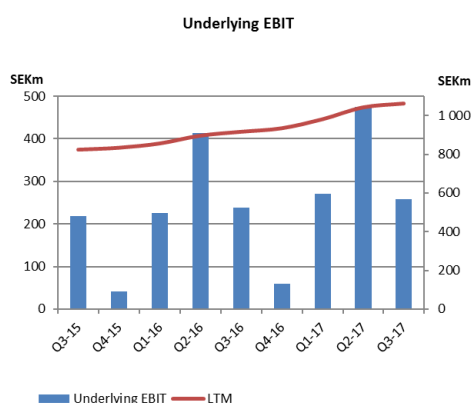
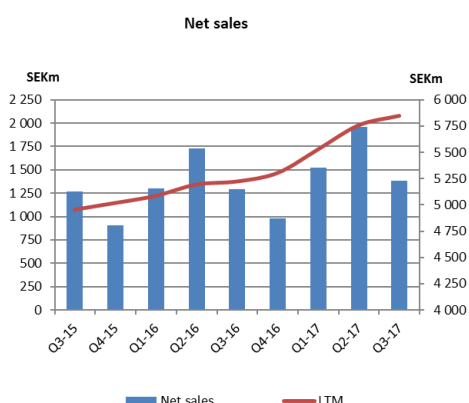


Thule Group»

Interim report for the third quarter, July-September 2017

- **Net sales¹** for the quarter amounted to SEK 1,385m (1,295), corresponding to an increase of 6.9 percent. Adjusted for exchange rate fluctuations, sales rose 8.5 percent.
- **Underlying EBIT¹** amounted to SEK 258m (238), corresponding to an increase of 8.5 percent and a margin of 18.6 percent (18.4). Adjusted for exchange rate fluctuations, underlying EBIT rose 8.5 percent and the margin remained unchanged.
- **Net income¹** was SEK 185m (156).
- **Cash flow from operating activities²** totaled SEK 519m (436).
- **Earnings per share before dilution¹** amounted to SEK 1.81 (1.55).
- **Updated financial targets** were presented in conjunction with the capital markets day held on September 20, with a raised long-term EBIT margin of $\geq 20\%$ (from $\geq 17\%$) and a new range for the leverage ratio, Net debt/EBITDA at of 1.5 – 2.5x (previously around 2.5x).

	Jul - Sep 2017	Jul - Sep 2016	%	Jan - Sep 2017	Jan - Sep 2016	%	Full-year 2016
Net sales, SEKm	1 385	1 295	+6.9	4 866	4 321	+12.6	5 304
Underlying EBIT, SEKm	258	238	+8.5	1 003	877	+14.5	935
Operating income (EBIT), SEKm	258	235	+9.9	1 002	867	+15.6	922
Net income from continued operations, SEKm	185	156	+18.5	730	623	+17.2	653
Earnings per share, SEK	1.81	1.55	+17.3	7.16	6.17	+16.2	6.46
Cash flow from operating activities, SEKm	519	436	+18.9	763	787	-3.0	878



¹ The figures pertain to continuing operations, excluding the Specialty segment, which was divested in June 2017 and constitutes discontinued operations.

² Based on total operations, meaning both continuing operations and the operation divested in June 2017.

CEO's comments

Strong trend continues

In the third quarter the positive growth trend achieved during the year in both of our sales regions continued. Sales growth was 8.5% (after currency adjustment) during the quarter and we achieved an underlying EBIT margin of 18.6%.

The high profitability was achieved despite being, as previously announced, in the midst of the most ambitious period in the company's history in terms of product development investments in our traditional categories as well as in our newer categories, such as strollers.

New long-term targets and new categories

Our first capital markets day since listing in 2014 was held on September 20 in Stockholm.

In conjunction with the above, updated long-term targets were presented, where above all, the raised target for the underlying EBIT margin (from $\geq 17\%$ to $\geq 20\%$) demonstrates our belief in our plans to continue to drive a positive trend in increased profitability.

We will continue to report sales in the two sales regions (Americas and Europe & ROW) on an ongoing basis. On a full-year basis, we will also present the trends in four product categories:

- Sport&Cargo Carriers
- Packs, Bags & Luggage
- Active with Kids
- RV Products

The previous product categories, Bags for Electronic Devices and Other Outdoor&Bags, have been divided into three clearer product categories: Packs, Bags & Luggage; Active with Kids; and RV Products.

Strong trend for Region Europe & ROW

The positive trend for Region Europe & ROW continued with a currency-adjusted sales increase of 11% in the third quarter. This means that to date, we have achieved currency-adjusted growth of 13% this year.

We have increased sales in all four product categories with Active with Kids being the fastest growing product category on a percentage basis, where the multisport trailer, child bike seat and stroller categories are all delivering robust growth. RV Products has also grown strongly in a booming European motorhome and caravan market, where we also continue to capture market shares.

In Sport&Cargo Carriers we continue to deliver stable growth and strengthened our leading position through successful launches of new bike carriers, such as the practical foldable tow-bar mounted Thule EasyFold XT.

