



2020 ANNUAL  
SHAREHOLDERS  
MEETING PRESENTATION

# Resilience to reset

30 October 2020



# 2020 Annual Meeting

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- 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: 35.3M
- Proxy and postal as percentage of ordinary shares on issue: 23.8%
- Proxies received identifying Chair of meeting as proxy: 32.9M

# Agenda

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- Chair's address
- Chief Executive's address
- Chief Financial Officer's first impressions of *thl*
- General Q&A session on business and performance
- Three resolutions
- Close of meeting

A white motorhome is driving on a two-lane asphalt road that curves through a scenic landscape. The road is bordered by a metal guardrail. In the background, there is a large body of water, possibly a bay or harbor, with several buildings and a marina. The sun is low on the horizon, creating a warm, golden glow. The foreground is filled with out-of-focus green foliage.

**Chair's  
Address**

**Rob Campbell**

# Chair's address

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- A challenging year with the most significant social and economic disruption in recent times
- The future is highly uncertain and it is difficult to predict when tourism will recover, but it is becoming apparent we will have some form of disruption for at least the next 12 months

# Financial results

## REVENUE

**\$401M** -5%

(FY19 \$423M)

8 MONTHS

**\$288.3M**

(FY19 \$285.5M)

4 MONTHS

**\$112.6M**

(FY19 \$137.5M)

## OPERATING PROFIT BEFORE FINANCING COSTS AND TAX (EBIT)<sup>1</sup>

**\$48.6M** -22%

(FY19 \$62.1M)

8 MONTHS

**\$53.5M**

(FY19 \$57.0M)

4 MONTHS

**-\$4.9M**

(FY19 \$5.1M)

## NET PROFIT AFTER TAX (NPAT)<sup>1</sup>

**\$27.4M** -8%

(FY19 \$29.8M)

8 MONTHS

**\$25.5M**

(FY19 \$30.3M)

4 MONTHS

**\$1.8M**

(FY19 -\$0.6M)

## UNDERLYING NPAT<sup>2</sup>

**\$20.0M** -28%

(FY19 \$27.9M)

8 MONTHS

**\$25.5M**

(FY19 \$30.3M)

4 MONTHS

**-\$5.5M**

(FY19 -\$2.5M)

## VEHICLE SALES QUANTITY

**2,066** 0%

(FY19 2,059)

## NZ DOMESTIC CAMPAIGN BOOKINGS

**~20,000**

<sup>1</sup> Inclusive of non-recurring items.

<sup>2</sup> Exclusive of non-recurring items. See slide 3 in our FY20 Annual Results presentation.

# Chair's address

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- Responded swiftly and decisively in making changes that were necessary to operate in the new environment
- Undergone the biggest organisational change in our history
- Avoided the need for a capital raise by selling down our motorhomes to generate cash – but this cannot continue forever without re-investing in our fleet
- Net debt will continue to reduce in the first half of FY21 but must necessarily increase once again as we purchase new fleet to meet demand

