

2022 Jan-March Report

April 26, 2022

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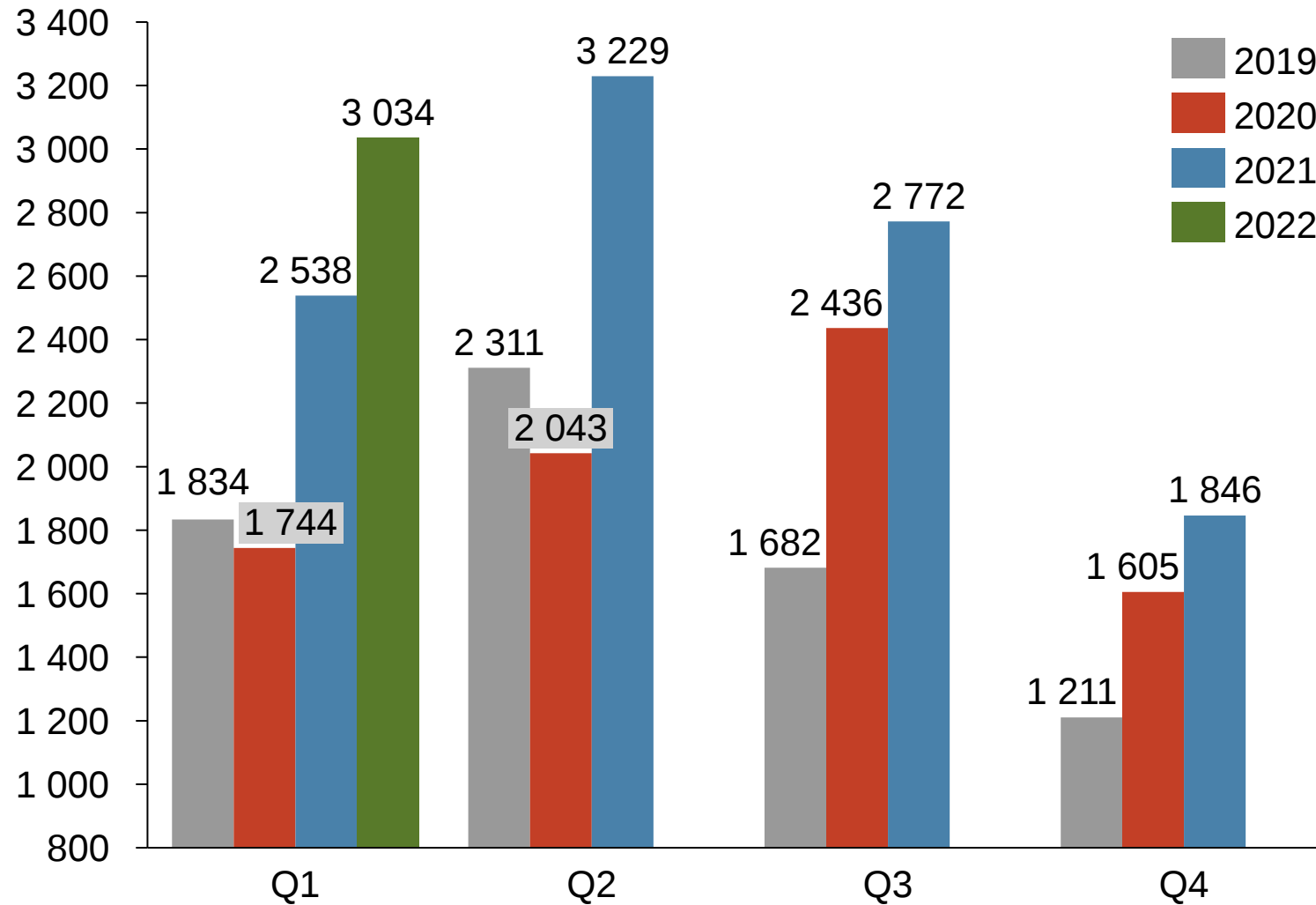
Thule Group»

