

Outlook

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

The outlook for the **general economic situation in Switzerland** is fraught with a number of uncertainties. Assuming that supply and demand shocks can also be dealt with well internationally, the overall economy and the purchasing power of consumers should develop moderately positively in 2020. In addition, net immigration is expected to remain at the previous year's level.

Outlook for the current year

Migros expects **continued positive growth** in its strategic business units in 2020. The Swiss franc increased in value in the reporting year, reflecting not only Switzerland's robust economic performance, but also increasing trade and geopolitical uncertainties. The Swiss franc is expected to rise against the euro in the current year. As a result, shopping tourism will tend to remain at the current high level.

Swiss online retail will continue its strong growth. With cutting-edge formats and the **no-line strategy**, i.e. a seamless shopping experience across all channels, Migros will set the pace in the market and extend its leading position even further.

Despite the good performance of the Swiss export industry in the reporting year, the Migros Group's export-oriented companies will continue to face **major challenges** in 2020. The expected exchange rate developments, the subdued economic outlook in the EU countries and general economic uncertainty all make it difficult for Switzerland as a production location to sell its products abroad.

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

The **investments** planned for the current year will 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 by its customers, employees and the general public as the leading company for quality of life.

Migros will do everything it can to continue offering its customers the best range of products, easily and conveniently, at fair prices in the future.

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.

In the spirit of Migros founder Gottlieb Duttweiler, the Migros Group takes its **environmental and social responsibilities** very seriously, in addition to its economic responsibility. Migros Culture Percentage is funded from the sales revenue of the Cooperative Retailing SBU. It invests in cultural and social projects and thereby enables the wider public to participate in social issues.

The Migros Group uses the **Engagement Migros development fund** to fund innovative projects in the areas of culture, sustainability, business and sport.

The range of sustainable products and services is continuously expanded.

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

Even under difficult economic conditions, Migros remains committed to its **key strategic goals**:

- Undisputed market leadership in Swiss retail
- A leading role in the other business fields
- Targeted growth abroad, whether organic or through strategic alliances or acquisitions
- Expansion of digital business models
- Profitable growth.

Migros will do everything it can to continue offering its customers the **best range of products, easily and conveniently, at fair prices** in the future.

In its operational business, the Migros Group is firmly committed to **innovations** in the product range and the expansion of customer-friendly no-line concepts. The latter in particular is becoming an increasingly important strategic success factor.