

44°15' S —
170° 6' E



○ As seen, worldwide

ASX CEO CONNECT PRESENTATION
3 DECEMBER 2024

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Introduction

thl is a global tourism operator listed on the NZX and ASX and is the largest commercial RV rental operator in the world, with operations across manufacturing, rentals and sales in Australia, New Zealand, North America and UK & Ireland



A NZX50 company listed on the NZX since 1986 and dual-listed on ASX in 2022



Market capitalisation of NZ\$422 million and a global RV rental fleet of 7,921 vehicles¹



Achieved NZ\$51.8 million in underlying net profit after tax² and declared NZ\$20.7 million in dividends in FY24

1. Based on **thl** closing share price on the NZX as at 19 November 2024. Rental fleet size as of 30 June 2024

2. Underlying profit excludes NZ\$12.4 million impairment of goodwill attributable to the UK/Ireland division

We are vertically integrated across build/buy, rent and sell in the recreational vehicle market

Generating a connected margin across the three segments



- Decades of experience designing and building durable RVs for rentals
 - Scale purchasing benefits for chassis and componentry
 - Long standing relationships with OEMs and other suppliers in markets where **thl** buys instead of manufacturing
- The largest commercial RV rental operator in the world with a rental fleet of almost 8,000 vehicles
 - Deep connections with tourism bodies and industry associations in each market
 - Bespoke booking and scheduling system, Motek, being implemented in all markets globally
- Leverage the overheads of our rentals locations to sell RVs direct to consumers
 - Wholesale vehicles to other dealerships on scale
 - Offer a diverse range of brands and products from new to ex-rental, motorised, caravans and other towables

We manufacture RVs and other specialist commercial vehicles

We take a design-led approach to manufacturing in Australia and New Zealand, and have long-standing supplier relationships in other markets



