



**RESILIENT PERFORMANCE IN 2022
- 2023 A NEW START FOR NOKIAN TYRES**

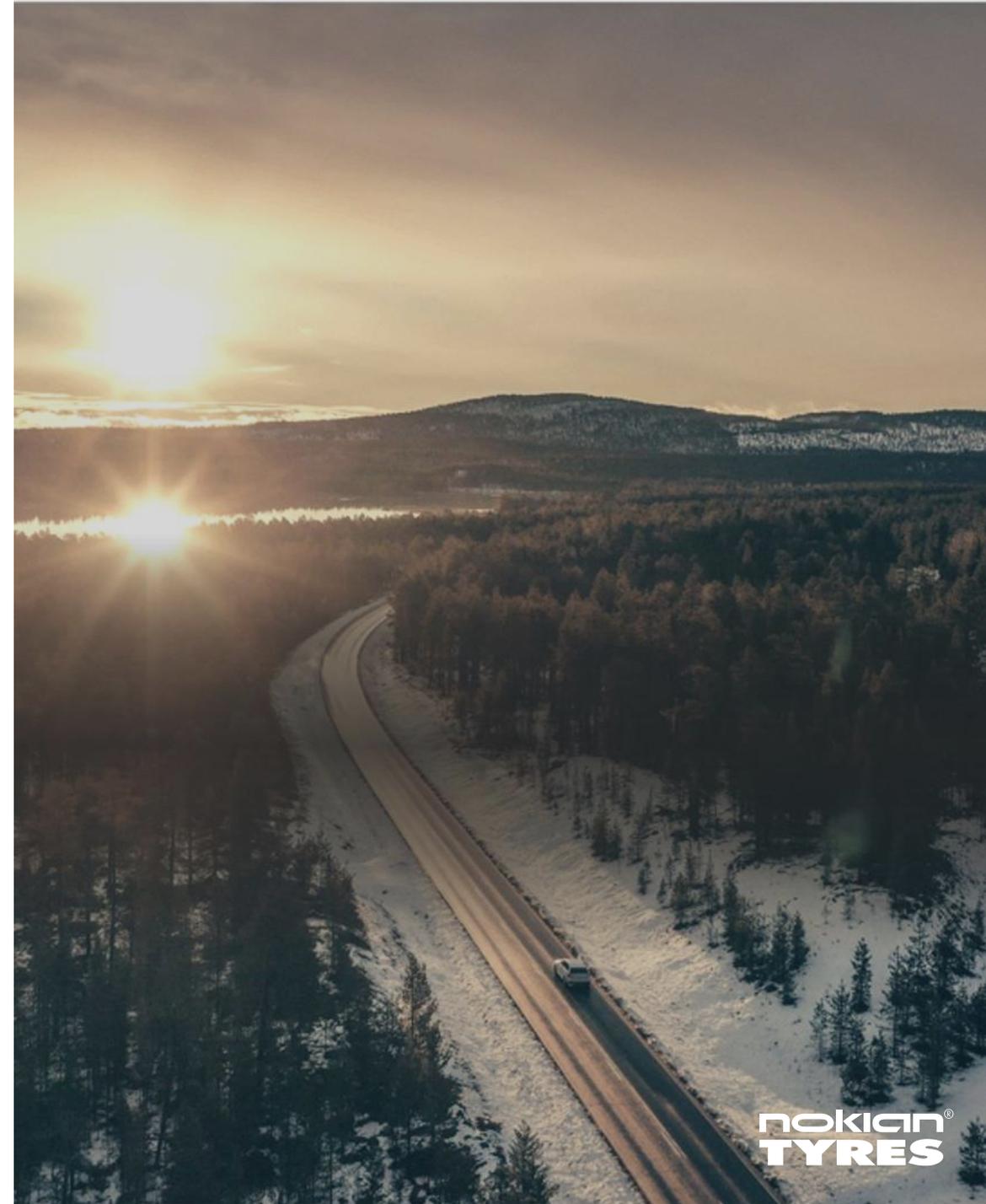
FEBRUARY 7, 2023

JUKKA MOISIO - CEO
TEEMU KANGAS-KÄRKI - CFO

**nokian[®]
TYRES**

TAKING THE FIRST STEPS TO BUILD THE NEW NOKIAN TYRES

- Romania factory project started
 - Various actions ongoing, including land purchases, permitting and first production equipment orders
 - First tires in H2/2024, commercial production in 2025
 - Financing with own cash flow and leveraging the strong balance sheet
- Actions to increase capacity in Finland and the US proceeding in line with the plan
- First contract manufacturing agreement signed in Q4, negotiations with other manufacturers ongoing
 - Production starts in H1/2023, first offtake tires to the market in H2/2023
- Sale process in Russia is ongoing



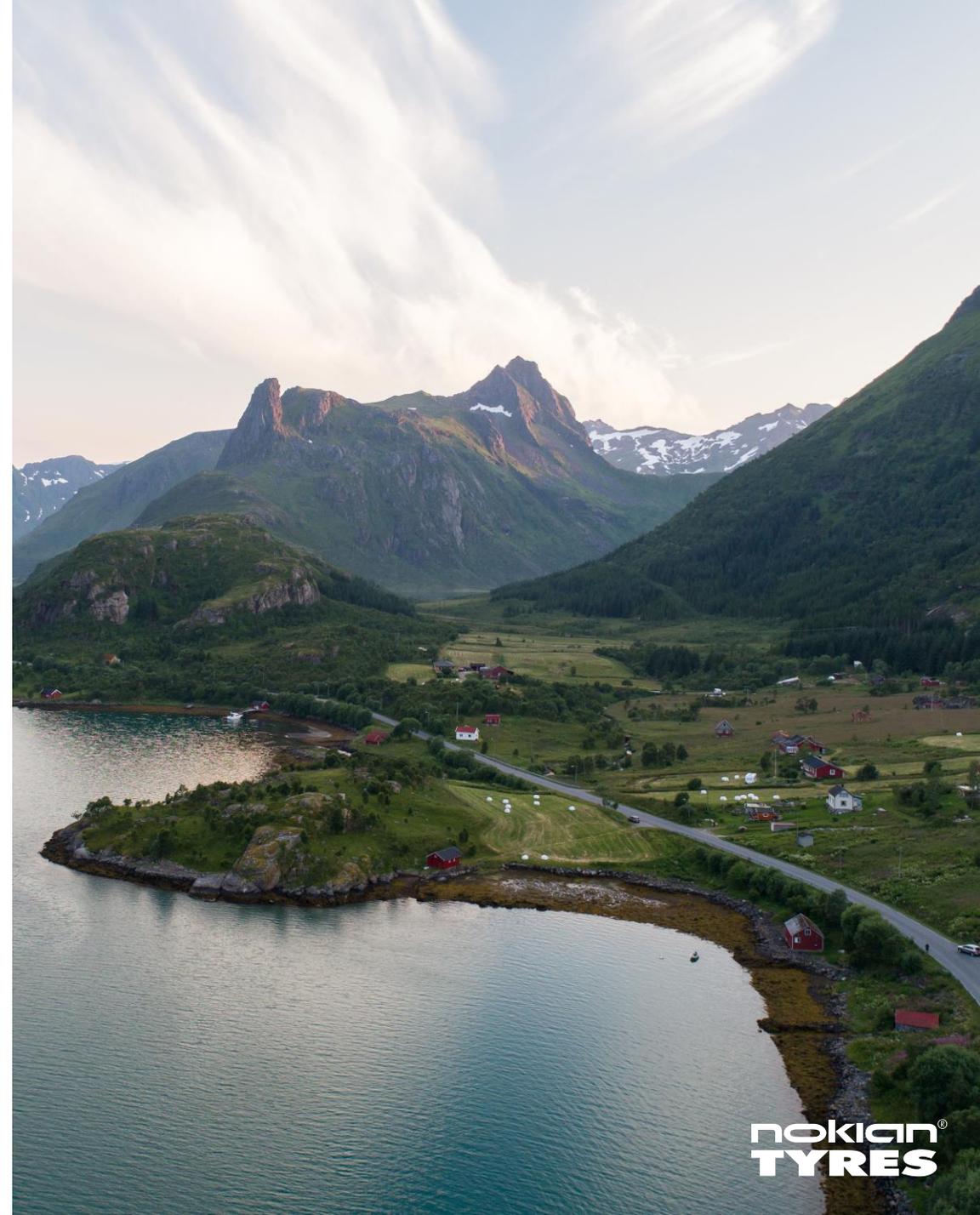
WE ACHIEVED A LOT DURING A DIFFICULT YEAR

