KESKO INTERIM REPORT Q3/2025

RESULT IMPROVED – POSITIVE DEVELOPMENT IN ALL DIVISIONS

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President and CEO
30 October 2025

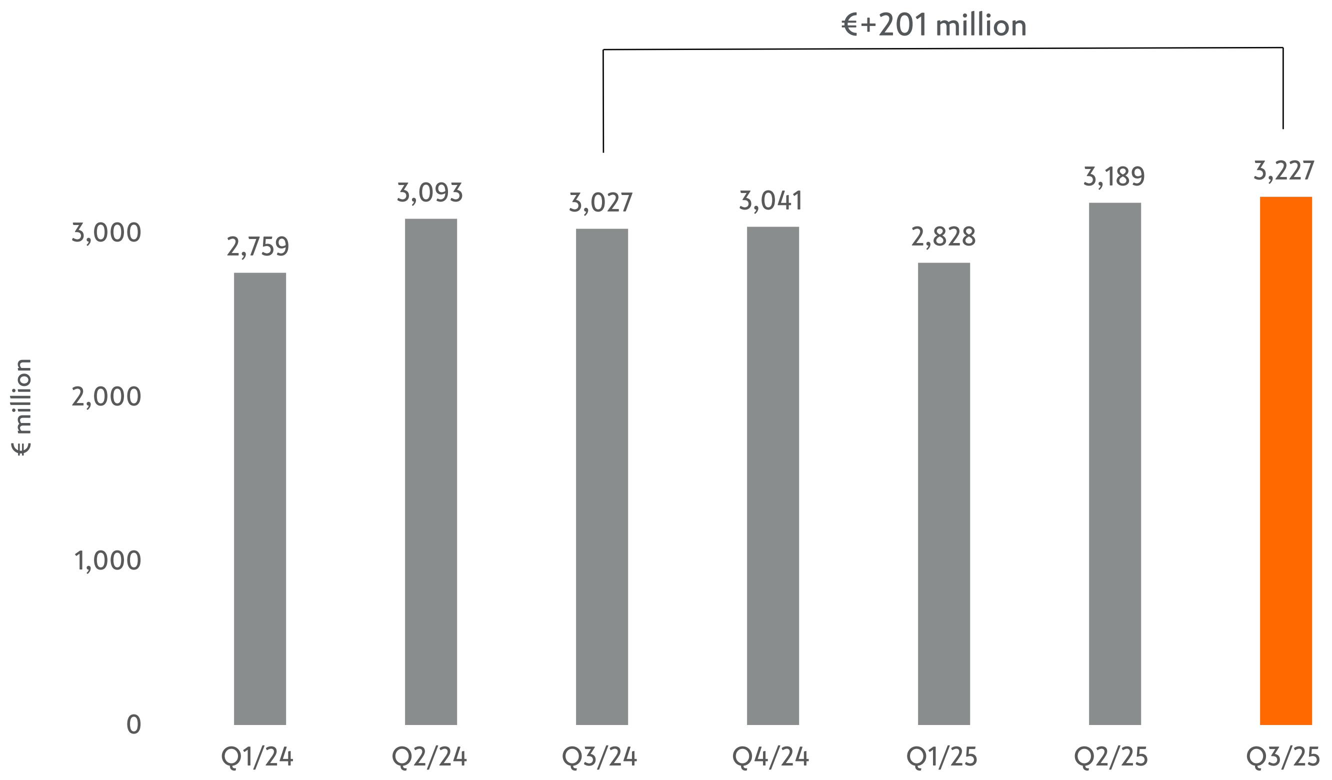
SUMMARY OF Q3/2025

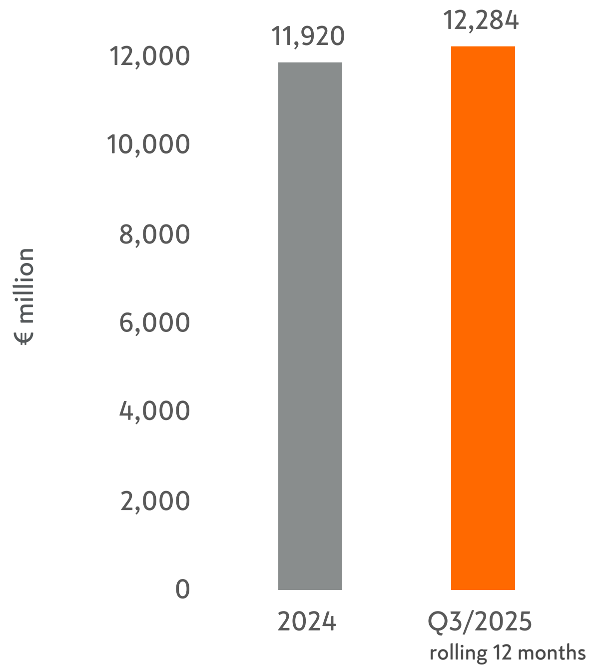
- Kesko's result improved clearly, net sales grew in all three divisions
- Grocery trade: net sales grew, profitability at a good level, sales development for grocery stores close to market pace
- Building and technical trade: net sales increased, underpinned in particular by acquisitions, comparable operating profit increased
- Car trade: net sales and comparable operating profit grew significantly
- Kesko's biggest ever construction project, the shared Onninen and K-Auto logistics centre Onnela, was completed on schedule and below original budget
- Kesko updates its 2025 profit guidance, now estimating that its comparable operating profit will amount to €640–690 million
- Kesko estimates that in 2026 its operating environment and result will improve in all divisions and all operating countries

	Q3/2025	Q3/2024
Net sales, € million	3,227.3	3,026.6
Change in net sales, %*	3.5	-0.8
Operating profit, € million*	208.1	201.5
Operating margin, %*	6.4	6.7
Profit before tax, € million*	179.1	172.1
Earnings per share, basic, €*	0.36	0.34
Cash flow from operating activities, € million	287.7	285.6

