A woman in a dark dress and green backpack is loading a bright blue bicycle onto the rear rack of a silver SUV. The SUV is parked in a gravel driveway in front of a modern white house. A man with a backpack is riding a bicycle away from the car. There are suitcases and a bag on the ground near the car. The scene is set in a lush, green environment with trees and a fence in the background.

2020 Jan-Jun Report

July 21, 2020

Magnus Welander, CEO

Jonas Lindqvist, CFO

Thule Group >>

2020/Q2 – High profitability in extreme quarter

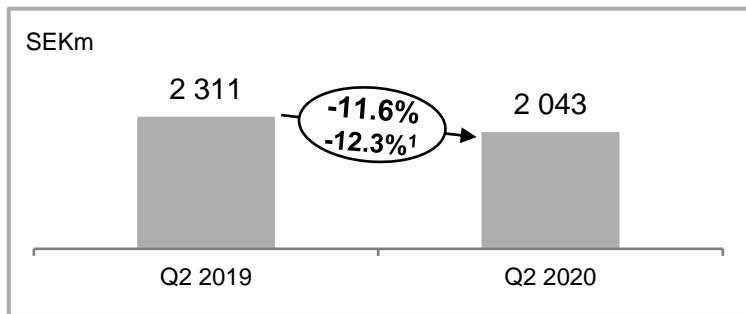
- Net sales of SEK 2,043m (2,311)
 - Global -11.6% (-12.3% excl. Fx effect)
 - Region Europe & ROW -12.1% (-12.3% excl FX effect)
 - Region Americas -10.4% (-12.2% excl FX effect)
 - The corona-virus pandemic lock-downs impacted significantly
- EBIT of SEK 430m (558) and EBIT margin of 21.0% (24.1)
- Net income of SEK 312m (419)
- Earnings per share of SEK 3.02 (4.06)
- Cash flow from operating activities SEK 523m (431)



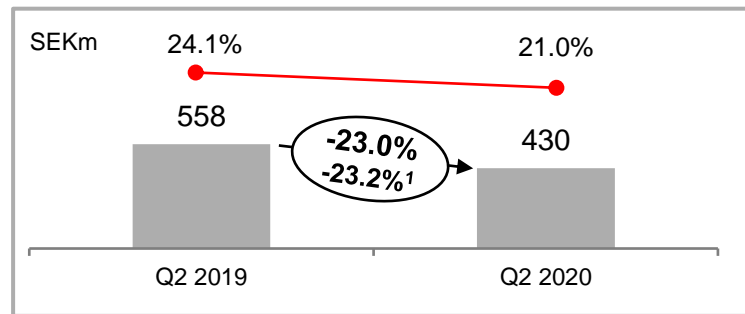
2020/Q2 and YTD – Net Sales and Underlying EBIT development

Reported Net Sales

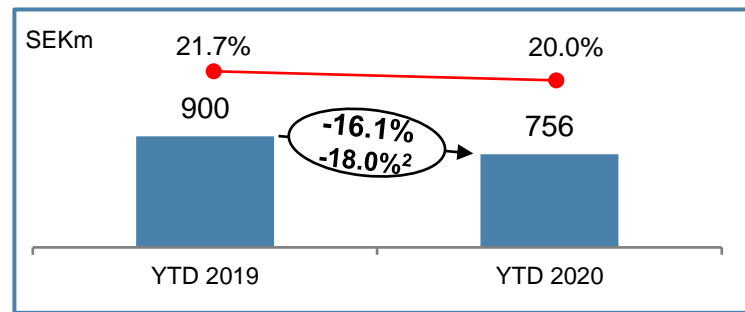
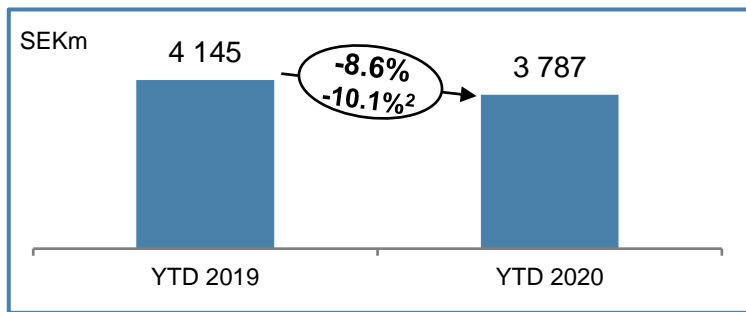
Q2



Underlying EBIT and Margin



YTD



Note: EBIT adjusted for non-recurring items & depr/amort on excess values.

