

STRONG SALES GROWTH IN ALL REGIONS. ACTIONS ACCELERATED TO IMPROVE FINANCIAL PERFORMANCE

INTERIM REPORT JANUARY–MARCH 2025

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MAY 6, 2025

AGENDA

1 Financial performance in Q1

2 Business units

3 CEO reflections

4 Tariffs and 2025 guidance





Q1 FINANCIAL PERFORMANCE

HIGHLIGHTS OF Q1/2025

- **Strong sales growth continued**, we outperformed the market in all regions
- **Romanian factory proceeding as planned**, tire deliveries started in March
- **Heavy Tyres performed well in a weak market**
- **Actions accelerated to improve financial performance**
- **Tariffs causing disturbances in North America**, local-to-local strategy mitigating the impacts



TIRE MARKET DEVELOPMENT IN Q1/2025

PC/LT replacement tire market showing modest growth, weakness in heavy tire market continued

PC & LT TIRES

- Europe RT +5%
- North America RT 0%



TRUCK TIRES

- Europe RT +1%



AGRI TIRES

- Europe RT -7%
- Europe OE -20%



Nokian Tyres outperforming the market

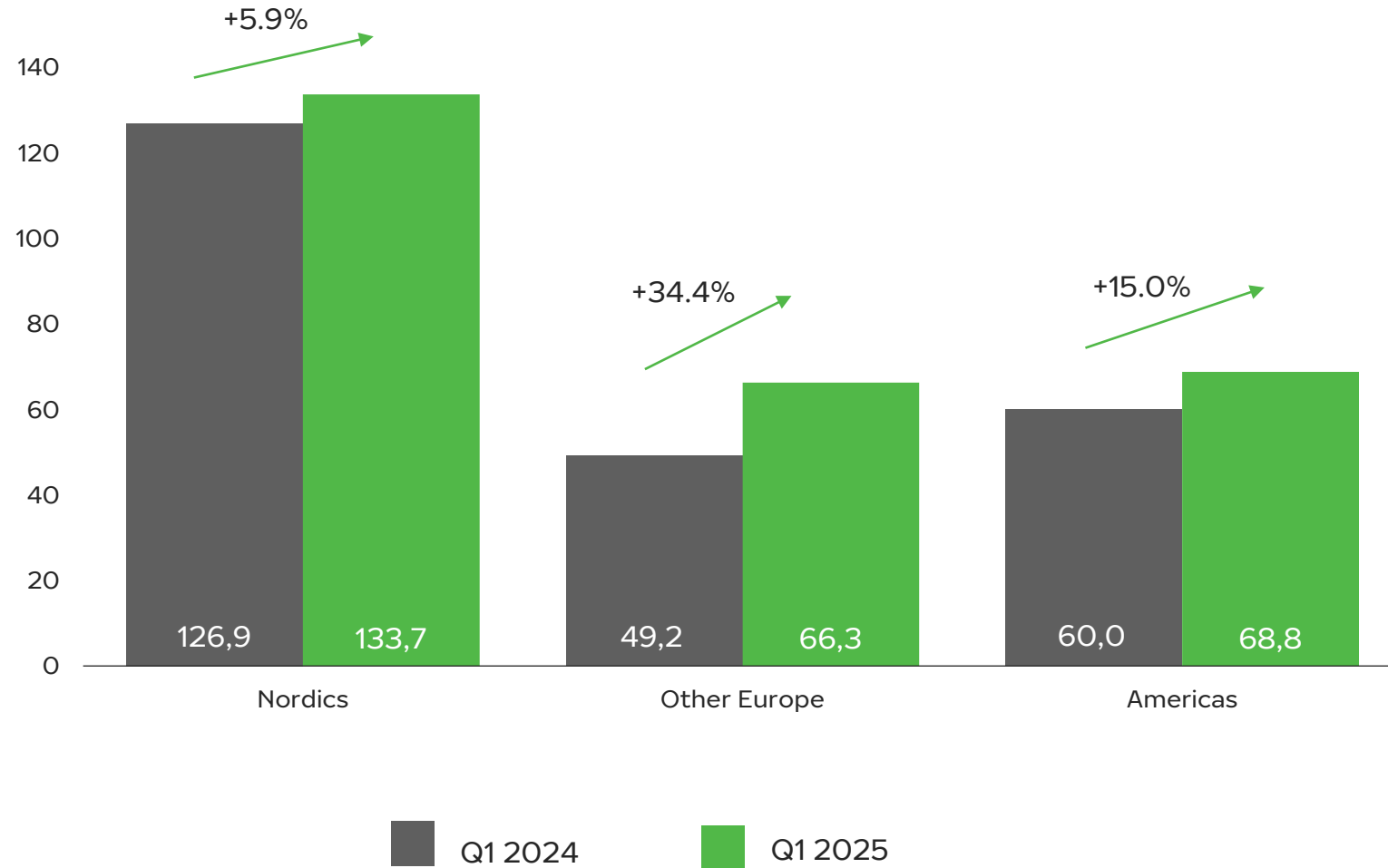
STRONG SALES GROWTH IN Q1, PROFITABILITY DECLINED DUE TO HIGHER COST

- **Net sales EUR 269.5 million (236.6), +14.2% with comparable currencies**
 - Positive development in all business units
 - Market position improved in all regions
- **Segments EBITDA EUR 12.5 million (12.5)**
 - 4.6% (5.3%) of net sales
- **Segments operating profit EUR -18.5 million (-15.1)**
 - -6.9% (-6.4%) of net sales
 - Decline due to higher raw material and SG&A costs
 - Price increases implemented in Q1 which are intended to offset increased raw material cost, will be reflected in our results from Q2 onwards



