

A woman with blonde hair, wearing a dark dress, is walking away from the camera on a dirt path that winds through a dense forest of tall evergreen trees. The sun is shining from the upper left, creating a warm, golden glow and lens flare effects. In the center of the image, there is a large black circle. Inside this circle, there is a smaller circular inset that shows a different view of a winding road through a forest, similar to the main scene but from a different perspective.

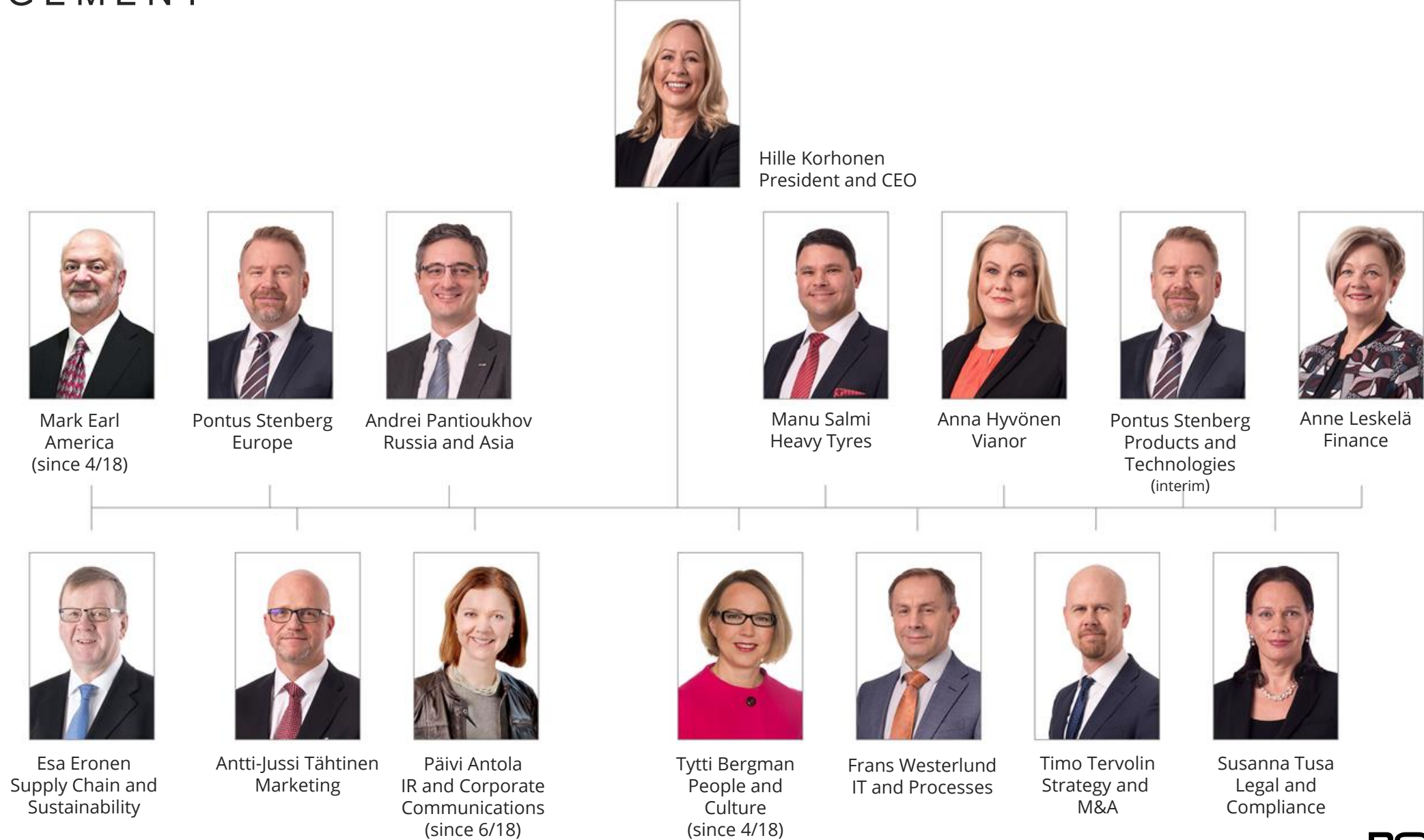
REVIEW BY THE PRESIDENT AND CEO

NOKIAN TYRES PLC ANNUAL GENERAL MEETING
APRIL 10, 2018

HILLE KORHONEN
PRESIDENT AND CEO

nokian[®]
TYRES

MANAGEMENT



HIGHLIGHTS OF THE YEAR

243

OUR TEAM
GREW BY 243
PROFESSIONALS

NET SALES GREW BY

13%

346

NEW VIANOR,
NAD, AND N-TYRE
STORES

36%

WE AIMED FOR A 20%
DECREASE IN CO₂
EMISSIONS FROM OUR
FACTORIES' PRODUCTION
BETWEEN 2013 AND
2020, BUT THE ACTUAL
REDUCTION BY THE
END OF 2017 WAS AN
ASTONISHING 36%



THE LEADING SCIENCE MAGAZINE POPULAR SCIENCE
HONORED THE NOKIAN HAKKAPELIITTA 9 WITH THE
BEST OF WHAT'S NEW AWARD

**NEW
FACTORY**

WE STARTED THE
CONSTRUCTION OF
A NEW FACTORY IN
THE UNITED STATES



CUSTOMER SATISFACTION
WAS UP BY

2.6%

**THE AVERAGE
7% REDUCTION
OF THE ROLLING
RESISTANCE**

