

# 2023/Q4 Report

2024-02-09

Mattias Ankarberg, CEO  
Toby Lawton, CFO



**Thule Group** >>

# 2023/Q4 and FY results – Solid performance in a tough market

## 2023/Q4 – Solid results in a tough market

- Sales of SEK 1,566m (1,651) -5.6% FX adjusted
  - Region Europe & RoW -7.1% FX adjusted
  - Region Americas -2.4% FX adjusted
  - New Thule products drive growth also in a tougher market
- EBIT at SEK 53m (4)
  - EBIT margin at 3.4% (0.2%)
- Cash flow from operating activities at SEK 276m (110)

## 2023 Full Year – Record cash flow

- Sales of SEK 9,132m (10,138) -15.2% FX adjusted
  - Region Europe & RoW -11.9% FX adjusted
  - Region Americas -22.9% FX adjusted
  - H1 sales -17% (-24% FX adjusted)
  - H2 sales 2% (-2% FX adjusted)
- EBIT at SEK 1,505m (1,706)
  - EBIT margin at 16.5% (16.8%)
- Cash flow from operating activities at SEK 1,850m (616)
- Proposed ordinary dividend of SEK 9.50 (9.20) per share

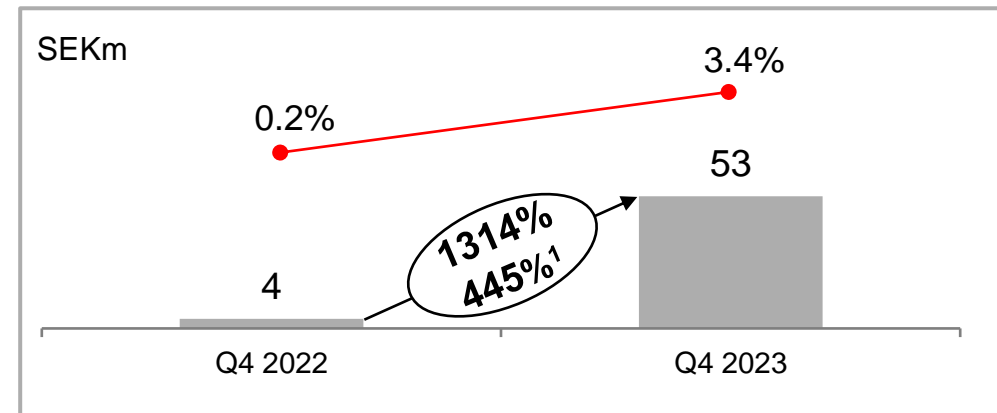
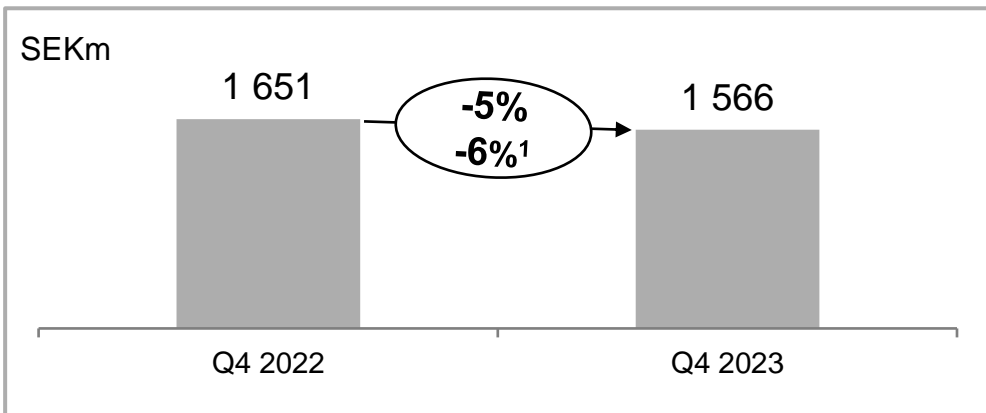


