



KESKO ANNUAL GENERAL MEETING
REVIEW OF 2024 BY THE PRESIDENT AND CEO

A GOOD RESULT FROM ALL DIVISIONS

Jorma Rauhala
President and CEO
24 March 2025



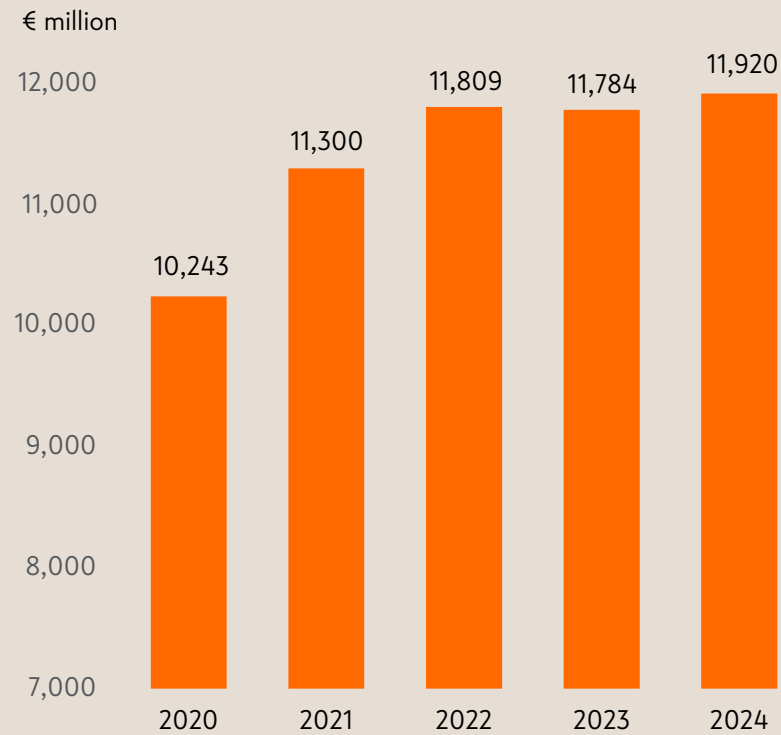


KEY TOPICS FOR KESKO IN 2024

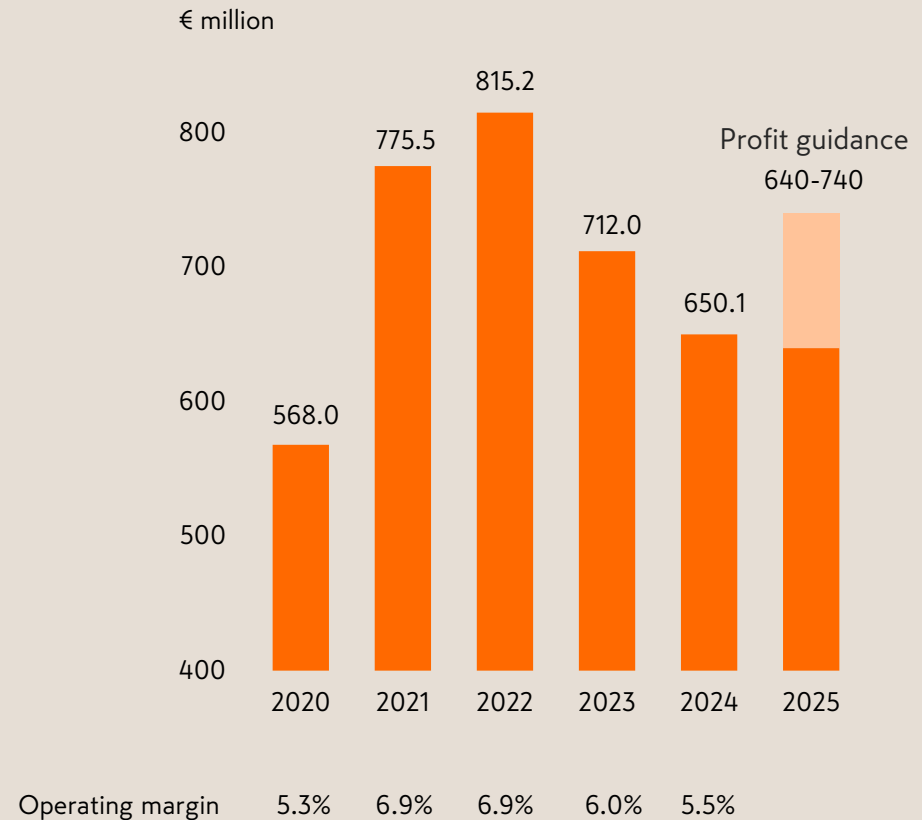
- Updated strategy announced in June, execution proceeding well in all divisions
- Year-end turnaround: quarter result in Q4 up for the first time in eight quarters
- Grocery trade: net sales increased, profit slightly down
- Building and technical trade: cycle historically low, net sales up thanks to the Davidsen acquisition, comparable operating profit down
- Car trade: profitability at a good level, net sales and profit down
- Kesko expanded operations to Denmark by acquiring Davidsen, additional acquisitions of Roslev Trælasthandel, Tømmergaarden, and CF Petersen & Søn announced
- New President and CEO and changes in the Group Management Board

