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Growth in all segments and increased market shares

Axfood summarises another strong quarter with high customer traffic, volume growth and increased market shares, as well as positive earnings trends in all operating segments. The Group continues to invest in strategically important areas in order to become even more efficient and further improve its competitiveness. In recent years, the logistics structure has been developed to enable continued profitable growth, and in the quarter plans were announced for a new, highly automated logistics centre in Kungsbacka with the aim of increasing capacity and efficiency also in southern Sweden.

President and CEO Simone Margulies comments on the interim report for the third quarter 2025:

"Thanks to affordable and attractive offerings, more and more consumers are choosing to shop with us. Having maintained our momentum, we delivered a strong performance in the quarter and gained market shares. Axfood's retail sales increased approximately 19% and just over 6% excluding City Gross, while market growth amounted to slightly more than 5%.

With its position as Sweden's leading discount grocery chain, Willys is continuing to develop its offering. Among other initiatives, existing stores are rapidly being upgraded to the new Willys 5.0 store concept, and the rate of new store establishments is also accelerated in the coming years, with the aim of opening at least ten new stores each year. Hemköp, which operates in the traditional grocery segment, is also modernising stores at a rapid rate in order to enhance the customer meeting. Its offering is continuously being developed, with a focus on price value, fresh products and meal solutions. Our restaurant wholesaler, Snabbgross, delivered growth of 6% in the quarter.

City Gross was acquired nearly a year ago to create new growth opportunities. The organisation is following a clear plan and has a comprehensive development agenda in order to reverse the store chain's weak development in recent years. We are seeing positive trends in like-for-like growth and cost levels as a result of our initiatives. City Gross has excellent potential as a pure-play hypermarket operator, an attractive segment that is continuing to account for a growing share of the market.

With increased loyalty and growth in the store chains, earnings improved in all operating segments. In addition to efficiency and cost focus in our base operations – with respect to both logistics and our central processes and ways of working – the operating margin for the Group as a whole increased.

Dagab is continuing its efforts to optimise the flow of goods and streamline the Group's new logistics structure. The logistics centre in Bålsta, the fruit and vegetable warehouse in Landskrona and the recently expanded high-bay warehouse in Backa are all clearly contributing to the Group's capacity and efficiency. We have also initiated work to establish a new highly automated logistics centre in Kungsbacka which will strengthen the Group's product supply in southern Sweden.

The Food 2030 report, Axfood's proposal for a more sustainable food strategy for Sweden, was presented during the quarter. In addition, the phase-out of fossil fuels in our own and procured transports continued to reduce our emissions during the quarter, and our new solar park in Hallstavik in the Uppland region is now fully operational. We also continued to launch innovative new products focused on improved sustainability and health.

Our performance in the third quarter demonstrates the strength of our business model, with higher growth than the market and improved earnings in all operating segments. The development shows how we with our different concepts and brands drives loyalty and growth in all segments of the market – both organically and through expansion. With our integrated value chain, we create competitive advantages and efficiency in base operations. Together with a high rate of development, a strong corporate culture, and highly engaged employees, I am convinced that we are poised to continue to challenge and strengthen our market positions also in the years ahead."

Third quarter summary

- Net sales increased 6.6% to SEK 22,286 m (20,902).
- Retail sales increased 19.5% to SEK 19,625 m (16,427). Excluding City Gross, retail sales increased 6.2%.
- Operating profit amounted to SEK 1,059 m (1,007) including items affecting comparability of SEK -39 m (—). The operating margin was 4.8% (4.8).
- Adjusted operating profit amounted to SEK 1,099 m (1,007) and the adjusted operating margin to 4.9% (4.8).
- Net profit for the period amounted to SEK 727 m (715) and earnings per share before dilution to SEK 3.30 (3.26).
- In September, a dividend of SEK 4.25 per share was paid out, the second part of the shareholder dividend of SEK 8.75 per share (8.50).
- Axfood plans for a new highly automated logistics centre to be completed in 2030 which will ensure higher capacity and efficiency in southern Sweden. During the quarter letters of intent were signed with the Municipality of Kungsbacka to locate the logistics centre to Frillesås, and with Witron to use the company's automation technology.

Summary January – September

- Net sales increased 6.6% to SEK 66,321 m (62,197).
- Retail sales increased 19.3% to SEK 58,736 m (49,217). Excluding City Gross, retail sales increased 6.0%.
- Operating profit amounted to SEK 2,712 m (2,661) including items affecting comparability of SEK -102 m (—). The operating margin was 4.1% (4.3).
- Adjusted operating profit amounted to SEK 2,814 m (2,661) and the adjusted operating margin to 4.2% (4.3).
- Net profit for the period amounted to SEK 1,802 m (1,858) and earnings per share before dilution to SEK 8.24 (8.54).

Axfood will present the interim report for the third quarter 2025 in a webcast at 9:30 a.m. (CET) today, 23 October 2025. The report will be presented by Simone Margulies, President and CEO, and Anders Lexmon, CFO. You can find a link to the webcast at axfood.com. A link to register to participate via conference call is also available at axfood.com. Upon registration, a telephone number and conference ID for the conference call will be provided.

For further information, please contact:

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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. The information was submitted for publication, through the agency of the contact person listed above, at 7:00 a.m. CET on 23 October 2025.

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 more than 15,000 employees and sales of close to SEK 90 billion. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at www.axfood.com.