- **Heavy Tyres** reached record high net sales, profitability and productivity
- **Vianor** delivered all-time high net sales
- **North America** achieved the highest ever sales volume of passenger car tires, production records in the US factory
- **New products** and strong partnerships driving sales



Q4 IMPACTED BY LOWER SUPPLY VOLUMES

- **Net sales EUR 411.3 million (512.6), -22.2% with comparable currencies**
 - Lower passenger car tire supply volumes
- **Segments operating profit EUR 13.5 million (88.0)**
 - Lower passenger car tire supply volumes
 - Changed factory mix
 - Price increases to combat cost inflation, leading to higher ASP



RESILIENT PERFORMANCE IN 2022 DESPITE THE CHALLENGING OPERATING ENVIRONMENT

- **Strong performance by the Nokian Tyres team**
- **Net sales EUR 1,776.1 million (1,714.1), -2.2% with comparable currencies**
 - Lower passenger car tire volumes as tire imports from Russia to Europe and North America ended in July
 - Record year in Heavy Tyres and Vianor
- **Segments operating profit EUR 221.2 million (324.8)**
 - Lower passenger car tire supply volumes and changed factory mix
 - Tailwind from price increases to combat cost inflation
- **The Board's proposal on dividend payment**
 - EUR 0.35/share to be paid in May
 - In addition, the Board to be authorized to decide on the second dividend payment of max. EUR 0.20/share



BALANCE SHEET CONTINUES TO BE STRONG

2022 cash flow impacted by higher working capital

EUR million	10-12/22	10-12/21	Change	CC* Change	2022	2021	Change	CC* Change
Net sales	411.3	512.6	-19.8%	-22.2%	1,776.1	1,714.1	3.6%	-2.2%
Segments operating profit	13.5	88.0			221.2	324.8		
Segments operating profit %	3.3%	17.2%			12.5%	19.0%		
Segments EBITDA	51.3	122.7			366.9	454.6		
Segments EPS, EUR	0.11	0.49			1.30	1.84		
Segments ROCE, %					10.3%	15.8%		
Equity ratio, %					64.9%	68.4%		
Cash flow from operating activities	318.6	492.6			-4.3	396.5		
Gearing, %					9.8%	-6.1%		
Interest-bearing net debt					140.9	-98.7		
Capital expenditure	70.1	60.1			129.7	119.6		

* Comparable currencies

The definitions of alternative performance measures (non-IFRS figures) are presented in the report by the Board of Directors in Nokian Tyres Financial Review 2021.

WE CONTINUE TO SET THE INDUSTRY BENCHMARK ON SUSTAINABILITY

Examples of achievements in 2022

- **Excellent safety performance** – LTIF dropped to a record low level of 3.2
- We began building the world's first **zero CO2 emission** tire factory
- We introduced **the most sustainable concept tire** yet with 93% of the materials recycled or renewable
- We were included in the **Dow Jones Sustainability Europe Index**, being one of the top-scoring companies in the Automobiles and Automotive components industry



Q4: PASSENGER CAR TYRES

Lower supply volumes affected net sales and profit negatively

	10-12/22	10-12/21	Change	CC* Change	2022	2021	Change	CC* Change
Net sales, M€	236.0	342.8	-31.2%	-35.9%	1,233.8	1,199.2	2.9%	-5.4%
Segment operating profit, M€	-13.8	77.7			178.9	298.7		
Segment operating profit, %	-5.8%	22.1%			14.5%	24.9%		

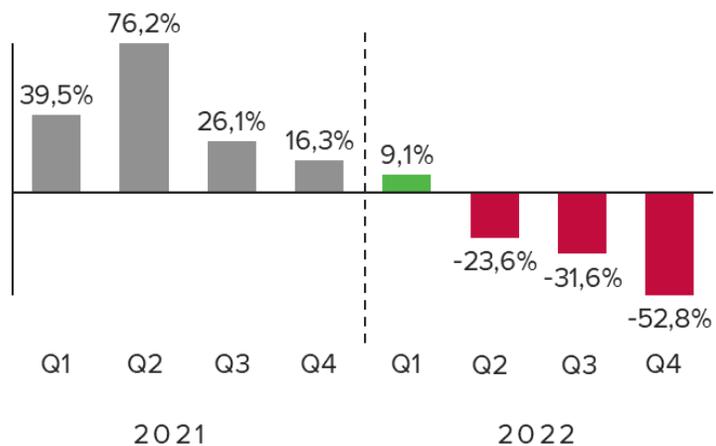
* Comparable currencies

- Net sales decreased due to lower supply volumes
 - Lower tire supply impacted net sales negatively, specifically in Central Europe and Russia
 - ASP with comparable currencies increased strongly
 - Inventories in the distribution are on a high level
- Segment operating profit declined driven by lower supply volumes and changed factory mix
 - Price increases offset higher raw material and other cost inflation

