Roadshow Presentation

November 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

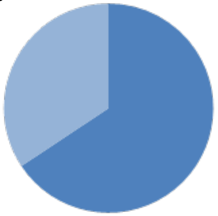
Thule Group

Thule is a Global Premium Branded Sports&Outdoor Company

Net Sales by Segment 2014

Outdoor&Bags

Region Americas
34%



Region Europe and ROW
66%

Sport&Cargo Carriers
60%

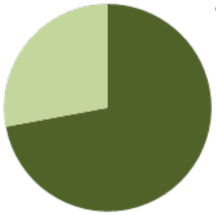
Bags for Electronic Devices
17%

Other Outdoor&Bags
13%

Specialty

Snow Chains
28%

Work Gear
72%



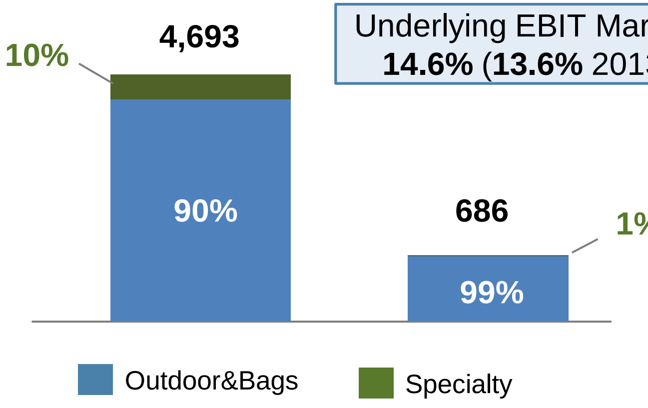
Work Gear
7%

Snow Chains
3%

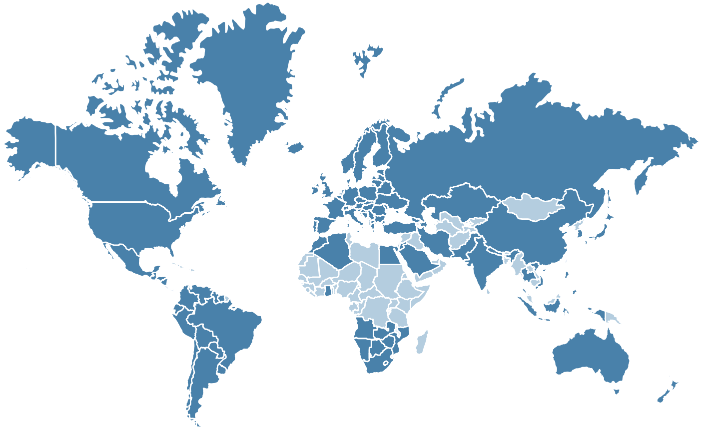
Net Sales and Underlying EBIT Breakdown

2014 (SEKm)

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



Global Reach – Sales in 139 Countries



Source: Company information

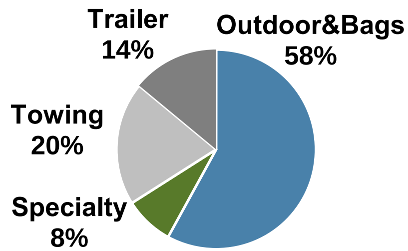
Thule Group

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

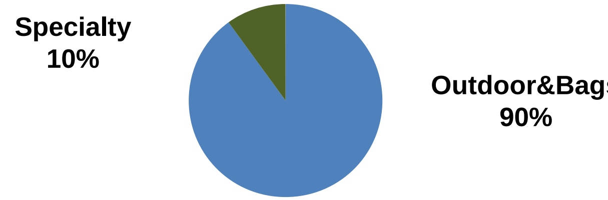
	2009	2014

Business and Strategy Clearly Centered around Outdoor Core[1]

2009:



2014:



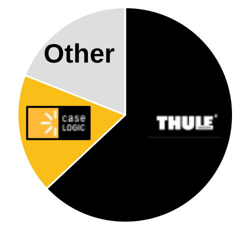
Consolidated Brand Platform around the Thule Lifestyle

