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Kesko to significantly expand operations in Denmark by acquiring three central building and home improvement trade operators

Kesko has agreed to acquire three builders' merchants in Denmark: Roslev Trælasthandel A/S, Tømmergaarden A/S, and CF Petersen & Søn A/S. The combined net sales of the three operators total some €400 million. The acquisitions are part of the execution of Kesko's growth strategy in Northern Europe, and once completed, will make Kesko's subsidiary Davidsen a significant nationwide operator in the Danish builders' merchant market.

"Kesko has a growth strategy: our target is to grow our B2B building and technical trade business in Northern Europe. The Davidsen acquisition was a strategic step for us and provided an entry to the sizable Danish market. These new acquisitions offer Davidsen the possibility to serve their customers nationwide and strengthen our market share in Denmark significantly. We will be in a good position to continue to grow further once the construction cycle turns. The acquisitions are an excellent example of Kesko's capability to execute its chosen strategy with speed and precision," says **Jorma Rauhala**, Kesko's President and CEO.

Kesko first entered the Danish market by acquiring the builders' merchant **Davidsen Koncernen A/S** in January 2024. Davidsen is one of Denmark's largest building materials retailers, with a market share of approximately 10% of the Danish builders' merchant market and some 33% of the market in Southern Denmark. Through the acquisitions announced today, Davidsen's market share will rise to some 20% in the total Danish market, to some 22% in Central and Northern Jutland, and to some 11% in Zealand.

Roslev Trælasthandel A/S operates mainly in Central Jutland and focuses on B2B customers. In 2023, the company's net sales totalled approximately €104 million (DKK 780 million), with an EBIT of €6 million (excl. IFRS 16 impact). The company holds a market share of approximately 9% in Central Jutland. Roslev has four fully-owned stores in Central Jutland and some 150 employees.

Tømmergaarden A/S is a builders' merchant focusing mainly on B2B customers in Northern and Central Jutland. It has a market share of some 11% in Northern and Central Jutland. In 2023, the company's net sales totalled some €185 million (DKK 1,370 million), with an EBIT of €8 million (excl. IFRS 16 impact). The company has 17 fully-owned stores in Northern and Central Jutland and some 400 employees.

CF Petersen & Søn A/S focuses on serving B2B customers in Zealand, where it holds a market share of some 8%. In 2023, the company's net sales totalled approximately €113 million (DKK 840 million), with an EBIT of €5 million (excl. IFRS 16 impact). CF Petersen & Søn has 5 stores in Zealand and some 210 employees.

Roslev Trælasthandel, Tømmergaarden and C. F. Petersen & Søn are currently privately held businesses and part of the XL Byg chain. All three builders' merchants

will be acquired in full by Kesko's subsidiary Davidsen, of which Kesko owns 90% while the Davidsen family owns the remaining 10%. The parties do not disclose the transaction price.

The completion of all three acquisitions is subject to the approval of the competition authorities and the fulfilment of certain other conditions. The transactions are expected to be completed in the first half of 2025.

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Kesko and K-retailers together form K Group, whose retail sales total around €16 billion. K Group is the leading trading sector operator in Northern Europe and it employs approximately 45,000 people. Kesko operates in grocery trade, building and technical trade, and car trade. Its divisions and chains act in close cooperation with retailer entrepreneurs and other partners. Kesko's net sales total around €12 billion and Kesko employs approximately 18,000 people. Kesko's chain operations include approximately 1,800 stores in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania and Poland. Kesko's shares are listed on Nasdaq Helsinki. The company's domicile and main premises are in Helsinki. www.kesko.fi