



KESKO ANNUAL GENERAL MEETING

REVIEW OF 2021 BY THE PRESIDENT AND CEO

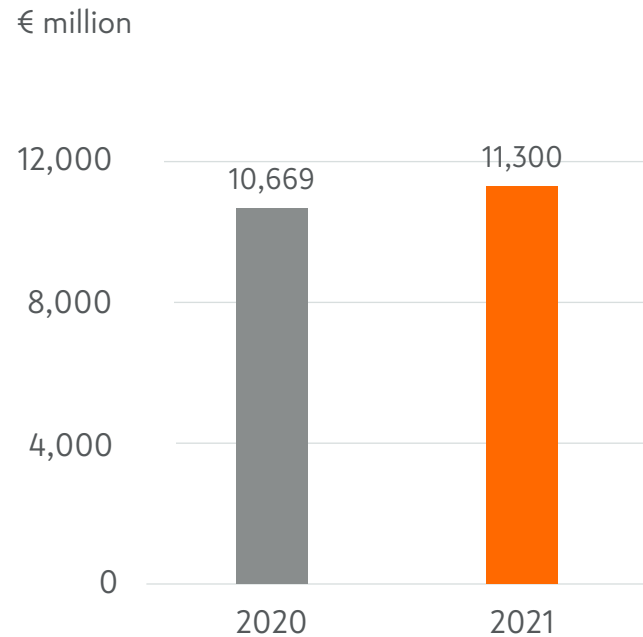
Mikko Helander
President and CEO
7 April 2022

A RECORD-RESULT IN 2021

	1-12/2021	1-12/2020
Net sales, € million	11,300.2	10,669.2
Operating profit, € million	775.5	600.2
Profit before tax, € million	712.9	527.6
Net profit for the period, € million	571.8	435.3
Earnings per share for net profit attributable to owners of the parent (€), basic and diluted	1.44	1.09
Cash flow from operating activities, total, € million	1,152.0	1,152.4

