

Tourism Holdings Limited
The Beach House
Level 1, 83 Beach Road
Auckland City
PO Box 4293, Shortland Street
Auckland 1140, New Zealand

Tel: +64 9 336 4299
Fax: +64 9 309 9269
www.thlonline.com



8 May 2023

NZX | ASX | MEDIA RELEASE
TOURISM HOLDINGS LIMITED (thl)

2023 INVESTOR DAY PRESENTATION AND TRADING UPDATE

thl has today released the presentation material for its 2023 Investor Day, to be held on Tuesday, 9 May 2023.

Slides 4 to 10 of the presentation include a trading update with commentary on expectations for yields, vehicle sales margins and FY23 profitability.

ENDS

Authorised by:

Cathy Quinn
Chair, Tourism Holdings Limited

For further information contact:

Grant Webster
thl Chief Executive Officer
Direct Dial: +64 9 336 4255
Mobile: +64 21 449 210

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

thl is a global tourism operator listed on the NZX and ASX (code: THL) and is the largest commercial RV rental operator in the world. In November 2022, **thl** merged with Apollo Tourism & Leisure, creating a multi-national, vertically integrated RV manufacturing, rental, and retail business spanning motorhomes, campervans and caravans. **thl** also operates tourism adventure, travel technology, and commercial vehicle manufacturing businesses.

In New Zealand/Australia, **thl** operates rental brands (Maui, Britz, Apollo, Mighty, Hippie, Cheapa Campa), manufacturing (Action Manufacturing, Apollo), retail brands (Talvor, Kea, Winnebago, Adria, Coromal, Windsor), retail dealerships (RV Super Centre, Apollo RV Sales, Kratzmann, George Day, Sydney RV, E-Camperco), travel technology (TripTech) and tourism attractions (Kiwi Experience and the Discover Waitomo Group, which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co.). In North America, **thl** operates the Road Bear RV, El Monte RV, CanaDream, Britz and Mighty rental brands. In UK and Europe, **thl** operates the Just go, Apollo and Bunk Campers rental brands.



INVESTOR DAY
9 MAY 2023

Welcome

Grant Webster
CEO & Managing Director

Agenda

Site Tour – Action Manufacturing Factory, Hamilton

Welcome & Trading Update

Grant Webster – CEO & Managing Director

Business Overview

Grant Webster – CEO & Managing Director

Scott Fahey – Chief Marketing Officer

Nick Judd – Chief Financial Officer

Australia and New Zealand Markets

Stacey Davis – Chief Operating Officer, Australia

The UK/Europe Market

Nick Roach – Chief Operating Officer, UK/Europe

The North American Markets

Gordon Hewston – Chief Operating Officer, United States

Wrap Up and Q&A

Grant Webster – CEO & Managing Director

Site Tour – RV Super Centre Auckland



Trading update

Latest trends in the tourism
and RV sector

INVESTOR DAY

9 MAY 2023

Our views and experiences on travel and tourism trends

- Despite broader macroeconomic challenges, the travel and tourism industry has remained resilient and is experiencing strong growth
- Forward booking activity for the 2023 high season in our Northern Hemisphere businesses shows an increase in international volumes and some reduction in domestic activity
- Early forward booking activity for the 2023/24 high season in our New Zealand and Australia businesses indicate that international volumes will continue to grow with some reduction in domestic activity
- We remain positive heading into FY24/25 with expectations that international travel volumes from most markets return to pre-COVID levels in late CY24, while the recovery of inbound from China will take longer
- We expect that deteriorating macroeconomic conditions may influence travel trends in favour of lower-cost destinations over the short to medium-term
- While broader tourism trends towards regenerative, lower carbon, sustainable holidays are apparent, they remain far from tipping points



RV rental yields remain strong

- Yields are being closely managed in all markets and are continuing to experience growth or holding the recent growth
- North American yields for the 2023 high season continue to grow beyond the already strong yields achieved in the 2022 high season
- Yields in New Zealand for the next peak season are continuing to grow year-on-year, partly due to the previous season having been impacted by the late opening of New Zealand's borders to international travellers. The trends in Australia indicate that the recent yield growth should be retained for the coming peak season
- Australasian yield trend indications reflect the small proportion of bookings taken (expected ~20%) as the travel period is further out

	New Zealand	Australia	United States	Canada	UK
H2 FY23 Trends ¹	~50% up on H2 FY19	~100% up on H2 FY19	Trends not meaningful (low season)	Trends not meaningful (low season)	Trends not meaningful (low season)
Upcoming Peak Season ²	Yield growth expected to be strong relative to the previous peak season	Yields trending in line with previous season, holding earlier growth	Yield growth relative to the previous season	Yield growth relative to the previous season	Yields trending in line with previous season, holding earlier growth

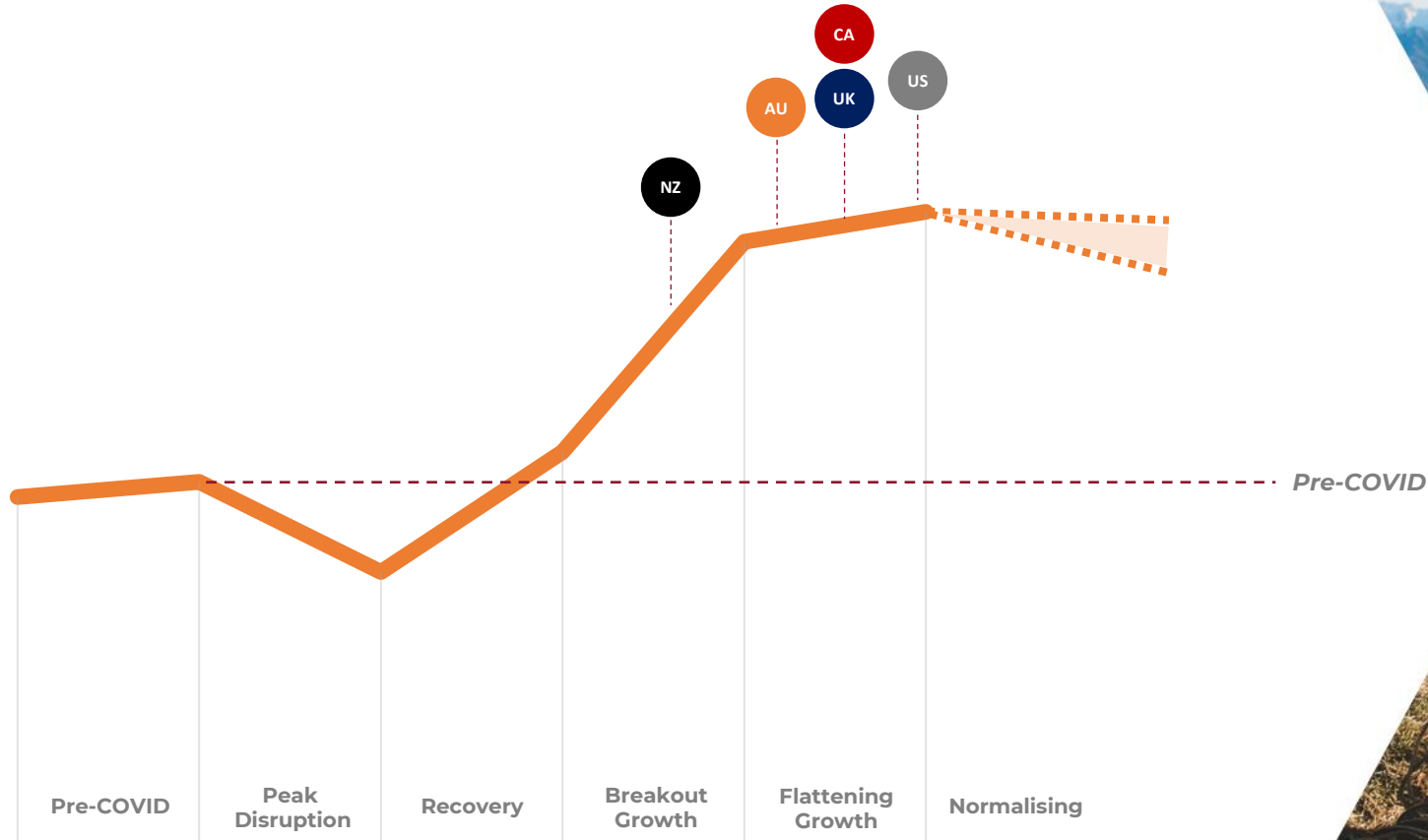
¹ Upcoming Northern Hemisphere peak season is June – September 2023 (previous was June – September 2022), upcoming Australasian peak season is December 2023 – February 2024 (previous was December 2022 – February 2023)