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**

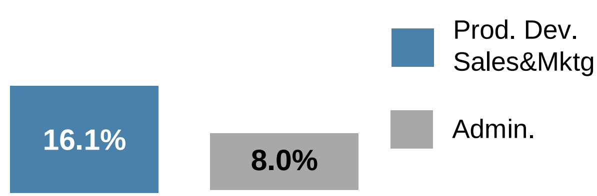
Communication

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

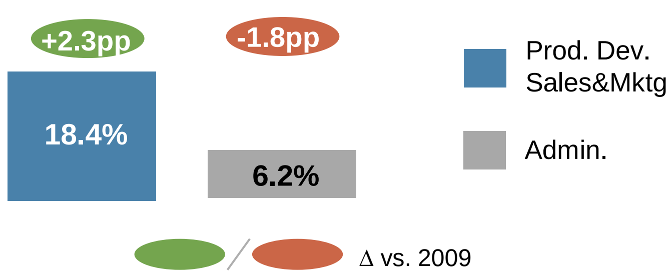
SG&A Focused on Driving the Business

2009:

SG&A as % of Net Sales



2014:



Source: Company information

[1] *Breakdown of net sales by segment.*

Thule Group

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

❷ Market Leading Product Development with Strong User Focused DNA

Product Focus Across Organization

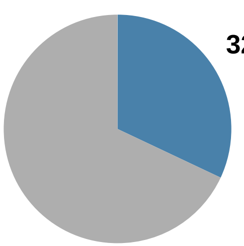
- Top Management focus area
- Passionate users within the company
- 135 FTEs dedicated to product design & development

Proven Development Processes

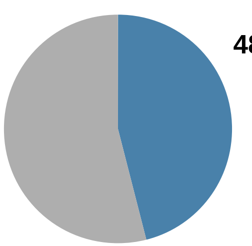
Consumer Insights → Design Language & Technical Concepts → Detailed Design (DFM[1] and DFA[2]) → Testing

High Share of Sales From New Products

2009



2014



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

Trade Endorsement

>20 Design and Trade Awards (2013-14)

product design award

reddot award

TIPA AWARDS 2013

EUROBIKE AWARD 2013

GOLD WINNER ISPO

KÖNIG KUNDE AWARD 2013 1. PLATZ REISE MOBIL

ADAC ÖAMTC

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

halfords

Source: Company information

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

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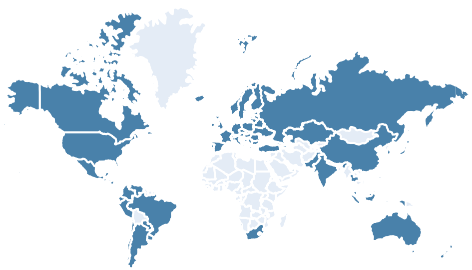
❷ A Modern Approach to Consumer Communication

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



Earned Media with PR and User Content as Driver

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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

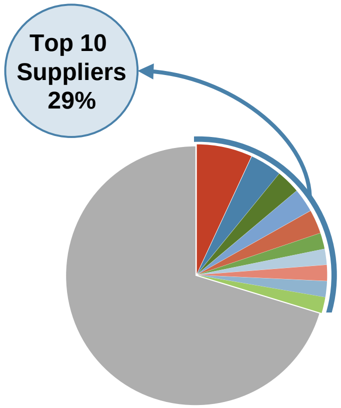
- > 2,500 Key Account doors
- > 2,100 Thule Retail Partner doors

Source: Company information

2 We Have a Strong Position in the Value Chain

Broad Supply Base

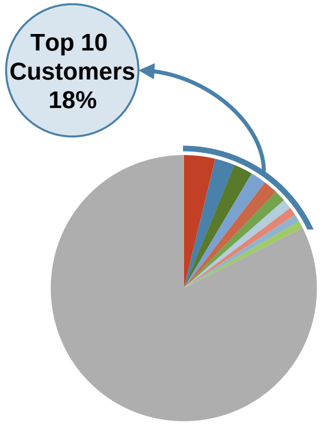
Direct Material Spend by Supplier (2014)



