



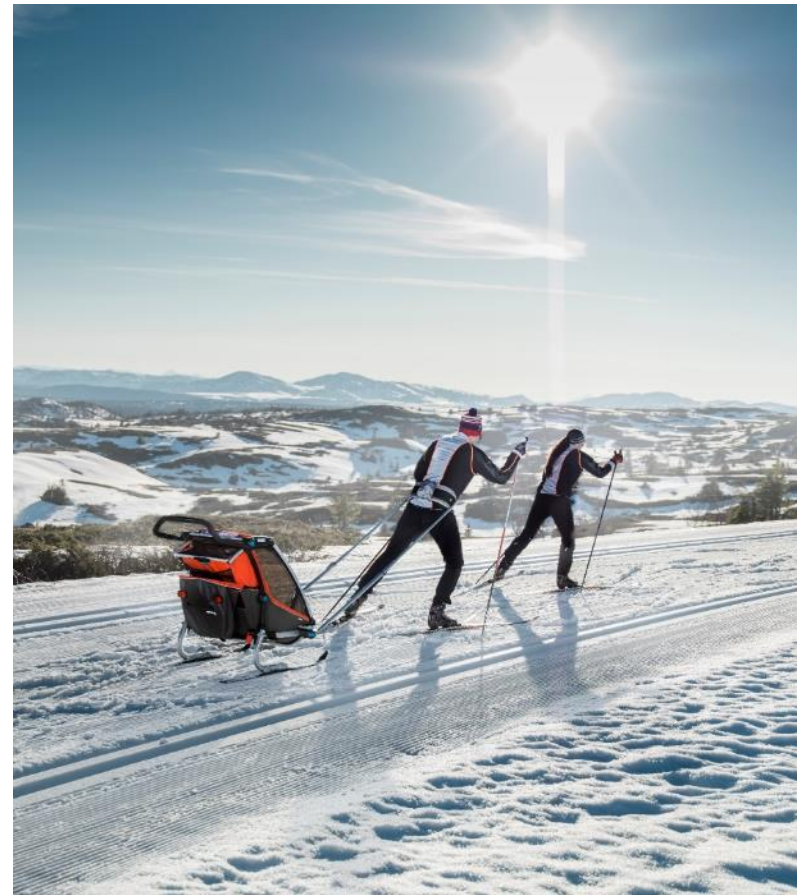
Interim Report 2017/Q1
Thule Group AB

Magnus Welander, Lennart Mauritzson
2017-04-26

2017/Q1 – A very good start to the year

- **Net sales** of SEK 1,599m (1,380)
 - Thule Group +15.9% (+12.3% excluding currency effects)
 - Outdoor&Bags +17.2% (+13.8% excluding currency effects)
 - Specialty -7.6% (-12.4% excluding currency effects)
- **Underlying EBIT** of SEK 280m (235), underlying EBIT margin of 17.5% (17.0)
 - Improvement by +0.3 percentage points in constant currency
 - Outdoor&Bags SEK 296m (252), +17.4% vs. PY
 - Specialty SEK 9m (9), -1.5% vs. PY
- **Net income** of SEK 203m (169)
- **Earnings per share** of SEK 2.00 (1.67)
- **Cash flow** from operating activities of SEK -172m (-31)

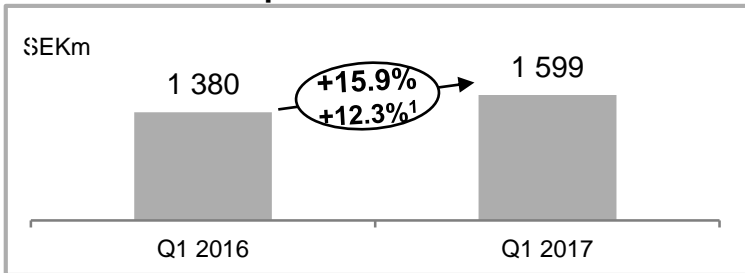
- Specialty divestment in progress



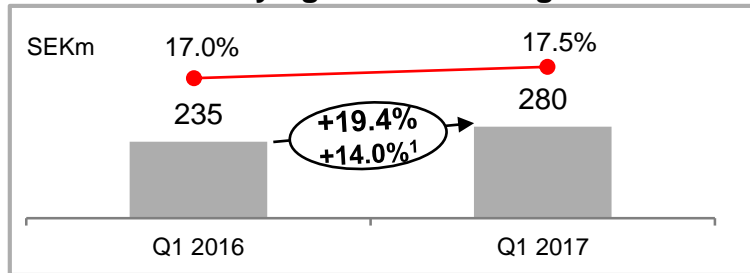
2017/Q1 – Sales growth drives EBIT growth