Maui 6-Berth Motorhome



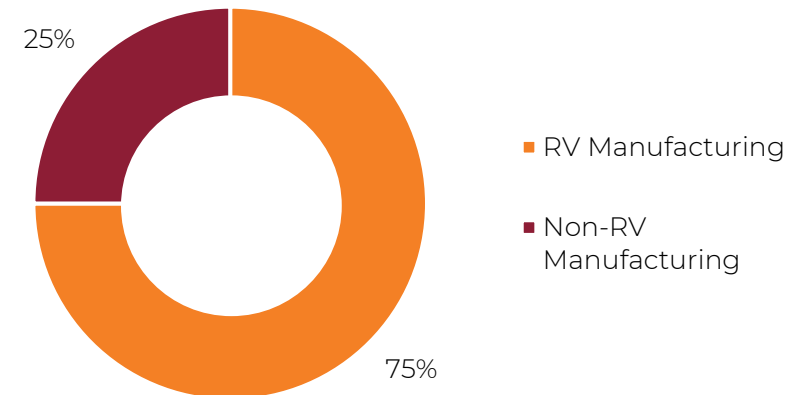
Interior Fit-out of a 6-Berth Motorhome



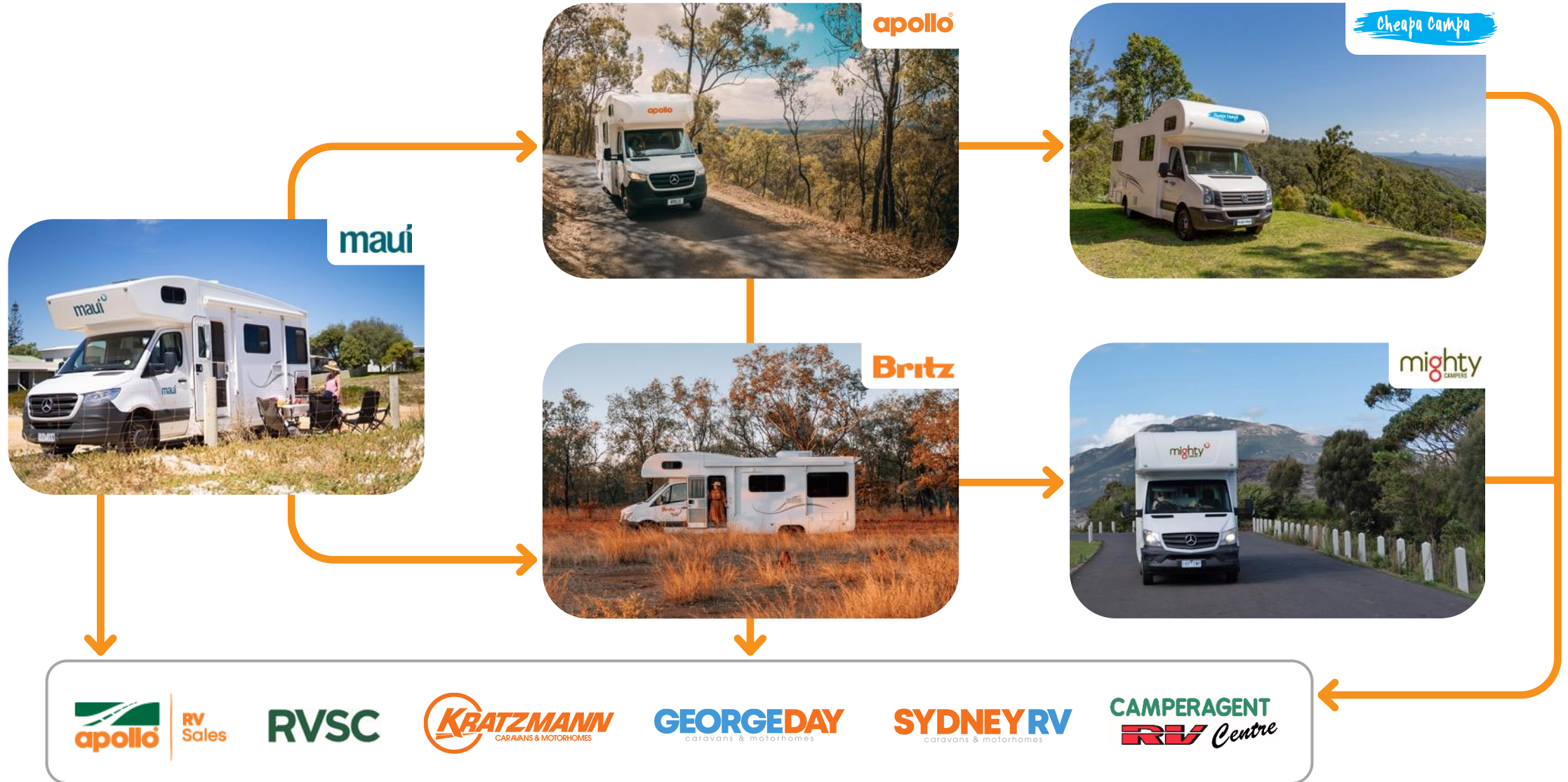
St John Ambulance built by Action Manufacturing

- RV manufacturing facilities in New Zealand and Australia
- Action Manufacturing designs and manufactures commercial vehicles for public and private customers including St John Ambulance, Queensland Ambulance Service and New Zealand Police
- In North America and UK/Ireland, **thl** procures motorhomes from multiple large-scale RV manufacturers

Manufacturing Revenue in FY24



We are an efficient RV rental asset manager operating a house of brands
We transition our fleet through our brand portfolio to meet every customer segment



El Monte RV Rentals & Sales – Los Angeles, California

Over one million in daily drive-by traffic count



Our business model focuses on buying, renting and selling vehicles well to maximise value
 While RV rental operators traditionally “dispose” of ex-rental vehicles, we have built an entire business around it

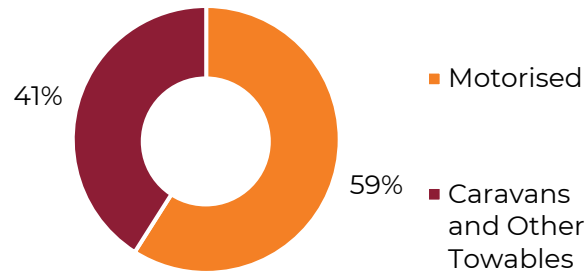
24
sales locations¹

NZ\$426m
RV sales revenue in FY24²

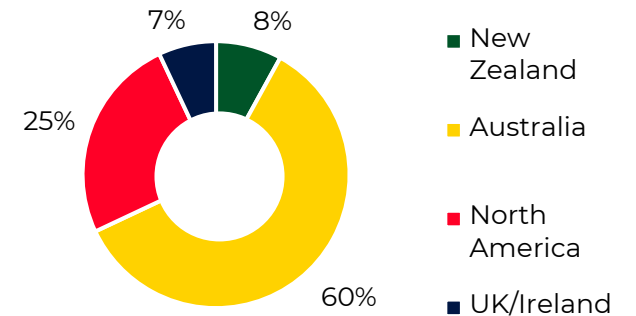
Over 4,100
RVs sold in FY24

		NEW ZEALAND	AUSTRALIA	NORTH AMERICA	UK & IRELAND
Sales Locations ¹		5	7	9	3
Retail (Direct to Customer)	New motorhomes	✓	✓	✗	✗
	Ex-rental motorhomes	✓	✓	✓	✓
	New towables	✗	✓	✗	✗
Wholesale (To Other Dealerships)	Ex-rental motorhomes	✓	✗	✓	✗