OF OUR TYRES SOLD
IN 2017 WILL REDUCE
CO₂ EMISSIONS EACH
YEAR BY AS MUCH AS

54,000

PASSENGER CARS
CREATE ANNUALLY

NOKIAN HEAVY TYRES REPORTED THAT IT
IS INCREASING PRODUCTION CAPACITY BY

50%

THE MOST SUSTAINABLE

TYRE MANUFACTURER
IN THE DJSI WORLD INDEX

A person with long brown hair, wearing a light blue jacket and carrying a brown bag, is walking away from the camera through a concrete tunnel. The tunnel's arched structure frames the view of a winding road that leads out to a scenic mountain landscape with snow-capped peaks and green trees under a clear blue sky. Three concentric circles are overlaid on the image, centered on the person, creating a ripple effect.

STRATEGY

GUIDES OUR CHOICES

TRENDS AFFECTING OUR BUSINESS

CLIMATE
CHANGE

GROWING
ROLE OF CAR
MANUFACTURERS

THE CHANGING
CONSUMER

ONLINE
TYRE SALES
GROWING

NEW
TECHNOLOGY-
DRIVEN
BUSINESS
MODELS

NEW
COMPETITORS

A person with long brown hair, wearing a grey scarf and a dark jacket, is seen from behind. They are carrying a large brown leather backpack and are looking out over a body of water towards a range of snow-capped mountains under a cloudy sky. The overall mood is serene and adventurous.

NOKIAN TYRES IS A
LIFE DRIVEN COMPANY.

OUR MISSION IS TO
GIVE YOU PEACE OF MIND
UNDER ALL CONDITIONS.

