



**STRONG VOLUME GROWTH IN ALL MARKETS,
DEMAND RECOVERING**

INTERIM REPORT JANUARY-MARCH 2021

MAY 4, 2021

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**nokian[®]
TYRES**

NET SALES AND OPERATING PROFIT INCREASED SIGNIFICANTLY

- **Net sales EUR 341.8 million (279.8), +28.5% with comparable currencies**
 - All-time high first quarter volume both in Passenger Car Tyres and Heavy Tyres
 - Demand recovering in all markets
 - Heavy Tyres reached an all-time high quarterly net sales and segment operating profit
- **Segments operating profit EUR 50.3 million (16.3)**
 - Driven by increased sales volume
 - EUR 10 million negative impact from currencies



CASH FLOW IMPROVED, CAPEX BELOW 2020

Balance sheet continues to be strong

EUR million	1-3/21	1-3/20	Change	CC* Change	2020
Net sales	341.8	279.8	22.1%	28.5%	1,313.8
Segments operating profit	50.3	16.3			190.2
Segments operating profit %	14.7%	5.8%			14.5%
Segments EPS, EUR	0.29	0.09			1.04
Segments ROCE, %**	10.6%	14.4%			9.3%
Equity ratio, %	66.8%	69.4%			65.3%
Cash flow from operating activities	-24.4	-38.9			422.4
Gearing, %	1.9%	7.3%			-1.1%
Interest-bearing net debt	30.9	120.9			-17.2
Capital expenditure	17.1	50.9			149.9

* Comparable currencies

** Rolling 12 months

Q1/2021: PASSENGER CAR TYRES

Strong volume growth led by Russia

	1-3/21	1-3/20	Change	CC* Change	2020
Net sales, M€	245.9	190.5	29.1%	38.5%	871.3
Segment operating profit, M€	52.8	25.8			177.8
Segment operating profit, %	21.5%	13.5%			20.4%

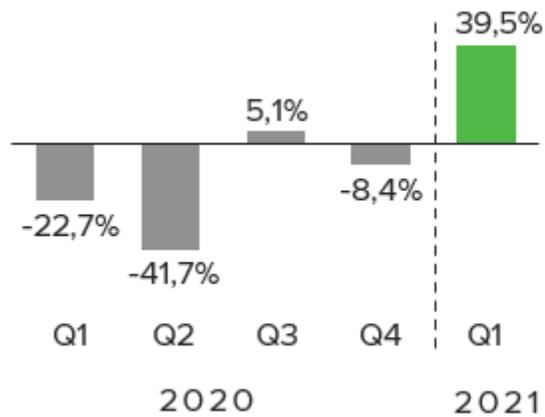
* Comparable currencies

- Net sales increased in all main markets. Strongest volume growth in Russia
- Average sales price declined: weak Russian ruble, higher share of Russian volume, strong summer and all-season tire sales
- Segment operating profit improved driven by increased sales volume
- Recruitments of additional production employees are in progress in the US and in Finland

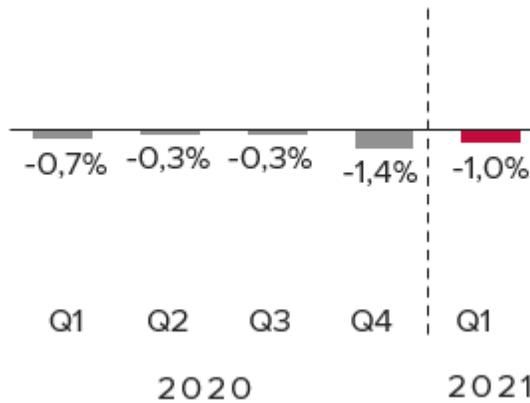
PASSENGER CAR TYRES NET SALES - QUARTERLY CHANGES

