**Transcription**

# Nokian Renkaat Q1 / 2021 Interim Report

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# PRESENTATION

## Päivi Antola

- from Helsinki and welcome to Nokian Tyres Q1 results conference call. My name is Päivi Antola and I'm the Head of Investor Relations in Nokian Tyres. And together with me in the call, I have Jukka Moisio, President and CEO, and Teemu Kangas-Kärki, the CFO.

As usual, we will start the call with a brief introduction into the results and that will be then followed by a Q&A. So, Jukka, please, go ahead.

## Jukka Moisio

Thank you, Päivi, and welcome on my behalf as well. I moved directly to page two on the presentation; heading says net sales and operating profit increased significantly. Our net sales was in the first quarter 341.8 million. That's a 28.5% increase in comparable currencies. All-time high first quarter volumes in passenger car tyres as well as in heavy tyres. We also saw that the demand recovered in all markets; most important the recovery was in Russia and then weakest recovery in terms of percentages was in Nordics, which was a single digit. All the other markets, with the exception of the Nordics, recovered and grew by double digit numbers.

Important to mention that heavy tyres achieved all-time high quarterly net sales and segment operating profit in the first quarter.

Segments operating profit was 50.3 million versus 16.3 a year ago. Most important factor to improve the profitability was increased volume. We also recorded a negative impact on currencies, which was about a €10 million negative impact.

I move to page two and some of the highlights in the financial key numbers. Starting with the capital expenditure. 17.1 million in the quarter versus 50.5 a year ago. You may remember that year ago we still had the investments in the Dayton factory as well as a significant a part of the investment in Spanish test track going on in 2020. While these items were pretty much completed by the end of 2020, small items related to the Spanish test track was recorded in the first quarter 2021.

Net debt at the end of March was 31 million versus 121 million a year ago, and cash flow from operating activities, not including the investments, was -24 million in ‘21 and 39 million in 2020. In addition, the operating profit percentage was 14.7 and that compares strongly versus the 2020 operating segment operating profit at 5.8%. And segment EPS was 29 cents versus 9 cents a year ago.

Gearing is 1.9% and our balance sheet remains strong, as has been mentioned in the heading of this slide.

And now I will hand over to Teemu Kangas-Kärki who will talk about the segment performance – business area performance, sorry. Teemu, please go ahead.

## Teemu Kangas-Kärki

Thank you, Jukka. Let's start with the passenger car tyre business unit. Our net sales reached the level of €246 million. Our segment operating profit was on the level of 53 million. Net sales increased in all main markets, led by strong volume growth in Russia. Our average sales price declined and the main reasons behind that is naturally the weak Russian rubble that we have been highlighting in our previous calls, as well as the high share of volume in Russia and the strong summer and all season tyre sales from the product mix point of view.

As we have communicated, we have started the recruitment in Finland and in the US in order to increase the production in [? 00:04:49].

Then moving to the passenger car tyre net sales breakdown. Here, we can see that the volume was up close to 40%. Our price mix was negative, about 1% and as has been commented in the previous calls, in the price mix we have also the country mix impact and because of high share of Russia, the impact of that is about -3% negative in the first quarter.

Then the currency impact or the headwind was about 9%, and here we can see the weaker rubble starting to impact our numbers in the second half of last year. In the first quarter of this year, we also got headwinds from USD and Canadian dollar, among others.

Then moving to our bridges, net sales, and segment operating profit in euros. Here, we can see that in euro terms, the net sales headwind from currency was about 18 million and intersegment operating profit; it was on a level of 10 million as anticipated in the previous call after Q4.

Then the biggest contributor to profit improvement is naturally the sales volume up by 35 million and here we can see also the small positive development in materials for the first quarter. And as we have been estimating, we will have a headwind from the raw materials for the full year, meaning that in the second half, their impact is significant. Currently, our estimates for the headwind for the full year is about close to 9%.

Then moving to heavy tyres. Excellent start for the year. All-time high net sales and segment operating profit. Net sales was on the level of 57 million and the segment operating profit was close to 13 million with good profitability. The demand was strong in the agriculture segment as well as in mining and truck tyres. We had some softness in the forestry segment because of their issues in their production.

Profitability was positively impacted by the improved productivity that we have been doing in the factory and that paid off in the first quarter. Generally, the inventories are at a low level at the moment.

