



January–December 2024

KESKO CORPORATION FINANCIAL STATEMENTS RELEASE Q4/2024

5.2.2025



KESKO CORPORATION JANUARY-DECEMBER FINANCIAL STATEMENTS RELEASE 5.2.2025 AT 8.00

Kesko financial statements release 1.1.-31.12.2024: Year-end turnaround – quarter-result improved for the first time in eight quarters

Financial performance in brief:

10-12/2024

- Group net sales in October-December totalled €3,040.6 million (€2,902.0 million); reported net sales grew by 4.8% while comparable net sales grew by 1.1%
- Comparable operating profit totalled €170.8 million (€170.5 million)
- Operating profit totalled €121.0 million (€159.8 million)
- Cash flow from operating activities totalled €301.0 million (€342.4 million)
- Comparable earnings per share €0.31 (€0.31); reported earnings per share €0.19 (€0.28)

1-12/2024

- Group net sales in January-December totalled €11,920.1 million (€11,783.8 million); reported net sales grew by 1.2%, while comparable net sales decreased by 2.3%
- Comparable operating profit totalled €650.1 million (€712.0 million)
- Operating profit totalled €579.5 million (€695.4 million)
- Cash flow from operating activities totalled €1,008.2 million (€1,049.5 million)
- Comparable earnings per share €1.11 (€1.28); reported earnings per share €0.95 (€1.25)
- The Board proposes a dividend of €0.90 per share, proposed to be paid in four instalments

Key performance indicators

	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Net sales, € million	3,040.6	2,902.0	11,920.1	11,783.8
Operating profit, comparable, € million	170.8	170.5	650.1	712.0
Operating margin, comparable, %	5.6	5.9	5.5	6.0
Operating profit, € million	121.0	159.8	579.5	695.4
Profit before tax, comparable, € million	143.3	145.1	543.0	630.4
Profit before tax, € million	93.1	134.4	471.5	613.5
Cash flow from operating activities, € million	301.0	342.4	1,008.2	1,049.5
Capital expenditure, € million	109.0	158.5	675.9	678.9
Earnings per share, €, basic and diluted	0.19	0.28	0.95	1.25
Earnings per share, comparable, €, basic	0.31	0.31	1.11	1.28

	1-12/2024	1-12/2023
Return on capital employed, comparable, %	11.3	13.4
Return on equity, comparable, %	16.1	18.5

In this financial statements release, the comparable change % in net sales has been calculated in local currencies and excluding the impact of acquisitions and divestments completed in 2024 and 2023. The comparable operating profit has been calculated by deducting items affecting comparability from the reported operating profit.

Outlook and profit guidance for 2025

Kesko Group's profit guidance is given for the year 2025, in comparison with the year 2024.

Kesko's operating environment is estimated to improve in 2025, but to still remain somewhat challenging. Kesko's comparable operating profit is estimated to improve in 2025. Kesko estimates that its comparable operating profit in 2025 will amount to €640-740 million. The profit guidance is based on an estimate of a gradually improving economic cycle in all Kesko operating countries. Key uncertainties impacting Kesko's outlook are developments in consumer confidence, investment appetites, as well as geopolitical crises and tensions.

In grocery trade, B2C trade and the foodservice market are estimated to remain stable. In 2025, the comparable operating margin for the grocery trade division is estimated to stay clearly above 6% despite the investments in price and the store site network in accordance with Kesko's strategy for 2024-2026.

In building and technical trade, the cycle is expected to improve in 2025 from the historically low levels. Profitability in the building and technical trade division is estimated to improve on 2024.

In car trade, the market for new cars is expected to stay at a low level. Demand for used cars and services is estimated to remain good. Profitability for the car trade division is estimated to remain at a good level in 2025 despite weak demand for new cars.

President and CEO Jorma Rauhala:

Kesko's sales and profitability were at a good level in 2024 despite the challenges in our operating environment. Towards the end of the year, we witnessed a turnaround, as our quarterly result improved for the first time in eight quarters in Q4. Full-year net sales totalled €11,920.1 million, while our comparable operating profit amounted to €650.1 million. The successful execution of our updated growth strategy in all three divisions has yielded results also in a challenging operating environment. Our cash flow from operating activities amounted to €1,008.2 million. We have also been successful in managing costs. Kesko's good ability to generate profits and our strong financial position enable investments in growth as well as good dividend capacity. Kesko's Board proposes to the Annual General Meeting a dividend of €0.90 per share – in total, €358 million – to be paid in four instalments.

In the grocery trade division, sales grew in 2024 in both our grocery stores and the foodservice business. Net sales for the division totalled €6,381.4 million, up by 0.5%. The comparable operating profit for the division was €438.0 million. Kesko performed particularly well in 2024, and we aim to continue the good performance in the foodservice business. The popularity of online grocery persisted, and sales grew by 13.5% thanks to express deliveries. Campaigns and other marketing measures strengthened our customer flows and sales during the year, but the market share for our grocery stores came down as average purchase decreased. Price competition in Finnish grocery trade remained tight, and price continues to be a significant factor for grocery customers. At the beginning of 2025, we responded to customer wishes by launching an extensive price programme, reducing prices of more than 1,200 grocery products. The investment in this strategic programme amounts to nearly €50 million, shared between Kesko and the retailers. Our focus in grocery trade is to strengthen our market position while maintaining good profitability.

In building and technical trade, profitability remained good even though it declined year-on-year due to weak construction activity. Net sales for the division totalled €4,351.6 million, up by 3.8% thanks to the Davidsen acquisition

in Denmark. The division's comparable operating profit totalled €169.1 million. In 2024, demand decreased in both building and home improvement trade and technical trade in all our operating countries as construction volumes came down, but sales picked up in the latter half of the year. In the longer term, the outlook for building and technical trade is positive. Urbanisation, renovation and infrastructure investment debt, infrastructure projects, and the green transition underpin construction over cycles. During the year, we expanded operations to Denmark by completing the acquisition of Davidsen Koncernen A/S, one of the leading operators in Danish building and home improvement trade, at the beginning of February. In August, we announced the acquisitions of three other Danish operators: Roslev, Tømmergaarden and CF Petersen & Søn. Strategic focus areas for the division are securing profitability and improving cash flow with a country and business focus.

The car trade market in Finland was weak in 2024, but profitability for Kesko's car trade division stayed at a good level. The market showed some signs of picking up, but weak consumer confidence, continued high interest rates, and uncertainty regarding powertrain alternatives slowed down recovery. Development in the used car market was clearly better than in new cars, and sales also grew in car related services. Net sales for the division in 2024 totalled €1,209.4 million, representing a decrease of 4.0% in comparable terms. The division's comparable operating profit totalled €69.3 million. The major transformation measures carried out within the division in recent years have improved its profitability. Kesko's strategic focus is on outperforming the market in all car trade business areas, namely new cars, used cars, and services.

I took over as Kesko's President and CEO at the beginning of February 2024. In June, we updated Kesko's strategy, keeping the main pillars intact. In all business operations, we seek sales growth, better customer experiences, profitability and efficiency with the help of e.g. digital services and artificial intelligence. All three divisions have plenty of potential for growth and for further strengthening their business especially by listening to their customers and responding to customer needs. I see Kesko's future bright also in upcoming years. I want to thank all our customers, the people of K Group, our shareholders, and our partners for their trust and good collaboration over the past year.

Financial performance

Net sales and profit in October-December 2024

10-12/2024	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	1,660.8	+1.3	+1.2	122.2	-2.0
Building and home improvement trade	502.2	+22.7	-2.9	6.1	+1.1
Technical trade	570.6	-1.1	-0.5	20.0	-2.1
Kesko Senukai	-	-	-	10.1	-3.3
Building and technical trade, total	1,056.3	+8.8	-1.7	36.1	-4.5
Car trade	329.2	+10.7	+9.7	20.2	+5.8
Common functions and eliminations	-5.7	-	-	-7.7	+1.1
Total	3,040.6	+4.8	+1.1	170.8	+0.4

Group net sales increased by 4.8% in October-December. In comparable terms, net sales increased by 1.1%. Net sales increased in comparable terms by 1.8% in Finland, while in the other operating countries, net sales decreased by 1.9% in comparable terms. The comparable change % has been calculated in local currencies and excluding the impact of acquisitions and divestments completed.

Net sales for the grocery trade division increased by 1.3%. Sales to K Group grocery store chains increased by 2.2%. Net sales for Kespro's foodservice business increased by 2.5% in October-December.

Net sales for the building and technical trade division increased by 8.8% in October-December, while in comparable terms, division net sales decreased by 1.7%, impacted by the weak construction cycle. Net sales for technical trade decreased by 1.1%, while in comparable terms net sales decreased by 0.5%. In building and home improvement trade, net sales increased by 22.7% thanks to the acquisitions completed, while in comparable terms, net sales decreased by 2.9%. The Danish building and home improvement trade chain Davidsen has been consolidated into the building and technical trade division's figures as of 1 February 2024.

Net sales for the car trade division increased by 10.7% in October-December. In comparable terms, net sales increased by 9.7%. Net sales increased in all car trade businesses. Net sales for sports trade decreased.

The Group's comparable operating profit in October-December totalled €170.8 million (€170.5 million), up by €0.4 million. The grocery trade division's comparable operating profit decreased by €2.0 million, impacted by an increase in store site costs. The comparable operating profit for the building and technical trade division decreased by €4.5 million, negatively impacted by the decrease in comparable operating profit in Sweden and Norway and the decrease in the share of result from Kesko Senukai. The comparable operating profit was positively impacted by the Davidsen acquisition and positive profit development in Finland. Building and home improvement trade profitability was burdened by a €0.5 million expense related to the Davidsen acquisition, recorded for the allocation of fair value. The comparable operating profit for the car trade division increased by €5.8 million. The comparable operating profit for the car trade businesses increased by €5.5 million due to growth in net sales. In sports trade, the comparable operating profit increased by €0.2 million on the comparison period.

Items affecting comparability, € million	10-12/2024	10-12/2023
Operating profit, comparable	170.8	170.5
Items affecting comparability		
+gains on disposal	+0.1	-
-losses on disposal	-	-0.0
-Impairment charges	-40.0	-
+/- structural arrangements	-9.9	-10.6
Items affecting comparability, total	-49.8	-10.6
Operating profit	121.0	159.8

The most significant items affecting comparability were related to a €40.0 million write-down of goodwill for the Bygghälsan building and home improvement chain in Norway, and to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated in the K-Bygg chain. The goodwill write-down for Bygghälsan was impacted by weaker-than-anticipated profit development, a weak cycle in Norwegian construction, and high interest rates.

K Group's (Kesko and the chain stores) retail and B2B sales (0% VAT) in October-December totalled €4,017.3 million, representing an increase of 0.7%.

Net finance costs, income tax and earnings per share

	10-12/2024	10-12/2023
Net finance costs, € million	-28.3	-25.5
Interests on lease liabilities, € million	-19.8	-19.0
Profit before tax, comparable, € million	143.3	145.1
Profit before tax, € million	93.1	134.4
Income tax, € million	-18.2	-21.5
Earnings per share, comparable, €	0.31	0.31
Earnings per share, €	0.19	0.28
Equity per share, €	6.84	6.93

The increase in Group net finance costs in October-December was impacted by the increase in interest-bearing debt. The share of result of associates totalled €0.3 million (€0.1 million).

The Group's effective tax rate was 19.5% (16.0%).

The Group's earnings per share decreased and comparable earnings per share were flat compared to the year before.

