

Thule Group»

Year-end report, fourth quarter, October–December 2023

Fourth Quarter

- **Net sales** for the quarter amounted to SEK 1,566m (1,651), corresponding to a decrease of 5.2 percent. Adjusted for exchange rate fluctuations, sales declined 5.6 percent.
- **Operating income** amounted to SEK 53m (4), corresponding to a margin of 3.4 percent (0.2). Adjusted for exchange rate fluctuations, the operating margin increased 2.8 percentage points.
- **Net income** amounted to SEK 24m (Loss: 16).
- **Cash flow from operating activities** totaled SEK 276m (110).
- **Earnings per share before dilution** amounted to SEK 0.23 (loss: 0.15).
- **The Board of Directors proposes a dividend** of SEK 9.50 per share (9.20) which, based on the number of shares outstanding on February 9, 2024, corresponds to a dividend of SEK 1,004m (967).

Full year

- **Net sales** for the full year amounted to SEK 9,132m (10,138), corresponding to a decrease of 9.9 percent. Adjusted for exchange rate fluctuations, sales declined 15.2 percent.
- **Operating income** amounted to SEK 1,505m (1,706), corresponding to a margin of 16.5 percent (16.8). Adjusted for exchange rate fluctuations, the operating margin decreased 0.8 percentage points.
- **Net income** amounted to SEK 1,099m (1,275).
- **Cash flow from operating activities** totaled SEK 1,850m (616).
- **Earnings per share before dilution** amounted to SEK 10.45 (12.19).

	Oct - Dec 2023	Oct - Dec 2022	%	Jan - Dec 2023	Jan - Dec 2022	%
Net sales, SEKm	1 566	1 651	-5.2	9 132	10 138	-9.9
Operating income (EBIT), SEKm	53	4	+1313.8	1 505	1 706	-11.8
Net income, SEKm	24	-16	<i>n.a</i>	1 099	1 275	-13.8
Earnings per share, SEK	0.23	-0.15	<i>n.a</i>	10.45	12.19	-14.3
Cash flow from operating activities, SEKm	276	110	+151.0	1 850	616	+200.5

CEO's statement

Thule doing well in a tough market

After the fourth quarter, I can confirm that Thule is doing well, even in a tough market. With the exception of RV Products ("Recreational Vehicles"), we delivered growth in both regions, good profitability and a very strong cash flow. New Thule products continue to drive growth, even in a weak market. This is reassuring since we have just entered the biggest launch year in Thule Group's history!

Sales in the fourth quarter, the year's smallest, decreased 6 percent (in constant currency) compared with the year-earlier period. The expected sales decrease in RV Products, driven by a slower period for the RV industry, had a significant negative impact on the quarter. Growth was primarily driven by new Thule products. We launched sales via thule.com in Austria and Spain during the quarter, which immediately contributed to growth in the DTC channel.

The gross margin amounted to 37.2 percent (31.5) and the EBIT margin to 3.4 percent (0.2). Cash flow from operations was one of the strongest ever for a fourth quarter, amounting to SEK 276m (110).

For the full-year 2023, sales declined 15 percent. The EBIT margin amounted to 16.5 percent (16.8). Sales decreased significantly during the first half of the year, and with that also profitability. The trend improved during the second half of the year where sales were in line with the previous year. Profitability increased and was in line with the pre-pandemic period despite continued high level of investments in product development. We are investing more in product development than ever before in the history of the company, corresponding to 6.9 percent of sales for the year. Cash flow from operating activities was very strong and totaled SEK 1.85 billion. We have focused on reducing inventory levels and I'm pleased that this has resulted in a year-on-year decrease of SEK 801m. This means that we well exceeded our goal to reduce inventory by SEK 600m.

Work continued during the year to reach our long-term sustainability goals. One clear example is Thule Epos, our newest premium bike carrier. By designing the product to have a low carbon footprint, our development team successfully developed a product with approximately half of the carbon emissions of comparable products.