# 2023/Q4 – Net Sales and EBIT development

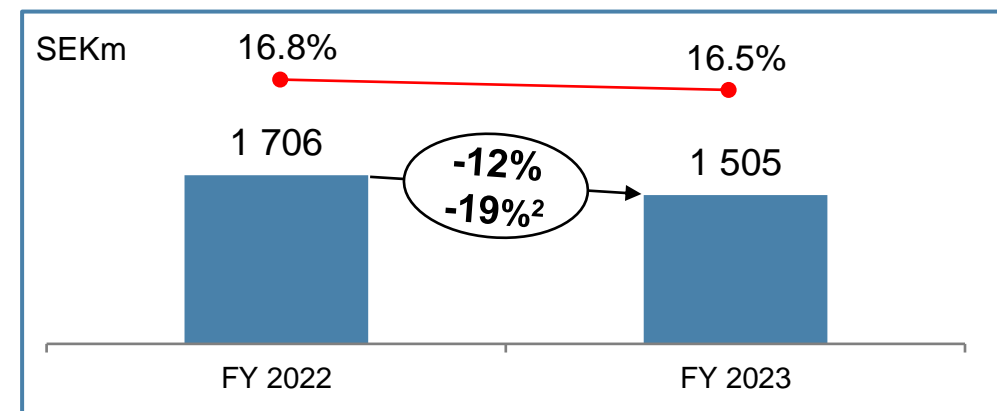
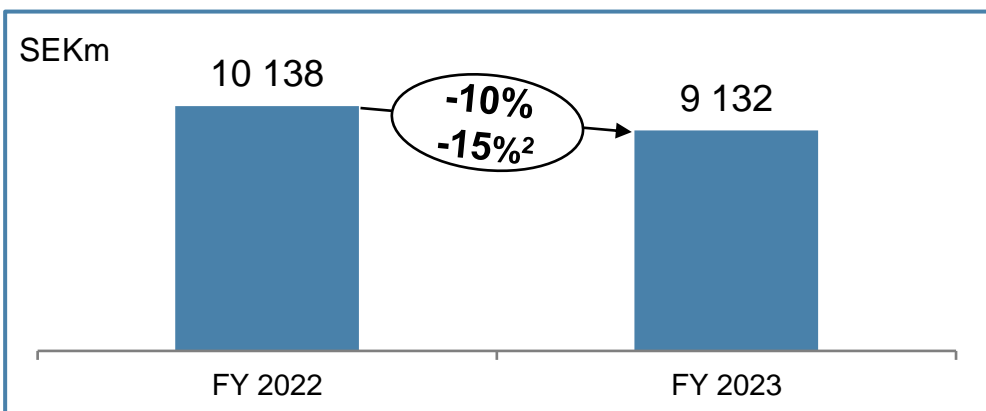
## Reported Net Sales

