



Re-engineering the Car Industry

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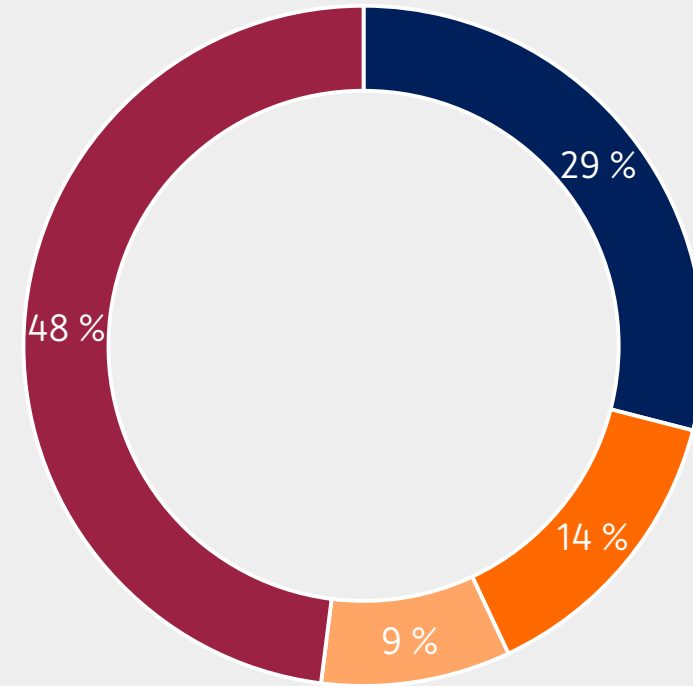


Car Trade

Q4/2015-Q3/2016

Net sales	€805m
Operating profit*	€26m
Operating margin*	3.2%
Return on capital employed*	22.0%

