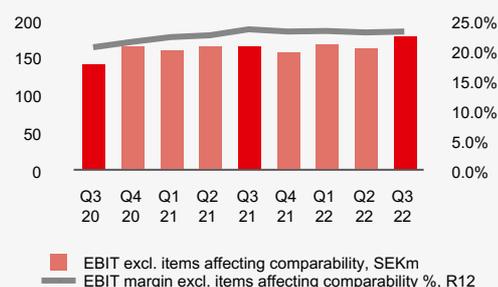
Key data

	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Net sales, SEKm	720	691	4.3	2,150	2,075	3.6	2,907	2,833
Of which, rental income from owned properties	336	329	1.9	1,014	985	2.9	1,358	1,329
Operating profit before depreciation/amortisation (EBITDA), SEKm	627	315	99.1	2,118	975	117.2	2,451	1,308
Operating profit excl. items affecting comparability, SEKm	177	166	6.7	508	491	3.5	667	650
Of which, share in profit of JV companies	25	27	-9.6	79	75	5.6	102	97
Operating margin excl. items affecting comparability, %	24.6	24.1	—	23.6	23.7	—	22.9	22.9
Investments, SEKm	224	125	79.5	2,751	583	>200	3,057	889
Divestments, SEKm	442	0	>200	4,010	198	>200	4,034	221
Depreciation/amortisation, SEKm	147	147	-0.2	440	437	0.7	613	610
Yield, %	—	—	—	7.1	7.0	—	—	7.0
Occupancy rate, %	—	—	—	98.6	98.4	—	—	98.5
Number of owned properties	—	—	—	128	130	—	—	132
Number of owned square metres, 000 sq. m.	—	—	—	822	829	—	—	855
Average number of employees	—	—	—	117	117	—	—	117

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 by SEK 73 million during the quarter. Higher market interest rates had a positive effect on net interest income, which was partly countered by a decrease in consumer loan volume. Net commission income also grew, driven by higher revenues from bank cards. Premium revenue for ICA Insurance continued to develop in a positive direction and increased by SEK 24 million.

Earnings

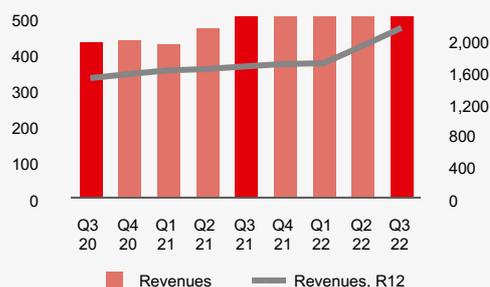
Operating profit excluding items affecting comparability increased by SEK 24 million during the quarter. The increase was driven by the higher revenue reported above, which was countered by slightly higher IT-related operating expenses and depreciation. Added to this, loan losses were SEK 14 million higher, which is mainly associated with slightly worse repayment behaviour. Loan losses totalled SEK -86 million (-72).

ICA Insurance's operating profit was level with the preceding year. Continued positive development of premium revenue and good cost control were countered by a negative impact of claims experience during the quarter.

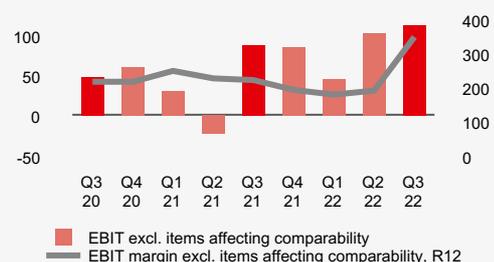
Key data

	Third quarter			Jan-sep			12 months	Full year
	2022	2021	%	2022	2021	%	Oct 2021 - Sept 2022	2021
Revenue, SEKm	594	521	14.1	1,651	1,421	16.2	2,161	1,931
Of which, net interest income	280	236	18.7	736	612	20.1	959	835
Of which, net commission income	70	65	8.2	209	180	15.9	278	250
Of which, premium revenue	215	191	12.3	613	546	12.3	800	733
Operating profit before depreciation/amortisation (EBITDA), SEKm	122	94	30.4	285	111	156.2	377	203
Operating profit before items affecting comparability, SEKm	112	88	27.4	258	95	170.8	344	181
Of which, ICA Insurance	16	17	-5.0	61	11	>200	87	38
Of which, share in profit of JV (home mortgages)	-3	-5	-41.9	-8	-11	-31.3	-9	-13
C/I ratio, %	—	—	—	69.2	76.3	—	—	74.5
Return on equity, %	—	—	—	3.2	4.3	—	—	4.9
Loan loss ratio, %	—	—	—	-1.5	-1.6	—	—	-1.5
Common Equity Tier 1 ratio, % (ICA Banken AB)	—	—	—	14.1	13.9	—	—	13.9
Business volume, SEKm	—	—	—	58,351	54,392	—	—	54,489
Average number of employees	—	—	—	479	449	—	—	452

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



Other, Group

Seasonal variations

The grocery retail trade is 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 59-65 in ICA Gruppen's 2021 Annual Report.

