



2023/Q3 Report

2023-10-27

M. Ankarberg, CEO

J. Lindqvist, CFO

Introducing new CEO, Mattias Ankarberg

Mattias Ankarberg started as CEO Aug 9, 2023

- +20 years in consumer industry
 - McKinsey & Company, based in Sweden and US
 - H&M Group, last role as Global Head of Sales & Marketing
 - Byggmax Group, CEO
- 5 years as board member at Thule Group
- Enjoys active lifestyle (and big consumer of Thule products)
- Full of energy and happy to be onboard full time!



Summary 2023/Q3: Good profitability in a tough market

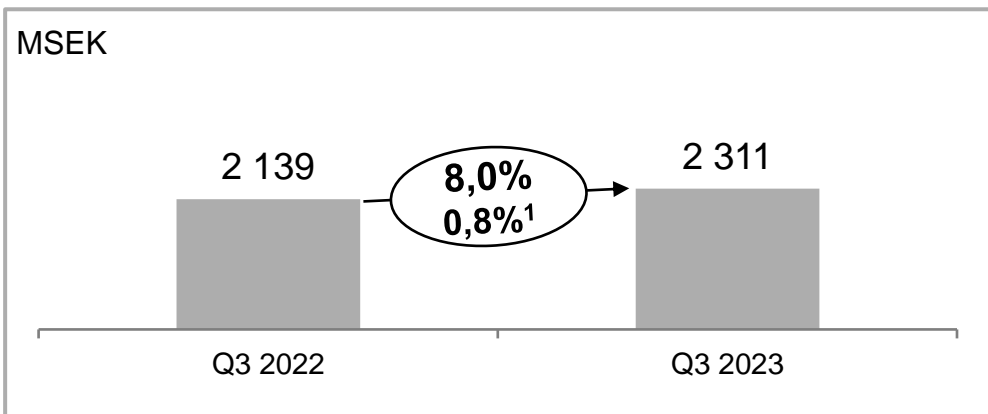
- Sales of 2,311 MSEK (2,139) +1% Fx adjusted vs PY
 - Region Europe & RoW 1,689 MSEK (1,418) +8% Fx adj.
 - Region Americas 721 MSEK (850) -15% Fx adj.
 - Previous trend of increased consumer optimism reversed during autumn, particularly in North America
 - New Thule products drive growth also in a tougher market
- Gross margin improves +5.8%-points to 39.7% (33.9)
 - Strong gross margin, also compared to pre-pandemic 2019
 - Positive product and channel mix effects
 - Still underutilized production capacity
- EBIT margin improves +6.5%-points to 15.5% (9.0)
 - EBIT of 359 MSEK vs 193 MSEK PY
- Operational cash flow +838 MSEK (+543)
 - Highest ever operational cash flow for a quarter
 - Inventory levels continue to decline, in line with earlier communicated plan



