



SOFTNESS IN EUROPE, PROGRESS IN HEAVY TYRES AND VIANOR

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TYRES

DIVERSE START TO THE YEAR

- **Net sales EUR 343.7 million (336.0), +3.8% with comparable currencies**
 - Progress in Heavy Tyres and Vianor
 - Russia +14.0% and the Nordic countries +8.0% with comparable currencies
- **Operating profit EUR 53.9 million (61.2)**
 - Highly competitive tire market in Central Europe, negative currency impact, and higher raw material cost
- **Profit for the period EUR 194.6 million (46.6)**
 - Positively impacted by EUR 149.6 million related to the rulings on the tax disputes



SOFTNESS IN THE MARKET IN EUROPE

Q1/2019

The Nordic countries	
New car sales	-9%
Car tire sell-in	-6%
Heavy tire segments *	➡
Nokian Tyres sales & SOM	
Car tire sales, pcs	-
Car tire SOM	+

Russia	
New car sales	-0%
Car tire sell-in	-5%
Heavy tire segments *	➡
Nokian Tyres sales & SOM	
Car tire sales, pcs	+
Car tire SOM	+

Europe (incl. the Nordic countries)	
New car sales	-3%
Car tire sell-in	-3%
Heavy tire segments *	➡
Nokian Tyres sales & SOM (Other Europe, excl. the Nordic countries)	
Car tire sales, pcs	-
Car tire SOM	-

North America	
New car sales	-3%
Car tire sell-in	+5%
Heavy tire segments *	➡
Nokian Tyres sales & SOM	
Car tire sales, pcs	-
Car tire SOM	-

- Car tire sell-in in the Nordics and Central Europe declined due to softness in the car and tire market in Europe
- High inventory levels of summer tires in Central Europe and in Russia

* Nokian Tyres' core product segments, management estimate

A man and a woman are shown from the chest up, embracing each other. The woman, on the left, has long dark hair and is wearing a blue parka with a fur-lined hood and white knit gloves. The man, on the right, has light brown hair and a beard, and is wearing a dark navy parka with a fur-lined hood. They are both smiling and looking towards the left. The background features a vast, snowy mountain range under a soft, hazy sky. The water in the foreground is dark and textured. A small green rectangular bar is visible at the top left of the image.

Q1/2019

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KEY FIGURES 1-3/2019

	1-3 /19	1-3 /18	Change %	CC* Change %	2018
Net sales	343.7	336.0	2.3%	3.8%	1,595.6
Operating profit	53.9	61.2			372.4
Operating profit %	15.7%	18.2%			23.3%
Profit before tax	90.7	60.0			361.7
Profit for the period	194.6	46.6			295.2
Earnings per share, EUR **	1.41	0.34			2.15
ROCE, % ***	20.2%	21.7%			23.3%
Equity ratio, %	75.7%	79.1%			71.0%
Cash flow from operating activities	-68.9	-18.3			536.9
Gearing, %	-3.2%	-11.6%			-21.2%
Interest-bearing net debt	-54.9	-174.1			-315.2
Capital expenditure	54.3	17.5			226.5

* Comparable currencies

** EPS excl. the impact of the rulings on the tax disputes of EUR 1.08 were EUR 0.33

*** Rolling 12 months

PASSENGER CAR TYRES

Softness in the car and tire market in Europe

	1-3 /19	1-3 /18	Change %	CC* Change %	2018
Net sales, M€	256.3	259.1	-1.1%	0.7%	1,150.8
Operating profit, M€	63.2	74.0			356.5
Operating profit, %	24.7%	28.6%			31.0%

