



KESKO INVESTOR PRESENTATION

KESKO SEEKS GROWTH IN ALL ITS THREE BUSINESS DIVISIONS

Q2 2025

KESKO TODAY

KEY FINANCIALS

	Q2/2025	2024
Net sales, € million	12,083.7	11,920.1
Operating profit, € million*	644.7	650.1
Operating margin, %*	5.3	5.5
Profit before tax, € million*	525.8	543.0
Cash flow from operating activities, € million	871.1	886.1
Return on capital employed, %*	10.7	11.3
Capital expenditure, € million	865.1	675.9

*comparable
Kesko Senukai did not report its financials as scheduled, and thus in Kesko's H1/2025 reporting the share of result from Kesko Senukai is €0.0 million (€6.0 million in H1/2024).



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

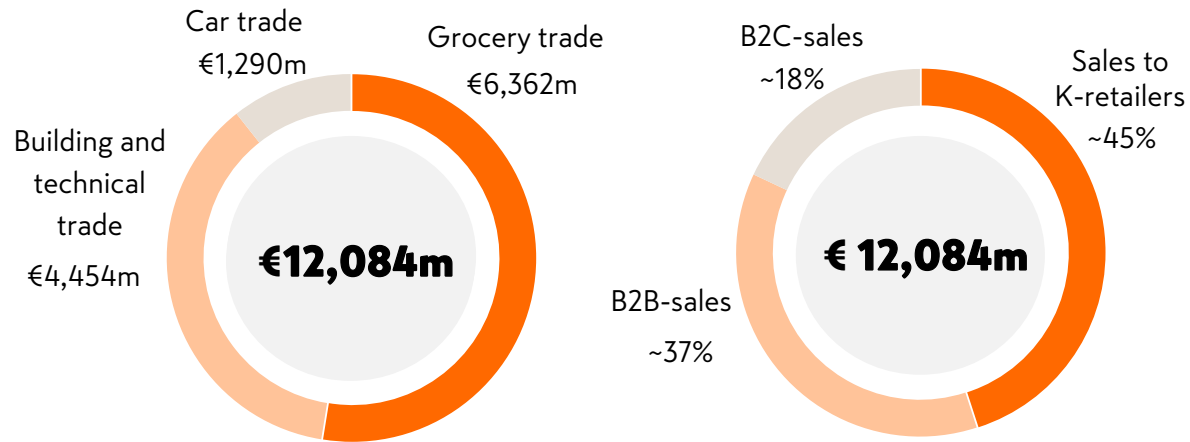


Market cap nearly **€8bn** with ~**115,000** shareholders

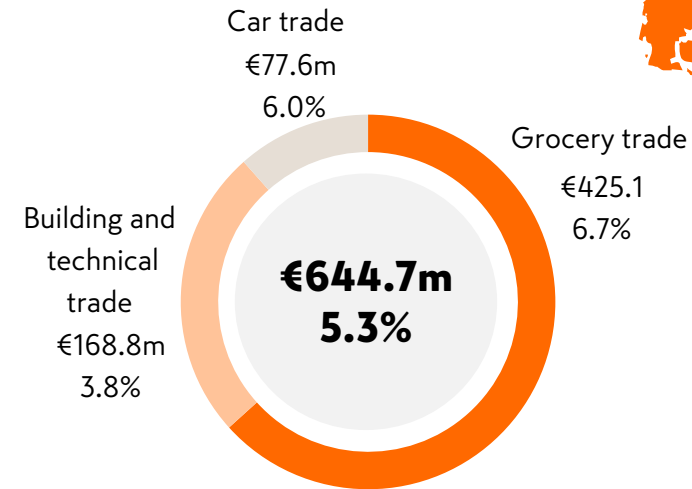
KESKO SEGMENT KEY FIGURES



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

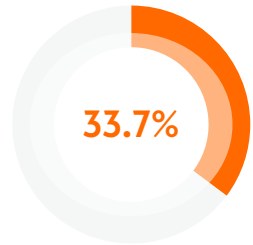
I CREATE TRUST



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

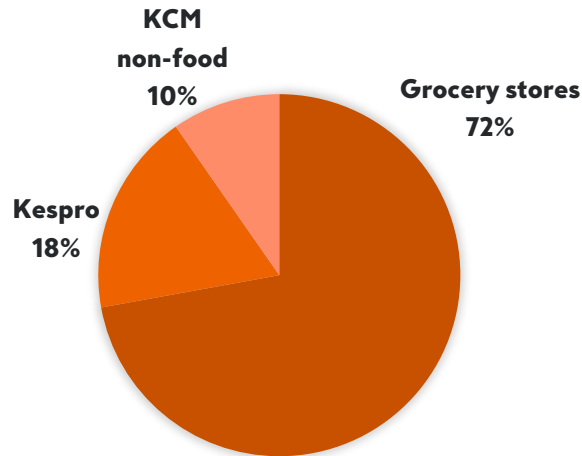


6,300 employees
860 K-retailers

KESPRO

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

K CITYMARKET

K Supermarket

K Market

FOODSERVICE

KESPRO



*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.



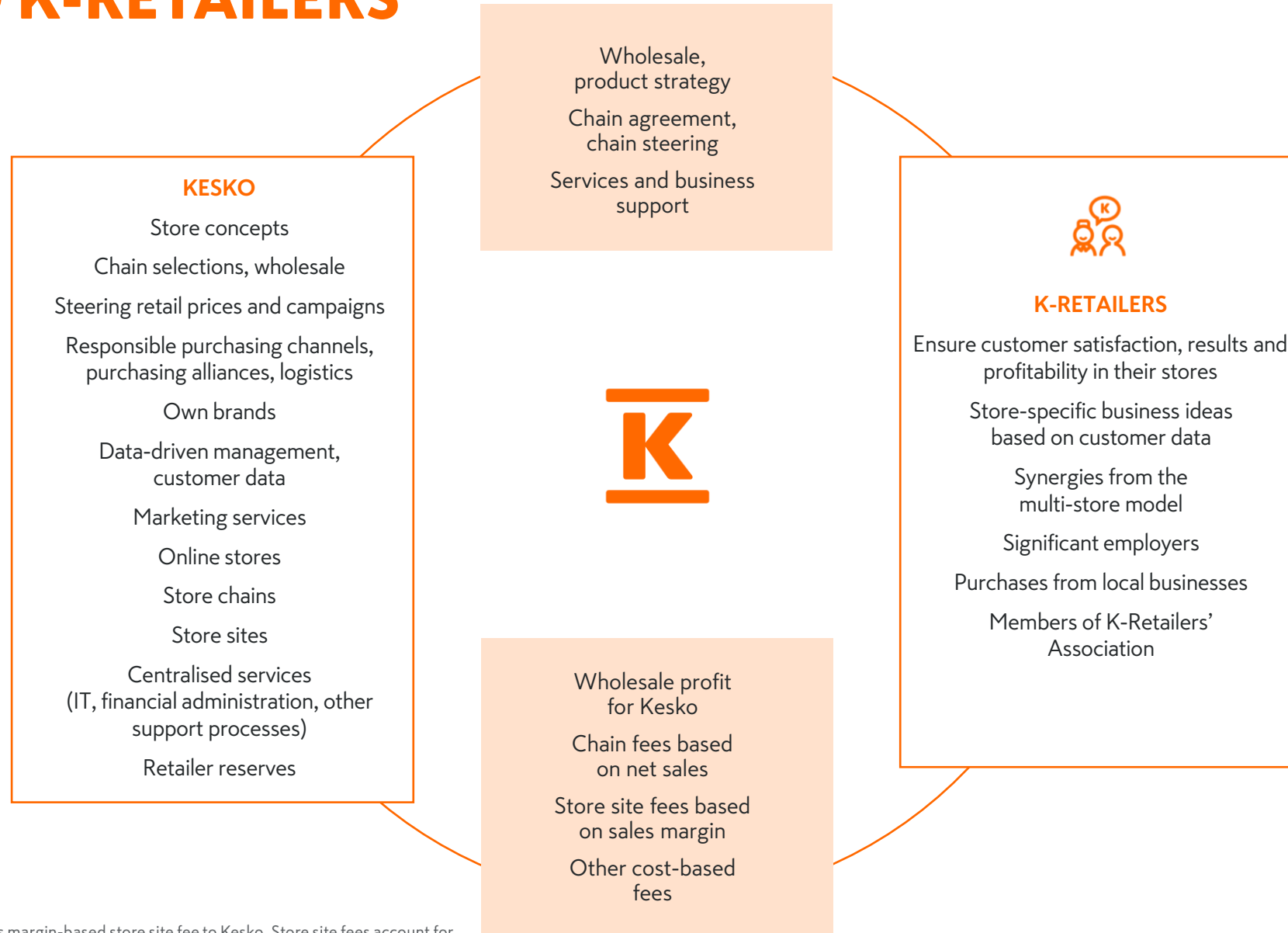
Growth drivers:

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



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:

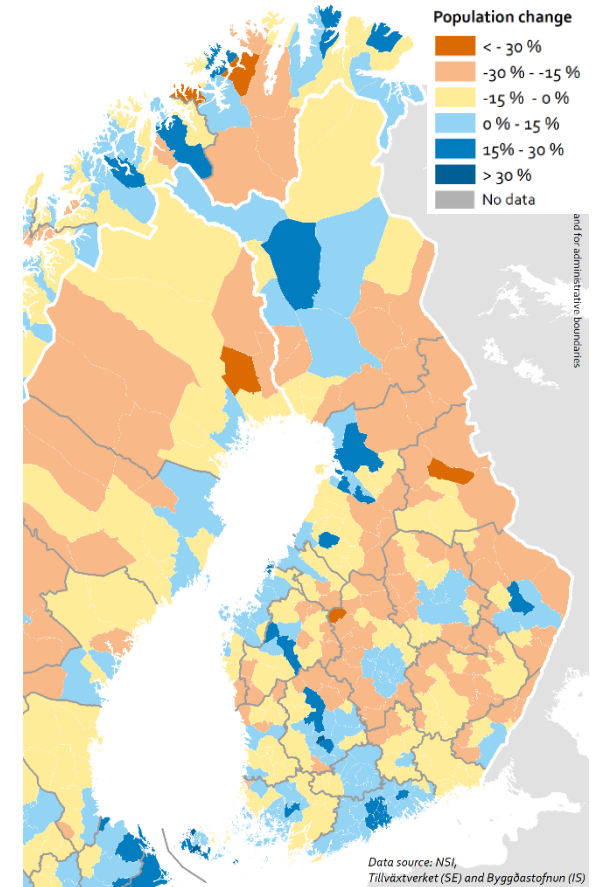
Foodservice in Finland: Valio Aimo, Meira Nova, Metro-tukku
International peers: Marr, Snabbgross, Sysco

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 programme 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 urban hypermarkets especially in Helsinki Metropolitan Area
 - To improve customer experience, sales efficiency and profitability in the stores
 - To improve the online shopping experience
- ➔ By the end of the decade, the store site network is updated, in the right locations and meets upcoming legislative requirements related to energy efficiency and greenhouse gases

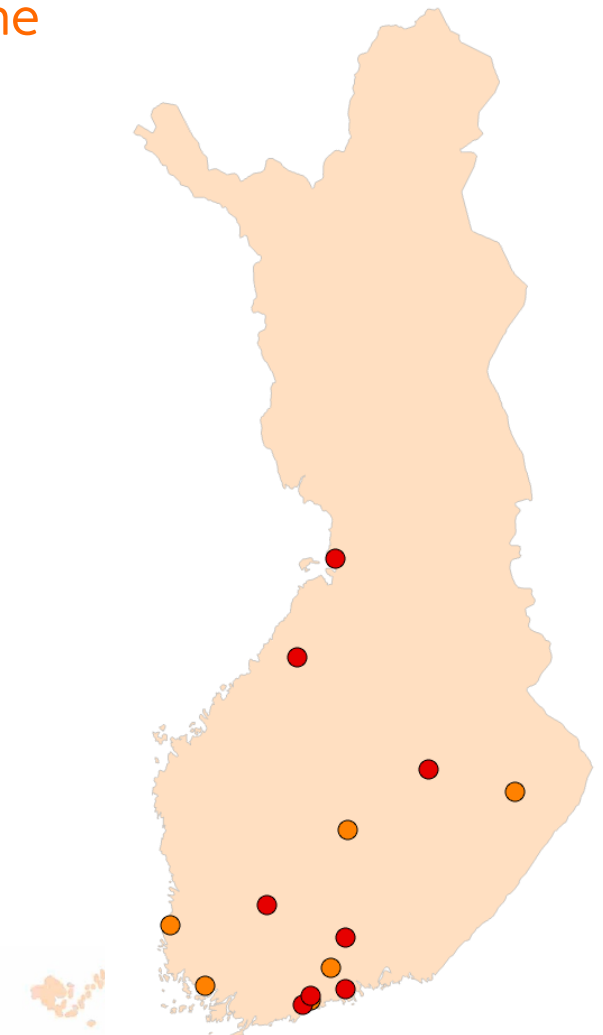
Population projection 2017-2040* Nordregio



