



DOUBLING OUR SALES IN NORTH AMERICA IN 5 YEARS

NOVEMBER 13, 2018

MARK EARL
SENIOR VICE PRESIDENT, AMERICAS

nokian[®]
TYRES

OUR AMBITION: DOUBLE OUR SALES IN NORTH AMERICA IN FIVE YEARS

STATUS TODAY

- After 30 years of market presence, a solid position in the Canadian winter tire market
- Premium winter tire brand known for superior technical performance
- Consumer segment valuing safety and sustainability

KEY INITIATIVES

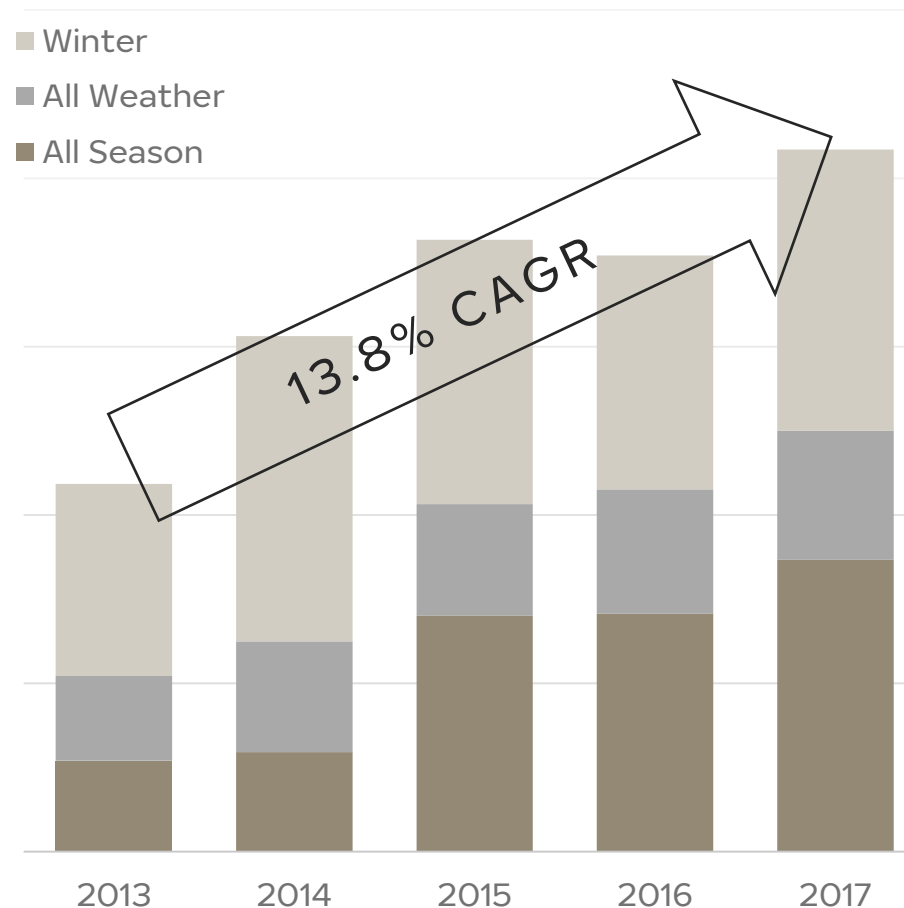
- Expanding our market-relevant product offering
- Extending the geographic footprint by partnering with key retailers/independent distributors in all season markets
- Starting in 2020, local manufacturing will improve our service throughout North America