Significant strengths to build on

In my statement from the previous quarter, I mentioned we had started to identify our greatest strengths, in order to be more precise in which

strengths to build on. We have multiple strengths, which strengthens my belief that Thule has a bright future! They can be summarized in three points:

1. We have long term market tailwind.
More people want to live active lives, which is positive for us and our customers.
2. We have very strong market positions.
We are a global market leaders in our most important product categories, which means we can drive the market development and capture a large portion of the growth.
3. We invest heavily in our own capabilities, particularly for quality and innovation.
We continuously invest in ways to increase product quality in our own factories, which produce the majority of what we sell. At Hillerstorp, where Thule was founded, we regularly invest in our world-leading center for developing and testing complex products with high safety requirements. We test our products for collisions, wear and tear and climate in everything from desert heat to arctic chill.
In short, we continuously invest in strengthening our own competitiveness in order to increase our market share and our growth.

During the quarter, I experienced a striking example of our strong market positions. In November, we arranged the largest product launch event in Thule's history, with nearly five hundred customers from around the world. The day ended with a presentation from our global Thule ambassadors – some fifty world champions, Olympic medalists and extreme sports athletes – about our new and coming products during an intense one-hour show. After the dress rehearsal, some colleagues and I sat down to a casual dinner with the ambassadors at the premises. I was struck by how these international stars have a genuine passion for competing and being outdoors, and the strong feelings they have for Thule. As Aline Bock, former world champion in freestyle snowboarding, told me: "You need to understand that we all love being outdoors, and that Thule has always helped us with that. We've all been crawling on our dad's car roof and packing roof boxes since we were five years old."

Thule's products have met the needs of several generations, and developed in pace with the times. This has created a strong connection between consumers and our brand that we need to look after and build on even more going forward.

Clear priorities for reaching our targets

To reach our financial targets, we need to grow faster than we have historically. Going forward, we will address several growth opportunities at the same time and focus on four areas:

1. Continue to invest in product development. We have a long history of developing new and improved products that drive profitable growth.
2. Increase focus on succeeding in several product categories simultaneously. Short term priorities are clear: in 2024 we are launching dog transport products and car seats.
3. Increase our visibility for consumers. We know that many of our customers genuinely appreciate our products, but few know about our entire offering.
4. Increase efficiency and capacity utilization in our supply chain. We will exit several external warehouse services and plan to decrease inventory levels by an additional SEK 200m in 2024.

Our most launch-intensive year ever

We have just entered our most intensive product launch year ever. This year, we are launching new generations of several best sellers, such as the Thule Motion roof box, the Thule Chariot multisport

and bike trailer, the Thule Urban Glide stroller and our Thule Subterra luggage collection. We are also introducing entirely new innovations such as Thule Outset, the world's first tow bar mounted tent, and Thule Sidehill, the world's first removable awning. Additionally, during the first quarter we launched our first products within dog transport and during the second quarter our car seats will be launched in stores. With so many important product launches ahead of us, our organization is currently operating at full speed with a big focus on executing on our well-prepared plans.

We have big strengths to build on and clear priorities for reaching our goals. I'm convinced that Thule's future is bright and I look forward to an eventful 2024!

Mattias Ankarberg
CEO and President



Financial overview

Trend for the fourth quarter

Net sales

In the fourth quarter of 2023, net sales amounted to SEK 1,566m (1,651), representing a decline of 5.2 percent. Adjusted for exchange rate fluctuations, net sales for the Group decreased 5.6 percent.

In the Region Europe & RoW, net sales totaled SEK 1,047m (1,103), down 5.0 percent and 7.1 percent after currency adjustment. Net sales in Region Americas amounted to SEK 519m (548), down 5.4 percent and 2.4 percent after currency adjustment compared with the fourth quarter of 2022.

	Oct-Dec	Jan-Dec
	2023	2023
Change in net sales		
Changes in exchange rates	0.5%	5.2%
Structural changes	0.0%	0.0%
Organic growth	-5.6%	-15.2%
Total	-5.2%	-9.9%

Gross income

Gross income for the quarter totaled SEK 583m (520), corresponding to a gross margin of 37.2 percent (31.5). After currency adjustment, the margin improved 5.3 percentage points. A positive product and channel mix, lower material prices and significantly lower freight costs compared with the year-earlier quarter had a positive impact on gross income. Production capacity remained underutilized during the quarter.

Operating income

Operating income amounted to SEK 53m (4), corresponding to a margin of 3.4 percent (0.2). The operating margin after currency adjustment was 2.8 percentage points higher than the year-earlier period. Operating income was positively impacted by the improved gross income, but product development expenses remained high.

