

Thule Group»

Year-end report, fourth quarter, October–December 2021

Fourth Quarter

- **Net sales** for the quarter amounted to SEK 1,846m (1,605), corresponding to an increase of 15.0 percent. Adjusted for exchange rate fluctuations, sales increased 14.3 percent.
- **Operating income** amounted to SEK 190m (241), corresponding to a margin of 10.3 percent (15.0). Adjusted for exchange rate fluctuations, the operating margin decreased 4.6 percentage points.
- **Net income** amounted to SEK 154m (164).
- **Cash flow from operating activities** totaled SEK -344m (319).
- **Earnings per share before dilution** amounted to SEK 1.47 (1.57).
- **The Board of Directors proposes a dividend** of SEK 13.00 per share which, based on the number of shares outstanding at February 9, 2022, corresponds to a dividend of SEK 1,359m.

Full year

- **Net sales** for the full year amounted to SEK 10,386m (7,828), corresponding to an increase of 32.7 percent. Adjusted for exchange rate fluctuations, sales increased 37.7 percent.
- **Operating income** amounted to SEK 2,340m (1,591), corresponding to an operating margin of 22.5 percent (20.3). Adjusted for exchange rate fluctuations, the operating margin increased 2.0 percentage points.
- **Net income** amounted to SEK 1,790m (1,166).
- **Cash flow from operating activities** totaled SEK 1,128m (1,614).
- **Earnings per share before dilution** amounted to SEK 17.12 (11.23).

	Oct - Dec 2021	Oct - Dec 2020	%	Jan - Dec 2021	Jan - Dec 2020	%
Net sales, SEKm	1 846	1 605	+15.0	10 386	7 828	+32.7
Operating income (EBIT), SEKm	190	241	-21.2	2 340	1 591	+47.0
Net income, SEKm	154	164	-6.0	1 790	1 166	+53.5
Earnings per share, SEK	1.47	1.57	-6.2	17.12	11.23	+52.4
Cash flow from operating activities, SEKm	-344	319	-207.8	1 128	1 614	-30.1

CEO's statement

A historically strong year

The very strong demand for our products continued during the fourth quarter, and we reached sales of SEK 10,386m for the full year. After currency adjustment, this represents growth of 38 percent compared with the previous year and growth of 56 percent over 2019, the year before the pandemic.

Sales growth for the fourth quarter was 15 percent (14 percent after currency adjustment) compared with the very strong fourth quarter in the previous year.

More expensive raw materials, higher freight prices and increased sickness absences affected profitability during the second half of the year. Despite these negative factors, we improved the full-year EBIT margin to 22.5 percent, thanks to efficient cost controls and our scalability.

During the fourth quarter, the EBIT margin was 10.3 percent (15.0). Earnings were affected by significant cost increases compared to the very strong fourth quarter of 2020. Our mid-year price increases could not fully offset this negative effect. Additional price increases have therefore been implemented in the beginning of the current year.

During the year we presented new long-term sustainability ambitions and continued our efforts to reduce our climate impact and show strong social commitment. Despite strong growth at a challenging time in terms of access to materials, components and freight capacity we reduced our greenhouse gas emissions with 1 percent. It is very positive to note that we reduced emissions relative to sales with as much as 26 percent.

Positive in all of Region Europe & RoW

During the quarter, sales in the region increased 8 percent after currency adjustment, compared with an exceptionally strong fourth quarter in the previous year. This means that full-year sales increased 34 percent after currency adjustment.

Growth in the largest three product categories was more than 30 percent during the year, compared with a strong 2020. Sales in the Packs, Bags & Luggage category, our smallest category, grew 6 percent.

Geographically, growth was healthy in all markets. The highest growth in terms of percentage came from some of the larger markets with the most stringent restrictions during the early stages of the pandemic in the spring and summer 2020.

Very strong growth in Region Americas

Sales in the region increased 27 percent in the fourth

quarter after currency adjustment. Full-year sales increased 48 percent after currency adjustment.

Growth was very strong in all product categories and in all of the region's markets. Of particular note is growth of 54 percent in the largest product category, Sport&Cargo Carriers. The niche product offering in RV Products also grew an entire 113 percent.