North
America

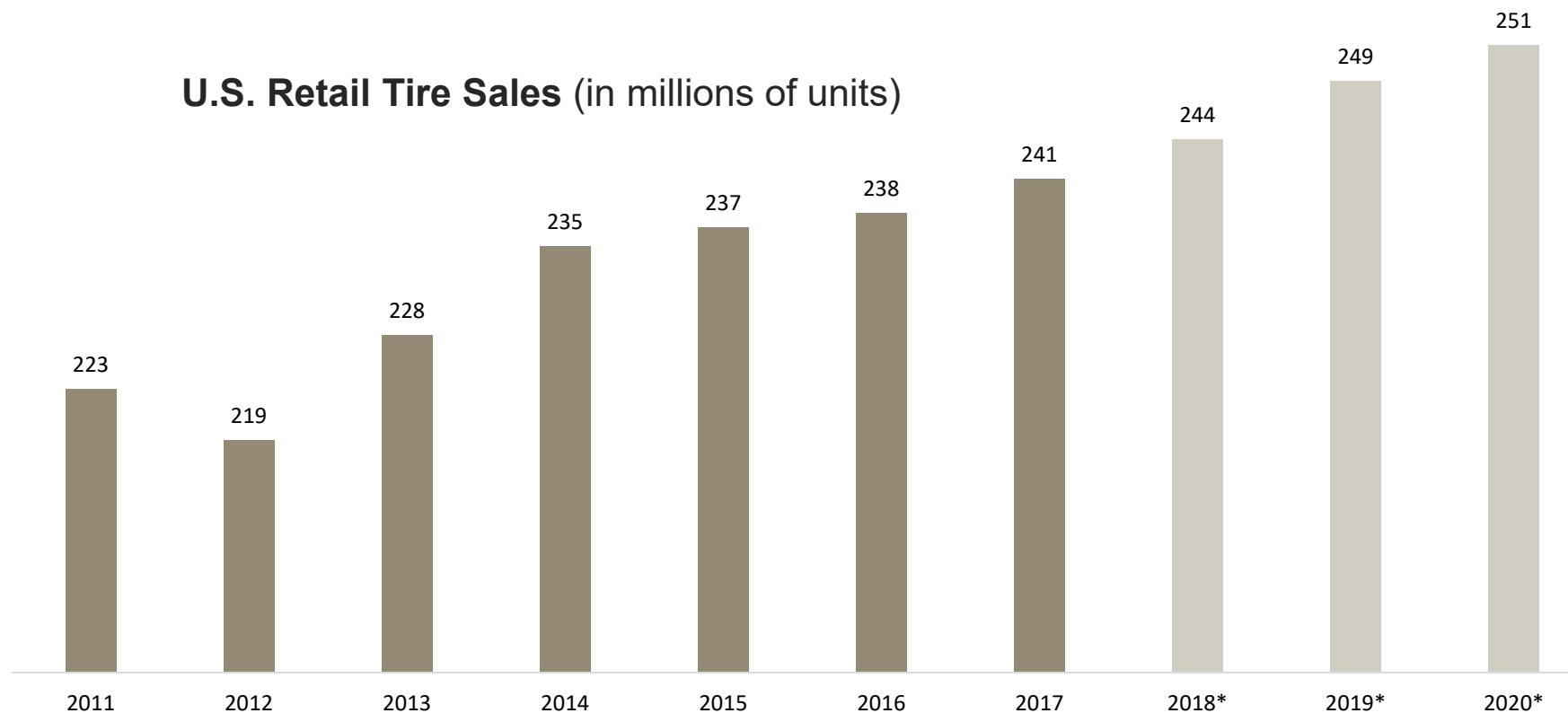
WE HAVE DOUBLED UNIT SALES OVER THE LAST 5 YEARS

