



Kesko interim report Q1/2026

Strong sales and profit in all divisions

Jorma Rauhala, President and CEO

29 April 2026



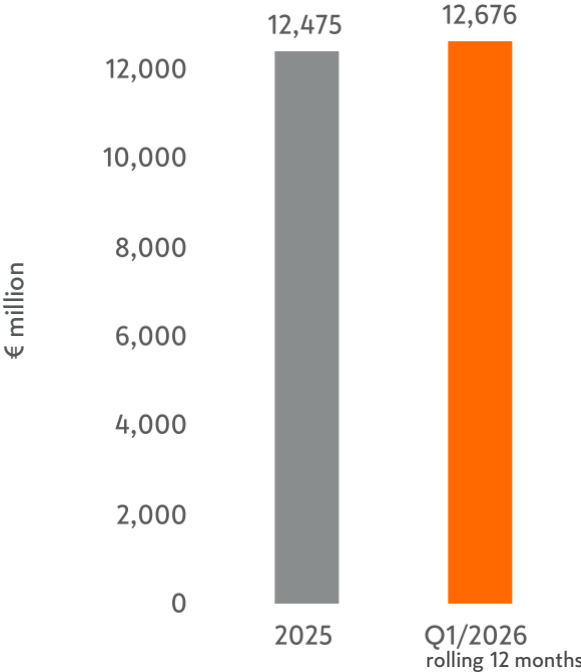
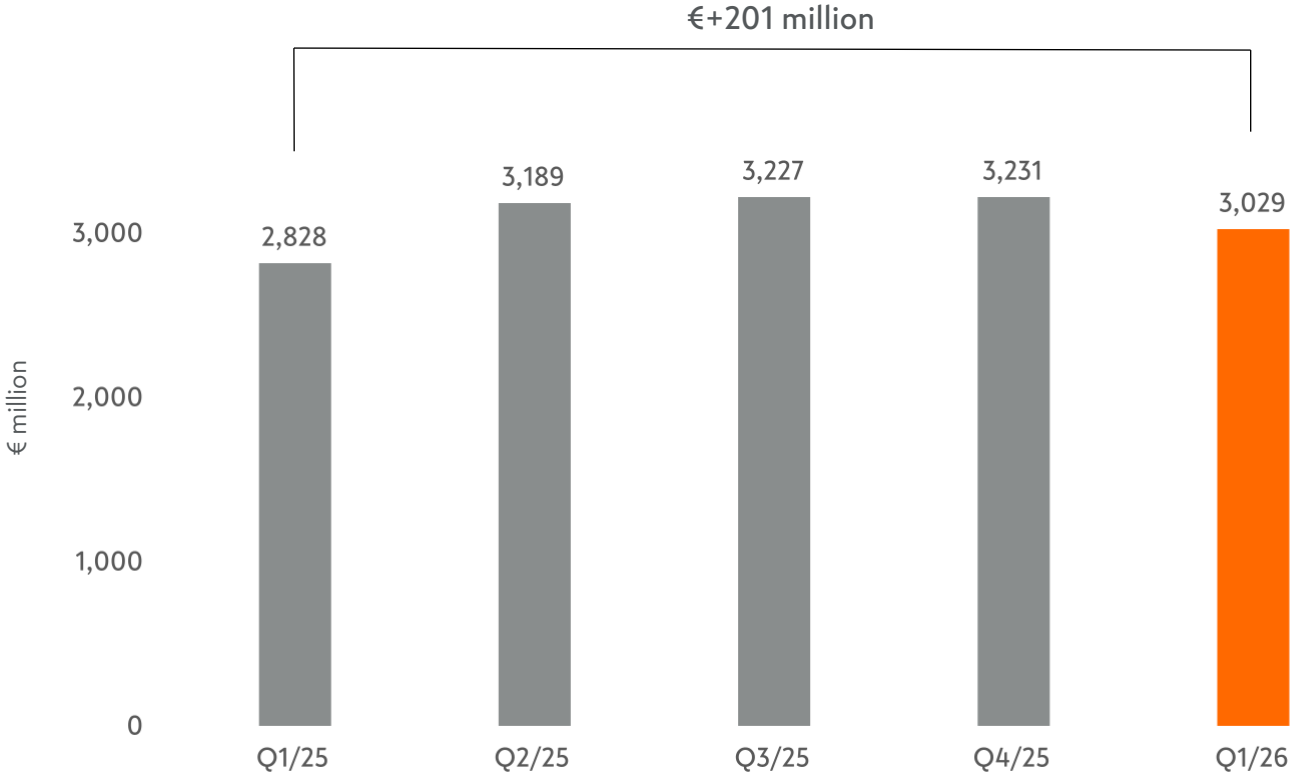
SUMMARY OF Q1/2026

- Kesko's comparable operating profit improved, net sales grew in all divisions
- Grocery trade: K Group stores gained market share, profitability strong despite investments
- Building and technical trade: comparable operating profit increased even though the market remained challenging
- Car trade: market position improved, sales growth was strong particularly in used cars, operating profit decreased slightly
- The situation in the Middle East did not have a significant impact on Kesko's operations in Q1; a prolonged conflict could weaken consumer confidence and purchasing power
- Kesko repeats its profit guidance, expecting the comparable operating profit for 2026 to amount to €650–750 million

