

A scenic mountain landscape with hikers on a rocky ridge. The scene is set in a high-altitude environment with rugged, rocky terrain and sparse vegetation. In the foreground, three hikers are visible: one standing with a yellow backpack, one sitting with a red backpack, and one sitting with a blue backpack. The background shows a vast mountain range under a clear blue sky.

Q2 Interim Report 2016 July 21, 2016

Magnus Welander, CEO

Lennart Mauritzson, CFO

Thule Group »

Q2 2016 Highlights – Very good results driven by strong Europe region

- **Net sales** of SEK 1,795m (1,689)
 - Thule Group +6.3% (+8.2% excluding currency effects)
 - Outdoor&Bags +6.8% (+8.7% excluding currency effects)
 - Specialty -1.3% (+1.2% excluding currency effects)
- **Underlying EBIT** of SEK 420m (374), underlying EBIT margin of 23.4% (22.1)
 - Underlying EBIT margin improved by +0.4 percentage point in constant currency
 - Outdoor&Bags shows an underlying EBIT of SEK 431m (385), +12.0% vs PY
 - Specialty reports an underlying EBIT of SEK 18m (12), +46.7% vs PY
- **Net income** of SEK 308m (278)
- **Earnings per share** of SEK 3.05 (2.78)
- **Cash flow from operating activities**¹ was SEK 381m (248)
 - Strong sales in core Sport&Cargo Carriers and Other Outdoor&Bags
 - Outdoor&Bags Europe and ROW another fantastic quarter (+12.8% sales growth in constant currency)
 - Region Americas only +0.5% as retailers are cautious following US retail bankruptcies during the spring
 - On July 4, acquisition of Dutch child bike seat company GMG, with the brand Yepp

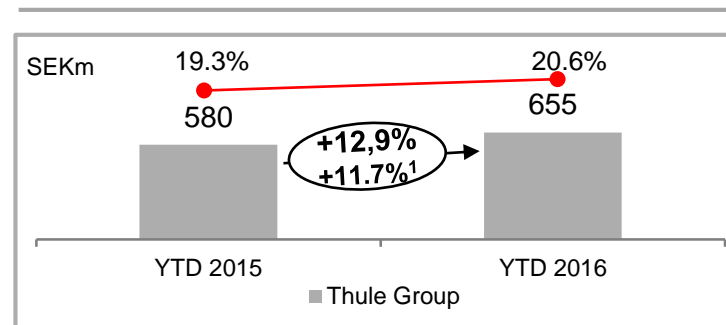
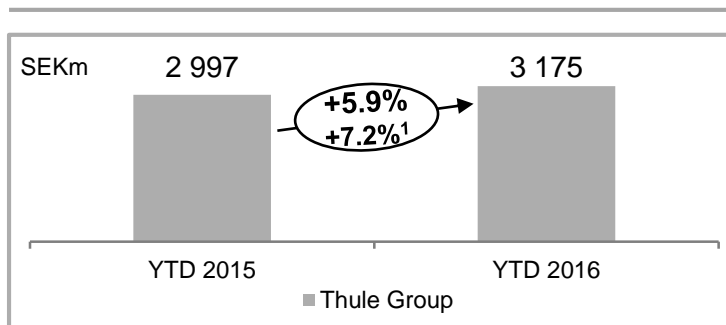
¹ Comparison period pertains to total operations meaning both continuing and discontinued operations.

YTD June 2016 – Strong organic growth drives EBIT growth

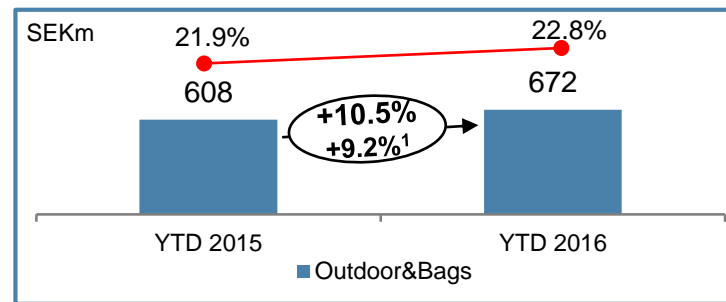
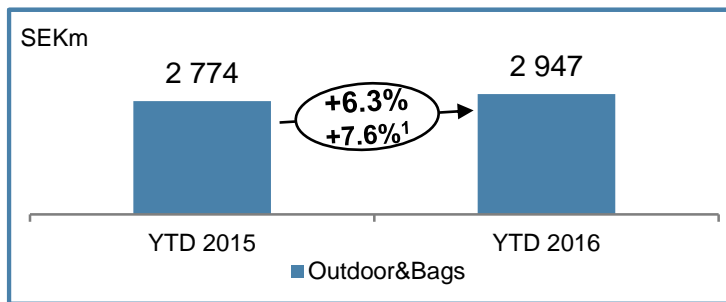
Reported Net Sales