NET SALES GREW IN ALL REGIONS IN THE FIRST QUARTER

NET SALES BY GEOGRAPHICAL AREA, EUR million



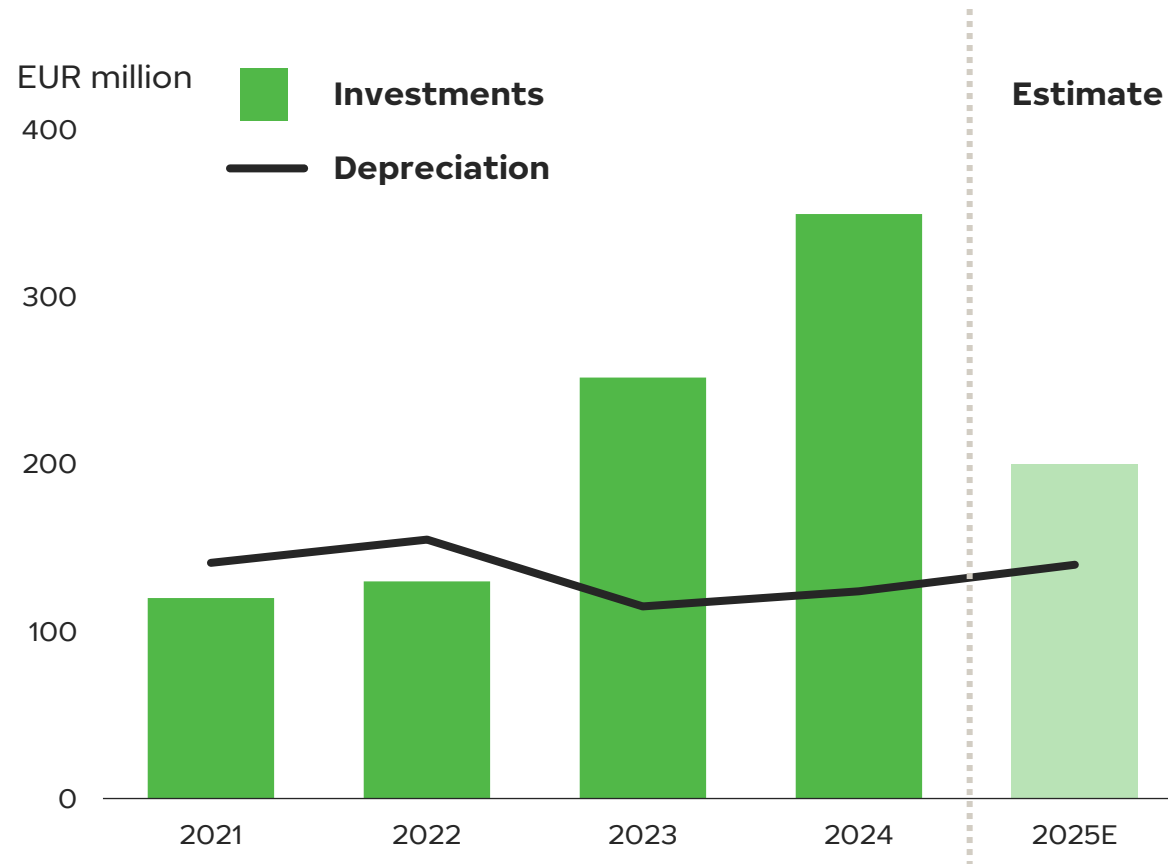
KEY FIGURES

Investment phase approaching its end

EUR million	1-3/2025	1-3/2024	2024
Net sales	269.5	236.6	1,289.8
Segments EBITDA	12.5	12.5	185.2
Segments EBITDA, %	4.6%	5.3%	14.4%
Segments operating profit	-18.5	-15.1	71.4
Segments operating profit, %	-6.9%	-6.4%	5.5%
Segments ROCE, % (rolling 12 months)	3.6%	4.0%	3.9%
Equity ratio, %	50.7%	57.6%	52.5%
Gearing, %	65.9%	29.7%	48.2%
Interest-bearing net debt	802.1	395.1	613.1
Capital expenditure	52.0	69.7	350.1
Cash flow from operating activities	-121.8	-87.3	77.4

In addition to IFRS figures, Nokian Tyres publishes alternative non-IFRS segments figures, which exclude the ramp-up of the US and Romanian factories and other possible items that are not indicative of the Group's underlying business performance.

