

A silver SUV is parked on a gravel road. The car is on the right side of the frame, with its front wheel and headlight visible. The background features a row of green trees under a blue sky with some clouds. A semi-transparent white banner is overlaid across the middle of the image.

STRONG VOLUME AND PROFIT GROWTH

HALF YEAR FINANCIAL REPORT JANUARY-JUNE 2021

AUGUST 3, 2021

JUKKA MOISIO - CEO
TEEMU KANGAS-KÄRKI - CFO

nokian
TYRES

Q2 NET SALES AND OPERATING PROFIT INCREASED SIGNIFICANTLY

- **Net sales EUR 416.2 million (270.7), +54.8% with comparable currencies**
 - Strong demand continued in all markets
 - All business units and business areas contributed to the growth
- **Segments operating profit EUR 89.6 million (24.4)**
 - Driven by increased sales volume
 - EUR 5 million negative impact from currencies



Q2 CASH FLOW POSITIVE DESPITE INCREASING WORKING CAPITAL, CAPEX BELOW 2020 LEVEL

EUR million	4-6 /21	4-6 /20	Change	CC* Change	1-6 /21	1-6 /20	Change	CC* Change	2020
Net sales	416.2	270.7	53.7%	54.8%	758.0	550.5	37.7%	41.5%	1,313.8
Segments operating profit	89.6	24.4			139.9	40.8			190.2
Segments operating profit %	21.5%	9.0%			18.5%	7.4%			14.5%
Segments EPS, EUR	0.51	0.09			0.80	0.16			1.04
Segments ROCE, %**					13.9%	10.6%			9.3%
Equity ratio, %					66.1%	63.3%			65.3%
Cash flow from operating activities	9.3	25.3			-15.1	-13.6			422.4
Gearing, %					9.4%	16.3%			-1.1%
Interest-bearing net debt					140.0	254.1			-17.2
Capital expenditure	23.4	36.6			39.3	87.5			149.9

* Comparable currencies

** Rolling 12 months

Q2: PASSENGER CAR TYRES

Strong volume growth led by Russia

	4-6 /21	4-6 /20	Change	CC* Change	1-6 /21	1-6 /20	Change	CC* Change	2020
Net sales, M€	279.9	163.9	70.8%	74.9%	525.8	354.4	48.4%	55.3%	871.3
Segment operating profit, M€	70.6	13.6			123.4	39.5			177.8
Segment operating profit, %	25.2%	8.3%			23.5%	11.1%			20.4%

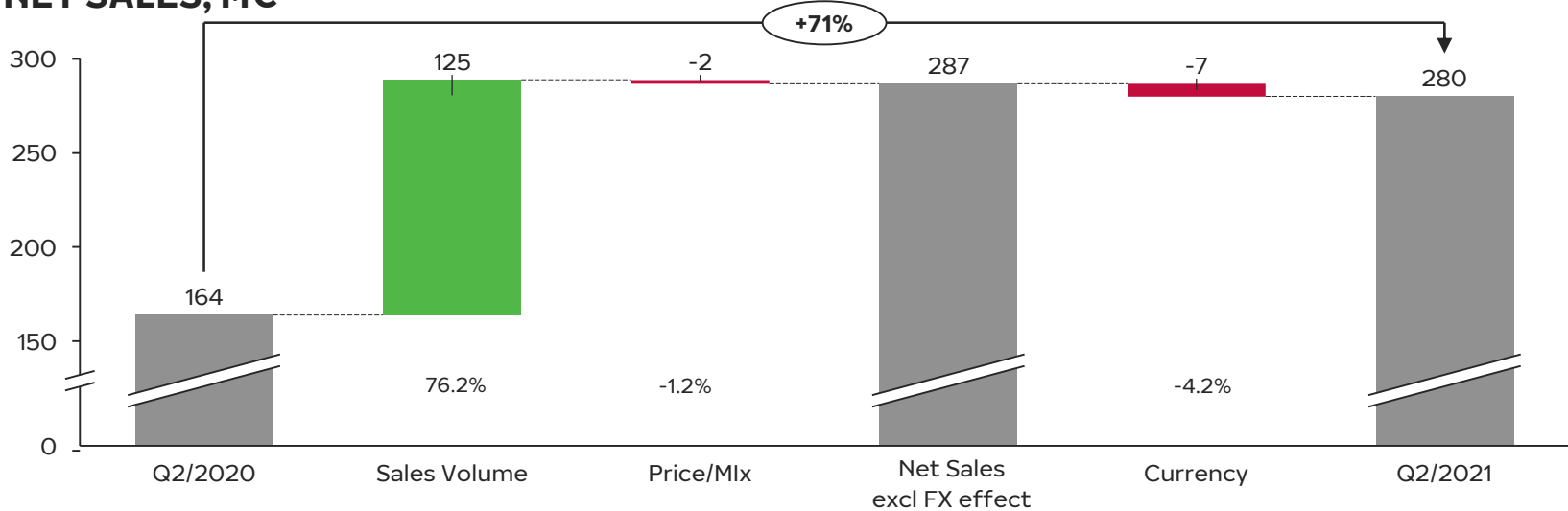
* Comparable currencies

- Net sales increased in all main markets
- Average Sales Price decreased due to increased share of Russian volume
- Segment operating profit increased driven by sales volume
- In the US and Finnish factories, additional shifts have been added to increase production

