



Q4/2016 Road Show

February, 2017

Magnus Welander, CEO

Lennart Mauritzson, CFO

Thule Group»

The Thule Group Vision – Active Life, Simplified.



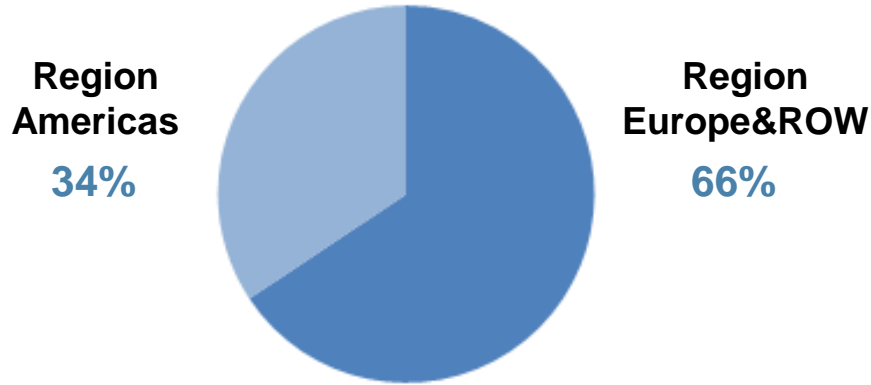
Thule Group >>



We are a Global Premium Branded Sports&Outdoor Company

Net Sales by Region and Product Category 2016 *

Sales Region



Product Category

Sport&Cargo Carriers
67%



Other Outdoor&Bags
19%



Bags for El. Devices
14%



Net Sales and Underlying EBIT Breakdown *

2016 (MSEK)

5,304
(+5.2% vs. 2015)



SALES

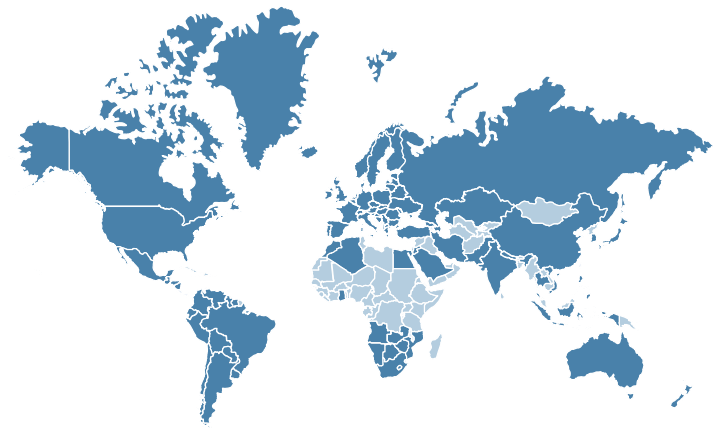
Underlying EBIT Margin:
17.6% *

935
(+12.0% vs. 2015)



EBIT

Global Reach – Sales in 140 Countries



* Excluding pick-up truck tool boxes business that is for sale

A Compelling Story in the Attractive Sports&Outdoor Market

1

**We Operate in
an Attractive Market**



- Favorable Mega-Trends Driving Long-Term Market Growth

2

**We have Everything in Place to
Deliver Profitable Growth**



- Strong User-influenced Innovation and Product Development
- Differentiated Premium Brand
- Global Route-to-Market Strategy and Implementation
- Strong Position in the Value Chain
- Sustainable business approach

Q4/2016 Financial Update



Q4/2016 Highlights – Continued strong profitability and strategic review finalized

- **Net sales** of SEK 1,069m (980)
 - Thule Group +9.2% (+2.5% excluding currency effects)
 - Outdoor&Bags +9.3% (+2.7% excluding currency effects)
 - Specialty +7.9% (+1.4% excluding currency effects)
- **Underlying EBIT** of SEK 68m (48), underlying EBIT margin of 6.4% (4.9)
 - Underlying EBIT margin improved by +0.2 percentage points in constant currency
 - Outdoor&Bags shows an underlying EBIT of SEK 81m (55), +47.5% vs PY
 - Specialty reports an underlying EBIT of SEK 17m (18), -3.8% vs PY
- **Net income** of SEK 37m (22)
- **Earnings per share** of SEK 0.36 (0.22)
- **Cash flow from operating activities**¹ of SEK 91m (153)
 - Outdoor&Bags Region Europe and ROW strong across product categories and posting another very strong quarter (+8.2% sales growth in constant currency)
 - Outdoor&Bags Region Americas declined 5.1% in the quarter as Bags for Electronic Devices (which due to seasonal reasons is a major category in the quarter) continued to decline
 - Strategic review regarding Work Gear finalized and partial divestment process initiated