Comments concerning the war in Ukraine

The direct exposure to Ukraine, Russia and Belarus is of an immaterial character and with low impact on the product range and sourcing.

ICA Bank has stopped trading in Russian funds. In addition, vendors and products with ties to Russia and Belarus have been blocked in accordance with directives from the EU and local authorities.

The war is increasing forward-looking uncertainties coupled to European food production, cyber threats, energy supply and financial stability (inflation and interest rate levels). Added to this are risks related to component shortages in IT, automation and properties, and the ability to comply with sanctioning requirements.

Related party transactions

No significant transactions have taken place between ICA Gruppen and related parties, apart from the acquisition of Första AP-fonden's 50% stake in the jointly owned company Secore Fastigheter AB and the formation on 1 April 2022 of a new jointly owned property company, Trecore Fastigheter AB, together with Bonnier Fastigheter, see further in Note 8.

In April ICA Gruppen AB borrowed SEK 1.6 billion from Murgröna Holding AB.

Parent Company – third quarter

The Parent Company's net sales amounted to SEK 323 million (301). Profit after financial items totalled SEK 31 million (-28).

Financial statements

Consolidated statement of comprehensive income, ICA Gruppen

SEKm	Note	Third quarter		Jan-sep		12 months	Full year
		2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Net sales		34,533	32,094	100,706	95,098	133,566	127,957
Cost of goods and services sold		-28,681	-26,477	-83,682	-78,789	-110,957	-106,064
Gross profit		5,851	5,617	17,024	16,309	22,608	21,894
Selling expenses		-3,390	-3,079	-10,155	-9,500	-13,622	-12,967
Administration expenses		-981	-884	-2,888	-2,722	-3,845	-3,679
Other operating income		204	155	506	410	675	579
Other operating expenses		—	—	—	—	-28	-28
Share of profits of associates and joint ventures	2	8	8	14	30	12	28
Operating profit (EBIT) excl items affecting comparability		1,694	1,818	4,501	4,528	5,799	5,826
Capital gains/losses from sale of subsidiaries and non-current assets	3, 4	303	3	769	66	786	82
Impairment and impairment reversals	3	-6	-6	-8	-22	-18	-31
Operating profit	7	1,991	1,815	5,262	4,572	6,567	5,876
Financial income		6	0	10	5	10	5
Financial expenses	7	-126	-102	-369	-307	-466	-404
Net financial items		-120	-102	-359	-302	-456	-399
Profit before tax		1,871	1,713	4,903	4,270	6,111	5,478
Tax		-285	-325	-614	-759	-779	-924
Profit for the period		1,586	1,389	4,289	3,511	5,332	4,554
Other comprehensive income, items that may not be reclassified to profit or loss, net after tax							
Remeasurement defined benefit pensions		363	—	1,323	398	1,182	257
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		52	20	163	37	170	44
Change in hedging reserve		-39	24	200	191	266	257
Share of other comprehensive income of joint ventures		11	2	54	7	58	12
Total items that may be reclassified to profit or loss		24	45	416	235	494	313
Comprehensive income for the period		1,973	1,435	6,029	4,145	7,008	5,125
Profit for the period attributable to							
Owners of the parent		1,586	1,383	4,283	3,494	5,320	4,531
Non-controlling interests		—	6	7	18	12	23
Comprehensive income for the period attributable to							
Owners of the parent		1,973	1,429	6,022	4,127	6,996	5,101
Non-controlling interests		—	6	7	18	13	24

Condensed consolidated statement of financial position, ICA Gruppen

SEKm	Note	30 September 2022	30 September 2021	31 December 2021
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		12,968	12,908	12,910
Other intangible assets		2,174	2,095	2,090
Land, buildings and investment properties		17,977	18,082	18,186
Right of use assets	7	16,889	14,823	16,215
Interests in joint ventures and associates	2	1,375	1,279	1,316
ICA Bank's lending and investments		21,492	20,749	21,272
Deferred tax assets		58	50	58
Other non-current assets		3,868	2,743	2,951
Total non-current assets		93,101	89,029	91,298
Current assets				
Inventories		5,513	4,821	4,757
ICA Bank's lending and investments		3,811	3,906	3,771
Other current assets		8,497	7,765	8,416
Assets held for sale	4	110	1	2
ICA Bank's cash and cash equivalents		4,929	5,723	5,081
Cash and cash equivalents	5	4,727	537	1,310
Total current assets		27,588	22,750	23,337
TOTAL ASSETS		120,688	111,779	114,635
EQUITY AND LIABILITIES				
Equity				
43,383		36,721	37,686	
Non-current liabilities				
Provisions		2,546	3,950	4,170
Deferred tax liabilities		4,349	4,075	4,094
Non-current interest-bearing liabilities		1,473	3,759	3,760
Non-current lease liabilities		13,720	11,532	12,742
Other non-current liabilities		44	113	61
Total non-current liabilities		22,132	23,428	24,826
Current liabilities				
Current interest-bearing liabilities		3,872	2,185	2,230
Deposits ICA Bank		26,716	26,832	26,682
Current lease liabilities		3,649	3,269	3,494
Other current liabilities		20,936	19,343	19,717
Total current liabilities		55,173	51,630	52,123
TOTAL EQUITY AND LIABILITIES		120,688	111,779	114,635

