

## Thor Industries, Inc. (THO)

**\$102.46** (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$85.00**

Long Term: 6-12 Months

**Zacks Recommendation: Underperform**

(Since: 12/03/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: A

Value: B

Growth: A

Momentum: F

### Summary

THOR's European business continues to face evolving consumer behavior, with demand skewing toward premium and budget brands while mid-market models have softened. As a result, the mix has shifted toward lower-margin units, driven by increased sales of entry-level brands and a surge in special-edition motorcaravans offered at attractive prices ahead of upcoming model updates. It foresees substantial investments in automation and innovation strategies, causing an uptick in SG&A expenses as a percentage of sales. This is exerting pressure on profit margins. The upcoming model year transition and the uncertainty caused by changing macroeconomic conditions have resulted in a decline in THOR's backlog, which doesn't bode well for its sales. We're bearish on the stock now.

### Data Overview

52 Week High-Low	\$117.09 - \$63.16
20 Day Average Volume (sh)	764,150
Market Cap	\$5.4 B
YTD Price Change	7.1%
Beta	1.32
Dividend / Div Yld	\$2.08 / 2.0%
Industry	<a href="#">Building Products - Mobile Homes and RV Builders</a>
Zacks Industry Rank	Top 39% (95 out of 243)

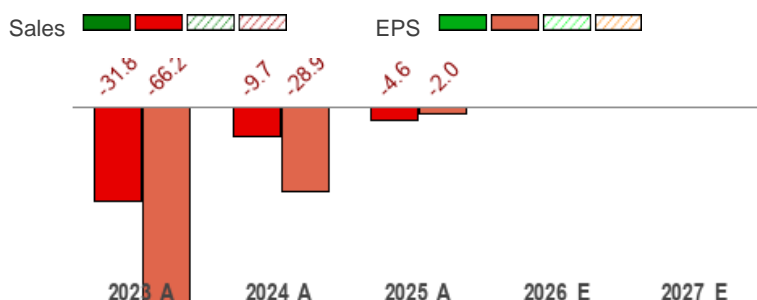
Last EPS Surprise	472.7%
Last Sales Surprise	12.9%
EPS F1 Est- 4 week change	-0.3%
Expected Report Date	03/04/2026
Earnings ESP	46.1%

P/E TTM	18.7
P/E F1	26.7
PEG F1	-2.8
P/S TTM	0.6

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	2,168 E				9,868 E
2026	2,389 A	1,968 E	2,775 E	2,398 E	9,530 E
2025	2,143 A	2,018 A	2,895 A	2,524 A	9,579 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	0.14 E				3.96 E
2026	0.41 A	-0.05 E	1.92 E	1.55 E	3.84 E
2025	0.26 A	-0.01 A	2.77 A	2.31 A	4.84 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.

(2) The report's text and the price target are as of 12/04/2025.

## Overview

Founded in 1980, Indiana-based Thor Industries is the largest manufacturer of RVs in the world. The American company builds a variety of RVs in North America and Europe and sells those vehicles along with related parts and accessories to independent, non-franchise dealers throughout the United States, Canada and Europe.

