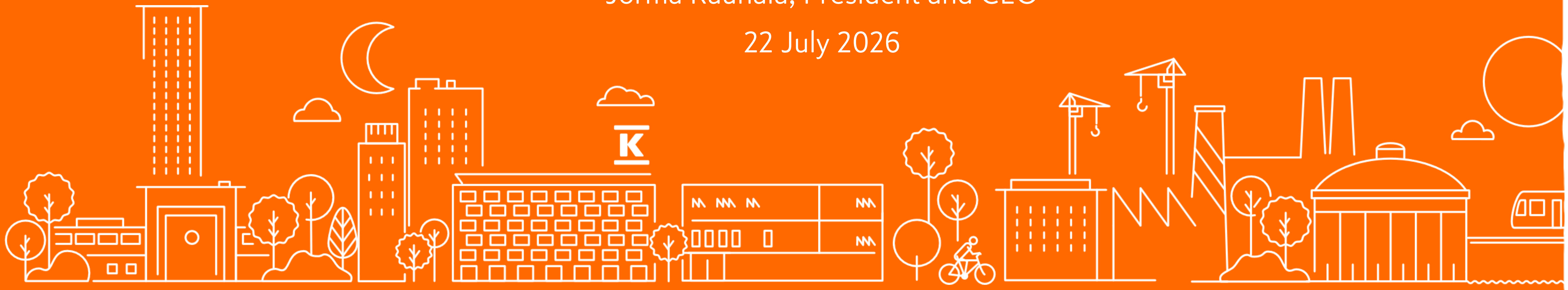
Kesko half-year financial report 2026

Kesko's profit improved significantly – technical trade as the driver

Jorma Rauhala, President and CEO

22 July 2026



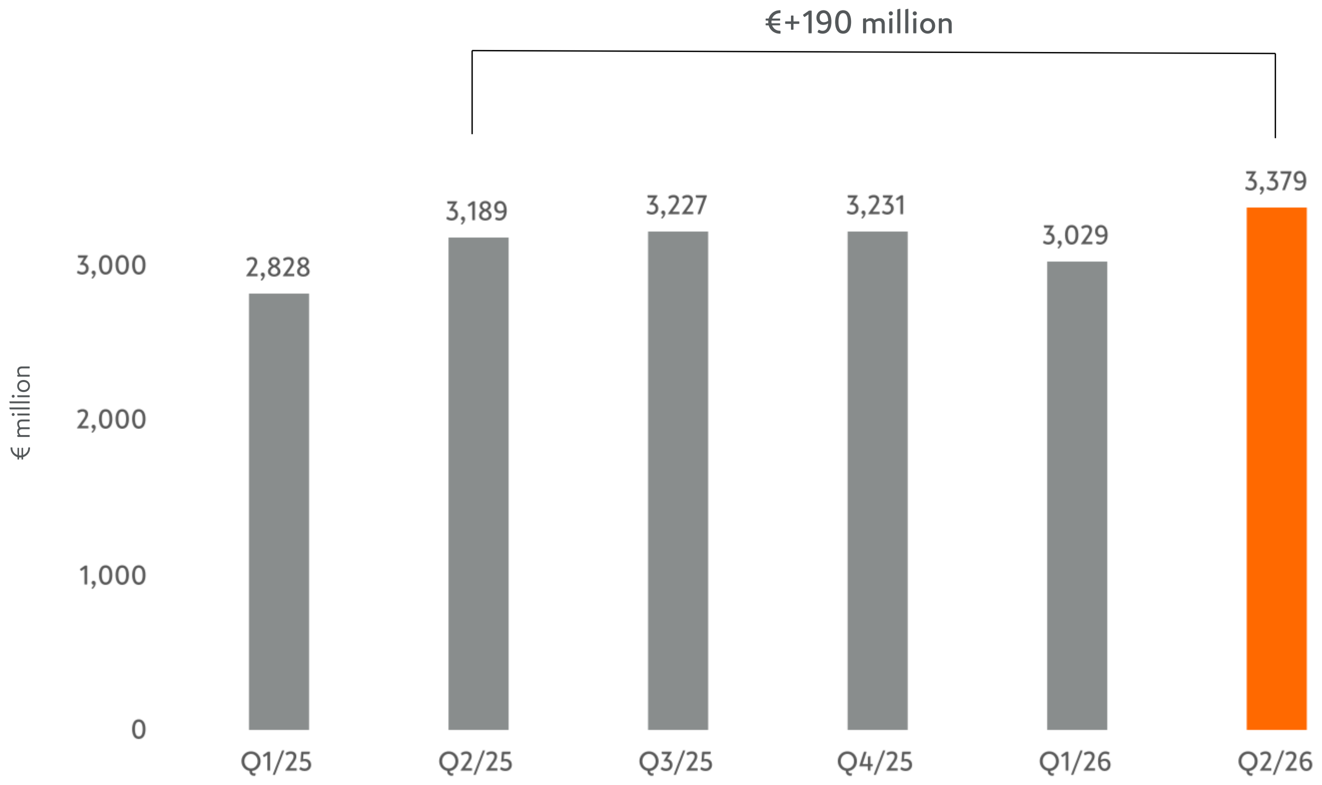
SUMMARY OF Q2/2026

- Kesko's comparable operating profit improved, net sales grew in all divisions
- Grocery trade: K Group stores gained market share and profitability was good despite investments, operating profit slightly down due to weaker profit in Kespro
- Building and technical trade: comparable operating profit increased significantly, thanks in particular to good technical trade sales and profit
- Car trade: sales grew thanks to good used car sales in particular, operating profit slightly down
- In June, Kesko announced it will significantly strengthen its position in technical trade in the Nordics by acquiring Dahl's operations in Sweden, Norway and Denmark: the combined net sales of the businesses to be acquired total nearly €2.1 billion (2025)
- Profit guidance updated: Kesko now expects its comparable operating profit in 2026 to amount to €670-730 million (previously €650–750 million)

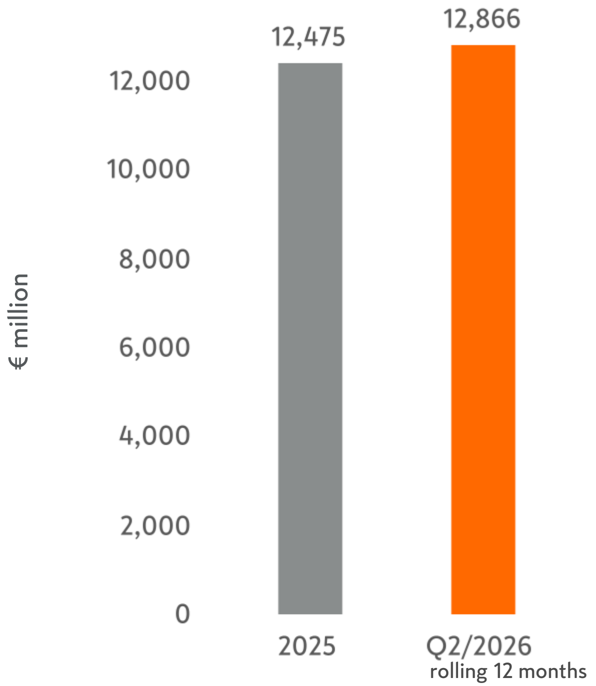
	Q2/2026	Q2/2025
Net sales, € million	3,379.1	3,188.8
Change in net sales, %*	4.2	1.3
Operating profit, € million*	194.0	176.7
Operating margin, %*	5.7	5.5
Profit before tax, € million*	162.1	145.3
Earnings per share, basic, €*	0.32	0.29
Cash flow from operating activities, € million	362.1	323.9

