

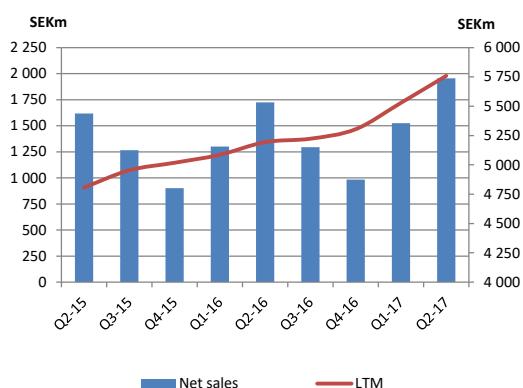
Thule Group

Interim report for the second quarter, April-June 2017

- **Net sales¹** for the quarter amounted to SEK 1,955m (1,725), corresponding to an increase of 13.3 percent. Adjusted for exchange-rate fluctuations, sales rose 8.6 percent.
- **Underlying EBIT¹** amounted to SEK 474m (414), corresponding to an increase of 14.7 percent and a margin of 24.3 percent (24.0). After adjustment for exchange-rate fluctuations, underlying EBIT rose 14.1 percent and the margin improved 1.2 percentage points.
- **Net income¹** totaled SEK 348 (304).
- **Cash flow from operating activities²** totaled SEK 416m (381).
- **Earnings per share before dilution¹** amounted to SEK 3.41 (3.01).
- **The Specialty segment** was divested during the period and is thus reported under discontinued operations.

	Apr-Jun 2017	Apr-Jun 2016	%	Jan-Jun 2017	Jan-Jun 2016	%	Full-year 2016
Net sales, SEKm	1 955	1 725	+13.3	3 481	3 026	+15.0	5 304
Underlying EBIT, SEKm	474	414	+14.7	745	639	+16.7	935
Operating income (EBIT), SEKm	474	410	+15.5	745	632	+17.7	922
Net income from continued operations, SEKm	348	304	+14.6	545	466	+16.8	653
Earnings per share, SEK	3.41	3.01	+13.3	5.35	4.62	+15.8	6.46
Cash flow from operating activities, SEKm	416	381	+9.1	244	350	-30.4	878

Net sales



Underlying EBIT



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 sales and high profitability

Successful product launches and continued wins with retailers enabled us to deliver a strong result for the second quarter of 2017. Thanks to sales growth of 9 percent (after currency adjustment), combined with a highly cost-efficient organization, we achieved 24.2 percent EBIT-margin during the second quarter.

The improved profitability was achieved despite rising costs for raw materials and ambitious investments in product development in our newer product categories.

Following the divestment of our Specialty segment during the quarter, we are now a streamlined, brand-driven consumer products company with strong positions in several product categories that make it easier for people to live an active life.

Increased sales throughout the world

Region Europe & ROW was once again the driving force for growth, with a 12 percent currency-adjusted increase in sales in the second quarter, giving a 14 percent increase for the first six months of the year.

Region Americas sales rose 2 percent (after currency adjustment) during the quarter in a challenging market, which means we increased sales 4 percent after currency adjustment for the first half of the year.

The product category trends continued in line with what we saw earlier in the year in both regions.

Global success in Sport&Cargo Carriers

In Sport&Cargo Carriers, growth was mainly driven by our innovative bike carriers, with sales of the tow bar-mounted Thule EasyFold XT (Region Europe & ROW) and Thule T2 Pro (Region Americas) increasing, boosted by being test winners in a number of different bike-related media channels.

In this category we continue to globalize and standardize our product development activities. During 2017, this has given synergies and efficiency gains in the global rollout of new products such as the Thule Motion XT roof boxes, as well as freeing up resources for our efforts in newer product categories, such as strollers and luggage.

Stronger brand in Active with Kids

Our global success in the Active with Kids category continues with an increasingly favorable position for the Thule brand in media and among resellers. The successful launches of the new Thule Chariot multisport trailers and the Thule Yepp bike seats, and the continued strong growth for the Thule Urban Glide sport strollers, have boosted this category in 2017.

