2024/Q3 Report

2024-10-23

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Thule Group

2024/Q3 – Good quarter despite tough market

Financials

- Sales of SEK 2,344m (2,311) +4% FX adjusted vs PY
  - Region Europe & RoW +6% FX adjusted
  - Region Americas +1% FX adjusted
  - Continued tough market in North America
  - Growth from new and bike related products
- Gross margin increase to 42.9% (39.7%)
- EBIT margin increase to 17.6% (15.5%)
  - EBIT of SEK 413m (359)
  - Most intense product launch year ever drives SG&A
  - Highest ever EBIT margin for a third quarter, excl. pandemic period
- Cash flow from Operations SEK 955m (838)
  - Inventory reduction target of SEK 200m during 2024 well on track

Highlights

- Thule wins ADAC car seats consumer test, Oct 2024
- Launched Thule Bexey, second dog transportation product
- Two new thule.com markets added, total six so far this year

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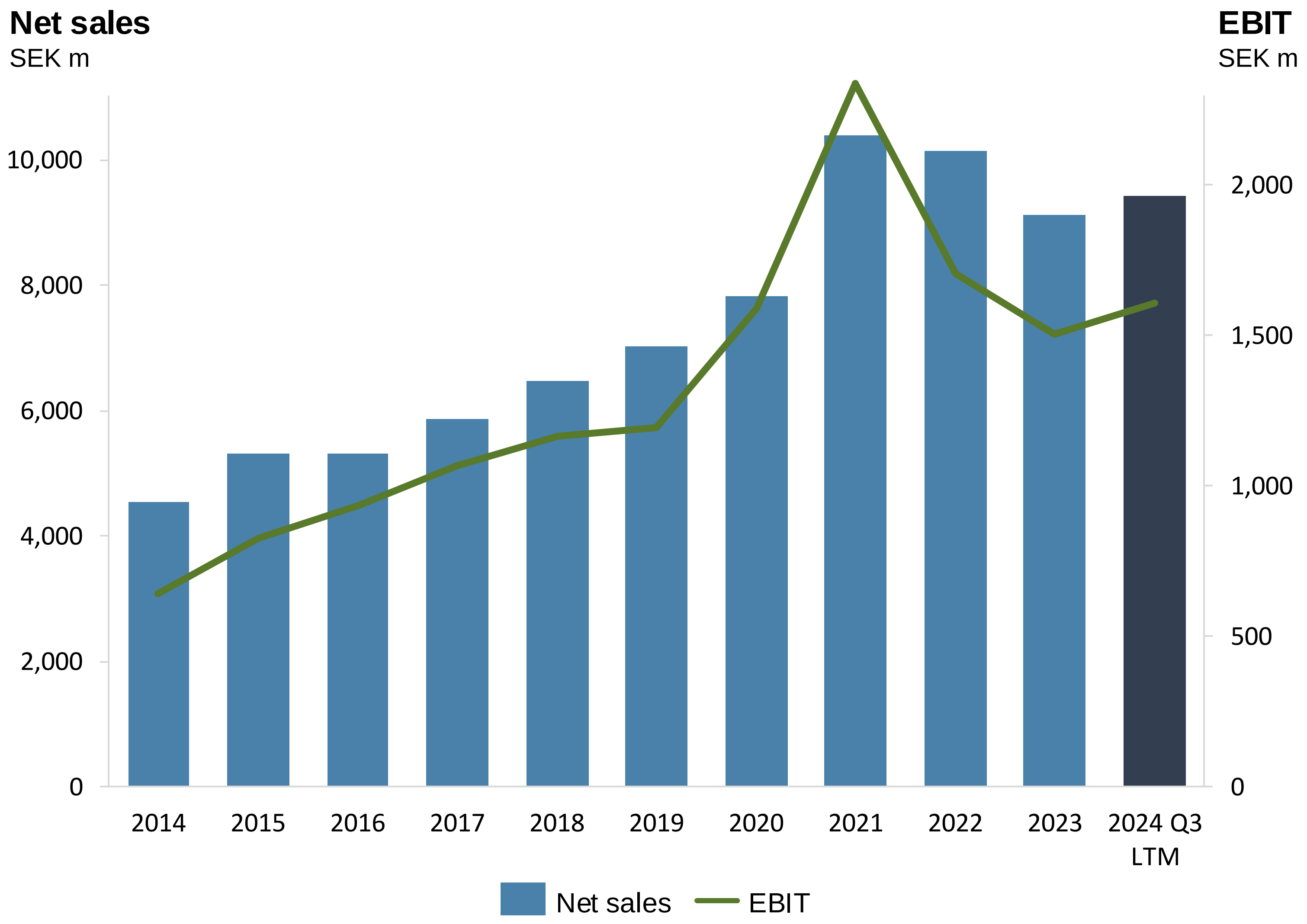
2024/Q3 LTM – Continued profitable growth



