



KESKO INVESTOR PRESENTATION

KESKO SEEKS GROWTH IN ALL ITS THREE BUSINESS DIVISIONS

Q1 2025

KESKO TODAY

KEY FINANCIALS

	Q1/2025	2024
Net sales, € million	11,988.3	11,920.1
Operating profit, € million*	646.2	650.1
Operating margin, %*	5.4	5.5
Profit before tax, € million*	531.0	543.0
Cash flow from operating activities, € million	871.1	1,008.2
Return on capital employed, %*	11.0	11.3
Capital expenditure, € million	484.9	675.9

*comparable



Leading trading sector company in Northern Europe with retail and B2B sales of nearly **€15bn**



~**39,000 employees** in the whole K Group, **1,800 stores**, **3 divisions**, comprehensive **digital** services in **8 countries**



Sustainability at the core of the strategy

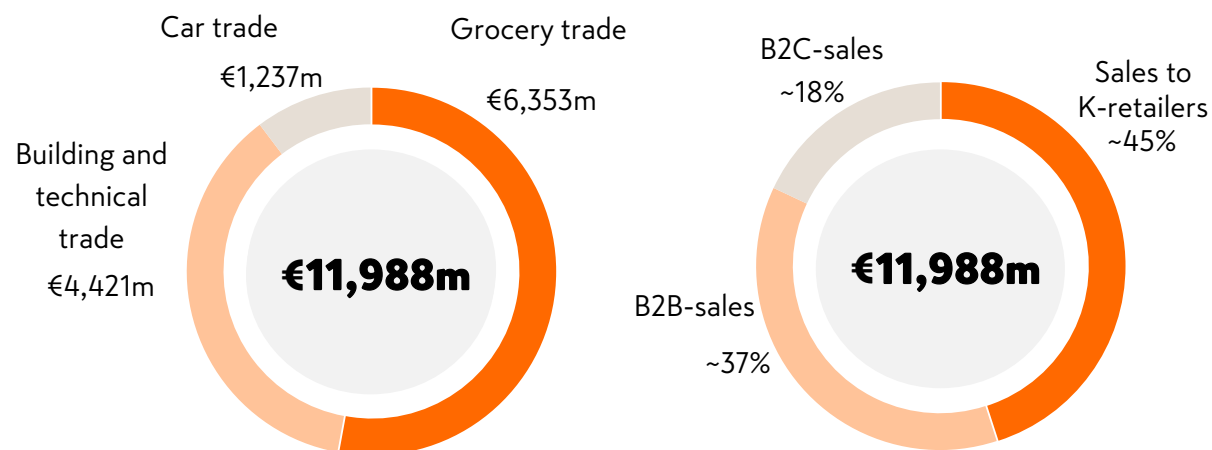


Market cap over **€8bn** with ~**115,000** shareholders

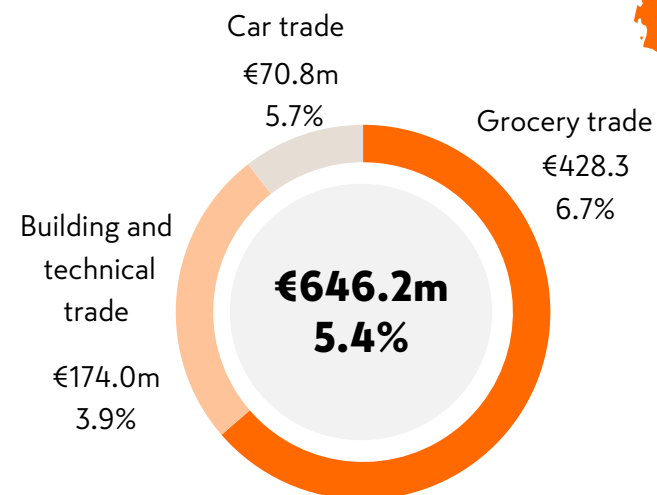
KESKO SEGMENT KEY FIGURES



NET SALES



OPERATING PROFIT



KESKO GROWTH STRATEGY

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

VISION

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 – CUSTOMER AND QUALITY IN EVERYTHING WE DO

PRINCIPLES

I OPERATE DIRECTLY,
OPENLY AND HONESTLY

I SHOW THE PATH

I'M ALL IN

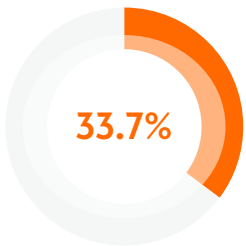
I CREATE TRUST



GROCERY TRADE

STRONG POSITION IN FINNISH FOOD TRADE YIELDING GOOD RESULTS

GROCERY TRADE DIVISION IN BRIEF



**MARKET
SHARE IN
2024
(NIELSEN)**



1,100 stores
Almost 800 K Group grocery
stores offer online grocery
services

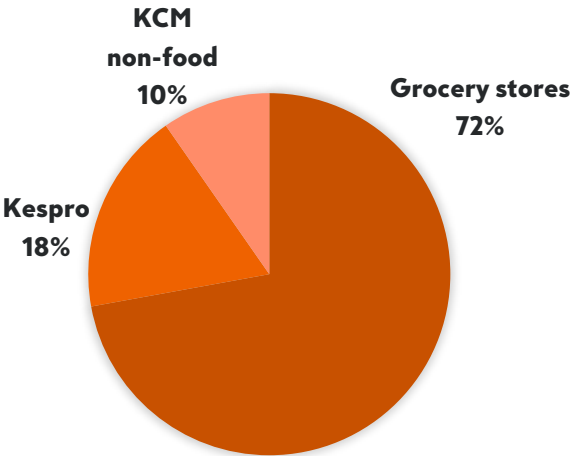


6,300
employees
860
K-retailers



The leading foodservice
provider in Finland
49,1% market share

NET SALES



	2024	2023	2022
Net sales, € million	6,381.4	6,351.6	6,124.7
Operating profit*, € million	438.0	444.8	460.4
Operating margin*	6.9%	7.0%	7.5%
Capital expenditure, € million	276.0	304	258

GROCERY STORE CHAINS

KCITYMARKET

KSupermarket

KMarket

FOODSERVICE



*Comparable

GROCERY TRADE: TARGET TO MAINTAIN GOOD PROFITABILITY AND GAIN MARKET SHARE

KEY ACTIONS:

- **STRENGTHENING STORE SPECIFIC BUSINESS IDEAS:** Focusing on strengthening chosen competitive advantages and raising the level of stores.
- **DEVELOPING STORE SITE NETWORK:** Targeted investments in the store site network focusing 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 WILL HAVE A SLIGHT EFFECT ON PROFITABILITY.

HOWEVER, EBIT DEVELOPMENT WILL BE STABLE AND PROFITABILITY CLEARLY ABOVE 6% DESPITE INVESTMENTS.



GROCERY TRADE DIVISION

GROCERY STORE BUSINESS



In brief:

Operates in Finland, business comprises three grocery store chains with some 1,100 stores across the country operated by some 860 K-retailer entrepreneurs. Three different store formats. Also online grocery services and popular private label products. Accounts for 82% of the division's net sales. Private labels ~20% of total sales.

Customers:

B2C trade: some 1.6 million daily customer encounters and 4.5 million weekly visits to digital channels. Over 3.4 million members of the K-Plussa customer loyalty programme. K-ruoka app weekly users some 800,000

Key figures:

Net sales €5,211.7 million; operating profit €360.2 million; operating margin 6.9%



Market and market shares:

Total Finnish grocery trade market €21–22 billion; Kesko the **second biggest operator** with a market share 33.7% (NielsenIQ). Over 40 % market share in online grocery.



Growth drivers:

GDP, purchasing power, consumer confidence, price competition, urbanisation and changes in population structure, customer data and insight.

Competitors and peers:

Grocery store operators in Finland: S Group, Lidl
International peers: Ahold Delhaize, Axfood, Coop Group, Tesco, Kroger, Carrefour

KESKO AND K-RETAILERS



The retailers pay a net sales-based chain fee and a sales margin-based store site fee to Kesko. Store site fees account for approximately half of the fees paid by retailers to Kesko. Other cost-based fees include those related to e.g. marketing, logistics and IT.

GROCERY TRADE DIVISION

FOODSERVICE BUSINESS



In brief:

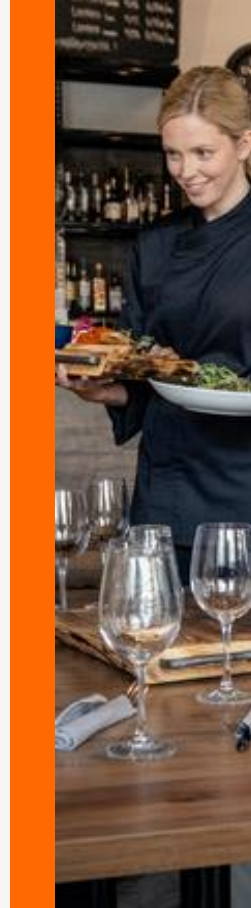
Operates in Finland, business comprises Kespro's foodservice wholesale with 13 cash-and-carry outlets and online sales representing 70% of total sales, a wide range of services and digital tools e.g. training, menu development, reporting and forecasting, and Kespro's own brand products: 50% of total sales.

Customers:

B2B trade: restaurants, cafés, workplace cafeterias, hotels and public operators such as municipalities and hospitals. Lunch and cafeteria type of sales account for ~ 70% of Kespro's sales.

Key figures:

Net sales €1,169.6 million; operating profit €77.8 million; operating margin 6.7%



Market and market share:

Total Finnish foodservice market €2.5 billion; Kespro **the market leader** with a market share of 49.1%



Growth drivers:

The growing popularity of eating out, GDP, purchasing power, consumer confidence, price competition, urbanisation and changes in population structure.

Competitors and peers:

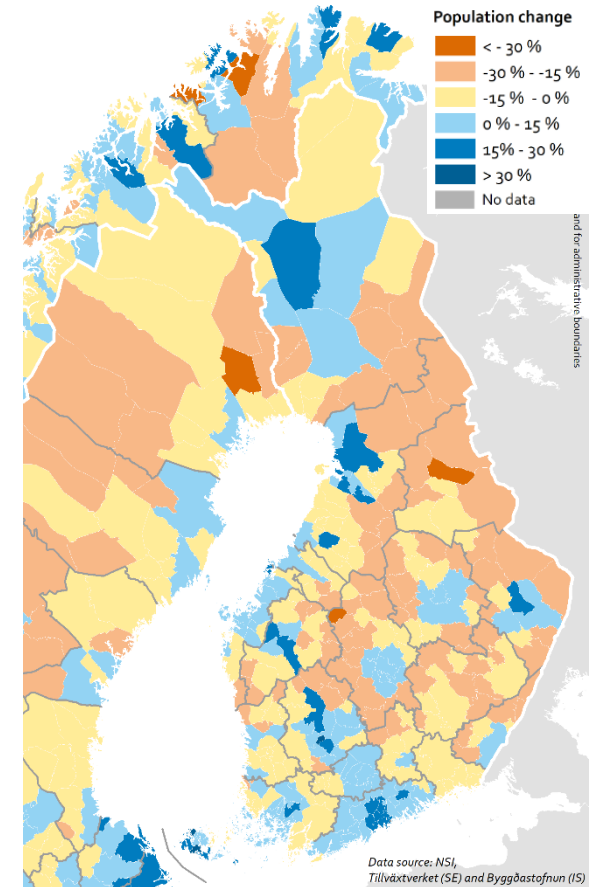
Foodservice in Finland: Valio Aimo, Meira Nova, Metro-tukku
International peers: Marr, Snabbgross, Sysco

GROCERY TRADE STORE SITE INVESTMENT FOCUS ON GROWTH CENTRES

Emphasising hypermarkets and other larger units

- **Urbanisation is expected to accelerate in Finland**
- **Long-term store site investment program to ensure Kesko's competitiveness and market share development**
- **During up-coming years annual investments: €200M - €250M per year**
- **Key targets:**
 - To focus store site network in growth areas and larger units
 - To open new hypermarkets especially in Helsinki Metropolitan Area
 - To improve customer experience, sales efficiency and profitability of the stores
 - To improve online shopping experience
- ➔ By the end of the decade, the store site network is renewed, in right locations and meets up-coming legislative requirements related to energy efficiency and greenhouse gases

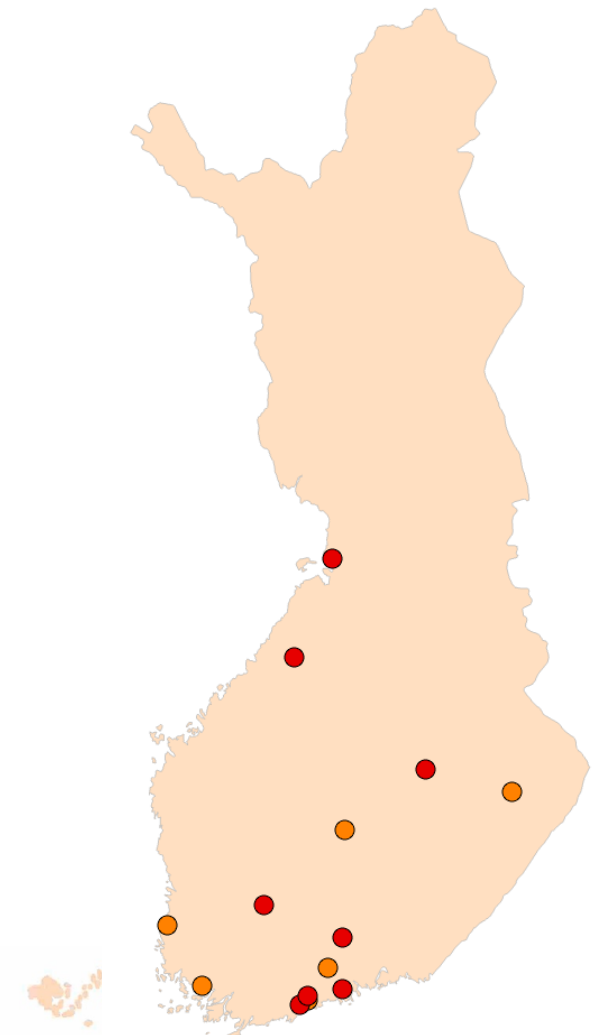
Population projection 2017-2040* Nordregio



NEW HYPERMARKETS TO BE OPENED IN FINNISH GROWTH CENTRES

Several new growth centre hypermarkets in pipeline

- New K-Citymarket in Lempäälä near Tampere in 2025
- New K-Citymarket in Lahti in autumn 2025, replacing K-Citymarket Paavola
- New K-Citymarket in Kivistö, Vantaa, Helsinki metropolitan area in spring 2026
- New K-Citymarket in Haapaniemi, Kuopio in summer 2026
- New K-Citymarket in Ylivieska in autumn 2026, replacing an outdated hypermarket
- New K-Citymarket in Porvoo in spring 2027, replacing an outdated hypermarket
- Under planning: New K-Citymarket in Ritaportti, Oulu in spring 2027
- Under planning: New K-Citymarket in Espoon keskus in Finland's second biggest city Espoo in autumn 2028
- In 2024, 44 remodelled stores and 15 new stores, incl. K-Citymarket Vuosaari
- In 2025, 48 remodelled stores and 15 new stores, incl. K-Citymarkets Lempäälä and Paavola
- Investments in store updates and new stores totalling €200-250 million in 2023, same store-site capex level to be expected in upcoming years



● K-Citymarket stores under planning/construction

● K-Citymarket stores remodelled in 2025



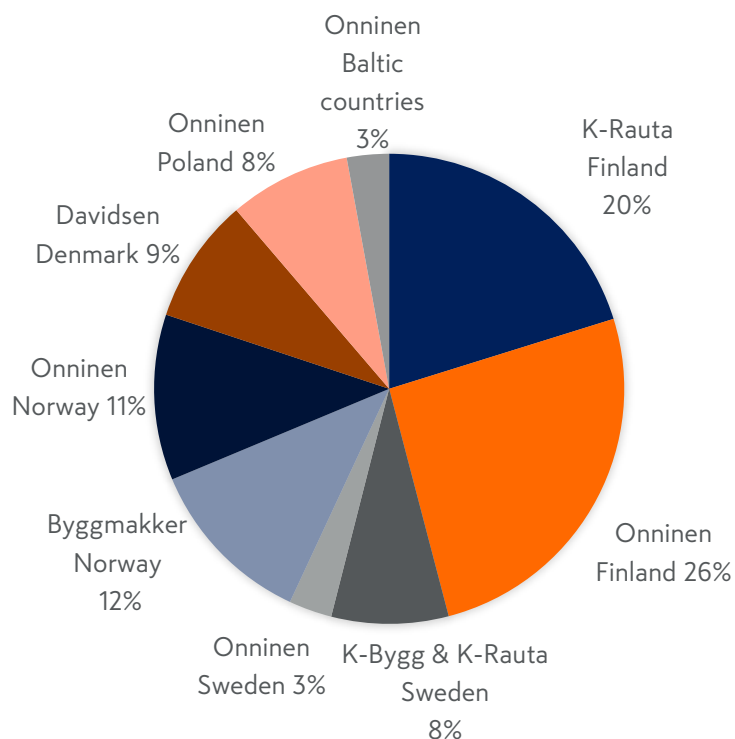
A man with curly hair, wearing a light-colored shirt and a dark vest, is smiling and pointing towards a shelf filled with various materials. He is in a workshop or warehouse setting. Another man with a beard and a plaid shirt is visible in the background, looking towards the first man. The entire image has an orange tint.

