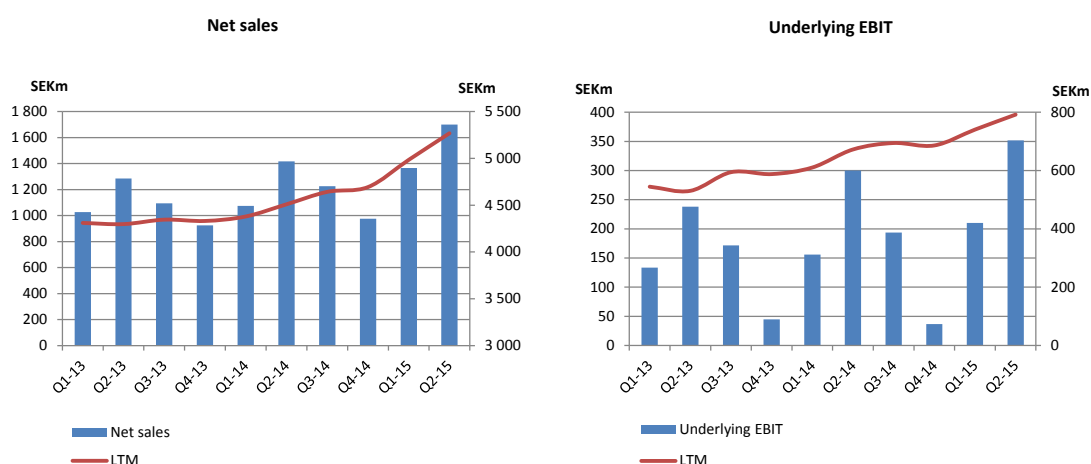


# Thule Group

## Interim report for the second quarter, April-June 2015

- **Net sales** for the quarter amounted to SEK 1,700m (1,416) corresponding to an increase of 20.0 percent. Adjusted for exchange rate fluctuations, sales rose 6.4 percent.
- **Underlying EBIT** amounted to SEK 352m (300), corresponding to an increase of 17.2 percent, with an operating margin of 20.7 percent (21.2). Adjusted for exchange rate fluctuations, underlying EBIT rose 8.7 percent and the operating margin improved 0.5 percentage points.
- **Net income for the period** was SEK 254m (142).
- **Cash flow from operating activities**<sup>1</sup> was SEK 248m (170).
- **Earnings per share before dilution** amounted to SEK 2.54 (1.68).

	Apr-Jun 2015	Apr-Jun 2014	%	Jan-Jun 2015	Jan-Jun 2014	%	Full-year 2014
Net sales, SEKm	1 700	1 416	+20.0	3 066	2 491	+23.1	4 693
Underlying EBIT, SEKm	352	300	+17.2	562	456	+23.3	686
Operating income (EBIT), SEKm	347	297	+16.7	552	449	+23.0	599
Net income, SEKm	254	142	+78.5	396	220	+80.2	199
Earnings per share, SEK	2.54	1.68	+51.2	3.96	2.60	+52.3	2.32
Cash flow from operating activities, SEKm <sup>1</sup>	248	170	+45.9	97	44	+119.7	355



<sup>1</sup>The comparative figures are based on the total operations, meaning both continuing operations and operations discontinued in 2014.

## CEO's comments

### Successful product launches drive growth

During the quarter, we continued to strengthen the Thule Group's position as a leading company in the sport and outdoor industry. Successful launches in product categories in which we have leading market positions, such as bike carriers, were complemented during the quarter by launches in our newer categories (child carriers and backpacks).

Exchange rates had a positive impact on the company during the quarter, with a particularly significant effect on sales. Including currency effects, we grew 20.0 percent during the quarter, with the USD and EUR as contributing factors, but even after currency adjustment, we posted strong sales growth of 6.4 percent.

### Continued favorable profitability trend

We continued to raise profitability in line with our plans and reached an underlying EBIT of SEK 352m (300) during the quarter. Our reported underlying EBIT increased 17.2 percent (8.7 after currency adjustment), achieving an underlying EBIT margin of 20.7 percent (21.2) during the quarter.

A larger positive currency effect on net sales than on underlying EBIT had a negative impact on the underlying EBIT margin. After currency adjustment, we achieved an improvement of 0.5 percentage points compared with the preceding year due to efficiency enhancements.

### Europe remains strong in Outdoor&Bags

The Outdoor&Bags segment accounted for 93 percent of the Thule Group's sales during the quarter, increasing 18.2 percent (5.6 percent after currency adjustment), with Europe as the strongest region. Underlying EBIT increased SEK 52m, corresponding to 15.7 percent during the quarter (8.5 percent after currency adjustment).

The sport and outdoor market continued to post a positive trend in Europe and during the quarter, we grew 16.1 percent in the Europe and Rest of the world region (10.4 percent after currency adjustment). We saw a generally positive trend, driven by both new products and an increased retailer focus.

In the Americas region, the trend in the sport and outdoor market remained relatively weak, but the Thule Group grew on the back of new product launches. In the region, the bags for electronic

devices category continued its negative performance. In particular, we were impacted by a somewhat weaker Latin American market, a generally weaker trend in camera bags, but also by deliberate commercial decisions to leave some less profitable businesses. Sales for the region increased 22.5 percent (down 2.6 percent after currency adjustment).

### Increased sales within Specialty segment

In the Specialty segment, sales increased 49.2 percent during the quarter (16.4 percent after currency adjustment). 91 percent of the segment's sales were generated by the Work Gear category, since Snow Chains naturally have very limited sales during the quarter.

Underlying EBIT for the quarter was in line with preceding year, negative SEK 10m (neg:10), a decrease of SEK 2m when adjusted for exchange rate fluctuations.

