

Thule Group»

Year-end Report, fourth quarter, October-December 2015

Fourth Quarter

- **Net sales**¹ for the quarter amounted to SEK 980m (900), corresponding to an increase of 8.8 percent. Adjusted for exchange rate fluctuations, sales rose 3.0 percent.
- **Underlying EBIT**¹ was SEK 48m (34), corresponding to an increase of 40.0 percent and a margin of 4.9 percent (3.8). Adjusted for exchange rate fluctuations, underlying EBIT rose 28.4 percent and the margin improved 1.0 percentage point.
- **Earnings per share before dilution**¹ amounted to SEK 0.22 (neg: 1.14).

Full-year

- **Net sales**¹ for the full-year were SEK 5,320m (4,556) corresponding to an increase of 16.8 percent. Adjusted for exchange rate fluctuations, sales rose 5.1 percent.
- **Underlying EBIT**¹ amounted to SEK 850m (718), corresponding to an increase of 18.4 percent and a margin of 16.0 percent (15.8). Adjusted for exchange rate fluctuations, underlying EBIT rose 13.7 percent and the margin improved 1.2 percentage points.
- **Net income**¹ was SEK 587m (236).
- **Cash flow from operating activities**² totaled SEK 662m (355).
- **Earnings per share before dilution**¹ amounted to SEK 5.87 (2.75).
- **The Board of Directors proposes a dividend** of SEK 253m, which corresponds to a dividend of SEK 2.50 per share based on the number of shares outstanding at February 15, 2016, to be distributed over two payment dates, SEK 1.25 in May and SEK 1.25 in October. The proposed dividend comprises 56 percent of the earnings per share from total operations.
- **Financial targets** – Following the divestment of the snow chain operations in the third quarter and given the company's strong financial performance during the year, the Board has chosen to raise the long-term target for the underlying EBIT margin to 17 percent (previously 15 percent). The three other financial targets remain unchanged.

	Oct-Dec 2015	Oct-Dec 2014	%	Jan-Dec 2015	Jan-Dec 2014	%
Net sales, SEKm	980	900	+8.8	5 320	4 556	+16.8
Underlying EBIT, SEKm	48	34	+40.0	850	718	+18.4
Operating income (EBIT), SEKm	44	-15	-	825	644	+28.0
Net income from continued operations, SEKm	22	-102	-	587	236	+148.7
Earnings per share, SEK	0.22	-1.14	-	5.87	2.75	+113.5
Cash flow from operating activities, SEKm ²	153	-77	-	662	355	+86.5

¹Pertains to continuing operations excluding the Snow Chain division, which was divested in September 2015 and the Trailer and Towing divisions, which were discontinued in 2014.

²Based on total operations, meaning both continuing operations and operations discontinued in 2015 and 2014.

CEO's comments

A very successful year

A very successful 2015 can be entered into the Thule Group's 73-year history. We continued our strategic repositioning with increased focus on sports and outdoor products through the divestment of the Group's snow chain operations. Successful product launches and close collaboration with our retailers resulted in us increasing both sales and earnings.

During the year, we also implemented a complete revamp of our European distribution centre set-up which will lead to shorter lead times. This will mean improved service to our customers as well as a reduced environmental impact in 2016.

Strong growth in three of four product categories

During the quarter, sales grew to SEK 980m, up 3.0 percent after currency adjustment. Sales during the fourth quarter was affected by a continued sales decrease in the Bags for Electronic Devices product category. The impact is greater in this quarter as the seasonal variations mean that, as in previous years, the Bags for Electronic Devices product category accounts for a larger proportion of sales. For the full-year, sales growth was in line with our long-term financial targets for organic growth and increased 5.1 percent after currency adjustment.

Our successful efforts in increasing the number of product launches and close partnerships at retailer level through our Thule Retail Partner Program have driven strong growth in three of our four product categories. Currency adjusted growth in 2015 was as follows: Sport&Cargo Carriers up 6.7 percent; Other Outdoor&Bags up 20.7 percent and Work Gear up 6.5 percent. However, Bags for Electronic Devices posted a decline of 11.2 percent.

Even stronger in Sport&Cargo Carriers

Growth in Sport&Cargo Carriers, which accounts for 60 percent of the company's sales, was strong in both regions. This confirms that our initiatives to strengthen our market leading position through more launches of evgreat products, improved service at retailer level, increased efficiency in the supply chain and enhanced consumer communication are successful.

Our drive for constant improvement will continue in 2016, driven by the breadth of new products that will be for sale in retail stores in the spring. We will also implement improvements at the distribution level in Asia and North America, and be able to fully exploit the advantages achieved through the supply chain improvements made in Europe in 2015.

New products drive Other Outdoor&Bags

The more than 20-percent growth created from new products in Other Outdoor&Bags has resulted in the category now accounting for 15 percent of total sales.

Several successful launches in Sport&Travel Bags, with a collection of hiking backpacks, and a broadening of the Active with Kids category with sport strollers were two strong contributing factors to the growth. Our RV Products category, which is focused on Europe, also developed strongly in a growing recreational vehicle market.

Tough market in the bags category

During the year, Bags for Electronic Devices was exposed to a tough market with rapidly declining sales of cameras and therefore camera cases and a shift toward cheaper own label products in other categories, including tablet cases. Despite a number of promising launches in, for example, backpacks for school and work, sales declined 11 percent during the year. The trend was primarily negative in the Americas region.

