

Thule Group acquires Quad Lock, the global market leader in performance phone mounts

Thule Group has signed an agreement to acquire Quad Lock, the global market leader in performance phone mount solutions, giving cyclists, motorcyclists and other adventurers access to their mobile phones while being active. Quad Lock has a turnover of SEK 1.4 billion with a 25 percent EBITDA margin, and fits well with Thule's brand and strategy of developing market-leading positions in attractive niches. The purchase price amounts to AUD 500 million, or approximately SEK 3.6 billion, which corresponds to a multiple of 10x EBITDA.

"We are taking Thule to the next level, and we are doing it by building on our strengths. Our profitable growth is driven by our ability to develop market-leading positions in attractive niches. We have proven this in categories where we have been present for a long time, such as roof top boxes, and in categories we have acquired such as multisport and bike trailers," says Mattias Ankarberg, President and CEO of Thule Group. "Quad Lock is a global market leader in its niche and, like Thule, has a passion for creating the best products for active adventurers, with a strong focus on quality and innovation. Welcoming Quad Lock's talented employees to the Thule family strengthens us in several areas and is a valuable step towards our financial targets for 2030; sales of SEK 20 billion and an EBIT margin of at least 20 percent."

Quad Lock started in 2011 when the two Australian founders invented a secure and user-friendly solution to mount mobile phones on their mountain bikes. The product range has evolved rapidly and today Quad Lock is the global market leader in performance phone mounts with the broadest range of high-quality and robust solutions for biking, motorcycling, and off-road car enthusiasts.

Quad Lock has sales in approximately 100 countries, of which about 75 percent are via e-commerce direct-to-consumers. The head office is based in Melbourne, Australia. The company had approximately SEK 1.4 billion in sales in the last twelve months and achieved an EBITDA margin of 25%.

"We are excited to become part of the Thule Group," said Andrew Poole, CEO of Quad Lock. "It's striking how similar our brands and cultures are. Like Thule, we focus on high-quality products that can withstand harsh conditions and are appreciated by customers who love adventure. This market is growing rapidly, and we look forward to tackling the many growth opportunities together. As a management team, we also appreciate becoming Thule shareholders as part of this transaction and getting the opportunity to take part in the future value creation of our combined companies."

Quad Lock also helps to strengthen Thule Group's position in the Asia-Pacific region, where the acquisition increases the share of Thule's sales from about 5 to 10 percent. Direct sales to consumers will increase from approximately 7 to 15 percent of sales. In addition, Thule will gain access to a customer base of motorcycle enthusiasts, which is Quad Lock's largest segment, as well as expertise in electronics such as wireless charging of mobile phones on motorcycles.

Online press and investor meeting

Thule Group invites investors, analysts and journalists to an online meeting at 11.00 am (CET) today. President & CEO, Mattias Ankarberg and CFO, Toby Lawton, will present Quad Lock and how the acquisition fits into Thule's strategy going forward.

Information on participation:

Audience Webcast link: <https://www.investis-live.com/thule-group/672e0c49c523ba000ff51093/gfcd>

Operator Assisted Dial-In:

United Kingdom (Local): +44 20 3936 2999

United Kingdom (Toll-Free): +44 800 358 1035

Sweden: +46 10 884 80 16

Access Code: 792774

The presentation will be published at <https://www.thulegroup.com/en/presentations>

Purchase price

Thule Group and Quadrant Private Equity ("Quadrant") along with two founders and other minority shareholders of Key TopCo Pty Ltd ("Quad Lock") have signed a binding, conditional agreement whereby Thule Group will acquire 100% of the shares in Quad Lock.

The purchase price amounts to AUD 500 million, or approximately SEK 3.6 billion, on a cash and debt free basis. The purchase price corresponds to a multiple of 10x Quad Lock's adjusted EBITDA for the last twelve months. The acquisition is expected to be accretive to Thule's earnings per share, EBIT margin and sales growth.

Following the transaction, the pro forma net debt ratio (net debt/EBITDA) is expected to be around 2.0, at December 31, 2024.

