



BUILDING AND TECHNICAL TRADE – UNIQUE OPERATOR IN NORTHERN EUROPE

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KESKO'S BUILDING AND TECHNICAL TRADE – PART OF ONE UNIFIED K



LEADING PLAYER IN BUILDING AND TECHNICAL TRADE IN NORTHERN EUROPE

Total retail sales of €6.5 billion* in 2022, B2B accounts for over 80% of sales**

TECHNICAL TRADE

onninen

- Net sales €2,286 million
- Operating profit €173.7 million
- Operating margin 7.6%
- 100% B2B

BUILDING AND HOME IMPROVEMENT TRADE

Rauta

- Net sales €2,377 million
- Operating profit €127.5 million
- Operating margin 5.4%
- Builders merchant for professional builders 67%
- DIY for consumers 33% of sales

BYGG

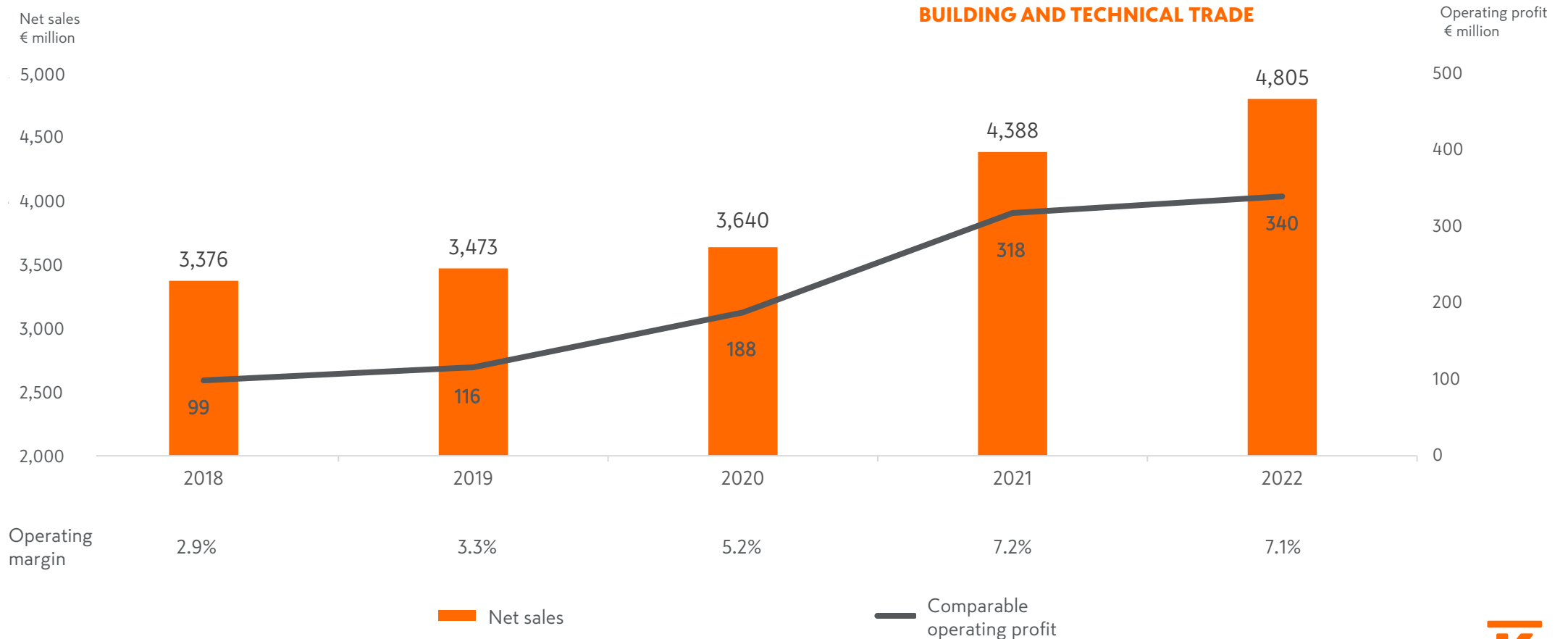
BM BYGGMAKKER

CSSENKAI

- Kesko Senukai joint venture
- Leading DIY operator in the Baltics, 70% DIY ***
- Kesko's share 50%
- Retail sales €1,221 million*

