Kesko interim report Q3/2026

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

Jorma Rauhala, President and CEO

29 October 2026



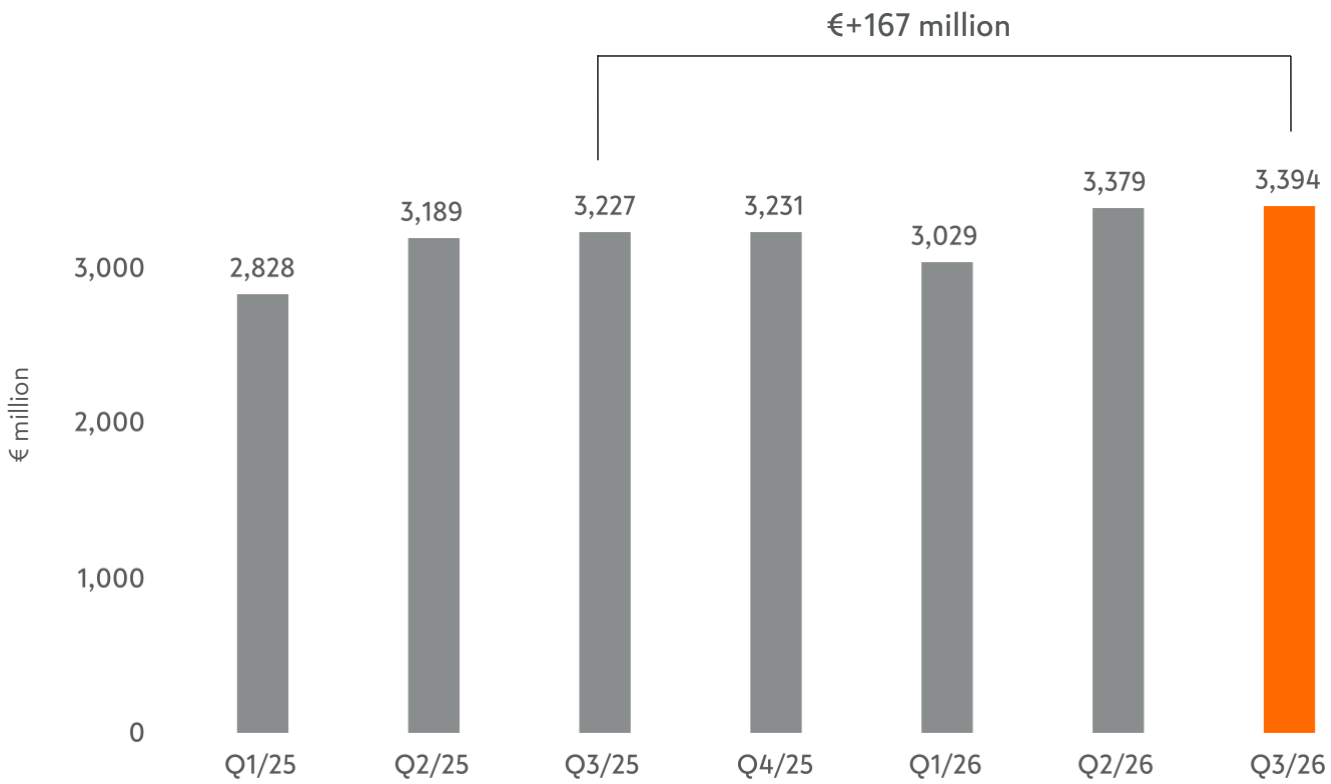
SUMMARY OF Q3/2026

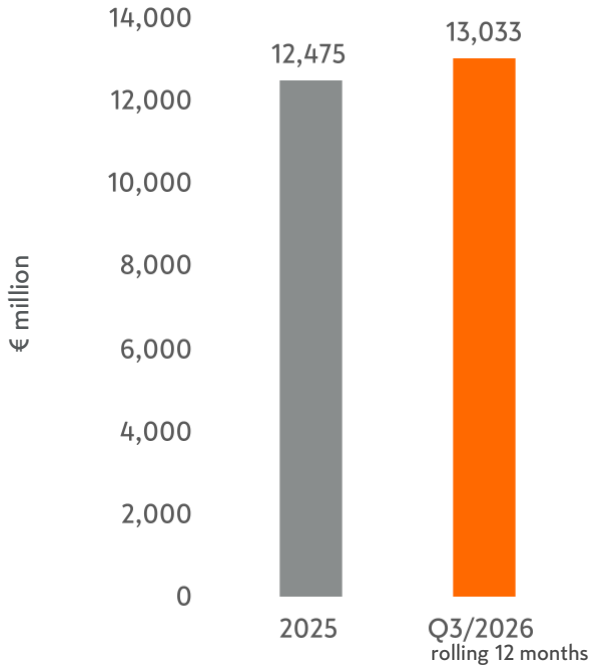
- Net sales and comparable operating profit grew in all divisions
- Grocery trade: K Group stores gained market share, comparable operating profit grew slightly despite investments
- Building and technical trade: comparable operating profit increased significantly, thanks in particular to technical trade. Sales and profit in building and home improvement trade developed positively especially in Denmark, Norway and Sweden
- Car trade: sales increased and comparable operating profit improved slightly
- Kesko has obtained the necessary authority approvals for acquiring the Dahl operations in Sweden, Norway and Denmark. The acquisition is expected to be completed on 2 November 2026.
- Profit guidance updated: Kesko now expects its comparable operating profit in 2026 to amount to €690–730 million (previously €670–730 million)

	Q3/2026	Q3/2025
Net sales, € million	3,394.5	3,227.3
Change in net sales, %*	4.7	3.5
Operating profit, € million*	231.4	208.1
Operating margin, %*	6.8	6.4
Profit before tax, € million*	197.9	179.1
Earnings per share, basic, €*	0.40	0.36
Cash flow from operating activities, € million	331.4	287.7