	Oct-Dec	Jan-Dec
Change in Operating margin		
Operating income 2023	53	1 505
Operating margin 2023	3.4%	16.5%
Operating income 2022	4	1 706
Operating margin 2022	0.2%	16.8%
Operating income 2022, currency adjusted	10	1 865
Operating margin 2022, currency adjusted	0.6%	17.3%
Change in operating margin, currency adjusted	2.8%	-0.8%

Net financial items

Net financial items for the quarter amounted to an expense of SEK 22m (expense: 21). Exchange rate differences on loans and cash and cash equivalents amounted to income of SEK 0m (expense: 2). The net interest expense for borrowings was SEK 22m (expense: 19).

Net income for the period

In the fourth quarter, net income was SEK 24m, corresponding to earnings per share of SEK 0.23 before and after dilution. For the year-earlier period, net income amounted to a loss of SEK 16m, corresponding to earnings per share of negative SEK 0.15 before and after dilution.

Trend for the full year

Net sales

Net sales for the full-year 2023 amounted to SEK 9,132m (10,138), corresponding to a decrease of 9.9 percent. Adjusted for exchange rate fluctuations, net sales for the Group decreased 15.2 percent.

In the Region Europe & RoW, net sales totaled SEK 6,682m (7,091), down 5.8 percent and 11.9 percent after currency adjustment. Net sales in Region Americas amounted to SEK 2,450m (3,047), down 19.6 percent and 22.9 percent after currency adjustment compared with the full-year 2022.

Gross income

Gross income for the year amounted to SEK 3,737m (3,859) corresponding to a gross margin of 40.9 percent (38.1). After currency adjustment, the margin improved 2.8 percentage points. Gross income was positively impacted by considerably lower freight and material costs as well as price increases compared with the previous year, but negatively impacted by lower sales and an underutilized production capacity.

Operating income

Operating income amounted to SEK 1,505m (1,706), corresponding to a margin of 16.5 percent (16.8). The operating margin after currency adjustment was 0.8 percentage points lower than the previous year. Higher expenses for product development and managing the high inventory levels impacted the margin.

Net financial items

Net financial items for the year amounted to an expense of SEK 84m (expense: 59). Exchange rate differences on loans and cash and cash equivalents amounted to SEK 21m (expense: 1). The net interest expense for borrowings was SEK 105m (expense: 58).

Taxes

The effective tax rate for the full-year 2023 amounted to 22.6 percent. The effective tax rate for the full-year 2022 amounted to 22.6 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 1,099m, corresponding to earnings per share of SEK 10.45 before dilution and SEK 10.44 after dilution. For the year-earlier period, net income totaled SEK 1,275m, corresponding to earnings per share of SEK 12.19 before dilution and SEK 12.12 after dilution.

Cash flow

Cash flow from operating activities for the quarter was SEK 276m (110). Cash flow from operating activities was SEK 1,850m (616) for the full year. Compared with the previous year, inventory is lower compared with a significant inventory build-up in 2022, which had a positive impact on working capital. Investments in tangible and intangible assets amounted to SEK 251m (443), net. During the year, a dividend of SEK 967m was distributed to the company's shareholders, of which SEK 486m was during the fourth quarter. As a result of the exercise of the 2020/23 warrant program, SEK 273m was received through the issue of shares.

Financial position

On December 31, 2023, the Group's equity amounted to SEK 6,849m (6,553). During the year, equity was affected by the dividend of SEK 967m resolved on by the AGM. The equity ratio amounted to 62.5 percent (56.1).

On December 31, 2023, net debt amounted to SEK 2,006m (2,868). Total long-term borrowing amounted to SEK 2,038m (2,983), comprising loans from credit institutions of SEK 1,905m (2,816), gross, long-term lease liabilities of SEK 128m (170), capitalized financing costs of SEK 2m (3), and the long-term portion of financial derivatives of SEK 7m (1). Total current financial liabilities amounted to SEK 136m (107) and comprised the short-term portion of financial derivatives, utilized overdraft facilities and lease liabilities.

