

Coop Group in figures

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All values rounded up/down individually.

Key figures

Key figures at a glance

Total sales

30 669 CHF million

Net sales Group

29 633 CHF million

of which

20 159 CHF million Switzerland

9 474 CHF million abroad

Net sales segments

17 986 CHF million Retail

14 148 CHF million Wholesale/Production

Net sales online trading

913 CHF million Retail

1 691 CHF million Wholesale/
Production

Employees at 31.12

47 455 Retail

42 852 Wholesale/Production

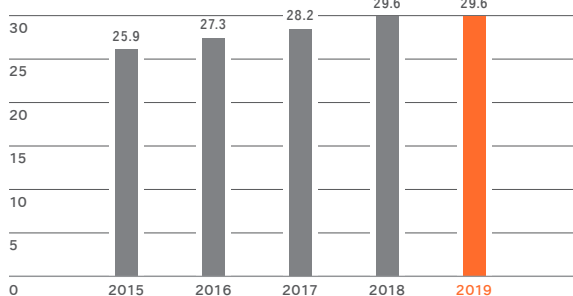
Trainees at 31.12

2 459 Retail

996 Wholesale/Production

Net sales

in CHF billion



Earnings

2 046 CHF million EBITDA

6.9% of net sales

782 CHF million EBIT

2.6% of net sales

Profit

531 CHF million

1.8% of net sales

Equity

10 265 CHF million

50.2% Equity ratio

Cash flow from operating activities

1 877 CHF million

Investments in tangible fixed assets

888 CHF million Switzerland

360 CHF million abroad

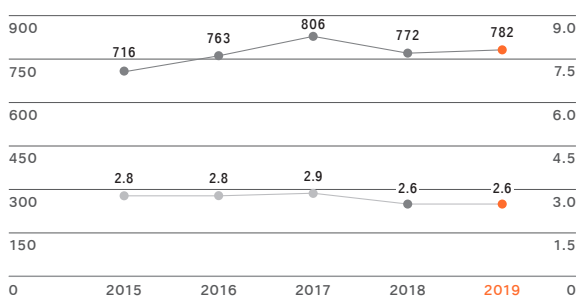
Sales outlets/markets

2 333 Retail

145 Wholesale/Production

Operating result (EBIT)

— in CHF million — as a % of net sales



Development of the Coop Group

in CHF million or as indicated	2015	2016	2017	2018	2019
Total sales	26 932	28 322	29 207	30 662	30 669
Retail	17 253	17 162	17 405	17 743	17 986
Wholesale/Production	10 611	12 248	13 006	14 170	14 148
Consolidation	-1 969	-2 151	-2 259	-2 348	-2 502
Net sales from goods and services	25 895	27 259	28 152	29 565	29 633
of which net sales Switzerland	19 252	19 251	19 476	19 931	20 159
as a % of net sales	74.3	70.6	69.2	67.4	68.0
of which net sales abroad	6 643	8 008	8 676	9 634	9 474
as a % of net sales	25.7	29.4	30.8	32.6	32.0
Earnings before interest, tax, depreciation and amortization (EBITDA)	1 933	2 044	1 994	2 103	2 046
as a % of net sales (EBITDA margin)	7.5	7.5	7.1	7.1	6.9
Operating result (EBIT)	716	763	806	772	782
as a % of net sales (EBIT margin)	2.8	2.8	2.9	2.6	2.6
Profit	416	475	485	473	531
as a % of net sales (profit margin)	1.6	1.7	1.7	1.6	1.8
Cash flow from operating activities	1 653	1 582	1 453	1 701	1 877
as a % of net sales (cash flow margin)	6.4	5.8	5.2	5.8	6.3
Cash flow from investing activities	-1 477	-1 939	-1 473	-1 792	-1 391
as a % of net sales	5.7	7.1	5.2	6.1	4.7
Cash flow from financing activities	-301	238	-238	325	-536
Free cash flow¹	234	61	99	218	533
Total assets	17 654	18 663	19 482	20 364	20 456
Equity incl. minority interests	8 401	8 928	9 339	9 754	10 265
Equity ratio incl. minority interests in %	Target value: > 40.0	47.6	47.8	47.9	50.2
Financial liabilities	4 700	5 043	5 096	5 781	5 348
Net financial liabilities	3 614	4 061	4 368	4 832	4 427
Debt coverage ratio	Target value: < 3.0	1.9	2.0	2.2	2.2
Interest coverage ratio²	Target value: > 8.0	25.4	33.8	40.2	42.7
FTE (incl. trainees) at 31.12	69 039	73 451	74 638	77 448	78 264
Employees (incl. trainees) at 31.12	79 954	85 001	86 424	89 579	90 307
Trainees at 31.12	3 410	3 505	3 486	3 449	3 455
Retail number of sales outlets/markets at 31.12	2 198	2 254	2 296	2 313	2 333
Retail sales area in m² at 31.12	1 814 469	1 852 653	1 869 362	1 882 500	1 891 825
Wholesale/Production number of sales outlets/markets at 31.12	214	226	142	145	145
Wholesale/Production sales area in m² at 31.12	938 768	1 004 472	1 007 100	1 008 731	1 004 633
Number of members	2 536 800	2 542 848	2 582 309	2 547 851	2 536 702

Prior-year figures restated

¹ Free cash flow definition: Cash flow from operating activities minus net investments in tangible fixed and intangible assets

² Interest coverage ratio definition: EBITDA/Interest and other financial expenses

Net sales

in CHF million	2019	2018		
Coop Supermarkets	10 452	10 408		
Coop@home	159	151		
Interdiscount	1 048	1 014		
Coop City	764	769		
Coop Building & Hobby	630	629		
Livique/Lumimart	201	197		
Import Parfumerie	147	146		
Christ Watches & Jewellery	78	81		
Dipl. Ing. Fust Ltd.	1 051	1 031		
Coop Vitality AG	213	202		
The Body Shop Switzerland Ltd.	27	29		
Coop Mineraloel AG	2 478	2 476		
Betty Bossi AG	81	75		
Marché Restaurants Schweiz AG	113	111		
Coop Restaurants	245	245		
Other companies and effects from segment consolidation	298	179		
Specialist formats	7 534	7 335		
Retail	17 986	17 743		
	in EUR million	2019	2018	
Transgourmet France	1 233	1 190	1 372	1 375
Transgourmet Central and Eastern Europe	5 410	5 302	6 019	6 124
Transgourmet Switzerland			1 713	1 598
Transgourmet Österreich	566	529	630	611
Other companies and effects from consolidation Transgourmet			2	2
Transgourmet Group			9 737	9 710
Bell Food Group			4 013	4 059
Coop Cooperative Production			815	802
Other companies and effects from segment consolidation			-417	-401
Wholesale/Production			14 148	14 170
Consolidation Coop Group			-2 502	-2 348
Net sales			29 633	29 565
Other operating income			1 036	1 097
Total sales			30 669	30 662
of which net sales online trading			2 605	2 329
Online trading in home electronics			602	512
– Microspot.ch			279	242
– Nettoshop.ch			91	88
– Other			231	181
Coop@home			159	151
Other online trading Retail			153	122
Online trading Retail			913	785
Online trading Wholesale/Production			1 691	1 544
of which net sales Switzerland			20 159	19 931
of which net sales abroad			9 474	9 634

Prior-year figures restated

Sales outlets/markets

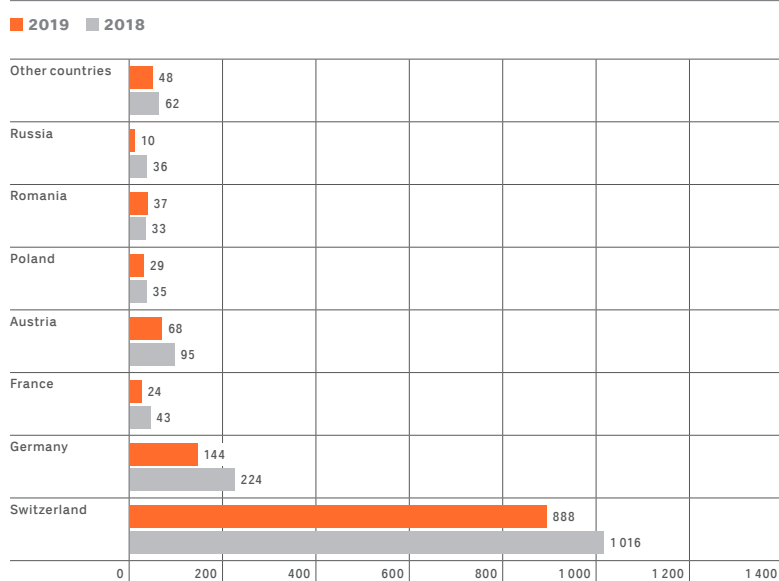
	2019	Number at 31.12 2018	Sales area m ² at 31.12 2019	Sales area m ² at 31.12 2018
Coop Supermarkets	931	918	998 966	988 896
Interdiscount	179	186	56 418	62 467
Coop City	31	30	130 600	126 031
Coop Building & Hobby	73	74	307 197	309 920
Livique/Lumimart	44	46	118 466	123 965
Import Parfumerie	115	118	9 593	9 864
Christ Watches & Jewellery	64	65	5 254	5 395
Dipl. Ing. Fust Ltd.	159	155	87 893	87 988
Coop Vitality AG	84	78	10 100	9 623
The Body Shop Switzerland Ltd.	45	45	2 610	2 659
Coop Mineraloel AG	322	318	37 897	37 329
Marché Restaurants Schweiz AG	35	33	15 673	15 481
Coop Restaurants	198	201	60 963	59 510
BäleHotels	4	4	0	0
update Fitness AG	48	40	50 195	43 372
Tropenhäuser	1	2		
Specialist formats	1 402	1 395	892 859	893 604
Retail	2 333	2 313	1 891 825	1 882 500
Transgourmet Central and Eastern Europe	101	102	821 592	829 831
Transgourmet Switzerland	31	30	127 560	123 419
Transgourmet Österreich	13	13	55 481	55 481
Transgourmet Group	145	145	1 004 633	1 008 731
Wholesale/Production	145	145	1 004 633	1 008 731
Coop Group	2 478	2 458	2 896 458	2 891 231

Prior-year figures restated

Investments (cash flow)

in CHF million	2015	2016	2017	2018	2019
Switzerland	1 202	992	920	1 016	888
Germany	94	160	161	224	144
France	34	27	27	43	24
Austria		191	58	95	68
Poland	74	36	32	35	29
Romania	17	40	23	33	37
Russia	13	47	38	36	10
Other countries	20	20	22	62	48
Abroad	253	517	361	527	360
Investments in tangible fixed assets	1 455	1 509	1 281	1 544	1 248
Disposals of tangible fixed assets	105	107	59	198	41
Net investments in tangible fixed assets	1 350	1 402	1 222	1 346	1 206
Other net investments	127	537	251	446	184
Net investments	1 477	1 939	1 473	1 792	1 391

Investments in tangible fixed assets by country in CHF million



Statement of added value

in CHF million	2019	2018	Index %
Net sales from goods and services	29 633	29 565	100.2
Other services rendered	1 078	1 139	94.6
Merchandise expenses and other upstream services	22 418	22 475	99.7
Gross added value	8 292	8 230	100.8
Depreciation and amortization/other	1 275	1 315	96.9
Company added value	7 017	6 914	101.5
Employees			
Wages and salaries	3 884	3 821	101.7
Social security contributions/other contributions	1 259	1 232	102.2
Public sector	1 196	1 213	98.6
Investors	41	49	83.3
Minority interests	105	126	83.7
Retained profits (self-financing)	531	473	112.4
Distribution of added value	7 017	6 914	101.5

Prior-year figures restated

The Coop Group's statement of added value shows the added value created by the Group in a given year and how it is used. The Coop Group aims to create added value on a sustained basis, thereby enabling it to safeguard the Group companies and jobs.

