

# Year End Report, 2022/Q4

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M. Welander, CEO  
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**Thule Group** >>

# 2022/Q4 and FY Results – A year with two phases

## 2022/Q4 – Challenged vs strong 2021/Q4 comp

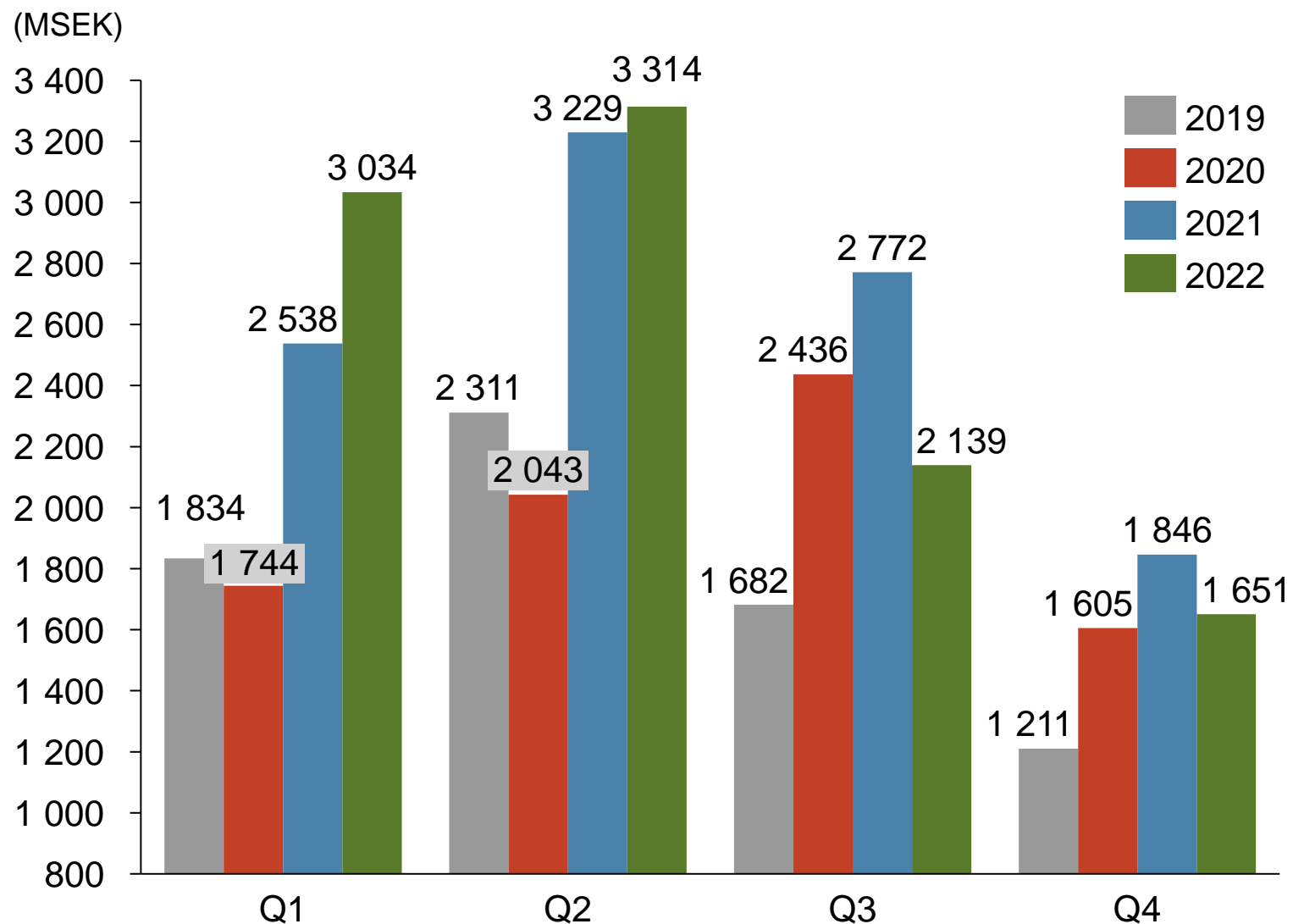
- Sales FY of 1 651 MSEK (1 846), -21% Fx adjusted
  - Region Europe & RoW -12.7% Fx adjusted
  - Region Americas -33.7% Fx adjusted
- EBIT 4 MSEK vs 190 MSEK
  - EBIT Margin at 0.2% (10.3%)
- Operational Cash Flow was +91 MSEK (-381 MSEK PY)

