



THE BEST Q1 RESULT IN KESKO'S HISTORY THANKS TO STRONG PERFORMANCE IN BUILDING AND TECHNICAL TRADE

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SUCCESSFUL STRATEGIC CHOICES AND THEIR TIMELY EXECUTION YIELD RESULTS

- Reshaping K-retailer entrepreneurship and chain operations
- Acquisition of Suomen Lähikauppa
- Acquisition of Onninen
- Divesting e.g. department store and speciality goods operations
- Divesting operations in Russia between 2016 and 2018
- Expansion in car trade
- Expansion in building and technical trade in Norway and Sweden through successful acquisitions



KEY EVENTS IN Q1

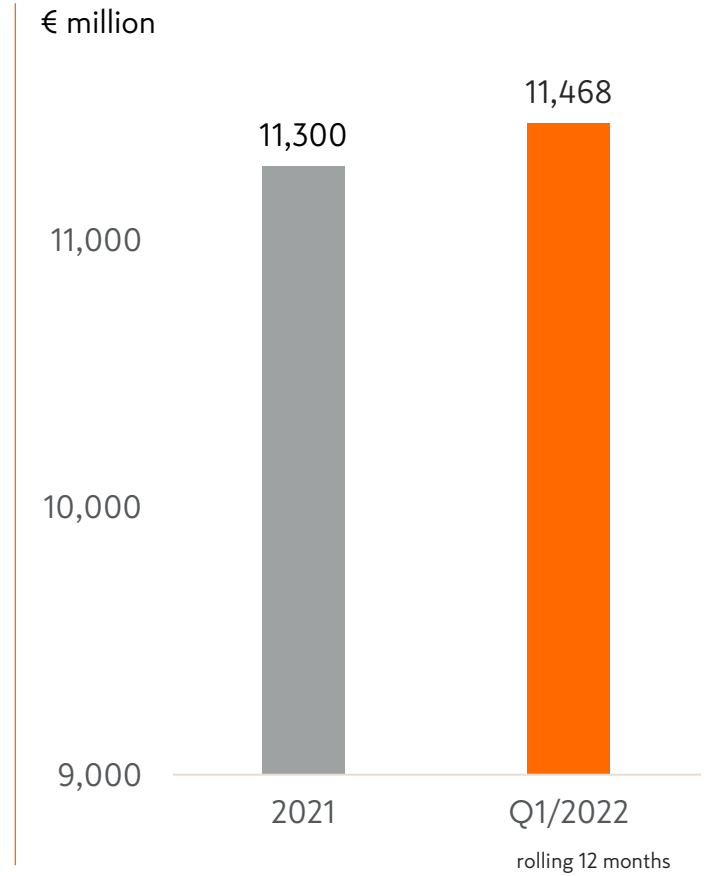
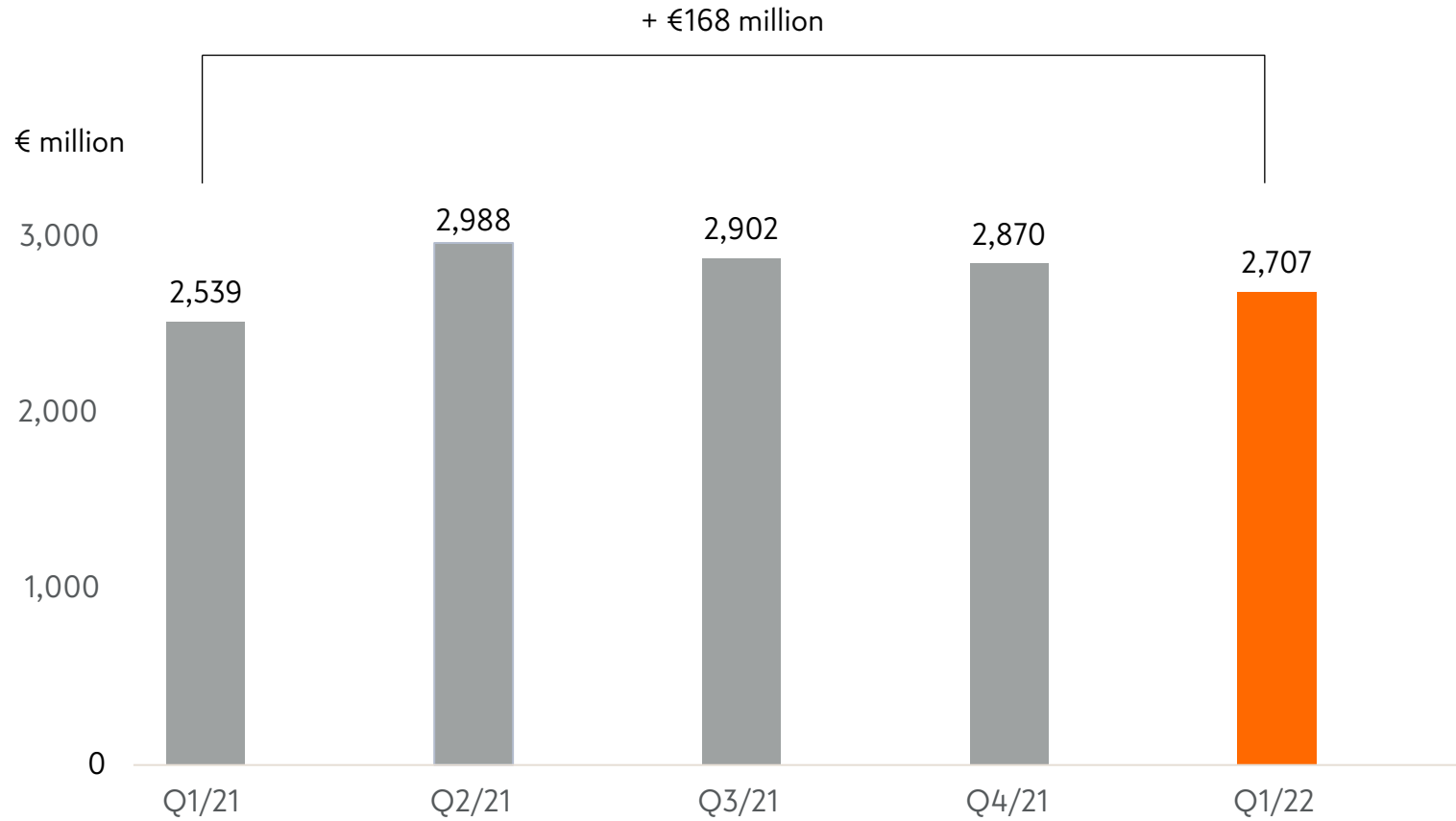
- Best Q1 result in Kesko's history, net sales +6.5%
- Sales growth continued strong in building and technical trade, record-result
- Good result in grocery trade
- Profitability in car trade improved despite availability issues
- New sustainability strategy approved, management compensation tied to sustainability targets

