



**2021 *thl*  
Annual  
Meeting**

21 October 2021

- Welcome
- Questions can be submitted at any time during the meeting – for assistance refer to the online portal guide or contact the helpline on 0800 200 220
- Quorum present
- Directors and management team in attendance

# Proxies and postal votes

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- Valid proxy and postal votes: 57.4M
- Proxy and postal as percentage of ordinary shares on issue: 37.8%
- Proxies received identifying Chair of meeting as proxy: 42.5M

# Agenda

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- Chair's address
- Chief Executive's address
- General Q&A session on business and performance
- Three resolutions
- Close of meeting

# Chair's address

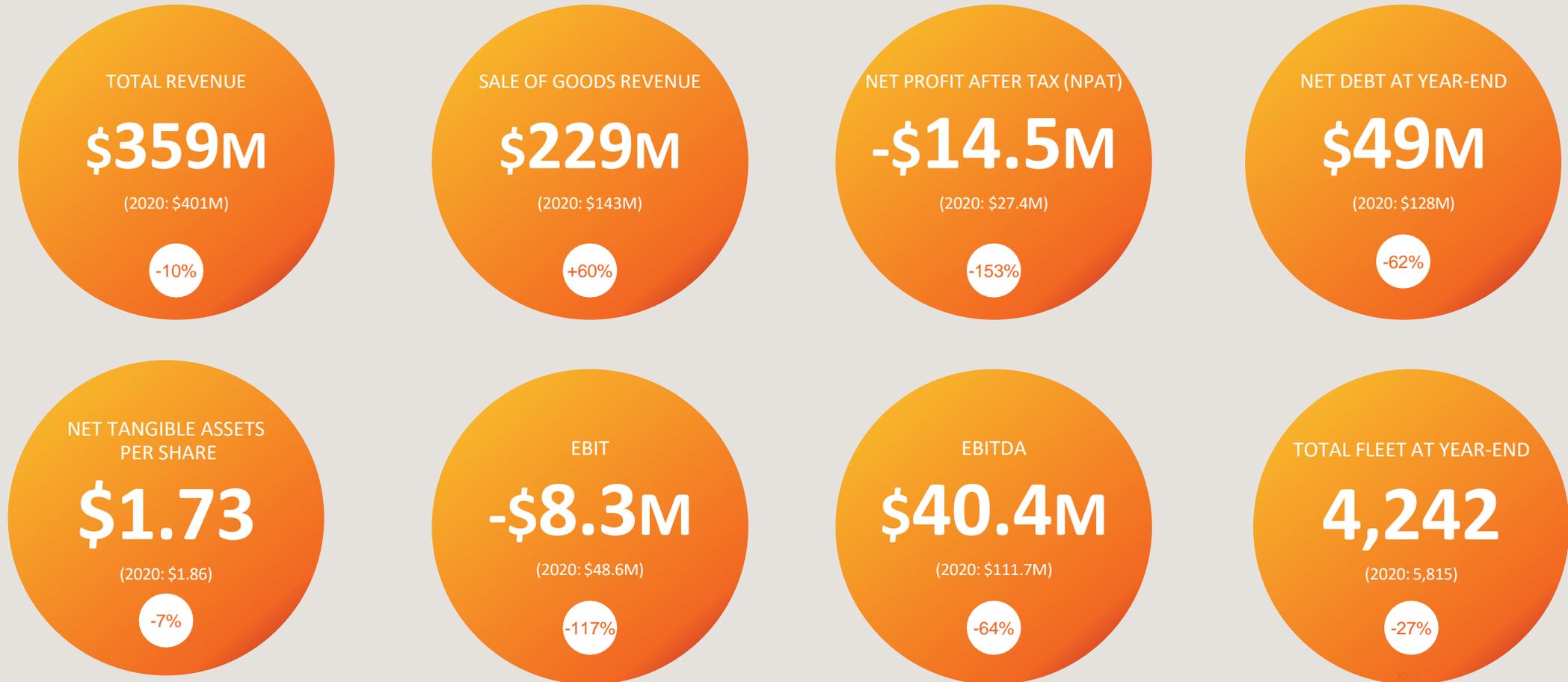


# FY21 summary

- Continued to operate in a highly volatile environment
- Statutory net loss after tax of \$14.5M, and ordinary net loss after tax of \$14.3M down \$34.3M on the pcp
- Continued balance sheet management with net debt of \$49M at year-end and refinanced debt facilities of up to \$250M through to 2024
- Record vehicle sales revenue and volumes, selling over 2,900 vehicles globally
- Growth in average vehicle sales margin per vehicle in all countries. Some of this gain should be considered one off in nature
- Experienced structural growth in the RV travel category