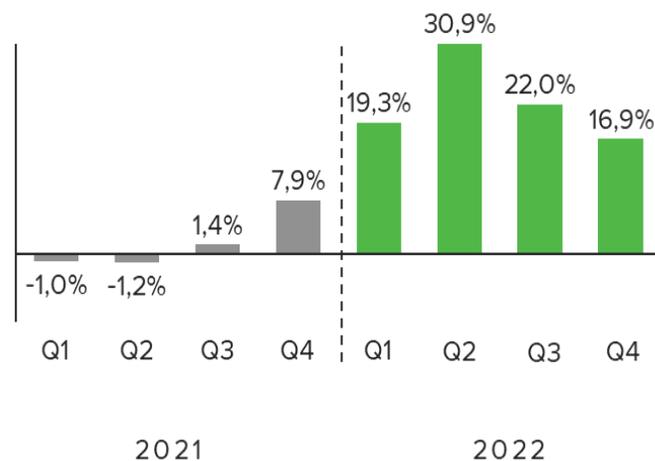
PASSENGER CAR TYRES NET SALES - QUARTERLY CHANGES

YoY Change %

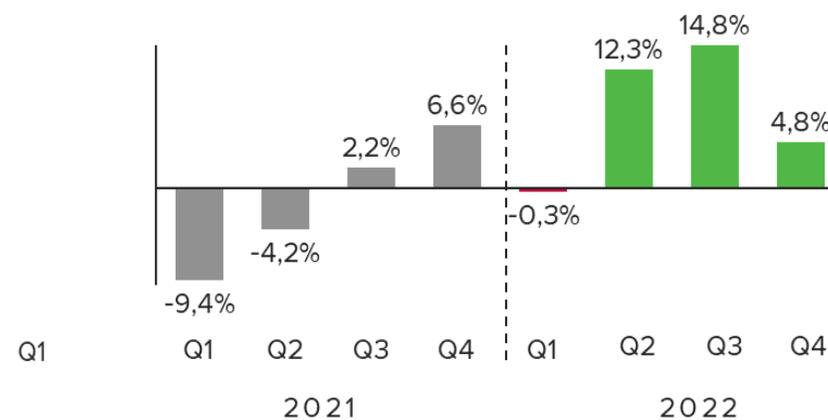
Sales Volumes



Price / Mix



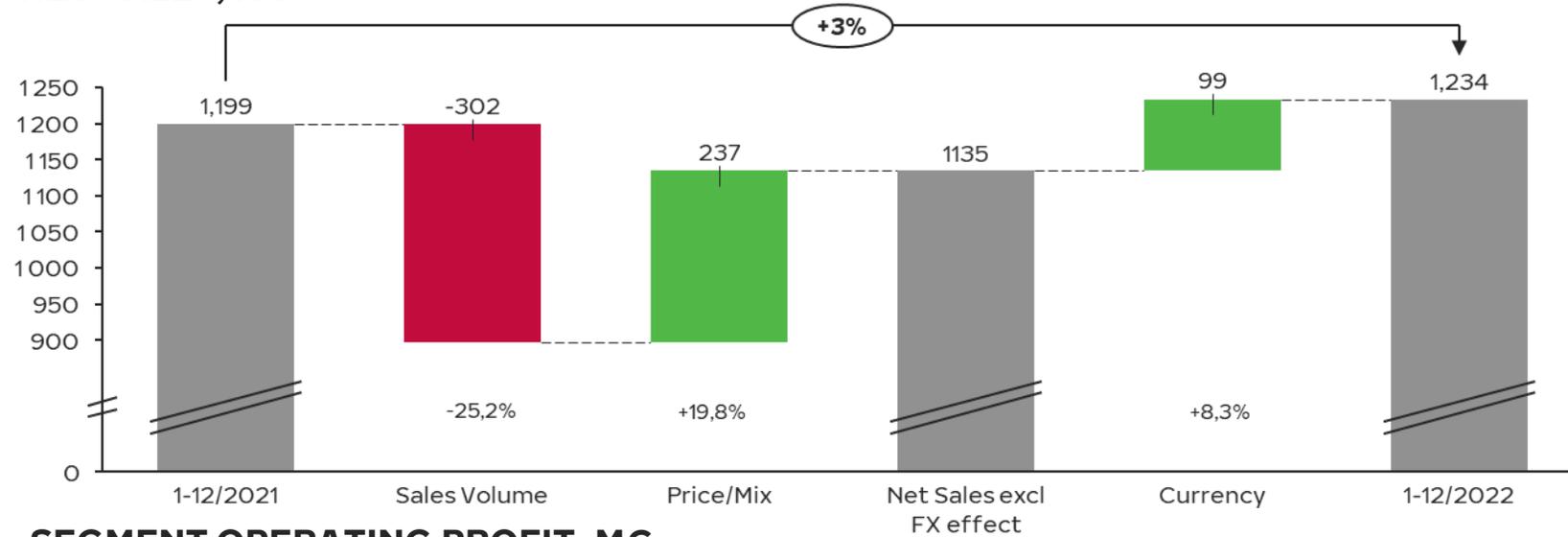
Currency



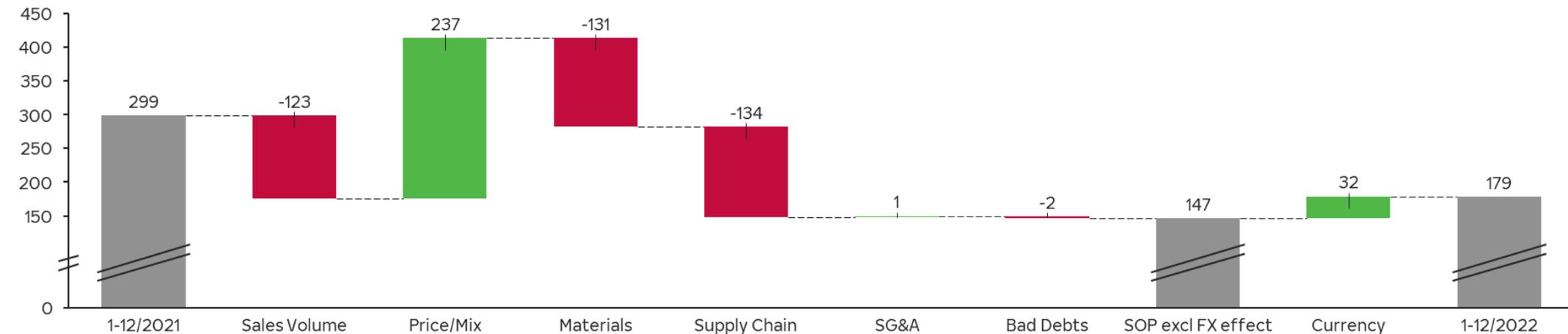
2022: PASSENGER CAR TYRES BRIDGE

Price/Mix impacted segment operating profit positively by EUR 237 million

NET SALES, M€



SEGMENT OPERATING PROFIT, M€



Q4: HEAVY TYRES

Solid end to a record year

	10-12/22	10-12/21	Change	CC* Change	2022	2021	Change	CC* Change
Net sales, M€	64.8	65.3	-0.8%	-1.3%	273.5	254.0	7.7%	6.1%
Segment operating profit, M€	6.3	4.1			43.8	40.3		
Segment operating profit, %	9.8%	6.2%			16.0%	15.9%		

