



A GOOD PERFORMANCE FROM ALL DIVISIONS

Anu Hämäläinen, CFO

Jarkko Karjalainen, Vice President, Group Treasury
and M&A

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KESKO AND K-GROUP TODAY

#1

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

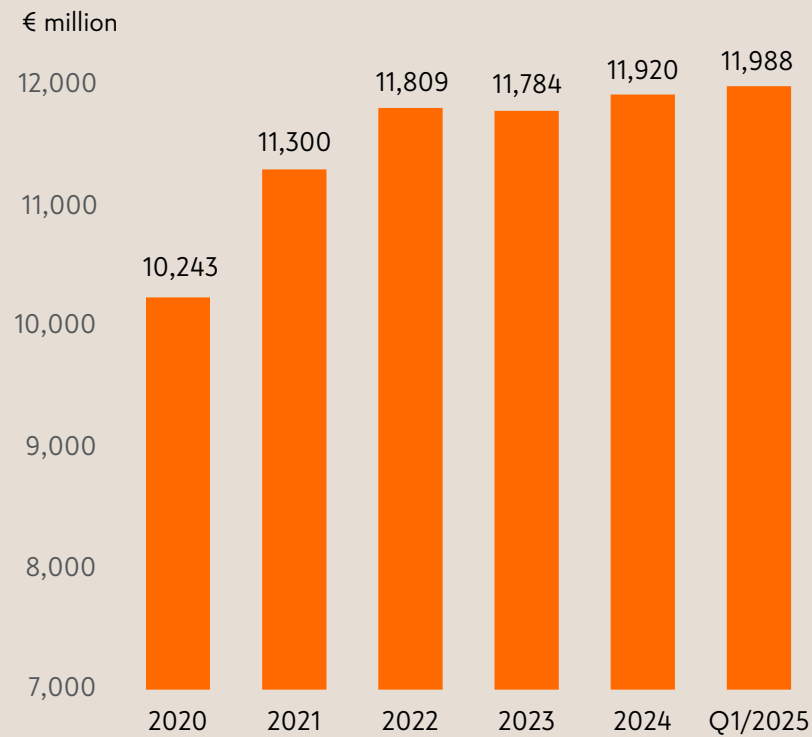


Market cap over €8bn with ~115,000 shareholders

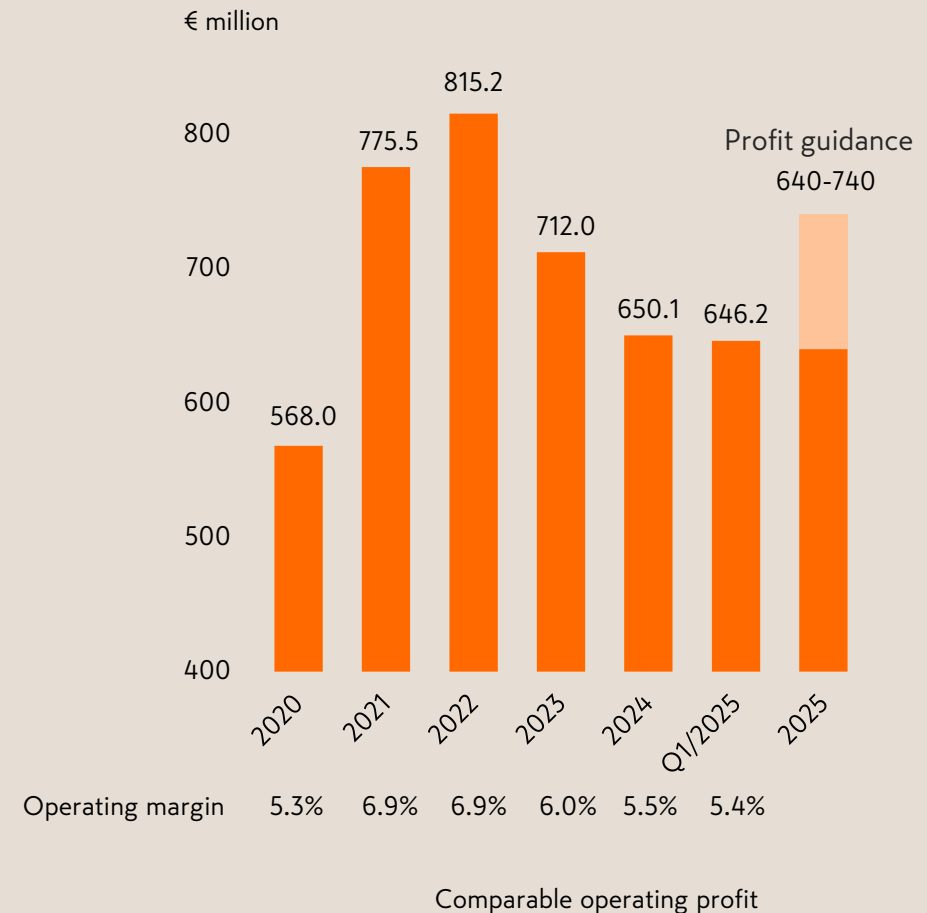


GOOD PERFORMANCE DESPITE CHALLENGING ECONOMIC CYCLE

NET SALES

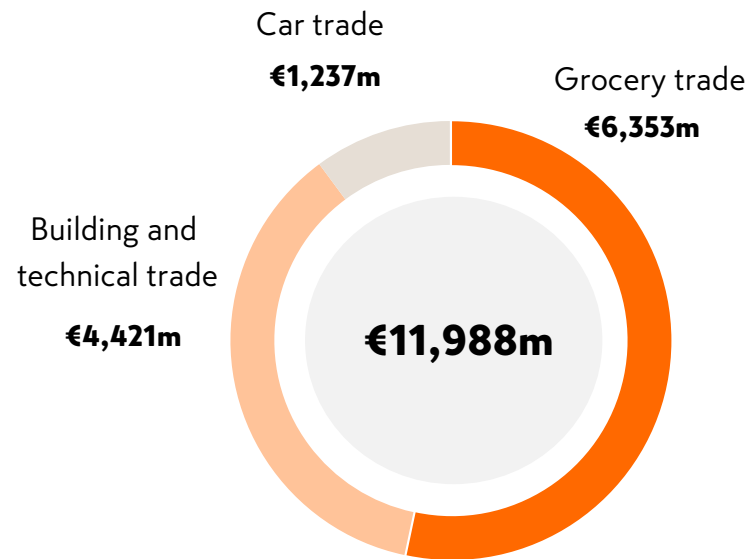


OPERATING PROFIT

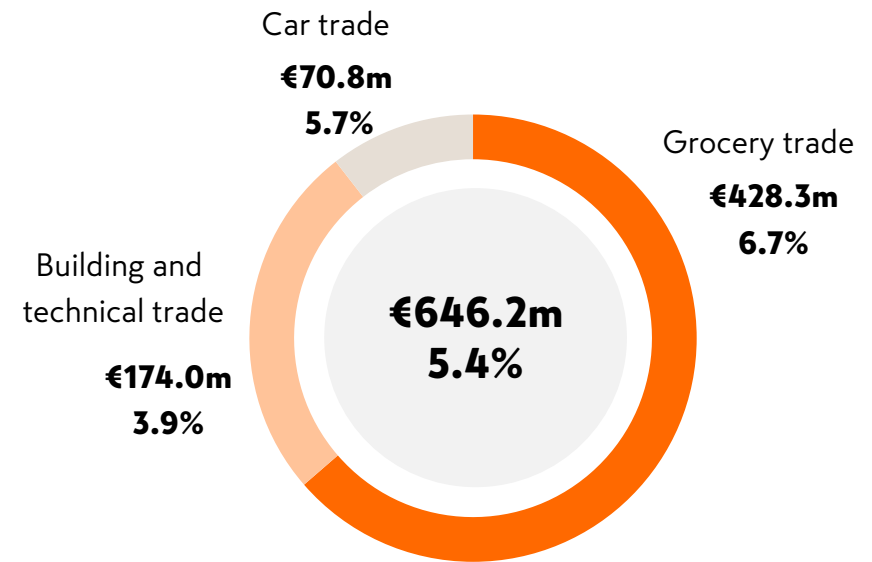


KESKO KEY FIGURES

