

THOR INDUSTRIES

Nicholas Chan, Justine Chen, Anusha Fatehpuria, Charlie Huang, Annie Pan, Aditya Venkatesh, Emily Zhang



Table of Contents

SECTION

PAGE

Introduction -----	1
Product Lineup -----	2-4
Key Competitors -----	5-11
Industry Analysis and Forecasting-----	12-14
History of Company -----	15-25
Media Presence -----	26-31
Market Performance -----	32-33
Survey -----	34-36

Introduction










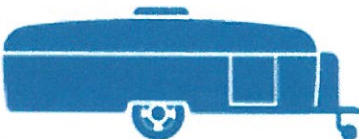
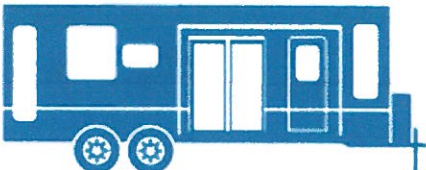
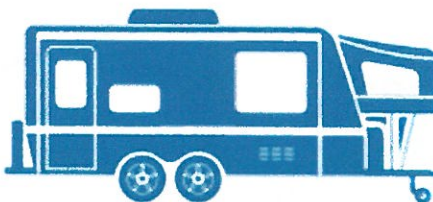
Founded in 1980 by Wade Thompson and Peter Orthwein, Thor Industries, Inc. is a family of recreational vehicle companies that makes up one of the world's largest RV manufacturers. Through its various subsidiaries of brands including Airstream, Keystone RV, CrossRoad, and Jayco, Thor sells its range of vehicles primarily throughout the United States and Canada, as well as related parts and accessories. Headquartered in Cincinnati, OH, the public corporation reported net sales of \$8.33 billion in the full fiscal year of 2018.

Product Lineup

Thor industries operates 19 subsidiary RV brands, which are the following: Airstream, Bison Coach, Breckenridge, CrossRoads RV, Cruiser RV (CRV), DRV, Dutchmen RV, Entegra, Heartland RV, Highland Ridge, Hymer, Jayco, Keystone RV, KZ RV, Livin Lite RV, Redwood RV, Roadtrek, Starcraft RV, Thor Motor Coach, Venture RV

These RV brands cover all types of RV products. The different types of RV products are shown in the diagram:

RV PRODUCT TYPE	DESCRIPTION	IMAGE
Motorhome (\$103k-600k) Brands: Entegra, Jayco, Thor motor coach, Airstream	Class A, B and C motorhomes that differ in affordability and luxury	
RUV (\$60k-100k) Brands: Thor motor coach	A combination of SUV and RV. Smaller than motorhome, but still spacious for a whole family	
Travel Trailers (\$12k-150k) Brands: Dutchmen RV, Airstream, Cruiser RV, Crossroads, Highland, Starcraft, Heartlands RV, Jayco, KZ	Most generic towable RV type	
Fifth Wheel (\$25k-125k) Brands: Dutchmen, Redwood, Highland, Starcraft, Jayco, Cruiser Rv. CrossRoads, Keystone, Heartland, KZ	5th wheel refers to the special connection between the trailer and the car. Fifth wheel trailers are generally more stable. Popular among full time RV users.	

RV PRODUCT TYPE	DESCRIPTION	IMAGE
<p>Lightweight (\$15k-35k)</p> <p>Brands: Venture, Highland, Cruiser RV, Heartland, CrossRoads, Keystone RV</p>	<p>Smaller more fuel efficient. Cheaper</p>	
<p>Toy hauler (\$20k-185k)</p> <p>Brands: Dutchmen, CrossRoads, Thor motor coach, Cruiser RV, Keystone, Heartlands, KZ, Jayco, Starcraft, Highlands</p>	<p>Lots of space for bringing other items such as motorcycles and ATVs</p>	
<p>Horse Trailer (\$13k-108k)</p> <p>Brands: Bison Coach</p>	<p>Provides safe environment for transporting horses.</p>	
<p>Pop up camper (\$5k-12k)</p> <p>Brands: Jayco</p>	<p>Can collapse for easy storage. Can also expand to accomodate for more storage. Good option for people with small vehicles.</p>	
<p>Destination camper (\$25k-48k)</p> <p>Brands: CrossRoads, Keystone RV, Heartland</p>	<p>Designed for long term living. More luxurious, comfortable, and designed for residential life.</p>	
<p>Expandable camper (\$11k-23k)</p> <p>Brands: Dutchmen, Jayco, KZ</p>	<p>Similar but larger than pop up campers. Has tent compartments that can expand out.</p>	

NON RV PRODUCTS

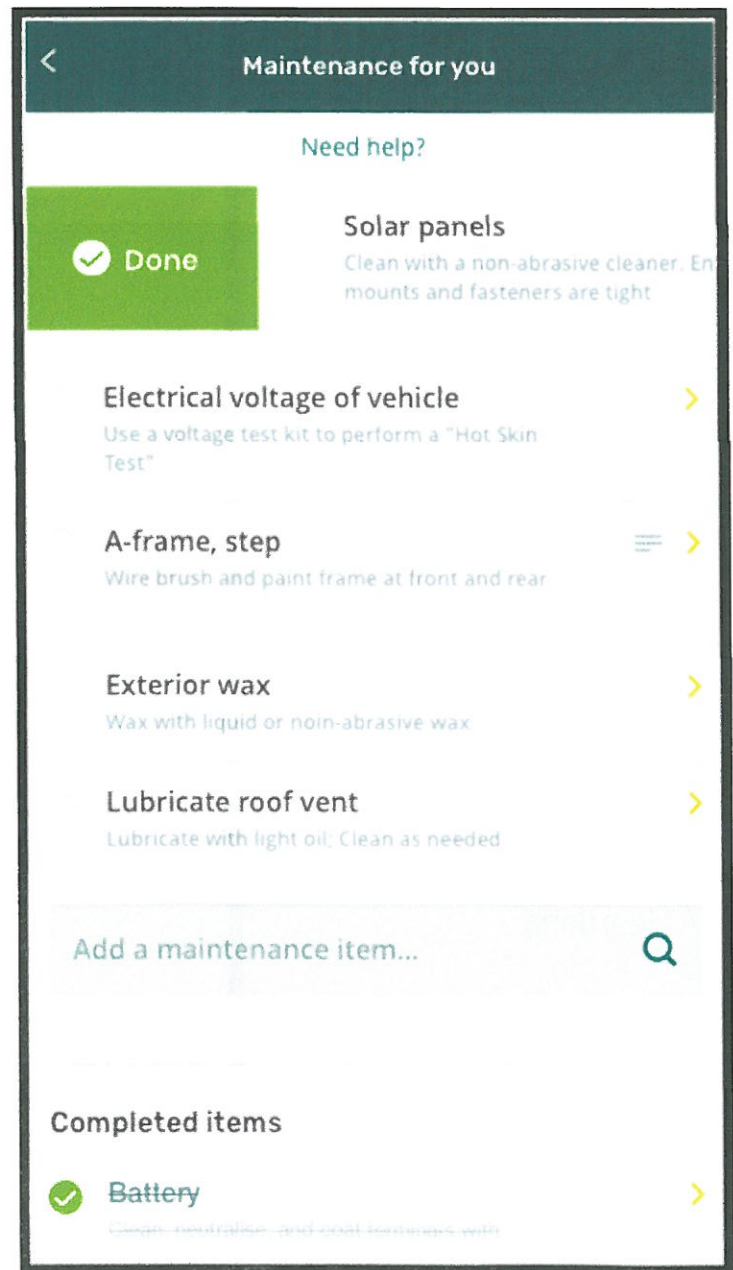
Thor industries is in a joint venture with Tourism Holdings Limited called "TH2." This joint venture launched the app "Togo," an app that aids RV users in RV maintenance. It keeps track records, service records, and also sends notifications to user for maintenance reminders. Currently, the Togo app is compatible with the subsidiaries: Airstream, Heartland, KZ, and Thor Motor Coach.



 **AIRSTREAM**



App functions: The app organizes checklists for maintenance tasks such as voltage testing and exterior waxes. It also helps manage the information of RV service sites. The app is relatively young and many functions are planned for the future, such as roadside assistance, recall notifications, and how-to guides.



Key Competitors

COACHMEN RV

BACKGROUND

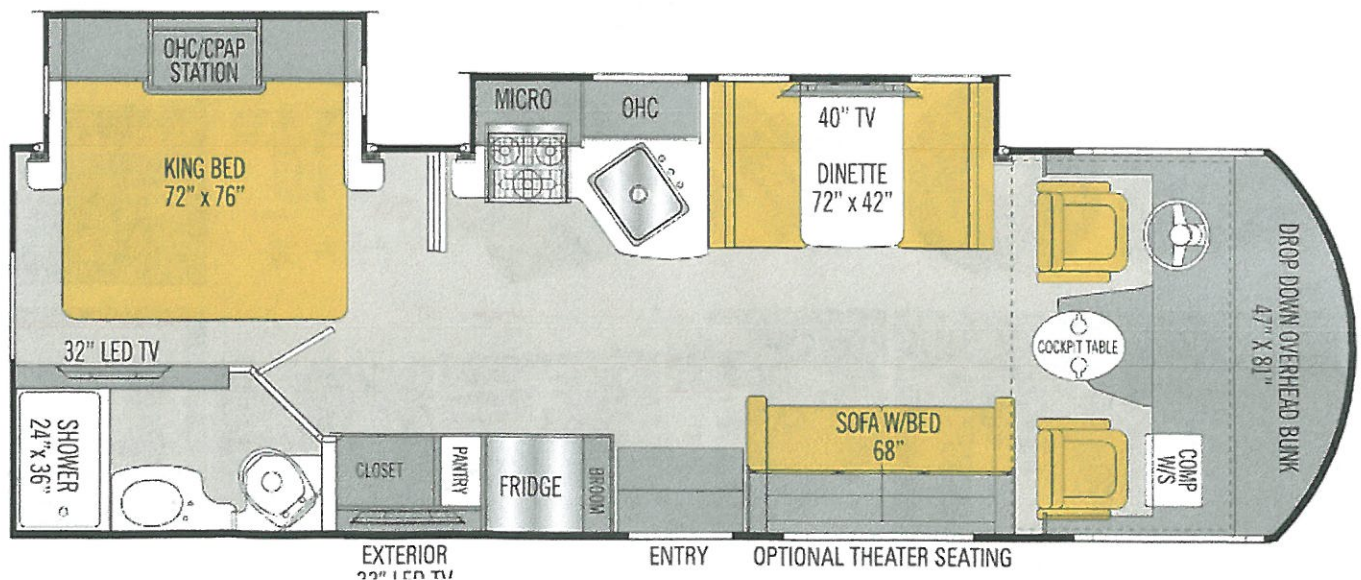
Founded in 1964, Coachmen RV is a company that manufactures and rents travel trailers. Some products they provide include motor homes, RVs, travel trailers, toy haulers, destination trailers, camping trailers, and fifth wheels. A few key benefits of Coachmen include product design and reliability, support and purchase, safety and satisfaction, and support from the Coachmen Owners Association. Some tools Coachmen provides to customers to make the selection process convenient are the payment estimator, towing guide, dealer location, RV classifications, and RV finder.

PRODUCTS

Motorhomes:

A few motorhomes offered by Coachmen include Pursuit, Mirada, Sportscoach SRS, Galleria, Crossfit, and Concord, with a few of these motorhomes ranked as the Top RV debut and RV Pro Best of the Show. Coachmen's motorhomes have a large variety of interior features ranging from electrical, heating, and air conditioning to different interior wall and wood color selections. Coachmen's motorhomes, such as the Mirada Class A motorhome, offer comfort and plenty of open space. The motorhomes are classified into four categories, Class A Gas, Class A Diesel, Class B, and Class C. For their top-ranked motorhome, the Pursuit, the Gross Vehicle Weight Rating (maximum permissible weight of the unit when fully loaded including all weights, fluids, cargo, and equipment) is 18,000 pounds, while the Gross Combined Weight Rating (the maximum permissible loaded weight of motorhome) is 23,000 pounds.

