

# Kesko

## Light in the tunnel

- An undramatic Q3 report
- Earnings set to accelerate
- ~15x P/E and 5.1% dividend yield attractive: BUY

### Conclusions from the Q3'25 report

Kesko's Q3 report was fairly undramatic, in our view. In total, adj. EBIT fell 2% short of our expectations whereas cash flow impressed. It is also reassuring to see K Group's food retail sales growing at around market pace. The slight EBIT miss of 2% was primarily driven by a 50bp softer margin in BTT. Margins contracted by 50-60bp in both Building & Home Improvement, and in Onninen, which we assess was mainly due to tough price competition in the market. The landscape remains challenging and consumers price-cautious, which is putting pressure on earnings. However, EPS remained stable due to resilience in Grocery and strong earnings growth in Car Trade.

### Outlook: accelerating earnings growth

The housing and construction market is recovering at a slower pace than we have wished for, but we see light in the tunnel and expect accelerating earnings growth in BTT. In addition, we believe that positive mix could support margins in Grocery trade, should Finnish consumer confidence improve. Kesko's FY'25 EBIT guidance suggests high single-digit EBIT growth (mid-range), which does not seem too far-fetched to us. We have trimmed our '26e-'27e EPS by 1% due to the lower margin in BTT, and left DPS unchanged at EUR 0.95 for the same years.

### A good entry point, we reiterate BUY

Kesko gave back 3% on the back of the report, and we see the weakness as an attractive entry point on the back of the aforementioned expected earnings acceleration in the coming quarters. The stock is currently trading at around 15x P/E ('26e), which is at the lower end of its historical trading range and a ~10% discount to the OMXH25 versus a L10Y avg. premium of ~20%. Should earnings accelerate in line with our expectations, a re-rating could be around the corner. We reiterate BUY and our TP of EUR 22.5.

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EURm	2023	2024	2025e	2026e	2027e
Sales	11,784	11,920	12,470	13,046	13,468
EBITDA	1,218	1,148	1,240	1,363	1,427
EBITDA margin (%)	10.3	9.6	9.9	10.4	10.6
EBIT adj.	712	650	660	710	741
EBIT adj. margin (%)	6.0	5.5	5.3	5.4	5.5
Pretax profit	614	472	530	602	632
EPS	1.25	0.95	1.07	1.22	1.29
EPS adj.	1.29	1.12	1.07	1.22	1.29
Sales growth (%)	-0.2	1.2	4.6	4.6	3.2
EPS growth (%)	-18.7	-23.5	12.0	14.0	6.2

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY ● HOLD ○ SELL ○

### Retail

Estimate changes (%)

	2025e	2026e	2027e
Sales	-0.0	-0.0	-0.0
EBIT	-1.8	-0.9	-0.9
EPS	-1.9	-0.7	-0.6

Source: ABG Sundal Collier

### KESKOB-FI/KESKOB FH

Share price (EUR)	30/10/2025	18.51
Target price		22.50

MCap (EURm)	7,440
MCap (EURm)	7,440
No. of shares (m)	400.1
Free float (%)	99.0
Av. daily volume (k)	503

Next event Q4 Report 5 February 2026

### Performance



	2025e	2026e	2027e
P/E (x)	17.3	15.2	14.3
P/E adj. (x)	17.3	15.2	14.3
P/BVPS (x)	2.59	2.47	2.32
EV/EBITDA (x)	8.4	7.7	7.4
EV/EBIT adj. (x)	15.8	14.9	14.3
EV/sales (x)	0.84	0.81	0.79
ROE adj. (%)	15.5	16.5	16.6
Dividend yield (%)	5.1	5.1	5.4
FCF yield (%)	4.2	9.1	10.0
Le. adj. FCF yld. (%)	-0.8	3.8	4.5
Net IB debt/EBITDA (x)	2.6	2.5	2.4
Le. adj. ND/EBITDA (x)	1.4	1.3	1.2

## Company description

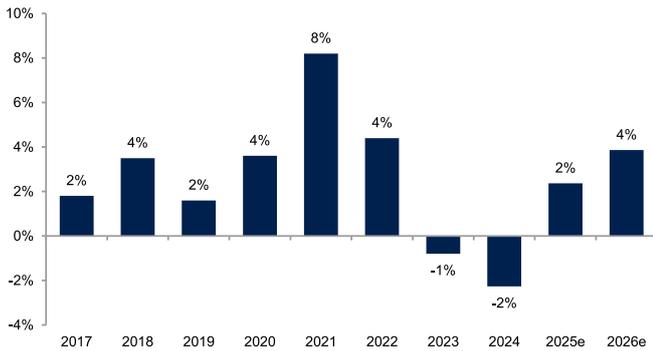
Kesko is a Finnish retail conglomerate active within Grocery trade, Building & Technical trade, and Car trade. It holds a number two position in the Finnish grocery market with an estimated market share of around 36%, while its Building and Technical trade division is one of the largest European operators in the DIY market. Lastly, the company is also active in the car trading business as a reseller for the Volkswagen Group.

