

Thule Groups' (publ) CEO and President, Mattias Ankarberg, comments on the Year-end report and fourth quarter, 2023

Thule doing well in a tough market.

After the fourth quarter, I can confirm that Thule is doing well, even in a tough market. With the exception of RV Products (“Recreational Vehicles”), we delivered growth in both regions, good profitability and a very strong cash flow. New Thule products continue to drive growth, even in a weak market. This is reassuring since we have just entered the biggest launch year in Thule Group’s history!

Sales in the fourth quarter, the year’s smallest, decreased 6 percent (in constant currency) compared with the year-earlier period. The expected sales decrease in RV Products, driven by a slower period for the RV industry, had a significant negative impact on the quarter. Growth was primarily driven by new Thule products. We launched sales via thule.com in Austria and Spain during the quarter, which immediately contributed to growth in the DTC channel.

The gross margin amounted to 37.2 percent (31.5) and the EBIT margin to 3.4 percent (0.2). Cash flow from operations was one of the strongest ever for a fourth quarter, amounting to SEK 276m (110).

For the full-year 2023, sales declined 15 percent. The EBIT margin amounted to 16.5 percent (16.8). Sales decreased significantly during the first half of the year, and with that also profitability. The trend improved during the second half of the year where sales were in line with the previous year. Profitability increased and was in line with the pre-pandemic period despite continued high level of investments in product development. We are investing more in product development than ever before in the history of the company, corresponding to 6.9 percent of sales for the year. Cash flow from operating activities was very strong and totaled SEK 1.85 billion. We have focused on reducing inventory levels and I’m pleased that this has resulted in a year-on-year decrease of SEK 801m. This means that we well exceeded our goal to reduce inventory by SEK 600m.

Work continued during the year to reach our long-term sustainability goals. One clear example is Thule Epos, our newest premium bike carrier. By designing the product to have a low carbon footprint, our development team successfully developed a product with approximately half of the carbon emissions of comparable products.

Significant strengths to build on

In my statement from the previous quarter, I mentioned we had started to identify our greatest strengths, in order be more precise in which strengths to build on. We have multiple strengths, which strengthens my belief that Thule has a bright future! They can be summarized in three points:

1. We have long term market tailwind.
More people want to live active lives, which is positive for us and our customers.

2. We have very strong market positions.

We are a global market leaders in our most important product categories, which means we can drive the market development and capture a large portion of the growth.

3. We invest heavily in our own capabilities, particularly for quality and innovation.

We continuously invest in ways to increase product quality in our own factories, which produce the majority of what we sell. At Hillerstorp, where Thule was founded, we regularly invest in our world-leading center for developing and testing complex products with high safety requirements. We test our products for collisions, wear and tear and climate in everything from desert heat to arctic chill.

In short, we continuously invest in strengthening our own competitiveness in order to increase our market share and our growth.

During the quarter, I experienced a striking example of our strong market positions. In November, we arranged the largest product launch event in Thule's history, with nearly five hundred customers from around the world. The day ended with a presentation from our global Thule ambassadors – some fifty world champions, Olympic medalists and extreme sports athletes – about our new and coming products during an intense one-hour show. After the dress rehearsal, some colleagues and I sat down to a casual dinner with the ambassadors at the premises. I was struck by how these international stars have a genuine passion for competing and being outdoors, and the strong feelings they have for Thule. As Aline Bock, former world champion in freestyle snowboarding, told me: "You need to understand that we all love being outdoors, and that Thule has always helped us with that. We've all been crawling on our dad's car roof and packing roof boxes since we were five years old."

Thule's products have met the needs of several generations, and developed in pace with the times. This has created a strong connection between consumers and our brand that we need to look after and build on even more going forward.

Clear priorities for reaching our targets

To reach our financial targets, we need to grow faster than we have historically. Going forward, we will address several growth opportunities at the same time and focus on four areas:

1. Continue to invest in product development. We have a long history of developing new and improved products that drive profitable growth.
2. Increase focus on succeeding in several product categories simultaneously. Short term priorities are clear: in 2024 we are launching dog transport products and car seats.
3. Increase our visibility for consumers. We know that many of our customers genuinely appreciate our products, but few know about our entire offering.
4. Increase efficiency and capacity utilization in our supply chain. We will exit several external warehouse services and plan to decrease inventory levels by an additional SEK 200m in 2024.

Our most launch-intensive year ever

We have just entered our most intensive product launch year ever. This year, we are launching new generations of several best sellers, such as the Thule Motion roof box, the Thule Chariot multisport and bike trailer, the Thule Urban Glide stroller and our Thule Subterra luggage collection. We are also introducing entirely new innovations such as Thule Outset, the world's first tow bar mounted tent, and Thule Sidehill, the world's first removable awning. Additionally, during the first quarter we launched

Press Release

09 February 2024 07:46:00 CET



our first products within dog transport and during the second quarter our car seats will be launched in stores. With so many important product launches ahead of us, our organization is currently operating at full speed with a big focus on executing on our well-prepared plans.

We have big strengths to build on and clear priorities for reaching our goals. I'm convinced that Thule's future is bright and I look forward to an eventful 2024!

Mattias Ankarberg
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** (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

Image Attachments

[Mattias Ankarberg In Thule Store](#)

[Mattias Ankarberg Thule Group](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Mattias Ankarberg, comments on the Year-end report and fourth quarter, 2023](#)