* Comparable

NET SALES

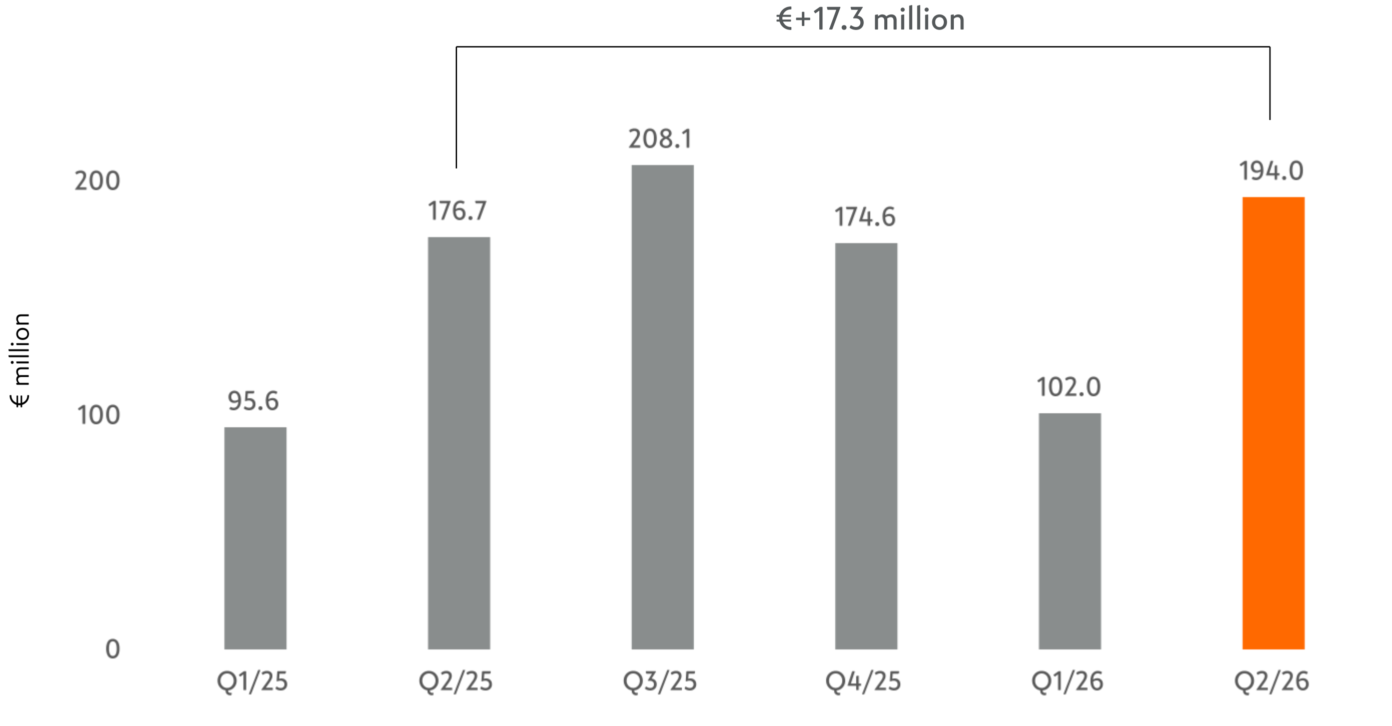


€+190 million
€ million
3,000
2,000
1,000
0
2,828
3,189
3,227
3,231
3,029
3,379
Q1/25
Q2/25
Q3/25
Q4/25
Q1/26
Q2/26

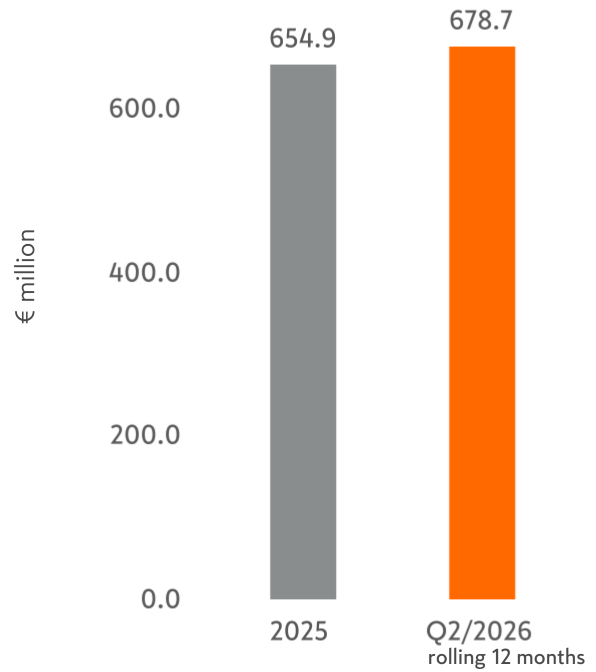


€ million
12,000
10,000
8,000
6,000
4,000
2,000
0
12,475
12,866
2025
Q2/2026
rolling 12 months

OPERATING PROFIT



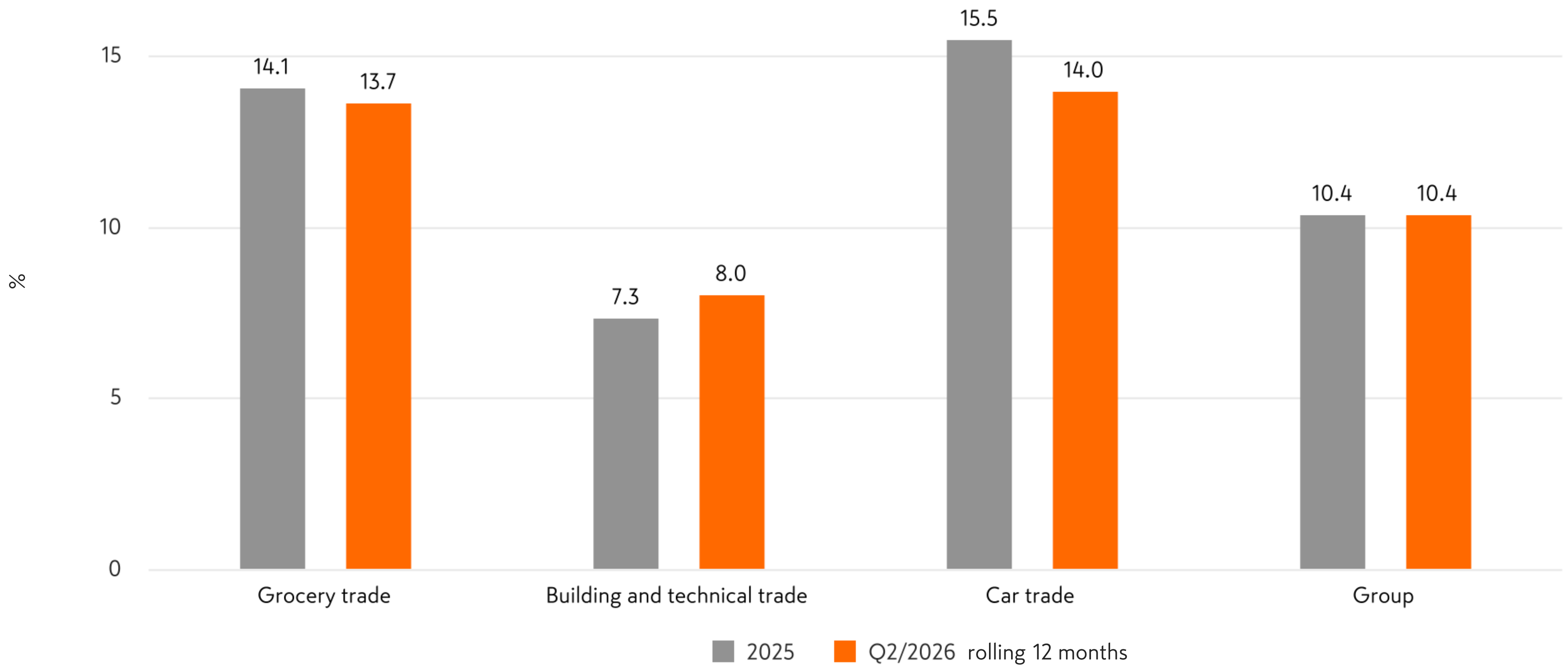
	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26
Operating margin	3.4%	5.5%	6.4%	5.4%	3.4%	5.7%