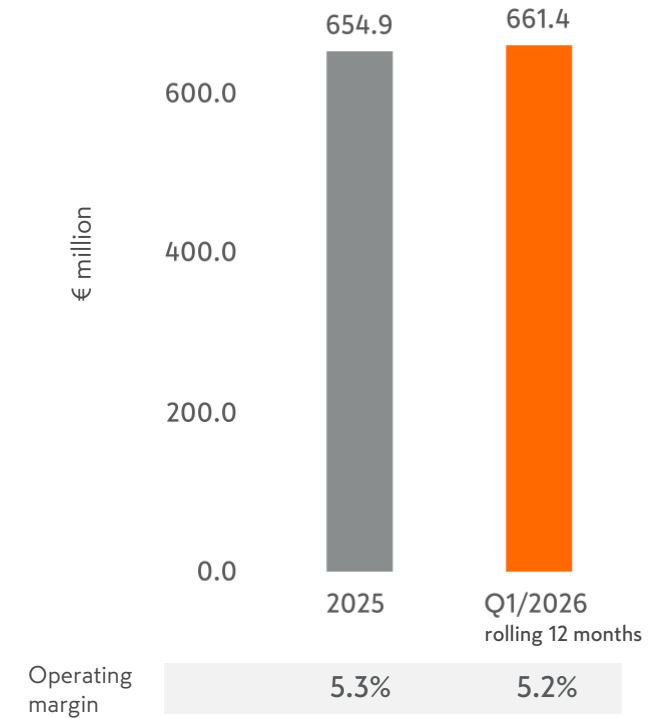
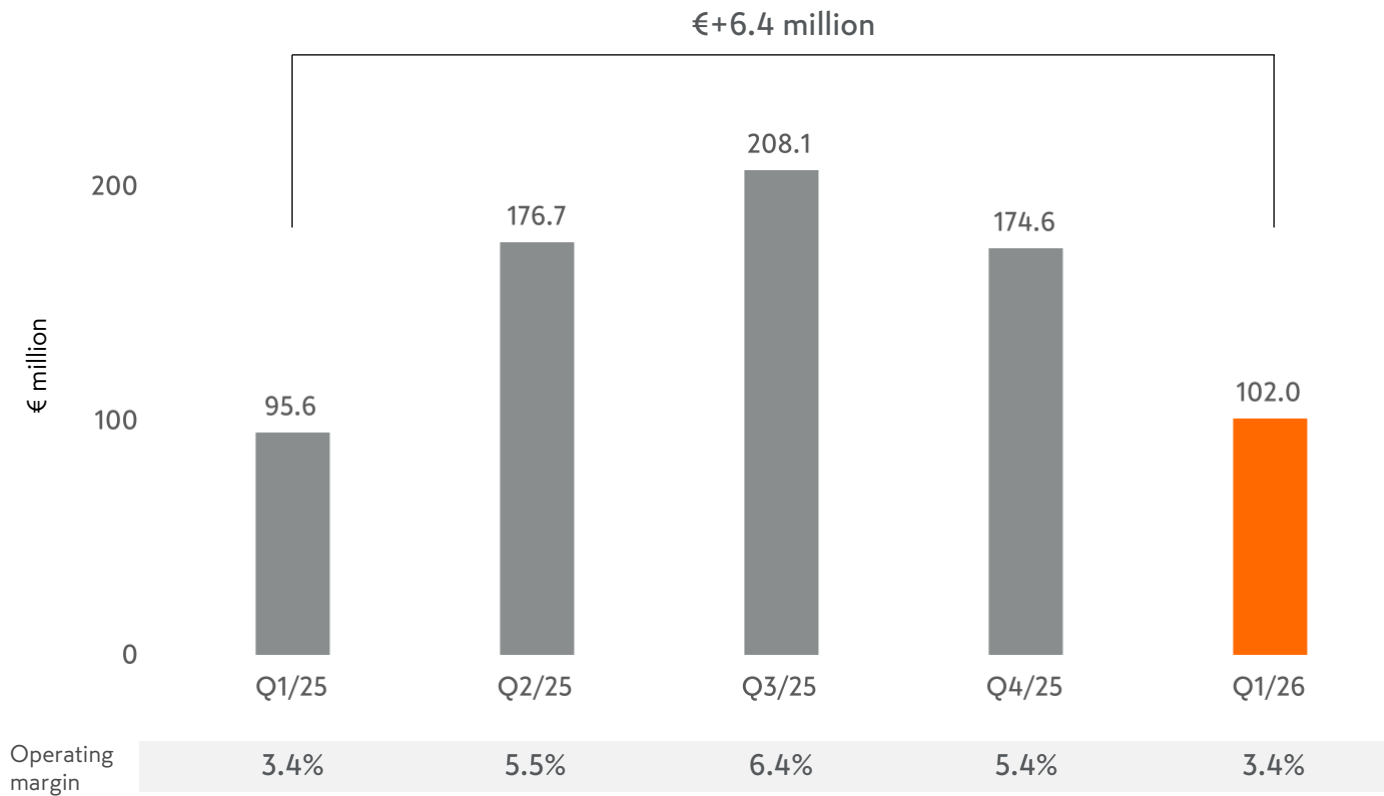
	Q1/2026	Q1/2025
Net sales, € million	3,029.0	2,827.7
Change in net sales, %*	4.6	1.1
Operating profit, € million*	102.0	95.6
Operating margin, %*	3.4	3.4
Profit before tax, € million*	69.6	65.1
Earnings per share, basic, €*	0.14	0.13
Cash flow from operating activities, € million	77.7	-24.5

* Comparable

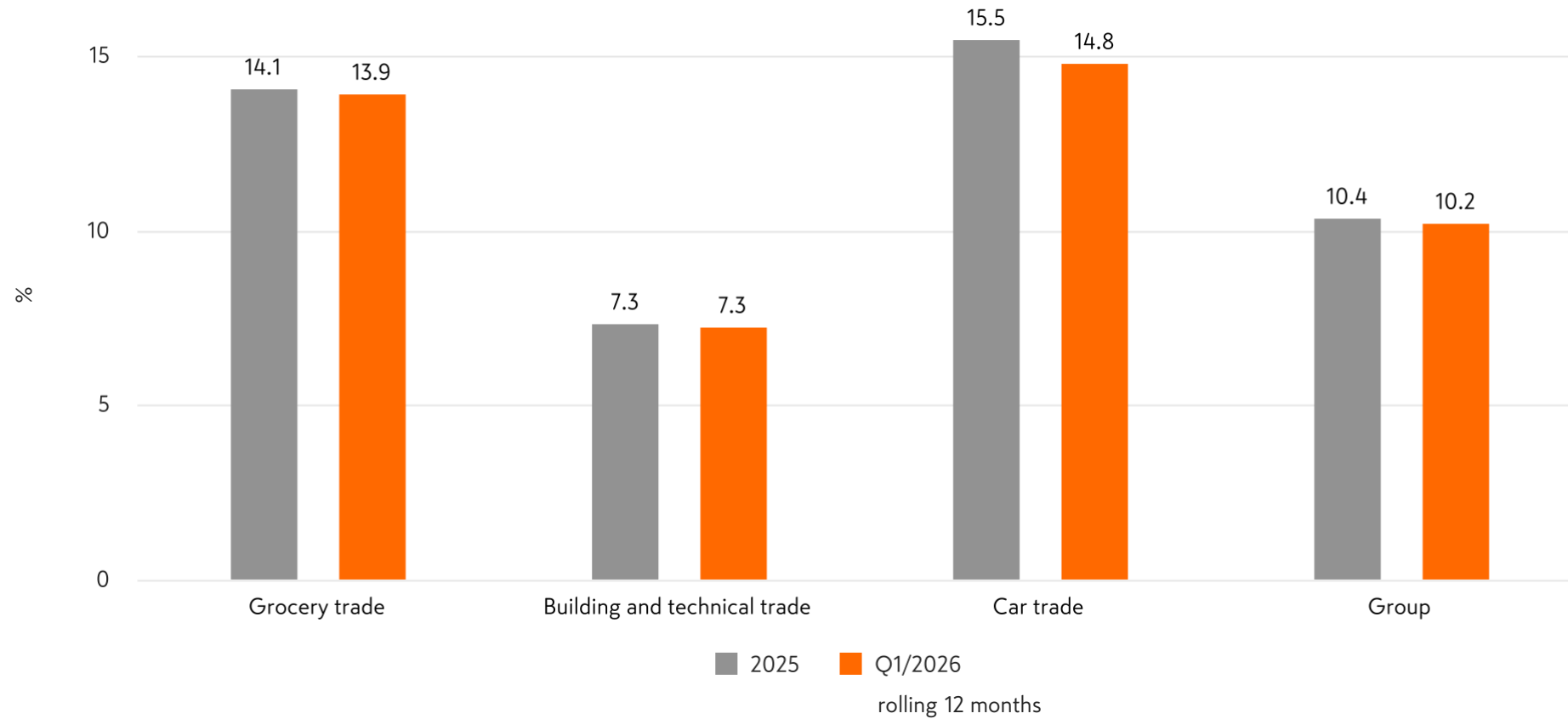
NET SALES



OPERATING PROFIT



RETURN ON CAPITAL EMPLOYED



FINANCIAL POSITION

Good cash flow from operating activities, net debt has increased due to capital expenditure

	Q1/2026	Q1/2025
Cash flow from operating activities, € million	77.7	-24.5
Liquid assets, € million	169.3	147.5
Capital expenditure, € million	113.5	138.0
Interest-bearing net debt excl. lease liabilities, € million	1,503.6	1,216.7
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.9	1.6
Lease liabilities, € million	2,206.4	2,196.8