# Year in review

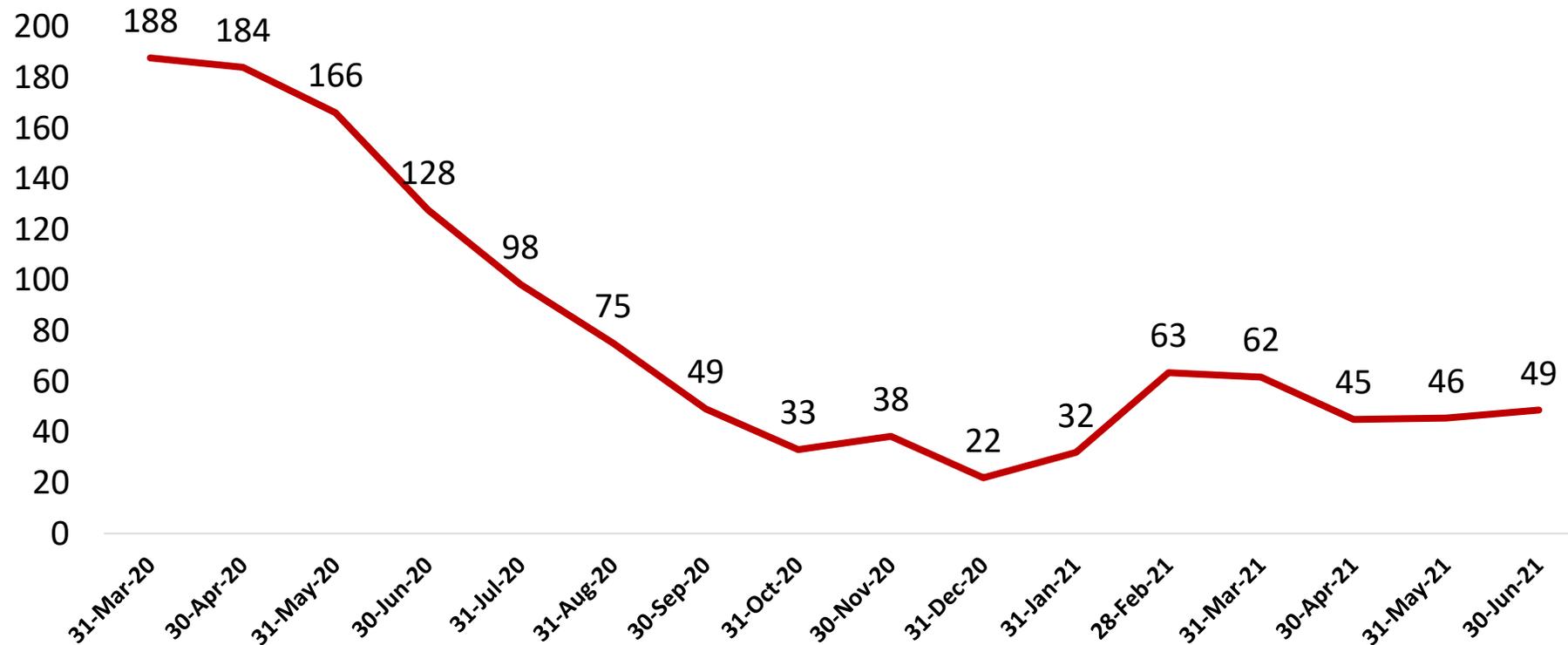
As at 30 June 2021



# Rebalancing to vehicle sales and managing debt

**thl had record vehicle sales revenue, volume and average sales margin per vehicle in all three countries in FY21**

### Net Debt (NZ\$M)



- **Proven capability to manage the balance sheet**
- **No current plans to raise capital for balance sheet protection or fleet regrowth**

# Positioning for the future

- Reinvesting in fleet and generating opportunities for the future without creating undue risk
- Being proactive about our future fleet needs with projects assessing the most suited new technologies
- Numerous internal projects to continue to strengthen our core competency of running an efficient RV rentals business
- Development and launch of the Cosmos booking and fleet management system
- Developed the domestic aspects of our business and generated new domestic revenue streams
- Acquired the remaining 50% interest in Action Manufacturing and are exploring further complementary acquisitions