Use by consumers varies around the world when it comes to multisport trailers and child bike seats, which are used considerably more in such countries as Germany, the Netherlands and the Nordics, thereby driving sales mostly in the Europe & ROW region. However, our sport strollers are suited to usage patterns that exist globally and these models strengthen the Thule brand in the juvenile product category on a global basis.

Hot RV market first half of the year

During the first six months, the trend in the European motorhome and caravan market was very positive and in addition we continue to gain market share. We do not think it likely that the market can continue with the same very strong trend during the second half of the year, but remain nonetheless confident about favorable growth, albeit at a somewhat slower pace.

A better future platform in the bag category

In the bag category, we are still not showing growth, but the situation is still much more stable than it was at the same time last year. The new Thule Subterra luggage collection for the modern business traveler is showing positive results, although it is still too early to assess how strong the final outcome will be.

Through the successful launches of new hiking backpacks and bike bags, we continue to grow in the area of sports bags.

In the more challenging category of Bags for Electronic Devices, we generated growth in small backpacks and laptop cases during the first half of the year. However, especially the US market remained difficult in the traditional Case Logic categories, which had a negative impact on Region Americas sales.

Full speed toward the exhibition season

We are now busy with the final preparations for the busy 2017 exhibition season and I feel very satisfied to once again be able to say that we have never before shown so many exciting new products as we will at this year's exhibitions. We will present these initiatives in more detail at our Capital Markets Day in the autumn.



Magnus Welander,
CEO and President

Financial overview³

Trend for the second quarter

Net sales

In the second quarter of 2017, net sales amounted to SEK 1,955 (1,725), representing an increase of 13.3 percent. Adjusted for exchange-rate fluctuations, net sales for the Group rose 8.6 percent.

In Region Europe & ROW, net sales increased 12.1 percent after currency adjustment, while Region Americas' sales grew 2.0 percent after currency adjustments, although the region continues to be negatively impacted by weaker sales in the Bags for Electronic Devices product category.

The Specialty segment, including toolboxes for pick-up trucks, was divested and is reported as discontinued operations. The two smaller product groups that were formerly included in the Specialty segment, racks for pick-up trucks and accessories for pick-up trucks, which were not divested, have been included in the Outdoor&Bags segment under Region Americas since January 1, 2017. Comparative figures have been restated retroactively.

	Apr-Jun	Jan-Jun
Change in net sales	2017	2017
Changes in exchange rates	4.7%	4.1%
Structural changes	1.8%	1.3%
Organic growth	6.8%	9.6%
Total	13.3%	15.0%

Gross income

Gross income for the quarter totaled SEK 825m (735), corresponding to a gross margin of 42.2 percent (42.6). The gross margin declined somewhat, primarily due to a negative currency effect, which was partly offset by a positive changed product and customer mix in the product categories.

Operating income

Operating income totaled SEK 474m (410). Underlying EBIT was SEK 474m (414), corresponding to a margin of 24.3 percent (24.0). Changes in exchange rates had an overall positive impact of SEK 2m on underlying EBIT, compared with the second quarter of 2016. After currency adjustment, we achieved a year-on-year margin improvement of 1.2 percentage points in the quarter. The improvement was primarily achieved by being able to generate higher sales with essentially the same organization, meaning that overheads did not increase at the same pace.

	Apr-Jun	Jan-Jun
Change in underlying EBIT margin		
Underlying EBIT 2017	474	745
Underlying EBIT margin 2017	24.3%	21.4%
Underlying EBIT 2016	414	639
Underlying EBIT margin 2016	24.0%	21.1%
Underlying EBIT 2016, currency adjusted	416	651
Underlying EBIT marginal 2016, currency adjusted	23.1%	20.7%
Change in underlying EBIT margin, currency adjusted	1.2%	0.7%

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

Net financial items

In the second quarter, net financial items amounted to an expense of SEK 12 m (expense: 10). Exchange rate differences on loans and cash and cash equivalents were SEK 1m (0). The interest expense for borrowings was SEK 11m (expense: 10).

