

INTERIM REPORT JANUARY-SEPTEMBER 2021 NOVEMBER 2, 2021

> JUKKA MOISIO - CEO TEEMU KANGAS-KÄRKI – CFO





MID-TERM TARGET: EUR 2 BILLION IN NET SALES WITH 20% OPERATING PROFIT AND ROCE

PURPOSE

EMPOWER THE WORLD TO DRIVE SMARTER

MID-TERM TARGETS

EUR 2 BILLION

NET SALES

WE DRIVE TOPLINE WITH NEW PRODUCTS AND STRONGER GO-TO-MARKET

BUSINESS AREA AND UNIT ROLES

- NORDICS & VIANOR: Strengthen #1 position
- RUSSIA: Strengthen #1 position
- CENTRAL EUROPE: Grow sales by ~50%
- NORTH AMERICA: Grow sales by ~100%
- **HEAVY TYRES**: Grow sales by ~50%

FINANCIAL TARGETS

- Growing faster than the market
- High returns & profitability: Segments Operating Profit & Segments ROCE at the level of 20%
- Growing ordinary dividend:>50% of net earnings

FIVE CORNERSTONES for our success



SAFEST TIRES FOR ALL CONDITIONS



RESPONSIVE AND EFFECTIVE SUPPLY CHAIN



CONSUMER-TRUSTED PREMIUM BRAND



LEADER IN SUSTAINABILITY



NOKIAN TYRES TEAM

VALUES

WE

Care

口外 Drive 別れ innovation



Deliver high results

TOGETHER



Q3: STRONG DEMAND FOR NOKIAN TYRES PRODUCTS



Q3 NET SALES AND OPERATING PROFIT INCREASED SIGNIFICANTLY

- Net sales EUR 443.5 million (349.9), +24.6% with comparable currencies
 - All-time high third quarter net sales both in Passenger Car Tyres and Heavy Tyres
 - Strong demand for Nokian Tyres products in all markets
- Segments operating profit EUR 96.9 million (69.3)
 - Driven by increased sales volume
 - Price increases to combat cost inflation, leading to higher ASP
 - Prudent cost control continued



GROWTH TYING UP WORKING CAPITAL, Q1-Q3 CAPEX BELOW 2020 LEVEL

EUR million	7-9 /21	7-9 /20	Change	CC* Change	1-9 /21	1-9 /20	Change	CC* Change	2020
Net sales	443.5	349.9	26.8%	24.6%	1,201.5	900.4	33.4%	34.9%	1,313.8
Segments operating profit	96.9	69.3			236.8	110.1			190.2
Segments operating profit %	21.8%	19.8%			19.7%	12.2%			14.5%
Segments EPS, EUR	0.54	0.44			1.35	0.60			1.04
Segments ROCE, %**					14.4%	9.5%			9.3%
Equity ratio, %					65.7%	57.5%			65.3%
Cash flow from operating activities	-81.0	7.1			-96.1	-6.6			422.4
Gearing, %					15.9%	18.5%			-1.1%
Interest-bearing net debt					251.0	280.6			-17.2
Capital expenditure	20.3	31.0			59.6	118.5			149.9

^{*} Comparable currencies



^{**} Rolling 12 months

Q3: PASSENGER CAR TYRES

Strong volume growth led by Russia

	7-9 /21	7-9 /20	Change	CC* Change	1-9 /21	1-9 /20	Change	CC* Change	2020
Net sales, M€	330.6	254.9	29.7%	27.5%	856.4	609.2	40.6%	43.7%	871.3
Segment operating profit, M€	97.7	71.8			221.1	111.3			177.8
Segment operating profit, %	29.6%	28.2%			25.8%	18.3%			20.4%

^{*} Comparable currencies

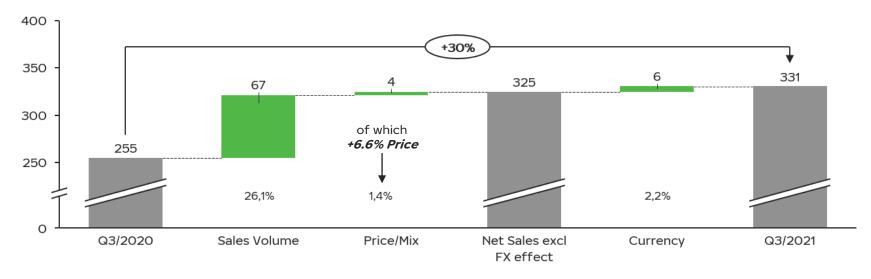
- Net sales grew in all main markets, partially driven by early timing of deliveries
- Average Sales Price with comparable currencies improved
 - Price increases more than offset the negative impact of higher share of Russian volume
- Segment operating profit increased driven by sales volume
- In the US and Finnish factories, additional shifts have been added to increase production