Net sales and profit in January-December 2024

	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	6,381.4	+0.5	+0.4	438.0	-6.8
Building and home improvement trade	2,160.7	+13.0	-6.9	57.9	-7.1
Technical trade	2,255.0	-3.8	-5.2	90.5	-38.1
Kesko Senukai	-	-	-	20.9	+1.9
Building and technical trade, total	4,351.6	+3.8	-6.0	169.1	-43.3
Car trade	1,209.4	-4.2	-4.0	69.3	-13.3
Common functions and eliminations	-22.4	-	-	-26.4	+1.4
Total	11,920.1	+1.2	-2.3	650.1	-62.0

Group net sales grew by 1.2% in January-December. In comparable terms, net sales decreased by 2.3%. Net sales decreased in comparable terms by 1.8% in Finland, while in other operating countries, they decreased by 5.1%. The

comparable change % has been calculated in local currencies and excluding the impact of acquisitions and divestments completed.

Net sales for the grocery trade division increased by 0.5%. Sales to K Group grocery store chains grew by 1.0%. Net sales for Kespro's foodservice business increased by 1.3% in January-December.

Net sales for the building and technical trade division increased by 3.8% in January-December, while in comparable terms, net sales decreased by 6.0%, impacted by the weak construction cycle. Net sales for technical trade decreased by 3.8%, while in comparable terms, net sales decreased by 5.2%. In building and home improvement trade, net sales increased by 13.0% thanks to acquisitions completed, while in comparable terms, net sales decreased by 6.9%. The Danish building and home improvement trade chain Davidsen has been consolidated into the building and technical trade division's figures as of 1 February 2024.

Net sales for the car trade division decreased by 4.2% in January-December, while in comparable terms net sales decreased by 4.0%. Of the car trade businesses, net sales decreased in new cars, and increased in used cars and services. In the comparison period, net sales for new cars were increased by the clearing of order books as the availability of cars improved. Net sales for sports trade decreased.

The Group's comparable operating profit in January-December totalled €650.1 million (€712.0 million), representing a decrease of €62.0 million. The comparable operating profit for the grocery trade division decreased by €6.8 million. The comparable operating profit for the building and technical trade division decreased by €43.3 million. The decrease was due to a decline in net sales, which was mainly impacted by the weak construction cycle. In the first year-half, net sales and gross margin for solar power products in particular fell short of the comparison period. Comparable operating profit decreased in all operating countries. Onninen's comparable operating profit in Finland totalled €69.0 million (€90.8 million). In Finland, profitability in building and home improvement trade remained good. Building and home improvement trade profitability was burdened by a €2.5 million expense related to the Davidsen acquisition, recorded in the allocation of fair value. The share of result from Kesko Senukai was up by €1.9 million year-on-year. The comparable operating profit for the car trade division decreased by €13.3 million. The comparable operating profit for the car trade businesses decreased by €11.4 million due to a decline in net sales. In sports trade, the comparable operating profit decreased by €1.9 million on the comparison period.

Items affecting comparability, € million	1-12/2024	1-12/2023
Operating profit, comparable	650.1	712.0
Items affecting comparability		
+gains on disposal	+11.4	+0.4
-losses on disposal	-1.6	-1.0
-Impairment charges	-40.0	-
+/- structural arrangements	-40.4	-16.1
Items affecting comparability, total	-70.6	-16.7
Operating profit	579.5	695.4

The most significant items affecting comparability were related to a €40.0 million write-down of goodwill for the Byggmakker building and home improvement chain in Norway, to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated in the K-Bygg chain, the discontinuation of the Neste K chain, and to acquisitions. The goodwill write-down for Byggmakker was impacted by weaker-than-anticipated profit development, a weak cycle in Norwegian construction, and high interest rates.

K Group's (Kesko and the chain stores) retail and B2B sales (0% VAT) in January-December totalled €15,853.0 million, representing a decrease of 2.2%. During the 12-month period that ended in December 2024, the number of Finnish

households belonging to the K-Plussa loyalty scheme and using the K-Plussa network totalled 2.6 million, with 3.4 million K-Plussa loyalty card users.

Net finance costs, income tax and earnings per share

	1-12/2024	1-12/2023
Net finance costs, € million	-111.7	-83.9
Interests on lease liabilities, € million	-78.6	-73.4
Profit before tax, comparable, € million	543.0	630.4
Profit before tax, € million	471.5	613.5
Income tax, € million	-92.0	-118.0
Earnings per share, comparable, €	1.11	1.28
Earnings per share, €	0.95	1.25
Equity per share, €	6.84	6.93

The increase in Group net finance costs in January-December was impacted by the increase in interest-bearing debt and the rise in interest rate levels. Net finance costs were reduced by a positive change in the fair value of interest rate derivatives. The share of result of associates totalled €3.8 million (€2.1 million).

The Group's effective tax rate was 19.5% (19.2%).

The Group's earnings per share and comparable earnings per share decreased compared to the year before.

Cash flow and financial position

€ million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Cash flow from operating activities	301.0	342.4	1,008.2	1,049.5
Cash flow from investing activities	-121.4	-137.5	-597.5	-590.2
Cash flow from financing activities	73.2	-140.9	-149.8	-492.2

€ million	31.12.2024	31.12.2023
Liquid assets	488.1	227.3
Interest-bearing liabilities	3,396.3	2,787.0
Lease liabilities	2,051.0	1,997.9
Interest-bearing net debt excl. lease liabilities	857.2	561.9
Interest-bearing net debt/EBITDA, excl. IFRS 16 impact	1.1	0.7
Gearing, %	106.3	92.8
Equity ratio, %	32.5	35.8

The Group's cash flow from operating activities in October-December totalled €301.0 million (€342.4 million). Cash flow from operating activities decreased on the comparison period in part due to a joint venture timing its dividend payment in the previous quarter, and due to an increase in net interests paid.

The Group's cash flow from investing activities in October-December totalled €-121.4 million (€-137.5 million). In the comparison period, cash flow from investing activities included a positive item of €6.2 million from the redemption of money market funds, included in the Group's liquid assets.

The Group's cash flow from operating activities in January-December totalled €1,008.2 million (1,049.5 million), impacted by a profit performance that fell short of the comparison period and growth in net interests paid.

The Group's cash flow from investing activities in January-December totalled €-597.5 million (€-590.2 million). Cash flow from investing activities included a positive item of €0.5 million (€54.3 million) from the redemption of money market funds, included in the Group's liquid assets.

The Group's net debt excluding lease liabilities increased due to acquisitions completed and investments made in the store site network for grocery trade and Onninen's logistics centre in Finland.

Capital expenditure

€ million	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Capital expenditure	109.0	158.5	675.9	678.9
Store sites	55.7	86.8	289.2	300.3
Acquisitions	0.5	6.5	172.9	141.1
IT	5.7	9.4	18.0	25.0
Other investments	47.2	55.7	195.8	212.5

As of 1 January 2024, investments in Kespro's cash-and-carry outlets are reported under capital expenditure in store sites, while before they were reported under other investments. Figures for the comparison periods have been adjusted accordingly.

Capital expenditure in store sites in October-December decreased by €31.1 million year-on-year. Capital expenditure in store sites in January-December decreased by €11.1 million year-on-year. Capital expenditure included the March acquisition of store sites in Espoo and Salo, where Kesko's grocery trade has long been the primary tenant.

Other investments in January-December included an investment of €82.8 million (€90.1 million) in the construction of Onninen and K-Auto's shared logistics centre in Hyvinkää, Finland. The construction project is expected to be completed in 2025.

Capital expenditure included the acquisition of the Danish building and home improvement trade company Davidsen Koncernen A/S, completed on 31 January 2024, and the acquisition of Autotalo Lohja, completed on 1 September 2024. Capital expenditure in the comparison period included the acquisitions of Elektroskandia Norge AS in Norway, completed on 1 March 2023, and Zenitec Sweden AB, completed on 5 April 2023.

Personnel

	1-12/2024	1-12/2023
Average number of personnel converted into full-time employees	15,347	14,766
Personnel at the end of the reporting period	31.12.2024	31.12.2023
Finland	12,556	12,384
Other operating countries	5,754	5,318
Total	18,309	17,702

Segments

New segment structure

Kesko changed its division structure and segment reporting from 1 April 2023 onwards. Sports trade became part of the car trade division, while it previously had been part of the building and technical trade division. Data concerning the comparison periods have been adjusted to correspond to the new segment structure. Kesko published comparison figures for the new segment structure for 2022 and for the first quarter of 2023 on 25 May 2023.

Seasonal nature of operations

The Group's operating activities are affected by seasonal fluctuations. The net sales and operating profits of the reportable segments are not earned evenly throughout the year. Instead, they vary by quarter depending on the characteristics of each segment. In terms of the level of operating profit, the second and third quarter are the strongest, whereas the impact of the first quarter on the full-year profit is the smallest.

Grocery trade

October-December 2024

	10-12/2024	10-12/2023
Net sales, € million	1,660.8	1,639.1
Operating profit, comparable, € million	122.2	124.2
Operating margin, comparable, %	7.4	7.6
Return on capital employed, comparable, %, rolling 12 months	16.0	17.4
Capital expenditure, € million	54.4	76.0
Average number of personnel converted into full-time employees	6,184	6,128

Net sales, € million	10-12/2024	10-12/2023	Change, %	Change, comparable, %
Sales to K Group grocery stores	1,166.6	1,141.4	+2.2	+2.2
K-Citymarket, non-food	185.6	187.4	-1.0	-1.0
Kespro	294.1	287.0	+2.5	+2.5
Others	14.5	23.3	-37.9	-46.1
Total	1,660.8	1,639.1	+1.3	+1.2

Net sales for the grocery trade division in October-December totalled €1,660.8 million (€1,639.1 million), an increase of 1.3%. Sales to K Group grocery store chains increased by 2.2%. Net sales for Kespro's foodservice business increased by 2.5% in October-December.

The total grocery retail market in Finland (incl. VAT) is estimated to have grown by approximately 2.8% in October-December (Finnish Grocery Trade Association PTY), and retail prices are estimated to have risen by some 0.9% (incl. VAT, Statistics Finland). K Group's grocery sales increased by 1.6% (incl. VAT). Online grocery sales grew by 7.6%, and accounted for approximately 3.9% of K Group's grocery sales (incl. VAT). All K Group grocery store chains offer online grocery services. The number of K Group stores offering online grocery services was 776 at the end of the reporting period, up by 47 from the previous year. The total market for the foodservice business is estimated to have increased by 1.1% in October-December (PTY). Kespro's market share is estimated to have continued to grow.

The comparable operating profit for the grocery trade division in October-December totalled €122.2 million (€124.2 million), down by €2.0 million. The comparable operating profit for Kespro totalled €17.7 million (€17.9 million). The development of comparable operating profit was impacted by an increase in store site costs. Operating profit for the

grocery trade division totalled €119.2 million (€124.6 million). Items affecting comparability totalled €-3.0 million (€+0.4 million).

Capital expenditure for the grocery trade division in October-December totalled €54.4 million (€76.0 million). Capital expenditure in store sites totalled €49.8 million (€69.1 million).