RV Sales by Vehicle Category in FY24



RV Sales by Geography in FY24



1. Two dealerships in New Zealand and four in Australia operate as standalone dealerships. All other sales sites are co-located on rental depots
 2. Includes intercompany revenue that is eliminated at a Group level

We completed a merger with ASX-listed Apollo Tourism & Leisure Ltd in December 2022

The merger brought two of the global leaders in commercial RV rentals together

- Two highly complementary businesses that together created a more diversified, leading RV travel company
- The merger expanded **thl's** operations in Australia and acted as an entry into the Canadian market
- The merger achieved ongoing cost-out synergies and brought together the combined expertise of two leaders in the global RV industry, with combined operations in:
 - RV rentals
 - Manufacturing of RVs and other specialist vehicles in New Zealand and Australia
 - RV sales
 - RV retail accessories
 - Tourism attractions and businesses in New Zealand



We have NZ\$1.5 billion in total assets and nearly \$900 million in recreational vehicles

We have secure funding for several years from our four-party banking syndicate

- **thl** has NZ\$1.5 billion in current and non-current assets and over NZ\$600 million in total equity
- The total value of our rental fleet and RV inventory is nearly NZ\$900 million
- We recently refinanced our bank debt facilities with a larger syndicate and increased funding capacity and flexibility
- We also have facilities with several tier-one asset finance and floor plan finance lenders including Mercedes Benz Finance and Wells Fargo

BANK SYNDICATE STRUCTURE

- Four party syndicated bank facility – Westpac, ANZ, ASB and Royal Bank of Canada
- NZ\$475M facility size
- Various tranches ranging from 2 to 4-year terms

NZD	TOTAL FACILITY	USED	UNUSED
Syndicated Bank Debt	\$475M	\$180M	\$295M
Asset Finance	\$421M	\$269M	\$152M
Floor Plan Finance	\$93M	\$53M	\$39M
Other Loans	\$2M	\$0M	\$2M
Total	\$991M	\$502M	\$488M

Note: Table shows the facilities on 30 June 2024 with an adjustment for an increased Syndicated Bank Debt facility size after refinancing in August 2024

The RV industry has a positive long-term outlook

Changing demographics and travel preferences should benefit the RV travel category for the coming decades



Interest in RV travel from younger generations

The median age of a first-time RV buyer in the USA is 32, down from 41 in 2020¹



Benefiting from an aging population

The number of people aged 65 years or older worldwide is expected to double by 2050²



RV travel is a small percentage of global tourism today

Travel and tourism is expected to grow by 5.8% a year to 2032, outpacing growth in the overall economy³