CAPITAL EXPENDITURE

Main CAPEX: investments in store sites

	Q1/2026	Q1/2025
Store sites, € million	71.3	66.2
Acquisitions, € million	-	34.8
IT, € million	5.4	3.1
Other investments, € million	36.9	33.9
Total, € million	113.5	138.0

EXPENSES

Expenses have increased mainly due to acquisitions

	Q1/2026	Q1/2025
Fixed costs, € million	563.6	529.6
- Employee benefit expenses, € million	244.3	223.1
- Other expenses, € million	172.6	165.3
- Depreciation, € million	146.6	141.2
Cost ratio, %	18.6	18.7

POTENTIAL IMPACTS OF THE MIDDLE EASTERN CONFLICT ON KESKO IN Q2/2026

No significant impacts in the short term – a prolonged crisis could weaken consumer confidence, purchasing power and corporate investments, and increase costs

GROCERY TRADE

- Rise in inbound purchase and delivery freight costs
- No significant impact on food prices
- A prolonged situation would have a cost impact on agriculture and the whole food chain

BUILDING AND TECHNICAL TRADE

- Rise in inbound purchase and delivery freight costs
- Rise in the prices of oil-based products in particular

CAR TRADE

- Rise in fuel prices could have a positive impact on demand for electric cars
- Demand may focus particularly on used cars

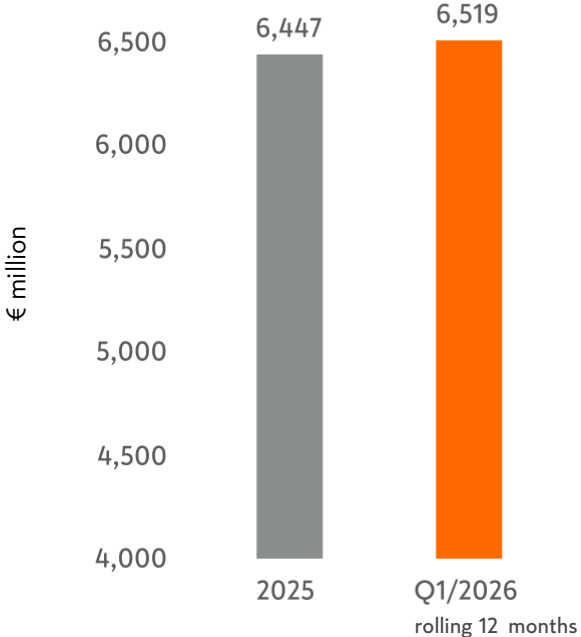
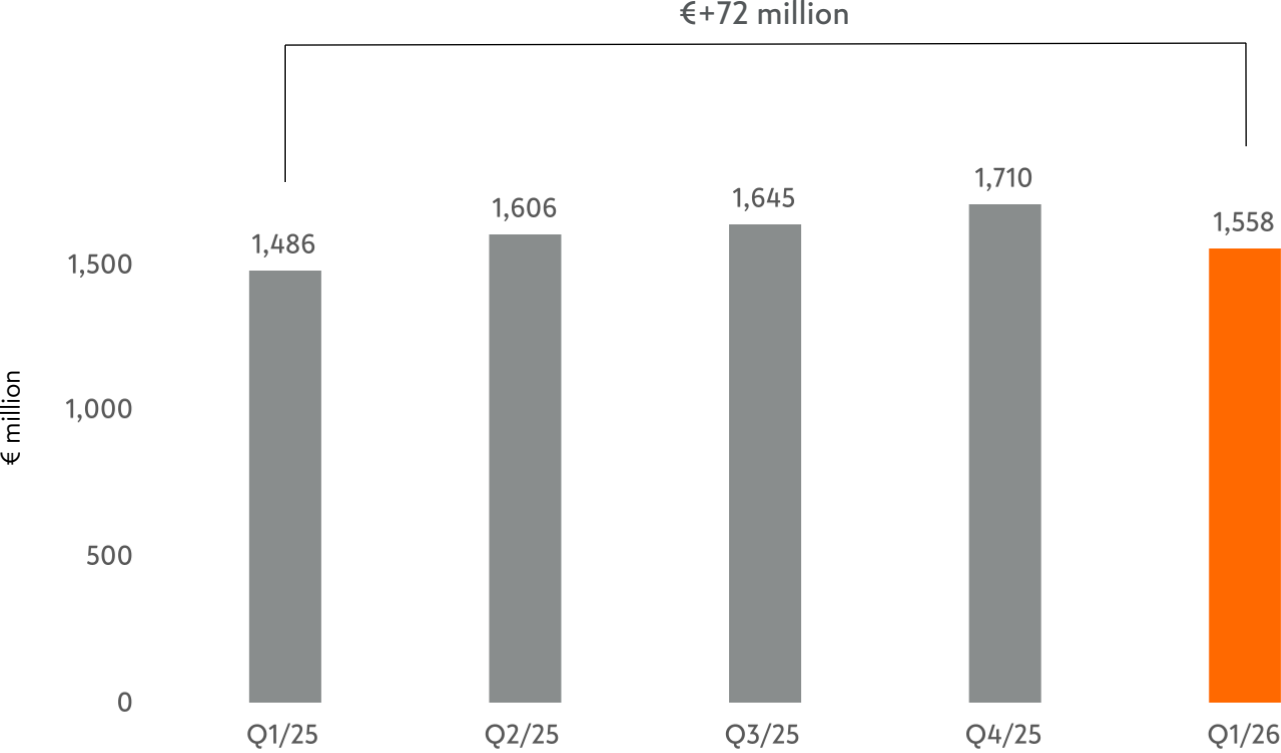