	1-3/2022	1-3/2021
Net sales, € million	2,707.3	2,539.4
Net sales growth*, %	6.5	5.9
Operating profit*, € million	143.7	116.2
Operating margin*, %	5.3	4.6
Earnings per share*, basic, €	0.27	0.20

* Comparable

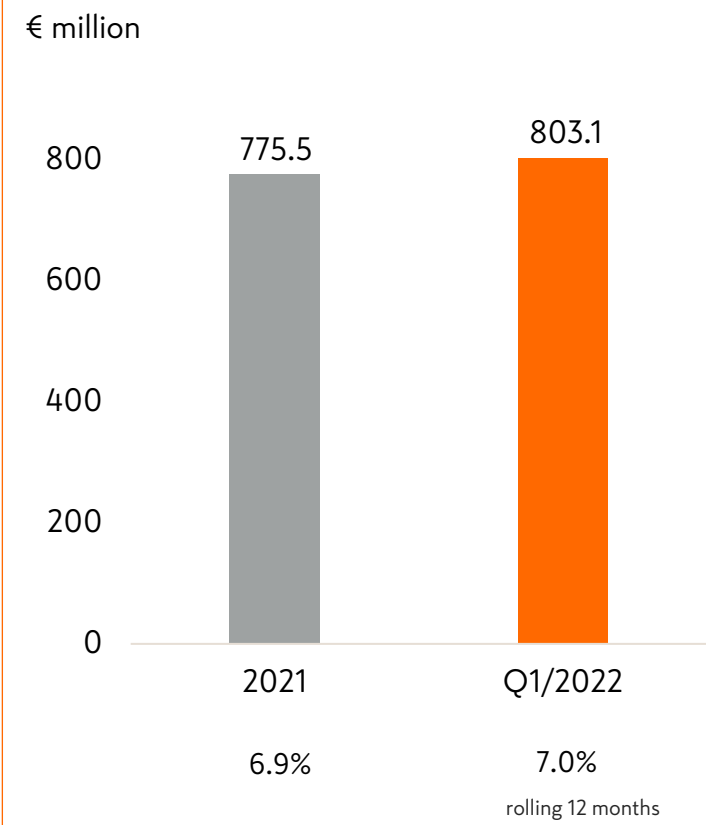
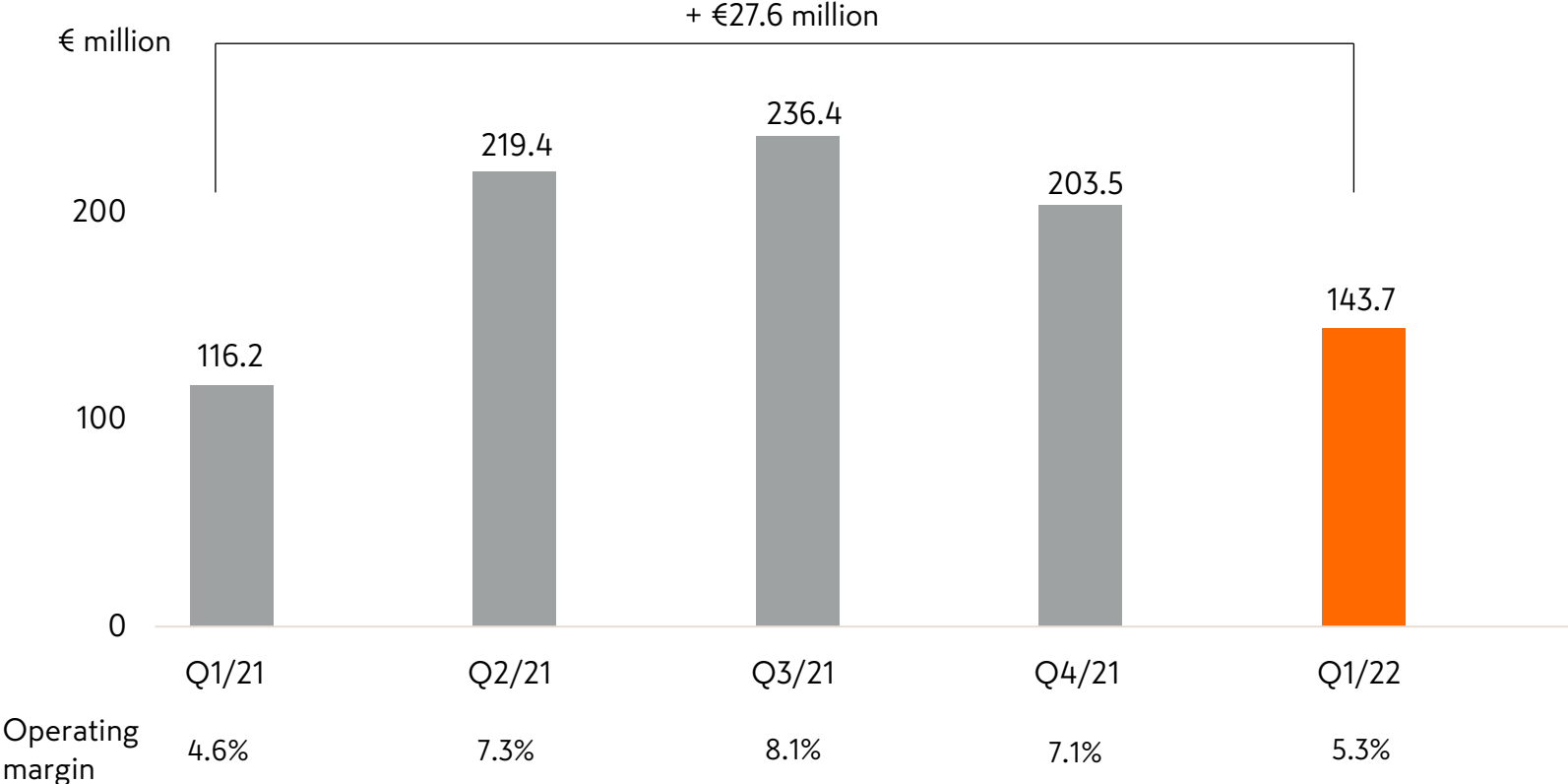
NET SALES

