

Affordable, good and sustainable food

Axfood company presentation 2025



Business review

This is Axfood

Axfood is a leader in food retail in Sweden and a family of different concepts in collaboration. Each week, approximately five million customer meetings take place through almost 400 Group-owned stores, e-commerce and over 700 collaborating retailer-owned stores. Axfood has a total of more than 15,000 employees (FTEs) and net sales of over SEK 80 billion.

Axfood aspires to be a strong force in society that works together with stakeholders and decision-makers to drive development toward more sustainable and healthier food production and consumption.

Axfood shares are listed on Nasdaq Stockholm and the principal owner is the Axel Johnson Group.



Different concepts in collaboration

Each Axfood concept has a solid position in its respective market segment and should offer the best experience for its customers.

Axfood

Joint-Group functions primarily comprise Finance, Legal Affairs, Communications, Business Development, New Establishments, HR and IT.

DAGAB

Dagab is responsible for and develops the assortment, purchasing and logistics for Axfood's own concepts and external customers. Dagab plays a key role in Axfood's efforts to continuously streamline the product flow

Food retail

Discount

WILLY:S

Willys is Sweden's leading discount grocery chain, featuring a wide assortment in Group-owned stores and online. With the business concept of offering Sweden's cheapest bag of groceries, Willys aspires to lead and develop the discount segment of food retail.

euromash

Eurocash is one of the leading grocery chains along the Norwegian border. Specialising in cross-border shopping, Eurocash aims to make it easy for customers to shop for good food at the lowest prices.

Hypermarkets

CITY GROSS

City Gross operates hypermarkets and is primarily present in the south of Sweden. At its stores, customers find a food market hall and hypermarket under the same roof, along with one of the market's broadest assortment of food.

Traditional grocery

Hemköp

Hemköp offers an inspiring, broad and attractively priced assortment with a rich offering of fresh products. Hemköp's Group-owned stores, retailer-owned stores and online business aim to inspire good meals in a simple way

tempo

Tempo is a retailer-owned mini-mart format. At Tempo's stores, customers are greeted by a familiar environment offering good food and personal service.

HANDLAR'N

Handlar'n offers accessibility and proximity to groceries and services through retailer-owned mini-marts, mainly in the countryside but also in city centres.

MATÖPPET

Matöppet is the personal grocery store, and the retailer-owned mini-marts focus heavily on service and offering a wide range of fresh products.

Restaurant and café

Wholesale

Snabbgross

Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility and quality at its stores and online. Sales to consumers take place through the Snabbgross Club concept.

Restaurant

URBAN DELI

Urban Deli in Stockholm is a combination of restaurant, store and market hall with its own production of innovative, sustainable and healthy food.

Other

Pharmacy

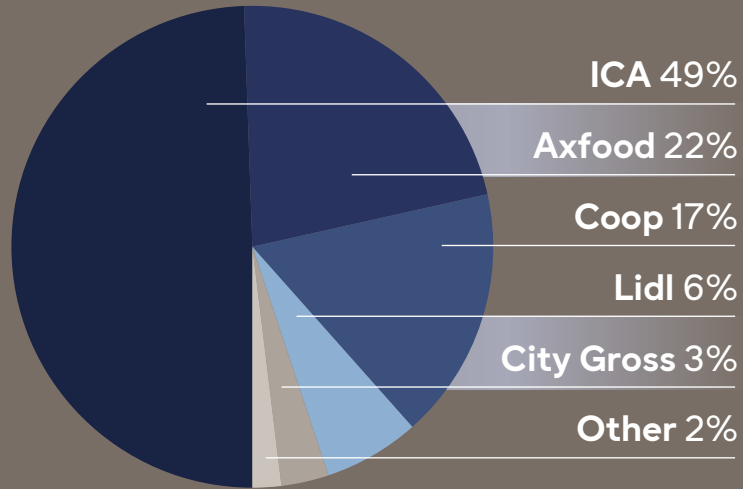
apohem

Apothem is a full-scale online pharmacy with over-the-counter and prescription drugs. Apothem wants to make health and skin-care accessible to everyone and offers a wide product range as well as personal advisory services.

Axfood has a strong position in Swedish food retail

Food retail market size 2023 (ex. VAT), SEK bn **290**

Market shares 2023



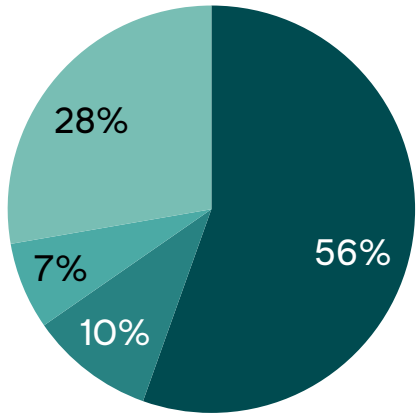
Market segmentation 2023

	Discount		Hypermarkets	Traditional grocery	
	Hard discount	Soft discount		Traditional grocery, larger stores	Traditional grocery, smaller stores
Items	3,000–4,000	5,000–12,000	20,000–45,000	10,000–15,000	1,000–5,000
Brands	Lidl	Willys, Willys Hemma, Eurocash	City Gross, ICA Maxi, Stora Coop	Hemköp, Coop, ICA Supermarket, ICA Kvantum, Mathem and others	Tempo, Handlar'n, Matöppet, ICA Nära and others
Location	Residential and external	Residential and external	External	City centres, residential, pure-play online retail	Roadside or residential

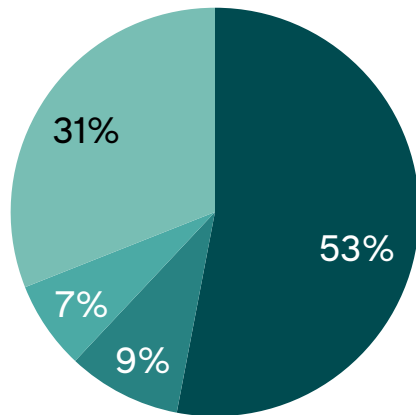
Source: Axfood's estimates. Full-year 2023 is used since complete public information is not available for 2024. Axfood acquired City Gross on 1 November 2024.

Net sales and operating profit breakdown in 2024

Operating segments' share of external net sales*



Operating segments' share of operating profit*



- Willys
- Snabbgross
- Hemköp
- Dagab

Million customers/week

5

Average number of employees, FTEs

13 709

Group-owned stores

389

Net sales, SEK bn

84.1

Operating profit, SEK bn

3.3

Operating margin

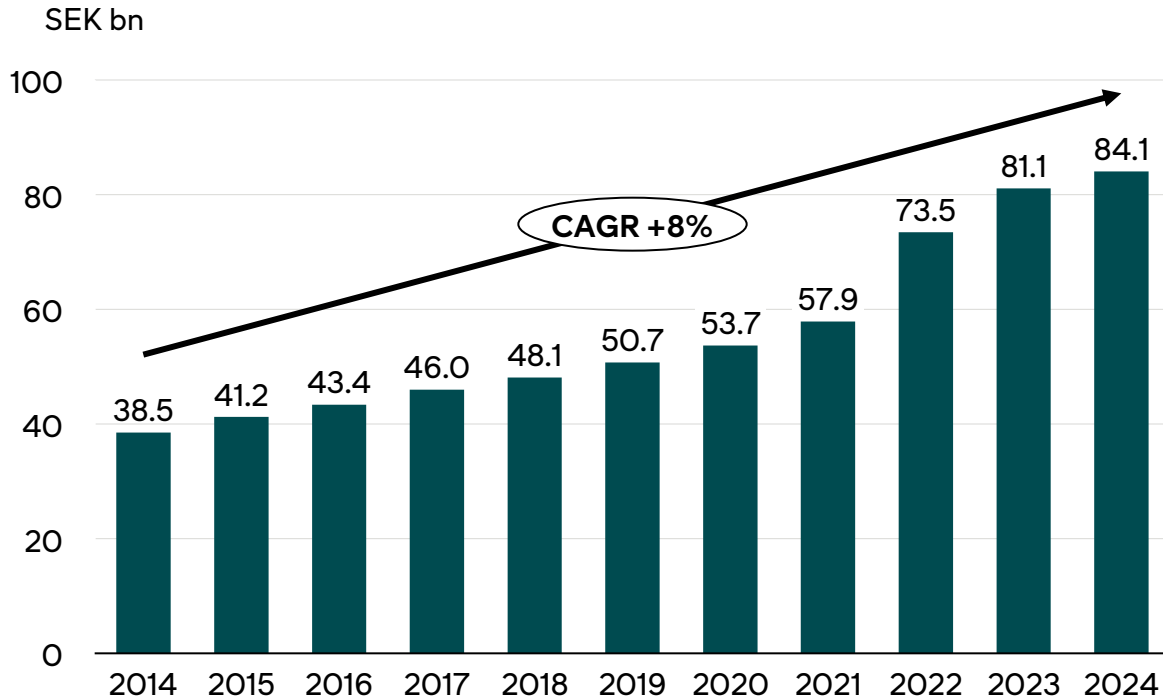
3.9%

All figures from 2024.

