



January-June 2022

KESKO CORPORATION HALF-YEAR FINANCIAL REPORT Q2/2022

26.7.2022



KESKO CORPORATION JANUARY-JUNE HALF-YEAR FINANCIAL REPORT 26.7.2022 AT 8.00

Kesko half-year financial report for 1 Jan. - 30 June 2022: The best Q2 result in Kesko's history – record result in building and technical trade

FINANCIAL PERFORMANCE IN BRIEF:

4-6/2022

- Group net sales in April-June totalled €3,108.5 million (€2,988.2 million), an increase of 3.9% in comparable terms, reported net sales up by 4.0%
- Comparable operating profit totalled €236.0 million (€219.4 million), up by €16.6 million
- Operating profit totalled €238.3 million (€218.1 million)
- Comparable earnings per share €0.45 (€0.40)
- Reported Group earnings per share €0.45 (€0.41)

1-6/2022

- Group net sales in January-June totalled €5,815.8 million (€5,527.5 million), an increase of 5.1% in comparable terms, reported net sales up by 5.2%
- Comparable operating profit totalled €379.7 million (€335.6 million), up by €44.1 million
- Operating profit totalled €382.9 million (€333.8 million)
- Comparable earnings per share €0.71 (€0.60)
- Reported Group earnings per share €0.71 (€0.60)

KEY PERFORMANCE INDICATORS

	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales, € million	3,108.5	2,988.2	5,815.8	5,527.5	11,300.2
Operating profit, comparable, € million	236.0	219.4	379.7	335.6	775.5
Operating margin, comparable, %	7.6	7.3	6.5	6.1	6.9
Operating profit, € million	238.3	218.1	382.9	333.8	775.2
Profit before tax, comparable, € million	221.4	203.6	353.0	303.2	710.4
Profit before tax, € million	223.7	204.5	352.6	303.7	712.9
Cash flow from operating activities, € million	262.4	346.6	333.5	501.7	1,152.0
Capital expenditure, € million	124.6	82.7	250.8	126.9	276.6
Earnings per share, €, basic and diluted	0.45	0.41	0.71	0.60	1.44
Earnings per share, comparable, €, basic	0.45	0.40	0.71	0.60	1.43

	1-6/2022	1-6/2021	1-12/2021
Return on capital employed, comparable, %, rolling 12 months	17.9	15.0	17.2
Return on equity, comparable, %, rolling 12 months	26.8	24.0	24.1

In this release, the comparable change % in net sales has been calculated in local currencies and excluding the impact of the acquisitions and divestments completed in 2021 and 2022. The comparable operating profit has been calculated by deducting items affecting comparability from the reported operating profit.

OUTLOOK AND GUIDANCE FOR 2022

Kesko Group's outlook is given for the year 2022, in comparison with the year 2021.

Kesko estimates that its 2022 comparable operating profit will be in the range of €750 – 840 million. Previously, Kesko estimated that its comparable operating profit would be in the range of €730 – 840 million.

Outlook assessments are made more difficult by uncertainties related to our operating environment and the overall economy. Key issues include the ongoing war in Ukraine, problems in the European energy markets, accelerating inflation, rising interest rates, and developments in the Covid-19 pandemic.

PRESIDENT AND CEO MIKKO HELANDER:

The second quarter of 2022 gave the best Q2 result in Kesko's history, as good development continued in all divisions. Our net sales grew by 3.9% in comparable terms, totalling €3,108.5 million. The Q2 comparable operating profit totalled €236 million, representing an increase of €16.6 million. Our quarter-result has improved on its comparison period for 13 consecutive quarters. Although the pandemic is not over, its impact on Kesko's businesses has clearly diminished. This and the record result achieved act as strong indication that Kesko's strategy is working and that people in K Group are doing an excellent job under changing circumstances.

Our strong position in all areas of food trade helped our performance in a changing market. Profit for the grocery trade division improved thanks to good development in Kespro and our grocery stores. The division's net sales grew by 5.1%. Operational efficiency improved further. Kespro's net sales grew by nearly 30% as post-pandemic consumption shifted increasingly towards restaurants. Sales to K Group grocery stores grew by 1%. Rising food prices mean that the whole food trade market is growing, but they also have an impact on consumer behaviour. Interest towards high-quality food has grown, and the popularity of eating out and quality ready meals has continued to grow. At the same time, price has become an increasingly important consideration for many consumers. Our stores are able to offer customers both premium and bargains, all under one roof.

In the building and technical trade division, our focus on B2B trade resulted in a record result of €109.5 million. Net sales for the division grew by €106 million. Net sales grew thanks to good performance in B2B trade, sales growth was particularly strong in technical wholesale in all operating countries. B2B sales also grew in building and home improvement trade in Q2, but the pace slowed down. Meanwhile, sales in B2C trade came down from the exceptionally high levels seen in the comparison period. Construction and renovation activity remained high in Northern Europe, with green transition also underpinning demand. Increased prices are also causing the building and technical trade market to grow. Construction and renovation are increasingly being outsourced to professionals. B2B trade now accounts for some 80% of the division's sales.

In the car trade division, the transformation of our operations and active measures in all areas resulted in improved profitability in a difficult market. The division's profitability improved and operating margin strengthened and stood at 5.6% despite the fact that net sales decreased due to car availability issues. New car sales have, however, continued strong, raising our order book to a record level. Sales margin growth and cost-efficiency improved profitability. The share of electric and hybrid cars is growing strongly in passenger car sales, with tax breaks and the rise in fuel prices in particular accelerating their demand. The car trade division has significant profit improvement potential once the availability of cars returns to normal levels.

The outlook for Kesko's businesses is positive. We estimate that Kesko's 2022 comparable operating profit will be in the range of €750 – 840 million. Before, we estimated that the comparable operating profit would be in the range of €730 – 840 million. In 2021, our operating profit totalled €775.5 million.

IMPORTANT EVENTS

POSITIVE PROFIT WARNING ON 25 APRIL 2022

Kesko raised its profit guidance for 2022 on 25 April 2022, estimating that its comparable operating profit in 2022 will be in the range of €730 – 840 million. Before, the company estimated that the comparable operating profit would be in the range of €680–800 million.

FINANCIAL PERFORMANCE

NET SALES AND PROFIT APRIL-JUNE 2022

4-6/2022	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	1,551.1	+5.1	+5.1	123.9	+15.3
Building and technical trade, excl. speciality goods trade	1,287.8	+9.3	+8.4	101.2	+8.8
Speciality goods trade	47.5	-7.7	+5.4	2.2	-1.8
Kesko Senukai	-	-	-	6.1	-5.9
Building and technical trade, total	1,335.3	+8.6	+8.3	109.5	+1.1
Car trade	229.1	-20.6	-20.6	12.9	-1.4
Common functions and eliminations	-7.0	-	-	-10.3	+1.6
Total	3,108.5	+4.0	+3.9	236.0	+16.6

Group net sales grew by 3.9% in comparable terms. Net sales grew in comparable terms by 3.9% in Finland and other operating countries. The comparable change % has been calculated in local currencies and excluding the impact of the acquisitions and divestments completed. Reported Group net sales grew by 4.0% in April-June.

Net sales for the grocery trade division grew by 5.1%. Sales to K Group grocery store chains grew by 1.0%. Net sales for Kespro's foodservice business grew by 29.4% in April-June. As Covid-19 restrictions were less severe than in the comparison period, demand was relatively more geared towards foodservice than retail.

Net sales for the building and technical trade division increased by 8.6%, or by 8.3% in comparable terms. Net sales grew in comparable terms in Finland, Sweden, Poland and the Baltics. Net sales in Norway decreased in comparable terms. Net sales growth continued strong in Onninen's technical wholesale. The growth was underpinned by good market volume development as well as rising prices in some product categories. In building and home improvement trade, sales grew in B2B trade but decreased in B2C trade.

Net sales for the car trade division decreased by 20.6% in April-June. The performance was impacted by the weakened availability of cars.

The Group's comparable operating profit in April-June totalled €236.0 million, up by €16.6 million. In the grocery trade division, profitability improved in particular thanks to strong growth in Kespro's foodservice business. Profit for the building and technical trade division continued to strengthen in technical trade. Onninen's comparable operating profit grew in Finland, Sweden, Poland and the Baltics, and was flat year-on-year in Norway. In building and home improvement trade, comparable operating profit grew in Finland, was flat year-on-year in Sweden, and decreased in Norway. Lower share of result from Kesko Senukai had a €5.9 million diminishing effect on the division's comparable operating profit. In the car trade division, relative profitability improved, but decreased sales caused the comparable operating profit to decrease by €1.4 million.

Items affecting comparability, € million	4-6/2022	4-6/2021	1-12/2021
Operating profit, comparable	236.0	219.4	775.5
Items affecting comparability			
+gains on disposal	+0.0	+0.0	+1.4
-losses on disposal	-0.0	-	-0.0
-impairment charges	-	-	-5.4
+/-structural arrangements	+2.3	-1.4	+3.7
Items affecting comparability, total	+2.3	-1.4	-0.3
Operating profit	238.3	218.1	775.2

K Group's (Kesko and the chain stores) retail and B2B sales (0% VAT) in April-June totalled €4,205.3 million, representing a growth of 2.2% compared to the previous year.

Net finance costs, income tax and earnings per share

	4-6/2022	4-6/2021
Net finance costs, € million	-12.9	-18.4
Interests on lease liabilities, € million	-17.0	-18.1
Profit before tax, comparable, € million	221.4	203.6
Profit before tax, € million	223.7	204.5
Income tax, € million	-44.2	-42.9
Earnings per share, comparable, €	0.45	0.40
Earnings per share, €	0.45	0.41
Equity per share, €	6.02	5.46

The Group's net finance costs in April-June were impacted by the positive change in the fair value of interest rate derivatives and a decrease in interest expenses for lease liabilities. The share of result of associates amounted to €-1.7 million (€4.8 million, €1.5 million in comparable terms).

The Group's comparable profit before tax grew in April-June thanks to operating profit growth. The Group's effective tax rate was 19.8% (21.0%).

The Group's earnings per share and comparable earnings per share grew compared to the year before.

