



2018 DEALER OPEN HOUSE SEPTEMBER 25, 2018

www.thorindustries.com



Forward Looking Statements

This presentation includes certain statements that are “forward looking” statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements are made based on management’s current expectations and beliefs regarding future and anticipated developments and their effects upon Thor, and inherently involve uncertainties and risks. These forward looking statements are not a guarantee of future performance. We cannot assure you that actual results will not differ materially from our expectations. Factors which could cause materially different results include, among others, raw material and commodity price fluctuations, raw material, commodity or chassis supply restrictions, the level of warranty claims incurred, legislative, regulatory and tax law and/or policy developments including their potential impact on our dealers and their retail customers or on our suppliers, the costs of compliance with governmental regulation, legal and compliance issues including those that may arise in conjunction with recent transactions, lower consumer confidence and the level of discretionary consumer spending, interest rate fluctuations, the potential impact of interest rate fluctuations on the general economy and specifically on our dealers and consumers, restrictive lending practices, management changes, the success of new and existing products and services, consumer preferences, the ability to efficiently utilize production facilities, the pace of acquisitions and the successful closing, integration and financial impact thereof, the potential loss of existing customers of acquisitions, our ability to retain key management personnel of acquired companies, a shortage of necessary personnel for production, the loss or reduction of sales to key dealers, disruption of the delivery of units to dealers, asset impairment charges, cost structure changes, competition, the impact of potential losses under repurchase agreements, the potential impact of the strength of the U.S. dollar on international demand, general economic, market and political conditions, changes to investment and capital allocation strategies or other facets of our strategic plan, and other risks and uncertainties, including those discussed more fully in ITEM 1A of our Annual Report on Form 10-K for the year ended July 31, 2018.

We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this presentation or to reflect any change in our expectations after the date hereof or any change in events, conditions or circumstances on which any statement is based, except as required by law.

2018 Dealer Open House

Towable Units Featured



Airstream International

- Sleeps up to 6
- Distinctly modern style
- USB and 110V outlets throughout



Airstream Nest

- Sleeps up to 2
- Compact, lightweight and easy to tow
- Kitchen, dinette, full bathroom and queen-sized bed
- Power awning



Dutchman Kodiak

- Sleeps up to 8
- Spacious floor plan with LED lights
- Electric leveling system
- Outside kitchen with bar fridge and grill



KZ Sportsman

- Sleeps up to 4
- Spacious, LED-illuminated storage area
- Smart arm power awning with LED lighting
- Multimedia stereo with DVD, Bluetooth and wireless connectivity

2018 Dealer Open House

Fifth Wheel Units Featured



Heartland Gateway

- Sleeps up to 4
- Private front bedroom
- Triple slide-outs
- Spacious kitchen with u-shaped counter space



Keystone Montana

- Sleeps up to 8
- Spacious entry door with integrated window shade
- Theater seating with power recliners
- DVD/CD/MP3 entertainment system with Bluetooth



Crossroads Redwood

- Sleeps up to 4
- IN-Command smart automation system
- LED recessed ceiling and accent lights
- USB ports for easy charging



Heartland Landmark

- Sleeps up to 2
- 45,000 BTU of cooling power; 3 air conditioners
- Walk-in closets
- Power theatre seating with heat and massage functions

2018 Dealer Open House

Motorized Units Featured



Thor Motor Coach Ace

- Sleeps up to 6
- 50" LED TV in living area; exterior 32" LED TV with soundbar and radio
- Exterior kitchen with 2.6 cu. ft. refrigerator, sink and 1000-watt inverter
- Power charging center for electronics



Thor Motor Coach Hurricane

- Sleeps up to 9
- Exterior kitchen with 2.6 cu. ft. refrigerator and sink
- Wi-Fi ranger and extender
- Multiplex lighting and systems controls



Entegra Coach Emblem

- Sleeps up to 6
- King size bed and spacious layout
- Three-camera monitoring system
- Premium finishes



Entegra Coach Anthem

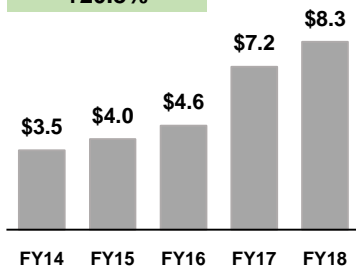
- Sleeps up to 4
- Bose soundbar in bedroom and exterior entertainment center
- Spacious, dual-pitched awning with exterior entertainment center
- Wi-Fi