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: 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**





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: FOCUSING ON SECURING PROFITABILITY AND GENERATING CASH FLOW

FOCUS AREAS:

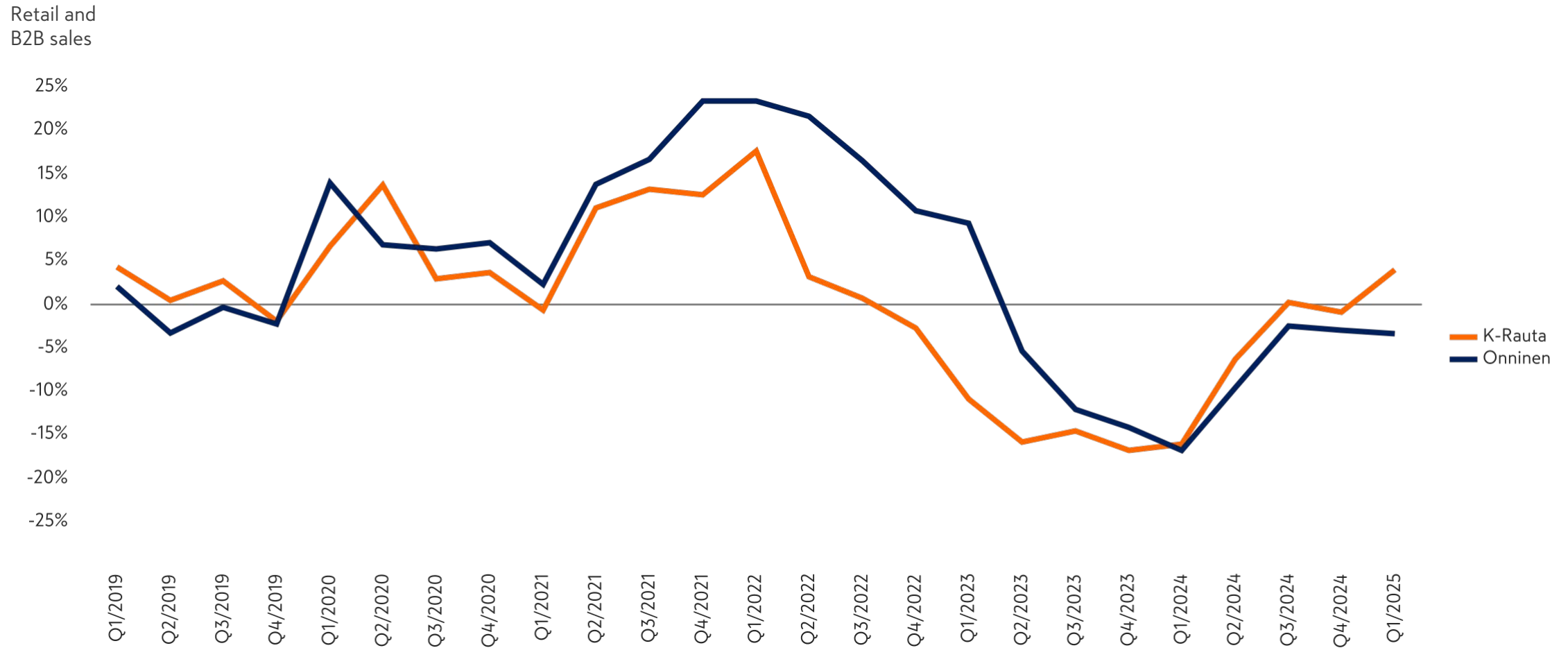
- **FINLAND:** Continuing growth and winning over market share
- **SWEDEN AND NORWAY:** Stabilising and improving business performance, completing the integration of acquired companies
- **DENMARK:** Finalising the integration of Davidsen and improving performance through growth.
- **GROWTH THROUGH ACQUISITIONS:**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



