

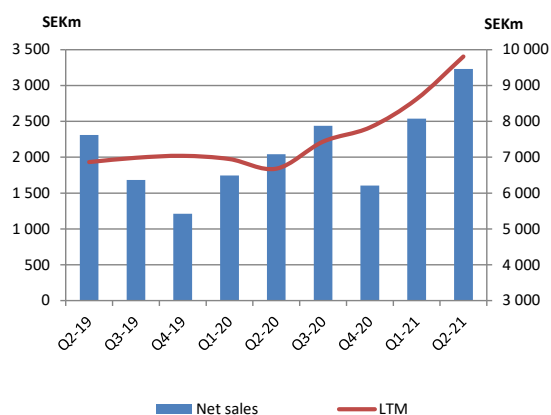
Thule Group

Interim report, second quarter, April–June 2021

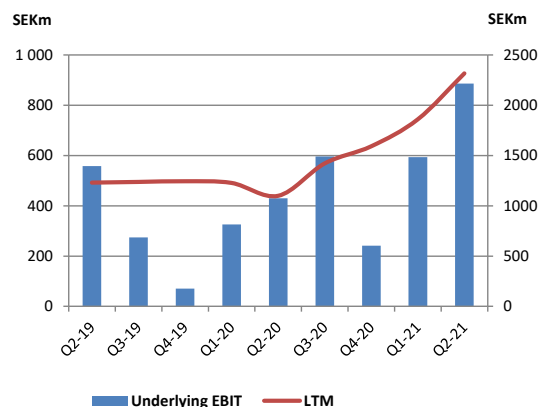
- **Net sales** for the quarter amounted to SEK 3,229m (2,043), corresponding to an increase of 58.1 percent. Adjusted for exchange rate fluctuations, sales increased 68.5 percent.
- **Operating income** amounted to SEK 886m (430), corresponding to a margin of 27.4 percent (21.0). Adjusted for exchange rate fluctuations, the operating margin increased 5.2 percentage points.
- **Net income** amounted to SEK 672m (312).
- **Cash flow from operating activities** totaled SEK 867m (523).
- **Earnings per share before dilution** amounted to SEK 6.43 (3.02).

	Apr-Jun 2021	Apr-Jun 2020	%	Jan-Jun 2021	Jan-Jun 2020	%	Full-year 2020
Net sales, SEKm	3 229	2 043	+58.1	5 768	3 787	+52.3	7 828
Underlying EBIT, SEKm	887	430	+106.3	1 481	756	+96.0	1 593
Operating income (EBIT), SEKm	886	430	+106.4	1 480	755	+96.1	1 591
Net income, SEKm	672	312	+115.5	1 119	553	+102.5	1 166
Earnings per share, SEK	6.43	3.02	+112.7	10.71	5.36	+99.9	11.23
Cash flow from operating activities, SEKm	867	523	+65.8	939	531	+76.9	1 614

Net sales



Underlying EBIT



CEO's statement

The very strong trend continues

Sales growth for the second quarter was 58 percent (69 percent after currency adjustment) compared with the year-earlier period. This means that the strong growth trend continued for the fourth quarter in a row.

During the second quarter of 2020, most of our major markets were affected by significant lockdowns, primarily during April and May. This meant that this year we faced a relatively weaker comparative period. It is therefore particularly positive to be able to also report currency-adjusted growth of a full 39 percent compared with the second quarter of 2019.

Manufacturing costs increased during the quarter, driven by generally rising material prices and by the extreme freight prices in the global market. We also experienced challenges in accessing capacity at sub-suppliers to be able to address our large volume increases, which resulted in additional costs.

To compensate the cost increases, we have introduced, and already partly implemented, price increases in two steps. The first increase was implemented on July 1 and the second will be implemented on January 1, 2022.

Driven by very strong sales growth, and our cost-effective and flexible organization, we delivered an EBIT margin for the quarter of 27.4 percent (21.0), despite external challenges.

Region Europe & RoW – very strong sales in all markets

During the quarter, sales in the region increased 74 percent after currency adjustment. The trend was very positive in all markets. For the first half of the year, growth of 62 percent was achieved after currency adjustment.

The Sport&Cargo Carriers category performed strongly in all product groups. Vacations using cars as the mode of transport and the strong bike trend benefitted us. Despite challenges in meeting significantly increased demand, we captured market shares with our strong product portfolio and our very good delivery capacity.

Development within the Active with Kids category remained very positive in bike trailers, child bike seats and strollers.

The RV Products category continued to perform very well, in line with the first quarter, as the rate of production among RV manufacturers remained high during the spring.

The bag category displayed healthy growth compared with the very weak comparative quarter. Especially sales of sport and leisure bags developed strongly during the quarter.

Region Americas – all categories performed very well

In Region Americas, sales increased 53 percent in the quarter after currency adjustment. For the first six months, this entailed a growth in the region of 65 percent after currency adjustment.