Record Results for Fiscal 2018

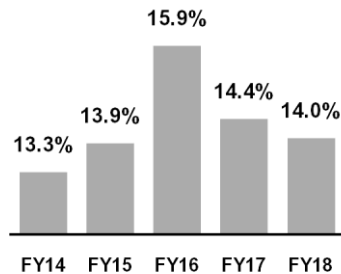
Income Statement

Net Sales
(Continuing Ops., \$ billions)

5-year CAGR:
+20.8%

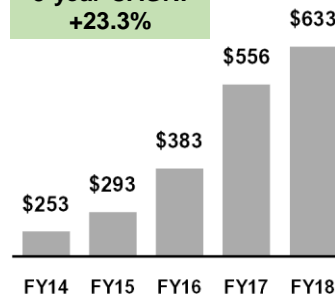


Gross Margin
(Continuing Ops.)



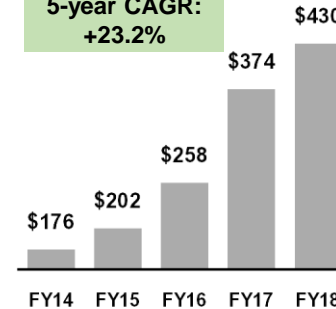
Income Before Tax
(Continuing Ops., \$ millions)

5-year CAGR:
+23.3%



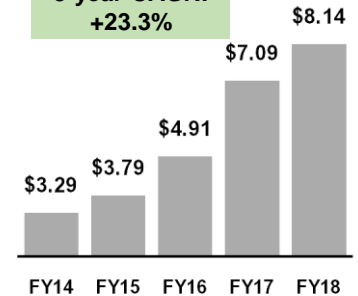
Net Income
(Continuing Ops., \$ millions)

5-year CAGR:
+23.2%



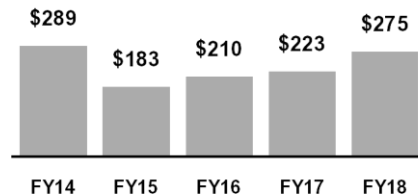
Diluted EPS
(Continuing Ops.)

5-year CAGR:
+23.3%

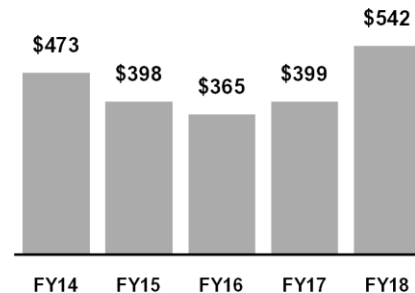


Balance Sheet & Cash Flow

Cash & Investments
(\$ millions)

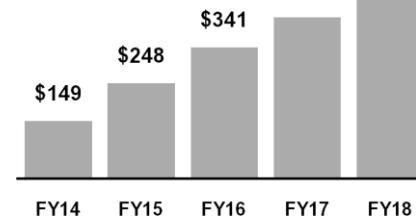


Working Capital
(\$ millions)

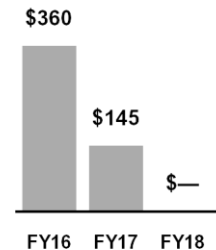


Operating Cash Flow
(\$ millions)

5-year CAGR:
+26.3%



Long-Term Debt
(\$ millions)



Note: As of the fiscal years ended July 31

RV Industry Demand

Outlook:

- Similar healthy macro economic environment consistent with current conditions
- Favorable demographic and lifestyle growth trends continue
 - Ongoing strength of baby boomers
 - Increasing presence of first time and younger buyers
- Current dealer optimism remains high



	Calendar Year		YTD June	
	<u>2016</u>	<u>2017</u>	<u>2017 YTD</u>	<u>2018 YTD</u>
Industry Retail Registrations*	416,054 units +10.8%	465,272 units +11.8%	249,998 units +14.4%	267,152 units +6.9%
Industry Wholesale Shipments**	430,691 units +15.1%	504,599 units +17.2%	256,430 units +13.3%	271,588 units +5.9%

* Statistical Surveys, Inc., includes US and Canada. 2016 & 2017 Full Year Actual, 2017 & 2018 YTD through June – Note: Data reported by Stat Surveys is subject to adjustment and is continuously updated; ** RVIA wholesale shipments for full years 2016 & 2017, 2017 & 2018 YTD through June

Opportunities for Continued Growth

Further Market Penetration

Growth Levers

- Expanded Thor marketing efforts
 - Marketing to younger families and more diverse consumer segments
 - Go Your Own Way™ campaign launched September 2017
- RVIA's Go RVing™ campaign continues to reach new consumers through:
 - “AWAY” advertising campaigns and microsite, which features testimonial-themed videos
 - Print ads in multiple national publications offering value-added components to complement the traditional Go RVing™ ad placement
 - Social media efforts, promoting Facebook, Instagram, Twitter, Pinterest and Snapchat posts