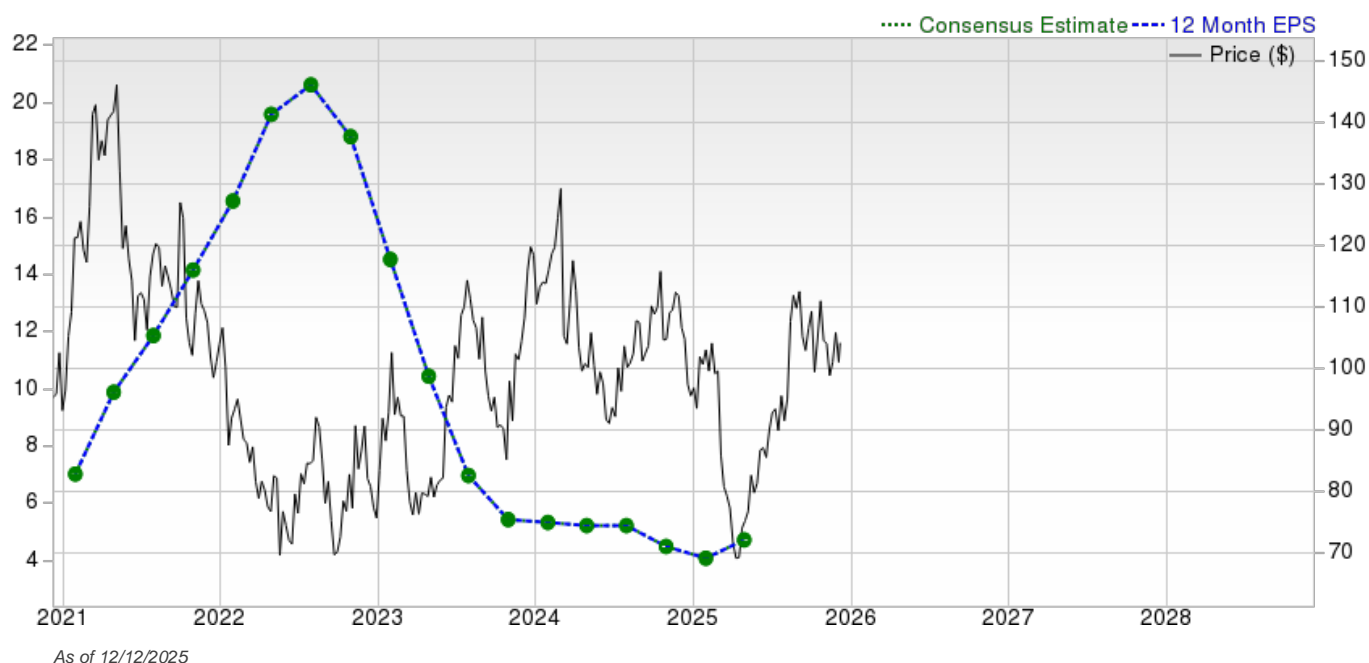
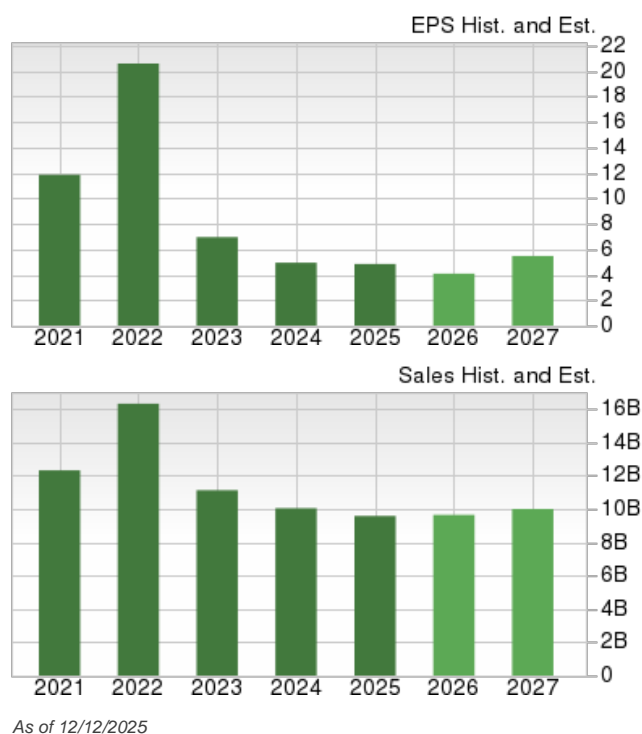
Thor, through its subsidiaries, is the leading RV maker in North America in terms of unit sales and revenues. The company's North American operating subsidiaries include Airstream, Thor Motor Coach, Tiffin Motorhomes, DRV, Keystone, Heartland, KZ and Jayco. Under the company's decentralized structure, each of the subsidiaries operates independently. Thor is the #1 player in travel trailers, fifth wheels and motorized RVs in North America.

It has emerged as one of the leaders in the European RV industry through the acquisition of Erwin Hymer Group (EHG), which closed in February 2019. European RV operations include eight production facilities that manufactured noted brands within Europe, including Hymer, Buerstner, Carado, Eriba, Etrusco, Laika, Xplore, Elddis, Compass, Buccaneer and CrossCamp.

