Roadshow Presentation

July 2015

Thule Group

Today's Presenters

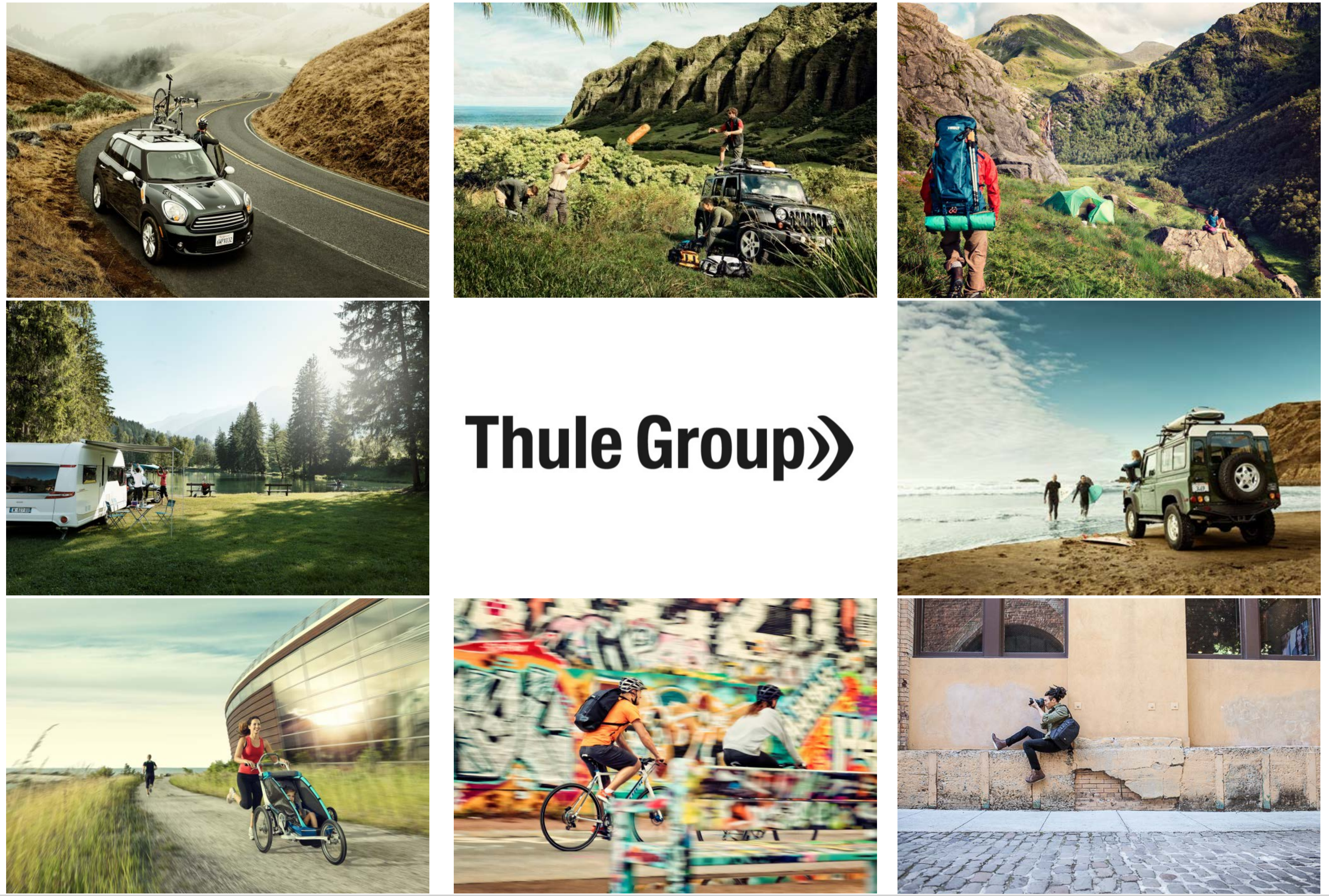
Magnus Welander
Chief Executive Officer

- **Joined Thule Group:** 2006, CEO since 2010
- **Born:** 1966
- **Previous Experience:**
  Business Area President Thule Group
  CEO Envirotainer Group
  Various management positions at Tetra Pak

Lennart Mauritzson
Chief Financial Officer

- **Joined Thule Group:** Rejoined 2011
- **Born:** 1967
- **Previous Experience:**
  CFO Beijer Electronics
  Vice President Finance Thule Group
  Vice President Finance in Cardo

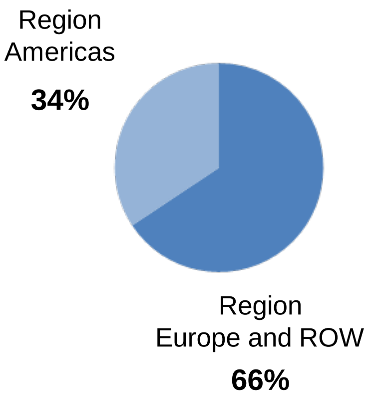
The Thule Group Vision – Active Life, Simplified