GOOD PERFORMANCE DESPITE CHALLENGING ECONOMIC CYCLE

NET SALES



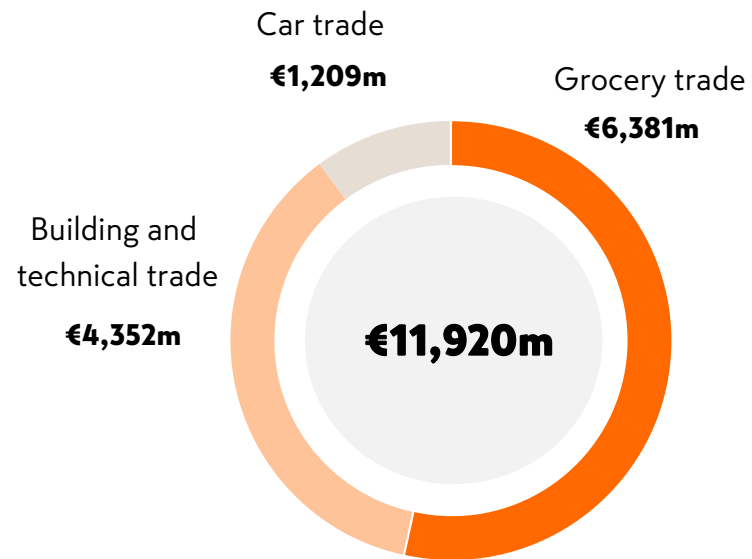
OPERATING PROFIT



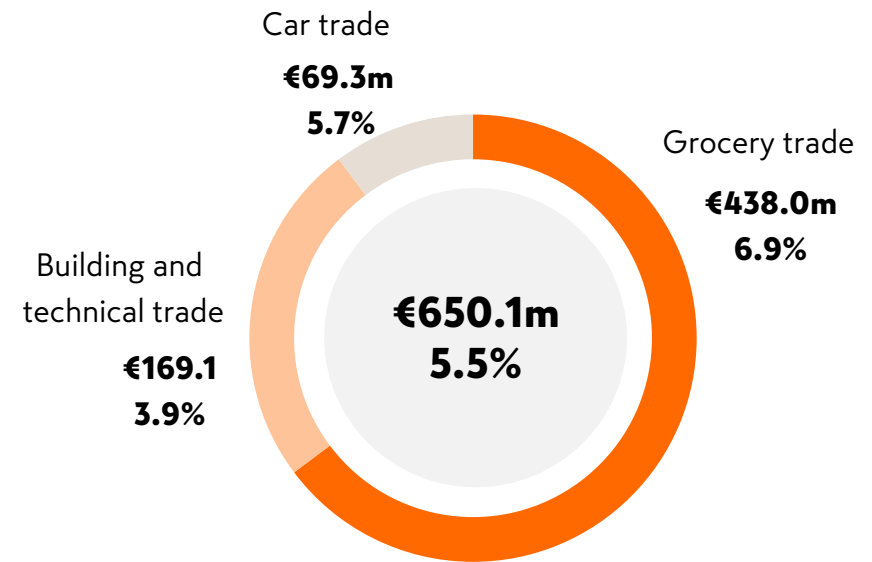
Comparable operating profit

KESKO KEY FIGURES

NET SALES



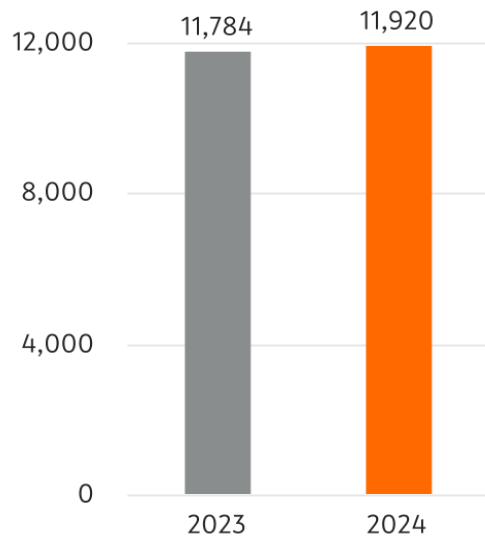
OPERATING PROFIT



NET SALES 2024

GROUP

€ million

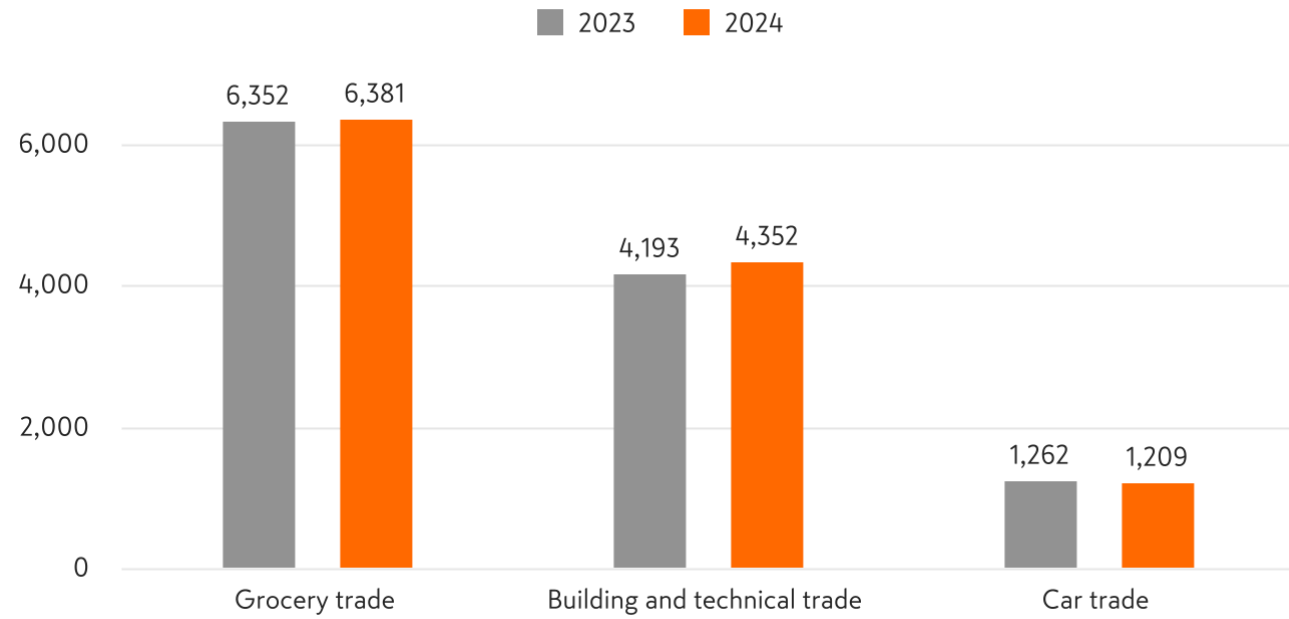


Change, comparable

-2.3%

DIVISIONS

€ million



0.4%

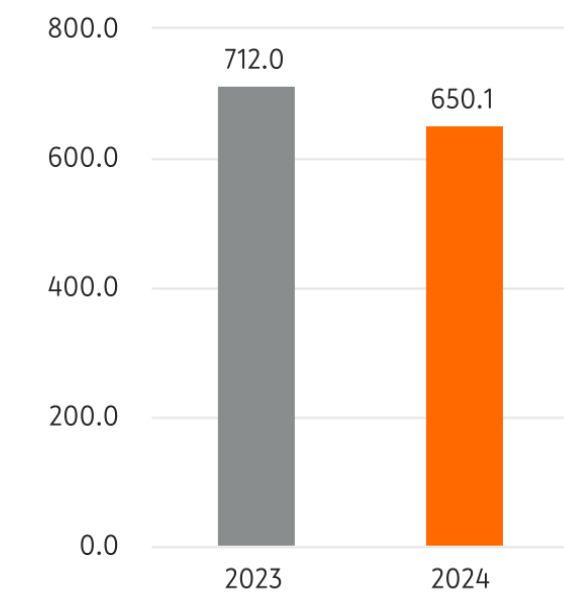
-6.0%

-4.0%

OPERATING PROFIT 2024

GROUP

€ million



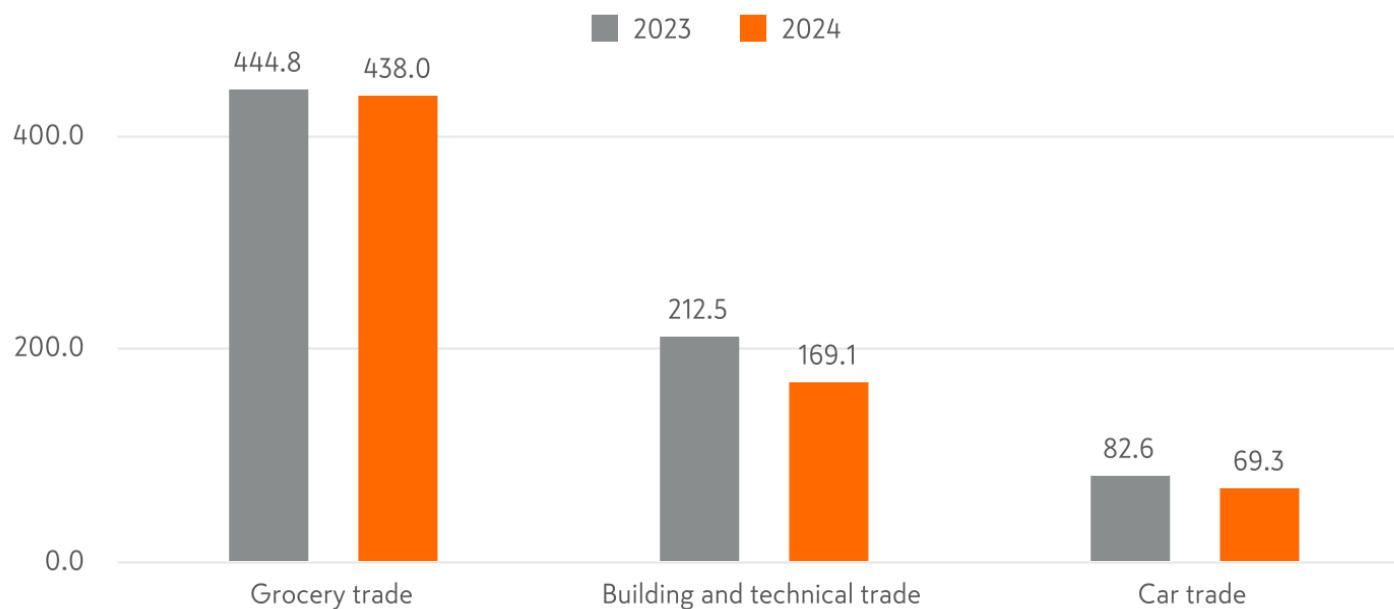
Operating margin

6.0%

5.5%

DIVISIONS

€ million



7.0%

6.9%

5.1%

3.9%

6.5%

5.7%

RESULTS

	2024	2023
Net sales, € million	11,920.1	11,783.8
Change in net sales, %*	-2.3	-0.8
Operating profit, € million	579.5	695.4
Operating profit, € million*	650.1	712.0
Operating margin, %*	5.5	6.0
Profit before tax, € million*	543.0	630.4