Thule Group

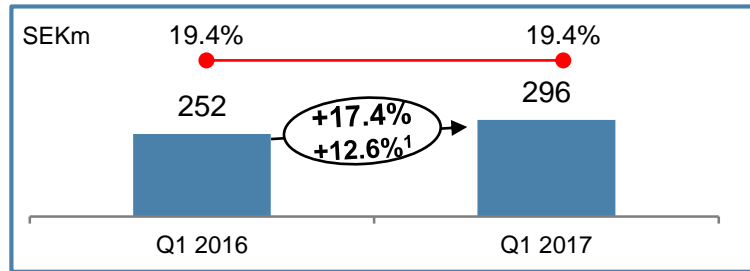
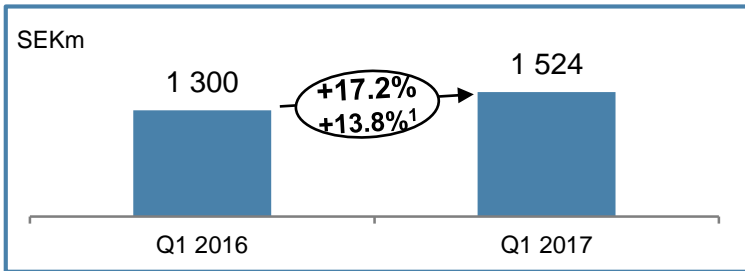
Reported Net Sales



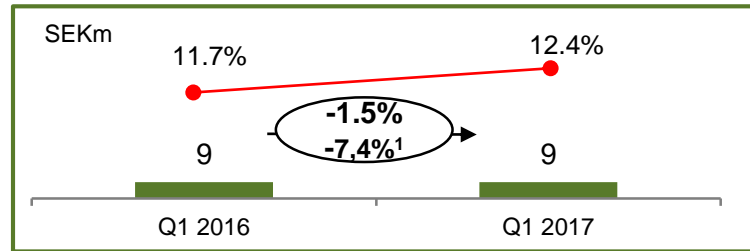
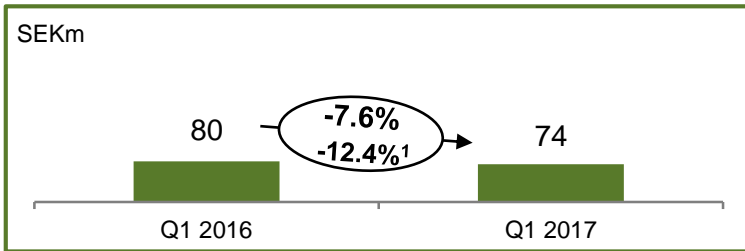
Underlying EBIT and Margin



Outdoor & Bags



Specialty



Note: EBIT adjusted for non-recurring items & depr/amort on excess values. ¹ Constant currency adjustment based on average FX rates 1 January-31 March 2017

2017/Q1 - Net Sales and EBIT by Segment

Outdoor&Bags

SEKm	Jan - Mar		Change		Full-year	
	2017	2016	Rep.	Adjust. ¹	LTM	2016
Net sales	1 524	1 300	17.2%	13.8%	5 526	5 302
- Region Europe & ROW	1 082	911	18.7%	17.0%	3 651	3 481
- Region Americas	443	389	13.7%	6.8%	1 875	1 822
Operating income	296	249	18.7%		1 069	1 023
Underlying EBIT	296	252	17.4%	12.6%	1 078	1 034
Operating margin, %	19.4%	19.2%			19.3%	19.3%
Underlying EBIT margin, %	19.4%	19.4%			19.5%	19.5%