² Reflects trends on bookings (travelled and forward) for travel periods in H2 FY23



Our expectations for yield trends

We are managing yield to the market environments



Note: Illustrative chart only



Vehicle sales margins are coming off peaks

- Vehicle sales demand has commenced softening in all markets from the recent peaks
- While vehicle sales margins have remained elevated longer than earlier expectations, these are now starting to normalise in most markets, with the USA experiencing the most rapid change
- Pre-high-season demand for vehicle sales in North America has been slower to commence, partly due to poor weather conditions in the West Coast of the USA and dealer uncertainty, placing some pressure on wholesale orders and deliveries in Q4 of FY23
- Below we set out our latest expectations on the normalisation of vehicle sales margins relative to earlier commentary

	New Zealand	Australia	United States	Canada	UK
Earlier Expectations ¹	Expected to remain stable in CY23 as business sells older fleet	Expected to remain stable in CY23 as business sells older fleet	Expected to continue to normalise across FY23 and FY24	Expected to normalise across FY23 and FY24	Expected to remain stable in FY23 and normalise in FY24
Current Expectations	Expected to remain stable in FY23 and start to normalise in FY24	Expected to remain stable in FY23 and normalise in FY24	Expected to continue to normalise across CY23	Expected to continue to normalise across CY23	Expected to continue to normalise across CY23



Supply challenges and cost increases are ongoing

- Supply remains a challenge in each market however lead times are continuing to move towards normalising as the pandemic backlog and labour shortages are addressed
- Our current expectations are that:
 - Chassis supply in New Zealand/Australia will likely normalise in late CY24
 - Motorhome supply in North America will likely normalise in early CY24
 - Motorhome supply in UK/Europe will likely normalise in late CY24
- In New Zealand and Australia, shipping costs have materially reduced from their peaks however deliveries remain challenging due to port congestion
- New vehicle pricing has increased in each market. The largest price increases are seen in North America, while the increases in New Zealand and Australia have been more effectively managed by Action/Apollo Manufacturing



Our previous FY23 profit guidance is unchanged

No change to earlier guidance for expected FY23 net profit after tax above \$48M (or above \$75M on a pro-forma basis)¹.

There is some risk in meeting our FY23 profit expectations should vehicle sales deliveries delay from Q4 FY23 into July/August 2023. We consider this a potential timing issue reflecting the financial year in which the sales margin is realised

¹ Pro forma includes Apollo Tourism & Leisure Ltd's net profit after tax for the five months prior to completion of the merger.



Business Overview

Grant Webster

CEO & Managing Director

The merged group has created a platform with multiple future growth levers

1

Build – Rent – Sell

2

Organic fleet growth

3

Realisation of
merger synergies

4

Acquisitions and
partnerships



We create value across the Build – Rent – Sell model



- Decades of experience designing and building durable RVs for rentals
- Scale purchasing benefits
- Long standing relationships with OEMs
- Largest commercial RV rental operator in the world - #1 in New Zealand, Australia and United Kingdom, #2 in North America¹
- Deep connections with tourism bodies and industry associations in each market
- In-house development of tailored booking and scheduling system, to be implemented in all markets globally
- Leverage existing overheads of rentals businesses
- Diverse range of brands and products from new to ex-rental, towables and motorized



A design-led approach to manufacturing with strong supplier relationships



Maui 6-Berth Motorhome



Action Manufacturing, Hamilton



New Zealand Defence Force Medical Truck

- Four manufacturing facilities in New Zealand, one in Brisbane and a sub-assembly plant in Melbourne.
- Action Manufacturing in New Zealand designs and manufactures specialist commercial vehicles for a range of public and private customers including New Zealand Police, New Zealand Defence Force and Queensland Ambulance Service. Through businesses Fairfax and Freighter, we also manufacture truck and trailer bodies.
- Apollo Brisbane produces motorised (motorhomes and campervans) and towable (caravans and camper-trailers) for the Australian and New Zealand markets.
- In the USA, Canada, and the UK, we purchase assembled motorhomes from OEMs, with long-standing relationships with key suppliers.

Action Manufacturing
Hamilton, New Zealand

 BakerCranes

ABUS 5t



Apollo Manufacturing
Brisbane, Australia



We are the global leader in commercial RV rentals

We estimate we are #1 or #2 in RV rentals within all markets we operate in

- We estimate that we are the largest or second largest commercial RV rental operator in each operating jurisdiction
- Our market share estimates are inclusive of all types of motorised RVs and an adjusted estimate for rentable fleet on P2P platforms¹
- Market share in the larger, motorhomes segment within New Zealand and Australia is estimated to be higher due to the number of campervan operators in the market



Australia
#1 with ~30 - 35%
market share



New Zealand
#1 with ~25 - 30%
market share



United Kingdom
#1 with ~15 - 20%
market share



United States
#2 with ~10 - 15%
market share



Canada
#2 with ~20 - 25%
market share

¹ Market share reflects management estimates based on estimated total rentable RV fleet in market. Scope includes all motorized vehicles (campervans and motorhomes); commercial operators and private vehicles via P2P (with P2P fleet adjusted to account for days utilised by private owners). Campervans refer to vans (5m – 7m long-wheelbase) and motorhomes refers to vehicles with boxes built on top of cab chassis.



With a competitive advantage in efficient rental asset management

Rental fleet as at
31 December 2022

Brand	Location					Age Proposition	Market Positioning
	NZ	AU	US	CA	UK		
maui	✓	✓				0 – 2 Years	Premium
CanaDream				✓		0 – 2 Years	Premium
Road Bear			✓			Flexible	Premium
Apollo	✓	✓			✓	0 – 4 Years	Flexible
Just go					✓	0 – 2 Years	Flexible
Bunk					✓	0 – 4 Years	Flexible
Britz	✓	✓	✓			2 – 4 Years	Mid-range
El Monte			✓			Flexible	Mid-range
Mighty	✓	✓	✓			Tend to be older	Value
Cheapa	✓	✓				Tend to be older	Value
Hippie	✓	✓				Older (backpackers)	Value

UK / Europe 455

**Canada
1,162**

**United States
1,434**

**New Zealand
1,485**

**Australia
1,855**





Vehicle Sales and Dealerships

Scott Fahey
Chief Marketing Officer

INVESTOR DAY
9 MAY 2023

Our ANZ dealership model covers all aspects of the owner lifecycle

- Build/Buy – Sourcing the best brands to sell, either built in our factory or from our manufacturer partners
- Retail Experience – Give our customers an excellent experience throughout the entire retail journey
- Service/Support – Continue to support the customer with additional products and services



We aim to maximise the value achieved in sales

While most rental operators hold vehicles and then treat them as “disposals”, we have a sales dealership mentality and recognise it is a business in its own right



Kratzmann Caravans and Motorhomes, QLD



George Day Caravans and Motorhomes, WA

- In Australia and New Zealand we sell new RVs and the majority of the ex-rental fleet via our retail sites to maximise value
- Australia has eight dealerships selling a range of towable and motorised RVs
- Outside of the Australian and New Zealand markets, our vehicle sales are focused on the ex-rental fleet

We have a suite of retail product brands

We offer a wide range of caravan and motorhome brands including our own brand suite

Our Core Brand Suite

WINNEBAGO*

ADRIA

ACTION

KEA

Windsor

COROMAL

TALVOR

Our Brand Franchises

LOTUS
CARAVANS

Supreme
Caravans

EXPLOREX
Tougher by Design

ACTIVE
CARAVANS



Majestic
Caravans



essential
CARAVANS

LEADER
Caravans

TRACK
TRAILER

Design
RV

Goldbeam RV



We leverage ancillary opportunities in the RV category

Our dealerships in ANZ offer a wide range of RV accessories in-store and online, we also offer finance, insurance, protection products, parts and servicing¹



