

2021 Jul-Sep Report

October 22, 2021

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Thule Group >>

Executive Summary: 2021/Q3 Results – Another very strong quarter

- Sales 2,772 MSEK +16% Fx adjusted vs PY
 - Region Europe & RoW: 1,922 MSEK (1,827) +7% Fx adj.
 - Region Americas: 850 MSEK (609) +45% Fx adj.
- Gross Margin at 40.6% (42.9%)
 - Higher raw material- and freight expenses in the quarter
 - Partly compensated by favorable production overheads absorption and price increases
- EBIT Margin at 24.2% (24.4%)
 - EBIT of 670 MSEK vs 596 MSEK PY
 - LTM EBIT-margin of 23.6%
- Operational Cash Flow +525 MSEK (+777 MSEK vs. PY)
 - CapEx at 113 MSEK (32)

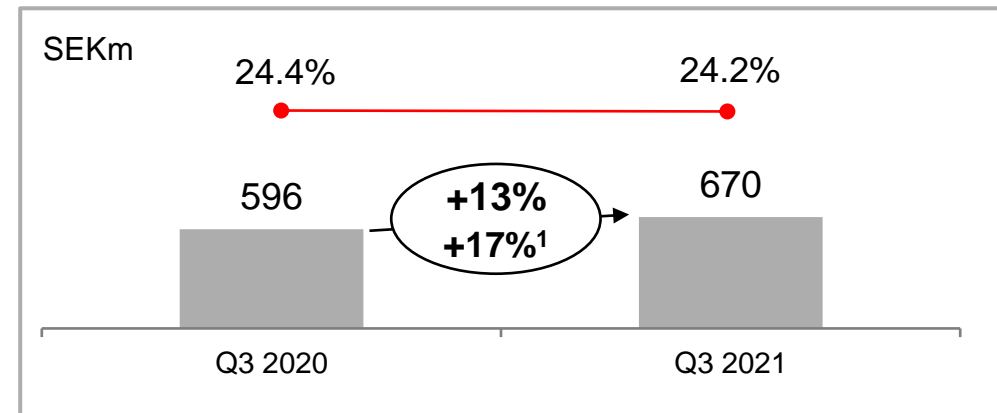
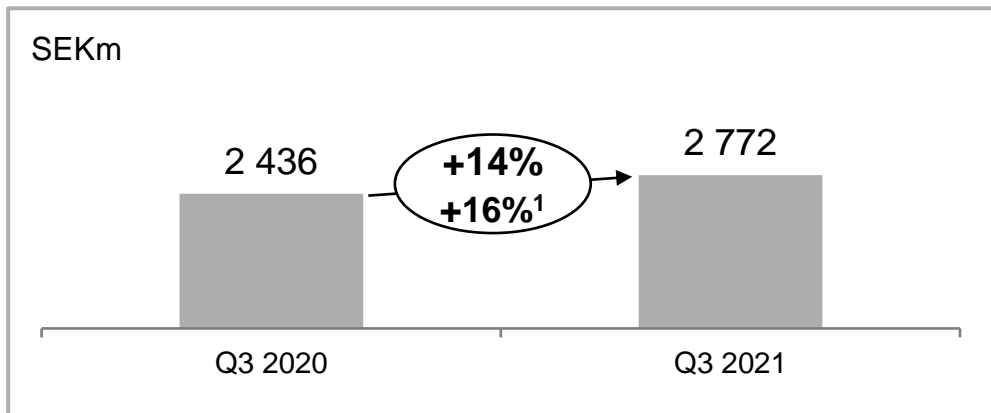


