OUR JOURNEY CONTINUES.

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One-off events

- This presentation contains comparisons of results against the prior corresponding period, being the six month period ending 31 December 2017.
- As a result of a reduction in the corporate tax rate in the USA from 35% to 21%, enacted in December 2017, the H1 FY18 result contained a non-recurring gain of NZD$1.8M, which related to the re-measurement of deferred tax assets and liabilities of ***thl*** Group's US subsidiaries.

General

- All financials are in NZ dollars unless stated otherwise (throughout presentation).
- All comparisons are against prior corresponding period (pcp).
- The average NZD:AUD cross-rate (average of the six month rates) for H1 FY19 was 0.9251 (H1 FY18 0.9395).
- The average NZD:USD cross-rate (average of the six month rates) for H1 FY19 was 0.6705 (H1 FY18 0.7335).

WHERE WE ARE.

AS AT 31 DECEMBER 2018

	H1 FY18	H1 FY19	
EARNINGS BEFORE INTEREST AND TAX (EBIT)	$33.3M	$34.7M	+4%
REVENUE (RENTALS & SERVICES)	$136.0M	$144.3M	+6%
REVENUE (VEHICLE SALES)	$73.1M	$62.9M	-14%

	H1 FY18	H1 FY19	
INTERIM DIVIDEND[1]	13cps	13cps	
TOTAL NET PROFIT AFTER TAX (NPAT) EXCLUDING NON-RECURRING ITEMS	$21.0M[2]	$17.5M	-17%
DIGITAL INVESTMENT LOSSES[3]	-$2.4M	-$5.4M	

Note:1) 50% imputed; 2) Excludes $1.8M non-recurring benefit of re-measurement of deferred tax balances; 3) In H1 FY18 this includes losses incurred in Mighway and Roadtrippers. In H1 FY19 this includes losses incurred in ***thl***'s 50% equity investment in TH2.

KEY POINTS TO NOTE

- Earnings Before Interest & Tax (EBIT) growth of 4%, despite USA vehicle sales underperformance.
- Net profit after tax, excluding non-recurring item, down 17% - reflecting increased losses in TH2.
- The New Zealand rentals & sales business had a record result - with EBIT growth of 7% on the pcp, which also included the 2018 Lions Tour.
- Vehicle sales revenue declined by 14% compared to the pcp, driven by a decline in USA vehicle sales.
- TH2 investment is on track and showing positive early signs and prospects.
- Interim dividend of 13 cents per share declared with an intention to declare a full-year FY19 dividend of 14 cps in line with FY18.
- ***thl***'s FY19 full year NPAT forecast now expected to be around NZ$32M (excluding potential impact of AU$2.5M pre-tax Australian tax issue disclosed at 2018 Annual Meeting), from previous guidance of $32M - $34M.

A disciplined core business – we will continue to grow the core

- We continue to expect a profit increase in our core business EBIT, with further opportunities for improvement in our operating model and an expected recovery in El Monte RV in FY20.
- We are able to manage our fleet capacity and capital expenditure, as required, to respond to a softening growth rate in international tourism.
- We will continue to explore growth through ancillary revenue streams in all of our jurisdictions, by leveraging our existing infrastructure and capabilities.

A digital approach with TH2

- TH2 represents a unique digital opportunity within our industry and we are ensuring that we are positioned as disruptors and not reactors.
- TH2 is progressing well and we remain confident that it will succeed.
- TH2 now has a strong user base in both Roadtrippers and CamperMate, provides a compelling product proposition and continues to leverage each of ***thl*** and Thor's positions within their respective markets.

thl's growth through mergers & acquisitions

- We have been clear about our intention to grow globally and have an ongoing pipeline of M&A opportunities we are exploring.
- When we last reported, we were confident we would see some transactions of significance by now. These have not occurred.
- This is simply because we apply the same capital disciplines in assessing M&A opportunities as we do in our operating business. We will only buy or sell if the price is right and only then – we do not mind missing chances to reduce value.

New Zealand & Australia

- Forward rental booking demand in Australia and New Zealand for the second half of FY19 and early FY20 has been strong to date, with high single digit growth in revenue.

- We are not heavily reliant on the Chinese market in our New Zealand rentals business. Our main exposure to the China market within New Zealand is in the Waitomo business.

United States

- There is ongoing competitive price pressure in the USA rentals market – despite this we have strong forward rental bookings.

Global vehicle sales

- The global vehicle sales environment has declined, as reflected in our half-year results – however, in recent weeks we have seen signs of improvement and expect this to continue in the second half of FY19.
- The USA is our primary focus, with New Zealand and Australia performing close to expectations.
- Vehicle sales volumes are down but margins by channel (retail and wholesale) are stable.