NEW URBAN HYPERMARKETS TO BE OPENED IN FINNISH GROWTH CENTRES

Several new growth centre hypermarkets in pipeline

- New K-Citymarket in a shopping centre in Lempäälä near Tampere in 2025
- New K-Citymarket in Lahti city centre in autumn 2025, replacing K-Citymarket Paavola
- New K-Citymarket in middle of Kivistö residential area, Vantaa, Helsinki metropolitan area in spring 2026
- New K-Citymarket in Haapaniemi in the city of Kuopio, in summer 2026
- New K-Citymarket in Ylivieska in autumn 2026, replacing an outdated hypermarket
- New K-Citymarket in Porvoo city centre area in spring 2027, replacing an outdated hypermarket
- Under planning: New K-Citymarket in Ritaportti in the city of Oulu, in spring 2027
- Under planning: New K-Citymarket in Espoon keskus shopping centre in Finland's second biggest city Espoo in autumn 2028
- In 2024, 44 remodelled stores and 15 new stores, incl. K-Citymarket Vuosaari in the Columbus shopping centre
- 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 2025, same store-site capex level to be expected in upcoming years



- K-Citymarket stores under planning/construction
- K-Citymarket stores remodelled in 2025

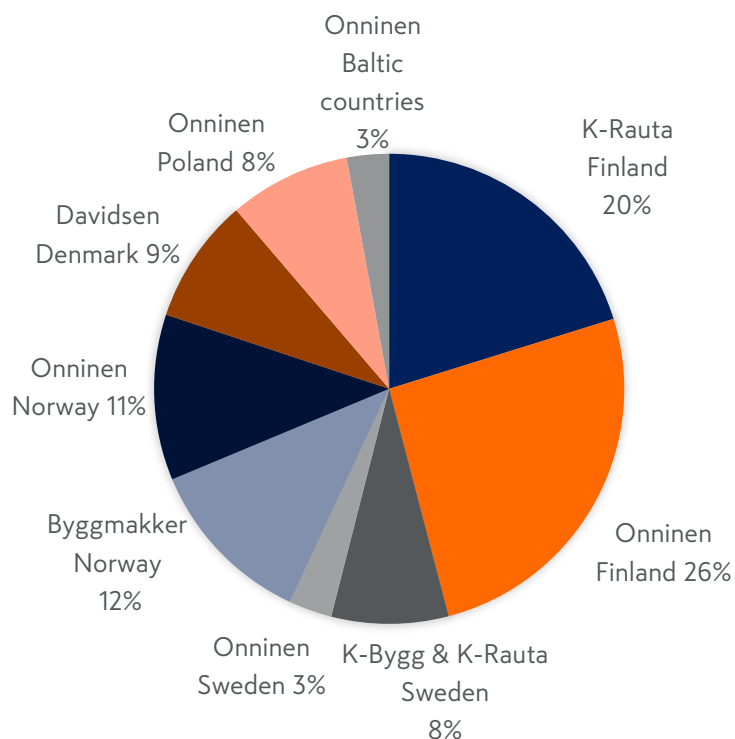
A man with curly hair, wearing a light-colored shirt and a dark vest, is smiling and holding a large sheet of material. He is in a workshop or factory setting with shelves of materials in the background. Another man with a beard and a plaid shirt is visible on the right side of the frame, looking towards the first man. The entire image has a warm, orange-toned filter.

BUILDING AND TECHNICAL TRADE

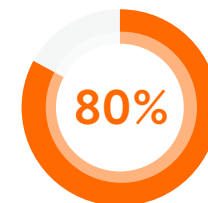
A GOOD RESULT IN A CHALLENGING ECONOMIC CYCLE

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, Sonepar

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 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:

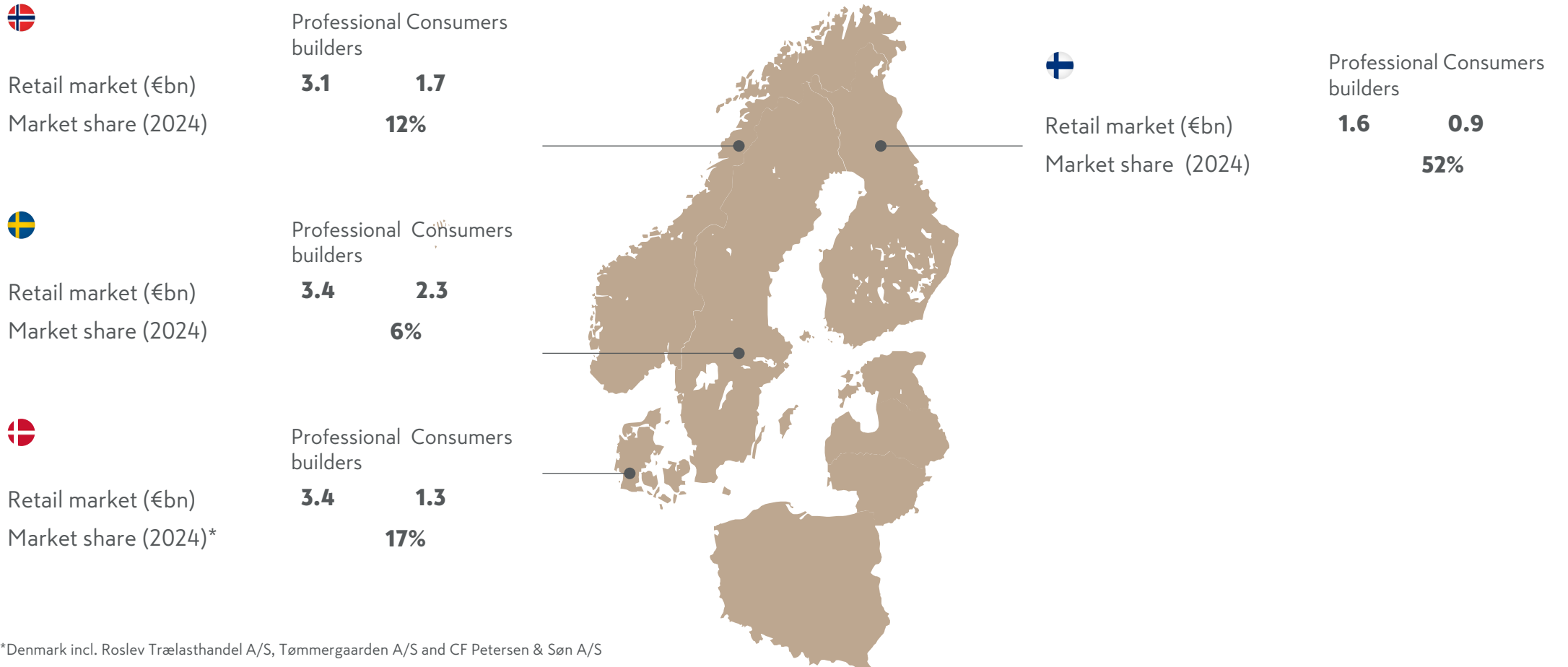
Urbanisation, green transition, building and construction work becoming more technical and being outsourced to professionals, growing renovation need and infrastructure investment debt, digitalisation, market consolidation

Competitors and peers:

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

BUILDING AND HOME IMPROVEMENT – STILL FURTHER POSSIBILITIES ESPECIALLY OUTSIDE FINLAND

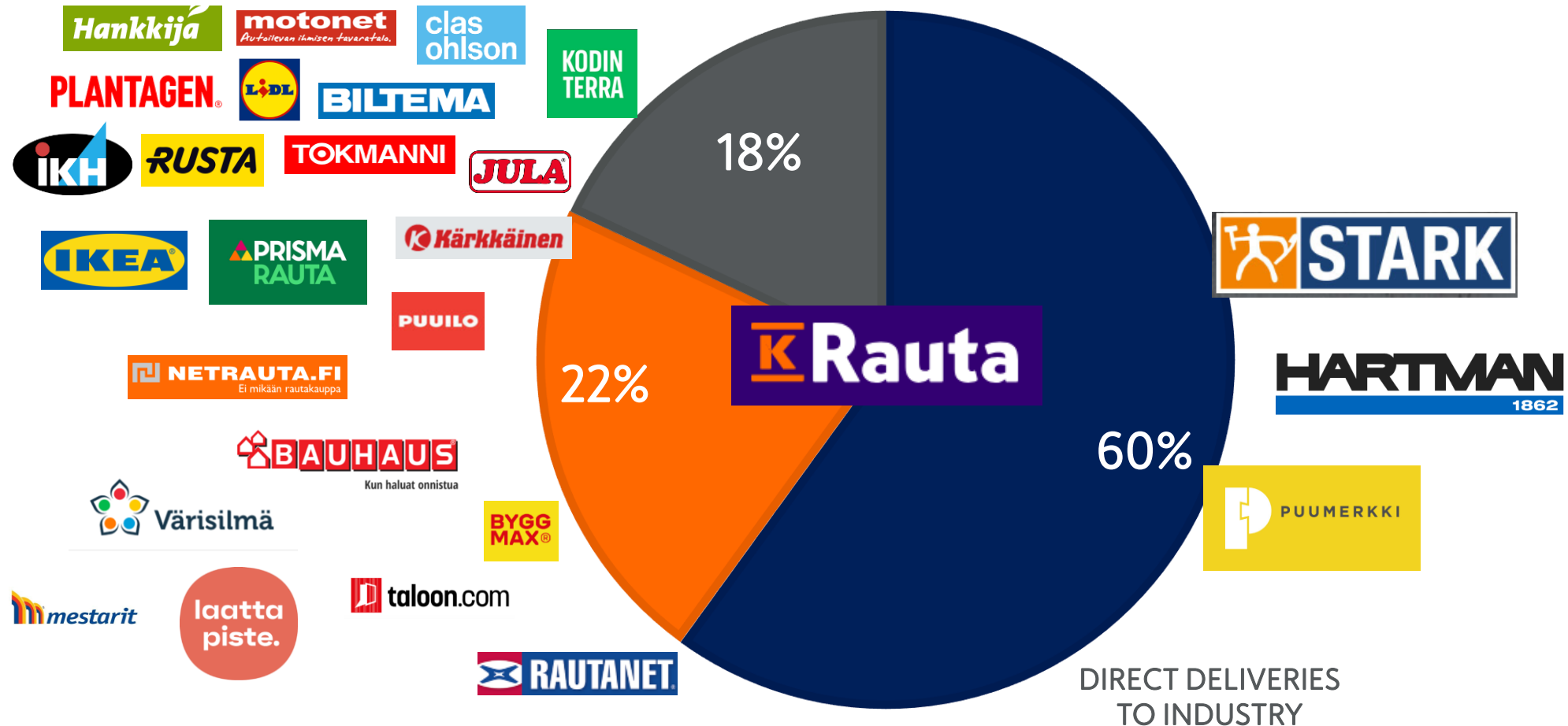
Total market size ~€18 billion



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

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

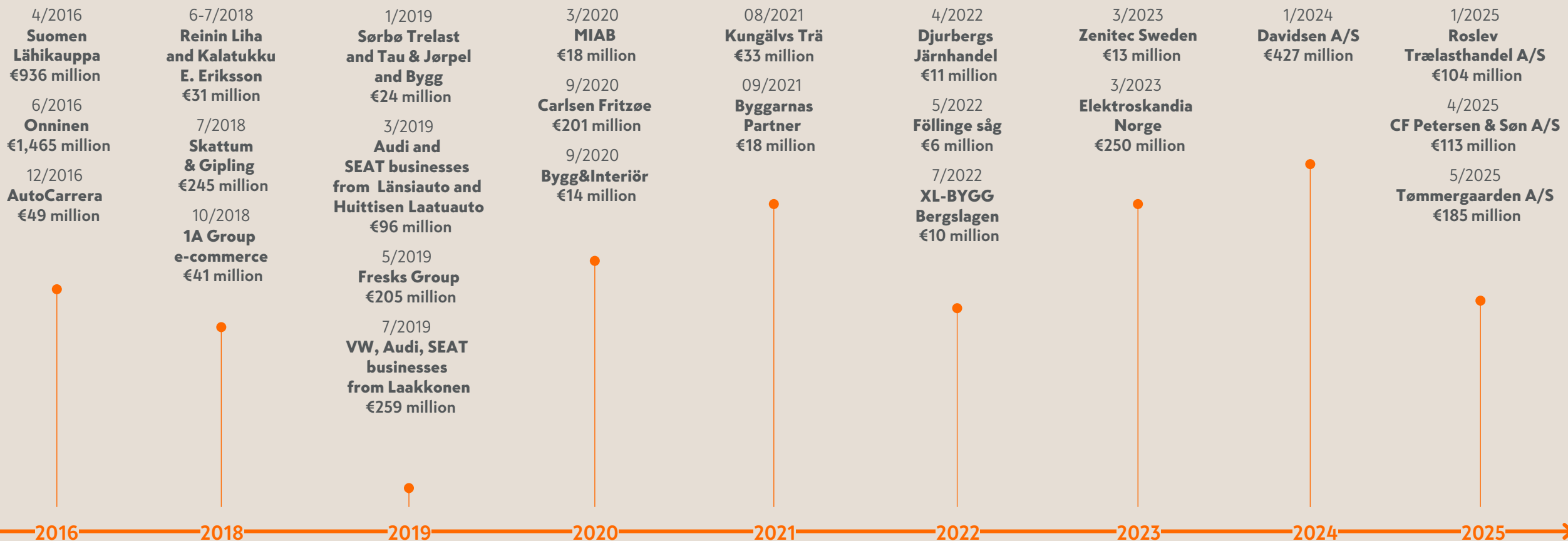
■ B2B sales ■ B2C sales, project customers ■ B2C sales, occasional customers



