FY24 Interim Financial Statements

FOR THE PERIOD ENDED 31 DECEMBER 2023

FOR AND ON BEHALF OF THE BOARD WHO AUTHORISED THE ISSUE OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS ON 20 FEBRUARY 2024.

CATHY QUINN
CHAIR OF THE BOARD

ROB HAMILTON
CHAIR OF THE AUDIT AND RISK COMMITTEE

20 FEBRUARY 2024

thl™

Consolidated interim statement of income

FOR THE PERIOD ENDED 31 DECEMBER 2023

	NOTES	UNAUDITED 31 DEC 2023 $000's	UNAUDITED 31 DEC 2022 $000's
Sales of services	1	233,966	134,094
Sales of goods	1	215,232	126,952
Total revenue		**449,198**	**261,046**
Cost of sales		(161,095)	(85,917)
Gross profit		**288,103**	**175,129**
Administration expenses	3	(52,928)	(38,209)
Operating expenses	3	(161,760)	(99,688)
Net other operating income	2	536	5,060
Operating profit before financing costs*		**73,951**	**42,292**
Finance income		1,347	260
Finance expenses		(19,279)	(6,940)
Net finance costs		**(17,932)**	**(6,680)**
Share of profit from associates		-	812
Profit before income tax for the period		**56,019**	**36,424**
Income tax expense	4	(16,287)	(11,262)
Profit for the period		**39,732**	**25,162**
Earnings per share		**CENTS**	CENTS
Basic earnings per share		18.4	15.3
Diluted earnings per share		18.3	15.3

* The consolidated interim statement of income includes one non-GAAP measure (that is, operating profit before financing costs or 'EBIT') which is not a defined term in New Zealand International Financial Reporting Standards ('NZ IFRS'). The Directors and management believe that this non-GAAP financial measure provides useful information to assist readers in understanding the Group's financial performance. This measure should not be viewed in isolation and is intended to supplement the NZ GAAP measures. Therefore, it may not be comparable to similarly titled amounts reported by other companies.

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of comprehensive income

FOR THE PERIOD ENDED 31 DECEMBER 2023

	UNAUDITED 31 DEC 2023 $000's	UNAUDITED 31 DEC 2022 $000's
Profit for the period	39,732	25,162
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation reserve movement (net of tax)	(9,851)	(7,195)
Cash flow hedge reserve movement (net of tax)	(1,335)	944
Items that will not be reclassified subsequently to profit or loss		
Equity investment reserve movement (net of tax)	1,449	(1,968)
Other comprehensive loss for the period	(9,737)	(8,219)
Total comprehensive income for the period	29,995	16,943

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of changes in equity

FOR THE PERIOD ENDED 31 DECEMBER 2023

UNAUDITED	NOTES	SHARE CAPITAL $000's	CASH FLOW HEDGE RESERVE $000's	OTHER RESERVES $000's	RETAINED EARNINGS $000's	TOTAL EQUITY $000's
Balance as at 1 July 2023		503,007	2,018	18,081	87,849	610,955
Profit for the period		-	-	-	39.732	39,732
Other comprehensive loss for the period		-	(1,335)	(8,402)	-	(9,737)
Total comprehensive (loss)/income for the period		-	(1,335)	(8,402)	39,732	29,995
Transactions with owners, recorded directly in equity						
Dividends paid	5	-	-	-	(32,247)	(32,247)
Ordinary shares issued	11	9,266	-	-	-	9,266
Transfers from employee share scheme reserve		1,081	-	(1,081)	-	-
Share-based payments		-	-	419	-	419
Balance as at 31 December 2023		513,354	683	9,017	95,334	618,388

UNAUDITED	NOTES	SHARE CAPITAL $000's	CASH FLOW HEDGE RESERVE $000's	OTHER RESERVES $000's	RETAINED EARNINGS $000's	TOTAL EQUITY $000's
Balance as at 1 July 2022		278,983	321	14,664	37,700	331,668
Profit for the period		-	-	-	25,162	25,162
Other comprehensive income/(loss) for the period		-	944	(9,163)	-	(8,219)
Total comprehensive income/(loss) for the period		-	944	(9,163)	25,162	16,943
Transactions with owners, recorded directly in equity						
Ordinary shares issued as part of consideration for 51% acquisition of Just go	11	8,031	-	-	-	8,031
Ordinary shares issued for the acquisition of Apollo	11	212,889	-	-	-	212,889
Ordinary shares issued	11	646	-	-	-	646
Transfers from employee share scheme reserve		2,289	-	(2,289)	-	-
Share-based payments		-	-	641	-	641
Balance as at 31 December 2022		502,838	1,265	3,853	62,862	570,818

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of financial position

AS AT 31 DECEMBER 2023

	NOTES	31 DEC 2023 UNAUDITED $000's	30 JUNE 2023 AUDITED $000's
Assets			
Non-current assets			
Property, plant and equipment	6	746,485	659,291
Intangible assets		190,678	190,315
Investments		24,626	23,193
Derivative financial instruments		949	2,422
Right-of-use assets	7	132,256	145,010
Total non-current assets		**1,094,994**	**1,020,231**
Current assets			
Cash and cash equivalents		50,320	76,794
Trade and other receivables		64,050	64,183
Inventories		199,859	181,928
Current tax receivables		698	13
Derivative financial instruments		405	421
Total current assets		**315,332**	**323,339**
Total assets		**1,410,326**	**1,343,570**