SAMPLE FLOOR PLAN

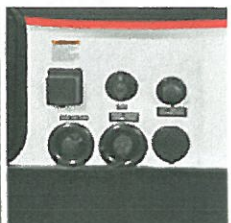
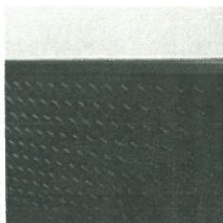
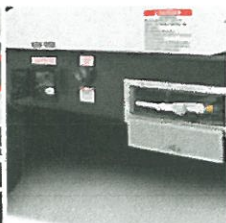
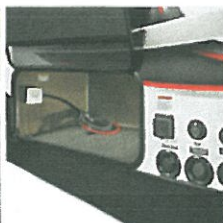
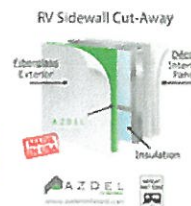
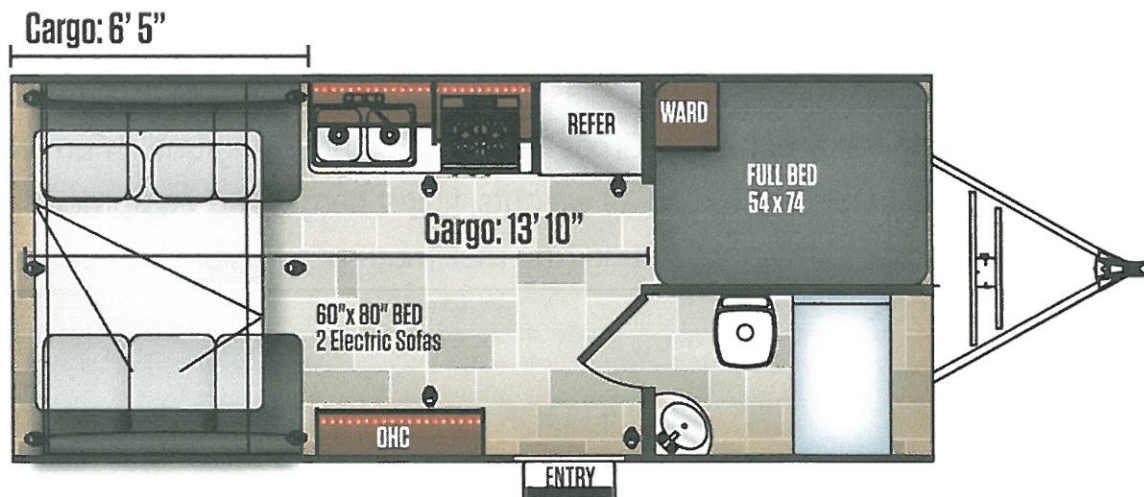




Toy Haulers:

Coachmen offers three toy haulers: the Adrenaline, Catalina Trail Blazer, and Freedom Express Blast. The Gross Vehicle Weight Rating (maximum permissible weight of the unit when fully loaded including all weights, fluids, cargo, and equipment) is 10,961 pounds. Some of the toy haulers' key features include the exterior standards (wide-body construction, axle suspension, and axle brakes), adrenaline package (zero gravity ramp door and aluminum sturdy step), interior equipment (cabinets, doors, and LED lighting), and additional options such as queen size electric beds.

SAMPLE FLOOR PLAN



Fifth Wheels:

Coachmen has four different types of fifth wheels: Brookstone, Chaparral, Chaparral Lite, and Chaparral X-Lite. Fifth wheels include features such as dual-pane frameless windows, a slide-out awning package, a kitchen, and aluminum wheels.

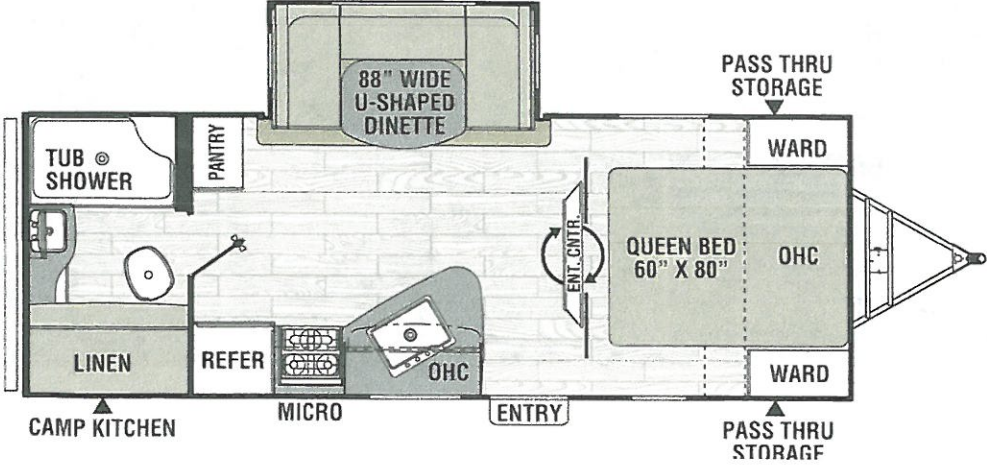
SAMPLE FLOOR PLAN



Travel Trailers:

Coachmen offers a large variety of travel trailer options, including the Freedom Express Liberty Edition, Catalina SBX, Apex Ultra-Lite, and Viking Ultra-Lite.

SAMPLE FLOOR PLAN



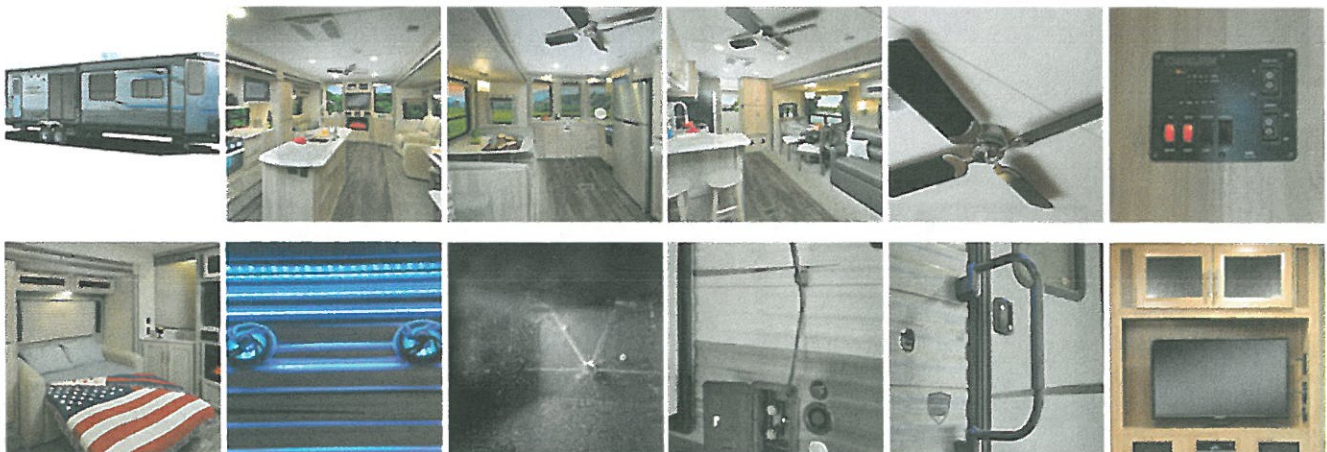
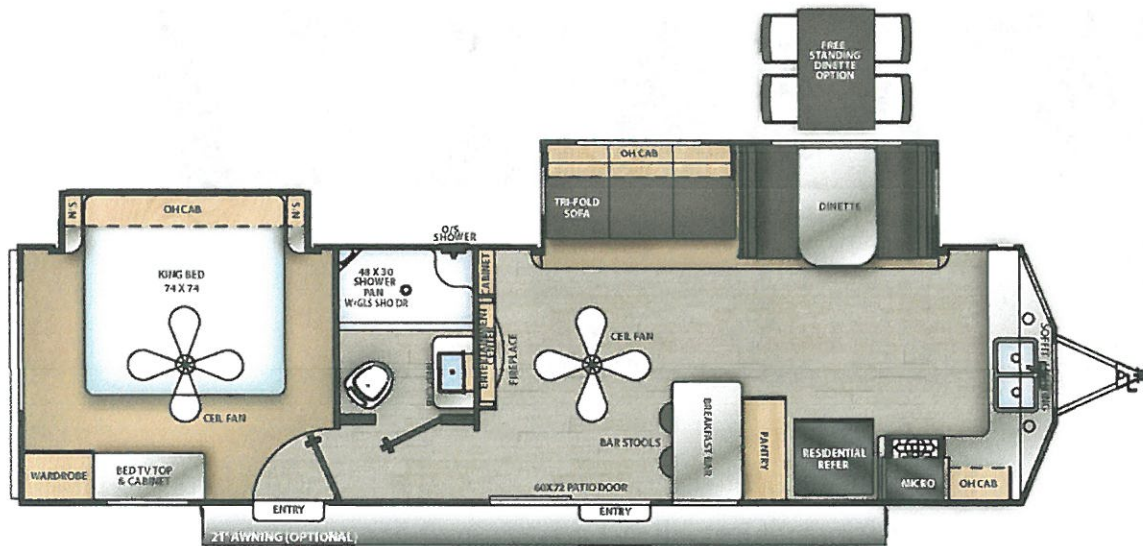


Destination Trailers:

Coachmen only offers an option of destination trailers: Catalina Destination.

This destination trailer features six different floor plans for maximizing room, storage and comfort, and is specifically designed for campers who have plans of extended vacation.

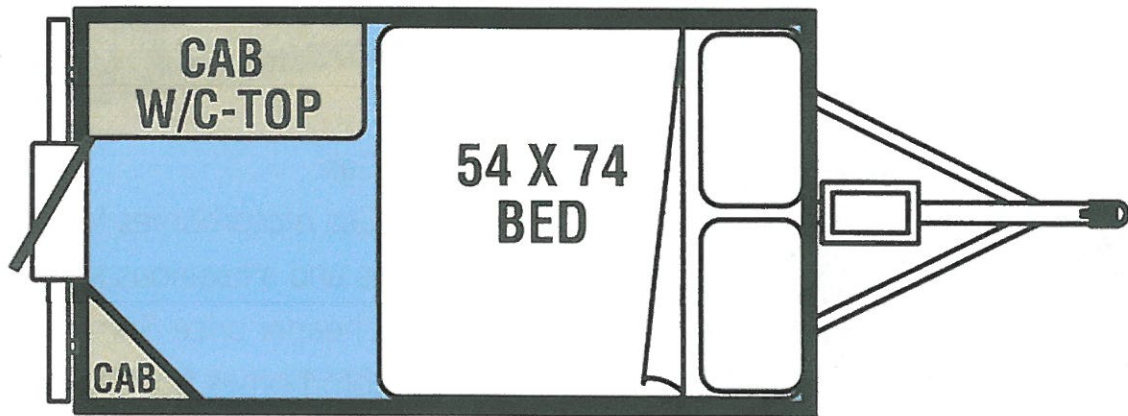
SAMPLE FLOOR PLAN



Camping Trailers:

Coachmen's camping trailers include the Clipper and the Viking. Camping trailers are engineered to be easy to set up, easy to store, and easy to use. Coachmen's camping trailers specifically have aerodynamic profiles and a patent pending "glide-n-lock" bed system.

SAMPLE FLOOR PLAN



WINNEBAGO INDUSTRIES

BACKGROUND

Founded in 1958 and based in Forest City, Iowa, Winnebago Industries is an American manufacturer of RVs and motorhomes. Winnebago's purpose is to help customers explore the outdoor lifestyle and enabling extraordinary experiences in travel, life, work, and play. Their vision is to be the trusted leader in outdoor lifestyle solutions by providing unmatched innovation, and quality and service. Winnebago's values being customer-centric, results-driven, innovative, quality-focused, collaborative, and trusted. Additionally, they have extensive warranties to 24-hour roadside assistance and have employees in Forest City, Charles City, Lake Mills, Middlebury, and Junction City.

PRODUCTS

Class A Diesel:

Class A Diesel motorhomes have premium amenities, abundant storage capacity, and powerful diesel engines. Some examples of Class A Diesel products from Winnebago include the Horizon, Forz, Grand Tour, Tour, and Journey.



Class A Gas:

Class A Gas motorhomes feature upscale amenities and a luxurious living space at a slighter cheaper price. Some examples of Class A Gas motorhomes from Winnebago include the Adventurer, Intent, Vista, Sunstar, Sightseer, and Sunova.

Class C:

Class C motorhomes have quality construction and are easy-handling and comfortable. Winnebago offers the following Class C coaches: the View, Navion, Vita, Porto, Minnie Winnie, Spirit, Outlook, Fuse, Aspect, and Cambria.



Class C:

Class C motorhomes have quality construction and are easy-handling and comfortable. Winnebago offers the following Class C coaches: the View, Navion, Vita, Porto, Minnie Winnie, Spirit, Outlook, Fuse, Aspect, and Cambria.