20 B2C-project customers purchase typically e.g. the whole kitchen or bathroom renovation



ACQUISITIONS HAVE PLAYED A SIGNIFICANT ROLE IN INTERNATIONAL GROWTH



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

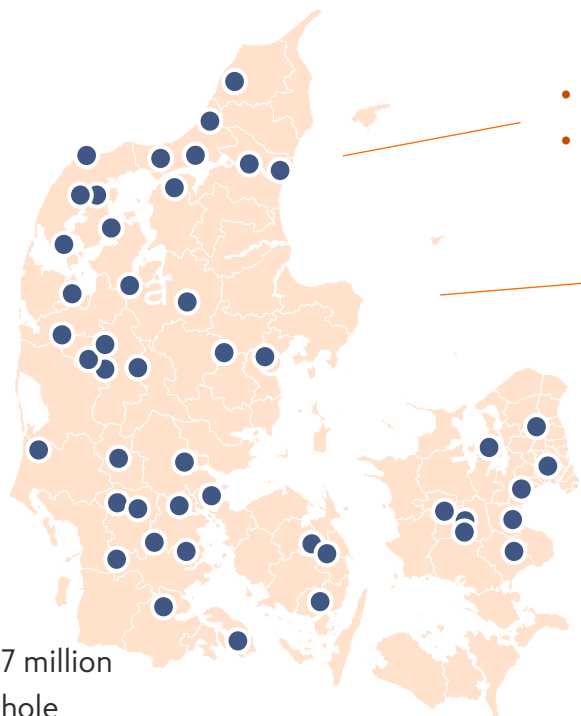
KESKO IN DENMARK

- Kesko expanded its operations to Denmark by acquiring the builders' merchant chain Davidsen in 2024, Kesko holds 90% of shares in Davidsen
- Following the acquisitions, Davidsen has a nationwide network of building and home improvement stores, with focus on B2B customers
- Post-acquisitions, Davidsen's sales amount to some €800 million, with a total market share of nearly 20%

DAVIDSEN

KESKO SUBSIDIARY AS OF 1 FEB. 2024

- **Financials:** 2023 net sales €427 million, operating profit €7 million
- **Market share:** ~30% in Southern Denmark, ~10% in the whole country; 23 stores of which 19 owned by Davidsen
- The debt-free enterprise value for 100% of the company was approximately €190 million (DKK 1,417.15 million), of which Kesko's share approximately €170 million



TØMMERGAARDEN A/S

PART OF DAVIDSEN AS OF 1 JUNE 2025

- **Financials:** 2024 net sales €191 million, operating profit €5.5 million
- **Market share:** ~11% in Northern and Central Jutland, 17 fully-owned stores

ROSLEV TRÆLASTHANDEL A/S

PART OF DAVIDSEN AS OF 1 FEBRUARY 2025

- **Financials:** 2024 net sales €103 million, operating profit €2.8 million
- **Market share:** ~9% in Central Jutland, 4 fully-owned stores

CF PETERSEN & SØN A/S

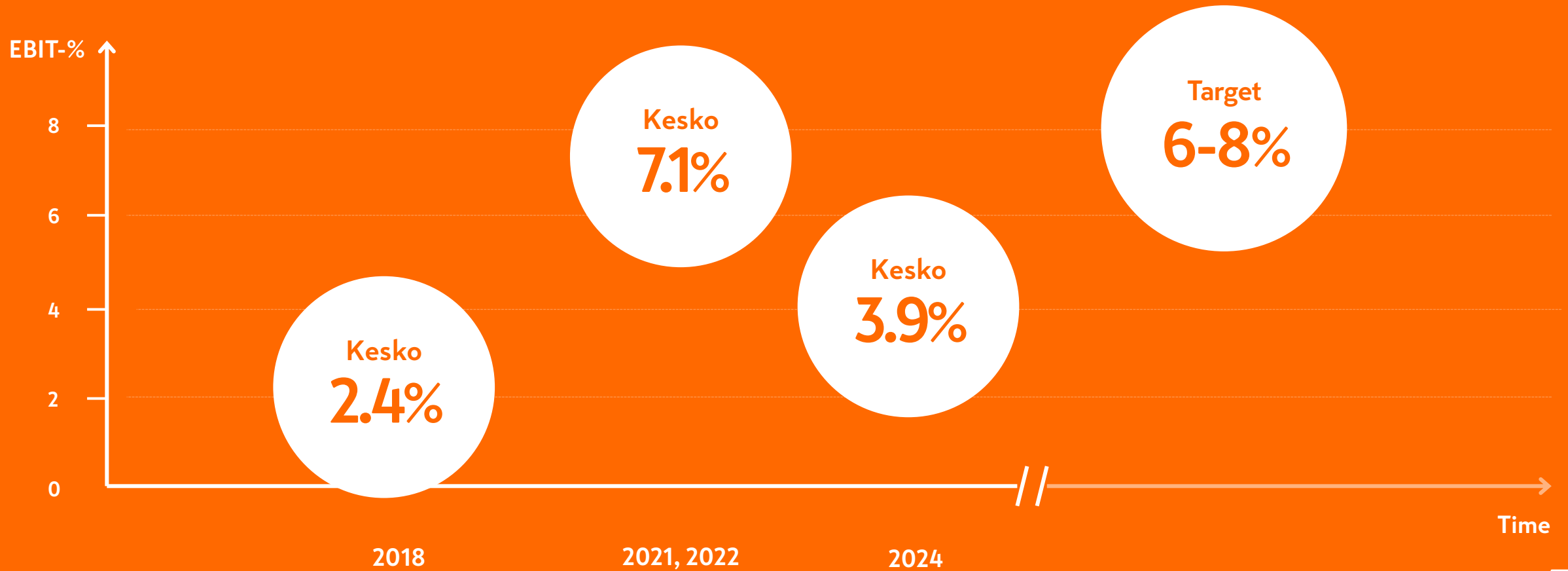
PART OF DAVIDSEN AS OF 1 MAY 2025

- **Financials:** 2024 net sales €109 million, operating profit €3.4 million
- **Market share:** ~8% in Zealand, 5 fully-owned stores

The combined debt-free enterprise value of **the three companies** approx. €222 million, of which Kesko's share approx. €200 million



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)

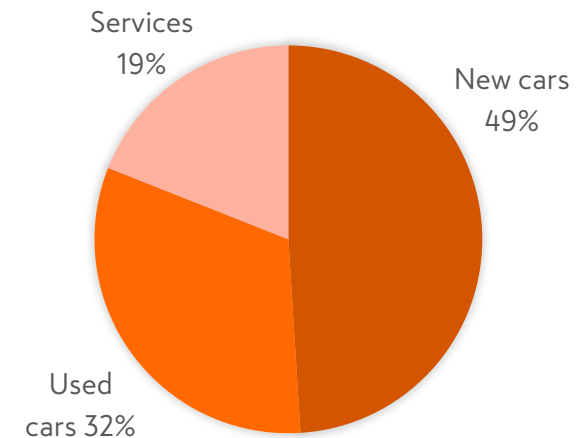


One unified brand for over million customers



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	Q2/2025
OPERATING MARGIN, COMPARABLE	OVER 6%	5.3%
RETURN ON CAPITAL EMPLOYED, COMPARABLE, %	OVER 14.5%	10.7%
INTEREST-BEARING NET DEBT/EBITDA, EXCLUDING IFRS 16 IMPACT	AT MAXIMUM 2.5	1.8

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

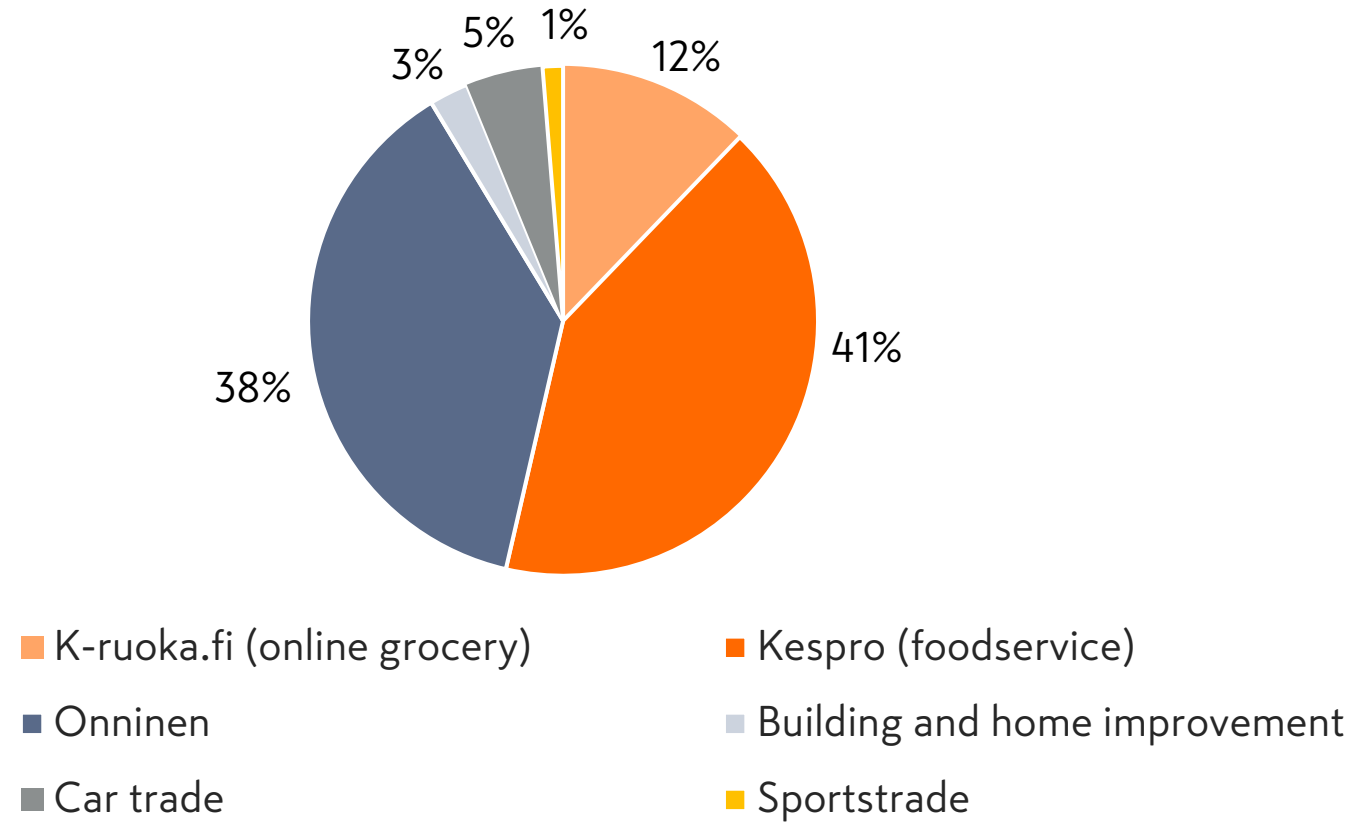
Personal benefits and offers

Digital Plussa money

Personal purchase trackers, e.g. carbon footprint calculator

Seamless customer experience irrespective of channel

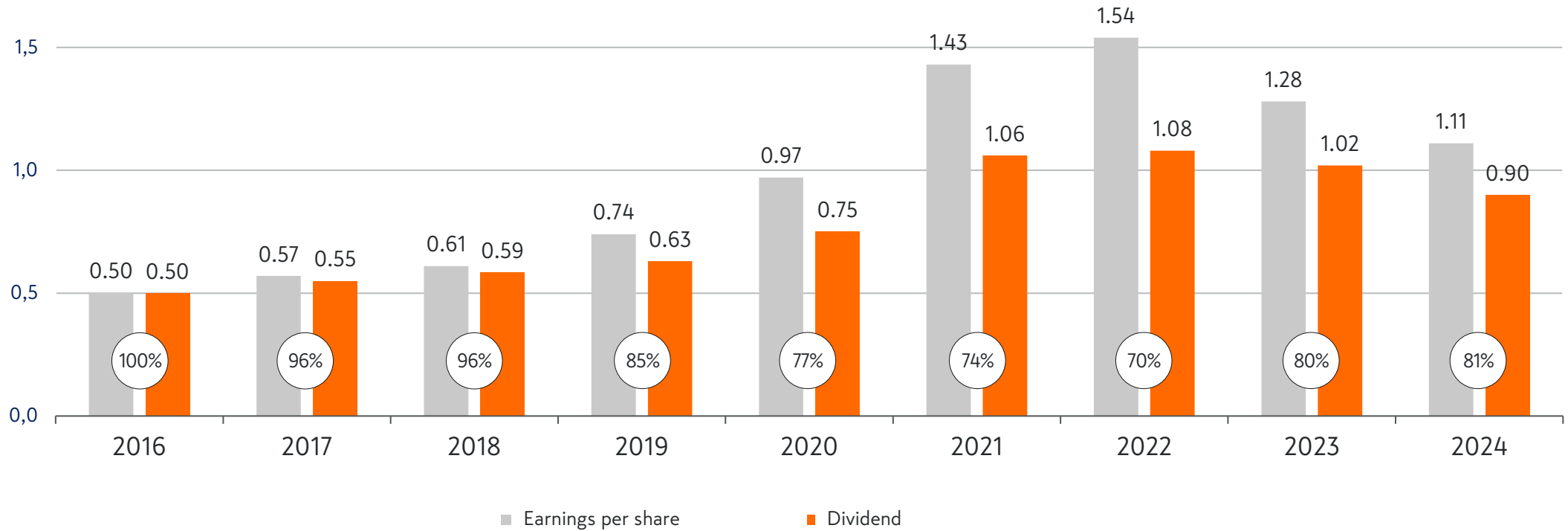
SALES VIA DIGITAL CHANNELS OVER €2.2 BILLION



