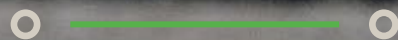


# MARKET SHARE GAINS DRIVING SALES GROWTH IN A WEAK MARKET, ROMANIAN FACTORY PROGRESSING ON SCHEDULE

INTERIM REPORT  
JANUARY–SEPTEMBER 2024

JUKKA MOISIO, CEO  
NIKO HAAVISTO, CFO

OCTOBER 29, 2024



# Q3 NET SALES AND SEGMENTS OPERATING PROFIT INCREASED

- **Net sales EUR 313.6 million (276.1), +14.4% with comparable currencies**
  - Market share gains driven by improved passenger car tire availability
  - Geographically strongest growth in Central Europe and the Nordics
- **Segments EBITDA EUR 58.8 million (46.1)**
  - 18.8% (16.7%) of net sales
- **Segments operating profit EUR 30.4 million (19.6)**
  - 9.7% (7.1%) of net sales
  - Higher sales volume and lower raw material costs
- **Car and tire market is weak, difficult to estimate market and consumer behavior**



# KEY FIGURES

Investment phase approaching its end, net debt peaking 2024

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Net sales	<b>313.6</b>	276.1	<b>874.8</b>	805.6	1,173.6
Segments EBITDA	<b>58.8</b>	46.1	<b>118.1</b>	98.6	170.5
Segments EBITDA, %	<b>18.8%</b>	16.7%	<b>13.5%</b>	12.2%	14.5%
Segments operating profit	<b>30.4</b>	19.6	<b>35.4</b>	20.7	65.1
Segments operating profit, %	<b>9.7%</b>	7.1%	<b>4.1%</b>	2.6%	5.5%
Segments ROCE, % (rolling 12 months)			<b>4.2%</b>	1.4%	4.0%
Equity ratio, %			<b>49.6%</b>	60.1%	58.0%
Gearing, %			<b>64.0%</b>	28.2%	16.6%
Interest-bearing net debt			<b>801.3</b>	386.2	223.6
Capital expenditure	<b>101.1</b>	69.5	<b>260.0</b>	156.6	252.1
Cash flow from operating activities	<b>-92.2</b>	-90.8	<b>-237.4</b>	-215.2	82.4

In addition to IFRS figures, Nokian Tyres publishes alternative non-IFRS segments figures, which exclude the ramp-up of the US factory, the preparations for the Romanian factory ramp-up and other possible items that are not indicative of the Group's underlying business performance. Following the completion of the Russia exit in March 2023, Nokian Tyres has excluded Russia from its IFRS and non-IFRS segments figures as of January 1, 2023.

# Q3: PASSENGER CAR TYRES

## Higher sales, improved profitability

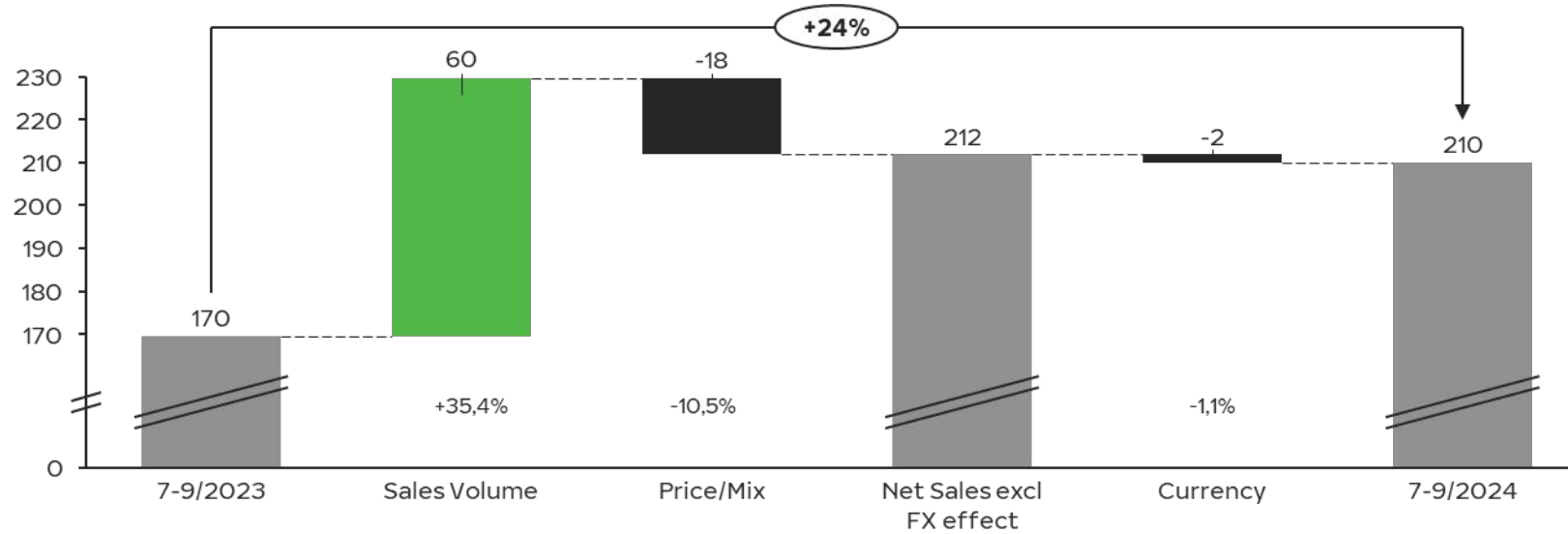
- Net sales increased driven by Central Europe
  - ASP with comparable currencies decreased
- Profitability improved due to higher volumes and lower material costs
  - Q3 exclusions included inventory write-downs of contract manufacturing products that arrived late for the 2024 summer season due to Red Sea crisis

