TOURISM & LEISURE LTD


# FY2019

## Results Presentation

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**Statutory and underlying financial information**

This presentation contains certain non-IFRS financial measures, hereafter referred to as “Underlying” financial measures. Underlying financial measures are defined as financial measures that are presented other than in accordance with all relevant Australian Accounting Standards. Certain Underlying financial measures are used internally by Apollo’s management to make appropriate comparisons with prior periods and to assess financial performance. Accordingly, all financial measures reported in this presentation are calculated on an Underlying basis, unless otherwise stated.

A reconciliation and description of the items that contribute to the difference between Apollo’s underlying and statutory results is provided on slide number 32 of this presentation.

# Important Points to Note

**Acquisitions**

- On 11 July 2017, Apollo acquired the remainder of the shares that it did not own in CanaDream Corporation (CanaDream), in which Apollo had previously held 20.22% of the ordinary shares. Apollo acquired in full, George Day Caravans and Motorhomes (George Day), Camperco Group Limited (Camperco), Direction France and the caravan brands Windsor and Coromal, on 31 August 2017, 26 March 2018, 28 February 2019 and 1 March 2019 respectively. As such, the results of these businesses are only reflected in the FY19 and comparative period (where applicable) balances of this presentation, from their date of acquisition, to period end.
- The impact of these acquisitions have been shown throughout this presentation, where applicable, to aid the understanding of results.

**General**

- All figures are in $AUD unless otherwise stated.
- All comparisons are against prior corresponding period (pcp).
- Where a balance was negative in the pcp and is positive in the current financial year (or vice-versa), the percentage change cannot be calculated. The percentage change in these instances has been reflected as “N/M”, being Not Meaningful.
- The average AUD:NZD foreign exchange rate for FY19 was $1.0648 (FY18 $1.0879).
- The average AUD:USD foreign exchange rate for FY19 was $0.7156 (FY18 $0.7736).
- The average AUD:CAD foreign exchange rate for FY19 was $0.9134 (FY18 $0.9819).
- The average AUD:GBP foreign exchange rate for FY19 was $0.5535 (FY18 $0.5601).
- The average AUD:EUR foreign exchange rate for FY19 was $0.6230 (FY18 N/A).

**Key Financial Metrics**

- Average Funds Employed = ((Opening Total Equity + Opening Borrowings – Opening Cash) + (Closing Total Equity + Closing Borrowings – Closing Cash)) / 2.
- Return On Funds Employed (ROFE) = Earnings Before Interest & Tax (EBIT) / Average Funds Employed.
- Average Total Equity = (Opening Total Equity + Closing Total Equity) / 2.
- Return on Equity (ROE) = Net Profit After Tax (NPAT) / Average Total Equity.
- Debt : EBITDA ratio = Net debt / Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA).

# The Global RV Solution

# Our Values

## Be happy to

- provide outstanding experiences with a 'can-do' friendly attitude
- share learnings and help others
- make a difference to our guests' and teams' experiences by creating "wow" moments

## Lead the way

- provide direction with a responsible growth mindset
- motivate and encourage others to help achieve sustainability and profit goals
- take responsibility, question and offer solutions

## Enjoy the ride

- be passionate and enthusiastic, share the road trip love!
- have fun and celebrate success
- treat all with respect and courtesy

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# Business Model

We are leaders in the tourism and leisure industry, aiming to become the global RV solution and delivering confident experiences for travellers everywhere.

We are vertically integrated, buying, building, importing, renting and selling RVs.

Our dynamic business model enables us to expand into complementary tourism and leisure sectors.




## CRAFT

The RVs we rent and sell are carefully **crafted**, whether we assemble them ourselves or purchase from others.

## RENT

Our **rental** companies offer quality campervans and motorhomes to suit the needs of different market segments.

## SELL

We **sell** both new and ex-rental RVs through our own Apollo retail sales centres and selected dealers.

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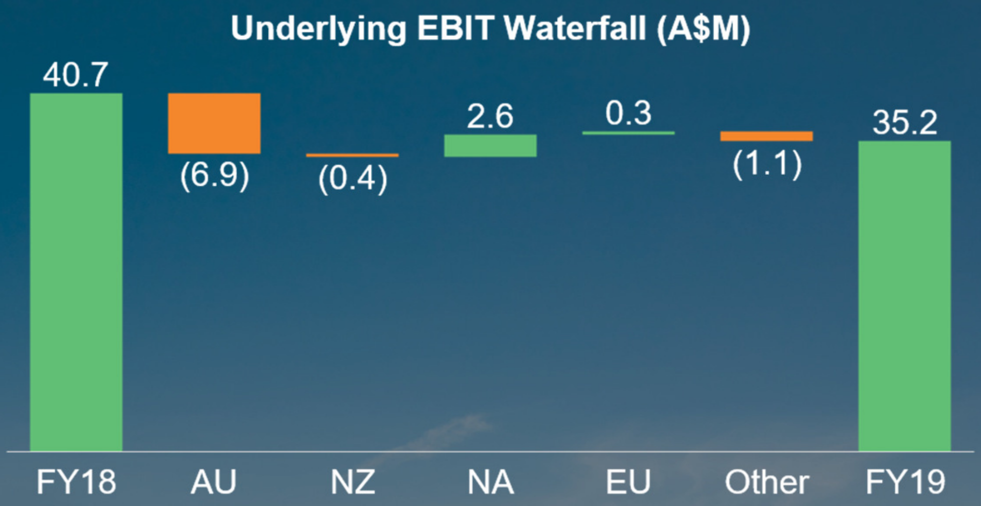
# Introduction

# Executive Summary

- Statutory NPAT of $4.7M.
- Underlying NPAT of $14.7M[1] (excl. -$11.0M of non-cash impairments of intangible assets and goodwill, and other underlying adjustments of +$1.0M).
- Rental revenue growth across all geographical segments, though earnings growth constrained by material investment in global people, systems and infrastructure.
- RV sales performance below expectations, with substantial headwinds experienced in key markets of Australia and North America:
  - Australian retail sales performance is strengthening, as market settles post Federal Election, and restructuring gains traction.
  - North American ex-fleet market recovering at a slower pace.
- Entry into mainland Europe a milestone event for the Group's global journey.
- Significant investment ongoing, with benefits expected to materialise in future periods:
  - Global restructure and strategic enhancement of Group retail operations.
  - Elevation of the guest experience: ApolloConnect, E-commerce advancements, retail value proposition benefits.
  - Rental fleet and retail stock rationalisation underway.
  - Overhead cost reduction and business efficiency strategy.

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[1]Refer slide 32 for a reconciliation of statutory net profit after tax to underlying net profit after tax.

# FY19 In Review

| Operating area | Commentary | Target | Actions |
|---|---|---|---|
| Global | Core rental business performing well. | ⇧ | • Rental revenue and booking days up on pcp in all segments.<br>• Develop and maximise opportunities to grow the global business and capture incremental earnings. |
| Europe | Successful entry into mainland Europe with the opening of branches in Germany and France. | ⇧ | • Continue to promote and expand German and French operations.<br>• Investigate potential regions for new branches to expand European footprint. |
| AU retail sales | Integration of Coromal and Windsor brands, post acquisition. | ⇧ | • Enhance and refine product offerings to ensure maximum fit and profitability of industry renowned Coromal and Windsor brands.<br>• Launch of revitalised Windsor branded caravans. |
| AU retail sales | Sales volumes not in line with Group capabilities and expectations. | ⇩ | • Appointment of Global COO – Retail, in February 2019, to drive retail performance and margins in all operating markets.<br>• Strategic review of retail business model underway, covering product development, positioning, promotion and value creation.<br>• Streamlining of models to promote higher margin/popular vehicles and introduce new products targeted at key demographics.<br>• National dealer management system being implemented to synergise distribution network. |
| NA ex-fleet sales | Sales volume and margin targets not achieved due to oversupply of new manufacturer stock in calendar year 2018. | ⇩ | • Expanding regional wholesale partners to capture new volume and margin opportunities.<br>• Establishment of expanded retail distribution network, leveraging existing rental branch real estate.<br>• Refinement of fleet lifecycles to ensure maximum rental utilisation and efficient capital allocation. |
| UK ex-fleet sales | Sales volume targets not achieved, with Brexit uncertainty affecting market conditions. | ⇩ | • Refinement of fleet lifecycles to ensure maximum rental utilisation and efficient capital allocation.<br>• Cement Birmingham dealership as a retail "Super Store", in the mould of Auckland and Melbourne. |
| AU manufacturing | Slowed production in FY19 due to lower retail demand. | ⇩ | • Focus on achieving further efficiencies and capitalise on opportunities to increase volumes within current fixed cost capacity. |
| Opex & Capex | Significant investment in systems and people to manage the global business. | ⇔ | • Cost reduction measures being implemented, including reduced headcount through natural attrition and targeted strategic down-scaling.<br>• Realise benefits of investments in guest experience, upskilled management and systems improvements in future periods. |