High demand requires expanded capacity

Currency-adjusted quarterly growth, compared with 2019, the year before the outbreak of the pandemic, was 45%, 48%, 75% and 62%. We also continue to see clear signals that the trend for leisure and vacation activities closer to home will remain strong. As a result, we're investing significant resources to build additional production capacity, as previously announced.

During the quarter we built up inventory levels ahead of the spring, particularly in Europe, and we are also choosing to bring forward several capacity-related investments to ensure flexibility for this year and the future. This means that in 2022, we will invest about 5 percent of our turnover in expanding and renovating existing production facilities, which is higher than our historical levels.

Positive market situation with some supply chain challenges in the near future

We have continued to win market share thanks to our strong product portfolio, our global lifestyle brand and a flexible production in and close to our major markets. I'm convinced that with this strong base, we will continue to generate good growth in 2022, in a generally positive market environment.

At the same time, the growth journey has to contend with a challenging business environment, where high prices for material and freight remain, as do a variety of disruptions in the supply chain.

I can also, on behalf of the entire company, promise that we are ready for another strong year of growth and an exciting future in the coming years, which we will present further at our capital markets day in May.

In closing, I'd like to thank all of my colleagues, whose energy, expertise and persistence helped us deliver a historically strong year.



Magnus Welander,
CEO and President

Financial overview

Trend for the fourth quarter

Net sales

In the fourth quarter of 2021, net sales amounted to SEK 1,846m (1,605), representing an increase of 15.0 percent. Adjusted for exchange rate fluctuations, net sales for the Group increased 14.3 percent.

In Region Europe & RoW, net sales totaled SEK 1,155m (1,074), up 7.5 percent, and 7.8 percent after currency adjustment. Net sales in Region Americas amounted to SEK 692m (531), up 30.3 percent and 27.2 percent after currency adjustment compared with the fourth quarter of 2020.

	Oct-Dec	Jan-Dec
	2021	2021
Change in net sales		
Changes in exchange rates	0.7%	-5.0%
Structural changes	0.0%	0.0%
Organic growth	14.3%	37.7%
Total	15.0%	32.7%

Gross income

Gross income for the quarter totaled SEK 622m (643), corresponding to a gross margin of 33.7 percent (40.0). After currency adjustment, the margin decreased 6.7 percentage points. Gross income was affected by high levels of sickness absence and significantly higher costs for materials and freight during the quarter.

Operating income

Operating income amounted to SEK 190m (241), corresponding to an operating margin of 10.3 percent (15.0). The operating margin after currency adjustment was 4.6 percentage points lower than the previous year. Higher sales and continued low overheads could not fully offset the weakened gross margin for the quarter.

	Oct-Dec	Jan-Dec
Change in Operating margin		
Operating income 2021	190	2 340
Operating margin 2021	10.3%	22.5%
Operating income 2020	241	1 591
Operating margin 2020	15.0%	20.3%
Operating income 2020, currency adjusted	240	1 552
Operating margin 2020, currency adjusted	14.9%	20.6%
Change in operating margin, currency adjusted	-4.6%	2.0%

Net financial items

Net financial items for the quarter amounted to an expense of SEK 10m (expense: 18). Exchange rate differences on loans and cash and cash equivalents were an expense of SEK 1m (expense: 10). The interest expense for borrowings was SEK 8m (expense: 8).

Net income for the period

In the fourth quarter, net income was SEK 154m, corresponding to earnings per share of SEK 1.47 before and SEK 1.46 after dilution. For the year-earlier period, net income totaled SEK 164m, corresponding to earnings per share of SEK 1.57 before dilution and SEK 1.56 after dilution.

Trend for the full year

Net sales

For the full-year 2021, net sales amounted to SEK 10,386m (7,828), representing an increase of 32.7 percent. Adjusted for exchange rate fluctuations, net sales for the Group increased 37.7 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 7,440m (5,721), up 30.0 percent, and 33.8 percent after currency adjustment. Net sales in Region Americas amounted to SEK 2,946m (2,107), up 39.8 percent and 48.5 percent after currency adjustment compared with the full-year 2020.

Gross income

Gross income for the year amounted to SEK 4,160m (3,230) corresponding to a gross margin of 40.1 percent (41.3). After currency adjustment, the margin decreased 1.6 percentage points. An advantageous product mix, over absorption of production overhead costs, but rising material and freight costs, particularly in the second half of the year, comprised the underlying factors for the lower gross margin.