* Comparable currencies

- Q4 net sales decreased slightly due to supply constraints
- Segment operating profit improved due to higher sales prices that were implemented to mitigate higher cost
- All-time high full year net sales and profitability

Q4: VIANOR

Good sales development continued,
leading to all-time high net sales in 2022

	10-12/22	10-12/21	Change	CC* Change	2022	2021	Change	CC* Change
Net sales, M€	129.4	123.1	5.1%	9.4%	362.0	342.9	5.6%	7.3%
Segment operating profit, M€	10.7	8.4			3.1	4.1		
Segment operating profit, %	8.3%	6.8%			0.9%	1.2%		
Number of own service centers at period end					173	175		

* Comparable currencies

- Q4 net sales increased by 9.4% with comparable currencies
- Segment operating profit improved driven by high operational efficiency and price increases
- All-time high full year net sales

NOKIAN TYRES GROUP FIGURES FOR 2021 AND 2022

- As of January 1, 2023 Nokian Tyres will report as alternative non-IFRS figures **Segments net sales** and **Segments operating profit** excluding Russia and other items that are not indicative of Nokian Tyres' underlying business performance.

EUR million	2022 reported figures	2022 segments figures excl. Russia	2021 reported figures	2021 segments figures excl. Russia
Net sales	1,776.1	1,350.5	1,714.1	1,393.1
Segments operating profit	221.2	17.8	324.8	210.1
SOP %	12.5%	1.3%	19.0%	15.1%

ASSUMPTIONS FOR 2023

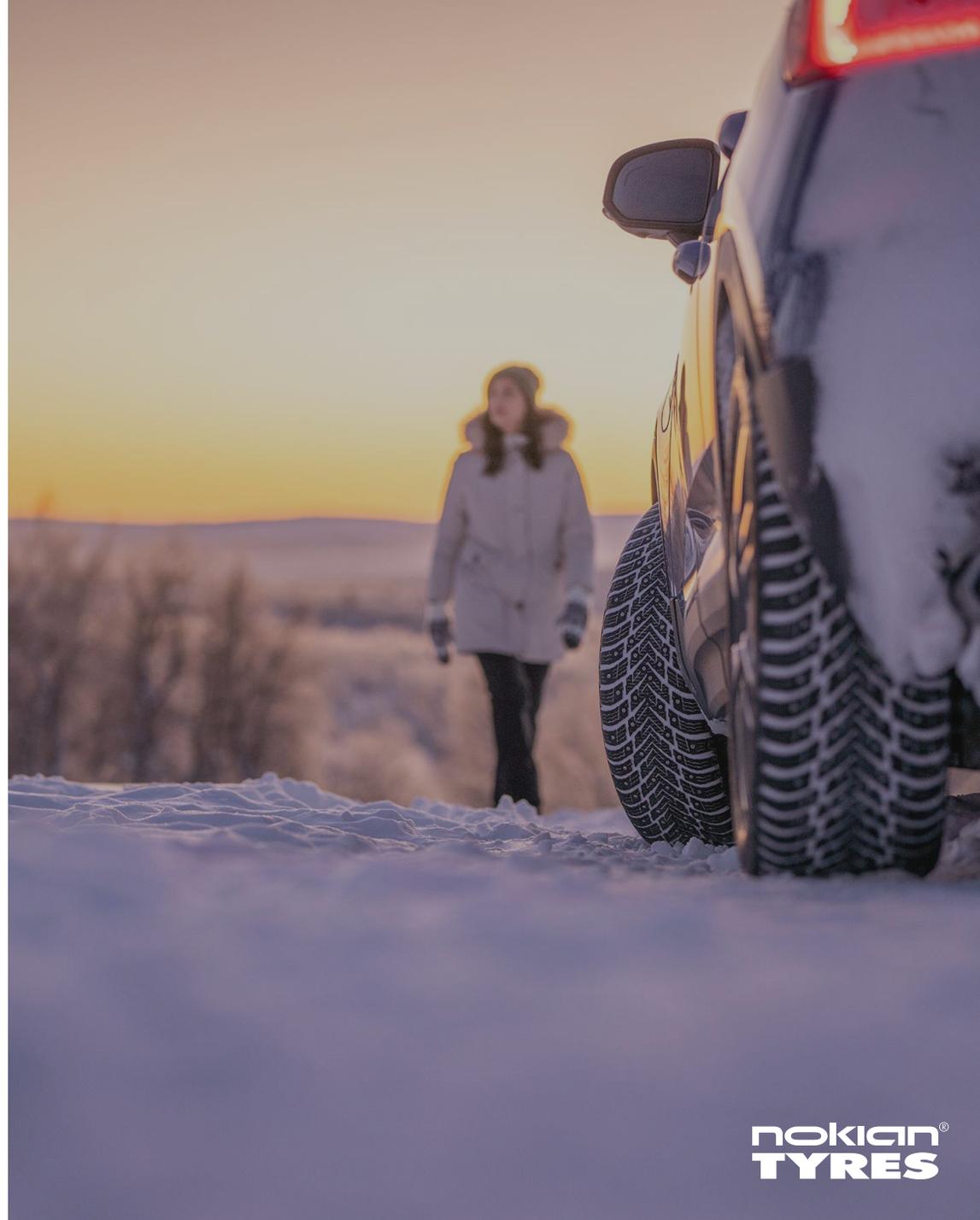
- Nokian Tyres' first half of the year is expected to be weak due to constrained capacity causing lower supply of passenger car tires, and seasonality
- The second half is expected to be supported by the winter tire and all-season tire season and the offtake volume
- In heavy tires, the general economic development may have a negative impact on demand in 2023



GUIDANCE FOR 2023

In 2023, Nokian Tyres' segments net sales are expected to be between EUR 1,300–1,500 million and segments operating profit percentage of net sales between 6–8%. It is expected that due to seasonality, the segments operating profit will be generated in the second half of the year.

As of 2023, segments net sales and segments operating profit exclude Russia and other items, which are not indicative of Nokian Tyres' underlying business performance.