## 2022 Full Year – Second best year in the history

- Sales FY of 10 138 MSEK (10 386), -9.7% Fx adjusted
  - Region Europe & RoW -8.9% Fx adjusted
  - Region Americas sales -11.5% Fx adjusted
- EBIT 1 706 MSEK vs 2 340 MSEK
  - EBIT Margin at 16.8% (22.5%)
- Operational Cash Flow was +530 MSEK (+1 013 MSEK PY)
- Proposed ordinary dividend of SEK 9.20 (13.00) per share



# 2023 start of year challenged by strong comps from 2022

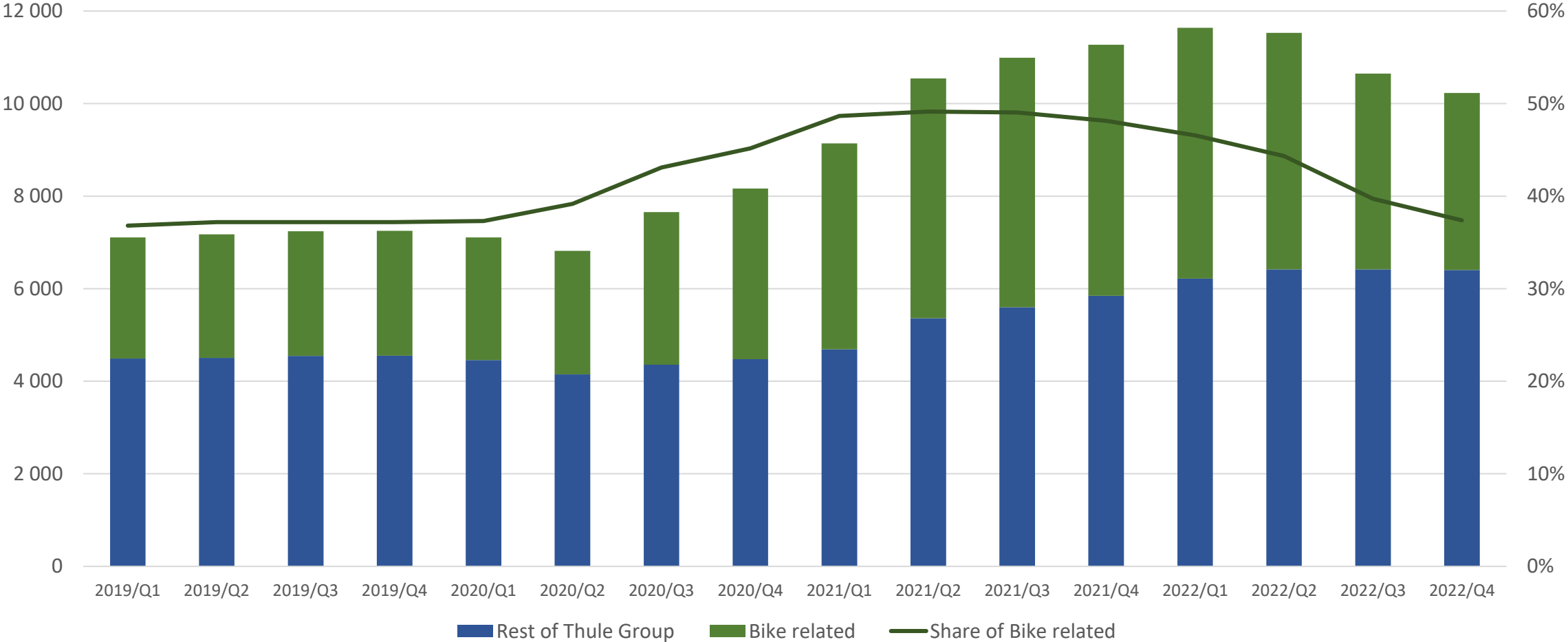


(Reported Currency)

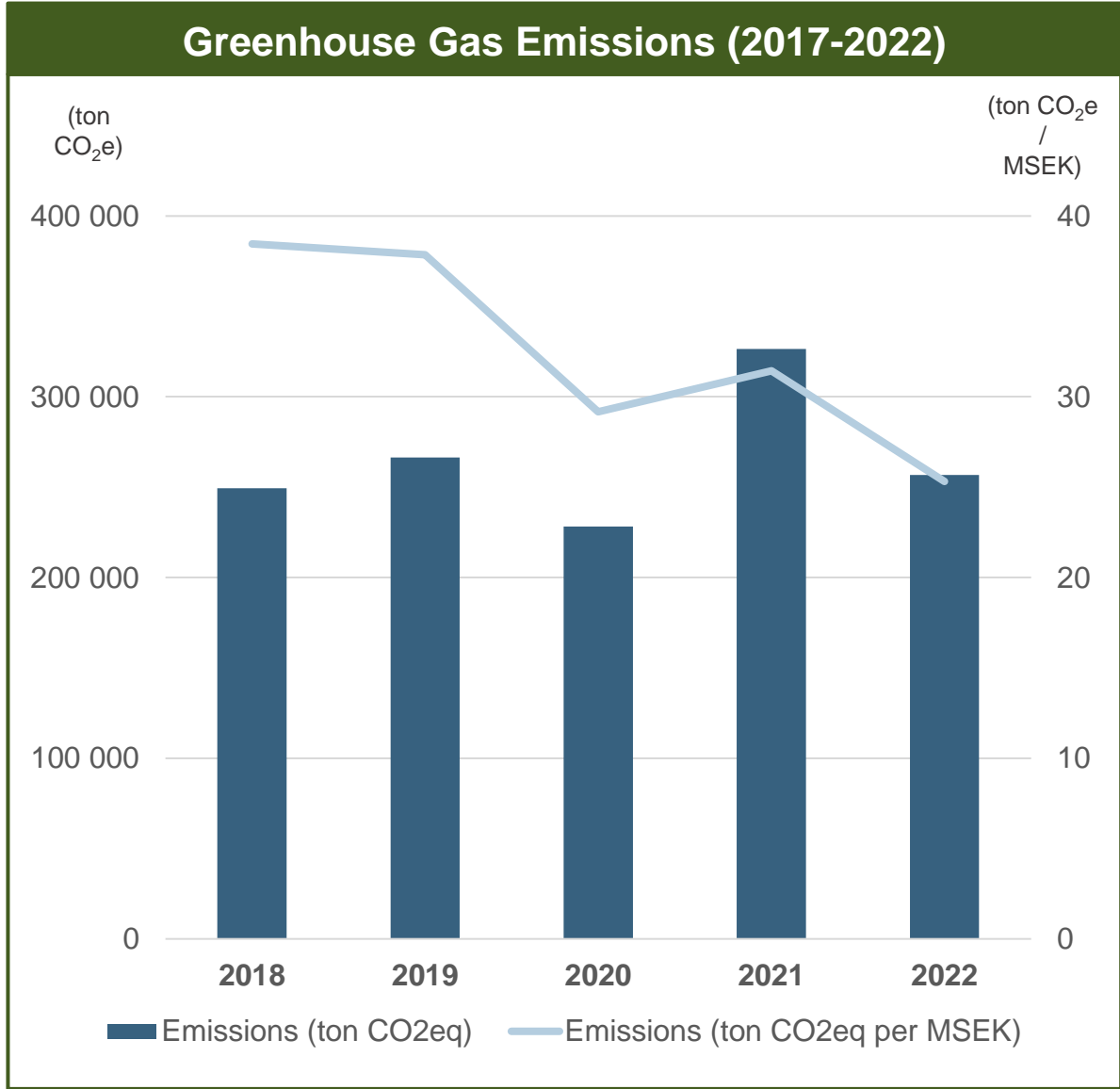
- 2022/Q1 – Very strong vs. 2021 and 2019
  - +20% vs 2021/Q1 (reported currency)
  - +13% vs 2021/Q1 (Fx adjusted)
  - +64% vs 2019/Q1 (Fx adjusted)
- 2022/Q2 – In line with 2021, strong vs. 2019
  - +3% vs 2021/Q2 (reported currency)
  - -3% vs 2021/Q2 (Fx adjusted)
  - +43% vs 2019/Q2 (Fx adjusted)
- 2022/Q3 – Behind 2021, strong vs. 2019
  - -23% vs 2021/Q3 (reported currency)
  - -29% vs 2021/Q3 (Fx adjusted)
  - +23% vs 2019/Q3 (Fx adjusted)
- 2022/Q4 – Behind 2021, strong vs. 2019
  - -11% vs 2021/Q4 (reported currency)
  - -21% vs 2021/Q4 (Fx adjusted)
  - +28% vs 2019/Q4 (Fx adjusted)