# Our views on tourism and the RV market

- We are confident that international leisure tourism will return in all markets in which we operate
- We are confident our core RV category will continue to increase its proportion of the total tourism market globally
- We believe that we have the business model, people capability and balance sheet to enable an appropriate return on capital for shareholders over a reasonable time period
- Broadly we see no structural reason why *thl* can't achieve the \$50M NPAT target we set in 2017, within two years of the global tourism system operating in a pre-COVID-like manner
- We continue to explore acquisition opportunities globally, as we always have
- We remain open and transparent in our Integrated Report on the key risks we see for this business in the short and long term
- We remain focussed on creating long term sustainable value for all our stakeholders

# Chief Executive's address



# Keeping our crew and customers safe



# Notable events in the year

- Minimised the loss and protected shareholders once again from any dilutive capital raise
- Purchased the remaining 50% of Action Manufacturing, a business with a very strong forward book of in excess of \$100M in revenue <sup>1</sup>
- Created new records across the business for volume and margin
- Successes in the technology space with some cost and timing challenges that we are focused on improving
- Managed the challenges of the global supply chain leveraging long standing relationships
- Increased front line wages in the USA and New Zealand in line with the **thl** Future Fit wage approach
- Continued to create ‘alternative revenue’ opportunities
- Deeper engagement in Waitomo with the owners and wider community

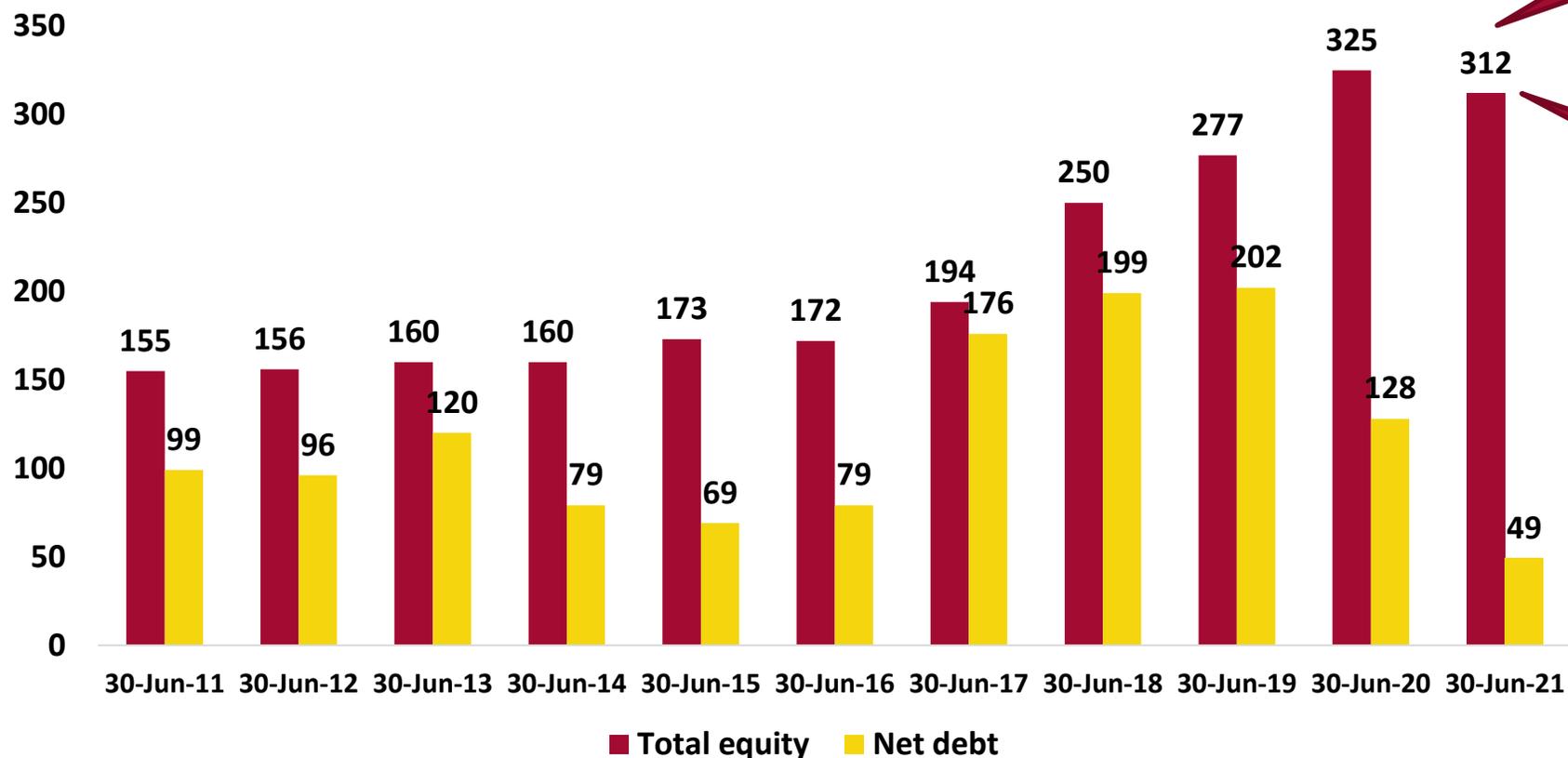
<sup>1</sup> Includes intragroup motorhome revenue between Action Manufacturing and the New Zealand and Australian rentals business, as well as external revenue attributable to the specialist vehicle manufacturing business.