Q3: PASSENGER CAR TYRES BRIDGE

Volume impact of EUR 33 million on segment operating profit

NET SALES, M€



SEGMENT OPERATING PROFIT, M€





Q3: HEAVY TYRES

All-time high third quarter net sales and operating profit

	7-9 /21	7-9 /20	Change	CC* Change		1-9 /20	Change	CC* Change	2020
Net sales, M€	69.0	49.8	38.5%	36.3%	188.7	141.4	33.4%	32.5%	194.6
Segment operating profit, M€	11.9	7.8			36.2	18.7			23.7
Segment operating profit, %	17.3%	15.8%			19.2%	13.2%			12.2%

^{*} Comparable currencies

- Net sales grew by 36.3% with comparable currencies
 - Growth was driven by new product launches, customers' strong production levels and early timing of deliveries
 - Demand was strong in all product segments
- Segment operating profit increased mainly due to higher sales volume
- Inventories are at a low level



Q3: VIANOR

Good sales performance in all operating countries

	7-9 /21	7-9 /20	Change	CC* Change	1-9 /21	1-9 /20	Change	CC* Change	2020
Net sales, M€	70.1	67.4	4.1%	2.3%	219.7	202.7	8.4%	5.1%	318.1
Segment operating profit, M€	-4.5	-3.2			-4.3	-6.0			4.0
Segment operating profit, %	-6.4%	-4.8%			-1.9%	-3.0%			1.3%
Number of own service centers at period end	175	175							174

^{*} Comparable currencies

- Net sales increased by 2.3% with comparable currencies in a seasonally low quarter
 - Excluding Vianor US, net sales grew by 4.4% with comparable currencies
- Segment operating profit -4.5M€



NEW PRODUCTS DRIVE SALES

Record number of launches in 2020-2021

NOKIAN HAKKAPELIITTA 10

- Our flagship winter range available for winter season 2021/2022
- An innovative combination of superior winter grip, driving comfort and eco-friendliness
- Comprehensive size selection: +140 products