[Sustainability Information](#)

## Risks

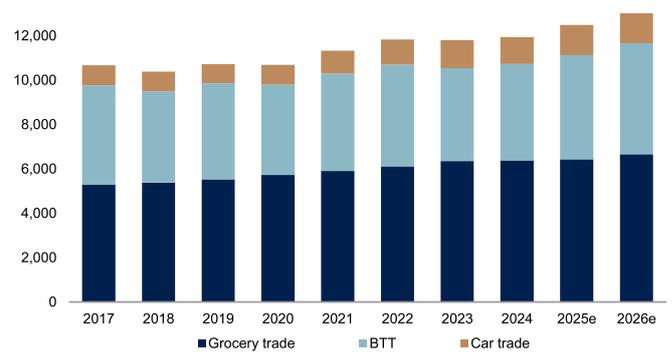
Lidl could gain new momentum if the Finnish economy takes a turn for the worse, which in turn could force Kesko and S Group to make price investments. Furthermore, we see accelerating competition from pure online players within the DIY segment as a risk to B&T trade.

### Comparable sales growth (y-o-y)



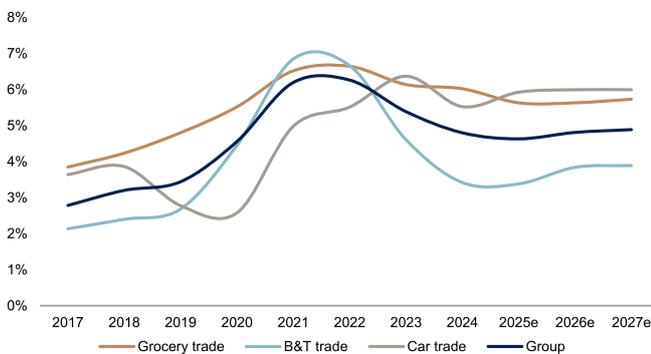
Source: ABG Sundal Collier, Company data

### Sales split (EURm)



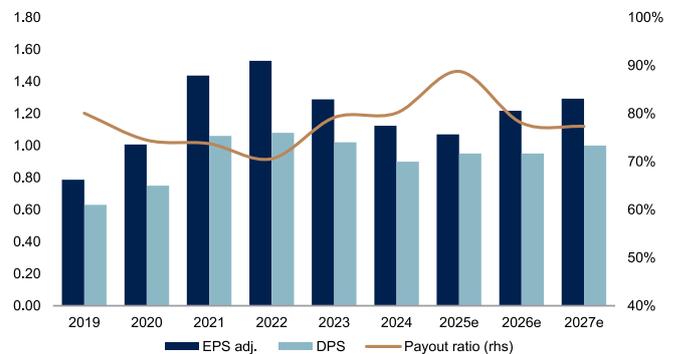
Source: ABG Sundal Collier, Company data

### Adj. EBIT margin (pre-IFRS 16)



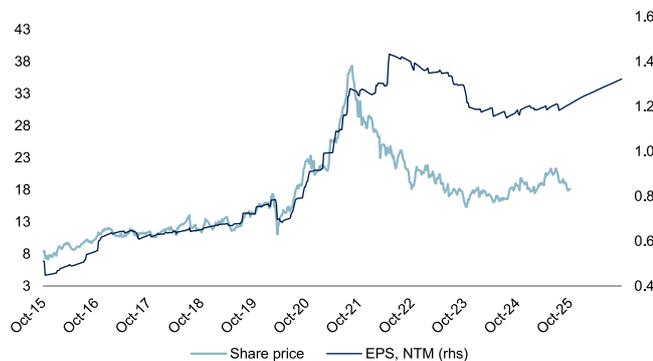
Source: ABG Sundal Collier, Company data

