Axfood

Interim report
1 January - 30 September 2024

Q3

Growth in all segments and strong market positions

Third quarter summary

- Net sales totalled SEK 20,902 m (20,293), an increase of 3.0%.
- Retail sales totalled SEK 16,427 m (15,873), an increase of 3.5%.
- Operating profit amounted to SEK 1,007 m (1,036). Operating profit in the prior year period included items affecting comparability of SEK -60 m. The operating margin was 4.8% (5.1).
- Adjusted operating profit amounted to SEK 1,007 m (1,095). The adjusted operating margin was 4.8% (5.4).
- Net profit for the period amounted to SEK 715 m (738) and earnings per share before dilution to SEK 3.26 (3.38).
- On 15 August, Simone Margulies assumed the role as President and CEO of Axfood. On the same day, Shoan Etemadi assumed the role as Managing Director of Hemköpskedjan.
- In September, a dividend of SEK 4.25 per share was paid out, the second part of the dividend to shareholders totalling SEK 8.50 per share (8.15).

Summary January - September

- Net sales totalled SEK 62,197 m (60,342), an increase of 3.1%.
- Retail sales totalled SEK 49,217 m (47,196), an increase of 4.3%.
- Operating profit amounted to SEK 2,661 m (2,609). Operating profit in the prior year period included items affecting comparability of SEK -179 m. The operating margin was 4.3% (4.3).
- Adjusted operating profit amounted to SEK 2,661 m (2,787). The adjusted operating margin was 4.3% (4.6).
- Net profit for the period amounted to SEK 1,858 m (1,841) and earnings per share before dilution to SEK 8.54 (8.50).

Significant events after the balance sheet date

- On 15 October, the Swedish Competition Authority approved Axfood's acquisition of City Gross. The acquisition will be completed on 1 November.

3.0%

Net sales growth for the third quarter 2024

3.5%

Retail sales growth for the third quarter 2024

Key ratios	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Net sales, SEK m	20,902	20,293	3.0%	62,197	60,342	3.1%	82,966	81,111
Retail sales, SEK m	16,427	15,873	3.5%	49,217	47,196	4.3%	65,723	63,703
Operating profit, SEK m	1,007	1,036	-2.7%	2,661	2,609	2.0%	3,405	3,353
Operating profit excl. items affecting comparability, SEK m[1]	1,007	1,095	-8.0%	2,661	2,787	-4.5%	3,476	3,602
Operating margin, %	4.8	5.1	-0.3	4.3	4.3	0.0	4.1	4.1
Operating margin excl. items affecting comparability, %[1]	4.8	5.4	-0.6	4.3	4.6	-0.3	4.2	4.4
Net profit for the period, SEK m	715	738	-3.0%	1,858	1,841	0.9%	2,391	2,373
Earnings per share before dilution, SEK	3.26	3.38	-3.4%	8.54	8.50	0.4%	10.96	10.92
Earnings per share before dilution excl. items affecting comparability, SEK[1]	3.26	3.60	-9.3%	8.54	9.16	-6.8%	11.22	11.84
Cash flow from operating activities, SEK m	1,013	1,423	-28.8%	3,587	3,588	0.0%	5,806	5,807
Equity ratio, %	23.7	22.7	1.1	23.7	22.7	1.1	23.7	23.9
Working capital, SEK m	-2,902	-2,597	11.7%	-2,902	-2,597	11.7%	-2,902	-2,620
Return on capital employed R12, %	19.6	20.5	-0.9	19.6	20.5	-0.9	19.6	20.3
Sustainability-labelled products, share of sales, %[2]	26.6	26.6	0.0	27.1	27.0	0.1	26.9	26.7

1) See *Note 9 Items affecting comparability* for more information.
2) The key ratio has been restated and comparison figures have been recalculated. See sustainability key ratio definitions for more information.

For further information, please contact:
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The information herein is such that Axfood AB (publ) is required to make public in accordance with the EU Market Abuse Regulation.
The information was submitted for publication, through the agency of the contact person listed above, at 7:00 a.m. CET on 24 October 2024.

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

CEO message

Axfood summarises a third quarter with a continued positive trend in customer traffic, increased volumes and reinforced market positions, despite high comparison figures. Profitability was impacted by additional initiatives to strengthen price positions. The quarter was also characterised by a continued strong focus on investments for the future, and the ramp-up for all stores was finalised at the new logistics centre in Bålsta. In addition, the Swedish Competition Authority recently approved the Group's City Gross acquisition, an acquisition that will strengthen competition on the market and create new opportunities for Axfood.

Households' purchasing power has deteriorated considerably in recent years and, although consumers in general are slightly more optimistic now about the future, shopping behaviours remain very cautious. It is also clear that competition has intensified even further during the year, and all food retail chains have a complete focus on attracting new customers and retaining existing ones. In addition, the year has been characterised by low food price inflation and persistent high cost pressure on the market players, from for example increases in salaries and rents.

Under these market dynamics, all of Axfood's businesses have a strong focus on increasing their competitiveness by strengthening price positions and ensuring attractive customer offerings. Although comparison figures remained high, Axfood's growth for the third quarter was in line with the market, with higher volumes and a positive trend in customer traffic contributing to a 3.5% increase in retail sales. As a result, we are once again reinforcing our market positions, and conditions to continue challenging and growing.

Focus on attractive customer offerings

Regardless of the economic situation, the discount segment has been the fastest growing segment of the food retail market for many years. Willys is the leading discounter and has attracted significantly more customers in recent years, gaining market share at a historically high rate. The fact that Willys continued to defend its strong position this quarter, with growth of 3.8%, is a sign of strength. Initiatives to strengthen its price position had a negative impact on profitability during the quarter in a market with intense competition. These initiatives are implemented to secure the profile with Sweden's cheapest bag of groceries, and contributes to a continued high level of customer traffic and loyalty as well as a strengthened market position going forward.

Through favourable growth of 4.5% in like-for-like sales and effective cost control, Hemköp continues to successfully and profitably navigate the traditional grocery retail segment of the market. Following its efforts in recent years to develop its product range, focus on price value and accelerate the pace of store modernisations, the chain is further strengthening its position.

Restraint and caution also dominates dynamics on the café and restaurant market. Our restaurant wholesaler Snabbgross is taking further steps and strengthens its market position. Growth was 5.6% in the quarter, with higher volumes and an increased number of customers. Snabbgross' earnings were in line with the prior year.

New steps towards the logistics of the future

The establishment of the Group's new logistics structure continued during the quarter. Extensive work is under way to streamline product flows, and this is ongoing while the supply of goods to thousands of stores around the country is in full operations.

Towards the end of the quarter, the final volumes of frozen food were transferred to the new logistics facility in Bålsta, which means that the ramp-up for all stores is now complete. We are now in a phase where we will gradually increase focus on operational adjustments and fine-tuning to improve productivity and efficiency. Tests are now also under way for the roll-out of e-commerce. In addition, the expansion of the existing high-bay warehouse in Backa, Gothenburg, continued to increase the Group's capacity and efficiency.

The logistics investments are largely focused on efficiency and more automated processes, but are also intended to ensure the Group has the capacity to continue growing in the future. We have experienced strong volume growth in recent years, which together with the acquisition of the wholesale business Bergendahls Food, has resulted in a need to rebalance our volumes between our various warehouse facilities. Establishing a new logistics structure is an extensive endeavour – one that continued to give rise to additional costs in the third quarter. This is however an important long term shift that will result in cost savings and greater competitiveness over time, as well as an even more efficient and sustainable product supply.

"This is my first interim report as President and CEO of Axfood. In summary, we have reinforced our market positions despite high comparison figures and intense competition, and taken new steps in our investments in the future, aimed at strengthening our long-term competitiveness."

Significant events during the third quarter

- Volume growth and reinforced market positions
- Continued inflow of customers and high loyalty
- Progress in the logistics restructuring

Acquisition of City Gross approved
We are delighted to have recently received approval from the Swedish Competition Authority for our acquisition of City Gross, which was eagerly anticipated. We now look forward to taking over as the company's new owner on 1 November, welcoming our new colleagues to the Axfood family, and starting the work to invest in strengthening the chain's competitiveness and challenge the leading players in the hypermarket segment.

Focus on green transition and climate
When it comes to sustainability, we have an ambitious agenda, working systematically and taking continuous steps in many areas.

Climate change is a central focus of our sustainability agenda, and I would particularly like to highlight our efforts to accelerate the transition to renewable fuels in transports. Accordingly, we have reduced the carbon footprint per tonne of goods transported from our own transport operations by 40% since last year and by nearly 60% over a three-year period. We are also preparing to reapply to set science-based targets in line with the Paris Agreement through the Science Based Targets initiative (SBTi).

A strong culture and clear development agenda
This is my first interim report as President and CEO of Axfood. In summary, we have reinforced our market positions despite high comparison figures and intense competition, and taken new steps in our investments in the future, aimed at strengthening our long-term competitiveness.

Since taking over the helm, I have focused on learning the business from my new perspective and spending time out in the organisation. Meeting dedicated employees and witnessing our strong culture is incredibly valuable and makes me confident that we have what it takes to write the next chapter of our journey together. Axfood will continue to challenge. We have a plan in place and a development agenda to ensure our continued competitiveness and to increase our market share. And this is something that my colleagues and I truly feel passionate about.