### More efficient distribution and administration

With the aim of enhancing the efficiency of our business, we have conducted a number of structural projects in distribution during the past year. Combined with the comprehensive business system project that was completed in 2014, this has created greater efficiency in a number of the Thule Group's support functions.

As a consequence it was decided in July to implement a reorganization that will lead to personnel reductions at the company's operations in the US, Belgium and Hong Kong. A total of about 50 positions will disappear, with an anticipated annual saving of about SEK 20m and nonrecurring costs of about SEK 10m as a result.

### Continued focus on profitable growth

Overall, I can state that the first six months were positive and we continued to secure our leading position in the sports and outdoor industry with products that make it easy for consumers to bring everything they need for an active life.



Magnus Welander,  
CEO and President

## Financial overview<sup>2</sup>

### Trend for the second quarter

#### Net sales

Net sales for the second quarter of 2015 amounted to SEK 1,700m (1,416), representing an increase of 20.0 percent, primarily attributable to new product launches and higher sales in the Outdoor&Bags segment. Adjusted for exchange rate fluctuations, net sales for the Group rose 6.4 percent.

In the Outdoor&Bags segment, sales increased primarily in Europe, while our sales in the Americas region, and particularly the US, were somewhat negatively impacted during the quarter in the product category of bags for electronic devices. In the Specialty segment, sales increased primarily through increased sales in the Work Gear category.

	Apr-Jun	Jan-Jun
Change in net sales	2015	2015
Changes in exchange rates	13.6%	14.5%
Structural changes	0.0%	0.0%
Organic growth	6.4%	8.6%
<b>Total</b>	<b>20.0%</b>	<b>23.1%</b>

#### Gross income

Gross income totaled SEK 675m (592), corresponding to a gross margin of 39.7 percent (41.8). The gross margin was negatively impacted by currency effects (negative 1.2 percentage points), due to a large currency effect on net sales, while the cost of goods sold was negatively affected by the fact that goods purchased mainly in USD were also, to a considerable extent, sold in the European market.

#### Operating income

Operating income totaled SEK 347m (297). Underlying EBIT amounted to SEK 352m (300), corresponding to an operating margin of 20.7 percent (21.2). Operating income for the quarter was positively impacted, primarily by higher net sales. Changes in exchange rates had an overall positive impact of about SEK 23m on operating profit, compared with the second quarter of 2014. A larger positive currency effect on net sales than on underlying EBIT had a negative impact on the underlying EBIT margin during the quarter. After currency adjustment, we achieved an improvement of 0.5 percentage points compared with the preceding year due to efficiency enhancements.

Change in underlying EBIT-margin	Apr-Jun	Jan-Jun
Underlying EBIT 2015	352	562
Underlying EBIT-margin 2015	20.7%	18.3%
Underlying EBIT 2014	300	456
Underlying EBIT-margin 2014	21.2%	18.3%
Underlying EBIT 2014, currency adjusted	323	479
Underlying EBIT-margin 2014, currency adjusted	20.2%	17.0%
<b>Change in underlying EBIT-margin, currency adjusted</b>	<b>0.5%</b>	<b>1.4%</b>

<sup>2</sup>Unless otherwise stated, the comparative figures in the overview pertain to continuing operations excluding the Trailer and Towing divisions, which were discontinued in 2014.

### **Net financial items**

In the second quarter, net financial items amounted to an expense of SEK 15m (expense: 87). Exchange rate differences on loans and cash and cash equivalents were SEK 0m (neg: 36). The interest expense for borrowings was SEK 16m (expense: 50). The improvement was due to lower gearing.

### **Net income for the period**

In the second quarter of 2015, net income was SEK 254m, corresponding to earnings per share of SEK 2.54 before dilution (SEK 2.53 after dilution). For the year-earlier period, net income from continuing operations totaled SEK 142m, corresponding to earnings per share of SEK 1.68 (before and after dilution).

## **Trend for the first six months**

### **Net sales**

In the first half of 2015, net sales amounted to SEK 3,066m (2,491), representing an increase of 23.1 percent, primarily attributable to new product launches and higher sales in the Outdoor&Bags segment. Adjusted for exchange rate fluctuations, net sales for the Group rose 8.6 percent.

In the Outdoor&Bags segment, sales increased primarily in Europe, while our sales in the Americas region, and particularly the US, were somewhat negatively impacted in the product category of sleeves and cases for home electronics. In the Specialty segment, sales increased primarily through increased sales of Snow Chains during the first quarter and in the Work Gear category during the second quarter.

### **Gross income**

Gross income amounted to SEK 1,213m (1,021) corresponding to a gross margin of 39.6 percent (41.0). Gross income was negatively impacted by currency effects (negative 1.5 percentage points). Net sales were boosted by positive currency effects, while the cost of goods sold was negatively affected by the fact that goods purchased mainly in USD were also, to a considerable extent, sold in the European market.

### **Operating income**

Operating income totaled SEK 552m (449). Underlying EBIT amounted to SEK 562m (456), corresponding to an operating margin of 18.3 percent (18.3). Operating income for the first six months was positively impacted, primarily by higher net sales.

Changes in exchange rates had an overall positive impact of about SEK 23m on operating profit, compared to the first half of 2014. The underlying EBIT margin was negatively affected during the first six months of the year due to a larger positive currency effect on net sales than on the underlying EBIT. Adjusted for exchange rate fluctuations we reached an improvement of 1.4 percentage points compared to prior year.

### **Net financial items**

In the first half of 2015, net financial items amounted to an expense of SEK 36m (expense: 138), and were negatively impacted by exchange rate differences of SEK 9m (neg: 44) on loans and cash and cash equivalents. The interest expense for borrowings during the first half of 2015 was SEK 27m (expense: 90). The improvement was due to lower gearing.

