

Thule Groups' (publ) CEO and President, Magnus Welander, comments on the company's Interim Q3 Report, 2021

Strong growth and high profitability

Sales growth for the third quarter was 14 percent (16 percent after currency adjustment) compared with the year-earlier period.

Considering that the third quarter of 2020 was exceptionally strong, with a clear seasonal shift from spring to summer and autumn due to pandemic shutdowns, growth was even more impressive. After currency adjustment, growth in the third quarter of 2021 improved 75 percent compared with the same period in 2019. Thanks to our flexible supply chain organization, we were able to meet most of the increased demand in the market.

For the first nine months of the year, sales increased 44 percent after currency adjustment, compared with the same period the previous year. This is equivalent to an increase of 55 percent after currency adjustment over the same period in 2019.

As expected, manufacturing costs continued to increase during the quarter. These increases were driven by generally rising material prices, extreme freight prices and costs related to overtime and extra personnel in our assembly plants.

During the quarter we raised prices, as previously announced, which in part has compensated the increasing costs. It will not be until after the planned price increases in 2022 are implemented that we expect to be able to fully compensate for increased input costs.

We reached an EBIT margin of 24.2 percent (24.4) for the quarter and 25.2 percent (21.7) for the first nine months of the year.

Region Europe & RoW – continued positive trend

During the quarter, sales in the region increased 7 percent after currency adjustment, compared with an exceptionally strong third quarter in the previous year. This means that the year's third quarter posted growth of 70 percent when comparing with the same quarter in 2019.

Accordingly, for the first nine months of the year, growth of 40 percent was achieved after currency adjustment, with very positive trends in all markets.

In particular, the categories Sport&Cargo Carriers and RV Products performed well in all product groups at the same time as we captured market shares. This was despite the challenges of fully being able to meet significant demand.

Region Americas – very strong growth

In Region Americas, sales increased as much as 45 percent in the quarter after currency adjustment. This entails growth of 88 percent compared with the third quarter of 2019. For the first nine months of the year, sales in the region grew 57 percent after currency adjustment.

In Sport&Cargo Carriers, growth was very favorable in all product groups. We also continued to deliver good growth in the Active with Kids category.

The bag category also grew during this quarter. With fewer restrictions and increased travel, both to and from work and for leisure, sales increased in our important collections.

High demand puts focus on expanding capacity in a challenging environment

We're seeing clear signals that the trend for leisure and vacation activities closer to home will remain strong.

Our flexible supply chain set-up, with deliberately selected global suppliers and our own assembly facilities in and close to our main markets, is based on always having available capacity, even in periods when we see significant demand increases.

In line with our strategic plan we are therefore bringing forward several major capacity-related investments. This means that in 2022, we will invest over 5 percent of our turnover, which is higher than our historical levels.

We expect the general business environment to remain challenging for the rest of the year with continued high costs for materials and transportation. At the same time, the fact that the staff that for an extended period have worked digitally from home now are returning to our offices is contributing to a stronger team spirit, more effective co-operation and a further energy boost for the organization.

I look forward to the near future with a great deal of confidence, based both on the positive signals we see in the market and on the positive energy within the organization.

Magnus Welander
CEO and President

Contacts

Fredrik Erlandsson SVP Communications and Investor Relations
Tel: +46 70 309 00 21
E-mail: fredrik.erlandsson@thule.com

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

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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

Attachments

[Thule Groups' \(publ\) CEO and President, Magnus Welander, comments on the company's Interim Q3 Report, 2021](#)