# Financial Performance

# Results Overview

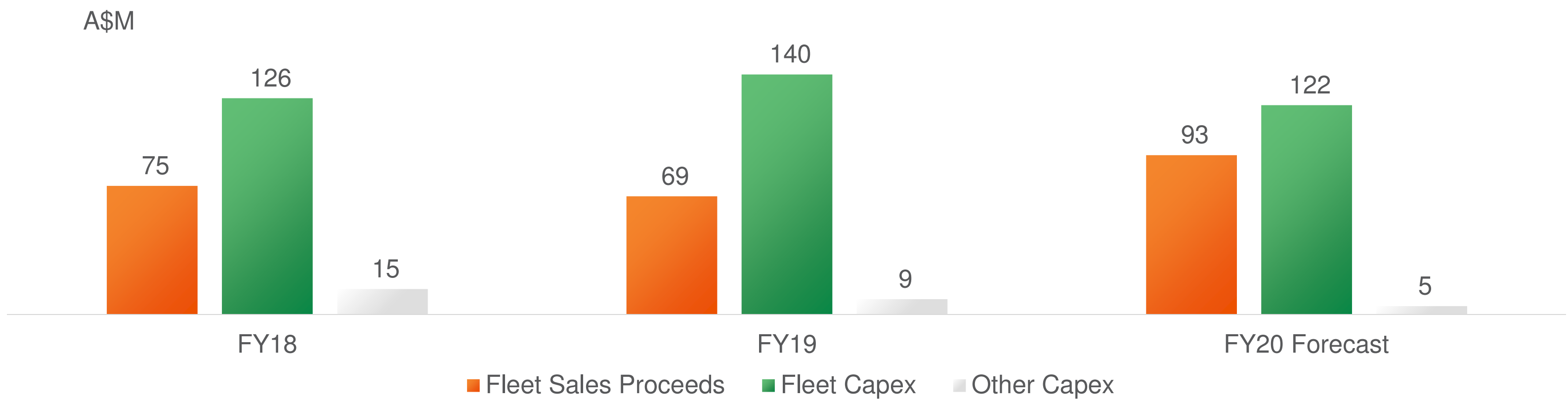
- Rentals business performance has remained strong, with record rental days in all segments and 17% growth in rental revenue.
- Statutory results include non-cash impairments of goodwill and intangible assets of Australian retail dealerships ($9.5M) and Camperco ($1.5M). Impairment is attributable to the underperformance of retail in H2 FY19 being reflected in conservative cashflow forecasts and increased risk premiums.
- Significant investment in people, systems, product enhancements and infrastructure to support growth initiatives. The benefit of these initiatives will flow into future financial periods.
- Soft vehicle sales markets globally, attributable to geopolitical and economic uncertainty and product oversupply in the USA, has impacted performance. This was reflected in increased stock holdings and suppressed margins.
- The Coromal brand was successfully integrated into the Group's Australian retail network. Earnings growth is expected in future financial periods as new build and product benefits come to market.
- Interim dividend of 2c per share paid on 10 April 2019. The Company's policy is to pay between 45% and 55% of annual Statutory NPAT as dividends. Given the impact of the impairments on Statutory NPAT, the Board has decided there will be no final dividend declared for FY19.

1. Refer slide 32 for a reconciliation of statutory net profit after tax to underlying net profit after tax.

| 2. No. months of results contributing to Apollo's P&L: | FY19 | FY18 |
|---|---|---|
| CanaDream | 12 months | 11.5 months |
| George Day | 12 months | 10 months |
| Camperco | 12 months | 3 months |

| A$M | FY19 | FY18 | Movement | % Change |
|---|---|---|---|---|
| **STATUTORY** | | | | |
| Total revenue | 365.2 | 355.6 | 9.6 | 2.7% |
| EBIT | 25.2 | 40.4 | (15.2) | (37.6%) |
| EBIT margin | 6.9% | 11.4% | (4.5%) | |
| **NPAT** | **4.7** | **19.2** | **(14.5)** | **(75.5%)** |
| ROFE | 6.1% | 13.4% | (7.3%) | |
| ROE | 4.0% | 17.6% | (13.6%) | |
| Basic earnings per share (cents) | 2.6 | 10.6 | (8.0) | (75.5%) |
| **UNDERLYING** | | | | |
| Total revenue | 365.2 | 355.6 | 9.6 | 2.7% |
| EBIT | 35.2 | 40.7 | (5.5) | (13.5%) |
| EBIT margin | 9.6% | 11.4% | (1.8%) | |
| **NPAT** | **14.7** | **19.5** | **(4.8)** | **(24.6%)** |
| ROFE | 8.5% | 13.5% | (5.0%) | |
| ROE | 12.4% | 17.9% | (5.5%) | |
| Basic earnings per share (cents) | 8.0 | 10.8 | (2.8) | (25.9%) |
| **BALANCE SHEET** | | | | |
| Cash and cash equivalents | 34.5 | 36.6 | (2.1) | (5.7%) |
| Final dividend (cents per share) | 0.0 | 3.0 | (3.0) | (100.0%) |
| Total dividend (cents per share) | 2.0 | 5.0 | (3.0) | (60.0%) |

# Capital Expenditure and Rental Fleet Sales




**Fleet Sales Proceeds**

- The significant increase in FY20 forecast proceeds is attributable to strategic focus on reducing opening stock holdings globally. Pricing strategies, marketing initiatives and enhancements to stock management systems will be implemented to accelerate fleet sales.

**Fleet Capex**

- Growth in FY19 over pcp attributable to slight increase in fleet size for existing regions, plus addition of Germany and France fleets.
- Planned new European rental locations in FY20 are included forecast fleet capex.
- Review of fleet lifecycles in FY20 is expected to result in a decrease in fleet purchases in some regions and a corresponding reduction in capex.

**Other Capex**

- Decreased outlay in FY19 attributable to reduced Sage X3 ERP system implementation and factory capex compared to pcp, with significant outlay incurred in FY18 following relocation of the factory to the new, larger facility.
- FY20 outlay reduced as a result of consolidation of existing systems and infrastructure.

# Balance Sheet

| (A$M) | Closing Drawn Balance | | | Headroom | | |
|---|---|---|---|---|---|---|
| Facility Type | FY19 | FY18 | Movement | FY19 | FY18 | Movement |
| Hire Purchase | 296.0 | 255.7 | 40.3 | 83.7 | 46.4 | 37.3 |
| Floor Plan | 39.6 | 28.1 | 11.5 | 10.3 | 11.0 | (0.7) |
| Bank loans | 28.8 | 16.6 | 12.2 | 1.6 | 0.0 | 1.6 |
| **Total** | **364.4** | **300.4** | **64.0** | **95.6** | **57.4** | **38.2** |

| Approximate Fleet Equity Position as at 30 June 2019 | | | |
|---|---|---|---|
| Segment (A$M) | Fleet WDV (incl held-for-sale) | Drawn HP Balance | Equity |
| Australia | 102.5 | 81.1 | 21.4 |
| New Zealand | 54.5 | 41.0 | 13.5 |
| North America | 182.5 | 155.0 | 27.5 |
| Europe & UK | 22.0 | 18.9 | 3.1 |
| **Total** | **361.5** | **296.0** | **65.5** |

**Hire Purchase Facilities**

- Each rental fleet unit is individually financed through hire purchase facilities, held with a number of financiers in each region.
- Depreciation rates are set on vehicle classes to achieve a written down value (WDV) at the end of a vehicle's lifecycle approximately equal to its sale value.
- Underlying debt is paid down faster than a vehicle's decline in value over the lifecycle, creating an intrinsic unrealised equity value in each vehicle. As at 30 June 2019, approximate Group equity held in the rental fleet across all segments is $65.5M. Refer slide 14 for an example of the relationship between rental fleet values and hire purchase debt in Australia.
- As at 30 June 2019 the Group has $94.8M of hire purchase and floor plan facility headroom, which provides flexibility and diversification of financier concentration risk.
- Increase in HP debt over pcp is attributable to rental fleet size increases across the Group and subdued ex-fleet sales globally, resulting in higher than expected ex-fleet inventory holdings at year end.