In Sport&Cargo Carriers, growth was very good for all product groups and in the Active with Kids category, we also continued to deliver growth in all sub-categories.

The bag category recorded growth after four consecutive quarters with reduced sales. With fewer restrictions and increased travel, both to work and on holiday and leisure, sales increased in our important collections.

High pressure and extended season

The strong trend for leisure and vacation activities nearer to home continues and we are well equipped to capitalize on the opportunities that this offers. Despite our highly flexible production, in and close to our main markets, we were unable to fully meet all demand during the second quarter. Accordingly, we anticipate a longer peak season that will continue into the third quarter since we strongly believe that consumers who have waited for vaccination and a larger degree of travel freedom, will continue to want to purchase our products.

In line with most manufacturing companies with rapid growth in these times, we meet challenges daily in relation to supplier capacity and global distribution. Considerable uncertainty also remains regarding the scope of pandemic-related lockdowns. However, we are convinced of our own ability to manage capacity increases and that the robust trend for leisure and vacation activities closer to home will continue.

All staff involved have already proven their flexibility and drive the last year, with huge engagement and exceptional efforts in a challenging market, which I want to thank them all for.



Magnus Welander
CEO and President

Financial overview

Trend for the second quarter

Net sales

In the second quarter of 2021, net sales amounted to SEK 3,229m (2,043), representing an increase of 58.1 percent. Adjusted for exchange rate fluctuations, net sales for the Group increased 68.5 percent. The outbreak of the coronavirus (COVID-19) in the comparative period in 2020 and the considerable quarantine measures introduced at that time in most countries had a strong negative impact on sales, primarily for April and May 2020.

In Region Europe & RoW, net sales totaled SEK 2,446m (1,465), up 66.9 percent, and 74.2 percent after currency adjustment. Net sales in Region Americas amounted to SEK 783m (577), up 35.7 percent and 52.9 percent after currency adjustment compared with the second quarter of 2020.

	Apr-Jun	Jan-Jun
	2021	2021
Change in net sales		
Organic growth	68.5%	62.8%
Structural changes	0.0%	0.0%
Changes in exchange rates	-10.4%	-10.4%
Total	58.1%	52.3%

Gross income

Gross income for the quarter totaled SEK 1,364m (830), corresponding to a gross margin of 42.2 percent (40.6). The positive trend was driven by an advantageous product mix and over absorption of production overhead costs, but impacted negatively by increased material and freight costs.

Operating income

Operating income amounted to SEK 886m (430), corresponding to an operating margin of 27.4 percent (21.0). Operating income was positively impacted by higher sales, an improved gross margin, maintained lower overheads and revenue recognized from release of the provision related to the Tepui Outdoor Inc earn-out payment of SEK 15m. The underlying EBIT margin amounted to 27.5 percent, after adjustment for exchange rate fluctuations, the margin increased by 5.2 percentage points.

	Apr-Jun	Jan-Jun
Change in underlying EBIT margin		
Underlying EBIT 2021	887	1 481
Underlying EBIT margin 2021	27.5%	25.7%
Underlying EBIT 2020	430	756
Underlying EBIT margin 2020	21.0%	20.0%
Underlying EBIT 2020, currency adjusted	427	738
Underlying EBIT margin 2020, currency adjusted	22.3%	20.8%
Change in underlying EBIT margin, currency adjusted	5.2%	4.8%

Net financial items

Net financial items for the quarter amounted to an expense of SEK 6m (expense: 21). Exchange rate differences on loans and cash and cash equivalents amounted to SEK 2 (expense: 6). The interest expense for borrowings was SEK 8m (expense: 15).

Net income for the period

Net income for the quarter was SEK 672m, corresponding to earnings per share of SEK 6.43 before dilution and SEK 6.37 after dilution. For the year-earlier period, net income totaled SEK 312m, corresponding to earnings per share of SEK 3.02 before and after dilution.

Trend for the first six months

Net sales

In the first half of 2021, net sales amounted to SEK 5,768m (3,787), representing an increase of 52.3 percent. Adjusted for exchange rate fluctuations, net sales for the Group increased 62.8 percent.

In Region Europe & RoW, net sales totaled SEK 4,363m (2,819), up 54.8 percent, and 62.1 percent after currency adjustment. Net sales in Region Americas amounted to SEK 1,405m (968), up 45.2 percent and 64.7 percent after currency adjustment compared with the first half of 2020.

Gross income

Gross income amounted to SEK 2,413m (1,542) corresponding to a gross margin of 41.8 percent (40.7). The positive trend was driven by an advantageous product mix and over absorption of production overhead costs.

Operating income

Operating income amounted to SEK 1,480m (755), corresponding to an operating margin of 25.7 percent (19.9). Operating income was positively impacted by higher sales, an improved gross margin and maintained lower overheads. Changes in exchange rates had a negative impact of SEK 18m.