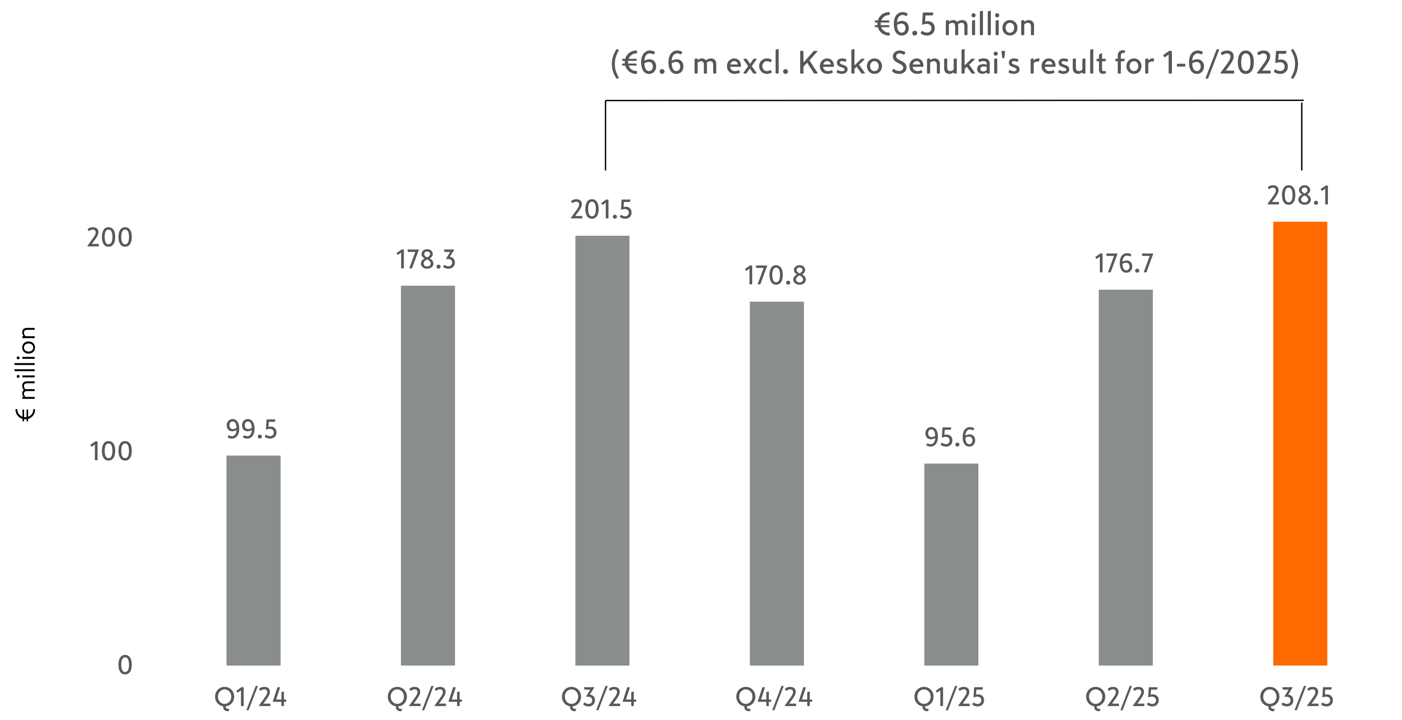
* Comparable

NET SALES

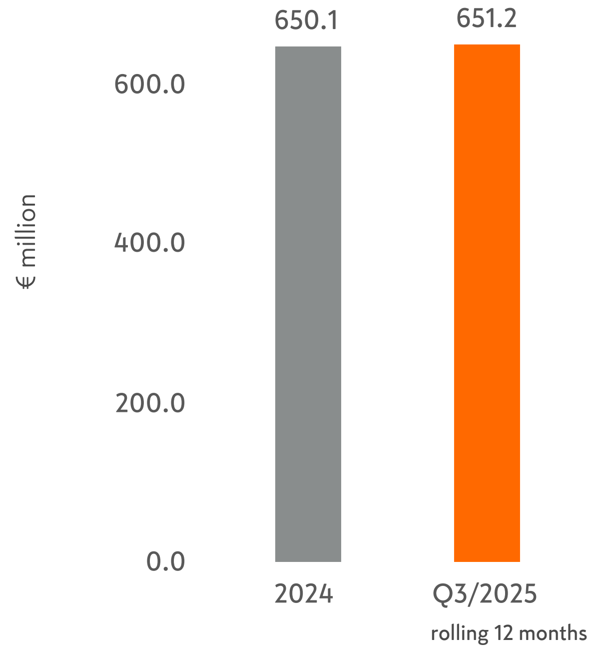

€+201 million
€ million
3,000
2,000
1,000
0
2,759
3,093
3,027
3,041
2,828
3,189
3,227
Q1/24
Q2/24
Q3/24
Q4/24
Q1/25
Q2/25
Q3/25


€ million
12,000
10,000
8,000
6,000
4,000
2,000
0
11,920
12,284
2024
Q3/2025
rolling 12 months

OPERATING PROFIT



	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25
Operating margin	3.6%	5.8%	6.7%	5.6%	3.4%	5.5%	6.4%



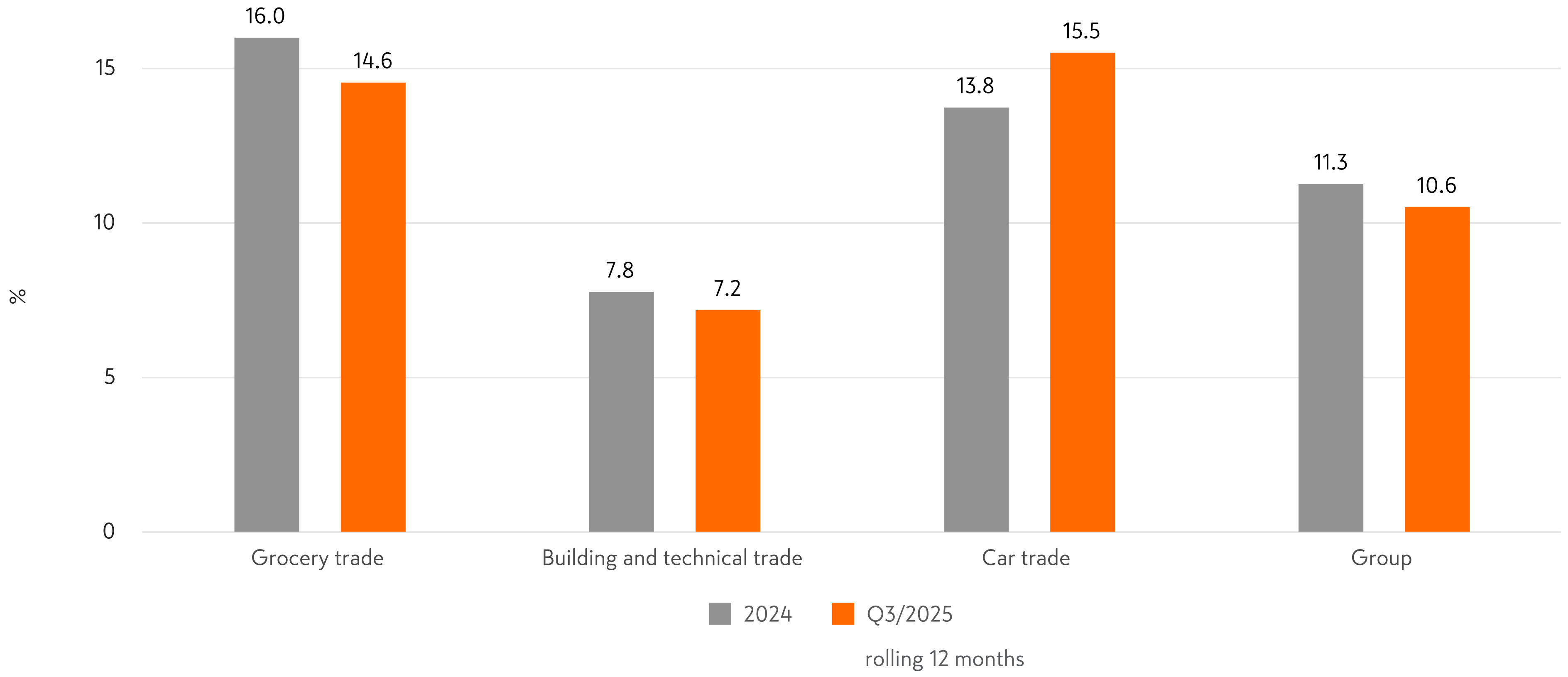
	2024	Q3/2025 rolling 12 months
Operating margin	5.5%	5.3%

Comparable figures

Q3/2025 figure includes €-0.1 million from the share of result from Kesko Senukai in 1-6/2025

Q3/2025 figure excluding the share of result from Kesko Senukai in 1-6/2025 would have been €208.1 million

RETURN ON CAPITAL EMPLOYED



Comparable figures

FINANCIAL POSITION

Amount of net debt impacted by investments in store sites and acquisitions

	Q3/2025	Q3/2024
Cash flow from operating activities, € million	287.7	285.6
Liquid assets, € million	97.4	219.9
Capital expenditure, € million	140.7	109.4
Interest-bearing net debt excl. lease liabilities, € million	1,368.0	855.8
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	1.8	1.2
Lease liabilities, € million	2,076.1	2,011.7