Thor operates under three reportable segments: North American Towable Recreational Vehicles (accounting for 39.5% of total RV revenues in fiscal 2025), North American Motorized Recreational Vehicles (22.7%) and European Recreational Vehicles (31.6%).

As the RV market is fiercely competitive amid low entry barriers, Thor counts Forest River, Inc. and Winnebago Industries, Inc. as its closest peers within North American towable and motorized segments. Its major competitors within the European segment include Trigano, Hobby/Fendt, Knaus Tabbert and various vehicle manufacturers.

The recreational vehicle industry is influenced by many strong macroeconomic factors and is extremely sensitive to the overall strength of the economy. The Global RV Market has enjoyed exponential growth since 2008 on the back of the rising popularity of the van life movement among millennials and changing customer lifestyles. The demand for RVs in luxury camping and travel amenities is likely to keep growing in the future.



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## Reasons To Sell:

- ▼ The upcoming model year transition and the uncertainty caused by changing macroeconomic conditions have resulted in a **decline in THOR's backlog**, which doesn't bode well for its sales. As of Oct. 31, 2025, order backlog in North American Towable and European units fell 29.7% and 5.5%, respectively, on a year-over-year basis.
- ▼ Thor's European business continues to face evolving consumer behavior, with demand skewing toward premium and budget brands while mid-market models have softened. As a result, the mix has shifted toward lower-margin units, driven by increased sales of entry-level brands and a surge in special-edition motorcaravans offered at attractive prices ahead of upcoming model updates. Although the refreshed mainstream products have generated strong feedback and solid order intake, certain operations still require restructuring to counter the **persistent challenges affecting some of the company's European brands**.
- ▼ Thor foresees substantial investments in automation and innovation strategies, causing an **uptick in SG&A expenses as a percentage of sales**. This is exerting pressure on profit margins. In fiscal 2025, consolidated SG&A costs were 9.6% of net sales, up from 8.9% in fiscal 2024. The SG&A cost in the first quarter of fiscal 2026 rose 5.8% year over year.
- ▼ **Stiff competition** in the RV market also poses risk. There are around 80 RV manufacturers in the United States and Canada and about 30 in Europe. Competition in the RV industry is driven by factors such as price, design, value, quality, service, brand awareness, and reputation. This competition has sometimes reduced Thor's profit margins and market share. Continued competitive pressures could negatively impact the company's operations.

The uncertain economic environment, high SG&A expense and growing competition in the RV industry may act as a headwind for Thor.

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## Risks<sup>(2)</sup> (to the Underperform recommendation)

- **Strategic acquisitions** have fueled THOR's market position. The acquisitions of EHG and TiffinHomes have brought commercial synergies, making Thor the world's largest RV manufacturer and expanding its product portfolio. The EHG buyout has bolstered its foothold in the European market. The acquisition of Airxcel strengthens the supply chain and diversifies revenues, especially in the aftermarket business. The Elkhart buyout has helped Thor secure an unconstrained supply of Elkboard.
  - THOR Industries is **expanding its revenue streams** beyond its core RV segments through strategic initiatives like RV Partfinder and its North American parts strategy. RV Partfinder improves the customer and dealer experience by reducing repair cycle times and enhancing service efficiency, encouraging loyalty and repeat business.
  - **Balance sheet strength** also sparks optimism. It has a debt-to-capital ratio of 0.18 compared to the auto sector's 0.35. Low leverage gives the company enough flexibility to tap into growth opportunities. The RV maker is also committed to enhancing shareholders' value. In the first quarter of fiscal 2026, it hiked its quarterly dividend by 4% to 52 cents. Its five-year annualized dividend growth is 4.83%. In fiscal 2025, Thor paid \$15.8 million in quarterly dividends.
  - THO's **EV push** is poised to bolster its prospects in the ever-evolving world of transportation. Recognizing e-mobility as the future, the company has been diligently working on its electrification strategies. As a leader in the industry, THOR has harnessed emerging technology and extensive research to create adaptable platforms for future products. THOR's strategic partnership with Harbinger is set to expedite its plans to electrify its entire RV lineup, including larger Class A motorhomes.
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## Last Earnings Report

### THOR Q1 Earnings Surpass Expectations, Revenues Rise Y/Y

THOR reported earnings of 41 cents per share for the first quarter of fiscal 2026 (ended Oct. 31), in contrast to the Zacks Consensus Estimate of a loss of 11 cents. The company reported earnings of 26 cents per share in the corresponding quarter of fiscal 2025.