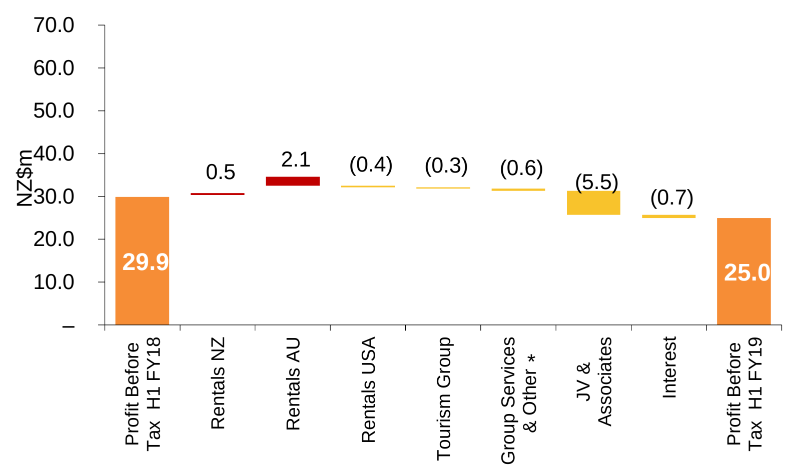
FINANCIAL HIGHLIGHTS

- Overall revenue down 1% on prior period. Within that result, Rentals NZ, Rentals Australia and Waitomo Group were up, while Rentals USA and Kiwi Experience were down.
- Rentals AU the stand-out performer with EBIT growth of 35%.
- New Zealand Rentals 7% EBIT growth was also impressive, given the Lions tour benefit in the pcp.
- Group Support Services (excluding Mighway) increased by $1.9M to $3.4M. Well over $1M of these costs were incurred in relation to the M&A transactions that did not proceed.
- JV & associates - TH2 investment of $5.4M for the period, as planned.

NZD $M	Dec-18	Dec-17	VAR	%
Operating revenue	207.3	209.1	(1.8)	(1%)
Earnings before interest and tax	34.7	33.3	1.4	4%
Operating profit before tax	25.0	29.9	(4.9)	(16%)
Profit after tax	**17.5**	**22.8**	**(5.3)**	**(23%)**

NZD $M	Dec-18	Dec-17	VAR	%
Ordinary NPAT	17.5	21.0	(3.5)	(17%)
One-off Deferred Tax Benefit USA		1.8	(1.8)	(100%)
Profit after tax	**17.5**	**22.8**	**(5.3)**	**(23%)**

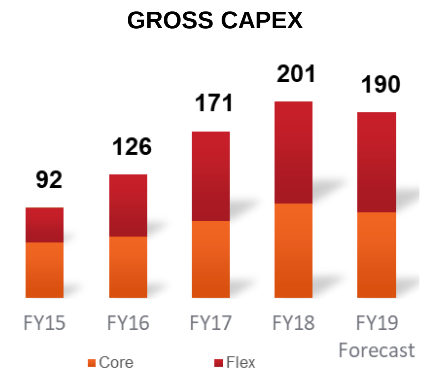
OPERATING PROFIT BEFORE TAX $M

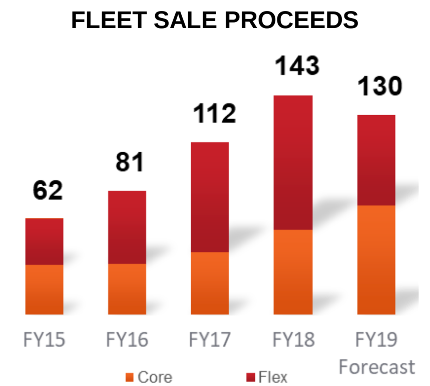


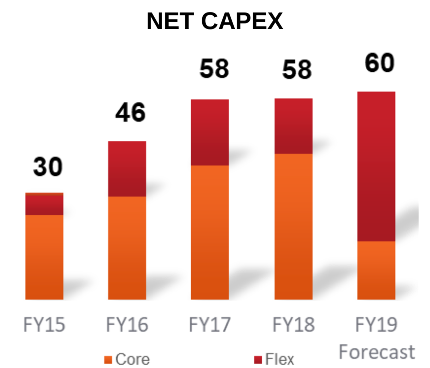
* Note: "Other" includes Mighway FY18 losses of $1.3M incurred prior to the establishment of TH2.

CAPITAL EXPENDITURE – FY19

- FY19 gross CAPEX forecast is approximately $190M.
- An intentional reduction in CAPEX in response to lower vehicle sales volumes.
- FY20 gross CAPEX is also expected to be around $190M.
- FY19 net CAPEX forecast of $60M.
- The reduction in our average fleet age across recent years has given us the ability to age our fleet, if required, with minimal impact.







- Net debt at 31 December 2018 of $226M, exceeding original expectations due to the shortfall in vehicle sales in USA.
- We continue to remain comfortable with the Net Debt:EBITDA ratio at around 2.0x.
- Our increased debt is asset-backed ($51M increase in motorhome assets on the pcp).
- Net debt at the end of FY19 is expected to be in the range of $217M - $237M.

Note 1: Net Debt:EBITDA is calculated using a 12 month EBITDA.