CAPITAL EXPENDITURE

Main CAPEX: investments in store site and the Onnela logistics centre

	Q3/2025	Q3/2024
Store sites, € million	91.7	53.9
Acquisitions, € million	-	2.5
IT, € million	3.7	4.5
Other investments, € million	45.3	48.6
Total, € million	140.7	109.4

EXPENSES

Expenses have increased mainly due to acquisitions – without new acquisitions, expenses were up by just 1.3%

	Q3/2025	Q3/2024
Fixed costs, € million	507.3	484.1
- Employee benefit expenses, € million	208.0	192.7
- Other expenses, € million	155.1	149.9
- Depreciation, € million	144.2	141.5
Cost ratio, %	15.7	16.0

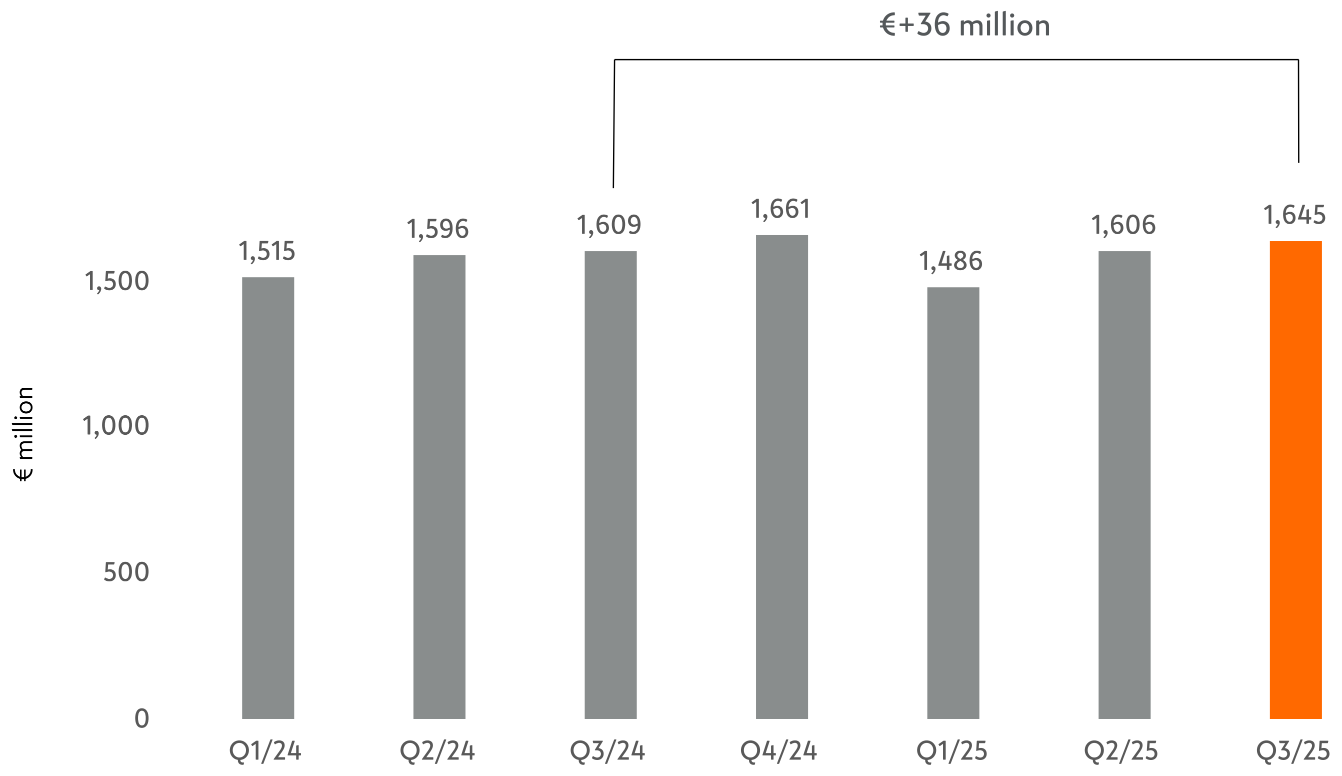
Figures excluding items affecting comparability