At 73.3% (previous year: 73.1%), the largest proportion of the newly created value goes to the Coop Group's employees. The Coop Group employed 78 264 FTE (previous year: 77 448).

The public sector receives 17.0% (previous year: 17.5%) from taxes, customs duties and charges.

The 0.6% (previous year: 0.7%) going to investors comprises interest paid. Due to low interest rates, this remains at a relatively low level.

Adequate profits are retained for self-financing purposes and used to safeguard the Group's continued existence as a going concern, jobs and its ability to provide competitive goods and services for customers.

Employees

FTE

	2019	2018
Coop Supermarkets	18 945	18 833
Coop@home	158	151
Interdiscount	1 679	1 658
Coop City	2 028	2 016
Coop Building & Hobby	1 603	1 601
Livique/Lumimart	561	561
Import Parfumerie	502	503
Christ Watches & Jewellery	281	296
Dipl. Ing. Fust Ltd.	2 173	2 129
Coop Vitality AG	686	649
The Body Shop Switzerland Ltd.	152	166
Coop Mineraloel AG	116	107
Betty Bossi AG	99	102
Marché Restaurants Schweiz AG	616	627
Coop Restaurants	1 568	1 581
Other companies	1 000	999
Logistics/Corporate services	5 547	5 517
Retail	37 714	37 497
Transgourmet France	2 992	3 101
Transgourmet Central and Eastern Europe	21 329	20 713
Transgourmet Switzerland	2 016	1 775
Transgourmet Österreich	1 616	1 658
Transgourmet Group	27 953	27 246
Bell Switzerland	4 771	4 848
Bell abroad	6 022	6 007
Bell Food Group	10 793	10 855
Coop Cooperative Production	1 792	1 838
Other companies	12	12
Wholesale/Production	40 550	39 952
FTE (incl. trainees) at 31.12	78 264	77 448

Employees

	2019	2018
Coop Supermarkets	24 893	24 782
Coop@home	161	155
Interdiscount	1 753	1 792
Coop City	2 519	2 518
Coop Building & Hobby	2 013	2 003
Livique/Lumimart	644	640
Import Parfumerie	657	672
Christ Watches & Jewellery	386	401
Dipl. Ing. Fust Ltd.	2 248	2 208
Coop Vitality AG	949	893
The Body Shop Switzerland Ltd.	210	220
Coop Mineraloel AG	119	110
Betty Bossi AG	120	127
Marché Restaurants Schweiz AG	922	898
Coop Restaurants	2 049	2 050
Other companies	1 797	1 754
Logistics/Corporate services	6 015	5 972
Retail	47 455	47 195
Transgourmet France	3 058	3 115
Transgourmet Central and Eastern Europe	22 501	22 145
Transgourmet Switzerland	2 205	1 963
Transgourmet Österreich	1 727	1 764
Transgourmet Group	29 491	28 987
Bell Switzerland	5 175	5 241
Bell abroad	6 302	6 224
Bell Food Group	11 477	11 465
Coop Cooperative Production	1 872	1 920
Other companies	12	12
Wholesale/Production	42 852	42 384
Employees (incl. trainees) at 31.12	90 307	89 579

Trainees

	2019	2018
Coop Supermarkets	1 295	1 359
Interdiscount	325	345
Coop City	157	155
Coop Building & Hobby	121	117
Livique/Lumimart	35	35
Import Parfumerie	45	42
Christ Watches & Jewellery	23	29
Dipl. Ing. Fust Ltd.	87	92
Coop Vitality AG	135	132
The Body Shop Switzerland Ltd.	1	1
Coop Mineraloel AG	4	4
Betty Bossi AG	1	1
Marché Restaurants Schweiz AG	15	10
Coop Restaurants	15	22
Other companies	32	40
Logistics/Corporate services	168	165
Retail	2 459	2 549
Transgourmet France	89	87
Transgourmet Central and Eastern Europe	565	467
Transgourmet Switzerland	83	84
Transgourmet Österreich	73	80
Transgourmet Group	810	718
Bell Switzerland	81	80
Bell abroad	74	75
Bell Food Group	155	155
Coop Cooperative Production	31	27
Wholesale/Production	996	900
Trainees at 31.12	3 455	3 449

Prior-year figures restated

Employee diversity

as %	2019	Retail 2018	Wholesale/Production 2019	2018	2019	Coop Group 2018
Type of employment						
Full-time employees	56.5	56.7	81.0	81.8	68.1	68.6
Part-time employees	43.5	43.3	19.0	18.2	31.9	31.4
Percentage of women	62.3	62.3	42.1	42.6	52.7	53.0
who are full-time employees	43.9	44.0	37.3	38.0	40.1	40.6
who are part-time employees	86.2	86.1	62.6	63.3	79.5	79.9
in management positions	42.1	41.4	26.3	25.6	35.8	35.3
on Board of Directors and Executive Committee of Coop Group Cooperative					29.4	29.4
Percentage of employees over 50 years of age	25.7	26.6	27.1	26.6	26.4	26.6
Trainees						
Sales	85.9	86.2	28.4	26.9	69.3	70.7
Commercial	5.0	5.1	38.8	42.1	14.8	14.7
Trades/Other	9.1	8.7	32.8	31.0	15.9	14.6
Country of work						
Switzerland	99.6	99.7	21.6	21.5	62.6	62.7
Germany			31.3	31.4	14.9	14.9
Poland			11.5	11.3	5.5	5.3
Romania			10.9	11.1	5.2	5.2
France			8.1	8.3	3.8	3.9
Austria			7.3	6.9	3.5	3.3
other	0.4	0.3	9.3	9.5	4.5	4.7
Nationality¹						
Switzerland	67.3	67.8	43.9	44.2	63.6	64.3
Abroad	32.7	32.2	56.1	55.8	36.4	35.7

Prior-year figures restated

¹ only from areas based in Switzerland

Sustainability

Sustainable products

	2015	2016	2017	2018	2019
Sales from sustainable products					
in CHF million					
Sales from sustainable products Coop Group	3 543	3 855	4 256	4 671	4 711
of which organic	1 174	1 255	1 389	1 653	1 793
of which Fairtrade ¹	373	462	514	755	760

Prior-year figures restated

¹ until 2017 excluding UTZ and Rainforest Alliance

Packaging

in tonnes

Packaging reduction and optimization, Retail	85	230	145	336	273
Packaging reduction and optimization, Wholesale/Production	145	334	287	605	277
Packaging reduction and optimization, Supermarkets since 2012					24 000

Environmental and climate protection

	2015	2016	2017	2018	2019
Energy consumption					
in megawatt-hours					
Retail	1 127 499	1 134 156	1 167 296	1 115 086	1 125 824
Wholesale/Production ¹	1 441 986	1 527 834	1 602 460	1 593 851	1 610 206
Total energy consumption	2 569 485	2 661 990	2 769 756	2 708 937	2 736 030

Prior-year figures restated

¹ until 2018 excluding Hügli Group

Renewable energy sources

as a %

Retail	66.8	68.0	68.5	71.5	70.5
Wholesale/Production ¹	37.0	36.3	39.6	40.1	37.4
Percentage of renewable energy sources	50.1	49.8	51.8	53.7	51.6

Prior-year figures restated

Carbon dioxide emissions (CO₂)

in tonnes

Retail	107 135	103 849	105 751	97 983	97 393
Wholesale/Production ¹	350 062	367 049	309 806	322 224	363 463
Total carbon dioxide emissions (CO ₂)	457 197	470 898	415 557	420 207	460 855

Prior-year figures restated

¹ until 2018 excluding Hügli Group

2015 2016 2017 2018 2019

Water consumption

in thousands of cubic metres

Retail	1 060	1 282	1 300	1 378	1 313
Wholesale/Production ¹	5 632	5 902	6 115	6 756	6 069
Total water consumption	6 692	7 184	7 415	8 134	7 382

¹ until 2018 excluding Hügli Group

Waste

Recycling rate

as %

Retail	80.0	80.2	80.7	80.5	81.2
Wholesale/Production ¹	70.1	73.4	76.9	78.6	79.7

Waste production

in tonnes

Retail	129 896	134 145	139 445	136 665	132 710
Wholesale/Production ¹	65 409	84 085	109 551	124 073	139 143
Total waste production	195 305	218 230	248 996	260 738	271 853

¹ until 2018 excluding Hügli Group

Social commitment

2015 2016 2017 2018 2019

Social commitment

in CHF thousands

Coop Sustainability Fund	17 000	18 655	17 511	17 146	16 850
Coop Aid for Mountain Regions	860	827	700	606	597
Additional contributions for social projects	6 496	6 053	5 782	6 952	7 176
Total social commitment	24 356	25 535	23 993	24 704	24 623

Report on the financial year

Income statement

Net sales from goods and services

The Coop Group's net sales figure comprises net sales from the Retail and the Wholesale/Production segments. In 2019, it rose by 0.2% to a total of CHF 29 633 million (previous year: CHF 29 565 million). Total sales for the Coop Group amounted to CHF 30 669 million (previous year: CHF 30 662 million). Through its online shops, the Group generated net sales of CHF 2 605 million (previous year: CHF 2 329 million). This equates to a rise of 11.8%, to which both segments contributed.