	2025	Q2/2026 rolling 12 months
Operating margin	5.3%	5.3%

Comparable figures

RETURN ON CAPITAL EMPLOYED



Comparable figures

FINANCIAL POSITION

Good cash flow from operating activities

	Q2/2026	Q2/2025
Cash flow from operating activities, € million	362.1	323.9
Liquid assets, € million	376.3	190.5
Capital expenditure, € million	127.4	317.6
Interest-bearing net debt excl. lease liabilities, € million	1,400.3	1,346.6
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.7	1.8
Lease liabilities, € million	2,225.2	2,098.9

CAPITAL EXPENDITURE

Key CAPEX: investments in store sites

	Q2/2026	Q2/2025
Store sites, € million	64.4	92.3
Acquisitions, € million	-	151.4
IT, € million	5.2	6.5
Other investments, € million	57.8	67.3
Total, € million	127.4	317.6

EXPENSES

Expenses have increased mainly due to acquisitions, cost ratio improved

	Q2/2026	Q2/2025
Fixed costs, € million	570.9	545.3
- Employee benefit expenses, € million	252.3	233.1
- Other expenses, € million	170.1	172.2
- Depreciation, € million	148.5	139.9
Cost ratio, %	16.9	17.1

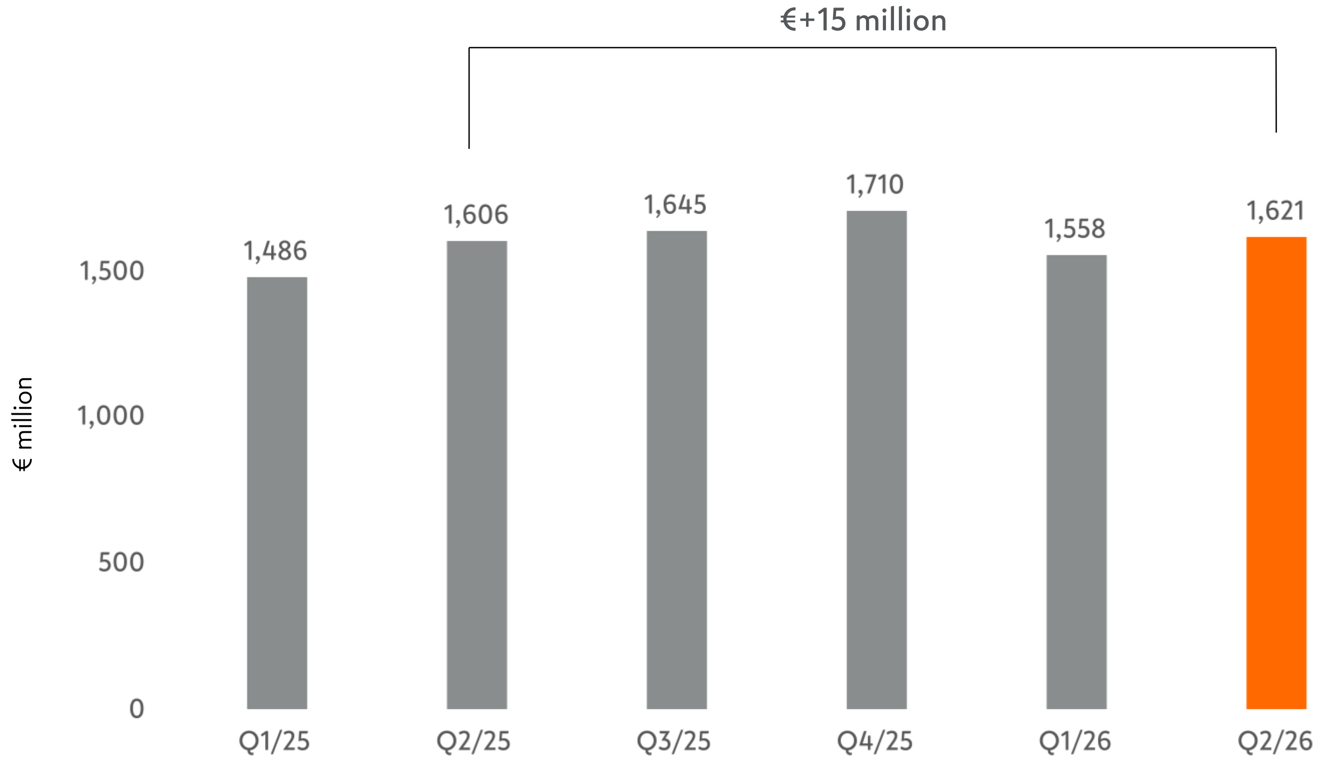
Figures excluding items affecting comparability

