



KESKO INVESTOR EVENT 2025

SOLID EXECUTION OF OUR GROWTH STRATEGY CONTINUES IN ALL THREE DIVISIONS

Jorma Rauhala
President and CEO
29 September 2025

K GROUP TODAY

3 DIVISIONS:
GROCERY TRADE
BUILDING AND TECHNICAL
TRADE
CAR TRADE

39,000 EMPLOYEES,
1,800 STORES AND
1,100 RETAILERS
8 OPERATING COUNTRIES

KESKO'S MARKET CAP ~ €7.8 BN
~116,000 SHAREHOLDERS

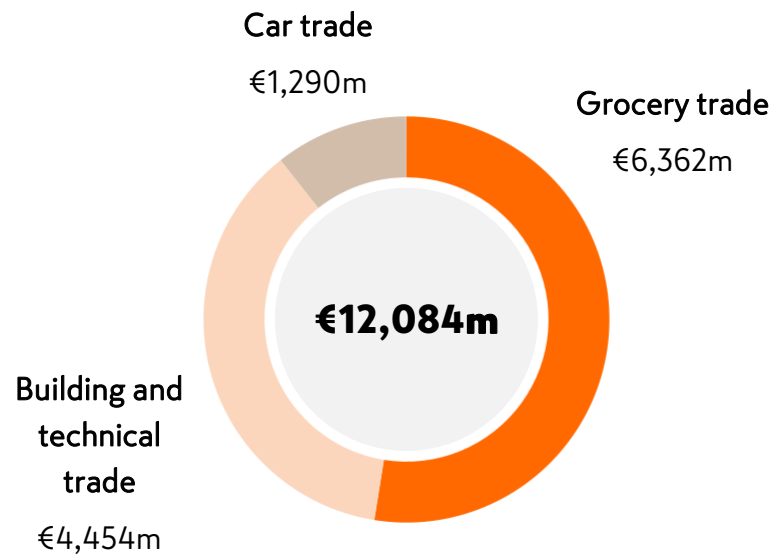
RETAIL AND B2B SALES
~ €15 BILLION

2 MILLION DAILY
CUSTOMER ENCOUNTERS

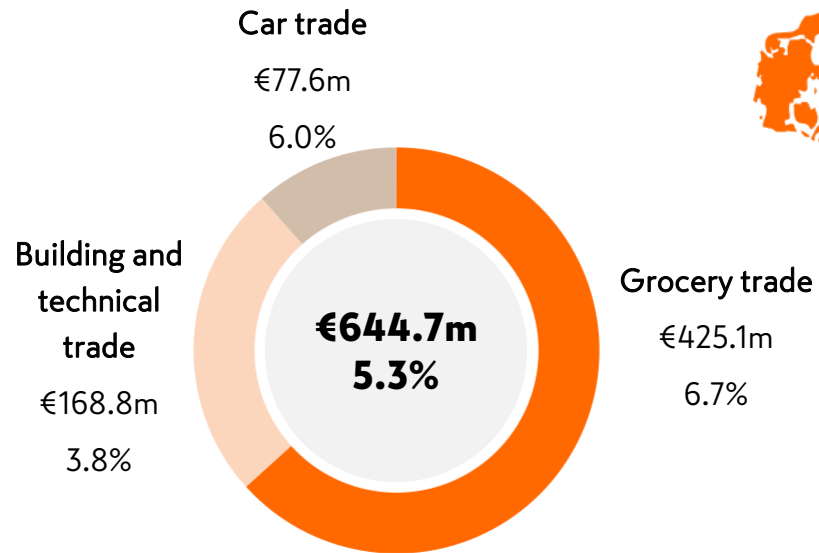


KESKO KEY FIGURES

NET SALES

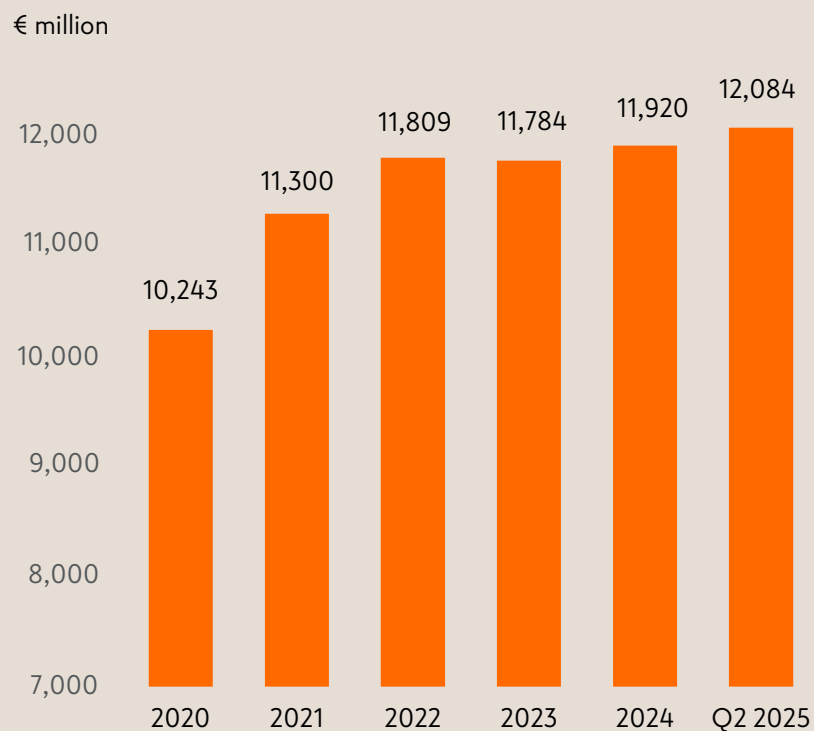


OPERATING PROFIT

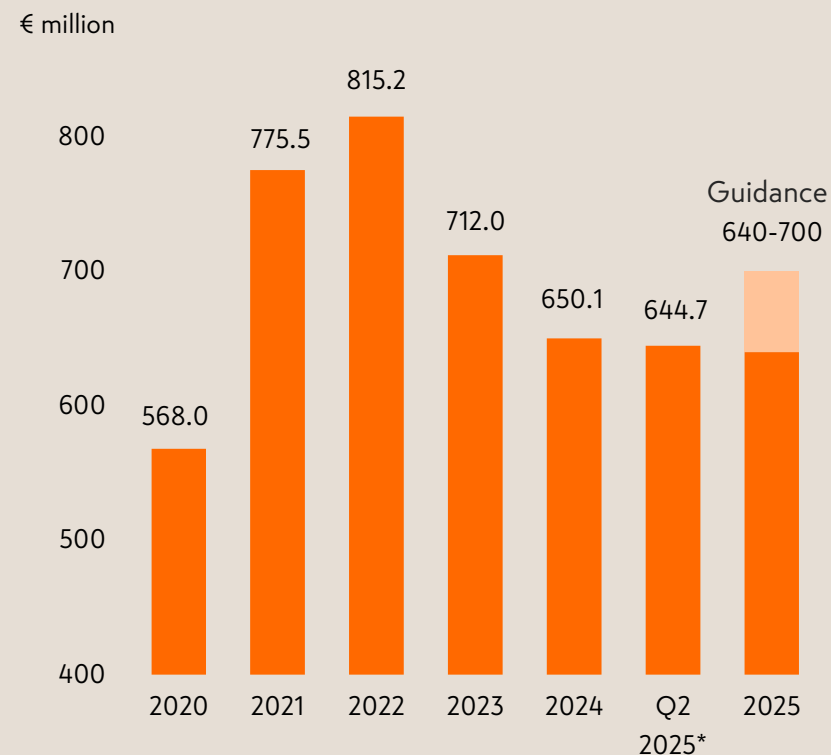


GOOD PERFORMANCE DESPITE A CHALLENGING MARKET

NET SALES