Net income for the period

In the second quarter, net income for continuing operations was SEK 348m, corresponding to earnings per share of SEK 3.41 before dilution and SEK 3.39 after dilution. For the year-earlier period, net income for continuing operations totaled SEK 304m, corresponding to earnings per share of SEK 3.01 before dilution and SEK 2.99 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 71m 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 the discontinued operation. 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.

Trend for the first six months

Net sales

In the first half of 2017, net sales amounted to SEK 3,481 M (3,026), representing an increase of 15.0 percent. Adjusted for exchange-rate fluctuations, net sales for the Group rose 10.9 percent.

In Region Europe & ROW, net sales increased 14.2 percent after currency adjustment, while Region Americas' sales grew 3.9 percent after currency adjustments, although the region continues to be negatively impacted by weaker sales in the Bags for Electronic Devices product category.

Gross income

Gross income for the period amounted to SEK 1,449m (1,279), corresponding to a gross margin of 41.6 percent (42.3), of which 0.4 percentage points comprise currency.

Operating income

Operating income totaled SEK 745m (632). Underlying EBIT was SEK 745m (639), corresponding to a margin of 21.4 percent (21.1). Changes in exchange rates had an overall positive impact of SEK 13m on underlying EBIT, compared with the first six months of 2016. After currency adjustment, we achieved a year-on-year margin improvement of 0.7 percentage points in the period, compared with the year-earlier 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 half of the year, net financial items amounted to an expense of SEK 23 m (expense: 17), and were impacted by exchange rate differences of SEK 2 m (5) on loans and cash and cash equivalents. For the first half of the year, the interest expense for borrowings was SEK -23m (expense: 22).

Net income for the period

For the first six months, net income was SEK 545m, corresponding to earnings per share of SEK 5.35 before dilution and SEK 5.32 after dilution. For the year-earlier period, net income for continuing operations totaled SEK 466m, corresponding to earnings per share of SEK 4.62 before dilution and SEK 4.59 after dilution.

Net income from discontinued operations

Net income from discontinued operations, SEK 18m, pertains to net income from the divested operation, toolboxes for pick-up trucks, and the Snow Chain division-related additional purchase consideration, which will not be paid because the criteria for the additional purchase consideration were not met. Net income from discontinued operations in the year-earlier period was SEK 11m, which pertains to net income from toolboxes for pick-up trucks.

Cash flow⁴

Net cash flow for the period

Cash flow from operating activities was SEK 244m (350) for the first six months. The change compared with the year-earlier period is 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 assets amounted to SEK 81m (49). 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 June 30, 2017, the Group's equity amounted to SEK 3,308m (3,507). The equity ratio amounted to 43.7 percent (45.6).

At June 30, 2017, net debt amounted to SEK 2,220m (1,880). Total long-term borrowing amounted to SEK 2,439 (2,408), and comprised loans from credit institutions of SEK 2,436m (2,400), gross, capitalized financing costs of SEK 7m (10) and the long-term portion of financial derivatives of SEK 10m (17). Total current financial liabilities amounted to SEK 28m (23) and mainly comprised the short-term portion of financial derivatives.

SEKm	Jun 30 2017	Jun 30 2016	Dec 31 2016
Long-term loans, gross	2 436	2 400	2 453
Financial derivative liability, long-term	10	17	22
Short-term loans, gross	6	5	6
Financial derivative liability, short-term	22	18	28
Overdraft facilities	0	0	0
Capitalized financing costs	-7	-10	-8
Accrued interest	0	1	0
Gross debt	2 467	2 431	2 501
Financial derivative asset	-15	-19	-34
Cash and cash equivalents	-232	-532	-763
Net debt	2 220	1 880	1 704

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

At June 30, 2017, goodwill totaled SEK 4,136m (4,058). The change is attributable to an increase of SEK 68m pertaining to the acquisition of GMG B.V. in July 2016 and SEK 17m related to the divested operation. The remaining change was attributable to currency effects.

At June 30, 2017, inventories amounted to SEK 726m. At June 30, 2016, inventories pertaining to continuing operations amounted to SEK 725m.