# The bullwhip effect on bike related product sales impact 2021-2023 comps

Sales split by Bike related products in all 4 Product categories and Rest of Thule Group (R12 month)



# Sustainability: Significantly reduced emissions in 2022



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**BUSINESS AMBITION FOR 1.5°C**  

# ”Product is King” approach with Product Portfolio broadening continues

Product Development spend as Share of Sales (2015-2022)



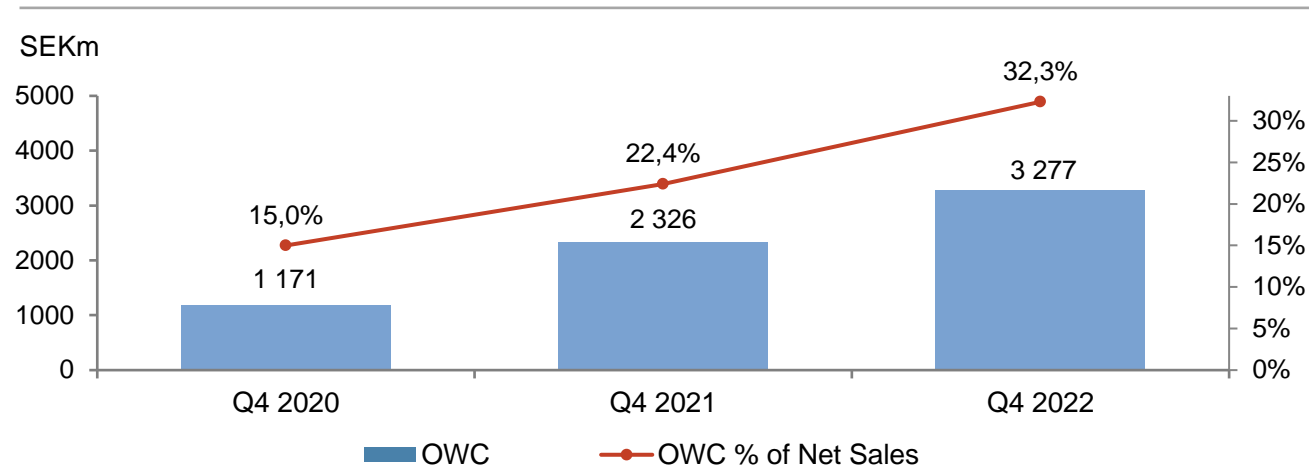
# 2022/Q4 Reported income statement

MSEK	Q4		YTD	
	2022	2021	2022	2021
Net sales	1 651	1 846	10 138	10 386
Cost of goods sold	-1 131	-1 225	-6 279	-6 226
<b>Gross income</b>	<b>520</b>	<b>622</b>	<b>3 859</b>	<b>4 160</b>
Gross margin %	31,5%	33,7%	38,1%	40,1%
Other operating income	0	0	0	15
Selling expenses	-413	-335	-1 768	-1 481
Administrative expenses	-104	-97	-385	-354
<b>Operating income (EBIT)</b>	<b>4</b>	<b>190</b>	<b>1 706</b>	<b>2 340</b>