Net Debt

$226M

Last year

$178M

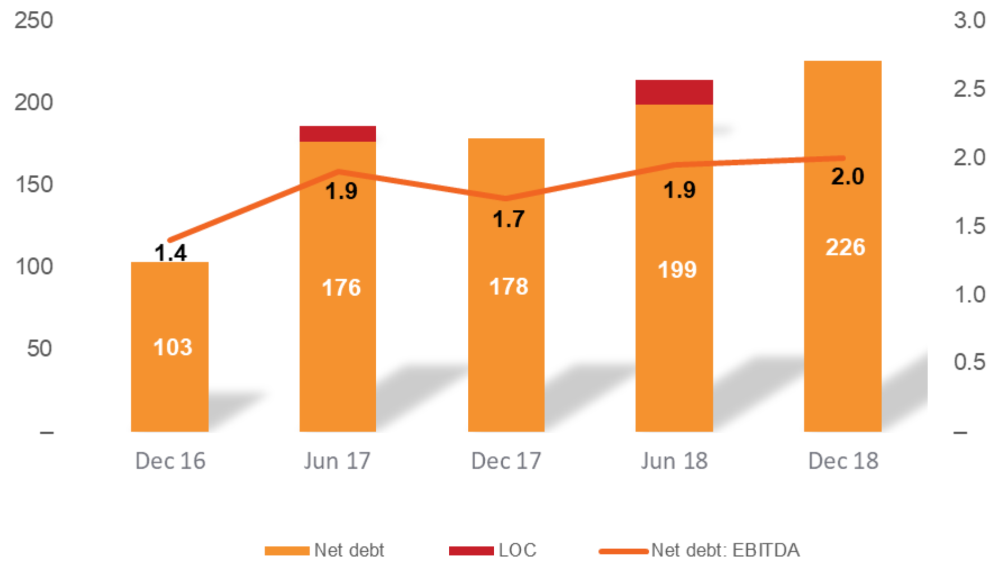
Net Debt: EBITDA[1]

2.0X

Last year

1.7x

Net debt

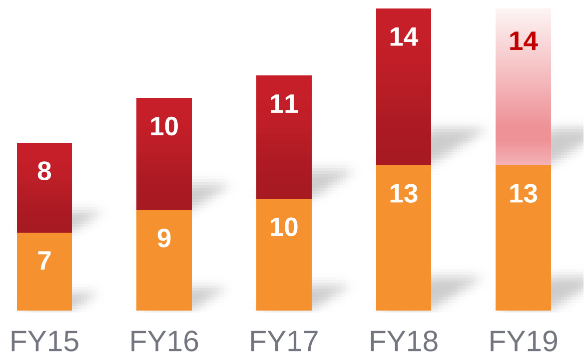


Interim Dividend

13 cents

per share (50% imputed)

Dividends



DIVIDEND

- Interim dividend is 50% imputed.
- Dividend will be eligible for Dividend Reinvestment Plan (DRP).
- A discount of 2% is available to shareholders participating in the DRP.
- Record date and DRP election date: 4 April 2019.
- Payment date: 16 April 2019.
- Timing of future dividends will be adjusted to better align with ***thl***'s working capital requirements and to better manage debt facilities and headroom.
- Future interim dividends will be paid in May (previously April). Final dividends unchanged and will remain paid in October.

- TH2 has a goal of becoming the digital platform for the global RV industry and is well positioned to deliver to that goal.
- The main purpose is to improve every aspect of RV use and ownership through technology, through engagement with three key customer segments:
  - RV owners
  - RV rental customers
  - Self-drive customers
- The potential size of these addressable markets globally is extraordinary, with RV owners alone likely to be around 15 million.* Roadtrippers has an even wider addressable market in all self-drive tourists.
- The initial geographic focus is in North America and Australasia, leveraging the existing presence and relationships of each of ***thl*** and Thor in these markets. Ultimately, TH2 will be a global offering and made available in Europe and the UK.

* ***thl***'s estimate based on historical RV production statistics in North America, Europe, UK, Australia and New Zealand.

Mighway

- New Zealand - clear peer-to-peer market leader, with business starting to reach operational maturity.
- United States - facing some headwinds, with increased competition from venture capital backed entities - but continued strong Mighway brand development.
- In the six months ending 31 December 2018, New Zealand bookings were up 19% on the pcp.

CamperMate

- Continued growth of user base.
- Freedom camping video trial under way throughout several NZ sites.
- Now providing tourism data to over 70 regional tourism organisations and Councils in New Zealand & Australia.
- In the six months ending 31 December 2018:
  - 299,300 new devices logged - an increase of 9% on the pcp.
  - 152,400 active devices per day on average - an increase of 8% on the pcp.

Cosmos

- Phase I successfully launched into ***thl*** in New Zealand and Australia.
- Phase II to launch in mid-2019.
- Planned expansion to ***thl*** USA operations in 2020.

TH2 – KEY HIGHLIGHTS

- Phase I initial release of RV Companion app launched successfully on time at the USA “Open House” event in September 2018.
- Rolling Phase II releases scheduled to commence from March 2019 and will include new features and premium content.
- External reports have noted over 100,000 total downloads of Togo (as at February). Although total downloads are a good initial indicator, our focus on KPIs moving forward will be on metrics that capture the number of engaged, revenue-generating customers.
- Overhead costs for Togo are in line with expectation and customer acquisition costs are below original expectation at this early stage.
- Strategic focus for Togo is on global deployment, creating & continuing engagement with the wider RV ecosystem.