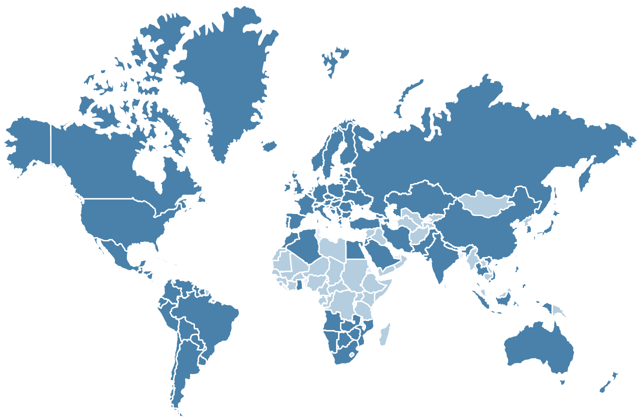
Nine Thule Group Assembly Sites

Broad Customer Base

Sales by Customer (2014)



Sales in 139 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

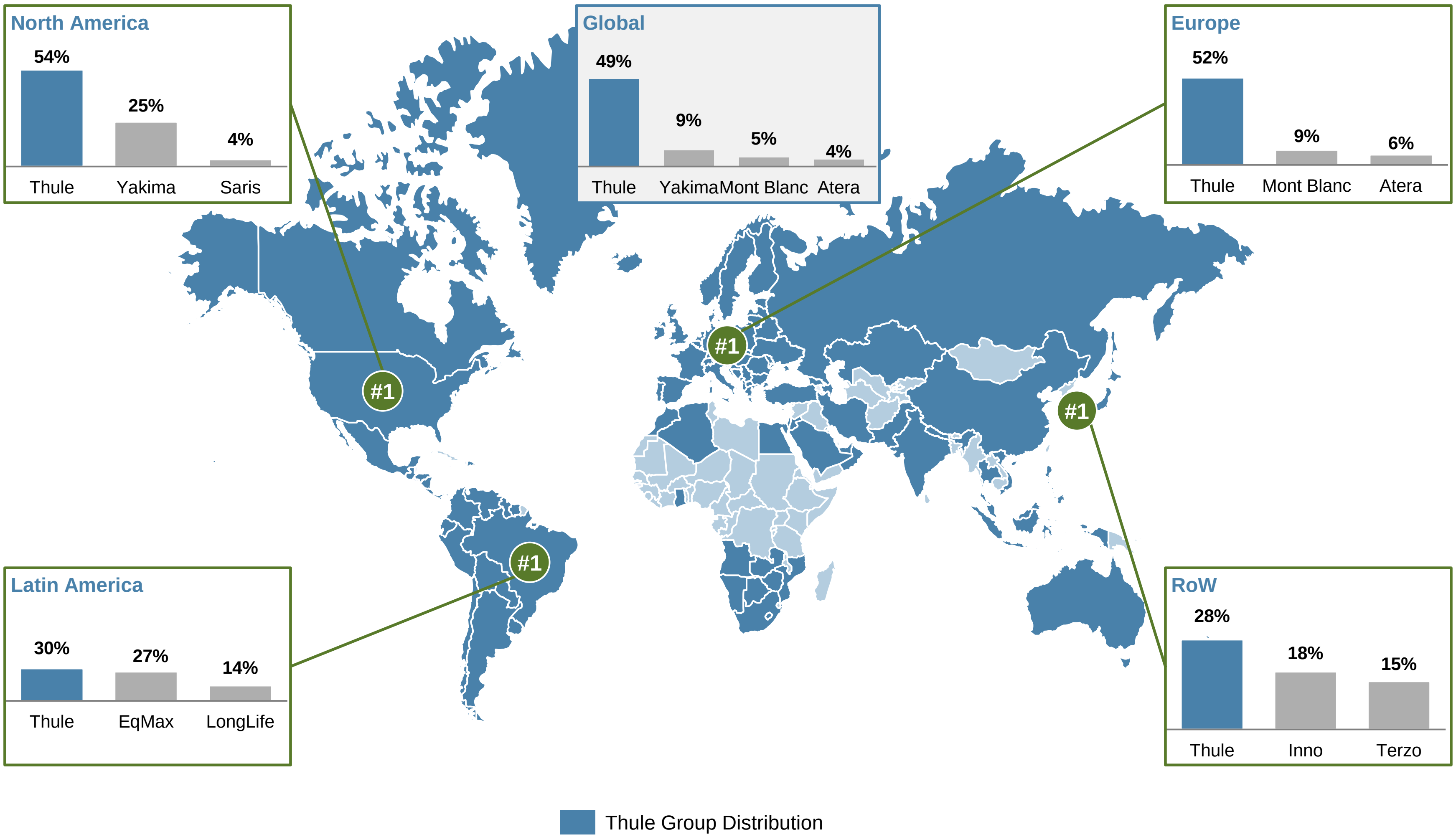
- Continue to implement the *Bring Your Life* positioning strategy
- Further deepen the emotional connection with Thule (PR, events, PoS, social media)

