

A scenic mountain landscape with three hikers on a rocky ridge. The hikers are in the lower right foreground, with one standing and two sitting. They are surrounded by green vegetation and rocky terrain. In the background, there are jagged mountain peaks and a valley under a clear sky.

Thule Group at SEB

Stockholm
19 September 2016

Thule Group»

The Thule Group Vision – Active Life, Simplified.



Thule Group»

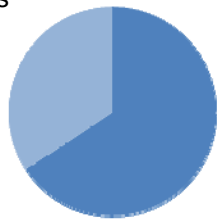


We are a Global Premium Branded Sports&Outdoor Company

Net Sales by Segment 2015

Outdoor&Bags (91%)

Region
Americas
35%



Region
Europe and ROW
65%

Sport&Cargo
Carriers
60%



Bags for
Electronic
Devices
16%



Other
Outdoor&Bags
15%



Specialty (9%)

Work Gear
9%

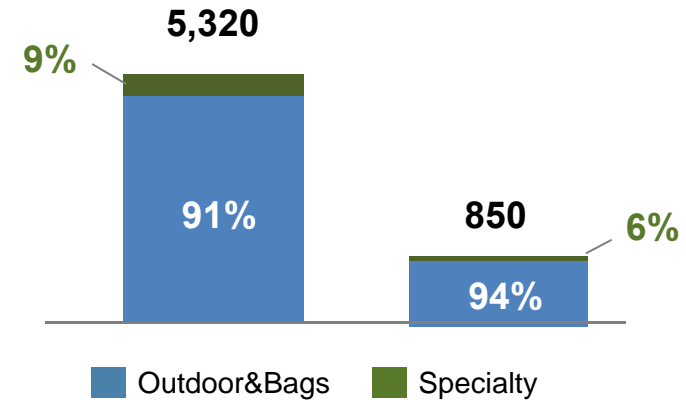


Source: Company informatio

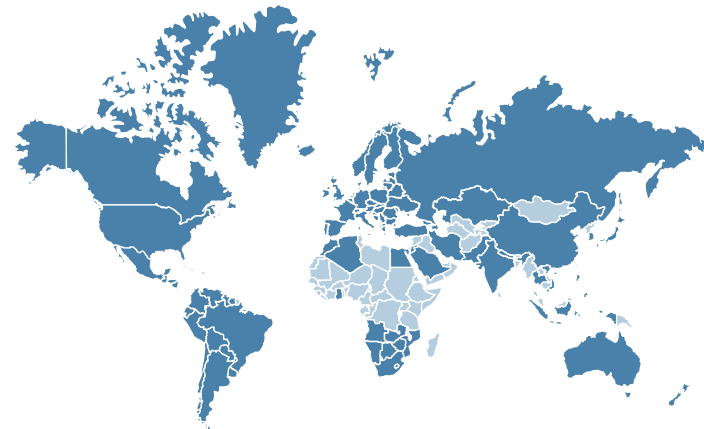
Net Sales and Underlying EBIT Breakdown

2015 (SEKm)

Underlying EBIT Margin:
16.0%



Global Reach – Sales in 140 Countries



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

1 Favorable Mega-Trends in the Sports&Outdoor Market

Favorable Trends



Increased consumer focus on active lives



Consumers are enjoying multiple activities



Emergence of new sports



Consumers are active longer



Parents want to continue to enjoy their activities with their small kids



Consumers want to be connected at all times and share their experiences



Consumers are increasingly aware of which brands and products they seek



Growing GDP and increasing consumer interest in sport and outdoor activities in developing economies

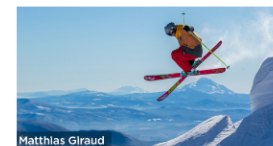
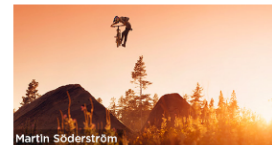
2 A Premium Brand that Captures the Emotions of the Outdoors



› Bring your board.
Bring your bike.
Bring your skis.
Bring your love.
Bring your passion.
Bring your dreams.
Bring your life.