## EBIT and Margin

Q4



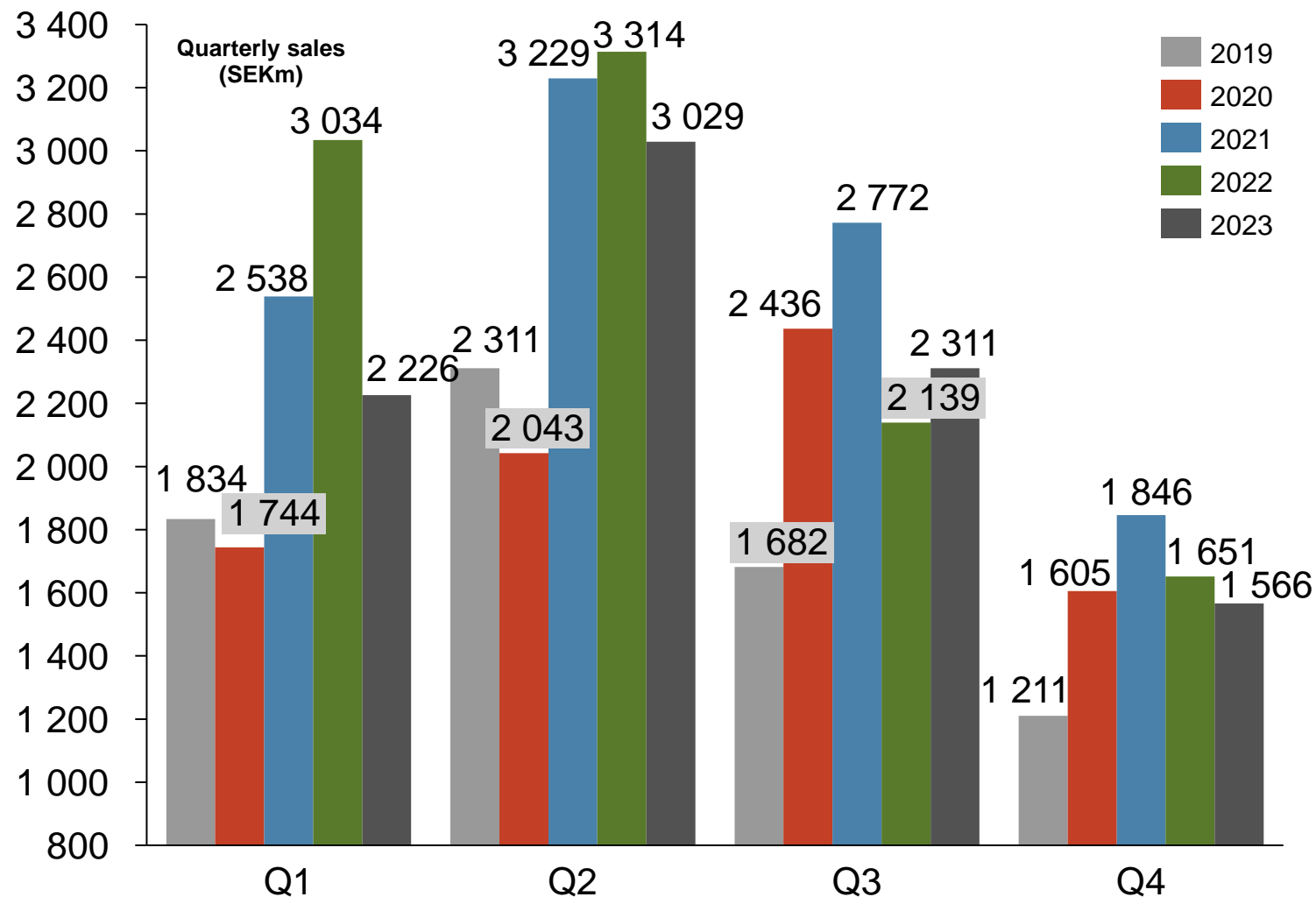
FY



<sup>1</sup> Constant currency adjustment based on average FX rates 1 October 2023 – 31 December 2023.

<sup>2</sup> Constant currency adjustment based on average FX rates 1 January - 31 December 2023.

# 2023/Q4 – Continued trend of strong bike related growth, RV decline



## 2023/Q1 – weak vs. extreme 2022, ok vs. 2019

- -27% vs 2022/Q1 (reported currency)
- -31% vs 2022/Q1 (Fx adjusted)
- +12% vs 2019/Q1 (Fx adjusted)

## 2023/Q2 – weak vs. extreme 2022, good vs. 2019

- -9% vs 2022/Q2 (reported currency)
- -15% vs 2022/Q2 (Fx adjusted)
- +23% vs 2019/Q2 (Fx adjusted)

## 2023/Q3 – ok vs. weak 2022, good vs. 2019

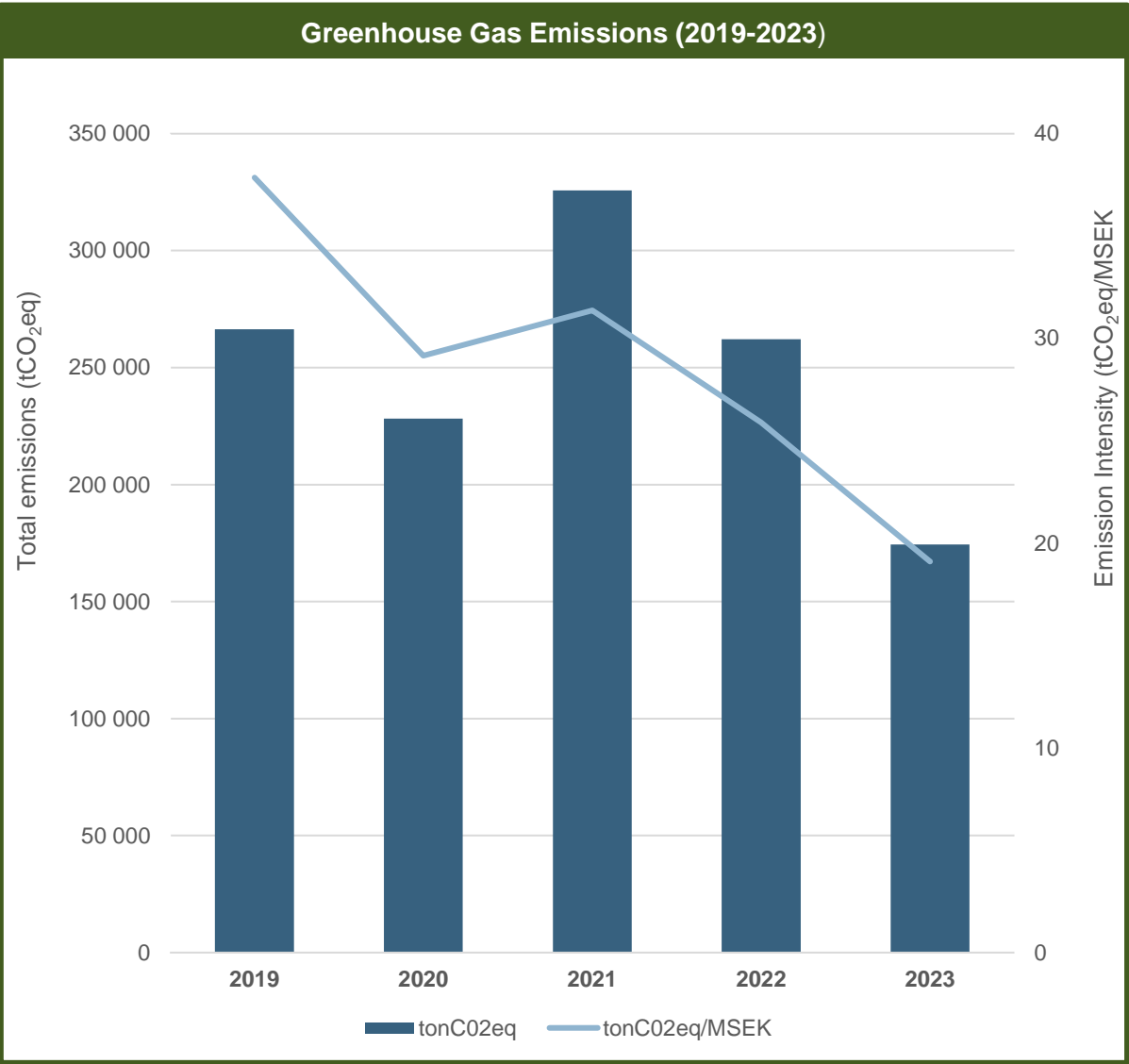
- +8% vs 2022/Q3 (reported currency)
- +1% vs 2022/Q3 (Fx adjusted)
- +24% vs 2019/Q3 (Fx adjusted)
- Strong growth from bike related, RV declines