SEKm	Dec 31 2023	Dec 31 2022
Long-term loans, gross	2 033	2 986
Financial derivative liability, long-term	7	1
Short-term loans, gross	99	79
Financial derivative liability, short-term	34	28
Overdraft facilities	3	0
Capitalized financing costs	-2	-3
Accrued interest	1	2
Gross debt	2 175	3 092
Financial derivative asset	-75	-48
Cash and cash equivalents	-94	-176
Net debt	2 006	2 868

As of December 31, 2023, goodwill totaled SEK 4,857m (4,963). The decrease was attributable entirely to currency effects.

As of December 31, 2023, inventories totaled SEK 2,300m (3,129). Compared with the year-earlier period, inventory value decreased SEK 829m.

As of December 31, 2023, deferred tax receivables amounted to SEK 281m (320), of which SEK 120m (118) pertained to capitalized loss carry forwards.

Other information

CEO and CFO

Mattias Ankarberg assumed the role of CEO and President for Thule Group on August 9, 2023.

Toby Lawton assumed the role of CFO for Thule Group in January 2024.

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 2,559 (2,799) during the year. At the end of the fourth quarter, the number of FTEs was 2,615 of which 2,557 were employees and 58 were externally contracted workers in manufacturing.

This is an increase of 84 FTEs compared with the end of the third quarter of 2023 (2,503 employees and 28 externally contracted workers in manufacturing), and an increase of 28 FTEs compared with the fourth quarter of 2022 (2,566 employees and 21 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, 2023, the total number of shares in issue was 105,733,097.

Proposed dividend

The Board of Directors proposes a dividend of SEK 9.50 per share which, based on the number of shares outstanding on February 9, 2024, corresponds to a dividend of SEK 1,004m. The proposed dividend comprises 91 percent of the earnings per share for 2023. 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 4.75 per share is April 30, 2024 and the proposed record date for the second payment of SEK 4.75 per share is October 7, 2024.

Annual General Meeting

The Annual General Meeting for Thule Group is planned for April 26, 2024, in Malmö, Sweden.

Share-based incentive program 2023/2026, 2024/2027 and 2025/2028

As the Annual General Meeting 2023 resolved to adopt an incentive program for executive management and key employees in Thule Group, series 2023/2026 which was implemented in the fourth quarter.

The program entails the issue of a maximum of 2,778,000 warrants, distributed in equal parts in three series, to Thule Group's wholly owned subsidiary Thule AB, for further transfer to the participants.

During the fourth quarter of 2023, 388,370 warrants in series 2023/2026 were acquired by 36 participants. The warrants were transferred at a price of SEK 26.72 per warrant, which corresponds to the fair market price calculated by an external part at the time of transfer. The warrants can be exercised for shares between June 15 and December 15, 2026 and the exercise price per share has been set at SEK 339.96, which corresponds to 120 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list during the five trading days immediately preceding the transfer.

The so-called roof price has been set at SEK 464.90, which corresponds to 164.1 percent of the same average share price. This means that if the market price of the company's share exceeds the roof price when the option is exercised, the exercise price shall be increased accordingly. 537,630 warrants in series 2023/2026 have been cancelled.

The second series, 2024/2027, will be implemented during 2024, but no later than 15 June 2024 and the third series will be implemented during 2025, but no later than 15 June 2025.

The previous incentive program, 2020/2023, concluded during the year and resulted in an increase in the number of shares and votes in the company of 1,170,661. Thereafter, the total number of shares in the company amounted to 105,733,097 on December 31. Following the above, the company's share capital increased SEK 13,084 to SEK 1,181,710.

Shareholders

As of December 31, 2023, Thule Group AB had 29,120 known shareholders. On this date, the largest shareholders were AMF Försäkringar & Fonder (11.7 percent of the capital and votes), Swedbank Robur Fonder (8 percent of the capital and votes), Alecta (4.3 percent of the capital and votes) and Vanguard (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, 2023. The Parent Company invoices its costs to Group companies. The Parent Company reported net income of SEK 634m (684). Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 1,903m (2,812).