Operating income

Operating income amounted to SEK 2,340m (1,591), corresponding to an operating margin of 22.5 percent (20.3). Changes in exchange rates had a negative impact of SEK 39m and adjusted for currency effects, the margin improved 2 percentage points. Operating income was positively impacted by the strong growth in sales during the year. The continuing low overheads partially offset the negative effects of rising freight and material costs on the gross margin during the second half of the year. Operating income was also positively impacted by revenue recognized from release of the provision related to the Tepui Outdoors Inc. earn-out payment of SEK 15m.

Net financial items

Net financial items for the year amounted to an expense of SEK 37m (expense: 64). Exchange rate differences on loans and cash and cash equivalents were an expense of SEK 6m (expense: 15). The interest expense for borrowings was SEK 32m (expense: 49).

Net income

For the full year, net income was SEK 1,790m, corresponding to earnings per share of SEK 17.12 before dilution and SEK 16.95 after dilution. For the year-earlier period, net income totaled SEK 1,166m, corresponding to earnings per share of SEK 11.23 before and SEK 11.21 after dilution.

Cash flow

Cash flow from operating activities for the quarter amounted to an outflow of SEK 344m (inflow: 319). To meet growing demand, inventory was accumulated during the quarter, which has increased working capital compared with the equivalent period in the previous year since the inventory was too low given the difficulties meeting demand. Cash flow from operating activities was SEK 1,128m (1,614) for the full year. Investments in tangible and intangible assets amounted to SEK 503m (170), net. During the year, SEK 1,621m was distributed to the company's shareholders, of which SEK 418m was during the fourth quarter.

Financial position

At December 31, 2021, the Group's equity amounted to SEK 5,815m (5,253). The equity ratio amounted to 57.1 percent (62.2).

Net debt amounted to SEK 1,467m (384) at December 31, 2021. Total long-term borrowing amounted to SEK 1,559m (1,060), and comprised loans from credit institutions of SEK 1,421m (902) gross, long-term lease liabilities of SEK 134m (149), capitalized financing costs of SEK 4m (7) and the long-term portion of financial derivatives of SEK 7m (16). Total current financial liabilities amounted to SEK 80m (87) and comprised the short-term portion of financial derivatives and lease liabilities.

SEKm	Dec 31 2021	Dec 31 2020
Long-term loans, gross	1 556	1 051
Financial derivative liability, long-term	7	16
Short-term loans, gross	66	53
Financial derivative liability, short-term	14	35
Overdraft facilities	0	0
Capitalized financing costs	-4	-7
Accrued interest	1	0
Gross debt	1 640	1 147
Financial derivative asset	-24	-57
Cash and cash equivalents	-149	-706
Net debt	1 467	384

At December 31, 2021, goodwill totaled SEK 4,518m (4,256). The increase was attributable entirely to currency effects.

At December 31, 2021, inventories totaled SEK 2,510m (1,068). Inventory was accumulated during the period to meet higher demand. Compared with the same point in time in 2020, inventory was impacted by currency effects amounting to SEK 46m.

At December 31, 2021, deferred tax receivables amounted to SEK 326m (342), of which SEK 127m (167) pertained to capitalized tax losses carry forwards.

Other information

Coronavirus pandemic

Continued uncertainty exists in relation to decisions by various regions and countries to close down markets. This can have effects for Thule Group from a production or a sales perspective, which could have a major impact on future earnings and cash flow. An increased market demand as consumers have chosen to live active lives and vacation closer to home and our continued investments in product development and a flexible supply chain has meant that performance since the second half of 2020 has been very strong. 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 3,303 (2,669).

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. At December 31, 2021, the total number of shares in issue was 104,562,436.

Proposed dividend

The Board of Directors proposes a dividend of SEK 13.00 per share which, based on the number of shares outstanding at February 9, 2022, corresponds to SEK 1,359m. The proposed dividend comprises 76 percent of the earnings per share for 2021. It is also proposed that dividends be paid in two installments for a better adaptation to the Group's cash flow profile. The proposed record date for the first dividend payment of SEK 6.50 per share is April 28, 2022 and the proposed record date for the second payment of SEK 6.50 per share is October 6, 2022.

Annual General Meeting

The Annual General Meeting for Thule Group is planned for April 26, 2022, in Malmö, Sweden.