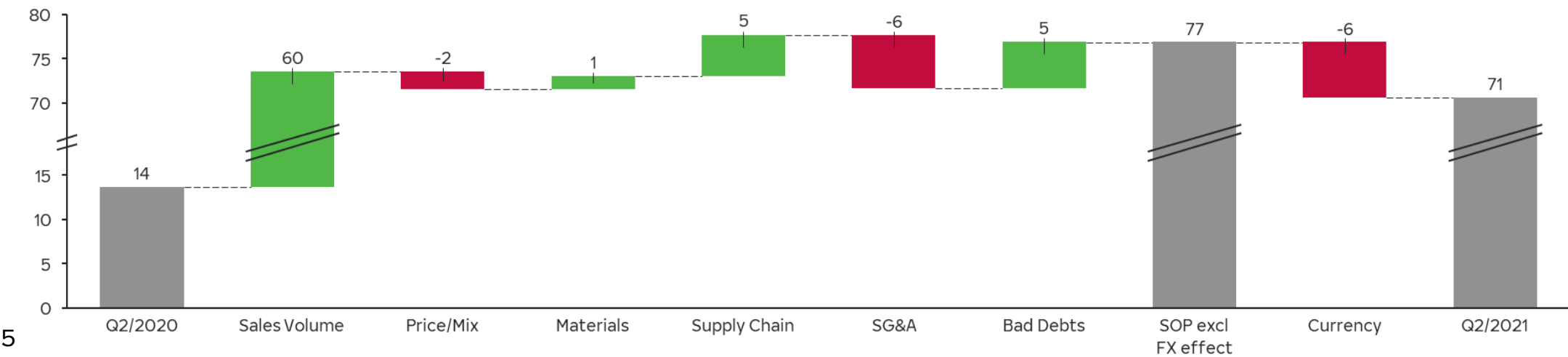
Q2: PASSENGER CAR TYRES BRIDGE

Higher sales volume impacted segment operating profit by EUR 60 million

NET SALES, M€



SEGMENT OPERATING PROFIT, M€



Q2: HEAVY TYRES

Net sales and segment operating profit continued to grow

	4-6 /21	4-6 /20	Change	CC* Change	1-6 /21	1-6 /20	Change	CC* Change	2020
Net sales, M€	62.6	40.5	54.8%	52.6%	119.7	91.6	30.7%	30.4%	194.6
Segment operating profit, M€	11.7	2.6			24.3	10.8			23.7
Segment operating profit, %	18.8%	6.4%			20.3%	11.8%			12.2%

* Comparable currencies

- Net sales increased by 52.6% with comparable currencies driven by new product launches and customers' strong production levels
 - Demand was strong in all product segments
- Segment operating profit improved mainly due to higher sales volume
 - H1 operating profit at all-time high
- Inventories are at a low level

Q2: VIANOR

Good sales performance in all operating countries

	4-6 /21	4-6 /20	Change	CC* Change	1-6 /21	1-6 /20	Change	CC* Change	2020
Net sales, M€	91.5	80.8	13.1%	8.0%	149.6	135.3	10.6%	6.5%	318.1
Segment operating profit, M€	10.1	9.6			0.2	-2.8			4.0
Segment operating profit, %	11.0%	11.8%			0.2%	-2.1%			1.3%
Number of own service centers at period end	174	186							174

* Comparable currencies

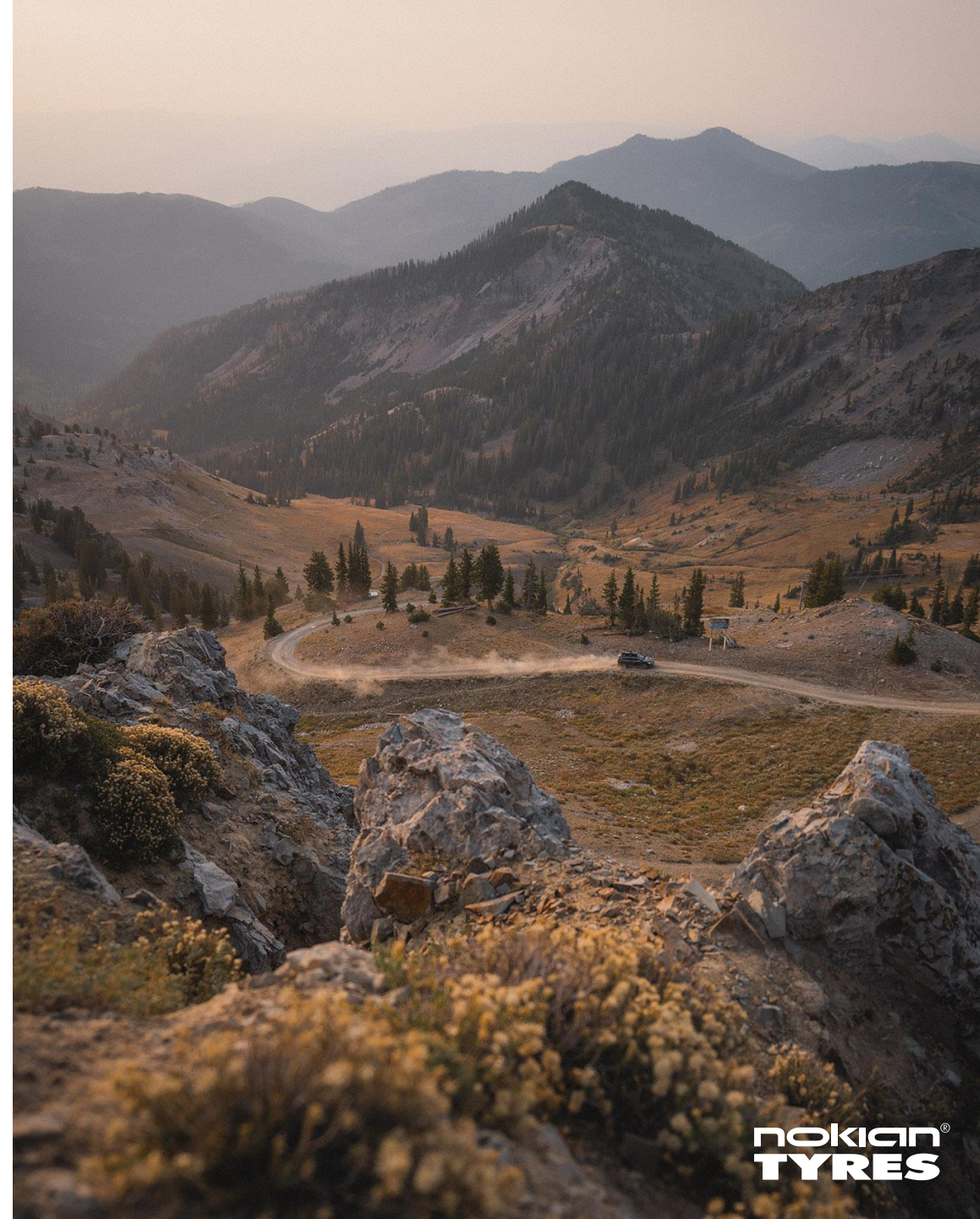
- Net sales increased by 8.0% with comparable currencies
 - Excluding Vianor US, net sales grew by 11.4% with comparable currencies
- Segment operating profit improvement was supported by stable service center operations