› Thule Crew



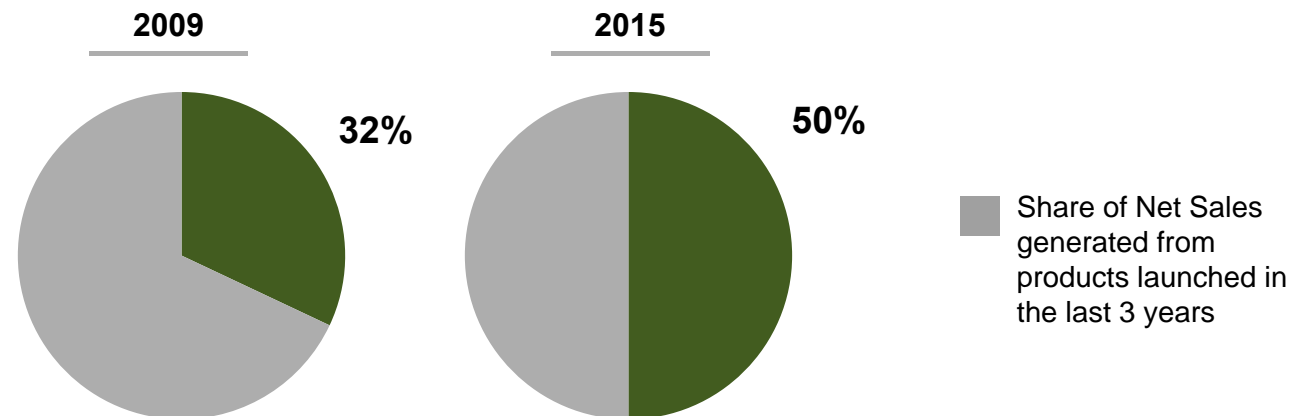
2 Market Leading Product Development with Strong User Focused DNA

**“Product is King”
mind-set in entire
organization**

- Top Management focus area
- Passionate users within the company
- Close co-operation with world class athletes and consumers for input
- 140 FTEs dedicated to product design and development
- Product Development spend as share of sales has increased from 2.8% (2009) to more than 4% in 2013 – 2015



**High
Share of Sales
From
New Products**



- Product replacement cycles have been reduced by 1/3 in the last 5 years

2 A Proven Distribution Strategy Implemented from 2010

A Structured Go-To-Market Approach

Category Captaincy Approach
with Key Retail Chains

Thule Retail Partner Program for
Smaller Stores

Product Assortment Focus and
Support for Look&Feel in Store

Training of Store Staff

Creating a Global Thule Retail Presence



Outdoor&Bags

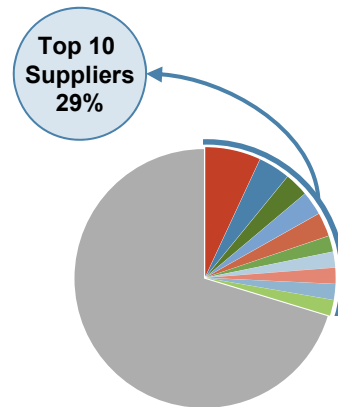
- > 2,900 Thule Retail Partner doors
out of >31,000 shops selling our products



2 A Strong Position in the Value Chain

Broad
Supply Base

Direct Material Spend by Supplier (2015)

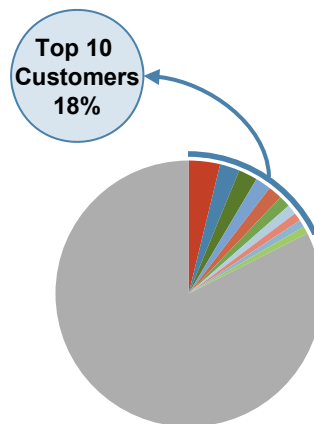


9 Thule Group Assembly Sites

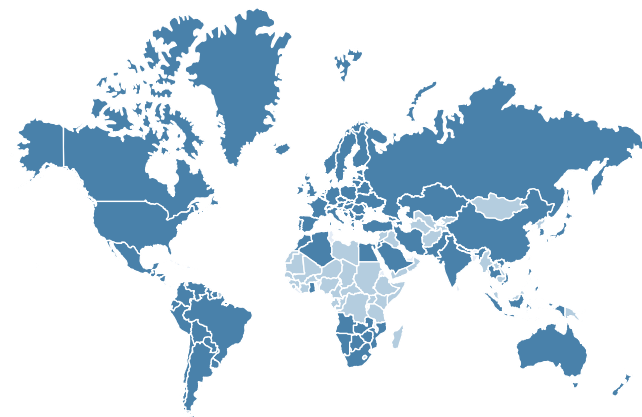


Broad
Customer
Base

Sales by Customer (2015)



