

Axfood

Interim report first quarter 2025

Increased market shares
and stable profit development



Increased market shares and stable profit development

First quarter summary

- Net sales increased 3.9% to SEK 21,040 m (20,252).
- Retail sales increased 15.7% to SEK 18,829 m (16,281). Excluding City Gross, retail sales increased 3.0%.
- Operating profit amounted to SEK 719 m (817) including items affecting comparability of SEK -38 m (—). The operating margin was 3.4% (4.0).
- Adjusted operating profit amounted to SEK 757 m (817) and the adjusted operating margin was 3.6% (4.0).
- Net profit for the period amounted to SEK 453 m (560) and earnings per share before dilution to SEK 2.09 (2.60).
- The Annual General Meeting (AGM) on March 19 resolved on a dividend to shareholders of SEK 8.75 (8.50) per share. The dividend amount is divided into two payments of SEK 4.50 and SEK 4.25, with the first payment made in March and the second payment to be made in September. Caroline Berg was elected as the new Chairman, and Björn Annwall and Kristofer Tonström as new Board members. The Board also resolved on the repurchase of a maximum of 385,000 shares linked to the long-term share-based incentive program LTIP 2025, which was resolved on by the AGM.
- Work has been initiated to plan for the next steps in the development of Axfood's logistics structure to create conditions for growth, higher efficiency and increased capacity from the year 2030 and onwards. This work comprises the southern parts of Sweden, and the plan is to establish a new automated logistics centre in the Gothenburg region. Plans are in the early stages and more details will be provided in the coming quarters.

15.7% 3.9%

Retail sales growth in the first quarter 2025

Net sales growth in the first quarter 2025

Significant events during the quarter

- Volume growth and increased market shares
- Continued strong customer traffic and loyalty
- High level of activity to strengthen City Gross' competitiveness
- Improved productivity and lower cost level in logistics

Key ratios	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Net sales, SEK m	21,040	20,252	3.9%	84,845	84,057
Retail sales, SEK m	18,829	16,281	15.7%	70,600	68,052
Operating profit, SEK m	719	817	-12.1%	3,191	3,290
Operating profit excl. items affecting comparability, SEK m ¹⁾	757	817	-7.4%	3,372	3,433
Operating margin, %	3.4	4.0	-0.6	3.8	3.9
Operating margin excl. items affecting comparability, % ¹⁾	3.6	4.0	-0.4	4.0	4.1
Net profit for the period, SEK m	453	560	-19.2%	2,112	2,219
Earnings per share before dilution, SEK	2.09	2.60	-19.6%	9.65	10.16
Earnings per share before dilution excl. items affecting comparability, SEK ¹⁾	2.23	2.60	-14.2%	10.45	10.82
Cash flow from operating activities, SEK m	1,232	1,695	-27.3%	4,996	5,459
Equity ratio, %	16.8	19.4	-2.6	16.8	20.9
Net working capital as a share of net sales R12, %	-3.3	-3.4	0.1	-3.3	-3.4
Return on capital employed R12, %	16.8	21.5	-4.7	16.8	16.6
Sustainability-labelled products, share of sales, %	28.0	27.5	0.4	27.4	27.2

1) See Note 8 Items affecting comparability fore more information.

For further information, please contact: Alexander Bergendorf, Head of Investor Relations, tel. + 46 73 049 18 44

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 24 April 2025.

This interim report is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

Axfood will present the interim report for the first quarter of 2025 in a webcast at 9:30 a.m. CET, today, Thursday, 24 April 2025. The report will be presented by Simone Margulies, President and CEO, and Anders Lexmon, CFO. A link to the webcast is available 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.

CEO message

With a focus on the customer meeting and further volume growth, Axfood continued to strengthen its market positions in the first quarter of the year. We reported a stable earnings performance and maintained a high level of activity in areas deemed to be strategically important for increased efficiency and market presence. A number of activities have also been initiated to strengthen City Gross. In logistics, the productivity of our recently completed logistics centre in Bålsta is continuing to improve, and we are now initiating the next steps in the development of the logistics structure to create additional capacity and efficiency from 2030 and onwards.

Following a period of low inflation, Statistics Sweden reported that food price inflation was once again on the rise, reaching an annualised rate of 3.8% in the first quarter due to various global factors, including insufficient supply of raw materials, climate change and geopolitical turbulence. Many consumers are affected, and it is evident that our customers are still largely focusing on price value and low prices.

In the first quarter we increased our retail sales by 15.7%, driven by a positive trend in customer traffic and higher volumes. We continued to clearly gain market share also excluding the acquisition of City Gross, with growth of 3.0%. Growth for the market was impacted by a substantial negative calendar effect of -2.3%.

Our long-standing history of delivering a strong performance in various economic climates is proof of our ability to navigate shifts in consumer behaviour. At Axfood, we are making systematic and concentrated efforts to both improve our internal efficiency as well as offset the cost pressure arising upstream in the food supply chain, in order to ensure an affordable and attractive offering for our customers.

Continued momentum for Willys, Hemköp and Snabbgross

Willys is Sweden's most recommended grocery chain and holds a unique market position. Willys recorded growth of 3.0% in the first quarter with positive trends in both customer traffic and loyalty. The discount segment has been the market's fastest growing segment for a long time, with a clear preference shown among younger consumers and families with children. We see considerable potential to continue expanding the chain, adding more stores at a rapid rate.

With an attractive offering in the traditional grocery market segment, Hemköp also performed well in the first quarter with growth of 3.1% and particularly strong growth in like-for-like sales. In the restaurant and café segment, Snabbgross continued to deliver strong growth of 5.2% despite a continued weak market.

High level of activity to strengthen City Gross

With the acquisition of City Gross, Axfood has established a presence in the attractive hypermarket segment. City Gross has faced a number of challenging years, and the trend in the first quarter was also weak with growth of -3.8%. As previously communicated, this year will be a transitional year, and the initiatives that we are now implementing will take time to yield results.

We have a clear plan in place to strengthen the store chain by clarifying the concept and brand, improving the customer offering, implementing a chain management structure and streamlining operations. A new communications concept and a stronger, more affordable customer offering were recently launched. We are also implementing structural measures, including conversions of the stores in Borlänge and Bromma to Willys stores. Given our experience,

expertise and capacity, we see considerable opportunities to turn City Gross into a profitable business at some point in the second half of 2026.

Initiatives to increase capacity and efficiency

We reached a significant milestone in our logistics operations during the quarter when e-commerce flows were implemented at the new automated logistics centre in Bålsta. The logistics centre, which is one of Europe's largest, is now fully operational for both stores and e-commerce in all temperature zones. The facility's productivity is showing a gradual and clear improvement, and we expect to realise efficiency improvements of SEK 200–300 million, at an annualised rate, from the second quarter. As previously announced, this will contribute to a continued lower cost level in logistics and make Axfood more competitive.

With the logistics centre in Bålsta, we have secured long-term capacity and efficiency in the flow of goods in central and northern Sweden. We are now planning for the next steps in the development of our logistics structure to create additional capacity and efficiency in the southern parts of Sweden from the year 2030 and onwards. The plan is to establish a new automated logistics centre in the Gothenburg region that first and foremost will replace our existing warehouse in Backa. At the same time, we are looking into how to handle volume growth for the other warehouses in the south of Sweden. In the coming quarters, we will provide more details around the plans and initiate negotiations with relevant parties and stakeholders.

As part of our continuous work to increase productivity and cost efficiency, in the quarter we also initiated work on streamlining our support functions to further strengthen our competitiveness.

A positive force in society

As one of Sweden's largest food retail players, we have a social responsibility. Our approximately 15,000 employees work each day to supply customers across large parts of the country with a comprehensive assortment of groceries. At the same time, we are working to establish an even broader presence, primarily bringing our discount offering to locations where we are not currently active by expanding to areas of Sweden where no discount alternative is available. We challenge, advocate for and invest in inclusion, more sustainable and healthy consumption, and a reduced carbon footprint throughout the entire food supply chain. We aim to be a positive force in society, which is something that all of us at Axfood are passionate about.

Simone Margulies
President and CEO, Axfood AB



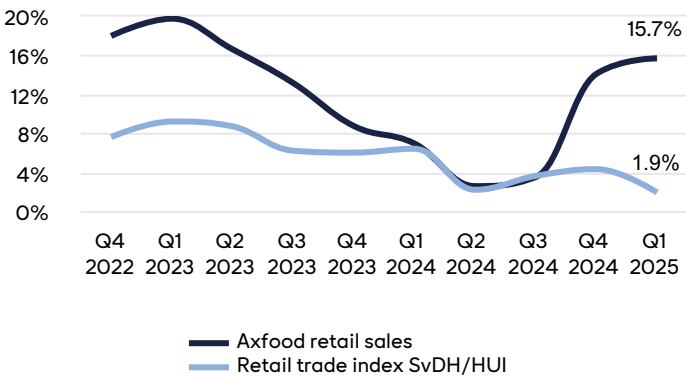
With a focus on the customer meeting and further volume growth, Axfood continued to strengthen its market positions in the first quarter of the year.

The Swedish food retail market

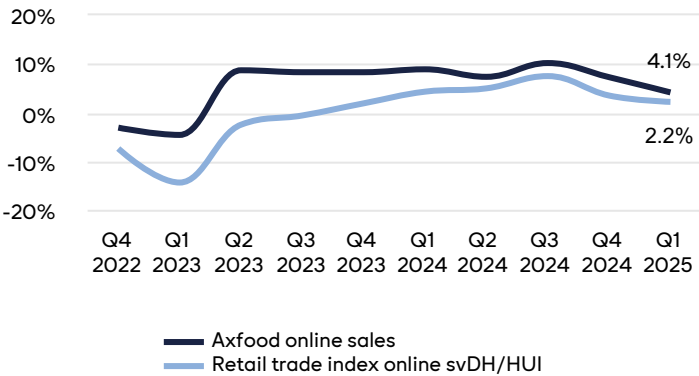
Food retail is an important part of Swedish industry and a large employer, providing a livelihood for more than 100,000 people. In total, there are just over 3,000 food retail stores across Sweden. The food retail market is relatively unaffected by economic fluctuations, with growth driven largely by population growth and inflation.