Condensed consolidated statement of cash flows

SEKm	Note 5	Third quarter		Jan-sep		12 months	Full year
		2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Operating profit		1,991	1,815	5,262	4,572	6,567	5,876
Depreciation, amortisation and impairment		1,467	1,382	4,365	4,092	5,804	5,531
Dividend from joint ventures		25	30	50	55	80	85
Other non-cash items		-317	-5	-893	-94	-829	-31
Income tax paid		-168	-212	-708	-794	-890	-976
Cash flow from operating activities before change in working capital		2,998	3,010	8,076	7,831	10,732	10,486
Change in working capital:							
Inventories		-128	-91	-723	-137	-655	-69
Current receivables		533	513	124	428	-510	-207
Current liabilities		-1,251	-983	296	-559	584	-272
ICA Bank's net of deposits, lending and investments		-1,346	414	-228	1,541	-766	1,004
Cash flow from operating activities		806	2,863	7,546	9,104	9,384	10,942
Acquisitions of property, plant and equipment and intangible assets		-773	-553	-2,055	-2,047	-2,879	-2,872
Sale of property, plant and equipment and intangible assets		443	3	505	260	552	307
Change in financial assets		4	-2	37	77	35	75
Interest received		4	0	5	1	5	1
Purchase and sale of properties in Secore/Trecore	8	—	—	1,452	—	—	—
Investments in joint ventures and associated companies		-43	-5	-200	-10	-265	-74
Cash flow from investing activities		-365	-557	-255	-1,719	-1,099	-2,563
Dividend paid to shareholders of ICA Gruppen AB		—	—	—	-2,615	—	-2,615
Change in loans		-413	-710	-705	-274	-662	-231
Interest paid		-11	-15	-37	-60	-48	-71
Interest paid lease debts		-100	-74	-275	-228	-351	-304
Amortisation lease debts		-887	-821	-2,691	-2,508	-3,496	-3,313
Capital contributions, acquisitions, and dividends relating to non-controlling interests		—	-15	-331	-35	-346	-50
Cash flow from financing activities		-1,411	-1,636	-4,039	-5,720	-4,903	-6,585
Cash flow for the period		-970	670	3,252	1,665	3,382	1,795
Cash and cash equivalents at beginning of period		10,622	5,585	6,391	4,584	6,260	4,584
Exchange differences in cash and cash equivalents		5	5	14	11	15	11
Cash and cash equivalents at end of period		9,657	6,260	9,657	6,260	9,657	6,391

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2022	37,499	187	37,686
Change of non-controlling interest ¹⁾	-138	-193	-331
Comprehensive income for the period	6,022	7	6,029
Closing equity, 30 September 2022	43,383	0	43,383

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	-35	-2,650
Comprehensive income for the period	4,127	18	4,145
Closing equity, 30 September 2021	36,525	196	36,721

¹⁾ Refers to the acquisition of Alecta's 50% share in Långeberga logistik AB. See also the ICA Gruppen press release of 2 May at www.icagruppen.se.

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 2021 Annual Report. There are no new or amended IFRSs or IFRS IC pronouncements that have an effect on the 2022 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.

Effective 16 December 2021, ICA Gruppen aktieföretag (AB) is a subsidiary of Murgröna Holding AB, which is a subsidiary of ICA-handlarnas Förbund, corporate identity number 802001-5577. Plans are in place for a merger of Murgröna Holding AB into ICA Gruppen AB during the fourth quarter of 2022. Murgröna Holding AB is approximately 87%-owned by ICA-handlarnas Förbund and approximately 13%-owned by AMF.

New IASB standards to be applied from 2023 and onwards with relevance for ICA Gruppen

IFRS 17 Insurance Contracts was endorsed by the EU in November 2021 and is to be applied starting in 2023. IFRS 17 sets principles for reporting, valuation and disclosures of issued insurance contracts. The subsidiary ICA Försäkring AB (ICA Insurance) conducts insurance business, and the financial statements for ICA Gruppen will be affected to a limited extent by the changed reporting under IFRS 17 for ICA Insurance.

