

CENTRAL EUROPE

Accelerating high value capture

# ON TRACK TO REACH 50% GROWTH

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BAHRI KURTER  
EVP, CENTRAL EUROPE

nokian<sup>®</sup>  
TYRES



# OUR GROWTH OPPORTUNITY IS INCREASINGLY DRIVEN BY ALL-SEASON TIRES, FLEETS, EVs AND ONLINE

## CONVENIENCE



Product demand  
is shifting



Fleet business  
is growing

## SUSTAINABILITY



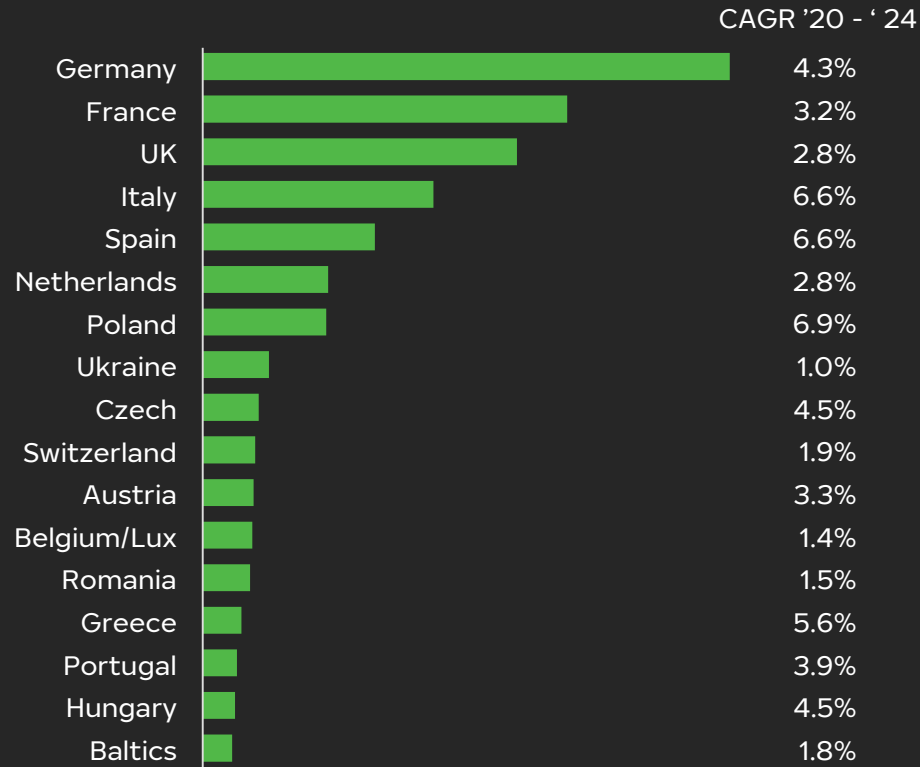
EVs are  
becoming  
mainstream



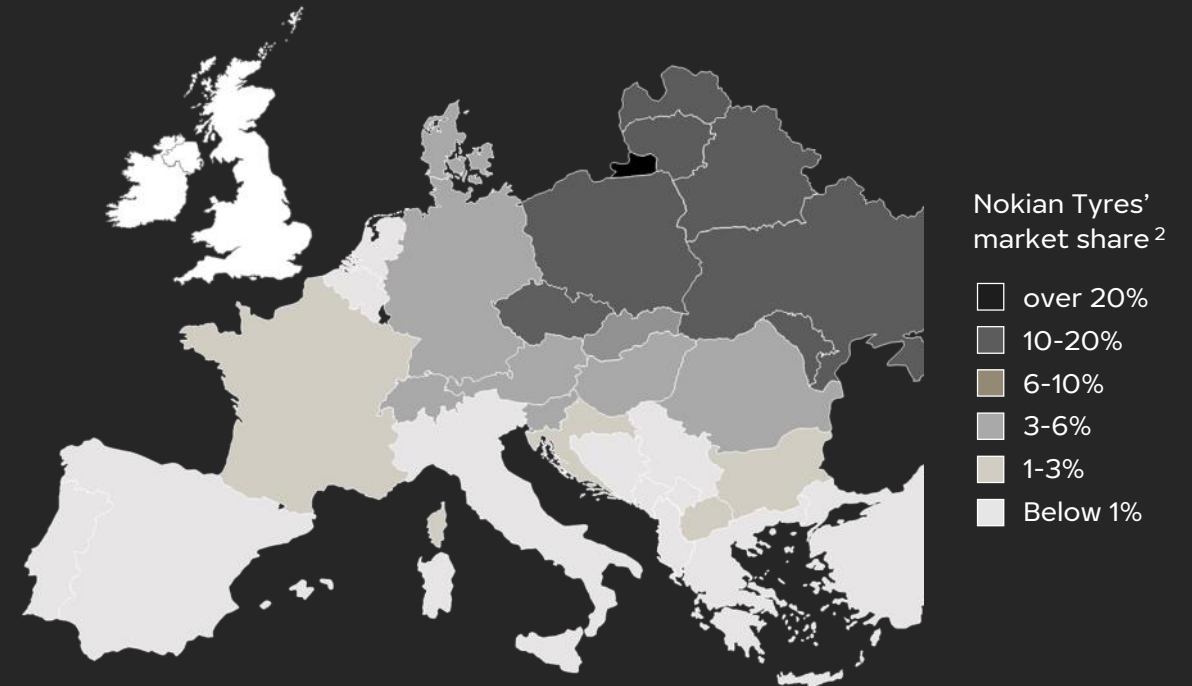
Impact of online  
keeps rising

# BY 2024 OUR TOTAL MARKET IS EXPECTED TO GROW BY 4% CAGR TO 314M TIRES

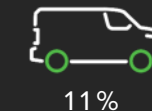
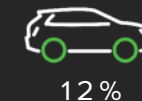
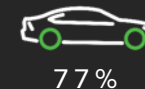