¹ Adjustment for changes in exchange rates

Specialty

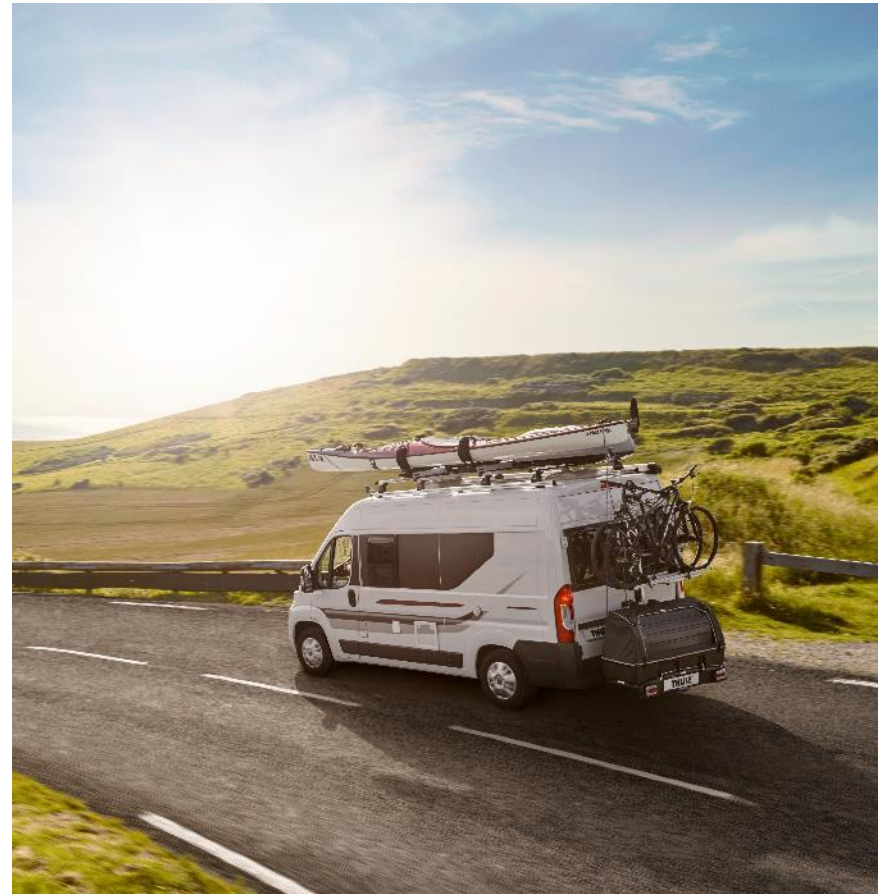
SEKm	Jan - Mar		Change		Full-year	
	2017	2016	Rep.	Adjust. ¹	LTM	2016
Net sales	74	80	-7.6%	-12.4%	301	307
- Work Gear	74	80	-7.6%	-12.4%	301	307
Operating income	9	9	-1.5%		34	34
Underlying EBIT	9	9	-1.5%	-7.4%	34	34
Operating margin, %	12.4%	11.7%			11.4%	11.2%
Underlying EBIT margin, %	12.4%	11.7%			11.4%	11.2%

¹ Adjustment for changes in exchange rates

- Strong sales growth in the quarter
 - 13.8% growth, currency adjusted, for segment, incl. acquisition of GMG Yepp
 - Organic 13.1% growth, currency adjusted
- Strong growth in Region Europe & ROW: +17% currency adjusted
 - Growth across all product categories
 - Continued share wins in hot RV market
- Solid growth in Region Americas: +7% currency adjusted
 - Driven by Sport&Cargo Carriers and Active with Kids
- Sales decline 12% currency adjusted
 - Home Depot phase-out started
- EBIT flat despite lower sales
 - Positive customer mix (less Home Depot)
 - Good cost control

2017/Q1 – Key Events

- Region Americas returns to growth (+7%)
- Region Europe & ROW strong growth continues (+17%)
- Key product launches received well across all markets
- Sport&Cargo Carriers - Strong quarter
 - Strong new product launches in both Regions
 - More balanced stock levels at US retailers entering 2017
- Other Outdoor&Bags - Continued growth at high rates
 - RV Products – Market share wins in a hot RV market
 - Active with Kids – Fast growth in relatively new category
 - Thule Chariot multisport trailer launch strong driver in Europe
 - Strollers positive across the globe
 - Sport&Travel Bags – Thule Subterra luggage drives growth
- Bags for Electronic Devices – Slow-down of negative trend
 - Still difficult in US market, but pace of decline reduced
 - Small growth in Region Europe & ROW