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Net sales	209.9	169.6	541.8	455.5	653.4
Net sales change in comparable currencies, %	24.9%	-16.6%	20.0%	-23.7%	-15.8%
Segment operating profit	34.4	18.8	38.6	14.8	36.7
Segment operating profit, %	16.4%	11.1%	7.1%	3.2%	5.6%

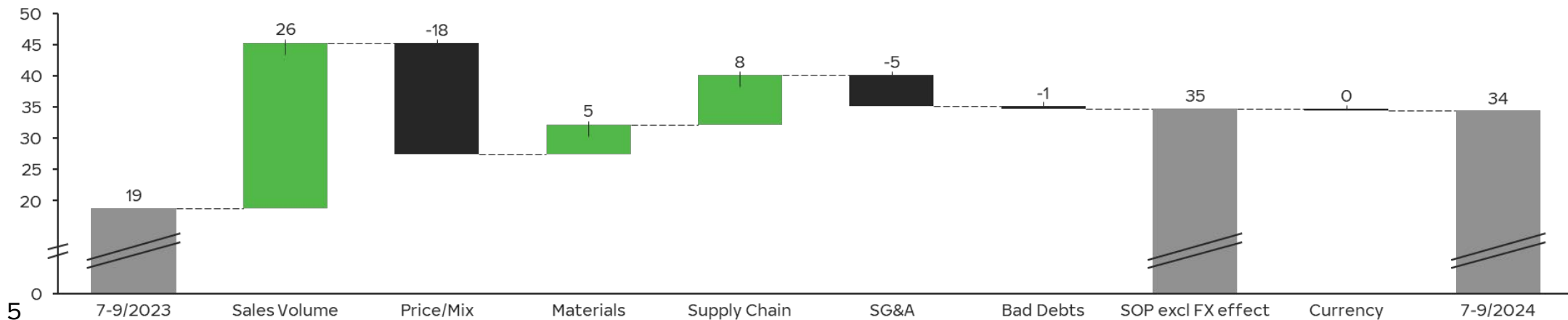
# Q3: PASSENGER CAR TYRES BRIDGE

Volume impacted segment operating profit positively by EUR 26 million

## NET SALES, EUR million



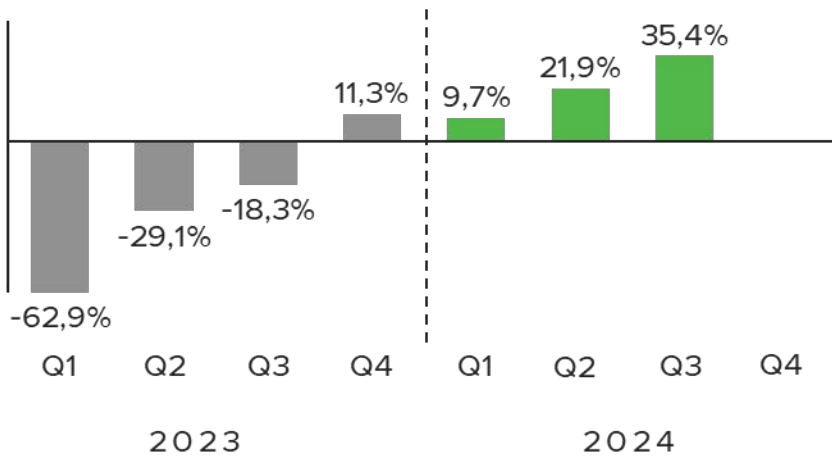
## SEGMENT OPERATING PROFIT, EUR million



