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Thule Group AB (THULE.SE)

Investor Meeting

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MANAGEMENT DISCUSSION SECTION

Operator: Hello, everyone. And thank you for joining the Thule Group Investor Meeting. My name is Sammy, and I'll be coordinating your call today. [Operator Instructions]

I'll now hand over to our host, Mattias Ankarberg, CEO and President, to begin. Please go ahead, Mattias.

Mattias Ankarberg

President & Chief Executive Officer, Thule Group AB

Thank you very much and welcome, everybody, to this update call. I'm here also joined by Toby Lawton, our CFO. We will do a brief presentation, a couple of points, and then hopefully use most of this time to have a productive Q&A session. And we'll speak to a few slides, and we wanted in the presentation part just to cover three things: to recap the last quarter, the first quarter of the year, give you an update of the market situation as it stands now and an update of the priorities and activity that's going on at Thule at the moment.

So, very briefly and it's visible on the graph on this page, the first quarter was the quarter where we grew in a tough market. And as we've covered in the last quarter, the dynamics in the quarter changed quite a bit in February when the tariffs were announced in the US, which created a lot of uncertainty across both retailers and consumers. But Thule continued to grow, thanks to the new categories, the new products and – that we have launched and there recently.

The market was clearly challenging, particularly so in North America where we declined organically quite a bit. Europe fell flat, and the acquired Quad Lock business added nice growth in the quarter.

Gross margin continued to be strong and improving in the first quarter of 2025. And we are growth focused that we have decided to be growth focused also in 2025, and we are doing many product launches this year and we are also doing them earlier this year.

So, you may remember that we therefore also have higher product development cost in the first half of 2025 and will have lower in the second half, and that impacted the EBIT margin in the quarter. Would we not have had those costs earlier in the year, EBIT margin would have been in line this year. So, that is largely the dynamics of the first quarter.

And then if we move forward to where we are right now in the second quarter, from a market perspective, the trends are very similar, basically continuing. Same overall market trends. I think the good news is we're not seeing the trend go worse. So, not seeing a worse climate.

And if you follow some of the statistics closely, you are aware that there are some recent numbers that we can refer to. For example, on the US market, there is a consumer sentiment number out on Friday which continues to show that the consumers are continuing to see a tough economic climate with inflation ahead and a quite low purchasing intent.

But I guess the good news is, again, it's not getting worse, actually a slight improvement from May although it was clearly below long-term trends and also where we were already at the beginning of the year.

Similarly, the RV industry has quite a few publicly listed companies and it's also a known fact that in the quarter the aftermarket continues to do better for RV, just like it did in the first quarter, and the OE side of things is still challenging.

So, market trends largely continue.

On the Thule activity side, we have made quite a lot of changes to the North American situation in the first quarter and one of those was to increase prices, which happened as of June 1. So that's a good reminder for everybody to have in mind to help offset the tariff impact. But besides managing some of the shorter term, hopefully, challenges, we have been really focused in the second quarter of driving our long-term growth strategy, despite the fact that the market is tough. We are a growth company and we prioritize to drive sales growth and launch new products and build new categories that we will – we believe will deliver good long-term profit ahead of anything else. And we have decided to continue to do so in 2025, as I mentioned before.

So, we have four clear priorities that we've been driving also in the second quarter, high pace in product development, which is more front loaded this year. I come back to that in a second and show you a few examples of what we've been doing. We're scaling up our newest product categories, dog transportation and child car seats in Europe, and continue to grow the acquired performance for phone mounts business base product. We've been more focused on being more visible for the consumer to show more what we have and sell more, and also continue the efforts to be more efficient with our capital and inventory levels and still remain focused on producing inventory another SEK 200 million in 2025.

So, we continue to drive our long-term agenda and to show you a few examples. On the next page, we can see that we have quite proudly been awarded the winners of the important car seat consumer test, that is [indiscernible] 00:05:53 ADAC in Germany. We won the first – we won with our first product last year in the autumn, for the first time we participated in the testing. Now, with the second product we won, the second time we participated in the test, which we are of course really proud about.

