



ONGOING TRANSFORMATION IN CAR TRADE

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Kesko Capital Markets Day 2022

A GOOD STRATEGY

KESKO GROWTH STRATEGY

CAR TRADE STRATEGY

FOCUS ON FINLAND

NEW CARS

USED CARS

SERVICES

ONE UNIFIED



CUSTOMER EXPERIENCE

DIGITALISATION

SUSTAINABILITY



LEADING CAR TRADE PLAYER IN FINLAND



- Kesko operates a major part of VW Group's businesses
- Market leader in new car sales 17.0% (2021)
- Fast growing used car business
- Nationwide service and charging networks

- Net sales €898 million
- Operating profit €44.7 million
- Operating margin 5.0%
- All business units profitable
- One shared K-Auto brand



Hyötyautot



CAR TRADE UNDERGOING SIGNIFICANT TRANSFORMATION

NEW DISTRIBUTION MODEL

Significant reduction in total delivered cost

FUEL REVOLUTION

Electrification continues, customers are not clear on choices

SUPPLY CHAIN CHALLENGES

Continued disruptions in supply chain

DIGITALISATION

Focus on efficiency, major change in buying behaviour

COMPETITION

New competition arriving to Europe

ECONOMY

Possible downturn and reduction in market demand

TRANSFORMATION IN KESKO'S CAR TRADE

- Measures based on comprehensive review of cost structure
- Establishing new management model with clear responsibilities for results
- Reshaping pricing and discount practices
- Stronger use of digitalisation
- Growing used car business
- Adopting one shared K-Auto brand for all businesses



GOOD PROFITABILITY DESPITE WEAK MARKET

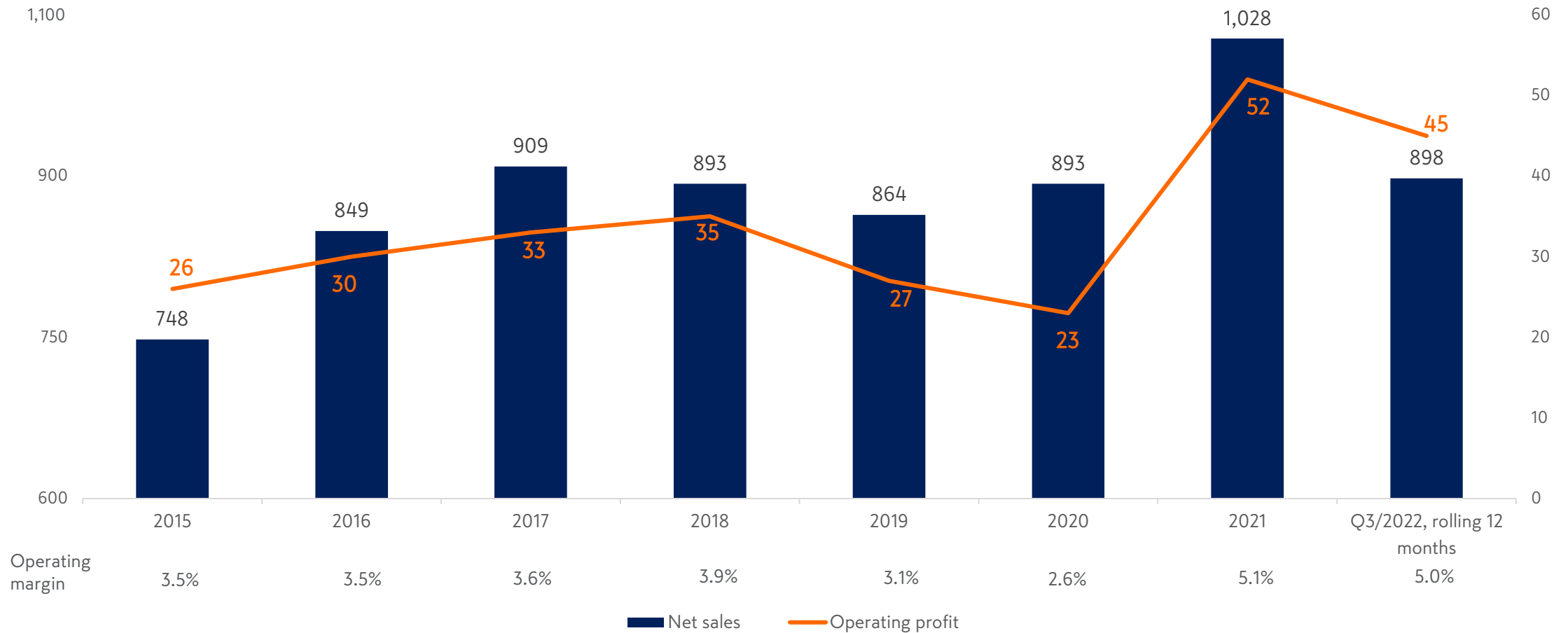
Big profit improvement potential once market and supply will normalise