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	
	2023	2022	Rep.	Adj. ¹	2023	2022	Rep.	Adj. ¹
Net sales	1 566	1 651	-5.2%	-5.6%	9 132	10 138	-9.9%	-15.2%
- Region Europe & RoW	1 047	1 103	-5.0%	-7.1%	6 682	7 091	-5.8%	-11.9%
- Region Americas	519	548	-5.4%	-2.4%	2 450	3 047	-19.6%	-22.9%

¹ Adjusted for changes in exchange rates

Region Europe & RoW

During the fourth quarter, sales in the region decreased 7 percent (in constant currency). The decrease was driven by RV Products, where the industry is currently going through a weaker period. Growth was good in the Sport&Cargo Carriers and Juvenile & Pet product categories. The increase was driven by bike-related products, e.g., bike carriers and child bike seats, and in particular by new Thule products. Within the Packs, Bags & Luggage product category, the Thule brand saw good growth while sales within low-margin products, which we continue to phase out, decreased as expected.

In Europe, growth continued for sales directly to consumers (DTC) in all of the markets where this channel is available. DTC sales increased for all product categories. We launched sales via thule.com in Austria and Spain during the quarter, which immediately boosted sales. In total, DTC accounted for 4 percent of sales in the region during the quarter and 4 percent of sales for full-year 2023. For the full-year 2023, our direct to consumer (DTC) sales increased 81 percent.

For the full-year 2023, sales declined 12 percent (constant currency). Sales decreased significantly during the first half of the year, as bike retailers almost entirely stopped purchasing products in order to manage high inventory levels. Bike retail inventory of Thule products returned to healthy levels during the summer, and sales increased during the second half of the year in the region. For the full year, sales in all product categories decreased in 2023, and particularly for Sport&Cargo Carriers. Thule Epos, our premium, award-winning tow bar mounted bike carrier that launched in the spring, contributed significantly to sales during the full year, despite the difficult bike market during the first half of the year.

Sales decreased in most countries in the region for the full year 2023. Growth was strongest in Poland and China.

Region Americas

During the fourth quarter, sales in the region decreased 2 percent (in constant currency). It is worth noting that sales for bike-related products increased in the fourth quarter, a break with the trend from previous quarters.

The Juvenile & Pet product category saw very good growth, driven by multisport trailers, strollers and child bike seats. The Sport&Cargo Carriers product category also grew somewhat during the quarter, driven primarily by bike carriers. Within the Packs, Bags & Luggage product category, the Thule brand posted good growth while sales for low-margin products decreased. Sales in RV-Products decreased. However, this product category constitutes a small portion of sales in Region Americas and the negative impact was therefore less than in Region Europe & Rest of World.

Positive growth continued in Region Americas for sales directly to consumers (DTC). In total, DTC accounted for 15 percent of sales in the region during the quarter. For the full-year 2023 our direct to consumer (DTC) sales increased 32 percent and accounted for 15 percent of sales in the region.

For the full-year 2023, sales declined 23 percent (constant currency). Sales decreased 32 percent during the first half of the year, while in the second half of the year the trend improved to a 9 percent decrease. Overall, sales decreased in all four product categories for 2023, primarily driven by a clear decline in bike-related products. The challenges in Region Americas bike retail mirrored the European situation.

In terms of geographic developments, the decrease in sales was driven by North America (the US and Canada). Performance in Central and South American markets ranged from somewhat negative to somewhat positive.

Sales trend per product category for the full year

	Sport&Cargo Carriers		RV Products		Packs, Bags & Luggage		Juvenile & Pet	
Share of Thule Group Sales 2023 (2022)	59% (62%)		19% (18%)		10% (9%)		12% (11%)	
Share of Regional Sales 2023 (2022)	Europe&RoW 55% (57%)	Americas 69% (70%)	Europe&RoW 26% (24%)	Americas 2% (5%)	Europe&RoW 6% (6%)	Americas 19% (17%)	Europe&RoW 13% (13%)	Americas 10% (8%)
Sales Growth 2023 vs 2022 (Constant Currency)	-19% -16% -24%		-11% -6% -69%		-9% -7% -11%		-8% -7% -14%	

Sport&Cargo Carriers

Sales in this product category decreased 19 percent (constant currency) for the full year, where as expected the largest product category – bike carriers – accounted for the majority of the decrease.