January-December 2024

	1-12/2024	1-12/2023
Net sales, € million	6,381.4	6,351.61
Operating profit, comparable, € million	438.0	444.8
Operating margin, comparable, %	6.9	7.0
Return on capital employed, comparable, %	16.0	17.4
Capital expenditure, € million	276.0	303.7
Average number of personnel converted into full-time employees	6,346	6,257

Net sales, € million	1-12/2024	1-12/2023	Change, %	Change, comparable, %
Sales to K Group grocery stores	4,529.3	4,484.0	+1.0	+1.0
K-Citymarket, non-food	602.6	615.5	-2.1	-2.1
Kespro	1,169.6	1,154.9	+1.3	+1.3
Others	79.8	97.3	-18.0	-21.8
Total	6,381.4	6,351.6	+0.5	+0.4

Net sales for the grocery trade division in January-December totalled €6,381.4 million (€6,351.6 million), an increase of 0.5%. Sales to K Group grocery store chains grew by 1.0%. Net sales for Kespro's foodservice business increased by 1.3% in January-December.

The total grocery retail market in Finland (incl. VAT) is estimated to have grown by approximately 2.0% in January-December (Finnish Grocery Trade Association PTY), and retail prices are estimated to have risen by some 0.5% (incl. VAT, Statistics Finland). K Group's grocery sales grew by 0.9% (incl. VAT). Online grocery sales grew by 13.5%, and accounted for approximately 3.7% of K Group's grocery sales (incl. VAT). All K Group grocery store chains offer online grocery services. The number of K Group stores offering online grocery services was 776 at the end of the reporting period, up by 47 from the previous year. The total market for the foodservice business is estimated to have decreased by 1.1% in January-December (PTY). Kespro's market share is estimated to have continued to grow.

The comparable operating profit for the grocery trade division in January-December totalled €438.0 million (€444.8 million), down by €6.8 million. The development of comparable operating profit was impacted by an increase in store site costs and a decline in the net sales for K-Citymarket's home and speciality goods (non-food). Kespro's comparable operating profit totalled €77.8 million (€75.0 million). Operating profit for the grocery trade division totalled €420.9 million (€443.6 million). Items affecting comparability totalled €-17.2 million (€-1.3 million), and were mainly related to the discontinuation of the Neste K chain.

Capital expenditure for the grocery trade division in January-December totalled €276.0 million (€303.7 million). Capital expenditure in store sites totalled €255.2 million (€265.0 million). Capital expenditure in store sites included the March acquisition of store sites in Espoo and Salo, where Kesko's grocery trade has long been the primary tenant.

Building and technical trade

October-December 2024

	10-12/2024	10-12/2023
Net sales, € million	1,056.3	971.1
Building and home improvement trade	502.2	409.4
Technical trade	570.6	576.8
Operating profit, comparable, € million	36.1	40.6
Building and home improvement trade	6.1	5.0
Technical trade	20.0	22.1
Kesko Senukai	10.1	13.5
Operating margin, comparable, %	3.4	4.2
Building and home improvement trade	1.2	1.2
Technical trade	3.5	3.8
	10-12/2024	10-12/2023
Return on capital employed, comparable, %, rolling 12 months	7.8	11.4
Capital expenditure, € million	27.2	52.1
Average number of personnel converted into full-time employees	6,472	6,002

Net sales, € million	10-12/2024	10-12/2023	Change, %	Change, comparable, %
Building and home improvement trade, Finland	187.4	185.5	+1.0	+1.0
K-Rauta, Sweden	10.1	30.1	-66.4	-
K-Bygg, Sweden	72.5	67.1	+8.1	-6.7
Bygghälsan, Norway	127.2	127.4	-0.2	+0.5
Daidsen, Denmark	105.7	-	-	-
Building and home improvement trade, total	502.2	409.4	+22.7	-2.9
Technical trade, Finland	274.2	282.7	-3.0	-3.0
Technical trade, Sweden	34.1	30.7	+11.1	+11.2
Technical trade, Norway	131.3	142.8	-8.0	-3.8
Technical trade, Baltics	32.4	32.5	-0.5	-0.5
Technical trade, Poland	99.8	89.2	+11.9	+8.8
Technical trade, total	570.6	576.8	-1.1	-0.5
Total	1,056.3	971.1	+8.8	-1.7

The reorganisation of the K-Rauta chain in Sweden was completed in December 2024. In October-November 2024, a total of 8 K-Rauta stores were transferred under the K-Bygg chain. The comparable change in K-Bygg net sales has been calculated in local currencies by adding the net sales of the transferred K-Rauta stores to the comparison period figures at dates corresponding to the change in store chains.

Net sales for the building and technical trade division increased by 8.8% in October-December. In comparable terms, net sales decreased by 1.7%. Net sales development was impacted by the weak construction cycle. Net sales for technical trade decreased by 1.1%, while in comparable terms, net sales decreased by 0.5%. In building and home improvement trade, net sales increased by 22.7%, while in comparable terms, net sales decreased by 2.9%. The Danish building and home improvement trade chain Daidsen has been consolidated into the division's figures as of 1 February 2024. Net sales development in euro terms was increased by the strengthening of the Polish zloty, and was decreased by the weakening of the Swedish krona and Norwegian krone against the euro.

In Finland, net sales for the building and technical trade division in October-December totalled €448.9 million (€455.4 million), a decrease of 1.4%. Net sales from international operations totalled €607.4 million (€515.8 million) in October-December, up by 17.8% thanks to the acquisitions carried out. In comparable terms, net sales from international operations decreased by 1.9%.

The comparable operating profit for the building and technical trade division in October-December totalled €36.1 million (€40.6 million), down by €4.5 million, negatively impacted by the decrease in comparable operating profit in Sweden and Norway and the decrease in the share of result from Kesko Senukai. The comparable operating profit was positively impacted by the Davidsen acquisition and positive profit development in Finland. Building and home improvement trade profitability was burdened by the allocation of fair value related to the Davidsen acquisition, €-0.5 million.

Operating profit for the building and technical trade division totalled €-10.2 million (€33.3 million). Items affecting comparability totalled €-46.3 million (€-7.3 million). The most significant items affecting comparability were related to a €40.0 million write-down of goodwill for the Bygghemmer building and home improvement chain in Norway, and to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated in the K-Bygg chain, and to costs relates to structural arrangements. The goodwill write-down for Bygghemmer was impacted by weaker-than-anticipated profit development, a weak cycle in Norwegian construction, and high interest rates.

Capital expenditure for the building and technical trade division in October-December totalled €27.2 million (€52.1 million). Capital expenditure included an investment of €16.3 million in the construction of Onninen and K-Auto's shared logistics centre in Hyvinkää, Finland. Construction of the centre is expected to be completed in 2025.

January-December 2024

	1-12/2024	1-12/2023
Net sales, € million	4,351.6	4,193.2
Building and home improvement trade	2,160.7	1,912.1
Technical trade	2,255.0	2,344.7
Operating profit, comparable, € million	169.1	212.5
Building and home improvement trade	57.9	65.0
Technical trade	90.5	128.5
Kesko Senukai	20.9	19.0
Operating margin, comparable, %	3.9	5.1
Building and home improvement trade	2.7	3.4
Technical trade	4.0	5.5
	1-12/2024	1-12/2023
Return on capital employed, comparable, %	7.8	11.4
Capital expenditure, € million	293.7	273.0
Average number of personnel converted into full-time employees	6,538	6,073

Net sales, € million	1-12/2024	1-12/2023	Change, %	Change, comparable, %
Building and home improvement trade, Finland	888.4	937.6	-5.3	-5.3
K-Rauta, Sweden	101.6	149.8	-32.2	-
K-Bygg, Sweden	277.0	280.0	-1.1	-5.1
Byggmakker, Norway	517.9	547.6	-5.4	-5.2
Davidsen, Denmark	379.8	-	-	-
Building and home improvement trade, total	2,160.7	1,912.1	+13.0	-6.9
Technical trade, Finland	1,132.1	1,234.0	-8.3	-8.3
Technical trade, Sweden	130.6	132.8	-1.7	-3.2
Technical trade, Norway	501.7	517.5	-3.0	-5.0
Technical trade, Baltics	127.4	129.1	-1.3	-1.3
Technical trade, Poland	368.1	336.9	+9.3	+3.6
Technical trade, total	2,255.0	2,344.7	-3.8	-5.2
Total	4,351.6	4,193.2	+3.8	-6.0

The reorganisation of the K-Rauta chain in Sweden was completed in December 2024. In October-November 2024, a total of 8 K-Rauta stores were transferred under the K-Bygg chain. The comparable change in K-Bygg net sales has been calculated in local currencies by adding the net sales of the transferred K-Rauta stores to the comparison period figures at dates corresponding to the change in store chains.

Net sales for the building and technical trade division increased in January-December by 3.8%. In comparable terms, net sales decreased by 6.0%. Net sales development was impacted by the weak construction cycle. Net sales for technical trade decreased by 3.8%, while in comparable terms, net sales decreased by 5.2%. In building and home improvement trade, net sales increased by 13.0% thanks to acquisitions carried out, while in comparable terms, net sales decreased by 6.9%. The Danish building and home improvement trade chain Davidsen has been consolidated into the division's figures as of 1 February 2024. Net sales development in euro terms was increased by the strengthening of the Polish zloty and Swedish krona, and decreased by the weakening of the Norwegian krone against the euro.

In Finland, net sales for the building and technical trade division in January-December totalled €1,967.9 million (€2,115.0 million), a decrease of 7.0%. Net sales from international operations in January-December totalled €2,383.7 million (€2,078.2 million), an increase of 14.7% thanks to the acquisitions carried out. In comparable terms, net sales from international operations decreased by 5.1%.

The comparable operating profit for the building and technical trade division in January-December totalled €169.1 million (€212.5 million), and it decreased by €43.3 million, due to a decline in net sales, which was mainly impacted by the weak construction cycle. In the first year-half, net sales and gross margin for solar power products in particular fell short of the comparison period. Comparable operating profit decreased in all operating countries. Onninen's comparable operating profit in Finland totalled €69.0 million (€90.8 million). In Finland, profitability in building and home improvement trade remained good. Profitability in building and home improvement trade was burdened by a €2.5 million expense related to the Davidsen acquisition, recorded for the allocation of fair value. The share of result from Kesko Senukai was up by €1.9 million year-on-year.

Operating profit for the building and technical trade division totalled €116.3 million (€201.9 million). Items affecting comparability totalled €-52.8 million (€-10.5 million). The most significant items affecting comparability were related to a €40.0 million write-down of goodwill for the Byggmakker building and home improvement chain in Norway, to the reorganisation of the K-Rauta chain in Sweden, in which the Swedish building and home improvement trade operations were concentrated in the K-Bygg chain, and to acquisitions. The goodwill write-down for Byggmakker was impacted by weaker-than-anticipated profit development, a weak cycle in Norwegian construction, and high interest rates.

Capital expenditure for the building and technical trade division in January-December totalled €293.7 million (€273.0 million). Capital expenditure included an investment of €82.8 million in the construction of Onninen and K-Auto's

shared logistics centre in Hyvinkää, Finland. Construction on the centre is expected to be completed in 2025. Capital expenditure also included the acquisition of the Danish building and home improvement trade company Davidsen Koncernen A/S, completed on 31 January 2024. Capital expenditure in the comparison period included the acquisitions of Elektroskandia Norge AS in Norway, completed on 1 March 2023, and Zenitec Sweden AB, completed on 5 April 2023.

