

Year-end report Axel Johnson AB, Jan.1–Dec. 31, 2014

Best result ever for Axel Johnson

It is with great pleasure for me to affirm that Axel Johnson has once again reported its best result ever. And we have done so in a relatively tough market characterized by fierce competition, low inflation, and continued economic uncertainty.

We entered 2014 with a positive trend and stable market situation. Optimism among Swedish consumers was rising, and we saw a recovery in both the retail sector and industry in pace with a stronger economy. The second half of the year was more challenging, however. While the food retail market experienced stable development, growth in the specialty retail segment was weaker, and the market situation in Europe turned downward. Falling oil prices and currency movements had a negative impact on several of our B2B companies. Despite these challenges, sales increased for all of our Group companies, and four out of the six companies posted stronger earnings. Several strategically important acquisitions and investments were carried out during the year. Among other things, Axel Johnson International acquired Trans-Auto, a supplier of vehicle components, and GISAB, which provides services to industrial companies. Axfood completed its implementation of a new business system, and Martin & Servera acquired Galatea, Sweden's leading beer and wine distributor.

The Group's total sales amounted to SEK 66,528 million (64,573), an increase of 3%. Profit after net financial items amounted to SEK 2,425 million (1,860), an increase of 30%. The Group's operating profit, excluding amortization of intangible assets, was SEK 2,830 million (2,290), an increase of 24%.

Our good financial strength makes it possible for us to make new investments – both in existing and in new businesses. This is a prerequisite for us to be able to stand strong also in the future. I now look forward to yet another successful and exciting year with more business deals and opportunities.

Stockholm, March 5, 2015



Fredrik Persson, President and CEO

Important events 2014

- Martin & Servera reported its best earnings ever and acquired Galatea, Sweden's leading beer and wine distributor.
- Axel Johnson International carried out several strategically important acquisitions, including Trans-Auto, a supplier of vehicle components, and the service company GISAB.
- Svensk Bevakningstjänst was sold to the Nordic security group Nokas.
- Axfood once again reported record earnings. Implementation of the new business system was completed, and ten new stores opened.
- Axstores' earnings were affected by intensive work with a change in the business system. Several boutiques and department stores were modernized, and the assortment of the Kicks private label was broadened.
- Mekonomen Group made several structural changes and discontinued its Danish store operations. The ProMeister private label developed well, and the digital booking and comparison site Lasingoo was launched.
- During the year, Novax appointed a new CEO and strengthened its organization with new employees. Several companies had strong development – especially RCO, Medius and Educations Media Group.

Axel Johnson AB is one of the Nordic region's leading trading groups which builds and develops businesses within trade and services in the European market, with the main focus on the Nordic region. Group companies currently comprise Axel Johnson International, Axstores, Martin & Servera (70%), Novax, as well as the partly owned listed companies Axfood (approx. 50%) and Mekonomen Group (approx. 26%). The wholly and partly owned companies within the Axel Johnson Group have total annual sales of approximately SEK 72 billion and about 20,000 employees (2014). Axel Johnson is a family-owned company in the fourth and fifth generation and is owned by Antonia Ax:son Johnson and her family. www.axeljohnson.se

The Axel Johnson AB group is one of four separate groups within the Axel Johnson Group together with the property company AxFast, the U.S. company Axel Johnson Inc. and the asset management company AltoCumulus.

SEK m	Full year 2014	Full year 2013	Change
Net sales	66,528	64,573	3%
Profit after net financial items	2,425	1,860	30%
as % of net sales	4	3	1
EBITDA	4,203	3,605	17%
EBITA	2,830	2,290	24%
Balance sheet total	22,378	20,252	10%
Capital employed	12,780	11,297	13%
Return on capital employed (%)	21	17	4
Equity	8,727	8,075	8%
Equity ratio (%)	48	47	1
Net debt/equity ratio (times)	0	0	-
Cash flow after capital expenditures	2,061	1,540	34%
Average number of employees, full-time equivalents	19,190	18,894	2%

Group company	Ownership	Net sales, SEK m		Profit after net financial items, SEK m	
		2014	2013	2014	2013
Axel Johnson International	100%	6,499	5,907	277	241
Axfood	50.1%	38,484	37,522	1,430	1,278
Axstores	100%	7,548	7,436	125	182
Martin & Servera	70%	12,516	12,102	296	161
Mekonomen Group	26.5%	5,789	5,740	250	429
Novax*	100%	931*	888*	61	73

*Only subsidiaries

Further information is provided in Axel Johnson's Annual Review for 2014, which will be posted on www.axeljohnson.se on March 25.

For further information, please contact:

Fredrik Persson, President and CEO, Axel Johnson AB, +46-(0)8 701 61 59

Maria Luthström, Communications Manager, Axel Johnson AB, +46-(0)76 138 74 06

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