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Thule Group

Q1 2026



Speakers



Adela Dashian
Analyst | Jefferies



Carl Deijenberg
Analyst | DNB



Daniel Schmidt
Analyst | Danske Bank



Fredrik Ivarsson
Analyst | ABG



Gustav Hagéus
Analyst | SEB



Liz Kay
Analyst | BNP Paribas Exane



Louise Wiseur
Analyst | UBS



Mats Liss
Analyst | Kepler Cheuvreux



Mattias Ankerberg
President and CEO | Thule Group



Operator



Toby Lawton
CFO | Thule Group

Prepared Remarks

**Operator**

Hello, welcome to the Thule Interim Report Q1. My name is Ken, I'll be your moderator today. All lines will be muted during the presentation portion of the call with an opportunity for questions and answers at the end. If you would like to ask a question, please press star one on your telephone keypad. I would now like to pass the conference over to Mattias Ankerberg to begin. Please go ahead.

**Mattias Ankerberg**

President and CEO | Thule Group

Thank you, welcome everybody to this call. I am, as usual, joined here by our CFO, Toby Lawton, and we will, also, as usual, speak to a presentation that will later be available on our website. Following that presentation, we'll open up for questions. Starting off with the highlights for the quarter. It's a good start to the year. For sure, it's still a challenging market in many ways, but we deliver organic growth of 4% and an improved profitability.

**Mattias Ankerberg**

President and CEO | Thule Group

It's nice to see that the growth is driven by our focus on building what we call the Champion categories, we see the fastest growth in the quarter in the product area, Active with Kids and Dogs, where we have invested a lot during recent years and continue to fuel the growth with new products. While the absolute number still can be improved, North America is continuing in the right direction despite the market being the most challenging in the space that we operate in. It's nice to see a good continued trend in the right direction. It's also nice to see that we, again, are recognized for outstanding product design with many new design awards in Q1 2026.

**Mattias Ankerberg**

President and CEO | Thule Group

Turning to the financial overview, on page three, we, as mentioned, have organic growth and higher profitability in the quarter. Sales amounted to just short of SEK 2.6 billion, with the organic growth being up 4%, 5% in Europe, which is pretty good, and North America is flat compared to last year, which again, is not the number to be satisfied with, but it is continuing step by step, quarter by quarter to move in the right direction, which we're pleased about. Rest of the world increased organic growth 2%. There's some quite significant currency effect in the quarter, 7 percentage point impact, which take the reported sales in SEK to -3% versus previous year.

**Mattias Ankerberg**

President and CEO | Thule Group

We had a really nice high gross margin in the first quarter last year, we maintained that high level, which we are pleased with. The EBIT margin is up almost 1.5 percentage points to 16.5%, driven by some organic growth, of course, but also cost efficiency. Reduced sales and admin costs in the quarter, particularly lower product development spend, but also some lower admin costs. Cash flow from operations was positive in the quarter, SEK 25 million, which is an improvement versus of this historical trend. Toby will get back to some further details on all these financial metrics in a little while here further on in the presentation. Before we get into the details, let's take just a step back and remind ourselves about the long-term trend.

**Mattias Ankerberg**

President and CEO | Thule Group

Thule has been a listed company for over 10 years, and we have a long track record of profitable growth. Just to set the numbers straight, we now, of course, continue that trend in Q1. On the last 12-month basis, we have net sales of SEK 10.3 billion, and an EBIT margin of 16.4%. If we move into the performance by product area, we'll talk you through all the four product areas one by one. I'd like to just quickly mention that as of this report, we now refer to these four as product areas, and product categories is a more specific term.



Mattias Ankerberg

President and CEO | Thule Group

For example, the product area, Sport and Cargo Carriers, is a collection of product categories like roof racks, cargo boxes, and bike carriers, just to clarify the terminology a bit more. And we can start with the biggest product area, Sport and Cargo Carriers, which is almost half the sales in the first quarter. Here is also a product area we have three so-called Champion product categories, roof racks, cargo boxes, and bike carriers. And as a quick reminder from the CMD in November, Champion categories are categories that where Thule is a clear global number one, and we have the capabilities to do what we call out innovate competition, innovate more and better than competition and drive our own growth. But they're also sizable enough to matter for the entire company. About SEK 500 million or bigger.



Mattias Ankerberg

President and CEO | Thule Group

We have six Champion categories today, a few Champion candidates, and that's the number one growth priority to grow these. Sport and Cargo Carriers in Q1 was flat versus last year in organic sales terms. We did see, as we always do, nice growth from contribution from new Thule products. Here recently, we have launched some new products in the quarter, which are at the entry price level. Thule is obviously sales tilted towards the premium end, but it's nice to be able to offer more consumers the option to buy into Thule. We had a good start, both for the rooftop box, Thule Pulse, and the entry price bike carrier, Thule VeloLite.



Mattias Ankerberg

President and CEO | Thule Group

We've continued to see a really nice momentum in what we call rear car cargo, rear car, excuse me, cargo products, which we've strengthened the offer quite a bit last year. We just before the new year in December last year launched the first product for many years in the pickup truck space in North America, the truck bed rack Thule Xscape, which has also off to a nice start now in the Q1 2026. Good to see that these products are continuing to add growth to the company. We did see growth in total for the Sport and Cargo Carriers product area in Europe, but a decline in North America. That's why it's flat in total.