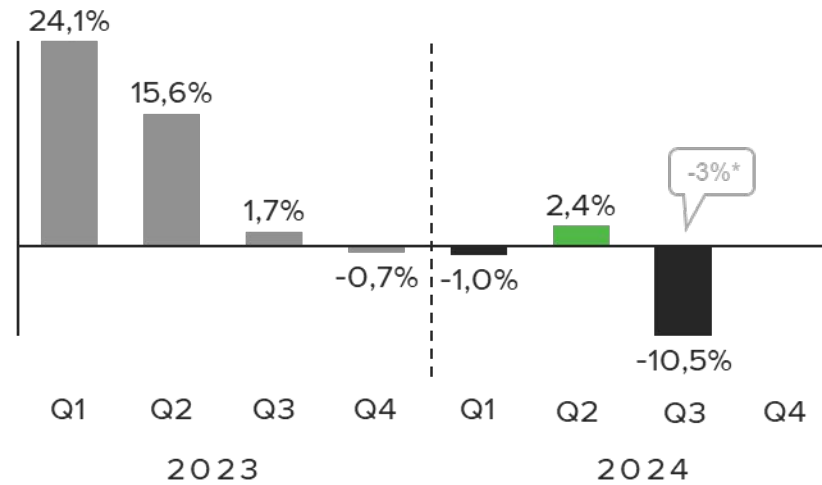
# PASSENGER CAR TYRES NET SALES - QUARTERLY CHANGES

YoY Change %

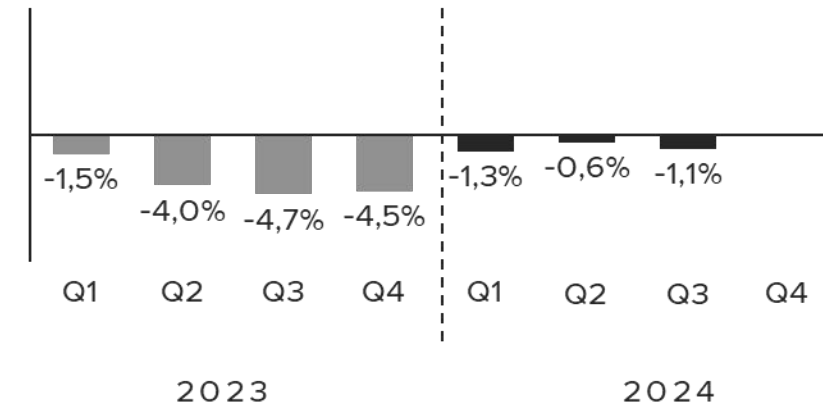
Sales Volume



Price / Mix



Currency



# Q3: HEAVY TYRES

## Weak market affected sales

- Net sales decreased due to weak OEM market
- Profitability remained at the previous year's level
- Production temporarily adapted during the summer break to meet the soft demand

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Net sales	<b>57.9</b>	59.7	<b>173.2</b>	195.3	257.1
Net sales change in comparable currencies, %	<b>-2.3%</b>	-10.1%	<b>-10.7%</b>	-3.6%	-3.4%
Segment operating profit	<b>7.5</b>	7.2	<b>21.5</b>	25.5	32.8
Segment operating profit, %	<b>12.9%</b>	12.1%	<b>12.4%</b>	13.1%	12.8%

# Q3: VIANOR

## Solid sales performance, profitability declined

- Net sales increased
- Segment operating profit negatively impacted by increased costs due to inflation, and weak B2B market

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Net sales	69.4	68.1	220.8	218.0	344.0
Net sales change in comparable currencies, %	2.4%	-4.2%	1.9%	0.7%	1.8%
Segment operating profit	-6.6	-4.8	-15.0	-8.8	3.4
Segment operating profit, %	-9.5%	-7.0%	-6.8%	-4.0%	1.0%
Service centers at period end	175	174			174



# GUIDANCE FOR 2024

(unchanged)

In 2024, Nokian Tyres' net sales with comparable currencies and segments operating profit are expected to grow significantly compared to the previous year.



## ROMANIAN FACTORY

### PROGRESSING IN BUDGET AND ON SCHEDULE

- The first tire was manufactured in July, grand opening celebrated in September
- Production beginning with the manufacture of Central European winter and all-season tires
- In July, a EUR 150 million loan agreement signed with the European Investment Bank to finance the factory
- In August, the European Commission approved a EUR 99.5 million Romanian state aid measure to be paid to support the establishment of the factory