NET SALES AND PROFIT JANUARY-JUNE 2022

1-6/2022	Net sales, € million	Change, %	Change, comparable, %	Operating profit, comparable, € million	Change, € million
Grocery trade	2,933.2	+3.4	+3.4	204.2	+14.4
Building and technical trade, excl. speciality goods trade	2,358.8	+15.3	+14.4	157.5	+35.4
Speciality goods trade	100.5	-6.2	+4.6	7.8	-1.1
Kesko Senukai	-	-	-	5.7	-3.1
Building and technical trade, total	2,459.2	+14.2	+13.9	171.0	+31.3
Car trade	437.3	-20.3	-20.3	22.8	-2.6
Common functions and eliminations	-14.0	-	-	-18.3	+1.1
Total	5,815.8	+5.2	+5.1	379.7	+44.1

Group net sales increased by 5.1% in comparable terms. Net sales increased in comparable terms by 3.6% in Finland and by 11.9% elsewhere. The comparable change % has been calculated in local currencies and excluding the impact of the acquisitions and divestments completed. The Group's reported net sales grew by 5.2% in January-June.

Net sales for the grocery trade division grew by 3.4%. Sales to K Group grocery store chains decreased by 0.5%. Net sales for Kespro's foodservice business grew by 28.5% in January-June. As Covid-19 restrictions were less severe than in the comparison period, demand was relatively more geared towards foodservice than retail.

Net sales for the building and technical trade division increased by 14.2%, or by 13.9% in comparable terms. Net sales grew in comparable terms in all operating countries. Net sales grew markedly in Onninen's technical wholesale and the B2B segment in building and home improvement trade. The growth was attributable to both good volume development and rise in prices. In B2C trade, sales were down year-on-year.

Net sales for the car trade division decreased by 20.3% in January-June. The performance was impacted by the weakened availability of cars.

The Group's comparable operating profit in January-June totalled €379.7 million, up by €44.1 million. In the grocery trade division, profitability improved thanks to strong growth in Kespro's foodservice business. In the building and technical trade division, comparable operating profit grew in Finland, Sweden, Poland and the Baltics in both building and home improvement trade and Onninen's technical wholesale. In Norway, comparable operating profit increased in Onninen's technical wholesale and decreased in building and home improvement trade. In the car trade division, relative profitability improved, but decreased sales caused the comparable operating profit to decrease by €2.6 million.

Items affecting comparability, € million	1-6/2022	1-6/2021	1-12/2021
Operating profit, comparable	379.7	335.6	775.5
Items affecting comparability			
+gains on disposal	+0.0	+0.6	+1.4
-losses on disposal	-0.1	-0.0	-0.0
-impairment charges	-	-	-5.4
+/-structural arrangements	3.3	-2.3	+3.7
Items affecting comparability, total	3.2	-1.8	-0.3
Operating profit	382.9	333.8	775.2

K Group's (Kesko and the chain stores) retail and B2B sales (0% VAT) in January-June totalled €7,725.8 million, representing a growth of 4.4% compared to the previous year. During the 12-month period that ended in June 2022, the number of Finnish households belonging to the K-Plussa loyalty scheme and using the Plussa network totalled 2.4 million, with 3.3 million customers using their K-Plussa card.

Net finance costs, income tax and earnings per share

	1-6/2022	1-6/2021	1-12/2021
Net finance costs, € million	-29.1	-34.7	-68.2
Interests on lease liabilities, € million	-34.2	-36.6	-71.3
Profit before tax, comparable, € million	353.0	303.2	710.4
Profit before tax, € million	352.6	303.7	712.9
Income tax, € million	-69.9	-63.7	-141.1
Earnings per share, comparable, €	0.71	0.60	1.43
Earnings per share, €	0.71	0.60	1.44
Equity per share, €	6.02	5.46	6.37

The Group's net finance costs in January-June were impacted by the positive change in the fair value of interest rate derivatives and a decrease in interest expenses for lease liabilities. The share of result of associates amounted to €-1.2 million (€4.6 million, €1.2 million in comparable terms).

The Group's comparable profit before tax grew in January-June thanks to operating profit growth. The Group's effective tax rate was 19.8% (21.0%).

The Group's earnings per share and comparable earnings per share grew compared to the year before.

CASH FLOW AND FINANCIAL POSITION

€ million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from operating activities	262.4	346.6	333.5	501.7	1,152.0
Cash flow from investing activities	-105.4	-60.9	-172.3	-98.3	-292.3
Cash flow from financing activities	-127.8	-236.0	-183.7	-344.0	-834.4

€ million	30.6.2022	30.6.2021	31.12.2021
Liquid assets	345.3	366.7	387.7
Interest-bearing liabilities	2,504.0	2,526.7	2,295.1
Lease liabilities	1,960.9	1,965.6	1,928.6
Interest-bearing net debt excl. lease liabilities	197.8	194.4	-21.3
Interest-bearing net debt/EBITDA, excl. IFRS 16 impact, rolling 12 months	0.2	0.2	0.0
Gearing, %	90.3	99.5	75.4
Equity ratio, %	31.9	30.9	36.6

The Group's cash flow from operating activities totalled €262.4 million (€346.6 million) in April-June. The cash flow was weakened by growth in working capital.

The Group's cash flow from investing activities in April-June totalled €-105.4 million (€-60.9 million).

The Group's cash flow from operating activities in January-June totalled €333.5 million (€501.7 million). The cash flow was weakened by growth in working capital. In addition, the cash flow from operating activities for the comparison period included a €38.6 million return of surplus assets paid by Kesko Pension Fund.

The Group's cash flow from investing activities in January-June totalled €-172.3 million (€-98.3 million). Cash flow from investing activities included a positive item of € 17.6 million from the redemption of money market funds, included in the Group's liquid assets.

CAPITAL EXPENDITURE

€ million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Capital expenditure	124.6	82.7	250.8	126.9	276.6
Store sites	76.5	33.6	156.3	48.9	129.0
Acquisitions	12.6	1.7	32.4	2.9	13.8
IT	11.7	10.9	23.6	17.2	42.2
Other investments	23.7	36.5	38.5	57.9	91.6

Capital expenditure in store sites increased by €42.9 million in April-June from the comparison period. In January-June, capital expenditure in store sites increased by €107.4 million on the comparison period. Capital expenditure in store sites included the property of K-Citymarket Turtola in Tampere, €40.3 million: the ownership of the property was transferred to the Group as a result of a return of surplus assets by Kesko Pension Fund in March. The investment did not have a cash flow impact.

Acquisitions include Kungälv's Trävaruaktiebolaget in Sweden and Seljord Elektriske AS in Norway.

PERSONNEL

	1-6/2022	1-6/2021	1-12/2021
Average number of personnel converted into full-time employees	14,539	14,192	14,232
Personnel at the end of the reporting period	30.6.2022	30.6.2021	31.12.2021
Finland	13,192	12,883	12,442
Other countries	5,298	5,172	4,960
Total	18,490	18,055	17,402

SEGMENTS

SEASONAL NATURE OF OPERATIONS

The Group's operating activities are affected by seasonal fluctuations. The net sales and operating profits of the reported segments are not earned evenly throughout the year. Instead, they vary by quarter depending on the characteristics of each segment. In terms of the level of operating profit, the second and third quarter are the strongest, whereas the impact of the first quarter on the full-year profit is the smallest.

GROCERY TRADE

April-June 2022

	4-6/2022	4-6/2021	1-12/2021
Net sales, € million	1,551.1	1,476.3	5,909.0
Operating profit, comparable, € million	123.9	108.6	442.9
Operating margin, comparable, %	8.0	7.4	7.5
Return on capital employed, comparable, %, rolling 12 months	20.7	19.4	20.6
Capital expenditure, € million	72.6	28.0	122.8
Personnel, average	6,516	6,253	6,126

Net sales, € million	4-6/2022	4-6/2021	Change, %	Change, comparable, %	1-12/2021
Sales to K-food stores	1,112.5	1,101.3	+1.0	+1.0	4,333.2
K-Citymarket, non-food	143.9	145.2	-0.9	-0.9	618.6
Kespro	268.7	207.7	+29.4	+29.4	862.7
Others	26.0	22.1	+17.3	+17.3	94.5
Total	1,551.1	1,476.3	+5.1	+5.1	5,909.0

Net sales for the grocery trade division totalled €1,551.1 million (€1,476.3 million) in April-June, up by 5.1%. Sales to K Group grocery store chains grew by 1.0%. K-Citymarket's non-food net sales decreased by 0.9%. Net sales for Kespro's foodservice business grew by 29.4% in April-June. As Covid-19 restrictions were less severe than in the comparison period, demand was relatively more geared towards foodservice than retail.

The total retail grocery market in Finland (incl. VAT) is estimated to have grown by approximately 1.2% in April-June (Finnish Grocery Trade Association PTY) and retail prices are estimated to have risen by some 7.1% (incl. VAT, Kesko's own estimate). K Group's grocery sales decreased by 2.0% (incl. VAT). Online grocery sales decreased by 8.8%, and accounted for approximately 3.0% of K Group's grocery sales (incl. VAT). Online grocery sales have risen clearly above pre-pandemic levels. All K Group grocery store chains offer online grocery sales services. The number of K Group stores offering online grocery services was 608 at the end of the reporting period. The total market for the foodservice business is estimated to have grown by 23.0% in April-June (Finnish Grocery Trade Association PTY).

The comparable operating profit for the grocery trade division totalled €123.9 million (€108.6 million) in April-June, up by €15.3 million. Profitability improved in particular thanks to strong growth in Kespro's foodservice business. Operating profit for the grocery trade division totalled €123.9 million (€108.7 million). Items affecting comparability in the comparison period totalled €0.1 million.

Capital expenditure for the grocery trade division in April-June totalled €72.6 million (€28.0 million), of which €67.8 million (€24.1 million) was in store sites.