Opportunities for Continued Growth

Investing in Adjacent RV Categories

Growth Levers

- Formed joint venture (TH2), in Q3 FY18, dedicated to providing a variety of products and services focused on enhancing the enjoyment, safety, connectivity and convenience of RV ownership and use
- Objective to provide innovation solutions to our ever-widening consumer base to not only capture their interest, but to retain them as life-long customers
- Platform includes existing successful products such as:
 - Cosmos
 - Roadtrippers (www.roadtrippers.com)
 - Highway (www.highway.com)
 - CamperMate (www.campermate.co.nz)
- TH2's functionality will provide numerous revenue streams, including subscriptions, advertisements and commissions



Opportunities for Continued Growth

Fund Acquisitions in Global RV Industry

Growth Levers

- 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)

THOR
INDUSTRIES



ERWIN HYMER GROUP

the leisure experience



Notes: ¹ Trailing twelve months ended 4/30/2018; ² EHG's forecast for FYE 8/31/2018; ³ Exchange rate of USD / EUR:1.16

THOR | INDUSTRIES

Erwin Hymer Group Acquisition

Strategic rationale

- Creates the #1 Global RV Manufacturer with a Leading Portfolio of Brands, Dealer Network and Global Reach
- Establishes a Leading Position in Growing European RV Market with a Complementary and Geographically Diverse Product Portfolio
- Significant Mutual Benefits Derived from Sharing Design, R&D, Technology, Engineering and Manufacturing Excellence
- Numerous Areas of Near-Term and Long-Term Synergies between the Two Companies
- Aligned with Thor's Strategic Plan to Enhance Shareholder Value – Transaction to be Accretive to Earnings in First Year*



*Before anticipated synergies, purchase accounting adjustments and transaction related expenses

Synergies expected to create meaningful additional value

Thor and EHG to Mutually Benefit from

Sharing of Best Practices

- » Engineering & Design
- » R&D and Technology
- » Marketing
- » Human Resources Strategies

Leveraging Manufacturing and Financial Management Expertise

- » Overall Spending Leverage
- » Procurement Strategies
- » Production Methodologies
- » Working Capital Management

Thor has a Proven Track Record of Generating Significant Acquisition Related Synergies