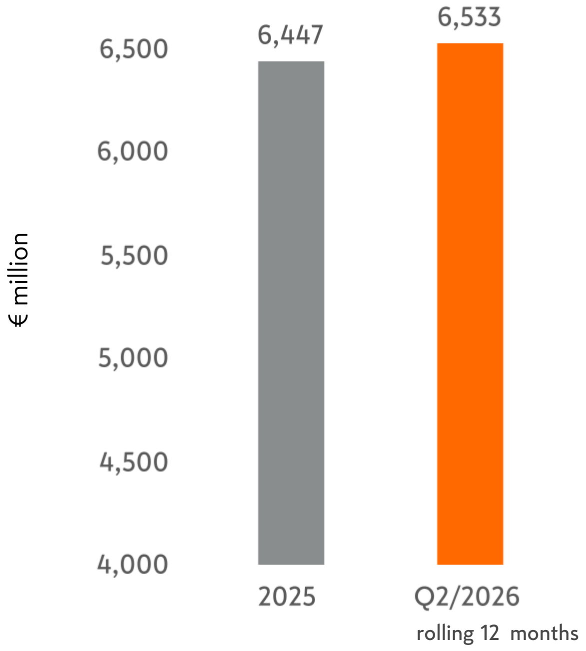
Grocery trade Q2

Market share continued to grow, profit at a good level

GROCERY TRADE

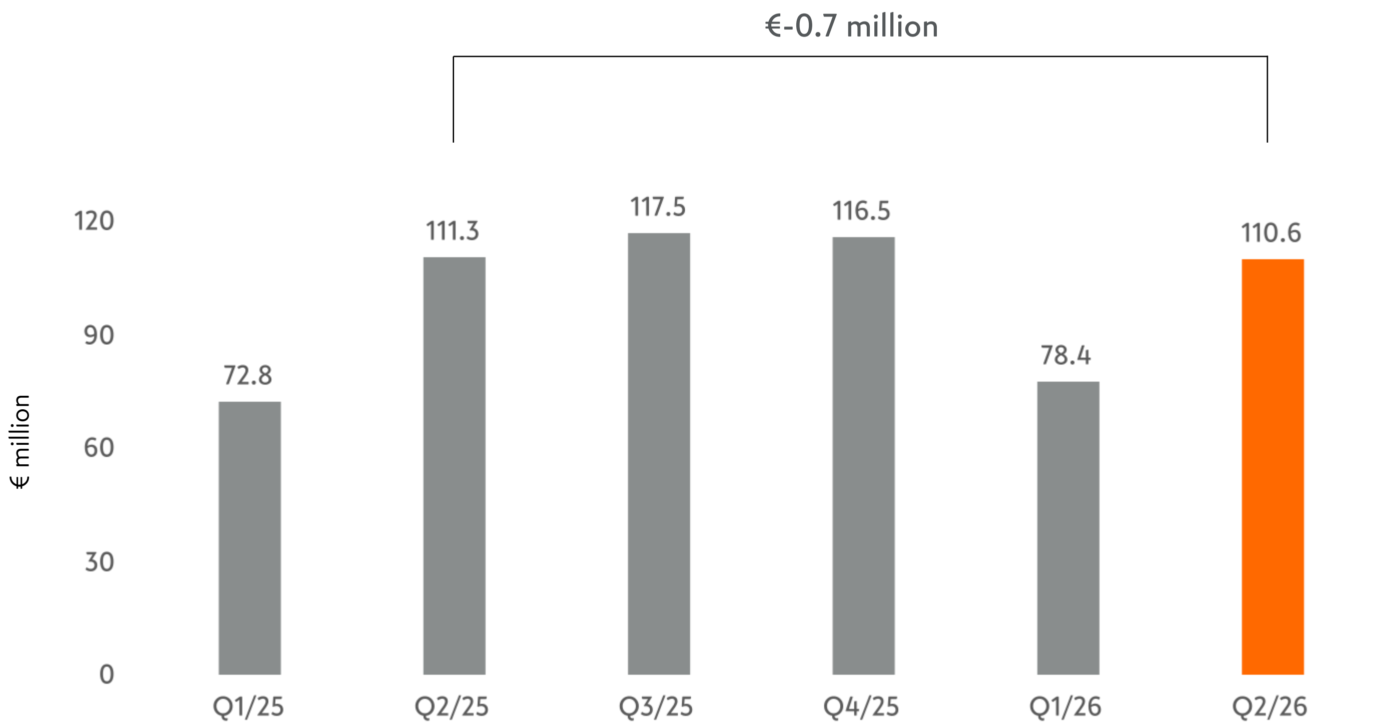
NET SALES



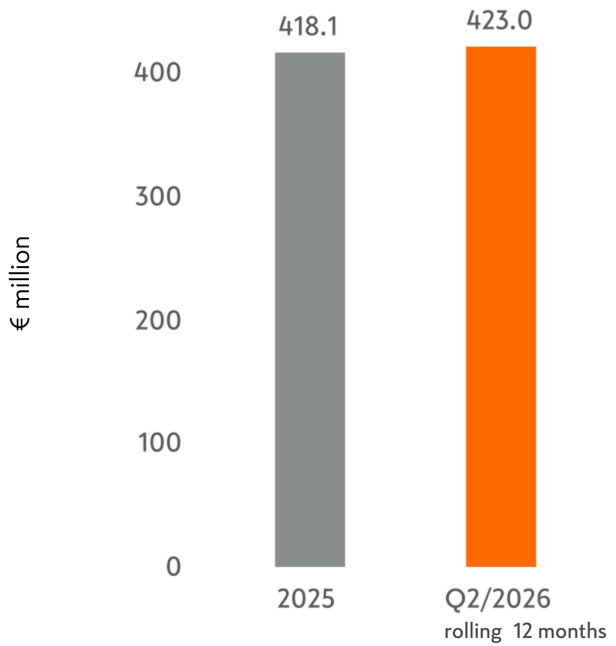


GROCERY TRADE

OPERATING PROFIT



Operating margin	4.9%	6.9%	7.1%	6.8%	5.0%	6.8%



Operating margin	6.5%	6.5%

Comparable figures

GROCERY TRADE HIGHLIGHTS IN Q2

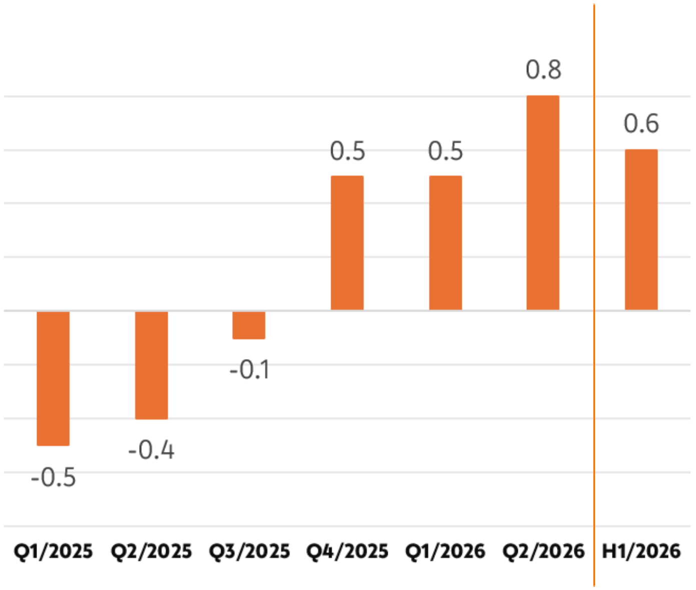
- Division net sales increased and comparable operating profit decreased slightly due to weaker profit in Kespro. Easter wholesale mainly took place in March, as opposed to April the year before
- The total grocery market grew by approximately 2.0%
- K Group grocery sales were up by 4.3%
- K Group grocery stores gained market share in Q2
  - Customer flows 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's non-food sales up by 4.4%
- Online grocery sales up by 11.3%, accounted for 4.0% of K Group's grocery sales (incl. VAT)
- Grocery price inflation in Finland approx. 1.2%*, price development in K Group stores approx. 0.9%
- Demand for quality products and services in K Group grocery stores remained solid

* Statistics Finland, including VAT

MARKET SHARE IN GROCERY TRADE CONTINUED TO GROW IN H1

- Market share for K Group grocery stores took an upturn in Q4/2025, and growth has continued strong in 2026
- All our chains gained market share in their respective size segments in H1, our market share growth the strongest in the supermarket segment, which is the biggest segment in the Finnish grocery trade market
- K-Citymarket's non-food trade gained market share in H1/2026
- Our objective is to increase market share in grocery trade while maintaining a good profitability level of clearly above 6%
- The good performance is attributable to investments made in store quality, prices, and network
- A total of 22 stores of various sizes were updated and 10 new stores opened in H1; the store network is estimated to have a neutral net impact on market share in 2026