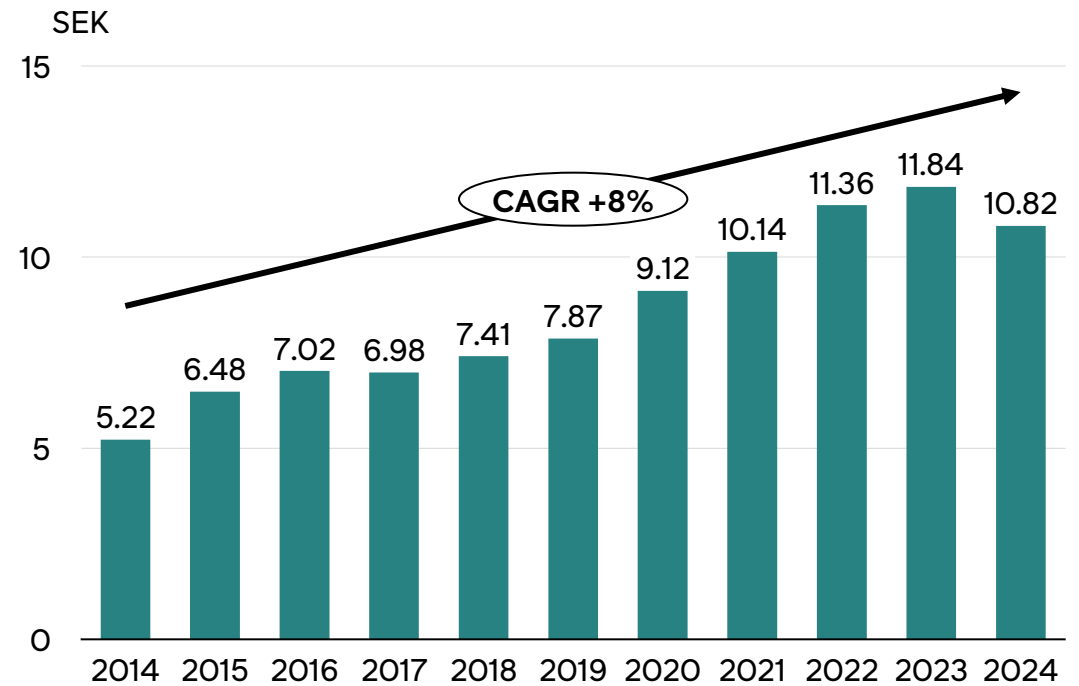
*Excluding City Gross and Joint-Group.

Net sales and profit development

Net sales

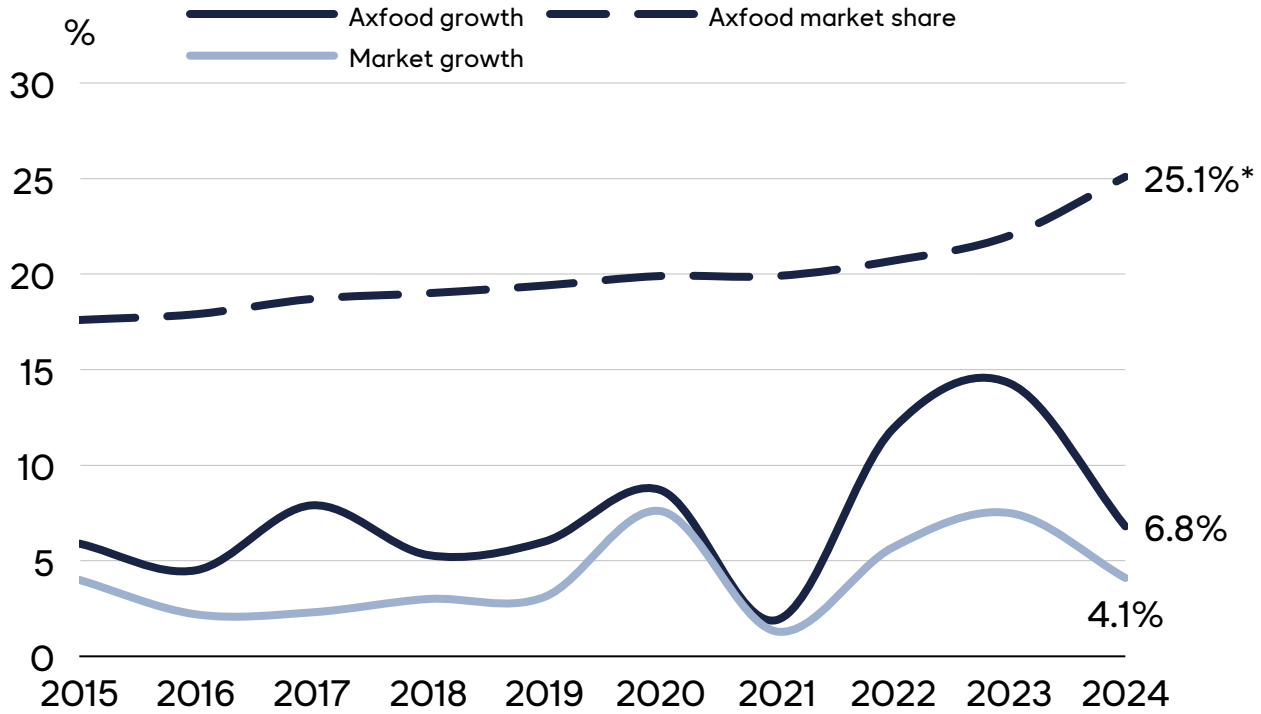


Earnings per share*



*Earnings per share before dilution. Excluding items affecting comparability in 2021, 2022 and 2023.

Ten years of increased market shares



Source: Axfood/HUI Research

*The market share for 2024 corresponds to the market share at year-end and includes City Gross which was acquired on 1 November 2024.



More than 20 years as a positive force for change

2000

Axfood is formed through the combination of D&D Dagligvaror (which included Dagab) and the listed company Hemköp. At the same time, Spar Sverige, Spar Inn Snabbgross and a voting majority in Spar Finland are acquired.



2004

Spar, Hemköp and Billhälls are gathered under the joint Hemköp brand.



2013

Warehousing, transport and purchasing are gathered in one organisation – Dagab.

2008

PrisXtra is acquired.

2001

The share of Group-owned stores increases through the start of a nationwide conversion of stores and new establishment of the Willys brand.

2003

Willys and Hemköp get their own private labels.



2005

Axfood divests its holding in Spar Finland and leaves the Finnish market.

2009

The Garant private label brand is launched.



More than 20 years as a positive force for change

2014
 New SAP business system.
 Acquisition of 50% of the restaurant chain Urban Deli. Conversion of PrisXtra to Willys and Hemköp.

2018
 Inauguration of new automated perishable warehouse in Jönköping. Ownership in Urban Deli increases from 50% to 90%.

2019
 Construction start of new highly automated logistics centre in Bålsta outside Stockholm.

2022
 Integration of Bergendahls Food and system conversion of City Gross' stores. Axfood new partner to Mathem through divestment of Mat.se. New fruit and vegetables warehouse in Landskrona in operations.



2024
 Acquisition of City Gross, ownership increases from 10% to 100%.

2017
 Acquisition of 51% of the cross-border grocery chain Eurocash, the online store Mat.se, and Middagsfrid with pre-planned meal kits. Investment in the online pharmacy Apohem.



2021
 Acquisition of Bergendahls Food and City Gross minority stake.



2023
 New highly automated logistics centre in Bålsta in operations.



Strategy

Clear direction for the future

Axfood's business concept is to serve as a family of different concepts in collaboration, and the vision is to be the leader in affordable, good and sustainable food. This is how Axfood creates a greater quality of life for everyone, which is the Group's purpose. Four objectives guide the Group's long-term development.

Purpose

Better quality of life
for everyone

Objectives

By 2030, we will be Sweden's
most inclusive food company

By 2030, we will be the
strongest driving force for
sustainable food in Sweden

By 2030, we will have
created a healthier Sweden

By 2030, we will lead the
development of the simplest
and best food experiences

Vision

Leading in affordable,
good and sustainable food

Business concept

A family of different
concepts in collaboration



Strategic focus areas



Customer offering

Axfood will offer an attractive assortment that is relevant, sustainable and affordable.



Customer meeting

With relevant concepts and high accessibility, Axfood is meeting customers' various and changing needs.



Expansion

Axfood will grow in new and existing areas by establishing stores and e-commerce as well as developing new offerings.



Supply chain

Axfood will develop a sustainable product supply with high efficiency and quality.



Work approach

Axfood is to be a customer-oriented, dynamic and sustainable organisation with a focus on efficiency and development.