There were significant variations during the year. In the first two quarters of 2023, retailers significantly reduced their inventory levels of bike-related products, which is to be compared with a phase of aggressive inventory build-up in the year-earlier period. During the second half of 2023, several retailers had returned to healthy inventory levels, resulting in a recovery in orders. Orders during the second half of 2023 contributed to relatively strong growth within bike carriers. Thule Epos, our most recent and most premium bike carrier that was launched in spring 2023, contributed to sales growth during the last three quarters of the year.

Other product groups did not lose as much ground as bike carriers for the full year and the difference between quarters was not as significant, though the second half was generally stronger. One category where we saw growth was rooftop tents, which grew on a full-year basis in both regions.

RV Products

RV Product sales declined 11 percent (constant currency). The strong trend in RV Products from the past decade continued in the first half of 2023. However, in the second half of the year RV Products was impacted by a weaker economy with increased financing costs for consumers. Sales in the OE channel continued well during the second half of the year, as manufacturers produced previously placed orders and ahead of the coming spring season, while sales in the aftermarket segment decreased significantly. RV Products is Thule Group's only product category exposure to a historically cyclical market segment.

Packs, Bags & Luggage

Sales declined a total of 9 percent for the year (constant currency) in the product category. Thule branded products grew in volume and sales, while we saw lower sales in the Case Logic branded products and in older low-margin segments that we are actively phasing out.

Juvenile & Pet Products

Sales in this product category declined 8 percent (constant currency), while its total share of the Group's sales increased one percentage point to 12 percent.

The product category was negatively impacted by the same trends in the first quarter that led to retail's inventory build up in Sport&Cargo Carriers. During the first half of 2023, retail stores increased their inventory of items like bike trailers and child bike seats, which significantly impacted their ability and desire to place orders in the second half of the year.

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, 2024

Board of Directors

Auditor's report

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

Selected key events



Thule Allax dog crate – Thule's dog crates are manufactured for safe and comfortable car trips with your four-legged friend and provide exceptional protection for passengers as well as dogs.



Thule Chasm – Starting in 2024, all Thule Chasm duffel bags will be manufactured from 100 percent recycled material and available in several new colors.

Financial statements

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

Consolidated Income Statement

	Note	Oct - Dec		Jan - Dec	
		2023	2022	2023	2022
Net sales	2	1 566	1 651	9 132	10 138
Cost of goods sold		-983	-1 131	-5 395	-6 279
Gross income		583	520	3 737	3 859
Selling expenses		-439	-413	-1 820	-1 768
Administrative expenses		-90	-104	-412	-385
Operating income	2	53	4	1 505	1 706
Net interest expense/income		-22	-21	-84	-59
Income before taxes		31	-17	1 420	1 647
Taxes		-8	1	-321	-373
Net income		24	-16	1 099	1 275
Net income pertaining to:					
Shareholders of Parent Company		24	-16	1 099	1 275
Net income		24	-16	1 099	1 275
Earnings per share, SEK before dilution		0.23	-0.15	10.45	12.19
Earnings per share, SEK after dilution		0.23	-0.15	10.44	12.12
Average number of shares (millions)		105.7	104.6	105.2	104.6

Consolidated Statement of Comprehensive Income

	Oct - Dec		Jan - Dec	
	2023	2022	2023	2022
Net income	24	-16	1 099	1 275
Items that have been carried over or can be carried over to net income				
Foreign currency translation	-468	-89	-109	827
Cash flow hedges	12	-2	35	14
Net investment hedge	48	-19	11	-87
Tax on components in other comprehensive income	-10	1	-20	-5
Items that cannot be carried over to net income				
Revaluation of defined-benefit pension plans	-51	-8	-41	98
Tax pertaining to items that cannot be carried over to net income	11	2	8	-20
Other comprehensive income	-459	-114	-115	826
Total comprehensive income	-435	-130	984	2 101
Total comprehensive income pertaining to:				
Shareholders of Parent Company	-435	-130	984	2 101
Total comprehensive income	-435	-130	984	2 101