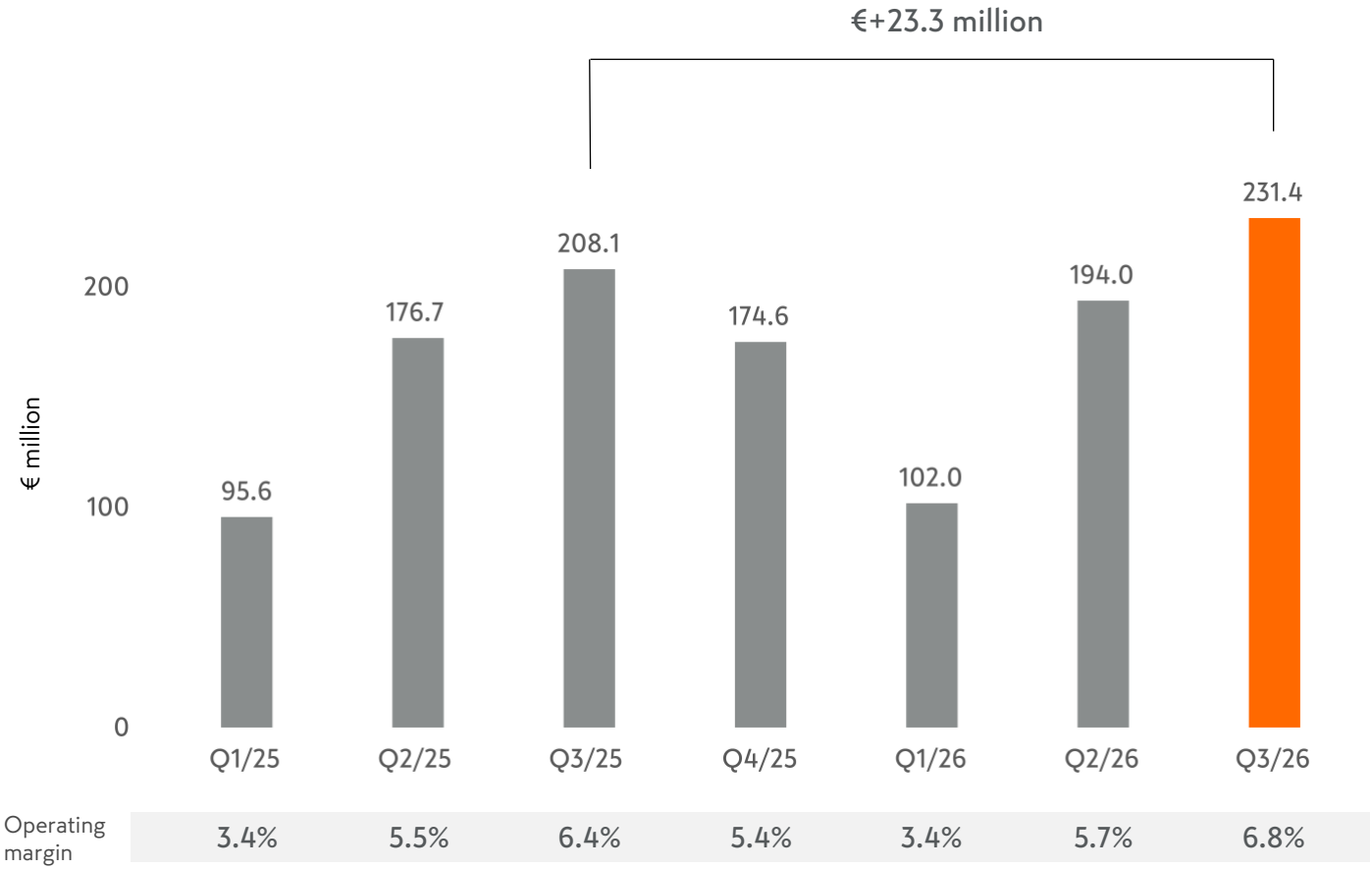
* Comparable

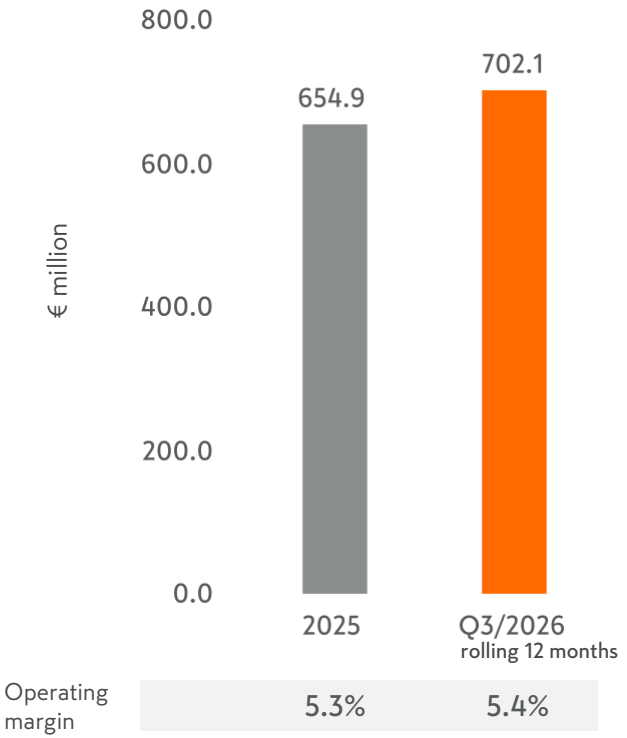
NET SALES


€+167 million
€ million
3,000
2,000
1,000
0
2,828
3,189
3,227
3,231
3,029
3,379
3,394
Q1/25
Q2/25
Q3/25
Q4/25
Q1/26
Q2/26
Q3/26

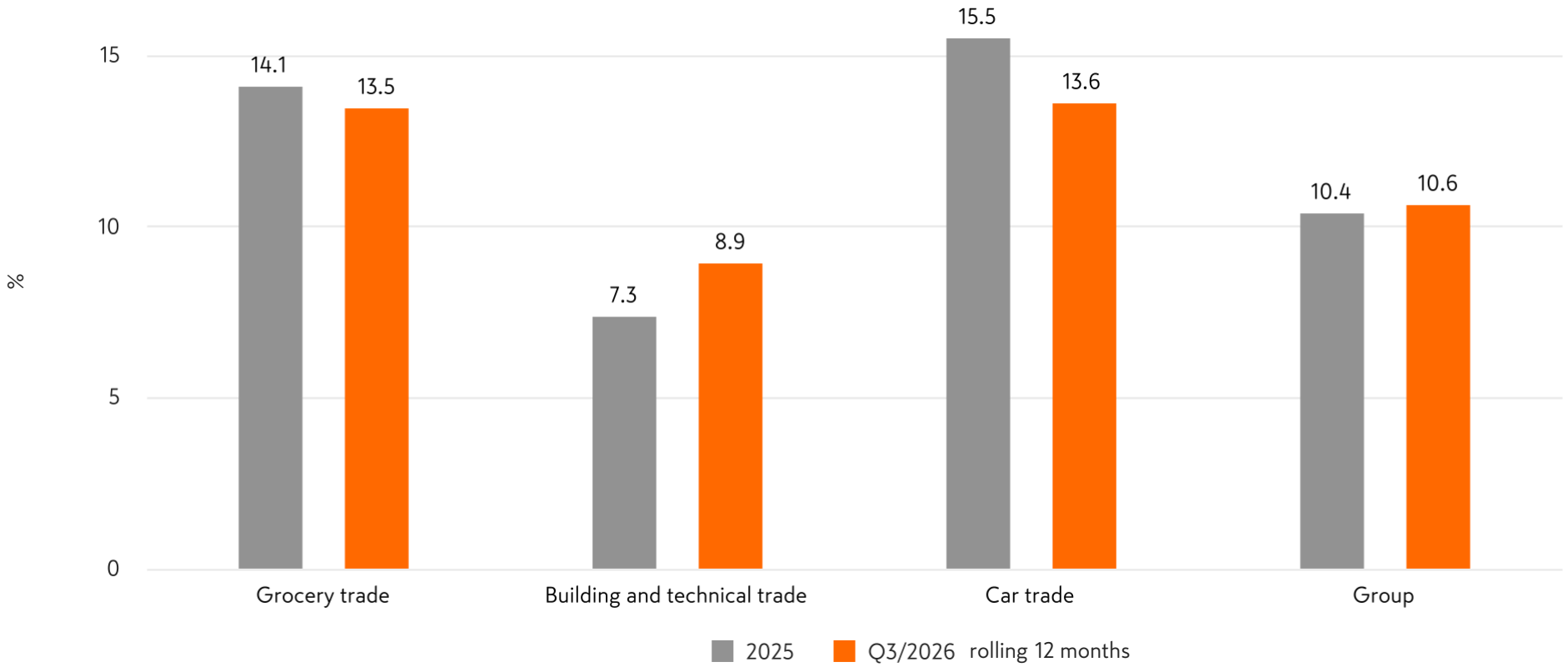

€ million
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
12,475
13,033
2025
Q3/2026
rolling 12 months