**Floor Plan Facilities**

- Floor plan facilities provide the Group with an efficient source of capital to fund its retail inventory holdings. New and ex-fleet vehicles can be added to a facility, up to the value of the facility's limit, with only interest payments being required in the first six months of the vehicle's finance term and no penalties incurred to pay out a sold vehicle.
- Floor plan finance debt in Australia has increased (FY19: $39.0M / FY18: $28.1M) due to the addition of Coromal caravan stock from Fleetwood at acquisition and the opening of a new Newcastle site and an expanded Melbourne site.

**Bank Loans**

- CanaDream owns a number of the properties on which their rental branches are located, as leasing costs exceeded the cost of financing, making ownership a more viable financial decision. These properties are financed via mortgages with a number of Canadian financiers.
- During FY19, CanaDream financed new facilities at their Toronto and Halifax branches and refinanced existing facilities to draw down additional funds with new lenders, at better rates and terms. The additional debt financed through bank loans in CanaDream during FY19 totalled $12.2M.

**Treasury**

- All floor plan facilities and the portion of hire purchase facilities due to be repaid within the next 12 months are treated as current liabilities in accordance with Australian Accounting Standards. The majority of underlying assets being financed (e.g. rental fleet vehicles) are treated as non-current assets, which results in a net current liability position of $138.7M, as at 30 June 2019. The Group has sufficient cashflows to satisfy all debt obligations with an expiry of 12 months or less.
- Apollo has one facility in New Zealand and facilities in Canada that contain standard financial covenants such as Debt:EBITA, Interest Cover, Current Ratio and Shareholder Funds : Total Tangible Assets ratios. These covenants were satisfied during the year.
- The Company's Underlying Debt:EBITDA ratio at 30 June 2019 was 5.3x, increasing from 3.8x at 30 June 2018. The increase is attributable to the increased debt, as discussed above, and the reduced performance of the Group in FY19.

# Example: Rental Fleet Debt/Equity Relationship

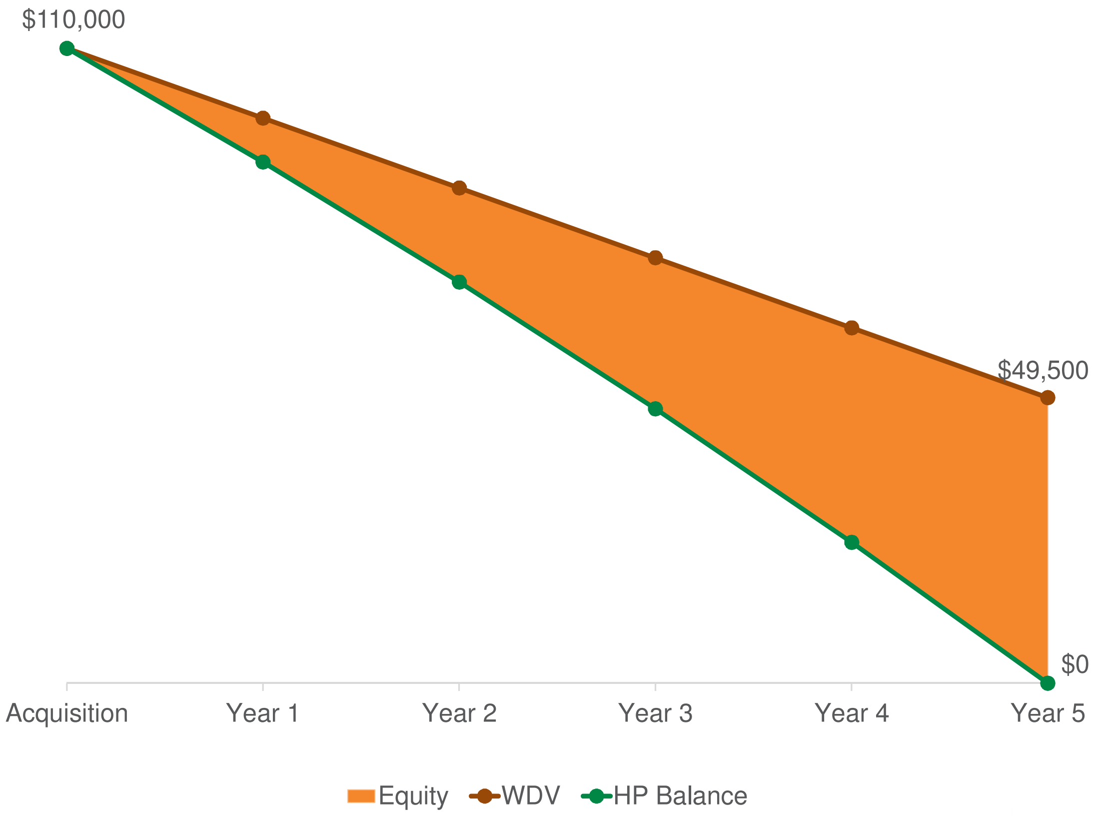
The following graph demonstrates the relationship between the hire purchase finance balance and the corresponding WDV of an example 6 Berth rental fleet vehicle in Australia, from acquisition date, to disposal, at the end of the vehicle's rental lifecycle. *Note: the following figures are for illustrative purposes only.

**Assumptions:**

| | |
|---|---|
| Assumed wholesale purchase price | $110,000 |
| Finance value | $110,000 |
| Hire purchase term | 5 years |
| Finance interest rate | 5.50% p.a. |
| Depreciation rate | 11.00% p.a. |
| Rental lifecycle | 5 years |
| Sale price at disposal | Assumed equal to WDV |

**Comments:**

- Each vehicle acquired has an intrinsic unrealised equity value at acquisition date, with the wholesale purchase price being lower than market retail price.
- Equity continues to increase as the vehicle ages, with debt being repaid at a faster rate than depreciation.
- Actual fleet lifecycles, depreciation rates and market sale prices may vary depending on prevailing market conditions in any given year.



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# Cashflow Summary

| Underlying (A$M) | FY19 | FY18 | Comments |
|---|---|---|---|
| **Net profit/(loss) before tax** | **18.1** | **27.1** | |
| Non-cash items | 4.6 | (1.3) | D&A, other non-cash items, eg. revaluation of CanaDream shareholding (H1 FY18), impairment of intangibles and share of associate profit/(loss). |
| Manufacturing costs eliminated through sale and leaseback transactions | 36.8 | 32.7 | Non-cash elimination, relating to inter-company vehicle acquisitions. |
| Changes in working capital | 7.5 | (9.5) | Seasonal impacts - fleet movements to pre-sale (from PP&E to inventory) and unearned income. Net investment in working capital across FY18 reflects growth and, increase in FY19 due to slower ex-fleet sales on inventory. |
| Interest paid, net of interest received | (16.7) | (13.2) | Increase in net interest costs due to growing fleet. |
| Proceeds from sale of rental fleet vehicles | 65.1 | 75.1 | Fall on pcp from slower ex-fleet sales. |
| Payments for purchase of rental fleet vehicles | (139.7) | (126.4) | Increase in fleet with commencement of Germany & France operations. |
| Other capital expenditure (property, plant and equipment) | (5.5) | (15.5) | FY18 capex - factory (systems, equipment) and new owned branches in Canada (Toronto and Halifax). H1 FY19 capex primarily systems and guest experience related. |
| Payments for businesses/brand acquisitions, net of cash balances acquired | (14.1) | (13.1) | Acquisition of Fleetwood RV, Coromal and Windsor brands. |
| Payments for intangibles/intellectual property | (3.4) | (0.2) | Acquisition of Fleetwood RV, Coromal and Windsor brands. |
| Repayment of borrowings, net of proceeds received from borrowings | 53.4 | 40.3 | Increase due large retail sales volumes and increased fleet sizes. |
| Dividends paid | (6.1) | (7.2) | |
| Income tax paid | (3.7) | (0.9) | |
| **Net cash movement** | **(3.7)** | **(12.1)** | |

# Segment Performance

# Global Footprint

## EUROPE & UK

RENTAL FLEET

**~320**

RV RENTALS

NEW AND EX-RENTAL

RV SALES

## USA & CANADA

RENTAL FLEET

**~2,500**

RV RENTALS

EX-RENTAL RV SALES

## AUSTRALIA

RENTAL FLEET

**~1,900**

RV RENTALS

NEW AND EX-RENTAL RV SALES

MANUFACTURING

## NEW ZEALAND

RENTAL FLEET

**~900**

RV RENTALS

NEW AND EX-RENTAL RV SALES

MANUFACTURING

Rental fleet sizes represent current fleet sizes.