Growth in Packs, Bags & Luggage has mainly been driven by the launch of our new Thule Subterra luggage series comprising both suitcases and smaller bags for everyday use for the modern business traveler.

Positive quarter for Region Americas

In Region Americas, sales rose 3 % (after currency adjustment) during the quarter, which means we increased sales 4 % after currency adjustment in the first nine months of the year.

Product category trends are similar to those in Region Europe & ROW. However, a larger share of sales in the region comprise older bag models to consumer electronics retailers and, moreover, market conditions are generally tougher for retail chains with physical stores in shopping malls in the U.S. Overall this means growth is lower than in Europe.

The Active with Kids category is also growing fastest in Region Americas, primarily due to strollers and child bike seats. Sport&Cargo Carriers show stable growth, with the new Thule Motion XT roof box family proving a strong driver.

It was also positive to note that Packs, Bags & Luggage grew in the third quarter driven by the new Thule Subterra luggage collection.

At present, we have very limited sales in RV Products in this region.

Well-received products at trade fairs

During the quarter, we presented next year's products for all our product categories at a number of successful fairs. Of particular note was the launch, at the leading Kind&Jugend juvenile fair, of Thule Sleek (a city stroller with the flexibility to be configured for a second child and for which sales will start in the second half of 2018) and an update of our Thule Urban Glide 2 stroller (to be launched in the first quarter of 2018). Both models attracted considerable attention from retailers and continue to build on this year's very successful launches of the Thule Chariot multisport trailers and Thule Yepp Nexxt child bike seats.

We are now entering a period when we will be making larger investments than ever in product development, for products that will be launched in 2018 and thereafter, with a strong focus on driving long-term profitable growth.



Magnus Welander,
CEO and President

Financial overview³

Trend for the third quarter

Net sales

In the third quarter of 2017, net sales amounted to SEK 1,385m (1,295), representing an increase of 6.9 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 8.5 percent.

In Region Europe & ROW, sales increased 11.2 percent after currency adjustment, while Region Americas' sales grew 3.4 percent after currency adjustments.

	Jul - Sep	Jan - Sep
	2017	2017
Change in net sales		
Changes in exchange rates	-1.6%	2.4%
Structural changes	0.0%	0.9%
Organic growth	8.5%	9.3%
Total	6.9%	12.6%

Gross income

Gross income for the quarter totaled SEK 570m (542), corresponding to a gross margin of 41.1 percent (41.8). The gross margin declined somewhat, primarily due to higher raw material prices, which were partly offset by an improved product- and customer mix in the product categories.

Operating income

Operating income totaled SEK 258m (235). Underlying EBIT amounted to SEK 258m (238), corresponding to an operating margin of 18.6 percent (18.4). Compared with the third quarter of 2016, exchange rate fluctuations had no impact on underlying EBIT and, accordingly, underlying EBIT margins were unchanged year-on-year. As planned, during the quarter, we also increased our investment in product development with a focus on larger projects in the stroller (within Active with Kids) and suitcases (within Packs, Bags & Luggage) categories, where we also increased our marketing and selling expenses by strengthening the organization ahead of future investments in growth. In parallel, we continued to continuously improve our product offering in Sport&Cargo Carriers and RV Products. Healthy profitability has thus primarily been achieved by being able to generate higher sales with essentially the same organization in terms of other support functions, meaning that other expenses did not increase at the same pace.

	Jul - Sep	Jan - Sep
Change in underlying EBIT margin		
Underlying EBIT 2017	258	1003
Underlying EBIT margin 2017	18.6%	20.6%
Underlying EBIT 2016	238	877
Underlying EBIT margin 2016	18.4%	20.3%
Underlying EBIT 2016, currency adjusted	238	886
Underlying EBIT marginal 2016, currency adjusted	18.6%	20.1%
Change in underlying EBIT margin, currency adjusted	0.0%	0.5%

³ Unless otherwise stated, the figures in the overview pertain to continuing operations, in other words excluding the operation divested in June 2017, which constitutes discontinued operations.

Net financial items

In the third quarter, net financial items amounted to an expense of SEK 14m (expense: 10). Exchange rate differences on loans and cash and cash equivalents were an expense of SEK 4m (0). The interest expense for borrowings was SEK 10m (expense: 8).

Net income for the period

In the third quarter, net income for continuing operations was SEK 185m, corresponding to earnings per share of SEK 1.81 before dilution and SEK 1.80 after dilution. For the year-earlier period, net income for continuing operations totaled SEK 156m, corresponding to earnings per share of SEK 1.55 before dilution and SEK 1.53 after dilution.

Trend for the first three quarters

Net sales

Net sales for the first nine months of 2017 amounted to SEK 4,866m (4,321), representing an increase of 12.6 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 10.2 percent.

In Region Europe & ROW, sales increased 13.3 percent after currency adjustment, while Region Americas' sales grew 3.8 percent after currency adjustments.

Gross income

Gross income amounted to SEK 2,019m (1,821) in the period, corresponding to a gross margin of 41.5 percent (42.1). The slightly lower margin was mainly due to higher raw material costs.