The Group will apply IFRS 17 retrospectively. It is estimated that the transition effect as per 1 January 2022 will be SEK 110-170 million. The transition from IFRS 4 Insurance Contracts to IFRS 17 Insurance Contracts entails that insurance liabilities will be recognised overall at a lower value in the opening balance according to IFRS 17 than reporting according to IFRS 4. The impact on the transition balance is mainly related to adoption of the item Fulfilment cash flows, and the discounting effect and risk adjustment that is calculated for the Liability for incurred claims. In addition, the Liability for remaining coverage is affected by any loss components.

There are a few IFRS amendments that have been approved for application starting in 2023, but none that are believed to affect ICA Gruppen's financial statements to a significant degree. The same applies for the interpretation pronouncements issued by the IFRS IC.

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. Financial consequences of the war in Ukraine as well as subsequent effects of this, such as higher inflation, etc., 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 not readily apparent from other sources. The actual outcome may differ from these estimates and assessments.

NOTE 2 | INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit SEKm	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Ancore Fastigheter AB	19	18	54	52	70	67
Trecore Fastigheter AB	5	—	16	—	16	—
Secore Fastigheter AB	—	9	8	23	—	30
Borgo AB (publ)	-3	-5	-8	-11	-9	-13
MD International AB (Min Doktor)	-13	-14	-57	-33	-81	-56
Fastighetsaktiebolaget Postgården AB	0	0	0	0	0	0
Total	8	8	14	30	12	28

Book value, SEKm	30 September 2022	30 September 2021	31 December 2021
Ancore Fastigheter AB	782	734	728
Trecore Fastigheter AB	30	—	—
Secore Fastigheter AB	—	156	158
Borgo AB (publ)	230	24	87
MD International AB (Min Doktor)	322	358	334
Fastighetsaktiebolaget Postgården AB	11	7	7
Total	1,375	1,279	1,316

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	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Income	128	122	380	365	501	486
Expenses	-56	-54	-177	-169	-238	-230
Operating profit	71	68	203	196	263	256
Net financial items	-20	-19	-58	-57	-77	-76
Tax	-12	-12	-34	-33	-45	-44
Profit for the period	39	37	111	105	142	137
Other comprehensive income	9	3	98	14	107	23
Comprehensive income for the period	48	40	209	120	249	160
Non-current assets			5,415	5,453		5,442
Current assets			232	214		213
Total assets			5,647	5,667		5,655
Equity			1,508	1,409		1,400
Non-current liabilities			3,664	3,495		4,096
Current liabilities			474	763		159
Total equity and liabilities			5,647	5,667		5,655

Information regarding Trecore Fastigheter AB

Trecore Fastigheter AB is a joint arrangement between Bonnier Fastigheter and ICA Gruppen that was formed on 1 April 2022. See also Note 8. The parties each own 50% of the company. All significant decisions about the operations of Trecore Fastigheter AB must be made as a joint understanding between the two owners. Trecore Fastigheter AB owns and manages properties at 44 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, Trecore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Trecore Fastigheter AB	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
SEKm						
Income	64	—	127	—	—	—
Expenses	-33	—	-65	—	—	—
Operating profit	31	—	62	—	—	—
Net financial items	-27	—	-40	—	—	—
Tax	-2	—	-8	—	—	—
Profit for the period	2	—	14	—	—	—
Other comprehensive income	12	—	12	—	—	—
Comprehensive income for the period	14	—	26	—	—	—
Non-current assets			3,990	—		—
Current assets			54	—		—
Total assets			4,043	—		—
Equity			1,113	—		—
Non-current liabilities			2,863	—		—
Current liabilities			68	—		—
Total equity and liabilities			4,043	—		—

Information regarding Secore Fastigheter AB

ICA Real Estate acquired Första AP-fonden's 50% stake in Secore on 1 April 2022, and in connection with this all properties except 3 small properties were transferred to the new joint arrangement Trecore Fastigheter AB. See also Note 8.

Secore Fastigheter AB was previously a joint arrangement between Första AP-fonden and ICA Gruppen. The parties each owned 50% of the company. All significant decisions about the operations of Secore Fastigheter AB were made as a joint understanding between the two owners. Secore Fastigheter AB owned and managed 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 was classified as a joint venture. Consolidation was done according to the equity method.

Secore Fastigheter AB	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
SEKm						
Income	—	46	—	138	—	184
Expenses	—	-22	—	-77	—	-104
Operating profit	—	24	—	61	—	80
Net financial items	—	-6	—	-19	—	-25
Tax	—	-4	—	-11	—	-14
Profit for the period	—	13	—	31	—	41
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	—	13	—	31	—	41
Non-current assets			—	2,342		2,354
Current assets			—	89		77
Total assets			—	2,432		2,432
Equity			—	809		809
Non-current liabilities			—	964		1,560
Current liabilities			—	659		63
Total equity and liabilities			—	-2,432		2,432

Information regarding Borgo AB (publ)

Borgo is a partnership between, among others, ICA Bank, Ikano Bank, Söderberg & Partners, Ålandsbanken to establish a jointly owned mortgage company in the Swedish market. During 2022 Borgo concluded a funding round of SEK 1.3 billion, which increased its ownership base. The company is an associated company in ICA Gruppen, and accounting is conducted according to the equity method.

