

June 17, 2026

Thule Group

Pre-close call



Speakers



Adela Dashian
Analyst | Jefferies



Carl Deijenberg
Analyst | DNB Carnegie



Daniel Schmidt
Analyst | Danske Bank



Fredrik Ivarsson
Analyst | ABG Sundal Collier



Hai Nguyen
Analyst | UBS



Johan Eliason
Analyst | SB1 Markets



Mats Liss
Analyst | Kepler Cheuvreux



Mattias Ankarberg
CEO and President | Thule Group



Operator



Toby Lawton
CFO | Thule Group

Prepared Remarks

**Operator**

Welcome to the Thule pre-quarter two update. During the questions and answers session, participants are able to ask questions by dialing pound key five on their telephone keypad. I will hand the conference over to the CEO and President, Mattias Ankarberg, and CFO, Toby Lawton. Please go ahead.

**Mattias Ankarberg**

CEO and President | Thule Group

Thank you, operator. Welcome everybody to this pre-quarter update. We will speak to the presentation available, and as usual, we'll start with a short recap of the previous quarter. We'll talk about the current market situation and Thule priorities. To sum up before Q&A, Toby will cover some of the financial aspects worth to keep in mind right now. Of course, we'll have a good time for a Q&A session at the end. I'll kick it off, and we can turn to the next page just to remind everybody where we left off after the Q1 call. First quarter of this year was a good start to the year for us. We did show organic growth in a market that is still challenging, and on top of that, we also improved profitability.

**Mattias Ankarberg**

CEO and President | Thule Group

It's nice to see that the growth we're delivering is coming from our focus on building what we now call champion product categories, both growing the existing champions, where we have continued to launch new products and drive sales, and also fast growth in our three so-called champion candidate categories. Categories that have the characteristics of a champion but are not yet big enough to be in the champion category. The fastest growth we saw was from the product area active with kids and dogs, which is the area where we report our three champion candidates. Lastly, North America continued to move in the right direction. Still the toughest market. Step by step for several quarters now, we are seeing improvements. We also, again, were recognized for our product design through several new product awards already in 2026 first quarter, which we're really proud about.

**Mattias Ankarberg**

CEO and President | Thule Group

It was a good start to the year. If we flip the page, we can see that that was a continuation of a long-term trend. Most of you have seen this graph several times, but this is the representation of the sales and EBIT development since the IPO in 2014, and Thule has a track record of a profitable growth over a long time, and it was nice to see that the first quarter of 2026 was a continuation of that trend. If we turn to the next page, I'd also like to highlight something that was announced after the Q1 call in early May. I believe it was in May 6th.

**Mattias Ankarberg**

CEO and President | Thule Group

We announced the acquisition of a small company in the dog transportation space, a company called Curli, which is a leader in premium dog harnesses, and particularly the leader in harnesses of a certain model, so-called vest harnesses for smaller dogs. Founded by two very passionate Swiss mountaineers, climbers that have taken their knowledge about harnesses from the climbing environment into the dog environment and developed some of the really nice products that we're now happy to welcome into the Thule family. Very much complements the core Thule product range, which is around car and bike-related, safety-related products with the nice addition of these dog vest harnesses. Will also complement some organically developed product that will be launched, harness products that will be launched already in the fall of 2026.

**Mattias Ankarberg**

CEO and President | Thule Group

We are happy to see further expansion in the dog transportation category through new products, but also then through the acquisition of this small Swiss company. If we turn to an update of sort of the market situation on our priorities on this page. This is the commentary that we had at the end of Q1, and I'd like to just remind everybody what we said and then also give a bit of a fresh update to where things stand at the moment. Starting with the market side. We said at the time of the Q1 report that the market is still tough. We still see cautious consumers and retailers out there, particularly so in North America.



Mattias Ankarberg

CEO and President | Thule Group

Having said that, there were some positive signs in the marketplace of improving market conditions, but the only segment where we really had seen that materialize and had turned for the better was within RV products, where some of the growth that we saw in Q1 came from market bouncing back and some of the growth from the new products we have launched over the last few years. We also commented at the time that we had not seen any immediate negative effect of the crisis in the Middle East. However, if that would continue, we would expect it to, of course, impact macroeconomic conditions and consumer spend.