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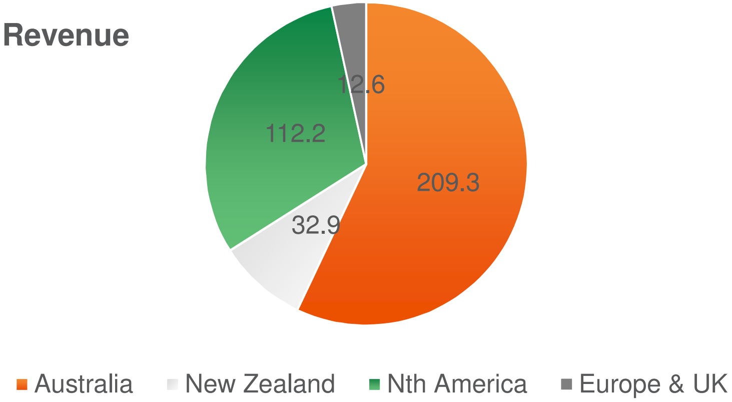
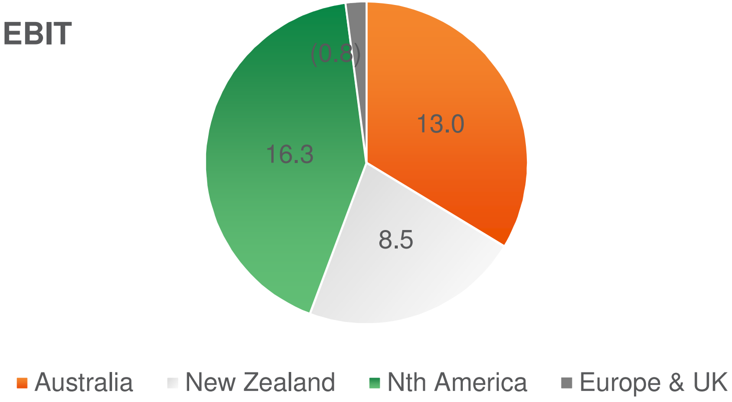
# Segment Results

| A$M | FY19 | | FY18 | | Growth ($) | | Change (%) | |
|---|---|---|---|---|---|---|---|---|
| | REVENUE | UNDERLYING EBIT | REVENUE | UNDERLYING EBIT | REVENUE | UNDERLYING EBIT | REVENUE | UNDERLYING EBIT |
| Australia | 209.3 | 11.5 | 208.2 | 18.4 | 1.1 | (6.9) | 0.5% | (37.5%) |
| New Zealand | 32.9 | 8.5 | 31.1 | 8.9 | 1.8 | (0.4) | 5.8% | (4.5%) |
| North America | 112.2 | 16.3 | 113.9 | 13.7 | (1.7) | 2.6 | (1.5%) | 19.0% |
| Europe & UK | 12.6 | 0.7 | 2.8 | 0.4 | 9.8 | 0.3 | 350.0% | 75.0% |
| Other/eliminations | (1.8) | (1.8) | (0.4) | (0.7) | (1.4) | (1.1) | 350.0% | 157.1% |
| **Underlying** | **365.2** | **35.2** | **355.6** | **40.7** | **9.6** | **(5.5)** | **2.7%** | **(13.5%)** |

### FY19 Revenue




### FY19 EBIT




- Other/eliminations segment represents the elimination of inter-entity charges, interest charged on loans between segments and amortisation of internally generated intangibles on acquisitions.
- The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transport occurring in summer months. Accordingly, Apollo’s results are skewed to the first half. Earnings in Australia and New Zealand are typically generated over the southern hemisphere summer months, while earnings in North America and Europe & UK are generated over the northern hemisphere summer.

# Australia

- Rental performance remains solid in the region, with booked days of 434,000 up 2% on pcp (2018: 426,000), despite lower than expected last minute bookings in Q4.
- New vehicle sales volumes were up on pcp, following stronger than expected sales in June 2019. Volumes for the year, however, were well below expectations. Retail sales revenue for the year was down 3.0% on pcp, due to declining margins, as market sentiment was subdued nationally, particularly with the uncertainty surrounding the impact of the Federal Election in May 2019.
- The Coromal caravan brand was successfully launched in May 2019, following integration of the acquisition from Fleetwood.
- Newcastle retail site commenced operations in May 2019 and the Melbourne retail dealership and rental branch were relocated and consolidated into to a new, larger facility.
- Decline in ROFE is attributable to the increase in operating costs incurred to support global expansion. While corporate overhead allocation is reviewed annually, the Australian segment retains the majority share of these costs.

| A$M | FY19 | FY18 | Movement | % Change |
|---|---|---|---|---|
| Rental income | 60.9 | 56.4 | 4.5 | 8.0% |
| Sale of goods - ex-rental fleet sales | 11.6 | 11.3 | 0.3 | 2.7% |
| Sale of goods - new RV sales[3 4] | 135.0 | 139.8 | (4.8) | (3.4%) |
| Other income | 1.8 | 0.7 | 1.1 | 157.1% |
| Costs | (196.3) | (189.8) | (6.5) | 3.4% |
| **Underlying EBIT** | **11.5** | **18.4** | **(6.9)** | **(37.5%)** |
| **Underlying ROFE** | **5.2%** | **9.8%** | **(4.6%)** | |

| VEHICLE FLEET | | | | |
|---|---|---|---|---|
| UNITS | FY19 | FY18 | No. Change | % Change |
| Opening fleet | 1,777 | 1,718 | 59 | 3.4% |
| Rental fleet sales[1] | (246) | (343) | (97) | (28.3%) |
| Rental fleet purchases[2] | 381 | 402 | (21) | (5.2%) |
| **Closing fleet** | **1,912** | **1,777** | **135** | **7.6%** |
| Retail RV sales | 2,267 | 2,233 | 34 | 1.5% |
| **Total RV sales (rental + retail)** | **2,513** | **2,576** | **(63)** | **(2.4%)** |

1. Rental fleet sales include vehicle write-offs and dynamic fleet returned to suppliers at the end of lease periods, which distort the calculation of average sale prices for ex-rental fleet, year-on-year.
2. Rental fleet purchases include dynamic fleet added to the rental fleet at the beginning of the lease period.
3. Average RV sales prices per unit are distorted year-on-year due to the timing of the various retail dealerships acquired/opened in the past two years and the product mix each business has contributed to the Group since their acquisition.
4. Sale of goods – new RV sales includes revenue generated from part sales, repairs and servicing and royalties/rebates received from manufacturers.

# New Zealand

- Rental performance continues to remain buoyant with rental days in-line with pcp (FY19: 175,000 / FY18: 174,000), despite last minute bookings being lower than expected in Q4.
- Performance achieved is positive given that a delay in the importation of a number of Mercedes vehicles which reduced the availability of dynamic fleet vehicles during the peak month of December 2018.
- Relocation of the Auckland branch to a new, larger facility, took place in February 2019. The new facility significantly improves guest experience.
- A retail sales dealership has also been established at the new Auckland site, creating a full service rental and retail facility.
- Ex-fleet sales were up on prior year, despite subdued market conditions.
- ROFE declined is due to the cost of establishing the new Auckland site.

| A$M | FY19 | FY18 | Movement | % Change |
|---|---|---|---|---|
| Rental income | 27.9 | 25.7 | 2.2 | 8.6% |
| Sale of goods - ex-rental fleet sales* | 3.8 | 3.9 | (0.1) | (2.6%) |
| Sale of goods - new RV sales | 1.1 | 1.5 | (0.4) | (26.7%) |
| Other income | 0.1 | - | 0.1 | 100.0% |
| Costs | (24.4) | (22.2) | (2.2) | 9.9% |
| **Underlying EBIT** | **8.5** | **8.9** | **(0.4)** | **(4.5%)** |
| **Underlying ROFE** | **14.6%** | **18.9%** | **(4.3%)** | |

| VEHICLE FLEET | | | | |
|---|---|---|---|---|
| UNITS | FY19 | FY18 | No. Change | % Change |
| Opening fleet | 843 | 737 | 106 | 14.4% |
| Rental fleet sales[1] | (106) | (92) | 14 | 15.2% |
| Rental fleet purchases[2] | 202 | 198 | 4 | 2.0% |
| **Closing fleet** | **939** | **843** | **96** | **11.4%** |
| Retail RV sales | 12 | 21 | (9) | (42.9%) |
| **Total RV sales (rental + retail)** | **118** | **113** | **5** | 4.4% |

1. Rental fleet sales include vehicle write-offs and dynamic fleet returned to suppliers at the end of lease periods, which distort the calculation of average sale prices for ex-rental fleet, year-on-year.
2. Rental fleet purchases include dynamic fleet added to the rental fleet at the beginning of the lease period.