## 2023/Q4 – decline vs. 2022, good vs. 2019

- -5% vs 2022/Q4 (reported currency)
- -6% vs 2022/Q4 (Fx adjusted)
- +21% vs 2019/Q4 (FX adjusted)
- Strong growth from bike related, but low share of sales in Q4
- RV declines, drives more than all of decrease vs 2022



# Sustainability: Significantly reduced emissions in 2023



SCIENCE  
BASED  
TARGETS

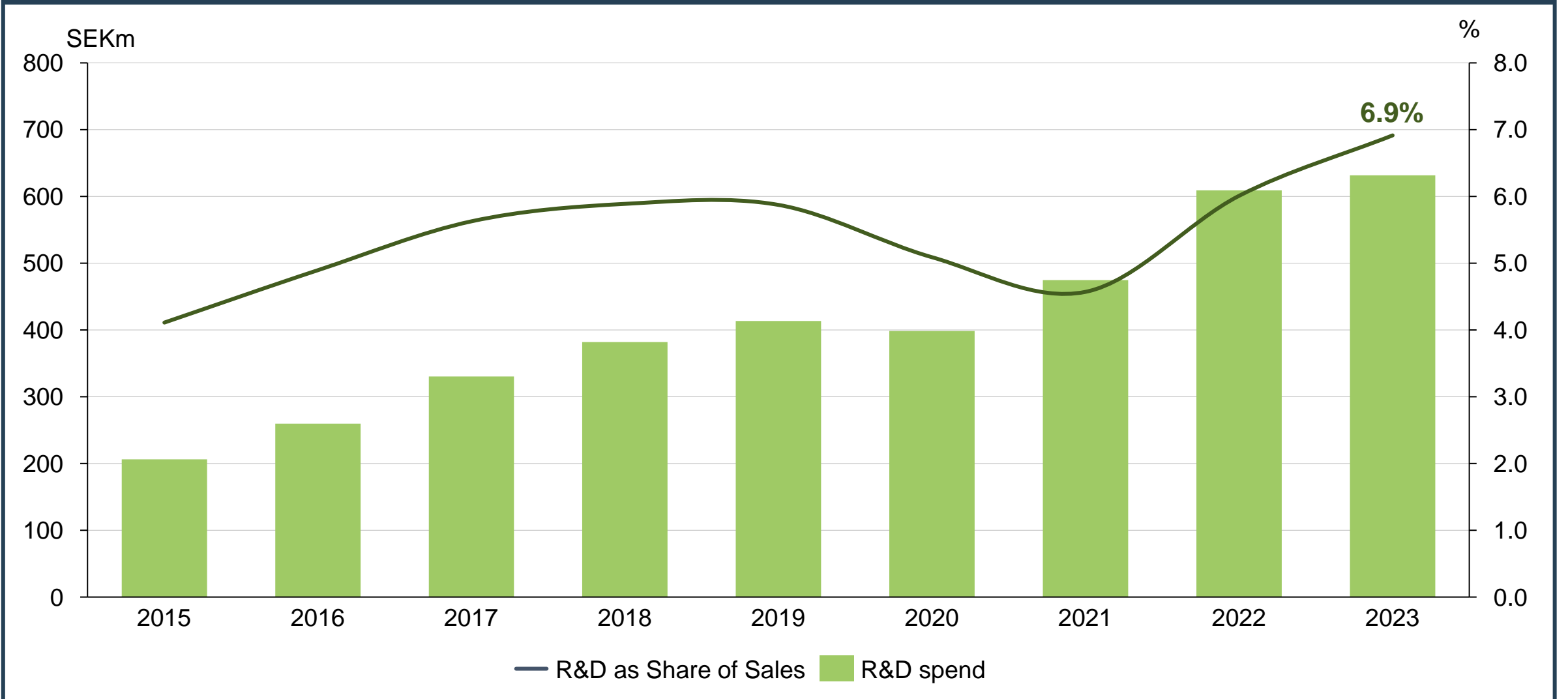
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**BUSINESS  
AMBITION FOR 1.5°C**