Mattias Ankarberg

CEO and President | Thule Group

There were also speculations of a more positive scenario, and positive in the sense that positive for the industry, that the development in the Middle East and some other things could lead to more of a staycation effect in terms of traveling and vacationing for the summer of 2026. Now we're in June, and a few things have happened, of course. What we see, though, overall is the picture is largely the same. We still see an overall tough market and still see North America as the toughest spot. If we look at public information like consumer confidence numbers, we can see that the sentiment has dropped or continued to drop further in the U.S. both in April and in May. Also in the E.U., that the levels are lower so far in Q2 than they were in Q1.



Mattias Ankarberg

CEO and President | Thule Group

I think the staycation trend is, there are still some indications and some discussions that may come into place during the summer, but it is still nothing that is visible in the marketplace already. Also to say, I don't think it would be really visible during summer if that would materialize. Overall, still a market situation which is similar as in the first quarter. Having said that, of course, despite the tough market continuing in Q1, we were really happy to see organic growth from the Thule side in the first quarter. As I commented in the beginning, we were happy that that came from our focus on building existing champions and building up new ones. We are continuing to execute our agenda for 2026, very much in line with the direction we had set out.



Mattias Ankarberg

CEO and President | Thule Group

We continue to execute the focus on building bigger and more champions and driving efficiency gains. We expect to see organic growth also in the second quarter. There are several points to this agenda, which we have covered in detail before, and I thought not to go through them in detail now. They are very consistent with the messages we have delivered before, but we are, of course, happy to take questions at the end of this call if you would have questions around these strategic priorities. On the next page, though, I'd just like to highlight some of the launches that we are doing to support our focus on building champions. As a reminder, we are focusing more of our R&D spend and increasing our spend on building champions, our existing champions.



Mattias Ankarberg

CEO and President | Thule Group

We are in total bringing our R&D spend down to drive cost efficiency. The launch calendar there reflecting that set of priorities means that we are launching more products in the champion categories, plus less products than the last two years overall. So far, we have been very active and launched several new products for all our champion categories, more or less. Since we are in spring, it's been a heavy focus on bike-related products. If you click on the next page, I can just comment quickly on a few of the highlights so far. We have introduced recently a North American specific product called Thule Vero, which is really a premium product for hitch bike carriers or North American car fleet, built for carrying heavier bikes or e-bikes. That has been really well-received. Really pleased about that.



Mattias Ankarberg

CEO and President | Thule Group

We've also continued to push the use cases and to play in more price points, both lower and in higher price points. On the next page, you can see the picture of our now most premium bike carrier, which is called Thule Epos Park Secure, which is a bike carrier, which is basically an upgraded version of the previous most premium bike carrier. Thule Epos now has parking sensors to protect your car, your bike, and of course, your bike carrier while putting the car in reverse. This launched early April and has been very well received by both the press and key opinion leaders, and also in terms of volumes. Then we have launched several other products related to bike, but we have not only launched bike-related products.



Mattias Ankarberg

CEO and President | Thule Group

On the notion of playing in even more higher price points, like the Thule Epos Park Secure you see on this page, we've also done products for lower price points or maybe mid price points from a market perspective, but low from a Thule perspective. On the next page, you can see a picture of our entry-level roof box that has been upgraded, Thule Pulse 2, which has also been launched this spring to strengthen our offer within rooftop boxes. Again, playing in more price points and more use cases. Lastly, to just also comment on some products bringing innovation to the marketplace on the next page. We're continuing to build also several other product categories selectively.



Mattias Ankarberg

CEO and President | Thule Group

A launch we just did in April of a product called Thule WideSky, which is a bit of an innovative product in rooftop tents, where it is hard shell tent, which is very easy to open and close, but also converts the tent into basically a couch or a sofa, enabling the tent to act as the bedroom, if you like, but also as a living room, so to speak. It's also very well received by the marketplace. In all, we're continuing to execute our agenda for growth and for efficiency, and we expect to see continued financial performance improving as a result of the actions we are taking. With that, I'll hand over to Toby, who will use the next page as a backdrop to give you some updates on financial aspects to consider as we talk about the second quarter.



Toby Lawton

CFO | Thule Group

Thank you, Mattias. Good afternoon, everybody. Maybe firstly, just a quick comment on this page, and you can see the seasonality of our business here. Basically, if you look at the history, you can see that Q2 has been the biggest quarter for us. Seasonally, this is a big quarter. There's still a couple of weeks left in high season. We're not yet at the end of the quarter. As Mattias says, what we see is we are in a tough market, but we do expect organic growth in a tough market. It's good to remember at the same time that Q2 in 2025, so last year was the strongest organic growth we had in 2025. It is a tougher bar to reach organic growth this quarter, but we do expect that.



