

Press Release

Solna, 2 May 2018

ICA Gruppen signs agreement with Ocado on new e-commerce solution

ICA Gruppen – through ICA Sweden – is entering into a cooperation agreement with the British e-commerce company Ocado and will use the company's e-commerce platform and technology for highly automated e-commerce picking warehouses. The agreement creates conditions to improve ICA's customer offering and improve the efficiency of grocery e-commerce and over time also for other product areas.

During the years 2018–2022 ICA Sweden will be investing approximately SEK 600 million in a fully automated e-commerce solution, including the British e-commerce company Ocado's technology and e-commerce platform designed specifically for grocery products. In 2018 this investment will amount to approximately SEK 200 million. The project will involve investments in ICA Real Estate of approximately SEK 500 million.

Ocado has world-leading e-commerce solutions for grocery products and has been active in the UK market since 2000. The company has existing cooperation agreements with other grocery retail companies in the UK, Canada and France.

"We are now laying the foundation for the next generation e-commerce offering, and we are putting an important piece of the puzzle in place to realise our digital ambitions for all of ICA Gruppen. Today we have the industry's most efficient processes for physical shopping, and through this agreement we can create the most efficient solutions also for e-commerce," says Per Strömberg, CEO of ICA Gruppen.

During 2021 ICA Sweden will switch to Ocado's e-commerce platform and will build a new, highly automated e-commerce warehouse in the Stockholm area, which is expected to be finished in 2022. The agreement provides exclusivity in Sweden and the Baltic countries, under the conditions that ICA meets certain growth targets.

"Our cooperation with Ocado entails that they will adapt their world-leading e-commerce platform to ICA's business model with independent retailers. At the same time, we will benefit from the fact that Ocado are continuously developing the platform for themselves and other leading grocery retailers around the world. An automated e-commerce warehouse will enable us to offer customers a wider product range online and better deliveries while at the same time streamlining ICA's logistics flows," says Anders Svensson, CEO of ICA Sweden

"We are excited and proud to be partnering with another of Europe's leading grocery retailers. ICA has a strong track record of growth and innovation and our Smart Platform will give the ICA-retailers the opportunity to provide their customers with new levels of service, convenience and value. Our flexible, scalable modular solution is uniquely positioned to meet a fresh set of challenges and allow ICA to deliver its ambitions for online", says Luke Jensen, CEO of Ocado Solutions.

The changeover to a new e-commerce platform will give rise to an impairment loss for ICA's current e-commerce platform. The impairment loss of approximately SEK 80 million will be charged against the ICA Gruppen's net profit for the second quarter of 2018.



The agreement with Ocado does not change ICA Sweden's current business model in which every ICA retailer owns the customer relationship.

Conference call for press and analysts: A conference call focusing on the cooperation agreement will be held by ICA Gruppen's CEO Per Strömberg and ICA Sweden's CEO Anders Svensson at 10 a.m. CET on Wednesday, 2 May. To participate, call SE: +46 8 56642695 or UK: +44 2030089809. The presentation can also be followed on www.icagruppen.se.

For more information

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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, ICA Real Estate, which owns and manages properties, ICA Bank, which offers financial services, and Apotek Hjärtat, which conducts pharmacy operations. The Group also includes Hemtex. For more information see icagruppen.se.