Work Gear continues to develop well

Work Gear continued to develop well in the fourth quarter. For the full-year, after currency adjustment, sales increased 6.5 percent and the underlying EBIT was 35 percent. We are continuing to invest in growth in parallel with conducting the previously announced strategic review of the business.

Ambitions raised with a new margin target

For the full-year, underlying EBIT increased 13.7 percent after currency adjustment to SEK 850m. This means that we achieved an operating margin of 16.0 percent, well over our previous financial target of 15 percent. Therefore, the Board has decided to adopt a new target for the operating margin of 17 percent.

An exciting 2016 lies ahead of us

Thanks to the healthy performance in 2015, we have further improved our already strong position, and I wish to thank everyone in the Thule Group who has helped make this possible.

We are now focusing on continued rapid growth, with multiple product launches, the second phase of our supply chain efficiency enhancements and a multitude of other interesting marketing initiatives.



Magnus Welander,
CEO and President

Financial overview³

Fourth quarter

Net sales

Net sales for the fourth quarter 2015 amounted to SEK 980m (900), corresponding to an increase of 8.8 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 3.0 percent.

In the Outdoor&Bags segment, net sales totaled SEK 864m (809), corresponding to an increase of 6.7 percent or 1.9 percent after currency adjustments. In the Europe & ROW region, sales increased 5.1 percent after currency adjustments. The Americas region declined 2.4 percent after currency adjustment. The Americas region was negatively impacted during the quarter in the Bags for Electronic Devices product category.

Net sales in the Specialty segment, which now exclusively comprises our US Work Gear division, totaled SEK 116m (91), corresponding to an increase of 27.8 percent or 12.3 percent after currency adjustments.

	Oct-Dec	Jan-Dec
	2015	2015
Change in net sales		
Changes in exchange rates	5.8%	11.7%
Structural changes	0.0%	0.0%
Organic growth	3.0%	5.1%
Total	8.8%	16.8%

Gross income

Gross income for the quarter totaled SEK 341m (323), corresponding to a gross margin of 34.8 percent (35.9).

Operating income

Operating income amounted to SEK 44m (neg: 15). Underlying EBIT was SEK 48m (34), corresponding to a margin of 4.9 percent (3.8). Changes in exchange rates had an overall positive impact of about SEK 3m on underlying EBIT, compared with the fourth quarter of 2014. After currency adjustment, we achieved a year-on-year improvement of 1.0 percentage point in the quarter due to efficiency enhancements in production and logistics.

	Oct-Dec	Jan-Dec
	2015	2015
Change in underlying EBIT-margin		
Underlying EBIT 2015	48	850
Underlying EBIT-margin 2015	4.9%	16.0%
Underlying EBIT 2014	34	718
Underlying EBIT-margin 2014	3.8%	15.8%
Underlying EBIT 2014, currency adjusted	37	748
Underlying EBIT-margin 2014, currency adjusted	3.9%	14.8%
Change in underlying EBIT-margin, currency adjusted	1.0%	1.2%

Net financial items

In the fourth quarter, net financial items amounted to an expense of SEK 11m (expense: 109). Exchange rate differences on loans and cash and cash equivalents were SEK 1m (neg: 53). The interest expense for borrowings was SEK 9m (expense: 36). The improvement was due to lower gearing following the stock exchange listing in November 2014.

³Unless otherwise stated, the information in the overview pertains to continuing operations excluding the Snow Chain division, which was divested in September 2015 and the Trailer and Towing divisions, which were discontinued in 2014.

Net income for the period

In the fourth quarter of 2015, net income from continuing operations totaled SEK 22m, corresponding to earnings per share of SEK 0.22 before and after dilution. For the corresponding year-earlier period, net income from continuing operations was a negative SEK 102m, corresponding to earnings per share of negative SEK 1.14 (before and after dilution).

Full-year

Net sales

Net sales for the full-year 2015 amounted to SEK 5,320m (4,556), representing an increase of 16.8 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 5.1 percent, primarily driven by new product launches and higher sales in the Outdoor&Bags segment.

In the Outdoor&Bags segment, net sales totaled SEK 4,862m (4,205), corresponding to an increase of 15.6 percent or 5.0 percent after currency adjustments. In the Europe & ROW region, sales increased 9.1 percent after currency adjustments. The Americas region declined 1.8 percent after currency adjustment. In the Americas region, sales decreased only due to a negative trend in the Bags for Electronic Devices product category.

In the Outdoor&Bags segment, the largest product category Sport&Cargo Carriers posted a strong trend with growth of 6.7 percent after currency adjustment and, accordingly, accounted for 60.2 percent of the Group's sales in 2015. Given that after currency adjustment, the Other Outdoor&Bags product category posted strong growth of 20.7 percent and the concurrent 11.2 percent decline in the Bags for Electronic Devices product category, these categories are now of equal size and accounted for 15.5 and 15.7 percent respectively of the Group's sales in 2015.

Net sales in the Specialty segment, which now exclusively comprises our US Work Gear division, totaled SEK 458m (351), corresponding to an increase of 30.4 percent or 6.5 percent after currency adjustments.

Gross income

Gross income amounted to SEK 2,051m (1,816) corresponding to a gross margin of 38.6 percent (39.8). Gross income was negatively impacted by currency effects (negative 1.2 percentage points). Net sales were boosted by positive currency effects, while the cost of goods sold was negatively affected by the fact that goods purchased mainly in USD were also, to a considerable extent, sold in the European market.