2021/Q3 – Net Sales and EBIT development

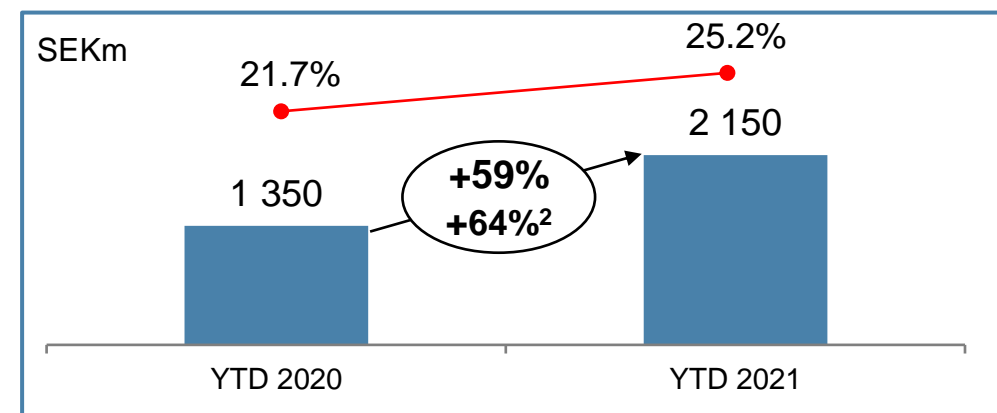
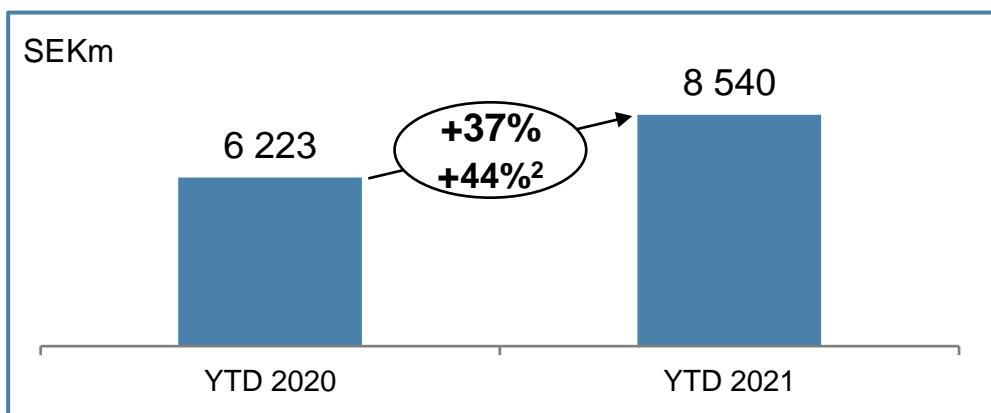
Reported Net Sales