EBIT Margin %	0,2%	10,3%	16,8%	22,5%
Net interest expense/income	-21	-10	-59	-37
<b>Income before taxes</b>	<b>-17</b>	<b>180</b>	<b>1 647</b>	<b>2 303</b>
Taxes	1	-26	-373	-513
<b>Net income</b>	<b>-16</b>	<b>154</b>	<b>1 275</b>	<b>1 790</b>

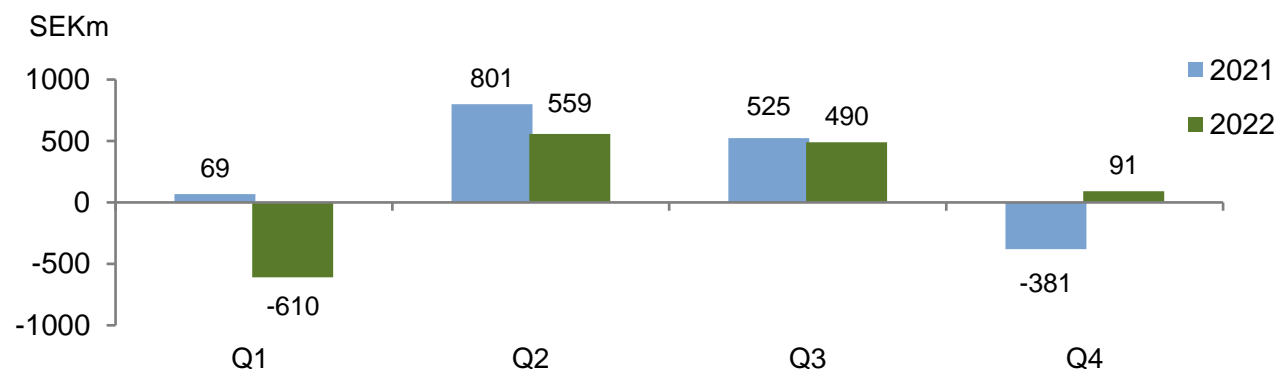
- Sales decline in the quarter by 11%
  - -21% in constant currency
- Gross margin 31.5% (33.7%)
  - Lower volumes ⇒ cost of unutilized production capacity
  - High cost of material and freight, still not materially down
  - Unfavorable product mix
  - FY 38.1% (40.1%)
- EBIT-margin 0.2% (10.3%)
  - SG&A-increase by 85 MSEK (from 432 MSEK to 517 MSEK) +11% in constant currency
  - Very aggressive product development continues as planned with significant impact in low revenue quarter
  - Temporary cost for handling high inventory impact selling expenses
- Tax rate for the year is 22.6% (22.3%)

