



Apollo Tourism & Leisure Ltd

Results Presentation
HALF 1 FY17
February 2017



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Agenda

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Leaders in self-drive experiences

Apollo Tourism & Leisure Ltd (ASX: ATL) is a multi-national, vertically integrated manufacturer, rental fleet operator, wholesaler and retailer of a broad range of recreational vehicles including motorhomes, campervans and caravans.

LOCATION	MANUFACTURING	RENTAL OPERATIONS	RV SALES
Australia	✓	✓	✓*
New Zealand	✓	✓	✓**
USA		✓	✓**
Canada		✓	✓**

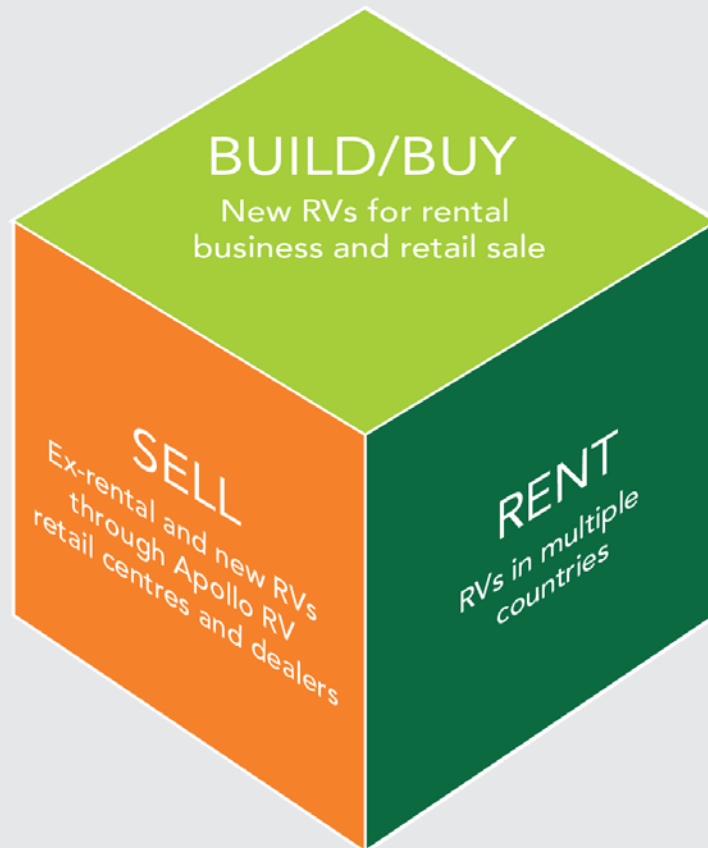
* New and ex-rental RV sales

** Ex-rental RV sales only

Note: Apollo's interests in Canada are via a strategic investment in CanaDream Corporation (TSXV:CDN)

- Apollo is a well-recognised international brand and rents RVs under four different brands aimed at differing customer segments: StarRV, Apollo, Cheapa Campa and Hippie.
- Apollo was founded by the Trouchet family in 1985 and has been owned and managed by Luke Trouchet and Karl Trouchet since 2001, until Apollo's listing on the ASX in November 2016.

Business model



TALVOR™

WINNEBAGO

ADRIA



★ StarRV™

Cheapa Campa

apollo

HIPPIE



apollo

WINNEBAGO

TALVOR™

ADRIA

H1 FY17 results overview

- Successful IPO November 2016.
- First half revenue, EBITDA and NPAT in line with pro forma forecast.
- Outlook moving into second half is positive.
- Recent capital investments in Sydney RV and Camplify made to facilitate growth.
- Strategic goals outlined in prospectus are on track.
- Directors reaffirm full year prospectus forecast pro forma net profit after tax.
- Interim dividend of 0.5 cents per share, fully franked, declared for the period between listing and 31 December 2016.