Video

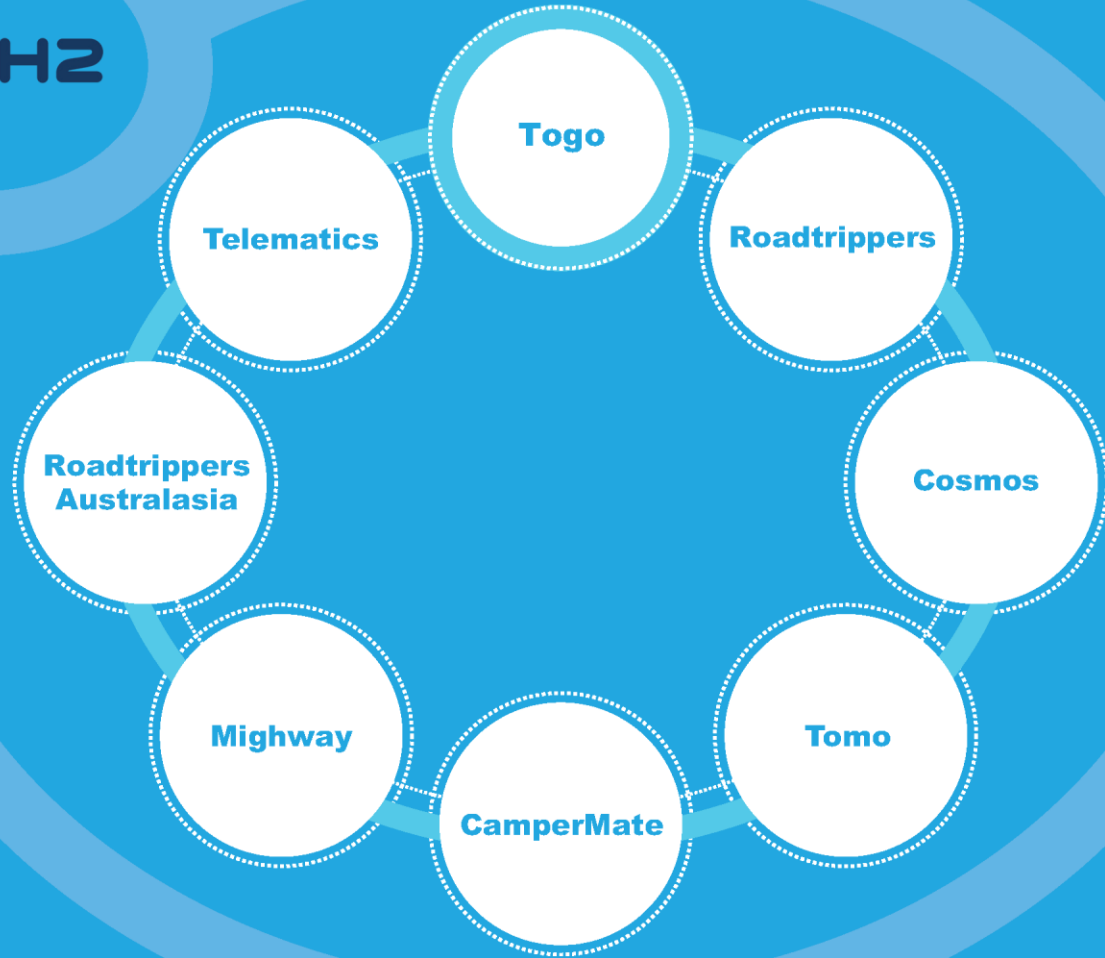
Autonomous driving

Bob Wheeler

President of Airstream and TH2

ABOUT TH2

TH2 is a global joint venture created by two travel giants: **Thor Industries**, the world's largest RV manufacturer, and **Tourism Holdings Ltd (thl)**, the world's largest RV rental operator. TH2 brings together the world's best travel and tech companies to reimagine the RV experience. TH2's innovative approach will improve every aspect of RV ownership with capabilities that include trip planning, service and maintenance support, checklists, helpful how-to videos, remote monitoring, theft tracking, and peer-to-peer RV and campsite rental.



THE CLEVER RV CAMPING COMPANION

Founded by TH2 in 2018, Togo brings the RV experience into the palm of your hand. Log RV maintenance and service checks, get registration renewal alerts, reference convenient checklists for RV travel plans, and more. Togo transforms time lost owning and operating an RV into time spent enjoying your RV, hitting the open road, and relaxing on your own terms.

Togo makes RVing easy so you can spend more time doing what you love.

WANT
MORE MILES,
LESS TRIALS?

RUN
WITH
TOGO

WHO WAS TOGO?

In 1925, a diphtheria outbreak spread among the children of Nome, Alaska. Due to the subzero temps, the town was only accessible by land. Dog sled teams were used to deliver serum from Anchorage to Nome. Togo the sled dog ran 265 miles of the 350-mile journey. Everyone said he was a VERY good boy! We were inspired by Togo's drive to be the best companion. Think of Togo as an RVer's best friend, running alongside you while you're out on the road!

IT'S PRONOUNCED
[TOH-GOH].



RHYMES WITH LOGO.
HERE'S OURS:





TOGO

TOGO FUNCTIONALITY

Track RV Maintenance

Users can manage and track routine maintenance checks or schedule a service appointment. They may set or enable reminders to inflate tires, check smoke alarms, handle other vital tasks and fully prepare for the next adventure.

Keep Service Close

Users can add the name, contact info, location and website of service centers, either nearby or along the route. Preferred centers can be linked for easy access to email or call with a simple click.

Set Custom Notifications

Users can also enable custom notifications when key RV ownership details like vehicle registration are due. They may enter costs, document expiration dates and add important information and reminders in the notes section.