OPERATING PROFIT



Operating
margin

5.3% 6.9% 6.9% 6.0% 5.5% 5.3%

*Operating profit excl. Kesko Senukai H1/2025

KESKO'S MEDIUM-TERM FINANCIAL TARGETS

	TARGET	Q2/2025 rolling 12 months / 30.6.2025
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

OPERATING ENVIRONMENT AND MEGATRENDS AFFECTING KESKO

**GLOBAL
POLITICAL & ECONOMICAL
UNCERTAINTY**

**BUSINESS & CONSUMER
CONFIDENCE**

**URBANISATION &
DEMOGRAPHIC CHANGES**

**INDIVIDUALITY &
EFFORTLESSNESS**

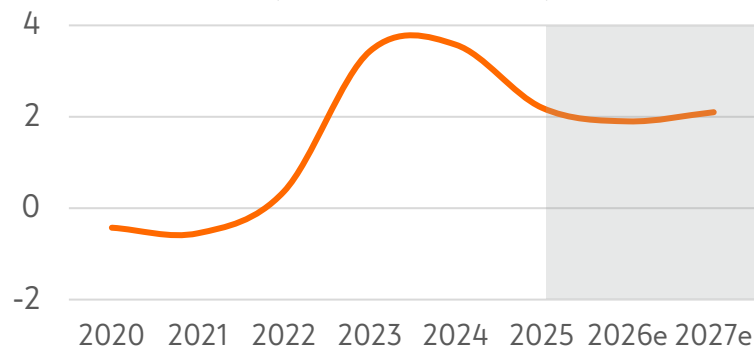
**CLIMATE CHANGE &
GREEN TRANSITION**

DIGITALISATION & AI



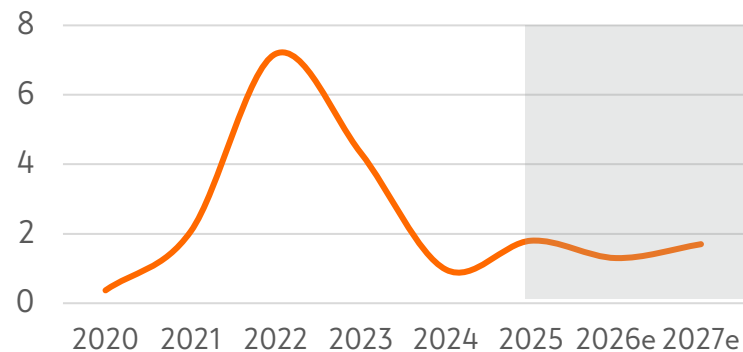
SIGNS OF GRADUAL IMPROVEMENT IN THE FINNISH OPERATING ENVIRONMENT

INTEREST RATES
(3-month Euribor)



