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

MARKET UPDATE AND FY22 GUIDANCE

thl today provides a general trading update including in respect of its expectations for the result for the year ending 30 June 2022 (**FY22**).

Guidance for FY22

thl expects that its statutory net loss after tax for FY22 will be in the range of \$2M to \$4M, with the underlying net loss after tax expected to be in the range of \$4.7M to \$6.7M. The statutory result will include a number of one-off items:

Expected statutory net loss after tax	\$2M - \$4M
Gain on sale of Mighway and ShareACamper	\$6.2M
Gain on sale of shares in Roadpass Digital	\$1.6M
Expected FY22 transaction costs relating to the proposed merger with Apollo Tourism & Leisure Ltd (ATL)	\$5.1M ¹
Expected underlying net loss after tax	\$4.7M - 6.7M

Net capital expenditure for FY22 is expected to be positive but below the earlier guidance range of \$25M to \$40M, due to delays in vehicle deliveries from Q4 FY22 into Q1 FY23.

Net debt as at 30 June 2022 is expected to be in the range of \$85M to \$95M, primarily reflecting the proceeds from the sale of *thl*'s shares in Roadpass Digital and extended payments for new vehicles resulting from the delays in deliveries mentioned above.

Trading update

As travel restrictions continue to ease globally, *thl* is seeing a recovery of international demand for RV travel in all countries it operates in. This is evident in the strong number of international bookings in the United States for the upcoming 2022 summer period. In New Zealand and Australia, there have been good early indicators for demand out of Europe, although primarily for travel from October 2022 onwards. Average yields in all countries are returning to pre-

¹ Transaction costs incurred in FY22 are lower than indicated earlier, as certain costs will instead be incurred in Q1 FY23.

Self drive Experiences	Design & Manufacturing	Guided Experiences
New Zealand	New Zealand	New Zealand
Australia	Australia	
USA		
UK		



COVID-19 levels or beyond, with particularly strong growth in Australia, which has driven the majority of the improvement on earlier expectations for FY22 group performance.

There are continuing industry-wide supply chain challenges, creating vehicle delivery delays and inflation in the cost of materials. There are consequential impacts which will continue into 2023. In the United States in particular, 200 vehicles originally scheduled for delivery in Q4 FY22 are now expected to arrive in Q1 FY23, reducing the peak fleet size over the summer period by up to 200 vehicles. To maintain appropriate rental fleet sizes, vehicle sales quantities have been reduced while holding recent strong sales margins.

Proposed merger with ATL

thl continues to work with both the New Zealand Commerce Commission (NZCC) and the Australian Competition and Consumer Commission (ACCC) to address the issues identified by them. As previously advised, the timeframe for decisions from these regulators has been extended to 30 June 2022 in respect of the NZCC and 21 July 2022 in respect of the ACCC.

Review of Kiwi Experience

Following the announced opening of New Zealand's borders to international travellers, Kiwi Experience has recommenced activity with a positive start to forward bookings for the coming summer. It is expected that small group tours will recommence from July 2022 and hop-on-hop-off tours will recommence ahead of the 2022/2023 summer season.

As **thl's** global RV businesses recover and it continues to grow its manufacturing arm through Action Manufacturing, consideration is being given to the future of Kiwi Experience and whether the business may be better suited under different ownership as it emerges from hibernation. KPMG has been engaged to explore indications of interest for a potential divestment of the business. **thl** is not contemplating any other potential business divestments.

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.