Net financial items

In the first half of the year, net financial items amounted to an expense of SEK 15m (expense: 32). Exchange rate differences on loans and cash and cash equivalents amounted to SEK 0 (expense: 4). The interest expense for borrowings was SEK 15m (expense: 27). Reduced use of credit facilities was the primary contributor to lower net financial items.

Net income for the period

For the first six months, net income was SEK 1,119m, corresponding to earnings per share of SEK 10.71 before dilution and SEK 10.62 after dilution. For the year-earlier period, net income totaled SEK 553m, corresponding to earnings per share of SEK 5.36 before dilution and SEK 5.35 after dilution.

Cash flow

Cash flow from operating activities for the quarter was SEK 867m (523). The sales growth during the quarter has generated a higher profit. The sales increase also entailed higher accounts receivable. To meet the growing demand, inventory and therefore accounts payable increased compared with the year-earlier period. Cash flow from operating activities was SEK 939m (531) for the first half of the year. Investments in tangible and intangible assets amounted to SEK 238m (84). During the period, a dividend amounting to SEK 1,202m was distributed to the company's shareholders and SEK 150m was drawn on the company's credit facility.

Financial position

At June 30, 2021, the Group's equity amounted to SEK 4,963m (4,799). During the quarter, equity was affected by the dividend of SEK 1,621m decided by the Annual General Meeting, of which SEK 1,202m was paid out. The equity ratio amounted to 52.6 percent (47.9).

At June 30, 2021, net debt amounted to SEK 909m (1,700). Total long-term borrowing amounted to SEK 1,204m (3,215), and comprised loans from credit institutions of SEK 1,064m (3,031) gross, long-term lease liabilities of SEK 133m (172), capitalized financing costs of SEK 5m (cost: 8) and the long-term portion of financial derivatives of SEK 12m (19). Total current financial liabilities amounted to SEK 60m (63) and comprised the short-term portion of financial derivatives and lease liabilities.

SEKm	Jun 30 2021	Jun 30 2020	Dec 31 2020
Long-term loans, gross	1 197	3 203	1 051
Financial derivative liability, long-term	12	19	16
Short-term loans, gross	53	55	53
Financial derivative liability, short-term	7	8	35
Overdraft facilities	0	0	0
Capitalized financing costs	-5	-8	-7
Accrued interest	0	6	0
Gross debt	1 264	3 284	1 147
Financial derivative asset	-30	-28	-57
Cash and cash equivalents	-326	-1 555	-706
Net debt	909	1 700	384

At June 30, 2021, goodwill totaled SEK 4,392m (4,555). The decrease was attributable entirely to currency effects.

At June 30, 2021, inventories totaled SEK 1,267m (948). Compared with last year, inventory was negatively impacted by currency effects amounting to SEK 40m.

At June 30, 2021, deferred tax receivables amounted to SEK 350m (396), of which SEK 157m (241) pertained to capitalized tax losses carry forwards.

Other information

Coronavirus pandemic

Continued uncertainty exists in relation to decisions by various regions and countries to substantially close down markets from a production or a sales perspective, which could have a major impact on future earnings and cash flow. In the spring of 2020, Thule Group implemented strong measures to reduce the risks related to earnings and cash flow in conjunction with the rapid global development of the coronavirus situation. In addition to the short-term furlough of employees, these measures also comprised substantial reductions in variable expenses and some minor reprioritized investments. It was also decided to withdraw the dividend for 2019. The short-term furlough measures were ended in pace with the rise in demand for the Group's products in the spring and summer. Increased market demand in conjunction with consumers choosing to vacation closer to home, as well as the Group's continued investments in product development and flexible production meant that the second half of 2020 and first half of 2021 performed very well. The dividend that the Annual General Meeting resolved on in April 2021 means that, in practice, the 2019 dividend that was withdrawn will be distributed as an extraordinary dividend this year in addition to the increased ordinary dividend for 2020.

Seasonal variations

Thule Group's sales and operating income are during a normal year partially affected by seasonal variations. During the first quarter, sales in the Sport&Cargo Carriers category (roof boxes, ski-racks, etc.) are affected by winter conditions. The second and third quarters are primarily impacted by how early the spring and summer arrive. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski-racks, snow sport backpacks, etc.) and sales of products in the bag category prior to major holidays. Thule Group has adapted its production processes and supply chain in response to these variations.

Employees

The average number of employees was 3,240 (2,376).

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. At June 30, 2021, the total number of shares in issue was 104,562,436.