Operating result (EBIT)

Personnel expenses amounted to CHF 5 102 million and other operating expenses to CHF 3 205 million. Earnings before interest, tax, depreciation and amortization (EBITDA) came to CHF 2 046 million (previous year: CHF 2 103 million) with the EBITDA margin slightly lower year on year at 6.9%. Depreciation and amortization of CHF 1 264 million comprises depreciation of land and buildings and installations of CHF 567 million, depreciation of other tangible fixed assets of CHF 464 million, amortization of goodwill of CHF 102 million and amortization of other intangible assets of CHF 131 million. The operating result (EBIT) was up on the prior-year figure of CHF 772 million to CHF 782 million and the EBIT margin remained unchanged at 2.6%.

Profit for the financial year

The loss from foreign currencies and the financial result amounts to CHF 47 million (previous year: loss of CHF 40 million). Net of a non-operating loss of CHF 6 million, income taxes of CHF 93 million (previous year: CHF 140 million) and minority interests of CHF 105 million (previous year: CHF 126 million), profit was up by CHF 59 million year on year to CHF 531 million.

Segment report

Retail

Coop grew retail sales by 1.4%, generating net sales of CHF 17 986 million. The Coop supermarkets increased footfall by 2.5% and achieved net sales of CHF 10 452 million, exceeding the prior-year figure by 0.4%.

The specialist formats lifted net sales by 2.7% to CHF 7 534 million. The consumer electronics business generated net sales of CHF 2 099 million, an increase of 2.6%. They thus consolidated their leading position in the consumer electronics market.

Livique/Lumimart once again gained market share and increased net sales by 2.0% to CHF 201 million. Coop Building & Hobby remains the leader in the DIY market. At CHF 630 million, net sales were virtually unchanged compared with the previous year.

Following two major refurbishment projects, net sales at Coop City department stores declined by 0.6% to stand at CHF 764 million. Market share was gained in a difficult market environment.

Coop Mineraloel AG remains the market leader. Net sales were on a par with the previous year at CHF 2 478 million. The Pronto shops advanced by 1.9%.

Coop Vitality AG posted another very encouraging performance, lifting net sales by 5.8% to CHF 213 million.

Net retail sales in online business rose by 16.3% to CHF 913 million. Microspot.ch and Coop@home made a substantial contribution to this result. Online supermarket Coop@home posted growth of 5.4% and thus gained market share; net sales amounted to CHF 159 million.

The Retail segment's operating result (EBIT) increased by CHF 79 million to CHF 540 million (previous year: CHF 462 million). The number of sales outlets in the segment (including restaurants) rose by 20 to 2 333. The Coop Group employed 47 455 people in retailing (previous year: 47 195).

Wholesale/Production

In the Wholesale/Production segment, net sales totalled CHF 14 148 million (previous year: CHF 14 170 million). In local currency terms this represented an increase of 2.5%.

The Transgourmet Group, which operates in the cash & carry and wholesale supplies sector in Germany, Poland, Romania, Russia, France, Austria and Switzerland, generated net sales of CHF 9 737 million (previous year: CHF 9 710 million). It advanced by 3.7% in local currencies and further expanded its position as the second-largest company in the European cash & carry and wholesale supplies segment. Transgourmet operated a total of 145 cash & carry markets (previous year: 145) and employed 29 491 people (previous year: 28 987).

Net sales at the manufacturing companies totalled CHF 4 835 million (previous year: CHF 4 867 million). In local currency terms this represented an increase of 0.5%.

The Bell Food Group is one of Europe's leading meat and convenience food processors. With its brands Bell, Hilcona, Eisberg and Hügli, the group covers a whole variety of customer requirements. Its customers include retail, food service and the food industry. At CHF 4 013 million, net sales were 1.1% down on the previous year (CHF 4 059 million). The Bell Food Group employed 11 477 people (previous year: 11 465).

The Wholesale/Production segment's operating result (EBIT) fell by CHF 69 million to CHF 242 million (previous year: CHF 311 million).

Financial position and cash flows

Balance sheet

The Coop Group's total assets increased by CHF 92 million year on year. On the assets side, where there was a rise in prepaid expenses and inventories, current assets climbed by CHF 30 million to CHF 6 429 million. Non-current assets rose by CHF 61 million to CHF 14 027 million. Set against the depreciation and amortization expense here are higher investments and additions originating from the acquisitions. Liabilities decreased by CHF 419 million year on year to CHF 10 191 million. Short-term liabilities declined by CHF 133 million to CHF 4 776 million and long-term liabilities by CHF 287 million to CHF 5 415 million. Within long-term liabilities, the Coop Group financed itself through bonds and deposits. Equity including minority interests rose to CHF 10 265 million. The equity ratio climbed to 50.2% as at 31 December 2019 and was therefore well above the strategic target of 40%.

Cash flow statement

The cash inflow from operating activities increased by CHF 176 million year on year to CHF 1 877 million. The cash outflow from investing activities was CHF 401 million lower than in the previous year at CHF 1 391 million. This was due to both reduced expenditure on acquisitions and lower net investments in tangible fixed assets. A net amount of CHF 1 344 million was invested in tangible and intangible fixed assets and a further CHF 45 million in acquisitions. In the case of financial assets/securities, a net amount of CHF 2 million was invested. This resulted in free cash flow of CHF 533 million. The cash outflow from financing activities amounted to CHF 536 million. The Coop Group Cooperative made a bond repayment of CHF 250 million. Short and long-term financial liabilities showed a net decrease of CHF 209 million. Moreover, there was a CHF 12 million inflow of funds from the sale of shares in F&B – Food and Beverage Services GmbH and dividends of CHF 89 million were paid to minority interests.

Annual consolidated financial statements

Consolidated income statement

in CHF million	Notes	2019	2018
Net sales from goods and services	1	29 633	29 565
Other operating income	2	1 036	1 097
Merchandise expenses		20 316	20 350
Personnel expenses	3	5 102	5 011
Other operating expenses	4	3 205	3 198
Earnings before interest, tax, depreciation and amortization (EBITDA)		2 046	2 103
Depreciation on tangible fixed assets	5	1 031	1 009
Amortization on intangible assets	5	233	322
Operating result (EBIT)	1	782	772
Result of associated organizations		0	2
Result from foreign currencies		-17	-17
Financial result	6	-30	-22
Ordinary result		736	735
Non-operating result	7	-6	4
Result before income taxes (EBT)		730	739
Income taxes	8	93	140
Result after income taxes		637	599
Minority interests		105	126
Profit		531	473

Prior-year figures restated

Consolidated balance sheet

in CHF million	Notes	31.12.2019	31.12.2018
Cash and cash equivalents	9	917	945
Securities		4	4
Receivables from goods and services	10	1 273	1 282
Other short-term receivables	11	285	297
Prepayments and accrued income		565	535
Inventories	12	3 384	3 336
Current assets		6 429	6 398
Tangible fixed assets	13	12 803	12 675
Financial assets	14	150	158
Intangible assets	15	1 074	1 132
Non-current assets		14 027	13 966
Assets		20 456	20 364
Payables from goods and services		1 793	1 864
Short-term financial liabilities	16	924	1 126
Other short-term liabilities	17	378	356
Short-term provisions	18	261	255
Accrued liabilities and deferred income		1 420	1 306
Short-term liabilities		4 776	4 908
Long-term financial liabilities	16	4 425	4 655
Long-term provisions	18	990	1 047
Long-term liabilities		5 415	5 702
Liabilities		10 191	10 610
Retained earnings		9 337	8 916
Capital reserves		-233	-241
Profit		531	473
Equity excluding minority interests		9 635	9 148
Minority interests		630	606
Equity incl. minority interests		10 265	9 754
Liabilities and equity		20 456	20 364

Consolidated cash flow statement

in CHF million	2019	2018
Result after income taxes	637	599
Depreciation and amortization	1 168	1 286
Impairment loss	120	73
Reversal of impairment	-17	-25
Gains (-)/losses on disposal of fixed assets	-13	-91
Other non-cash expenses/income	54	48
Result of associated organizations	0	-2
Dividends received from associated organizations	1	0
Increase (-)/decrease in receivables from goods and services	37	0
Increase (-)/decrease in other receivables, prepayments and accrued income	-12	24
Increase (-)/decrease in inventories	-79	-44
Increase/decrease (-) in payables from goods and services	-95	-88
Increase/decrease (-) in other short-term liabilities, accrued liabilities and deferred income	101	-22
Increase/decrease (-) in short-term provisions	6	-50
Increase/decrease (-) in long-term provisions	-31	-8
Cash flow from operating activities	1 877	1 701
Investments in tangible fixed assets	-1 248	-1 544
Disposals of tangible fixed assets	41	198
Investments in financial assets/securities	-14	-76
Disposals of financial assets/securities	12	63
Payment for the acquisition of consolidated organizations	-45	-296
Investments in intangible assets	-137	-139
Disposals of intangible assets	0	1
Cash flow from investing activities	-1 391	-1 792
Inflows from bonds issuance	0	650
Outflows for bonds repayments	-250	-175
Capital increase/reduction	6	198
Dividends to minority shareholders	-89	-88
Acquisition/disposal minority interests	6	-389
Increase/decrease (-) in short-term financial liabilities	-333	76
Increase/decrease (-) in long-term financial liabilities	124	53
Cash flow from financing activities	-536	325
Cash flow	-50	234
Cash and cash equivalents at beginning of the reporting period	945	722
Cash flow	-50	234
Effect of exchange rate changes on cash and cash equivalents	23	-11
Cash and cash equivalents at end of the reporting period	917	945

Statement of changes in equity

in CHF million	Retained profits	Accumulated currency differences	Capital reserves	Profit	Equity excl. minority interests	Minority interests	Equity incl. minority interests
Equity at 1.1.2019	9 448	-532	-241	473	9 148	606	9 754
Capital increase/reduction						6	6
Changes to the scope of consolidation						8	8
Acquisition/disposal minority interests			8		8	-2	6
Appropriation of prior-year profit	473			-473			
Profit				531	531	105	637
Dividends						-89	-89
Effect of exchange rate changes		-52			-52	-4	-56
Equity at 31.12.2019	9 921	-584	-233	531	9 635	630	10 265
Equity at 1.1.2018	8 963	-391	-145	485	8 912	427	9 339
Capital increase/reduction			-6		-6	204	198
Changes to the scope of consolidation						85	85
Acquisition/disposal minority interests			-90		-90	-139	-229
Appropriation of prior-year profit	485			-485			
Profit				473	473	126	599
Dividends						-88	-88
Effect of exchange rate changes		-141			-141	-8	-148
Equity at 31.12.2018	9 448	-532	-241	473	9 148	606	9 754

An increase or reduction in the ownership interest in fully consolidated organizations is regarded as a transaction with owners. The difference between the transaction price and the corresponding minority interest is eliminated against equity and presented as capital reserves. In 2019, 49% of the shares in F&B - Food & Beverage Services GmbH were sold to the Oetker Group. In 2018, following the acquisition of a majority stake in the Hügli Group, the shareholding was gradually increased. In addition, the outstanding shares were acquired in Service 7000 AG.