YoY Change %

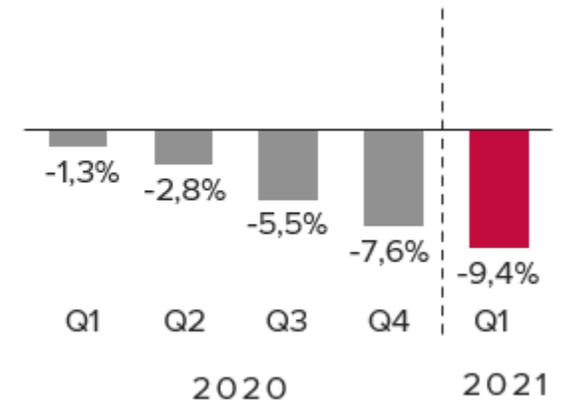
Sales volumes



Price / Mix



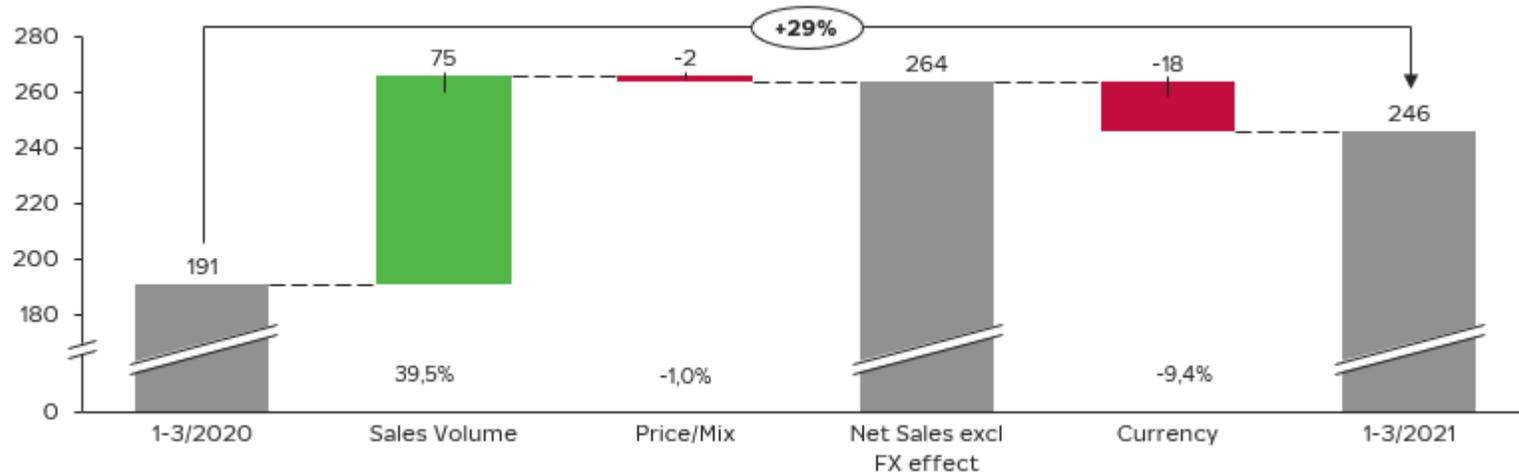
Currency



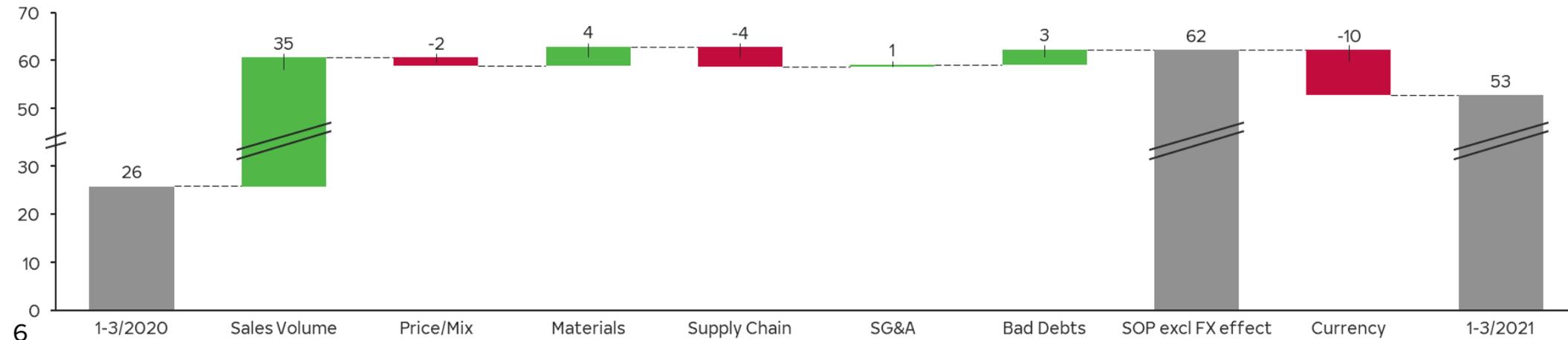
Q1/2021: PASSENGER CAR TYRES BRIDGE

Volume impact of EUR 35 million on segment operating profit

NET SALES, M€



SEGMENT OPERATING PROFIT, M€



Q1/2021: HEAVY TYRES

Net sales and segment operating profit at all-time high

	1-3/21	1-3/20	Change	CC* Change	2020
Net sales, M€	57.1	51.2	11.6%	13.0%	194.6
Segment operating profit, M€	12.6	8.2			23.7
Segment operating profit, %	22.0%	16.1%			12.2%

* Comparable currencies

- Net sales increased by 13.0% with comparable currencies driven by new product launches and customers' strong production levels
 - Demand was particularly strong for agricultural, mining and truck tires
- Segment operating profit improved due to higher sales volume and improved productivity supported by investments in capacity and production automation
- Inventories are at a low level