# Thule Group Financials 2022/Q4: Cash Flow

## Operating Working Capital



## Operational Cash Flow



## Operating Working Capital

- 2022/Q4: High inventory continues to be main factor
- Over-stock consists of bike-related products with main season starting in the spring
- Operating working capital, 31 Dec. 2022:
  - Inventory: 3 129 MSEK (2 510)  
*currency effect +179 MSEK*
  - Accounts receivables: 723 MSEK (872)  
*currency effect +84 MSEK*
  - Accounts payable: 576 MSEK (1 057)  
*currency effect +81 MSEK*
- Currency effect +183 MSEK vs prior year – OWC excl currency impact is 31%
- Inventory about the same level as last quarter (-11 MSEK and excluding currency effect an increase of 38 MSEK)

## Operational Cash Flow

- Q4 operational cash flow 91 MSEK (-381), an increase by 473 MSEK vs PY
  - 2021/Q4 heavily impacted by inventory build-up
  - CapEx 67 MSEK (156) in the quarter



# Bike related categories dip vs. 2021 as retail pulls handbrake 2nd half of 2022



**Sport&Cargo Carriers**



**RV Products**



**Juvenile & Pet**



**Packs, Bags & Luggage**

**Share of Thule Group Sales 2022 (2021)**

**62%**  
(67%)

**18%**  
(14%)

**11%**  
(12%)

**9%**  
(7%)

**Share of Regional Sales 2022 (2021)**

**57%**  
(63%)

**70%**  
(76%)

**24%**  
(19%)

**5%**  
(3%)

**13%**  
(14%)

**8%**  
(9%)

**6%**  
(4%)

**17%**  
(12%)

**Sales Growth 2022 vs 2021 (Constant Currency)**

**-17%**

**+17%**

**-17%**

**+21%**

**-16%**

**-18%**

**+15%**

**+43%**

**-17%**

**-16%**

**+20%**

**+21%**

# Sport&Cargo Carriers – Bike down in 2<sup>nd</sup> half, while cargo has strong year

- 2022 FY: Decline of -17% Fx adjusted
  - Region Europe&ROW -16%
  - Region Americas -18%
- 2022 – Bike retail puts the brakes on in 2<sup>nd</sup> half
  - Bike Racks – Great start, but very weak end of year (vs extreme comps)
    - Strong pre-season
    - Retail inventory reductions creates bullwhip sales drop in 2<sup>nd</sup> half
  - Cargo (boxes, baskets) - very strong year
  - Roof Racks – Solid year, some automotive accounts weaker
  - Other – Solid year, weaker in watersport products
- 2023 – Exciting launches in Spring
  - High inventory levels in Bike retail will mean slow start
  - New top-of-the-line rear of car bike carrier hits market in May
  - Rear of car cargo solutions push and new roof top platform will continue to add strength to world leading roof box offer



# RV Products – Consumer interest still high, but vehicle backlog continues

- 2022 FY: Growth of +17% Fx adjusted
  - Region Europe&ROW +15%
  - Region Americas +43%
- 2022 – Manufacturers started to catch up with demand
  - Staycation trend combined with erratic automotive supply chain drove very long orderbooks in 2022
  - We grew despite European RV sector (92% of category sales for Thule) dropping double digit vs record year 2021
  - Smaller vans continue to win with younger active consumers
  - Our niche offer grows in challenged N. American RV market
- 2023 – Consumer interest still high, but finance constraints will dent actual purchase behavior
  - Staycation trend continues
  - Still long orderbooks
  - Supply chain getting back to more normal levels



# Juvenile & Pet – Our strong bike related offer hit as retailer destock

- 2022 FY: Decline of -17% Fx adjusted
  - Region Europe&ROW -17%
  - Region Americas -16%
- 2022 – Overstock at bike retail hurts core offer
  - Bike trailers: E-bike and bike commuting trend continues, but retailers had simply stocked up too much ahead of season
  - Child Bike Seats: Same as for bike trailers
  - Strollers
    - Continued broadened distribution and offer
    - Weak US sales triggers staff changes
- 2023 – Regain momentum in Bike and US and ensure we have right sales channel for new product groups
  - Bike related products expected to regain momentum as of Q2
  - Stroller growth to continue with broadened offer
  - Huge focus on preparing the right sales channel mix for entry and future growth in Car Seats and dog transport products



