

2022 April-June Report

July 21, 2022

M. Welander, CEO
J. Lindqvist, CFO



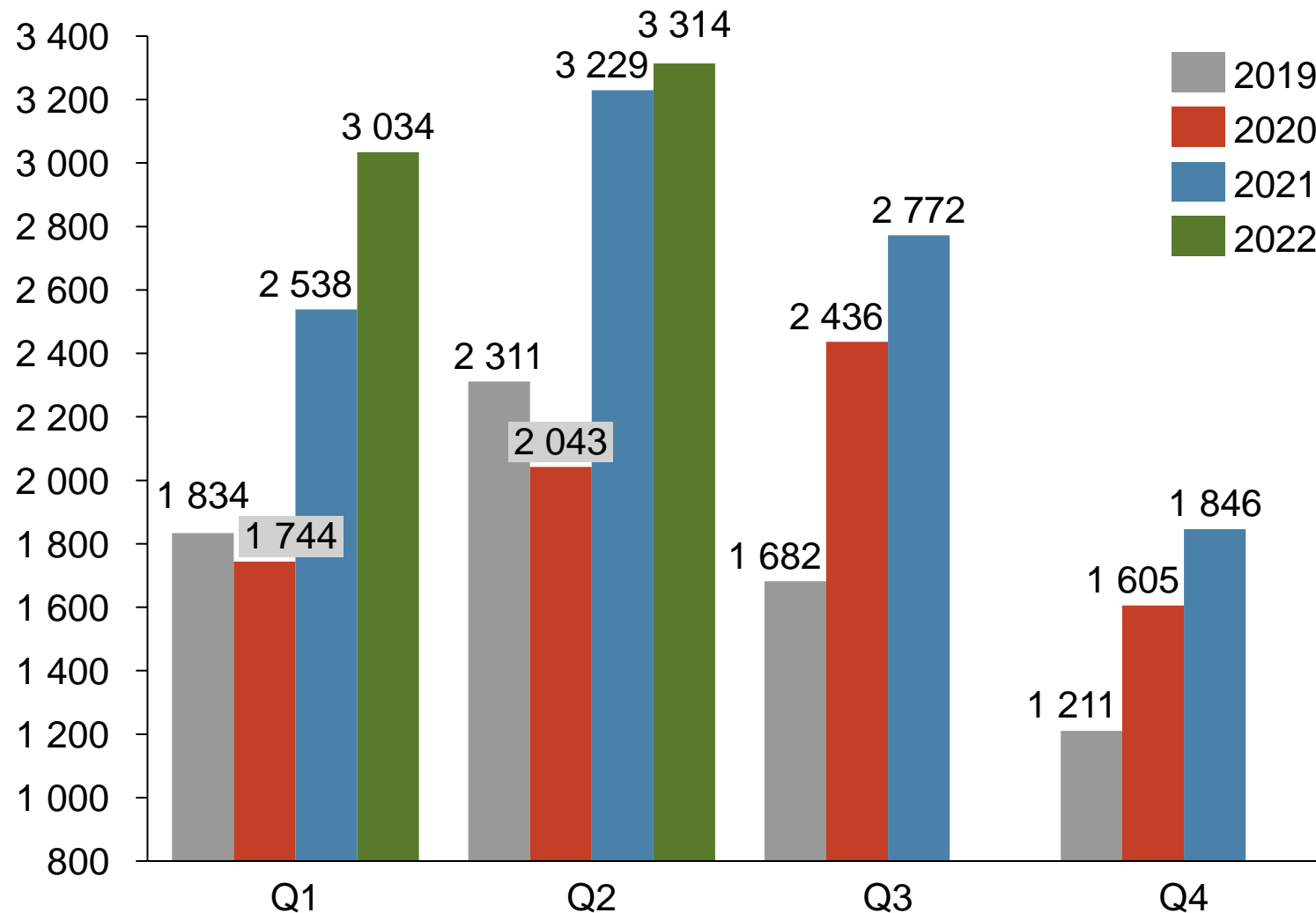
Thule Group »

Executive Summary 2022/Q2: Good sales and maintained high margins

- Sales 3,314 MSEK -3% Fx adjusted vs PY
 - Region Europe & RoW: 2,412 MSEK (2,446) -5% Fx adj.
 - Region Americas: 902 MSEK (783) flat Fx adj.
- Gross Margin at 42.2% (42.2%)
 - Fx adjusted increase of 0.5 p.p. vs 2021/Q2
 - Price increases compensating for cost increases
- EBIT Margin at 24.7% (27.4%)
 - EBIT of 817 MSEK vs 886 MSEK PY
 - Fx adjusted decline of 2.2 p.p.
- Operational Cash Flow was +559 MSEK (+801 MSEK vs PY)
 - CapEx at 113 MSEK (182)
- May 11 Capital Markets Day with two key news
 - Sales target raised to 20 bn. SEK by 2030 (prev. 16 bn. SEK)
 - Entry into two new product areas announced