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

Other information

Specialty — toolboxes for pick-up trucks operation has been divested

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 quarter and a transaction was implemented on June 16 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 the growth of the core operation. 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). In full-year 2016, the divested operation in the Speciality operating segment had sales of SEK 307m (303) with an operating margin of 11.2% (5.2). The capital gain is expected to amount to SEK 71m, including divestment costs. The transaction entailed a positive cash flow effect of SEK 146 during the quarter. See Note 3 for more information.

The two smaller product groups that were historically reported under the Specialty segment (racks and smaller accessories for pick-up trucks) and which have not been divested, have been reported as of January 1, 2017, in the Outdoor&Bags segment under the Sport&Cargo Carrier product category in Region Americas. Comparative figures have been restated retroactively.

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 2,312 (2,190).

Income taxes

In April, a settlement was reached with the German tax agency regarding some of the decisions appealed by the company. The agreement implies that the initial demand of EUR 9.6m has been settled at 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.

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Large Cap list. At June 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, has been implemented during the second calendar quarter 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.

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. October 6, 2017, was set as the record date for the second payment of SEK 1.70 per share.

Shareholders

At June 30, 2017, Thule Group AB had 11,550 shareholders. At this date, the largest shareholders were AMF – Försäkringar & Fonder (10.8 percent of the votes), Lannebo Fonder (6.2 percent of the votes), Nordea Fonder (5.2 percent of the votes) and Swedbank Robur Fonder (5.0 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-June 30, 2017. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 6m (neg: 5).

Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,417m (2,379).

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.

Performance by business segment

Outdoor&Bags

SEKm	Apr-Jun		Change		Jan-Jun		Change	
	2017	2016	Rep.	Adjust. ¹	2017	2016	Rep.	Adjust. ¹
Net sales	1 956	1 725	13.4%	8.7%	3 481	3 025	15.1%	10.9%
- Region Europe & ROW	1 339	1 157	15.7%	12.1%	2 421	2 069	17.0%	14.2%
- Region Americas	618	568	8.8%	2.0%	1 060	956	10.8%	3.9%
Operating income	496	436	13.7%		792	686	15.5%	
Underlying EBIT	496	439	12.9%	12.3%	792	691	14.5%	12.4%
Operating margin, %	25.4%	25.3%			22.8%	22.7%		
Underlying EBIT margin, %	25.4%	25.5%			22.8%	22.9%		

¹ Adjustment for changes in exchange rates

In the second quarter of 2017, net sales in Outdoor&Bags rose to SEK 1,956 (1,725), an increase of 13.4 percent. Adjusted for exchange rate fluctuations, net sales rose 8.7 percent.

Despite major investments in product development and rising raw materials costs, we grew the underlying EBIT margin to 25.4 percent (24.5 percent currency adjusted) and the underlying EBIT for the second quarter thus amounted to SEK 496m (439).

The segment's 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 second quarter, despite a generally challenging market situation among US retailers.

Sales in Region Americas rose 2.0 percent (after currency adjustment). The strongest driver behind this trend was the increase in sales in Sport&Cargo Carriers, where several successful launches drove growth in a generally rather challenged sector in the principal market in the US. Active with Kids also continued to perform well on account of sport strollers and child bike seats.

Despite continued lower sales for Bags for Electronic Devices in the US, we see several signs of brightness ahead in terms of turning around the negative trend we have had in recent years in shrinking categories.

In Region Europe & ROW, the very positive trend continued and we achieved growth of 12.1 percent (after currency adjustment). In our traditional major category, Sport&Cargo Carriers, the highly positive trend continued for bike carriers, with, for example, the test-winning tow bar mounted bike carriers Thule EasyFold XT displayed excellent sales. The European motorhome and caravan market also boomed during the second quarter, with continued high production and increased orders from essentially all manufacturers in the region. Since we also continued to gain market shares, RV Products continued to perform very well during the quarter.

The new Thule Chariot multisport trailers, a 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. The trend also remained positive in Sport&Travel Bags as a result of the launch of our new Thule Subterra bag series for the modern business traveler.

The year began with two very strong quarters and for the first six months, the segment recognized net sales of SEK 3,481m (3,025), a currency-adjusted increase of 10.9 percent. The underlying EBIT for the first six months amounted to SEK 792m (691), up 12.4 percent after currency adjustments.