TH2 – KEY HIGHLIGHTS

- Successful launch of Roadtrippers Plus with new features including offline maps, live traffic condition updates, expanded trips and customised map styles.
- Total Roadtrippers users have grown by over 15% year-on-year.
- Total trips planned through Roadtrippers are growing at close to 20% year-on-year.
- Roadtrippers active users averaged six trips in the last 12 months.
- On track to achieve FY2019 Roadtrippers revenue target.

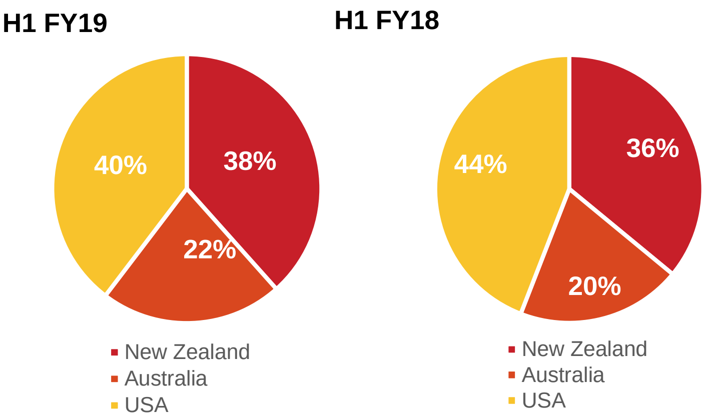
DIVISIONAL

REVIEW

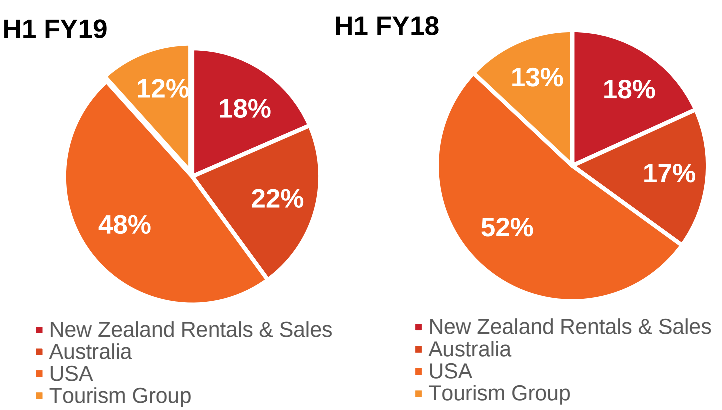
DIVISIONAL EBIT

$M	FY19	FY18	Var	Var %
	6 Months to December			
***thl* Rentals**				
New Zealand	7.0	6.6	0.5	7%
Australia	8.2	6.1	2.1	35%
USA	18.4	18.8	(0.4)	(2%)
Total Rentals	**33.7**	**31.5**	**2.2**	**7%**
Tourism Group	4.4	4.7	(0.3)	(5%)
Total operating divisions	38.1	36.2	2.0	5%
Group Support Services & Other	(3.4)	(2.8)	(0.6)	20%
Total EBIT	**34.7**	**33.3**	**1.4**	**4%**
Split				
Australia	8.2	6.1	2.1	34%
USA	18.4	18.8	(0.4)	(2%)
NZ	8.1	8.5	(0.4)	(5%)
Total EBIT	**34.7**	**33.3**	**1.4**	**4%**

Revenue by Geography



EBIT before Group Support Services and other*



* Note: USA contributes the majority of EBIT in H1 due to seasonality.

NEW ZEALAND
RENTALS

Continued growth

- EBIT up 7% on the pcp – a strong result, particularly considering that the pcp included the Lions Tour, which we estimate as having had a $1M impact to EBIT in 1H FY18.
- An 8% increase in costs, reflective of an equivalent increase in rental income and sale of goods. Costs are under control, but an opportunity to reduce vehicle repairs & maintenance and to shift more work in-house.
- Fleet sales for the half were up 14% but still below expectations, although not materially. The carry-over fleet from FY18 is largely sold - with the exception of the mini van units, which have not yet met plan.
- The return on funds employed (ROFE) in New Zealand rentals remains well above our minimum expectations and has warranted the additional investment in fleet over the past two years.
- New Zealand Rentals continues to review new products and alternative revenue opportunities to supplement its core rental fleet growth, which we expect to slow over the remainder of FY19.

Half Year

NZD $M	Dec-18	Dec-17	VAR	VAR %
Rental income	38.5	35.7	2.7	8%
Sale of goods *	22.7	21.1	1.6	8%
Costs	(54.1)	(50.2)	(3.9)	8%
EBIT	7.0	6.6	0.5	7%

* Note: sale of goods does not include buyback fleet, which is included within the fleet purchase & sale numbers.