2024/Q3 LTM

- **Net sales SEK 9.4b**
- **EBIT SEK 1.6b**
- **EBIT margin 17.1%**

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2024/Q3 – Bike related and new Thule products drive growth (1/2)

Sport & Cargo Carriers – Bike related drives growth

- 2024/Q3 Net sales +5% (FX adjusted) vs PY, YTD +6%
- Continued growth from premium bike related products
  - Launch of vertical hanging bike carrier Thule ReVert in Americas
  - Continued strong sales of premium bike carrier Thule Epos
  - Soft launch of upgraded bestseller Thule Easyfold gen 3
- Continued overall tough market, better in bike in Europe
  - Cautious consumers and retailers, particularly in North America
  - Continued healthy inventory levels in European premium bike

Packs, Bags & Luggage – Decline driven by legacy

- 2024/Q3 Net sales -4% (FX adjusted) vs PY, YTD -1%
- Continued good growth in Thule branded luggage & duffels, e.g., Thule Aion and Thule Subterra
- Continued growth in bike related products
- Decline driven by legacy as exit continues

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2024/Q3 – Bike related and new Thule products drive growth (2/2)

Juvenile & Pet – new Thule products drive growth

- 2024/Q3 Net sales +15% (FX adjusted) vs PY, YTD +9%
- Strong growth in multi-sport and bike trailer following launch of new generation Thule Chariot
- Good growth in strollers driven by updated all-terrain stroller Thule Urban Glide 3
- Dog transportation adds growth with premium dog crate Thule Allax and launch of dog trailer Thule Bexey
- Entry into car seats (Germany, Austria, Switzerland in May) followed by launch in BeNeLux in September

RV Products – growth in aftermarket offsets decline in OE

- 2024/Q3 Net sales 0% (FX adjusted) vs PY, YTD -2%
- RV industry continues to go through weaker period
- Decline in sales to OE customers (manufacturers) offset by return to growth in aftermarket channel (dealers)
- Good growth in bike related products

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Car seats launch continued in Belgium and Netherlands 2024/Q3

- Thule premium car seats launched May 2024
  - Innovative products with safety in focus – comfortable, easy-to-use, well designed, with “Safety starts at installation” approach
  - Three products – base, infant seat, toddler seat – launched in Germany, Austria and Switzerland end May 2024
  - Six international product design awards 2024 received, both iF Design and Red Dot, ahead of product launches
  - Designed in Sweden, produced in Europe
- Car seats launched in Belgium, Netherlands Sep 2024
  - Strong placement with key premium retail partners
  - Positive reception with broad and juvenile media
- European roll-out follows during 2024/Q4
  - Sales commencing in +20 more markets Nov 2024
  - Long term work to build market positions started
- More products in development for both European and North American markets

Thule wins Europe's most recognized car seat consumer test

Thule winner in "ADAC Kindersitz test", Oct 2024

- German test institute ADAC's test is Europe's most recognized car seat test, widely regarded for rigor and high standards
- Test based on three areas
  - Safety
  - Easy of use
  - Ergonomics
- Thule Maple and Thule Alfi, infant and base, scored 1.6 (1 being the best) in results announced Oct 22, 2024
- Thule ranked number 1 among all products tested