EBIT and Margin

Q3



YTD

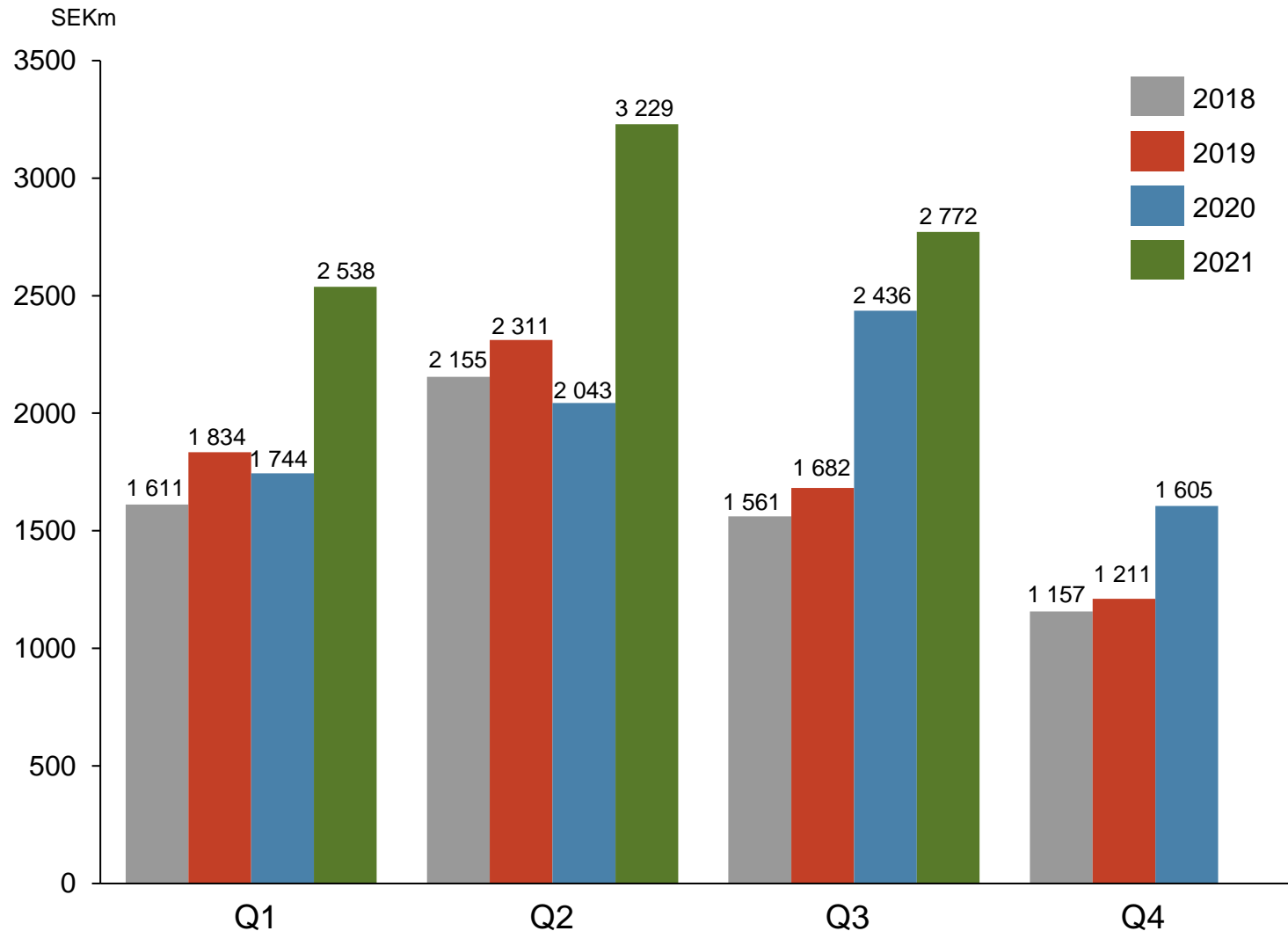


¹ Constant currency adjustment based on average FX rates 1 July 2021 – 30 September 2021.

² Constant currency adjustment based on average FX rates 1 January - 30 September 2021.

Thule Group Sales by Quarter (Reported currency)

Thule Group Sales by Quarter (Reported Currency)



- Very strong 2021/Q1 – also vs. 2019
 - +46% vs 2020/Q1 (reported currency)
 - +56% vs 2020/Q1 (Fx adjusted)
 - **+45% vs 2019/Q1 (Fx adjusted)**
 - 2020/Q1 hit from mid-March with lock-downs
 - Retailers placed orders early after struggling to meet demand in 2020/H2
- Very strong 2021/Q2 – also vs. 2019
 - +58% vs 2020/Q2 (reported currency)
 - +68% vs 2020/Q2 (Fx adjusted)
 - **+48% vs 2019/Q2 (Fx adjusted)**
 - 2020/Q2 very weak April to mid May with pandemic lock-downs and then very strong June
- Very strong 2021/Q3 – especially vs. 2019
 - +14% vs 2020/Q3 (reported currency)
 - +16% vs 2020/Q3 (Fx adjusted)
 - **+75% vs 2019/Q3 (Fx adjusted)**
 - Strong positive trends continue
- 2021/Q4 – very demanding comp in 2020
 - 2020/Q4 +33% vs 2019/Q4 (reported currency)
 - 2020/Q4 +45% vs 2019/Q4 (Fx adjusted)
 - Pandemic impacted delayed season spilling over all the way into 2020/Q4

Region Europe & RoW: Continued strong momentum

- **2021/Q3 Net sales 1,922 MSEK (1,827)
+7% growth (constant currency)**
 - *2020/Q3 posted +59% Fx adjusted sales vs 2019/Q3 as markets opened up and the normal spring season became a late summer and autumn season*
- **2021 YTD Sep. Net sales 6,285 MSEK (4,646)
+40% growth (constant currency)**
- Strong growth across markets
- Bike category products continue to perform well, aided by strong momentum from a very positive bike trend
- Roof Racks, Roof Boxes and Roof Top tents grow as consumers take short vacations close to their homes
- RV Products category strong as motorhome manufacturers increased production capacity
- Stroller sales continue to grow at fast pace
- Bags show growth (vs. weak comp period) driven by Sport- and Outdoor packs