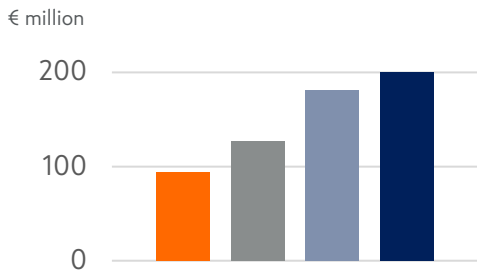
*Retail sales 2022 incl. B2B sales **excl. Kesko Senukai ***Kesko's estimate

STRONG BASIS FOR THE FUTURE IN BUILDING AND TECHNICAL TRADE



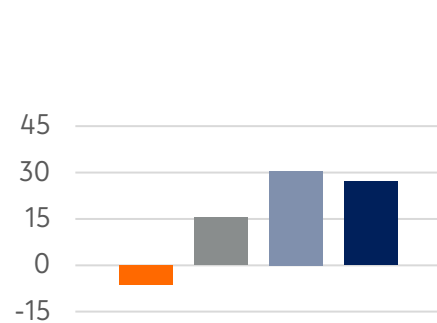
COUNTRY-SPECIFIC APPROACH YIELDING RESULTS

FINLAND



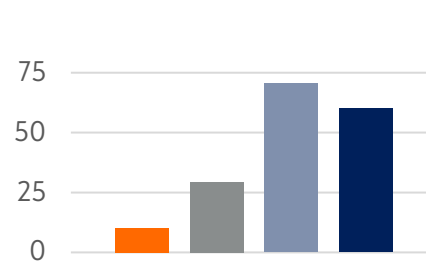
Strong market leader in technical trade and building and home improvement trade

SWEDEN



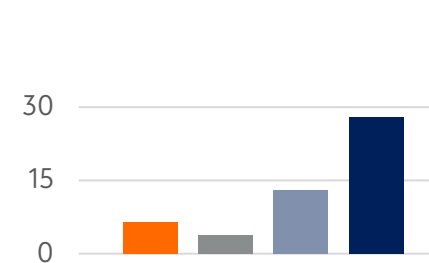
Good position achieved in the growing builders merchant market

NORWAY



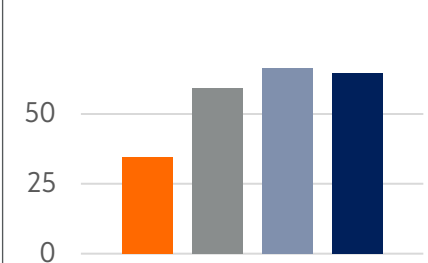
Strong market position in both technical trade and builders merchant