# FACTORY SITE IN OCTOBER 2024

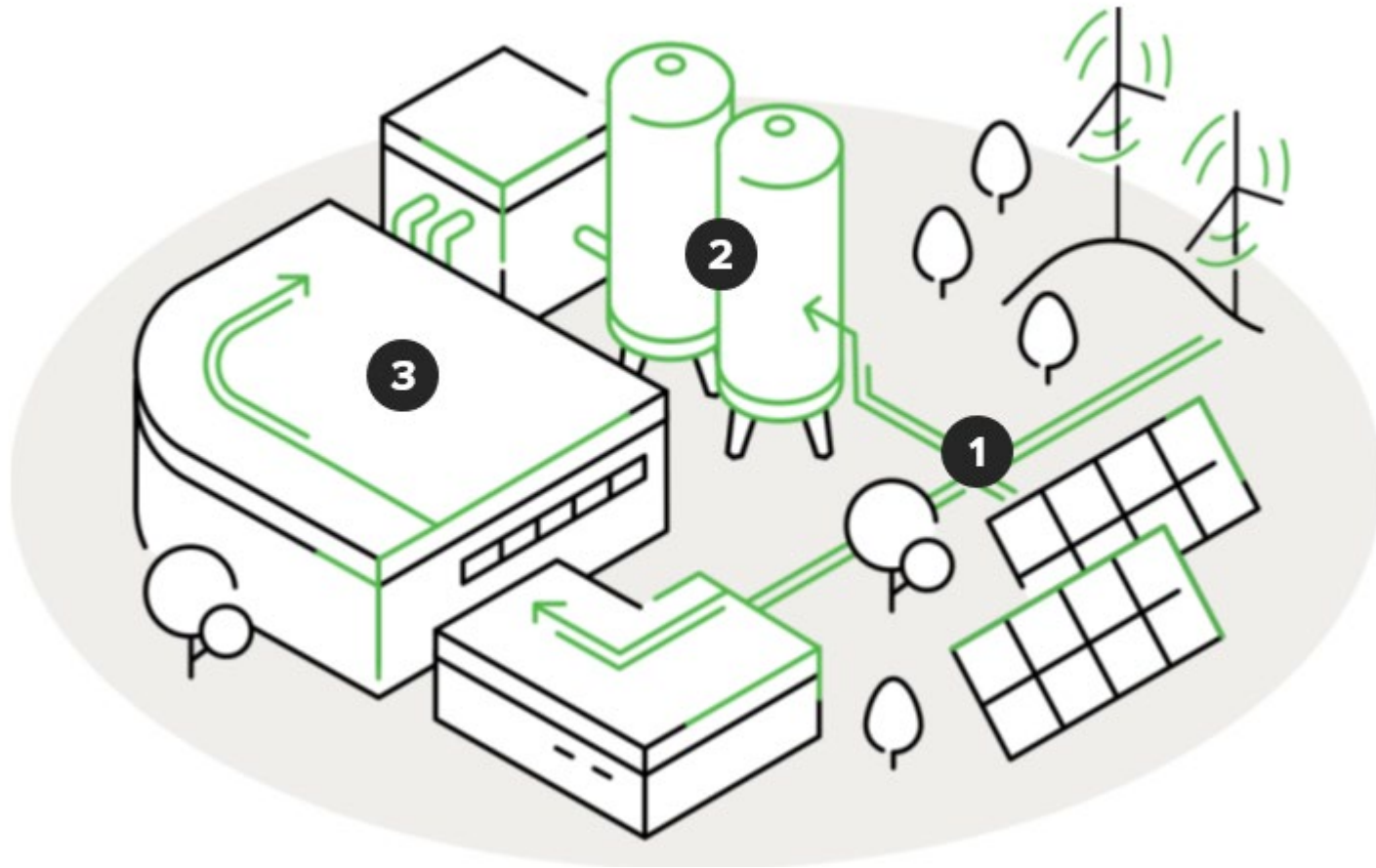
Total built-up area ~100,000 m<sup>2</sup>

Mixing  
building

Production  
building

Finished goods  
warehouse

# ROMANIAN FACTORY SETS THE BENCHMARK IN SUSTAINABILITY FOR THE INDUSTRY



## 1 CO<sub>2</sub> EMISSION FREE

All electricity used at the factory is CO<sub>2</sub> emission free. Part of the electricity used in the factory is generated by on-site solar power units.

## 2 INNOVATIVE & ELECTRIC

Steam used to cure the tires is generated by innovative electric boilers which use only CO<sub>2</sub> emission free electricity instead of the usual fossil fuels such as coal or gas.

## 3 ENERGY EFFICIENT

The tire manufacturing process is very energy efficient, only the most modern technology and machinery is utilized.

