

A scenic mountain landscape with a hiker in the foreground, a tent, and a person sitting on a rock. The hiker is wearing a red jacket and a large blue Thule backpack. The tent is green and set up on a grassy slope. A person is sitting on a rock in the distance. The background features rugged mountains and a valley with a waterfall.

Interim Report Q1 2015 April 29, 2015

Magnus Welanders, CEO
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Thule Group »

Q1 2015 Highlights – Strong performance in Outdoor&Bags in Europe

- **Net sales** of SEK 1 366m (1 075)
 - Outdoor&Bags +23.2% (+9.0% excluding currency effects)
 - Specialty +65.2% (+33.4% excluding currency effects)
- **Underlying EBIT** of SEK 210m (156), underlying EBIT margin of 15.4% (14.5)
 - Negative currency effect of SEK 0.7m on underlying EBIT
 - Outdoor&Bags an underlying EBIT of SEK 224m (186), +20.8% vs PY (in constant currency), effect of increased sales
 - Specialty EBIT of SEK 16m (-6), positive effect from Snow Chains and continued improvements within Work Gear
- **Net income** of SEK 142m (77)
- **Earnings per share** of SEK 1.42 (0.92)
- **Cash flow from operating activities**¹ was SEK -151m (-125)
- Strong sales start in Outdoor&Bags Europe and ROW (+12.8% in constant currency)
- Thule Technical Backpacks in store as of 2nd half of March
- Thule wins prestigious IF Product Design Gold Award (Thule RideAlong Mini bike child seat)

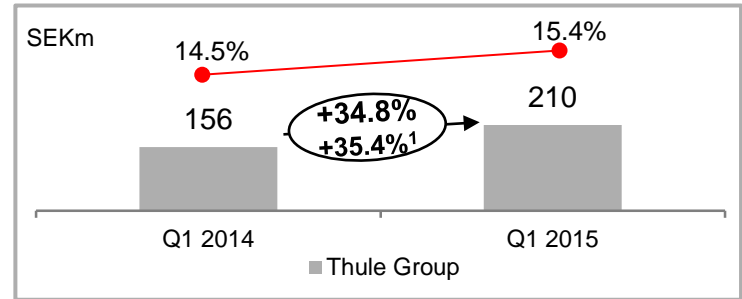
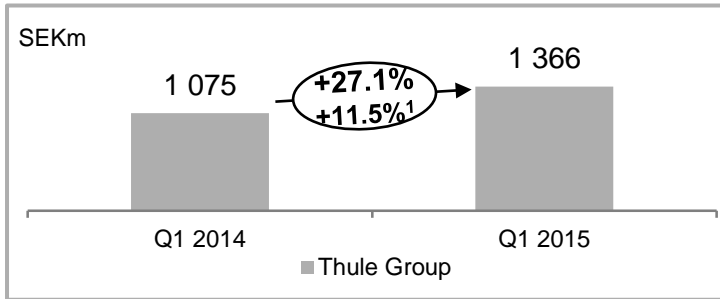
¹ Comparison period pertains to total operations meaning both continuing and discontinued operations.

Q1 2015 – Financial highlights

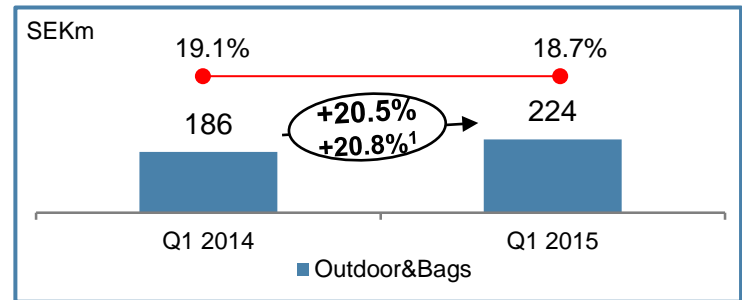
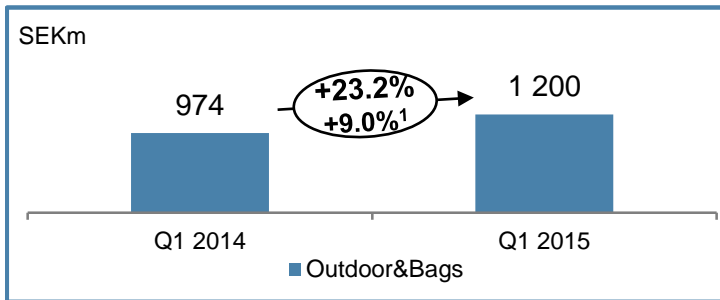
Reported Net Sales