BUILDING AND TECHNICAL TRADE

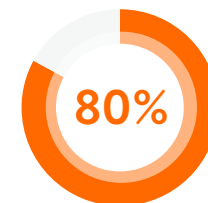
A GOOD RESULT IN A CHALLENGING ECONOMIC CYCLE

BUILDING AND TECHNICAL TRADE IN BRIEF

NET SALES



Leading operator in building and technical trade in Northern Europe



B2B trade accounts for more than 80% of net sales

Customer segments: Technical professionals, professional builders and consumers

Division's number of employees: some 6,500

	2024	2023	2022
Net sales, € million	4,352	4,193	4,591
Operating profit*, € million	169.1	212.5	323.8
Operating margin*	3.9%	5.1%	7.1%
Capital expenditure, € million	293.7	273.0	108.2

* comparable

TECHNICAL TRADE

onninen

BUILDING AND HOME IMPROVEMENT TRADE

K Rauta

K BYGG

BM BYGGMAKKER

DAVIDSEN

K

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

KEY ACTIONS:

- **FINLAND:** Continuing growth and winning market share.
- **SWEDEN AND NORWAY:** Stabilising and improving business performance. 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 6-8 %
EBIT MARGIN IS STILL VALID.**



BUILDING AND TECHNICAL TRADE

TECHNICAL TRADE



In brief:

Operates in 8 countries. Kesko subsidiary Onninen offers technical wholesale products and services (offering varies between countries) in stores, online and via on-site solutions. Finland accounts for 50% of net sales

Customers:

100% B2B trade – customers include technical contractors like plumbers and electricians, industry, infrastructure builders, and retailers

Key figures:

Net sales €2,255.0 million; operating profit €90.5 million; operating margin 4.0%



Market and market shares:



Total market (est.) for 8 countries (incl. Denmark) €22 bn; Kesko's market shares Finland 44% (**market leader**), Sweden 11% (infra-structure), Norway 39% (electricals)*, Poland 6%, Estonia 12%, Latvia 5%, Lithuania 3%

Growth drivers:

Urbanisation, green transition, building and construction work becoming more technical and being outsourced to professionals, growing renovation need and infrastructure investment debt, digitalisation, market consolidation

Competitors and peers:

Dahl, Ahlsell, Rexel, Grainger, Würth, Sanistål, Elektroskandia, Solar

BUILDING AND TECHNICAL TRADE

BUILDING AND HOME IMPROVEMENT



In brief:

Operates in 8 countries; offers products and services for building, renovation, garden, interior decoration and home furnishing through various store chains, including K-Rauta (FI), K-Bygg (SE), Byggmakker (NO), Kesko Senukai (Baltics), Davidsen (DK) as of 1 Feb. 2024; Finland 41% of net sales

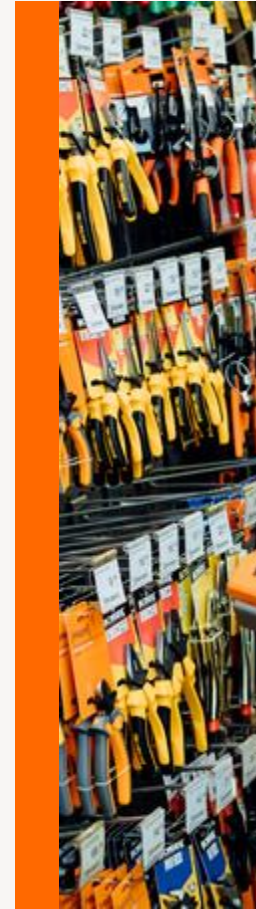
Customers:

68% building professionals, 32% consumers (DIY)

Key figures:

Net sales €2,160.7 million; operating profit €57.9 million; operating margin 2.7%

Joint venture Kesko Senukai operating profit €20.9 million



Market and market shares:



Total market (est.) for 8 countries €25 bn; Kesko's market shares Finland 52% (**market leader**), Sweden 6%, Norway 12%, entry to Denmark in 2024: market share 9%

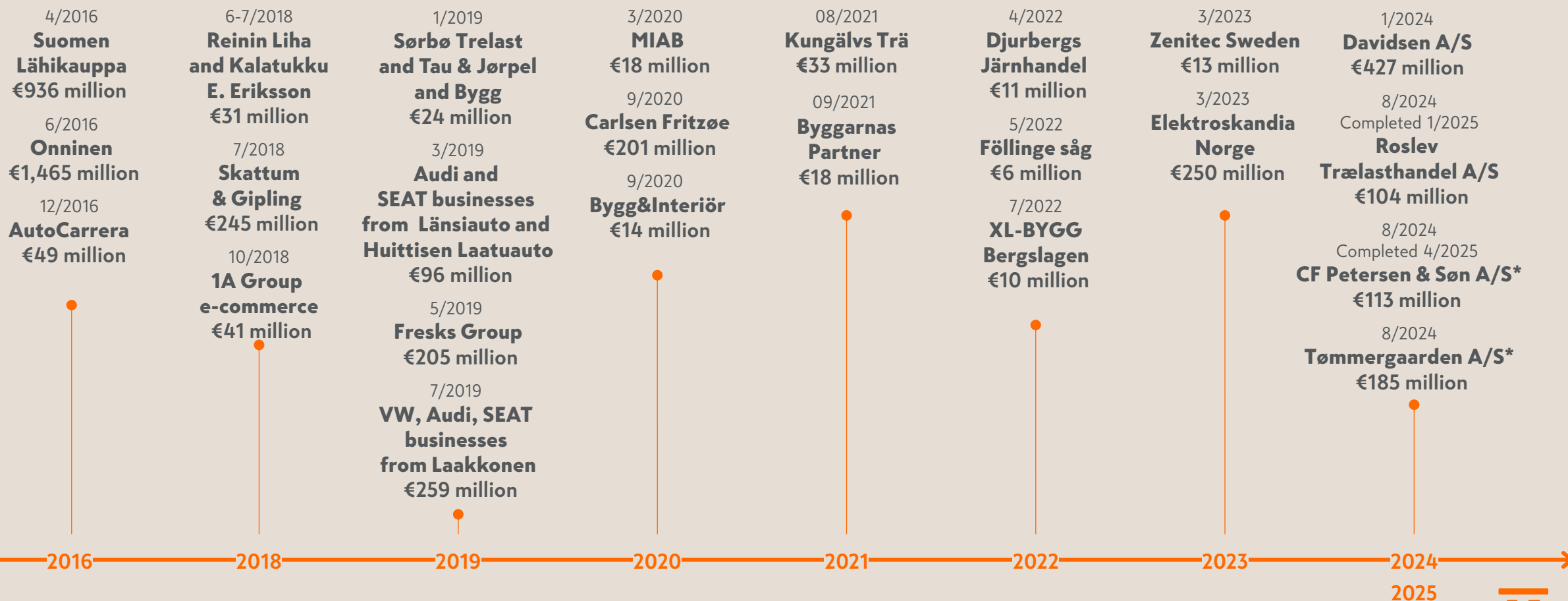
Growth drivers:

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Competitors and peers:

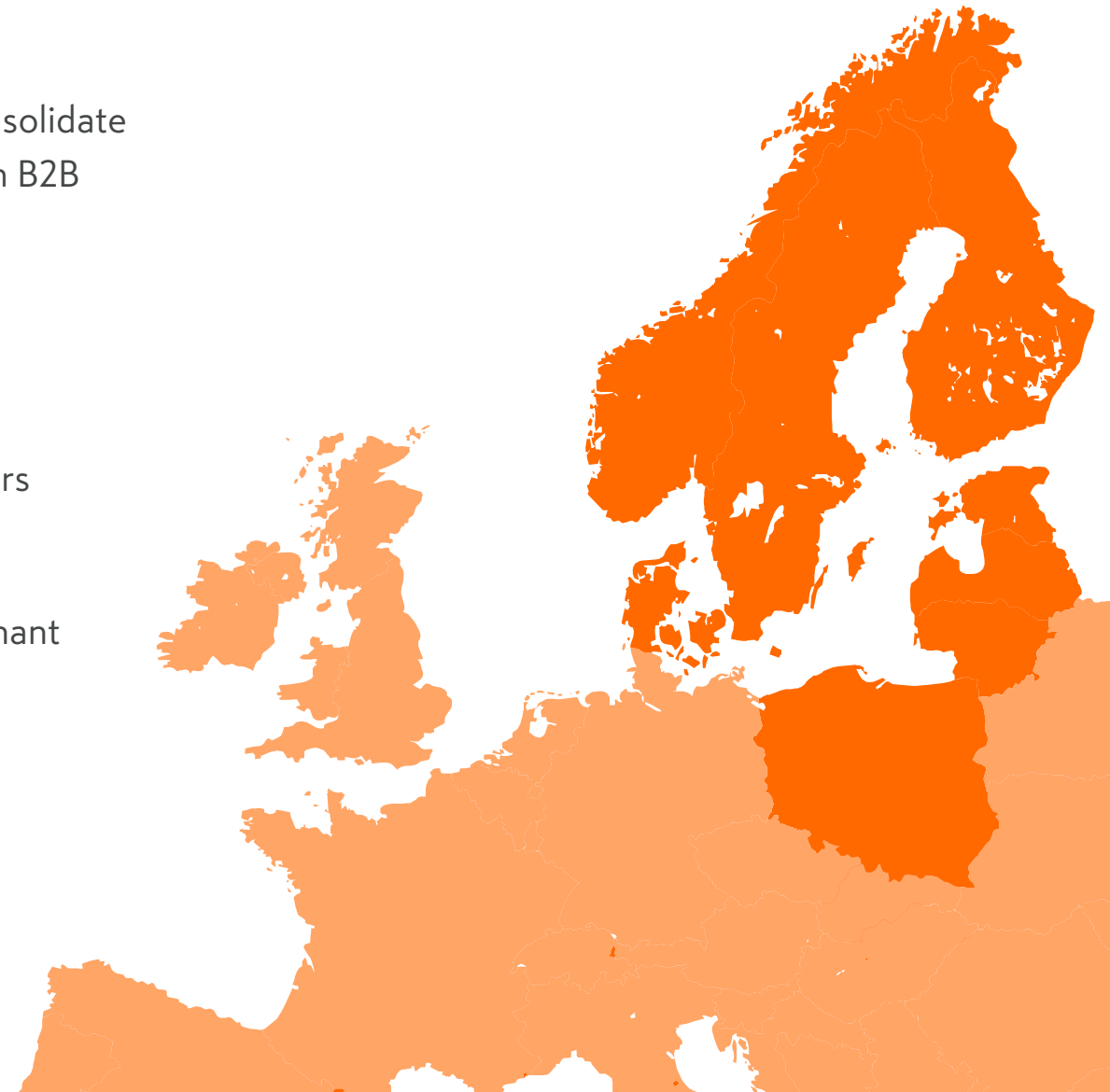
Stark, Beijer, Optimera, Mestergruppen, Bygma, Travis Perkins, Ferguson

ACQUISITIONS HAVE PLAYED A SIGNIFICANT ROLE IN INTERNATIONAL GROWTH



RECENT ENTRY TO DENMARK AN IMPORTANT STRATEGIC STEP

- Kesko has a consistent strategy in building and technical trade: to consolidate the market in Northern Europe and to be among the leading players in B2B business in each country
- The Danish market is not yet consolidated, great potential for growth organically and through acquisitions
- Low cycle affects the construction business, but at the same time offers consolidation opportunities for an industrial operator like Kesko
- Kesko acquired Davidsen in Jan 2024, and three more builders' merchant companies' acquisitions were announced in Aug 2024:
 - Roslev Trælasthandel was completed in January 2025
 - CF Petersen & Søn in April 2025
 - Tømmergaarden is expected to be completed in H1/2025



MARKET SHARE IN DANISH BUILDERS' MERCHANT SET TO RISE FROM ~10% TO ~20% VIA ACQUISITIONS

DAVIDSEN

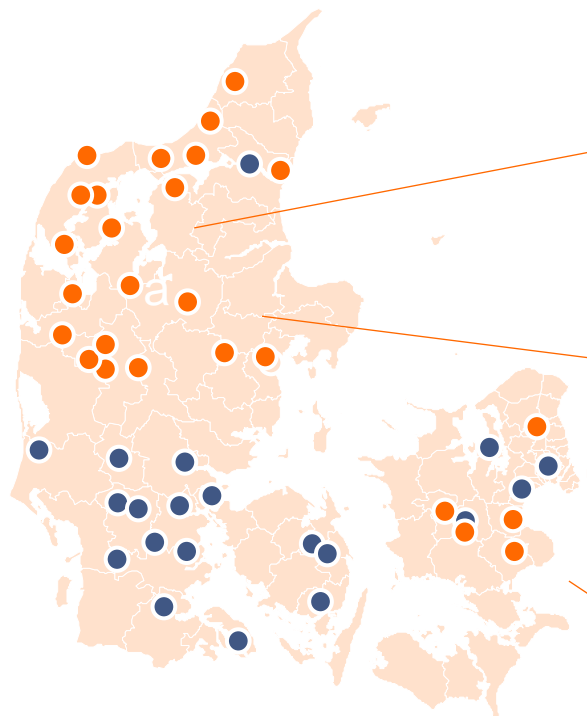
KESKO SUBSIDIARY AS OF 1 FEB. 2024

Kesko acquired 90% of the previously family-owned Davidsen Koncernen A/S, EV approx. €190 million

Company: One of Denmark's biggest building and home improvement trade operators, focus on B2B customers

Financials: 2023 net sales €427 million, operating profit €7 million (excl. IFRS 16)

Market share: ~30% in Southern Denmark, ~10% in the whole country; 23 stores (19 owned by Davidsen)



ACQUISITIONS ANNOUNCED ON 14 AUGUST 2024

TØMMERGAARDEN A/S*

Company: A builders' merchant focusing mainly on B2B customers in Northern and Central Jutland. Privately held, currently part of the XL Byg chain.
Financials: 2023 net sales €185 million, operating profit €8 million (excl. IFRS 16)
Market share: ~11% in Northern and Central Jutland, 17 fully-owned stores

ROSLEV TRÆLASTHANDEL A/S PART OF DAVIDSEN AS OF 1 FEB. 2025

Company: A builders' merchant focusing on B2B customers in Central Jutland. Privately held, currently part of the XL Byg chain.
Financials: 2023 net sales €104 million, operating profit €6 million (excl. IFRS 16)
Market share: ~9% in Central Jutland, 4 fully-owned stores


CF PETERSEN & SØN A/S* PART OF DAVIDSEN AS OF 1 MAY 2025


Company: A builders' merchant focusing on B2B customers in Zealand. Privately held, currently part of the XL Byg chain.
Financials: 2023 net sales €113 million, operating profit €5 million (excl. IFRS 16)
Market share: ~8% in Zealand, 5 fully-owned stores

*Subject to authority approvals and conditions, expected to be completed in H1/2025.