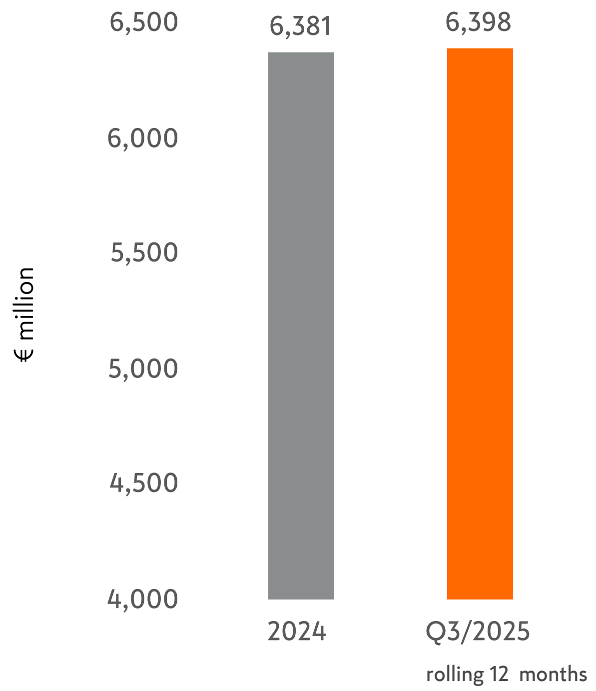
GROCERY TRADE Q3

SALES INCREASED, TURN FOR THE BETTER IN GROCERY STORE MARKET SHARE DEVELOPMENT

GROCERY TRADE

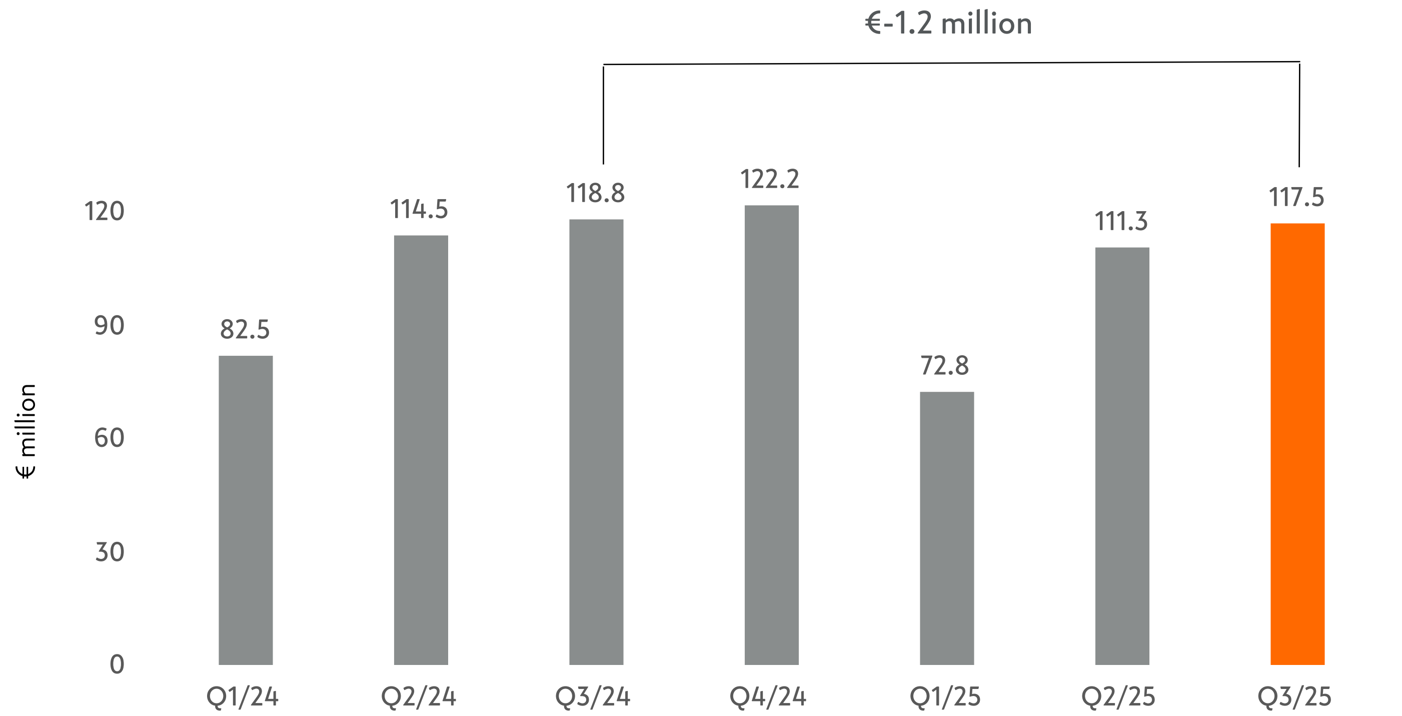
NET SALES



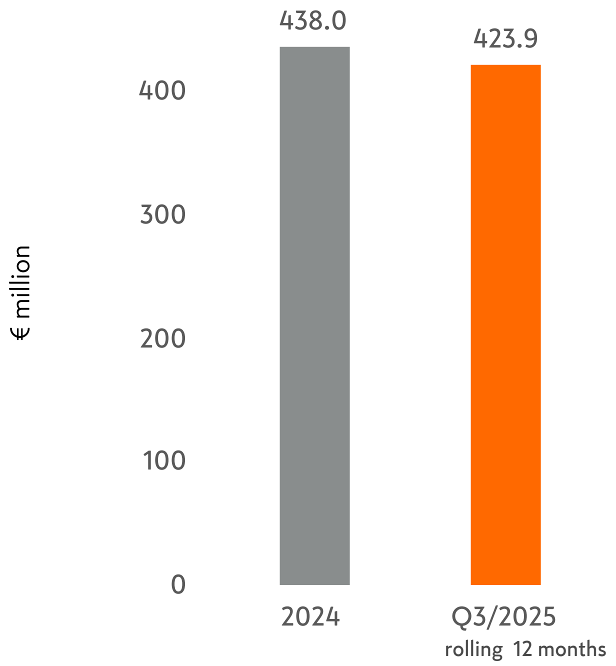


GROCERY TRADE

OPERATING PROFIT



	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25
Operating margin	5.4%	7.2%	7.4%	7.4%	4.9%	6.9%	7.1%



	2024	Q3/2025 rolling 12 months
Operating margin	6.9%	6.6%

Comparable figures

GROCERY TRADE HIGHLIGHTS IN Q3

- Division net sales increased, comparable operating profit slightly down
  - K Group grocery sales up by 3.6%
  - Kespro's net sales down by 0.2% – performance close to market pace
  - K-Citymarket non-food sales up by 3.2%, profit improved
- Customer flows continued to grow thanks to the price programme and campaigns
- Online grocery sales up by 9.9%
- Grocery price inflation in Finland approx. 2.7% (Statistics Finland, including VAT), price development in K Group stores only 1.2%
- Total grocery market grew by approximately 3.9%
- Market share development for K Group grocery stores has strengthened during the year and was close to market pace in Q3; in the hypermarket segment, K-Citymarket won over market share in 1–9/2025
- Grocery trade market remains price driven, but there are signs of demand growing for higher quality products and services

Our measures are yielding results, market share development positive

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

STRONG NETWORK DEVELOPMENT IN ALL CHAINS – MAIN FOCUS ON GROWTH CENTRES

K-CITYMARKET

NEW STORES

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

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

*under planning

KESKO INVESTS IN GROWTH – STRENGTHENS MARKET POSITION WITH THREE NEW HYPERMARKETS IN THE GREATER HELSINKI AREA

- In Helsinki, Kesko will open a new K-Citymarket in the Redi shopping centre in Kalasatama, replacing the existing K-Supermarket Redi. The new K-Citymarket Redi is expected to open in 2027–2028, and will be Kesko's fifth hypermarket in Helsinki
- In Vantaa, Kesko has acquired a controlling interest in the Tikkuri shopping centre in Tikkurila, with plans to start construction on a new hypermarket towards the end of the decade. The new store will be Kesko's sixth hypermarket in Vantaa (new K-Citymarket Kivistö set to open before that)
- In Espoo, new zoning plan has taken effect and construction work has begun on a new hypermarket in Espoontori. The store is expected to open in 2028, and will be Kesko's third hypermarket in Espoo

Espoontori, Espoon keskus, Espoo

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
- Campaigns and targeted offers also set to continue

RESULTS SO FAR:

- Profitability 6.6%*, sales have increased
- Double-digit growth in sales of products with reduced prices
- Customer numbers up
- Average purchase has increased for several months
- Good progress in campaign sales, daily basic purchases also up

Price programme continues with a long-term focus

*Q3/2025, rolling 12 months

RAISING THE BAR IN QUALITY OFFERS SIGNIFICANT SALES GROWTH POTENTIAL

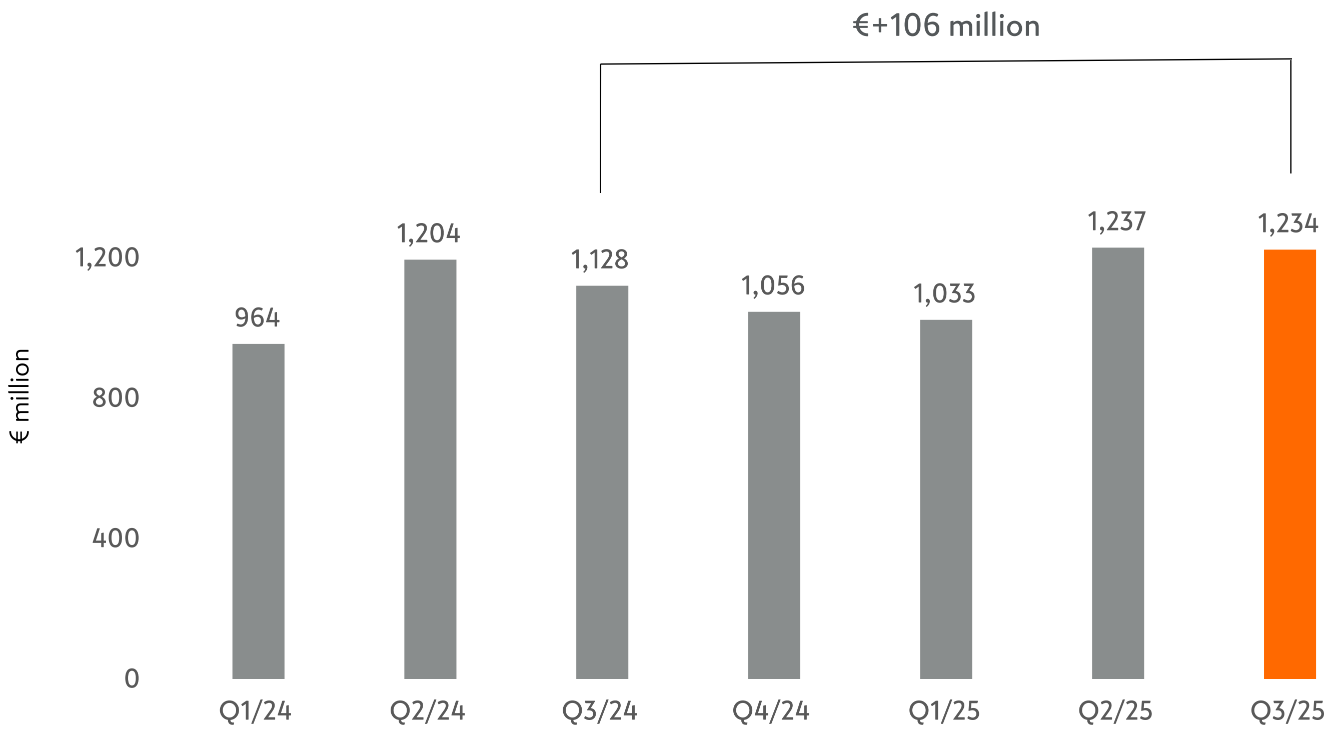
- K-retailers and store-specific business ideas our key competitive advantage
- We have many excellent stores, but there is still too much variation between the stores when it comes to quality
- It is critical to choose the right retailers, rotation normal – some 140 retailer changes each year
- Key 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 to improve quality and productivity
  - Developing operations in tight collaboration between Kesko and the retailers