Fifth Wheel:

Winnebago offers two types of Fifth Wheel motorhomes: The Minnie Plus and the Micro Minnie. These Fifth Wheel motorhomes offer comfort, quality, and value.



PRODUCTS

Travel Trailer:

Winnebago offers four types of travel trailers: The Minnie Plus, the Minnie, the Micro Minnie, and the Minnie Drop. Winnebago's travel trailers have the convenience and versatility of a home.



Toy Hauler

Winnebago offers only type of Toy Hauler, the Spyder. With space-maximizing features, Winnebago's toy haulers are used to pack and store toys.



Specialty Vehicles:

Winnebago is a leading supplier of specialty and custom-built vehicles for commercial and residential use. They have ability equipped and commercial shells specialty vehicles.



COMPARISON WITH THOR INDUSTRIES

Thor Industries offers more RV options. In the towable RV category, Thor Industries offers travel trailer fifth wheels, lightweight, toy haulers, horse trailers, pop-up campers, destination trailers, and expandable campers. In the motorized RV category, Thor offers a more variety of RV choices, including RUVs (combination of RV and SUV)--which other competitors do not offer to customers.

Pros:

- Access to living and driving spaces at the same time
- No need to hitch, unhitch or level
- Can be easier to drive and set up
- Can allow you to tow a vehicle behind the RV
- Provides more storage space than most RV types

Cons:

- Repairs take the entire vehicle out of commission, including living space
- Can be more expensive than other towable RVs
- Can include less living space than towable RVs
- Value of RVs can depreciate faster
- Larger models can be tricky to drive through tight spaces

Industry Analysis

The RV industry is a \$50 billion dollar industry with a majority of that coming from the United States. The industry consists of over 60 RV manufacturers and 200 parts distributors that send out 500,000 wholesale shipments of RVs each year in the United States alone. These businesses provide close to 45,000 direct employment opportunities and providing nearly \$3 billion in direct wages. Americans are the largest segment for the RV industry, with over 40 million people reporting that they take part in some form of recreational vehicle activities at least once a year. However, the RV industry plays a very active role in Canada as over \$7 billion in retail sales are generated by the industry each year.

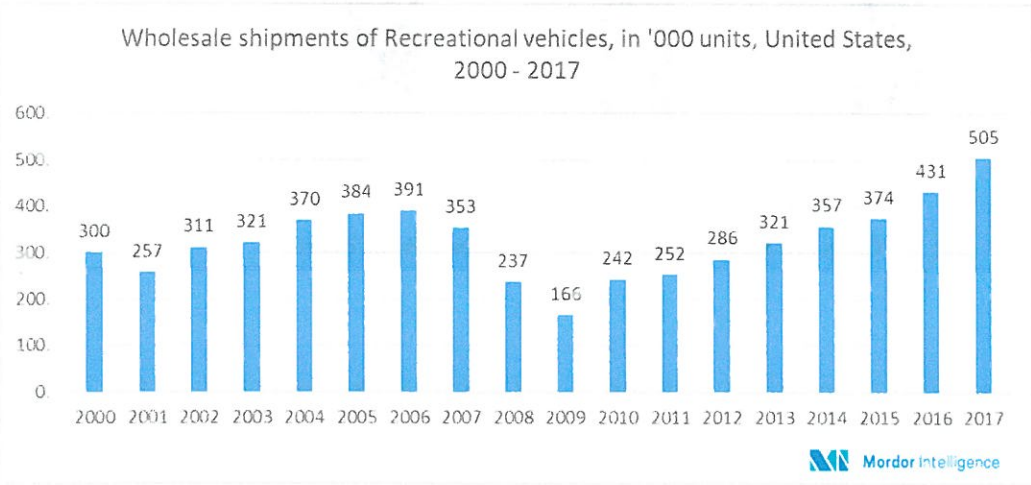
The US is the largest manufacturer of RVs and produces twice as many RVs as the rest of the world combined. Canada is also a significant market for RVs due to its proximity to the US and convenience as a camping/RV trip site for US and Canada citizens. The top RV export markets (from largest to smallest) are: Canada, Mexico, Australia, UK, China, Korea, United Arab Emirates, Thailand, New Zealand, and Italy. However, exports are not a major part of US RV revenue because the export to shipment ratio is still under 10%.

The largest market segment for the RV industry are the Baby Boomers and Generation X. Individuals and households in the 35-54 age demographic are the most likely to own an RV in the United States right now with the average age being 48 years old. However, Millennials are also beginning to jump on the RV train. They have taken to the RV industry as 38% of households that enjoy camping with recreational vehicles which is more than their representation in the general population.

Figure 1: Top RV Export Markets through 2018

- 1. Canada**
Large market, additional opportunities available
- 2. Mexico**
Mid-sized market, unique security concerns
- 3. Australia**
Large market, opportunities for rugged products
- 4. United Kingdom**
Mid-sized market, second largest producer country in Europe
- 5. China**
RVs and RV camping growing in popularity, RV and campground development are national priorities
- 6. Korea**
Camping is highly popular, large number of campgrounds
- 7. United Arab Emirates**
Small market, strong demand for high-end products
- 8. Thailand**
Camping becoming increasingly popular
- 9. New Zealand**
Small market, camping and RVing are highly popular
- 10. Italy**
Mid-sized market, large number of campgrounds

There is a forecasted 7.02% compound annual growth rate in the time frame of 2018 to 2023. As of 2016, 8.5% of households own an motorized recreational vehicle and this number is poised to grow significantly over the next few years. According to industry analyst Dr.Richard Curtin, the industry is going to have a bright future after a “short, shallow recession” in 2019 or possibly early 2020. Forecasted shipments are to reach 539,000 units by the end of 2018 and 550,000 in 2019 which would be the highest number of shipments in the RV industry since 1972. The major driving force of this growth will be changing demographics (as millennials make up a significant proportion of sales), historically low unemployment, and the tax cuts that have been passed recently. In terms of long term growth, Curtin sees it as a very real possibility that shipments may reach as high as 700,000 units as long as “customers continue to see the value in the RV industry and don’t drop out of the market.”

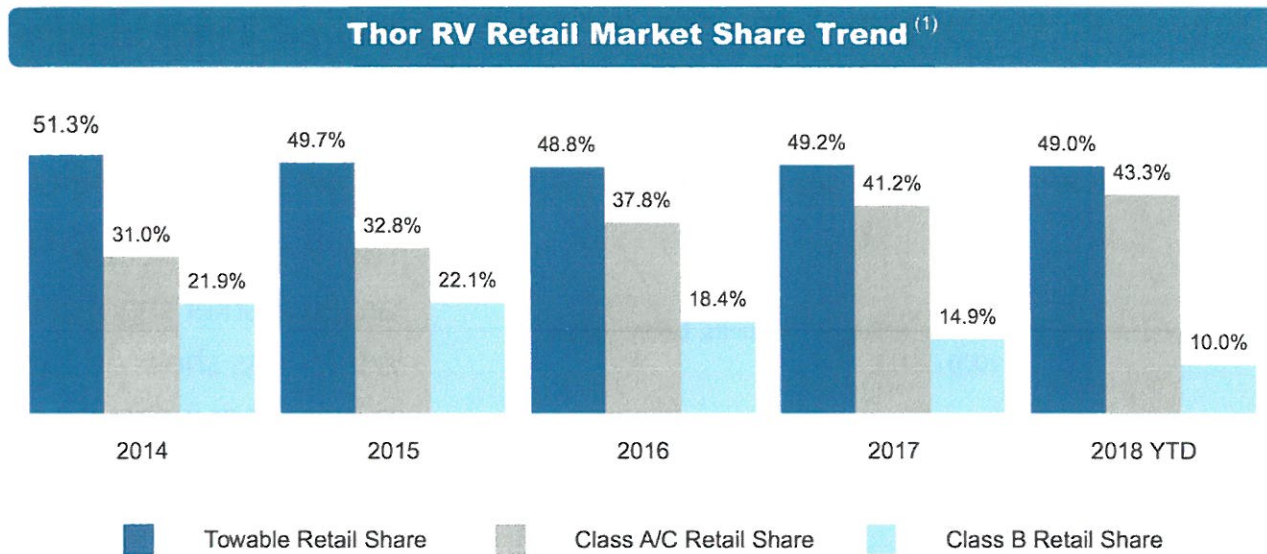


Thor industry occupies the largest market share of the RV industry. As shown in the figure, in 2018, Thor industries had 48% retail market share of the RV industry. Thor industries beats its nearest competition, Forest River, by 14.5%. For the past two years, Thor has not experienced any major changes in its market share and has remained around 48%.

RV Industry Retail Market Share ⁽¹⁾

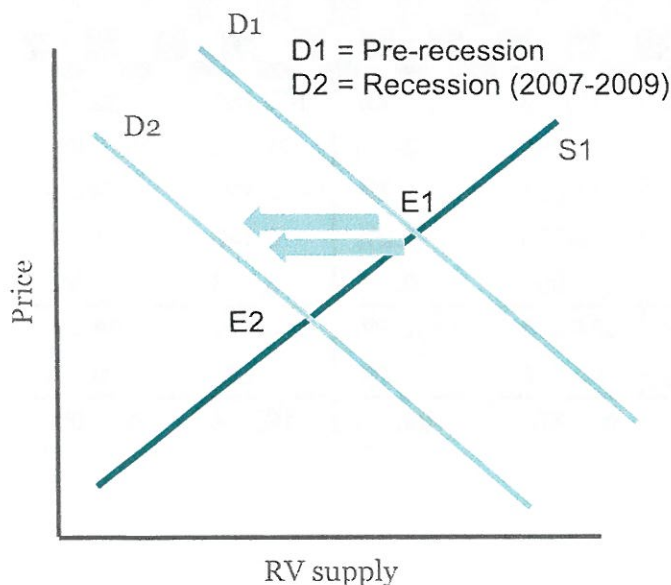
	YTD 9/30/18		YTD 9/30/17		Y/E 12/31/17		Y/E 12/31/16	
	Total	Share %	Total	Share %	Total	Share %	Total	Share %
THOR	195,959	48.0%	188,454	48.3%	223,214	48.0%	196,947	47.3%
Forest River (2)	136,703	33.5%	134,688	34.5%	158,626	34.1%	145,482	35.0%
Grand Design	20,671	5.1%	14,531	3.7%	18,280	3.9%	11,818	2.8%
Winnebago	12,842	3.1%	12,264	3.1%	14,907	3.2%	13,127	3.2%
Gulfstream	4,735	1.2%	4,678	1.2%	5,585	1.2%	5,148	1.2%
REV Group	2,991	0.7%	3,139	0.8%	3,998	0.9%	3,540	0.9%
Subtotal	373,901	91.6%	357,754	91.7%	424,610	91.3%	376,062	90.4%
All Others	34,242	8.4%	32,316	8.3%	40,662	8.7%	39,992	9.6%
Grand Total	408,143	100.0%	390,070	100.0%	465,272	100.0%	416,054	100.0%

In terms of categories of RV products, Thor industries has undergone a slight loss in market share in the towable RV category from 51.3% in 2014 to 49.0% in 2018, as shown in the figure below. Class B motorhome retail share has also dropped, going from 21.9% in 2014 to 10% in 2018. However, Thor's retail share of Class A/C motorhomes has increased from 31% to 43%. These competing increases and decreases in different categories of RV products has kept Thor's market share relatively stable overall.

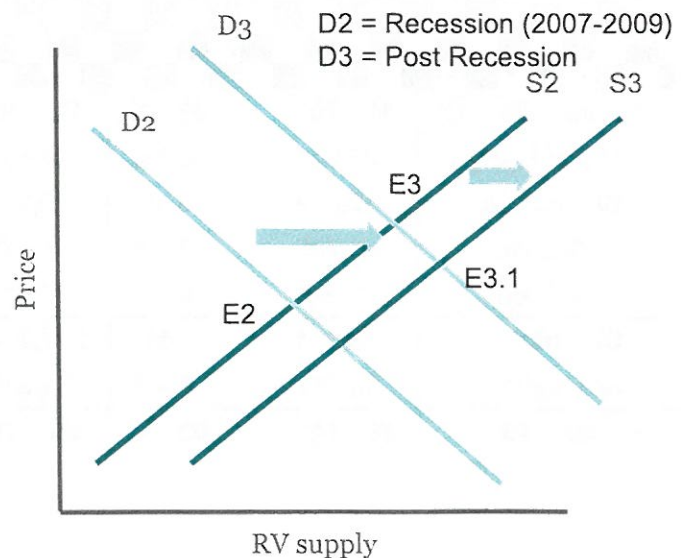


The whole RV industry is experiencing a general increase in RV shipments since the 2008 recession. In the 3 figures below showing market trends of RV wholesale, there is a very heavy dip in 2009. During the Great Recession, the RV industry shrunk by 53%. The motorhome industry was especially affected; it shrunk 76% before it began to recover.