Underlying EBIT and Margin

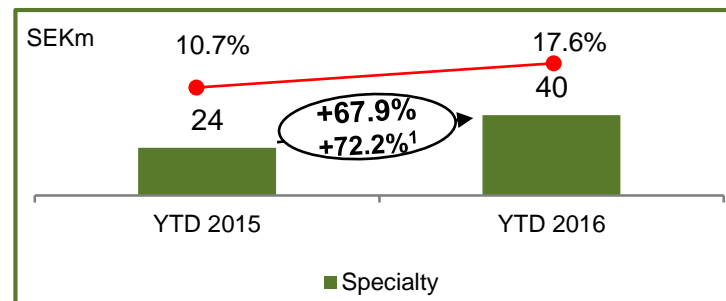
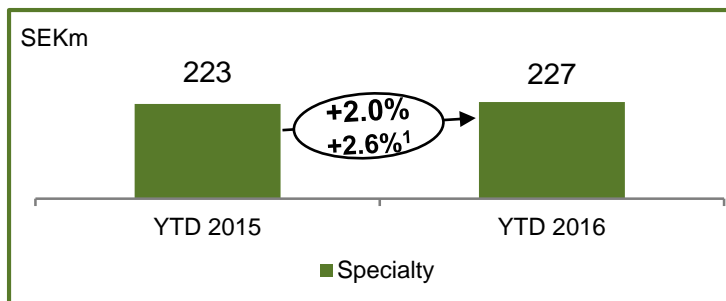
Thule Group



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-30 June 2016

YTD June 2016 - Net Sales and EBIT by Segment

Outdoor&Bags

SEKm	Apr - Jun		Change		Jan - Jun		Change	
	2016	2015	Rep.	Adjust. ¹	2016	2015	Rep.	Adjust. ¹
Net sales	1 682	1 574	6.8%	8.7%	2 947	2 774	6.3%	7.6%
- Region Europe & ROW	1 158	1 039	11.5%	12.8%	2 070	1 867	10.8%	12.0%
- Region Americas	524	536	-2.1%	0.5%	878	907	-3.2%	-1.5%
Operating income	428	382	12.2%		667	602	10.7%	
Underlying EBIT	431	385	12.0%	9.3%	672	608	10.5%	9.2%
Operating margin, %	25.4%	24.2%			22.6%	21.7%		
Underlying EBIT margin, %	25.6%	24.4%			22.8%	21.9%		

¹ Adjustment for changes in exchange rates

Specialty

SEKm	Apr - Jun		Change		Jan - Jun		Change	
	2016	2015	Rep.	Adjust. ¹	2016	2015	Rep.	Adjust. ¹
Net sales	113	114	-1.3%	1.2%	227	223	2.0%	2.6%
- Work Gear	113	114	-1.3%	1.2%	227	223	2.0%	2.6%
Operating income	18	12	46.7%		40	24	67.9%	
Underlying EBIT	18	12	46.7%	54.8%	40	24	67.9%	72.2%
Operating margin, %	15.6%	10.5%			17.6%	10.7%		
Underlying EBIT margin, %	15.6%	10.5%			17.6%	10.7%		

¹ Adjustment for changes in exchange rates

Key Events in the period – Acquisition of GMG B.V.

- In line with Strategic Focus to grow in Active with Kids via targeted acquisition adding to strong organic push
- GMG B.V. - A successful niche company with quality products and a strong home market
 - GMG B.V. has over 80 years' experience in safely and comfortably transporting the most important people in the world: our children
 - GMG has produced over 5 million front and rear bike seats in numerous designs since 1934
 - GMG B.V. has grown with the introduction of the Yepp brand in 2009 via a line of innovative bike child seats with a contemporary design
 - Multi-colored and multi-award winning child bike seats represents 95% of sales at GMG B.V.
 - Market leader in the Netherlands and Denmark
- Will be fully integrated fast as part of the Active with Kids category within Thule Group
 - Small team of 6 employees
 - 6.1 MEUR in sales 2015

Yepp® 



KIDS DESIGN AWARD 2015



Product Launches in the period – Examples



Thule ProRide 598

- The updated version of the World's most sold roof-mounted bike carrier (Thule ProRide 591) launched with the tag-line “The Best just got Better” and quickly becoming one of the Company's biggest sellers