NET SALES GROWTH CONTINUED

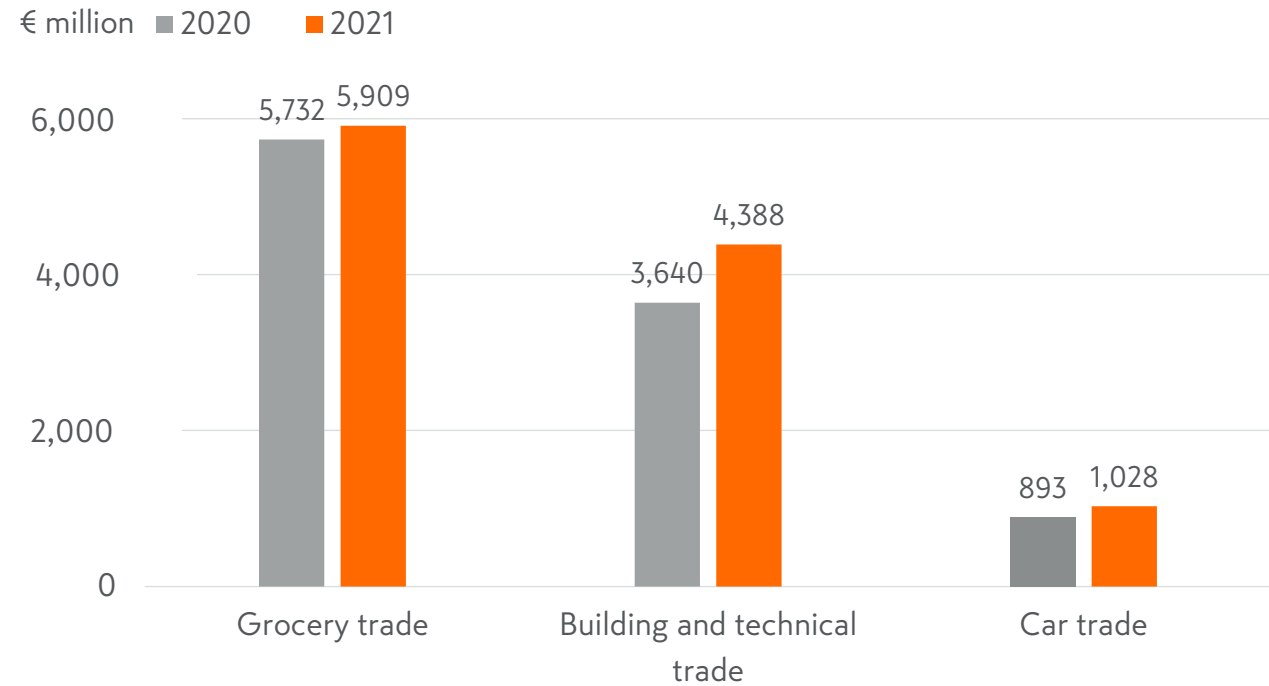
GROUP



Comparable growth

8.2%

DIVISIONS



3.1%

14.7%

15.2%

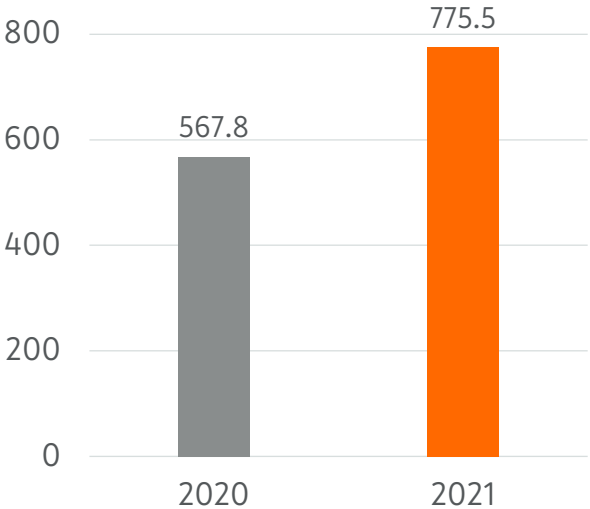
Illustrative comparison figures given for building and technical trade.
Kesko Senukai treated as a joint venture in the illustrative figures and the 2021 figures.