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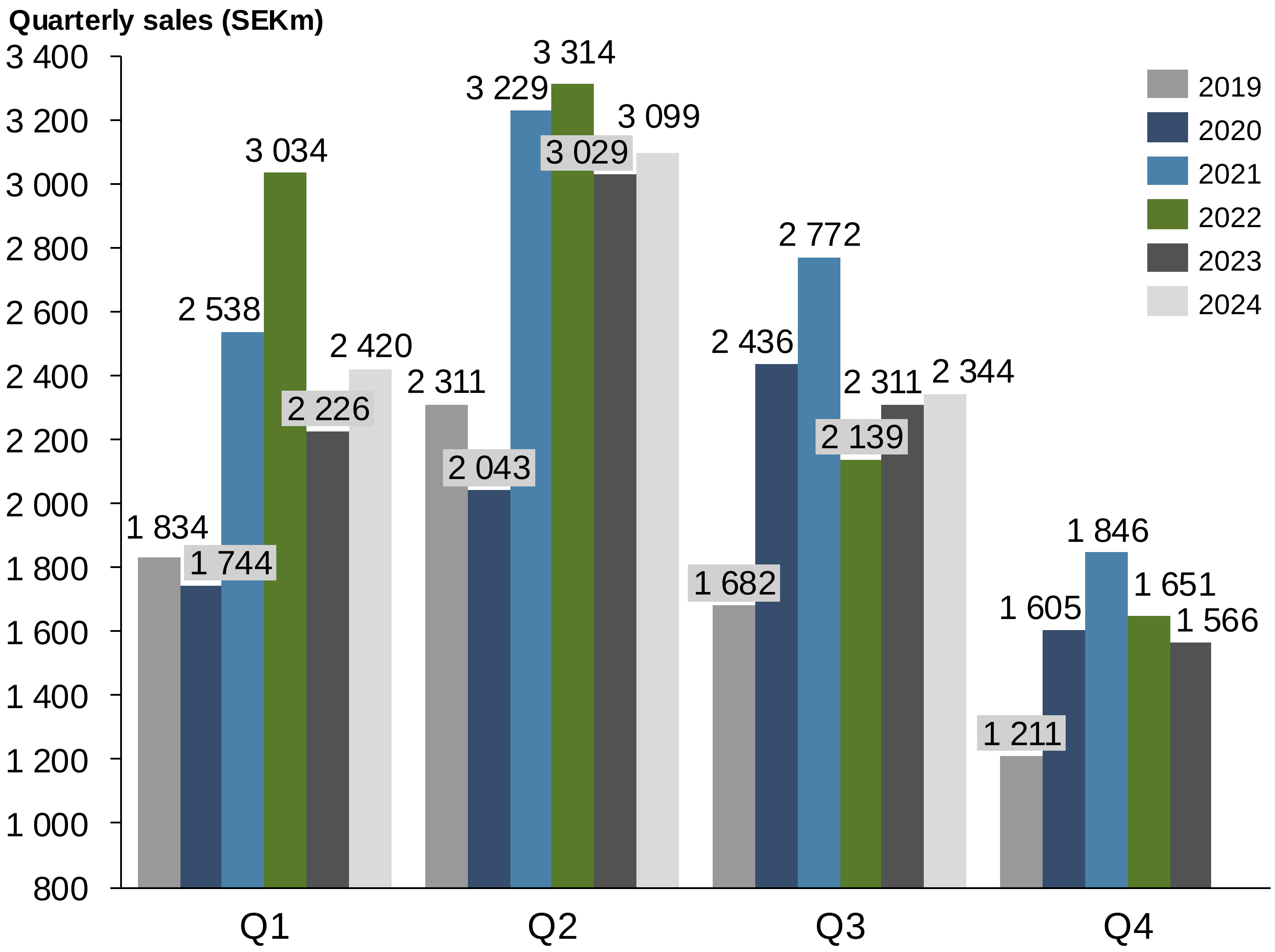
2024/Q3 – Income statement

SEKm	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	YTD 2023	YTD 2024
Net sales	2 226	3 029	2 311	1 566	9 132	2 420	3 099	2 344	7 566	7 863
Cost of goods sold	-1 310	-1 709	-1 393	-983	-5 395	-1 425	-1 723	-1 339	-4 412	-4 487
Gross income	**916**	**1 320**	**918**	**583**	**3 737**	**996**	**1 375**	**1 006**	**3 154**	**3 377**
Gross margin, %	**41.2**	**43.6**	**39.7**	**37.2**	**40.9**	**41.2**	**44.4**	**42.9**	**41.7**	**42.9**
Selling/Admin expenses	-534	-610	-559	-529	-2 232	-584	-643	-592	-1 703	-1 820
Operating income (EBIT)	**382**	**711**	**359**	**53**	**1 505**	**412**	**732**	**413**	**1 451**	**1 557**
EBIT margin, %	**17.2**	**23.5**	**15.5**	**3.4**	**16.5**	**17.0**	**23.6**	**17.6**	**19.2**	**19.8**
Net interest expense	-24	-9	-30	-22	-84	-19	-26	-15	-62	-59
Taxes	-84	-163	-67	-8	-321	-93	-148	-98	-314	-339
Net income	**275**	**539**	**262**	**24**	**1 099**	**300**	**559**	**300**	**1 075**	**1 159**

- Good revenue growth in a tough market
  - Q3 sales growth 4% (FX adjusted)
  - YTD sales growth of 4% (FX adjusted)
- Increased Q3 Gross margin from lower material costs, better mix and better overhead absorption
- Q3/24 EBIT margin improved by 2.1% versus Q3/23, driven by higher Gross margin
- Effective tax rate of 22.6% (YTD)
- Net income SEK 1,159m (YTD)