Supply and Demand RV before and after Great Recession



Supply and Demand RV during and after Great Recession





History of Company

TIMELINE

August 29, 1980: Wade Thompson and Peter Orthwein founded Thor Industries with the purchase of Airstream from Beatrice Foods

1982 - Thor purchases General Coach

1984 - Thor becomes a publicly traded company

1988 - Thor enters the small and mid-size bus industry, acquires El Dorado

1991 - Thor acquires Dutchmen Manufacturing

1992 - Thor acquires Four Winds International

1995 - Thor acquires Komfort Corporation

1996 - Start Up of Thor California

1998 - Thor acquires Champion Bus, enters small and mid-size bus industry

2001 - Thor joins forces with Keystone RV

2003 - Thor acquires Damon

2004 - Thor joins forces with Crossroads RV

2005 - Thor acquires Goshen Coach

Nov. 18, 2009 - Wade Thompson passes away at age 69

2010 - Thor acquires SJC Industries, Inc.

2010 - Thor acquires Heartland RV Company

2012 - Thor acquires Krystal Infinity, LLC, and bus operation assets of Federal Coach

2013 - Thor subsidiary acquires Wakarusa RV production campus

2013 - Thor subsidiary acquires the assets of Livin' Lite

2013 - Thor exits bus business

2013 - Thor acquires net assets specialty trailer manufacturer Bison Coach

2014 - Thor acquires K-Z, Inc.

2015 - Thor subsidiary Heartland acquires Cruiser RV and DRV Luxury Suites

2015 - Thor acquires Postle Aluminum Co.

2016 - Thor acquires Jayco, Corp.

Feb. 2018 - Opening of global joint venture with Tourism Holdings, Ltd

March 2018 - Closing of global joint venture with Tourism Holdings, Ltd

2018 - Thor merges with Germany-based Erwin Hymer Group, expanding to European market

TRACING THOR'S HISTORY

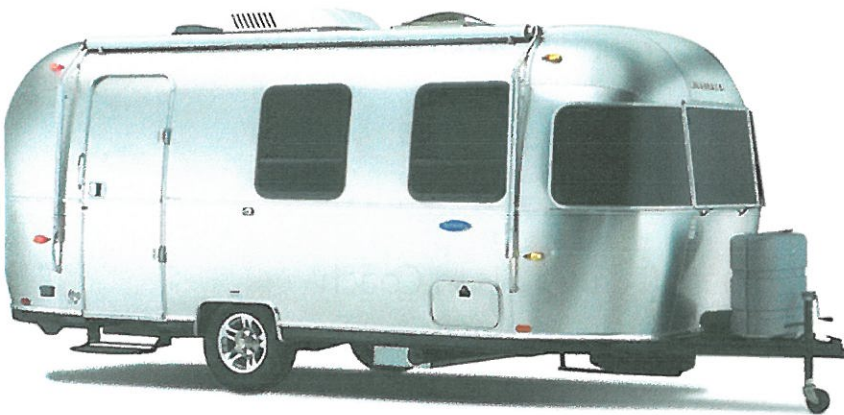
Thor Industries, founded on August 29, 1980 by Wade F.B. Thompson and Peter Busch Orthwein, is the nation's second leading manufacturer of recreational vehicles (RV) and the largest American producer of mid-size buses. Since its initial launch by purchasing Airstream, an already in-demand travel trailer brand, and becoming a publicly traded corporation in 1984, Thor has become the sole owner of operating subsidiaries of the world's largest RV manufacturers. The name Thor is derived from combining the first two letters of the co-founders last names.



When Thompson and Orthwein purchased Airstream in 1980, the two individuals had only been involved in the recreational vehicle business for three years, since 1977. The two had purchased HI-LO Trailer, a small Ohio trailer company, testing the waters of entrepreneurship from previously both being financial specialists. The price for the company was less than \$1 million as the trailer industry had fallen out of favor in the 1970s. With their leadership and marketing and financial expertise, HI-LO prospered, and the two looked to expand their business, setting their eyes on Airstream.



Airstream, an iconic producer of aluminum trailers, set the standard of quality in the recreational vehicle industry for half a century since its founding in 1936. The distinctive, bullet-shaped trailers were immensely popular for travel in the late 1940s and throughout the 1950s. Under Beatrice Food's guidance, however, Airstream did not fare well in the economic downturn of the late 1970s and lost more than \$12 million the year before it was acquired by Thor. However, the



gentlemen were able to turn it into a money maker once again. After company restructuring and reducing fraudulent warranty claims by dealers, and modifying the product line, Airstream's downward trend was reversed and returned to profitability in its first year of Thor management; sales increased to \$26 million, and the company had achieved a \$13 million turnaround. In the 21st century, more than 60 percent of all Airstreams ever built are still in operation on the nation's highways—direct evidence of its acclaimed durability.

The trend continued from there. Thompson and Orthwein searched continually for possible acquisition, and their purchasing power grew at an exponential ratio. In 1982, they purchased General Coach, also known as Commodore Corporations. This addition to Thor expanded their business to reach British Columbia and Ontario. Under Thor leadership, General Coach would develop their product line to include fifth wheels, motor homes, and truck campers, and maintain one of the highest customer satisfaction indexes and lowest warranty costs of any North American recreational vehicle manufacturer. In 1984, Thor became a public corporation, and two years later, gained listing on the New York Stock Exchange. The company boomed, and in 1987, Money magazine deemed Airstream travel trailers one of the 99 “best-made products” in America.

On September 8, 1988, Thor entered the small and mid-size bus industry with the purchase of El Dorado, a small company based in Salina, Kansas. Just as the rest of Thor’s subsidiaries, El Dorado was a fountain of success, more than quadrupling its sales to become the largest manufacturer of small buses in the United States. National Coach was also purchased in 1991, become Thor’s most profitable bus operation. Next, in 1998, Thor added Champion under its wing.

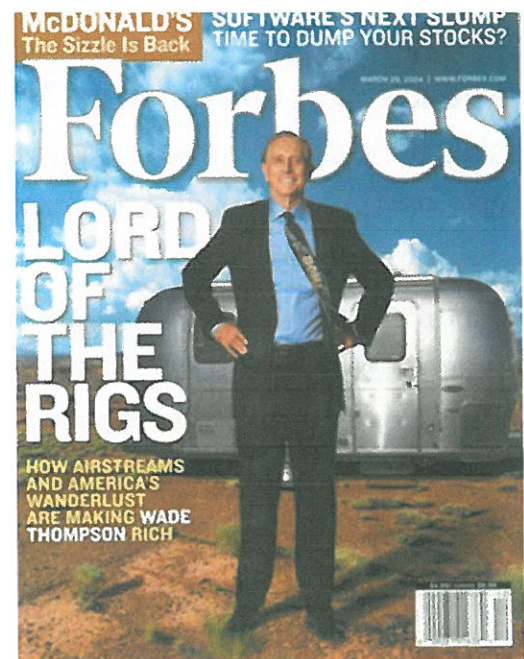
Although its bus-manufacturing sales were taking off, Thompson and Orthwein continued to look for any chance to expand their brand, specifically with strategic acquisitions of recreational vehicle manufacturers. Dutchmen, Four Winds International, and Cruise America became Thor’s largest towable company and a major profit. Four Winds, acquired in 1992, became Thor’s most profitable company by the end of the century.

If Thompson and Orthwein had succeeded in this transaction, another major addition would have taken place in 2000. That year, the company made several strong attempts and offers to purchase Coachmen Industries Inc., a major motor home and modular home manufacturer. Had the deal gone through, it would have made Thor the second largest motor home builder in the United States. However, in April 2000, Coachmen’s board rejected Thor’s bid.

Not only was Thor launching its products across the nation, it was also cultivating a sense of civic responsibility. Thor led the movement of prostate cancer awareness. For example, the company hosted a “Drive against Prostate Cancer,” offering free medical screenings to more than 8,000 men and raised thousands for cancer research. The event topped headlines across the country, and the New York Stock Exchange even rewarded their public health service initiative by allowing company executives to ring the stock market’s closing bell on June 16, 2000.

In addition, Thor introduced the world’s first commercially viable fuel-cell-powered, zero-emissions transit busses in collaboration with international Fuel Cells (IFC), and ISE research. The drive system, called ThunderPower, was a step toward environmental protection.

By 2001, Thor Industries owned 75 manufacturers. Yet the ambitious CEOs refused to stop, believing that the \$8 billion recreational vehicle industry would keep consolidating. Because the baby boomers would be heading into their 50s and 60s, they predicted that their target demographic would grow. The company's bus business, on the other hand, controlled around 35 percent of the market and was larger than its next top three competitors combined. In January 2002, Thor was named by Forbes magazine to its Platinum 400 list of "exceptional big corporations," predicting its high profitability and prospects for short-term and long-term growth.



On November 12, 2009, CEO Wade Thompson passed away from complications of colon cancer. Earlier that week, Thompson had stepped down as chairman, president, and chief executive officer due to his illness. Orthwein, vice chairman, co-founder, and director, took over for an interim period. By December 2009, Thor gained at least 100% in value, qualifying for a spot on the NASD100.com listing which only 953 companies qualified for.

Despite its success and high profitability in the bus business, Thor Industries announced its sale of its bus business in July of 2013 for \$100 million in cash to Allied Speciality Vehicles. Thor's bus business included Champion Bus, Inc., General Coach America, Inc., Goshen Coach, Inc., El Dorado National California, Inc., and El Dorado National Kansas, Inc., which combined represented one of the largest producers of transit and shuttle buses in America with sales of approximately \$450 million for the fiscal year. The addition of Bison Coach that same year a new speciality market of equine trailers equipped with living quarters. Arguably one of Thor's most well-known subsidiaries, Jayco, was purchased in 2016 for \$576 million in cash. Jayco brought complementary products in travel trailers, folding camping trailers, higher-end diesel Class A motorhomes and larger Class C motorhomes.

Combining the premier North American and European RV companies

- Thor has agreed to acquire Erwin Hymer Group ("EHG") for an enterprise value of approximately €2.1 billion, with the purchase price to be funded with cash and equity. Equity consideration will consist of approximately 2.3 million shares of Thor.
- Thor is the #1 manufacturer in North America with over \$8.3 billion¹ in revenue
- Erwin Hymer Group is the #1 manufacturer in Europe (based on revenue) with forecasted FY18 sales of €2.5 billion² (\$2.9 billion³ at current exchange rate)



In 2018, Thor Industries announced record-breaking sales of \$1.87 billion in revenue after its merge with privately held Erwin Hymer Group, based in Germany, for approximately \$2.0. The deal will advance the company to be the world's largest global recreational vehicle company and give Thor a production footprint in Europe.



It's Africa's Quiet Killer. This Entrepreneur...



Saudis to Press OPEC for a Million-Barrel Cut in Oil...



Markets Drop as Huawei Arrest Stokes Fears of...



Huawei Arrested for Extra

BUSINESS DAY

Wade F. B. Thompson, Who Rebuilt Airstream Brand, Dies at 69

By DAVID SEGAL NOV. 18, 2009

Wade F. B. Thompson, who revived the beloved Airstream brand of travel trailers and led a campaign to renovate the historic Park Avenue Armory in Manhattan, died on Nov. 12 at his home on the Upper East Side of Manhattan. He was 69.

The cause was complications of colon cancer, said his wife, Angela Thompson.

A native of New Zealand, Mr. Thompson earned a bachelor of commerce degree in 1962 and won a scholarship to attend New York University, where he earned an M.B.A. in 1964. He started his career in the mergers and acquisitions department at Sperry & Hutchinson, the company that distributed S&H Green Stamps.

But he wanted to run a company of his own and he found an eager partner in Peter Orthwein, whom he had met in 1976 at an Association for Corporate Growth lunch. The two soon bought the Hi-Lo Trailer Company, an Ohio maker of travel trailers. The price for the company was less than \$1 million, Mr. Orthwein recalled, because the trailer industry had fallen out of favor in the years after the gasoline lines of the 1970s.

"Neither of us knew anything about recreational vehicles," Mr. Orthwein said. "But the company had a bunch of cash on its balance sheet and assets we could borrow against."