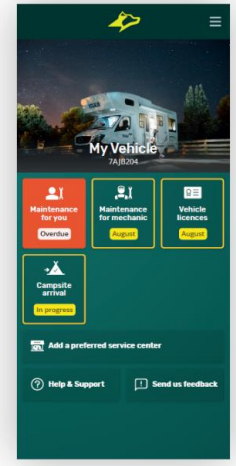
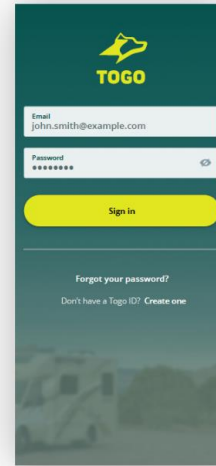
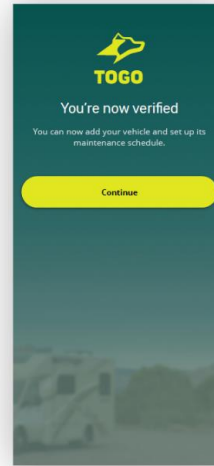
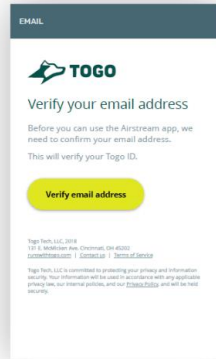
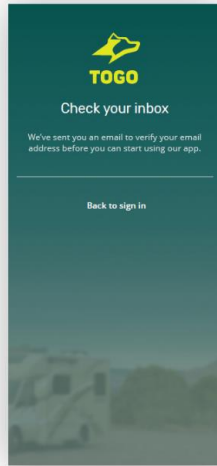
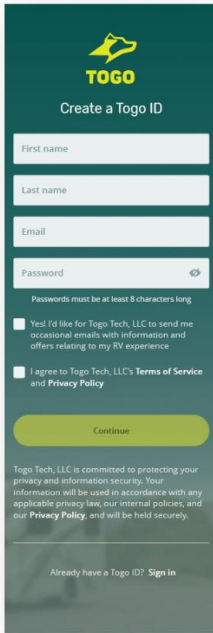
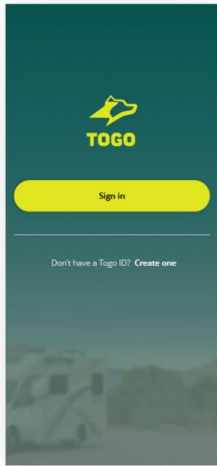
Reference Checklists for RV Trips

Togo's pre-written checklists lend support and peace of mind for every adventure. Additionally, Togo serves as an integrated link to TH2's trip planning tool, Roadtrippers.