Dividend

The Annual General Meeting on April 22 resolved to distribute a dividend of SEK 15.50 per share (of which SEK 8.00 comprises an ordinary dividend for 2020 and SEK 7.50 per share comprises an extraordinary dividend based on the withdrawal of the proposed ordinary dividend for 2019) and that the dividend be distributed in two installments for a better adaptation to the Group's cash flow profile. The total resolved dividend amounted to SEK 1,621m. The first installment comprised the extraordinary dividend and half of the ordinary dividend. The record date for the first dividend payment totaling SEK 11.50 per share was April 26, 2021. October 4, 2021, was set as the record date for the second payment of SEK 4.00 per share.

Shareholders

At June 30, 2021, Thule Group AB had 18,975 shareholders. At this date, the largest shareholders were AMF Försäkringar & Fonder (9.3 percent of the votes), SEB Fonder (4.7 percent of the votes), ODIN Fonder (3.7 percent of the votes) and Swedbank Robur Fonder (3.6 percent of the votes).

See www.thulegroup.com for further information on Thule Group's shareholders.

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, 2021. The Parent Company invoices its costs to Group companies. The Parent Company reported a net loss of SEK 17m (loss: 10). Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 1,059m (3,023).

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 Note 5, Risks and uncertainties.

Sales trend by region

SEKm	Apr-Jun		Change		Jan-Jun		Change	
	2021	2020	Rep.	Adj. ¹	2021	2020	Rep.	Adj. ¹
Net sales	3 229	2 043	58.1%	68.5%	5 768	3 787	52.3%	62.8%
- Region Europe & RoW	2 446	1 465	66.9%	74.2%	4 363	2 819	54.8%	62.1%
- Region Americas	783	577	35.7%	52.9%	1 405	968	45.2%	64.7%

¹ Adjusted for changes in exchange rates

Region Europe & RoW

During the second quarter, sales in the region increased 74 percent after currency adjustment. The trend was very positive in all markets. The previous year saw a negative effect on sales during April and the first half of May due to comprehensive shutdowns, then strong growth during June.

The Sport&Cargo Carriers category benefited in the quarter from a continued very strong bike market. Sales of roof racks, roof boxes and rooftop tents were also good, since many consumers chose the car as their mode of transport to daily leisure activities and shorter excursions, as well as for their vacations.

The Active with Kids category grew during the quarter in all the three sub-categories: strollers, bike trailers and child bike seats.

Accessories for RVs performed very well during the second quarter, since RV manufacturers continued to increase their production in their effort to meet the large demand.

The bag category posted growth for the first time in a year, despite the limitations on international travel. It was positive to note the strong sales of sports bags, driven by a broadened product portfolio and a higher number of consumers who were active in nature. Everyday backpacks performed well compared with the weak comparative period.

Region Americas

In Region Americas, sales increased 53 percent in the quarter after currency adjustment.

In Sport&Cargo Carriers growth was still driven in this region by a very healthy level of demand for bike related products, but other categories also performed well since consumers in our major North and Latin American markets, like in Europe, chose the car as their mode of transport to daily leisure activities and shorter excursions, as well as for their vacations.

This region also posted growth in the bag category compared with the weak second quarter of 2020 and the Active with Kids category continued to perform well in all three sub-categories.

The limited and clearly niche sales of products in RV Products in the region continued to perform well.