H1 results

AUD\$M	H1 FY16	H1 FY17	\$ MOVEMENT	% MOVEMENT
Revenue	78.453	92.828	14.375	18%
Pro forma EBITDA (i) (ii)	21.221	27.874	6.653	31%
Pro forma EBITDA margin (i) (ii)	27%	30%	3%	11%
Pro forma net profit after tax (ii)	4.208	9.706	5.498	131%
Statutory net profit after tax (iii)	0.439	3.552	3.113	709%
Pro forma cash flow from operating activities (ii)	39.356	40.075	0.719	2%
Cash	3.559	10.908	7.349	206%
Pro forma earnings per share	N/A	6.7 cps	N/A	N/A
Interim dividend	N/A	0.5 cps	N/A	N/A

Notes:

- (i) Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.
- (ii) Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.
- (iii) Statutory results do not include the first three months of operational performance of Apollo Motorhomes LLC and Apollo Finance Pty Ltd, and, as well, the IPO costs are included in the statutory results to 31 December 2016.

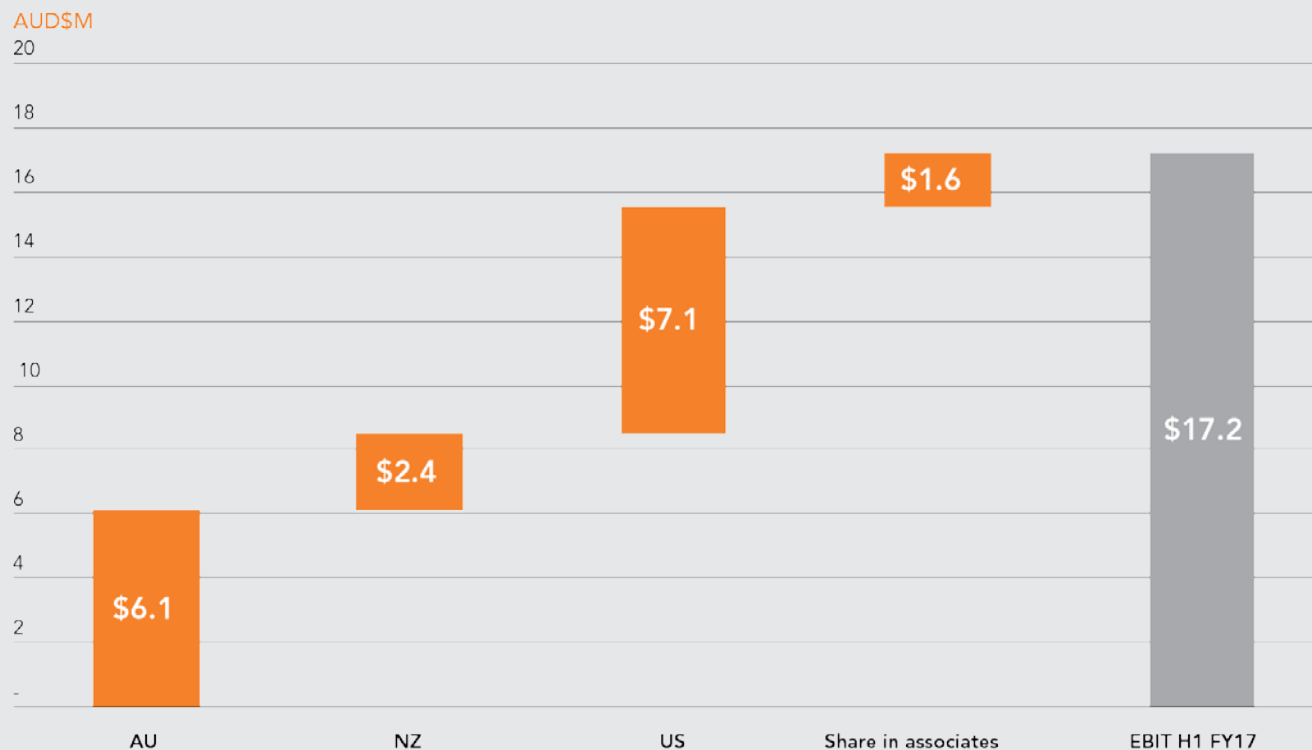
Pro Forma segment results

AUD\$M	Six months ended 31 Dec 2016		Six months ended 31 Dec 2015		Growth \$		Growth %	
	REVENUE	EBIT	REVENUE	EBIT	REVENUE	EBIT	REVENUE	EBIT
Australia	44.686	6.113	36.163	5.530	8.523	0.583	24%	11%
New Zealand	13.419	2.377	10.413	1.233	3.006	1.144	29%	93%
USA	31.959	7.066	31.098	4.398	0.861	2.668	3%	61%
Other/ Eliminations	2.764	1.640	0.779	(1.161)	1.985	2.801		
Total	92.828	17.196	78.453	10.000	14.375	7.196	18%	72%

Notes:

- The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transport occurring in summer months.
- Profits in Australia and New Zealand are typically generated over the southern hemisphere summer months, while profits in the USA are generated over the northern hemisphere summer.
- 'Other/Eliminations' include Apollo's 20% investment in CanaDream. Similar to the USA, results are heavily skewed to the first half and CanaDream normally produces operating losses in the 2H due to seasonality.
