



KESKO INVESTOR PRESENTATION Q3/2021

Execution of Successful Growth Strategy Continues

CFO Jukka Erlund



K Group and Kesko Today

#1

Biggest in Finland,
#3 in Northern Europe
with retail sales of **€14bn**



Profitable growth
strategy in **3** core
divisions



K Group has **~46,000**
employees, approx. **1,800**
stores and comprehensive
digital services in **8** countries



Strong financial
position with good
dividend capacity



Market cap approx.
€11 bn with over **64,000**
shareholders

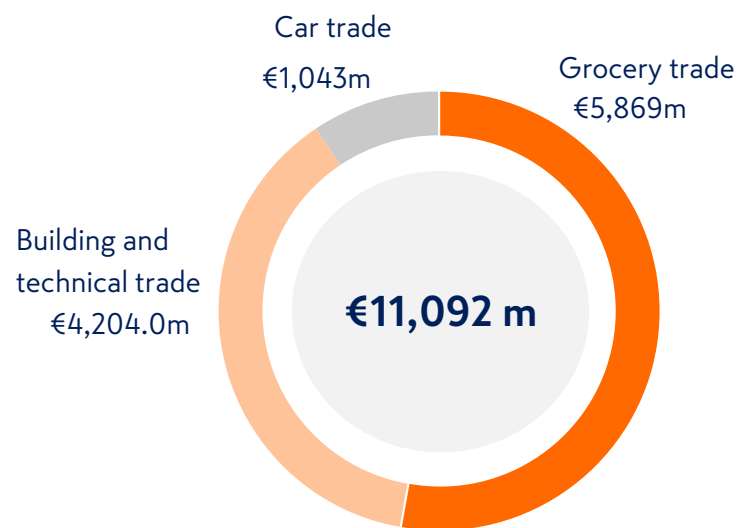


World's most sustainable
grocery trade company

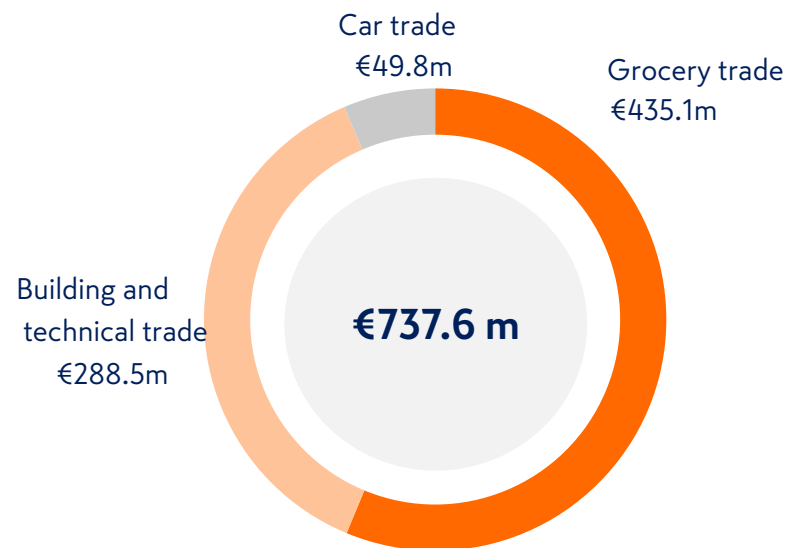


Kesko in a nutshell

Net Sales



Operating profit



Best Quarter Result in Kesko's History

	7-9/2021	7-9/2020
Net sales, € million	2,902.4	2,651.9
Net sales growth, %	7.8	4.6
Operating profit, € million	236.4	181.8
Operating margin, %	8.1	6.9
Profit before tax, € million	219.3	163.6
Earnings per share, basic, €	0.43	0.33
Cash flow from operating activities, € million	381.2	286.6