TECHNICAL TRADE – OPPORTUNITIES FOR FURTHER GROWTH OUTSIDE FINLAND


Total market size ~€22 billion


	Technical trade
Retail market (€bn)	2.9
Market share	19%
Market share of current operating market (2024)	39%*


	Technical trade
Retail market (€bn)	6.3
Market share	2%
Market share of current operating market (2024)	11%**

	Technical trade
Retail market (€bn)	3.1



	Technical trade
Retail market (€bn)	2.5
Market share (2024)	44%

	Technical trade
Retail market (€bn)	2.0
Market share (2024)	12%, 5%, 3%

	Technical trade
Retail market (€bn)	5.8
Market share (2024)	6%

* Norway: Currently Kesko operates only in electrical market (Virke)

** Sweden: Currently Kesko operates only in water & sewage and infra markets (SEG+RGF)

BUILDING AND HOME IMPROVEMENT – STILL FURTHER POSSIBILITIES ESPECIALLY OUTSIDE FINLAND

Total market size ~€18 billion



Retail market (€bn)
Market share (2024)

Professional Consumers
builders

3.1 **1.7**
12%



Retail market (€bn)
Market share (2024)

Professional Consumers
builders

3.4 **2.3**
6%



Retail market (€bn)
Market share (2024)*

Professional Consumers
builders

3.4 **1.3**
17%



Retail market (€bn)
Market share (2024)

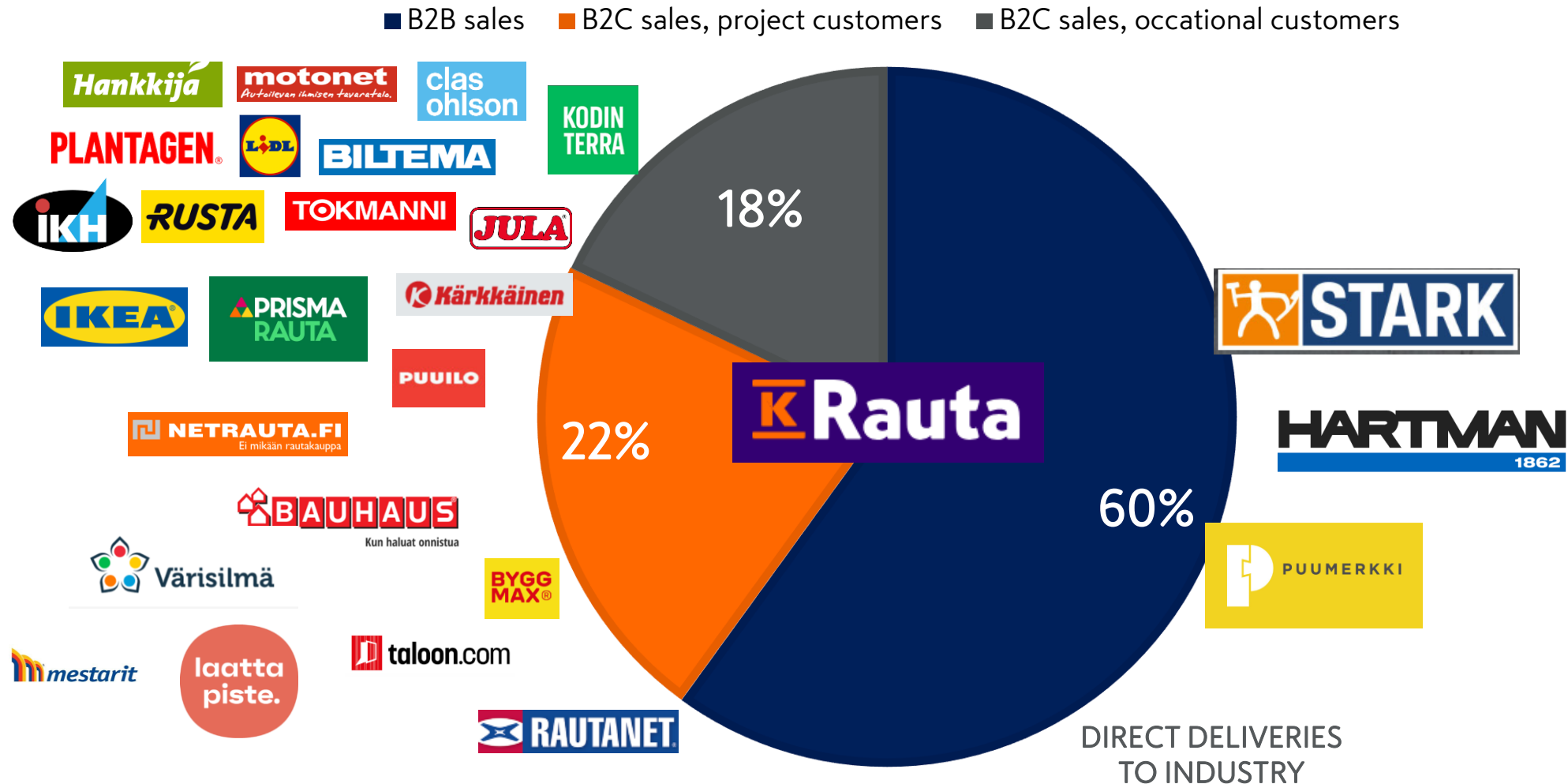
Professional Consumers
builders

1.6 **0.9**
52%



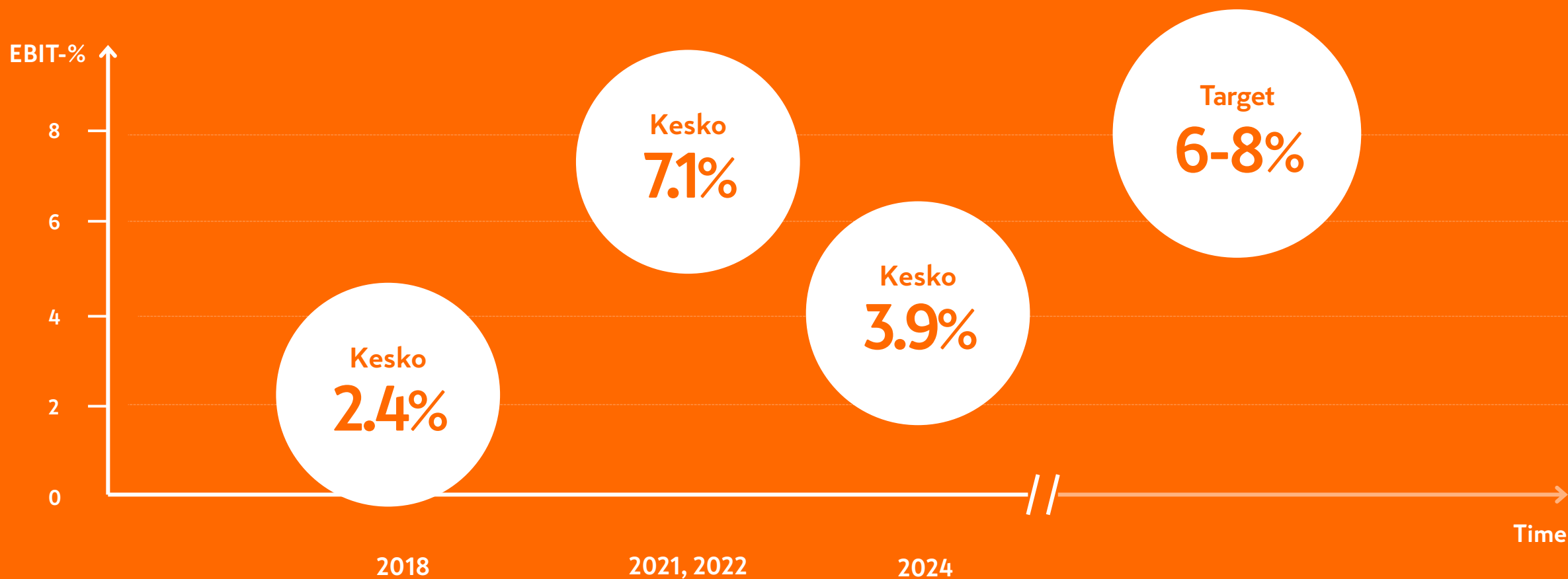
STRONG FOCUS ON B2B TRADE IN BUILDING AND HOME IMPROVEMENT TRADE ALSO IN FINLAND

Breakdown of K-Rauta Finland's sales by customer segments





BUILDING AND TECHNICAL TRADE LONG-TERM EBIT-% TARGET INTACT



CAR TRADE

GOOD RESULT IN CAR TRADE

FIN LPU-447

CAR TRADE IN BRIEF



K-Auto is the leading and most interesting automotive company in Finland



Importing and sales of attractive and high-quality new cars.



Significant multi-brand used car sales in Finland.



Comprehensive offering of car maintenance and repair services including nationwide K-Lataus EV charging network.

Number of employees: Approx. 1,500

	2024	2023	2022
Net sales, € million	1,209	1,262	1,125
Operating profit*, € million	69	83	64
Operating margin*	5.7%	6.5%	5.7%
Capital expenditure, € million	89	80	38'

*) Comparable



Market share
in new cars in 2024
(incl. passenger cars and vans)

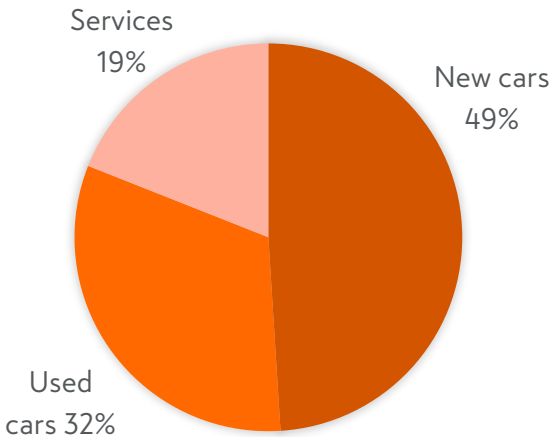
KAuto

One unified brand
for over million customers



2024 CAR TRADE NET SALES €1,041m'

'Excluding sports trade



CAR TRADE: FOCUSING ON PERFORMING BETTER THAN THE MARKET IN ALL BUSINESSES

KEY ACTIONS:

- **CONTINUING WITH GROWTH STRATEGY:**
Major turnaround and continuous development establish a robust foundation for the next strategy period.
- **MAINTAINING THE BALANCED BUSINESS PORTFOLIO:**
New cars, used cars and services.
- **COOPERATION WITH THE VOLKSWAGEN GROUP:**
Continuing the good cooperation with Volkswagen Group and Porsche AG.
- Continuing as a strong market leader in sports trade.

SOLID EBIT DEVELOPMENT

#1 IN BRAND AWARENESS AND PREFERENCE



CAR TRADE



In brief:

Operates in Finland. The whole value chain - imports and sells Volkswagen Group car brands, sells used cars, and offers car-related services e.g. servicing, leasing, EV charging.
Division also includes two sports trade chains.

Customers:

Primarily Finnish consumers, also companies when leasing cars or commercial vehicles

Key figures:

Net sales €1,209.4 million; operating profit €69.3 million; operating margin 5.7%
Of which sports trade net sales €168.7m, operating profit €7.6m, operating margin 4.4%



Market and market shares:

Total first registrations of new cars incl. vans in Finland approx. 74,000 in 2024, of which Kesko's K-Auto accounted for some 14.5%

Growth drivers:

E-mobility, updating Finland's outdated vehicle stock, digitalisation changing customer behaviour and helping to improve operational efficiency, new competitors entering European markets

Competitors and peers:

Car trade: Veho, Kamux, Hedin, Rinta-Jouppi, Wetteri
Sports trade: XXL, Stadium



OTHER STRATEGIC THEMES

KESKO IS AFFECTED BY VARIOUS 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'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 the AI potential – improving process efficiency, more personalised customer experience



KESKO'S FINANCIAL TARGETS INTACT

	TARGET	Q1/2025
OPERATING MARGIN, COMPARABLE	OVER 6%	5.4%
RETURN ON CAPITAL EMPLOYED, COMPARABLE, %	OVER 14.5%	11.0%
INTEREST-BEARING NET DEBT/EBITDA, EXCLUDING IFRS 16 IMPACT	AT MAXIMUM 2.5	1.6

KESKO STRATEGY SUMMARY 2024-2026

The portfolio will most likely stay as is during 2024-2026. The focus is on maintaining and further developing current businesses.

Targeting growth and profitability improvement as outlook strengthens in construction in 2025-2026.

In grocery trade, focusing on maintaining profitability and gaining market share. Raising the level of store-specific business ideas, developing store site network and improving price competitiveness as main focus areas. Further strengthening Kespro's market-leading position.

In building and technical trade, focusing on securing profitability and generating cash flow. Finland continues winning market share, Sweden and Norway will focus on integrating past acquisitions and driving profitability. Organic and M&A growth in Denmark.

In car trade, continuing with growth strategy in new cars, used cars and services. Winning market in all businesses.

Highlighting the importance of people and culture.

Balance sheet moderately leveraged.