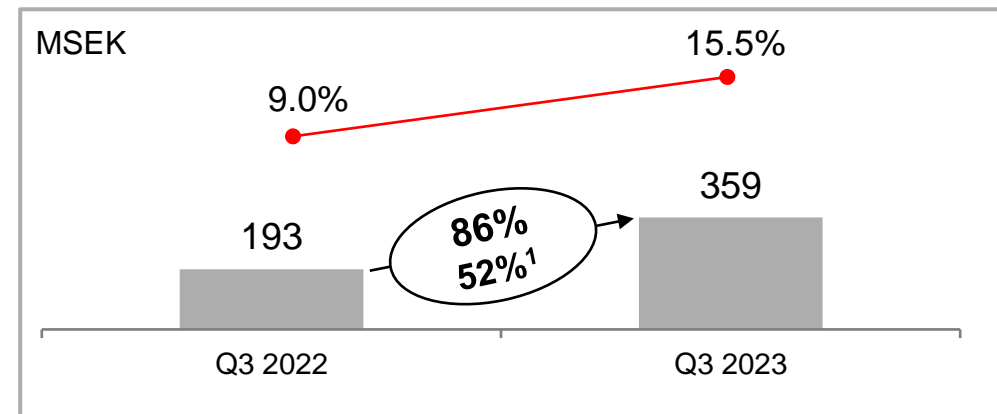
2023/Q3: Net Sales and EBIT development

Q3

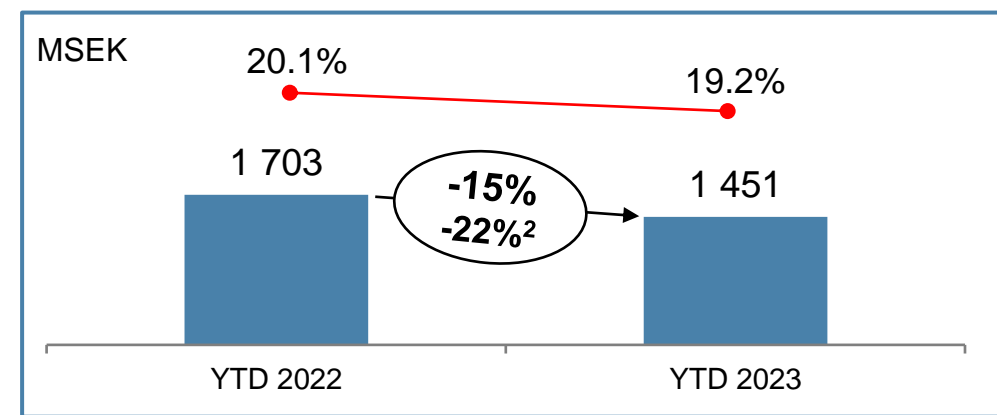
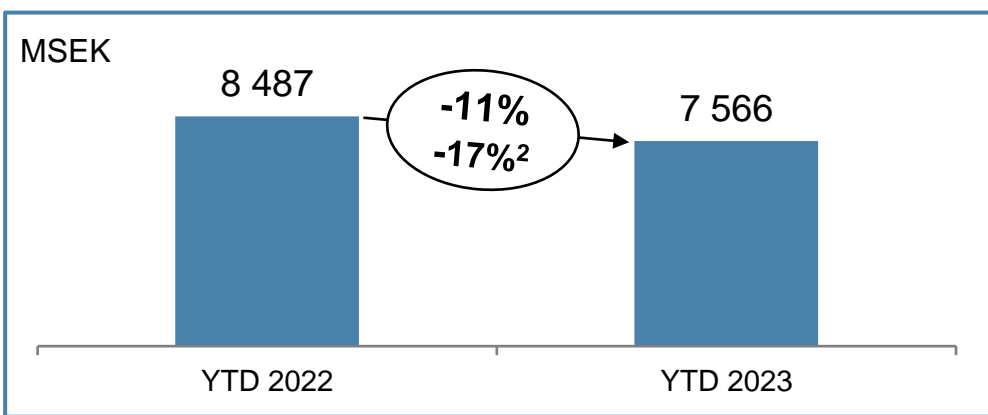
Reported Net Sales