Source: Company information

Thule Group

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

Thule Group

B Bags for Electronic Devices – Focus on growing sub-categories

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

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Use Economies of Scale in Sourcing

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

THULE SWEDEN

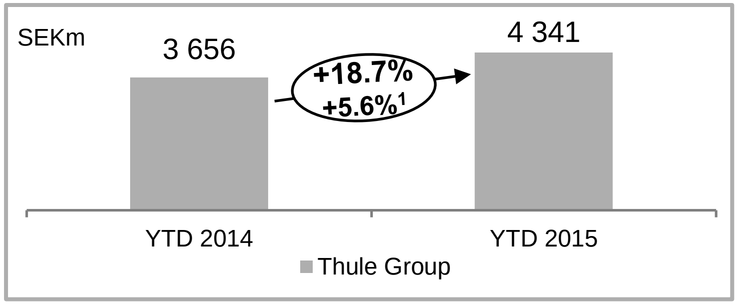
Source: Company information

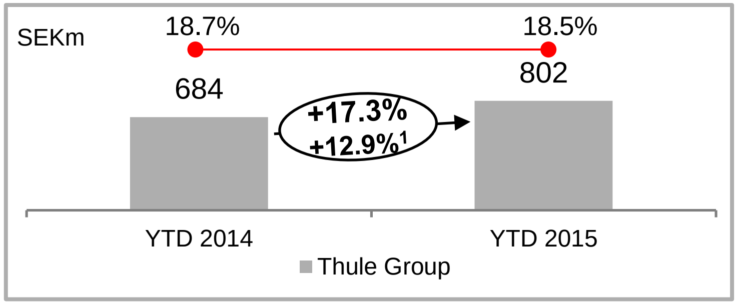
2015 First Three Quarters Results

2015 First Three Quarters – Financial highlights

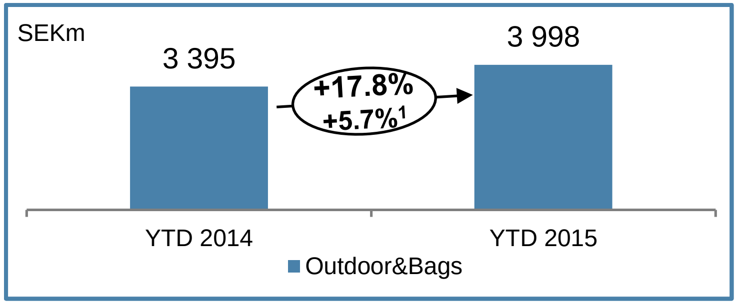
Reported Net Sales / Underlying EBIT and Margin