According to the Swedish Food Retail Index, total food retail sales growth during the first quarter of 2025 amounted to 1.9%. The calendar effect was negative and amounted to -2.3% attributable to the fact that the first quarter of 2024 included both leap day and Easter. Following a period of low inflation, food prices increased 3.8% in the first quarter, according to Statistics Sweden. This change was primarily the result of price increases for coffee, chocolate and dairy products. Adjusted for both calendar and price effects, sales growth in food retail is therefore estimated at 0.4%. Sales growth in physical stores amounted to 1.9% and in e-commerce to 2.2%. The share of food retail sales attributable to e-commerce was 4.6%.

Growth in Axfood’s retail sales compared with the Swedish Food Retail Index



Growth in Axfood’s online sales compared with the Swedish Food Retail Index



Food retail market segments in 2023

Market size (excluding VAT) in 2023

SEK 290bn

Discount		Hypermarkets		Traditional grocery					
Hard discount		Soft discount		Larger formats		Smaller formats			
6%		15%		27%		43%		9%	
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 and others	Hemköp, Coop, ICA Supermarket, ICA Kvantum, Mathem and others	Tempo, Handlar’n, Matöppet, ICA Nära and others				
Locations:	Residential and external	Residential and external	External	City centres, residential, pure-play online retail	Roadside and residential				

Source: Axfood’s estimates. Full-year 2023 is used since complete public information is not available for 2024.

Group

Net sales and retail sales

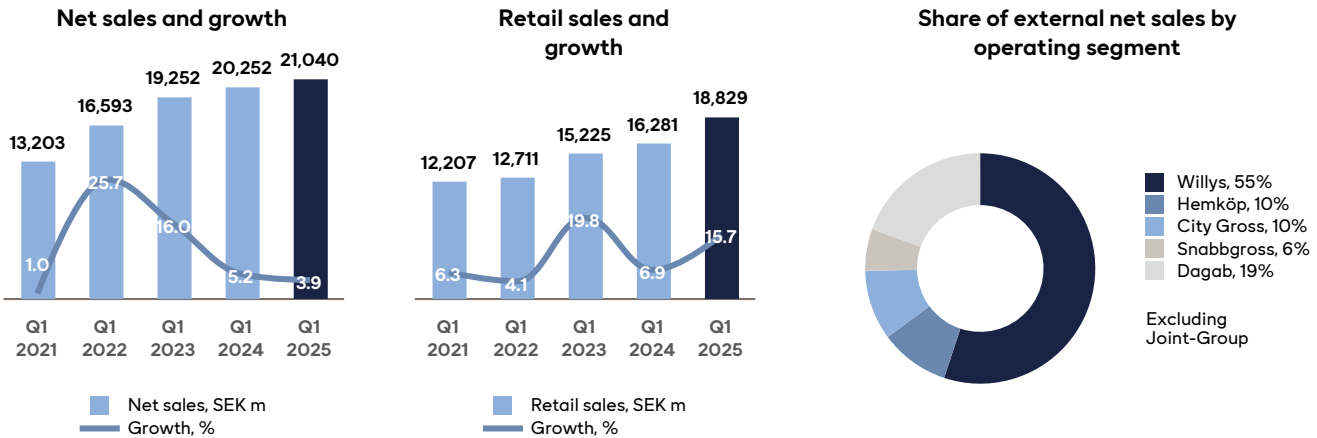
First quarter

Net sales increased 3.9% and totalled SEK 21,040 m (20,252). Retail sales increased 15.7% and totalled SEK 18,829 m (16,281). Excluding acquired City Gross, the increase was 3.0%, which compares to market growth of 1.9%. The calendar effect was materially negative and amounted to -2.3 percent. Despite the calendar effect, volumes increased in Willys, Hemköp and Snabbgross. Like-for-like sales grew 1.7% driven by a positive development for both Willys and Hemköp.

Online sales increased 4.1% and totalled SEK 998 m (958), which compares to market growth of 2.2%. The increase was 0.1% excluding the acquired City Gross and the discontinued business Middagsfrid. The share of retail sales attributable to e-commerce was 5.3% (5.9), which was higher than the e-commerce penetration on the market of 4.6%.

The share of retail sales attributable to private label products was 32.1% (33.3). Excluding City Gross, the share of sales increased.

Read about the performance of each operating segment on pages 9-13.



Net sales per segment

SEK m	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Willys	11,579	11,245	3.0%	46,110	45,775
Hemköp	2,055	1,956	5.1%	7,978	7,878
City Gross ¹⁾	2,059	—	100%	3,705	1,646
Snabbgross	1,240	1,178	5.2%	5,594	5,533
Dagab	19,173	18,518	3.5%	77,244	76,589
Joint-Group	390	379	2.9%	1,530	1,519
Internal sales between segments					
Dagab	-15,091	-12,702	18.8%	-55,953	-53,565
Joint-Group/other	-365	-322	13.4%	-1,363	-1,319
Total	21,040	20,252	3.9%	84,845	84,057

1) City Gross is included from the acquisition date 1 November 2024.

Retail sales

SEK m	Q1 2025	Q1 2024	Change	Change like-for-like stores	R12	Full-year 2024
Willys	11,581	11,248	3.0%	1.2%	46,115	45,782
Hemköp ¹⁾	5,191	5,033	3.1%	2.9%	20,800	20,642
City Gross ²⁾	2,057	—	100%	—	3,686	1,629
Total	18,829	16,281	15.7%	1.7%	70,600	68,052
Total excluding City Gross	16,772	16,281	3.0%	1.7%	66,915	66,424

1) Refers to Hemköp (Group-owned and retailer-owned) and Tempo.
2) City Gross is included from the acquisition date 1 November 2024.

Operating profit

First quarter

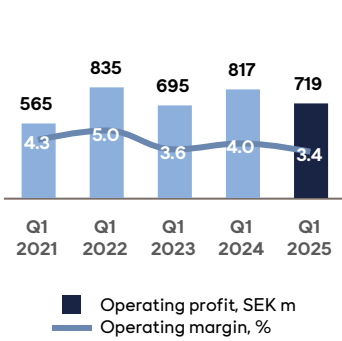
Operating profit amounted to 719 m (817). Operating profit includes items affecting comparability totalling SEK -38 m (—) attributable to carried out structural measures in City Gross and the closure of one City Gross store ahead of concept change. The operating margin was 3.4% (4.0).

Operating profit excluding items affecting comparability amounted to SEK 757 m (817). The profit was negatively impacted by City Gross which was acquired on 1 November 2024. Excluding City Gross, adjusted operating profit increased, primarily due to increased earnings in Willys and Dagab, where increased sales volumes had a positive effect on earnings. The positive trend for Dagab was partly also the result of a lower cost level in logistics. A lower gross margin and newly established stores impacted earnings for Hemköp. Snabbgross continued to navigate a weak restaurant and café market and earnings declined slightly. The operating margin excluding items affecting comparability amounted to 3.6% (4.0). Excluding City Gross, the operating margin excluding items affecting comparability was unchanged compared to the prior year.

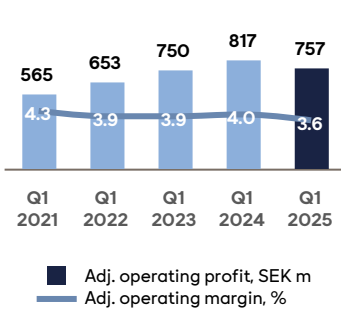
Net financial items for the period amounted to SEK -140 m (-93). The increase was mainly due to higher interest expenses for leasing and increased debt in conjunction with the acquisition of City Gross. Profit after financial items amounted to SEK 579 m (724) and net profit for the period to SEK 453 m (560).

Read about the performance of each operating segment on pages 9-13.

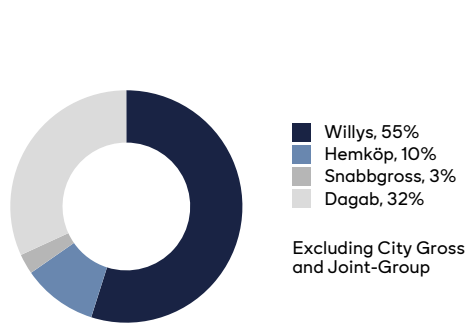
Operating profit and operating margin



Adjusted operating profit and adjusted operating margin



Share of operating profit by operating segment



Operating profit per segment excluding items affecting comparability

SEK m	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Willys	495	484	2.3%	2,004	1,992
Hemköp	94	101	-6.6%	336	343
City Gross ¹⁾	-80	—	100%	-120	-40
Snabbgross	25	27	-5.4%	251	253
Dagab	287	268	7.0%	1,175	1,156
Joint-Group	-65	-63	3.3%	-274	-271
Operating profit excl. items affecting comparability	757	817	-7.4%	3,372	3,433
Items affecting comparability ²⁾	-38	—		-181	-143
Operating profit	719	817	-12.1%	3,191	3,290
Net financial items	-140	-93		-451	-405
Profit after financial items	579	724	-20.0%	2,740	2,885

1) City Gross is included from the acquisition date 1 November 2024.

2) Refers to structural costs in City Gross in Q1 2025. In Q4 2024 the item referred to the revaluation of the previous minority interest in City Gross. See Note 8 Items affecting comparability for more information.

Operating margin per segment excluding items affecting comparability

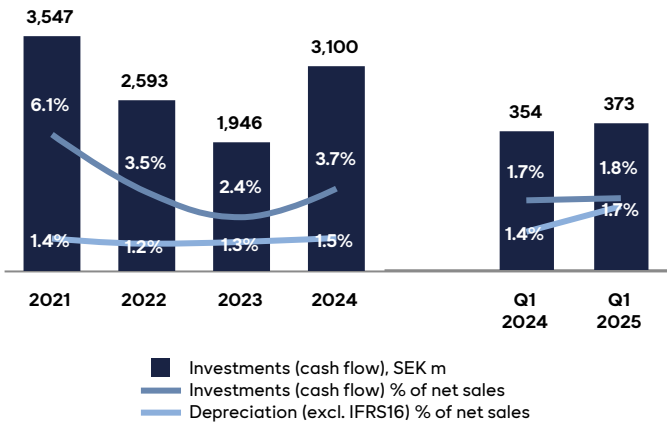
%	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Willys	4.3	4.3	0.0	4.3	4.4
Hemköp	4.6	5.2	-0.6	4.2	4.4
City Gross ¹⁾	-3.9	—	-3.9	-3.2	-2.4
Snabbgross	2.0	2.3	-0.2	4.5	4.6
Dagab	1.5	1.4	0.0	1.5	1.5
Operating margin excl. items affecting comparability	3.6	4.0	-0.4	4.0	4.1
Operating margin	3.4	4.0	-0.6	3.8	3.9

1) City Gross is included from the acquisition date 1 November 2024.