- H1 FY17 EBIT is in line with prospectus pro forma forecast.
- Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.

Pro Forma segment results



Notes:

- H1 FY17 EBIT is in line with prospectus pro forma forecast.
- Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.

Operational highlights – Australia

Rental Operations

- Revenue and profit are up on budget.
- Strong ancillary revenue and cost control has countered yields that are tracking slightly behind prospectus forecasts.
- Forward bookings are in line with expectations. The Easter period continues to strengthen.
- Fleet size has remained stable at approximately 1,700.

RV Sales

- Total RV sales are tracking satisfactorily.
- Experiencing solid demand for motorhomes in both retail outlets and industry shows with new models on display.
- Ex-rental RV sales performing in line with expectations.
- New RV sales centres opened in Melbourne, at Campbellfield and in Sydney, at Taren Point, as well as recently in Adelaide and Perth from the existing Apollo rental outlets.

Manufacturing

- Demand for new motorhomes has seen a rebalance between manufacturing for retail and rental fleet.
- Focus on manufacturing efficiencies and managing increasing scale.

Operational highlights – New Zealand

Rental Operations

- Experiencing strong rental demand.
- Yield and utilisation ahead of forecast YTD.
- Skoot, a third party product that offers Wi-Fi, satellite navigation, audio tour guides and travel deals, has been rolled out in New Zealand.
- Fleet size expected to remain stable at approximately 700.
- Lions Tour is driving higher than usual June demand.

RV Sales

- RV sales are tracking satisfactorily.

Manufacturing

- Manufacturing performing well.

