




ANNUAL GENERAL MEETING 2021

Review of 2020 by President and CEO

Record Result

Mikko Helander, President and CEO, 12 April 2021

A black and white photograph of a large, multi-story brick building with a distinctive curved corner and many windows. The building is identified by a sign on its roof that reads "KESKO". The text "Kesko's story began on Satamakatu in Helsinki 80 years ago" is overlaid in white. In the foreground, there are vintage cars and a delivery van, and a few people are visible on the street. A large tree is on the left side of the frame.

KESKO

Kesko's story began
on Satamakatu
in Helsinki
80 years ago

K Group today

A leading retailer
in Northern Europe

46,000
EMPLOYEES

1,200
K-RETAILERS

ALMOST

DEBT-FREE*

1.9 MILLION DAILY
CUSTOMER CONTACTS

1,800
STORES

IN **8**

COUNTRIES

RETAIL SALES OF
€14 BILLION

*excl. lease liabilities

Our Growth Strategy Is Working and Enables Further Growth in Sales and Profit



Strong Strategy Execution

More than 30 acquisitions and divestments

Investments in growth
€3.0 billion

- ↑ Acquisition of Carlsen Fritzøe Handel AS
- ↑ Acquisition of Fresks stores
- ↑ Bygghem acquisition
- ↑ Acquisition of Onninen
- ↑ Acquisition of Suomen Lähikauppa

Divestments
€1.0 billion

- ↓ Divestment of operations in Russia
- ↓ Divestment of K-maatalous agricultural machinery trade
- ↓ Divestment of machinery trade operations
- ↓ Divestment of Anttila department stores