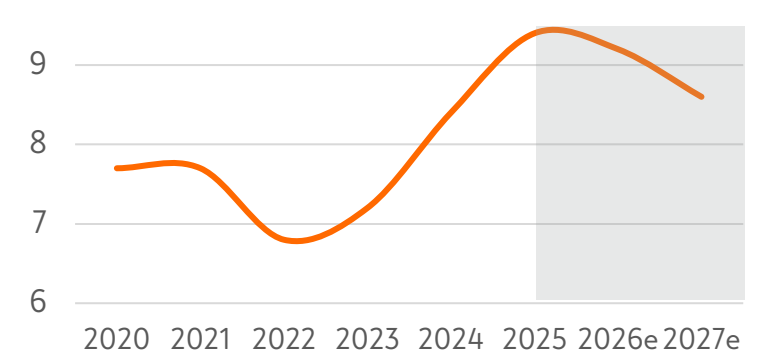
Source: Bank of Finland 9/2025

CONSUMER PRICE INFLATION



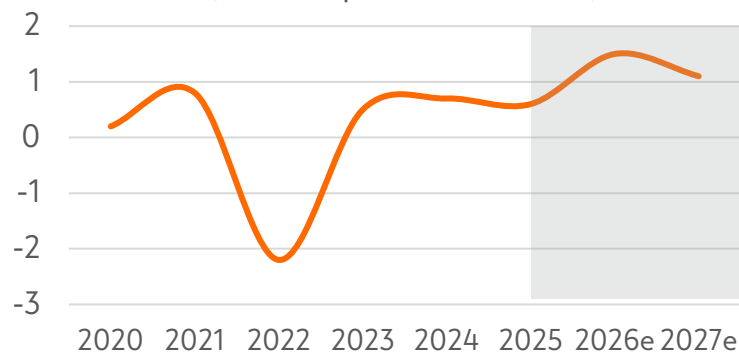
Source: Statistics Finland 1/2025, forecast by Bank of Finland 9/2025.
Harmonised index of consumer prices

UNEMPLOYMENT RATE



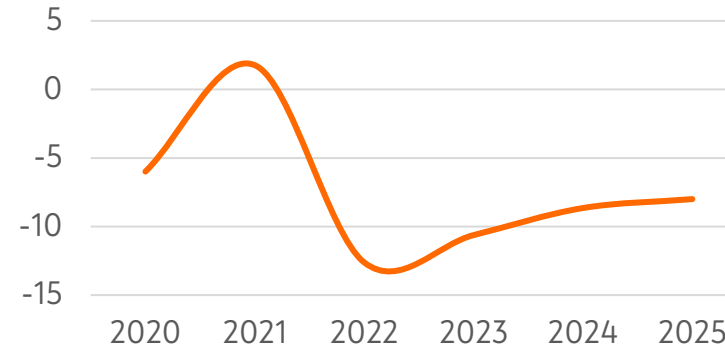
Source: Statistics Finland 1/2025, forecast by Bank of Finland 9/2025

PURCHASING POWER
(Real disposable income)