**2021 WE FOCUS ON
GROWTH AND CASH FLOW**

ASSUMPTIONS FOR 2021

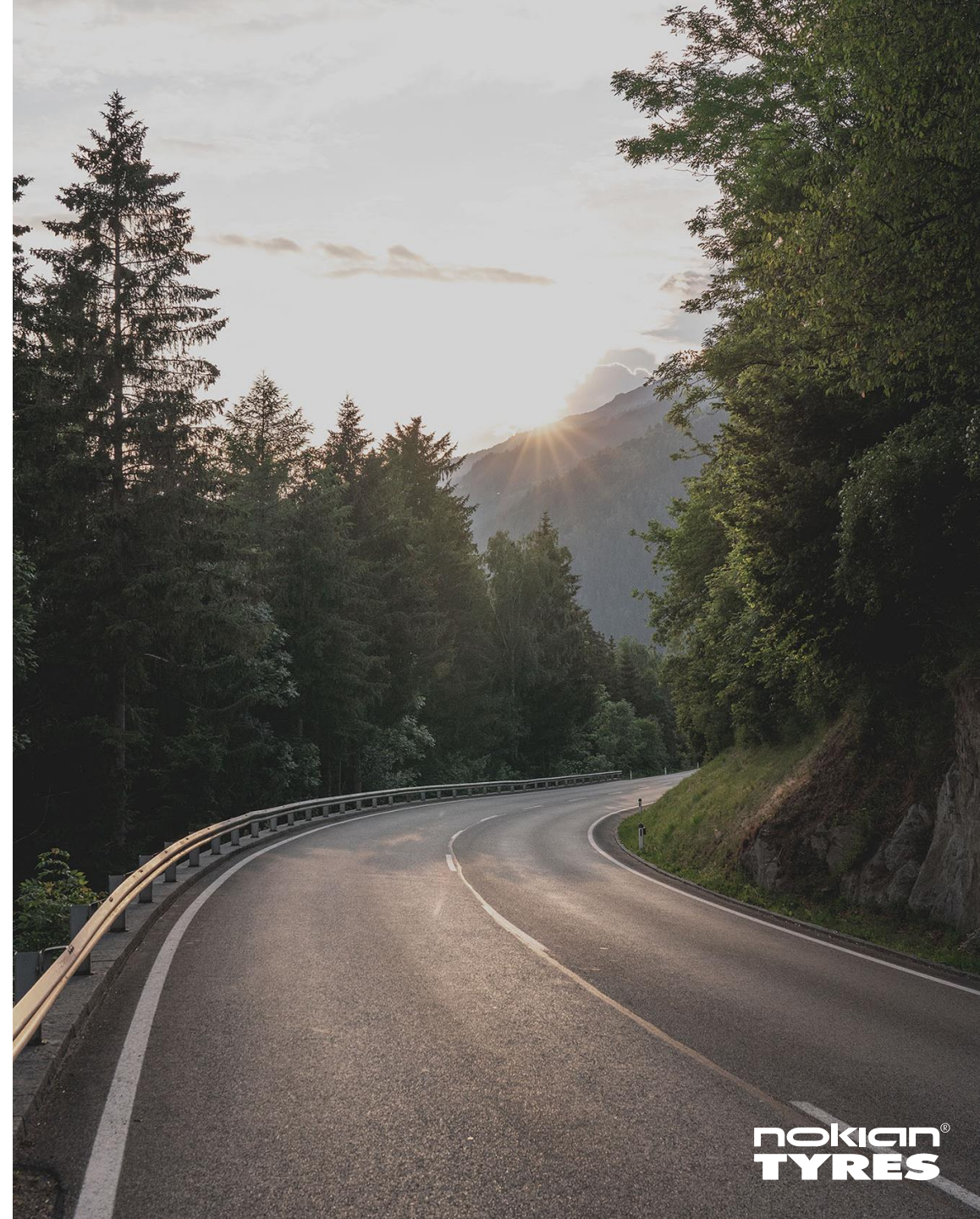
- Demand for **replacement car tires** expected to increase, driven by stronger demand and increasing new car sales
- Demand for **Nokian Heavy Tyres' core products** estimated to increase
- Uncertainties due to **COVID-19 pandemic and Russian ruble**
 - Average EUR/RUB: 72.5 in 2019, 82.7 in 2020, 90.6 in January 2021, 89.6 in January–June 2021
- **Raw material and logistics 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.