Comparable figures

We Have a Good Strategy





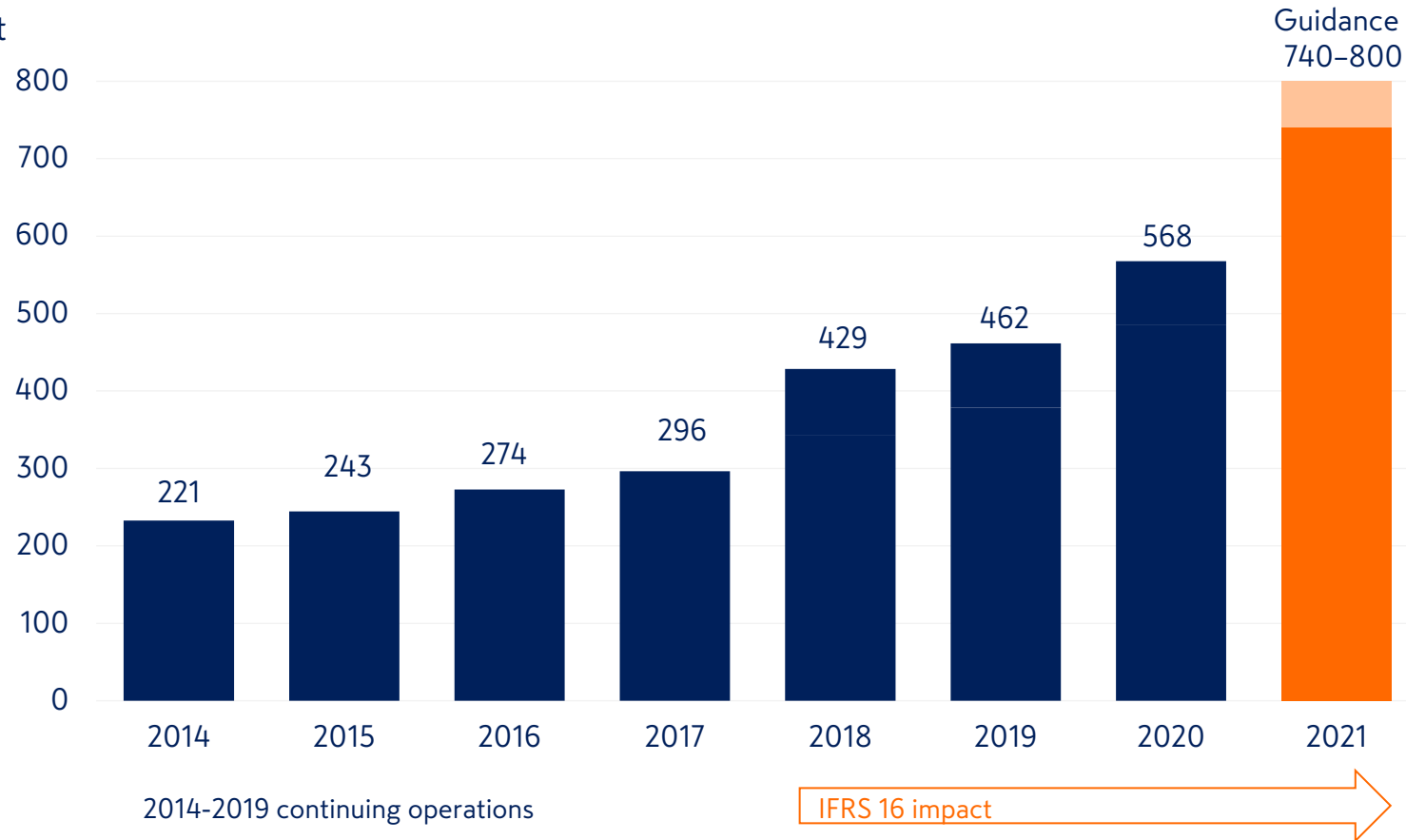
Focus on Northern Europe, emphasis on Nordic Countries

Nordic countries among the most stable and well-functioning societies globally

Profitability Has Constantly Improved

The good recent market development has contributed to profitability improvement

Comparable operating profit
Reported figures, € million



Sales Growth Through Existing Stores and Systems Has Significantly Improved Efficiency