OUR DIFFERENTIATORS

**SAFEST TYRES
FOR ALL
CONDITIONS**

**CONSUMER-TRUSTED
PREMIUM BRAND**

**PREFERRED
PARTNER FOR
CUSTOMERS**

**FORERUNNER IN
SELECTED SPECIALTY
TYRE PRODUCTS**

**RESPONSIVE
AND EFFICIENT
SUPPLY CHAIN**

**HIGH-PERFORMING
ENGAGED TEAM**

OUR AMBITION

**WE ARE THE MARKET LEADER IN SELECTED
SEGMENTS IN THE NORDIC COUNTRIES AND RUSSIA**

**WE INCREASE OUR SALES BY 50%
IN CENTRAL EUROPE IN FIVE YEARS**

**WE DOUBLE OUR SALES IN
NORTH AMERICA IN FIVE YEARS**

**OUR TYRES ARE AVAILABLE IN ALL
MAJOR WINTER TYRE MARKETS**

**WE INCREASE THE EBITDA OF EQUITY-OWNED
VIANOR TO +3% BY THE END OF 2019**

**WE INCREASE THE SALES OF HEAVY TYRES
BY 50% IN FOUR YEARS**

FINANCIAL GOALS 2016–2018*


**GROWING FASTER THAN THE MARKET:
AVERAGE ANNUAL SALES GROWTH
OF 4–5% AT A MINIMUM**

**HEALTHY PROFITABILITY:
THE BEST OPERATING PROFIT LEVEL IN
THE INDUSTRY, A MINIMUM OF 22%**

**GOOD RETURNS FOR OUR SHAREHOLDERS:
DIVIDEND OF AT LEAST 50% OF NET
EARNINGS**

*at stable currency exchange rates

**nokian[®]
TYRES**



YEAR 2017 RESULTS

SALES GROWTH IN ALL KEY MARKETS

GDP IN RUSSIA +1.4%–1.8%

**SALES OF NEW CARS INCREASED IN THE
NORDIC COUNTRIES, EUROPE AND RUSSIA**



**NET SALES
INCREASED BY**

13%

**OPERATING PROFIT
IMPROVED BY**

18%

EARNINGS PER SHARE

1.63€

**G R O W T H
IN ALL
MARKET AREAS**

**NET SALES
IN RUSSIA
AND THE CIS
INCREASED**

46.4%

**MARKET SHARE INCREASED
IN THE NORDIC COUNTRIES,
RUSSIA AND NORTH AMERICA,
REMAINED AT THE SAME LEVEL
IN OTHER EUROPE**



**RAW MATERIAL
COSTS**

+17.5%,

**PRICES WERE
INCREASED**

PRODUCTION OUTPUT OF PASSENGER CAR TYRES (PCS) INCREASED BY



15%

**PRODUCTIVITY
INCREASED**

STRONG PERFORMANCE IN 2017

Positive outlook for 2018

Key figures, MEUR	2017	2016	Change%
Net sales	1,572.5	1,391.2	13.0
Operating profit	365.4	310.5	17.7
Operating profit %	23.2	22.3	
Profit before tax	332.4	298.7	11.3
Profit for the period	221.4	251.8	-12.1
Earnings per share, EUR	1.63	1.87	-13.0
Equity ratio, %	78.2	73.8	
Cash flow from operating activities	234.1	364.4	
Gearing, %	-14.2	-19.7	
Interest-bearing net debt	-208.3	-287.4	
Capital expenditure	134.9	105.6	27.8

BUSINESS UNITS 2017

Passenger Car Tyres and Heavy Tyres showed profitable growth

PASSENGER CAR TYRES

- Net sales: 1,138.8 M€; +16.1%
- EBIT: 359.9 M€; +17.7%
- EBIT margin: 31.6% (31.2%)