Car trade

October-December 2024

	10-12/2024	10-12/2023
Net sales, € million	329.2	297.4
Car trade	282.2	246.4
Sports trade	47.1	51.0
Operating profit, comparable, € million	20.2	14.4
Car trade	16.1	10.6
Sports trade	4.1	3.8
Operating margin, comparable, %	6.1	4.8
Car trade	5.7	4.3
Sports trade	8.6	7.5

	10-12/2024	10-12/2023
Return on capital employed, comparable, %, rolling 12 months	13.8	15.8
Capital expenditure, € million	22.1	22.7
Average number of personnel converted into full-time employees	1,581	1,500

Net sales, € million	10-12/2024	10-12/2023	Change, %	Change, comparable, %
Car trade	282.2	246.4	+14.5	+13.3
Sports trade	47.1	51.0	-7.8	-7.8
Total	329.2	297.4	+10.7	+9.7

Net sales for the car trade division increased by 10.7% in October-December. Net sales in the car trade businesses increased by 13.3% in comparable terms. Net sales grew in all car trade segments. Net sales for sports trade decreased.

The combined market performance of first registrations of passenger cars and vans was -3.0% in October-December. The combined market share of the Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen vans imported by Kesko's car trade division was 15.7% (13.8%) in October-December.

The comparable operating profit for the car trade division in October-December totalled €20.2 million (€14.4 million). The comparable operating profit for the car trade businesses increased by €5.5 million, as net sales grew. In sports trade, the comparable operating profit increased by €0.2 million year-on-year.

Operating profit for the car trade division in October-December totalled €20.0 million (€14.2 million). Items affecting comparability totalled €-0.2 million (€-0.2 million).

Capital expenditure for the car trade division totalled €22.1 million (€22.7 million) in October-December. Capital expenditure included the acquisition of Autotalo Lohja, completed on 1 September 2024.

January-December 2024

	1-12/2024	1-12/2023
Net sales, € million	1,209.4	1,262.3
Car trade	1,040.9	1,078.6
Sports trade	168.7	183.9
Operating profit, comparable, € million	69.3	82.6
Car trade	61.7	73.1
Sports trade	7.6	9.5
Operating margin, comparable, %	5.7	6.5
Car trade	5.9	6.8
Sports trade	4.5	5.1

	1-12/2024	1-12/2023
Return on capital employed, comparable, %	13.8	15.8
Capital expenditure, € million	89.0	80.3
Average number of personnel converted into full-time employees	1,556	1,531

Net sales, € million	1-12/2024	1-12/2023	Change, %	Change, comparable, %
Car trade	1,040.9	1,078.6	-3.5	-3.3
Sports trade	168.7	183.9	-8.3	-8.3
Total	1,209.4	1,262.3	-4.2	-4.0

Net sales for the car trade division decreased by 4.2% in January-December, while in comparable terms, net sales decreased by 4.0%. Of the car trade businesses, net sales decreased in new cars, and increased in used cars and services. In the comparison period, net sales for new cars were increased by the clearing of order books as the availability of cars improved. Net sales for sports trade decreased.

The combined market performance of first registrations of passenger cars and vans was -15.2% in January-December. The combined market share of the Volkswagen, Audi, SEAT, CUPRA, Porsche and Bentley passenger cars and Volkswagen vans imported by Kesko's car trade division was 14.5% (15.1%) in January-December.

The comparable operating profit for the car trade division in January-December totalled €69.3 million (€82.6 million). The comparable operating profit for the car trade businesses decreased by €11.4 million, as net sales declined. In sports trade, the comparable operating profit decreased by €1.9 million year-on-year.

Operating profit for the car trade division in January-December totalled €69.3 million (€82.4 million). Items affecting comparability totalled €0.0 million (€-0.1 million).

Capital expenditure for the car trade division totalled €89.0 million (€80.3 million) in January-December. Capital expenditure included the acquisition of Autotalo Lohja, completed on 1 September 2024.

Changes in Group composition

Kesko acquired 90% of the share capital of the Danish building and home improvement trade company Davidsen Koncernen A/S on 31 January 2024. The acquisition of Autotalo Lohja was completed on 1 September 2024.



Shares, securities markets and Board authorisations

At the end of December 2024, the total number of shares in Kesko Corporation was 400,079,008, of which 126,948,028 or 31.7%, were A shares, and 273,130,980 or 68.3%, were B shares. On 31 December 2024, Kesko Corporation held 2,122,600 of its own B shares as treasury shares.

These treasury shares accounted for 0.78% of the total number of B shares, 0.53% of the total number of shares, and 0.14% of the votes attached to all shares in the company. The total number of votes attached to all shares was 1,542,611,260. Each A share carries ten (10) votes and each B share one (1) vote. The company cannot vote with own shares held by it as treasury shares and no dividend is paid on such shares. At the end of December 2024, Kesko Corporation's share capital was €197,282,584.

The price of a Kesko A share quoted on Nasdaq Helsinki was €18.02 at the end of 2023 and €18.06 at the end of December 2024, representing an increase of 0.2%. Meanwhile, the price of a Kesko B share was €17.93 at the end of 2023 and €18.18 at the end of December 2024, representing an increase of 1.4%. In January-December 2024, the highest price for an A share was €20.05 and the lowest €16.06, while the highest price for a B share was €20.49 and the lowest €15.63. The Nasdaq Helsinki All-Share index (OMX Helsinki) was down by 6.2% and the weighted OMX Helsinki Cap index down by 4.5% in January-December 2024. The Retail Sector Index was down by 13.8%.

The market capitalisation of Kesko's A shares was €2,293 million at the end of December 2024, while the market capitalisation of Kesko's B shares was €4,927 million, excluding the shares held by the parent company as treasury shares. The combined market capitalisation of the A and B shares was €7,220 million, up by €76 million compared to the end of 2023.

In January-December, a total of 5.2 million Kesko A shares were traded on Nasdaq Helsinki. The exchange value of the A shares was €93.4 million. Meanwhile, 139.1 million B shares were traded, for an exchange value of €2,442.2 million. Nasdaq Helsinki accounted for over 95% of the trading on Kesko's A and B shares. Kesko shares were also traded on multilateral trading facilities, the most significant of which were Turquoise and BATS (source: Euroland).

At the end of December 2024, the number of registered shareholders was 113,700. At the end of December, foreign ownership of all shares was 33.2%, and foreign ownership of B shares 47.7%.

Kesko has a share-based commitment and incentive scheme. To implement the scheme, Kesko's Board of Directors may decide, within the share issue authorisations granted by the company's General Meeting, to transfer Kesko B shares held by the company as treasury shares. In January-December 2024, Kesko Corporation transferred 196,208 Kesko B shares held as treasury shares to members of management and other key persons in the company, while a total of 17,100 B shares were returned to Kesko in accordance with the terms and conditions of Kesko's share-based commitment and incentive plan. Kesko issued related stock exchange releases 15 March 2024, 20 March 2024, 18 June 2024 and 8 July 2024. Kesko issued a stock exchange release on 30 January 2024 regarding the most recent share-based commitment and incentive plans. In addition, Kesko transferred 7,789 B shares held by the company as treasury shares to members of Kesko's Board of Directors as part of their annual fees, and issued a related stock exchange release on 26 April 2024.

Kesko's Annual General Meeting of 26 March 2024 authorised the Board to decide on the issuance of a maximum of 33,000,000 new B series shares or B shares held by the company as treasury shares, and on the repurchase of a maximum of 16,000,000 of the company's own B shares. The authorisations are valid until 30 June 2025, and were communicated in a stock exchange release issued on 26 March 2024.

Key events in January-December 2024

Kesko's Board of Directors appointed Jorma Rauhala as the managing director of Kesko Corporation and President and CEO of Kesko Group as of 1 February 2024, as Mikko Helander announced on 8 December 2023 his intentions to retire. (Stock exchange release 19.12.2023)

Kesko announced in August 2023 it would expand its operations to Denmark by acquiring 90% of the shares in Davidsen Koncernen A/S. On 5 January 2024, the EU Commission approved the acquisition without conditions. The transaction was completed on 31 January 2024. (Investor news releases 23.8.2023 and 31.1.2024)

Kesko withdrew from operating the Neste K service stations, where it had been responsible for the grocery trade operations and additional services. During the year, Kesko withdrew from operating 64 Neste K service stations. The stations will continue as a service offered by Neste. The motive behind the decision is the diminished role of grocery sales at service stations. (Investor news release 23.1.2024)

Kesko Corporation's Chief Financial Officer Jukka Erlund announced that he will be leaving Kesko and joining Fazer Group as Chief Financial Officer. Erlund acted as Kesko's CFO and a member of the Group Management Board since November 2011. (Stock exchange release 13.2.2024)

Sami Kiiski was appointed as President of Kesko's building and technical trade division and a member of Group Management Board, and Johanna Ali was appointed as acting President of the car trade division and a member of Group Management Board, both as of 1 April 2024. (Stock exchange release 20.3.2024)

Anu Hämäläinen (M.Sc. Econ.) was appointed as Kesko's Chief Financial Officer and a member of Group Management Board, and Lasse Luukkainen (Master of Laws) was appointed as Kesko's Executive Vice President, Legal and Sustainability, and a member of Group Management Board, both effective as of 1 June 2024. (Stock exchange release 14.5.2024)

The Board of Directors of Kesko Corporation confirmed an updated strategy for the company. The main pillars of the strategy remain intact, while each division's competitive advantages and objectives were refined. Central to Kesko's growth strategy continues to be profitable growth in three selected divisions, namely grocery trade, building and technical trade, and car trade. (Investor news release 4.6.2024)

Johanna Ali (M.Sc. Econ.) was appointed as President of Kesko's car trade division and a member of Group Management Board as of 4 June 2024. (Stock exchange release 4.6.2024)

Kesko established a Green Finance Framework applicable for the issuance of green debt instruments. (Investor news release 4.6.2024)

The two largest shareholders in Kesko on 1 September 2024 by votes were K-Retailers' Association and Ilmarinen Mutual Pension Insurance Company. Both used their right of nomination for Kesko's Shareholders' Nomination Committee. The members of Kesko's Shareholders' Nomination Committee are Pauli Jaakola, retailer, appointed by K-Retailers' Association, Jouko Pölönen, President and CEO, appointed by Ilmarinen Mutual Pension Insurance Company, and Esa Kiiskinen, Chair of Kesko's Board of Directors. At its organisational meeting on 23 September 2024, the Committee elected Pauli Jaakola to continue as Committee Chair. (Stock exchange releases 7.6.2024 and 23.9.2024)

Kesko agreed to acquire three builders' merchants in Denmark: Roslev Trælasthandel A/S, Tømmergaarden A/S, and CF Petersen & Søn A/S. The combined net sales of the three operators total some €400 million. The acquisitions are

part of the execution of Kesko's growth strategy in Northern Europe, and once completed, will make Kesko's subsidiary Davidsen a significant nationwide operator in the Danish builders' merchant market. The completion of all three acquisitions is subject to the approval of the competition authorities and the fulfilment of certain other conditions. The transactions are expected to be completed in the first half of 2025 at the latest. (Investor news release 14.8.2024)

The Finnish Competition and Consumer Authority (FCCA) investigated actions by Kesko Group company Onninen as well as several other companies in the HPAC infra plastic pipe product market for nearly a decade. The investigation concerned events between 2009 and 2016. Kesko was aware of the ongoing investigation when it acquired Onninen in 2016. Kesko was not at any point of the investigation suspected of violations. In 2022, the FCCA decided to take the matter to the Market Court, and proposed that a penalty payment be imposed on Onninen and the other companies. In its decision on 28 August 2024, the Market Court dismissed all FCCA demands. The Market Court furthermore ordered the FCCA to reimburse Onninen for litigation costs. Apart from the issue of reimbursement of litigation costs, the Market Court decision has gained legal force. (Investor news release 28.8.2024)

