



Kesko's new financial targets

The Board of Directors of Kesko Corporation has approved new medium-term financial targets for the Group.

The new medium-term financial targets for profitability, as approved by the Board of Directors of Kesko Corporation, are a comparable operating margin of 5.5% and a comparable return on capital employed of 12.5%. In terms of financial position, as before, the Group targets a maximum interest-bearing net debt/EBITDA ratio of 2.5, excluding the impact of IFRS 16. Kesko Group's previous financial targets were a comparable operating margin of 5.0%, a comparable return on capital employed of 11.0%, and interest-bearing net debt/EBITDA of less than 2.5 excluding the impact of IFRS 16.

Indicator	Target	Actual 09/2020, rolling 12 months
Comparable operating margin, %	5.5	5.0
Comparable return on capital employed, %	12.5	11.0
Interest-bearing net debt/EBITDA, excluding IFRS 16 impact	at maximum 2.5	0.5

Thanks to the successful execution of its growth strategy, Kesko achieved its previous financial targets at the end of September 2020, sooner than anticipated. The Covid-19 epidemic and related changes in consumer behaviour have also had a positive impact on the company's profit in 2020. Kesko estimates that less than half of its profit growth in 2020 is related to the Covid-19 epidemic. The new targets take into account economic development in Kesko's operating countries in upcoming years, which is generally expected to be moderate.

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