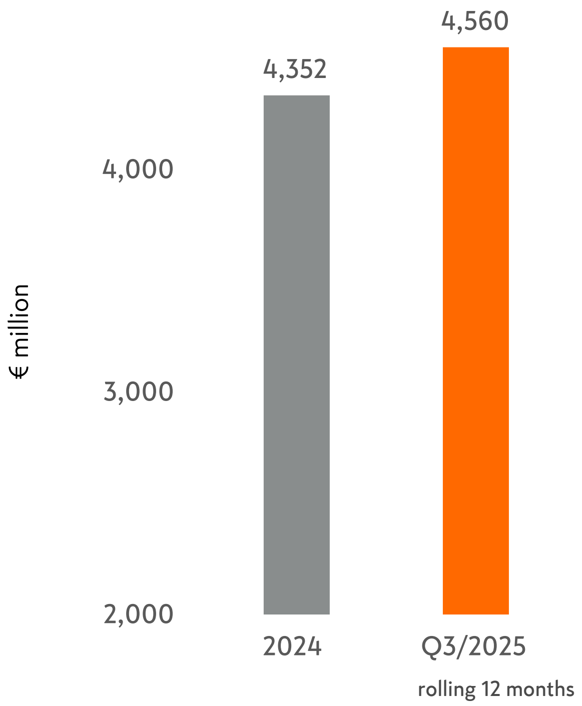
BUILDING AND TECHNICAL TRADE Q3

CYCLE RECOVERING, NOTABLE STRENGTHENING IN TECHNICAL TRADE SALES

BUILDING AND TECHNICAL TRADE

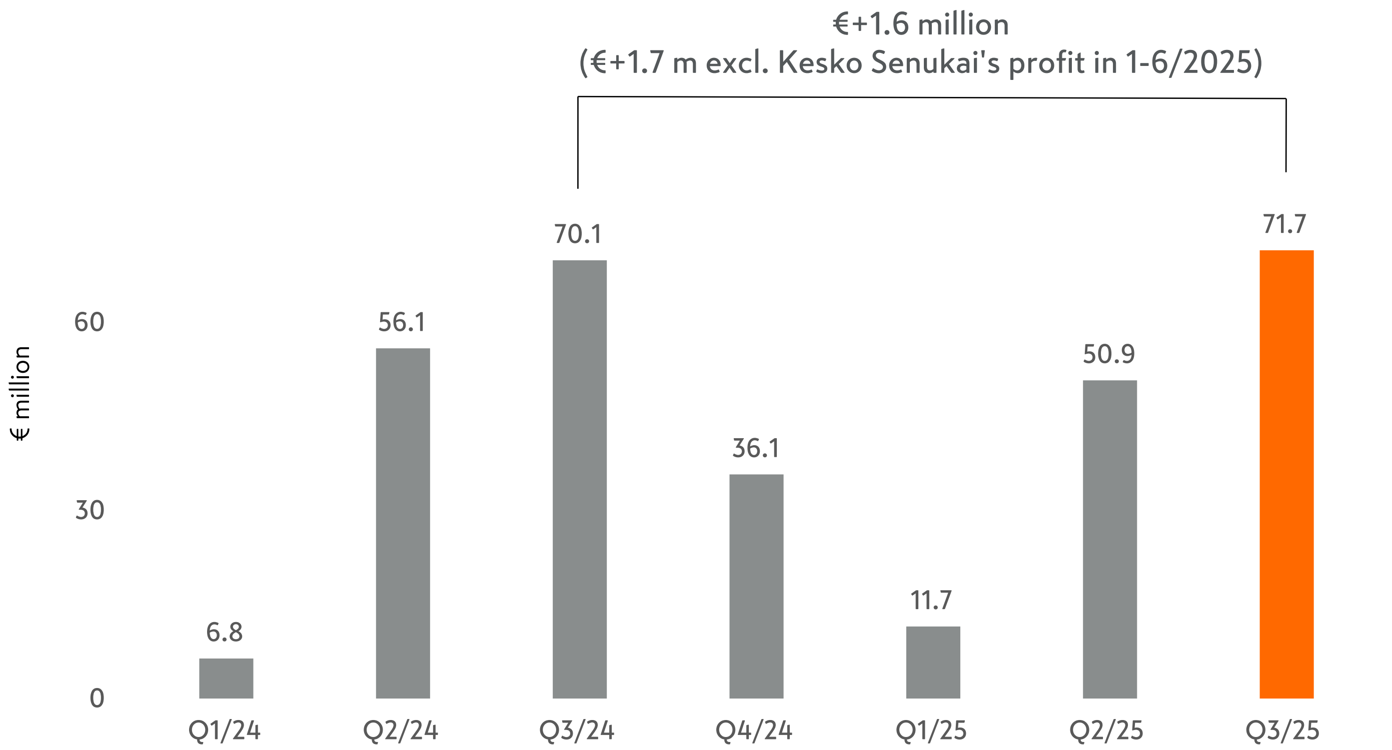
NET SALES



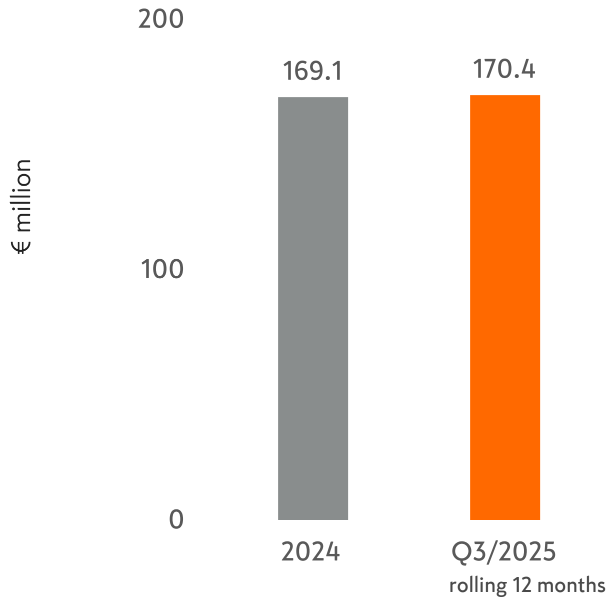


BUILDING AND TECHNICAL TRADE

OPERATING PROFIT



Operating margin	0.7%	4.7%	6.2%	3.4%	1.1%	4.1%	5.8%



Operating margin	3.9%	3.7%

Comparable figures

Q3/2025 figure includes - €0.1 million from the share of result from Kesko Senukai in 1-6/2025

