

Axfood

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Strong year-end with growth higher than the market

For the eleventh consecutive year, we summarise a year with increased market share by leveraging the strength of our entire business model. We continue to challenge and are reporting also for the last quarter of the year above-market growth. We are preparing for the future and investing in strategically important areas to continue attracting more customers, become even more efficient, and strengthen our competitiveness.

President and CEO Simone Margulies comments on the year-end report for 2025:

"Over the past year, we successfully navigated a market characterised by intense competition and price-conscious consumers. We are summarising a strong fourth quarter with a continued positive trend in customer traffic and increased volumes. Growth in retail sales was 8.7%, and 5.3% excluding City Gross, while the market grew 4.5%. We have thus outperformed the market every quarter this year, and are reporting our eleventh consecutive year of market share gains.

Willys once again grew more than the market, with growth of 5.4% in the final quarter of the year, driven by a continued positive volume trend as a result of high levels of customer traffic and loyalty. Hemköp also gained market share, with growth of 5.3%.

City Gross continued to progress in a positive direction, with good like-for-like sales growth, a lower cost level and positive earnings. We took important steps during the year, and continue to work according to plan to strengthen the chain and turn it into a long-term competitive player in the hypermarket segment. Snabbgross delivered growth of 6.0% in the quarter.

We report a strong earnings trend and an increased operating margin in the fourth quarter, mainly driven by our impressive sales growth. Solid cost control and realised cost savings also contributed to increased earnings.

Dagab developed the Group's assortment of affordable, good and sustainable food during the year, with a continued focus in the fourth quarter on ensuring that our chains can provide Swedish consumers with a competitive offering. We have initiated our next major investment in the establishment of a new highly automated logistics centre in Kungsbacka in order to strengthen the supply of goods in southern Sweden. In the fourth quarter, we entered into an agreement with Witron regarding the investment in automation.

During the quarter, we completed the transition to fossil-free transports, both in our own and in procured transports. I am proud that we as a Group have chosen to join forces and take the lead in reducing emissions. At the end of the year, we also applied to set science-based targets in line with the Paris Agreement through the Science-Based Targets initiative (SBTi).

To enable even more people to shop with us, we are maintaining a high rate of new store establishments. Our ambition for 2026 is to expand the store network by 10–15 new Group-owned stores. In 2026, these investment needs are expected to amount to SEK 2.2–2.3 billion.

We are summarising a quarter and year in which we attracted a growing number of customers, with increased loyalty and stronger positions in all market segments. Based on great commitment and passion for food in the entire Group, we are leveraging the strength of our business model."

Fourth quarter summary

- Net sales increased 4.4% to SEK 22,831 m (21,860).
- Retail sales increased 8.7% to SEK 20,468 m (18,836). Excl. City Gross, retail sales increased 5.3%.
- Operating profit amounted to SEK 860 m (629) including items affecting comparability of SEK -13 m (-143). The operating margin was 3.8% (2.9).
- Adjusted operating profit amounted to SEK 873 m (772) and the adjusted operating margin to 3.8% (3.5).
- Net profit for the period amounted to SEK 574 m (361) and earnings per share before dilution to SEK 2.60 (1.62).

Summary January - December

- Net sales increased 6.1% to SEK 89,152 m (84,057).
- Retail sales increased 16.4% to SEK 79,204 m (68,052). Excl. City Gross, retail sales increased 5.9%.
- Operating profit amounted to SEK 3,572 m (3,290) including items affecting comparability of SEK -116 m (-143). The operating margin was 4.0% (3.9).
- Adjusted operating profit amounted to SEK 3,688 m (3,433) and the adjusted operating margin to 4.1% (4.1).
- Net profit for the period amounted to SEK 2,375 m (2,219) and earnings per share before dilution to SEK 10.84 (10.16).

Significant events after the balance sheet date

- The Board of Directors proposes an increased dividend of SEK 9.00 per share (8.75) to be split into two payments, SEK 4.50 per share in March 2026 and SEK 4.50 per share in September 2026.

Investments and store establishments in 2026

- Investments in 2026 are expected to amount to between SEK 2,200 m and SEK 2,300 m, excluding acquisitions and right-of-use assets, of which approximately SEK 470 m pertains to automation in the new logistics entre in Kungsbacka.
- In 2026, Axfood plans to establish 10-15 new group-owned stores.

Axfood will present the year-end report for 2025 in a webcast at 9:30 a.m. (CET) today, 29 January 2026. 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 29 January 2026.

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.