	NOTES	31 DEC 2023 UNAUDITED $000's	30 JUNE 2023 AUDITED $000's
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	12	344,414	250,715
Deferred income tax liability		44,057	36,987
Lease liabilities		126,490	139,226
Total non-current liabilities		**514,961**	**426,928**
Current liabilities			
Interest bearing loans and borrowings	12	109,230	111,225
Trade and other payables		62,210	62,033
Revenue in advance		52,657	75,980
Employee benefits		18,766	19,348
Provisions		3,580	3,495
Derivative financial instruments		395	-
Current tax liabilities		8,504	12,903
Lease liabilities		21,635	20,703
Total current liabilities		**276,977**	**305,687**
Total liabilities		**791,938**	**732,615**
Net assets		**618,388**	**610,955**
Equity			
Share capital	11	513,354	503,007
Cash flow hedge reserve		683	2,018
Other reserves		9,017	18,081
Retained earnings		95,334	87,849
Total equity		618,388	610,955

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of cash flows

FOR THE PERIOD ENDED 31 DECEMBER 2023

	NOTES	UNAUDITED 6 MONTHS TO 31 DEC 2023 $000's	UNAUDITED 6 MONTHS TO 31 DEC 2022 RESTATED $000's
Cash flows from operating activities			
Receipts from customers		215,829	155,733
Proceeds from sale of goods		212,223	107,023
Interest received		1,347	189
Payments to suppliers and employees		(292,896)	(145,079)
Purchase of rental assets		(186,698)	(103,538)
Interest paid		(18,618)	(7,441)
Income tax paid		(10,014)	(450)
Net cash flows (used in)/from operating activities		(78,827)	6,437
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		817	75
Purchase of property, plant and equipment	8	(4,212)	(3,228)
Purchase of intangibles		(3,356)	(5,370)
Net cash received as part of the Apollo business combination		-	50,602
Net cash received as part of the step acquisition of Just go		-	4,374
Net cash flows (used in)/from investing activities		(6,751)	46,453
Cash flows from financing activities			
Proceeds from exercise of share options		1,260	849
Proceeds from borrowings		408,764	62,669
Repayment of borrowings[1]		(310,955)	(89,565)
Repayment of lease liability principal[1]		(11,200)	(5,859)
Dividends paid		(27,826)	-
Net flows cash from/(used in) financing activities		60,043	(31,906)
Net increase/(decrease) in cash and cash equivalents		(25,535)	20,984
Cash and cash equivalents at the beginning of the period		76,794	38,816
Effect of exchange rate fluctuations on cash and cash equivalents		(939)	(993)
Cash and cash equivalents at the end of the period		50,320	58,807

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

[1] For the period ended 31 December 2022, the repayment of rental fleet lease liability of $13.5 million was reclassified from 'Repayment of lease liability principal' to 'Repayment of borrowings' in the consolidated interim statement of cash flows to align with the Group's methodology presented in the consolidated financial report for the financial year ended 30 June 2023.

Notes to the consolidated interim financial statements

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

About this report

Basis of preparation

The primary operations of Tourism Holdings Limited (the 'Company' or '***thl***') and its subsidiaries (together the 'Group') are the manufacture, rental and sale of recreational vehicles ('RVs') including motorhomes, campervans and caravans and other tourism related activities. The Company is domiciled in New Zealand.

Tourism Holdings Limited is a company registered under the *Companies Act 1993* and is an FMC reporting entity under Part 7 of the *Financial Markets Conduct Act 2013*. The Company's shares are dual listed on the New Zealand Stock Exchange and the Australian Securities Exchange (ticker code: THL).

The registered office is:

Level 1, 83 Beach Road
Auckland 1010
New Zealand

The consolidated interim financial statements of the Group have been prepared:

- in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), NZ IAS 34 *Interim Financial Reporting*, and IAS 34 *Interim Financial Reporting*, as applicable for a "for profit" entity. These interim financial statements do not include all the information and disclosures required in the annual financial statements and therefore should be read in conjunction with the annual report for the year ended 30 June 2023;
- in New Zealand dollars with values rounded to thousands ($000's) unless otherwise stated.

These financial statements have been prepared on a going concern basis.

These unaudited interim financial statements were approved for issue on 20 February 2024.

Changes in accounting policies

The accounting policies used in the preparation of these interim financial statements are consistent with those used in the 30 June 2023 annual financial statements, unless otherwise stated.

There were no substantial amendments to New Zealand Accounting Standards adopted during the period that have a material impact on the Group.

Seasonality of business

The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transportation over the summer months of each country the Group operates in. New Zealand and Australia's profits are typically generated over the southern hemisphere summer months and in Canada, the United States of America and the United Kingdom, profits are typically generated over the northern hemisphere summer months. Due to the seasonal nature of the businesses, the risk profile at 31 December 2023 is not representative of all risks faced during the period. The operating revenue and profits of the Group's segments are disclosed in note 1.

Critical accounting estimates and judgement

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The estimates used in the preparation of these interim consolidated financial statements are consistent with those used in the 30 June 2023 annual consolidated financial statements, unless otherwise stated.

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Section A – Financial operations

In this section

This section explains the financial operations of ***thl***, providing additional information about individual items in the consolidated statement of income, including segmental information, certain expenses and dividend distribution information.