- New car registrations -19%*
- Orders, new cars -6% compared to 2021
- Used car sales -11%*
- Public charging points +33%*



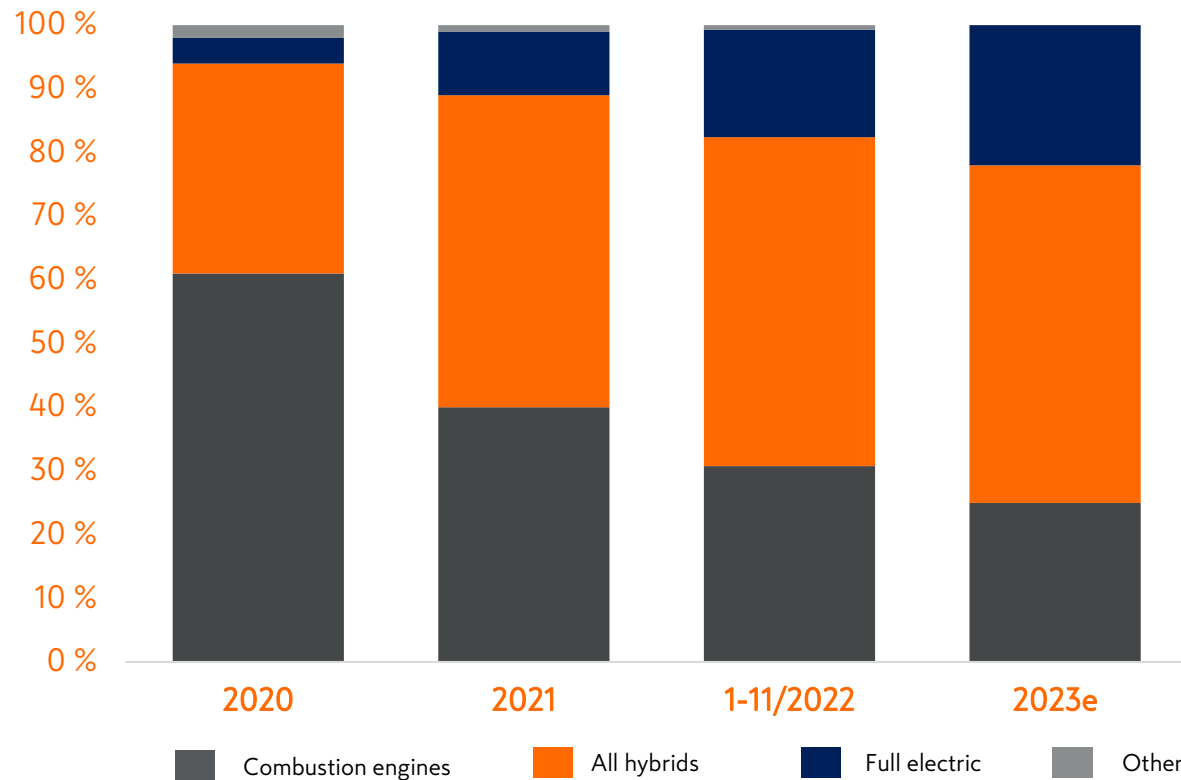
AVAILABILITY AFFECTING SALES AND RESULTS

Good profitability improvement despite challenges



TRANSFORMATION OFFERS NEW BUSINESS OPPORTUNITIES

SHARE OF FUEL TYPES IN NEW PASSENGER CARS REGISTRATIONS IN FINLAND



- Electrification of the new car market is growing
- The share of combustion engines and hybrids will remain remarkable
- K-Auto operates in all fuel types, including a strong EV offering

Source: The Finnish Information Centre of Automobile Sector



MAIN TARGET IS TO BE NUMBER ONE BY ALL KEY METRICS

 **STREAMLINED BUSINESS**

 **GROWING USED CARS BUSINESS**

 **DIGITALISATION**

 **NEW BUSINESSES**

 **BALANCED PORTFOLIO**

THANK YOU!

