

## Thule Group SEB Nordic Seminar 2019

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CEO and President

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**Thule Group»**

# 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

# YTD September 2018 – Performance vs. Financial Targets

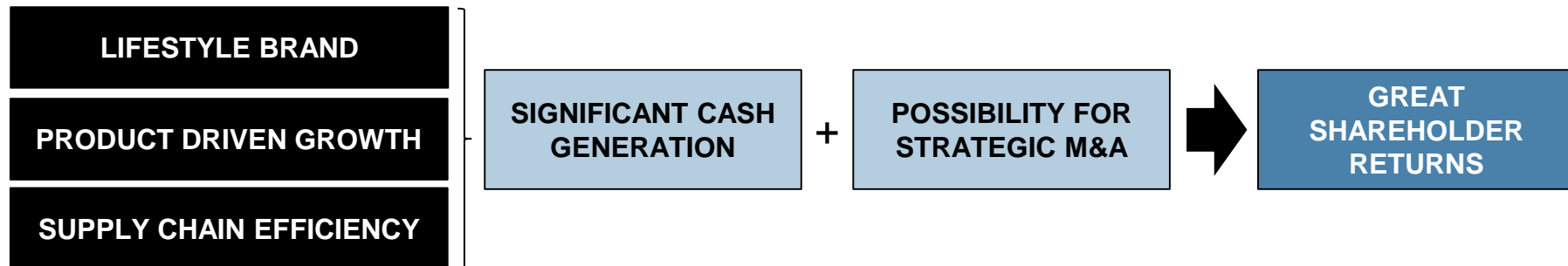
Organic Growth	$\geq 5\%$	Constant Currency Net Sales Growth (excl. Acquisitions) <b>+5.6%</b>
Underlying EBIT Margin	$\geq 20\%$	<b>18.4% LTM</b> YTD Sep. 2018 at <b>20.6%</b> (2017 YTD Sep. at 20.6%)
Net Debt / EBITDA	1.5-2.5x	<b>1.3x</b> 1.5x (Q3 2017)
Dividend Policy	$\geq 50\%$	Ordinary dividend of <b>SEK 6.00 per share</b> (3.40) in 2018

# Region Europe&RoW continues to be growth driver

	Region Europe&RoW	Region Americas
SHARE OF NET SALES (2018 Q1-Q3)	73%	27%
SALES GROWTH CONSTANT CURRENCY (2018 Q1-Q3 vs 2017 Q1-Q3)	+9.8%	-4.3%
KEY DIFFERENCES BETWEEN REGIONS	<ul style="list-style-type: none"><li>▪ Brick&amp;Mortar retail is going through difficult period in N. America</li><li>▪ Struggling economy in some Latin American markets</li><li>▪ Strategic decision to phase out select low-margin OE programs in the US</li><li>▪ Product sub-category exposure differs:<ul style="list-style-type: none"><li>▪ Region Americas significantly higher historical exposure to declining Legacy Bags</li><li>▪ Successful Bike Trailer and Bike Seat within Active with Kids focused on Europe</li><li>▪ Strong RV Products category focused on Europe</li></ul></li></ul>	

Our ambition is to continue on our successful journey

## SUSTANAIBLE BUSINESS APPROACH



# M&A: Overlanding category entry via acquisition of Tepui Outdoors Inc.

- Rationale:
  - Overlanding is a growing trend
  - Roof Top Tents offer a great way to utilize standard cars for Overlanding and Thule Roof racks are often used
  - Tepui with approx. USD 6.5 Mio in sales a leading N. American player
  - Strong strategic fit and synergies
- Going forward
  - The Tepui acquisition is not expected to have a material impact on Thule Group's total sales and profits
  - Roof Top Tent sub-category will be consolidated into the Sport&Cargo Carriers product category



# The Future



# On our path to achieve ambitious Financial Targets

Organic Growth	$\geq 5\%$
Underlying EBIT Margin	$\geq 20\%$
Net Debt / EBITDA	1.5-2.5x
Dividend Policy	$\geq 50\%$