Lots of details to be shared here, but it's a good, of course, sign and a good statement and lots of credit to our strong R&D team that are able to develop a strong product already from the get go, which, of course, also has nice commercial effect.

And we are perhaps particularly pleased that we are recognized as the number one brand when it comes to eliminating misuse, which is one of the important elements behind the philosophy of our car seat portfolio; to install something that is easy to do right or safety starts at installation, as we call it at Thule.

So, we are very proud of that achievement. And speaking of product recognition, on the next page, we are also now have the outcome of the Red Dot Design Awards for 2025. We won 7 iF Design awards, which is the other major design award organization that was announced in the first quarter. And now we have the Red Dot awards out and we won 10 Red Dot awards this year.

So, a lot of nice recognition credit to many of our teams that have delivered products that are not just helping – driving sales growth but also being recognized in – in the consumer market but also by design experts. And I think it's – I mean, we could just note that we also have several of our RV news winning awards this year, which we think is a good statement and hopefully a reason why we did quite well with RV versus the market in the first quarter.

We have also launched a few of these products now in quarter two. So very briefly, just to show you what's already in – or what's in the market just now.

We have launched, for example, Thule Glide 3. Thule Glide is our, our running stroller, our best and award-winning running stroller that we've now launched a new generation up. So, just out in case you're up for some running with small kids this summer, you know what to get.

We are launching just about now the Thule OutPace, which is a mid-priced bike carrier, which we think is bringing lots of nice features and functionality, of course, easy to use and safe, but also foldable. So, it's easy to both store in a small compartment or space, but also folds up against the car very nicely. So very proud of that product. Just hitting the market now in June.

And then, last but not least, in terms of building new product categories, we've also launched Thule Cappy, which is the third product in our dog transportation category. The crush test, the door dog harness for a safe transportation of dogs inside the car. So, those are a few examples of products that we are launching now with in terms of launch value that we have ongoing here in the second quarter of the year.

And before that, before we turn to Q&A, I'll ask Toby, our CFO, to chime in on the few additional points.

Toby James Lawton

Chief Financial Officer, Thule Group AB

Thanks, Mattias, and good afternoon, everyone. And maybe I'll just give a bit of color, which you maybe answer, a few questions preemptively, but firstly just things, things to bear in mind. But when we talk about our gross profit, and we have – we have had during the pandemic, so during the last three years, we've had a bit more volatility in our gross profit throughout the year, where we've seen quite a big jump in gross profit in the second quarter, which came, you know, we came from the high volumes in the pandemic primarily and the after effects of that last year.

But this jump is – it's just – it goes up in the second quarter and then down in quarter three and quarter four.

in the second quarter, then down – down in quarter three and quarter four, and we expect that jump to return to – that jump to return to pre-pandemic levels, basically. So, if you – if you take Thule excluding the Quad Lock, which obviously was in previous years and you could say that the gross profit jumped by about 2 percentage points Q1 to Q2, whereas pre-pandemic is much more flat through the year and was about 1% up in Q2 versus Q1. And we expect to return more towards the pre-pandemic pattern going forward which – which is, yeah, more when it's – when it's back to normal, the normal business patterns. So, just kind of bear that in mind, a bit of a technical point.

But then maybe a second – second point to bear in mind, Mattias mentioned the – that we had a higher development cost in Q1 and this is something we've talked about many times, but that we – because of the high level of product launches in Q1 and Q2, we do expect to have a higher development cost in the – in Q1 and Q2. So we will have that effect also in Q2, not as high as it was in Q1, but it still will be an elevated development cost in Q2. But that's all about phasing. It's about that we're taking that cost earlier in the year this year. It's not about the overall cost level for the full year.

Another point to bear in mind is – just regarding, yeah, Quad Lock, when we talk about trends it's – Quad Lock has a different margin profile when we add that on top of the – like the legacy Thule business, so Quad Lock has basically a higher gross profit margin which also obviously when you add that in, it increases the gross profit margin through the group but also have a higher SG&A. So, that's – just the margin profile. But the impact they have overall profit margin is more or less in line.