Case Logic Larimer

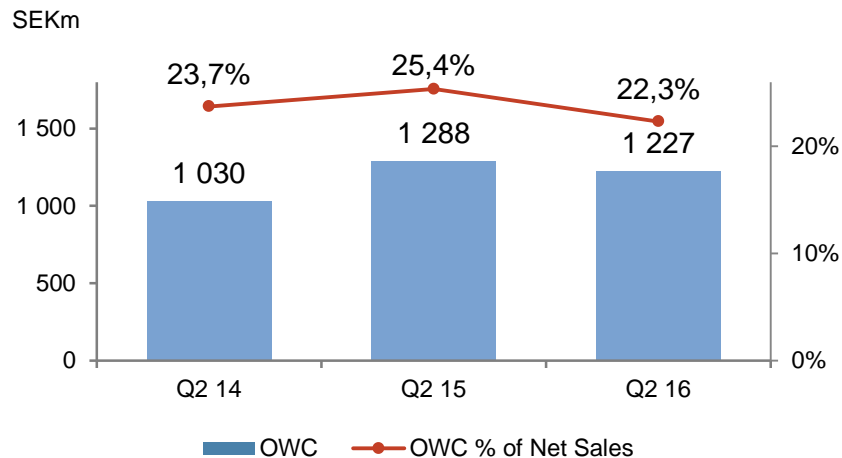
- A heritage collection of backpacks targeted for young students and complimenting the recently launched Case Logic LoDO and Case Logic Huxton collections in the focus category of every-day backpacks and bags

Reported Income Statement

SEKm	Q2 2016	Q2 2015	YTD 2016	YTD 2015	LTM Q2 2016
Net sales	1,795	1,689	3,175	2,997	5,498
Cost of goods sold	-1,048	-1,004	-1,867	-1,796	-3,340
Gross income	747	685	1,308	1,202	2,158
Other operating revenue	0	1	0	3	-2
Selling expenses	-252	-242	-504	-478	-954
Administrative expenses	-74	-75	-148	-151	-296
Other operating expenses	-4	1	-8	-4	-5
Operating income (EBIT)	417	370	649	573	901
Financial expenses/revenue	-10	-15	-17	-35	-41
Income before taxes	407	355	632	538	860
Taxes	-99	-77	-155	-121	-212
Net income from continuing operations	308	278	477	416	648
Net income from discontinued operations	-	-23	-	-21	-122
Consolidated net income	308	254	477	396	526
<i>Consolidated net income pertaining to:</i>					
Shareholders of Parent Company	308	254	477	396	526
Consolidated net income	308	254	477	396	526

Operating Working Capital and Operational Cash Flow

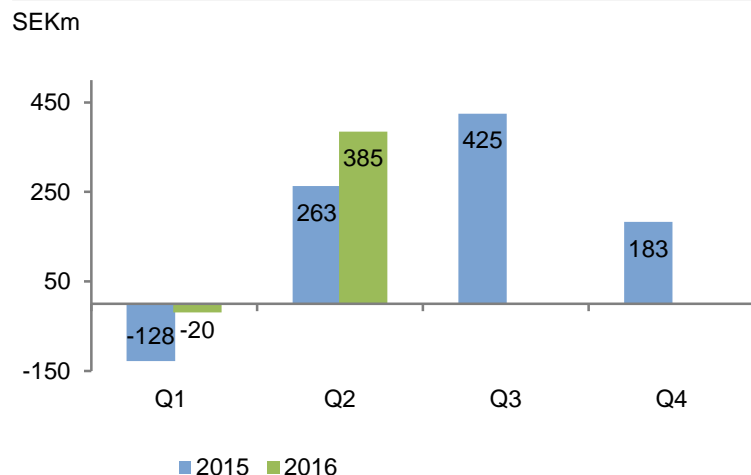
Operating Working Capital



Comments

- Operating working capital as of 30 June 2016:
 - Inventory: SEK 755m (754)
 - Accounts receivables: SEK 1 064m (1 067)
 - Accounts payable: SEK 592 m (533)
- Despite strong sales growth we have kept inventory and accounts receivables flat, in absolute numbers, vs PY
- Currency effect SEK 10m vs prior year

Operational Cash Flow



Comments

- Q2 Operational cash flow SEK 385m (263), an improvement by SEK 122m
- Positive effect this year due to
 - Higher EBITDA
 - Improved OWC