January-June 2022

	1-6/2022	1-6/2021	1-12/2021
Net sales, € million	2,933.2	2,836.9	5,909.0
Operating profit, comparable, € million	204.2	189.7	442.9
Operating margin, comparable, %	7.0	6.7	7.5
Return on capital employed, comparable, %, rolling 12 months	20.7	19.4	20.6
Capital expenditure, € million	155.6	42.7	122.8
Personnel, average	6,294	6,062	6,126

Net sales, € million	1-6/2022	1-6/2021	Change, %	Change, comparable, %	1-12/2021
Sales to K-food stores	2,129.8	2,139.5	-0.5	-0.5	4,333.2
K-Citymarket, non-food	270.4	277.1	-2.4	-2.4	618.6
Kespro	484.9	377.5	+28.5	+28.5	862.7
Others	48.0	42.8	+12.2	+12.2	94.5
Total	2,933.2	2,836.9	+3.4	+3.4	5,909.0

Net sales for the grocery trade division totalled €2,933.2 million (€2,836.9 million) in January-June, up by 3.4%. Sales to K Group grocery store chains decreased by 0.5%. Net sales for Kespro's foodservice business grew by 28.5% in January-June. As Covid-19 restrictions were less severe than in the comparison period, demand was relatively more geared towards foodservice than retail.

The total retail grocery market in Finland (incl. VAT) is estimated to have grown by approximately 1.1% in January-June (Finnish Grocery Trade Association PTY) and retail prices are estimated to have risen by some 5.3% (incl. VAT, Kesko's own estimate). K Group's grocery sales decreased by 1.4% (incl. VAT). Online grocery sales decreased by 7.9%, and accounted for approximately 3.4% of K Group's grocery sales (incl. VAT). Online grocery sales have risen clearly above pre-pandemic levels. All K Group grocery store chains offer online grocery sales services. The number of K Group stores offering online grocery services was 608 at the end of the reporting period, which is over 100 stores more than the year before. The total market for the foodservice business is estimated to have grown by 22.4% in January-June (Finnish Grocery Trade Association PTY).

The comparable operating profit for the grocery trade division totalled €204.2 million (€189.7 million) in January-June, up by €14.4 million. Profitability improved in particular thanks to strong growth in Kespro's foodservice business. Operating profit for the grocery trade division totalled €205.3 million (€189.8 million). Items affecting comparability totalled €1.1 million (€0.1 million).

Capital expenditure for the grocery trade division in January-June totalled €155.6 million (€42.7 million). Capital expenditure in store sites totalled €142.0 million (€36.8 million). Capital expenditure in store sites included the property of K-Citymarket Turtola in Tampere, €40.3 million: the ownership of the property was transferred to the Group as a result of a return of surplus assets by Kesko Pension Fund. The investment did not have a cash flow impact.

BUILDING AND TECHNICAL TRADE
April-June 2022

	4-6/2022	4-6/2021	1-12/2021
Net sales, € million	1,335.3	1,229.1	4,387.7
Building and technical trade, excl. speciality goods trade and Kesko Senukai	1,287.8	1,177.7	4,164.0
Building and home improvement trade	716.0	699.2	2,292.3
Onninen	591.5	493.1	1,930.3
Speciality goods trade	47.5	51.4	223.7
Operating profit, comparable, € million	109.5	108.4	318.0
Building and technical trade, excl. speciality goods trade and Kesko Senukai	101.2	92.3	275.4
Building and home improvement trade	53.5	62.1	154.2
Onninen	47.2	30.5	122.3
Speciality goods trade	2.2	4.0	21.2
Kesko Senukai	6.1	12.0	21.5
Operating margin, comparable, %	8.2	8.8	7.2
Building and technical trade, excl. speciality goods trade and Kesko Senukai	7.9	7.8	6.6
Building and home improvement trade	7.5	8.9	6.7
Onninen	8.0	6.2	6.3
Speciality goods trade	4.7	7.8	9.5
	4-6/2022	4-6/2021	1-12/2021
Return on capital employed, comparable, %, rolling 12 months	20.5	15.4	19.0
Capital expenditure, € million	27.0	12.8	43.1
Personnel, average	6,192	6,019	5,977

Net sales, € million	4-6/2022	4-6/2021	Change, %	Change, comparable, %	1-12/2021
Building and home improvement trade, Finland	345.0	326.9	+5.5	+5.6	1,078.5
K-Rauta, Sweden	66.3	69.6	-4.7	-1.5	200.6
K-Bygg, Sweden	105.6	86.4	+22.3	+4.9	294.6
Byggmakker, Norway	199.9	216.9	-7.9	-8.8	721.0
Building and home improvement trade, total	716.0	699.2	+2.4	+0.3	2,292.3
Onninen, Finland	349.8	286.7	+22.0	+22.0	1,121.0
Onninen and MIAB, Sweden	44.4	37.6	+18.1	+22.1	118.7
Onninen, Norway	83.3	72.5	+14.9	+15.5	296.1
Onninen, Baltics	33.9	22.5	+51.1	+51.1	94.8
Onninen, Poland	81.7	74.8	+9.3	+12.1	303.3
Onninen, total	591.5	493.1	+20.0	+20.8	1,930.3
Building and technical trade, excl. speciality goods trade, total	1,287.8	1,177.7	+9.3	+8.4	4,164.0
Sports trade, Finland	47.5	47.5	-0.2	+5.4	215.5
Speciality goods trade, total	47.5	51.4	-7.7	+5.4	223.7
Total	1,335.3	1,229.1	+8.6	+8.3	4,387.7

Net sales for the building and technical trade division increased by 8.6%, or by 8.3% in comparable terms. Net sales grew in comparable terms in Finland, Sweden, Poland and the Baltics. Net sales in Norway decreased in comparable terms. Net sales growth continued strong in Onninen's technical wholesale. The growth was underpinned by good market volume development and rising prices in some product categories. In building and

home improvement trade, sales grew in B2B trade but decreased in B2C trade. Net sales development in euro terms was increased by the strengthening of the Norwegian krone against the euro, and decreased by the weakening of the Swedish krona and the Polish zloty against the euro.

In Finland, net sales for the building and technical trade division amounted to €724.9 million (€652.0 million) in April-June, an increase of 11.2%. In comparable terms, net sales in Finland increased by 12.3%. Net sales from international operations totalled €610.3 million in April-June (€577.2 million), up by 5.7%. In comparable terms, net sales from international operations grew by 3.9%.

Net sales for building and home improvement trade grew in comparable terms in Finland and Sweden and decreased in Norway. Net sales for Onninen's technical wholesale increased in comparable terms by 20.8% and grew in all operating countries. Sports trade net sales in speciality goods trade increased by 5.4% in comparable terms. Reported net sales for speciality goods trade decreased due to the discontinuation of the KooKenkä and The Athlete's Foot shoe store chains in 2021.

The comparable operating profit for the building and technical trade division totalled €109.5 million (€108.4 million) in April-June, up by €1.1 million year-on-year. Profit for the building and technical trade division continued to strengthen in technical wholesale. Onninen's comparable operating profit grew in Finland, Sweden, Poland and the Baltics, and was flat year-on-year in Norway. In building and home improvement trade, comparable operating profit grew in Finland, was flat year-on-year in Sweden, and decreased in Norway. Lower share of result from Kesko Senukai had a €5.9 million diminishing effect on the division's comparable operating profit. The comparable operating profit for speciality goods trade decreased.

Operating profit for the building and technical trade division totalled €111.8 million (€108.2 million). Items affecting comparability totalled €2.3 million (€-0.2 million).

Capital expenditure for the building and technical trade division in April-June totalled €27.0 million (€12.8 million). This included the acquisition of Seljord Elektriske AS in Norway.

January-June 2022

	1-6/2022	1-6/2021	1-12/2021
Net sales, € million	2,459.2	2,153.4	4,387.7
Building and technical trade, excl. speciality goods trade and Kesko Senukai	2,358.8	2,046.3	4,164.0
Building and home improvement trade	1,280.7	1,178.9	2,292.3
Onninen	1,113.6	894.9	1,930.3
Speciality goods trade	100.5	107.1	223.7
Operating profit, comparable, € million	171.0	139.7	318.0
Building and technical trade, excl. speciality goods trade and Kesko Senukai	157.5	122.1	275.4
Building and home improvement trade	73.7	75.6	154.2
Onninen	83.8	47.1	122.3
Speciality goods trade	7.8	8.9	21.2
Kesko Senukai	5.7	8.8	21.5
Operating margin, comparable, %	7.0	6.5	7.2
Building and technical trade, excl. speciality goods trade and Kesko Senukai	6.7	6.0	6.6
Building and home improvement trade	5.8	6.4	6.7
Onninen	7.5	5.3	6.3
Speciality goods trade	7.7	8.3	9.5
	1-6/2022	1-6/2021	1-12/2021
Return on capital employed, comparable, %, rolling 12 months	20.5	15.4	19.0
Capital expenditure, € million	52.9	18.3	43.1
Personnel, average	6,094	5,991	5,977

Net sales, € million	1-6/2022	1-6/2021	Change, %	Change, comparable, %	1-12/2021
Building and home improvement trade, Finland	632.2	567.6	+11.4	+11.6	1,078.5
K-Rauta, Sweden	102.4	107.0	-4.3	-1.0	200.6
K-Bygg, Sweden	175.6	141.7	+23.9	+9.4	294.6
Byggmakker, Norway	372.0	363.6	+2.3	+0.2	721.0
Building and home improvement trade, total	1,280.7	1,178.9	+8.6	+6.7	2,292.3
Onninen, Finland	637.4	520.5	+22.5	+22.5	1,121.0
Onninen and MIAB, Sweden	76.6	58.9	+30.0	+34.5	118.7
Onninen, Norway	169.7	139.9	+21.3	+19.8	296.1
Onninen, Baltics	61.1	41.0	+49.2	+49.2	94.8
Onninen, Poland	171.7	136.3	+26.0	+28.7	303.3
Onninen, total	1,113.6	894.9	+24.4	+24.9	1,930.3
Building and technical trade, excl. speciality goods trade, total	2,358.8	2,046.3	+15.3	+14.4	4,164.0
Sports trade, Finland	100.5	100.2	+0.3	+4.6	215.5
Speciality goods trade, total	100.5	107.1	-6.2	+4.6	223.7
Total	2,459.2	2,153.4	+14.2	+13.9	4,387.7

Net sales for the building and technical trade division increased by 14.2%, or by 13.9% in comparable terms. Net sales grew in comparable terms in all operating countries. Net sales grew markedly in Onninen's technical wholesale and the B2B segment in building and home improvement trade. The growth was attributable to both good volume development and rise in prices. In B2C trade, sales were down year-on-year. Net sales development in euro terms was increased by the strengthening of the Norwegian krone against the euro, and decreased by the weakening of the Swedish krona and the Polish zloty against the euro.