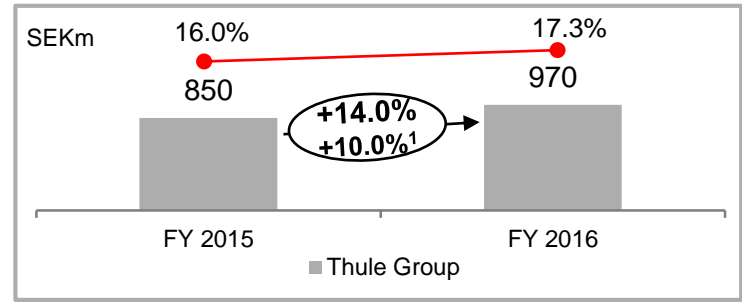
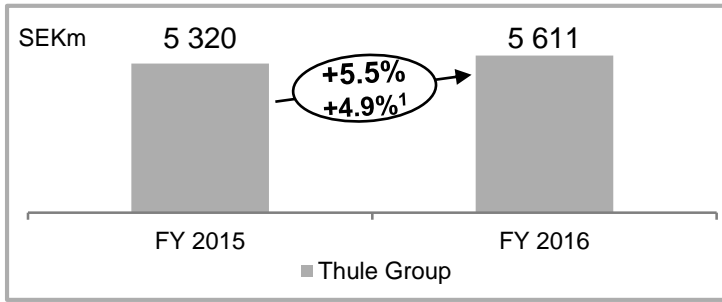
¹ Comparison period pertains to total operations meaning both continuing and discontinued operations.

Full Year 2016 – Strong organic growth drives EBIT growth

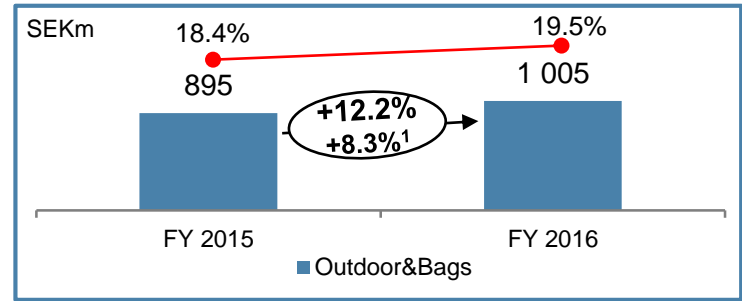
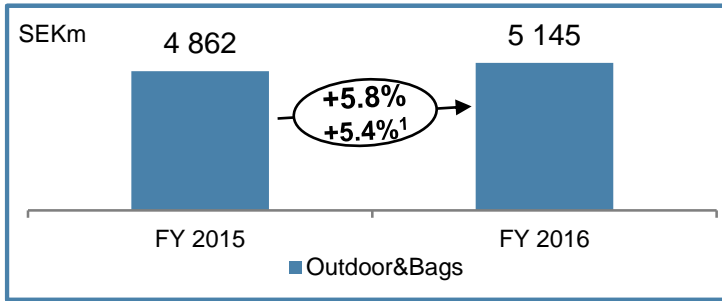
Reported Net Sales

Underlying EBIT and Margin

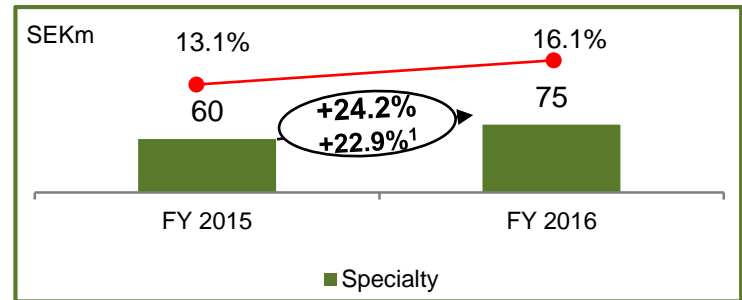
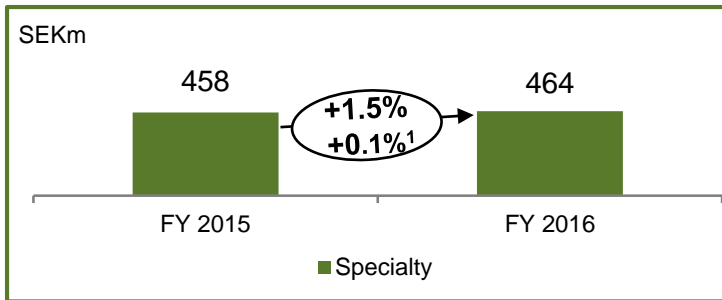
Thule Group