SUSTAINABILITY IS INTEGRATED INTO OUR BUSINESS



SUSTAINABILITY STRATEGY

VISION

We enable sustainable choices for our customers and drive change throughout the value chain

FOCUS AREAS

Climate and nature
Value chain
Our people
Good governance

EXECUTION BY THE BUSINESS DIVISIONS

Grocery trade
Building and technical trade
Car trade

PROGRESS MEASURED USING INDICES AND ASSESSMENTS

Dow Jones Sustainability Indices, MSCI ESG,
Sustainalytics, and CDP

FOCUS AREAS AND KEY ACTIONS

WE ENABLE SUSTAINABLE CHOICES FOR OUR CUSTOMERS AND DRIVE CHANGE THROUGHOUT THE VALUE CHAIN



CLIMATE AND NATURE

Reduce emissions in the value chain

- Near-term scope 1 and 2 reductions by 2034
- Net zero emissions by 2050
- Challenge suppliers to set science-based climate targets

Promote biodiversity

- Prevent biodiversity losses throughout the value chain by following the biodiversity roadmap
- Set goals for our biodiversity impacts

Take care of the water sufficiency

- Mitigate water scarcity risks in the value chain through responsible water management and by encouraging suppliers to adopt water efficiency targets

Enhance circular economy

- Create new circularity business models
- Enhance waste management and recycling



VALUE CHAIN

Ensure sustainability in the value chain

- Require all our suppliers from risk countries to be audited for social responsibility
- Broaden the scope of supplier social responsibility audits by moving from a risk-country approach to a risk-based approach
- Ensure suppliers' adherence to the K Code of Conduct, sustainability policies, and other relevant standards

Enable sustainable choices for our customers

- Increase the share of sustainable products of net sales
- Make sustainable choices attractive through selections, data-based tools and communications

Create sustainable value for entire society



OUR PEOPLE

Increase the safety and wellbeing of our people

- Support our people's health, wellbeing and capabilities

Foster diversity, equity and inclusion for our employees

- Diverse and inclusive workplace
- Equal pay
- Gender balance on all levels of the organisation



GOOD GOVERNANCE

Commit to the K Code of Conduct

Strengthen sustainability competencies

Automate ESG data processes

KESKO LISTED IN SUSTAINABILITY INDICES

Sustainability indices are key tools for investors to assess the ESG level of corporations.



Kesko is the only company in the world to have been on the Global 100 list every year since it was launched in 2005.



Dow Jones Best-in-Class
Indices (World and Europe)



FORERUNNER IN TRADING SECTOR DIGITALISATION

Using digitalisation to improve customer experience and make operations more efficient



Online and digital sales growing forcefully

Digital sales
€2.0 billion

Growth in online sales continues

Continuously improving online efficiency and customer experience



Data and analytics at the core of business operations

K Group's customer loyalty scheme in Finland has 3.4 million customers

Data-based store-specific business ideas and services

Extensive utilisation of data in everyday decision-making

Versatile data services to partners



Digitalisation of stores and processes proceeding at a fast pace

Easy-to-use tools to make store processes more efficient

Electronic shelf labels help improve customer satisfaction and make operations more efficient

Electronic in-store displays make stores even more effective marketing channels

Automation of supply chain and background processes



Digitalisation increases customer loyalty

Targeted marketing

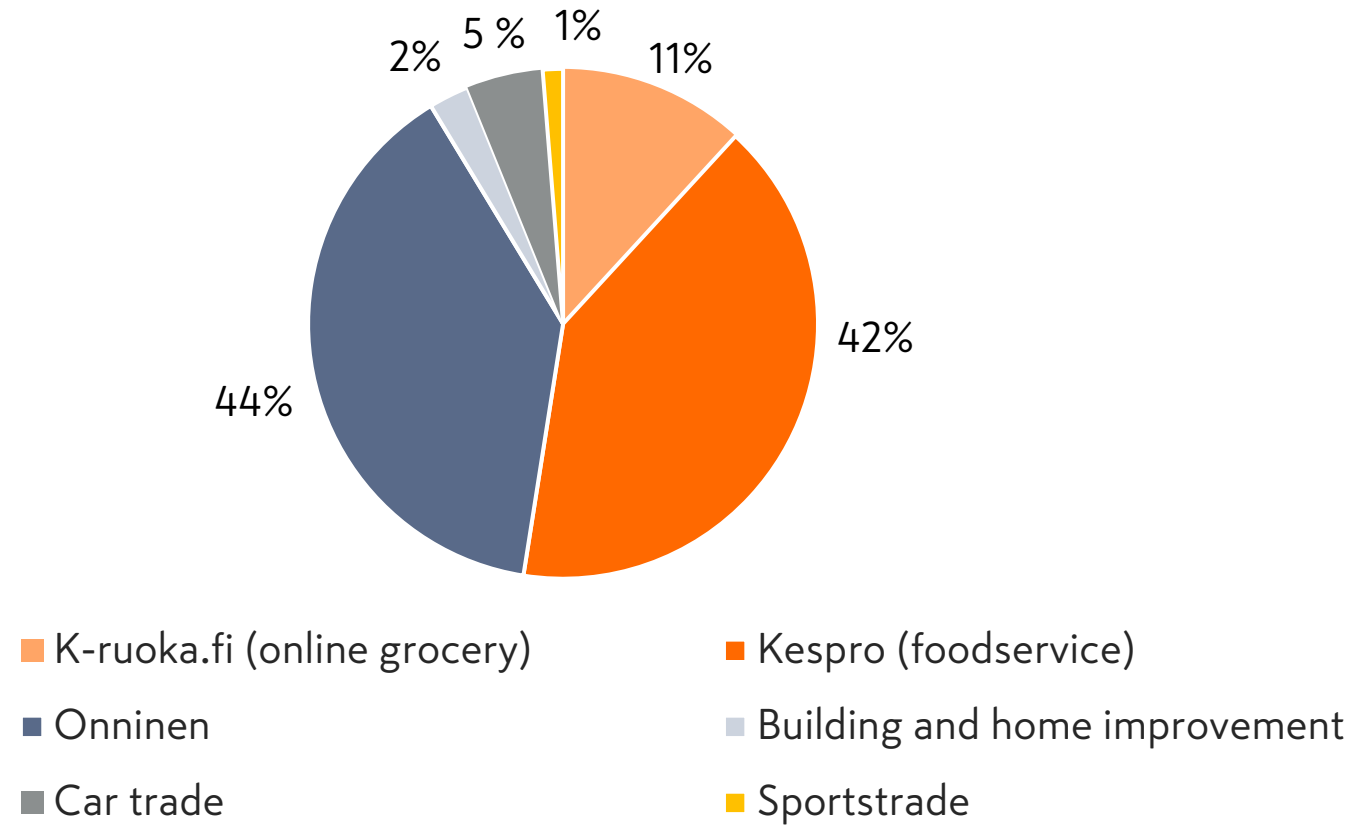
Personal benefits and offers

Digital Plussa money

Personal purchase trackers, e.g. carbon footprint calculator

Seamless customer experience irrespective of channel

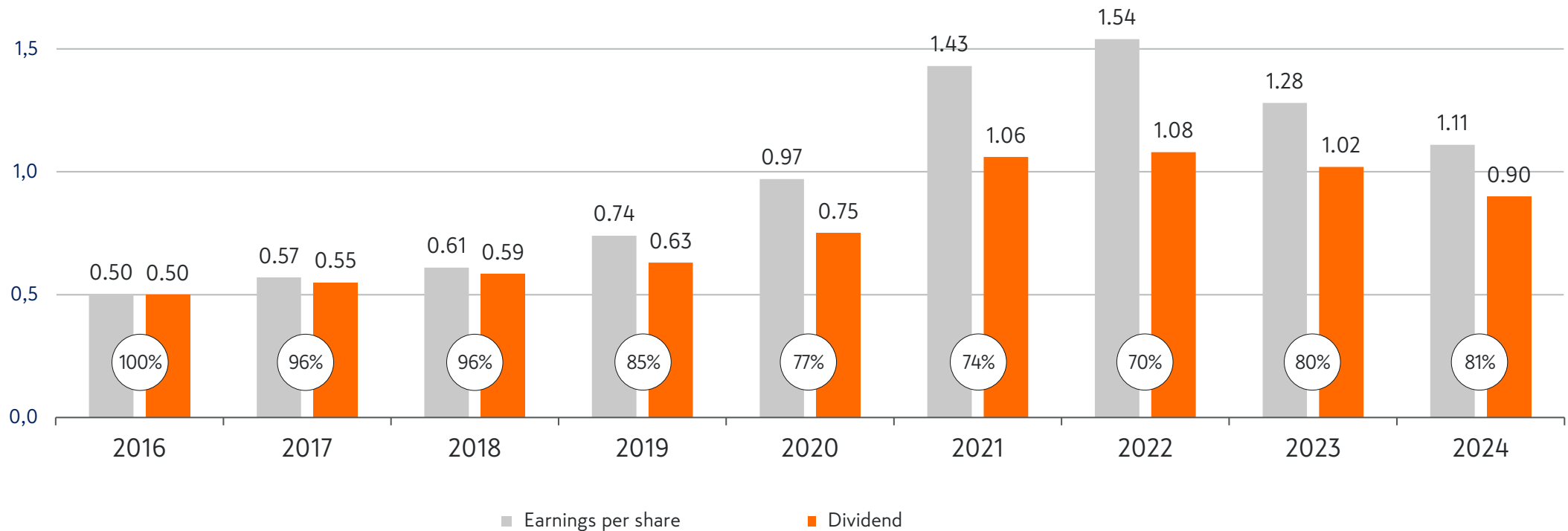
SALES VIA DIGITAL CHANNELS €2.2 BILLION



DIVIDEND

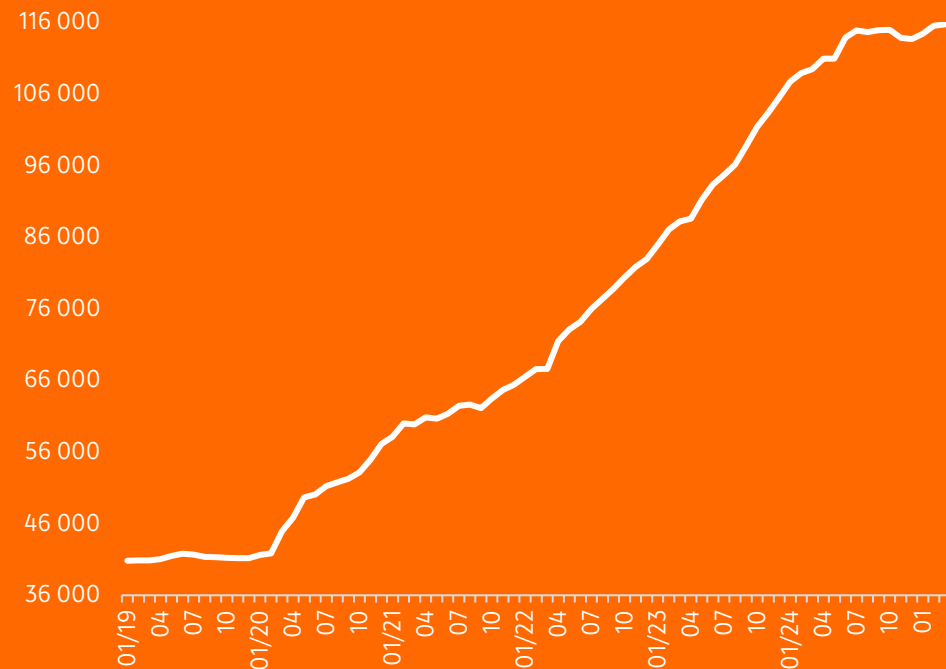
Dividend for 2024: €0.90/ share, paid in four instalments.

Kesko's dividend policy: In the long-term, Kesko aims to distribute a steadily growing dividend of some 60-100% of its comparable earnings per share, taking into account the company's financial position and strategy.

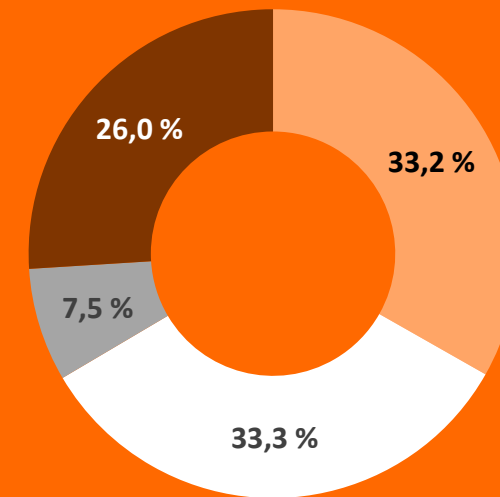


NUMBER OF SHAREHOLDERS HAS GROWN

~115,000 REGISTERED SHAREHOLDERS



BALANCED OWNERSHIP STRUCTURE



- Nominee-registered, foreign ownership
- Finnish institutions
- K-Retailers' Association and related parties (19,6% of votes)
- Households



KESKO INTERIM REPORT Q1/2025

**STABLE PERFORMANCE DURING
THE SLOWEST QUARTER OF THE YEAR**

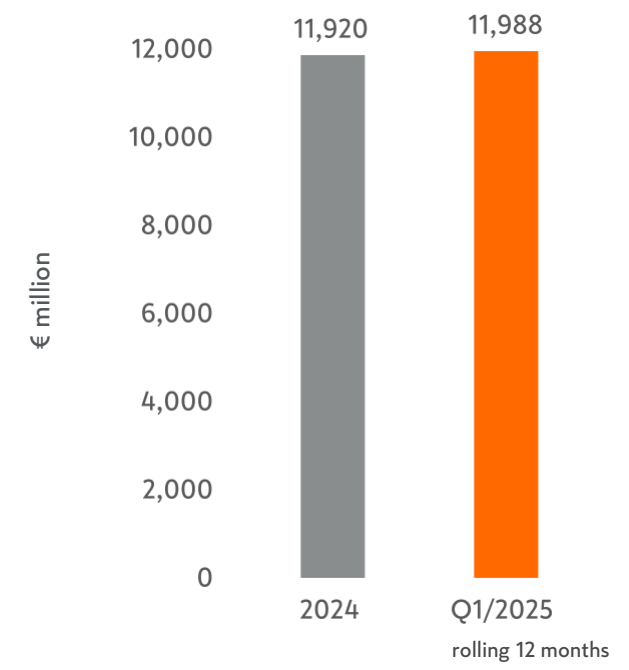
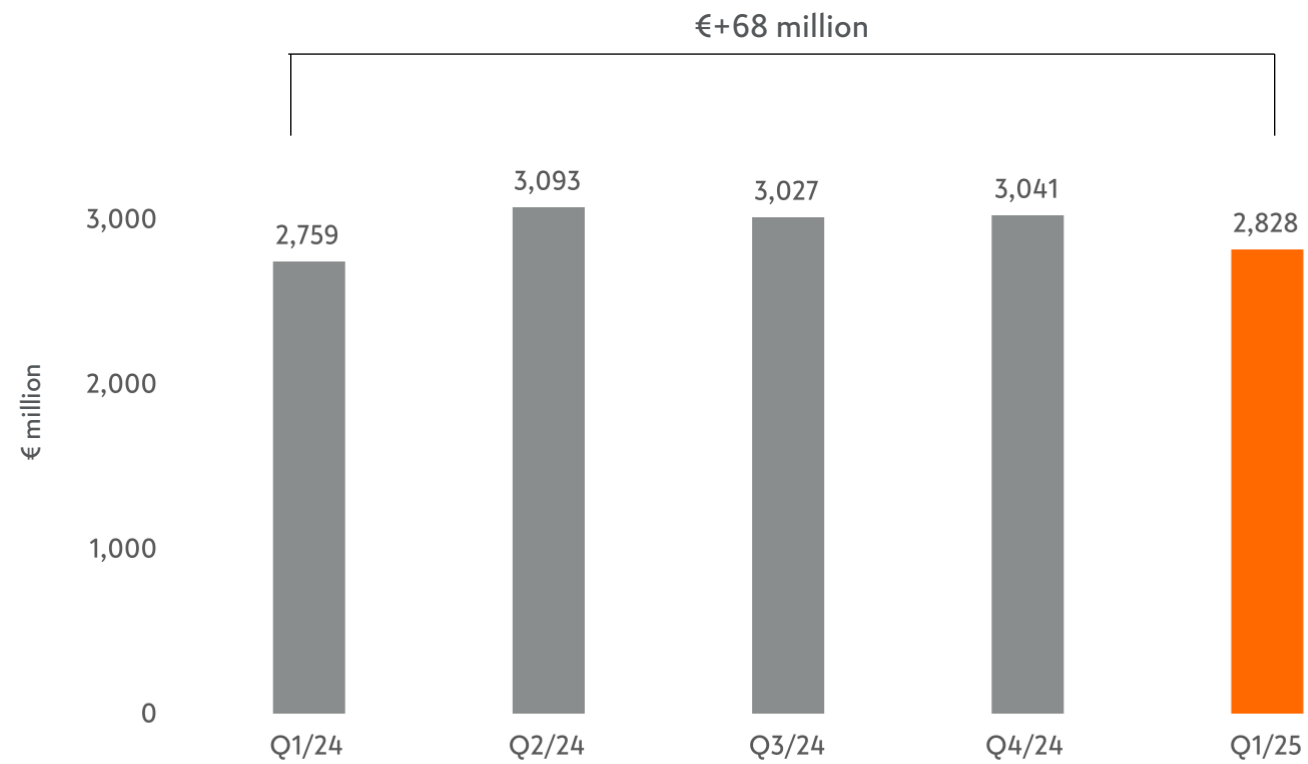
SUMMARY OF Q1/2025

