

2021 Apr-Jun Report

July 21, 2021

Magnus Welander, CEO

Jonas Lindqvist, CFO



Thule Group >>

Executive Summary: 2021/Q2 Results – Very strong momentum continues

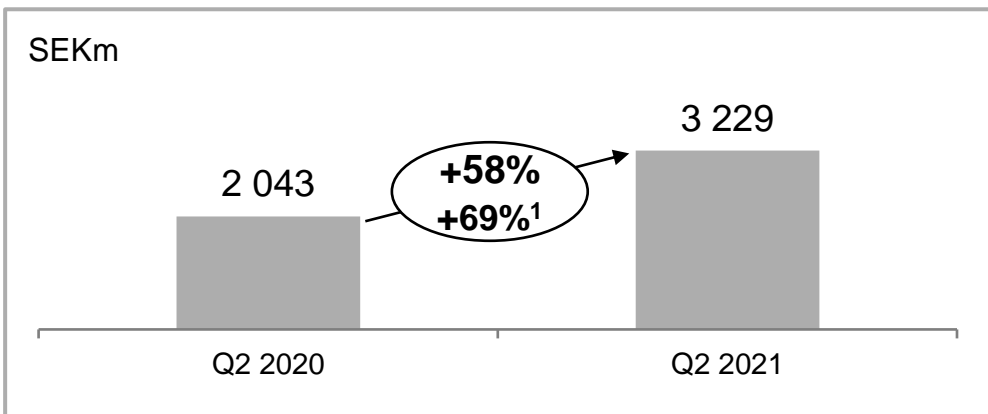
- Sales 3,229 MSEK +69% Fx adjusted vs PY
 - Region Europe & ROW: 2,446 MSEK (1,465) +74% Fx adj.
 - Region Americas: 783 MSEK (577) +53% Fx adj.
- Gross Margin at 42.2% (40.6%)
- EBIT Margin at 27.4% (21.0%)
 - EBIT of 886 MSEK vs 430 MSEK PY
 - R12 EBIT-margin increases to 23.6%
- Operational Cash Flow was +801 MSEK (+559 MSEK vs. PY)
- Continued strong demand and orderbook entering Q3



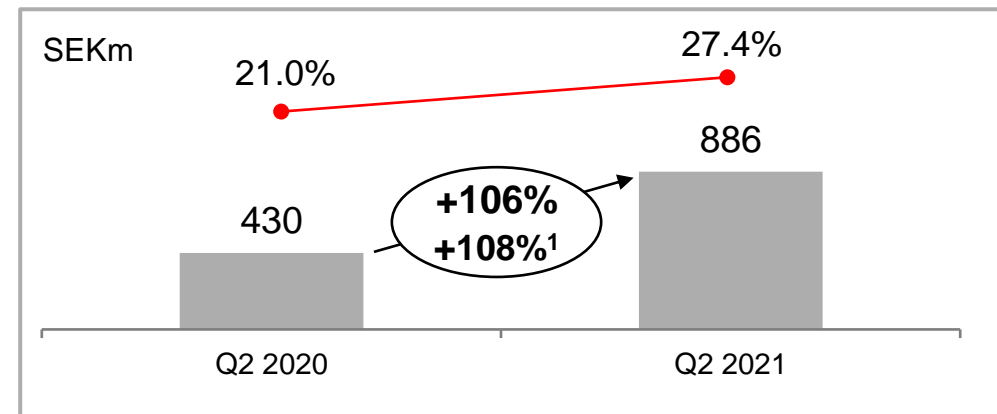
2021/Q2 – Net Sales and EBIT development