OPERATING PROFIT IMPROVED MARKEDLY

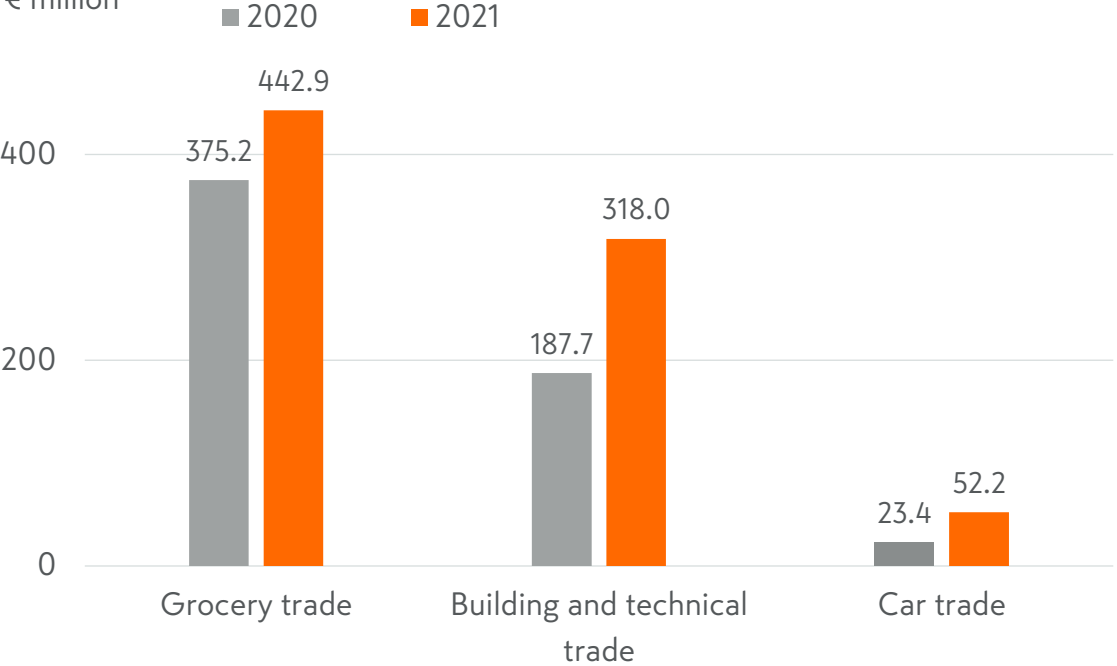
GROUP

€ million



DIVISIONS

€ million



Operating margin

5.3%

6.9%

6.5%

7.5%

5.2%

7.2%

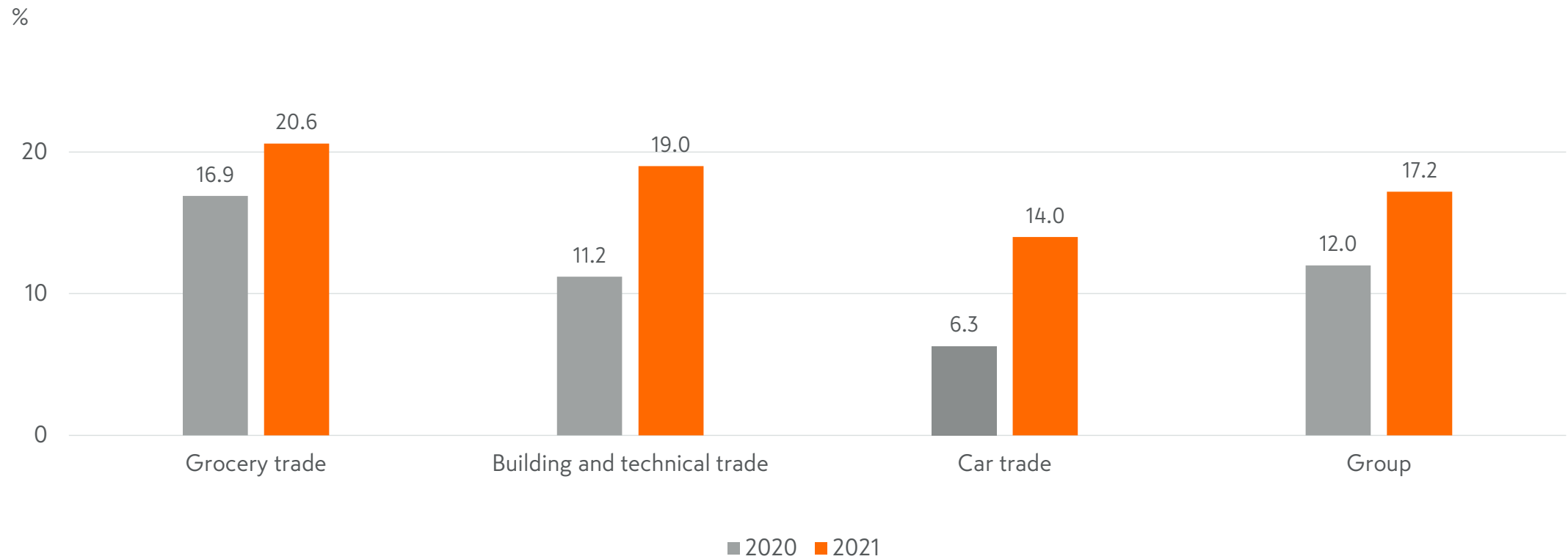
2.6%

5.1%

Illustrative comparison figures given for building and technical trade. Kesko Senukai treated as a joint venture in the illustrative figures and the 2021 figures.



