

Thule Groups' (publ) CEO and President, Magnus Welander, comments on the Year-end report and fourth quarter, 2022

A year with two phases

Sales in the fourth quarter declined 21 percent after currency adjustment compared to previous year. This meant that sales for the second half of the year declined 26 percent, compared with a currency adjusted growth of 4 percent during the first half of the year. The main reason for the lower sales in the second half of the year was the sharp slowdown in sales of bike-related products to the retail channel, who attempted to lower their inventory following excessively large pre-season orders.

We reached sales of SEK 10,138m for the full year. After currency adjustment, this represents a decline of 9.7 percent compared with the record year of 2021, but a currency adjusted growth of 40.6 percent compared with 2019, the year before the pandemic.

During the fourth quarter, the EBIT margin was 0.2 percent (10.3). An unfavorable product mix, under-utilized production capacity, continued high prices for raw materials and freight as well as our unwavering ambitious investments for future growth mean that the EBIT margin declined year-on-year and totaled 16.8 percent.

Inventory amounted to SEK 3,129m at the end of the quarter, down SEK 11m compared with the end of the third quarter. The inventory consists of components and products that we are convinced we will be able to sell in 2023.

During the quarter, we committed ourselves to the globally established Net Zero by 2050 undertaking as part of our long-term sustainability goals.

Decreased sales of bike-related products in Region Europe & RoW

During the quarter, sales in the region declined year-on-year by 12.7 percent after currency adjustment. This means that full-year sales declined 8.9 percent after currency adjustment.

Bike-related products accounted for 41 percent (52) of sales for the full year. It is worth noting that the pandemic year of 2021 was an exceptionally strong year in the bike industry in general, and that we also captured market shares in 2021 as a result of our competitors having more significant issues with meeting the demand increase. Sport&Cargo Carriers, with a large proportion of sales in bike carriers, declined during the year by a total of 16 percent after currency adjustment and Juvenile & Pet Products also declined 17 percent after currency adjustment as a result of a reduced sales of bike trailers and child bike seats.

However, sales were strong during the year within the RV Products category, which increased 15 percent after currency adjustment, and Packs, Bags & Luggage, with growth of 20 percent after currency adjustment.

Region Americas also impacted by the slowdown of the bike sector

Year-on-year, sales in the region declined 33.7 percent after currency adjustment during the quarter. This means that full-year sales declined 11.5 percent after currency adjustment.

Also in this region, we noted a substantial decline in sales of bike-related products that accounted for 29 percent (39) of sales for the year.

During the year, the Packs, Bags & Luggage category grew 21 percent after currency adjustment, driven by successful launches and increased travel.

Short-term challenges but strong confidence in our strategy and positive long-term trends

At the start of 2023, we will meet strong comparative figures and a challenging market with uncertainty in both consumer demand in an uncertain world and retailer confidence for the season ahead. Since both our own and retailer inventory levels before the start of the season are higher than previous years, we will ramp up the manufacturing capacity later than usual, which is positive from a cash-flow perspective.

We are convinced that the multi-year positive trend of living active lives close to home will remain strong in the long term. We also have an unwavering faith in our growth strategy and our long-term goals. Our investments in existing categories as well as those in the new product areas of car seats and dog transport products continue and in 2022, we invested a total of 6.0 percent (4.6) of sales in product development. The investments made in the past years to enable more flexible and automated production provide us with additional pre-requisites to, over time, secure profitable and long-term sustainable growth.

As we now enter a challenging time with a high degree of uncertainty for the quarters ahead, we do this with a clear focus on flexibility and with high energy.

I would like to conclude by thanking all of my colleagues for their efforts during a year that has been characterized by two entirely different phases and significant market challenges.

Magnus Welander,
CEO and President

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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 bike seats), **RV Products** (awnings, bike carriers and tents for RVs and caravans) and **Packs, Bags & Luggage** (hiking backpacks, luggage and camera bags).

Thule Group has about 2,600 employees at nine production facilities and 35 sales offices worldwide. The Group's products are sold in 138 markets and in 2022, sales amounted to SEK 10.1 billion. www.thulegroup.com
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Image Attachments

[Magnus Welander Thule Group CEO And President LS](#)
[Magnus Welander Thule Group CEO And President ST](#)
[Thule Group Year End Report And Q4, 2022](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the Year-end report and fourth quarter, 2022](#)