Q2

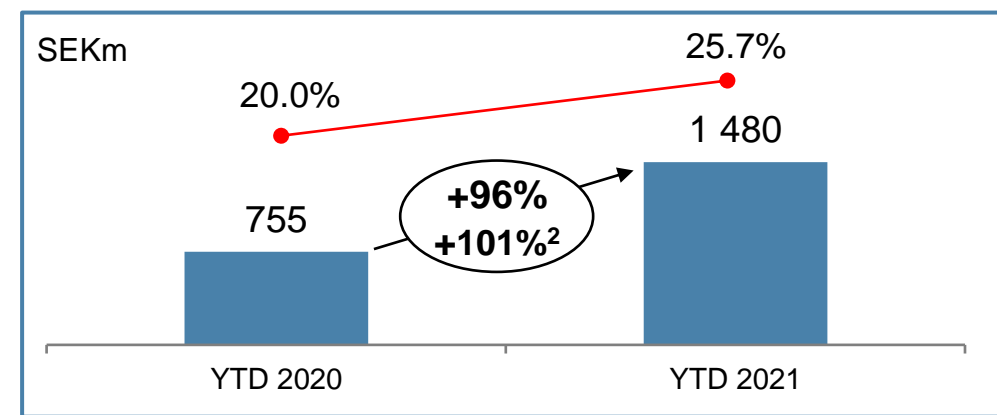
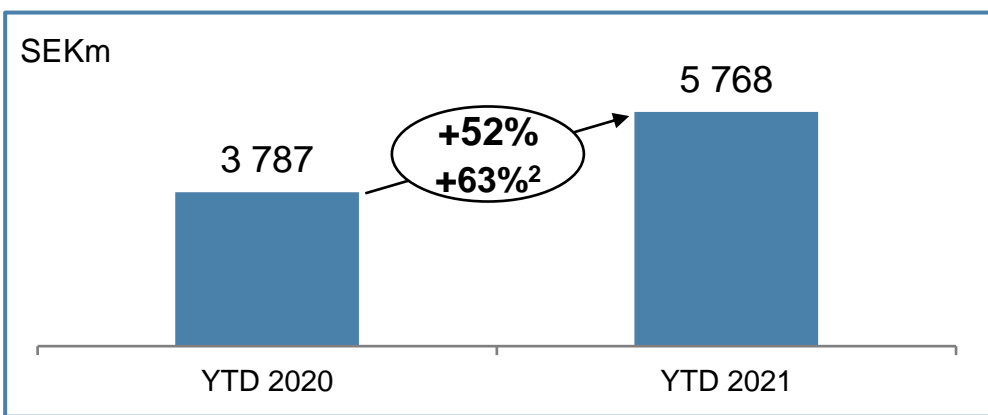
Reported Net Sales