Growth 6.5% in comparable terms

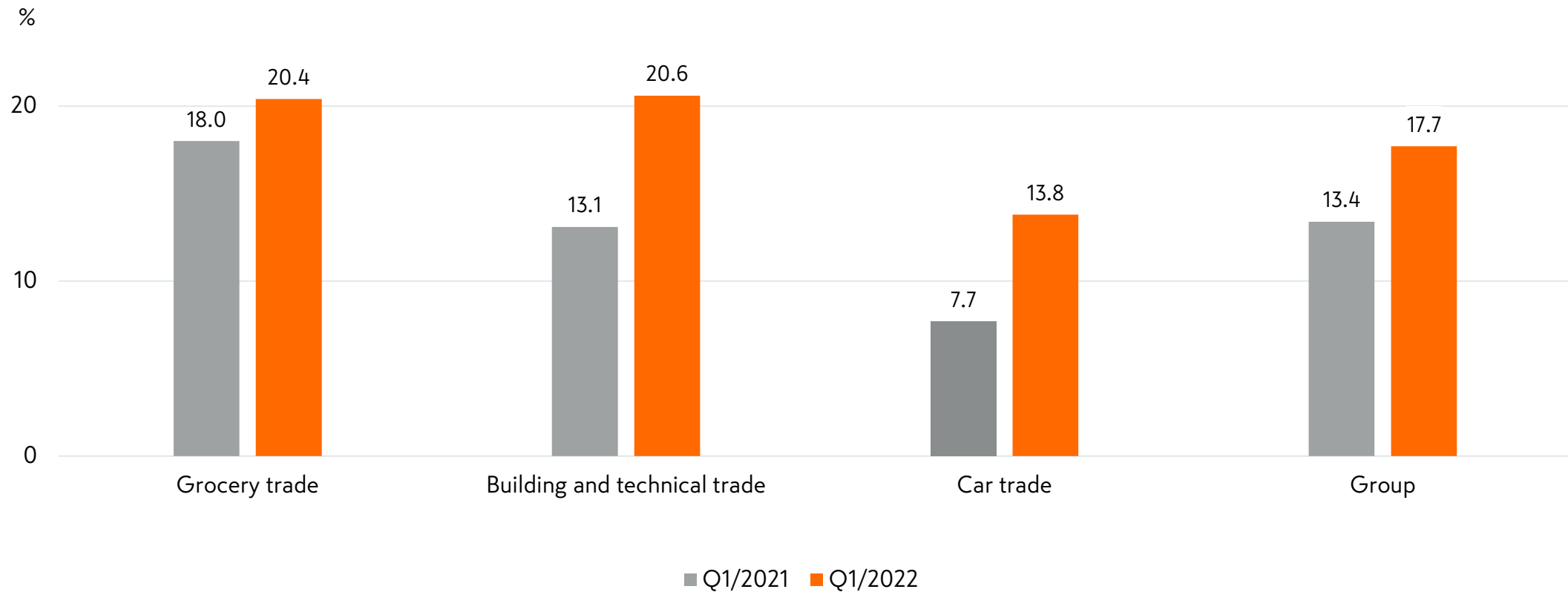


COMPARABLE OPERATING PROFIT

Growth €27.6 million in comparable terms



RETURN ON CAPITAL EMPLOYED CONTINUED TO IMPROVE



STRONG FINANCIAL POSITION

	Q1/2022	Q1/2021
Cash flow from operating activities, € million	71.0	155.1*
Liquid assets, € million	319.6	316.3
Capital expenditure, € million	126.2	44.2
Interest-bearing net debt excl. lease liabilities, € million	72.9	249.1
Interest-bearing net debt/EBITDA (rolling, excl. IFRS 16 impact)	0.1	0.3
Lease liabilities, € million	1,974.5	1,988.8