Shifts toward eco-tourism and sustainable travel



Travelers seeking more unique experiences and simpler, independent travel

1. RV Industry Association (2022)

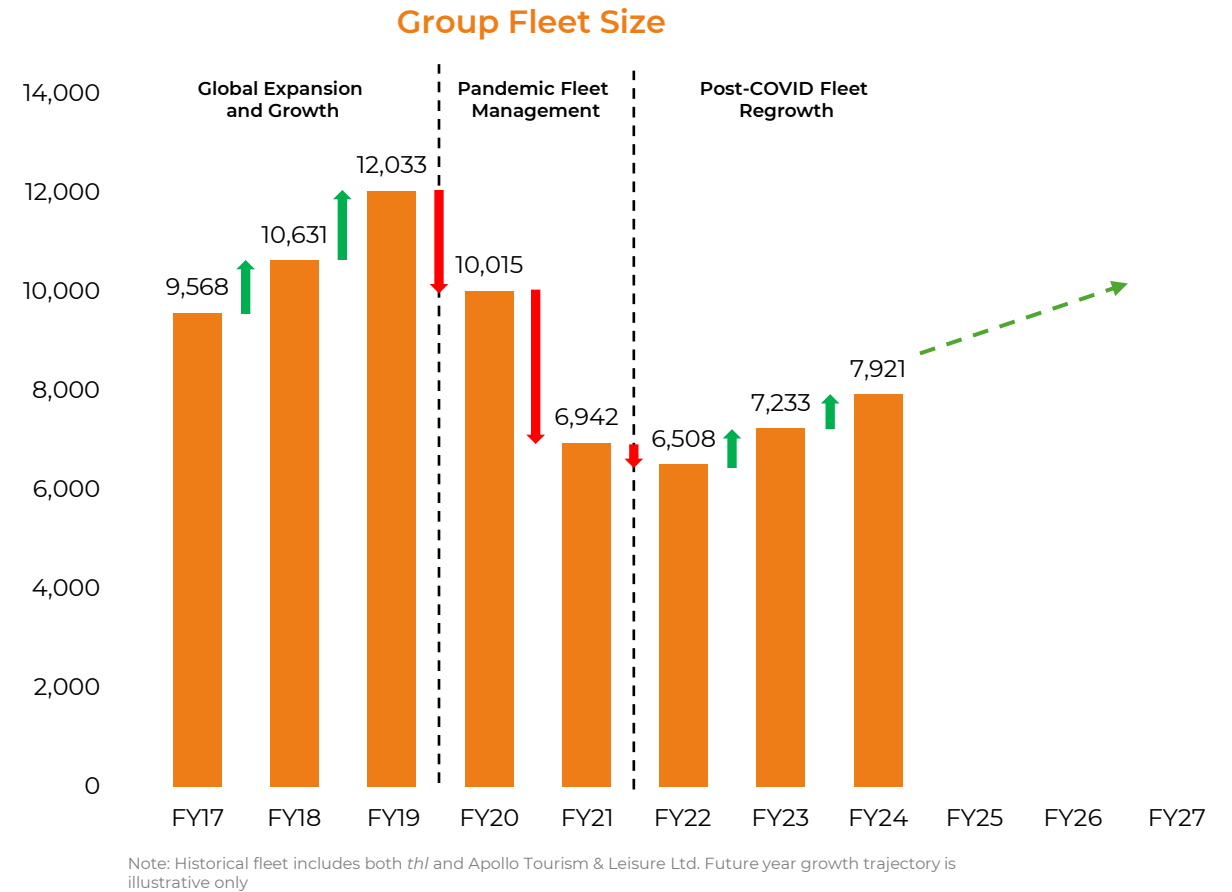
2. United Nations Department of Economic and Social Affairs

3. McKinsey

International tourism and the RV rental industry are in growth

There is a long runway of growth in international leisure travel back to pre-COVID-19 activity levels

- With international travel stopping in 2020, both **thl** and Apollo adjusted fleet sizes to fit each domestic market
- While international tourism arrivals have increased in recent years, they remain 8 to 16% below pre-COVID-19 arrivals in our primary markets. This gap is even more significant when focusing on holiday travel only
- We have grown fleet by ~10% each year in the last two years however our fleet is well below our previous peak of 12,000+ vehicles
- As the global leader in RV rentals, we are investing in fleet growth to meet RV rental demand as it recovers and expect to continue to growth for several years to come



Our current challenge: Consumer confidence is impacting demand for recreational vehicles

We anticipate that demand will recover once broader economic conditions improve

- Challenging macro environment has impacted consumer confidence and adversely affected demand for consumer discretionary goods like RVs, boats, motorbikes and new cars
- This has placed pressure on **thi**'s earnings, especially in the Australian and North American markets, affecting RV sales volumes and gross margins for FY24 and FY25
- Although RV sales are currently at a low point in the cycle, we remain confident that there has been no structural change, and that the RV sales market should improve over time as overall consumer confidence increases
- Industry expectations in the USA are for a 7% increase in wholesale RV shipments in 2025, and our experience has been that US market trends tend to lead 6 to 12 months ahead of other markets



We are moving forward with new cost-out and optimisation initiatives

Targeting cost-out and efficiencies delivering a net profit after tax improvement of at least NZ\$12M in FY27

- We believe the integration phase of the merger with Apollo Tourism & Leisure has been implemented well and are shifting to a new phase in 2025 to maximise and optimise
- We see an opportunity to deliver an improvement of at least NZ\$12 million in net profit after tax in FY27, primarily through:
 - Cost reduction across multiple categories
 - Reduced depreciation from optimisation of fleet production and procurement
- We see this NZ\$12 million opportunity as incremental to other opportunities to improve performance



We believe *thl* has a positive future

Driven by three key factors: growth in international tourism, a recovery in RV sales demand and achievement of our cost-out and optimisation targets

- While near-term earnings are being impacted by the current difficulties in RV sales, we are confident that **thl** is positioned well for future growth
- For this financial year, we are focused on increasing underlying NPAT compared to FY24's underlying net profit after tax of NZ\$51.8 million
- Beyond that, we see the three key factors supporting **thl's** growth outlook as:
 1. the ongoing recovery of international tourism, rental demand and rental fleet growth
 2. the vehicle sales market returning to normal conditions
 3. delivering on our target to provide at least a \$12 million improvement in net profit after tax in FY27 through cost reduction and optimisation





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