Simone Margulies
President and CEO, Axfood AB

Selection of press releases

15 August 2024

Simone Margulies assumes the role as President and CEO of Axfood

20 August 2024

Axfood enters into agreement with Linas Matkasse and closes down Middagsfrid

16 September 2024

Nominating Committee ahead of Axfood's 2025 AGM

Financial calendar

- The year-end report for 2024 will be published at 7:00 a.m. CET on 30 January 2025
- The 2025 Annual General Meeting (AGM) will be held on 19 March 2025
- The interim report for the first quarter of 2025 will be published at 7:00 a.m. CET on 24 April 2025
- The interim report for the second quarter of 2025 will be published at 7:00 a.m. CET on 11 July 2025
- The interim report for the third quarter of 2025 will be published at 7:00 a.m. CET on 23 October 2025

Presentation of the interim report

Axfood will present the interim report for the third quarter of 2024 in a webcast at 9:30 a.m. CET today, Thursday, 24 October 2024. 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.

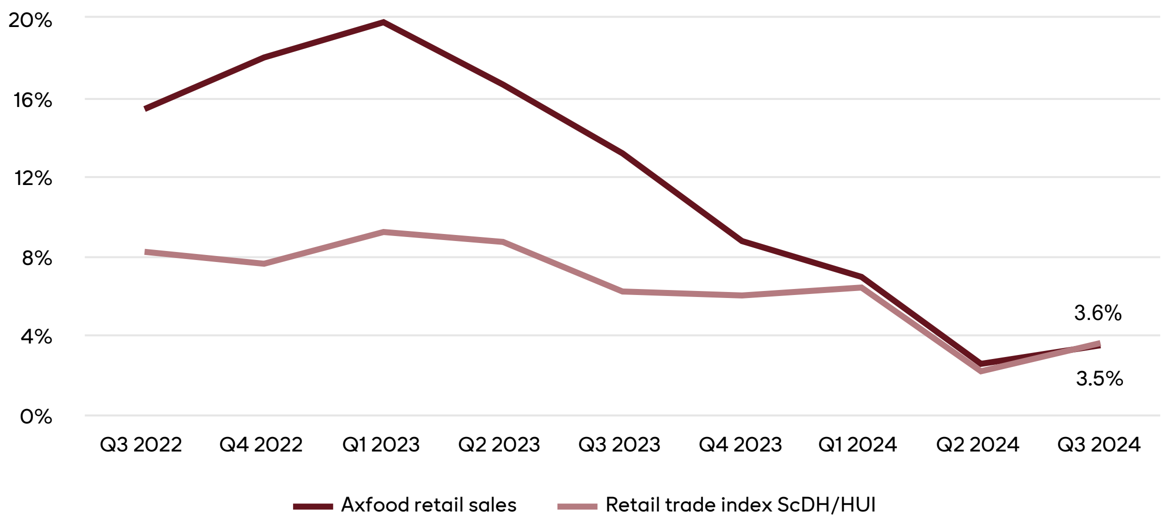
A link to register to participate via conference call is also available at axfood.com. Upon registration, a telephone number and conference ID for the conference call will be provided.

The Swedish food retail market

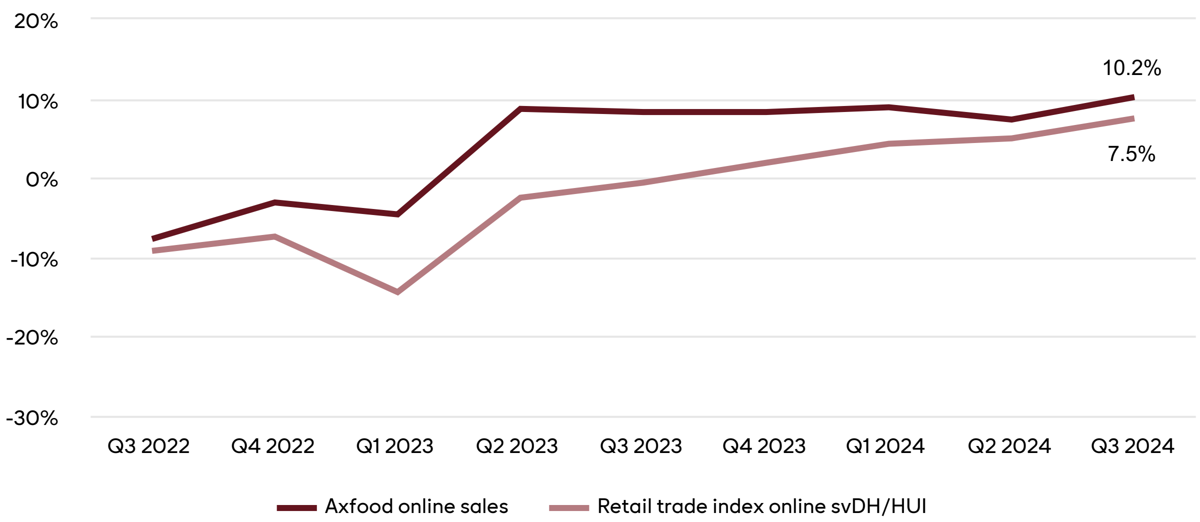
According to the Swedish Food Retail Index, total sales growth during the third quarter of 2024 amounted to 3.6%. The calendar effect during the quarter is estimated to have been only marginal at -0.1%. The trend with low inflation continued and the price trend for food amounted to 1.5% during the quarter according to Statistics Sweden, which however was somewhat higher than the level of 1.1% in the second quarter.

Broken down into sales channels, sales growth amounted to 3.5% in physical stores and 7.5% in e-commerce. While growth in physical stores remained good, the growth in e-commerce represented a continued certain level of recovery following a weak performance in the last few years. The share of food retail sales from e-commerce was 3.7%.

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



Group performance

Net sales

Third quarter
Net sales totalled SEK 20,902 m (20,293), an increase of 3.0%. Retail sales totalled SEK 16,427 m (15,873), an increase of 3.5%, which compares to the market growth of 3.6%. Volume growth was the primary driver to this performance. Like-for-like sales grew 3.1% driven by a positive development for both Willys and Hemköp.

Online sales totalled SEK 796 m (723), an increase of 10.2% which compares to the market's growth of 7.5%. The share of retail sales attributable to e-commerce was 4.8% (4.6), which was higher than the e-commerce penetration on the market of 3.7%.

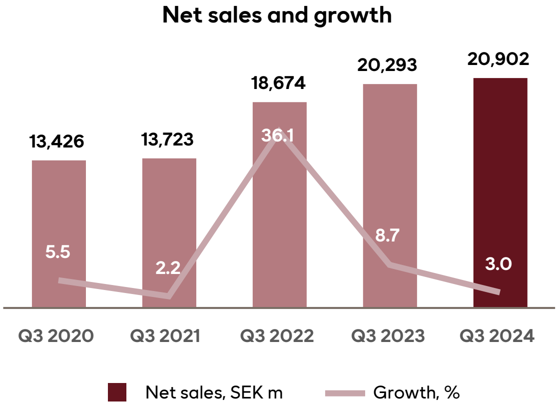
The share of retail sales attributable to private label products was 32.6% (31.9).

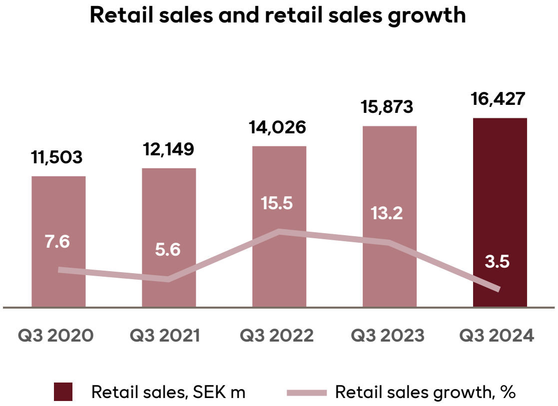
January - September
Net sales totalled SEK 62,197 m (60,342), an increase of 3.1%. Retail sales totalled SEK 49,217 m (47,196), an increase of 4.3% which compares to the market growth of 4.0%. Like-for-like sales grew 3.8%.

Online sales totalled SEK 2,614 m (2,404), an increase of 8.8% which compares to the market's growth of 5.5%. The share of retail sales attributable to e-commerce was 5.3% (5.1), which was higher than the e-commerce penetration on the market of 4.1%.

The share of retail sales attributable to private label products was 32.8% (32.4).

Read about the performance of the Willys, Hemköp, Snabbgross and Dagab operating segments on pages 9-12.





Net sales per segment

SEK m	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Willys	11,364	10,945	3.8%	33,914	32,432	4.6%	45,239	43,757
Hemköp	1,863	1,779	4.7%	5,776	5,456	5.9%	7,751	7,432
Snabbgross	1,518	1,437	5.6%	4,213	4,072	3.4%	5,457	5,317
Dagab	19,090	18,410	3.7%	56,765	55,167	2.9%	75,772	74,175
Joint-Group	377	342	10.4%	1,131	1,012	11.7%	1,483	1,365
Internal sales between segments								
Dagab	-12,992	-12,333	5.3%	-38,636	-36,953	4.6%	-51,470	-49,786
Joint-Group/other	-320	-287	11.3%	-964	-846	13.9%	-1,266	-1,148
Total	**20,902**	**20,293**	**3.0%**	**62,197**	**60,342**	**3.1 %**	**82,966**	**81,111**

Retail sales

SEK m	Q3 2024	Q3 2023	Change	Change like-for-like stores	9 mos. 2024	9 mos. 2023	Change	Change like-for-like stores	R12	Full-year 2023
Willys	11,366	10,951	3.8%	2.4%	33,918	32,440	4.6%	3.1%	45,242	43,763
Hemköp[1]	5,060	4,923	2.8%	4.5%	15,298	14,756	3.7%	5.4%	20,482	19,940
Total	**16,427**	**15,873**	**3.5%**	**3.1%**	**49,217**	**47,196**	**4.3%**	**3.8%**	**65,723**	**63,703**

1) Refers to Hemköp (Group-owned and retailer-owned) and Tempo.