NEW PRODUCTS DRIVE SALES

Record number of launches in 2020–2021

NOKIAN HAKKAPELIITTA 10

- Our flagship winter range available to consumers as of fall 2021
- Next-generation safety for passenger cars, SUVs, hybrids and EVs
 - Superior winter grip
 - Comfort and reduced noise level
 - Better on-road stability
 - SilentDrive™ technology
- Comprehensive size selection: +140 products



WE ARE COMMITTED TO SAFE AND SUSTAINABLE MANUFACTURING


- Nokian Tyres was included in the Europe's Climate Leaders 2021 list for significant greenhouse gas emission reductions
- The US factory earned ISO 14001 certification in May and LEED v4 Silver certification in March
- The Finnish factory earned ISO 45001 certification for occupational health and safety in January
- A solar power plant was installed to the Finnish logistics center in June



OUR PRIORITIES FOR H2 2021

- **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
 - **Taking mitigating actions** to reduce the impact of cost inflation
- **With a valued brand, strong expertise and enhanced production capacity, we are well positioned to develop our business further**





Capital Markets Day 2021

September 9, 2021

1 p.m. – 4.15 p.m.

www.nokiantyres.com/investors















THANK YOU!

A man and a woman are walking hand-in-hand on a dark, rocky coastline. The man is wearing a dark jacket and jeans, while the woman is wearing a light-colored puffer jacket and a beanie. They are looking down at the ground as they walk. In the background, the ocean is turbulent with white-capped waves crashing against the shore under a grey, overcast sky.

APPENDIX

CAR AND TIRE MARKETS IN H1/2021

The Nordic countries		Russia		Europe (excl. the Nordic countries)		North America	
 New car sales	35%	 New car sales	37%	 New car sales	27%	 New car sales	29%
 Car tire sell-in	5%	 Car tire sell-in	40%	 Car tire sell-in	23%	 Car tire sell-in	19%
 Heavy tire segments*	➡	 Heavy tire segments*	➡	 Heavy tire segments*	➡	 Heavy tire segments*	➡

* Nokian Tyres' core product segments

GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2017–H1/2021*

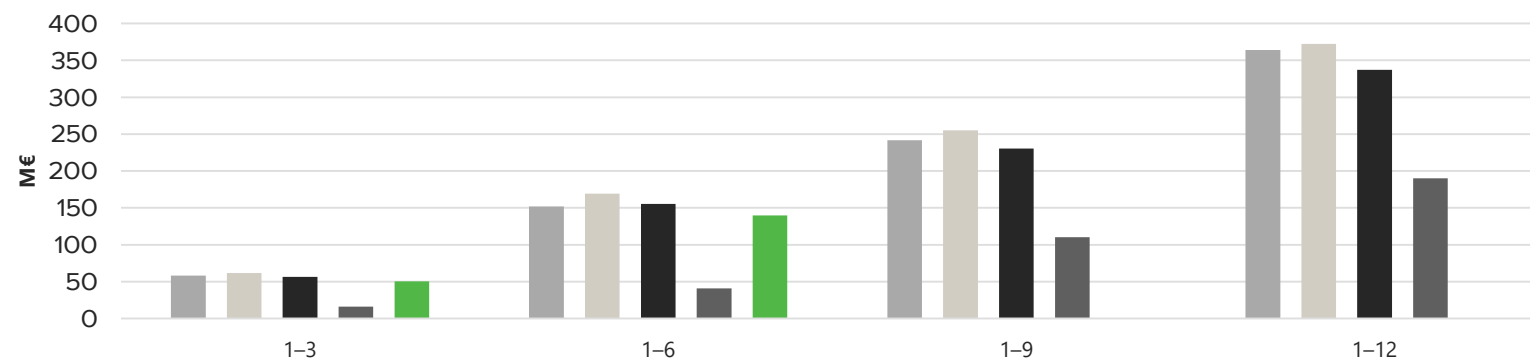
1–6/2021

- Net sales 758.0 M€ (550.5), 37.7%
- Segments operating profit 139.9 M€ (40.8)

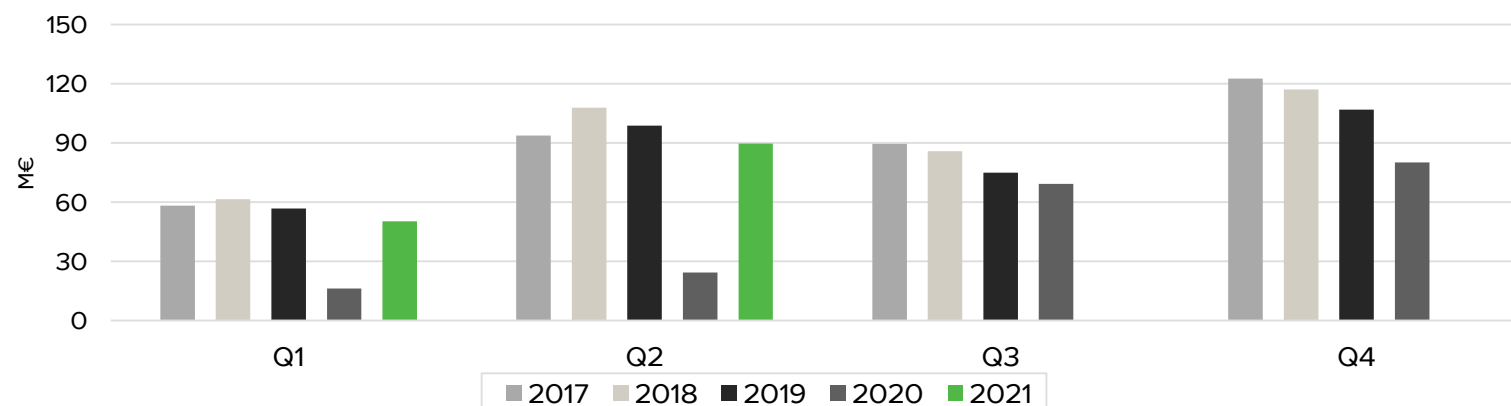
4–6/2021

- Net sales 416.2 M€ (270.7), 53.7%
- Segments operating profit 89.6 M€ (24.4)