OPERATING PROFIT





RETURN ON CAPITAL EMPLOYED



Comparable figures

FINANCIAL POSITION

Cash flow from operating activities grew stronger

	Q3/2026	Q3/2025
Cash flow from operating activities, € million	**331.4**	**287.7**
Liquid assets, € million	**251.3**	**97.4**
Capital expenditure, € million	**95.0**	**140.7**
Interest-bearing net debt excl. lease liabilities, € million	**1,317.0**	**1,368.0**
Interest-bearing net debt / EBITDA (excl. IFRS 16 impact, rolling)	**1.5**	**1.8**
Lease liabilities, € million	**2,255.3**	**2,076.1**

CAPITAL EXPENDITURE

Key CAPEX: investments in store sites

	Q3/2026	Q3/2025
Store sites, € million	**63.3**	**91.7**
Acquisitions, € million	**-**	**-**
IT, € million	**4.4**	**3.7**
Other investments, € million	**27.3**	**45.3**
Total, € million	**95.0**	**140.7**

EXPENSES

Expenses well under control

	Q3/2026	Q3/2025
Fixed costs, € million	**532.6**	**507.3**
- Employee benefit expenses, € million	**224.9**	**208.0**
- Other expenses, € million	**157.1**	**155.1**
- Depreciation, € million	**150.6**	**144.2**
Cost ratio, %	**15.7**	**15.7**

Figures excluding items affecting comparability

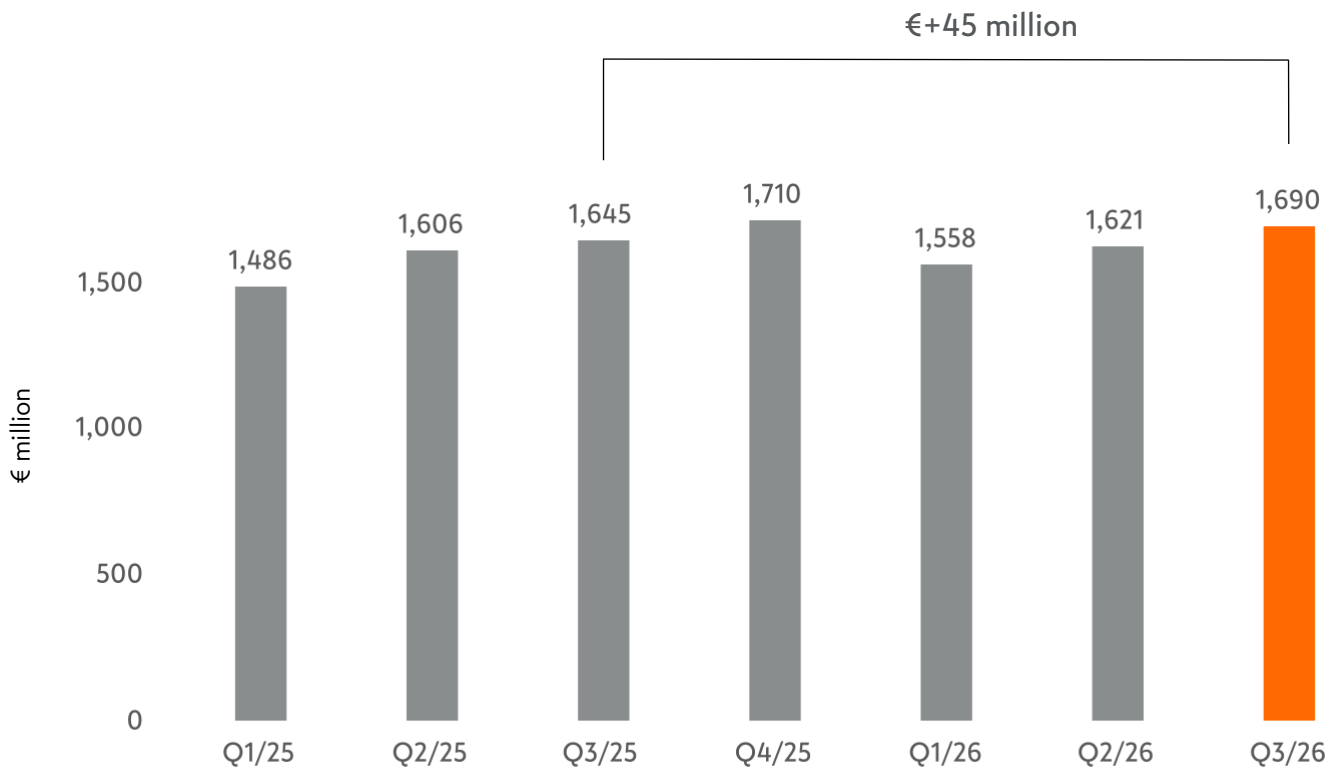
Grocery trade Q3

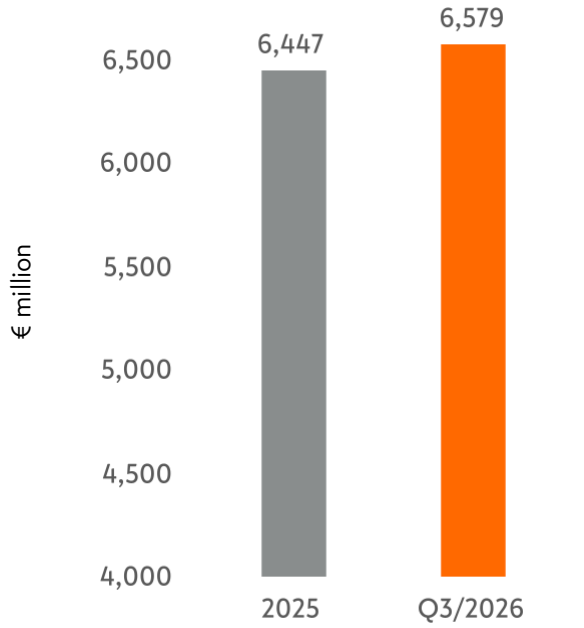
Market share continued to grow, profit at a good level