Kesko signed a €150 million 7-year sustainability-linked loan with the Nordic Investment Bank (NIB), where the interest rate margin is tied to Kesko's attainment of certain sustainability targets set for greenhouse gas emissions and food waste. (Investor news release 13.9.2024)

Kesko announced it would be issuing senior unsecured green notes of €300 million, with a maturity of approximately five years and four months. The notes mature on 2 February 2030. The notes carry a fixed annual interest of 3.500 percent. The issue price of the notes was 99.317 percent. The issue date of the notes was 2 October 2024, and trading began on 4 October 2024 on the list of sustainable bonds of Nasdaq Helsinki Ltd. The net proceeds from the notes issue will be used for financing or refinancing eligible green projects or assets or otherwise in accordance with the Green Finance Framework established by Kesko in May 2024. (Stock exchange releases on 20.9.2024, 25.9.2024 and 2.10.2024)

Key events after the reporting period

Kesko announced on 14 August 2024 that it would acquire Roslev Trælasthandel A/S and two other Danish builders' merchant companies. The acquisition of Roslev Trælasthandel received all necessary approvals and was completed on 31 January 2025. (Investor news release 31.1.2025)

Resolutions of the 2024 Annual General Meeting

The Annual General Meeting of Kesko Corporation held on 26 March 2024 adopted the company's financial statements for 2023. The Annual General Meeting resolved to distribute a dividend of €1.02 per share – based on the adopted balance sheet for 2023 – on shares held outside the company at the time of distribution. The remaining distributable assets remain in equity. The dividend was paid in four instalments: the record date of the first dividend instalment of €0.26/share was 28 March 2024 and the pay date 9 April 2024; the record date of the second dividend instalment of €0.25/share was 16 July 2024 and the pay date 23 July 2024; the record date of the third dividend instalment of €0.26/share was 15 October 2024 and the pay date 22 October 2024; and the record date of the fourth dividend instalment of €0.25/share was 14 January 2025 and the pay date 21 January 2025. The Board was authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second, third and/or fourth instalments, if the rules and statutes of the Finnish book-entry system change or otherwise so require.

The resolutions of the Annual General Meeting were communicated in more detail in a stock exchange release issued on 26 March 2024.

Sustainability

Kesko has prepared a sustainability statement for 2024 in compliance with the principles of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) included in the Directive. The sustainability statement is part of Kesko's Report by the Board of Directors, which will be published together with Kesko's financial statements in week 9.

Risk management

Risk management at Kesko is proactive and an integral part of day-to-day management to assess and manage business-related opportunities and risks.

Kesko's divisions and common operations are responsible for identifying, assessing, handling and managing risks related to their operations, and they report on risks, risk management responses and the results of those responses to the Group risk management function. Members of the Group Management Board are responsible for the effective and efficient implementation of internal control and risk management in their respective areas of responsibility.

A risk management function independent of businesses is responsible for providing a framework and guidance for internal control and risk management, and it supports, coordinates and supervises risk management implementation in Kesko Group. The Chief Audit and Risk Officer reports functionally to the Chair of the Audit Committee and administratively to Kesko's President and CEO on matters related to internal audit, and to the Group's Chief Financial Officer on matters related to risk management. The Risk Management Steering Group headed by the Chief Financial Officer is responsible for establishing the Group's overview of the risk situation. The President and CEO is responsible for the effectiveness and efficiency of the Group's risk management, and approves Group risk reports before they are reviewed by the Board of Directors. Kesko's Board of Directors monitors and assesses the effectiveness of risk management and supervises the assessment of risks related to the company's strategy and operations and their management, aided by the Audit Committee.

The Group's most significant risks and uncertainties, as well as material changes in and management responses to them, including indicators, are reported to Kesko Board's Audit Committee quarterly in connection with the review of interim reports, the half-year financial report, and the financial statements. The Audit Committee Chair reports on risk management to the Board as part of Audit Committee reporting. The most significant risks and uncertainties and emerging risks are reported to the market by the Board in the Report by the Board of Directors, and any material changes in them in the interim reports and the half-year financial report.

Significant risks and uncertainties

Slower-than-anticipated economic recovery and recovery in demand

High interest rates, weakened employment, and economic uncertainty have an impact on consumer purchasing power and companies' willingness to invest. In grocery trade, product price has an emphasised impact on consumer purchase decisions, while customers in car trade may postpone their purchases. In building and technical trade, construction and renovation projects may continue to be postponed, which would impact sales and inventory management.

Geopolitical risks

Growing tensions in security policy as a result of the war in Ukraine and other military conflicts, as well as the potential expansion of the conflicts and tightened military and economic competition between superpowers could have a significant impact on Kesko's operating environment, supply chain continuity, and product availability.

Cybercrime

Growing, professional cybercrime has resulted in higher risk on business continuity and loss of critical information. Targets of cyber-attacks may include, for example, data systems critical for business continuity or personal data. Cyber-attacks may result in business disruptions, loss of customer trust, or fines imposed by authorities.

Compliance with laws and agreements

Changes in legislation and authority regulations could necessitate significant changes and result in additional costs. Compliance with laws and agreements is an important part of Kesko's corporate responsibility. Non-compliance can result in fines, claims for damages and other financial losses, as well as loss of trust and reputation.

Climate change

Delays in actions aimed at mitigating climate change and an increase in extreme weather phenomena can impact product availability and cause disturbances in logistics and the store site network. The impacts of Kesko's operations on the climate, in turn, are related to Kesko's energy solutions and emissions, and the lifecycle impact of products and services sold in the whole supply chain.

Product safety

A failure in product safety control or in the quality assurance of the supply chain could result in financial losses, the loss of reputation and customer trust, or, in the worst case, a health hazard to customers.

Store sites and properties

Good store sites are a key competitive factor for business growth and profitability. The acquisition of store sites can be delayed by town planning and permit procedures and the availability and pricing of sites. Considerable amounts of capital or lease liabilities are tied up in properties for years. As a result of urbanisation, changes in the market situation, growing significance of e-commerce, or a chain concept proving inefficient, there is a risk that a store site or a property becomes unprofitable, and operations are discontinued while long-term liabilities remain.

Responsible operating practices and reputation management

Various aspects of corporate responsibility, such as ensuring responsibility in the purchasing chain of products, fair and equal treatment of employees, the prevention of corruption, and environmental protection, are increasingly important to customers. Any failures in corporate responsibility and sustainability could result in negative publicity for Kesko and cause operational and financial damage.

Reporting to the market

In its investor communication and financial reporting, Kesko follows the disclosure policy approved by Kesko's Board of Directors. Kesko's objective is to produce and publish reliable and timely information. Disclosure follows the principle of providing all market participants information in a timely manner and non-selectively to form the basis for the price formation of Kesko's financial instruments such as shares. Should the information published by Kesko prove incorrect, or should communications fail to meet regulations in other respects, it could result in losing investor and other stakeholder trust and in possible sanctions. Significant business arrangements, tight disclosure schedules and the dependency on information systems create challenges for the accuracy of financial information.

Risks of damage

Accidents, natural phenomena and epidemics can cause significant damage to people, property or business. In addition, risks of damage may cause business disruptions that cannot be prevented.

Proposal for profit distribution

The Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 24 March 2025 that a dividend of €0.90 per share be paid for the year 2024 based on the adopted balance sheet on shares held outside the company at the date of dividend distribution. The remaining distributable assets will remain in equity. The Board proposes that the dividend be paid in four instalments.

The first instalment of €0.23 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 26 March 2025. The Board proposes that the dividend instalment pay date be 2 April 2025.

The second instalment of €0.22 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 15 July 2025. The Board proposes that the dividend instalment pay date be 22 July 2025.

The third instalment of €0.23 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 14 October 2025. The Board proposes that the dividend instalment pay date be 21 October 2025.

The fourth instalment of €0.22 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 13 January 2026. The Board proposes that the dividend instalment pay date be 20 January 2026.

The Board proposes that it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second, third and/or fourth instalments, if the rules and statutes of the Finnish book-entry system change or otherwise so require, or if the payment of dividends is prevented by laws or regulations applied.

As at the date of the proposal for the distribution of profit, 4 February 2025, a total of 397,956,408 shares were held outside the company, and the corresponding total amount of dividends is €358,160,767.20.

The distributable assets of Kesko Corporation total €1,539,047,794.71, of which profit for the financial year is €357,128,787.22.

Annual General Meeting

The Board of Directors has decided that Kesko's Annual General Meeting will be held on 24 March 2025 at 1.00 pm (EET). Kesko Corporation will publish a notice of the General Meeting on its website and as a stock exchange release on 5 February 2025.

Annual Report 2024, Corporate Governance Statement, and Remuneration Report for Governing Bodies

Kesko will publish its 2024 Annual Report, including a strategy review, the Report by the Board of Directors and financial statements for 2024, the Corporate Governance Statement, and the Remuneration Report for Governing Bodies in week 9 on its website at www.kesko.fi.



Helsinki, 4 February 2025
Kesko Corporation
Board of Directors

The information in this financial statements release release is unaudited.

Further information, audioconference and webcast

Further information is available from Anu Hämäläinen, Executive Vice President, Chief Financial Officer, tel. +358 105 323 713, Hanna Jaakkola, Vice President, Investor Relations, tel. +358 105 323 540, and Eva Kaukinen, Vice President, Group Controller, tel. +358 105 322 338. An English-language audio conference on the results briefing will be held on 5 February 2025 at 9.00 am (EET). The audio conference login is available on Kesko's website at www.kesko.fi. A Finnish-language webcast of the interim report briefing can be viewed at 10.30 am (EET) at www.kesko.fi.

Kesko's interim report for January-March 2025 will be published on 29 April 2025. In addition, Kesko Group's sales figures are published monthly. News releases and other company information are available on Kesko's website at www.kesko.fi.

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Accounting policies

The financial statements release has been prepared in accordance with the same accounting principles as the annual financial statements for 2023.