Grocery trade Q1

**Market share
gained,
result strong**

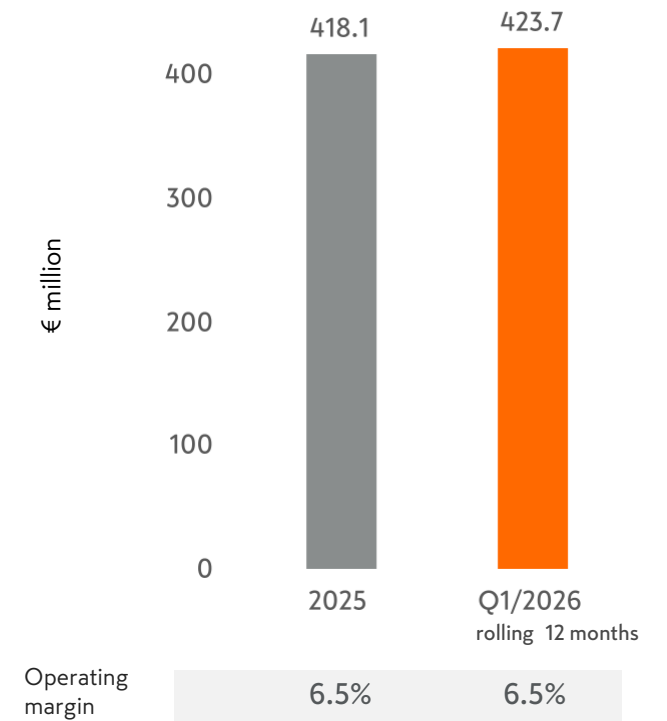
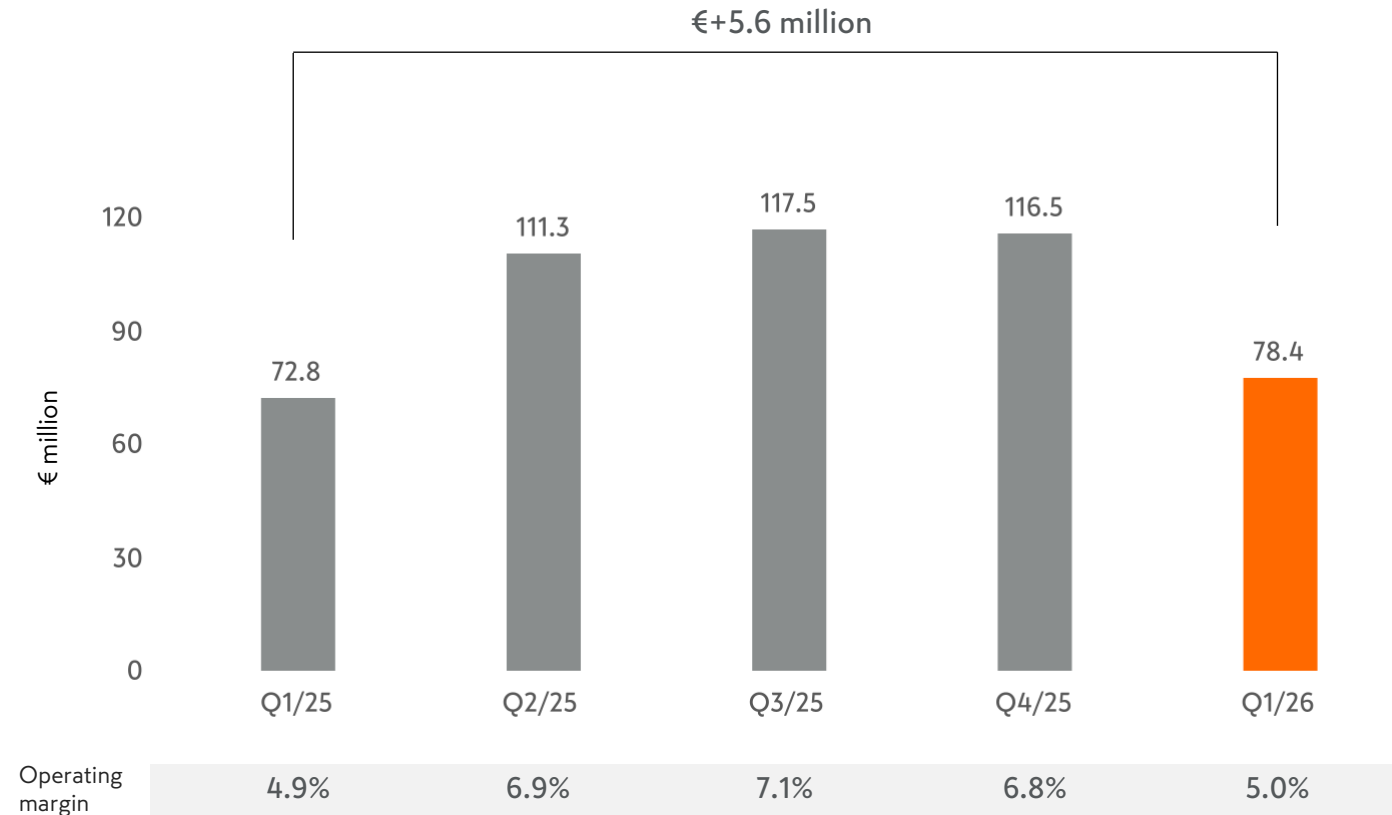


GROCERY TRADE NET SALES



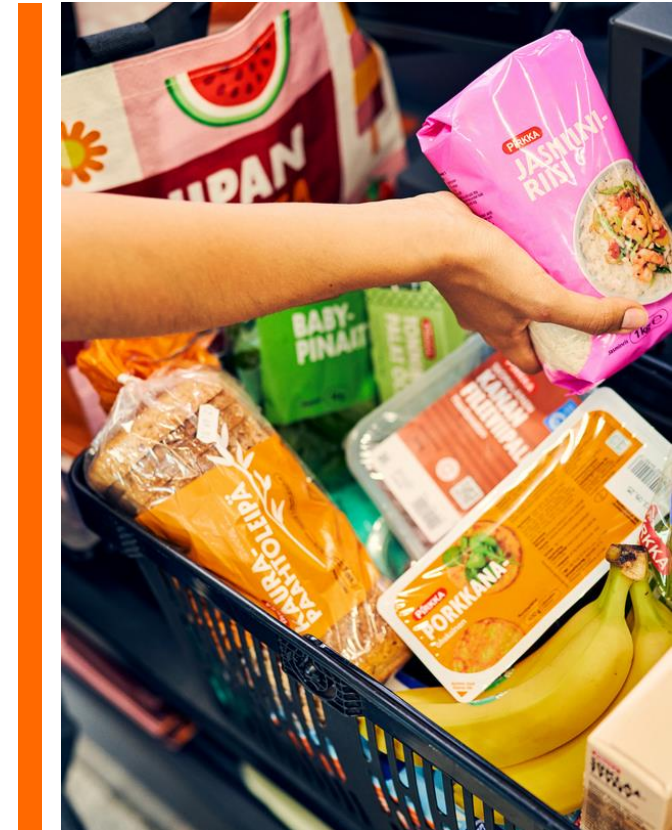
GROCERY TRADE

OPERATING PROFIT



GROCERY TRADE HIGHLIGHTS IN Q1

- Division net sales increased and comparable operating profit improved. Most of Easter wholesale took place in March, versus April in 2025
- Total grocery market grew by approximately 2.9%
- K Group grocery sales were up by 4.4%
- K Group grocery stores gained market share in Q1
 - Customer flows and average purchase continued to grow
 - Customer satisfaction clearly up in all our grocery store chains
- Kespro's net sales down by 0.6% – gained market share
- K-Citymarket non-food sales up by 4.4%
- Online grocery sales up by 10.5%, accounted for 4.6% of K Group's grocery sales (incl. VAT)
- Grocery price inflation in Finland approx. 1.5%*, price development in K Group stores 1.0%
- Demand for quality products and services increased in our grocery stores

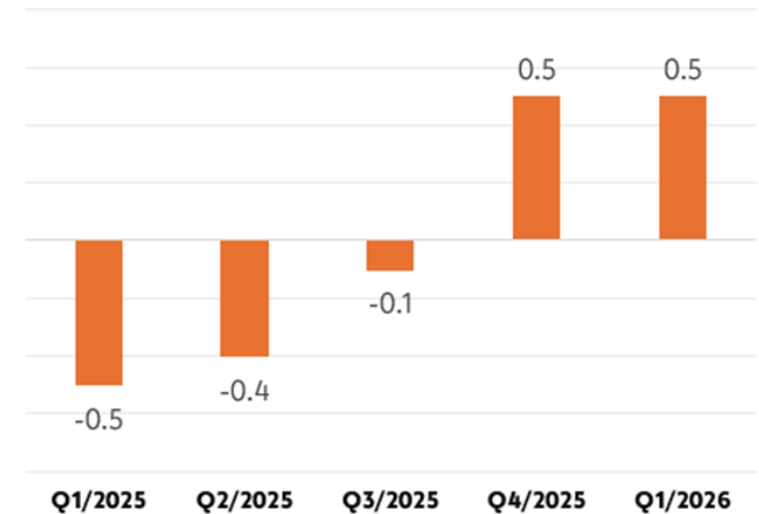


* Statistics Finland, including VAT

MARKET SHARE IN GROCERY TRADE GREW CLEARLY IN Q1

- Our objective in grocery trade is to strengthen market share while maintaining good profitability (operating margin clearly above 6%)
- Market share for K Group grocery stores took an upturn in summer 2025, positive progress has continued in 2026
- All our store chains won over market share in Q1 in their respective size segments
- The good performance is attributable to investments made in quality, price and the store site network
- Network development net impact in 2026 expected to be neutral, impact in 2025 was clearly negative