Borgo AB	Second quarter		Jan-Jun		12 months	Full year
	2022	2021	2022	2021	Jul 2021 - Jun 2022	2021
SEKm						
Revenue	-5	—	4	—	4	—
Expenses	-24	-15	-92	-39	-110	-57
Operating profit	-29	-15	-89	-39	-107	-57
Net financial items	—	—	—	—	—	—
Tax	6	—	18	—	30	12
Profit for the period	-23	-15	-71	-39	-77	-46
Other comprehensive income	5	—	-8	—	-8	0
Comprehensive income for the period	-18	-15	-79	-39	6	46
Non-current assets			15,498	26		933
Current assets			2,286	—		1,358
Total assets			17,784	26		2,291
Equity			1,041	22		257
Non-current liabilities			12,440	—		2,021
Current liabilities			4,303	5		13
Total equity and liabilities			17,784	26		2,291

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, 49.50% 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.

NOTE 3 | ITEMS AFFECTING COMPARABILITY

SEKm	Third quarter		Jan-sep		Full year
	2022	2021	2022	2021	2021
Capital gains/losses net on sale of subsidiaries and non-current assets					
ICA Sweden	0	—	1	—	—
Rimi Baltic	0	1	22	23	38
Apotek Hjärtat	—	—	0	—	—
ICA Real Estate	303	1	1,170	47	48
Internal profit regarding sale and leaseback according to IFRS16 Leasing	—	—	-424	-5	-5
Other	—	—	—	—	1
Total	303	3	769	66	82
Impairment and impairment reversals					
Rimi Baltic	-6	-4	-8	-20	-26
ICA Real Estate	—	-2	—	-2	-6
Total	-6	-6	-8	-22	-31
Total items affecting comparability	298	-2	762	44	50

NOTE 4 | ASSETS AND LIABILITIES HELD FOR SALE

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

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

SEKm	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Cash flow from operating activities before change in working capital	2,890	2,927	7,821	7,752	10,370	10,301
Change in working capital						
Inventories	-128	-91	-723	-137	-655	-69
Current receivables	540	497	216	444	-416	-187
Current liabilities	-1,178	-1,014	169	-785	563	-391
Cash flow from operating activities	2,124	2,318	7,482	7,275	9,861	9,654
Cash flow from investing activities	-304	-534	-36	-1,639	-779	-2,382
Cash flow from financing activities	-1,624	-1,633	-4,045	-6,419	-4,907	-7,282
Cash flow for the period	196	151	3,402	-783	4,175	-10
Cash and cash equivalents at the beginning of the period			1,310	1,309		1,309
Exchange differences in cash and cash equivalents			16	11		11
Cash and cash equivalents at the end of the period			4,727	537		1,310

NOTE 6 | FINANCIAL INSTRUMENTS

On 13 January ICA Gruppen announced a voluntary repurchase offer for Notes worth a combined total of SEK 3,750 million in accordance with the applicable terms of the Notes in connection with the delisting of ICA Gruppen's shares from Nasdaq Stockholm. The repurchase offer expired on 14 February, and the offer was accepted for Notes corresponding to a nominal amount of SEK 560 million. The settlement date was 14 March.

As per 30 September 2022, financial assets at fair value in ICA Gruppen amounted to SEK 5,363 million (3,052). In the fair value hierarchy, the entire amount is attributable to Level 1. Financial liabilities measured at fair value amounted to SEK 880 million (78) as per 30 September 2022. 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 21 million (exceeds the carrying amount by 20).

NOTE 7 | LEASES

	Third quarter		Jan-sep		Full year
	2022	2021	2022	2021	2021
Lease items in the Income statement, SEKm					
Total lease revenue incl variable revenue	795	765	2,390	2,288	3,057
Variable lease expenses	-26	-37	-80	-96	-123
Interest expenses, lease liabilities	-100	-74	-275	-228	-304

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

	Third quarter		Full year
	2022	2021	2021
Total right-of-use assets, SEKm			
At start of year	16,215	15,054	15,054
Changed and new contracts	3,219	2,266	4,515
Depreciation	-2,733	-2,540	-3,403
Translation differences	189	43	50
Book value	16,889	14,823	16,215

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

NOTE 8 | ACQUISITIONS AND DIVESTMENTS

In a press release published on 30 September 2021 ICA Real Estate announced that it had entered into an agreement to acquire Första AP-fonden's 50% stake in the jointly owned company Secore Fastigheter AB (Secore). Possession was transferred on 1 April 2022.