- Net sales increased, comparable operating profit decreased
- Grocery trade: net sales and profit down as anticipated due to the timing of Easter and price programme implementation
- Building and technical trade: sales picked up especially in the B2B segment in building and home improvement trade in Finland, Denmark and Norway
- Car trade: net sales and profit increased, a balanced and comprehensive product and service portfolio underpins good performance in changing market conditions
- Acquisition of Roslev Trælasthandel completed at the end of January; Danish authorities approved the acquisition of CF Petersen & Søn without conditions – acquisition expected to be completed on 30 April 2025
- Kesko repeats its profit guidance for 2025: comparable operating profit for the year is estimated to amount to €640–740 million

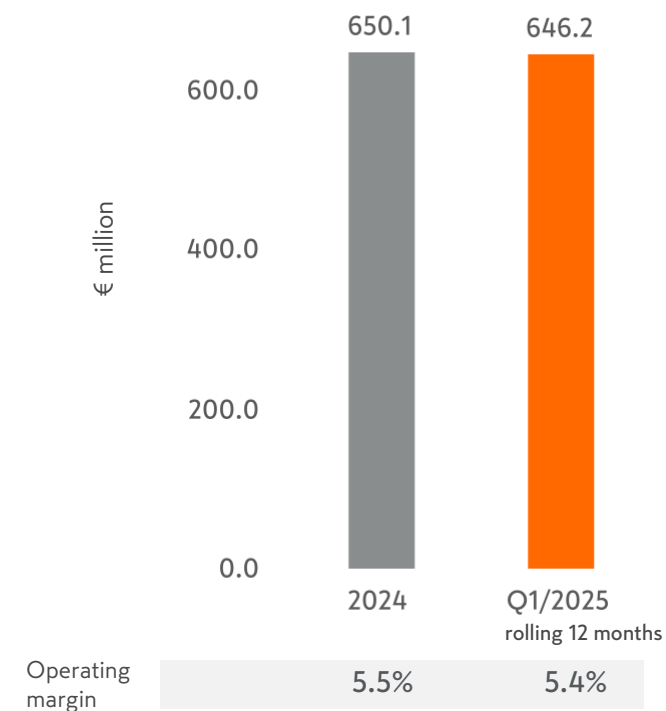
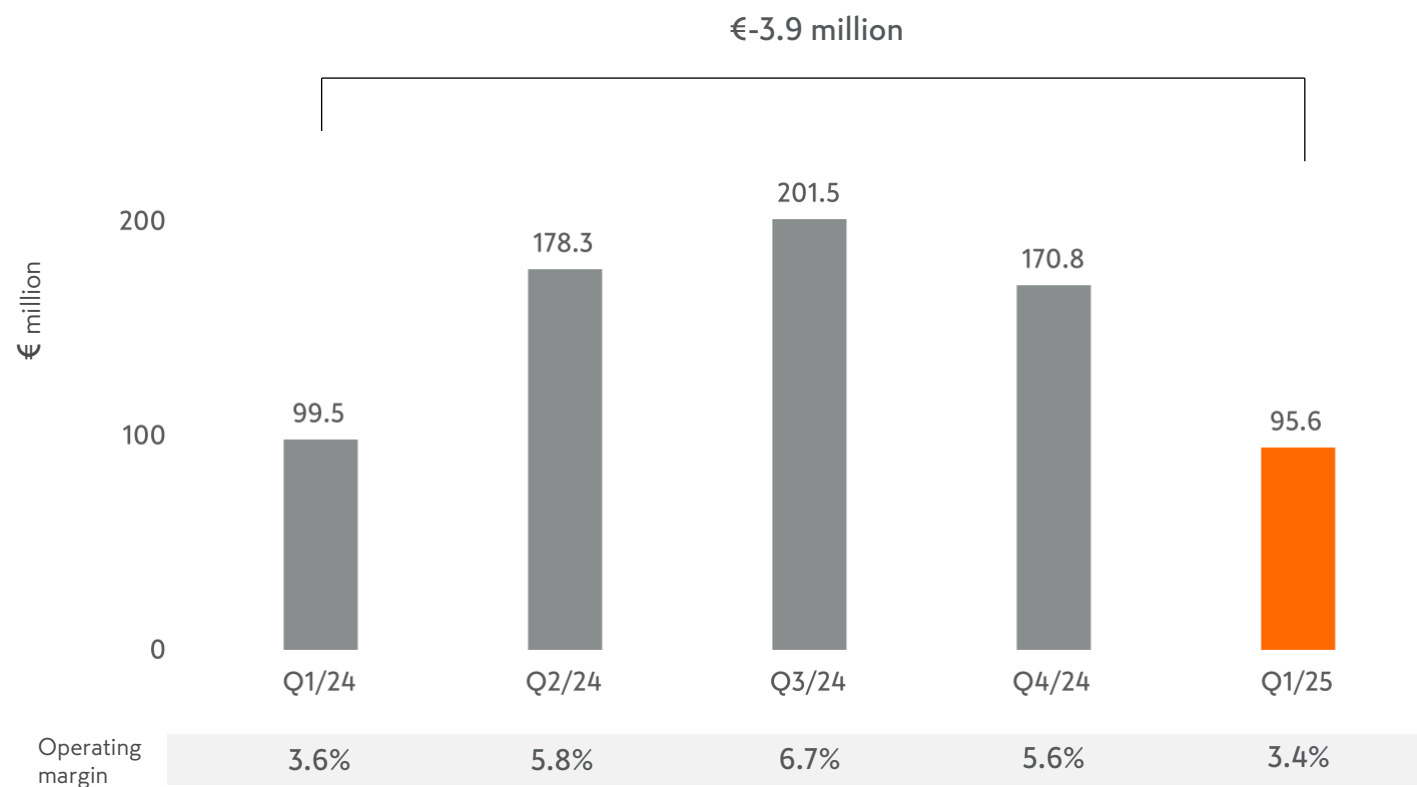
	Q1/2025	Q1/2024
Net sales, € million	2,827.7	2,759.5
Change in net sales, %*	1.1	-5.5
Operating profit, € million*	95.6	99.5
Operating margin, %*	3.4	3.6
Profit before tax, € million*	65.1	77.1
Earnings per share, basic, €*	0.13	0.16
Cash flow from operating activities, € million	-24.5	112.6

* Comparable

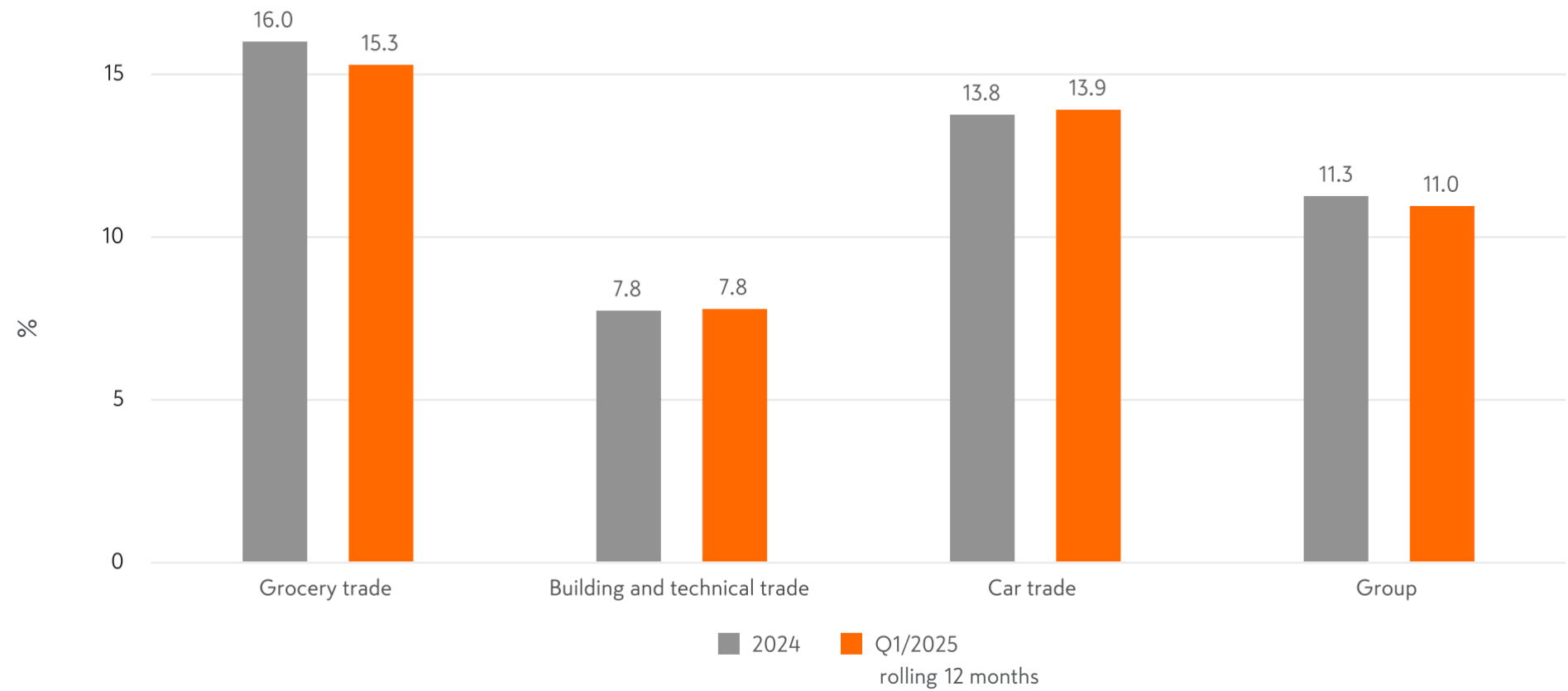
NET SALES



OPERATING PROFIT



RETURN ON CAPITAL EMPLOYED



FINANCIAL POSITION

Seasonal increase in working capital impacted cash flow

- Factors impacting cash flow from operating activities
 - Building and technical trade: preparing for upcoming high season
 - Car trade: rental cars in inventory delivered in Q2, and new cars waiting for delivery
 - Grocery trade: timing of the quarter's final banking day on a Monday, and inventory growth

	Q1/2025	Q1/2024
Cash flow from operating activities, € million	-24.5	112.6
Liquid assets, € million	147.5	145.1
Capital expenditure, € million	138.0	329.0
Interest-bearing net debt excl. lease liabilities, € million	1,216.7	881.7
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.6	1.1
Lease liabilities, € million	2,196.8	2,023.6

CAPITAL EXPENDITURE

**Main CAPEX: Roslev acquisition, Onnela logistics centre
and investments in store sites**

	Q1/2025	Q1/2024
Store sites, € million	66.2	111.3
Acquisitions, € million	34.8	170.0
IT, € million	3.1	3.6
Other investments, € million	33.9	44.2
Total, € million	138.0	329.0

EXPENSES

Expenses up mainly due to acquisitions

	Q1/2025	Q1/2024
Fixed costs, € million	529.6	507.1
- Employee benefit expenses, € million	223.1	204.8
- Other expenses, € million	165.3	162.8
- Depreciation, € million	141.2	139.4
Cost ratio, %	18.7	18.4



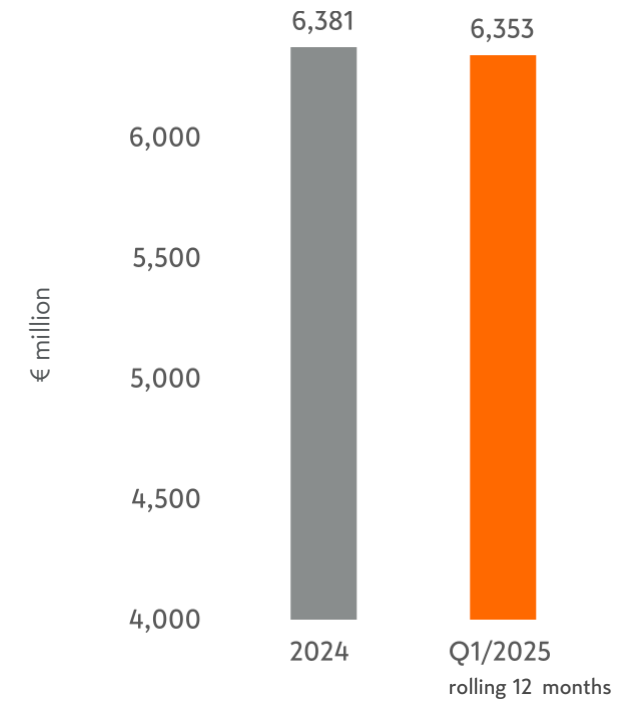
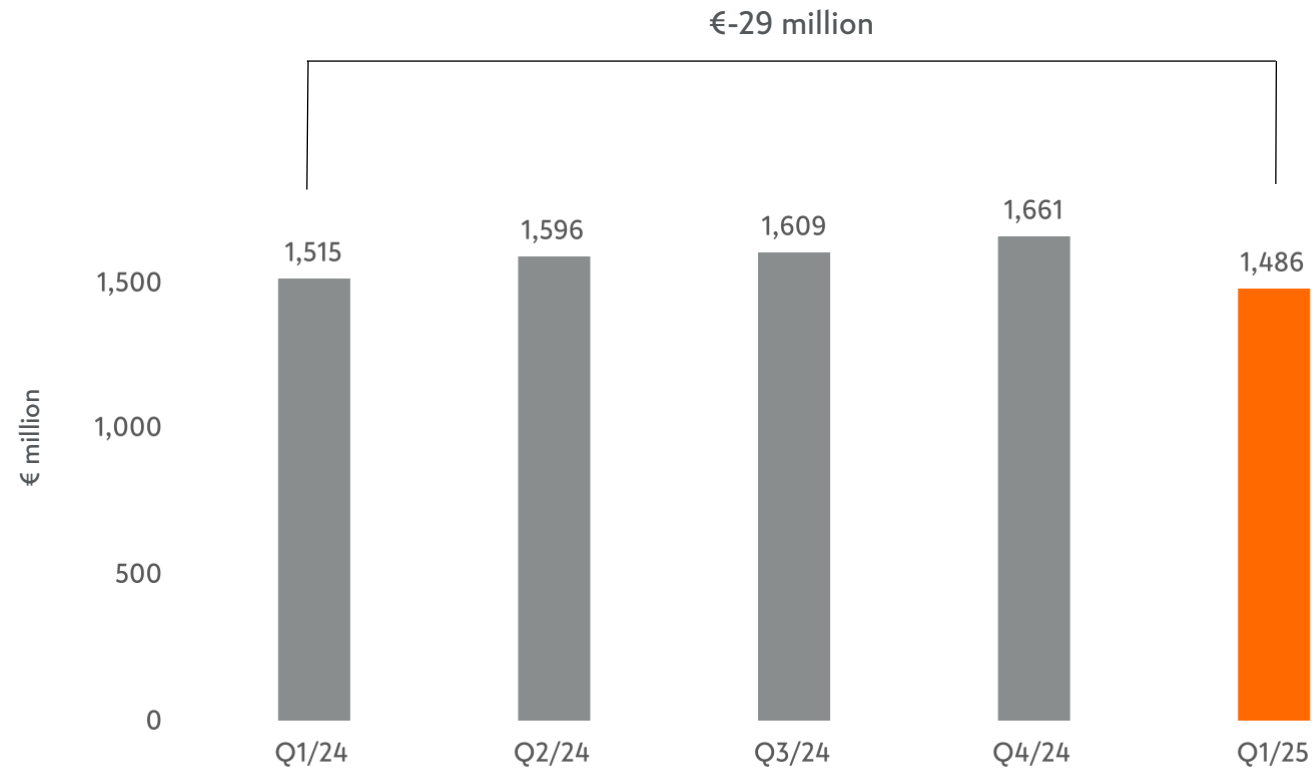
GROCERY TRADE Q1