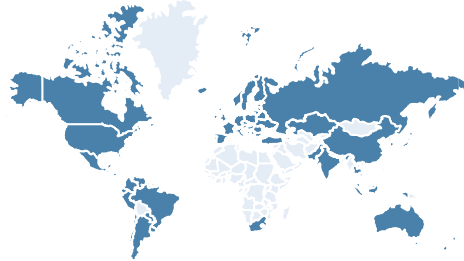
Sales in 140 Countries



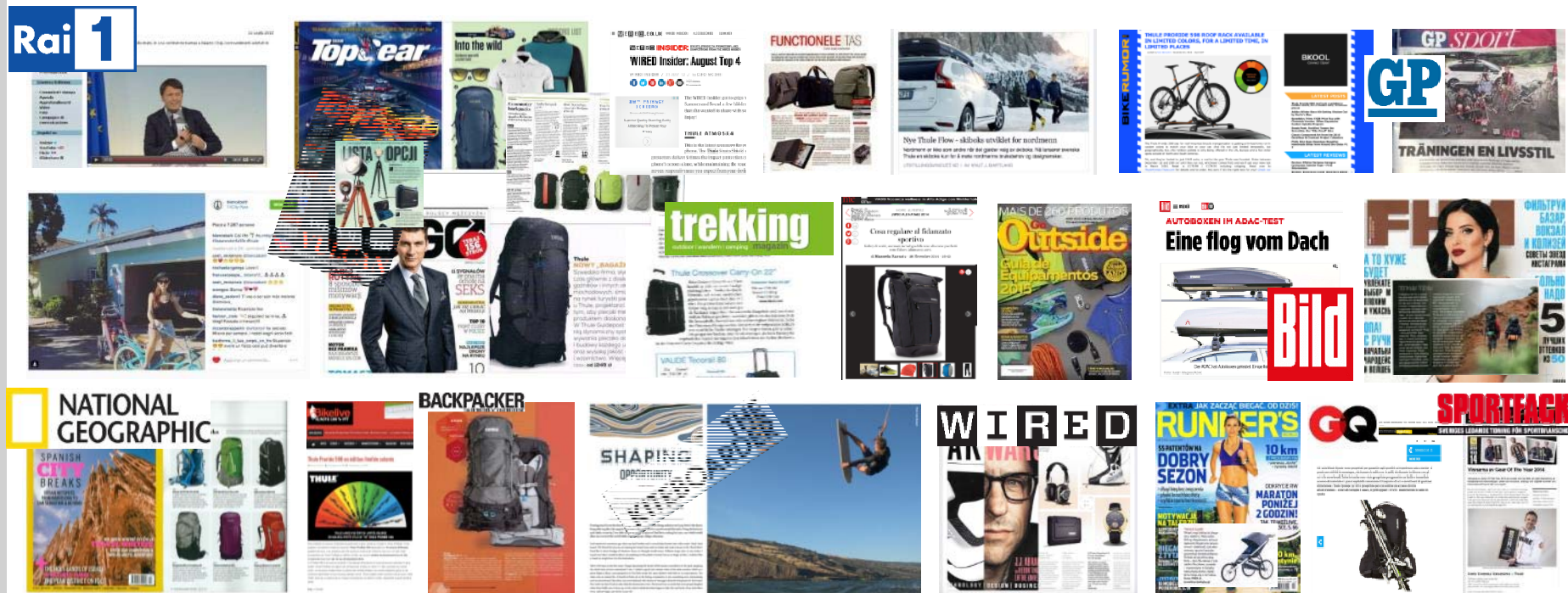
Source: Company information

2 A Modern Approach to Consumer Communication

Mobile device focused online platform (81 market version in 24 languages)