Source: Bank of Finland 6/2025

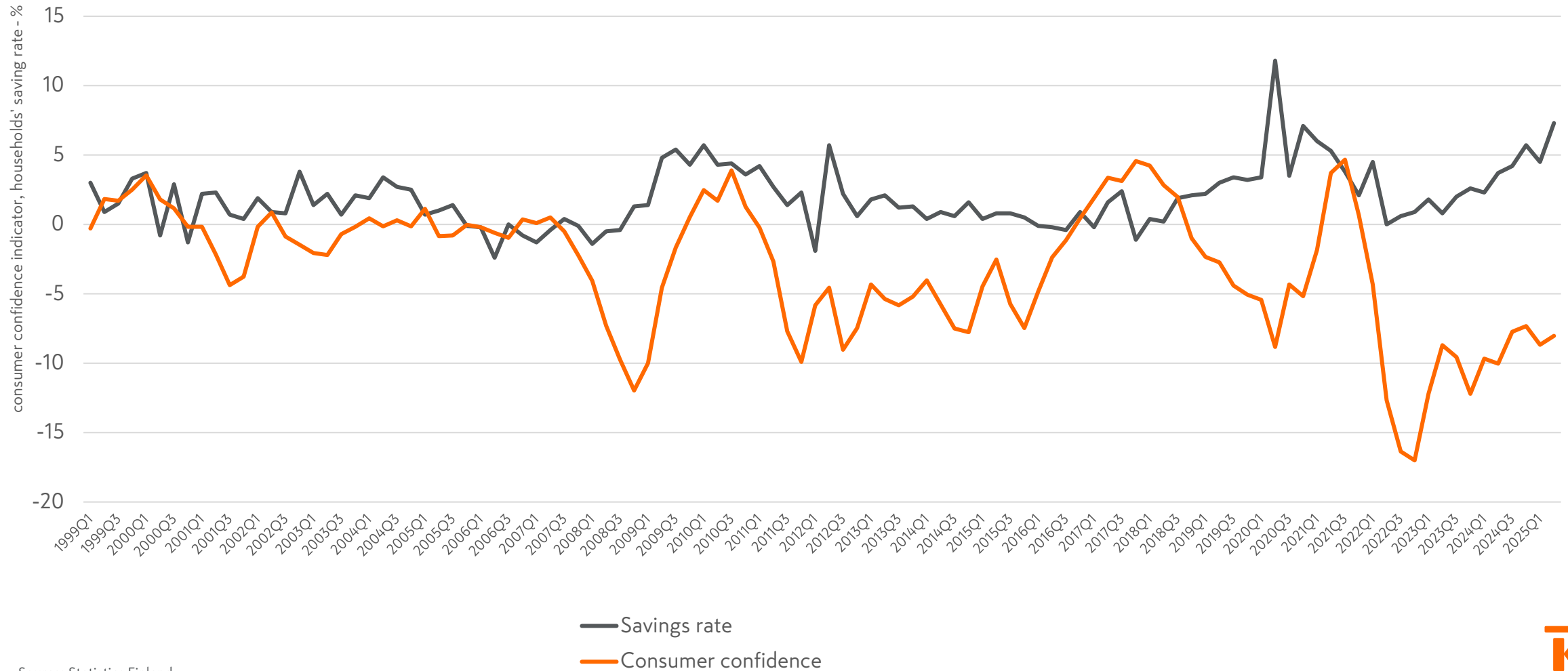
CONSUMER CONFIDENCE



Source: Statistics Finland 9/2025

FINNS ARE SAVING

Consumer confidence and savings rate-%



STRATEGY RECAP

IS OUR STRATEGY WORKING? ARE WE ABLE TO GROW?

#APPETITE FOR GROWTH:

Are our growth targets ambitious enough?

#WILLINGNESS TO INVEST:

Are our investments sufficient and allocated correctly to enable growth?

#CULTURE:

Does our culture support growth and feed our appetite for sales?

KESKO'S 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

SUSTAINABILITY INTEGRATED INTO OUR BUSINESS

SUSTAINABILITY STRATEGY UPDATED IN AUTUMN 2024



SUSTAINABILITY STRATEGY

VISION

We enable sustainable choices for our customers and drive change throughout the value chain

FOCUS AREAS

Climate and nature
Value chain
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



FOOD IS A NECESSITY – BUT ALSO BRINGS JOY

NO. 2 IN FINNISH GROCERY RETAILING

NO. 1 IN FOODSERVICE

WORLD-CLASS GROCERY STORES

GROCERY TRADE: AIM TO GAIN MARKET SHARE IN GROCERY TRADE

KEY ACTIONS:

- **STRENGTHENING STORE-SPECIFIC BUSINESS IDEAS:** Focusing on strengthening chosen competitive advantages and raising the quality level of stores.
- **DEVELOPING STORE SITE NETWORK:** Targeted investments in the store site network focusing on growth centres.
- **IMPROVING PRICE COMPETITIVENESS:** Strengthening price competitiveness and improving price image.
- **CONTINUING GOOD DEVELOPMENT IN KESPRO:** Further strengthening Kespro's market-leading position.

**STORE SITE AND PRICE INVESTMENTS WILL
HAVE A SLIGHT IMPACT ON GROCERY TRADE
PROFITABILITY IN UPCOMING YEARS**

**HOWEVER, EBIT DEVELOPMENT WILL BE
STABLE AND PROFITABILITY CLEARLY ABOVE
6% DESPITE INVESTMENTS DURING THE
STRATEGY PERIOD**





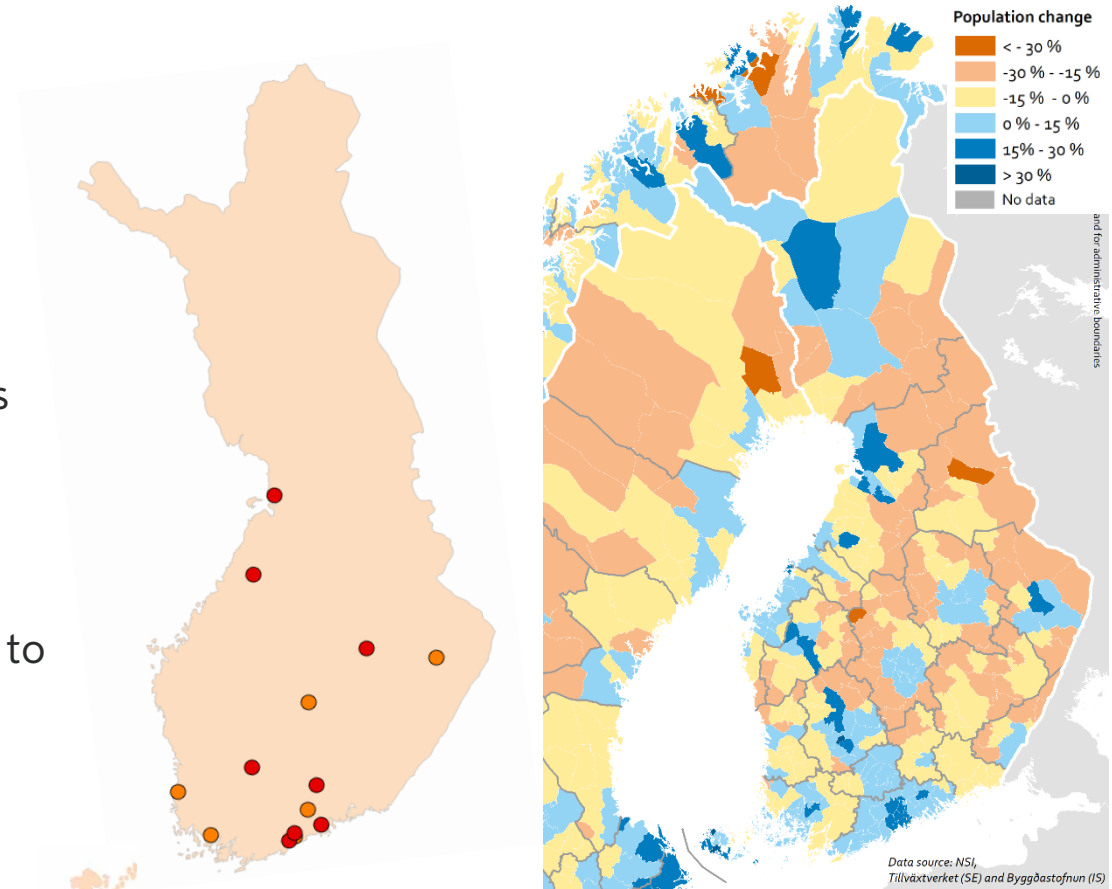
**# Our recipe for market share growth:
Quality x Price x Network**