# North America

- Rental performance in the region was very strong compared to FY18, with record booking nights of 241,000 for USA and Canada combined, up 10% on pcp (FY18: 219,000), due to increased fleet size, utilisation improvements and distribution channel growth.
- The increase in nights was underpinned by new USA locations in Anchorage and Miami and upgraded facilities at CanaDream's Toronto and Halifax branches.
- Technological initiatives have generated positive results, with the launch of a new CanaDream website in December 2018 and roll out of the ApolloConnect app in the USA.
- Overall performance in the region was hampered by reduced ex-fleet sales, which resulted in lower disposal returns and increased holding costs. The Group applied higher price discounts in the USA in May 2019 and June 2019, to accelerate sales and reduce the impact of increased holding costs.
- Market conditions were materially impacted by an oversupply of new vehicles, placing downward pressure on used vehicle prices.
- Lower costs include reduced COGS due to slower RV sales and alignment of Canada's WDV fleet calculations with the Group, which reduces profit on ex-fleet sales.
- Unsold RVs have been retained on fleet for the 2019 summer season, reducing the purchasing requirements for the season.

| A$M | FY19 | FY18[1] | Movement | % Change |
|---|---|---|---|---|
| Rental income | 59.8 | 49.2 | 10.6 | 21.5% |
| Sale of goods - ex-rental fleet sales | 52.1 | 64.2 | (12.1) | (18.8%) |
| Other income | 0.3 | 0.5 | (0.2) | (40.0%) |
| Costs | (95.9) | (100.2) | 4.3 | (4.3%) |
| **Underlying EBIT** | **16.3** | **13.7** | **2.6** | **19.0%** |
| **Underlying ROFE** | **8.9%** | **13.2%** | **(4.3%)** | |

| VEHICLE FLEET | | | | |
|---|---|---|---|---|
| UNITS | FY19 | FY18 | No. Change | % Change |
| Opening fleet | 2,092 | 1,850 | 242 | 13.1% |
| Rental fleet sales[2] | (697) | (1,039) | (342) | (32.9%) |
| Rental fleet purchases[3] | 1,101 | 1,281 | (180) | (14.1%) |
| **Closing fleet** | **2,496** | **2,092** | **404** | **19.3%** |

1. Comparative financial results and fleet numbers for CanaDream are for the period 11 July 2017 (acquisition date) to 30 June 2018.
2. Rental fleet sales include vehicle write-offs and dynamic fleet returned to suppliers at the end of lease periods, which distort the calculation of average sale prices for ex-rental fleet, year-on-year.
3. Rental fleet purchases include dynamic fleet added to the rental fleet at the beginning of the lease period.

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# Europe & UK

- FY18 included Camperco results for three months only. FY19 results represent full year Camperco results and new German and French operations which commenced in April 2019.
- Camperco's rental performance was up on pcp, due to an expanded fleet size and synergies gained from leveraging Apollo's agency network.
- Segment earnings growth was marginal, despite strong revenue growth, due to expansionary costs incurred to build up existing Camperco infrastructure and opening of branches in Germany and France.
- Initial performance has been promising in Germany and France and sets the foundation for further expansion in the region.
- Ex-fleet sales have been slower than expected due to subdued market conditions, with the uncertainty surrounding Brexit having a significant impact on consumer spending. With a strong forward rental order book for FY20, a decision was made to hold surplus vehicles on fleet to meet demand for the 2019 peak summer season.
- Camperco is unlikely to reach its aggressive CY19 second earnout incentive hurdle, due to the impact of Brexit on fleet sales and general economic sentiment. This resulted in a reversal of the corresponding accrued payment in FY19 which was offset by a non-cash impairment of intangible assets totalling $1.5M.

| A$M | FY19 | FY18[1 2] | Movement | % Change |
|---|---|---|---|---|
| Rental income | 6.8 | 1.9 | 4.9 | 257.9% |
| Sale of goods - ex-rental fleet sales | 4.2 | 0.7 | 3.5 | 500.0% |
| Sale of goods - new RV sales | 1.6 | - | 1.6 | 100.0% |
| Other income | - | 0.2 | (0.2) | (100.0%) |
| Costs | (13.4) | (2.4) | (11.0) | 458.3% |
| **Underlying EBIT** | **0.7** | **0.4** | **0.3** | **75.0%** |
| **Underlying ROFE** | **3.2%** | **4.6%** | **(1.4%)** | |

| VEHICLE FLEET | | | | |
|---|---|---|---|---|
| UNITS | FY19 | FY18 | No. Change | % Change |
| Opening fleet | 179 | 0 | 179 | 100.0% |
| Camperco fleet at acquisition | 0 | 144 | (144) | (100.0%) |
| Rental fleet sales[3] | (48) | 0 | 48 | 100.0% |
| Rental fleet purchases | 215 | 35 | 180 | 514.3% |
| **Closing fleet** | **346** | **179** | **167** | **93.3%** |
| Retail RV sales | 19 | - | 19 | 100.0% |
| **Total RV sales (rental + retail)** | **67** | **-** | **67** | **100.0%** |

1. Financial results and fleet numbers for Apollo Motorhome Holidays GMBH (Apollo Germany) and Apollo Motorhome Holidays SARL (Apollo France) are for the period 1 April 2019 (trading commencement date) to 30 June 2019.
2. Comparative financial results and fleet numbers for Camperco are for the period 26 March 2018 (acquisition date) to 30 June 2018.
3. Rental fleet sales include vehicle write-offs, which distort the calculation of average sale prices for ex-rental fleet, year-on-year.

# Camplify

Apollo has a 25% investment in Camplify, an online RV sharing community, connecting caravan & motorhome owners with holidaymakers seeking hire options.

**FY19 Update**

- In April 2019 Camplify raised $5.2M from existing and new investors, valuing the company at $18.0M. Apollo invested $1.3M to maintain its 25% shareholding.
- To date, Camplify has paid out over $20.0M in hire income to its community of RV owners, with 300,000 guest nights.
- Continued growth in the Australian fleet and utilisation rates have seen Camplify generate a 100% increase in bookings and revenue month-on-month.
- Significant uplift in utilisation rates is resulting in a trend of many Camplify RV owners purchasing a second or third vehicle based on customer demand.
- Demand for rental in both Australia and the UK continues to exceed supply in key seasonal times.
- Launch of a new liability waiver product has created an additional revenue stream for the business. 40% conversion to-date.
- Preparing to launch in Spain later in FY20.
- Currently preparing to launch its Managed Services offering, where owners' vans will be managed and stored on their behalf.

# Strategy & Outlook

# Digital Ecosystem

## ApolloConnect

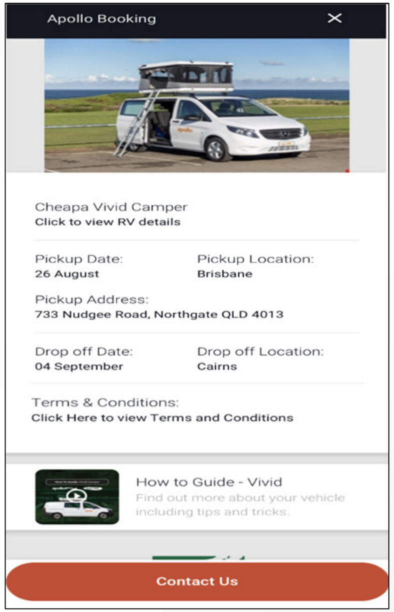
- In excess 35,000 downloads of ApolloConnect since launch.
- Continued growth in transaction numbers and value for holiday park, tour, attraction and experience bookings (approx. 150% on pcp).
- Over 4,000 users registered through login since November 2018 (including users that have not rented).
- Personalised help videos, push notifications for safety alerts, marketing and enhanced guest experience launched.
- Additional content for purchase planned for H2 FY20
- ApolloConnect versions launched for North America. UK and European regions to launch progressively throughout FY20.