RV Super Centre online store



RV Super Centre Auckland branch





Nick Judd

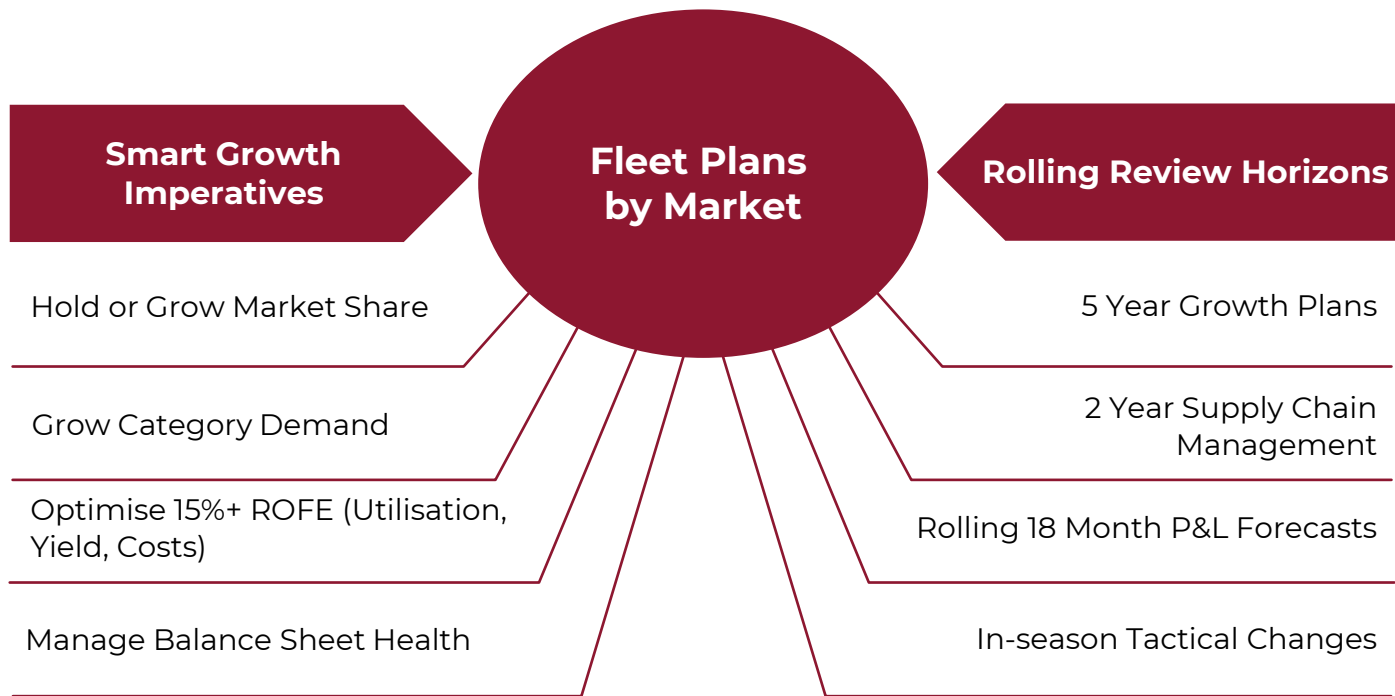
Chief Financial Officer



INVESTOR DAY
9 MAY 2023

We have an imperative for smart fleet growth

Detailed rolling reviews are conducted by market. When external conditions are dynamic, fleet purchase and sales decisions are made on a near weekly basis



We have a disciplined approach to return on funds employed

We review market conditions for every investment decision

- *thl*'s Board oversees and approves all major fleet capital expenditure decisions by vehicle type and region
- Each fleet purchase decision undergoes *thl*'s capital expenditure assessment where future rental yield, sales market and cost trends are assessed by vehicle type and region for the entire period the vehicle may remain on fleet, with what we consider to be conservative assumptions applied
- An investment will generally not be approved unless it meets the expected minimum hurdles:
 - Return on Funds Employed of at least 15%
 - Positive net present value

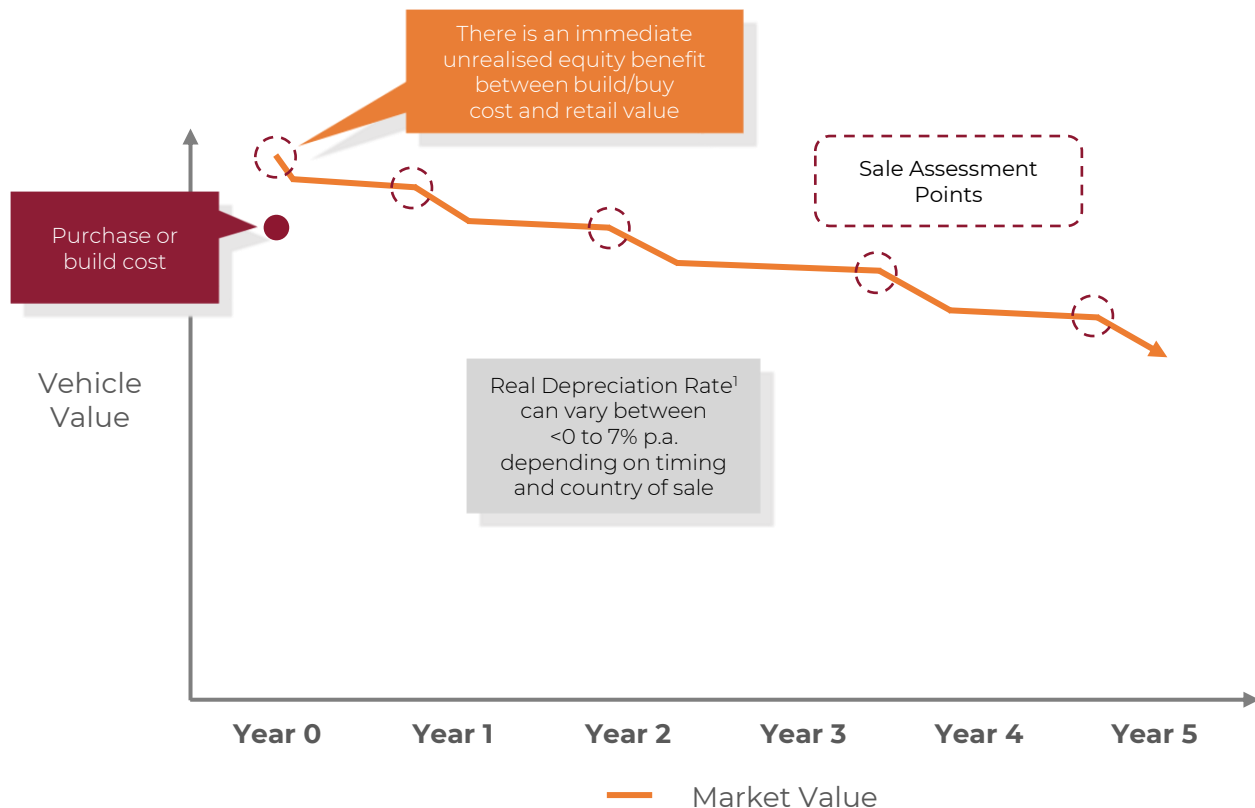
In a rising interest environment, we apply higher WACC rates and stricter investment hurdles

$$\text{Return on Funds Employed} = \text{EBIT} / \text{Funds Employed}$$



We aim to maximise returns across the vehicle lifecycle

We assess rental and sales values and volumes monthly to determine tactical sales plans



- Market value declines at certain milestones relating to age and kms travelled – we assess whether to sell before these milestones, maximising time on fleet, rental revenue and sales margin
- Historically, fleet has generally been sold above its book value, with margins maximised through active milestone assessment



We have debt facilities available to fund the re-fleet

The Board and management are conscious of maintaining an appropriate net debt to EBITDA ratio throughout the regrowth programme

- We do not expect to require additional equity to undertake the fleet regrowth programme
- Fleet growth will be partly funded by retained earnings and proceeds from the sale of existing fleet
- *thl*'s dividend policy during the fleet regrowth programme will recognise the need to maintain an appropriate net debt to EBITDA ratio
- As previously indicated, based on our current performance expectations for FY23, we expect that *thl* will be in a position in August to declare a dividend
- We expect to confirm the approach to the dividend policy by the FY23 Annual Results release