In Finland, net sales for the building and technical trade division in January-June totalled €1,339.1 million (€1,170.6 million), up by 14.4%. In comparable terms, net sales in Finland increased by 15.6%. Net sales from international operations totalled €1,120.2 million in January-June (€982.9 million), up by 14.0%. In comparable terms, net sales from international operations grew by 11.9%.

Net sales for building and home improvement trade and Onninen's technical wholesale grew in all operating countries. Sports trade net sales in speciality goods trade increased by 4.6% in comparable terms. Reported net sales for speciality goods trade decreased due to the discontinuation of the KooKenkä and The Athlete's Foot shoe store chains in 2021.

The comparable operating profit for the building and technical trade division totalled €171.0 million (€139.7 million) in January-June, up by €31.3 million year-on-year. The comparable operating profit grew in Finland, Sweden, Poland and the Baltics in both building and home improvement trade and Onninen's technical wholesale. In Norway, the comparable operating profit increased in Onninen's technical wholesale and decreased in building and home improvement trade. The changes implemented in the building and technical trade division in recent years have had a significant positive impact on profitability alongside acquisitions carried out and their successful integration. The comparable operating profit for speciality goods trade decreased.

Operating profit for the building and technical trade division totalled €173.2 million (€139.2 million). Items affecting comparability totalled €2.2 million (€-0.5 million).

Capital expenditure for the building and technical trade division totalled €52.9 million (€18.3 million) in January-June. This included the acquisitions of Kungälv's Trävaruaktiebolaget in Sweden and Seljord Elektriske AS in Norway.

CAR TRADE

April-June 2022

	4-6/2022	4-6/2021	1-12/2021
Net sales, € million	229.1	288.6	1,028.3
Operating profit, comparable, € million	12.9	14.3	52.2
Operating margin, comparable, %	5.6	4.9	5.1
Return on capital employed, comparable, %, rolling 12 months	13.7	10.4	14.0
Capital expenditure, € million	13.5	31.3	71.2
Personnel, average	1,232	1,279	1,225

Net sales, € million	4-6/2022	4-6/2021	Change, %	Change, comparable, %	1-12/2021
Car trade	229.1	288.6	-20.6	-20.6	1,028.3

Net sales for the car trade division decreased by 20.6% in April-June. The performance was weakened by the availability of cars, which continued to be weaker than normal.

The combined market performance of first registrations of passenger cars and vans was -24.1% in April-June. The combined market share of the Volkswagen, Audi, SEAT, CUPRA, Porsche, Bentley and MAN passenger cars and Volkswagen and MAN vans imported by the car trade division was 14.8% (19.8%) in April-June.

The comparable operating profit for the car trade division totalled €12.9 million (€14.3 million) in April-June, a decrease of €1.4 million. Relative profitability in the car trade division improved thanks to good margin management and improved cost efficiency, but the comparable operating profit was weakened by the decrease in net sales due to car availability issues. Operating profit for the car trade division in April-June totalled €12.9 million (€13.1 million). Items affecting comparability in the comparison period totalled €-1.2 million.

Capital expenditure for the car trade division in April-June totalled €13.5 million (€31.3 million).

January-June 2022

	1-6/2022	1-6/2021	1-12/2021
Net sales, € million	437.3	548.7	1,028.3
Operating profit, comparable, € million	22.8	25.4	52.2
Operating margin, comparable, %	5.2	4.6	5.1
Return on capital employed, comparable, %, rolling 12 months	13.7	10.4	14.0
Capital expenditure, € million	22.0	49.0	71.2
Personnel, average	1,193	1,261	1,225

Net sales, € million	1-6/2022	1-6/2021	Change, %	Change, comparable, %	1-12/2021
Car trade	437.3	548.7	-20.3	-20.3	1,028.3

Net sales for the car trade division decreased in January-June by 20.3% due to the poor availability of cars.

The combined market performance of first registrations of passenger cars and vans was -22.9% in January-June. The combined market share of the Volkswagen, Audi, SEAT, CUPRA, Porsche, Bentley and MAN passenger cars and Volkswagen and MAN vans imported by the car trade division was 13.6% (18.4%) in January-June.

The comparable operating profit for the car trade division in January-June totalled €22.8 million (€25.4 million). Relative profitability for the division improved thanks to good margin management and improved cost efficiency, but the comparable operating profit was weakened by the decrease in net sales due to car availability issues. Operating profit for the car trade division in January-June totalled €22.8 million (€24.2 million). Items affecting comparability in the comparison period totalled €-1.2 million.

Capital expenditure for the car trade division totalled €22.0 million (€49.0 million).

CHANGES IN GROUP COMPOSITION

On 1 March 2022, Kesko acquired Kungälv's Trävaruaktiebolag, a company that serves professional builders, in Sweden, and on 1 June 2022, Seljord Elektriske AS in Norway.

SHARES, SECURITIES MARKET AND BOARD AUTHORISATIONS

At the end of June 2022, the total number of shares in Kesko Corporation was 400,079,008, of which 126,948,028 or 31.7%, were A series shares, and 273,130,980 or 68.3%, were B series shares. On 30 June 2022, Kesko Corporation held 2,620,858 of its own B shares as treasury shares.

These treasury shares accounted for 0.96% of the total number of B shares, 0.66% of the total number of shares, and 0.17% of the votes attached to all shares in the company. The total number of votes attached to all shares was 1,542,611,260. Each A share carries ten (10) votes and each B share one (1) vote. The company cannot vote with own shares held by it as treasury shares and no dividend is paid on them. At the end of June 2022, Kesko Corporation's share capital was €197,282,584.

The price of a Kesko A share quoted on Nasdaq Helsinki was €27.15 at the end of 2021, and €20.65 at the end of June 2022, representing a decrease of 23.9%. Correspondingly, the price of a B share was €29.34 at the end of 2021, and €22.51 at the end of June 2022, representing a decrease of 23.3%. In January-June 2022, the highest price for an A share was €27.30 and the lowest €19.72. The highest price for a B share was €29.65 and the lowest €20.60. The Nasdaq Helsinki All-Share index (OMX Helsinki) was down by 20.6% and the weighted OMX Helsinki Cap index by 20.7% in January-June 2022. The Retail Sector Index was down by 39.2%.

At the end of June 2022, the market capitalisation of the A shares was €2,621 million. The market capitalisation of the B shares was €6,089 million, excluding the shares held by the parent company. The combined market capitalisation of the A and B shares was €8,711 million, down by €2,663 million from the end of 2021.

In January-June, a total of 4.3 million A shares were traded on Nasdaq Helsinki. The exchange value of the A shares was €99.4 million. Meanwhile, 77.6 million B shares were traded, with an exchange value of €1,928 million. Nasdaq Helsinki accounted for over 95% of the trading on Kesko's A and B shares in January-June 2022. Kesko shares were also traded on multilateral trading facilities, the most significant of which was Turquoise (source: Euroland).

At the end of June 2022, the number of registered shareholders was 74,176, which is the highest figure in the company's history. At the end of June, foreign ownership of all shares was 40.1%, and foreign ownership of B shares 57.8%.

Kesko has a share-based commitment and incentive scheme. To implement the scheme, Kesko's Board of Directors may decide, within share issue authorisations granted by the company's General Meeting, to transfer Kesko B shares held by the company as treasury shares. In January-June 2022, Kesko Corporation transferred 343,604 Kesko B shares held as treasury shares to members of management and other selected key persons in accordance with the terms and conditions of share award plans, while 716 B shares were returned to the company without consideration based on the same terms and conditions. Kesko issued related stock exchange releases on 20 May 2022, 18 March 2022, 15 March 2022 and 17 February 2022. Kesko issued a stock exchange release on 3 February 2022 regarding the most recent share-based commitment and incentive plans. Kesko Corporation also transferred a total of 4,918 of its own B shares held by the company as treasury shares to the members of Kesko's Board of Directors as part of the Board members' annual remuneration, and issued a related stock exchange release on 2 May 2022.

Kesko's Annual General Meeting of 7 April 2022 authorised the Board to decide on the issuance of a maximum of 33,000,000 new B series shares or B shares held by the company as treasury shares, and on the repurchase of a

maximum of 16,000,000 of the company's own B shares. The authorisations are valid until 30 June 2023. The authorisations were communicated in a stock exchange release on 7 April 2022.

KEY EVENTS DURING THE REPORTING PERIOD

On 4 March 2022, Kesko published its 2021 financial statements, Report by the Board of Directors, Corporate Governance Statement, Remuneration Report for Governing Bodies, and the 'Kesko's direction' section of its Annual Report. The 2021 Sustainability Report and Data Balance Sheet were published on 11 March 2022. (Stock exchange release 4.3.2022, investor news 11.3.2022)

Kesko's Board of Directors approved a new sustainability strategy for the company, setting clear sustainability targets for the operations of Kesko and its three divisions. The focus areas of the strategy are climate and nature, value chain sustainability, responsibility for people, and good governance. (Investor news 21.3.2022)

Kesko Corporation's Annual General Meeting was held on Thursday, 7 April 2022, at Kesko Corporation's headquarters K-Kampus, with special arrangements in place and without any shareholders or their representatives present. To prevent the spread of the Covid-19 pandemic, Kesko's Board of Directors decided to have exceptional meeting procedures based on the temporary legislative act 375/2021 in place. Read more in the section: Resolutions of the Annual General Meeting 2022 (Stock exchange releases 11.2.2022 and 7.4.2022)

Kesko issued a positive profit warning and raised its profit guidance for 2022 on 25 April 2022, estimating that its comparable operating profit in 2022 will be in the range of €730 – 840 million. Before, the company estimated that the comparable operating profit would be in the range of €680–800 million. (Stock exchange release 25.4.2022)

KEY EVENTS AFTER THE REPORTING PERIOD

Kesko announced it would acquire the building and home improvement companies XL-BYGG Bergslagen, Föllinge såg, and Djurbergs Järnhandel in Sweden as part of its K-Bygg chain serving professional builders. The acquisitions are expected to be completed in H2/2022.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING 2022

The Annual General Meeting of Kesko Corporation on 7 April 2022 adopted the company's financial statements for 2021. The Annual General Meeting resolved to distribute a dividend of €1.06 per share on shares held outside the company. The dividend shall be paid in four instalments. The record date of the first dividend instalment of €0.27/share was 11 April 2022 and the pay date 20 April 2022. The record date of the second dividend instalment of €0.26/share was 22 June 2022 and the pay date 29 June 2022. The record date of the third dividend instalment of €0.27/share is 13 September 2022 and the pay date 20 September 2022. The record date of the fourth dividend instalment of €0.26/share is 13 December 2022 and the pay date 20 December 2022. The Board was authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second, third and/or fourth instalments, if the rules and statutes of the Finnish book-entry system change or otherwise so require. The remaining distributable assets will remain in equity.

