

Thule Group»

Year-end report, fourth quarter, October–December 2022

Fourth Quarter

- **Net sales** for the quarter amounted to SEK 1,651m (1,846), corresponding to a decrease of 10.6 percent. Adjusted for exchange rate fluctuations, sales declined 21.0 percent.
- **Operating income** amounted to SEK 4m (190), corresponding to a margin of 0.2 percent (10.3). Adjusted for exchange rate fluctuations, the operating margin decreased 11.5 percentage points.
- **Net income** amounted to a loss of SEK 16m (income: 154).
- **Cash flow from operating activities** totaled SEK 110m (outflow: 344).
- **Earnings per share before dilution** amounted to SEK -0.15 (1.47).
- **The Board of Directors proposes a dividend** of SEK 9.20 per share (13.0) which, based on the number of shares outstanding on February 10, 2023, corresponds to a dividend of SEK 962m (1,359).
- **Mattias Ankarberg appointed new president and CEO of Thule Group AB (publ)**

Full year

- **Net sales** for the full year amounted to SEK 10,138m (10,386), corresponding to a decrease of 2.4 percent. Adjusted for exchange rate fluctuations, sales declined 9.7 percent.
- **Operating income** amounted to SEK 1,706m (2,340), corresponding to a margin of 16.8 percent (22.5). Adjusted for exchange rate fluctuations, the operating margin decreased 5.4 percentage points.
- **Net income** amounted to SEK 1,275m (1,790).
- **Cash flow from operating activities** totaled SEK 616m (1,128).
- **Earnings per share before dilution** amounted to SEK 12.19 (17.12).

	Oct - Dec 2022	Oct - Dec 2021	%	Jan - Dec 2022	Jan - Dec 2021	%
Net sales, SEKm	1 651	1 846	-10.6	10 138	10 386	-2.4
Operating income (EBIT), SEKm	4	190	-98.0	1 706	2 340	-27.1
Net income, SEKm	-16	154	-110.4	1 275	1 790	-28.8
Earnings per share, SEK	-0.15	1.47	-110.5	12.19	17.12	-28.8
Cash flow from operating activities, SEKm	110	-344	n/a	616	1 128	-45.4

CEO's statement

A year with two phases

Sales in the fourth quarter declined 21 percent after currency adjustment compared to previous year. This meant that sales for the second half of the year declined 26 percent, compared with a currency adjusted growth of 4 percent during the first half of the year. The main reason for the lower sales in the second half of the year was the sharp slowdown in sales of bike-related products to the retail channel, who attempted to lower their inventory following excessively large pre-season orders.

We reached sales of SEK 10,138m for the full year. After currency adjustment, this represents a decline of 9.7 percent compared with the record year of 2021, but a currency adjusted growth of 40.6 percent compared with 2019, the year before the pandemic.

During the fourth quarter, the EBIT margin was 0.2 percent (10.3). An unfavorable product mix, under-utilized production capacity, continued high prices for raw materials and freight as well as our unwavering ambitious investments for future growth mean that the EBIT margin declined year-on-year and totaled 16.8 percent.

Inventory amounted to SEK 3,129m at the end of the quarter, down SEK 11m compared with the end of the third quarter. The inventory consists of components and products that we are convinced we will be able to sell in 2023.

During the quarter, we committed ourselves to the globally established Net Zero by 2050 undertaking as part of our long-term sustainability goals.

Decreased sales of bike-related products in Region Europe & RoW

During the quarter, sales in the region declined year-on-year by 12.7 percent after currency adjustment. This means that full-year sales declined 8.9 percent after currency adjustment.

Bike-related products accounted for 41 percent (52) of sales for the full year. It is worth noting that the pandemic year of 2021 was an exceptionally strong year in the bike industry in general, and that we also captured market shares in 2021 as a result of our competitors having more significant issues with meeting the demand increase. Sport&Cargo Carriers, with a large proportion of sales in bike carriers, declined during the year by a total of 16 percent after currency adjustment and Juvenile & Pet Products also declined 17 percent after currency adjustment as a result of a reduced sales of bike trailers and child bike seats.