EXPECTED PROFIT IMPACT FROM THE TIMING OF EASTER AND PRICE INVESTMENTS



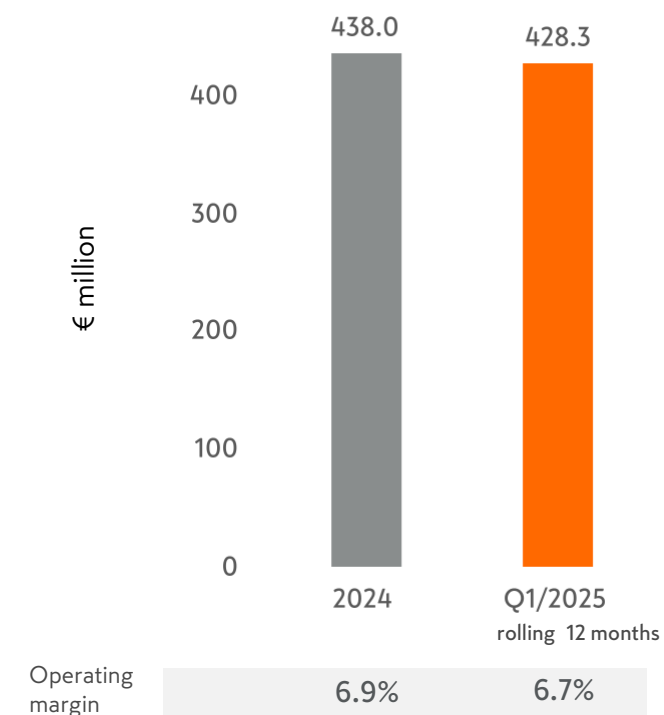
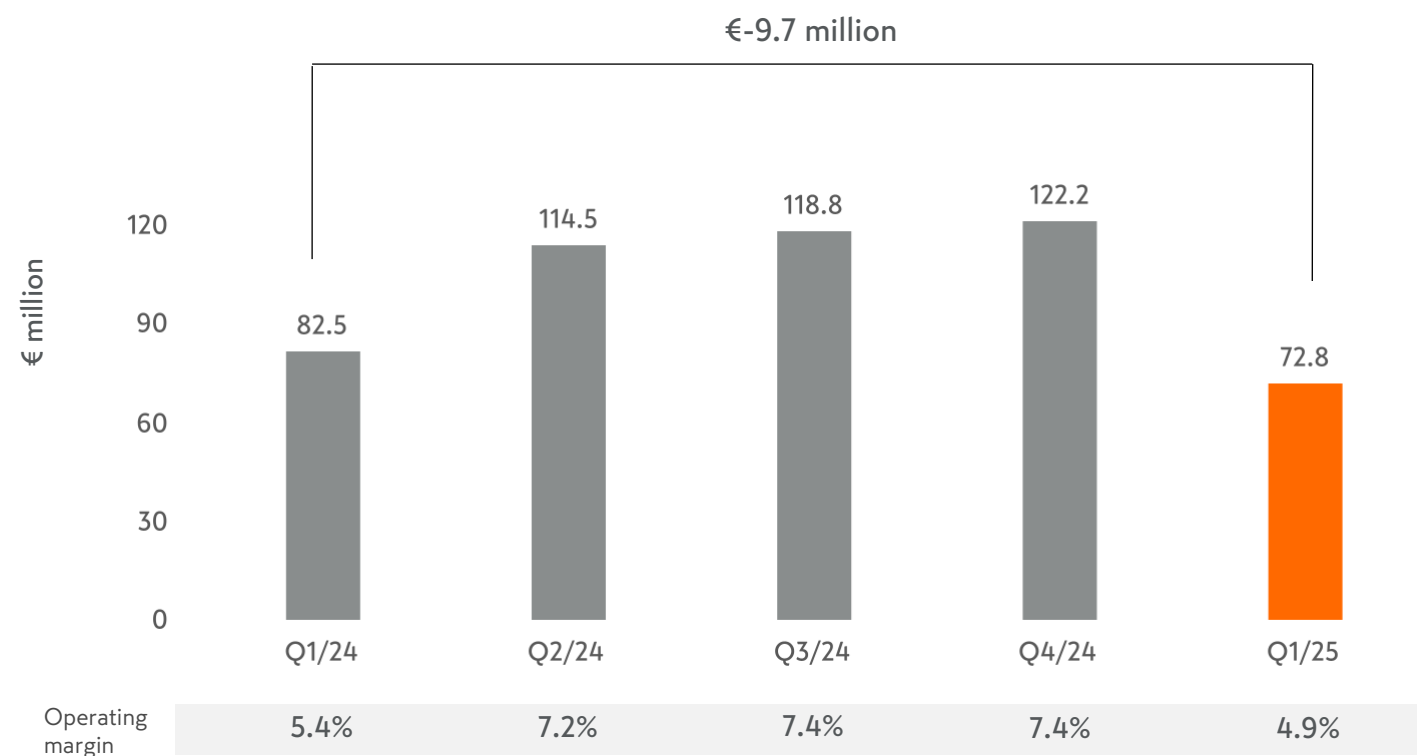
GROCERY TRADE

NET SALES



GROCERY TRADE

OPERATING PROFIT



GROCERY TRADE HIGHLIGHTS IN Q1

- Sales and profit impacted especially by the timing of Easter – the second most important sales season for the division – which fell on April this year and on March in 2024
 - K Group grocery sales down by 1.4%
 - Kespro's net sales down by 0.5%, exceeding market growth again
 - K-Citymarket non-food sales down by 1.3%
- Promising results from the price programme launched in January – as expected, the programme had a negative profit impact
- Online grocery sales up by 5.6%
- Total grocery market flat year-on-year
- Grocery price inflation in Finland approx. 1.8% (Statistics Finland, including VAT)
- Customer flows continued to grow thanks to price programme and campaigns, but average purchase is down



AIMING FOR A MARKET SHARE TURNAROUND IN GROCERY TRADE

- The decline in K Group's market share slowed down in 2024
- According to the NielsenIQ Grocery Shop Directory, K Group's market share in 2024 was 33.7% (2023: 34.3%); market share in online grocery above 40%
- Withdrawal from the Neste K chain and closure of smaller K-Market stores had an over 0.2 percentage point negative impact on market share, but a positive impact on profit. In 2024, the total number of K Group grocery stores decreased by 80, of which 65 were Neste K stores
- According to NielsenIQ statistics, growth in grocery trade has been driven by larger stores
- In Q1/2025, K Group market share development in line with the market in the hypermarket segment





MARKET SHARE TURNAROUND IN GROCERY TRADE:

QUALITY x PRICE x NETWORK

IMPROVING QUALITY:

- Further refining store-specific business ideas
- Investments particularly in the bread and fruit & vegetable departments
- Extensive, relevant selections aided by data and AI
- Digital services to make everyday life easier

IMPLEMENTING PRICE PROGRAMME:

- Continuously affordable products: prices cut on 1,200 everyday staples as of January
- Investing in campaigns and relevant personal Oma Plussa benefits
- Combined price programme investment from Kesko and retailers some €50 million in 2025
- Store-specific price investments depending on the market situation

INVESTMENTS IN NETWORK:

- 2024–2025: 30 new store openings, 92 stores modernised
- Particular investment focus on hypermarkets: 8 new / replacement K-Citymarket stores by 2028
- Annual investments of some €200–250 million



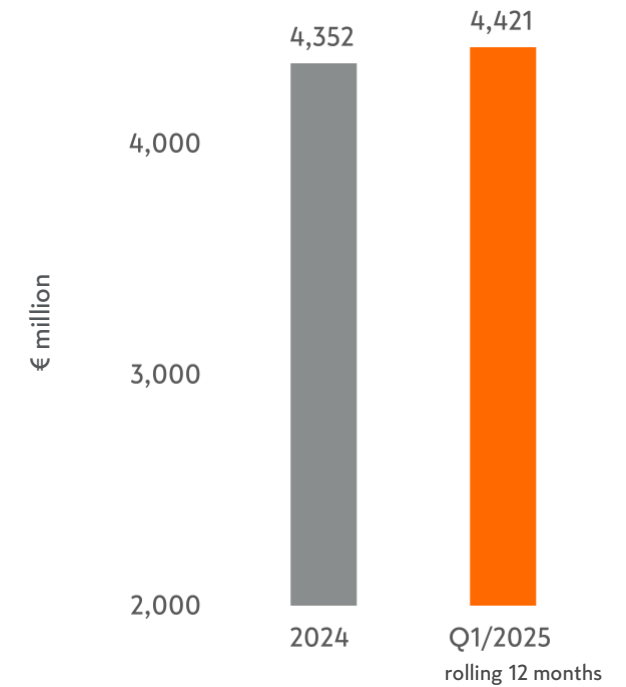
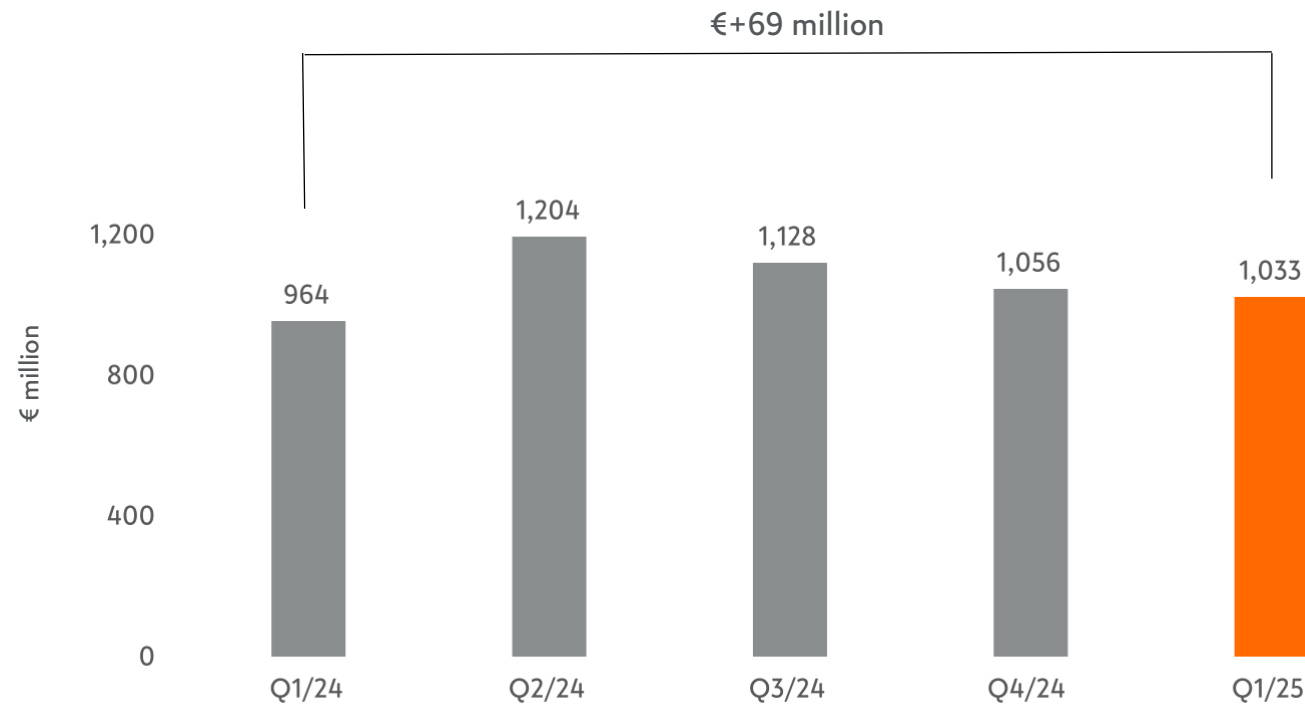
BUILDING AND TECHNICAL TRADE Q1

