# Thule Group (Thule)

Sweden| Consumer durables | LargeCap

Date: 16/12/2025

Recommendation: Hold

Target Price: 247
Current Price: 238
Upside: 3,8%

## A Resilient Premium Company at Fair Price

We initiate coverage on Thule Group with a **Hold** recommendation, as our fair value of **247 SEK** suggests that the stock is currently trading close to its intrinsic value. While Thule remains a high-quality "Premium Champion" with a dominant market position, the current market price leaves a limited margin of safety for new investors. The valuation prices in a successful operational recovery and a margin expansion journey, where EBIT margins are forecasted to rise from 16.10% in 2025 to 21.50% by 2029. This growth is heavily dependent on the flawless execution of Thule's entry into the car seat and dog transport categories, which are intended to drive revenue toward 13.6 billion SEK by the end of the forecast period.

## Key takeaways

**Resilience through Market Volatility:** Thule Group has demonstrated significant operational resilience by successfully navigating a challenging post-pandemic cycle. Having stabilized its financial position, the company is now well positioned to capitalize on a normalized market environment, supported by a record number of product launches and a strategic expansion into high potential categories like car seats and dog transport.

**Key player in the Outdoor Activities Trend:** Despite broader macroeconomic pressures, the outdoor industry has increased and continues to see a "premiumization" trend where consumers favour durable, high-quality equipment over cheaper alternatives.

**Competitive Advantage through Vertical Integration:** By manufacturing over 90% of its products in-house, Thule maintains superior control over quality, lead times, and intellectual property. This gives the company strength in volatile markets and supports steady growth with control over the whole supply-chain.

| Analyst |
|---|
| Fredrik Lundin |

| Market Data, SEK | |
|---|---|
| Exchange | Nasdaq Stockholm |
| 1Y High/Low | 385.80/218.40 |
| Shares (m) | 107.8 |
| Market Cap (mSEK) | 25,600 |
| Enterprise Value | 29,600 |

| Metrics & Drivers | 25E | 26E | 27E |
|---|---|---|---|
| EV/EBIT | 16x | 14x | 12x |
| EV/EBITDA | 15,1x | 13x | 11x |
| P/E | 22x | 20x | 18x |
| ND/EBITDA | 1,5x | 1,3x | 1,1x |
| EPS | 11.40 | 13.20 | 15.40 |

| Forecast, SEK (m) | 25E | 26E | 27E |
|---|---|---|---|
| Total Revenue | 10,388 | 11,050 | 11,820 |
| YoY Revenue Growth | 8,8% | 6,37% | 7,63% |
| EBIT | 1672 | 2022 | 2269 |
| YoY EBIT Margin | 16,10% | 18,30% | 19,20% |

| Major Shareholders | Shares | Votes |
|---|---|---|
| AMF Fonder AB | 11.9% | 11.9% |
| Handelsbanken Fond | 6,8% | 6,8% |
| Swedbank Robur | 6,3% | 6,3% |
| Alecta | 5,2% | 5,2% |

## Company Overview

Thule Group AB, founded in 1942 by Erik Thulin in Hillerstorp, Sweden, is a world-leading global sports and outdoor company. Guided by the motto "Bring your life," the company focuses on consumer-driven innovation and long-term sustainability to offer high-quality products that make it easy for people across the globe to live an active life. Throughout its 80-year history, Thule has evolved from a local Swedish manufacturer into a global lifestyle brand.

Currently, Thule Group operates in over 138 markets, yet approximately 90% of its revenue originates from Europe and North America.

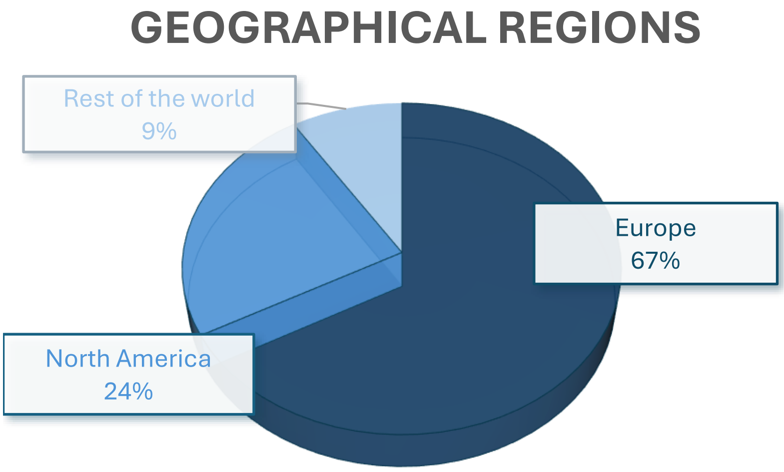



*Figure 1; Geographical regions by revenue (Q3 2025)*
*Source: Thule 2025, Q3 report*

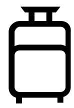
## Business overview

Thule Group utilizes a vertically integrated business model, maintaining control over the entire value chain from research and development to manufacturing and global distribution. The company operates nine manufacturing sites in seven countries, strategically located close to its primary markets to ensure flexible and efficient logistics.