Toby Lawton

CFO | Thule Group

Remember, there are still a couple of weeks to go. I think also worth remembering on the net sales side here is that we've had quite some FX headwinds in recent quarters. In Q1, for example, the negative impact of FX on sales was minus 7%. In Q2, the exchange rates have moved a little bit in our favor, you could say. The FX headwind is still there, but it's less than it has been in recent quarters. We expect it to be around 2% negative, or actually slightly above 2% negative. Yeah, that basically means that the reported growth will be lower than the organic growth. We have gross margin. As you know, we had a good gross margin development and an increased gross margin development during last year and during the last 24 months, basically.



Toby Lawton

CFO | Thule Group

Part of that was obviously the effect from the acquisition of Quad Lock, but there was also a significant step up underlying in gross margin over recent quarters. As we previously said, the main focus this year is on maintaining that good level of gross margin, which would be a good performance. When it comes to below gross margin to the SG&A, we've been pushing hard, as you know, on cost efficiencies and on reducing cost. In SEK our SG&A was down significantly versus last year in Q1, so it was down by about SEK 60 million in Q1. The main impact as you know, and we talked about in the Q1 report, was lower development spend, which was also a phasing impact, which led to a bigger decrease in Q1.



Toby Lawton

CFO | Thule Group

We also expect SG&A to be down versus prior year for the first half, but the vast majority of that will be from Q1 where we had this big reduction of SEK 60 million. Note here that I'm comparing also to the number for prior year, which excluded the one-off cost for the restructuring in Longmont, which we had of SEK 31 million, which was reported in Q2 last year. We showed the EBIT both including and excluding that impact. Note that I'm talking excluding that impact. We also have had some FX impact on EBIT. It's always hard to predict FX impacts, but in Q1 we had a negative impact of approximately SEK 30 million. In Q2, we expect it to be a bit less, but still a negative impact from FX on EBIT.



Toby Lawton
CFO | Thule Group

All right, if I just move on to say a few words about the Middle East and the impact of the crisis, which Mattias touched on earlier as well. Just by reminder, we don't have any operations and any significant presence in, you could say, the Middle East or Gulf region. We do expect some impact on cost for materials and freight due to primarily the increased oil and energy prices. However, so far, we mean here Q1, we expect Q2 to have relatively little impact. Material costs have largely been hedged in Q1 and Q2. There is some small impact on freight costs, which has gone up due to higher energy prices, but small. That's the impact we expect. The small impact we expect in Q2 would be a small impact from freight.



Toby Lawton
CFO | Thule Group

We do expect more of an impact in the second half where the hedging that we did on the material costs in Q1 and Q2 has now come to an end. We've entered new contracts for buying materials, and particularly here I'm talking about aluminum and plastics. Also, obviously we'll have the impact of freight costs in the second half year. Overall, we've worked hard to mitigate the impact of these costs, we also decided to offset some remaining impact by some price increases. Most of these will be implemented during Q3, they're being finalized, we'll further update in the Q2 call, which we have when we announce the Q2 result in July.



Toby Lawton
CFO | Thule Group

Of course, the eventual impact of these energy-driven cost impacts will depend on how the development of the cost goes from here and whether they ease or not, and how quickly they would ease as well. Okay, that's what I had to say on Middle East and price increases. Finally, just to mention, you might have seen that we issued a bond at the beginning of May. We issued our first bond of SEK 1 billion under the MTN program. That has a three year maturity, and we had a very good level of interest. It's diversified our funding, and we were oversubscribed 2.6 times on the bond. Really good to see that even bond investors have a strong interest in investing in Thule and a good view of Thule credit as well. It was good to see.



Toby Lawton
CFO | Thule Group

With that, yeah, I think I'll finish there and hand back to you, Mattias.



Mattias Ankarberg
CEO and President | Thule Group

Thank you very much, Toby. I think we can move to the next page, it's time to open up for questions. I turn to moderator to manage the Q&A session.

Q&A

**Operator**

If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Daniel Schmidt from Danske Bank. Please go ahead.

**Daniel Schmidt**

Analyst | Danske Bank

Yes. Good afternoon, Mattias and Toby. A couple of questions from me. Hope you can hear me. Maybe starting at the wrong end then, starting with what you finished off in talking about the raw material. Clearly raw materials spiked in March, and they stayed elevated in April. Since then it has started to come down and basically oil price and plastic related prices are almost where we were at the end of February. Aluminum has come down quite a bit, and it's not that far off. Then steel prices remain quite high. Are you sort of lifting prices during Q3 related to the average raw material cost that you had in Q2, or how does that sort of correspond to the latest price development? Could it be a situation where you've raised prices more than you needed, basically?