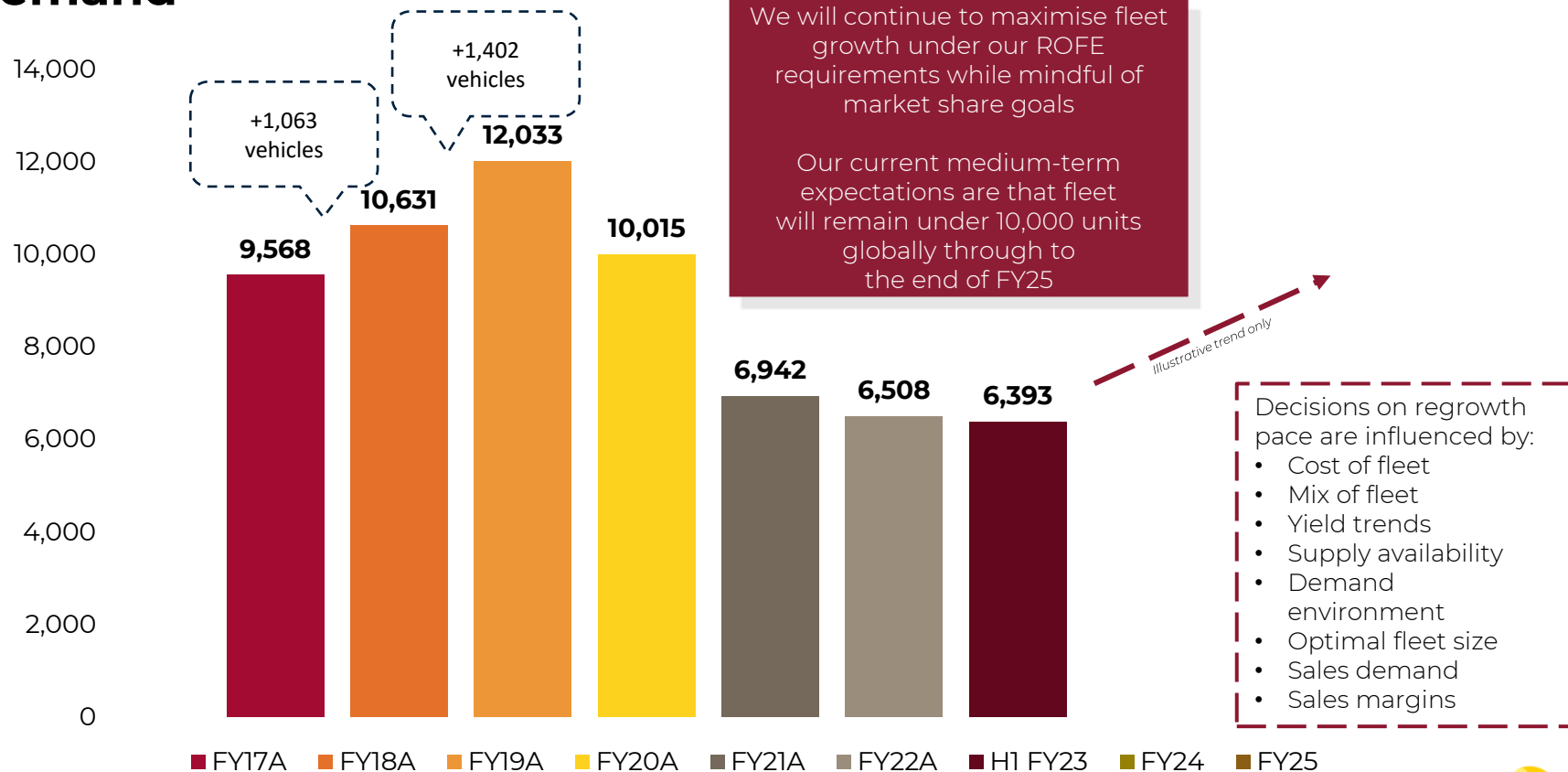
Over \$300M in undrawn debt facilities

31 December 2022	Facility size	Drawn	Undrawn
Syndicated corporate debt	\$148.4M	\$98.6M	\$49.8M
Asset finance	\$401.9M	\$140.5M	\$261.4M
Floor plan finance	\$60.3M	\$37.3M	\$23.0M
Other loans ¹	\$33.4M	\$31.7M	\$1.7M
Total	\$644.0M	\$308.1M	\$335.9M

¹ These facilities have largely been repaid post 31 December 2022. This includes repayment of the Canadian property mortgage following the sale of the Canadian properties in January 2023.



The pace of fleet regrowth will respond to the recovery in demand



A proven history of flexibly managing the balance sheet



Debt is invested in growing assets and earnings through a larger fleet of revenue-generating vehicles



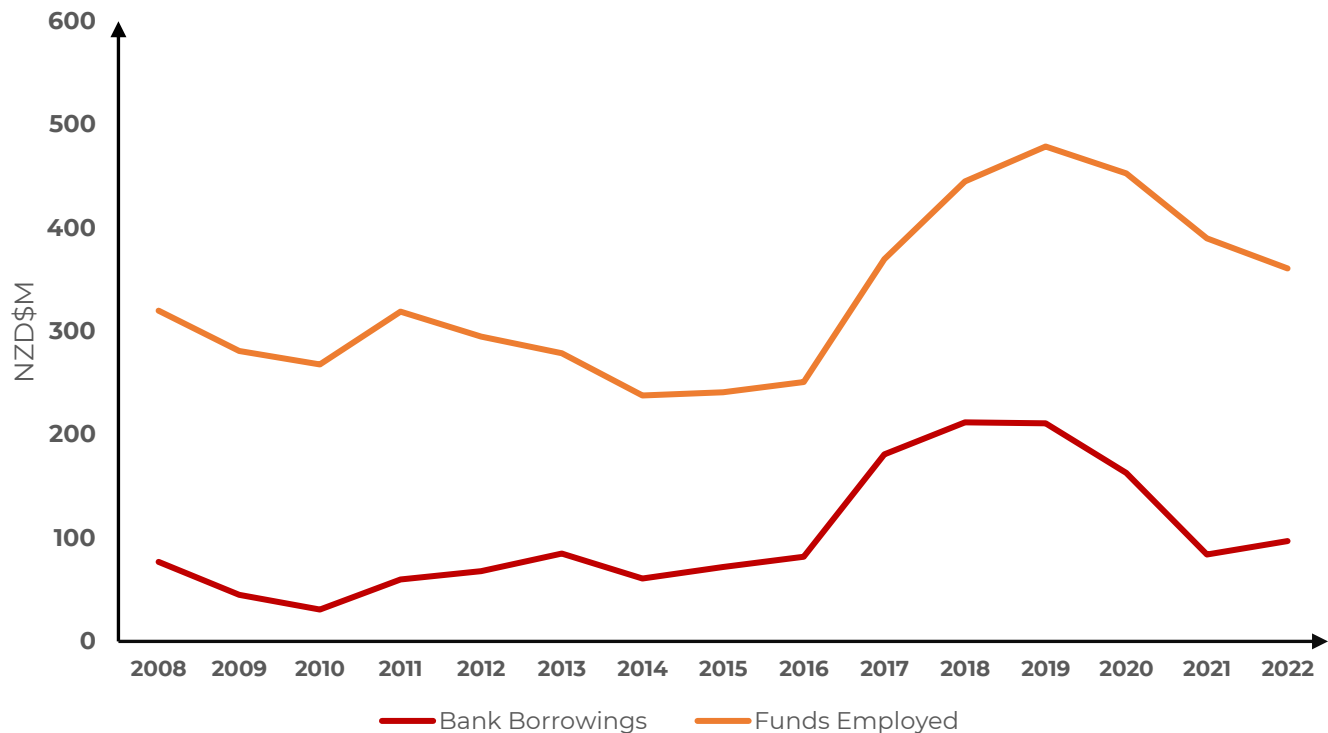
Vehicles are mobile, liquid and generally have embedded equity above their book value



This gives *thl* the flexibility to manage debt in response to any shifts – as evidenced during the pandemic

Borrowings are invested in growing funds employed

We apply strong discipline to any decisions to increase funds with our 15% Return on Funds Employed target