So, just bear that in mind that Quad Lock had good growth in Q1. So we had about 20% organic growth in the Quad Lock business in Q1, which is good to see. Just [audio gap] (00:12:01) growth is more like 10% to 12%, we think, in performance phone mounts, the Quad Lock – yeah. The Quad Lock business and we shouldn't expect them to continue to outgrow the market every quarter. So that's – another thing to bear in mind. And lastly, lastly, just FX has obviously been moving a lot recently. We've had a stronger Swedish crown that impacts particularly top line where we have, you know, organic growth. We obviously – we take the FX effects out when we measure organic growth. But when you measure on a reported basis, just the strength of the Swedish crown will impact – will impact reported revenue. It does – a strong Swedish crown also does have less of an effect, but still a slightly negative effect on operating profit.

You can see some – we show some of the impacts on that when you look in Note 4 in the annual report from 2024. You can see some details of the way the different currencies impact, but it's – but the main impact is on top line.

Yeah. So I think those are – yeah. Just a few few things to kind of keep in mind. And with that, maybe we can – I can hand over to open up for – to the operator to open up for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you, Toby. [Operator Instructions] Our first question comes from Daniel Schmidt, Danske Bank. Your line is open. Please go ahead.

Daniel Schmidt

Analyst, Danske Bank A/S (Sweden)

Q

Yes. Good morning, guys. I think you made – you commented quite clearly on the development in the US so far this quarter. And could you shed some more light on sort of impact of the fact that you're hiking prices quite a bit from the 1st of June. In terms of potential pre-buy, what is the underlying development you're seeing as you exit the quarter? And also maybe comment a little bit on the European business and the performance there.

A

Hi, Daniel. I can start and Toby you add to whatever you think is needed, but it's – it's been, of course, a dynamic US market. We use that word and I think we recovered previously in sessions that, you know, in Q1. Actually, the start of the year was pretty good actually were more than that. And then things changed a lot when the tariffs were introduced and almost came to, you know, standstill at some points with some customers being really, I think, taking kind of a wait-and-see approach to see where things were going before placing orders again towards the end of the first quarter.

And why am I saying that? Well, that's kind of how we rolled into the second quarter. So, it's been for sure a tough market. And we can all read some – some tough news on both the retail and the consumer side. And then, of course, we do lots of product launches to – to drive growth and to try to add whatever we can do, so that helps. In terms of the price increases, they were valid as of June 1. It's about a 10% price increase across North America. And, of course, there's a little bit of pre-buy in May, and I think we will not know exactly the amount before we probably wrapped up both June and July but there is some of that behavior going on for sure. So – but as we mentioned before, the market is not getting worse and that's positive and then we are trying to add what we can through our actions and through our growth initiatives in this tough US market at the moment. So, that's where we are.

Q

Yeah

A

In Europe, it's held a bit more flat in Q1, and those trends largely continue with the – yeah, some cautious retailers and consumers on some ends and some being really careful with cash and inventory levels and other sort of sub-segments and specific geographies doing a bit better.

Q

Yeah. And do you feel when it comes to the European market you're equally well equipped to balance the RV business because you've been quite strong on the aftermarket while the OE business has been weak?

A

Yeah. No, you're right, Daniel. That's very much the case. And I think RV is also an area where the industry doesn't change that quick, so that the trends continue into Q2 and our performance also continue where we've had some nice new products that help drive some of the performance for us probably at this part, probably maybe a big part why we performed a bit better than the market. Then, of course, we have those now also in Q2. So, similar trends both in terms of market and our own performance in RV in Q2.

Q

Yeah. And when you talk about the US business not getting worse, that's you trying to sort of see through any potential pre-buy effects on your performance? That's what you think is the underlying development basically?

A

And I'm trying to talk about to you about the market, as you talked about. And then, of course, our product launches come on top and can add...

Q

Okay. Okay.

A

...hopefully a bit of growth. Yeah.

