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MEDIA | NZX RELEASE
TOURISM HOLDINGS LIMITED (thl)

FUNDING ARRANGEMENTS AND FY20 GUIDANCE

thl today provides a further update on the business including its funding arrangements and expectations for FY20.

Funding arrangements

As advised on 11 June, **thl** has been in discussions with its banking partners regarding ongoing funding arrangements. These discussions have now concluded and **thl** has entered into a binding term sheet with its banking partners reflecting these new arrangements. Formal documentation is expected to be completed in the coming days.

Commitments have been provided by **thl**'s banking partners for debt funding of approximately \$225 million, consisting of a number of tranches maturing between September 2021 and July 2022.

thl's new funding arrangements also include:

- a requirement for consent from **thl**'s banking partners for any distribution to shareholders or capital expenditure beyond a prescribed amount, during the term of the facilities;
- that **thl**'s existing earnings-based covenants (leverage ratio and interest coverage ratio) will not be tested until 1 July 2022, however other existing covenants (equity ratio and guaranteeing group ratio) remain applicable;
- new covenants relating to minimum shareholder funds, and a cumulative EBITDA requirement (tested quarterly) from the period ending on 30 September 2021; and
- new undertakings requiring that EBITDA and vehicle sales performance are not greater than 15% below amounts determined in a banking case scenario model (tested quarterly), based on **thl**'s expectations as set in April 2020. If these levels were not met then an 'event of review' would occur. This would mean that the company would commence discussions with **thl**'s banking partners to agree a path that would enable the company to retain the full use of its banking facilities.

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Australia
USA
UK

Design &
Manufacturing
New Zealand
Australia

Guided
Experiences
New Zealand



Given these new funding arrangements and the current outlook for the business, **thl** has determined that it does not require additional equity.

FY20 earnings and debt guidance

thl expects to report an underlying net profit after tax of \$17.5 – \$19 million for the financial year ending 30 June 2020 (**FY20**). This guidance excludes the impact of the partial Togo exit undertaken in March 2020, or any potential impairments or other non-ordinary items.

As a result of continued outperformance in vehicle sales, particularly in the United States, as well as an improvement in **thl**'s working capital position, we now expect that net debt as at 30 June 2020 will be approximately \$140 – \$145 million.

As part of its year-end process, **thl** is undertaking impairment testing across its businesses. As a result of the expectation that the Kiwi Experience business will be hibernated until international borders reopen, the Board has approved the write-off of the full \$3.1 million of goodwill attributed to Kiwi Experience on its balance sheet. Nevertheless, **thl** remains committed to the Kiwi Experience business and looks forward to reopening the business when long haul international tourism recommences. **thl** is in the process of the annual impairment testing which is completed as part of its year-end and audit processes.

Dividend

Reflective of **thl**'s focus on debt reduction, the inherent uncertainty in the operating environment and **thl**'s new funding requirements, the **thl** Board has determined that no final dividend will be declared for FY20.

Financial reporting

Due to the impact of COVID-19, **thl** intends to rely on the Financial Markets Authority's extension of financial reporting deadlines. **thl** expects to release its results for FY20 on Friday, 18 September 2020.

We expect to provide a market update on the framework by which we plan to run the business in FY21 by the end of July.

ENDS



Authorised by:

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

Rob Campbell
Chairman, 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** is a joint venture partner in Action Manufacturing LP, New Zealand's largest motorhome and specialist vehicle manufacturer.