September 23, 2026

Thule Group

Pre-close call

Speakers

Operator

Mattias Ankarberg
CEO and President | Thule Group

Toby Lawton
CFO | Thule Group

Daniel Schmidt
Analyst | Danske Bank

Mats Liss
Analyst | Kepler Cheuvreux

Agnieszka Vilela
Analyst | Nordea

Andreas Lundberg
Analyst | SEB

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Hai Huynh
Analyst | UBS

Prepared Remarks

Operator

Welcome to the Thule pre-quarter 3 update. During the questions and answers session, participants are able to ask questions by dialing #5 on their telephone keypad. I will hand the conference over to the CEO and President, Mattias Ankarberg and CFO, Toby Lawton. Please go ahead.

Mattias Ankarberg
CEO and President | Thule Group

Thank you very much, and welcome everybody to this call. As usual, we will have a short presentation, and then followed by Q&A. I will start with a bit of a business update, and then Toby will add some financial perspectives before we then turn into Q&A. If we start where we left off at the Q2 call. As you are aware, we have set a clear direction going forward, and at the end of last year, we both put new financial targets in place, but also a plan to reach them.

Mattias Ankarberg
CEO and President | Thule Group

The whole plan builds on us using our product development capabilities and other efforts to build what we call champion product categories, where we can be market leaders and innovate more than competition, and also to drive efficiency gains. It is positive for us that when we look back to the second quarter, but also the first half year, that we see that our efforts are giving results. We have seen organic growth and profitability improvements for both the first two quarters of the year.

Mattias Ankarberg
CEO and President | Thule Group

Organic growth is up 3% for the first half, and EBIT margin almost at 1.5 percentage points. In times of a still tough market, it is good to see that we are making progress in the right direction, even of course there is more work to be done before we reach our targets. I think beyond the overall numbers, we were particularly pleased to see where the growth was coming from.

Mattias Ankarberg
CEO and President | Thule Group

In Q2, we did see growth in all the four product areas we report, but particularly the highest growth in the product area Active with Kids & Dogs, where we also have the highest growth ambition, which has delivered 9% organic growth so far for the first half year. This is a product area where we have three product categories, which we believe will be future champions, so we call champion candidates. They are all growing really fast. Car seats, all-terrain and running strollers, and dog transportation products. In all, we are focused on our priorities, and they gave effect in the first half of the year.

Mattias Ankarberg
CEO and President | Thule Group

If we look at the long-term development on the next page, that means that the direction towards the northeast, so to speak, continues for the last 12 months. We are now at a last 12-month basis, and that is sales of just over SEK 10 billion, SEK 10.4 billion, and an EBIT margin of 16.8%. Moving over to the market situation and our own priorities. As we updated you at the Q2 call, we at the time had started to see the impact of the conflict in the Middle East, both on consumer demand and also for sure on raw material prices.

Mattias Ankarberg
CEO and President | Thule Group

Toby will get back a little bit later with some quantified impacts of these items. We also of course saw the impacts on our business, the exposure that we have to the sort of biggest, thickest items is within the RV business, the motor home and caravan business, where we sell some product. That RV business started to decline in terms of registrations during spring, following a period of improved conditions.

Mattias Ankarberg
CEO and President | Thule Group

We also saw that more consumers plan to spend vacations closer to their home, and we saw that North America was still the toughest space. If we move forward to present day and look at the market dynamics as we speak, we basically see a continuation of the same market trend. Very little drama, to say it like that. Excuse me. We continue to see that the RV market has seen a couple of more months of declining registrations. We have, however, seen quite high interest in the RV space over summer, where, for example, RV rental business is doing really well and good interest at campsites and fairs.

Mattias Ankarberg
CEO and President | Thule Group

This also rhymes with the trend that we have seen that more consumers are spending vacation closer to homes, providing for us some counter and support to the more negative consumer sentiment that has been in place in Europe over the summer also. In North America, we did see consumer sentiment improving a bit towards the end of Q2 in June and July, then falling back again in August and September. So overall a pretty unchanged situation versus Q2. For those who follow us closely, you may remember that we did say in Q2 that we saw some improvement in terms of sellout of Thule products to consumers.