SIGNIFICANT INVESTMENTS IN 2023–2025 TO BUILD OUR FUTURE PLATFORM



Investment phase approaching its end

- Net investments in 2025 estimated to be EUR 200 million
- Total investments in 2023–2025 approx. EUR 800 million
- Returning to average capex of approx. EUR 120 million
- Romanian state aid approx. EUR 100 million to be received from 2025 onwards, lowering net investments



BUSINESS UNITS

Q1: PASSENGER CAR TYRES

Higher sales, profitability decreased

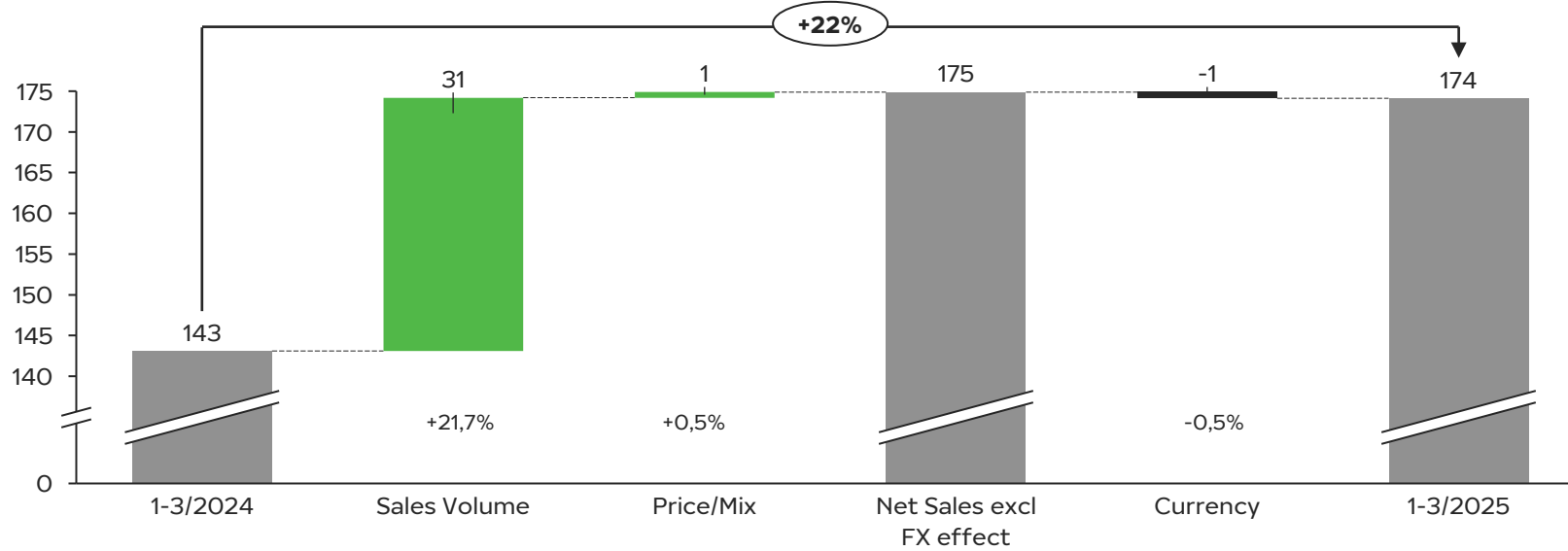
- Net sales increased due to higher sales volumes driven by increased product availability
 - ASP with comparable currencies at previous year's level
 - Share of premium and >18" tires increased
- Profitability decreased due to higher raw material and SG&A costs
- Finished goods inventories on a lower level

EUR million	1-3/2025	1-3/2024	2024
Net sales	174.1	143.1	779.9
Net sales change in comparable currencies, %	22.2%	8.7%	20.2%
Segment operating profit	-6.2	-2.8	52.2
Segment operating profit, %	-3.6%	-2.0%	6.7%