DIVIDEND

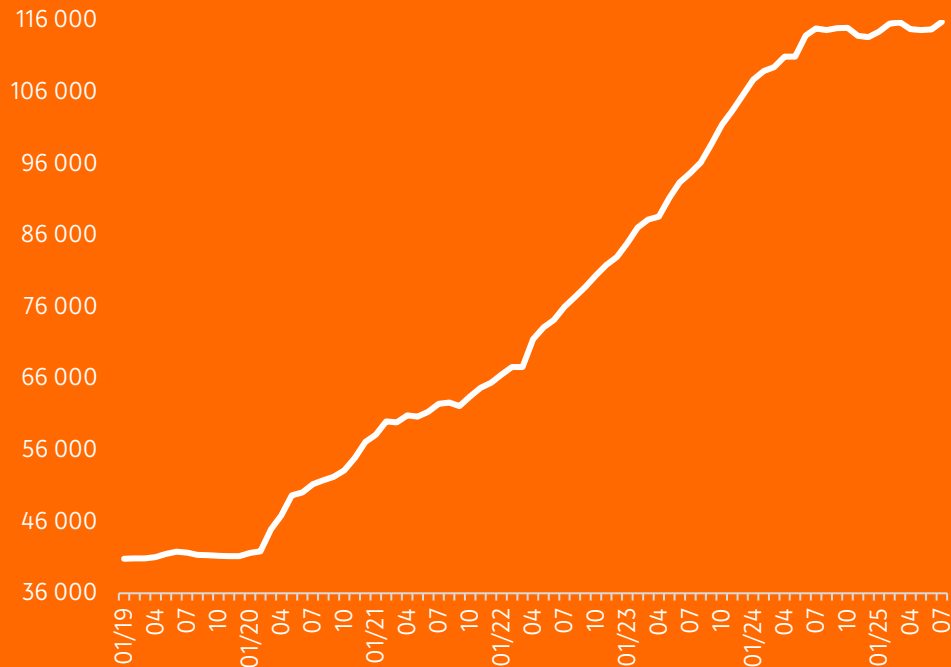
Dividend for 2024: €0.90/ share, paid in four instalments.

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.

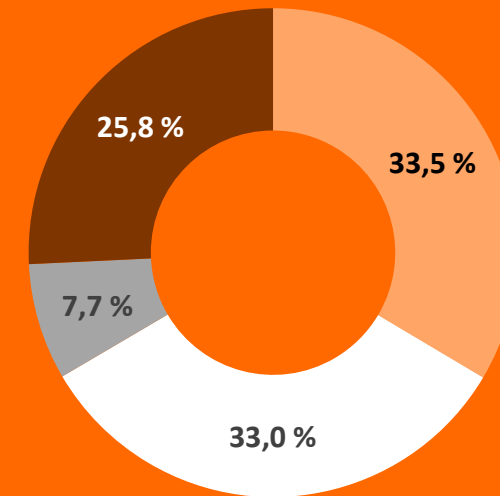


NUMBER OF SHAREHOLDERS HAS GROWN

~116,000 REGISTERED SHAREHOLDERS



BALANCED OWNERSHIP STRUCTURE



- Nominee-registered, foreign ownership
- Finnish institutions
- K-Retailers' Association and related parties (19.9% of votes)
- Households



KESKO HALF-YEAR FINANCIAL REPORT 2025

**STEADY PROFIT DEVELOPMENT –
TURNAROUND IN CONSTRUCTION CYCLE
SLOWER THAN PREVIOUSLY ANTICIPATED**

Jorma Rauhala
President and CEO
22 July 2025

SUMMARY OF Q2/2025

- Net sales increased, profit improved by nearly €5 million in comparable terms*
- Grocery trade: net sales increased, comparable operating profit decreased slightly. Profit improved in chain operations, but decreased in Kespro and K-Citymarket's non-food operations
- Building and technical trade: net sales increased, underpinned especially by acquisitions, comparable operating profit improved slightly excluding share of result from Kesko Senukai
- Car trade: net sales increased in new and used cars, comparable operating profit grew markedly
- In Denmark, the CF Petersen & Søn acquisition was completed at the end of April and the Tømmergaarden acquisition at the end of May
- Profit guidance for 2025 specified: Kesko now expects its comparable operating profit for the year to be in the range of €640–700 million

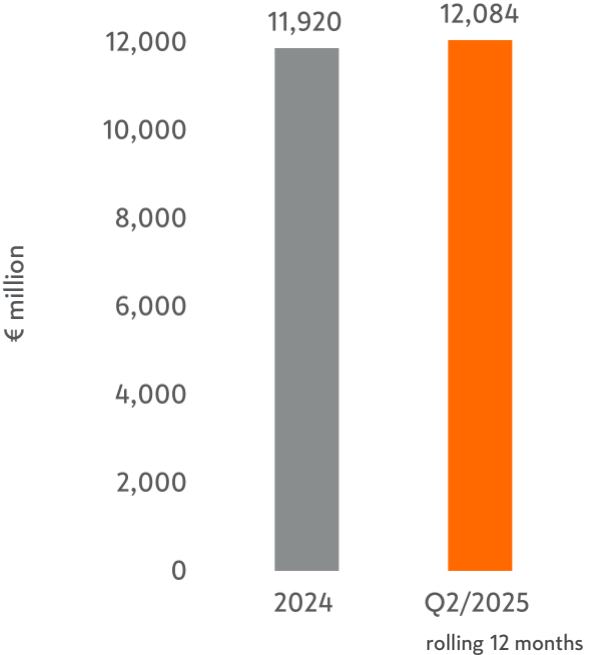
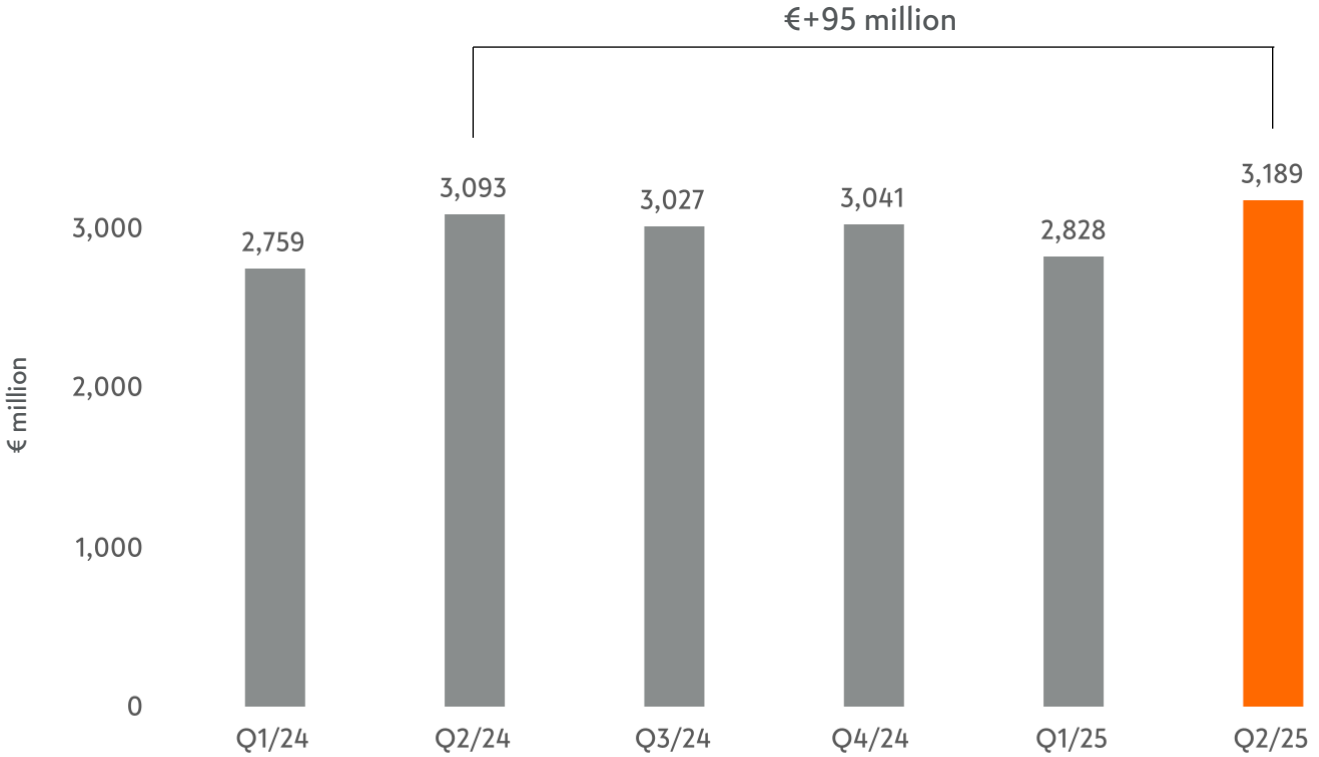
	Q2/2025	Q2/2024
Net sales, € million	3,188.8	3,093.4
Change in net sales, %*	1.3	-4.1
Operating profit, € million*	176.7	178.3
Operating margin, %*	5.5	5.8
Profit before tax, € million*	145.3	150.4
Earnings per share, basic, €*	0.29	0.30
Cash flow from operating activities, € million	323.9	309.0

* Comparable

* Q2/2025 profit growth excluding the share of result from Kesko Senukai was €4.8 million.

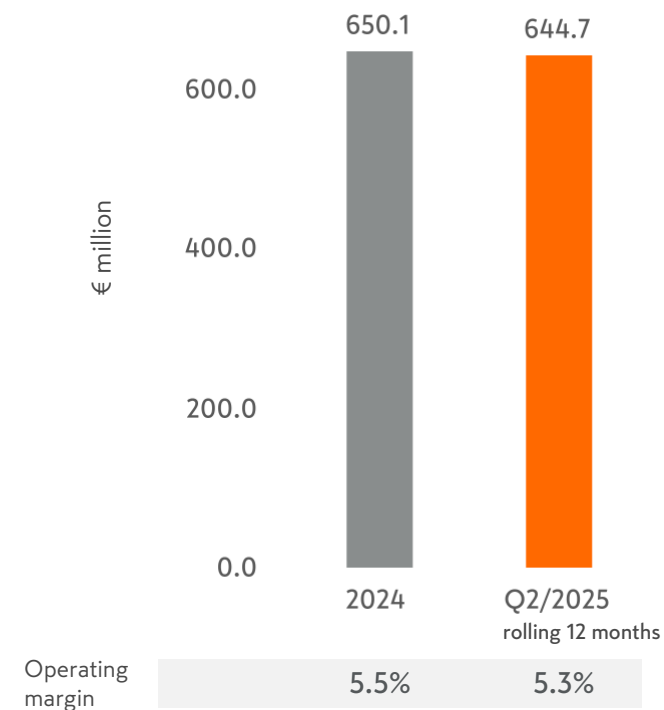
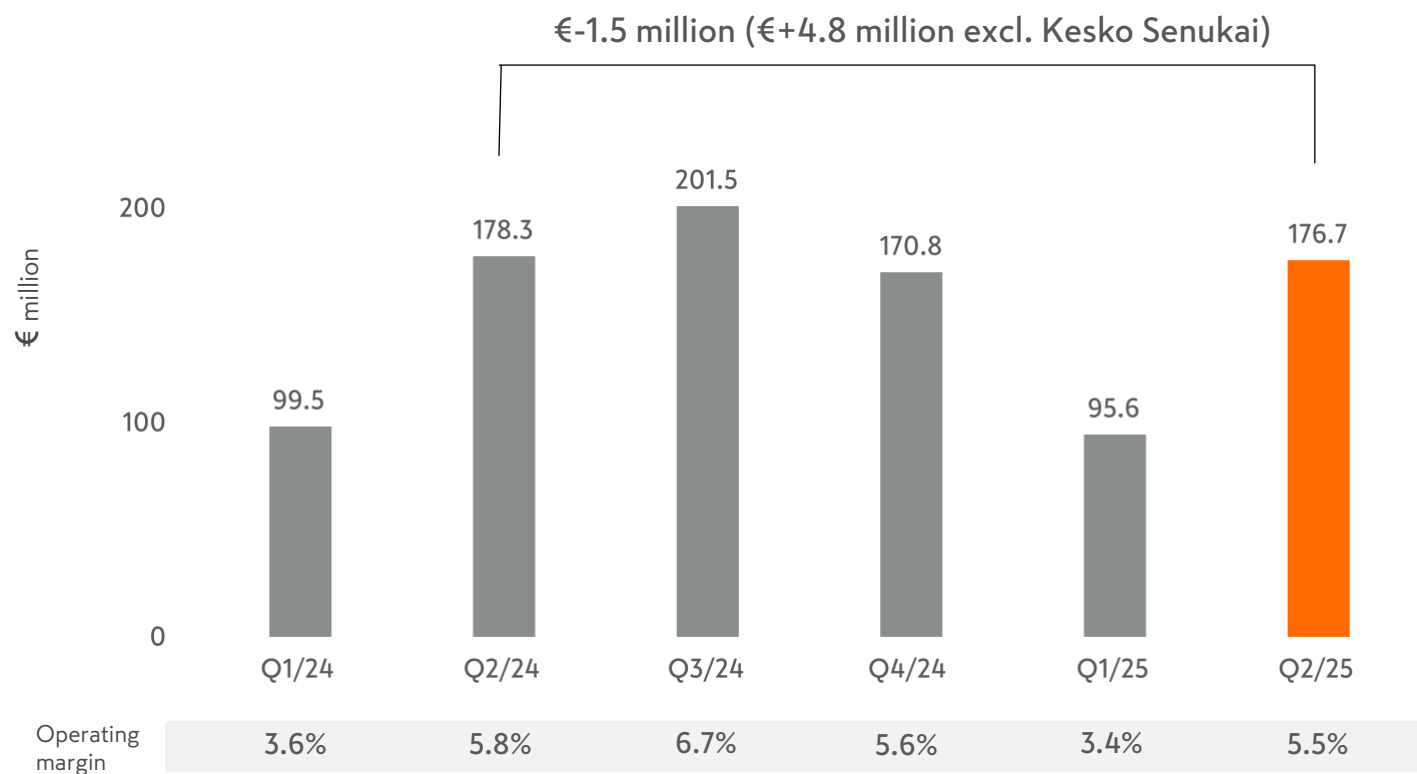
The Q2/2024 comparable operating profit includes a €6.3 million share of result from Kesko Senukai.