Thule is a Global Premium Branded Sports&Outdoor Company

Net Sales by Segment 2014

Outdoor&Bags



Sport&Cargo Carriers

60%

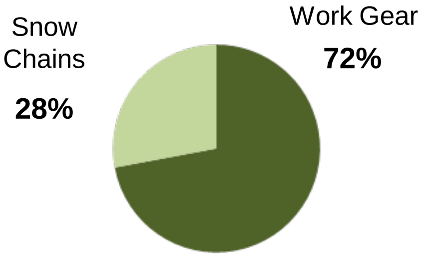
Bags for Electronic Devices

17%

Other Outdoor&Bags

13%

Specialty



Work Gear

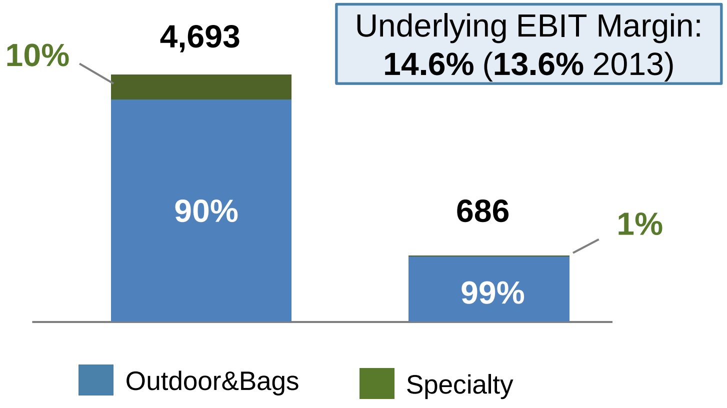
7%

Snow Chains

3%

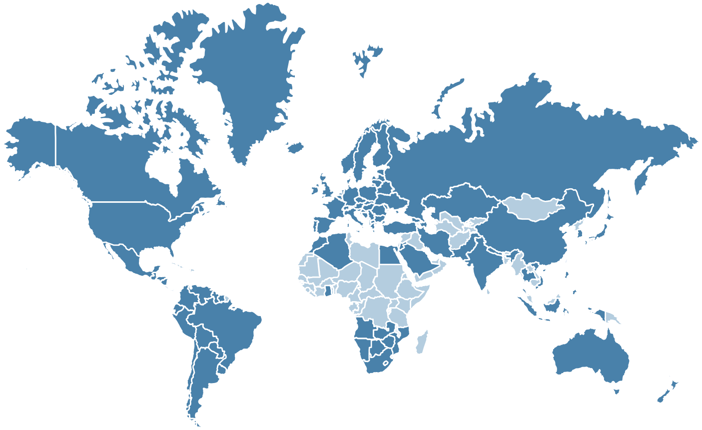
Net Sales and Underlying EBIT Breakdown

2014 (SEKm)



Underlying EBIT Margin:
14.6% (**13.6%** 2013)

Global Reach – Sales in 136 Countries



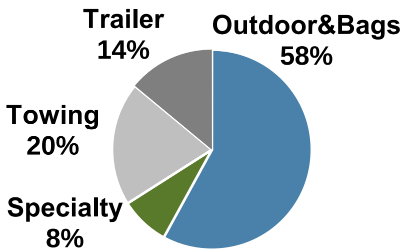
Source: Company information

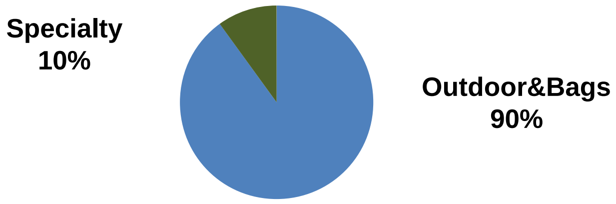
Thule Group

Transformation Since 2010 into a Brand-Centric Sports&Outdoor Company

2009 | **2014**

Business and Strategy Clearly Centered around Outdoor Core[1]





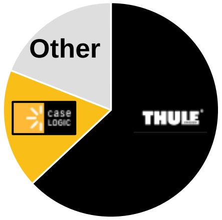
Consolidated Brand Platform around the Thule Lifestyle

2009:

- Local brand / category approach
- Cars and transport use

2014:

- Centralised brand management
- Focus on consumer / emotional connection



Branded Consumer Driven Execution

2009:

- Focus on distributors and wholesalers
- Limited key account management
- Seven different Thule homepages
- No social media approach

2014:

Retail and Distribution

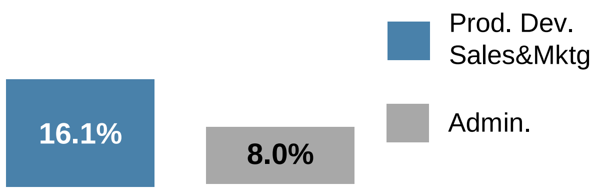
- **Forward integration** in key markets
- Thule **Retail Partner Program** rolled out in >2,000 stores
- Increased **control of PoS**

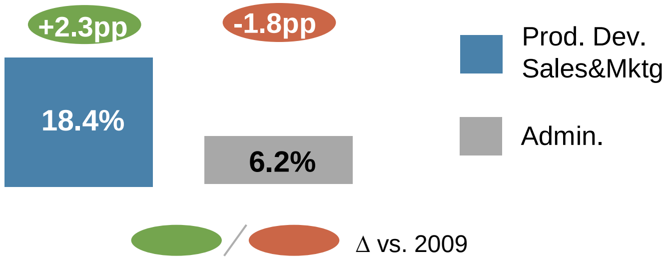
Communication

- **Bring Your Life** communication concept
- **Truly global website**
- **New PR approach**

SG&A Focused on Driving the Business

SG&A as % of Net Sales





Source: Company information

[1] Breakdown of net sales by segment.