Plenty of further untapped potential

Retail sales growth
for core businesses
since 2014

€4.2bn

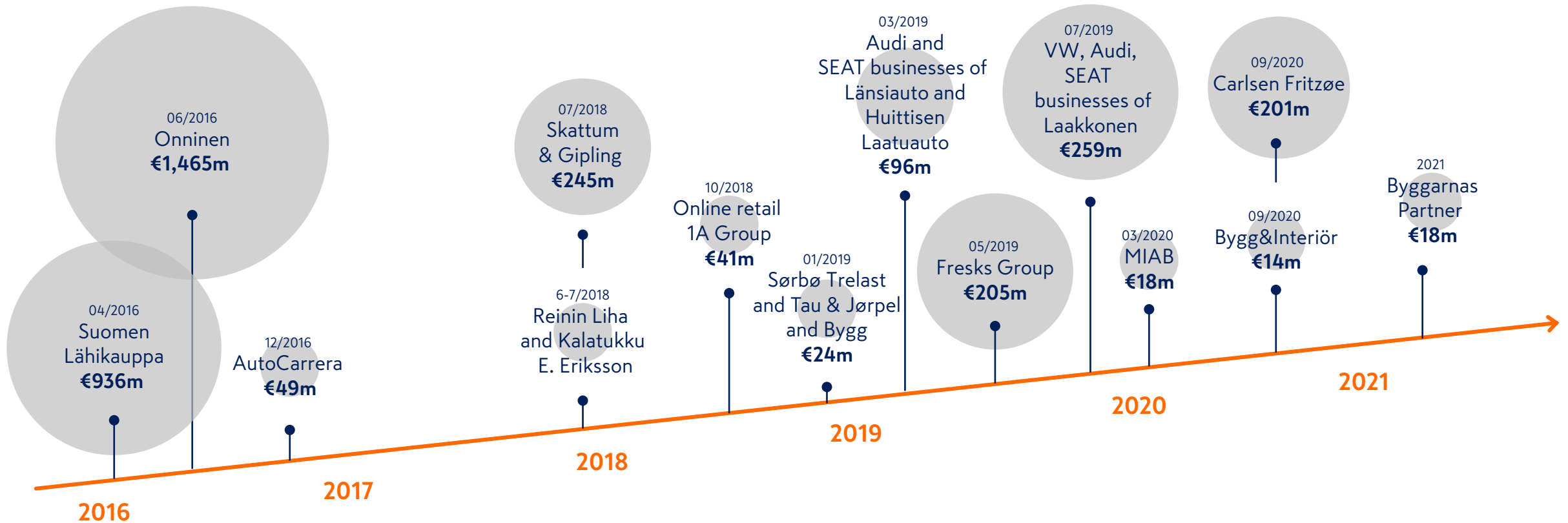
Steady cost ratio
improvement

16.4%

2014: 19.2%

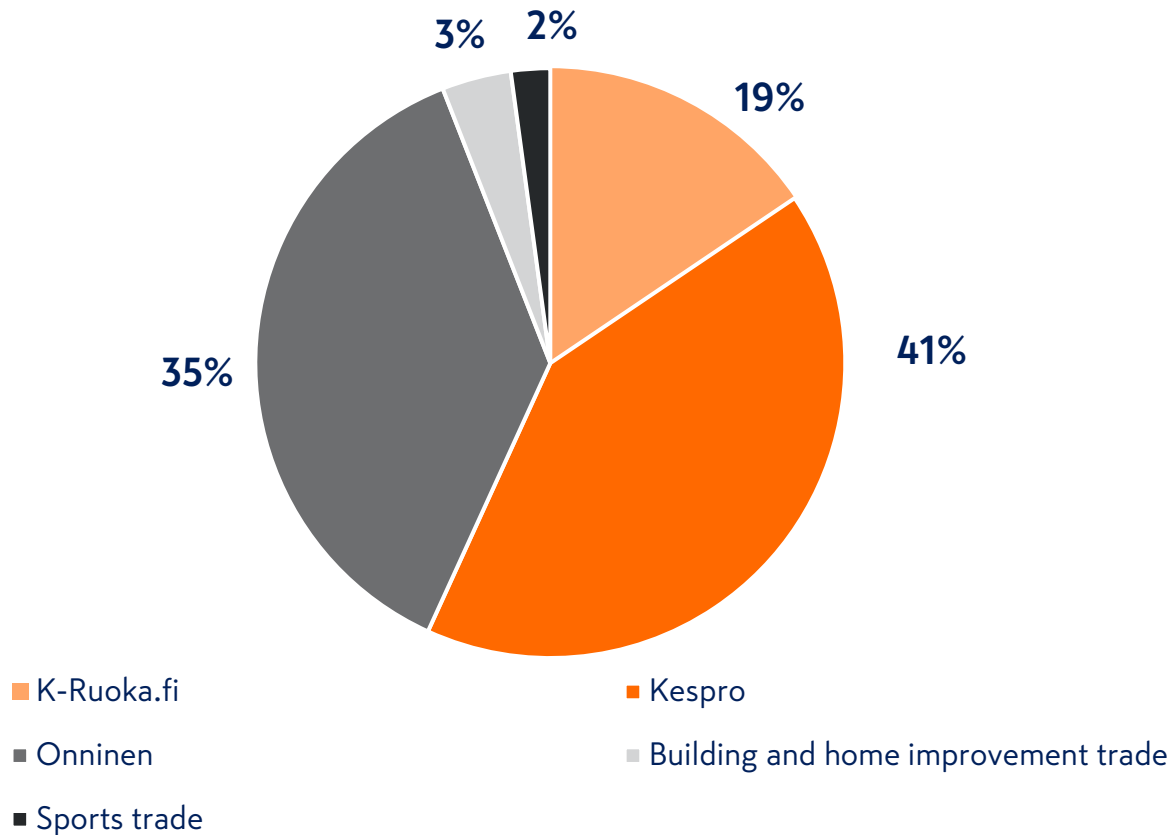
Acquisitions Have Significantly Supported Profitability