EBIT and Margin



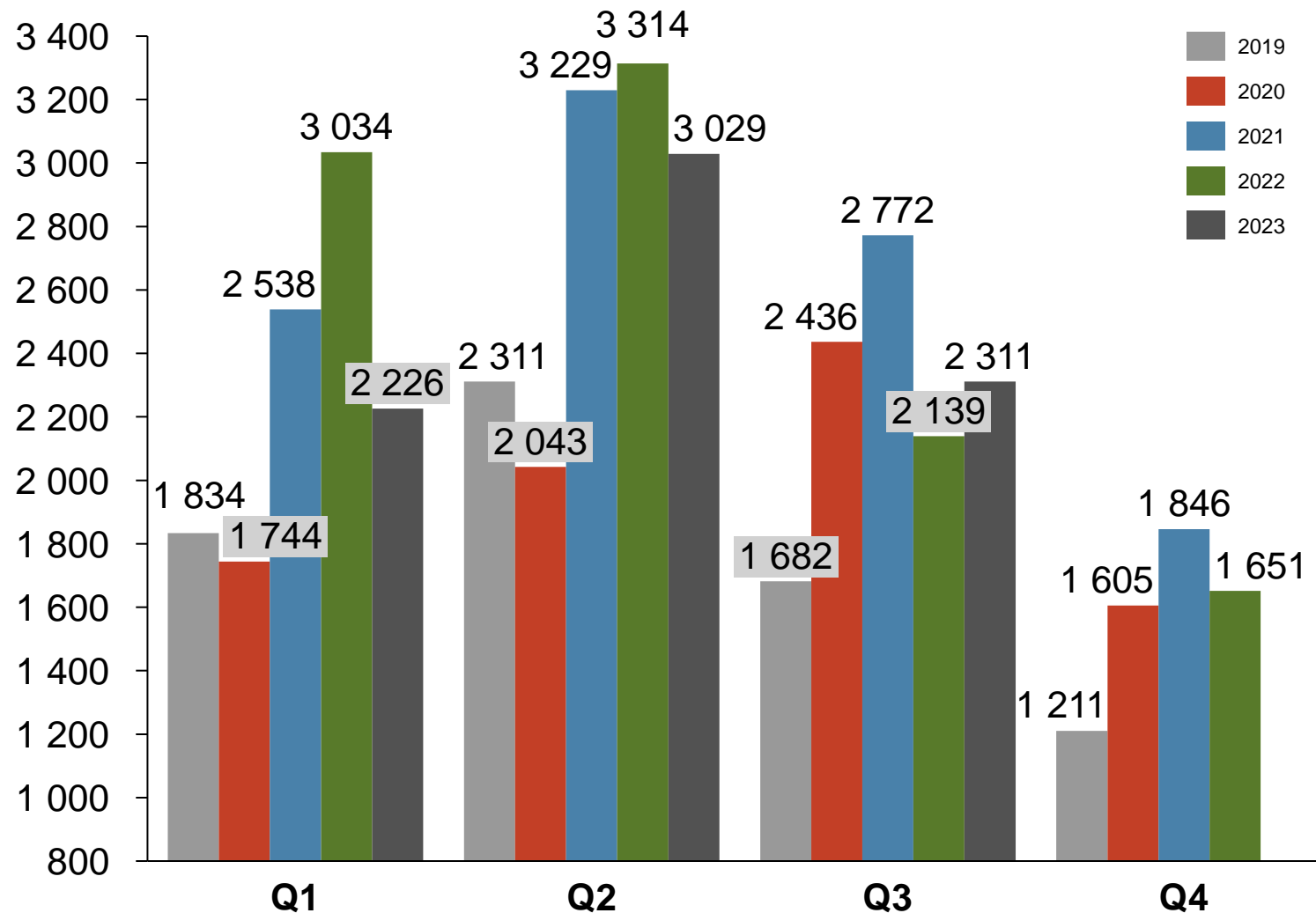
YTD



¹ Constant currency adjustment based on average FX rates 1 July 2023 – 30 Sep 2023.

² Constant currency adjustment based on average FX rates 1 January - 30 Sep 2023.

Thule Group Sales by Quarter (Reported currency)



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/Q2 (reported currency)
- +1% vs 2022/Q2 (Fx adjusted)
- +24% vs 2019/Q2 (Fx adjusted)

2023/Q3 sales development a mixed picture

- + Premium bike is back – strong growth from bike related
- + Europe generally performs well, except RV
- RV declines
- North America declines

Region Europe & RoW: Premium bike is back, RV declines

- **2023/Q3 Net sales 1,689 MSEK (1,418)**
+8% increase (constant currency) vs PY
- Strong growth from premium bike related products
 - Bike retailer inventory of Thule products generally back to healthy levels
 - New products, e.g., our most premium bike carrier Thule Epos, add growth
- Europe generally performs well, except RV
 - Solid performance in Sports & Cargo Carries also outside bike carriers
 - Juvenile & Pet delivers good growth in multi-sport & bike trailers
 - Smallest category, Packs, bags & luggage, continue to see good growth from Thule branded collections
 - Overall strongest sales performance in premium segment
- RV Products decline double digit
 - Continued growth to OE/vehicle outfitters still delivering on order backlog
 - However not enough to offset decline in after market sales
 - RV Products is our only exposure to a historically cyclical market segment
- DTC (direct to consumer) sales continued to grow from small base
- Strongest market performance in Germany and the Nordics, while France declines with cautious large retail chains