### EPS adj, and DPS (EUR)



Source: ABG Sundal Collier, Company data

### Share price vs. EPS (NTM)



Source: ABG Sundal Collier, FactSet

### Historical and forecasted multiples



Source: ABG Sundal Collier, FactSet, Company data

**ABGSC estimate revisions (EURm)**

	Old			New			Chg		
	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Net sales	12,473	13,051	13,473	12,470	13,046	13,468	0%	0%	0%
EBITDA adj.	1,269	1,374	1,439	1,241	1,363	1,427	-2%	-1%	-1%
Margin	10.2%	10.5%	10.7%	10.0%	10.4%	10.6%	-20 bps	-10 bps	-10 bps
<b>EBIT adj.</b>	<b>668</b>	<b>717</b>	<b>747</b>	<b>660</b>	<b>710</b>	<b>741</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>
Margin	5.4%	5.5%	5.5%	5.3%	5.4%	5.5%	-10 bps	0 bps	0 bps
NRI	-5	0	0	-9	0	0	-82%	0%	0%
EBIT	663	717	747	651	710	741	-2%	-1%	-1%
PTP	538	606	635	530	602	632	-2%	-1%	-1%
Net income	433	488	518	425	484	514	-2%	-1%	-1%
EPS	1.09	1.23	1.30	1.07	1.22	1.29	-2%	-1%	-1%
<b>EPS adj.</b>	<b>1.10</b>	<b>1.23</b>	<b>1.30</b>	<b>1.07</b>	<b>1.22</b>	<b>1.29</b>	<b>-3%</b>	<b>-1%</b>	<b>-1%</b>
<b>Net sales</b>									
Grocery trade	6,440	6,669	6,906	6,437	6,666	6,903	0%	0%	0%
BTT	4,691	5,005	5,156	4,689	5,002	5,152	0%	0%	0%
Car trade	1,365	1,399	1,434	1,367	1,401	1,436	0%	0%	0%
Common operations and eliminations	-23	-23	-23	-24	-24	-24	2%	2%	2%
<b>Group</b>	<b>12,473</b>	<b>13,051</b>	<b>13,473</b>	<b>12,470</b>	<b>13,046</b>	<b>13,468</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>EBIT adj.</b>									
Grocery trade	419	432	452	420	432	452	0%	0%	0%
BTT	190	221	229	180	215	223	-6%	-3%	-3%
Car trade	84	87	89	83	86	89	0%	0%	0%
Common operations and eliminations	-26	-23	-23	-24	-23	-23	-6%	0%	0%
<b>Group</b>	<b>668</b>	<b>717</b>	<b>747</b>	<b>660</b>	<b>710</b>	<b>741</b>	<b>-1%</b>	<b>-1%</b>	<b>-1%</b>
<b>Margin</b>									
Grocery trade	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	0 bps	0 bps	0 bps
BTT	4.1%	4.4%	4.4%	3.8%	4.3%	4.3%	-20 bps	-10 bps	-10 bps
Car trade	6.1%	6.2%	6.2%	6.1%	6.2%	6.2%	0 bps	0 bps	0 bps
<b>Group</b>	<b>5.4%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.3%</b>	<b>5.4%</b>	<b>5.5%</b>	<b>-10 bps</b>	<b>0 bps</b>	<b>0 bps</b>

Source: ABG Sundal Collier, Company data

**ABGSC P&L estimates (EURm)**

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2024	2025e	2026e	2027e