A Compelling Story in the Attractive Sports&Outdoor Market

1

We Operate in an Attractive Market

- Favorable Mega-Trends Driving Long-Term Market Growth

2

We Are a Global Leader

- Strong New Product Development
- Differentiated Premium Brand
- Global Route-to-Market Strategy and Implementation
- Strong Position in the Value Chain

3

We Play to Win!

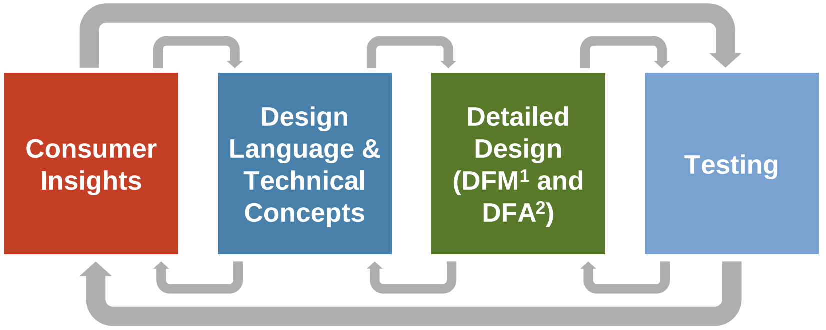
- Management Team with Proven Track-Record
- Multiple Avenues for Growth
- Attractive Financial Performance

② Market Leading Product Development with Strong User Focused DNA

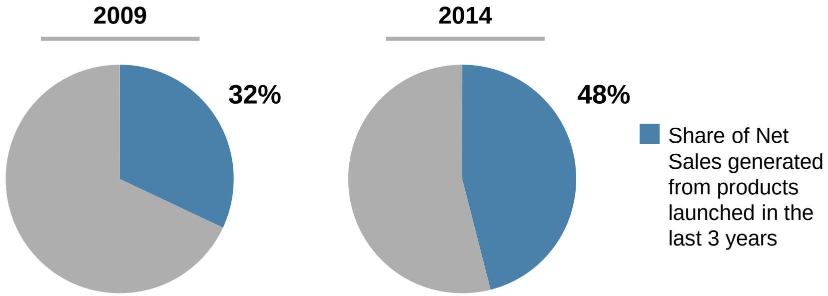
Product Focus Across Organization

- Top Management focus area
- Passionate users within the company
- 135 FTEs dedicated to product design & development

Proven Development Processes



High Share of Sales From New Products



- Product replacement cycles have been reduced by 1/3 in the last 5 years

Trade Endorsement

>20 Design and Trade Awards (2013-14)

Media Endorsement

>100 Test Wins across Categories (2013-14)

Thule EasyFold

10 out of 10

"Simply the best"

Consumer Endorsement

Highly Rated in Open Consumer Reviews

amazon.com

See Style Options

Thule Helium Aero Hitch Carrier

(32)

halfords

Thule ProRide 591 Roof Mount Bike Carrier

4.9

Thule 13" Stravan Sleeve for MacBook Pr...