Keys to Success

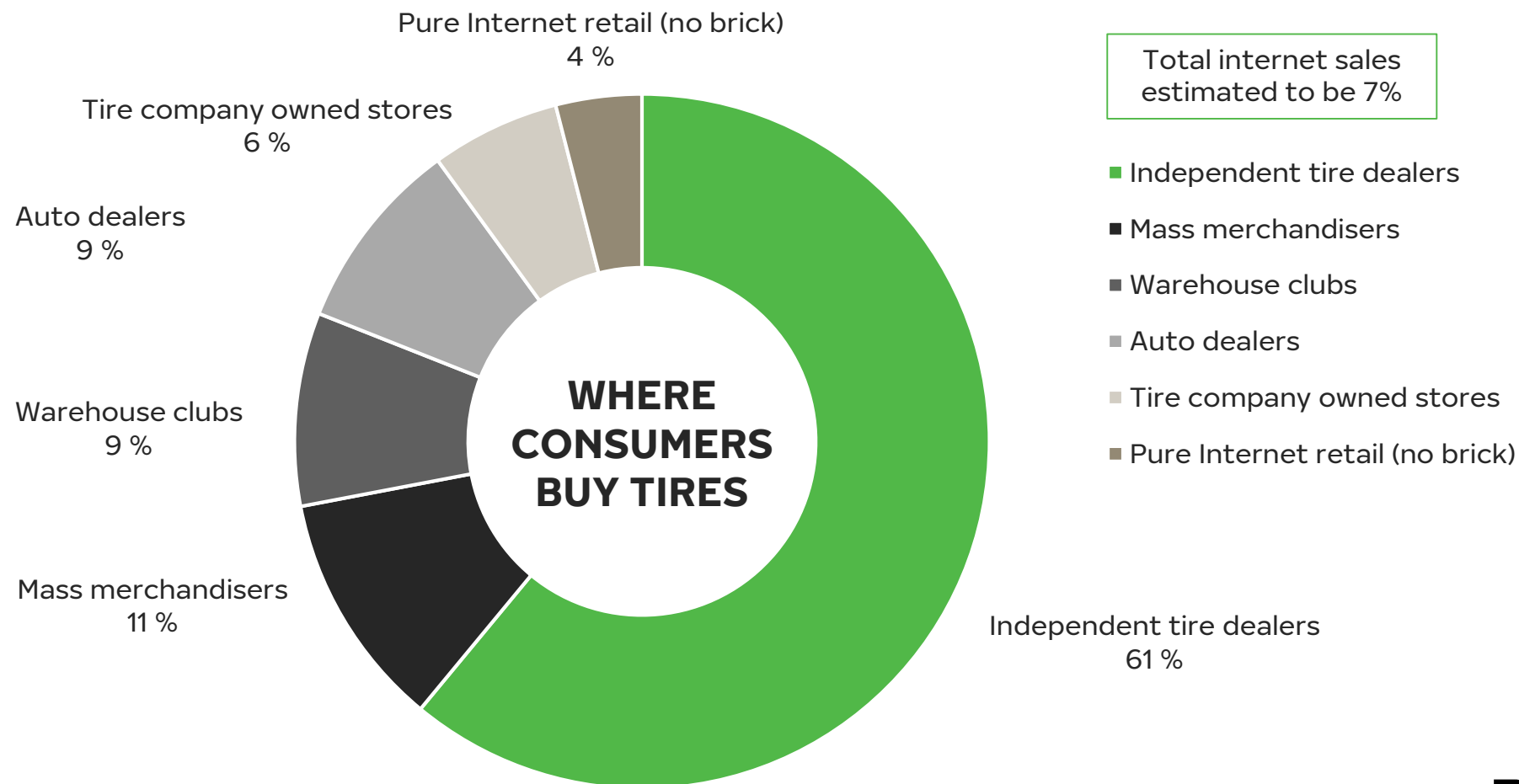
- **Premium product reputation** in Northern areas helped support geographic and product category expansion
- Worked to be the **preferred partner** for our key dealers – once we are “in”, we keep working to improve our position with each dealer
- Committed to **selective distribution** to maintain dealer profitability
- **Strong training seminars** ensure our partners have a story to tell consumers about Nokian Tyres