NET SALES



OPERATING PROFIT

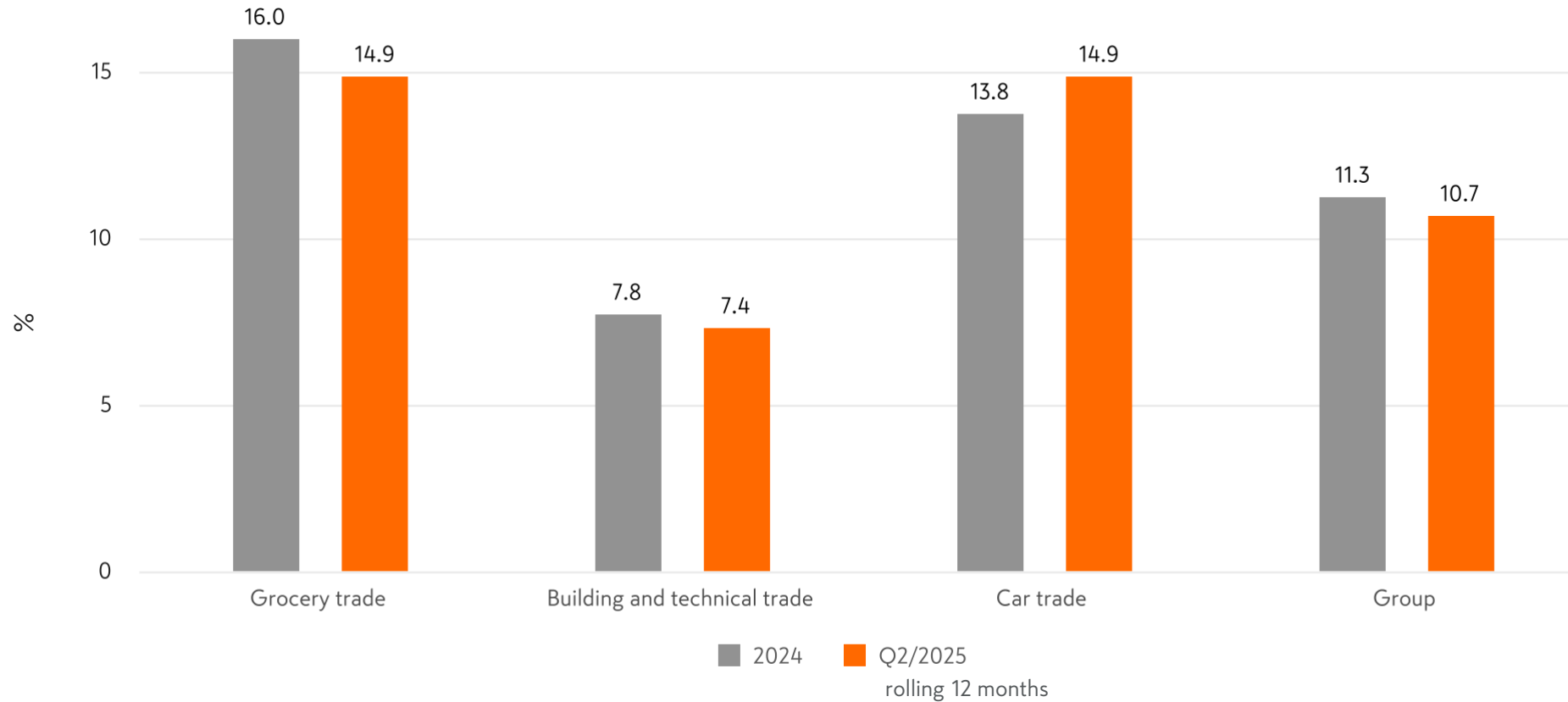
Comparable operating profit increased



Comparable figures

Q2/2024 figure includes €6.3 million from share of result from Kesko Senukai. Q2/2024 operating profit excluding share of result from Kesko Senukai would have been €172 million

RETURN ON CAPITAL EMPLOYED



FINANCIAL POSITION

	Q2/2025	Q2/2024
Cash flow from operating activities, € million	323.9	309.0
Liquid assets, € million	190.5	354.4
Capital expenditure, € million	317.6	128.4
Interest-bearing net debt excl. lease liabilities, € million	1,346.6	847.3
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.8	1.1
Lease liabilities, € million	2,098.9	2,038.1

CAPITAL EXPENDITURE

**Main CAPEX: acquisitions, investments in store sites
and the Onnela logistics centre**

	Q2/2025	Q2/2024
Store sites, € million	92.3	68.3
Acquisitions, € million	151.4	-
IT, € million	6.5	4.3
Other investments, € million	67.3	55.8
Total, € million	317.6	128.4

EXPENSES

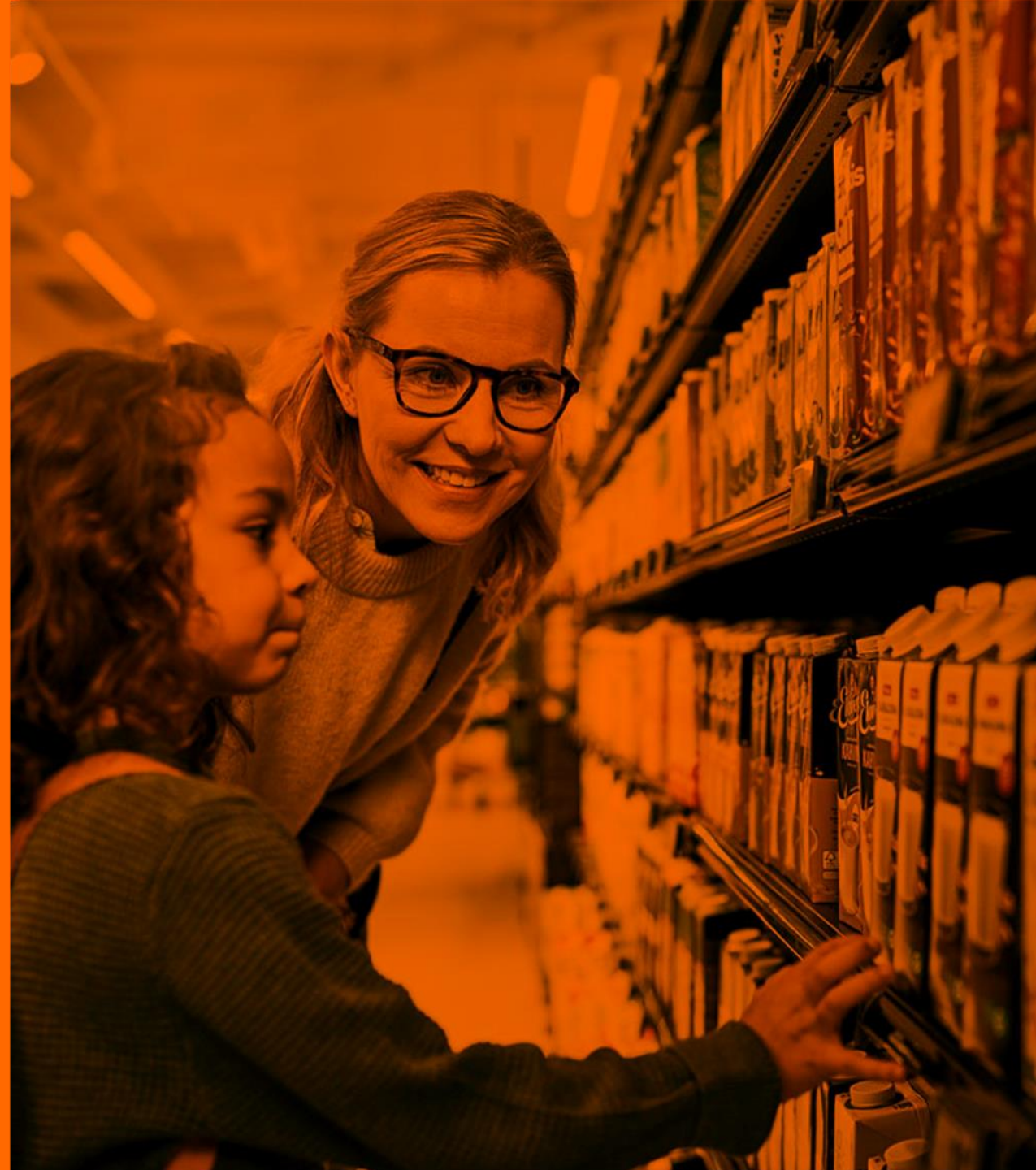
**Expenses have increased mainly due to acquisitions –
without acquisitions, expenses are up by just 0.6%**

	Q2/2025	Q2/2024
Fixed costs, € million	545.3	531.5
- Employee benefit expenses, € million	233.1	217.9
- Other expenses, € million	172.2	172.5
- Depreciation, € million	139.9	141.1
Cost ratio, %	17.1	17.2

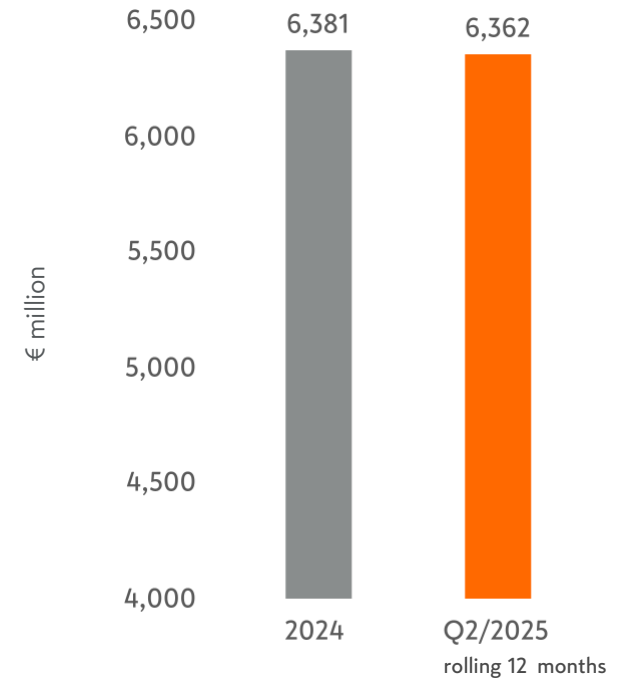
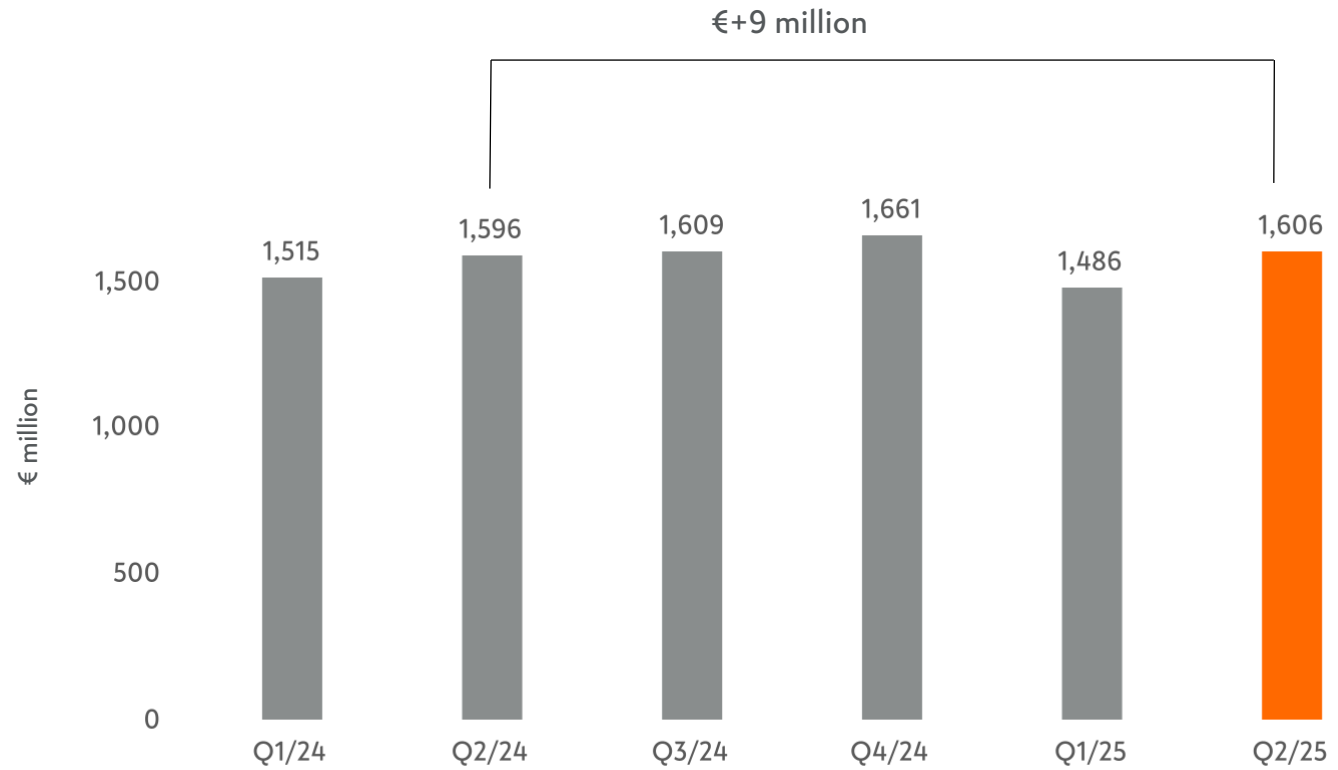