Transforming a Traditional Retailer into One Unified K

KESKO

K CITYMARKET

K SUPERMARKET

KESPRO

K MARKET

K EXTRA

K-KAUKA

RAUTIA

K-MÄÄTALOUS

KODIN YKKÖNEN 1

ASKO



ANTILA

MUULI



MUSTA PÖRSSI

KONEKESKO

K PYÖKÄ



VV-AUTO

K-KAUKA



K CITYMARKET

K Supermarket

K Market

KESPRO

K Rauta

onninen K

K BYGG



K Auto

K Plussa

Our Strategy Is Working Well in the Changing Operating Environment



Globalisation



Consolidation



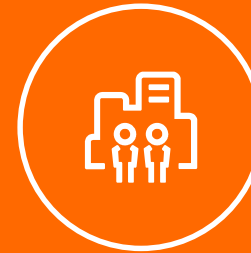
Sustainability and
climate change



Accelerating
technological
advancements



Multichannel and
online sales



Urbanisation
and demographic
changes

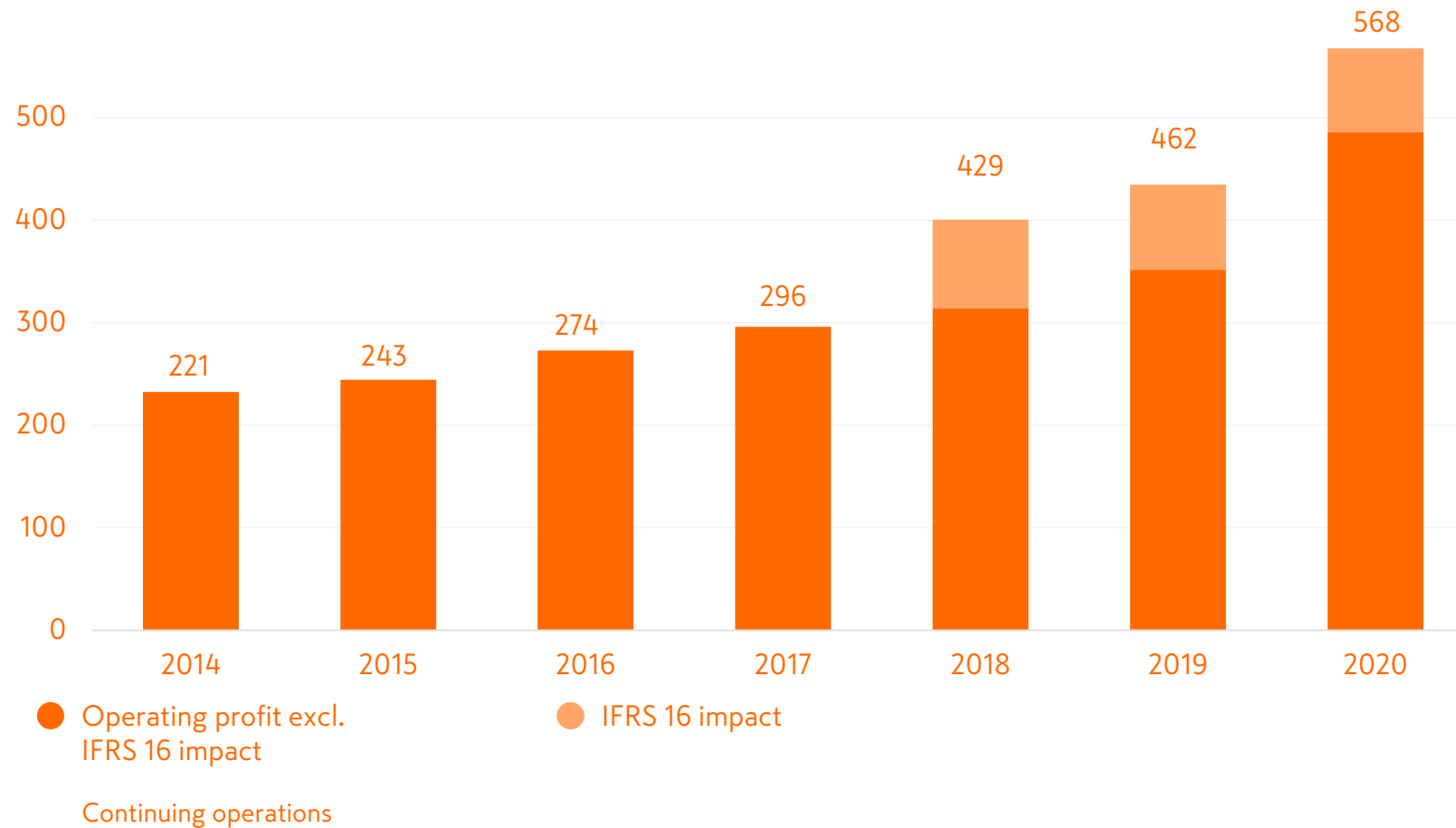
Successful strategy execution
has seen the net sales of
our core operations grow by