However, sales were strong during the year within the RV Products category, which increased 15 percent after

currency adjustment, and Packs, Bags & Luggage, with growth of 20 percent after currency adjustment.

Region Americas also impacted by the slowdown of the bike sector

Year-on-year, sales in the region declined 33.7 percent after currency adjustment during the quarter. This means that full-year sales declined 11.5 percent after currency adjustment.

Also in this region, we noted a substantial decline in sales of bike-related products that accounted for 29 percent (39) of sales for the year.

During the year, the Packs, Bags & Luggage category grew 21 percent after currency adjustment, driven by successful launches and increased travel.

Short-term challenges but strong confidence in our strategy and positive long-term trends

At the start of 2023, we will meet strong comparative figures and a challenging market with uncertainty in both consumer demand in an uncertain world and retailer confidence for the season ahead. Since both our own and retailer inventory levels before the start of the season are higher than previous years, we will ramp up the manufacturing capacity later than usual, which is positive from a cash-flow perspective.

We are convinced that the multi-year positive trend of living active lives close to home will remain strong in the long term. We also have an unwavering faith in our growth strategy and our long-term goals. Our investments in existing categories as well as those in the new product areas of car seats and dog transport products continue and in 2022, we invested a total of 6.0 percent (4.6) of sales in product development. The investments made in the past years to enable more flexible and automated production provide us with additional pre-requisites to, over time, secure profitable and long-term sustainable growth.

As we now enter a challenging time with a high degree of uncertainty for the quarters ahead, we do this with a clear focus on flexibility and with high energy.

I would like to conclude by thanking all of my colleagues for their efforts during a year that has been characterized by two entirely different phases and significant market challenges.



Magnus Welander,
CEO and President

Financial overview

Trend for the fourth quarter

Net sales

In the fourth quarter of 2022, net sales amounted to SEK 1,651m (1,846), representing a decline of 10.6 percent. Adjusted for exchange rate fluctuations, net sales for the Group decreased 21.0 percent.

In the Region Europe & RoW, net sales totaled SEK 1,103m (1,155), down 4.5 percent and 12.7 percent after currency adjustment. Net sales in Region Americas amounted to SEK 548m (692), down 20.7 percent and 33.7 percent after currency adjustment compared with the fourth quarter of 2021.

	Oct-Dec	Jan-Dec
	2022	2022
Change in net sales		
Changes in exchange rates	10.4%	7.3%
Structural changes	0.0%	0.0%
Organic growth	-21.0%	-9.7%
Total	-10.6%	-2.4%

Gross income

Gross income for the quarter totaled SEK 520m (622), corresponding to a gross margin of 31.5 percent (33.7). After currency adjustment, the margin decreased 2.5 percentage points. Gross income has been impacted by lower sales with an unfavorable product mix, under-utilized production capacity and continued high prices for raw materials and freight.

Operating income

Operating income amounted to SEK 4m (190), corresponding to a margin of 0.2 percent (10.3). The operating margin after currency adjustment was 11.5 percentage points lower than the previous year. The lower gross margin, increased costs for managing higher inventory levels and continued high investments in product development impacted the margin during the quarter.

	Oct-Dec	Jan-Dec
Change in Operating margin		
Operating income 2022	4	1 706
Operating margin 2022	0.2%	16.8%
Operating income 2021	190	2 340
Operating margin 2021	10.3%	22.5%
Operating income 2021, currency adjusted	246	2 490
Operating margin 2021, currency adjusted	11.8%	22.2%
Change in operating margin, currency adjusted	-11.5%	-5.4%

Net financial items

Net financial items for the quarter amounted to an expense of SEK 21m (expense: 10). Exchange rate differences on loans and cash and cash equivalents were an expense of SEK 2m (expense: 1). The interest expense for borrowings was SEK 19m (expense: 8).

Net income for the period

For the fourth quarter, net income amounted to a loss of SEK 16m, corresponding to earnings per share amounting to a loss of SEK 0.15 before and after dilution. For the year-earlier period, net income totaled SEK 154m, corresponding to earnings per share of SEK 1.47 before dilution and SEK 1.46 after dilution.