Capital expenditures

Total capital expenditures in intangible assets and property, plant and equipment during the January - March period amounted to SEK 371 m (354). Including acquisitions of operations, the total capital expenditures amounted to SEK 373 m (354). Investments in intangible and tangible fixed assets consist primarily of store refurbishments, new establishments, IT investments and the acquisition of trucks. Depreciation as share of net sales increased primarily as a result of completion of the ramp-up of the logistics centre in Bålsta.

Investments (incl. acquisitions, excl. IFRS 16)



Investments (incl. acquisitions, excl. IFRS 16) per segment

SEK m	Q1 2025	Q1 2024
Willys	129	91
Hemköp	44	14
City Gross ¹⁾	5	—
Snabbgross	17	9
Dagab	77	127
Joint-Group	101	113
Total investments (cash flow)	373	354

1) City Gross is included from the acquisition date 1 November 2024.

Financial position and cash flow

Cash flow from operating activities amounted to SEK 1,232 m (1,695) during the January - March period. Changes in net working capital had an impact of SEK -145 m (272) on cash flow during the period, primarily due to calendar effects. Net capital expenditures had an impact of SEK -400 m (-353) on cash flow. Cash flow from financing activities amounted to SEK -1,232 m (-1,213).

Net working capital (rolling 12 months) amounted to SEK -2,791 m, which compares to SEK -2,875 m at 31 December 2024. The change is explained by a negative Easter effect. Net working capital as a share of net sales amounted to -3.3% compared with -3.4% as of 31 December 2024.

Cash and cash equivalents held by the Group amounted to SEK 335 m compared with SEK 735 m at 31 December 2024. Interest-bearing liabilities and provisions totalled SEK 16,132 m compared with SEK 15,596 m at 31 December 2024. Interest-bearing net debt amounted to SEK 15,797 m compared with SEK 14,861 m at 31 December 2024.

The return on capital employed was 16.8%, compared with 16.6% at 31 December 2024.

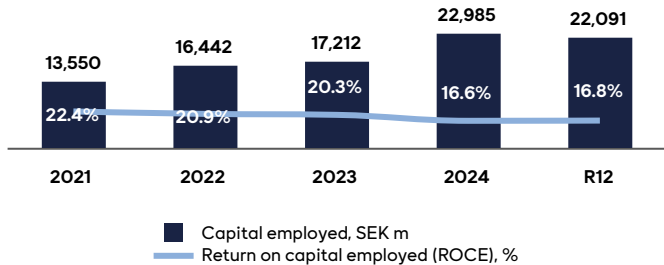
The equity ratio was 16.8% compared with 20.9% at 31 December 2024. The equity ratio was affected by the dividend.

Net debt/EBITDA was 2.3 compared with 2.2 at 31 December 2024. Net debt/EBITDA excluding IFRS 16 was 0.8 compared with 0.6 at 31 December 2024.

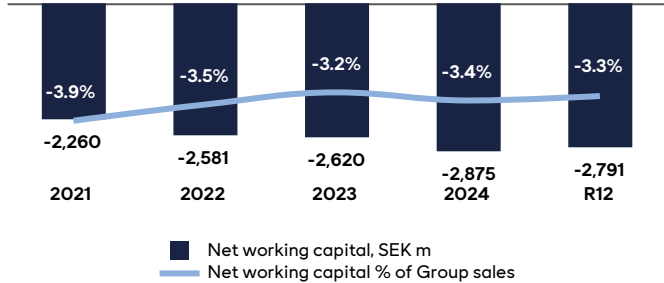
Cash flow summary

SEK m	Q1 2025	Q1 2024
Cash flow from operating activities	1,232	1,695
Cash flow from investing activities	-400	-353
Cash flow from financing activities	-1,232	-1,213
Cash flow for the period	-400	129

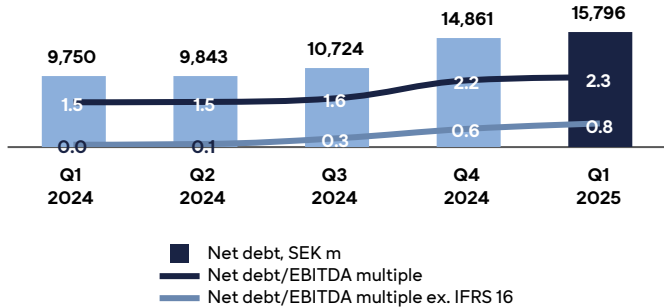
Capital employed



Net working capital



Net debt/EBITDA



Sustainability

For Axfood, sustainable development is about seeing the whole picture and the relentless pursuit of improvements. Sustainability is an integral part of the Group’s operations and encompasses the entire food supply chain, taking into account the environment, animal welfare, and the people who produce, sell and consume food.

In the first quarter, Axfood published its Annual and Sustainability Report for 2024, which was prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and the new European Sustainability Reporting Standards (ESRS). The Group also continued its work on setting science-based targets in line with the Paris Agreement through the Science-Based Targets initiative (SBTi). A Code of Conduct was also launched for Axfood’s employees, consultants and other people working at the Group’s workplaces.

Food

Axfood strives to make it easier for consumers to make sustainable and healthy choices through a broad and affordable assortment of sustainability-labelled products. The goal is also to promote more sustainable production and consumption of food.

During the first quarter, sustainability-labelled products increased to 28.0% (27.5) of total sales. This increase was primarily due to changes in labelling for a large number of products and a positive sales trend for items such as fruit and vegetables. The share of sales attributable to organic products declined to 4.3% (4.6), mainly due to weak demand. Hemköp is the industry leader with regards to organic products and offers, for example, double bonus points on purchases of organic and KRAV-certified products for members of the Klubb Hemköp loyalty programme. The share of sales attributable to KRAV-certified meat declined to 2.6% (2.9).

Axfood collaborates with suppliers, researchers and organisations to actively contribute to the development of a sustainable food system. Axfood is participating in the Brewed and Renewed project, which gathers actors from across the value chain, from breweries and bakeries to retail, to investigate how brewers’ spent grain, a residual product from beer brewing, can be transformed into an ingredient in tasty, sustainable and nutritious foods. The project will also contribute to reducing food waste.

Environment

Axfood is striving to reduce the climate impact of food production as far as possible. The Group’s climate targets encompass both its own and suppliers’ operations as well as reducing the carbon footprint per kilo of food sold.

In the first quarter, the carbon footprint per kg of food sold was 1.98 kg CO₂eq, which was essentially in line with 2024.

As part of the Group’s efforts to promote fossil-free agriculture, an agreement has been signed with the food producer Däggårds and the innovation company NitroCapt to create a sustainable supply chain. The collaboration involves Axfood and Däggårds investing in reducing the carbon footprint of grain production in agricultural operations by using NitroCapt’s green nitrogen fertiliser in flour production.

Axfood aims to fully phase out fossil fuel and to convert the company’s own and procured transports to renewable fuel or electricity by the end of 2025. Emissions from own transports decreased by approximately 40% in the first quarter to 6.2 CO₂eq (10.6) per tonne of delivered goods thanks to a considerable increase in the use of renewable fuel.

Outside Hallstavik, Axfood is establishing Sweden’s largest solar park in cooperation with the energy company Alight. The park was commissioned during the quarter and comprises approximately 92,000 solar panels covering an area of 71 hectares. Total capacity corresponds to approximately 15% of Axfood’s electricity consumption.

People

Axfood aspires to be a positive force in society and is working to improve health, work and social conditions throughout the food supply chain, which includes customers, agricultural and production workers, and its own employees.

Social audits are conducted in all risk countries in order to ensure compliance with Axfood’s Code of Conduct among suppliers of private label products. All except one of the 21 audits conducted during the quarter, 95.2 % (100.0), had acceptable results. One supplier in Turkey did not meet the requirements due to remarks on issues such as excessive working hours and poor health and safety standards. These remarks have been followed up with an action plan.

Axfood is committed to diversity and inclusion, and firmly believes that a mix of skills and perspectives yields better results. Gender balance in senior positions is an important part of this work. The share of women/ men in management positions during the quarter was 52.6/47.4% (52.2/47.8) and thus remained in line with the Group’s long-term target.

Willys and Hemköp are working to develop and offer young people in vulnerable areas positions in a “Studiemotiverande Arbetslivsorientering (SAO)” programme, providing them with paid work in collaboration with schools. The aim of the model is to create career paths and motivate young people to study.

For more information on Axfood’s sustainability work and key ratios, see the website and the 2024 Annual and Sustainability Report.

Sustainability key ratios	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Sustainability-labelled products, share of sales, %	28.0	27.5	0.4	27.4	27.2
Organic products, share of sales, %	4.3	4.6	-0.3	4.1	4.2
KRAV-certified meat, share of sales, %	2.6	2.9	-0.3	2.5	2.7
Share of approved social audits, %	95.2	100.0	-4.8	96.9	97.9
Kg CO ₂ e per kg of food sold	1.98	2.01	-0.04	1.99	2.01
CO ₂ e, kg/tonne of transported goods	6.2	10.6	-4.4	6.9	7.9
Share of women/men in management positions, %	52.6/47.4	52.2/47.8	0.4/-0.4	—	52.2/47.8



Operating segments

Willys

Willys is the leading discount grocery chain in food retail, offering a broad range of products in both Group-owned stores and online. With the ambition to offer Sweden’s cheapest bag of groceries, Willys aspires to lead and develop the discount segment. The operating segment Willys also includes the partly owned cross-border grocery chain Eurocash.