1. Segment reporting

thl is organised into geographic and service type operating segments. They are made up of the following business operations:

New Zealand Rentals	Rental of motorhomes and the sale of new and ex-rental fleet direct to the public and through a dealer network;
Action Manufacturing	Manufacturing and the sale of motorhomes and other speciality vehicles;
Tourism Group	Kiwi Experience and the Discover Waitomo Caves Group experiences;
Australia	Rental of motorhomes and 4WD vehicles, manufacture of RVs, the sale of new and used RVs and ex-rental fleet direct to the public and through a dealer network and Australian Group Support Services;
United States Rentals	Rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network;
Canadian Rentals	Rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network;
UK/Europe Rentals	Rental of motorhomes and the sale of new and ex-rental fleet directly to the public and through a dealer network; and
Other	Includes ***thl*** digital, Group Support Services in New Zealand, and Group consolidation and elimination entries.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team together with the Board of Directors (the Board), who make strategic decisions.

Operating profit/(loss) before interest and tax is the main financial measure used by the CODM to review the Group's performance.

All revenue is reported to the executive team on a basis consistent with that used in the consolidated statement of income. Operating expenses incurred by one segment on behalf of another and recharged on a cost-recovery basis are presented on a net basis. Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment, and the physical location for assets.

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, inventories, receivables and operating cash. The investments and derivatives designated as hedges of borrowings are allocated to 'Other' operating segment. Net funds employed is a non-GAAP measure that is not defined in NZ IFRS (this measure has not been subject to a separate audit or review).

The Board and management believe that non-GAAP financial measures provide useful information to assist readers in understanding the Group's financial performance. These measures should not be viewed in isolation and are intended to supplement the NZ GAAP measures and therefore may not be comparable to similarly titled amounts reported by other companies.

	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
Reconciliation of the Group's net funds employed (non-GAAP measure)		
Total assets	1,410,326	1,343,570
Less: Cash and cash equivalents	(50,320)	(76,794)
Less: Total liabilities	(791,938)	(732,615)
Add: Interest bearing loans and borrowings	453,644	361,940
Net funds employed	1,021,712	896,101

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1. Segment reporting (continued)

UNAUDITED FOR THE PERIOD ENDED 31 DECEMBER 2023	NEW ZEALAND RENTALS $000's	ACTION MANU-FACTURING $000's	TOURISM GROUP $000's	AUSTRALIA $000's	UNITED STATES RENTALS $000's	CANADIAN RENTALS $000's	UK/EUROPE RENTALS $000's	OTHER $000's	TOTAL $000's
Sales of services	43,916	-	18,342	67,995	53,848	37,312	11,906	647	233,966
Sales of goods - external	19,137	34,264	-	117,374	26,190	10,250	8,017	-	215,232
Sales of goods - inter-segment	-	54,408	-	-	-	-	15,621	(70,029)	-
Total revenue	**63,053**	**88,672**	**18,342**	**185,369**	**80,038**	**47,562**	**35,544**	**(69,382)**	**449,198**
Depreciation	(8,297)	(2,145)	(706)	(15,781)	(12,045)	(4,525)	(1,796)	355	(44,940)
Amortisation	(10)	(8)	(68)	165	(61)	141	-	(927)	(768)
Other costs - external	(39,946)	(27,682)	(12,298)	(147,436)	(57,752)	(24,751)	(15,484)	(4,370)	(329,539)
Other costs - inter-segment	-	(51,121)	-	-	-	-	(15,213)	66,334	-
Operating profit/(loss) before interest and tax	**14,800**	**7,716**	**5,270**	**22,317**	**10,360**	**18,427**	**3,051**	**(7,990)**	**73,951**
Interest income	-	55	-	196	125	545	179	247	1,347
Interest expense	(1,078)	(574)	(26)	(5,361)	(4,987)	(4,566)	(1,818)	(869)	(19,279)
Profit/(loss) before tax	**13,722**	**7,197**	**5,244**	**17,152**	**5,498**	**14,406**	**1,412**	**(8,612)**	**56,019**
Income tax expense	(3,847)	(2,015)	(1,536)	(5,868)	(1,458)	(3,477)	(262)	2,176	(16,287)
Profit/(loss) after tax	**9,875**	**5,182**	**3,708**	**11,284**	**4,040**	**10,929**	**1,150**	**(6,436)**	**39,732**
Capital expenditure	87,184	406	166	51,182	38,282	7,365	4,977	1,347	190,909
As at 31 December 2023									
Non-current assets	227,791	25,919	14,646	328,253	259,740	167,568	41,947	29,130	1,094,994
Total assets	264,249	82,546	17,721	475,351	295,786	196,344	64,712	13,617	1,410,326
Net funds employed	**181,157**	**51,237**	**3,831**	**321,265**	**236,928**	**122,571**	**54,584**	**50,139**	**1,021,712**

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1. Segment reporting (continued)