Operating profit

Third quarter
Operating profit amounted to 1,007 m (1,036). The prior year operating profit included items affecting comparability totalling SEK -60 m, which pertained to parallel warehouse operations during the transition to the new logistics centre in Bålsta. The operating margin was 4.8% (5.1).

Operating profit excluding items affecting comparability amounted to SEK 1,007 m (1,095), a decrease of -8.0 percent. The change was mainly attributable to a negative profit development in Willys, where positive volume effects and growth in like-for-like sales could not offset price investments and high cost inflation. In addition, Dagab's operating profit decreased, mainly as a result of costs related to the logistics restructuring. Hemköp demonstrated a strong profit development and Snabbgross' profit was in line with the prior year. The operating margin excluding items affecting comparability was 4.8% (5.4).

Net financial items for the period amounted to SEK -95 m (-80). Profit after financial items amounted to SEK 912 m (956) and net profit for the period to SEK 715 m (738).

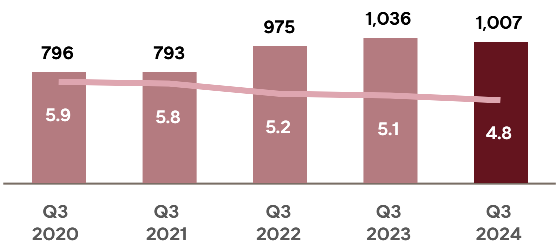
January - September
Operating profit amounted to SEK 2,661 m (2,609). Operating profit in the prior year included items affecting comparability totalling SEK -179 m. The operating margin was 4.3% (4.3).

Operating profit excluding items affecting comparability amounted to SEK 2,661 m (2,787), a decrease of -4.5%. The operating margin excluding items affecting comparability amounted to 4.3% (4.6).

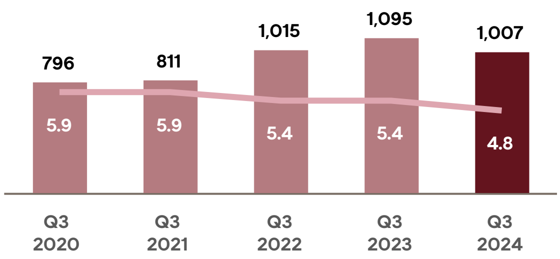
Net financial items for the period amounted to SEK -282 m (-236). Profit after financial items amounted to SEK 2,379 m (2,373) and net profit for the period to SEK 1,858 m (1,841).

Read about the performance of the Willys, Hemköp, Snabbgross and Dagab operating segments on pages 9-12.

Operating profit and operating margin



Adjusted operating profit and adjusted operating margin



Operating profit per segment excluding items affecting comparability

SEK m	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Willys	556	652	-14.7%	1,549	1,608	-3.7%	2,018	2,077
Hemköp	94	78	21.6%	282	222	27.0%	360	300
Snabbgross	85	86	-0.7%	196	207	-5.6%	254	265
Dagab	312	340	-8.1%	828	952	-13.1%	1,146	1,271
Joint-Group	-40	-59	-32.6%	-194	-203	-4.3%	-302	-311
Operating profit excl. items affecting comparability	**1,007**	**1,095**	**-8.0%**	**2,661**	**2,787**	**-4.5%**	**3,476**	**3,602**
Items affecting comparability[1)]	–	-60		–	-179		-71	-249
Operating profit	**1,007**	**1,036**	**-2.7%**	**2,661**	**2,609**	**2.0%**	**3,405**	**3,353**
Net financial items	-95	-80		-282	-236		-361	-315
Profit after financial items	**912**	**956**	**-4.6%**	**2,379**	**2,373**	**0.3%**	**3,044**	**3,037**

1) See *Note 9 Items affecting comparability* for more information.

Operating margin per segment excluding items affecting comparability

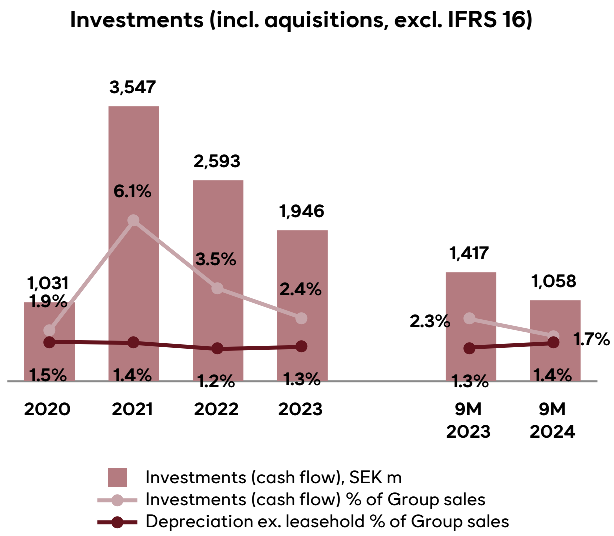
%	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Willys	4.9	6.0	-1.1	4.6	5.0	-0.4	4.5	4.7
Hemköp	5.1	4.4	0.7	4.9	4.1	0.8	4.6	4.0
Snabbgross	5.6	6.0	-0.4	4.7	5.1	-0.4	4.6	5.0
Dagab	1.6	1.8	-0.2	1.5	1.7	-0.3	1.5	1.7
Operating margin excl. items affecting comparability	**4.8**	**5.4**	**-0.6**	**4.3**	**4.6**	**-0.3**	**4.2**	**4.4**
Operating margin	**4.8**	**5.1**	**-0.3**	**4.3**	**4.3**	**0.0**	**4.1**	**4.1**

Capital expenditures

Total capital expenditures in intangible assets and property, plant and equipment and acquisitions of operations during the January - September period amounted to SEK 1,058 m (1,417), of which SEK 147 m (388) related to automation.

Investments (cash flow) per segment

%	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023
Willys	115	93	338	390
Hemköp	65	31	101	70
Snabbgross	6	7	26	29
Dagab	88	93	309	615
Joint-Group	70	87	284	313
Total investments in intangible assets and property, plant and equipment	**344**	**309**	**1,058**	**1,417**



Financial position and cash flow

Cash flow from operating activities amounted to SEK 3,587 m (3,588) during the January - September period. Changes in working capital affected cash flow with SEK -969 m (-574) during the period, mainly attributable to calendar effects. Net capital expenditures has an impact of SEK -1,135 m (-1,650) on cash flow mainly affected by lower investments in automation. Cash flow from financing activities was SEK -2,854 m (-1,987) during the period, affected by lower loans raised.

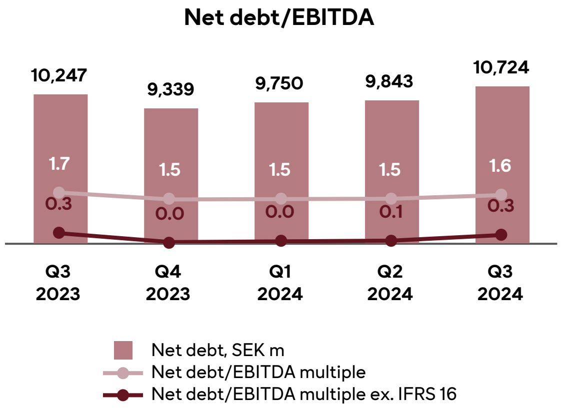
Working capital amounted to SEK -2,902 m on a rolling 12 month basis compared with -2,620 m at 31 December 2023. The change is attributable to the ongoing work to improve the working capital in combination with parallel warehouse operations in large being completed.

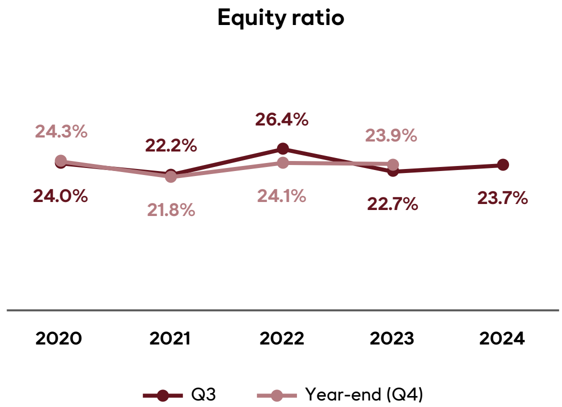
Working capital as a share of net sales amounted to -3.5% compared to -3.2% as of 31 December 2023.

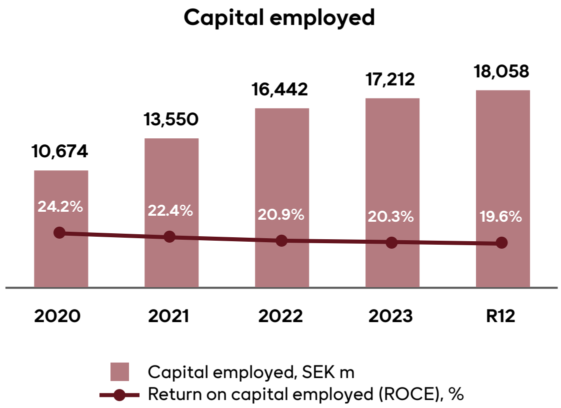
Cash and cash equivalents held by the Group amounted to SEK 285 m compared with SEK 688 m at 31 December 2023. Interest-bearing liabilities and provisions totalled SEK 11,009 m compared with SEK 10,027 m at 31 December 2023 as a result of higher loans raised and lease liabilities. Interest bearing net debt amounted to SEK 10,724 m compared with SEK 9,339 m at 31 December 2023.