REPLACEMENT TIRE MARKET IS LARGE AND GROWING STEADILY

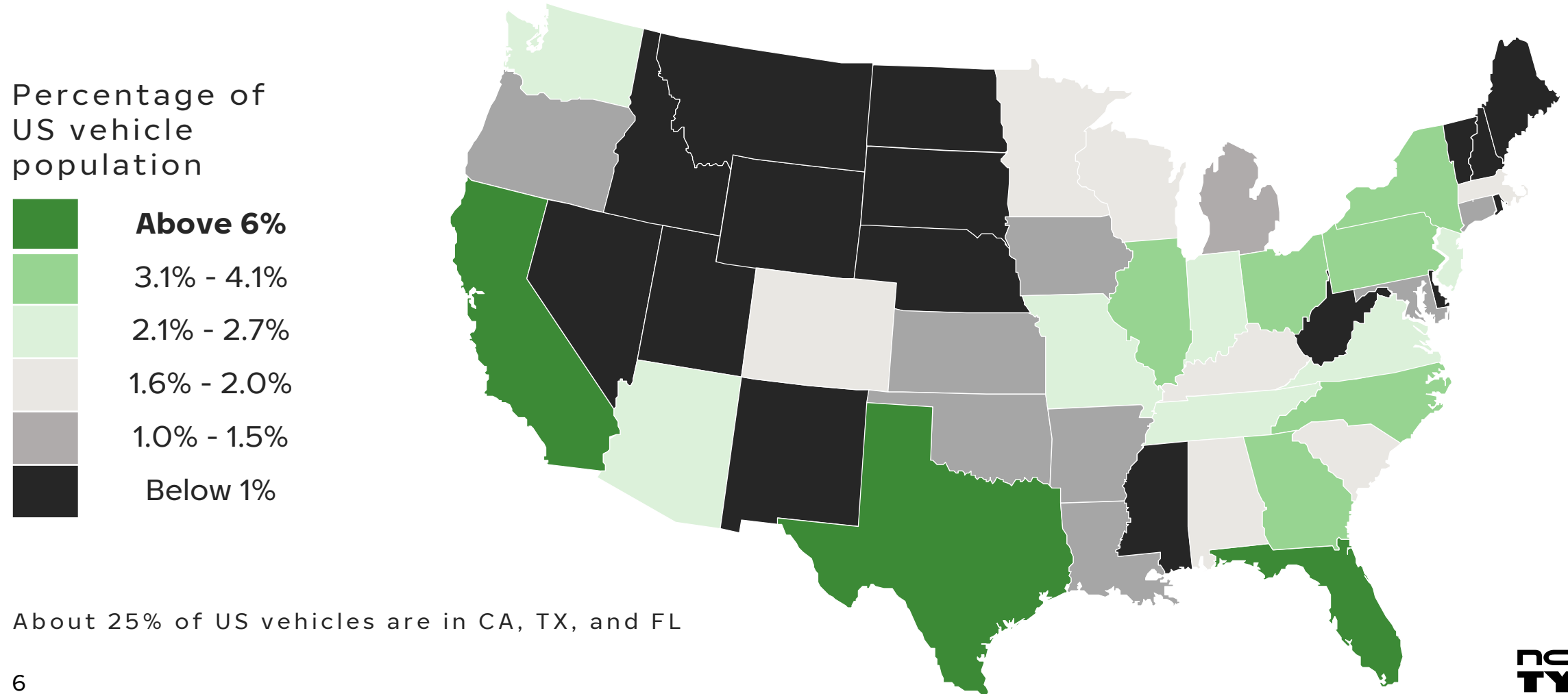


PARTNERING WITH INDEPENDENT TIRE DEALERS WILL HELP US WIN MARKET SHARE