GROCERY TRADE

NET SALES

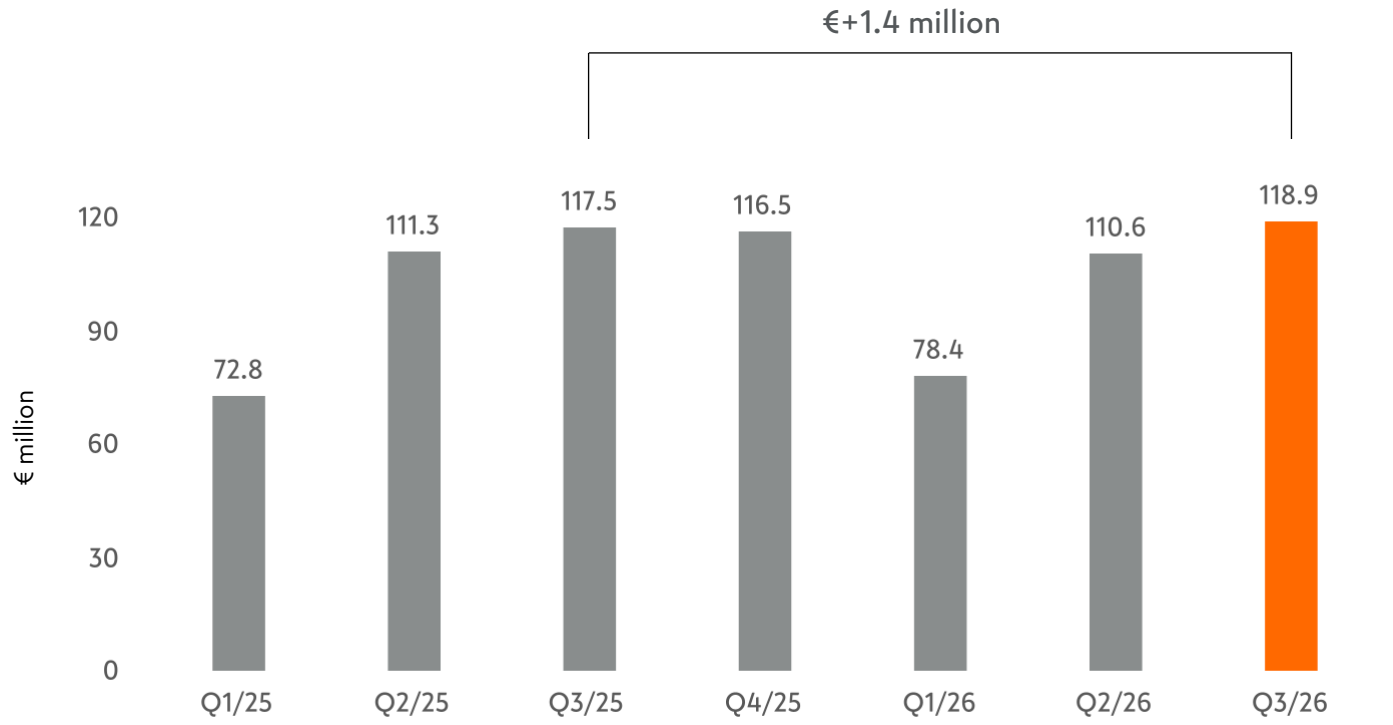




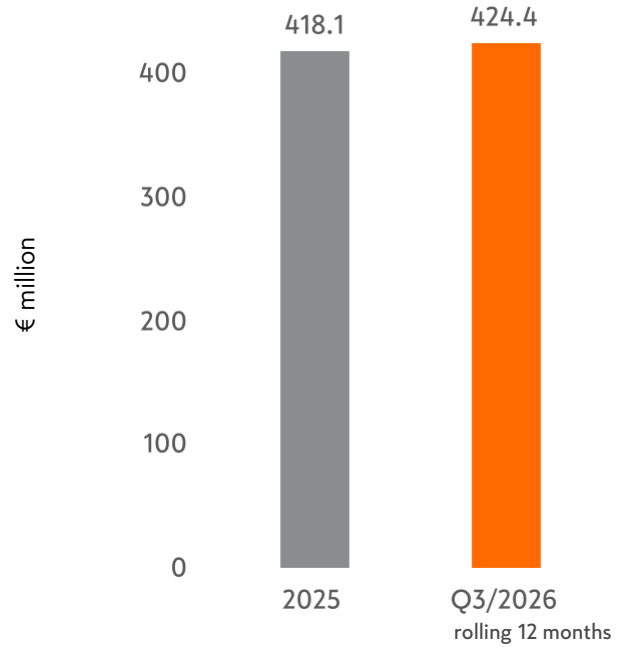
rolling 12 months

GROCERY TRADE

OPERATING PROFIT



	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26
Operating margin	4.9%	6.9%	7.1%	6.8%	5.0%	6.8%	7.0%



	2025	Q3/2026 rolling 12 months
Operating margin	6.5%	6.5%

Comparable figures

GROCERY TRADE HIGHLIGHTS IN Q3

- Division net sales increased and comparable operating profit improved slightly
- The total grocery market in Finland grew by approximately 0.6%
- K Group grocery sales were up by 1.8%
- K Group grocery stores gained market share in Q3, customer flows and main shopping basket sizes continued to grow
- Kespro's net sales were down by 1.0% – gained market share
- K-Citymarket's non-food sales were up by 3.8%
- Online grocery sales were up by 10.9%, accounted for 3.9% of K Group's grocery sales (incl. VAT)
- Grocery price inflation in Finland was some 1.5%* in Q3, and some 1.4%* in 1–9/2026
- Demand for quality products and services in K Group grocery stores remained at a good level



* Statistics Finland, including VAT

MARKET SHARE IN GROCERY TRADE CONTINUED TO GROW

- Market share for K Group grocery stores took an upturn in Q4/2025, and they have gained market share every month since October 2025
- All K Group grocery chains have gained market share in their respective size segments in 2026. Our market share growth has been the strongest in supermarkets, which is the biggest segment of the Finnish grocery trade market
- The good performance is attributable to investments made in store quality, prices, and network
- Store network plays a key role in growing our market share: a total of 67 stores of various sizes will be updated and 26 stores (either new or replacements) opened in 2026. Plans for 2027 include 68 store renovations and 30 openings of new or replacement stores

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)