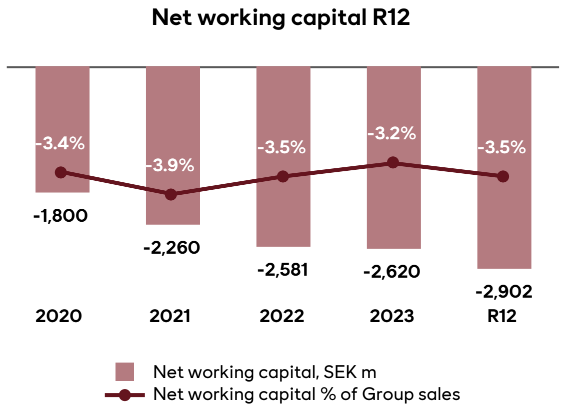
The equity ratio was 23.7% compared with 23.9% at 31 December 2023.

Net debt/EBITDA was 1.6 compared with 1.5 at 31 December 2023. Net debt/EBITDA excluding IFRS 16 was 0.3 compared with 0.0 at 31 December 2023.









Sustainable development

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

Axfood aspires to be a positive force in society and to lead the way towards a sustainable food system. By taking the lead through its own initiatives and driving industry issues, the Group has an opportunity to influence decision makers. During the quarter, Axfood pursued several prioritised sustainability issues in the public debate, such as health, the phase-out of PFAS chemicals, preserving grazing rights for cows and stopping trawling in the Baltic Sea.

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 third quarter, the share of sales attributable to sustainability-labelled products was in line with the year-earlier period at 26.6% (26.6). The share of sales attributable to organic products was impacted by shortages of some organic raw materials, mainly fruit and vegetables, and amounted to 4.2% (4.4). 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. Axfood's share of sales attributable to KRAV-certified meat was unchanged compared with the year-earlier period at 2.6% (2.6).

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 climate impact per kilo of food sold.

Axfood aims to fully phase out fossil fuel and to convert the company's own and procured transports between warehouses and stores to renewable fuel or electricity by 2025. Emissions from the Group's own transports decreased by approximately 40 percent in the third quarter to 7.0 CO_2e (11.6) per tonne of delivered goods thanks to a major reduction in the use of diesel and transition to renewable fuel.

Work is ongoing to reduce electricity consumption in the Group's operations, for example by optimising lighting and store refrigeration. The Group's energy intensity on an annual basis amounted to 238.8 kWh (244.6) per square meter.

During the quarter, Axfood intensified its efforts to adapt its sustainability report to the requirements of the Corporate Sustainability Reporting Directive (CSRD). The Group also continued its work on setting science-based targets in line with the Paris Agreement through the Science Based Targets Initiative (SBTi).

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 of the 23 audits conducted by Amfori BSCI during the quarter, 100.0% (94.7), had acceptable results.

Axfood is committed to diversity and inclusion, and firmly believes that a mix of skills and perspectives produces better results. Gender balance in senior positions is an important part of diversity work. The share of women/men in management positions during the quarter was 50.8/49.2% (50.5/49.5), and thus remained in line with the Group's long-term target. Axfood was once again included on the Allbright Foundation's green list of Sweden's most gender-diverse companies for the year.

During the third quarter, sickness-related absence increased slightly to 5.7% (5.5). Axfood's target is for sickness-related absence not to exceed 5.3%.

For more information on Axfood's sustainability work and key ratios, see the website and the 2023 Annual and Sustainability Report.

Sustainability key ratios	**Q3 2024**	**Q3 2023**	**Change**	**9 mos. 2024**	**9 mos. 2023**	**Change**	**R12**	**Full-year 2023**
Sustainability-labelled products, share of sales, %[1]	26.6	26.6	0.0	27.1	27.0	0.1	26.9	26.7
Organic products, share of sales, %	4.2	4.4	-0.3	4.4	4.6	-0.2	4.4	4.6
KRAV-certified meat, share of sales, %	2.6	2.6	0.0	2.8	2.6	0.3	2.9	2.8
Share of approved social audits, %	100.0	94.7	5.3	98.3	95.2	3.1	96.6	94.5
Electricity consumption, kWh/m^2	–	–	–	–	–	–	238.8	244.6
CO_2e, kg/tonne of goods	7.0	11.6	-4.6	8.8	13.2	-4.4	9.1	12.3
Share of women/men in management positions, %	–	–	–	50.8/49.2	50.5/49.5	0.3/-0.3	–	51.2/48.8
Sickness-related absence, %	5.7	5.5	0.2	6.2	6.3	-0.1	6.3	6.4

1) The key ratio has been restated and comparison figures have been recalculated. See sustainability key ratio definitions for more information.

Operating segment performance

Willys

Third quarter
Net sales totalled SEK 11,364 m (10,945), an increase of 3.8% against high comparison figures. Growth in the prior year period amounted to a full 15.8% which compared to market growth of 6.2%.

Growth in retail sales amounted to 3.8%, which was in line with the market. Growth in like-for-like sales amounted to 2.4%. Higher volumes were the main contributor to the development.

Price value remained relevant for consumers, which benefits Willys as Sweden's leading discounter. It has helped foster loyalty among existing customers and led to an increased inflow of new customers. Willys secured its price position in an intense competitive environment during the quarter. The rate of increase in new members in the Willys Plus programme remained relatively strong and the total number of members was over 3.7 million.

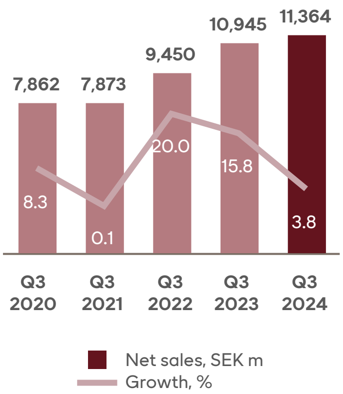
In cross-border shopping, both total and like-for-like sales increased strongly for Eurocash.

The number of stores in the segment amounted to 244 (239). During the quarter one Willys Hemma store was established. Several new establishments and re-establishments are planned for the rest of the year within the Willys chain. At the end of the quarter, online shopping was offered in 163 stores (153).

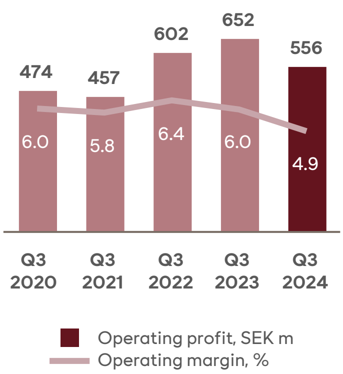
Operating profit totalled SEK 556 m (652), which corresponds to an operating margin of 4.9% (6.0). Increased sales volumes had a positive impact on earnings, however implemented price investments and high cost inflation in primarily personnel costs and rental levels resulted in a decrease in profit compared to the prior year.

January - September
Net sales for the period totalled SEK 33,914 m (32,432), an increase of 4.6% despite exceptionally high comparison figures. Growth in retail sales was 4.6%. Operating profit amounted to SEK 1,549 m (1,608), corresponding to an operating margin of 4.6% (5.0).

Net sales and growth



Operating profit and operating margin



With the business concept of offering Sweden's cheapest bag of groceries, Willys is the country's leading discount grocery chain, offering a broad assortment both in Group-owned stores and online. The operating segment includes Willys, Willys Hemma, the partly owned cross-border grocery chain Eurocash and a minority stake in the City Gross hypermarket chain.

Willys key ratios	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Net sales, SEK m	11,364	10,945	3.8%	33,914	32,432	4.6%	45,239	43,757
Operating profit, SEK m	556	652	-14.7%	1,549	1,608	-3.7%	2,018	2,077
Operating margin, %	4.9	6.0	-1.1	4.6	5.0	-0.4	4.5	4.7
Retail sales, SEK m	11,366	10,951	3.8%	33,918	32,440	4.6%	45,242	43,763
Like-for-like sales growth, %	2.4	12.4	-10.0	3.1	16.6	-13.5	–	13.9
Number of stores	–	–	–	244	239	5	–	241
of which, Willys	–	–	–	*182*	*178*	*4*	–	*180*
of which, Willys Hemma	–	–	–	*55*	*54*	*1*	–	*54*
of which, Eurocash	–	–	–	*7*	*7*	–	–	*7*
Stores offering online shopping	–	–	–	163	153	10	–	158
Private label products, share of sales, %	34.6	33.6	1.0	34.7	34.2	0.5	34.6	34.2
Sustainability-labelled products, share of sales, %	27.4	27.2	0.2	28.0	27.8	0.2	27.9	27.4
Organic products, share of sales, %	3.9	4.1	-0.1	4.1	4.2	-0.1	4.1	4.2
Average number of employees	–	–	–	7,353	7,126	227	–	7,052
Share of women in management positions, %	–	–	–	57.3/42.7	62.4/37.6	-5.1/5.1	–	63.1/36.9
Sickness-related absence. %	5.8	5.3	0.5	6.3	6.2	0.2	6.4	6.3

Hemköp

Third quarter
Net sales (including franchise fees) totalled SEK 1,863 m (1,779), an increase of 4.7%.