### **Net income for the period**

For the first half of 2015, net income amounted to SEK 396m, corresponding to earnings per share of SEK 3.96 before dilution (SEK 3.94 after dilution). For the year-earlier period, net income from continuing operations totaled SEK 220m, corresponding to earnings per share of SEK 2.60 (before and after dilution).

## Cash flow

### Cash flow for the second quarter

Cash flow from operating activities during the second quarter was SEK 248m (170<sup>3</sup>). The cash flow is a result of improved operating income and a positive trend for working capital. Investments in tangible and intangible assets amounted to an expense of SEK 17m (expense: 53<sup>3</sup>).

### Cash flow for the first six months

Cash flow from operating activities in the first six months was SEK 97m (44<sup>3</sup>). The cash flow is the result of increased operating income, partly impacted by a negative change in working capital, in particular accounts receivable, as a result of higher net sales and a larger inventory. The build-up of inventory was according to plan and attributable to the seasonal build-up ahead of the season for a number of new product categories and also the start-up of a new East European warehouse in Poland under the Thule Group's ownership in the first quarter and a new third-party warehouse in the Netherlands during the second quarter. Investments in tangible and intangible assets amounted to an expense of SEK 35m (expense: 90<sup>3</sup>).

## Financial position

At June 30, 2015, the Group's equity amounted to SEK 3,257m (1,770). The equity ratio amounted to 43.3 percent (22.0).

At June 30, 2015, net debt amounted to SEK 2,546m (3,940). Total long-term borrowing amounted to SEK 2,367m (4,299), and comprised loans from credit institutions of SEK 2,379m (4,238), gross, capitalized financing costs of SEK 13m (29) and the long-term portion of financial derivatives of SEK 1m (90). Total current financial liabilities amounted to SEK 316m (32) and mainly comprised utilized revolving credit facilities.

SEKm	Jun 30 2015	Jun 30 2014	Dec 31 2014
Long-term loans, gross	2 379	4 238	2 390
Short-term loans, gross	304	17	254
Overdraft facilities	0	0	4
Financial derivative instruments	2	93	26
Capitalized financing costs	-13	-29	-14
Accrued interest	0	2	0
<b>Gross debt</b>	<b>2 673</b>	<b>4 321</b>	<b>2 660</b>
Cash and cash equivalents	-126	-381	-114
<b>Net debt</b>	<b>2 546</b>	<b>3 940</b>	<b>2 546</b>

Pledged assets for the Thule Group amounted to SEK 27m (7,111). The change was attributable to the terms of the new financing agreement that entered force in conjunction with the IPO in the autumn of 2014.

At June 30, 2015, goodwill totaled SEK 4,088m. At June 30, 2014, goodwill pertaining to continuing operations totaled SEK 3,783m. The increase was fully attributable to currency effects.

At June 30, 2015, inventories amounted to SEK 915m. At June 30, 2014, inventories pertaining to continuing operations amounted to SEK 782m. The change was mainly due to currency rates and inventory accumulations.

## Other information

### Seasonal variations

The Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are mainly affected in the Specialty segment (snow chains), depending on levels of snow fall. In the second and third quarters, primarily Outdoor&Bags is impacted by how early the spring or summer arrives, while sales in individual quarters

<sup>3</sup> Based on the total operations, meaning both continuing and discontinued operations.

may be impacted by the quarter in which spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (such as snow chains and roof boxes), and sales of products in the Outdoor&Bags segment's bag category prior to major holidays.

### **Employees**

The average number of employees was 2,358 (2,311).

### **Events after the balance-sheet date**

With the aim of enhancing the efficiency of our business, a number of structural projects in distribution have been conducted in the Thule Group in the past year. Combined with the comprehensive business system project that was completed in 2014, during the first six months, the Group was able to implement new processes and thus create greater efficiency in a number of the Group's support functions in the Outdoor&Bags segment. Overall, this led to a decision in July to implement a reorganization, with personnel reductions at the Group's operations in the US, Belgium and Hong Kong. A total of about 50 positions will disappear, with an anticipated annual saving of about SEK 20m and nonrecurring costs of about SEK 10m as a result. Nonrecurring costs will be charged to earnings for the third quarter.

### **The Thule Group share**

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list. At June 30, 2015, the total number of shares in issue was 100,000,000.

### **Dividend**

At the Annual General Meeting on April 29, a dividend was approved of SEK 2.00 per share for 2014, totaling SEK 200m. It is also resolved that dividends will be paid in two installments for better adaptation to the Group's cash flow profile.

The record date for the first dividend payment of SEK 1.00 per share was May 4, 2015 and the record date for the second payment of SEK 1.00 per share is October 9, 2015.

### **Shareholders**

At June 30, 2015, Thule Group AB had 2,229 shareholders. At this date, the largest shareholders were NC Outdoor VI AB (26.8 percent of the votes), NC Outdoor VII AB (17.5 percent of the votes), AMF - Försäkring och Fonder (9.0 percent of the votes), Swedbank Robur fonder (5.6 percent of the votes) and Lannebo fonder (5.2 percent of the votes).

### **Parent Company**

Thule Group AB's principal activity pertains to head office functions such as Group-wide management and administration. The comments below refer to the period January 1-June 30, 2015. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 1m (0).

Cash and cash equivalents and current investments amounted to SEK 0m (34). Long-term liabilities to credit institutions totaled SEK 2,355m (0).

The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in the Risks and uncertainties section.

