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Capital Markets Day 2025: “The strength of our business concept allows us to keep challenging and growing”

Today, Axfood is hosting a Capital Markets Day for institutional investors, analysts and financial media at Urban Deli Hagastaden in Stockholm. An update on the Group’s strategy to drive long-term, profitable and sustainable growth through distinctive concepts in collaboration will be provided during the Capital Markets Day. Information will also be presented on the performance of the various businesses as well as the ongoing investments for the future.

“Axfood has a fantastic business model and Group structure that creates opportunities and competitive advantages. With our strong concepts and brands, we have a presence in all segments of the market and meet our customers on their terms. In addition, with our operating model – with a high share of Group-owned stores in combination with retailer-owned stores, an integrated value chain, and clear collaboration – we are unique in the Swedish food retail market. We maintain a high pace of development, and I am convinced that we are well positioned to strengthen our competitiveness and continue challenging and growing in the coming years,” says **Simone Margulies**, President and CEO of Axfood.

Broad presence and efficiency through collaboration

Axfood is one of the leading players in the Swedish food retail market and a family of different concepts working in collaboration. Each week, the Group’s various concepts serve over 5 million customers through nearly 400 Group-owned stores, 260 retailer-owned stores, and e-commerce. Over the past ten years, the Group has achieved growth exceeding that of the market and increased its market share to approximately 25 percent. Net sales on a rolling 12-month basis amounted to nearly SEK 87 billion in the second quarter of this year. In the coming years, Axfood will further develop and strengthen its core business and leverage the Group’s different and distinctive concepts and operating model to drive long-term, profitable, and sustainable growth.

Willys is Sweden’s most recommended food retail chain and holds a unique position in the market through its combination of low prices, a wide assortment, modern stores, and e-commerce. In recent years, Willys has seen a large inflow of new customers and strong loyalty among existing ones. The pace of expansion is high, and in the coming years the ambition is to establish at least 10 new stores per year. In addition, the store chain is evolving with the new store concept Willys 5.0, which more than 20 stores will be upgraded to during 2025. By 2030, Willys aims to be Sweden’s leading food retail chain.

Hemköp is strengthening its position with a focus on price value, fresh produce, and meal solutions. Hemköp is also investing in modernising stores and enhancing its sustainability profile. The chain places strong emphasis on helping customers make both sustainable and healthy choices, and has the highest share of sales from organic products among all Swedish food retail chains. By 2030, Hemköp aims to be the winner in every local market.

City Gross has expanded Axfood's reach and provides the Group with a presence in the hypermarket segment – the fastest-growing segment in the market after discount. With Axfood's knowledge and experience, the conditions are in place to further develop and strengthen City Gross. Several improvement initiatives are underway, aimed at achieving profitability at some point during the second half of 2026 and then gradually strengthening profitability. By 2030, City Gross aims to be Sweden's affordable food market.

With a flexible and affordable offering and physical stores, the restaurant wholesaler Snabbgross holds a unique market position. By 2030, Snabbgross aims to be Sweden's most affordable restaurant wholesaler.

Dagab manages assortment, purchasing, and logistics for Axfood and external B2B customers. In recent years, significant investments have been made in its logistics structure while the customer offering has been further developed. The newly established and automated logistics centre in Bålsta is fully operational, with a focus on fine-tuning to continuously improve productivity and efficiency. As previously communicated, Axfood also plans to establish a new highly automated logistics centre in Kungsbacka to further increase capacity and efficiency in southern Sweden.

Axfood is working to develop processes and data-driven ways of working. Upgrades to technical platforms leads to greater flexibility, increased automation, and improved decision-making based on data and analytics. Moreover, the integration of AI has accelerated, and in recent years, more than 100 AI models have been put into production to streamline and enhance processes, workflows, and customer meetings. Through agility and decisiveness, Axfood can stay at the forefront and ensure a sustainable and resilient business model.

Sustainability and health are integrated parts of Axfood's business model and operations. In 2024, the goal to halve food waste in its own operations compared to the base year 2015 was achieved – one year ahead of schedule. Additionally, the transition to renewable fuels in transports has accelerated, with the ambition to completely phase out fossil fuels by the end of 2025. Initiatives have also continued in sustainable energy through large rooftop solar facilities and a large ground-based solar park in Hallstavik.

Reaffirmed financial targets

Axfood's financial position enables investments in growth and value creation. The Group's targets for growth, profitability and financial position remain unchanged. Due to investments in logistics, acquisitions and initiatives to strengthen the Group's price position in the market, the operating margin has in recent years been below the target of at least 4.5 percent. However, investments in the base operations, together with the development of the store chains, are expected to create favourable conditions for increased profitability over time.

Presentation materials and rebroadcast of the Capital Markets Day

The presentation material and a recording of the presentations at the Capital Markets Day will be made available on Axfood's website after the event.

For further information, please contact:

Alexander Bergendorf, Head of Investor Relations Axfood, +46 73 049 18 44,

alexander.bergendorf@axfood.se

Magnus Törnblom, Head of Press Axfood, +46 70 266 27 12, magnus.tornblom@axfood.se

This document is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

Axfood aspires to be the leader in affordable, good and sustainable food. Our family of companies includes the store chains Willys, Hemköp and City Gross as well as Tempo, Handlar'n and Matöppet. 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 Urban Deli as well as the partly owned companies Apohem and Eurocash. Together the Group has approximately 15,000 employees and sales of more than SEK 85 billion. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at www.axfood.com.