



PRESS RELEASE 14 July 2017

Good growth with high level of activity

President and CEO Klas Balkow's comments on the second quarter of the year:

"Axfood's sales were strong across the board during the second quarter, entailing good growth for the Group. The level of activity was high in all subsidiaries and all channels. We have continued to invest in future growth, which is largely related to our digital offerings, and integrated the cross-border shopping chain Eurocash and the pre-packed dinner bag company Middagsfrid.

"Operating profit for the quarter was in line with the same quarter year ago and our full-year forecast. Underlying profitability is stable, however, Hemköp's earnings were affected by the temporary closure of the Hemköp City store in Stockholm for refurbishment and costs for an expansive e-commerce roll-out. In addition, operating profit was affected by costs associated with the Group's future ventures."

Second quarter summary

- Consolidated net sales amounted to SEK 11,925 m (10,901), an increase of 9.4%.
- Operating profit was SEK 487 m (494), corresponding to an operating margin of 4.1% (4.5%).
- Net profit for the period was SEK 379 m (384), and earnings per share were SEK 1.81 (1.83).
- Eurocash Food AB consolidated as from 1 April.
- On 31 May Axfood acquired the pre-packed dinner company Middagsfrid.
- Axfood is focusing on growth and new investments, and the forecast is an operating profit for 2017 that is level with the outcome for 2016.

First half summary

- Consolidated net sales amounted to SEK 22,564 m (21,206), an increase of 6.4%.
- Operating profit was SEK 884 m (902), corresponding to an operating margin of 3.9% (4.3%).
- Net profit for the period was SEK 688 m (700), and earnings per share were SEK 3.28 (3.34).
- On 31 January Axfood completed the offer to acquire all of the shares in Matse Holding AB. Axfood's holding as per 31 March was more than 99% of the shares.

Significant events after the balance sheet date

- Effective 1 August, Anders Lexmon has changed over from serving as acting CFO to permanent CFO.

Interested parties are welcome to listen in on today's conference call, which begins at 2 p.m. CET, where President and CEO Klas Balkow together with CFO Anders Lexmon will present the results for the second quarter of 2017. The presentation can be followed at axfood.se and/or by phone:

Sweden: +46 8 566 426 66

Great Britain: +44 203 0089 804

USA: +1 855 8315 945.

For further information, contact:

Cecilia Ketels, Head of Investor Relations, Axfood AB, 072-23 606 43

The information in this release is such that Axfood AB is obligated to make public in accordance with the EU Market Abuse Act and the Swedish Securities Market Act. The information was presented, through the agency of the contact person above, for publication at 1 p.m. CET on 14 July 2017.

At Axfood we work with passion for food and people. Food that is good and sustainable. Axfood includes the Willys and Hemköp chains as well as Tempo, Handlar'n and Direkten, which are retailer-owned stores organized within Axfood Närlivs. B2B sales are handled through the Axfood Snabbgross chain, and wholesaling is conducted through Dagab. Axfood is also the owner of mat.se and Middagsfrid, and a part-owner of Urban Deli and Eurocash. Axfood is listed on Nasdaq Stockholm, and the principal owner is Axel Johnson AB. Read more at axfood.se