A press release published on 1 April 2022 announced the formation of a jointly owned property company, Trecore Fastigheter AB, by ICA Real Estate and Bonnier Fastigheter. Initially the company acquired 44 store properties from ICA Real Estate, and possession was transferred on 1 April 2022. The deal was a natural step 2 in the acquisition of Secore Fastigheter, which ICA Gruppen announced on 30 September 2021. The net effect on the Group's cash flow was approximately SEK 1.4 billion during the second quarter of 2022. The Group's net debt (excluding ICA Bank) decreased at the same time by SEK 1.4 billion excluding IFRS 16 Leases. Including IFRS Leases, net debt is unchanged. The deal has had only a marginal impact on consolidated operating profit excluding items affecting comparability, including IFRS 16 Leases. However, a capital gain of approximately SEK 436 million has arisen, which was recognised as an item affecting comparability in consolidated operating profit for the second quarter.

ICA Gruppen AB, condensed income statement

SEKm	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Net sales ¹⁾	323	301	972	933	1,288	1,249
Cost of services sold	-294	-276	-909	-866	-1,232	-1,190
Gross profit	29	25	64	67	56	59
Administrative expenses	-127	-88	-492	-313	-653	-474
Operating profit/loss	-98	-63	-428	-246	-597	-415
Profit/loss from participations in Group companies	—	—	7,000	1,850	7,000	1,850
Financial income, Group companies	138	49	237	152	286	202
Financial income	8	4	92	22	99	29
Finansiella kostnader koncernföretag	-8	—	-14	—	-14	0
Financial expenses	-8	-18	-39	-51	-53	-65
Profit/loss after financial items	31	-28	6,848	1,727	6,722	1,601
Appropriations	—	—	—	—	233	233
Profit before tax	31	-28	6,848	1,727	6,955	1,834
Tax	-7	7	31	27	11	7
Profit for the period	25	-21	6,879	1,754	6,966	1,841

¹⁾ Of net sales for the first quarter, SEK 319 million (300) pertains to Group companies.

ICA Gruppen AB, condensed balance sheet

SEKm	30 September 2022	30 September 2021	31 December 2021
ASSETS			
Non-current assets			
Investments in Group companies	30,622	30,402	30,402
Other intangible assets	164	155	161
Deferred tax assets	31	26	33
Non-current receivables from Group companies	1,378	1,379	1,321
Other non-current assets	1,125	254	237
Total non-current assets	33,319	32,216	32,154
Current assets			
Current receivables from Group companies	18,918	17,159	17,141
Other current assets	712	320	350
Cash and cash equivalents	4,484	306	908
Total current assets	24,114	17,786	18,398
TOTAL ASSETS	57,433	50,002	50,552
EQUITY AND LIABILITIES			
Equity	42,810	35,836	35,924
Provisions	602	470	475
Non-current liabilities			
Non-current interest-bearing liabilities	1,464	3,750	3,750
Other non-current liabilities	6	71	19
Total non-current liabilities	1,470	3,821	3,769
Current liabilities			
Current interest-bearing liabilities	1,973	1,273	1,318
Current liabilities to Group companies	9,064	8,208	8,572
Other current liabilities	1,514	395	494
Total current liabilities	12,551	9,877	10,385
TOTAL EQUITY AND LIABILITIES	57,433	50,002	50,552

Key figures ICA Gruppen

	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
Operating profit before depreciation/amortisation (EBITDA), SEKm	3,458	3,197	9,627	8,664	12,371	11,408
Operating margin excl. items affecting comparability, %	4.9	5.7	4.5	4.8	4.3	4.6
Operating margin, %	5.8	5.7	5.2	4.8	4.9	4.6
Net margin, %	4.6	4.3	4.3	3.7	3.5	3.6
Return on capital employed, %	—	—	9.5	9.4	—	9.2
Return on equity, %	—	—	13.2	12.2	—	12.7
Equity/assets ratio, %	—	—	35.9	32.9	—	32.9
Net debt excl IFRS 16, SEKm	—	—	-618	-5,408	—	-4,680
Net debt, SEKm	—	—	-17,986	-20,207	—	-20,915
Net debt/EBITDA	—	—	1.5	1.8	—	1.8
Average number of employees	—	—	23,914	24,043	—	23,994