## Performance by business segment

### Outdoor&Bags

SEKm	Apr-Jun		Change		Jan-Jun		Change	
	2015	2014	Rep.	Adjust. <sup>1</sup>	2015	2014	Rep.	Adjust. <sup>1</sup>
Net sales	1 574	1 332	18.2%	5.6%	2 774	2 306	20.3%	7.1%
- Region Europe & ROW	1 039	895	16.1%	10.4%	1 867	1 579	18.2%	11.5%
- Region Americas	536	437	22.5%	-2.6%	907	727	24.7%	-1.0%
Operating income	382	331	15.1%		602	514	17.1%	
Underlying EBIT	385	332	15.7%	8.5%	608	518	17.4%	12.7%
Operating margin, %	24.2%	24.9%			21.7%	22.3%		
Underlying EBIT margin, %	24.4%	25.0%			21.9%	22.5%		

<sup>1</sup> Adjustment for changes in exchange rates

In the second quarter of 2015, net sales in Outdoor&Bags rose to SEK 1,574m (1,332), an increase of 18.2 percent. Adjusted for exchange rate fluctuations, net sales rose 5.6 percent. For the first six months, net sales rose to SEK 2,774m (2,306), corresponding to an increase of 20.3 percent (7.1 percent after currency adjustment).

Sales in this business segment grew mainly due to a continued strong trend in Europe, particularly in the product categories of Sport&Cargo Carriers and Other Outdoor&Bags, but also with growth in Bags for Electronic Devices during the quarter. In Sport&Cargo Carriers, there was very strong growth in the bike carrier segment in particular. In Other Outdoor&Bags, we saw continued favorable development in the categories of accessories for mobile homes/caravans, Active with Kids, with the launch of child carriers, and Sport&Travel Bags, through the launch of backpacks. The main contribution to the increase in sales of Bags for Electronic Devices was made by computer backpacks and tablet cases.

In the North American market, the trend in the product categories of Sport&Cargo Carriers and Other Outdoor&Bags was strong, while sales in Bags for Electronic Devices continued to decline. The lower sales in this category were partly attributable to a generally weak consumer market in Latin America and a negative general market trend in the Group's key segment for camera bags (in which sales of digital system cameras continued to decline during the period), but also to the company's decision to focus on improved margins in the lower price segment in the computer and tablet range under the Case Logic brand.

In the second quarter of 2015, underlying EBIT amounted to SEK 385m (332). Changes in exchange rates had a net positive impact of SEK 22m on operating income, compared with the corresponding year-earlier period. The segment's balanced geographic cost structure and proportion of material purchased in USD, as well as finished products from China and the rest of East Asia in USD-linked currencies, to be later sold in the eurozone continued to have a negative impact of underlying EBIT margin during the quarter. During the quarter, the underlying EBIT margin was 24.4 percent (25.0). After currency adjustment, we achieved an improvement of 0.6 percentage points compared with the preceding year.

For the first six months, the underlying EBIT was SEK 608m (518), representing a margin of 21.9 percent (22.5).

In July, a decision was taken regarding a reorganization resulting in personnel cutbacks in a number of different support functions in the company's business operations in the US, Belgium and Hong Kong. During the past 12 months, the company has undertaken a number of large projects (distribution and business systems) to enhance the efficiency of the operation. This has led to higher efficiency in support functions, enabling the management of a growing business by a slightly lower number of staff. A total of about 50 positions will disappear, with an anticipated annual saving of about SEK 20m as of the third quarter. Nonrecurring costs for the program of about SEK 10m will be charged to the third quarter.

## Specialty

SEKm	Apr-Jun		Change		Jan-Jun		Change	
	2015	2014	Rep.	Adjust. <sup>1</sup>	2015	2014	Rep.	Adjust. <sup>1</sup>
Net sales	125	84	49.2%	16.4%	291	185	57.9%	25.5%
- Snow Chains	11	-4			68	17	298.9%	277.4%
- Work Gear	114	88	30.3%	2.5%	223	167	33.2%	4.2%
Operating income	-10	-10	2.6%		6	-16		
Underlying EBIT	-10	-10	2.6%		6	-16		
Operating margin, %	-8.0%	-12.3%			2.0%	-8.8%		
Underlying EBIT margin, %	-8.0%	-12.3%			2.0%	-8.8%		

<sup>1</sup> Adjustment for changes in exchange rates

In the second quarter of 2015, net sales for Specialty totaled SEK 125m (84), corresponding to an increase of 49.2 percent. Adjusted for exchange rate fluctuations, net sales rose 16.4 percent.

The Work Gear product category represented 91 percent of sales in the segment during the quarter and increased 2.5 percent in local currency compared with the preceding year as a result of the continued positive performance in sales for toolboxes for pick-up trucks. Sales in Snow Chains, which were naturally very limited during the period, rose SEK 15m during the period, compared with the year-earlier period, thanks to a better end to the winter 2014-2015 at the beginning of the quarter.

Underlying EBIT for the second quarter of 2015 totaled negative SEK 10m (neg: 10) and the operating margin was negative 8.0 percent (neg: 12.3). Changes in exchange rates had a positive impact of SEK 2m on earnings, compared with the preceding year. In the quarter underlying EBIT was negatively impacted by nonrecurring costs related to efficiency enhancements within the Snow Chain operation.

For the first six months, net sales rose to SEK 291m (185), corresponding to an increase of 57.9 percent (25.5 percent after currency adjustment). The sales increase was attributable to the continued favorable trend in the Work Gear category in the US (up: SEK 56m) and improved sales of snow chains in the first quarter, compared with a very weak comparison year in 2014 (up: SEK 51m).

For the first six months, the underlying EBIT was SEK 6m (neg: 16), representing a margin of 2.0 percent (neg: 8.8).