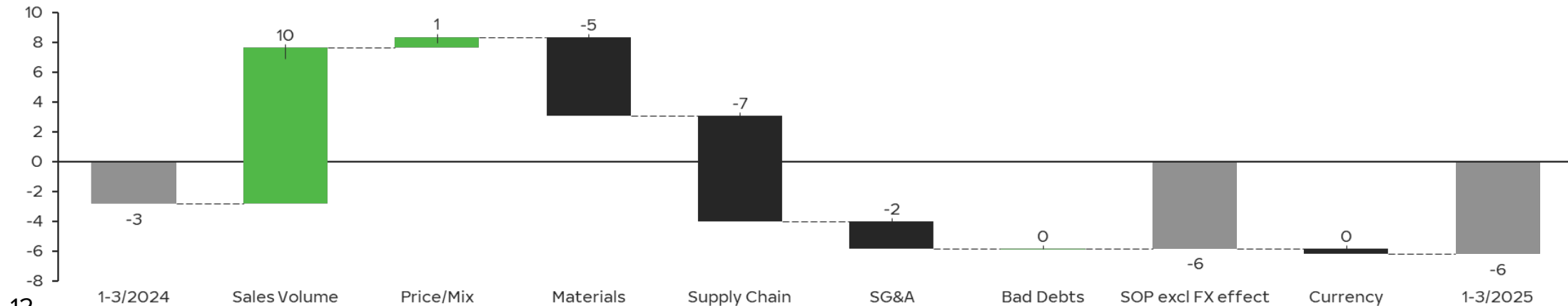
Q1: PASSENGER CAR TYRES BRIDGE

Volume impact of EUR +10 million on segment operating profit

NET SALES, EUR million



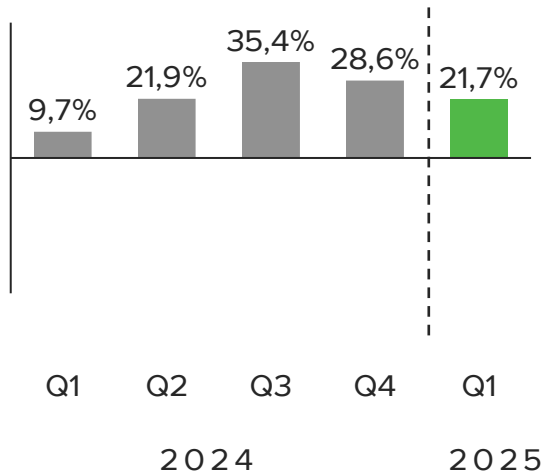
SEGMENT OPERATING PROFIT, EUR million



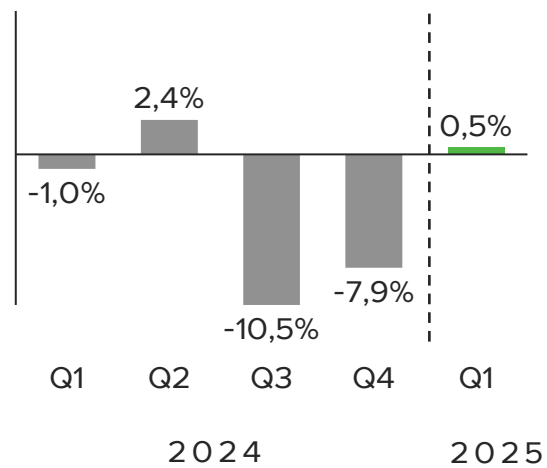
PASSENGER CAR TYRES NET SALES -QUARTERLY CHANGES

YoY Change %

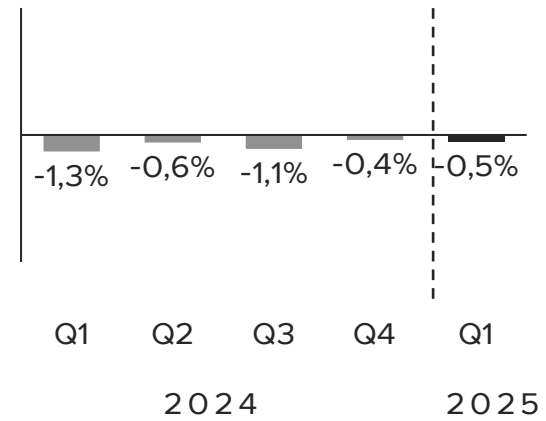
Sales Volumes



Price / Mix



Currency



Q1: HEAVY TYRES

Solid performance in a weak market

- Net sales increased in all regions driven by aftermarket sales
- Profitability improved mainly due to favorable channel mix
- Finished goods inventories remained stable

EUR million	1-3/2025	1-3/2024	2024
Net sales	55.8	55.1	235.1
Net sales change in comparable currencies, %	1.3%	-18.5%	-8.0%
Segment operating profit	7.3	6.3	30.0
Segment operating profit, %	13.0%	11.5%	12.8%

Q1: VIANOR

Positive sales development

- Net sales with comparable currencies increased by 5.7%
- The first quarter is seasonally low in Vianor, therefore negative in profitability
- Finished goods inventories remained stable

EUR million	1-3/2025	1-3/2024	2024
Net sales	58.8	55.9	354.9
Net sales change in comparable currencies, %	5.7%	2.3%	3.6%
Segment operating profit	-15.4	-15.9	-3.8
Segment operating profit, %	-26.2%	-28.5%	-1.1%