Employees

Axfood aspires to be the market's most attractive employer and to engage and help its employees to develop the right skills and work approach.

Axfood's employee promise

Our differences in the Axfood family serve as the underpinnings of a strong team and enable us to have an influence in our work today and tomorrow. Our passion for food and people, commitment and pride enable us to work together to create a better quality of life for everyone we meet and have an impact on. Together, we have the power to improve, develop and make a difference – for real.

Five reasons to work at Axfood

01

Development opportunities – we grow together

02

Part of the team – welcome to the family

03

Community engagement – we make a difference on matters big and small

04

Passion for food and people – together we create better quality of life

05

Different concepts, one family – strength in our differences





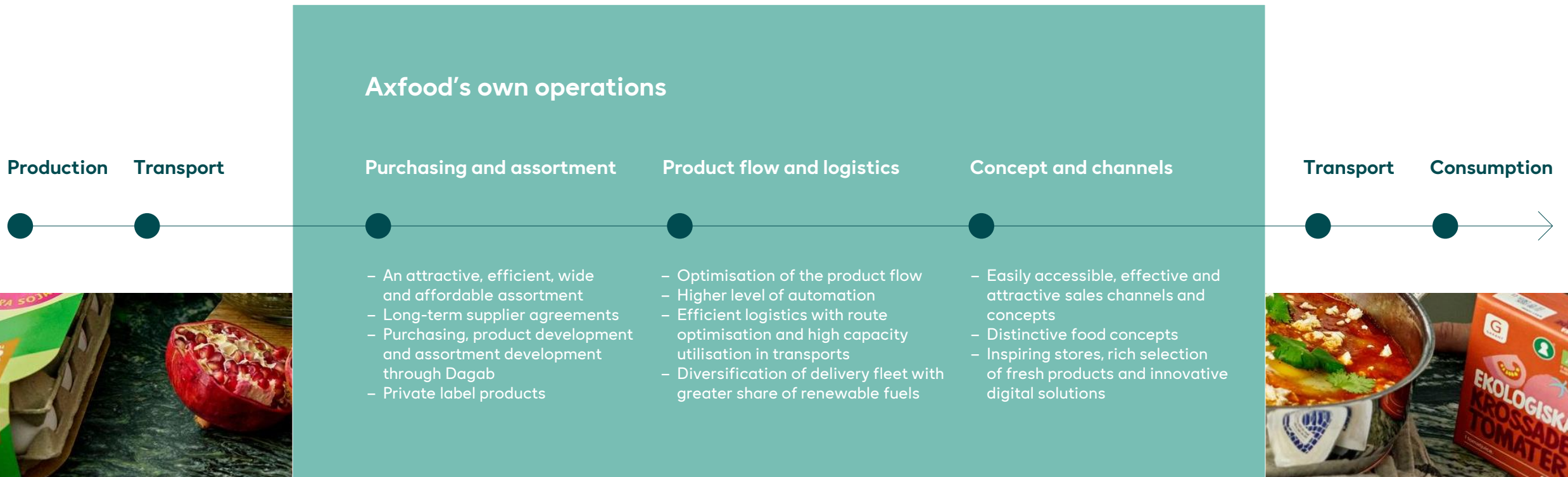
Core values

Axfood's core values make it easier to make the right decisions and have the right priorities in day-to-day operations. Through knowledge exchange, development and dialogue within the Group, the core values are translated into action. Axfood's core values are:

- The store is our stage
- Together we are stronger
- We challenge
- We are aware

Central role in the value chain

Axfood's business model covers purchasing and assortment, product flow and logistics as well as concepts and channels. Axfood also plays a central role in the entire food supply chain and thus also has an impact beyond its own operations.



Wide and affordable customer offering

Axfood will offer its customers an attractive, efficient, wide and affordable assortment.

Good and sustainable food



Private label products



Affordability



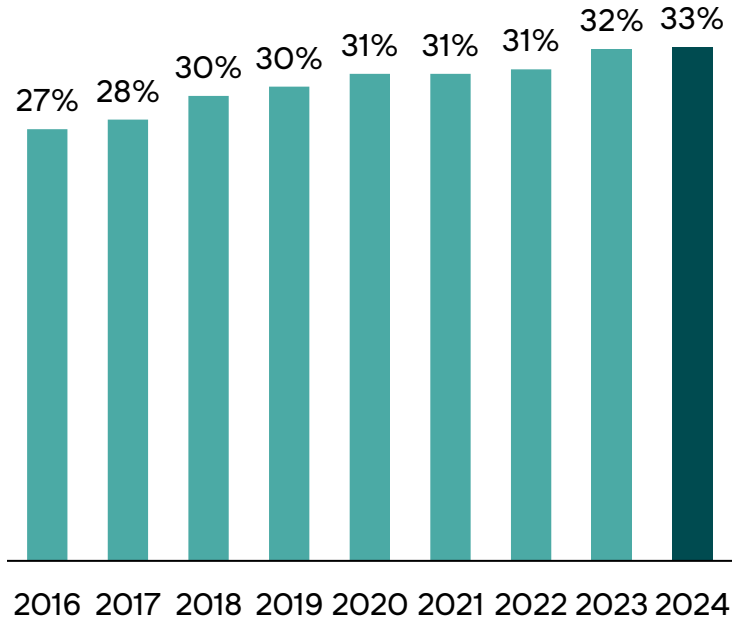
Meal solutions



Differentiated private label products

Private label products ensure a distinctive and efficient assortment.

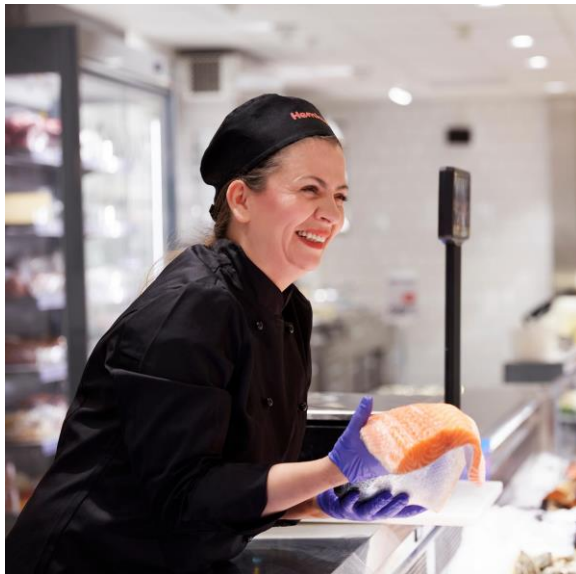
Axfood's private label share of sales



Modern and attractive stores

Axfood's stores must be accessible to customers so that it is convenient and easy to shop.

The customer in focus where employees are the front-line ambassadors



Continuous work to update and modernise existing stores



Improved customer experience and more efficient operations with digital tools



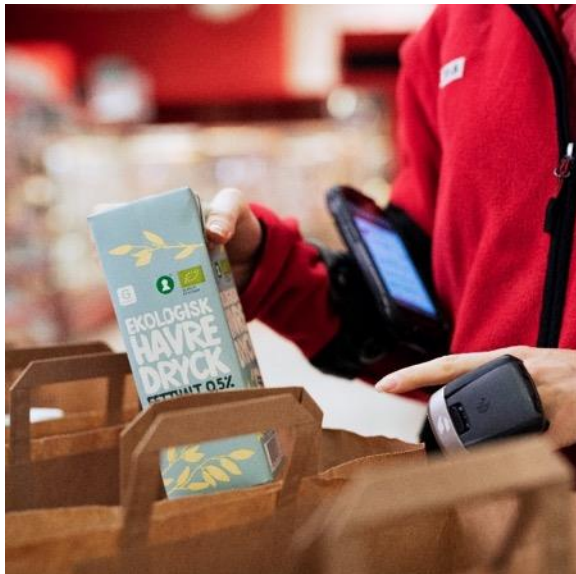
Broad contact network and advanced analysis to identify new store locations



A competitive e-commerce offering

Axfood has a strong digital presence with a mix of omnichannel players and pure-play e-commerce retailers.