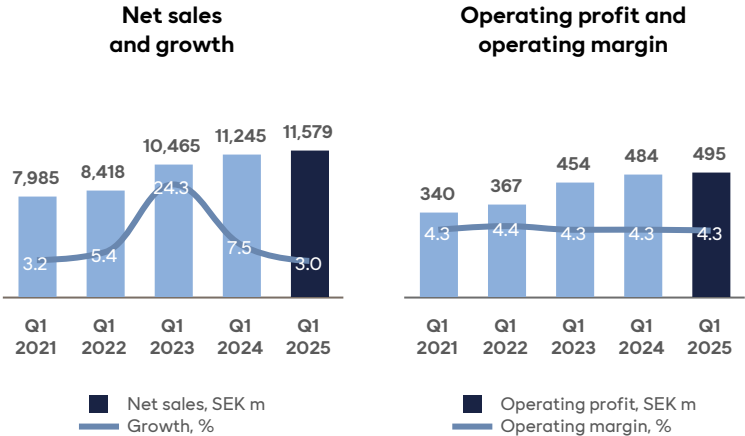
First quarter

Net sales increased 3.0% and totalled SEK 11,579 m (11,245). Retail sales increased 3.0%, which was more than the market. Growth in like-for-like sales amounted to 1.2%. The development was primarily attributable to increased volumes as a result of a higher number of customer visits.

Willys is Sweden’s most recommended grocery chain and has a unique position in the market through its combination of low prices, a comprehensive range, modern stores and online shopping. The rate of increase of new members in the Willys Plus loyalty programme continued to be on a high level, and the total number of members amounted to more than 3.8 million (3.6) at the end of the quarter. In addition, loyalty among existing members remained strong.

The number of stores in the operating segment amounted to 250 at the end of the quarter. During the quarter, two new stores were established, one of which is Willys and one Willys Hemma.

Operating profit totalled SEK 495 m (484), which corresponds to an operating margin of 4.3% (4.3). The increase in operating profit was primarily driven by the increased sales volume, a stable gross margin development and good cost control.



Willys key ratios	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Net sales, SEK m	11,579	11,245	3.0%	46,110	45,775
Operating profit, SEK m	495	484	2.3%	2,004	1,992
Operating margin, %	4.3	4.3	0.0	4.3	4.4
Retail sales, SEK m	11,581	11,248	3.0%	46,115	45,782
Like-for-like sales growth, %	1.2	5.6	-4.4	—	3.1
Number of stores	250	241	9	—	248
of which, Willys	185	180	5	—	184
of which, Willys Hemma	58	54	4	—	57
of which, Eurocash	7	7	—	—	7
Stores offering online shopping	167	159	8	—	166
Private label products, share of sales, %	35.8	35.2	0.5	34.6	34.6
Sustainability-labelled products, share of sales, %	29.5	28.5	1.0	28.5	28.3
Organic products, share of sales, %	4.1	4.2	-0.1	4.0	4.0
Average number of employees	6,973	6,848	125	—	7,273
Share of women/men in management positions, %	58.7/41.3	63.5/36.5	-4.8/4.8	—	58.4/41.6

Hemköp

Hemköp offers a broad, attractively priced assortment with a rich offering of fresh products. Through Group-owned stores, retailer-owned stores and an online business, Hemköp inspires good meals. The Hemköp operating segment also includes Tempo, a mini-mart format comprising retailer-owned stores.

First quarter

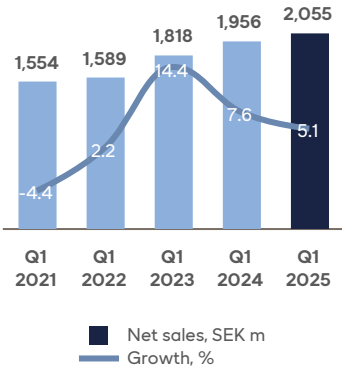
Net sales (including franchise fees) increased 5.1% and totalled SEK 2,055 m (1,956). Retail sales (including Tempo) increased 3.1%, which was more than the market. Growth in like-for-like sales amounted to 2.9%. The development was primarily attributable to increased volumes as a result of a higher number of customer visits.

Hemköp is continuing to strengthen its position with a focus on price value, fresh products and meal solutions. Hemköp is also investing in modernisations of existing stores and strengthening its sustainability profile. In total, the number of members in the Klubb Hemköp loyalty programme amounted to more than 2.1 million (2.0) at the end of the quarter.

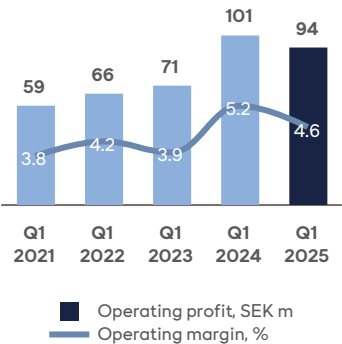
The number of stores in the operating segment amounted to 327 at the end of the quarter. One retailer-owned Tempo store was established during the quarter.

Operating profit amounted to SEK 94 m (101), which corresponds to an operating margin of 4.6% (5.2). Higher sales volumes had a positive impact on earnings, however a somewhat lower gross margin negatively impacted the performance. Newly established stores also had a negative impact with the relatively high rate of expansion in the second half of 2024.

Net sales and growth



Operating profit and operating margin



Hemköp key ratios	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Net sales, SEK m	2,055	1,956	5.1%	7,978	7,878
Operating profit, SEK m	94	101	-6.6%	336	343
Operating margin, %	4.6	5.2	-0.6	4.2	4.4
Retail sales, SEK m	5,191	5,033	3.1%	20,800	20,642
Like-for-like sales growth, %	2.9	7.0	-4.1	—	5.1
Number of stores	327	321	6	—	326
of which, Group-owned Hemköp/Tempo stores	68	65	3	—	68
of which, retailer-owned Hemköp stores	134	133	1	—	134
of which, retailer-owned Tempo stores	125	123	2	—	124
Hemköp stores offering online shopping	68	66	2	—	67
Private label products, share of sales, %	28.0	27.7	0.3	27.0	26.9
Sustainability-labelled products, share of sales, %	28.4	27.0	1.4	27.6	27.2
Organic products, share of sales, %	6.1	6.5	-0.4	5.9	6.5
Average number of employees	1,652	1,613	39	—	1,697
Share of women/men in management positions, %	49.5/50.5	52.4/47.6	-2.9/2.9	—	49.3/50.7

City Gross

In City Gross’ stores and e-commerce, customers are offered a combination of a food market hall and hypermarket together with one of the market’s widest assortment of groceries.

First quarter

Net sales amounted to SEK 2,059 m and retail sales to SEK 2,057 m. Compared to the prior year period, growth in total retail sales amounted to -3.8%. The negative growth is mainly explained by lower volumes and the closing of one store. Like-for-like growth was -3.3%.

The number of stores in the operating segment amounted to 42 at the end of the quarter.

Operating profit amounted to SEK -118 m, which corresponds to an operating margin of -5.7%. Operating profit includes items affecting comparability totalling SEK -38 m attributable to structural measures including closing down the store in Bromma in Stockholm ahead of concept change to Willys. Operating profit excluding items affecting comparability totalled SEK -80 m, which corresponds to an operating margin of -3.9%. The negative profit is mainly explained by the negative growth in like-for-like sales.

Axfood’s know-how and experience provide the conditions to further develop and strengthen the City Gross concept. City Gross provides Axfood with a clear presence in the hypermarket segment, which is the fastest growing segment in the market after discount, and is therefore increasing the Group’s reach. Efforts to strengthen the competitiveness of City Gross have continued with a number of improvement initiatives to develop the customer offering and streamline operations in order strengthen the store chain to reach profitability at some point in the second half of 2026 and to thereafter gradually improve profitability. These initiatives include developing the store concept and a review of the customer offering in terms of attractiveness, efficiency, price value and private label products. At the end of April, a new communications concept and an improved, more affordable customer offering are being launched. To streamline operations, a chain management structure is being implemented, including a new operational model as well as new routines and procedures. Structural measures will also be implemented at a handful of stores in 2025, mainly pertaining to conversions to other concepts. The City Gross stores in Bromma, Stockholm, and Borlänge, will be converted into Willys stores.

On 1 November 2024 the acquisition of City Gross Sverige AB was completed. Reported figures for 2024 pertains to 1 November - 31 December. Comparison figures are not presented for periods prior to the acquisition date. Information presented for periods prior to the acquisition date is not consolidated and not IFRS adjusted.



City Gross key ratios ¹⁾	Q1 2025	Q1 2024	Change	Full-year 2024 ²⁾
Net sales, SEK m	2,059	—	—	1,646
Operating profit, SEK m	-118	—	—	-40
Operating profit excl. items affecting comparability, SEK m ³⁾	-80	—	—	-40
Operating margin, %	-5.7	—	—	-2.4
Operating margin excl. items affecting comparability, % ³⁾	-3.9	—	—	-2.4
Retail sales, SEK m	2,057	—	—	1,629
Like-for-like sales growth, %	—	—	—	—
Number of stores	42	—	—	42
Stores offering online shopping	42	—	—	42
Private label products, share of sales, %	21.4	—	—	20.0
Sustainability-labelled products, share of sales, %	22.4	—	—	20.6
Organic products, share of sales, %	3.3	—	—	3.0
Average number of employees ⁴⁾	1,794	—	—	1,828
Share of women/men in management positions, %	55.7/44.3	—	—	55.5/44.5

1) Data for City Gross is included from the acquisition date 1 November 2024. Comparison figures are not presented for periods prior to the acquisition date.

2) Refers to the period 1 November 2024 - 31 December 2024.

3) See Note 8 Items affecting comparability for more information.

4) For the full year 2024, the reported average number of employees refers to the annual working hours for the period 1 January - 31 December. For the consolidated period the average number of employees in relation to annual working hours was 305 persons.

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. The Snabbgross operating segment also includes the concept Snabbgross Club, which is directed at consumers.