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



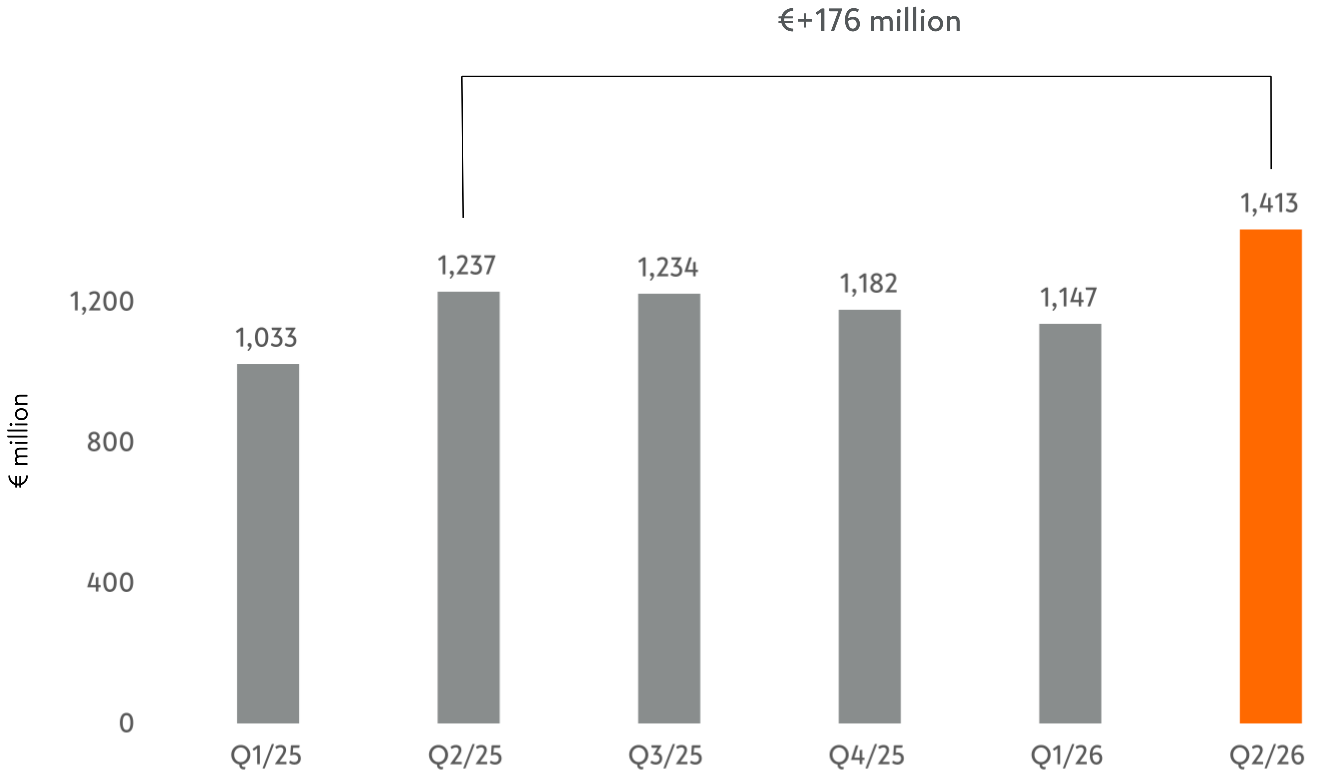
Kesko's estimate, based on market figures by the Finnish Grocery Trade Association (PTY)

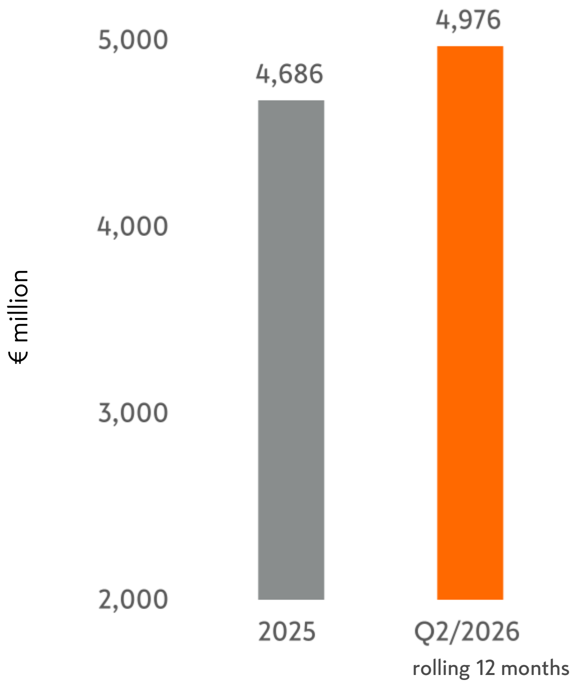
Building and technical trade Q2

Sales grew and profit improved driven by B2B

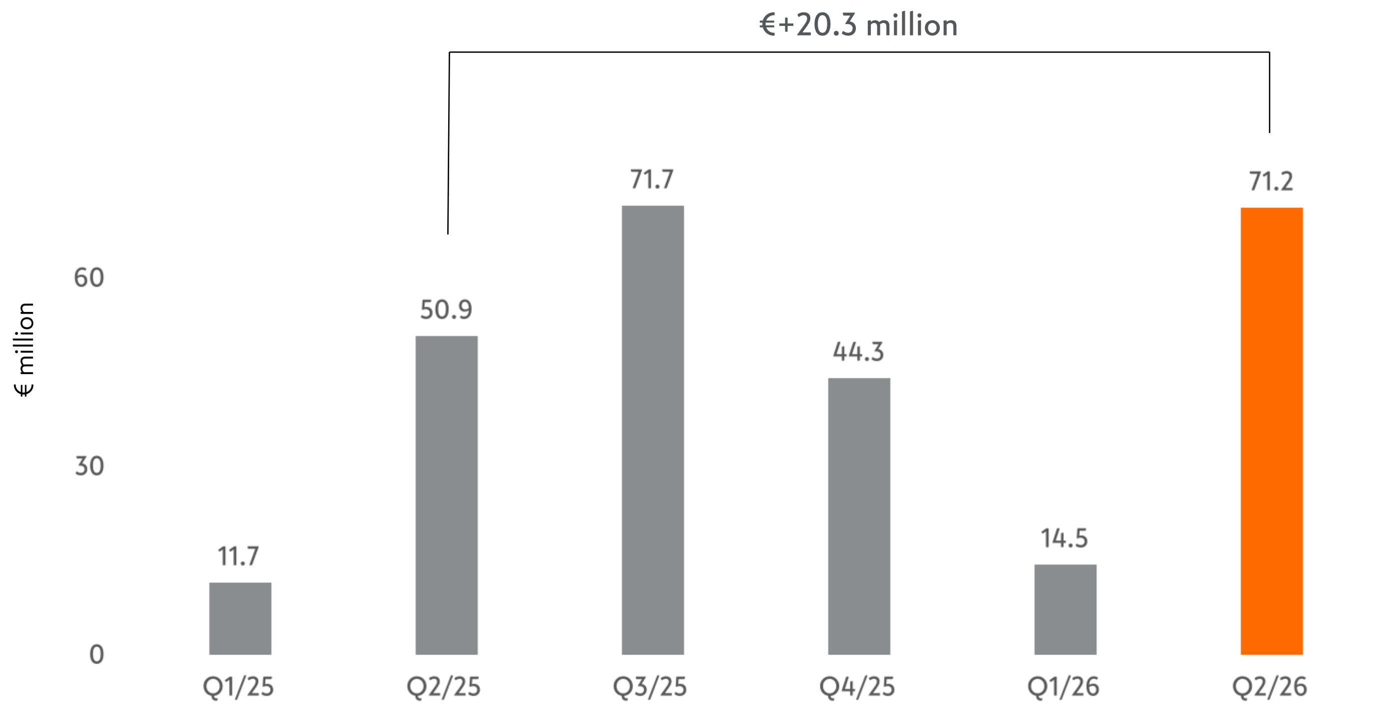
BUILDING AND TECHNICAL TRADE

NET SALES

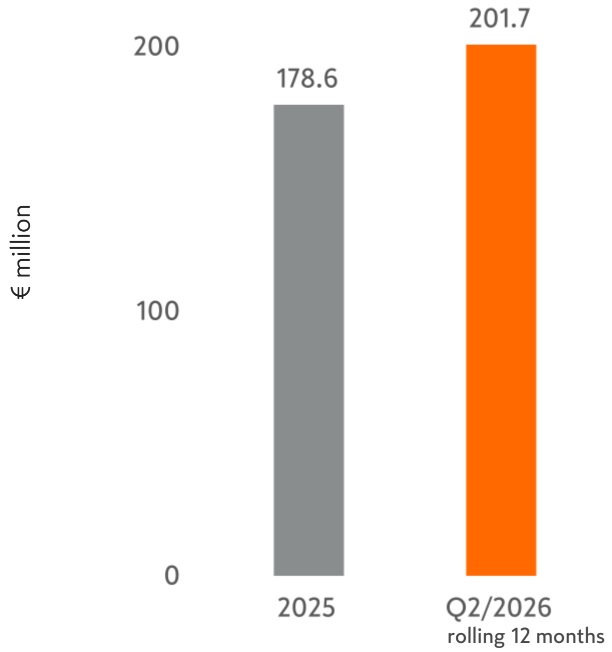




OPERATING PROFIT



	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26
Operating margin	1.1%	4.1%	5.8%	3.7%	1.3%	5.0%