Earned Media with PR and User Content as Driver



Future Top-line Growth Derived from Several Sources within Outdoor&Bags

A

Sport&Cargo Carriers



B

Other Outdoor&Bags

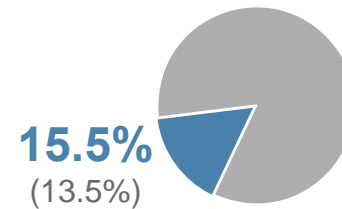
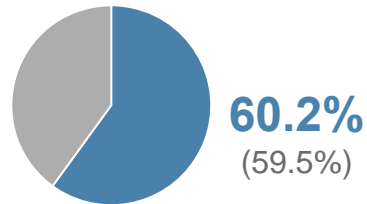


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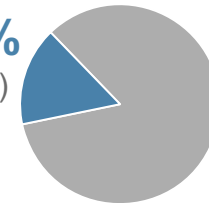
Bags for EI. Devices



**Share of
Thule Group
Sales 2015
(2014)**



15.7%
(18.6%)



**Growth
2015 vs. 2014
(Constant Currency)**

+6.7%

+20.7%

-11.2%

**Strategic
Focus**

Continue to drive growth via product innovation and retail partner program

Continue to drive growth via widened offer in new product categories

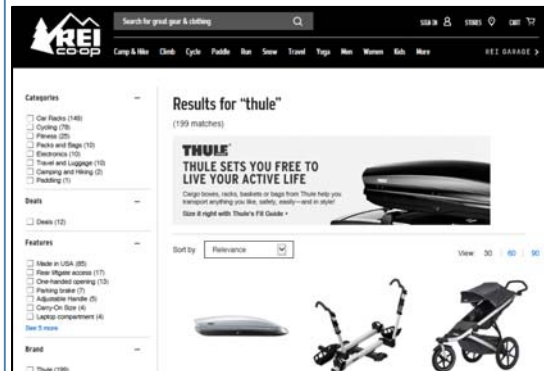
Focus on more stable growing categories with less device dependency

