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

FY24 ANNUAL RESULTS

Summary:

- Underlying net profit after tax of \$51.8M, within guidance range
- Statutory net profit after tax of \$39.4M due to \$12.4M impairment of goodwill attributable to UK/Ireland divisions
- Record EBIT results from New Zealand Rentals & Sales, Action Manufacturing and New Zealand Tourism divisions
- Final FY24 dividend of 5 cents per share, 100% imputed and 0% franked, providing a full year FY24 dividend of 9.5 cents per share
- Continued growth in rental fleet to 7,921 vehicles, up 10%
- Group Return on Funds Employed of 10.0%
- Despite operating conditions for the coming period being uncertain, we expect an increase in underlying NPAT in FY25 compared to FY24
- Prevailing economic conditions make it unrealistic to achieve \$100M net profit after tax goal by FY26, however we remain steadfast in our belief that we have the necessary components and will advance towards our goal as tourism rebounds and general economic conditions improve

thl today releases its results for the 12 months ending 30 June 2024.

Cathy Quinn, *thl* Chair, said “There is no doubt that the last six months have been particularly difficult for parts of the business. However, the New Zealand and Australian rental businesses, which had the greatest opportunity to benefit from the merger of *thl* and Apollo, have each delivered strong profit results and are well positioned for the future.”

Grant Webster, *thl* CEO, said “Our FY24 results reflect a mixed set of outcomes by business area and geography. The overall underlying NPAT of \$51.8 million, while still a significant number, is below what we believe to be achievable for *thl* and well below the expectations we had some months ago.

“Positively, the New Zealand Rentals & Sales, Action Manufacturing and New Zealand Tourism divisions have all achieved record EBIT results. This success is reflective of the recovery in international tourism to New Zealand as well as the continued growth of Action Manufacturing following several small acquisitions in the past few years.”

Cathy Quinn said “The current environment is uncertain, leading us to the view that the difficult operating environment will continue over the upcoming year. We believe that we are prepared for this uncertainty, with balance sheet strength and renewed financing arrangements that position us well to manage persisting economic pressures.



“We will continue to focus on improving operational performance, cost reduction, primarily on fleet as our largest single investment, and achieving target returns on capital across all our businesses.”

Dividend

A final dividend of 5 cents per share, 100% imputed and 0% franked, will be payable on Friday 4 October 2024. The Dividend Reinvestment Plan (DRP) is available to eligible shareholders that wish to participate, and a 2% discount is available. The record date is Friday 20 September 2024 and the final date for DRP elections is Monday 23 September 2024.

Outlook Commentary

Despite operating conditions for the coming period being uncertain, we expect an increase in underlying NPAT in FY25 compared to FY24.

Our current rental forward bookings demonstrate year-on-year growth in hire days in FY25 within our key markets of New Zealand, Australia and North America.

Booking intakes in recent weeks indicate that the recovery is slowing, potentially impacting rentals in calendar year 2025. This indicates that it may take longer than initially expected to return to pre-COVID levels, which aligns with broader industry feedback and sentiment. Fleet purchases and production for 2025 have been adjusted accordingly, with lower fleet capital expenditure planned.

We see these headwinds as cyclical and associated with the wider economic downturn, rather than any structural change for the RV industry. We have a positive longer-term outlook for the RV category and believe it is positioned to increase its share of the broader tourism market.

thl is well positioned within the industry, as the global leader in RV rentals with opportunities for synergies and cost reduction, supported by balance sheet strength and strong capital management disciplines.

thl continues its strong focus on ROFE, and we recognise that the returns from the USA, UK/Ireland and Canada divisions in FY24 are unacceptable. Addressing the Northern Hemisphere is a key focus for management and while we expect ROFE in FY25 for these divisions will remain below our 15% target, the changes we have implemented should lead to future improvements in ROFE, particularly in bringing the North American businesses more closely together.

Our future net profit after tax goal

We have previously stated a goal to achieve \$100 million in net profit after tax in FY26.

We continue to believe that the core assumptions supporting our \$100M goal are intact for **thl**. However, the economic climate in the key markets of New Zealand and Australia, and more broadly overseas, have deteriorated more than anticipated when we set this goal, and in our view makes achievement of this goal by FY26 unrealistic.



Given the prevailing economic conditions and persisting uncertainties, it would be inappropriate for us to set a precise timeline for reaching our goal. We remain steadfast in our belief that we have the necessary components and will advance towards our goal as tourism rebounds and general economic conditions improve.

ENDS

Authorised by:

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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 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, Camperagent), 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.