Mattias Ankarberg
CEO and President | Thule Group

But the U.S. retailers were cautious on stock levels and also actively reducing inventory, which of course then held our sales back to retailers. Our D2C channel continued to do very well. This has been a bit more normalized during summer, which has been positive for us, of course. We just have a very big promotional period behind us, Labor Day, and we will, in the coming couple of weeks, see how retailers are thinking about restocking and what that means for the quarter in North America.

Mattias Ankarberg
CEO and President | Thule Group

So that was some details and nuances regarding the market situation, but as mentioned, overall very similar situation to where we ended Q2. Then moving, more importantly we think, on to the priorities that we drive. We have been, over the last couple of months, continuing with full force deliver on the priorities that we have set for ourselves. That is building bigger and more champion product categories and driving efficiency gains.

Mattias Ankarberg
CEO and President | Thule Group

Just to mention a couple of things, we have been busy, of course, catching the tail end of the bike season, as this is an important category for us, an important part of the year. We have seen quite a few new products this year, which have been well-received. If we move to the next couple of pages, you can see the product launches is quite heavy on the champion categories. If we keep moving forward, you can see some of the bike products that we have launched this year, specifically bike carriers.

Mattias Ankarberg
CEO and President | Thule Group

Thule Vero, as a reminder, was launched during spring, which is a North American product for heavier bikes, which we have seen good effects from. I think a particularly maybe interesting example of how we can develop a category is the Thule Epos Park Secure on the next page, where we have really sort of moved the goal posts out. We have taken the markets and our most premium bike carrier there is and added parking sensors, made the product even better, of course, charging a premium price, and that's been really well-received in the market.

Mattias Ankarberg
CEO and President | Thule Group

We also, on the note of how we can expand product categories, have delivered Thule VeloLite this summer, which is a new entry-level bike carrier, or entry level by our price range at least, and the first-ever platform bike carrier from Thule coming in a one-bike version. All attempts to address niches or pockets in the market and continue to build the category and take in sales, of course. Bike has been a big focus, and the other really big focus we've had for the summer has been continuing to build out the Active with Kids & Dogs product area, where we have both launched more products and also driven a lot of product activation and sales and marketing efforts.

Mattias Ankarberg
CEO and President | Thule Group

On the connected car seats rollout, we are now live in several markets, starting to distribute this product across Europe. We're really proud of the team to deliver a product that can take sort of safety to the next level in terms of being focused on making sure the product is correctly installed and avoiding misuse. This is something we have been really busy with over summertime, and we continue throughout the autumn. We've also launched more products in the dog space.

Mattias Ankarberg
CEO and President | Thule Group

Thule Dart is a premium harness for larger dogs, and I think it also illustrates quite well how we work to build up new product categories. Two years ago, we launched the first-ever dog product, which was a dog crate for the car called Thule Allax, very much focused on Thule territory car, safety first, premium product. From that followed Thule Cappy, which is a crash-tested harness that goes also for dogs in the car. Attaching that to the seatbelt provides great protection for the dog. Building on that, we can now both develop more everyday harnesses as accessories like Thule Dart and complement that with a small acquisition of curli, which we have closed, which also is a complementary product to this.

Mattias Ankarberg
CEO and President | Thule Group

All in all, continuing with high effort and activity to build out the dog transportation category. And then also give a lot of credit to our teams who have been really busy showing products for consumers over the summer. This is, of course, a period where a lot of people engage with Thule products, and we have had good reception and following of everything from running stroller events at the Adidas 10K in Paris, great camping and bike events across Europe. Maybe Lake District in the U.K. and Innsbruck stands out.

Mattias Ankarberg
CEO and President | Thule Group

And a lot of activation around our Thule stores and partner stores and much more coming up here for the autumn. So really busy with particularly bike and Active with Kids & Dogs. Yeah, that was a bit of an update with the market situation and the things we have been driving actively during the summer. And with that, I would hand over to Toby to comment a bit more on some of the financial facts.

Toby Lawton
CFO | Thule Group

Thank you, Mattias, and good afternoon, everybody. Firstly, on this page 12 with the two graphs, which show the quarterly development in recent history. You can see here that quarter 3 is an important quarter for us, not quite as big as quarter 2, but still an important quarter for us. Actually, if you look at the graph on the right-hand side, the EBIT graph, you can see that quarter 3 last year actually had a good improvement versus the year before. It was actually the strongest margin we have had in a quarter 3, excluding the pandemic years. So it is a good benchmark with a good margin we had last year in quarter 3.