MOST REPLACEMENT TIRE SALES ARE WHERE THE CARS AND PEOPLE ARE LOCATED...

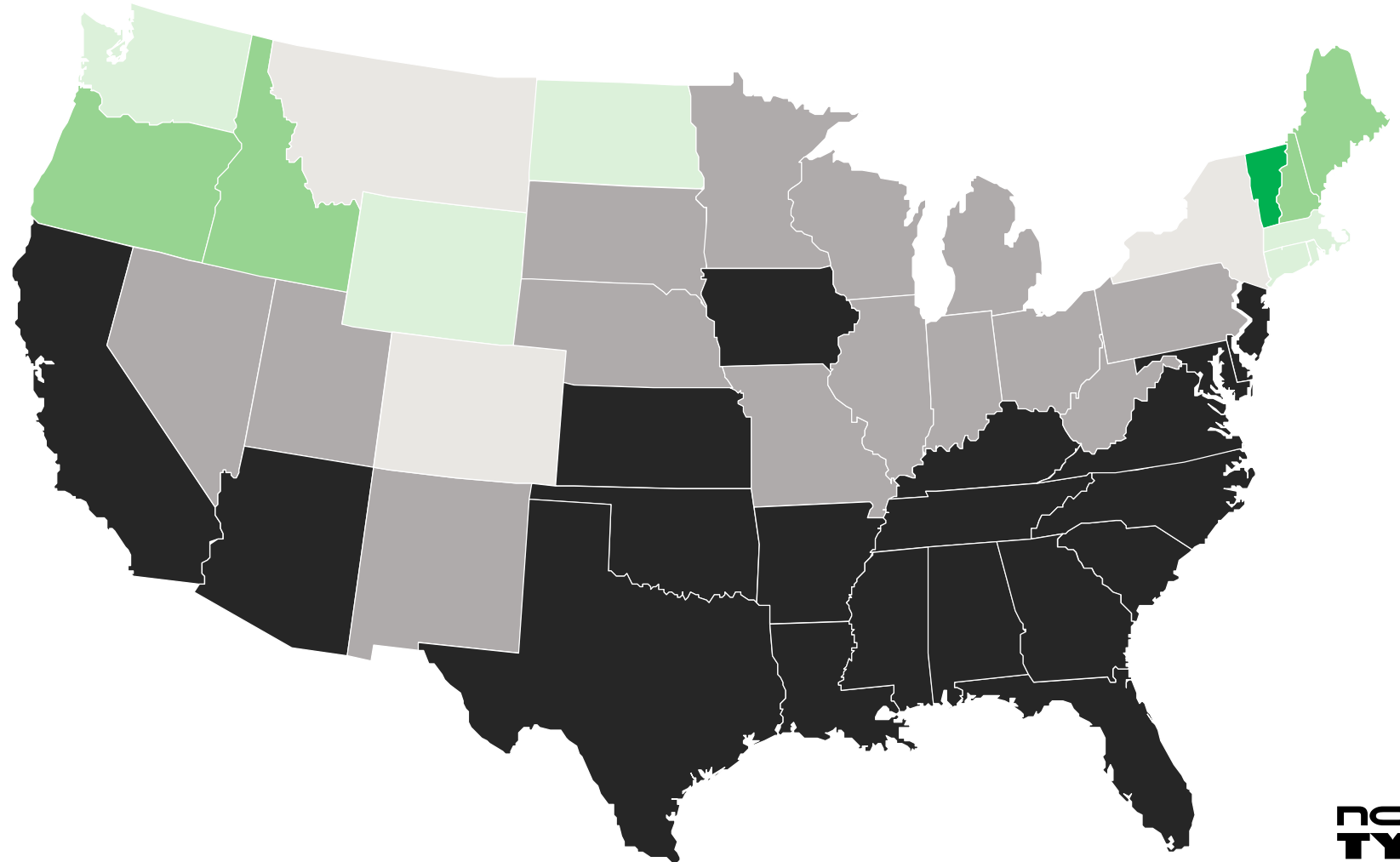
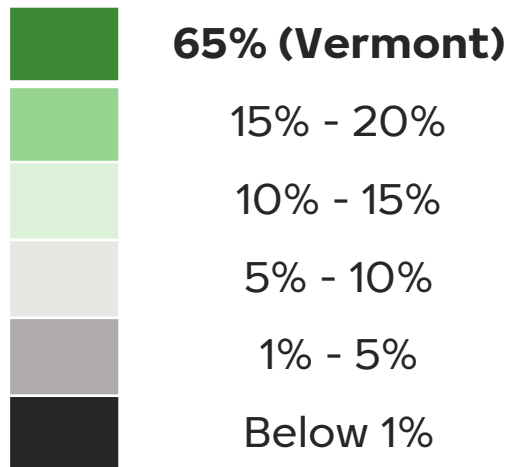
Follows the major population centers of the US