**Toby Lawton**

CFO | Thule Group

Maybe I can just go first on the cost side, Daniel. We saw costs did go up in March time in particular when the crisis obviously started. They've been fairly stable on a higher level, and to remind, we buy some quite specialist sort of grades of aluminum and plastics. It's not commodity pricing that you always see that translates into the prices we pay. They tend to be a bit more slow moving, you could say. They follow the same trend, basically. I think we haven't seen it getting worse since the beginning of the crisis. It sort of went up and stayed there, but it won't be straight back to the levels before the crisis. I think that's clear.

**Mattias Ankarberg**

CEO and President | Thule Group

Maybe to answer your last part of your question there, Daniel, I think it's right. It's been volatile up and then maybe down a bit. I guess who knows the development of the next couple of weeks. That's also part of the reason why we're still finalizing the price increases as we speak. The other reason is make sure we're in high season, and we want to keep our teams and our customers focused on executing the plans we have and all the activations that are in. We'll land this over the next couple of weeks, and then execute it during Q3. We can give you an update on the amounts and the path to execution when we have the call about the Q2 report.

**Daniel Schmidt**

Analyst | Danske Bank

If I understand you correctly, given the history that you had, your aim is to sort of do a lot internally in order to mitigate. The rest is going to be through price hikes and sort of with the end game being that you will hopefully defend the gross margin simply.

**Mattias Ankarberg**

CEO and President | Thule Group

Exactly. That's spot on. I think as we commented on the Q1 report, we at the time I think said that we didn't expect this to be an impact on Thule as for example, the magnitude of the tariffs last year when we had to take some pretty significant price increases then specifically to North America because although we did quite a few things to offset internally, that was too much to bear for us on the low. We are doing things now exactly to what you said, Daniel, and shifting around what we can and working with suppliers, and the rest we will use price increases to basically keep gross margin neutral as best we can.

**Daniel Schmidt**

Analyst | Danske Bank

Yeah. Okay. My second question relates, of course, more to top line. You mentioned in connection with the Q1 report that Q2 had started in a similar fashion as we finished Q1, alluding to maybe a slight acceleration. I'm talking fairly small numbers here, I think versus what the average rate that you had in Q1. It sounds more like you're maybe holding the same pace as you did in Q1. Is that a fair statement and sort of sheds any light on what's been happening during May and June so far?

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Mattias Ankarberg

CEO and President | Thule Group

That's a good question of course, and you're really into the nuances here. I think if we step back, from where we sit as sort of a management team, it's not a lot of difference in the underlying trend. The sales mix is a little different in Q2 than in Q1. We should remember that the way our business works is that we are really in high season right now. The last two weeks of June, if a couple of big customers are pushing hard in the end of June, or if it's rather July, that could also impact numbers a little bit on the margin. I think we're not seeing a big difference, improvement or deterioration in market conditions, and we're seeing good results from our own actions and new product programs just as we did in Q1.



Mattias Ankarberg

CEO and President | Thule Group

I think that's sort of the level we're commenting on here, and then if that plays out exactly to a little bit higher or lower versus whatever momentum end of Q1 or Q1 on average, we'll have to wait and see until we've summarized the quarter, basically.



Daniel Schmidt

Analyst | Danske Bank

Yeah. Okay, I get you. Then just a final question on FX. Clearly it will have a less impact on you in this quarter versus the previous quarter. Could you just remind us what the impact from FX was on EBIT level in Q1?



Toby Lawton

CFO | Thule Group

Yeah, I can. It was approximately SEK 30 million on EBIT level on Q1, and we expect it to be less than that in Q2. It's hard to predict FX.



Daniel Schmidt

Analyst | Danske Bank

Yeah



Toby Lawton

CFO | Thule Group

The quarter's not finished, but where we're sitting now, that's what we expect.



Daniel Schmidt

Analyst | Danske Bank

Thank you. That's all for me.



Operator

The next question comes from Adela Dashian from Jefferies. Please go ahead.



Adela Dashian

Analyst | Jefferies

Good afternoon, gentlemen. You spoke a bit up here about the regional variances, North America versus Europe and so on. Can we talk about the category mix? Maybe also if you continue to see sustained recovery in the RV segment as the year progresses?