# PREPARED FOR THE WINTER SEASON

- Celebrating 90<sup>th</sup> anniversary of our innovation, the winter tire - pioneering safe winter driving continues
- Competitive product portfolio supporting winter tire sales in the Nordic countries, North America and Central Europe
- Our flagship winter tires in podium places in several magazine tests

## **Nokian Tyres Hakkapeliitta 10 studded tire**

“The best and safest choice for those who want good grip and driving characteristics on ice and snow.” – *Motor* 9/2024

## **Nokian Tyres Hakkapeliitta R5 non-studded tire**


“The best tire on the icy roads. On snow safe to drive and has excellent grip. The low noise level and rolling resistance makes it a comfortable choice for winter roads.” – *Tekniikan Maailma* 9/2024



JULY 20, 2024

**PAOLO POMPEI APPOINTED  
THE PRESIDENT AND CEO  
OF NOKIAN TYRES PLC  
AS OF JANUARY 1, 2025**

# NOKIAN TYRES PURPOSE



**MAKE THE  
WORLD SAFER BY  
REINVENTING TIRES,  
AND HOW THEY ARE  
MADE, OVER AND  
OVER AGAIN.**



# APPENDIX



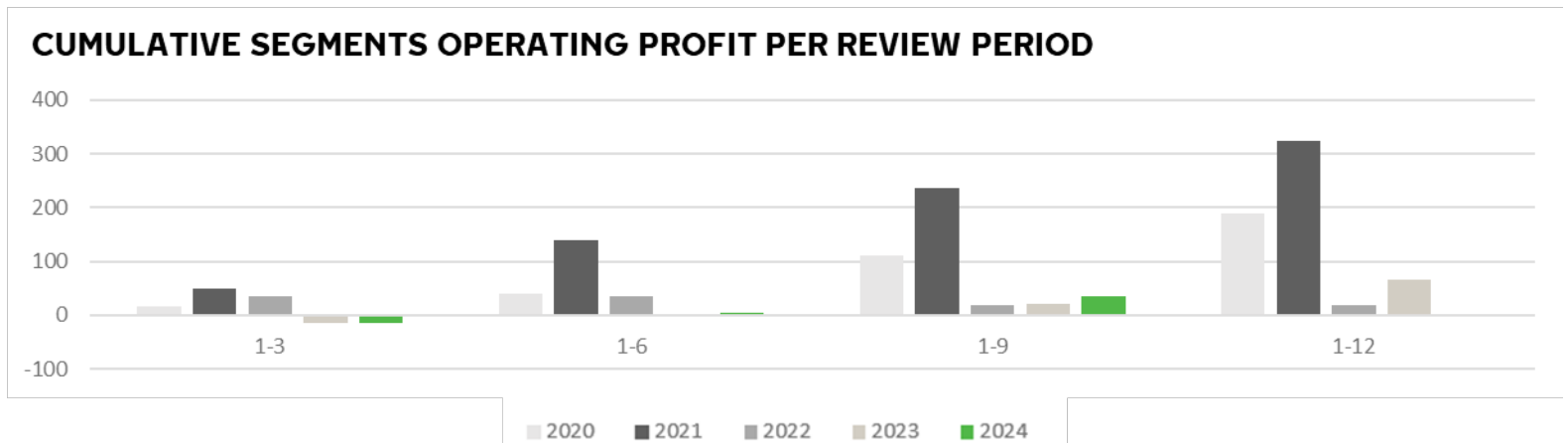
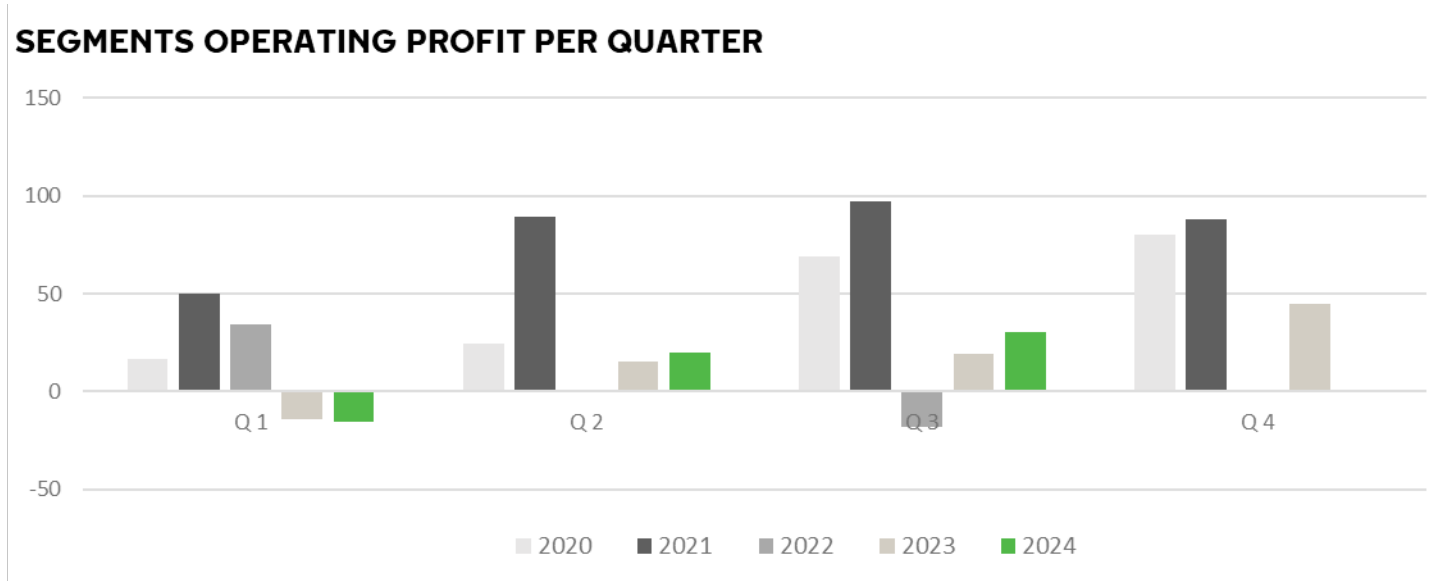
# GROUP SEGMENTS OPERATING PROFIT PER QUARTER 2020-Q3/2024