Earnings per share, basic, €	0.95	1.25
Earnings per share, basic, €*	1.11	1.28
Cash flow from operating activities, € million	1,008.2	1,049.5

FINANCIAL POSITION

Cash flow almost flat year-on-year

	2024	2023
Cash flow from operating activities, € million	1,008.2	1,049.5
Liquid assets, € million	488.1	227.3
Capital expenditure, € million	675.9	678.9
Interest-bearing net debt excl. lease liabilities, € million	857.2	561.9
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.1	0.7
Lease liabilities, € million	2,051.0	1,997.9

CAPITAL EXPENDITURE

**Main CAPEX: the Davidsen acquisition, Onnela logistics centre,
store site investments**

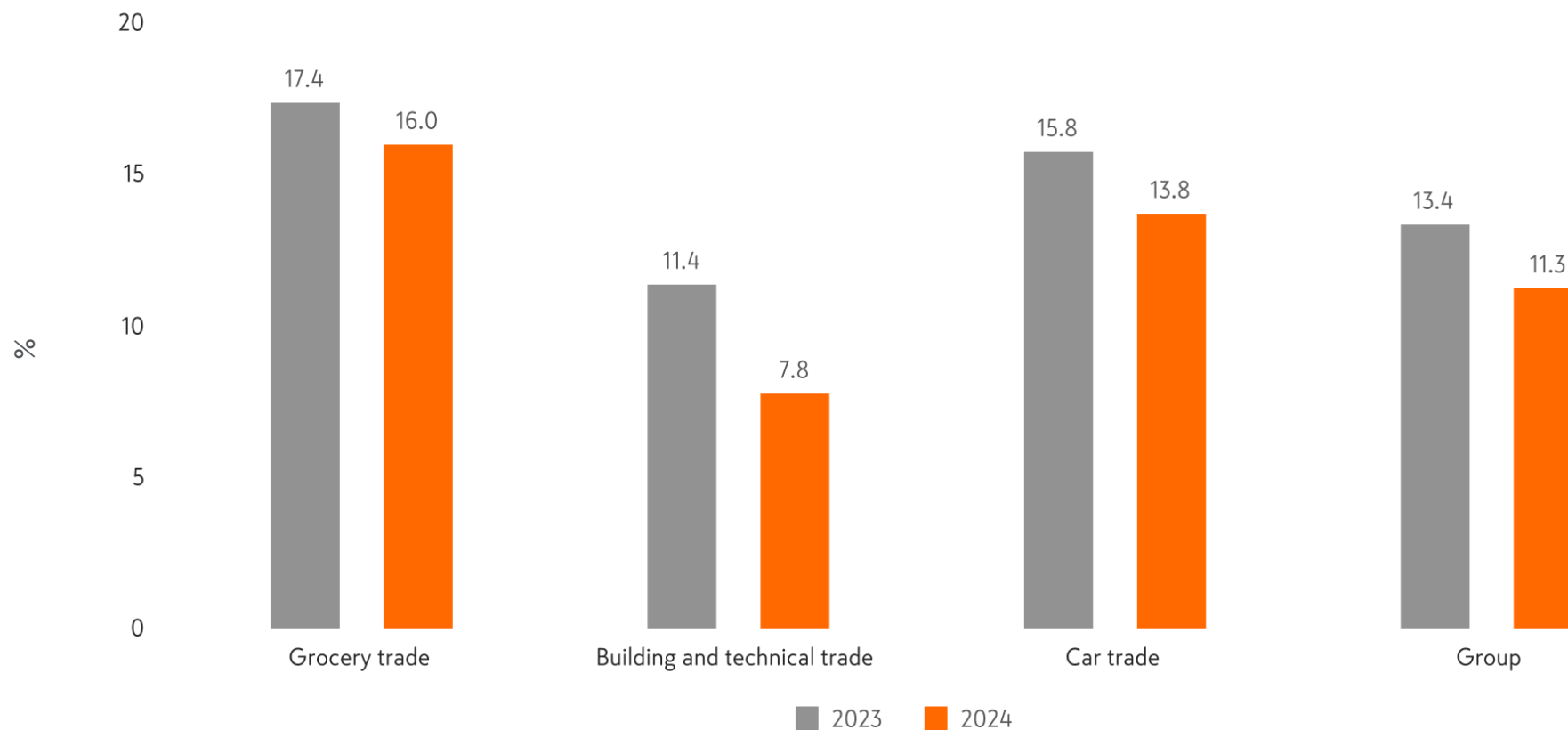
	2024	2023
Store sites, € million	289.2	300.3
Acquisitions, € million	172.9	141.1
IT, € million	18.0	25.0
Other investments, € million	195.8	212.5
Total, € million	675.9	678.9