In 1980, the two formed [Thor Industries](#) — named using the first two letters of their last names — and bought Airstream, then a money-losing subsidiary of Beatrice Foods. The brand had a long history and a revered line of products: ovoid-shaped, aluminum-side trailers that

4 weeks of digital access for \$1

Coachmen rejects Thor's takeover bid

May 8, 2000 @ 12:01 am
GAIL KACHADOURIAN

0
Shares



Send us a Letter

Have an opinion about this story?
[Click here to submit a Letter to the Editor](#), and we may publish it in print.

A sweetened offer failed to convince Coachmen Industries Inc.'s board to sell its company and make Thor Industries Inc. the second largest motor home builder in the United States.

In late April, the board of the motor home and modular home manufacturer rejected Thor's April

17 bid of \$289.6 million, or \$18 a share. It was Thor's second attempt to buy Coachmen. In February, Thor had offered \$17 a share.

'Thor is trying to stampede shareholders to sell at a depressed price before the value of our recent spending on technology and infrastructure pays off,' said Coachmen CEO Claire Skinner. 'This is clearly an attempt to buy Coachmen on the cheap. Thor is the wrong partner proposing the wrong transaction at the wrong time and the wrong price.'

Thor argues Coachmen is poorly run, provides excessive perks to executives and is failing to deliver to its shareholders.

Glitches surfaced

The infrastructure to which Skinner referred is a network of software and business systems. The company finished rolling them out in its accounting, payroll and human resources departments in 1998. Glitches surfaced when Coachmen applied the technology to its motor home manufacturing division in May 1999. Coachmen says the problems hurt its 1999 financial results as well as those for the first quarter this year.

In its 1999 annual report, Coachmen described the problem: 'Significant material shortages meant (RV) units could not be completed in the normal production process, which resulted in high rework costs and missed sales that resulted in dramatically reduced profits.'



SPON



SPON



Lord of the Rigs



Jonathan Fahey Contributor

Wade Thompson has never owned an RV. But he has assembled the world's biggest RV maker with this strategy: When he buys your company, you better be ready to compete--against him.

When you think recreational vehicles, midtown Manhattan does not come to mind. It does not have the parking, or the right demographics, for 25,000-pound motor homes or 40-foot travel trailers. Yet this is where Wade Thompson, 63, chooses to run Thor Industries, the world's biggest recreational vehicle manufacturer. He's got a modest three-room office, decorated with paintings of Airstream trailers, on the sixth floor of an office building near Grand Central Station. Instead of spacious skies and amber waves of grain, Thompson looks out onto tight streets and flickering traffic lights. He's been an off-site chief executive ever since he bought his first RV maker in 1977, when he rented a one-room apartment with a single light and a black-and-white TV above a pizza parlor in Butler, Ohio (pop. 921) and commuted every week from New York.

Another oddity about Thompson: He doesn't own an RV. Driving a behemoth on the open roads, with lawn chairs strapped to the back, is not his style. He'd rather zip two hours north to his country home in Niantic, Conn. in his souped-up 2004 Mini Cooper, all 143 inches of it.

Thompson has assembled ten RV companies over the past two decades, propelling Thor to 23% of an \$8.5 billion RV market that is soon to explode--thank you, aging baby boomers. But let other dealmakers babble about synergies. Thompson hews to more primal mantras: competition and cash. Yes, he brings economies of scale to his companies. But his acquired companies are surprisingly autonomous. They are run separately by their original managers and compete

Is This Company the Best One to Take a Ride With in the RV Industry?

The proof of the pudding is in the eating. The ultimate test of shareholder value creation is still share price appreciation. In this regards, Patrick Industries stands out among its peers.

Mark Lin ([asiavalue](#))

May 28, 2014 at 2:04PM

SOURCE: PATRICK INDUSTRIES

Patrick Industries ([NASDAQ:PATK](#)), a national manufacturer and distributor of a wide variety of building and component products for the recreational vehicle (RV) industry, has outshone its peers in the past few years. A dollar invested in a customized group of eight listed peers in 2008, including companies like **Thor Industries** ([NYSE:THO](#)) and **Drew Industries** ([NYSE:LCII](#)), would have made the investor \$7.50 by the end of 2013. In contrast, the same dollar invested in Patrick industries would have returned \$45 to that investor over the same period.

Industry growth

Following the 58% decline in RV wholesale unit shipments from about 391,000 in 2006 to 166,000 in 2009, the RV industry is now seeing clearer skies. RV wholesale unit shipments have recovered strongly to almost double to 321,000 units in 2013, with expectations of a 6% year-on-year growth in 2014.

More than 9 million Americans are currently RV owners, with RVs gaining acceptance as a mainstream option for vacation travel and other leisure activities. Looking ahead, with more aging baby boomers near retirement age, RV ownership should grow further, as most people buy their first RV at a later age.

However, this doesn't fully explain Patrick Industries' outperformance relative to its peers.

New products

In addition to adding more customers, selling more items to each customer is another way to drive revenue growth. In 2013, Patrick Industries launched 60 new products. Examples include new styles of interior passage doors, an expanded range of cabinet door styles, and new variations with respect to colors, patterns, and wood types for panels and mouldings.



AUTHOR



Mark is a private value investor and is the author of CheapskateInvesting.com website which uses a systematic quantitative screening approach to find the global stock markets for cheap cigar-butts and wide-moat compounders.

ARTICLE INFO

May 28, 2014 at 2:04PM

Industrials

STOCKS



Will Thor Industries Continue to Climb in 2018?

The recreational vehicle market leader soared in 2017. Here's why its prospects remain bright this year.

Asit Sharma ([TMFfinosus](#))

Jan 10, 2018 at 5:35PM

Recreational vehicle manufacturer **Thor Industries, Inc.** ([NYSE:THO](#)) has enjoyed a string of successful quarters -- most recently in the first quarter of fiscal 2018 (three months ended Oct. 31), results of which the company reported in late November of last year. Thor posted eye-opening metrics, including record revenue that increased 30.6% to \$2.23 billion against the prior year and record net income of \$128.4 million, representing an increase of 63.1%.

These types of numbers undergirded a stock rally in 2017 during which Thor shares soared more than 52% on a total-return basis. In this article, we'll review factors behind Thor Industries' recent outperformance, and discuss whether the company can continue its upward trajectory in 2018.

Positive industry conditions

One thing Thor Industries doesn't have to fret over is the market for its products. Consumers spend \$887 billion on outdoor recreation annually, according to the Outdoor Industry Association. Within this massive industry, which employs 7.6 million people, the subset known as the RV industry is flourishing. A recent investor presentation by Thor notes that annual industry RV shipments have increased at a compounded annual growth rate, or CAGR, of 10% since 2010.

RV industry expansion is being driven by increased consumer confidence due to steady, if slow, economic growth and moderate wage growth. More pertinently, demographic trends have translated into new opportunities for this once-stagnant industry. The typical RV buyer of today is more ethnically diverse and younger than just a few years ago. Thor points out that Latinos, Asians, African Americans, and other ethnicities comprised 39% of new campers in 2016 and that Gen Xers and millennials comprised 72% of campers in 2016. These trends together have created a new wave of potential RV buyers.

How Thor has differentiated itself



Thor Industries operates in two reportable segments: "towables" and "motorized." Towables includes five aggregated segments that produce towable trailers. The motorized segment manufactures motor homes under the company's most famous label, Airstream, as well as its Jayco and Thor Motor Coach brands. In fiscal 2017 (year ended July 31), towables sales reached \$5.1 billion, or 71% of total company revenue. Motorized sales of nearly \$2.0 billion accounted for 27% of total revenue.

The popularity of less expensive towable trailers has proved a catalyst in Thor Industries' business. In the first quarter of fiscal 2018, for example, while the motorized segment enjoyed a 22.8% increase in sales to \$566.6 million against the comparable period, the towables segment improved at a rate of 33.7%, booking sales of \$1.62 billion.

Thor isn't alone in capitalizing on the vigorous demand for towable trailers: Competitor **Winnebago Industries** ([NYSE:WGO](#)) boosted its own fiscal first-quarter 2018 towables revenue by 83%, via its acquisition of towables manufacturer Grand Design RV and strong organic growth in Winnebago-branded trailers. But Thor Industries has differentiated itself from its rivals in a distinct way. It's used the cash flow generated from vigorous growth in towables to invest in production capacity and pay down debt.

During the 2017 fiscal year, Thor produced \$419.3 million in operating cash flow. The company invested \$115.0 million of this positive cash flow last year in projects to increase production capacity. This is an extremely efficient use of capital when you consider that Thor is sitting on a \$3.6 billion backlog as of the first quarter of 2018, which itself grew nearly 70% year over year.

Thor used another \$215 million of its operating cash surplus to slash total long-term debt of \$360 million by 60%, leaving a balance of just \$145.0 million at year-end. By the end of Q1 2018, long-term debt stood at \$90.0 million. In a subsequent note to first quarter fiscal 2018 financial statements, the company reports that it's reduced borrowings further, to just \$80 million as of Nov. 27. The original \$360 million of debt was incurred to finance the acquisition of the company's Jayco subsidiary in 2016, and management appears to be on track to fully extinguish this obligation in the current fiscal year.

What could go wrong in 2017? The primary external threat Thor faces is the perennial possibility of an economic slowdown. The cyclical RV industry typically endures headwinds during recessions, as consumers direct spending from discretionary items toward basic staples and necessities. But Thor's backlog, plus a low-fixed cost, flexible production model, should help it adjust to changing demand levels in the event of an economic downturn. Indeed, management likes to point out that since its founding in 1980, Thor has never experienced an unprofitable year.

Thor Industries and Erwin Hymer Group to Create the Largest Global Recreational Vehicle Manufacturer

Published: September 18, 2018

Thor to Acquire Erwin Hymer Group and Establish Leadership Position in Growing European Market

Hymer family chooses Thor to continue Erwin Hymer's vision of continuing unique leisure experiences

TRADER DESK

ELKHART, Ind. & BAD WALDSEE, Germany--(BUSINESS WIRE)--Sep. 18, 2018-- Thor Industries, Inc. ("Thor", NYSE:THO) and the shareholders of Erwin Hymer Group SE (Erwin Hymer Group or EHG) today announced that they have entered into a definitive agreement for Thor to acquire Erwin Hymer Group, a privately held international company, for an enterprise value of approximately €2.1 billion, with the purchase price to be funded with cash and equity. Equity consideration will consist of approximately 2.3 million shares of Thor. The Hymer family will thereby remain engaged in the industry. The combination creates the world's largest RV manufacturer, with the leading position in both North America and Europe, and establishes a global sales and production footprint for the Company.

Thor expects the transaction to be accretive to earnings in the first year, before taking into account anticipated synergies, purchase accounting adjustments and transaction-related expenses. Subsequent to closing, Thor intends to repurchase shares both opportunistically and systematically in order to offset the issuance of shares to the Hymer family.

Headquartered in Bad Waldsee, Germany, Erwin Hymer Group (EHG) is one of the premier manufacturers of recreational vehicles in a growing European market, with an impressive lineup of industry leading vehicle brands, a strong reputation for investing in product innovation and a dedication to providing exceptional customer value. EHG sells through a worldwide network of more than 1,200 retail dealerships and employs more than 7,300 dedicated team members globally. EHG's product portfolio spans all major RV categories and price points, from lightweight travel trailers to high-end motorhomes. For the fiscal year ended August 31, 2018, the Erwin Hymer Group expects to generate revenues of over €2.5 billion (approximately \$2.9 billion at current exchange rate).

"The Erwin Hymer Group has an unparalleled history and reputation as well as a talented management team that is focused on building on that tradition and charting new, attractive growth opportunities for the Company," said Bob Martin, Thor President and CEO. "This transaction provides Thor a unique opportunity to grow with the European RV market leader. The transaction gives us access to a new market with favorable macro and secular trends affecting RV demand similar to those we have seen in North America. In addition, we see numerous areas for near-term and long-term synergies between the Erwin Hymer Group and our existing subsidiaries and are eager to begin working with the entire Erwin Hymer Group," added Bob Martin.