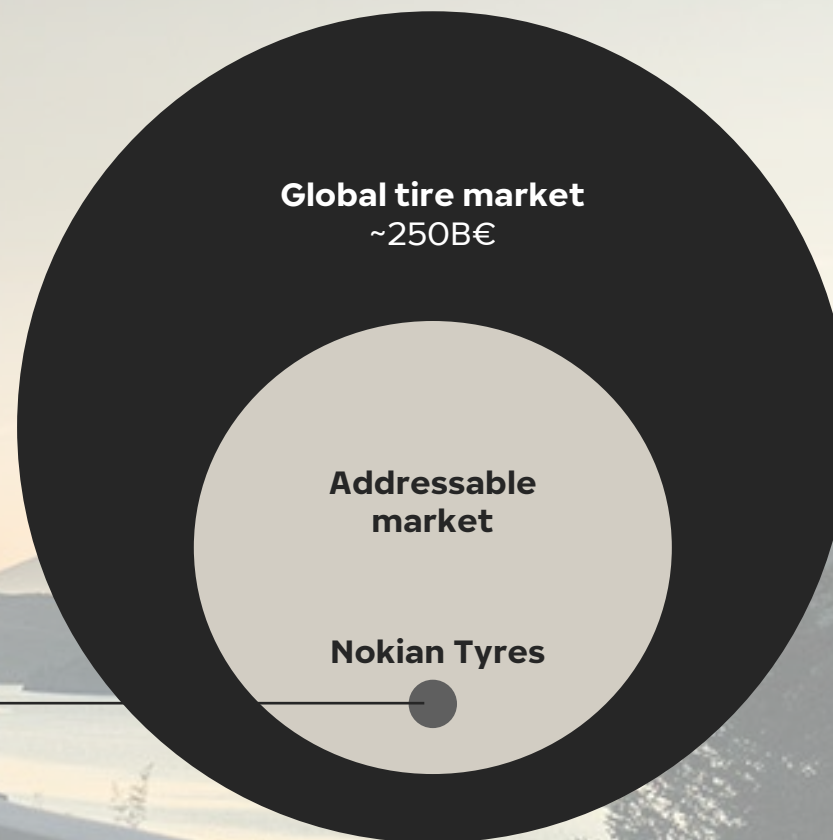
CEO REFLECTIONS

KEY MESSAGES

- Strong foundations for industry leading growth and profitability improvement
- Investment phase completed by the end of 2025, moving to growth phase
- Actions to improve financial performance accelerated

STRONG GROWTH PROSPECTS DRIVEN BY SAFEST PRODUCTS

**Long-term heritage
of safest products for
demanding weather
conditions**



STRONG FOUNDATIONS TO BUILD ON

PRODUCT

- Wide offering in winter and all-season tires
- Safe, sustainable, and high-performing products

BRAND

- Premium tire segment leader in Nordics
- Strong brand recognition in winter tires in North America and rest of Europe

DISTRIBUTION

- Market-leading distribution network in Nordics via Vianor
- Products sold totally in 46 countries

MANUFACTURING

- Local-to-local production in core geographies
- Brand new, well-invested facilities

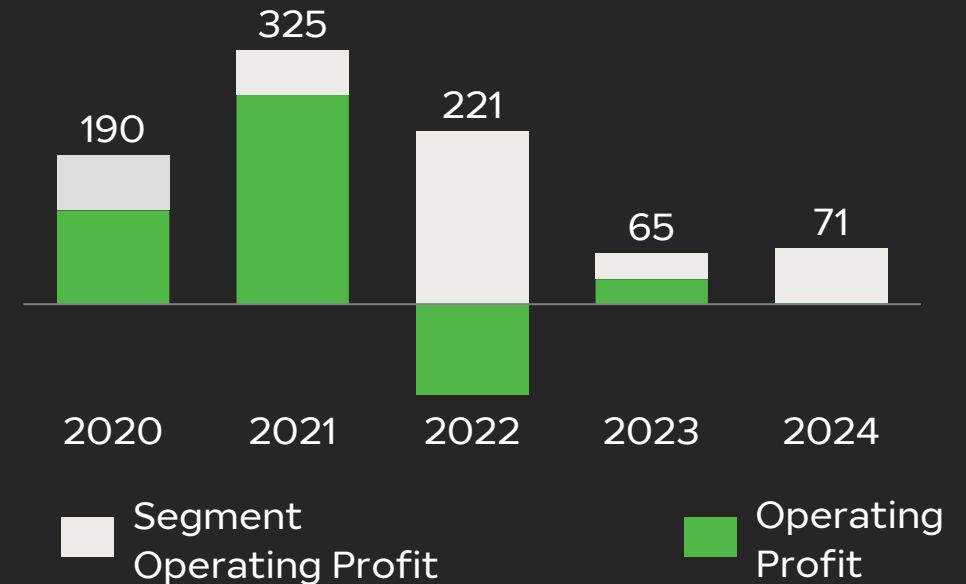
HEAVY TIRES

- Highly profitable business with strong position in forestry and growing in agricultural segment

INVESTMENT PHASE TO BE SUCCESSFULLY COMPLETED BY YEAR END, NEXT STEP TO FOCUS ON FINANCIAL PERFORMANCE

- **Response to structural disruption successfully managed:** Exit from Russian markets, expansion of Nokia production capacity, support from manufacturing partners, and cost reduction measures
- **Dayton production ramp-up completed:** Optimization of the factory to support market demand completed in Q1 2025
- **Oradea production ramp-up ongoing:** Tire deliveries started in March 2025

NOKIAN TYRES NET FINANCIALS, EUR million



OPPORTUNITIES TO FURTHER STRENGTHEN THE BUSINESS

- North American and Central European commercial positioning
- Manufacturing, procurement, and SG&A cost competitiveness
- Balance sheet strength

ACTIONS TO IMPROVE FINANCIAL PERFORMANCE ACCELERATED

COMMERCIAL

- North America: Accelerate commercial efforts to gain premium market share
- North America: Strengthen partnership network
- Central Europe: Expand our sales network
- Central Europe: Consistent price realization with premium branding