# Continued investment in the product portfolio

Product Development spend as share of sales (2015-2023)



# 2023/Q4: Reported income statement

	Q4		Full year	
	2023	2022	2023	2022
Net sales	1 566	1 651	9 132	10 138
Cost of goods sold	-983	-1 131	-5 395	-6 279
<b>Gross income</b>	<b>583</b>	<b>520</b>	<b>3 737</b>	<b>3 859</b>
<i>Gross margin, %</i>	37.2%	31.5%	40.9%	38.1%
Selling expenses	-439	-413	-1 820	-1 768
Administrative expenses	-90	-104	-412	-385
<b>Operating income</b>	<b>53</b>	<b>4</b>	<b>1 505</b>	<b>1 706</b>
<i>EBIT margin, %</i>	3.4%	0.2%	16.5%	16.8%
Net interest expense/income	-22	-21	-84	-59
<b>Income before taxes</b>	<b>31</b>	<b>-17</b>	<b>1 420</b>	<b>1 647</b>
Taxes	-8	1	-321	-373
<b>Net income</b>	<b>24</b>	<b>-16</b>	<b>1 099</b>	<b>1 275</b>

Sales decline in the quarter by 5.2%

- Decline of 5.6% FX adjusted

Gross margin Q4 improved to 37.2% (31.5%)

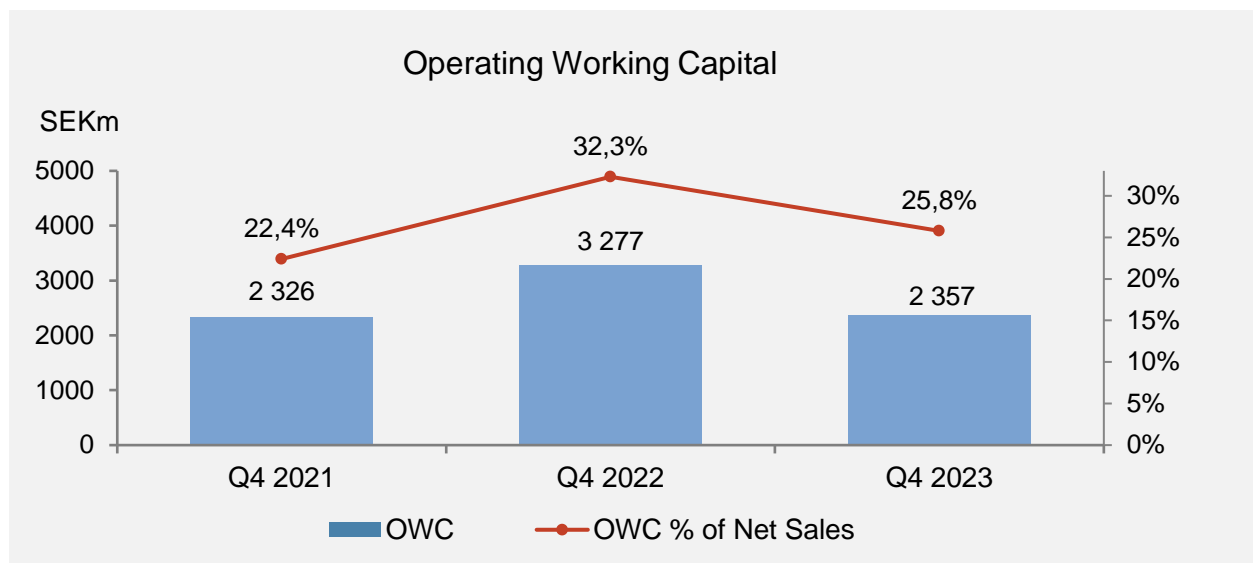
- Lower material cost
- Lower freight cost
- Favorable product mix
- FY Gross margin improved to 40.9% (38.1%)