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

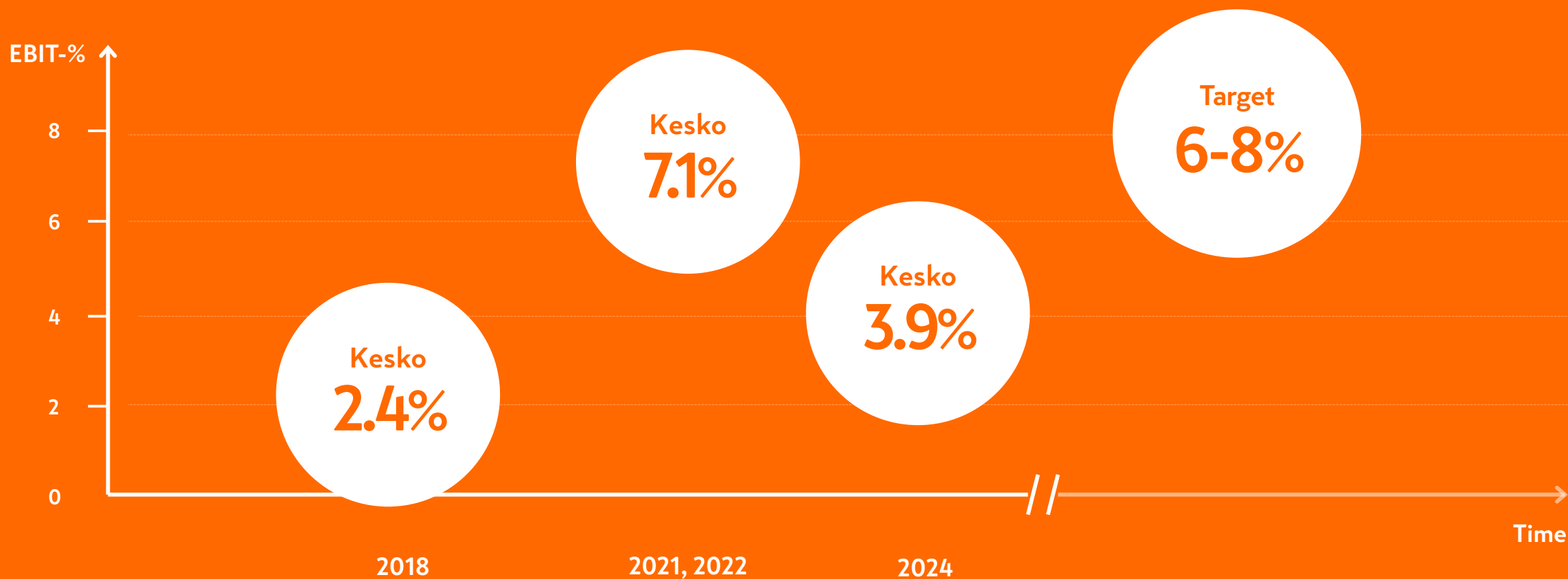


SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND





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

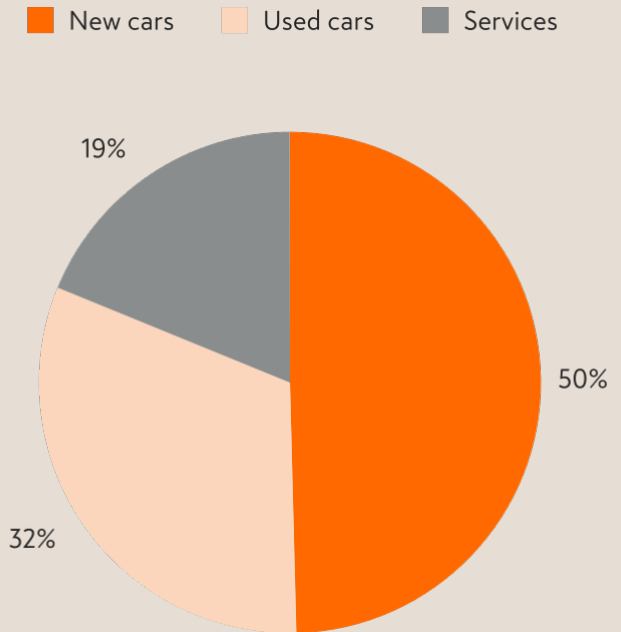


CAR TRADE: FOCUSING ON PERFORMING BETTER THAN THE MARKET IN ALL BUSINESSES

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.