About Quad Lock

Quad Lock enables cyclists, motorcyclists and other adventurers to use their mobile phones while being active. Since it was founded in 2011, the company has grown rapidly. Quad Lock's revenues for the twelve months ended August 31, 2024 amounted to approximately SEK 1.4 billion with an EBITDA of approximately SEK 350 million, corresponding to an EBITDA margin of 25 percent.

Revenues are geographically diversified with approximately 35 percent in North America, 30 percent in EU, 20 percent in Australia and New Zealand and 15 percent in the rest of the world. Quad Lock's sales correspond to 13 percent of Thule Group's proforma sales for the twelve months ended August 31, 2024.

Read more about Quad Lock at <https://www.quadlockcase.com/>

Financing

The transaction will be financed through a combination of existing cash and credit facilities (approximately 79 percent of the purchase price), newly issued restricted shares (approximately 21 percent), and deferred performance-based compensation to selected Quad Lock management shareholders (approximately 1 percent).

Issue of Consideration Shares

Subject to possible price adjustments under the share purchase agreement, approximately SEK 740 million, of the purchase price is expected to be financed through approximately 2,105,293 newly issued Thule Group shares (the "**Consideration Shares**"). The Consideration Shares will represent approximately 1.9 percent of the total number of shares and votes in Thule Group, on a fully diluted basis.

The Consideration Shares will be issued at a price of SEK 351 per share, which equals the volume-weighted average price of Thule Group shares on Nasdaq Stockholm during the last 10 trading days up to and including November 8, 2024.

Upon completion of the transaction, the Board of Directors of Thule Group will resolve to issue the final number of Consideration Shares pursuant to authorization granted by the annual general meeting held April 26, 2024.

Allocation of Consideration Shares and Lock-up

Approximately 959,648 new shares in Thule Group are to be paid to Quadrant and such shares will be subject to a 24 months post-closing lock-up undertaking that, however, do not prohibit the relevant sellers from disposing of Consideration Shares at a price per Consideration Share that is equal to or above the Consideration Share Price, SEK 351, and other customary exemptions.

Approximately 1,052,858 new shares in Thule Group are to be paid to Quad Lock's two founders and such shares will be subject to the following post-completion lock-up undertaking, with customary exemptions, one year for 1/3, two years for 1/3 and three years for 1/3 of the Consideration Shares.

Approximately 92,787 shares in Thule Group will be paid to the Management Shareholders and such shares are subject to three years post-closing lock-up undertaking with customary exemptions.

Deferred performance-related remuneration

Key Management Shareholders have reinvested a majority of their proceeds from current transaction. The reinvestment combines share sin Thule Group and deferred performance incentives (for 3 years). Maximum payout is approximately SEK 90 million at end of 2027.

Conditions for the acquisition

The acquisition is conditional upon regulatory approval from the Australian Foreign Investment Review Board and customary closing conditions and is expected to close in the fourth quarter 2024.

Transaction costs

Transaction related costs amount to approximately SEK 100 million and will be recognized in the fourth quarter of 2024.

Advisors

Thule Group has engaged Goldman Sachs Bank Europe SE Sweden Bankfilial as financial advisor and Baker McKenzie and MinterEllison as legal advisors in relation to the acquisition. The Sellers have engaged Jefferies Australia as financial advisor and Gilbert+Tobin and Roschier as legal advisors.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in Thule Group's shares. Any investment decision regarding Thule Group's shares must be made on the basis of all publicly available information relating to the company and the company's shares. The information contained in this announcement is for background purposes only and does not purport to be exhaustive or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute a recommendation. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

Forward-looking statements

This press release contains forward-looking statements that reflect the company's intentions, beliefs, or current expectations about and targets for the company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Thule Group does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither Thule Group nor anyone else

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undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

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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** (car seats, strollers, bike trailers, child bike seats and dog transport), **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 2023, sales amounted to SEK 9.1 billion. www.thulegroup.com

This information is information that Thule Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-11-11 07:46 CET.

Attachments

[Thule Group acquires Quad Lock, the global market leader in performance phone mounts](#)