UNAUDITED FOR THE PERIOD ENDED 31 DECEMBER 2022	NEW ZEALAND RENTALS RESTATED $000's	ACTION MANU-FACTURING REPORTED $000's	TOURISM GROUP REPORTED $000's	AUSTRALIA RESTATED $000's	UNITED STATES RENTALS RESTATED $000's	CANADIAN RENTALS RESTATED $000's	UK/EUROPE RENTALS RESTATED $000's	OTHER RESTATED $000's	TOTAL REPORTED $000's
Sales of services	26,414	-	9,361	46,413	50,674	161	544	527	134,094
Sales of goods - external	21,807	22,111	-	34,312	44,012	2,278	2,328	104	126,952
Sales of goods - inter-segment	-	39,471	-	-	-	-	-	(39,471)	-
Total revenue	**48,221**	**61,582**	**9,361**	**80,725**	**94,686**	**2,439**	**2,872**	**(38,840)**	**261,046**
Depreciation	(5,966)	(1,632)	(729)	(8,095)	(10,376)	(222)	(472)	(37)	(27,529)
Amortisation	(15)	(2)	(309)	(126)	(63)	(47)	-	(436)	(998)
Other (costs)/income - external	(36,551)	(18,763)	(6,850)	(51,972)	(67,035)	(2,555)	242	(6,743)	(190,227)
Other costs - inter-segment	-	(37,274)	-	-	-	-	-	37,274	-
Operating profit/(loss) before interest and tax	**5,689**	**3,911**	**1,473**	**20,532**	**17,212**	**(385)**	**2,642**	**(8,782)**	**42,292**
Interest income	87	10	-	129	33	12	-	(11)	260
Interest expense	(392)	(280)	(30)	(1,406)	(1,809)	(669)	(162)	(2,192)	(6,940)
Share of profit from joint ventures and associates	-	-	-	-	-	-	812	-	812
Profit/(loss) before tax	**5,384**	**3,641**	**1,443**	**19,255**	**15,436**	**(1,042)**	**3,292**	**(10,985)**	**36,424**
Income tax expense	(1,506)	-	(469)	(5,831)	(4,239)	319	125	339	(11,262)
Profit/(loss) for the period	**3,878**	**3,641**	**974**	**13,424**	**11,197**	**(723)**	**3,417**	**(10,646)**	**25,162**
Capital expenditure	37,217	1,722	161	24,118	46,722	37	2,750	33	112,760
As at 30 June 2023									
Non-current assets	138,699	26,903	15,659	284,072	267,109	195,430	61,292	31,067	1,020,231
Total assets	170,405	80,750	17,538	431,358	305,853	209,668	76,430	51,568	1,343,570
Net funds employed	**123,061**	**43,427**	**10,300**	**282,584**	**217,012**	**126,647**	**51,932**	**41,138**	**896,101**

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

1. Segment reporting (continued)

The operating segments previously disclosed in the Group's consolidated financial report for the period ended 31 December 2022 were restated to align with the Group's operating segments disclosed in the Group's consolidated financial report for the financial year ended 30 June 2023.

The previously reported Apollo Group segment was reclassified by geographical location and allocated to the Australia, New Zealand Rentals, United States Rentals, Canadian Rentals, and UK/Europe operating segments noting the Apollo Group comparatives for the period ended 31 December 2022 were for the December 2022 month only. The Other segment was reclassified to report the UK/Europe businesses under the UK/Europe Rentals operating segment.

Provisional goodwill of $102.1 million at 30 June 2023 acquired from the Apollo business combination was reallocated from the Other operating segment to the Australia and New Zealand Rentals operating segments of $95.1 million and $7.0 million respectively.

2. Net other operating income

UNAUDITED	6 MONTHS TO 31 DEC 2023 $000's	6 MONTHS TO 31 DEC 2022 $000's
Other income	633	810
Fair value movements on financial assets recognised at fair value through profit or loss	14	760
Gain on previously held equity instruments[1]	-	3,507
Loss on disposals of non-fleet assets	(111)	(17)
Net other operating income	536	5,060

3. Administration and operating expenses

Administration and operating expenses include:

UNAUDITED	NOTES	6 MONTHS TO 31 DEC 2023 $000's	6 MONTHS TO 31 DEC 2022 $000's
Wages and salaries		83,206	49,210
Depreciation	6,7	44,940	27,529
Amortisation		768	998
Repairs and maintenance including damage repairs		19,255	13,088
Raw materials and consumables		2,753	1,023
Rental and lease costs		2,359	1,252
Transaction costs[2]		-	5,229

4. Income tax expense

Tax has been applied on all taxable income at the respective tax rate applicable to each jurisdiction in which the Group operates.

5. Dividends

During the period ended 31 December 2023, the Group paid the 2023 final dividend of $32.2 million (15 cents per share). There were no dividends paid or declared during the period ended 31 December 2022.

[1] For the period ended 31 December 2022, $3.5 million relates to the Group's revaluation of its previously held 49% shareholding in Just go.

[2] For the period ended 31 December 2022, transaction costs of $5.2 million from the Apollo merger were expensed through the consolidated statement of income.

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Section B – Assets used to generate profit

In this section

This section describes the assets ***thl*** uses in the business to generate profit, including:

- Property, plant and equipment
  The most significant component is the motorhome fleet. Premises in general are leased, however significant owned properties are the Waitomo Caves Visitor Centre and the Waitomo Caves Homestead.
- Right-of-use assets
  The most significant leased assets relate to the premises in New Zealand, Australia, Canada and the United States.
- Impairment of non-financial assets
  Non-financial assets includes goodwill arising from the purchase of the Apollo, Road Bear RV, El Monte RV, Just go Motorhomes, Transcold businesses; brands; and supplier relationships.