PICK-UP IN BUILDING AND HOME IMPROVEMENT TRADE UNDERPINNED SALES AND PROFIT



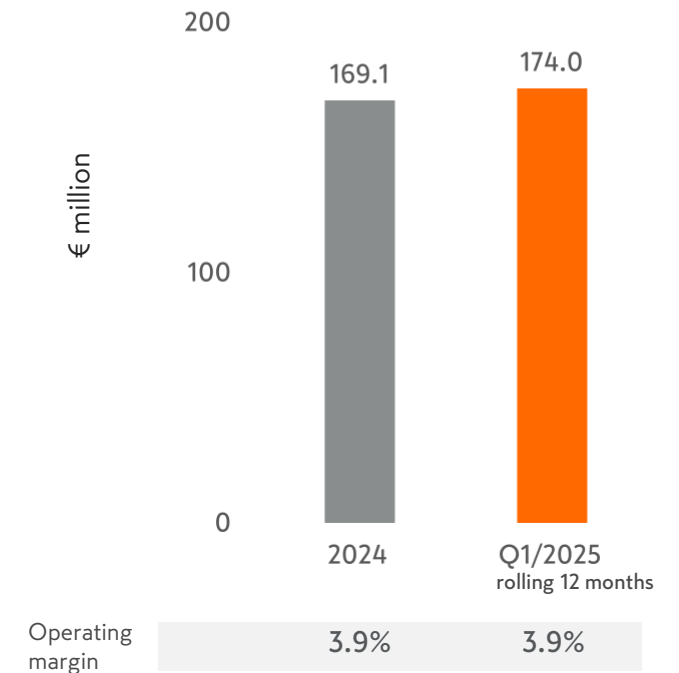
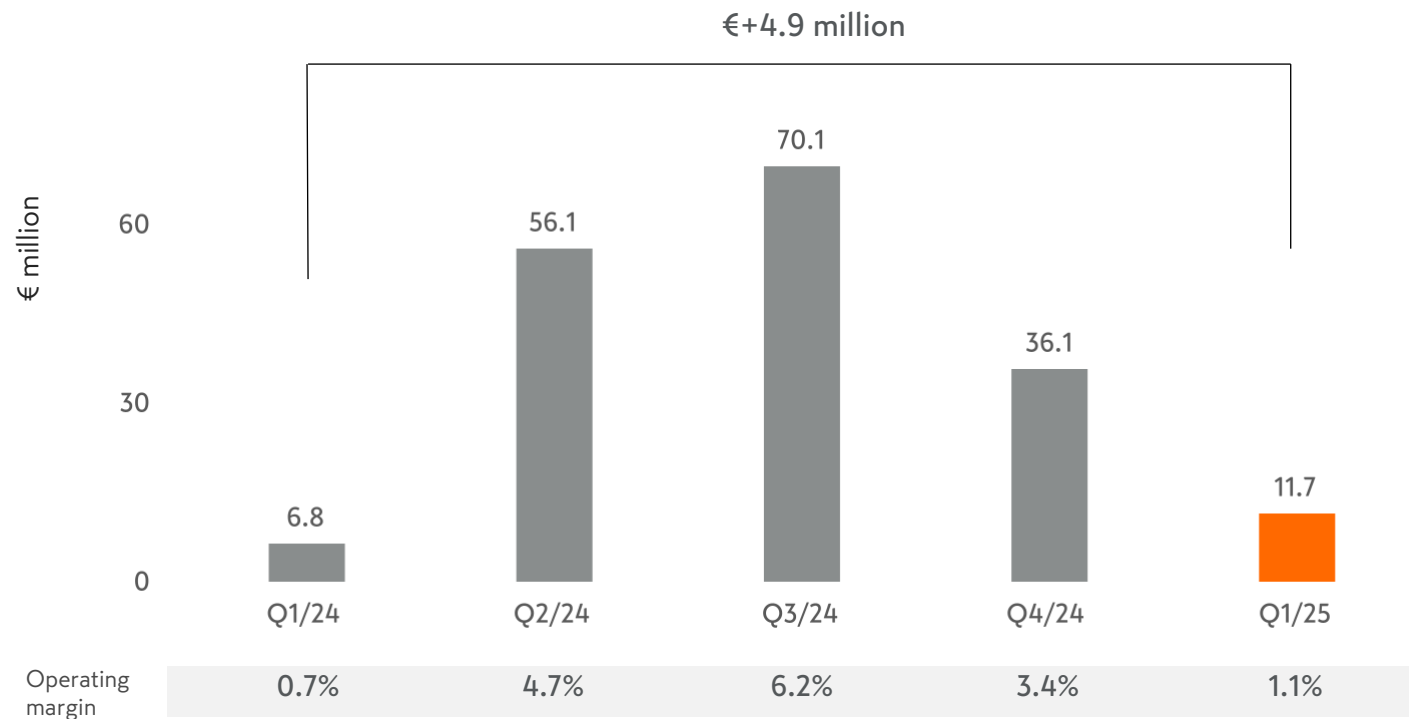
BUILDING AND TECHNICAL TRADE

NET SALES



BUILDING AND TECHNICAL TRADE

OPERATING PROFIT



BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q1

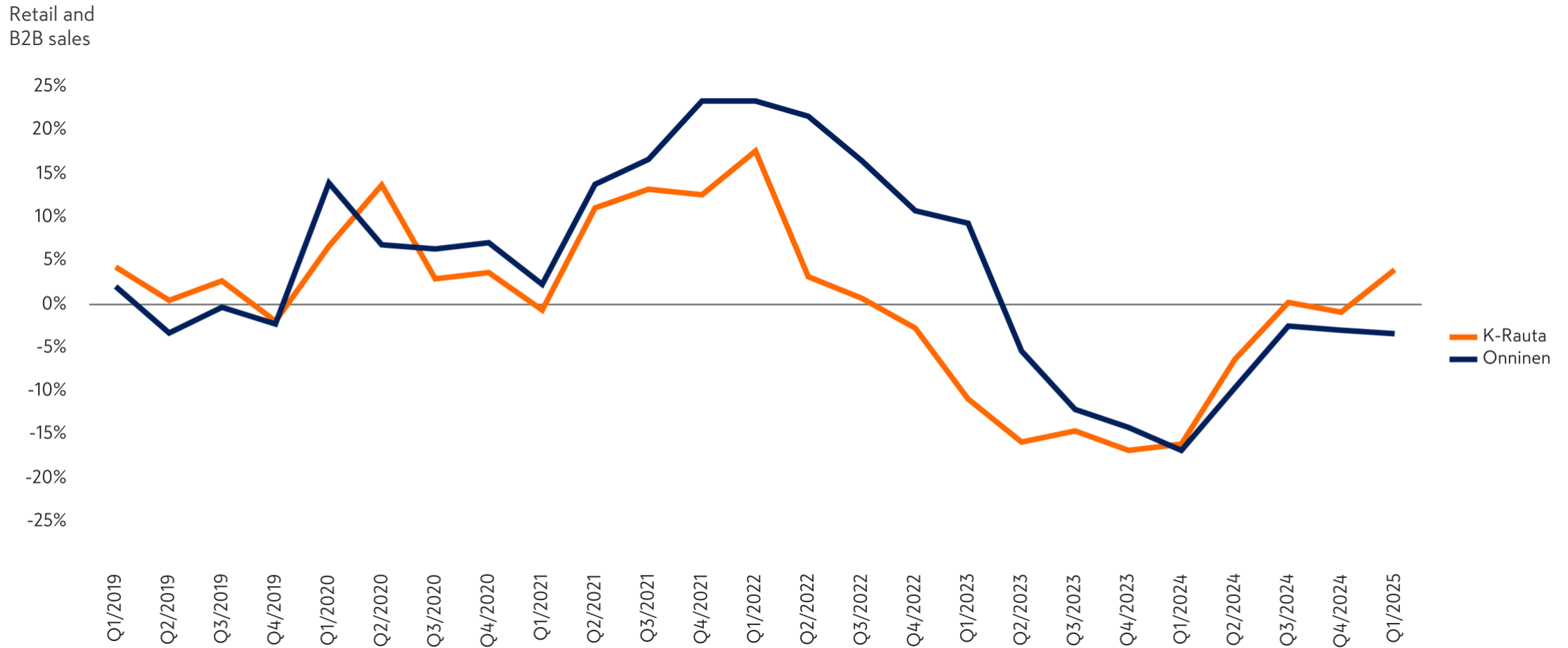
- Construction cycle turning, demand has grown stronger especially in building and home improvement trade:
 - Growth in K-Rauta sales in Finland driven by B2B. Especially sales of heavy construction materials clearly up. B2C trade has also picked up.
 - Sales for Onninen Finland fell short of the comparison period
 - Building and home improvement trade sales in Denmark and Norway clearly up; sales for Onninen Norway up
 - Technical trade sales in Sweden clearly up; still ramping up locations converted in K-Bygg stores. Sales in Poland slightly down.
- Sales of heavy construction materials up in building and home improvement trade – other product categories typically follow with a slight delay. Post-cyclical technical trade usually picks up some 6 months after a turnaround in building and home improvement B2B sales.
- Credit risk well under control, €0.3 million written down for trade receivables past due date (in the comparison year a positive impact of €0.2 million)
- Kesko Senukai did not report its financials as scheduled, and thus in Kesko's Q1/2025 reporting the share of result from Kesko Senukai is €0.0 million (€-0.4 million in Q1/2024).

	Q1/2025	Q1/2024
Net sales, € million	1,033.1	963.6
Technical trade	527.0	522.5
Building & home improvement trade	522.7	455.6
Operating profit*, € million	11.7	6.8
Technical trade	13.2	15.5
Building & home improvement trade	-1.3	-8.3
Operating margin, %*	1.1	0.7
Technical trade	2.5	3.0
Building & home improvement trade	-0.2	-1.8