Operating income

Operating income totaled SEK 825m (644). Underlying EBIT amounted to SEK 850m (718), corresponding to a margin of 16.0 percent (15.8). Operating income was positively impacted, primarily by higher net sales, but also by the enhanced product mix and efficiency enhancements in production and logistics.

Changes in exchange rates had an overall positive impact of SEK 30m on underlying EBIT, compared with the full-year 2014. The larger positive currency effect on net sales than on the underlying EBIT during the year negatively affected the underlying EBIT margin. After currency adjustment, we achieved a year-on-year improvement of 1.2 percentage points in the underlying EBIT margin.

Items affecting comparability

Items affecting comparability comprised a total expense of SEK 12m. The expense pertained to the reorganization of the Bags for Electronic Devices product category, which was decided in the third quarter and which resulted in personnel reductions at the Group's operations in the US, Belgium and Hong Kong. Moreover, over the past year, a number of structural projects in distribution have been implemented with the aim of enhancing our operational efficiency. Combined with the comprehensive business system project completed in 2014, the Group was able to implement new processes and thus create greater efficiency in a number of the support functions in the Outdoor&Bags segment. These expenses were included under the following items: SEK 3m under Cost of goods sold, SEK 7m under Selling expenses and SEK 2m under Administrative expenses.

Net financial items

For the full-year, net financial items amounted to an expense of SEK 60m (expense: 323), and were negatively impacted by exchange rate differences of SEK 7m (neg: 132) on loans and cash and cash equivalents. For the full-year, the interest expense for borrowings was SEK 50m (expense: 166). The improvement was due to lower gearing.

Net income for the period

For the full-year 2015, net income from continuing operations was SEK 587m, corresponding to earnings per share of SEK 5.87 before dilution (SEK 5.84 after dilution). For the corresponding year-earlier period, net income from continuing operations totaled SEK 236m, corresponding to earnings per share of SEK 2.75 (before and after dilution).

Net income from discontinued operations

Discontinued operations comprise net income from the Snow Chain division, which was previously included in the Specialty operating segment. The Snow Chain division was divested and deconsolidated in September 2015. The selling price comprised two components, an initial payment of EUR 10m and a maximum additional purchase consideration of a further EUR 10m (based on snow chain sales over the next two winter seasons). Half of the possible additional purchase consideration has been recognized as a receivable and is included in the capital loss, which is expected to amount to SEK 128m including transaction costs.

Net income from discontinued operations for the preceding year was a loss of SEK 376m, of which a loss of SEK 37m pertained to the Snow Chain division and the remaining part pertained to the Towing and Trailers divisions discontinued in 2014.

Cash flow⁴

Cash flow for the fourth quarter

Cash flow from operating activities during the fourth quarter was SEK 153m (neg: 77). The cash flow is a result of improved operating income, net financial items and working capital. Investments in tangible and intangible assets amounted to an expense of SEK 25m (expense: 31).

Cash flow for the full-year

Cash flow from operating activities for the full-year 2015 was SEK 662m (355). The improved cash flow was a result of an increase in operating income. Cash flow for the year was negatively impacted by a tax payment of SEK 42m pertaining to a partial payment of the German Federal Central Tax Office claim, which has been appealed by the company; see Note 5 Taxes. Investments in tangible and intangible assets amounted to an expense of SEK 99m (expense: 173). The cash flow from investing activities was positively impacted by SEK 62m from the divestment of the Snow Chain division.

Financial position

At December 31, 2015, the Group's equity amounted to SEK 3,228m (2,966). The equity ratio amounted to 46.8 percent (42.7).

At December 31, 2015, net debt amounted to SEK 2,079m (2,546). Total long-term borrowing amounted to SEK 2,363m (2,376), and comprised loans from credit institutions of SEK 2,361m (2,390), gross, capitalized financing costs of SEK 11m (expense: 14) and the long-term portion of financial derivatives of SEK 13m (0). Total current financial liabilities amounted to SEK 18m (292) and mainly comprised the short-term portion of financial derivatives.

⁴Pertains to total operations, meaning both continuing and discontinued operations.

SEKm	Dec 31 2015	Dec 31 2014
Long-term loans, gross	2 361	2 390
Financial derivative liability, long-term	13	0
Short-term loans, gross	5	254
Financial derivative liability, short-term	13	34
Overdraft facilities	0	4
Capitalized financing costs	-11	-14
Accrued interest	0	0
Gross debt	2 381	2 668
Financial derivative asset	-28	-8
Cash and cash equivalents	-274	-114
Net debt	2 079	2 546

Pledged assets for the Thule Group amounted to SEK 20m (28).

Goodwill at December 31, 2015, amounted to SEK 4,032m. Goodwill pertaining to continuing operations totaled SEK 4,038m at December 31, 2014. The decrease was fully attributable to currency effects.

At December 31, 2015, inventories amounted to SEK 722m. At December 31, 2014, inventories pertaining to continuing operations amounted to SEK 633m. SEK 11m of the increase was attributable to currency effects. The remainder of the increase was planned and is intended for managing the increase in sales and for securing an efficient supply chain ahead of the 2016 season, for example, in conjunction with the transfer of the company's US roof box plant in the first quarter of 2016.