Notes to the annual consolidated financial statements

Consolidation and accounting principles

Basis of accounting

The annual consolidated financial statements are based on the annual financial statements of the Group companies prepared as at 31 December 2019 in accordance with uniform policies and present a true and fair view of the financial position, results of operations and cash flows. The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR (Accounting and Reporting Recommendations) and Swiss legal provisions.

Assets are measured at purchase or production cost. Liabilities are carried at their historical value. The income statement is presented using the total cost (nature of expense) method. The valuation principles were applied unchanged compared with the previous year.

The annual consolidated financial statements of the Coop Group are presented in Swiss francs (CHF). Unless otherwise indicated, all amounts are stated in millions of Swiss francs.

Cash flow statement

The cash flow statement is prepared on the basis of the fund comprising cash and cash equivalents. Cash flow from operating activities is calculated using the indirect method.

Scope of consolidation

The annual consolidated financial statements of the Coop Group comprise the Coop Group Cooperative and its equity investments. The Coop Group Cooperative equity investments are listed in the notes under Scope of consolidation (significant companies).

Fully consolidated organizations are organizations where the Coop Group directly or indirectly holds more than 50% of the voting rights.

Associated organizations are entities over which the Coop Group is able to exercise significant influence. This is usually the case if it holds between 20% and 50% of the voting rights.

Equity investments where it holds less than 20% are not consolidated and are presented in financial assets at cost less any necessary write-downs.

Consolidation method

Fully consolidated organizations

Assets, liabilities, income and expenses are consolidated in full. Capital consolidation uses the purchase method, whereby an organization's equity at the date of acquisition or initial consolidation is eliminated against the carrying amount of the investment at the parent. Newly acquired organizations are revalued at their current value applying uniform Group policies and included in the annual consolidated financial statements from the date on which control takes effect. If the cost of acquisition is higher than the revalued net assets acquired, the remaining excess is recognized as goodwill and amortized on a straight-line basis.

Purchase price adjustments contingent on future events are forecasted. If the final purchase price differs from the estimate, goodwill is adjusted accordingly.

A negative goodwill (badwill) is credited to the income statement in the period of acquisition. Organizations sold are included up until the date on which control is lost, which is usually the date of sale. Minority interests in consolidated equity and in profit or loss are presented separately in the balance sheet and income statement. An increase or reduction in the ownership interest in fully consolidated organizations is regarded as a transaction with owners. Gains and losses on such transactions are therefore eliminated directly against equity.

Intercompany transactions and relationships, i.e. income, expenses, receivables and liabilities between consolidated organizations, are offset and eliminated. If significant, intercompany profits on transactions within the Group are eliminated.

Associated organizations

If economically significant, associated organizations are included in the annual consolidated financial statements using the equity method. The financial statements of these organizations prepared in accordance with the true and fair view principle are used to determine the share of equity.

Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income statements and the cash flow statements are converted at the average rate. Any differences arising from the use of these two different conversion rates are taken directly to equity.

When foreign subsidiaries or associated organizations are sold, the proportionate accumulated currency differences are transferred from equity to the income statement.

Foreign currency exchange rates into CHF

		Average rates		Closing rates	
		2019	2018	31.12.2019	31.12.2018
1	EUR	1.113	1.155	1.085	1.127
1	GBP	1.268	1.306	1.276	1.260
1	HKD	0.127	0.125	0.124	0.126
100	HUF	0.342	0.362	0.328	0.351
1	PLN	0.259	0.271	0.255	0.262
1	RON	0.234	0.248	0.227	0.242
1	RUB	0.015	0.016	0.016	0.014
1	USD	0.994	0.978	0.966	0.984

Net sales from goods and services

Net sales from goods and services result from the sale of goods and the provision of services in the course of ordinary activities during the reporting period. Net sales from the sale of goods to customers are generated in the supermarkets, the various specialist formats, the wholesale stores and the supplies business or originate from goods produced at Coop's own manufacturing companies. Net sales from services originate from the provision of transport services, from hotel business and from fitness centre membership subscriptions, for example. Sales are recognized at fair value. Sales and value-added taxes as well as sales reductions such as discounts, rebates and other allowances are deducted from the net sales reported. Sales are recognized when the significant risks and rewards incidental to ownership of the products sold as well as control have transferred to the customer and it is reasonably certain that the resulting receivables will be collectible in cases where the transaction is not a cash sale. Net sales from the provision of services are recognized in the accounting period in which the service was rendered. In the event of agency transactions, only the value of the service rendered by the entity itself is reported.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits, cheques, vouchers and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value.

Securities

Securities are marketable instruments that can be easily realized. They are carried in the balance sheet at market value. Unlisted securities are carried in the balance sheet at cost less any necessary write-downs.

Receivables from goods and services and other short-term receivables

Receivables are carried in the balance sheet at nominal value. Valuation allowances for losses that are identifiable and have occurred are deducted and charged to the income statement.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost comprises the net purchase price and incidental charges. Purchased inventories are measured at the average cost price (moving average price) and internally produced inventories at production cost. Inventories are stated at net realizable value if this is lower than cost. Discounts are treated as reductions in the purchase price.

Specific valuation allowances are recognized for goods that are no longer serviceable or difficult to sell.

Financial assets

Financial assets include the associated organizations recognized using the equity method. Long-term loans and securities held for the purpose of long-term investment are also presented as financial assets. Securities and loans are stated at cost less any necessary write-downs.

Assets from employer contribution reserves are recognized as financial assets.

Tangible fixed assets

Tangible fixed assets, which also include properties not used for operating purposes, are stated at cost less any necessary depreciation. Cost comprises the purchase price plus the directly attributable costs of bringing the assets to usable condition. Investments in existing tangible fixed assets are recognized in the cost of an asset if they increase its value in use over the long term or extend its useful life. Depreciation is applied on a straight-line basis over the useful life of the asset.

The depreciation period of tangible fixed assets is usually within the following ranges:

Land and buildings	
Plots of land	no depreciation
Buildings	40–67
Installations	
	15–30
Furniture, machinery and IT	
Furniture/tools	5–10
Sales outlet fittings/market fittings	10–15
Machinery	3–15
Production systems	20–30
IT	3–8
Vehicles	
	3–10

The depreciation period for buildings ranges from 40 years in the case of properties used for operational purposes and subject to increased use to 67 years in the case of mixed-used properties. Installations are usually depreciated over a period of 15 to 20 years. At production facilities, specific production installations are depreciated over a longer useful life of up to 30 years.

Experience shows that fittings in the retail sales outlets have a shorter useful life than fittings in the wholesale markets.

Machinery usually has a useful life of up to 15 years, with production systems possibly forming a separate asset category and having a useful life of 20 to 30 years. Heavy commercial vehicles have a depreciation period of up to ten years.

Assets under construction include the cumulative project costs eligible for capitalization. Project costs that are not eligible for capitalization are charged to the income statement when incurred. Impairment charges are recognized on assets under construction if there is evidence of impairment. In the event of additions in the scope of consolidation, non-current assets are remeasured on the basis of the cumulative cost of and accumulated depreciation or amortization charges on the acquired assets at the acquisition date. Non-current assets are remeasured by adjusting the accumulated depreciation or amortization so that the acquired assets are measured on a net basis at their actual value at the acquisition date. They are presented gross in the statements of changes in fixed assets. In addition, the depreciation or amortization period is reviewed, and if necessary adjusted, bearing in mind the remaining useful life.

Leases

Payments under operating leases are charged to the income statement on a straight-line basis over the lease term. Assets acquired on the basis of leases and for which the risks and rewards pass to the Coop Group at inception of the lease are classified as finance leases. For the relevant assets, therefore, the fair value or, if lower, the net present value of the future, non-cancellable lease payments is recognized as an asset and as a finance lease liability. Assets under finance leases are amortized over the shorter of their estimated useful life and the lease term.

Intangible assets

This item includes IT software, trademarks, licences, patents and goodwill from acquisitions. Intangible assets are recognized if they are clearly identifiable, the costs can be reliably determined and they yield measurable economic benefits for the entity over several years. They are amortized on a straight-line basis over their useful life.

Goodwill from acquisitions is calculated as the difference between the purchase price paid to acquire an entity and the value of the net assets. The net assets correspond to the total of the individual assets of the acquired entity less the liabilities and contingent liabilities under Swiss GAAP ARR at the acquisition date. Any goodwill that arises is generally capitalized and amortized on a straight-line basis. The amortization period is determined based on the expected useful life of the assumed market and synergy potential that gave rise to the goodwill.

The depreciation period of intangible assets is usually within the following ranges:

Goodwill	up to 20
Trademarks	up to 20
Patents/licences	5
Other intangible assets	3–8

Impairment

In the Coop Group, non-current assets are tested for impairment annually if there are indications of a decline in value. The recoverable amount is calculated using the capital asset pricing model and taking into account updated assumptions and expected cash flows from the multi-year plan. If the carrying amount exceeds the recoverable amount, it is adjusted in profit or loss by way of an impairment charge.

Liabilities

Short-term liabilities include all liabilities due within one year, accrued liabilities and deferred income, and short-term provisions. Long-term liabilities comprise obligations with a maturity of more than one year.

One of the ways in which Coop raises financing is the Depositenkasse, which provides investors with interest-bearing deposit accounts. After the statutory six month blocking period on new deposits, CHF 20 000 can be withdrawn from the available balance on the deposit account each month. Amounts in excess of this limit require three months' notice. The breakdown of deposit accounts into short and long-term financial liabilities is based on empirical values for past outflows (substance over form). Short-term and long-term liabilities are carried in the balance sheet at their nominal amounts.

Provisions

Provisions are recognized if a past event gives rise to a probable legal or constructive obligation, the amount and/or timing of which is uncertain, but can be estimated. Provisions are measured on the basis of an estimate of the probable outflow. Provisions are discounted if the effect is material.

Income taxes

Current income taxes are recognized on an accrual basis based on the results of operations actually generated and presented in the reporting period.