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.

July 20, 2017

Stefan Jacobsson
Chairman of the Board

Bengt Baron
Board member

Hans Eckerström
Board member

Liv Forhaug
Board member

Helène Mellquist
Board member

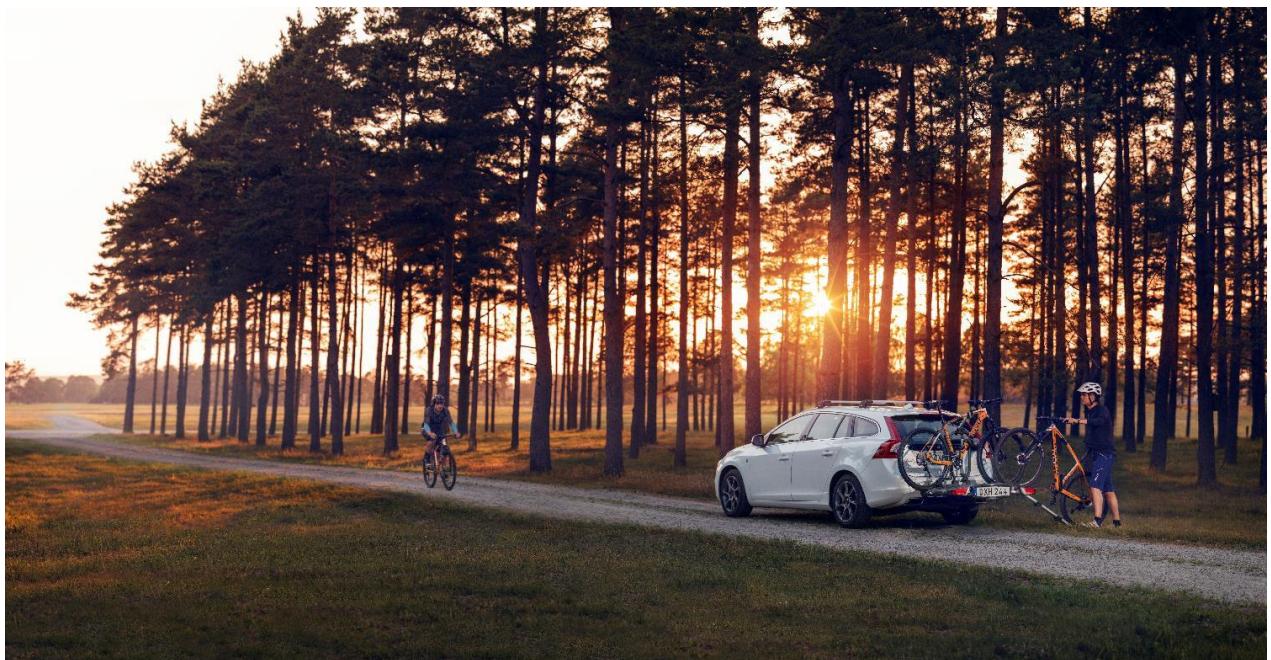
Eva Elmstedt
Board member

Magnus Welander
President

Review report

This report has not been reviewed by the company's auditor.

Selected product launches during the period



Thule EasyFold XT – a user-friendly, test-winning, foldable, tow bar-mounted bike carrier suitable for heavy bikes of all types (e-bikes, downhill mountainbikes, fat bikes, etc.).



Thule Yepp Nexxt – with the new family of Thule Yepp Nexxt child bike seats, we are setting a new standard for securing your child in a safe manner smoothly and quickly, before setting off on your bike. The updated models have lots of smart technology and are very low-weight, but they also have a modern design and have garnered recognition that includes the IF Product Design Gold Award and Red Dot Best of the Best Award.