Mattias Ankerberg

President and CEO | Thule Group

It is still cautious retailers and consumers. It is nice to see that we do grow in the premium end both in Europe and in North America. What's holding the growth back in total is the mid and lower price items in North America, where the market is still the most challenging. Moving on to the second product area, RV Products, which accounted for just over 20% of the sales in the quarter. Here's a product area where we saw some good growth in the quarter, up 8% organic. It's now the second quarter in a row where we see growth in both the aftermarket, which we've done for quite some time, also in the OE channel.



Mattias Ankerberg

President and CEO | Thule Group

The market is recovering or improving. We see that the OE customers or manufacturers are taking less and less production stops, which of course helps the growth to be balanced across both those channels. We should also say that the growth is for sure not just driven by a recovering market. We have continued to invest in product development also during a tougher time for RV Products and also have some award-winning products. We can see that these products contribute really well to the growth that we're seeing now in the quarter. We see a start of the year, good consumer interest still in RVing, camping, with good attendance to consumer fairs and general high interest. We expect the market to be gradually improving also going forward.



Mattias Ankerberg

President and CEO | Thule Group

The third product area is our fastest-growing product area in the quarter. It's Active with Kids and Dogs, which is a product area where we have also invested a lot in recent years. It's a product area where we have what we call three Champion candidates, product categories that we believe a lot in that fit the characteristics of a Champion category but are not yet big enough to classify as a Champion. We see really fast growth in all these three Champion candidates. In all terrain and running strollers continues really strong, driven by our Thule Urban Glide product and some news around that product that really helps. We see continued strong trend in dog transportation, including our recently launched dog crate Thule Allax Double.



Mattias Ankerberg

President and CEO | Thule Group

The ability to safely transport two dogs at the same time, launched in just a few months ago. We also continue to see very good momentum in child car seats, and we see strength from our most recent launch, the high-back booster seat Thule Palm, which came during the autumn last year. Very nice growth in all three Champion Candidates. The soft spot in the category is multi-sport and bike in the product area. Excuse me, it's the category multi-sport and bike trailers, where there's still a lot of product in the market and quite a discount-driven segment. We do see nice growth in the premium end, but tougher on the mid-price and the lower-price segment, just like in Sport and Cargo Carriers.



Mattias Ankerberg

President and CEO | Thule Group

In all, it's nice to see that these three Champion Candidates are now growing fast but also meaningful enough in size that it takes the whole Active with Kids and Dogs product area to +11%, and therefore making a significant contribution to the total growth for the company in the quarter. Lastly, the product area bags and mounts grew by 6% organic in the quarter. We do see continued growth momentum in performance phone mounts that came with the acquisition of Quad Lock, which continues to grow well and represents now about two-thirds of the bags and mounts product area. On the bags side, there we are undergoing some changes. As you may remember, it's nice to see some growth in the Thule branded bags in the quarter with well-received new products.



Mattias Ankerberg

President and CEO | Thule Group

Thule Chasm gear haulers has launched and got a good reception. The new bags and rack system for bike commuting, what we call the Thule InLock system, has also had a good start. As planned and earlier communicated, we see continued decline in the Case Logic and the OE bags, which, of course, has a drag on the overall growth for the bags business and also for the full bags and mounts category. Lastly, before I hand over to Toby, we are very pleased and proud to again be recognized for our product design, having received in this quarter 14 new product awards from the Red Dot Design Award and eight from iF Design Award. These two being the two main award institutes, design institutes handing out awards.



Mattias Ankerberg

President and CEO | Thule Group

Believe it's a great testament to our design team, but also more generally our brand and our full R&D team. It's a real team effort to bring these to the market. It's also nice to see that we do get product awards and are recognized across both our existing Champion categories, some of the Champion Candidates, and also some other gems in the portfolio. Very proud and pleased that the team has continued to deliver really good product and that it resonates with both consumers and also the awards. With that, I'll hand over to Toby to take us through some more financial details.



Toby Lawton

CFO | Thule Group

Thank you, Mattias. Thank you. Good morning, everyone. I'll take a bit closer look at the financials and starting with the slide financial summary. If I start here at the top with the sales line, you can see a sales growth organically of 3.9%. Good to see us back to a good organic growth. We also have a currency impact, of course, which is negative, which is driven by the SEK being stronger than the dollar and the euro in the prior year, and that impact is around 7% negative. Overall, sales was -3% when you take those two effects together. Gross margin is basically flat at the same level as last year, 44.8%, which is a historically high level.



Toby Lawton

CFO | Thule Group

This was positively impacted by price and mix and by efficiency gains, but that was offset by increased material costs and tariffs, which of course is versus Q1 last year. Tariffs are higher as well in Q1 this year. We have a good positive impact from selling and administration expenses, which are SEK 60 million lower than Q1 last year. The biggest effect here is reduced development cost, but we also see a lower administration cost in Q1 this year than we had in Q1 last year. Just one thing to note here is it's a good reduction from development cost. We have said that for the whole of 2026, the full year, we expect development costs to be lower than 2025.



Toby Lawton
CFO | Thule Group

I would say we have a little bit extra in Q1 because of basically the timing or the phasing where we've taken, last year, we took quite a larger share of development cost in Q1. This year we have a little bit smaller share of the full year development cost in Q1. That's a part of it, but it's also underlying a good reduction in development cost and administration cost. Finally, EBIT or operating profit. We have SEK 424 million in the quarter versus SEK 401 million in the first quarter last year. This has been impacted negatively by currency as well, approximately SEK 30 million impact of currency, which is negative.