EXPENSES

Expenses up due to the Davidsen acquisition and real estate costs

	2024	2023
Fixed costs, € million	2,076.4	1,959.1
- Employee benefit expenses, € million	838.1	779.1
- Other expenses, € million	673.1	646.6
- Depreciation, € million	565.2	533.3
Cost ratio, %	17.4	16.6

RETURN ON CAPITAL EMPLOYED





KESKO ANNUAL GENERAL MEETING

KESKO'S UPDATED STRATEGY



KESKO'S OPERATING ENVIRONMENT AND MEGATRENDS



INTEREST RATES & INFLATION

- Weak consumer and business confidence
- Higher cost of capital
- Lower construction activity
- Price-driven consumer behaviour

URBANISATION

- Migration to growth centres
- Substantial infra and building debt
- Drives K Group's store site network development

CLIMATE CHANGE & GREEN TRANSITION

- Energy efficiency and energy infrastructure investments
- Electric vehicle transition is expected to accelerate
- Increasing sustainability regulation

DEMOGRAPHIC CHANGES

- Aging population – increasing role of senior citizen customers
- Smaller households
- Immigration and availability of employees

EFFORTLESSNESS

- Convenience emphasised in consumption habits – ready meals, eating in restaurants, express deliveries
- Increased individuality

DIGITALISATION & AI

- Increasing need for high-class digital services
- Fully utilising AI potential – improving process efficiency, more personalised customer experiences



KESKO GROWTH STRATEGY

VISION

**THE LEADING AND MOST ATTRACTIVE TRADING SECTOR
GROWTH COMPANY IN NORTHERN EUROPE**

STRATEGIC TARGETS

**DELIVERING
PROFITABLE GROWTH**

**STRENGTHENING
MARKET POSITION**

**BUILDING A FOCUSED
B2C AND B2B
BUSINESS PORTFOLIO**

**INCREASING
CUSTOMER VALUE**

COMPETITIVE ADVANTAGES

**OPERATIONAL
EXCELLENCE**

**OMNICHANNEL
CUSTOMER EXPERIENCE**

**K-RETAILERS &
COMMERCIAL SPIRIT**

**FORERUNNER IN
SUSTAINABILITY**

**TRUSTED
K BRAND**

BUSINESSES



GROCERY TRADE



**BUILDING AND TECHNICAL
TRADE**



CAR TRADE

PURPOSE

TOWARDS BETTER TRADE EVERY DAY – LET'S K!

PRINCIPLES

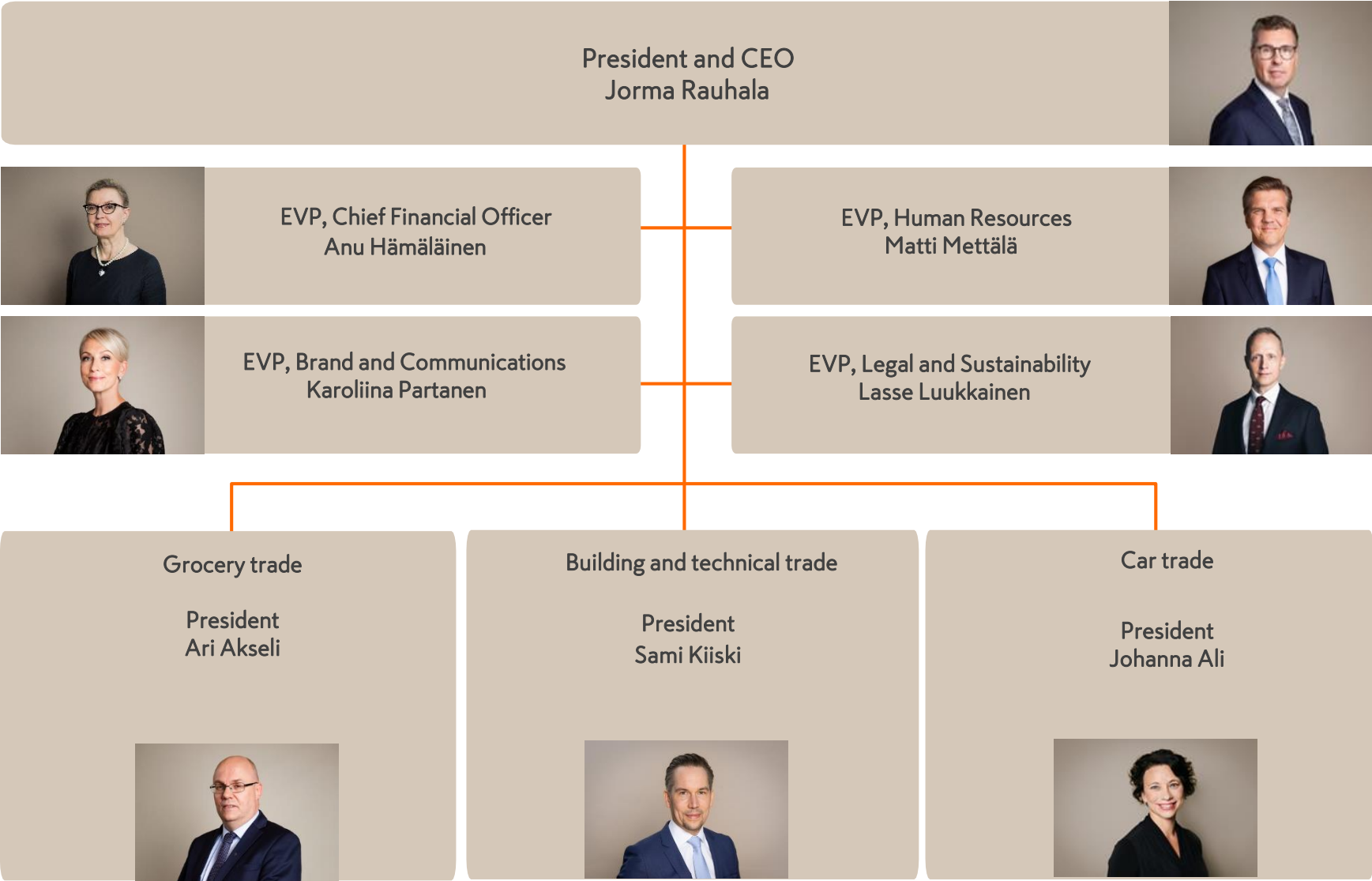
**I OPERATE DIRECTLY,
OPENLY AND HONESTLY**

I SHOW THE PATH

I'M ALL IN

I CREATE TRUST

KESKO GROUP MANAGEMENT BOARD



GROCERY TRADE: AIMING TO GAIN MARKET SHARE PROFITABLY

FOCUS AREAS:

- **STRENGTHENING STORE SPECIFIC BUSINESS IDEAS:**
Focusing on strengthening chosen competitive advantages and raising the level of stores.
- **DEVELOPING THE STORE SITE NETWORK:** Targeted investments in the store site network, focus on growth centres.
- **IMPROVING PRICE COMPETITIVENESS:** Strengthening price competitiveness with a systematic price program and improving price image.
- **CONTINUING GOOD DEVELOPMENT IN KESPRO:**
Further strengthening Kespro's market-leading position.

