

## Press release

Malmö, October 28, 2016

### Thule Group CEO and President Magnus Welander comments on the third quarter 2016

#### Strong profitability growth in the quarter

During the third quarter, our stable trend of improved profitability continued with an underlying EBIT growth of 6.9 percent after currency adjustment. For the first nine months of the year, the underlying EBIT was SEK 901m, an increase of 10.3 percent after currency adjustment, meaning that on a rolling 12-month basis we achieved an underlying EBIT margin of 17.2 percent (16.0 percent for the full-year 2015).

Sales increased to SEK 1,366m during the third quarter (growth of 1.7 percent after currency adjustment and excluding the acquisition of GMG). Organic sales growth for the first three quarters was 5.2 percent (after currency adjustment), which is above our annual financial target of 5.0 percent. Operating cash flow also remains very strong.

#### Fast growth in Region Europe&ROW

We are very pleased with how well our initiatives in Region Europe & ROW drove growth during the quarter. With a sales growth of 9.0 percent in the quarter, we achieved an increase of 11.1 percent after currency adjustment for the nine-month period.

We continued to capture market shares in Sport&Cargo Carriers through successful product launches. Furthermore, we continued to grow rapidly in Other Outdoor&Bags, driven in particular by strong sales in Active with Kids. Our sport strollers, multi-functional bike trailers and child bike seats continue to capture market shares in this, for us, newer category. The positive trend in RV Products also continued and we are capturing market shares in a category that is also displaying strong market growth.

#### Weak market in Region Americas

Sales in Region Americas were weaker than expected during the quarter, with a decline in sales of 8.8 percent after currency adjustment. Despite a decline in sales of 4.0 percent through September, we retain our market shares, but the market as a whole has not recovered in the way we expected during the third quarter.

Primarily three factors had a negative impact on sales: a weak Outdoor segment following the bankruptcy of two major store chains in the spring, cautiousness in the cycling retail segment with large ingoing bicycle inventories ahead of the 2016 season, and a decline in sales of Bags for Electronic Devices. These are factors that we believe will also impact the fourth quarter.

#### Margin improvements in Work Gear

After a very strong start to the year, we experienced a somewhat weaker market in the US during the third quarter and sales declined SEK 7m and profitability SEK 1m (after currency adjustment) compared to previous year. For the first three quarters, sales were in line with the preceding year, while underlying EBIT during the same period grew SEK 15m (38.2 percent after currency adjustment). Our improved production efficiency and focus on a more profitable product mix mean that the margin for the year is at 16.9 percent (12.3 percent for the same period in 2015).

## Rapid integration of acquired GMG

In early July, we acquired GMG B.V., the leading manufacturer of child bike seats in the Benelux region. The products (sold under the Yepp brand) are an excellent complement to our existing range. At the trade fairs in September, we launched a new generation of child bike seats under the Thule Yepp brand, and the GMG entity is already a fully integrated part of Thule Group.

## Supply Chain initiatives

We are currently conducting a number of major projects to ensure that we can achieve our growth targets. In conjunction with the acquisition of GMG, we decided to transfer the assembly of the new child bike seats in-house. Since we also see generally strong growth in the new categories, we have decided to bring forward the opening of a further assembly plant in Poland. The new plant will be operational already during the first quarter of 2018.

In the Americas region, we have commenced the second stage of our major distribution project as a result of the relocation to our new distribution center for the eastern US, which has just begun. The center will be fully operational at the end of the first quarter of 2017. This new, larger and more efficient warehouse, and the structural improvements we have made at our distribution centers throughout the world, will be key contributing factors to continued efficiency enhancement in 2017.

## Strong interest in our new products

We are entering the winter season, but in the third quarter we have also participated in a number of global trade fairs and demonstrated a range of new products set for store launch in the spring season. Generally, the reception has been very positive, with particularly strong interest in our new Thule Chariot multi-functional bike trailers and the new Thule Motion XT roof box. The product launches and our operational projects are key reasons why I am looking forward to an exciting period.

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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 two segments:

**Outdoor&Bags** (e.g. equipment for cycling-, water- and winter sports, roof boxes, bike trailers, baby joggers, laptop and camera bags, backpacks and cases for mobile handheld devices) and **Specialty** (pick-up truck tool boxes). Our products are sold in 139 markets globally. There are more than 2,000 of us working for Thule Group at nine production facilities and more than 35 sales locations all over the world.

Net sales for 2015 amounted to 5.3 billion SEK.

Thule Group is a public company listed at Nasdaq Stockholm.

For more information, please visit [www.thulegroup.com](http://www.thulegroup.com)