Financial statements

(Unless otherwise stated, all amounts are in SEK m)

Consolidated Income Statement

Note	Apr - Jun		Jan - Jun		LTM	Full-year 2016
	2017	2016	2017	2016		
Continuing operations						
Net sales	2	1 955	1 725	3 481	3 026	5 759
Cost of goods sold		-1 130	-989	-2 031	-1 746	-3 395
Gross income		825	735	1 449	1 279	2 364
Other operating revenue		4	0	4	0	4
Selling expenses		-283	-249	-561	-495	-1 037
Administrative expenses		-72	-72	-147	-144	-302
Other operating expenses		0	-4	0	-8	5
Operating income	2	474	410	745	632	1 034
Net interest expense/income		-12	-10	-23	-17	-42
Income before taxes		462	400	722	616	993
Taxes	5	-114	-97	-177	-149	-262
Net income from continued operations		348	304	545	466	731
Discontinued operations						
Net income from discontinued operations	3	12	5	18	11	31
Net income		360	308	563	477	762
Net income						
Consolidated net income pertaining to:						
Shareholders of Parent Company		360	308	563	477	762
of which, pertaining to continuing operations		348	304	545	466	731
of which, pertaining to discontinued operations		12	5	18	11	31
Net income		360	308	563	477	762
Earnings per share continuing operations, SEK before dilution						
Earnings per share continuing operations, SEK after dilution		3.41	3.01	5.35	4.62	6.46
Earnings per share, SEK before dilution		3.39	2.99	5.32	4.59	6.41
Earnings per share, SEK after dilution		3.53	3.05	5.53	4.73	6.69
Average number of shares (millions)		3.51	3.03	5.50	4.70	6.64
Average number of shares (millions)		102.1	101.0	101.8	101.0	101.0

Consolidated Statement of Comprehensive Income

	Apr - Jun		Jan - Jun		LTM	Full-year 2016
	2017	2016	2017	2016		
Net income						
Net income	360	308	563	477	762	676
Items that have been carried over or can be carried over to net income						
Foreign currency translation	-101	126	-125	57	59	241
Cash flow hedges	-4	-13	1	-26	3	-24
Net investment hedge	9	-51	17	-39	-34	-90
Translation differences from foreign currency translation and sales of subsidiary recognized in net income	0	0	0	0	0	0
Period change in fair value of available for sale financial assets	24	-24	24	-24	24	-24
Tax on components in other comprehensive income	15	16	16	13	-1	-5
Tax on components in other comprehensive income recognized in net income	0	0	0	0	0	0
Items that cannot be carried over to net income						
Revaluation of defined-benefit pension plans	-9	-6	-4	-14	0	-10
Tax pertaining to items that cannot be carried over to net income	2	1	1	3	0	3
Other comprehensive income	-65	49	-70	-29	51	92
Total comprehensive income	296	358	493	448	812	767
Total comprehensive income pertaining to:						
Shareholders of Parent Company	296	358	493	448	812	767
Total comprehensive income	296	358	493	448	812	767

Consolidated Balance Sheet

	Jun 30 2017	Jun 30 2016	Dec 31 2016
Assets			
Intangible assets	4 169	4 080	4 240
Tangible assets	623	523	579
Long-term receivables	10	31	8
Deferred tax receivables	461	521	495
Total fixed assets	5 263	5 156	5 323
Inventories	726	755	825
Tax receivables	0	4	7
Accounts receivable	1 131	1 064	584
Prepaid expenses and accrued income	54	54	44
Other receivables	161	121	215
Cash and cash equivalents	232	532	763
Assets held for sale	0	0	124
Total current assets	2 304	2 530	2 561
Total assets	7 566	7 686	7 883
Equity and liabilities			
Equity	3 308	3 507	3 826
Long-term interest-bearing liabilities	2 439	2 408	2 467
Provision for pensions	139	136	131
Deferred income tax liabilities	161	173	157
Total long-term liabilities	2 738	2 716	2 755
Short-term interest-bearing liabilities	28	23	34
Accounts payable	517	592	522
Taxes	273	242	271
Other liabilities	232	161	31
Accrued expenses and deferred income	439	414	379
Provisions	31	31	32
Liabilities attributable to assets held for sale	0	0	34
Total short-term liabilities	1 520	1 463	1 302
Total liabilities	4 258	4 179	4 057
Total equity and liabilities	7 566	7 686	7 883

