



HEAVY TYRES

FOCUS ON PREMIUM SEGMENTS

– Grow by 50%

September 9, 2021

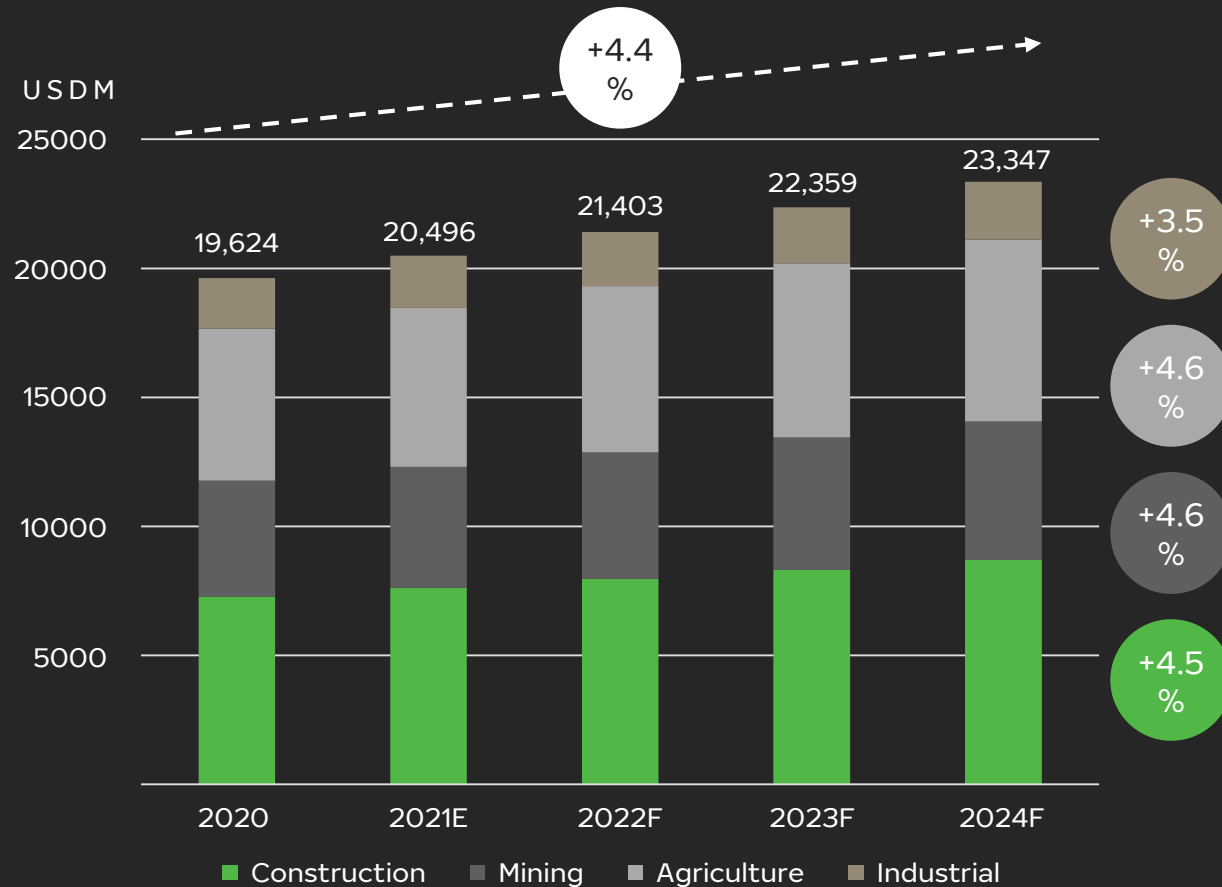
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EVP, NOKIAN HEAVY TYRES AND NOKIA FACTORY

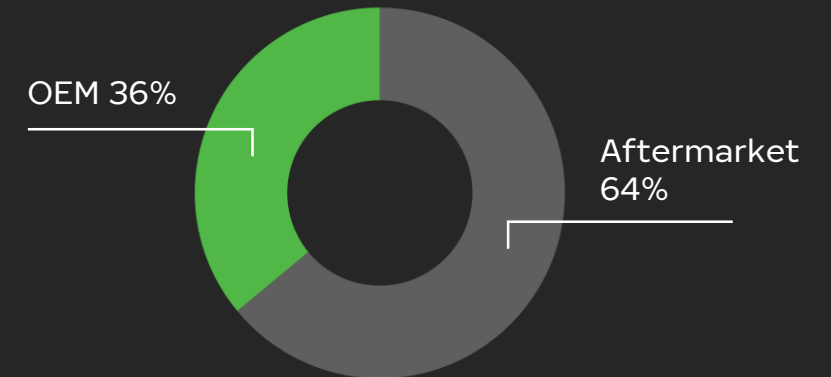
nokian[®]
TYRES

HEAVY TIRES IS A USD 20+BN MARKET WITH >4% CAGR 2020-2024

HEAVY-DUTY TIRES MARKET SIZE BY VEHICLE TYPE 2020-2024



HEAVY-DUTY TIRES MARKET: GLOBAL SHARE OF REVENUES BY CHANNEL, 2018



WE AIM TO GROW FASTER THAN MARKET, ~10% CAGR

Heavy Tyres' target: Grow by 50%

GROWTH DRIVERS

- 1 Strengthen distribution in Central Europe and North America – Increase aftermarket focus & sales team resourcing
- 2 Build capacity from 20 to 32Mkg by end 2023
- 3 Widen product portfolio by 50%
- 4 Develop digital capabilities