Consolidated Balance Sheet

	Dec 31 2023	Dec 31 2022
Assets		
Intangible assets	4 887	4 999
Tangible assets	2 122	2 007
Long-term receivables	7	8
Deferred tax receivables	281	320
Total fixed assets	7 297	7 334
Inventories	2 300	3 129
Tax receivables	199	22
Accounts receivable	706	723
Prepaid expenses and accrued income	199	108
Other receivables	172	187
Cash and cash equivalents	94	176
Total current assets	3 669	4 345
Total assets	10 966	11 679
Equity and liabilities		
Equity	6 849	6 553
Long-term interest-bearing liabilities	2 038	2 983
Provision for pensions	205	156
Deferred income tax liabilities	399	393
Total long-term liabilities	2 642	3 533
Short-term interest-bearing liabilities	136	107
Accounts payable	649	576
Tax liabilities	78	114
Other liabilities	51	71
Accrued expenses and deferred income	513	631
Provisions	49	93
Total short-term liabilities	1 475	1 593
Total liabilities	4 117	5 126
Total equity and liabilities	10 966	11 679

Consolidated Statement of Changes in Equity

	Dec 31 2023	Dec 31 2022
Opening balance, January 1	6 553	5 815
Net income	1 099	1 275
Other comprehensive income	-115	826
Total comprehensive income	984	2 101
Transactions with the Group's owners:		
New share issue	273	-
Dividend	-967	-1 359
Warrants	6	-4
Closing balance	6 849	6 553

Consolidated Statement of Cash Flow

	Oct - Dec		Jan - Dec	
	2023	2022	2023	2022
Income before taxes	31	-17	1 420	1 647
Adjustments for items not included in cash flow	87	72	303	261
Paid income taxes	-70	-65	-509	-410
Cash flow from operating activities prior to changes in working capital	48	-11	1 214	1 498
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	-146	-51	801	-412
Increase(-)/Decrease (+) in receivables	302	201	-74	218
Increase(+)/Decrease (-) in liabilities	71	-29	-91	-689
Cash flow from operating activities	276	110	1 850	616
Investing activities				
Acquisition of subsidiaries	-	-	-	-20
Acquisition/divestment of tangible/intangible assets	-85	-67	-251	-443
Cash flow from investing activities	-85	-67	-251	-464
Financing activities				
New share issue	-	-	273	-
Warrants	10	-4	6	-4
Dividend	-486	-680	-967	-1 359
Debt repaid/new loans	-320	-22	-992	1 227
Cash flow from financing activities	-796	-706	-1 679	-136
Net cash flow	-605	-663	-80	16
Cash and cash equivalents at beginning of period	704	841	176	149
Effect of exchange rates on cash and cash equivalents	-5	-3	-2	11
Cash and cash equivalents at end of period	94	176	94	176

Condensed Parent Company Income Statement

	Oct - Dec		Jan - Dec	
	2023	2022	2023	2022
Other operating revenue	5	5	21	21
Administrative expenses	-24	-8	-84	-46
Operating income	-18	-3	-62	-24
Result from Shares in Subsidiaries	600	650	600	650
Interest income- and expense	-6	-10	-14	-18
Income after financial items	575	637	524	608
Appropriations	120	85	120	85
Net income before taxes	695	722	644	693
Taxes	-21	-15	-9	-9
Net income	674	707	634	684

Condensed Parent Company Balance Sheet

	Dec 31	Dec 31
	2023	2022
Assets		
Financial fixed assets	4 530	5 438
Total fixed assets	4 530	5 438
Other current receivables	731	748
Cash and cash equivalents	0	0
Total current assets	731	748
Total assets	5 261	6 186
Equity and liabilities		
Equity	1 734	1 786
Other provisions	32	28
Liabilities to credit institutions	1 903	2 812
Liabilities to Group companies	0	0
Total long-term liabilities	1 935	2 841
Liabilities to credit institutions	0	0
Liabilities to Group companies	1 546	1 540
Other current liabilities	46	20
Total short-term liabilities	1 592	1 559
Total equity and liabilities	5 261	6 186

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 2023 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	
	2023	2022	2023	2022
Sales to customers	1 566	1 651	9 132	10 138
- Region Europe & RoW	1 047	1 103	6 682	7 091
- Region Americas	519	548	2 450	3 047
EBITDA	119	59	1 763	1 906
Depreciation/amortization on fixed assets	-65	-56	-259	-200
Operating income	53	4	1 505	1 706
Net interest expense/income	-22	-21	-84	-59
Taxes	-8	1	-321	-373
Net income	24	-16	1 099	1 275

All revenue is recognized at one point in time.