EBIT and Margin



YTD

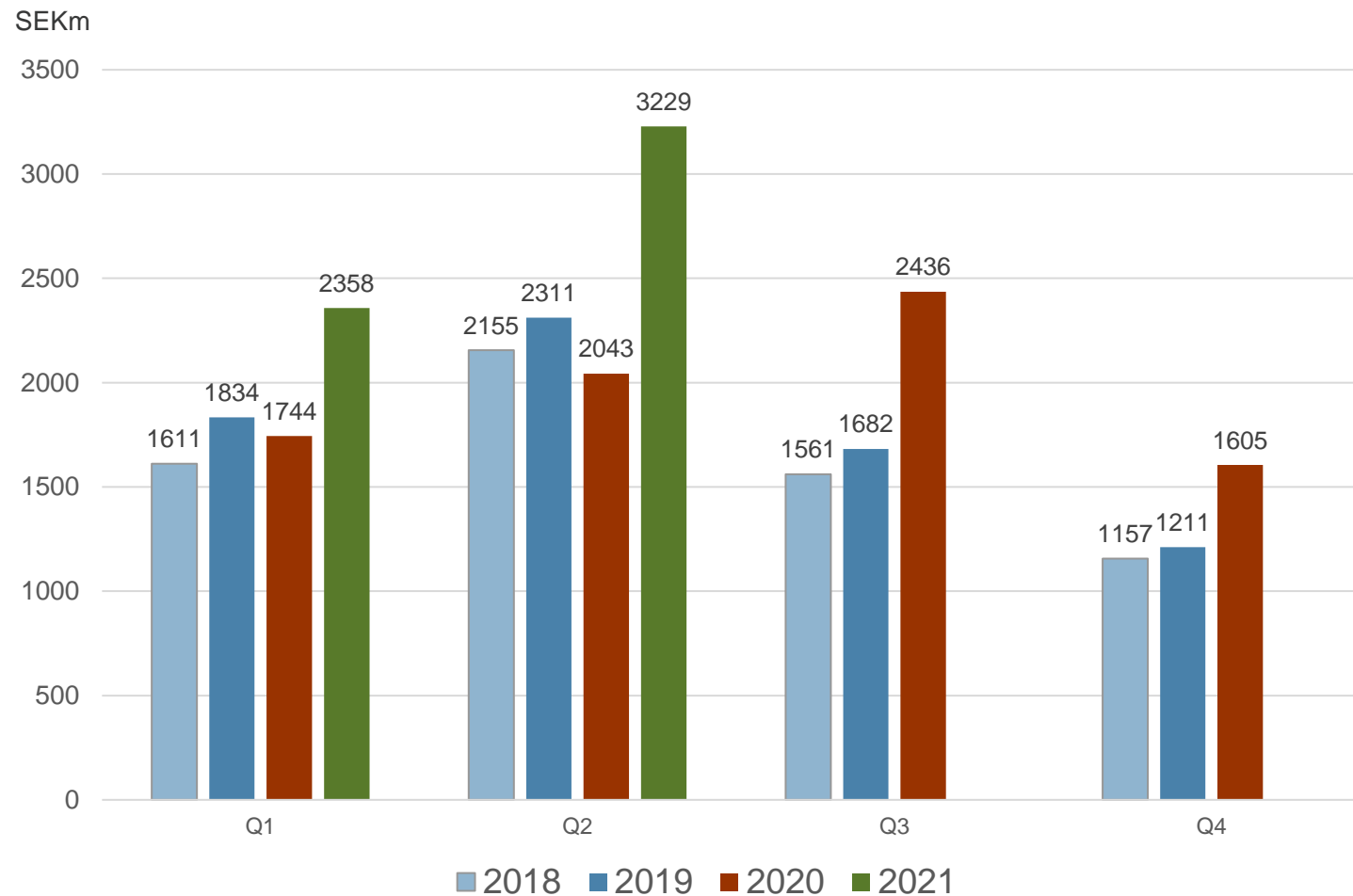


¹ Constant currency adjustment based on average FX rates 1 April 2021 – 30 June 2021.

² Constant currency adjustment based on average FX rates 1 January - 30 June 2021.

Pandemic lock-down effects in 2020 creates strange comps by quarter

Thule Group Sales by Quarter (Reported Currency)



- Very strong 2021/Q1 – also when compared with more normal 2019
 - +46% vs 2020/Q1 (reported currency)
 - +56% vs 2020/Q1 (Fx adjusted)
 - **+45% vs 2019/Q1 (Fx adjusted)**
 - 2020/Q1 was negatively hit from mid-March with pandemic lock-downs
 - Retailers placed orders early after struggling to meet demand in 2020/H2
- Very strong 2021/Q2 – In line with growth pace for in Q1 vs same period 2019
 - +58% vs 2020/Q2 (reported currency)
 - +69% vs 2020/Q2 (Fx adjusted)
 - **+48% vs 2019/Q2 (Fx adjusted)**
 - 2020/Q2 very weak April to mid May with pandemic lock-downs and then very strong June
- 2021/H2 - very demanding comps in 2020
 - 2020/H2 +40% vs 2019/H2 (reported currency)
 - 2020/H2 +49% vs 2019/H2 (Fx adjusted)
 - Pandemic impacted delayed season in comparative period 2020/H2, spilling over all the way into Q4
 - Not capable of fully meeting demand in Q2 in 2021, with some sales expected to moving into Q3, similar to 2020