Trend for the full year

Net sales

Net sales for the full-year 2022 amounted to SEK 10,138m (10,386), corresponding to a decrease of 2.4 percent. Adjusted for exchange rate fluctuations, net sales for the Group decreased 9.7 percent. Sales in the second half of the year declined substantially year-on-year. The main reason for lower sales in second half of the year was the sharp slowdown in sales of bike-related products to our retailers, who attempted to lower their inventory levels following excessively large pre-season orders.

In the Region Europe & RoW, net sales totaled SEK 7,091m (7,440), down 4.7 percent and 8.9 percent after currency adjustment. Net sales in Region Americas amounted to SEK 3,047m (2,946), up 3.4 percent but a decline of 11.5 percent after currency adjustment compared with the full-year 2021.

Gross income

Gross income for the year amounted to SEK 3,859m (4,160) corresponding to a gross margin of 38.1 percent (40.1). After currency adjustment, the margin decreased 1.4 percentage points. The price increases passed on to customers partly offset higher costs for materials and freight, but lower volumes have had a negative impact.

Operating income

Operating income amounted to SEK 1,706m (2,340), corresponding to an operating margin of 16.8 percent (22.5). Adjusted for currency effects, the margin declined 5.4 percentage points. Operating income was negatively impacted by the lower sales in the second half of the year. Increased development costs, which accounted for 6.0 percent (4.6) of sales and increased costs for managing higher inventory levels also had an impact. Operating income for 2021 was 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 59m (expense: 37). Exchange rate differences on loans and cash and cash equivalents were an expense of SEK 1m (expense: 6). The interest expense for borrowings was an expense of SEK 58m (expense: 32). Increased use of the credit facility and rising interest rates accounted for the change in net interest.

Taxes

The effective tax rate for the full-year 2022 amounted to 22.6 percent. The effective tax rate for the full-year 2021 amounted to 22.3 percent. No significant events occurred during the year that could affect the Group's effective tax rate.

Net income

For the full year, net income was SEK 1,275m, corresponding to earnings per share of SEK 12.19 before dilution and SEK 12.12 after dilution. For the year-earlier period, net income totaled SEK 1,790m, corresponding to earnings per share of SEK 17.12 before and SEK 16.95 after dilution.

Cash flow

Cash flow from operating activities in the quarter was SEK 110m (outflow: 344). Cash flow from operating activities was SEK 616m (1,128) for the full year. Investments in tangible and intangible assets amounted to SEK 443m (503), net. During the year, SEK 1,359m was distributed to the company's shareholders, of which SEK 680m was during the fourth quarter. A further SEK 1,306m of the company's credit facility was utilized during the year. In December 2022, the company's credit facility expanded with an additional EUR 70m.

Financial position

As of December 31, 2022, the Group's equity amounted to SEK 6,553m (5,815). During the year, equity was affected by the dividend of SEK 1,359m resolved on by the AGM. The equity ratio amounted to 56.1 percent (57.1).

Net debt amounted to SEK 2,868m (1,467) on December 31, 2022. Total long-term borrowing amounted to SEK 2,983m (1,559), comprising loans from credit institutions of SEK 2,816m (1,421), gross, long-term lease liabilities of SEK 170m (134), capitalized financing costs of SEK 3m (4), and the long-term portion of financial derivatives of SEK 1m (7). Total current financial liabilities amounted to SEK 107 (80) and comprised the short-term portion of financial derivatives and lease liabilities.

SEKm	Dec 31 2022	Dec 31 2021
Long-term loans, gross	2 986	1 556
Financial derivative liability, long-term	1	7
Short-term loans, gross	79	66
Financial derivative liability, short-term	28	14
Overdraft facilities	0	0
Capitalized financing costs	-3	-4
Accrued interest	2	1
Gross debt	3 092	1 640
Financial derivative asset	-48	-24
Cash and cash equivalents	-176	-149
Net debt	2 868	1 467

As of December 31, 2022, goodwill totaled SEK 4,963m (4,518). The increase was attributable entirely to currency effects.