The product groups are split into four different categories: (as of Q3 2025)

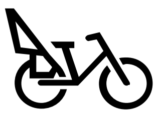
- **Sport & Cargo Carriers** (53% of Net Sales): This is Thule's dominant category. It includes world leading solutions for transporting sports gear, such as roof racks, roof boxes, and carriers for bikes, water sports, and winter sports.

- **Bags & Mounts** (22% of Net Sales): This segment includes premium backpacks, luggage, and laptop cases but also the new addition Quad Lock, which is the new market-leader for quality phone mounts.



- **RV Products** (15% of Net Sales): RV products provide specialized accessories to enhance the comfort and functionality of motorhomes and caravans. The product range includes durable tents, and innovative bike carrier solutions specifically engineered for recreational vehicles.

- **Active with Kids & Dogs** (10% of Net Sales): Formerly focused on juvenile products like strollers and bike trailers, this segment has expanded to include dog transportation solutions. The category now also features a successful line of child car seats, representing a major strategic push into new high-growth safety niches.



The company is focusing on consumer-driven innovation and long-term sustainability. Thule's commitment to technical excellence is evidenced by its portfolio of over 1,000 patents. As of the third quarter of 2025, the Group employs approximately 3,104 people and maintains 35 sales offices across the globe.

# Macroeconomic & Structural Drivers

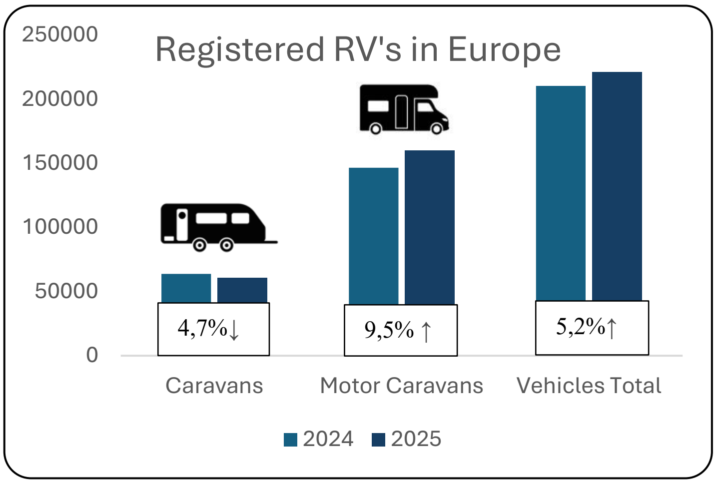



*Figure 2; Registered RV's 2025 in Europe.*
*Source: European Caravan Federation*

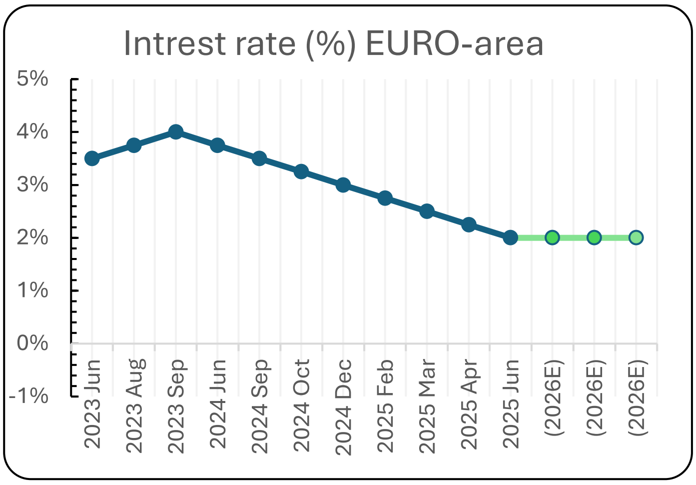



*Figure 3; European central bank interest rate as of 2025.*
*Forecast by economists polled by Reuters.*
*Source: ECB/Reuters*