Then moving to the last business unit, which is the Vianor. They had also a good performance in the first quarter, which is seasonally low and looking at the net sales growth on reported numbers – 6.8% growth and the segment operating profit or loss close to -10 million; improvement in the operating profit due to the fact that we have been able to manage our costs really well, and that is something that we have learnt from the COVID times that we can improve the cost levels really well also in the coming quarters and years to come.

With that, I will hand over back to you, Jukka.

## Jukka Moisio

Thank you, Teemu. And a recap of some of the priorities for coming quarters in that it's clear that driving growth and recovery, benefiting from the recovery is quite important. We have new product launches and those will help. The most important one, as we discussed already in February full year 2020 results presentation, is of course Hakkapeliitta 10, which will be coming to market for the latter part of 2021, but many other product launches are also happening and in the pipeline.

Protecting [ph 00:10:13] cash flow, prioritising investment is another important topic piece as we indicated in our guidance that CapEx is expected to be lower than 2020 in 2021 and in the first quarter a clearly lower cost. The reason there is that a year ago, 2020, we still had important investments in Dayton and the Spanish test track taking place.

Brand expertise, enhanced production capacity, more shifts, and so on, help us to capture the volume and the recovery in the coming months and quarters. Some of the assumptions for the 2021 guidance; we expect that demand for replacement car tyres is expected to increase and stronger demand, but also increasing new car sales as the year goes along. Demand for Nokian heavy tyres, core products, is estimated to increase.

Uncertainties are related to the COVID pandemic and the Russian rouble. Just to recap, the value of the euro-rubble exchange rate – so, in 2019 we had 72.5 roubles to one euro; in 2020, 82.7; and 90.6 in January 2021; and 89.7 roubles on the euro January-March 2021. So a visible difference in the exchange rate [? 00:11:53] of the rubble between 2019 to January-March 2021.

As Teemu was saying, raw material unit costs are estimated to increase and have a significant impact on the second half. And based on that, of course there are price increases and implementation.

Guidance for 2021 is unchanged. We expect that net sales with comparable currencies, and segment operating profit are expected to grow significantly. However, car tyre demand is expected to pick up but COVID will continue to cause uncertainties for the development and our guidance for 2021 is unchanged after the first quarter.

And this is the end of our prepared presentation part and I'll handover back to Päivi and we will go into questions.

## Päivi Antola

Thank you, Jukka. Thank you, Teemu. And now, Operator, we would be ready for questions from the audience please.

# Q&A

## Operator

Thank you. If you wish to ask an audio question, please press 01 on your telephone keypad. If you wish to withdraw from your question, you may do so by pressing 02 to cancel. Once again, please press 01 on your telephone keypad if you wish to ask an audio question.

Our first question comes from Akshet Kakkar from JP Morgan. Please go ahead.

## Akshet Kakkar

Thank you. Akshet Kakkar from JP Morgan. Three from my side, please. The first one is on production capacity. With the strong recovery that you are now seeing in the global markets and also in the US, is there a case to ramp up US capacity quicker than what was earlier planned? I'm just trying to understand if there is some restriction in terms of the units that you can produce going forward. Are you also planning to increase production capacity in Russia? That's the first one.

The second one is on the winter tyre share. Obviously, in Q1 you had a disproportionately high summer tyre sales in Russia. But given the low winter tyre inventories in the channel and the new product launch in the fall, should we expect a winter share higher in 2021 versus 2020?

And the last one is on the US Dayton ramp-up costs. They came in lower in the first quarter year-on-year. Just interested in hearing your thoughts for the full year in terms of total ramp-up costs. Thank you.

## Jukka Moisio

Thank you. So, the capacity availability and ramp-up. Yes, first of all we do as quick as we can in terms of adding shifts and so on. Obviously, if we can do it faster and have a high quality, we will do it because obviously there's a case that demand is good, and recovery is good.

In terms of Russia, the capacity was in full use in the latter part of the year and also in the early part of 2020 and also right now, and we look if there are any opportunities to de-bottleneck and so on but there's no immediate relief in that. So that's why we've added shifting Nokian and that's why we can flex the capacity if needed more in Nokian. But then these decisions have not been made, so the case for North America is understood and we do as quickly as we can. But it's important to maintain the quality as well.

Winter share. Yes, indeed, the proportionately high summer tyres in the first quarter, and just probably historical in a sense that this is the highest share of summer tyres we've ever had and so therefore clearly reflects the demand. Yes, the wintertime - we hope that Hakkapeliitta - and we are convinced that Hakkapeliitta 10 will do well but that remains to be seen in the latter part of 2021. But our expectation is that it is a great tyre, and it performs well.