Q3/2025 figure excluding the share of result from Kesko Senukai in 1-6/2025 would have been approx. €71.7 million

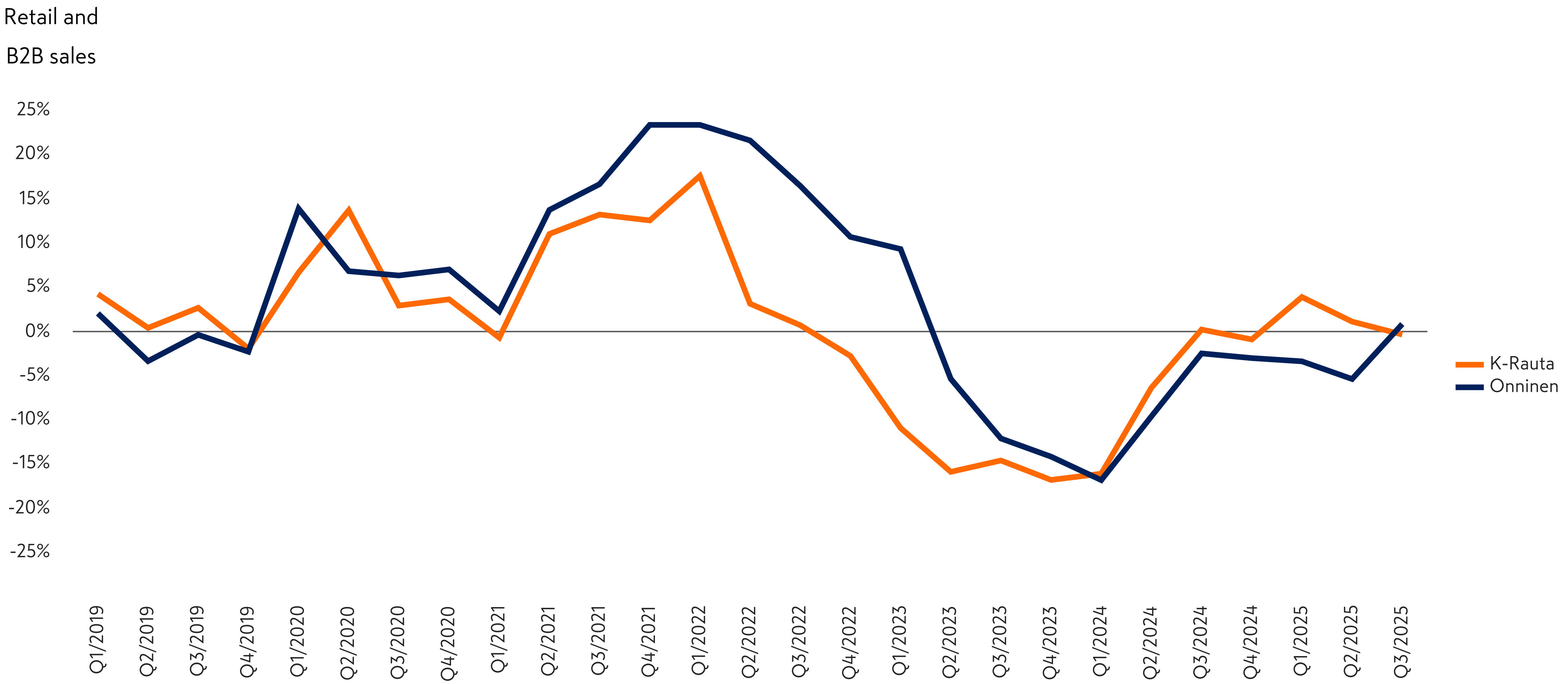
BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q3

- Division net sales increased and profit improved
- Market demand weaker than anticipated, especially in new housing construction
- Technical trade sales increased significantly, while profit fell short of last year; building and home improvement trade net sales grew underpinned by acquisitions, but declined in comparable terms. Despite the increase in division sales, sales margin weakened due to continued tight price competition in a challenging market
  - Finland: K-Rauta building and home improvement trade sales decreased slightly year-on-year
  - Finland: Onninen technical trade sales increased for the first time in over two years
  - Norway: sales increased for Byggmakker and Onninen, profit also improved
  - Denmark: Davidsen sales development good, integration of acquired firms proceeding as planned
  - Sweden: conversion of K-Bygg stores continues and negatively impacts sales development and result
- Credit risk well under control, €1.2 million written down for trade receivables past due date (€0.5 million)
- Kesko Senukai reported its share of result for 1-9/2025 in Q3: in Kesko's Q3/2025 reporting, the share of result totals €7.4 million (Q3/2024: €4.8 million). Kesko Senukai's share of result for 1-6/2025 was €-0.1 and it was impacted by inventory write-down – in operational terms, the change was positive

	Q3/2025	Q3/2024
Net sales, € million	**1,233.6**	**1,128.0**
Technical trade	596.8	578.0
Building & home improvement trade	655.6	567.0
Operating profit*, € million	**71.7**	**70.1**
Technical trade	33.5	35.7
Building & home improvement trade	30.8	29.5
Operating margin, %*	**5.8**	**6.2**
Technical trade	5.6	6.2
Building & home improvement trade	4.7	5.2