A Sport&Cargo Carriers – More of the same

Continue to build the
best brand



Omni-channel focus
& competence



More new great
products than ever



B Other Outdoor&Bags - Broad New Product Expansions

RV Products



Drive growth via product innovation and key account focus

NB! Europe&ROW focus

Active with Kids



Drive growth via widened offer and more shelf-space in new retailers

Sport&Travel Bags



Drive growth via widened offer and more shelf-space in new retailers

C Bags for Electronic Devices – Focus on growing sub-categories

**Focus on
Growth
Categories**



**Dual Brand
Approach**



Use Economies of Scale in Sourcing

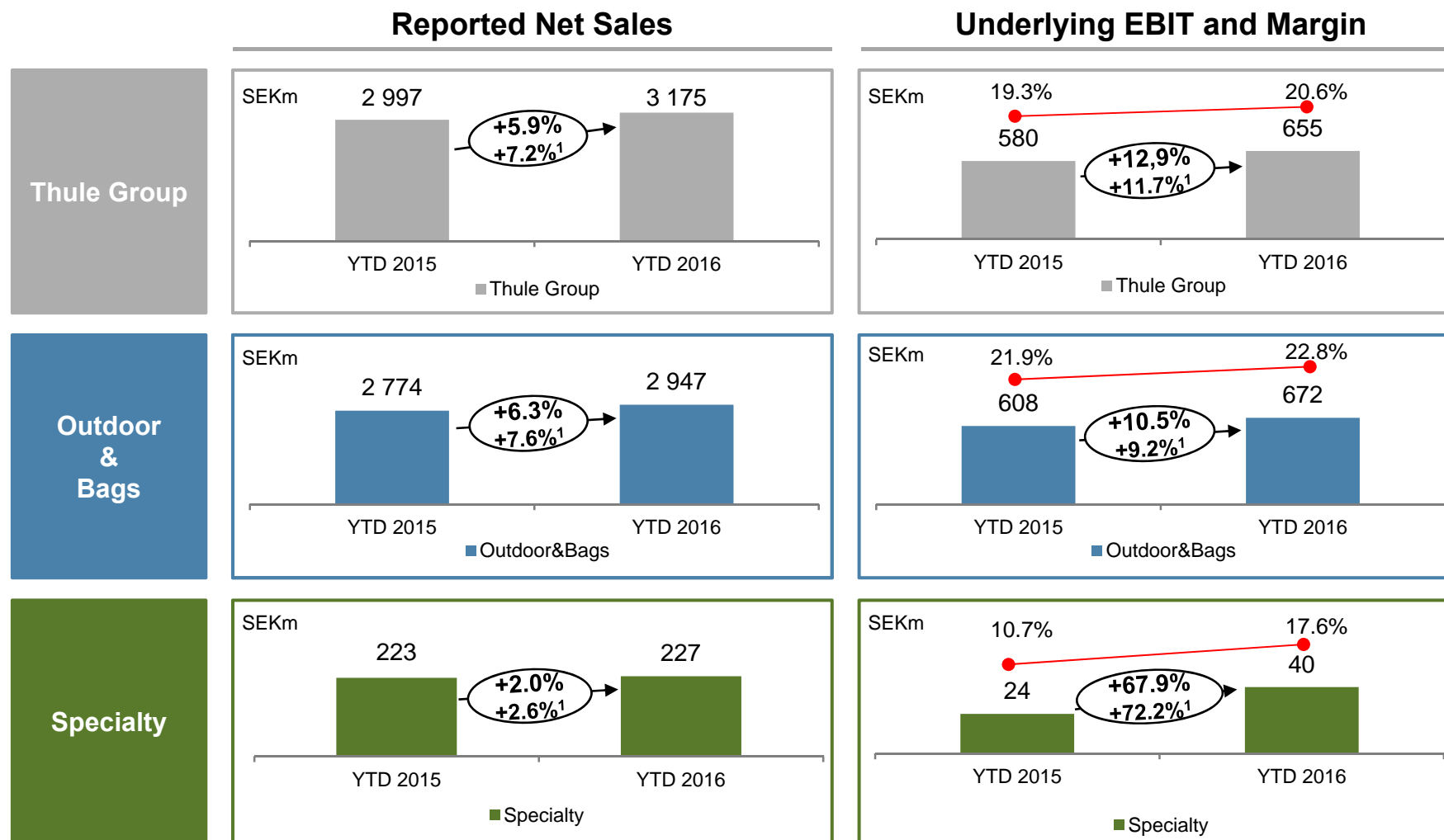
2016/H1 Update



Thule Group – YTD 2016 Performance vs. Financial Targets

Organic Growth	$\geq 5\%$	Constant Currency Net Sales Growth		
		7.2% Thule Group	7.6% Outdoor&Bags	2.6% Specialty
Underlying EBIT Margin	$\geq 17\%$	20.6% June 2016 LTM at 16.8%		
Net Debt / EBITDA	c. 2.5x	1.9x 2.3x (YE 2015)		
Dividend Policy	$\geq 50\%$	56% Dividend of SEK 2.50 per share in 2015 decided by the AGM in April		