Operating income

Operating income totaled SEK 1,002m (867). Underlying EBIT amounted to SEK 1,003m (877), corresponding to an operating margin of 20.6 percent (20.3). Changes in exchange rates had an overall positive impact of SEK 10m on underlying EBIT, compared with the same period in 2016. After currency adjustment, we achieved a year-on-year margin improvement of 0.5 percentage points in the period. The improvement was achieved through volume growth as well as the efficiency initiatives implemented in inventory and logistics.

Net financial items

In the first three quarters, net financial items amounted to an expense of SEK 37m (expense: 27), and were negatively impacted by exchange rate differences of SEK 2m (pos: 5) on loans and cash and cash equivalents. The interest expense for borrowings for the first three quarters was SEK 32m (expense: 30).

Net income for the period

In the first three quarters, net income from continuing operations was SEK 730m, corresponding to earnings per share of SEK 7.16 before dilution and SEK 7.12 after dilution. For the year-earlier period, net income for continuing operations totaled SEK 623m, corresponding to earnings per share of SEK 6.17 before dilution and SEK 6.12 after dilution.

Net income from discontinued operations

Discontinued operations comprises net income from the remaining part of the Specialty operating segment, toolboxes for pick-up trucks. The operation was divested and deconsolidated in June 2017. The selling price comprises two components, an initial payment of USD 18m and a maximum additional purchase consideration of USD 3.5m (based on sales to certain specific new customers during the 2018 calendar year). The capital gain is expected to amount to SEK 70m, including transaction costs.

The result for discontinued operations also includes an additional purchase consideration that was recognized in conjunction with the divestment of the Snow Chain division in September 2015. Since the criteria for disbursement were not met, the additional purchase consideration was not paid and the recognized amount, EUR 5m, was charged to discontinued operations. The selling price comprised two components, an initial payment of EUR 10m and a maximum additional purchase consideration of a further EUR 10m based on snow chain sales over the next two winter seasons. Half of the potential additional purchase consideration was recognized after the divestment in Thule Group's interim report for the third quarter of 2015.

Cash flow⁴

Net cash flow for the period

Cash flow from operating activities for the first nine months was SEK 763m (787). The change compared with the year-earlier period was attributable to increased working capital and higher tax payments. The cash flow from investing activities was positively impacted by the divestment of the Specialty segment. Investments in tangible and intangible assets amounted to SEK 115m (68). During the period, a share issue valued at SEK 110m was carried out as a result of the exercise of warrants and a dividend amounting to SEK 939m was paid to the company's shareholders.

Financial position

At September 30, 2017, the Group's equity amounted to SEK 3,433m (3,717). The equity ratio amounted to 46.0 percent (47.7).

At September 30, 2017, the Group's net debt amounted to SEK 1,664m (1,598). Total long-term borrowing amounted to SEK 2,394m (2,447), and comprised loans from credit institutions of SEK 2,392m (2,439), gross, capitalized financing costs of SEK 6m (9) and the long-term portion of financial derivatives of SEK 8m (17). Total current financial liabilities amounted to SEK 12m (32) and mainly comprised the short-term portion of financial derivatives.

SEKm	Sep 30 2017	Sep 30 2016	Dec 31 2016
Long-term loans, gross	2 392	2 439	2 453
Financial derivative liability, long-term	8	17	22
Short-term loans, gross	5	4	6
Financial derivative liability, short-term	7	27	28
Overdraft facilities	0	0	0
Capitalized financing costs	-6	-9	-8
Accrued interest	0	0	0
Gross debt	2 407	2 479	2 501
Financial derivative asset	-10	-20	-34
Cash and cash equivalents	-733	-861	-763
Net debt	1 664	1 598	1 704

Pledged assets for Thule Group amounted to SEK 21m (22).

At September 30, 2017, goodwill was SEK 4,057m. Goodwill pertaining to continuing operations totaled SEK 4,164m at September 30, 2016. The change was fully attributable to currency effects.

At September 30, 2017, inventories amounted to SEK 640m. At September 30, 2016, inventories pertaining to continuing operations amounted to SEK 652m.

⁴ Based on total operations, meaning both continuing operations and the operation divested in June 2017.

Other information

New long-term financial targets presented

In conjunction with the company's capital markets day held on September 20, 2017, updated long-term financial targets were presented for Thule Group.

Sales growth $\geq 5\%$	Annual organic sales growth (currency-adjusted) (unchanged target)
EBIT margin $\geq 20\%$	Underlying EBIT margin (previous target $\geq 17\%$)
Net debt/EBITDA 1.5 – 2.5x	Net debt/EBITDA (previous target multiple of around 2.5x)
Dividend $\geq 50\%$	Ordinary dividend in relation to net profit (unchanged target)

New product categories presented

In conjunction with the company's capital markets day held on September 20, 2017, updated product categories were presented as follows:

- **Sport&Cargo Carriers** (unchanged) — for example, roof racks, roof boxes, bike racks and racks for water- and winter sports transported by car
- **Packs, Bags & Luggage** (a combination of the previous product category Bags for Electronic Devices and parts of Other Outdoor&Bags) — for example, computer- and camera bags, hiking backpacks and luggage
- **Active with Kids** (previously part of Other Outdoor&Bags) — for example, bicycle trailers, strollers and child bike seats
- **RV Products** (previously part of Other Outdoor&Bags) — for example, awnings, bike racks and tents for mobile homes and caravans

Specialty — the pick-up truck toolbox business were divested in the second quarter

In line with the strategic direction of focusing Thule Group's operations on sports- and outdoor products for active consumers, an agreement was signed during the second quarter and a transaction implemented on June 16, 2017, for the sale of the remaining part of the Specialty operating segment, toolboxes for pick-up trucks. This divestment gives Thule Group's management the opportunity to focus further on driving growth in core operations. See Note 3 Discontinued operations for more information.

Seasonal variations

Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are affected in the Sport&Cargo Carriers category (roof boxes, ski-racks, etc.) by winter conditions. The second and third quarters are impacted by how early the spring or summer arrives, while sales in individual quarters may be impacted by the quarter in which the spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski-racks, snowsport backpacks, etc.) and sales of products in the bag category prior to major holidays.

Employees

The average number of employees was 2,204 (2,102).

Income taxes

In April, a settlement was reached with the German tax agency regarding some of the decisions appealed by the company. The agreement means that the initial demand of EUR 9.6m has been lowered to EUR 1.3m, which is covered by provisions made in earlier years. The amount was already paid earlier. The remaining EUR 8.3m has been written off as demands from the tax agency. See Note 5 Taxes for more information.

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. At September 30, 2017, the total number of shares in issue was 102,072,910.

Share-based incentive program 2017/2020

The warrants program for senior executives and key employees in the Thule Group resolved by the Annual General Meeting, was implemented in the second quarter of 2017. The program comprises 1,950,645 warrants that has been issued to Thule AB for further transfer to the participants. Participants have acquired warrants at fair market value and the program currently includes 13 participants. The subscription price is SEK 182.40, which corresponds to 118 percent of the volume weighted average price according to Nasdaq Stockholm's official price list for shares in the company during the period as from 27 April 2017 through May 4, 2017. If, at the time of subscription, the share price most recently paid for a share in the company at the closing of the stock exchange on the business day immediately preceding the subscription exceeds 162.3 per cent of the average share price based upon which the subscription price has been determined, the subscription price shall be increased correspondingly. The warrants may be exercised 15 May – 15 December 2020. During the quarter, the SEK 18m increase in equity pertained to premiums paid for warrants.

Regarding the earlier incentive program, the 2014/2017 warrants program ended on February 14, 2017 and this meant that the number of shares in the company increased by 1,036,455 and an issue of SEK 110m.

Dividends

At the AGM on April 26, a dividend was approved of SEK 10.90 per share, of which SEK 3.40 per share comprises an ordinary dividend and SEK 7.50 per share an extraordinary dividend. Similar to the preceding year, it was resolved that the ordinary dividend will be paid in two installments for a better adaptation to the Group's cash flow profile.

The record date for the first payment of a total of SEK 9.20 per share (SEK 1.70 per share in ordinary dividend and SEK 7.50 per share in extraordinary dividend) was April 28, 2017, and the record date for the second payment of SEK 1.70 per share was October 6, 2017.

Shareholders

At September 30, 2017, Thule Group AB had 11,656 shareholders. At this date, the largest shareholders were AMF – Försäkringar & Fonder (12.5 percent of the votes), Lannebo Fonder (6.0 percent of the votes), Nordea Fonder (5.2 percent of the votes) and Handelsbanken Fonder (5.1 percent of the votes).

Parent Company

Thule Group AB's principal activity pertains to head office functions such as Group-wide management and administration. The comments below refer to the period January 1–September 30, 2017. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 11m (neg: 7).

Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,374m (2,417).

The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in Note 6 Risks and uncertainties.

Sales trend by region

SEKm	Jul - Sep		Change		Jan - Sep		Change	
	2017	2016	Rep.	Adjust. ¹	2017	2016	Rep.	Adjust. ¹
Net sales	1 385	1 295	6.9%	8.5%	4 866	4 321	12.6%	10.2%
- Region Europe & ROW	934	839	11.4%	11.2%	3 355	2 908	15.4%	13.3%
- Region Americas	451	457	-1.2%	3.4%	1 511	1 413	6.9%	3.8%

¹ Adjustment for changes in exchange rates

In the third quarter of 2017, net sales amounted to SEK 1,385m (1,295), representing an increase of 6.9 percent. Adjusted for exchange rate fluctuations, net sales rose 8.5 percent.

Sales increased, primarily driven by a continued very strong trend in Region Europe & ROW, but it was positive to note that we also grew in Region Americas during the third quarter, despite generally challenging market conditions among U.S. retailers.

Sales in Region Americas rose 3.4 percent (after currency adjustment) during the quarter. The strongest factor was increased sales in Active with Kids, which continued to trend favorably driven by sport strollers and child bike seats. Packs, Bags & Luggage also trended positively, mainly due to the new Thule Subterra luggage collection, which drove sales for suitcases and smaller bags for everyday use.

