



KESKO INVESTOR EVENT 2024 – BUILDING AND TECHNICAL TRADE

# STRENGTHENING OUR POSITION FOR FUTURE GROWTH

Sami Kiiski

President, building and technical trade

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**WHEN WE BUILD OUR BUSINESS,  
WE BUILD FUTURE SOCIETIES.**

# MEGATRENDS SHAPING THE BUILDING AND TECHNICAL TRADE BUSINESS

## ECONOMIC CYCLE

- The cycle is expected to turn in 2025
- Interest rates and the ability to invest
- Market environment creates possibilities for industry consolidation

## GREEN TRANSITION

- Growing demand for energy boosts the market for energy solutions
- Increasing investments in energy infrastructure
- Fast development of technologies related to the green transition

## RENOVATION

- High underlying demand for renovation and technical infrastructure investments
- Need for renovation growing steadily

## URBANISATION

- Urbanisation driving the need for construction
- Growing need for infrastructure investments, e.g. electric grid, water and sewage

## DIGITALISATION & TECHNOLOGISATION

- Increasing use of smart technical solutions in building and construction
- Technological transformation
- Digitalisation and AI improving efficiency and customer service



# BUILDING AND TECHNICAL TRADE STRATEGY SUMMARY 2024-2026

## VISION

**LEADING OPERATOR IN BUILDING AND TECHNICAL TRADE IN NORTHERN EUROPE**

## STRATEGIC TARGETS

**STRONG GROWTH AND  
EBIT IMPROVEMENT**

**WINNING MARKET SHARE  
IN ALL BUSINESSES**

**DELIVERING  
CUSTOMER VALUE**

**TARGETED ACQUISITIONS**

## COMPETITIVE ADVANTAGES

**COUNTRY-SPECIFIC STRATEGIES  
DELIVERING RESULTS**

**AVAILABILITY AND DELIVERY  
ACCURACY ACCORDING TO  
CUSTOMER DEMAND**

**THE BEST CUSTOMER  
EXPERIENCE AND  
PROACTIVE SALES  
MANAGEMENT**

**DIGITAL SERVICES TO  
IMPROVE CUSTOMER  
EXPERIENCE AND  
EFFICIENCY**

**ENABLING  
SUSTAINABLE CHOICES  
FOR CUSTOMERS**

## BALANCED PORTFOLIO



# BUILDING AND TECHNICAL TRADE STRATEGY SUMMARY

**# Profitable growth both organically and through M&A.** Winning market share in all operating countries.

**# Due to the low cycle in the construction market, our focus is on securing profitability and cash flow generation.** Improving profitability: the long-term strategic target of a 6-8% operating margin is still valid.

**# Finland continues winning market share.** Continue growing K-Rauta's market share through store-specific business ideas, focusing on growth centres. Continue improving Onninen's market share by increasing the sales of green transition products, growing the store network and improving customer-focused digital solutions.

**# Sweden stabilising business performance:** Execution of conversion of K-Rautas to K-Byggs to create a solid platform for profitable growth in building and home improvement trade. Looking for suitable acquisition targets to achieve economies of scale.

**# Norway implementing business performance improvement programme:** Boosting Byggmakker's performance and growth to drive EBIT improvement. Finalising the Onninen-Elektroskandia integration and executing according to the business case.

**# Denmark driving growth and improving margins:** Organic growth as well as executing M&As and ensuring their successful integration.

**# All countries:** Proactive sales, margin and cost management, digital solutions to drive efficiency and customer experience.