6. Property, plant and equipment

	MOTORHOMES $000's	OTHER PLANT AND EQUIPMENT $000's	CAPITAL WORK IN PROGRESS $000's	TOTAL $000's
Cost	676,809	95,804	37,271	809,884
Accumulated depreciation	(86,557)	(64,036)	-	(150,593)
Closing net book value as at 30 June 2023 (audited)	**590,252**	**31,768**	**37,271**	**659,291**
Movement during the period ended 31 December 2023 (unaudited)				
Additions and transfers from work in progress (net)	137,066	4,212	49,631	190,909
Disposals	(959)	(927)	-	(1,886)
Reclassification of motorhomes to inventories	(52,864)	-	-	(52,864)
Foreign exchange rate movements	(15,016)	(371)	-	(15,387)
Depreciation	(29,971)	(3,607)	-	(33,578)
Closing net book value as at 31 December 2023 (unaudited)	**628,508**	**31,075**	**86,902**	**746,485**
Cost	720,458	97,024	86,902	904,384
Accumulated depreciation	(91,950)	(65,949)	-	(157,899)
Closing net book value as at 31 December 2023 (unaudited)	**628,508**	**31,075**	**86,902**	**746,485**

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

7. Right-of-use assets

Right-of-use assets have the following additions and modifications:

	BUILDINGS $000's	VEHICLES AND EQUIPMENT $000's	TOTAL $000's
Cost	190,429	136	190,565
Accumulated depreciation	(45,502)	(53)	(45,555)
Closing net book value as at 30 June 2023 (audited)	**144,927**	**83**	**145,010**
Movement during the period ended 31 December 2023 (unaudited)			
Additions	1,526	-	1,526
Terminations	(192)	-	(192)
Modifications	472	-	472
Foreign exchange rate movements	(3,195)	(3)	(3,198)
Depreciation	(11,349)	(13)	(11,362)
Closing net book value as at 31 December 2023	**132,189**	**67**	**132,256**
Cost	184,950	117	185,067
Accumulated depreciation	(52,761)	(50)	(52,811)
Closing net book value as at 31 December 2023	**132,189**	**67**	**132,256**

8. Capital commitments

Capital commitments relate to the build of the Group's motorhome fleet. Purchase orders placed for capital expenditure at balance date but not yet incurred are as follows:

	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
Property, plant and equipment	**189,007**	153,436

9. Impairment of non-financial assets

The table below details the cash-generating units (CGU) that goodwill, brands and supplier relationships are attributable to:

GROUP'S CGUS	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
Goodwill		
Australia	94,932	95,140
United States Rentals	33,539	35,000
UK/Europe Rentals	11,665	12,055
New Zealand Rentals	6,911	6,984
Action Manufacturing	2,475	2,475
	149,522	**151,654**
Brands		
Australia	6,573	6,185
United States Rentals	888	929
UK/Europe Rentals	406	419
	7,867	**7,533**
Supplier relationships		
Australia	7,229	7,124
	164,618	**166,311**

The value of goodwill and brands allocated to each of the UK/Europe Rentals, New Zealand Rentals, and Action Manufacturing operating segments is not significant in comparison to the Group's total carrying amount of goodwill, brands and supplier relationships.

In accordance with NZ IAS 36 *Impairment of Assets*, the Group is required to assess whether there are indications these non-financial assets may be impaired at 31 December 2023. If any such indication exists, the Group shall estimate the recoverable amount of the CGU. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to groups of CGUs which represent the Group's operating segments (refer to note 1).

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

9. Impairment of non-financial assets (continued)

The impairment indicator assessment observed there were impairment indicators in United States Rentals which warranted the calculation of the recoverable value at 31 December 2023. The results of this updated impairment test from 30 June 2023 reconfirmed there was no impairment of non-financial assets in United States Rentals at 31 December 2023.

The recoverable amount of the United States Rentals had been determined using value in use calculations. These calculations use cash flow projections based on management prepared forecasts covering a five-year period plus a terminal value calculation. The annual free cash flows are then discounted by a country specific post-tax discount rate to arrive at a recoverable amount (or enterprise value) of the CGU which is compared to the carrying book value. An external party has reviewed the discount rate calculation used during the period ended 31 December 2023 based on the current market inputs. The Group has adopted this discount rate in the value in use calculation.

The value in use models used by the Group to generate the cash flow projections incorporate the expected growth rates from markets the businesses operate in. Capital expenditure and disposal proceeds are projected forward based on current build or purchase costs, realisable sale values and expected fleet rotation by vehicle type (for the rentals operations).

The following table shows the sensitivity analysis for the value in use calculation of United States Rentals:

KEY ASSUMPTION	CHANGE IN KEY ASSUMPTION	REDUCTION IN RECOVERABLE AMOUNT ($000'S)	INCREASE IN RECOVERABLE AMOUNT ($000'S)	WOULD THE INDICATED SENSITIVITY RESULT IN IMPAIRMENT
Discount rate: 11.30% (30 June 2023: 11.30%)	Discount rate (+/- 1.00%)	(10,588)	13,127	No
Terminal growth rate: 2.50% (30 June 2023: 2.50%)	Terminal growth rate (+/- 0.5%)	(4,048)	4,536	No
Yield	Yield (+/- 5.00%)	(21,529)	21,536	No
Vehicle sales margin	Vehicle sales margin (+/- 2.00%)	(11,136)	11,466	No

On a standalone basis, none of the sensitivity tests shown in the table above would result in an impairment for United States Rentals. The United States businesses has over the long term provided some of the best returns within the Group and operates in the largest RV market in the world. It continues to perform profitably and is expected to do so in the future.

No impairment of United States Rentals was recognised during the period to 31 December 2023, however, a change in any of the key assumptions noted below would result in a breakeven position with no remaining headroom.