RETURN ON CAPITAL EMPLOYED CONTINUED TO STRENGTHEN



STRONG FINANCIAL POSITION

	2021	2020
Cash flow from operating activities, € million	1,152.0	1,152.4
Liquid assets, € million	387.7	306.0
Capital expenditure, € million	276.6	398.4
Interest-bearing net debt excl. lease liabilities, € million	-21.3	285.3
Interest-bearing net debt/EBITDA (rolling, excl. IFRS 16 impact)	0.0	0.4
Lease liabilities, € million	1,928.6	2,025.0

FINANCIAL TARGETS

INDICATOR	Financial target	Level achieved in 2021
Comparable operating margin, %	Over 6.0	6.9
Comparable return on capital employed, %	Over 14.5	17.2
Interest-bearing net debt/EBITDA, excluding the impact of IFRS 16	at maximum 2.5	0.0

STRATEGY

GOOD STRATEGY



GROWTH STRATEGY

FOCUS:

-  GROCERY TRADE
-  BUILDING AND TECHNICAL TRADE
-  CAR TRADE

ONE UNIFIED 

CUSTOMER EXPERIENCE

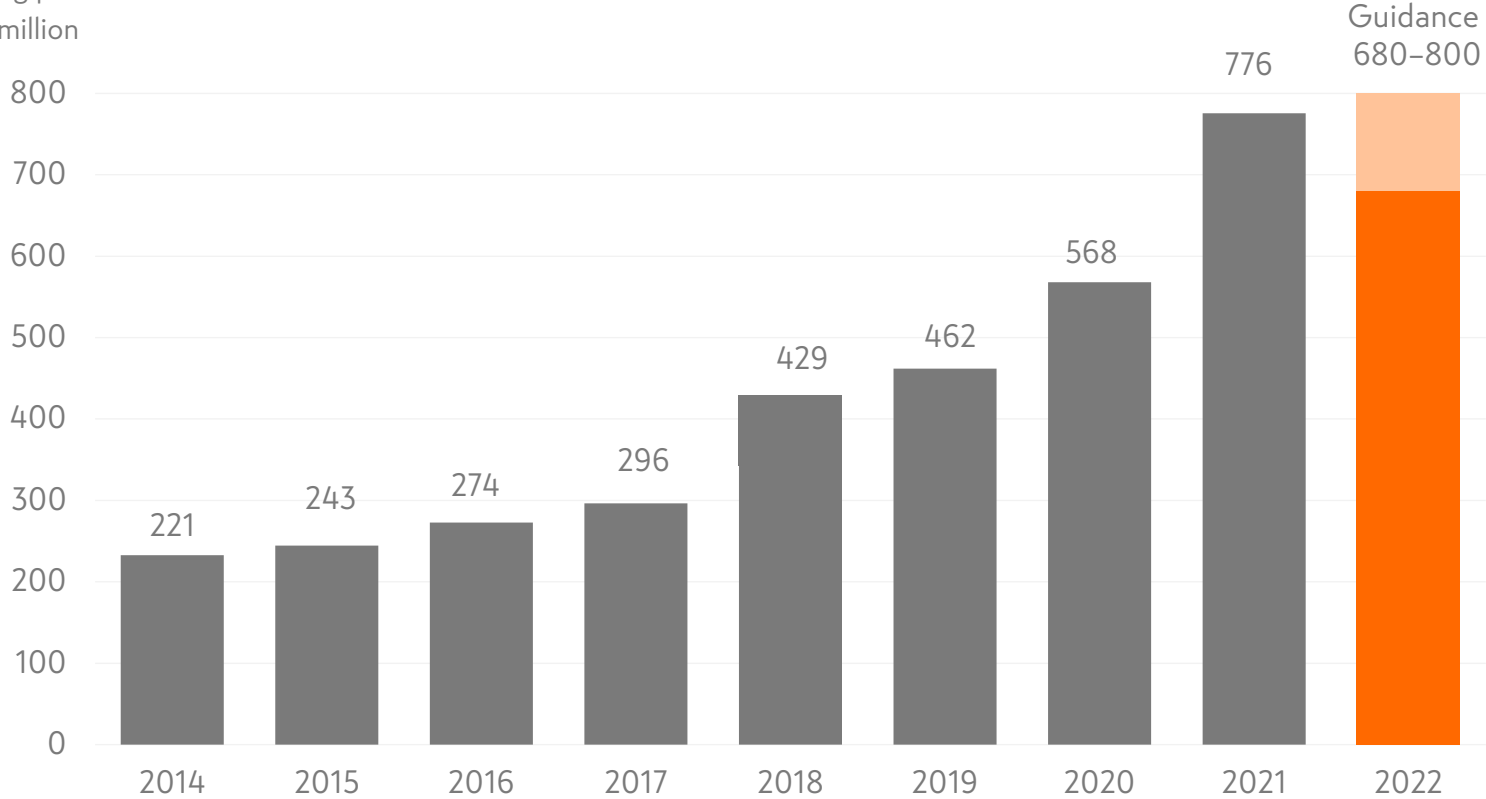
DIGITALISATION

SUSTAINABILITY



CONTINUED PROFITABILITY IMPROVEMENT

Comparable operating profit
Reported figures, € million



2014-2019 continuing operations

IFRS 16 impact



SALES GROWTH THROUGH EXISTING STORES AND SYSTEMS HAS IMPROVED OUR EFFICIENCY

Plenty of additional potential

Retail and B2B sales
growth for core
businesses since 2014

€5.6 bn

Compared to end of 2021

Steady cost ratio
improvement

16.4%

2014: 19.2%

Costs / reported Group net sales
IFRS 16 impact since 2018

EXCELLENT CUSTOMER EXPERIENCES AND EFFICIENCY THE BASIS FOR GOOD PROFITABILITY IN GROCERY TRADE

KEY FACTORS

- The most extensive network of stores across Finland combined with efficient online sales
- K-retailers and store-specific business ideas built on data ensure the best customer experience in grocery retail