Net sales	2,760	3,093	3,027	3,041	2,828	3,189	3,227	3,226	11,920	12,470	13,046	13,468
EBITDA adj.	239	319	338	264	237	317	345	343	1,161	1,241	1,363	1,427
D&A	-140	-141	-137	-93	-141	-140	-137	-164	-511	-581	-653	-686
o/w ordinary	-49	-52	-52	-54	-55	-54	-56	-63	-208	-228	-264	-282
o/w IFRS 16	-88	-101	-93	-94	-90	-89	-90	-90	-376	-359	-364	-372
<b>EBIT adj.</b>	<b>100</b>	<b>178</b>	<b>202</b>	<b>171</b>	<b>96</b>	<b>177</b>	<b>208</b>	<b>180</b>	<b>650</b>	<b>660</b>	<b>710</b>	<b>741</b>
NRI	-2	-19	1	-50	-6	1	-4	0	-71	-9	0	0
EBIT	97	159	202	121	89	178	204	180	580	651	710	741
Net financials	-24	-29	-29	-28	-30	-32	-31	-31	-110	-124	-106	-107
Share of results from associates and JVs	2	1	-1	0	1	1	1	0	2	3	-2	-2
PTP	75	131	173	93	60	146	175	149	472	530	602	632
Taxes	-15	-26	-33	-18	-12	-29	-35	-29	-92	-105	-117	-117
Net income	61	105	139	75	48	117	139	120	379	425	484	514
EPS	0.15	0.26	0.35	0.19	0.12	0.29	0.35	0.30	0.95	1.07	1.22	1.29
<b>EPS adj.</b>	<b>0.16</b>	<b>0.31</b>	<b>0.34</b>	<b>0.31</b>	<b>0.14</b>	<b>0.29</b>	<b>0.34</b>	<b>0.30</b>	<b>1.12</b>	<b>1.07</b>	<b>1.22</b>	<b>1.29</b>
<b>Margins and ratios</b>												
Sales growth	-2%	0%	3%	5%	2%	3%	7%	6%	1%	5%	5%	3%
Comparable sales growth	-5%	-4%	-1%	1%	1%	2%	4%	3%	-2%	2%	4%	3%
Gross margin	13.2%	16.3%	14.1%	14.5%	10.7%	15.4%	15.3%	15.0%	14.6%	14.2%	15.0%	15.0%
EBIT adj. margin	3.6%	5.8%	6.7%	5.6%	3.4%	5.5%	6.4%	5.6%	5.5%	5.3%	5.4%	5.5%
Pretax margin	2.7%	4.2%	5.7%	3.1%	2.1%	4.6%	5.4%	4.6%	4.0%	4.2%	4.6%	4.7%
Net profit margin	2.2%	3.4%	4.6%	2.5%	1.7%	3.7%	4.3%	3.7%	3.2%	3.4%	3.7%	3.8%
Tax rate	19.6%	19.6%	19.4%	19.6%	19.6%	19.8%	20.1%	19.5%	19.5%	19.8%	19.5%	18.5%
EPS adj. growth	-27.8%	-18.0%	-10.0%	0.7%	-13.2%	-6.6%	0.0%	-3.7%	-12.8%	-4.7%	13.7%	6.2%
<b>IFRS 16 adjustments</b>												
EBITDA adj. pre IFRS 16	129	198	227	150	126	204	237	224	703	791	892	940
EBITDA adj. margin pre IFRS 16	4.7%	6.4%	7.5%	4.9%	4.4%	6.4%	7.3%	7.0%	5.9%	6.3%	6.8%	7.0%
EBITDA pre IFRS 16	126	191	230	144	124	208	234	224	691	790	892	940
EBIT adj. pre IFRS 16	80	158	182	152	74	154	188	161	572	577	627	658
EBIT adj. margin pre IFRS 16	2.9%	5.1%	6.0%	5.0%	2.6%	4.8%	5.8%	5.0%	4.8%	4.6%	4.8%	4.9%
EBIT pre IFRS 16	78	139	183	102	68	155	184	161	502	568	627	658

