

# Migros Group continues strong performance in a challenging market environment



Ursula Nold, Chairwoman FMC, and Fabrice Zumbrunnen, CEO FMC

**In 2022, the Migros Group generated record sales of CHF 30.138 billion (+4.2 %) and further cemented its leading market position in Swiss retail (in-store and online).**



→ **Reporting Academy**

Interview with Ursula Nold and Fabrice Zumbrunnen

The 2022 financial year was marked by rising inflation and geopolitical uncertainty, which resulted in subdued consumer demand. Despite this challenging market environment, Migros continued to perform well and further cemented its leading position in retail in both the in-store and online channels.

The travel, leisure and catering segments bounced back strongly. The Hotelplan Group more than doubled its net sales. A number of the retail companies also performed well, in particular the online retailer Digitec Galaxus, which recorded a significant increase in sales. Migros-Industry's sales remained stable overall in 2022, thanks in particular to strong performance abroad. Migros Bank had a particularly successful financial year, increasing its operating income and serving more than one million customers for the first time.

Migros again increased its total sales and exceeded the CHF 30 billion mark for the first time in its history. This success is largely attributable to Migros' employees, who work hard each day to improve the quality of life of people in Switzerland, and also reflects the high level of customer confidence enjoyed by Migros.

**Migros generated record sales in 2022, exceeding the CHF 30 billion mark for the first time in its history.**

**3.726 billion**

in total online sales were generated in 2022 (in CHF).

**Strong online growth and stable retail sales**

Retail sales in Switzerland remained stable compared with the previous year, coming in at CHF 23.115 billion (–0.2 %). In the e-commerce business, Migros again recorded strong growth and further cemented its position as the market leader in Switzerland. Total online sales grew by 14.9 % to CHF 3.726 billion. This was driven mainly by the Hotelplan Group and by the further growth of Switzerland's biggest online retailer Digitec Galaxus, which posted sales (incl. Germany) of CHF 2.427 million (+8.7 %). After strong growth in the previous year, sales of the supermarket Migros Online fell slightly to CHF 328 million (–0.7 %).

**Strong commitment to society and the environment**

In 2022, Migros again made numerous contributions to strengthening social cohesion in Switzerland. Support funds of more than CHF 156 million were provided under the "Migros Commitment" label, while 71 Migros Culture Percentage made CHF 139 million available in the areas of culture, society, education, leisure and business. The 71 Migros Pioneer Fund supported 58 projects with a total of CHF 16 million.

As in previous years, Migros continued to systematically expand its range of sustainably produced food. The range of plant-based meat and dairy substitutes sold under the own brand V-Love increased by about 40 to more than 150 products. Sales of organic food also increased to CHF 1.264 billion (+1.2 %). Sales of products with ecological or social added value rose by 1.5 % compared with the previous year to CHF 3.455 billion.

**As in previous years, Migros continued to systematically expand its range of sustainably produced food.**

# 1.589 billion

was invested by the Migros Group in 2022, in particular in Switzerland as a centre of industry.

# 459 million

in group profit was generated in 2022 (in CHF).

## 2022 in Detail

The Migros Group invested CHF 1.589 billion in 2022, in particular in Switzerland as a centre of industry (previous year: CHF 1.481 billion). It thereby confirmed its role as a major driving force in the country's economy. Industry invested about CHF 237 million in the reporting year. As in previous years, the focus was mainly on process digitalisation. In the area of sustainability, further investments were made to reduce carbon emissions.

### Financial performance

Earnings before interest and taxes (EBIT) were CHF 628 million in the reporting year (previous year: CHF 800 million). Group profit amounted to CHF 459 million (previous year: CHF 668 million). The sharp increase in the cost of raw materials, packaging and energy affected the financial performance of retail and Migros-Industry in particular. In Migros-Industry alone, the additional costs amounted to about CHF 250 million. Migros absorbed most of these increases itself and continued to invest in fair prices. The effects were only partially cushioned by the positive financial performance in the travel and health segments and by Migros Bank.

Equity increased by CHF 380 million to CHF 21.522 billion and corresponds to 72.5 % of the balance sheet total (previous year: 71.9 %). The Migros Group therefore continues to be in a strong financial position, which enables it to drive innovation and make the shopping experience even more attractive for its customers.

### Cooperative Retailing

The ten regional Migros Cooperatives (including subsidiaries) recorded net sales of CHF 15.904 billion (–2.0 %) in 2022. Foreign business accounted for CHF 1.384 billion of this figure. Consolidated sales came in at CHF 16.774 billion (–1.9 %).

Migros supermarkets and hypermarkets (including Migros Online) generated domestic sales of CHF 12.276 billion (–3.1 %). Footfall in the supermarkets and hypermarkets was up on the previous year (+5.5 %), but the average basket value per purchase was lower.

### Commerce

Sales in the Commerce Department increased again, this time by 4.9 % to CHF 8.583 billion. As mentioned, the online retailer Digitec Galaxus played a major part in this growth. The discounter Denner increased its market share despite the declining market. However, at CHF 3.685 billion, its sales remained below the level of the previous year (–3.2 %). The convenience store migrolino generated sales of CHF 784 million (+5.1 %). Migrol increased its sales by 23.8 % to CHF 1.795 billion on the back of the sharp rise in the price of oil.

### Migros-Industry

With its industrial companies, Migros is one of the biggest producers of own-brand products worldwide. It also supplies many third-party customers in Switzerland and abroad. In 2022, Migros-Industry generated sales of CHF 5.779 billion (+0.5 %). This growth was driven mainly by the strong performance abroad.

### Hotelplan Group

The easing of travel restrictions and the pent-up demand for holidays and business travel put the Hotelplan Group back on a growth trajectory in 2022. It achieved net sales of CHF 1.435 million (+122.5 %). In the summer months, Hotelplan and Migros Ferien received more bookings than in the same period in 2019.

**Migros Bank**

In 2022, Migros Bank's core business of customer deposits grew by a considerable 5.3 % to CHF 44.3 billion. At the same time, customer loans increased by 8.4 % to CHF 48.3 billion. Net interest income rose to CHF 513 million (+6.4 %). Net commission income rose to CHF 126 million (+8.9 %), partly due to the growth in asset management and investment funds, and the card business. Operating income across all divisions was up 7.8 % to CHF 703 million.

**Health**

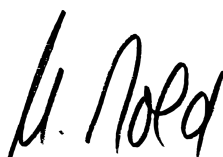
Sales in the health segment rose by 27.3 % to CHF 723 million. The Medbase Group continued on the growth trajectory of the previous year, with sales increasing to CHF 525 million (+7.2 %). In addition to organic growth in all business units, acquisitions also contributed to this trend. The fitness company movemi, which combines Migros' fitness formats, grew by 23.2 %.

**Migros as an employer**

In 2022, the Migros Group employed an average of 97'727 people and remains the largest private employer in Switzerland. The number of employees was almost unchanged from the previous year (+0.2 %). With 3'754 trainees in more than 60 different occupations, Migros also confirmed its position as the largest private employer in Switzerland.

**Outlook**

The current financial year will continue to be shaped by inflation, geopolitical tension and corresponding knock-on effects. The rising cost of raw materials, packaging and energy will continue to throw up challenges for Migros. Despite this difficult market environment, customers will still be able to count on receiving the best value for money. Migros will continue to fulfil its responsibility towards society and employees as usual and will remain a reliable employer.



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