* comparable



■ New car retailing

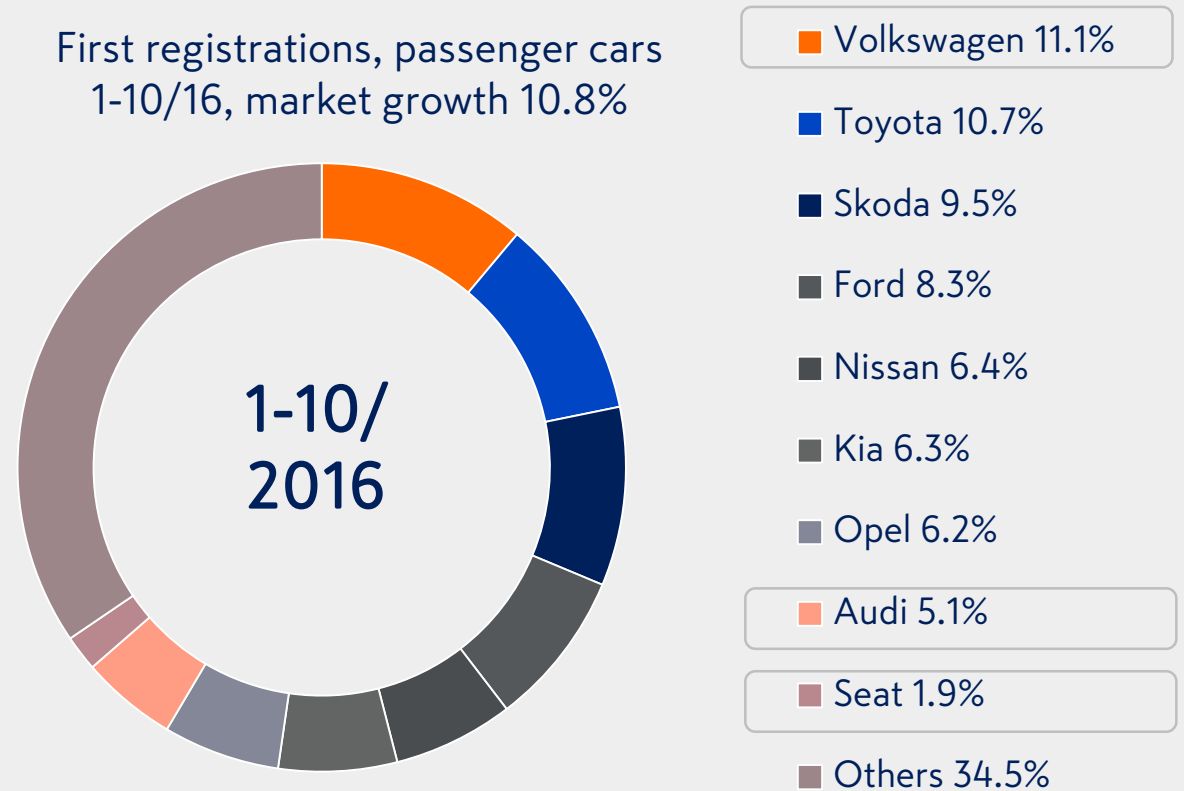
■ Used car retailing

■ After sales retailing

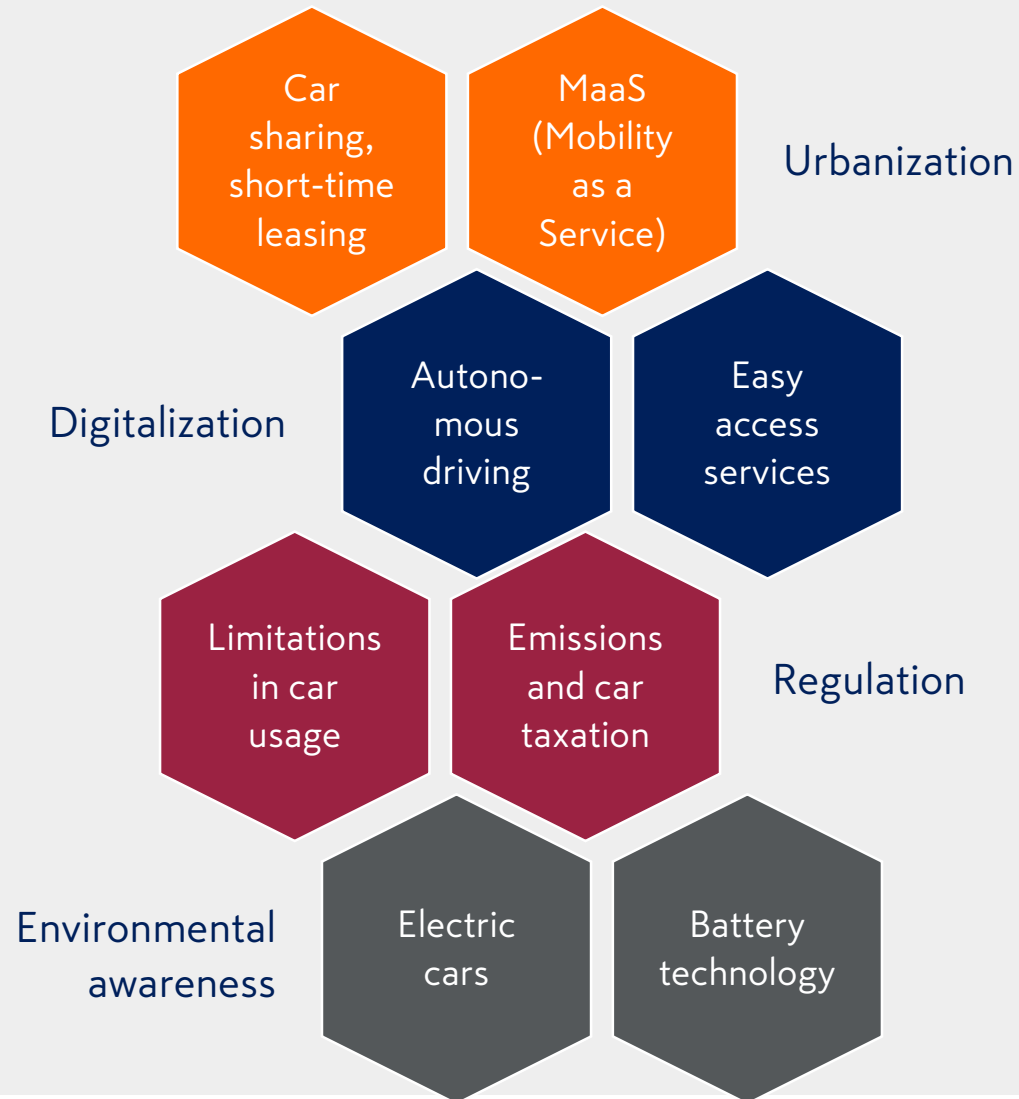
■ Importing / sales to dealers

Car Trade and Finnish Car Market

- Kesko car trade sales €800m
 - Own retailing 52%
 - Import sales for dealers 48%
 - New cars app. 23,000
 - Used cars app. 7,000
- Kesko car trade market share app. 20%
 - High market share ensures well-performing after sales
- Profitable growth from used car sales, including e-commerce



Megatrends in Car Industry



Direction in Car Trade

- The fast changes in car industry offer new business opportunities
- Deepening cooperation with VW AG
- Maintaining high market share, growth and good profitability
- Fast expansion of the online car store Caara



Volkswagen Group Strategy: "Together 2025"

“New Group strategy will clear the way for transforming one of the world’s best carmakers into one of the world’s leading providers of sustainable mobility.” (M. Müller)

“VW to invest billions over the coming years in a major electrification initiative second to none in the industry as well as in autonomous driving, digitalization and new business fields such as mobility services.”



