

Nokian reports record sales, earnings

NOKIA, Finland (Feb. 6, 2013) — Nokian Tyres P.L.C. reported record sales and earnings last year in a “challenging” economic environment, and management expects to report improved results this year despite a slow start to the 2013 fiscal year.

For the year ended Dec. 31, Nokian reported operating and net income of \$533.4 million and \$425.3 million—gains of 9.2 and 7.1 percent, respectively. Sales were up 10.7 percent to \$2.07 billion.

For fiscal 2013, Nokian anticipates steady growth in Russia and the Nordic countries and said pressure on margins will ease because of falling raw materials prices.

Fiscal 2012 was a mixed bag for the company, with passenger tire and Vianor retail store sales up 13.9 and 5.7 percent and heavy and truck tire/retreading sales down 7.4 and 10.9 percent.

The passenger tire segment’s sales grew to \$1.57 billion, or three-fourths of corporate sales, Nokian said. Unit operating profit grew 12.5 percent to \$528 million, or 33.7 percent of sales.

Nokian’s Vianor equity-owned tire distribution business reported sales of \$405.3 million as the unit added 127 corporate and partnership stores—including its first in France, Serbia and Bosnia—for a total of 1,037 locations in 26 countries. The bulk of the stores, 553, are in Russia.

Of these, Nokian owns 182 outright—in Finland, Norway, Russia, Sweden, Switzerland and the U.S. Nokian said it expects to add more than 100 additional stores this year.

The unit fell to break-even last year on lower winter tire sales and consolidations costs.

Heavy tires unit sales fell to \$134.2 million on weaker European demand for mining and forestry tires, while the truck tire/retreading sector dropped to \$68.5 million on lower European demand.