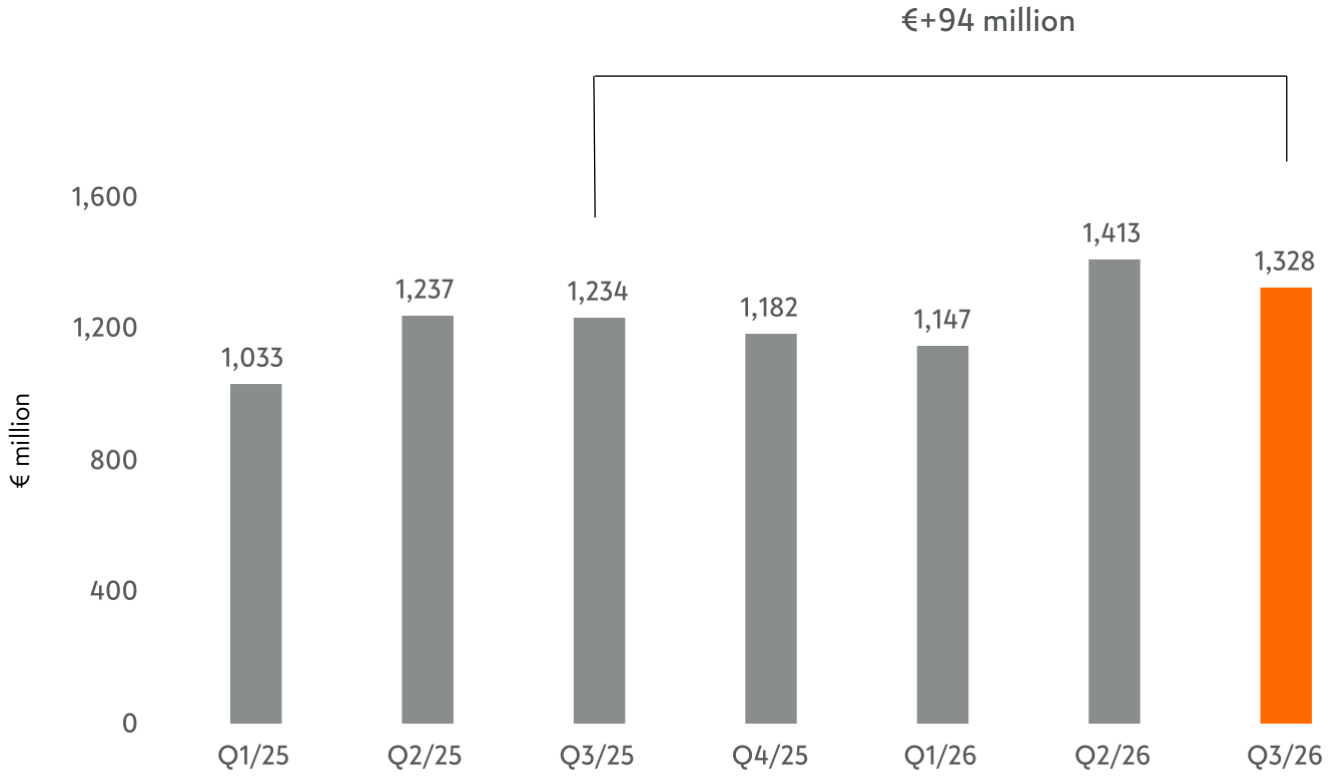
Building and technical trade Q3

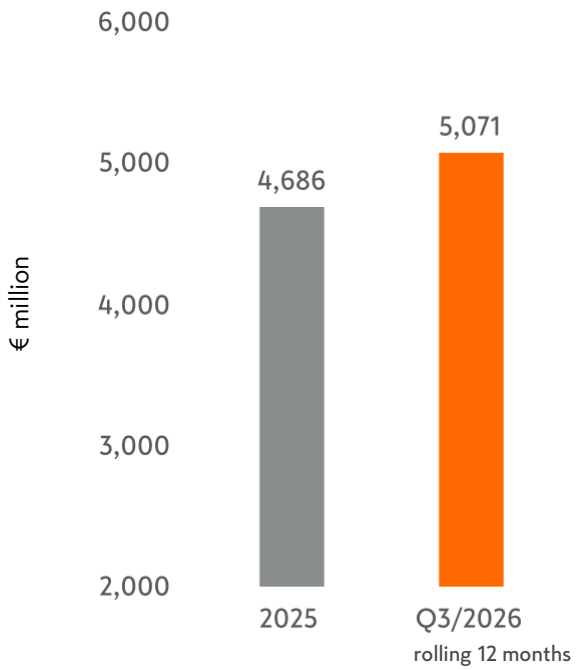
Sales grew and profit improved driven by B2B trade



