

Press Release

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ICA Gruppen's report for first quarter 2023

Lower margins for both ICA Gruppen and ICA Sweden – important price initiatives launched

- ICA Gruppen's operating margin and earnings decreased in Q1 2023. The margin dropped to 3.7% (Q1 2022: 4.1%), and operating profit was SEK 1,293 million (Q1 2022: 1,298).
- Q1 sales increased to SEK 34,605 million (Q1 2022: 31,600), driven by high inflation.
- The grocery retail business in ICA Sweden reported a sharp decline in earnings and the margin for the quarter owing to lower volumes and inflation-driven price increases.
- ICA Sweden's operating profit decreased by 19.7% to SEK 665 million for the quarter, including structural costs of approximately SEK 75 million, compared with the same quarter in 2022 (827). The margin for Q1 fell to 2.7% (Q1 2022: 3.7%).
- Rimi Baltic continued its strong finish of 2022 and started 2023 with strong earnings compared with the preceding year.
- Apotek Hjärtat's positive trend in market share continues, but with lower earnings and a smaller margin owing to tough comparison figures in Q1 2022, when the market was strongly affected by the pandemic.
- ICA Bank's earnings strengthened in a market with rising interest rates. Higher mortgage lending volume is contributing to continued growth in business volume for the bank.
- After the end of the quarter, on 1 April ICA Real Estate completed the formation of Delcore, the new property company that is jointly owned with AMF. The transaction generated cash flow of SEK 3.7 billion, which is being used to amortise the Group's debt.

Comments by ICA Gruppen's CEO, Nina Jönsson:

"The high rate of inflation at the end of 2022 rolled in to 2023 with even higher speed. We have to go back decades to find similar levels, and this is putting very strong pressure on our customers and the entire market. To parry this trend, since the start of the year we have been lowering our food prices in both Sweden and the Baltic countries. These price initiatives were launched during the first quarter and start of the second quarter. The lower volumes along with the price cuts we have introduced are affecting earnings, and the negative margin trend for both ICA Gruppen and ICA Sweden continued. ICA Sweden's operating margin is the lowest since the financial crisis in 2009. Cost inflation has been high for several months, but we are now seeing signs that it is abating, which will likely entail a

dampened rate of inflation going forward. What's most important for us now in 2023 is to follow through with our initiatives, work together with the ICA retailers to offer our customers good and affordable products, and continue developing ICA's joint offers through the Stämmis customer loyalty programme."

For more information

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ICA Gruppen AB (publ) is one of the leading retail companies in the Nordic countries 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, ICA Insurance, and Apotek Hjärtat, which conducts pharmacy business. ICA Gruppen had sales of approximately SEK 136 billion in 2022. For more information, visit icagruppen.se.

This information is such that ICA Gruppen AB is obligated to make public in accordance with the Swedish Securities Market Act. The information was submitted for publication by the contact person above at 07.00 CET on Wednesday, 26 April 2023.