**INVESTMENTS IN PRICE AND STORE SITES WILL
HAVE A SLIGHT EFFECT ON GROCERY TRADE
PROFITABILITY IN UPCOMING YEARS**

**HOWEVER, DESPITE THE INVESTMENTS,
OPERATING PROFIT DEVELOPMENT WILL BE
STABLE AND PROFITABILITY CLEARLY ABOVE
6% IN THIS STRATEGY PERIOD**



EXECUTING PLANS TO STRENGTHEN STORE SITE NETWORK

- Investments in the store network continue, impact set to become visible especially towards the end of the 2024-2026 strategy period. The investments take into consideration migration within Finland, and focus will be on growth centres.
- Kesko invests on average €200-250 million annually in store updates and new stores
 - In 2024: 44 remodelled and 15 new stores, K-Citymarket Vuosaari in Helsinki opened on 14 Nov. 2024
 - In 2025: 48 remodelled and 15 new stores, including a new K-Citymarket in Lempäälä Ideapark near Tampere and K-Citymarket Paavola replacing existing store in Lahti
 - In 2026–2027: new K-Citymarkets in Haapaniemi, Kuopio and Kivistö, Vantaa, and new K-Citymarkets replacing existing stores in Porvoo and Ylivieska
 - New K-Citymarket stores planned for Ritaportti, Oulu (2027) and Espoon keskus, Espoo (2028)



K-Citymarket, Kivistö, Vantaa

BUILDING AND TECHNICAL TRADE: FOCUSING ON SECURING PROFITABILITY AND GENERATING CASH FLOW

FOCUS AREAS:

- **FINLAND:** Continuing growth and winning over market share
- **SWEDEN AND NORWAY:** Stabilising and improving business performance, completing the integration of acquired companies
- **DENMARK:** Finalising the integration of Davidsen and improving performance through growth.
- **GROWTH THROUGH ACQUISITIONS:**
M&A to boost profitable growth in Northern Europe

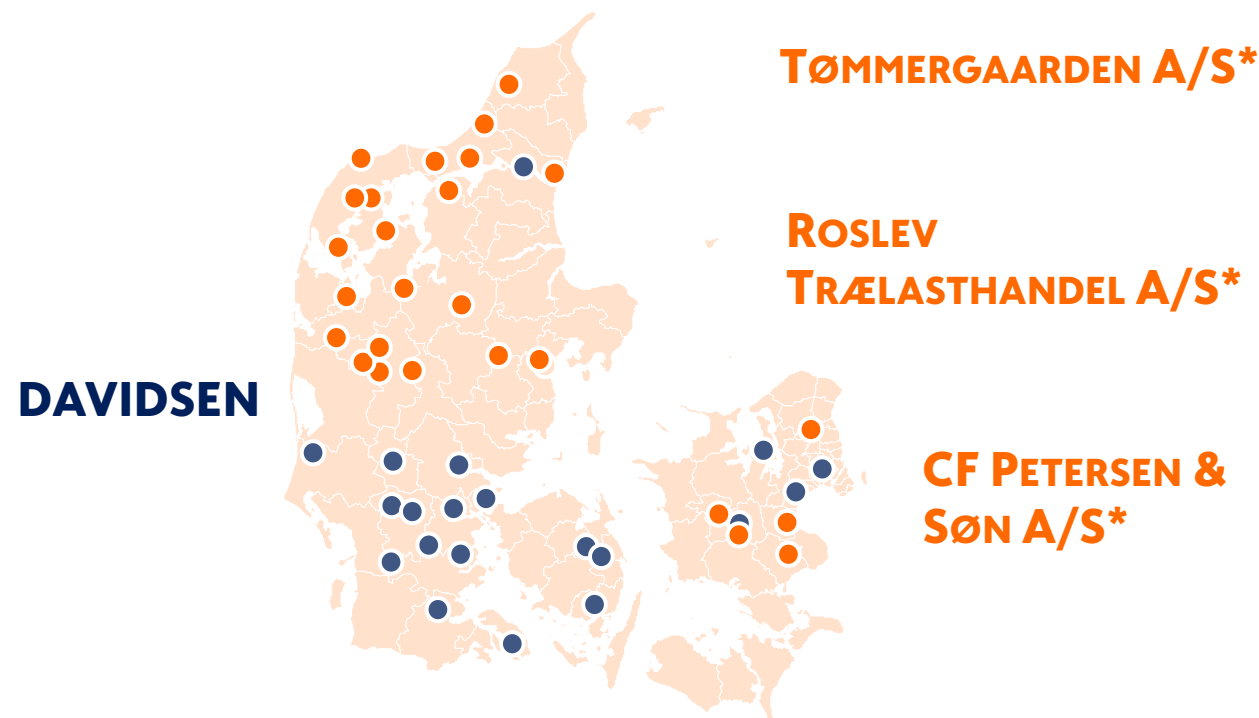


**THE LONG-TERM STRATEGIC TARGET OF A
6-8% OPERATING MARGIN IS STILL VALID**



EXPANDING TO THE DANISH BUILDING AND HOME IMPROVEMENT MARKET

- Kesko acquired 90% of the previously family-owned Davidsen A/S on 31 Jan. 2024. Davidsen is one of the biggest building and home improvement trade operators in Denmark, and focuses especially on B2B customers
- In August 2024, Kesko announced it would acquire three additional Danish operators: Roslev Trælasthandel, Tømmergaarden, and CF Petersen & Søn. The combined net sales of these companies total some €400 million.
- Once the acquisitions are completed, Kesko's market share in Denmark will rise to some 20%, with net sales of around €800 million



*Roslev acquisitions completed on 31 Jan. 2025. The two other acquisitions are expected to be completed in H1/2025.