# Three Main Focus Areas in 2019

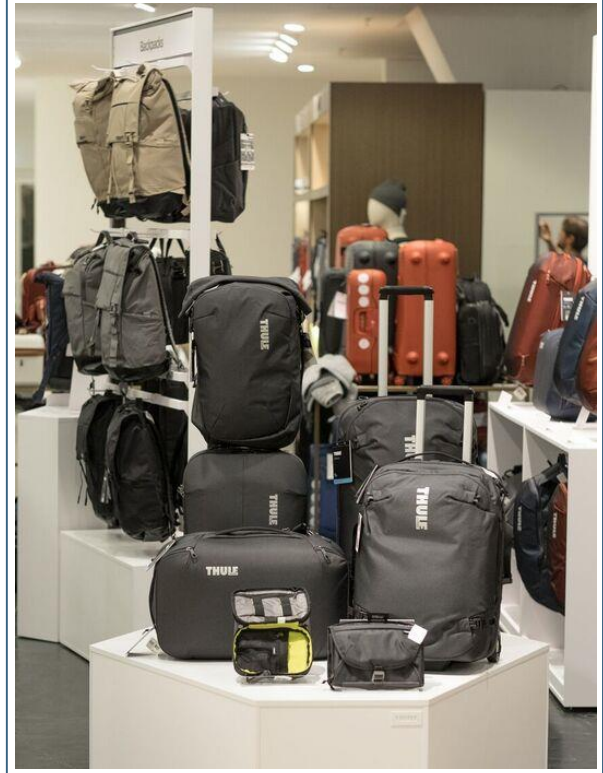
## PRODUCT DEVELOPMENT PUSH



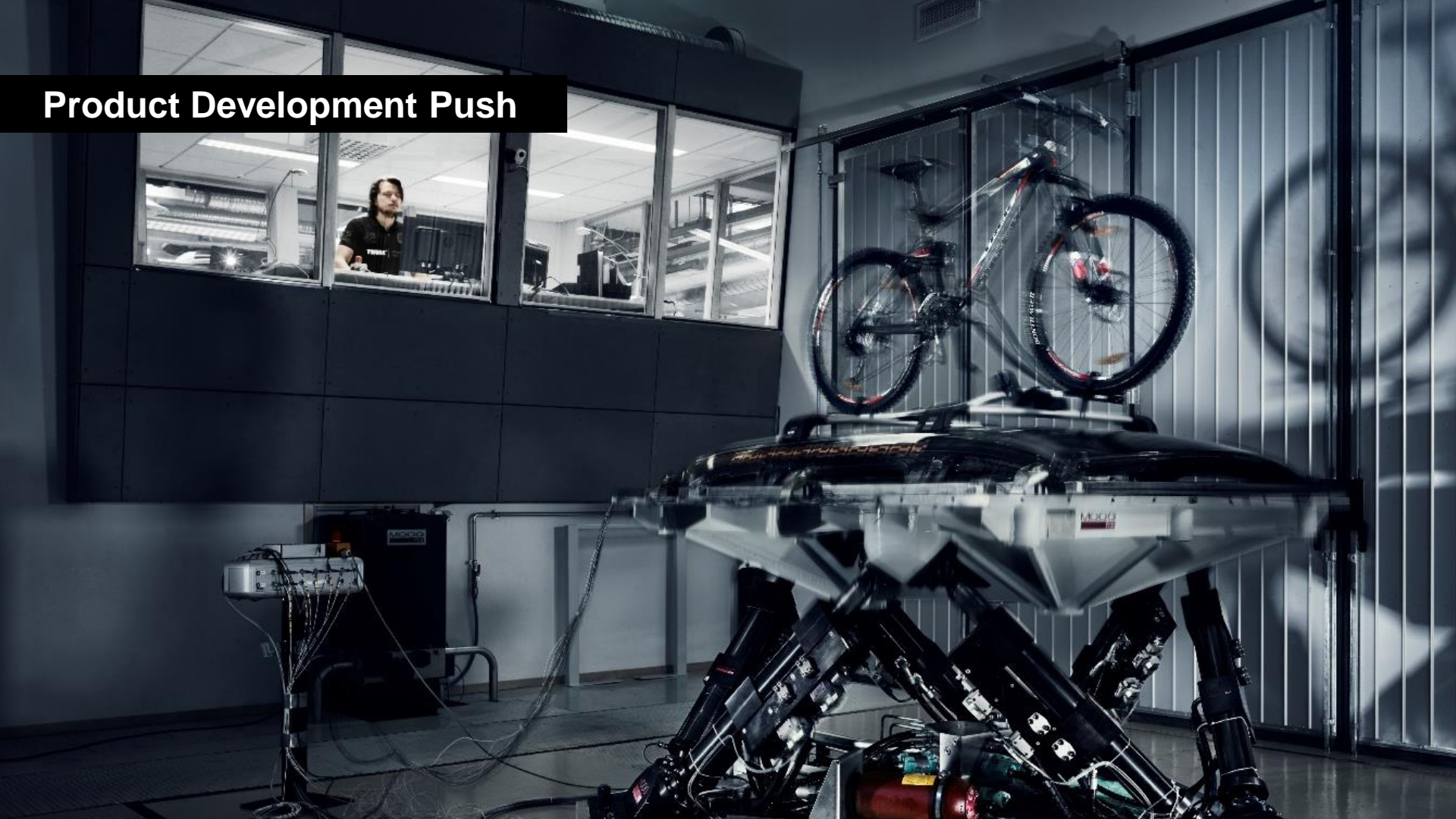
## SUPPLY CHAIN EFFICIENCIES



## RETAIL SELL-THROUGH



## Product Development Push



# Sport&Cargo Carriers: Continued stable mid-single digit growth

SHARE OF  
NET SALES

2018 Sep. LTM

64%

LONG-TERM  
AMBITION

Strengthen  
Global No. 1  
position



# Driving the market with award winning products in Bike Carriers



## Setting a new standard in Roof Racks with new generation



# Building on successful design styling and technical solutions in Roof Boxes



## Broadest and deepest portfolio in Water Sport Carriers



## Continued market leadership in Winter Sport Carriers



# RV Products: Continue to grow faster than the European RV market

SHARE OF  
NET SALES

2018 Sep. LTM

14%

LONG-TERM  
AMBITION

## Outpace the Market

- Continue to win market share
- Flexible set-up for potential future cyclicality



## Meeting the trend of smaller vehicles for more active younger audience



# Packs, Bags & Luggage: Deliver growth in recently entered sub-categories

SHARE OF  
NET SALES

2018 Sep. LTM

12%

LONG-TERM  
AMBITION

**Become a  
serious contender  
in Luggage and  
Backpacks**

- Share gains in Sport&Outdoor Packs
- Shrinking Legacy/OE business becomes less relevant