Note 3 Fair value of financial instruments

	Fair Value	
	Dec 31	Dec 31
	2023	2022
Assets - Financial derivatives		
Currency forward contracts	58	10
Currency swaps	5	4
Currency options	0	0
Interest rate swaps	12	35
Total derivative assets	75	48
Liabilities - Financial derivatives		
Currency forward contracts	-11	-27
Currency swaps	-24	-2
Currency options	0	0
Interest rate swaps	-7	0
Total derivative liabilities	-41	-29

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, higher inflation and higher interest rates as well as geopolitical concern has led to uncertainty that makes it difficult to predict how demand and the total cost base will be impacted.

Key figures

	Oct - Dec		Jan - Dec	
	2023	2022	2023	2022
Net sales, SEKm	1 566	1 651	9 132	10 138
Net sales growth, %	-5.2%	-10.6%	-9.9%	-2.4%
Net sales growth, adjusted % ¹	-5.6%	-21.0%	-15.2%	-9.7%
Gross margin, %	37.2%	31.5%	40.9%	38.1%
Operating income (EBIT), SEKm	53	4	1 505	1 706
Operating margin, %	3.4%	0.2%	16.5%	16.8%
Earnings per share, SEK	0.23	-0.15	10.45	12.19
Equity ratio, %	62.5%	56.1%	62.5%	56.1%
Leverage ratio	1.1	1.5	1.1	1.5

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 period time period if that growth rate was the same each years 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

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 without the influence of, for example, acquisitions.

Net sales growth, currency adjusted

Net sales growth adjusted for currency effects.

Net debt

Gross debt less cash and cash equivalents. Gross debt is the total of long- and shortterm 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	
	2023	2022	2023	2022
Organic growth, currency-adjusted				
Change in net sales, %	-5.2	-10.6	-9.9	-2.4
Exchange rate fluctuations, %	-0.5	-10.4	-5.2	-7.3
Net sales, currency-adjusted growth, %	-5.6	-21.0	-15.2	-9.7
Structural changes, %	-	-	-	-
Organic growth, %	-5.6	-21.0	-15.2	-9.7
EBITDA				
Operating income (EBIT), SEKm	53	4	1 505	1 706
Reversal of depreciation/amortization, SEKm	65	56	259	200
EBITDA, SEKm	119	59	1 763	1 906
Net debt				
Long-term interest-bearing liabilities, gross, SEKm	2 033	2 986	2 033	2 986
Derivative liabilities, long-term, SEKm	7	1	7	1
Short-term interest-bearing liabilities, SEKm	102	79	102	79
Derivative liabilities, short-term, SEKm	34	28	34	28
Capitalized financing costs, SEKm	-2	-3	-2	-3
Accrued interest, SEKm	1	2	1	2
Gross debt, SEKm	2 175	3 092	2 175	3 092
Derivative assets, SEKm	-75	-48	-75	-48
Cash and cash equivalents, SEKm	-94	-176	-94	-176
Net debt, SEKm	2 006	2 868	2 006	2 868
Leverage ratio				
Net debt, SEKm	2 006	2 868	2 006	2 868
EBITDA LTM, SEKm	1 763	1 906	1 763	1 906
Leverage ratio	1.1	1.5	1.1	1.5
Equity ratio				
Equity, SEKm	6 849	6 553	6 849	6 553
Total assets, SEKm	10 966	11 679	10 966	11 679
Equity ratio (%)	62.5	56.1	62.5	56.1

Financial calendar

Interim report January–March 2024

April 26, 2024

Thule Group AGM (Malmö)

April 26, 2024

Interim report April–June 2024

July 17, 2024

Interim report July–September 2024

October 23, 2024

Thule Group's Annual Report will be available at www.thulegroup.com from the week commencing April 1, 2024.

Contacts

Fredrik Erlandsson, Senior Vice President Communications and IR

Tel: +46 (0)70-309 00 21, e-mail: fredrik.erlandsson@thule.com

Toby Lawton, CFO

Tel: +46 (0)702 42 29 47, e-mail: toby.lawton@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), **Juvenile & Pet Products** (car seats, strollers, bike trailers, child bike seats and dog transport), **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 2023, sales amounted to SEK 9.1 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