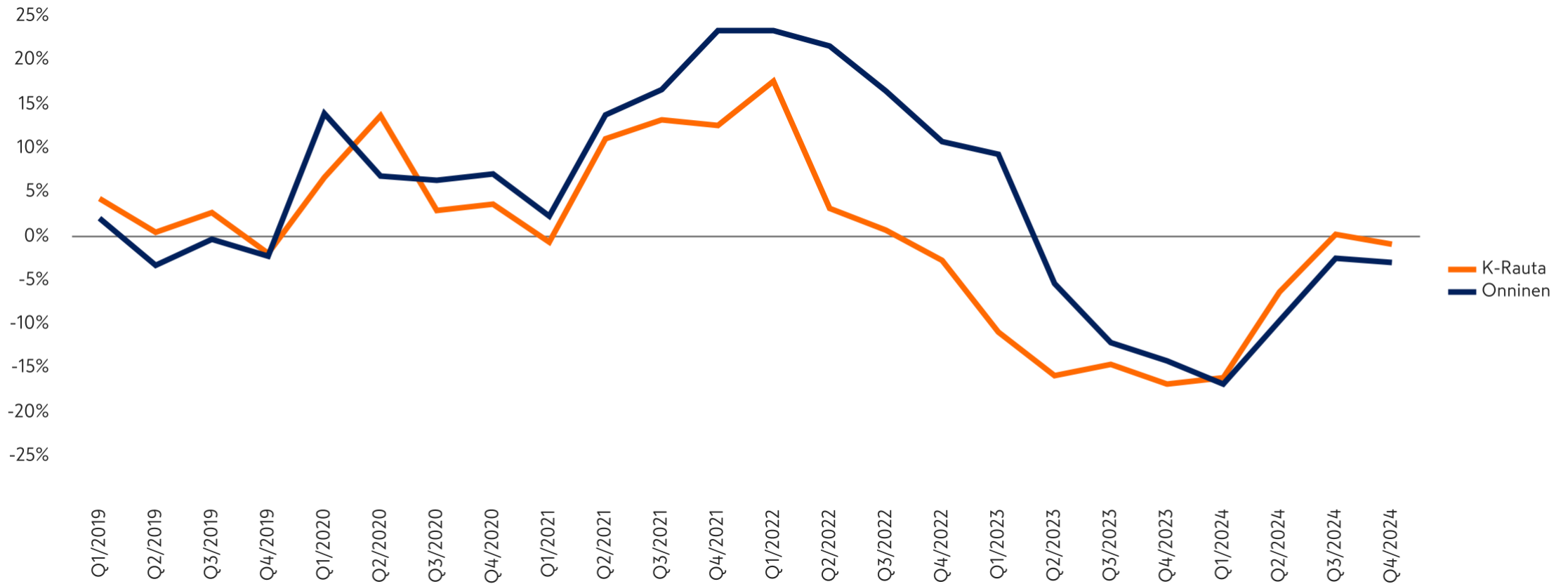
ONNELA LOGISTICS CENTRE – THE BIGGEST CONSTRUCTION PROJECT IN KESKO'S HISTORY

- The Onnela logistics centre in Hyvinkää, Finland will serve both Onninen's technical trade and K-Auto's spare parts business; implementation in stages from Q3/2025 onwards
- A major investment in future growth: once the centre is in full use by the end of 2026, it will notably improve Onninen's efficiency
- Timing for the construction has been good, and the project is estimated to come in under the original cost estimate of €300 million
- Capital obtained through the issuance of green notes is used to finance the project
- Special attention has been paid to reducing energy consumption and carbon footprint: the site will host e.g. some 100 geothermal wells and a solar power plant



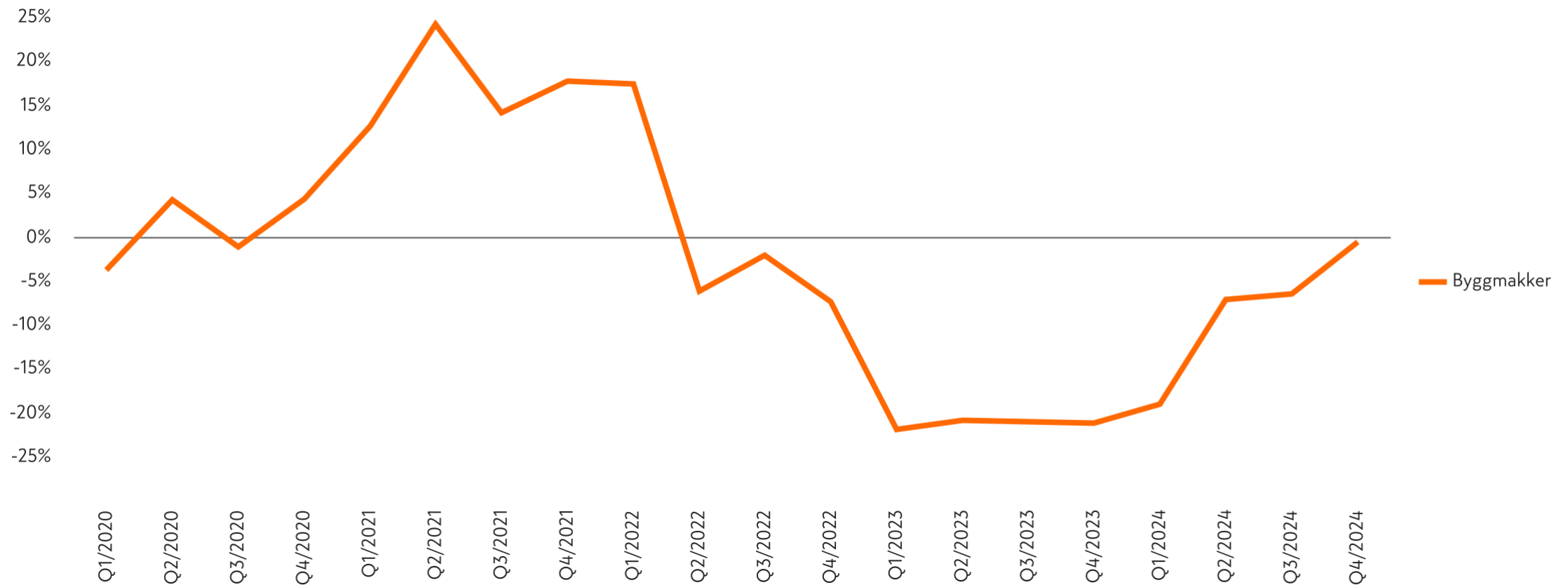
SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND

Retail and
B2B sales



BYGGMAKKER SALES IN NORWAY: 2020-2024

Retail and
B2B sales

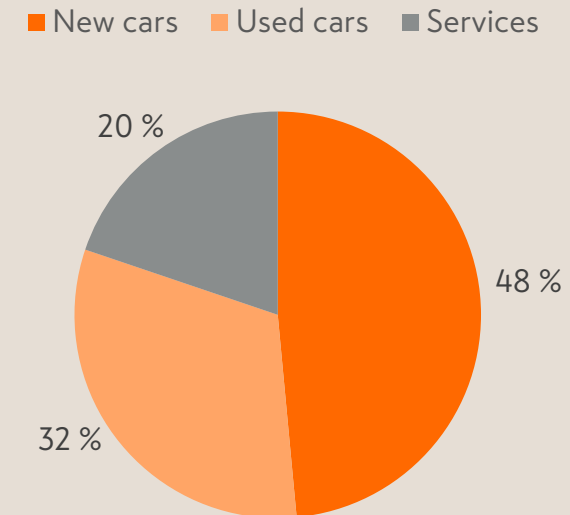


CAR TRADE: FOCUS ON OUTPERFORMING THE MARKET IN ALL BUSINESSES

FOCUS AREAS:

- **CONTINUING WITH GROWTH STRATEGY EXECUTION:**
Major business transformation has formed a solid foundation for the next strategy period.
- **MAINTAINING A BALANCED BUSINESS PORTFOLIO:**
New cars, used cars, and services.
- **COOPERATING WITH THE VOLKSWAGEN GROUP:**
Continuing good cooperation with the Volkswagen Group and Porsche AG.
- **SPORTS TRADE:** Staying a strong market leader in sports trade.