Consolidated income statement

€ million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Net sales	11,920.1	11,783.8	3,040.6	2,902.0
Materials and services	-10,184.1	-10,035.0	-2,598.6	-2,414.6
Change in inventory	-21.6	-72.0	12.6	-64.7
Other operating income	994.6	975.2	256.7	258.4
Employee benefit expense	-842.5	-786.6	-224.0	-207.7
Depreciation, amortisation and impairment charges	-247.9	-184.0	-94.0	-49.5
Depreciation and impairment charges for right-of-use assets	-375.5	-353.2	-93.6	-91.8
Other operating expenses	-684.5	-651.8	-188.9	-185.8
Share of result of joint ventures	20.9	19.0	10.1	13.5
Operating profit	579.5	695.4	121.0	159.8
Interest income and other finance income	17.7	16.9	6.0	4.2
Interest expense and other finance costs*	-49.5	-26.3	-14.6	-10.9
Interest expense for lease liabilities	-78.6	-73.4	-19.8	-19.0
Foreign exchange differences	-1.3	-1.1	0.1	0.2
Share of result of associates	3.8	2.1	0.3	0.1
Profit before tax	471.5	613.5	93.1	134.4
Income tax	-92.0	-118.0	-18.2	-21.5
Net profit for the period	379.6	495.6	74.9	112.9
Attributable to				
Owners of the parent	379.1	495.6	74.9	112.9
Non-controlling interests	0.4	-	0.0	-
Earnings per share (€) for profit attributable to owners of the parent				
Basic and diluted	0.95	1.25	0.19	0.28

Consolidated statement of comprehensive income

€ million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Net profit for the period	379.6	495.6	74.9	112.9
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains and losses	37.6	-5.5	24.7	-9.7
Items that may be reclassified subsequently to profit or loss				
Currency translation differences related to a foreign operation	-31.6	-19.5	-5.5	17.1
Share of other comprehensive income of associates and joint ventures	0.5	-1.8	0.4	-0.9
Cash flow hedge revaluation	-7.7	-31.0	-4.9	3.2
Total other comprehensive income for the period, net of tax	-1.2	-57.9	14.8	9.7
Total comprehensive income for the period	378.3	437.7	89.7	122.6
Attributable to				
Owners of the parent	377.9	437.7	89.7	122.6
Non-controlling interests	0.4	-	0.0	-

Consolidated statement of financial position

€ million	31.12.2024	31.12.2023
ASSETS		
Non-current assets		
Property, plant and equipment	2,403.3	2,055.6
Goodwill	643.0	663.7
Intangible assets	234.2	211.4
Right-of-use assets	1,867.7	1,816.9
Shares in associates and joint ventures	239.7	232.8
Other investments	14.8	14.0
Non-current receivables	65.9	71.4
Deferred tax assets	16.9	13.7
Pension assets	127.5	79.6
Total	5,612.9	5,159.1
Current assets		
Inventories	1,101.5	1,083.9
Interest-bearing receivables	4.2	4.3
Trade receivables	957.9	970.5
Income tax assets	12.9	6.6
Other non-interest-bearing receivables	287.1	302.6
Other financial assets	15.0	15.4
Cash and cash equivalents	473.1	211.9
Total	2,851.7	2,595.2
Non-current assets classified as held for sale	6.6	-
Total assets	8,471.2	7,754.3

€ million	31.12.2024	31.12.2023
EQUITY AND LIABILITIES		
Equity	2,722.1	2,758.4
Non-controlling interests	12.9	-
Total equity	2,734.9	2,758.4
Non-current liabilities		
Interest-bearing liabilities	1,054.0	690.7
Lease liabilities	1,628.8	1,647.2
Non-interest-bearing liabilities	42.8	24.5
Deferred tax liabilities	76.3	70.9
Provisions	6.3	6.9
Total	2,808.1	2,440.2
Current liabilities		
Interest-bearing liabilities	291.3	98.5
Lease liabilities	422.2	350.6
Trade payables	1,404.4	1,418.3
Other non-interest-bearing liabilities	342.4	250.0
Income tax liabilities	12.2	11.2
Accrued liabilities	442.4	415.1
Provisions	13.2	12.0
Total	2,928.1	2,555.7
Liabilities related to non-current assets classified as held for sale	0.1	-
Total equity and liabilities	8,471.2	7,754.3

Consolidated statement of changes in equity

€ million	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
Balance at 1.1.2024	197.3	464.7	-71.7	4.3	-26.7	2,190.6	-	2,758.4
Share-based payments					3.9			3.9
Dividends						-405.9		-405.9
Increase of non-controlling interests						-17.0	12.4	-4.5
Other changes		-0.0	-			4.8		4.8
Transactions with owners, total		-0.0	-		3.9	-418.1	12.4	-401.8
Comprehensive income								
Profit for the period						379.1	0.4	379.6
Actuarial gains and losses						37.6		37.6
Translation differences on foreign operations			-31.6			-	0.0	-31.6
Share of other comprehensive income of associates and joint ventures				-		0.5		0.5
Cash flow hedge revaluation				-7.7		-		-7.7
Total other comprehensive income for the period, net of tax			-31.6	-7.7		38.1	0.0	-1.2
Total comprehensive income for the period			-31.6	-7.7		417.2	0.4	378.3
Balance at 31.12.2024	197.3	464.7	-103.3	-3.4	-22.8	2,189.7	12.9	2,734.9

€ million	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Total
Balance at 1.1.2023	197.3	464.7	-52.2	35.3	-28.1	2,125.2	2,742.2
Share-based payments						1.4	1.4
Dividends						-429.6	-429.6
Other changes		-0.0	-0.0			6.7	6.7
Transactions with owners, total		-0.0	-0.0			1.4	-422.8
Comprehensive income							
Profit for the period						495.6	495.6
Actuarial gains and losses						-5.5	-5.5
Translation differences on foreign operations			-19.5			-	-19.5
Share of other comprehensive income of associates and joint ventures				-		-1.8	-1.8
Cash flow hedge revaluation				-31.0		-	-31.0
Total other comprehensive income for the period, net of tax			-19.5	-31.0		-7.3	-57.9
Total comprehensive income for the period			-19.5	-31.0		488.2	437.7
Balance at 31.12.2023	197.3	464.7	-71.7	4.3	-26.7	2,190.6	2,758.4

Consolidated statement of cash flows, condensed

€ million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Cash flows from operating activities				
Profit before tax	471.5	613.5	93.1	134.4
Depreciation according to plan	207.4	184.0	54.0	49.5
Depreciation and impairment for right-of-use assets	375.5	353.2	93.6	91.8
Finance income and costs	33.1	10.5	8.5	6.5
Interest expense for lease liabilities	78.6	73.4	19.8	19.0
Other adjustments	22.2	-10.8	31.0	-11.9
Change in working capital				
Current non-interest-bearing receivables, increase (-)/decrease (+)	43.8	69.3	113.5	109.7
Inventories, increase (-)/decrease (+)	25.5	58.3	-7.2	63.2
Current non-interest-bearing liabilities, increase (+)/decrease(-)	-44.8	-137.1	-47.3	-91.2
Financial items and tax	-204.7	-164.8	-58.0	-28.4
Net cash from operating activities, total	1,008.2	1,049.5	301.0	342.4
Cash flows from investing activities				
Investing activities	-643.0	-679.3	-113.3	-150.6
Proceeds from sale of tangible and intangible assets	45.0	24.9	6.9	6.8
Proceeds from sale of subsidiaries and business operations, net cash deducted	-	9.9	-	-
Other financial assets, increase (-)/decrease (+)	0.5	54.3	-15.0	6.2
Net cash used in investing activities, total	-597.5	-590.2	-121.4	-137.5
Cash flows from financing activities				
Interest-bearing liabilities, increase (+)/decrease (-)	534.0	283.4	264.7	57.4
Repayments of lease liabilities	-370.9	-354.3	-91.9	-88.7
Current interest-bearing receivables, increase (-)/decrease (+)	3.9	2.2	1.9	1.7
Dividends paid	-320.3	-430.3	-103.5	-107.8
Other items	3.5	6.8	2.0	-3.5
Net cash used in financing activities, total	-149.8	-492.2	73.2	-140.9
Change in cash and cash equivalents	260.9	-32.9	252.7	64.0
Cash and cash equivalents at the beginning of the period	211.9	245.5	219.9	148.2
Exchange differences and change in value of cash and cash equivalents	0.3	-0.7	0.5	-0.3
Cash and cash equivalents at the end of the period	473.1	211.9	473.1	211.9

Cash flow from leases

€ million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Interest expense for lease liabilities	-78.6	-73.4	-19.8	-19.0
Repayments of lease liabilities	-370.9	-354.3	-91.9	-88.7
Lease payments in the income statement	-8.5	-7.7	-2.5	-2.2
Total	-458.0	-435.4	-114.2	-109.9

Group's performance indicators

	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Net sales, € million	11,920.1	11,783.8	3,040.6	2,902.0
Operating profit, € million	579.5	695.4	121.0	159.8
Operating margin, %	4.9	5.9	4.0	5.5
Operating profit, comparable, € million	650.1	712.0	170.8	170.5
Operating margin, comparable, %	5.5	6.0	5.6	5.9
Profit before tax, € million	471.5	613.5	93.1	134.4
Profit before tax, comparable, € million	543.0	630.4	143.3	145.1
Earnings per share, basic and diluted, €	0.95	1.25	0.19	0.28
Earnings per share, comparable, basic and diluted, €	1.11	1.28	0.31	0.31
Return on capital employed, %	10.1	13.1	8.3	11.8
Return on capital employed, comparable, %	11.3	13.4	11.8	12.6
Capital expenditure, € million	675.9	678.9	109.0	158.5
Cash flow from operating activities, € million	1,008.2	1,049.5	301.0	342.4
Cash flow from investing activities, € million	-597.5	-590.2	-121.4	-137.5
Cash flow from operating activities/share, €	2.53	2.64	0.76	0.86
Return on equity, %	13.8	18.0	11.1	16.8
Return on equity, comparable, %	16.1	18.5	18.3	18.0
Equity ratio, %	32.5	35.8	32.5	35.8
Equity per share, €	6.84	6.93	6.84	6.93
Interest-bearing net debt/EBITDA excluding the impact of IFRS 16	1.1	0.7	-	-
Interest-bearing net debt, € million	2,908.2	2,559.8	2,908.2	2,559.8
Interest-bearing net debt excluding lease liabilities, € million	857.2	561.9	857.2	561.9
Diluted number of shares, average for the reporting period, 1,000 pcs	397,922	397,706	397,922	397,706
Average number of personnel converted into full-time employees	15,347	14,766	15,130	14,503

Segment information

Net sales by segment, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade, Finland	6,381.4	6,351.6	1,660.8	1,639.1
Grocery trade total	6,381.4	6,351.6	1,660.8	1,639.1
- of which intersegment trade	16.1	16.5	3.9	3.8
Building and technical trade, Finland	1,967.9	2,115.0	448.9	455.4
Building and technical trade, other countries*	2,383.7	2,078.2	607.4	515.8
Building and technical trade total	4,351.6	4,193.2	1,056.3	971.1
- of which intersegment trade	-0.2	-0.9	-0.0	-0.2
Car trade, Finland	1,209.4	1,262.3	329.2	297.4
Car trade total	1,209.4	1,262.3	329.2	297.4
- of which intersegment trade	7.3	7.4	1.9	1.7
Common functions and eliminations	-22.4	-23.3	-5.7	-5.7
Finland total	9,536.4	9,705.6	2,433.2	2,386.2
Other countries total*	2,383.7	2,078.2	607.4	515.8
Group total	11,920.1	11,783.8	3,040.6	2,902.0

* Net sales in countries other than Finland

Operating profit by segment, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	420.9	443.6	119.2	124.6
Building and technical trade	116.3	201.9	-10.2	33.3
Car trade	69.3	82.4	20.0	14.2
Common functions and eliminations	-26.9	-32.6	-8.0	-12.2
Group total	579.5	695.4	121.0	159.8

Operating profit by segment, comparable, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	438.0	444.8	122.2	124.2
Building and technical trade	169.1	212.5	36.1	40.6
Car trade	69.3	82.6	20.2	14.4
Common functions and eliminations	-26.4	-27.8	-7.7	-8.8
Group total	650.1	712.0	170.8	170.5

Operating margin by segment, %, comparable	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	6.9	7.0	7.4	7.6
Building and technical trade	3.9	5.1	3.4	4.2
Car trade	5.7	6.5	6.1	4.8
Group total	5.5	6.0	5.6	5.9

EBITDA by segment, comparable, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	777.0	770.5	208.4	207.7
Building and technical trade	302.1	331.3	69.3	71.4
Car trade	124.9	134.0	34.6	27.9
Common functions and eliminations	11.3	9.6	1.6	0.8
Group total	1,215.2	1,245.3	313.9	307.8

Operating profit by segment excluding the impact of IFRS 16, comparable, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	384.4	389.9	108.6	110.6
Building and technical trade	148.7	193.1	31.8	35.8
Car trade	66.9	80.5	19.6	13.9
Common functions and eliminations	-27.7	-29.1	-8.1	-9.1
Group total	572.3	634.4	151.9	151.2

Capital employed by segment, cumulative average, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	2,734.9	2,555.4	2,783.4	2,622.0
Building and technical trade	2,172.8	1,865.1	2,168.5	1,908.0
Car trade	503.0	523.6	514.2	522.8
Common functions and eliminations	348.0	369.2	349.0	351.9
Group total	5,758.7	5,313.3	5,815.0	5,404.7

Return on capital employed by segment, %, comparable	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	16.0	17.4	17.6	19.0
Building and technical trade	7.8	11.4	6.7	8.5
Car trade	13.8	15.8	15.7	11.0
Group total	11.3	13.4	11.8	12.6

Capital expenditure by segment, € million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Grocery trade	276.0	303.7	54.4	76.0
Building and technical trade	293.7	273.0	27.2	52.1
Car trade	89.0	80.3	22.1	22.7
Common functions and eliminations	17.1	22.0	5.2	7.7
Group total	675.9	678.9	109.0	158.5

Acquisitions

Kesko expanded its operations to the Danish building and home improvement trade market by acquiring 90% of the shares in Davidsen Koncernen A/S on 31 January 2024. The Davidsen family will remain as a 10% minority shareholder in the company. Kesko acquired the shares in the company for a consideration of €147.9 million. The acquisition strengthens Kesko's market position in Northern Europe. The figures for Davidsen have been consolidated into Kesko Group's financial reporting from 1 February 2024 onwards.