Thule Group 2022/Q1 – A very good start to the year

- Sales 3,034 MSEK +13% Fx adjusted vs PY
 - Region Europe & RoW: 2,158 MSEK (1,917) +9% Fx adjusted
 - Region Americas: 876 MSEK (621) +27% Fx adjusted
- Gross Margin at 40.0% (41.3%)
 - Fx adjusted decline of 0.3 p.p. vs very strong 2021/Q1
 - Price increases compensating for majority of cost increases
 - Higher raw material- and freight expenses in the quarter, further impacted by the Russian invasion of Ukraine
- EBIT Margin at 22.8% (23.4%)
 - EBIT of 692 MSEK vs 594 MSEK PY
 - Fx adjusted improvement of 0.4 p.p.
- Operational Cash Flow was -610 MSEK (+69 MSEK in 2021/Q1)
 - Worth noting that 2021/Q1 was not a normal first quarter cash flow period (historically Q1 has never had positive cash flow)
 - We targeted to enter the peak season with high inventories to be able to handle longer lead-times and erratic supply chain
 - Inventory build-up +469 MSEK



Thule Group Sales by Quarter (Reported currency)



- A strong start to the year, despite many negative external factors
- 2022/Q1 – Very strong, also vs. 2019
 - +20% vs 2021/Q1 (reported currency)
 - +13% vs 2021/Q1 (Fx adjusted)
 - +64% vs 2019/Q1 (Fx adjusted)
- We believe seasonality should be back to “pre-pandemic” phasing (like 2019)
- Still strong “staycation” and local travel trend
- Many uncertainties regarding market conditions ahead of Q2-Q3
 - Inflation
 - Cost and price impact
 - Supply chain disruption in general
 - Retailers in N. America with higher stock levels
 - Interest increases might affect RV Products
 - RV manufacturers struggling to get chassis to build motorhomes on

Region Europe & RoW: Continued strong momentum

- **2022/Q1 Net sales 2,158 MSEK (1,917)
+9% growth (constant currency)**
- The Russian invasion of Ukraine is deeply disturbing on a humanitarian level and of impacts any business – but limited impact for Thule Group
 - Our decision to stop business in Russia and Belarus and the fact that naturally our Ukrainian partners are not ordering products expected to impact with approx. 1% lost sales for the Region in 2022
- Strong performance in Germany, Belgium, the Netherlands and the Czech Republic as well as in France and Spain.
- In the southern hemisphere, Australia, New Zealand and South Africa continued strong growth at the end of their summer season
- Roof Racks and Roof Boxes grow as consumers take short vacations close to their homes in strong winter holiday period
- Bike category slower start, as stock levels now up to normal and biking season yet to start
 - In comparison, period 2021/Q1 there was still some pipe-line filling after weaker delivery performance in 2020
- RV Products category strong in dealerships channel, while motorhome manufacturers continue to struggle with capacity with limited access to chassis to build vehicles on
- Stroller sales continue to grow at fast pace
- Packs, Bags & Luggage grows as commuting to universities and offices start to pick up, but still very limited travel in Asia



Region Americas: Growth across all markets and categories

- **2022/Q1 Net sales 876 MSEK (621)**
+27% growth (constant currency)
- Sales growth in all markets with Canada growing the fastest
- Growth across Sport&Cargo Carriers category as consumers take local vacations with cars as their means of transport
- Large N. American retailers also stock up significantly on Bike related categories in the quarter
- Packs, Bags and Luggage show stringiest Q1 ever with strong growth across categories as domestic travel for both work&play picks up, especially in the US
- Active with Kids continue growth momentum
- Niche RV Products category continue positive momentum