¹ Constant currency adjustment based on average FX rates 1 April 2020 – 30 June 2020. ² Constant currency adjustment based on average FX rates 1 January - 30 June 2020.

Region Americas – Bike related products and strollers the strong performers

- **2020/Q2 Net sales SEK 577m (644), -12.2 % decline (constant currency)**
 - Lock-down measures impacted North America greatly in first half of quarter
 - Rapid sales growth in Canada and the states in the US that opened up during the second half of the quarter
 - Situation in Latin America challenging as most of these markets experienced a rapid increase in cases of covid-19 and, as a result, imposed significant measures.
- **Product category trends**
 - Sport&Cargo Carriers: Highly favorable sales of all bike-related products, as the North American bike market performed extremely well during the quarter, while Roof Racks and Boxes were weaker
 - Active with Kids posted very strong quarter in all sub-categories
 - Packs, Bags & Luggage impacted negatively by travel limitations and greater exposure to Brick&Mortar sales
 - RV Products: Very small category in the Region with continued strong growth trajectory



Region Europe & ROW – Big differences between countries and categories

- **2020/Q2 Net sales SEK 1,465m (1,667), -12.3% decline (constant currency)**
 - Countries where restrictions were successively eased, such as Germany, the Netherlands and parts of Eastern Europe, displayed high levels of growth at end of quarter
 - Sales declined significantly in countries with extreme measures, e.g. Russia, France, Italy, Spain and UK.
 - Product category trends
 - Sport&Cargo Carriers: strong sales of all bike-related products, as bike sales developed well during the quarter and as bike rack sales normally taking place in the spring seemed to instead move to summer, while Roof Racks and Boxes were weaker
 - Active with Kids posted very strong quarter in all sub-categories, especially in child bike seats and bike trailers
 - Packs, Bags & Luggage impacted negatively by travel limitations and greater exposure to Brick&Mortar sales
 - RV Products: After challenges for RV manufacturers to get production up and running during April-May a very strong end of the quarter



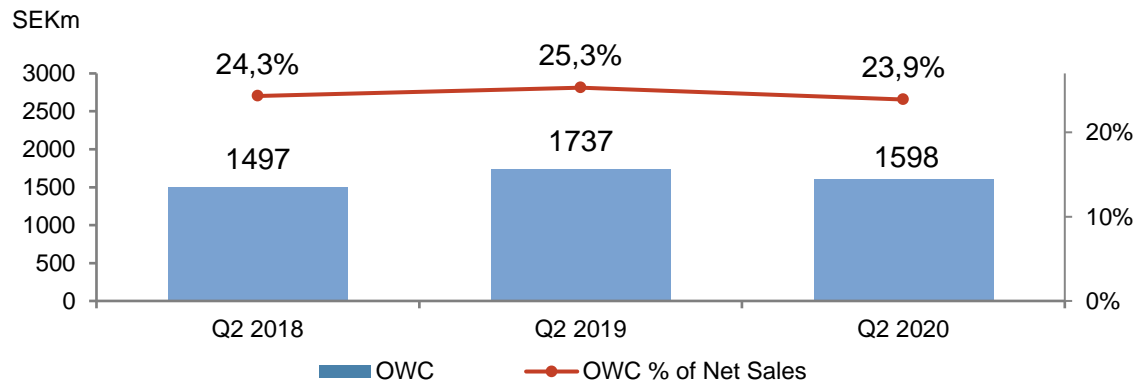
2020/Q2 and YTD – Reported Income Statement

SEKm	Q2 2020	Q2 2019	YTD 2020	YTD 2019	LTM
Net sales	2 043	2 311	3 787	4 145	6 679
Cost of goods sold	-1 213	-1 339	-2 244	-2 426	-4 027
Gross income	830	972	1 542	1 719	2 652
Gross Margin %	40,6%	42,1%	40,7%	41,5%	39,7%
Selling expenses	-318	-333	-627	-659	-1 282
Administrative expenses	-82	-82	-161	-160	-320
Other operating expenses	0	0	0	0	0
Operating income (EBIT)	430	558	755	900	1 050
EBIT Margin %	21,0%	24,1%	19,9%	21,7%	15,7%
Financial expenses/revenue	-21	-10	-32	-23	-57
Income before taxes	409	547	723	876	993
Taxes	-97	-128	-171	-204	-230
Net income	312	419	553	673	763
Net income pertaining to:					
Shareholders of Parent Company	312	419	553	673	763