The last question was related to –

## Akshet Kakkar

Dayton ramp-up costs for the full year versus last year.

## Jukka Moisio

Yeah, ramp-up cost of Dayton; full year expectation.

## Teemu Kangas-Kärki

There we are going slightly above the original thinking earlier, because now we are ramping up a bit faster than a year ago we estimated. So, we are recruiting more people and there we will have some additional costs because of the accelerated ramp-up of the stage two.

## Akshet Kakkar

Understood. Thank you very much.

## Operator

Thank you. Our next question comes from Gabriel Adler from Citi. Please go ahead.

## Gabriel Adler

Hi, thanks for taking my questions. My first is on the raw materials headwind that you've guided for in the second half. How much of that 9% headwind do you think you'll be able to offset through price increases, particularly given that your price mix today remains negative?

My second question would be on Russia and the market share gains in the first quarter. Maybe you could just provide a bit more colour and what you think grow market share gains and how sustainable you think they are.

And then my third and final question is on the CapEx. At about 17 million, it looks to be quite significantly below P&A [ph 00:17:13]. What was the reason for this drop-off in CapEx, other than the obvious investing in Dayton? And should we expect that CapEx to ramp-up back towards P&A [ph 00:17:24] in the coming quarters? Or do you plan to operate CapEx below P&A [ph 00:17:29] going forward? Thank you.

## Teemu Kangas-Kärki

So, if I start with the raw material cost headwind and the price increases. So, we are in the plan to offset the raw material prices in local currencies. Having said that, good to remember that if you look our net ASP on an annual level in euro terms this year, we will have a higher share coming from Russia and the depreciated rubble having an impact. So, in euro terms there will be a headwind but in local currencies we plan to offset that raw material increases.

## Jukka Moisio

The next one was about the Russian market share. So, of course the [ph 00:18:29] market recover, but we gained more volume and higher share than in previous year, and we expect that we can continue it in this year. We will of course see how the competition will work and what kind of imports to Russia will happen, but at this point in time our share is clearly higher than in 2020.

And finally question about the CapEx. Teemu, can you take that one?

## Teemu Kangas-Kärki

For the full year. So, as we have anticipated for the full year, overall CapEx is clearly below the last year level, which was on a level of 150 and let's see what is the level where we end up at the end of this year, but clearly lower than last year.

## Operator

Thank you. Our next question comes from Thomas Besson from Kepler Cheuvreux. Please go ahead.

## Thomas Besson

Thank you very much. It's Thomas Besson from Kepler Cheuvreux. I have three questions as well please. First, on the guidance. I know it's probably an intention, but the guidance remains unchanged and vague. Is there a way for you to position your guidance maybe versus 2019 or - you've clearly produced better results than we were expecting. Is there anything else you can say about the guidance or are we going to remain on this wording?

The second question is on inventories. You had clearly lowered inventories substantially in the second half of last year. Can you comment on inventories rolled in the massive volume jumps you reported in Q1 2021? Do you still have room to effectively exceed sell out with your selling in the coming quarters? Or have you done everything in the first quarter?

And lastly, can you remind us the timing of your new key product launches? Have they already hit markets or are they hitting markets in coming quarters?

## Jukka Moisio

Okay. So, we start with the guidance. I think that the wording remains the same? Obviously, what you will see and if you remember 2020, and I'm sure you remember that the second quarter was quite weak in 2020. So, in terms of comparables, 2020, the second quarter will be pretty easy to exceed and then when we go to the second half, then we will need to see how the recovery takes place, but I believe that the more precise guidance can be visited after the second quarter when we go to the second half and we see how the raw material evolution takes place and what kind of trading environment we have in the second half.

Right now it looks like quite a strong recovery, but obviously there are a number of uncertainties still in the air. But of course compared to second quarter last year then the momentum is quite good.

Inventories. Teemu, would you want to take the inventories?

## Teemu Kangas-Kärki

So, both in terms of our own inventories, they are now on a low level because the demand is strong, and we don't see in the channel any issues in terms of high inventories; quite the opposite at the moment.

## Jukka Moisio

New product launches: they happen actually step-by-step throughout the year. I think that we highlight some of the key products and of course us being historically a winter tyre company. So we of course talked about Hakkapeliitta 10, but thereafter, what year new product launches or upgrades of the current product offer. So, it's not a particular time when it happens, but it happens throughout the year, so you could expect that in this year as well as in early 2022 there will be a continuous stream of new products.