Source: ABG Sundal Collier, Company data

## ABGSC segment breakdown (SEKm)

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25e	2024	2025e	2026e	2027e
<b>Net sales</b>												
Grocery trade	1,515	1,597	1,609	1,661	1,487	1,606	1,645	1,700	6,382	6,437	6,666	6,903
BTT	964	1,204	1,128	1,056	1,033	1,237	1,234	1,186	4,352	4,689	5,002	5,152
Car trade	286	299	295	329	314	352	355	346	1,209	1,367	1,401	1,436
Common operations and eliminations	-5	-6	-6	-6	-6	-6	-6	-6	-22	-24	-24	-24
<b>Group</b>	<b>2,760</b>	<b>3,093</b>	<b>3,027</b>	<b>3,041</b>	<b>2,828</b>	<b>3,189</b>	<b>3,227</b>	<b>3,226</b>	<b>11,920</b>	<b>12,470</b>	<b>13,046</b>	<b>13,468</b>
<b>y-o-y</b>												
Grocery trade	1%	-2%	1%	1%	-2%	1%	2%	2%	0%	1%	4%	4%
BTT	-6%	5%	7%	9%	7%	3%	9%	12%	4%	8%	7%	3%
Car trade	-10%	-12%	-5%	11%	10%	18%	20%	5%	-4%	13%	3%	2%
<b>Group</b>	<b>-2%</b>	<b>0%</b>	<b>3%</b>	<b>5%</b>	<b>2%</b>	<b>3%</b>	<b>7%</b>	<b>6%</b>	<b>1%</b>	<b>5%</b>	<b>5%</b>	<b>3%</b>
<b>y-o-y, comparable</b>												
Grocery trade	2%	-2%	1%	1%	-2%	1%	3%	2%	1%	1%	4%	4%
BTT	-15%	-5%	-2%	-2%	4%	-2%	1%	3%	-6%	2%	5%	3%
Car trade	-8%	-12%	-5%	9%	8%	18%	20%	5%	-4%	13%	3%	3%
<b>Group</b>	<b>-5%</b>	<b>-4%</b>	<b>-1%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>	<b>3.5%</b>	<b>3%</b>	<b>-2%</b>	<b>2%</b>	<b>4%</b>	<b>3%</b>
<b>EBIT adj. post IFRS 16</b>												
Grocery trade	83	115	119	122	73	111	118	119	438	420	432	452
BTT	7	56	70	36	12	51	72	46	169	180	215	223
Car trade	16	15	18	20	18	22	23	21	69	83	86	89
Common operations and eliminations	-6	-7	-5	-8	-7	-7	-4	-6	-26	-24	-23	-23
<b>Group</b>	<b>100</b>	<b>178</b>	<b>202</b>	<b>171</b>	<b>96</b>	<b>177</b>	<b>208</b>	<b>180</b>	<b>650</b>	<b>660</b>	<b>710</b>	<b>741</b>
<b>Margin</b>												
Grocery trade	5.4%	7.2%	7.4%	7.4%	4.9%	6.9%	7.1%	7.0%	6.9%	6.5%	6.5%	6.5%
BTT	0.7%	4.7%	6.2%	3.4%	1.1%	4.1%	5.8%	3.8%	3.9%	3.8%	4.3%	4.3%
Car trade	5.7%	5.0%	6.0%	6.1%	5.7%	6.1%	6.4%	6.1%	5.7%	6.1%	6.2%	6.2%
<b>Group</b>	<b>3.6%</b>	<b>5.8%</b>	<b>6.7%</b>	<b>5.6%</b>	<b>3.4%</b>	<b>5.5%</b>	<b>6.4%</b>	<b>5.6%</b>	<b>5.5%</b>	<b>5.3%</b>	<b>5.4%</b>	<b>5.5%</b>