THE YEAR 2023 WILL BE
A NEW START
FOR NOKIAN TYRES

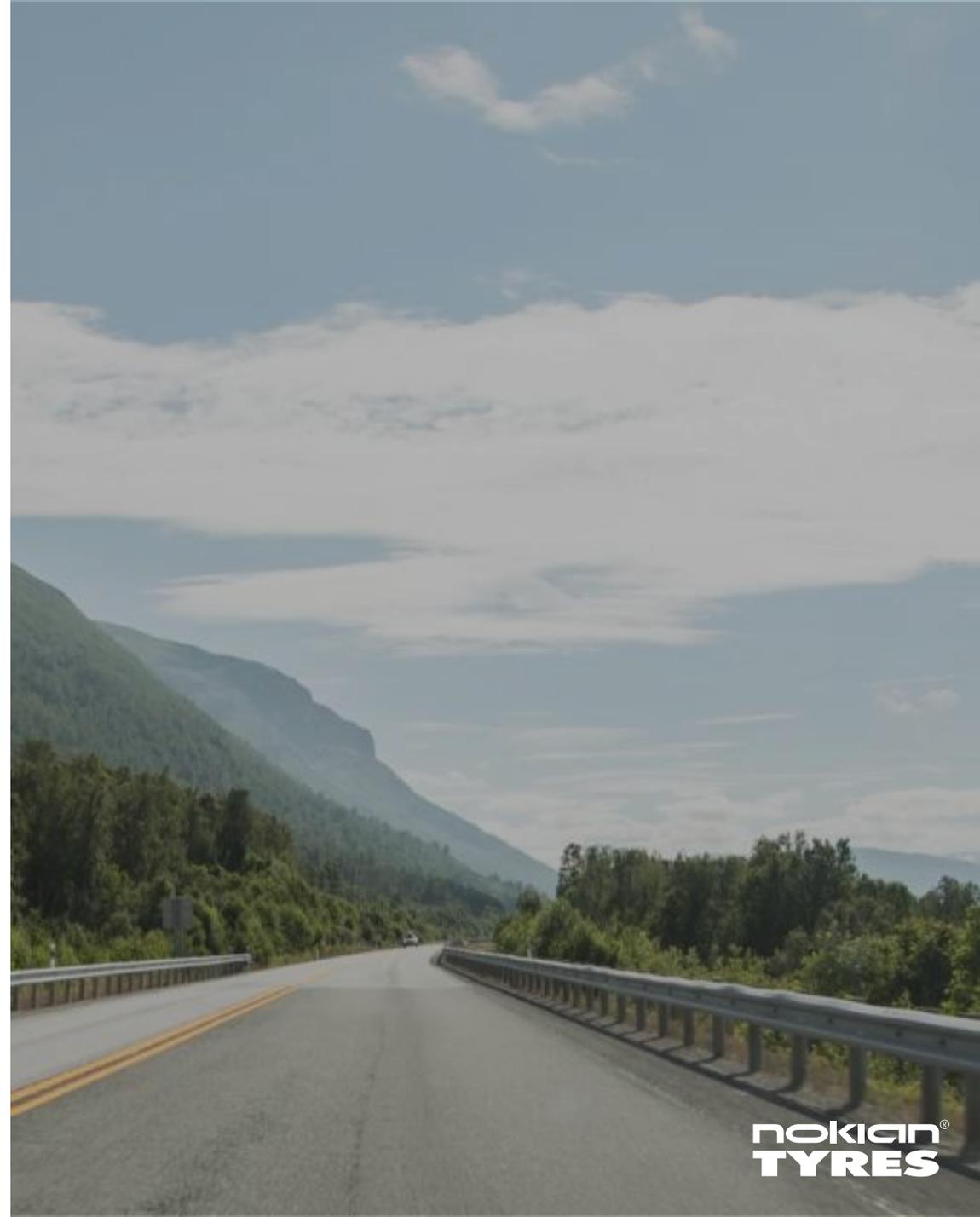
WE WILL BE A GROWTH COMPANY AGAIN

With our strong and resilient Nokian Tyres team, we focus on four strategic programs:

- New factory in Romania
- Nokia factory capacity increase
- Dayton factory completion
- Growing contract manufacturing

At the same time, we...

- Provide customers with world-class products and services
- Drive leadership in safety, product quality and sustainability
- Build scalable end-to-end processes and systems to meet our customers' evolving needs



THIS IS A NEW JOURNEY TO EUR 2 BILLION NET SALES AND HEALTHY PROFITS

INVESTMENT PHASE 2023-2025

- New factory in Romania
- Nokia factory capacity increase
- Dayton factory completion
- Growing contract manufacturing

GROWTH PHASE 2026-2027

- Increasing market penetration based on new products and invested capability

NET SALES
**EUR
2 BILLION**

A young woman with blonde hair, wearing a cream-colored knit beanie with a pom-pom and a thick, grey, chunky knit scarf, is driving a car. She is looking towards the camera with a slight smile. The background is a snowy, out-of-focus landscape. The text "IT'S A NEW JOURNEY!" is overlaid in the center in a bold, white, sans-serif font. A solid green bar is visible at the bottom center of the image.

IT'S A NEW JOURNEY!

nokian[®]
TYRES



APPENDIX

GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2018–2022*

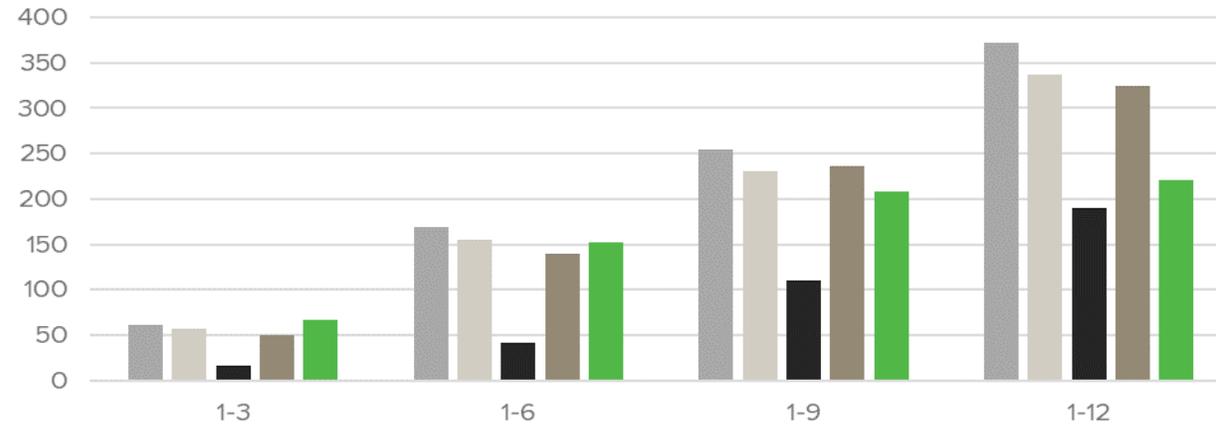
2022

- Net sales 1,776.1 M€
(1,714.1), 3.6%
- Segments operating profit
221.2 M€ (324.8)