Volkswagen Group Strategy: "Together 2025"

Electric and autonomous vehicles

- 30 new pure-electric vehicles by 2025
- 20-25% of total sales electric vehicles by 2025
- Full autonomous vehicles with self driving system (SDS) developed in-house from 2021

New Mobility Services

- Strategic partnership with GETT, a ride hailing service
- New services such as robo-taxis, car sharing and on-demand transport



Strategy in Car Trade



Deepening cooperation with VW AG



Increasing the services business



Developing the multichannel customer experience

VV-Auto on Growth Path

- VV-Auto's sales growth +10%, retail sales growth +13%
- Used car sales growth +20%
- After sales growth in sales +8%
- Increase in SEAT registrations +35%
- Increase in MAN truck registrations +60%



All figures 1-9/2016 compared to the previous year

Car Trade is Omnichannel Business

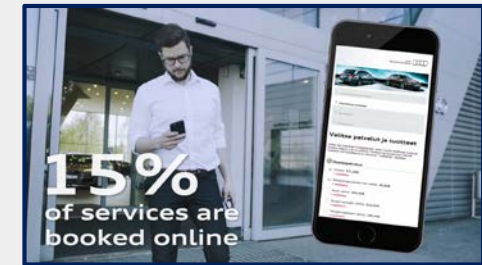
+40%

Growth of new cars sold via chat-service



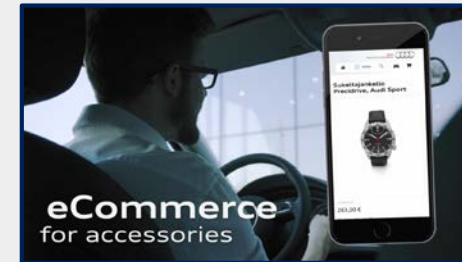
€10m

Sales value of services' online booking



25%

Share of totally new customers in accessories' e-commerce



300

Number of used cars sold in e-commerce caara.fi. Modern and innovative mobility solutions to follow





For shopping
to be fun