Toby Lawton
CFO | Thule Group

The margin is obviously higher by 1.4 percentage points, which is good to see and is due to the selling and administration expenses, which I talked about earlier. With that, also the last 12 months, the LTM margin has also increased. We had 16% for the full year 2025, and now if you take the last 12 months at the end of quarter one, we are at 16.4%. If I go onto the next slide and just taking a step back to look at the relative shares of sales of different parts of the business, starting with the geographic regions on the left side. Here, these are the share of sales of the last 12 months compared to the full year 2025.



Toby Lawton
CFO | Thule Group

You can see the biggest part of the pie, the dark blue is region Europe, which had 5% growth in the quarter and is now a slightly bigger share than of the LTM at 68%. We have North America, which was flat, and rest of the world, which had a 2% growth and is 9% of the group's revenue. Moving to the right-hand side where you see the product areas. Firstly, starting on the left with Active Kids and Dogs, which Mattias talked about here, it's 11% of the revenue of the company on an LTM basis. We had good growth here. We grew by 11% in the quarter. Bottom left, you see RV Products where we had 8% growth, a good performance.



Toby Lawton
CFO | Thule Group

Bags and mounts, top left, we had 6% growth, and that's 21% of the company. The largest share with Sport and Cargo Carriers had flat growth. Here, as Mattias presented as well, it's the new products that are driving the growth here, and it's also an area where we see growth in Europe but decline in North America. Onto the next slide and just showing a bit longer perspective of our EBIT and EBITDAR development, and in particular, comparing to the levels that we had pre-pandemic. This is something we talked about a bit more at CMD, which was held in November. So you can find more information there.



Toby Lawton
CFO | Thule Group

Firstly, you can see that the EBIT margin also on an LTM basis has increased from 16% to 16.4%, so a good step in the right direction. Above that, you see the EBITDA margin here, which, when you look at the level now, we have LTM, we have 19.9%, 2025, we had 19.5%, and both of those are above the level we had pre-pandemic at 19.0%. I mean, if you look on this level at EBITDA level of profitability, we're actually higher than we were pre-pandemic, which is, I think, important to note.



Toby Lawton
CFO | Thule Group

It's basically EBITDA, of course, takes out the effect of depreciation, which is a non-cash effect, but is particularly the depreciation which has increased compared to the period pre-pandemic in our P&L. This was due mainly to the significant investments that took place particularly during the pandemic to increase manufacturing capacity in 2021 and 2022. That's what's also behind the free capacity and the significant free capacity we have that we talk about sometimes as well. Finally, finally, just to round off for the EBIT margin financial target, of course, is 20%. We are very focused on the financial target of 20% and meeting that in the medium term.



Toby Lawton
CFO | Thule Group

It's good to see that we've taken a step in the right direction in the LTM as well with increasing our margin from 16% to 16.4%. Just then to go on to the cash flow. Here you see in the table to the left that our cash flow from operations was positive at SEK 25 million for Q1. Just to mention that cash flow is normally quite small or even negative in Q1 because of seasonality, so bear that in mind. If you look at the graph on the bottom left, actually you can see if you actually go back two years to 2024, we're actually back to a similar level than we were in 2024 Q1 when we actually also had a big help from inventory reduction at that time.



Toby Lawton
CFO | Thule Group

It's good to see we're back to that level, and we're still managing working capital very tightly to deliver the best cash flow we can. Within that cash flow, we had a working capital increase of SEK 365 million, and that's mainly due to the increase in receivables, which is a seasonal effect. Of course, even with that increase in working capital, we had a positive cash flow from operations. We also had a CapEx in the quarter of SEK 99 million, which is mainly related to the investment in our warehouse in Poland, where we're building an automated and extended warehouse next to our main manufacturing site in Poland. Altogether, those impacts increased our net debt by SEK 133 million, so a small increase in net debt.



Toby Lawton
CFO | Thule Group

Net debt to EBITDA ratio is slightly up versus the end of quarter four, but 2.1x EBITDA, this is something we're very focused on. It's a similar level to we've had during history, we're very focused on bringing it down. You can see particularly from the graph that you see on the bottom left as well that we have Q2 and Q3 ahead of us, which are the strong cash flow quarters and which should really help us bring the leverage down a bit in the coming quarters. With that, I will hand back to Mattias.



Mattias Ankerberg
President and CEO | Thule Group

Thank you, Toby. Just a couple of forward-looking comments from us, both regarding the market and also our own priorities. Starting on the market side, I mean, we stay the sort of same message that we are well-positioned in what continues to be still a challenging market, particularly in North America. We do have some highlights or some more positive pockets in the market. Particularly, just as called out in the last quarter, market conditions are improving within RV Products, which is nice to see. We have not seen any negative impact in the short term on demand on the conflict in the Middle East, which is positive. We feel that we are well-positioned moving into high season now in Q2 with an upgraded product portfolio.



Mattias Ankerberg
President and CEO | Thule Group

We have fast growth in our newest categories, Active with Kids and Dogs, summarizing that, and lower cost levels. We continue to execute that and feel good about the high season that we are now moving into. Looking at the year, our priorities, they have not changed. These are executing the strategy that we have and the initiatives that we laid out in the Capital Markets Day in November. Remember, there are two main themes here. The priority number one is around growth, and it is growth through building Champion product categories. It is to launch new and upgraded products to grow the existing Champion categories that we have, which we know is working. New Thule products drive growth also in a tough market.