Region Americas: North American consumers less optimistic

- **2023/Q3 Net sales 721 MSEK (850)**
-15% decrease (constant currency) vs PY
- North American consumers' optimism decreasing during autumn
- In addition, comparables tougher for Region Americas
 - Europe & RoW Q3/2022 vs Q2/20219 +20% (constant currency)
 - Americas Q3/2022 vs 20219 +38% (constant currency)
- Bike related products return to growth
 - Large retail chains generally back to healthy Thule product inventory levels
 - Still overstock at many smaller independent retailers
- All product categories decline vs PY, except Juvenile & Pet
 - Sports & Cargo Carriers decline, although bike carriers increase
 - Luggage and duffels continue to grow in Packs, bags & luggage, but overall decline impacted by earlier strategic decision to phase out OE business
 - Juvenile & Pet growth driven by strollers and child bike seats
 - Small niche RV Products category continued weak in tough market
- DTC (direct to consumer) sales continued to grow
- North American markets USA and Canada drive the decline, with good continued growth in Brazil



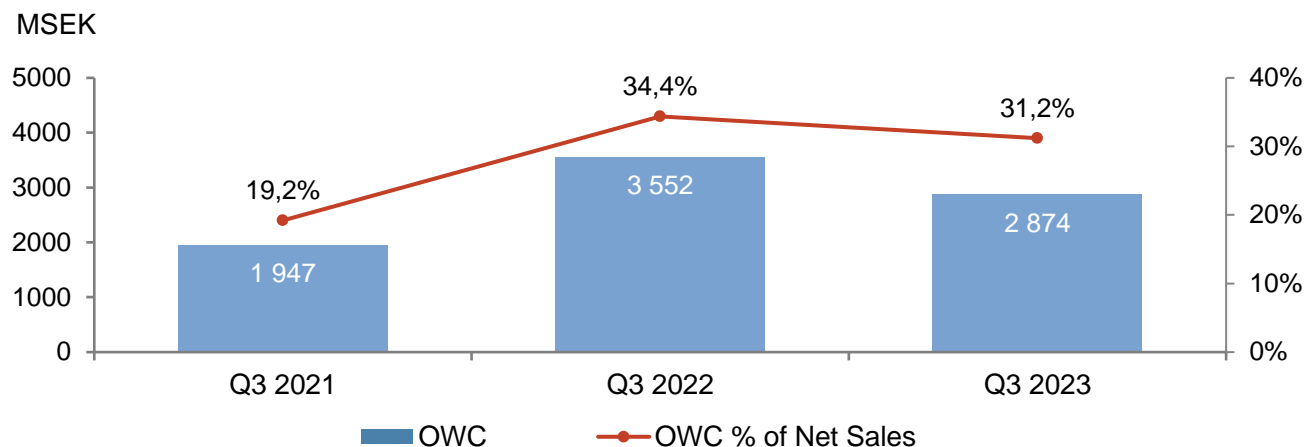
2023/Q3 Reported income statement

	Q3		Jan - Sep			Full-year
	2023	2022	2023	2022	LTM	2022
Net sales	2 311	2 139	7 566	8 487	9 217	10 138
Cost of goods sold	-1 393	-1 415	-4 412	-5 148	-5 543	-6 279
Gross income	918	724	3 154	3 339	3 674	3 859
<i>Gross margin, %</i>	39,7%	33,9%	41,7%	39,3%	39,9%	38,1%
Selling expenses	-455	-439	-1 381	-1 355	-1 793	-1 768
Administrative expenses	-104	-92	-322	-282	-426	-385
Operating income	359	193	1 451	1 703	1 455	1 706
<i>EBIT margin, %</i>	15,5%	9,0%	19,2%	20,1%	15,8%	16,8%
Net interest expense/income	-30	-17	-62	-38	-83	-59
Income before taxes	329	177	1 389	1 665	1 372	1 647
Taxes	-67	-39	-314	-374	-313	-373
Net income	262	137	1 075	1 291	1 059	1 275

