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K Group strengthens its market-leading position in Finnish online grocery by investing tens of millions of euros in collection automation – builds the first partially-automated collection system

K Group is investing tens of millions of euros in upcoming years in automating the collection of online grocery orders. The objective is to improve customer experience further while ensuring more efficient processes and an even stronger market-leading position. The first partially-automated collection system in a grocery store in Finland will be located in the Helsinki metropolitan area, where online grocery sales volumes are now at a level that enables more extensive utilisation of automation.

“Online grocery sales in Finland are expected to grow considerably over the next ten years. We aim to maintain our clear market-leading position in online grocery also going forward. We will continue to invest heavily in the development of our online grocery operations and in ensuring an excellent customer experience,” says **Ari Akseli**, President of Kesko’s grocery trade division.

K Group will begin an entirely new chapter in Finnish online grocery by building the first partially-automated collection system in a grocery store. The initial investment totals nearly €10 million, and in upcoming years, investments in automation alone will amount to tens of millions of euros.

“Up until now, the most effective way to serve the Finnish market has been to offer online grocery services through our network of physical stores. However, in the Helsinki region volumes have now risen to a level where it makes sense to seek and adopt new operating models,” says Akseli.

Aiming to quadruple collection efficiency

The new partially automated collection system is based on a Micro Fulfilment Centre (MFC) concept.

“With the concept, collection will take place in three areas: most of the products are collected using automation, i.e. robots, or as manual mass collection at the back of the store. Lower-volume products and specialty products are collected at the front of the store,” explains **Antti Rajala**, Kesko’s Director of eCom & Digital Services.

“We are seeking a solution that will quadruple collection efficiency compared to manual collection at the front of the store. Our aim is to combine efficiency with quality and to offer extensive selections to our customers, including store-specific selections such as meals from local restaurants, service counter items, and local specialities,” says Rajala.

The location of the new collection system will be specified later. K Group intends to expand the MFC concept in upcoming years in the Helsinki region and other growth centres.

K Group will arrange a briefing in Finnish with Ari Akseli and Antti Rajala today starting at 2 pm Finnish time. Contact Kesko's media desk for a link to the event: viestinta@kesko.fi.

Further information:

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Kesko and K-retailers together form K Group, whose retail sales total €14 billion. K Group is the third biggest retail operator in Northern Europe and it employs some 39,000 people. Kesko operates in the grocery trade, building and technical trade, and car trade. Its divisions and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko's net sales total €11 billion and it employs approximately 18,000 people. Kesko has around 1,800 stores engaged in chain operations in Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Poland. Kesko's shares are listed on Nasdaq Helsinki. The company's domicile and main premises are located in Helsinki. Kesko is ranked the world's most sustainable grocery trade sector company (The Global 100 Most Sustainable Corporations in the World). www.kesko.fi