Based on the purchase price allocation, the fair value of the assets acquired for Kesko Group amounted to €267.9 million and the fair value of the liabilities assumed amounted to €142.9 million. The fair value of intangible assets acquired at the date of acquisition totalled €39.3 million. The goodwill arising from the acquisition, €35.4 million reflects the strengthening of Kesko's market position in Northern European building and home improvement trade both with Davidsen's business operations and the synergies to be obtained. The goodwill arising from the acquisition is not tax deductible. The non-controlling interest is reported as proportionate share of net assets of the acquired company. Based on the agreement between Kesko and the minority shareholder, Kesko has recorded a financial liability related to the redemption of the non-controlling interest in its consolidated statement of financial position, which reduces the amount of equity attributable to owners of the parent company. The consolidated income statement includes minor acquisition-related costs under "Other operating expenses", presented as items affecting comparability.

On 1 September 2024, Kesko acquired Autotalo Lohja, thus expanding its car trade dealership network by two locations. Autotalo Lohja recorded net sales of €43.3 million in 2023. Based on the preliminary purchase price allocation, the fair value of the assets acquired for Kesko Group amounted to €2.4 million and the fair value of the liabilities assumed amounted to €0.5 million. The preliminary fair value of the intangible assets acquired (including customer relationships) at the date of acquisition totals €0.6 million. The €3.0 million goodwill arising from the acquisitions reflects the synergies expected to be achieved in efficiency in retail and other operations. The consolidated income statement includes minor acquisition-related costs, which are presented as items affecting comparability. The impact of the acquired business on the Group's net sales and operating profit in September-December was minor.

€ million	Daidsen Koncernen A/S
Acquisition price of the shares	147.9
Fair values of assets acquired and liabilities assumed at the date of acquisition	
Intangible assets	39.3
Property, plant, equipment, right-of-use assets and investments	106.7
Inventories	52.8
Receivables	47.3
Deferred tax asset	0.0
Cash and cash equivalents	21.7
Total assets	267.9
Trade payables, other payables and provisions	71.5
Interest-bearing liabilities including lease liabilities	54.2
Deferred tax liability	17.2
Total liabilities	142.9
Total net assets acquired	125.0
Non-controlling interests	-12.5
Goodwill	35.4
Acquisition price of the shares	147.9
Cash flow impact of acquisition	
Consideration paid	-168.0
Cash and cash equivalents acquired	21.7
Cash flow impact of acquisition	-146.3

Change in tangible and intangible assets

€ million	31.12.2024	31.12.2023
Opening net carrying amount	2,930.7	2,524.6
Depreciation, amortisation and impairment charges	-247.9	-184.3
Investments in tangible and intangible assets	511.1	533.1
Deductions	-55.3	-34.6
Acquisitions	172.6	110.0
Transfers to non-current assets classified as held for sale and between items	-6.6	-0.1
Exchange differences	-24.1	-18.0
Closing net carrying amount	3,280.5	2,930.7

Right-of-use assets

€ million	31.12.2024	31.12.2023
Opening net carrying amount	1,816.9	1,737.6
Depreciation, amortisation and impairment charges	-372.2	-353.2
Net increases	420.0	426.7
Acquisitions	12.3	15.7
Exchange differences	-9.3	-9.8
Closing net carrying amount	1,867.7	1,816.9

Related party transactions

The Group's related parties include its management (the Board of Directors, the Managing Director and the Group Management Board) and the companies controlled by them, their family members and companies controlled by the family members, the Group's subsidiaries, associates and joint ventures as well as Kesko Pension Fund.

€ million	1-12/2024	1-12/2023
Sales of goods and services	99.1	100.5
Purchases of goods and services	-10.5	-10.7
Other operating income	17.7	19.9
Other operating expenses	-4.7	-4.8
Finance income and costs	5.8	5.7
	31.12.2024	31.12.2023
Receivables	72.7	78.9
Liabilities	15.4	12.4
	31.12.2024	31.12.2023
Items related to leases		
Cash flow from leases	-46.9	-44.7
Lease liabilities	233.8	263.1

The Group joint ventures UAB Kesko Senukai Lithuania and UAB KS Holding distributed dividends in total of €16.4 million to Kesko Group companies in 2024. The Group's associated company Vähittäiskaupan Takaus Oy distributed dividends of €6.0 million to Kesko Corporation in 2024.

Credit and counterparty risk, ageing analysis of trade receivables

€ million	31.12.2024	31.12.2023
Trade receivables not due	878.3	875.8
1-7 days past due trade receivables	40.6	58.0
8-30 days past due trade receivables	17.6	14.7
31-60 days past due trade receivables	4.1	4.7
Over 60 days past due trade receivables	17.2	17.1
Total	957.9	970.5

Trade receivables include impairment charges totalling €30.6 million (31 December 2023: €24.4 million).

Financial assets and liabilities by category and fair value hierarchy

31.12.2024 Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehen- sive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	14.8			14.8	14.8			14.8
Loans and receivables		61.0		61.0	61.0			
Other non-current receivables, derivatives	3.0		1.9	4.9	4.9		4.9	
Current financial assets								
Trade receivables		957.9		957.9	957.9			
Other receivables		288.1		288.1	288.1			
Other receivables, derivatives	1.6		1.7	3.3	3.3		3.3	
Other financial assets	-	15.0	-	15.0	15.0		-	
Cash and cash equivalents	-	473.1	-	473.1	473.1		-	
Total financial assets	19.4	1,795.0	3.6	1,817.9	1,817.9		8.2	14.8
Non-current financial liabilities								
Non-current interest-bearing liabilities		1,054.0		1,054.0	1,055.7			
Non-current lease liabilities		1,628.8		1,628.8	1,628.8			
Non-current non-interest-bearing liabilities		39.6		39.6	39.6			
Non-current non-interest-bearing liabilities, derivatives	0.0		2.8	2.8	2.8		2.8	
Current financial liabilities								
Current interest-bearing liabilities		291.3		291.3	291.2			
Current lease liabilities		422.2		422.2	422.2			
Trade payables		1,404.4		1,404.4	1,404.4			
Other non-interest-bearing liabilities		738.1		738.1	738.1			
Other non-interest-bearing liabilities, derivatives	0.2		3.1	3.4	3.4		3.4	
Total financial liabilities	0.2	5,578.3	6.0	5,584.5	5,586.1		6.2	

31.12.2023 Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehen- sive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	14.0			14.0	14.0			14.0
Loans and receivables		64.1		64.1	64.1			
Other non-current receivables, derivatives	5.6		1.7	7.3	7.3		7.3	
Current financial assets								
Trade receivables		970.5		970.5	970.5			
Other receivables		299.9		299.9	299.9			
Other receivables, derivatives	1.2		5.8	7.0	7.0		7.0	
Other financial assets	-	15.4	-	15.4	15.5		-	
Cash and cash equivalents	-	211.9	-	211.9	211.9		-	
Total financial assets	20.8	1,561.7	7.5	1,590.1	1,590.2		14.3	14.0
Non-current financial liabilities								
Non-current interest-bearing liabilities		690.7		690.7	691.0			
Non-current lease liabilities		1,647.2		1,647.2	1,647.2			
Non-current non-interest-bearing liabilities		22.6		22.6	22.6			
Non-current non-interest-bearing liabilities, derivatives	-		1.6	1.6	1.6		1.6	
Current financial liabilities								
Current interest-bearing liabilities		98.5		98.5	98.1			
Current lease liabilities		350.6		350.6	350.6			
Trade payables		1,418.3		1,418.3	1,418.3			
Other non-interest-bearing liabilities		606.1		606.1	606.1			
Other non-interest-bearing liabilities, derivatives	1.8		0.6	2.3	2.3		2.3	
Total financial liabilities	1.8	4,834.0	2.1	4,837.8	4,837.8		3.9	

Loans and receivables do not include deferred tax assets of €16.9 million (€13.7 million) and income tax receivables of €12.9 million (€6.6 million). Income tax liabilities of €12.2 million (€11.2 milj. euroa) and prepayments received of €43.4 million (€56.7 million) are not categorised as financial liabilities and are not included in the table above.

Personnel, average and at 31.12.

Average number of personnel converted into full-time employees by segment	1-12/2024	1-12/2023	Change
Grocery trade	6,346	6,257	89
Building and technical trade	6,538	6,073	464
Car trade	1,556	1,531	25
Common functions and eliminations	908	905	3
Group total	15,347	14,766	582

Personnel at 31.12.* by segment	2024	2023	Change
Grocery trade	8,257	8,184	73
Building and technical trade	7,341	6,934	407
Car trade	1,752	1,641	111
Common functions and eliminations	959	943	16
Group total	18,309	17,702	607

* Total number including part-time employees

Group's commitments

€ million	31.12.2024	31.12.2023
Own commitments	268.8	314.2
For others	-	-
Lease commitments for lease agreements commencing in future	298.8	233.2

Liabilities arising from derivative instruments	Fair value		
Values of underlying instruments at	31.12.2024	31.12.2023	31.12.2024
Interest rate derivatives			
Interest rate swaps	467.0	530.0	3.8
Currency derivatives			
Forward and future contracts	124.9	125.3	1.4
Commodity derivatives			
Electricity derivatives	45.4	39.4	-3.2

The lease commitments are for leases not commenced on 31 December 2024 to which the Group is committed.

Legal disputes and possible legal proceedings

Group companies act as plaintiffs, defendants or parties to certain legal proceedings, disputes or investigations related to the Group's business operations. Although according to Kesko's management's estimate, the outcome of pending disputes and legal and authority proceedings is unlikely to have any material impact on the Group's financial position, the outcome of disputes and legal and authority proceedings is difficult to predict.

Investigation by the Finnish Competition and Consumer Authority regarding Onninen Oy – The Finnish Competition and Consumer Authority (FCCA) investigated actions by Kesko Group company Onninen as well as several other companies in the HPAC infra plastic pipe product market for nearly a decade. The investigation concerned events between 2009 and 2016. Kesko was aware of the ongoing investigation when it acquired Onninen in 2016. Kesko was not at any point of the investigation suspected of violations. In 2022, the FCCA decided to take the matter to the Market Court, and proposed that a penalty payment be imposed on Onninen and the other companies. In its decision on 28 August 2024, the Market Court dismissed all FCCA demands. The Market Court furthermore ordered the FCCA to reimburse Onninen for litigation costs. Apart from the issue of reimbursement of litigation costs, the Market Court decision has gained legal force.