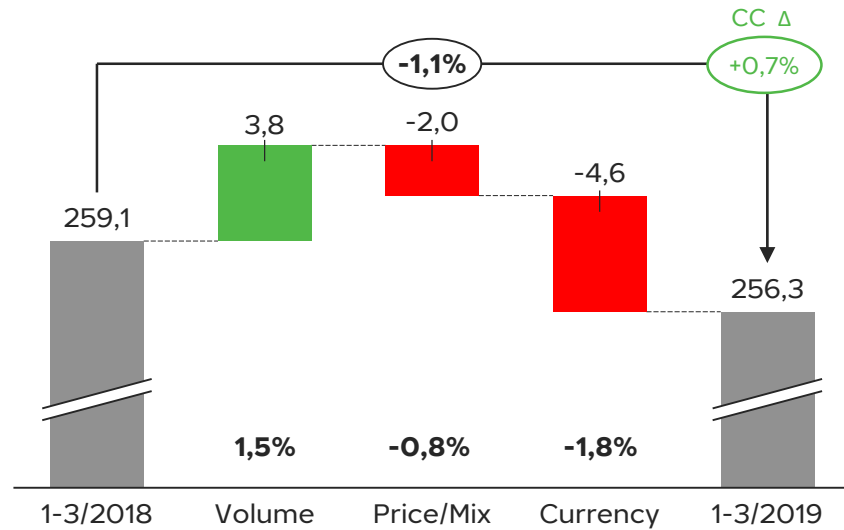
* Comparable currencies

- Softness in the European market, and timing of deliveries in North America had a negative effect on net sales. Summer tire inventories at a high level in Central Europe and in Russia.
- Average Sales Price with comparable currencies decreased slightly due to product and country mix.
- Operating profit decreased due to the highly competitive tire market in Central Europe, as well as currencies.
- US factory ramp-up proceeding according to plan, commercial production to start in early 2020.

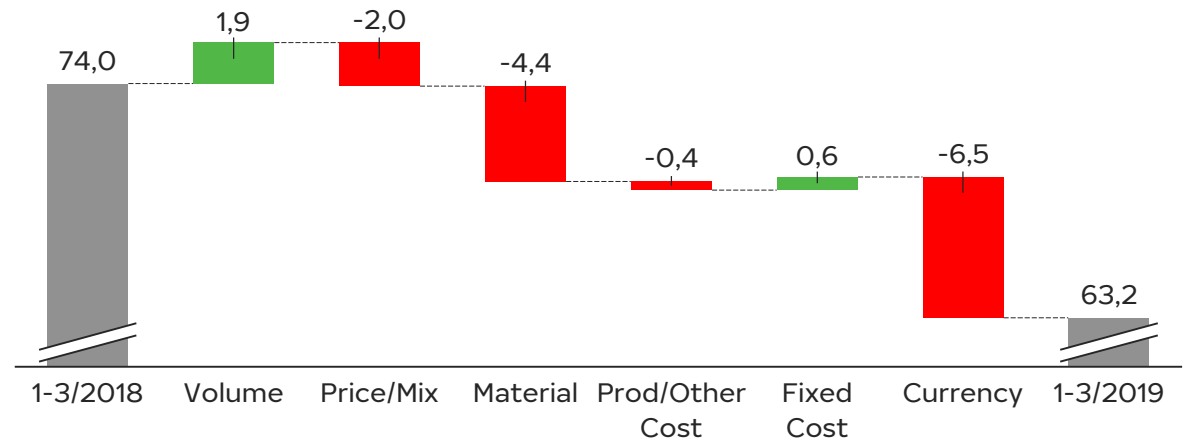
PASSENGER CAR TYRES BRIDGE 1-3/2019

Negative impact of EUR 6.5 million from currencies on EBIT

NET SALES, M€



EBIT, M€



HEAVY TYRES

Good demand in core product groups

	1-3 /19	1-3 /18	Change %	CC* Change %	2018
Net sales, M€	48.3	43.1	11.9%	12.1%	187.7
Operating profit, M€	9.0	8.3			28.6
Operating profit, %	18.7%	19.2%			15.2%

* Comparable currencies

- Sales of agricultural tires and forestry tires increased, in particular.
- Operating profit increased due to the sales growth resulting from the new product launches and better availability.
- Production capacity in Finland will be increased by 50% in 2018–2020. Project proceeding according to plan.

VIANOR

Profitability improving in line with plan

	1-3 /19	1-3 /18	Change %	CC* Change %	2018
Net sales, M€	57.0	53.3	7.0%	8.4%	337.2
Operating profit, M€	-12.0	-14.7			1.6
Operating profit, %	-21.0%	-27.5%			0.5%
Own service centers, pcs, at period end	187	193			188

* Comparable currencies

- Net sales increased by 8.4% with comparable currencies.
- Operating profit improvement was driven by increased operational efficiency, and better sales management.

A silver car is driving away from the viewer on a two-lane asphalt road that curves through a lush green valley. The road is flanked by dense evergreen forests. In the background, majestic, rocky mountains rise steeply, partially shrouded in mist and low-hanging clouds. The sky is overcast with grey clouds. The overall scene conveys a sense of adventure and exploration in a natural setting.

OUTLOOK

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GUIDANCE FOR 2019 (UNCHANGED)

In 2019, net sales with comparable currencies are expected to grow and operating profit to be approximately at the level of 2018.

In line with Nokian Tyres' updated 2018 strategy, the company is targeting further growth in Russia, Central Europe, and North America. As a result of ongoing investment programs to support the growth, operating profit in 2019 will include significant additional operating costs.