Growth in retail sales (including Tempo) amounted to 2.8%. Growth in like-for-like sales amounted to 4.5%, which was more than the total growth on the market. Higher volumes were the main contributor to the development.

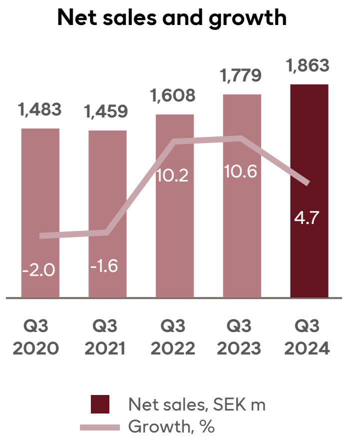
Hemköp is continuing to strengthen its position by focusing on price value, fresh products and meal solutions. Hemköp is also investing in the modernisation of existing stores and strengthening its sustainability profile. The total number of members in the Klubb Hemköp loyalty programme amounts to more than 2.0 million.

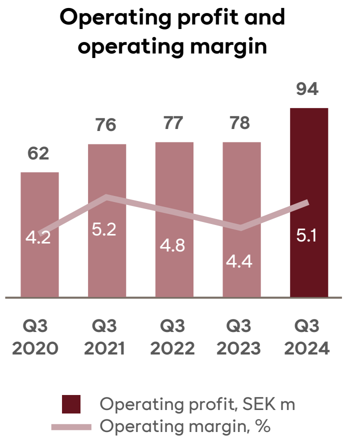
The development for Tempo was in line with the market.

The number of stores in the segment amounted to 326 (326). Two group-owned Hemköp stores and two retailer-owned Tempo stores were established during the quarter. At the end of the quarter, online shopping was offered in 67 (68) stores.

Operating profit was SEK 94 m (78), corresponding to an operating margin of 5.1% (4.4). The increase in operating profit was primarily attributable to growth in like-for-like sales and effective cost control.

January - September
Net sales for Group-owned Hemköp stores (including franchise fees) for the period totalled SEK 5,776 m (5,456), an increase of 5.9%. Retail sales growth (including Tempo) amounted to 3.7%. Operating profit totalled SEK 282 m (222), corresponding to an operating margin of 4.9% (4.1).





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.

Hemköp key ratios	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Net sales, SEK m	1,863	1,779	4.7%	5,776	5,456	5.9%	7,751	7,432
Operating profit, SEK m	94	78	21.6%	282	222	27.0%	360	300
Operating margin, %	5.1	4.4	0.7	4.9	4.1	0.8	4.6	4.0
Retail sales, SEK m	5,060	4,923	2.8%	15,298	14,756	3.7%	20,482	19,940
Like-for-like sales growth, %	4.5	6.4	-1.9	5.4	8.1	-2.7	–	7.9
Number of stores[1]	–	–	–	326	326	–	–	326
of which, Group-owned Hemköp/Tempo stores	–	–	–	*67*	*65*	*2*	–	*66*
of which, retailer-owned Hemköp stores	–	–	–	*133*	*136*	*-3*	–	*136*
of which, retailer-owned Tempo stores[1]	–	–	–	*126*	*125*	*1*	–	*124*
Hemköp stores offering online shopping	–	–	–	67	68	-1	–	67
Private label products, share of sales, %	26.3	26.6	-0.3	27.0	27.3	-0.2	27.0	27.2
Sustainability-labelled products, share of sales, %	26.6	26.9	-0.4	26.7	27.0	-0.3	26.5	26.7
Organic products, share of sales, %	5.9	6.5	-0.6	6.1	6.6	-0.5	6.2	6.5
Average number of employees	–	–	–	1,691	1,667	24	–	1,649
Share of women in management positions, %	–	–	–	48.3/51.7	51.0/49.0	-2.6/2.6	–	50.7/49.3
Sickness-related absence. %	5.1	5.6	-0.5	5.7	6.1	-0.4	5.8	6.1

1) Comparison figures for the number of retailer-owned Tempo stores have been adjusted down by 6 stores due to an adjustment of historical periods. The adjustment has not had any other effect on the financial reports.

Snabbgross

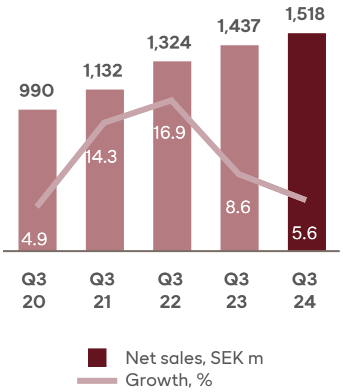
Third quarter
Net sales totalled SEK 1,518 m (1,437), an increase of 5.6%. Growth in like-for-like sales amounted to 4.9%. With the positive development and volume growth in the quarter, Snabbgross strengthens its position, and thereby navigates a challenging market for restaurants and cafés. The number of B2B customers continued to increase and amounts to more than 100,000 in total. In addition, the trend in B2C sales through Snabbgross Club was strong. The number of members in Snabbgross Club continued to increase and now amounts to more than 100,000.

The number of stores in the segment amounted to 31 (30). During the quarter one of the existing stores was converted to Snabbgross Club.

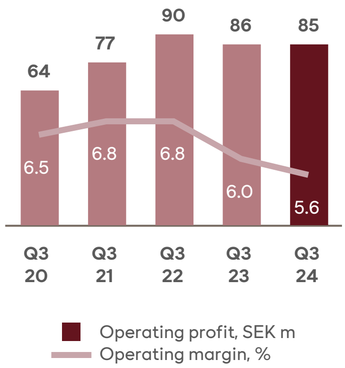
Operating profit amounted to SEK 85 m (86), which corresponds to an operating margin of 5.6% (6.0). The profit development was primarily attributable to growth in like-for-like sales, as well as high cost inflation with primarily higher personnel costs.

January - September
Net sales for the period totalled SEK 4,213 m (4,072), an increase of 3.4%. Growth in like-for-like sales amounted to 2.7%. Operating profit for the period was SEK 196 m (207), and the operating margin was 4.7% (5.1).

Net sales and growth



Operating profit and operating margin



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.

Snabbgross key ratios	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Net sales, SEK m	1,518	1,437	5.6%	4,213	4,072	3.4%	5,457	5,317
Operating profit, SEK m	85	86	-0.7%	196	207	-5.6%	254	265
Operating margin, %	5.6	6.0	-0.4	4.7	5.1	-0.4	4.6	5.0
Wholesale sales, SEK m	1,524	1,442	5.7%	4,228	4,087	3.5%	5,477	5,335
Like-for-like sales growth, %	4.9	7.4	-2.5	2.7	12.2	-9.5	–	10.4
Number of stores	–	–	–	31	30	1	–	30
of which, Snabbgross	–	–	–	*21*	*25*	*-4*	–	*23*
of which, Snabbgross Club	–	–	–	*10*	*5*	*5*	–	*7*
Sustainability-labelled products, share of sales %	20.2	21.0	-0.8	20.5	21.2	-0.7	20.6	20.8
Organic products, share of sales, %	1.2	1.3	-0.1	1.3	1.3	0.0	1.2	1.3
Average number of employees	–	–	–	608	577	31	–	568
Share of women in management positions, %	–	–	–	42.9/57.1	41.1/58.9	1.8/-1.8	–	40.7/59.3
Sickness-related absence. %	6.0	5.7	0.3	6.4	6.4	0.0	6.3	6.3

Dagab

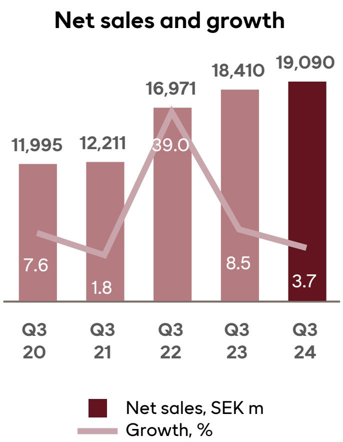
Third quarter
Net sales totalled SEK 19,090 m (18,410), an increase of 3.7%. The development was mainly attributable to sales to Axfood's own concepts.

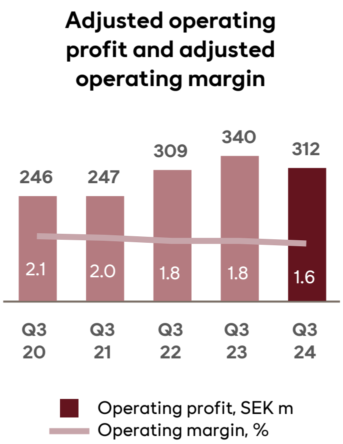
Operating profit amounted to SEK 312 m (280), corresponding to an operating margin of 1.6% (1.5). Operating profit in the prior year period included items affecting comparability of SEK -60 m, which pertained to parallel warehouse operations during the transition to the new logistics centre in Bålsta. Operational adjustments to the logistics centre is still ongoing with related costs during the third quarter, however since parallel warehouse operations are being phased out gradually during 2024, these costs are no longer deemed as affecting comparability.

Operating profit excluding items affecting comparability amounted to SEK 312 m (340), which corresponded to an operating margin excluding items affecting comparability of 1.6% (1.8). The profit development was primarily attributable to the growth in sales, but was negatively affected by costs related to the restructuring of logistics.