Legal proceedings concerning UAB Kesko Senukai Lithuania – Kesko has disclosed, for example in its financial statements 2023, that it had been party to an arbitration concerning the shareholder agreement of Kesko's joint venture UAB Kesko Senukai Lithuania. Other parties to the arbitration included, for example, the minority shareholders of UAB Kesko Senukai Lithuania. The arbitration process ended in 2022, and the decision given was final. However, the opposing parties have in a separate legal proceeding demanded that the arbitral award be nullified and invalidated. The Helsinki Court of Appeal gave its judgement in 2024, which did not change the content or finality of the arbitral award. The opposing parties have been granted a leave to appeal to the Supreme Court on a procedural matter related to the judgement by the Helsinki Court of Appeal, and the appeal is still pending. The minority shareholders of UAB Kesko Senukai Lithuania and UAB Kesko Senukai Lithuania have initiated a new arbitration against Kesko in December 2024 related to the shareholder agreement between the parties.

Calculation of performance indicators

Kesko uses alternative performance measures to reflect business performance and profitability. These indicators should be examined together with the IFRS-compliant performance indicators.

Change in comparable net sales is used to reflect changes in the Group's business volume between periods. The indicator reflects the change in net sales excluding the impact of acquisitions and divestments, in local currencies. The comparable net sales have been calculated by including in the net sales the business operations that have been part of Kesko Group in both the reporting period as well as the comparison period. Other structural arrangements related to acquisitions and divestments have been adjusted in the same manner as acquisitions.

Exceptional transactions outside the ordinary course of business are treated as items affecting comparability. Performance indicators reflecting comparable profit and profitability are used to improve the comparability of operational performance between periods. Gains and losses on disposal of real estate, shares and business operations, impairment charges and significant restructuring costs are identified as items affecting comparability. Gains on disposal have been presented within other operating income, and losses on disposal within other operating expenses in the income statement. Impairment charges and significant profit and loss items related to changes in lease agreements are presented in the income statement under depreciation, amortisation and impairment charges.

Alternative performance measures that have been adjusted for the impact of IFRS 16 are used to monitor the achievement of certain financial targets. The EBITDA excluding the impact of IFRS 16 corresponds to EBITDA before the adoption of IFRS 16, and the interest-bearing net debt excluding lease liabilities correspond to interest-bearing net debt before the adoption of the standard. These restated indicators are included as components in the Group's financial target "interest-bearing net debt excluding lease liabilities divided by EBITDA excluding the impact of IFRS 16".

In addition, financial performance indicators for the Group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Operating profit, comparable	Operating profit +/- items affecting comparability
Items affecting comparability	- gains on disposal + losses on disposal + impairment charges +/- structural arrangements
Return on equity, %	(Profit/loss before tax - Income tax) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity, %, comparable	(Profit/loss for the preceding 12 months before tax - Income tax for the preceding 12 months) x 100 / Shareholders' equity on average for 12 months
Return on capital employed, %	Operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed, %, comparable	Comparable operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for 12 months
EBITDA	Operating profit + Depreciation and amortisation + Impairments
EBITDA excluding the impact of IFRS 16	EBITDA - Rents from lease agreements
Equity ratio, %	Shareholders' equity x 100 / (Total assets - Advances received)
Gearing, %	Interest-bearing net debt x 100 / Shareholders' equity
Interest-bearing net debt	Interest-bearing liabilities + Lease liabilities - Current other financial assets - Cash and cash equivalents
Interest-bearing net debt excluding lease liabilities	Interest-bearing net debt - Lease liabilities
Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16
Capital expenditure	Performance indicator includes investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares. Additions of right-of-use assets for leases in the consolidated statement of financial position are not capital expenditure. Redemption of a leased property (right-of-use asset) is reported as capital expenditure.
Earnings/share, basic	(Profit/loss - Non-controlling interests) / Average number of shares
Earnings/share, diluted	(Profit - Non-controlling interest) / Average diluted number of shares
Earnings/share, basic, comparable	(Profit/loss adjusted for items affecting comparability - Non-controlling interests adjusted for items affecting comparability) / Average number of shares
Equity/share	Equity attributable to owners of the parent / Basic number of shares at the balance sheet date
Market capitalisation	Share price at balance sheet date x Number of shares
Cash flow from operating activities/share	Cash flow from operating activities / Average number of shares

Indicators for return on equity, comparable return on equity, return on capital employed and comparable return on capital have been annualised.

Reconciliation of performance indicators to IFRS financial statements

€ million	1-12/2024	1-12/2023	10-12/2024	10-12/2023
Items affecting comparability				
Gains on disposal	11.4	0.4	0.1	-
Losses on disposal	-1.6	-1.0	-	-0.0
Impairment charges	-40.0	-	-40.0	-
Structural arrangements	-40.4	-16.1	-9.9	-10.6
Items in operating profit affecting comparability	-70.6	-16.7	-49.8	-10.6
Items in financial items affecting comparability	-0.8	-0.2	-0.4	-
Items in income taxes affecting comparability	7.7	3.1	2.0	1.9
Total items affecting comparability	-63.7	-13.7	-48.2	-8.7
Items in EBITDA affecting comparability	-12.3	-12.8	-5.4	-6.7
Operating profit, comparable				
Operating profit	579.5	695.4	121.0	159.8
Net of				
Items in operating profit affecting comparability	-70.6	-16.7	-49.8	-10.6
Operating profit, comparable	650.1	712.0	170.8	170.5
EBITDA				
Operating profit	579.5	695.4	121.0	159.8
Plus				
Depreciation and impairment charges	247.9	184.0	94.0	49.5
Depreciation and impairment charges for right-of-use	375.5	353.2	93.6	91.8
EBITDA	1,202.9	1,232.5	308.5	301.1
EBITDA excluding the impact of IFRS 16				
EBITDA	1,202.9	1,232.5	308.5	301.1
Net of				
Rents from lease agreements	-453.2	-430.7	-109.8	-111.1
EBITDA excluding the impact of IFRS 16	749.7	801.8	198.8	190.0
Profit before tax, comparable				
Profit before tax	471.5	613.5	93.1	134.4
Net of				
Items in operating profit affecting comparability	-70.6	-16.7	-49.8	-10.6
Items in financial items affecting comparability	-0.8	-0.2	-0.4	-
Profit before tax, comparable	543.0	630.4	143.3	145.1
Net profit, comparable				
Profit before tax, comparable	543.0	630.4	143.3	145.1
Net of				
Income tax	92.0	118.0	18.2	21.5
Items in income taxes affecting comparability	7.7	3.1	2.0	1.9
Net profit, comparable	443.3	509.3	123.2	121.6
Net profit attributable to owners of the parent,				
Net profit, comparable	443.3	509.3	123.2	121.6
Net of				
Net profit attributable to non-controlling interests	0.4	-	0.0	-
Net profit attributable to owners of the parent,	442.9	509.3	123.2	121.6
Earnings per share, comparable, €				
Net profit attributable to the owners of the parent,	442.9	509.3	123.2	121.6

Average number of shares, basic, 1,000 pcs	397,922	397,706	397,922	397,706
Earnings per share, comparable, €	1.11	1.28	0.31	0.31
Return on capital employed, %				
Operating profit	579.5	695.4	121.0	159.8
Capital employed, average	5,758.7	5,313.3	5,815.0	5,404.5
Return on capital employed, %	10.1	13.1	8.3	11.8
Return on capital employed, comparable, %				
Operating profit, comparable	650.1	712.0	170.8	170.5
Capital employed, average	5,758.7	5,313.3	5,815.0	5,404.5
Return on capital employed, comparable, %	11.3	13.4	11.8	12.6
Return on equity, %				
Net profit	379.1	495.6	74.9	112.9
Equity, average	2,746.7	2,750.3	2,688.2	2,695.8
Return on equity, %	13.8	18.0	11.1	16.8
Return on equity, comparable, %				
Net profit, comparable	443.3	509.3	123.2	121.6
Equity, average	2,746.7	2,750.3	2,688.2	2,695.8
Return on equity, comparable, %	16.1	18.5	18.3	18.0
Equity ratio, %				
Shareholders' equity	2,734.9	2,758.4	2,734.9	2,758.4
Total assets	8,471.2	7,754.3	8,471.2	7,754.3
Advances received	43.4	56.7	43.4	56.7
Equity ratio, %	32.5	35.8	32.5	35.8

K Group's retail and B2B sales VAT 0 % (preliminary data)

Kesko and K-retailers together form K Group. The table below depicts K Group's retail and B2B sales by chain, comprising the combined retail and B2B sales of Kesko's own retailing and B2B trade and retailer-owned chain stores.

K Group's retail and B2B sales	1.1.-31.12.2024		1.10.-31.12.2024	
K Group's grocery trade	€ million	Change %*)	€ million	Change %*)
K-food stores	6,675.3	0.1	1,683.6	-0.1
K-Citymarket, non-food	605.9	-2.0	186.7	-0.9
Kespro	1,200.8	1.2	301.9	2.5
Grocery trade, total	8,482.0	0.1	2,172.1	0.2
K Group's building and technical trade				
K-Rauta, Finland	1,080.5	-3.1	229.7	1.1
K-Rauta B2B Service, Finland	214.9	-16.2	51.1	-9.6
Technical trade, Finland	1,107.5	-8.3	268.2	-3.2
Finland, total	2,402.9	-6.8	549.0	-2.1
K-Bygg, Sweden	348.7	-5.1	79.2	-6.7
Technical trade, Sweden	124.3	-7.0	31.7	8.6
Byggmakker, Norway	602.0	-8.3	150.0	-0.7
Technical trade, Norway	537.6	-6.7	141.1	-5.2
Davidsen, Denmark	414.0	-5.3	107.8	7.2
Technical trade, Baltic countries	127.2	-1.5	32.4	-0.6
Technical trade, Poland	367.8	9.2	99.7	11.7
Other countries, total	2,521.5	-4.4	641.9	0.9
Kesko Senukai	1,194.1	1.5	302.7	0.9
Building and technical trade, total	6,118.5	-4.3	1,493.6	-0.2
K Group's car trade				
Car trade	1,011.0	-6.8	284.4	15.6
Sports trade	241.5	-7.6	67.2	-12.1
Car trade, total	1,252.4	-7.0	351.6	9.1
Finland, total	12,137.4	-2.1	3,072.7	0.7
Other countries, total	3,715.6	-2.6	944.6	0.9
Retail and B2B sales, total	15,853.0	-2.2	4,017.3	0.7

*) The change, % compared to the year before has been calculated to illustrate a situation, in which the acquisitions and divestments had been completed on 1 January 2023. In 2023, the most material acquisitions were Elektroskandia Norge AS on 1 March 2023 and Geitanger Bygg AS on 2 October 2023 in Norway and Zenitec Sweden AB on 5 April 2023 in Sweden. In 2024 the acquisition of Davidsen Koncernen A/S was completed on 31 January 2024 and the acquisition of Autotalo Lohja on 1 September 2024. The restructuring of the K-Rauta chain in Sweden was completed in December 2024. During October-November 2024, 8 K-Rauta stores in Sweden were transferred under the K-Bygg chain.



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