EBIT margin Q4 3.4% (0.2%)

- Seasonally low sales in the Q impact EBIT
- Selling expenses increased by SEK 26m driven by new product launches and higher DTC
  - Continuing to invest in R&D, FY 6.9% (6.0%) of sales
- Admin expenses reduced by SEK 14m
- FY EBIT margin 16.5% (16.8%), better gross margin offset by lower fixed cost coverage

Effective tax rate for full year 22.6% (22.6%)

# 2023/Q4: Working capital and Cash Flow

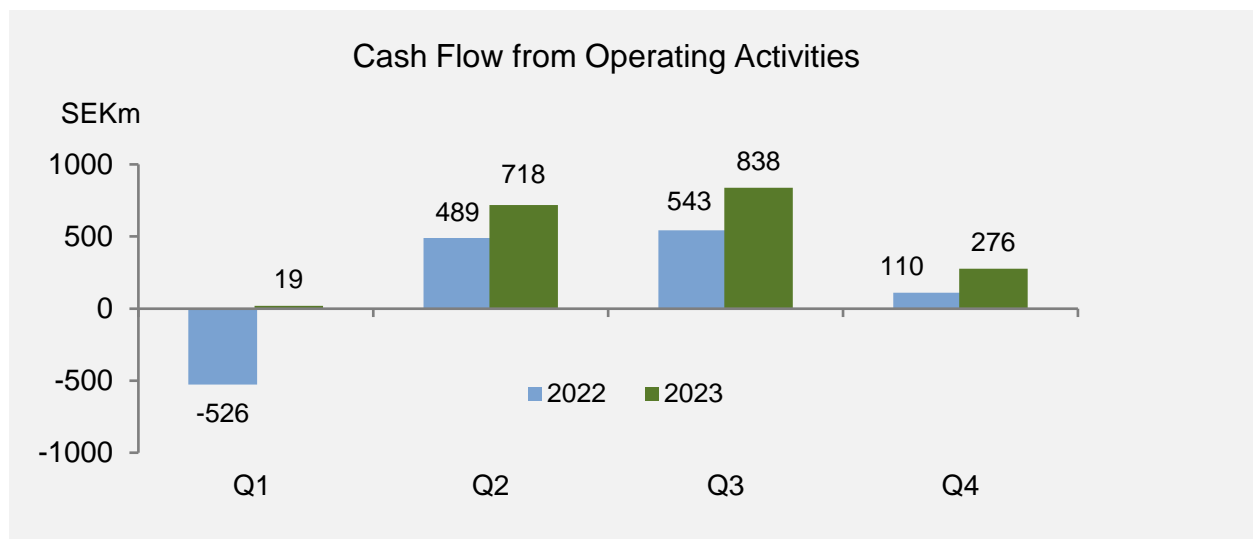


## Operating Working Capital

- Operating working capital, 31 December 2023:
  - Inventory: SEK 2,300m (3,129)
  - Accounts receivable: SEK 706m (723)
  - Accounts payable: SEK 649m (576)

## Inventory down by SEK 800m in 2023

- Ahead of 2023 target of SEK 600m reduction
- Further inventory reduction of SEK 200m targeted in 2024
- Total reduction of SEK 1b over two years



## Cash Flow from Operating Activities

- Q4 cash flow from operating activities SEK 276m (110)
  - Increase of SEK 166m vs PY
  - Operating receivables reduction (seasonal) SEK 302m (201)
- 2023 full year cash flow from operating activities SEK 1,850m (616)
  - Increase of SEK 1,234m vs PY
  - Inventories reduction SEK 801m (-412)



# 2023 FY: Despite better second half, all product categories decline full year

Sport&Cargo Carriers



RV Products



Packs, Bags & Luggage



Juvenile & Pet



Share of Thule Group Sales 2023/FY (2022/FY)