Mattias Ankerberg
President and CEO | Thule Group

Secondly, it is to add more Champion categories, grow the Champion Candidates by growing the product portfolio and also sales and market activities to increase distribution and awareness about these products. We are having a turn in the Bags category. We are changing the Bags category, which we also spoke to at some length at the Capital Markets Day, to be more focused on outdoor products and functional accessories, which we are seeing good receipt from. It is a bit of a journey. It's gonna take about two years to get where we want to be.



Mattias Ankerberg
President and CEO | Thule Group

We are also, of course, supporting our nice products and product categories with a stronger sales and marketing effort, building what we call a bigger consumer audience, and continuing to expand our D2C presence and scaling up the new setup and our own presence in Australia as two examples of that. Priority number one, build bigger and more Champion product categories. Priority number two, is to drive what we call efficiency gains and scale effects. There are several things that go into this, again, as outlined at the CMD at more detail. Just to highlight a few, we are, with this strategy, focusing R&D spend more on the Champions. We will spend more R&D and resources on the Champion categories, but lower in total.



Mattias Ankerberg
President and CEO | Thule Group

We can see that that effect is coming through now already in the first quarter of this year, supporting the EBIT margin development. We're also taking several actions and initiatives in our supply chain, driving additional insourcing, continuing to build up what we call technology platforms to harmonize assortment and components in our assortment in our product categories. Not the least, continuing to implement our new warehouse in Poland, that's going to go live next year. We'll have a big savings effect, cash savings of SEK 100 million, with the full effect when it's fully up and running in 2028. That's the agenda. No change. Continue to execute. Just to turn to some of the more product-oriented comments that support this growth agenda.



Mattias Ankerberg

President and CEO | Thule Group

We do have many product launches also 2026. Not as many as we did in the last year or two. I think the bigger change is that we are now really supporting our Champion categories with these product launches. We continue to launch several products within all our Champion categories and building out the next generation Champion categories. Just to take a couple of examples, as it's always fun to talk product and particularly Thule product. We thought we'd bring up a few bike-related topics as we're now moving into high season, which is bike season.



Mattias Ankerberg

President and CEO | Thule Group

On page 16, we have just launched the first quarter Thule Velo, which is a North American-specific product, a premium product, a bike carrier built for transporting heavier bikes, which also comes with a tilt function and can take many types of heavy bikes. We are continuing to find new price points and new use cases in this Champion category. In this quarter, we have launched both a lower price product and a higher price product. Starting on the entry price side, we have launched Thule VeloLite, which is the new entry-level bike carrier. Very good quality, Thule quality product, platform bike carrier behind the car, which is our first one bike version platform carrier, which comes at a low price point of SEK 399, at least, you know, for Thule standards.



Mattias Ankerberg

President and CEO | Thule Group

The opposite side of the price range, we have upgraded our most premium bike carrier product, Thule Epos, that now comes with parking sensors. It's launched here in early April, Thule Epos ParkSecure, which comes at a premium price of EUR 1,699 for the consumer who really wants the best and are really focused on protecting their bike and transporting the bike in the safest possible way. Several launches around bike carriers. We have continued to push also other product categories. I mentioned quickly, we have launched the Thule Pulse. It's a new, upgraded version of our entry-level rooftop box, which is off to a nice start.



Mattias Ankerberg

President and CEO | Thule Group

We have some other categories that are also getting a little bit of love, and we have launched a new rooftop tent called Thule Widesky just recently, which we think is a really nice innovative product in this little niche. It's a hard shell rooftop tent, which comes with the Thule quality and the functionality. Easy to set up, easy to close, but also has a really nice bed that can double as a couch or a sofa, which is as a feature really appreciated by the consumers who have bought it so far. Lastly, we are investing in our so-called Champion candidate product categories in all of all-terrain strollers, dog transportation, and car seats.



Mattias Ankerberg

President and CEO | Thule Group

Now in the second quarter, we will start the rollout of the upgraded version of our car seats, which are connected, including sensors that can give the parent feedback to prevent misuse around how the child is installed in the car seats and how the car seat is managed. We look forward to the start of that here in just a few weeks' time. I think that gives a little bit of a flavor of the product launches that we are seeing right now in Q1 and Q2. With that, we will conclude the presentation part of this call and turn to operator to manage questions.

Q&A

**Operator**

Thank you. If you would like to ask a question, please press star followed by one on your telephone keypad. To remove your question, please press star followed by two. Again, to ask a question, please press star one. As a reminder, if you are using a speakerphone, please remember to pick up your handset before asking a question. We will pause here briefly as questions are registered. Thank you. We have our first question from Adela Dashian from Jefferies. Please go ahead.

**Adela Dashian**

Analyst | Jefferies

Thank you, and good morning, gentlemen. A couple from me. Firstly, on North America flat development in Q1, is there anything you can say on trading as you entered into the second quarter of the year? Also in terms of, I guess, inventory levels at this stage of the year versus last year.

**Mattias Ankerberg**

President and CEO | Thule Group

Hi, Adela. In general, Q2 for us, start of Q2 is sort of a continuation of Q1. We see the same trends roughly. On North America specifically, we have seen, you know, an improved trend quarter-on-quarter. Not that we're happy with the level of flat, of course, but it is going in the right direction. We hope that that will be the development also for Q2. Inventory levels. Excuse me, what's the second part of your question? I mean, it's in general, inventory levels are okay. There are some brighter spots and some darker spots, if you like. Across, I would say premium and higher price points, there is not an inventory issue in any of our categories really.