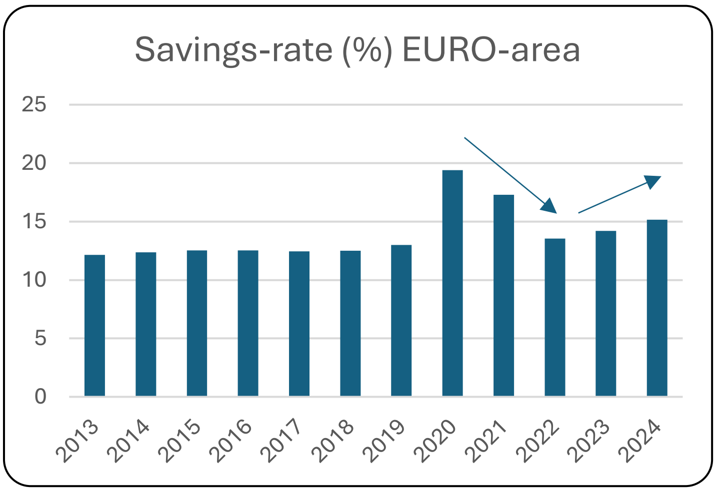



*Figure 4; Average savings-rate for EURO-area in percent.*
*Source: Eurostat*

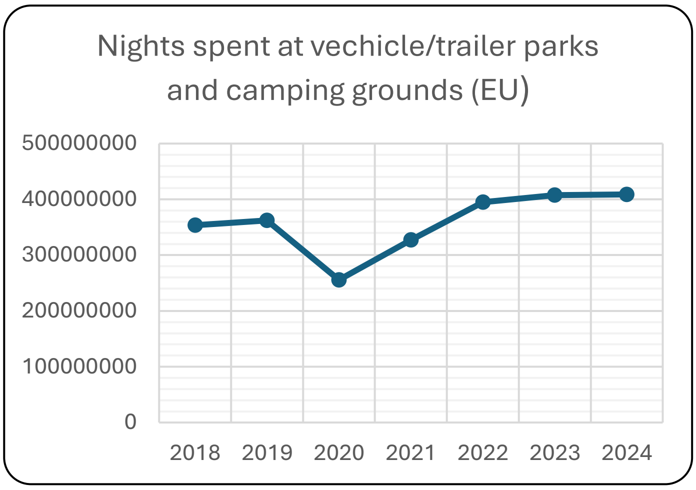



*Figure 5; Nights spent at vehicle/trailer parks and camping grounds in Europe*
*Source: Eurostat*

**Growing demand for Caravans**

While the total addressable market is projected to grow by 5.2% in 2025, the growth is heavily weighted toward Motor Caravans, which are expected to surge by 9.5% (see Figure 2). Conversely, traditional caravans are expected to see a decline of 4.7% over the same period. For Thule, this represents a structural shift toward a more motorized demographic that demands integrated, high-quality solutions for bike carriers, awnings, and storage, which are essential for self-contained travel.

**Monetary Easing and Rising Affluence**

The Euro-area's economic trajectory is set to accelerate as monetary pressure eases. Interest rates, which reached a peak of 4% in late 2023, are on a steady decline and are forecasted by economists to stabilize at 2.0% through 2026 (see Figure 3). This downward trend in borrowing costs is expected to unlock significant consumer spending for high-ticket leisure items. Furthermore, European households have maintained high levels of liquidity, with savings rates remaining well above pre-2019 levels. This "significant latent purchasing power" (see Figure 4) suggests that consumers possess the financial buffer to invest in premium lifestyle upgrades provided by Thule.

**Expanding Demand for Outdoor Living** The fundamental demand for outdoor-based tourism has reached record levels, creating a strong economic base for Thule's core products. After a pandemic-related dip in 2020, the number of nights spent at vehicle parks and camping grounds in the EU has surpassed 400 million annually in 2023 and 2024 (see Figure 5). This represents a substantial and sustained increase from 2018 levels, indicating that "outdoor living" has moved from a temporary trend to a permanent lifestyle choice. Thule's strong brand recognition and utility-first approach make it a natural entry point for these consumers as they seek to enhance their outdoor experiences.