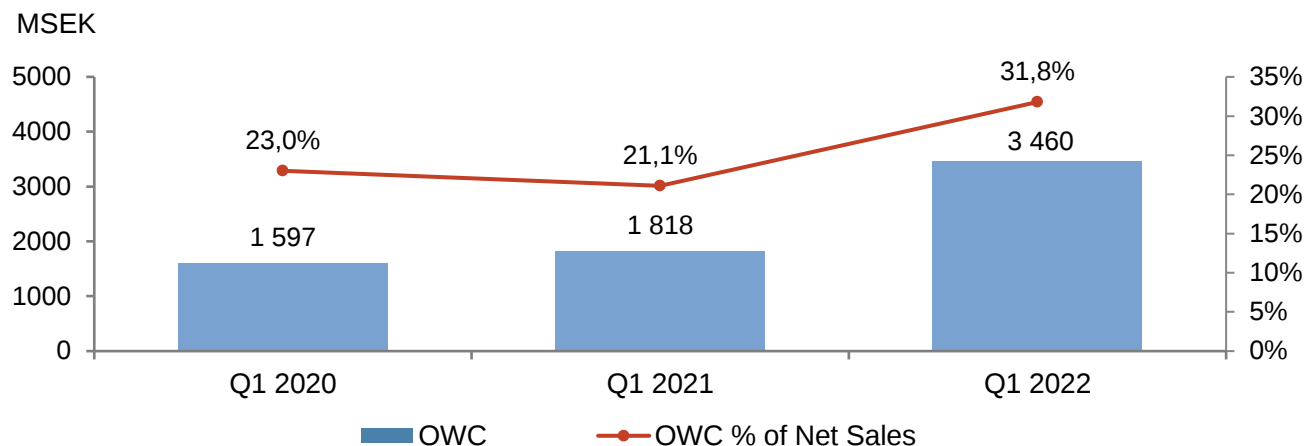
2022/Q1 Reported income statement

	Q1 2022	2021	LTM	Full-year 2021
Net sales	3 034	2 538	10 881	10 386
Cost of goods sold	-1 819	-1 489	-6 557	-6 226
Gross income	1 215	1 050	4 325	4 160
Gross margin %	40,0%	41,3%	39,7%	40,1%
Other operating income	-	-	15	15
Selling expenses	-429	-366	-1 544	-1 481
Administrative expenses	-93	-90	-357	-354
Operating income (EBIT)	692	594	2 439	2 340
EBIT Margin %	22,8%	23,4%	22,4%	22,5%
Net interest expense/income	-11	-9	-39	-37
Income before taxes	682	584	2 400	2 303
Taxes	-155	-137	-531	-513
Net income	527	447	1 870	1 790
Net income pertaining to:				
Shareholders of Parent Company	527	447	1 870	1 790

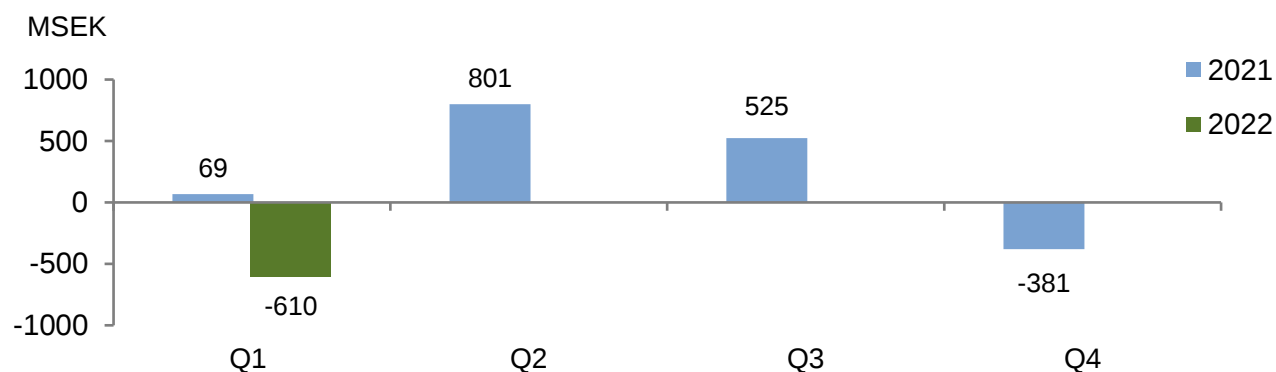
- Sales growth +20% in reported currency, +13% in constant currency
- Gross margin 40.0% (41.3%)
 - Higher raw material- and freight expenses in the quarter compared to Q1 2021 offset largely by price increases to customers
 - LTM 39.7% (40.1%)
- EBIT margin 22.8% (23.4)
 - Currency adjusted, +0.4 percentage points if same currency used then last year's comparison number is 22.4%
 - Efficient cost controls and scalability
- Effective tax rate well within guidance 22.7 percent (23.5)