Outdoor & Bags



Specialty



Note: EBIT adjusted for non-recurring items & depr/amort on excess values
¹ Constant currency adjustment based on average FX rates 1 January-31 December 2016

Full Year 2016 – Net Sales by Product Category in Segment Outdoor&Bags

Sport&Cargo Carriers



Other Outdoor&Bags

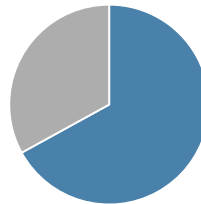


Bags for El. Devices

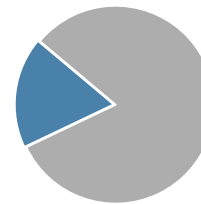


**Share of
Thule Group
Sales 2016**
(incl. Specialty Segment)

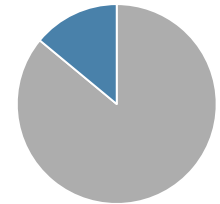
67%



19%



14%



**Growth
2016 vs 2015**
(Constant Currency)

+5.3%

(+5.1% incl. pick-up truck racks
formerly in Specialty)

+25.8%

-13.2%

**Strategic
Focus**

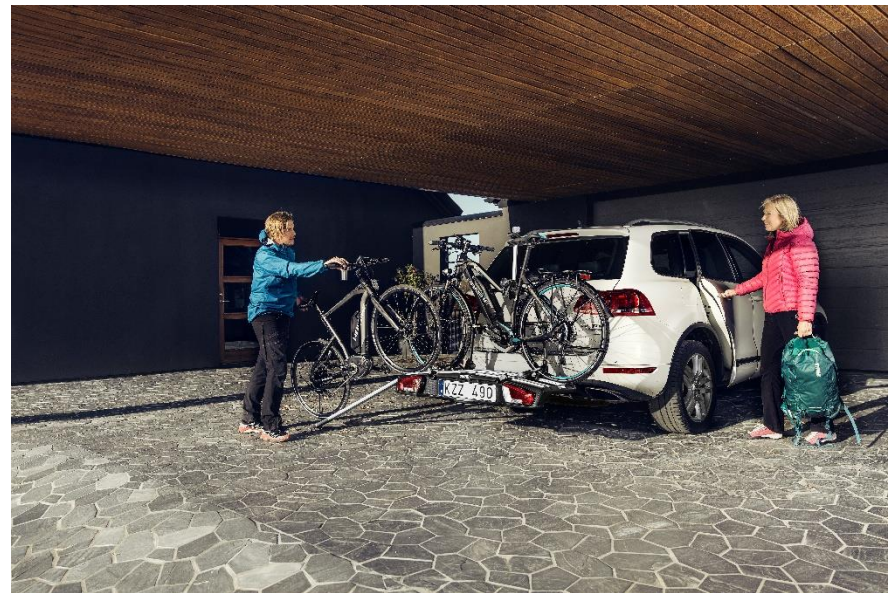
Continue to drive growth
via product innovation
and retail partner program

Continue to drive growth
via widened offer in new
product categories and
increased listings in key
retail channels

Focus on more stable
growing categories with
less device dependency

Sport&Cargo Carriers – A strong Europe&ROW Region drives growth

- Fantastic year in Europe with growth across all sub-categories and markets
- Bike carrier development in Europe driven by two major product launches
 - Thule ProRide 598 – the most sold top-of-car bike rack in the world
 - Thule VeloSpace – the best tow-bar mounted bike rack for e-bikes in the world
- New volume driving roof box Thule Motion XT family launched in Europe in end of Q4/2016 and will also be launched in Americas in Q1/2017
- Region Americas hurt by difficult market situation in US – but market share kept
 - Major bankruptcies in the spring
 - Bike market decline in Q3 vs strong 2015
 - Successful launch of Thule T2 Pro hitch bike rack



Other Outdoor&Bags – Continued fast growth across the world

- **RV Products – Share growth in hot European market**
 - European market estimated to have grown with 13%
 - Market share wins on top of hot market via strong product launches and Key Account Management
- **Active with Kids – Acquisition boosts growing category**
 - Jogging strollers Thule Glide and Thule Urban Glide continue to grow fast
 - Thule Chariot multisport trailer growth (despite completely new collection for Q1/2017, launched in August)
 - Child bike seats strong growth via Thule RideAlong share gains and GMG B.V. acquisition, which broadens offer and creates market leading position in BeNeLux
- **Sport&Travel Bags – Widened offer and new listings**
 - Launch of broadened offer of Technical Backpacks into light-weight hiking with Thule Stir and Thule Versant hiking packs
 - Launch of broadened offer of Thule RoundTrip winter-sport transport packs
 - Launch of Thule Shield bike pannier bags
 - Continued broadened listings in sport specific stores