GROCERY TRADE STORE SITE INVESTMENTS 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
- Focus on the store site network in growth areas and larger units
- Annual investment going forward: €200 – 250 million per year
- By 2030, the store site network will be updated, in the right locations and meets upcoming legislative requirements related to energy efficiency and greenhouse gases

Population projection 2017-2040* Nordregio



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



STRONG NETWORK DEVELOPMENT IN ALL CHAINS

Growth sought in growth centres – controlled changes in areas with population decline

K-CITYMARKET

NEW STORES

- 2025 Ideapark Lempäälä and Paavola in Lahti
- 2026 Kivistö in Vantaa, Haapaniemi in Kuopio, Ylivieska
- 2027 Porvoo, Ritaportti in Oulu*
- 2028 Espoon keskus in Espoo*

REMODELLED STORES

- 2025 → 6 stores in total
- 2026 → 7 stores in total

K-SUPERMARKET

NEW STORES

- 2025 → Dyyni in Pori, Hiukkavaara in Oulu, Paraati in Jyväskylä, Kauhava, Herttuankulma in Turku
- 2026 → 7 stores

REMODELLED STORES

- 2025 → 15 stores in total
- 2026 → 19 stores in total

K-MARKET

NEW STORES

- 2025 → 8 stores (incl. 5 replacements to existing stores)
- 2026 → 12 stores (incl. 7 replacements to existing stores)

REMODELLED STORES

- 2025 → 24 stores in total
- 2026 → 38 stores in total

PRICE PROGRAMME REMOVES OBSTACLES FOR BUYING

Results promising

ACTIONS TAKEN:

- Prices reduced on over 1,000 branded products and some 200 Pirkka private label products in January 2025
- A shared investment of nearly €50 million by Kesko and K-retailers in the price programme in 2025
- Price programme continues with a long-term scope
- Campaigns and targeted offers also continue

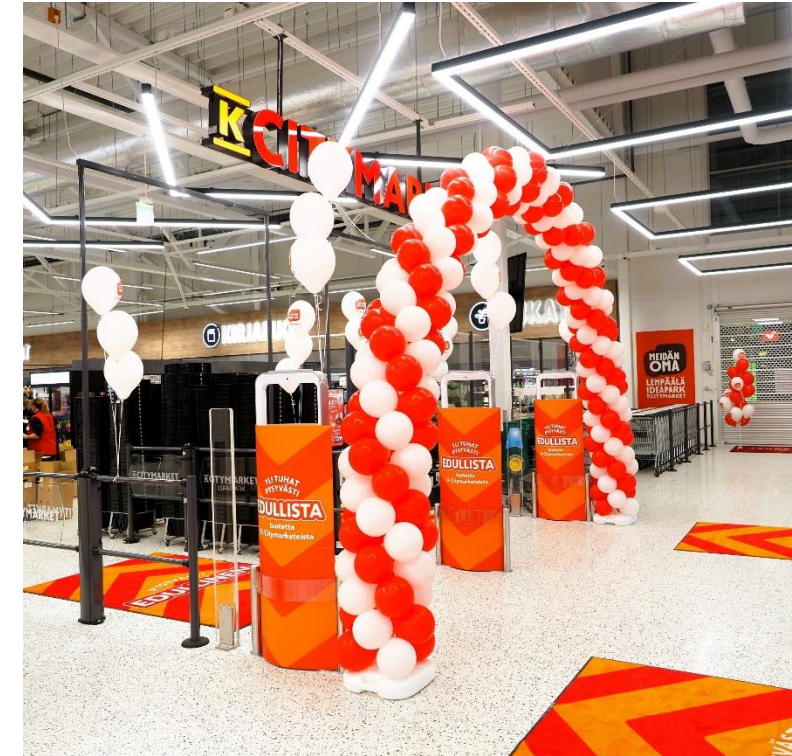
RESULTS SO FAR:

- Profitability 6.7%*, sales have increased
- Double-digit growth in sales of products with reduced prices
- Customer numbers up
- Average purchase has increased for several months
- Room for improvement when it comes to in-store visibility
- Good progress in campaign sales

*Q2/2025 rolling 12 months

FURTHER POTENTIAL TO IMPROVE QUALITY – RESULTS TAKE TIME AND PATIENCE

- There is still too much variation between stores when it comes to quality – bridging the quality gap offers significant sales growth potential
- K-retailers and store-specific business ideas enable differentiation in the market
- The strength of retailers lies in their local presence, selections and fast response times
- It is critical to choose the right retailers – some 140 retailer changes per year
- Key actions:
 - Further crystallising each store-specific business idea
 - Revamping specific product categories, such as fruit & vegetables, bread, and K-Citymarket non-food items
 - Utilising technology in improving quality and productivity