Deferred income taxes are recognized for all temporary taxable or tax-deductible differences between the tax base and Swiss GAAP ARR carrying amounts using the balance sheet liability method. The deferred income taxes to be recognized annually are calculated at the future tax rate applicable to the taxable entity in question at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if they relate to the same taxable entity and are levied by the same taxation authority.

Derivative financial instruments

The Coop Group uses derivative financial instruments to hedge currency risk. Both derivative financial instruments for the purposes of hedging balance sheet items and those not held for hedging purposes are recognized at current values. The change in the current values since the last measurement is recognized in profit or loss for the period. Instruments used to hedge contractual future cash flows are not recognized in the balance sheet, but disclosed in the notes to the financial statements.

Derivative financial instruments outstanding at the balance sheet date are disclosed in the notes to the annual consolidated financial statements.

Pension benefit obligations

Pension benefit obligations are all obligations arising from pension plans and pension institutions that provide retirement, death and disability benefits.

Coop Group employees receive pension benefits, or old-age pensions, which are in line with the legal regulations and provisions applicable in each of the countries. Pension plans and pension institutions are usually funded from employer and employee contributions. The contributions made by Coop Group companies are included in personnel expense under social security contributions.

In Switzerland, employees are members of a legally independent pension institution or a collective foundation of banks or insurance companies. The terms provide for benefits that usually go well beyond the statutory minimum under Swiss law. In addition, within the pension institution, most employees can choose whether to join a plan with higher or lower savings contributions.

Annually, it is assessed whether a pension institution gives rise to an economic benefit or an economic obligation from the organization's perspective.

The pension institutions' annual financial statements prepared in accordance with Swiss GAAP FER 26 and giving a true and fair view of the existing surplus or deficit are taken as the basis for the assessment.

An economic benefit is only recognized if it is permitted and intended to use the surplus to reduce employer contributions. Any freely available employer contribution reserves are recognized as assets. An economic obligation is recognized if the requirements for recognizing a provision are met.

The Group companies abroad do not have legally independent pension institutions with separated assets. Here, obligations arising from pension plans are recognized directly in the balance sheet.

Related party transactions

Associated organizations, pension funds and natural persons such as members of the Executive Committee or Board of Directors are considered to be related parties.

Significant financial statement items with associated organizations and other related party transactions are disclosed in the notes to the annual consolidated financial statements.

Off-balance sheet transactions

Contingent liabilities such as guarantees, guarantee obligations, pledges and other obligations not required to be recognized in the balance sheet are measured at each balance sheet date and disclosed at nominal value. Other obligations not required to be recognized in the balance sheet include all long-term obligations entered into which cannot be terminated within one year. If contingent liabilities and other obligations not required to be recognized in the balance sheet lead to an outflow of funds without any usable inflow of funds and this outflow of funds is probable and can be estimated, a provision is recognized.

Restatement of prior-year figures

Under Swiss GAAP FER 17.17, the cost of inventories also includes incidental costs such as transportation costs or freight forwarding and unloading costs. Inventories are therefore measured taking into account personnel and transportation costs incurred internally. These costs were previously presented in full as merchandise expenses. They are now presented as personnel expenses and other operating expenses. The consolidated income statement and tables 3 and 4 in the Notes to the annual consolidated financial statements have therefore been adjusted accordingly for the 2018 period. However, the change in the balance as a result of including these expenses in the measurement of inventories continues to be recognized as merchandise expenses.

in CHF million

1 Net sales from goods and services and operating result (EBIT) by segment

	2019		2018	
	Net sales from goods and services	Operating result (EBIT)	Net sales from goods and services	Operating result (EBIT)
Retail	17 986	540	17 743	462
Wholesale/Production	14 148	242	14 170	311
Consolidation	-2 502		-2 348	
Coop Group	29 633	782	29 565	772

"Wholesale/Production" comprises the Transgourmet Group, the Bell Food Group and the manufacturing companies of the Coop Cooperative. The Consolidation line contains deliveries between the segments.

Net sales from goods and services by geographic market

	2019	2018
Switzerland	20 159	19 931
Abroad	9 474	9 634
Coop Group	29 633	29 565

2 Other operating income

	2019	2018
Operating rental income	189	193
Gains on the disposal of operating fixed assets	5	72
Own work capitalized	31	27
Other income from services	811	805
Total	1 036	1 097

The item "Other income from services" also includes pools and lottery income, income from parking and advertising, and commissions from phone credits.

3 Personnel expenses

	2019	2018
Wages/salaries	3 884	3 821
Social security contributions	913	869
Other personnel expenses	305	320
Total	5 102	5 011

Social security contributions as a % 23.5 22.7

Prior-year figures restated

4 Other operating expenses

	2019	2018
Advertising expense	515	534
Rental expense	741	737
Office and administrative expense	292	279
Charges and insurance premiums (non-life)	86	91
Operations-related taxes	46	45
Maintenance and replacement costs	464	461
Energy and supplies	438	450
Transport costs	416	406
Miscellaneous expenses	206	195
Total	3 205	3 198

Prior-year figures restated

The "Operations-related taxes" item comprises capital and property transfer taxes, duties on the issue of securities and other fiscal levies. The "Miscellaneous expenses" item comprises uncovered damage/losses, losses on receivables, unscheduled closure costs and miscellaneous operating costs.

in CHF million

5 Depreciation and amortization	2019	2018
Goodwill, planned amortization	100	196
Goodwill, extraordinary amortization	2	21
Other intangible assets, planned amortization	109	105
Other intangible assets, extraordinary amortization	22	0
Amortization on intangible assets	233	322
Tangible fixed assets, planned depreciation	959	983
Tangible fixed assets, extraordinary depreciation	89	51
Reversals of depreciation charges on tangible fixed assets	-17	-25
Depreciation on tangible fixed assets	1 031	1 009
Total	1 264	1 331

Extraordinary depreciation of tangible fixed assets, extraordinary amortization of intangible assets and reversals of depreciation charges on real estate are recognized based on reassessments of earnings or changes in market prices.

6 Financial result	2019	2018
Dividends and revaluation gains on securities	0	0
Other financial income	11	27
Financial income	11	27
Revaluation losses on securities	0	0
Interest and other financial expenses	41	49
Value adjustments to financial assets	0	0
Financial expenses	41	49
Total	-30	-22

7 Non-operating result	2019	2018
Rental income	0	1
Gains on the disposal of non-operating fixed assets	13	6
Non-operating income	13	7
Non-operating property expenses (incl. depreciation on non-operating fixed assets)	10	3
Other non-operating expenses	9	0
Non-operating expenses	19	3
Total	-6	4

The non-operating result comprises income and expenses arising from events or transactions which clearly differ from the ordinary operations of the Coop Group. These items mainly include non-operating expenses and income on properties not used for operating purposes.

in CHF million

8 Income taxes	2019	2018
Current income taxes	130	145
Change in deferred taxes	-37	-5
Total	93	140

	2019		2018	
	Tax rate as %	Tax amount in CHF million	Tax rate as %	Tax amount in CHF million
Average applicable tax rate/expected income taxes	15.9	116	19.4	143
Losses in the current year for which no deferred tax assets were recognized		65		15
Use of unrecognized loss carryforwards		-4		-30
Average applicable income tax rate after loss carryforwards	24.3	177	17.4	129
Other effects		-84		11
Effective income tax rate/Effective income taxes	12.8	93	18.9	140

Expected income taxes are calculated based on the assumption that the non-operating result will be taxed the same as the ordinary result. Over half of the other effects in 2019 are the result of changes in tax rates for deferred taxes. The additional effects are due mainly to non-taxable income and expenses and prior-period income taxes.

A deferred income tax asset of CHF 223 million (31.12.2018: CHF 179 million) on tax losses carried forward not yet used was not recognized.

9 Cash and cash equivalents	31.12.2019	31.12.2018
Cash on hand, postal and bank account balances	871	910
Cheques/vouchers	29	23
Term deposits	17	11
Total	917	945

10 Receivables from goods and services	31.12.2019	31.12.2018
Receivables from goods and services	1 324	1 333
Value adjustment	-51	-51
Total	1 273	1 282

11 Other short-term receivables	31.12.2019	31.12.2018
Other receivables	276	290
Prepayments to suppliers	10	9
Value adjustment	-2	-2
Total	285	297

12 Inventories	31.12.2019	31.12.2018
Merchandise	2 793	2 746
Finished goods (production)	233	215
Unfinished goods, work in progress	186	177
Raw materials	176	187
Supplies and packaging materials	87	82
Prepayments to suppliers	50	68
Value adjustment	-141	-139
Total	3 384	3 336

in CHF million

14 Financial assets

	Employer contribution reserve	Associated organizations	Other financial assets	Total
Financial assets 2019				
Net carrying amount 1.1.2019	11	90	58	158
Changes to the scope of consolidation			1	1
Investments/Purchase price adjustments	0	-10	13	3
Disposals	0		-12	-12
Write-ups (+)/Value adjustments (-)		-1	0	-1
Effect of exchange rate changes		0	0	0
Net carrying amount 31.12.2019	10	79	61	150
of which goodwill associated organizations		8		8

Financial assets 2018

Net carrying amount 1.1.2018	11	80	29	120
Changes to the scope of consolidation			0	0
Investments/Purchase price adjustments		44	39	83
Disposals	0	-36	-10	-46
Write-ups (+)/Value adjustments (-)	0	2	0	2
Effect of exchange rate changes		-1	0	-1
Net carrying amount 31.12.2018	11	90	58	158
of which goodwill associated organizations		18		18