**CHANGE IN THE MARKET SHARE FOR
K GROUP GROCERY STORES
(percentage points)**



Based on quarterly market figures by the Finnish Grocery Trade Association (PTY)

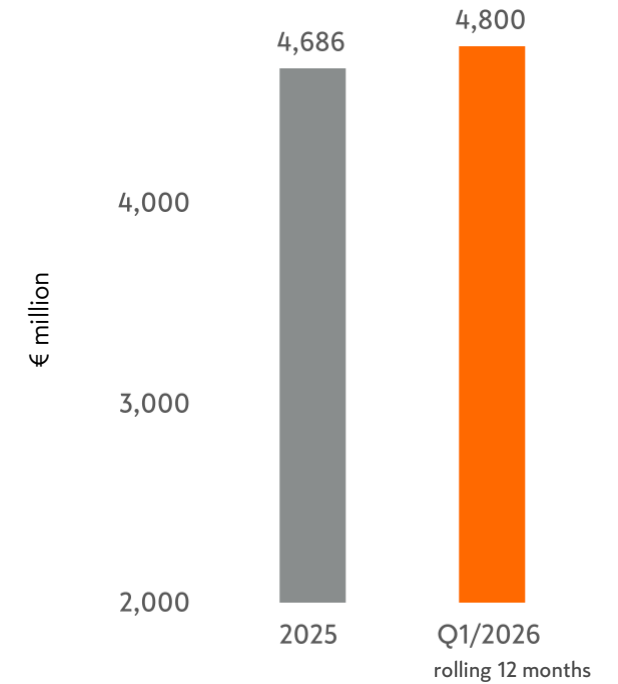
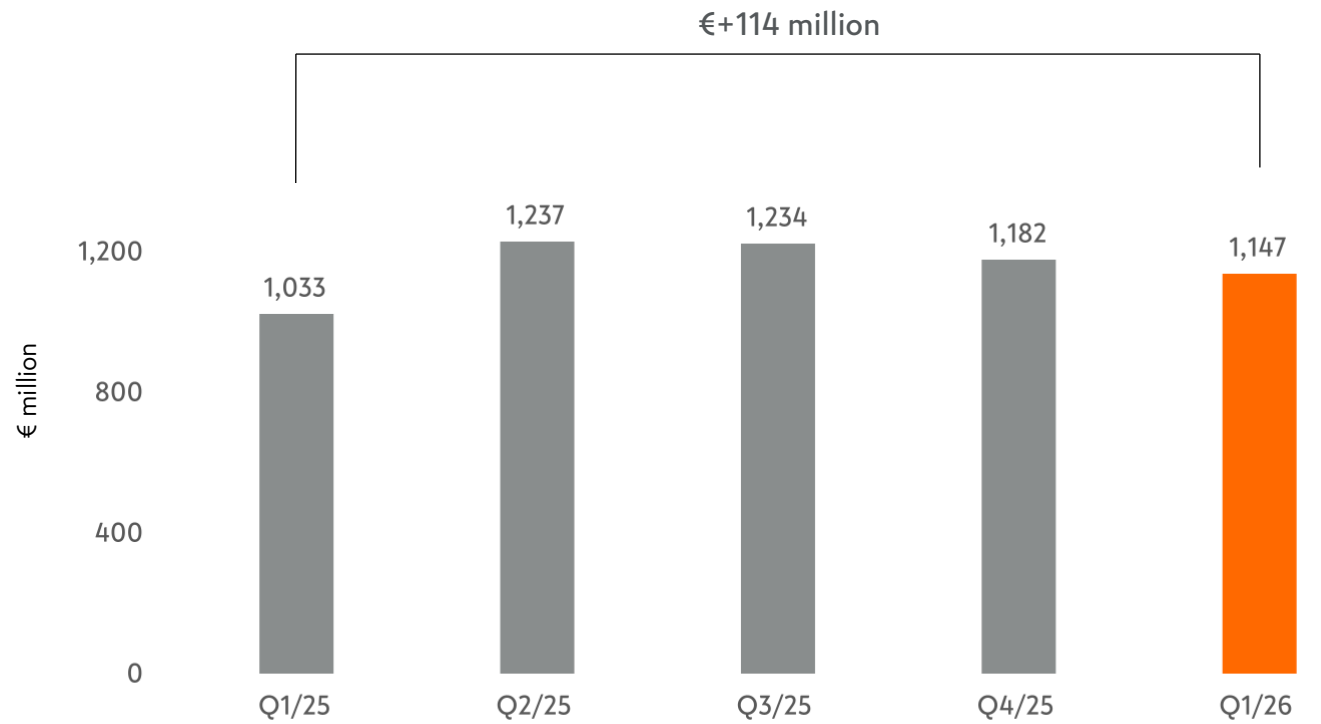
Building and technical trade Q1