## Thomas Besson

Thank you very much.

## Operator

Thank you. Our next question comes from Artem Beletski from SEB. Please go ahead.

## Artem Beletski

Yes, hi, thank you. Thank you for taking my questions. I actually have three to be asked. Could you maybe comment on profitability by different region at the moment? Basically, looking at [? 00:23:30]. So, the rubble has been very volatile and weakening quite a lot. Could you put that maybe into a context?

The second question is related to heavy tyres. So, made a strong 20% growth margin in Q1. Could you maybe talk about margin outlook for the rest of the year? I know that you're ramping up capacity where the demand is strong, but also the raw material price will be going up quite significantly in the second half.

And the last one is related to new product introductions, and especially Hakkapeliitta 10, basically, I guess, the key launch for the year. Is it fair to assume that we will see the impact of it in Q2 as you will see presumably clearly more winter tyres in the Russian market and also the Nordics?

## Jukka Moisio

So if I start with the profitability and especially you asked about the profitability in Russia. Clearly, this year, the profitability is improving because of the increasing volume. Having said that, it’s good to remember that in euro terms, the net ASB [ph 00:24:44] has been in decline because of the rubble impact and as we have been discussing in the previous calls extensively, our raw material input costs are in euros or in USD. So, depending what is the reference here, there is a headwind in Russian profitability mid-term, if you look back to beyond 2019.

Then, in other markets, I think in the Nordics we are on a normal healthy level and then in Central Europe, as an example, and the volume is increased, and it will also improve the profitability on there.

Then, in terms of the heavy tyre margin outlook. As stated, Q1 was a strong start to the year, and we are having a positive view both on the development – top-line development and that should then benefit the profitability and the profit as well.

## Teemu Kangas-Kärki

Then talking about the product mix towards the year end. So, we expect of course that the winter tyres will become a more significant part of our net sales in coming quarters. Obviously in the early part, in the first quarter having summer tyres as the biggest category and then winter tyres and only then all-season, I think that that will change and obviously the shipments of Hakkapeliitta 10 and the season of the winter tyres will be quite important for us. We have high hopes for Hakkapeliitta 10, but again, early days for the year.

## Artem Beletski

All right, great, thank you.

## Operator

Thank you. Our next question comes from Pasi Vaisonen from Nordea. Please go ahead.

## Pasi Vaisonen

Thanks. This is Pasi from Nordea. Firstly, to start with, is there something to be worried about regarding the component [ph 00:27:08] problem and the production costs in the truck sector? I mean especially in the heavy tyres, when looking at the Nokian tyres segments and registrations in the second quarter.

And secondly, just to confirm, did you actually mean that the raw material effect is going to be flat margin-wise when looking at the second half in this year? And maybe lastly, when looking at the history. I mean, every other quarter has been very, very strong and every other quarter very weak. So, is this pump in demand or inventory effect still going to be there in the second quarter? And then probably would it be so that the second quarter will be for some reason more or [ph 00:27:54] less disappointing after the very strong first quarter? So, these three issues. Thanks.

## Jukka Moisio

If I start with the raw materials. So, what I was saying was that in local currencies, our ambition is to offset as much as we can the raw material increase. But then if we look our net ASP in euro terms, we need to take into account the increasing share of our Russian sales as well as the weaker Russian rubble. So, in net in Europe we are not expecting to offset the impact.

## Teemu Kangas-Kärki

And you asked about the components shortage in the heavy tyres customer base. That is obviously something that continues and will become more difficult; that may be an issue, but at this moment we don't see significant impact in heavy tyres. So, we expect a good top-line and margin development in heavy tyres in 2021.

And then strong quarters alternating with weaker quarters. Unfortunately, that's how the business goes, and we don't plan that and we of course ship as much as we can and service the customers in the best possible way. Clearly, the year is off to a good start. A big part of that is the recovery effect. The other part of that we gained market share, for example, in Russia. And working on that and improving on that is our ambition. But of course, as said, there are a number of certainties in the marketplace, and as we guided, we expect that net sales and profitability will increase significantly in 2021 versus 2020.

## Pasi Vaisonen

Great. Thanks. I hear you. That’s all from my side. Thanks.

## Operator

Our next question comes from Michael Jacks from Bank of America. Please go ahead.