*Comparable

SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND



ONNINEN SERVES EXTENSIVELY VARIOUS CONSTRUCTION SEGMENTS

Four Onninen Finland customer groups




TECHNICAL CONTRACTORS

ELECTRICAL
HEPAC

Share of sales
50%

INDUSTRY

Share of sales
20%

INFRASTRUCTURE

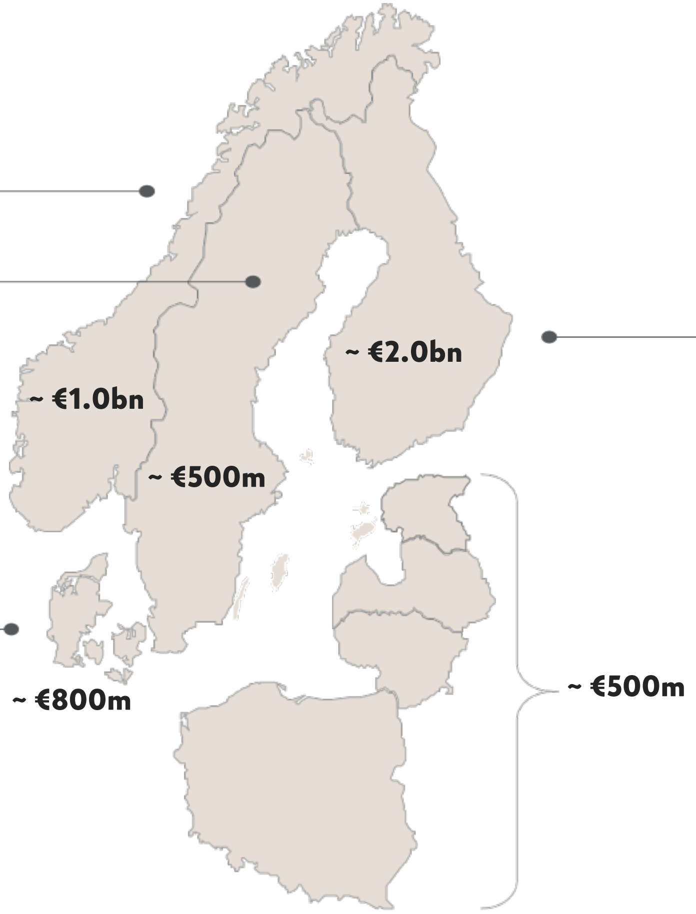
Share of sales
20%

TECHNICAL PRODUCT RETAILERS AND OTHER B2B CUSTOMERS

Share of sales
10%

NEARLY 60% OF SALES COME FROM OUTSIDE FINLAND – PACE OF RECOVERY VARIES BETWEEN COUNTRIES

Comparable change in net sales by business in Q3/2025 vs. Q3/2024



NORWAY

BYGGMAKKER	+1.2%
onninen	-0.1%

SWEDEN

K-BYGG	-5.1%
onninen	-8.3%

DENMARK

DAVIDSEN	+10.6%

FINLAND

K-Rauta	-3.9%
onninen	+1.0%

POLAND AND THE BALTIC COUNTRIES

onninen	Poland **+8.3%**
onninen	Baltics **+29.7%**

Map depicts rounded net sales figures for Q3/2025 rolling 12 months; figure for Denmark an estimate of total operations

ONNELA LOGISTICS CENTRE IN HYVINKÄÄ, FINLAND NOW COMPLETED

- Serves mainly Kesko’s technical trade company Onninen and also K-Auto’s car spare parts logistics
- Construction completed in August 2025, move and ramp up during the winter quiet season, fully operational at the end of Q1/2026
- K-Rauta's central warehouse - which is currently outsourced - will move to Onninen's former warehouse in Hyvinkää, enabling synergies in e.g. staff resourcing
- Onnela enables growth once the market strengthens, brings efficiency benefits as volumes grow
- Good timing in construction: original cost estimate €300 million, actual cost clearly below that at less than €250 million