Other information

Strategic restructuring

Strategic realignment continued during the year with focus on the Outdoor&Bags segment through an agreement and a sale of the company's Snow Chain division in September. The Snow Chain division that was included in the Specialty operating segment reported sales of SEK 136m in 2014 and an underlying EBIT of negative SEK 32m. The capital loss from the divestment was SEK 128m including disposal costs.

Financial targets updated

The underlying EBIT margin has improved significantly due to the continued strategic streamlining of the company through the sale of the snow chain operations and the positive trend in the company's profitability since its stock exchange listing. Therefore, the Board of the Thule Group AB decided as of January 12 to raise the company's long-term underlying profitability target. No other targets were adjusted and, accordingly, the four published financial targets are:

- Sales growth \geq 5%
The long-term target is to achieve annual organic net sales growth of at least 5 percent (after currency adjustment).
- Underlying EBIT margin $>$ 17%
The long-term target is to achieve an underlying EBIT margin (adjusted for items affecting comparability) of at least 17 percent.
- Capital structure ratio of about 2.5
The Thule Group aims to maintain an effective long-term capital structure, defined as the net debt to EBITDA ratio (adjusted for items affecting comparability) of about 2.5.

- Dividend policy $\geq 50\%$

The Board has adopted a dividend policy, whereby the dividend should amount to at least 50 percent of the net profit measured over time, after taking into account the capital structure target defined as the net debt to EBITDA ratio (adjusted for items affecting comparability) of about 2.5. When determining the dividend, the Board is to consider additional factors, such as the company's future outlook, investment needs, liquidity and growth possibilities, as well as general economic and business conditions.

Seasonal variations

The Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are affected in the Outdoor&Bags segment (roof boxes, ski-racks, winter sport transport cases, etc.) by winter conditions. In the second and third quarters, primarily Outdoor&Bags is impacted by how early the spring or summer arrives, while sales in individual quarters may be impacted by the quarter in which spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski-racks, winter sport transport cases, etc.) and sales of products in the Outdoor & Bags segment's bag category prior to major holidays.

Employees

The average number of employees was 2,003 (2,014).

Events after the balance-sheet date

No significant events that could impact the operations occurred after the end of the reporting period.

The Thule Group share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list. At December 31, 2015, the total number of shares in issue was 100,000,000.

The Thule Group's 2014/2016 warrants program ended on January 12, 2016 and this meant that the number of shares in the company increased by 1,036,455. Accordingly, the total number of shares in the company amounts to 101,036,455.

Proposed dividend

The Board of Directors proposes a dividend of SEK 253m which, based on the number of shares outstanding at February 15, 2016, corresponds to a dividend of SEK 2.50 per share. The proposed dividend comprises 56 percent of the earnings per share from total operations. It is also proposed that dividends will be paid in two installments for a better adaptation to the Group's cash flow profile.

The proposed record date for the first dividend payment of SEK 1.25 per share is April 28, 2016 and the record date for the second payment of SEK 1.25 per share is proposed as October 7, 2016.

Shareholders

At December 31, 2015, Thule Group AB had 2,556 shareholders. At this date, the largest shareholders were NC Outdoor VI AB (17.7 percent of the votes), NC Outdoor VII AB (11.6 percent of the votes), AMF - Försäkring och Fonder (7.2 percent of the votes), Lannebo Fonder (6.2 percent of the votes) and Swedbank Robur fonder (5.7 percent of the votes).

Annual General Meeting

The Annual General Meeting for the Thule Group is scheduled for Tuesday, April 26, 2016 in Malmö, Sweden.

Parent Company

Thule Group AB's principal activity pertains to head office functions such as Group-wide management and administration. The comments below refer to the period January 1-December 31, 2015. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 2m (negative: 368). In 2014, the Parent Company sold its shareholding in Brink Group B.V., which resulted in a capital loss of SEK 368m.

Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,338m (2,363).

The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in Note 6, Risks and uncertainties.

Performance by business segment

Outdoor&Bags

SEKm	Oct-Dec		Change		Jan-Dec		Change	
	2015	2014	Rep.	Adjust. ¹	2015	2014	Rep.	Adjust. ¹
Net sales	864	809	6.7%	1.9%	4 862	4 205	15.6%	5.0%
- Region Europe & ROW	513	481	6.5%	5.1%	3 156	2 761	14.3%	9.1%
- Region Americas	351	328	7.0%	-2.4%	1 706	1 443	18.2%	-1.8%
Operating income	52	24	116.1%		872	734	18.7%	
Underlying EBIT	55	48	13.7%	7.3%	895	774	15.6%	12.0%
Operating margin, %	6.0%	3.0%			17.9%	17.5%		
Underlying EBIT margin, %	6.3%	5.9%			18.4%	18.4%		

¹Adjustment for changes in exchange rates

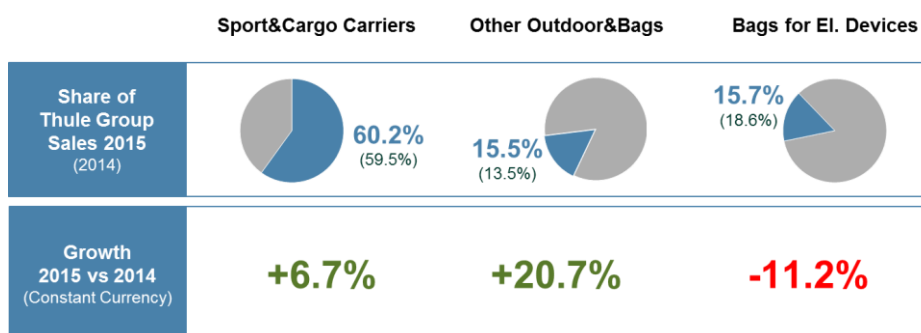
In the fourth quarter of 2015, net sales in Outdoor&Bags rose to SEK 864m (809), corresponding to an increase of 6.7 percent. Adjusted for exchange rate fluctuations, net sales rose 1.9 percent. For the full-year, net sales rose to SEK 4,862m (4,205), corresponding to an increase of 15.6 percent (5.0 percent after currency adjustment).