Grant Webster

CEO & Managing Director

INVESTOR DAY
9 MAY 2023

Progressing well in realising merger synergies

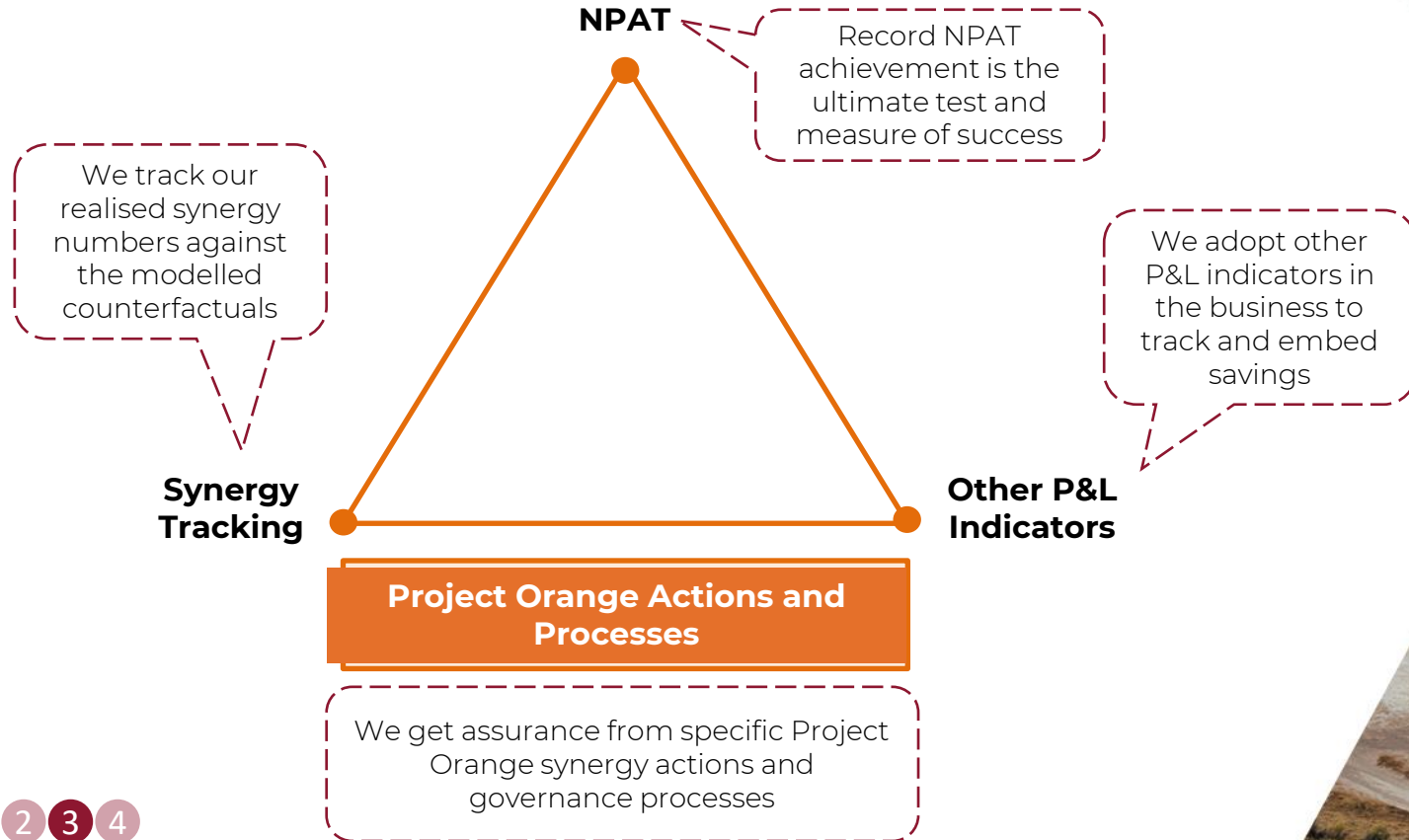
On track to deliver a steady-state EBIT uplift of \$23M - \$24M

Labour		Savings on track for FY23. FY24 may be slightly delayed due to integration intensity, no long-term concerns
Group Support / Corporate		Duplicate group support services spend phasing out
Sales & Marketing		Duplicate fixed costs removed. Performance marketing spend on track
IT		Focus on integration over costs at present, timing issue only
Property		All properties consolidated by mid-May. Three sites still to be subleased
Bill of Materials		Primary focus is cost increase mitigation. Fleet consolidation is on track
Repairs & Maintenance		On track, also managing against inflation-based cost increases
Vehicle Sales Margins		All target vehicles now sold through internal retail distribution channels
Interest		Funding arrangements rationalized and interest savings ahead of schedule
UK and Ireland		Opportunities progressing across commercial, operational and marketing
North America		Exploring fleet opportunities to improve Canadian off-season utilisation
Commercial Standardisation		Pricing now run by a single team with fleet on single system from mid-May

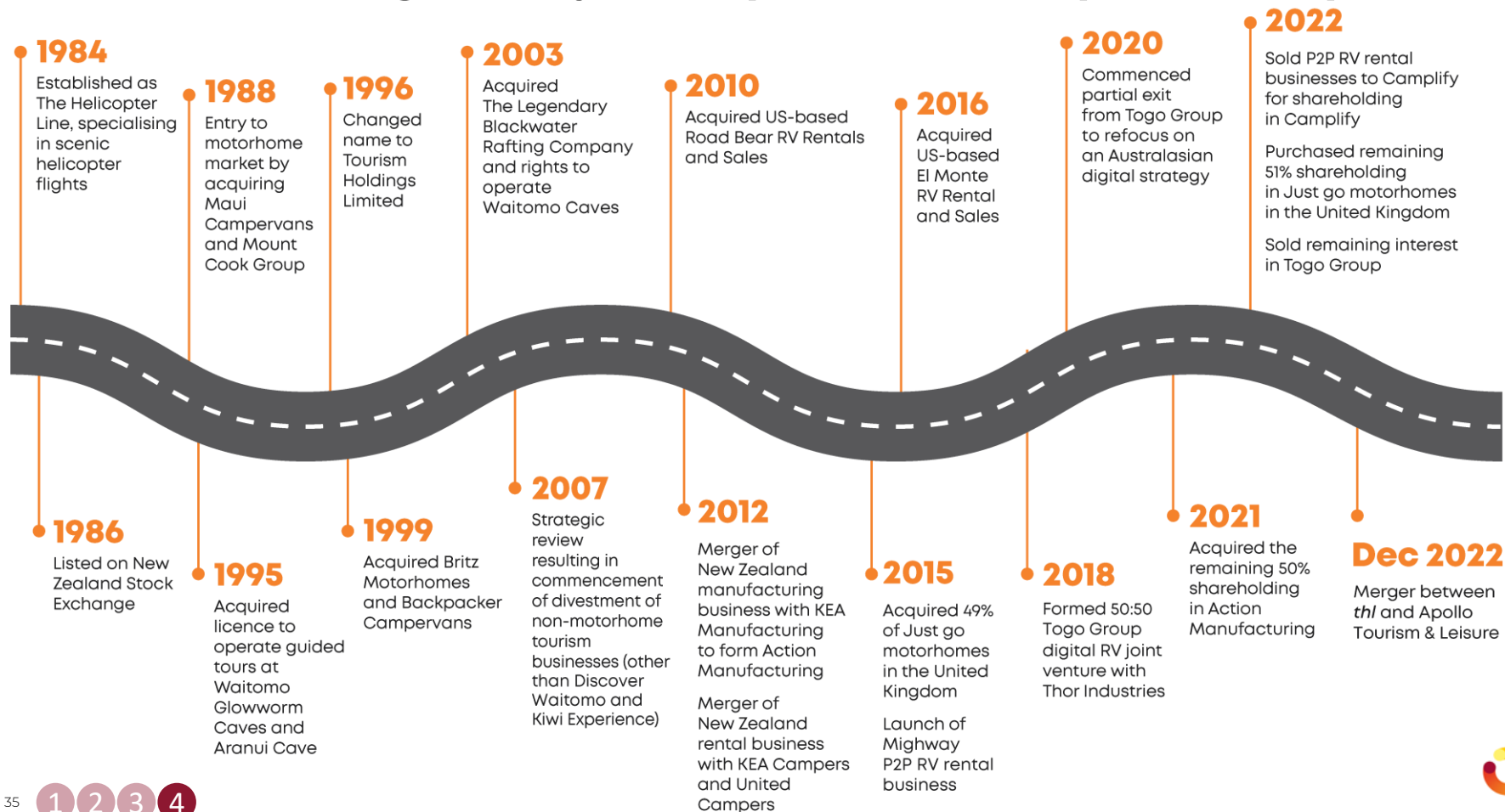


Embedding realised synergies is a key focus

Our synergy tracking model is about tracking measurable results against the counterfactual baselines, with permanent P&L indicators embedded to sustain synergies



We have a long history of acquisitions and partnerships



M&A opportunities we expect to consider

While currently focused on the merger integration, we also consider the appropriate next opportunities for growth

- Organic growth is the primary focus at present, given the merger and existing fleet growth opportunities
- We intend to continue to explore a pipeline of opportunities globally in future
- We do not intend to explore any further RV rental opportunities in New Zealand or Australia
- As previously indicated, we see North America and Europe as the most suitable markets for potential M&A expansion
- Within Australasia, we may consider appropriate small-scale add-on acquisitions within manufacturing or dealerships, enhancing and leveraging our current business model and competitive advantages



Preparing for the transition to EV

Trialling a new EV rental product for of the 2023/24 New Zealand summer

- The *thl* Board has approved a level of ongoing annual capital expenditure to trial EV and other sustainable new vehicle technologies
- This year we are trialling six new EV campervans in the New Zealand market
- The vehicles will be built by Action Manufacturing on a chassis manufactured by a key OEM manufacturer
- Travel range is expected to be up to 220kms, a meaningful increase from *thl*'s earlier 2018 EV trial which had an expected range of up to 140kms
- The vehicles are expected to be on-fleet ahead of the 2023/24 summer season
- Our category of vehicles (light commercial, long-range) remains a low priority for OEMs globally