ONNELA ENABLES FUTURE GROWTH

+93%
building volume m^3

+172%
product places in automation

+38%
warehouse area m^2

+69%
pallet spaces

+100%
expansion potential on the plot

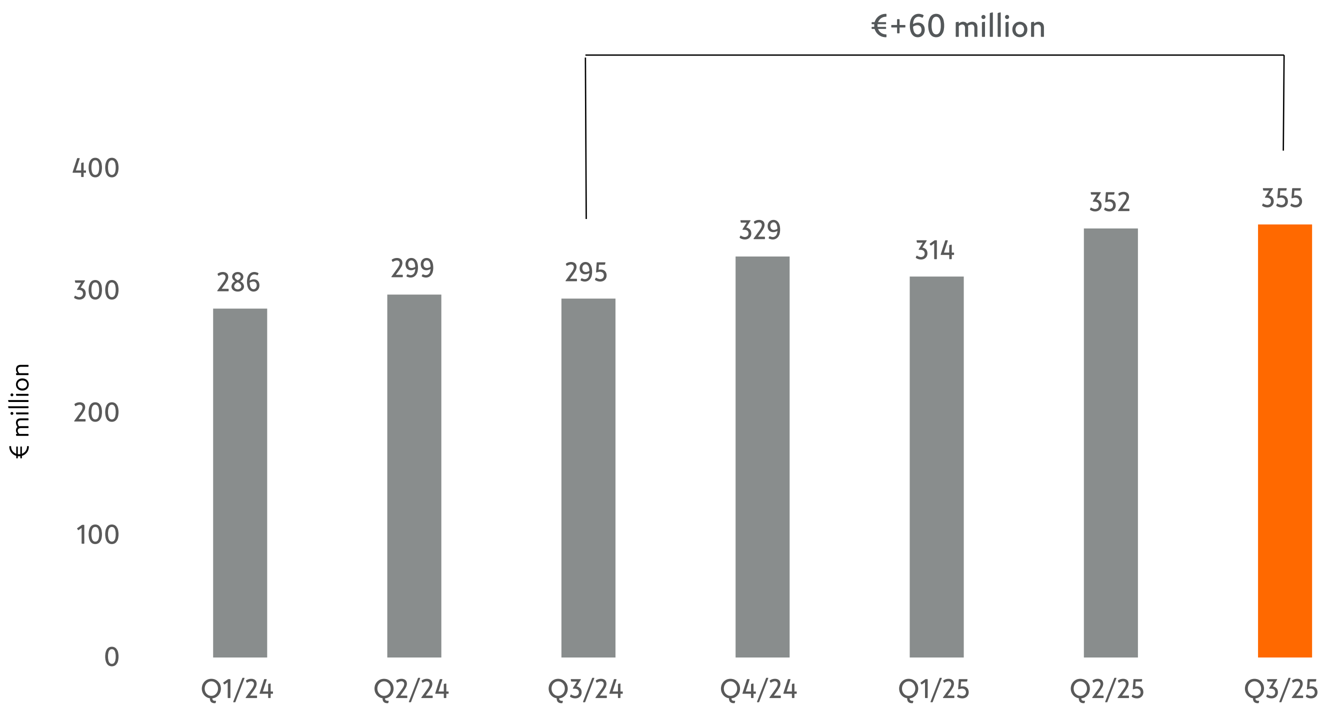
Image: Saku Metsärinne

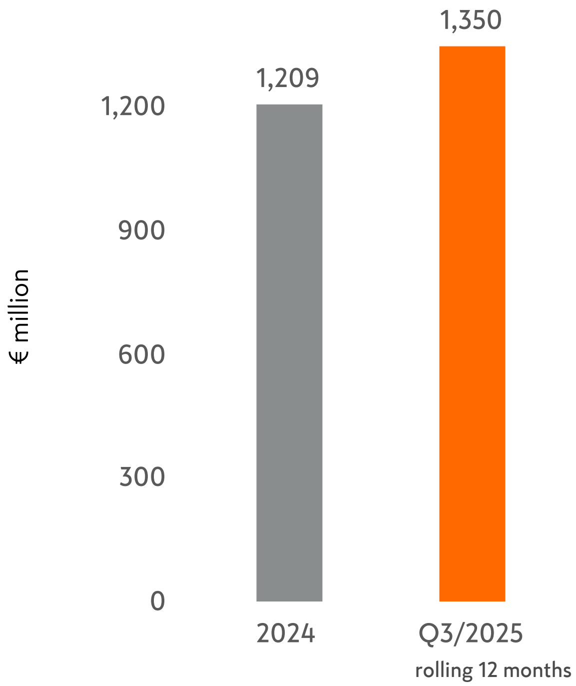
CAR TRADE Q3

STRONG PROFIT DEVELOPMENT CONTINUED

CAR TRADE

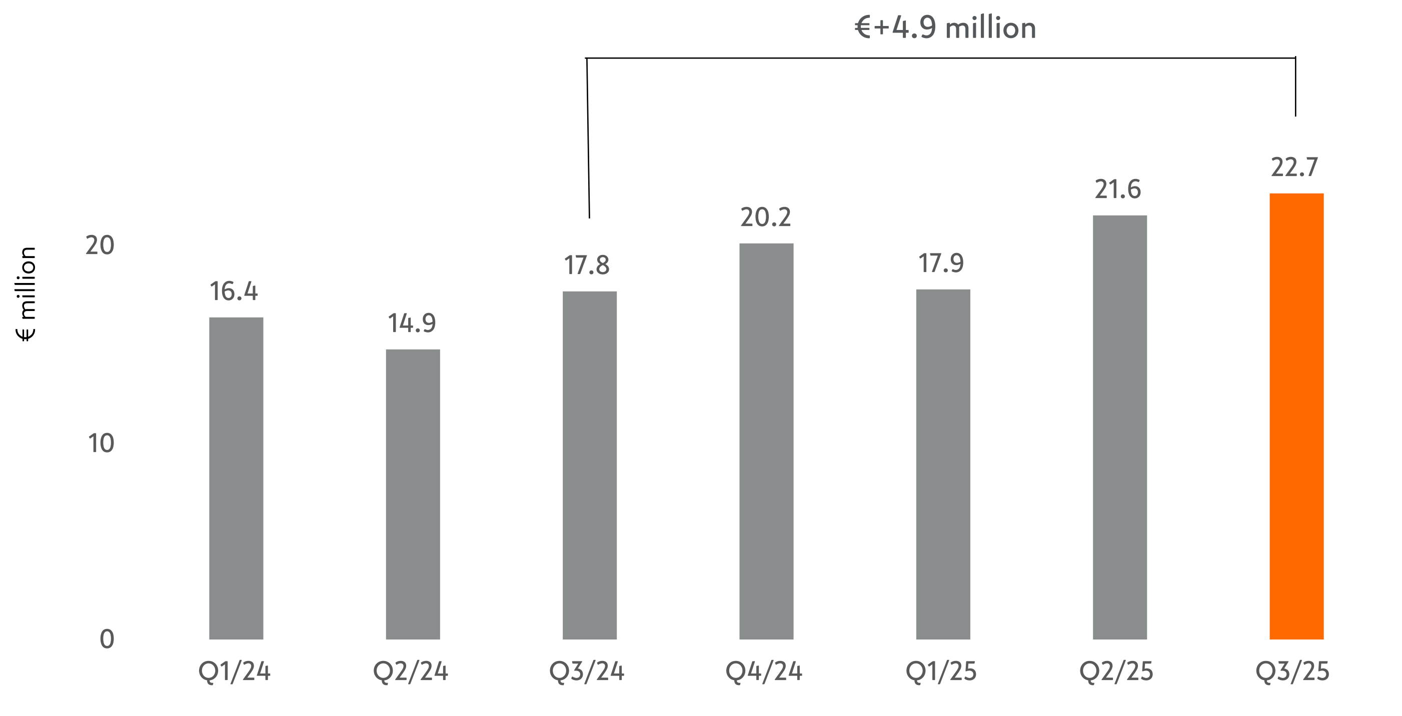
NET SALES



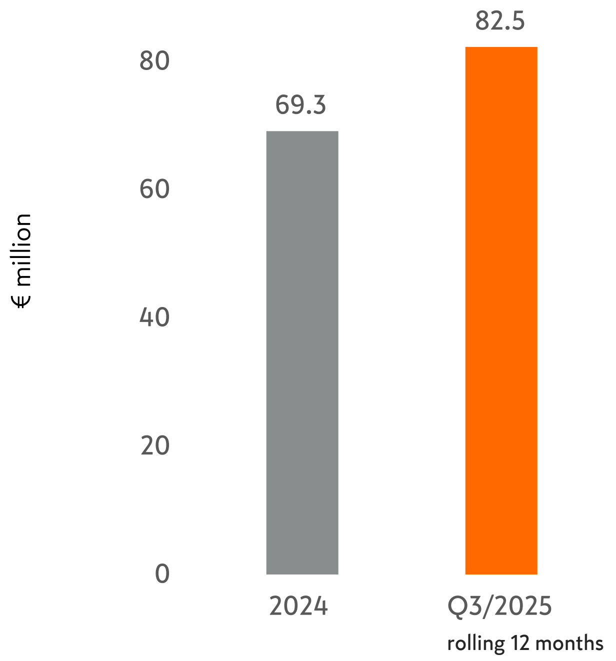


CAR TRADE

OPERATING PROFIT



	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25
Operating margin	5.7%	5.0%	6.0%	6.1%	5.7%	6.1%	6.4%



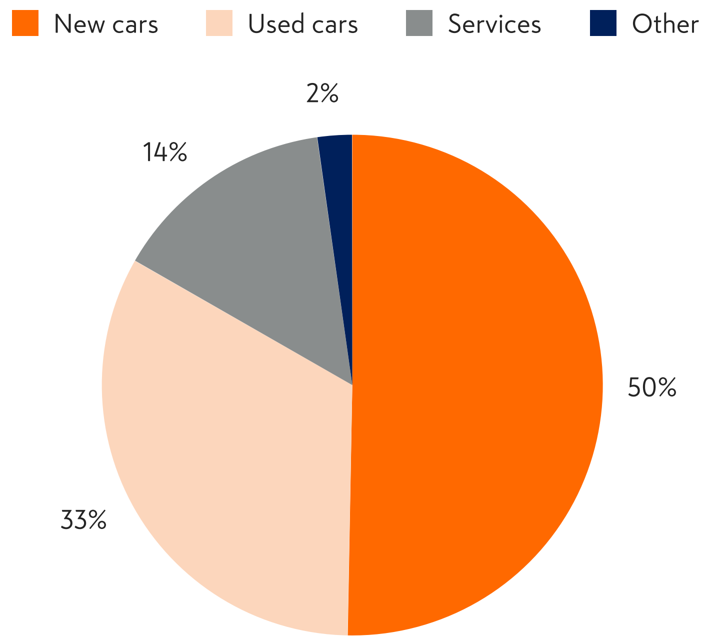
	2024	Q3/2025 rolling 12 months
Operating margin	5.7%	6.1%

Comparable figures

CAR TRADE HIGHLIGHTS IN Q3

- Net sales and comparable operating profit grew markedly despite the market remaining challenging
- Market demand for new cars still muted, Q3 first registrations of passenger cars and vans up by 2.5%; first registrations of brands represented by Kesko up by 18.2% in Q3
- Good development attributable to constantly improving operational excellence and attractive new car models
- Market trend in sales of used cars from dealerships to customers (in units) down by 0.1 %, used car sales for K-Auto up by 24.7%
- Service sales increased, growth sought especially in damage repairs and the servicing of cars five years or older
- In sports trade, net sales and comparable operating profit decreased but market share grew

K-AUTO, NET SALES



Net sales for the division's car trade businesses, Q3/2025, rolling 12 months

‘Other’ consists primarily of car leasing services

SPECIFIED PROFIT GUIDANCE FOR 2025 AND OUTLOOK FOR 2026

PROFIT GUIDANCE FOR 2025 (SPECIFIED)

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 €640–690 million. Kesko previously estimated that the comparable operating profit would amount to €640–700 million.

The updated profit guidance is based on the results for 1-9/2025 and the slower-than-anticipated cycle recovery in building and technical trade in the third quarter. 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 comparable operating profit is 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 in line with Kesko's strategy for 2024–2026.
In 2026, the comparable operating profit for the grocery trade division is estimated to improve on 2025.

In building and technical trade, the cycle has not improved in 2025 as expected at the start of the year.
In 2026, the cycle is expected to improve moderately from an exceptionally low level. In 2026, the comparable operating result for the building and technical trade division is estimated to improve on 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. In 2026, the net sales and comparable operating profit for Kesko's car trade division are estimated to improve on 2025.

 # A good result with positive development in all divisions despite the challenges in Kesko's operating environment.

 # In grocery trade, strategic measures yielding results. Market share development for grocery stores has taken a turn for the better, Kespro's market share strong. Grocery trade market showing signs of picking up.

 # In building and technical trade, sales clearly up in Denmark, Poland and the Baltic countries. Technical trade sales stronger. Construction cycle strengthening, but at a more moderate pace than previously anticipated.

 # In car trade, good sales development in new and used cars and services. Sports trade outperforming the market.

 # All three divisions well-positioned for market strengthening in 2026.