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

## THL OUTLINES ITS GROWTH ROADMAP

Tourism Holdings Limited (NZX:THL, ASX:THL, "*thl*" or "the Company") has today released a presentation detailing the growth drivers that it believes underpin its expected performance improvement over the coming years.

*thl* Chair, Cathy Quinn stated that "the recent work completed as part of *thl*'s business planning process, combined with the strategic initiatives *thl* has been progressing, and the detailed assessment of the non-binding offer from the BGH consortium, has led the Board<sup>1</sup> to a view that now is the right time to present *thl*'s growth roadmap for the coming years. The Board is unanimous in its belief that *thl* has now passed an inflection point in terms of performance and, over the next few years, expects rental revenue to grow significantly, debt to reduce significantly, and its near-term cost reduction plan to be successfully implemented."

Included in the presentation is an update on a range of strategic initiatives that *thl* has been working on for some time, to address current challenges and enhance long-term value. These initiatives include:

- the strategic review of the UK & Ireland division;
- actions to address a significant gap between *thl*'s manufacturing costs in New Zealand and Australia, where on certain models, *thl* manufactures for 20% less in New Zealand, after allowing for shipping costs to Australia;
- a plan to reduce capital employed and improve profitability in the Australian Retail Sales division through overhead and inventory reduction and a rationalisation of products and brands; and
- the acceleration of *thl*'s North American synergy project.

*thl* believes that the combination of its growth drivers and strategic initiatives positions the Company to achieve its goal of \$100 million in net profit after tax over the next three to four years. In support of this ambition, *thl* has outlined a set of key assumptions that must be met in order for *thl* to meet and exceed this goal.

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<sup>1</sup> As noted in *thl*'s NZX/ASX announcement dated 16 June 2025, the Board determined that Luke Trouchet would not participate in the *thl* Board or subcommittee meetings and processes assessing the merits of, or matters associated with or relevant to, the non-binding indication of interest from a consortium comprising BGH Capital and the family interests of Luke and Karl Trouchet, nor in respect of other strategic initiatives being considered by *thl*. Accordingly, references in this announcement to the Board refer to the Board comprising all Directors of *thl* other than Luke Trouchet.



**thl** intends to release its financial results and integrated annual report for the 12 months ending 30 June 2025 on Monday, 25 August 2025. As part of this release, **thl** will provide any additional updates on the progress of these initiatives.

ENDS

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About **thl** ([www.thlonline.com](http://www.thlonline.com))

**thl** is a global tourism operator listed on the NZX and ASX (code: THL) and is the largest commercial RV rental operator in the world. In New Zealand/Australia, **thl** operates rental brands (Maui, Britz, Apollo, Mighty, Hippie, Cheapa Campa), manufacturing (Action Manufacturing, Apollo), retail brands (Talvor, Kea, Winnebago, Adria, Coromal, Windsor), retail dealerships (RV Super Centre, Apollo RV Sales, Kratzmann, George Day, Sydney RV, Camperagent), travel technology (Triptech) and tourism attractions (Kiwī Experience and the Discover Waitomo Group, which includes Waitomo Glowworm Caves, Ruakuri Cave, Aranui Cave and The Legendary Black Water Rafting Co.). In North America, **thl** operates the Road Bear RV, El Monte RV, CanaDream, Britz and Mighty rental brands. In UK and Europe, **thl** operates the Just go, Apollo and Bunk Campers rental brands.

# *thl* Growth Roadmap

4 August 2025



○ As seen, worldwide

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## Disclaimer

The material contained in this document is a presentation of information about Tourism Holdings Limited's (**thl**) activities current as of the date of this presentation. It should be read in conjunction with **thl**'s periodic reporting and other announcements lodged with ASX and NZX.

This presentation contains forward-looking statements and projections. These reflect **thl**'s current expectations, based on what it thinks are reasonable assumptions. The statements are based on information available to **thl** at the date of this presentation and are not guarantees or predictions of future performance. For any number of reasons, the future could be different and the assumptions on which the forward-looking statements and projections are

based could be wrong. **thl** gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or NZX listing rules, **thl** is not obliged to update this presentation after its release, even if things change materially.

This presentation has been prepared for publication in New Zealand and may not be released or distributed in the United States.

This presentation is for information purposes only and does not constitute financial advice. It is not an offer of securities, or a proposal or invitation to make any such offer, in the United States or any other jurisdiction, and may not be relied upon in connection with any purchase of **thl** securities. **thl** securities have not been, and will

not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US State securities laws. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

This presentation may contain a number of non-GAAP financial measures. Because they are not defined by Generally Accepted Accounting Practice in New Zealand (NZ GAAP) or International Financial Reporting Standards (IFRS), **thl**'s calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in

isolation from, or construed as an alternative to, other financial measures determined in accordance with NZ GAAP.