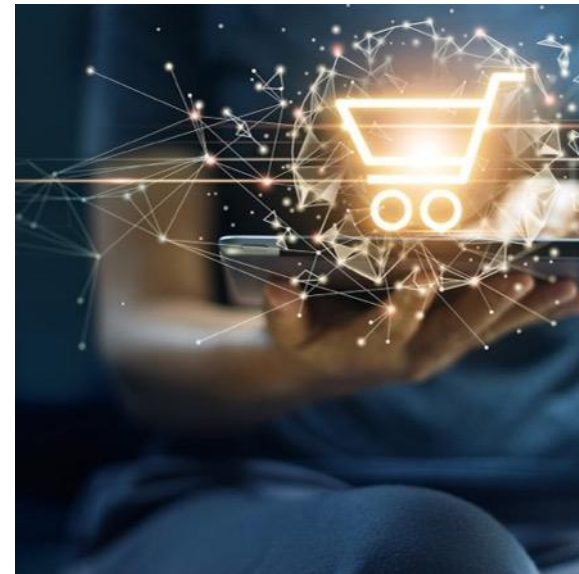
Five consumer brands, unique customer experiences



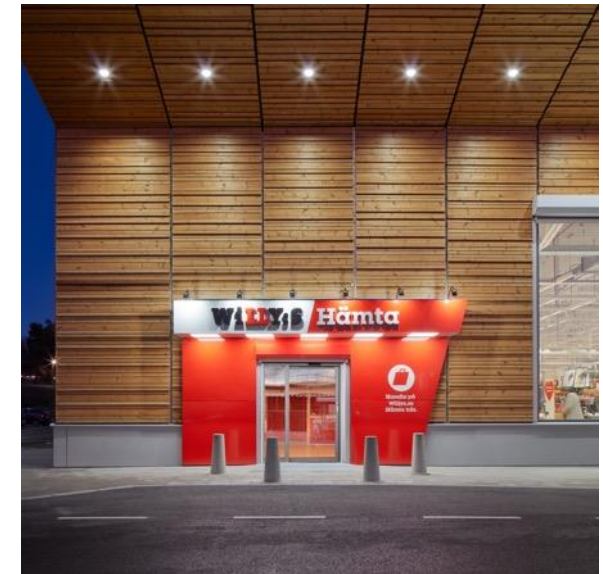
Differentiated business models, same market positions as in physical stores



Collaboration in logistics, IT and business development

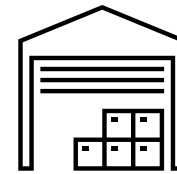


Innovative and customer-friendly functions, multiple delivery options





Efficient and modern logistics



With own warehouses and a well-developed own fleet, Axfood supplies stores and e-commerce



Efficient logistics with route optimisation and high capacity utilisation in transports



Through greater automation, warehousing efficiency can be significantly increased



Accelerated transition of the delivery fleet to use of renewable fuels

Operating segments

Willys – leader in the discount segment

Willys is Sweden's leading discount grocery chain, featuring a wide assortment in Group-owned stores and online. With the business concept of offering Sweden's cheapest bag of groceries, Willys aspires to lead and develop the discount segment of food retail. The operating segment Willys also includes partly owned cross-border grocery chain Eurocash.

WILLY:S **WILLY:S** Hemma

eurowash



Willys in brief

Sweden's leading discount grocery chain

- Willys is Sweden's leading discount grocery chain, featuring a wide assortment in Group-owned stores and online. With the business concept of offering Sweden's cheapest bag of groceries, Willys aspires to lead and develop the discount segment of food retail.
- The operating segment Willys also includes partly owned cross-border grocery chain Eurocash
- 248 stores, of which 184 Willys, 57 Willys Hemma and 7 Eurocash
- Average retail area: Willys 2,200–2,500 sq. m., Willys Hemma 600–800 sq. m., Eurocash 3,000–3,500 sq. m.
- Assortment: Willys approx. 10,000 items, Willys Hemma approx. 6,000 items, Eurocash approx. 10,000–15,000 items
- E-commerce through 166 stores
- Closer to 3.8 million members in the customer loyalty programme Willys Plus

All figures from 2024.

Net sales, SEK m

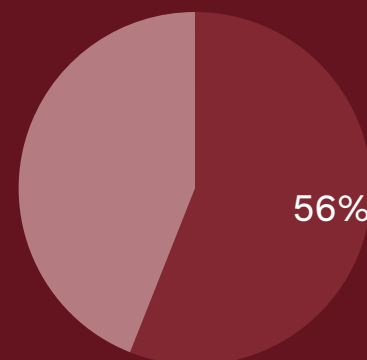
45,775

Operating profit, SEK m

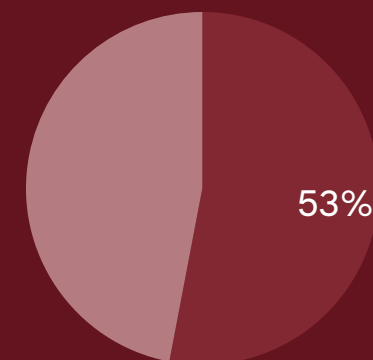
1,992

Willys' share of Axfod*

Net sales



Operating profit



*Net sales as share of external net sales. Excluding City Gross and Joint-Group.

Hemköp – affordable passion for food

Hemköp offers an inspiring, broad and attractively priced assortment with a rich offering of fresh products. Hemköp's Group-owned stores, retailer-owned stores and online business aim to inspire good meals in a simple way. The operating segment Hemköp also includes Tempo, a mini-mart format comprising retailer-owned stores.



Hemköp tempo

Hemköp in brief

Affordable passion for food

- Hemköp offers an inspiring, broad and attractively priced assortment with a rich offering of fresh products. Hemköp's Group-owned stores, retailer-owned stores and online business aim to inspire good meals in a simple way.
- The operating segment Hemköp also includes Tempo, a mini-mart format comprising retailer-owned stores
- 202 Hemköp stores, of which 68 group-owned and 134 franchise, as well as 124 franchise stores in Tempo
- Average retail area: Hemköp 1,000–1,500 sq. m., Tempo 300–500 sq. m.
- Assortment: Hemköp approx. 10,000–12,000 items, Tempo approx. 5,000 items
- E-commerce through 67 stores
- Closer to 2.1 million members in the customer loyalty programme Klubb Hemköp

All figures from 2024.