2017/Q1 – Key Events: Award Winning Design



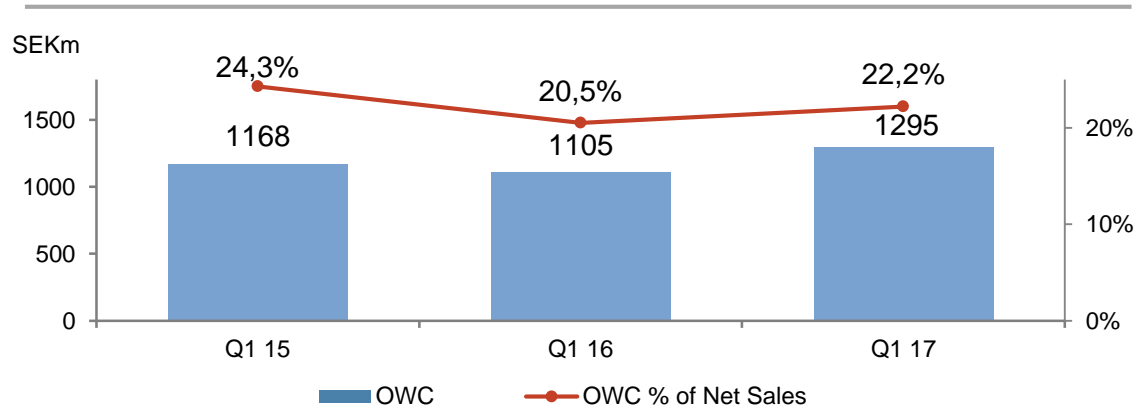
2017/Q1 – Reported Income Statement

SEKm	Q1 2017	Q1 2016	LTM	FY 2016
Net sales	1,599	1,380	5,830	5,611
Cost of goods sold	-960	-819	-3,495	-3,354
Gross income	639	562	2,334	2,257
<i>Gross Margin %</i>	<i>40.0%</i>	<i>40.7%</i>	<i>40.0%</i>	<i>40.2%</i>
Other operating revenue	0	0	0	0
Selling expenses	-282	-252	-1,020	-990
Administrative expenses	-77	-74	-310	-308
Other operating expenses	0	-4	1	-3
Operating income (EBIT)	280	231	1,005	957
<i>EBIT Margin %</i>	<i>17.5%</i>	<i>16.8%</i>	<i>17.2%</i>	<i>17.1%</i>
Financial expenses/revenue	-11	-7	-40	-36
Income before taxes	269	225	965	921
Taxes	-66	-56	-255	-245
Net income	203	169	710	676
<i>Net income pertaining to:</i>				
Shareholders of Parent Company	203	169	710	676
Net income	203	169	710	676

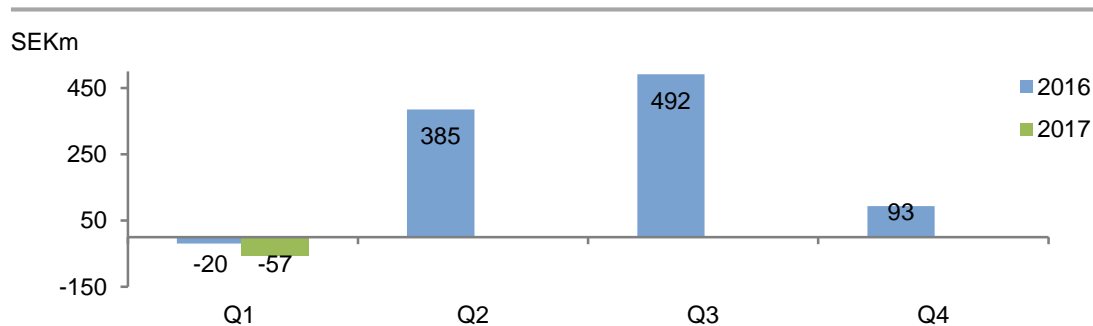
- Gross Margin slightly down in the quarter
 - Product and customer mix shifts within product categories main reason
 - Limited impact of rising raw material prices
- Selling expenses increase as product development spend increases, but decrease as share of sales
 - Increased sales volume increases costs
 - Major push with product development for future growth categories continue
 - Launch costs associated with entry into Luggage
- EBIT Margin improves thanks to economies of scale
- Tax rates in line with prior year and guidance

2017/Q1 – Operating Working Capital and Operational Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