Roadtrippers

mi^hghway

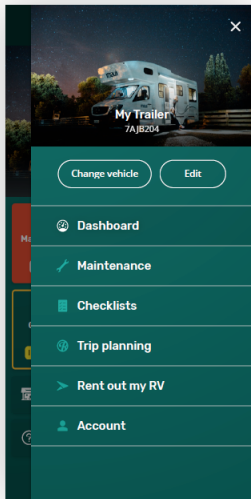
HOW IT WORKS



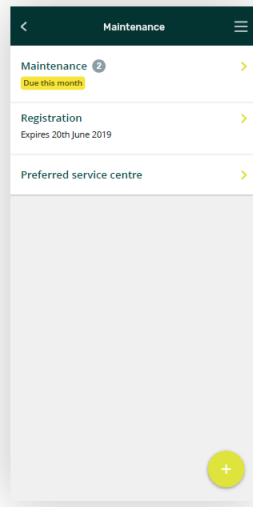
HOW IT WORKS



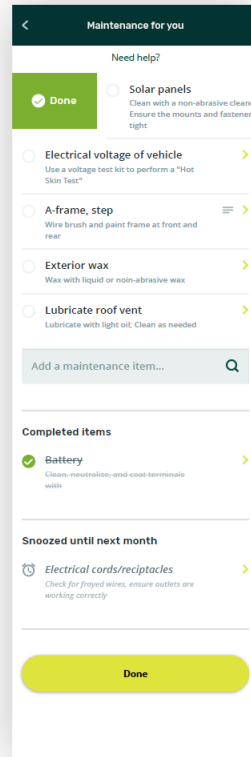
Navigation



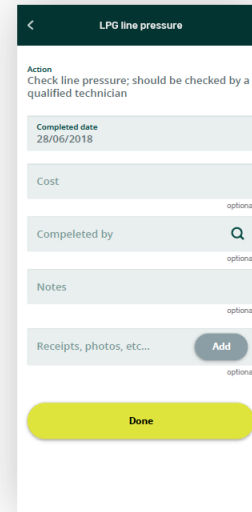
Maintenance



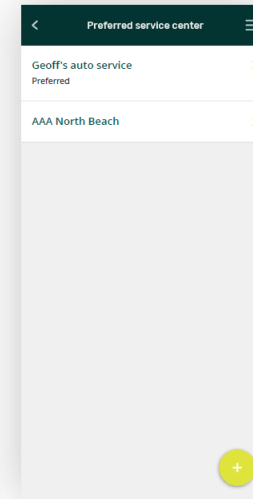
Record maintenance



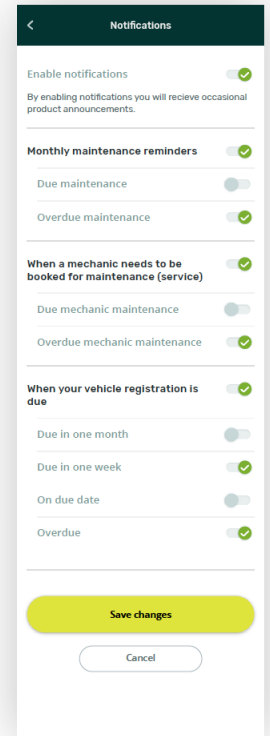
Add maintenance details



Service centers



Notifications





Create a Togo ID

First name

Last name

Email

Password



Passwords must be at least 8 characters long

Yes! I'd like for Togo Tech, LLC to send me occasional emails with information and offers relating to my RV experience

I agree to Togo Tech, LLC's [Terms of Service](#) and [Privacy Policy](#)

Continue

TOGO ID

With Togo ID,
you're free to roam!

Your Togo ID is your passport to the Togo family of apps. Plan your adventure with the Roadtrippers app or rent your RV through the Highway app. Your Togo ID is the only login you need to make the most of your journey.

After downloading the app simply "Create a Togo ID" and fill in the blanks.



WHERE CAN IT BE DOWNLOADED?



More information available at:

RUNSWITHTOGO.COM

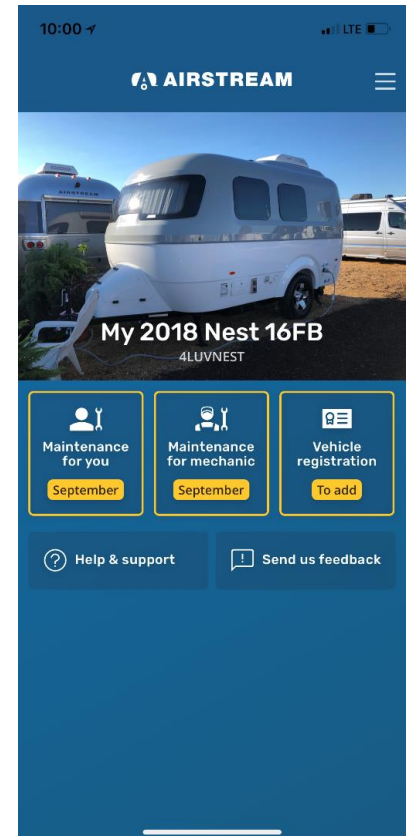
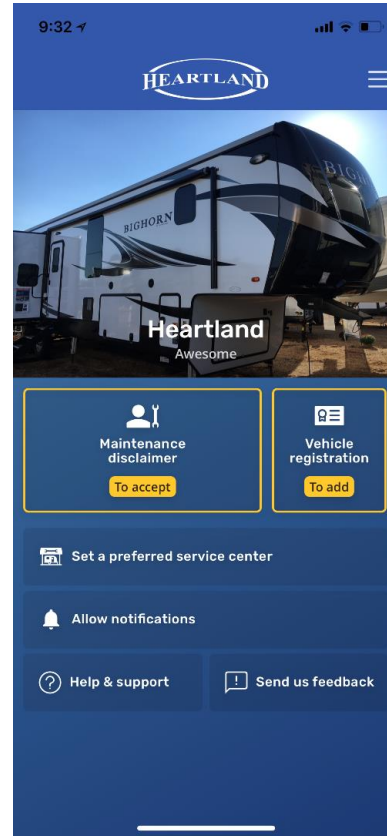
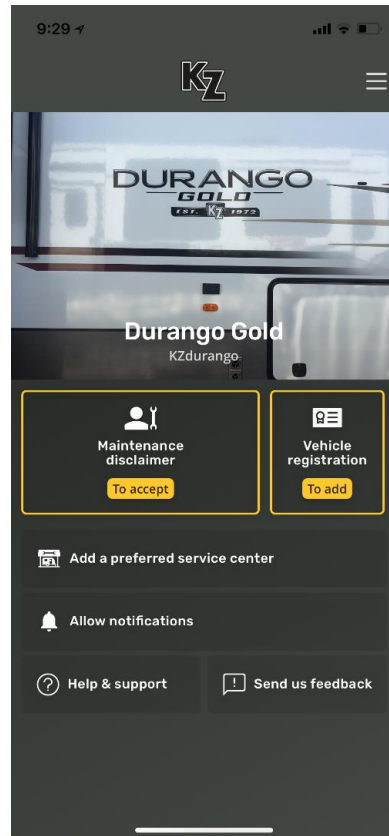
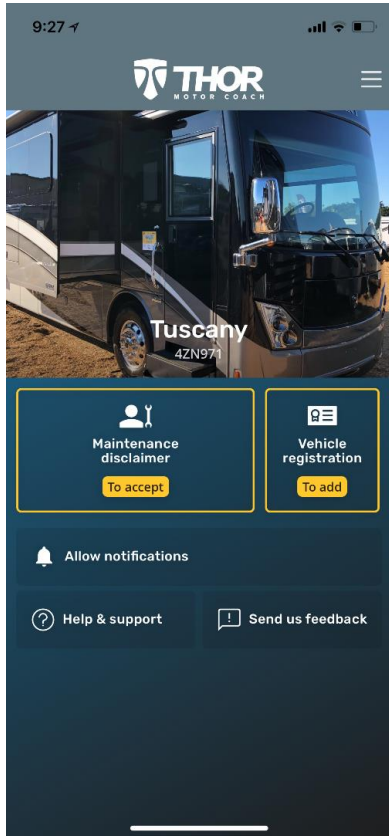