Our global sustainability strategy is based on the science-based goals of the Future-Fit Business Benchmark



- ✓ Established a science aligned target of absolute reduction of Scope 1 and 2 GHG emissions of 50.4% from FY20 baseline
- ✓ Rolled out Country and Branch Action Plans that aim to achieve goals on energy, emissions, waste, water, procurement and community
- ✓ Global Sustainable Procurement Working Group into year two of five-year plan
- ✓ Supplier Code of Conduct rolled out to key suppliers
- ✓ In second year of disclosing our climate-related financial risks and opportunities aligned with TCFD and CRD



A- LEADER SCORE ON
CESG MATTERS

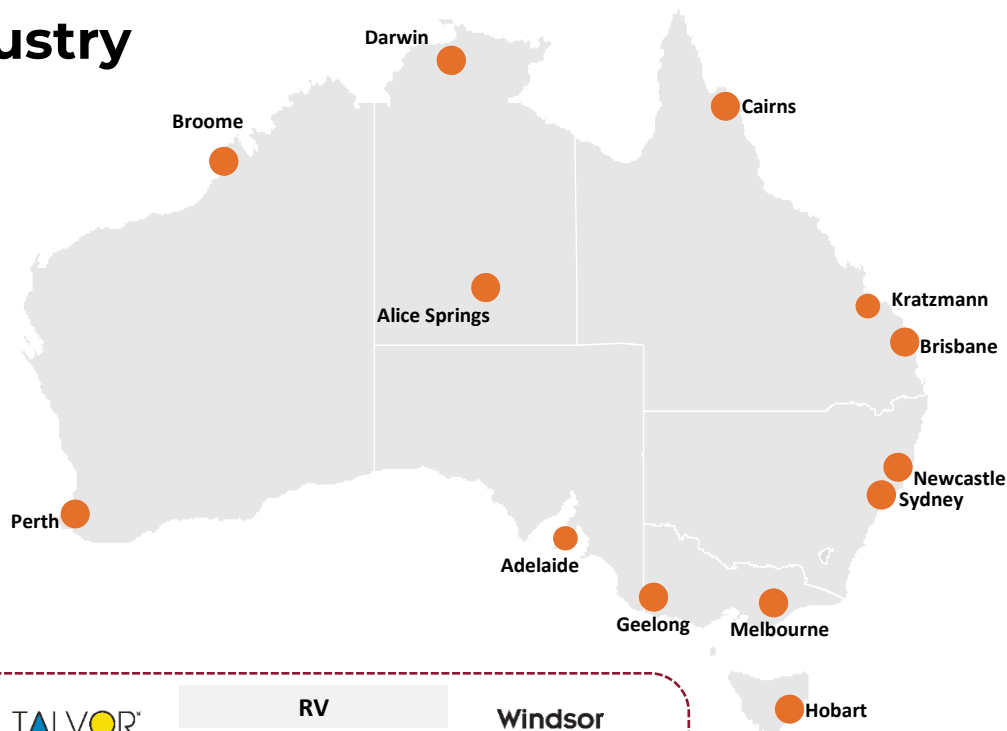


Australia and New Zealand Markets

Stacey Davis – Chief Operating
Officer, Australia

A large, established RV industry

- **thl** is the leader in RV rentals with 1,855 fleet¹ and ~30 – 35% market share²
- Key competitors with estimated fleet of 300+ each include Jucy, Travellers Autobarn, Cruisin', Wicked and Let's Go Motorhomes, with a long tail of smaller local operators
- RV sales market is highly fragmented – estimated to be hundreds of small dealerships across Australia
- Jayco RV are the largest operator in Australian RV manufacturing and sales
- ~30,000 new RV (motorised and towable) registrations annually – a growing number of Chinese-manufactured caravan imports into Australia in recent years
- An established peer-to-peer market with key operators Camplify and Outdoorsy providing a mix of caravans and motorised vehicles
- International visitor arrivals forecast to return to and exceed pre-pandemic levels by 2025 and then grow a further 16% by 2027³



* Apollo has the exclusive right to import and distribute Adria in Australia and New Zealand; and the exclusive right to manufacture Winnebago in Australia and New Zealand

¹ As at 31 December 2022

² Market share reflects management estimates based on estimated total rentable RV fleet in market. Refer to slide 17 for further details.

³ Tourism Research Australia



A popular international RV travel destination



- *thi* is the leader in commercial RV rentals with 1,485 fleet¹ and ~25 – 30% market share²
- Key competitors with estimated fleet of 300+ each include Jucy, Wenderkreisen, Escape, Spaceships and Tui Rentals, with long tail of small local operators
- Rentals market is strongly concentrated on the international customer segment
- RV Super Centre is New Zealand's largest RV dealership by footprint
- Fragmented RV sales market with few operators with more than one location
- Peer-to-peer segment can more effectively service outside the key Auckland, Christchurch, Queenstown areas

¹ As at 31 December 2022

² Market share reflects management estimates based on estimated total rentable RV fleet in market. Refer to slide 17 for further details.

* Apollo has the exclusive right to import and distribute Adria in Australia and New Zealand; and the exclusive right to manufacture Winnebago in Australia and New Zealand



The market dynamics in the two countries

The New Zealand market has a greater weighting of international bookings

	Australia	New Zealand
Customers and Demand	<ul style="list-style-type: none">Historically ~40 - 45% of customers are domestic – Apollo had a greater international focus than thlKey international origin markets have been Germany, UK and SwitzerlandHistorically ~65% of bookings were generated via B2B partners, presently a greater mix of B2C correlating with higher domestic than pre-COVID	<ul style="list-style-type: none">Historically ~90% of customers are internationalKey international origin markets have been Australia, Germany, UK and SwitzerlandHistorically ~70% of bookings were generated via B2B partners – reflective of high proportion of international, presently a greater mix of B2C correlating with higher domestic than pre-COVID
Performance Metrics	<ul style="list-style-type: none">The market is less seasonal with more consistent utilisation being achieved across the year – generally average utilisation of fleet is ~70 – 75% with similar utilisation presently2H23 yields ~100% above pre-COVID levels	<ul style="list-style-type: none">Historical average utilisation of fleet of ~60 - 65%Greater utilisation being presently achieved due to a smaller fleet2H23 yields ~50% above pre-COVID levels
Fleet and Sales	<ul style="list-style-type: none">Nearly all fleet self-manufactured with Mercedes, Iveco, LDV and Toyota chassisHistorically each of thl and Apollo have sold between ~200 – 300 vehicles per annum. thl sales were ~25% retail while Apollo was 100% retail through its owned dealershipsHistorical average margins of ~A\$11,000¹New vehicle pricing has increased but at a lower rate than seen in North America and UK/Europe	<ul style="list-style-type: none">Nearly all fleet self-manufactured with Mercedes, Iveco, Ford chassis, some flex vehicles purchased from Just goHistorically thl has sold ~600 vehicles per annum mostly retail with a small proportion wholesale, Apollo sales were 100% wholesaleHistorical average margins of ~NZ\$11,000¹New vehicle pricing has increased but at a lower rate than seen in North America and UK/Europe

¹ Reflects **thl** ex-fleet sales trends



The ANZ fleet model targets all customer segments

Vehicles range from small to large and from new to ~six years, across a portfolio of brands

- Nearly all fleet self-manufactured with some European imports. Under the flex model, New Zealand imports ex-Just go fleet for the high season, allowing vehicles to operate two successive high seasons (UK and New Zealand) and be sold as near new
- The greater rental durability of vehicles we manufacture allow vehicles to remain on core fleet for longer periods than in other markets with well managed R&M costs
- Vehicles come off-fleet for sale at all age points, remaining on fleet generally up to a maximum of ~six years
- In New Zealand ~80% of the fleet consists of motorhomes and long-wheelbase vans, remaining ~20% are Hiace campers
- In Australia, ~60% of the fleet consists of motorhomes and long-wheelbase vans, ~30 – 40% are Hiace campers, 4WD fleet is seasonal and can be up to ~15% of total fleet during season
- 4WD fleet is seasonal from April to November. Apollo self-manufactures its 4WD fleet, running multiple seasons and selling via dealerships. **thi** purchases annually under buyback arrangements with the seller repurchasing the vehicle at end of the season
- Average fleet age of ~3 years in Australia and ~3.5 years in New Zealand – impacted by divestment of 310 of Apollo's newest motorhomes as part of the merger clearance process
- Post merger all Australian ex-rentals to be sold through owned dealerships. In New Zealand the majority will be sold through **thi** dealerships with some wholesale volumes