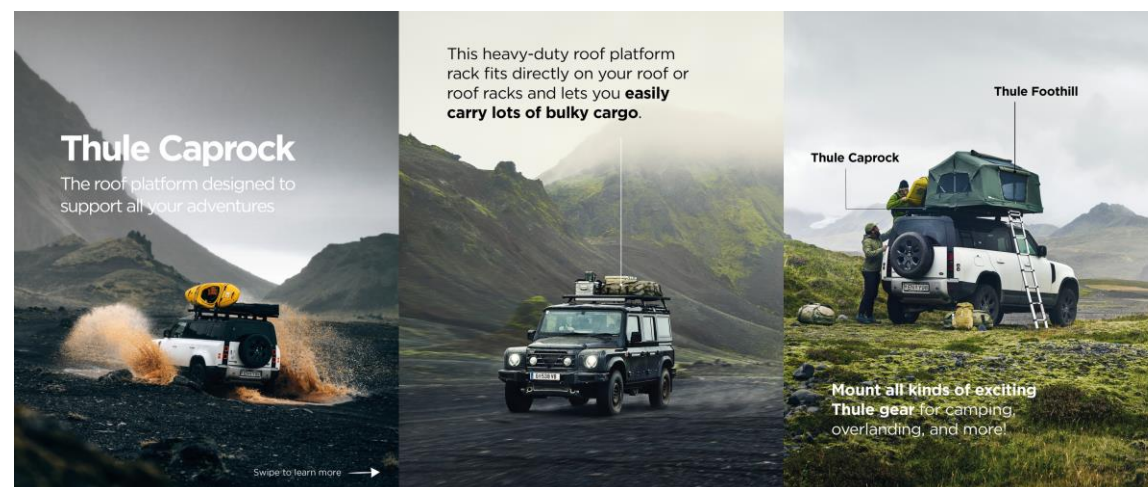
# Packs, Bags & Luggage – Recovery after pandemic continues in 2022

- 2022 FY: Growth of +21% Fx adjusted
  - Region Europe&ROW +20%
  - Region Americas +21%
- 2022 – Back to Work and increased travel drives sales
  - Whole supply chain sector constrained after dramatic factory cut-back in sector in 2020-2021
  - Everyday bags boosted by return to work & school
  - Luggage: Travel sector picking up
  - Sport bags & Tech packs: Bike related
  - Legacy (camera bags, tablet folios, etc): Continued decline
- 2023 – Great collections and travel to drive momentum
  - Several new Thule collections have received rave reviews
  - Many pure bags competitors disappeared or very strained during pandemic
  - Supply chain improving
  - More normal travel & commute reality



# 2023 Focus – Continue to drive our growth oriented strategy

- Growth focused strategy remains unchanged
  - Prices kept stable after several increases 2021-2022
  - Drive profitable organic sales growth via great products
  - Strengthen the global lifestyle Thule brand further with *Bring your life*
  - Utilize strong back-end organization to drive cost efficient growth
  - Increased roll-out of sales supporting tools for retail
  - Boost Direct to Consumer sales with several initiatives
- Product portfolio and development push to fuel growth
  - Exciting key volume driving in core categories coming 12-18 months
  - New product category entries
- Lowest level of production staffing in last 5 years at beginning of year, as we have high inventory levels
- Continuous improvements in our Supply Chain set-up
  - Automation focus
  - CapEx levels decrease after heavy push for capacity
- Strong cash generation as we sell down our inventory
  
- *Very tough comps at beginning of year and easy comps 2<sup>nd</sup> half*
- *Still many uncertainties around the world so we need to be as quick to act and as flexible as in recent years*
- *New CEO, Mattias Ankarberg, will take over August 9*



Q&A



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