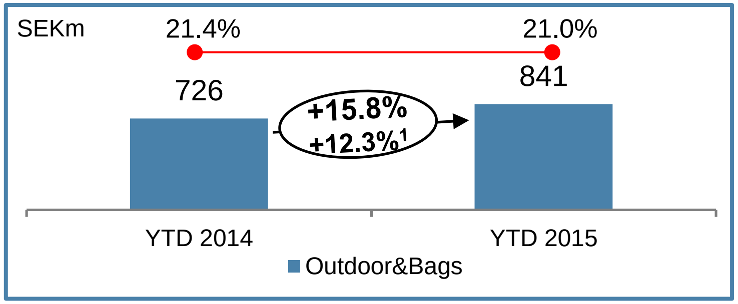
Thule Group



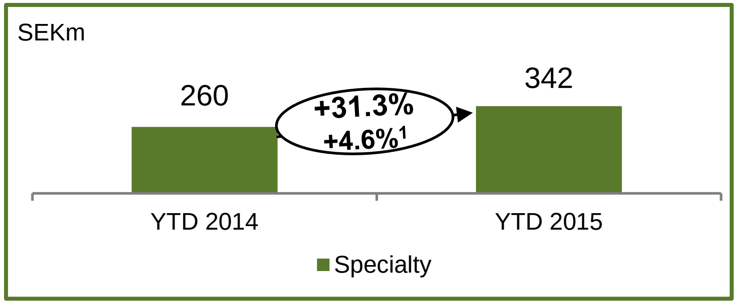


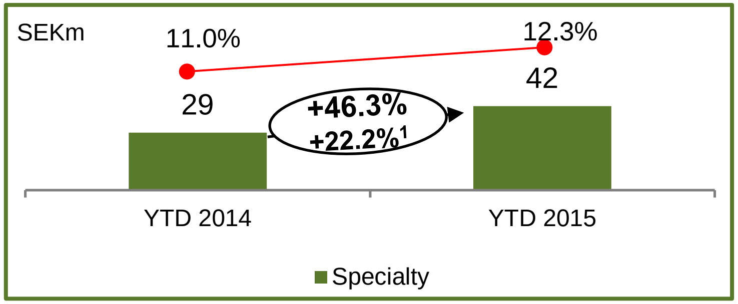
Outdoor & Bags





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 September 2015

2015 First Three Quarters Highlights – Strong Top-line and EBIT Growth

- Net sales of SEK 4 341m (3 656)
  - Thule Group +18.7% (+5.6% excluding currency effects)
  - Outdoor&Bags +17.8% (+5.7% excluding currency effects)
  - Specialty +31.3% (+4.6% excluding currency effects)
- Underlying EBIT of SEK 802m (684), underlying EBIT margin of 18.5% (18.7)
  - Underlying EBIT margin improved by +1.2% in constant currency
  - Outdoor&Bags shows an underlying EBIT of SEK 841m (726), +15.8% vs PY
  - Specialty reports EBIT of SEK 42m (29), +46.3% vs PY
- Net income of SEK 565m (339)
- Earnings per share of SEK 5.65 (4.01)
- Cash flow from operating activities[1] was SEK 509m (432)
- Focus on Core Business Continues
  - Snow Chain business divested in September and Work Gear under Strategic Review
- Successful product launches drive organic growth for the first three quarters
- New distribution centers in Europe operating to plan

[1] *Based on total operations meaning both continuing and discontinued operations.*

Q3 2015 and first three quarters 2015 - Net Sales and EBIT by Segment

Outdoor&Bags

SEKm	Jul-Sep 2015	Jul-Sep 2014	Change Rep.	Change Adjust.[1]	Jan-Sep 2015	Jan-Sep 2014	Change Rep.	Change Adjust.[1]
Net sales	1 224	1 089	*12.4%*	*2.7%*	3 998	3 395	*17.8%*	*5.7%*
- Region Europe & ROW	776	701	*10.8%*	*6.2%*	2 643	2 280	*15.9%*	*9.9%*
- Region Americas	448	388	*15.4%*	*-2.7%*	1 355	1 115	*21.5%*	*-1.6%*
Operating income	218	194	*12.4%*		820	710	*15.4%*	
Underlying EBIT	232	208	*11.6%*	*11.2%*	841	726	*15.8%*	*12.3%*
Operating margin, %	17.8%	17.8%			20.5%	20.9%		
Underlying EBIT margin, %	19.0%	19.1%			21.0%	21.4%		