We also continued to grow in Sport&Cargo Carriers despite a challenging sector, primarily in the main market in the U.S. where the bicycle segment has still not fully recovered. The quarter was also negatively impacted by the smaller sub-category of accessories for pick-up trucks, which was integrated as a result of the divestment of the main category in the Specialty segment during the second quarter. We have chosen not to strive to grow in the low-margin product areas where we sell accessories for pick-up trucks directly to car manufacturers, and to instead focus on improving profitability in the category. Growth was mainly driven by the successful launch of the Thule Motion XT family of roof boxes.

For the first nine months of the year, growth in Region Americas was 3.8 percent after currency adjustment and it is encouraging to note that all markets in the region posted some degree of growth.

In Region Europe & ROW, the very positive trend continued and we achieved growth of 11.2 percent (after currency adjustment) in the quarter. In our traditional major category, Sport&Cargo Carriers, the strong trend continued for bike carriers. An example was that the test-winning tow-bar mounted bike carriers Thule EasyFold XT continued to post excellent sales. The European motorhome and caravan market continued to boom, with continued high production and increased orders from essentially all manufacturers in the region. Given that we continue to capture market shares, RV Products continued to perform very well during the quarter.

The very positive consumer response to the new Thule Chariot multisport trailers, together with our broader range of child bike seats and continued growth in market shares for our sport strollers, enabled us to continue our rapid expansion in the Active with Kids product category during the third quarter. In Packs, Bags & Luggage, the new Thule Subterra luggage series for the modern business traveler was the key driver.

For the first nine months of the year, growth in Region Europe & ROW was 13.3 percent after currency adjustment with growth recorded in all major markets in both Asia and Europe.

The Board of Directors and the President provide their assurance that this interim report provides a fair and accurate view of the Group's and the Parent Company's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

October 27, 2017

Board of Directors

Auditor's report

To the Board of Directors of Thule Group AB (publ)
Corp. id. 556770-6311

Introduction

We have reviewed the condensed interim financial information (interim report) of Thule Group AB (publ) as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö 27 October 2017
PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor in charge

Magnus Jönsson
Authorized Public Accountant

Selected key events during the period



Major launches in Active with Kids — during the quarter, at the world's largest fair for juvenile products, Kind&Jugend in Cologne, Germany, we presented the updated **Thule Urban Glide 2** stroller for active parents which is coming to market in the first quarter of 2018. We also presented the completely new Thule Sleek urban stroller, which is an attractive and easy-to-use stroller for one child, but which also has the flexibility to be used for two children through the addition of an extra seat. **Thule Sleek** will appear in stores in the second half of 2018.



Continued investment in Sport&Cargo Carriers — at a number of fairs in the third quarter, we presented many smart new products that make it easier for our users to bring their sports equipment with them. **Thule UpRide** was one of the major new products, a roof-mounted universal bike rack for fast and secure mounting of bicycles and for maximum frame protection. Thule UpRide is therefore ideal for bikes with carbon frames or bikes with difficult to access frames, such as certain mountain bikes.

Financial statements

(Unless otherwise stated, all amounts are in SEKm)

Consolidated Income Statement

		Jul - Sep		Jan - Sep		Full-year	
	Note	2017	2016	2017	2016	LTM	2016
Continuing operations							
Net sales	2	1 385	1 295	4 866	4 321	5 849	5 304
Cost of goods sold		-816	-753	-2 847	-2 500	-3 458	-3 110
Gross income		570	542	2 019	1 821	2 391	2 194
Other operating revenue		-0	0	4	0	4	0
Selling expenses		-240	-235	-801	-730	-1 041	-970
Administrative expenses		-72	-73	-219	-217	-301	-299
Other operating expenses		0	0	0	-7	5	-3
Operating income	2	258	235	1 002	867	1 058	922
Net interest expense/income		-14	-10	-37	-27	-46	-36
Income before taxes		244	225	966	841	1 012	887
Taxes	5	-59	-68	-236	-218	-252	-234
Net income from continuing operations		185	156	730	623	760	653
Discontinued operations							
Net income from discontinued operations	3	-0	6	18	16	24	23
Net income		185	162	748	639	784	676
Consolidated net income pertaining to:							
Shareholders of Parent Company		185	162	748	639	784	676
of which, pertaining to continuing operations		185	156	730	623	760	653
of which, pertaining to discontinued operations		-0	6	18	16	24	23
Net income		185	162	748	639	784	676
Earnings per share continuing operations, SEK before dilution		1.81	1.55	7.16	6.17		6.46
Earnings per share continuing operations, SEK after dilution		1.80	1.53	7.12	6.12		6.41
Earnings per share, SEK before dilution		1.81	1.60	7.34	6.33		6.69
Earnings per share, SEK after dilution		1.80	1.59	7.30	6.28		6.64
Average number of shares (millions)		102.1	101.0	101.9	101.0		101.0