K-AUTO NET SALES



Net sales for the division's
car trade businesses in 2024

KESKO IS SUCCESSFUL IN SUSTAINABILITY ASSESSMENTS

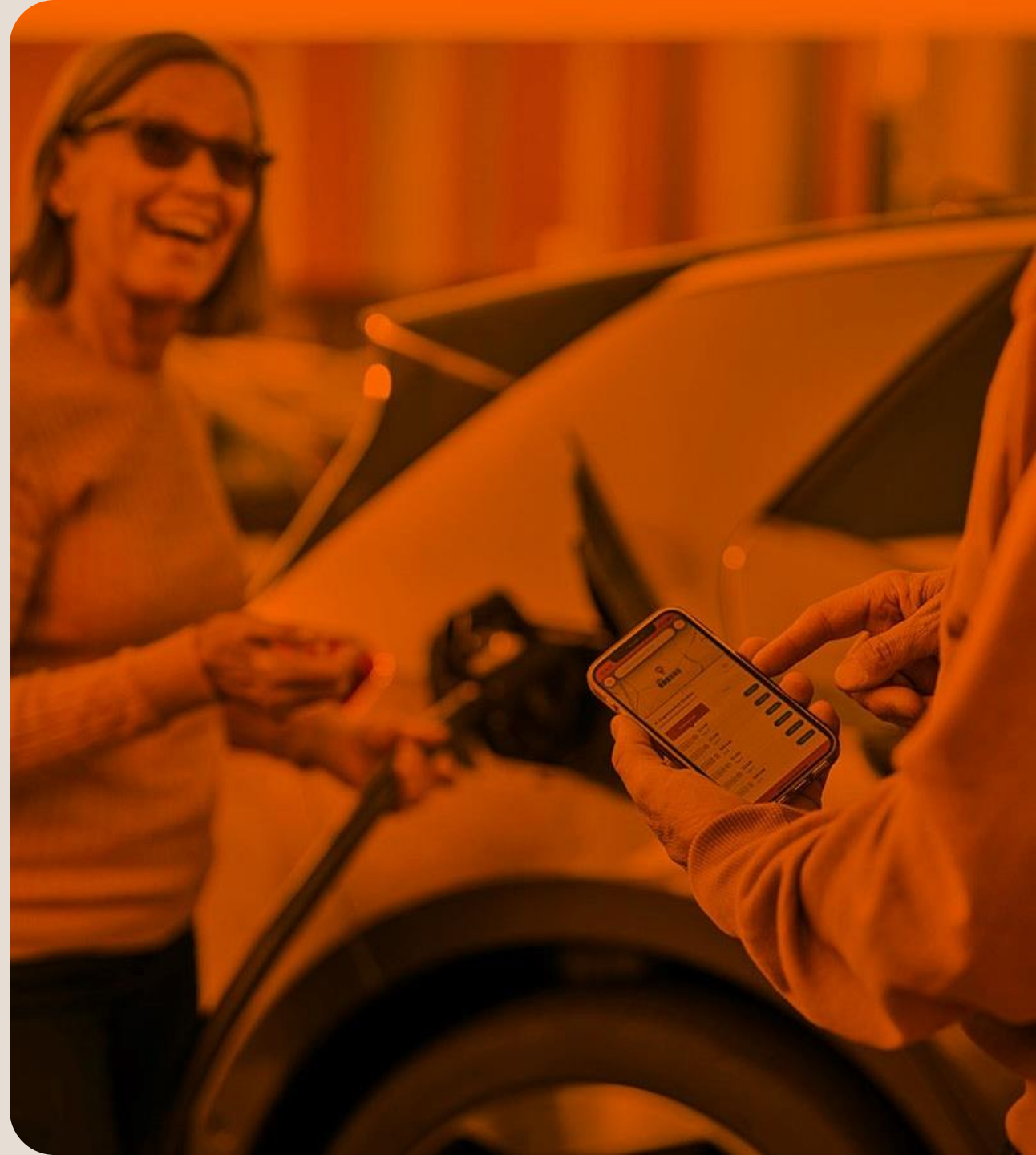
- **Dow Jones indices in December 2024:** Kesko ranked the highest in its industry in Europe in the DJSI Europe index for the third year in a row, and fourth highest in its industry in the global DJSI World.
- **Global 100 listing in January 2025:** Kesko once again ranked the highest in its industry on the 'Global 100 Most Sustainable Corporations in the World' listing, and the highest of all Finnish companies. Kesko is the only company in the world to have made the list every year since its inception in 2005.