## REPLACEMENT TIRE MARKET <sup>1</sup>



## OUR FOCUS IS ON KEY COUNTRIES



**264M** TOTAL CE REPLACEMENT TIRE MARKET IN 2020



<sup>1</sup> Source: LMC Tyre & Rubber

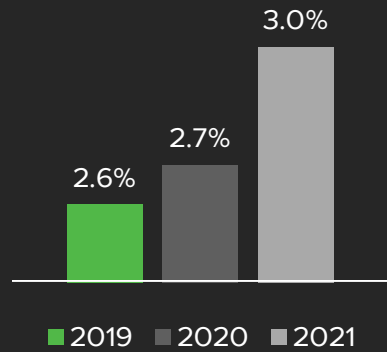
<sup>2</sup> Source: Europool

# WE LAUNCHED THIS GROWTH STRATEGY IN 2019...

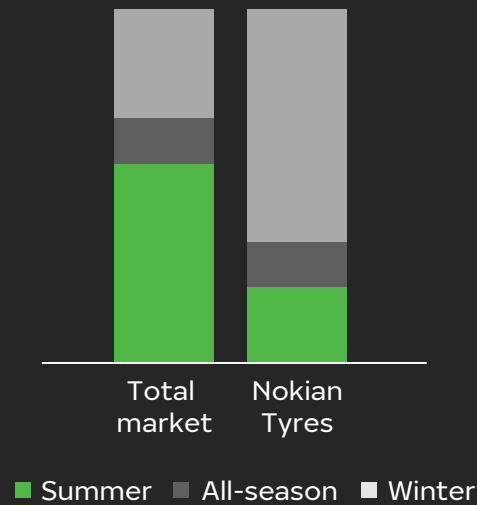
- Capture high value especially in winter and all-season and with larger rim sizes
- Leverage stronghold markets while expanding geographical focus with differentiated approaches (e.g. in Spain)
- Implement multi-channel approach including online
- Sharpen go-to-market approach with increased focus on sell-out and consumer activation
- Transform organization for efficiency and effectiveness