Other financial assets

	31.12.2019	31.12.2018
Loans	57	55
Miscellaneous financial assets	10	10
Value adjustments to other financial assets	-7	-7
Total	61	58

in CHF million

15 Intangible assets	Goodwill	Trademarks/ Patents/ Licences	Software	Other intangible assets	Assets under development	Total
Intangible assets 2019						
Cost 1.1.2019	3 842	646	594	49	138	5 270
Changes to the scope of consolidation	29	9	2	1		41
Investments/Purchase price adjustments	2	0	51	5	84	142
Disposals		-1	-49	-1	0	-51
Effect of exchange rate changes	-10	-1	-4	-1	0	-17
Reclassifications		0	12	11	-23	0
Cost 31.12.2019	3 862	653	607	65	199	5 386
Accumulated amortization at 1.1.2019						
	3 256	387	426	39	30	4 138
Changes to the scope of consolidation		0	1	0		2
Planned amortization	100	32	71	6		209
Extraordinary amortization	2	21	1			24
Disposals		-1	-48	-1		-50
Effect of exchange rate changes	-5	-1	-4	-1		-11
Reclassifications		0	-3	3		0
Accumulated amortization at 31.12.2019	3 352	438	444	47	30	4 312
Net carrying amount 31.12.2019	510	215	162	17	169	1 074
Intangible assets 2018						
Cost 1.1.2018	3 715	638	514	45	101	5 014
Changes to the scope of consolidation	149	5	38	1	1	195
Investments/Purchase price adjustments		2	80	4	53	139
Disposals		0	-48	-2	0	-50
Effect of exchange rate changes	-20	-1	-4	-1	0	-26
Reclassifications	-2	3	15	1	-16	0
Cost 31.12.2018	3 842	646	594	49	138	5 270
Accumulated amortization at 1.1.2018						
	3 082	349	376	36	30	3 873
Changes to the scope of consolidation	-34	0	36	1		4
Planned amortization	196	36	66	3		301
Extraordinary amortization	21					21
Disposals		0	-48	-1		-49
Effect of exchange rate changes	-7	-1	-4	0		-12
Reclassifications	-1	2	0	0		0
Accumulated amortization at 31.12.2018	3 256	387	426	39	30	4 138
Net carrying amount 31.12.2018	586	259	168	10	108	1 132

in CHF million

16 Financial liabilities	Interest rate as % (weighted)	31.12.2019	31.12.2018
Bank current accounts		3	1
Deposit accounts	0.51	1 770	1 754
Medium-term notes	0.70	310	238
Bonds		2 805	3 055
Bank loans	0.44	90	431
Mortgages	3.68	39	67
Finance leases		0	1
Other financial liabilities		332	233
Total		5 348	5 781
of which short-term financial liabilities		924	1 126
of which long-term financial liabilities		4 425	4 655
of which liabilities to pension funds	0.20	216	200

Liabilities arising from deposit accounts are disaggregated based on experience of past cash outflows. Of the CHF 1 770 million in total (31.12.2018: CHF 1 754 million), CHF 214 million (31.12.2018: CHF 227 million) were recognized as short-term and CHF 1 556 million (31.12.2018: CHF 1 527 million) as long-term liabilities.

Bonds	Currency	Term	Interest rate as % (weighted)	31.12.2019	31.12.2018
Coop Group Cooperative	CHF	Jul 2012–2019	1.250		250
Coop Group Cooperative	CHF	Jul 2015–2020	0.250	300	300
Coop Group Cooperative	CHF	Jun 2014–2021	0.875	200	200
Bell Food Group Ltd.	CHF	May 2013–2022	1.750	175	175
Coop Group Cooperative	CHF	Sep 2016–2022	0.250	200	200
Coop Group Cooperative	CHF	Sep 2014–2023	1.000	200	200
Coop Group Cooperative	CHF	Jul 2015–2024	0.880	200	200
Bell Food Group Ltd.	CHF	Feb 2018–2024	0.375	200	200
Bell Food Group Ltd.	CHF	Mar 2016–2025	0.625	300	300
Coop Group Cooperative	CHF	Jun 2018–2025	0.750	300	300
Coop Group Cooperative	CHF	May 2016–2026	0.500	380	380
Coop Group Cooperative	CHF	Sep 2017–2027	0.500	200	200
Bell Food Group Ltd.	CHF	Jan 2018–2028	0.750	150	150
Total				2 805	3 055

17 Other short-term liabilities	31.12.2019	31.12.2018
Vouchers in circulation	76	74
Prepayments from customers	143	145
Other taxes	99	86
Other short-term liabilities	60	51
Total	378	356

in CHF million

18 Provisions	Pension benefits	Restructurings	Supercard	Deferred taxes	Other provisions	Total
Provisions 2019						
Carrying amounts 1.1.2019	113	13	164	783	230	1 303
Changes to the scope of consolidation				0	0	1
Creation of provisions	26	2	212		56	296
Use of provisions	-20	-5	-201		-33	-260
Reversal of provisions no longer required	-3	-2	-4		-23	-32
Change in deferred taxes				-37		-37
Effect of exchange rate changes	-2	0		-16	-1	-19
Carrying amounts 31.12.2019	115	7	171	731	228	1 252
of which short-term provisions	21	5	171		65	261
of which long-term provisions	94	2		731	163	990
Provisions 2018						
Carrying amounts 1.1.2018	111	33	180	798	238	1 360
Changes to the scope of consolidation	1			5	5	10
Creation of provisions	26	4	206		50	286
Use of provisions	-19	-17	-219		-48	-303
Reversal of provisions no longer required	-4	-7	-3		-13	-27
Change in deferred taxes				-5		-5
Effect of exchange rate changes	-2	0		-15	-2	-18
Carrying amounts 31.12.2018	113	13	164	783	230	1 303
of which short-term provisions	20	9	164		62	255
of which long-term provisions	93	4		783	168	1 047

Other provisions mainly include provisions for personnel in the amount of CHF 110 million (31.12.2018: CHF 102 million) and sales outlets in the amount of CHF 19 million (31.12.2018: CHF 25 million).

in CHF million

19 Pension funds

Employer contribution reserve 2019	Nominal value	Waiver of use	Balance sheet value
Carrying amounts 1.1.2019	11		11
Use (Personnel expenses)	0		0
Carrying amounts 31.12.2019	10		10

Employer contribution reserve 2018

Carrying amounts 1.1.2018	11		11
Use (Personnel expenses)	0		0
Carrying amounts 31.12.2018	11		11

Economic benefit/economic obligation	Non-committed funds/deficit		Economic share of the Coop Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Pension fund with non-committed funds	93	8	0	0
Pension plans without own assets	0	0	-115	-113
Total	93	8	-115	-113

Pension benefit expenses	Change in balance sheet item 2019		Contributions concerning the business period 2019	Pension benefit expenses within personnel expenses 2019	Change in balance sheet item 2018		Contributions concerning the business period 2018	Pension benefit expenses within personnel expenses 2018
	without effect on profit or loss ¹	recognized in profit or loss			without effect on profit or loss ¹	recognized in profit or loss		
Pension fund without non-committed funds/deficit			26	26			252	252
Pension fund with non-committed funds			268	268			8	8
Pension plans without own assets	-21	23	0	23	-20	22		22
Pension fund reinsured			4	4			11	11
Total	-21	23	298	321	-20	22	271	293

¹ Payments, foreign currency conversion, changes to the scope of consolidation

As at 31 December 2019, the CPV/CAP shows a funding ratio of 116.1% (prior year: 108.4%). In terms of Swiss GAAP FER 16 there is a surplus, as the target for the fluctuation reserve has been reached.

in CHF million

20 Off-balance-sheet transactions	31.12.2019	31.12.2018
Guarantees, guarantee obligations	9	10
Other quantifiable commitments with a contingent character	10	10
Other non-recognizable commitments	72	65
Carrying amount of pledged assets	63	127

Obligations to minority interest shareholders from put options on the shares they hold in consolidated Group organizations are presented in "Other non-recognizable commitments". The same applies to obligations with regard to the acquisition of shares in associated organizations. There are additional contingent liabilities under existing contracts which cannot be estimated reliably due to the low probability of occurrence and the lack of clarity regarding the amount of a potential outflow of funds. These relate mostly to leased properties.

21 Obligations under off-balance sheet operating leases	31.12.2019	31.12.2018
Due within one year	740	766
Due in 1 to 5 years	2 492	2 562
Due in more than 5 years	3 224	3 366

Unrecognized operating lease obligations result mainly from long-term rental and ground lease agreements.

22 Open derivative financial instruments

Derivative financial instruments 2019		Contract values	Recognized in balance sheet		Not recognized in balance sheet	
Underlying asset	Purpose		Assets	Liabilities	Assets	Liabilities
Foreign exchange	Hedging	1 531	10	4	0	4

Derivative financial instruments 2018		Contract values	Recognized in balance sheet		Not recognized in balance sheet	
Underlying asset	Purpose		Assets	Liabilities	Assets	Liabilities
Foreign exchange	Hedging	1 791	16	2	0	1

23 Related-party transactions

Transactions with associated organizations	2019	2018
Net sales from goods and services	13	19
Other operating income	1	1
Financial income	1	0
Merchandise expenses	9	8
Office and administrative expense	2	2
Rental expense	3	3
	31.12.2019	31.12.2018
Receivables from goods and services	1	1
Other short-term receivables	3	0
Loans	39	37
Payables from goods and services	7	7
Short-term financial liabilities	2	0

In addition there are liabilities to pension funds in Switzerland which are presented as financial liabilities. Above and beyond this, there are no other significant transactions with other related parties.

24 Significant changes to the scope of consolidation

2019

Company		Change	Date	31.12.2019 as %	31.12.2018 as %
Centre Commercial Moncor S.A.	CH-Villars-sur-Glâne	Merged into Coop Cooperative	01/2019	100.0	100.0
Braschler's Comestibles Import AG	CH-Zurich	Merged into Transgourmet Switzerland Ltd.	01/2019	100.0	100.0
F&B - Food and Beverage Services GmbH	DE-Riedstadt	Interest reduced	01/2019	51.0	100.0
Team Beverage AG	DE-Bremen	Interest reduced	01/2019	35.7	70.0
siroop trading Ltd.	CH-Basel	Dormant	01/2019	100.0	100.0
Interfrais Frisch-Service AG	CH-Schlieren	Acquired	04/2019	100.0	
Sanalogic Solutions GmbH	DE-Riedstadt	Formation and asset deal	05/2019	100.0	
Gastro Profi GmbH	AT-Alkoven	Acquired	06/2019	100.0	
GEVA Beteiligungsgesellschaft mbH	DE-Frechen	Acquired	09/2019	51.0	

2018

Company		Change	Date	31.12.2018 as %	31.12.2017 as %
Hügli Group	CH-Steinach	Acquired	01/2018	66.3	
Der Milchbauer Grosshandels-gesellschaft mbH	DE-St. Gangloff	Merged into EGV Lebensmittel für Grossverbraucher AG	01/2018	100.0	100.0
Cher-Mignon SA	CH-Chermignon	Merged into Bell Schweiz AG	01/2018	100.0	100.0
Peter Riegger Holding AG	CH-Zug	Merged into Weinkeller Riegger AG	01/2018	100.0	100.0
update Beteiligungen AG	CH-Uzwil	Merged into update Fitness AG	01/2018	51.0	51.0
Niggemann Food Frischemarkt GmbH	DE-Bochum	Acquired	02/2018	100.0	
Two Spice AG	CH-Hergiswil	Acquired	03/2018	32.8	
Braschler's Comestibles Import AG	CH-Zurich	Acquired	04/2018	100.0	
Sylvain & CO SA	CH-Champvent	Acquired	05/2018	66.3	
Service 7000 AG	CH-Netstal	Interest increased	05/2018	100.0	75.0
siroop Ltd.	CH-Zurich	Interest increased and merged into Coop Cooperative	05/2018	100.0	50.0
Bell Food Group Ltd.	CH-Basel	Capital increased	06/2018	66.3	66.3
Palink UAB	LT-Vilnius	Sold	09/2018		20.0