Vehicle Fleet

Units:	Dec-18	Dec-17	VAR	VAR %
Fleet Sales **	(199)	(174)	25	14%
Fleet Purchases	677	721	(44)	(6%)
Closing Fleet	2,561	2,377	184	8%

** Note: Non-fleet vehicle sales are excluded.

Another stand-out performance

- EBIT growth of 35% over the pcp, off the back of an increase in rental income of 8%.
- The vehicle sales environment for the period was solid in Australia, resulting in an increase in vehicle sales revenue of 14%.
- We had lower buyback fleet in the half, therefore vehicle unit sales were down.
- The ROFE for Australia is now considered to be at an acceptable level; however, we are challenging the business model to garner greater growth in the coming years.
- The average NZD:AUD cross-rate (average of the six month rates) for H1 FY19 was 0.9251 (H1 FY18 0.9395).

Half Year

NZD $M	**Dec-18**	**Dec-17**	VAR	VAR %
Rental income	37.0	34.2	2.8	8%
Sale of goods*	8.5	7.5	1.0	14%
Costs	(37.3)	(35.6)	(1.7)	5%
EBIT	8.2	6.1	2.1	35%

Half Year

AUD $M	**Dec-18**	**Dec-17**	VAR	VAR %
Rental income	34.2	32.1	2.1	7%
Sale of goods *	7.9	7.0	0.9	12%
Costs	(34.5)	(33.4)	(1.1)	3%
EBIT	7.6	5.7	1.9	33%

* Note: sale of goods does not include buyback fleet, which is included within the fleet purchase & sale numbers.

Vehicle Fleet

Units:	**Dec-18**	**Dec-17**	VAR	%
Fleet Sales **	(324)	(363)	(39)	(11%)
Fleet Purchases	437	430	7	2%
Closing Fleet	1,652	1,592	60	4%

** Non-fleet vehicle sales are excluded, but buybacks are included.

Focus on improving vehicle sales

- As previously indicated, we have commenced reporting of Road Bear and El Monte RV as one division – Rentals USA.
- Significant decline in vehicle sales revenue - down a combined 37% (in USD terms) on the pcp, reflective of the decline in the wider USA RV vehicle sales market.
- Rental income was down 5% (in USD terms) - with some growth in Road Bear offset by a decline in high season El Monte RV, as indicated at the 2018 Annual Meeting.
- Combined ROFE remains at an acceptable level. We have a number of initiatives (including Project Real Velocity) underway to improve ROFE.
- The average NZD:USD cross-rate (average of the six month rates) for H1 FY19 was 0.6705 (H1 FY18 0.7335).

US – ROAD BEAR & EL MONTE RV
RENTALS

Half Year

NZD $M	Dec-18	Dec-17	VAR	%
Rental income	50.4	47.7	2.8	6%
Sale of goods	31.7	44.5	(12.8)	(29%)
Costs	(63.7)	(73.4)	9.7	(13%)
EBIT	18.4	18.8	(0.4)	(2%)

Half Year

USD $M	Dec-18	Dec-17	VAR	%
Rental income	33.9	35.5	(1.6)	(5%)
Sale of goods	20.9	33.0	(12.1)	(37%)
Costs	(42.4)	(54.2)	11.8	(22%)
EBIT	12.4	14.3	(1.9)	(14%)

Vehicle Fleet

Units:	Dec-18	Dec-17	VAR	%
Fleet Sales	(400)	(688)	(288)	(42%)
Fleet Purchases	-	110	(110)	(100%)
Closing Fleet	1,709	1,485	224	15%

El Monte RV Synergy/Project Real Velocity Update

- Fleet utilisation in the core rental fleet is improving, however total fleet numbers are higher as a result of vehicle sales underperformance.
- International demand creation and customer delivery projects are well on track.

Continued strong ROFE

- A 5% decline in EBIT across Kiwi Experience and Waitomo Group – due to Kiwi Experience.
- The combined businesses, however, continued to grow with a 1% increase in revenue.
- ROFE remains well above our expectations in the Tourism businesses, with minimal capital requirement over the coming years.
- Kiwi Experience is being monitored carefully and has experienced a further drop in UK passengers, reflective of a wider drop in UK backpacker visitors to New Zealand.
- Waitomo had visitor growth from the USA, China and Australia. This was offset by a decline in domestic and UK visitors, reflecting the same trend as Kiwi Experience.

TOURISM

Full Year

NZD $M	**Dec-18**	**Dec-17**	VAR	%
Revenue	18.4	18.3	0.2	1%
Costs	(14.0)	(13.6)	(0.4)	3%
EBIT	**4.4**	**4.7**	**(0.3)**	**(5%)**

EQUITY INVESTMENTS

Equity Investment Reporting

- These part-owned businesses are not controlled by ***thl*** and are equity accounted. The results are not reported in the Earnings Before Interest and Tax (EBIT) and are not included in our core ROFE calculations.

Action Manufacturing (50%)

- Action Manufacturing's 67% decline in earnings was primarily reflective of anticipated losses on the Fairfax Industries acquisition, reduced margins on ***thl*** product and expenses relating to new brand and product.