Grand opening of K-Citymarket Lempäälä
Ideapark in September 2025



**# Our actions are yielding results,
positive market share development**

KESPRO – LEADING OPERATOR IN FINNISH FOODSERVICE



Market leader in Finland
with a market share of

49.1%



13

cash & carry outlets across
Finland, tailored services



Net sales*

€1,166 million

Profitability*

6.3%



25,000

customers from restaurants
and cafes to service stations,
hotels, schools, hospitals and
kiosks



75%

of sales via digital channels



55,000

products, extensive
general and speciality
wholesale selections





**BUILDING AND TECHNICAL TRADE IS
THE GROWTH DRIVER FOR KESKO
GOOD PROFITABILITY IN A HISTORICALLY
WEAK CYCLE
CLEAR NEED FOR RESIDENTIAL
CONSTRUCTION**

BUILDING AND TECHNICAL TRADE: FOCUSING ON SECURING PROFITABILITY AND GENERATING CASH FLOW

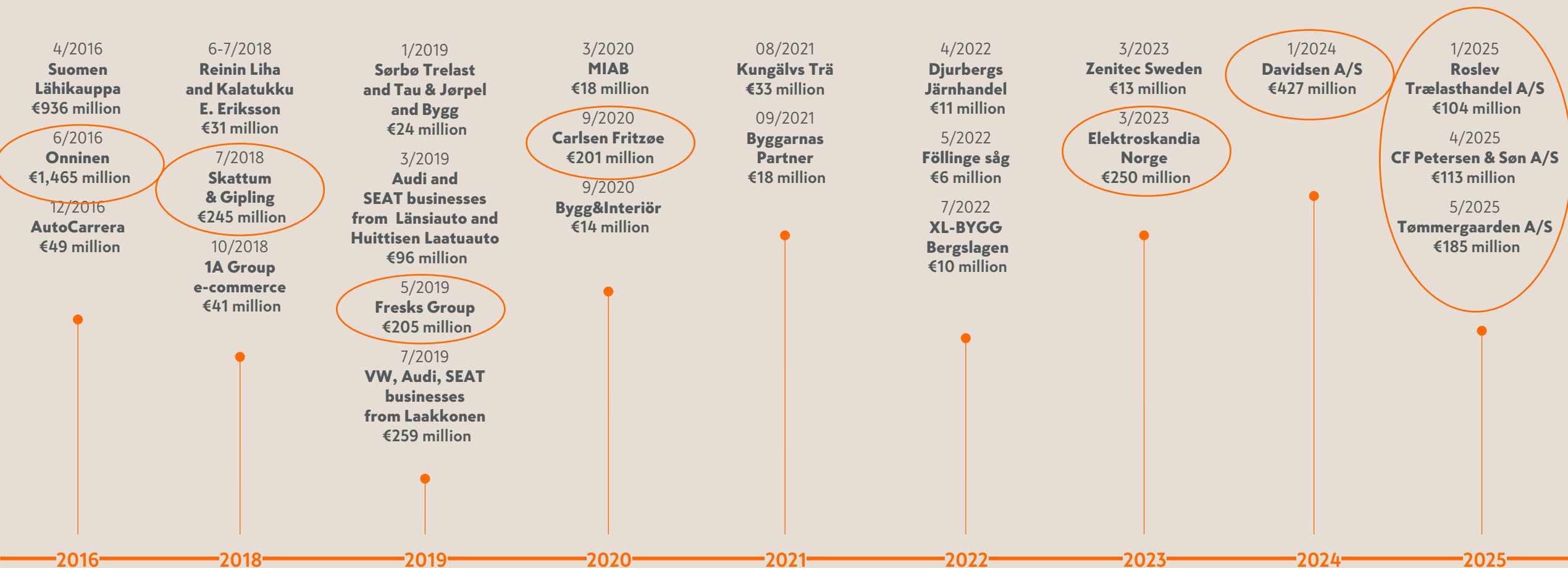
KEY ACTIONS:

- **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. Scale needed especially in Sweden.

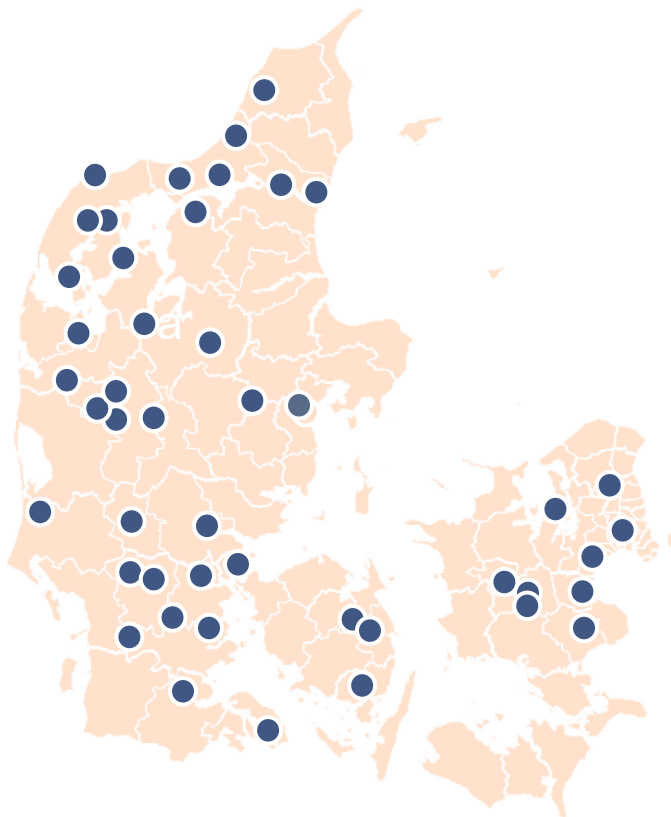
THE LONG-TERM STRATEGIC TARGET OF A
6-8 % EBIT MARGIN IS STILL VALID.