Region Americas: Growth across all markets

- **2021/Q3 Net sales 850 MSEK (609)**
+45% growth (constant currency)
 - *2020/Q3 posted +36% Fx adjusted vs 2019/Q3 as markets opened up and the normal spring season became a late summer and autumn season*
- **2021 YTD Sep. Net sales 2,255 MSEK (1,577)**
+57% growth (constant currency)
- Sales growth in all markets
- Growth across Sport&Cargo Carriers category as consumers take local vacations with cars as their means of transport
- Rooftop tents and awnings continue positive momentum
- Strong sales in all the sub-categories within Active with Kids with Bike Trailers showing the biggest growth
- Bag sales show growth vs. weak comp period in 2020 as domestic travel and return to office commuting picks up



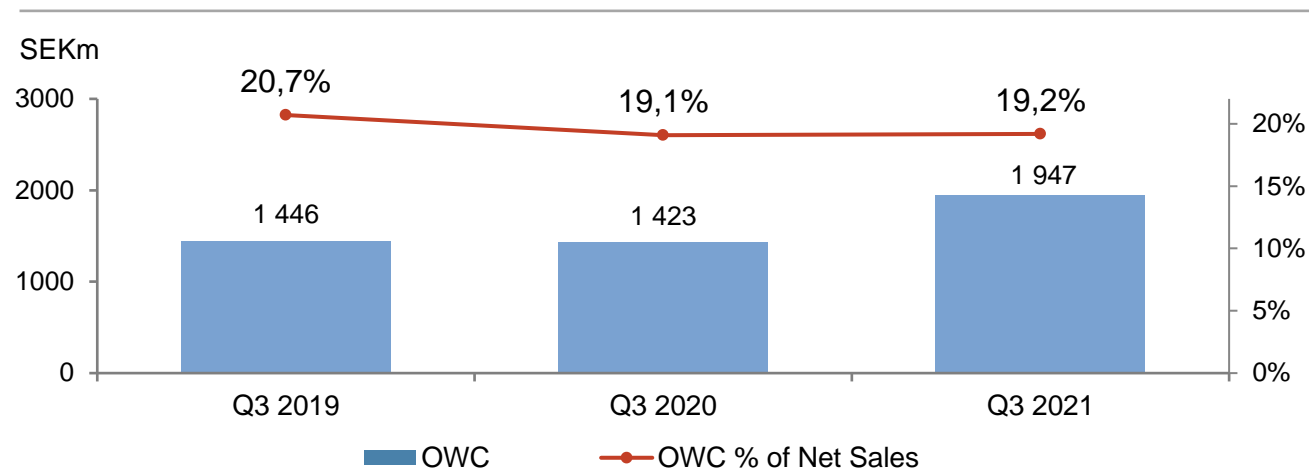
2021/Q3 Reported income statement

MSEK	Q3 2021	Q3 2020	YTD 2021	YTD 2020	LTM
Net sales	2 772	2 436	8 540	6 223	10 145
Cost of goods sold	-1 647	-1 392	-5 001	-3 636	-5 964
Gross income	1 125	1 044	3 538	2 587	4 181
Gross Margin %	40,6%	42,9%	41,4%	41,6%	41,2%
Other operating income	0	0	15	0	15
Selling expenses	-372	-351	-1 146	-978	-1 468
Administrative expenses	-83	-98	-257	-259	-337
Operating income (EBIT)	670	596	2 150	1 350	2 391
EBIT Margin %	24,2%	24,4%	25,2%	21,7%	23,6%
Financial expenses/revenue	-12	-15	-27	-46	-45
Income before taxes	658	581	2 123	1 304	2 346
Taxes	-142	-132	-487	-302	-546
Net income	516	449	1 636	1 002	1 799
Net income pertaining to:					
Shareholders of Parent Company	516	449	1 636	1 002	1 799