An aerial photograph of a winding asphalt road with a yellow center line, cutting through a dense, lush green forest. The perspective is from directly above, showing the texture of the trees and the curve of the road.

**PEACE OF MIND
IN ALL CONDITIONS**

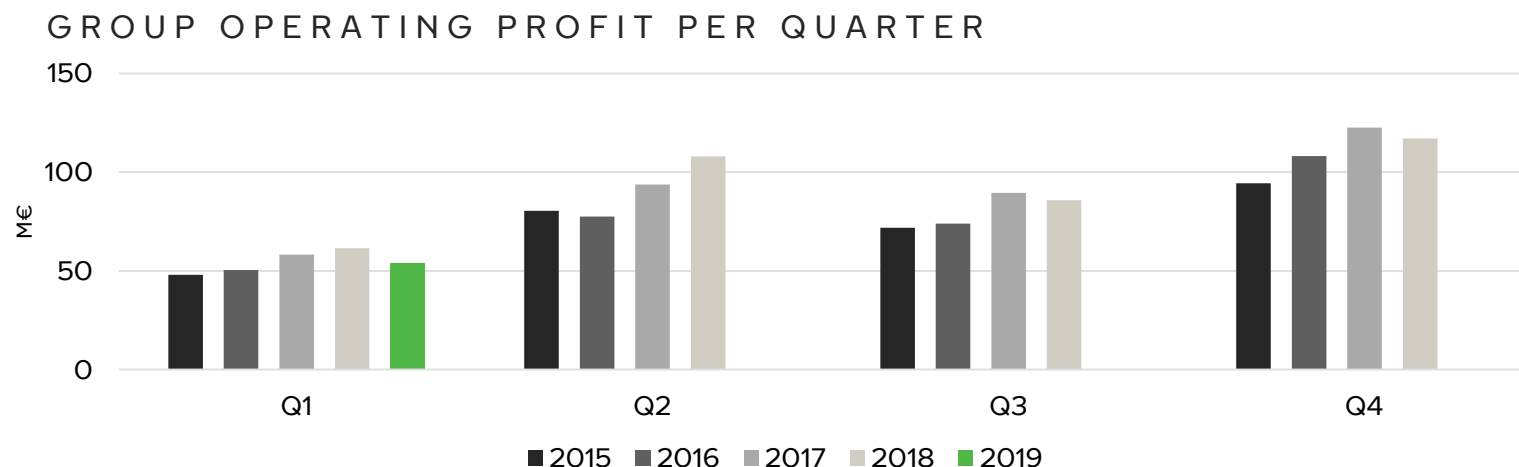
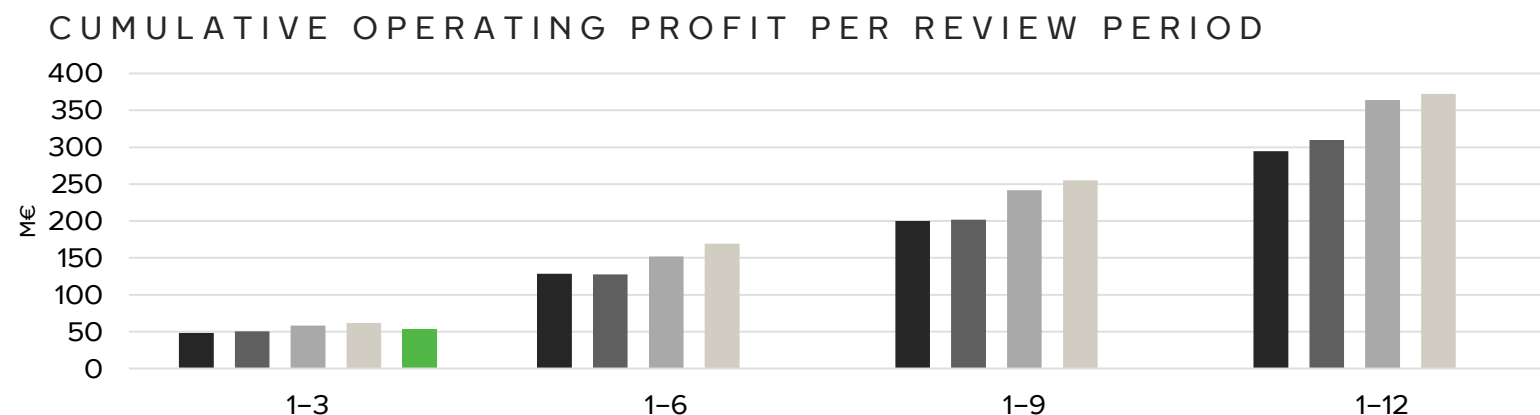
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APPENDIX