over €3 billion

since 2014

Stable Profit Growth

Comparable operating profit, reported figures, € million



Growth and Transformation Are Paying Off

Kesko's market capitalisation

€10 billion

€2.9 billion in 4/2014

Return of a Kesko B share 4/2014-3/2021

+320%

60,000 shareholders, up by 40% in 2020

* 8 April 2021, return incl. share price and dividends



Financial Statements 2020

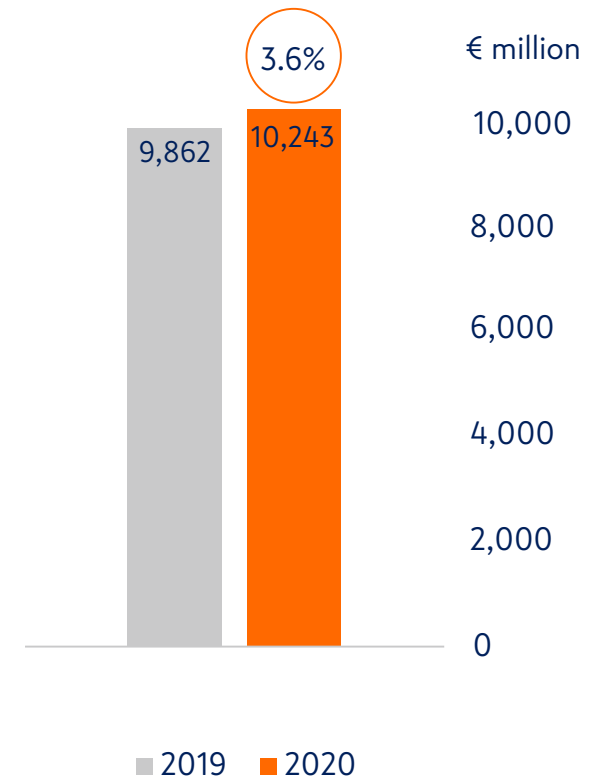
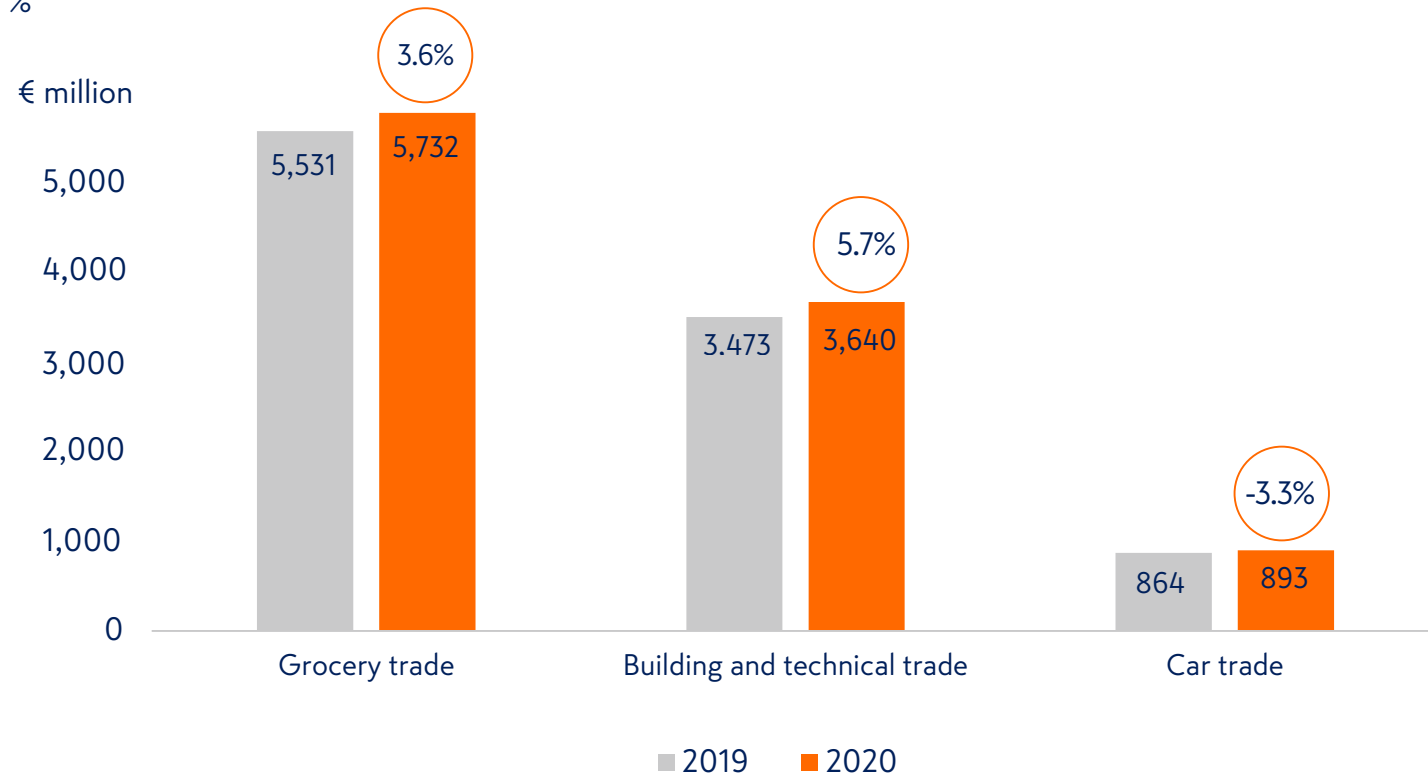
Record Result in 2020

	1-12/2020	1-12/2019
Net sales, € million	10,669.2	10,720.3
Operating profit, € million	600.2	447.8
Comparable operating profit, € million	567.8	461.6
Profit before tax, € million	527.6	403.3
Earnings/share, €, continuing operations	1.09	0.83
Earnings per share, comparable, €, continuing operations	0.97	0.74