Consolidated Statement of Comprehensive Income

		Jul - Sep		Jan - Sep		Full-year	
		2017	2016	2017	2016	LTM	2016
Net income		185	162	748	639	784	676
Items that have been carried over or can be carried over to net income							
Foreign currency translation		-131	100	-255	158	-172	241
Cash flow hedges		8	-10	9	-36	21	-24
Net investment hedge		43	-37	61	-76	46	-90
Period change in fair value of available for sale financial assets		0	-0	24	-24	24	-24
Tax on components in other comprehensive income		1	-4	17	10	3	-5
Items that cannot be carried over to net income							
Revaluation of defined-benefit pension plans		-0	-3	-4	-17	3	-10
Tax pertaining to items that cannot be carried over to net income		0	1	1	4	-0	3
Other comprehensive income		-78	48	-148	19	-75	92
Total comprehensive income		106	210	600	658	709	767
Total comprehensive income pertaining to:							
Shareholders of Parent Company		106	210	600	658	709	767
Total comprehensive income		106	210	600	658	709	767

Consolidated Balance Sheet

	Sep 30 2017	Sep 30 2016	Dec 31 2016
Assets			
Intangible assets	4 089	4 217	4 240
Tangible assets	629	538	579
Long-term receivables	11	32	8
Deferred tax receivables	433	531	495
Total fixed assets	5 161	5 319	5 323
Inventories	640	678	825
Tax receivables	1	15	7
Accounts receivable	736	728	584
Prepaid expenses and accrued income	55	62	44
Other receivables	137	135	215
Cash and cash equivalents	733	861	763
Assets held for sale	0	0	124
Total current assets	2 301	2 479	2 561
Total assets	7 462	7 798	7 883
Equity and liabilities			
Equity	3 433	3 717	3 826
Long-term interest-bearing liabilities	2 394	2 447	2 467
Provision for pensions	139	140	131
Deferred income tax liabilities	156	183	157
Total long-term liabilities	2 689	2 770	2 755
Short-term interest-bearing liabilities	12	32	34
Accounts payable	399	406	522
Tax liabilities	278	276	271
Other liabilities	205	150	31
Accrued expenses and deferred income	416	418	379
Provisions	30	29	32
Liabilities attributable to assets held for sale	0	0	34
Total short-term liabilities	1 340	1 311	1 302
Total liabilities	4 029	4 082	4 057
Total equity and liabilities	7 462	7 798	7 883

Consolidated Statement of Changes in Equity

	Jan - Sep		Full-year
	2017	2016	2016
Opening balance, January 1	3 826	3 228	3 228
Net income	748	639	676
Other comprehensive income	-148	19	92
Total comprehensive income	600	658	767
Transactions with the Group's owners:			
New share issue	110	88	88
Dividend	-1 113	-253	-253
Other	10	-4	-4
Closing balance	3 433	3 717	3 826

Consolidated Statement of Cash Flow

	Jul - Sep		Jan - Sep	
	2017	2016	2017	2016
Income before taxes	244	225	966	841
Income from discontinued operations before taxes	-2	9	40	25
Adjustments for items not included in cash flow	14	30	51	73
Paid income taxes	-41	-75	-171	-127
Cash flow from operating activities prior to changes in working capital	215	189	885	811
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	70	97	152	80
Increase(-)/Decrease (+) in receivables	405	316	-183	-149
Increase(+)/Decrease (-) in liabilities	-171	-165	-92	45
Cash flow from operating activities	519	436	763	787
Investing activities				
Acquisition of subsidiaries	0	-92	0	-92
Sale of subsidiaries	-1	0	145	0
Acquisition/divestment of tangible assets	-35	-19	-115	-68
Cash flow from investing activities	-36	-110	29	-160
Financing activities				
New issue of shares	0	0	110	88
Others	18	0	10	-4
Dividend	0	0	-939	-126
Debt repaid/new loans	1	0	0	0
Cash flow from financing activities	19	0	-820	-42
Net cash flow	502	326	-28	584
Cash and cash equivalents at beginning of period	232	532	763	274
Effect of exchange rates on cash and cash equivalents	-1	3	-2	2
Cash and cash equivalents at end of period	733	861	733	861

Condensed Parent Company Income Statement

	Jul - Sep		Jan - Sep		Full-year
	2017	2016	2017	2016	2016
Other operating revenue	5	5	14	14	18
Administrative expenses	-13	-9	-29	-26	-37
Operating income	-8	-4	-15	-12	-19
Result from Shares in Subsidiaries	0	0	0	0	1 000
Interest income- and expense	2	1	3	3	4
Income after financial items	-6	-3	-12	-9	985
Appropriations	0	0	0	0	12
Net income before taxes	-6	-3	-12	-9	997
Taxes	1	2	1	2	1
Net income	-5	-2	-11	-7	998

Parent Company Balance Sheet

	Sep 30 2017	Sep 30 2016	Dec 31 2016
Assets			
Financial fixed assets	4 981	5 026	6 041
Total fixed assets	4 981	5 026	6 041
Other current receivables	3	2	14
Cash and cash equivalents	0	0	0
Total current assets	3	2	14
Total assets	4 984	5 028	6 055
Equity and liabilities			
Equity	1 294	1 293	2 298
Other provisions	7	4	5
Liabilities to credit institutions	2 374	2 417	2 433
Liabilities to Group companies	368	368	368
Total long-term liabilities	2 749	2 789	2 806
Liabilities to credit institutions	0	0	0
Liabilities to Group companies	752	805	931
Other current liabilities	189	140	20
Total short-term liabilities	941	945	951
Total equity and liabilities	4 984	5 028	6 055

Disclosures, accounting policies and risk factors

Disclosures in accordance with Paragraph 16A of IAS 34 *Interim Financial Reporting* can be found in the financial statements and the associated notes as well as in other sections of the interim report.