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 21, 2021

Bengt Baron
Chairman of the Board

Mattias Ankarberg
Board member

Hans Eckerström
Board member

Heléne Mellquist
Board member

Therese Reuterswärd
Board member

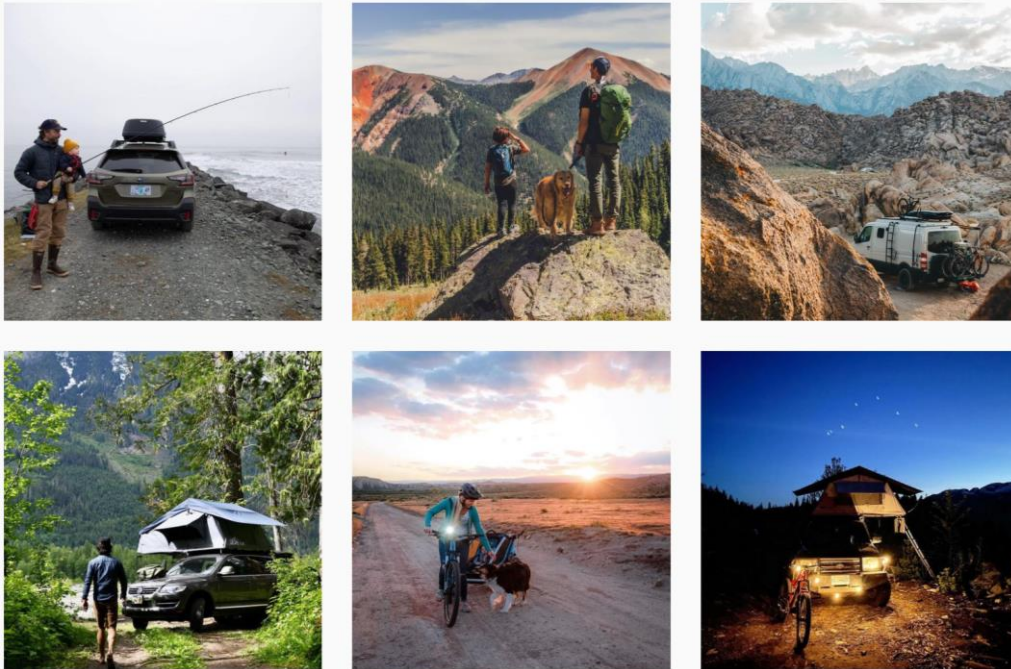
Helene Willberg
Board member

Magnus Welander
President and CEO

Review report

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

Selected key events



@thule_adventure, the company's second targeted Instagram account, reaches 100,000 followers – We are continuing to engage and interact with our users, and during the quarter the Group's second targeted Instagram account, @thule_adventure, reached 100,000 followers. In addition to the primary @thule Instagram account (with 264,000 followers), we have also been using the @thule_family account to reach our customers who are active parents of small children.



Thule Store Denver opens – Our first Thule Store in the US opened in the new “Basecamp at Market Station” area in central Denver. Denver is the largest hub for outdoor enthusiasts in North America and our 149 square meter Thule Store features all categories of Thule products, with two dedicated installation spaces for mounting Sport&Cargo Carrier products in the parking garage under the store level. The Basecamp neighborhood encompasses an entire block with stores, offices, restaurants, residences and activity centers targeted at active outdoor enthusiasts. Thule Store Denver was the second store to open in Basecamp. Several additional brand stores from world-leading sport and outdoor brands will open in the next six months.

Financial statements

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

Consolidated Income Statement

	Note	Apr - Jun		Jan - Jun		Full-year	
		2021	2020	2021	2020	LTM	2020
Net sales	2	3 229	2 043	5 768	3 787	9 810	7 828
Cost of goods sold		-1 866	-1 213	-3 355	-2 244	-5 709	-4 599
Gross income		1 364	830	2 413	1 542	4 100	3 230
Other operating revenue		15	0	15	0	15	0
Selling expenses		-409	-318	-775	-627	-1 447	-1 300
Administrative expenses		-84	-82	-174	-161	-352	-338
Operating income	2	886	430	1 480	755	2 317	1 591
Net interest expense/income		-6	-21	-15	-32	-48	-64
Income before taxes		881	409	1 465	723	2 269	1 527
Taxes	4	-208	-97	-346	-171	-536	-361
Net income		672	312	1 119	553	1 733	1 166
Net income pertaining to:							
Shareholders of Parent Company		672	312	1 119	553	1 733	1 166
Net income		672	312	1 119	553	1 733	1 166
Earnings per share, SEK before dilution		6.43	3.02	10.71	5.36		11.23
Earnings per share, SEK after dilution		6.37	3.02	10.62	5.35		11.21
Average number of shares (millions)		104.6	103.2	104.6	103.2		103.8

Consolidated Statement of Comprehensive Income

	Apr - Jun		Jan - Jun		Full-year		
	2021	2020	2021	2020	LTM	2020	
Net income	672	312	1 119	553	1 733	1 166	
Items that have been carried over or can be carried over to net income							
Foreign currency translation	-101	-405	205	-97	-283	-585	
Cash flow hedges	8	23	-11	0	2	13	
Net investment hedge	32	87	12	-3	72	57	
Tax on components in other comprehensive income	-8	-19	-5	3	-14	-6	
Items that cannot be carried over to net income							
Revaluation of defined-benefit pension plans	11	-22	13	-13	17	-9	
Tax pertaining to items that cannot be carried over to net income	-2	5	-3	3	-4	2	
Other comprehensive income	-60	-333	211	-107	-209	-527	
Total comprehensive income	613	-21	1 330	446	1 524	639	
Total comprehensive income pertaining to:							
Shareholders of Parent Company	613	-21	1 330	446	1 524	639	
Total comprehensive income	613	-21	1 330	446	1 524	639	

Consolidated Balance Sheet

	Jun 30 2021	Jun 30 2020	Dec 31 2020
Assets			
Intangible assets	4 432	4 601	4 296
Tangible assets	1 233	1 060	1 033
Long-term receivables	4	5	6
Deferred tax receivables	350	396	342
Total fixed assets	6 019	6 062	5 678
Inventories	1 267	948	1 068
Tax receivables	10	22	0
Accounts receivable	1 583	1 280	762
Prepaid expenses and accrued income	69	61	55
Other receivables	165	87	179
Cash and cash equivalents	326	1 555	706
Total current assets	3 420	3 954	2 770
Total assets	9 439	10 016	8 448
Equity and liabilities			
Equity	4 963	4 799	5 253
Long-term interest-bearing liabilities	1 204	3 215	1 060
Provision for pensions	223	220	224
Deferred income tax liabilities	296	254	309
Total long-term liabilities	1 723	3 689	1 592
Short-term interest-bearing liabilities	60	63	87
Accounts payable	1 001	630	660
Tax liabilities	343	148	145
Other liabilities	483	116	80
Accrued expenses and deferred income	772	541	564
Provisions	94	29	66
Total short-term liabilities	2 753	1 528	1 603
Total liabilities	4 476	5 217	3 195
Total equity and liabilities	9 439	10 016	8 448