## 7-9/2024

- Net sales EUR 313.6 million (276.1), increased by 13.6%
- Segments operating profit EUR 30.4 million (19.6)

## 1-9/2024

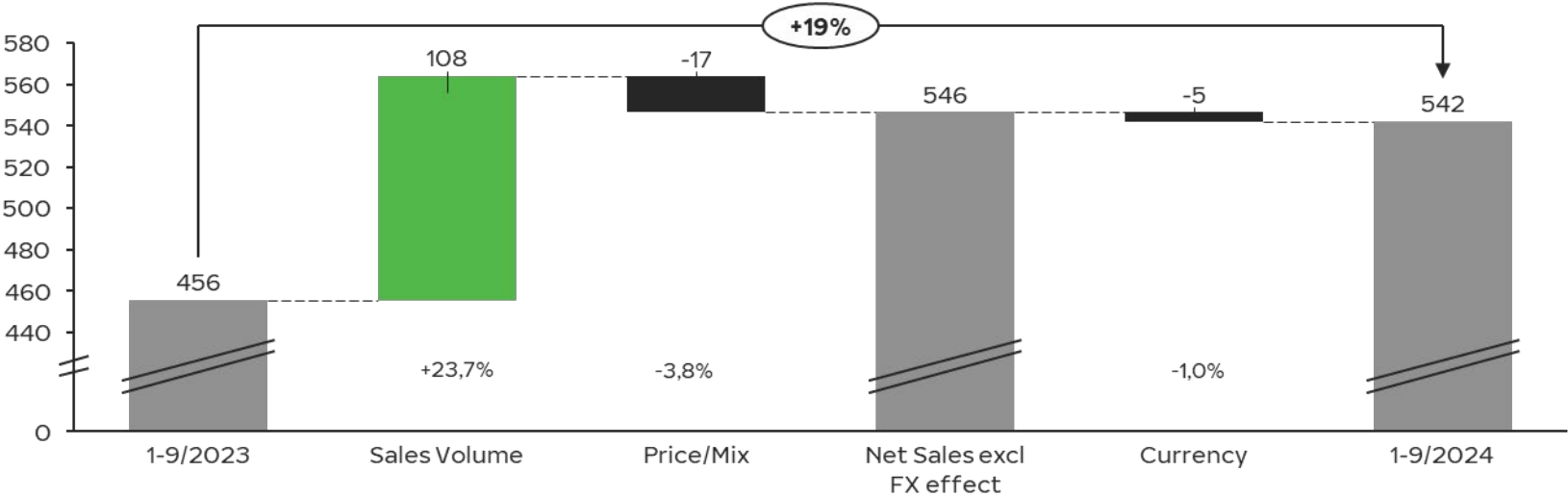
- Net sales EUR 874.8 million (805.6), increased by 8.6%
- Segments operating profit EUR 35.4 million (20.7)