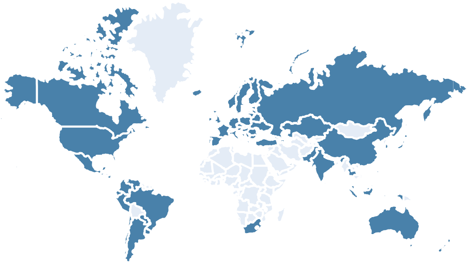
$49.95

Source: Company information

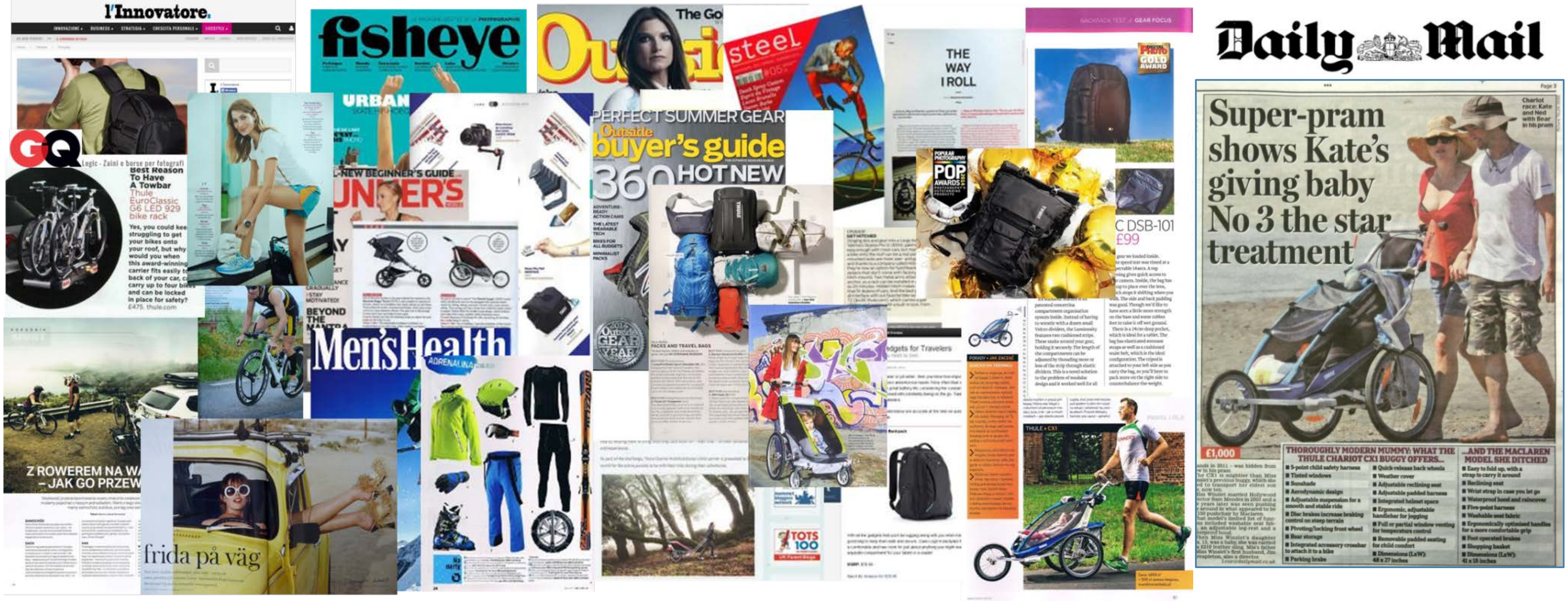
[1] Design for manufacturing. [2] Design for assembly.

2 A Modern Approach to Consumer Communication

Mobile device focused online platform (81 market version in 24 languages)



Earned Media with PR and User Content as Driver



② A New Distribution Strategy Implemented from 2010

A Structured Go-To-Market Approach

Category Captaincy Approach with Key Retail Chains

Thule Retail Partner Program for Smaller Stores

Product Assortment Focus and Support for Look&Feel in Store

Training of Store Staff

Creating a Global Thule Retail Presence

THULE SWEDEN | partner

Outdoor&Bags

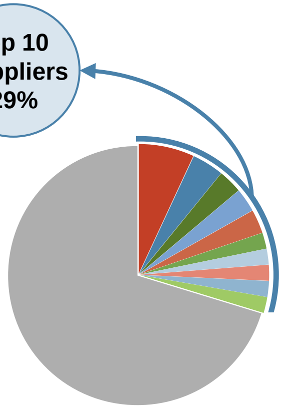
- > 2,500 Key Account doors
- > 2,100 Thule Retail Partner doors

Source: Company information

② We Have a Strong Position in the Value Chain

Broad Supply Base

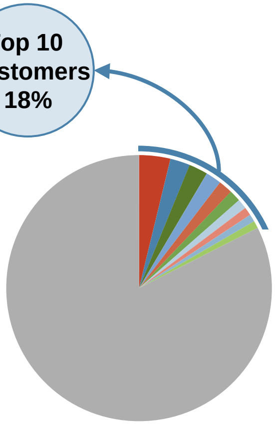
Direct Material Spend by Supplier (2014)



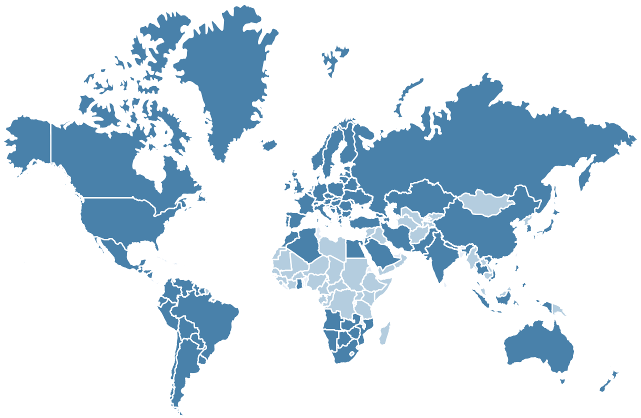
10 Thule Group Assembly Sites

Broad Customer Base

Sales by Customer (2014)



Sales in 136 Countries



Source: Company information

Thule Group

3 Multiple Avenues for Growth and Margin Expansion

Top Line Drivers

Exploit Core Product Offering and NPD Capabilities

- Market and market share growth via NPD in existing markets
- Establish leadership position early in new growth markets

Product and Category Expansion

- Strengthen position in recently entered categories: Sport&Travel Bags and Active with Kids
- Selectively explore new categories

Continued Brand Enhancing Retail Expansion

- Category Captaincy approach with brand focus in all channels
- Strategically increase direct distribution vs. third party distribution
- Strengthen multi-channel capabilities