As of December 31, 2022, inventories totaled SEK 3,129m (2,510). Inventory has been accumulated during the first half of the year to counter disruptions in logistics and thereby efficiently meet the higher demand at that time. Year-on-year, the inventory value increased SEK 618m, of which SEK 179m pertained to currency effects.

As of December 31, 2022, deferred tax receivables amounted to SEK 320m (326), of which SEK 118m (127) pertained to capitalized loss carry forwards.

Other information

Significant event after the fiscal year

Thule Group's board of directors has decided to appoint Mattias Ankarberg as the new president and CEO of the company. To secure a seamless handover, Magnus Welander will remain in his role until Mattias Ankarberg has finished his current role.

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, including externally contracted workers in manufacturing amounted to 2,799 (3,303) during the year. At the end of the fourth quarter, the number of FTEs was 2,587 whereby 2,566 are employees and 21 are externally contracted workers in manufacturing.

This is a reduction of 183 FTEs compared with the end of the third quarter (2,730 employees and 40 externally contracted workers in manufacturing), and a reduction of 788 FTEs compared with the end of the fourth quarter of 2021

(2,802 employees and 573 externally contracted workers in manufacturing). The reduction was mainly the result of completed short-term contracts and externally contracted workers in manufacturing.

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap-list. As of December 31, 2022, the total number of shares in issue was 104,562,436.

Proposed dividend

The Board of Directors proposes a dividend of SEK 9.20 per share which, based on the number of shares outstanding on February 10, 2023, corresponds to SEK 962m. The proposed dividend comprises 75 percent of the earnings per share for 2022. 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 4.60 per share is May 2, 2023 and the proposed record date for the second payment of SEK 4.60 per share is October 5, 2023.

Annual General Meeting

The Annual General Meeting for Thule Group is planned for April 27, 2023, in Malmö, Sweden.

Shareholders

On December 31, 2022, Thule Group AB had 30,625 known shareholders. As of this date, the largest shareholders were AMF Försäkringar & Fonder (14.9 percent of the capital and votes), Swedbank Robur Fonder (5.8 percent of the capital and votes), Nordea Fonder (4.7 percent of the capital and votes), SEB Fonder (3.8 percent of the capital and 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, 2022. The Parent Company invoices its costs to Group companies. The Parent Company reported net income of SEK 684m (895). Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,812m (1,418).

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 4, Risks and uncertainties.

Sales trend by region

SEKm	Oct-Dec		Change		Jan-Dec		Change	
	2022	2021	Rep.	Adj.1	2022	2021	Rep.	Adj.1
Net sales	1 651	1 846	-10.6%	-21.0%	10 138	10 386	-2.4%	-9.7%
- Region Europe & ROW	1 103	1 155	-4.5%	-12.7%	7 091	7 440	-4.7%	-8.9%
- Region Americas	548	692	-20.7%	-33.7%	3 047	2 946	3.4%	-11.5%

¹ Adjusted for changes in exchange rates

Region Europe & RoW

In the fourth quarter, sales in the region declined 12.7 percent after currency adjustment, compared with an exceptionally strong fourth quarter in the previous year. This also means that the year's fourth quarter posted growth of 32.6 percent compared with the equivalent period in 2019, the year prior to the pandemic. For the full year, year-on-year sales in the region declined 8.9 percent after currency adjustment. However, we posted growth of 39.1 percent after currency adjustment compared with 2019.

Following exceptional growth within bike-related products during the pandemic year of 2020–2021, sales declined considerably during the second half of 2022. The main reason for the lower sales in the second half of the year was the sharp slowdown of sales of bike-related products to retailers in all of our markets. Their ambition to substantially reduce their inventories, following excessively large pre-season orders and subsequent high inventory levels, were synonymous in all of the region's markets. For the full year, bike-related products accounted for 41 percent of sales, compared with 52 percent in 2021.

The slowdown of the bike sector meant that those product categories where bike-related products comprise the greatest share of sales were negatively impacted. This was particularly evident in Juvenile & Pet Products which declined 17 percent and Sport&Cargo Carriers which declined 16 percent, after currency adjustment. The RV Products product category (which, in total, grew 15 percent, after currency adjustment) and the Packs, Bags & Luggage category (which, in total, grew 20 percent, after currency adjustment) also recorded reduced sales of bike-related products. However, bike-related products comprise a significantly smaller share of these categories' sales.