Consolidated Statement of Changes in Equity

	Jan - Jun		Full-year
	2021	2020	2020
Opening balance, January 1	5 253	4 330	4 330
Net income	1 119	553	1 166
Other comprehensive income	211	-107	-527
Total comprehensive income	1 330	446	639
Transactions with the Group's owners:			
New issue of shares	-	1	262
Dividend	-1 621	-	-
Warrants	-	22	22
Closing balance	4 963	4 799	5 253

Consolidated Statement of Cash Flow

	Apr - Jun		Jan - Jun	
	2021	2020	2021	2020
Income before taxes	881	409	1 465	723
Adjustments for items not included in cash flow	31	56	85	110
Paid income taxes	-108	-26	-173	-81
Cash flow from operating activities prior to changes in working capital	804	439	1 377	752
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	-39	168	-173	112
Increase(-)/Decrease (+) in receivables	-163	-216	-813	-602
Increase(+)/Decrease (-) in liabilities	264	132	548	269
Cash flow from operating activities	867	523	939	531
Investing activities				
Acquisition/divestment of tangible/intangible assets	-182	-34	-238	-84
Cash flow from investing activities	-182	-34	-238	-84
Financing activities				
New issue of shares	-	1	-	1
Warrants	-	24	-	22
Dividend	-1 202	-	-1 202	-
Debt repaid/new loans	134	-16	118	820
Cash flow from financing activities	-1 069	9	-1 084	843
Net cash flow	-384	498	-383	1 290
Cash and cash equivalents at beginning of period	708	1 061	706	268
Effect of exchange rates on cash and cash equivalents	2	-3	3	-2
Cash and cash equivalents at end of period	326	1 555	326	1 555

Condensed Parent Company Income Statement

	Apr - Jun		Jan - Jun		Full-year
	2021	2020	2021	2020	2020
Other operating revenue	4	5	9	11	22
Administrative expenses	-12	-9	-29	-17	-59
Operating income	-7	-4	-20	-6	-37
Result from Shares in Subsidiaries	0	0	0	0	700
Interest income- and expense	-1	-4	-1	-7	-9
Income after financial items	-8	-8	-21	-13	653
Appropriations	0	0	0	0	63
Net income before taxes	-8	-8	-21	-13	717
Taxes	1	2	4	3	-4
Net income	-7	-6	-17	-10	713

Condensed Parent Company Balance Sheet

	Jun 30	Jun 30	Dec 31
	2021	2020	2020
Assets			
Financial fixed assets	4 383	5 644	4 214
Total fixed assets	4 383	5 644	4 214
Other current receivables	10	32	300
Cash and cash equivalents	0	0	0
Total current assets	10	32	300
Total assets	4 393	5 676	4 514
Equity and liabilities			
Equity	1 554	2 209	3 192
Other provisions	22	16	18
Liabilities to credit institutions	1 059	3 023	894
Liabilities to Group companies	368	368	368
Total long-term liabilities	1 449	3 407	1 281
Liabilities to credit institutions	0	0	0
Liabilities to Group companies	946	41	0
Other current liabilities	444	19	40
Total short-term liabilities	1 390	60	40
Total equity and liabilities	4 393	5 676	4 514

Disclosures, accounting policies and risk factors

Disclosures in accordance with Paragraph 16A of IAS 34 *Interim Financial Reporting* can be found in the financial statements and the associated notes as well as in other sections of the interim report.

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. Revised standards that became effective in 2021 have had no material impact on the Group's earnings and financial position.

Note 2 Operating segments and allocation of revenue

Thule Group comprises one segment. Though the Group has shared global processes for product development, purchasing, manufacture, logistics and marketing, its sales are managed in two regions, Region Europe & RoW and Region Americas. Internal monthly follow-up focuses on the Group as a whole, in addition to the geographic sales data, which is presented at other levels than Group level.