Thule Group Sales by Quarter (Reported currency)

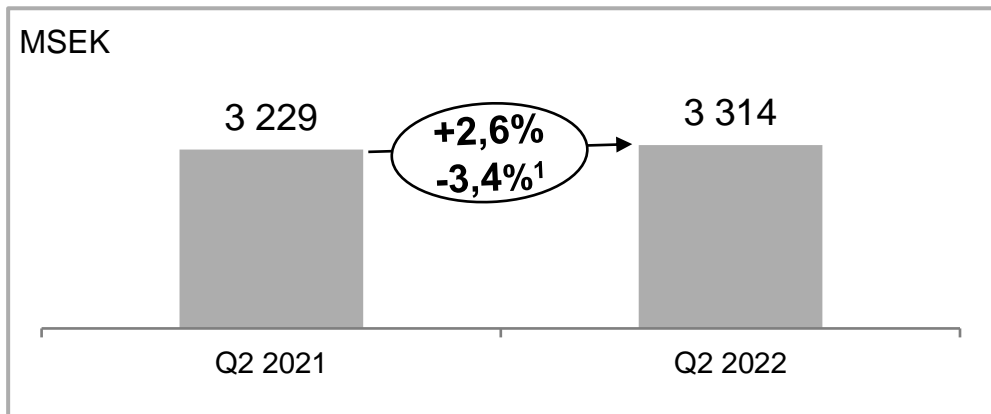


- A strong start to the first half of the year, despite many negative external factors
- 2022/Q1 – Very strong, also vs 2019 (pre-pandemic)
 - +20% vs 2021/Q1 (reported currency)
 - +13% vs 2021/Q1 (Fx adjusted)
 - +64% vs 2019/Q1 (Fx adjusted)
- 2022/Q2 – In line with 2021, strong vs 2019 (pre-pandemic)
 - +3% vs 2021/Q2 (reported currency)
 - -3% vs 2021/Q2 (Fx adjusted)
 - +43% vs 2019/Q2 (Fx adjusted)
- Seasonality is now back to “pre-pandemic” phasing (like 2019)
- Still strong staycation and local travel trend
- Many uncertainties in regards to market conditions ahead of 2022/H2
 - Inflation
 - Cost and price impact
 - Continued supply chain disruptions
 - RV manufacturers continue to struggle getting chassis for motorhome production
 - Retailers with higher stock levels

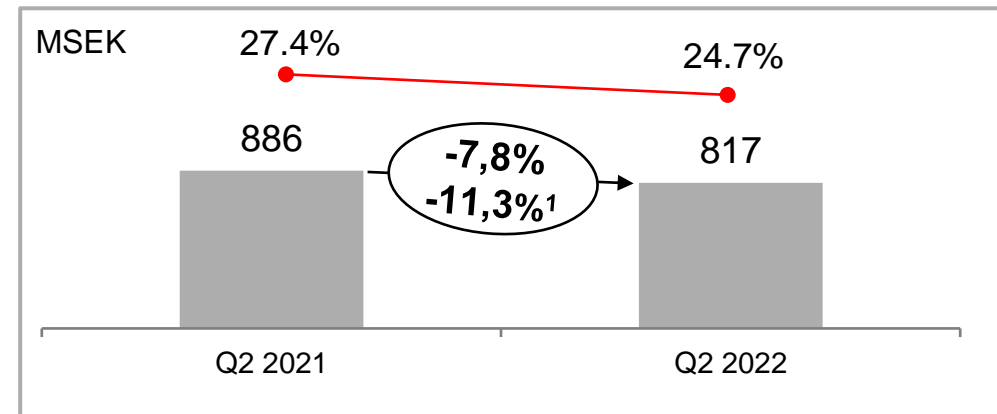
2022/Q2 – Net Sales and EBIT development