Q1/2021: VIANOR

Good performance in a seasonally low quarter

	1-3/21	1-3/20	Change	CC* Change	2020
Net sales, M€	58.1	54.4	6.8%	4.2%	318.1
Segment operating profit, M€	-9.8	-12.4			4.0
Segment operating profit, %	-16.9%	-22.8%			1.3%
Number of own service centers at period end	173	186			174

* Comparable currencies

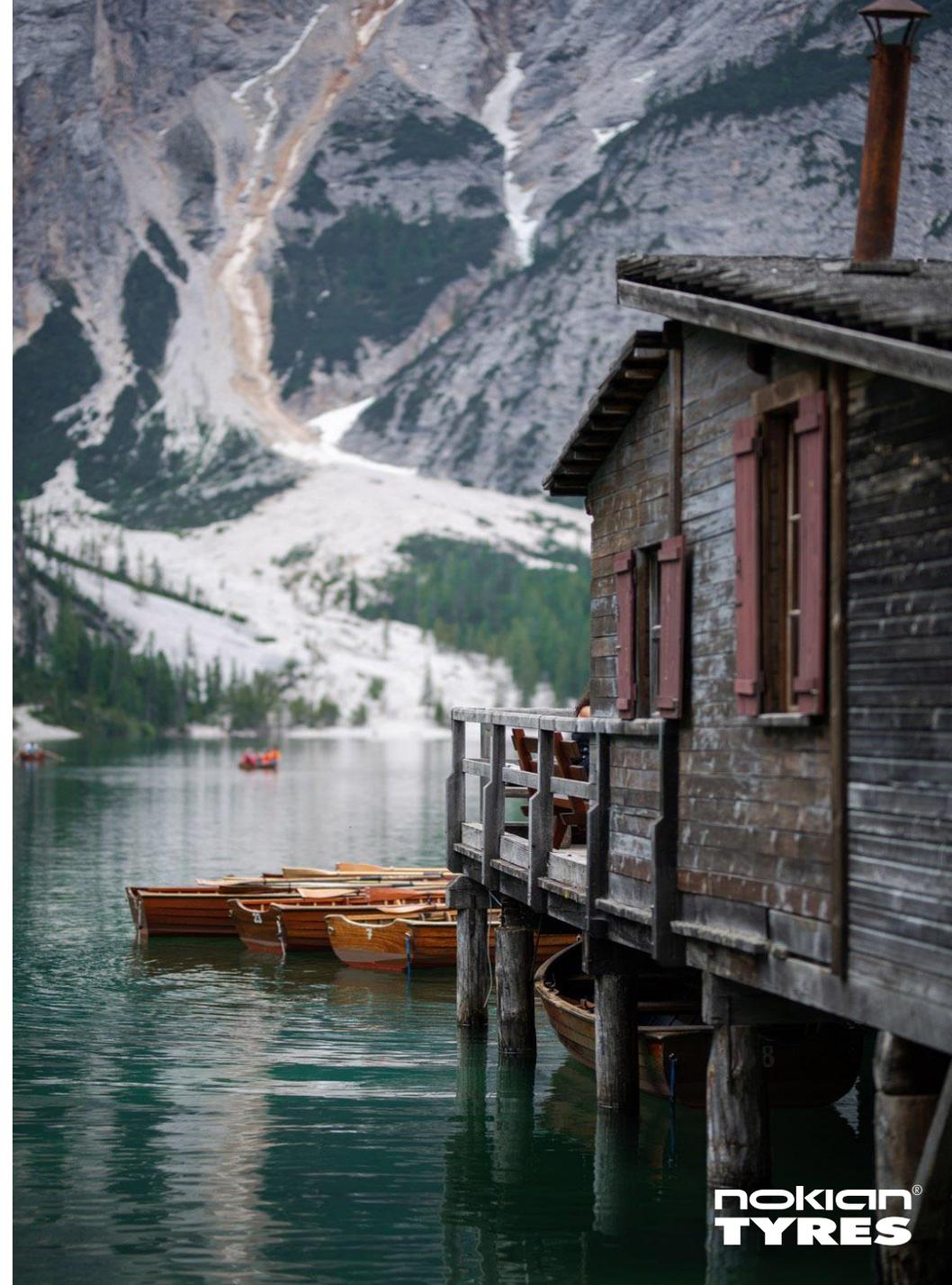
- Net sales increased by 4.2% with comparable currencies driven by recovering demand in all operating countries
 - Excluding Vianor US, which was divested in August 2020, net sales with comparable currencies grew by 7.7%
- Segment operating profit improved mainly due to strict cost control