**Sales grew and
result improved**



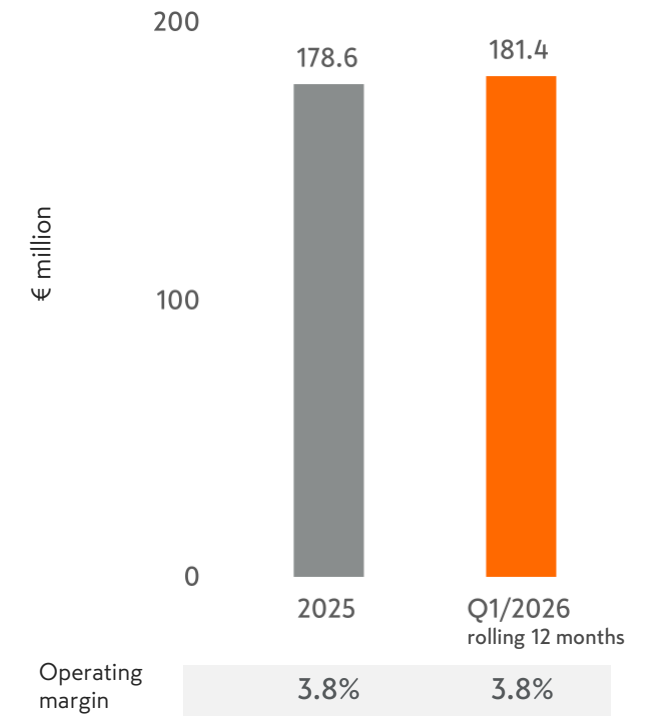
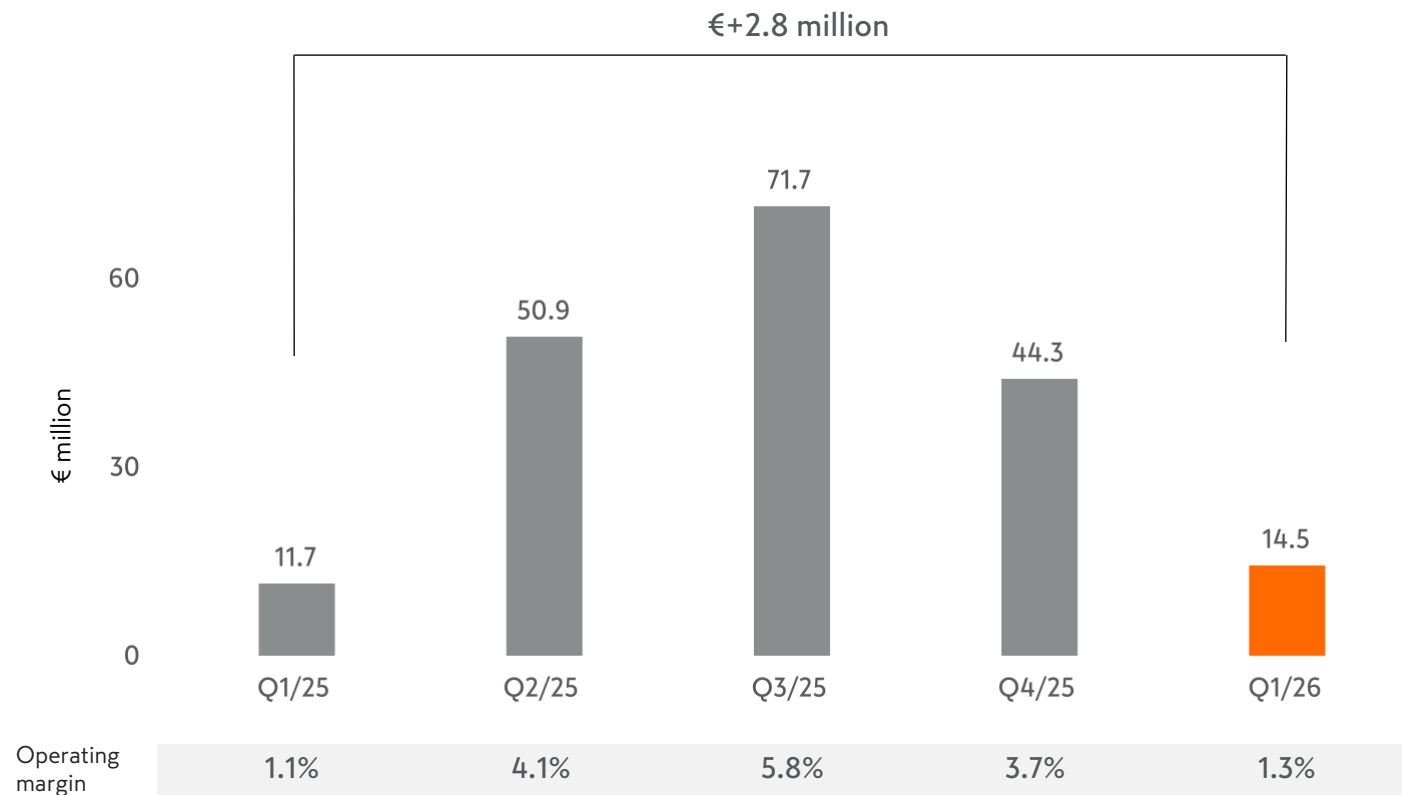
BUILDING AND TECHNICAL TRADE

NET SALES



BUILDING AND TECHNICAL TRADE

OPERATING PROFIT



BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q1

- Division net sales increased and profit improved, sales margin also improved
- Market demand continued to be muted, especially in new housing construction
- A pick-up seen in construction activity in Finland in infrastructure construction, industrial projects, and data centres, for example
 - Finland, technical trade: Onninen’s sales grew and profit improved clearly, growth attributable to strengthening market share in particular
 - Finland, building and home improvement trade: K-Rauta’s sales grew slightly, profit at a good level
 - Norway: Sales for Byggmakker and Onninen close to comparison year levels, Onninen’s profit improved while Byggmakker’s decreased
 - Denmark: Sales strengthened and profit improved, exceptionally harsh winter negatively impacted Davidsen’s sales in January-February
 - Sweden: K-Bygg’s sales growth strong, profit improved
 - Poland and the Baltics: Onninen’s sales growth strong, profit improved
- Credit risk well under control, €0.2 million written down for trade receivables past due date (€0.3 million)

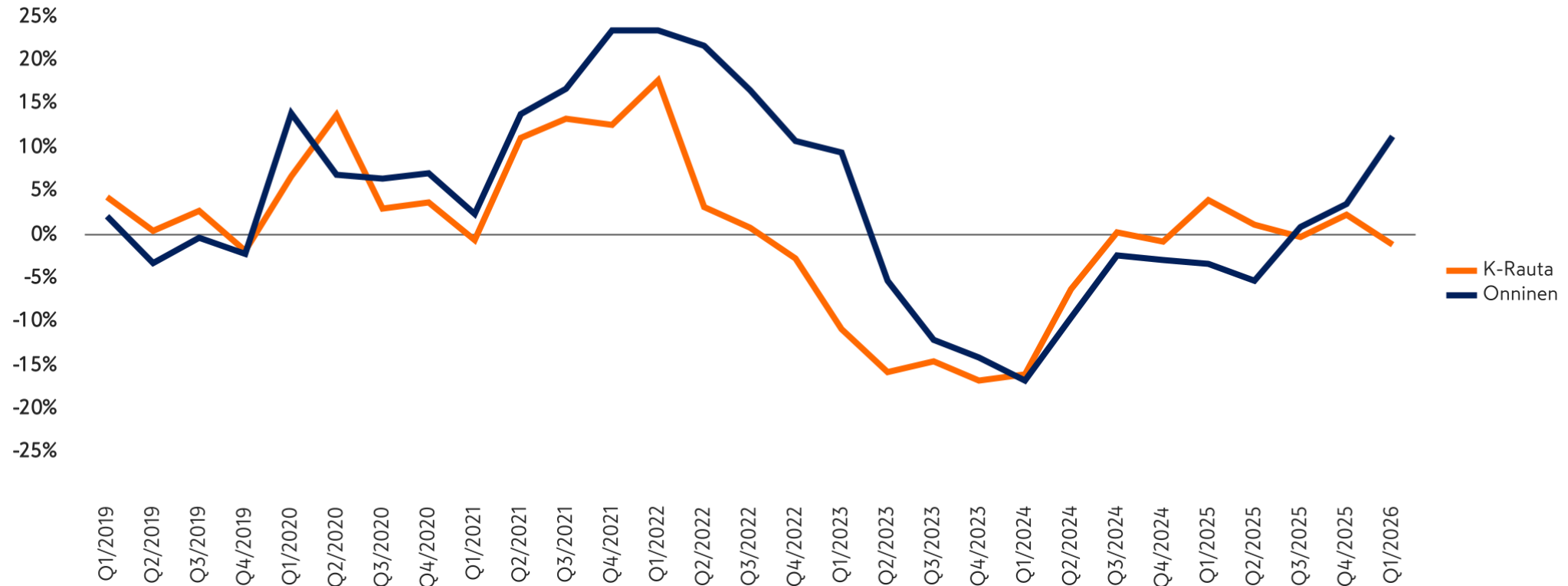
	Q1/2026	Q1/2025
Net sales, € million	1,147.2	1,033.1
Technical trade	555.5	527.0
Building & home improvement trade	610.9	522.7
Operating profit*, € million	14.5	11.7
Technical trade	18.2	13.2
Building & home improvement trade	-1.8	-0.1
Operating margin, %*	1.3	1.1
Technical trade	3.3	2.5
Building & home improvement trade	-0.3	-0.0