CUMULATIVE SEGMENTS OPERATING PROFIT PER REVIEW PERIOD



SEGMENTS OPERATING PROFIT PER QUARTER

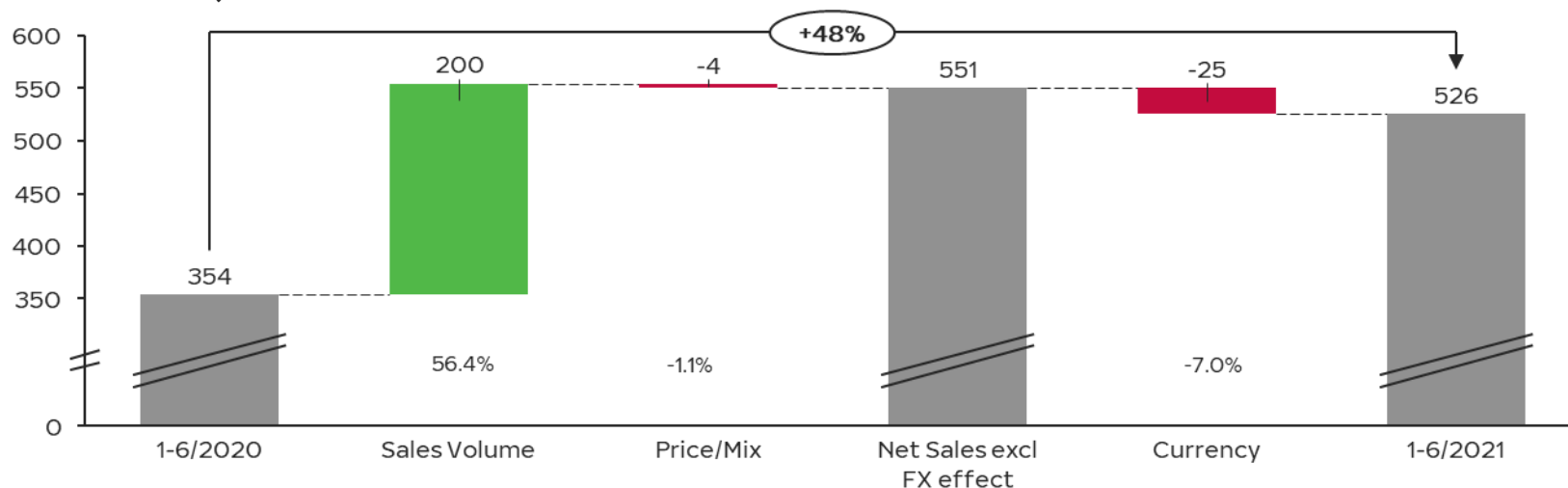


* Comparable segments operating profit figures for 2019–2021, earlier years reported based on IFRS

