

# **Active Life, Simplified.**











# Thule Group>











# We are a Global Premium Branded Lifestyle Company



#### Our investment case remains strong

#### **Attractive Market**



Favorable mega-trends driving market growth

#### **Attractive Company**

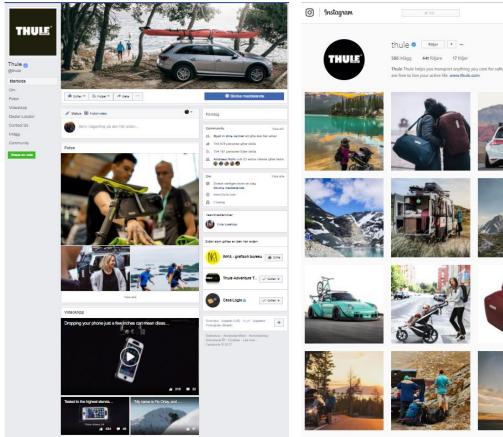


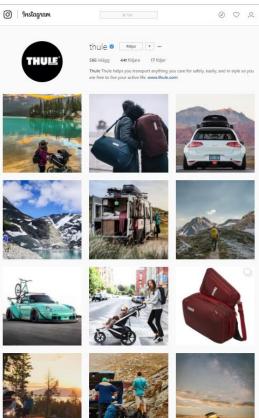
- Strong user-influenced Innovation and Product Development
- Differentiated Premium Brand
- Global Route-to-Market Strategy and Implementation
- Strong Position in the Value Chain
- Sustainable business approach

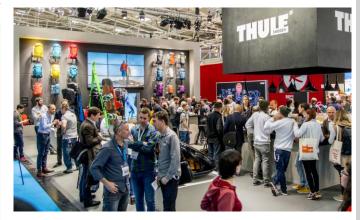
### "Product is King" mindset is our biggest strength



#### Focus to build on the emotional feel of the Thule brand across all channels









### Focus on cost efficient Supply Chain that meets increased customer demands

- Customers expecting more and more from brands
  - Less and less inventory in retail
  - Later cut-off times for orders
  - Simplified ordering processes
  - More flexible pick&pack approach
- Economies of scale as majority of product portfolio has become global
- Flexible own plants and supplier structure
- Efficiency gains via improved and modernized structure in Distribution Centres



#### Focus on tools to drive sales in Brick&Mortar and On-line retail





#### Browse by collection



Thule Subterra collection



Thule Chasm collection

Thule Crossover collection



Thule RoundTrip collection

# Sustainability - Focus in all aspects of what we do



Products that inspire a healthy and active lifestyle



Sustainable and reliable manufacturing



**Climate smart logistics** 



Responsible business practices



**Genuine social engagement** 

#### 2017 Full Year – Sales Development by Product Category

**Sport&Cargo Carriers** 







Share of **Thule Group Sales 2017** 

65%

14%

13%

8%

**Sales Growth** 2017 vs 2016 (Constant Currency)

+6%

-3%

+28%

+40%



#### Q1/2018 – Solid start to the year

- Net sales of SEK 1,611m (1,526)
  - +5.6% (+5.5% excluding currency effects)
- Underlying EBIT of SEK 309m (271) and Underlying EBIT margin of 19.2% (17.8)
- Net income, continuing operations of SEK 220m (197)
- Earnings per share, continuing operations of SEK 2.15 (1.94)
- Cash flow<sup>1</sup> from operating activities SEK -214m (-172)



<sup>&</sup>lt;sup>1</sup> Based on total operations meaning both continuing and discontinued operations.