Shareholders

At December 31, 2021, Thule Group AB had 21,318 shareholders. At this date, the largest shareholders were AMF Försäkringar & Fonder (9.2 percent of the votes), SEB Fonder (4.5 percent of the votes), ODIN Fonder (3.4 percent of the votes) and Vanguard (3.3 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–December 31, 2021. The Parent Company invoices its costs to Group companies. The Parent Company reported net income of SEK 895m (713). Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 1,418m (894).

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	Oct-Dec		Change		Jan-Dec		Change	
	2021	2020	Rep.	Adj. ¹	2021	2020	Rep.	Adj. ¹
Net sales	1 846	1 605	15.0%	14.3%	10 386	7 828	32.7%	37.7%
- Region Europe & RoW	1 155	1 074	7.5%	7.8%	7 440	5 721	30.0%	33.8%
- Region Americas	692	531	30.3%	27.2%	2 946	2 107	39.8%	48.5%

¹ Adjusted for changes in exchange rates

Region Europe & RoW

During the fourth quarter, sales in the region increased 8 percent after currency adjustment, compared with an exceptionally strong fourth quarter in the previous year. This means that the year's fourth quarter posted growth of 52 percent compared with the equivalent period in 2019.

For the full year, year-on-year growth of 34 percent was achieved after currency adjustment. The region had very positive trends in all markets and growth in all product categories. Compared with 2019, the region posted growth of 53 percent for the full year after currency adjustment.

The three largest product categories – Sport&Cargo Carriers (+38 percent currency-adjusted growth), RV Products (+30 percent) and Active with Kids (+33 percent) – performed very well in all product groups during the year. Thanks to a very strong product portfolio and a better ability than most of the competitors to meet the strong demand, the region captured market shares. This was despite the challenges in being able to meet all of the demand. The region achieved 6 percent growth in Packs, Bags & Luggage, with a strong performance in sales of sport and leisure bags.

Growth during the year was very strong in all geographies, with the largest percentage growth in markets that had implemented the toughest pandemic restrictions in spring and summer 2020. Two examples of this were Italy and France.

Region Americas

In Region Americas, sales increased 27 percent year-on-year in the fourth quarter after currency adjustment. This entails growth of 82 percent compared with the fourth quarter of 2019.

Accordingly, for the full year, growth of 48 percent was achieved after currency adjustment. The region posted very positive trends in all markets and growth in all product categories. Compared with 2019, full-year growth was 64 percent, after currency adjustment.

The three largest product categories – Sport&Cargo Carriers (+54 percent currency-adjusted growth), Packs, Bags & Luggage (+17 percent) and Active with Kids (+43 percent) – performed very well during the year. Like Region Europe & RoW, Region Americas also captured market shares. This was due to a very strong product portfolio and a better ability than most of the competitors to meet the strong demand. This was despite the challenges in being able to fully meet the increased demand. Our launch of niche premium products in the RV Products category, which is relatively limited for the region, led to very rapid growth of 113 percent.

The trend was very positive in all of the region's geographies. The largest percentage-wise growth compared with the previous year was in Canada and smaller markets in Latin America, which all implemented more stringent pandemic restrictions in the spring and summer 2020.

Sales trend per product category for the full year

	Sport&Cargo Carriers		RV Products		Active with Kids		Packs, Bags & Luggage	
Share of Thule Group Sales 2021 (2020)	66% (64%)		14% (15%)		12% (13%)		6% (8%)	
Share of Regional Sales 2021 (2020)	Eur&ROW 63% (61%)	Americas 76% (73%)	Eur&ROW 19% (20%)	Americas 3% (3%)	Eur&ROW 14% (14%)	Americas 9% (9%)	Eur&ROW 4% (5%)	Americas 12% (15%)
Sales Growth 2021 vs 2020 (Constant Currency)	+43% +38% +54%		+34% +30% +113%		+35% +33% +43%		+12% +6% +17%	

Sport&Cargo Carriers

The product category posted year-on-year growth of 43 percent after currency adjustment in 2021. The largest product group, bike racks, once again showed the fastest growth, but all product groups showed similar rates.

The last few years' clear sales growth trend for electric bikes was boosted by an overall trend of increased cycling in conjunction with the pandemic. The greater weight and higher price of electric bikes mean that the technical and higher quality Thule products are more attractive solutions, which retail at higher levels than the competition's, and enable us to capture market shares in the product category.