## Broadened portfolio in Luggage - Hard Case Luggage



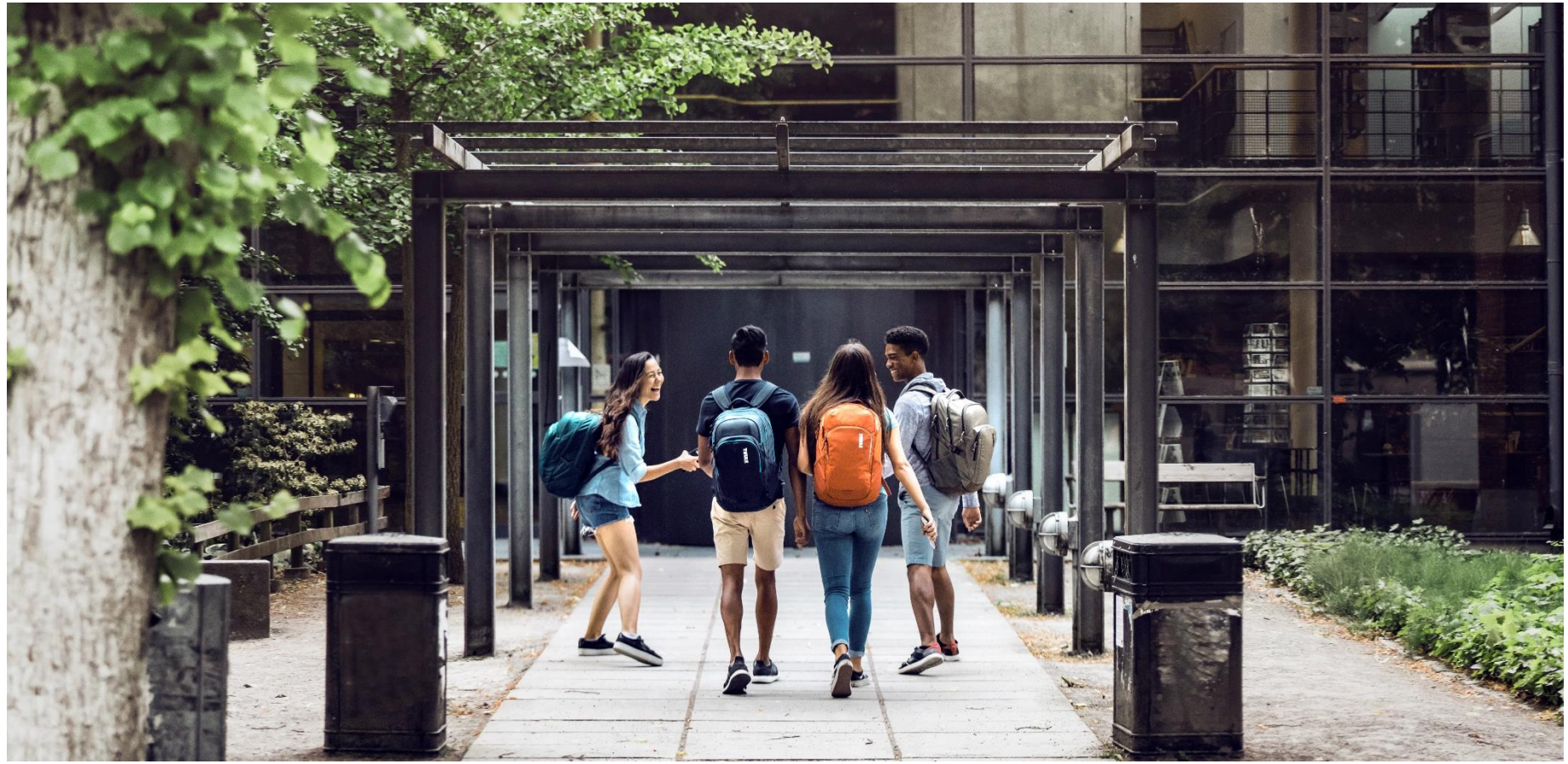
## Broadened portfolio in Luggage – Travel Backpacks



## Broadened portfolio in Everyday Bags - Business focus



## Broadened portfolio in Everyday Smaller Bags – Back to Campus focus



## Broadened portfolio in Technical Packs – Completing Hiking Pack offer



## Broadened portfolio in Technical Packs – Bike Hydration Packs



## Broadened portfolio in Technical Packs – Ski Backpacks



## Broader portfolio in Sport Transport Packs – Winter Sport



# Active with Kids: Continue fast-paced growth in Juvenile category

SHARE OF  
NET SALES

2018 Sep. LTM

10%

LONG-TERM  
AMBITION

## Become a serious contender in Strollers

- Grow leading position in Bike Trailers and Bike Seats
- Establish the Thule brand in the Juvenile retail channel