#### Region Americas – Slow start due to expected decline in low-margin OE

- Net sales SEK 386m (443),
  - 4.4% decline (constant currency)
- Known and communicated phase-out of low-margin OE programs in the US reason behind decline
  - Pick-up truck accessory OE program
  - Two OE programs of bags and cases
  - Negative effects of these program phase-outs will continue to impact until mid 2019 when the programs are fully phased out
- Cautious Outdoor Retail sector impacts end of Q1
  - With spring coming late we saw a very cautious retail sector in the US at the end of Q1, despite good sell-through in Q1
  - We expect to see this business pick up in Q2 and Q3 as the season comes
- Active with Kids continue to grow at fast pace
  - Thule Urban Glide 2 launch successful
  - Child Bike Seats continue to grow at fast pace

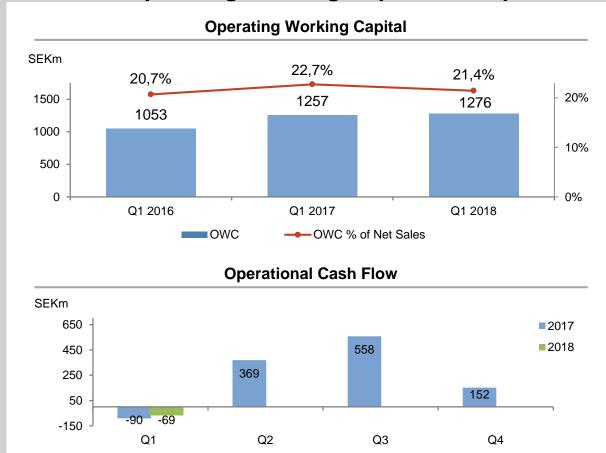


#### Region Europe & ROW - Strong start to the year

- Net sales SEK 1,225m (1,083), +9.1% growth (constant currency)
- Strong start in Sport&Cargo Carriers
  - Roof racks and roof boxes have strong start
  - Key volume gains in Nordics, France and Australia
- Packs, Bags & Luggage OK start
  - Decline in legacy products offset by growth categories
- Active with Kids continue to grow at fast pace
  - Thule Urban Glide 2 launch successful and bike trailers and child bike seats continue to grow
- RV Products continues to grow at fast pace
  - To note in Q1/2018 is that European motor home registration statistics show an inflated increase of >20% (due to forced last registration of vehicles with old emission standards), which artificially boosts RV market statistics in Q1 and does not mirror real market growth
  - We estimate true market growth around 10%



#### Q1/2018 – Operating Working Capital and Operational Cash Flow



#### **Operating Working Capital**

- Operating working capital, 31 Mar. 2018:
  - Inventory: SEK 981m (902)
  - Accounts receivables: SEK 944m (907)
  - Accounts payable: SEK 649m (552)
- Currency effect SEK -13m vs prior year
- Inventory increase as we follow plan to smooth out seasonal ramp-up and enter Q2 with more finished goods

#### **Operational Cash Flow**

- Q1 operational cash flow SEK -69m (-90), an increase by SEK 21m vs PY
- Following prior years' pattern
  - Negative in Q1
  - Positive flows start mid-way through Q2

# **Q1/2018 – Performance vs. Financial Targets**

Organic Growth	≥ 5%	Constant Currency Ne +5.5%	et Sales Growth (excl. Acquisitions)
Underlying EBIT Margin	≥ 20%	19.2%	Q1/2017 at 17.8% (LTM at <b>18.6%</b> )
Net Debt / EBITDA	1.5-2.5x	1.6x	1.6x (Q1/2017)
Dividend Policy	≥ 50%	87%*	* Ordinary dividend of <b>SEK 6.00 per share</b> (3.40)

#### Focus areas for coming months

- Sales&Marketing focus
  - Support Retail with in-store materials and PR push
  - Prepare for consumer launch of Thule Sleek stroller
  - Prepare for 2018 fairs with new fairs in Travel & Duty Free
- Operations focus
  - Production ramp-up in all plants as spring has come
  - Continued high On-Time-In-Full delivery performance from all Distribution Centres
  - Preparation in Pila (PL) plant for Thule Sleek launch in Q3
  - Expansion of E. Europe DC
  - Tracking and staying on top of volatile raw material market
  - Continued aggressive product development push for 2019



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