6 Berth Britz Frontier (ex Maui River)



6 Berth Maui River



2 Berth Mighty Hi-Top



3 Berth Maui Ultima

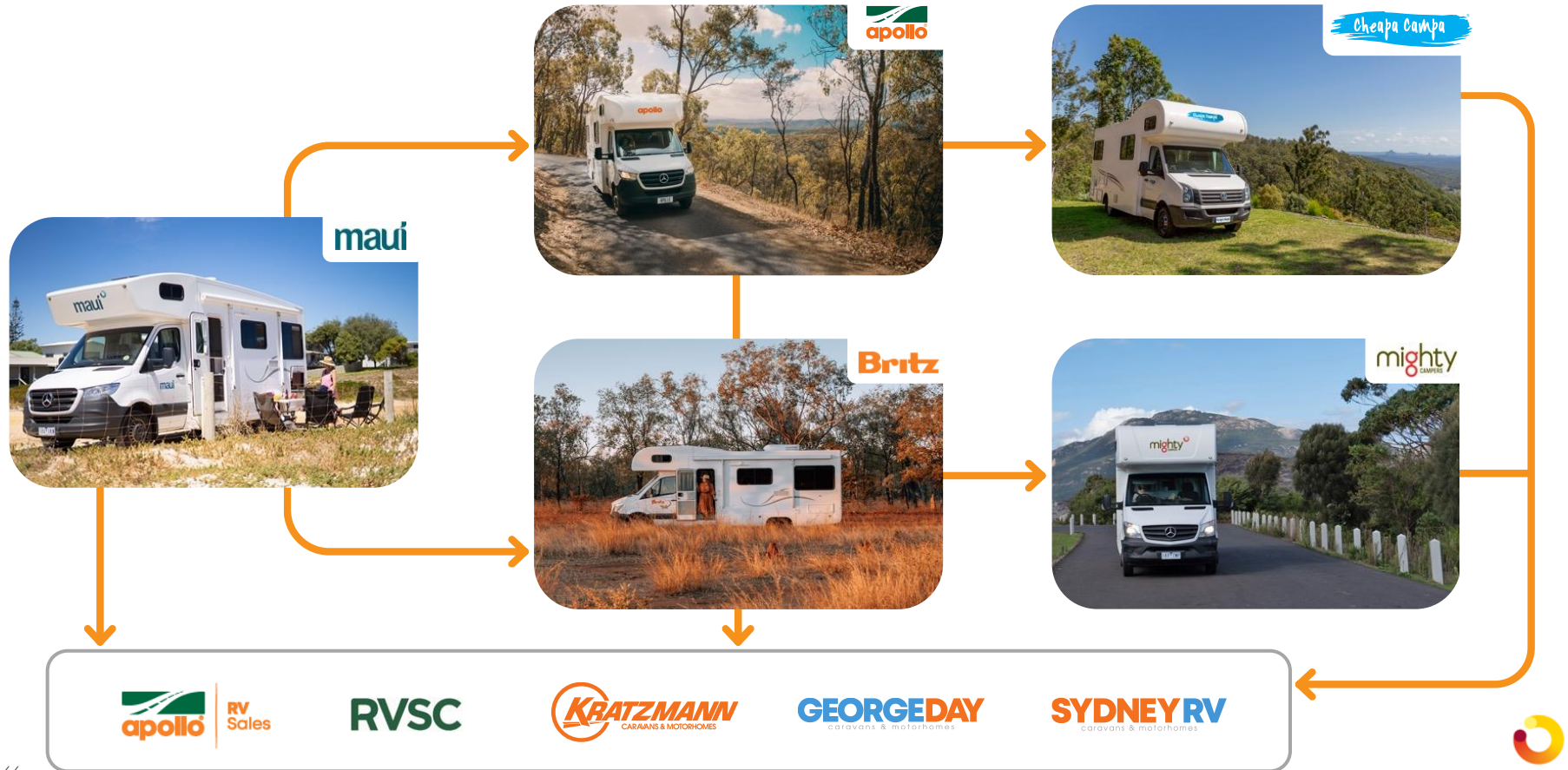


5 Berth Safari 4WD (Australia only)



Vehicles flow through the brand portfolio

Off-fleeting for sales at all age points provides the dealerships with stock at all price points



The UK/Europe Markets

Nick Roach

Chief Operating Officer,
UK/Europe

The UK rental market is highly fragmented

There is an opportunity to increase the fleet to 1,000+ vehicles in the UK & Ireland in future

Just go and Bunk

- Just go and Bunk are collectively the largest commercial RV rental operator in the UK¹
- With an expected peak summer fleet of ~500 vehicles and four locations across UK/Ireland, the business has an estimated ~15 – 20% rental market share¹
- Expansion of two RV Super Centres in 2019 for vehicle sales, maintenance and repairs (co-located with rentals)

The Market

- Estimated ~10 RV rental operators with 50+ sized fleets
- Key rental competitors include McRent, Indie Campers, Spaceships and Easicamper
- Approximately 50% of market share is held by smaller operators with fewer than 50 vehicles and a single location
- P2P has been present in the market for ~10 years with key operators today including Goboony, Camplify and Yescapa
- 2023 inbound UK tourism levels are forecast to recover to ~86% of 2019 levels²

United Kingdom & Ireland



Europe

¹ Market share reflects management estimates based on estimated total rentable RV fleet in market. Refer to slide 17 for further details.

² Visit Britain



A predominantly domestic business with regular re-fleeting

Customers and Demand

- ~65 – 70% of customers are domestic – we expect to grow the international part of the business in future
- Key international origin markets are Europe (Germany, Spain, France) and Australia/New Zealand
- ~65% of rental bookings are generated direct B2C – expected growth in international bookings likely to mean greater mix of trade partner bookings

Performance Metrics

- Average annual fleet utilisation of ~50 – 60% due to seasonality
- 1H23 yields ~55% above pre-COVID levels

Fleet and Sales

- Fleet acquired fully assembled from Trigano and Hymer
- Up to 70% of fleet annually shipped to **th!** NZ rentals via flex model, remainder sold exclusively retail via RV Super Centre UK. Future fleet growth in the UK creates an opportunity to grow the scale of the New Zealand/UK flex import model
- Historical average margins of ~£7,000¹

¹ Reflects Just go ex-fleet sales trends



Just go
Edinburgh, Scotland



We offer a premium product and operate a young fleet

- Vehicles are 2 to 6 berth self-contained with central heating and televisions
- We target replenishing the entire fleet every year so that no vehicle is more than two summers old
- Current average fleet age is older due to holding of previous year's fleet to manage new vehicle supply challenges
- Average fleet age is expected to materially improve by the end of 2023

	Just go	Bunk	Combined
Fleet size: 31 Dec 2022	~230	~220	~450
Average fleet age	~1.5 years	~3 years	~2.5 years
Fleet mix: 2 berth	~20%	~33%	~25%
Fleet mix: 4 – 6 berth	~80%	~67%	~75%



6 Berth Adventurer



4 Berth Wanderer



Just go
Greater London, England



Synergy opportunities in the UK market

The synergies are expected to deliver material earnings growth to the UK business

Commercial

- Insurance consolidation
- Cross-sale of Camperco products via RV Super Centre
- Standardisation of product offering

Operational

- Property consolidation – Edinburgh to be consolidated in May
- Bunk vehicle servicing/repairs to be done by RV Super Centre
- Launch of Motek scheduling system in both businesses for fleet efficiencies

Marketing

- Alignment of commercial terms and management of brand propositions between Just go and Bunk
- Efficiency in allocation of future marketing spend