## Investment Thesis

**Improving Economic Horizon**

Thule Group has demonstrated remarkable operational resilience by navigating a challenging period of high interest rates and inflationary pressure. As the macroeconomic environment begins to shift, the company is uniquely positioned to benefit from a significant easing of monetary pressure. The core insight behind the Thule investment opportunity lies in the profound structural shift toward a more active, family-oriented, and "core" outdoor lifestyle that others may still view as a temporary pandemic-era spike. While the market may overlook the depth of this change, the reality is that "Core" participants—those most loyal and frequent users—have grown by 5 million people over the last decade. Furthermore, with 66% of families with children now actively participating in the outdoors, there is a generational anchoring of demand that creates a much higher floor for the industry than previously anticipated. The market may be underestimating the "stickiness" of these outdoor habits and the premiumization of the gear required to sustain them.

**Competitive Advantage**

Value for Thule is driven by a clear alignment between shifting market preferences and the company's product advantages. A primary catalyst for growth is the increasing affluence of the outdoor consumer; the segment of households earning over $100,000 per year has seen the largest participation increase at 10.7%. This confirms that Thule's target market is not only growing but remains highly resilient, as these high-income earners continue to prioritize premium outdoor products despite general inflationary pressures. Additionally, the popularity of "gateway" activities—specifically hiking, cycling, and camping—directly feeds into Thule's "Champion" categories, such as roof boxes, bike racks, and RV accessories. Thule's competitive edge lies in its ability to win against others through this category dominance and the deep loyalty of core participants who view the brand as the gold standard for outdoor utility. This brand equity allows Thule to drive margin expansion by maintaining premium price points while competitors struggle with commoditization.

**Logistics Edge**

A global production model serves as a central competitive advantage for Thule, acting as a cornerstone of the company's strategy to ensure high margins and operational efficiency. By strategically distributing its factories worldwide, the company enables production in close proximity to its various end markets. Maintaining manufacturing facilities across both Europe and North America allows Thule to significantly lower transport costs by reducing the necessity for long-distance shipping, which in turn minimizes freight expenses and limits exposure to volatile freight markets.

# Valuation

| DCF | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E | 2028E | 2029E |
|---|---|---|---|---|---|---|---|---|
| Msek | | | | 1 | 2 | 3 | 4 | 5 |
| Revenue | 10431 | 9132 | 9541 | 10388,0 | 11050,0 | 11820,0 | 12722,0 | 13620,0 |
| **EBIAT** | **1335** | **1154** | **1179** | **1296,00** | **1567,00** | **1758,00** | **1932,00** | **2269,00** |
| D&A (+) | 200 | 259 | 310 | 345 | 331,0 | 378,0 | 445,0 | 490,0 |
| CapEx (-) | 260 | 250 | 263 | 311,00 | 331,00 | 354,00 | 381,00 | 408,00 |
| Change in NWC (-) | 1100 | 836 | 150 | 135,00 | 143,00 | 164,00 | 169,00 | 182,00 |
| **Unlevered FCF** | **175,00** | **327,00** | **1076** | **849,00** | **1423,00** | **1618,00** | **1826,00** | **2168,00** |
| **Present Value of FCF** | | | | **782,00** | **1209,00** | **1266,00** | **1318,00** | **1442,00** |
| Terminal Value | | | | | | | | 37 046,93 |
| Present Value of Terminal Value | | | | | | | | 24637,9 |
| **EV** | | | | | | | | 30657,00 |
| (+) cash | | | | | | | | 390 |
| (-) debt | | | | | | | | 4 380,00 |
| **Equity Value** | | | | | | | | 26667,26 |
| Shares | | | | | | | | 107,8 |
| **Share Price** | | | | | | | | 247,38 |

| | |
|---|---|
| WACC | 8,50% |
| Perpetual Grow | 2,50% |

| | TGR | | | | |
|---|---|---|---|---|---|
| WACC | 1,50% | 2,00% | 2,50% | 3,00% | 3,50% |
| 9,50% | 179,33 | 190,99 | 204,31 | 219,69 | 237,63 |
| 9,00% | 194,94 | 208,52 | 224,18 | 242,45 | 264,04 |
| 8,50% | 212,82 | 228,77 | 247,38 | 269,37 | 295,76 |
| 7,50% | 257,58 | 280,40 | 307,79 | 341,26 | 383,10 |
| 7,00% | 286,10 | 314,01 | 348,11 | 390,74 | 445,55 |

*Table 1,2,3;*
*1. DCF table analysis.*
*2. WACC & TGR*
*3. Sensitivity analysis*

**Discounted Cash Flow (DCF)**

This valuation shows that Thule Group is worth about **247.38 SEK per share**. The calculation is based on the money the company is expected to make until the year 2029. After a difficult year in 2023, sales are now growing again and are expected to reach over 13.6 billion SEK by 2029. A big reason for this value is that Thule is becoming more profitable. Their profit margin (EBIT) is expected to rise from 16.1% to 21.5% as they sell more expensive products like car seats and dog transport.