Region Europe & RoW: All categories perform well

- **2021/Q2 Net sales 2,446 MSEK (1,465)
+74% growth (constant currency)**
- *2020/Q2 posted -12% Fx adjusted sales vs 2019/Q2 as lock-down restrictions impacted sales in April and May*
- Strong growth across all markets
- Market leading portfolio in the bike category (Bike Racks, Bicycle trailers and Child Bike Seats), continues to be boosted by strong momentum from a very positive bike trend
- Roof Racks, Roof Boxes and Roof Top tents grow as more consumers take short vacations close to their homes
- RV Products category strong as motorhome manufacturers increased production capacity
- Stroller sales continue to grow as we continue to become a more seen and known brand in among parents to be
- Bags return to growth (vs. weak comp period) driven by Sport- and Outdoor packs



Region Americas: All categories perform well

- **2021/Q2 Net sales 783 MSEK (577)
+53% growth (constant currency)**
- *2020/Q2 posted -12% Fx adjusted vs 2019/Q1 as the first N. American lock-down measures restricted sales*
- Sales growth in all markets
- Growth across the board within Sport&Cargo Carriers as consumers take local vacations with cars as their means of transport
- Rooftop tents and awnings continue positive momentum as people prefer to stay in their “personal sphere” when traveling
- Strong sales in all the sub-categories within Active with Kids
- Bag sales show strong growth vs. very weak comp period in 2020 as domestic travel and return to office picks up in US with vaccination programs rolling out



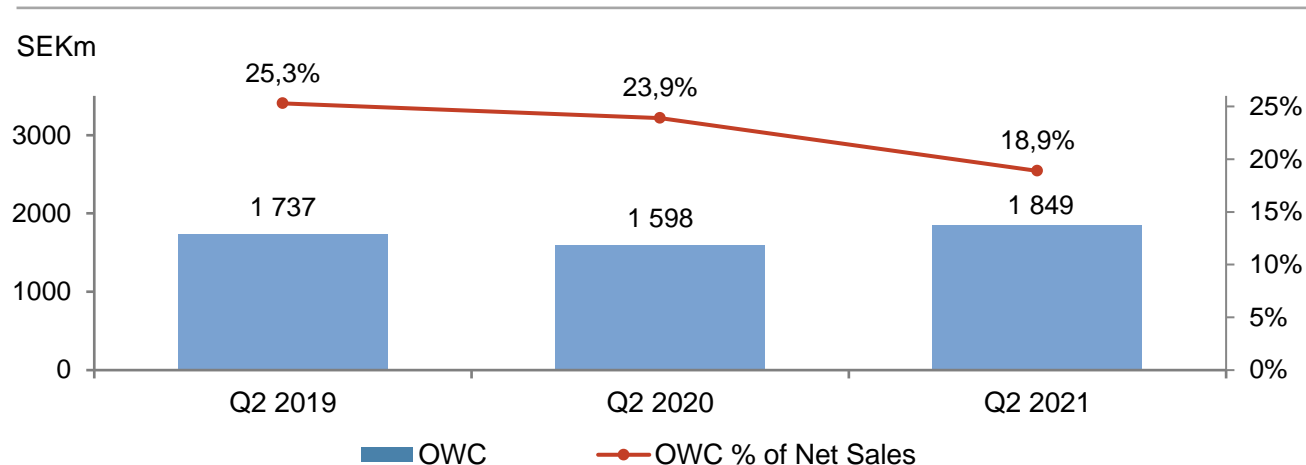
2021/Q2 Reported income statement

MSEK	Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM
Net sales	3 229	2 043	5 768	3 787	9 810
Cost of goods sold	-1 866	-1 213	-3 355	-2 244	-5 709
Gross income	1 364	830	2 413	1 542	4 100
Gross Margin %	42,2%	40,6%	41,8%	40,7%	41,8%
Other operating income	15	0	15	0	15
Selling expenses	-409	-318	-775	-627	-1 447
Administrative expenses	-84	-82	-174	-161	-352
Operating income (EBIT)	886	430	1 480	755	2 317
EBIT Margin %	27,4%	21,0%	25,7%	19,9%	23,6%
Financial expenses/revenue	-6	-21	-15	-32	-48
Income before taxes	881	409	1 465	723	2 269
Taxes	-208	-97	-346	-171	-536
Net income	672	312	1 119	553	1 733
Net income pertaining to:					
Shareholders of Parent Company	672	312	1 119	553	1 733