# ...AND IN 2020, WE GAINED SIGNIFICANT MARKET SHARE AND VALUE

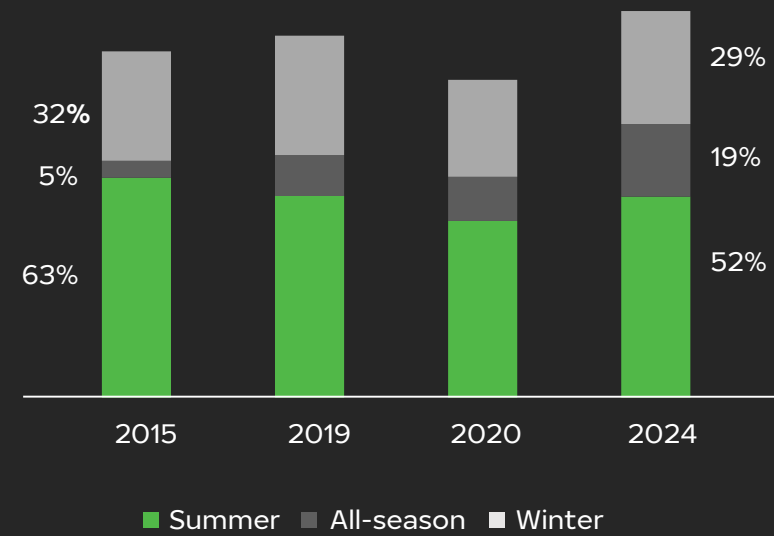
## NOKIAN TYRES SHARE OF MARKET



## BUSINESS SPLIT



## SEASONAL SPLIT





# NOKIAN SNOWPROOF AND SEASONPROOF PRODUCT FAMILIES – NEW FLAGSHIP WINTER AND ALL-SEASON TIRE RANGE IN CENTRAL EUROPE



## NOKIAN SNOWPROOF P

- Steady performance with premium winter grip
- Reliable and precise high-speed handling
- Low rolling resistance saves fuel and environment

NEW



## NOKIAN SNOWPROOF C

- First-class safety all year round for wet and wintry roads
- Excellent mileage
- Easy rolling saves fuel and preserves the environment



## NOKIAN SEASONPROOF

- First-class safety all year round for wet and wintry roads
- Excellent mileage
- Easy rolling saves fuel and preserves the environment

NEW



## NOKIAN SEASONPROOF C

- First-class safety all year round, especially for snowy roads and rainy days
- Low rolling resistance
- Extra tough Aramid Sidewalls for maximum durability



# FURTHER STRATEGIC BUILDING BLOCKS GOING FORWARD

## 2019-2021

- Capture high value especially with winter and all-season and with larger rim-sizes
- Leverage stronghold markets while expanding geographical focus with differentiated approaches (for example in Spain)
- Implement multi-channel approach including online
- Transform organization for efficiency and effectiveness
- Sharpen go-to-market approach, increased focus on sell-out and consumer activation

## 2022 →

- Expand product portfolio with CE market based offerings especially for winter and all-season. Capture summer opportunity
- Win in Germany and continue to expand geographical presence
- Further develop multichannel execution and pilot in the growing fleet business
- Invest more in marketing to increase brand awareness and branded retail
- Redesign supply chain network to meet and exceed future industry service levels

# SUCCESSFUL PORTFOLIO EXPANSION WITH CE MARKET COMPETITIVE TIRES

- Further develop CE product portfolio with focus on premium product performance and win in the most challenging markets like Germany
- Underline winter tire position and continue to accelerate in the fastest growing all-season market
- Further strengthen summer tire product expertise where our market share is low
- Expand size range to continue the success in the most profitable tire segment 17"+
- Introduce additional consumer services – e.g. 2-year tire guarantee to build consumer loyalty



# SUMMER AND ALL-SEASON PRODUCT DEVELOPMENT AND TESTING FOR MOST DEMANDING CONDITIONS

FINLAND



Ivalo testing center, established over 30 years ago above the Arctic Circle, spans over 700 hectares with more than 30 different test tracks.