The Board of Directors and the President provide their assurance that this interim report provides a fair and accurate view of the Group's and the Parent Company's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

July 22, 2015

Stefan Jacobsson  
Chairman of the Board

Bengt Baron  
Board member

Hans Eckerström  
Board member

Lilian Fossum Biner  
Board member

Liv Forhaug  
Board member

David Samuelson  
Board member

Åke Skeppner  
Board member

Magnus Welanders  
CEO

**Review report**

This report has not been reviewed by the company's auditor.

A selection of product launches during the period



Examples of product launches in the Other Outdoor&Bags category: **Thule Sapling** child carrier in stores since April 2015).



Examples of product launches to consumers during the quarter in the Bags for Electronic Devices category: **Thule Legend** GoPro camera backpack that was developed and launched in cooperation with Matthias Giraud (Thule Crew member and legendary Ski/BASE jumper).

# Financial statements

(Unless otherwise stated, all amounts are in SEK m)

## Consolidated Income Statement

	Note	Apr - Jun		Jan - Jun		Full-year	
		2015	2014	2015	2014	LTM	2014
<b>Continuing operations</b>							
Net sales	2	1 700	1 416	3 066	2 491	5 267	4 693
Cost of goods sold		-1 025	-825	-1 853	-1 471	-3 243	-2 861
<b>Gross income</b>		<b>675</b>	<b>592</b>	<b>1 213</b>	<b>1 021</b>	<b>2 024</b>	<b>1 832</b>
Other operating revenue		1	1	4	5	3	5
Selling expenses		-250	-221	-496	-422	-971	-897
Administrative expenses		-81	-73	-163	-145	-316	-298
Other operating expenses		1	-2	-4	-10	-38	-44
<b>Operating income</b>	<b>2</b>	<b>347</b>	<b>297</b>	<b>552</b>	<b>449</b>	<b>702</b>	<b>599</b>
Net interest expense/income		-15	-87	-36	-138	-222	-324
<b>Income before taxes</b>		<b>332</b>	<b>210</b>	<b>517</b>	<b>311</b>	<b>480</b>	<b>275</b>
Taxes	5	-77	-68	-121	-92	-105	-75
<b>Net income</b>		<b>254</b>	<b>142</b>	<b>396</b>	<b>220</b>	<b>375</b>	<b>199</b>
<b>Discontinued operations</b>							
Net income from discontinued operations	3	0	-375	0	-361	21	-340
<b>Consolidated net income</b>		<b>254</b>	<b>-233</b>	<b>396</b>	<b>-141</b>	<b>397</b>	<b>-140</b>
Consolidated net income pertaining to:							
Shareholders of Parent Company		254	-233	396	-143	398	-140
of which, pertaining to continuing operations		254	142	396	220	375	199
of which, pertaining to discontinued operations		0	-375	0	-363	23	-340
Non-controlling interest (pertaining to discontinued operations)		0	0	0	2	-2	0
<b>Consolidated net income</b>		<b>254</b>	<b>-233</b>	<b>396</b>	<b>-141</b>	<b>397</b>	<b>-140</b>
Earnings per share, SEK before dilution		2.54	-2.76	3.96	-1.69		-1.63
Earnings per share, SEK after dilution		2.53	-2.76	3.94	-1.69		-1.63
Earnings per share continuing operations, SEK before dilution		2.54	1.68	3.96	2.60		2.32
Earnings per share continuing operations, SEK after dilution		2.53	1.68	3.94	2.60		2.32
Average number of shares (millions)		100.0	84.5	100.0	84.5		85.9

## Consolidated Statement of Comprehensive Income

		Apr - Jun		Jan - Jun		Full-year	
		2015	2014	2015	2014	LTM	2014
Consolidated net income		254	-233	396	-141	397	-140
<b>Items that have been carried over or can be carried over to consolidated net income</b>							
Foreign currency translation		-119	70	74	86	229	241
Cash-flow hedges		14	-5	29	-4	6	-26
Net investment hedge		32	1	12	1	93	82
Translation differences from foreign currency translation and net investments recognized in consolidated net income		0	30	0	30	-8	23
Tax on components in other comprehensive income		3	-0	-19	-0	-32	-13
Tax on components in other comprehensive income recognized in consolidated net income		0	2	0	2	14	17
<b>Items that cannot be carried over to consolidated net income</b>							
Revaluation of defined-benefit pension plans		13	-3	0	-9	-15	-24
Tax pertaining to items that cannot be carried over to consolidated net income		-3	1	0	2	4	6
<b>Other comprehensive income</b>		<b>-60</b>	<b>97</b>	<b>95</b>	<b>108</b>	<b>291</b>	<b>304</b>
<b>Total comprehensive income</b>		<b>194</b>	<b>-135</b>	<b>491</b>	<b>-33</b>	<b>688</b>	<b>164</b>
Total comprehensive income pertaining to:							
Shareholders of Parent Company		194	-136	491	-34	689	164
Non-controlling interest (pertaining to discontinued operations)		0	0	0	2	-2	0
<b>Total comprehensive income</b>		<b>194</b>	<b>-135</b>	<b>491</b>	<b>-33</b>	<b>688</b>	<b>164</b>