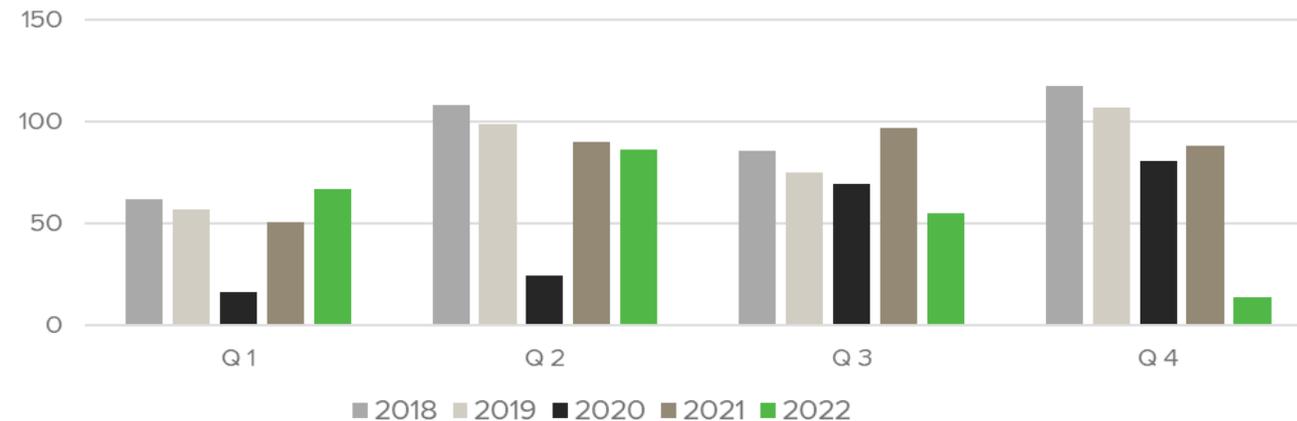
10–12/2022

- Net sales 411.3 M€
(512.6), -19.8%
- Segments operating profit
13.5 M€ (88.0)