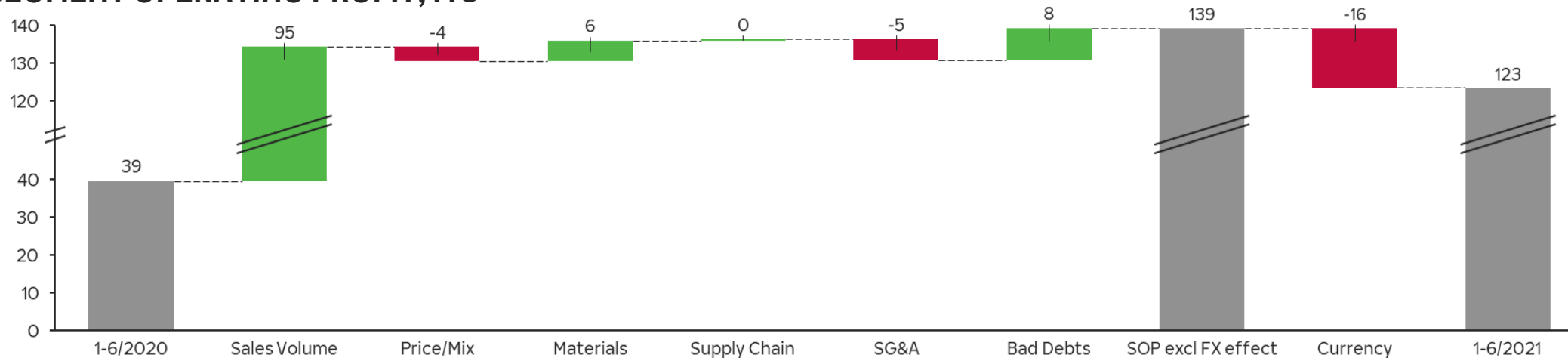
H1: PASSENGER CAR TYRES BRIDGE

Volume impact of EUR 95 million on segment operating profit

NET SALES, M€



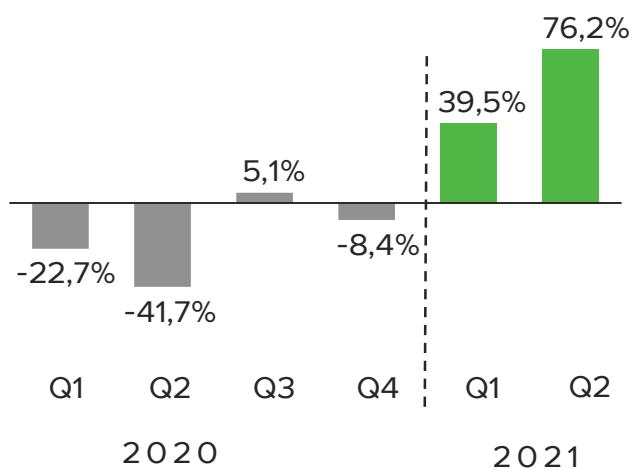
SEGMENT OPERATING PROFIT, M€



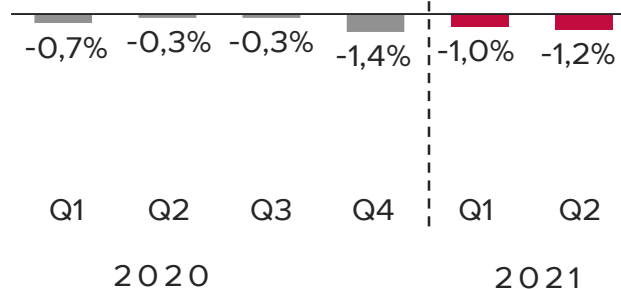
PASSENGER CAR TYRES NET SALES - QUARTERLY CHANGES

YoY Change %

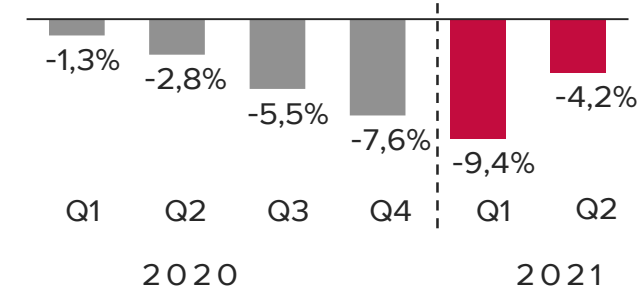
Sales Volumes



Price/Mix



Currency

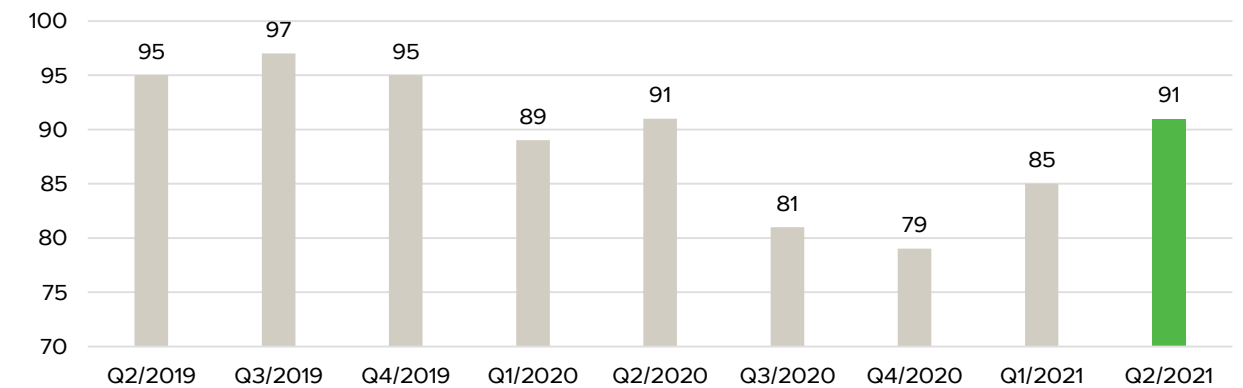
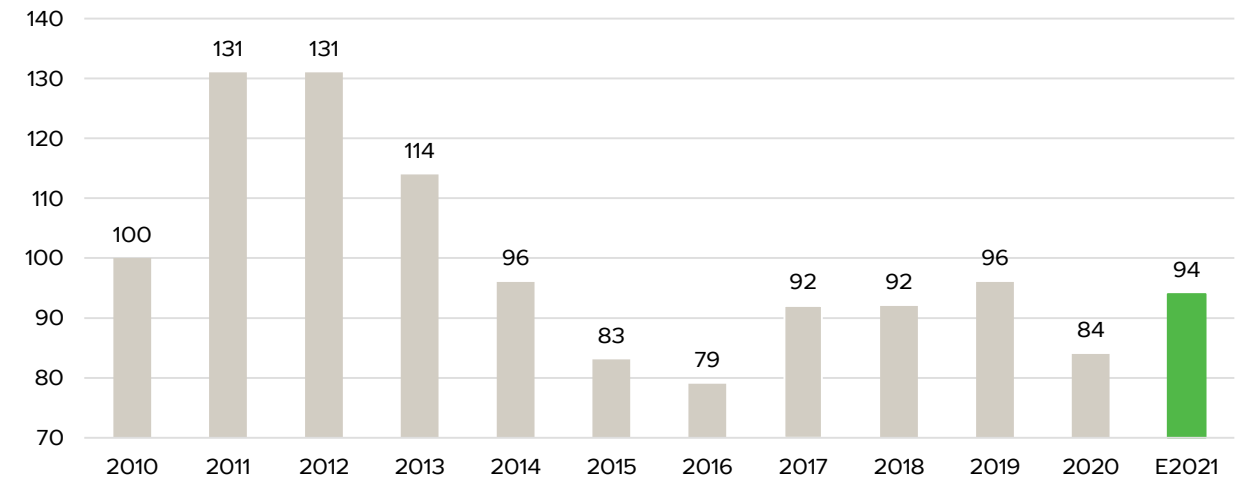


MATERIAL COST DEVELOPMENT

MATERIAL COSTS (€/KG)