This presentation does not take into account any specific investors objectives and does not constitute financial or investment advice. Investors are encouraged to make an independent assessment of **thl**. The information contained in this presentation should be read in conjunction with **thl**'s latest financial statements, which are available at: [www.thlonline.com](http://www.thlonline.com).

## Rental revenue outlook

**thl** expects rental revenue growth in FY26 and beyond

Driver	Context
<b>Rental Revenue</b>	<ul style="list-style-type: none"> <li><b>thl</b>'s rentals forward book shows year-on-year double-digit percentage revenue growth in all markets except the USA</li> <li>Forward rental revenue in New Zealand and Australia is currently approx. 25% higher than the same time last year. While <b>thl</b> does not expect that growth rate to hold for the entire year, it provides confidence for future growth</li> </ul>
<b>Rental Hire Days</b>	<ul style="list-style-type: none"> <li>In FY25, <b>thl</b>'s global rental hire days and rental fleet size (at year-end) remained approximately 30% below FY19 levels</li> <li><b>thl</b> believes that its rental hire days will grow towards pre-COVID levels, supported by: <ul style="list-style-type: none"> <li>greater awareness of RV travel, particularly among younger demographics, driven by pandemic-era travel trends</li> <li>Government-backed tourism growth strategies to return to pre-pandemic visitor activity, including THRIVE 2030 in Australia, the 2025 Government Tourism Boost funding in New Zealand, Destination Canada's 2030 Tourism Strategy, America250 and the Route 66 Centennial tourism campaign</li> </ul> </li> </ul>
<b>Rental Yields</b>	<ul style="list-style-type: none"> <li>Rental yields saw a structural increase through the pandemic period, between 40% to 75%, depending on the market</li> <li><b>thl</b> indicated that a proportion of this increase was temporary and believes that yields have now normalised. This is supported by the current rentals forward book showing a return to modest growth in rental yields in the core New Zealand and Australian markets</li> </ul>
<b>Fleet Utilisation</b>	<ul style="list-style-type: none"> <li>A key rationale of the merger with Apollo Tourism &amp; Leisure was the expectation that <b>thl</b> could operationally meet a similar volume of rental hire days with a smaller fleet, enabling better capital efficiency</li> <li>Recent global challenges in RV sales have led to surplus rental capacity and suboptimal utilisation across all markets. This creates an opportunity for <b>thl</b> to grow hire days in future years without a proportional increase in fleet size</li> </ul>
<b>Fleet Size</b>	<ul style="list-style-type: none"> <li><b>thl</b> has grown its fleet by 8% in FY25 to approx. 8,500 (at year end), taking overall fleet growth to 32% across the last three financial years. This compares to an FY19 fleet size of approximately 11,000 vehicles<sup>1</sup></li> <li><b>thl</b> expects to continue growing its fleet in the coming years, but at a more moderate pace, given the capacity to grow rental hire days through utilisation improvement</li> </ul>

<sup>1</sup> Combined **thl** and Apollo Tourism & Leisure fleet but excluding Apollo's USA fleet.

## Other earnings growth drivers

**thl** believes it has now passed an inflection point in its earnings performance

Driver	Context
<b>Improving Fleet Economics</b>	<ul style="list-style-type: none"> <li><b>thl</b> has targeted fleet build/buy cost reduction in FY26</li> <li>These cost reductions would have a significant immediate cash benefit, which is then realised through the P&amp;L as depreciation and interest savings over a full fleet rotation cycle</li> </ul>
<b>Optimising Overheads and Leveraging Single Platform</b>	<ul style="list-style-type: none"> <li><b>thl</b> is nearing completion of a major digital transformation and integration programme, including moving seven digital systems to common platforms globally. These changes present both potential revenue and cost opportunities</li> <li>Plans are on-track to realise corporate cost efficiencies, and implementation costs are largely complete</li> </ul>
<b>Operating Leverage</b>	<ul style="list-style-type: none"> <li><b>thl</b> businesses operate with a high fixed-cost base, which results in high operating leverage as the business continues to scale its rental fleet and hire days, which remains below pre-COVID levels</li> <li>Based on <b>thl</b>'s planned hire day growth, <b>thl</b> believes it can reduce its operating costs as a proportion of rental revenue by a double-digit percentage</li> </ul>
<b>Reducing Net Debt and Interest Expense</b>	<ul style="list-style-type: none"> <li><b>thl</b> expects net debt to reduce by approximately \$50M in aggregate across FY26 and FY27 through earnings growth and moderation of fleet growth capex<sup>1</sup></li> <li>There is potential for further debt reduction if funds are released from the UK &amp; Ireland at the conclusion of the strategic review – refer next page</li> </ul>
<b>Recovery in RV Sales Demand</b>	<ul style="list-style-type: none"> <li>Central banks in all <b>thl</b> operating markets have reduced rates from recent peaks, with further near-term cuts expected in all markets, reducing financing costs on RV purchases and potentially supporting a recovery in demand</li> <li>North American RV sales are particularly sensitive to interest rates due to higher reliance on vehicle financing among buyers</li> </ul>