Quarterly overview

Quarterly overview key ratios

	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net sales, SEKm	32,593	30,602	32,401	32,094	32,860	31,595	34,578	34,533
Operating profit before depreciation/amortisation (EBITDA), SEKm	2,716	2,631	2,836	3,197	2,744	2,730	3,438	3,458
Operating profit excl. items affecting comparability, SEKm	1,371	1,264	1,446	1,818	1,298	1,276	1,531	1,694
Operating margin excl. items affecting comparability, %	4.2	4.1	4.5	5.7	4.0	4.0	4.4	4.9
Operating profit, SEKm	1,325	1,290	1,466	1,815	1,305	1,283	1,988	1,991
Operating margin, %	4.1	4.2	4.4	5.7	4.0	4.1	5.7	5.8
Profit before tax, SEKm	1,215	1,191	1,365	1,713	1,208	1,168	1,864	1,871
Profit for the period, SEKm	919	984	1,139	1,389	1,043	935	1,768	1,586
Return on equity, %	11.7	11.6	12.2	12.2	12.7	12.3	13.3	13.2
Return on capital employed, %	9.2	9.1	9.2	9.4	9.2	9.1	9.5	9.5
Cash flow from operating activities, SEKm	3,911	3,034	3,206	2,863	1,839	2,760	3,980	806
Investing activities (cash flow), SEKm	1,411	799	695	553	825	700	2,689	773
Capital employed excl. ICA Bank, average, SEKm	61,355	61,631	61,518	61,485	61,735	62,626	63,830	65,460
Net debt, SEKm	-19,901	-20,165	-21,375	-20,207	-20,915	-20,503	-18,846	-17,986
Net debt/EBITDA	1.8	1.8	1.9	1.8	1.8	1.8	1.6	1.5

Quarterly data by segment

Net sales by segment

SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
ICA Sweden	23,722	22,074	23,376	23,192	23,600	22,411	24,936	24,777
Rimi Baltic	4,278	4,067	4,313	4,225	4,387	4,184	4,550	4,660
Apotek Hjärtat	3,805	3,706	3,923	3,846	4,056	4,179	4,240	4,182
ICA Real Estate	744	689	696	691	757	718	712	720
ICA Bank	440	426	474	521	510	507	550	594
Other	318	349	331	322	332	320	329	323
Intra-Group sales	-714	-709	-712	-702	-782	-724	-738	-723
Net sales	32,593	30,602	32,401	32,094	32,860	31,595	34,578	34,533

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
ICA Sweden	1,166	1,100	1,175	1,373	1,061	1,015	1,190	1,359
Rimi Baltic	284	257	356	346	304	225	295	232
Apotek Hjärtat	131	65	177	203	182	207	194	192
ICA Real Estate	305	334	326	315	333	323	1,167	627
ICA Bank	64	34	-16	94	92	52	111	122
Other	-125	-50	-72	-34	-140	-62	-79	-65
Operating profit before depreciation/ amortisation (EBITDA) by segment	1,825	1,739	1,947	2,297	1,832	1,761	2,878	2,467
IFRS 16	891	892	889	900	912	969	560	992
Operating profit before depreciation/ amortisation (EBITDA)	2,716	2,631	2,836	3,197	2,744	2,730	3,438	3,458

Operating profit excluding items affecting comparability by segment

SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
ICA Sweden	1,003	942	1,007	1,198	872	827	1,003	1,171
Rimi Baltic	176	148	225	232	179	114	159	117
Apotek Hjärtat	85	22	132	157	133	158	144	142
ICA Real Estate	165	160	165	166	158	169	162	177
ICA Bank	59	29	-21	88	86	44	102	112
Other	-163	-85	-108	-74	-179	-96	-114	-103
Operating profit excluding items affecting comparability by segment	1,326	1,216	1,400	1,767	1,249	1,217	1,456	1,616
IFRS 16	45	48	47	51	49	59	75	78
Operating profit excluding items affecting comparability	1,371	1,264	1,446	1,818	1,298	1,276	1,531	1,694

Operating margin excluding items affecting comparability, %, by segment

SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
ICA Sweden	4.2	4.3	4.3	5.2	3.7	3.7	4.0	4.7
Rimi Baltic	4.1	3.6	5.2	5.5	4.1	2.7	3.5	2.5
Apotek Hjärtat	2.2	0.6	3.4	4.1	3.3	3.8	3.4	3.4
ICA Real Estate	22.1	23.2	23.7	24.1	20.9	23.5	22.7	24.6
Group	4.2	4.1	4.5	5.7	4.0	4.0	4.4	4.9

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 (APMs). 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. 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.

Reconciliation EBITDA	Third quarter		Jan-sep		12 months	Full year
	2022	2021	2022	2021	Oct 2021 - Sept 2022	2021
	SEKm					
Operating profit	1,991	1,815	5,262	4,572	6,567	5,876
Depreciation/amortisation	1,462	1,376	4,357	4,071	5,786	5,500
Impairment and impairment reversals	6	6	8	22	18	31
Operating profit before depreciation/amortisation (EBITDA)	3,458	3,197	9,627	8,664	12,371	11,408

Reconciliation EBITDA								
SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Operating profit excl IFRS 16	1,279	1,243	1,424	1,765	1,256	1,224	2,337	1,914
Depreciation/amortisation excl IFRS 16	499	493	510	527	567	537	539	548
Impairment and impairment reversals	47	4	12	6	10	—	2	6
Operating profit before depreciation/amortisation (EBITDA) excl IFRS 16	1,825	1,739	1,947	2,297	1,832	1,761	2,878	2,467
IFRS 16 Operating profit	46	48	42	51	49	59	-349	78
IFRS 16 Depreciation/amortisation	846	844	847	849	863	911	909	914
Operating profit before depreciation/amortisation (EBITDA)	2,716	2,631	2,836	3,197	2,744	2,730	3,438	3,458