ACQUISITIONS HAVE PLAYED A SIGNIFICANT ROLE IN INTERNATIONAL GROWTH



NATIONWIDE BUILDING AND HOME IMPROVEMENT TRADE NETWORK IN DENMARK

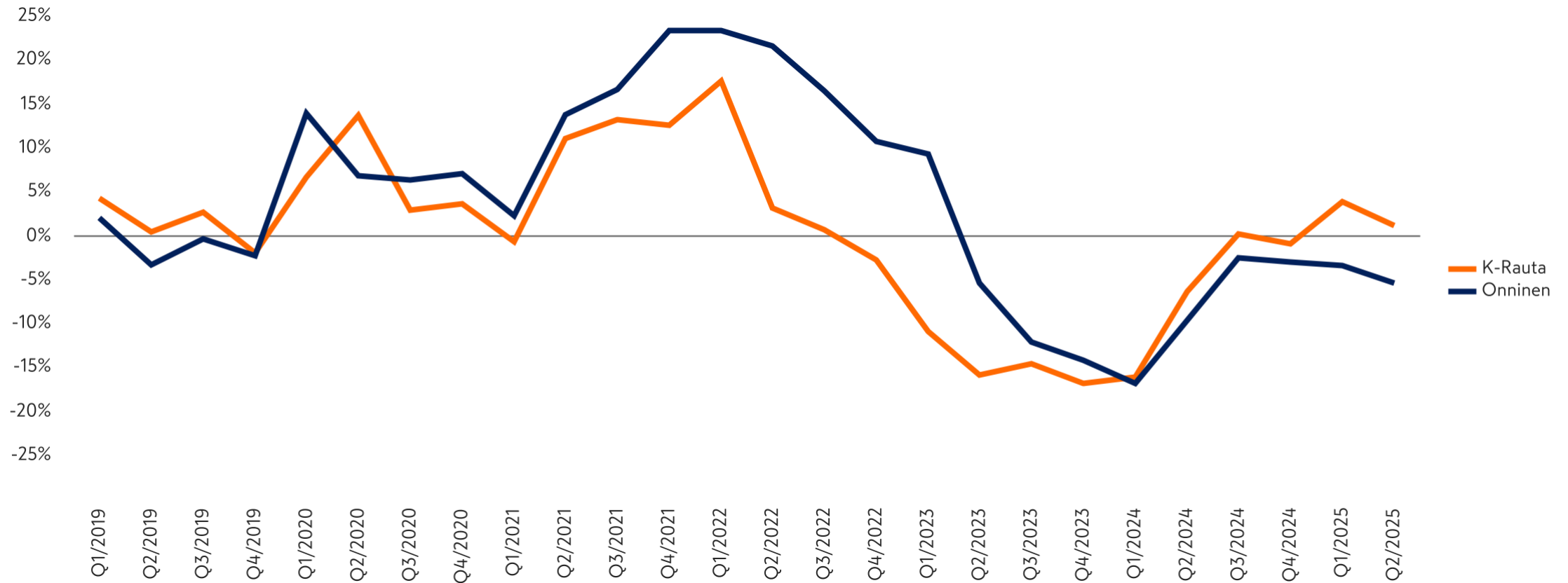


KESKO IN DENMARK

- Kesko expanded its operations to Denmark by acquiring the builders' merchant chain Davidsen on 31 Jan. 2024, Kesko holds 90% of shares in Davidsen
- Three additional companies added to Davidsen in 2025
- Following the acquisitions, Davidsen has a nationwide network of building and home improvement trade stores, with focus on B2B customers
- Post-acquisitions, Davidsen's sales amount to some €800 million, with a total market share of nearly 20% → Clear #3 on the Danish market