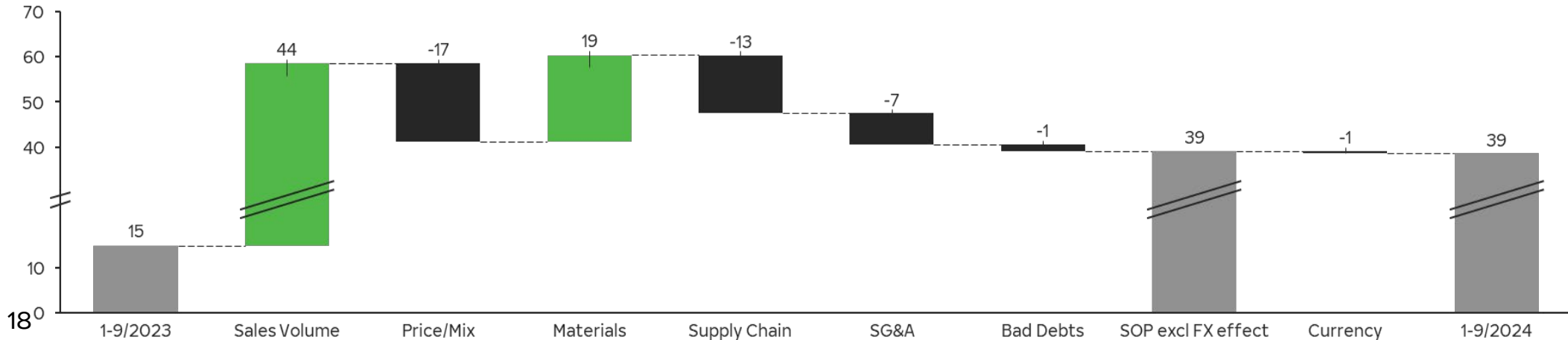
# 1-9: PASSENGER CAR TYRES BRIDGE

Volume impacted segment operating profit positively by EUR 44 million

## NET SALES, EUR million



## SEGMENT OPERATING PROFIT, EUR million



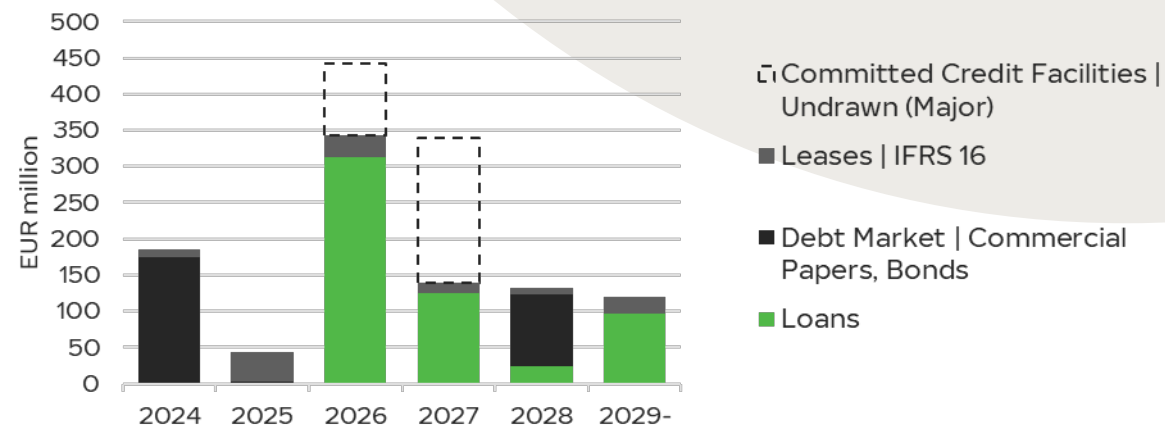
# BUILDING DIVERSIFIED DEBT PORTFOLIO

- EUR 100 million sustainability-linked term loan was refinanced in May 2024 with a similar three-year term loan that includes extension options of up to two years
- EUR 300 million long-term bilateral sustainability-linked credit facilities originally due in 2025 were extended to be due in 2026
- EUR 150 million 8-year long-term-bilateral loan with European Investment Bank (EIB) to support Nokian Tyres' strategic investment project in Romania was withdrawn in August 2024
- 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