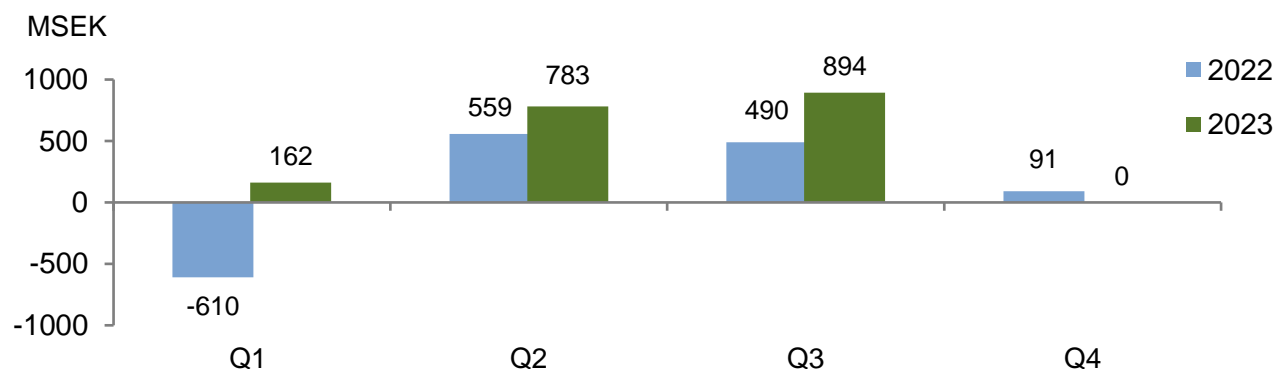
- Sales increase in the quarter by 8%
 - +1% in constant currency
- Gross margin 39.7% (33.9%)
 - Lower freight cost
 - Lower material cost
 - Favorable product mix
 - Higher production OH
- EBIT-margin 15.5% (9.0%)
 - SG&A-increase by 28 MSEK (from 531 MSEK to 559 MSEK) but only +1% in constant currency
 - EBIT-margin in the quarter slightly higher than before the pandemic despite ambitious product development and unutilized production capacity
- Tax rate is 22.6% (22.5%) YTD

2023/Q3 Working capital and Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

- Reduction in operating working capital in the quarter compared with same period last year driven by substantial reduction in inventory
- Operating working capital, 30 Sep. 2023:
 - Inventory: 2 315 MSEK (3 140)
currency effect +36 MSEK
 - Accounts receivables: 1 074 MSEK (1 034)
currency effect +15 MSEK
 - Accounts payable: 515 MSEK (622)
currency effect +18 MSEK
- Currency effect +33 MSEK vs prior year – OWC excl currency impact is 30,8%
- Inventory changed since last quarter by -376 MSEK (-8)

Operational Cash Flow

- Q3 operational cash flow 894 MSEK (490), an increase by 404 MSEK vs PY
 - Inventory 360 MSEK (103)
 - CapEx -59 MSEK (-116) in the quarter

More new product launches than ever in 2024

- Expect mixed picture market dynamics to continue
 - Positive: Bike retail in particularly Europe back to healthy Thule inventory
 - Negative: Expect continued challenging RV market in coming year, North American consumer less optimistic
 - Q4/2023 historically seasonally smallest quarter, with higher share of sales from RV, lower from bike related
- New Thule products drive growth also in a tougher market
- We have more new products than ever coming to retail in 2024!
 - Thule Allax – Thule’s first car trunk dog crate, designed for maximum safety
 - Thule Urban Glide Gen 3 – updated award-winning all-terrain stroller
 - Thule Verse – replacing our best-selling US bike carrier
 - Thule Outset – world’s first tow-bar mounted tent
 - Thule Paramount – innovative 2-in-1 bike pannier & everyday backpack
 - Thule Subterra Gen 2 – refreshing our leading luggage family
 - Thule Chariot Gen 3 – our best child bike trailer just got better
 - Thule car seats – launched in Europe summer 2024
 - Thule Motion Gen 3 – updating our leading roof box
 - Thule Bexey – Thule’s first dog bike trailer
 - Thule Veloswing – van towbar that swings aside for easy door access
 - Thule Sidehill – world’s first removable awning



Continued focus on product development, more focus on the end consumer

- Tailwind from favorable market position
 - Consumers increasingly want to live active lives
 - Global leader in many categories with positive trends
 - Premium Thule brand position provides further tailwind
- Big advocate of “build on our strengths”, and Thule has many to build on
 - World class product development capabilities
 - Strong Thule premium lifestyle brand
 - In-house flexible supply chain
 - High sustainability ambitions
 - “Thule spirit” of never settling, always improving
- Continued focus on product development, more focus on the end consumer
 - Continue focus on product development – more Thule products for active lives, to drive profitable organic growth
 - More focus on the end consumer
 - Reduce excess supply chain capacity





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