Christian Hymer, son of the late founder, Erwin Hymer and member of the EHG Supervisory Board said, "With Thor Industries, our family has found the ideal new owner partner for the Erwin Hymer Group to successfully continue on its long-term growth and internationalisation path. Thor Industries and the Erwin Hymer Group are cut from the



Media Presence

Thor Industries was established in 1980, and along with the many subsidiaries it owns, it has become a well-known name in the RV industry. Much of this can be attributed to the way Thor and its subsidiaries advertise and appeal to the customer. As a seller of recreational vehicles, Thor's advertising doesn't just explain why its products have better features, but they sell their brand and company image. Their success can be attributed to its ability to make people feel things and appeal to core American values like family and adventure. Thor uses 5 main reasons to sell the RV lifestyle that should appeal to people of all demographics, all of which we surveyed people on. These core values are to 1) Connect with nature, 2) Join a community, 3) Travel with comfort, 4) Family togetherness, and 5) Retire in style, and the same themes appear across all of Thor's advertisements. This method tends to encourage customer engagement, word of mouth promotion, and brand loyalty.

Thor has an interesting advertising strategy in that it not only needs to advertise its own parent brand, but each of its individual subsidiaries needs to create its own brand and get its name out. Interestingly, because some of these brands have existed longer than Thor, their names have more brand awareness. For example, in the survey we conducted, 90.6% had never heard of Thor Industries. On the other hand, a larger percentage had heard of a few of Thor's subsidiary brands, with Keystone RV having the most brand recognition (32.3%) and Airstream following second (24.6%). All of these brands emphasize adventure and luxury, but they all have their own product lines and advertising strategies.

Paper advertisements used to be Thor's traditional method of advertising, especially including ads in magazines and newspapers. Nowadays, most paper advertising is done through brochures and occasionally motorhome-related magazines. These marketing materials tend to include bright, high-quality photos and layouts of all the luxurious features. People want to love their RVs and truly feel like they're at home, so Thor guarantees product utility and their subsidiaries have such a wide line of products that there's bound to be a vehicle fit for each customer.

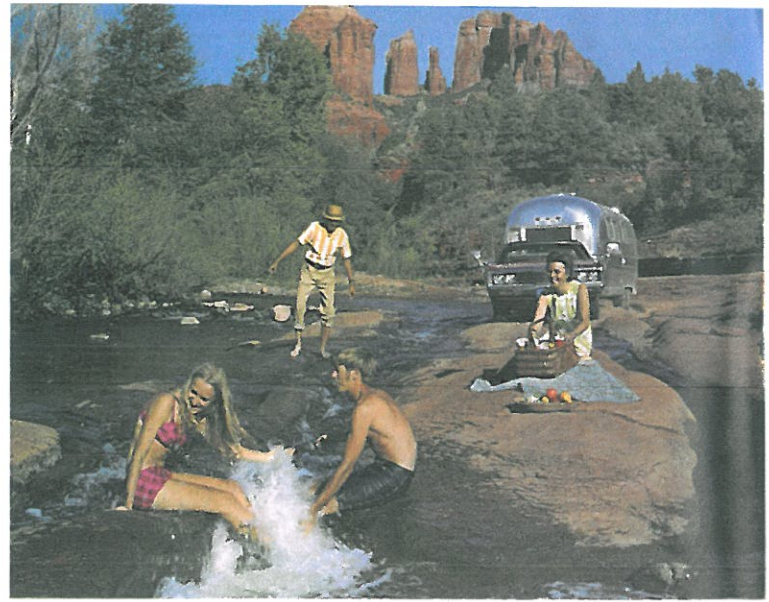
With the rise of social media and technology, a lot of Thor's promotion has shifted from paper ads to digital advertising. Thor Industries is very active on social media, and it frequently uses Facebook and Instagram to encourage customer engagement. Thor Industries is less active on Twitter, though some of its subsidiaries are very popular, especially Thor Motor Coach. We noticed that posts are made almost daily on these platforms, and posts usually show families, cute pets, or professional shots of nature. These high-quality photos, which generally include pictures of the actual products tend to capture the eye of anyone interested in travel and building a community. Most of Thor's subsidiaries have their own Facebook and Instagram pages that follow the same themes. Hashtags, questions that encourage people to reshare and respond in the comments, and promotional contests One of Thor's iconic hashtags is #ExploreWithThor, where the company encourage people to go on their own adventures with their products and tag Thor.

In addition to television ads, Thor posts Youtube videos frequently to promote its products but also to tell customers' stories and demonstrate how their lives have been impacted by the adventure, comfort, and freedom guaranteed through an RV. Occasionally these short videos go viral for their compelling storyline. Thor also frequently displays its products at open houses in order to give dealers and customers a sneak peek of their products.

ADVERTISING SAMPLES

Airstream Flyer (1971):

Airstream is a classic example of advertising gone right – as one of the most popular Thor Industries' subsidiaries since the 1920's, it is rightfully coined an advertising legend. The print flyer on the right, published several decades ago, is a classic example of how Airstream creates a visual experience with its ads. The lifestyle ad says “fulfill your dreams of family vacations” and shows a gorgeous scene, hinting to readers what their life could be like if they bought a trailer. Whether customers preferred a “private beach cottage, winter lodge or mountain cabin,” Airstream hooked people into this appealing lifestyle, then focused on the features of their trailers. By selling the idea of travel first, ads like this one made Airstream an icon for exploration and American values of freedom.



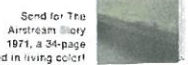
fulfill
your dreams
of family
vacations—

GO AIRSTREAM
THE BETTER WAY TO TRAVEL!

Have you ever witnessed a real Indian war dance in Apache Territory? Have you ever walked along Arizona's famed painted desert? Yours is all the pleasure of watching your family sharing travel experiences together. When you go Airstream, all the travel adventure you've only dreamed about becomes living reality! This is because family travel is practical in an Airstream. Where to eat, where to sleep, wash or bathe is no longer a problem. With an Airstream behind you all the fuss of travel is eliminated, only the fun remains. Whether you're in the middle of town or the middle of nowhere, you enjoy roomy beds, a modern kitchen with range, oven

and refrigerator, heat, bright lights, a complete bathroom with toilet, tub and shower... and everything operates whether you are hooked up to anything or not! An Airstream travel trailer is your private beach cottage, winter lodge or mountain cabin. See your local Airstream dealer for a free demonstration ride, then round up the family—adventure is calling!

FREE!
Send for The
Airstream Flyer
1971, a 34-page
catalog beautifully illustrated in living color!



"For extra fun join a Watly Byam Caravan"

**AIRSTREAM
TRAVEL TRAILERS**

Dept. 800, Church St., Jackson Center, Ohio 45344
Dept. 800, 15019 Pluma Ave., Cerritos, Calif. 90701

WHEN WE SAY MADE TO FIT,
WE MEAN IT.

With so many unique models available, Thor Motor Coach motorhomes are priced to fit anyone's budget – from families buying their first motorhome to full-timers looking for a roaming "dream home." No matter how you choose to spend your time or your money, there's a TMC motorhome that fits your needs. Welcome to the A.C.E. – the motorhome that is *Made to Fit* your adventure.



Thor Motor Coach TMC Brochure:
This is an example of a brochure that Thor's subsidiaries frequently send to interested customers or distribute at Open House events. This one is specifically for Thor Motor Coach, and it's a perfect example of the use of using product utility and features to appeal to a customer. TMC emphasizes price utility, since motorhomes can "fit anyone's budget." The glamorous pictures reveal every room of the motorhome, appealing to consumer desires for comfort and luxury. These motorhomes are made to fit, emphasizing a personalization aspect.

Thor Facebook and Instagram Posts:



The tag #ExplorewithThor has hundreds of pictures of people's road trips. To the left is an example of a post made by a happy customer who took a 23 day RV trip to Yellowstone National Park. Through hashtags and encouraging other people to share their products, Thor allows their customers to advertise for them and recommend their products through WOM and their own social networks.



Additionally, Thor's instagram is full of professional photography and photos that attribute to one's sense of adventure. Even in our survey of 125+ people, nearly everyone ranked Thor's instagram feed to be a 4/5 in terms of how interested they became in Thor's products. Cute animals are very trendy on social media, so the puppy definitely appeals to many people and expresses happy emotions and ideas of family and pets – Thor encourages customers to share adventures with our “furry friends.”



The last example is an instagram post from Thor's account, where the company celebrates Veteran's Day and honor the troops that have served. Thor took this chance to also talk about a program they participated in, Tents for Troops, and mention how they provided “complimentary getaways for military members and their families.” Customers are aware that Thor supports charitable giving, so it improves their company image.

RV Open Houses:

The first graphic was used to promote Thor's 8th annual dealer open house, where a variety of products were displayed. The main target market for this open house was dealers, and Thor displayed a commitment to their vision of innovation by showing new floor plans and technologies.



Through the use of open houses, Thor attracts people already interested in RVs and creates more brand awareness by displaying their entire product selection. The events are usually documented and posted as videos, generating more hype for Thor followers.

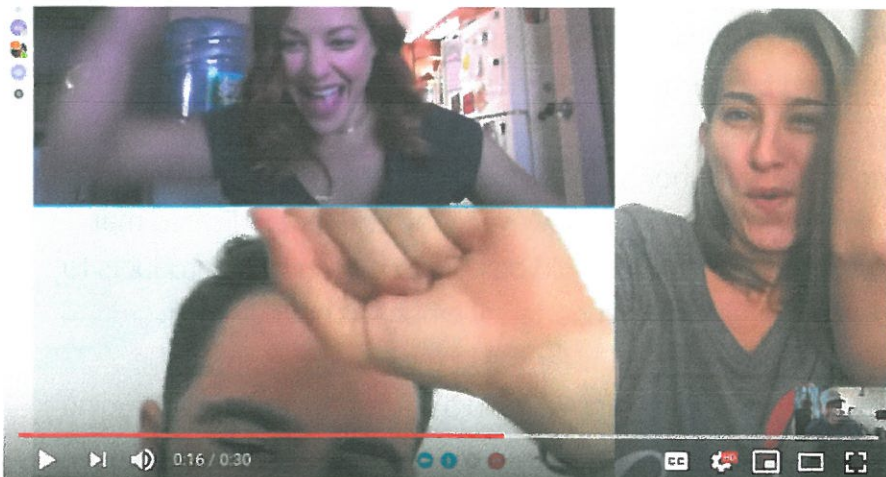


2017 Elkhart RV Open House & Review of 2018 Thor Axis R.U.V.



Harper's a little explorer

Youtube Channel and Promo Videos: Some of the most popular Youtube videos include "Three friends on their first RV trip together" and "Harper's a Little Explorer!" Through these videos, Thor sells the idea of family and freedom, a lifestyle available through RVs. Furthermore, they inspire customers and encourage them to seek their own adventures and share them under the theme "Go Your Own Way."



Meet our RV Trip Winners

Thor Industries also frequently hosts contests to further engage with customers. The video to the left was a series of recorded clips of their RV Trip Contest Winners. By allowing people to participate in a contest and share their interest in RVs, Thor gets advertised too.

FUTURE PROPOSALS

Based on the online survey which was sent out to gauge consumer recognition and perception of the brand of Thor Industries, while only 7.2% of minors who took the survey recognized Thor's logo, almost double that proportion, approximately 13.6% of adults, that is those who were 18 years or older and took the survey, recognized it. Moreover, of the four people over 56 years of age who took the survey, two of them, thus 50% of survey takers over the age of 56, had previously seen the logo. Furthermore, while only approximately 3.6% of minors have used an RV at least once in the past, 20.6% of adults surveyed have. Of course, the small sample size of our survey cannot be taken as an accurate representation of the Thor's entire market; however, these results do still indicate how younger demographics are not as familiar with Troy Industries or RVs in general. As a result, we suggest that future advertisements be targeted to millennials and minors, to ensure that Troy Industries becomes well known within this demographic as they grow older and begin using their own money to plan vacations and potentially rent or buy RVs.



One potential strategy that Troy could use is being sponsored by popular, influential YouTubers with large audiences. For example, WahlieTV, a YouTube channel with almost 450,000 subscribers, features videos that includes Adventure Blogs from a couple, who also just recently posted an episode called "Our First Van Adventure!!!" If WahlieTV sponsored Troy Industries, vlogging about a road trip they take in one of their RVs, it would be a great way for Thor's subsidiary companies to increase exposure to teenagers who tend to watch these types of videos online and follow the recommendations of these YouTubers.

Likewise, another way to reach a younger demographic would be to place short video advertisements in social media applications such as Snapchat. In 2018, Snapchat has had an average of over 300 million monthly active users, over 70% of which are under 34 years older. As a result, this type of platform would be ideal to reach the portion of the market in which Troy is currently not as well known. Video advertisement could include short 15-25 second clips of vlogs on Troy Industry RVs that demonstrate to users how RVs are for people of all ages, not simply the older demographic, for as indicated by the survey, the most amount of people ranked retiring with style as the most appealing RV lifestyle reason.