*Cash flow from operating activities for the comparison period included a €38.6 million return of surplus assets paid by Kesko Pension Fund.



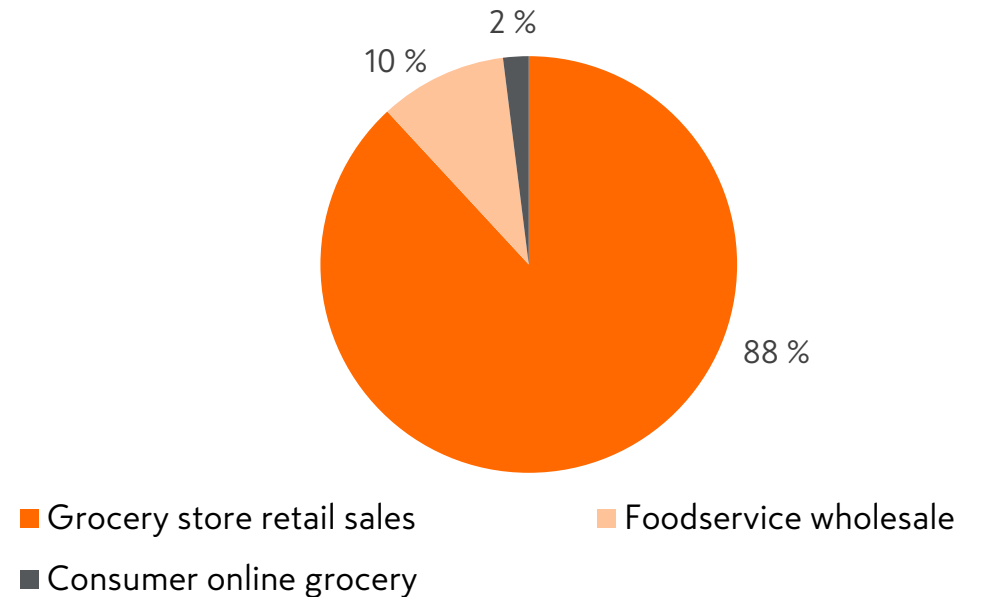
TOPICAL THEMES

GROCERY TRADE

TOTAL FINNISH FOOD TRADE MARKET SOME €20 BILLION

Kesko the only operator that is strong in all three areas

- Sales heavily focused on grocery stores, 88% of total sales
- Foodservice wholesale to companies and public operators the fastest growing area
- Consumer online grocery growing, but accounts for just 2% of the total market