*Comparable



SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND

Retail and B2B sales
development, %



Onninen Q1 sales: +11.0%
Competitors, total: -1.5%

Sources: Talteka and STK

K-Rauta Q1 sales: -1,4%
Competitors, total: -0.6%

Source: RaSi

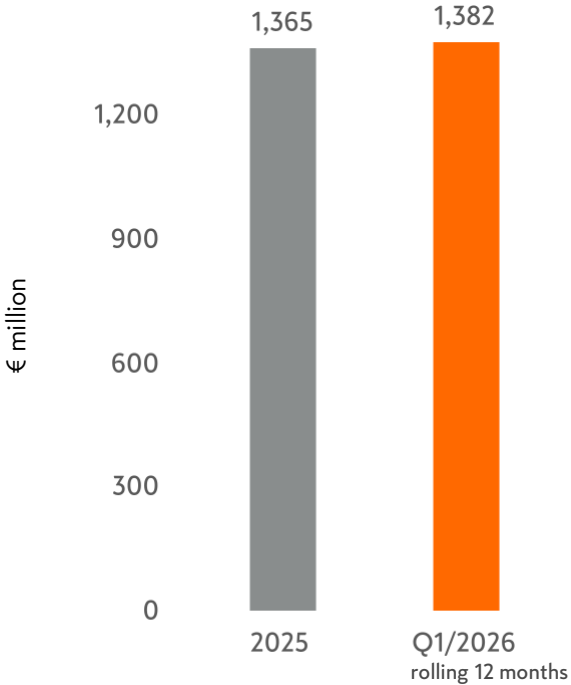
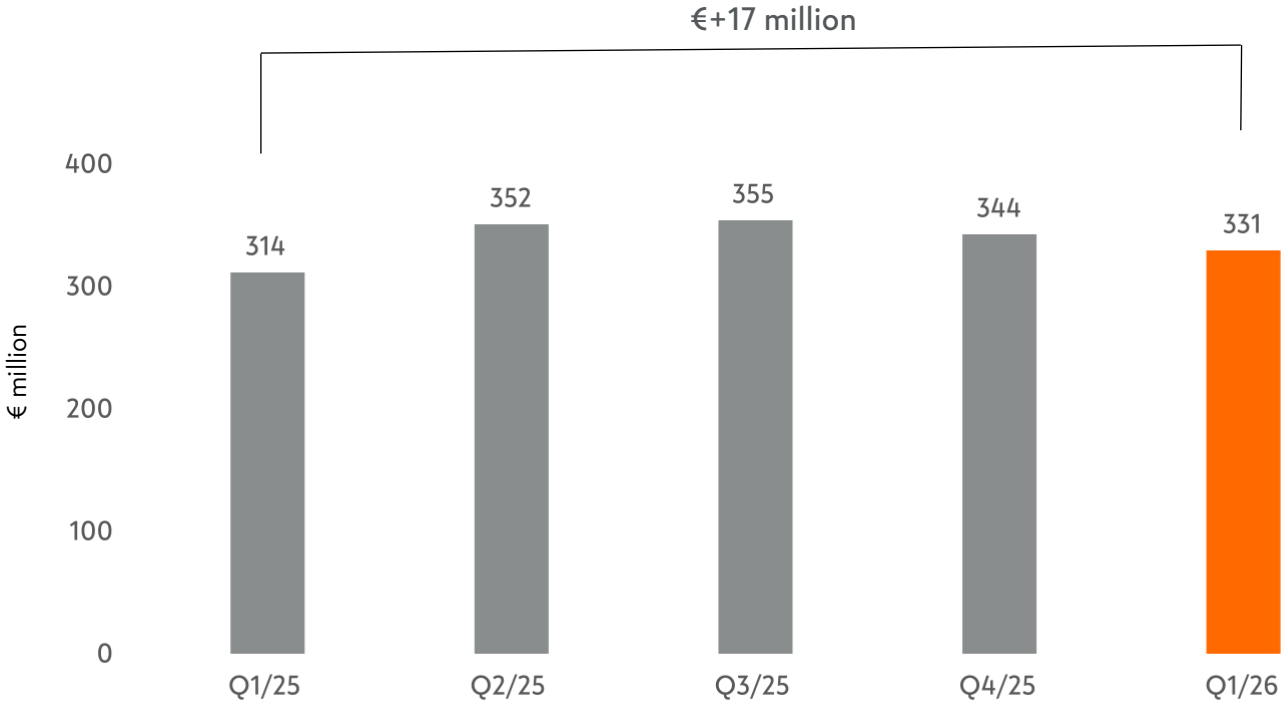