MANUFACTURING

- Dayton production optimization
- Fixed cost reduction through scaling
- Efficiency improvements

PROCUREMENT

- Raw material procurement
- Indirect spend optimization

- Finalize production ramp-up

STRONG FOCUS ON DELIVERING RESULTS

New operating model implemented with stronger P&L and KPI ownership and accountability

Dedicated workstream owners, systematic follow-ups, and reporting practices

MOVING TO NEXT PHASE IS REFLECTED IN OUR CAPITAL ALLOCATION PRIORITIES

HISTORICAL VIEW:

ACTUAL CAPITAL ALLOCATION
2022-2024

- EUR 728 million of capex spend
- EUR 472 million increase in net debt
- EUR 224 million of dividends

PRIORITIES TOWARDS 2027:

CREATING BASIS FOR STRONG INVESTOR
RETURNS

- Substantial improvement to operating cash flow
- EUR ~120 million capex per annum
- 1-2x net debt to EBITDA

WE ARE WELL POSITIONED TO OUTSTANDING VALUE CREATION

➤ **GROWTH:** Above market growth supported by unique value proposition with safe, sustainable, and high-performing products in demanding weather conditions

➤ **PROFITABILITY:** Targeting strong profitability improvement through commercial and manufacturing excellence, and procurement efficiencies

➤ **CAPITAL ALLOCATION:** Modern and well invested asset base enabling strong cash generation and investor returns



TARIFFS AND GUIDANCE

TIRE INDUSTRY ASSUMPTIONS FOR 2025

PASSENGER CAR & LIGHT TRUCK TIRES

RT -2% to 2%

Growth in Central Europe, Nordics stable, volatility in North America



HEAVY TIRES

OE demand declining in H1, market expected to continue challenging in H2

RT demand stable



Market data based on sell-in data provided by tiremaker associations and Nokian Tyres' own estimates of sales by tire manufacturers that do not belong to any association

TARIFFS CAUSING DISTURBANCES IN THE NORTH AMERICAN MARKET

- **Nokian Tyres in North America:**
 - >20% of the Group net sales
 - Approx. 85% of the US volume produced locally in Dayton
 - Canada supplied from the US and Europe; US imports affected by Canadian counter tariffs
- **Direct impacts:** increased sourcing costs and inflow of low-cost tire imports to the US ahead of tariffs. Over 60% of tires in the US are imported, potentially creating opportunities for local manufacturers
- **Indirect impacts:** slowing general economic activity, high market uncertainty, record-low consumer sentiment and possible currency fluctuations
- **Close monitoring and mitigation of the impacts** by re-allocating selected product lines to European factories, adjusting inventory levels, reassessing raw material supply and adjusting pricing



GUIDANCE FOR 2025

(unchanged)

In 2025, Nokian Tyres' net sales are expected to grow and segments operating profit as a percentage of net sales to improve compared to the previous year.

Assumptions

Tire demand in Nokian Tyres' markets is expected to remain at the previous year's level in 2025. Development of global economy as well as geopolitical, trade and tariff uncertainties may cause volatility to the company's business environment.

Nokian Tyres' sales growth is based on increasing capacity in the Romanian and US factories as well as good availability of finished goods inventories.





