

Thule Group's (publ) CEO and President, Magnus Welander, comments on the company's Year-End Report and Q4, October-December 2019

Solid financial results and key building blocks for future growth

Sales in the fourth quarter rose SEK 54m to SEK 1,211m, which was in line with our expectations. This means that for the full year, our sales were SEK 7,038m (6,484) and we posted growth of 8.5 percent (3.9 percent after currency adjustment).

Underlying EBIT was SEK 71m (64) for the quarter and SEK 1,245m (1,164) for the full year. Operating cash flow also improved during the quarter and in 2019, we generated an operating cash flow of SEK 1,190m (802).

Even if 2019 can be summed up as a somewhat average year when considering financial results, I am very happy that the company delivered growth in all four product categories.

In 2019 we have successfully driven a number of initiatives to strengthen our competitive position and create a better platform for future profitable growth. The extensive lay-out changes and efficiency programs implemented during the year at six of our nine assembly plants are now in their final phases. We also continued our aggressive product development initiative with several major projects for coming years, and invested 6 percent of sales in product development.

Our strength is further underlined by the growth of 6 percent for the year in our core brand, Thule, which now accounts for 83 percent of sales.

Region Europe & ROW – stable growth

During the quarter, sales in the region rose 4.2 percent (after currency adjustment), which entails currency-adjusted growth of 6.1 percent for the year.

Particularly positive for the quarter, in terms of product categories, were the strong sales of roof boxes driven by the new premium roof box, Thule Vector.

The luggage category also grew strongly driven by the launch of the Thule Crossover 2 collection. RV Products continued to grow driven by positive market growth in the large German market, and the fact that we continue to capture market shares.

On the market front, the UK posted healthy growth and Eastern Europe, with the exception of Russia, continued to grow rapidly. Healthy growth in South-East Asia during the quarter was linked to the successful launches of luggage and bags in the region.

Region Americas – phase-out of low-margin OE contracts impacts small quarter

Sales in Region Americas declined 5.7 percent after currency adjustment, during the quarter, which gave a decrease of 1.2 percent for the full year.

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The previously communicated phase-out of certain low-margin OE contracts in the US had a negative impact on sales of SEK 11m in the fourth quarter and accounted for half of the negative trend in the region. The full-year negative effect on sales of the now completed phase-out was SEK 50m.

Sales in the US continued to disappoint and, in addition to the above phase-out, were primarily affected by declining sales for simpler bags and cases. Canada delivered its best quarter for the year with strong growth in most categories, while sales in Latin America were in line with last year.

The announced reorganization in North America was completed during the quarter.

A small add-on acquisition in December

At the end of the year, we acquired the operations of the niche company Denver Outfitters, with sales of just below USD 1m, North America's leading player in roof rack mounted fishing rod vaults.

Just as the rooftop tents that were acquired at the end of 2018, these fishing rod vaults will be retailed in 2020 under the Thule brand.

Positive expectations for 2020

Our long-term strategy, with major investments in sustainable product development of fantastic products, building a strong global brand, cost-effective assembly plants and efficient logistics leaves me convinced that we have an exciting year ahead of us.

Magnus Welander,
CEO and President

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About Thule Group

Thule Group is a world leader in products that make it easy to bring the things you care for — easily, securely and in style — when living an active life. Under the motto *Active Life, Simplified.* — we offer products within **Sport&Cargo Carriers** (e.g. roof racks, roof boxes and carriers for transporting cycling, water and winter sports equipment, and rooftop tents mounted on a car), **Active with Kids** (e.g. bicycle trailers, buggies and child bike seats), **RV Products** (e.g. awnings, bike racks and tents for motorhomes and caravans) and **Packs, Bags & Luggage** (e.g. hiking backpacks, luggage and camera bags).

Thule Group has about 2,300 employees at 9 production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2019, sales amounted to SEK 7 billion.

www.thulegroup.com

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Image Attachments

[Magnus Welander Thule Group](#)

Attachments

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