Source: The Finnish Grocery Trade Association PTY

GROCERY TRADE

STRONG POSITION IN ALL FOOD TRADE AREAS YIELDS GOOD RESULTS

- A strong combination of the most extensive network of grocery stores in Finland, Kespro's market-leading foodservice business, and leading online grocery operations
- K-retailers and data-based store-specific business ideas as the basis for success for grocery stores
- Sales growth through existing systems improving operational efficiency further
- Strong own brands and offers targeted based on customer data enable good price competitiveness

KESKO'S SHARE OF FOOD TRADE

~38%

Includes grocery stores, online sales, and foodservice

GROCERY TRADE

KESPRO THE UNDISPUTED MARKET LEADER IN THE FAST GROWING FOODSERVICE WHOLESAL

- Market share nearly 45%
- Kespro's sales close to €1 billion, digital already accounts for some 70% of sales
- A wide customer base from private operators in the restaurant sector to public sector operators
- Significant synergies with K Group grocery stores
- Strong growth in foodservice to continue, underpinned by megatrends



GROCERY TRADE

LEADING OPERATOR ALSO IN ONLINE GROCERY

- Consumer online grocery sales accounted for some 3.9% of K Group's grocery trade sales in Q1/2022
- The best customer experience in the business (NPS 83)
- We estimate that we have fared well in the changing landscape of consumer online grocery
- No difference between the Helsinki region and the rest of Finland when it comes to online grocery development despite new players entering the market in the former
- We continue to proactively develop and grow our online grocery operations as part of our strong food trade



STRONG COUNTRY-SPECIFIC ACTIONS BRING GROWTH

- Our leading position in Northern European building and technical trade increases our competitiveness
- Our focus on the growing B2B trade maintains growth, B2C trade supporting the good performance
- Our focus on Northern Europe and further strengthened position in the Nordics form a basis for good profitability
- We strive to accelerate sales growth further with acquisitions



CAR TRADE

SUCCESSFUL CHANGES FORM A BASIS FOR GROWTH

- Thanks to our ongoing transformation efforts, Kesko's car trade is strongly part of the wider sector transformation
- Focus on new cars, used cars, and services
- Big order book for new cars supports growth
- Fast growing used car business improving profitability
- Better competitiveness thanks to efforts to improve customer experience, make operations digital, and increase process efficiency

SHARE OF ORDERS FOR ELECTRIC CARS AND RECHARGEABLE HYBRIDS

~40%

GUIDANCE

GUIDANCE FOR 2022

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

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



FOCUS ON BUILDING AND TECHNICAL TRADE

BUILDING AND TECHNICAL TRADE DIVISION

Leading operator in building and technical trade in Northern Europe



Building and home improvement and technical trade products, and building, renovation and building services engineering services



Comprehensive digital services



B2B trade accounts for nearly 80% of sales

Serving three customer segments:
technical professionals,
professional builders and consumers

	Q1/2022*	2021	2020
Net sales	€4,587 million	€4,388 million*	€3,640 million*
Operating profit*	€348.2 million	€318.0 million	€187.7 million
Operating margin*	7.6%	7.2%	5.2%
Capital expenditure	€63.4 million	€43.1 million	€186.3 million

* Comparable

*rolling 12 months

SERVING THREE CUSTOMER SEGMENTS ACCORDING TO LOCAL CUSTOMER NEEDS

Technical professionals



- Technical contractors
- Infrastructure
- Industry
- Retailers
- Renovation 40%, new build is 60% of technical trade business



Professional builders



- Construction companies
- Renovation contractors
- Decoration contractors
- Renovation 60%, new build is 40% of the professional builder business