- Sales dropped -11.6% in Q2
 - The corona-virus pandemic and the far-reaching quarantine measures introduced in most countries had a significant impact on sales the first half of the quarter
- Gross Margin at 40.6% (42.1) in Q2 with major mix shifts
 - Under-absorption due to rapid drop of sales volumes first half of the quarter
 - Changes in product/market mix
- EBIT margin at 21.0% (24.1) in Q2 and 15.7% at rolling 12-month basis
 - Continued push on product development
- Tax rate at 23.6% for the quarter

2020/Q2 – Operating Working Capital and Operational Cash Flow

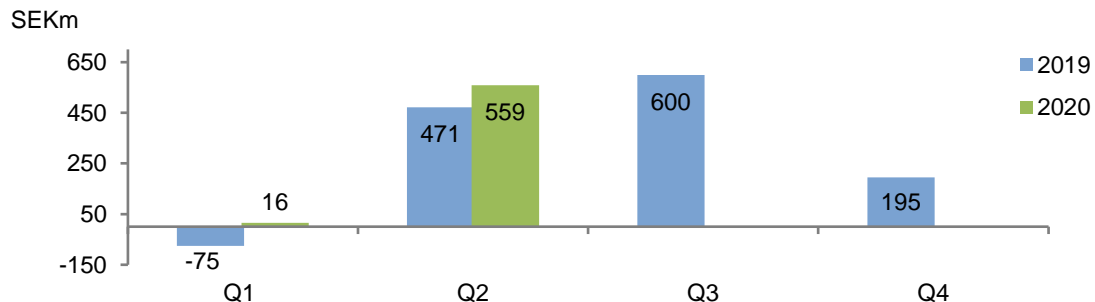
Operating Working Capital



Operating Working Capital

- Operating working capital, 30 Jun. 2020:
 - Inventory: SEK 948m (1096) *whereof currency SEK -10m*
 - Accounts receivables: SEK 1280m (1274) *whereof currency SEK -6m*
 - Accounts payable: SEK 630m (633) *whereof currency SEK -10m*
- Currency effect SEK -7m vs prior year; OWC excl currency impact is 24.0%
- Inventory changed since last quarter by SEK -224m (-90)

Operational Cash Flow



Operational Cash Flow

- Q2 operational cash flow SEK 559m (471), an increase by SEK 88m vs PY
 - Mainly coming from reduction in inventory
 - CapEx SEK 37m (34) in the quarter

2020 YTD – Performance vs. Financial Targets

Organic Growth	≥ 5%	Constant Currency Net Sales Growth (excl. Acquisitions) -10.1%	
Underlying EBIT Margin	≥ 20%	20.0%	2019 YTD at 21.7% (2020/Q2 LTM at 16.5%)
Net Debt / EBITDA	1.5-2.5x	1.4x	2019 YTD at 1.8x
Dividend Policy	≥ 50%	0%	<i>On March 22, the Thule Group Board of Directors withdrew previously communicated dividend proposal of 7.50 SEK/share, due to uncertainty regarding possible future economic effects due to the corona-virus pandemic</i>

2020 Focus – Managing short-term flexibility, while pushing for long-term growth

- Focus on Health&Safety of employees
 - Moving back to work at offices in phased approach across sites during autumn with new distancing and hygiene set-up
 - Very limited travelling
- Managing extreme flexibility as markets open up again
 - Apply less statistically based forecasting than normal
 - Own plants work at different capacity depending on category
 - Close discussions with suppliers on capacity and timing
- Certain markets & categories expected to have strong Q3
 - Consumers are seeking vacation opportunities closer to home and we expect that in categories such as bike racks we will recover sales lost in spring
 - Active with Kids products performing very well
- We still face high levels of uncertainty with effects from corona-virus pandemic
 - Several countries have implemented second round of lock-downs
 - Many Brick&Mortar stores are closed or have special measures
- Strong belief in mid-term staycation trend as a positive for Thule Group once pandemic measures normalize



Q&A



Disclaimer

- This presentation has been prepared by Thule Group AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements.
- This presentation may contain various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

www.thulegroup.com

Thule Group»

ACTIVE LIFE, SIMPLIFIED.