



KESKO CORPORATION INSIDER INFORMATION 14.6.2021 AT 19.15

Kesko Corporation issues a positive profit warning based in particular on stronger-than-anticipated development in building and technical trade

Kesko raises its profit guidance for 2021. The company now estimates that its comparable operating profit in 2021 will be in the range of €650-750 million. Before, the company estimated that the comparable operating profit would be in the range of €570-670 million.

The guidance upgrade is based on better-than-anticipated sales growth and profit development especially in the building and technical trade division, and the division's more positive outlook for the remainder of the year.

In 2020, Kesko's illustrative comparable operating profit totalled €554 million.

Guidance upgrade rationale

In the building and technical trade division, growth has continued better than anticipated in both B2B trade and B2C trade in all operating countries. The division is also positively impacted by the continued strengthening of the market and general rise in prices.

In the grocery trade division, retail sales have developed well while Kesko's foodservice business has clearly strengthened compared to the year before. In the car trade division, growth in sales and improvement in operational efficiency are proceeding as planned.

Expectations regarding the remainder of the year are more positive than before, especially in the building and technical trade. The outlook for the remainder of the year is more positive also in the grocery trade and car trade.

Due to various uncertainties, the guidance range for the 2021 comparable operating profit remains wide. Especially factors such as consumption predictability, product availability, price inflation and the duration of the pandemic make estimates for the remainder of the year more difficult.

Kesko will publish its 2021 half-year financial report on 23 July 2021.

The previous outlook and guidance for 2021, issued on 15 April 2021 and restated in connection with Kesko's interim report on 28 April 2021, was as follows:

“OUTLOOK AND GUIDANCE FOR 2021

Kesko Group's outlook is given for the year 2021, in comparison with the year 2020.

Kesko estimates that its comparable operating profit in 2021 will be in the range of €570-670 million. Before, the company estimated that the comparable operating profit would be in the range of €520-620 million. The illustrative comparable operating profit in 2020 was €554 million.

The guidance upgrade is based on better-than-anticipated sales development in all divisions and a more positive outlook for the remainder of the year. Retail sales have continued strong in the grocery trade, while the foodservice business has remained profitable despite the difficult market situation. In the building and technical trade, growth has continued better than anticipated in both B2B and B2C trade. Car trade has also grown compared to last year. At the same time, Kesko has managed to further improve cost efficiency. Expectations for the grocery trade and building and technical trade regarding the remainder of the year are more positive than before.

It is still difficult to anticipate the impacts of the Covid-19 pandemic, and consequently the range for the 2021 comparable operating profit guidance remains wide.”

Further information is available from Jukka Erlund, Executive Vice President, Chief Financial Officer, tel. +358 105 322 113, and Hanna Jaakkola, Vice President, Investor Relations, tel. +358 105 323 540

Kesko Corporation

DISTRIBUTION

Nasdaq Helsinki Ltd
Main news media
www.kesko.fi