The interests listed are calculated on the basis of the shares held by the Coop Group.

in CHF million

25 Most significant components at acquisition of organizations

2019	Gastro Profi GmbH	Sanalogic Solutions GmbH	GEVA Group	Interfrais Frisch-Service AG	Other entities
Cash and cash equivalents			5	5	0
Receivables, prepayments and accrued income	2		52	13	0
Inventories	3			2	0
Tangible fixed assets	1		3	4	0
Financial assets			1		0
Intangible assets (excl. goodwill)	0	3		3	3
Liabilities, accrued liabilities and deferred income	3		50	14	0
Financial liabilities	2				0
Provisions	0		0	0	0

2018	siroop Ltd.	Hügli Group	Sylvain & CO SA	Niggemann Food	Other entities
Cash and cash equivalents	3	11	6	1	1
Receivables, prepayments and accrued income	3	61	9	7	6
Inventories	3	72	1	3	20
Tangible fixed assets	1	160	9	4	8
Financial assets		0		0	
Intangible assets (excl. goodwill)	1	2	0	5	
Liabilities, accrued liabilities and deferred income	12	45	6	8	3
Financial liabilities		84	5	1	0
Provisions	1	7	1	1	1

26 Scope of consolidation

		Interest held ¹		Method of inclusion
		31.12.2019 as %	31.12.2018 as %	
Coop Group				
Coop Group Cooperative	CH-Basel	100.0	100.0	□
Alifresca Ltd.	CH-Basel	100.0	100.0	□
Alifresca Italy S.R.L.	IT-Villafranca di Verona	100.0	100.0	□
Alifresca Spain S.L.	ES-Valencia	100.0	100.0	□
Autobahn-Raststätte Basel-Nord AG	CH-Basel	38.3	38.3	●
CapCo AG	FL-Vaduz	100.0	100.0	□
Centre de formation "du Léman"	CH-Jongny	100.0	100.0	□
Chocolats Halba S.A. de C.V.	HN-San Pedro Sula	75.0	75.0	□
Coop-ITS-Travel AG	CH-Freienbach	50.0	50.0	●
Coop Mineraloel AG	CH-Allschwil	51.0	51.0	□
Coop Tagungszentrum	CH-Muttenz	100.0	100.0	□
Coop Vitality AG	CH-Bern	51.0	51.0	□
Coop Vitality Management AG	CH-Bern	51.0	51.0	□
Elektronik Distribution AG	CH-Basel	100.0	100.0	□
Eurogroup Europe AG	CH-Wangen	100.0	100.0	□
Eurogroup Far East Ltd.	CN-Hong Kong	100.0	100.0	□
Marché Restaurants Schweiz AG	CH-Dietlikon	100.0	100.0	□
Panflor AG	CH-Zurich	100.0	100.0	□
railCare AG	CH-Härkingen	100.0	100.0	□
Raststätte Glarnerland AG	CH-Niederurnen	21.3	21.3	□
Raststätte Heidiland AG	CH-Maienfeld	51.5	51.5	□
Relais du St-Bernard Martigny SA	CH-Martigny	68.0	68.0	●
Retail Marketing Switzerland AG	CH-Basel	100.0	100.0	□
SC Swiss commercial GmbH	DE-Konstanz	100.0	100.0	□
Stazioni Autostradali Bellinzona SA	CH-Bellinzona	68.4	68.4	●
Steinfels Swiss GmbH	DE-Konstanz	100.0	100.0	□
Tanklager Rothenburg AG	CH-Rothenburg	17.0	17.0	●
Two Spice AG	CH-Zurich	32.8	32.8	●
update Fitness AG	CH-Uzwil	51.0	51.0	□
update akademie GmbH	CH-Uzwil	25.5	25.5	●
Coop Cooperative	CH-Basel	100.0	100.0	□
Betty Bossi AG	CH-Zurich	100.0	100.0	□
Coop Immobilien AG	CH-Bern	100.0	100.0	□
Dipl. Ing. Fust Ltd.	CH-Oberbüren	100.0	100.0	□
Parking des Remparts SA	CH-La Tour-de-Peilz	33.3	33.3	●
Pearlwater Mineralquellen AG	CH-Termen	100.0	100.0	□
RS Vertriebs AG	CH-St. Gallen	100.0	100.0	□
Service 7000 AG	CH-Netstal	100.0	100.0	□
The Body Shop Switzerland Ltd.	CH-Uster	100.0	100.0	□
Transgourmet Group				
Transgourmet Holding AG	CH-Basel	100.0	100.0	□
gastronovi GmbH	DE-Bremen	51.0	51.0	□
Interfrais Frisch-Service AG	CH-Schlieren	100.0		□
Transgourmet Central and Eastern Europe AG	CH-Basel	100.0	100.0	□
Transgourmet Central and Eastern Europe GmbH	DE-Riedstadt	100.0	100.0	□
Ahoii GmbH	DE-Hamburg	8.9	17.6	●
Brand Views GmbH	DE-Hamburg	22.3	43.8	●
EGV Lebensmittel für Grossverbraucher AG	DE-Unna	100.0	100.0	□

		Interest held ¹		Method of inclusion
		31.12.2019 as %	31.12.2018 as %	
F&B - Food and Beverage Services GmbH	DE-Riedstadt	51.0	100.0	□
FrischeParadies GmbH & Co. KG	DE-Frankfurt	100.0	100.0	□
FRISCHEPARADIES ESPAÑA S.L.U.	ES-Palma de Mallorca	100.0	100.0	□
Fruchthof Handel-GmbH	AT-Innsbruck	100.0	100.0	□
gastivo portal GmbH	DE-Bremen	35.7	70.0	□
Gastro Tracking GmbH	DE-Nuremberg	17.9	35.0	●
Geo-Marketing GmbH	DE-Cologne	25.0	25.0	●
GEVA Beteiligungsgesellschaft mbH	DE-Frechen	51.0		□
GEVA Gesellschaft für Einkauf, Verkaufsförderung und Absatz von Gütern mbH	DE-Frechen	26.0		□
GEVA Gesellschaft für Einkauf, Verkaufsförderung und Absatz von Gütern mbH & Co. KG	DE-Frechen	26.0		□
Hamburger Feinfrost GmbH	DE-Hamburg	100.0	100.0	□
MVF Markenvertriebs- und Förderungsgesellschaft mbH	DE-Frechen	26.0		□
NEV Nordwest GmbH	DE-Bremen	35.7	70.0	□
Niggemann Food Frischemarkt GmbH	DE-Bochum	100.0	100.0	□
OOO Basa	RU-Moscow	100.0	100.0	□
OOO Mikotrans	RU-Moscow	100.0	100.0	□
OOO Selgros	RU-Moscow	100.0	100.0	□
OOO Selgros Immobilien	RU-Moscow	100.0	100.0	□
OOO Torgovy Dom Global Foods	RU-Moscow	100.0	100.0	□
proGetränkePartner GmbH	DE-Eggenfelden	17.9	35.0	●
Richard Sump GmbH	DE-Hamburg	75.0	75.0	□
Sanalogic Solutions GmbH	DE-Riedstadt	100.0		□
SELGROS CASH & CARRY S.R.L.	RO-Brasov	100.0	100.0	□
Sump & Stammer GmbH International Food Supply	DE-Hamburg	75.0	75.0	□
Team Beverage AG	DE-Bremen	35.7	70.0	□
Team Beverage Category Management und Vermarktung GmbH	DE-Bremen	35.7	70.0	□
Team Beverage Convenience GmbH	DE-Rostock	35.7	70.0	□
Team Beverage Dienstleistungen GmbH	DE-Rostock	35.7	70.0	□
Team Beverage Einzelhandel GmbH	DE-Bremen	35.7	70.0	□
Team Beverage Einzelhandel Süd GmbH	DE-Eggenfelden	35.7	70.0	□
Team Beverage Großhandel GmbH	DE-Bremen	35.7	70.0	□
Team Beverage Marken und Systeme GmbH	DE-Bremen	35.7	70.0	□
Team Business IT GmbH	DE-Stralsund	35.7	70.0	□
transCoop GmbH	DE-Riedstadt	100.0	100.0	□
Transgourmet Beteiligungs GmbH	AT-Wiener Neudorf	100.0	100.0	□
Transgourmet Deutschland GmbH & Co. OHG	DE-Riedstadt	100.0	100.0	□
Transgourmet Immobilien GmbH & Co. KG	DE-Pullach	100.0	100.0	□
Transgourmet Foodservice Immobilien GmbH	DE-Riedstadt	100.0	100.0	□
Transgourmet Polska Sp. z o.o.	PL-Poznan	100.0	100.0	□
Transgourmet France SAS	FR-Valenton	100.0	100.0	□
ALDIS ASP 6 SARL	FR-Valenton	100.0	100.0	□
All Fresh Logistique SAS	FR-Rungis	100.0	100.0	□
BSP SAS	FR-Valenton	100.0	100.0	□
COFIDA SAS	FR-Rungis	100.0	100.0	□
HOLDI CRENO SA	FR-Châteaurenard	30.8	30.8	●
Locagroup SAS	FR-Rungis	100.0	100.0	□
Mantes Primeurs SAS	FR-Mantes-la-jolie	100.0	100.0	□
SCI Mittelfeld-Knoderer	FR-Valenton	100.0	100.0	□
Sodiexval SAS	FR-Rungis	100.0	100.0	□
SPEIR SAS	FR-Rungis	100.0	100.0	□