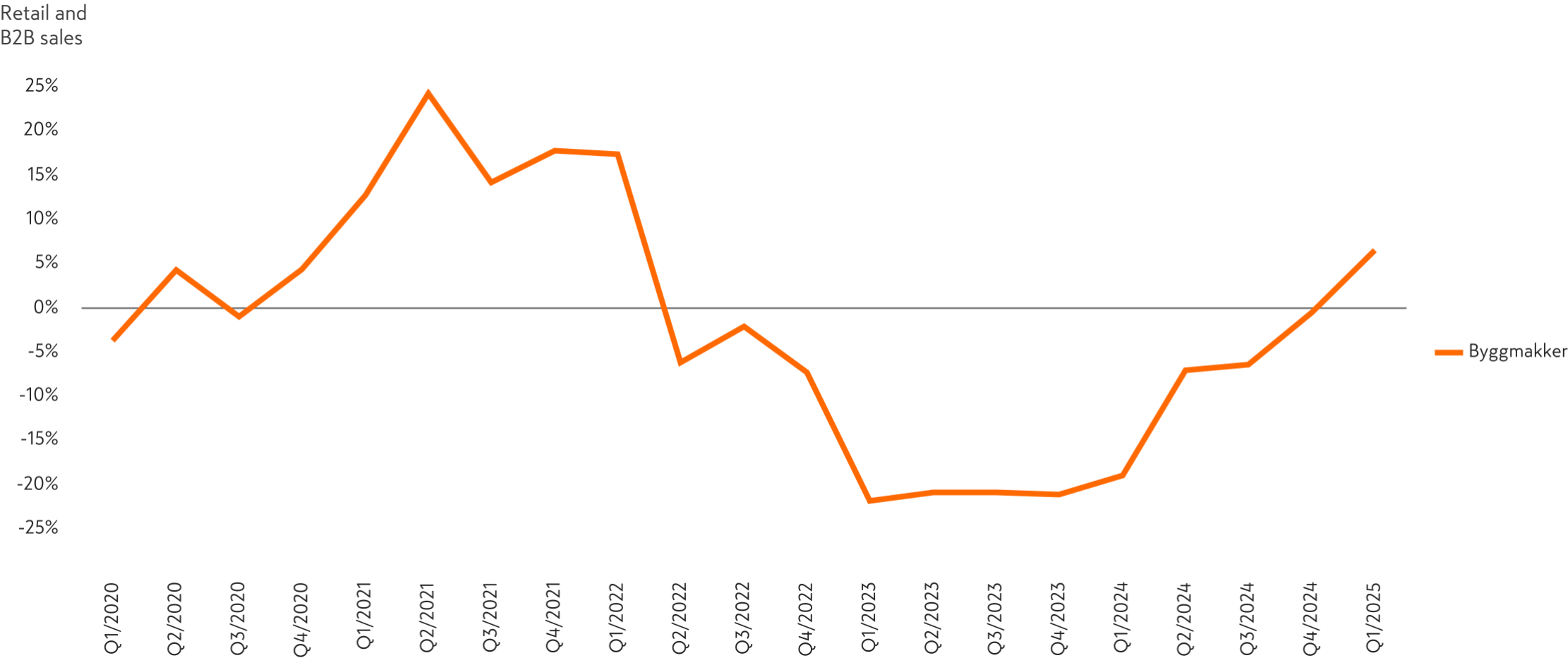
*Comparable



SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND



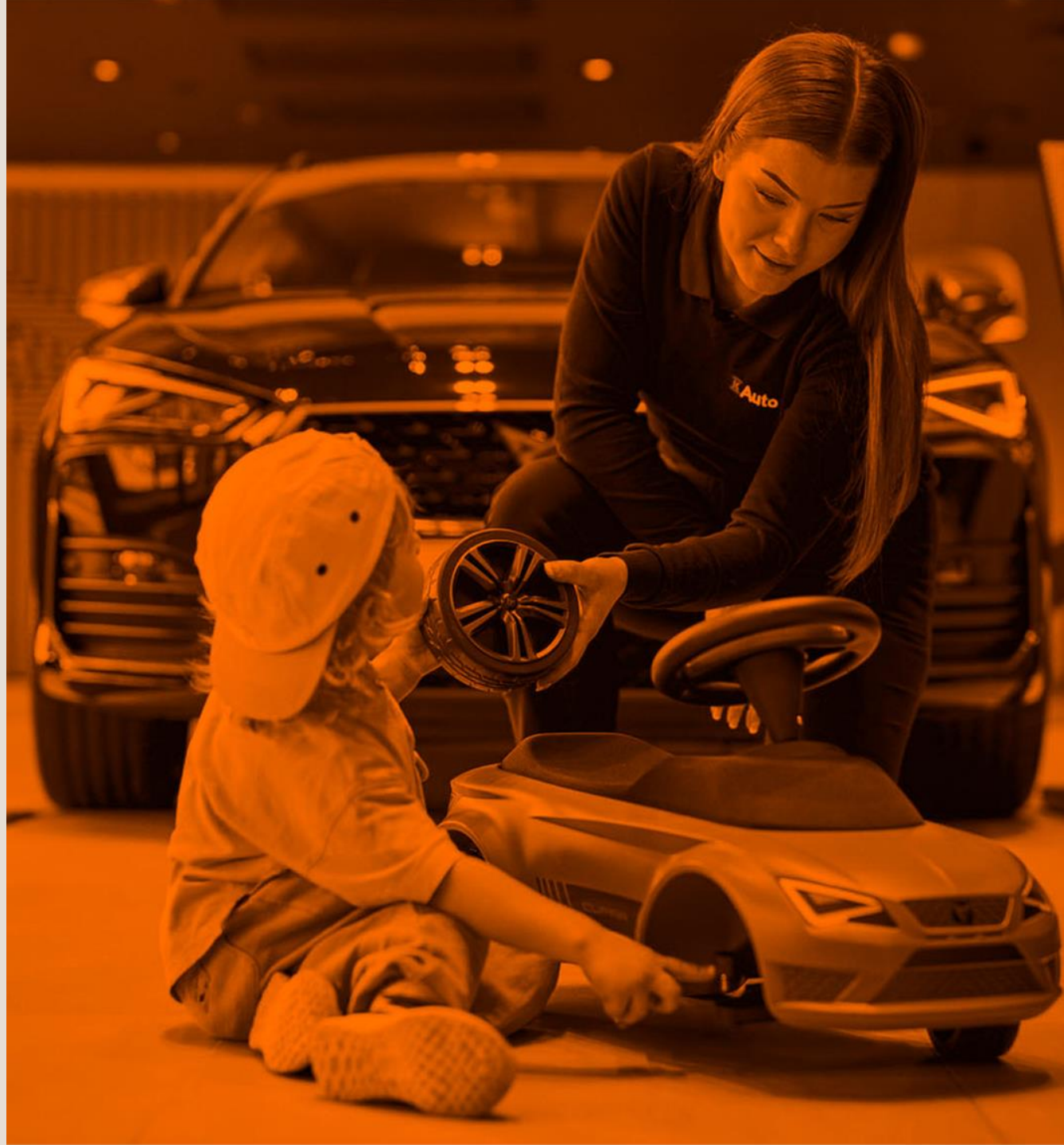
BYGGMAKKER SALES IN NORWAY



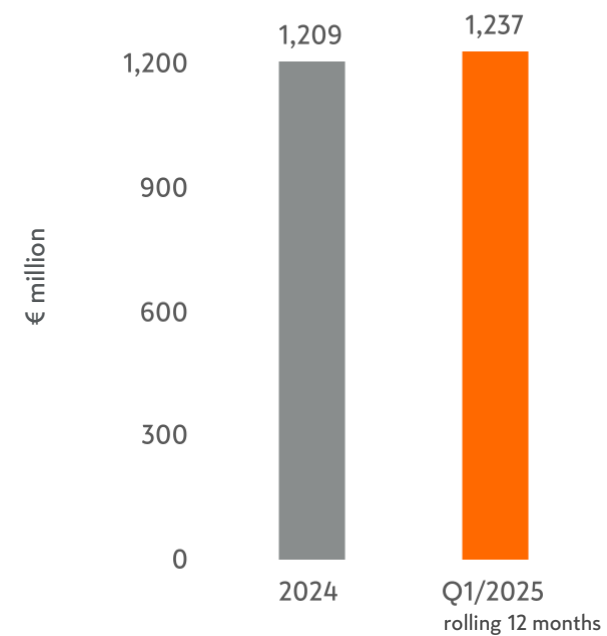
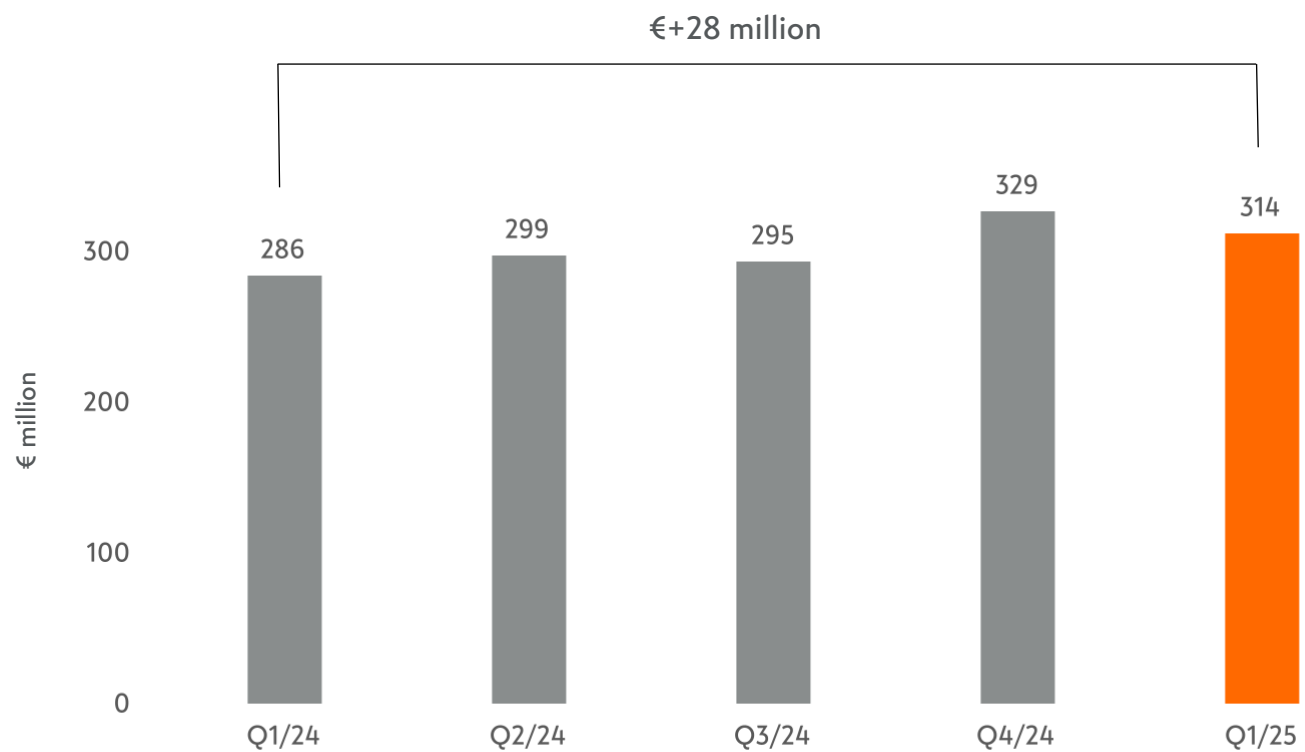


CAR TRADE Q1

STRONG POSITION IN DIFFERENT AREAS OF CAR TRADE SUPPORTED PROFIT DEVELOPMENT

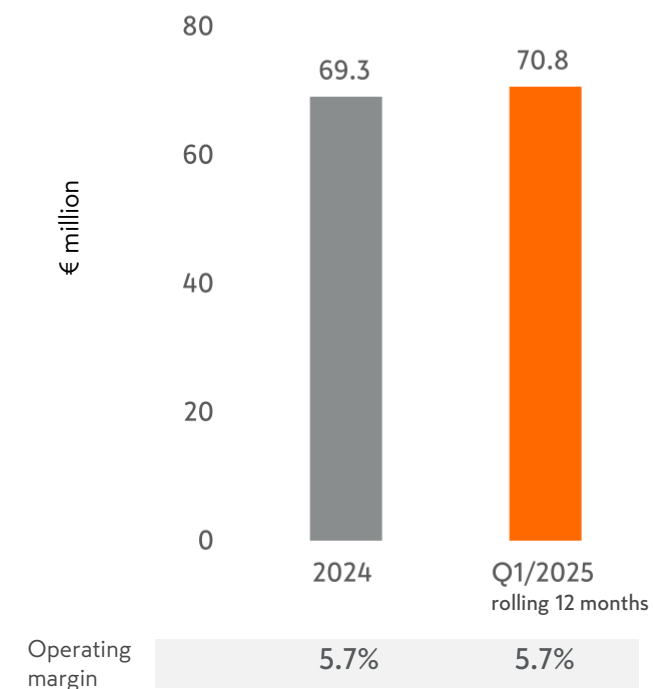
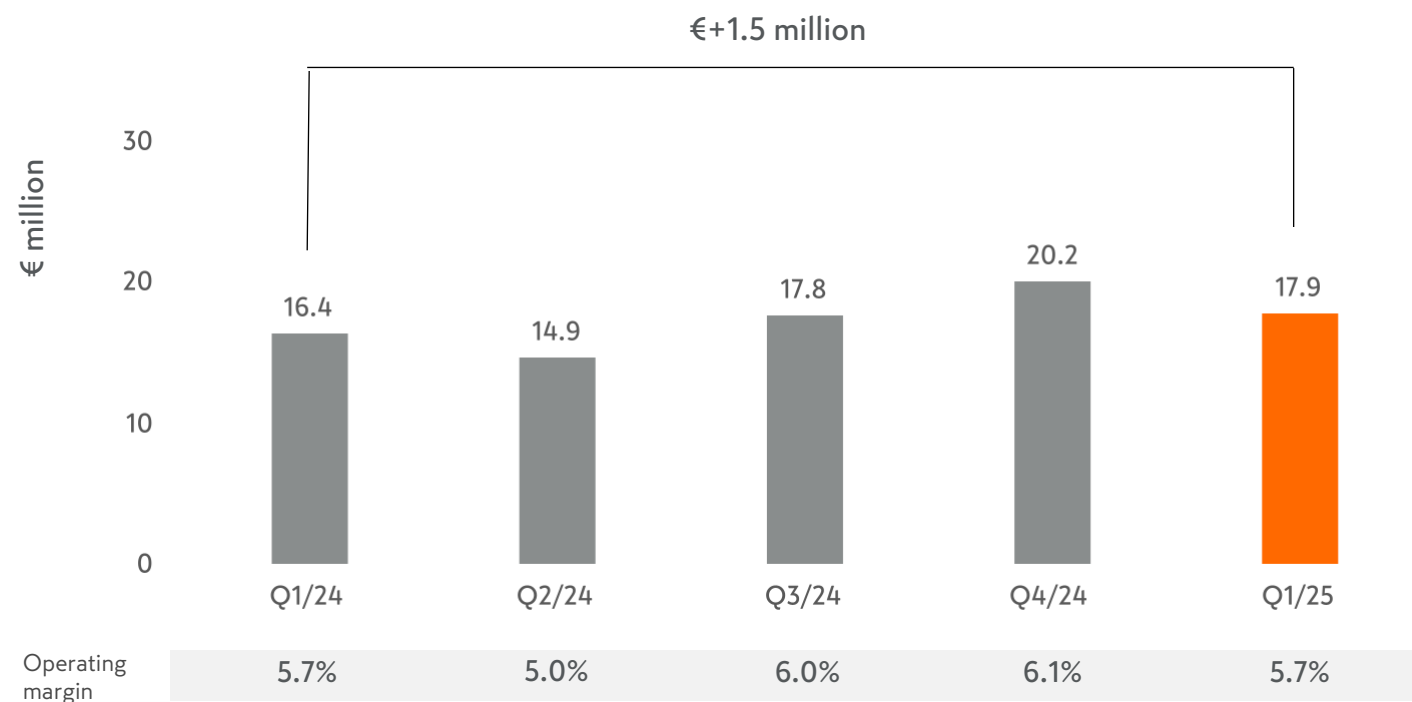


CAR TRADE NET SALES



CAR TRADE

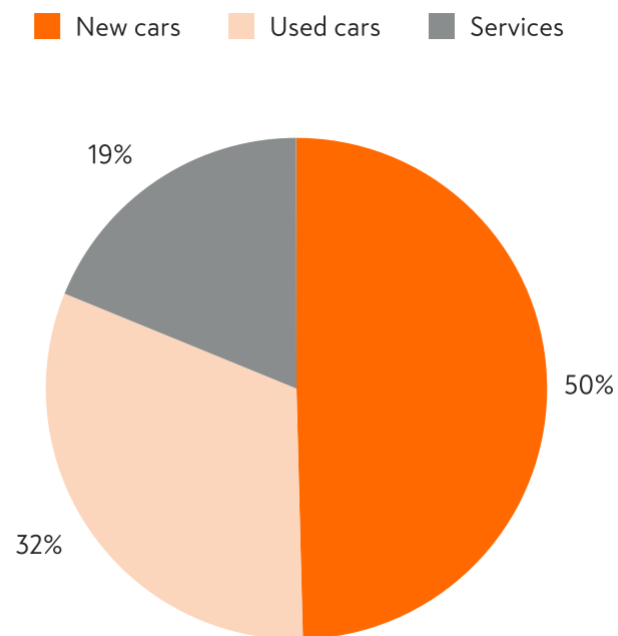
OPERATING PROFIT



CAR TRADE HIGHLIGHTS IN Q1

- Market demand for new cars muted, Q1 first registrations of passenger cars and vans down by 7.0%; first registrations of brands represented by Kesko up by 15.1% in Q1
- Net sales and comparable operating profit grew markedly despite the challenging market, thanks to strong new car sales in particular
- New car sales continued to grow thanks to the good sales of Volkswagen models
- Used car and service sales also grew
- Net sales and comparable operating profit grew in sports trade

K-AUTO, NET SALES



Net sales for the division's car trade businesses, Q1/2025, rolling 12 months

PROFIT GUIDANCE AND OUTLOOK FOR 2025 UNCHANGED

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

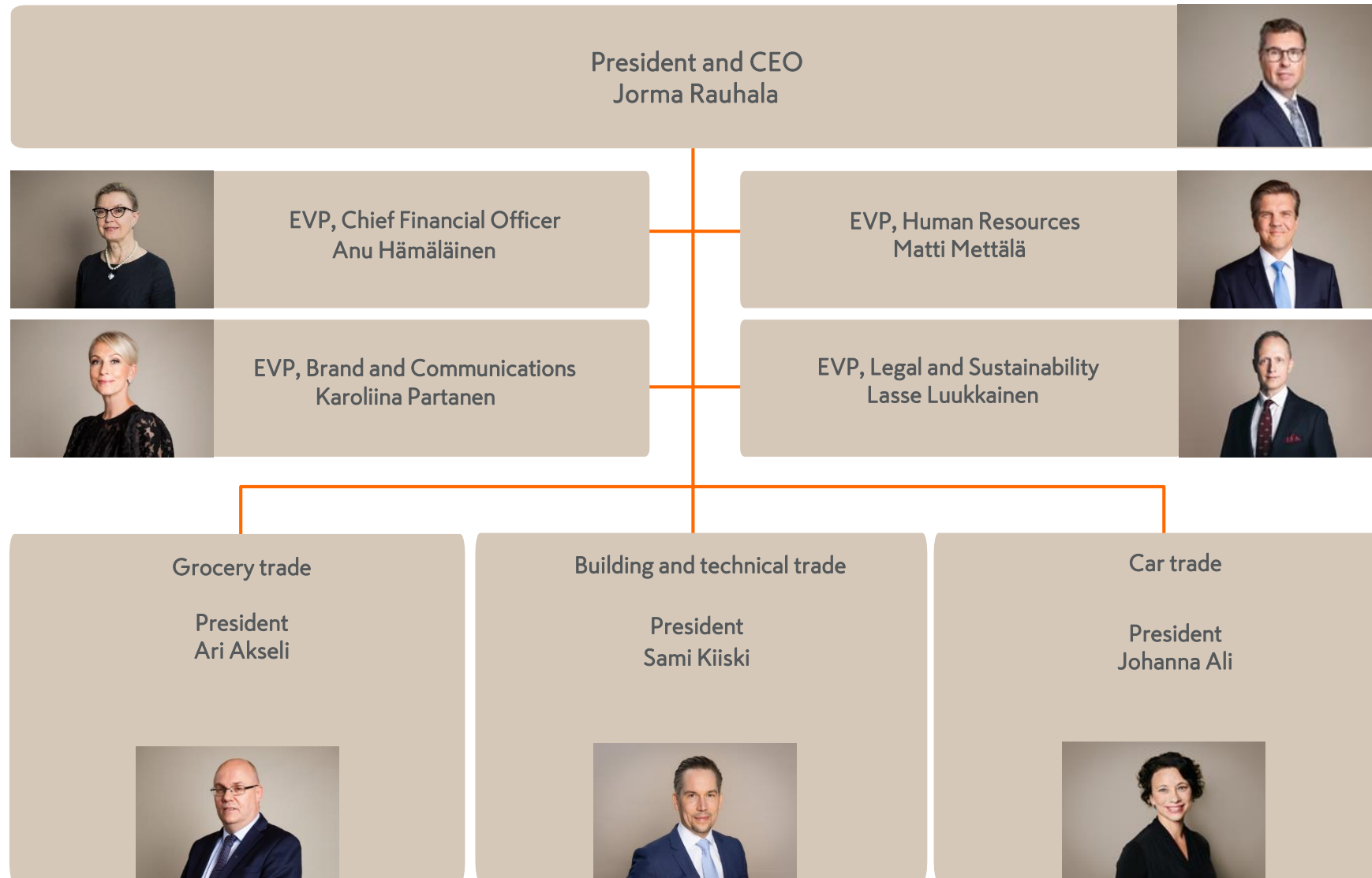
In grocery trade, B2C trade and the foodservice market are estimated to remain stable. In 2025, the comparable operating margin for the grocery trade division is estimated to stay clearly above 6% despite the investments in price and the store site network in accordance with Kesko's strategy for 2024-2026.

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.

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