## Thule Sleek 4-wheel stroller rolling into the market



## Broadened offer to serve growing trend of multisport / bike trailers



# Market leading Bike Seat portfolio



# Supply Chain Efficiencies



# Supply Chain Efficiencies to enable continued push in new growth categories

## THE CHALLENGE

- 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

## OUR FOCUS

- Economies of scale of more global product portfolio
- Flexible own plants and supplier structure
- Efficiency gains via improved and modernized structure in Plants and Distribution Centres

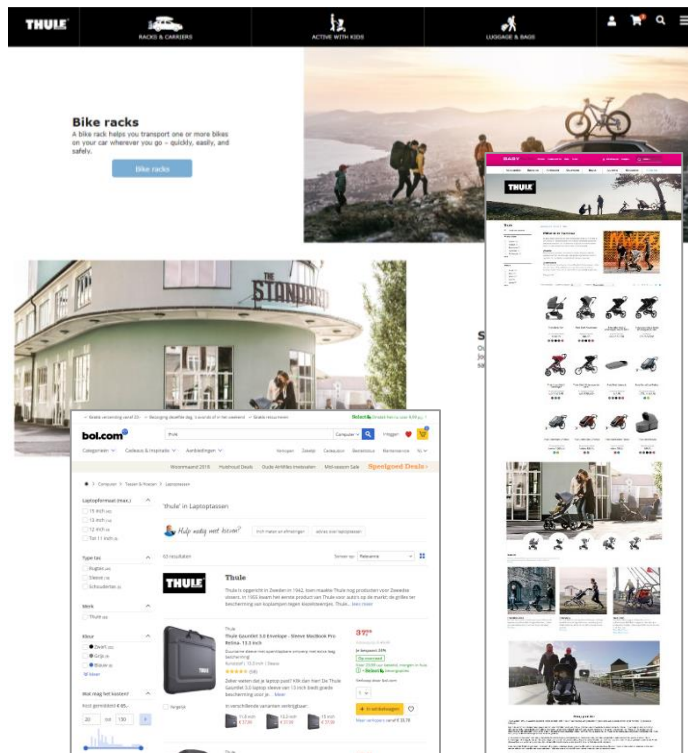


## Driving Sell-through

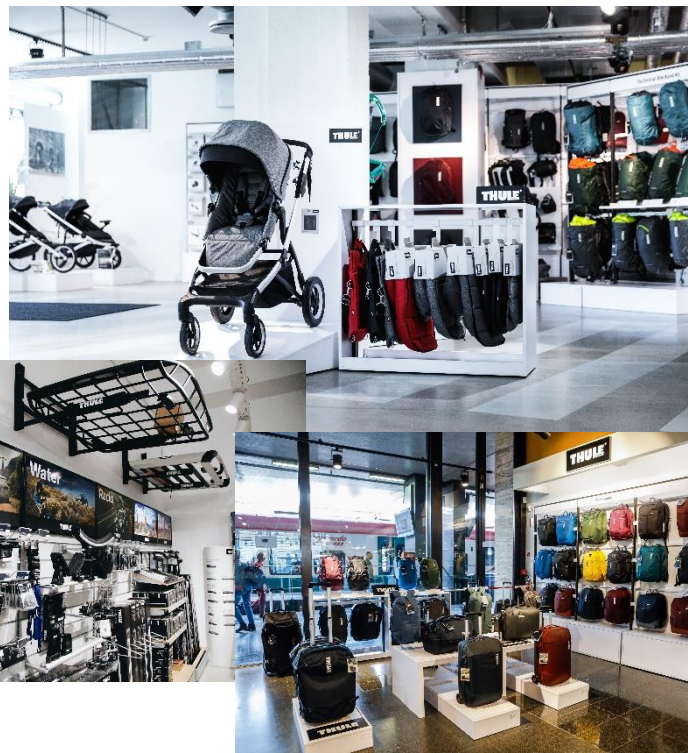


# Focus on driving sell-through together with Retail Partners

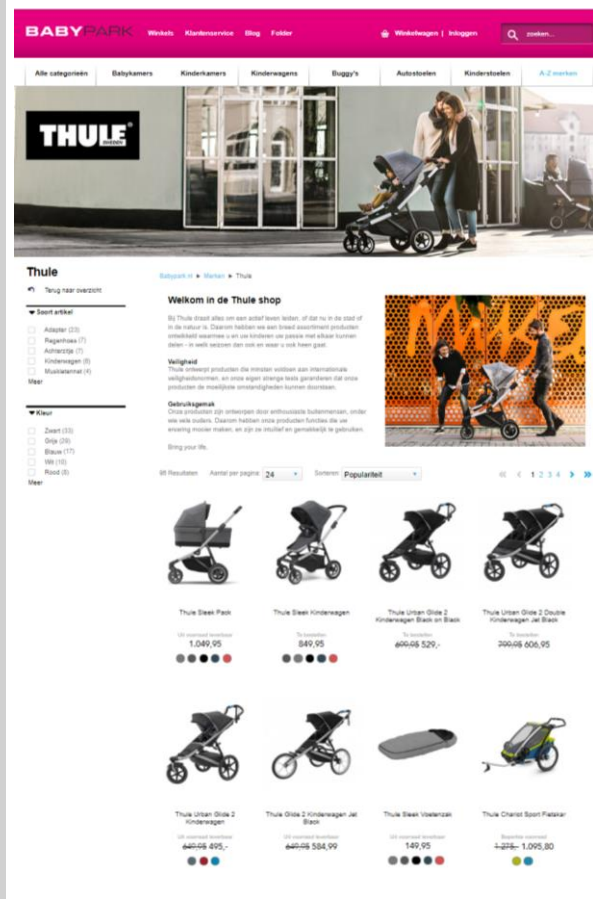
## ONLINE



## BRICK&MORTAR



# Thule Sleek launch has enabled entry into leading players in Juvenile channel



**BABYPARK** Winkel Kinderkamer Blog Folders Winkelwagen Inloggen zoeken

Alle categorieën Babykamers Kinderkamers Kinderwagens Buggy's Autostoelen Kinderstoelen A-Z merken

**THULE**

Thule  
Pagina 1 van 1

