



Kesko Corporation's Annual General Meeting, 30 March 2023

Esa Kiiskinen, Chairman of Kesko's Board of Directors

### **Esteemed shareholders,**

Kesko posted its all-time record result in 2022. Kesko's annual result has now improved for eight consecutive years. The result is strong proof that our strategy is working and yielding results also in a changing operating environment.

Kesko's ability to generate profits is based on successful strategic choices. One of the key choices has been to focus on three selected business divisions. Kesko's growth strategy centres on profitable growth in these divisions: grocery trade, building and technical trade, and car trade.

The strategy emphasises continuous improvement of customer experience and further development of digital services as well as corporate responsibility and sustainability. In the strategy review conducted last year, more targeted actions were established to ensure further growth in sales and better efficiency and profitability.

2022 was another exceptional year. The biggest change in our operating environment was the Russian attack on Ukraine and its far-reaching ramifications. Among other things, we have witnessed a rise in energy costs, interest expenses and food and building material prices.

These past few years have taught us the importance of agility and responding quickly. Kesko is a very exceptional company that is able to also weather rapidly changing circumstances. Although the company is big, it is capable of fast decision making and rapid response to changing circumstances across the board. This is a characteristic of Kesko and its people that I am particularly proud of. Operating as 'one unified K' and collaborating across divisions and the cooperation between Kesko and its retailers is also valuable – these aspects help us work seamlessly also under challenging circumstances.

In addition to being one of the leading trading sector companies in Northern Europe, Kesko today is also very much a technology company. We are constantly developing our digital services, and in many areas, we are doing pioneering work on a global scale.



For decades, Kesko has engaged in sustainability work with a long term focus, with results that are recognised as world class. Kesko's sustainability strategy was updated last year, and clearer targets were set for the sustainability work of the whole company and its businesses. Sustainability work is never done, and our various stakeholders and other companies inspire us to constantly improve.

Customer trust towards Kesko and K Group is high, and Kesko ranks among the most reputable companies in Finland. Shareholder interest and trust towards Kesko has also increased – today, Kesko has over 87,000 registered shareholders.

Kesko's strategy has proven effective, and we will continue its systematic execution. Overall, the outlook for Kesko's business in 2023 is positive.

**Dear shareholders,**

Kesko's good ability to generate profits and its strong financial position enable investments and a good dividend capacity. The Board of Directors of Kesko Corporation proposes to this General Meeting that a dividend of €1.08 per share be distributed on the basis of the 2022 adopted balance sheet, totalling nearly 430 million euros. The Board proposes that the dividend be paid in four instalments. Kesko's strong financial success has enabled good returns for its shareholders for many years.

On behalf of the whole Board of Directors, I want to thank Kesko's shareholders, management, retailers, K Group personnel, and all our partners for the valuable work done towards our success. I express my gratitude also to all our customers.

I welcome you all to this Annual General Meeting of Kesko Corporation, and declare this meeting open.