Toby Lawton
CFO | Thule Group

So moving on, just a few words on gross margin. We mentioned this a bit also at the end of Q2 when we announced the Q2 results, that we expect three effects to impact the gross margin here in the third quarter. The first effect is that we have higher freight and material costs coming through, which are the result of the Middle East conflict. Previously, these costs have been largely hedged, but they are no longer hedged in quarter 3. Therefore, we will see the negative impact from the higher costs coming through, which are really driven by the energy costs impact of the Middle East conflict. So that will have a negative impact.

Toby Lawton
CFO | Thule Group

On the other hand, we have increased prices in most markets by approximately 2.5% from the 1st of August, and this will offset the impact from these higher freight and material costs going forward. But it is important to remember that this price increase will not have a full effect in quarter 3. So in the quarter, it will not fully offset the higher freight and material costs. We have those two effects, and then on top of that, we will have a tariff refund in the quarter, which is a one-off tariff refund, which will be approximately $5 million U.S. or 50 million SEK.

Toby Lawton
CFO | Thule Group

If you include the tariff refund on top of the first two, then overall it will be a positive impact, but of course, remember that the tariff refund is a one-off item and we only expect the tariff refund in this quarter. That is gross margin, which I think is important to understand there. I would also like to comment on the RV product area. This is a product area that over a full year represents about 17% of group sales, but it is a bigger share in the third quarter.

Toby Lawton
CFO | Thule Group

Mattias mentioned this, but we had good growth in RV for the first half of the year, but you can read and see that registrations for motor homes have been down for a few months now, and that is expected to have an impact on the second half of the year for RV and RV sales. It is important to still keep that in context. Interest in RVs is still at a good level. The rental business has been strong this year, and also there was a big trade fair a couple of weeks ago, Caravan Salon in Düsseldorf, and they still had good visitor numbers this year.

Toby Lawton
CFO | Thule Group

But it is clear that both consumers and therefore dealers are cautious, and dealers are not bringing in as much stock or more stock than necessary now in the second half and are not reordering as much from the original equipment manufacturers as they previously expected in the second half. Just remember also, please, that our RV business is almost entirely European, so we do not have any kind of exposure to the U.S. RV markets or any significant exposure.

Toby Lawton
CFO | Thule Group

One final comment from me just on cash flow. Q3 is seasonally a strong quarter for us in terms of cash flow, and we do expect a good cash flow this quarter, which should have a good effect to bring the leverage ratio down in quarter 3 at the end of September. Good. Okay. With that, I think we can round off and move to Q&A.

Q&A

Operator

If you wish to ask a question, please dial #5 on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial #6 on your telephone keypad. The next question comes from Daniel Schmidt from Danske Bank. Please go ahead.

Daniel Schmidt
Analyst | Danske Bank

Yes, good afternoon, Mattias and Toby. Just wanted to ask you about, Mattias, you mentioned that there has been a bit more normalized restocking pattern in the U.S. from retailers, compared to what you saw in H1 and maybe especially in Q2. You also mentioned that your D2C channel continues to do well. How does that sort of trend stack up against the weakness or beginning of weakness that you see in the European RV business?

Mattias Ankarberg
CEO and President | Thule Group

Hi, Daniel. I can start. As you are aware and I guess, just for the audience, those are of course two very different effects. I think we are unfortunately seeing some market setbacks in the RV business, having said, which will impact us, as Toby said. Having said that, I think we have been also driving new products and the RV business may be a bit better than the market so far. So, we continue to believe that we can outpace the market, although it is clearly turning a bit negative. On the U.S. piece, you are very right. We have had a good run with the D2C.

Mattias Ankarberg
CEO and President | Thule Group

It has been delivering very nice growth for us in the U.S. this first half year. In North America, also more broadly. But we have suffered a bit from retailers taking inventory down and being really cautious. That has been more normal now. I think, the U.S., when you come down to individual quarters, it also comes down to very specific things like promotional periods, and we just had Labor Day and a really big promotional period, and that seems to have gone okay.

Mattias Ankarberg
CEO and President | Thule Group

Now it is sort of the time really, pretty much end of last week and this coming seven, eight days until this September is over, where retailers decide to replenish or not. To be really honest, Daniel, that could swing a single quarter sales number in a single market up or down a few percentage points. But we are sort of encouraged by the fact that we do well on D2C and that the POS is doing better and better. Then, we hope that of course that will normalize fully, and we will see all that effect in our sales numbers as well.

