

# Axfood

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## New e-commerce warehouse in Gothenburg and increased automation as Axfood lays foundation for logistics of the future

With a new, automated e-commerce warehouse in Backa in Gothenburg, an expanded, automated high-bay warehouse in Backa and automation of the new fruit and vegetable warehouse that is currently being built in Landskrona, Axfood's purchasing and logistics company Dagab is now taking the next step in development of a modern logistics platform that will ensure higher volumes and higher efficiency for many years to come. With these investments totalling EUR 65 m during the period 2021–2024, Axfood has now laid the foundation for the future's logistics structure.

Dagab is today already at the forefront in developing the logistics of the future, and the journey to more automation is now continuing. Recently installation of the automation solution in the new logistics centre in Bålsta was begun, which will be completed in 2023. In addition, three new initiatives were announced today that will strengthen the entire Axfood family and external customers going forward, and which together with the new facility in Bålsta will make up the foundation of Axfood's logistics platform for many years to come.

"With these three investments – together with the ongoing construction of our new logistics centre in Bålsta – we will have the largest and most important components in place for our future logistics platform," comments **Klas Balkow**, President and CEO of Axfood. "We are ensuring a top-class, efficient and sustainable logistics solution for us and our customers nationwide, and with that we are also creating conditions for continued profitable growth."

In Gothenburg, Dagab plans to build an all-new highly automated e-commerce warehouse. The ambition is to establish the new warehouse adjacent to the distribution centre in § on the property which Dagab currently owns. An agreement has been signed with Witron, a market leader in dynamic warehouse and order picking systems, to deliver the automation solution for the new e-commerce warehouse, which will have five times higher capacity than the existing warehouse. Witron is currently already a partner to Dagab through its involvement in the logistics centre in Bålsta. The e-commerce warehouse in Backa will feature a similar automation solution as the one that will handle e-commerce orders at the logistics centre in Bålsta for all temperature zones, with the difference that order picking will not be conducted from the same building, but instead from the adjacent distribution centre in Backa. The warehouse is expected to be completed by year-end 2024 and will be fully operational in the spring 2025. In the interim period, the Group's existing e-commerce warehouse in Västra Frölunda will continue to be developed. The new e-commerce warehouse will result in a sharp increase in capacity and efficiency compared with the

existing warehouse, where picking is done manually. The total contracted investment with Witron will amount to EUR 48 m during the period 2021–2024.

Additionally, the existing high-bay warehouse in Backa will be strengthened and expanded with two, new automated aisles to add space for more pallets. This will increase the total capacity by approximately 30% and thereby ensure that the warehouse will be able to meet future growth. For this expansion, an existing agreement with Daifuku is being extended for an investment worth EUR 3 m.

In addition, Dagab has signed an agreement with KNAPP to automate parts of the new fruit and vegetable warehouse in Landskrona, which is expected to be completed at the end of 2022. KNAPP already provides the automation solution that Dagab uses at the perishables warehouse in Jönköping. With the new automation in Landskrona, which is expected to be fully operational in 2024, warehouse efficiency and capacity increases, and automation and manual picking is handled side by side. At the same time, flexibility with volume increases is improved. The total contracted investment with KNAPP will amount to EUR 14 m during the period 2021–2024.

“Our ambition is to develop a smart and modern product flow through a combination of manual and automated processes,” says **Nicholas Petterson**, Managing Director of Dagab. “The aim is to steadily work on refining the customer offering and customer meeting for all of Axfood’s customers. The decisions that have now made on automation of three vital units for our logistics platform are a key part of this.”

With Dagab as the engine behind the underlying processes and through efficient logistics, conditions are being created for profitable growth, energy efficiency and sustainable transports. Logistics of the future is also one of the Axfood Group’s key focus areas. For some time, construction has been under way of a new, highly automated logistics centre in Bålsta, outside Stockholm. The logistics centre, which will be one of the largest and most modern in Europe for distribution of groceries, will be unique by handling order picking and deliveries to stores as well as directly to online customers, with automation in three temperature zones. This omnichannel solution will result in optimized efficiency in the underlying processes, reduced food waste, and higher delivery quality and service for stores as well as end customers. Once operational in 2023, the logistics centre in Bålsta will handle 60% of Dagab’s volumes. With the new fruit and vegetable warehouse in Landskrona and the recently communicated logistics investments, including the new, automated e-commerce warehouse and expansion of the automated high-bay warehouse in Backa in Gothenburg, and automation of the fruit and vegetable warehouse in Landskrona, Axfood’s logistics platform is being complemented for the rest of the country for many years to come.

**For further information, please contact:**

Magnus Törnblom, Director Press Relations Axfood, +46-70-266 27 12,  
[magnus.tornblom@axfood.se](mailto:magnus.tornblom@axfood.se)

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**Axfood** aspires to be the leader in good and sustainable food. Our family of companies includes the store chains Willys and Hemköp as well as Tempo and Handlar'n. B2B sales are handled through Snabbgross, and our support company Dagab is responsible for the Group’s product development, purchasing and logistics. The Axfood family also includes Mat.se, Middagsfrid and Urban Deli as well as the partly owned companies Apohem and Eurocash. Together the Group has more than 11,000 FTE employees and sales of more than SEK 53 bn. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at [axfood.com](https://www.axfood.com).