2021 WE FOCUS ON
GROWTH AND CASH FLOW

OUR PRIORITIES FOR THE COMING QUARTERS

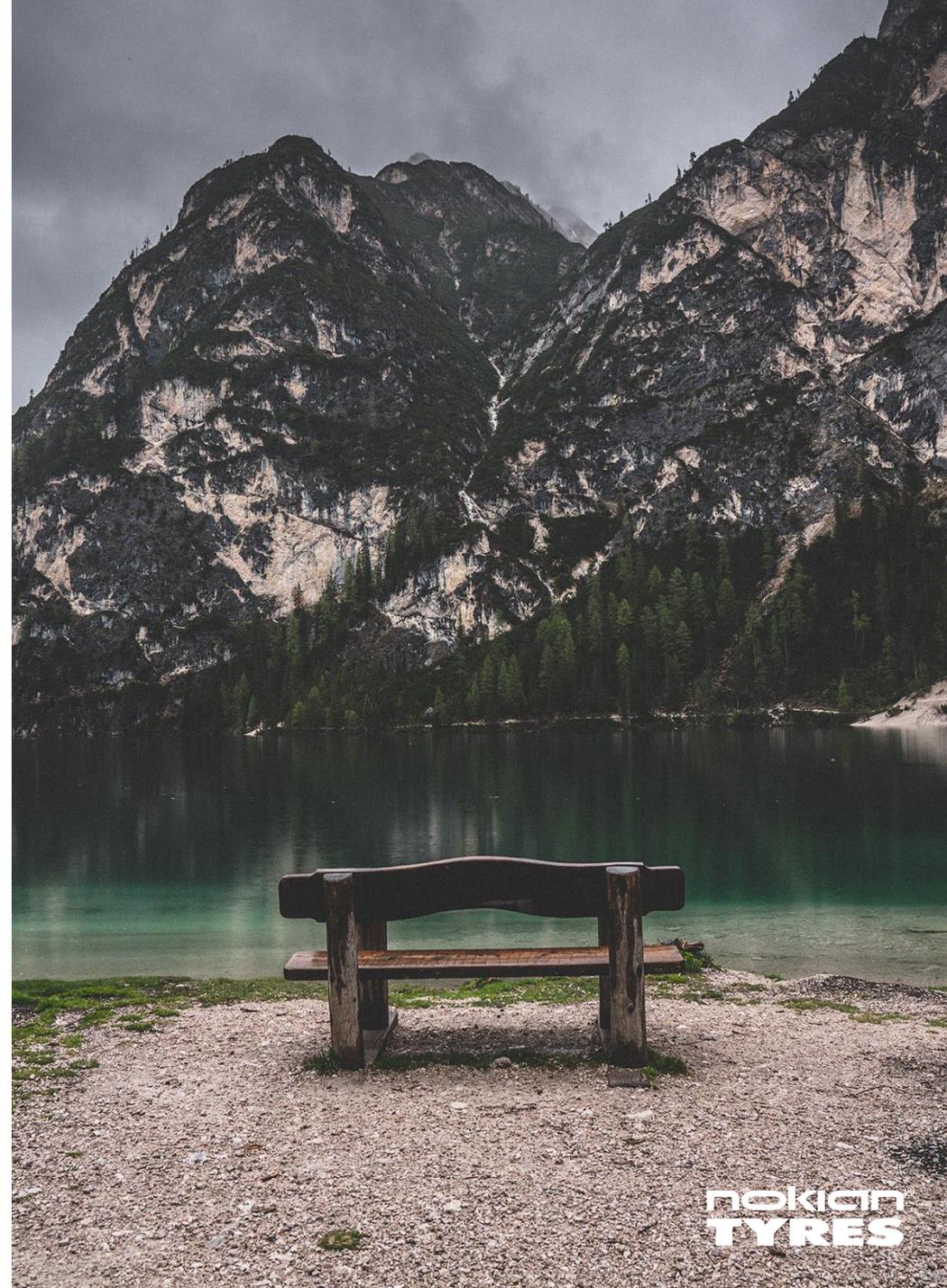
Growth and cash flow

- **Driving growth** through new product launches and continuous improvements in go-to-market activities
 - **Protecting cash flow** by prioritizing investments, capex expected to be lower than 2020
- **With a valued brand, strong expertise and enhanced production capacity, we are well positioned to develop our business further**



ASSUMPTIONS FOR 2021

- Demand for **replacement car tires** expected to increase, driven by stronger demand and increasing new car sales
- Demand for **Nokian Heavy Tyres' core products** estimated to increase
- Uncertainties due to **COVID-19 pandemic and Russian ruble**
 - Average EUR/RUB: 72.5 in 2019, 82.7 in 2020, 90.6 in January 2021, 89.7 in January–March 2021
- **Raw material unit costs** estimated to increase, significant impact expected in H2



GUIDANCE FOR 2021 - UNCHANGED

In 2021, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly.

The global car and tire demand is expected to pick up, but the COVID-19 pandemic continues to cause uncertainties for the development.



A wide-angle photograph of a calm lake at dusk. The sky is a soft, pale orange and blue. The water is still, reflecting the sky and the surrounding landscape. In the foreground, several clumps of tall, green reeds stand in the shallow water. The background shows a dark, silhouetted forest along the shoreline.