Q

Yeah. Yeah. Okay [indiscernible] 00:17:42 growth.

Q

Okay. Okay. Yeah, yeah. Okay. Good. And then just a second question on what you communicated in connection with the Q1 when it came to drawdowns in Colorado and letting people go and moving resources to Connecticut and so on. Where are you in that process? And what can we expect in terms of charges or benefits on the cost side eventually? Or how does that kind of playing out?

A

Yeah. So, I can start and then, Toby, you can – you can add to it. But, yeah, so the decision is taken in Q1. It's about just over 20 people in the satellite office that was in Colorado that are either relocating to the East Coast, where we have our regional headquarters in Connecticut or a few to Sweden. And some jobs will also not be replaced. So a little bit cost saving there. So, we are in lots of practicalities when it comes to people moving and some – a few of them moving to new houses. But the decision is taken and the things are now being basically executed as we speak.

Q

Yeah.

A

Maybe I could just add that, Daniel. I mean, we're still finalizing, you know, the process. Obviously, it's been announced, it's being worked through. But, you know, there will be a positive payback from that, of course, from the lower cost level. But there will be some costs associated with the restructuring and we'll show that clearly. No, it's not about...

Q

That's not going to be part of the Q2 numbers. That will be rather Q3 then...

A

It depends...

Q

...on stock costs?

A

It depends on the timing. But we'll be clear about it. But it could be Q2 or it could be Q3, depending on when things are fine.

Q

Okay. Okay. Okay.

And – and you also talked about redirecting that effort into, I think you mentioned, it as a product class when it comes to the mid-end and also sort of more US-specific products on the bike side, some of them still ahead of you.

Do you see it – should we interpret that that you take all the potential money that was going to be spent on car seats and the setup that you did have or still have into what you talked about or is that going to be a bit less being spent on those areas, but still more than you planned for six months ago? If you catch my drift.

A

Yeah. I think so. So, I think, you know, to your point, we – we made the decision to focus, focus car seats where we think we can win first and best, so to speak, and focus car seats on Europe and to focus the US on the categories where we feel we have the best opportunities, which is right now in bike areas and also pick-up truck as we communicated also in Q1.

So I think, you know, between those two – two focus areas, car seats in Europe that we will continue to drive and you will see one new product coming out here in Q3 and then, of course, more to come. And between the US growth investments in bike carriers and – and come end of year also pick-up trucks and then, of course, further throughout the years we will shift resources into that.

Q

Yeah. And that tallies well with your sort of – I assume that you stand by the 7% product development spending guidance for the full year, and that's relates to the legacy business, right?

A

Yes.

Q

Sorry. I didn't hear you there. Thank you.

Q

Yes. I mean to say...

A

You're about to say?

Q

...you could have. Yeah.

A

I had something to add, I mean, it's related to, call it, legacy business or excluding Quad Lock, but Quad Lock is also very close to 7%. So it'll be...

Q

Yeah. Yeah. Okay.

A

...all price including and excluding Quad Lock. Yeah.

Q

Okay. Okay. And how should we think about the rest of SG&A in that context? Do you want to shed some light on that?

A

Yeah. I mean, so, you know, if you like, the rest of SG&As is for us is sales and marketing costs and administration costs to the two SG&A items. Development cost is part of sales and marketing cost in our P&L. So, and there, as I mentioned earlier, one important impact to be aware of is that, Quad Lock has a higher percentage of SG&A than to the excluding Quad Locks.

It will add to the overall SG&A. Then, excluding Quad Lock, if you like, we have this impact of development cost, which is higher in the first half of the year, but we expect for the full year to be, as we said, a 7% of revenue. So it's a really a phasing. The fact that it's higher in the first half of the year, which means it will be lower in the second half of the year.

When it comes to the rest of selling and marketing costs, you know, it's – that's a, you know, bigger percentage than just the development costs. And we had about 1% higher selling and marketing costs than prior year in the first quarter. And that was driven by the organic growth. It was not offsetting the investment and selling and marketing costs in the first quarter. And that's really the kind of big reason we're not giving guidance on that as it really depends on the level of growth in the second half year and the level we're investing in selling and marketing to drive that growth, but...