Consolidated Statement of Changes in Equity

	2017	Jan - Jun 2016	Full-year 2016
Opening balance, January 1	3 826	3 228	3 228
Net income	563	477	676
Total other comprehensive income	-70	-29	92
Total comprehensive income	493	448	767
Transactions with the Group's owners:			
New share issue	110	88	88
Dividend	-1 113	-253	-253
Other	-8	-4	-4
Closing balance	3 308	3 507	3 826

Consolidated statement of cash flow

	2017	Apr - Jun 2017	Jan - Jun 2017	2016
Income before taxes	462	400	722	616
Income from discontinued operations before taxes	32	7	41	16
Adjustments for items not included in cash flow	19	32	37	43
Paid income taxes	-5	-17	-130	-52
Cash flow from operating activities prior to changes in working capital	508	423	670	623
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	157	47	82	-17
Increase(-)/Decrease (+) in receivables	-270	-180	-588	-465
Increase(+)/Decrease (-) in liabilities	20	92	79	210
Cash flow from operating activities	416	381	244	350
Investing activities				
Sale of Subsidiaries	146	0	146	0
Acquisition/divestment of tangible assets	-68	-17	-81	-49
Cash flow from investing activities	78	-17	65	-49
Financing activities				
New issue of shares	0	0	110	88
Others	-2	0	-8	-4
Dividend	-939	-126	-939	-126
Debt repaid/new loans	-2	0	-1	0
Cash flow from financing activities	-943	-126	-839	-42
Net cash flow	-449	238	-530	258
Cash and cash equivalents at beginning of period	679	295	763	274
Effect of exchange rates on cash and cash equivalents	2	-1	-1	-1
Cash and cash equivalents at end of period	232	532	232	532

Condensed Parent Company income statement

	Apr - Jun		Jan - Jun		Full-year
	2017	2016	2017	2016	2016
Other operating revenue	4	5	9	9	18
Administrative expenses	-8	-9	-17	-17	-37
Operating income	-4	-4	-8	-8	-19
Result from Shares in Subsidiaries	0	0	0	0	1 000
Interest income- and expense	0	1	1	2	4
Income after financial items	-3	-3	-6	-6	985
Appropriations	0	0	0	0	12
Net income before taxes	-3	-3	-6	-6	997
Taxes	0	0	0	0	1
Net income	-3	-3	-6	-5	998

Parent Company Balance Sheet

	Jun 30	Jun 30	Dec 31
	2017	2016	2016
Assets			
Financial fixed assets	5 024	4 986	6 041
Total fixed assets	5 024	4 986	6 041
Other current receivables	3	3	14
Cash and cash equivalents	0	0	0
Total current assets	3	3	14
Total assets	5 027	4 989	6 055
Equity and liabilities			
Equity	1 281	1 295	2 298
Other provisions	6	3	5
Liabilities to credit institutions	2 417	2 379	2 433
Liabilities to Group companies	368	368	368
Total long-term liabilities	2 791	2 750	2 806
Liabilities to credit institutions	0	0	0
Liabilities to Group companies	769	804	931
Other current liabilities	186	140	20
Total short-term liabilities	955	944	951
Total equity and liabilities	5 027	4 989	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.

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 the Outdoor&Bags operating segment. These product categories have a strong link to our market-leading category and are included in the Outdoor&Bags operating segment in our internal reporting as of 1 January. Comparative figures have been recalculated retroactively. The remaining part of the Specialty operating segment, toolboxes for pick-up trucks, was divested in 2017 and is reported as a discontinued operation. Refer to Note 3 Discontinued operations.

	Apr - Jun		Apr - Jun		Apr - Jun		Apr - Jun	
	2017	2016	2017	2016	2017	2016	2017	2016
Sales to customers	1 956	1 725	-1	0			1 955	1 725
Intercompany sales	-1	1	0	0	1	-1	0	0
Underlying EBITDA	512	454	-21	-25			491	429
Operating depreciation/amortization	-16	-15	-1	-1			-17	-16
Underlying EBIT	496	439	-22	-26			474	414
Other depreciation/amortization	0	-3	0	0			0	-3
Items affecting comparability	0	0	0	0			0	0
Operating income	496	436	-22	-26			474	410
Net interest expense/income							-12	-10
Taxes							-114	-97
Net income from discontinued operations							12	5
Consolidated net income							360	308