Daniel Schmidt
Analyst | Danske Bank

Okay. If you look at what you have seen so far and you single out a couple of areas where you see a weakening or maybe a stronger trend in the U.S. than in weaker in RV in Europe, it is still a couple of days that you say to go and it could swing. It feels like you are saying that you are in a similar trajectory so far into H2 as you were in Q2 or H1.

Mattias Ankarberg
CEO and President | Thule Group

Yeah, around there. I think the U.S., I would not be overly optimistic. We will say, not to get carried away, but I would call out rather that maybe we have seen really good momentum in the Active with Kids & Dogs product area for the first half of the year, as you know, and that is something that will continue also in the second half. All in all, we expect to deliver organic growth, and then the exact number we will see when we close the books at the end of September.

Daniel Schmidt
Analyst | Danske Bank

Yeah. We did not drill on SG&A that much. Anything that you want to comment there?

Toby Lawton
CFO | Thule Group

Yeah. There are no big things to point out. I would say, as we have said before, we are on a journey this year where we are reducing cost levels versus last year. Most of that effect, as we have also said previously, you would see in the first half, so it is not as big effect in the second half. Otherwise, no big changes.

Daniel Schmidt
Analyst | Danske Bank

When you look at 2026, it is entirely tilted to H1 or you have done some actions also during the summer. Is that helping you, I guess, a bit?

Toby Lawton
CFO | Thule Group

Yeah. No, maybe to clarify. So what we have said is the cost reduction in the first half is where most of the cost reduction is. Not all, but most of the cost reduction.

Daniel Schmidt
Analyst | Danske Bank

Okay. Thank you so much.

Operator

As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. The next question comes from Mats Liss from Kepler Cheuvreux. Please go ahead.

Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Hi. Thank you. Mark, a question here regarding the bike-related trend seems to be positive in Europe, in some markets anyway. Normally that is pretty good for your margin development. Should we expect that to be the case now also, or are there other reasons in between? You mentioned the costs trend and maybe also see some discounts among retailers that sort of balance the volume growth there. Could you share some comments regarding this?

Mattias Ankarberg
CEO and President | Thule Group

Yeah. No, happy to, Mats. I can start, Mattias, here. I think our view is that the bike market in Europe is positive. That is good for us. U.S., it is back to the conversation we just had. I would also maybe, as you asked about it, nuance a little bit some of the headlines that you see in the press around bike companies. Some seem to do well.

Mattias Ankarberg
CEO and President | Thule Group

Some obviously due to the expense of margins, where we have seen some players out there raising guidance for sales but lowering for profit. Others are, of course, struggling still, and we saw Accell going into restructuring or potentially even bankruptcy. So it is a little bit of a mixed bag, but our view is that in Europe, bike market is in positive territory and we are growing on the back of that.

Mats Liss
Analyst | Kepler Cheuvreux

Thanks. Maybe about these champion developments, and you mentioned the car seats there, and you mentioned the home transport products. When should we expect them to be more in the champion area if the current trend continues?

Mattias Ankarberg
CEO and President | Thule Group

Yeah, that is a good question, and we are fighting hard to make it very quick, but the one that we have been clear is the furthest along is the one we call all-terrain running strollers, which we did say at the CMD, if I can remember correctly, somewhere north of 250 million SEK in size, which we introduced about 10 years ago.

Mattias Ankarberg
CEO and President | Thule Group

We have continued to see really nice momentum also this year. So expect that number to be clearly higher by the end of the year, but still with a few years before we cross the 500 million SEK mark, which is the level we have set, just to put a number out there for when we consider a category to be a champion. So all-terrain running strollers are furthest along and yeah, a few years away.

Mats Liss
Analyst | Kepler Cheuvreux

Hmm. Finally, just about, you mentioned the D2C sales went well, but what about Quad Lock there? You usually give some comment there about the year-over-year improvement. Has it continued above 10%, or have you stopped commenting on that?

Mattias Ankarberg
CEO and President | Thule Group

No, that is not intentional. No. I think maybe we have now owned Quad Lock for almost two years, so it probably gets mixed into things. But it is a great business and continues to do well. I think in terms of exactly for the quarter, the thing that we are observing now is that Apple, which is of course the biggest, or iPhone, which is the biggest mobile market, has changed their launch patterns a bit. Not sure if you have noticed, but they have decided to launch some models, the Pro and the Pro Max models, now in September, and other models later.