Thule Group Financials 2022/Q1: Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

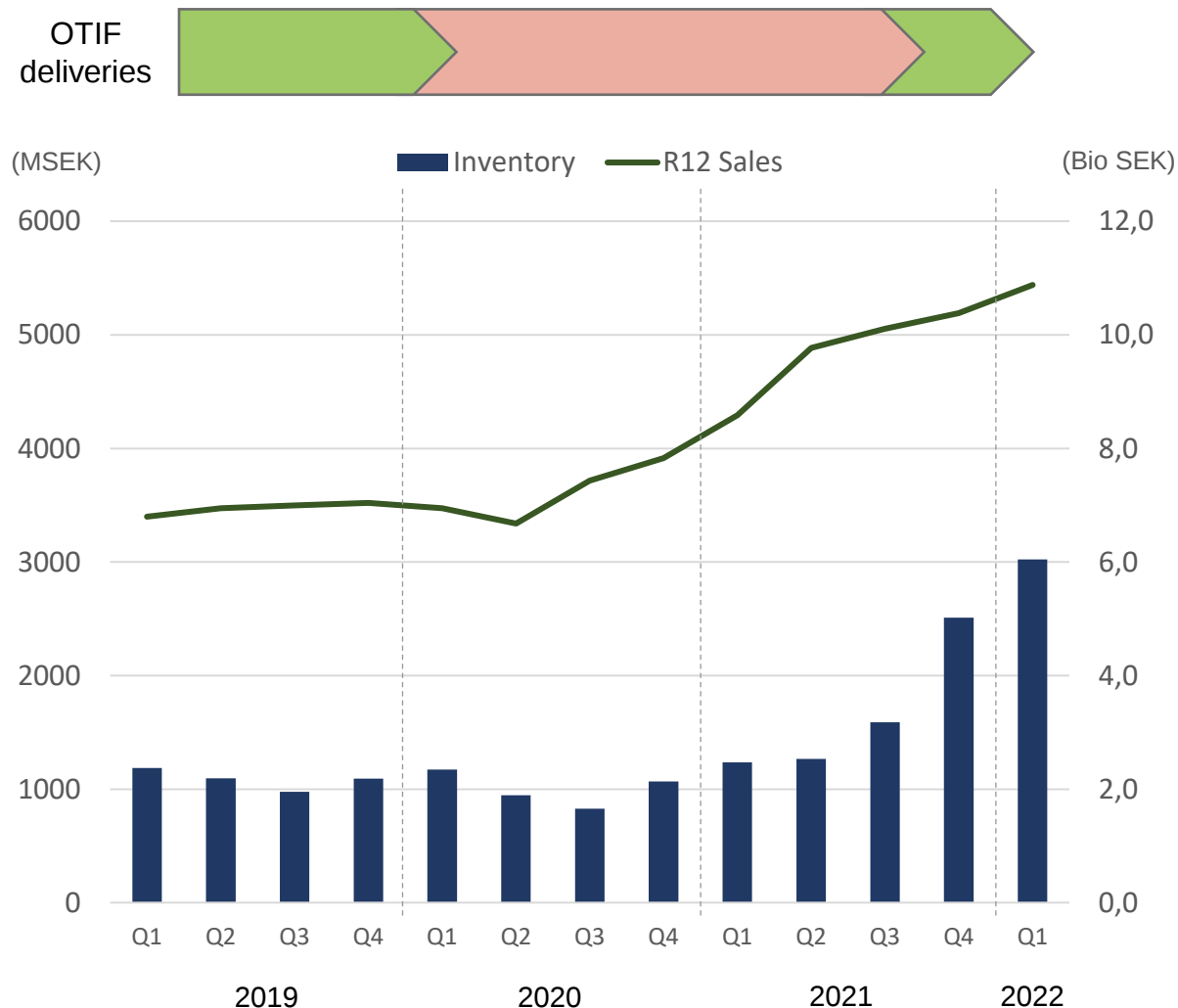
- Q1: Inventory build-up for the season and to create resilience against current supply chain disturbances
- Operating working capital, 31 Mar. 2022:
 - Inventory: 3 022 MSEK (1 235)
currency effect +36 MSEK
 - Accounts receivables: 1 616 MSEK (1 447)
currency effect +35 MSEK
 - Accounts payable: 1 178 MSEK (864)
currency effect +17 MSEK
- Currency effect +54 MSEK vs prior year – OWC excl. currency impact is 31,3%
- Inventory changed since last quarter by 512 MSEK (167)