FINLAND



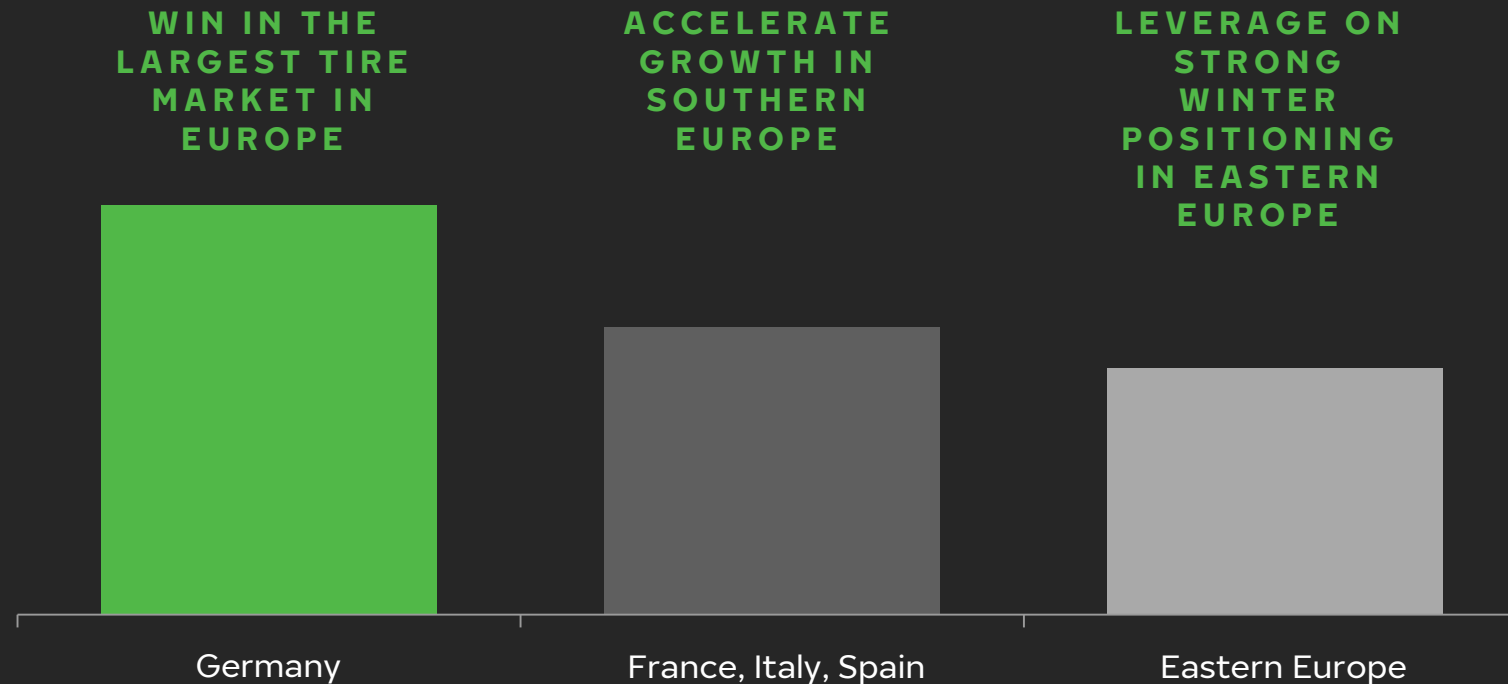
Almost all driving situations on northern roads are tested in Nokia. Testing is conducted from April to November.

SPAIN



The versatile development center allows for all-year product development and testing especially for summer and all-season tires.

# USE GEOGRAPHICAL AND MULTICHANNEL APPROACH TO CAPTURE GROWTH OPPORTUNITIES



- Expand retail presence
- Pilot in the growing fleet business
- Leverage online for demand



# INCREASE MARKETING TO ADVANCE SELL-OUT AND INCREASE CONSUMER PULL

- Increase marketing spend to build brand awareness in key markets – especially DE, FR, IT, ES

- Further increase share of marketing spend on effective sell-out and consumer activations