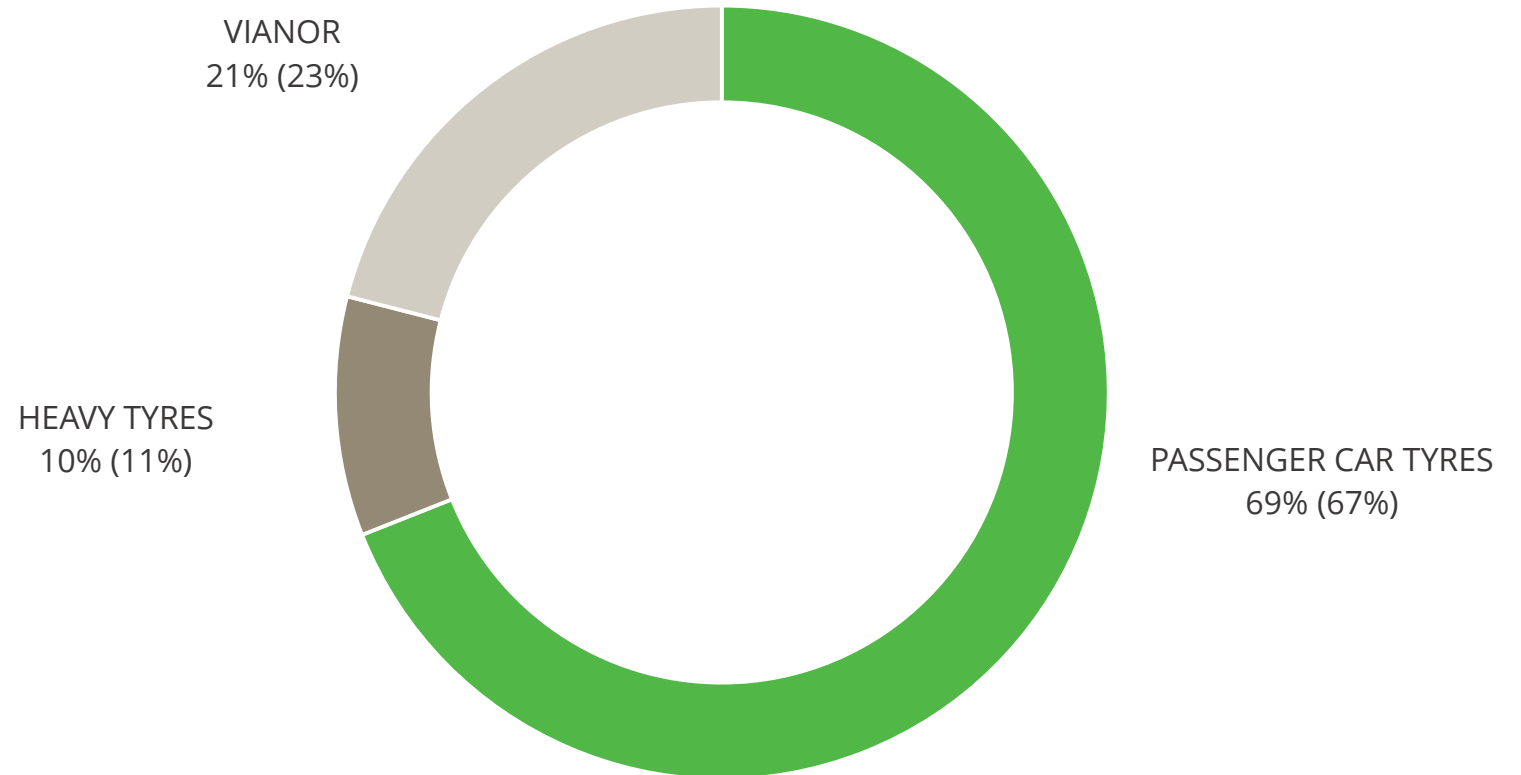
HEAVY TYRES

- Net sales 172.3 M€; +11.0%
- EBIT: 32.2 M€; +14.1%
- EBIT margin: 18.7% (18.2%)

VIANOR

- Net sales: 339.4 M€; +1.4%
- EBIT: -5.8 M€; +28.4%
- EBIT margin: -1.7% (-2.4%)

NET SALES 1,572.5 M€



RECORD NUMBER OF NEW PRODUCTS IN 2017

Passenger Car Tyres

Nokian Hakkapeliitta 9 and Hakkapeliitta 9 SUV

(Nordic countries, Russia,
North America)



Nokian Nordman 7 and Nordman 7 SUV

(Nordic countries, Russia,
North America)



Nokian Hakka Black 2/ 2 SUV and Blue 2 SUV

(Nordic countries, Russia)



Nokian eNTYRE C/S (North America)