THOR registered revenues of \$2.39 billion for the fiscal first quarter, beating the Zacks Consensus Estimate of \$2.12 billion. The top line rose 11.5% year over year.

**FY Quarter Ending** **7/31/2025**

Earnings Reporting Date	Dec 03, 2025
Sales Surprise	12.90%
EPS Surprise	472.73%
Quarterly EPS	0.41
Annual EPS (TTM)	5.48

### Segmental Results

**North American Towable RVs:** Revenues from the segment remained flat at \$897.1 million. The figure, however, beat our estimate of \$810.6 million.

Gross profit totaled \$119 million and increased 5.8% year over year as a result of reduced warranty and promotional expenses and lower overhead associated with the Heartland realignment. The pretax income totaled \$46.5 million, slightly down from \$46.8 million recorded in the year-ago period. The unit's total backlog was \$656 million at the quarter's end, down from \$933.1 million as of Oct. 31, 2025.

**North American Motorized RVs:** Revenues from the segment totaled \$661.1 million, which grew 30.9% year over year due to an increase in unit shipments. The figure also surpassed our estimate of \$520.3 million.

Gross profit totaled \$71.6 million, up 67.6% year over year due to volume leverage and lower warranty costs. Pretax profit came in at \$33.15 million, up 265% from the year-ago period. The segment's backlog was \$1.28 billion, up from \$963.1 million as of Oct. 31, 2025.

**European RVs:** Revenues from the segment came in at \$655.5 million, up 8.4% from the year-ago period due to an increase in unit shipments. The figure also beat our estimate of \$617.1 million.

Gross profit of \$77.8 million fell 16% year over year. The segment reported a pretax loss of \$26.6 million, lower than the year-ago pretax income of \$1.18 million due to a greater share of lower-margin special-edition motorcaravans along with higher promotional spending and warranty expenses. The backlog of the segment was \$1.93 billion, which declined from \$2.04 billion recorded as of Oct. 31, 2025.

### Financials

As of Oct. 31, 2025, THOR had cash and cash equivalents of \$509.9 million and long-term debt of \$913.1 million.

The company reported an operating cash outflow of \$44.9 million against an operating cash inflow \$30.7 million reported in the corresponding quarter of 2025.

### Reaffirmed Fiscal 2026 Guidance

THOR expects its fiscal 2026 consolidated net sales to be in the range of \$9-\$9.5 billion compared with \$9.6 billion in fiscal 2025. EPS is expected to be in the range of \$3.75-\$4.25 compared with \$4.84 in fiscal 2025.

## Valuation

THO's shares are up 16% and down 4.1% over the past six months and in the trailing 12-month period, respectively. Stocks in the Zacks Building Products - Mobile Homes and RV Builders industry and the Zacks Auto-Tires-Trucks sector are up 29.2% and 32.1%, respectively, over the past six months. Over the past year, the Zacks sub industry and sector are down 11.6% and up 12.2%, respectively. The S&P 500 index is up 17.9% and 15.1% over the past six months and in the past year, respectively.

The stock is currently trading at 22.02X forward 12-month earnings, which compares to 19.98X for the Zacks sub-industry, 30.88X for the Zacks sector and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 25.41X and as low as 4.2X, with a 5-year median of 13.6X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our \$85 price target reflects 18.76X forward 12-month earnings per share.

The table below shows summary valuation data for THO:

Valuation Multiples - THO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	22.02	19.98	30.88	23.44
	5-Year High	25.41	21.74	32.26	23.81
	5-Year Low	4.2	5.68	12.49	15.73
	5-Year Median	13.6	13.84	19.44	21.19
EV/EBITDA TTM	Current	9.77	12.35	24.98	18.59
	5-Year High	12.77	16.13	28.39	22.41
	5-Year Low	2.85	3.44	8.95	13.87
	5-Year Median	7.63	9.54	17.03	17.95
P/S F12M	Current	0.54	0.86	1.51	5.31
	5-Year High	0.72	1.06	1.96	5.5
	5-Year Low	0.26	0.42	0.77	3.83
	5-Year Median	0.48	0.74	1.18	5.04