# Chair's address

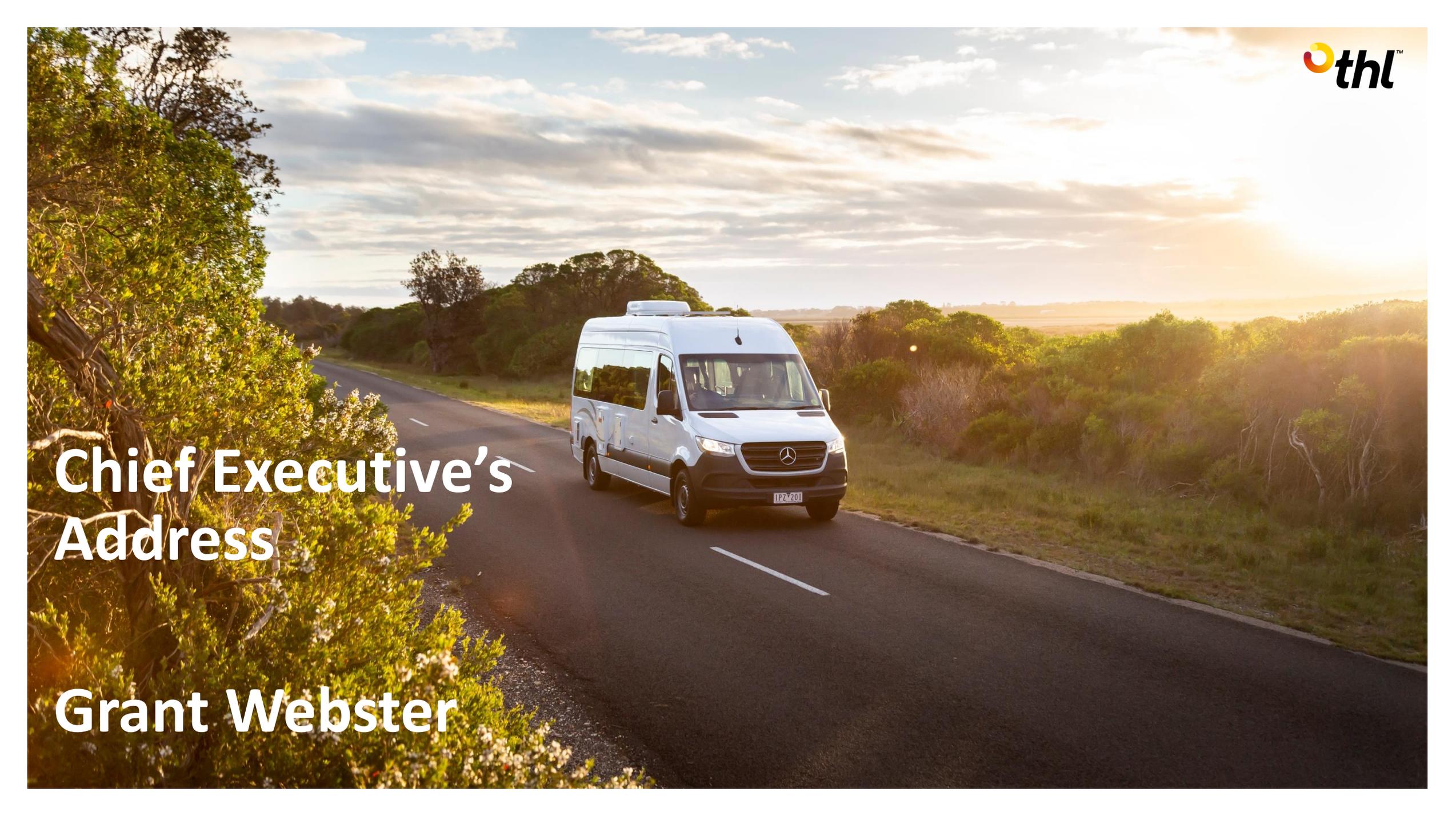
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- Environment changing at too fast a pace to provide a forecast for the coming 12 months
- Assume that *thl* will not make a profit in FY21 given the increased likelihood that international borders will remain largely closed
- Do not expect to pay a dividend for FY21
- Continue to be future focused despite the immediate issues
- *thl* is at its core a dynamic company and should not be deterred from continuing to be growth oriented

# Chair's address

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- Continue to review the broad direction of our business and capitalise on opportunities presenting themselves based on our core skill set
- Being a global company has proven useful and given our business model further resilience
- Tourism as an industry and *thl* as a business can only prosper if sustainable and regenerative
- Thank you to all of our people for their efforts over the last 12 months

A white Mercedes-Benz Sprinter van is driving on a paved road that curves through a lush, green landscape. The scene is captured during the 'golden hour' of sunset, with the sun low on the horizon to the right, casting a warm, golden glow over the entire scene. The sky is filled with soft, wispy clouds. The van is positioned in the center-right of the frame, moving towards the viewer. The road has a white dashed line on the right side. The surrounding vegetation is dense and vibrant green, with some trees in the background. The overall mood is serene and professional.