<sup>1</sup> Net debt excludes IFRS16 lease liabilities.

## Strategic initiatives

As referred to in previous announcements on 16 June 2025 and 4 July 2025, **thl** has been progressing a range of initiatives for some time to address current challenges and enhance long-term shareholder value

### UK & IRELAND

- **thl** has been conducting a strategic review of its UK & Ireland division
- Given the division's relative scale within the broader **thl** group, **thl** is actively exploring strategic options including the potential for a capital release through a divestment, to reallocate funds to markets where **thl** sees better returns on effort and investment

### AUSTRALASIAN MANUFACTURING

- **thl** has been taking actions to improve production efficiency and quality in the Brisbane factory, including system and reporting improvements and changes to organisation structure, manufacturing methodology and product lines
- Despite recent improvements, the reduction in capacity and moderation in the fleet growth outlook has widened a cost gap between manufacturing in New Zealand and Australia
- On certain models, **thl**'s manufacturing cost is 20% less in New Zealand, after allowing for shipping costs to Australia
- **thl** is exploring actions to address the cost gap between the two markets as a matter of priority

### AUSTRALIAN RETAIL SALES

- The Australian Retail Sales division has seen the largest decline in FY25 of all **thl**'s divisions given its greater exposure to the cyclical RV sales market
- **thl** has been developing a plan to reduce capital employed and improve profitability through overhead and inventory reduction, and a rationalisation of products and brands
- There is a strong focus on managing elevated inventory levels, which have reduced from a peak of \$110m to \$72m. **thl** expects further reductions in FY26

### NORTH AMERICA

- **thl** is focused on delivering to its 15% ROFE target for North America from the significant funds employed in those markets
- Now that tariff-free RV movements between USA & Canada are confirmed, **thl** intends to accelerate its North American synergy project
- The project has the potential to operate North America as one fleet from a procurement and sales perspective, improving the fleet economics of the region
- **thl** has also implemented regional labour synergies and has a suite of demand generation initiatives underway

## Net profit after tax goal

**thl** has a goal to exceed \$100M NPAT over the next three to four years

- **thl** believes that the combination of these growth factors and strategic initiatives makes \$100M in net profit after tax (**NPAT**) an achievable goal
- This is primarily driven by growth in rental hire days, allowing **thl** to capitalise on its operating leverage, the North American synergy project and cost out and optimisation initiatives
- **thl** has a goal to exceed \$100M NPAT over the next three to four years
- The following are **thl**'s key assumptions underpinning achievement of its \$100M NPAT goal, relative to FY25:
  - **Rental Days:** ~25% growth; total days remain below FY19 levels
  - **Rental Yields:** Adjusted for inflation only
  - **Vehicle Sales:** Gross profit increases less than 10%
  - **Fleet:** ~9,000 vehicles by 30 June 2028<sup>1</sup>
  - **Net Debt:** Over \$100m reduction in net debt<sup>1</sup>
  - **Total Costs and Depreciation:** Single-digit percentage increase; costs from activity growth to be partly offset by fleet and overhead cost saving initiatives
  - **NZ Tourism:** ~50% EBIT reduction from FY28<sup>2</sup>
- These assumptions represent total aggregate changes from FY25 and are not annualised rates

<sup>1</sup> Assumes release of funds related to ~650 vehicle fleet in UK & Ireland.

<sup>2</sup> The Waitomo Glowworm Caves (**WGC**) lease expires in June 2027. For these projections, **thl** has assumed that new arrangements are not implemented, however **thl** has a desire to continue to operate the WGC attraction in conjunction with the owners and negotiations are ongoing.

<sup>3</sup> Excluding pandemic-impacted years.