GROCERY TRADE Q2

STABLE SALES AND PROFIT PERFORMANCE

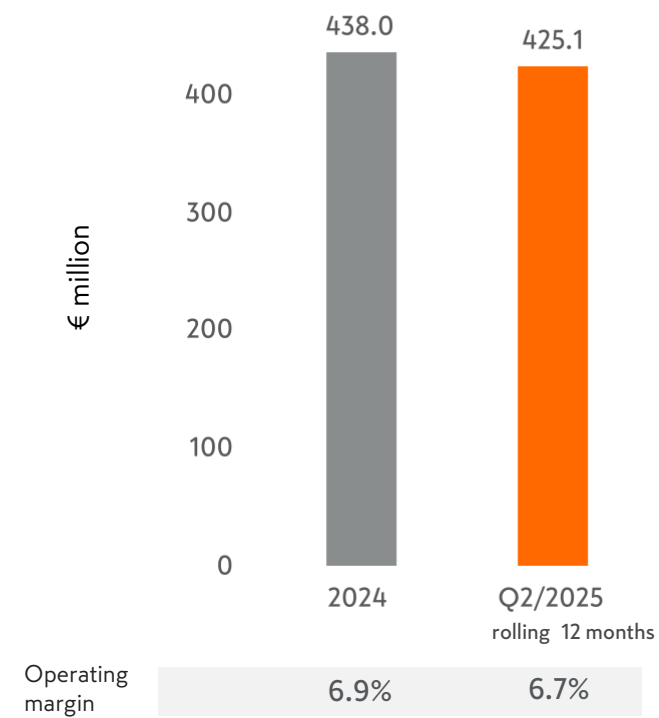
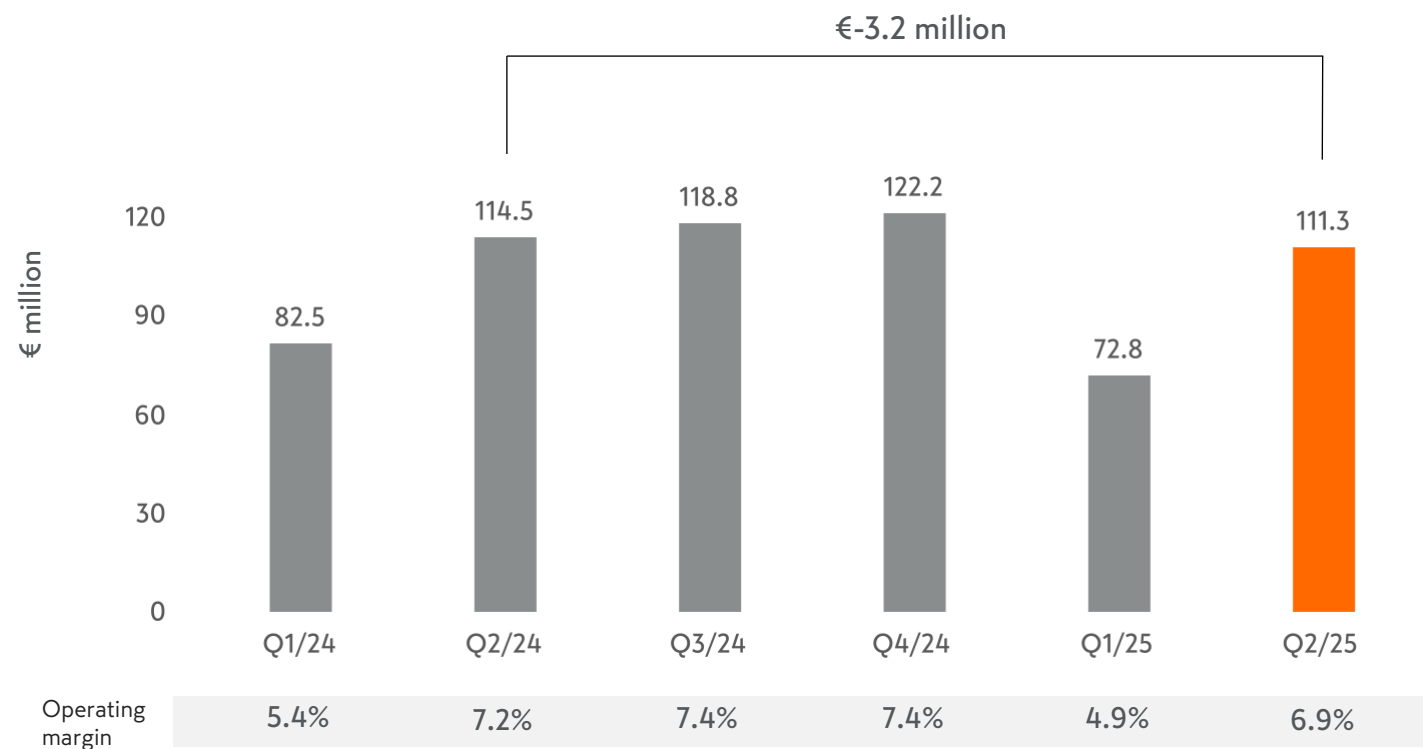


GROCERY TRADE NET SALES



GROCERY TRADE

OPERATING PROFIT



GROCERY TRADE HIGHLIGHTS IN Q2

- Net sales increased, comparable operating profit improved in chain operations, but decreased in Kespro and K-Citymarket's speciality goods trade (non-food)
 - K Group grocery sales up by 2.0%, partly impacted by the timing of Easter, which fell on April this year and on March in 2024
 - Kespro's net sales down by 0.7% - growth again exceeding the market
 - K-Citymarket non-food sales were down by 0.4%
- Customer flows continued to grow thanks to the price programme and campaigns, average purchase also up
- Online grocery sales up by 10.1%
- Total grocery market grew by approximately 3.2%
- Grocery price inflation in Finland approx. 2.3% (Statistics Finland, including VAT)
- Market share loss less pronounced, K-Citymarket chain gained market share in the hypermarket segment



KESKO'S HYPERMARKETS ARE LARGE URBAN GROCERY STORES

- Growth in Finnish grocery trade is the strongest in larger stores
 - Kesko's K-Citymarket chain currently has 82 stores
 - Hypermarkets play a crucial role in the development of Kesko's store network: five new and three replacement K-Citymarkets set to open in upcoming years
 - New stores: Ideapark in Lempäälä (2025), Kivistö in Vantaa (2026), Haapaniemi in Kuopio (2026), Ritaportti in Oulu (2027), and Espoon keskus in Espoo (under planning)
 - Replacement stores: Paavola in Lahti (2025), Ylivieska (2026), and Jokiranta in Porvoo (2027)
 - Focus on growth centres and urban locations
- Each K-Citymarket has a store-specific business idea tailored to local customer base, complementing efficient chain operation
 - Customers come to hypermarkets primarily for food shopping
 - Typically food accounts for some 80% of sales and non-food for some 20%
 - K-Citymarket retailers handle food sales, while Kesko is responsible for non-food items
 - Growth in non-food sales has lagged behind the growth in food sales, plenty of growth potential



EXTENSIVE PROGRAMME TO REVAMP K-CITYMARKET'S NON-FOOD TRADE

- The objective is to have a more store-specific approach also in non-food sales, and to support the business idea for food trade utilising data
- Changes supporting regular convenient shopping, new display solutions
- In terms of product categories, focus on beauty, home, and everyday clothing
- Aiming to increase the role on own brand products
- Expanding and modernising e.g. flower departments as a new initiative
- The online stores for food and non-food items merged to ensure a coherent customer experience





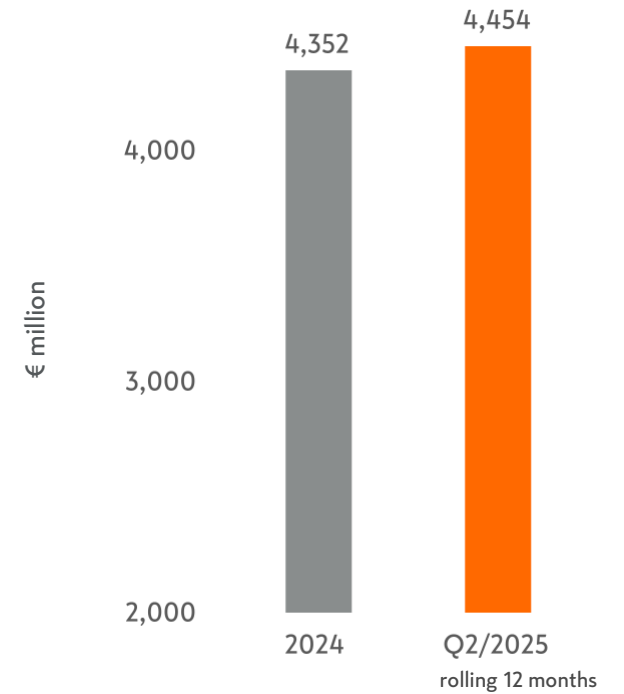
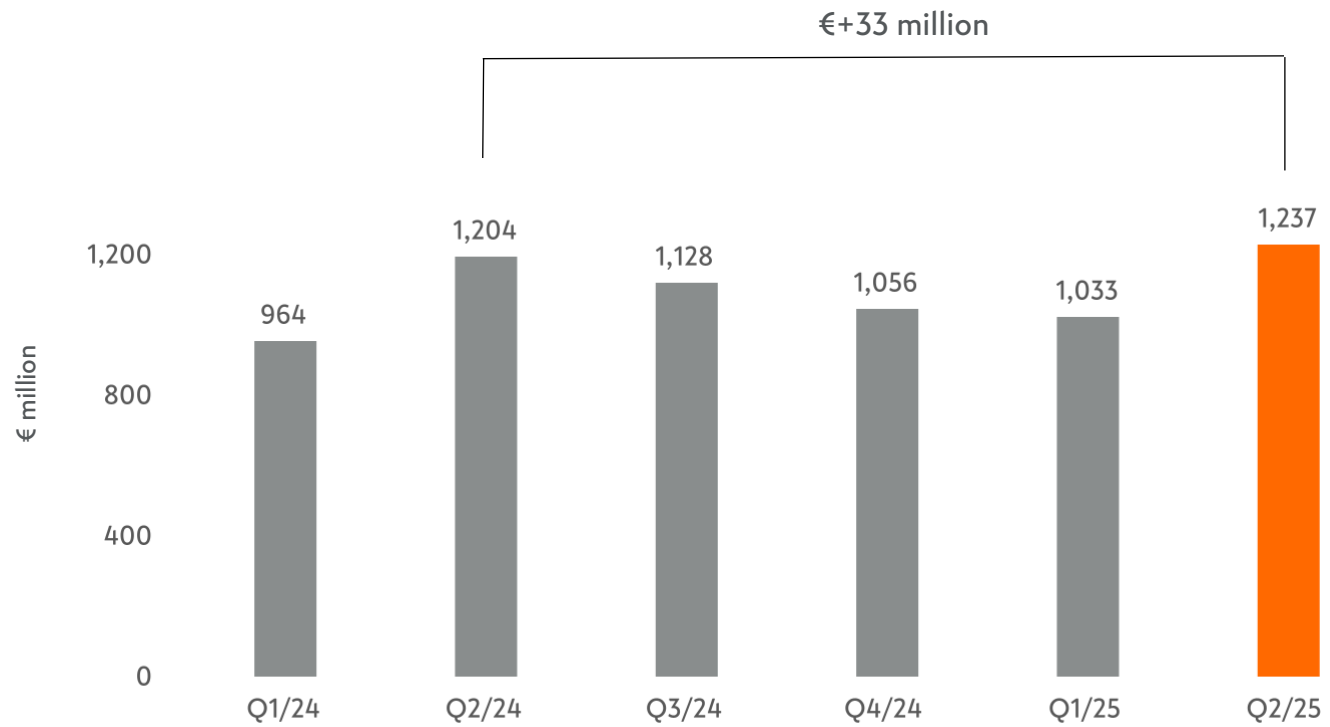
BUILDING AND TECHNICAL TRADE Q2