Source: ABG Sundal Collier, Company data

Income Statement (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	10,383	10,720	10,669	11,300	11,809	11,784	11,920	12,470	13,046	13,468
COGS	-8,990	-9,191	-9,180	-9,681	-10,214	-10,035	-10,184	-10,697	-11,089	-11,448
Gross profit	1,393	1,529	1,489	1,620	1,596	1,749	1,736	1,773	1,957	2,020
Other operating items	-939	-594	-400	-377	-303	-531	-588	-533	-594	-593
<b>EBITDA</b>	<b>454</b>	<b>935</b>	<b>1,089</b>	<b>1,243</b>	<b>1,292</b>	<b>1,218</b>	<b>1,148</b>	<b>1,240</b>	<b>1,363</b>	<b>1,427</b>
Depreciation and amortisation	-146	-487	-489	-468	-476	-523	-569	-589	-653	-686
of which leasing depreciation	0	-325	-318	-291	-307	-339	-361	-361	-389	-404
<b>EBITA</b>	<b>308</b>	<b>448</b>	<b>600</b>	<b>775</b>	<b>817</b>	<b>695</b>	<b>580</b>	<b>651</b>	<b>710</b>	<b>741</b>
EO Items	-24	-15	33	5	-0	-17	-71	-9	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>308</b>	<b>448</b>	<b>600</b>	<b>775</b>	<b>817</b>	<b>695</b>	<b>580</b>	<b>651</b>	<b>710</b>	<b>741</b>
Net financial items	-11	-73	-73	-62	-55	-82	-108	-121	-108	-109
<b>Pretax profit</b>	<b>297</b>	<b>403</b>	<b>527</b>	<b>713</b>	<b>761</b>	<b>614</b>	<b>472</b>	<b>530</b>	<b>602</b>	<b>632</b>
Tax	-59	-69	-92	-141	-151	-118	-92	-105	-117	-117
<b>Net profit</b>	<b>238</b>	<b>334</b>	<b>435</b>	<b>572</b>	<b>610</b>	<b>496</b>	<b>380</b>	<b>425</b>	<b>485</b>	<b>515</b>
Minority interest	-19	-6	-2	0	0	0	-0	-1	-1	-1
Net profit discontinued	-56	11	0	0	0	0	0	0	0	0
<b>Net profit to shareholders</b>	<b>163</b>	<b>339</b>	<b>433</b>	<b>572</b>	<b>610</b>	<b>496</b>	<b>379</b>	<b>425</b>	<b>484</b>	<b>514</b>
EPS	0.47	0.85	1.09	1.44	1.53	1.25	0.95	1.07	1.22	1.29
EPS adj.	0.61	0.79	1.01	1.44	1.53	1.29	1.12	1.07	1.22	1.29
Total extraordinary items after tax	-20	12	27	4	-0	-14	-57	-7	0	0
Leasing payments	0	-419	-401	-393	-402	-430	-458	-450	-472	-487
Tax rate (%)	19.9	17.2	17.5	19.8	19.9	19.2	19.5	19.8	19.5	18.5
Gross margin (%)	13.4	14.3	14.0	14.3	13.5	14.8	14.6	14.2	15.0	15.0
EBITDA margin (%)	4.4	8.7	10.2	11.0	10.9	10.3	9.6	9.9	10.4	10.6
EBITA margin (%)	3.0	4.2	5.6	6.9	6.9	5.9	4.9	5.2	5.4	5.5
EBIT margin (%)	3.0	4.2	5.6	6.9	6.9	5.9	4.9	5.2	5.4	5.5
Pre-tax margin (%)	2.9	3.8	4.9	6.3	6.4	5.2	4.0	4.2	4.6	4.7
Net margin (%)	2.3	3.1	4.1	5.1	5.2	4.2	3.2	3.4	3.7	3.8
<b>Growth Rates y-o-y</b>	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	-2.7	3.2	-0.5	5.9	4.5	-0.2	1.2	4.6	4.6	3.2
EBITDA growth (%)	-2.2	105.9	16.5	14.2	4.0	-5.7	-5.7	8.0	9.9	4.7
EBITA growth (%)	-5.2	45.4	34.0	29.2	5.3	-14.8	-16.7	12.3	9.1	4.3
EBIT growth (%)	-5.2	45.4	34.0	29.2	5.3	-14.8	-16.7	12.3	9.1	4.3
Net profit growth (%)	-11.9	40.4	30.2	31.4	6.7	-18.8	-23.4	12.0	14.0	6.2
EPS growth (%)	-81.9	81.9	27.7	32.0	6.7	-18.7	-23.5	12.0	14.0	6.2
<b>Profitability</b>	-	-	-	-	-	-	-	-	-	-
ROE (%)	7.7	16.5	20.6	24.2	23.1	18.0	13.8	15.2	16.5	16.6
ROE adj. (%)	8.7	15.9	19.3	24.1	23.1	18.5	15.9	15.5	16.5	16.6
ROCE (%)	11.4	10.5	10.7	14.9	15.3	12.0	8.9	9.2	9.7	9.8
ROCE adj. (%)	12.3	10.2	10.1	14.8	15.2	12.3	10.1	9.3	9.7	9.8
ROIC (%)	10.6	10.2	10.5	14.1	14.3	11.2	8.6	8.9	9.1	9.2
ROIC adj. (%)	11.5	10.5	10.0	14.0	14.3	11.5	9.7	9.0	9.1	9.2
<b>Adj. earnings numbers</b>	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	478	949	1,056	1,238	1,293	1,235	1,219	1,249	1,363	1,427
EBITDA adj. margin (%)	4.6	8.9	9.9	11.0	10.9	10.5	10.2	10.0	10.4	10.6
EBITDA lease adj.	478	530	655	846	890	805	761	799	892	940
EBITDA lease adj. margin (%)	4.6	4.9	6.1	7.5	7.5	6.8	6.4	6.4	6.8	7.0
EBITA adj.	332	462	568	770	817	712	650	660	710	741
EBITA adj. margin (%)	3.2	4.3	5.3	6.8	6.9	6.0	5.5	5.3	5.4	5.5
EBIT adj.	332	462	568	770	817	712	650	660	710	741
EBIT adj. margin (%)	3.2	4.3	5.3	6.8	6.9	6.0	5.5	5.3	5.4	5.5
Pretax profit Adj.	321	389	495	708	761	630	542	539	602	632
Net profit Adj.	258	322	408	568	610	509	436	432	485	515
Net profit to shareholders adj.	183	327	406	568	610	509	436	432	484	514
Net adj. margin (%)	2.5	3.0	3.8	5.0	5.2	4.3	3.7	3.5	3.7	3.8