Russia's invasion of Ukraine impacted most of the world negatively, from both a human and a business perspective. We actively shut down our operations in Russia and Belarus shortly following the invasion of their neighboring country and sales to Ukraine have naturally been highly limited. These markets therefore comprised the region's weakest markets. Other markets that showed weaker results comprised the Nordic countries, which have historically recorded a large share of bike-related children's products and which recorded an exceptionally strong 2021, and the UK, where consumer confidence has been very weak. The markets in which the strongest growing categories (RV accessories and bags) account for a large share of sales were the strongest performing markets in the region. Examples included Germany, which has a large share of sales in RV accessories, and countries in South-East Asia that have a large share of sales in the category of bags.

Region Americas

In the fourth quarter, sales in the region declined 33.7 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 19.3 percent compared with the corresponding period in 2019. For the full year, year-on-year sales in the region declined 11.5 percent after currency adjustment. However, we posted growth of 44.3 percent after currency adjustment compared with 2019.

Following exceptional growth within bike-related products during the pandemic years of 2020–2021, sales declined considerably, particularly during the second half of 2022. The main reason for the lower sales in the second half of the year was, as was the case in the Region Europe & RoW, the very distinct slowdown of sales of bike-related products to retailers in all of the region's markets. The ambition of retailers to substantially reduce their inventories following excessively large orders and the high inventory levels were synonymous in both North and South America. For the full year, this meant that bike-related products accounted for 29 percent of sales, compared with 39 percent in 2021.

As in the Region Europe & RoW, weaker bike-related sales primarily impacted the largest category Sport&Cargo Carriers (down 18 percent after currency adjustment), but also the Juvenile & Pet Products product category (down 16 percent after currency adjustment). The Packs, Bags & Luggage category, which is relatively significant for the region, grew 21 percent after currency adjustment, driven by increased commuting to work and travel. The RV Products category, which is a small niche category for the region, continued to grow and grew 43 percent after currency adjustment, despite a generally weak RV market in North America.

The market trend was similar in Region Europe & RoW as a result of the share of sales that the different product categories have historically experienced in the different countries. Our smaller distributor markets in Latin America, similarly to South-East Asia, benefited given their larger proportion of sales related to Packs, Bags & Luggage.

Sales trend per product category for the full year

	Sport&Cargo Carriers		RV Products		Juvenile & Pet		Packs, Bags & Luggage	
Share of Thule Group Sales 2022 (2021)	62% (67%)		18% (14%)		11% (12%)		9% (7%)	
Share of Regional Sales 2022 (2021)	Eur&RoW 57% (63%)	Americas 70% (76%)	Eur&RoW 24% (19%)	Americas 5% (3%)	Eur&RoW 13% (14%)	Americas 8% (9%)	Eur&RoW 6% (4%)	Americas 17% (12%)
Sales Growth 2022 vs 2021 (Constant Currency)	-17% -16% -18%		+17% +15% +43%		-17% -17% -16%		+21% +20% +21%	

Sport&Cargo Carriers

Sales declined in the product category during the year by 17 percent after currency adjustment following growth of 43 percent after currency adjustment in the record year of 2021. The largest product group, bike carriers, was the category that definitively had the most negative impact.

Following a very strong start for sales of bike-related products during the first quarter, we recorded relatively strong sales at the start of the cycling season only to then experience an extreme slowdown during the second half of the year. Since there was a longer cycling season than usual in 2021, with global retailers continuing to build inventory following difficulties in meeting demand during the 2021 spring-summer season, we also faced very strong comparative figures during the second half of the year.

We also recorded a stronger first half of the year in other product groups, even when compared to the exceptionally strong 2021. Compared with 2019, the year before the outbreak of the pandemic, growth was 39 percent after currency adjustment for the full year, with growth in all product groups.