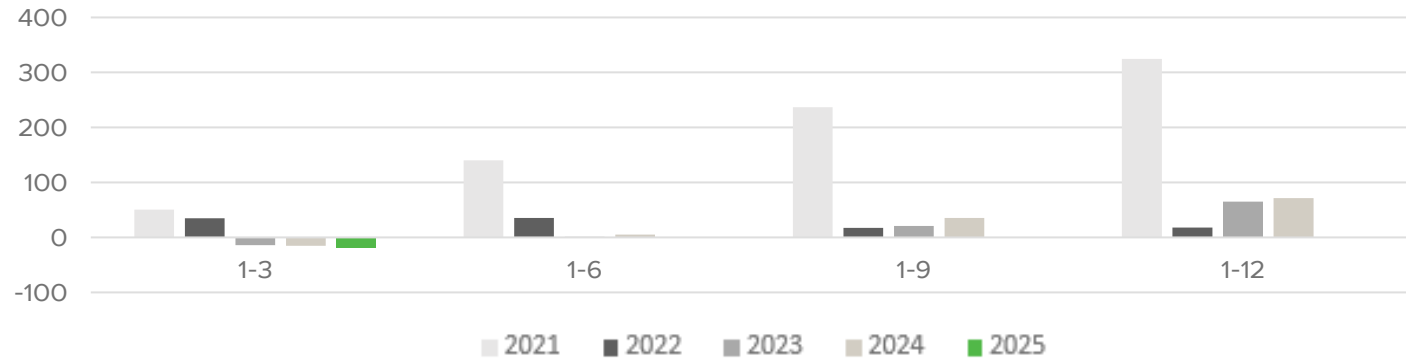
APPENDIX

GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2021-2025

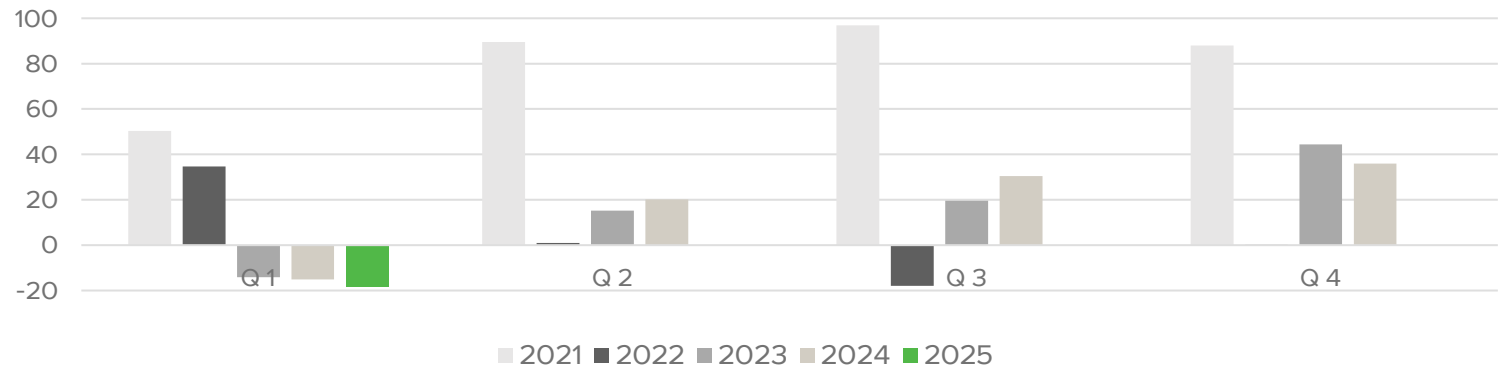
1-3/2025

- Net sales EUR 269.5 million (236.6), 13.9%
- Segments operating profit EUR -18.5 million (-15.1)

CUMULATIVE SEGMENTS OPERATING PROFIT PER REVIEW PERIOD



SEGMENTS OPERATING PROFIT PER QUARTER



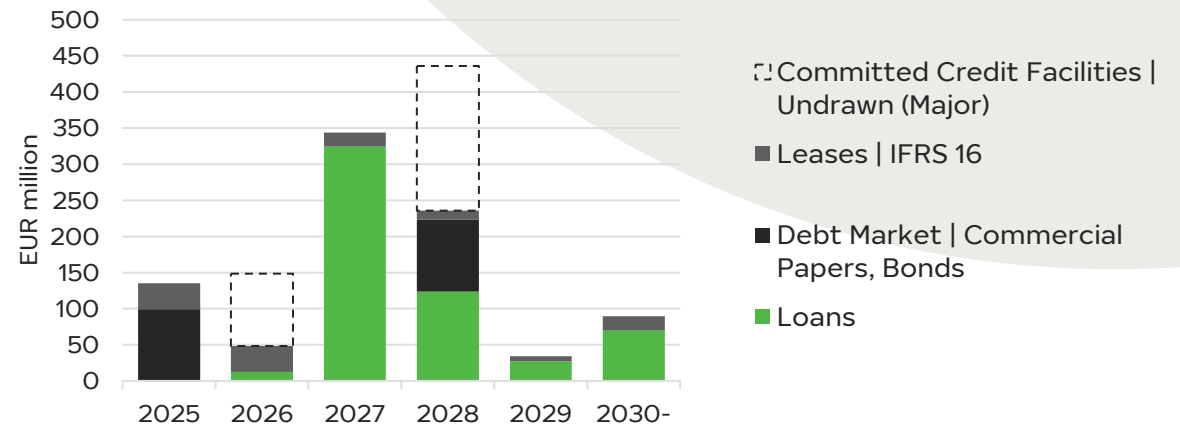
DEBT PORTFOLIO AS OF MARCH 31, 2025

- EUR 300 million long-term bilateral sustainability-linked credit facilities originally due in 2026 extended to be due in 2027
- EUR 100 million long-term bilateral sustainability-linked credit facility originally due in 2027 extended to be due in 2028
- Committed credit limits and EUR 500 million commercial paper program in place for NWC financing
- Additional debt funding can be sourced from banks and/or debt capital markets to balance financing channels and to extend maturities