NOKIAN HAKKAPELIITTA 10 EV

- Tailored model for EV's and hybrids

Electric vehicles setting new requirements for tires

- offering us new opportunities

HIGHER LOAD CAPACITY

Sustaining higher vehicle mass

HIGHER GRIP FOR HIGH TORQUE

Handling higher torque

SUSTAINABLE MATERIALS

Supporting green transition

LOWER NOISE

Delivering higher driving comfort



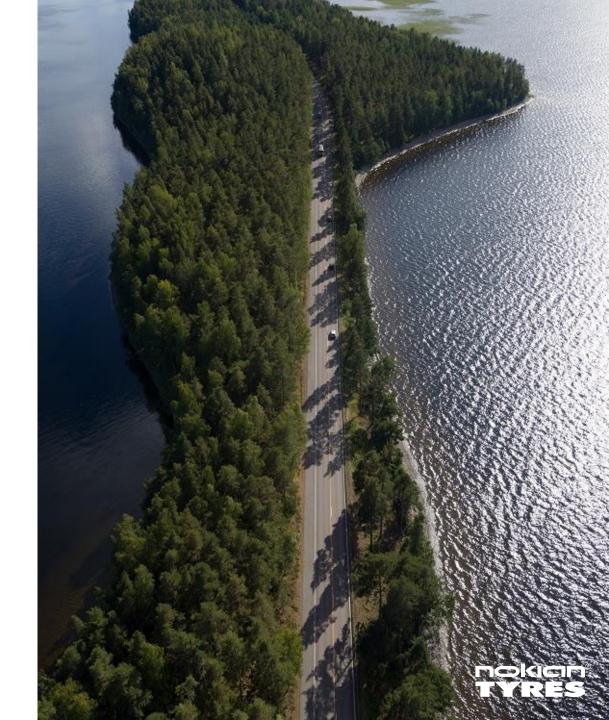
(ULTRA) LOW ROLLING RESISTANCE

Improved battery range



SUSTAINABILITY IS FIRMLY ROOTED IN ALL WHAT WE DO

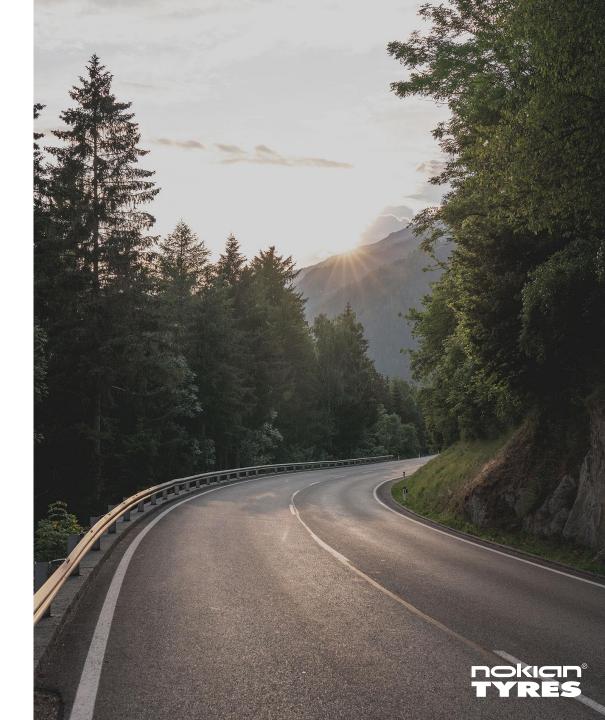
- New non-financial targets for 2021–2025 focus on:
 - Bringing new environmental and safety innovations to products
 - Reducing CO₂ emissions in line with the Science Based Targets
 - Further improving workplace safety
 - Monitoring the sustainability of suppliers
- Sustainable natural rubber policy published in September
- Finnish factory and Vianor operations in Finland continue to use renewable wind energy for the electricity – A new 10-year agreement signed
- A solar power plant was installed to the Finnish logistics center in June



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.



NOKIAN TYRES' REVISED GROWTH STRATEGY: AMBITIOUS LEAP FORWARD

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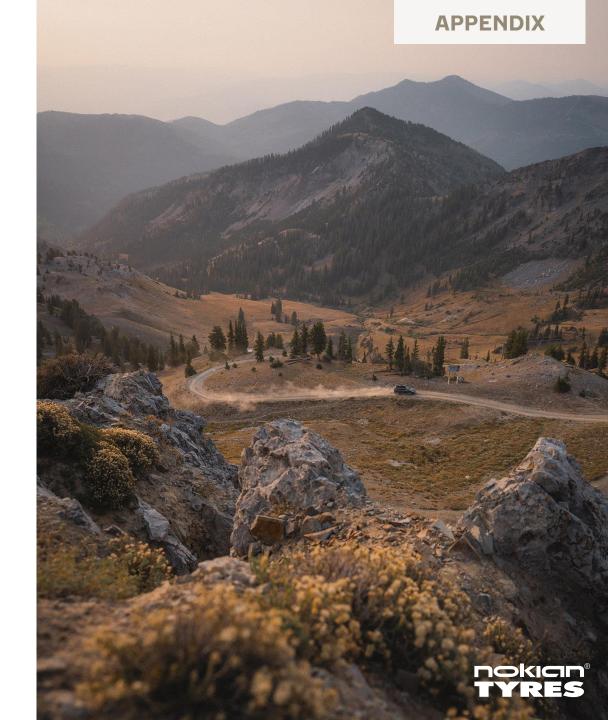






ASSUMPTIONS FOR 2021

- 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, 88.5 in January–September 2021
- Raw material and logistics costs estimated to increase, significant impact expected in Q4



CAR AND TIRE MARKETS IN 1-9/2021

The Nordic countries		Russia		Europe (excl. the Nordic cour	ntries)	North America		
Rew car sales	19%	New car sales	15%	Rew car sales	6%	Rew car sales	13%	
(() Car tire sell-in	6%	(() Car tire sell-in	38%	© Car tire sell-in	13%	Car tire sell-in	23%	
Heavy tire segments*	⇒	Heavy tire segments*	*	Heavy tire segments*	-	Heavy tire segments*	→	