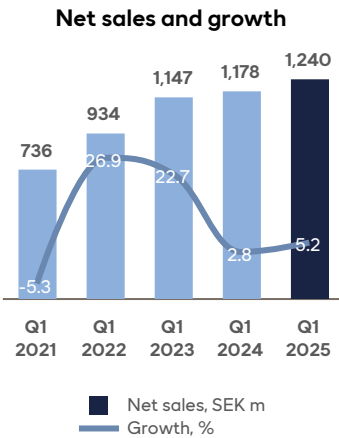
First quarter

Net sales increased 5.2% and totalled SEK 1,240 m (1,178). Growth in like-for-like sales amounted to 4.1%. A higher number of customer visits had a positive impact on sales, however the average ticket value and number of items per customer visit declined somewhat. Unlike the food retail market, the overall calendar effect did not impact the outcome since the negative effect of the leap year in the preceding year is deemed to have been offset by a positive calendar effect related to Easter.

As a result of the positive development, Snabbgross strengthened its position, thereby navigating a continued weak restaurant and café market. The number of B2B customers continued to increase and amounted to more than 100,000 at the end of the quarter. In addition, the trend in B2C sales through Snabbgross Club was strong. The number of members in Snabbgross Club continued to increase and amounted to more than 130,000 (87,000) at the end of the quarter.

The number of stores in the operating segment amounted to 31 at the end of the quarter. During the quarter the Snabbgross store in Karlstad was converted to Snabbgross Club.

Operating profit amounted to SEK 25 m (27), which corresponds to an operating margin of 2.0% (2.3). While increased sales and a stable gross margin trend had a positive effect on earnings, new store establishments and initiatives to expand Snabbgross Club negatively impacted the earnings development.



Snabbgross key ratios	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Net sales, SEK m	1,240	1,178	5.2%	5,594	5,533
Operating profit, SEK m	25	27	-5.4%	251	253
Operating margin, %	2.0	2.3	-0.2	4.5	4.6
Like-for-like sales growth, %	4.1	1.5	2.6	—	3.3
Number of stores	31	30	1	—	31
<i>of which, Snabbgross</i>	20	21	-1	—	21
<i>of which, Snabbgross Club</i>	11	9	2	—	10
Sustainability-labelled products, share of sales %	21.5	20.7	0.7	20.7	20.7
Organic products, share of sales, %	1.6	1.3	0.3	1.6	1.3
Average number of employees	547	537	10	—	598
Share of women/men in management positions, %	43.5/56.5	41.7/58.3	1.8/-1.8	—	44.4/53.6

Dagab

Dagab operates and develops the Group's assortment, purchasing and logistics, but also conducts sales to external customers. The Dagab operating segment also includes retailer-owned Handlar'n and Matöppet, the online pharmacy Apohem and the restaurant chain Urban Deli.

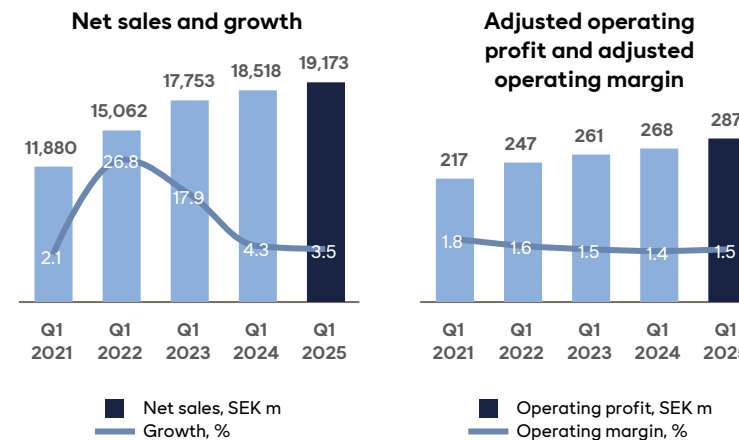
First quarter

Net sales increased 3.5% and totalled SEK 19,173 m (18,518). Growth was mainly attributable to sales to Axfood's own concepts Willys, Hemköp and Snabbgross.

Operating profit amounted to SEK 287 m (268), which corresponds to an operating margin of 1.5% (1.4). The earnings trend was primarily attributable to positive sales growth. The gross margin declined slightly, which was partly offset by lower costs as a result of the progress made in the logistics restructuring.

Work on the Group's new warehouse and logistics structure is proceeding. During the quarter, the implementation of e-commerce flows at the logistics centre in Bålsta was completed, marking the end of the ramp-up of the facility. Productivity and efficiency improved during the quarter thanks to a focus on optimisation. From the second quarter this year, the previously announced efficiency improvements of SEK 200–300 m on an annual basis are expected to be realised, contributing to a continued lower cost level and improving Axfood's competitiveness. In addition to the investments in Bålsta, the expansion of the existing high-bay warehouse in Backa, Gothenburg, and the optimisation of the fruit and vegetable warehouse in Landskrona are in their final phases to increase capacity and streamline operations.

Work has been initiated to plan for the next steps in the development of the logistics structure to create additional capacity and efficiency from the year 2030 and onwards. Capacity and efficiency for product flows in the central and northern parts of Sweden has been created with the establishment of the new and highly automated logistics centre in Bålsta. With the Group's growth ambitions and the development in recent years, with strong organic volume growth and expansion, the plan is to create an even more efficient logistics structure also in the southern parts of Sweden. The plan is to establish a new automated logistics centre in the Gothenburg region that first and foremost will replace the existing warehouse in Backa. At the same time, a review of how to handle volume growth for the other warehouses in southern Sweden will be conducted. More details will be provided in the coming quarters and negotiations will be initiated with relevant parties and stakeholders.



Dagab key ratios

	Q1 2025	Q1 2024	Change	R12	Full-year 2024
Net sales, SEK m	19,173	18,518	3.5%	77,244	76,589
Operating profit, SEK m	287	268	7.0%	1,175	1,156
Operating margin, %	1.5	1.4	0.0	1.5	1.5
Average number of employees	2,997	3,191	-194	—	3,208
Share of women/men in management positions, %	33.9/66.1	30.9/69.1	3.0/-3.0	—	32.3/67.7



DAGAB



MATÖPPET

URBAN DELI

apohem

Other information

Financial targets and capital expenditures

Axfood's long-term financial targets:

- Grow faster than the market
- Long-term operating margin of at least 4.5%
- Equity ratio of at least 20% at year-end

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

Investments in 2025 are expected to amount to between SEK 1,600 m and SEK 1,700 m, excluding acquisitions and right-of-use assets.

During 2025, Axfood plans to maintain a high pace of expansion and establish 10–15 new stores.

As part of the work to strengthen City Gross and achieve profitability at some point during the second half of 2026, operating profit for 2025 is expected to be charged with structural costs of SEK 100 m classified as items affecting comparability. The costs will be recognised in the City Gross segment and pertain primarily to structural measures for a handful of stores, mainly through changes of concept.

Annual General Meeting

Axfood's Annual General Meeting (AGM) was held on March 19, 2025 in Stockholm. The AGM re-elected all directors except Thomas Ekman who had declined re-election, and elected Björn Annwall and Kristofer Tonström as new directors. Caroline Berg was elected as the new Chairman. The AGM also decided to pay a dividend of SEK 8.75 per share. The dividend is divided into two payments of SEK 4.50 and SEK 4.25, respectively, with the first payment made in March and the second payment to be made in September. In addition, the decision was made to introduce an additional long-term incentive programme, LTIP 2025.

Initiatives to increase cost efficiency

With an increased focus on productivity and cost efficiency, initiatives are planned to streamline collaboration within and between the Group's support functions. This will create conditions to further strengthen the customer meeting and Axfood's competitiveness over time. The change entails that approximately 60 existing positions within these functions may be removed.



Financial statements, Group

Condensed statement of profit or loss and other comprehensive income

SEK m	Q1 2025	Q1 2024	R12	Full-year 2024
Net sales	21,040	20,252	84,845	84,057
Cost of goods sold	-17,942	-17,289	-72,479	-71,826
Gross profit	3,098	2,963	12,366	12,231
Selling expenses	-1,342	-1,019	-4,711	-4,388
Administrative expenses ¹⁾	-1,200	-1,266	-5,021	-5,087
Share of profit in associated companies and joint ventures	-8	-19	-48	-58
Other operating income	190	172	785	768
Other operating expenses ¹⁾	-18	-14	-179	-176
Operating profit	719	817	3,191	3,290
Interest income and similar profit/loss items	7	13	45	51
Interest expense and similar profit/loss items ²⁾	-147	-107	-496	-456
Profit before tax	579	724	2,740	2,885
Tax	-126	-163	-629	-666
Net profit for the period	453	560	2,112	2,219

1) Includes items affecting comparability, see Note 8 Items affecting comparability for more information.

2) Of which leasing interest expenses amounts to SEK -111 m (-86) for the first quarter, respectively SEK -364 m for the full year 2024.

SEK m	Q1 2025	Q1 2024	R12	Full-year 2024
Other comprehensive income				
<i>Items that cannot be reclassified to profit or loss for the period, net after tax</i>				
Revaluation defined benefit pensions	6	-4	-32	-42
Changes in holdings measured at fair value ³⁾	—	—	-156	-156
<i>Items that can be reclassified to profit or loss for the period, net of tax</i>				
Changes in hedging reserve	-17	24	-21	20
Other comprehensive income for the period	-11	20	-209	-177
Total comprehensive income for the period	441	581	1,903	2,042
<i>Net profit for the period attributable to</i>				
Owners of the parent	451	561	2,082	2,192
Non-controlling interest	2	-1	30	27
<i>Total comprehensive income for the period attributable to</i>				
Owners of the parent	439	581	1,873	2,015
Non-controlling interest	2	-1	30	27
Earnings per share before dilution, SEK	2.09	2.60	9.65	10.16
Earnings per share after dilution, SEK	2.08	2.59	9.60	10.11

3) See Note 4 Financial assets and liabilities for more information.