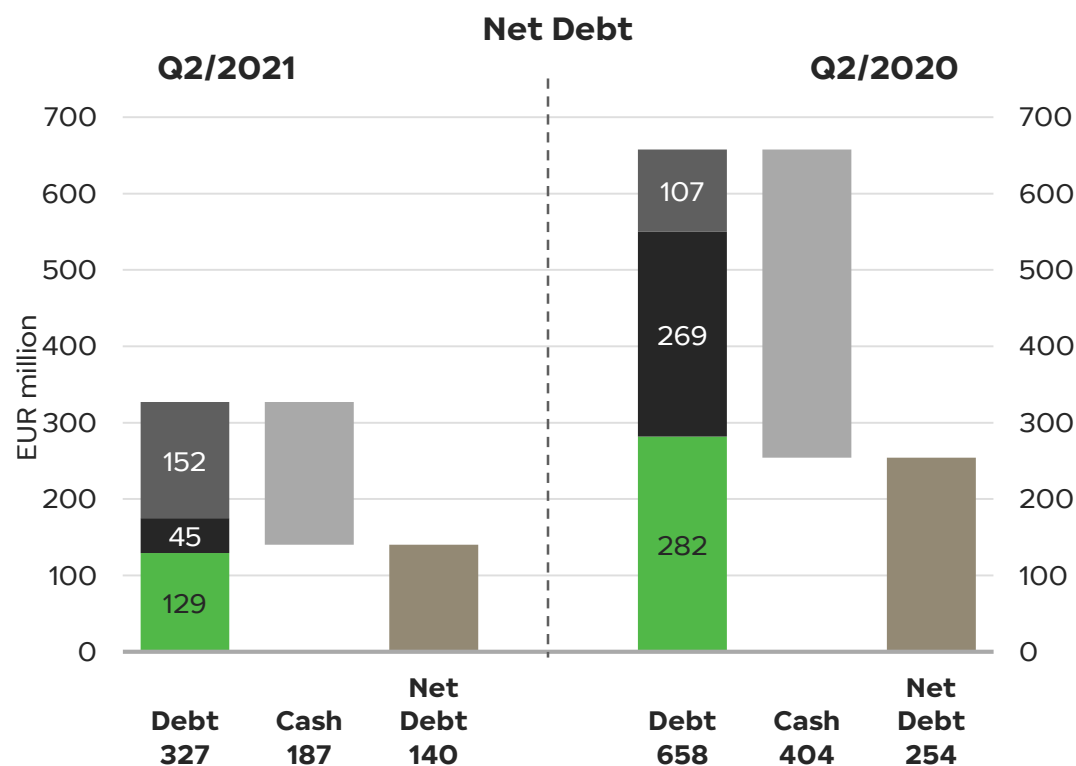
- Decreased by 0.1% in Q2/2021 vs. Q2/2020
- Increased by 7.6% in Q2/2021 vs. Q1/2021
- Decreased by 1.7% in H1/2021 vs. H1/2020