Bags for Electronic Devices – Old heritage categories still in rapid decline

- Disappointing development, especially in US
- Old heritage Case Logic product categories continue to show rapid decline
 - Camera bags – as category continues to decline with reduced camera sales and as niche competitors prepared to drop prices significantly to capture necessary volumes
 - Tablet sleeves – reduced average prices on tablets drive increase of cheaper non-branded sleeves
- Daypacks (small backpacks with laptop space as well as space for your everyday stuff) the only positive category
 - European development strong
 - Still have not got major new wins with US retail
- Cost efficiency focus and improved sourcing
 - Despite reduced sales we got improved contribution from the category in 2016



Strategic Review Work Gear finalized – Partial Divestment Process Initiated

- Board decision to divest major part of Work Gear – Pick-up truck toolboxes product segment
 - Toolboxes for pick-up trucks for handymen
 - Sold under UWS brand and Private Label in DIY automotive accessory channel
 - Dedicated factory in Florida, US
 - Turnover in 2016 SEK 307m
 - Private Label business to Home Depot will be phased out during 2017 (approx. 1/3 of 2016 turnover)
 - EBIT margin in 2016 of 11.2%
- Keep Racks and Other Accessories for pick-up trucks
 - Turnover in 2016 SEK 158m
 - Keeps world-leading rack competence within Thule Group
 - Products in part purchased by consumers for recreational purposes to carry e.g. surfboards and kayaks
 - Produced in Sport&Cargo Carriers factory in Connecticut, US
 - Overlap in channels/customers with Sport&Cargo Carriers
 - Will be reported in Sport&Cargo Carriers product category from 2017/Q1 and onwards
- Next steps
 - Divestment process initiated and advisors appointed
 - Expected closing of transaction during 2017
 - Pro-forma historical reported numbers to be presented once transaction is completed



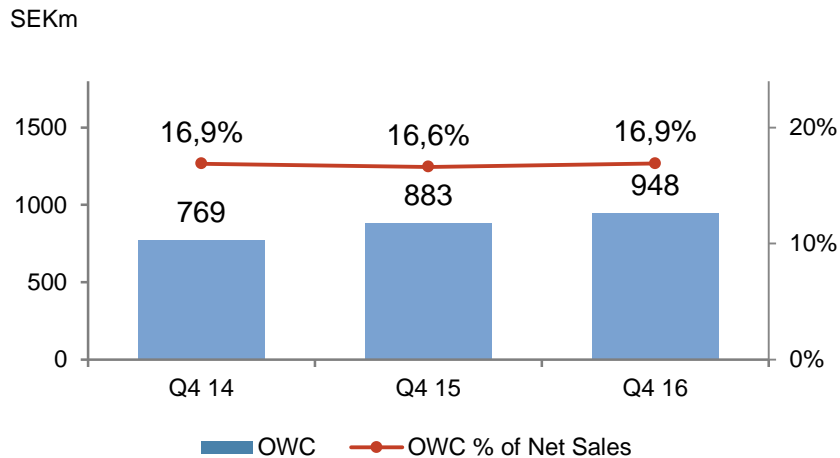
Divestment: Pick-up truck toolboxes



Kept: Pick-up truck racks

Operating Working Capital and Operational Cash Flow

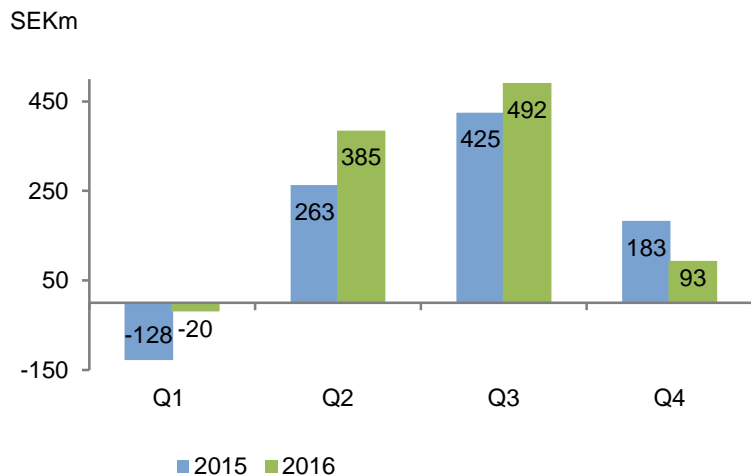
Operating Working Capital



Comments

- Operating working capital as of 31 Dec. 2016:
 - Inventory: SEK 847m (722)
 - Accounts receivables: SEK 643m (610)
 - Accounts payable: SEK 542m (449)
- Currency effect SEK 53m vs prior year
- Inventory build up in Q4/2016
 - Heavy product launches in growth categories early in the season 2017
 - Start up of Eastern DC in US in Q1/2017