Net sales, SEK m

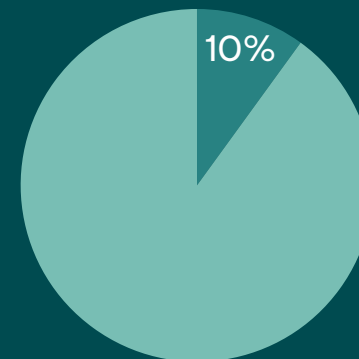
7,878

Operating profit, SEK m

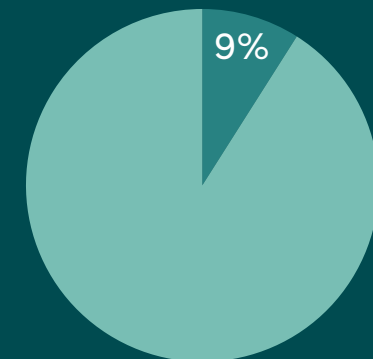
343

Hemköp's share of Axfood*

Net sales



Operating profit

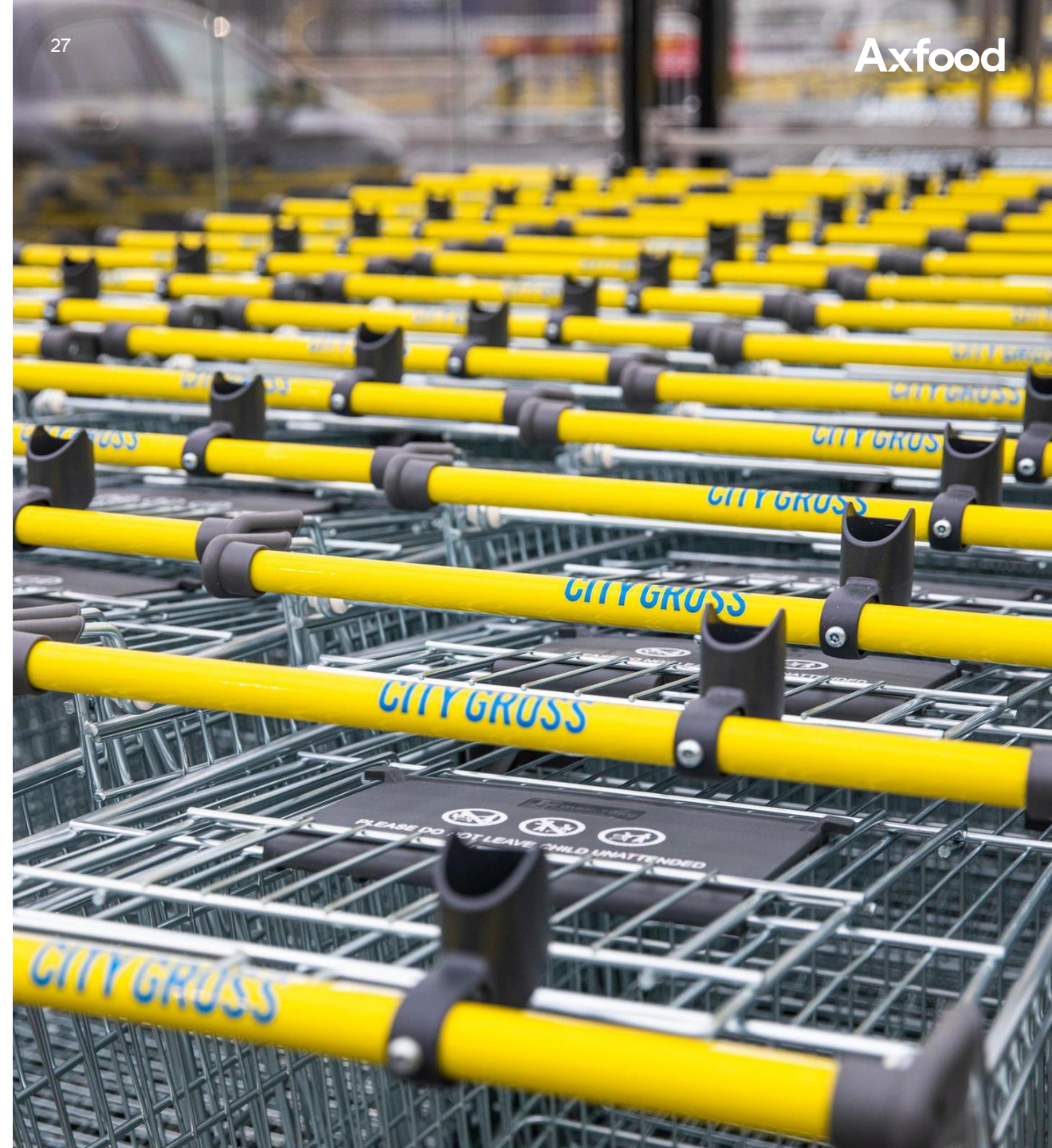


*Net sales as share of external net sales. Excluding City Gross and Joint-Group.

City Gross – challenger in the hypermarket segment

City Gross' stores and e-commerce offer customers a combination of a food market hall and hypermarket, along with one of the market's widest assortments of food. With knowledge and extensive commitment to food, City Gross challenges the other players in the hypermarket segment of the food retail market. Axfood acquired City Gross on 1 November 2024, and City Gross was consolidated into the Group's financial statements as of this date.

CITY GROSS



Snabbgross – restaurant wholesaler with a strong position

Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility and quality at its stores and online. The Snabbgross operating segment also includes the Snabbgross Club concept, which targets consumers.



Snabbgross in brief

Restaurant wholesaler with a strong position

- Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility and quality at its stores and online.
- The Snabbgross operating segment also includes the Snabbgross Club concept, which targets consumers
- 31 group-owned cash-and-carry stores, of which 10 Snabbgross Club
- Locally adapted units
- Average retail area: 2,000 sq. m.
- Assortment: approx. 12,000 items
- E-commerce to B2B customers through all stores

Net sales, SEK m

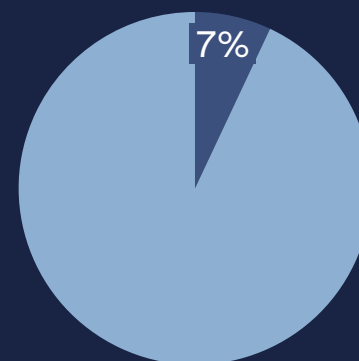
5,533

Operating profit, SEK m

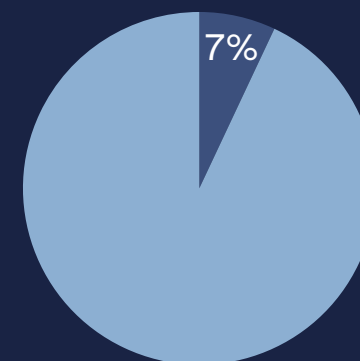
253

Snabbgross' share of Axfood*

Net sales



Operating profit



Dagab – sustainable and efficient product supply

Dagab handles the assortment, purchasing and logistics for all of Axfood as well as for external B2B customers. The Dagab operating segment also includes the retailer concepts Handlar'n and Matöppet as well as the partly owned online pharmacy Apohem and the Urban Deli restaurant chain.

DAGAB



MATÖPPET

UD
URBAN DELI

apohem



Dagab in brief

Sustainable and efficient product supply

- Dagab handles the assortment, purchasing and logistics for all of Axford as well as for external B2B customers
- The Dagab operating segment includes the retailer concepts Handlar'n and Matöppet as well as the online pharmacy Apohem, and the Urban Deli restaurant chain
- Handling of product flow from assortment and purchasing to warehousing and distribution
- More than 70,000 items in total, thousands of supplier negotiations every year
- 24 private labels, of which Garant and Eldorado are the most strongly positioned, 200-300 new private label products introduced every year
- Own fleet of 210 heavy-duty trucks and 72 light trucks
- Delivers to more than 7,000 stores and customers throughout all of Sweden

Net sales, SEK m

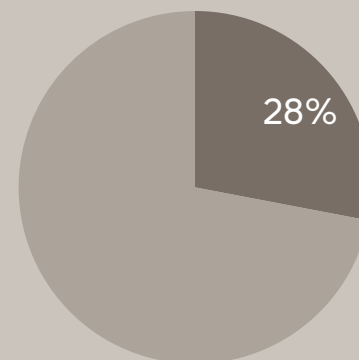
76,589

Operating profit, SEK m

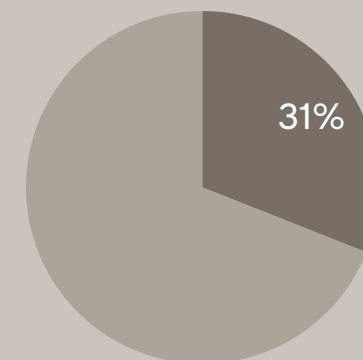
1,156

Dagab's share of Axford*

Net sales



Operating profit

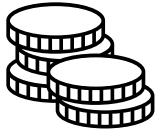


Development and sustainability

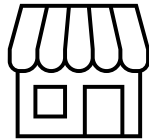
Focus areas going forward

To further strengthen its competitiveness and market positions, Axfood focuses on the most important trends on the market.

Price value
and discount



Growth and
expansion



Digitalisation
and automation



Health, sustainability,
and resilience



Continued high pace of expansion with new stores

Intense work on modernising stores



Development of the logistics of the future



Upgrading IT systems and accelerated data-driven work approach





Acquisition of City Gross

- On 1 november 2024 Axfood acquired the hypermarket store chain City Gross after having previously owned a minority stake.
- Axfood's knowledge and experience provide the conditions to further develop and strengthen the City Gross concept as well as its competitive edge over other players in the hypermarket segment. The acquisition gives Axfood a clear presence in hypermarkets, the fastest-growing segment in the market after discount, thereby expanding the Group's reach.

Taking the lead in promoting sustainable food in Sweden

Axfood is to take the lead in promoting sustainable food in Sweden by taking a stance, inspiring and offering guidance for affordable, good and sustainable food.

An ongoing journey...

2008

Axfod decides to stop selling red-listed fish and shellfish in all stores.

2010

Willys' stores receive the Swedish Society for Nature Conservation's Bra Miljöval ("Good Environmental Choice") ecolabel.

2013

One of Sweden's largest solar power facilities is built on the roof of the warehouse in Backa.

2015

Axfod introduces an extensive sustainability procedure for the purchasing of goods.

2009

Axfod begins exclusively purchasing renewable electricity.

2011

A system is introduced for sorting all waste fractions in stores.

2012

A system for detailed measurement and control of electricity consumption is introduced in stores and warehouses.

2014

Axfod introduces a target for an even gender breakdown in management positions and the share of managers with an international background.



...to drive sustainable development

2016

The Food 2030 report, Axfood's proposal for a sustainable food strategy for Sweden, is published for the first time.

2018

The first truck run on liquefied biogas is put into operation. Axfood adopts the target to reduce food waste by 50%.

2020

Axfood is the first to launch eggs from free-range hens fed on Swedish soy-free feed.

2022

Partnership begins with the non-profit organisation Generation Pep to promote improved public health.

2024

The decision is made to accelerate the transition to renewable fuels in transports over a two-year period.

2017

Axfood launches a strategy to promote living wages in the supply chain.

2019

Axfood sets ambitious targets to promote more sustainable plastic use.

2021

The first fully electric heavy-duty truck is put into operation.

2023

Sweden's largest solar power facility is commissioned at the logistics centre in Bålsta.



Food

Axfood offers affordable, good and sustainable food. A wide assortment of sustainability-labelled products makes it easier for consumers to make sustainable choices. Reduced food waste and good animal welfare are other important issues.

Targets

- Food waste will be below 0.7% by 2030 the latest
- 30% share of sustainability-labelled products sales by 2030

Environment

Axfood works to reduce the impact on the environment and biodiversity. This is done by shifting to fossil-free transports, developing sustainable packaging and investing in renewable energy.

Targets

- 10% decrease in carbon footprint per kg sold food by 2030 the latest (base year 2023)
- Net zero emissions from own operations by 2030 the latest

People

Axfood is an inclusive company that works to improve working and social conditions throughout the entire food supply chain. Focus on healthy products contributes to improved public health.