# Chief Executive's Address

Grant Webster

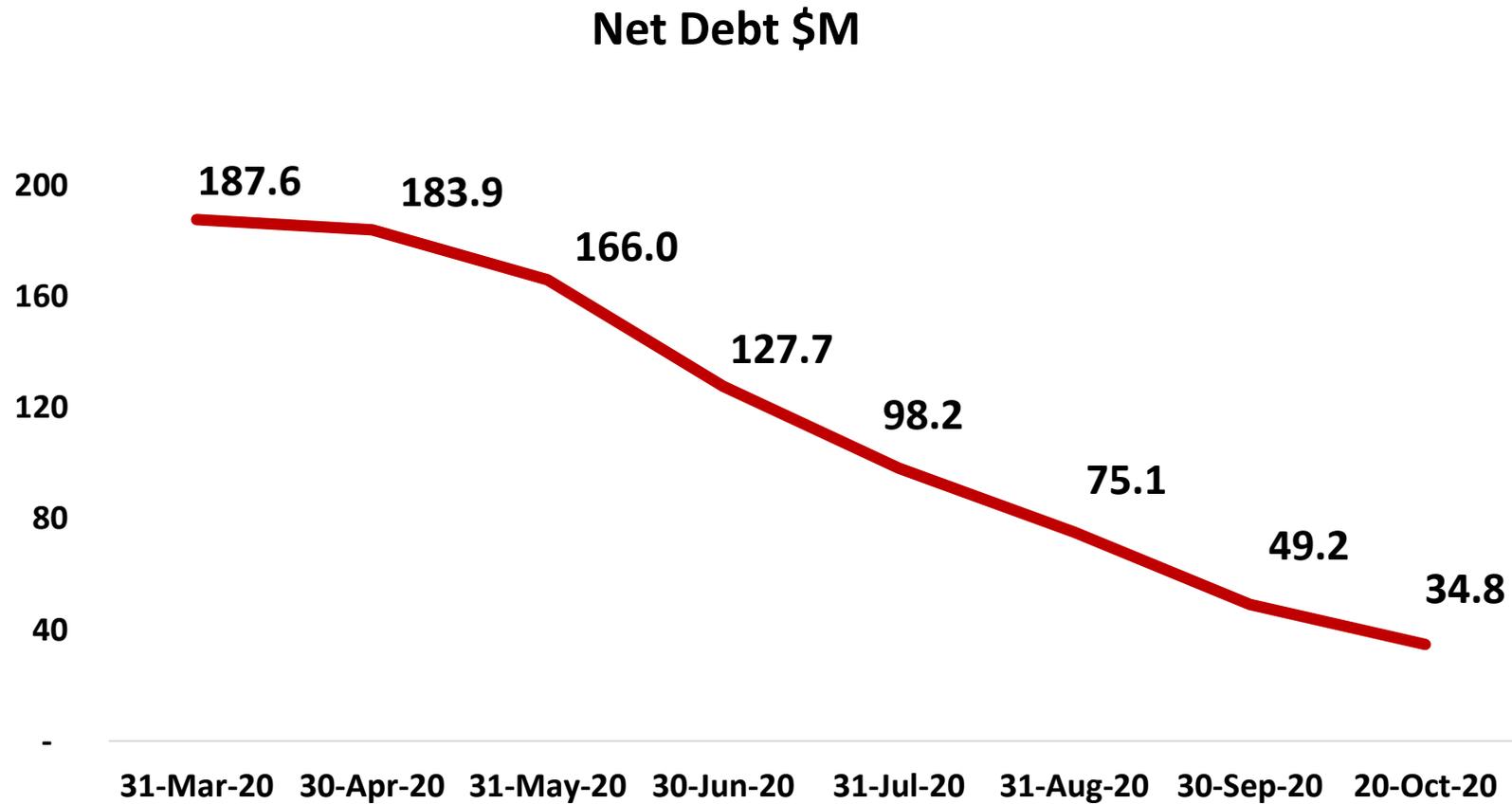
# Acknowledging our people

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- Our people stepped up to the challenge in front of them and made great things happen
- Most of our highlights over the last 12 months are attributable to our dedicated and talented people
- Our restructure affected crew from all aspects of our business
- To those people impacted by these decisions I thank all of you for your contributions to our business

# Debt reduction

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# Notable achievements and events