RV Products

This category has a strong focus on Region Europe & RoW, which accounts for 92 percent of the Group's sales in the category. In the European market, the sector experienced healthy demand, with consumers looking for a way to vacation flexibly. However, vehicle production was, as in 2021, unable to 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, sales in the category grew 17 percent globally after currency adjustment, driven by currency-adjusted sales growth of 15 percent in Region Europe & RoW. A positive note was that sales of the niche premium offering in North America performed very well during the year, with growth of 43 percent in an otherwise weak North American RV market.

Juvenile & Pet Products

Sales in Juvenile & Pet Products declined 17 percent after currency adjustment, after having grown 35 percent after currency adjustment in the preceding year.

Similarly to Sport&Cargo Carriers, we recorded a strong start for sales of bike-related products during the first quarter, to then experience an extreme slowdown during the season. Since the 2021 cycling season was longer than usual, with global retailers continuing to build inventory following difficulties in meeting demand during the 2021 spring-summer season, we also here faced very strong comparative figures during the second half of the year.

The strollers product group continued to record growth, despite a weak performance in the US, and in this market we resolved to change the sales and market organization in the autumn.

Packs, Bags & Luggage

The bags category recorded growth of 21 percent after having been very negatively impacted during the pandemic.

It was particularly positive to note that the largest sub-category, smaller backpacks and laptop cases for daily use, grew strongly as a result of increased demand for this type of product in conjunction with increased commuting to work. It was also positive that our new collections of duffel and cabin bags for longer trips was very successful and drove sales growth.

The market for legacy categories (including camera bags and tablet cases), which has been declining for several years, resulted in these categories accounting for 22 percent (26) 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 10, 2023

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	
		2022	2021	2022	2021
Net sales	2	1 651	1 846	10 138	10 386
Cost of goods sold		-1 131	-1 225	-6 279	-6 226
Gross income		520	622	3 859	4 160
Other operating revenue		0	0	0	15
Selling expenses		-413	-335	-1 768	-1 481
Administrative expenses		-104	-97	-385	-354
Operating income	2	4	190	1 706	2 340
Net interest expense/income		-21	-10	-59	-37
Income before taxes		-17	180	1 647	2 303
Taxes		1	-26	-373	-513
Net income		-16	154	1 275	1 790
Net income pertaining to:					
Shareholders of Parent Company		-16	154	1 275	1 790
Net income		-16	154	1 275	1 790
Earnings per share, SEK before dilution		-0.15	1.47	12.19	17.12
Earnings per share, SEK after dilution		-0.15	1.46	12.12	16.95
Average number of shares (millions)		104.6	104.6	104.6	104.6

Consolidated Statement of Comprehensive Income

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Net income	-16	154	1 275	1 790
Items that have been carried over or can be carried over to net income				
Foreign currency translation	-89	153	827	437
Cash flow hedges	-2	3	14	-14
Net investment hedge	-19	-37	-87	-20
Tax on components in other comprehensive income	1	4	-5	-2
Items that cannot be carried over to net income				
Revaluation of defined-benefit pension plans	-8	-19	98	-11
Tax pertaining to items that cannot be carried over to net income	2	4	-20	2
Other comprehensive income	-114	108	826	394
Total comprehensive income	-130	262	2 101	2 183
Total comprehensive income pertaining to:				
Shareholders of Parent Company	-130	262	2 101	2 183
Total comprehensive income	-130	262	2 101	2 183

Consolidated Balance Sheet

	Dec 31 2022	Dec 31 2021
Assets		
Intangible assets	4 999	4 556
Tangible assets	2 007	1 479
Long-term receivables	8	8
Deferred tax receivables	320	326
Total fixed assets	7 334	6 369
Inventories	3 129	2 510
Tax receivables	22	6
Accounts receivable	723	872
Prepaid expenses and accrued income	108	81
Other receivables	187	205
Cash and cash equivalents	176	149
Total current assets	4 345	3 823
Total assets	11 679	10 192
Equity and liabilities		
Equity	6 553	5 815
Long-term interest-bearing liabilities	2 983	1 559
Provision for pensions	156	244
Deferred income tax liabilities	393	370
Total long-term liabilities	3 533	2 174
Short-term interest-bearing liabilities	107	80
Accounts payable	576	1 057
Tax liabilities	114	165
Other liabilities	71	92
Accrued expenses and deferred income	631	716
Provisions	93	94
Total short-term liabilities	1 593	2 203
Total liabilities	5 126	4 377
Total equity and liabilities	11 679	10 192