Sales of roof racks and roof boxes performed well when consumers all over the world chose to remain active close to home and to bring various products on their trips.

RV Products

This category has a strong focus on Region Europe & RoW, which accounts for 93 percent of the Group's sales in the category. The industry in the European market experienced healthy demand, with consumers looking for a way to vacation flexibly in their own little bubble. However, vehicle production could not meet demand owing to challenges like semiconductor shortages, which meant that RV manufacturers had difficulties obtaining the chassis on which the vehicles are built.

For the year as a whole, the category grew 34 percent globally after currency adjustment, driven by currency-adjusted sales growth of 30 percent in Region Europe & RoW. Another positive note was that sales of the niche premium offering in North America performed very well during the year, with growth of 113 percent.

Active with Kids

Active with Kids continued to post very strong currency-adjusted growth of 35 percent. Growth was achieved in all markets and all sub-categories. Bike trailers and child bike seats were positively affected by increased cycling, thanks to increased commuting by bike, primarily in northern and central Europe, and to increased leisure cycling with parents biking out to the park or in nature with their children.

The fastest-growing product group, however, was strollers, where we continue to capture market shares with positive trends for all three models.

Packs, Bags & Luggage

After the bag category was severely negatively impacted by the pandemic in 2020, it regained some positive momentum in 2021 and posted growth of 12 percent.

The most positive point to note was the rapid growth in sport and leisure bags. The largest sub-category, smaller backpacks, laptop cases and laptop sleeves for everyday use, was negatively affected by weaker back to campus seasons, when students normally return to university and high schools with a new bag for the season, and reduced commuting, which drove down demand for these types of products. The cabin bags and luggage category continued to face challenges due to limited air travel globally.

The market for legacy categories (mainly camera bags and tablet cases), which has been declining for several years, resulted in these categories accounting for 26 percent (28) of the category.

Assurance

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.

February 9, 2022

Board of Directors

Review report

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

Financial statements

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

Consolidated Income Statement

	Note	Oct - Dec		Jan - Dec	
		2021	2020	2021	2020
Net sales	2	1 846	1 605	10 386	7 828
Cost of goods sold		-1 225	-962	-6 226	-4 599
Gross income		622	643	4 160	3 230
Other operating revenue		0	0	15	0
Selling expenses		-335	-322	-1 481	-1 300
Administrative expenses		-97	-80	-354	-338
Operating income	2	190	241	2 340	1 591
Net interest expense/income		-10	-18	-37	-64
Income before taxes		180	223	2 303	1 527
Taxes	4	-26	-59	-513	-361
Net income		154	164	1 790	1 166
Net income pertaining to:					
Shareholders of Parent Company		154	164	1 790	1 166
Net income		154	164	1 790	1 166
Earnings per share, SEK before dilution		1.47	1.57	17.12	11.23
Earnings per share, SEK after dilution		1.46	1.56	16.95	11.21
Average number of shares (millions)		104.6	104.6	104.6	103.8

Consolidated Statement of Comprehensive Income

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Net income	154	164	1 790	1 166
Items that have been carried over or can be carried over to net income				
Foreign currency translation	153	-427	437	-585
Cash flow hedges	3	22	-14	13
Net investment hedge	-37	72	-20	57
Tax on components in other comprehensive income	4	-15	-2	-6
Items that cannot be carried over to net income				
Revaluation of defined-benefit pension plans	-19	9	-11	-9
Tax pertaining to items that cannot be carried over to net income	4	-2	2	2
Other comprehensive income	108	-341	394	-527
Total comprehensive income	262	-177	2 183	639
Total comprehensive income pertaining to:				
Shareholders of Parent Company	262	-177	2 183	639
Total comprehensive income	262	-177	2 183	639

Consolidated Balance Sheet

	Dec 31 2021	Dec 31 2020
Assets		
Intangible assets	4 556	4 296
Tangible assets	1 479	1 033
Long-term receivables	8	6
Deferred tax receivables	326	342
Total fixed assets	6 369	5 678
Inventories	2 510	1 068
Tax receivables	6	0
Accounts receivable	872	762
Prepaid expenses and accrued income	81	55
Other receivables	205	179
Cash and cash equivalents	149	706
Total current assets	3 823	2 770
Total assets	10 192	8 448
Equity and liabilities		
Equity	5 815	5 253
Long-term interest-bearing liabilities	1 559	1 060
Provision for pensions	244	224
Deferred income tax liabilities	370	309
Total long-term liabilities	2 174	1 592
Short-term interest-bearing liabilities	80	87
Accounts payable	1 057	660
Tax liabilities	165	145
Other liabilities	92	80
Accrued expenses and deferred income	716	564
Provisions	94	66
Total short-term liabilities	2 203	1 603
Total liabilities	4 377	3 195
Total equity and liabilities	10 192	8 448