# The current state of the business

- Lockdowns in New Zealand and Australia have dented our performance in Q1 of FY22 compared to our expectations
- Operating at approximately 40% utilisation in Australia and 20% in New Zealand
- USA high season below expectations as indicated in the FY21 Annual Results, but a positive outlook for the return of international tourism
- Continued positive vehicle sales market. 620 vehicles sold globally in Q1 due to us limiting sales in certain markets to ensure an appropriate rental fleet size
- Sale margins have continued the exceptional trend and are up on the corresponding Q1 last year
- Strong ongoing management of operational costs

# Our value is backed by realisable, in demand assets

### Balance sheet



Includes approximately \$274M in vehicles at book value

Based on our historical sales margins, we conservatively estimate the additional real equity in our fleet at 30 June 2021 is at least ~\$27M to \$55M and reflects an additional ~18 to 36 cents per share

**As at 30 June 2021, thl had a statutory net tangible assets per share of \$1.73**

# Fleet investment

- Net capital expenditure in FY22 now expected to be between \$25M to \$60M, as we sell more vehicles and move New Zealand vehicle on-fleet dates into FY23
- **USA:** Decreasing fleet into winter and is expected to regrow fleet in the CY22 high season
- **Australia:** Fleet size has passed its low point and has started to regrow
- **New Zealand:** Likely to see a low point at the end of CY21, and will start to rebuild throughout CY22, accelerating in the second half of CY23

# Our debt facilities enable fleet regrowth

- Refinanced our debt facilities in June 2021 with committed funding of up to \$250M through to 2024
- Net debt is currently below \$50M
- Current headroom enables us to increase fleet by up to 2,500 vehicles
- Targeting the USA and Australia returning to pre-COVID fleet levels at some point in FY23
- New Zealand fleet regrowth is more uncertain and will likely take longer

## Maturity of debt facilities (\$NZ)

June 2023	\$50M
June 2024 <sup>1</sup>	\$201M
<b>Total facilities<sup>1</sup></b>	<b>\$251M</b>

<sup>1</sup> Includes USD, GBP and AUD denominated commitments and a NZ\$50M facility that becomes available from December 2021.

# Outlook

- Continued uncertainty makes any specific FY22 NPAT guidance inappropriate but reiterate that we expect there will be an NPAT loss in FY22
- H1 FY22 is expected to be down on FY21 due to the Delta impact in New Zealand and Australia, lower USA rental performance and less government support globally
- We expect H2 FY22 will be significantly improved on FY21 as vaccination rates in Australasia climb, restrictions ease and operating conditions improve
- No structural reason we see today that would prevent **thl** from achieving the pre-COVID NPAT goal of \$50M in future
- Expect to provide a further update in December 2021

We have a path

We are working with a  
Future-Fit methodology  
and mindset.



## A positive future

***Whilst acknowledging the current loss situation, the business is very well positioned to emerge from this pandemic period with a leading market position, well managed balance sheet, new revenue streams, a growth orientated manufacturing business and a capable, motivated crew.***

# General questions relating to business



- Three ordinary resolutions
- Voting by way of poll
- Vote using the electronic voting card once online registration is validated
- Refer to virtual meeting online portal guide or contact helpline on 0800 200 220

# Voting and asking questions



HELP NUMBER  
0800 200 220

Ask a Question

Get a Voting Card

Exit Meeting ↗



Voting card

Question box

+  
Get a Voting Card

?  
Ask a Question

- Downloads
- Notice of meeting
  - Annual report
  - Virtual Annual Meeting Online Guide

## Resolution 1

### Re-election of Rob Campbell

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**That Robert James Campbell, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.**

## Resolution 2

### Re-election of Debbie Birch

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**That Debra Ruth Birch, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.**

## Resolution 3

### Auditor remuneration

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**That the Directors are authorised to fix the remuneration of the auditors for the ensuing year.**

# General business and closing



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