Drive Profitability Enhancements

- Continued focus on costs
- Implementation of efficiency programs
- Room for margin expansion in selected categories

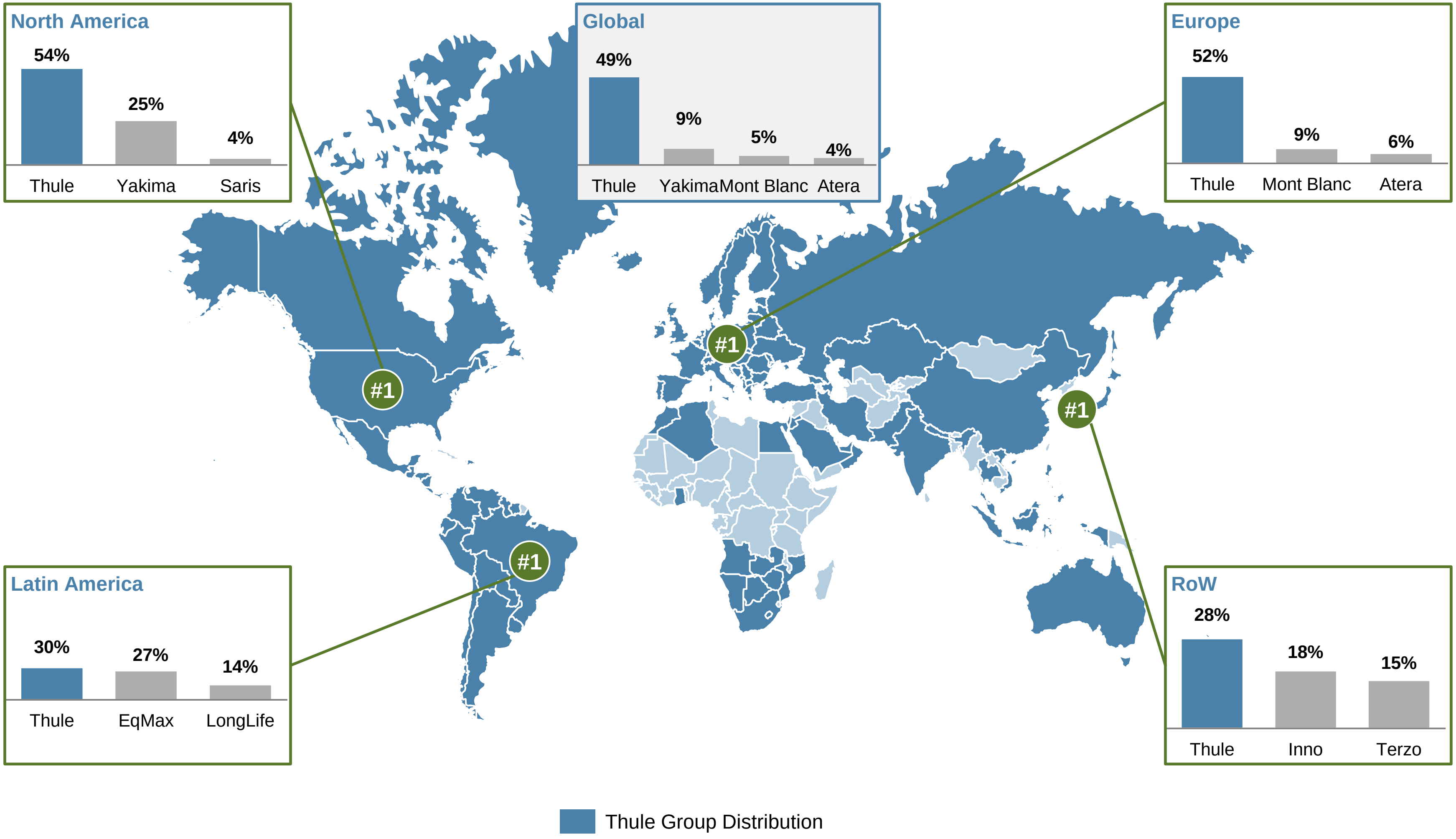
Firmly Position Thule as a Leading Sports&Outdoor Brand Globally

- Continue to implement the *Bring Your Life* positioning strategy
- Further deepen the emotional connection with Thule (PR, events, PoS, social media)

Source: Company information

A Sport&Cargo Carriers – Leading Market Positions in All Regions

Overview of Global Market Shares for Sport&Cargo Carriers



Source: 2013 Estimate, Arthur D. Little analysis

B Bags for Electronic Devices – Multiple Initiatives to Drive Growth

Key Focus for Growth 2015-2017

Focus on Growth Categories

Dual Brand Approach

- Brand refresh at 30-year anniversary
- Mid-price brand
- Broad assortment
- Broad distribution in CE channel
- Young, urban, fashion

case LOGIC

- Used in category since 2012
- Premium price brand
- Targeted assortment
- More targeted distribution
- Protective, outdoor/sport inspiration