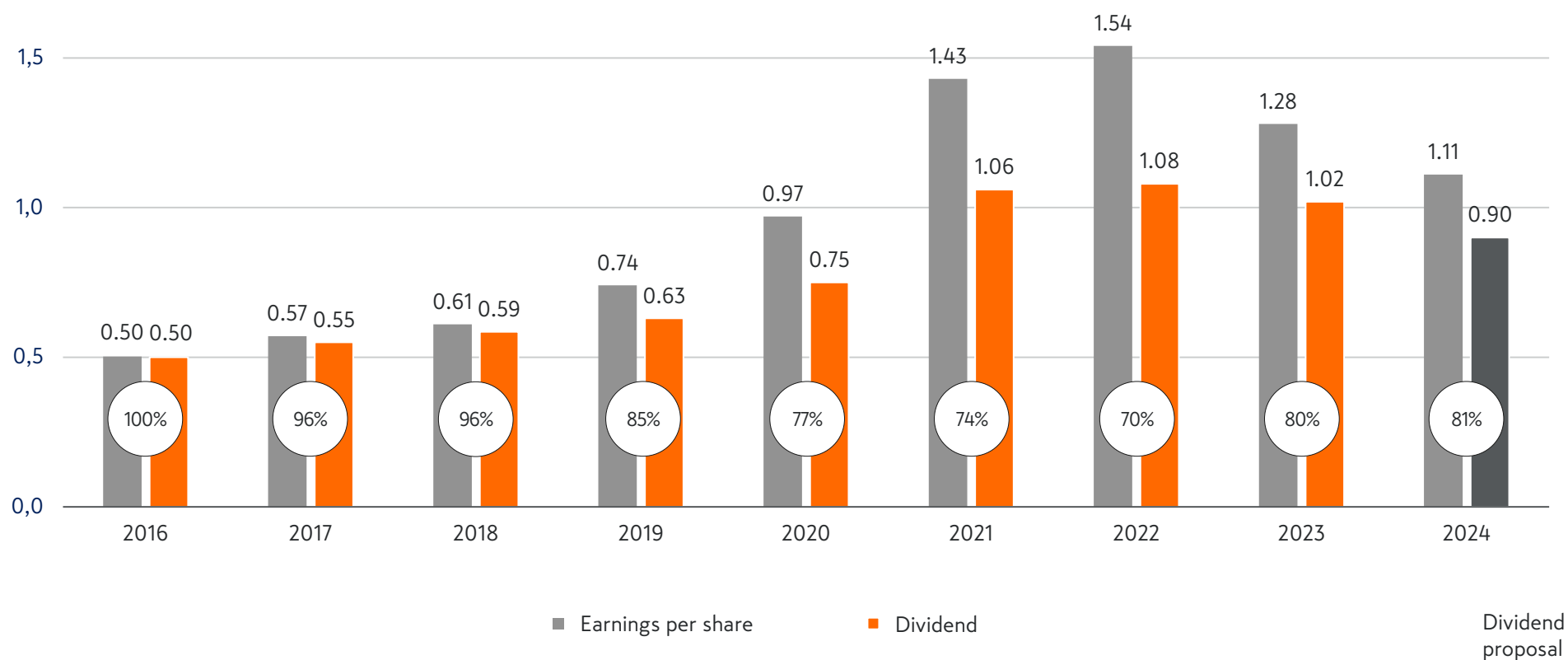
KESKO ANNUAL GENERAL MEETING

DIVIDEND PROPOSAL



BOARD DIVIDEND PROPOSAL TO THE ANNUAL GENERAL MEETING

Dividend proposed to be paid out in four instalments



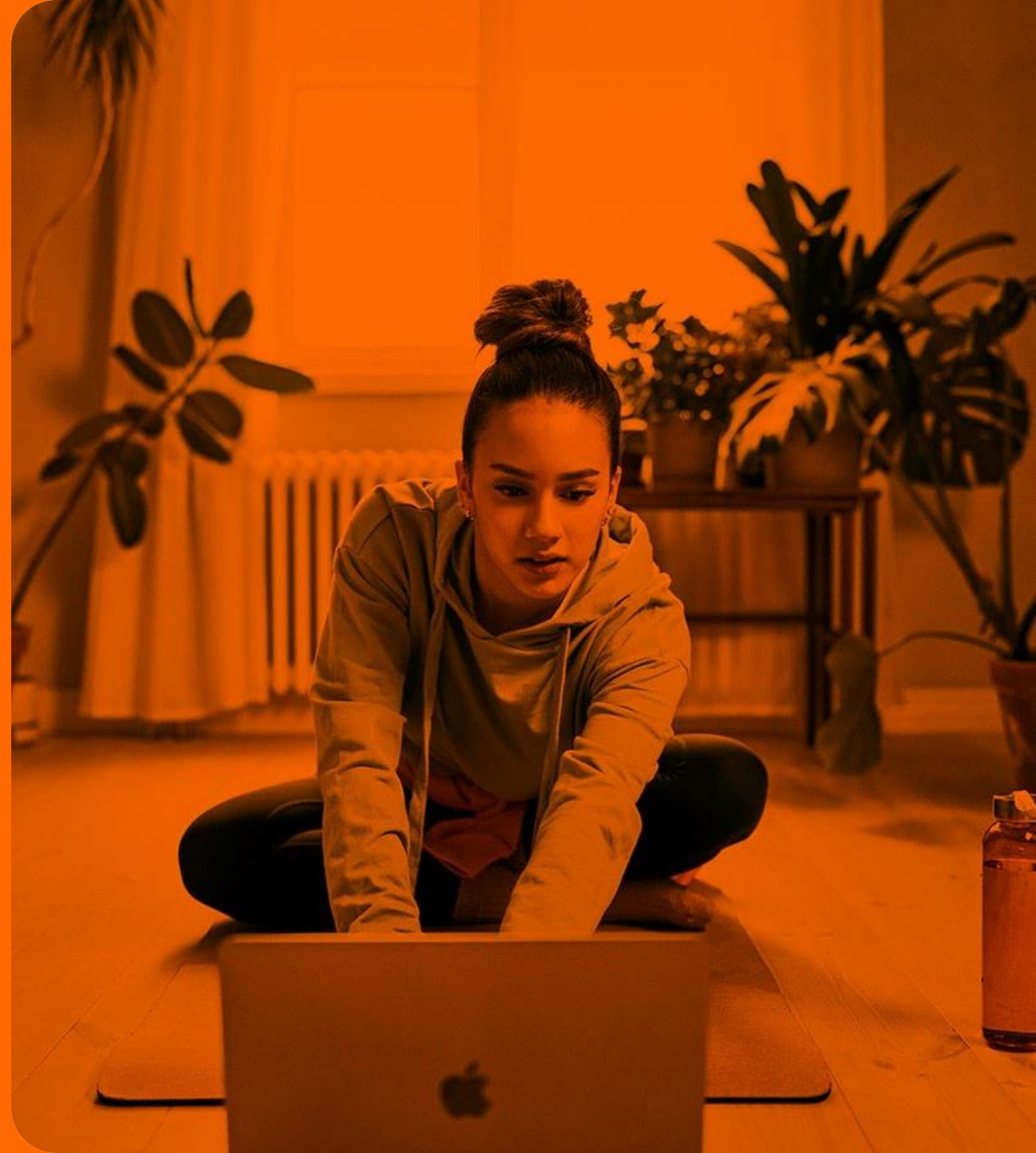
Accounting for share split

2016 comparable EPS, Group; 2017-2019 comparable EPS, continuing operations



KESKO ANNUAL GENERAL MEETING

THE FUTURE



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.

OUTLOOK FOR 2025



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.

KESKO AS AN INVESTMENT

**A STABLE OPERATOR
WITH STRONG MARKET
POSITIONS ACROSS
DIFFERENT COUNTRIES
AND BUSINESSES**

**STRATEGY FOR PROFITABLE
GROWTH AND A GOOD
TRACK-RECORD IN ITS
SUCCESSFUL EXECUTION**

**GOOD DIVIDEND
YIELD FOR
SHAREHOLDERS**

**PERFORMING WELL IN
A CHALLENGING
MARKET, GOOD
POTENTIAL FOR PROFIT
GROWTH WHEN THE
MARKET IMPROVES**

**INTERNATIONALLY
RECOGNISED LONG-
TERM SUSTAINABILITY
WORK**



Thank you!