Consumers



- Renovators
- Home and garden builders
- Decorators
- Gardeners



80% of sales

20% of sales



GOOD PERFORMANCE IN ALL OPERATING COUNTRIES HAS YIELDED RECORD RESULTS

Comparable operating profit 2021 and 2020



€180.7 million
↑
€126.5 million

Strong market leader in Finland



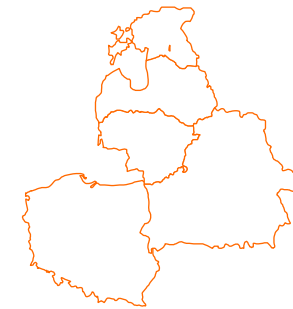
€30.5 million
↑
€15.4 million

Good position achieved in Sweden – further growth potential



€70.4 million
↑
€29.5 million

Position in Norway has strengthened considerably – still further room for growth



↑
Profit improved in all countries

Market leader in the Baltics. Onninen holds a strong position in Poland.



BUILDING AND TECHNICAL TRADE

FOCUSING ON THE GROWING B2B SEGMENT YIELDING RESULTS

- B2B trade now accounts for nearly 80% of the division's sales, figure has quadrupled since 2014
- Sales growth particularly strong in Onninen
- In addition to technical trade, the share of B2B has risen to 65% of sales also in building and home improvement trade
- More than 200,000 B2B customers
- Significant further growth potential in B2B trade

B2B TRADE SHARE OF SALES

~80%

B2B TRADE SALES

€4 BILLION

DEMAND EXPECTED TO REMAIN STRONG IN 2022

- Kesko issued a positive profit warning on 25 April 2022 due to better than anticipated market development in building and technical trade.
- Demand in building and technical trade is expected to continue to be stronger than previously anticipated especially in B2B trade.
- In addition to strong demand, result is expected to improve due to stronger-than-anticipated rise in prices.
- Overall, the outlook for 2022 is positive.
- Sales are estimated to stay at a good level in B2B trade. Demand in B2C is estimated to return to normal levels.

LOOKING AHEAD

WE OPERATE IN A STRONG FUTURE GROWTH BUSINESS – PLENTY OF MORE POTENTIAL FOR GROWTH AND PROFIT



Market consolidation continues



Urbanisation



Repair and investment debt



Green transition, incl. emissions targets and energy efficiency requirements



New solutions for producing and storing energy



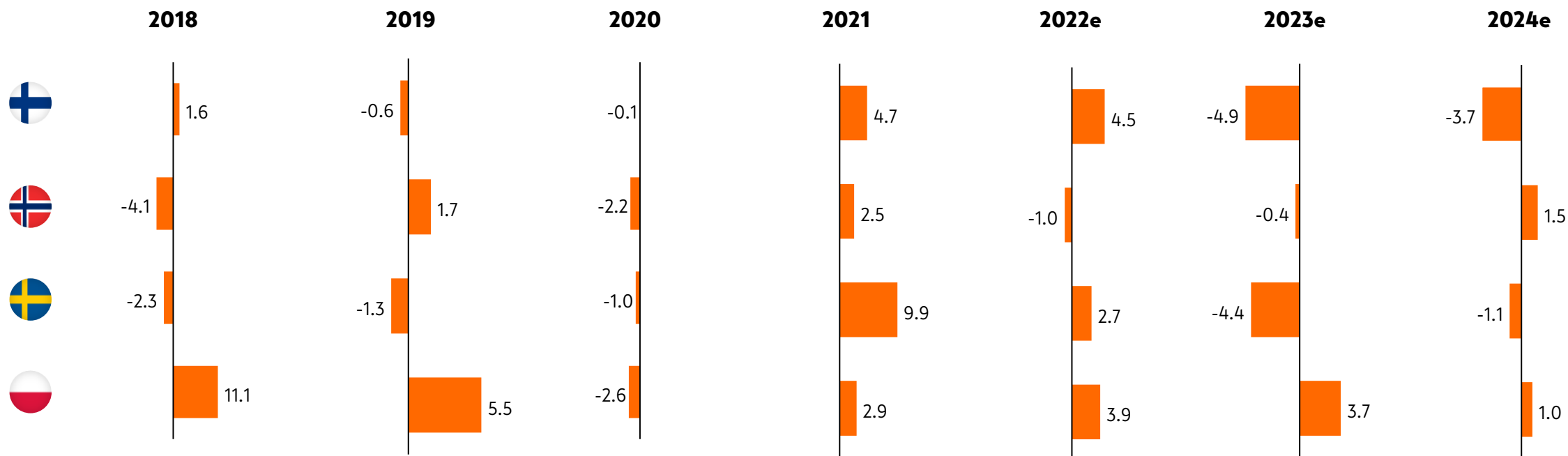
Growing importance of technology and digitalisation