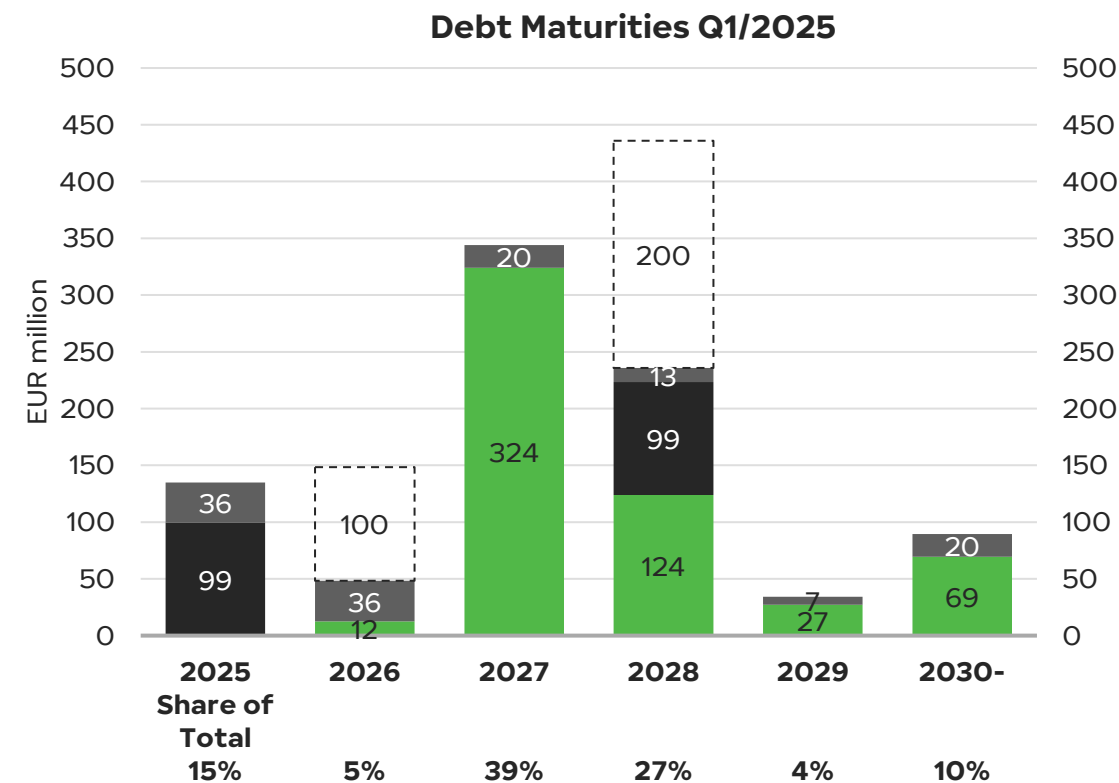
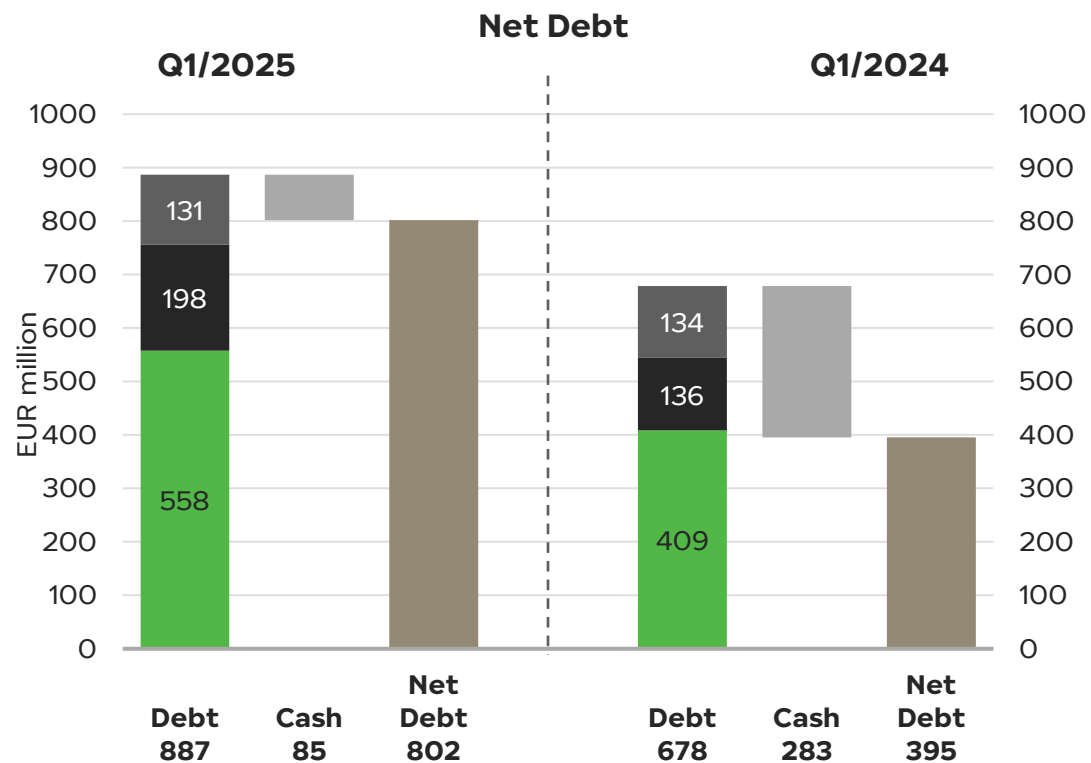
DEBT COMPOSITION AS OF MAR 31, 2025



MATURITY STRUCTURES AS OF MAR 31, 2025



NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q1/2025	Q1/2024
Cash	85	283
Committed undrawn credit facilities	304	330
Total	389	613

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

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