

Thule Groups' (publ) CEO and President, Magnus Welander, comments on the company's Interim Q1 Report, 2022

A strong first quarter

Events in the world were overwhelming in the first quarter of 2022. Russia's invasion of Ukraine, continued challenges in global supply chains and substantial cost increases have affected each and every one of us. Considering this situation I am very pleased that we continue to increase sales with unchanged high profitability.

First-quarter sales growth was 20 percent (13 percent after currency adjustment) compared with the extremely strong first quarter in the previous year.

We managed to offset the effects of more expensive raw materials, higher freight prices and increased sickness absences through higher prices and efficiency measures. We posted an EBIT margin for the quarter of 22.8 percent, corresponding to a currency-adjusted year-on-year improvement of 0.4 percentage points.

Good start in Region Europe & RoW

As a consequence of Russia's invasion of Ukraine, we implemented an immediate stop on sales to Russia and Belarus. For natural reasons, our partners in Ukraine have not purchased any products since the invasion started. These events are deeply tragic on a human level. However, financial impact on the Thule Group is limited since these countries account for less than 1 percent of our sales. Moreover, we have no suppliers in these three countries.

During the quarter, sales in the region increased 9 percent after currency adjustment, compared with an exceptionally strong first quarter in the previous year. Positive to note, was that all four product categories grew during the quarter.

The markets that grew most during the quarter were Germany, Belgium, the Netherlands, France, the Czech Republic and Spain. In the southern hemisphere, Australia, New Zealand and South Africa in particular continued to perform well as these countries concluded their important summer seasons.

Very strong growth in Region Americas

In Region Americas, compared with the exceptionally strong first quarter of 2021, still posted sales growth year-on-year of a full 27 percent in the quarter after currency adjustment.

We grew in all four product categories and in all markets in the region, and where Canada excelled in particular.

Capacity increases and higher inventory levels

As previously announced, we're investing significant resources to further expand our production capacity to meet the substantial increase in sales. We are satisfied with the projects' progress, despite longer lead times for everything from building materials to automation equipment.

We have, thanks to increased capacity, been able to better meet the increased demand during the autumn and beginning of the year. We therefore estimate that inventory levels at retail is back at similar balanced levels ahead of the peak season as before the pandemic.

To ensure high delivery reliability and short lead times also going forward, we have continued to build up inventory levels during the quarter ahead of the spring season. In the current times, higher inventory levels are required to flexibly manage the significantly protracted lead times of various components, as well as to anticipate any major delays in the global supply chain. The build-up of inventory comprises components for high-volume products.

Long-term positive trends for current categories and new categories in the pipeline

The underlying market trend of consumers seeking to live active lives close to home remains stable and positive. Over the next few years, we expect general market growth for our existing product categories to be in line with pre-pandemic growth, i.e., around 3–4 percent. Our ambition remains to win market share and to continue to outpace the market growth in our current categories.

We will start growth journeys in two additional product categories in 2023. I look forward to presenting these at the capital markets day in Hillerstorp, Sweden, on Wednesday, May 11. We will also present our modern roof rack factory, our newly opened global development center and our expanded and world-leading Thule Test Center™.

Contacts

Fredrik Erlandsson SVP Communications and Investor Relations

Tel: +46 70 309 00 21

E-mail: fredrik.erlandsson@thule.com

Press Release

26 April 2022 07:46:00 CEST



About Thule Group

Thule Group is a global sports and outdoor company.

We offer high-quality products with smart features and a sustainable design that make it easy for people across the globe to live an active life. Under the motto *Active Life, Simplified.* — and with a focus on consumer-driven innovation and long-term sustainability — we develop, manufacture and market products within the product categories **Sport&Cargo Carriers** (roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and rooftop tents mounted on a car), **Active with Kids** (strollers, bike trailers and child bike seats), **RV Products** (awnings, bike racks and tents for RVs and caravans) and **Packs, Bags & Luggage** (hiking backpacks, luggage and camera bags).

Thule Group has about 3,300 employees at 9 production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2021, sales amounted to SEK 10.4 billion.
www.thulegroup.com

Image Attachments

[Magnus Welander Thule Group CEO And President ST](#)
[Magnus Welander Thule Group CEO And President LS](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q1 Report, 2022](#)