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- Undertaking our structured exit from our technology joint venture Togo Group
- Launch of the fleet management and telematics products within our core rentals business
- Co-operating with government agencies and private organisations to provide essential support services
- Four consecutive record vehicle sales months in the USA
- Action Manufacturing success in the non-motorhome commercial sector
- Overcoming the impacts of recent fire at Māngere branch in Auckland

# Senior Executive team

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**Grant Webster**  
Chief Executive



**Nick Judd**  
Chief Financial Officer



**Gordon Hewston**  
COO – Northern Hemisphere



**Kate Meldrum**  
COO – Australia



**Matthew Harvey**  
COO – New Zealand



**Ollie Farnsworth**  
Chief Commercial & Customer Officer



**Steven Hall**  
Deputy Chief Financial Officer

# The domestic environment

- We are over-fleeted in New Zealand, and to a lesser extent Australia, relative to the size of the domestic population
- We see increased fluctuation in customer demand, lower yield and shorter hire durations
- Weekend booking pattern results in maximum achievable utilisation during peak periods falling by approximately 20% due to vacant days mid-week

	Approximate fleet size*	Domestic residents per <i>thl</i> vehicle
New Zealand	2,500	1 RV for every 1,900 people
Australia	1,440	1 RV for every 17,000 people
United States	1,900	1 RV for every 173,000 people

\* As at 30 June 2020

	% $\Delta$ average yield in the domestic environment*
New Zealand	~ 50% lower
Australia	~ 30% lower
United States	~ 0 – 10% higher

\* Compared to *thl*'s historical performance in a mixed international/domestic environment in each country. Approximate figures and management estimates only.

# Financial outlook

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- Expecting a domestic only environment in all countries for FY21
- On that assumption we expect an EBIT loss for FY21 at a group level
  - Greatest loss expected to be the New Zealand businesses followed by Australia
  - Expect a small EBIT profit in the USA
- Positioning business to make an EBIT profit in FY22, provided there is a reasonable quantum of international leisure travel
- USA and Australia positioned to enable an FY22 EBIT profit in a domestic or international environment, provided there are no interstate travel restrictions across the year

# Capital expenditure and debt

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- Will be purchasing more fleet than previous expectations, particularly in the USA
- We have committed to around \$100M of capital expenditure in the second half of FY21
- Expect gross capital expenditure of approximately \$100M - \$130M in FY21 and net capital expenditure to be negative
- Expect net debt position of around \$100M at the FY21 year end

# Strategic focus

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## NEW ZEALAND

### Rentals

- Increase vehicle sales, servicing and retail activity
- Initiatives to improve utilisation and yield in the domestic environment, particularly in the off-peak periods

### Tourism

- Adapt our marketing mix to minimise EBIT loss

## AUSTRALIA

- Preparing business for profitable operation once interstate travel restrictions are lifted
- Balancing vehicle sales and rental fleet requirements to meet positive demand profile for CY2021
- Holding fleet size at current levels
- Will consider further investment based on expectations of performance in full interstate travel environment

## UNITED STATES

- Reduced fleet, maximised sales and minimised debt in 2020
- Ongoing investment and fleet renewal in order to drive profitability in CY2021
- A real domestic rentals opportunity we can capitalise on as two key operators have exited the USA market for at least CY2021