Work on the Group's new warehouse and logistics structure is proceeding. Handling of volumes in the frozen assortment was completed during the quarter in the new logistics centre in Bålsta, which means that the facility now is fully operational for store deliveries in all temperature zones. In Backa in Gothenburg, work has continued on expanding and automating the existing high-bay warehouse to improve warehouse capacity and efficiency. In all, the establishment of the Group's new logistics structure drives short-term costs, but as communicated earlier it will create annual efficiency improvements and strengthened competitiveness.

January - September
Net sales for the period totalled SEK 56,765 m (55,167), an increase of 2.9%. Operating profit amounted to SEK 828 m (773), corresponding to an operating margin of 1.5% (1.4). Operating profit in the prior year period included items affecting comparability of SEK -179 m. Operating profit excluding items affecting comparability amounted to SEK 828 m (952).





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.

Dagab key ratios	Q3 2024	Q3 2023	Change	9 mos. 2024	9 mos. 2023	Change	R12	Full-year 2023
Net sales SEK m	19,090	18,410	3.7%	56,765	55,167	2.9%	75,772	74,175
Operating profit, SEK m	312	280	11.5%	828	773	7.0%	1,076	1,021
Operating profit excl. items affecting comparability, SEK m[1]	312	340	-8.1%	828	952	-13.1%	1,146	1,271
Operating margin, %	1.6	1.5	0.1	1.5	1.4	0.1	1.4	1.4
Operating margin excl. items affecting comparability, %[1]	1.6	1.8	-0.2	1.5	1.7	-0.3	1.5	1.7
Average number of employees	–	–	–	3,225	3,354	-129	–	3,351
Share of women in management positions, %	–	–	–	31.0/69.0	28.5/71.5	2.5/-2.5	–	30.0/70.0
Sickness-related absence. %	6.0	6.1	-0.1	6.6	7.0	-0.4	6.8	7.1

1) See *Note 9 Items affecting comparability* for more information.

Other information

Acquisition of City Gross

On June 11, an agreement was signed with Bergendahl Food Holding to acquire shares corresponding to 90.1 percent of City Gross Sverige AB ("City Gross"), which entails that Axfood increases its shareholding in City Gross from the current 9.9 percent to 100 percent.

Completion of the deal was subject to approval by the Swedish Competition Authority and the European Commission. On 10 September the review of the European Commission was completed. The Competition Authority announced on 15 October that the acquisition is left without any further actions which means that the deal has been cleared. The acquisition will be completed on 1 November.

Since 2021, Axfood has through its minority stake had a significant influence over City Gross and has a long-term cooperation agreement in for example logistics, assortment and purchasing, private labels, store safety, finance, HR and IT.

The consideration amounts to SEK 2 billion on a cash and debt free basis, and the acquisition will be financed through a combination of existing cash and credit facilities. Transaction costs in its entirety amounted to SEK 26 million and were incurred during the second quarter.

With Axfood's knowledge and experience, conditions are created to further develop and strengthen City Gross' concept. This will lead to strengthening of City Gross' competitiveness in comparison to the large players in the hypermarket segment. Acquiring City Gross gives Axfood a more distinct presence in the hypermarket segment, thereby expanding the Group's reach. Axfood intends to pursue a number of improvement initiatives to strengthen the customer offering, implement chain management and make operations more efficient, all with the purpose to strengthen City Gross to reach profitability by 2026 the latest and thereafter gradually strengthen profitability.

City Gross will be reported as a separate operating segment in Axfood's financial reporting. In connection with the acquisition, Dagab's net sales to City Gross will be eliminated in the consolidated reporting. Based on City Gross' results until April 2024, the acquisition entails a dilutive effect on the Axfood Group operating margin at closing by approximately 0.3 percentage points on a rolling twelve-month basis, from which there will be a gradual contribution towards Axfood's long term financial target of an operating margin of at least 4.5 percent. The acquisition is expected to contribute positively to Axfood's earnings per share by 2026 the latest.

In connection with the completion of the transaction, the current minority stake of 9.9 percent in City Gross will be revalued in accordance with the valuation carried out in connection with the acquisition. This will have a negative profit effect of SEK 120-160 million in the fourth quarter and be reported as an item affecting comparability.

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 2024 are expected to amount to between SEK 1,600 m and SEK 1,700 m, excluding acquisitions and right-of-use assets, of which SEK 300 m is attributable to automation in the new logistics centre in Bålsta outside Stockholm, the distribution centre in Backa in Gothenburg and the new fruit and vegetables warehouse in Landskrona.

During 2024, Axfood plans to establish 10–15 new stores.

2025 Annual General Meeting

Axfood's 2025 Annual General Meeting (AGM)will be held on 19 March 2025 in Stockholm. All AGM documentation including the Annual and Sustainability Report will be available on the Company's website not later than three weeks before the AGM. The documents will be available at the Company's head offices and can be sent by post to shareholders who so request and provide their postal address.

Nominating Committee

Ahead of the 2025 AGM and in accordance with the applicable instructions for Axfood's Nominating Committee, the following Nominating Committee has been appointed. The Nominating Committee consists of Marie Ehrling (Axel Johnson AB), Caroline Sjösten (Swedbank Robur Funds), Sussi Kvart (Handelsbanken Funds) and Carolina Ahnemark (ODIN Funds). Marie Ehrling is the Chairman of the Nominating Committee. Axfood's Chairman, Thomas Ekman, is a co-opted member of the Nominating Committee. Altogether the Nominating Committee represents approximately 59.0% of the votes and capital in Axfood as per 31 August 2024.

Shareholders who wish to submit proposals to the Nominating Committee ahead of the AGM can do so by emailing valberedning@axfood.se. In order for the Nominating Committee to be able to address submitted proposals in a constructive manner, proposals must be received in due time before the AGM.

Stockholm, 24 October 2024

Simone Margulies
President and CEO, Axfood AB

Auditor's review report

To the Board of Directors of Axfood AB (publ)
Corporate registration number 556542-0824

Introduction

We have reviewed the interim report for Axfood AB (publ) for the period 1 January 2024–30 September 2024. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that we would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 24 October 2024
Deloitte AB

Didrik Roos
Authorised Public Accountant

Financial statements, Group

Condensed statement of profit or loss and other comprehensive income, Group

SEK m	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023	R12	Full-year 2023
Net sales	20,902	20,293	62,197	60,342	82,966	81,111
Cost of goods sold[1]	-17,907	-17,471	-53,213	-51,876	-71,123	-69,785
Gross profit	**2,994**	**2,822**	**8,984**	**8,466**	**11,843**	**11,326**
Selling expenses	-1,007	-945	-3,082	-2,952	-4,145	-4,015
Administrative expenses	-1,141	-1,023	-3,703	-3,396	-4,931	-4,625
Share of profit in associated companies and joint ventures	-13	-16	-47	-39	-66	-59
Other operating income	183	203	534	545	732	743
Other operating expenses	-8	-5	-26	-15	-28	-18
Operating profit	**1,007**	**1,036**	**2,661**	**2,609**	**3,405**	**3,353**
Interest income and similar profit/loss items	13	21	37	44	62	69
Interest expense and similar profit/loss items	-109	-100	-319	-280	-423	-384
Profit before tax	**912**	**956**	**2,379**	**2,373**	**3,044**	**3,037**
Tax	-197	-219	-521	-532	-654	-664
Net profit for the period	**715**	**738**	**1,858**	**1,841**	**2,391**	**2,373**
Other comprehensive income						
Items that cannot be reclassified to profit or loss for the period, net after tax						
Revaluation defined benefit pensions	-6	2	-19	7	-18	8
Changes in holdings measured at fair value[2]	-59	–	-134	-273	-134	-273
Items that can be reclassified to profit or loss for the period, net of tax						
Changes in hedging reserve	-2	-29	16	-48	1	-64
Other comprehensive income for the period	**-67**	**-27**	**-136**	**-315**	**-151**	**-329**
Total comprehensive income for the period	**648**	**711**	**1,721**	**1,526**	**2,240**	**2,044**
Net profit for the period attributable to						
Owners of the parent	704	729	1,843	1,835	2,365	2,357
Non-controlling interest	11	9	15	5	26	16
Total comprehensive income for the period attributable to						
Owners of the parent	637	702	1,706	1,521	2,214	2,028
Non-controlling interest	11	9	15	5	26	16
Earnings per share before dilution, SEK	3.26	3.38	8.54	8.50	10.96	10.92
Earnings per share after dilution, SEK	3.25	3.36	8.50	8.46	10.91	10.87

1) Includes items affecting comparability, see *Note 9 Items affecting comparability* for more information.
2) See *Note 6 Financial assets and liabilities* for more information.