As of 12/03/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 39% (95 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Cavco Industries, In... (CVCO)	Outperform	
LCI Industries (LCII)	Outperform	1
Camping World (CWH)	Neutral	4
D.R. Horton, Inc. (DHI)	Neutral	3
Patrick Industries, ... (PATK)	Neutral	3
REV Group, Inc. (REVG)	Neutral	3
Champion Homes, Inc. (SKY)	Neutral	
Winnebago Industries... (WGO)	Neutral	3

## Industry Comparison<sup>(1)</sup>

Industry: Building Products - Mobile Homes And Rv Builders

Industry Peers

	THO	X Industry	S&P 500	PATK	SKY	WGO
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3		3
VGM Score	A	-	-	C		A
Market Cap	5.41 B	4.66 B	39.38 B	3.83 B	4.91 B	1.11 B
# of Analysts	6	3	22	4	0	6
Dividend Yield	2.03%	0.00%	1.41%	1.63%	0.00%	3.57%
Value Score	B	-	-	A		A
Cash/Price	0.09	0.13	0.04	0.01	0.13	0.16
EV/EBITDA	9.33	9.33	14.60	11.98	14.01	12.32
PEG Ratio	-2.79	1.88	2.23	1.53	NA	NA
Price/Book (P/B)	1.26	1.73	3.35	3.28	3.14	0.90
Price/Cash Flow (P/CF)	10.19	10.89	15.20	12.22	20.40	9.93
P/E (F1)	26.68	20.81	19.78	26.71	NA	16.51
Price/Sales (P/S)	0.55	1.24	3.06	0.99	1.87	0.40
Earnings Yield	3.98%	5.02%	4.99%	3.74%	NA%	6.07%
Debt/Equity	0.21	0.21	0.57	1.13	0.02	0.44
Cash Flow (\$/share)	10.06	4.31	8.99	9.41	4.31	3.95
Growth Score	A	-	-	D	NA	A
Hist. EPS Growth (3-5 yrs)	NA%	12.60%	8.16%	-3.95%	12.60%	-28.06%
Proj. EPS Growth (F1/F0)	-20.66%	27.46%	8.57%	-0.69%	NA	42.51%
Curr. Cash Flow Growth	-7.00%	-7.00%	6.75%	7.03%	13.36%	-42.41%
Hist. Cash Flow Growth (3-5 yrs)	2.64%	2.64%	7.43%	14.67%	23.94%	-3.39%
Current Ratio	1.81	2.42	1.19	2.34	2.60	2.42
Debt/Capital	17.52%	17.52%	38.01%	53.05%	1.50%	30.62%
Net Margin	2.87%	7.04%	12.78%	3.11%	8.41%	0.92%
Return on Equity	7.05%	13.40%	17.00%	12.44%	14.36%	3.86%
Sales/Assets	1.41	1.26	0.53	1.25	1.25	1.27
Proj. Sales Growth (F1/F0)	-0.50%	0.00%	5.77%	4.30%	NA	1.90%
Momentum Score	F	-	-	C		D
Daily Price Chg	-1.39%	-0.57%	-1.07%	-0.41%	-0.74%	-1.75%
1 Week Price Chg	1.61%	1.61%	-0.63%	7.16%	3.00%	3.24%
4 Week Price Chg	3.86%	3.86%	1.39%	15.00%	8.05%	16.96%
12 Week Price Chg	-0.26%	7.28%	2.45%	8.47%	18.18%	18.51%
52 Week Price Chg	-2.06%	-5.58%	12.83%	28.17%	-16.54%	-29.18%
20 Day Average Volume	764,150	144,055	2,728,366	265,770	628,182	501,311
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	NA	0.00%
(F1) EPS Est 4 week change	-0.33%	-0.16%	0.00%	0.00%	NA	0.00%
(F1) EPS Est 12 week change	-6.64%	-10.51%	0.69%	1.71%	NA	-14.38%
(Q1) EPS Est Mthly Chg	-26.28%	-13.14%	0.00%	0.00%	NA	0.00%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>B</b>
Growth Score	<b>A</b>
Momentum Score	<b>F</b>
VGM Score	<b>A</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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