DIVISIONAL VIEW		
	Historical Performance	Future Expectations
New Zealand Rentals & Sales	<ul style="list-style-type: none"> <li>• Consistently achieved ROFE above 15% target<sup>3</sup></li> <li>• EBIT growth in FY23, FY24 &amp; FY25</li> </ul>	<ul style="list-style-type: none"> <li>• Continued EBIT growth and above-target ROFE returns</li> </ul>
Australia Rentals, Sales & Manufac.	<ul style="list-style-type: none"> <li>• Strong rentals performance in recent years</li> <li>• Australian Retail had a significant loss in FY25, contributing to an overall EBIT decline in FY25</li> </ul>	<ul style="list-style-type: none"> <li>• A return to EBIT growth and above-target ROFE returns</li> </ul>
USA Rentals & Sales	<ul style="list-style-type: none"> <li>• Last achieved target ROFE in FY17</li> <li>• North American division small profit, below target in FY25</li> </ul>	<ul style="list-style-type: none"> <li>• Potential to achieve consistent ROFE around 15% once market conditions normalise and North American synergies are fully achieved</li> </ul>
Canada Rentals & Sales	<ul style="list-style-type: none"> <li>• Several years performed just below ROFE target</li> <li>• North American division small profit, below target in FY25</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring options to realise underlying asset value</li> </ul>
UK & Ireland Rentals & Sales	<ul style="list-style-type: none"> <li>• 100% holding acquired in FY22; has not subsequently delivered to ROFE target</li> <li>• EBIT loss in FY24 &amp; FY25</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring options to realise underlying asset value</li> </ul>
Action Manufacturing	<ul style="list-style-type: none"> <li>• Consistently achieved ROFE above 15% target<sup>3</sup></li> <li>• EBIT growth in FY23/24; decline in FY25</li> </ul>	<ul style="list-style-type: none"> <li>• A return to EBIT growth and above-target ROFE returns</li> </ul>
NZ Tourism	<ul style="list-style-type: none"> <li>• Consistently achieved ROFE well above 15% target<sup>3</sup></li> <li>• Highest ROFE returns in the group</li> </ul>	<ul style="list-style-type: none"> <li>• Incremental EBIT growth and above-target ROFE returns</li> <li>• ~50% EBIT reduction from FY28<sup>2</sup></li> </ul>

## Key risks

The following table sets out key risks that **thl** has identified that could, if they arise, affect **thl's** ability to achieve its NPAT goal. This list is not intended to be a definitive list of all the risks that may affect **thl's** business in the future, or that may affect **thl's** ability to achieve its NPAT goal

Key risk	Commentary
<b>Tourism Demand</b>	<ul style="list-style-type: none"> <li>Global international tourism demand remaining below pre-COVID levels and a slower than expected recovery in tourism would impact <b>thl's</b> earnings</li> </ul>
<b>Tariffs</b>	<ul style="list-style-type: none"> <li>There is a risk that tariffs could be re-implemented that prevent <b>thl</b> from receiving the full benefits of its North American synergy project and lead to an increase in the cost of RVs for the entire industry</li> </ul>
<b>Extended Economic Downturn</b>	<ul style="list-style-type: none"> <li>Macroeconomic downturn could continue for longer than anticipated, impacting the demand for RV sales and broader tourism spend</li> </ul>
<b>Rising Costs</b>	<ul style="list-style-type: none"> <li>Inflationary costs pressures could remain high for longer, impacting fleet economics, margins and overheads</li> </ul>
<b>Global Shock Event</b>	<ul style="list-style-type: none"> <li>An unexpected health pandemic, international crisis or natural disaster could cause a significant shock to demand, which would have a large negative impact on <b>thl's</b> earnings</li> </ul>
<b>Execution Risk</b>	<ul style="list-style-type: none"> <li><b>thl</b> has a range of initiatives that it is progressing to enhance shareholder value. There is an inherent risk in the execution of these initiatives that could prevent <b>thl</b> from fully realising the anticipated benefits</li> </ul>
<b>Competition Risk</b>	<ul style="list-style-type: none"> <li>New entrants to the RV rentals market or significant fleet expansion by existing competitors could limit <b>thl's</b> ability to grow hire days as targeted</li> <li>The potential emergence of new low-cost entrants for motorised RVs in New Zealand and Australia could undermine the value of domestic manufacturing, including <b>thl</b></li> </ul>
<b>Technology Risks</b>	<ul style="list-style-type: none"> <li><b>thl</b> owns and operates a fleet of over 8,500 internal combustion engine (ICE) vehicles in its rental fleets. The potential transition from ICE to low-emission vehicles could impact the value or depreciation of <b>thl's</b> ICE fleet</li> <li>Advancements in artificial intelligence, along with potential job displacements, could lead to economic disruption, ultimately impacting demand for leisure tourism</li> </ul>

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