PROFITABILITY DRIVERS

- World leading productivity
- Premium price position through quality and service
- Nokian Heavy Tyres' lean leadership model
- Well managed opex

1 NEW DISTRIBUTION DRIVES REGIONAL GROWTH

NORTH AMERICA

- New distribution in Central, South and West
- New OEM customers, enhance local availability
- Increase activity in ports

CENTRAL EUROPE

- Strengthen distribution
- New OEM business
- Strong push in Agri

NORDICS

- Strengthen co-operation with Vianor
- New OEM business

EAST

- Grow in Forest aftermarket
- Push existing distribution in Truck & Bus Radial tires
- Regain position in Underground mining
- Increase activity in ports

REST OF THE WORLD

- Strengthen distribution

2 OVER 50% CAPACITY INCREASE AND STATE-OF-THE-ART MACHINERY ALLOW US TO MEET CUSTOMER DEMAND

➤ Capacity increase from 20 to 32Mkg by end 2023

➤ EUR ~70 million investment in production & R&D capabilities

➤ New R&D facilities: quality, efficiency, versatility

➤ World-class indoor testing capabilities

3 50% INCREASE IN OUR PRODUCT PORTFOLIO HELPS US ATTRACT A WIDER CUSTOMER BASE

FORESTRY



Harvesters
Forwarders
Skidder
Forestry tractors



GLOBAL #1

AGRICULTURAL & CONTRACTING



Tractors
Compact loaders
Backhoe loaders
Trailers



**GROWTH IN NEW
END-USES**

ON-ROAD



Trucks
Buses



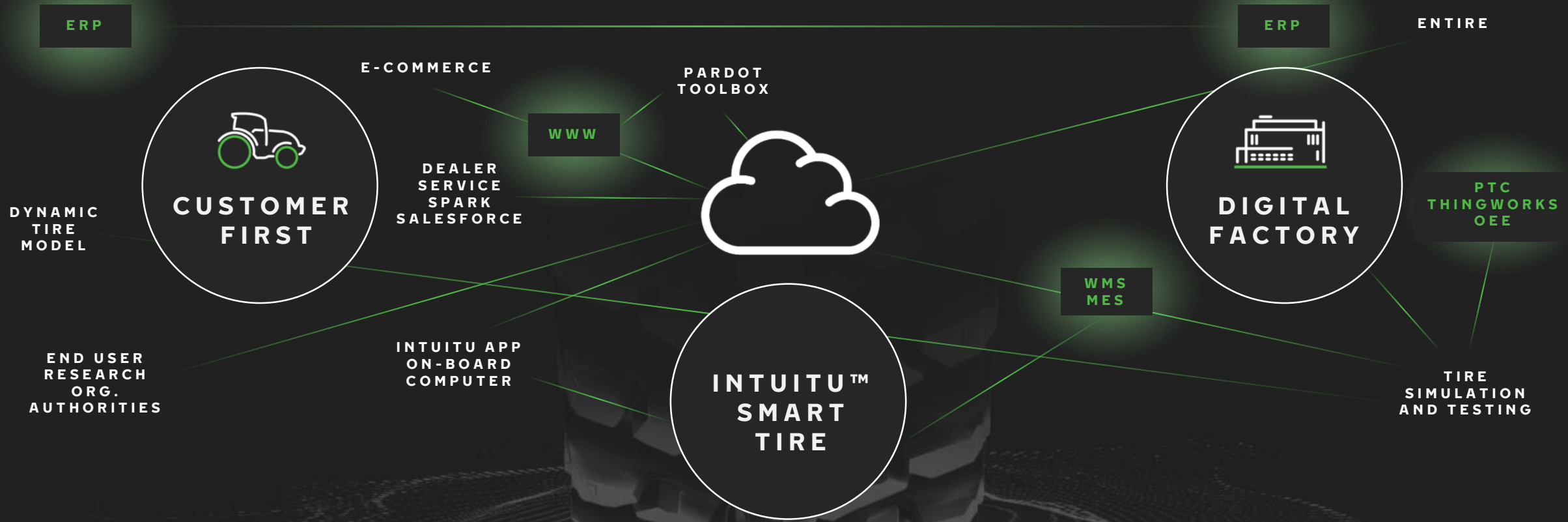
**EXPERT IN SPECIAL TIRES,
WIDER OFFERING,
GROWTH IN CENTRAL EUROPE**



3 CASE: NOKIAN GROUND KING

**COMBINING ALL-TERRAIN
MOBILITY AND ON-ROAD
PERFORMANCE**

4 WE HAVE AN AMBITIOUS VISION TO BE AN INDUSTRY LEADER IN DIGITALIZATION



MAXIMIZING SALES EFFICIENCY,
CUSTOMER SATISFACTION AND
COLLABORATION

IMPROVING PROFITABILITY,
MACHINE PRODUCTIVITY
AND SUSTAINABILITY

IMPROVING PRODUCTION
OPERATIONS MANAGEMENT,
DEVELOPMENT AND QUALITY

FOCUS ON PREMIUM SEGMENTS – GROW BY 50%

- STRENGTHENING **DISTRIBUTION** IN SELECTED AREAS
- INCREASING **CAPACITY** TO 32Mkg
- INCREASING **PRODUCT RANGE** BY 50%
- DEVELOPING **DIGITAL CAPABILITIES**

COMMITTED HAKKAPELIITTA TEAM



**nokian[®]
TYRES**