Operational highlights – USA & Canada

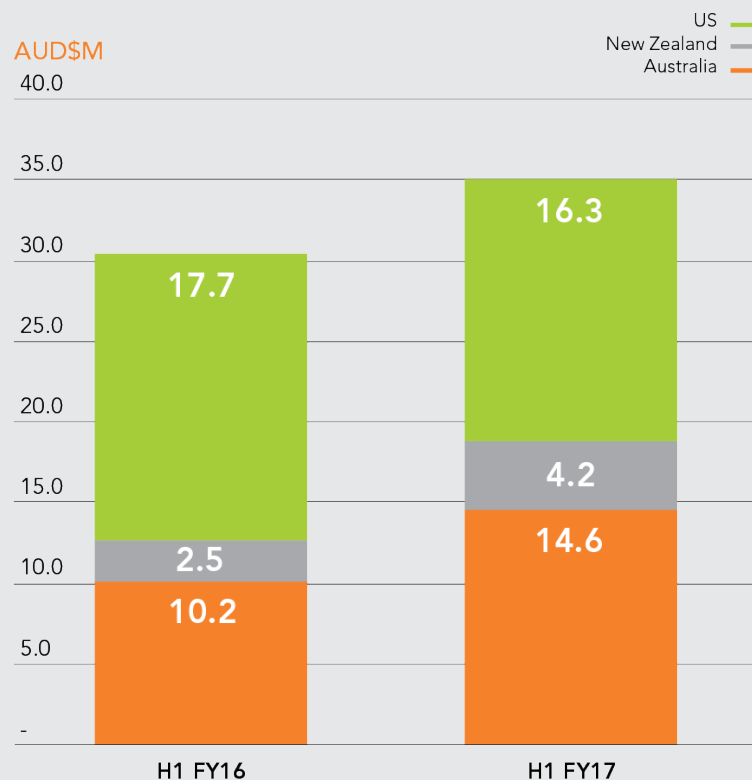
USA

- 2016 summer peak season was in line with prospectus forecasts.
- Sale of used RVs in H1 is slightly behind prospectus forecasts with the decision to push more sales into the peak season in the H2 to achieve higher margins.
- Forward bookings into USA summer are strong.
- East Coast expansion is underway with New York and Orlando branches opening in May ready for the 2017 summer season.
- RV purchase orders have been placed for delivery ahead of 2017 summer peak season, with fleet expanding to 700, including a new B van product.

Canada

- Announced a 7% increase in H1 FY17 results (May to October 2016) of C\$8.4M and a 17% increase in revenue to C\$34.8M.
- CanaDream's rental operations are seasonal, with the majority of revenue earned during H1 (May to October) and the company normally produces operating losses in H2.

RV sales revenue



Notes:

- H1 FY17 fleet sales revenue has increased from H1 FY16 revenue in Australia and New Zealand.
- H1 FY17 fleet sales revenue in the USA is slightly down on prior year due to a slightly smaller fleet size, exchange rate variation and a focus on achieving margin over volume.

H1 FY17 Pro Forma adjustments

AUD\$M	ADJUSTMENTS	H1 FY17
Pro forma net operating profit after tax		9.706
IPO Costs	(2.001)	
USA Loan interest to 30 September 2016	(0.343)	
Income tax effect on IPO costs and USA loan interest	0.703	
USA/ Finance Profit July to 30 September 2016	(4.513)	
Statutory net operating profit after tax		3.552

Notes:

- Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.

Balance sheet

AUD\$M	30 June 16 pro forma (i)	31 December 2016
ASSETS		
Current Assets		
Cash and cash equivalents	15.271	10.908
Other Current Assets	24.241	25.052
Total Current Assets	39.512	35.960
Non-current Assets		
Property, plant and equipment	172.148	158.765
Other Non-current Assets	12.575	9.589
Total Non-current Assets	184.723	168.354
TOTAL ASSETS	224.235	204.314
LIABILITIES		
Current Liabilities		
Interest-bearing loans and borrowings	72.180	44.995
Other Current Liabilities	26.020	25.939
Total Current Liabilities	98.200	70.934
Non-current Liabilities		
Interest-bearing loans and borrowings	64.768	59.801
Other Non-current Liabilities	14.976	23.947
Total Non-current Liabilities	79.744	83.748
TOTAL LIABILITIES	177.944	154.682
NET ASSETS	46.291	49.632

Notes:

- (i) Prospectus dated 6 October 2016
- Net current liability position reflects liabilities under finance lease and hire purchase contracts of \$45M and unearned income of \$9M being classified as current liabilities. Directors consider that the group will generate sufficient cash flows from operations to finance ongoing operations and meet financial obligations.
- Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.

H1 FY17 cash flow

AUD\$M	DECEMBER 2016 PRO FORMA (i)	DECEMBER 2016 STATUTORY
Net profit/ (loss) after tax	9.706	3.552
Non-cash items	11.182	7.564
Changes in working capital	(4.543)	(1.309)
Proceeds from sale of assets	24.003	23.416
Repayment of borrowings/ finance lease principal	(62.031)	(57.888)
Capital expenditure	(0.765)	(0.765)
Cash acquired from acquisitions	-	6.169
Related party transactions	4.282	5.490
Proceeds from Offer (net of capitalised transaction costs)	48.789	48.789
Payment to Founding Shareholder	(30.000)	(30.000)
Net Cash Movement	0.623	5.108

Notes:

- Pro forma figures have not been subject to audit or review but have been determined using information presented in the Company's interim financial statements and the prospectus dated 06 October 2016.

