

## Press release

Malmö, October 27, 2017

### **Thule Group CEO and President Magnus Welander comments on the third quarter, July-September, 2017**

#### **Strong trend continues**

In the third quarter the positive growth trend achieved during the year in both of our sales regions continued. Sales growth was 8.5%(after currency adjustment) during the quarter and we achieved an underlying EBIT margin of 18.6%.

The high profitability was achieved despite being, as previously announced, in the midst of the most ambitious period in the company's history in terms of product development investments in our traditional categories as well as in our newer categories, such as strollers.

#### **New long-term targets and new categories**

Our first capital markets day since listing in 2014 was held on September 20 in Stockholm. In conjunction with the above, updated long-term targets were presented, where above all, the raised target for the underlying EBIT margin (from  $\geq 17\%$  to  $\geq 20\%$ ) demonstrates our belief in our plans to continue to drive a positive trend in increased profitability.

We will continue to report sales in the two sales regions (Americas and Europe & ROW) on an ongoing basis. On a full-year basis, we will also present the trends in four product categories:

- Sport&Cargo Carriers
- Packs, Bags & Luggage
- Active with Kids
- RV Products

The previous product categories, Bags for Electronic Devices and Other Outdoor&Bags, have been divided into three clearer product categories: Packs, Bags & Luggage; Active with Kids; and RV Products.

#### **Strong trend for Region Europe & ROW**

The positive trend for Region Europe & ROW continued with a currency-adjusted sales increase of 11% in the third quarter. This means that to date, we have achieved currency-adjusted growth of 13% this year.

We have increased sales in all four product categories with Active with Kids being the fastest growing product category on a percentage basis, where the multisport trailer, child bike seat and stroller categories are all delivering robust growth. RV Products has also grown strongly in a booming European motorhome and caravan market, where we also continue to capture market shares.

In Sport&Cargo Carriers we continue to deliver stable growth and strengthened our leading position through successful launches of new bike carriers, such as the practical foldable tow-bar mounted Thule EasyFold XT.

Growth in Packs, Bags & Luggage has mainly been driven by the launch of our new Thule Subterra luggage series comprising both suitcases and smaller bags for everyday use for the modern business traveler.

## **Positive quarter for Region Americas**

In Region Americas, sales rose 3 % (after currency adjustment) during the quarter, which means we increased sales 4 % after currency adjustment in the first nine months of the year.

Product category trends are similar to those in Region Europe & ROW. However, a larger share of sales in the region comprise older bag models to consumer electronics retailers and, moreover, market conditions are generally tougher for retail chains with physical stores in shopping malls in the U.S. Overall this means growth is lower than in Europe.

The Active with Kids category is also growing fastest in Region Americas, primarily due to strollers and child bike seats. Sport&Cargo Carriers show stable growth, with the new Thule Motion XT roof box family proving a strong driver.

It was also positive to note that Packs, Bags & Luggage grew in the third quarter driven by the new Thule Subterra luggage collection.

At present, we have very limited sales in RV Products in this region.

## **Well-received products at trade fairs**

During the quarter, we presented next year's products for all our product categories at a number of successful fairs. Of particular note was the launch, at the leading Kind&Jugend juvenile fair, of Thule Sleek (a city stroller with the flexibility to be configured for a second child and for which sales will start in the second half of 2018) and an update of our Thule Urban Glide 2 stroller (to be launched in the first quarter of 2018). Both models attracted considerable attention from retailers and continue to build on this year's very successful launches of the Thule Chariot multisport trailers and Thule Yepp Nexxt child bike seats.

We are now entering a period when we will be making larger investments than ever in product development, for products that will be launched in 2018 and thereafter, with a strong focus on driving long-term profitable growth.

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## **About Thule Group**

Thule Group is a world leader in products that make it easy to bring the things you care for — easily, securely and in style - when living an active life. Under the motto *Active Life, Simplified.* we offer products within four product categories: **Sport&Cargo Carriers** (e.g. roof racks, roof boxes, racks for bikes, water and winter sports equipment being transported by car), **Packs, Bags & Luggage** (e.g. computer and camera bags, luggage and hiking backpacks), **Active with Kids** (e.g. bicycle trailers, strollers, child bike seats) and **RV Products** (e.g. awnings, bike carriers and tents for motorhomes and caravans).

Thule Group has approximately 2,200 employees at eight production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2016, sales amounted to SEK 5.3 billion.

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