TOGO

- OEM
SPECIFIC VERSIONS



Togo has also released OEM-specific versions of the service-built application. **Airstream, KZ, Thor Motor Coach, and Heartland** are among the first RV brands to enroll in Togo's Strategic Partnership Program. The program aims to increase brand loyalty and marketing engagement in RV consumers.





TOGO

WHAT'S NEXT

Partner Service Integrations

Hardware integrations with the industry's best and biggest; plus exclusive connectivity services for consumers.

Value Added Consumer Services

Roadside assistance, innovative OEM and consumer warranty solutions, insurance offerings, and more...

Vehicle Health & Use Tools

Helpful how-to content for newbies and experienced RVers, regular vehicle status notifications, manuals, and more...

Big Spring 2019 Announcement

Deeper feature sets, paid premium version, more customization for consumers, new OEM integrations, and more, more, more...

James Rigney
Head of Marketing
Thor Industries

Research by brand

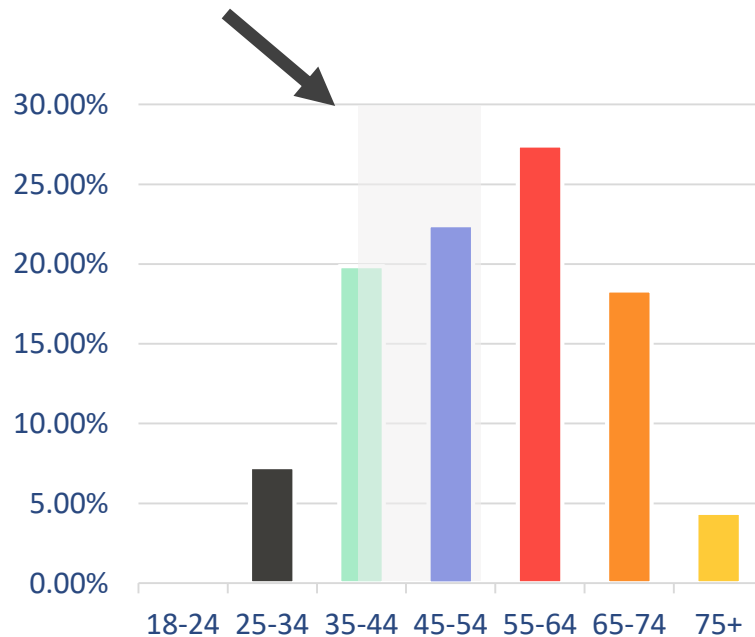
Discover consumer, cultural, and competitive insights that will provide measurable, objective direction for Thor's positioning and inform brand architecture development.

What We Looked For:

- Demographic and Psychographic Insights
- National & DMA Sales Insights
- Consumer Segmentation and Targeting
- Consumer & Influencer Sentiment (Hopes, Dreams, Concerns, and Barriers)
- Relevant Case Studies & Messaging Evaluations
- Emotional & Cultural Drivers