**Mattias Ankerberg**

President and CEO | Thule Group

The darker, the tougher spots are where we play in some of the medium and lower end price points in Sport and Cargo in both North America and Europe actually, and bike trailers. On the positive side, I think the most challenging space was RV for a while, where inventory levels at dealers are gradually improving. We see that, you know, what used to be production stops on the OE side to manage these inventory levels is now there are still some production stops, but less and less, which is on the positive side. In premium it's okay. A few tougher spots in the lower price points, and RV is the improving trend.

**Adela Dashian**

Analyst | Jefferies

Okay. Thank you, Mattias. Then on the gross margin development, could you explain the drivers behind it being flat year-over-year?

**Toby Lawton**

CFO | Thule Group

Hi, Adela. As I said, price mix is positive and obviously versus Q1 last year, we are comparing to before we did the tariff related price increase in North America. That's one impact. Also mix is positive there overall as well versus Q1 last year. Those two are positive. On top of that, we do have some efficiency gains. We've been working hard to drive efficiencies, we've talked about in our factories, so that's contributing positively. On the other side, we do have material cost is higher than it was a year ago. Part of that is we have a.

**Toby Lawton**

CFO | Thule Group

When it comes to a margin percentage and FX impact as well, which is, yeah, really we see in material costs, but it's negative on gross margin. The tariffs of course have also come in since Q1 last year. Those two effects, the positive and the negative, basically cancel each other out.

**Adela Dashian**

Analyst | Jefferies

Okay. You mentioned tariffs here, there was a change to Section 232 in April. Does this have any impact on your effective tariff rates? Are you able to shed some light on what your blended rate was prior to the change?



Toby Lawton
CFO | Thule Group

I mean, I won't go to a specific rate, but I'll say the changes that came in impacted particularly aluminum and steel, which we do have in our products. Basically, as of today, we don't see a big impact. Obviously, it's a moving target a little bit with the tariffs. You could say the tariff situation we have now is basically the same as we saw in the middle of last year. Even though some of the numbers to different countries have been applied in different ways, the impact is similar. It's not lower.



Adela Dashian
Analyst | Jefferies

Okay, great. Thank you, Toby.



Toby Lawton
CFO | Thule Group

Mm.



Operator

Thank you. We have our next question coming from Fredrik Ivarsson from ABG. Please go ahead.



Fredrik Ivarsson
Analyst | ABG

Thank you. Good morning. Hope you can hear me.



Toby Lawton
CFO | Thule Group

Yeah. Yeah.



Fredrik Ivarsson
Analyst | ABG

Toby, you mentioned capacity utilization. At what level are you operating at the moment in terms of utilization, maybe versus you, where you sort of believe that you want to be or what's an optimal level?



Toby Lawton
CFO | Thule Group

Yeah, I can take that straight away for you. I mean, we, you know, it's to quote one figure, it's oversimplified, but we basically say that we're at about 70% capacity utilization if you take a kind of average across factories and product areas. I mean, the reason for that is we invested a lot of money during, like I said, 2021 and 2022. We increased capacity particularly in our biggest factories in Poland. And yeah, we have considerable free capacity still.



Fredrik Ivarsson
Analyst | ABG

Yep. That's clear. Second question, just a clarification on what you said regarding consumer behavior. I think you said, Mattias, that you haven't really seen an impact during the last couple of months on the back of the increased geopolitical turmoil. Was that correct? Did I read that statement correctly?



Mattias Ankerberg
President and CEO | Thule Group

Yes, absolutely correct, Fredrik. We have not seen any negative impact of the Iran conflict on consumer demand. Obviously, if this continues, it will have sort of economic consequences.



Fredrik Ivarsson
Analyst | ABG

Mm



Mattias Ankerberg
President and CEO | Thule Group

... and who knows what the follow-ups will be. So far, no negative demand impact from our end.

**Fredrik Ivarsson**

Analyst | ABG

Okay, good. If we could continue with the margin bridge discussion a little bit further down to the EBIT margin. How much of the 1.4 percentage point expansion was due to lower product development? Maybe also what kind of impact you saw from FX, because that's been a headwind, I suppose.

**Toby Lawton**

CFO | Thule Group

Well, I would say we, I mean, when you look at our SG&A, we are down SEK 60 million in Q1, and you can see how much of that comes from selling cost and how much comes from administration cost. The biggest part comes from selling cost, and development is part of that reduction in selling cost. We, you know, we manage our costs and we, you know, we have costs in different countries. We have a significant part of our SG&A in Sweden, that means we don't get a kind of big, bigger positive impact from FX as you might. We have a kind of negative impact on sales.

**Toby Lawton**

CFO | Thule Group

There is some FX impact, but it's mainly real reduction in SG&A cost.

**Fredrik Ivarsson**

Analyst | ABG

Okay, good. Last question before I jump into the queue. Forward-looking external headwinds from tariffs and raw material inflation when we look into the rest of the year. What should we consider here? Also if you could say anything on what you're planning in terms of potential price increases mid-year like we've seen in recent time on the back of I suppose higher raw material prices.