## Consolidated Balance Sheet

	Note	Jun 30 2015	Jun 30 2014	Dec 31 2014
<b>Assets</b>				
Intangible assets		4 125	3 818	4 082
Tangible assets		559	511	559
Long-term receivables		6	4	6
Deferred tax receivables		523	442	520
<b>Total fixed assets</b>		<b>5 213</b>	<b>4 775</b>	<b>5 167</b>
Inventories		915	782	795
Tax receivables		6	8	11
Accounts receivable		1 103	957	754
Prepaid expenses and accrued income		54	32	51
Other receivables		100	94	60
Cash and cash equivalents		126	381	114
Assets held for sale	3	0	1 003	0
<b>Total current assets</b>		<b>2 303</b>	<b>3 257</b>	<b>1 785</b>
<b>Total assets</b>		<b>7 517</b>	<b>8 032</b>	<b>6 952</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
		<b>3 257</b>	<b>1 770</b>	<b>2 966</b>
Long-term interest-bearing liabilities		2 367	4 299	2 376
Pension provisions		138	132	135
Deferred income tax liabilities		151	162	154
<b>Total long-term liabilities</b>		<b>2 656</b>	<b>4 594</b>	<b>2 665</b>
Short-term interest-bearing liabilities		316	32	292
Accounts payable		552	502	497
Income taxes		131	92	69
Other liabilities		142	22	28
Accrued expenses and deferred income		381	296	327
Provisions		80	28	107
Liabilities attributable to assets held for sale	3	0	696	0
<b>Total short-term liabilities</b>		<b>1 604</b>	<b>1 667</b>	<b>1 321</b>
<b>Total liabilities</b>		<b>4 260</b>	<b>6 261</b>	<b>3 986</b>
<b>Total equity and liabilities</b>		<b>7 517</b>	<b>8 032</b>	<b>6 952</b>

## Consolidated Statement of Changes in Equity

	Jun 30 2015			Jun 30 2014		
	Equity attributable to shareholders of Parent Company	Non-controlling interest	Total equity	Equity attributable to shareholders of Parent Company	Non-controlling interest	Total equity
Opening balance, January 1	2 966	-	2 966	1 797	5	1 802
Consolidated net income	396	-	396	-143	2	-141
Total other comprehensive income	95	-	95	108	-	108
<b>Total comprehensive income</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>-34</b>	<b>2</b>	<b>-33</b>
Transactions with the Group's owners						
Dividend	-200	-	-200	0	-	0
<b>Closing balance</b>	<b>3 257</b>	<b>-</b>	<b>3 257</b>	<b>1 763</b>	<b>7</b>	<b>1 770</b>

## Consolidated Statement of Cash Flow

	Apr - Jun 2015		Jan - Jun 2014 <sup>2</sup>	
	2015	2014 <sup>2</sup>	2015	2014 <sup>2</sup>
Income before taxes	332	210	517	311
Income from discontinued operations before taxes	0	-367	0	-351
Adjustments for items not included in cash flow	23	463	49	503
Paid income taxes	-25	-10	-57	-37
<b>Cash flow from operating activities prior to changes in working capital</b>	<b>330</b>	<b>296</b>	<b>509</b>	<b>426</b>
<b>Cash flow from changes in working capital</b>				
Increase(-)/Decrease (+) in inventories	13	-6	-119	-113
Increase(-)/Decrease (+) in receivables	-97	-207	-385	-426
Increase(+)/Decrease (-) in liabilities	2	87	92	157
<b>Cash flow from operating activities</b>	<b>248</b>	<b>170</b>	<b>97</b>	<b>44</b>
<b>Investing activities</b>				
Sale of subsidiaries	0	191	0	191
Acquisition of intangible assets	0	0	0	0
Acquisition of tangible assets	-17	-53	-35	-90
<b>Cash flow from investing activities</b>	<b>-17</b>	<b>138</b>	<b>-35</b>	<b>101</b>
<b>Financing activities</b>				
New issue of shares	0	0	0	0
Dividend	-100	0	-100	0
Borrowings	0	0	50	0
Debt repaid	-81	-141	0	-152
<b>Cash flow from financing activities</b>	<b>-181</b>	<b>-141</b>	<b>-50</b>	<b>-152</b>
Net cash flow	51	167	12	-6
Cash and cash equivalents at beginning of period	75	211	114	385
Effect of exchange rates on cash and cash equivalents	-1	3	1	2
<b>Cash and cash equivalents at end of period</b>	<b>126</b>	<b>381</b>	<b>126</b>	<b>381</b>

<sup>2</sup> Pertains to total operations, meaning both continuing and discontinued operations.

## Parent Company Income Statement

	Apr - Jun		Jan - Jun		Full-year
	2015	2014	2015	2014	2014
Other operating revenue	6	0	12	0	9
Other operating expenses	0	0	0	0	-400
Administrative expenses	-8		-15	0	-9
<b>Operating income</b>	<b>-2</b>	<b>0</b>	<b>-3</b>	<b>0</b>	<b>-400</b>
Net interest expense/income	1	0	2	0	1
<b>Income after financial items</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-399</b>
Appropriations	0	0	0	0	31
Taxes	0	0	0	0	0
<b>Net income</b>	<b>-1</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>-368</b>

## Parent Company Balance Sheet

	Jun 30	Jun 30	Dec 31
	2015	2014	2014
<b>Assets</b>			
Financial fixed assets	4 963	1 000	4 971
<b>Total fixed assets</b>	<b>4 963</b>	<b>1 000</b>	<b>4 971</b>
Other current receivables	2	0	50
Cash and cash equivalents	0	34	0
<b>Total current assets</b>	<b>2</b>	<b>34</b>	<b>50</b>
<b>Total assets</b>	<b>4 966</b>	<b>1 034</b>	<b>5 021</b>
<b>Equity and liabilities</b>			
Equity	1 469	1 034	1 670
Liabilities to credit institutions	2 355	0	2 363
Liabilities to Group companies	368	0	368
<b>Total long-term liabilities</b>	<b>2 724</b>	<b>0</b>	<b>2 731</b>
Liabilities to credit institutions	300	0	250
Other current liabilities	473	0	370
<b>Total short-term liabilities</b>	<b>773</b>	<b>0</b>	<b>620</b>
<b>Total equity and liabilities</b>	<b>4 966</b>	<b>1 034</b>	<b>5 021</b>
Pledged assets	0	1 034	0
Contingent liabilities	None	None	None

## Disclosures, accounting policies and risk factors

### Note 1 Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act on interim financial reporting. The same accounting policies and calculation methods have been applied for the Group and Parent Company as in the most recent Annual Report. Other new and revised IFRSs that became effective in 2015 have had no material impact on the Group's earnings and financial position.