MARKET AND OPERATING ENVIRONMENT IN UPCOMING YEARS

- New building activity expected to come down from the 2021-2022 peak levels in Northern Europe, but activity is expected to still remain at a good level *
- Plenty of property investment debt in Northern Europe, renovation expected to grow further *
- Growth heavily focused on B2B trade
- Green transition will support growth

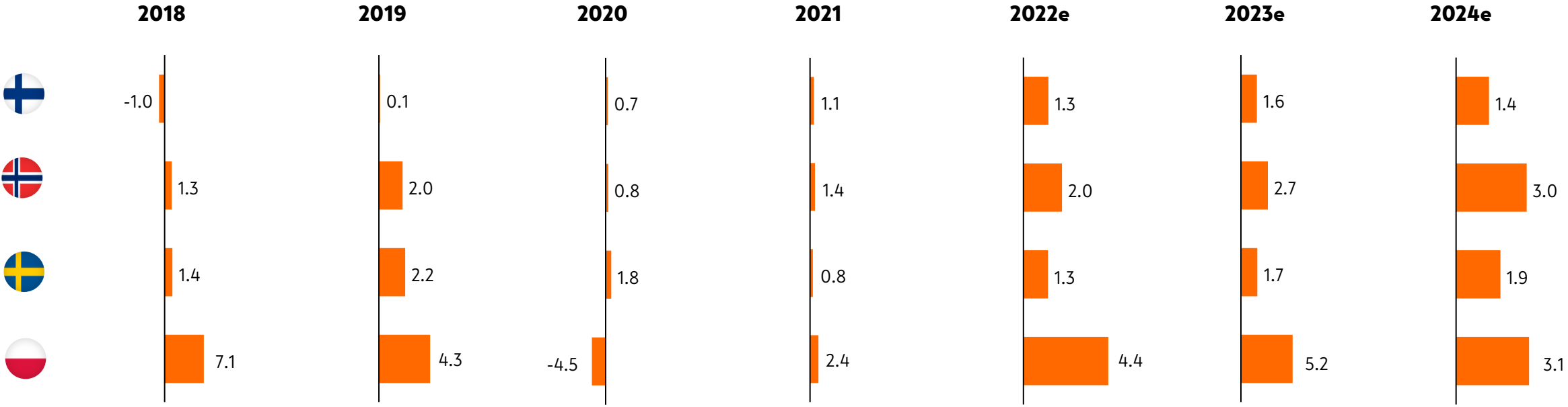
FORECON: BUILDING CONSTRUCTION VOLUME IN NORDICS AND POLAND

Building construction volume, change %



FORECON: BUILDING RENOVATION VOLUME IN THE NORDICS AND POLAND

Building renovation volume, change %



PROMOTING GREEN TRANSITION OFFERS SIGNIFICANT GROWTH POTENTIAL



Solar panels



Energy and refrigeration products, incl. pumps



EV charging



Ventilation



Insulation



More environmentally friendly materials



Electricity



Infrastructure construction

FOCUS AREAS



Strong country-specific focus



Proactive sales
and
sales management



Improving
digital
customer experiences



Synergies
within and between
operating countries



Organic growth and
profitability
improvement



Targeted
acquisitions



Ambitious
sustainability
objectives