Mattias Ankarberg
CEO and President | Thule Group

Whereas last year, there was a much bigger launch event. So that was just the other day. And typically that is a good source of people upgrading phones. So that will probably have an impact in the quarter. But besides that is a phasing thing between months in that case. But besides that, still happy about the business. Great team, good new products delivered with a great pipeline going forward.

Mattias Ankarberg
CEO and President | Thule Group

Could also note that the collaboration with the Tula team is continuing, and we are now seeing Quad Lock products in Halfords in the U.K. as of this spring, which is, of course, a door that we were able to open. As of next spring, you will see a couple of more major global outdoor retailers taking Quad Lock product in. So we are on a positive trend still.

Mats Liss
Analyst | Kepler Cheuvreux

Yeah. Just about the acquisitions, talking about Quad Lock there, it seems to do quite well. Given current market conditions, do you see that opportunities are opening up for more? Or the good companies are still tough to acquire?

Mattias Ankarberg
CEO and President | Thule Group

There's a lot of potential dialogues. There's a lot of companies that, from our view, observe seem to be up for sale, to put it bluntly. I think the bigger challenge for us, or the bigger work for us rather, is to find companies that really fit the strategy in terms of potentially being a standalone champion or adding to one. It's small, but we were quite pleased to acquire curli in the dog space here earlier this year, and that transaction closed just before end of June, and very high speed with integration.

Mattias Ankarberg
CEO and President | Thule Group

Looks like we will get Tula-branded product out by Q1 2027, which I think is very fast. I think there's a lot out there, but we try to be really strict around the criteria for what to act on. On top of that, there's also discussions always about valuation and cultural fit and shared ambition and all those things. No, many opportunities, Mats, but I think our focus is on organic growth and selectively take these opportunities that we really see as strong fits.

Mats Liss
Analyst | Kepler Cheuvreux

Okay, great. Thanks a lot.

Operator

The next question comes from Agnieszka Vilela from Nordea. Please go ahead.

Agnieszka Vilela
Analyst | Nordea

Thank you. Maybe starting with the price increases that you implemented, can you update us on how they have been received by the customers and also if you see competitors doing similar actions?

Toby Lawton
CFO | Thule Group

Hi, Agnieszka. Toby here. Yes, I think price increases are never received positively by customers, but I think we're not concerned. I think there are price increases out there for competitors as well, and everyone's experiencing the same pressure on freight costs and material costs, which are up pretty much across the board, across a range of materials as well. So I don't think we stick out on the high side, if I put it like that.

Agnieszka Vilela
Analyst | Nordea

Okay. Good to know. Then maybe just looking also on the otherwise material costs and freight costs. It is volatile, but if you look at the contracts that you have and also the current rates, do you believe that the level of price increases that you implemented is enough to offset any negative cost inflation and impact on margins going into Q4 as well and into 2027?

Toby Lawton
CFO | Thule Group

No, thanks. That is a good point, Agnieszka. We see the price increase that we have implemented is enough to offset the negative impact from the higher material costs and freight costs going forward. It is only we see in the third quarter because of the timing of the price increase that we do not have full offset.

Toby Lawton
CFO | Thule Group

But going forward, if the material costs and freight costs are at the level they are today, then we offset that. I would just add, they went up basically at the end of Q1, pretty much when obviously the Middle East crisis started, and they hit a higher level. They varied a little bit, but they are basically still at the same level now as when we increased the price increase as well. So there has not been a big change in the last month or two in the level.

Agnieszka Vilela
Analyst | Nordea

Okay, perfect. The last one from me, probably to Mattias. You do sound quite optimistic about Active with Kids & Dogs category and the reception of the products. Do you expect the growth momentum from H1 about, say, 9% organic to continue now into H2? That is one part of the question. Also, long term, you have the ambition to have 15% annual growth there. When do you think this kind of growth will happen, and what is needed for that to be materialized?

Mattias Ankarberg
CEO and President | Thule Group

It is a good question, Agnieszka, and I am happy you pick up on it. Yes, we do expect the growth momentum to continue into H2. The exact level we will see, but we are pleased with the development. Very well spotted, we have had the highest growth ambition in this area, 15%. I think as we talked about at the Capital Markets Day, our goals are to be reached within the midterm, which we say is 2-4 years.