Sales in this business segment rose for the full-year, mainly due to a continued strong trend in the Europe & ROW region, which increased 9.1 percent after currency adjustment, driven by the Sport&Cargo Carriers and Other Outdoor&Bags product categories. These two product categories also trended favorably in the Americas region, but due to a negative trend in the Bags for Electronic Devices category and the category's large share of sales in the region, net sales declined 1.8 percent after currency adjustment.

During the year we have successfully driven growth in the Group's largest product category Sport&Cargo Carriers, where we are global market leaders. Sport&Cargo Carriers sales grew 6.7 percent, primarily driven by successful product launches for bike carriers and roof racks, and the continued success of the investment in the Thule Retail Partner concept with retailers.

The company's strategic investment in the growth category Other Outdoor&Bags was extremely successful during the year, with sales growth of 20.7 percent after currency adjustment. The large number of new launches in Sport&Travel Bags, including a collection of hiking backpacks, and a broadening of the Active with Kids category, with sport strollers, were two strong contributing factors to growth. In this category, our RV Products category, which is focused on Europe, also developed favorably in a growing recreational vehicle market.

In Bags for Electronic Devices, the negative trend continued throughout the year, even if the trend was less pronounced toward the end of the year. The dramatic decline in camera sales impacted heavily on the historically important camera bag category and a decline in sales to a number of large retail chains in the US in the low-price segment, also depressed sales.



In the fourth quarter of 2015, underlying EBIT totaled SEK 55m (48). For the full-year, the underlying EBIT was SEK 895m (774), representing a margin of 18.4 percent (18.4). After currency adjustment, we achieved a year-on-year improvement of 1.2 percentage points due to a positive product mix and a number of efficiency enhancements in sourcing and logistics.

Specialty

SEKm	Oct-Dec		Change		Jan-Dec		Change	
	2015	2014	Rep.	Adjust. ¹	2015	2014	Rep.	Adjust. ¹
Net sales	116	91	27.8%	12.3%	458	351	30.4%	6.5%
- Work Gear	116	91	27.8%	12.3%	458	351	30.4%	6.5%
Operating income	18	9	92.2%		60	38	57.6%	
Underlying EBIT	18	9	92.2%	78.7%	60	38	57.6%	35.0%
Operating margin, %	15.6%	10.4%			13.1%	10.9%		
Underlying EBIT margin, %	15.6%	10.4%			13.1%	10.9%		

¹ Adjustment for changes in exchange rates

Net sales for the fourth quarter amounted to SEK 116m (91), corresponding to an increase of 27.8 percent. Adjusted for exchange rate fluctuations, net sales rose 12.3 percent. For the full-year, sales totaled SEK 458m (351), up 30.4 percent (6.5 percent after currency adjustment). Sales were driven by increased sales in the main category, toolboxes for pick-up trucks, but also by successful introductions of a wider range of cargo rack solutions for pick-up trucks which were reported under Work Gear.

Underlying EBIT for the fourth quarter totaled SEK 18m (9) and the margin was 15.6 percent (10.4). Underlying EBIT for the full-year was SEK 60m (38), corresponding to a margin of 13.1 percent (10.9).

In line with the company's strategic focus on the Outdoor&Bags segment, the Snow Chain division was divested in September, at the same time as the Board decided on a strategic review of the American Work Gear operations. This review is ongoing and focus remains on continued increased profitable growth.

The Board of Directors and the President provide their assurance that this interim report provides a fair and accurate view of the Group's and the Parent Company's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

February 15, 2016

Board of Directors

Review report

This report has not been reviewed by the company's auditor.

A selection of product launches during the period



Thule Flow an aerodynamic roof box for families keen on Nordic and Alpine skiing. Thule's new partnership with the Swedish National Cross Country Ski Team was presented in conjunction with the launch.



The quarter also saw the launch of the **Case Logic LoDo** collection, a range of modern bags and cases for young people's everyday life with space for everything needed and easy access combined with good protection for electronic devices.