Operational Cash Flow



Comments

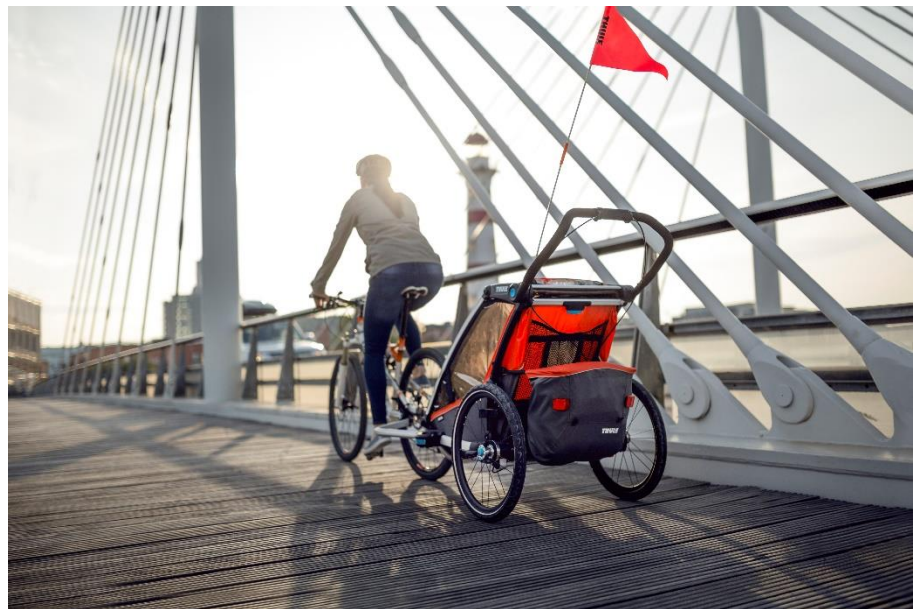
- Cash Conversion of 92% (OCF/EBITDA)
- Q4 Operational cash flow SEK 93m (183), a decrease by SEK 90m
- YTD Operational cash flow SEK 950m (742), an improvement by SEK 208m
- Capex SEK 132m (2.4% of sales)
- Positive effect this year due to:
 - Higher EBITDA
 - Improved OWC (lower inventory and accounts receivables)

Thule Group – YTD 2016 Performance vs. Long-term Financial Targets

Organic Growth	≥ 5%	<p align="center">Constant Currency Net Sales Growth (excl Acquisition)</p> <p align="center"> 4.6% 5.0% 0.1% Thule Group Outdoor&Bags Specialty </p>		
Underlying EBIT Margin	≥ 17%	<p align="center" style="font-size: 1.5em; color: #006633;">17.3% 2015 FY at 16.0%</p>		
Net Debt / EBITDA	c. 2.5x	<p align="center" style="font-size: 1.5em; color: #006633;">1.6x 2.3x (YE 2015)</p>		
Dividend Policy	≥ 50%	<p align="center" style="font-size: 1.5em; color: #006633;">51%*</p> <p>Ordinary dividend of SEK 3.40 per share * in 2016 proposed by the Board (2.50 SEK/share in 2015). In addition the Board proposes an extraordinary dividend of SEK 7.50 per share</p>		

After a very good 2016 we look forward to an even more exciting 2017

- 2016 was a very good year
 - Sales growth in Outdoor&Bags at 5% organic growth despite very tough US market and underperforming shrinking Bags for Electronic Devices
 - EBIT growth from SEK 850m to SEK 970m
 - EBIT margin at 17.3% better than mid-term target
 - Strong operational cash flow generation (SEK 950m) enables high dividend as well as “dry powder” to execute possible M&A
 - Sustainability improvements across all major areas
 - Continued Thule brand building with multiple design wins and retail partner program extension
 - Well executed opening of new box factory in US and Distribution Centre moves (last DC change in Q1/2017)
 - Strategic review of Specialty segment finalized
- 2017 promises to be an even more exciting year
 - Best ever launch program across all product categories
 - True volume traction in newer product categories where we are starting to make a real name for ourselves
 - Distribution Centre structure in place and tested ahead of peak season
 - Opportunity to focus all energy on profitable growth



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