GROUP OPERATING PROFIT PER QUARTER 2015–Q1/2019

1–3/2019

- Net sales 343.7 M€
(336.0 M€), +2.3%
- Operating profit 53.9 M€
(61.2 M€)



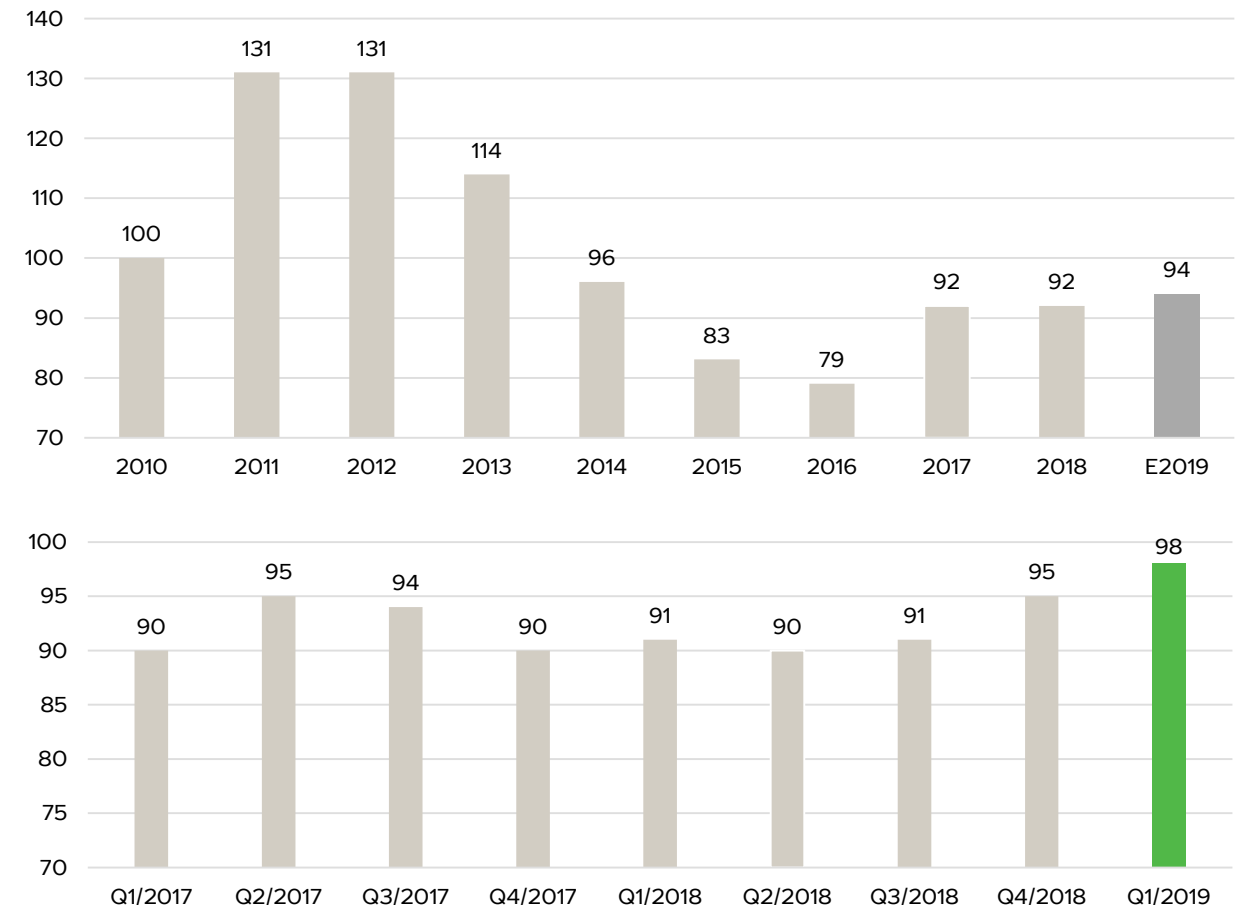
MATERIAL COST DEVELOPMENT

Increased in Q1/2019

MATERIAL COSTS
(€/KG)

- increased by 7.7% in Q1/2019 vs. Q1/2018
- increased by 3.4% in Q1/2019 vs. Q4/2018