Consolidated Statement of Changes in Equity

	Dec 31 2021	Dec 31 2020
Opening balance, January 1	5 253	4 330
Net income	1 790	1 166
Other comprehensive income	394	-527
Total comprehensive income	2 183	639
Transactions with the Group's owners:		
New issue of shares	-	262
Dividend	-1 621	-
Warrants	-1	22
Closing balance	5 815	5 253

Consolidated Statement of Cash Flow

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Income before taxes	180	223	2 303	1 527
Adjustments for items not included in cash flow	46	35	177	229
Paid income taxes	-124	-75	-402	-183
Cash flow from operating activities prior to changes in working capital	103	182	2 079	1 573
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	-887	-301	-1 370	-90
Increase(-)/Decrease (+) in receivables	426	396	-142	-241
Increase(+)/Decrease (-) in liabilities	15	42	561	372
Cash flow from operating activities	-344	319	1 128	1 614
Investing activities				
Acquisition/divestment of tangible/intangible assets	-153	-54	-503	-170
Cash flow from investing activities	-153	-54	-503	-170
Financing activities				
New issue of shares	-	-	-	262
Warrants	-1	-	-1	22
Dividend	-418	-	-1 621	-
Debt repaid/new loans	483	-524	436	-1 285
Cash flow from financing activities	64	-524	-1 186	-1 001
Net cash flow	-433	-258	-561	443
Cash and cash equivalents at beginning of period	581	967	706	268
Effect of exchange rates on cash and cash equivalents	0	-2	4	-5
Cash and cash equivalents at end of period	149	706	149	706

Condensed Parent Company Income Statement

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Other operating revenue	5	5	18	22
Administrative expenses	-15	-30	-57	-59
Operating income	-10	-25	-39	-37
Result from Shares in Subsidiaries	900	700	900	700
Interest income- and expense	-1	-0	-3	-9
Income after financial items	889	675	858	653
Appropriations	36	63	36	63
Net income before taxes	924	738	894	717
Taxes	-5	-8	1	-4
Net income	919	730	895	713

Condensed Parent Company Balance Sheet

	Dec 31	Dec 31
	2021	2020
Assets		
Financial fixed assets	4 439	4 214
Total fixed assets	4 439	4 214
Other current receivables	543	300
Cash and cash equivalents	0	0
Total current assets	543	300
Total assets	4 982	4 514
Equity and liabilities		
Equity	2 466	3 192
Other provisions	24	18
Liabilities to credit institutions	1 418	894
Liabilities to Group companies	368	368
Total long-term liabilities	1 810	1 281
Liabilities to credit institutions	0	0
Liabilities to Group companies	679	0
Other current liabilities	27	40
Total short-term liabilities	706	40
Total equity and liabilities	4 982	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.

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Sales to customers	1 846	1 605	10 386	7 828
- Region Europe & RoW	1 155	1 074	7 440	5 721
- Region Americas	692	531	2 946	2 107
Underlying EBITDA	232	278	2 493	1 737
Operating depreciation/amortization	-42	-37	-152	-144
Underlying EBIT	190	241	2 341	1 593
Other depreciation/amortization	0	0	-1	-1
Items affecting comparability	-	-	-	-
Operating income	190	241	2 340	1 591
Net interest expense/income	-10	-18	-37	-64
Taxes	-26	-59	-513	-361
Net income	154	164	1 790	1 166

All revenue is recognized at one point in time.