THULE SWEDEN

Use Economies of Scale in Sourcing

C Other Outdoor&Bags – Broad New Product Expansions 2014-2015

Source: Company information

2015 Q2 Results

Q2 2015 Highlights – Strong performance in Outdoor&Bags in Europe

- Net sales of SEK 1 700m (1 416)

Thule Group	+20.0%	(+6.4% excluding currency effects)
Outdoor&Bags	+18.2%	(+5.6% excluding currency effects)
Specialty	+49.2%	(+16.4% excluding currency effects)

- Underlying EBIT of SEK 352m (300), underlying EBIT margin of 20.7% (21.2)
  - Underlying EBIT margin improved by +0.5% in constant currency
  - Outdoor&Bags shows an underlying EBIT of SEK 385m (332), +15.7% vs PY
  - Specialty reports EBIT of SEK -10m (-10), +2.6% vs PY
- Net income of SEK 254m (142)
- Earnings per share of SEK 2.54 (1.68)
- Cash flow from operating activities[1] was SEK 248m (170)

- Strong sales Outdoor&Bags Europe and ROW (+10.4% in constant currency)
- Positive market reception in new product categories (Technical Backpacks and Active with Kids)
- Bags for Electronic Devices in Americas show negative development
- Efficiency program implemented after Q2 closing with expected one-off costs of approximately SEK 10m and annualized savings of approximately SEK 20m as of Q3 2015

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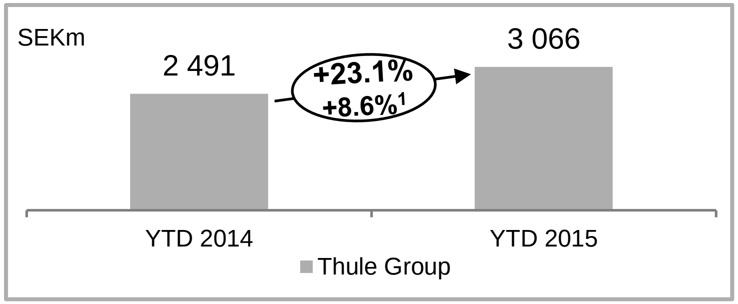
[1] Comparison period pertains to total operations meaning both continuing and discontinued operations.