Mattias Ankarberg

CEO and President | Thule Group

Sure. Again, Q2 is a really big quarter for us, the biggest one. Part of why that is, or the big reason for why that is because it's bike season. High season is bike season for Thule, which means we're selling a lot of bike carriers and a lot of multi-sport and bike trailers and other associated bike products, child bike seats, et cetera. That makes this a bit different than, for example, Q1 that still covers, of course, a lot of the winter season, which is more related to skiing. That's a bit different, and we, as maybe a side comment, try to also, as of last year, tailor our launches accordingly. We have launched quite a few things around bike now in Q2. That, I guess, is the overall comment on the sales mix for the quarter.



Mattias Ankarberg

CEO and President | Thule Group

On the RV side, yes, we are continuing to see that the RV industry is recovering. It is a smaller share of sales in Q2 because of the reason I mentioned before, bike is bigger. Then there are some signs in the RV industry recently that is posing, I guess, a little bit of question marks for the industry with registrations maybe not as strong as hoped in Central Europe for the last two months, et cetera. That we are, of course, also monitoring carefully and having a lot of close discussions with customers and others in the industry. To plan the future ahead, we can comment more on that when we talk in July. So far, we see that the industry is continuing to recover.



Mattias Ankarberg

CEO and President | Thule Group

maybe, Adela, as a last comment to your question around RV, and also like to remind everybody that the growth we've been seeing in RV products, for example, in the last quarter, comes also to a significant extent from new products that we have launched ourselves. Our performance is for sure based on market improving, but also our own actions.



Adela Dashian

Analyst | Jefferies

Okay. I see. Can I also ask on, it's been a rather wet start to the summer, spring season in Europe. Has that impacted you at all? Or does it, because of timing, not really since, I guess the replenishment orders are coming in the peak summer months rather than in the early spring?



Mattias Ankarberg

CEO and President | Thule Group

Yeah. I would say that in general, weather, of course, always plays a role, but it plays a rather small role for Thule. To your point, we work with a multitude of go-to market models, and some customers are taking things in early, some are waiting a bit, some have larger orders intake in the beginning, and others are now working more with replenishment orders. Overall, it's a little shift between weeks and months, but as a quarter goes, I don't think we will sum up Q2 and see that that has a significant weather effect. I think it can actually be ignored.



Adela Dashian

Analyst | Jefferies

Great. Maybe lastly, Mattias, is D2C growth still outpacing wholesale or retail? Do you have any specific numbers that we can make use of there?



Mattias Ankarberg

CEO and President | Thule Group

Yeah, we are seeing good growth in D2C, it's really encouraging from two points, both that, of course, the growth is coming and it's nice for the business and for the margin profile, although maybe it's sort of a marginal mix positive effect. The other one is we clearly see that D2C is now becoming a real muscle for us in the sense that it's an important channel to launch new products, where we have D2C open in a lot more countries than we had just two, three years ago. We have a bigger consumer database that interacts with us on a quite regular basis and are curious about the assortment and some of the services provided. It's becoming more of a strength for us. Of course, we do have some numbers, but I hope it's okay for you.



Mattias Ankarberg

CEO and President | Thule Group

We always try to comment on specific numbers when we do have the quarterly report, we can share the exact details at that point.



Adela Dashian

Analyst | Jefferies

Yeah. Of course. All right, perfect. Thank you so much.



Mattias Ankarberg

CEO and President | Thule Group

Thank you.



Operator

The next question comes from Mats Liss from Kepler Cheuvreux. Please go ahead.



Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Hi. Thank you. A couple of questions. First, regarding, you mentioned the organic growth in Q2 and continuous, and the bike season for you. Well, the question is really, is it a more sort of upgraded premium product that are getting attention, or is it the more mature maybe not so pricey product that you get a feel for if consumers try to trade down or if they stick to the premium products you offer?



Mattias Ankarberg
CEO and President | Thule Group

Yeah, I can start. No, I think in general, we continue to see that new products and upgraded products really do drive growth. This year in, for example, bike, as we're in Q2, we are launching product with both higher price points and more advanced features, if you like, but also lower price points for us than we've done in many years. Both are working well. Both are new and both are specced differently, and both are meeting apparently a consumer need in the marketplace. Having said that, what I think we've tried to call out the last couple of quarters is we do continue to see the best performance in the higher price points.