Integration of acquired businesses as part of Kesko has been successful



Digital Sales Now Worth €1.4 billion

Digital trade sales €1.4 billion
Q3/2021, rolling 12 months

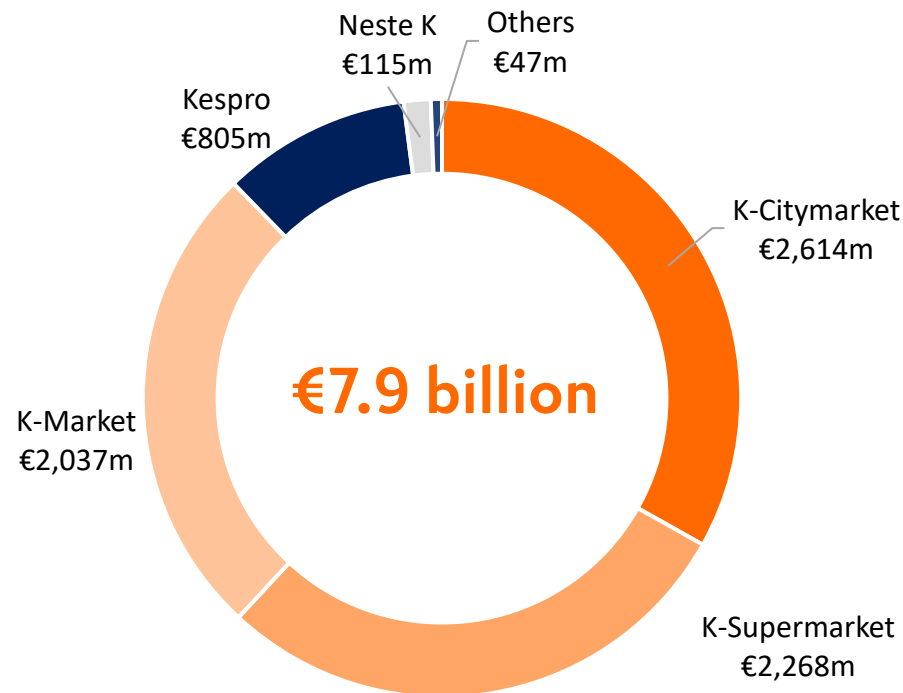


- In B2B trade, particularly strong growth in Kespro's and Onninen's digital sales
- Strong online growth also in B2C:
 - K-Ruoka +55% (groceries)
 - K-Rauta +51% (building & home improvement)
 - Sports trade +51%

Figures Q3/2021, rolling 12 months

Strong Combination in Food Trade Forms Foundation for Profitable Growth Also Going Forward