- Plenty of further potential in implementing store-specific business ideas, investments in store modernisation continue
- Strong market leader in the growing foodservice wholesale, significant synergies with our grocery stores

NET SALES 2021

€5.9 billion

OPERATING PROFIT 2021

€443 million

Comparable figures

GOOD GROWTH POTENTIAL IN BUILDING AND TECHNICAL TRADE

KEY FACTORS

- Growth supported by our focus on the growing B2B trade, supported by good B2C trade
- We can further improve operations and customer experiences by developing sales, internal processes, and digital services
- We aim to accelerate growth with acquisitions also going forward
- Green transition, changes in population structure and urbanisation will continue to underpin construction growth going forward

NET SALES 2021

€4.4 billion

OPERATING PROFIT 2021

€318 million

Comparable figures

SUCCESSFUL CHANGES IN CAR TRADE FORM A BASIS FOR GROWTH AND GOOD PROFITABILITY

KEY FACTORS

- Our focus on selling new cars, used cars, and services lends us growth potential
- Good collaboration with the Volkswagen Group
- Competitiveness to improve with efforts to improve customer experience, digitalisation of operations, and better efficiency of internal processes
- The need to reduce traffic emissions and update the Finnish vehicle stock is expected to increase demand

NET SALES 2021

€1 billion

OPERATING PROFIT 2021

€52 million

Comparable figures

KESKO UPDATED ITS SUSTAINABILITY STRATEGY

MANAGEMENT REMUNERATION TIED TO SUSTAINABILITY TARGETS

SUSTAINABILITY STRATEGY

VISION:

WE ENABLE SUSTAINABLE CHOICES FOR OUR CUSTOMERS AND DRIVE CHANGE THROUGHOUT THE VALUE CHAIN

FOCUS AREAS:

- CLIMATE AND NATURE
- VALUE CHAIN SUSTAINABILITY
- RESPONSIBILITY FOR PEOPLE
- GOOD GOVERNANCE

IMPLEMENTATION WITHIN DIVISIONS:

- GROCERY TRADE
 - BUILDING AND TECHNICAL TRADE
 - CAR TRADE
-

INDICES AND ASSESSMENTS AS INDICATORS OF PROGRESS:

Dow Jones World, MSCI ESG, Global 100, CDP



OUTLOOK

THE WAR IN UKRAINE AND ITS IMPACTS

- Kesko divested its operations in Russia between 2016 and 2018 for a total of some €347 million
- We discontinued the purchase of Russian products and food exports to Russia when the war began
- The war and the sanctions imposed will have a significant impact on the global economy
- We are actively monitoring the situation and will adjust our management and operations as necessary
- We will update our business plans if the situation so requires
- We prepare for possible disruptions in supply chains and for cyber threats

GUIDANCE FOR 2022

Kesko estimates that its comparable operating profit in 2022 will be in the range of €680-800 million.

In 2021, Kesko's comparable operating profit totalled €776 million.