**CYCLE IS TURNING, BUT
PACE OF RECOVERY IS
SLOWER THAN PREVIOUSLY
ANTICIPATED**



BUILDING AND TECHNICAL TRADE

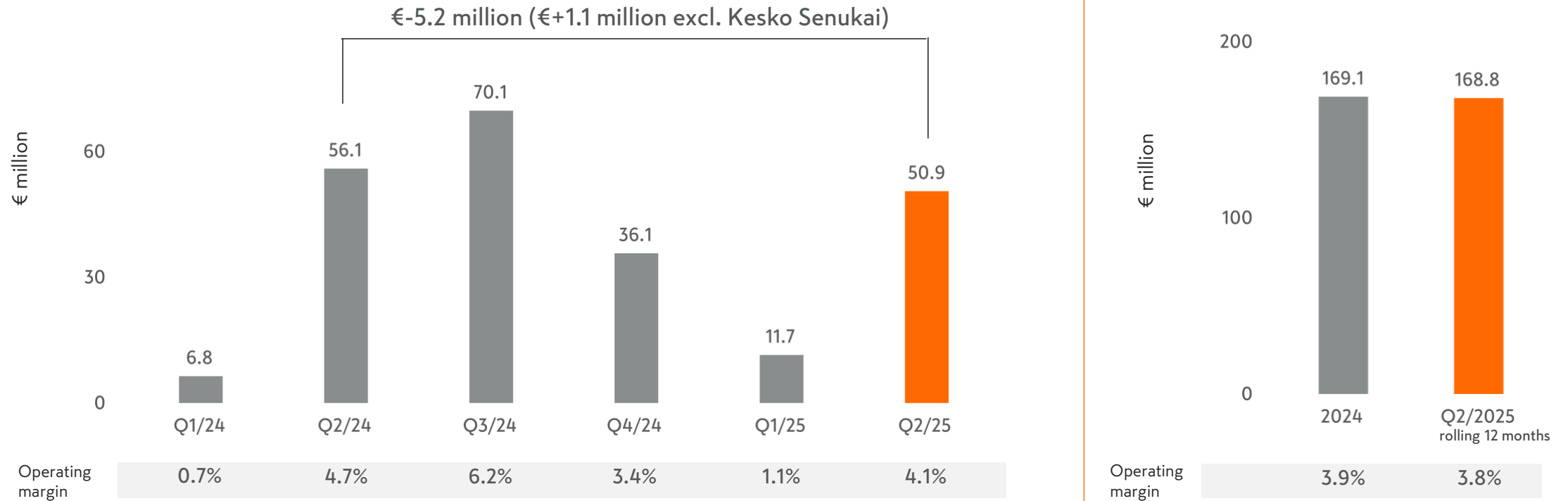
NET SALES



BUILDING AND TECHNICAL TRADE

OPERATING PROFIT

Comparable operating profit increased



Comparable figures

Q2/2024 figure includes €6.3 million from share of result from Kesko Senukai.

Q2/2024 operating profit excluding share of result from Kesko Senukai would have been €49.8 million

BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q2

- Division result improved year-on-year excluding the profit impact from Kesko Senukai
- In building and home improvement trade, comparable sales growth was weaker than anticipated. Due to slow recovery in new building construction, sales for late-cyclical technical trade fell short of last year
 - Finland: K-Rauta's sales grew in both the B2B and B2C segments
 - Finland: Onninen's sales decreased year-on-year
 - Norway: sales were slightly down for both Bygghjælp and Onninen, but profit improved markedly
 - Denmark: Davidsen's sales development strong, integration of acquired companies proceeding as planned
 - Sweden: ramp-up of converted K-Bygg stores still ongoing, negative impact on sales and profit
- The construction cycle is turning, but the pace of recovery is slower than previously anticipated especially in new building construction
- Credit risk well under control, €0.9 million written down for trade receivables past due date (€2.0 million)
- Kesko Senukai did not report its financials as scheduled, and thus in Kesko's Q2/2025 reporting the share of result from Kesko Senukai is €0.0 million (€6.3 million in Q2/2024).

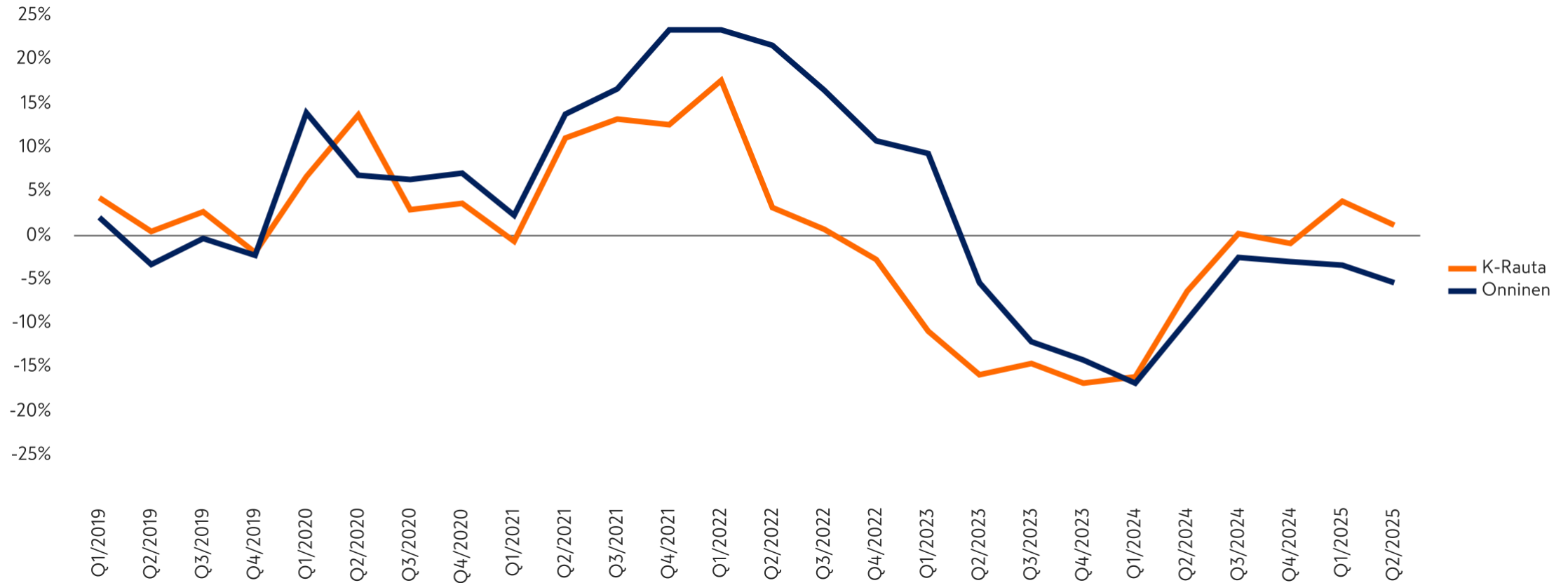
	Q2/2025	Q2/2024
Net sales, € million	1,236.8	1,203.7
Technical trade	566.3	583.8
Building & home improvement trade	688.7	635.9
Operating profit*, € million	50.9	56.1
Technical trade	20.1	19.2
Building & home improvement trade	30.7	30.6
Operating margin, %*	4.1	4.7
Technical trade	3.5	3.3
Building & home improvement trade	4.5	4.8

*Comparable



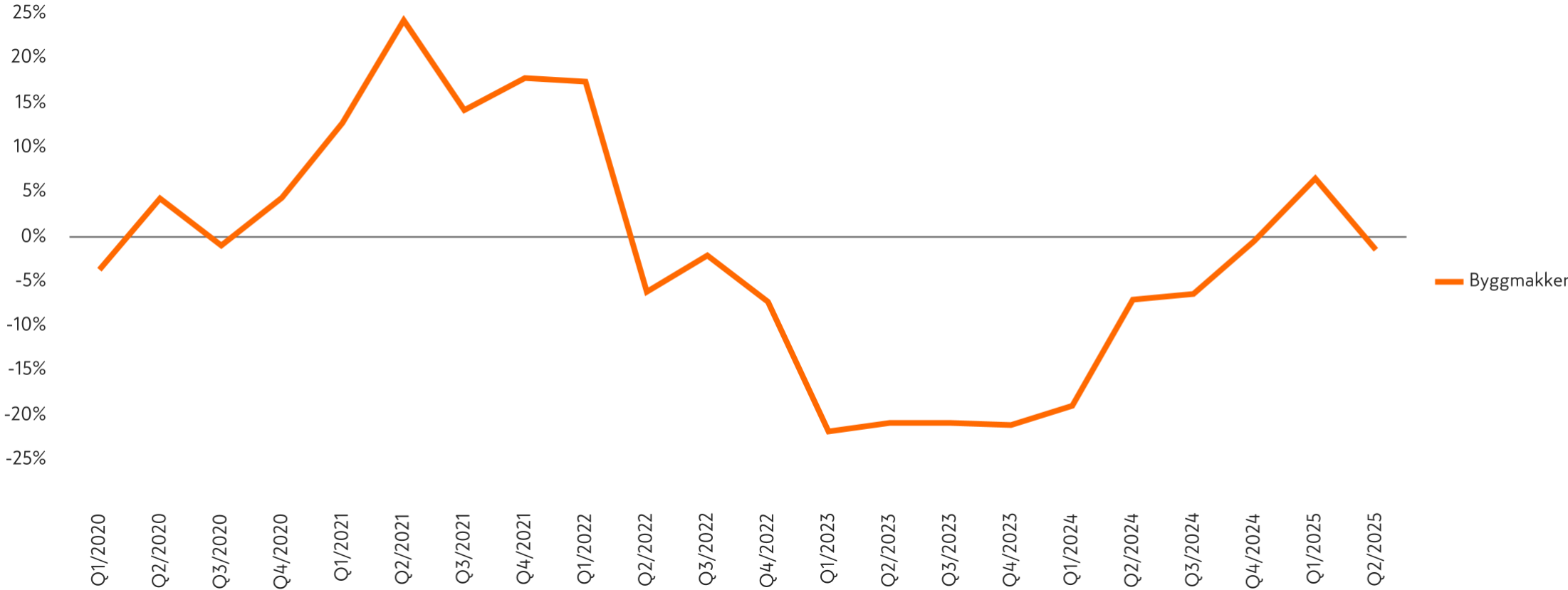
SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND

Retail and
B2B sales



BYGGMAKKER SALES IN NORWAY

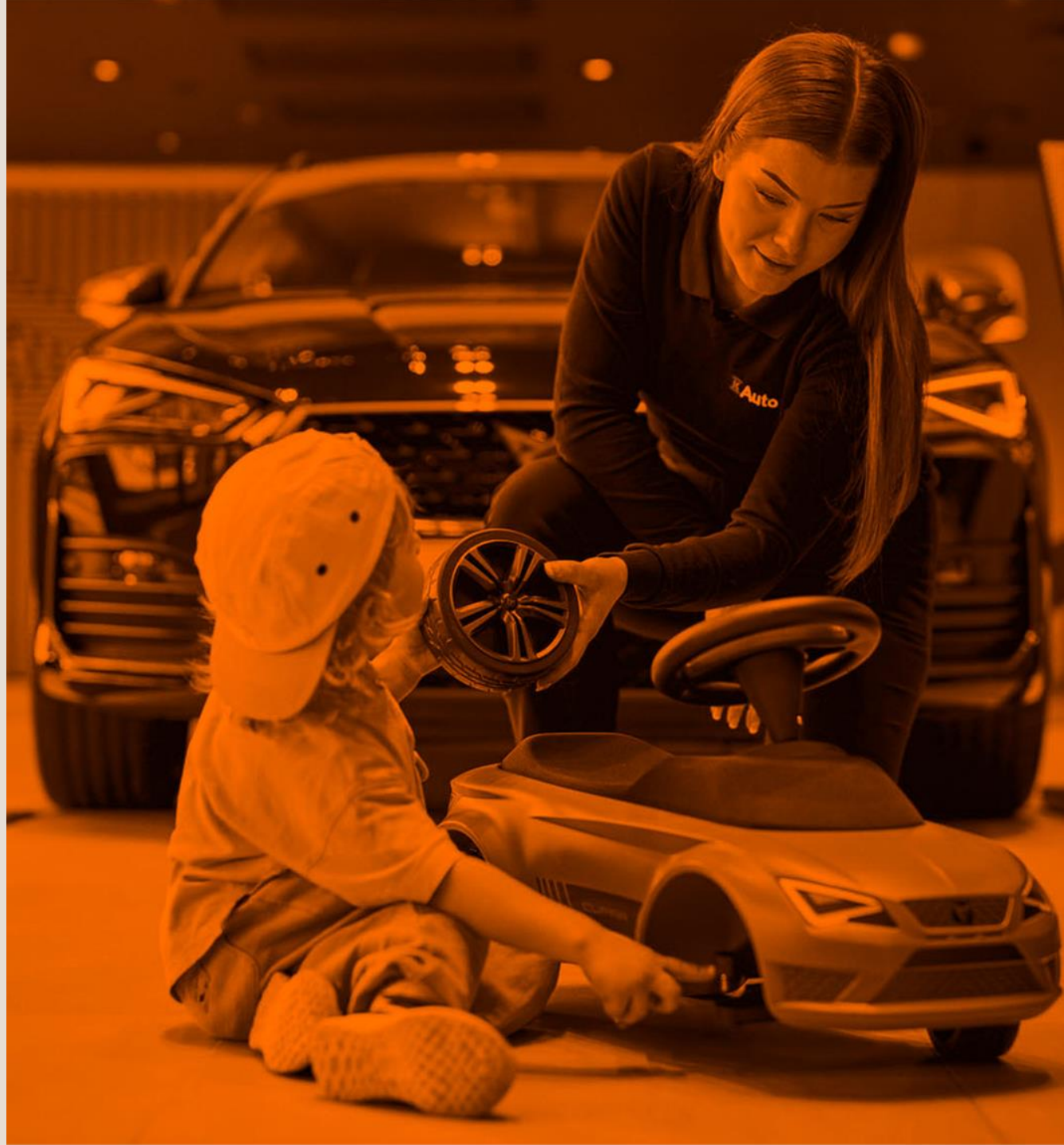
Retail and B2B sales



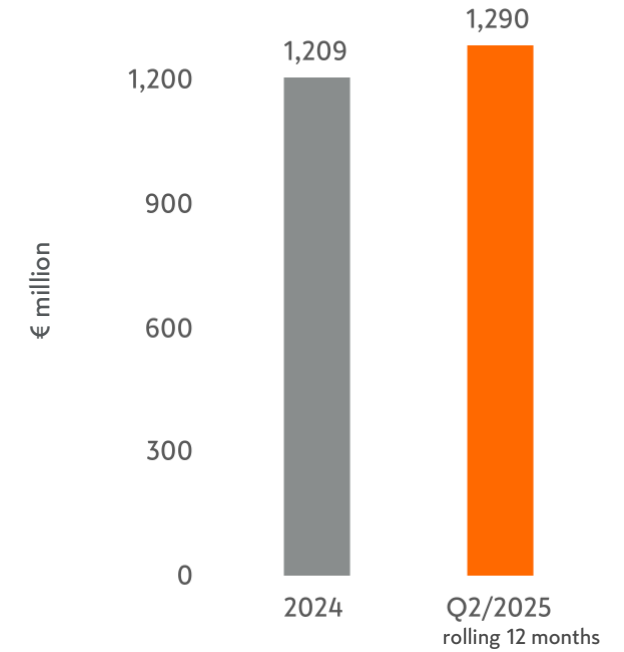
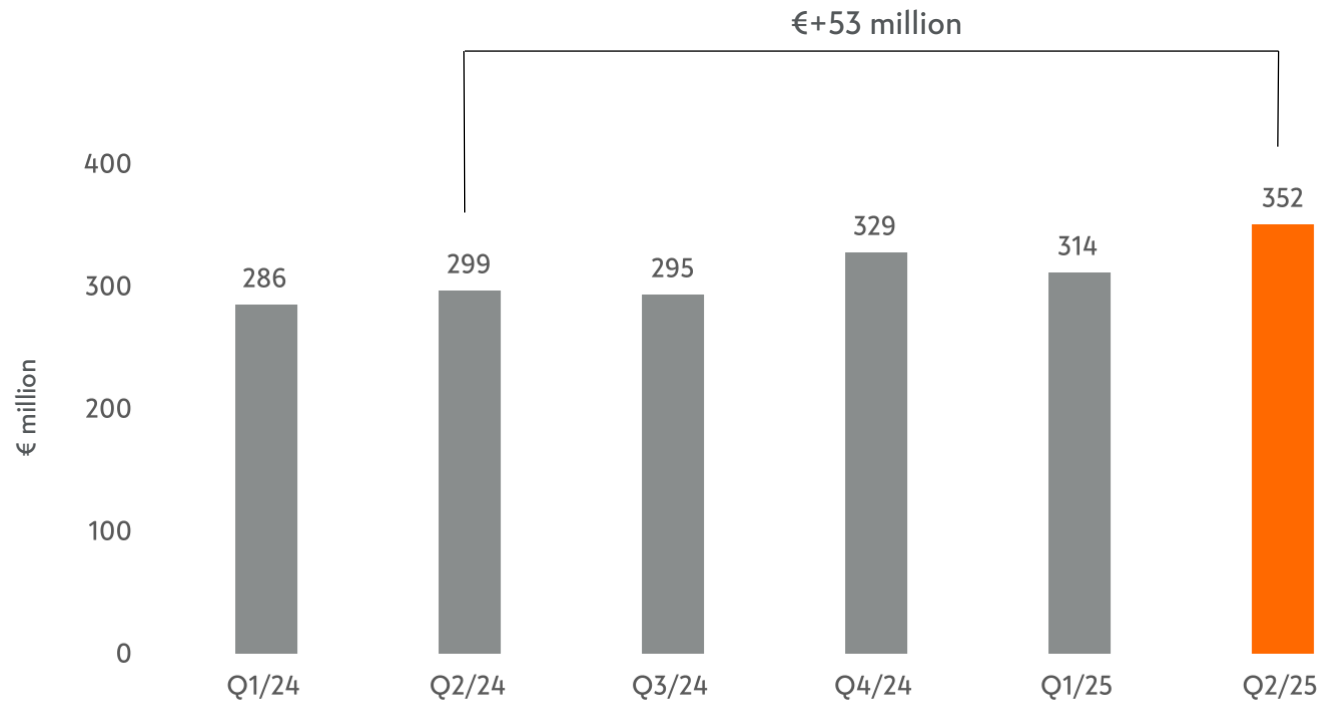


CAR TRADE Q2

SIGNIFICANT PROFIT IMPROVEMENT

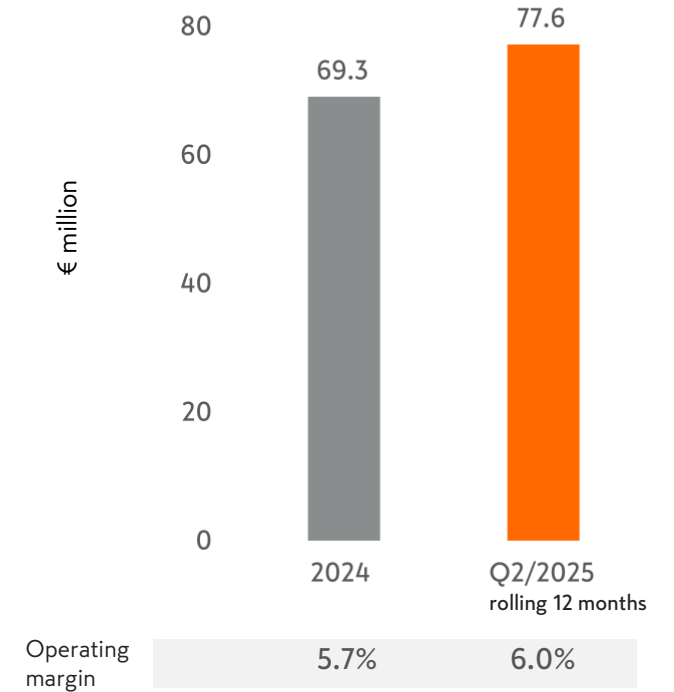
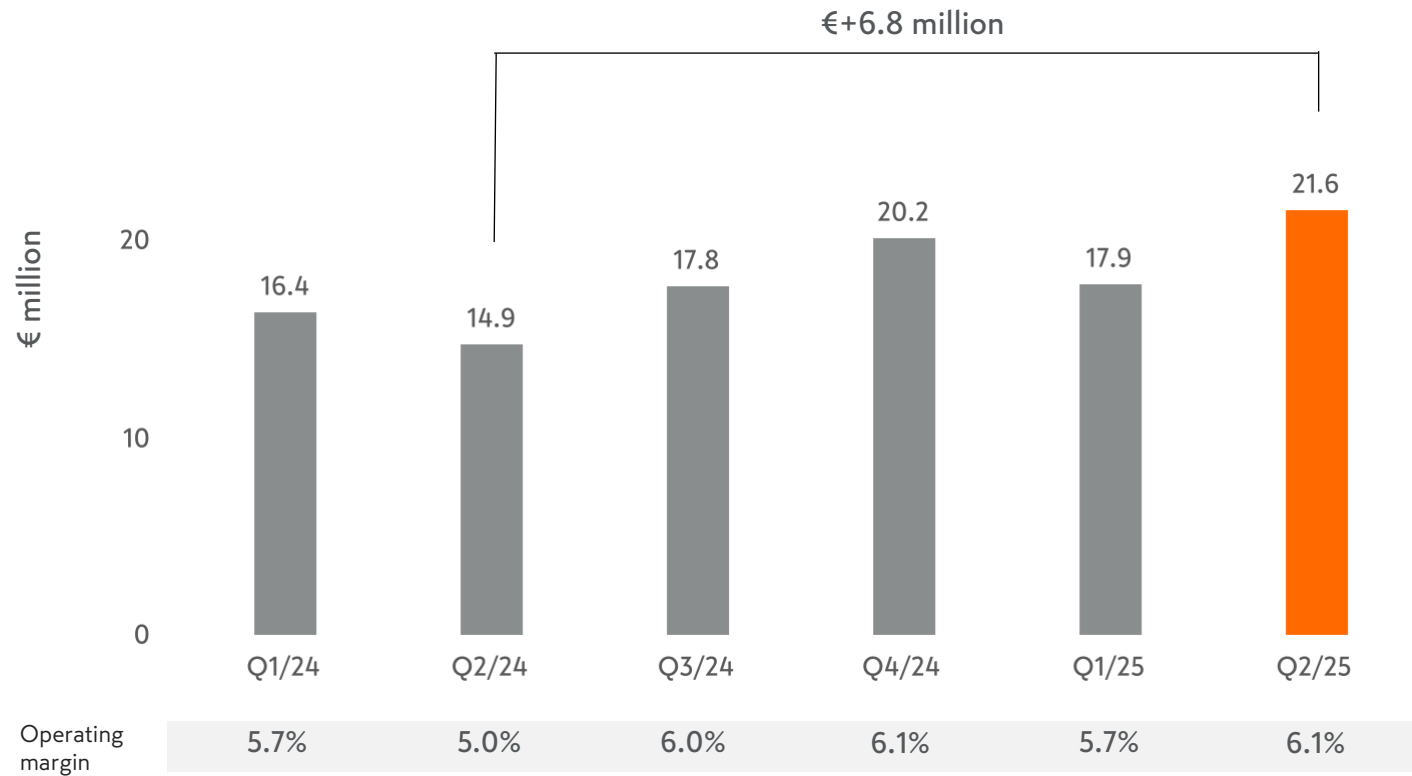


CAR TRADE NET SALES



CAR TRADE

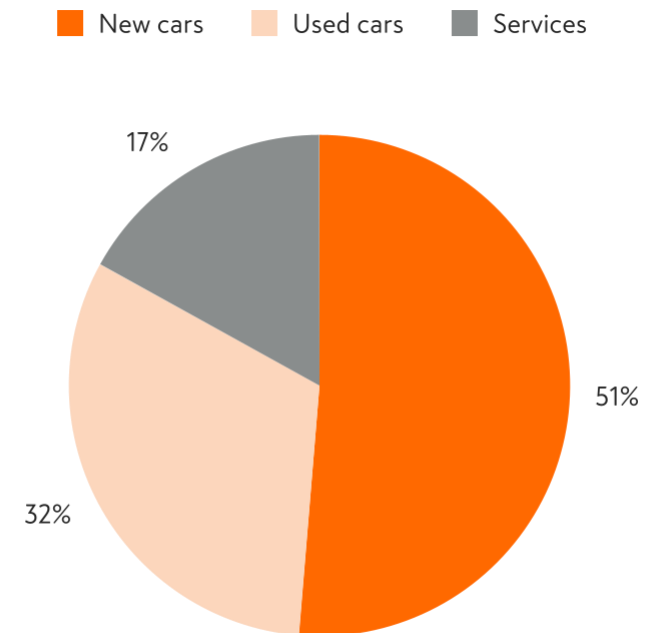
OPERATING PROFIT



CAR TRADE HIGHLIGHTS IN Q2

- Market demand for new cars still muted, Q2 first registrations of passenger cars and vans up by 0.4%; first registrations of brands represented by Kesko up by 32.6% in Q2
- The updated strategy with focus on three car trade business areas and continuous development of operations now yielding results
- Net sales and comparable operating profit grew markedly despite the challenging market situation, thanks in particular to strong new car sales
- New car sales accelerated in particular by Volkswagen's EV models
- Used car sales also clearly outperformed the market, service sales decreased
- Net sales and comparable operating profit increased in sports trade

K-AUTO, NET SALES



Net sales for the division's car trade businesses, Q2/2025, rolling 12 months

SPECIFIED PROFIT GUIDANCE AND OUTLOOK FOR 2025

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 2025 comparable operating profit will amount to €640-700 million. Kesko previously estimated that the comparable operating profit would amount to €640-740 million.

The profit guidance issued now includes the acquisitions completed in Denmark in the first half of the year: their impact on Kesko's 2025 comparable operating profit is estimated to amount to less than €5 million due to costs related to integration and the completion of acquisitions.

Kesko Senukai did not report its financial figures for the first half of the year as scheduled. The profit guidance is based on the assumption that the share of result from Kesko Senukai will be at the same level as in 2024.

The updated profit guidance is based on developments in the first year-half and updated estimates regarding a slower-than-anticipated cycle recovery in building and technical trade. Key uncertainties impacting Kesko's outlook are developments in consumer confidence and 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, but the cycle turnaround in new building construction in particular will be slower than previously anticipated.

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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