MORE SALES FROM COMPETITIVE NEW PRODUCTS

Heavy Tyres

Nokian Hakkapeliitta City Bus

Urban tyre for all-year use



Nokian E-Truck series

Truck and bus tyres
(Central Europe and
Nordic countries)



Nokian Hakka Truck Steer

All-Season tyre



Nokian HTS G2

Second generation of
harbor tyres



TOTAL INVESTMENTS 2018E: 260 M€

Investments 134.9 M€ in 2017, in Finland 55 M€

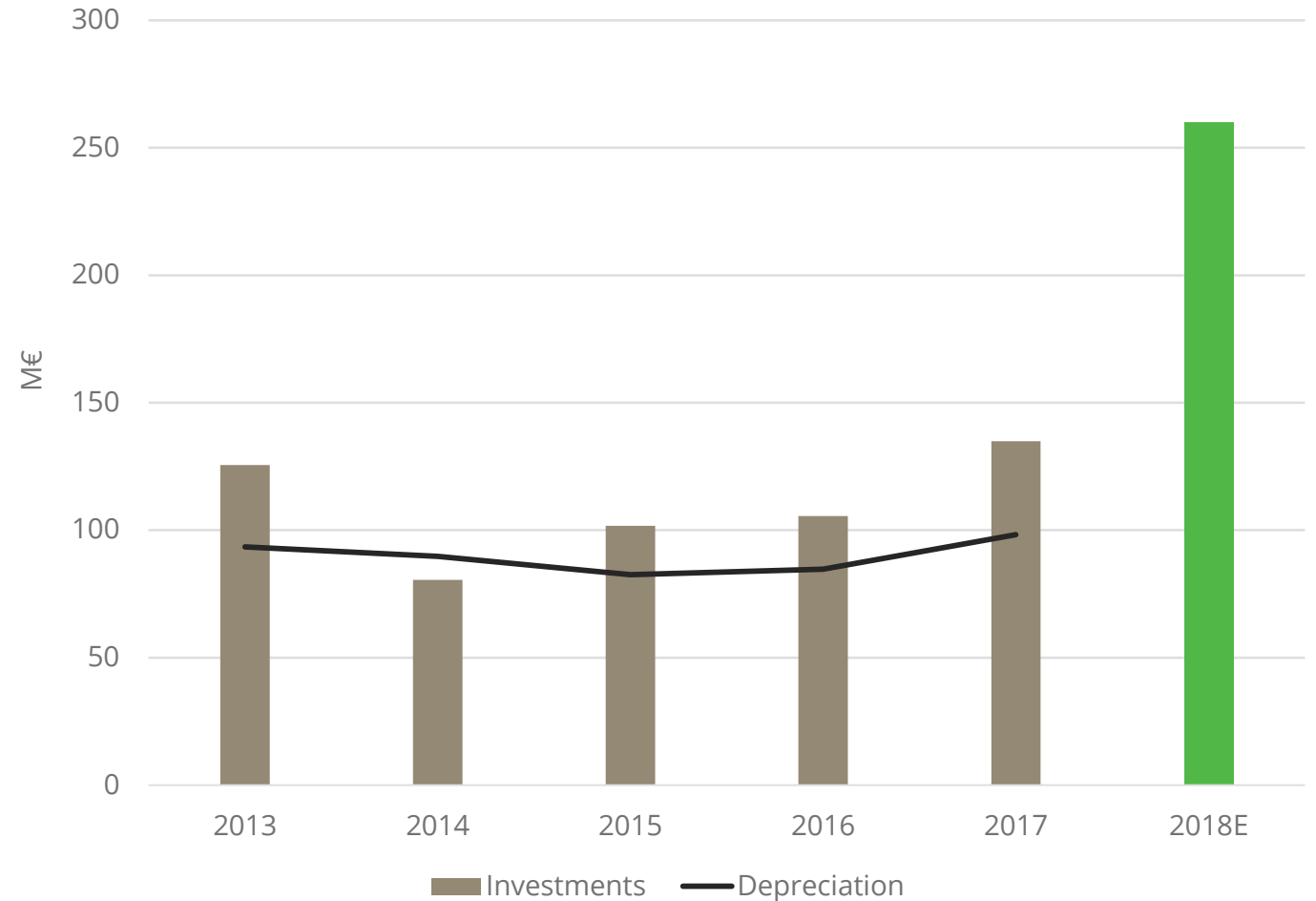
Investments 2018E

CONSTRUCTION WORK OF DAYTON
FACTORY (TN, USA) 110 MEUR

NOKIA FACTORY AND GLOBAL
DEVELOPMENT PROJECTS 75 MEUR

RUSSIA 40 MEUR

HEAVY TYRES, SALES COMPANIES
AND VIANOR CHAIN 35 MEUR



OUR AMBITION IS TO DOUBLE SALES WITHIN NORTH AMERICA

The construction work of the third factory started



DAYTON FACTORY IN NUMBERS

Sustainable modern production



FACTORY IN RHEA COUNTY

The new factory in Dayton (Rhea County), Tennessee, USA strengthens company's strategic growth. The factory allows us to improve production capabilities and customer service throughout our global operations.



4 MILLION

TYRES PRODUCED ANNUALLY



WAREHOUSE CAPACITY

UP TO 600,000 TYRES



2017

GROUNDBREAKING



2020

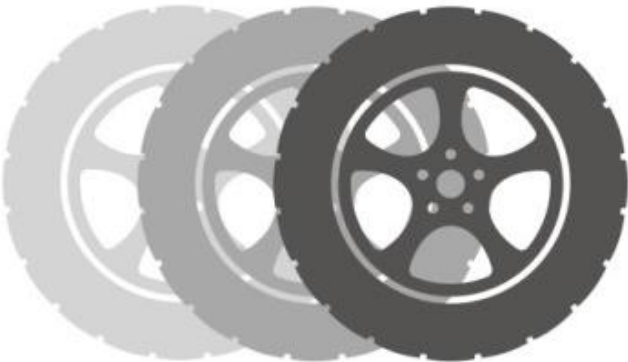
GRAND OPENING

400

NEW NOKIAN TYRES' EMPLOYEES


- QUALITY CONTROL
- LOGISTICS
- MIXING
- MANUFACTURING
- SHIPPING
- BUILDING SERVICES
- ADMINISTRATION

Our Dayton factory will concentrate on the production of passenger, SUV and light truck tyres that are sold exclusively or primarily in the North American market.