Condensed statement of financial position, Group

SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
Goodwill	3,640	3,606	3,606
Other intangible assets	1,547	1,414	1,459
Property, plant and equipment	6,049	5,821	6,019
Right-of-use assets	9,609	8,955	9,210
Financial assets	526	611	625
Deferred tax assets	204	258	249
Total non-current assets	**21,575**	**20,665**	**21,167**
Inventories	4,357	4,237	4,247
Trade receivables	1,944	2,337	2,195
Other current assets	1,573	1,613	1,721
Cash and cash equivalents	285	510	688
Total current assets	**8,159**	**8,696**	**8,851**
Total assets	**29,734**	**29,361**	**30,018**
Equity and liabilities			
Equity attributable to owners of the parent	6,726	6,353	6,877
Equity attributable to non-controlling interests	323	298	308
Total equity	**7,049**	**6,651**	**7,185**
Non-current lease liabilities	7,849	7,312	7,497
Provisions for pensions	274	265	262
Deferred tax liabilities	1,346	1,278	1,348
Other non-current liabilities	8	7	7
Total non-current liabilities	**9,477**	**8,862**	**9,114**
Current lease liabilities	1,746	1,711	1,748
Current interest-bearing liabilities	1,140	1,469	519
Trade payables	6,968	7,138	7,538
Other current liabilities	3,352	3,529	3,913
Total current liabilities	**13,207**	**13,848**	**13,718**
Total equity and liabilities	**29,734**	**29,361**	**30,018**

Condensed statement of cash flows, Group

SEK m	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023	R12	Full-year 2023
Operating activities						
Operating profit	1,007	1,036	2,661	2,609	3,405	3,353
Depreciation, amortisation, impairment	823	758	2,431	2,214	3,210	2,993
Interest paid and similar items	-107	-101	-317	-280	-418	-381
Interest received and similar items	13	23	37	44	62	69
Adjustments for non-cash items	50	26	150	101	237	188
Paid tax	-123	-142	-407	-526	-465	-584
Changes in working capital	-653	-178	-969	-574	-226	169
Cash flow from operating activities	**1,013**	**1,423**	**3,587**	**3,588**	**5,806**	**5,807**
Investing activities						
Acquisitions of operations	–	–	–	-3	–	-3
Acquisitions of intangible assets	-75	-79	-293	-322	-394	-423
Acquisitions of property, plant and equipment	-268	-229	-765	-1,095	-1,193	-1,523
Acquisitions of financial assets	-12	–	-82	-241	-115	-274
Other changes in investing activities	0	1	5	11	7	13
Cash flow from investing activities	**-355**	**-307**	**-1,135**	**-1,650**	**-1,695**	**-2,210**
Financing activities						
Loans raised	941	1,154	1,980	3,339	2,199	3,558
Amortisation of debt	-1,001	-1,199	-2,934	-3,508	-4,634	-5,208
Share repurchases	-38	–	-66	-59	-66	-59
Dividend paid out	-917	-863	-1,834	-1,759	-1,834	-1,759
Cash flow from financing activities	**-1,015**	**-908**	**-2,854**	**-1,987**	**-4,335**	**-3,468**
Cash flow for the period	**-358**	**208**	**-403**	**-49**	**-225**	**129**

Condensed statement of changes in equity, Group

SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Amount at start of year	7,185	6,901	6,901
Total comprehensive income for the period	1,721	1,526	2,044
Change in non-controlling interests	0	–	0
Share repurchases	-66	-59	-59
Share-based payments	43	42	58
Dividend to shareholders	-1,834	-1,759	-1,759
Amount at end of period	**7,049**	**6,651**	**7,185**

Financial statement, Parent Company

Condensed income statement, Parent Company

SEK m	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023	Full-year 2023
Net sales	6	5	18	16	22
Selling and administrative costs	-139	-134	-487	-412	-576
Other operating income	107	95	324	286	379
Operating profit	**-26**	**-33**	**-145**	**-110**	**-176**
Net financial items	38	-2	110	728	725
Profit/loss after financial items	**12**	**-35**	**-36**	**618**	**550**
Appropriations, net	–	–	–	–	2,818
Profit before tax	**12**	**-35**	**-36**	**618**	**3,367**
Tax	-8	-1	-9	11	-562
Net profit for the period	**4**	**-36**	**-45**	**629**	**2,805**

Net profit/loss for the period corresponds to total comprehensive income for the period.

Condensed balance sheet, Parent Company

SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
Property, plant and equipment	30	29	34
Participations in Group companies	4,446	4,412	4,421
Other financial assets	2	1	1
Deferred tax assets	7	7	7
Total non-current assets	**4,484**	**4,449**	**4,463**
Receivables from Group companies[1]	5,389	5,608	8,123
Other current assets	303	424	26
Cash and cash equivalents	2	4	12
Total current assets	**5,695**	**6,036**	**8,161**
Total assets	**10,179**	**10,485**	**12,624**
Equity and liabilities			
Restricted equity	296	296	296
Non-restricted equity	3,205	2,915	5,107
Total equity	**3,501**	**3,211**	**5,403**
Untaxed reserves	**3,965**	**3,661**	**3,965**
Provisions	**–**	**1**	**–**
Non-current liabilities	**8**	**8**	**9**
Current interest-bearing liabilities	1,140	1,469	519
Trade payables	18	18	23
Liabilities to Group companies[2]	1,442	2,025	2,505
Other current liabilities	104	91	201
Total current liabilities	**2,705**	**3,604**	**3,247**
Total equity and liabilities	**10,179**	**10,485**	**12,624**
1) Of which, interest-bearing receivables	5,340	4,858	4,949
2) Of which, interest-bearing liabilities	1,442	2,024	2,447

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 2023 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.

New accounting policies effective in 2024 and later
Axfood has determined that new or amended standards and interpretations do not and will not 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 2023 Annual and Sustainability Report.

Note 3 Operating segments

Segments have been defined based on how Axfood's Executive Committee monitors and governs the operations to evaluate performance and allocate resources. The operating segments that have been identified are Willys, Hemköp, Snabbgross and Dagab. Joint-Group pertains to support functions, such as the Executive Committee, Accounting, Legal Affairs, HR, Communications, Business Development 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 9-12 of this interim report. For a more detailed description of the segments, please refer to the 2023 Annual and Sustainability Report.

Note 4 Acquired and divested operations

No significant acquisitions or divestment took place in 2024.

During the third quarter, a decision was made to close down the meal kit company Middagsfrid as of 30 September. Closing down costs of SEK 11 million have been charged in the operating segment Dagab in the third quarter.

Note 5 Acquisition of City Gross

During the second quarter, Axfood entered into an agreement with Bergendahl Food Holding AB to acquire shares corresponding to 90.1 percent of City Gross Sverige AB ("City Gross"), which entails that Axfood increases its shareholding in City Gross from the current 9.9 percent to 100 percent.

Completion of the transaction was subject to approval by the Swedish Competition Authority and the European Commission. On September 10, the European Commission's investigation was concluded. On 15 October, the Swedish Competition Authority announced that the acquisition was left without action, which means that the deal was approved. The acquisition will be completed on November 1.

The consideration for the shares corresponding to 90.1 percent of City Gross amounts to SEK 2 billion on a cash and debt free basis, and the acquisition will be financed through a combination of existing cash and credit facilities. Transaction costs of SEK 26 m were incurred during the second quarter.

In connection with the completion of the transaction, the current minority stake of 9.9 percent in City Gross will be revalued in accordance with the valuation carried out in connection with the acquisition, which will have a negative profit effect of SEK 120-160 m during the fourth quarter.

City Gross will be reported as a separate operating segment in Axfood's financial reporting.

Note 6 Financial assets and liabilities

Financial assets measured at fair value amounted to SEK 29 m (147). SEK — m (14) is attributable to Level 2 of the fair value hierarchy and SEK 29 m (134) is attributable to Level 3. Financial liabilities measured at fair value amounted to SEK 9 m (35). 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 call option agreement entered into with City Gross in conjunction with the acquisition in 2021 amounted to SEK 0 m (0). The call option agreement is recognised at fair value based on an assessment of the change in City Gross's future sales and earnings performance. In connection with the acquisition of 90.1 percent of the shares in City Gross which will be completed on 1 November the call options will expire in their entirely.

During the first quarter of 2024 Mathem merged with Norwegian Oda and Axfood's shareholding in Mathem was thereby transferred to a shareholding in the combined company Oda Group equivalent to the value of the previous shareholding in Mathem. The carrying amount of the participation in Oda Group (Mathem) amounted to SEK 29 m (134). Axfood's shareholding in Oda Group amounted to 2.2% (18.5). The holding in Oda Group was negatively revalued in the third quarter by SEK 59 m. The revaluation is an adjustment to the valuation of the company which was performed in connection with the rights issue that was conducted by the company during the third quarter.

Changes in the fair value of financial assets attributable to Level 3, SEK m	
Amount at start of period	**134**
Revaluation via other comprehensive income	-134
Rights issue	29
Amount at end of year	**29**

Note 7 Pledged assets and contingent liabilities

Group, SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Pledged assets	–	–	–
Contingent liabilities	19	19	19

Parent Company, SEK m	30 Sep 2024	30 Sep 2023	31 Dec 2023
Pledged assets	–	–	–
Contingent liabilities	264	256	264

Note 8 Long-term share-based incentive programmes

The 2024 AGM resolved to adopt a new long-term share-based incentive programme that runs over a three-year period, LTIP 2024. The programme corresponds in all essential respects to LTIP 2023. Allotment of LTIP 2021 was carried out in April using treasury shares.

The 2024 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 2024, which the Board has decided on. During the third quarter Axfood repurchased 148,000 shares for a total of SEK 38.6 m, at an average price of SEK 260.48 per share. 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, see Axfood's 2022 Annual and Sustainability Report 2023.

Note 9 Items affecting comparability

No items affecting comparability are reported in 2024.

Items affecting comparability in the third quarter and cumulative 2023 comprised in its entirety of parallel warehouse operations in Dagab. The costs mainly included premises and personnel costs and were entirely attributable to the transition to the new logistics centre in Bålsta. The costs were included in cost of goods sold.

	Segment	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023	R12	Full-year 2023
Parallel warehouse operations	Dagab	–	-60	–	-179	-71	-249
Total		**–**	**-60**	**–**	**-179**	**-71**	**-249**

Note 10 Significant events after the balance sheet date

On 15 October, the Swedish Competition Authority approved Axfood's acquisition of City Gross. The acquisition will be completed on 1 November.