**Toby Lawton**

CFO | Thule Group

Shall I take the first part, Fredrik? I can say, I mean, I think everyone's seen, obviously with the crisis in the Middle East that it's impacting energy costs, it's impacting some material costs and for us, particularly aluminum and steel prices we see going up. Energy costs impact on freight as well because it impacts the cost of freight. What I would say is we haven't seen any impacts on that cost side in Q1 because the costs are basically locked in. We expect little impact in Q2 because we're largely fixed and hedged for Q2 for those as well. We're monitoring, we're working hard to try and counter those effects.

**Toby Lawton**

CFO | Thule Group

Obviously depending how long this goes on for and what the impact is, it will have a bigger impact in Q3 and Q4, which is something we'll have to manage.

**Mattias Ankerberg**

President and CEO | Thule Group

Yep. To your second question about the possible or potential price increases, Fredrik, as Toby said, you know, we are looking to counter these COGS increases that we expect in other ways as best we can. We do have nine factories in the world. We can shift a few things around, and there's some initiatives we can take. Having said that, I mean, we are also committed to, if need be, protecting our margins through price increases. We are investing a lot in growth, and we want to have a healthy gross margins. We can continue to invest in product development and growth in our particular champion categories. No decisions made on any price increases yet.

**Mattias Ankerberg**

President and CEO | Thule Group

It is hard to say this, at least from a regional perspective, not as all as dramatic effect as, for example, the tariff price increases last year. This is not the same magnitude at the current raw material level. As of right now, to summarize, no price increases decided or announced, but monitoring carefully and I think we have established that we have the pricing power if we decide to act in mid-year.

**Fredrik Ivarsson**

Analyst | ABG

Great. Thank you so much. That is very clear.



Operator

Thank you. We have our next question coming from Daniel Schmidt from Danske Bank. Please go ahead.



Daniel Schmidt

Analyst | Danske Bank

Yes. Good morning, yeah, Mattias and Toby. A couple of questions. Starting out maybe with the Champion Candidate. Would you say when you look at Active with Kids that you mentioned those three, of course. Are all those three and they are growing rapidly, they are basically making up the entire growth, I assume, because bike trailers were down?



Mattias Ankerberg

President and CEO | Thule Group

Correct.



Daniel Schmidt

Analyst | Danske Bank

Yeah. You have talked about the size of the running strollers, but we haven't really talked about what size sort of dog crates and car seats have reached in terms of sales. We're in year three now, I think, in terms of launch, as we enter 2026. Would you shed some light on that?



Mattias Ankerberg

President and CEO | Thule Group

That's true. We're trying to keep a few things, of course, from competition as well. It is. I'll share what we can share. It's very true that all three of these champion candidates are growing very nicely, you know. High digit, double digit, it doesn't start with a one. It's really nice in all of them. I think we talked about the Capital Markets Day using the all-terrain and running strollers as a good example. It took us sort of 10 years to come to a SEK 300 million level. That path is also in numbers in a graph in the CMD presentation.



Mattias Ankerberg

President and CEO | Thule Group

We also talked about that firstly, dog transportation that was launched, two years ago, and then also car seats, I guess 18-24 months ago. They are both developing faster versus that trend. We are beating that development by quite a bit. I think to summarize, you could say that, you know, taking all these three together, they are growing fast. They are for sure driving all and more of the growth in the Active with Kids and Dogs category, and that is meaningful. That's, you know, +1 percentage point to the organic growth for the company in the quarter. Sure. It's nice to see that the combination of the growth and meaningful size now starts to matter.



Daniel Schmidt

Analyst | Danske Bank

Yeah. Yeah. That was good. When we looked at bags and mounts, which grew by 6% and two thirds are made up by Quad Lock, is it fair to assume that they stood for the growth in the quarter and the rest of the bags business was flat with the OE business and Case Logic being down and the rest being up a bit, that they sort of cancel each other out, if you follow my drift?



Mattias Ankerberg

President and CEO | Thule Group

Yeah, that's about right. Quad Lock continues to grow nicely. Thule bags, Thule brand of bags is actually up, but to your point, OE and Case Logic is down. I believe it's a small positive if you look at total bags. It's three very different components. Continued good trend for Quad Lock or performance phone mounts. Some growth in the Thule branded bags, but still undergoing change, and then a decline in the other bags. You are very correct.



Daniel Schmidt

Analyst | Danske Bank

Okay. Okay. This is still sort of early days, of course, when it comes to this conflict in the Middle East. Clearly sort of the world has become more uncertain. Do you see any indications of a sort of a comeback to staycation? Not in the magnitude that we saw four years ago or five years ago, but do you see any sort of indication from consumers or retailers talking about that?



Mattias Ankerberg

President and CEO | Thule Group

Yeah. It's a very interesting point, and something that we're monitoring very carefully. I would say in summary, and then I can expand, but in summary, there's quite a bit of talk about it, but no real material sort of data to support it yet. I mean, the industry is talking about, you know, Lufthansa is canceling 20,000 flights. Gas prices are up. You know, what will people do? Is there a scenario where people do a little bit more staycation or shorter trips, weekend trips, which would benefit, I think, the outdoor industry in general and probably Thule too. There is a bit of talk around that. I think it's not yet visible in sort of bookings or search trends to any major extent.



Mattias Ankerberg

President and CEO | Thule Group

I also think to be, my personal opinion, it's a little bit too early to see those trends. That would be more visible when you come to closer to the vacation periods or summer vacations in the Northern Hemisphere. A lot of talk, but no real data to support it yet.