Mattias Ankarberg
CEO and President | Thule Group

I think it's probably a sign of the times that in maybe a bit tougher times, the people that do have both the wallet and sort of the passion or the interest are the ones that are continuing to spend probably to a higher extent. That we see across virtually all of our product categories that the most premium end is performing the best.



Mats Liss
Analyst | Kepler Cheuvreux

Okay, great. Just if you could remind me about, you implemented some efficiency cost savings measures, I think especially in the North American market, and we have seen the impact so far, but the year-over-year impact in the second half, could you just remind me of that?



Toby Lawton
CFO | Thule Group

Hi there. How are you?



Toby Lawton
CFO | Thule Group

I think in summary, we're working hard on cost. We do expect to have some improvement in reduction in cost during the full year. We saw that in Q1, as I mentioned, the Q1 was about SEK 60 million down in cost, and that was a big impact, which was also partly due to the phasing in development cost, which also particularly helped Q1. We do.



Mats Liss
Analyst | Kepler Cheuvreux

Okay. Maybe I was a bit too late with the North American. Those measures were implemented a year before.



Toby Lawton
CFO | Thule Group

Okay. Specifically in North America, we did some measures, the closure of Longmont. It's not that big, so that's number one. That was done last year in Q2.



Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Great. Okay. Well, thank you. I'll step back in line. Yeah.



Operator

The next question comes from Hai Nguyen from UBS. Please go ahead.



Hai Nguyen

Analyst | UBS

Hello, thank you for taking my question. I just have one. I believe you guided for leverage of 1.7, 1.8 times. Q1 rose to north of two times on seasonality. With the Q2, Q3, do you expect to still have 1.7, 1.8 times as the year-end ambition, especially once Q2 rolls off and you have to start with a higher raw materials base? Does that change your working capital outlook and leverage outlook?



Toby Lawton

CFO | Thule Group

Firstly, we haven't guided on any leverage sort of specific number. What we have said is we do expect to see leverage come down, Obviously with our seasonality, Q2 is a big quarter revenue-wise. Then cash flow-wise, it's important to remember that we also pay a dividend in Q2. Actually the best cash flow quarter is actually Q3 for us. We do expect to see over quarter two and mainly quarter three to see leverage come down.



Hai Nguyen

Analyst | UBS

Thank you.



Operator

The next question comes from Johan Eliason from SB1 Markets. Please go ahead.



Johan Eliason

Analyst | SB1 Markets

Hi, Mattias and Toby. Just to follow up, you mentioned that you expect also positive organic growth in Q2 here. How is it with Quad Lock? Are those sort of still trending around the double-digit level, or how's that development?



Mattias Ankarberg

CEO and President | Thule Group

Yeah. Hi, Johan. I think I'll answer accordingly. I think Quad Lock has had a pretty consistent about 10% or for several quarters last year, north of that, up to 15% growth. It is a growing category and a growing business, it of course, can go a little up and down between the quarters, we continue to see good opportunities and good growth for the Quad Lock business. Again, we won't get into specific numbers here before the quarter has closed, we'll do those at the Q2 call. A long path of continued growth opportunities ahead of us and continued execution in line with our plans.



Johan Eliason

Analyst | SB1 Markets

Good. Just remind me, is there any particular seasonality with Quad Lock considering its origin for Q2?



Mattias Ankarberg

CEO and President | Thule Group

Yeah. No, not so much. I'll start and then Toby, you can maybe add if you like. From a geographical point of view, also Quad Lock sells in over 100 countries, North America and Europe is the biggest footprint. It's impacted by the northern hemisphere summer, if you like. Q1 is the smallest quarter, the others are fairly similar in terms of revenue, in terms of size. Toby, feel free if there's some additional color you'd like to provide.



Toby Lawton

CFO | Thule Group

Yeah. No, I think that covers it, too.



Johan Eliason

Analyst | SB1 Markets

Yep. Good. Then just finally on this bond, does that imply anything on financial net in the quarter? Sometimes people pay off some early debt, et cetera, that causes a spike around events like this. Would that be the case for you also?

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Toby Lawton
CFO | Thule Group

No, that's not the case here. No. This is not that we're trying to increase our level of debt either, is maybe worth mentioning as well. That it's purely a diversification of our funding base. We think it's good to optimize our funding base to get diversification and also the lowest cost.



Johan Eliason
Analyst | SB1 Markets

Okay.



Toby Lawton
CFO | Thule Group

No spike. No one.



Johan Eliason
Analyst | SB1 Markets

There's no temporary sort of in Q2 now?