KEY ASSUMPTION	CHANGE IN KEY ASSUMPTION
Discount rate	An increase of 2.48%
Terminal growth rate	A decrease of 4.99%
Yield	A decrease of 6.25%
Vehicle sales margin	A decrease of 5.00%

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Section C – Investments

In this section

This section explains the investments held by ***thl*** and the acquisitions made during the period.

10. Business combinations

Update on the acquisition of Apollo Tourism & Leisure Ltd

On 10 December 2021, the Company announced that it had entered into a conditional Scheme Implementation Deed with Apollo Tourism & Leisure Ltd ('Apollo' or 'ATL') to merge through an Australian Scheme of Arrangement. Under the Scheme ***thl*** would acquire all outstanding shares in ATL. The scheme was conditional upon ***thl*** receiving approval to list on the Australian Securities Exchange ('ASX') and subject to approval of ATL shareholders and finalisation of appropriate funding arrangements for the merged entity. In addition, there were various court and regulatory approvals in Australia and New Zealand, including competition regulatory clearance and other conditions specified.

Following the satisfaction of all conditions, the Group acquired ATL on the 30 November 2022 with the implementation of the Scheme of Arrangement. ATL shareholders were issued one ***thl*** share for every 3.210987 ATL shares held resulting in 57,693,364 shares being issued.

thl's closing share price on 30 November 2022 of $3.69 was used to calculate the acquisition consideration of $213.9 million as per the requirements under NZ IFRS 3. The consideration value is comprised of the fair value of the new shares issued and the fair value of 898,150 ATL shares that were previously held by ***thl***.

As disclosed in note 18 of the Group's consolidated financial statements for the financial year ending 30 June 2023 the fair value of assets and liabilities arising from the ATL acquisition were determined on a provisional basis, which was to be completed within 12 months from acquisition as permitted under NZ IFRS 3. As at 31 December 2023, the acquisition date fair value of assets acquired and liabilities recognised has been finalised resulting in no changes to the provisional amounts or valuation methodologies previously disclosed.

The goodwill balance of $101.8 million on acquisition is attributed to expected synergies in Australia and New Zealand and has been allocated to the Australia ($94.9 million) and New Zealand Rentals ($6.9 million) operating segments.

The contribution of Apollo for 1 month to the Group results for the period ended 31 December 2022 was revenue of $28.1 million and operating profit before interest and tax of $2.2 million. If the acquisition had occurred at the beginning of the period, the contribution to revenue and operating profit before interest and tax for the period is estimated at $233.4 million and $44.2 million respectively.

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Section D – Managing funding

In this section

This section summarises ***thl***'s funding sources and financial risks.

11. Share capital

	NUMBER OF ORDINARY SHARES	ISSUED CAPITAL $000's
Balance as at 1 July 2022 (audited)	**152,060,700**	**278,983**
Ordinary shares issued during the period:		
As the consideration for Apollo merger	57,693,364	212,889
As part consideration for 51% of Just go acquisition	2,941,857	8,031
Exercise of share options granted to employees	473,150	1,058
Exercise of share rights granted to employees	831,692	1,836
In lieu of directors' fees	12,714	41
Balance as at 31 December 2022 (unaudited)	**214,013,477**	**502,838**
Ordinary shares issued during the period:		
Exercise of share options granted to employees	60,211	163
In lieu of directors' fees	3,435	6
Balance as at 30 June 2023 (audited)	**214,077,123**	**503,007**
Ordinary shares issued during the period:		
Dividend reinvestment plan	1,869,755	6,711
Global NZD$1000 share bonus to employees	383,024	1,295
Exercise of share options granted to employees	587,801	1,542
Exercise of share rights granted to employees	313,920	799
Balance as at 31 December 2023 (unaudited)	**217,231,623**	**513,354**

All issued shares are fully paid and have no par value. Holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at shareholders' meetings.

On 29 September 2023, 1,869,755 ordinary shares were issued and allotted at the issue price of $3.5873 per share (inclusive of a 2% discount) under the Dividend Reinvestment Plan in respect of the 2023 final dividend.

On 30 October 2023, 383,024 ordinary shares were issued and allotted at the issue price of $3.38 to eligible employees as part of the Group's global NZD$1,000 share bonus.

The Group received $1.3 million (31 December 2022: $0.8 million) in cash proceeds from employees for the exercise of 587,801 (31 December 2022: 473,150) share options during the period ended 31 December 2023.

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

12. Interest bearing loans and borrowings

The Group's borrowing structure includes a syndicated corporate debt facility, asset financiers and floor plan finance.

The corporate debt facility Guaranteeing Group consisting of Tourism Holdings Limited and all material New Zealand, Australian, United States, United Kingdom and Ireland 100% owned subsidiaries had, at 31 December 2023, multi-currency revolving credit facilities with Westpac Banking Corporation, Westpac New Zealand Limited, ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited plus Australia and New Zealand Banking Group Limited (London branch). The Group has provided a composite first ranking debenture over the assets and undertakings of the Guaranteeing Group in New Zealand, Australia, United States, United Kingdom and Ireland. Certain members of the Group also have asset finance facilities in place. In support of these facilities, the relevant members of the Group have granted specific security over the assets financed under these facilities as well as related property and proceeds of such financed assets.

In aggregate, the total funding available exceeds the current requirements of the Group. The Group has sufficient working capital and undrawn financing facilities to service its operating activities and ongoing fleet investment.