Just go (49%)

- Just go was reflective of the other rental markets we operate in, with increased rental revenue offset by a decline in vehicle sales.

Equity Investments

NZD $M	**Dec-18**	**Dec-17**	VAR	%
Action Manufacturing	0.6	1.7	(1.2)	(67%)
Just go	0.3	0.3	0.0	6%
Roadtrippers	–	(1.1)	1.1	(100%)
TH2	(5.4)	–	(5.4)	NA
Total	**(4.6)**	**1.0**	**(5.5)**	**NA**

GROUP SUPPORT SERVICES AND OTHER

- Group Support Services (excluding Mighway) were up $1.9M, to $3.4M. Well over $1M of these costs were related to the M&A transactions that did not proceed, including the potential sale of our NZ Tourism businesses.

- Professional services costs were higher than normal but are expected to revert to more historically normal levels moving forward.

Group Support Services and Others

NZD $M	**Dec-18**	**Dec-17**	VAR	%
Revenue	–	0.2	(0.2)	(100%)
Costs	(3.4)	(3.0)	(0.4)	14%
EBIT	**(3.4)**	**(2.8)** *	**(0.6)**	**20%**

* Note: “Other” includes Mighway FY18 losses of $1.3M incurred prior to the establishment of TH2.

FOCUS

2019

FY19 KEY FOCUS - PROGRESS

	TARGET	PROGRESS
Core Business	Realign fleet mix and volumes to deliver improved USA and NZ ROFE.	Underway, but hindered by shortfall in vehicle sales in USA.
El Monte	Deliver to Project REAL VELOCITY goals.	Actions are on track. Further actions are being taken to offset lower than expected vehicle sales in USA.
TH2	Deliver product release plan and associated revenue.	Release of Togo and Roadtrippers Plus completed.
Technology	Deliver D365 in the USA and Cosmos in NZ and AU.	D365 implemented in El Monte. Road Bear implementation expected in CY2019. Cosmos implemented in NZ and AU. Good progress with further rollouts planned.
Customer	Launch new connected customer brand.	Launched at the 2018 Annual Meeting.
M&A Activity	Continue to explore global options aligned with current business models.	Continuing to explore options, whilst remaining disciplined on pricing. Decided against proceeding on certain transactions for good reason.
Sustainability	Continue as planned and launch the first bookable electric RV.	Complete. Bookable electric RVs launched in December 2018.
Joint Ventures	Expand, with a particular focus on Action Manufacturing creating new capacity.	Action Manufacturing created new capacity through acquisition of Fairfax Industries.

Protect | Respect | Grow

Emissions & Climate Change

- Focus on reduction of waste and single use plastics in all operations.
- Lifecycle assessment data gathering underway.
- First customer bookings for new electric motorhomes.

Responsible Travel

- Tiaki Promise, and integration into ***thl*** branch and customer processes.
- Rollout of responsible travel initiative with Tourism New Zealand.
- Commencement of US responsible travel project.

Crew & Staff

- Successful Leadership Conference in September 2018, including significant sustainability engagement.
- Multiple crew volunteering activities including planting of trees, fundraising and street cleanup.

Positive Communities

- Complete Queenstown Community Impact Assessment and implementation of trial community engagement role.
- Continuing to create key community partners across all ***thl*** locations.

Shareholder Satisfaction

- Winner of the New Zealand Tourism Supreme Award.
- Commencement of preparation for integrated sustainability reporting.

- Phase II Togo launch planned for commencement from March 2019.
- World Travel & Tourism Council Awards held in April 2019, where ***thl*** is a finalist for the Climate Action Award.
- Payment of 13 cent interim dividend on 16 April 2019.
- Planned transition to compliance under the updated NZX Listing Rules at end of May 2019.
- First ***thl*** Investor Day planned for May/June 2019.
- Preparation for integrated sustainability reporting to be implemented in ***thl***'s FY19 annual results.

OUTLOOK

2019

Guidance

- Net profit after tax guidance for FY19 given at the 2018 Annual Meeting was in the range of $32M - $34M, before non-recurring items and excluding a potential Australian tax liability of approx. AU$2.5M pre-tax.
- We now expect this figure for FY19 to be around $32M.
- The Australian tax issue remains as a contingent liability.

Goals – The More & Less Certain

- Historically, we have generally taken the approach of setting ambitious long-term goals for ***thl*** to drive our growth forward. As we have been reviewing multiple opportunities, our original intention was to set our new long-term goal once some of that activity was finalised and we were in a more certain position.
- Given that some of that M&A activity has not progressed, and we continue to explore various opportunities, it is appropriate that we set new goals along two different fronts: The more certain - relating to our core businesses and excluding any of our equity investments, and the less certain - in light of the opportunity that TH2 presents for ***thl***, potential acquisitions and ancillary growth aspirations that we have.
- On the more certain front and from a ‘business as usual’ (excluding TH2 losses) perspective, we now expect to achieve the $50M NPAT target in FY2021. We consider this more certain than the acquisition and TH2 opportunities.
- On the less certain & more ambitious front, we are targeting a business which, in three years, doubles in value. The timing and predictability of this is much less certain.