<b>59%</b> (62%)	<b>19%</b> (18%)	<b>10%</b> (9%)	<b>12%</b> (11%)
---------------------	---------------------	--------------------	---------------------

Share of Regional Sales 2023/FY (2022/FY)

Europe&RoW	Americas	Europe&RoW	Americas	Europe&RoW	Americas	Europe&RoW	Americas
<b>55%</b> (57%)	<b>69%</b> (70%)	<b>26%</b> (24%)	<b>2%</b> (5%)	<b>6%</b> (6%)	<b>19%</b> (17%)	<b>13%</b> (13%)	<b>10%</b> (8%)

Sales Growth 23/FY vs 22/FY (Constant Currency)

<b>-19%</b>	<b>-11%</b>	<b>-9%</b>	<b>-8%</b>				
<b>-16%</b>	<b>-24%</b>	<b>-6%</b>	<b>-69%</b>	<b>-7%</b>	<b>-11%</b>	<b>-7%</b>	<b>-14%</b>



# Sport&Cargo Carriers – Return to growth second half 2023

- 2023 FY: Decline of -19% FX adjusted
- 2023 – Weak full year, good growth during second half
  - Weak first half, strong second half driven by bike carrier growth
  - Bike racks – back to growth H2 2023
    - Weak H1 vs strong comparables
    - Strong growth during H2 as retail inventories back to healthy levels
    - Thule Epos, our new most premium bike rack, drives strong growth
  - Cargo (boxes, baskets) – decline vs. very strong 2022, still very good vs. pre-pandemic levels
  - Roof racks – decline full year, good growth during H2
  - Roof top tents – continued strong growth
- 2024 – Upgrading our market leading best sellers
  - Bike retail inventories back to healthy levels
  - Thule Motion Gen 3 – introducing next generation of the world's most sold roof top box
  - Thule Verse – replacing our best-selling US bike carrier with our most premium hitch mounted bike carrier so far
  - Full year of Thule Epos during 2024





# RV Products – Expected RV industry decline materialized second half year

- 2023 FY: Decline of -11% FX adjusted
- 2023 – Expected decline materialized during second half
  - Good growth during first half driven by backlog order production
  - Smaller vans continue to win with younger active consumers
  - European RV industry as expected entering weaker period starting Q3 2023
    - RV is Thule Group's only exposure to historically cyclical industry
    - Aftermarket sales weak as of H2 2023 – consumer interest still high, but higher prices and financial constraints hold back consumer orders
    - OEM sales continued solid also H2 2023
  - Americas sales decline sharply, small niche category for Thule
- 2024 – Continued challenging market segment, more new Thule products than ever with very positive trade reception
  - OE production of new models will add growth
  - Expect continued cautious consumers also in coming period
  - Thule Sidehill – world's first removable awning
  - Thule VeloTrack – rear door bike carrier with e-bike capacity
  - Thule Veloswing – van towbar that swings aside for easy and full rear door access, even with e-bikes loaded



# Juvenile & Pet Products – Growth second half 2023, two new categories 2024

- 2023 FY: Decline of -8% FX adjusted
- 2023 – Return to growth during second half
  - Multi-sport and bike trailers: e-bike and bike commuting trend continues, return to good growth second half as bike retail inventory back to healthy levels
  - Strollers: challenging year with very cautious juvenile retailers, restructurings and bankruptcies in both Europe and N. America
  - Child bike seats: return to growth during second half, new premium Thule products add to growth
- 2024 – Upgrading best sellers, entering new categories
  - Bike retail back to healthy inventory levels
  - Thule Chariot Gen 3 – the best child bike trailer just got better
  - Thule Urban Glide Gen 3 – updating our award-winning all-terrain stroller
  - Thule Allax – car crate designed to protect both dog and people
  - Thule Bexey – Thule’s first dog bike trailer
  - Thule car seats – safety starts at installation – multi-year effort to launch Thule level premium car seat, launch in European markets starting Q2 2024





# Packs, Bags & Luggage: Strong Thule branded growth, OE/legacy declines

- 2023 FY: Decline of -9% FX adjusted
- 2023 – Thule branded bags & luggage continues to grow
  - Everyday bags: continued strong Thule backpack growth
  - Luggage: continued Thule branded growth, with strong collections and better inventory levels at retail
  - Sport bags & tech packs: steady improvement in bike-related throughout the year, as retail inventory levels improve
  - Particularly strong Thule-branded growth in Asia
  - Legacy (camera bags, tablet folios, non-Thule branded, etc.): continued phase-out and planned sales decline
- 2024 – Favorable trends and new strong collections
  - Positive travel and “work from anywhere” trends continue
  - Laptop hardware shipments picking up throughout 2023
  - Bike retail inventory back to healthy levels
  - Thule Subterra Gen 2 – refreshing our leading luggage family
  - Thule Paramount – innovative 2-in-1 bike pannier & everyday backpack
  - Thule Chasm – refreshing our popular duffel bags
  - Continued phase out of non-Thule branded legacy product