Financial statements

(Unless otherwise stated, all amounts are in SEK m)

Consolidated Income Statement

	Note	Oct-Dec		Jan-Dec	
		2015	2014	2015	2014
Continuing operations					
Net sales	2	980	900	5 320	4 556
Cost of goods sold		-638	-578	-3 269	-2 741
Gross income		341	323	2 051	1 816
Other operating revenue		0	0	1	5
Selling expenses		-218	-245	-927	-860
Administrative expenses		-77	-76	-299	-274
Other operating expenses		-2	-16	-2	-42
Operating income	2	44	-15	825	644
Net interest expense/income		-11	-109	-60	-323
Income before taxes		33	-124	765	321
Taxes	5	-11	21	-178	-85
Net income from continued operations		22	-102	587	236
Discontinued operations					
Net income from discontinued operations	3	3	31	-143	-376
Net income		25	-71	444	-140
Consolidated net income pertaining to:					
Shareholders of Parent Company		25	-71	444	-140
of which, pertaining to continuing operations		22	-102	587	236
of which, pertaining to discontinued operations		3	31	-143	-376
Non-controlling interest (pertaining to discontinued operations)		0	0	0	0
Net income		25	-71	444	-140
Earnings per share, SEK before dilution		0.22	-1.14	5.87	2.75
Earnings per share, SEK after dilution		0.22	-1.14	5.84	2.75
Earnings per share continuing operations, SEK before dilution		0.25	-0.79	4.44	-1.63
Earnings per share continuing operations, SEK after dilution		0.25	-0.79	4.42	-1.63
Average number of shares (millions)		100,0	90,1	100,0	85,9

Consolidated Statement of Comprehensive Income

	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net income	25	-71	444	-140
Items that have been carried over or can be carried over to net income				
Foreign currency translation	-119	107	9	241
Cash-flow hedges	14	-24	34	-26
Net investment hedge	51	49	21	82
Translation differences from foreign currency translation and net investments recognized in net income	0	-5	-26	23
Tax on components in other comprehensive income	-6	-6	-20	-13
Tax on components in other comprehensive income recognized in net income	0	0	-6	17
Items that cannot be carried over to net income				
Revaluation of defined-benefit pension plans	-3	-15	4	-24
Tax pertaining to items that cannot be carried over to net income	1	4	-1	6
Other comprehensive income	-62	108	17	304
Total comprehensive income	-37	37	461	164
Total comprehensive income pertaining to:				
Shareholders of Parent Company	-37	37	461	164
Non-controlling interest (pertaining to discontinued operations)	0	0	0	0
Total comprehensive income	-37	37	461	164

Consolidated Balance Sheet

	Dec 31 2015	Dec 31 2014
Assets		
Intangible assets	4 061	4 082
Tangible assets	485	559
Long-term receivables	51	6
Deferred tax receivables	508	520
Total fixed assets	5 106	5 167
Inventories	722	795
Tax receivables	12	11
Accounts receivable	610	754
Prepaid expenses and accrued income	54	51
Other receivables	121	60
Cash and cash equivalents	274	114
Total current assets	1 794	1 785
Total assets	6 899	6 952
Equity and liabilities		
Equity	3 228	2 966
Long-term interest-bearing liabilities	2 363	2 376
Pension provisions	120	135
Deferred income tax liabilities	184	154
Total long-term liabilities	2 666	2 665
Short-term interest-bearing liabilities	18	292
Accounts payable	449	497
Income taxes	129	69
Other liabilities	28	28
Accrued expenses and deferred income	341	327
Provisions	40	107
Total short-term liabilities	1 005	1 321
Total liabilities	3 671	3 986
Total equity and liabilities	6 899	6 952

Consolidated Statement of Changes in Equity

	Dec 31 2015			Dec 31 2014		
	Equity attributable to shareholders of Parent Company	Non-controlling interest	Total equity	Equity attributable to shareholders of Parent Company	Non-controlling interest	Total equity
Opening balance, January 1	2 966		2 966	1 797	5	1 802
Net income	444		444	-140		-140
Total other comprehensive income	17		17	304		304
Total comprehensive income	461	-	461	164	0	164
Transactions with the Group's owners						
Dividend	-200		-200	0		0
New share issue	0		0	992		992
Other	0		0	13	-5	8
Closing balance	3 228	-	3 228	2 966	0	2 966

Consolidated Statement of Cash Flow⁵

	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Income before taxes	33	-124	765	321
Income from discontinued operations before taxes	3	20	-146	-373
Adjustments for items not included in cash flow	17	-52	216	500
Paid income taxes	-36	-10	-137	-55
Cash flow from operating activities prior to changes in working capital	17	-166	697	394
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	-40	-55	-81	-66
Increase(-)/Decrease (+) in receivables	117	8	81	-156
Increase(+)/Decrease (-) in liabilities	59	136	-36	183
Cash flow from operating activities	153	-77	662	355
Investing activities				
Sale of subsidiaries	-4	337	62	527
Acquisition/divestment of intangible assets	0	-1	0	-15
Acquisition/divestment of tangible assets	-25	-30	-99	-158
Cash flow from investing activities	-29	306	-36	354
Financing activities				
New issue of shares	0	1 004	0	1 005
Dividend	-100	0	-200	0
Debt repaid/new loans	-10	-1 840	-265	-1 992
Cash flow from financing activities	-110	-836	-465	-987
Net cash flow	15	-607	160	-278
Cash and cash equivalents at beginning of period	259	719	114	385
Effect of exchange rates on cash and cash equivalents	-0	2	-0	7
Cash and cash equivalents at end of period	274	114	274	114

⁵Pertains to total operations, meaning both continuing and discontinued operations.