Reported Net Sales

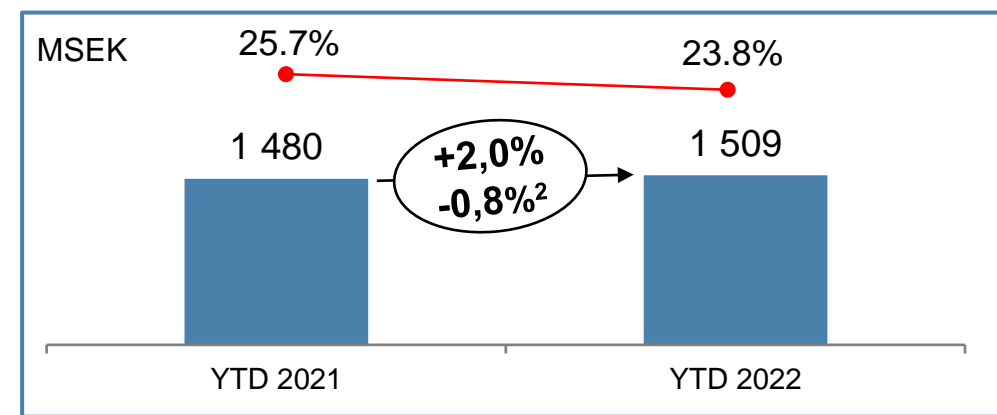
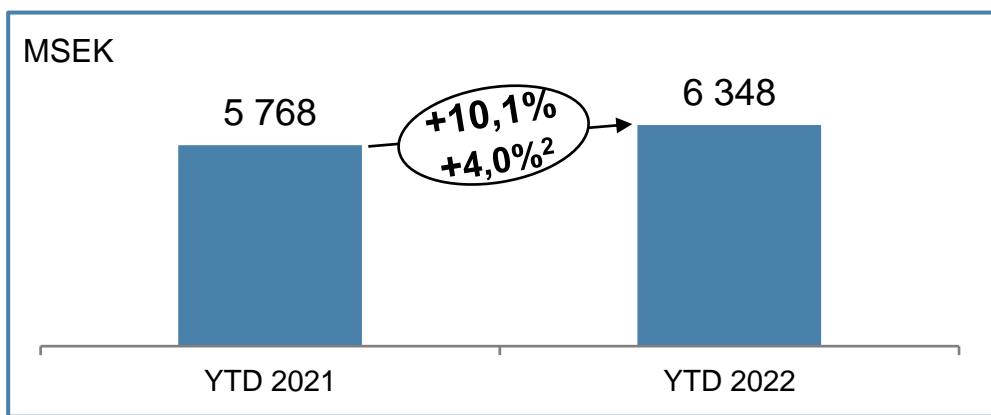
Q2



EBIT and Margin



YTD



¹ Constant currency adjustment based on average FX rates 1 April 2022 – 30 June 2022.

² Constant currency adjustment based on average FX rates 1 January 2022 - 30 June 2022.

CMD 2022 Summary – Entry into two new product areas

DOG TRANSPORT



Attractive growing niche category

- Logical extension of Thule product portfolio
- The dog is more and more becoming a close family member
- Currently many ways to transport dogs in car and on bike
- Wide price point positions in market where we target the premium segment
- A few niche brands in premium segment where the strong global Thule brand will stand out
- Stricter safety standards and laws are being implemented in more and more markets

Estimated* Global Market Size
(mid to premium segment)

~2 bn. SEK

** Management assumption based on various sources*

CHILD CAR SEATS



Significant safety-oriented category

- Perfect fit in Thule product portfolio and expected addition
- Global market with high safety demands and standards
 - Already in place in the EU
 - Being implemented in N. America (2023-2024)
- Different regional regulations trigger regional portfolios
- Premium segment is gaining share, and this is where the Thule product offer will be positioned
- Strong incumbent brands we know well from our historical portfolio within strollers

Estimated* Global Market Size
(mid to premium segment)

~14 bn. SEK

** Management assumption based on various sources*

CMD 2022 Summary – Two new product areas with very good fit for Thule

	DOG TRANSPORT	CAR SEATS
BIG MARKET	(✓)	✓
GLOBAL MARKET	✓	✓
POSITIVE MARKET TREND	✓	✓
HIGH GROSS MARGIN	✓	✓
SIZEABLE SHARE IN PREMIUM	✓	✓
FUNCTION & DESIGN	✓	✓
BRAND & COMPETENCE FIT	✓	✓
<i>POSSIBILITY FOR M&A</i>	✓	✓