Finally, another form of advertising that we suggest is trade shows. Thor Industries already hosts an annual open house, where they showcase their own RVs and new technology. However, they have not indicated that they currently attend industry wide trade shows, where the company would be able to present their products to dealers and a market segment already interested in RVs, while most importantly emphasizing their own products' superiority in comparison to competitors. Thor Industries is by far the largest RV company in the industry; however, it is important that it not lose this status if it wants to maintain a strong consumer base going in to the future, which is why the company must establish itself as better in comparison to competitors such as Coachmen RV, Winnebago Industries, and Monaco.

THOR

media presence



144
SUBSCRIBERS



141,297
PAGE LIKES



3,428
FOLLOWERS

MOST VIRAL VIDEO:
"THREE FRIENDS ON
THEIR FIRST RV TRIP
TOGETHER"
(320,790 VIEWS)



AIRSTREAM



44,759
PAGE LIKES

9,819
FOLLOWERS



281,264
PAGE LIKES

116K
FOLLOWERS

JAYCO

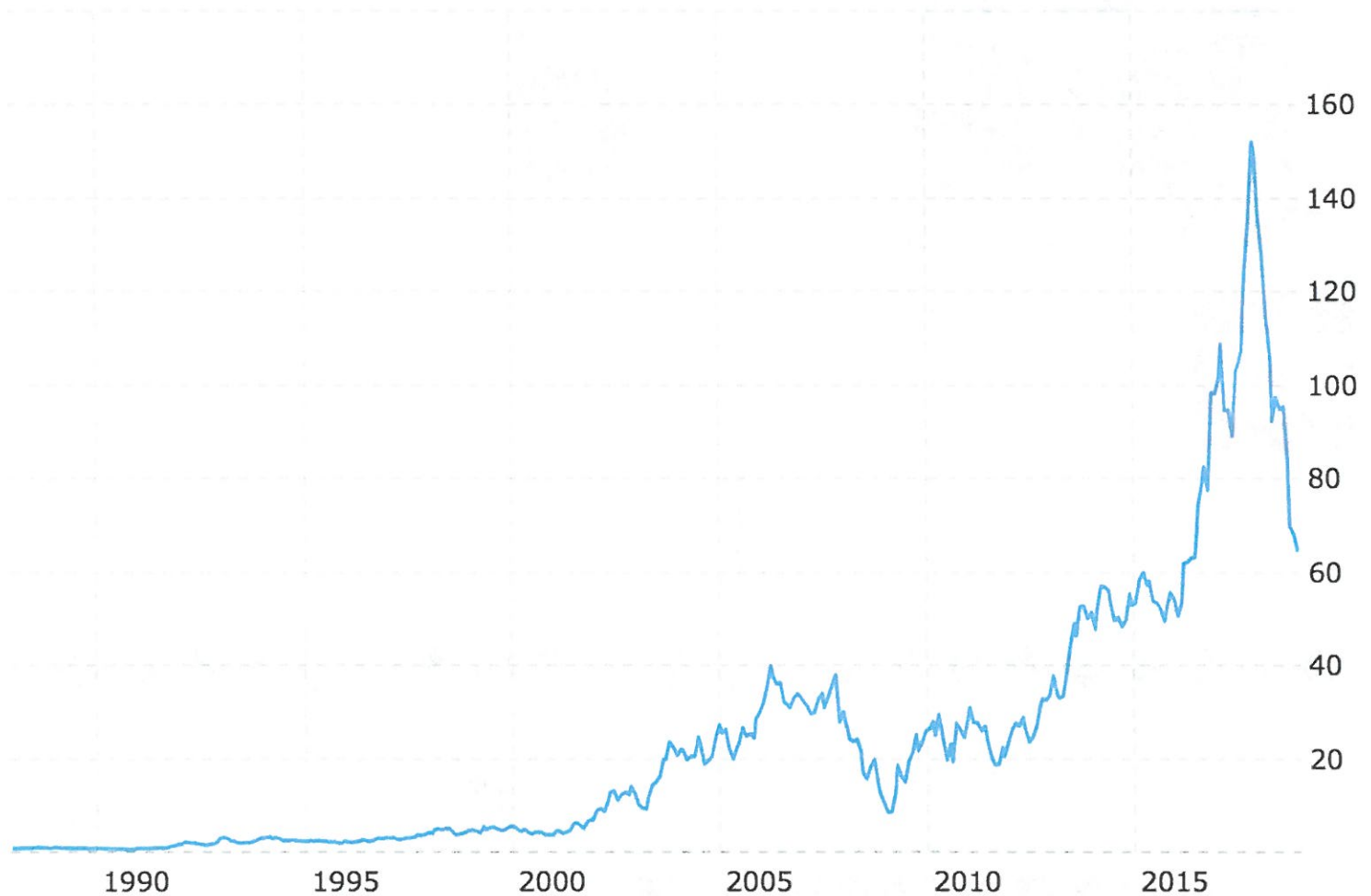


42,471
PAGE LIKES

6,619
FOLLOWERS

KEYSTONE RV

Market Performance



Thor Industries was founded in 1980 by Wade Thompson and Peter Orthwein by purchasing the company Airstream. In 1984, Thor became a public company and was listed on the over-the-counter market. Two years after the company went public, they were listed on the New York Stock Exchange. The company has grown steadily over the past 38 years organically and through numerous acquisitions in the recreational vehicle and bus market. Starting at \$0.98 per share in 1988, Thor's stock rose steadily to \$5.27 in 2001. The stock grew rapidly to as high as \$41.08 in 2007. The entire US economy went into a deep recession from late 2007 to 2009, with the company following market trends during this period. It took a major hit, with stock price dropping from \$30.09 to \$10.58 from 2007 to 2008, nearly 65 percent. However, Thor quickly recovered, with stock price reaching \$25.88 by the end of 2009.

According to research by the RV Industry Association, the industry had a \$50 billion economic impact in 2015, providing over 150,000 jobs and \$7.9 billion in wages. This was shown in its stock performance, as shares soared from \$54.20 in 2015 to \$98.19 in 2016, an 81 percent increase.

Shareholders of Thor Industries were rewarded when the company's stock rose over 80% in 2016 which was mostly driven by a major acquisition. During the summer of 2016, Thor Industries announced the acquisition of Jayco Corp. Jayco Corp is a developer and manufacturer of a plethora of recreational vehicles which were added to Thor's financial portfolio for around \$580 million dollars.

RV sales had been surging and customers had been looking to buy cheaper, smaller models which is what Jayco Corp. mostly manufactured (travel trailer and camping trailers). And according to the Wall Street Journal, "Jayco's Jay Flight has been the No. 1 selling travel trailer for the past 11 years." Furthermore, Jayco Corp. generated \$1.5 billion in revenue in 2015 (Thor Industries generated \$4 billion). According to the Wall Street Journal "In June, Thor reported better-than-expected profit for its latest period, boosted by a 21% climb in recreational vehicle sales. The company said the results reflected a strong response to new products, including more moderately priced motorhomes, as well as its 2015 acquisition of Postle Aluminum Co."

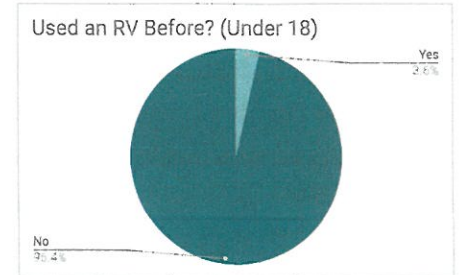
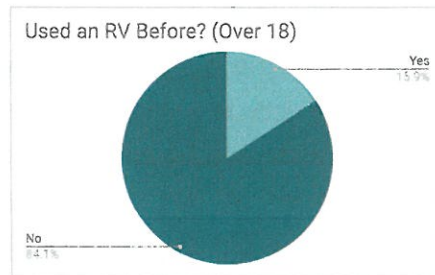
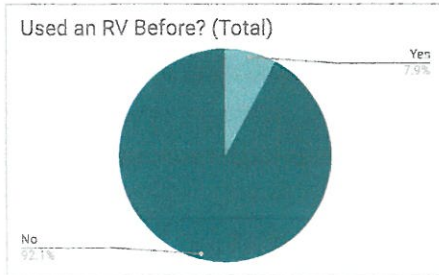
Another major factor for Thor Industries's stock rising 80% was the record sales posted by the company in 2016. According to their annual report for the 2016 fiscal year, the company had record sales, increasing 14% from 2015. They also boasted these figures for their fiscal year. "Record net income from continuing operations of \$258.0 million, up 28% compared to \$202.0 million in Fiscal 2015, Cash generated from operating activities of \$341.2 million, an increase of 38% over fiscal 2015, Towable RV sales increased by 8% over Fiscal 2015; towable income before tax increased by 24% over Fiscal 2015 and Motorized RV sales increased by 26% over Fiscal 2015, surpassing \$1 billion for the first time; motorized income before tax increased by 33% over Fiscal 2015"

In 2017, the Thor Industries stock showed no sign of slowing due to the continuing increase in sales. Thor Industries extended their streak of record quarters of increasing net sales to 14 straight quarters of year-over-year records. For the fiscal year, annual net sales increased 58% and net income from continuing operations advanced by 45%. In their annual report, Thor Industries reported "Record net sales of \$7.25 billion, an increase of 58% from \$4.58 billion for Fiscal 2016. Excluding Jayco, our organic sales increased 19%, an acceleration from the 12% organic sales growth for Fiscal 2016, demonstrating the success of our efforts to grow organically as well as through acquisition." The effects of the acquisition spread well into 2017 and helped the company have a very fiscally sound two years which made investors incredibly happy.

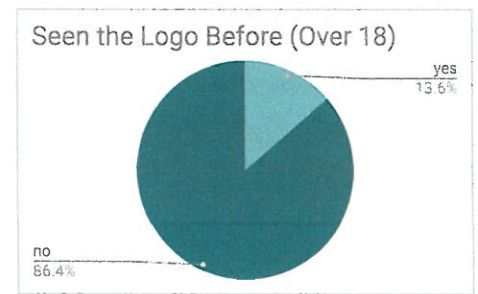
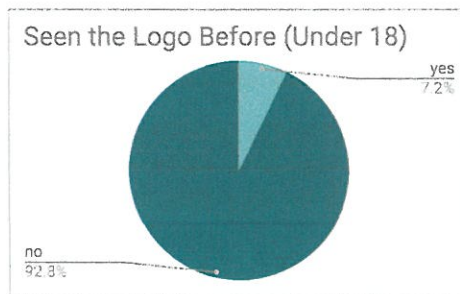
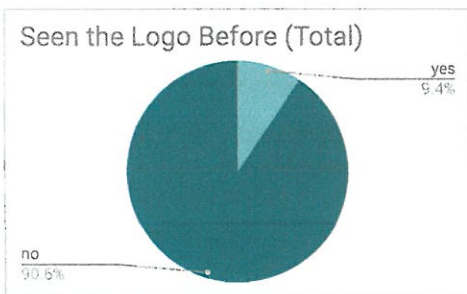
However, in 2018, Thor Industries saw a steep drop in their stock performance. At the start of the year, the price was hovering around \$156 while today it has dropped to an abysmal \$64 which is a 59% drop. Thor Industries claims that the reason for this is because of the second half of the year in which we reduced our production levels, lowered wholesale shipments and increased dealer incentives in order to assist dealers as they balanced their inventories, resulting in modest second half net revenue growth. Also, during the second half, we lapped the Jayco prior-year process improvements and experienced increased labor, warranty and material costs, resulting in the modest decline in our full-year gross margin." According to the Motley Fool, both Thor and its largest competitor Winnebago have fallen heavily since the start of the year (this is following a strong 2017) and it is because the market is "overheated". Jeremy Bowman from The Motley Fool states that the "recreational vehicle industry is highly cyclical, and both companies seem to be benefiting from a booming economy, moderate gas prices, and interest among both baby boomers and millennials." Safe to say, whatever the reason for the recent downturn in stock value, investors are not happy with this fall.

Survey Results

In total, 127 responses were received on the survey, of which 83 were under 18 (65.4%), 17 were between the ages of 18 and 30, 23 were between the ages of 31 and 55, and 4 people were either 56 or older. Thus, overall, 44 respondents were adults (34.6%).