## Michael Jacks

Hi. Good afternoon. Thanks for taking my questions. I just have two which are follow-ups from the prior ones, and please forgive me for re-asking on the raw material impact, but I just want to make sure that I clarify, or I just get clear on what you were saying earlier. In the presentation, you mentioned an impact of around 9% from raw materials. Are we talking a 9% increase in raw material expenses on like-for-like volumes or are we talking about the EBIT impact there that you expect for the year?

And then my second question is: I know you've discussed pricing already, but how should we think about your ability to offset these raw material increases with the price increases this year? Do you think you'll be able to get full offset? Or perhaps something less? Thank you.

## Jukka Moisio

So, the 9% guidance was the raw material input cost, like-for-like, so that is the guidance that we have stated. And then in terms of the price offsetting. That, as stated, we are planning to offset as much as we can in local currencies, but the net ASP development for this year is expected to be negative in euros because of the increasing share of Russian sales and weaker Russian rubble.

## Michael Jacks

Thanks, that’s very clear. If I can just sneak in one more question, please. You commented that that winter tyres played a smaller role in Q1 and I guess this was despite the fact that there was higher snowfall towards the end of the quarter versus prior years. Can you maybe just give us some colour and how the winter tyre market has developed over the last couple of months please?

## Teemu Kangas-Kärki

In the last couple of months? I think that pretty much as in 2020, so not really a significant difference.

## Michael Jacks

Thank you.

## Jukka Moisio

Yeah, and I would say that on an annual level, we are expecting to see a good winter sale [ph 00:32:31] as well and as we have been commenting in the earlier calls, there are shifts between the quarters within the year and therefore you shouldn't draw any major conclusions based on one quarter.

## Teemu Kangas-Kärki

No, and I think that this is post-2020/21 season and now we're looking ahead to the 21/22 season, which is ahead of us rather than behind.

## Operator

Thank you. Just as a reminder, if you wish to ask an audio question, please press 01 on your telephone keypad. Once again, that’s 01 on your telephone keypad if you wish to ask an audio question.

Our next question comes from Victoria A. Greer from Morgan Stanley. Please go ahead.

## Victoria A. Greer

Afternoon. Three from me, please. I wanted first to come back to the sell-in versus sell-out question. Your Vianor +8% year-over-year, excluding FX, excluding the US disposal. Is that kind of a fair guide for where you think sell out is trending across your markets? Yeah, I guess another way of asking: how much of the restock do you think is already complete now?

And the second question is around adding the shift in Finland. I obviously understand the need to produce as much as possible at the moment and also that you want to ramp-up in the US in a sustainable way, but there have been sensitivities around moving the passenger tyre production away from Finland in the past. Would you expect to continue to have that shift in Finland? Or would you think about it more as a as a temporary measure?

And then the third one on Vianor. Could you comment at all on your cost control expectations for the full year? Obviously, a bit of an improvement in the Q1. Could you think about that, sort of, 2 million or so improvement continuing at that level for the rest of the year? Thanks.

## Jukka Moisio

So, if you take the Vianor and you talk about Vianor sell-out and top-line, and that is related to the Nordics, right? And so, yeah, we saw the Nordics sell-in at about a 7% improvement year-on-year and I think that that is reflective of the Nordic markets’ trades at this moment. The other markets actually had a double-digit recovery and growth, while the Nordics was about 7% to 8%.

## Teemu Kangas-Kärki

And then the question about the moving the tyre production from Finland to other places. I don't see that being a major issue because what we are doing in Nokian is that we are continuously expanding the heavy tyres capacity and making investments, so therefore Nokian’s factory is increasing its output and so on. We said a year ago that the important thing is to run Russia full, ramp-up Dayton, and achieve the targets that we set out to ourselves in Dayton and then use Nokian swing capacity. Now, the swing capacity used in Nokian came faster than anticipated and so therefore we added a shift in Nokian – an [? 00:35:48] shift in Nokian in 2021 because this is the swing opportunity that we have.

## Jukka Moisio

Then you had a question regarding the cost pressures in Vianor. This is an ongoing activity within Vianor that we manage the costs as effectively in every quarter and as stated, Vianor is a seasonal business and the main seasons are in the second and fourth quarter when we are making the result, and especially in the first and third quarter we need to be actively managing the cost in order to minimise the losses.

## Victoria A. Greer

Okay, so an ongoing project to manage the Vianor costs. But yeah, you don't want to commit to a certain level of improvement there for now.