Daniel Schmidt

Analyst | Danske Bank

Okay. Good. Maybe just a last question on SG&A in the quarter, and it was down, as you say, SEK 60 million, which is 8%. As part of that is FX, of course, but I also heard Toby say that most of it is sort of a real shift. You did mention lower admin costs. What does that relate to? Is that temporary or is that a structural change to admin cost?



Toby Lawton

CFO | Thule Group

No, we're focused on, I mean, efficiency improvements and, you know, we've implemented some steps. We talked a bit last year about the office we closed in Colorado, in North America as well, and some steps we've taken in North America which contribute. It's, yeah, it's real efficiency initiatives that are driving the change in admin cost.



Daniel Schmidt

Analyst | Danske Bank

It's predominantly the U.S. office closure or are there any other tangible things that you wanna mention?



Toby Lawton

CFO | Thule Group

I would say we're doing things across the board, I was just to cite a few of the, probably the bigger ones.



Daniel Schmidt

Analyst | Danske Bank

Yeah



Toby Lawton

CFO | Thule Group

it's things across the board, I would say.



Daniel Schmidt

Analyst | Danske Bank

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



Toby Lawton

CFO | Thule Group

Mm.



Operator

Thank you. We have our next question coming from Liz Kay, BNP Paribas Exane. Please go ahead.



Liz Kay

Analyst | BNP Paribas Exane

I have one left. It looks like you are trying to enter the kind of entry-level segment more and more. Could you comment on the reception of those products? What kind of growth do you expect they will contribute with, and whether they will be margin neutral for you? Is it kind of a way to fill up the empty capacity that you have right now?



Mattias Ankerberg

President and CEO | Thule Group

That's a good question. Happy to answer. I think, if you look back couple of years, Thule has been always playing strongest in premium and mid-price, and then selectively in the sort of what we call entry level. Maybe it's more of a mid-price from a sort of total market point of view. I think during R&D programs are sort of multi-year programs, and during COVID, when everything was flying, we were invested a lot in sort of premium. We have, during the last two years, tried to balance the portfolio to be able to tap into more consumer segments. Last year, we launched some good products in mid-price, both in rooftop boxes and in bike carriers. This year we are complementing that with some entry price products we just talked to.



Mattias Ankerberg

President and CEO | Thule Group

It had good reception, good value for money. I would say about the same margin. No tangible, no measurable, no real significant difference in terms of gross margin. Of course, the product is specced lower than the higher end product. We are expecting some growth. It's not sort of the core Thule territory, which is still the premium end, but it's a nice addition to the growth to be able to offer that consumer that may not maybe have yet the wallet to buy the premium, to still tap into Thule, to add some nice volume for the factories. Also, to be frank, a little bit of a competitive moat as well, because it protects our market position, if you like.



Mattias Ankerberg

President and CEO | Thule Group

We like to protect our market share and, you know, make sure we have a big moat around our champions. Having a wider price range also means it's tougher for competition to try to act.



Liz Kay

Analyst | BNP Paribas Exane

Thank you.



Operator

Thank you. We have our next question coming from Carl Deijenberg from DNB. Please go ahead.



Carl Deijenberg

Analyst | DNB

Thank you very much. I also just had one follow-up question here. That is, just a general reflection or observation. I mean, I guess we've seen a couple of other companies in the discretionary name, sector talking a little bit about potential pre-buys here towards the end of Q1 and going into Q2. I heard your comments with regards that you haven't planned any price adjustment upwards, but I guess it's fair to assume that at least the industry prices are on the way up. Have you seen any such behavior in, you know, towards the end of Q1 or entering Q2 that could be, you know, positively impacting the organic growth for you?



Mattias Ankerberg

President and CEO | Thule Group

Yeah. If I understood your question right, Carl, you're wondering about price trends in the industry and if we're seeing shifts up?



Carl Deijenberg

Analyst | DNB

The pre-buys.



Mattias Ankerberg

President and CEO | Thule Group

... and the pre-buys. Yeah. Exactly.



Carl Deijenberg

Analyst | DNB

Yeah



Mattias Ankerberg

President and CEO | Thule Group

In terms of pricing, if we start there, we haven't really seen. There's talks, but there's no real announced increased prices at least in our categories. On the pre-buys, we haven't really seen any of that effect. Quite the opposite. I think retailers have been quite cautious to take in inventory before, you know, the high season and the sellout is moving. Not the dramatic effect, and if anything, more cautious.



Carl Deijenberg

Analyst | DNB

All right. Thank you.



Operator

Thank you. Our next question comes from Hai Wei from UBS. Please go ahead.



Louise Wiseur

Analyst | UBS

Hello, it's Louise Wiseur here from UBS. Thank you for taking my question. On leverage, please, because I believe at the Q4 call you said that you expect delivering to 1.7x-1.8x. This year, Q1 picked up to 2.1 xx. I realize, yeah, there's some seasonality in there, but that does look a little bit high to be able to achieve that range from here. Do you still expect to deliver this year or has anything changed in your assumptions in the capital dynamic and working capital dynamic? Thank you.



Toby Lawton

CFO | Thule Group

Louise, hello there. I can say, we have a leverage of 2.1x, as you say, slightly below 2.1x, but 2.1x. You could say a lot of Thule's history we've been between 1.5x and 2x. It's not the, I would say it's kind of level we've managed for some time. You know, we are focused on reducing leverage and optimizing cash flow to reduce leverage. When you look at our cash flow profile, the bulk of the cash flow comes in in Q2 and Q3. We do expect that number to come down with that effect from Q2 and Q3.