The resolutions of the Annual General Meeting were communicated in more detail in a stock exchange release on 7 April 2022.

SUSTAINABILITY

In March 2022, the Board of Directors of Kesko Corporation approved a new sustainability strategy for the company, setting clear sustainability targets for the operations of Kesko and its three divisions. The focus areas of the strategy are climate and nature, value chain sustainability, responsibility for people, and good governance.

Progress is measured, for example, with sustainability indices and assessments, including the Dow Jones Sustainability Indices, MSCI ESG, Sustainalytics, and CDP.

KEY TOPICS IN Q2:

Kesko announced updates to its sourcing policies in an effort to prevent deforestation and loss of biodiversity. According to its new 'no deforestation' policy, Kesko will only accept in its own brand selections wood, paper, palm oil, soy, cocoa, coffee and tea that have been produced 100% sustainably.

RISK MANAGEMENT

The objective of risk management is to support Kesko in achieving targets and implementing strategy. Risk management in Kesko Group is an essential part of internal control and guided by the risk management policy approved by Kesko's Board of Directors. The policy defines the purpose and principles of Kesko Group's risk management, as well as the related steering model and responsibilities. In the management of financial risks, the Group's treasury policy, approved by Kesko's Board of Directors, is observed. The management of business operations and common functions are responsible for the execution of risk management. Strategic risks at Kesko Group are identified and assessed as part of the strategy process. Risks related to climate change are assessed applying the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. In assessing climate risks, the Group utilises selected scenarios for the future that enable identifying and assessing transitional and physical risks and opportunities significant for the strategy. The likelihood and impact of strategic risks is assessed not only for the strategy period but also in the medium term (3-5 years) and long term (over 5 years). Operational and financial risks related to achieving strategic targets are assessed in the short term (1-2 years), using loss scenarios, simulation and stress testing. The purpose of risk management is to ensure that key risks are systematically identified, assessed, managed, monitored and reported as part of business operations at Group, division, company and function levels throughout the Group.

Kesko's risk appetite is driven by its strategy, vision and value and its risk tolerance and risk bearing capacity. The risk tolerance and risk bearing capacity are assessed and tested at regular intervals based on selected financial figures and indicators and loss scenarios. Kesko's risk appetite is divided into three categories depending on the risk assessed. Risk appetite is considered low in cases where it does not involve significant financial or business opportunities (e.g. risks related to personnel and customer safety). Risk appetite is considered moderate with risks where the Group is able to optimise the cost-efficiency of risk management (e.g. property risk and business disruption risks). High risk appetite is limited to risks that also involve significant opportunities. Risk appetite is also materially impacted by the likelihood of realisation and related financial impacts.

The Group's most significant risks and uncertainties, as well as material changes in, responses to, and indicators for them are reported to the Kesko Board's Audit Committee quarterly in connection with the review of interim reports, the half-year financial report, and financial statements. The Audit Committee Chair reports on risk management to the Board as part of Audit Committee reporting. The most significant risks and uncertainties are reported to the market by the Board in the Report by the Board of Directors and any material changes in them in the interim reports and the half-year financial report. The most significant changes in risks are related to the general economy, developments in inflation and energy prices, and changes in customer demand and consumer purchasing power. Risks related to global supply chains and product availability are estimated to have decreased.

Helsinki, 25 July 2022
Kesko Corporation
Board of Directors

The information in this half-year financial report is unaudited.

Further information is available from Jukka Erlund, Executive Vice President, Chief Financial Officer, tel. +358 105 322 113, Hanna Jaakkola, Vice President, Investor Relations, tel. +358 105 323 540, and Eva Kaukinen, Vice President, Group Controller, tel. +358 105 322 338. An English-language audio conference on the half-year financial report will be held on 26 July 2022 at 9.00 am (EET/EST). The audio conference login is available on Kesko's website at www.kesko.fi. A Finnish-language webcast of the results briefing can be viewed at 11.30 (EET/EST) at www.kesko.fi.

Kesko Corporation's interim report for January-September 2022 will be published on 27 October 2022. In addition, Kesko Group's sales figures are published monthly. News releases and other company information are available on Kesko's website at www.kesko.fi.

ATTACHMENTS: TABLES SECTION

Accounting policies
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flows
Cash flow from leases
Group performance indicators
Segment information
Change in tangible and intangible assets
Right-of-use assets
Related party transactions
Credit and counterparty risk, trade receivables
Financial assets and liabilities by category and fair value hierarchy
Personnel average and at the end of the reporting period
Group's commitments
Calculation of performance indicators
Reconciliation of performance indicators to IFRS financial statements
K Group's retail and B2B sales

DISTRIBUTION
Nasdaq Helsinki Ltd
Main news media
www.kesko.fi

TABLES SECTION

Accounting policies

This half-year report has been prepared in accordance with IAS 34. The half-year report has been prepared in accordance with the same accounting principles as the annual financial statements for 2021.

Consolidated income statement (€ million), condensed					
	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Net sales	5,815.8	5,527.5	3,108.5	2,988.2	11,300.2
Material and services	-5,132.3	-4,789.5	-2,720.1	-2,518.3	-9,695.3
Change in inventory	168.4	47.6	77.3	-32.7	43.1
Other operating income	492.6	463.1	264.6	244.9	957.3
Employee benefit expense	-400.1	-388.1	-207.6	-202.7	-764.0
Depreciation, amortisation and impairment charges	-82.0	-84.0	-41.8	-43.1	-176.8
Depreciation and impairment charges for right-of-use assets	-158.3	-154.1	-80.0	-77.4	-310.3
Other operating expenses	-329.5	-297.4	-171.3	-152.8	-607.2
Share of result of joint ventures	8.3	8.8	8.7	12.0	28.0
Operating profit	382.9	333.8	238.3	218.1	775.2
Interest income and other finance income	5.6	4.7	3.5	2.5	12.5
Interest expense and other finance costs*	0.8	-2.8	1.3	-2.3	-8.6
Interest expense for lease liabilities	-34.2	-36.6	-17.0	-18.1	-71.3
Foreign exchange differences	-1.2	0.0	-0.6	-0.5	-0.8
Share of result of associates	-1.2	4.6	-1.7	4.8	5.9
Profit before tax	352.6	303.7	223.7	204.5	712.9
Income tax	-69.9	-63.7	-44.2	-42.9	-141.1
Net profit for the period	282.7	240.0	179.5	161.6	571.8
Attributable to					
Owners of the parent	282.7	240.0	179.5	161.6	571.8
Earnings per share (€) for profit attributable to owners of the parent					
Basic and diluted	0.71	0.60	0.45	0.41	1.44

* The positive change in fair value of interest rate derivatives is recorded in the line item for interest expenses and other finance costs.

Consolidated statement of comprehensive income (€ million)					
	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Net profit for the period	282.7	240.0	179.5	161.6	571.8
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains and losses	-15.7	27.9	-10.7	10.6	40.0
Items that may be reclassified subsequently to profit or loss					
Currency translation differences related to a foreign operation	-26.3	7.5	-34.4	-1.3	9.8
Share of other comprehensive income of associates and joint ventures	0.9	-	2.3	-	-0.5
Cash flow hedge revaluation	37.4	2.7	33.3	1.9	11.1
Total other comprehensive income for the period, net of tax	-3.6	38.1	-9.5	11.2	60.4
Total comprehensive income for the period	279.1	278.1	170.0	172.8	632.1
Attributable to					
Owners of the parent	279.1	278.1	170.0	172.8	632.1

Consolidated statement of financial position (€ million), condensed			
	30.6.2022	30.6.2021	31.12.2021
ASSETS			
Non-current assets			
Property, plant and equipment	1,661.5	1,488.4	1,537.6
Right-of-use assets	1,775.2	1,764.8	1,735.0
Goodwill	592.7	581.3	588.8
Intangible assets	189.4	200.1	190.1
Shares in associates and joint ventures	236.9	212.2	234.6
Other investments	13.0	21.6	15.5
Loans and other receivables	102.0	72.7	73.7
Pension assets	30.4	83.1	94.7
Total	4,601.0	4,424.3	4,470.1
Current assets			
Inventories	1,066.2	904.0	894.3
Trade receivables	1,200.2	1,104.2	909.2
Other receivables	322.6	251.0	304.1
Other financial assets	88.2	52.8	107.9
Cash and cash equivalents	257.0	313.9	279.8
Total	2,934.4	2,625.9	2,495.4
Non-current assets held for sale	0.5	0.5	0.5
Total assets	7,535.9	7,050.7	6,966.0

	30.6.2022	30.6.2021	31.12.2021
EQUITY AND LIABILITIES			
Equity	2,391.8	2,170.1	2,529.5
Non-current liabilities			
Interest-bearing liabilities	250.3	334.6	206.4
Lease liabilities	1,634.7	1,651.5	1,610.7
Non-interest-bearing liabilities	25.5	26.2	25.2
Deferred tax liabilities	39.3	23.5	37.9
Provisions	12.8	17.6	15.4
Total	1,962.6	2,053.4	1,895.6
Current liabilities			
Interest-bearing liabilities	292.8	226.4	160.1
Lease liabilities	326.2	314.1	317.9
Trade payables	1,624.1	1,421.5	1,332.6
Other non-interest-bearing liabilities	925.3	846.7	716.0
Provisions	13.1	18.3	14.3
Total	3,181.5	2,827.1	2,540.9
Total equity and liabilities	7,535.9	7,050.7	6,966.0