Cumulative segments operating profit per review period



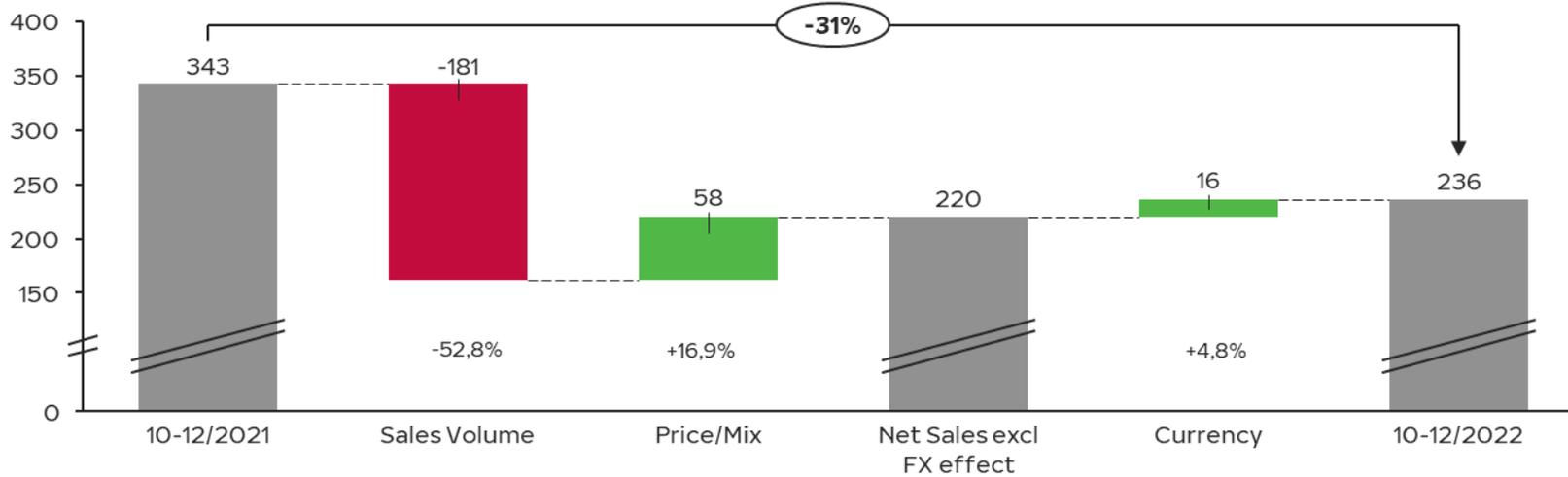
Segments operating profit per quarter



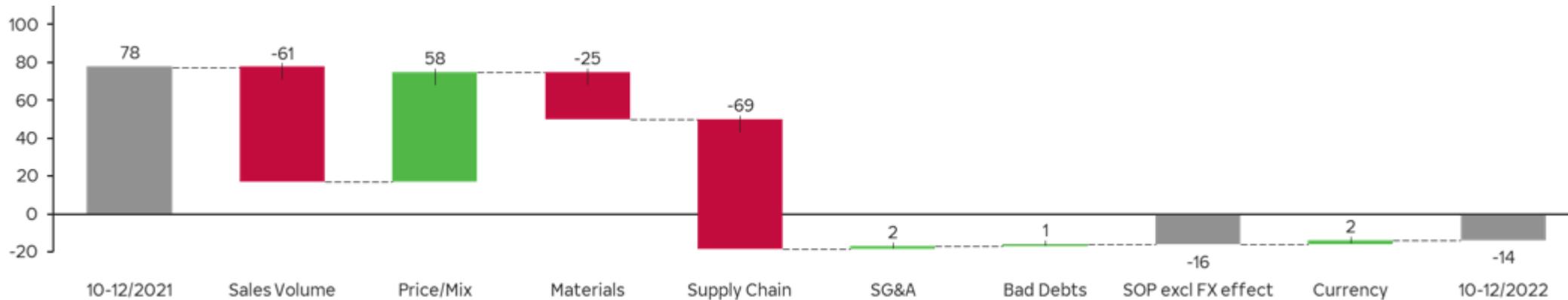
Q4: PASSENGER CAR TYRES BRIDGE

Price/Mix impacted segment operating profit positively by EUR 58 million

NET SALES, M€



SEGMENT OPERATING PROFIT, M€

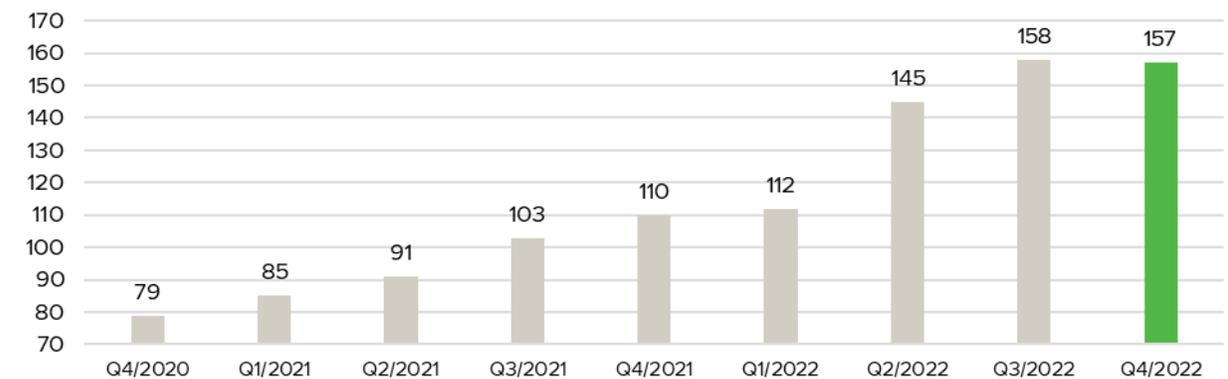
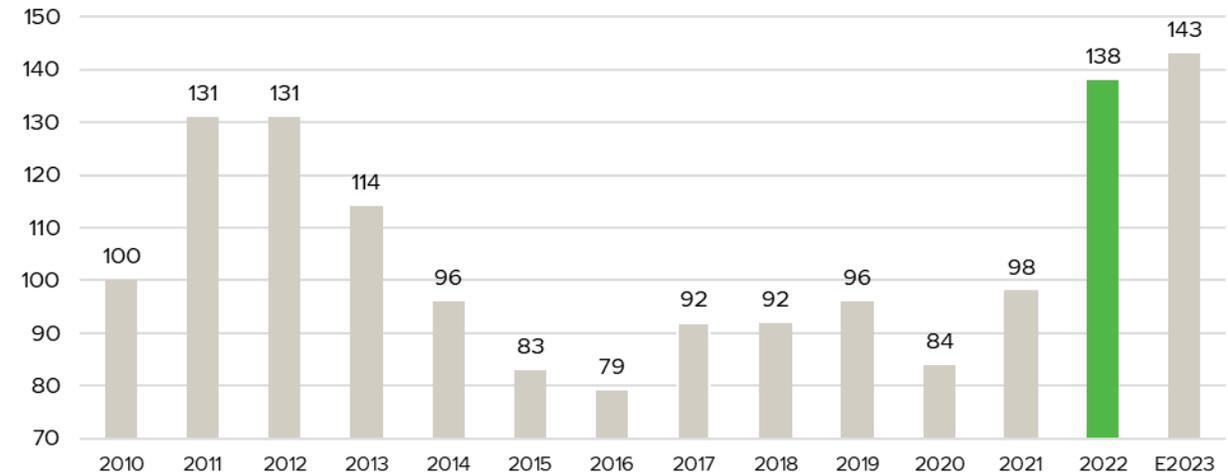


MATERIAL COST DEVELOPMENT

MATERIAL COSTS (€/KG)

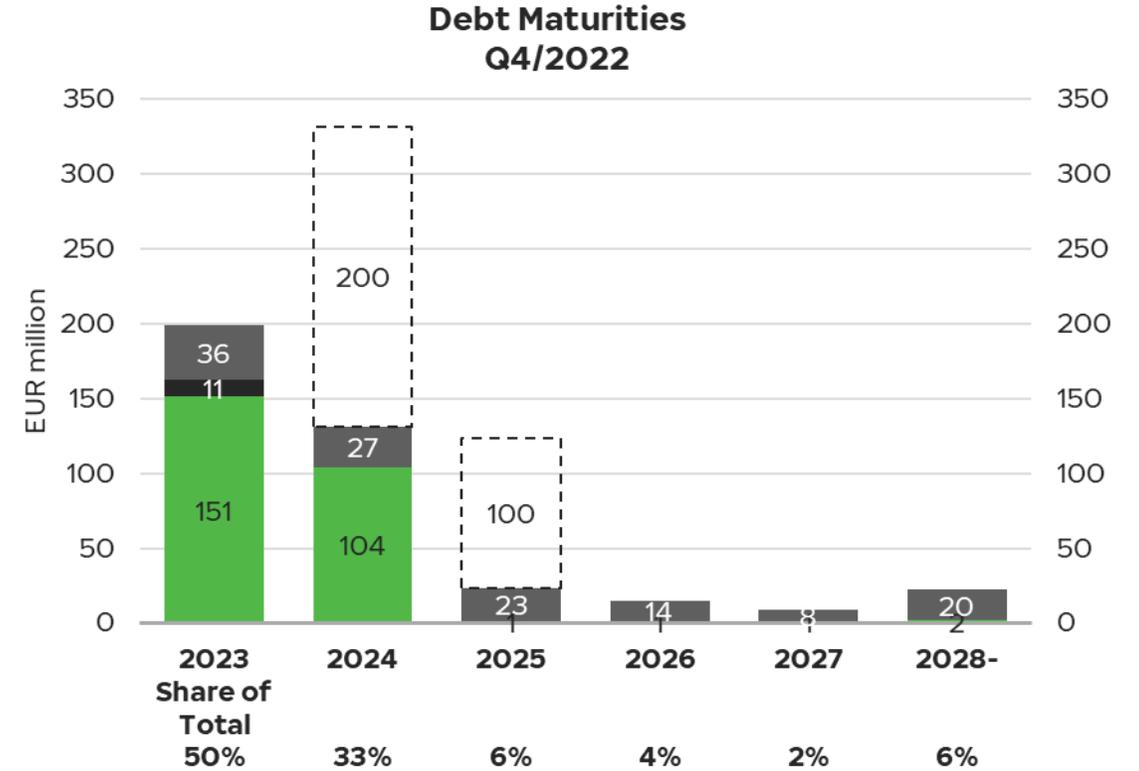
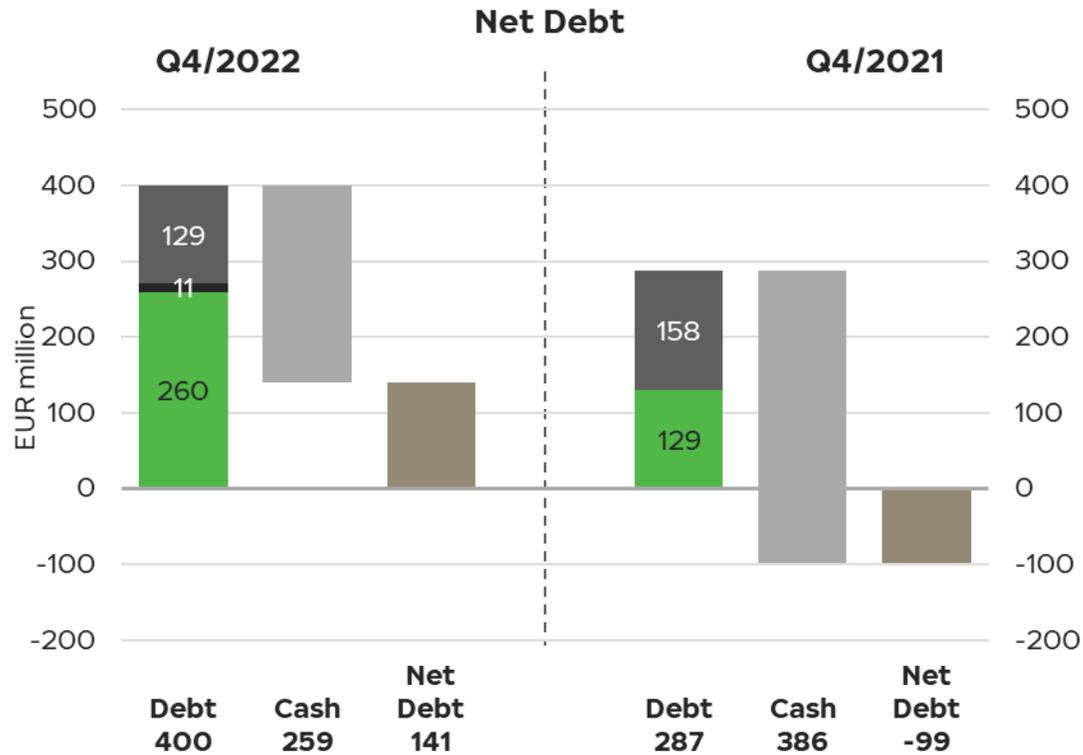
- Increased by 42.9% in Q4/2022 vs. Q4/2021
- Decreased by -0.5% in Q4/2022 vs. Q3/2022
- Increased by 41.7% in 2022 vs. 2021