The final 8.50% WACC represents a "middle-ground" assumption. While some conservative analysts might use a rate closer to 9-10% to account for discretionary spending risks, an 8.50% rate acknowledges Thule’s high margins, strong brand loyalty, and the expectation of a more stable interest rate environment. As shown in the sensitivity analysis, this 8.50% rate is a critical anchor for the current share price valuation of approximately 247 SEK.

The sensitivity analysis highlights that the share price is highly reactive to this figure; for instance, a drop in WACC to 7.50% would see the valuation rise toward 300 SEK, while an increase would compress the value significantly. Beyond the forecast period, the model assumes a Perpetual Growth Rate of 2.50%, aligning with long-term inflation and GDP expectations.

| Peer table | Market Data | | | Financial Data | | | Valuation | |
|---|---|---|---|---|---|---|---|---|
| Companies | MCAP | EV | | CAGR Revenue | EBIT Margin | | ND/EBITDA | EV/EBIT |
| | **SEKm** | **SEKm** | | **19´-24´** | **2026E** | | **2026E** | **2026E** |
| Samonsite | 36 200 | 48500 | | 6% | 18% | | 1,8x | 9,8x |
| Dometic | 19 350 | 31800 | | 8% | 13% | | 2,8x | 11,5x |
| YETI | 37 400 | 38600 | | 16% | 17% | | 0,5x | 15,2x |
| **Average** | **30983,333** | **39 633,33** | | **10%** | **16%** | | **1,7x** | **12,2x** |
| **Median** | **36200** | **38600** | | **8%** | **17%** | | **1,8x** | **11,5x** |
| **Thule Group** | **25746** | **29707** | | **7%** | **16%** | | **1,9x** | **14x** |

*Table 4; Comparable analysis*

**Comparable analysis (Comp)**

The peer table analysis clearly shows that Thule Group holds a strong valuation premium compared to its industry competitors. With an EV/EBIT multiple of 14.0x, Thule is valued significantly higher than the group average of 12.2x. This difference is especially clear when you compare it to Samsonite and Dometic, which trade at much lower levels of 9.8x and 11.5x, respectively. Essentially, the market is willing to pay a higher price for Thule’s earnings compared to Samsonite, signaling a strong preference for Thule's brand strength and stability. This suggests investors view Thule as a "best-in-class" company, separating it from standard manufacturers.

Interestingly, this premium valuation exists even though Thule's expected 2026 EBIT margin of 16% is exactly in line with the peer average and slightly below YETI's 17%. Furthermore, regarding growth, Thule’s historical annual revenue growth (CAGR) of 7% is actually lower than the peer average of 10%—though it is important to note that the average is pulled up by YETI's rapid 16% growth.

Despite having lower growth numbers than the average, the market seems to assign a significant "quality factor" to Thule. Investors are pricing the stock closer to the high-growth outlier YETI (15.2x) rather than its peers like Dometic that have similar margins. This indicates that the market views Thule’s cash flows as safer and higher quality. Consequently, Thule is being valued not just on its current growth rate, but on the long-term strength of its brand and its leadership position in its niche market.

In summary, this comparable analysis suggests that the immediate upside potential for Thule’s stock is limited. Since the company already trades at a significant premium (14.0x) compared to the industry average (12.2x), the market appears to have fully priced in Thule's brand quality and stability. Given that Thule's margins and growth rates are currently in line with or below the peer average, it is difficult to justify a further expansion of the valuation multiple. Essentially, the current price reflects a "best-case" scenario, leaving little room for error or additional stock price appreciation without a significant acceleration in growth

# Catalysts

**Catalyst 1 - Recovery of Consumer Purchasing Power:** Following a protracted period defined by persistent high inflation and interest rate pressure throughout 2023 and 2024, the macroeconomic outlook for late 2025 indicates a pivotal stabilization in real wages. For a premium consumer brand like Thule, this shift is critical. Thule's core portfolio—comprising high-end roof boxes, car seats, and strollers—consists largely of discretionary premium items. Consequently, sales volumes are highly elastic relative to consumer confidence. As household disposable income recovers, Thule is positioned to capture significant upside from the release of pent-up demand among its target demographic.