	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
Non-current liabilities		
Syndicated bank borrowings	176,337	107,357
Asset finance	168,077	143,358
	344,414	**250,715**
Current liabilities		
Asset finance	51,298	72,771
Floor plan finance	57,932	36,828
Other loans	-	1,626
	109,230	**111,225**
Total borrowings	**453,644**	**361,940**

The Group has the following borrowing facilities:

	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
Total facilities		
Syndicated bank borrowings	249,093	250,898
Asset finance	383,963	411,014
Floor plan finance	59,274	54,457
Other loans	1,788	3,489
	694,118	**719,858**
Drawn at the reporting date		
Syndicated bank borrowings	176,337	107,357
Asset finance	219,375	216,129
Floor plan finance	57,932	36,828
Other loans	-	1,626
	453,644	**361,940**
Undrawn at the reporting date		
Syndicated bank borrowings	72,756	143,541
Asset finance	164,588	194,885
Floor plan finance	1,342	17,629
Other loans	1,788	1,863
	240,474	**357,918**

The carrying amount of the Group's borrowings are denominated in the following currencies:

	UNAUDITED 31 DEC 2023 $000's	AUDITED 30 JUN 2023 $000's
New Zealand dollar	114,562	38,422
Australian dollar	104,602	86,026
United States dollar	117,990	107,872
Pounds sterling	34,961	41,307
Canadian dollar	81,529	88,313
	453,644	**361,940**

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

12. Interest bearing loans and borrowings (continued)

Syndicated bank borrowings

On 27 June 2023, the Group amended its multi-currency syndicated banking facilities with Westpac Banking Corporation, Westpac New Zealand Limited and ANZ Bank New Zealand Limited to include Australia and New Zealand Banking Group Limited and Australia and New Zealand Banking Group Limited (London Branch). The amendment includes committed facilities for debt funding equivalent to approximately NZ$250 million. The facility consists of a number of multi-currency tranches, including a new GBP facility, all maturing in July 2025. The Group's covenants include leverage ratio, debt service cover ratio, Guaranteeing Group coverage ratio, equity ratio and loan to value ratio. Interest rates applicable at 31 December 2023 range from 6.6% to 7.3% p.a.

Asset finance

Loans from asset financiers are fully secured debt in relation to motor vehicle assets and may only be used for the purchase of fleet assets and subject to a number of covenants ratios, including a current ratio, debt service coverage and debt to tangible net worth ratio. Interest rates applicable at 31 December 2023 range from 3.46% to 8.95% p.a.

Floor plan finance

Floor plan facilities are maintained to fund the inventory of new motorhomes and caravans held for resale at retail sales outlets in Australia. Terms are interest only for the first six months and then interest of 9.26% p.a. plus principal. For some lenders, balances are secured through retention of title until point of sale.

Other loans

Other loans of $1.6 million in relation to mortgages over land and buildings and COVID-19 support loans previously provided to Apollo entities in the United Kingdom, were repaid during the period.

Covenants

The consolidated group is subject to lending covenants across a number of its borrowing facilities. As at the date of these financial statements the Group is within the banking covenant requirements.

13. Financial instruments

The carrying amount of financial assets and financial liabilities recorded in the consolidated interim financial statements approximates their fair values:

- Derivative financial instruments and financial assets are carried at fair value as discussed below.
- Receivables and payables are short term in nature and therefore approximate fair value.
- Interest bearing liabilities re-price at least every 90 days and therefore approximate fair value.

Financial instruments of the Group that are measured in the consolidated statement of financial position at fair value are classified by level under the following fair value measurement hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no changes to these valuation techniques during the period. There were no transfers of derivative financial instruments between levels of the fair value hierarchy during the period.

As at 31 December 2023 the Group's assets and liabilities measured at fair values were issued shares in Camplify Holdings (CHL) which are classified within Level 1 of the fair value hierarchy. There were no transfers of financial instruments between levels of the fair value hierarchy during the year.

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

13. Financial instruments (continued)

UNAUDITED AS AT 31 DECEMBER 2023	FINANCIAL ASSETS AT AMORTISED COST $000's	FINANCIAL ASSETS VALUE THROUGH PROFIT OR LOSS $000's	FINANCIAL ASSETS VALUE THROUGH OCI $000's	DERIVATIVES USED FOR HEDGING $000's	TOTAL $000's
Assets					
Investments	-	68	24,558	-	24,626
Cash and cash equivalents	50,320	-	-	-	50,320
Trade and other receivables	42,618	-	-	-	42,618
Derivative financial instruments	-	-	-	1,354	1,354
Liabilities					
Interest bearing loans and borrowings	453,644	-	-	-	453,644
Trade and other payables	57,599	-	-	-	57,599
Derivative financial instruments	-	-	-	395	395

AUDITED AS AT 30 JUNE 2023	FINANCIAL ASSETS AT AMORTISED COST $000's	FINANCIAL ASSETS VALUE THROUGH PROFIT OR LOSS $000's	FINANCIAL ASSETS VALUE THROUGH OCI $000's	DERIVATIVES USED FOR HEDGING $000's	TOTAL $000's
Assets					
Investments	-	-	23,193	-	23,193
Cash and cash equivalents	76,794	-	-	-	76,794
Trade and other receivables	53,010	-	-	-	53,010
Derivative financial instruments	-	-	-	2,843	2,843
Liabilities					
Interest bearing loans and borrowings	361,940	-	-	-	361,940
Trade and other payables	64,170	-	-	-	64,170

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Section E – Other

In this section

This section includes the remaining information relating to ***thl***'s consolidated financial statements which is required to comply with financial reporting standards.