Mattias Ankarberg
CEO and President | Thule Group

There is a little bit of market in that, but obviously we have product pipelines and things coming, so that is why we base this on. So looks like we are going to have a really good step in the right direction in this product area this year, and then there is for sure more fuel to put on this fire going forward, I can assure you of that.

Agnieszka Vilela
Analyst | Nordea

Great. Thank you.

Operator

The next question comes from Andreas Lundberg from SEB. Please go ahead.

Andreas Lundberg
Analyst | SEB

Yeah. Good afternoon, Andreas with SEB here. Can you hear me?

Toby Lawton
CFO | Thule Group

Yes, sir.

Mattias Ankarberg
CEO and President | Thule Group

Yes.

Andreas Lundberg
Analyst | SEB

Cool. Also, last question about the financial targets, I perhaps missed that, or let me

Mattias Ankarberg
CEO and President | Thule Group

No

Andreas Lundberg
Analyst | SEB

put the question like this. The 7% you are aiming for, is that framed for a midterm ambition with no timing attached?

Mattias Ankarberg
CEO and President | Thule Group

Yeah, we have said in the midterm, and we said specifically two to four years is how we define midterm as of the CMD. That was November last year, so two years out from that.

Andreas Lundberg
Analyst | SEB

Yeah. But if the market environment forces you to choose between the growth target and the margin target, how are you prioritizing things? Thank you.

Mattias Ankarberg
CEO and President | Thule Group

Yeah, it's a good one, Andreas, and I would say it like this: obviously, we want to grow. We want to grow over the long term, and the way that Thule drives growth primarily is through product development. Product development cycles are 18 to 36 months, so maybe 24 months on average. So in the short term, we act, and we can move launches earlier or later, and that impacts growth rates and costs. We are trying to not manage one way or the other on a quarterly or annual basis, to be honest.

Mattias Ankarberg
CEO and President | Thule Group

We believe that we will do efficiency initiatives that we know for sure will have an impact on the margin. The growth initiatives we are doing will of course have a better effect if the consumer is more willing to spend. But yeah, it's a balance act between that, but given that we are operating on rather longer cycle things, it is more of a long-term ambition and less of an optimization of a quarterly or annual metric, to be really honest.

Andreas Lundberg
Analyst | SEB

Okay. Got you. On the investments in recent years, you hiked that quite a bit, right? So relatively modest in the recent year or so. How are you assessing those investments today, and what are the key learnings? Thank you.

Toby Lawton
CFO | Thule Group

Yeah. Hi, Andreas. Toby here. Basically, there's one significant investment which is driving the higher CapEx this year. The biggest spend on it is this year, which is the Huta investment in a new automated warehouse in Poland, which will come online during next year. That will have significant savings in terms of logistics cost because we won't have double handling between two warehouses, and we'll put everything into our main warehouse next to our biggest factory in Huta. So that's the biggest, and then going forward, we expect a normal level of maintenance investments going forward, which I think we've guided, yeah, 2.5%-3%, I believe, if I heard that, of sales in maintenance CapEx over time.

Andreas Lundberg
Analyst | SEB

Yeah. But if you strip out the newer categories, i.e., child car seats and those products, you have launched many new products, the old range as well, or old categories. What is your assessment of those products or those investments today, would you say?

Mattias Ankarberg
CEO and President | Thule Group

Yeah. Hi, Andreas.

Andreas Lundberg
Analyst | SEB

Yeah.

Mattias Ankarberg
CEO and President | Thule Group

I will add some color, and then let us see if that is what you are looking for. But I think when we invest in what we call the champion categories, we generally see very good returns. I think going back to the CMD, we illustrated that both with a couple of examples but also with 10-year developments in terms of R&D spend and which type of categories that have delivered the growth. As you know, we are global market leaders in these categories, it is hard to find a benchmark, but the one you could maybe look at is the RV industry, where we feel that we have delivered better sales numbers and growth than I think any listed RV company you could find in Europe.