**Welkom in de Thule shop**

By Thule draait alles om een actief leven, of dat nu in de stad of in de natuur is. Daarom hebben we een breed assortiment producten ontwikkeld waarmee u en uw kinderen uw ideale vrije tijd kunnen beleven - in vele seizoenen dan ook en waar u ook heen gaat.

**Veiligheid**  
Thule ontwerpt producten die mensen willen aan internationale veiligheidsnormen, en onze eigen strenge tests garanderen dat onze producten de meeste omstandigheden kunnen doorstaan.

**Gebruiksgemak**  
Onze producten zijn ontworpen door enthousiaste buitenmensen, onder wie vele ouders. Daarom hebben onze producten functies die uw ervaring nog beter maken, en die de installatie nog gemakkelijker te maken.

Bring your life.

68 Resultaten Aantal per pagina: 24 Sorteren Populariteit

Product	Vanaf
Thule Sleek Pack	1.049,95
Thule Sleek Kinderwagen	849,95
Thule Urban Glide 2 Kinderwagen Black en Blauw	699-69.529,-
Thule Urban Glide 2 Double Kinderwagen Jet Blauw	299-69.606,95
Thule Urban Glide 2 Kinderwagen	699-69.606,95
Thule Urban Glide 2 Kinderwagen Jet Blauw	699-69.606,95
Thule Sleek Vorken	149,95
Thule Sleek Sport Flessen	499-1.095,80



# Great bags and Thule Retail Concept open doors at leading department stores

 **Takashimaya**

*la* **Rinascente**

■ L E N  
B A R  
C H É  
RIVE GAUCHE

**KaDeWe**  
BERLIN



## Q&A



# Thule Group»

ACTIVE LIFE, SIMPLIFIED.