BUILDING AND TECHNICAL TRADE

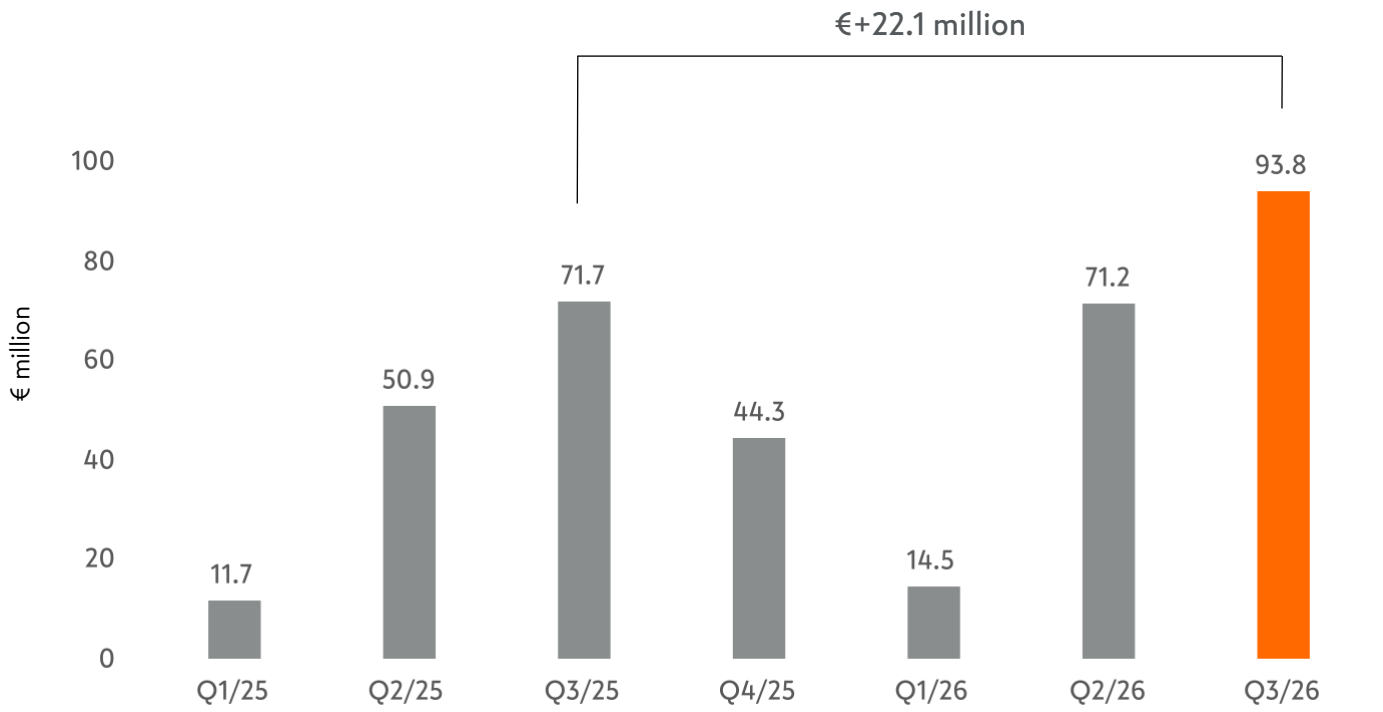
NET SALES



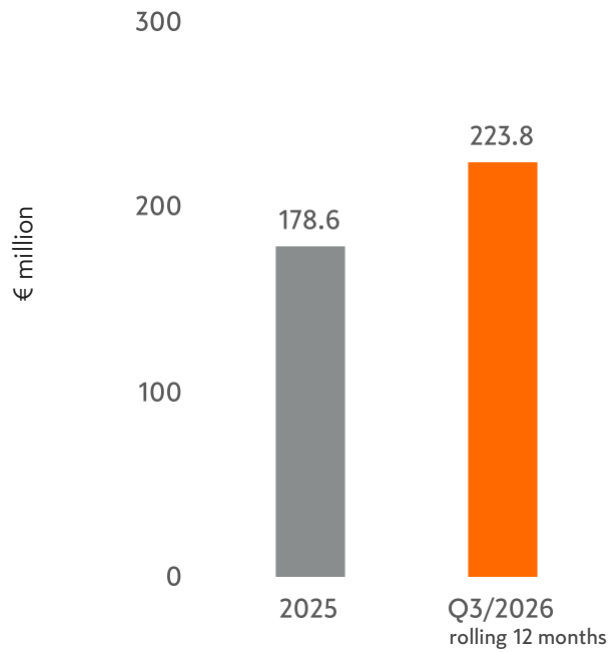


BUILDING AND TECHNICAL TRADE

OPERATING PROFIT



Operating margin	1.1%	4.1%	5.8%	3.7%	1.3%	5.0%	7.1%



Operating margin	3.8%	4.4%

Comparable figures

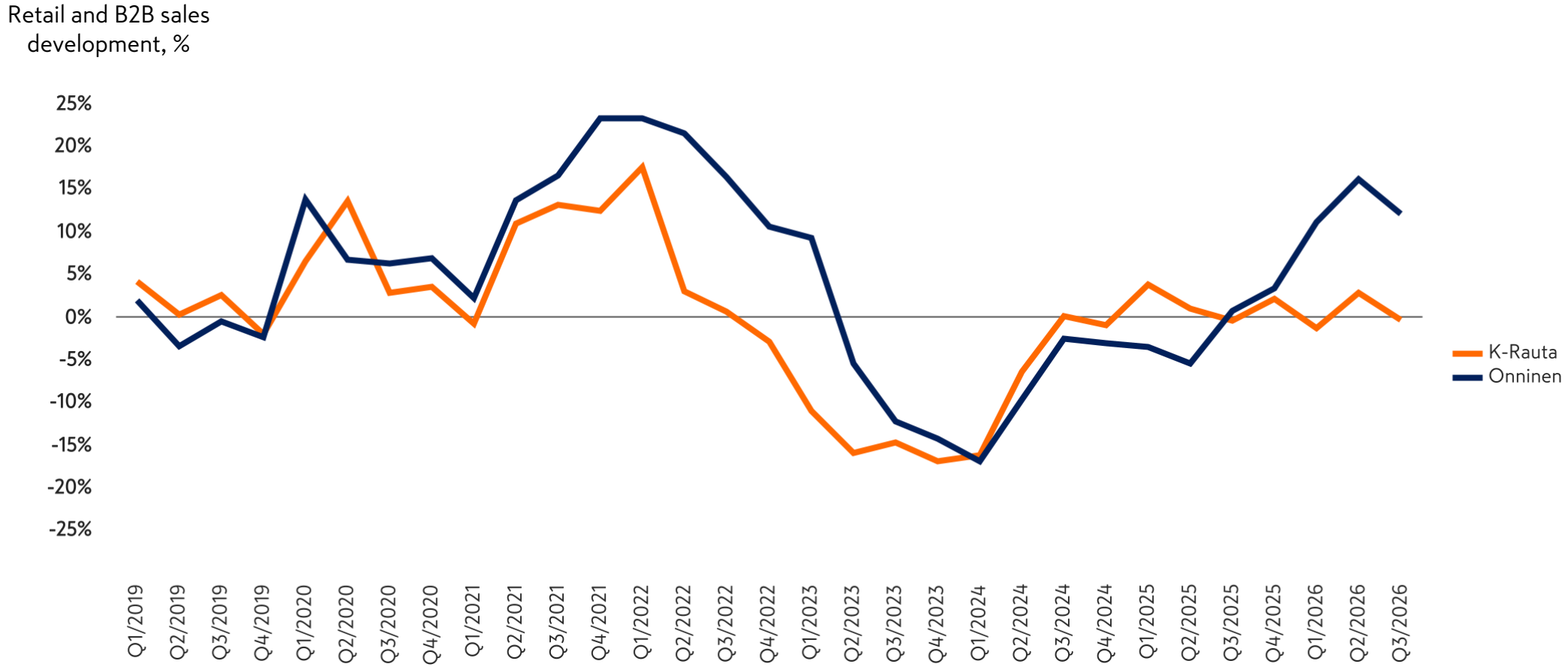
BUILDING AND TECHNICAL TRADE HIGHLIGHTS IN Q3

- Division net sales grew in all operating countries. Profit improved in particular thanks to strong sales in technical trade and in building and home improvement trade in Denmark, Norway and Sweden. The share of result from Kesko Senukai also supported the improvement in profitability.
- Market demand has picked up in e.g. industrial projects, data centres and infrastructure construction, but remains muted in new housing construction and B2C trade
  - Finland, technical trade: Onninen's sales grew and profit improved, growth attributable in particular to strengthening market share
  - Finland, building and home improvement trade: K-Rauta's sales grew in B2B trade, profit down due to muted B2C trade
  - Norway: Onninen's sales grew and profit improved clearly, Byggmakker's sales grew and profit improved
  - Denmark: Davidsen's sales grew and profit improved significantly
  - Sweden: K-Bygg's sales growth strong, profit improved
  - Poland and the Baltics: Onninen's sales growth strong, profit improved
- Credit risk well under control, €0.8 million written down for trade receivables past due date (€1.2 million)
- The share of result from Kesko Senukai was €14.1 million (6–9/2026). In the Q3/2025 report, Kesko Senukai's share of result was reported for 1–9/2025 (€7.4 million). In addition to good sales development, the share of result increased due to, among other factors, a change in the accounting treatment of supplier bonuses.

	Q3/2026	Q3/2025
Net sales, € million	**1,328.1**	**1,233.6**
Technical trade	664.3	596.8
Building & home improvement trade	686.5	655.6
Operating profit*, € million	**93.8**	**71.7**
Technical trade	41.7	33.5
Building & home improvement trade	38.6	32.0
Operating margin, %*	**7.1**	**5.8**
Technical trade	6.3	5.6
Building & home improvement trade	5.6	4.9