K-AUTO, NET SALES



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

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 |

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

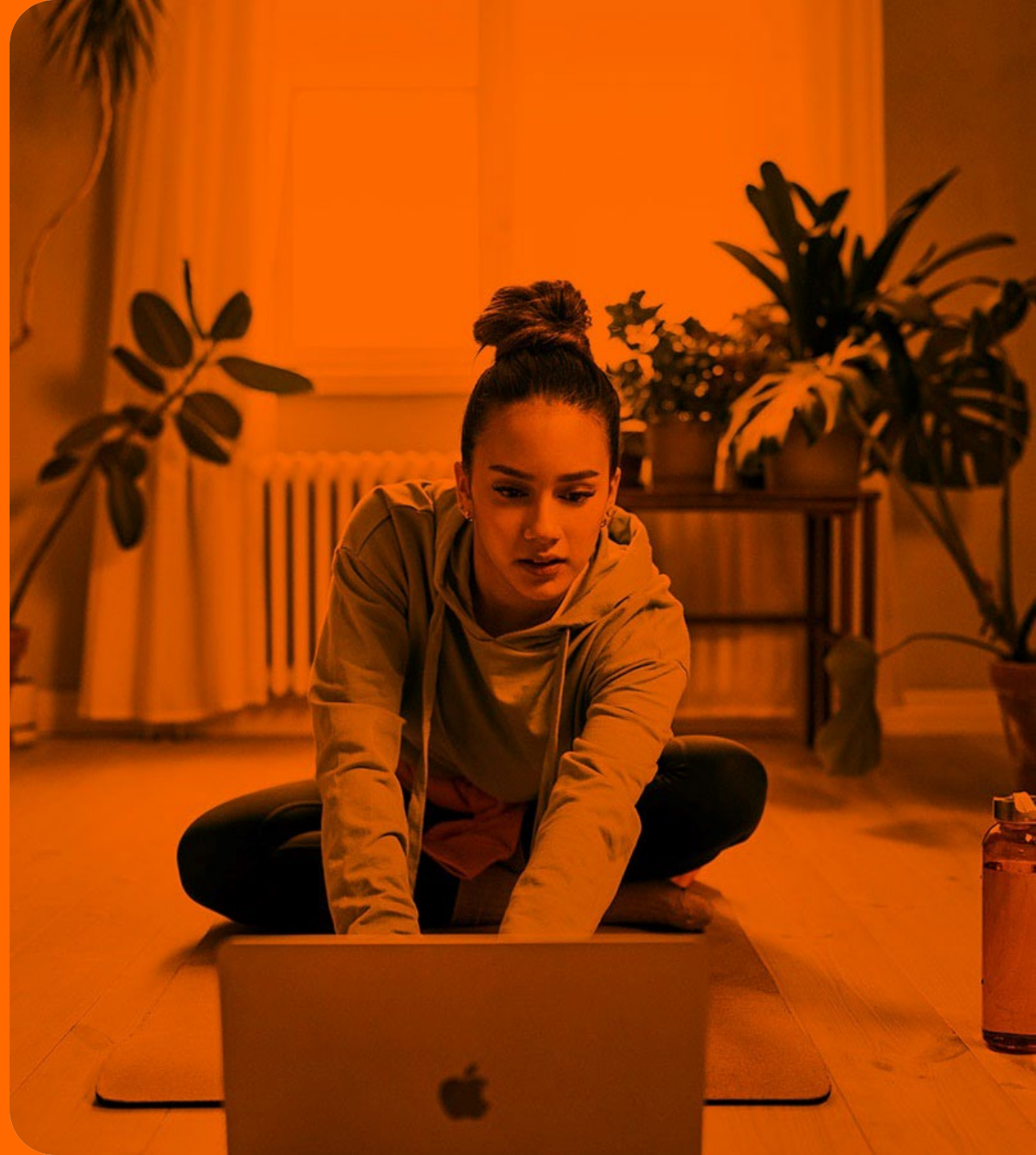
Grocery trade