Q

Yeah. Yeah.

to drive that growth, but it's not [indiscernible] 00:23:41

Q

Okay. Yeah. Thank you. That's all for me.

Operator: Our next question comes from Adela Dashian from Jefferies. Your line is open. Please go ahead.

Adela Dashian

Analyst, Jefferies GmbH (SE)

Q

Thank you. Good afternoon, gentlemen. I'm just, I guess, trying to wrap my head around the commentary about Q2 not getting any worse than Q1. And specifically, what I have in mind here is that you mentioned that the start of the year was good but that you saw a gradual worsening as the tariff situation materialized, which means that if that situation obviously continued in all of Q2, then I don't really understand how Q2 can't be any worse than Q1?

Mattias Ankarberg

President & Chief Executive Officer, Thule Group AB

A

Hi, Adela. I can start. Mattias here. So I think maybe it's really good you ask the question so we can maybe be a bit more clear. I think first of all, when we're talking about things not getting worse, which of course is a good thing at least, we're talking about the market, right, so market trends.

And then the second point is maybe a bit of nuance in detail, but the first quarter started well, basically came to a bit of a halt as the tariffs were announced and people were waiting and seeing what's going on but then picked up again towards the end of the first quarter. We're seeing that those trends that we wrapped up Q1 in, so to speak, is carrying forward into Q2.

Adela Dashian

Analyst, Jefferies GmbH (SE)

Q

Great. Okay. That's perfect color. And then just you also mentioned in the first quarter that you mainly saw more cautious or conservative behavior from the retailers and that actually if you take a look at your DTC channel and the consumers, were actually quite okay-ish. Have you seen the same type of trend continuing into Q2 as well?

A

Yes, we have. We have seen that they will continue to a bit less – a bit less extent as – as probably natural as part of the Q1 was this kind of pull/wait and see behavior and things did pick up a bit. But – but we're still seeing in Q2 some retailers being really, really cautious and we know that some are struggling financially and probably very, very cash focused and rather keep inventories down than to chase the – the last sales dollar or euro. So, we do see some of that and we do see that the consumer sort of direct side is the DTC business in that case is – is doing a bit better. So I think personally consumers are also a bit cautious, but not as cautious as – as the total retail landscape is right now.

Q

That makes sense. All right. And then lastly, on the – the US opportunity and the refocus on other areas than the child car seats. Could you just give us the rationale for why you see pickup trucks specifically being a good business opportunity? I mean, if I think of a pickup truck than I would have necessarily, at least from my level of knowledge, think that – that's a good way of utilizing your products, given the space and so on.

A

Now, we can add to that and just to be clear, we're making products for pickup trucks, obviously. But, you know it...

Q

Oh, yeah, of course. That's the – I mean, you would think that...

A

Yeah. Yeah. For sure. Now that Thule has been in selling products to pickup trucks for some time. But it's been many years since we launched anything new, to say the least. And I think, you know, the way – when we look at the American car fleet or we look at the kinds of vehicles at our own consumer base owns, clearly pickup truck is a big, big share of that. And people use that to put skis or surfboards or mountain bikes or what have you on them. And we haven't had as great of a product portfolio. So the product we're launching towards the end of this year is called Thule Escape, it's called [ph] Bed Rack [indiscernible] 00:27:59. It's sort of, I guess in a European context, it's sort of the roof racks, but for pickup trucks, if you like, which you put on top of the – on top of the bed. So, on that you can mount the ski carriers, rooftop tents, water sport carriers, and what have you. So we think there's a – there's a good sizable business actually, in terms of consumer use and car fleets, which is pickup trucks as particularly sort of in the outdoor community, which we can tap into.

Q

All right. Thanks for that.