### Note 2 Operating segments

The former Towing operating segment (including the Trailer and Towing divisions) was divested in 2014 and is reported as a discontinued operation, refer to Note 3 Discontinued operations. Comparative figures for Towing operations have been excluded retroactively.

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Apr - Jun		Apr - Jun		Apr - Jun		Apr - Jun		Apr - Jun	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Sales to customers</b>	<b>1 574</b>	<b>1 332</b>	<b>125</b>	<b>84</b>	<b>0</b>	<b>0</b>			<b>1 700</b>	<b>1 416</b>
Intercompany sales	3	5	0	0	0	0	-3	-5	0	0
<b>Underlying EBITDA</b>	<b>398</b>	<b>344</b>	<b>-7</b>	<b>-7</b>	<b>-22</b>	<b>-22</b>			<b>369</b>	<b>315</b>
Operating depreciation/amortization	-13	-11	-3	-3	-1	-1			-18	-15
<b>Underlying EBIT</b>	<b>385</b>	<b>332</b>	<b>-10</b>	<b>-10</b>	<b>-23</b>	<b>-22</b>			<b>352</b>	<b>300</b>
Other depreciation/amortization	-3	-3	0	0	-2	-2			-5	-4
Items affecting comparability	0	2	0	0	0	0			0	2
<b>Operating income</b>	<b>382</b>	<b>331</b>	<b>-10</b>	<b>-10</b>	<b>-25</b>	<b>-24</b>			<b>347</b>	<b>297</b>
Net interest expense/income									-15	-87
Taxes									-77	-68
Net income from discontinued operations									0	-375
<b>Consolidated net income</b>									<b>254</b>	<b>-233</b>

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Sales to customers</b>	<b>2 774</b>	<b>2 306</b>	<b>291</b>	<b>185</b>	<b>1</b>	<b>0</b>			<b>3 066</b>	<b>2 491</b>
Intercompany sales	4	9	0	-1	0	0	-4	-9	0	0
<b>Underlying EBITDA</b>	<b>634</b>	<b>539</b>	<b>13</b>	<b>-10</b>	<b>-51</b>	<b>-44</b>			<b>596</b>	<b>485</b>
Operating depreciation/amortization	-26	-21	-7	-6	-2	-2			-34	-29
<b>Underlying EBIT</b>	<b>608</b>	<b>518</b>	<b>6</b>	<b>-16</b>	<b>-53</b>	<b>-46</b>			<b>562</b>	<b>456</b>
Other depreciation/amortization	-6	-5	0	0	-3	-3			-9	-9
Items affecting comparability	0	2	0	0	0	0			0	2
<b>Operating income</b>	<b>602</b>	<b>514</b>	<b>6</b>	<b>-16</b>	<b>-56</b>	<b>-49</b>			<b>552</b>	<b>449</b>
Net interest expense/income									-36	-138
Taxes									-121	-92
Net income from discontinued operations									0	-361
<b>Consolidated net income</b>									<b>396</b>	<b>-141</b>



## Note 3 Discontinued operations

	Jan - Jun	
	2015	2014
Revenue	-	671
Expenses	-	-659
Write-down of Goodwill	-	-350
<b>Income before taxes</b>	-	-337
Taxes	-	-10
Realization gain/loss from divestment of discontinued operation	-	-14
<b>Net income from discontinued operations</b>	-	-361
Earnings per share, discontinued operations, SEK (before and after dilution)	-	-4.29

	Jan - Jun	
	2015	2014
<b>Cash flow from discontinued operations</b>		
Operating cash flow before investments	-	29
Operating cash flow after investments	-	-3
<b>Assets classified as held for sale</b>		
Intangible assets	-	408
Tangible assets	-	223
Inventories	-	170
Accounts receivable and other receivables	-	202
	-	1 003
<b>Liabilities classified as held for sale</b>		
Accounts payable and other liabilities	-	229
Deferred income tax liabilities	-	52
Interest-bearing liabilities	-	415
	-	696

## Note 4 Fair value of financial instruments

	Fair value	
	Jun 30	Jun 30
	2015	2014
<b>Assets - Financial derivatives</b>		
Currency forward contracts	4	1
Currency swaps	1	6
Currency options	3	5
Interest rate swaps	4	0
<b>Total derivative assets</b>	<b>11</b>	<b>12</b>
<b>Liabilities - Financial derivatives</b>		
Currency forward contracts	-6	-6
Currency swaps	-1	-3
Currency options	-5	-6
Interest rate swaps	-1	-90
Commodity derivatives	0	0
<b>Total derivative liabilities</b>	<b>-13</b>	<b>-105</b>

The carrying amount is considered to be an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to floating interest rates, which means that changes in the basic interest rate will have no significant impact on the fair value of the liabilities. According to the company's assessment, neither have there



been any changes in the credit margins that would significantly impact the fair value of the liabilities. The financial instruments measured at fair value in the balance sheet consist of derivatives held to hedge the Group's exposure to interest rates, currency rates and raw material prices. All derivatives belong to Level 2 of the hierarchy for measuring fair value as described in IFRS 13.