Louise Wiseur

Analyst | UBS

Thank you.



Toby Lawton

CFO | Thule Group

Mm.



Operator

Thank you.



Toby Lawton

CFO | Thule Group

Mm.



Operator

Our next question comes from Gustav Hagéus from SEB. Please go ahead.



Gustav Hagéus

Analyst | SEB

Yeah. Thank you so much. Just one, on the Sport and Cargo Carriers business being flat, I guess the other segments are benefiting from, you know, launches and so forth and recovering RV. Any implications why this segment is lagging, so to say, and how do you view that here into the peak season? Thank you.



Mattias Ankerberg

President and CEO | Thule Group

Thanks, Gustav. No, it's a good question, and I think it's for sure the biggest part. The product area accounts for almost half the sales, and we're playing in a lot more price range than maybe in some of the newer categories where we haven't built that presence yet. The Sport and Cargo Carriers are growing in Europe, but it's North America that we see the decline. Within North America, we actually see growth in the sort of premium price point in Sport and Cargo Carriers in the quarter, which is very nice to see, which is also where we have been launched North America specific products.



Mattias Ankerberg

President and CEO | Thule Group

On the mid and the sort of the lower end products, or price points in North America, it's a really tough market with a lot of discounting and promotions, and here we are not seeing the growth. That's the negative drag that we see in Sport and Cargo Carriers here in Q1. I mean, the second part of your question, what does that mean going forward? I think that comes back to the North America topic. I mean, we have seen good development in or good growth in Europe for quite a few quarters and this quarter as well, also in Sport and Cargo. North America is, you know, step by step moving in the right direction.



Mattias Ankerberg

President and CEO | Thule Group

That will, given the size of the Sport and Cargo Carriers, product area, you know, play into to the same trend. That's the, that's the explanation for the Q1 development, and that's also the comment on the forward looking.



Gustav Hagéus

Analyst | SEB

On a follow-up there, you say weaker in mid-price/entry in North America. How much is that of the total category or total segment?



Mattias Ankerberg

President and CEO | Thule Group

Yeah. It's a sizable part within Sport and Cargo Carriers, if you look at that specifically. I mean, premium is still.



Gustav Hagéus

Analyst | SEB

Mm



Mattias Ankerberg

President and CEO | Thule Group

The biggest part. This is where we play the most, but it is a significant part of the Sport and Cargo product area.



Gustav Hagéus

Analyst | SEB

Okay. I see. Thank you so much.



Operator

Thank you. Our last question comes from Mats Liss from Kepler Cheuvreux. Please go ahead.



Mats Liss

Analyst | Kepler Cheuvreux

Yeah. Hi. Thank you. Well, coming back to the gross margin there, just had a follow-up there. I mean, you see the bike is



Mats Liss

Analyst | Kepler Cheuvreux

My bike related accessories are moving along well. Also the RV segment, could you say something about how those trends affect the gross margin development?



Toby Lawton
CFO | Thule Group

Yeah, maybe I can start there. I mean, RV, you could say, I mean, we've had good growth in RV. That within the whole means that the gross margin of RV is a bigger share of the total. That's actually a bit lower gross margin than the rest of the group. That effect on its own is actually pulls the gross margin down a bit just because RV operates at basically a bit lower gross margin, but a bit less, you know, a bit less SG&A as well. It's a kind of a bit of a different P&L profile. Yeah.



Mattias Ankerberg
President and CEO | Thule Group

To Toby's point, earlier, I mean, there are also. To your point, I think with the comment around the bike-



Mats Liss
Analyst | Kepler Cheuvreux

Mm-hmm



Mattias Ankerberg
President and CEO | Thule Group

... growth and moving into high season, we see growth in other areas.



Mats Liss
Analyst | Kepler Cheuvreux

Mm-hmm



Mattias Ankerberg
President and CEO | Thule Group

I think it's good to keep in mind that there's not a enormous discrepancy between gross margins across our product categories. It's nice to see that in total, the price mix effect is positive.



Mats Liss
Analyst | Kepler Cheuvreux

Mm-hmm.



Mattias Ankerberg
President and CEO | Thule Group

The efficiencies are positive, which manage or sort of support the development and offsets some of this negative impact we're seeing.



Mats Liss
Analyst | Kepler Cheuvreux

Yeah



Mattias Ankerberg
President and CEO | Thule Group

from materials and currency.



Mats Liss
Analyst | Kepler Cheuvreux

Okay, great. Then a question about tariffs there. I mean, the details are moving, but the Section 232 there in the tariff. Previously, it was sort of more related to the metal component content of, and now it's more full value products to be sort of tariff exposed. Do you have sort of any indication how that will affect you?



Toby Lawton
CFO | Thule Group

I tried to say the change to the Section 232 tariffs for which it particularly pulls out aluminum and steel from the other tariffs from the previous setup. It's not a big change. I would say it's actually that part is not a positive change either, it's not a big change. It's a small negative impact overall with those tariffs as they are today. Of course, this is a moving picture.

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Mats Liss
Analyst | Kepler Cheuvreux

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



Operator

Thank you. I can confirm that there's no further questions.



Toby Lawton
CFO | Thule Group

Mm-hmm.



Mattias Ankerberg
President and CEO | Thule Group

Thank you, everybody, for joining the call. Wish you a very good day, and look forward to speaking to you at the Q2 call, if not before. Thank you.