Building and technical trade
Car trade

PROGRESS MEASURED USING INDICES AND ASSESSMENTS

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



FINANCIALS



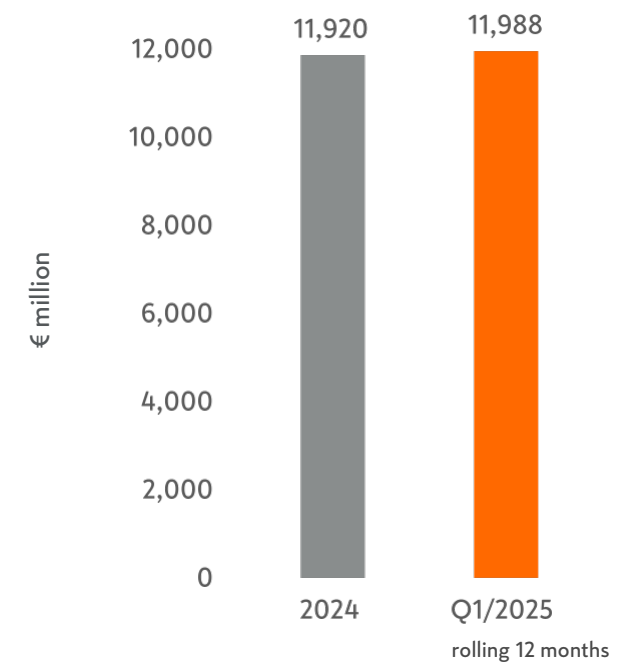
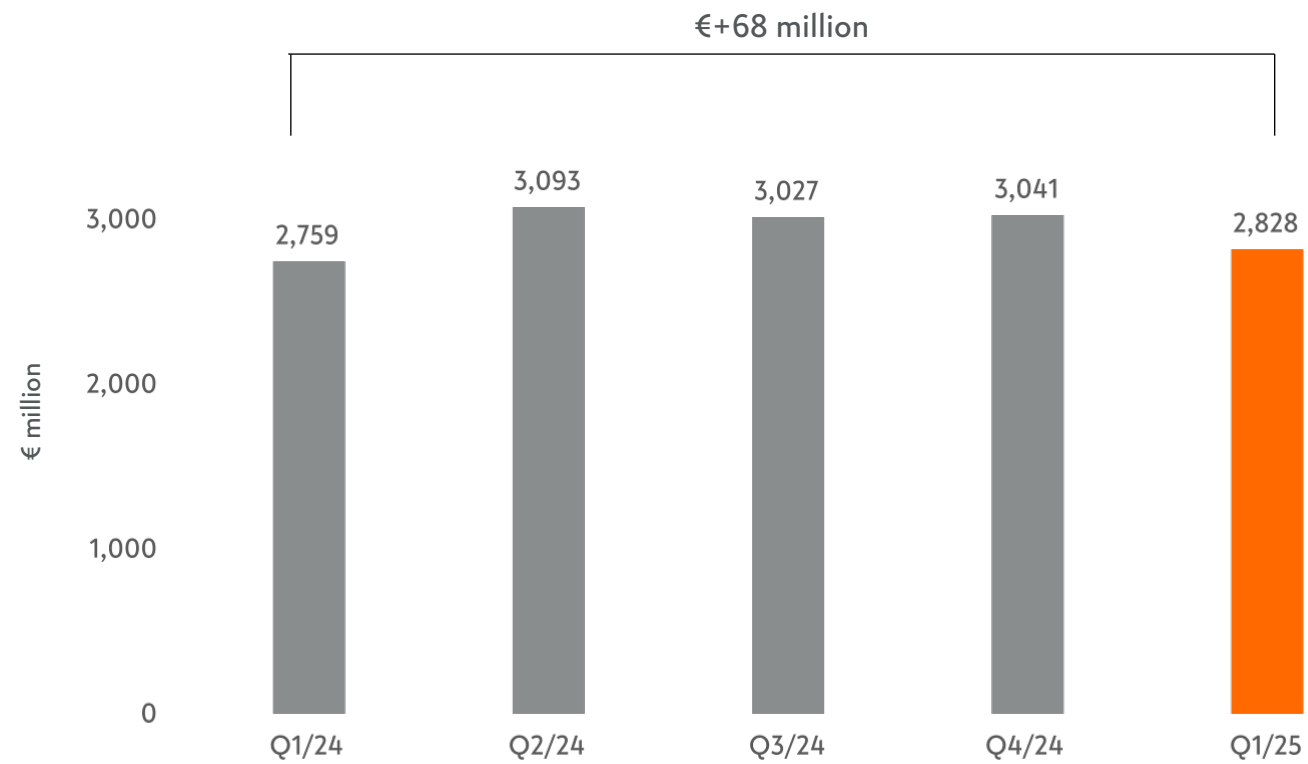
SUMMARY OF Q1/2025