Consolidated Statement of Changes in Equity

	Dec 31 2022	Dec 31 2021
Opening balance, January 1	5 815	5 253
Net income	1 275	1 790
Other comprehensive income	826	394
Total comprehensive income	2 101	2 183
Transactions with the Group's owners:		
Dividend	-1 359	-1 621
Warrants	-4	-1
Closing balance	6 553	5 815

Consolidated Statement of Cash Flow

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Income before taxes	-17	180	1 647	2 303
Adjustments for items not included in cash flow	72	46	261	177
Paid income taxes	-65	-124	-410	-402
Cash flow from operating activities prior to changes in working capital	-11	103	1 498	2 079
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	-51	-887	-412	-1 370
Increase(-)/Decrease (+) in receivables	201	426	218	-142
Increase(+)/Decrease (-) in liabilities	-29	15	-689	561
Cash flow from operating activities	110	-344	616	1 128
Investing activities				
Acquisition of subsidiaries	-	-	-20	-
Acquisition/divestment of tangible/intangible assets	-67	-153	-443	-503
Cash flow from investing activities	-67	-153	-464	-503
Financing activities				
Warrants	-4	-1	-4	-1
Dividend	-680	-418	-1 359	-1 621
Debt repaid/new loans	-22	483	1 227	436
Cash flow from financing activities	-706	64	-136	-1 186
Net cash flow	-663	-433	16	-561
Cash and cash equivalents at beginning of period	841	581	149	706
Effect of exchange rates on cash and cash equivalents	-3	0	11	4
Cash and cash equivalents at end of period	176	149	176	149

Condensed Parent Company Income Statement

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Other operating revenue	5	5	21	18
Administrative expenses	-8	-15	-46	-57
Operating income	-3	-10	-24	-39
Result from Shares in Subsidiaries	650	900	650	900
Interest income- and expense	-10	-1	-18	-3
Income after financial items	637	889	608	858
Appropriations	85	36	85	36
Net income before taxes	722	924	693	894
Taxes	-15	-5	-9	1
Net income	707	919	684	895

Condensed Parent Company Balance Sheet

	Dec 31	Dec 31
	2022	2021
Assets		
Financial fixed assets	5 438	4 439
Total fixed assets	5 438	4 439
Other current receivables	748	543
Cash and cash equivalents	0	0
Total current assets	748	543
Total assets	6 186	4 982
Equity and liabilities		
Equity	1 786	2 466
Other provisions	28	24
Liabilities to credit institutions	2 812	1 418
Liabilities to Group companies	0	368
Total long-term liabilities	2 841	1 810
Liabilities to credit institutions	0	0
Liabilities to Group companies	1 540	679
Other current liabilities	20	27
Total short-term liabilities	1 559	706
Total equity and liabilities	6 186	4 982

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 2022 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	
	2022	2021	2022	2021
Sales to customers	1 651	1 846	10 138	10 386
- Region Europe & RoW	1 103	1 155	7 091	7 440
- Region Americas	548	692	3 047	2 946
EBITDA	59	232	1 906	2 493
Operating depreciation/amortization	-56	-42	-200	-153
EBIT/Operating income	4	190	1 706	2 340
Net interest expense/income	-21	-10	-59	-37
Taxes	1	-26	-373	-513
Net income	-16	154	1 275	1 790

All revenue is recognized at one point in time.

Note 3 Fair value of financial instruments

	Fair Value	
	Dec 31	Dec 31
	2022	2021
Assets - Financial derivatives		
Currency forward contracts	10	16
Currency swaps	4	1
Interest rate swaps	35	6
Total derivative assets	48	24
Liabilities - Financial derivatives		
Currency forward contracts	-27	-11
Currency swaps	-2	-1
Interest rate swaps	0	-9
Total derivative liabilities	-29	-21

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 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.