...BUT OUR COVERAGE IS PRIMARILY NOT WHERE THE CARS AND PEOPLE ARE

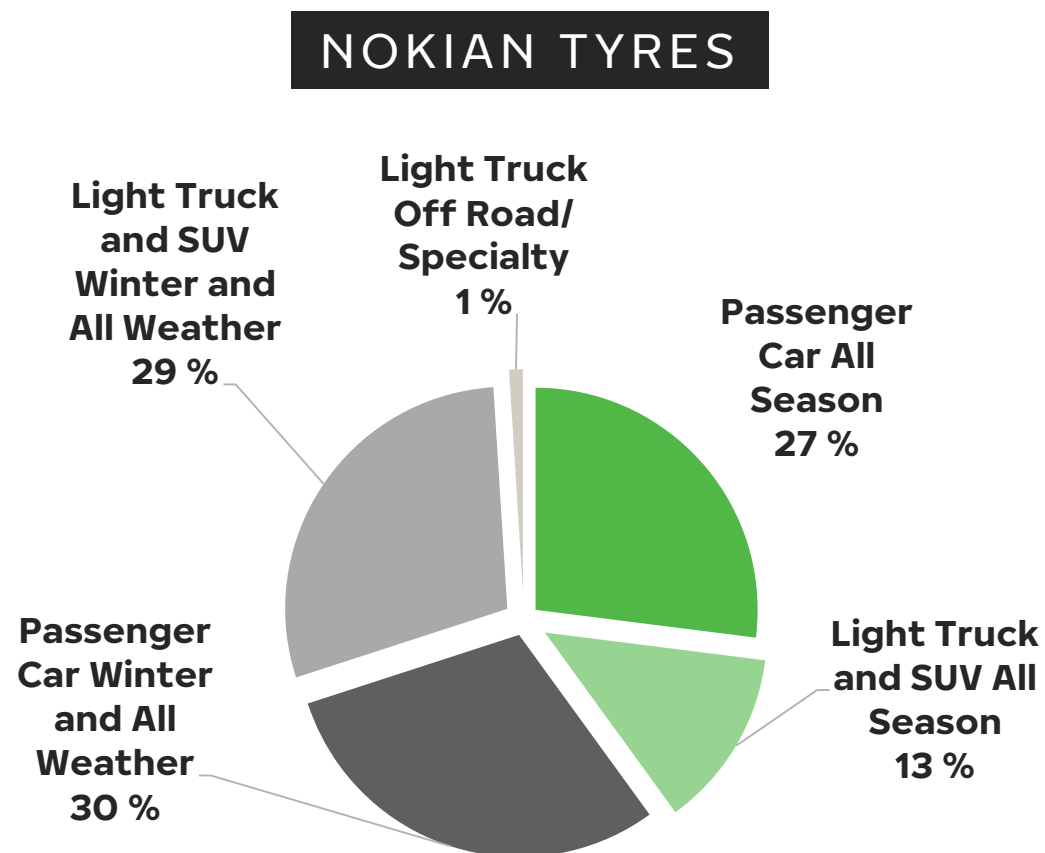
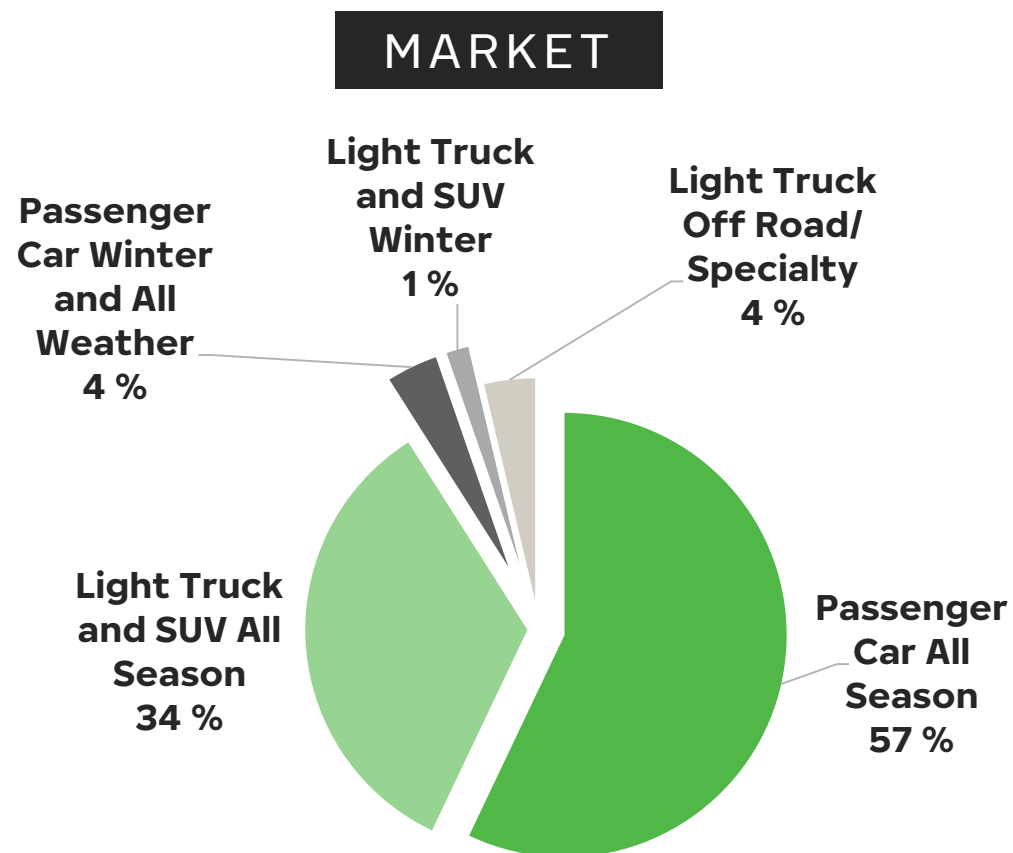
Currently primarily in winter tire markets