Consolidated statement of changes in equity (€ million)							
	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Total
Balance at 1.1.2022	197.3	464.7	-10.2	9.1	-30.3	1,898.9	2,529.5
Share-based payments					0.0		0.0
Dividends						-421.3	-421.3
Other changes						4.4	4.4
Transactions with owners, total					0.0	-416.9	-416.8
Comprehensive income							
Profit for the period						282.7	282.7
Items that will not be reclassified subsequently to profit or loss							
Actuarial gains and losses						-15.7	-15.7
Items that may be reclassified subsequently to profit or loss							
Translation differences on foreign operations			-26.3				-26.3
Share of other comprehensive income of associates and joint ventures						0.9	0.9
Cash flow hedge revaluation				37.4			37.4
Total comprehensive income for the period			-26.3	37.4		268.0	279.1
Balance at 30.6.2022	197.3	464.7	-36.5	46.5	-30.2	1,750.0	2,391.8

	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Total
Balance at 1.1.2021	197.3	464.7	-20.0	-2.0	-31.4	1,580.7	2,189.3
Share-based payments					-1.7		-1.7
Dividends						-297.8	-297.8
Other changes						2.4	2.4
Transactions with owners, total					-1.7	-295.4	-297.2
Comprehensive income							
Profit for the period						240.0	240.0
Items that will not be reclassified subsequently to profit or loss							
Actuarial gains and losses						27.9	27.9
Items that may be reclassified subsequently to profit or loss							
Translation differences on foreign operations			7.5				7.5
Cash flow hedge revaluation				2.7			2.7
Total comprehensive income for the period			7.5	2.7		267.9	278.1
Balance at 30.6.2021	197.3	464.7	-12.5	0.6	-33.1	1,553.2	2,170.1

Consolidated statement of cash flows (€ million), condensed					
	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Cash flows from operating activities					
Profit before tax	352.6	303.7	223.7	204.5	712.9
Depreciation according to plan	82.0	84.0	41.8	43.1	171.4
Depreciation and impairment for right-of-use assets	158.3	154.1	80.0	77.4	310.3
Finance income and costs	-5.1	-2.0	-4.1	0.3	-3.1
Interest expense for lease liabilities	34.2	36.6	17.0	18.1	71.3
Other adjustments	-4.5	26.1	-7.4	-15.8	9.0
Change in working capital					
Current non-interest-bearing receivables, increase (-)/decrease (+)	-288.2	-291.7	-127.4	-206.6	-146.8
Inventories, increase (-)/decrease (+)	-177.1	-66.1	-76.3	33.0	-53.2
Current non-interest-bearing liabilities, increase (+)/decrease(-)	271.8	344.2	151.4	224.5	283.7
Financial items and tax	-90.4	-87.4	-36.2	-31.9	-203.4
Net cash from operating activities, total	333.5	501.7	262.4	346.6	1,152.0
Cash flows from investing activities					
Investing activities	-199.2	-106.8	-111.1	-63.9	-252.7
Proceeds from sale of tangible and intangible assets	7.1	6.3	3.5	3.4	13.5
Proceeds from sale of subsidiaries and business operations, net cash deducted	2.2	2.8	0.0	-	2.8
Other financial assets, increase (-)/decrease (+)	17.6	-0.7	2.2	-0.4	-55.9
Net cash used in investing activities, total	-172.3	-98.3	-105.4	-60.9	-292.3
Cash flows from financing activities					
Interest-bearing liabilities, increase (+)/decrease (-)	177.8	-29.4	151.4	-3.9	-223.4
Repayments of lease liabilities	-165.6	-159.7	-82.6	-80.1	-323.2
Current interest-bearing receivables, increase (-)/ decrease (+)	1.5	1.5	1.3	1.7	10.7
Dividends paid	-195.5	-150.9	-195.5	-150.9	-297.8
Other items	-1.9	-5.5	-2.5	-2.8	-0.7
Net cash used in financing activities, total	-183.7	-344.0	-127.8	-236.0	-834.4
Change in cash and cash equivalents	-22.5	59.4	29.2	49.7	25.2
Cash and cash equivalents at 1 Jan.	279.8	254.3	228.2	264.3	254.3
Exchange differences and change in value of cash and cash equivalents	-0.3	0.2	-0.3	0.0	0.2
Cash and cash equivalents at 30 Jun.	257.0	313.9	257.0	313.9	279.8

Cash flow from leases (€ million)	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Interest expense for lease liabilities	-34.2	-36.6	-17.0	-18.1	-71.3
Repayments of lease liabilities	-165.6	-159.7	-82.6	-80.1	-323.2
Lease payments in the income statement	-3.4	-4.6	-1.7	-2.8	-7.6
Total	-203.2	-200.9	-101.3	-101.0	-402.1

Group's performance indicators	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Net sales, € million	5,815.8	5,527.5	3,108.5	2,988.2	11,300.2
Operating profit, € million	382.9	333.8	238.3	218.1	775.2
Operating margin, %	6.6	6.0	7.7	7.3	6.9
Operating profit, comparable, € million	379.7	335.6	236.0	219.4	775.5
Operating margin, comparable, %	6.5	6.1	7.6	7.3	6.9
Profit before tax, € million	352.6	303.7	223.7	204.5	712.9
Profit before tax, comparable, € million	353.0	303.2	221.4	203.6	710.4
Earnings per share, basic and diluted, €	0.71	0.60	0.45	0.41	1.44
Earnings per share, comparable, basic and diluted, €	0.71	0.60	0.45	0.40	1.43
Return on capital employed, %	16.3	14.6	19.9	19.1	17.2
Return on capital employed, %, rolling 12 months	18.0	15.7	-	-	17.2
Return on capital employed, comparable, %	16.1	14.7	19.7	19.2	17.2
Return on capital employed, comparable, %, rolling 12 months	17.9	15.0	-	-	17.2
Capital expenditure, € million	250.8	126.9	124.6	82.7	276.6
Cash flow from operating activities, € million	333.5	501.7	262.4	346.6	1,152.0
Cash flow from investing activities, € million	-172.3	-98.3	-105.4	-60.9	-292.3
Cash flow from operating activities/share, €	0.84	1.26	0.66	0.87	2.90
Return on equity, %	23.0	22.0	28.5	29.0	24.2
Return on equity, %, rolling 12 months	26.9	26.3	-	-	24.2
Return on equity, comparable, %	23.0	22.0	28.2	28.8	24.1
Return on equity, comparable, %, rolling 12 months	26.8	24.0	-	-	24.1
Equity ratio, %	31.9	30.9	31.9	30.9	36.6
Equity per share, €	6.02	5.46	6.02	5.46	6.37
Interest-bearing net debt/EBITDA excluding the impact of IFRS 16, rolling 12 months	0.2	0.2	-	-	0.0
Interest-bearing net debt, € million	2,158.7	2,160.0	2,158.7	2,160.0	1,907.3
Interest-bearing net debt excluding lease liabilities, € million	197.8	194.4	197.8	194.4	-21.3
Diluted number of shares, average for the reporting period, 1,000 pcs	397,359	396,950	397,359	396,950	397,033
Personnel, average	14,539	14,192	14,921	14,453	14,232

Segment information

Net sales by segment, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade, Finland	2,933.2	2,836.9	1,551.1	1,476.3	5,909.0	6,005.3
Grocery trade total	2,933.2	2,836.9	1,551.1	1,476.3	5,909.0	6,005.3
- of which intersegment trade	10.5	8.5	4.8	4.0	17.8	19.9
Building and technical trade, Finland	1,339.1	1,170.6	724.9	652.0	2,371.4	2,539.9
Building and technical trade, other countries*	1,120.2	982.9	610.3	577.2	2,016.4	2,153.7
Building and technical trade total	2,459.2	2,153.4	1,335.3	1,229.1	4,387.7	4,693.6
- of which intersegment trade	-0.3	-0.4	0.2	-0.1	-0.2	-0.2
Car trade, Finland	437.3	548.7	229.1	288.6	1,028.3	916.9
Car trade total	437.3	548.7	229.1	288.6	1,028.3	916.9
- of which intersegment trade	3.5	3.3	1.9	1.8	6.7	6.9
Common functions and eliminations	-14.0	-11.5	-7.0	-5.9	-24.8	-27.3
Finland total	4,695.6	4,544.7	2,489.1	2,411.0	9,283.9	9,434.8
Other countries total*	1,120.2	982.9	610.3	577.2	2,016.4	2,153.7
Group total	5,815.8	5,527.5	3,108.5	2,988.2	11,300.2	11,588.5

* Net sales in countries other than Finland

Operating profit by segment, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	205.3	189.8	123.9	108.7	443.9	459.3
Building and technical trade	173.2	139.2	111.8	108.2	323.1	357.1
Car trade	22.8	24.2	12.9	13.1	46.2	44.8
Common functions and eliminations	-18.4	-19.4	-10.3	-11.9	-38.0	-36.9
Group total	382.9	333.8	238.3	218.1	775.2	824.3

Operating profit by segment, comparable, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	204.2	189.7	123.9	108.6	442.9	457.4
Building and technical trade	171.0	139.7	109.5	108.4	318.0	349.3
Car trade	22.8	25.4	12.9	14.3	52.2	49.6
Common functions and eliminations	-18.3	-19.3	-10.3	-11.8	-37.7	-36.6
Group total	379.7	335.6	236.0	219.4	775.5	819.6

Operating margin by segment, %, comparable	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	7.0	6.7	8.0	7.4	7.5	7.6
Building and technical trade	7.0	6.5	8.2	8.8	7.2	7.4
Car trade	5.2	4.6	5.6	4.9	5.1	5.4
Group total	6.5	6.1	7.6	7.3	6.9	7.1