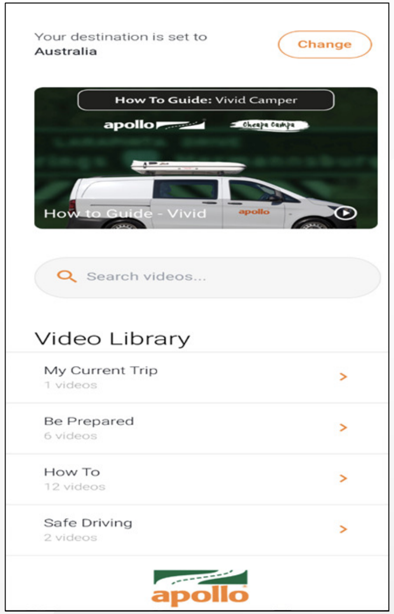
## Telemetry

- Vehicle telemetry now operationalised within rental operations and manufacturing process, providing:
  - Focus on improved driver behaviour through the management of excessive speeding.
  - Management of vehicle movements to improve utilisation.
  - Improved on-road service.
  - Integration into ApolloConnect for Geo-Marketing.

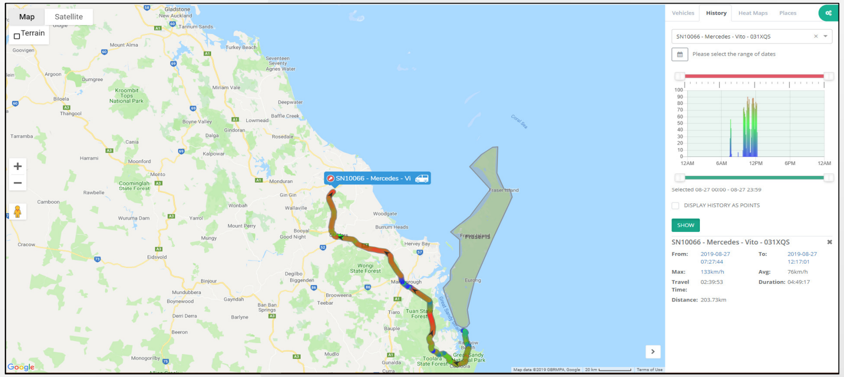
## Retail App

- Retail App available Q2 FY20 - customer support and interaction with their vehicle, and leveraging Apollo's partner network.
- Pilot of a telematics and WIFI service offering to vehicle owners for use in the share economy H2 FY20.







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# Global Rental Strategy

Apollo's goal is to become recognised globally as the RV rental company delivering memorable adventures and experiences for our guests.

## Experience

**Guest experience**

An increased focus on enhancing the guest experience through all guest journey touch points, from dreaming, planning, booking and travelling with Apollo.

Investing in digital technology, processes and training initiatives which have been designed to positively evolve and improve the complete guest experience.


## Expansion

**Auckland, New Zealand:** larger branch with increased rental capacity.

**Mainland Europe:** New branches opened in Germany and France in April 2019. Evaluating potential new locations in each region.

**North America:** New USA branches opened in Anchorage and Miami in April 2019.

## Efficiencies

**System Consolidation**

Consolidation of rental systems in CanaDream and Camperco.

Implementation of Sage X3 ERP system globally to enhance reporting and data analytics.

# Global Retail Sales Strategy

Apollo is currently implementing a Group-wide retail sales strategy, to lift overall performance of the recent dealership acquisitions and to capture a greater retail market share across all locations.

## EXPERIENCE

Improved product offerings and product initiatives are being designed to enhance the overall buying experience and increase market reach.

## EXPANSION

**Newcastle, Australia** – new location opened May 2019.

**Melbourne, Australia** – relocated to a larger, improved facility.

**Auckland, New Zealand** – New flagship retail site opened.

**USA** – Establishment of retail sales sites, utilising existing rental branch infrastructure, increasing the region's distribution footprint.

## EFFICIENCIES

Implementation of a consolidated dealer management system will streamline stock management, improve lead conversions and increase promotional efficiencies across the entire network.

# Industry & Tourism Outlook

## RENTAL

- Declining $AUD a positive for Australia's inbound tourism outlook.
- Softening of NZ visitor arrivals, following several years of strong growth. Overall tourism industry performance remains strong.
- USA-China trade tensions are impacting sentiment in the USA. Focus on promoting buoyant domestic travel markets and key European markets.
- Canadian tourism remains strong and is forecast to continue growing.
- VisitBritain forecasts significant visitor growth in 2019 over pcp, though Brexit uncertainty and weak GBP remain potential deterrents.

## RETAIL

- Australian retail markets show signs of improvement, post Federal Election.
- Outlook for New Zealand retail sales market remains sound.
- Apollo remains cautious about the USA's used vehicle sales market, with subdued economic conditions softening consumer spending. Opening of new retail sales sites in FY20 utilising existing rental branch real estate, and an expanded wholesale network will help boost ex-fleet sales volumes for the Group.
- Brexit uncertainty continues to impact vehicle sales in the UK and ex-fleet sales expectations have been revised accordingly.

# FY20 Outlook

- Solid start to FY20 globally, with positive forward rental bookings.
- Promising 2019 summer season performance in France and Germany provides a foundation for additional expansion.
- New vehicle sales in Australia for July 2019 were up on prior year.
- The Group continues to consolidate acquisitions and implement growth strategies.
- Opening of retail sales outlets in USA, utilising existing rental branch real estate, to expand vehicle distribution channels.
- Brexit remains an issue in the UK, with the impact on retail vehicle sales currently uncertain.
- Benefits of focus on staff, systems, premises and guest experience expected to emerge over coming periods.
- AASB 16 Leases[1], is a new Australian Accounting Standard that comes into effect on 1 July 2019. The new standard materially changes the treatment of all Group operating leases and the change will is likely to increase Group EBITDA by between $10.2M and $10.6M (unaudited) and decrease Group statutory NPAT by between $0.6M and $0.7M (unaudited) in FY20. These estimates may be impacted by any changes to the Group's leasing portfolio.
- The Company is in advanced stages of a Global CFO recruitment process, which will bring additional financial expertise and oversight to the Group's operations.

1. Refer Note 1 of the Full Year Statutory Accounts for details of the new accounting standard.

# Corporate Governance

- Continual focus on prevention initiatives for key risk areas including data and guest privacy, work place health and safety and cyber-security.
- The Board is currently considering the addition of another Independent Director.
- Board gender diversity with one female and one male Independent Director.

## Conference Call

Date: 9:00 am AEST (QLD), Thursday 29 August 2019

**Phone:**

Australia: 1800 148 258

Overseas: (+61) 2 8038 5271

Conference ID: 3062076

## Annual General Meeting

Date: 11:00 am AEST (QLD), Wednesday 23 October 2019

Venue: The Theatre – Morgans, Level 29 123 Eagle St, Brisbane QLD 4000

# Supporting Analysis

# Underlying Adjustments

| A$M | FY19 | FY18 |
|---|---|---|
| **Statutory net profit after tax** | **4.7** | **19.2** |
| Impairment of intangible assets | 11.0 | - |
| Provision add-back on Camperco year two earn-out | (1.5) | - |
| Cost relating to acquisitions, tax adjustments and amortisation of intangible assets with finite lives on acquisitions: | | |
| - Professionals, accountants, consultants fees and other associated acquisition costs | 0.2 | 2.2 |
| - Intangibles amortisation | 0.4 | 0.5 |
| - Tax adjustments | (0.1) | (0.3) |
| One off gain at acquisition from the revaluation of existing shareholding in CanaDream | - | (2.5) |
| Eleven days operational performance of CanaDream and two months operational performance of George Day | - | 0.4 |
| **Underlying net profit after tax** | **14.7** | **19.5** |