Percentage of
retail outlets that
stock Nokian Tyres



WE ARE STILL PRIMARILY A WINTER TIRE NICHE PLAYER, FUTURE GROWTH DRIVEN BY ALL SEASON

2017 Share by Tire Segment



MARKET OPPORTUNITIES HAVE FOCUSED OUR KEY INITIATIVES FOR THE NEXT 5 YEARS

Large, growing
replacement
market with a
significant
premium
segment

Many product
segments and
geographies
that we do not
yet compete

Growing share
with large
independent
tire dealers

Expanding
premium
product
offering

Building brand
recognition
with
consumers
who value
safety and
sustainability

Ramping
Dayton factory
to full
production
from 2020
to 2022



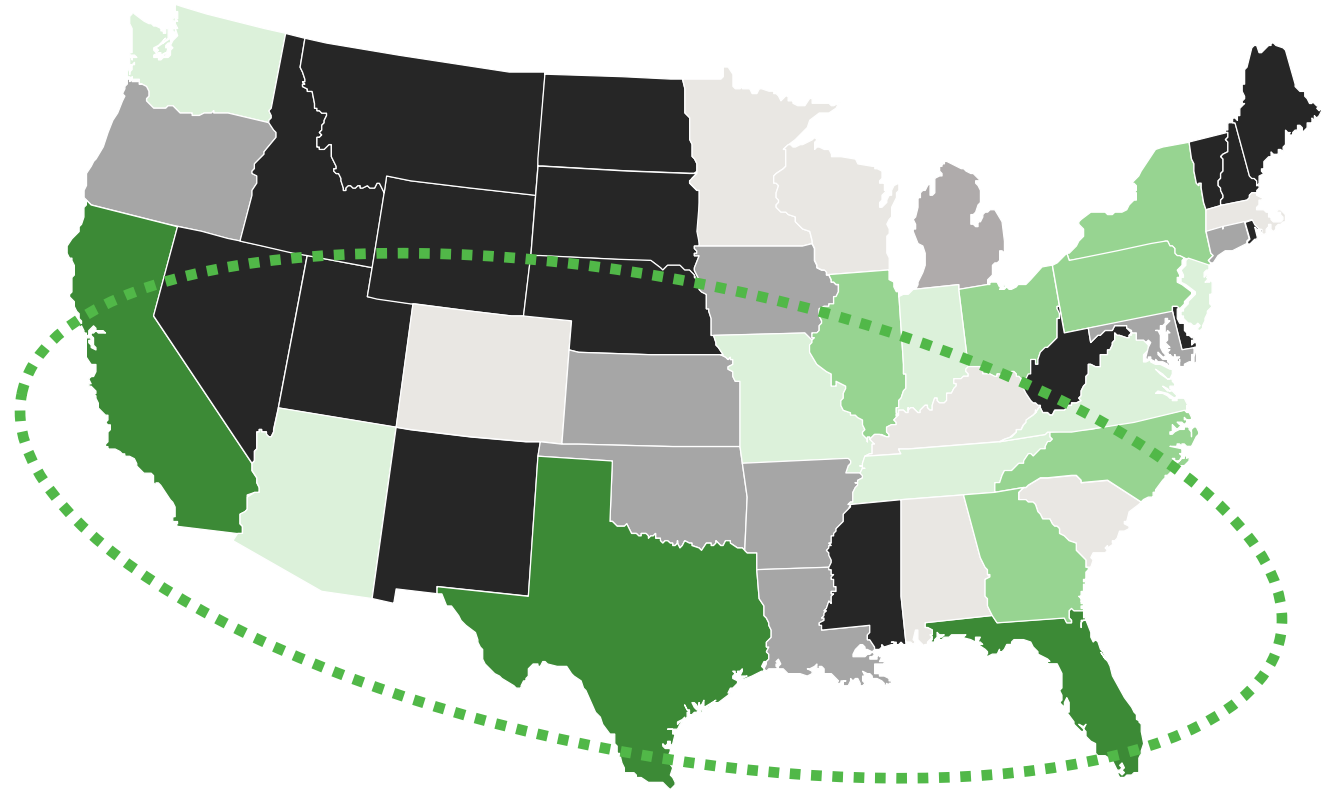
GROW SHARE WITH LARGE INDEPENDENT DEALERS: EXPAND OUR RETAIL FOOTPRINT AND IMPROVE SELL-OUT PROGRAMS

Add retail coverage among top 100 independent retail tire dealers especially in the US South

- Focus on dealer profitability
- Focus on selective distribution

Expand our NAD (Nokian Tyres Affiliated Dealer) program

- Create more counter-based incentives to drive sell-out
- Continue to expand our successful seminar educational programs



EXPAND PREMIUM OFFERING: ADD MORE PRODUCTS AND SIZES IN NON-WINTER TIRES



Add more sizes to our product offering

Especially need larger
sizes and premium car
sizes

Our tires need “American” names

Easier for consumers to
emotionally connect with

Easier for counter sales
associates to remember

Develop tires for local, profitable niches

Sport Truck

Heavy Duty Truck

BUILD BRAND RECOGNITION: INCREASE AWARENESS AMONG CONSUMERS WHO VALUE SAFETY AND SUSTAINABILITY

Refine messaging for brand and products

Help consumers understand
who we are and what we
stand for – a different tire
company

Focus promotion on targeted consumers and markets

Concerned with safety,
sustainability, and who
value premium products

Nokian Tyres should be an
aspirational purchase

Expand promotional sponsorships with premium partners

Expand with new
partnerships targeting non-
winter markets and
“lifestyle” consumers

RAMPING DAYTON FACTORY: ENSURE YEAR ROUND AVAILABILITY OF TIRES WITH SHORTER DELIVERY WINDOWS

**Current 120 – 180 day
lead time from our
factories to North
America is difficult to
manage**

Large inventories are
required at both our
warehouses and at our
customers' warehouses