## Jukka Moisio

No, as we have been saying that Vianor is an important asset in our passenger car tyre business in general and the profitability is on a retail profitability level.

## Victoria A. Greer

Okay, thank you.

## Operator

Thank you. Our next question comes from Eduardo Spina from HSBC. Please go ahead.

## Eduardo Spina

Good afternoon, thank you. I have two questions. One on the network development. If you can comment on the plans for growth, where do you plan to grow the network distribution? And we can see over the last few years that there's been a shift from Vianor partners to Nokian authorised dealers with no growth for end tyre. And I was curious to understand how this impacts your pricing and the cost as the Nokian group and how you plan to grow from here?

And the second question is more on Asia, and especially on China. I was wondering if you think that you need local production in order to exploit the market better, or if you are actually investing in marketing or for the network expansion to see how you grow in those markets, especially considering, I think, a very good relationship between Finland and China. So, the Asian market. Thank you.

## Jukka Moisio

Maybe if I start with the China question. This is of course lately [? 00:38:15] a larger strategy development and as we said that we are working on the strategy right now. We will have the Capital Markets Day. Päivi, has that been announced already?

## Päivi Antola

Yes. 9th of September.

## Jukka Moisio

9th of September. So we come back to the China questions about how and what we think that is appropriate to do in China. Right now, as you correctly pointed out, we are on an export basis in China at this moment.

Vianor stores' growth into end tyres.

## Teemu Kangas-Kärki

I think it's good to separate that when we're talking about our own-run Vianor stores that we have in the Nordics, they are vital in order to have a good market position in the Nordics as a whole. And then outside the Nordics, we don't have our own Vianor stores. We have, in Russia, our partners who use the Vianor brand and end tyre and other branded stores.

## Jukka Moisio

So they are all franchised bases outside the Nordics. Now, we have divested the North American operations. 11 outlets in 2020.

## Operator

Thank you. Our next question comes from Sascha Gomme from Jefferies. Please go ahead.

## Sascha Gomme

Yes, good afternoon. Good morning, everyone. Thanks for taking my questions. I've a few follow-ups. The first one would be on the pricing offset that you've been talking about. Have you already implemented your price increases to fully offset your anticipated raw material headwinds? Or is this still something that needs to come in the coming months?

My second question would be on the car tyre sell-in you show in your slide deck, which looks quite weak in the Nordics; -2. So I was just wondering if you can share some insights on why the Nordics, unlike the rest of the region, is not recovering yet?

And then my last question would be on the structural or the potential structural shift away from winter tyres to all-season tyres in some not kind of strong winter markets, like in Central Europe, for instance. Is that something you observe as well - that customers opt more for all-season tyres versus winter tyres? Or is that not something you're seeing right now? Thank you.

## Jukka Moisio

Okay, so let’s start with the pricing. So, the pricing is in implementation, as I mentioned, and obviously we keep an eye on the raw material development. Our anticipation, as Teemu was saying, is about 9% like-for-like increase but we follow that, and we do the pricing decisions seasonally and step-by-step. But obviously, they are in implementation right now.

Away from winter tyres, that is something that we have seen, and we think that especially the all-season tyres are something that consumers choose, for example, for the second car of the family and so on. There was actually a recent study that we showed some information about that. We did the study in Continental Europe about the all-season tyres that - how people used them and why do they like them, and so on. We believe that winter tyres very much have their role, especially in the markets where the winter is coming as normal; so typically, the Nordics, Russia, and Canada and the Northern States of the US.

And then friction tyres are somewhere in between to help people to be prepared for harsh winters and snow and so on, but still not having studied products. So, all of these people are choosing depending on their own priorities and so on, but we clearly want to gain more volume and opportunity in all-season. So, this is something that we are launching new products and we want to achieve more volume in that particular segment.

But this is not so that we would see that the winter tyre opportunity would be less. It's only that we complement our product range and are more competitive across these key categories: summer, all-season, winter.

Nordics; -2. I believe that's something that is really related to imports, less imports to Nordic markets. I think the established players pretty much saw the volumes grow in the range where we were trading in growth in the Nordics, while the decline is mostly related to imported products to the markets.

## Operator

Thank you. There appears to be no further questions registered, so I’ll hand back to the speakers.

## Päivi Antola

Thank you. If there are no additional questions, then this end today's conference call. Thank you all for participating and have a nice day. Thank you.

## Jukka Moisio

Thank you.

## Teemu Kangas-Kärki

Thank you.