POLAND AND BALTICS



In technical trade strong position in Poland and in the Baltics

KESKO SENUKAI



Joint venture Kesko Senukai leading operator in the Baltics

Kesko Senukai is consolidated as a joint venture, Kesko's ownership 50%

Comparable operating profit

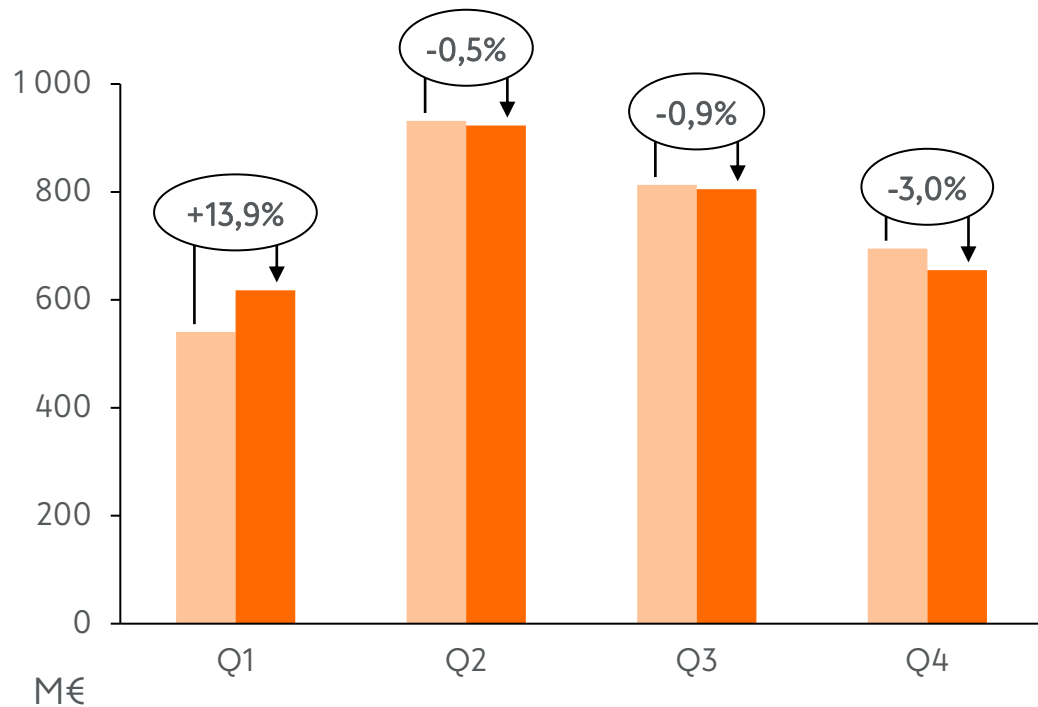
2019 2020 2021 2022



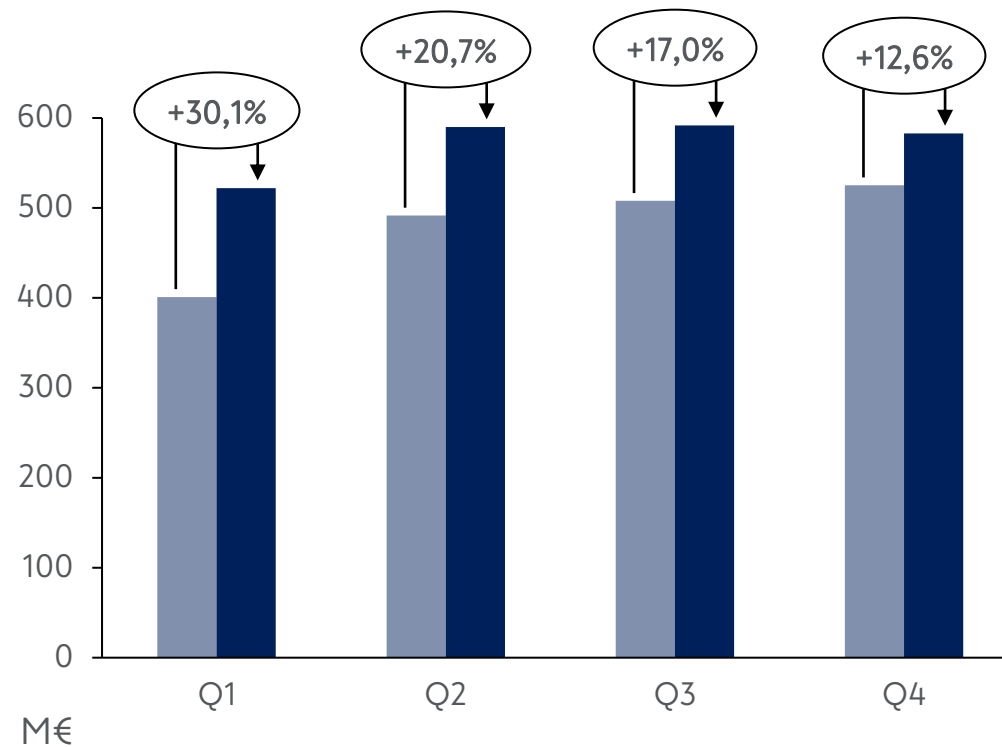
BTT RETAIL SALES IN 2022: REMARKABLE GROWTH QUARTERS – AND SOME NEGATIVES



BUILDING AND HOME IMPROVEMENT TRADE



TECHNICAL TRADE



UNIQUE OPERATOR IN TERMS OF CUSTOMER MIX

Renovation accounts over 50% of total sales



TECHNICAL TRADE

B2B customers

- Technical contractors: HEPAC and electrical
- Infrastructure operators
- Industry
- Retailers and other business customers



