

Thule Groups' (publ) CEO and President, Magnus Welander, comments on the company's Interim Q2 Report, 2022

Continued good growth with high margins

The second quarter was the largest in the company's history, despite the dramatic challenges in the business environment throughout spring 2022. Thanks to our efforts to introduce price increases and efficiency measures, we could successfully offset the effects of more expensive raw materials, higher freight prices and unfavorable exchange rates. We therefore managed to keep our gross margin of 42.2 percent (42.2) for the quarter.

The impact of Russia's invasion of Ukraine, continued challenges in global supply chains and drastic price increases continue to affect operations.

During the quarter, sales increased 3 percent (but decreased 3 percent after currency adjustment) compared with the second quarter previous year.

We maintained a high EBIT-margin of 24.7 percent in the quarter, which is above what we historically have reported during the second quarters. Compared with the exceptionally strong second quarter 2021 we reported a currency-adjusted decline of 2.2 percentage points. Operating expenses increased primarily due to the significant investments in product development, related to both our current and new product categories, as well as costs for managing higher inventories.

Stability in Region Europe & RoW

During the second quarter, sales in the region decreased 4.5 percent after currency adjustment, compared with the exceptionally strong second quarter 2021.

Sales of bike-related products decreased compared with the historically strong second quarter last year. This held for bike carriers in the Sport&Cargo Carriers and RV Products categories, as well as bike trailers and child bike seats in the Juvenile & Pet Products category.

Other categories performed well, with a particularly positive trend in the Packs, Bags & Luggage category.

The UK had notably weaker sales during the quarter. This is also the market, out of our larger markets, with the lowest growth compared with before the pandemic. The Nordic markets also had a weaker quarter compared with the previous year. But compared with 2019, performance in the Nordics are overall very positive.

Strong local currency drove growth in Region Americas

Currency-adjusted sales in the region during the second quarter were in line with the previous year. However, strong local currencies increased reported sales in the quarter 15 percent.

In this region too, we noted lower sales in bike-related products compared with the exceptionally strong quarter last year. Geographically, the Canadian market was the strongest, while we noted decreased sales in Brazil.

Improved delivery capacity

Increased demand and successful product launches have organically grown Thule to a level much higher than before the pandemic. As previously communicated, we have carried out several measures to meet the significantly higher levels of demand with high delivery performance.

This includes significant investments in several of our assembly plants. Both to increase the level of automation and to increase production capacity. We have also decided to increase inventory levels until we see stabilization in global supply chains. This way, we can ensure our continued ability to manage significantly longer lead times. The inventory build-up consists of components and high-volume products.

Short-term challenges in uncertain markets, but positive long-term trends and exciting new product areas

Given the generally prevailing uncertainty in the near future, when comparing with the strong second half year, it is pleasing to note that the strong underlying market trends continue. The trend among consumers to seek to live active lives close to home remains stable and positive. In addition, we will in 2023 embark a journey of growth in another two very attractive product areas, car seats and dog transport products.

We are looking forward to an exciting autumn when we will be showcasing a record number of new products in all of product categories to our retailers around the world, before the broader consumer launch and in-store sales start in the spring 2023.

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Press Release

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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), **Juvenile&Pet Products** (strollers, bike trailers and child bikeseats), **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 LS](#)
[Magnus Welander Thule Group CEO And President ST](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q2 Report, 2022](#)