Note 3 Fair value of financial instruments

	Fair Value	
	Dec 31 2021	Dec 31 2020
Assets - Financial derivatives		
Currency forward contracts	16	36
Currency swaps	1	9
Interest rate swaps	6	12
Total derivative assets	24	57
Liabilities - Financial derivatives		
Currency forward contracts	-11	-13
Currency swaps	-1	-19
Interest rate swaps	-9	-18
Total derivative liabilities	-21	-51

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–December 2021 period amounted to 22.3 percent. The effective tax rate for the corresponding period in 2020 amounted to 23.7 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 coronavirus pandemic, there are risk factors associated with the decisions made by various countries and states to close down markets 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

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Net sales, SEKm	1 846	1 605	10 386	7 828
Net sales growth, %	15.0%	32.6%	32.7%	11.2%
Net sales growth, adjusted % ¹	14.3%	44.6%	37.7%	13.1%
Gross margin, %	33.7%	40.0%	40.1%	41.3%
Underlying EBIT, SEKm	190	241	2 341	1 593
Underlying EBIT margin, %	10.3%	15.0%	22.5%	20.3%
Operating income (EBIT), SEKm	190	241	2 340	1 591
Operating margin, %	10.3%	15.0%	22.5%	20.3%
Earnings per share, SEK	1.47	1.57	17.12	11.23
Equity ratio, %	57.1%	62.2%	57.1%	62.2%
Leverage ratio	0.6	0.2	0.6	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, currency adjusted

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

	Oct - Dec		Jan - Dec	
	2021	2020	2021	2020
Organic growth, currency-adjusted				
Change in net sales, %	15.0	32.6	32.7	11.2
Exchange rate fluctuations, %	-0.7	12.0	5.0	1.8
Net sales, currency-adjusted growth, %	14.3	44.6	37.7	13.1
Structural changes, %	-	-	-	-
Organic growth, %	14.3	44.6	37.7	13.1
Underlying EBIT				
Operating income (EBIT), SEKm	190	241	2 340	1 591
Items affecting comparability, SEKm	-	-	-	-
Reversal of depreciation/amortization of consolidated excess values, SEKm	0	0	1	1
Underlying EBIT, SEKm	190	241	2 341	1 593
Underlying EBITDA				
Underlying EBIT, SEKm	190	241	2 341	1 593
Reversal of depreciation/amortization and impairment, SEKm	42	37	152	144
Items affecting comparability, SEKm	-	-	-	-
Underlying EBITDA, SEKm	232	278	2 493	1 737
Underlying EBIT margin, currency-adjusted				
Underlying EBIT 2021/2020, SEKm	190	241	2 341	1 593
Underlying EBIT margin 2021/2020, %	10.3	15.0	22.5	20.3
Underlying EBIT 2020/2019, SEKm	241	71	1 593	1 245
Underlying EBIT margin 2020/2019, %	15.0	5.9	20.3	17.7
Underlying EBIT 2020/2019, currency-adjusted, SEKm	240	58	1 553	1 254
Underlying EBIT margin 2020/2019, currency-adjusted, %	14.9	5.2	20.6	18.1
Change in underlying EBIT margin, currency-adjusted, %	-4.6	9.8	2.0	2.2
Net debt				
Long-term interest-bearing liabilities, gross, SEKm	1 556	1 051	1 556	1 051
Derivative liabilities, long-term, SEKm	7	16	7	16
Short-term interest-bearing liabilities, SEKm	66	53	66	53
Derivative liabilities, short-term, SEKm	14	35	14	35
Capitalized financing costs, SEKm	-4	-7	-4	-7
Accrued interest, SEKm	1	0	1	0
Gross debt, SEKm	1 640	1 147	1 640	1 147
Derivative assets, SEKm	-24	-57	-24	-57
Cash and cash equivalents, SEKm	-149	-706	-149	-706
Net debt, SEKm	1 467	384	1 467	384
Leverage ratio				
Net debt, SEKm	1 467	384	1 467	384
Underlying EBITDA LTM, SEKm	2 493	1 737	2 493	1 737
Leverage ratio	0.6	0.2	0.6	0.2
Equity ratio				
Equity, SEKm	5 815	5 253	5 815	5 253
Total assets, SEKm	10 192	8 448	10 192	8 448
Equity ratio, %	57.1	62.2	57.1	62.2

Financial calendar

Interim report January–March 2022

April 26, 2022

Thule Group AGM (Malmö)

April 26, 2022

Interim report April–June 2022

July 21, 2022

Interim report July–September 2022

October 27, 2022

Thule Group's Annual Report will be available at www.thulegroup.com from the week commencing 14, 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, bike 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 3,300 employees at nine production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2021, sales amounted to SEK 10.4 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