	Outdoor&Bags		Group common		Eliminations		Group	
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun	
	2017	2016	2017	2016	2017	2016	2017	2016
Sales to customers	3 481	3 025	0	1			3 481	3 026
Intercompany sales	0	2			0	-2	0	0
Underlying EBITDA	824	720	-45	-51			779	669
Operating depreciation/amortization	-32	-29	-2	-2			-34	-30
Underlying EBIT	792	691	-47	-52			745	639
Other depreciation/amortization	0	-6	-1	-1			-1	-6
Items affecting comparability	0	0	0	0			0	0
Operating income	792	686	-47	-53	0	0	745	632
Net interest expense/income							-23	-17
Taxes							-177	-149
Net income from discontinued operations							18	11
Consolidated net income							563	477

Note 3 Discontinued operations

	Jan - Jun	
	2017	2016
Revenue	131	150
Expenses	-114	-134
Income before taxes	18	16
Realization gain/loss from divestment of discontinued operation	23	0
Taxes	-23	-5
Net income from discontinued operations	18	11
Earnings per share, discontinued operations, SEK	0.18	0.11

	Jan - Jun	
	2017	2016
Cash flow from discontinued operations		
Operating cash flow before investments	31	14
Operating cash flow after investments	31	11

Note 4 Fair value of financial instruments

	Fair value	
	Jun 30	Jun 30
	2017	2016
Assets - Financial derivatives		
Financial receivables	0	24
Currency forward contracts	4	7
Currency swaps	6	7
Currency options	4	5
Interest rate swaps	0	0
Total derivative assets	15	43
Liabilities - Financial derivatives		
Currency forward contracts	-9	-7
Currency swaps	-9	-6
Currency options	-4	-6
Interest rate swaps	-10	-17
Total derivative liabilities	-32	-36

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. During the quarter, 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; see below.

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 SEK 66m 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 SEK 139m 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-June 2017 period was 24.6 percent compared with 24.3 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

	Apr - Jun		Jan - Jun		Full-year
	2017	2016	2017	2016	2016
Net sales, SEKm	1 955	1 725	3 481	3 026	5 304
Net sales growth, %	13.3%	6.7%	15.0%	6.2%	5.7%
Net sales growth, adjusted % ¹	8.6%	8.5%	10.9%	7.5%	5.2%
Gross margin, %	42.2%	42.6%	41.6%	42.3%	41.4%
Underlying EBIT, SEKm	474	414	745	639	935
Underlying EBIT-margin, %	24.3%	24.0%	21.4%	21.1%	17.6%
Operating income (EBIT), SEKm	474	410	745	632	922
Operating margin, %	24.2%	23.8%	21.4%	20.9%	17.4%
Earnings per share, SEK	3.41	3.01	5.35	4.62	6.46
Earnings per share (total operations), SEK	3.53	3.05	5.53	4.73	6.69
Equity ratio, %	43.7%	45.6%	43.7%	45.6%	48.5%
Working capital, SEKm	812	1 091	812	1 091	1 203
Leverage ratio	2.0	1.9	2.0	1.9	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

Gross margin Gross income as a percentage of net sales.

Gross income Net sales less cost of goods sold.

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

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.

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 underlying rolling 12-month 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.

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.

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

Underlying EBITDA EBITDA excluding items affecting comparability.

Financial calendar

Capital Market Day, Stockholm
Interim report, July-September 2017
Year-end report

September 20, 2017
October 27, 2017
February 13, 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 these product categories: **Sport&Cargo Carriers** (e.g. roof racks, roof boxes, holders for bikes, water and winter sports equipment being transported by car), **Active with Kids** (e.g. bicycle trailers, strollers, child bike seats), **RV Products** (e.g. awnings, bike carriers and tents for motorhomes and caravans), **Sport&Travel Bags** (e.g. hiking backpacks, suitcases) and **Bags for Electronic Devices** (e.g. laptop and camera bags).

Thule Group has about 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 5.6 billion. www.thulegroup.com



Thule Group»

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