- Intensify digital marketing for new online sales and marketing opportunities

- Further develop and expand NAD retail network and concept

# FURTHER EXPAND AND DEVELOP THE NAD RETAIL NETWORK



**1,744** NAD stores

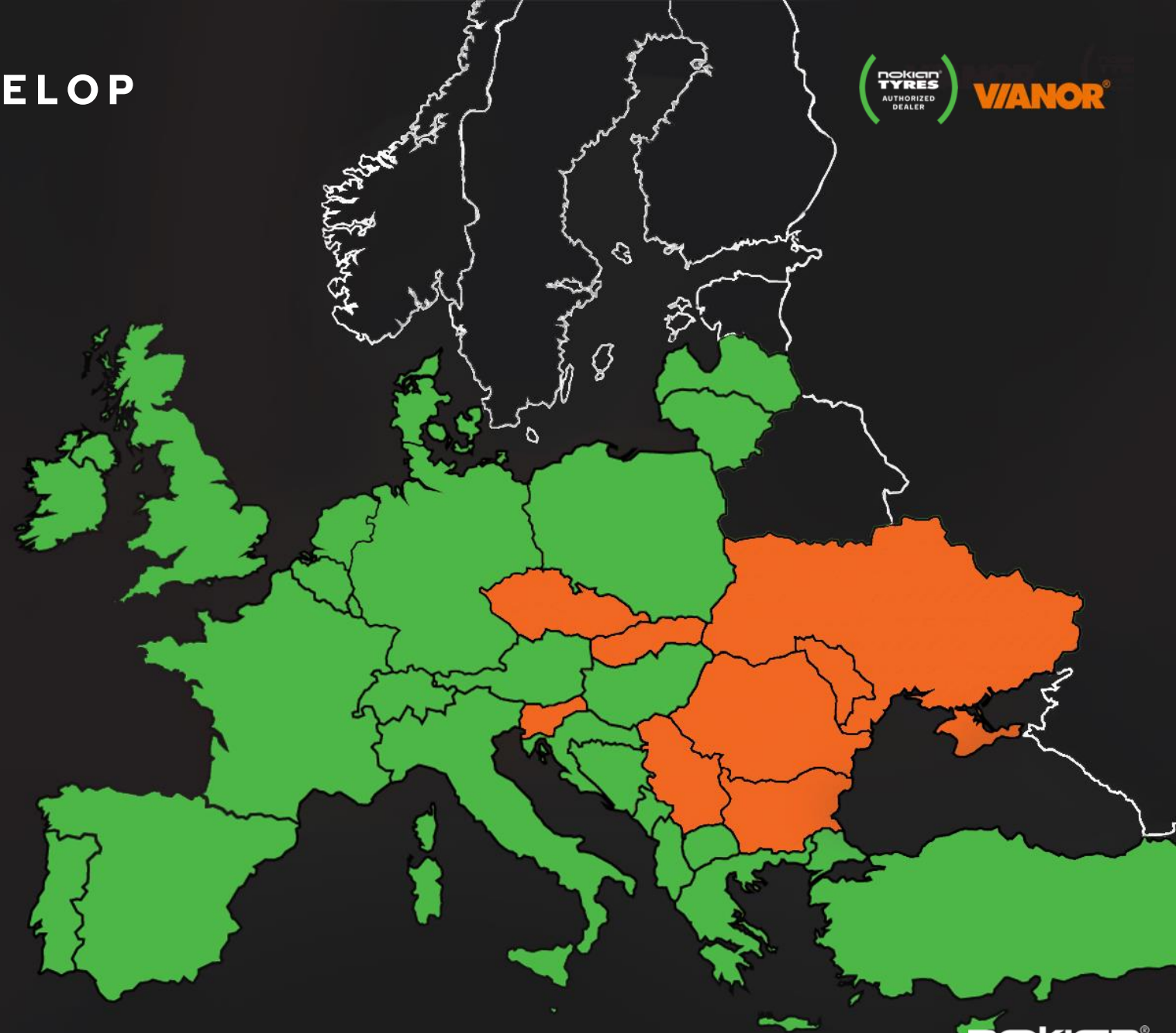
**23** Markets

**20%** Share of total CE sales

**402** Vianor service centers

**8** Markets

**7%** Share of total CE sales





# ACCELERATING HIGH VALUE CAPTURE – ON TRACK TO REACH 50% GROWTH



Changes in the CE tire market are driven by consumer trends with all-season tires, fleets, EVs and online as important and recognized opportunities for us



Our growth strategy since 2019 has delivered already significantly higher market share and value



We will accelerate growth by expanding our product portfolio, further implementing multichannel approach, piloting in the fleet business, improving our geographical presence and increasing investments into marketing and branded retail



We will strengthen our supply chain network to meet and exceed future industry service levels



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