MATERIAL COST DEVELOPMENT INDEX 2010-E2021

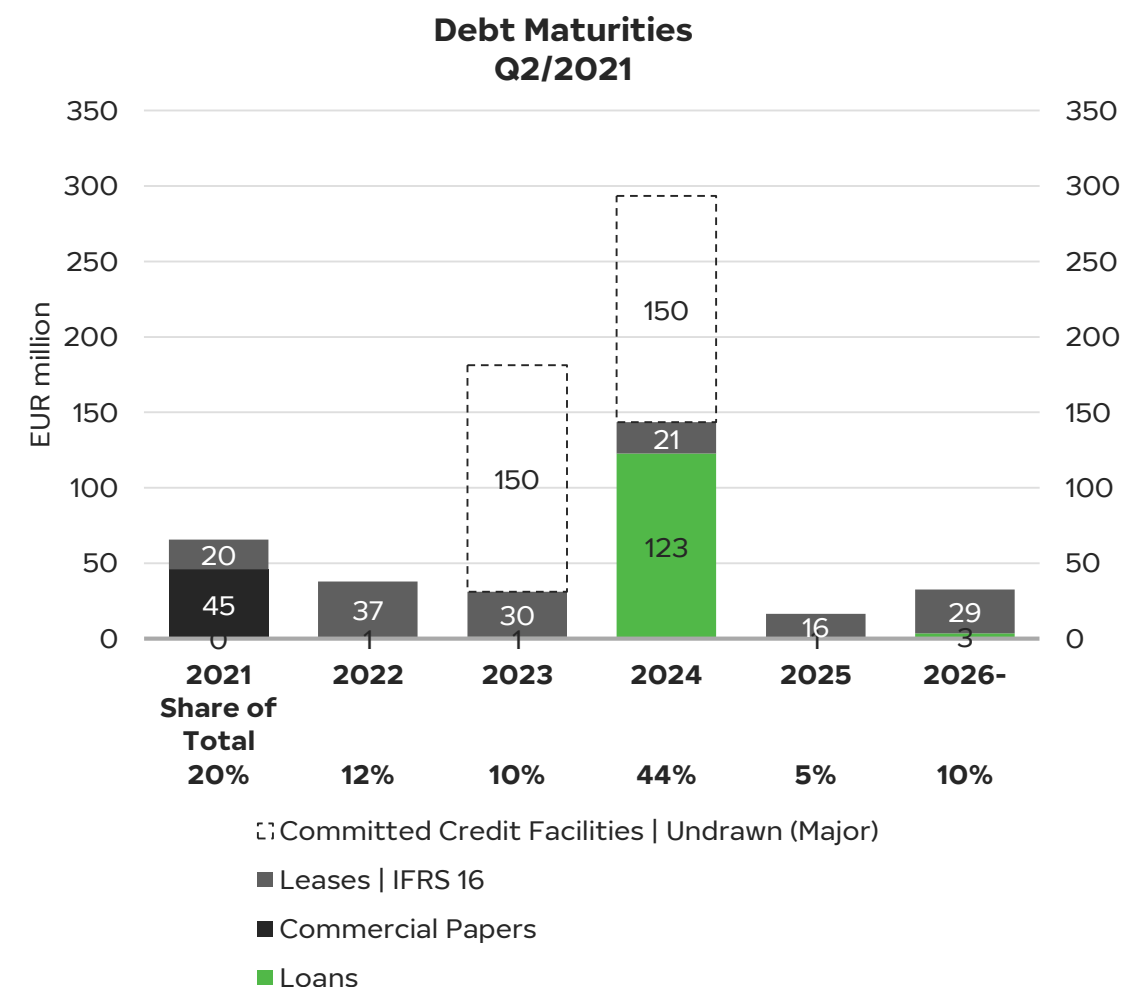


Incl. raw and other materials in reported currencies

NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q2/2021	Q2/2020
Cash	187	404
Committed undrawn credit facilities	305	330
Total	493	734



NETWORK DEVELOPMENT

Vianor, NAD, N-Tyre; +37 stores in H1/2021

VIANOR – 1,094 SERVICE CENTERS IN 17 COUNTRIES

174 own stores and 920 partners

Own unchanged, partner -23 vs. year-end 2020

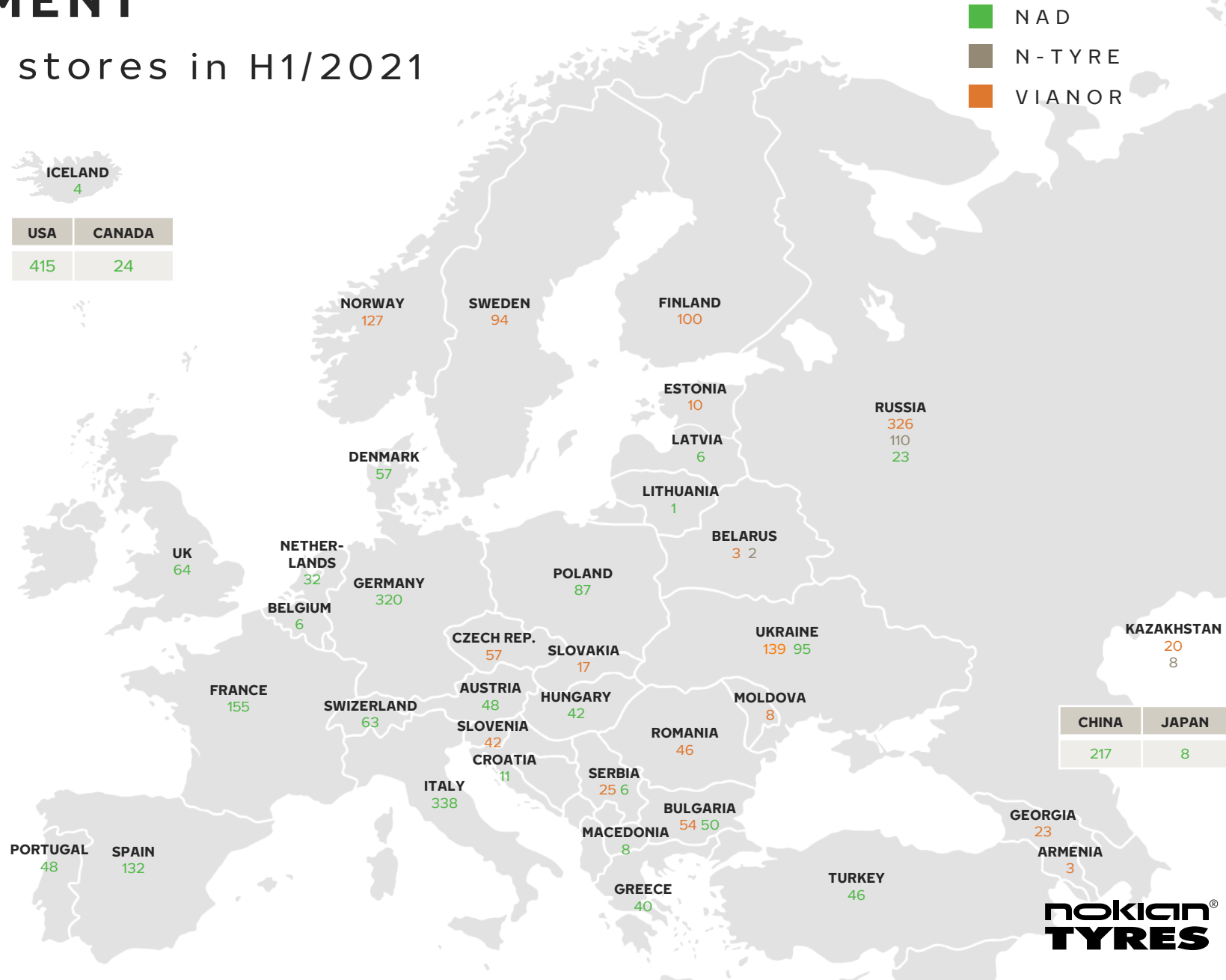
- Largest tire chain in the Nordic countries: 321 service centers (-5 vs. year-end 2020)
- Largest tire chain in Russia and CIS: 375 service centers (-4 vs. year-end 2020)
- Central Europe: 398 service centers (-14 vs. year-end 2020)

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,346 STORES

- In 23 European countries, North America, China and Japan
- +64 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

Disclaimer

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