BUILDING AND HOME IMPROVEMENT TRADE

Professional builders

- Construction companies
- Renovation contractors
- Decoration contractors

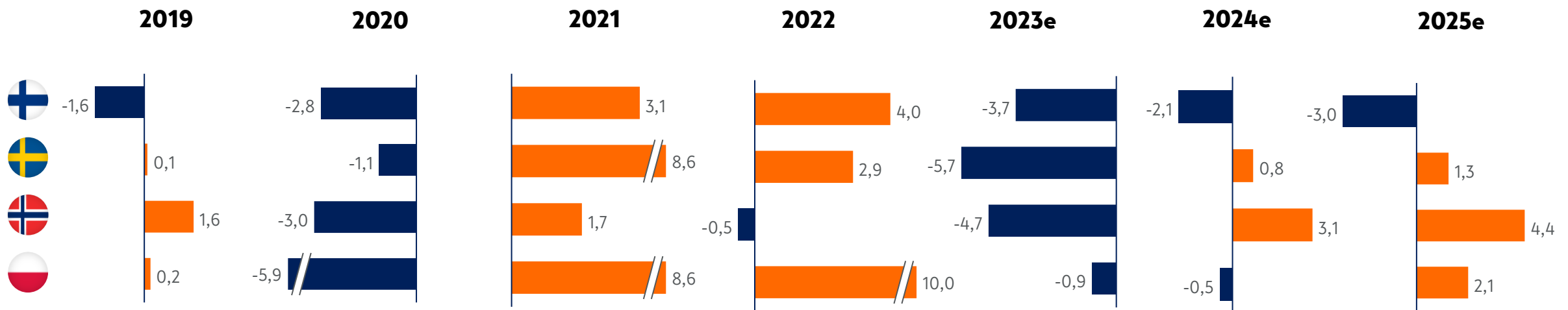
Consumers

- Project customers
- Occasional customers

MARKET AND GROWTH DRIVERS

FORECON: BUILDING CONSTRUCTION VOLUMES IN THE NORDICS AND POLAND

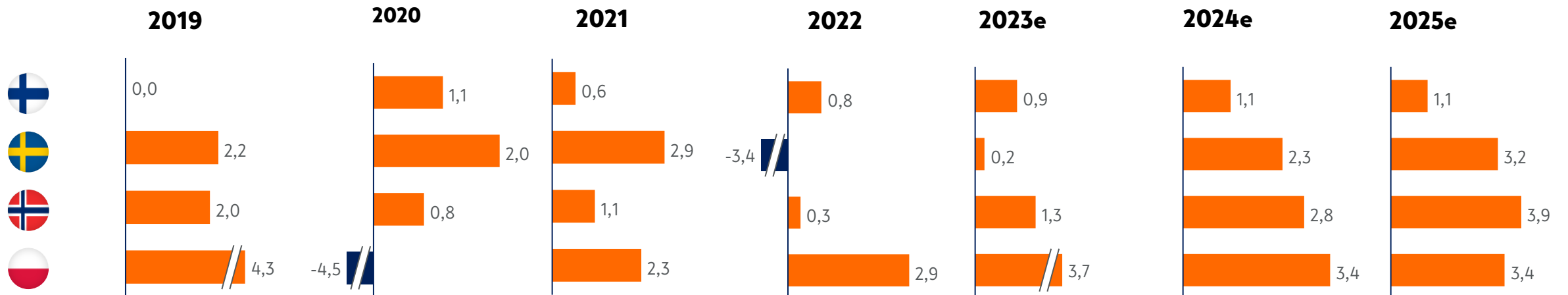
Construction volume % change



Source: Forecon 'Economy and construction summary', January 2023, incl. new building and renovation (% change in real terms)

FORECON: BUILDING RENOVATION VOLUMES IN THE NORDICS AND POLAND

Renovation volume % change



Source: Forecon 'Economy and construction summary', January 2023 (% change in real terms)

PLANNED EU REGULATION TO BOOST RENOVATION IN EUROPE



Buildings account for 40% of the EU's total energy consumption and 36% of CO2 emissions.*
80% of Europe's buildings in 2050 have already been built.**



EU has ambitious climate goals – renovating buildings more energy efficient is one the key goals.



The Energy Performance of Buildings Directive (EPBD) is currently being reviewed in EU***