	2025	Q2/2026 rolling 12 months
Operating margin	3.8%	4.1%

Comparable figures

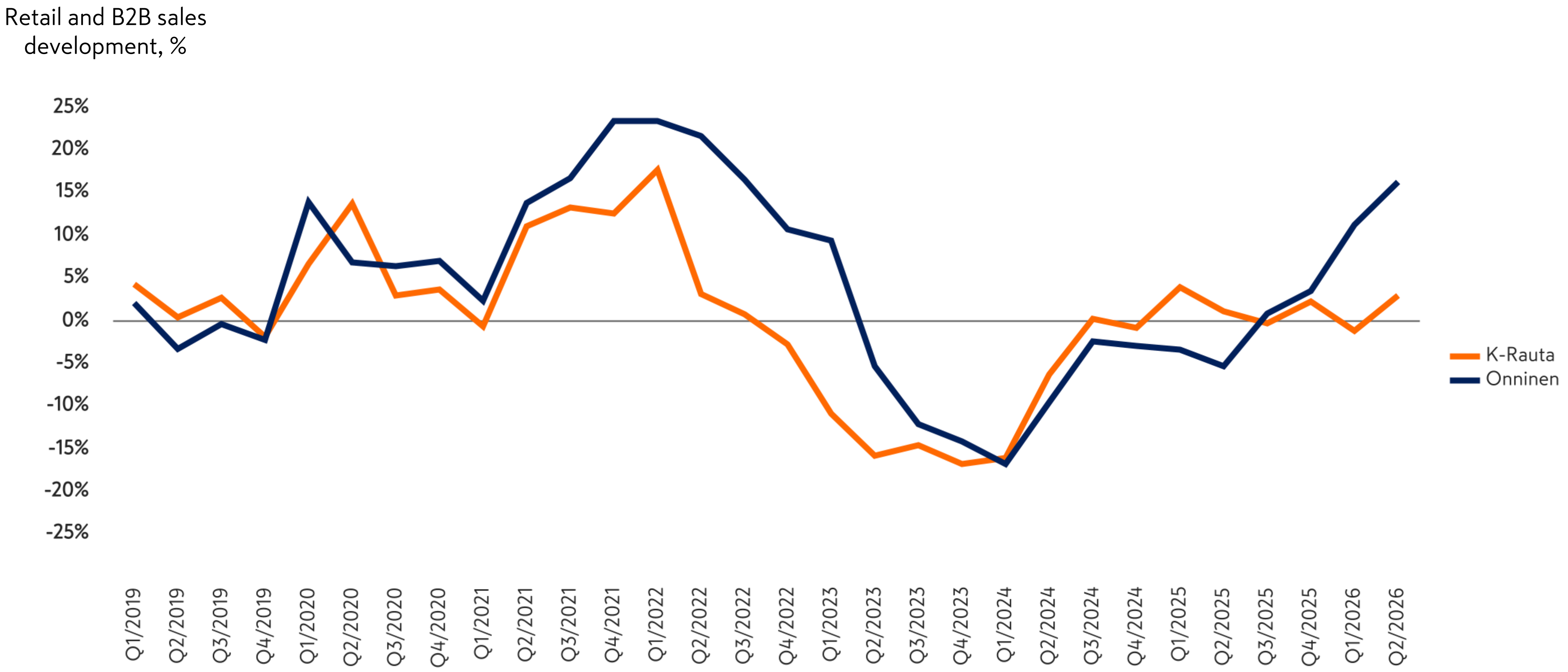
BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q2

- Division net sales increased in all businesses and operating countries, and were the highest ever recorded in Q2; profit improved, driven in particular by strong growth in technical trade
- Market demand has picked up in e.g. industrial projects and infrastructure construction, but remains muted in new housing construction
  - 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 especially in B2B trade, profit at a good level
  - Norway: Sales for Byggmakker and Onninen grew, Onninen's profit improved while Byggmakker's decreased
  - Denmark: Davidsen's sales grew and profit improved
  - Sweden: K-Bygg's sales growth strong, profit improved
  - Poland and the Baltics: Onninen's sales growth strong, profit improved in Poland but decreased in the Baltic countries
- Credit risk well under control, €0.7 million written down for trade receivables past due date (€0.9 million)
- The share of result from Kesko Senukai was €5.4 million (4-5/2026), €0.0 million in the Q2/2025 report

	Q2/2026	Q2/2025
Net sales, € million	**1,413.2**	**1,236.8**
Technical trade	653.4	566.3
Building & home improvement trade	782.8	688.7
Operating profit*, € million	**71.2**	**50.9**
Technical trade	30.0	20.1
Building & home improvement trade	37.5	31.9
Operating margin, %*	**5.0**	**4.1**
Technical trade	4.6	3.5
Building & home improvement trade	4.8	4.6

*Comparable

SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND



Onninen Q2 sales: +16.1%
Competitors Q2, total: +0.6%

Sources: Talteka and STK

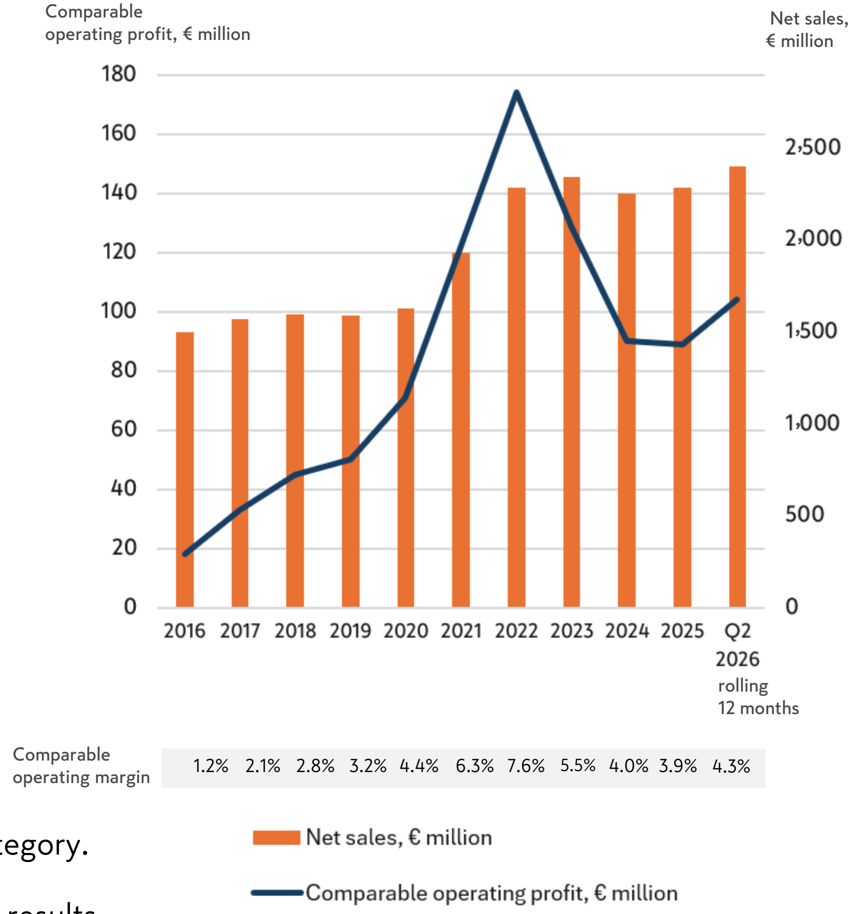
K-Rauta Q2 sales: +2.8%
Competitors Q2, total: +2.3%