		Interest held ¹		Method of inclusion
		31.12.2019 as %	31.12.2018 as %	
Transgourmet Immobilier France SAS	FR-Valenton	100.0	100.0	□
Transgourmet Management Gie	FR-Valenton	100.0	100.0	□
Transgourmet Opérations SAS	FR-Valenton	100.0	100.0	□
Transgourmet Seafood SAS	FR-Rungis	100.0	100.0	□
Transgourmet Services SNC	FR-Valenton	100.0	100.0	□
Transgourmet Österreich GmbH	AT-Traun	100.0	100.0	□
Gastro Profi GmbH	AT-Alkoven	100.0		□
immodevelop GmbH	AT-Innsbruck	100.0	100.0	□
Top Team Zentraleinkauf GmbH	AT-Traun	50.0	50.0	●
Transgourmet Switzerland Ltd.	CH-Basel	100.0	100.0	□
Casa del Vino SA	CH-Zurich	100.0	100.0	□
Domaines & Châteaux Vins Birrhard SA	CH-Birrhard	100.0	100.0	□
Grossopanel AG	CH-Stans	33.3	33.3	●
Weinkeller Riegger AG	CH-Mellingen	100.0	100.0	□
wine AG Valentin & Von Salis	CH-Pontresina	50.0	50.0	●
Zanini Vinattieri SA	CH-Ligornetto	100.0	100.0	□
Bell Food Group				
Bell Food Group Ltd.	CH-Basel	66.3	66.3	□
Bell Schweiz AG	CH-Basel	66.3	66.3	□
Geiser AG	CH-Schlieren	66.3	66.3	□
Bell Deutschland Holding GmbH	DE-Seevetal	66.3	66.3	□
Bell Deutschland GmbH & Co. KG	DE-Seevetal	66.3	66.3	□
Bell Production Services GmbH & Co. KG	DE-Seevetal	66.3	66.3	□
Bell Schwarzwälder Schinken GmbH	DE-Schiltach	66.3	66.3	□
Bell España Alimentación S.L.U.	ES-Casarrubios del Monte	66.3	66.3	□
Abraham Benelux S.A.	BE-Librumont-Chevigny	66.3	66.3	□
Bell Verwaltungs GmbH	DE-Seevetal	66.3	66.3	□
Interfresh Food GmbH	DE-Seevetal	66.3	66.3	□
Bell Benelux Holding N.V.	BE-Zellik	66.3	66.3	□
Bell Benelux N.V.	BE-Zellik	66.3	66.3	□
Bell Nederland B.V.	NL-Houten	66.3	66.3	□
Bell Logistics N.V.	BE-Zellik	66.3	66.3	□
Bell France Holding SAS	FR-Teilhède	66.3	66.3	□
Bell France SAS	FR-St-André-sur-Vieux-Jonc	66.3	66.3	□
Salaison Polette & Cie SAS	FR-Teilhède	66.3	66.3	□
Maison de Savoie SAS	FR-Aime	66.3	66.3	□
Saloir de Mirabel SARL	FR-Riom	66.3	66.3	□
Saloir de Virieu SAS	FR-Virieu-le-Grand	66.3	66.3	□
Val de Lyon SAS	FR-Valenton	66.3	66.3	□
H.L. Verwaltungs-GmbH	AT-Pfaffstätt	66.3	66.3	□
Hubers Landhendl GmbH	AT-Pfaffstätt	66.3	66.3	□
Süddeutsche Truthahn AG	DE-Ampfing	66.3	66.3	□
Brütere Schlierbach GmbH	AT-Pettenbach	63.0	63.0	□
Frisch Express GmbH	AT-Pfaffstätt	66.3	66.3	□
VTE-Beteiligungs GmbH + Co. KG	DE-Ampfing	66.3	66.3	□
Bell Polska Sp. z o.o.	PL-Niepolomice	66.3	66.3	□
ZIMBO Perbal Húsipari Termelő Kft.	HU-Perbál	66.2	66.2	□

		Interest held ¹		Method of inclusion
		31.12.2019 as %	31.12.2018 as %	
Hilcona AG	FL-Schaan	66.3	66.3	□
Hilcona Gourmet SA	CH-Orbe	66.3	66.3	□
Hilcona Feinkost GmbH	DE-Leinfelden-Echterdingen	66.3	66.3	□
Frostag Food-Centrum AG	CH-Landquart	66.3	66.3	□
Eisberg Holding AG	CH-Dänikon	66.3	66.3	□
Eisberg AG	CH-Dällikon	66.3	66.3	□
Eisberg Österreich GmbH	AT-Marchtrenk	66.3	66.3	□
Eisberg Hungary Kft.	HU-Gyál	66.3	66.3	□
Eisberg Spolka z o.o.	PL-Legnica	66.3	66.3	□
Eisberg srl	RO-Pantelimon	66.3	66.3	□
E.S.S.P. España 2000 SL	ES-Aguilas	66.3	66.3	□
Sylvain & CO SA	CH-Champvent	66.3	66.3	□
Dr. A. Stoffel Holding AG	CH-Steinach	66.3	66.3	□
Hügli Holding AG	CH-Steinach	66.3	66.3	□
Hügli Nahrungsmittel AG	CH-Steinach	66.3	66.3	□
Hügli Nahrungsmittel-Erzeugung GmbH	AT-Hard	66.3	66.3	□
Hügli Nahrungsmittel GmbH	DE-Radolfzell	66.3	66.3	□
Granovita S.A.	ES-La Vall d'Uixó	66.3	66.3	□
Hügli UK Ltd.	GB-Redditch	66.3	66.3	□
Bresc B.V.	NL-Sleeuwijk	66.3	59.0	□
Ali-Big Industria Alimentare s.r.l.	IT-Brivio	66.3	66.3	□
Hügli Food s.r.o.	CZ-Zásmuky u Kolína	66.3	66.3	□
Hügli Food Élelmiszeripari Kft.	HU-Budapest	66.3	66.3	□
Hügli Food Polska sp. z o.o.	PL-Lódz	66.3	66.3	□
Hügli Food Slovakia s.r.o.	SK-Trnava	66.3	66.3	□
Centravo Holding AG	CH-Zurich	19.7	19.7	●
GVFI International AG	CH-Basel	16.4	16.4	●
Baltic Vianco OÜ	EE-Rõuge Vald	22.1	22.1	●

□ = Fully consolidated company

● = Company included by using the equity method

¹ The interests listed are calculated on the basis of the shares held by the Coop Group.

27 Events after the balance sheet date

The Board of Directors approved the annual consolidated financial statements of the Coop Group on 12 February 2020. They have to be approved by the Delegate Assembly on 2 April 2020.



Statutory Auditor's Report

To the Delegate Assembly of Coop Group Cooperative, Basle

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Coop Group Cooperative and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2019 and the consolidated income statement, statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 88 to 113) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority



Revenue recognition



Valuation of merchandise

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue recognition

Key Audit Matter

The Group records its revenue at the time when the risks and rewards resulting from the sale of the products have been transferred to the buyer. Revenue includes the revenue from the front (cash register), on the one hand, and the delivery revenue (on account), on the other hand. It is presented net of discount, rebates and other price reductions.

Revenue forms a significant basis for the assessment of the Group's business performance. Consequently, it is at the center of internal objectives and of the development expectations of the public, financial analysts, institutional investors, major creditors and other interested parties regarding the evolution of the business. As a significant caption in the income statement, revenue is therefore of great relevance for the Group.

Consequently, we have focused our audit in this area on the existence of revenue transactions and their recognition in the appropriate period, as well as on the recording of the correct data.

Our response

In the context of our audit, we have evaluated the appropriateness of the accounting principles in relation with the Group's revenue recognition. Regarding the assessment of the correct revenue recognition, we have performed amongst others the following audit procedures:

- We have analyzed the process regarding revenue recognition and accrual accounting and we have assessed whether the value flows are correctly reflected in the accounts. In this regard, we have identified the key controls concerning revenue recognition and then tested them for effectiveness on a sample basis. We have involved our IT specialists in order to support our audit procedures.
- In order to examine the correctness of the master data (product prices, promotion periods, etc.), we have reconciled them with basic documents on a sample basis.
- Regarding front revenue, we have verified the correct functioning of the cash registers by examining the system parameters. Moreover, we have reconciled on a sample basis the cash register statements with the corresponding incoming payments.
- Furthermore, regarding delivery sales, we have examined the recognition of revenue in the appropriate period by a sample-based comparison of invoices, corresponding orders and delivery notes. In this regard, we have focused in particular on the sales transactions shortly before and after the balance sheet date.

Moreover, we have examined whether the accounting principles regarding revenue recognition were described and disclosed appropriately.

For further information on revenue recognition refer to the following:

- Consolidation and accounting principles



Valuation of merchandise

Key Audit Matter

As at 31 December 2019, the Group has inventories of CHF 3.4 billion (previous year: CHF 3.3 billion). Inventories are presented at the lower of acquisition or production cost and net realizable value.

Of the CHF 3.4 billion of inventories, CHF 2.7 billion concern merchandise (previous year: CHF 2.6 billion). Merchandise is valued at the average cost price (moving average price), plus logistic surcharges and less supplier refunds, rebates, discounts, etc.

The determination of the correct valuation of merchandise contains elements of judgment. Furthermore, there is a risk of overvaluation due to goods that are no longer usable, inventories that are difficult to sell, and price pressure. Consequently, the determination of the value adjustment contains certain areas of judgment. The correct valuation of merchandise is thus significant for the overall understanding of the consolidated financial statements.

Consequently, when auditing the valuation of inventories, we focused on the correct valuation of merchandise.

Our response

In the context of our audit, we have evaluated the appropriateness of the accounting principles in relation with the valuation of the Group's merchandise. We have performed amongst others the following audit procedures:

- We have assessed the appropriateness of the processes regarding the valuation of merchandise. In this regard, we have identified the key controls and then tested them for effectiveness on a sample basis.
- Based on samples and with the support of our IT specialists, we have evaluated the integrity of the general IT controls and tested the efficiency of key IT application controls. In particular, we have performed a verification concerning the order entry process by assessing mandatory fields and significant segregations of duties within the order process. Furthermore, we have verified the correct calculation of prices in the system based on system parameters, supplier invoices, as well as additions and disposals.
- Additionally, we have examined whether the reductions (supplier refunds, rebates, discounts, etc.) and the logistic surcharges were applied correctly by retracing the calculations.
- We have critically assessed the appropriateness of the management processes for the identification of goods that are no longer usable and products that are difficult to sell, as well as the basis and the method used for the valuation of this merchandise.
- We have examined mathematically the calculation of the value adjustments on merchandise.

Moreover, we have examined whether the accounting principles were described and disclosed appropriately.

For further information on the valuation of inventories refer to the following:

- Consolidation and accounting principles
- Item 12 of the notes, Inventories



Other Matter

The consolidated financial statements of Coop Group Cooperative for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 13 February 2019.

Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 906 CO in connection with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Jürg Meisterhans
Licensed Audit Expert
Auditor in Charge

Sandra Terzic
Licensed Audit Expert

Basel, 12 February 2020