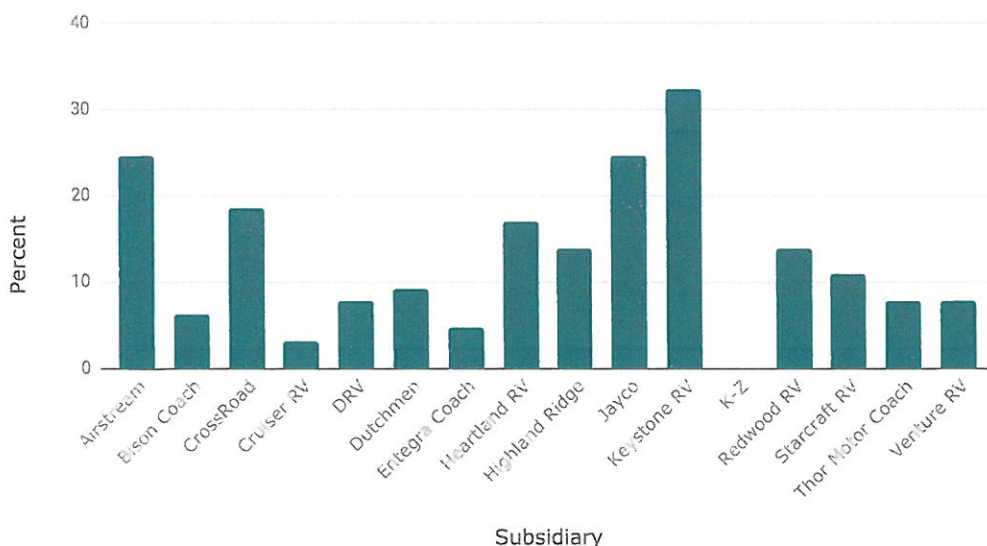


Based on our survey, very few of our respondents have used an RV at least once in the past, at approximately 7%. However, a much larger proportion of the survey-takers over the age of 18 had used an RV in comparison to the proportion of survey-takers under the age of 18, demonstrating that minors may be less aware of RVs and brands.



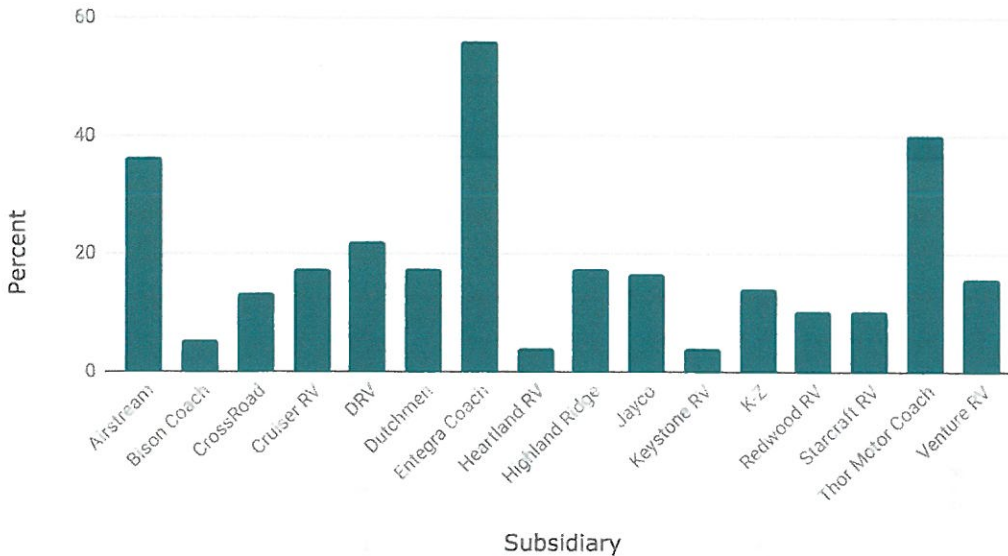
Less than 10% of our survey-takers had seen the Thor Industries logo previously, which indicates how this parent RV company is not well known at all. Moreover, as expected, the percentage of respondents over 18 who had seen the logo before was much larger, almost double, the percentage of respondents under 18 who had seen the logo before.

Subsidiary Brand Recognition



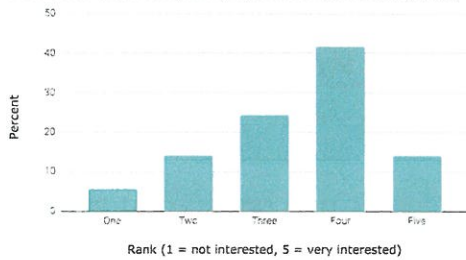
We asked consumers which of the Thor subsidiary company brands or logos they recognized. As shown in the graph to the left, Keystone RV was the most recognized brand, with just over 30% of respondents indicating that they've heard of it before, while K-Z was the last recognized, with no one having seen the logo or brandname before. Overall, however, these responses demonstrate how many of the subsidiary brands are more well known than Thor Industries, the parent company.

Most Appealing RVs

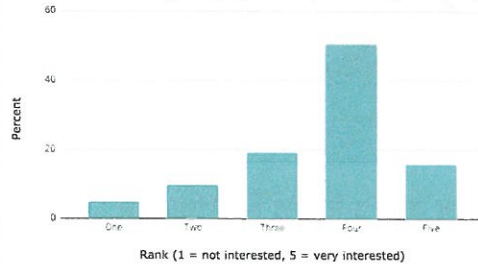


We provided one image of an RV from each subsidiary brand of Thor Industries without providing the name of the corresponding brands and asked respondents to select their top 3 choices. These responses indicate how based on the images of the RVs, consumers preferred the Entegra Coach and Airstream brands, demonstrating how brand recognition is not always correlated with product preference.

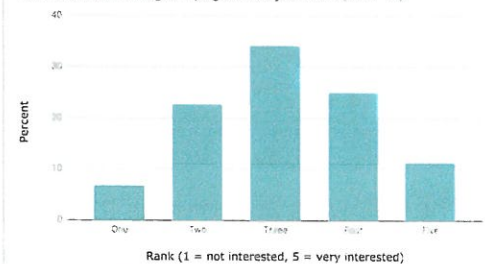
How does the Instagram page make you feel? (Total)



How does the Instagram page make you feel? (Under 18)



How does the Instagram page make you feel? (Over 18)



thorindustries

Following

405 posts 3,374 followers 779 following

Thor Industries

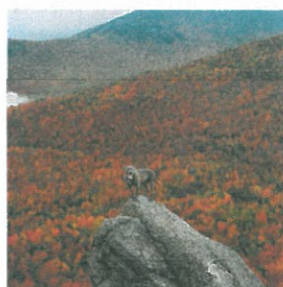
Thor Industries is a family of subsidiaries that together make up one of the world's largest RV manufacturers. We choose the best, so you can, too.

linkinprofile.com/thorindustries

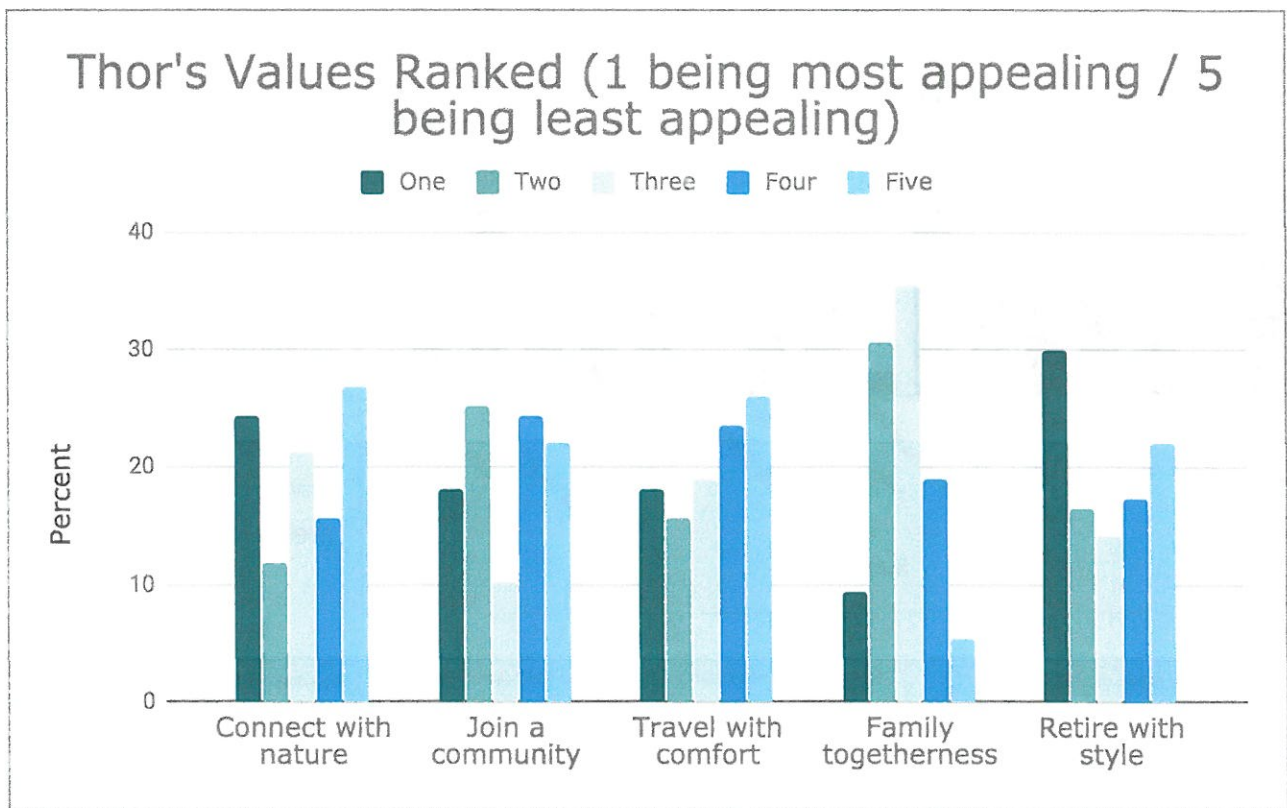
Followed by emily.emzy

POSTS

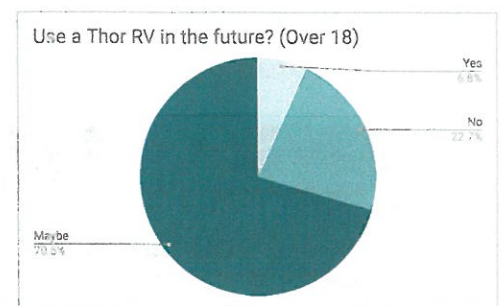
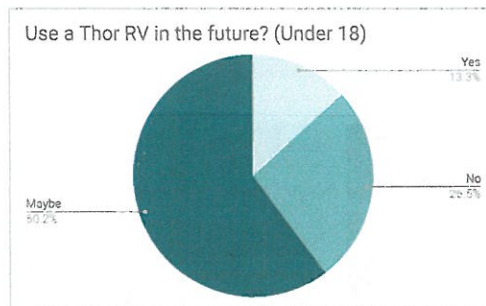
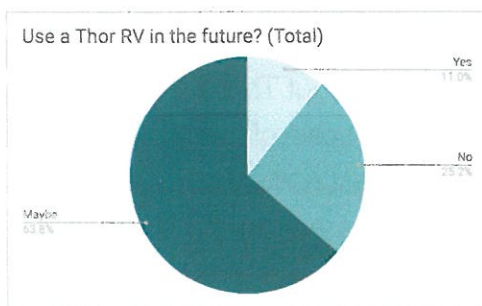
TAGGED



We included this screenshot of Thor Industries' Instagram page and asked respondents to indicate how it made them feel about Thor's products on a scale of 1 to 5. Overall, almost 50% of the survey-takers indicated 4, as did almost 50% of those under 18 who took the survey. On the other hand, out of those survey-takers over the age of 18, the most common response was the rank of 3.



The following are some of the reasons Thor offers for its RV lifestyle: connect with nature, join a community, travel with comfort, family togetherness, and retire with style. We asked survey-takers to rank these reasons from 1-5 based on what they value and what appeals to them. According to the results, the idea of retiring with style and connecting with nature was most appealing to the most number of respondents, while connecting with nature and traveling with comfort were those that were least appealing to the most respondents. Overall, however, the results were all across the board, demonstrating how various consumers really do value different reasons.



At the end of the survey, we asked the respondents if they would choose to use one of the Thor RVs in the future after having learned of Thor's values and seen some of their advertising. None of these results were extraordinarily significant, as a majority of respondents indicated "maybe" and approximately 11% said "yes," that they would. Furthermore, in looking at the responses of those under 18 and over 18, they are not largely different, with most survey-takers saying "maybe" and a very small proportion giving a definitive "yes."