Source: RaSi

ONNINEN HAS AN EXCELLENT FOUNDATION FOR IMPROVING NET SALES AND PROFIT ONCE THE MARKET NORMALISES

- Megatrends support growth in technical trade: renovation building, urbanisation, the green transition and growing demand for energy solutions, technological development and digitalisation
- Onninen became part of Kesko in 2016: Onninen's net sales have grown by 56% and operating profit by 232% as part of Kesko Group (2015 vs. 2025)
- Technical trade has grown in all operating countries in 2026, and growth is expected to continue
  - Markets in Finland and Norway are still subdued, but have improved compared to before
  - Markets in Sweden, Poland and the Baltics returning to normal
- Onninen Finland H1/2026:
  - Market still muted, but Onninen's market share has increased significantly
  - Onninen's sales have grown in all product areas and all customer segments
  - Energy solutions (solar panels, heat pumps, storage) the biggest growing product category, underpinned by electricity prices and regulation. Work clothing and protective gear a new, growing category.
  - Through investments, operational efficiency and digitalisation, Onninen has managed to generate good results even in a challenging market

ONNINEN'S PROFIT AND NET SALES



KESKO ANNOUNCED ON 15 JUNE 2026 IT WILL ACQUIRE DAHL'S OPERATIONS IN SWEDEN, NORWAY AND DENMARK TO STRENGTHEN ITS TECHNICAL TRADE

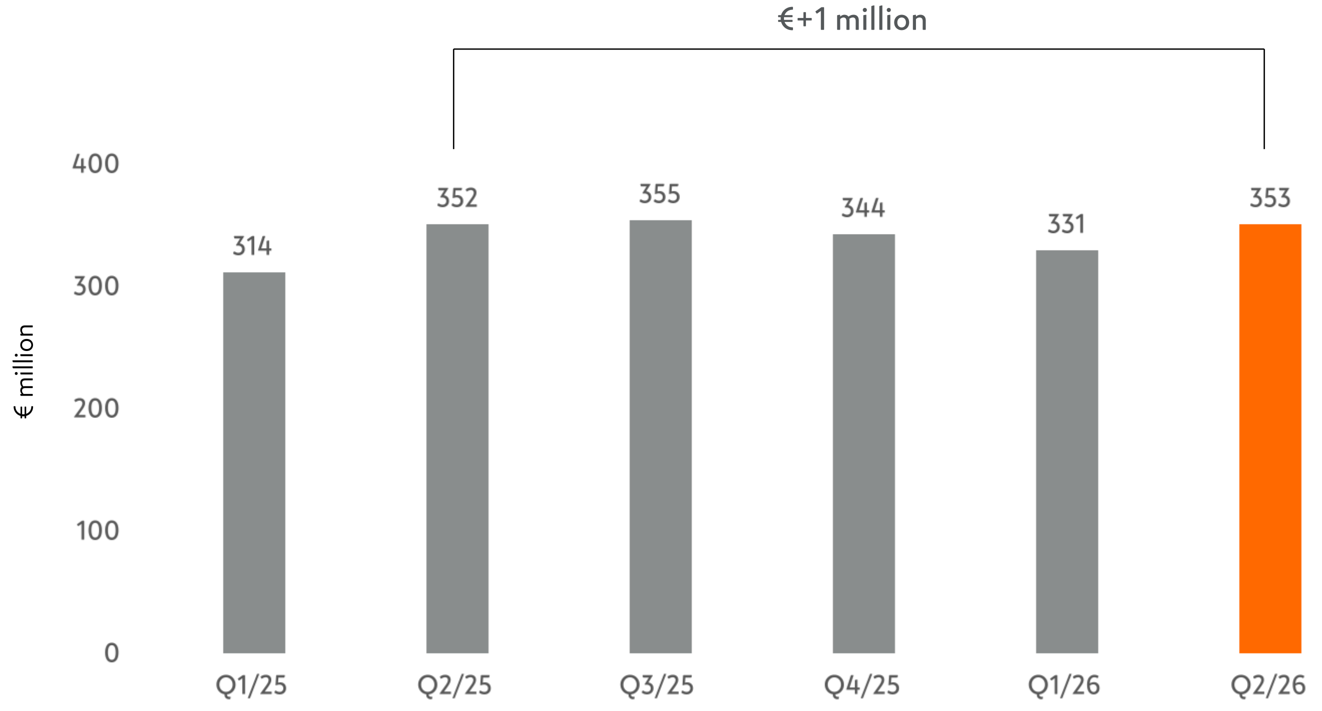
- Kesko has agreed to acquire the technical trade operator Dahl's companies in Sweden, Norway and Denmark from Saint-Gobain
- The combined net sales of the businesses to be acquired totalled some €2.1 billion and EBITDA (IFRS) €146 million in 2025
- The illustrative combined net sales for Kesko's building and technical trade and the businesses to be acquired would have been approx. €6.8 billion in 2025
- The businesses have an iconic brand, good market positions and strong own brands, modern automated central warehouses, extensive store networks, and digital sales channels
- Kesko has a strong track record in technical trade with Onninen
- Decisions regarding the final capital structure have not yet been made, and are estimated to be determined during Q3
- Competition authorities have begun their process, the acquisition is estimated to be finalised by the beginning of 2027