2024/Q3 – Sales by quarter



2024/Q1 – solid growth vs. 2023, good vs 2019

- +9% vs 2023/Q1 (reported currency)
- +8% vs 2023/Q1 (Fx adjusted)
- +21% vs 2019/Q1 (Fx adjusted)

2024/Q2 – growth vs. 2023, good vs. 2019

- +2%vs 2023/Q2 (reported currency)
- +2% vs 2023/Q2 (Fx adjusted)
- +23% vs 2019/Q2 (Fx adjusted)

2024/Q3 – steady growth vs. 2023, strong vs. 2019

- +1% vs 2023/Q3 (reported currency)
- +4% vs 2023/Q3 (Fx adjusted)
- +30% vs 2019/Q3 (Fx adjusted)

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

- -5% vs 2022/Q4 (reported currency)
- -6% vs 2022/Q4 (Fx adjusted)
- +21% 2019/Q4 (Fx adjusted)

2024/Q3 – Cash flow

SEKm	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	YTD 2023	YTD 2024
Cash flow from operations before changes in working capital	207	656	302	48	1 214	390	628	333	1 165	1 351
Changes in working capital	-188	62	535	227	636	-301	252	622	409	573
Cash flow from operations	**19**	**718**	**838**	**276**	**1 850**	**89**	**879**	**955**	**1 575**	**1 924**
Capex (acquistion/divestment fixed assets)	-59	-48	-59	-85	-251	-32	-117	-34	-166	-183
Sub total	**-40**	**670**	**779**	**191**	**1 599**	**57**	**762**	**921**	**1 408**	**1 741**

- Strong cash flow driven by reduction in Accounts Receivable and Inventory
- On track to beat inventory reduction target of SEK 200m during 2024
- YTD Capex of SEK 183m
- Debt:EBITDA ratio reduced to 0.5x

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Most intense product launch year in Thule history

- Upgraded versions of several of our bestsellers
  - Thule Urban Glide gen 3 – our award-winning all-terrain stroller (Q1)
  - Thule Subterra gen 2 – refreshing our leading luggage family (Q1)
  - Thule Chasm – updated and extended duffel bag collection (Q2)
  - Thule Motion gen 3 – updating the world's most sold roof top box (Q2)
  - Thule Chariot gen 3 – our best child bike trailer just got better (Q3)
  - Thule Easyfold gen 3 – updating the world's most sold bike carrier (Q3)

- New innovations in existing categories
  - Thule Outset – world's first tow-bar mounted tent (Q2)
  - Thule Sidehill – world's first removable awning (Q3)
  - Thule ReVert – vertical hanging bike carrier with dual tilt assistance (Q3)

- Two new categories during 2024
  - Thule Allax – dog crate designed to protect dog and people (Q1)
  - Thule Bexey – dog bike trailer designed for comfort and safety (Q2)
  - Thule car seats – safety starts at installation (Q2 entry, Q3-Q4 roll-out)

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Updating our bestsellers – Thule EasyFold 3 launched end 2024/Q3

Upgrading the world's most sold bike carrier

- Thule Easyfold just got better
  - Intuitive click-in/out bike arm for effortless one-handed loading and unloading of bikes
  - Transforming from a 3 to 4-bike using innovative add-on
  - Large wheelbase accommodates larger bikes and e-bikes
- 50% lower CO2 emissions vs. previous generation
  - Less aluminum
  - Hydro power produced aluminum
  - Increased share recycled plastic
- Available through to selected retailers and thule.com in 2024
- RRP EUR +100 vs previous generation, to EUR 949 (2-bike)

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Focus 2024 – Continue to drive our long term growth strategy

2024/Q3 – Good quarter despite tough market

- Sales growth +4% (FX adj.), driven by new and bike related products
- EBIT margin all-time-high for a third quarter, excl. pandemic period

Expect tough market trends to continue

- Generally tough market, particularly in North America and for RV OE
- Continued better market for premium bike related products in Europe
- New Thule products drive growth also in a tougher market

Clear priorities 2024 – focus on sales growth and inventory

1. Product development – more product launches than ever in 2024
2. More categories – dog transportation and car seats in 2024
3. Consumer visibility – show more to sell more, continue DTC growth
4. Supply chain efficiency – discontinue external warehouse services, reduce inventory levels further SEK 200m during 2024

Intense high season completed, exciting quarter awaits

- Two new product categories launched, market share gain started
- New thule.com markets continue to add DTC sales growth
- Record number of international design awards and winning Europe's most recognized car seat test add to positive energy
- European car seat roll out in 2024/Q4 in over 20 countries

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Q&A

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