THANK YOU!

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TYRES

APPENDIX



CAR AND TIRE MARKETS IN Q1/2021

The Nordic countries		Russia		Europe (excl. the Nordic countries)		North America	
 New car sales	+21%	 New car sales	-3%	 New car sales	0%	 New car sales	+12%
 Car tire sell-in	-2%	 Car tire sell-in	+23%	 Car tire sell-in	+12%	 Car tire sell-in	+14%
 Heavy tire segments*	➔	 Heavy tire segments*	➔	 Heavy tire segments*	➔	 Heavy tire segments*	➔

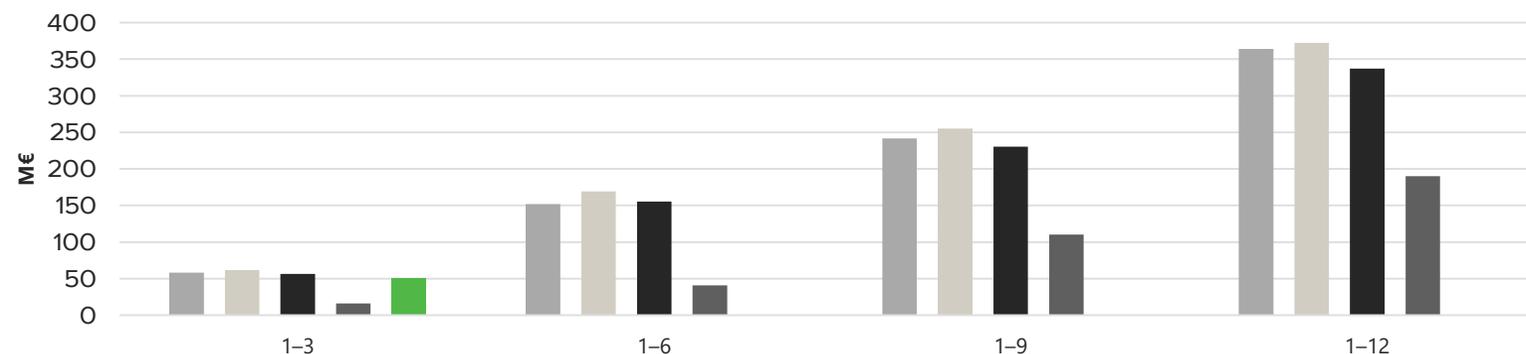
* Nokian Tyres' core product segments

GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2017–Q1/2021*

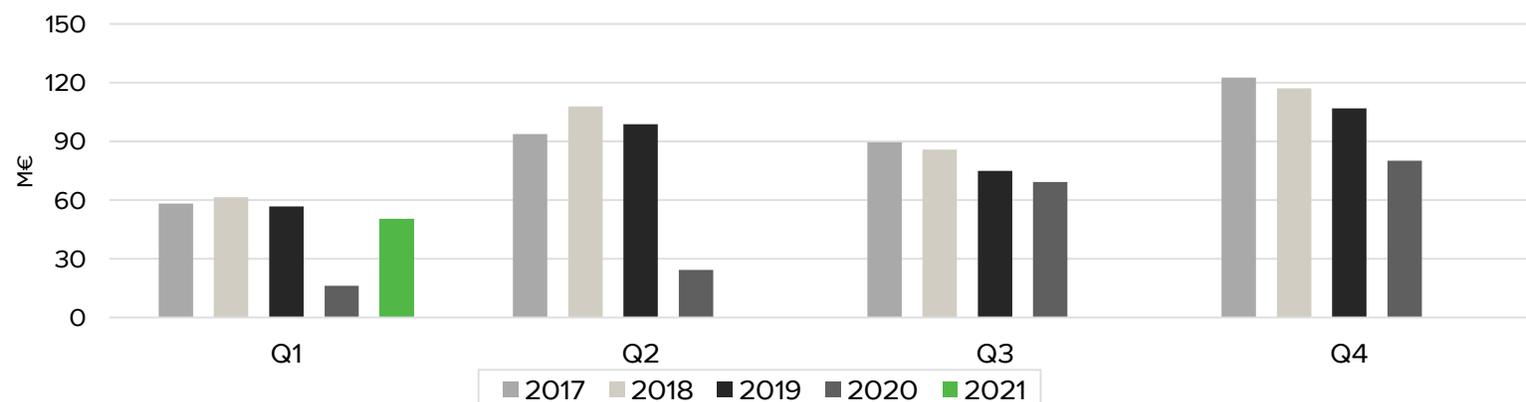
Q1/2021

- Net sales 341.8 M€ (279.8), 22.1%
- Segments operating profit 50.3 M€ (16.3)