CMD 2022 – Summary: *Active with Kids* renamed *Juvenile & Pet Products*

TO DATE: Active with Kids

Child Bike Trailers



Strollers



Child Bike Seats



Child Carriers



NEW ADDITIONS

Dog Transport Products



Car Seats



FROM NOW

JUVENILE & PET PRODUCTS

CMD 2022 – Summary: Updated Long-term Targets 2030

		SUSTAINABILITY
REVENUE	20 bn. SEK by 2030 Previous: Double 2020 revenue by 2030 2 x (7.8 bn. SEK in 2020), i.e. 15.6 bn. SEK 2030	Meet ambitious Science Based Targets for reduction of greenhouse gas emissions
PROFIT	Maintain >20% EBIT-Margin	
CASH DIVIDEND	>75% of annual Net Income	

Region Europe & RoW: Stable performance

- **2022/Q2 Net sales 2,412 MSEK (2,446)**
-4.5% decline (constant currency)
- Bike related product categories down vs extraordinarily strong 2021/Q2 – still strongest growth category vs pre-pandemic period
- Roof Racks and Roof Boxes grow as consumers take vacations and shorter trips close to their homes
- RV Products category demand strong in dealership channel (often referred to within RV industry as “after market”), while motorhome manufacturers continue to struggle with capacity with limited access to chassis to build vehicles on
- Packs, Bags & Luggage grows as commuting to universities and offices start to pick up, but still limited travel in Asia



Region Americas: Growth if Roof Boxes, Roof Racks and Bags

- **2022/Q2 Net sales 902 MSEK (783) flat vs PY (constant currency)**
- Bike related product categories down vs extraordinarily strong 2021/Q2 – still strongest growth category vs pre-pandemic period
- Roof Racks and Roof Boxes grow as consumers take vacations and shorter trips close to their homes
- Packs, Bags & Luggage, which is more significant in this region, grows strongly as commuting to universities and offices start to pick up and as air travel back at high levels
- Stroller sales behind very strong 2021/Q2
- Our small niche category RV Products continues to grow strongly
- Strong local currencies beneficial for Thule Group



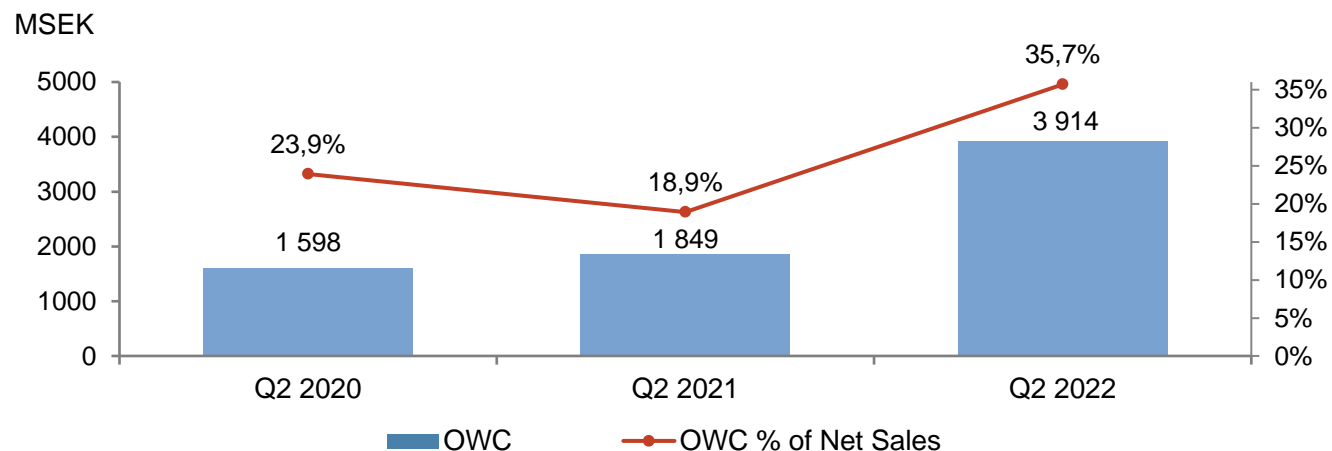
2022/Q2 Reported income statement

	Apr - Jun		Jan - Jun		LTM	Full-year 2021
	2022	2021	2022	2021		
Net sales	3 314	3 229	6 348	5 768	10 966	10 386
Cost of goods sold	-1 914	-1 866	-3 733	-3 355	-6 605	-6 226
Gross income	1 400	1 364	2 615	2 413	4 361	4 160
Gross margin %	42,2%	42,2%	41,2%	41,8%	39,8%	40,1%
Other operating revenue	-	15	-	15	-	15
Selling expenses	-487	-409	-916	-775	-1 622	-1 481
Administrative expenses	-96	-84	-190	-174	-370	-354
Operating income (EBIT)	817	886	1 509	1 480	2 369	2 340
EBIT margin %	24,7%	27,4%	23,8%	25,7%	21,6%	22,5%
Net interest expense/income	-11	-6	-21	-15	-43	-37
Income before taxes	806	881	1 488	1 465	2 326	2 303
Taxes	-180	-208	-335	-346	-502	-513
Net income	626	672	1 153	1 119	1 824	1 790
Net income pertaining to:						
Shareholders of Parent Company	626	672	1 153	1 119	1 824	1 790