Toby Lawton
CFO | Thule Group

No. We expect the financial net to be steady.



Johan Eliason
Analyst | SB1 Markets

Yeah.



Toby Lawton
CFO | Thule Group

No big difference from previous quarters. Mm-hmm.



Johan Eliason
Analyst | SB1 Markets

Okay. Excellent. Many thanks.



Operator

The next question comes from Carl Deijenberg from DNB Carnegie. Please go ahead.



Carl Deijenberg
Analyst | DNB Carnegie

Yeah. Thank you very much. Good afternoon. Could I first ask if you could give any quantification on the magnitude of the raw material exposure that you mentioned, the plastic and aluminum? I believe you've quantified that in all annual reports. I think roughly 15% respectively of the cost of goods sold. I just wanted to understand, is that ballpark a similar exposure you're having today as well or has that changed over time?



Toby Lawton
CFO | Thule Group

I can cover that. That is our exposure to aluminum as a material, yes, Carl. That's not changed.



Carl Deijenberg
Analyst | DNB Carnegie

Okay, great. Just also in the comments you made on the anticipated price adjustments, I was just curious, have you started to see any other peers or brands starting to do hikes already on the back of this, or is it still a little bit too early?



Mattias Ankarberg

CEO and President | Thule Group

Small, I would say, hikes here and there, but nothing too much. I think if I would venture to guess that a lot of people are thinking similar to us right now. Let's wait a little bit and see how this plays out. We're right in the middle of high season for a lot of our categories, let's give the customers and the consumers the chance to buy things at a sort of steady situation before we mix things up too much. I would say in overall, not a lot, actually. Quite little.



Carl Deijenberg

Analyst | DNB Carnegie

Okay. Just finally, also, I wanted to ask what the latest is on tariffs. That's obviously been quite dynamic with regards to news flow and Section 232, and you made quite big price adjustments last year in the U.S. on the back of this. What is the latest there for you? Has that changed anything in the last couple of months, or is it, let's say, steady state from a cost angle?



Toby Lawton

CFO | Thule Group

Yeah. I would say if you look at the tariff impact we have now versus what we had, say, this time last year, it's basically at the same level, a very similar level.



Toby Lawton

CFO | Thule Group

It's different tariffs, or it's charged in different ways than it was this time last year. The overall impact is about the same. The situation is, yeah, essentially no different going forward.



Carl Deijenberg

Analyst | DNB Carnegie

Yeah. Okay, great. Thank you very much.



Operator

As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. The next question comes from Fredrik Ivarsson from ABG Sundal Collier. Please go ahead.



Fredrik Ivarsson

Analyst | ABG Sundal Collier

Thank you. Hi, [team]. Two questions from my side. First, on the U.S., in particular, you've been talking about the Thule Escape launch for some time. I'm curious to hear whether you've seen any impact from that category or from that product range in Q2, or is it too small?



Mattias Ankarberg

CEO and President | Thule Group

Fredrik, yes. Well, both actually, I would say. It's been launched at the very end of last year. Well, not of course. We've been really pleasing to see that it's had a good impact. It really is changing things around in that little category. Having said that, of course, it is not on its own a force big enough to change the whole North American situation. Therefore, of course, small impact to the group. It is a good contribution, and it is a good stepping stone for us, to really change things around in the truck category where we have been not very active at all for many years.



Fredrik Ivarsson

Analyst | ABG Sundal Collier

Okay, good. Thanks. Second one, on the gross margin, it sounds like you're sort of aiming for a stable one in 2026, but shouldn't we expect a positive mix effect if Quad Lock becomes the largest share of the group? Which it sounds like it's heading towards that sort of way, given that it has a completely different gross margin profile, of course.



Toby Lawton

CFO | Thule Group

Just to comment from me, there's obviously a lot of things which impact. One is product mix, where there's some positives that you mentioned, and some if RV has been growing faster than the average, which it probably is on the other side. Of course, this material cost plays into that somewhat, Fredrik, and how we mitigate that material cost plays into that. FX plays a little bit into that as well, which has been negative recently that we've been having to take. Overall, it's a combination of all those effects. We made some good progress in gross margin, I think, over more than a year now, over probably six or seven quarters.



Toby Lawton
CFO | Thule Group

I think we feel good about the level of gross margin we've achieved, and it's important that we hold onto that, and holding onto that will be a good performance in this environment.



Fredrik Ivarsson
Analyst | ABG Sundal Collier

I agree. Thanks. That clarifies.



