



ASX Announcement

27 March 2018

APOLLO TOURISM & LEISURE LTD ACQUISITION OF UK & IRELAND RV RENTAL BUSINESS, CAMPERCO

The Directors of Apollo Tourism & Leisure Ltd (ASX: ATL) (“Apollo” or “the Company”) are pleased to announce that it has acquired Camperco Group Ltd (Camperco), incorporating Bunk Campers, one of the largest independent motorhome rental operators in the United Kingdom and Ireland.

Highlights

- Apollo acquires Camperco, one of the largest independent motorhome operators in the UK and Ireland, for £4.5m (approximately AUD8.2m) in cash and ATL shares. Acquisition is expected to be earnings accretive in FY19, the first full financial year of ownership.
- Established brand and successful management team support continued UK and Ireland growth and provide beachhead for Apollo’s expansion into Europe.
- Acquisition supports Apollo’s strategy to become a global RV solution. Apollo is a global operator with rental operations in Australia, New Zealand and North America.

Transaction details

Apollo has acquired United Kingdom and Ireland RV business Camperco for £4.5m (approximately AUD8.2m), paid in cash (£2.25m, approximately AUD4.1m) from existing cash reserves and the issue of ATL shares (£2.25m, approximately AUD4.1m). These shares will be escrowed for two years.

In addition to the £4.5m consideration, a performance incentive of £1m (approximately AUD1.8m) per year, payable in 50% cash and 50% scrip, for the both the 2018 and 2019 calendar years, is contingent upon achievement of projected 2018 EBIT and 2019 EBIT. The ATL scrip component of the performance incentive will be escrowed for one year following the issue of the shares. Camperco is being acquired on a NPAT multiple of approximately 7.5 based on the forecast CY2018 earnings. Camperco’s founders and current management will continue to lead the business.

Bunk Campers was established in 2007 and is recognised as one of the largest independent motorhome rental operators in the United Kingdom and Ireland, with calendar year 2017 revenue of over £3m and planned 2018 fleet of more than 200 RVs. The Bunk Campers rental brand currently has outlets in Belfast, Dublin, Edinburgh, Glasgow, London, Birmingham and Leeds. There are plans for further European expansion for the 2019 season. The company recently rebranded as the Camperco Group to reflect its growing activities in RV sales through its own retail centres,

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campervan conversion and ecommerce RV accessories sales. Similar to Apollo's other northern hemisphere businesses, Camperco's earnings are expected to be skewed to the first half of the financial year.

The acquisition includes tangible assets of approximately AUD9m (predominantly the rental fleet), intangibles of AUD6.8m (predominantly goodwill), and liabilities of approximately AUD7.6m, including approximately AUD5.3m of fleet financing. These figures are unaudited figures as at 28 February 2018 and are subject to Apollo's business combinations accounting.

Apollo's Managing Director and CEO, Mr Luke Trouchet, said he is excited that the Company will expand its operations into the United Kingdom and Europe.

"We are delighted to acquire Camperco, a strong and successful RV rental business based in the UK and Ireland. This acquisition will further strengthen our position as a global operator of RVs and allow further expansion into Europe," said Mr Trouchet.

"We are particularly pleased that the founders Keith Charlton and Louise Corken will be staying on to lead the business through its next stage of development and expansion."

Strategic Rationale

The Camperco acquisition:

- Begins Apollo's entry into the United Kingdom and provides a platform for significant growth across Europe;
- Supports Apollo's strategy to become a global RV solution;
- Allows Apollo to capitalize on the forecast growth in the United Kingdom and European tourism market;
- Promotes ongoing growth and international diversification in the RV rental and sales markets;
- Leverages existing infrastructure and overheads within the Apollo group; and
- Satisfies Apollo's acquisition criteria, including: highly capable local management, strong growth outlook, synergies to existing business, and sensible valuation.

Market Statistics

- Over 1 million caravans and motorhomes in use in the United Kingdom.
- Over 96,000 motorhomes sold by manufacturers across Europe in 2016, an increase of over 18% on prior year.
- More than 1.8 million motorhomes in use across Europe.
- Inbound visitor nights to the United Kingdom in 2016 were 277 million, with domestic travel accounting for an additional 128 million nights.
- There were over 10 million inbound tourists to Ireland in 2016, with an additional 9 million domestic travellers.

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Earnings Impact

The Camperco acquisition is expected to be earnings accretive in FY19, the first full financial year of ownership.



Websites

<http://www.camperco.com>

<http://www.bunkcampers.com/>

<https://www.thecampercoshop.com/>

<http://www.thecampercoshowroom.com>

Merger and Acquisition Strategy

Apollo has completed a number of acquisitions since listing on the ASX in November 2016. These acquisitions all fit within our strategic plan to expand our retail distribution and rental footprint. A summary of these acquisitions include:

- February 2017: Sydney RV Group, a successful, established and growing retailer of new and used caravans and motorhomes located in Penrith NSW.
- February 2017: ATL holds a 25% stake in Camplify, an online “peer to peer” caravan and RV sharing community currently operating in Australia and the United Kingdom.
- May 2017: Kratzmann Caravans and Clint’s Caravan Warehouse are one of the largest retailers for a number of popular motorhomes and caravan brands in south-east Queensland.
- July 2017: CanaDream is one of the largest RV rental and sales companies in Canada, with a fleet of approximately 1,000 units.
- August 2017: George Day Caravans is an established Western Australian dealership for new and used caravans, campers and luxury motorhomes.

Apollo will continue to evaluate M&A opportunities as they arise and will, where appropriate, look to acquire complementary businesses.

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Outlook

Apollo reaffirms that it is on track to achieve analyst consensus for FY18 results.

END

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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 RV's including motorhomes, campervans and caravans.
- Apollo is the largest provider of rental RV's in Australia and owns the rental brands of Star RV, Apollo, Cheapa Campa and Hippie Camper.
- Apollo is the second largest provider of rental RV's 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 RV's in North America and owns the rental brands of CanaDream, Star RV and Apollo.
- Apollo is one of the largest providers of rental RV's 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.

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- 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 a national RV dealership network across Australia incorporating Apollo RV & Caravan Sales, Sydney RV, George Day Caravans and Kratzmann RV.

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