Source: ABG Sundal Collier, Company Data

Cash Flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	454	935	1,089	1,243	1,292	1,218	1,148	1,240	1,363	1,427
Net financial items	-11	-73	-73	-62	-55	-82	-108	-121	-108	-109
Paid tax	-59	-69	-92	-141	-151	-118	-92	-105	-117	-117
Non-cash items	51	158	-102	26	41	35	-46	-94	-15	-24
Cash flow before change in WC	435	950	822	1,065	1,127	1,054	903	920	1,123	1,177
Change in working capital	-21	-53	331	87	-212	-5	106	-18	-6	22

Cash Flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
<b>Operating cash flow</b>	<b>414</b>	<b>897</b>	<b>1,152</b>	<b>1,152</b>	<b>915</b>	<b>1,050</b>	<b>1,008</b>	<b>902</b>	<b>1,116</b>	<b>1,199</b>
Capex tangible fixed assets	-226	-368	-201	-239	-348	-538	-470	-608	-457	-471
Capex intangible fixed assets	-1	4	3	-1	37	54	1	17	16	15
Acquisitions and Disposals	18	-253	-216	3	-34	-106	-128	1	0	0
<b>Free cash flow</b>	<b>205</b>	<b>280</b>	<b>739</b>	<b>915</b>	<b>571</b>	<b>459</b>	<b>411</b>	<b>313</b>	<b>676</b>	<b>742</b>
Dividend paid	-225	-238	-250	-298	-407	-430	-320	-369	-375	-380
Share issues and buybacks	0	6	0	0	0	0	0	16	0	0
Leasing liability amortisation	0	-331	-364	-323	-333	-354	-371	-369	-394	-409
Other non-cash items	0	-2,381	430	95	-28	-143	-94	-57	-28	2
Balance Sheet (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Goodwill	279	479	572	589	589	664	643	726	726	726
Other intangible assets	213	206	205	190	190	211	234	217	217	217
Tangible fixed assets	1,197	1,488	1,451	1,538	1,746	2,056	2,403	2,802	2,995	3,184
Right-of-use asset	0	2,191	1,819	1,735	1,738	1,817	1,868	1,981	2,052	2,119
Total other fixed assets	363	239	387	419	425	412	465	466	466	466
Fixed assets	2,052	4,603	4,434	4,470	4,687	5,159	5,613	6,192	6,456	6,712
Inventories	913	1,037	837	894	1,115	1,084	1,102	1,226	1,203	1,173
Receivables	821	805	777	909	969	971	958	990	1,025	1,058
Other current assets	268	285	289	305	388	314	311	263	272	281
Cash and liquid assets	249	169	306	388	314	227	488	312	269	298
<b>Total assets</b>	<b>4,303</b>	<b>6,899</b>	<b>6,642</b>	<b>6,966</b>	<b>7,474</b>	<b>7,754</b>	<b>8,471</b>	<b>8,983</b>	<b>9,225</b>	<b>9,522</b>
Shareholders equity	2,085	2,026	2,189	2,530	2,742	2,758	2,722	2,855	3,003	3,193
Minority	113	115	0	0	0	0	13	29	29	30
<b>Total equity</b>	<b>2,198</b>	<b>2,141</b>	<b>2,189</b>	<b>2,530</b>	<b>2,742</b>	<b>2,758</b>	<b>2,735</b>	<b>2,884</b>	<b>3,033</b>	<b>3,223</b>
Long-term debt	179	477	409	206	246	691	1,054	1,133	1,133	1,133
Pension debt	27	20	21	16	10	7	7	5	5	5
Convertible debt	-	-	-	-	-	-	-	-	-	-
Leasing liability	0	2,422	2,025	1,929	1,920	1,998	2,051	2,170	2,247	2,320
Total other long-term liabilities	74	37	46	63	88	95	119	155	155	155
Short-term debt	233	138	183	160	253	99	291	333	333	333
Accounts payable	984	1,030	1,091	1,333	1,499	1,418	1,404	1,406	1,377	1,380
Other current liabilities	608	634	678	730	716	688	810	898	944	974
<b>Total liabilities and equity</b>	<b>4,303</b>	<b>6,899</b>	<b>6,642</b>	<b>6,966</b>	<b>7,474</b>	<b>7,754</b>	<b>8,471</b>	<b>8,983</b>	<b>9,225</b>	<b>9,522</b>
Net IB debt	119	2,820	2,256	1,850	2,021	2,482	2,832	3,264	3,384	3,429
Net IB debt excl. pension debt	92	2,800	2,235	1,834	2,011	2,475	2,825	3,259	3,379	3,423
Net IB debt excl. leasing	119	398	231	-79	101	484	781	1,094	1,137	1,108
Capital employed	2,637	5,198	4,826	4,840	5,171	5,552	6,138	6,524	6,751	7,014
Capital invested	2,317	4,961	4,445	4,379	4,764	5,240	5,567	6,147	6,417	6,651
Working capital	410	463	132	45	257	261	156	174	180	158
<b>EV breakdown</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Market cap. diluted (m)	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405
Net IB debt adj.	119	2,820	2,256	1,850	2,021	2,482	2,832	3,264	3,384	3,429
Market value of minority	113	115	0	0	0	0	13	29	29	30
Reversal of shares and participations	-144	-78	-222	-250	-245	-247	-255	-266	-266	-266
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
<b>EV</b>	<b>7,493</b>	<b>10,262</b>	<b>9,439</b>	<b>9,005</b>	<b>9,182</b>	<b>9,640</b>	<b>9,996</b>	<b>10,432</b>	<b>10,553</b>	<b>10,597</b>
Total assets turnover (%)	236.6	191.4	157.6	166.1	163.6	154.8	146.9	142.9	143.3	143.7
Working capital/sales (%)	3.8	4.1	2.8	0.8	1.3	2.2	1.8	1.3	1.4	1.3
<b>Financial risk and debt service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net debt/equity (%)	5.4	131.7	103.0	73.1	73.7	90.0	103.5	113.2	111.6	106.4
Net debt / market cap (%)	1.6	38.1	30.5	25.0	27.3	33.5	38.2	44.1	45.7	46.3
Equity ratio (%)	51.1	31.0	33.0	36.3	36.7	35.6	32.3	32.1	32.9	33.8
Net IB debt adj. / equity (%)	5.4	131.7	103.0	73.1	73.7	90.0	103.5	113.2	111.6	106.4
Current ratio	1.23	1.27	1.13	1.12	1.13	1.18	1.14	1.06	1.04	1.05
EBITDA/net interest	227.0	190.7	989.7	318.7	80.3	129.6	36.2	33.7	48.7	49.2
Net IB debt/EBITDA (x)	0.3	3.0	2.1	1.5	1.6	2.0	2.5	2.6	2.5	2.4
Net IB debt/EBITDA lease adj. (x)	0.2	0.8	0.4	-0.1	0.1	0.6	1.0	1.4	1.3	1.2
Interest coverage	26.8	51.9	58.3	148.0	307.4	25.6	12.0	13.1	16.5	17.2

Source: ABG Sundal Collier, Company Data

Share Data (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Actual shares outstanding	400	400	400	400	400	400	400	400	400	400
Actual shares outstanding (avg)	400	400	400	400	400	400	400	400	400	400