CUMULATIVE SEGMENTS OPERATING PROFIT PER REVIEW PERIOD



SEGMENTS OPERATING PROFIT PER QUARTER



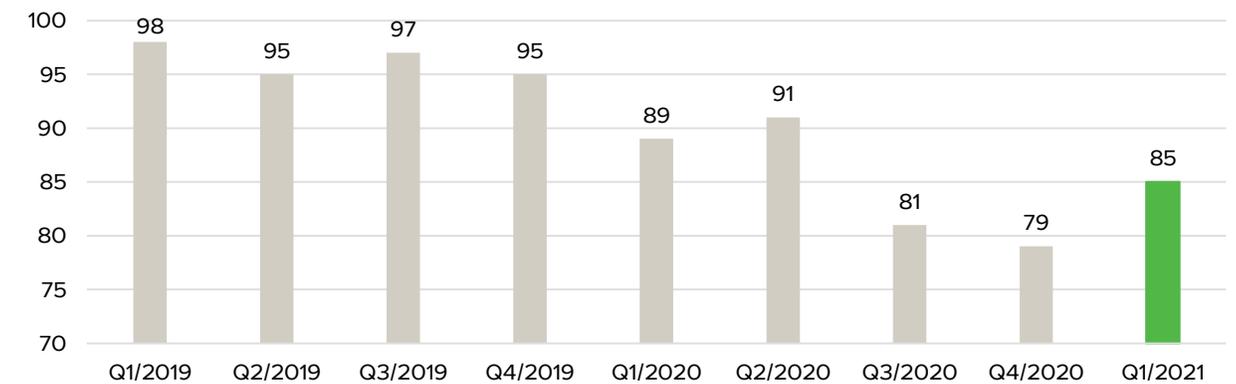
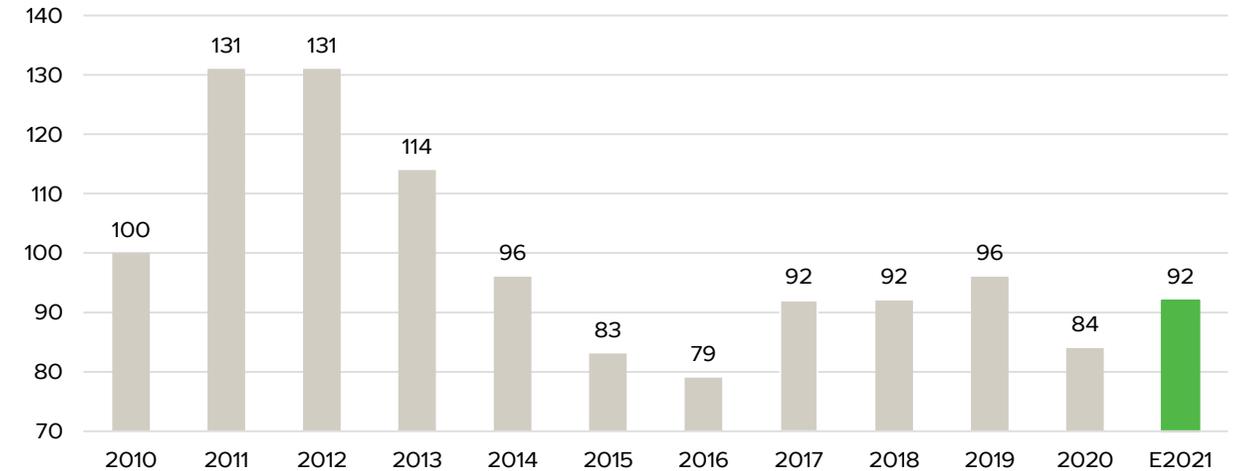
MATERIAL COST DEVELOPMENT

Increased in Q1/2021

MATERIAL COSTS (€/KG)