Operator: [Operator Instructions] Our next question comes from Mats Liss from Kepler Cheuvreux. Your line is open. Please go ahead.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Yeah. Yeah. Hi. Thank you. A couple of questions here as well. I've missed a bit or two, maybe you mentioned that during the presentation, but Quad Lock, I mean, they grew 20% in the first quarter. And is that a sustainable trend or is it more of a sort of easy comps during the first quarter there.

A

Matt, maybe I'll take this. But I alluded to that in my comments. [indiscernible] 00:29:22 quarter grew 20% in the first quarter, which is – which is good. We're happy with 20%. The category performance phone mounts we've estimated growth by 10 – about 10% per year going forward. We estimate about 10% to 12% looking back, but about 10% for the year going forward. And for Quad Lock to, you know, continuously outperform the market growth is obviously very good. But I think, you know, that won't – that won't happen every quarter that they'll be at 20%. So just to kind of – yeah. Manage expectations a little bit that we – yeah. If they're growing – outgrowing their category at 10%, then they're obviously doing very well.

Q

Yeah. Sure. And then – I mean, you talked a bit about the bike trends are improving maybe and you have launched a lot of new – well, future standard bike carriers. I mean, historically, that's a high margin segment for you. And well, is it sort of something that will continue here throughout the year? Or is – did you take line part of it during the start? If you could say something there.

A

Maybe I'll – just to kind of say overall, I mean, bike – the bike area generally is – you know, is delivering growth for us. It's good. It is probably on a – on average, you know, we have good gross margins from the bike area on average then – the products we're launching, some of them are – you know, I would say a year ago, we had more pros in the premium segment. This year, we're launching a bit mid-price and some premium segment. But the...

A

Yeah.

A

...bike overall is good – is good for us when it comes to mix in gross margin.

Q

And looking back, I mean it seems likely not too long ago during the pandemic I guess your sales of bike-related products was more than 50%. Maybe you have mentioned that as well. How – what's the – what's the part currently?

A

No, to be – we don't -- we don't measure that. And to be honest, it's kind of – it's a range of different products which have a relation to bike. So, it's not – it doesn't really mean anything to say exactly what percentage is bike-related, but it's not – it's less than 50% sure.

Q

And great. And, yeah, and regarding the 7% product cost that you guide for the full year, is it – well, the level we should expect to going forward as well is this year sort of a not to be down including everything or if you can give some?

A

Yeah, we can – I can start and you can add to it. But I think, you know, the – there are two elements to that, right? One is what we decide to do and the other one is sort of where the market situation is, which of course impacts the sales and the – the percentage points. And I think, you know, we – we have this, at least, I think a really strong R&D team that are able to deliver an organization that can commercially capitalize on good products. And I think that really helps us and we try to sit down. We're a growth company, of course. We sit down every year and say, you know, how do we plan for next year? Do we pull some forward or do we push out? Then what's the market like? And we – the big learning for 2024 when we had a really intense launch year was that, yes, it costs money but it adds growth and it adds competitive positions and then it adds lots of financial value. So, we have taken the same approach for 2025. We're also investor for growth and we're also launching, you know, the same amount of new products and we're even doing it earlier in the year. So, we'll evaluate the come – come summer, early autumn here as well and set the sort of the detailed plan for the 2026 calendar. And then based on that plan and based on where the market is, we'll see what the, of course, exact percentage point comes out to be.

But I think the overall message is we are a growth company. We will invest for growth. And we will, of course, not invest in everything and we will make choices like we've done with North American car seats. But we'll try to do what's – what's best for the coming year once we've learned more about this year. And then we will, as usual, get back in this – in this autumn with our thoughts for what that means for financials in 2026.

Q

Yeah. Thank you. Very clear. And just finally about, I mean, you do these measures adjusting the offering in the US. Are there similar measures to be taken, other parts of the world or I mean in Europe, for instance, that could be on the agenda going forward? Or is it more of a sort of one-off thing to – you needed to do in the US?

