

Outlook & Goals

Sustainable, innovative and in dialogue with stakeholders: Migros remains faithful to its successful business principles; it continually expands its online range for customers and combines it with in-store retailing.

The **general economic situation in Switzerland** and the purchasing power of consumers will improve further. At the same time, net immigration will remain stable, albeit at a slightly lower level.

Outlook for the current year

Migros expects **continued stable growth** in its strategic business units in 2018. The exchange rate situation eased a little in the reporting year. The Swiss franc is expected to see a further small drop in value against the euro in the current year. As a result, shopping tourism will not increase any further, although it will still remain high.

Purchases from abroad via the internet will continue to rise. Swiss online retail will also continue its strong growth. With cutting-edge formats and new **cross-channel initiatives**, Migros will set the pace in the market and extend its leading position even further.

Some **tougher challenges** lie ahead this year for the Group's export-oriented companies. Firstly, exchange rates and the Swiss production base are hampering competitiveness at cost level. Secondly, it will become more difficult to pass on the generally rising prices of raw materials (e.g. for cocoa and coffee) to customers.

The pressure on sales and profits means that the planned and introduced **measures to safeguard efficiency and income** will be continued for all companies within the Migros Group, and efforts in the area of innovation will be stepped up.

The **investments** planned for the current year will also be maintained, in order to further boost long-term competitiveness and provide a solid basis for further growth.

Medium-term outlook

Following its vision "**Migros – a better life every day**", Migros will continue to do its utmost to be recognised among its customers, employees and the general public as the leading company for quality of life.

The **healthy development** of the Migros Group is based on its cooperative philosophy, its national and regional roots, and its commitment to serving the needs of its customers with professional passion and in a credible, performance-oriented and responsible way.

Migros will do everything it can to continue to offer its customers the best value for money in the future.

In the spirit of Migros founder Gottlieb Duttweiler, the company takes its **social responsibility** very seriously, in addition to its economic responsibility. It invests a proportion of its sales revenue in cultural and social projects and thereby enables the wider public to play a part in social issues.

To supplement **Migros Culture Percentage**, which is funded from the sales revenue of the Cooperative Retailing SBU, the Migros Group has created the **Engagement Migros development fund** to provide additional resources for projects in the areas of culture, sustainability, economics and sport. The company is thereby extending its social commitment to the entire group.

With the sustainable development programme **Generation M**, for several years now Migros has been committed to protecting the environment, promoting informed consumption and interacting with society and its employees in a socially minded and exemplary way. The range of sustainable products and services is being continually expanded.

Even under difficult economic conditions, the company firmly maintains its **key strategic goals**:

- Market leadership in Swiss retail
- A leading role in the other business fields
- Stronger growth abroad, whether organic or through strategic alliances and targeted acquisitions
- Expansion of digital business models
- Profitable growth

Migros will do everything it can to continue to offer its customers the **best value for money** in the future.

In its operational business, the Migros Group is firmly committed to **innovations** in the product range and the expansion of attractive online and cross-channel concepts. The latter in particular is becoming an increasingly important strategic factor.

By **investing** in the expansion of the infrastructure, the local presence of the Migros businesses and branch networks will be further strengthened. Not least, the company is committed to the important issue of long-term job security both in Switzerland and abroad.