Underlying EBIT and Margin

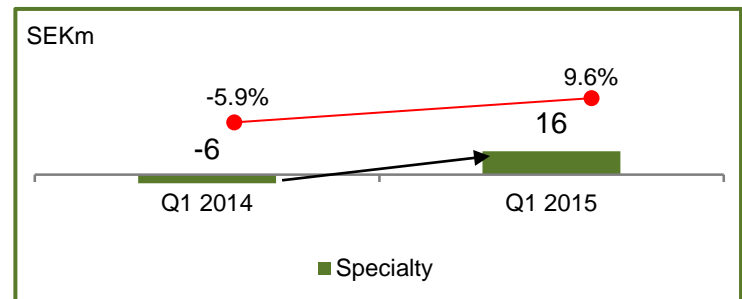
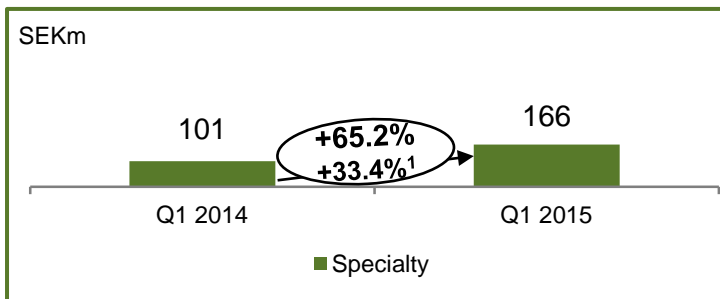
Thule Group



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 March 2015

Q1 2015 - Net Sales and EBIT by Segment

Outdoor&Bags

SEKm	Jan-Mar		Change	
	2015	2014	Rep.	Adjust. ¹
Net sales	1 200	974	23.2%	9.0%
- Region Europe & ROW	828	684	21.1%	12.8%
- Region Americas	371	290	28.1%	1.3%
Operating income	221	183	20.6%	
Underlying EBIT	224	186	20.5%	20.8%
Operating margin, %	18.4%	18.8%		
Underlying EBIT margin, %	18.7%	19.1%		

¹ Adjustment for changes in exchange rates

Specialty

SEKm	Jan-Mar		Change	
	2015	2014	Rep.	Adjust. ¹
Net sales	166	101	65.2%	33.4%
- Snow Chains	57	21	175.6%	160.7%
- Work Gear	109	80	36.3%	6.1%
Operating income	16	-6		
Underlying EBIT	16	-6		
Operating margin, %	9.6%	-5.9%		
Underlying EBIT margin, %	9.6%	-5.9%		

¹ Adjustment for changes in exchange rates



Q1 2015 – Selection of Consumer Launches



Thule VeloCompact tow-bar mounted bike carrier



Thule Capstone hiking pack



Thule RideAlong Mini bike child seat – Winner of IF Product Design Gold Award



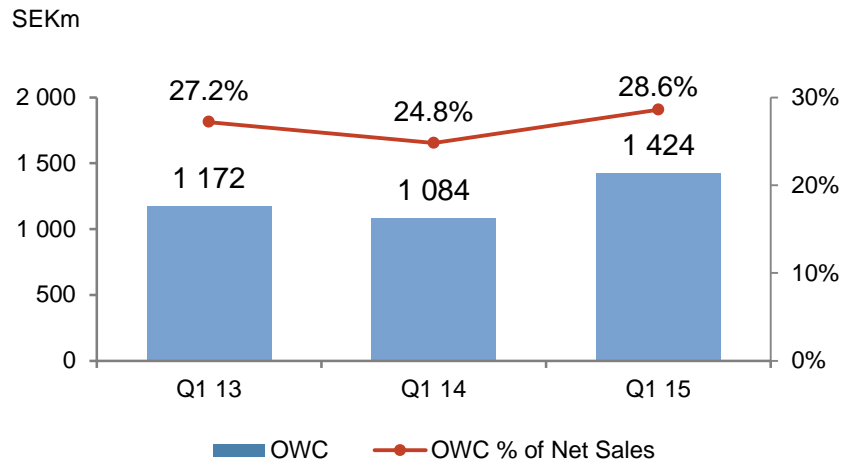
Reported Income Statement – Thule Group

SEKm	Q1 2014	Q1 2015	Jan-Dec 2014	LTM
Net sales	1,075	1,366	4,693	4,984
Cost of goods sold	-646	-829	-2,861	-3,043
Gross income	429	538	1,832	1,941
Other operating revenue	4	2	5	3
Selling expenses	-201	-246	-897	-941
Administrative expenses	-72	-83	-298	-308
Other operating expenses	-7	-5	-44	-42
Operating income (EBIT)	152	206	599	653
Net interest expense/income	-50	-20	-324	-294
Income before taxes	101	185	275	358
Taxes	-24	-44	-75	-95
Net income from continued operations	77	142	199	264
Net income from discontinued operations	14	0	-340	-354
Consolidated net income	92	142	-140	-90
<i>Consolidated net income pertaining to:</i>				
Shareholders of Parent Company	90	142	-140	-89
Non-controlling interest	1	0	0	-1
Consolidated net income	92	142	-140	-90