[1] Adjustment for changes in exchange rates

Specialty

SEKm	Jul-Sep 2015	Jul-Sep 2014	Change Rep.	Change Adjust.[1]	Jan-Sep 2015	Jan-Sep 2014	Change Rep.	Change Adjust.[1]
Net sales	119	93	*27.8%*	*5.5%*	342	260	*31.3%*	*4.6%*
- Work Gear	119	93	*27.8%*	*5.5%*	342	260	*31.3%*	*4.6%*
Operating income	18	12	*51.4%*		42	29	*46.3%*	
Underlying EBIT	18	12	*51.4%*	*29.0%*	42	29	*46.3%*	*22.2%*
Operating margin, %	15.3%	12.9%			12.3%	11.0%		
Underlying EBIT margin, %	15.3%	12.9%			12.3%	11.0%		

[1] Adjustment for changes in exchange rates

Q3 2015 – Opening of enlarged Thule Test Center

Thule Group

Q3 2015 – Positive feedback on product launches in new categories

Examples of media feedback on our entry into new categories

Thule Capstone and **Thule Guidepost** technical backpacks
Leading Brazilian Outdoor publication Outside
Gear Guide Summer 2015 (Oct 2015)

Best large trekking pack
Best hiking backpack up to 35L
#2 hiking backpack up to 60L

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Q3 2015 – Positive feedback on product launches in new categories

Examples of media feedback on our entry into new categories

<u>Thule Glide</u> <u>jogging stroller</u>
Leading Norwegian daily newspaper (Sep 2015)
Test of best stroller to jog with

“Simply put: Best in Test!”

Aftenposten

<u>Thule Commuter</u> <u>cycling commuter backpack</u>
Leading UK cycling publication Cycling Weekly
Test of best commuter cycling backpacks (Oct 2015)

“Test winner is Thule - 10 out of 10,
it is impossible to fault!”

Reported Income Statement – Thule Group

SEKm	Q3 2014	Q3 2015	Jan-Sep 2014	Jan-Sep 2015	LTM
Net sales	**1,182**	**1,343**	**3,656**	**4,341**	**5,241**
Cost of goods sold	-717	-835	-2,163	-2,631	-3,208
Gross income	**465**	**508**	**1,493**	**1,710**	**2,033**
Other operating revenue	-1	-2	5	2	2
Selling expenses	-208	-232	-615	-709	-954
Administrative expenses	-63	-72	-197	-222	-299
Other operating expenses	-20	4	-26	0	-16
Operating income (EBIT)	**173**	**208**	**659**	**780**	**766**
Net interest expense/income	-77	-14	-214	-49	-158
Income before taxes	**96**	**194**	**444**	**732**	**608**
Taxes	-14	-46	-106	-167	-146
Net income from continued operations	**81**	**148**	**339**	**565**	**463**
Net income from discontinued operations	-9	-125	-407	-146	-115
Net income	**72**	**23**	**-69**	**419**	**348**
Net income pertaining to:					
Shareholders of Parent Company	74	23	-69	419	348
Non-controlling interest	-2	0	0	0	0
Net income	**72**	**23**	**-69**	**419**	**348**