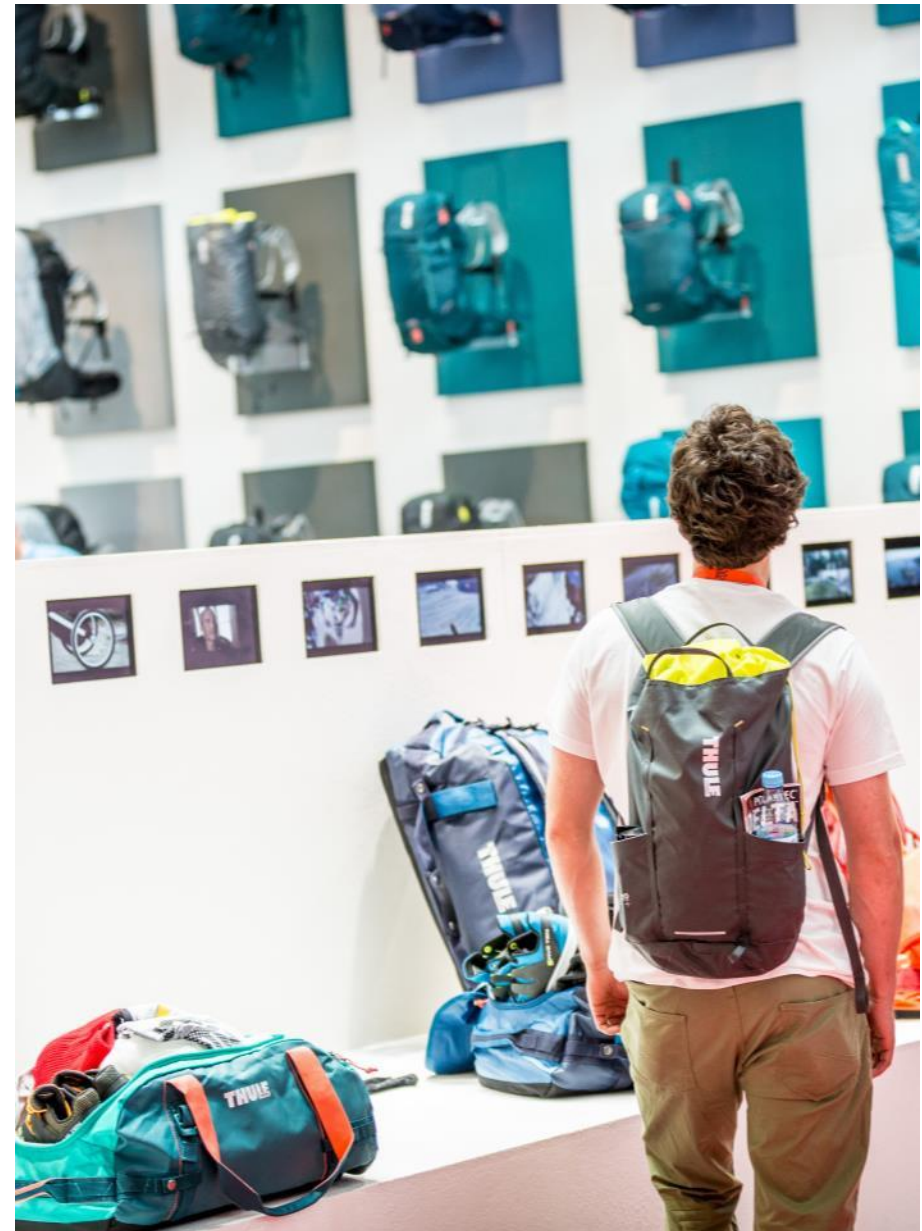
Thule Group – YTD 2016 Performance vs. Financial Targets

Organic Growth	≥ 5%	<p style="text-align: center;">Constant Currency Net Sales Growth</p> <p style="text-align: center;">7.2% 7.6% 2.6%</p> <p style="text-align: center;">Thule Group Outdoor&Bags Specialty</p>		
Underlying EBIT Margin	≥ 17%	<p style="text-align: center;">20.6% June 2016 LTM at 16.8%</p>		
Net Debt / EBITDA	c. 2.5x	<p style="text-align: center;">1.9x 2.3x (YE 2015)</p>		
Dividend Policy	≥ 50%	<p style="text-align: center;">56% Dividend of SEK 2.50 per share in 2015 decided by the AGM in April</p>		

Continued focus on Profitable Growth and Execute important Fair season

- Continue to Drive Profitable Organic Growth
 - Continue to drive European momentum in Sport&Cargo Carriers and manage US retail concerns by offering great service
 - Drive growth in Active with Kids and Sport&Travel Bags via new products and retail expansion
 - Successful fast integration of GMG Bike Child Seat business
 - RV Products - Continued market share gains in strong motorhome market via product innovation
- Continue to drive profitability in Specialty
 - Focus on production efficiencies
 - Finalize strategic review of category
- Capture gains from Operational Efficiency and execute on Distribution strategy
 - Secure continued cost efficient handling with high On-Time-In-Full performance across all sites
 - Implement Phase 2 in North America distribution center efficiency projects
- Create market buzz about 2017 launch program in all traditional as well as new product categories at the broadest set of Industry Fairs ever

Image from first major fair of the 2016 Summer Season, the Outdoor Fair in Germany, July 13-16, 2016



Q&A



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