

Thule Group's (publ) CEO and President, Magnus Welanders, comments on the company's Interim Q1 Report, 2020.

Solid quarter despite significant negative effects due to corona virus as of mid-March.

In the first quarter 2020 the Thule Group, like most of the world, lived through two completely different phases. We started the year very strong with increased sales, improved profitability and a more efficient use of capital.

When then massive lockdowns were implemented in our main markets in Europe and North America, as a consequence of the corona pandemic, we saw a significantly reduced demand and needed to act quickly in a completely new reality.

Sales in the quarter decreased with SEK 90m to SEK 1,744m, a decrease of 4.9 percent (7.5 percent excl. currency effects). Underlying EBIT in the quarter was SEK 326m (342), which meant that we delivered the same EBIT-margin as Q1 previous year of 18.7 percent and generated an improved cash flow of SEK 8m (-145).

Region Europe & ROW – significant impact from state measures to handle pandemic

In the quarter sales declined with 5.7 percent (currency adjusted).

The corona virus outbreak and the reduced travels in the Asia region led to that the previously rapidly growing Luggage category turned to decline in the quarter. In Europe all markets grew until mid-March, to then encounter different levels of decline, directly related to the degree of lockdowns in the markets, with store closures and stay at home orders.

Sales dropped very significantly in the markets with the most drastic measures implemented, such as France, Italy, Spain and the UK. Sales decline in other markets was still considerable, but less, as certain stores were allowed to be open and physical activities were allowed in parks and nature.

Positive to note was that the Active with Kids category grew in the quarter, driven by the launch of the new Thule Spring stroller, but also by a good development in the other two stroller models.

Region Americas – significant lockdowns in North America at the end of the quarter

In Region Americas sales decreased with 13 percent in the quarter (currency adjusted).

As in Europe sales grew in North America until mid-March and then dropped significantly. The most important sales regions in the US and Canada (California, New England and Quebec) where some of the regions that introduced the most stringent pandemic lockdown measures, with virtually complete store shutdowns and demands on citizens to stay at home.

Sales in Brazil developed well, while rest of Latin America experienced reduction in demand at the end of the quarter.

Press Release

28 April 2020 07:47:00 CEST



Also in Region Americas the Active with Kids category developed best, with a strong growth in the quarter. Driven by the new Thule Spring city-stroller, but also the Thule Urban Glide 2 jogging stroller.

Focus on current challenges short-term, balanced with a long-term focus

We have since the corona-outbreak focused on the health&safety of our employees. Measures implemented include travel bans, opportunities to work from home as well as the implementation of new hygiene and social distancing processes and rules in our assembly plants, distribution centres and offices.

At the same time we have acted to ensure that we can cost efficiently run the business in a short-term situation of significantly decreased demand. We have therefore at all our operating units implemented various levels of short-term furloughs and other cost reducing initiatives.

It is currently not possible to estimate how the effect will be in the short-term and we are therefore implementing measures to meet a short-term challenging financial reality in 2020. However, we are also ensuring that this is done in balance with the drive to meet our long-term strategic agenda and targets. We are committed to our communicated long-term strategy that focuses on utilizing a strong financial position to drive significant initiatives of sustainable product development of fantastic products. We also continue the building of a strong global consumer brand as well as driving efficiency improvements in our supply chain.

The underlying long-term positive market trends in the segments we operate in and the Company's leading position in products for an active life close to home, with a clear exposure to "staycation", makes me optimistic once we come through this current challenging period.

Magnus Welanders,
CEO & President

Contacts

Fredrik Erlandsson SVP Communications and Investor Relations
Tel: +46 70 309 00 21
E-mail: fredrik.erlandsson@thule.com

Press Release

28 April 2020 07:47:00 CEST



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 **Sport&Cargo Carriers** (e.g. roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and rooftop tents mounted on a car), **Active with Kids** (e.g. bicycle trailers, buggies and child bike seats), **RV Products** (e.g. awnings, bike racks and tents for motorhomes and caravans) and **Packs, Bags & Luggage** (e.g. hiking backpacks, luggage and camera bags).

Thule Group has about 2,400 employees at 9 production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2019, sales amounted to SEK 7 billion.

www.thulegroup.com

Attachments

[Thule Group's \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q1 Report, 2020.](#)