



ASX Announcement

02 May 2019

APOLLO TOURISM & LEISURE LTD UPDATES FY19 EARNINGS GUIDANCE

Apollo Tourism & Leisure (ASX: ATL) (**'Apollo'**, **'the Group'** or **'the Company'**) is today providing updated guidance for the Group's Net Profit After Tax (NPAT) for FY19.

The Board has been carefully monitoring the softening of the RV sales market globally, which was flagged at the half year results in February 2019. It has become apparent, following the results of recent RV shows in Australia and recent industry statistics, that the expected retail results for FY19 will not be achieved.

RENTAL

Positive first half trading patterns for the core rental businesses are continuing into the second half, with rental revenue in all regions in line with expectations and on track to finish ahead of last year.

The over-supply of new RVs by manufacturers in North America throughout 2018 continues to place downward pressure on our ex-fleet pricing and volume forecasts. As previously flagged, fleet acquisitions in North America have been reduced to offset lower RV sales. Whilst North America is carrying the costs of an increased fleet in the current period, rental demand is strong over the 2019 summer period, which will have a positive profit impact in FY20.

Ex-fleet sales are down on expectations in our UK business, significantly due to the impact of Brexit on consumer confidence.

RETAIL SALES AUSTRALIA

Retail sales volumes have not grown in line with expectations and retail trading conditions for the sale of RVs continue to be unpredictable. The Australian segment has maintained its retail sales volumes period on period, however, there has been margin pressure that has impacted earnings.

The softening in the retail market in Q2 referred to in our half year results announcement has continued into Q3, reflecting consumer uncertainty caused by unfavourable economic conditions, the housing downturn and the upcoming Australian federal election.

The recent addition of the Coromal and Windsor brands to Apollo's retail offering represents a significant opportunity for the Company. However, due to the subdued trading conditions for RV sales, the benefits are taking longer to materialise than initially expected.

CORPORATE

As outlined in our half year results announcement, the Company has invested heavily into supporting the growing global business, including expenditure on staffing, ERP systems, new locations, branding and guest experience. The current trading environment has meant that the benefits from this investment will take longer to materialise. We remain confident in our long-term strategy for global business growth.

REVISED GUIDANCE

The Company now expects NPAT to be between \$17.5 million and \$19.5 million for the year ending 30 June 2019, compared to \$19.2 million for FY18.¹

CEO and Managing Director, Luke Trouchet, said that "while short-term results will be below our expectations, we are implementing plans across the business to address issues in RV sales and are well placed to execute our long-term global growth strategy."

¹FY18 underlying NPAT was \$19.5 million. FY19 underlying NPAT adjustments will include circa \$0.6 million acquisition costs.

Apollo Tourism & Leisure Ltd, ACN 614 714 742

Head Office: 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

Free Call: Australia: 1800 777 779 | International: +800 3260 5466

www.apollotourism.com | info@apollotourism.com



Authorised by:

Luke Trouchet

Managing Director and Chief Executive Officer, Apollo Tourism & Leisure Ltd

For more information please contact:

Investors:

Luke Trouchet, Managing Director and CEO

T: 07 3265 9222

E: info@apollotourism.com

W: www.apollotourism.com

About Apollo Tourism & Leisure Ltd

- *Apollo Tourism & Leisure Ltd is listed on the Australian Securities Exchange (ASX code: ATL). Apollo is a multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of RVs including motorhomes, campervans and caravans.*
- *Apollo is the largest provider of rental RVs in Australia and owns the rental brands of Star RV, Apollo, Cheapa Campa and Hippie Camper.*
- *Apollo is the second largest provider of rental RVs in New Zealand and owns the rental brands of Star RV, Apollo, Cheapa Campa and Hippie Camper.*
- *Apollo is one of the largest providers of rental RVs in North America and owns the rental brands of CanaDream, Star RV and Apollo.*
- *Apollo is one of the largest providers of rental RVs in the United Kingdom/ Ireland and owns the rental brand Bunk Campers.*
- *Apollo holds a 25% stake in online "peer to peer" caravan and RV sharing community, Camplify. Camplify currently operates in Australia and the United Kingdom.*
- *Apollo has RV manufacturing plants in Brisbane, Australia and Auckland, New Zealand.*
- *Apollo is the licensee of Winnebago in Australia and New Zealand.*
- *Apollo is the distributor of Adria Mobil in Australia and New Zealand.*
- *Apollo owns Talvor, a brand of motorhomes and caravans.*
- *Apollo owns the Fleetwood RV, Coromal and Windsor caravan brands.*
- *Apollo owns a national RV dealership network across Australia incorporating Apollo RV & Caravan Sales, Sydney RV, George Day Caravans and Kratzmann RV.*

Important notices

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representations, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by Apollo Tourism & Leisure Ltd or by any other person. In particular, no representation, warranty or assurance (express or implied) is given that any of the events expressed or implied in any forward-looking statement in this announcement will actually occur. While the Company believes there is a reasonable basis for the making of any forward-looking statements as at the date of this announcement, actual results, performance or financial positions may be affected by a range of variables which could cause actual results to differ materially from any forward-looking statements and the assumptions on which those statements are based.

Apollo Tourism & Leisure Ltd, ACN 614 714 742

Head Office: 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

Free Call: Australia: 1800 777 779 | International: +800 3260 5466

www.apollotourism.com | info@apollotourism.com