**Catalyst 2 - The Outdoor Activities Trend:** Despite short-term economic fluctuations, the long-term shift toward outdoor recreation, domestic travel and health-conscious lifestyles remains a tailwind. Macro-data suggests that spending on experiences and related equipment remains more resilient than other luxury categories.

**Catalyst 3 - Successful Category Diversification:** Thule has moved beyond being just a "roof rack company." The expansion into dog transport and the major push into car seats and juvenile products (strollers like Thule Urban Glide 3) broadens their total addressable market and reduces seasonality by targeting everyday parenting needs.

# Risks

**Risk 1 - Overvaluation:** Thule currently trades at a premium EV/EBIT multiple of 14.0x, which is significantly higher than the peer average of 12.2x and the median of 11.5x. This pricing suggests that the market has priced in near-flawless execution and continued brand dominance. The primary risk is a multiple contraction: if the market loses confidence in Thule's ability to maintain this "premium" status—perhaps due to slowing growth or operational hurdles—the stock price lacks a valuation floor. A re-rating to align with lower-valued peers like Dometic or Samsonite could result in a sharp drop in the stock price, eroding shareholder value rapidly.

**Risk 2 - High R&D costs:** To justify its premium pricing strategy in a competitive consumer market, Thule must consistently invest heavily in innovation and product development. These expenditures are necessary to defend its market position. However, if these capital investments do not result in "best-in-test" products or clear differentiators, the company risks losing its pricing power. Without the ability to command premium prices, achieving the targeted profit margins would become impossible, forcing the company to compete on price rather than quality.

**Risk 3** – **Materials & Energy costs**: A significant structural risk to Thule Group's valuation is its high exposure to raw material and energy costs, a direct result of the company's strategy to manufacture the vast majority of its products in-house. The current valuation relies heavily on an optimistic projection of EBIT margin expansion, rising from 16.10% in 2025 to 21.50% by 2029. However, core inputs such as aluminum and plastics are not only price-volatile but also extremely energy-intensive to produce. Consequently, any sustained increase in global commodity prices or energy costs could lead to immediate margin compression, threatening the profitability growth that underpins the company's current enterprise value.

# Appendix

| DCF | 2022A | 2023A | 2024A | 2025E | 2026E | 2027E | 2028E | 2029E |
|---|---|---|---|---|---|---|---|---|
| Msek | | | | | | | | |
| Revenue | 10431 | 9132 | 9541 | 10388,0 | 11050,0 | 11820,0 | 12722,0 | 13620,0 |
| %growth | -2,40% | -12,45% | 4,48% | 8,88% | 6,37% | 6,97% | 7,63% | 7,06% |
| EBIT | 1706 | 1505 | 1522 | 1672,5 | 2022,2 | 2269,4 | 2493,5 | 2928,3 |
| %margin | 16,36% | 16,48% | 15,95% | 16,10% | 18,30% | 19,20% | 19,60% | 21,50% |
| Taxes | 370,202 | 350,665 | 342,45 | 376,31 | 454,98 | 510,62 | 561,04 | 658,87 |
| % of EBIT | 21,70% | 23,30% | 22,50% | 22,50% | 22,50% | 22,50% | 22,50% | 22,50% |
| **EBIAT** | **1335,798** | **1154,335** | **1179,55** | **1296,16** | **1567,17** | **1758,82** | **1932,47** | **2269,43** |
| D&A (+) | 200 | 259 | 310 | 345 | 331,5 | 378,2 | 445,3 | 490,3 |
| %of sales | 1,92% | 2,84% | 3,25% | 3% | 3% | 3,20% | 3,50% | 4% |
| CapEx (-) | 260 | 250 | 263 | 311,64 | 331,50 | 354,60 | 381,66 | 408,60 |
| %of sales | 2,49% | 2,74% | 2,76% | 3,00% | 3,00% | 3,00% | 3,00% | 3,00% |
| Change in NWC (-) | 1100 | 836 | 150 | 135,04 | 143,65 | 164,38 | 169,23 | 182,55 |
| %of sales | 10,55% | 9,15% | 1,57% | 1% | 1% | 1% | 1% | 1% |
| **Unlevered FCF** | **175,80** | **327,34** | **1076,55** | **849,48** | **1423,52** | **1618,07** | **1826,85** | **2168,60** |
| **Present Value of FCF** | | | | **782,93** | **1209,21** | **1266,80** | **1318,21** | **1442,22** |
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