Source: Company information

Operating Working Capital and Operational Cash Flow

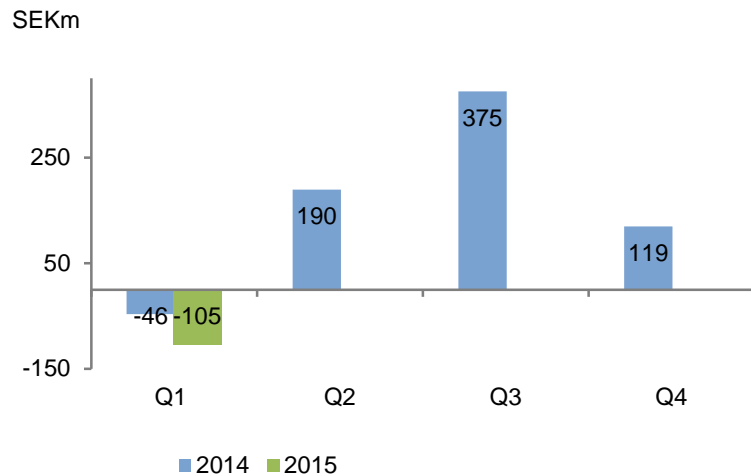
Operating Working Capital



Comments

- Operating working capital as of 31 March 2015 was as follows:
 - Inventory: SEK 954m (749)
 - Accounts receivables: SEK 1 027m (781)
 - Accounts payable: SEK 558m (446)
- Unfavorable Fx effect SEK 152m vs prior year

Operational Cash Flow



Comments

- Operational cash flow SEK -105m in Q1 (-46)
- Negative effect this year due to
 - Inventory build up
 - Ramp up Distribution Center East
 - New product launches
 - Increased sales
- Following prior years' pattern, with negative effect in Q1

Source: Company information

Q1 2015 in Summary – A good start to the year

Sales

- Thule Group growth of +11.5% (excl. Fx)
- Outdoor&Bags growth of +9.0% (excl. Fx), driven by strong performance in Europe
- Snow in Alp-region gives sales boost in Specialty, compared to very weak winter previous year
- Positive early signals on initial sales in new product categories

Operational

- Eastern European Distribution Center operational

Financial

- Gross Margin decreases 60bp to 39.3 percent, as currencies boost sales, but not gross margin
- Underlying EBIT margin grows 90bp to 15.4 percent
- Cash flow from operating activities at SEK -151m
- Net debt / Underlying EBITDA at 3.4x
- Board proposes SEK 2.00 dividend. Paid in two occasions, SEK 1.00 in May and SEK 1.00 in October



Thule Group – 2015 Performance vs. Financial Targets

Organic Growth	$\geq 5\%$	Constant Currency Net Sales Growth <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> 11.5% Thule Group </div> <div style="text-align: center;"> 9.0% Outdoor&Bags </div> <div style="text-align: center;"> 33.4% Specialty </div> </div>		
Underlying EBIT Margin	$\geq 15\%$	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> 15.4% </div> <div style="text-align: right;"> <p>Increase from 14.5% (Q1/2014) LTM at 14.9%</p> <p>In line with plans to reach goal mid-term</p> </div> </div>		
Net Debt / EBITDA	c. 2.5x	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> 3.4x </div> <div style="text-align: right;"> <p>3.4x (YE 2014)</p> <p>In line with plans to reach goal mid-term</p> </div> </div>		
Dividend Policy	$\geq 50\%$	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> 51% </div> <div style="text-align: right;"> <p>Dividend of SEK 2.00 per share proposed by the Board</p> </div> </div>		

Source: Company information

Focus 2015 is to Capture Profitable Growth

2015 Focus

- Continue to Drive Profitable Organic Growth in Outdoor&Bags Segment
 - Continued strong performance in Sport&Cargo
 - Roll-out of new Active with Kids products portfolio
 - Roll-out of Technical Backpacks
 - Get growth in Bags for Electronic Devices

- Continue to manage Specialty cost efficiently
 - Further steps in lean set-up in Snow Chains
 - Production efficiencies in Work Gear

- Capture gains from Operational Efficiency
 - Ramp-up of Eastern European distribution center
 - Closing of W. European bags distribution center
 - Capture gains from more efficient supply chain



Q&A



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