### Note 5 Taxes

The company is involved in an ongoing tax dispute in Germany. Regarding the tax audits for the years 2005 – 2008, the tax authority in Germany has made a final decision on Thule Holding GmbH, which corresponds with its earlier view of this issue. As the company announced earlier, the German tax authority has issued a judgment on an increase in the tax base, which adds another approximately EUR 15.5m in further taxes and interest for the company. The company intends to appeal the ruling and has not made any further provisions this year. In total, the Group has made a provision of SEK 46m for tax/interest rates attributable to the above dispute.

The effective tax rate for the period was 23.4 percent compared with 27.4 percent for the full-year 2014. The tax rates for the full-year 2014 were impacted by the provisions made for the ongoing tax dispute in Germany. No other significant events affecting the Group's effective tax rate occurred during the period.

### Note 6 Risks and uncertainties

The Thule Group is an international company and its operations may be affected by a number of risk factors in the form of operational and financial risks. The operational risks are managed by the operational units and the financial risks by the central finance department. The operational risks comprise the overall economic trend, as well as consumption by both consumers and professional users, primarily in North America and Europe, where most of the Group's sales are conducted. An economic downturn in these markets could have a negative impact on the Group's sales and earnings. Changes in product technology and sales channel shifts could also affect the Group's sales and earnings negatively.

Demand for the Group's products is also partly dependent on the weather, particularly in the Specialty segment. A snow-free winter may reduce demand for such products as snow chains.

The Thule Group's operations are also exposed to seasonal variations. Demand for consumer products for an active outdoor lifestyle (such as bike carriers or water sport-related products) is greatest during the warmer months of the year, while demand for cases for electronic products is greatest when schools start, at the end of the year and when new electronic products are launched. The Thule Group has adapted its production processes and supply chain in response to these variations.

Other relevant risk factors are described in the Thule Group's Annual Report and pertain to industry- and market-related risks, operating risks and financial risks.

## Key figures

	Apr - Jun		Jan - Jun		Full-year
	2015	2014	2015	2014	2014
Net sales, SEKm	1 700	1 416	3 066	2 491	4 693
Net sales growth, %	20.0%	10.1%	23.1%	7.7%	8.4%
Net sales growth, adjusted % <sup>1</sup>	6.4%	7.2%	8.6%	5.2%	3.5%
Gross margin, %	39.7%	41.8%	39.6%	41.0%	39.0%
Underlying EBIT, SEKm	352	300	562	456	686
Underlying EBIT margin, %	20.7%	21.2%	18.3%	18.3%	14.6%
Operating income (EBIT), SEKm	347	297	552	449	599
Operating margin, %	20.4%	21.0%	18.0%	18.0%	12.8%
Earnings per share, SEK	2.54	1.68	3.96	2.60	2.32
Earnings per share, SEK <sup>2</sup>	2.54	-2.76	3.96	-1.69	-1.63
Equity ratio, % <sup>3</sup>	43.3%	22.0%	43.3%	22.0%	42.7%
Working capital, SEKm	1 016	1 315	1 016	1 315	755
Debt/equity ratio <sup>3</sup>	3.0	5.4	3.0	5.4	3.4
Average number of employees	2 358	2 311	2 358	2 311	2 128

<sup>1</sup> Adjustment for changes in exchange rates

<sup>2</sup> Total operations (incl. discontinued operations)

<sup>3</sup> The comparative period June 2014 pertains to total operations (incl. discontinued operations)

## Definitions

**Continuing operations** Comprises the Outdoor&Bags and Specialty operating segments.

**Debt/equity ratio** Net debt divided by the underlying rolling 12-month EBITDA.

**Discontinued operations** Comprises the former Towing operating segment, comprising trailer and towing operations.

**Earnings per share** Net income for the period divided by the average number of shares during the period.

**EBIT** (Earnings Before Interest and Taxes) Income before net financial items and taxes.

**EBIT margin** EBIT as a percentage of net sales.

**EBITDA** (Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes and depreciation/amortization and impairment of tangible and intangible assets.

**EBITDA margin** EBITDA as a percentage of net sales.

**Equity per share** Equity divided by the number of shares at the end of the period.

**Equity ratio** Equity as a percentage of total assets.

**Gross debt** Total long- and short-term borrowing including overdraft facilities, financial derivatives, capitalized financing costs and accrued interest.

**Gross income** Net sales less cost of goods sold.

**Gross margin** Gross income as a percentage of net sales.

**LTM** Last 12-month.

**Net debt** Gross debt less cash and cash equivalents.

**Net investments** Investments in tangible and intangible assets adjusted for disposals.

**Underlying EBIT** excluding items affecting comparability and depreciation/amortization of consolidated excess values.

**Underlying EBITDA** EBITDA excluding items affecting comparability.

**Working capital** Comprises inventories, tax receivables, accounts receivable, prepaid expenses and accrued income, other receivables, cash and cash equivalents less accounts payable, income tax liabilities, other liabilities, accrued expenses and deferred income and provisions.

## Financial calendar

Interim report July-September 2015  
Year-end report, January-December 2015

November 4, 2015  
February 15, 2016

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## About the Thule Group

The Thule Group is a world leader in products that help you transport anything you care for safely, easily, and in style so you are free to live your active life. Guided by the motto of *Active Life, Simplified*, the company offers products in two segments: **Outdoor&Bags** (includes equipment for bicycles, water and winter sports, roof boxes, bicycle trailers, sport strollers, child bike seats, computer and camera bags, backpacks and cases for cellphones and other digital equipment), as well as **Specialty** (snow chains and toolboxes for pick-up trucks).

The Thule Group has about 2,200 employees at 10 production facilities and 26 sales offices worldwide. The Group's products are sold in 136 markets and in 2014, sales amounted to SEK 4.7 billion. [www.thulegroup.com](http://www.thulegroup.com)



# Thule Group >>

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