- Operating working capital, 31 Mar. 2017:
 - Inventory: SEK 921m (780)
 - Accounts receivables: SEK 948m (860)
 - Accounts payable: SEK 574m (535)
- Currency effect SEK 64m vs prior year
- Inventory build up in 2017/Q1
 - Heavy product launches in growth categories early in the season 2017
 - Start up of Eastern DC in US in 2017/Q1

Operational Cash Flow

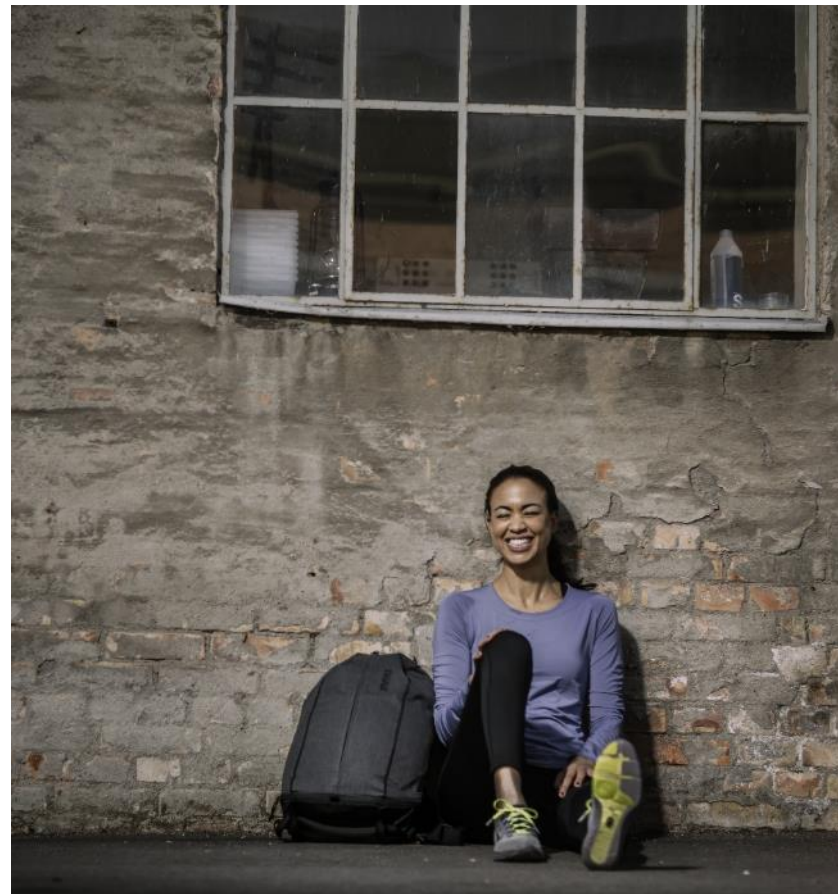
- Operational cash flow SEK -57m (-20), a decrease by SEK 37m vs prior year
- Following prior years' pattern
 - Negative in Q1
 - Positive flows start mid-way through Q2

2017/Q1 – Performance vs. Financial Targets

		Constant Currency Net Sales Growth (excl. Acquisitions)		
Organic Growth	≥ 5%	+11.7% Thule Group	+13.1% Outdoor&Bags	-12.4% Specialty
Underlying EBIT Margin	≥ 17%	17.5%	LTM 2017/Q1 at 17.4%	
Net Debt / EBITDA	c. 2.5x	1.6x	1.6x (YE 2016)	
Dividend Policy	≥ 50%	51%*	* Ordinary dividend of SEK 3.40 per share , proposed by the Board. In addition the Board proposes an extraordinary dividend of SEK 7.50 per share	

Focus areas for coming months

- Drive profitable sales growth
 - Continued push of new products
 - Support retailers to drive sell-through to consumers
 - Ensure continued good product availability
- Build further on strong Thule brand
 - Focus on new retail channels for new categories
 - Continued roll-out of more emotional Social Media push
 - Ensure further PR traction in new media channels
 - Enhanced merchandizing focus
- Operational efficiencies to offset raw material costs
 - Economies of scale with increased volumes
 - Capture efficiencies in improved distribution center set-up
- Deliver on strategic initiatives for the future
 - Continue journey to further reduce environmental impact
 - Product Development projects for 2018 launches
 - Building of 2nd assembly plant in Poland
 - Divestment of US pick-up truck toolbox business



Q&A



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