YTD June 2016 – Strong organic growth drives EBIT growth

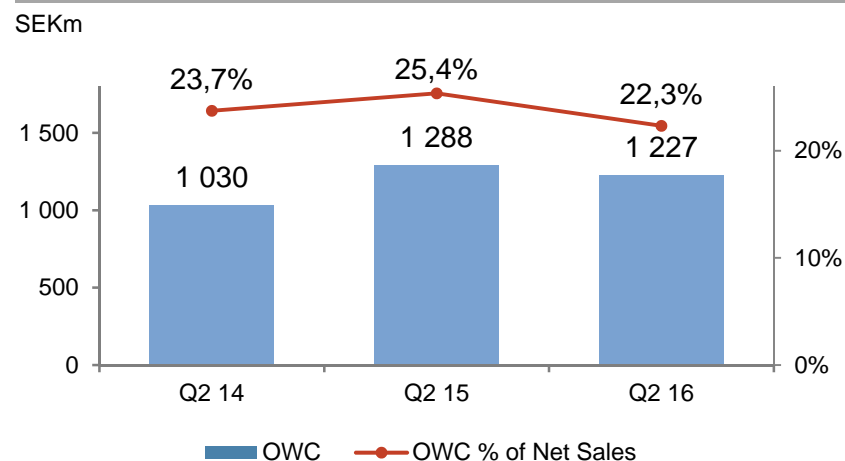


Note: EBIT adjusted for non-recurring items & depr/amort on excess values

¹ Constant currency adjustment based on average FX rates 1 January-30 June 2016

Operating Working Capital and Operational Cash Flow

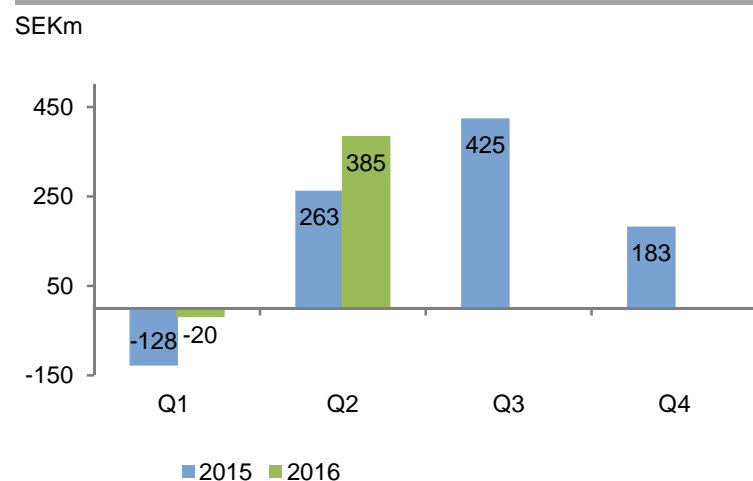
Operating Working Capital



Comments

- Operating working capital as of 30 June 2016:
 - Inventory: SEK 755m (754)
 - Accounts receivables: SEK 1 064m (1 067)
 - Accounts payable: SEK 592 m (533)
- Despite strong sales growth we have kept inventory and accounts receivables flat, in absolute numbers, vs PY
- Currency effect SEK 10m vs prior year

Operational Cash Flow



Comments

- Q2 Operational cash flow SEK 385m (263), an improvement by SEK 122m
- Positive effect this year due to
 - Higher EBITDA
 - Improved OWC

Key Events in the period – Acquisition of GMG B.V.

- In line with Strategic Focus to grow in Active with Kids via targeted acquisition adding to strong organic push
- GMG B.V. - A successful niche company with quality products and a strong home market
 - GMG B.V. has over 80 years' experience in safely and comfortably transporting the most important people in the world: our children
 - GMG has produced over 5 million front and rear bike seats in numerous designs since 1934
 - GMG B.V. has grown with the introduction of the Yepp brand in 2009 via a line of innovative bike child seats with a contemporary design
 - Multi-colored and multi-award winning child bike seats represents 95% of sales at GMG B.V.
 - Market leader in the Netherlands and Denmark
- Will be fully integrated fast as part of the Active with Kids category within Thule Group
 - Small team of 6 employees
 - 6.1 MEUR in sales 2015



Product Launches in the period – Examples



Thule ProRide 598

- The updated version of the World's most sold roof-mounted bike carrier (Thule ProRide 591) launched with the tag-line "The Best just got Better" and quickly becoming one of the Company's biggest sellers



Case Logic Larimer

- A heritage collection of backpacks targeted for young students and complimenting the recently launched Case Logic LoDO and Case Logic Huxton collections in the focus category of every-day backpacks and bags

Continued focus on Profitable Growth and Execute important Fair season

- Continue to Drive Profitable Organic Growth
 - Continue to drive European momentum in Sport&Cargo Carriers and manage US retail concerns by offering great service
 - Drive growth in Active with Kids and Sport&Travel Bags via new products and retail expansion
 - Successful fast integration of GMG Bike Child Seat business
 - RV Products - Continued market share gains in strong motorhome market via product innovation
- Continue to drive profitability in Specialty
 - Focus on production efficiencies
 - Finalize strategic review of category
- Capture gains from Operational Efficiency and execute on Distribution strategy
 - Secure continued cost efficient handling with high On-Time-In-Full performance across all sites
 - Implement Phase 2 in North America distribution center efficiency projects
- Create market buzz about 2017 launch program in all traditional as well as new product categories at the broadest set of Industry Fairs ever

Image from first major fair of the 2016 Summer Season, the Outdoor Fair in Germany, July 13-16, 2016



Q&A



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