Parent Company Income Statement

	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Other operating revenue	6	6	24	9
Other operating expenses	0	-24	0	-400
Administrative expenses	-9	-6	-32	-9
Operating income	-3	-24	-9	-400
Net interest expense/income	1	1	4	1
Income after financial items	-2	-23	-4	-399
Appropriations	2	31	2	31
Net income before taxes	-1	8	-3	-368
Taxes	0	0	1	0
Net income	-0	8	-2	-368

Parent Company Balance Sheet

	Dec 31	Dec 31
	2015	2014
Assets		
Financial fixed assets	4 946	4 971
Total fixed assets	4 946	4 971
Other current receivables	4	50
Cash and cash equivalents	0	0
Total current assets	4	50
Total assets	4 950	5 021
Equity and liabilities		
Equity	1 469	1 670
Liabilities to credit institutions	2 338	2 363
Liabilities to Group companies	368	368
Total long-term liabilities	2 706	2 731
Liabilities to credit institutions	0	250
Liabilities to Group companies	757	354
Other current liabilities	18	16
Total short-term liabilities	775	620
Total equity and liabilities	4 950	5 021
Pledged assets	0	0
Contingent liabilities	None	None

Disclosures, accounting policies and risk factors

Note 1 Accounting policies

This condensed consolidated year-end report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act on interim financial reporting. The same accounting policies and calculation methods have been applied for the Group and Parent Company as in the most recent Annual Report. Other new and revised IFRSs that became effective in 2015 have had no material impact on the Group's earnings and financial position.

Note 2 Operating segments

The Snow Chain division, which was part of the Specialty operating segment, was divested in September 2015 and the former Towing operating segment (including the Trailer and Towing divisions) was divested in 2014 and are reported as discontinued operations; see Note 3 Discontinued operations. Comparative figures for the Snow Chain division and Towing operations have been excluded retroactively.

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales to customers	864	809	116	91	0	0			980	900
Intercompany sales	1	4	0	0	0	0	-1	-4	0	0
Underlying EBITDA	69	60	19	11	-24	-22			64	48
Operating depreciation/amortization	-14	-12	-1	-1	-1	-1			-16	-14
Underlying EBIT	55	48	18	9	-25	-23			48	34
Other depreciation/amortization	-3	-3	0	0	-1	-1			-3	-4
Items affecting comparability	0	-21	0	0	0	-24			0	-45
Operating income	52	24	18	9	-25	-48			44	-15
Net interest expense/income									-11	-109
Taxes									-11	21
Net income from discontinued operations									3	31
Consolidated net income									25	-71

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales to customers	4 862	4 205	458	351	1	1			5 320	4 556
Intercompany sales	7	16	0	0	0	0	-7	-16	0	0
Underlying EBITDA	948	819	65	43	-102	-91			912	771
Operating depreciation/amortization	-53	-45	-5	-5	-3	-3			-61	-52
Underlying EBIT	895	774	60	38	-105	-94			850	718
Other depreciation/amortization	-12	-11	0	0	-2	-2			-14	-13
Items affecting comparability	-12	-29	0	0	0	-32			-12	-61
Operating income	872	734	60	38	-107	-128	0	0	825	644
Net interest expense/income									-60	-323
Taxes									-178	-85
Net income from discontinued operations									-143	-376
Consolidated net income									444	-140

Note 3 Discontinued operations

	Jan-Dec	
	2015	2014
Revenue	84	1 049
Expenses	-102	-1 073
Write-down of Goodwill	0	-350
Income before taxes	-19	-373
Taxes	3	-4
Realization gain/loss from divestment of discontinued operation	-128	1
Net income from discontinued operations	-143	-376
Earnings per share, discontinued operations, SEK	-1.43	-4.38

	Jan-Dec	
	2015	2014
Cash flow from discontinued operations		
Operating cash flow before investments	69	54
Operating cash flow after investments	67	4

Note 4 Fair value of financial instruments

	Fair value	
	Dec 31	Dec 31
	2015	2014
Assets - Financial assets		
Long-term financial receivables	46	0
Currency forward contracts	12	0
Currency swaps	4	4
Currency options	4	4
Interest rate swaps	8	0
Total financial assets	73	8
Liabilities - Financial derivatives		
Currency forward contracts	-2	-23
Currency swaps	-7	-3
Currency options	-4	-7
Interest rate swaps	-13	0
Commodity derivatives	0	0
Total derivative liabilities	-27	-34

The carrying amount is an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to floating interest rates, which means that changes in the basic interest rate will have no significant impact on the fair value of the liabilities. According to the company's assessment, neither have there been any changes in the credit margins that would significantly impact the fair value of the liabilities. The financial instruments measured at fair value in the balance sheet consist of derivatives held to hedge the Group's exposure to interest rates, currency rates and raw material prices. All derivatives belong to Level 2. The Group's financial asset pertaining to the additional purchase consideration that has arisen in conjunction with the divestment of the Snow Chain division belongs to Level 3 of the hierarchy for measuring fair value as described in IFRS 13.

Note 5 Taxes

The company is involved in an ongoing tax dispute in Germany. Regarding the tax audits for the years 2005 – 2008, the tax agency in Germany has made a decision that corresponds with its earlier view of this issue. As the company announced earlier, the German tax agency has issued a judgment on an increase in the tax base, which adds another approximately EUR 17.6m in further taxes and accrued interest for the company. The company has appealed the decision of the German tax agency regarding Thule Deutschland Holding GmbH. The company has not made any further provisions this year with regard to the ongoing tax dispute. In total, the Group has made a provision of SEK 46m for tax/interest rates attributable to the above dispute. A tax payment of SEK 42m pertaining to a partial payment of the German tax agency claim was made during the year. In addition, a tax audit is ongoing in Germany for the 2009 – 2012 period. The German tax agency has yet to take a decision regarding these years.