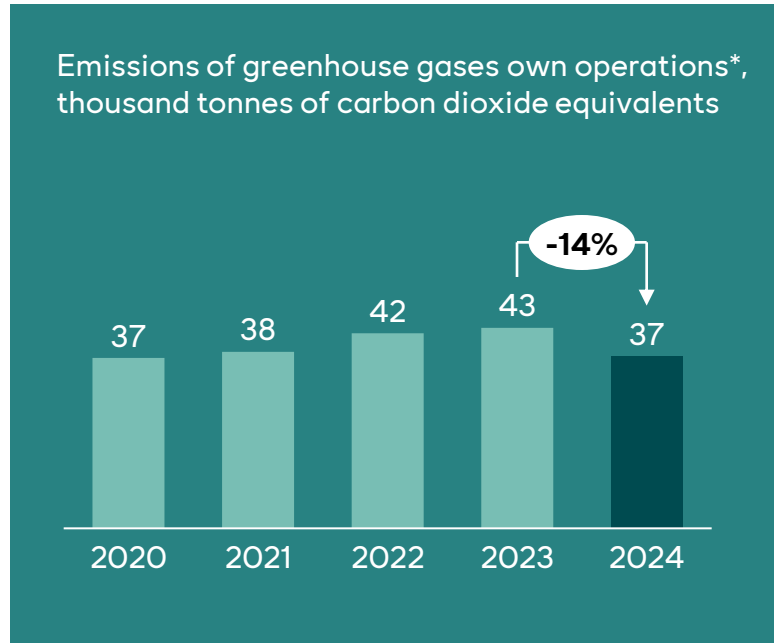
Targets

- At least 20% share of managers with international background
- 40-60% share of women/men in management positions

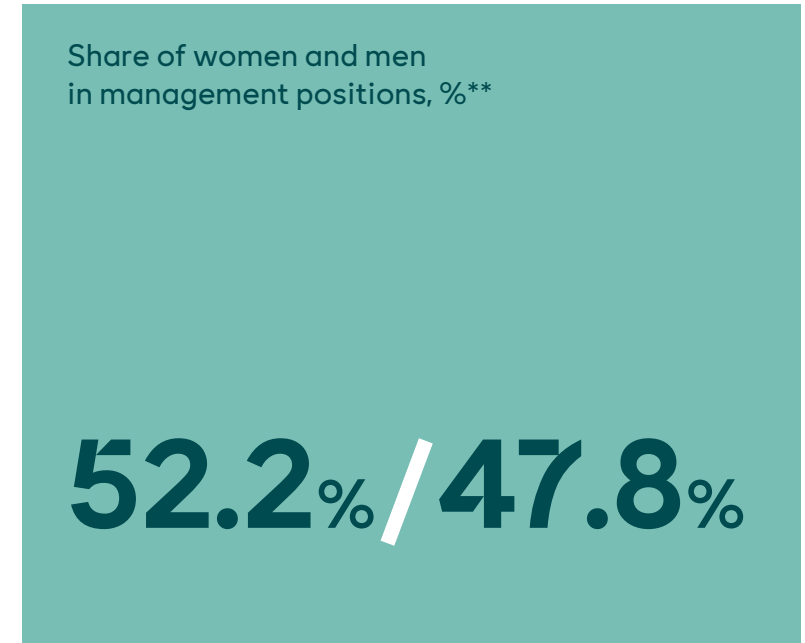
The strongest driving force for sustainable food in Sweden



50% reduction in food waste in the Group's stores since 2015



Decrease in emissions driven by an accelerated transition to fossil free fuels in transports



Even gender balance between men and women in leading positions, and in total

*Refers to emissions in Scope 1, Scope 2 and parts of Scope 3. See the Annual and Sustainability Report for 2024 for more information.

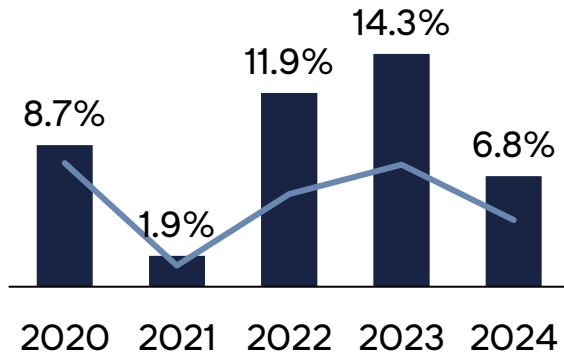
**Management positions is defined as employees with subordinates, including team managers with employee responsibility and members of the Executive Committee.

Financial position

Financial targets

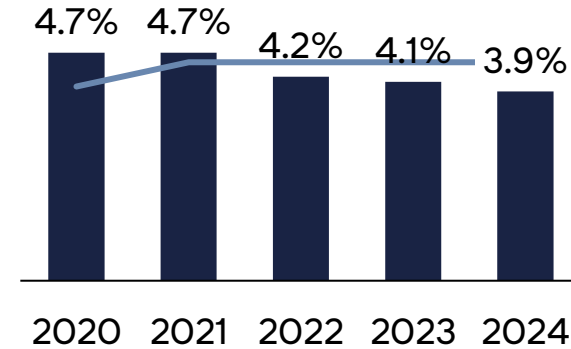
Grow more than the market

Growth in retail sales



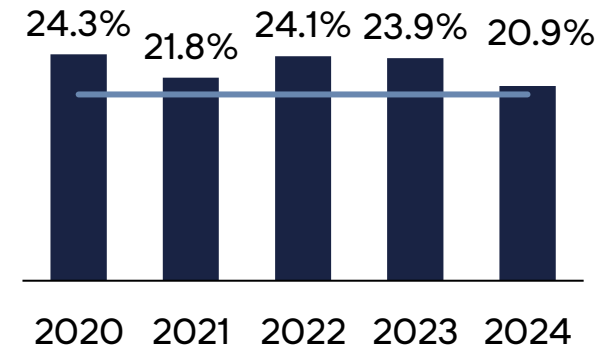
Long term operating margin at least 4.5%

Operating margin



Equity ratio at least 20% at year-end

Equity ratio



— Target
■ Outcome

Strong financial position

Net working capital as share of Group net sales

-3.4%

Equity ratio

20.9%

Net debt/EBITDA

2.2x

Return on capital employed

16.6%

Net debt/EBITDA (ex. IFRS 16)