# Strategic focus

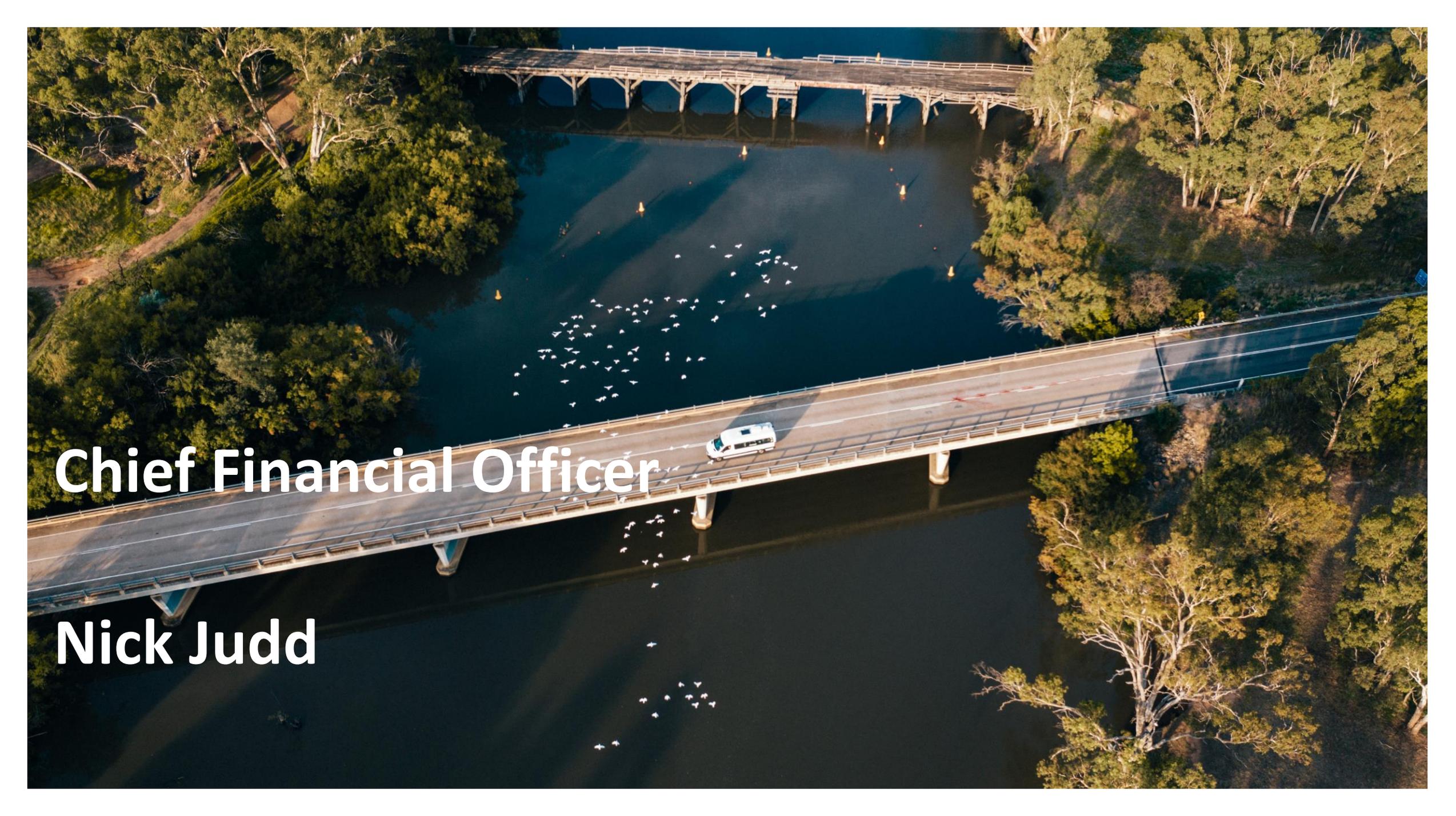
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- We believe we have made the right strategic decisions so far
- We have confidence in our core competencies and capabilities
- We will continue to develop our regional digital strategy in a cost effective manner
  - Improving efficiency in our core rentals
  - Building out new revenue streams
- Continue to explore operating in the broader RV ecosystem and growing through M&A
- Once borders open we see a positive outlook and will continue our path for growth

# Committed to becoming Future Fit

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- Firm and ongoing commitment to making progress as a Future Fit Business
- Timing and approach has changed but the way we operate to ensure long-term success for all stakeholders is unchanged
- Remain invested in electrifying our fleet – but this requires R&D efforts from chassis suppliers to improve battery range
- Thank you to all of the **thl** team and our committed Board
- We now focus on dealing with the challenges of FY21 and leading the industry recovery



**Chief Financial Officer**

**Nick Judd**

# General Questions

(not relating to resolutions)



# Voting

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- Three 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

# Resolutions

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## Resolution 1

### Re-election of Cathy Quinn

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**That Catherine Agnes Quinn, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.**

# Resolutions

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## Resolution 2

### Re-election of Gráinne Troute

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**That Gráinne Patricia Troute, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.**

# Resolutions

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## 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**

Thank you



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