Over the past few years we have included a Q&A section in the Annual Report, based on the more qualitative questions that we expect to have raised with us in relation to a results release.

During the last few months, we have had several questions raised with us and, in the following slides, we answer what we see as the key areas of focus for shareholders today.

What are your views on ***thl***'s performance in the first half of FY2019?

Overall results are in line with expectations, with certain areas performing better than expected and others below expectations. The Rentals Australia & New Zealand businesses, in particular, have performed well, with EBIT up 35% and 7% respectively.

As noted at the 2018 Annual Meeting, El Monte RV continues to perform below expectations. One factor impacting this is the decline in vehicle sales being experienced across the USA market, and which is also impacting Road Bear. We are reviewing our vehicle capital expenditure going forward and adjusting as necessary to reflect the decline in sales.

Kiwi Experience has also tracked below expectations in the first half of FY19. We are focused on this and are implementing a number of actions to turn results around in the second half.

How is TH2 progressing, is it well understood?

We have received several enquires about TH2, including comments that it is not well understood by the market. We explain TH2 in more detail in this presentation and will include it as a key topic in a proposed ***thl*** investor day in May or June 2019.

TH2 is a key strategic pillar for ***thl*** and provides access to a wider customer market, with a low capital cost, higher margin product offer. We remain very confident that this is a well managed investment case from a risk perspective.

TH2 is continuing to perform in line with our expectations and continues to gain momentum. To date it has met all of our deadlines in respect of product launches, including the Roadtrippers Plus trial launch and the Togo Phase I launch in the six months ending 31 December 2018.

Daniel Hest has recently joined as TH2's new CEO. Danny has the right background, experience, talent and network to help TH2 advance to the next level and we are confident that TH2 is in safe hands with Danny.

What are ***thl***'s intentions for its New Zealand tourism businesses?

As we announced in December 2018, the potential purchaser of our New Zealand Tourism businesses decided, at what we considered to be the final stage of negotiation, not to proceed with the transaction after they sought to materially reduce the purchase price.

Our current focus since has and continues to be on the operational performance of these businesses during the summer high season under ***thl*** ownership. We continue to assess the suitability of these businesses for ***thl*** as we continue on our RV-based global growth initiative. However we are also remaining disciplined on pricing and will only consider a potential sale where the purchase price reflects what we know to be the quality. We have no sale process underway at present, but have had several interested parties approach us - as we have every year. These businesses should be considered as ongoing ***thl*** assets unless we advise otherwise.

Can you provide an update on the M&A opportunities mentioned at the 2018 Annual Meeting?

thl continues to explore a number of potential M&A opportunities. In January, we decided not to proceed with a potential material acquisition that was being explored for some time. We continue to remain disciplined on pricing and are committed to only proceeding with M&A opportunities where we believe that the opportunity represents real value for ***thl***.

There has been a general decline in pricing across the globe in publicly-listed RV & tourism businesses, which ***thl*** itself has also been impacted by. Any future M&A opportunities that we explore in this sector would need to reflect this change in the overall market.

There has been some commentary in the market that we are considering a capital raise to fund potential M&A. We can confirm that we have no current transactions in play which would require us to undertake a capital raise.

SUPPORTING

ANALYSIS

INCOME STATEMENT SUMMARY

	6 Months to December			
$M	**FY19**	FY18	VAR	VAR %
Sale of services	**144.3**	136.0	8.3	6%
Sale of goods	**62.9**	73.1	(10.1)	(14%)
Total revenue	**207.3**	209.1	(1.8)	(1%)
Costs	**147.2**	153.2	(6.0)	(4%)
EBITDA	**60.0**	56.0	4.1	7%
Depreciation & Amortisation	**25.3**	22.6	2.7	12%
EBIT	**34.7**	33.3	1.4	4%
Interest	**(5.2)**	(4.4)	(0.7)	17%
Share of Joint Ventures	**(4.9)**	1.4	(6.3)	(448%)
Share of Associates	**0.3**	(0.4)	0.7	(167%)
Profit before taxation	**25.0**	29.9	(4.9)	(16%)
Taxation	**(7.5)**	(7.1)	(0.4)	5%
Profit attributable to *thl* shareholders	**17.5**	22.8	(5.3)	(23%)

Basic EPS (in cents)	**14.2**	**18.9**

$M	6 months to December FY19	FY18	VAR	VAR %
***thl* Rentals - Rental Revenue**				
New Zealand	38.5	35.7	2.7	8%
Australia	37.0	34.2	2.8	8%
USA	50.4	47.7	2.8	6%
	125.9	**117.6**	**8.3**	**7%**
***thl* Rentals - Sale of Goods**				
New Zealand	22.7	21.1	1.6	8%
Australia	8.5	7.5	1.0	14%
USA	31.7	44.5	(12.8)	(29%)
	62.9	**73.1**	**(10.1)**	**(14%)**
Tourism Group	18.4	18.3	0.2	1%
Other	0.0	0.2	(0.2)	(100%)
Total Revenue	**207.3**	**209.1**	**(1.8)**	**(1%)**
Split				
Australia	45.5	41.7	3.8	9%
USA	82.2	92.2	(10.0)	(11%)
NZ and other	79.6	75.2	4.4	6%
	207.3	**209.1**	**(1.8)**	**(1%)**
Revenue Split				
Sale of Services	144.3	136.0	8.3	6%
Sale of Goods	62.9	73.1	(10.1)	(14%)
	207.3	**209.1**	**(1.8)**	**(1%)**

