

Q1 Interim Report 2016

April 26, 2016

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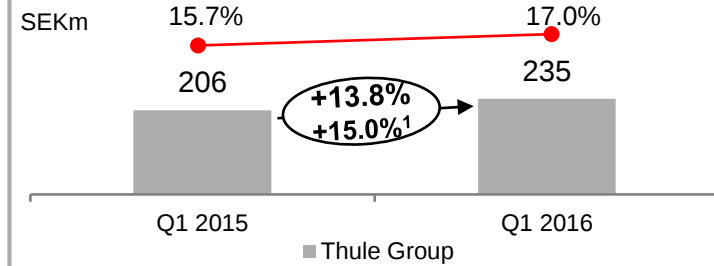
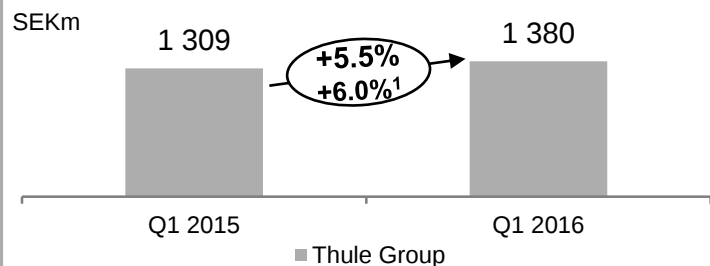
Thule Group»

Q1 2016 – Financial Highlights

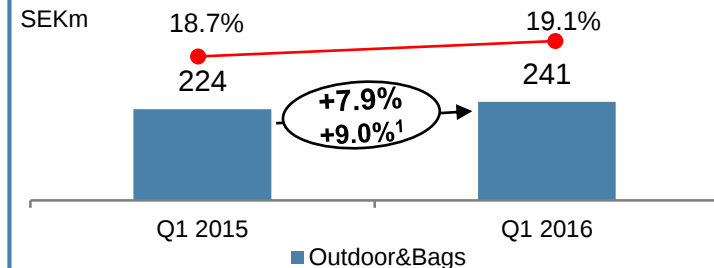
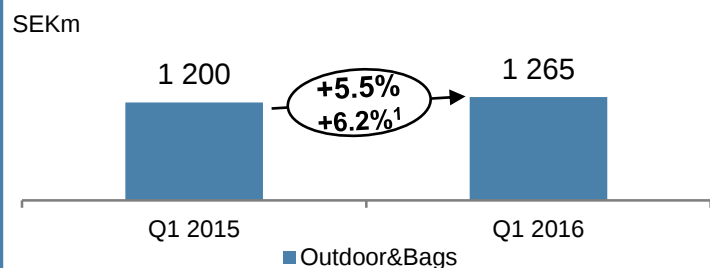
Reported Net Sales

Underlying EBIT and Margin

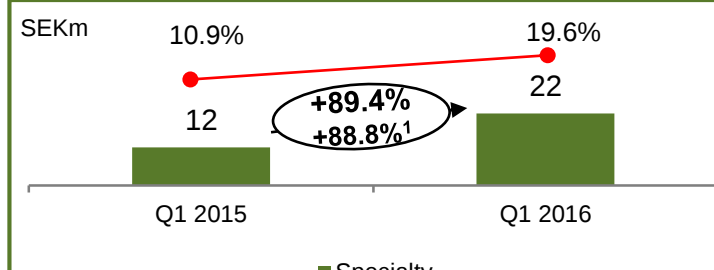
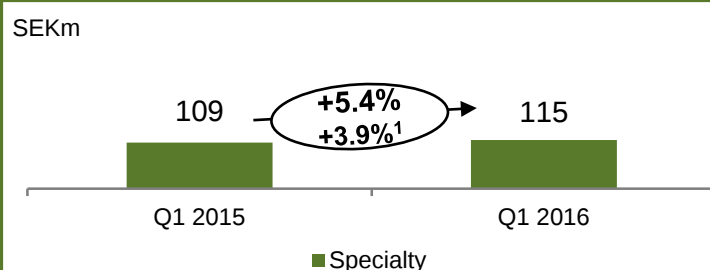
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Outdoor & Bags