MATERIAL COST DEVELOPMENT INDEX 2010 - E2023



Incl. raw and other materials in reported currencies

NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q4/2022	Q4/2021
Cash	259	386
Committed undrawn credit facilities	305	305
Total	564	691

- ☐ Committed Credit Facilities | Undrawn (Major)
- Leases | IFRS 16
- Commercial Papers
- Loans

NETWORK DEVELOPMENT

Vianor, NAD, N-Tyre; -101 stores in 2022

VIANOR – 1,008 SERVICE CENTERS IN 13 COUNTRIES

173 own stores and 835 partners

Own -2; partner -37 vs. year-end 2021

- Largest tire chain in the Nordic countries: 339 service centers (+2 vs. year-end 2021)
- Russia and CIS: 329 service centers (-7 vs. year-end 2021). Permit to use Vianor brand in Russia to be revoked
- Central Europe: 340 service centers (-34 vs. year-end 2021)

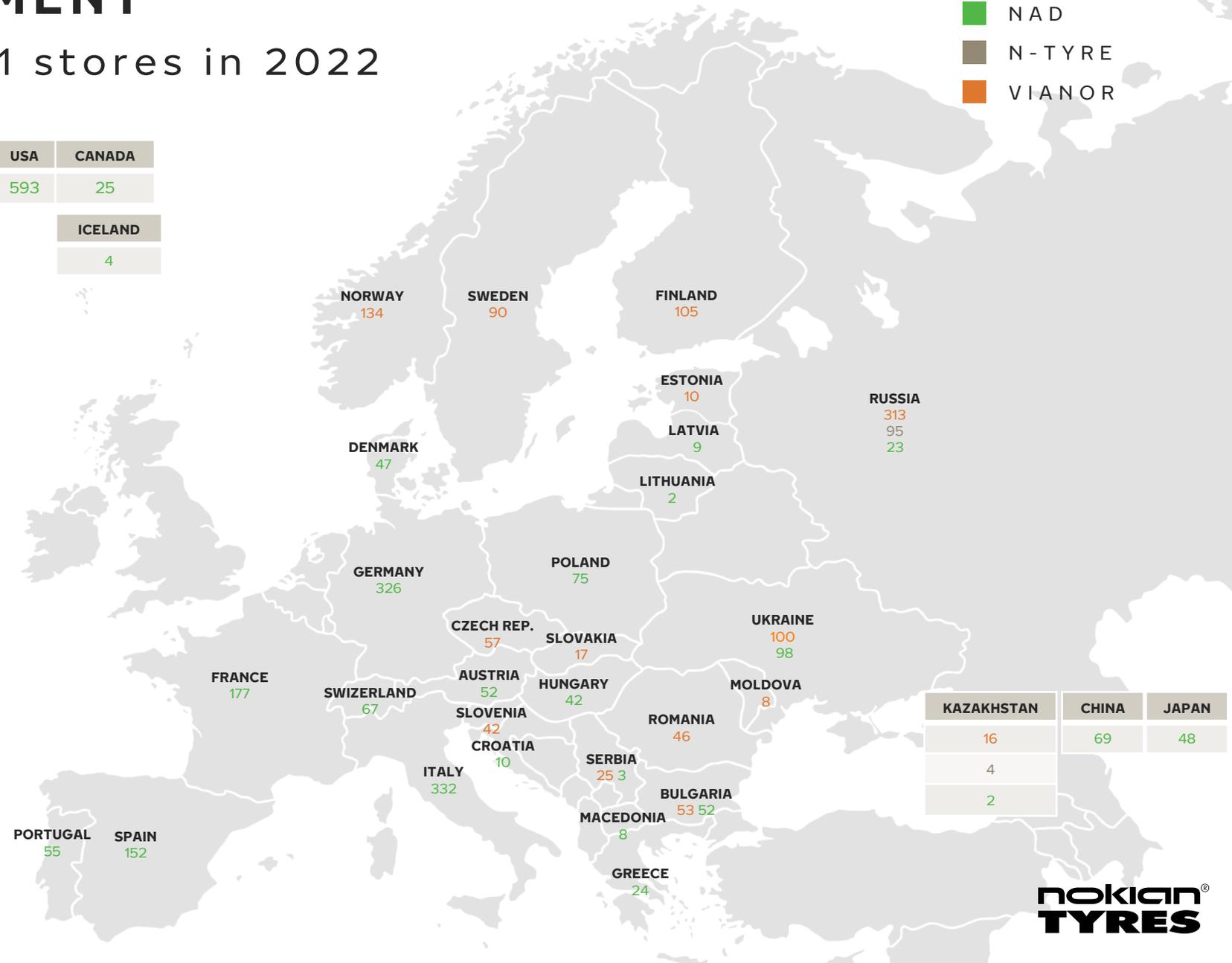
USA	CANADA
593	25
ICELAND	
4	

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,295 STORES

- In 25 countries
- -51 stores vs. year-end 2021

N-TYRE – 99 STORES

- In Russia and Kazakhstan
- -11 stores vs. year-end 2021



An aerial photograph of a winter landscape. A snow-covered road winds through a field of low-lying, snow-laden bushes. To the left, a small cluster of buildings is visible near a body of water. The sky is overcast with soft, diffused light.

nokian[®] TYRES

Disclaimer

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