

Axfood

PRESS RELEASE 21 OCTOBER 2021

Solid quarter with good profitability

Axfood reports a solid third quarter with good profitability despite high comparison figures. A high tempo continues to be maintained with significant focus on investments for the future, and a few weeks ago history was made in the Swedish food retail sector with the completion of the acquisition of Bergendahls Food and partnership with City Gross.

President and CEO Klas Balkow's comments on the interim report for the third quarter 2021:

"We have closed an eventful quarter with a high pace of development. We delivered high profitability and increased our earnings adjusted for costs related to the Bergendahls acquisition. Meanwhile, it's an exciting time with high activity in all parts of our Group. This past summer we communicated new and large investments in optimizing our logistics platform. In addition, we have received clearance from the Swedish Competition Authority and completed our acquisition of Bergendahls. The acquisition creates synergies and strengthens our long term position in the market through higher efficiency, which also benefits wholesale customers and consumers. The integration of these businesses is now underway and it feels great to welcome new colleagues to the Axfood family."

Third quarter summary

- Net sales totalled SEK 13,723 m (13,426), an increase of 2.2%.
- Store sales for the Axfood Group totalled SEK 11,589 m (11,503), an increase of 0.7%.
- Operating profit including items affecting comparability of SEK 18 m for the integration with Bergendahls totalled SEK 793 m (796). The operating margin was 5.8% (5.9%). Operating profit excluding items affecting comparability was SEK 811 m (796), an increase of 1.9%. The operating margin excluding items affecting comparability was 5.9% (5.9%).
- Net profit for the period was SEK 601 m (605), and earnings per share before dilution were SEK 2.93 (2.95).
- In September a dividend of SEK 3.75 per share was paid out to the shareholders – the second half of the total shareholder dividend of SEK 7.50 (7.25) per share.

Summary January–September

- Net sales totalled SEK 40,829 m (40,062), an increase of 1.9%.
- Store sales for the Axfood Group totalled SEK 35,398 m (34,915), an increase of 1.4%.
- Operating profit was SEK 1,965 m (1,944). The operating margin was 4.8% (4.9%). Operating profit excluding items affecting comparability was SEK 2,036 m (1,944), an increase of 4.8%. The operating margin excluding items affecting comparability was 5.0% (4.9%).
- Net profit for the period was 1,486 m (1,454), and earnings per share before dilution were SEK 7.36 (7.10).

Significant events after the balance sheet date

- On 1 October Axfood completed the acquisition of the wholesale business Bergendahl Food AB and of the minority stake of 9.9% of the shares in City Gross Sverige AB.
- In October Axfood received a payout of SEK 110 m from Fora/AFA employer-financed insurances based on previous premium payments, which will result in a positive effect on the operating profit in the fourth quarter 2021.

Axfood will present the interim report for the third quarter of 2021 in a conference call at 9.30 a.m. (CET) today. The report will be presented by Klas Balkow, President and CEO, and Anders Lexmon, CFO. To follow the presentation, visit www.axfood.com or ring: Sweden: +46 8 505 583 66, UK: +44 333 300 9271, USA: +1 646 722 4904

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The information herein is such that Axfood AB (publ) is required to make public in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person listed above, at 7 a.m. CET on 21 October 2021.

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 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, Eurocash and City Gross. Together the Group has more than 12,000 employees and sales of more than SEK 54 bn. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at www.axfood.com.