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 March 2016

Q1 2016 Highlights – Strategic focus on growing core business continues

- **Net sales** of SEK 1,380m (1,309)
 - Thule Group +5.5% (+6.0% excluding currency effects)
 - Outdoor&Bags +5.5% (+6.2% excluding currency effects)
 - Specialty +5.4% (+3.9% excluding currency effects)
- **Underlying EBIT** of SEK 235m (206), underlying EBIT margin of 17.0% (15.7)
 - Underlying EBIT margin improved by +1.3 percentage point in constant currency
 - Outdoor&Bags shows an underlying EBIT of SEK 241m (224), +7.9% vs PY
 - Specialty reports an underlying EBIT of SEK 22m (12), +89.4% vs PY
- **Net income** of SEK 169m (139)
- **Earnings per share** of SEK 1.67 (1.39)
- **Cash flow from operating activities**¹ was SEK -31m (-151)
- Strong sales in core Sport&Cargo Carriers as well as newer categories Active with Kids and Sport&Travel Bags driven by successful product launches
- Outdoor&Bags Europe and ROW continue strong year (+11.0% in constant currency)
- Decline for Bags for Electronic Devices in US pulls down Region Americas sales result
- Successful ramp-up in new US box factory

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

Q1 2016 - Net Sales and EBIT by Segment

Outdoor&Bags

SEKm	Jan - Mar		Change		Full-year	
	2016	2015	Rep.	Adjust. ¹	LTM	2015
Net sales	1 265	1 200	5.5%	6.2%	4 927	4 862
- Region Europe & ROW	912	828	10.1%	11.0%	3 239	3 156
- Region Americas	353	371	-4.8%	-4.3%	1 688	1 706
Operating income	239	221	8.1%		890	872
Underlying EBIT	241	224	7.9%	9.0%	913	895
Operating margin, %	18.9%	18.4%			18.1%	17.9%
Underlying EBIT margin, %	19.1%	18.7%			18.5%	18.4%

¹ Adjustment for changes in exchange rates

Specialty

SEKm	Jan - Mar		Change		Full-year	
	2016	2015	Rep.	Adjust. ¹	LTM	2015
Net sales	115	109	5.4%	3.9%	463	458
- Work Gear	115	109	5.4%	3.9%	463	458
Operating income	22	12			71	60
Underlying EBIT	22	12	89.4%	88.8%	71	60
Operating margin, %	19.6%	10.9%			15.3%	13.1%
Underlying EBIT margin, %	19.6%	10.9%			15.3%	13.1%

¹ Adjustment for changes in exchange rates

Key Product Launches in the Period – Sport&Cargo Carriers



Thule T2 Pro

- A premium platform hitch bike carrier for the North American market, that easily can be adapted from 2-bike to 4-bike version.



Thule VeloSpace with Thule BackSpace

- Thule BackSpace is a modern semi-hard foldable storage box that is mounted on the Thule VeloSpace bike carrier to add extra loading space for things like e.g. golf bags or strollers.

Key Product Launches in the Period – Other Outdoor&Bags



Thule Omnistor 5200

- A modern sleek wall-mounted awning with optional LED lightin.



Thule Versant

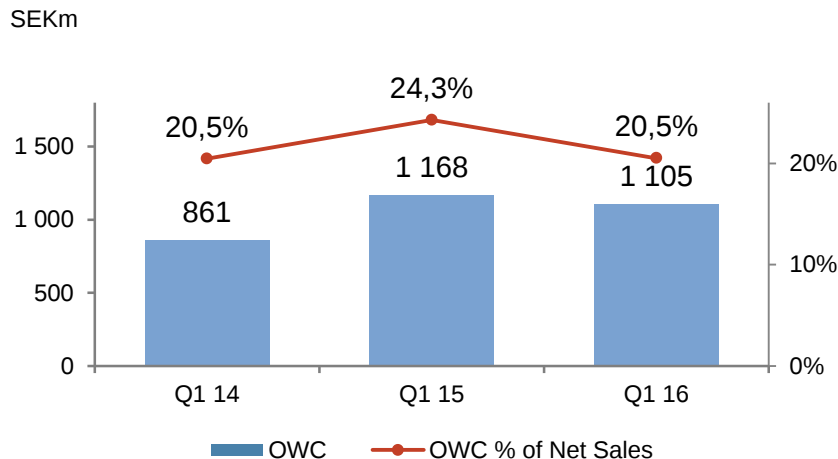
- A family of lightweight hiking packs that does not compromise on the perfect fit or carry comfort (offered in male/female versions in in the size range of 50-70 L).