Condensed statement of financial position

SEK m	31 Mar 2025	31 Mar 2024	31 Dec 2024
Assets			
Goodwill	4,770	3,606	4,769
Other intangible assets	2,452	1,508	2,439
Property, plant and equipment	6,529	6,033	6,525
Right-of-use assets	12,638	9,511	12,488
Financial assets	197	606	178
Deferred tax assets	243	228	227
Total non-current assets	26,829	21,491	26,627
Inventories	5,081	4,384	4,887
Trade receivables	1,496	2,241	1,532
Other current assets	1,745	1,769	1,651
Cash and cash equivalents	335	817	735
Total current assets	8,656	9,211	8,805
Total assets	35,484	30,702	35,432
Equity and liabilities			
Equity attributable to owners of the parent	5,622	5,634	7,053
Equity attributable to non-controlling interests	337	308	335
Total equity	5,960	5,942	7,388
Non-current lease liabilities	10,352	7,806	10,161
Non-current interest-bearing liabilities	2,200	—	2,900
Provisions for pensions	290	260	300
Deferred tax liabilities	1,513	1,351	1,509
Other non-current liabilities	9	7	8
Total non-current liabilities	14,364	9,424	14,878
Current lease liabilities	2,229	1,742	2,233
Current interest-bearing liabilities	1,061	759	2
Trade payables	7,101	8,102	7,229
Other current liabilities	4,770	4,733	3,702
Total current liabilities	15,161	15,336	13,166
Total equity and liabilities	35,484	30,702	35,432

Condensed statement of cash flow

SEK m	Q1 2025	Q1 2024	R12	Full-year 2024
Operating activities				
Operating profit	719	817	3,191	3,290
Depreciation, amortisation, impairment	1,009	802	3,582	3,375
Interest paid and similar items	-147	-107	-493	-453
Interest received and similar items	7	13	45	51
Adjustments for non-cash items	23	42	441	461
Paid tax	-233	-144	-676	-587
Changes in working capital	-145	272	-1,095	-678
Cash flow from operating activities	1,232	1,695	4,996	5,459
Investing activities				
Acquisitions of operations	-2	—	-1,562	-1,561
Acquisitions of intangible assets	-75	-97	-408	-430
Acquisitions of property, plant and equipment	-296	-257	-1,149	-1,109
Acquisitions of financial assets	-28	—	-117	-89
Other changes in investing activities	1	1	4	5
Cash flow from investing activities	-400	-353	-3,231	-3,184
Financing activities				
Loans raised	2,447	759	6,370	4,682
Amortisation of debt	-2,089	-519	-4,285	-2,715
Amortisation of lease liability	-619	-536	-2,378	-2,294
Share repurchases	—	—	-66	-66
Dividend paid out	-971	-917	-1,888	-1,834
Cash flow from financing activities	-1,232	-1,213	-2,246	-2,227
Cash flow for the period	-400	129	-482	47

Condensed statement of changes in equity

SEK m	31 Mar 2025	31 Mar 2024	31 Dec 2024
Amount at start of year	7,388	7,185	7,185
Total comprehensive income for the period	441	581	2,042
Change in non-controlling interests	—	0	0
Share repurchases	—	—	-66
Share-based payments	18	10	61
Dividend to shareholders	-1,888	-1,834	-1,834
Amount at end of period	5,960	5,942	7,388

Financial statement, Parent Company

Condensed income statement

SEK m	Q1 2025	Q1 2024	Full-year 2024
Net sales	3	6	22
Selling and administrative costs	-150	-146	-658
Other operating income	109	103	433
Operating profit	-38	-37	-203
Net financial items ¹⁾	19	29	-304
Profit/loss after financial items	-19	-9	-508
Appropriations, net	—	—	2,132
Profit before tax	-19	-9	1,625
Tax	-2	-4	-427
Net profit for the period	-21	-12	1,198
Total comprehensive income for the period	-21	-12	1,198

1) Net financial items for 2024 includes a write-down of shares in subsidiaries of SEK -436 m.

Condensed balance sheet

SEK m	31 Mar 2025	31 Mar 2024	31 Dec 2024
Assets			
Property, plant and equipment	26	33	28
Participations in Group companies	4,029	4,427	4,020
Other financial assets	3	2	2
Deferred tax assets	7	7	7
Total non-current assets	4,065	4,469	4,057
Receivables from Group companies ¹⁾	7,471	5,420	10,189
Other current assets	234	65	40
Cash and cash equivalents	6	4	14
Total current assets	7,711	5,490	10,243
Total assets	11,776	9,959	14,300
Equity and liabilities			
Restricted equity	296	296	296
Non-restricted equity	2,575	3,271	4,466
Total equity	2,871	3,567	4,762
Untaxed reserves	4,032	3,965	4,032
Non-current interest-bearing liabilities	2,200	—	2,900
Other non-current liabilities	10	9	10
Non-current liabilities	2,210	9	2,910
Current interest-bearing liabilities	1,061	759	2
Trade payables	14	17	25
Liabilities to Group companies ²⁾	560	602	2,406
Other current liabilities	1,028	1,040	163
Total current liabilities	2,662	2,418	2,596
Total equity and liabilities	11,776	9,959	14,300
1) Of which, interest-bearing receivables	7,465	5,385	7,317
2) Of which, interest-bearing liabilities	544	602	1,727

Notes

Note 1 Accounting policies

Axfood applies the International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies, measurement principles and definitions applied correspond with those described in the 2024 Annual and Sustainability Report, except for what is stated below.

This interim report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the interim report has been prepared in accordance with recommendation RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR), and the Swedish Annual Accounts Act.

All amounts are rounded off to the nearest million kronor, unless stated otherwise. Totals may be affected by rounding.

New or amended accounting policies in 2025 and later

No new or amended standards or interpretations that have been endorsed for application in 2025 or later are to have any material effect on the consolidated financial statements.

Significant estimates and assessments

Preparing the financial statements in accordance with IFRS requires the Board and Executive Committee to make judgements and estimates as well as assumptions that affect the application of the accounting policies and the Company's result and position as well as other disclosures in general. The actual outcome may deviate from these estimates and assessments.

Note 2 Other material information

Seasonal effects

Axfood's sales are affected to some degree by seasonal variations. Sales increase in the quarter in which Easter falls, which is either the first or second quarter. Sales also increase ahead of Midsummer during the second quarter as well as ahead of the major holiday season during the fourth quarter.

Transactions with related parties

The Axfood Group's transactions with related parties, aside from those covered by the consolidated financial statements, consist of transactions with associated companies and with subsidiaries within the Axel Johnson Group.

Significant risks and uncertainties

Like all business activities, Axfood's business is exposed to risks. The risks are broken down into operational, strategic and financial risks. Climate and environmental risks are included in operational risks. The risks that could have the greatest impact on the Group are the risk of disruptions in the logistics chain, IT and information security risks, and criminality. Axfood works continuously with risk identification and assessment. Major emphasis is placed on preventive work and on planning to maintain operating continuity in the event of unforeseen events. For a thorough account of the risks that affect the Group, please refer to the 2024 Annual and Sustainability Report.

Note 3 Operating segments

Segment reporting follows the internal reporting structure for reporting to the Executive Committee, which is the decision-making body within Axfood that comprises the chief operating decision-maker. The operating segments that have been identified are Willys, Hemköp, City Gross, Snabbgross and Dagab. Joint-Group pertains to support functions, such as the Executive Committee, Finance, Legal Affairs, Communications, Business Development, HR and IT.

The Executive Committee reviews the segments' operating profit or loss, both including and excluding items affecting comparability.

For information about Axfood's operating segments, see pages 9-13 of this interim report. For a more detailed description of the segments, please refer to the 2024 Annual and Sustainability Report. City Gross is a new operating segment from the fourth quarter 2024.

Note 4 Financial assets and liabilities

Financial assets measured at fair value amounted to SEK 7 m (157). SEK – m (23) is attributable to Level 2 of the fair value hierarchy and SEK 7 m (134) is attributable to Level 3. Financial liabilities measured at fair value amounted to SEK 40 m (0). The entire amount is attributable to Level 2 of the fair value hierarchy.

Forward exchange contracts are measured at fair value based on the Central Bank of Sweden’s spot rates on the accounting date, which is assessed to be a reasonable approximation of fair value.

The carrying amount of the participation in Oda Group amounted to SEK 7 m (134). Axfood’s shareholding in Oda Group amounted to 2.3% (4.7). The carrying amount and shareholding are unchanged since 31 December 2024.

Changes in the fair value of financial assets attributable to Level 3, SEK m	
Amount at start of year	7
Amount at end of period	7

Note 5 Acquired and divested operations

Acquired operations

On 1 November 2024, the acquisition of 90.1% of the shares in City Gross Sverige AB (“City Gross”) was completed, which means that Axfood’s holding in City Gross increased from 9.9% to 100% in conjunction with the transaction. City Gross was consolidated from 1 November 2024 and was previously recognised as an associated company.

In connection with the completion of the transaction, the previous minority stake was revalued, resulting in an earnings effect of SEK -143 m, which was recognised under other operating expenses and charged to the joint-Group segment in the fourth quarter of 2024. In the operational earnings follow-up, this item is recognised as an item affecting comparability.

In the first quarter of 2025, the acquisition of City Gross had an impact of SEK 290 m on consolidated net sales and SEK -118 m on consolidated operating profit. Prior to the acquisition, City Gross was an external customer of many of the companies in the Axfood Group, which is why the impact on the Axfood Group does not correspond with City Gross’s net sales and operating profit.

The fair value according to the preliminary purchase price allocation is presented in the table. Minor adjustments were made to the preliminary purchase price allocation during the first quarter. The purchase price allocation may change after the valuation of the acquired assets is complete and will be finalised no later than one year from the date of the acquisition. The identified surplus values in the transaction are primarily attributable to brand (City Gross) and goodwill (buyer-specific synergies, future customers and market position) and, to a lesser extent, customer relationships (members of the Prio customer programme). Goodwill is not deemed to be tax deductible.

Fair value according to preliminary purchase price allocation, SEK m	
Brand	710
Customer relationships	8
Intangible assets	111
Property, plant and equipment	404
Right-of-use assets	2,016
Inventories	610
Trade receivables	7
Other current assets	196
Cash and bank balances	82
Deferred tax, net	-109
Lease liabilities	-2,016
Current financial liabilities	-416
Trade payables	-560
Other current liabilities	-350
Total acquired identifiable net assets	694
Goodwill	1,131
Total acquired identifiable net assets including goodwill	1,825

Purchase consideration paid, 100%	1,825
Deduct value of previously owned minority stake 9,9%	-181
Cash and cash equivalents in City Gross Sverige AB	-82
Change in consolidated cash and cash equivalents	1,562
Cash consideration paid	1,645

Note 6 Pledged assets and contingent liabilities

During the fourth quarter 2024, the Group made a new likelihood assessment of its guarantee commitments to government authorities such as the Swedish Customs Service and the Swedish Board of Agriculture. The new assessment is that it is extremely unlikely that the commitments will be utilised, and the commitments are therefore not recognised as a pledged asset or contingent liability. Corresponding assessment has already been made regarding the guarantee commitment towards NREP Logicens.