*Comparable

SALES OF K-RAUTA FINLAND AND ONNINEN FINLAND



Onninen Q3 sales: +12.0%
Competitors Q3, total: +1.4%

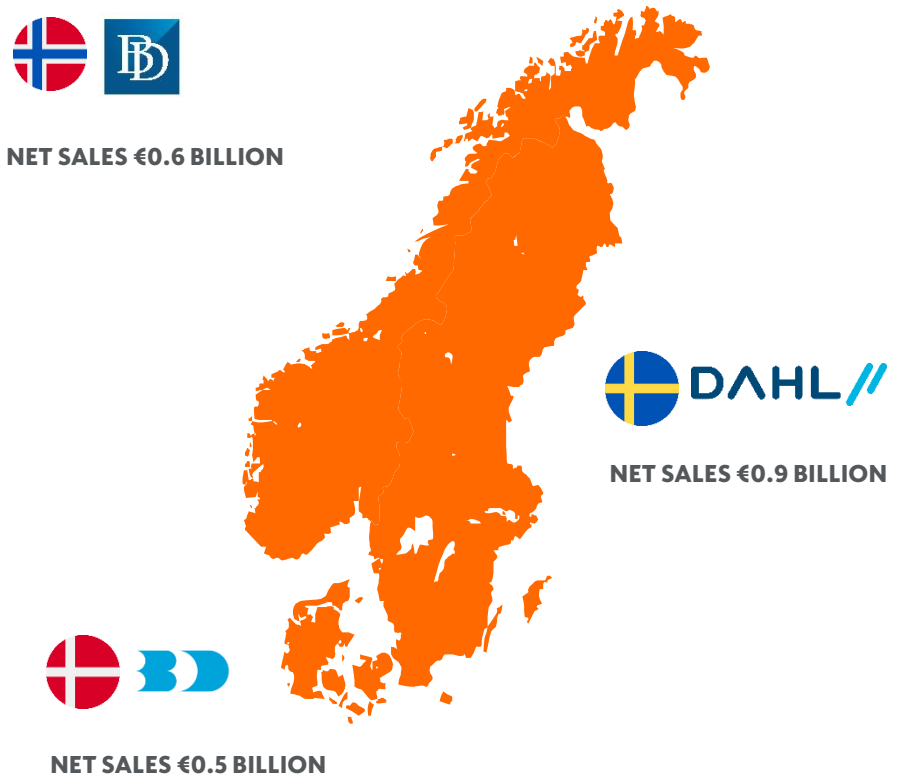
Sources: Talteka and STK

K-Rauta Q3 sales: -0.4%
Competitors Q3, total: -0.6%

Source: RaSi

KESKO STRENGTHENS ITS TECHNICAL TRADE BY ACQUIRING DAHL'S OPERATIONS IN SWEDEN, NORWAY AND DENMARK

- Kesko is acquiring the technical trade operator Dahl's companies in Sweden, Norway and Denmark from Saint-Gobain
- The combined, illustrative net sales of the businesses to be acquired totalled some €2.1 billion in 2025
- Kesko announced on 24 September 2026 that the European Commission had approved the acquisition unconditionally. Other required authority approvals had already been obtained earlier.
- Kesko expects the acquisition to be completed on 2 November 2026.
- Kesko's Board of Directors is planning to begin a rights issue once the transaction is completed. In the issue, only B shares would be offered for subscription to holders of both A and B shares.
- Kesko will arrange an Extraordinary General Meeting on 30 October 2026 in which the Board seeks authorisation to issue a maximum of 12 million new B shares. The Board was authorised by the 2026 Annual General Meeting to issue 33 million shares, and thus the maximum number of new shares that could be issued would total 45 million.



