

Thule Groups' (publ) CEO and President, Magnus Welanders, comments on the company's Interim Q3 Report, 2020

Delayed spring season and strong bike trend result in very strong quarter.

I am very satisfied that we delivered currency-adjusted growth of 52 percent for the third quarter of the year, which means that we achieved a currency-adjusted sales increase of 7 percent for the first nine months. The growth during the quarter confirms our capacity to manage large fluctuations in demand flexibly and efficiently.

Driven by the strong sales growth, a favorable gross margin and an efficient organisation, we delivered an underlying EBIT margin of 24.5 percent (16.3) for the quarter. Cash flow was also strong for the quarter at SEK 764m (571).

As I communicated in connection with the second quarter report, we hoped to be able to recover the lost spring season during the summer, and to continue to ride the strong global bike trend that commenced during June. This was precisely what happened during the third quarter.

The strong profitability during the quarter also enabled us to reach an EBIT-margin of 19.1 percent for the trailing 12-month period. This is in line with where we would have expected to be by the end of this year, prior to the situation in the spring.

Region Europe & ROW – spring and summer became a short concentrated season

During the quarter, sales in the region rose 59 percent after currency adjustment, which meant that we posted growth of 9 percent after nine months. As was the case at the end of the second quarter, the trend in the third quarter was highly positive in all European markets.

Our broad and market-leading portfolio of products in the bike category (bike racks, bike trailers and child bike seats), gained strong traction from a very positive bike trend. In addition, we also saw within our other products for car transport how the spring lockdown led to a pent-up demand for our products during the summer.

Accessories for RVs performed well, since many consumers chose this type of vacation with the possibility of living in their own, more private sphere. Stroller sales also grew during the quarter.

The bag category, however, trended negatively due to reduced travel and also lower sales of Back to Campus bags as a result of school closures in markets in Europe and Asia.

Region Americas – bike products, rooftop tents and strollers the winners

In Region Americas, sales rose 36 percent in the quarter after currency adjustment and sales growth was 1 percent for the first nine months of the year.

As in Europe, the growth was mainly driven by a very healthy level of demand for bicycle products. In addition, stroller sales were highly positive, as were sales of rooftop tents. Bag sales in these regions were also weaker than in the preceding year.

Sales in Latin America were weak during the quarter due to the escalating pandemic situation in these markets and consequent caution among our distributors.

Short-term uncertainty remains, but the long-term trends are positive

From a short-term view, several challenges remain, including uncertainty regarding the scope of new market lockdowns in a number of countries.

We believe that the strong trend in activities close to the home will continue in the bike and RV sectors, but it is worth noting that, for the fourth quarter, we have greater seasonal exposure to categories that have been negatively affected by the market realities during the pandemic to date.

The positive developments in recent months have made us even more secure in the underlying market trends that are positive for us and, therefore, our long-term focus on offering fantastic products for people who want to be active. In line with this, we will continue with our ambitious plans with major investments in product development and our production and distribution structure in the next year.

I want to conclude by thanking all the colleagues at Thule Group, who have shown fantastic drive and enormous flexibility during a very challenging period.

Magnus Welanders
CEO and President

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About Thule Group

Thule Group is a world leader in products that make it easy to bring the things you care for — easily, securely and in style — when living an active life. Under the motto *Active Life, Simplified.* — we offer products within **Sport&Cargo Carriers** (e.g. roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and rooftop tents mounted on a car), **Active with Kids** (e.g. bicycle trailers, buggies and child bike seats), **RV Products** (e.g. awnings, bike racks and tents for motorhomes and caravans) and **Packs, Bags & Luggage** (e.g. hiking backpacks, luggage and

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camera bags).

Thule Group has about 2,400 employees at 9 production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2019, sales amounted to SEK 7 billion.

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Image Attachments

[Magnus Welander Thule Group 1](#)

[Magnus Welander Thule Group 2](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q3 Report, 2020](#)