Axfood

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Strengthened presence and positive earnings development

Axfood publishes its interim report for the second quarter 2026.

Comment from the President and CEO Simone Margulies:

"Axfood maintained a high level of activity during the second quarter, with a focus on further strengthening presence, competitiveness and efficiency. We report positive growth and increased earnings against high comparison figures, in a market characterised by food price deflation. We are well-positioned for the future and continue to pursue our long-term strategic plans, and in parallel work with targeted tactical measures to strengthen growth also in the short term.

Retail sales increased 2.1% during the second quarter, in a market that grew 3.7%. Despite our very strong sales increase last year, a negative calendar effect and food price deflation, growth did not reflect our ambitions. Our performance however varied between our different businesses.

Hemköp continued to deliver an impressive performance with growth of a full 7.4%, reflecting the long-term work to strengthen the store chain's market position. With prime store locations and an attractive, affordable assortment focused on inspiration and sustainability, Hemköp once again gained market share during the quarter and reported a healthy increase in earnings.

Willys' quarterly growth of 1.0% compares with a very strong sales increase of 10.2% in the previous year. With a continued strong position, Willys is the store chain most recommended among households. Willys continues to develop its customer meeting and upgrades the store network to the latest Willys 5.0 store concept. At the same time, new Willys stores are being opened at a rapid rate. We are seeing good growth in both newly established and refurbished stores, and have now passed the milestone of 4 million Willys Plus members. Willys also focuses on increasing the growth rate in the short term through targeted tactical measures.

With City Gross, we have taken position in the attractive hypermarket segment, and work to develop the chain is ongoing. A highlight of the quarter was the launch of a new store concept at a pilot store in Linköping. While growth was somewhat lower than previously, earnings improved year-on-year. Our ambition to achieve profitability at some point during the second half of the year remains unchanged.

Overall, we reported stable earnings growth in the second quarter, despite the lower growth rate. Working cost-effectively is part of our business model and is particularly important now as we work to mitigate the effects of food price deflation and higher fuel prices. Above all, we are continuing to optimise the productivity and cost-efficiency of our new logistics structure, while also developing new ways of working using new technology and scaling up our use of data and AI. Our efforts to streamline the Group's support functions are also contributing to cost savings.

During the quarter, we launched new, innovative products that promote sustainable and healthy consumption, including hydrothermally treated light meals and hybrid products. In late spring, our new, ambitious climate targets were validated by the Science Based Targets initiative, an important milestone in our efforts to reduce our negative impact on the climate and biodiversity. We also contribute to helping young people in vulnerable areas enter the workforce through paid internships and are now expanding with more SAO jobs, and through the newly established Forum for Inclusion.

I can now summarise a quarter marked by a high level of activity and increased earnings. We have strong market positions, clear strategic priorities and several ongoing initiatives to strengthen our presence, competitiveness and efficiency. With distinctive concepts, a shared culture and focus on execution, we are well-equipped to continue developing and creating value over time."

Second quarter summary

- Net sales increased 0.9% to SEK 23,197 m (22,995).
- Retail sales increased 2.1% to SEK 20,713 m (20,282).
- Operating profit amounted to SEK 964 m (934) including items affecting comparability of SEK -8 m (-25). The operating margin amounted to 4.2% (4.1).
- Adjusted operating profit amounted to SEK 972 m (959) and the adjusted operating margin to 4.2% (4.2).
- Net profit for the period amounted to SEK 647 m (622) and earnings per share before dilution to SEK 2.94 (2.85).
- Anders Lexmon will leave the role of CFO during the spring of 2027. The recruitment of a successor is ongoing.
- Lisa Wigert assumes the role of Head of Strategy and Business Development effective 4 September.

Summary January - June

- Net sales increased 1.7% to SEK 44,793 m (44,034).
- Retail sales increased 2.9% to SEK 40,262 m (39,111).
- Operating profit amounted to SEK 1,770 m (1,653) including items affecting comparability of SEK -14 m (-63). The operating margin amounted to 4.0% (3.8).
- Adjusted operating profit amounted to SEK 1,784 m (1,716) and the adjusted operating margin to 4.0% (3.9).
- Net profit for the period amounted to SEK 1,172 m (1,075) and earnings per share before dilution to SEK 5.36 (4.93).

Axfood will present the interim report for the second quarter of 2026 in a webcast at 9:30 a.m. (CET) today, 15 July 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.

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