^{*} Nokian yres' core product segments



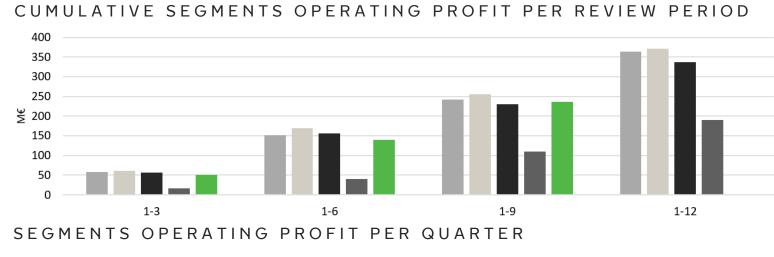
GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2017-Q3/2021*

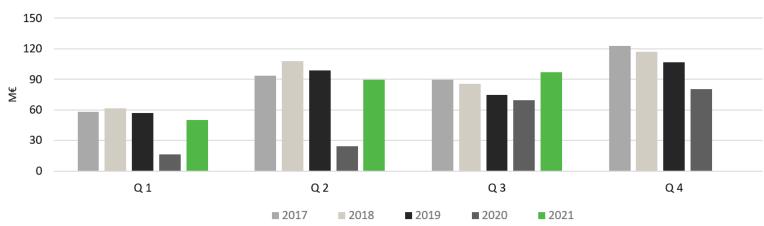
1-9/2021

- Net sales 1,201.5 M€ (900.4), 33.4%
- Segments operating profit 236.8 M€ (110.1)

7-9/2021

- Net sales 443.5 M€ (349.9), 26.8%
- Segments operating profit 96.9 M€ (69.3)