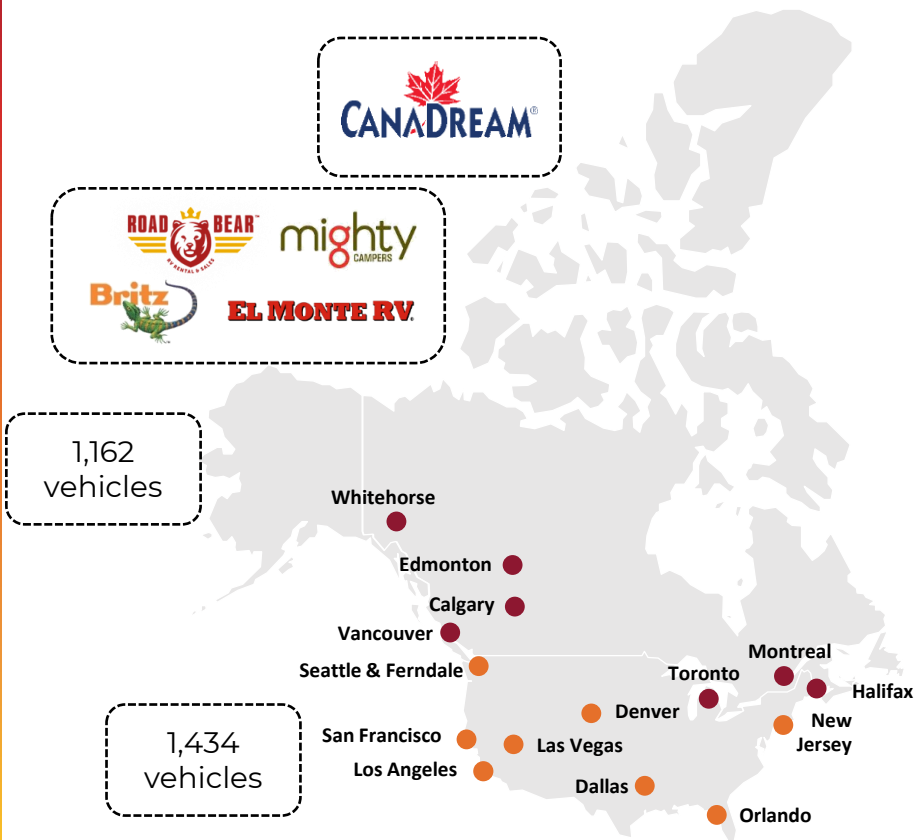


The North American Markets

Gordon Hewston

Chief Operating Officer, United
States

The largest RV market in the world



United States

- Road Bear originally founded in 1980s and El Monte RV founded in 1970's.
- Estimated market share of ~10 – 15%, positioned #2 to largest operator Cruise America¹
- Road Bear is positioned as highest quality offering in market with an international focus – El Monte historically a greater domestic focus
- Highly fragmented market with few operators of scale, many owner-operated RV dealerships with localised rental offerings
- Significant private equity investment in P2P in recent years – key operators Outdoorsy and RVshare. P2P operates primarily in the domestic market
- RVIA forecast RV wholesale shipments of ~330,000 in 2023 – a significant reduction from 2022 shipments²

Canada

- CanaDream established in 1995
- Estimated market share of ~20 - 25%, positioned #2 to Fraserway RV.¹ Key competitors include Cruise America, who have a similar fleet size to CanaDream
- The CanaDream brand is positioned as the highest quality offering and most modern fleet in the market, enabling it to achieve the strongest yields
- Canada is experiencing similar P2P trends as observed in the United States
- International tourist visits to Canada are expected to recover to 2019 volumes by 2025³
- Compared to 2023, total international visits to Canada are forecast to grow by 69% by 2030²

¹ Market share reflects management estimates based on estimated total rentable RV fleet in market. Refer to slide 17 for further details.

² RV Industry Association

³ Destination Canada & Tourism Economics, Fall 2022



The market dynamics in the two countries

The Canadian market has a greater weighting of international bookings

	United States	Canada
Customers and Demand	<ul style="list-style-type: none">Historically ~45% of the business was domestic – currently elevated due to domestic growth during pandemicKey international markets are Germanic speaking Europe, Netherlands, UK, FranceHistorically ~50% of bookings in El Monte were direct B2C ~30% in Road Bear	<ul style="list-style-type: none">Pre-COVID ~ 20% of the business was domestic – currently elevated due to domestic growth during pandemicKey international origin market is Germany, followed by Netherlands, UK and SwitzerlandHistorically ~25% of bookings were direct B2C – this is higher today due to more domestic business
Performance Metrics	<ul style="list-style-type: none">Average annual fleet utilisation of ~50 – 60% - utilisation outcome reflects how much of the fleet can be sold before winter commences1H23 yields up ~40% on pre-COVID levels	<ul style="list-style-type: none">Average annual fleet utilisation of ~50 – 60% – business operates at high utilisation in Q1 but <5% utilisation in Q3 due to deep winter1H23 yields up ~40% on pre-COVID levels
Fleet and Sales	<ul style="list-style-type: none">Main chassis suppliers are Ford and GM - long-standing relationships since businesses were foundedKey RV manufacturers are Thor, Forest River and Winnebago – also very long-standing relationshipsLeverage a wholesale network of 60+ dealers to drive sales volumes with some retail off our own sitesHistorical margins ~US\$6,000	<ul style="list-style-type: none">Main chassis supplier is Ford with 20+ year relationshipUse a variety of RV manufacturersHistorical margins ~CA\$6,000 – 10,000



El Monte RV
Santa Fe Springs, California



Santa Fe Springs
MOTOR CENTER

CALL NOW
EL MONTE RV
866-RV-CAMPER

MOTORHOME VACATIONS

RV RENTAL • SALES

EL MONTE RV

RENTALS • SALES

NISSAN

**MATERIAL HANDLING
SUPPLY INC.**

**BARRETT
FORKLIFT**

CanaDream
Calgary


CANADREAM®

**SALES
SERVICE
STORAGE**

Welcome to CanaDream


CANADREAM®

Be Our Guest



The Road Bear and El Monte fleet models

- Fleet consists of 4 to 8 berth vehicles, ranging from Class A to Class C
- Road Bear operates a near new fleet. Vehicle sales generally commence after a single season with the aim to sell at a higher price than the wholesale purchase cost
- Road Bear aims to sell/replenish approx. 60 – 90% of fleet every year, El Monte approx. 30 – 60% as it holds vehicles longer than in the Road Bear model
- Vehicle sales are via retail and wholesale and mix can vary by year depending on supply and demand constraints and opportunities. There is a strong push of wholesale in the fall post high-season to reduce fleet held across the winter period



*6 Berth Class A
Motorhome*



*6 Berth Class C
Motorhome*



*4 Berth Class B
Camper*



The CanaDream fleet model

We operate Class C, Class B and campers ranging from 2 to 6 berth



*2 Berth Deluxe
Class B Camper*



*6 Berth Maxi
Class C Motorhome*



*3 Berth Maxi
Travel Camper*

- Fleet consists of Class C, Class B and campers ranging from 2 to 6 berth
- Most of the fleet is under 2 years old, with current average age of ~12 months
- Aim to replenish as much of the fleet as possible – historically ~300 – 450 vehicles sold annually
- ~50 – 70% of sales are via the wholesale channel however this can vary by year
- We sell wholesale to a large number of dealers – over 40 across Canada and the United States
- Most wholesale vehicle sales are to dealerships based in USA, sales generally commence after the rentals high season



Synergy opportunities in North America

Procurement

Exploring opportunities involving CanaDream, Road Bear and El Monte's supply options

Operational Utilisation

Adopting a cross-border fleet approach to improve utilisation of Canadian fleet in Q3 which currently has utilisation below 5%

Sales Channels

Reviewing the timing, location and mix of retail vs. wholesale vehicle sales across USA and Canada, to maximise rental utilisation and sales margins



Wrap Up and Q&A

Grant Webster

CEO & Managing Director

INVESTOR DAY
9 MAY 2023

Disclaimer

This presentation contains forward-looking statements and projections. These reflect *thl*'s current expectations, based on what it thinks are reasonable assumptions. The statements are based on information available to *thl* at the date of this presentation and are not guarantees or predictions of future performance. For any number of reasons, the future could be different and the assumptions on which the forward-looking statements and projections are based could be wrong. To the maximum extent permitted by law, *thl*, its Directors, employees or advisers give no warranty or representation as to the accuracy, reliability or completeness of the information in this presentation, or *thl*'s future financial performance (including any merger) or any future matter, and disclaim all liability in this regard. Except as required by law or the NZX or ASX listing rules, *thl* is not obliged to update this presentation after its release, even if things change materially.

This presentation has been prepared for publication in New Zealand and may not be released or distributed in the United States.

This presentation is for information purposes only and does not constitute financial advice. It is not an offer of securities, or a proposal or invitation to make any such offer, in the United States or any other jurisdiction, and may not be relied upon in connection with any purchase of *thl* securities. *thl* securities have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States, except in transactions exempt from, or not

subject to, the registration of the US Securities Act and applicable US State securities laws. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

This presentation contains a number of non-GAAP financial measures. Because they are not defined by Generally Accepted Accounting Practice in New Zealand (NZ GAAP) or International Financial Reporting Standards (IFRS), *thl*'s calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with NZ GAAP.

This presentation does not take into account any specific investors objectives and does not constitute financial or investment advice. Investors are encouraged to make an independent assessment of *thl*. The information contained in this presentation should be read in conjunction with *thl*'s latest financial statements, which are available at: www.thlonline.com.