Demographic Insights

Age Breakdown of Retail Dollars



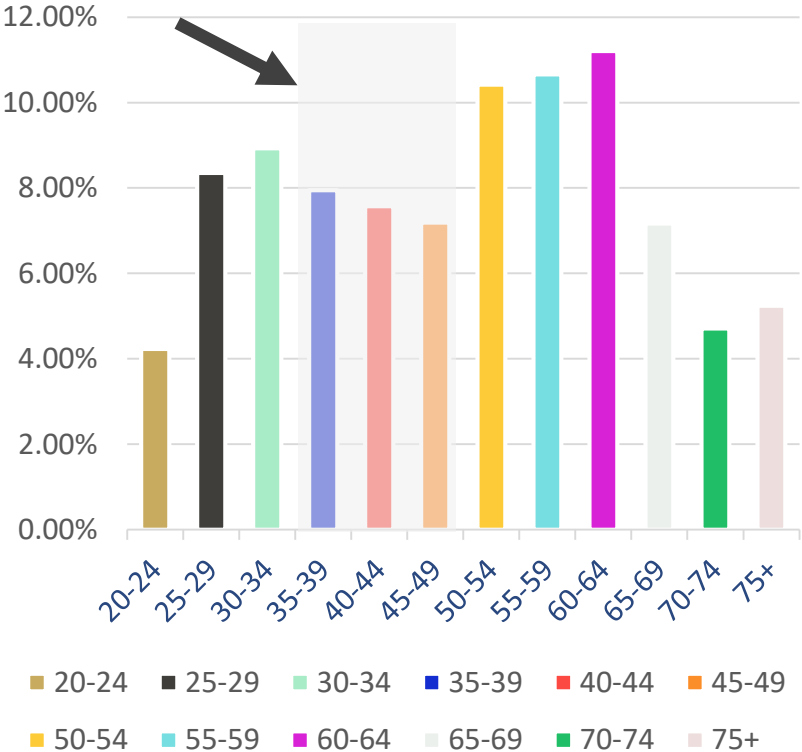
Age correlation to sales

Age segment breakdowns:

- 18-24 = .23%
 - 25-34 = 7.28%
 - 35-44 = 19.86%
 - 45-54 = 22.44%
 - 55-64 = 27.44%
 - 65-74 = 18.34%
 - 75+ = 4.41%
-
- Increase across each decade through age 65.
 - 88% of sales occur between ages 35-74 with 50% of sales occurring between ages 45-64.

Demographic Insights

Age according to web traffic



When broken down by five year increments, category web traffic data paints a different picture:

- 20-24 = 4.23%
- 25-29 = 8.35%
- 30-34 = 8.93%
- 35-39 = 7.95%
- 40-44 = 7.57%
- 45-49 = 7.19%
- 50-54 = 10.42%
- 55-59 = 10.66%
- 60-64 = 11.21%
- 65-69 = 7.17%
- 70-74 = 4.71%
- 75+. = 5.24%

Demographic Insights

Millennials and their younger Generation Z siblings owe a great deal of their generational identity to Generation X – they laid the political, intellectual, social, creative and personal ground upon which the Millennials today walk, talk and text.

Key Takeaways

- Contrasting with sales data, interest remains low between ages 45-49 and jumps when audiences reach 50. Interest remains strong through age 64 but declines to pre-peak levels once the audience reaches age 65.
- Consumer interest in RV's begins to ramp up between 25-29 with the first peak between 30-34
- Largest target market is predominantly middle of the road (39%) politically, these consumers demonstrate attitudes of openness & acceptance as they: 1) find their common ground in their shared passion for camping and 2) develop personal relationships with fellow campers that transcend political preferences.

Implications

- **Lower Barriers to Consideration and Purchase**
 - Consumers want help understanding what makes each RV brand unique
 - Improve aesthetics and value to increase willingness to invest in new RV units
- **Investment: Try Before You Buy**
 - Most consumers want to understand whether the RV'ing experience is right for them
 - Consumers find their dream units online but cannot find them in-person, leading to a sense of disappointment

Implications

- **Let's Get Personal**
 - To consumers, RV's are more personal than a car. For retirement-age consumers, units function as retirement homes on wheels for their owners. For middle-age consumers, RV's serve as a respite from the stresses & pressures of their daily grind
 - Improved design and a maintenance experience can lead to improved attitudes towards RVing
- **Flexible, Meets My Every Day Lifestyle**
 - The traditional "office" is fading. With the increase in remote working and a rising gig economy, a person's work environment is theirs to define.
 - Social media & advertising/marketing disproportionately represent millennials as Office Cord Cutters, failing to raise awareness amongst the core target audiences of older GenX & Baby Boomers who are better equipped to make that jump.



Thor Investment Thesis

- Global RV leader with strong brands and dealer network
- Growing RV marketplace supported by a solid global macro environment and favorable secular growth
- Well-positioned to take advantage of organic and expansion opportunities
- Pure play with geographical and product diversification
- Experienced, proven management team with track record of creating value

Global RV leader in strong growing global market with industry leading operating strategy and balanced capital plan positions THO to enhance shareholder value