Operator

The next question comes from Mats Liss from Kepler Cheuvreux. Please go ahead.



Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Hi. Just coming back here to the champion creation you're in the process of. I just wondered, it's basically organic growth to champions or are these acquisitions that you potentially have to do, like in dog transportation, something that you'd like to speed up the creation?



Mattias Ankarberg
CEO and President | Thule Group

It's a good question. I think if we're then stepping back and I guess to your point, Mats, quite a bit away from the Q2 discussion, we can see that over time, the growth and the profit that Thule has delivered over many years has come through these categories that have the same characteristics that we now call champions. The two characteristics were clear market leader, number one, in a pretty small market where we can innovate more and better than competition. That's really the champion characteristic. We draw a line at SEK 500 million and say, "If you're above that, you're a champion." We have six of those today, the champion categories. Our ambition is to go to 10 by 2035.



Mattias Ankarberg
CEO and President | Thule Group

We have three internal sort of candidates at the moment that fit the champion criteria, but are still smaller than the half billion mark. The all-terrain and running strollers is one, the dog transportation is one, the car seats in Europe is the third one. We have a few. Having said that, we have, of course, a few more things in the making to be launched over the coming few years that has the potential. We are, I would say, proactive in terms of M&A. We have about 25 companies that we speak to on a regular basis, some of those could add to a business that we have and therefore boost the path towards a champion. Hopefully Curli boosts the dog transportation area towards being a champion.



Mattias Ankarberg
CEO and President | Thule Group

Some companies are big enough that, and has a good enough fit that they could be standalone sort of acquisitions that could form a new champion, like what we could do with Performance Foam now. We did change. Having said all that, M&A of course, plays a role, but we did change the financial targets in November last year to specifically be around organic growth rate, because we just want to emphasize and underline that the main priority for us is to drive organic growth through building out the existing champions and building up new ones. It plays a role, but the main focus is organic.



Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Thank you. Good point.



Operator

The next question comes from Daniel Schmidt from Danske Bank. Please go ahead.



Daniel Schmidt
Analyst | Danske Bank

Yes, sorry, just a short follow-up on what you just talked about. This acquisition, although it's quite small, would that entail any sort of additional costs that you will book in Q2 related to due diligence or anything meaningful that adds to the cost, please?

Thule Group

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Toby Lawton
CFO | Thule Group

It will add some cost in Q2, but it'll be small as it's a small acquisition. Of course, there is some cost associated, and I think good point, Daniel. We can explain that impact in the Q2 information. It's small, but yes.



Daniel Schmidt
Analyst | Danske Bank

You will probably write that out or speak about it at least in connection with the call?



Toby Lawton
CFO | Thule Group

Yes. We will.



Daniel Schmidt
Analyst | Danske Bank

Yeah. Okay. Thank you.



Operator

The next question comes from Adela Dashian from Jefferies. Please go ahead.



Adela Dashian
Analyst | Jefferies

Hi. While we're on the topic of champion categories, I guess once a product or category reaches this champion status, is growth from there on going to be more price-weighted? Or do you see opportunities to continue to take, I guess market share and see continuous volume progress beyond the point of becoming a champion category?



Mattias Ankarberg
CEO and President | Thule Group

Well, thanks. It's a good question. I think of course, all categories have their own little characteristics. I think the more general point is actually that we can continue to innovate and find new use cases to build the market or drive the market, if you like. For example, we were market leader in rooftop boxes. We could develop rear of car boxes. We were market leaders in top of the car bike carrier transportation. We could invent rear of car bike carrier transportation and open up new segments, if you like, within the champion.



Mattias Ankarberg
CEO and President | Thule Group

I think that's probably one of the most important points about the champion status is that when we have scale enough, knowledge enough, capabilities in terms of development and distribution and ambassador activation and consumer awareness, et cetera enough, our innovation in these categories really pays off because we get a lot of return on that leverage. Innovation driven is probably the best phrase to use when it comes to how do you grow a champion? That could come through volume or more premium products, therefore higher average price, if you like.



Adela Dashian
Analyst | Jefferies

Really good explanation. Thank you so much.



Operator

There are no more questions at this time. I hand the conference back to the speakers for any closing comments.



Mattias Ankarberg
CEO and President | Thule Group

Thank you everybody for joining the call and for asking questions to make this interactive. Always good. Hope you have a good Midsummer for those of you in Sweden, a good weekend for the rest of you when you get there, and see you at the Q2 call. Thank you.