Group, SEK m	31 Mar 2025	31 Mar 2024	31 Dec 2024
Contingent liabilities	18	47	18

Parent Company, SEK m	31 Mar 2025	31 Mar 2024	31 Dec 2024
Contingent liabilities	275	264	275

There are no pledged assets in either the Group or the parent company.

Note 7 Long-term share-based incentive programmes

The 2025 AGM resolved to adopt a new long-term share-based incentive programme that runs over a three-year period, LTIP 2025. The programme corresponds in all essential respects to LTIP 2024 with the following changes. The share right for the previous performance condition that the total shareholder return should exceed 0% was replaced with a share right linked to the total shareholder return in relation to reference group of companies. In addition, the maximum level for full allocation for the share rights linked to the relative total shareholder return was adjusted slightly.

The 2025 AGM resolved to authorise Axfood’s Board of Directors to decide on the purchase of a maximum of 385,000 own shares for the purpose of securing the Company’s obligations under LTIP 2025.

Allotment of LTIP 2022 will be carried out in April 2025 using treasury shares.

During the third quarter 2024 Axfood repurchased 148,000 shares for a total of SEK 38.6 m, at an average price of SEK 260.48 per share. Prior to the allotment of LTIP 2022 and share repurchases related to LTIP 2025, the holding of treasury shares amounts to 1 098 345 shares, which is sufficient to secure the delivery of shares for all of the Company’s incentive programmes.

For more information about incentive programmes, please refer to the 2024 Annual and Sustainability Report.

Note 8 Items affecting comparability

Items affecting comparability in the first quarter totalled SEK -38 m (–) and pertain in its entirety to structural costs relating to City Gross. The costs are included in other operating expenses and in administrative expenses. For the full year 2025, items affecting comparability are estimated to amount to SEK 100 million. Items affecting comparability for the full year 2024 comprised in its entirety of the revaluation of the previous minority stake in City Gross which has been carried out in connection with the acquisition of the remaining shares in City Gross. The cost was included in other operating expenses.

Item affecting comparability	Segment	Q1 2025	Q1 2024	R12	Full-year 2024
Structural costs	City Gross	-38	–	-38	–
Revaluation of City Gross	Joint-Group	–	–	-143	-143
Total		-38	–	-181	-143

Note 9 Significant events after the balance sheet date

No significant events after the balance sheet date.

Key ratios

Change in store structure

Number of stores	Dec 2024	New establishment/ acquisitions	Sales/ closures	Conversions	Mar 2025	Mar 2024
Willys/Willys Hemma/Eurocash	248	2	—	—	250	241
Hemköp/Tempo, Group-owned stores	68	—	—	—	68	65
City Gross	42	—	—	—	42	—
Snabbgross/Snabbgross Club	31	—	—	—	31	30
Total, Group-owned stores	389	2	—	—	391	336
Hemköp, retailer-owned stores	134	—	—	—	134	133
Tempo, retailer-owned stores	124	3	-2	—	125	123
Total, retailer-owned stores	258	3	-2	—	259	256
Total, Group-owned and retailer-owned stores	647	5	-2	—	650	592

New group-owned store establishments and acquisitions

First quarter

Willys Vimmerby
Willys Hemma Malmö Oxie



Key ratios and other data, Group

SEK m	Quarterly overview								Full year	
	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	R12	Full-year 2024
Net sales	21,040	21,860	20,902	21,044	20,252	20,769	20,293	20,797	84,845	84,057
Retail sales	18,829	18,836	16,427	16,509	16,281	16,507	15,873	16,098	70,600	68,052
Operating profit	719	629	1,007	836	817	744	1,036	878	3,191	3,290
Operating profit excl. items affecting comparability	757	772	1,007	836	817	815	1,095	942	3,372	3,433
Operating margin, %	3.4	2.9	4.8	4.0	4.0	3.6	5.1	4.2	3.8	3.9
Operating margin excl. items affecting comparability, %	3.6	3.5	4.8	4.0	4.0	3.9	5.4	4.5	4.0	4.1
Items affecting comparability	-38	-143	—	—	—	-71	-60	-64	-181	-143
Net profit for the period	453	361	715	582	560	533	738	631	2,112	2,219
Cash flow from operating activities	1,232	1,872	1,013	879	1,695	2,219	1,423	1,684	4,996	5,459
Capital employed	22,091	22,985	18,058	16,907	16,509	17,212	17,408	16,452	22,091	22,985
Return on capital employed R12, %	16.8	16.6	19.6	21.0	21.5	20.3	20.5	20.6	16.8	16.6
Return on equity R12, %	37.0	31.5	36.2	40.7	45.7	35.0	34.8	37.4	37.0	31.5
Net working capital R12	-2,791	-2,875	-2,902	-2,870	-2,804	-2,620	-2,597	-2,645	-2,791	-2,875
Net working capital as a share of net sales R12, %	-3.3	-3.4	-3.5	-3.5	-3.4	-3.2	-3.2	-3.4	-3.3	-3.4
Total capital expenditures (incl. IFRS 16)	1,183	3,508	923	907	1,178	1,242	594	835	6,521	6,516
Investments in intangible assets and in property, plant and equipment	371	481	344	360	354	528	309	558	1,556	1,539
Depreciation/amortisation (incl. IFRS 16)	-1,001	-944	-823	-806	-796	-779	-758	-756	-3,575	-3,369
Depreciation/amortisation of intangible assets and property, plant and equipment	-354	-341	-305	-299	-285	-279	-272	-264	-1,300	-1,231
Equity ratio, %	16.8	20.9	23.7	21.1	19.4	23.9	22.7	19.9	16.8	20.9
Net debt (+)/net receivable (-)	15,797	14,861	10,724	9,843	9,750	9,339	10,247	10,226	15,797	14,861
Net debt (+)/net receivable (-) excl. IFRS 16	3,215	2,467	1,129	306	202	93	1,224	1,006	3,215	2,467
Net debt/EBITDA, multiple	2.3	2.2	1.6	1.5	1.5	1.5	1.7	1.8	2.3	2.2
Net debt/EBITDA excl. IFRS 16, multiple	0.8	0.6	0.3	0.1	0.0	0.0	0.3	0.3	0.8	0.6
Net debt-equity ratio (+)/net receivable-equity ratio (-), multiple	2.7	2.0	1.5	1.5	1.6	1.3	1.5	1.7	2.7	2.0
Net debt-equity ratio (+)/net receivable-equity ratio (-) excl. IFRS 16, multiple	0.5	0.3	0.2	0.0	0.0	0.0	0.2	0.2	0.5	0.3
Average number of employees	14,578	13,709	13,486	12,902	12,803	13,185	13,269	12,643	—	13,709
Number of shares outstanding at end of period	215,744,895	215,744,895	215,744,895	215,892,895	215,777,588	215,777,588	215,777,588	215,777,588	215,744,895	215,744,895
Average number of shares outstanding before dilution	215,744,895	215,787,900	215,802,234	215,819,227	215,777,588	215,798,253	215,805,142	215,818,919	215,779,726	215,787,900
Average number of shares outstanding after dilution	216,843,240	216,834,104	216,831,059	216,824,968	216,843,240	216,837,527	216,835,622	216,831,813	216,834,104	216,834,104
Earnings per share before dilution, SEK	2.09	1.62	3.26	2.68	2.60	2.42	3.38	2.93	9.65	10.16
Earnings per share before dilution excl. items affecting comparability, SEK	2.23	2.28	3.26	2.68	2.60	2.68	3.60	3.16	10.45	10.82
Earnings per share after dilution, SEK	2.08	1.61	3.25	2.67	2.59	2.41	3.36	2.91	9.60	10.11
Ordinary dividend per share, SEK ¹	—	8.75	—	—	—	8.50	—	—	—	8.75
Equity per share, SEK	26.06	32.69	31.17	28.30	26.11	31.87	29.44	26.11	26.06	32.69
Cash flow from operating activities per share, SEK	5.71	8.68	4.69	4.07	7.86	10.28	6.59	7.80	23.15	25.30
Cash flow per share, SEK	-1.85	2.08	-1.66	-0.81	0.60	0.82	0.96	-0.04	-2.23	0.22
Share price, SEK	225.80	234.00	286.20	278.40	311.20	273.00	250.40	228.20	—	234.00

Financial key ratios

In addition to the financial key ratios prepared in accordance with IFRS, Axfood presents financial key ratios that are not defined by IFRS or by the Swedish Annual Accounts Act, so-called alternative performance measures (APMs). These APMs aim to provide supplementary information that contributes to analysing Axfood’s operations and development. The APMs used are considered generally accepted in the industry. APMs should not be seen as a substitute for financial information presented in accordance with IFRS, but as a complement. The APMs are defined below under the financial key ratio definitions. Certain APMs are also reported excluding IFRS 16 to enable a follow-up of operational development excluding the technical accounting effects as a result of IFRS 16. Some APMs are also reported excluding items affecting comparability since the adjusted performance measure provides a better understanding of the operations’ underlying development when comparing between periods.

Financial key ratio definitions

- Capital employed:** Total assets less non-interest-bearing liabilities and non-interest-bearing provisions. Measures the Group’s capital use and efficiency.
- Cash flow from operating activities per share:** Cash flow from operating activities for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated from operating activities.
- Cash flow per share:** Cash flow for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated per share.
- Earnings per share (defined in IFRS):** Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding. Reported both before and after dilution. Earnings per share are also reported based on earnings excluding items affecting comparability.
- EBITDA:** Operating profit before depreciation, amortisation and impairment. Also reported excluding the effects of reporting in accordance with IFRS 16 as EBITDA excl. IFRS 16. Indicates the underlying development of the operations.
- Equity per share:** Share of equity attributable to owners of the parent divided by the number of shares outstanding at the end of the period. Indicates shareholders’ share of the Company’s total equity per share.
- Equity ratio:** Equity including non-controlling interests as a percentage of total assets. An equity ratio of at least 20% at year-end is one of Axfood’s Group-wide strategic targets.
- Items affecting comparability:** Financial effects in connection with major acquisitions and divestments or other major structural changes as well as material non-recurring items that are relevant in order to understand the results when comparing between periods.