Net Sales

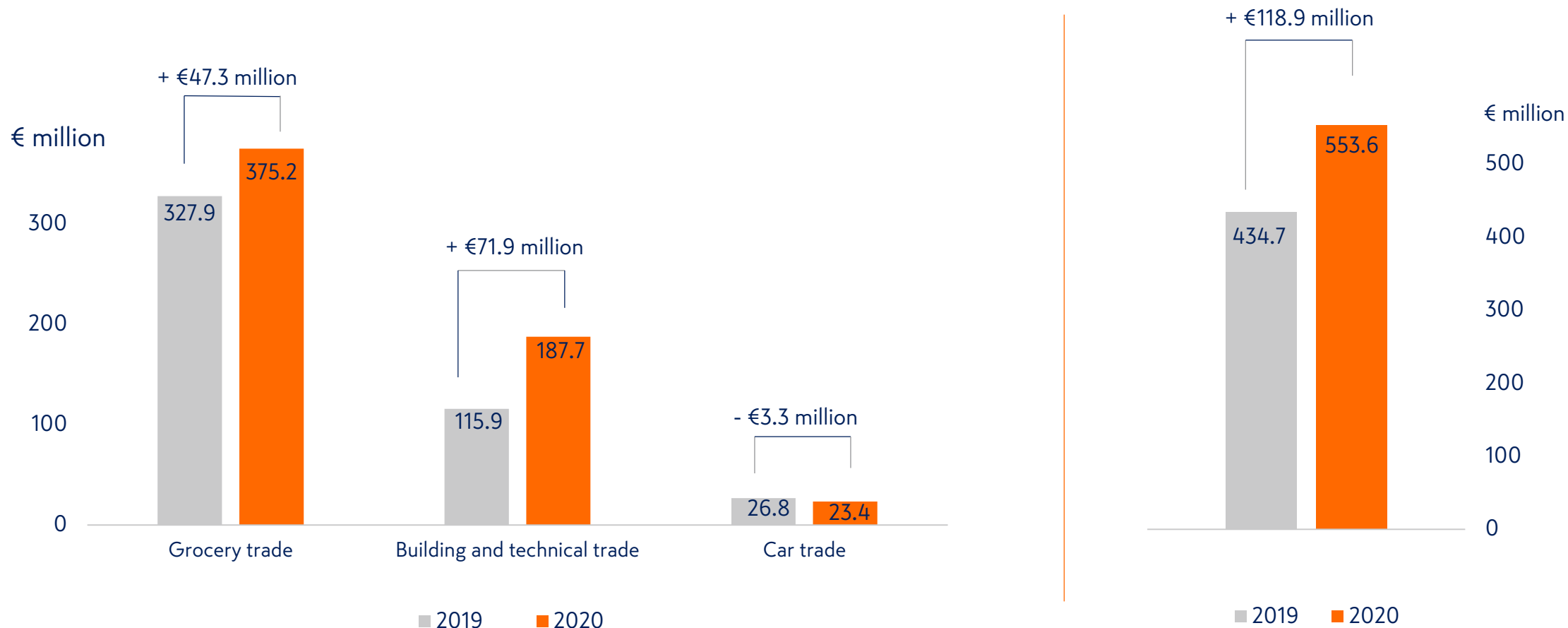
Illustrative figures

Comparable
growth, %



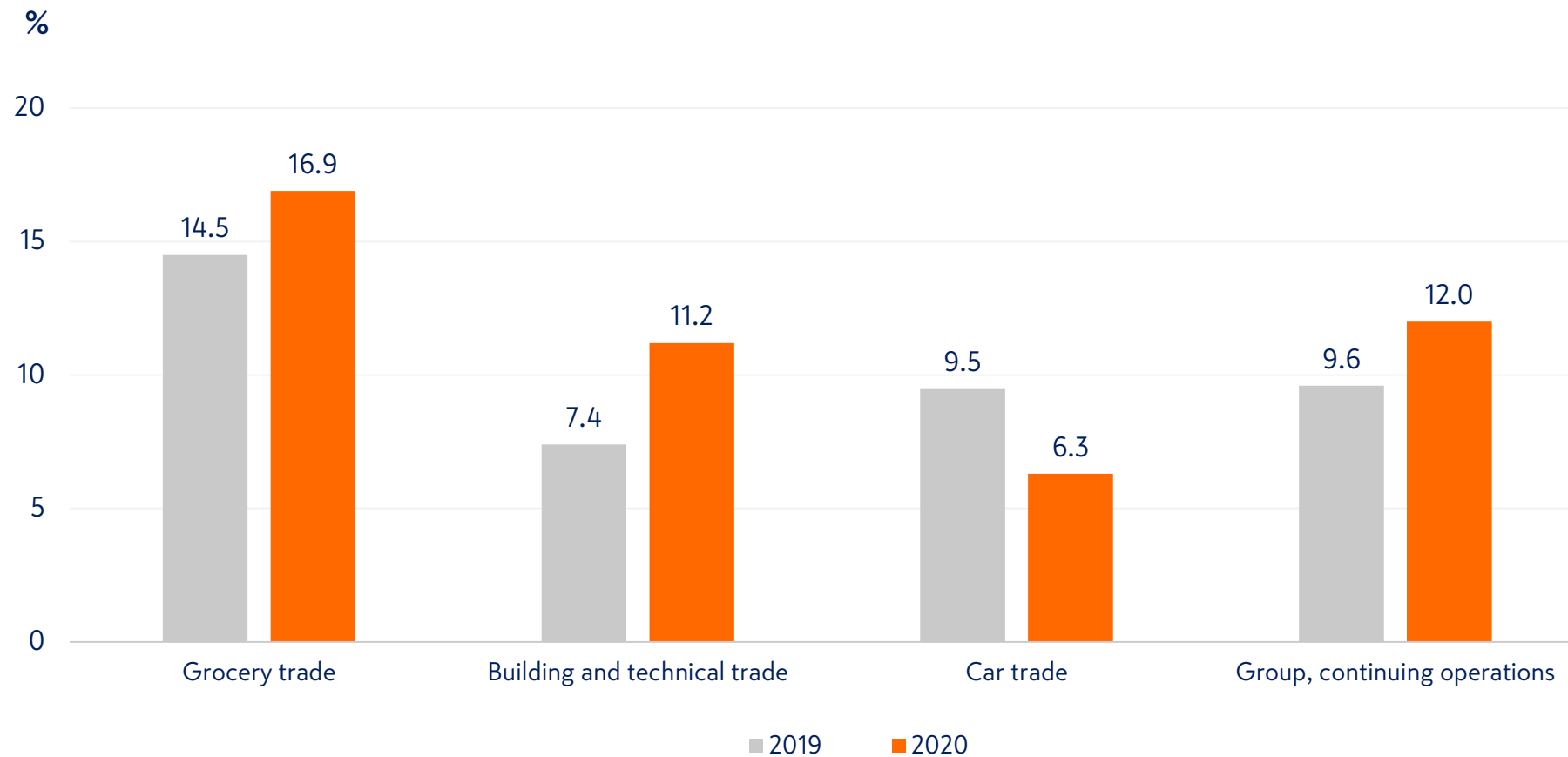
Comparable Operating Profit

Illustrative figures



Return on Capital Employed

Comparable



Strong Financial Position

	2020	2019
Cash flow from operating activities, € million	1,152.4	893.1
Liquid assets, € million	306.0	169.0
Capital expenditure, € million	398.4	686.1
Interest-bearing net debt excl. lease liabilities, € million	285.3	446.1
Interest-bearing net debt/EBITDA (rolling, excl. IFRS 16 impact)	0.4	0.9
Lease liabilities, € million	2,025.0	2,422.2



Year 2020 – Divisions

Sales and Profit Growth Continued Strong in the Grocery Trade



Grocery trade net sales

€5,732 million

Grocery trade comparable operating profit

€375 million

Solid basis for growth and profitability

- Good customer experience
- Store-specific business ideas
- Well-functioning retailer business model
- Forerunner in utilising digitalisation
- Constant improvement in efficiency
- Strong foodservice business