EBITDA by segment, comparable, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	350.7	329.6	198.0	179.5	728.3	749.4
Building and technical trade	230.8	200.6	139.3	138.9	438.3	468.5
Car trade	41.0	44.2	22.1	23.9	90.2	87.0
Common functions and eliminations	-0.8	-0.5	-1.4	-2.0	0.7	0.4
Group total	621.6	573.9	357.9	340.2	1,257.6	1,305.3

Operating profit by segment excluding the impact of IFRS 16, comparable, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	176.8	160.0	110.6	94.0	385.2	401.9
Building and technical trade	161.4	130.8	104.7	103.9	300.5	331.0
Car trade	22.2	25.0	12.6	14.0	51.3	48.5
Common functions and eliminations	-18.8	-20.0	-10.6	-12.1	-38.9	-37.7
Group total	341.6	295.9	217.3	199.8	698.0	743.7

Capital employed by segment, cumulative average, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	2,276.3	2,149.9	2,326.0	2,142.3	2,145.6	2,211.6
Building and technical trade	1,752.2	1,699.3	1,795.1	1,709.6	1,673.5	1,703.4
Car trade	363.7	394.1	374.5	408.5	374.4	362.3
Common functions and eliminations	313.3	317.6	294.0	315.0	315.5	311.5
Group total	4,705.4	4,560.9	4,789.5	4,575.4	4,508.9	4,588.8

Return on capital employed by segment, %, comparable	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	17.9	17.7	21.3	20.3	20.6	20.7
Building and technical trade	19.5	16.4	24.4	25.4	19.0	20.5
Car trade	12.5	12.9	13.8	14.0	14.0	13.7
Group total	16.1	14.7	19.7	19.2	17.2	17.9

Capital expenditure by segment, € million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021	Rolling 12 mo 6/2022
Grocery trade	155.6	42.7	72.6	28.0	122.8	235.7
Building and technical trade	52.9	18.3	27.0	12.8	43.1	77.6
Car trade	22.0	49.0	13.5	31.3	71.2	44.1
Common functions and eliminations	20.3	16.9	11.5	10.6	39.6	43.0
Group total	250.8	126.9	124.6	82.7	276.6	400.5

Change in tangible and intangible assets (€ million)

	30.6.2022	30.6.2021
Opening net carrying amount	2,316.5	2,228.2
Depreciation, amortisation and impairment charges	-82.1	-84.0
Investments in tangible and intangible assets	218.4	130.1
Deductions	-9.0	-9.0
Acquisitions	21.1	-
Transfers to non-current assets held for sale and between items	0.0	-2.0
Exchange differences	-21.4	6.6
Closing net carrying amount	2,443.6	2,269.9

Right-of-use assets (€ million)

	30.6.2022	30.6.2021
Opening net carrying amount	1,735.0	1,819.0
Depreciation, amortisation and impairment charges	-159.7	-154.5
Net increases	196.8	96.1
Acquisitions	12.2	-
Exchange differences	-9.1	4.2
Closing net carrying amount	1,775.2	1,764.8

Related party transactions (€ million)

The Group's related parties include its management (the Board of Directors, the Managing Director and the Group Management Board) and the companies controlled by them, their family members and companies controlled by the family members, the Group's subsidiaries, associates and joint ventures as well as Kesko Pension Fund.

The following transactions were carried out with related parties:	1-6/2022	1-6/2021
Sales of goods and services	54.7	55.4
Purchases of goods and services	-8.1	-6.1
Other operating income	10.4	9.0
Other operating expenses	-1.5	-1.8
Finance income and costs	2.8	3.0
	30.6.2022	30.6.2021
Receivables	81.1	92.4
Liabilities	24.2	11.6
	30.6.2022	30.6.2021
Items related to leases		
Cash flow from leases	-21.0	-23.6
Lease liabilities	288.3	306.8

Kesko Pension Fund paid in total €42.9 million in return of surplus assets to Finnish Group companies in March 2022. The return of surplus assets included the property of K-Citymarket Turtola in Tampere, €40.3 million. The ownership of the property was transferred to Kesko Oyj. The joint venture UAB Kesko Senukai paid a dividend of €9.9 million to Kesko Corporation in May 2022.

Credit and counterparty risk, ageing analysis of trade receivables

Ageing analysis of trade receivables (€ million)	30.6.2022	30.6.2021
Trade receivables fully performing	1,139.4	1,054.2
1–7 days past due trade receivables	27.0	21.5
8–30 days past due trade receivables	17.4	12.0
31–60 days past due trade receivables	5.4	3.8
over 60 days past due trade receivables	11.0	12.8
Total	1,200.2	1,104.2

Trade receivables include impairment charges totalling €19.0 million (30 June 2021: €19.9 million).

Financial assets and liabilities by category and fair value hierarchy (€ million)

30.6.2022 Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	13.0			13.0	13.0			13.0
Loans and receivables		68.5		68.5	68.5			
Other non-current receivables, derivatives	6.0		26.3	32.3	32.3		32.3	
Current financial assets								
Trade receivables		1,200.2		1,200.2	1,200.2			
Other receivables		283.2		283.2	283.2			
Other receivables, derivatives	7.4		32.0	39.4	39.4		39.4	
Other financial assets	35.3	52.9		88.2	88.2		35.3	
Cash and cash equivalents		257.0		257.0	257.0			
Total financial assets	61.7	1,861.9	58.3	1,981.9	1,981.9		107.0	13.0
Non-current financial liabilities								
Non-current interest-bearing liabilities		250.3		250.3	251.3			
Non-current lease liabilities		1,634.7		1,634.7	1,634.7			
Non-current non-interest-bearing liabilities		24.5		24.5	24.5			
Non-current non-interest-bearing liabilities, derivatives	0.6		0.1	0.7	0.7		0.7	
Current financial liabilities								
Current interest-bearing liabilities		292.8		292.8	292.9			
Current lease liabilities		326.2		326.2	326.2			
Trade payables		1,624.1		1,624.1	1,624.1			
Other non-interest-bearing liabilities		856.9		856.9	856.9			
Other non-interest-bearing liabilities, derivatives	0.4		0.1	0.5	0.5		0.5	
Total financial liabilities	1.0	5,009.5	0.2	5,010.7	5,011.8		1.2	

30.6.2021 Balance, € million	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets								
Other investments	21.6			21.6	21.6			21.6
Loans and receivables		71.7		71.7	71.7			
Other non-current receivables, derivatives			0.8	0.8	0.8		0.8	
Current financial assets								
Trade receivables		1,104.2		1,104.2	1,104.2			
Other receivables		250.2		250.2	250.2			
Other receivables, derivatives			0.9	0.9	0.9		0.9	
Other financial assets	10.2	42.6		52.8	53.0	10.2		
Cash and cash equivalents		313.9		313.9	313.9			
Total financial assets	31.7	1,782.6	1.6	1,816.0	1,816.2	10.2	1.6	21.6
Non-current financial liabilities								
Non-current interest- bearing liabilities		334.6		334.6	334.6			
Non-current lease liabilities		1,651.5		1,651.5	1,651.5			
Non-current non-interest- bearing liabilities		25.0		25.0	25.0			
Non-current non-interest- bearing liabilities, derivatives			0.8	0.8	0.8		0.8	
Current financial liabilities								
Current interest-bearing liabilities		226.4		226.4	226.4			
Current lease liabilities		314.1		314.1	314.1			
Trade payables		1,421.5		1,421.5	1,421.5			
Other non-interest-bearing liabilities		770.2		770.2	770.2			
Other non-interest-bearing liabilities, derivatives	5.2		0.1	5.3	5.3		5.3	
Total financial liabilities	5.2	4,743.3	0.9	4,749.4	4,749.4		6.2	

Loans and receivables do not include deferred tax assets of €1.2 million (€0.3 million). Income tax liabilities of €34.5 million (€45.0 million) and prepayments received of €33.4 million (€26.3 million) are not categorised as financial liabilities and are not included in the table above.

Personnel, average and at 30.6.

Personnel average by segment	1-6/2022	1-6/2021	Change
Grocery trade	6,294	6,062	232
Building and technical trade	6,094	5,991	103
Car trade	1,193	1,261	-68
Common functions	958	878	80
Group total	14,539	14,192	347

Personnel at 30.6.*by segment	2022	2021	Change
Grocery trade	8,753	8,504	249
Building and technical trade	7,416	7,290	126
Car trade	1,290	1,306	-16
Common functions	1,031	955	76
Group total	18,490	18,055	435

* Total number including part-time employees

Group's commitments (€ million)

	30.6.2022	30.6.2021	
Own commitments	313.7	311.0	
For others	-	-	
Lease commitments related to leases not yet commenced	112.7	72.8	
Liabilities arising from derivative instruments (€ million)			
			Fair value
Values of underlying instruments at	30.6.2022	30.6.2021	30.6.2022
Interest rate derivatives			
Interest rate swaps	330.0	420.0	5.4
Currency derivatives			
Forward and future contracts	207.2	217.8	7.9
Commodity derivatives			
Electricity futures	83.3	22.8	58.1

The lease commitments are for leases not commenced on 30 June 2022 to which the Group is committed.

Calculation of performance indicators

Kesko uses alternative performance measures to reflect business performance and profitability. These indicators should be examined together with the IFRS-compliant performance indicators.

Change in comparable net sales is used to reflect changes in the Group's business volume between periods. The indicator reflects the change in net sales excluding the impact of acquisitions and divestments, in local currencies. The comparable net sales have been calculated by including in the net sales the business operations that have been part of Kesko Group in both the reporting period as well as the comparison period. Other structural arrangements related to acquisitions and divestments have been adjusted in the same manner as acquisitions.

Performance indicators reflecting comparable profit and profitability are used to improve the comparability of operational performance between periods. Gains and losses on disposal of real estate, shares and business operations, impairment charges and significant restructuring costs are identified as items affecting comparability. Gains on disposal have been presented within other operating income, and losses on disposal within other operating expenses in the income statement.