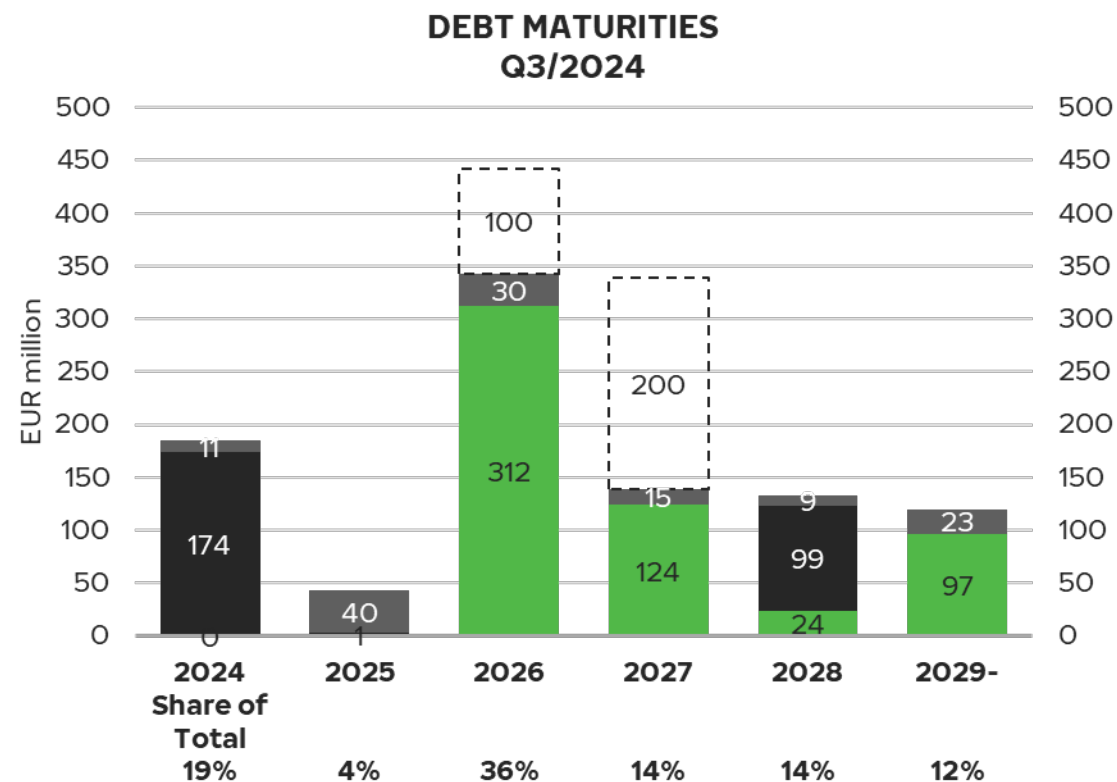
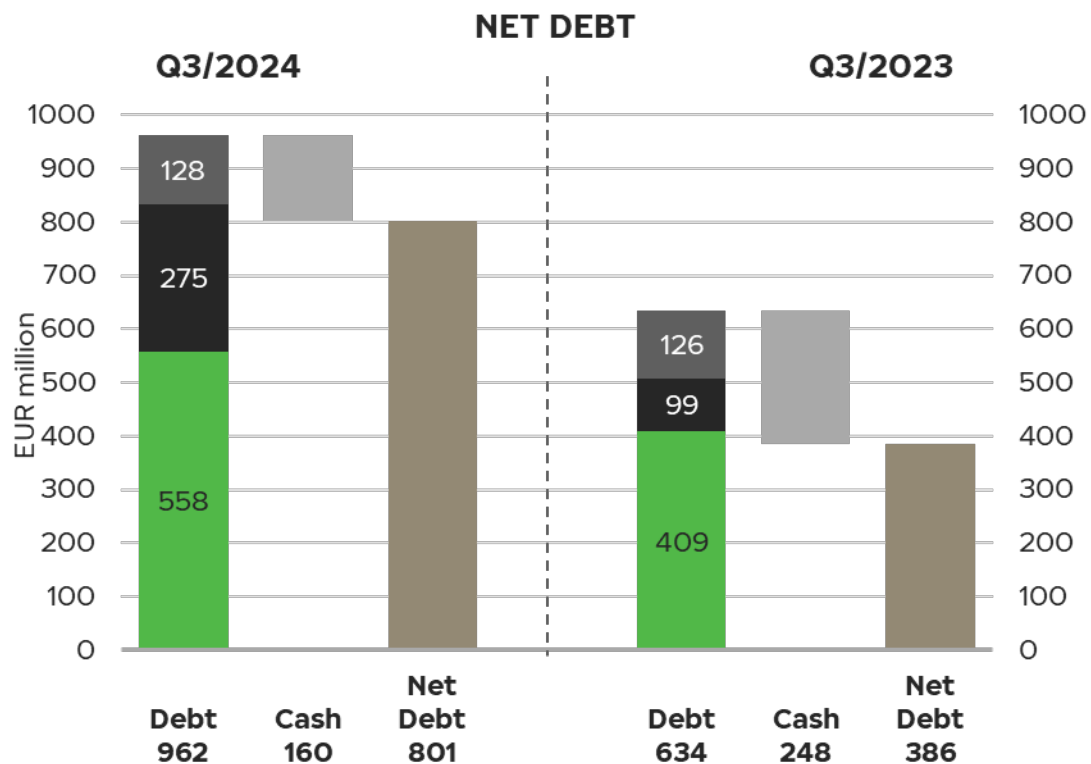
DEBT COMPOSITION AS OF SEPT 30, 2024



MATURITY STRUCTURES AS OF SEPT 30, 2024



# NET DEBT AND DEBT MATURITIES



Available liquidity, EUR million	Q3/2024	Q3/2023
Cash	160	248
Committed undrawn credit facilities	305	305
Total	466	553

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

**DISCLAIMER**

Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Nokian Tyres assumes no responsibility to update any of the forward-looking statements contained herein. No representation or warranty, express or implied, is made or given by or on behalf of Nokian Tyres or its employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation.

