thl Growth Roadmap

4 August 2025

As seen, worldwide

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Rental revenue outlook

thl expects rental revenue growth in FY26 and beyond

Driver	Context
Rental Revenue	• ***thl***'s rentals forward book shows year-on-year double-digit percentage revenue growth in all markets except the USA • Forward rental revenue in New Zealand and Australia is currently approx. 25% higher than the same time last year. While ***thl*** does not expect that growth rate to hold for the entire year, it provides confidence for future growth
Rental Hire Days	• In FY25, ***thl***'s global rental hire days and rental fleet size (at year-end) remained approximately 30% below FY19 levels • ***thl*** believes that its rental hire days will grow towards pre-COVID levels, supported by: – greater awareness of RV travel, particularly among younger demographics, driven by pandemic-era travel trends – 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
Rental Yields	• Rental yields saw a structural increase through the pandemic period, between 40% to 75%, depending on the market • ***thl*** 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
Fleet Utilisation	• A key rationale of the merger with Apollo Tourism & Leisure was the expectation that ***thl*** could operationally meet a similar volume of rental hire days with a smaller fleet, enabling better capital efficiency • Recent global challenges in RV sales have led to surplus rental capacity and suboptimal utilisation across all markets. This creates an opportunity for ***thl*** to grow hire days in future years without a proportional increase in fleet size
Fleet Size	• ***thl*** 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[1] • ***thl*** 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

[1] *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
Improving Fleet Economics	• ***thl*** has targeted fleet build/buy cost reduction in FY26 • These cost reductions would have a significant immediate cash benefit, which is then realised through the P&L as depreciation and interest savings over a full fleet rotation cycle
Optimising Overheads and Leveraging Single Platform	• ***thl*** 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 • Plans are on-track to realise corporate cost efficiencies, and implementation costs are largely complete
Operating Leverage	• ***thl*** 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 • Based on ***thl***'s planned hire day growth, ***thl*** believes it can reduce its operating costs as a proportion of rental revenue by a double-digit percentage
Reducing Net Debt and Interest Expense	• ***thl*** expects net debt to reduce by approximately $50M in aggregate across FY26 and FY27 through earnings growth and moderation of fleet growth capex[1] • There is potential for further debt reduction if funds are released from the UK & Ireland at the conclusion of the strategic review – refer next page
Recovery in RV Sales Demand	• Central banks in all ***thl*** 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 • North American RV sales are particularly sensitive to interest rates due to higher reliance on vehicle financing among buyers

[1] 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[1]
  - **Net Debt:** Over $100m reduction in net debt[1]
  - **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[2]
- These assumptions represent total aggregate changes from FY25 and are not annualised rates

DIVISIONAL VIEW

	Historical Performance	Future Expectations
New Zealand Rentals & Sales	• Consistently achieved ROFE above 15% target[3] • EBIT growth in FY23, FY24 & FY25	• Continued EBIT growth and above-target ROFE returns
Australia Rentals, Sales & Manufac.	• Strong rentals performance in recent years • Australian Retail had a significant loss in FY25, contributing to an overall EBIT decline in FY25	• A return to EBIT growth and above-target ROFE returns
USA Rentals & Sales	• Last achieved target ROFE in FY17 • North American division small profit, below target in FY25	• Potential to achieve consistent ROFE around 15% once market conditions normalise and North American synergies are fully achieved
Canada Rentals & Sales	• Several years performed just below ROFE target • North American division small profit, below target in FY25	
UK & Ireland Rentals & Sales	• 100% holding acquired in FY22; has not subsequently delivered to ROFE target • EBIT loss in FY24 & FY25	• Exploring options to realise underlying asset value
Action Manufacturing	• Consistently achieved ROFE above 15% target[3] • EBIT growth in FY23/24; decline in FY25	• A return to EBIT growth and above-target ROFE returns
NZ Tourism	• Consistently achieved ROFE well above 15% target[3] • Highest ROFE returns in the group	• Incremental EBIT growth and above-target ROFE returns • ~50% EBIT reduction from FY28[2]

[1] Assumes release of funds related to ~650 vehicle fleet in UK & Ireland.
*[2] 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.*
[3] Excluding pandemic-impacted years.

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
Tourism Demand	• Global international tourism demand remaining below pre-COVID levels and a slower than expected recovery in tourism would impact ***thl's*** earnings
Tariffs	• There is a risk that tariffs could be re-implemented that prevent ***thl*** 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
Extended Economic Downturn	• Macroeconomic downturn could continue for longer than anticipated, impacting the demand for RV sales and broader tourism spend
Rising Costs	• Inflationary costs pressures could remain high for longer, impacting fleet economics, margins and overheads
Global Shock Event	• An unexpected health pandemic, international crisis or natural disaster could cause a significant shock to demand, which would have a large negative impact on ***thl***'s earnings
Execution Risk	• ***thl*** 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 ***thl*** from fully realising the anticipated benefits
Competition Risk	• New entrants to the RV rentals market or significant fleet expansion by existing competitors could limit ***thl***'s ability to grow hire days as targeted • The potential emergence of new low-cost entrants for motorised RVs in New Zealand and Australia could undermine the value of domestic manufacturing, including ***thl***
Technology Risks	• ***thl*** 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 ***thl***'s ICE fleet • Advancements in artificial intelligence, along with potential job displacements, could lead to economic disruption, ultimately impacting demand for leisure tourism

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