Strategic growth initiatives

Expansion of USA footprint

- ✓ Two new rental offices are opening in May 2017 on the East Coast of the USA.

New RV sales

- ✓ Recent acquisition of Sydney RV aligns with Apollo's strategy to grow the business through establishing retail sales centres throughout Australia.
- ✓ Retail sales centres have started in Adelaide and Perth from existing rental locations.

Rental fleet diversity

- ✓ New rental products are currently being investigated to launch in FY18.

Retail product diversity

- ✓ Winnebago has extended its range to include an off road caravan.
- ✓ Development continues on other new products.

Ongoing Business Improvement Initiatives

- ✓ Apollo plans to maintain a consistent fleet size in Australia and New Zealand to cater for rental demand.
- ✓ Fleet size in the USA is growing in line with prospectus forecasts.
- ✓ Focus on manufacturing efficiencies and managing increasing scale.

Implement Asian Initiative

- ✓ Sales growth from the Asian market is showing positive movement from a small base.
- ✓ There is a lot of opportunity in this market that Apollo is working to capitalise on.

Geographic Expansion & Strategic Acquisitions

- ✓ Apollo has entered the peer to peer space with its investment in 25% of Camplify, an online caravan and RV sharing community that connects caravan and RV owners with people looking to rent these vehicles.
- ✓ Recent acquisition of Sydney RV aligns with Apollo's strategy to grow the business through establishing retail sales centres throughout Australia.

Sydney RV Group **Motorhomes & Caravans**

- Acquired 100% of Sydney RV Group Pty Limited (Sydney RV) in early February 2017 for approximately 1.75M cash (\$1.53M) and shares (\$0.22M).
- A successful, established and growing retailer of new and used caravans and motorhomes located in Penrith NSW, geographically complementary to Apollo's new Taren Point NSW retail outlet.
- Sydney RV's experienced motorhome and RV General Manager, Norman Roe, owned 25% of the business and received 50% in Apollo shares in consideration. He continues to manage the business.
- The acquisition of Sydney RV accelerates Apollo's strategic goal of becoming a leading Australian RV retailer, adding the Apollo brands Winnebago, Adria, Talvor, and ex-rental used vehicles to Sydney RV's new and used motorhome and caravan offering to grow group sales through Sydney RV's existing footprint and client relationship. The current intention is to maintain the Sydney RV branding.
- The acquisition of Sydney RV on a stand alone basis will be EPS accretive to the FY17 prospectus forecasts.



- Subscribed to a 25% stake in online “peer to peer” caravan and RV sharing community, Camplify Co (Australia) Pty Ltd (Camplify) for \$1.75m. Camplify will use Apollo's investment to assist fund market growth and product development.
- There are 586,585 RVs registered in Australia in 2015. Camplify estimated that these RVs are being used on average for only 6 weeks of the year. Camplify's peer to peer marketplace provides an opportunity for RV owners to earn income on their vehicles when they are not using them.
- Through a partnership with shareholder NRMA, Camplify offers services including roadside assistance, and special deals on travel and holiday park bookings.
- Apollo's investment in Camplify also allows Apollo to quickly enter the “peer to peer” space and expand the range of products and services offered to retail customers, as well as providing cross-promotion opportunities.
- Karl Trouchet has joined the Camplify board.
- Camplify is in start-up phase and has aggressive growth plans. Apollo's five months 25% share of Camplify's expected FY17 loss will be included under Share of profit/loss in associates in the FY17 financial statements.

Summary

First half revenue, EBITDA and NPAT in line with pro forma forecast.

Outlook moving into second half is positive.

On track to meet its FY17 pro forma forecast of AUD\$12.4M NPAT and statutory forecast of AUD\$6.2M as set out in the prospectus.

The combined impact of recent investments in Sydney RV and Camplify are not expected to have any material impact on pro forma and statutory forecasts for FY17.

Thank you