Illustrative net sales for 2025 based on local financial statements

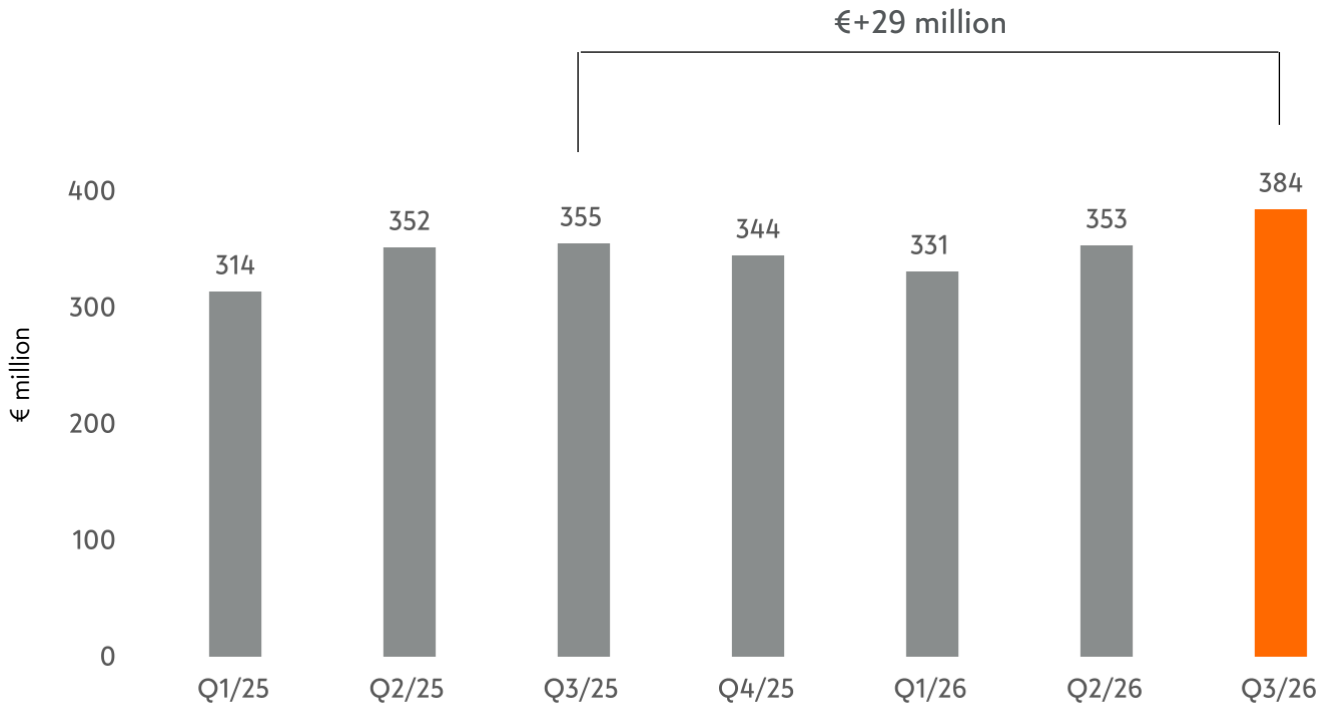
Car trade Q3

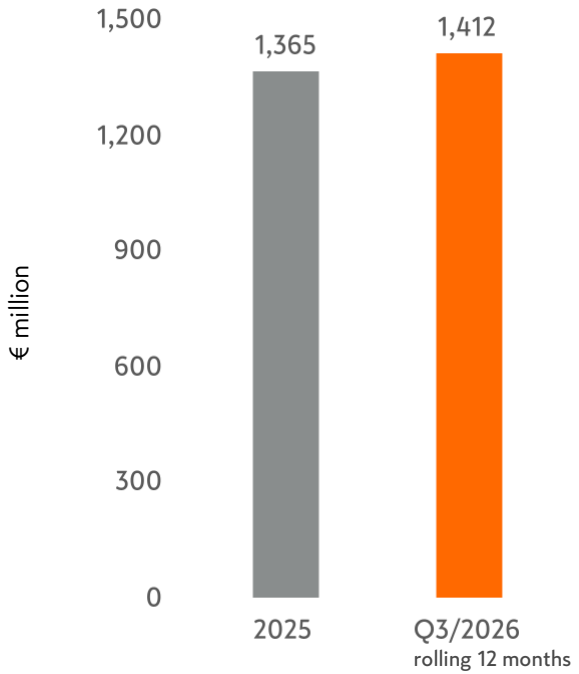
Sales increased and profit improved



CAR TRADE

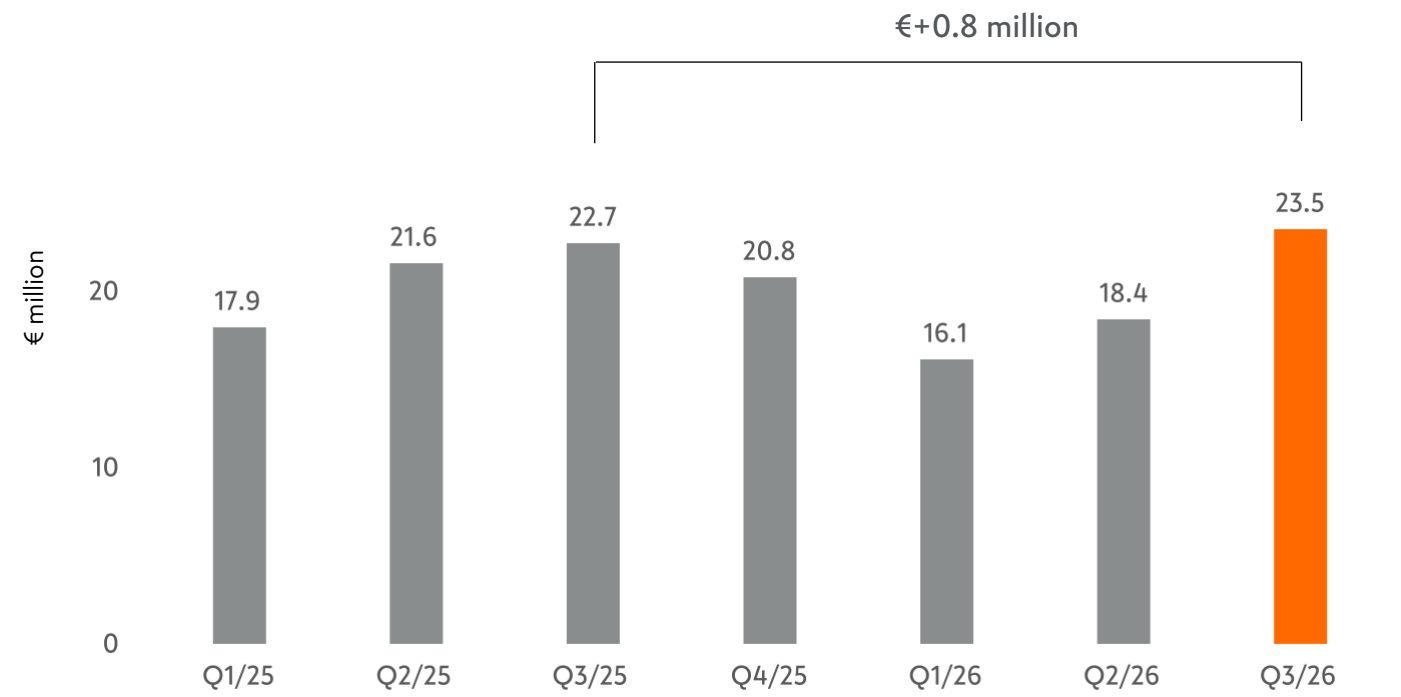
NET SALES



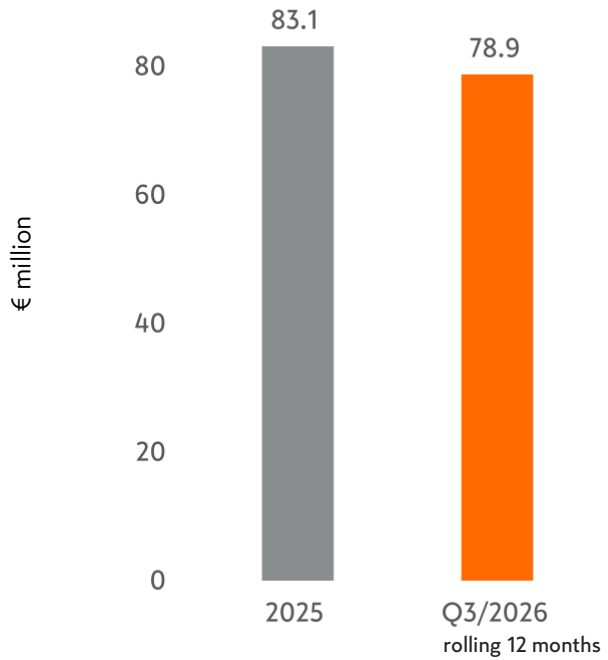


CAR TRADE

OPERATING PROFIT



Operating margin	5.7%	6.1%	6.4%	6.0%	4.9%	5.2%	6.1%



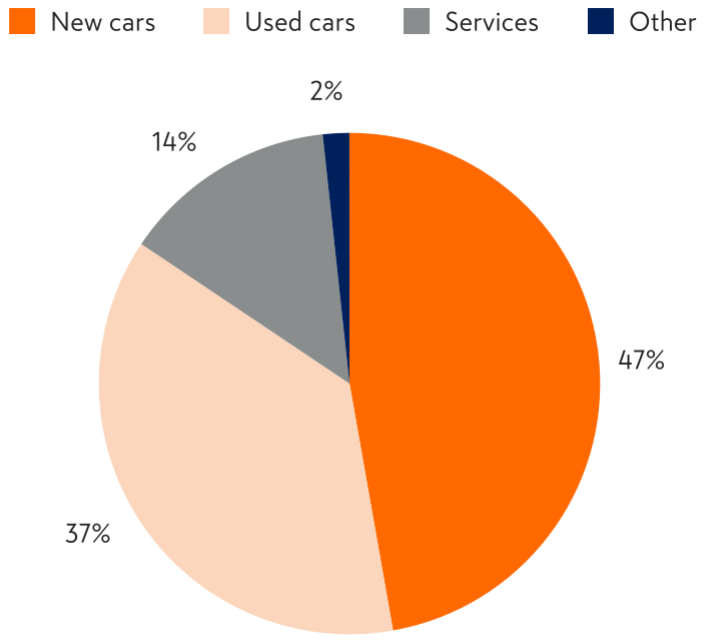
Operating margin	6.1%	5.6%

Comparable figures

CAR TRADE HIGHLIGHTS IN Q3

- Division net sales increased and comparable operating profit improved slightly
- Market demand for new cars picked up, Q3 first registrations of passenger cars and vans up by 14.5%; first registrations of brands represented by Kesko up by 23.9%
- K-Autos' order book for new cars continued to grow (in units): it was up by nearly 70% year-on-year and by some 65% year-to-date. The conversion of order book into sales depends on the availability of cars. Delivery times are typically 3–4 months, or 6–8 months for some models
- Used car sales from dealerships in Finland were down by 2.7% (in units), while K-Auto’s used car sales increased by 3.4%
- Service sales in car trade decreased slightly
- In sports trade, net sales grew while comparable operating profit decreased

K-AUTO, NET SALES



Net sales for the division's car trade businesses in Q3/2026, rolling 12 months

‘Other’ consists primarily of car leasing services

PROFIT GUIDANCE FOR 2026 AND OUTLOOK FOR 2027

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 €690–730 million.
Kesko previously estimated that the comparable operating profit would amount to €670–730 million.

The profit guidance does not include impacts from the Dahl acquisition on the comparable operating profit. Key uncertainties impacting Kesko's outlook are developments in consumer confidence and investment appetites, as well as geopolitical crises and tensions.

OUTLOOK FOR 2027

The operating environment for Kesko is estimated to improve in 2027 in all divisions and all operating countries. Kesko's net sales and comparable operating profit are also estimated to improve in all divisions and all operating countries.



In grocery trade, B2C trade is estimated to pick up slightly and the foodservice business to remain stable. In 2027, the comparable operating margin for the grocery trade division is estimated to continue to be 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 2027 compared to 2026.



In building and technical trade, the cycle has gradually improved, but it has remained muted in new housing construction. In 2027, the cycle is expected to continue to improve. The comparable operating profit for the building and technical trade division is estimated to improve in 2027 compared to 2026 in all Kesko operating countries. The division's comparable operating profit is expected to improve even excluding the impact of the Dahl acquisition.



In the car trade market, demand for new cars is expected to pick up compared to 2026. The net sales and comparable operating profit for Kesko's car trade are estimated to improve in 2027 compared to 2026.

In conclusion



#

Net sales grew and profit improved in all three divisions

#

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

#

Marked profit growth in building and technical trade, driven by technical trade; positive development also in building and home improvement trade, especially in Denmark, Sweden and Norway

#

Good sales development in car trade, strong order book in new cars

#

Kesko's biggest ever acquisition – the technical trade operations of Dahl in Sweden, Norway and Denmark – expected to be completed on 2 November 2026. Share issue planned

#

We estimate that Kesko's operating environment, net sales and comparable operating profit will improve in 2027