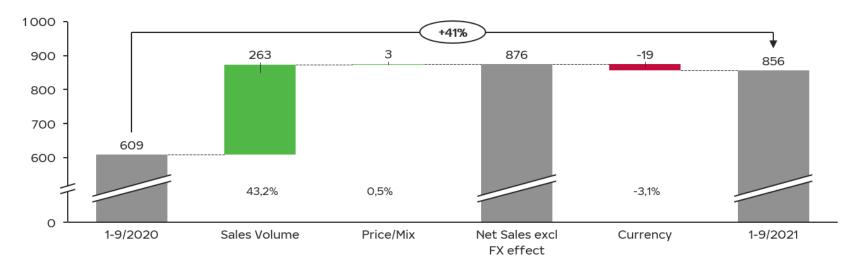




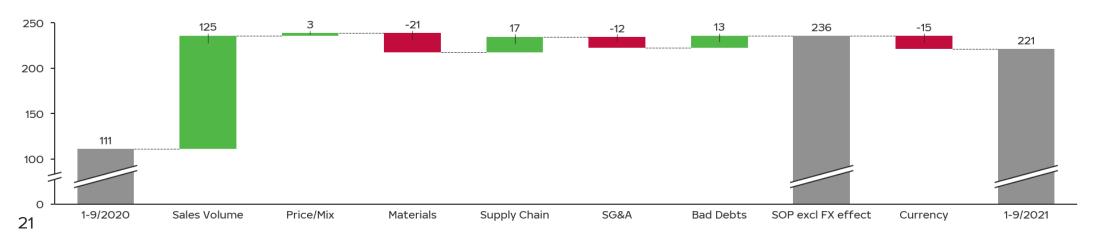
1-9/2021: PASSENGER CAR TYRES BRIDGE

Volume impact of EUR 125 million on segment operating profit

NET SALES, M€



SEGMENT OPERATING PROFIT, M€

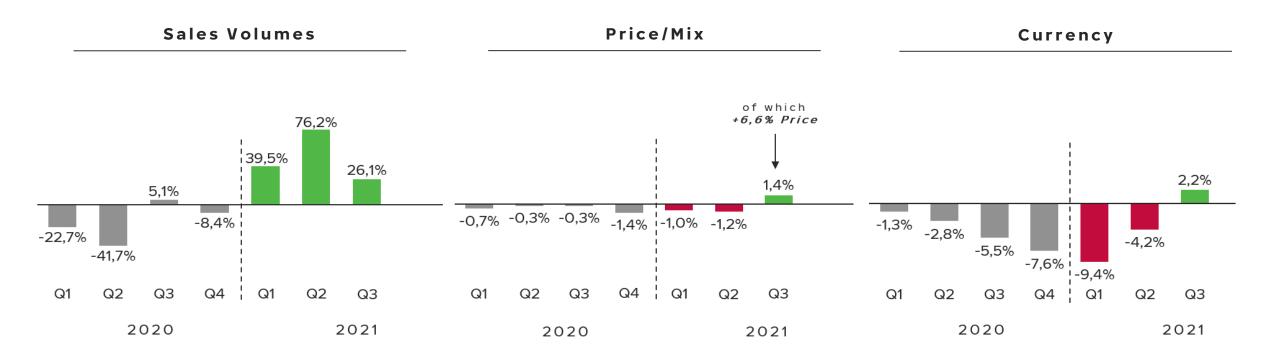




PASSENGER CAR TYRES NET SALES

- QUARTERLY CHANGES

YoY Change %



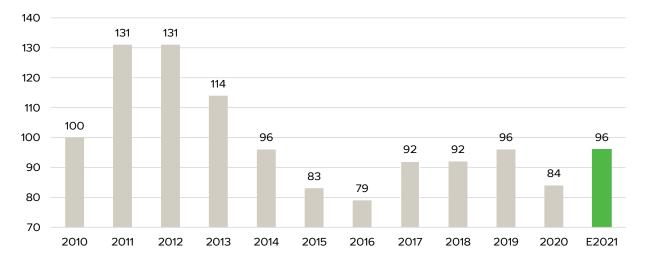


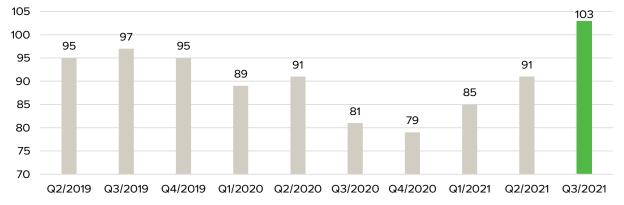
MATERIAL COST DEVELOPMENT

MATERIAL COSTS (€/KG)

- Increased by 26.6% in Q3/2021 vs. Q3/2020
- Increased by 13.2% in Q3/2021 vs. Q2/2021
- Increased by 7.9% in 1-9/2021
 vs. 1-9/2020

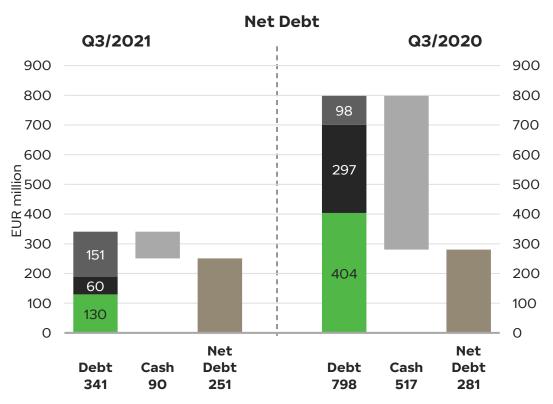
MATERIAL COST DEVELOPMENT INDEX 2010-E2021



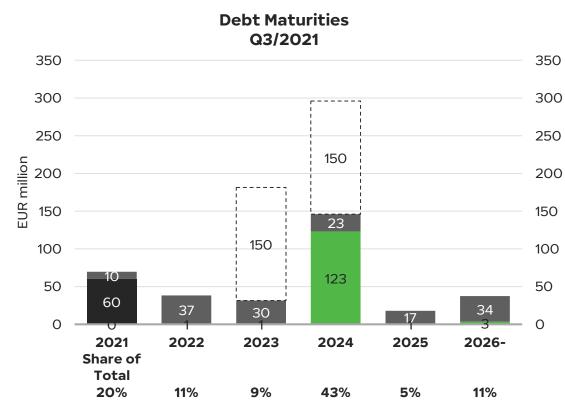




NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q3/2021	Q3/2020
Cash	90	517
Committed undrawn CF	305	205
Total	395	723



CCommitted Credit Facilities | Undrawn (Major)

- Leases | IFRS 16
- Commercial Papers
- Loans



APPENDIX

NAD

NETWORK DEVELOPMENT

Vianor, NAD, N-Tyre; +17 stores in 1-9/2021

VIANOR – 1,074 SERVICE CENTERS IN 17 COUNTRIES

175 own stores and 899 partners

Own +1, partner -44 vs. year-end 2020

- Largest tire chain in the Nordic countries:
 333 service centers (+7 vs. year-end 2020)
- Largest tire chain in Russia and CIS:
 366 service centers (-13 vs. year-end 2020)
- Central Europe: 375 service centers (-37 vs. year-end 2020)

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,350 STORES

- In 23 European countries, North America, China and Japan
- +68 stores vs. year-end 2020

N-TYRE - 116 STORES

- In Russia, Kazakhstan and Belarus
- -8 stores vs. year-end 2020

