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MEDIA | NZX RELEASE
TOURISM HOLDINGS LIMITED (thl)

MARKET UPDATE

thl today provides a general market update on recent performance in the financial year ending 30 June 2022 (**FY22**).

H1 FY22 net profit after tax

As advised at the 2021 Annual Meeting, H1 FY22 will be below the prior corresponding period (**pcp**) result due to:

- ongoing domestic travel restrictions in New Zealand and Australia; and
- the earlier 2021 USA summer season having performed below expectations.

The USA autumn shoulder season has performed in line with the pcp, and has experienced stronger than expected bookings for winter.

The vehicle sales market remains strong, with average sales margin growth exceeding the pcp in all jurisdictions. As previously indicated, the current sales margins being achieved are transitory in nature as we sell vehicles purchased prior to the COVID-19 pandemic in today's market conditions. We expect higher than historical margins to remain throughout FY22 and potentially into H1 FY23, and then return to historical norms.

Action Manufacturing and Just go have performed well. In particular, Action Manufacturing is currently on track for \$1M+ EBIT growth on the pcp.

Variable costs have been closely managed in all jurisdictions.

Inclusive of transaction costs incurred to date for the Apollo merger (~\$2M for the half year), we expect that the result for H1 will be a **net loss after tax of between \$4M - \$7M**.

H2 FY22

The outlook for H2 FY22 in New Zealand and Australia remains uncertain, as both markets currently have some form of domestic travel restrictions in place.

While the respective Governments have provided an indicative timetable for the relaxation of international borders, it remains too early to understand what potential international demand could return in H2 FY22.

**Self drive
Experiences**
New Zealand
Australia
USA
UK

**Design &
Manufacturing**
New Zealand
Australia

**Guided
Experiences**
New Zealand



Based on the New Zealand Government's announcement on border settings, it is unlikely that there will be any meaningful Trans-Tasman travel in H2.

International booking intake for the April – May shoulder season in the USA has been positive, although it is too early to get a clear indication of the potential demand for the 2022 summer season.

As previously stated, **thl's** H2 result is expected to be above the pcg as domestic (and to a lesser extent international) travel restrictions ease and **thl** continues to capitalise on strong vehicle sales demand.

thl is closely monitoring development of the Omicron variant to assess the potential impact on travel sentiment and international and domestic travel restrictions in its operating jurisdictions, and at this point there have not been any clearly identifiable trends.

Net debt and capital expenditure

Net debt as at 30 November was approximately \$20M, as **thl** continues to capitalise on the strong vehicle sales market. Consequently, **thl** expects that net capital expenditure for FY22 will be at the lower end of previously stated guidance (between \$25M to \$60M).

There is some uncertainty regarding the timing of new vehicle deliveries and as a result **thl** is limiting sales in New Zealand and the United States. Vehicle supply challenges are ongoing but considered manageable for 2022.

ENDS

Authorised by:

A handwritten signature in blue ink, appearing to read 'Rob Campbell', is positioned above the printed name.

Rob Campbell
Chair, Tourism Holdings Limited

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About **thl** (www.thlonline.com)

thl is a global tourism operator. We are listed on the NZX and are the largest provider of RVs for rent and sale in Australia and New Zealand, and the second largest in North America. In the USA, we own and operate the Road Bear RV Rentals & Sales brand and El Monte RV Rentals & Sales. In the UK, **thl** owns 49% of Just go Motorhomes. Within New Zealand, we operate Kiwi Experience and the Discover Waitomo



group, which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co. **thl** also owns and operates Action Manufacturing, New Zealand's largest motorhome and specialist vehicle manufacturer.