TYRE TESTING AT ALL EXTREMES

Aquaplaning and hot asphalt on the future test track built in Spain



Ivalo,
Lapland,
Finland

Nokia,
Finland,
HQ

IN THE
FUTURE!
Santa Cruz
de la Zarza,
Spain



OUTLOOK AND GUIDANCE 2018

OUTLOOK 2018

Positive outlook

OUTLOOK 2018

- Nokian Tyres' position is expected to improve in all key markets. In Russia, the company expects to retain and further strengthen its market leader position in the A+B segments in 2018
- New flagship products will strengthen Nokian Tyres' position
- Profitability supported by efficient cost structure and productivity on the back of high share of Russian production

YEAR 2018 GUIDANCE

- In 2018, with the current exchange rates, net sales and operating profit are expected to grow compared with 2017

NOKIAN TYRES' ASSUMPTIONS

- New car sales growth 2% in Europe
- New car sales in Russia to increase by 12–15%
- The demand for passenger car tyres in Central Europe, North America and the Nordic countries to show some growth. Demand in Russia (sell-in) to increase by 3–5%
- Raw material costs (€/kg) are estimated to remain approximately at the same level in 2018 compared with 2017
- The demand for Nokian Heavy Tyres' core products is estimated to remain healthy
- Nokian Tyres' financial position remains solid

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**IT'S A
BEAUTIFUL**

JOURNEY

THANK YOU!