Market share in grocery trade growing strongly

37.7%

31.5% in 2015

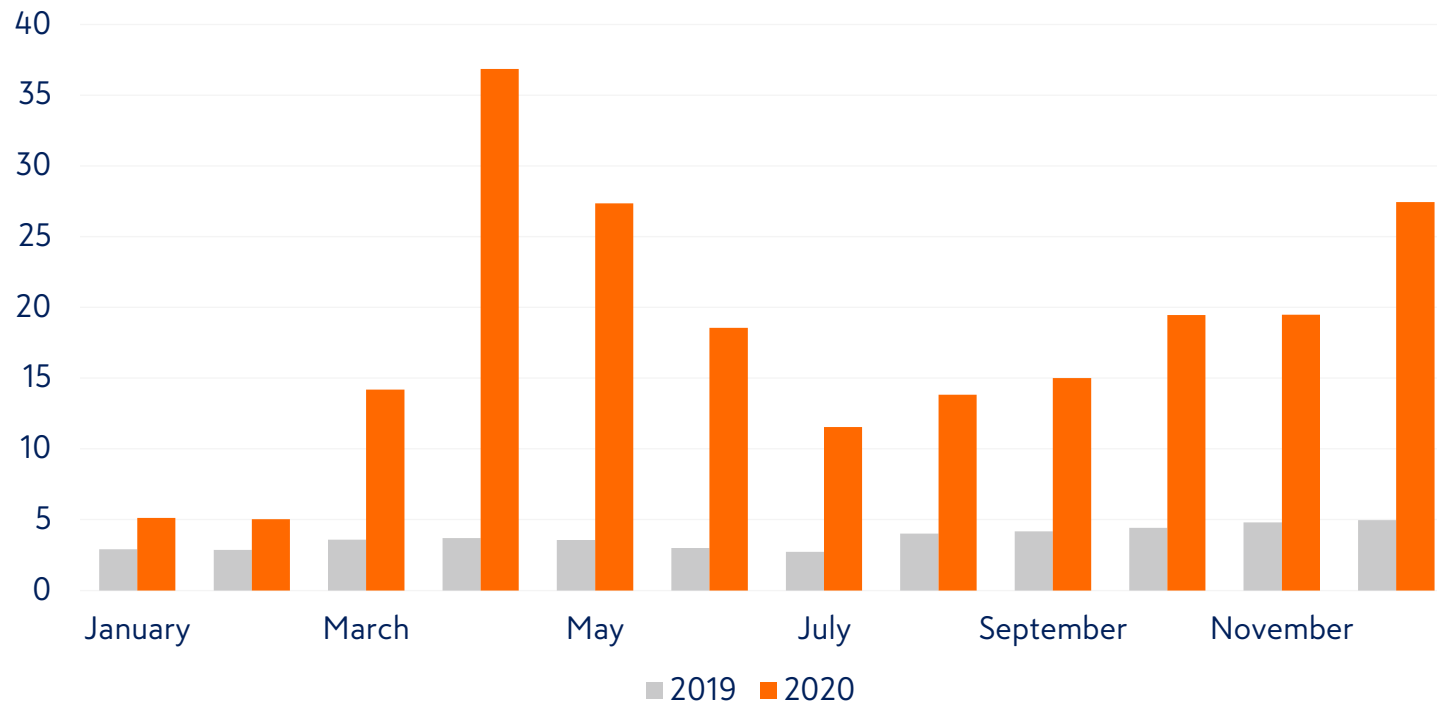
Retail sales growth in Finland since 2015

€1.8 billion



Good Development in Online Grocery Supports Growth in Sales and Market Share

Online grocery sales, € million



Figures incl. VAT and collection and transport fees

- Market share in online grocery over 50%
- Growth in online grocery sales some 400% in 2020
- Growth has continued strong also in 2021
- 500 K-stores offer online grocery services
- Excellent customer satisfaction, NPS 83

Implementation of Country-Specific Strategies in Building and Technical Trade Yields Results



Building and technical trade net sales, illustrative

€3,640 million

Building and technical trade comparable operating profit, illustrative

€188 million

Good progress in all areas

- Strong development continues in Finland
- Onninen has developed well as part of Kesko
- Good sales and profitability development in Sweden
- Strong growth and good profitability development in Norway

Towards the Best in Europe



Changes in the Car Trade Division to Increase Sales and Improve Profitability



Car trade net sales

€893 million

Car trade operating profit

€23 million

Key focus for car trade

- Raising profitability to a new level
- Accelerating sales growth
- Significantly improving customer experience
- Good collaboration with the Volkswagen Group
- Significantly growing used car sales



Proposed Dividend and Guidance



Dividend Proposal

The Board of Directors proposes a dividend of €0.75 per share, totalling nearly €300 million

To be paid in two instalments

Guidance

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 €520-620 million. The illustrative comparable operating profit in 2020 was €554 million.

We Continue the Execution of Our Well-Performing Growth Strategy