14. Related party transactions

Key management compensation

UNAUDITED	**31 DEC 2023 $000's**	31 DEC 2022 $000's
Salaries and other short-term employee benefits	5,192	2,784
Share based payments benefits	391	457
	5,583	3,241

Total positions included in key management compensation are 15 (31 December 2022: 16).

Executive management do not receive any directors' fees as directors of subsidiary companies.

Directors' fees

UNAUDITED	**31 DEC 2023 $000's**	31 DEC 2022 $000's
Directors' fees	368	280

Directors' fees (shares issued in lieu of cash):

	NO. OF SHARES		**AMOUNT**	
UNAUDITED	**31 DEC 2023 '000**	31 DEC 2022 '000	**31 DEC 2023 $000's**	31 DEC 2022 $000's
Shares issued in lieu of cash	-	13	-	35
Accrued value of shares yet to be issued in lieu of cash	-	-	-	6

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Schork Family

As part of the consideration for the acquisition of El Monte Rents Inc, the Group issued 3,384,266 ordinary shares in ***thl*** to entities associated with the Schork family. An entity associated with the Schork family provides warranties to customers of El Monte Rents Inc - the total amount paid by customers during the period ended 31 December 2023 was $24,000 (period ended 31 December 2022: $32,000). At the time of the acquisition, the Group entered into a number of property lease agreements with entities associated with the Schork family. The leases are in relation to branches used by El Monte RV. The cost of the leases is set out in the table below:

UNAUDITED	**31 DEC 2023 $000's**	31 DEC 2022 $000's
Total lease payments	1,930	1,795

Trouchet Family

As a result of the merger with Apollo on 30 November 2022, the Trouchet family hold an interest of 27,918,801 ordinary shares (31 December 2022: 27,910,023) via a number of holding companies and intermediary trusts. Luke Trouchet is an Executive Director of ***thl***.

The following transactions occurred with the Trouchet family and related entities during the period:

	31 DEC 2023		ONE MONTH TO 31 DEC 2022	
UNAUDITED	**REVENUE $'000**	**RECEIVABLES $'000**	REVENUE $'000	RECEIVABLES $'000
Motorhomes sold to Caravans Away Pty Ltd (Director related entity of L Trouchet)	965	-	312	1,255
Servicing and repairs sold to Caravans Away Pty Ltd (Director related entity of L Trouchet)	11	-	-	-

UNAUDITED	**EXPENSES $'000**	**PAYABLES $'000**	EXPENSES $'000	PAYABLES $'000
Rental expenses paid to KL One Trust (Director related entity of L Trouchet)	55	-	10	22
Rental expenses paid to Eastglo Pty Ltd (Director related entity of L Trouchet)	123	-	18	52
Advertising expenses paid to RV Boss Pty (Director related entity of L Trouchet)	41	8	8	-
Annual salary paid to A Trouchet inclusive of superannuation (A related party of L Trouchet)	31	-	4	-

Notes to the consolidated interim financial statements (continued)

FOR THE PERIOD ENDED 31 DECEMBER 2023

15. Foreign currency translation reserve

Exchange differences arising on the translation of foreign operations are taken to the foreign currency translation reserve. When any net investment is disposed of, the related component of the reserve is recognised in profit and loss as part of the gain or loss on disposal.

The closing exchange rates used to translate the statement of financial position are as follows:

	UNAUDITED 31 DEC 2023	AUDITED 30 JUN 2023
NZD/AUD	0.9279	0.9182
NZD/USD	0.6340	0.6075
NZD/CAD	0.8387	0.8052
NZD/GBP	0.4977	0.4816

16. Contingencies

As at 31 December 2023, other than bank guarantees, which are predominantly in lieu of bonds paid relating to leased assets, the Group has no material contingent liabilities.

17. Events after the reporting period

On 23 January 2024, the Group announced it has entered into an agreement to purchase Camperagent RV Centre, a leading RV sales dealership in Adelaide, South Australia. The acquisition was completed on 31 January 2024 for a total cash consideration of $11.8 million, consisting of $4.3 million in goodwill and $7.5 million in net tangible assets, comprising largely of inventory held for sale. The fair value of the assets and liabilities arising from the acquisition have been determined on a provisional basis and will be finalised within 12 months from acquisition as permitted under NZ IFRS 3.

On 19 February 2024, the Directors approved a fully imputed, partially franked interim dividend of 4.5 cents per share payable on 5 April 2024.

There are no other events after the reporting period which materially affect the information within the Group's consolidated interim financial statements.

Independent auditor's review report

TO THE SHAREHOLDERS OF TOURISM HOLDINGS LIMITED

Building a better working world

Report on the review of the interim financial statements

Conclusion

We have reviewed the interim financial statements of Tourism Holdings Limited ("the Company") and its subsidiaries (together "the Group") on pages 1 to 22 which comprise the consolidated interim statement of financial position as at 31 December 2023, and the consolidated interim statement of income, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the six months ended on that date, and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements on pages 1 to 22 of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the six months ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review procedures, for this report, or for the conclusion we have formed.

Basis for conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Ernst & Young provided tax advisory and immigration services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Directors' responsibility for the interim financial statements

The directors are responsible, on behalf of the Entity, for the preparation and fair presentation of the interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Simon O'Connor.

Ernst + Young

Chartered Accountants
Auckland
20 February 2024