ALL BUSINESSES WELL POSITIONED TO BENEFIT FROM MEGATRENDS



**GREEN
TRANSITION**



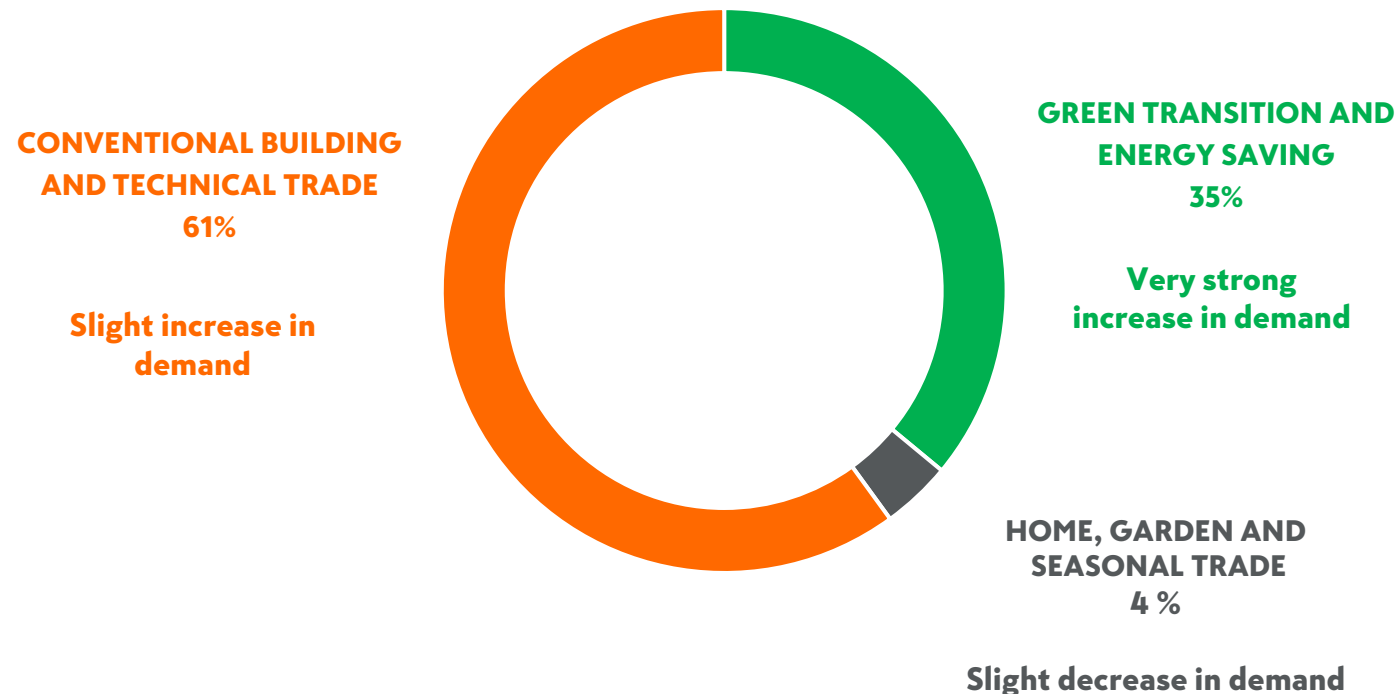
RENOVATION



**ENERGY
SAVING**

GREEN TRANSITION ALREADY VISIBLE – KESKO'S SALES OF RENEWABLE ENERGY AND ENERGY-SAVING PRODUCTS BOOMING

SALES PORTFOLIO % OF TOTAL SALES / CLUSTER
2022



GREEN TRANSITION AND ENERGY SAVING PRODUCTS



Solar panels



Ground source and air source heat pumps



EV charging



Wind power and infrastructure construction



Ventilation



Insulation



Water-saving products



Energy efficient lighting

IMPRESSIVE GROWTH IN GREEN TRANSITION PRODUCTS

YEAR-ON-YEAR GROWTH IN OF CERTAIN PRODUCT CATEGORIES



Solar energy

+342%



EV charging

+38%



Heat pumps

+39%



Energy efficient lighting

+26%

STRONG TRACK RECORD OF ACQUISITIONS

Norway:

Elektroskandia 2023
Seljord Elektriske 2022
Carlsen Fritzøe Handel 2020
Reidar Flokkmann 2020
Sørbø 2019
Skattum 2018
Gipling 2018

Sweden:

XL-Bygg Bergslagen 2022
Föllinge Såg 2022
Djurbergs Järnhandel 2022
Kungälv's Trävaruhus 2022
Byggarnas Partner 2021
Bygg & Interiör 2020
Mark & Infra (MIAB) 2020
Oskar Harju 2019
Fresks Group 2019