Reported Income Statement

SEKm	Q1 2016	Q1 2015	LTM Q1 Jan-Dec 2016 2015	
Net sales	1,380	1,309	5,392	5,320
Cost of goods sold	-819	-792	-3,296	3,269
Gross income	562	517	2,096	2,051
Other operating revenue	0	2	-1	1
Selling expenses	-252	-236	-944	-927
Administrative expenses	-74	-76	-298	-299
Other operating expenses	-4	-5	-1	-2
Operating income (EBIT)	231	203	854	825
Financial expenses/revenue	-7	-20	-46	-60
Income before taxes	225	183	807	765
Taxes	-56	-44	-190	-178
Net income from continuing operations	169	139	617	587
Net income from discontinued operations	-	3	-146	-143
Consolidated net income	169	142	472	444
<i>Consolidated net income pertaining to:</i>				
Shareholders of Parent Company	169	142	472	444
Consolidated net income	169	142	472	444

Operating Working Capital and Operational Cash Flow

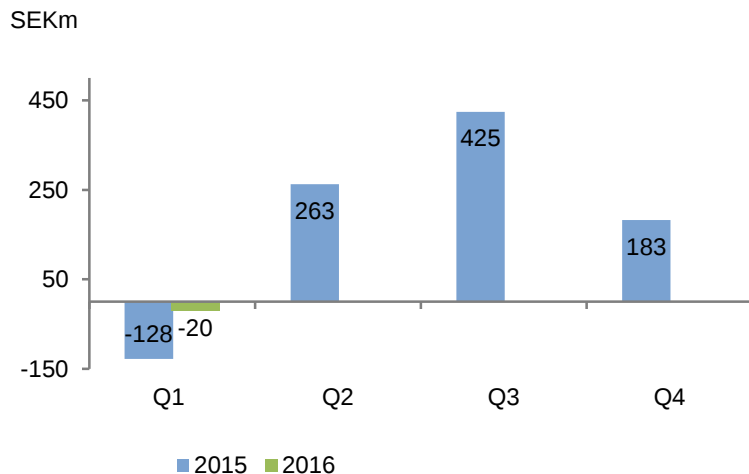
Operating Working Capital



Comments

- Operating working capital as of 31 March 2016 was as follows:
 - Inventory: SEK 780m (795)
 - Accounts receivables: SEK 860m (911)
 - Accounts payable: SEK 535m (537)
- Currency effect SEK -45m vs prior year

Operational Cash Flow



Comments

- Q1 Operational cash flow SEK -20m (-128)
- Positive effect this year due to
 - Higher EBIT
 - Improved OWC
- Following prior years' pattern
 - Negative in Q1
 - Positive flows start mid-way through Q2

Thule Group – Q1 2016 Performance vs. Financial Targets

Organic Growth	$\geq 5\%$	Constant Currency Net Sales Growth		
		6.0%	6.2%	3.9%
		Thule Group	Outdoor&Bags	Specialty
Underlying EBIT Margin	$\geq 17\%$	17.0%		
		Q1 2016 LTM at 16.3%		
Net Debt / EBITDA	c. 2.5x	2.2x		
		2.3x (YE 2015)		
Dividend Policy	$\geq 50\%$	56%		
		Dividend of SEK 2.50 per share in 2015 proposed by the Board		

Focus coming period: Capture Profitable Growth and Execute 2016 Season

- Continue to Drive Profitable Organic Growth
 - Continue to ramp up with heavy launch program in Sport&Cargo Carriers with more product launches than ever for season 2016
 - Drive growth in Other Outdoor&Bags via new products and retail expansion
 - Continued market share gains in strong motorhome market
 - Sales push with broader Active with Kids and Sport&Travel Bags products portfolio's
 - Slow down decline in Bags for Electronic Devices with new products and retail listings to set up for growth in 2nd half of the year
- Continue to manage Specialty cost efficiently
 - Focus on production efficiencies in Work Gear to drive profitable growth
 - Carry out strategic review of category
- Capture gains from Operational Efficiency and execute on Distribution strategy
 - Secure cost efficient ramp-up with high On-Time-In-Full performance across all sites
 - Implement Phase 2 in North America distribution center efficiency projects



Q&A



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