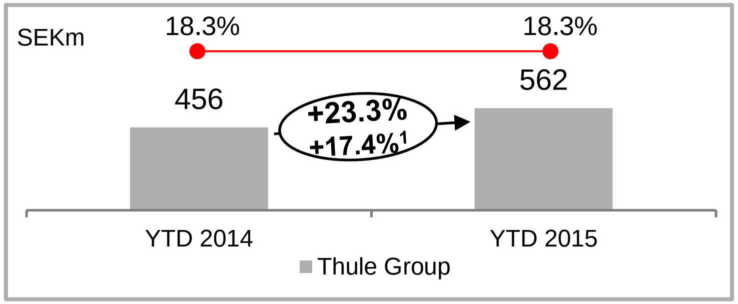
First half 2015 – Financial highlights

Reported Net Sales

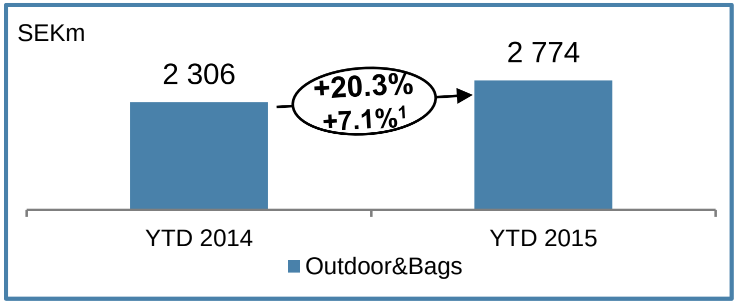
Underlying EBIT and Margin

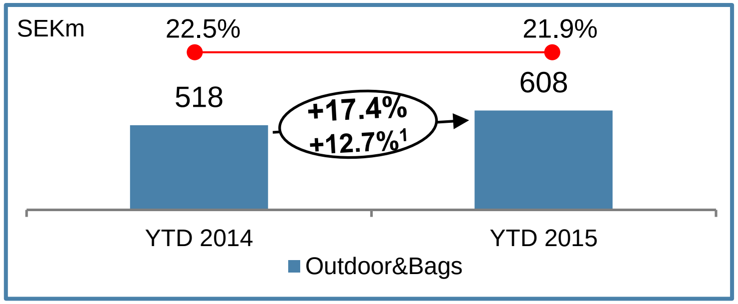
Thule Group



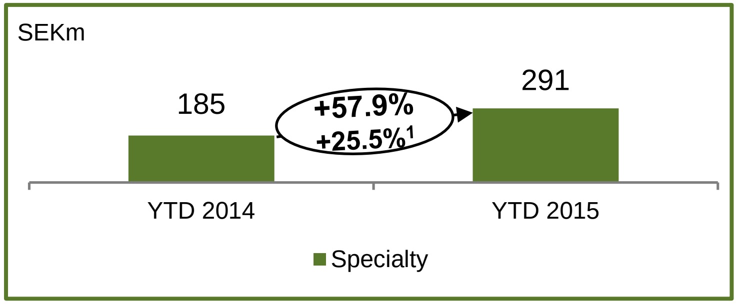


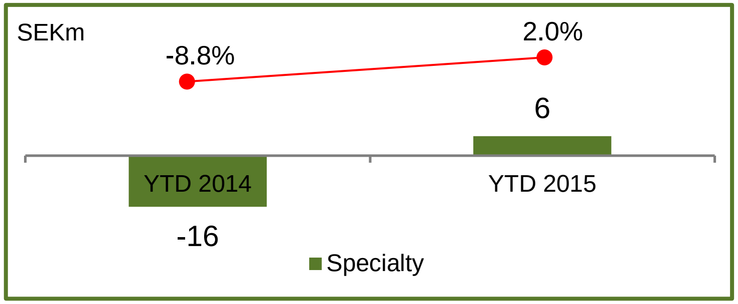
Outdoor & Bags





Specialty





Note: EBIT adjusted for non-recurring items & depr/amort on excess values

[1] Constant currency adjustment based on average FX rates 1 January-30 June 2015

Q2 2015 – Selection of Consumer Launches

Thule Legend – GoPro action camera bags and cases

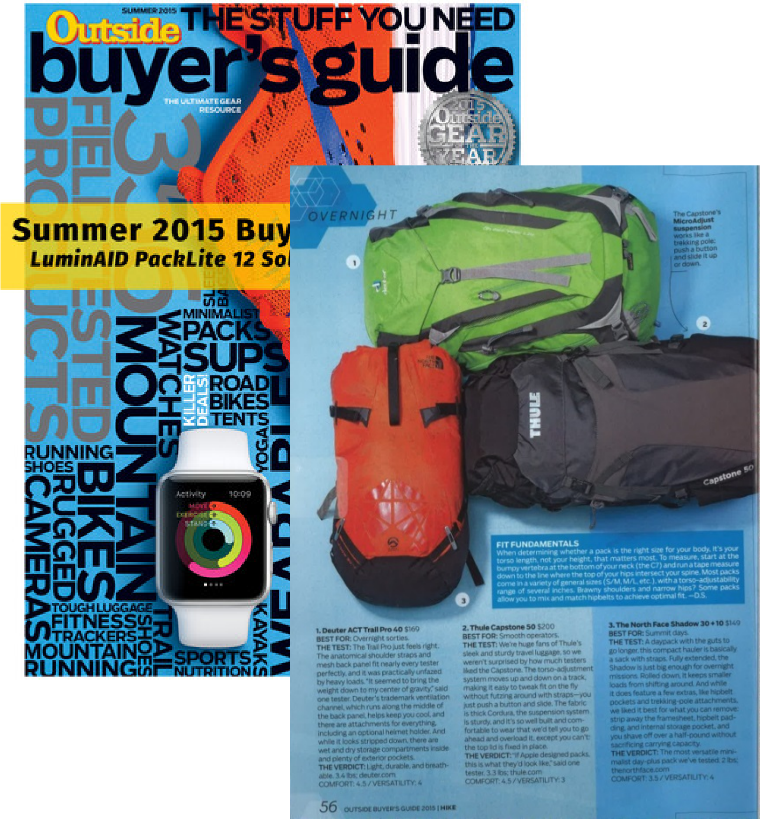
Thule Sapling – Child carrier backpacks

Q2 2015 – Selection of Consumer Launches – Positive feedback on backpacks

Examples of media feedback on our entry into Technical Backpacks category

<u>Thule Capstone</u> <u>hiking pack</u>
Global leading outdoor publication Outside
Summer Buyer’s Guide 2015 (May 2015) - Editor’s Choice

“If Apple designed packs,
this is what they’d look like.”



<u>Thule Guidepost</u> <u>trekking pack</u>
Global leading outdoor publication Backpacker
Gear Guide Summer 2015 (April 2015) – Editor’s Choice

“Get mega-load comfort, smart organization, and exceptional adjustability for the big and tall!”