Reconciliation Net debt excluding ICA Bank								
SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Non-current interest-bearing liabilities	-4,173	-4,671	-3,759	-3,759	-3,760	-1,472	-1,473	-1,473
Current interest-bearing liabilities	-2,044	-1,875	-2,885	-2,185	-2,230	-2,981	-4,279	-3,872
Cash and cash equivalents	1,309	1,937	381	537	1,310	387	4,527	4,727
Net debt excl IFRS 16	-4,904	-4,610	-6,264	-5,408	-4,680	-4,066	-1,226	-618
Non-current lease liabilities	-11,902	-12,265	-11,855	-11,531	-12,741	-12,843	-13,967	-13,720
Current lease liabilities	-3,095	-3,290	-3,256	-3,268	-3,493	-3,593	-3,653	-3,648
Net debt	-19,901	-20,165	-21,375	-20,207	-20,915	-20,503	-18,846	-17,986

Reconciliation Capital employed excluding ICA Bank								
SEKm	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Equity	35,226	36,820	35,302	36,721	37,686	39,299	41,410	43,383
Provisions for pensions	4,256	3,807	3,859	3,911	4,139	3,387	2,936	2,527
Other provisions	7	24	21	30	23	23	17	13
Non-current interest-bearing liabilities	4,173	4,671	3,759	3,759	3,760	1,472	1,473	1,473
Current interest-bearing liabilities	2,044	1,875	2,885	2,185	2,230	2,981	4,279	3,872
Other non-current liabilities	183	90	108	113	61	70	45	44
Non-current lease liabilities	11,902	12,265	11,855	11,531	12,741	12,843	13,967	13,720
Current lease liabilities	3,095	3,290	3,256	3,268	3,493	3,593	3,653	3,648
Capital employed	60,887	62,843	61,046	61,520	64,133	63,669	67,781	68,680
Average capital employed	61,355	61,631	61,518	61,485	61,735	62,626	63,830	65,460

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.

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.

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.

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 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, 27 October 2022

Per Strömberg
CEO ICA Gruppen

Review report

To the Board of Directors of ICA Gruppen AB (publ.)
Corp. id. 556048-2837

Introduction

We have reviewed the condensed interim financial information (interim report) of ICA Gruppen AB (publ.) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 27 October 2022

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant

Auditor's Review Report on Sustainability Report

To ICA Gruppen AB (publ.), Corp. Id. 556048-2837

Introduction

We have been engaged by the Board of Directors of ICA Gruppen AB to review ICA Gruppen AB's Sustainability Report for the period 1 January–30 September 2022.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for ongoing activities regarding the environment, health & safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the quarterly report in accordance with the applicable criteria, as explained in the paragraph "About this report" in the quarterly report. As stated in the paragraph "About this report", ICA Gruppen AB's Sustainability Report for the period January–September 2022 is not a complete GRI report, but is a status report on the material areas reported on in the 2021 Sustainability Report for ICA Gruppen AB. The Sustainability Report for the period January–September 2022 is therefore a complement to the 2021 Sustainability Report and should be read in connection to this.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Report January–September 2022 based on the procedures we have performed.

We have performed our review in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information, issued by IFAC. A review consists of making inquiries, primarily of persons responsible for the preparation of the quarterly report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Our assurance does not comprise the assumptions used, or future oriented information (e.g., goals, expectations and ambitions). The criteria on which our review is based on are stated in the section "About this report". We consider these criteria suitable for the preparation of ICA Gruppen AB's Sustainability Report January–September 2022.

Our review has, based on an assessment of materiality and risk, e.g. including the following procedures:

- a. an update of our knowledge and understanding of ICA Gruppen AB's organisation and activities
- b. assessment of the suitability and application of criteria in respect to stakeholders' need of information
- c. read internal and external documents to assess if the reported information is complete, correct and sufficient
- d. analytical review of reported information
- e. overall impression of the quarterly report and its format
- f. reconciliation of the reviewed information against the sustainability information in ICA Gruppen AB's Sustainability Report for 2021

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusions

Based on our review, nothing has come to our attention that cause us to believe that the information in ICA Gruppen AB's Sustainability Report for the period 1 January–30 September 2022 has not, in all material respects, been prepared in accordance with the above stated criteria.

Stockholm, 27 October 2022

KPMG AB

Helena Arvidsson Älgne

Authorized Public Accountant

Torbjörn Westman

Expert Member of FAR

Contacts and calendar

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Calendar

8 February 2023	Year-end report 2022
26 April 2023	Interim report Q1 2023
17 August 2023	Interim report Q2 2023
26 October 2023	Interim report Q3 2023

The information in this report is such that ICA Gruppen AB is obligated to disclose pursuant to the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Thursday, 27 October 2022.

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 business, 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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