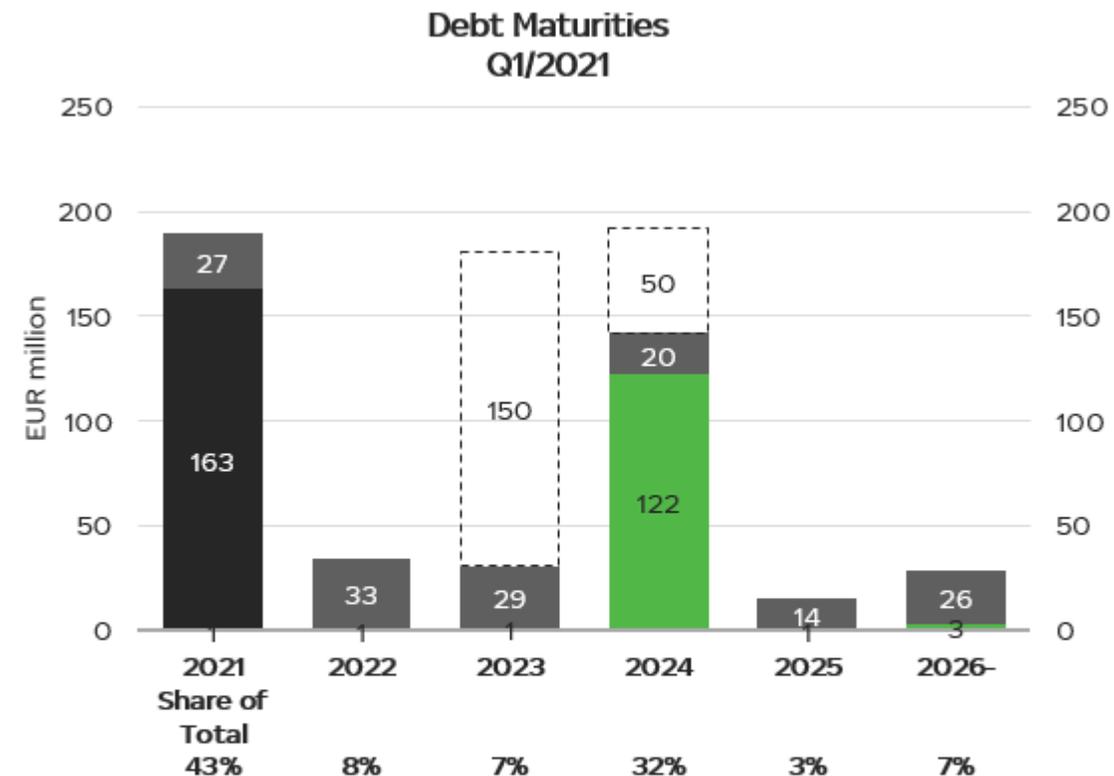
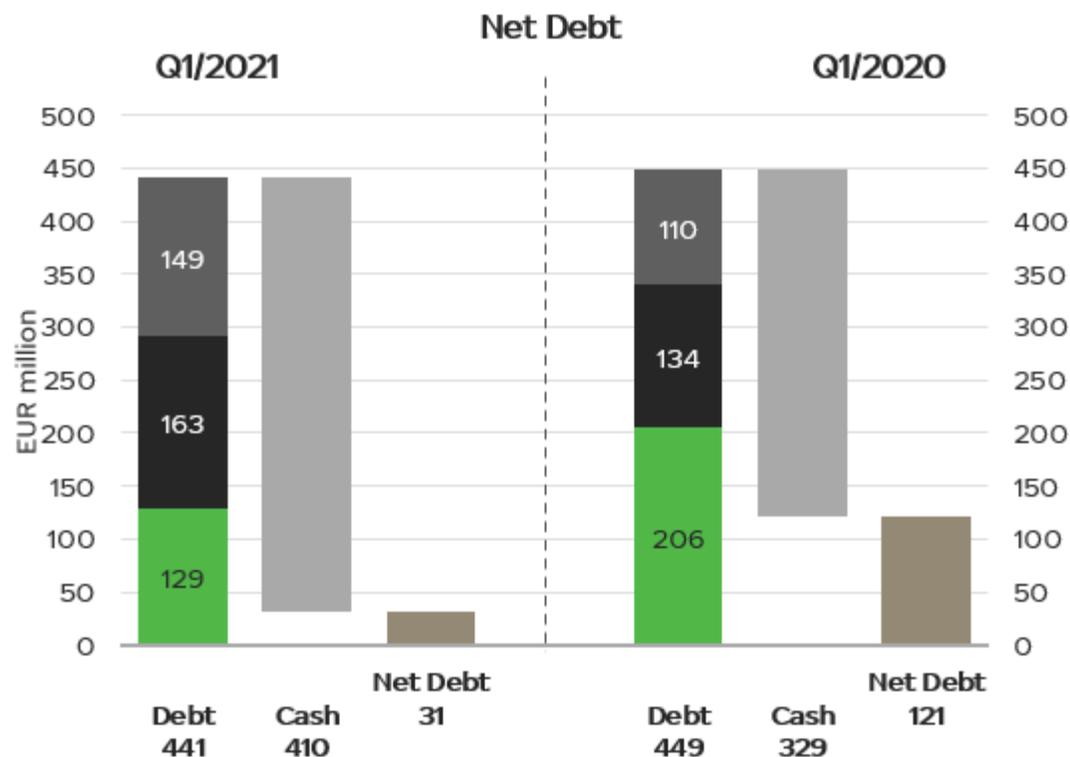
- Increased by 0.8% in Q1/2021 vs. 2020
- Decreased by 4.5% in Q1/2021 vs. Q1/2020
- Increased by 7.2% in Q1/2021 vs. Q4/2020

MATERIAL COST DEVELOPMENT INDEX 2010-E2021



Incl. raw and other materials in reported currencies

NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q1/2021	Q1/2020
Cash	410	329
Committed undrawn credit facilities	205	280
Total	616	609