- 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

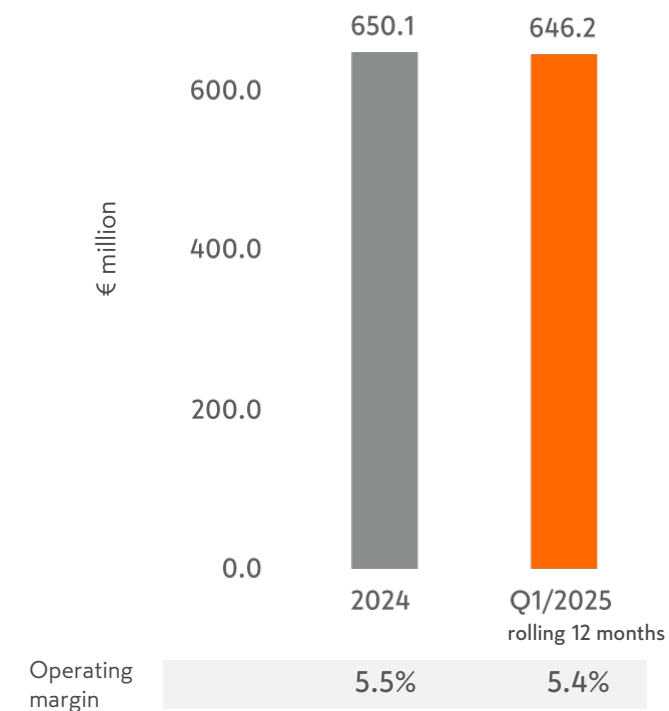
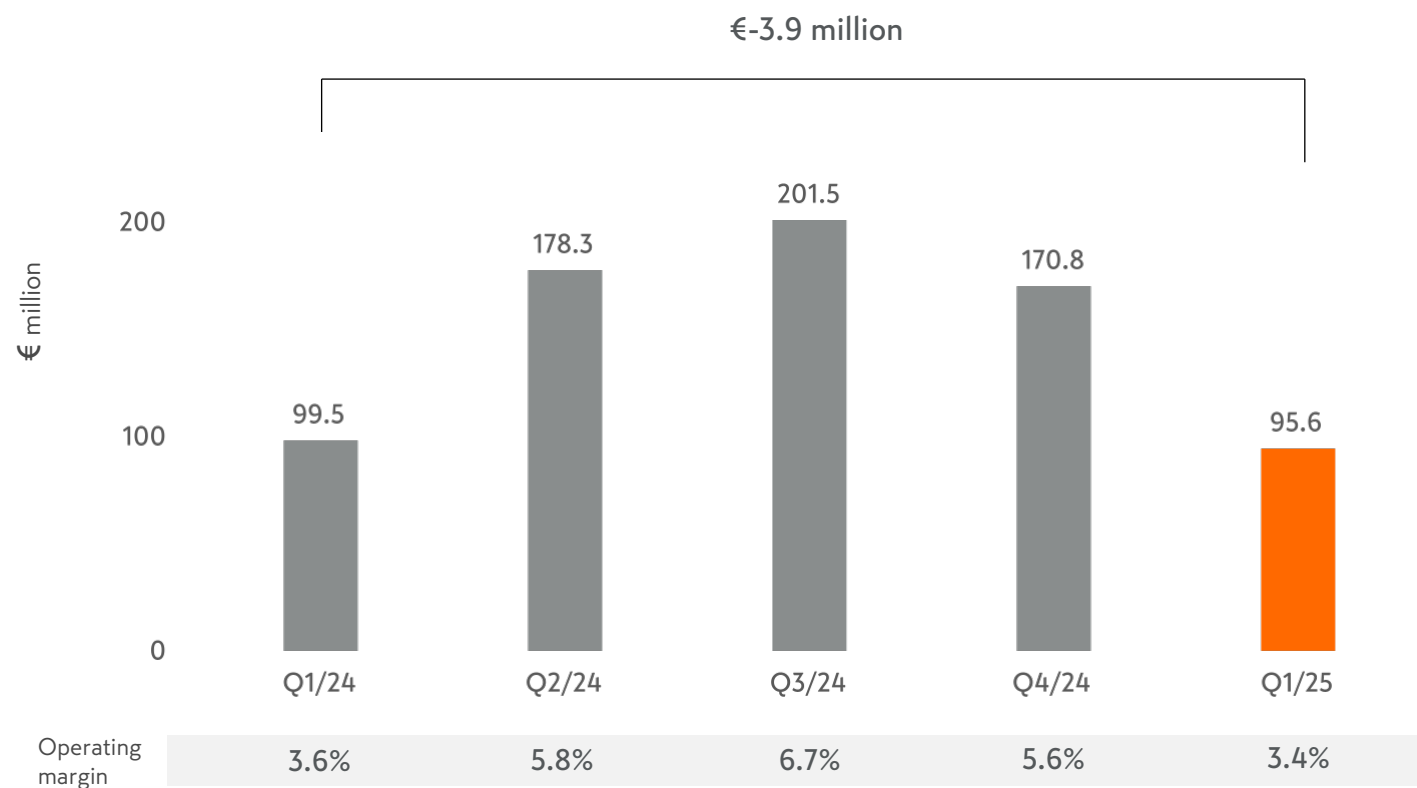
| | Q1/2025 | Q1/2024 |
|--|---------|---------|
| Net sales, € million | 2,827.7 | 2,759.5 |
| Change in net sales, %* | 1.1 | -5.5 |
| Operating profit, € million* | 95.6 | 99.5 |
| Operating margin, %* | 3.4 | 3.6 |
| Profit before tax, € million* | 65.1 | 77.1 |
| Earnings per share, basic, €* |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