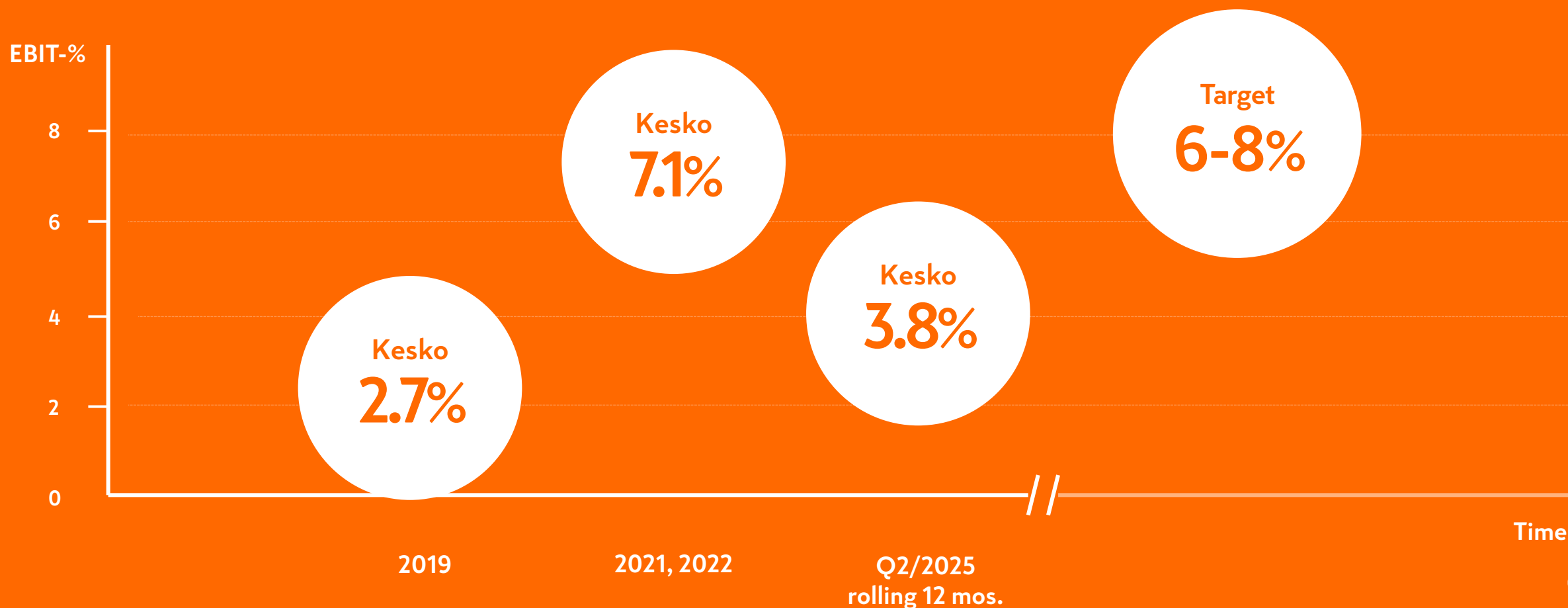
SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND

Retail and
B2B sales





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





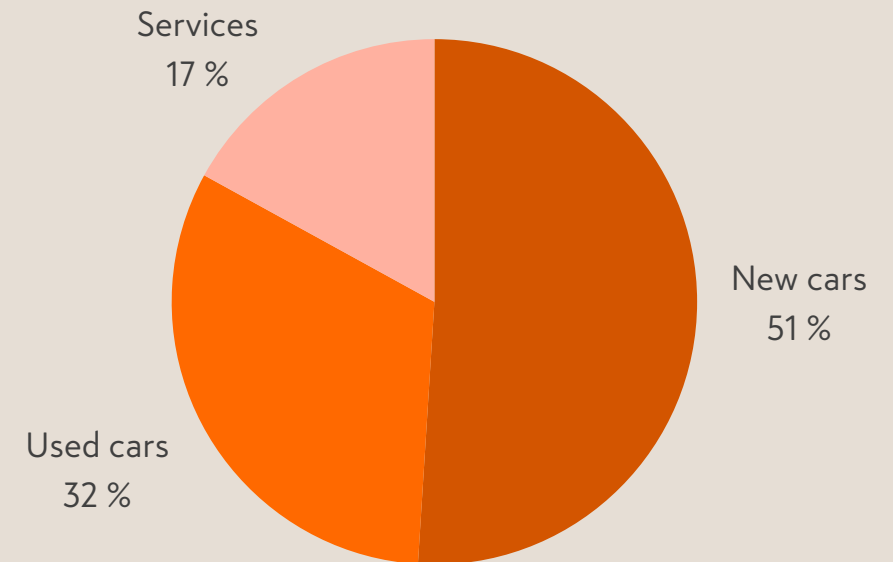
EXCELLENT PERFORMANCE IN A CHALLENGING MARKET

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

KEY ACTIONS:

- **CONTINUING WITH GROWTH STRATEGY:** Major turnaround and continuous development form a robust foundation for the strategy period.
- **MAINTAINING THE BALANCED BUSINESS PORTFOLIO:** New cars, used cars and services.
- **COOPERATION WITH THE VOLKSWAGEN GROUP:** Continuing the good cooperation with the Volkswagen Group and Porsche AG.
- **SPORTS TRADE:** Continues as a strong market leader in sports trade.

WINNING THE MARKET IN ALL BUSINESSES



K-Auto net sales breakdown,
Q2/2025 rolling 12 mos.

SYSTEMATIC STRATEGY EXECUTION BRINGING RESULTS

- All three car trade business areas are profitable, and we seek further growth in all of them
- Attractive models and improved operational excellence driving the performance
- First registrations of passenger car brands represented by Kesko up by 32.4% versus the overall market performance of -5.4% in 1-8/2025
- Sales of our full electric cars up by 54.2% in 1-8/2025, versus the market growth 20.5%
- Growth in used car sales has also clearly outperformed the market, totalling nearly 70% over the past three years
- Seeking growth from multiple sources in the service business, including e.g. damage repairs, servicing of old car stock, and EV charging





Good overall development despite challenges in the operating environment

Good performance and several positive signs in grocery trade

The turn in construction cycle has been slower than we anticipated at the start of the year as we said Q2, but it is happening

Market for car trade still weak, but our own performance excellent

LET'S K!