Share Data (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
All additional shares	-	-	-	-	-	-	-	-	-	-
Issue month	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assumed dil. of shares from conv.	0	0	0	0	0	0	0	0	0	0
As. dil. of shares from conv. (avg)	0	0	0	0	0	0	0	0	0	0
Conv. debt not assumed as equity	0	0	0	0	0	0	0	0	0	0
No. of warrants	0	0	0	0	0	0	0	0	0	0
Market value per warrant	0	0	0	0	0	0	0	0	0	0
Dilution from warrants	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	2.34	0.63	0.75	1.06	1.08	1.02	0.90	0.95	0.95	1.00
Reported earnings per share	-	-	-	-	-	-	-	-	-	-

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (EURm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Shares outstanding adj.	400	400	400	400	400	400	400	400	400	400
Diluted shares adj.	400	400	400	400	400	400	400	400	400	400
EPS	0.47	0.85	1.09	1.44	1.53	1.25	0.95	1.07	1.22	1.29
Dividend per share	2.34	0.63	0.75	1.06	1.08	1.02	0.90	0.95	0.95	1.00
EPS adj.	0.61	0.79	1.01	1.44	1.53	1.29	1.12	1.07	1.22	1.29
BVPS	5.21	5.06	5.47	6.32	6.85	6.89	6.80	7.14	7.51	7.98
BVPS adj.	3.98	3.35	3.53	4.38	4.91	4.71	4.61	4.78	5.15	5.62
Net IB debt/share	0.30	7.05	5.64	4.62	5.05	6.20	7.08	8.16	8.46	8.57
Share price	18.51	18.51	18.51	18.51	18.51	18.51	18.51	18.51	18.51	18.51
Market cap. (m)	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405	7,405
<b>Valuation</b>	-	-	-	-	-	-	-	-	-	-
P/E (x)	39.5	21.7	17.0	12.9	12.1	14.9	19.4	17.3	15.2	14.3
EV/sales (x)	0.7	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
EV/EBITDA (x)	16.5	11.0	8.7	7.2	7.1	7.9	8.7	8.4	7.7	7.4
EV/EBITA (x)	24.3	22.9	15.7	11.6	11.2	13.9	17.2	16.0	14.9	14.3
EV/EBIT (x)	24.3	22.9	15.7	11.6	11.2	13.9	17.2	16.0	14.9	14.3
Dividend yield (%)	12.6	3.4	4.1	5.7	5.8	5.5	4.9	5.1	5.1	5.4
FCF yield (%)	2.8	3.8	10.0	12.4	7.7	6.2	5.5	4.2	9.1	10.0
Le. adj. FCF yld. (%)	2.8	-0.7	5.1	8.0	3.2	1.4	0.5	-0.8	3.8	4.5
P/BVPS (x)	3.55	3.66	3.38	2.93	2.70	2.68	2.72	2.59	2.47	2.32
P/BVPS adj. (x)	4.10	4.79	4.58	3.82	3.44	3.54	3.56	3.48	3.25	3.00
P/E adj. (x)	30.2	23.5	18.4	12.9	12.1	14.4	16.5	17.3	15.2	14.3
EV/EBITDA adj. (x)	15.7	10.8	8.9	7.3	7.1	7.8	8.2	8.3	7.7	7.4
EV/EBITA adj. (x)	22.5	22.2	16.6	11.7	11.2	13.5	15.4	15.8	14.9	14.3
EV/EBIT adj. (x)	22.5	22.2	16.6	11.7	11.2	13.5	15.4	15.8	14.9	14.3
EV/CE (x)	2.8	2.0	2.0	1.9	1.8	1.7	1.6	1.6	1.6	1.5
<b>Investment ratios</b>	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	2.2	3.4	1.9	2.1	2.6	4.1	3.9	4.7	3.4	3.4
Capex/depreciation	1.6	2.3	1.2	1.4	1.8	2.6	2.3	2.6	1.7	1.6
Capex tangibles / tangible fixed assets	18.9	24.7	13.8	15.5	19.9	26.2	19.6	21.7	15.2	14.8
Capex intangibles / definite intangibles	--	--	--	--	--	--	--	--	--	--
Depreciation on intang / def. intang	--	--	--	--	--	--	--	--	--	--
Depreciation on tangibles / tangibles	12.2	10.9	11.7	11.5	9.7	9.0	8.7	8.1	8.8	8.8

Source: ABG Sundal Collier, Company Data

## Analyst Certification

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Total of Rating	Research Coverage	Investment Banking Clients (IBC)	
	% of Total Rating	% of Total IBC	% of Total Rating by Type
<b>BUY</b>	59.34%	21%	8.94%
<b>HOLD</b>	36.36%	8%	5.56%
<b>SELL</b>	3.54%	0%	0.00%

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## Stock price, company ratings and target price history

Company: Kesko

Currency: EUR

Current Recommendation: BUY

Date: 30/10/2025

Current Target price: 22.50

Current Share price: 18.51



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Production of recommendation: 10/31/2025 08:31.

All prices are as of market close on 30 October, 2025 unless otherwise noted.

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