* Comparable

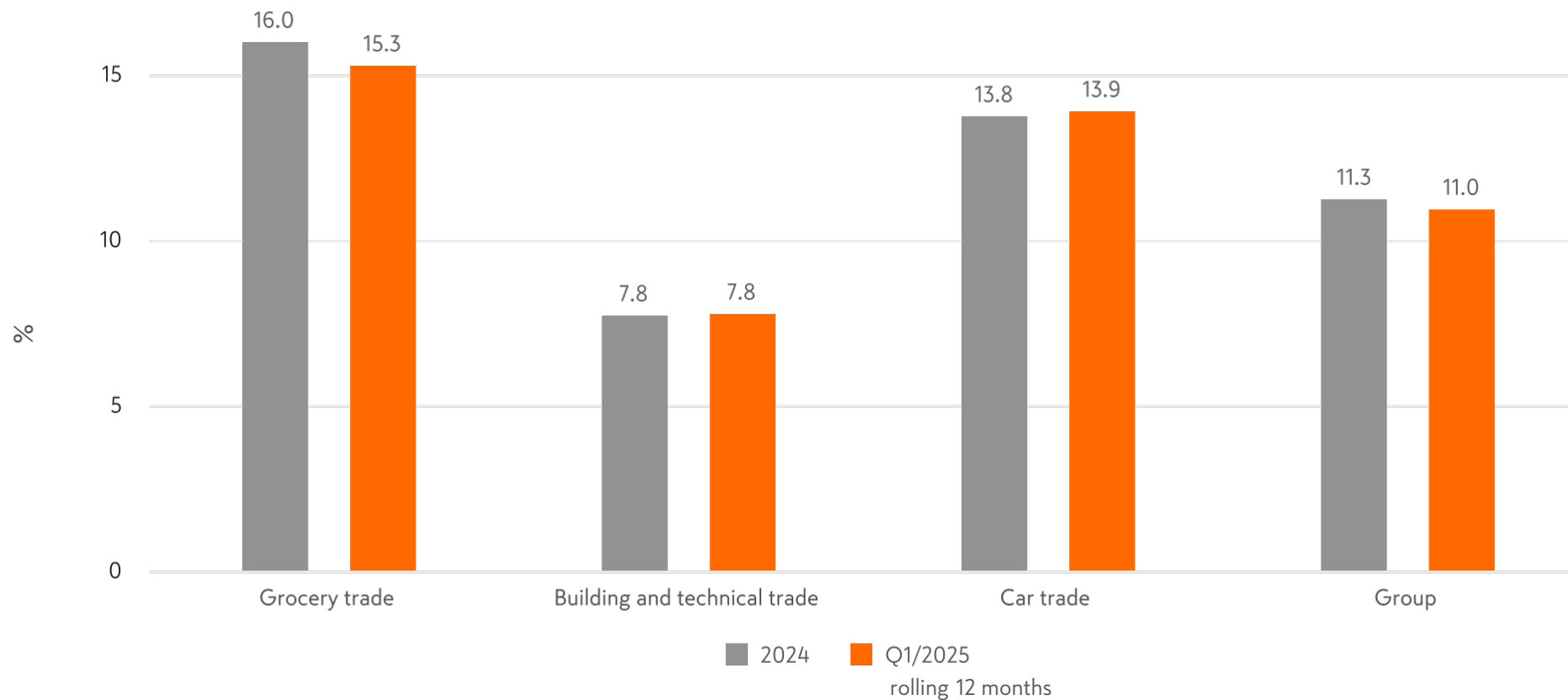
NET SALES



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 |

EXECUTING PLANS TO STRENGTHEN STORE SITE NETWORK

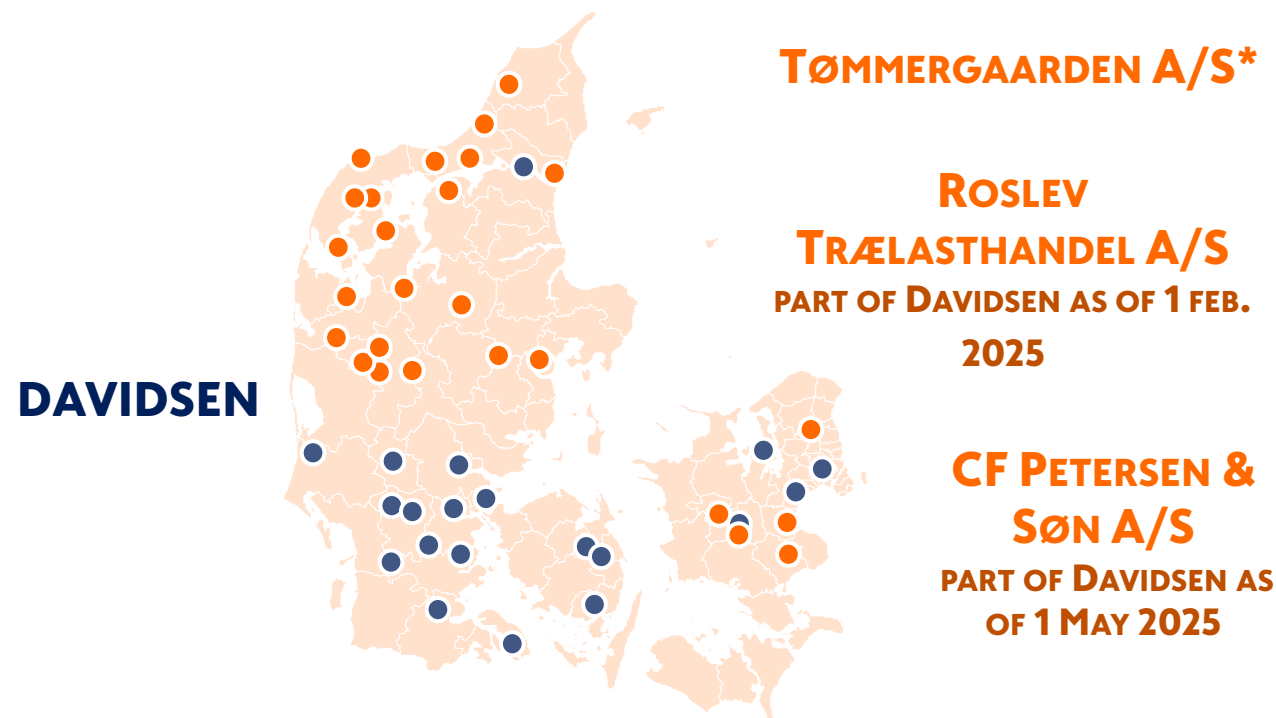
- Investments in the store network continue, impact set to become visible especially towards the end of the 2024-2026 strategy period. The investments take into consideration migration within Finland, and focus will be on growth centres.
- Kesko invests on average €200-250 million annually in store updates 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

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



*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
- Kesko Green Bond 2024 used to finance and refinance the project