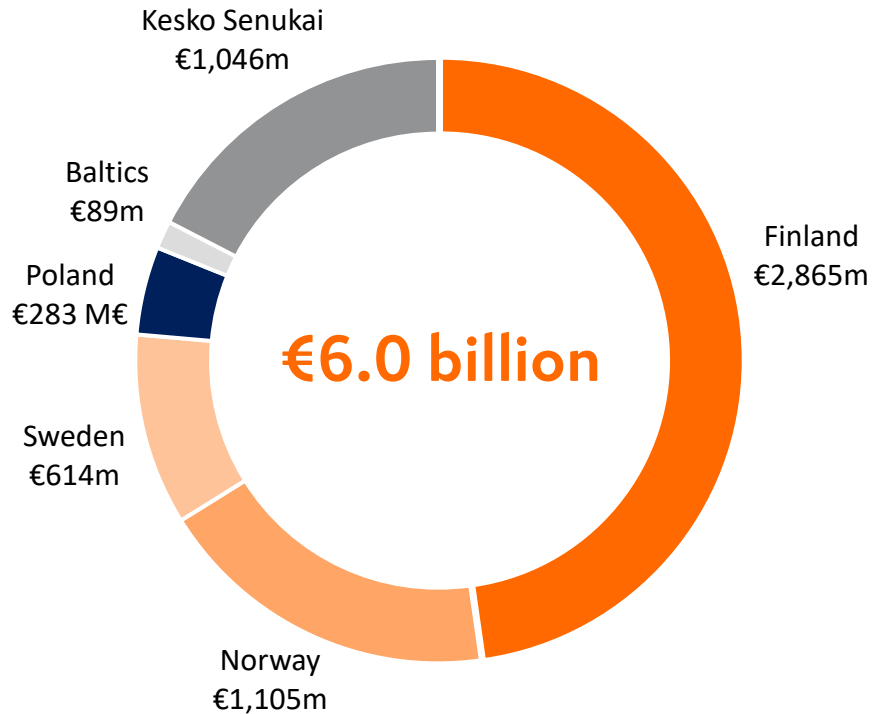
Retail sales, Q3/2021, rolling 12 months



- K Group grocery stores together with Kespro's foodservice business form a strong, unique combination
- One of the most profitable food trade operators in Europe
- Market share in food trade has grown significantly
- Well-functioning K-retailer business model lends a significant competitive advantage
- A forerunner in food trade digitalisation in Europe
- Efficient sourcing, logistics and IT

Strong Country-Specific Actions Support Growth in Building and Technical Trade

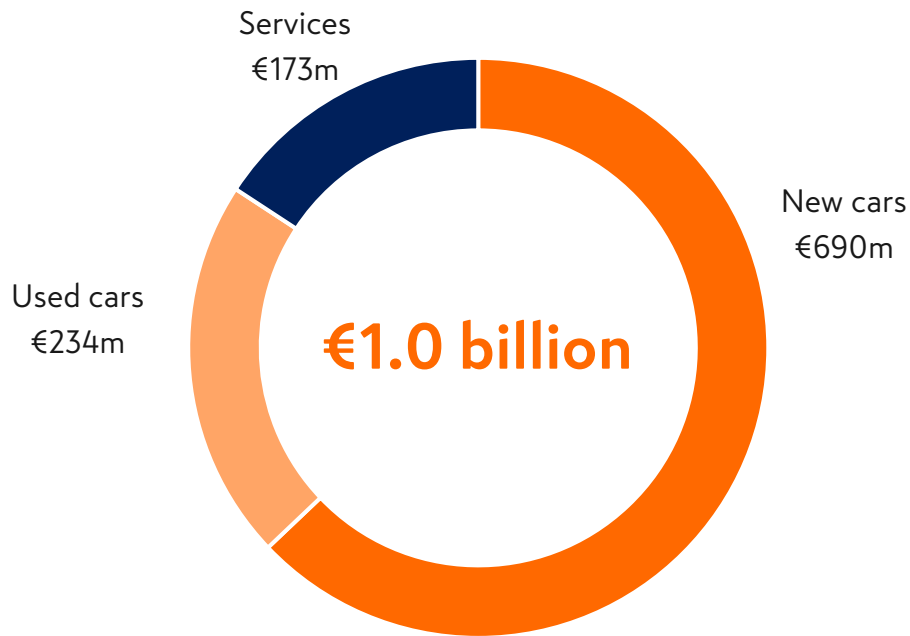
Retail sales, Q3/2021, rolling 12 months



- Strong position in Finland
- A significant operator in Scandinavia
- 75% of net sales come from B2B trade, where demand is growing forcefully
- Successful acquisitions have helped to significantly accelerate growth and improve profitability
- Good position on the developing Baltic markets
- Sales through digital channels growing

Wider Car Sector Transformation and Our Own Transformation Efforts Support Sales Growth

Net sales Q3/2021, rolling 12 months



- Digitalisation and customer experience central to strategy
- Transformation programme is proceeding well, forming a basis for growth
- Strong product offering by the Volkswagen Group
- K-Auto a forerunner in e-mobility
- Growing the used car business
- More growth potential by modernising service sales
- K Charge a key focus area

Net sales Q3/2021, rolling 12 months incl. €49 million adjustments and eliminations

Guidance

Kesko estimates that its comparable operating profit in 2021 will be in the range of €740-800 million.

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



For shopping
to be fun

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