MATERIAL COST DEVELOPMENT INDEX 2010-E2019



NETWORK DEVELOPMENT PROGRESSED

Vianor, NAD, N-Tyre; +51 stores in 1-3/2019

VIANOR – 1,322 SERVICE CENTERS IN 24 COUNTRIES

187 own stores and 1,135 partners

Own -1, partner +5 vs. year-end 2018

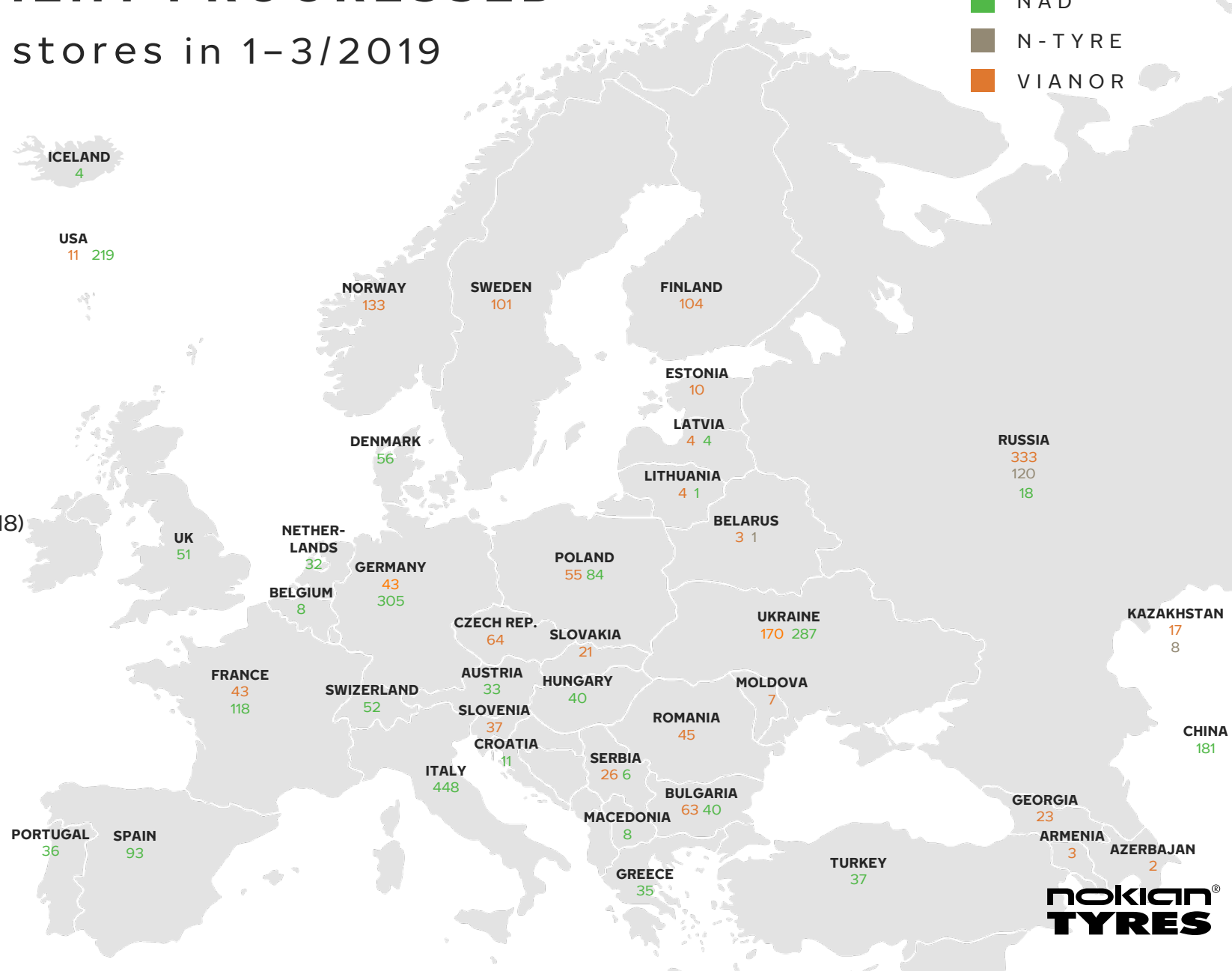
- Largest tire chain in the Nordic countries: 338 service centers (-1 vs. year-end 2018)
- Largest tire chain in Russia and CIS: 381 service centers (+5 vs. year-end 2018)
- Central Europe: 592 service centers (unchanged vs. year-end 2018)
- USA: 11 service centers (unchanged vs. year-end 2018)

NOKIAN TYRES AUTHORIZED DEALERS (NAD) – 2,207 STORES

- In 24 European countries, USA and China
- Increase of 45 stores vs. year-end 2018

N-TYRE – 129 STORES

- In Russia, Kazakhstan and Belarus
- Increase of 2 stores vs. year-end 2018





IT'S A BEAUTIFUL JOURNEY

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