DIVISIONAL SUMMARY

$M	31-Dec-18 REVENUE	31-Dec-18 DIVISIONAL EBIT	31-Dec-18 AVE FUNDS EMPLOYED	31-Dec-18 OPERATING CASHFLOW*	31-Dec-17 REVENUE	31-Dec-17 DIVISIONAL EBIT	31-Dec-17 AVE FUNDS EMPLOYED	31-Dec-17 OPERATING CASHFLOW*
Rentals New Zealand	61.2	7.0	155.7	(19.4)	56.8	6.6	137.8	(30.3)
Rentals Australia	45.5	8.2	84.0	(3.5)	41.7	6.1	83.2	(5.6)
Rentals USA	82.2	18.4	139.1	19.8	92.2	18.8	119.1	44.1
Tourism Group	18.4	4.4	22.0	6.6	18.3	4.7	24.3	5.8
Group Support Services/Other	–	(3.4)	1.8	(10.6)	0.2	(2.8)	(3.4)	(4.6)
***thl* 100% owned entities**	**207.3**	**34.7**	**402.5**	**(7.1)**	**209.1**	**33.3**	**361.0**	**9.4**
Joint Ventures		(4.9)	53.4			1.4	7.3	
Associates		0.3	4.2			(0.4)	11.4	
Group Total	**207.3**	**30.1**	**460.1**	**(7.1)**	**209.1**	**34.3**	**379.7**	**9.4**

* Note: Operating cash flow includes the sale and purchase of rental assets.

EBITDA

	6 Months to December			
$M	FY19	FY18	VAR	VAR %
EBIT	34.7	33.3	1.4	4%
Add back non-cash items:				
Depreciation	24.7	21.9	2.8	13%
Amortisation	0.6	0.7	(0.2)	(23%)
EBITDA	**60.0**	**56.0**	**4.1**	**7%**

BALANCE SHEET

	As at		
$M	DEC 18	DEC 17	VAR
Equity	250.7	212.2	38.4
Non current liabilities	247.0	194.5	52.5
Current liabilities	75.1	99.0	(23.9)
Total source of funds	**572.7**	**505.7**	**67.0**
Intangible assets and goodwill	44.2	42.2	2.1
Investments in associates and joint ventures	56.8	10.5	46.4
Property, plant and equipment	379.1	336.9	42.2
Non-current derivative financial instruments	0.7	-	0.7
Current assets	91.9	116.2	(24.2)
Total use of funds	**572.7**	**505.7**	**67.0**
Net debt position	225.6	178.4	47.1
Net tangible assets (NTA)	206.4	170.1	36.3
NTA per share	$1.67	$1.41	
Book value of net assets per share	$2.03	$1.75	
Debt / debt + equity ratio (net of Intangibles)	52%	51%	
Equity ratio (net of Intangibles)	39%	37%	
AUD exchange rate at period end	0.9520	0.9336	
USD exchange rate at period end	0.6713	0.7296	

GAIN ON VEHICLE SALES AND GROSS PROFIT

$M	FY19	FY18	VAR	VAR %
	6 Months to December			
Proceeds from sales of motorhome fleet	52.7	61.9	(9.2)	(15%)
Net book value of vehicles sold (incl writeoffs)	45.6	52.0	(6.4)	(12%)
Gain on sales of motorhome fleet before selling costs	**7.1**	**9.9**	**(2.8)**	**(28%)**
Vehicle sales costs (warranty only)	0.5	0.6	(0.1)	(23%)
Gain on sales of motorhome fleet after selling costs	**6.7**	**9.3**	**(2.6)**	**(28%)**
Gross profit on non-fleet vehicles, retail and accessory sales	1.8	2.0	(0.2)	(10%)
Reported gross profit	**8.5**	**11.3**	**(2.8)**	**(25%)**
Total average gain on sale ($000) after selling costs	**8.9**	**9.2**	**(0.2)**	**(2%)**
Fleet motorhomes sold (incl writeoffs, excl buybacks)				
AU	147	154	(7)	(5%)
NZ	199	174	25	14%
US	400	688	(288)	(42%)
Total fleet motorhomes sold (units), excl. buybacks	**746**	**1,016**	**(270)**	**(27%)**

Real Depreciation Rates per annum[1]	**FY19**
AU	8-9%
NZ	5-6%
US (held for under 18 months)	<0%
US (held for over 18 months)	~4%

[1] Real depreciation is calculated as the difference between the sale price and the original cost, divided by the original cost, averaged over the number of years between purchase and sale. The rates above are the average rate for all vehicles sold in the year.