0.6x

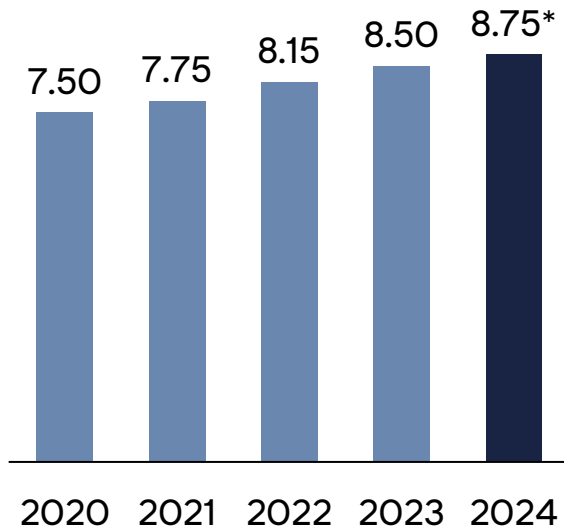
Return on shareholders' equity

31.5%

Dividend and total return

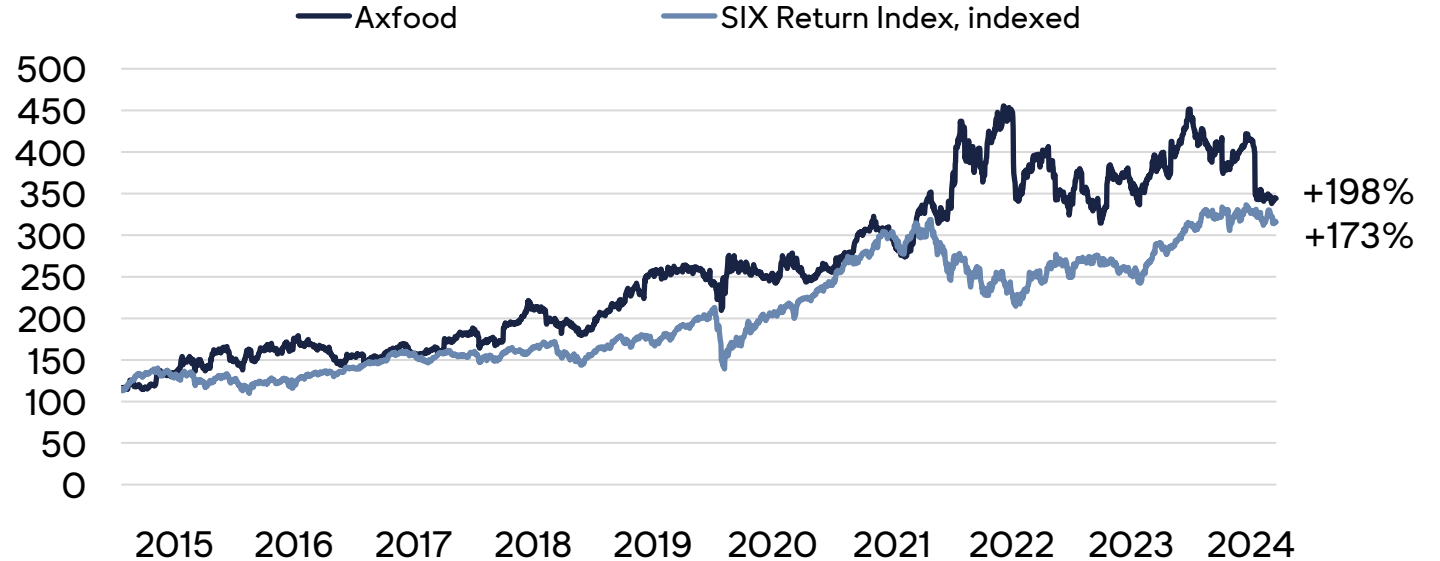
According to Axfood's dividend policy, the shareholder dividend is to be at least 50% of profit after tax and is to be paid out on two occasions.

Dividend per share, SEK



*Proposal from the Board of Directors.

Total shareholder returns



Investment case

01

Clear strategy in a non-cyclical and growing market

02

Family of well-positioned concepts in attractive segments

03

Sustainable economies of scale and close collaboration

04

Strong financial position and stable cash flow

05

Positive force in society

Summary



Well positioned in growing and changing market

- Axfood is a family of different and well-positioned concepts in close collaboration, with strong positions in prioritised segments.
- Axfood's vision is to be the leader in affordable, good and sustainable food. The purpose is to create a better quality of life for everyone and contribute to making people's lives better.

Read more about Axfood

- Axfood’s website [axfood.com](https://www.axfood.com) is the Group’s primary information channel and provides a wealth of information that is relevant for the company’s stakeholders. The website provides, for example, current and historical financial information and information about the Group’s operations, vision, mission and strategy, corporate governance and sustainability work.
- Follow us in social media:
 - [linkedin.com/company/axfood](https://www.linkedin.com/company/axfood)
 - Instagram: [@axfoodkoncernen](https://www.instagram.com/axfoodkoncernen)



Appendix

Affordable,
good and
sustainable food

Net sales, SEK

84.1bn

Efficient sourcing and logistics
for all brands and channels

Innovative development
of private label products

DAGAB

GROUP COMMON IT SYSTEMS

WILLY:S

Hemköp

CITY
GROSS

tempo

HANDLARN

MATÖPPET

Snabbgross

UD
URBAN DELI

eurocash

apohem

Employees, FTEs

13,709

Customer reach

5 million customers a week

389 Group-owned stores

134 franchise Hemköp

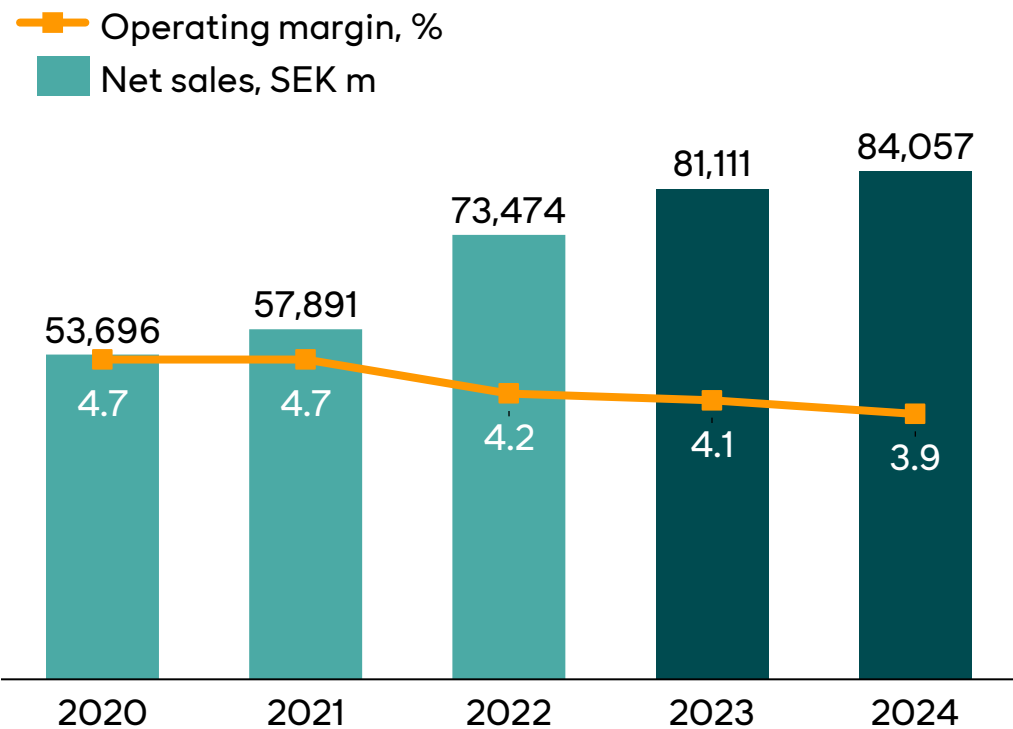
124 franchise Tempo

In total, collaborating with
more than 1,200 stores

5 online brands

BUSINESS DEVELOPMENT

Axfood

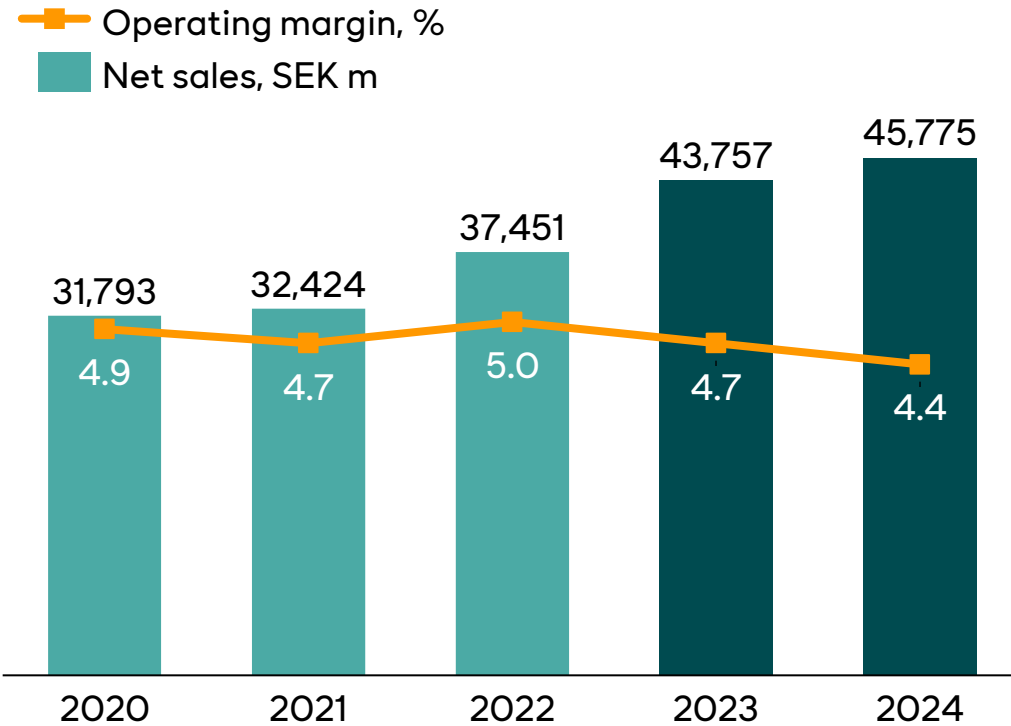


Key ratios, SEK m	2024	2023	Chg
Net sales	84,057	81,111	3.6%
Change in like-for-like sales*	3.7%	12.0%	-8.3
Operating profit	3,290	3,353	-1.9%
Adjusted operating profit**	3,433	3,602	-4.7%
Operating margin	3.9%	4.1%	-0.2
Adjusted operating margin**	4.1%	4.4%	-0.4
Number of stores:			
Group-owned	389	337	52
Franchise	258	260	-2