Car trade Q1

**Good sales
development
driven by
used cars**

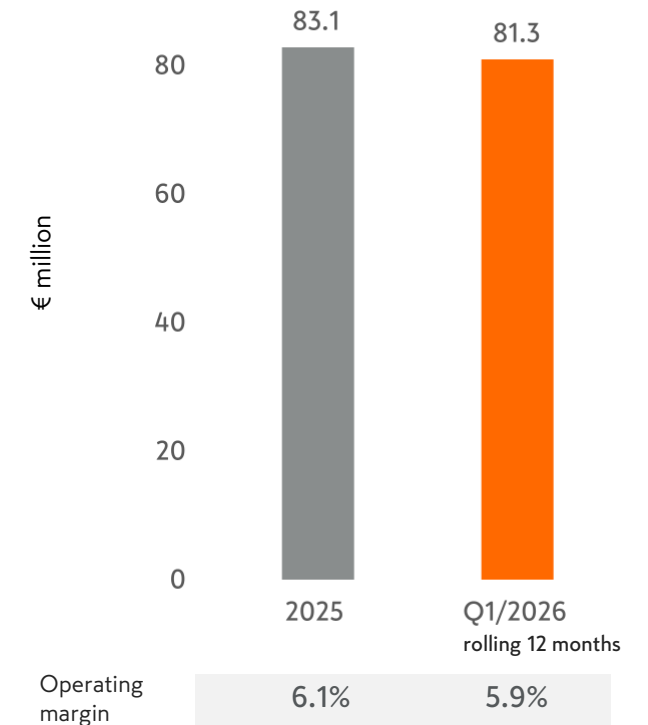
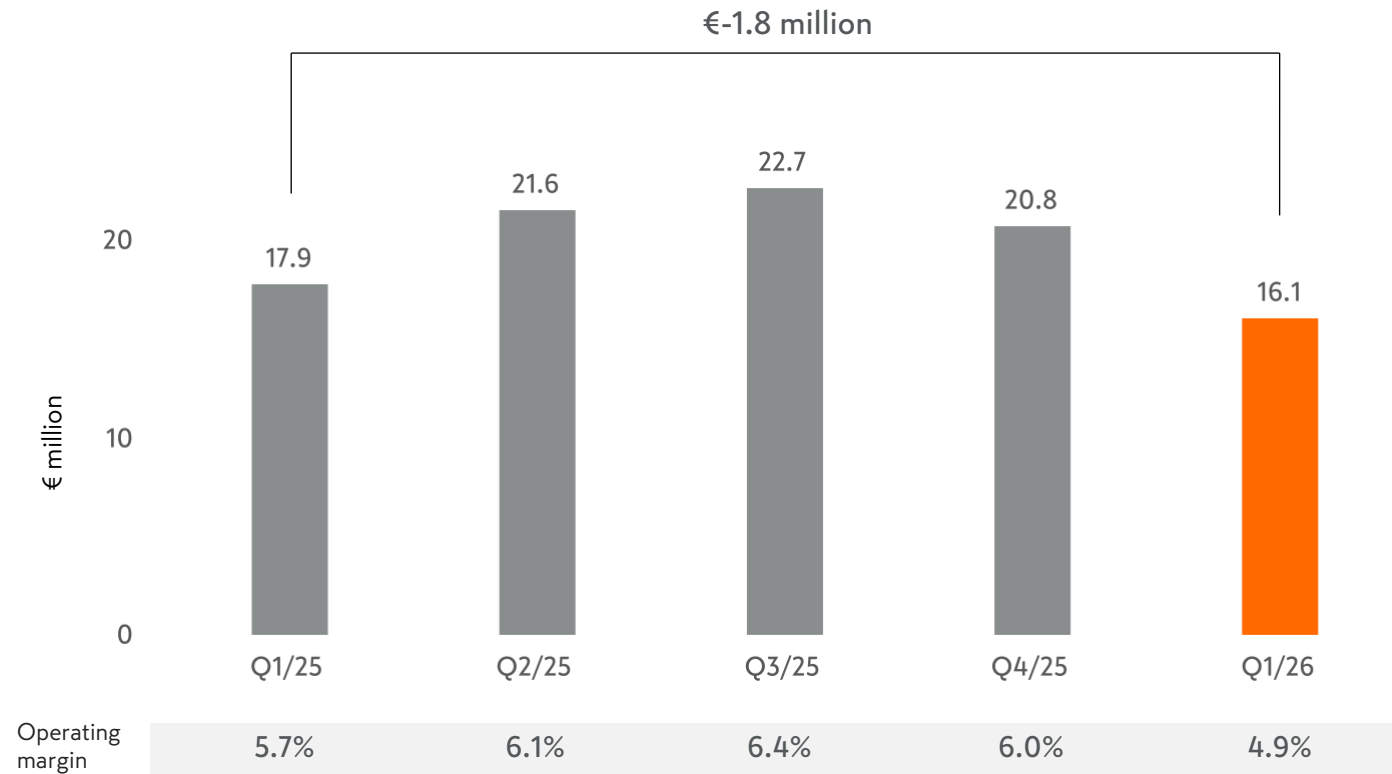


CAR TRADE NET SALES



CAR TRADE

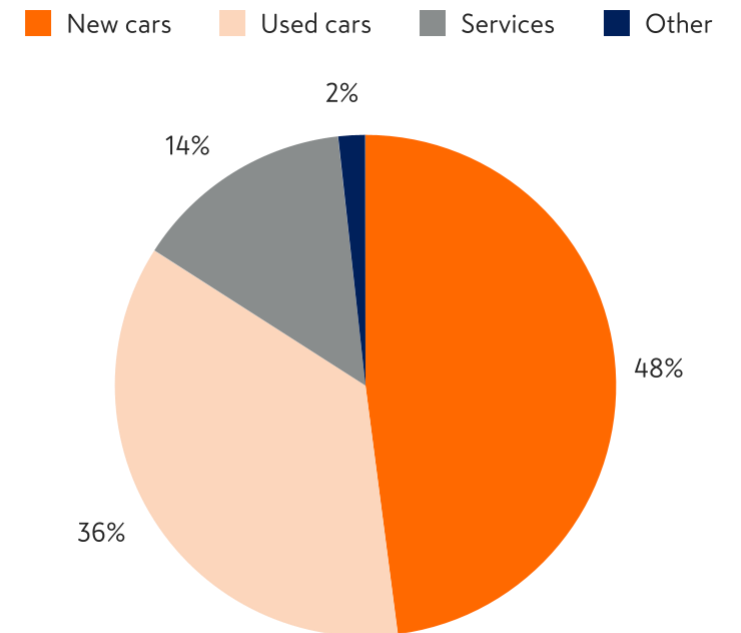
OPERATING PROFIT



CAR TRADE HIGHLIGHTS IN Q1

- Division net sales increased and comparable operating profit decreased, due to the increase in the share of used car sales, where sales margins are lower than in new car sales
- Market demand for new cars still muted, Q1 first registrations of passenger cars and vans +0.1%; first registrations of brands represented by Kesko +1.5% in Q1
- Order book for new cars grew markedly stronger especially in March; order book set to translate into sales over the next six months
- Used car sales from dealerships were +1.1% in Finland (in units), used car sales in K-Auto were up by 18% (in units)
- Service sales in car trade increased
- In sports trade, net sales and comparable operating profit increased, market share grew stronger

K-AUTO, NET SALES



Net sales for the division's car trade businesses in Q1/2026, rolling 12 months

'Other' consists primarily of car leasing services



LONG-AWAITED MORE AFFORDABLE ELECTRIC MODELS COMING TO MARKET

RAVAL and ID. Polo in a completely new price range



CUPRA RAVAL

**Sales began 9 April 2026
Prices starting at €25,990**



Volkswagen ID.Polo

**Sales begin 29 April 2026
Upcoming: ID.Polo GTI and ID. Cross**

PROFIT GUIDANCE AND OUTLOOK

PROFIT GUIDANCE FOR 2026

Kesko Group's profit guidance is given for the year 2026, in comparison with the year 2025. Kesko's operating environment is estimated to improve in 2026, but to still remain somewhat challenging. Kesko's comparable operating profit is estimated to improve in 2026. Kesko estimates that its 2026 comparable operating profit will amount to €650–750 million.

Key uncertainties impacting Kesko's outlook are developments in consumer confidence and investment appetites, as well as geopolitical crises and tensions.

OUTLOOK FOR 2026

The operating environment for Kesko is estimated to improve in 2026 in all divisions and all operating countries. Kesko's net sales and comparable operating profit are also estimated to improve in 2026 in all divisions and all operating countries.



In grocery trade, B2C trade is estimated to pick up and the foodservice business to remain stable. In 2026, 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. The comparable operating profit for the grocery trade division is estimated to improve in 2026 compared to 2025.



In building and technical trade, the cycle is expected to improve moderately in 2026 from an exceptionally low level. The comparable operating result for the building and technical trade division is estimated to improve in 2026 compared to 2025 in all Kesko operating countries.



In the car trade market, new car sales are expected to remain muted compared to long-term levels, but to nonetheless grow compared to 2025. The comparable operating profit for Kesko's car trade division is estimated to improve in 2026 compared to 2025.

**#Kesko's net sales grew and profit improved –
an excellent performance in a turbulent operating environment**

**#Strategic actions are yielding results in grocery trade; growth seen on all fronts for the first time
since the pandemic – net sales increased, profit improved, and market share grew**

**#In building and technical trade, net sales and comparable operating profit improved
in all operating countries except Norway**

**#Good sales development in car trade, driven by used car sales; strong order book in new cars;
an excellent quarter for sports trade**

**#We estimate that Kesko's operating environment, net sales and comparable operating profit
will improve in 2026 despite global turbulence**