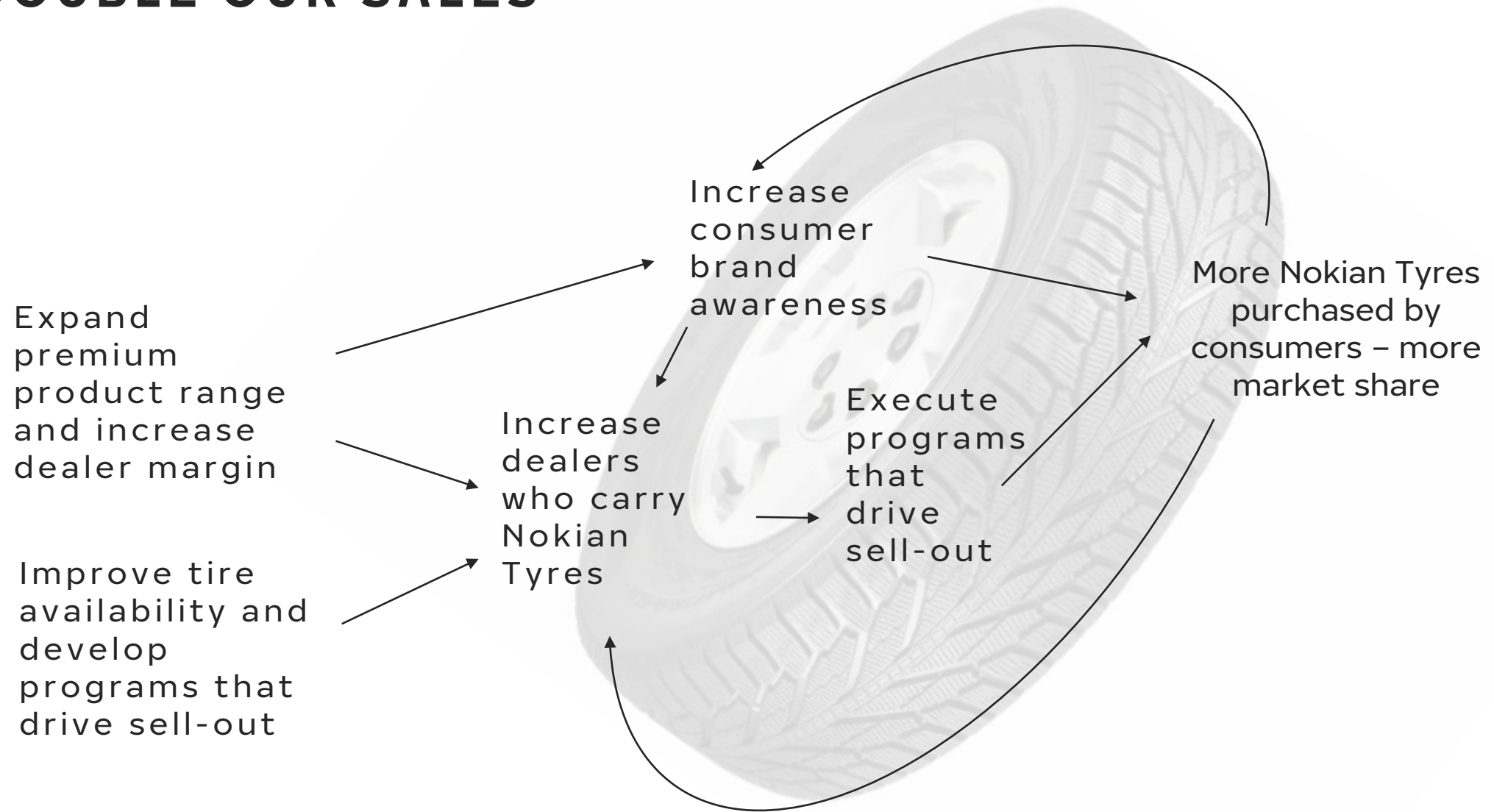
In-season winter tire
replenishment is difficult

**Dayton factory
completion by 2020
brings many advantages**

“Made in America” positive
in the US market

Local production and
frequent deliveries will open
up many new retail dealers

OUR KEY INITIATIVES WORK TOGETHER TO DOUBLE OUR SALES





DOUBLING OUR SALES IN NORTH AMERICA IN 5 YEARS

Strategic Initiatives:

- Grow share with large independent tire dealers
- Expand premium product offering
- Build brand recognition with consumers who value safety and sustainability
- Ramping Dayton factory to full production from 2020 to 2022

Measures of success by the end of 2023:

- North American total demand matching capacity of Phase 1 Dayton factory
- Triple US retail footprint (tire stores stocking/promoting Nokian Tyres)
- Improve average annual price realization each year (price and mix changes)
- Double consumer brand awareness for Nokian Tyres in US



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