A

Well, I think the US is special in the situation in the case that, you know, we've both had a very, very tough market. We haven't performed as well over time as we have done in Europe. And we were also investing a lot specifically for US with the US car seats. And having to see, you know, how do we best win in car seats, how do we best win in the US. And there's a couple of sort of point that led to the same kind of prioritization. And then, on top of that, we felt we needed to get more stronger focus on the priorities and then put the new sales organization in place and then price changes to counter some of the coke's effects from the tariffs. So, a whole number of factors played into the US decision at the same time, if you like, and I don't think we see anywhere else, so if we have that kind of number of topics needed to be addressed at the same time right now.

And then having said that, of course, we're humbled that we're not perfect and there are things that we always try to do better, and there are geographies where we clearly see potential to do better, and there are categories where we clearly see potential to do better. But none of these major kind of packages of actions that we have planned to the same extent that we – maybe wasn't major, but none of the sort of more longer list of joint actions that we took now in Q1 for the US.

Q

Okay. Great. Thanks. Great detail.

Operator: Our next question comes from Agnieszka Vilela from Nordea. Your line is open. Please go ahead.

Agnieszka Vilela

Analyst, Nordea Bank ABP

Q

Perfect. Thank you. So, you have received some test awards for your child car seats from Germany recently. Can you just tell us what you believe, how important are those for creating consumer demand for those products for you?

A

They are important, very important for two reasons. I think one is clearly this is kind of a stamp of approval and the kind of a great PR and awareness, and it sets a nice buzz around the specific product at the specific time which we see also helps sales short-term.

But then secondly, I think, we are a new entrant into this category and we're doing it at quite a high pace. And we now have two products that both have won the award for two consecutive tests. And I think that just also helps us on a broader scale. And, you know, we have dialogues with potential retail partners and different types of collaborations and partnerships that we are seeking in the marketplace.

We are quickly hopefully now seen as – as a serious, serious player. And then the last that we are also very pleased and proud that, of course, we won the award. We were also recognized for kind of the whole thinking behind eliminating misuse, which we know is a serious factor.

People are not using the car seats correctly in the cars and now Thule is recognized for that twice in a row and sets us apart a bit as a brand. So, it helps us also position ourselves in the market in a nice way. So – so, yeah. it's important. Yeah.

Agnieszka Vilela

Analyst, Nordea Bank ABP

A

Yeah. Understood. And then also obviously the customer market is still quite subdued. But as I said, you have launched many products in both 2024 and now in 2025. Can you just maybe elaborate a bit more in what products or what product categories more specifically you see most interest right now from both end consumers and retailers?

A

Sure. So, Thule's – we're in 138 markets and we have a lot of product families, if you like, if you go to the level below product categories. So there's lots of nuance here. But I think the big pattern we have seen for the last for – for a long time, but we've been particularly maybe outspoken about for the last year or two, is that we see product news really matters or new products.

And – and I think that's particularly the case in a tough market where maybe not a lot of other players and competitors are investing. We are. So we're seeing, of course, good demand where we come with new things that, you know, are – are particularly also good things that gets recognized and awarded. So we do a lot this year. We do pretty much the same launch kind of pace as last year. We do it earlier but we do more in our traditional core categories this year in supporting cargo carriers, if you compare to last year.

So we do premium, but we also do more in mid-price this year. So you'll see several by carriers. We talked a lot about park today already but both in premium in North America specific and also in mid-price. You've seen new – new rooftop boxes. You see a rear of card boxes this year, quite a lot.

And then, of course, we also see a good interest in new sales, if you like, or sales growth in the categories that are new that we keep investing in and expanding the product portfolio in both dog transportation and in car seats.

So we see the best to answer, but much more briefly. We see the big interest and the big demand where we invest in – in growth and in newness.

Q

Okay. Thank you.

Operator: We currently have no further questions at the time. Back to Mattias for some closing remarks.

Mattias Ankarberg

President & Chief Executive Officer, Thule Group AB

Thank you very much, everybody. It's good that we've got a good Q&A session going and wish you all a nice day and look forward to speaking to you at the time of our Q2 conference call.

Operator: This concludes today's call. Thank you very much for joining. You may now disconnect your lines.

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