Source: Company information

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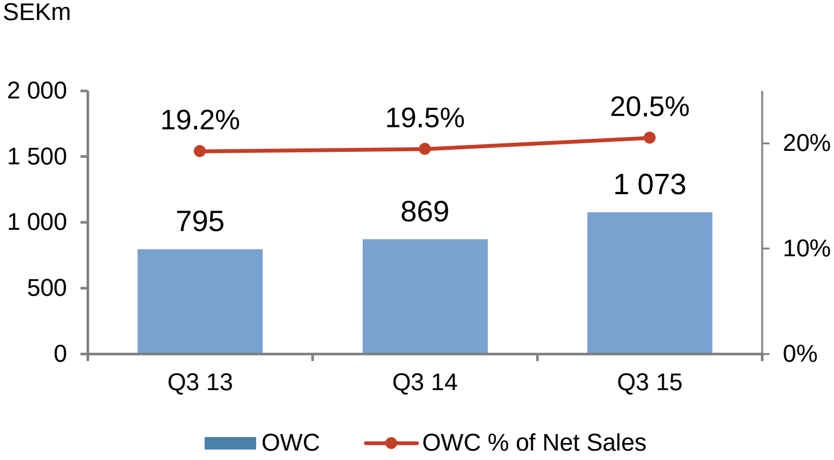
Operating Working Capital and Operational Cash Flow

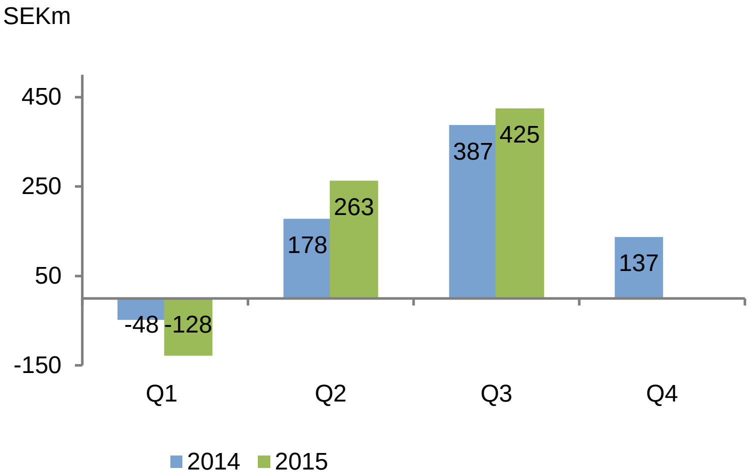
Operating Working Capital



Comments

- Operating working capital as of 30 September 2015 was as follows:
  - Inventory: SEK 694m (529)
  - Accounts receivables: SEK 745m (683)
  - Accounts payable: SEK 366m (343)
- Currency effect SEK 119m vs prior year

Operational Cash Flow



Comments

- Q3 Operational cash flow SEK 425m (387)
- Positive effect this year due to
  - Higher EBIT
  - Less CapEx
- Following prior years' pattern
  - Negative in Q1
  - Positive flows start mid-way through Q2

Source: Company information

Thule Group

Thule Group – First three quarters 2015 Performance vs. Financial Targets

Organic Growth	≥ 5%	**Constant Currency Net Sales Growth** 5.6% Thule Group 5.7% Outdoor&Bags 4.6% Specialty
Underlying EBIT Margin	≥ 15%	18.5% First nine months 2014 (18.7%) LTM at 16.0%
Net Debt / EBITDA	c. 2.5x	2.4x 3.3x (YE 2014) Strong cash flow generation in Q3 in line with plans
Dividend Policy	≥ 50%	51% Dividend of SEK 2.00 per share in 2015

Source: Company information

Focus for rest of 2015: Capture Profitable Growth and Prepare for 2016 Season

- Continue to Drive Profitable Organic Growth
  - Continued strong performance in traditional categories Sport&Cargo Carriers with broader and deeper product offer than ever for season 2016
  - Grow sales in Other Outdoor&Bags via new products
    - Continued market share gains in strong motorhome market
    - Sales push with broader Active with Kids products portfolio
    - New product additions in Sport&Travel Bags (Technical Backpacks)
  - Slow down and turn around the negative trend in Bags for Electronic Devices with new products and retail listings
- Continue to manage Specialty cost efficiently
  - Focus on production efficiencies in Work Gear to drive profitable growth
  - Carry out strategic review of category
- Capture gains from Operational Efficiency and prepare for 2016 season
  - Ramp-up W. European Distribution Center
  - Prepare for production ramp-up in new US box site
  - Capture gains from more efficient supply chain and back-office process efficiency gains

Q&A

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