Alternative performance measures that have been adjusted for the impact of IFRS 16 are used to monitor the achievement of certain financial targets. The EBITDA excluding the impact of IFRS 16 corresponds to EBITDA before the adoption of IFRS 16, and the interest-bearing net debt excluding lease liabilities correspond to interest-bearing net debt before the adoption of the standard. These restated indicators are included as components in the Group's financial target "interest-bearing net debt excluding lease liabilities divided by EBITDA excluding the impact of IFRS 16".

In addition, financial performance indicators for the Group have been presented as alternative performance measures. The management uses these indicators to monitor and analyse business performance, profitability and financial position.

Operating profit, comparable	Operating profit +/- items affecting comparability
Items affecting comparability	- gains on disposal + losses on disposal + impairment charges +/- structural arrangements
Return on capital employed*, %	Operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed*, %, rolling 12 months	Operating profit for the preceding 12 months x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for 12 months
Return on capital employed*, %, comparable	Comparable operating profit x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for the reporting period
Return on capital employed*, %, comparable, rolling 12 months	Comparable operating profit for the preceding 12 months x 100 / (Non-current assets + Inventories + Receivables + Other current assets - Non-interest-bearing liabilities) on average for 12 months
Return on equity*, %	(Profit/loss before tax - Income tax) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity*, %, rolling 12 months	(Profit/loss for the preceding 12 months before tax - Income tax for the preceding 12 months) x 100 / Shareholders' equity on average for 12 months
Return on equity*, %, comparable	(Profit/loss adjusted for items affecting comparability before tax - Income tax adjusted for the tax effect of items affecting comparability) x 100 / Shareholders' equity, average of the beginning and end of the reporting period
Return on equity*, %, comparable, rolling 12 months	(Profit/loss adjusted for items affecting comparability before tax for the preceding 12 months - Income tax adjusted for the tax effect of items affecting comparability for the preceding 12 months) x 100 / Shareholders' equity on average for 12 months
Equity ratio, %	Shareholders' equity x 100 / (Total assets - Advances received)
Interest-bearing net debt	Interest-bearing liabilities + Lease liabilities - Current other financial assets - Cash and cash equivalents
Interest-bearing net debt excluding lease liabilities	Interest-bearing net debt - Lease liabilities
EBITDA	Operating profit + Depreciation and amortisation + Impairments
EBITDA excluding the impact of IFRS 16	EBITDA - Rents from lease agreements



Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16	Interest-bearing net debt excluding lease liabilities / EBITDA excluding the impact of IFRS 16
Capital expenditure	Performance indicator includes investments in tangible and intangible assets, subsidiary shares, shares in associates and joint ventures and other shares. Additions of right-of-use assets for leases in the consolidated statement of financial position are not capital expenditure. Redemption of a leased property (right-of-use asset) is reported as capital expenditure.
Earnings/share, basic	(Profit/loss - Non-controlling interests) / Average number of shares
Earnings/share, diluted	(Profit - Non-controlling interest) / Average diluted number of shares
Earnings/share, basic, comparable	(Profit/loss adjusted for items affecting comparability - Non-controlling interests adjusted for items affecting comparability) / Average number of shares
Equity/share	Equity attributable to owners of the parent / Basic number of shares at the balance sheet date
Cash flow from operating activities/share	Cash flow from operating activities / Average number of shares

* Indicators for return on capital have been annualised.

Reconciliation of performance indicators to IFRS financial statements

€ million	1-6/2022	1-6/2021	4-6/2022	4-6/2021	1-12/2021
Items affecting comparability					
Gains on disposal	0.0	0.6	0.0	0.0	1.4
Losses on disposal	-0.1	-0.0	-0.0	-	-0.0
Impairment charges	-	-	-	-	-5.4
Structural arrangements	3.3	-2.3	2.3	-1.4	3.7
Items in operating profit affecting comparability	3.2	-1.8	2.3	-1.4	-0.3
Items in financial items affecting comparability	-3.6	2.3	-0.0	2.3	2.9
Items in income taxes affecting comparability	-0.3	0.1	0.0	0.2	1.0
Total items affecting comparability	-0.7	0.6	2.3	1.1	3.5
Items in EBITDA affecting comparability	1.6	-2.0	2.2	-1.6	4.7
Operating profit, comparable					
Operating profit	382.9	333.8	238.3	218.1	775.2
Net of					
Items in operating profit affecting comparability	3.2	-1.8	2.3	-1.4	-0.3
Operating profit, comparable	379.7	335.6	236.0	219.4	775.5
EBITDA					
Operating profit	382.9	333.8	238.3	218.1	775.2
Plus					
Depreciation and impairment charges	82.0	84.0	41.8	43.1	176.8
Depreciation and impairment charges for right-of-use assets	158.3	154.1	80.0	77.4	310.3
EBITDA	623.2	571.9	360.1	338.6	1,262.2
EBITDA excluding the impact of IFRS 16					
EBITDA	623.2	571.9	360.1	338.6	1,262.2
Net of					
Rents from lease agreements	-197.9	-194.2	-98.8	-97.5	-388.3
EBITDA excluding the impact of IFRS 16	425.3	377.7	261.3	241.1	873.8
Profit before tax, comparable					
Profit before tax	352.6	303.7	223.7	204.5	712.9
Net of					
Items in operating profit affecting comparability	3.2	-1.8	2.3	-1.4	-0.3
Items in financial items affecting comparability	-3.6	2.3	-0.0	2.3	2.9
Profit before tax, comparable	353.0	303.2	221.4	203.6	710.4
Net profit, comparable					
Profit before tax, comparable	353.0	303.2	221.4	203.6	710.4
Net of					
Income tax	69.9	63.7	44.2	42.9	141.1
Items in income tax affecting comparability	-0.3	0.1	0.0	0.2	1.0
Net profit, comparable	283.4	239.3	177.2	160.5	568.2

Net profit attributable to owners of the parent, comparable					
Net profit, comparable	283.4	239.3	177.2	160.5	568.2
Net profit attributable to owners of the parent, comparable	283.4	239.3	177.2	160.5	568.2
Earnings per share, comparable, €					
Net profit attributable to the owners of the parent, comparable	283.4	239.3	177.2	160.5	568.2
Average number of shares, basic, 1,000 pcs	397,359	396,950	397,359	396,950	397,033
Earnings per share, comparable, €	0.71	0.60	0.45	0.40	1.43
Return on capital employed, %					
Operating profit	382.9	333.8	238.3	218.1	775.2
Capital employed, average	4,705.4	4,560.9	4,789.5	4,575.4	4,508.9
Return on capital employed, %	16.3	14.6	19.9	19.1	17.2
Return on capital employed, comparable, %					
Operating profit, comparable	379.7	335.6	236.0	219.4	775.5
Capital employed, average	4,705.4	4,560.9	4,789.5	4,575.4	4,508.9
Return on capital employed, comparable, %	16.1	14.7	19.7	19.2	17.2
Return on equity, %					
Net profit	282.7	240.0	179.5	161.6	571.8
Equity, average	2,460.6	2,179.7	2,516.6	2,232.8	2,359.4
Return on equity, %	23.0	22.0	28.5	29.0	24.2
Return on equity, comparable, %					
Net profit, comparable	283.4	239.3	177.2	160.5	568.2
Equity, average	2,460.6	2,179.7	2,516.6	2,232.8	2,359.4
Return on equity, comparable, %	23.0	22.0	28.2	28.8	24.1
Equity ratio, %					
Shareholders' equity	2,391.8	2,170.1	2,391.8	2,170.1	2,529.5
Total assets	7,535.9	7,050.7	7,535.9	7,050.7	6,966.0
Advances received	33.4	25.7	33.4	25.7	46.2
Equity ratio, %	31.9	30.9	31.9	30.9	36.6

K Group's retail and B2B sales, VAT 0% (preliminary data)

Kesko and K-retailers together form K Group. The table below depicts K Group's retail and B2B sales by chain, comprising the combined retail and B2B sales of Kesko's own retailing and B2B trade and retailer-owned chain stores.

K Group's retail and B2B sales	1.1.-30.6.2022		1.4.-30.6.2022	
	€ million	Change, % ^{*)}	€ million	Change, % ^{*)}
K Group's grocery trade				
K-food stores	3,155.8	-1.2	1,643.8	-1.7
K-Citymarket, non-food	271.7	-2.4	144.6	-0.9
Kespro	496.9	29.2	275.3	29.6
Grocery trade, total	3,924.3	1.7	2,063.7	1.6
K Group's building and technical trade				
K-Rauta, Finland	654.0	3.5	415.2	-1.5
K-Rauta B2B Service, Finland	167.7	30.3	93.7	28.9
Onninen, Finland	621.9	22.3	340.6	21.5
Leisure trade, Finland	134.4	-2.0	67.7	3.1
Finland, total	1,578.1	12.2	917.1	9.2
K-Rauta, Sweden	102.7	-4.4	66.5	-4.8
K-Bygg, Sweden	183.6	5.3	107.2	1.2
Onninen and Mark & Infra i Sverige, Sweden	74.5	28.0	42.9	16.0
Byggmakker, Norway	424.8	2.0	235.9	-6.8
Onninen, Norway	183.1	22.4	90.6	16.7
Onninen, Baltic countries	61.0	48.9	33.8	50.8
Onninen, Poland	172.0	25.9	82.0	9.5
Other countries, total	1,201.6	10.9	659.0	2.8
Kesko Senukai	581.2	18.7	334.7	9.2
Building and technical trade, total	3,360.9	12.8	1,910.8	6.9
K Group's car trade				
K-Auto, retail	280.9	-25.8	150.9	-23.6
K-Auto, import	125.4	-14.9	63.4	-17.2
Porsche business	34.2	0.8	16.4	-24.0
Car trade, total	440.5	-21.4	230.8	-21.9
Finland, total	5,942.9	2.0	3,211.5	1.4
Other countries, total	1,782.8	13.3	993.7	4.9
Retail and B2B sales, total	7,725.8	4.4	4,205.3	2.2

^{*)} The Change, % compared to the year before has been calculated to illustrate a situation in which the acquisition of Byggarnas Partner i Sverige AB in September 2021, the acquisition of Kungälv's Trävaruaktiebolag in March 2022, and the acquisition of Seljord Elektriske AS in Norway in June 2022, had been completed on 1 January 2021.