Note 1 Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act on interim financial reporting. The same accounting policies and calculation methods have been applied for the Group and Parent Company as in the most recent Annual Report. Revised IFRSs that became effective in 2017 have had no material impact on the Group's earnings and financial position. Work is ongoing with evaluating the effect of implementing IFRS 15. The Group's assessment is that IFRS 9 and IFRS 15 will not have any material impact on the Group's earnings or financial position.

Note 2 Operating segments

The two product groups (racks and smaller accessories for pick-up trucks) that were previously included in the Specialty operating segment are now recognized as part of continuing operations. Comparative figures have been recalculated retroactively. The remaining part of the Specialty operating segment, toolboxes for pick-up trucks, was divested in June 2017 and is reported as a discontinued operation. Refer to Note 3 Discontinued operations. As a result of the divestment of the Specialty operating segment, the Group now comprises one segment.

	Jul - Sep		Jan - Sep	
	2017	2016	2017	2016
Sales to customers	1 385	1 295	4 866	4 321
- Region Europe & ROW	935	838	3 355	2 906
- Region Americas	450	457	1 511	1 415
Underlying EBITDA	275	254	1 054	923
Operating depreciation/amortization	-17	-16	-50	-47
Underlying EBIT	258	238	1 003	877
Other depreciation/amortization	0	-3	-1	-9
Items affecting comparability	0	0	0	0
Operating income	258	235	1 002	867
Net interest expense/income	-14	-10	-37	-27
Taxes	-59	-68	-236	-218
Net income from discontinued operations	0	6	18	16
Consolidated net income	185	162	748	639

Note 3 Discontinued operations

	Jan - Sep	
	2017	2016
Revenue	128	220
Expenses	-110	-196
Income before taxes	17	25
Capital gain from divestment of discontinued operation	22	0
Taxes	-22	-8
Net income from discontinued operations	18	16
Earnings per share, discontinued operations, SEK	0.18	0.16

	Jan - Sep	
	2017	2016
Cash flow from discontinued operations		
Operating cash flow before investments	30	21
Operating cash flow after investments	30	18

Note 4 Fair value of financial instruments

	Fair value	
	Sep 30	Sep 30
	2017	2016
Assets - Financial derivatives		
Financial receivables	0	24
Currency forward contracts	5	8
Currency swaps	3	3
Currency options	2	9
Interest rate swaps	0	0
Total derivative assets	10	44
Liabilities - Financial derivatives		
Currency forward contracts	-5	-16
Currency swaps	-1	-1
Currency options	-2	-10
Interest rate swaps	-8	-17
Total derivative liabilities	-16	-44

The carrying amount is an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to floating interest rates, which means that changes in the basic interest rate will have no significant impact on the fair value of the liabilities. According to the company's assessment, neither have there been any changes in the credit margins that would significantly impact the fair value of the liabilities. The financial instruments measured at fair value in the balance sheet consist of derivatives held to hedge the Group's exposure to interest rates, currency rates and raw material prices. All derivatives belong to Level 2.

Note 5 Taxes

The company is involved in an ongoing tax dispute in Germany. As the company announced earlier, the German tax agency has issued a judgment on an increase in the tax base for the years 2005–2008, which would add another approximately EUR 17.6m in further taxes and accrued interest for the company. The company has appealed the decision. A settlement was reached with the German tax agency regarding some of the decisions appealed by the company. The agreement implies that the potential increase in tax based on the German tax agency's decision is to be lowered by EUR 9.6m, meaning that for this portion, the company has settled at EUR 1.3m, which is covered by provisions made in earlier years. The remaining EUR 8.3m has been written off as demands from the tax agency. The amount was already paid earlier.

Regarding the tax audit in Germany for the years 2009–2012, the German tax agency made a decision in 2016 that entailed a further approximately EUR 10m in taxes and accrued interest. The company intends to appeal the ruling.

The company had already made a provision of EUR 5.7m for taxes/interest for the tax audits. The provisions are based, for example, on an assumption that the company may not win an appeal and would thus be compelled to pay tax for income in Germany instead of Sweden. Tax payments of EUR 12.3m have already been made pertaining to a partial payment of the German tax agency claim. These payments do not constitute an admission in any way, but have only been made to prevent any interest increases.

The effective tax rate for the January–September 2017 period was 24.4 percent compared with 25.9 percent for the year-earlier period. No significant events affecting the Group's effective tax rate occurred during the period.