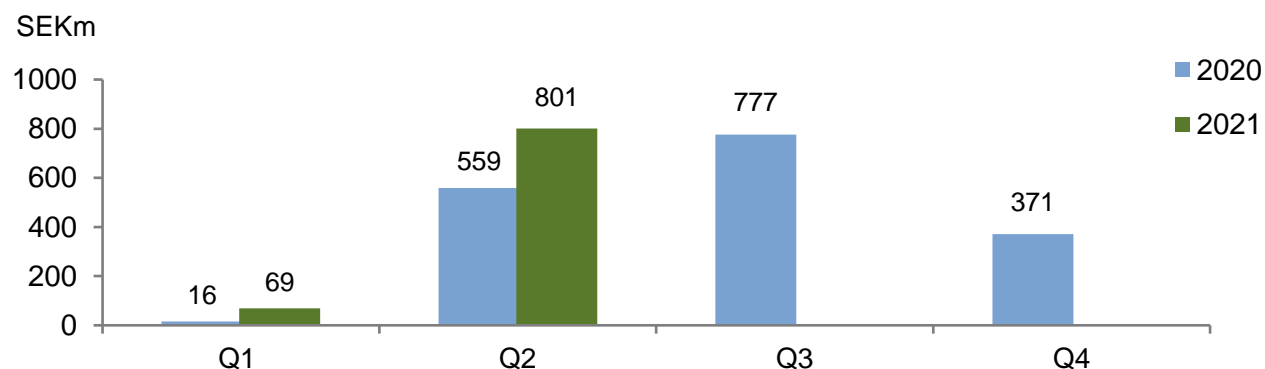
- Strong sales growth +58%
- Gross margin 42.2% (40.6%)
 - Production overheads absorption
 - Favorable product mix
- Lower financial net mainly because of lower utilization of RCF
- Effective tax rate for the year well within guidance 23.6 percent (23.6)

Thule Group Financials 2021/Q2: Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

- Q2: Modest increase in operating working capital – lower as a percentage of sales
- Operating working capital, 30 Jun. 2021:
 - Inventory: SEK 1 267m (948)
currency effect SEK -40m
 - Accounts receivables: SEK 1 583m (1 280)
currency effect SEK -45m
 - Accounts payable: SEK 1 001m (630)
currency effect SEK -23m
- Currency effect SEK -62m vs prior year – OWC excl currency impact is 19,5%
- Inventory changed since last quarter by SEK 32m (-224)

Operational Cash Flow

- Q2 operational cash flow SEK 801m (559), an increase by SEK 242m vs PY
 - Increased profit drives cash flow
 - CapEx SEK 182m (37) in the quarter, investments in production capacity

2021/H2 Focus – Operational focus to meet strong demand

- Continued focus on proven growth strategy with opportunity to push growth investments earlier
 - Significant expansion at all main plants underway
 - Aggressive Product Development push to fuel future growth
 - Global Thule Test Centre Expansion ready by 2022/Q1
 - Continued push on Online and DTC tools
- Short and mid-term focus on Supply Chain to meet significant demand increase
 - Capacity ramp-up efforts for key categories – short & mid-term
 - Handle global logistics bottle necks
- Efforts underway to mitigate cost increases
 - Raw material prices impacting negatively from Q2
 - Logistics cost will remain high coming period
 - Price increases implemented in two steps to compensate, but still with some timing delay impacting margins in H2
 - July 2021 increase (valid for new orders received after announcement)
 - Jan 2022 price increases at normal timing
- *Still many uncertainties around the world so we need to continue to be quick to act and flexible*



Q&A



Forward-looking statements

- *Some statements herein are forward-looking, and the actual outcome could be materially different.*
- *In addition to the factors explicitly commented upon, the actual outcome could be materially and adversely affected by other factors such as the effect of force majeure, economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.*

Thule Group»

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