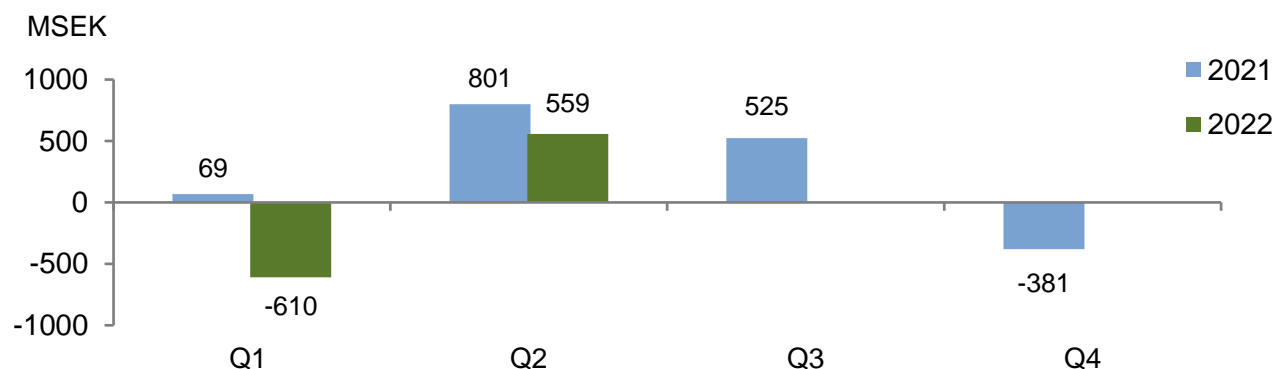
- Sales growth in the quarter +3% in reported currency
 - -3% in constant currency
- Gross margin 42.2% (42.2%)
 - Higher raw material- and freight expenses in the quarter compared to Q2 2021 offset by price increases to customers
 - LTM 39.8% (40.1% FY 2021)
- EBIT margin 24.7% (27.4)
 - Currency adjusted, -2,2 percentage points. I.e. if same currency used then last year's comparison number is 26.9%
 - Increased cost for product development, handling of the inventory as well as a release last year of provision related to Tepui acquisition
- Effective tax rate well within guidance 22.3 percent (23.7)

Thule Group Financials 2022/Q2: Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

- Q2: Inventory build-up serves high OTIF in a situation with Supply Chain constraints
- Operating working capital, 30 Jun. 2022:
 - Inventory: 3 148 MSEK (1 267)
currency effect +109 MSEK
 - Accounts receivables: 1 734 MSEK (1 583)
currency effect +134 MSEK
 - Accounts payable: 967 MSEK (1 001)
currency effect +56 MSEK
- Currency effect +187 MSEK vs prior year – OWC excl currency impact is 34,0%
- The inventory change since last quarter by 126 MSEK mainly coming from Americas with long lead-times

Operational Cash Flow

- Q2 operational cash flow 559 MSEK (801), a decrease by 242 MSEK vs PY
 - Inventory +6 MSEK (-39) in the quarter
 - Accounts payables -264 MSEK (139)
 - CapEx 113 MSEK (182) in the quarter

2022/H2 – Operational focus to handle challenging market

- Continued focus on proven growth strategy with opportunity to push growth investments earlier
 - Significant capacity expansion at main plants underway, with continued flexibility to adapt to changing conditions
 - Product Development push to fuel future growth with entry into two new product categories presented at CMD
 - Improved Online B2B and DTC tools
- Continued focus on protecting margins in challenged Supply Chain situation
 - Still long shipment times and global logistics bottle necks
 - Continued localized challenges with Asian supply base with pandemic related temporary plant limitations
 - Further price increases implemented as of July 2022
 - Improved efficiencies in assembly plants thanks to recent CapEx implementations
- *Still many uncertainties around the world, so we need to continue to be quick to act and flexible*



Q&A



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