Mattias Ankarberg
CEO and President | Thule Group

We have also been vocal that half of that growth is coming from new products that helps us with the form. I think when we invest in the champions, of course, it is a portfolio game. Some products are very well-received, others less so. But in general, we feel good about that. Other R&D investments in other categories, I think we talked about that. If you can get into that. I guess if we are talking more CapEx, it is no secret that we invested quite a lot in new manufacturing capacity. What is it? 4, 5, 6 years ago.

Mattias Ankarberg
CEO and President | Thule Group

Before the pandemic, during the pandemic, and we do have unutilized capacity now. We have been quite open with that as well. How do you view that investment? In the very long term, it's probably very wise for this period we're in right now. No, of course, it hasn't paid off as much as it could have if we could have filled those factories up. That was a couple of additional points to what I guess is your question, but feel free to-

Andreas Lundberg
Analyst | SEB

That's fine for now. Just to follow on what Toby and the growth margin drivers you mentioned a few. In recent quarters, mix a bit channel mix or category or various geographies and efficiency gains. What's reasonable to expect here in the second half from that? Thank you.

Toby Lawton
CFO | Thule Group

Yeah. I think those will remain that we've driven the efficiency gains, and this year we've had some smaller, I would say, but positive effects from mix, so those remain. Then on top of that, you have the three effects I mentioned, which is the material cost, the price increase, and the tariff.

Andreas Lundberg
Analyst | SEB

Cool. Thank you so much.

Operator

The next question comes from Fredrik Ivarsson from ABG Sundal Collier. Please go ahead.

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Yes. Thank you. Sorry, my coming back to similar topics, but I missed the start here. First on the gross margin, just to clarify, we have two positive drivers, that is price and tariff refunds, and then one negative from the raw mats and freight with the net effect being positive in Q3. Was that correct?

Toby Lawton
CFO | Thule Group

That is correct, yes.

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Okay. Excellent. Thanks. Then on Quad Lock, coming back to what you said regarding the changes Apple did, how much of Quad Lock's business stems from standalone cases that you can define as recurring from iPhone?

Mattias Ankarberg
CEO and President | Thule Group

It's a good question. I think we might have shared the number at that time of acquisition, but I don't have it top of my head, to be really honest. Let's not make too much of a drama around it. If it is a change, it is a change in pacing because people typically upgrade phones when there are new phones available. Of course, the bigger business is the mounts business.

Mattias Ankarberg
CEO and President | Thule Group

We do see people more and more buying bundles. You buy a new case and then you at the same time, maybe you have your mount for your gravel bike, and then you buy a mount for the car. So it will have an impact on the entire business, but it is a timing thing between months in that case. I just want to emphasize that we don't think it's a drama, it's just a little bit of change in launch plan from Apple's side in that case.

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Yep. Fair. Thank you. Last one on RV. When we back up looking at the first half of the year, you saw good growth in both the OE channel and aftermarket. Do you see both channels decelerate to similar extent, or is it just the OE or worse in one than the other?

Toby Lawton
CFO | Thule Group

Yeah, I think it's biggest in the aftermarket that we see the drop more in the aftermarket because that's where it's felt first. The OE, less so, and that's still coming back from some production stops that they had also during more or less 12 months ago, and then they started ramping up from there.

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Okay. The regular split aftermarket OE is 50/50, right?

Toby Lawton
CFO | Thule Group

Yeah. Roughly 50/50. Yeah.

Fredrik Ivarsson
Analyst | ABG Sundal Collier

Yeah. Okay, good. That is all my questions. Thank you.

Operator

The next question comes from Hai Nguyen from UBS. Please go ahead.

Hai Huynh
Analyst | UBS

Hello. Thank you for taking my question. I just have one left. You mentioned on the pricing increase, not fully offsetting the incremental cost headwind in Q3. Do you think this amount will be fully offsetting by Q4, or do you think that there are further price actions needed to cover that? Would you say you have headroom to do so without impacting volume?

Toby Lawton
CFO | Thule Group

No. It should offset the cost increases in Q4 and going forward, Hai. It is just the impact in Q3 is negative because the price increase is not fully implemented for the full quarter. There is no need for further pricing increases.

Hai Huynh
Analyst | UBS

Sure. Thank you.

Operator

There are no more questions at this time, so I hand the conference back to the speakers for any closing comments.

Mattias Ankarberg
CEO and President | Thule Group

Thank you everybody for joining today. Look forward to seeing you all at the time of the Q3 call, if not before then. Enjoy your day.