EXPENSES

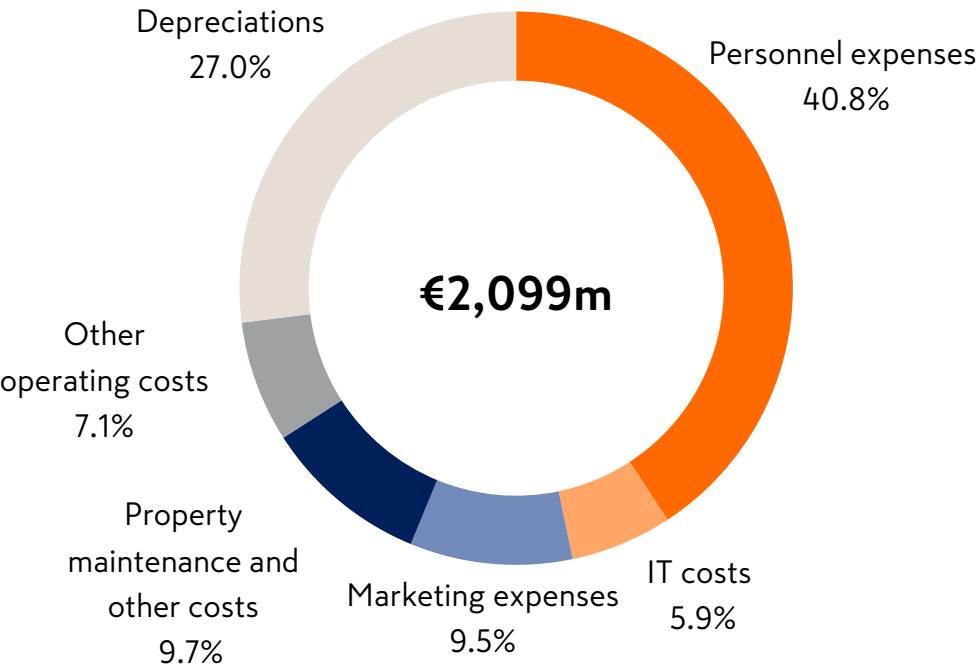
Expenses up mainly due to acquisitions

| | 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 |

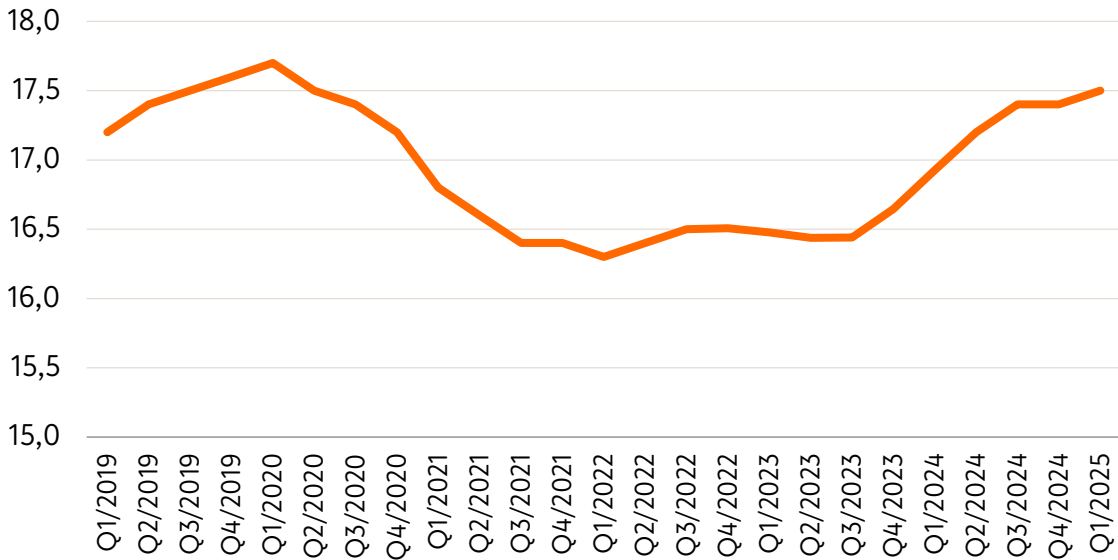
FOCUS ON OPERATIONAL EFFICIENCY

OPERATING EXPENSES

Q1 2025, rolling 12 months

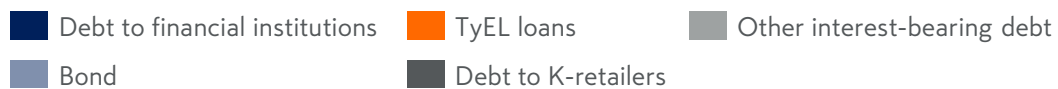
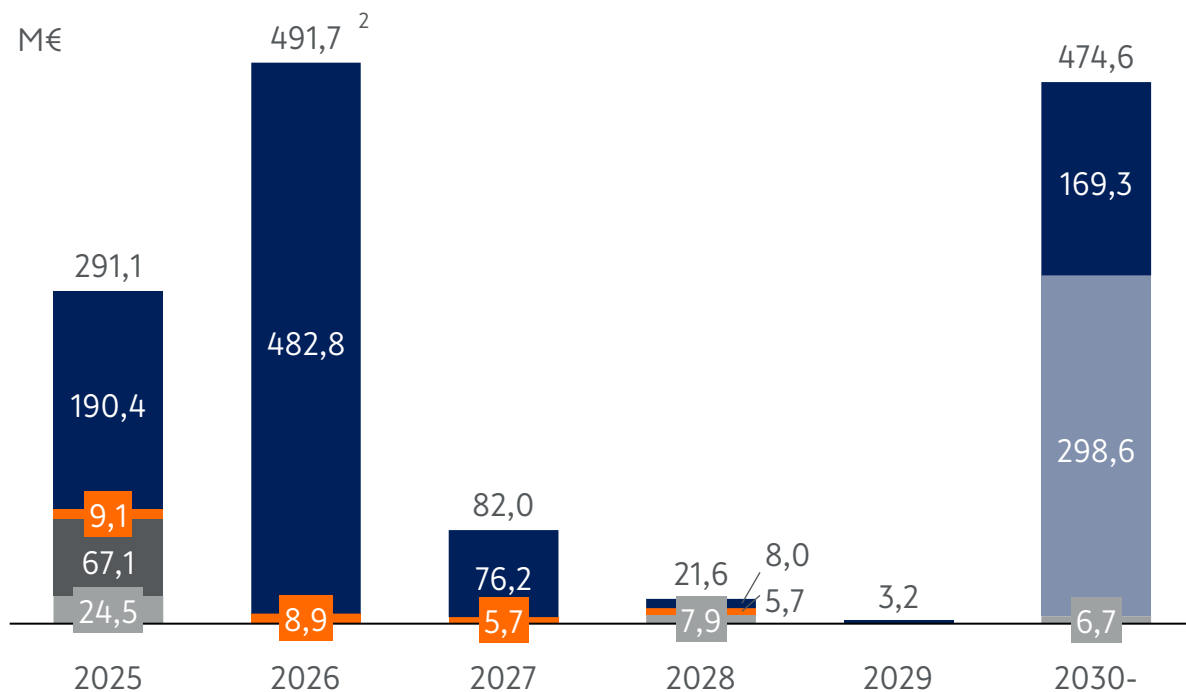


COST RATIO, ROLLING 12 MONTHS, %



DEBT MATURITY

DEBT MATURITY AS AT 31 MARCH 2025 (€ million)



Instruments in use:

- Debt to financial institutions, term loans to Kesko represent the majority of the “Debt to financial institutions” (in 2025 150M€, in 2026 420M€, in 2027 50M€ and in 2031 150M€)
- Kesko Bond 2030: 300M€
- TyEL loans (FI: *TyEL takaisinlainat*)
- Debt to K-retailers (FI: *tilivelat K-kauppiaille/ennakkomaksut*)

Available financing sources (excl. cash flow from operations):

- CPPs 513M€ in total unused¹
- RCFs (committed)** (FI: *luottolimitit (komittoidut)*), 300M€ unused¹

* RCFs extend to (conditions apply) (usage in brackets¹):

- 100M€ to 2027+1yr+1yr (unused)²
- 100M€ to 2029+1yr (unused)
- 100M€ to 2029+1yr+1yr (unused)

¹ As at 31 March 2025

² After March reporting, a loan of 120M€ maturing in 2026 refinanced to mature in 2027 and a RCF maturing 2027 extended to 2028

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.