Note 6 Risks and uncertainties

Thule Group is an international company and its operations may be affected by a number of risk factors in the form of operational and financial risks. The operational risks are managed by the operational units and the financial risks by the central finance department. The operational risks comprise the overall economic trend as well as consumption by both consumers and professional users, primarily in North America and Europe, where most of the Group's sales are conducted. An economic downturn in these markets could have a negative impact on the Group's sales and earnings. Changes in product technology and sales channel shifts could also affect the Group's sales and earnings negatively.

Thule Group's operations are also exposed to seasonal variations. Demand for consumer products for an active outdoor lifestyle (such as bike carriers or water sport-related products) is greatest during the warmer months of the year, while demand for cases for electronic products is greatest when schools start, at the end of the year and when new electronic products are launched. Thule Group has adapted its production processes and supply chain in response to these variations.

Other relevant risk factors are described in Thule Group's Annual Report and pertain to industry and market-related risks, operating, legal and fiscal risks as well as financial risks. For tax-related risks, see also Note 5 Taxes above.

Key figures

	Jul - Sep		Jan - Sep		Full-year
	2017	2016	2017	2016	2016
Net sales, SEKm	1 385	1 295	4 866	4 321	5 304
Net sales growth, %	6.9%	2.3%	12.6%	5.0%	5.7%
Net sales growth, adjusted % ¹	8.5%	2.3%	10.2%	5.9%	5.2%
Gross margin, %	41.1%	41.8%	41.5%	42.1%	41.4%
Underlying EBIT, SEKm	258	238	1 003	877	935
Underlying EBIT-margin, %	18.6%	18.4%	20.6%	20.3%	17.6%
Operating income (EBIT), SEKm	258	235	1 002	867	922
Operating margin, %	18.6%	18.1%	20.6%	20.1%	17.4%
Earnings per share, SEK	1.81	1.55	7.16	6.17	6.46
Earnings per share (total operations), SEK	1.81	1.60	7.34	6.33	6.69
Equity ratio, %	46.0%	47.7%	46.0%	47.7%	48.5%
Working capital, SEKm	973	1 200	973	1 200	1 203
Leverage ratio	1.5	1.7	1.5	1.7	1.6

¹ Adjustment for changes in exchange rates

Alternative performance measures

Alternative performance measures are used to describe the underlying development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by Group management to measure the company's financial performance. The alternative performance measures used are net debt (see table on page 5), underlying EBIT and underlying EBITDA. Underlying denotes that we have made adjustments for specific items, see Note 2 Operating segments. For further information, please refer to the Definitions section. These performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS, but rather as a complement.

Definitions

Earnings per share Net income for the period divided by the average number of shares during the period.

EBIT (Earnings before interest and taxes) Income before net financial items and taxes.

EBIT margin EBIT as a percentage of net sales.

EBITDA (Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes and depreciation/amortization and impairment of tangible and intangible assets.

EBITDA margin EBITDA as a percentage of net sales.

Equity per share Equity divided by the number of shares at the end of the period.

Equity ratio Equity as a percentage of total assets.

Gross debt Total long- and short-term borrowing including overdraft facilities, financial derivatives, capitalized transaction costs and accrued interest.

Gross income Net sales less cost of goods sold.

Gross margin Gross income as a percentage of net sales.

Items affecting comparability Profit/loss items that are by their very nature unusual and significantly impact profit or loss. These play an important part in understanding the underlying business performance.

Leverage ratio Net debt divided by the LTM underlying EBITDA.

LTM Rolling 12-month.

Net debt Gross debt less cash and cash equivalents.

Net investments Investments in tangible and intangible assets adjusted for disposals.

Operational depreciation/amortization The Group's total depreciation/amortization excluding depreciation/amortization of consolidated excess values. Other depreciation/amortization comprises depreciation/amortization of consolidated excess values.

Underlying EBIT EBIT excluding items affecting comparability and depreciation/amortization of consolidated excess values.

Underlying EBITDA EBITDA excluding items affecting comparability.

Working capital Comprises inventories, tax receivables, accounts receivable, prepaid expenses and accrued income, other receivables, cash and cash equivalents less accounts payable, income tax liabilities, other liabilities, accrued expenses and deferred income and provisions. Working capital in the cash flow excludes cash and cash equivalents.

Financial calendar

Year-end report
Interim report, January–March 2018
Thule Group AGM (Malmö)

February 13, 2018
April 25, 2018
April 25, 2018

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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 four product categories: **Sport&Cargo Carriers** (e.g. roof racks, roof boxes, racks for bikes, water and winter sports equipment being transported by car), **Packs, Bags & Luggage** (e.g. computer and camera bags, luggage and hiking backpacks), **Active with Kids** (e.g. bicycle trailers, strollers, child bike seats) and **RV Products** (e.g. awnings, bike carriers and tents for motorhomes and caravans).

Thule Group has approximately 2,200 employees at eight production facilities and 35 sales offices worldwide. The Group's products are sold in 140 markets and in 2016, sales amounted to SEK 5.3 billion. www.thulegroup.com



Thule Group»

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