Reconciliation of EBITDA

SEK m	Q1 2025	Q1 2024	R12	Full-year 2024
Operating profit	719	817	3,191	3,290
Depreciation, amortisation, impairment	1,009	802	3,582	3,375
EBITDA	1,727	1,619	6,773	6,665
IFRS 16 Lease fees	-736	-608	-2,580	-2,452
EBITDA excl. IFRS 16	992	1,011	4,194	4,213

For reconciliation of additional key ratios, see Axfood’s website, axfood.com.

- Net debt/EBITDA:** Net debt divided by EBITDA on a rolling 12-month basis. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Group’s ability to pay its debt.
- Net debt-equity ratio/net receivable-equity ratio:** Net debt/net receivable divided by equity including non-controlling interests. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Company’s debt-equity ratio.
- Net debt/net receivable:** Interest-bearing non-current and current receivables and liabilities less cash and cash equivalents and interest-bearing financial assets. Net indebtedness is also referred to as net debt. Net receivable is also referred to as net receivables. Used to show the Company’s net interest-bearing assets and liabilities.
- Net debt/net receivable excluding IFRS 16:** Interest-bearing non-current and current receivables and liabilities, excluding lease liabilities, less cash and cash equivalents and interest-bearing financial assets.
- Net working capital:** Average current assets less current liabilities (adjusted for dividend), on a rolling 12-month basis. Indicates the average financing need for the group’s working capital.
- Net working capital as a share of net sales:** Working capital divided by net sales, rolling 12 months. Shows the group’s ability to use working capital to generate sales.
- Operating margin:** Operating profit as a percentage of net sales for the period. An operating margin of at least 4.5% is one of Axfood’s strategic Group-wide targets.
- Operating margin excluding items affecting comparability:** Operating profit excluding items affecting comparability as a percentage of net sales for the period. Also referred to as adjusted operating margin.

- Operating profit:** Profit before net financial items and tax. Indicates profitability for operating activities.
- Operating profit excluding items affecting comparability:** Profit before net financial items and tax adjusted for items affecting comparability. Also referred to as adjusted operating profit.
- Return on capital employed:** Profit after financial items, plus financial expenses on a rolling 12-month basis as a percentage of average capital employed. Indicates profitability in both equity and borrowed capital in the Company.
- Return on equity:** The share of net profit for the period on a rolling 12-month basis attributable to owners of the parent as a percentage of the share of average equity attributable to owners of the parent. Indicates the return that owners receive on capital invested.
- Sales growth:** Percentage change in sales between two periods. Axfood monitors growth in both retail sales and net sales. One of Axfood’s Group-wide strategic targets is to grow faster than the market and growth in retail sales is the target Axfood uses to measure this.

Operating key ratio definitions and glossary

Average number of employees: Total number of hours worked divided by the number of hours worked per year of 1,920. Also referred to as FTEs.

Joint-Group: Pertains to support functions, such as the Executive Committee, Finance, Legal Affairs, Communications, Business Development, HR and IT.

Like-for-like sales: Sales in stores that existed and generated sales in the current period and the comparison period.

Online sales: Reported online sales of the concepts Willys, Hemköp Group-owned stores, Hemköp retailer-owned stores and City Gross.

Private label products, share of sales: Sales of private label products, excluding meat, fruits and vegetables, as a percentage of retail sales.

Retail sales: Reported store sales including online sales for the concepts Willys, Willys Hemma, Eurocash, Hemköp Group-owned stores, Hemköp retailer-owned stores, Tempo and City Gross, excluding adjustments mainly related to customer bonuses.

R12: The sum of the past 12 months determined on a rolling basis.

Share price: Closing share price.

Wholesale sales: Company and private customer sales including online for the concepts Dagab and Snabbgross (including Snabbgross Club).

Key ratio definitions for sustainability

CO₂e, per kg/tonne of transported goods: Emissions (kg CO₂e) from purchased fuel (litres) in relation to total transported goods (tonnes) between warehouses and stores or consumer. Transports between warehouses and consumers pertain to e-commerce transports and amounts to only a small share of the total. Reported data pertains only to goods delivered by own transports. Reported data is presented with a one-month lag.

Kg CO₂e/kg of food sold: The amount of greenhouse gas emissions (kilo carbon dioxide equivalents) from food in relation to total food sold (kilo food). The sample includes sales in stores within Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross.

KRAV-certified meat, share of sales: Sales from KRAV-certified meat items (fresh and frozen) as a percentage of the Axfood's total sales of meat products. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains.

Organic products, share of sales: Sales from organic-labelled products with a valid country of origin marking as a percentage of Axfood's total food sales. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains.

Share of approved social audits: Share of social audits where the supplier received a rating of 1 or 2 on a three-point scale where rating 1 refers to approved audits, rating 2 to approved with remarks and rating 3 to non-approved audits. Social audits comprise on-site visits and inspections carried out to ensure that suppliers fulfil the requirements of Axfood's Code of Conduct. The selection includes audits of suppliers of private label products and fresh fruit and vegetables operating in risk countries, as well as tomato suppliers in Italy. All audits have been carried out according to one of the 15 trusted third-party standards that Axfood accepts.

Share of women/men in management positions: The share of women/men in management positions at the end of the current period. Management positions are defined as employed managers with employee responsibility, including the Executive Committee.

Sustainability-labelled products, share of sales: Sales from sustainability-labelled products with a valid country of origin marking as a percentage of retail and wholesale sales from the corresponding chains. The selection includes stores in the Willys, Eurocash, Hemköp (also retailer-owned), City Gross and Snabbgross store chains.

About Axfood

Axfood is a leader in food retail in Sweden and a family of different concepts in collaboration. The Group has approximately 15,000 employees (FTEs) and net sales of more than SEK 80 billion. Axfood aspires to be a strong force in society that drives development toward more sustainable food production and consumption. The share is listed on Nasdaq Stockholm and the principal owner is Axel Johnson.

Business model and strategy

Axfood's 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. The business model covers purchasing and assortment, product flow and logistics, and sales channels and concepts. The customer is always in focus and value is created for Axfood and the Group's stakeholders in every step. The strategy rests upon a values-steered culture and core values, and consists of six growth-promoting and efficiency-improving focus areas. To promote growth, the focus is on developing and offering an attractively priced assortment. Apart from growing sales at existing stores, key initiatives include continued expansion through the e-commerce roll-out and establishment of new formats and more stores. The Group strives to increase efficiency in the organisation through a more data-driven work approach and continuous development of logistics solutions of the future. To stay at the forefront, Axfood continues to build a culture that enables the industry's best employees to be attracted and developed. Axfood aspires to take the lead in promoting a sustainable food system and to be a strong force for change in society.

A unique family of companies

Axfood is primarily represented in the Swedish food retail market through the leading discount grocery chain Willys, Hemköp in the traditional grocery segment and the hypermarket chain City Gross. With Tempo, Handlar'n and Matöppet, Axfood also has a position in mini-marts, while Eurocash operates stores in cross-border shopping adjacent to Norway. In addition to these concepts, Axfood also has a presence in cafés and restaurants with the wholesale business Snabbgross and the restaurant chain Urban Deli, and a position in the online pharmacy market with Apohem. Dagab is responsible for ensuring that the assortment, purchasing and logistics maintain high efficiency and quality

Financial targets and dividend policy

Axfood's long-term financial targets is to grow faster than the market, a long-term operating margin of at least 4.5% and an equity ratio of at least 20% at year-end. Axfood's dividend policy is that the shareholder dividend shall be at least 50% of profit after tax. The dividend is to be paid out on two occasions.

Investment case

- The food retail market is relatively unaffected by economic swings and is driven largely by population growth and inflation. Axfood has a clear strategy for addressing the trends in the market through concrete priorities in six focus areas. The goal is to grow faster than the market with a long-term operating margin of at least 4.5%.
- To meet customers' varying needs, Axfood is a family of different concepts with strong market positions. With a clear expansion plan, a focus on the customer meeting in physical stores and in e-commerce as well as the development of meal solutions, customers' evolving behaviours in the market are being met.
- Economies of scale and cost efficiency are achieved through close collaboration between the central functions and Group companies. Dagab is the joint purchasing and logistics company, setting high demands for price, quality and sustainability. Axfood's common IT company has a crucial role in the Group's digital development, automation and data-driven work approach to meet future needs.
- Axfood has a solid balance sheet, and the business model generates stable cash flow with efficient management of working capital. During the last five years, the dividend yield has on average been slightly more than 3%.
- Axfood has long been working to be a positive force in society. Axfood is taking the lead in promoting a sustainable food system, and innovative and sustainable products are being launched through the private label assortment.

Other

Selection of press releases

21 February 2025

Axfood publishes Annual and Sustainability Report for 2024

21 February 2025

Halved food waste and increased fossil-free transports when Axfood summarises 2024

4 March 2025

Axfood, Dafgård, and NitroCapt collaborate on Swedish green fertilizer

19 March 2025

Resolutions at Axfood's 2025 Annual General Meeting

Financial calendar

- The interim report for the second quarter of 2025 will be published at 7:00 a.m. CET on 11 July 2025
- Axfood's Capital Markets Day 2025 will be held on 18 September 2025
- The interim report for the third quarter of 2025 will be published at 7:00 a.m. CET on 23 October 2025
- The year-end report for 2025 will be published at 7:00 a.m. CET on 29 January 2026

Signature

This interim report has not been reviewed by the Company's auditors.

Stockholm, 24 April 2025

Simone Margulies
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WILLYS

Hemköp

CITY GROSS

Tempo

HANDLARN

MATÖPPET

eurocash

Snabbgross

**UP
URBAN DELI**

apohem

DAGAB