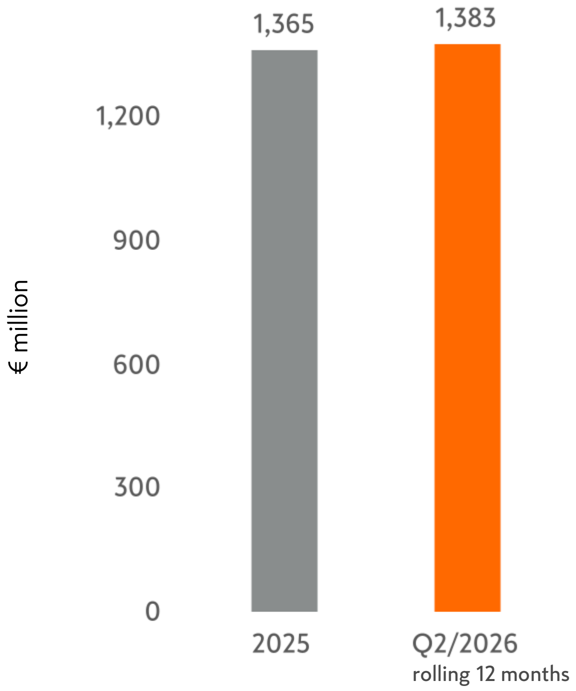
Car trade Q2

Sales increased, driven by used cars

CAR TRADE

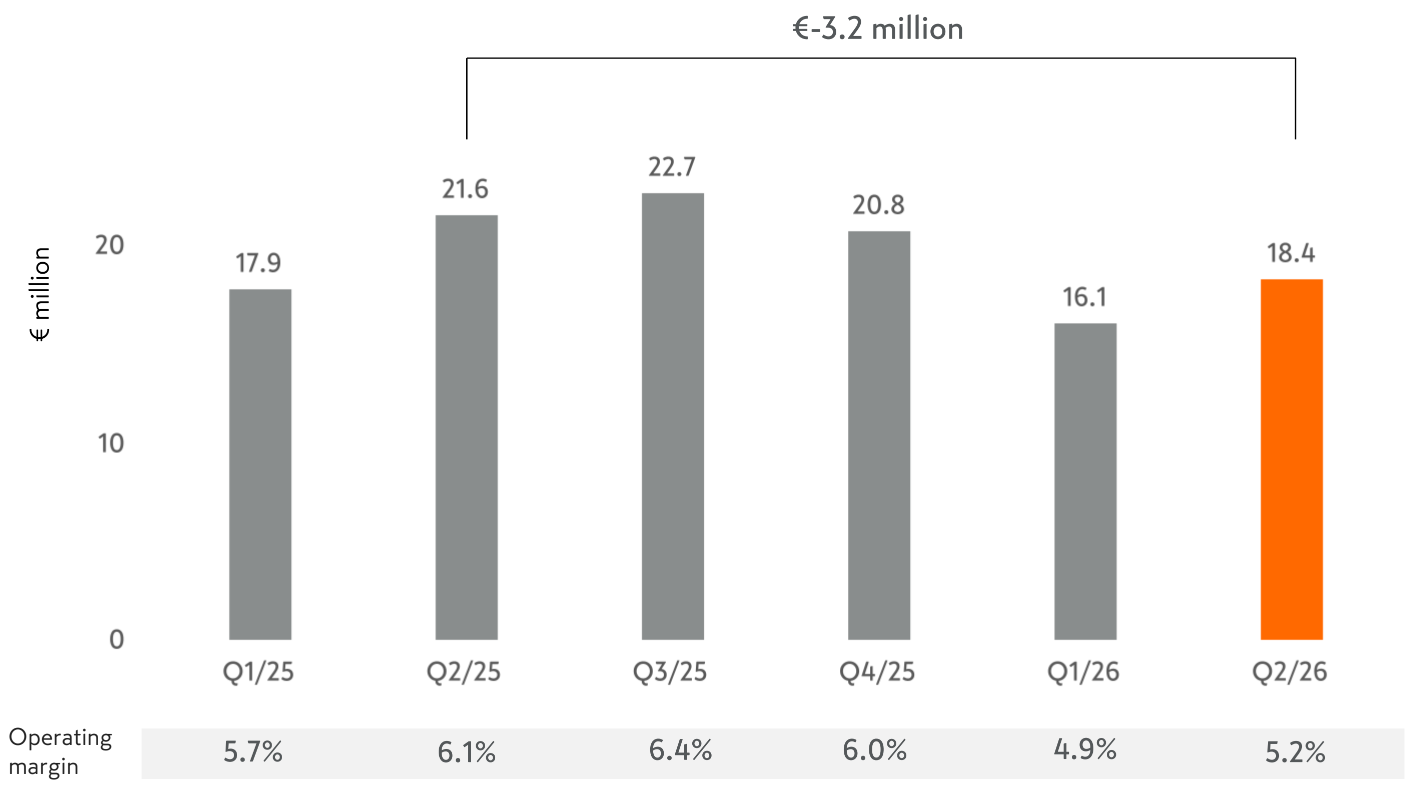
NET SALES

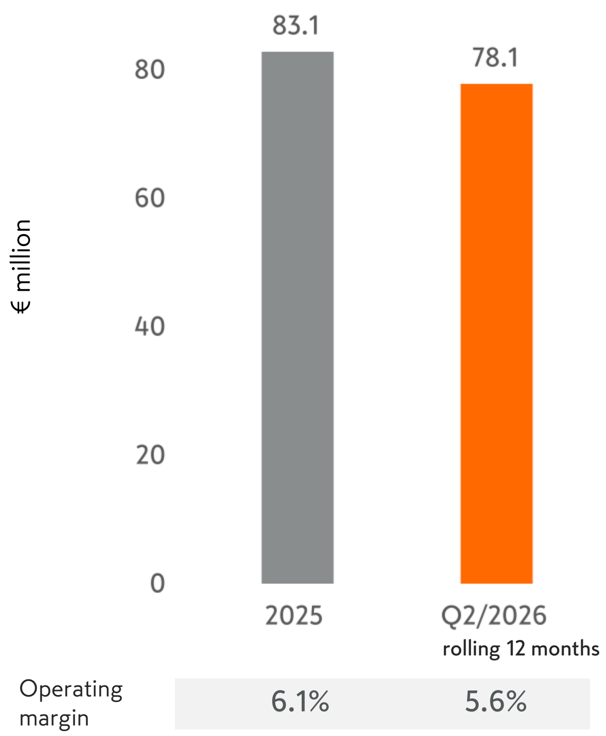




CAR TRADE

OPERATING PROFIT



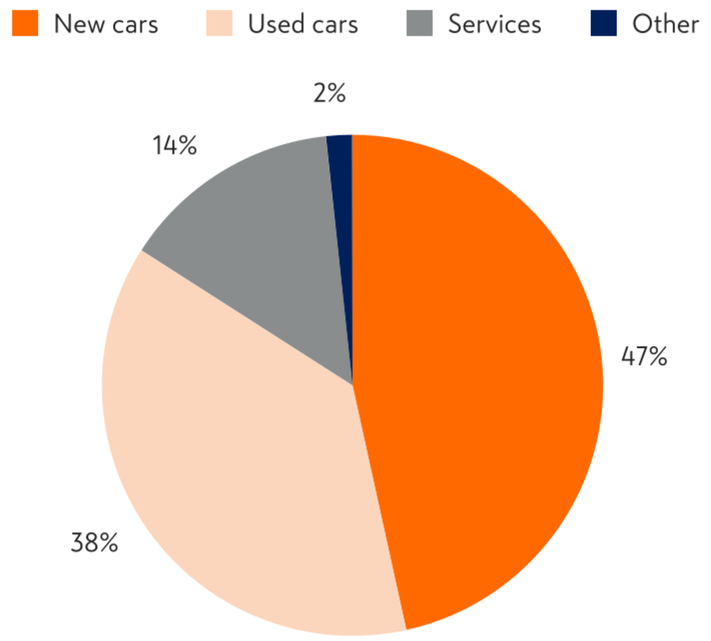


Comparable figures

CAR TRADE HIGHLIGHTS IN Q2

- Division net sales increased and comparable operating profit decreased, due to a higher share of used car sales, where sales margins are lower than in new car sales
- Market demand for new cars still subdued, Q2 first registrations of passenger cars and vans -2.7%; first registrations of brands represented by Kesko were down by 13.8% in Q2
- Order book for new cars continued to grow and was up by some 40% both year-on-year and year-to-date. The order book is set to translate into sales in H2
- Used car sales from dealerships in Finland were down by 2.8% (in units), while K-Auto's used car sales increased by 11.9%
- Service sales in car trade increased
- In sports trade, net sales grew and comparable operating profit was flat year-on-year

K-AUTO, NET SALES



Net sales for the division's car trade businesses in Q2/2026, rolling 12 months

'Other' consists primarily of car leasing services

PROFIT GUIDANCE AND OUTLOOK

PROFIT GUIDANCE FOR 2026 (SPECIFIED)

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 €670–730 million.

Kesko previously estimated that the comparable operating profit would amount €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.

In conclusion

Kesko's net sales grew and profit improved, performance in technical trade particularly strong

Grocery trade continued to gain market share, profitability good despite investments

Building and technical trade profit grew markedly, driven by technical trade, good development seen also in building and home improvement trade

Car trade sales development good, driven by used cars; strong order book for new cars set to translate into sales in H2

Kesko's biggest ever acquisition, comprising the technical trade operations of Dahl in Sweden, Norway and Denmark, is proceeding according to plans

The crisis in the Middle East did not have significant impacts in Q2, impacts in H2 expected to be moderate

We estimate that Kesko's operating environment, net sales, and comparable operating profit will improve in 2026