



Hansueli Loosli and Joos Sutter

Foreword

Coop posts solid results

The coronavirus pandemic had a significant impact on the 2020 financial year for Coop and challenged the company in all areas. During this difficult period, our main priority was to protect our employees and customers, to safeguard the security of supply of foods and essential goods for the population and to ensure the stability of the entire Coop Group.

Despite the numerous challenges such as the closure of all non-food and retail catering formats as well as the slump in demand for cash & carry and wholesale supplies at the Transgourmet Group, Coop achieved a stable profit of CHF 539 million on sales of CHF 30.2 billion. This showed once again that our diversification strategy with the two sectors Retail and Wholesale/Production has paid off.

In Retail, net sales grew by CHF 1.1 billion to CHF 19.1 billion, an increase of 6.3%.

Net sales for Coop Supermarkets of CHF 12.0 billion exceeded the previous year's figure by 14.3%. They thus generated strong growth and gained substantial market share. This success is primarily due to our impressive range of sustainable products and our dense sales outlet network with 944 stores throughout Switzerland. We are therefore very close to our customers. The results also show that our investment in implementing the new, attractive store concept is continuing to pay off. Our appealing, complete range of low-price products also impressed our customers. In 2020 we reduced the prices of a further 1 000 articles. Other reasons for the positive result were the temporary elimination of cross-border shopping and increased demand for foodstuffs owing to restaurants being closed.

For the specialist formats the lockdown meant that at times over 1 000 non-food outlets had to close and over 13 000 employees were suddenly unable to carry out their usual work. It is worth noting that the specialist formats recovered quickly after the lockdown and were largely able to offset any losses in sales. They achieved net sales of CHF 7.2 billion. The consumer electronics business lifted sales by CHF 41 million to CHF 2.1 billion, thus consolidating its leadership position. Coop Building & Hobby, Livique/Lumimart and Betty Bossi performed especially well, each generating sales growth of over 10%.

Online retail sales were also on a growth trajectory in 2020, and not only during the lockdown. One such highlight is the recently restructured omni channel platform coop.ch, which increased sales by 45.5% to CHF 232 million and gained market share. Online sales in the whole Coop Group amounted to CHF 2.6 billion.

Net sales of the Wholesale/Production business area totalled CHF 12.6 billion, which equates to an index of 92.1% after adjusting for exchange rates.

Wholesale – the Transgourmet Group – was particularly hard hit by the pandemic. The closure of hotels, restaurants and staff restaurants and the cancellation of events meant that some national subsidiaries, especially in cash & carry and wholesale supplies, had to contend with significant slumps in sales. On the other hand, cash & carry proved to be a stable basis. Transgourmet's strategy of combining cash & carry and wholesale supplies thus stood its ground even during the coronavirus crisis. The Transgourmet Group generated net sales of CHF 8.1 billion.

The manufacturing companies also made an extraordinary effort during the lockdown: a number of companies greatly expanded their production capacities and worked many extra shifts. They thus contributed to ensuring that food supplies in Switzerland were guaranteed at all times. Net sales of the manufacturing companies grew by CHF 44 million in local currency, totalling CHF 4.9 billion.

The whole Coop Group generated record sales of CHF 5.4 billion with sustainable products in 2020, an increase of around CHF 738 million. Coop therefore retains its number one position in the field of sustainability in Switzerland. Sales of organic products again saw strong growth of CHF 210 million and amounted to over CHF 2 billion.

We were especially pleased with the trust and loyalty of our customers and the huge commitment of our employees. Our workforce of 90 825 – more than 1 300 more than in the previous year – demonstrated great solidarity throughout the company even in hectic times. At this point we wish to express our sincere thanks.

Looking back, we can say that Coop mastered the difficult coronavirus year well and, thanks to a strong cash flow and solid equity base, is well placed for continued successful development.



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Chairman of the Board of Directors



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Chairman of the Executive Committee