Key ratios

Change in store structure

Number of stores	Dec 2023	New establishment/ acquisitions	Sales/ closures	Conversions	September 24	September 23
Willys/Willys Hemma/Eurocash	241	4	-1	–	244	239
Hemköp/Tempo, Group-owned stores	66	2	–	-1	67	65
Snabbgross/Snabbgross Club	30	1	–	–	31	30
Total, Group-owned stores	**337**	**7**	**-1**	**-1**	**342**	**334**
Hemköp, retailer-owned stores	136	–	-4	1	133	136
Tempo, retailer-owned stores[1]	124	5	-3	–	126	125
Total, retailer-owned stores	**260**	**5**	**-7**	**1**	**259**	**261**
Total, Group-owned and retailer-owned stores	**597**	**12**	**-8**	**0**	**601**	**595**

1) Comparison figures for the number of retailer-owned Tempo stores have been adjusted down by 6 stores due to an adjustment of historical periods. The adjustment has not had any other effect on the financial reports.

New group-owned establishments and acquisitions

First quarter
During the first quarter, no group-owned stores were established or acquired.

Second quarter
Snabbgross Norrköping
Willys Hemma Altplatsen Gothenburg
Willys Söderhamn
Willys Vagnhärad

Third quarter
Willys Hemma Heden Gothenburg
Hemköp Norrköping Ljura
Hemköp Mölndal C

Key ratios and other data, Group

	9 mos. 2024	9 mos. 2023	Full-year 2023
Operating margin, %	4.3	4.3	4.1
Operating margin excl. items affecting comparability, %	4.3	4.6	4.4
Equity ratio, %	23.7	22.7	23.9
Net debt (+)/net receivable (-), SEK m	10,724	10,247	9,339
Net debt (+)/net receivable (-) excl. IFRS 16, SEK m	1,129	1,224	93
Net debt/EBITDA, multiple	1.6	1.7	1.5
Net debt/EBITDA excl. IFRS 16, multiple	0.3	0.3	0.0
Net debt-equity ratio (+)/net receivable-equity ratio (-), multiple	1.5	1.5	1.3
Net debt-equity ratio (+)/net receivable-equity ratio (-), excl. IFRS 16, multiple	0.2	0.2	0.0
Capital employed, SEK m	18,058	17,408	17,212
Return on capital employed R12, %	19.6	20.5	20.3
Return on equity R12, %	36.2	34.8	35.0
Average number of employees	13,486	13,269	13,185
Total capital expenditures, SEK m	3,008	2,845	4,087
Investments in intangible assets and in property, plant and equipment, SEK m	1,058	1,417	1,946
Depreciation/amortisation, SEK m	-2,425	-2,214	-2,993
Number of shares outstanding at end of period	215,744,895	215,777,588	215,777,588
Average number of shares outstanding before dilution	215,802,234	215,805,142	215,798,253
Average number of shares outstanding after dilution	216,831,059	216,835,622	216,837,527
Key data per share			
Earnings per share before dilution, SEK	8.54	8.50	10.92
Earnings per share before dilution excl. items affecting comparability, SEK	8.54	9.16	11.84
Earnings per share after dilution, SEK	8.50	8.46	10.87
Ordinary dividend per share, SEK[1]	–	–	8.50
Equity per share, SEK	31.17	29.44	31.87
Cash flow per share, SEK	-1.87	-0.23	0.60

1) Paid out on two occasions.

Quarterly overview, Group

SEK m	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net sales	20,902	21,044	20,252	20,769	20,293	20,797	19,252	19,740
Retail sales	16,427	16,509	16,281	16,507	15,873	16,098	15,225	15,180
Operating profit	1,007	836	817	744	1,036	878	695	502
Operating profit excl. items affecting comparability	1,007	836	817	815	1,095	942	750	734
Operating margin, %	4.8	4.0	4.0	3.6	5.1	4.2	3.6	2.5
Operating margin excl. items affecting comparability, %	4.8	4.0	4.0	3.9	5.4	4.5	3.9	3.7
Net profit for the period	715	582	560	533	738	631	472	353
Earnings per share before dilution, SEK	3.26	2.68	2.60	2.42	3.38	2.93	2.20	1.62
Earnings per share before dilution excl. items affecting comparability, SEK	3.26	2.68	2.60	2.68	3.60	3.16	2.40	2.47
Cash flow from operating activities	1,013	879	1,695	2,219	1,423	1,684	481	1,844
Cash flow from operating activities per share, SEK	4.69	4.07	7.86	10.28	6.59	7.80	2.23	8.54
Return on capital employed R12, %	19.6	21.0	21.5	20.3	20.5	20.6	20.3	20.9
Return on equity R12, %	36.2	40.7	45.7	35.0	34.8	37.4	47.1	40.8
Working capital R12	-2,902	-2,870	-2,804	-2,620	-2,597	-2,645	-2,602	-2,581
Equity ratio, %	23.7	21.1	19.4	23.9	22.7	19.9	18.1	24.1
Equity per share, SEK	31.17	28.30	26.11	31.87	29.44	26.11	23.44	30.62
Total capital expenditures (incl. IFRS 16)	923	907	1,178	1,242	594	835	1,417	4,046
Investments in intangible assets and property, plant and equipment	344	360	354	528	309	558	551	883
Depreciation/amortisation (incl. IFRS 16)	-823	-806	-796	-779	-758	-756	-700	-651
Depreciation/amortisation of intangible assets and property, plant and equipment	-305	-299	-285	-279	-272	-264	-227	-223
Items affecting comparability	–	–	–	-71	-60	-64	-55	-232
Net debt (+)/net receivable (-)	10,724	9,843	9,750	9,339	10,247	10,226	10,889	8,982
Share price, SEK	286.20	278.40	311.20	273.00	250.40	228.20	253.20	285.90

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.

Reconciliation of EBITDA

SEK m	Q3 2024	Q3 2023	9 mos. 2024	9 mos. 2023	R12	Full-year 2023
Operating profit	**1,007**	**1,036**	**2,661**	**2,609**	**3,405**	**3,353**
Depreciation, amortisation, impairment	823	758	2,431	2,214	3,210	2,993
EBITDA	**1,831**	**1,794**	**5,092**	**4,823**	**6,615**	**6,345**
IFRS 16 Lease fees	-588	-553	-1,770	-1,638	-2,330	-2,198
EBITDA excl. IFRS 16	**1,243**	**1,241**	**3,322**	**3,185**	**4,285**	**4,148**

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

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.

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.

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.

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.

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/Accounting, 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 and Hemköp retailer-owned stores.

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

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

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

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

Electricity consumption, kWh/m^2 (stores and warehouses): Reported as the number of kilowatt hours (kWh) of purchased electricity used per square metre (sq. m.). The selection includes electricity consumption under joint contracts for a total of 307 of Axfood's Group-owned stores and ten warehouses. The number of square metres corresponds to the total area of all stores and warehouses in the selection. Reported data is presented on a rolling 12-month basis.

CO_2e, per kg/tonne of goods: Emissions (kg CO_2e) 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.

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) 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) and Snabbgross store chains.

Share of approved social audits: Share of social audits where the supplier received a score of A, B or C on a scale of A to E, where A is without remarks and E is unacceptable. Social audits comprise on-site visits and inspections to ensure suppliers fulfil the requirements of Axfood's Code of Conduct. The selection includes on-site visits carried out by the organisation Amfori BSCI.

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.

Sickness-related absence: The number of reported hours of sickness-related absence in relation to scheduled work time. The selection includes active employees in Axfood. Active employees pertains to all employees in the Group except for employees of Urban Deli AB and Hall Miba AB. Internal consultants and employees on parental leave or leave of absence are not included. Reported data is presented with a one-month lag.

Sustainability-labelled products, share of sales: Sales from sustainability-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) and Snabbgross store chains. Frozen fruits, berries and vegetables are included as of the first quarter 2024, which leads to a slight increase in the share of sustainable sales. As of the first quarter 2024, Eurocash is included in the outcome for the Willys segment. Comparison figures have been restated.

About Axfood

Axfood is a leader in food retail in Sweden and a family of different concepts in collaboration. The Group has approximately 13,000 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.

Purpose
Better quality of life for everyone.

Vision
A leader in affordable, good and sustainable food.

Business concept
A family of different concepts in collaboration.

Business model and strategy

Axfood's business model covers purchasing and assortment, 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. Axfood pursues a strategy of growth-promoting and efficiency enhancing priorities. The strategy is built on six strategic focus areas: customer offering, customer meeting, expansion, supply chain, work approach and people. 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.

Financial targets and dividend policy

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.

2030 targets

Axfood's purpose is to create a better quality of life for everyone. The Group works to improve and simplify life around food for everyone it impacts through its different concepts, operations and brands. The ambition is to, by 2030:
- be Sweden's most inclusive food company
- be the strongest driving force for sustainable food in Sweden
- have created a healthier Sweden
- be a leader in the development of the simplest and best food experience

Operating segments

- Willys has the ambition to offer Sweden's cheapest bag of groceries and is the leading discount grocery chain. Willys aims to develop the discount segment in food retail with a wide assortment in Group-owned stores and online. The Willys operating segment includes the concepts Willys, Willys Hemma, the partly owned cross-border grocery chain Eurocash and a minority stake in the City Gross hypermarket chain.
- 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.
- 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 targets consumers.
- 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.

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.

Axfood

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