	Apr - Jun		Jan - Jun		Full-year	
	2021	2020	2021	2020	LTM	2020
Net sales to external customers	3 229	2 043	5 768	3 787	9 810	7 828
- Region Europe & RoW	2 446	1 465	4 363	2 819	7 265	5 721
- Region Americas	783	577	1 405	968	2 544	2 107
Underlying EBITDA	924	467	1 552	828	2 461	1 737
Operating depreciation/amortization	-37	-37	-72	-72	-143	-144
Underlying EBIT	887	430	1 481	756	2 318	1 593
Other depreciation/amortization	0	0	-1	-1	-1	-1
Items affecting comparability	-	-	-	-	-	-
Operating income	886	430	1 480	755	2 317	1 591
Net interest expense/income	-6	-21	-15	-32	-48	-64
Taxes	-208	-97	-346	-171	-536	-361
Net income	672	312	1 119	553	1 733	1 166

All revenue is recognized at one point in time.

Note 3 Fair value of financial instruments

	Fair Value	
	Jun 30	Jun 30
	2021	2020
Assets - Financial derivatives		
Currency forward contracts	14	11
Currency swaps	8	3
Currency options	0	0
Interest rate swaps	9	13
Total derivative assets	30	28
Liabilities - Financial derivatives		
Currency forward contracts	-4	-2
Currency swaps	-2	-5
Currency options	0	0
Interest rate swaps	-13	-19
Total derivative liabilities	-20	-27

The carrying amount is an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to variable interest rates, which means that changes in the basic interest rate will not have a 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.

Note 4 Taxes

The effective tax rate for the January–June 2021 period was 23.6 percent. The effective tax rate for the corresponding period in 2020 amounted to 23.6 percent. No significant events occurred during the year that could affect the Group's effective tax rate.

Note 5 Risks and uncertainties

Thule Group is an international company and its operations may be affected by a number of risk factors in the form of industry and market-related risks, operational risks, sustainability risks and financial risks. For a more detailed description of the relevant risk factors, refer to Thule Group's Annual Report.

Specifically in relation to the corona pandemic, there are risk factors associated with the decisions made by various countries and states to close down the market from a production or a sales perspective. Despite Thule Group's flexible production chain and sales in 140 different countries, with no individual dominating suppliers or customers, it is difficult to assess this risk factor.

Key figures

	Apr - Jun		Jan - Jun		Full-year
	2021	2020	2021	2020	2020
Net sales, SEKm	3 229	2 043	5 768	3 787	7 828
Net sales growth, %	58.1%	-11.6%	52.3%	-8.6%	11.2%
Net sales growth, adjusted % ¹	68.5%	-12.3%	62.8%	-10.1%	13.1%
Gross margin, %	42.2%	40.6%	41.8%	40.7%	41.3%
Underlying EBIT, SEKm	887	430	1 481	756	1 593
Underlying EBIT margin, %	27.5%	21.0%	25.7%	20.0%	20.3%
Operating income (EBIT), SEKm	886	430	1 480	755	1 591
Operating margin, %	27.4%	21.0%	25.7%	19.9%	20.3%
Earnings per share, SEK	6.43	3.02	10.71	5.36	11.23
Equity ratio, %	52.6%	47.9%	52.6%	47.9%	62.2%
Leverage ratio	0.4	1.4	0.4	1.4	0.2

¹ Adjusted for changes in exchange rates

Alternative performance measures and other financial definitions

Alternative performance measures are used to describe the underlying development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by Group management and the Board of Directors to measure the company's financial performance. These performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. Refer to definitions of alternative performance measures, including calculation tables and other financial definitions below.

Organic growth, currency adjusted

Net sales growth adjusted for structural changes and currency effects.

Organic growth excludes the effects of structural changes in the Group's structure and exchange rates, which enables the comparison of net sales over time.

Net sales growth, currency adjusted

Net sales growth adjusted for currency effects.

CAGR (Compounded Annual Growth Rate)

Measures of the growth rate achieved over a certain period time period if that growth rate was the same each years during the given time period (expressed as a percentage).

Gross margin

Gross income as a percentage of net sales.

Gross income

Net sales less cost of goods sold.

EBIT – Operating income

Income before net financial items and taxes.

EBIT margin - Operating margin

EBIT as a percentage of net sales.
Operating income as a percentage of net sales.

EBITDA – Operating income before depreciation/amortization/impairment

Income before net financial items, taxes, depreciation/amortization and impairment of tangible and intangible assets.

Underlying EBIT and underlying EBITDA

Underlying denotes that we have made adjustments for the items: depreciation/amortization of consolidated excess values and items affecting comparability. Items affecting comparability are profit/loss items that are by their very nature unusual and significantly impact profit or loss. These play an important part in understanding the underlying business performance.

Underlying EBIT

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

The APM constitutes one of the company's financial targets. The APM reflects the company's operational profitability, where adjustments are made for items affecting comparability, to enable comparison over time.

Underlying EBIT margin, currencyadjusted

Underlying EBIT as a percentage of net sales adjusted for currency effects.

Underlying EBITDA

EBITDA excluding items affecting comparability.

Earnings per share

Net income for the period divided by the average number of shares during the period.

LTM

Rolling 12-month.