☐ Committed Credit Facilities | Undrawn (Major)

■ Leases | IFRS 16

■ Commercial Papers

■ Loans

NETWORK DEVELOPMENT

Vianor, NAD, N-Tyre; +54 stores in Q1/2021

VIANOR – 1,098 SERVICE CENTERS IN 17 COUNTRIES

173 own stores and 925 partners

Own -1, partner -18 vs. year-end 2020

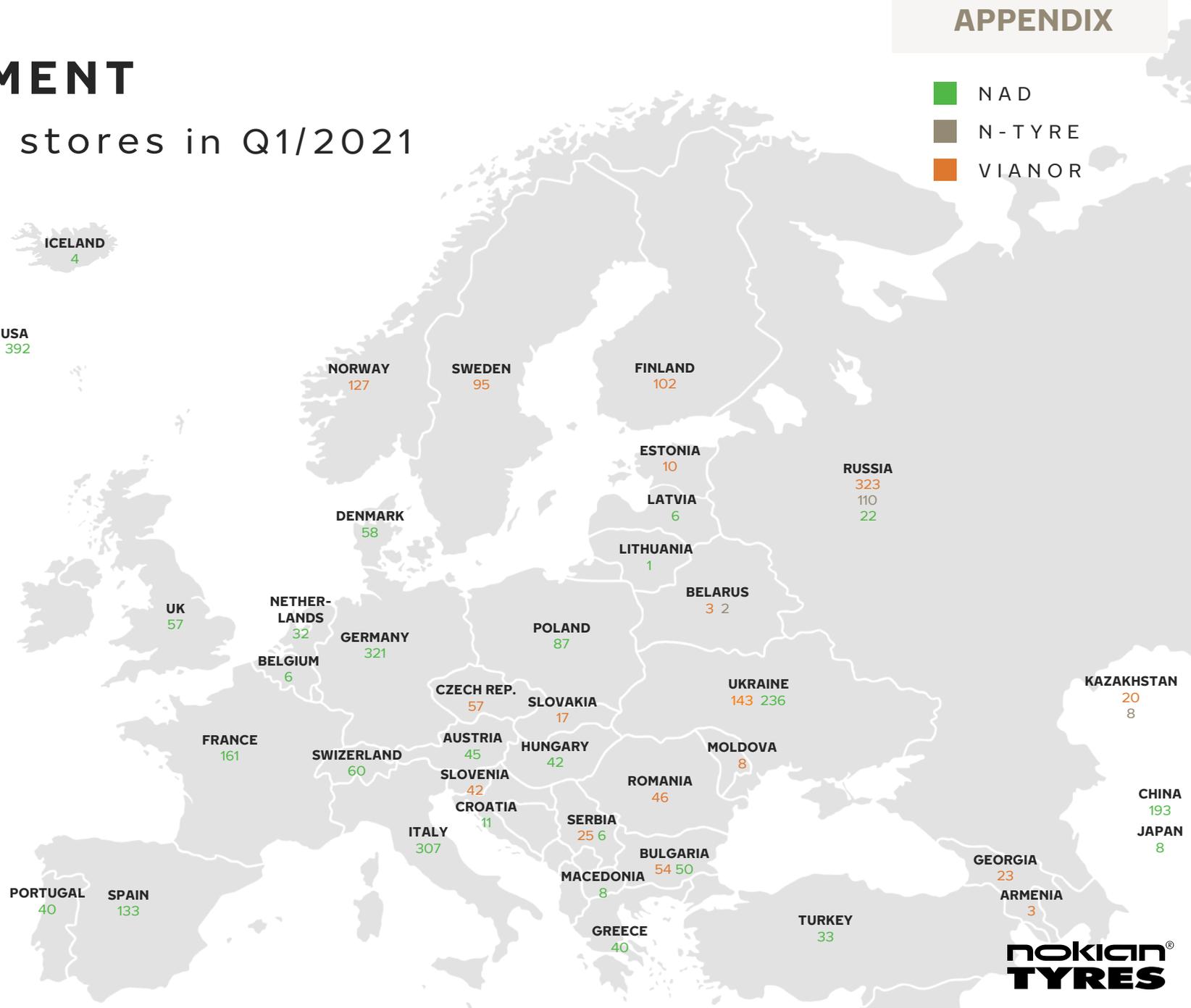
- Largest tire chain in the Nordic countries: 324 service centers (-2 vs. year-end 2020)
- Largest tire chain in Russia and CIS: 372 service centers (-7 vs. year-end 2020)
- Central Europe: 402 service centers (-10 vs. year-end 2020)

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,359 STORES

- In 24 European countries, USA, China and Japan
- +77 stores vs. year-end 2020

N-TYRE – 120 STORES

- In Russia, Kazakhstan and Belarus
- -4 stores vs. year-end 2020





IT'S A BEAUTIFUL JOURNEY

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