Baltics: 1A Group 2018

Finland: Onninen 2016



TECHNICAL TRADE

STILL FURTHER POTENTIAL FOR GROWTH

Market size €23 billion



Technical trade

Retail market 2021 (€bn) **2.8**

Share of current operating market (2022) **41%***



Technical trade

Retail market 2021 (€bn) **5.4**

Share of current operating market (2022) **11%****



Technical trade

Retail market 2021 (€bn) **3.5**



Technical trade

Retail market 2022 (€bn) **2.8**

Market share **44%**



Technical trade

Retail market 2022 (€bn) **2.1**

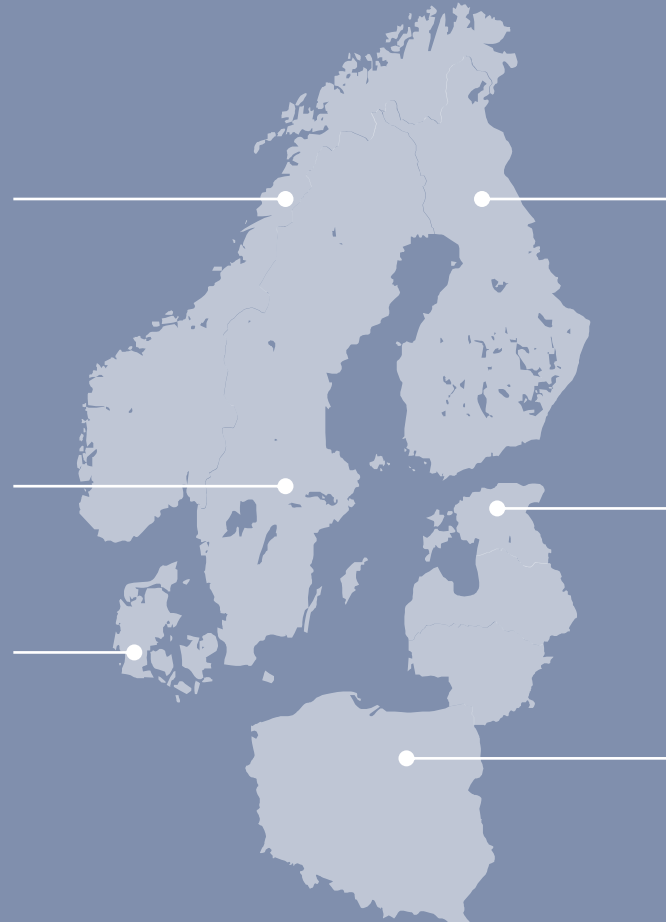
Market share **~10%**



Technical trade

Retail market 2022 (€bn) **6.7**

Market share **5%**



* Norway: Kesko currently operates only in the electrical market. Proforma incl. Elektroskandia.


** Sweden: Kesko currently operates only in the water & sewage and infra markets




BUILDING AND HOME IMPROVEMENT

SUCCESSFUL ACQUISITIONS CARRIED OUT – STILL FURTHER POSSIBILITIES

Market size €25 billion

 Professional Consumers builders

Retail market 2022 (€bn)	4.2	2.0
Market share	13%	


 Professional Consumers builders

Retail market 2022 (€bn)	4.4	2.9
Market share	8%	


 Professional Consumers builders

Retail market 2021 (€bn)	5.0	
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 Professional Consumers builders

Retail market 2022 (€bn)	2.3	1.4
Market share	45%	

 Professional builders and consumers

Retail market 2021 (€bn)	2.8	
Market share (2021)	17%, 19%, 40%	



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



We enable
sustainable choices
for our customers
and drive change
throughout
the value chain

A woman with her hair in a ponytail, wearing a dark jacket with 'onni' on the sleeve and dark pants, is kneeling in a warehouse aisle. She is holding a roll of material, possibly a mat or fabric, and looking at it. The warehouse is filled with tall metal shelving units on both sides, some containing boxes and other materials. The entire scene is overlaid with a semi-transparent orange filter. The text 'GROWTH STRATEGY EXECUTION CONTINUES' is centered in large, white, bold, sans-serif font.

GROWTH STRATEGY EXECUTION CONTINUES

KESKO ACQUIRED ELEKTROSKANDIA IN NORWAY

- Kesko subsidiary Onninen acquired technical trade company Elektroskandia Norge from Rexel Group in Norway
- Elektroskandia has net sales of €250 million and some 270 employees
- Comes with a highly automated distribution centre and 13 stores and sales points
- Kesko's sales in Norway now approach €1.5 billion



KESKO TO ACQUIRE THE SOLAR POWER SYSTEM WHOLESALE ZENITEC SWEDEN

- Kesko's subsidiary Onninen acquires Zenitec Sweden Ab, a solar power system wholesaler.
- The company's net sales total approximately €13 million and it has some 20 employees.
- The acquisition will expand Onninen's role in the renewables segment in Sweden and thus strengthens Onninen's position in advancing the green transition.



THANK YOU!