# Exciting year ahead – more new product launches than ever

- More new products than ever coming in 2024!
- Upgrading several of our bestsellers
  - Thule Motion Gen 3 – updating the world’s most sold roof top box
  - Thule Urban Glide Gen 3 – our award-winning all-terrain stroller
  - Thule Chariot Gen 3 – our best child bike trailer just got better
  - Thule Verse – upgrading our best-selling US bike carrier
  - Thule Subterra Gen 2 – refreshing our leading luggage family
- Launching new innovations in existing categories
  - Thule Outset – world’s first tow-bar mounted tent
  - Thule Sidehill – world’s first removable awning
- Entering two new categories
  - Thule Allax – dog crate designed to protect both dog and people
  - Thule Bexey – Thule’s first dog bike trailer
  - Thule car seats – safety starts at installation



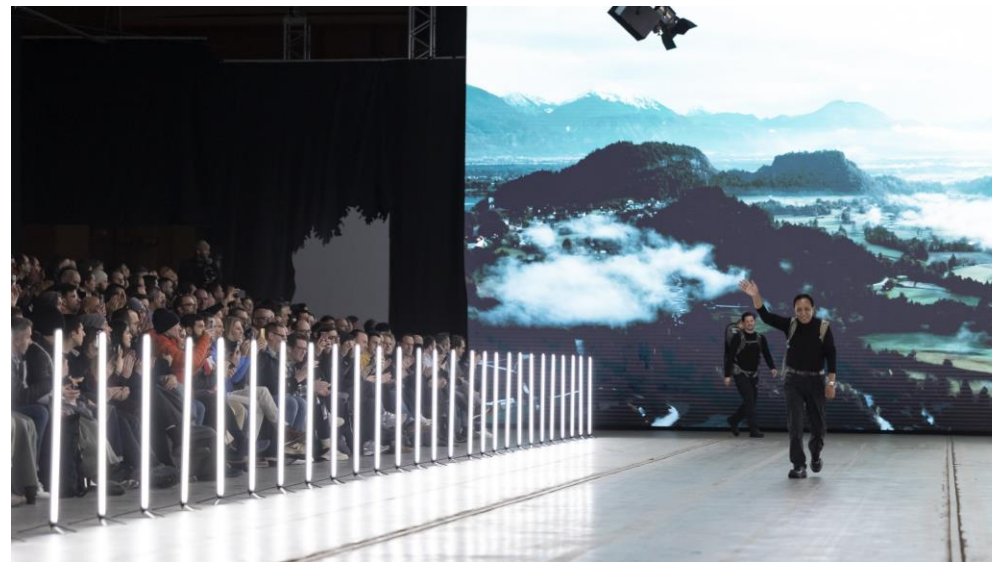
*Thule Motion XT3, launch April 2024*



*Thule Allax, launched Jan 31, 2024*



# Global Thule brand event support launches with top media visibility into 2024



# Focus 2024: Continue to drive long term growth strategy

- Thule's future is bright – building on unique strengths
  - Market tailwind – more people want to live active lives
  - Very strong market positions – global leaders in our key categories
  - **Investment in** capabilities for innovation and quality – increase competitiveness, drive market growth and take market share
- Expect mixed market dynamics to continue in 2024
  - Cautious retailers and consumers at start of 2024
  - Positive: Bike retail back to healthy inventory levels of Thule products
  - Negative: Expect continued challenging RV market coming period
- Clear priorities for 2024 – focus on sales growth and inventory
  1. Continue focus on product development – more product launches than ever before in 2024
  2. Increase focus on winning in more categories at the same time – entering both dog transportation and car seats in 2024
  3. Increase focus on consumer visibility – more focus on end consumer, show more to sell more, continue to drive DTC momentum
  4. Increase supply chain efficiency – discontinue external warehouse services to reduce costs, reduce inventory levels further SEK 200m









# Disclaimer

- This presentation has been prepared by Thule Group AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements.
- This presentation may contain various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

[www.thulegroup.com](http://www.thulegroup.com)

**Thule Group**»

ACTIVE LIFE, SIMPLIFIED.