Operational Cash Flow

- Q1 operational cash flow -610 MSEK (69), a decrease by 679 MSEK vs PY
 - Inventory build-up 469 MSEK (134)
 - CapEx 148 MSEK (56) in the quarter

Thule Group: Inventory levels increased to cope with erratic Supply Chain

Quarterly Inventory Value (MSEK) and R12 months sales (Bio SEK)



- Thule Group has, during the last decade, successfully focused on high On-Time-In-Full (OTIF) deliveries with short lead-times (next day deliveries) to retailers
- Pre-pandemic high OTIF with short lead-times
- During pandemic - OTIF dropped significantly when sales grew and inventory levels rapidly decreased from 2020/Q3 with sales growth above 40% yoy.
- At the same time Supply Chains in general got extended and constrained
- Strategic decision in 2021 to ramp up capacity at suppliers and own plants to return to high OTIF, at the same time as lead-times have extended for most components and also become more erratic
- Thule Group products have limited obsolescence risk as they are not fashion oriented
 - Certain Packs, Bags & Luggage and Strollers have some “seasonal colors”, but they are used 2 seasons
 - The decision to increase stock levels only relates to products with very low obsolescence risk
- We will run at higher than historical inventory levels until we are confident that component lead-times are reduced in a smoother Supply Chain**

2022 Focus – Continue to drive our growth-oriented strategy

- Growth focused strategy remains unchanged
 - Price increases to offset cost increases
 - Drive profitable organic sales growth via great products
 - Continue strengthen the Thule brand by using the motto *Bring your life*
 - Utilize strong back-end organization to drive cost efficient growth
 - Increased roll-out of sales supporting tools for retail
 - Continue to steadily roll out Direct to Consumer
- Product portfolio and development push to fuel growth
 - Spend at 5% of sales
 - Expanded Thule Test Center opened in April
- Continuous improvements in our Supply Chain set-up
 - Capacity expansion to enable return to historically high On-Time-In-Full capabilities with short lead-times
 - Automation focus
 - Above average CapEx year (plants, DCs and development facilities)
- Strong cash generation that enables strategic M&A and increased dividends
- *Still many uncertainties around the world so we need to be as quick to act and as flexible as in 2021*
- *At Capital Markets Day, May 11, 2022 in Hillerstorp, Sweden, we will present long-term plans and new product categories*



Q&A



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