

Thule Groups' (publ) CEO and President, Magnus Welander, comments on the company's Interim Q2 Report, 2021

The very strong trend continues.

Sales growth for the second quarter was 58 percent (69 percent after currency adjustment) compared with the year-earlier period. This means that the strong growth trend continued for the fourth quarter in a row.

During the second quarter of 2020, most of our major markets were affected by significant lockdowns, primarily during April and May. This meant that this year we faced a relatively weaker comparative period. It is therefore particularly positive to be able to also report currency-adjusted growth of a full 39 percent compared with the second quarter of 2019.

Manufacturing costs increased during the quarter, driven by generally rising material prices and by the extreme freight prices in the global market. We also experienced challenges in accessing capacity at sub-suppliers to be able to address our large volume increases, which resulted in additional costs.

To compensate the cost increases, we have introduced, and already partly implemented, price increases in two steps. The first increase was implemented on July 1 and the second will be implemented on January 1, 2022.

Driven by very strong sales growth, and our costeffective and flexible organization, we delivered an EBIT margin for the quarter of 27.4 percent (21.0), despite external challenges.

Region Europe & RoW – very strong sales in all markets

During the quarter, sales in the region increased 74 percent after currency adjustment. The trend was very positive in all markets. For the first half of the year, growth of 62 percent was achieved after currency adjustment.

The Sport&Cargo Carriers category performed strongly in all product groups. Vacations using cars as the mode of transport and the strong bike trend benefitted us. Despite challenges in meeting significantly increased demand, we captured market shares with our strong product portfolio and our very good delivery capacity.

Development within the Active with Kids category remained very positive in bike trailers, child bike seats and strollers.

The RV Products category continued to perform very well, in line with the first quarter, as the rate of production among RV manufacturers remained high during the spring.

The bag category displayed healthy growth compared with the very weak comparative quarter. Especially sales of sport and leisure bags developed strongly during the quarter.

Region Americas – all categories performed very well

In Region Americas, sales increased 53 percent in the quarter after currency adjustment. For the first six months, this entailed a growth in the region of 65 percent after currency adjustment.

In Sport&Cargo Carriers, growth was very good for all product groups and in the Active with Kids category, we also continued to deliver growth in all sub-categories.

The bag category recorded growth after four consecutive quarters with reduced sales. With fewer restrictions and increased travel, both to work and on holiday and leisure, sales increased in our important collections.

High pressure and extended season

The strong trend for leisure and vacation activities nearer to home continues and we are well equipped to capitalize on the opportunities that this offers. Despite our highly flexible production, in and close to our main markets, we were unable to fully meet all demand during the second quarter. Accordingly, we anticipate a longer peak season that will continue into the third quarter since we strongly believe that consumers who have waited for vaccination and a larger degree of travel freedom, will continue to want to purchase our products.

In line with most manufacturing companies with rapid growth in these times, we meet challenges daily in relation to supplier capacity and global distribution. Considerable uncertainty also remains regarding the scope of pandemic-related lockdowns. However, we are convinced of our own ability to manage capacity increases and that the robust trend for leisure and vacation activities closer to home will continue.

All staff involved have already proven their flexibility and drive the last year, with huge engagement and exceptional efforts in a challenging market, which I want to thank them all for.

Magnus Welander
CEO and President

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Press Release

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About Thule Group

Thule Group is a global world leading company of products for sports and outdoor activities. We make it easy for people to bring the things they care for, easily, securely and in style, when living an active life. Under the motto *Active Life, Simplified* we design, manufacture and sell products within the four product categories **Sport&Cargo Carriers** (roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, as well as roof top tents for mounting on cars), **Active with Kids** (bike trailers, strollers and child bike seats), **RV Products** (awnings, bike racks and tents for motorhomes and caravans) and **Packs, Bags & Luggage** (everyday backpacks, hiking bike packs travel luggage and camera bags).

Thule Group has about 2,600 employees at 9 production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2020, sales amounted to SEK 7.8 billion.

www.thulegroup.com

Image Attachments

[Magnus Welander Thule Group Landscape](#)

[Magnus Welander Thule Group Portrait](#)

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q2 Report, 2021](#)