The effective tax rate for the January-December 2015 period was 23.3 percent compared with 26.4 percent for the full-year 2014. The tax rates for the full-year 2014 were impacted by the provisions made for the ongoing tax dispute in Germany. No other significant events affecting the Group's effective tax rate occurred during the period.

Note 6 Risks and uncertainties

The Thule Group is an international company and its operations may be affected by a number of risk factors in the form of operational and financial risks. The operational risks are managed by the operational units and the financial risks by the central finance department. The operational risks comprise the overall economic trend, as well as consumption by both consumers and professional users, primarily in North America and Europe, where most of the Group's sales are conducted. An economic downturn in these markets could have a negative impact on the Group's sales and earnings. Changes in product technology and sales channel shifts could also affect the Group's sales and earnings negatively.

The Thule Group's operations are also exposed to seasonal variations. Demand for consumer products for an active outdoor lifestyle (such as bike carriers or water sport-related products) is greatest during the warmer months of the year, while demand for cases for electronic products is greatest when schools start, at the end of the year and when new electronic products are launched. The Thule Group has adapted its production processes and supply chain in response to these variations.

Other relevant risk factors are described in the Thule Group's Annual Report and pertain to industry- and market related risks, operating risks and financial risks.

Key figures

	Oct-Dec		Jan-Dec	
	2015	2014	2015	2014
Net sales, SEKm	980	900	5 320	4 556
Net sales growth, %	8.8%	11,0%	16.8%	9.7%
Net sales growth, adjusted % ¹	3,0%	1.2%	5.1%	4.9%
Gross margin, %	34.8%	35.9%	38.6%	39.8%
Underlying EBIT, SEKm	48	34	850	718
Underlying EBIT margin, %	4.9%	3.8%	16.0%	15.8%
Operating income (EBIT), SEKm	44	-15	825	644
Operating margin, %	4.5%	-1.6%	15.5%	14.1%
Earnings per share, SEK	0.22	-1.14	5.87	2.75
Earnings per share, SEK (total operations)	0.25	-0.79	4.44	-1.63
Equity ratio, % ²	46.8%	42.7%	46.8%	42.7%
Working capital, SEKm ²	807	755	807	755
Debt/equity ratio ²	2.3	3.3	2.3	3.3

¹ Adjustment for changes in exchange rates

² Comparative periods are based on total operations (incl. discontinued operations)

Definitions

Continuing operations Comprises the Outdoor&Bags and Specialty operating segments.

Debt/equity ratio Net debt divided by the underlying rolling 12-month EBITDA.

Discontinued operations Comprises the Snow Chain division and the former Towing operating segment, comprising trailer and towing operations.

Earnings per share Net income for the period divided by the average number of shares during the period.

EBIT (Earnings Before Interest and Taxes) Income before net financial items and taxes.

EBIT margin EBIT as a percentage of net sales.

EBITDA (Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes and depreciation/amortization and impairment of tangible and intangible assets.

EBITDA margin EBITDA as a percentage of net sales.

Equity per share Equity divided by the number of shares at the end of the period.

Equity ratio Equity as a percentage of total assets.

Gross debt Total long- and short-term borrowing including overdraft facilities, financial derivatives, capitalized financing costs and accrued interest.

Gross income Net sales less cost of goods sold.

Gross margin Gross income as a percentage of net sales.

LTM Last 12-month

Net debt Gross debt less cash and cash equivalents.

Net investments Investments in tangible and intangible assets adjusted for disposals.

Underlying EBITDA EBITDA excluding items affecting comparability.

Underlying EBIT excluding items affecting comparability and depreciation/amortization of consolidated excess values.

Working capital Comprises inventories, tax receivables, accounts receivable, prepaid expenses and accrued income, other receivables, cash and cash equivalents less accounts payable, income tax liabilities, other liabilities, accrued expenses and deferred income and provisions.

Financial calendar

Interim report, January-March 2016
Thule Group AGM (Malmö)
Interim report April-June 2016
Interim report, January-September 2016

April 26, 2016
April 26, 2016
July 21, 2016
October 28, 2016

The Thule Group's Annual Report will be available at www.thulegroup.com on April 1, 2016.

Contacts

Fredrik Erlandsson, Senior Vice President Communications
Tel: +46 (0)70-309 00 21, e-mail: fredrik.erlandsson@thule.com
Lennart Mauritzson, CFO
Tel: +46 (0)70-309 05 57, e-mail: lennart.mauritzson@thule.com

About Thule Group

Thule Group is a world leader in products that make it easy to bring the things you care for – easily, securely and in style – when living an active life. Under the motto *Active Life, Simplified.* we offer products within two segments: **Outdoor&Bags** (e.g. equipment for cycling-, water- and winter sports, roof boxes, bike trailers, baby joggers, laptop and camera bags, backpacks and cases for mobile handheld devices) and **Specialty** (pick-up truck tool boxes). Our products are sold in 139 markets globally. There are more than 2,000 of us working for Thule Group at nine production facilities and more than 35 sales locations all over the world.

Net sales for 2015 amounted to 5.3 billion SEK.

Thule Group is a public company listed at Nasdaq Stockholm.

For more information, please visit www.thulegroup.com



Thule Group»

Thule Group AB (publ)
Fosievägen 13
SE-214 31 Malmö, Sweden
Corp. Reg. No: 556770-6311
www.thulegroup.com