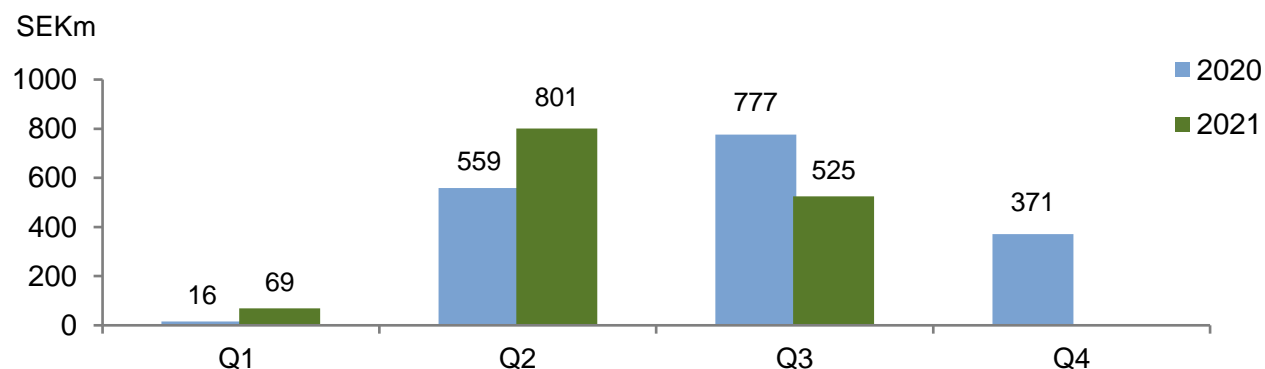
- Sales growth +14% in the quarter in reported currency
- Gross margin 40.6% (42.9%)
 - Higher raw material- and freight expenses partly compensated by favorable production overheads and price increases
- Lower financial net mainly because of lower utilization of RCF
- Effective tax rate YTD 23 percent (23), well within guidance

Thule Group Financials 2021/Q3: Working Capital and Cash Flow

Operating Working Capital



Operational Cash Flow



Operating Working Capital

- Q3: Operating working capital in relation to sales on same level as in Q3 last year.
 - Inventory build-up ahead of season to minimize risk from supply chain disturbances.
 - 2020/Q3 inventory level was low after significant demand increase and delayed season
- Operating working capital, 30 Sep. 2021:
 - Inventory: 1 589 MSEK (828)
currency effect -17 MSEK
 - Accounts receivables: 1 347 MSEK (1 238)
currency effect -14 MSEK
 - Accounts payable: 989 MSEK (643)
currency effect -17 MSEK
- Currency effect -14 MSEK vs prior year
OWC excl currency impact is 19,3%
- Inventory changed since last quarter by 322 MSEK (-120)

Operational Cash Flow

- Q3 operational cash flow 525 MSEK (777), a decrease by 252 MSEK vs PY
 - CapEx 113 MSEK (32) in the quarter

2021/Q4 Focus – Operational focus to prepare for 2022 season

- Continued focus on proven growth strategy with opportunity to push growth investments earlier
 - Significant expansion at all main plants underway
 - Aggressive Product Development push to fuel future growth
 - Global Thule Test Centre Expansion ready by 2022/Q1
 - Continued push on Online and DTC tools
- Short and mid-term focus on Supply Chain to meet significant demand increase
 - Capacity ramp-up efforts for key categories – short & mid-term
 - Handle global logistics bottle necks
- Efforts underway to mitigate cost increases
 - Significant raw material prices impacting negatively and the trend is not expected to improve near term
 - Logistics cost will remain high coming period
 - Price increases implemented in two steps to compensate, but still with some timing delay impacting margins in H2
- *Still many uncertainties around the world so we need to continue to be quick to act and flexible*



Q&A



Forward-looking statements

- *Some statements herein are forward-looking and the actual outcome could be materially different.*
- *In addition to the factors explicitly commented upon, the actual outcome could be materially and adversely affected by other factors such as the effect of force majeure, economic conditions, exchange-rate and interest-rate movements, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.*

Thule Group»

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