Net debt

Gross debt less cash and cash equivalents. Gross debt is the total of long- and short-term borrowing, derivative instruments, capitalized transaction costs and accrued interest.

Net debt is a metric used for monitoring the debt trend and the scope of refinancing requirements. Since cash and cash equivalents can be used to repay debt at short notice, net debt is used instead of gross debt as a metric for total loan financing.

Leverage ratio

Net debt divided by underlying EBITDA (LTM).

This APM is a debt ratio that indicates how many years it would take to repay the company's debt, provided that its net debt and EBITDA are constant, without factoring cash flows pertaining to interest, tax and investments.

Equity ratio

Equity as a percentage of total assets.

Calculation table alternative performance measures

	Apr - Jun		Jan-Jun	
	2021	2020	2021	2020
Organic growth, currency-adjusted				
Change in net sales, %	58.1	-11.6	52.3	-8.6
Exchange rate fluctuations, %	10.4	-0.7	10.4	-1.5
Net sales, currency-adjusted growth, %	68.5	-12.3	62.8	-10.1
Structural changes, %	-	-	-	-
Organic growth, %	68.5	-12.3	62.8	-10.1
Underlying EBIT				
Operating income (EBIT), SEKm	886	430	1 480	755
Items affecting comparability, SEKm	-	-	-	-
Reversal of depreciation/amortization of consolidated excess values, SEKm	0	0	1	1
Underlying EBIT, SEKm	887	430	1 481	756
Underlying EBITDA				
Underlying EBIT, SEKm	887	430	1 481	756
Reversal of depreciation/amortization and impairment, SEKm	37	37	72	72
Items affecting comparability, SEKm	-	-	-	-
Underlying EBITDA, SEKm	924	467	1 552	828
Underlying EBIT margin, currency-adjusted				
Underlying EBIT 2021/2020, SEKm	887	430	1 481	756
Underlying EBIT margin 2021/2020, %	27.5	21.0	25.7	20.0
Underlying EBIT 2020/2019, SEKm	430	558	756	900
Underlying EBIT margin 2020/2019, %	21.0	24.1	20.0	21.7
Underlying EBIT 2020/2019, currency-adjusted, SEKm	427	560	738	921
Underlying EBIT margin 2020/2019, currency-adjusted, %	22.3	24.0	20.8	21.9
Change in underlying EBIT margin, currency-adjusted, %	5.2	-3.0	4.8	-1.9
Net debt				
Long-term interest-bearing liabilities, gross, SEKm	1 197	3 203	1 197	3 203
Derivative liabilities, long-term, SEKm	12	19	12	19
Short-term interest-bearing liabilities, SEKm	53	55	53	55
Derivative liabilities, short-term, SEKm	7	8	7	8
Capitalized financing costs, SEKm	-5	-8	-5	-8
Accrued interest, SEKm	0	6	0	6
Gross debt, SEKm	1 264	3 284	1 264	3 284
Derivative assets, SEKm	-30	-28	-30	-28
Cash and cash equivalents, SEKm	-326	-1 555	-326	-1 555
Net debt, SEKm	909	1 700	909	1 700
Leverage ratio				
Net debt, SEKm	909	1 700	909	1 700
Underlying EBITDA, SEKm	2 461	1 249	2 461	1 249
Leverage ratio, x	0.4	1.4	0.4	1.4
Equity ratio				
Equity, SEKm	4 963	4 799	4 963	4 799
Total assets, SEKm	9 439	10 016	9 439	10 016
Equity ratio, %	52.6	47.9	52.6	47.9

Financial calendar

Interim report July–September 2021
Interim report October–December 2021

October 22, 2021
February 9, 2022

Contacts

Fredrik Erlandsson, Senior Vice President Communications and IR
Tel: +46 (0)70-309 00 21, e-mail: fredrik.erlandsson@thule.com
Jonas Lindqvist, CFO
Tel: +46 (0)736-65 45 75, e-mail: jonas.lindqvist@thule.com

About Thule Group

Thule Group is a global sports and outdoor company. We offer high-quality products with smart features and a sustainable design that make it easy for people across the globe to live an active life. Under the motto *Active Life, Simplified* — and with a focus on consumer-driven innovation and long-term sustainability — we develop, manufacture and market products within the product categories **Sport&Cargo Carriers** (roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and rooftop tents mounted on a car), **Active with Kids** (strollers, bicycle trailers and child bike seats), **RV Products** (awnings, bike racks and tents for RVs and caravans) and **Packs, Bags & Luggage** (hiking backpacks, luggage and camera bags).

Thule Group has about 2,600 employees at nine production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2020, sales amounted to SEK 7.8 billion. www.thulegroup.com



Thule Group»

Thule Group AB (publ)
Fosievägen 13
SE-214 31 Malmö, Sweden
Corp. Reg. No: 556770-6311
www.thulegroup.com