The fair season 2015 has kicked off with OutDoor 2015 in Europe

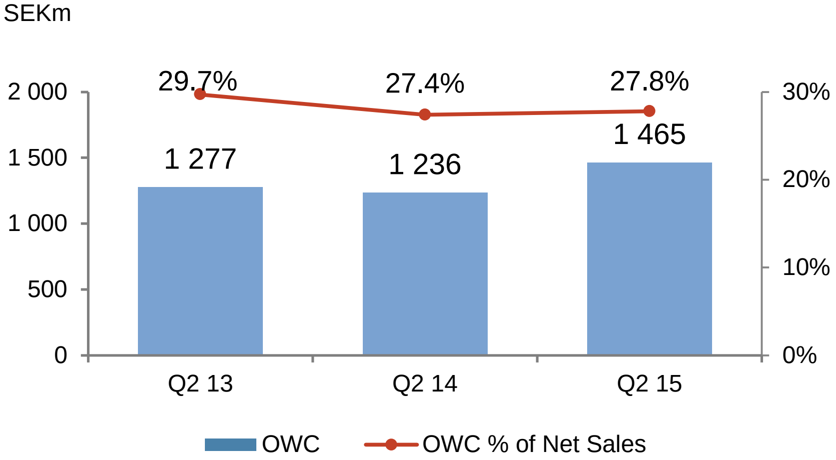
Reported Income Statement – Thule Group

SEKm	Q2 2014	Q2 2015	Jan-Jun 2014	Jan-Jun 2015	LTM
Net sales	**1,416**	**1,700**	**2,491**	**3,066**	**5,267**
Cost of goods sold	-825	-1,025	-1,471	-1,853	-3,243
Gross income	**592**	**675**	**1,021**	**1,213**	**2,024**
Other operating revenue	1	1	5	4	3
Selling expenses	-221	-250	-422	-496	-971
Administrative expenses	-73	-81	-145	-163	-316
Other operating expenses	-2	1	-10	-4	-38
Operating income (EBIT)	**297**	**347**	**449**	**552**	**702**
Net interest expense/income	-87	-15	-138	-36	-222
Income before taxes	**210**	**332**	**311**	**517**	**480**
Taxes	-68	-77	-92	-121	-105
Net income from continued operations	**142**	**254**	**220**	**396**	**375**
Net income from discontinued operations	-375	0	-361	0	21
Consolidated net income	**-233**	**254**	**-141**	**396**	**397**
Consolidated net income pertaining to:					
Shareholders of Parent Company	-233	254	-143	396	398
Non-controlling interest	0	0	2	0	-2
Consolidated net income	**-233**	**254**	**-141**	**396**	**397**

Source: Company information

Operating Working Capital and Operational Cash Flow

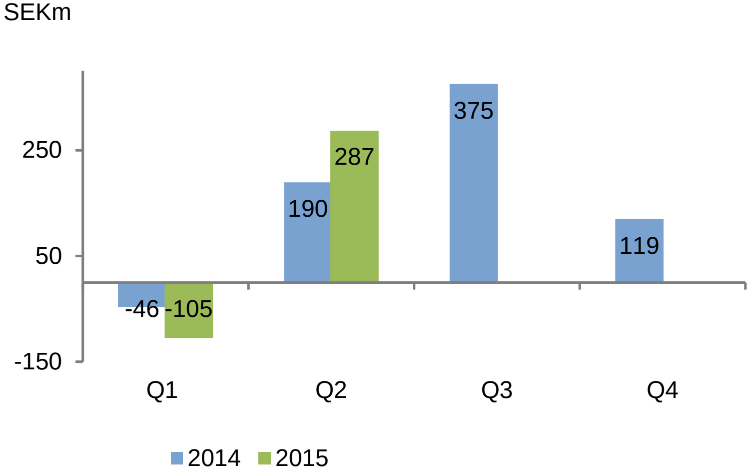
Operating Working Capital



Comments

- Operating working capital as of 30 June 2015 was as follows:
  - Inventory: SEK 915m (782)
  - Accounts receivables: SEK 1 103m (957)
  - Accounts payable: SEK 552m (502)
- Currency effect SEK 116m vs prior year

Operational Cash Flow



Source: Company information

Comments

- Q2 Operational cash flow SEK 287m (190)
- Positive effect this year due to
  - Higher EBIT
  - Improved OWC
  - Less CapEx
- Following prior years' pattern
  - Negative in Q1
  - Positive flows start mid-way through Q2

First half 2015 in Summary – A good start to the year

Sales

- Thule Group growth of +8.6% (excl. Fx)
- Outdoor&Bags (90% of sales YTD) growth of +7.1% (excl. Fx), driven by strong performance in Europe
- Specialty (10% of sales YTD) growth of +25.5% (excl. Fx), driven by improved Snow Chain sales in Q1
- Positive signals on initial sales in new product categories

Operational

- E. European Distribution Center operating smoothly
- W. European distribution centre operational for Bags for Electronic devices and preparing for Sport&Cargo Carriers
- Efficiency gains in operational and back-office processes enable savings via staff reductions

Financial

- Gross Margin decreases 140bp to 39.6 percent, as currencies boost sales, but not gross profit
- Underlying EBIT margin flat at 18.3 percent, despite negative currency effect
- Cash flow from operating activities at SEK 97m
- Net debt / Underlying EBITDA at 3.0x
- Dividend of SEK 2.00 paid in two occasions
  SEK 1.00 was paid in May and
  SEK 1.00 will be paid out in October

Thule Group – First half 2015 Performance vs. Financial Targets

Organic Growth	≥5%	**Constant Currency Net Sales Growth** **8.6%** Thule Group **7.1%** Outdoor&Bags **25.5%** Specialty	
Underlying EBIT Margin	≥15%	**18.3%**	In line with first half 2014 (18.3%) **LTM at 15.0%**
Net Debt / EBITDA	c. 2.5x	**3.0x**	3.4x (YE 2014) In line with plans to reach goal mid-term
Dividend Policy	≥50%	**51%**	Dividend of SEK 2.00 per share in 2015

Source: Company information

Focus for 2nd half of 2015 is to Capture Profitable Growth

- 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 in connection with ”Back-to-Campus” season

- 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 W. European distribution center
  - Capture gains from more efficient supply chain and back-office process efficiency gains

Q&A

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