The current macroeconomic situation, rising inflation and geopolitical concern has led to uncertainty that makes it difficult to predict how demand and the total cost base will be impacted.

Specifically in relation to the coronavirus 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 138 different countries, with no individual dominating suppliers or customers, it is difficult to assess this risk factor.

Key figures

	Oct - Dec		Jan - Dec	
	2022	2021	2022	2021
Net sales, SEKm	1 651	1 846	10 138	10 386
Net sales growth, %	-10.6%	15.0%	-2.4%	32.7%
Net sales growth, adjusted % ¹	-21.0%	14.3%	-9.7%	37.7%
Gross margin, %	31.5%	33.7%	38.1%	40.1%
Operating income (EBIT), SEKm	4	190	1 706	2 340
Operating margin, %	0.2%	10.3%	16.8%	22.5%
Earnings per share, SEK	-0.15	1.47	12.19	17.12
Equity ratio, %	56.1%	57.1%	56.1%	57.1%
Leverage ratio	1.5	0.6	1.5	0.6

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.

Gross margin

Gross income as a percentage of net sales.

Gross income

Net sales less cost of goods sold.

CAGR (Compounded Annual Growth Rate)

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

EBIT - margin /Operating margin

EBIT as a percentage of net sales.

Operating income as a percentage of net sales.

EBIT – Operating income

Income before net financial items and taxes.

EBITDA – Operating income before depreciation/amortization/impairment

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

Organic growth, currency adjusted

Changes in net sales for the period 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 without without effects of for example acquisition.

Net sales growth, currency adjusted

Changes in net sales for the period adjusted for currency effects.

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.

LTM

Rolling 12-month.

Earnings per share

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

Leverage ratio

Net debt divided by 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	
	2022	2021	2022	2021
Organic growth, currency-adjusted				
Change in net sales, %	-10.6	15.0	-2.4	32.7
Exchange rate fluctuations, %	-10.4	-0.7	-7.3	5.0
Net sales, currency-adjusted growth, %	-21,0	14.3	-9.7	37.7
Structural changes, %	-	-	-	-
Organic growth, %	-21,0	14.3	-9.7	37.7
EBITDA				
Operating income (EBIT), SEKm	4	190	1 706	2 340
Reversal of depreciation/amortization, SEKm	56	42	200	153
EBITDA, SEKm	59	232	1 906	2 493
Net debt				
Long-term interest-bearing liabilities, gross, SEKm	2 986	1 556	2 986	1 556
Derivative liabilities, long-term, SEKm	1	7	1	7
Short-term interest-bearing liabilities, SEKm	79	66	79	66
Derivative liabilities, short-term, SEKm	28	14	28	14
Capitalized financing costs, SEKm	-3	-4	-3	-4
Accrued interest, SEKm	2	1	2	1
Gross debt, SEKm	3 092	1 640	3 092	1 640
Derivative assets, SEKm	-48	-24	-48	-24
Cash and cash equivalents, SEKm	-176	-149	-176	-149
Net debt, SEKm	2 868	1 467	2 868	1 467
Leverage ratio				
Net debt, SEKm	2 868	1 467	2 868	1 467
EBITDA LTM, SEKm	1 906	2 493	1 906	2 493
Leverage ratio	1.5	0.6	1.5	0.6
Equity ratio				
Equity, SEKm	6 553	5 815	6 553	5 815
Total assets, SEKm	11 679	10 192	11 679	10 192
Equity ratio (%)	56.1	57.1	56.1	57.1

Financial calendar

Interim report January–March 2023

April 27, 2023

Thule Group AGM (Malmö)

April 27, 2023

Interim report April–June 2023

July 19, 2023

Interim report July–September 2023

October 27, 2023

Thule Group's Annual Report will be available at www.thulegroup.com from the week commencing March 27, 2023.

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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), **Juvenile & Pet Products** (strollers, bike trailers and child bike seats), **RV Products** (awnings, bike carriers 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 138 markets and in 2022, sales amounted to SEK 10.1 billion. www.thulegroup.com



Thule Group»

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