*Refers to retail sales

**Excluding items affecting comparability.

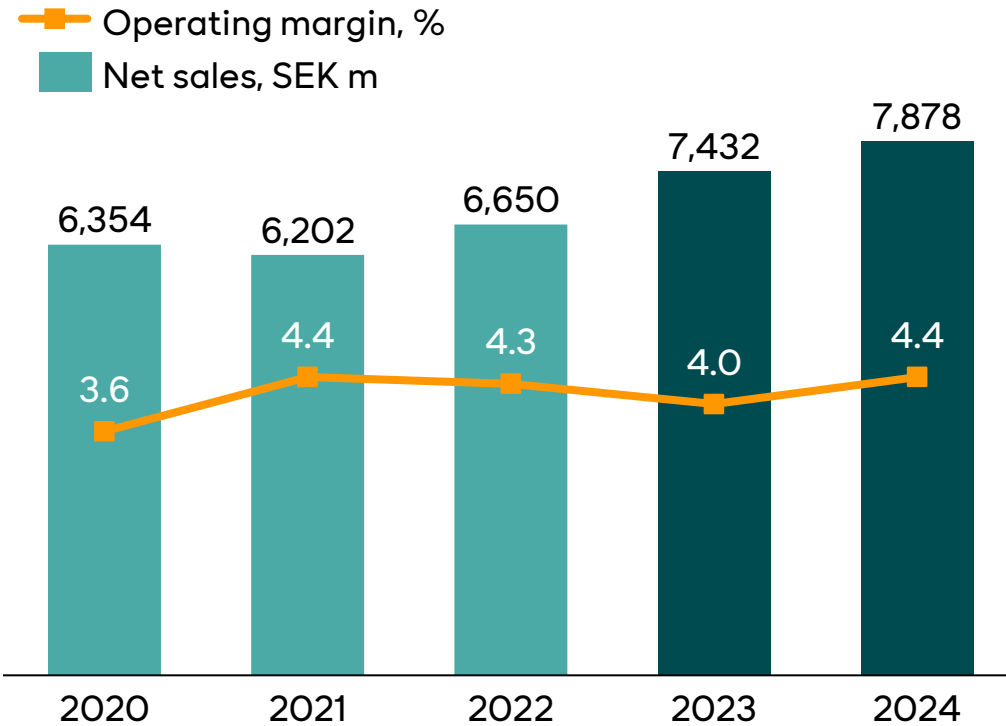
Willys



Key ratios, SEK m	2024	2023	Chg
Net sales	45,775	43,757	4.6%
Change in like-for-like sales*	3.1%	13.9%	-10.8
Operating profit	1,992	2,077	-4.1%
Operating margin	4.4%	4.7	-0.4
Number of stores:			
Willys	184	180	4
Willys Hemma	57	54	3
Eurocash	7	7	-

*Refers to retail sales.

Hemköp



Key ratios, SEK m	2024	2023	Chg
Net sales	7,878	7,432	6.0%
Change in like-for-like sales*	5.1%	7.9%	-2.8
Operating profit	343	300	14.4%
Operating margin	4.4%	4.0%	0.3
Number of stores:			
Group-owned	68	66	2
Hemköp, franchise	134	136	-2
Tempo, franchise**	124	130	-

*Refers to retail sales.

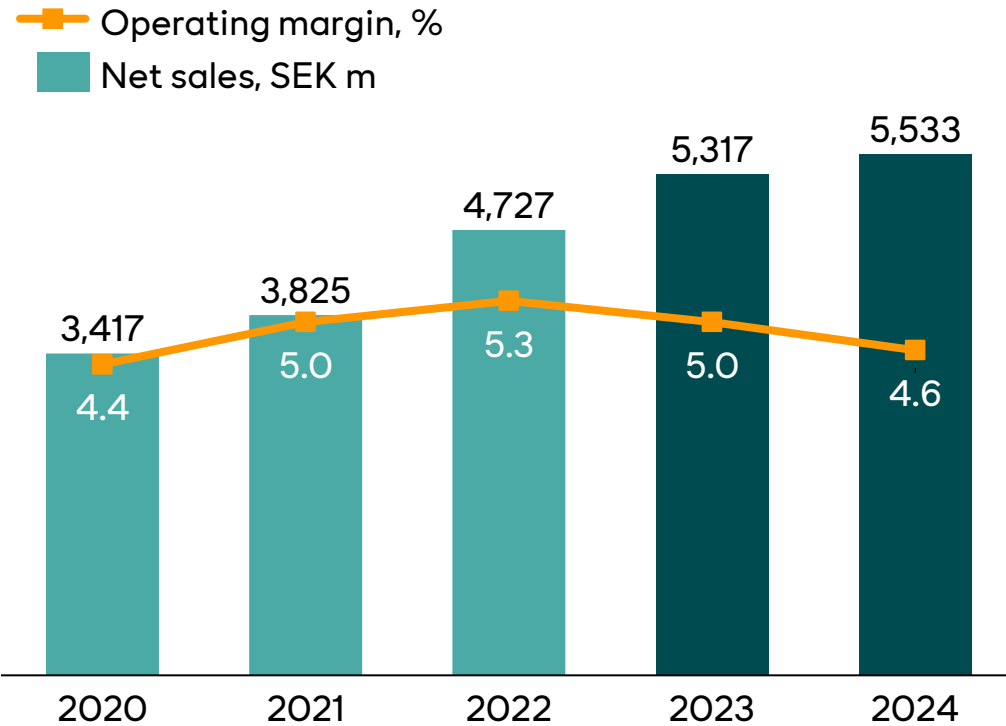
**Comparison figures for the number of Tempo stores have been adjusted down by 6 stores due to an adjustment of historical periods.

City Gross

On 1 November the acquisition of City Gross Sverige AB was completed. Reported figures for 2024 pertains to the 1 November - 31 December period. Comparison figures are not presented. Information regarding 2023 refers to non-consolidated and non IFRS-adjusted figures.

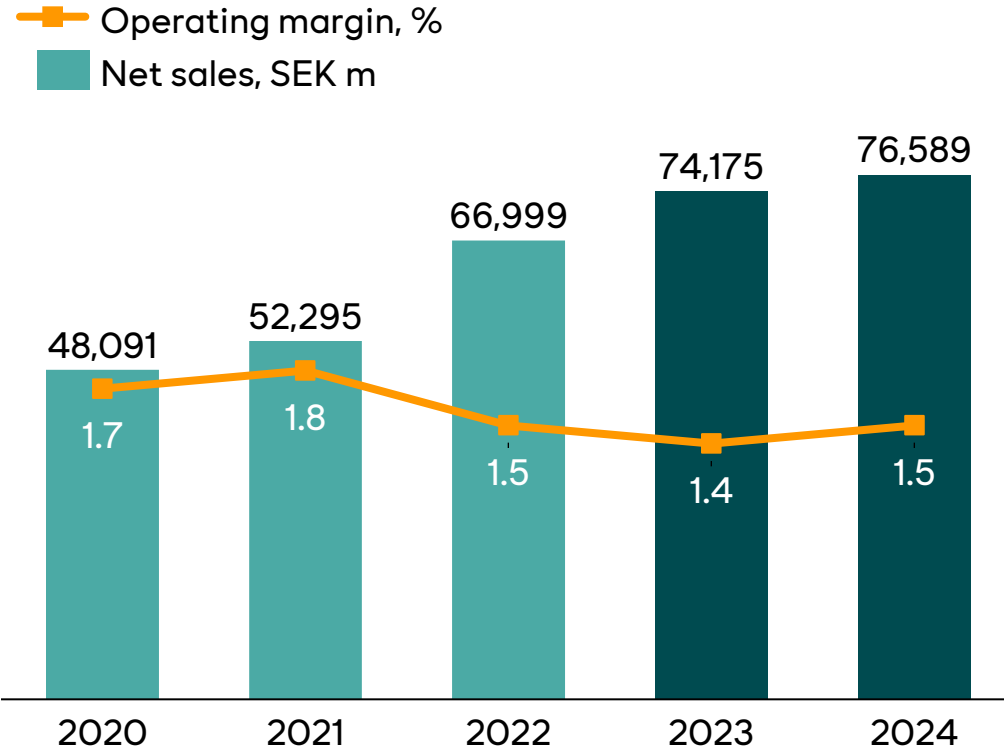
Key ratios, SEK m*	2024	2023	Chg
Net sales	1,646	-	-
Change in like-for-like sales	-	-	-
Operating profit	-40	-	-
Operating margin	-2.4%	-	-
Number of stores	42	-	-

Snabbgross



Key ratios, SEK m	2024	2023	Chg
Net sales	5,533	5,317	4.1%
Change in like-for-like sales	3.3%	10.4%	-7.1
Operating profit	253	265	-4.7%
Operating margin	4.6%	5.0%	-0.4
Number of stores	31	30	1

Dagab



Key ratios, SEK m	2024	2023	Chg
Net sales	76,589	74,175	3.3%
Operating profit	1,156	1,021	13.2%
Adjusted operating profit*	1,156	1,271	-9.0%
Operating margin	1.5%	1.4%	0.1
Adjusted operating margin*	1.5%	1.7%	-0.2

*Excluding items affecting comparability.