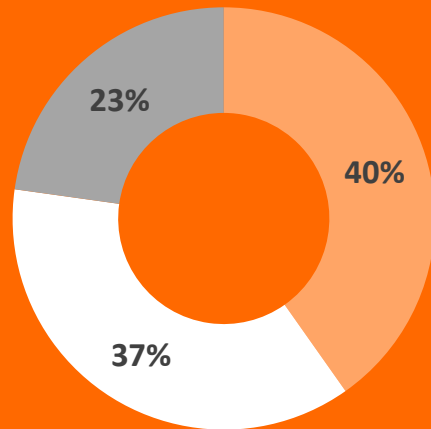


CREATING VALUE FOR OUR SHAREHOLDERS

THE NUMBER OF KESKO SHAREHOLDERS RISING FAST

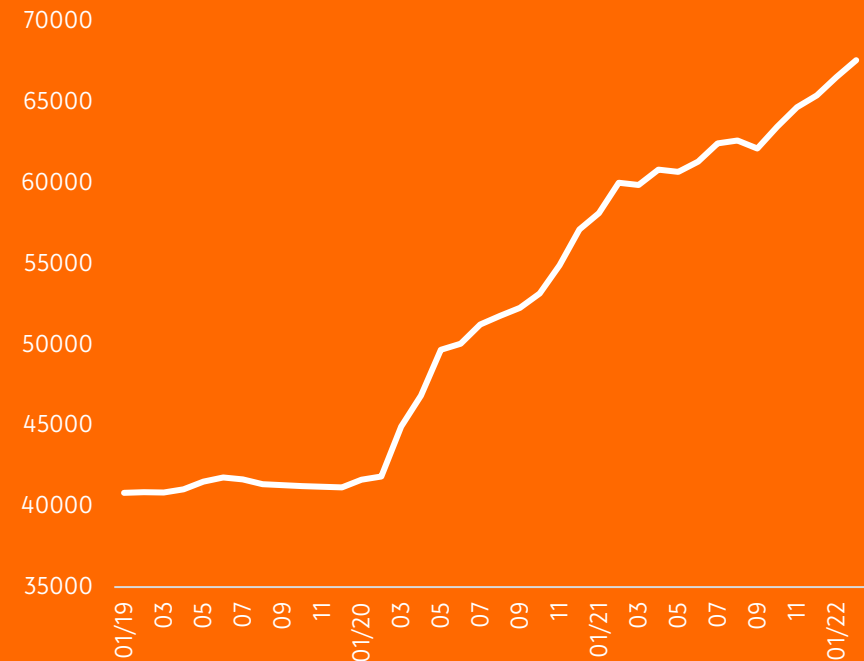
MORE THAN 67,500 SHAREHOLDERS

A BALANCED OWNERSHIP STRUCTURE



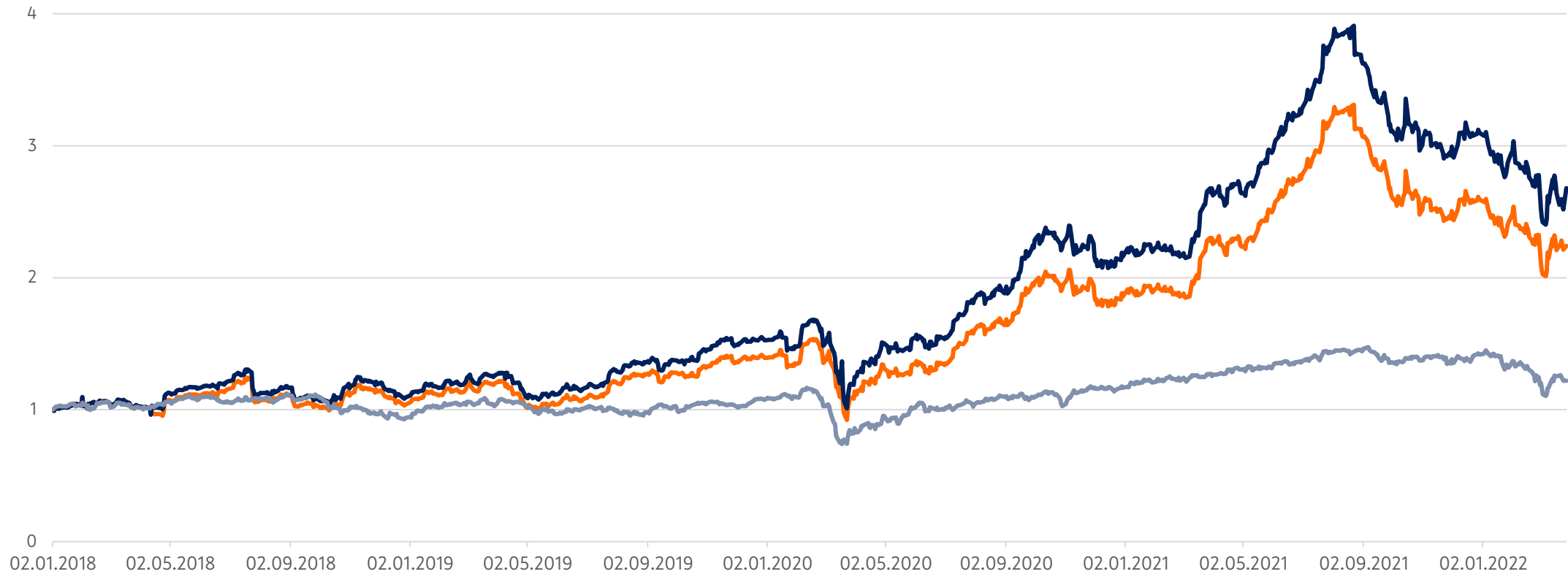
- Nominee-registered and foreign ownership
- Finnish institutions, incl. K-Retailers' Association
- Finnish households

GROWTH IN SHAREHOLDER NUMBERS



CONTINUED GOOD RETURNS FOR OUR OWNERS

MARKET CAPITALISATION OVER €10 BILLION, DIVIDEND YIELD OVER 4%



— Kesko B — Kesko B total return — OMX Helsinki 25



THE BOARD'S DIVIDEND PROPOSAL

€1.06 / SHARE

- Proposed to be paid in four instalments in 2022
 - €0.27/April, €0.26/June, €0.27/September, €0.26/December
- Total dividends to be paid €421 million
- Growth in dividend per share 41%



**FOR
SHOPPING
TO BE FUN**