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# Profit or Loss

| Underlying | | Full Year | | | | 6 Months to June | | | | 6 Months to December | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A$M** | **FY19** | **FY18** | **$ Change** | **% Change** | **FY19** | **FY18** | **$ Change** | **% Change** | **FY19** | **FY18** | **$ Change** | **% Change** |
| Rental income | 155.4 | 133.2 | 22.2 | 16.7% | 64.7 | 57.0 | 7.7 | 13.5% | 90.7 | 76.2 | 14.5 | 19.0% |
| Revenue from sale of goods | 209.4 | 221.4 | (12.0) | (5.4%) | 117.1 | 125.6 | (8.5) | (6.8%) | 92.3 | 95.8 | (3.5) | (3.7%) |
| Other revenue | 0.4 | 1.0 | (0.6) | (60.0%) | (0.3) | 0.7 | (1.0) | N/M | 0.7 | 0.3 | 0.4 | 133.3% |
| **Total revenue** | **365.2** | **355.6** | **9.6** | **2.7%** | **181.5** | **183.3** | **(1.8)** | **(1.0%)** | **183.7** | **172.3** | **11.4** | **6.6%** |
| Costs | (303.0) | (286.5) | (16.5) | 5.8% | (163.2) | (157.2) | (6.0) | 3.8% | (139.8) | (129.3) | (10.5) | 8.1% |
| Share of profit/(loss) in associates | (0.2) | 0.1 | (0.3) | N/M | (0.1) | (0.1) | - | N/M | (0.1) | 0.2 | (0.3) | N/M |
| **EBITDA** | **62.0** | **69.2** | **(7.2)** | **(10.4%)** | **18.2** | **26.0** | **(7.8)** | **(30.0%)** | **43.8** | **43.2** | **0.6** | **1.4%** |
| Depreciation & amortisation | (26.8) | (28.5) | 1.7 | (6.0%) | (12.3) | (13.4) | 1.1 | (8.2%) | (14.5) | (15.1) | 0.6 | (4.0%) |
| **EBIT** | **35.2** | **40.7** | **(5.5)** | **(13.5%)** | **5.9** | **12.6** | **(6.7)** | **(53.2%)** | **29.3** | **28.1** | **1.2** | **4.3%** |
| Finance costs | (17.1) | (13.6) | (3.5) | 25.7% | (8.5) | (7.3) | (1.2) | 16.4% | (8.6) | (6.3) | (2.3) | 36.5% |
| **Profit before income tax** | **18.1** | **27.1** | **(9.0)** | **N/M** | **(2.6)** | **5.3** | **(7.9)** | **N/M** | **20.7** | **21.8** | **(1.1)** | **N/M** |
| Income tax (expense)/benefit | (3.4) | (7.6) | 4.2 | (55.3%) | 2.6 | (1.8) | 4.4 | N/M | (6.0) | (5.8) | (0.2) | 3.4% |
| **Profit attributable to Apollo shareholders** | **14.7** | **19.5** | **(4.8)** | **N/M** | **(0.0)** | **3.5** | **(3.5)** | **N/M** | **14.7** | **16.0** | **(1.3)** | **N/M** |
| Basic EPS | 8.0 | 10.8 | (2.8) | (25.9%) | | | | | | | | |

# Balance Sheet

| A$M | As at FY19 | FY18 | Change | As at DEC 18 | DEC 17 | Change |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 34.5 | 36.6 | (2.1) | 13.0 | 25.4 | (12.4) |
| Intangibles | 36.1 | 40.1 | (4.0) | 41.8 | 27.7 | 14.1 |
| Inventories | 97.0 | 90.2 | 6.8 | 124.1 | 87.0 | |
| Equity accounted investments | 2.5 | 1.5 | 1.0 | 1.4 | 1.6 | (0.2) |
| Property, plant and equipment | 381.9 | 319.0 | 62.9 | 290.6 | 239.4 | 51.2 |
| Other assets | 32.7 | 21.2 | 11.5 | 20.3 | 15.5 | 4.8 |
| **Total assets** | **584.7** | **508.6** | **76.1** | **491.2** | **396.6** | **94.6** |
| | | | | | | |
| Payables | 33.3 | 27.5 | 5.8 | 21.0 | 17.9 | 3.1 |
| Borrowings | 364.5 | 300.4 | 64.1 | 286.8 | 223.0 | 63.8 |
| Provisions | 6.0 | 7.2 | (1.2) | 8.1 | 2.9 | 5.2 |
| Income tax payable | 1.4 | 2.6 | (1.2) | 0.7 | 2.0 | (1.3) |
| Other payables | 60.0 | 53.9 | 6.1 | 45.3 | 37.4 | 7.9 |
| **Total liabilities** | **465.2** | **391.6** | **73.6** | **361.9** | **283.2** | **78.7** |
| | | | | | | |
| **Net assets** | **119.5** | **117.0** | **2.5** | **129.3** | **113.4** | **15.9** |
| | | | | | | |
| Net debt position [1] | 330.0 | 263.8 | 66.2 | 273.8 | 197.6 | 76.2 |
| Net tangible assets (NTA) [2] | 83.4 | 76.9 | 6.5 | 87.5 | 85.7 | 1.8 |
| NTA per share [3] | $ 0.45 | $ 0.42 | | $ 0.48 | $ 0.48 | |
| Book value of net assets per share [4] | $ 0.64 | $ 0.64 | | $ 0.70 | $ 0.63 | |
| Net debt / net debt + equity ratio (net of Intangibles) | 79.8% | 77.4% | | 75.8% | 69.7% | |
| Equity ratio [5] | 21.8% | 25.0% | | 28.8% | 30.7% | |
| | | | | | | |
| Total no. of shares on issue at period end | 186,150,908 | 182,519,479 | | 183,605,363 | 179,944,265 | |
| | | | | | | |
| NZD foreign exchange rate at period end | 1.0648 | 1.0879 | | 1.0991 | 1.0397 | |
| USD foreign exchange rate at period end | 0.7156 | 0.7736 | | 0.7800 | 0.7236 | |
| CAD foreign exchange rate at period end | 0.9134 | 0.9840 | | | | |
| GBP foreign exchange rate at period end | 0.5535 | 0.5601 | | | | |

**Notes:**
1. Represents total borrowings, less cash and cash equivalents.
2. Represents equity, net of intangibles.
3. Calculated as NTA / total no. of shares on issue at period end.
4. Calculated as equity / total no. of shares on issue at period end.
5. Calculated as equity / total assets, net of intangibles

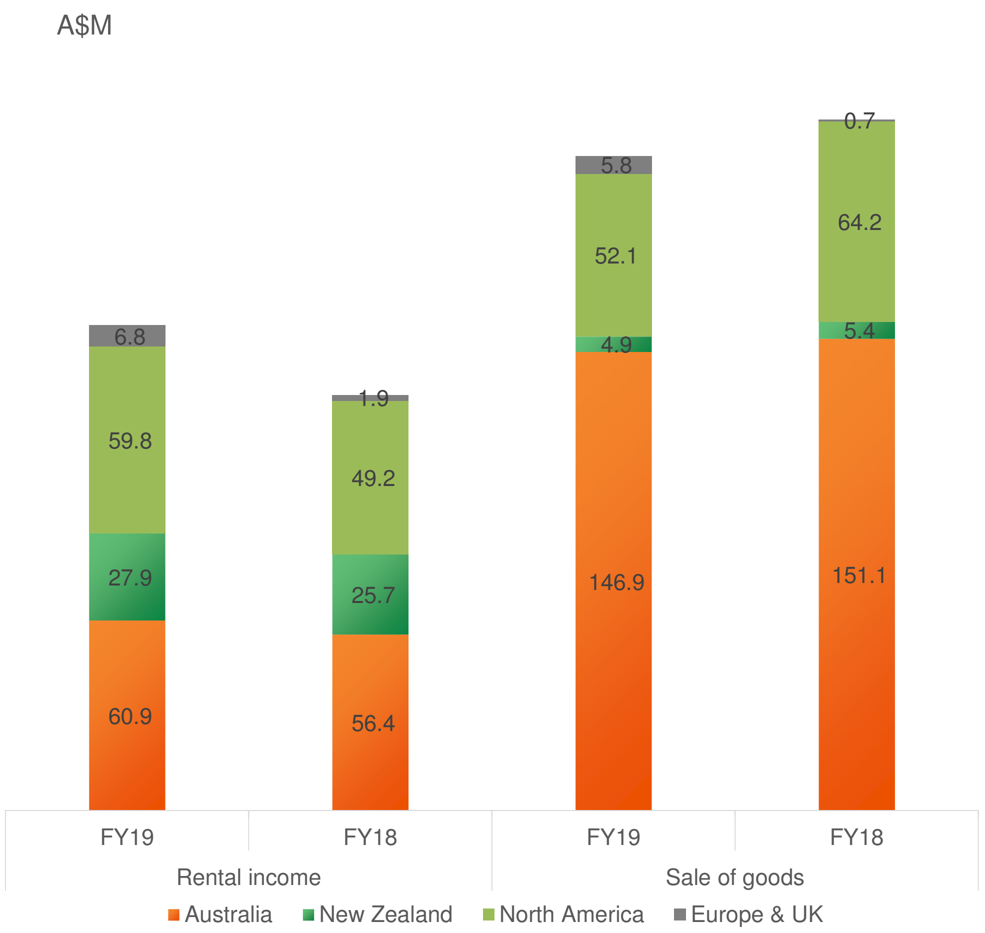
# Funding

- Debt facilities as at 30 June 2019 are summarised as follows:

| A$M | Total facility | | | Drawn amount | | | Undrawn amount | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Segment | Hire purchase | Floor plan | Bank loans / overdraft | Hire purchase | Floor plan | Bank loans / overdraft | Hire purchase | Floor plan | Bank loans / overdraft | Interest split |
| Australia | 129.7 | 45.1 | N/A | 81.1 | 39.0 | N/A | 48.6 | 6.1 | N/A | 70% fixed / 30% floating |
| New Zealand | 54.5 | 4.8 | 0.0 | 41.0 | 0.6 | 0.0 | 13.5 | 4.2 | 0.0 | 60% fixed / 40% floating |
| North America | 176.6 | N/A | 30.4 | 155.0 | N/A | 28.8 | 21.6 | N/A | 1.6 | 70% fixed / 30% floating |
| Europe & UK | 18.9 | N/A | N/A | 18.9 | N/A | 0.0 | 0.0 | N/A | N/A | 100% fixed |
| **Facility totals** | **379.7** | **49.9** | **30.4** | **296.0** | **39.6** | **28.8** | **83.7** | **10.3** | **1.6** | |
| **Group total** | | | **460.0** | | | **364.4** | | | **95.6** | |
| Cash and cash equivalents | | | | | | (34.5) | | | | |
| **Net debt** | | | | | | **329.9** | | | | |

# Revenue

| A$M | FY19 | FY18 | $ Change | % Change |
|---|---|---|---|---|
| **Rental income** | | | | |
| Australia | 60.9 | 56.4 | 4.5 | 8.0% |
| New Zealand | 27.9 | 25.7 | 2.2 | 8.6% |
| North America | 59.8 | 49.2 | 10.6 | 21.5% |
| Europe & UK | 6.8 | 1.9 | 4.9 | 257.9% |
| | **155.4** | **133.2** | **22.2** | **16.7%** |
| **Sale of ex-rental fleet** | | | | |
| Australia | 11.6 | 11.3 | 0.3 | 2.7% |
| New Zealand | 3.8 | 3.9 | (0.1) | (2.6%) |
| North America | 52.1 | 64.2 | (12.1) | (18.8%) |
| Europe & UK | 4.2 | 0.7 | 3.5 | 500.0% |
| | **71.7** | **80.1** | **(8.4)** | **(10.5%)** |
| **Sale of RVs** | | | | |
| Australia | 135.0 | 139.8 | (4.8) | (3.4%) |
| New Zealand | 1.1 | 1.5 | (0.4) | (26.7%) |
| North America | - | - | - | 0.0% |
| Europe & UK | 1.6 | - | 1.6 | 100.0% |
| | **137.7** | **141.3** | **(3.6)** | **(2.5%)** |
| **Other Income** | | | | |
| Australia | 1.8 | 0.7 | 1.1 | 157.1% |
| New Zealand | 0.1 | - | 0.1 | 100.0% |
| North America | 0.3 | 0.5 | (0.2) | (40.0%) |
| Europe & UK | - | 0.2 | (0.2) | (100.0%) |
| | **2.2** | **1.4** | **0.8** | **57.1%** |
| Other/eliminations | (1.8) | (0.4) | (1.4) | 350.0% |
| **Total revenue** | **365.2** | **355.6** | **9.6** | **2.7%** |
| | | | | |
| **Segment split** | | | | |
| Australia and other | 207.5 | 207.8 | (0.3) | (0.1%) |
| New Zealand | 32.9 | 31.1 | 1.8 | 5.8% |
| North America | 112.2 | 113.9 | (1.7) | (1.5%) |
| Europe & UK | 12.6 | 2.8 | 9.8 | 350.0% |
| | **365.2** | **355.6** | **9.6** | **2.7%** |



# EBIT Margin

| Underlying | Full Year | | | 6 Months to June | | | 6 Months to December | | |
|---|---|---|---|---|---|---|---|---|---|
| A$M | FY19 | FY18 | Change | FY19 | FY18 | Change | FY19 | FY18 | Change |
| Australia | 5.5% | 8.8% | (3.3%) | 5.0% | 8.6% | (3.6%) | 6.0% | 9.1% | (3.1%) |
| New Zealand | 25.8% | 28.6% | (2.8%) | 33.3% | 37.4% | (4.0%) | 16.8% | 16.3% | 0.5% |
| North America | 14.5% | 12.0% | 2.5% | (5.8%) | (2.2%) | (3.6%) | 33.0% | 27.0% | 6.0% |
| Europe & UK | 5.6% | 14.3% | (8.7%) | (11.4%) | 14.3% | (25.7%) | 26.8% | 0.0% | 26.8% |
| **Total** | **9.6%** | **11.4%** | **(1.8%)** | **3.1%** | **8.0%** | **(4.9%)** | **16.1%** | **15.1%** | **1.0%** |

# EBITDA Margin

| Underlying | Full Year | | | 6 Months to June | | | 6 Months to December | | |
|---|---|---|---|---|---|---|---|---|---|
| A$M | FY19 | FY18 | Change | FY19 | FY18 | Change | FY19 | FY18 | Change |
| Australia | 10.9% | 15.2% | (4.3%) | (0.5%) | (0.9%) | 0.4% | 11.4% | 16.1% | (4.7%) |
| New Zealand | 45.6% | 47.9% | (2.3%) | 8.0% | 7.6% | 0.4% | 37.6% | 40.3% | (2.7%) |
| North America | 21.7% | 19.8% | 1.9% | (20.7%) | (15.7%) | (4.9%) | 42.3% | 35.5% | 6.9% |
| Europe & UK | 12.7% | 28.6% | (15.9%) | (19.4%) | 28.6% | (48.0%) | 32.1% | N/M | N/M |
| **Total** | **17.0%** | **19.5%** | **(2.5%)** | **(7.0%)** | **(4.4%)** | **(2.6%)** | **24.0%** | **23.8%** | **0.2%** |

- Other/eliminations segment represents the elimination of inter-entity charges, interest charged on loans between segments and amortisation of internally generated intangibles on acquisitions.
- The tourism industry is subject to seasonal fluctuations with peak demand for tourism attractions and transport occurring in summer months. Accordingly, Apollo's results are skewed to the first half. Earnings in Australia and New Zealand are typically generated over the southern hemisphere summer months, while earnings in North America and Europe & UK are generated over the northern hemisphere summer.

# Funds Employed

| | Average Funds | | | Year End Funds | | |
|---|---|---|---|---|---|---|
| **A$M** | **FY19** | **FY18** | **Change** | **FY19** | **FY18** | **Change** |
| Australia | 221.9 | 188.2 | 17.9% | 225.8 | 217.9 | 3.6% |
| New Zealand | 58.2 | 47.2 | 23.3% | 66.2 | 50.1 | 32.1% |
| North America | 182.6 | 103.8 | 75.9% | 199.6 | 165.6 | 20.5% |
| Europe & UK | 22.0 | 8.7 | 100.0% | 26.6 | 17.3 | 53.8% |
| Other/eliminations | (44.5) | (30.9) | 43.9% | (43.1) | (45.8) | (5.9%) |
| **Total Segment Funds Employed** | **440.1** | **316.9** | **38.9%** | **475.1** | **405.1** | **17.3%** |
| Net deferred tax position | (25.0) | (15.7) | 58.9% | (25.6) | (24.3) | 5.3% |
| **Total Net Funds Employed** | **415.2** | **301.2** | **37.9%** | **449.5** | **380.8** | **18.0%** |

| | Statutory | | | Underlying | | |
|---|---|---|---|---|---|---|
| **ROFE** | **FY19** | **FY18** | **Change** | **FY19** | **FY18** | **Change** |
| Australia | 0.7% | 9.6% | (8.9%) | 5.2% | 9.8% | (4.6%) |
| New Zealand | 14.6% | 18.9% | (4.3%) | 14.6% | 18.9% | (4.3%) |
| North America | 8.9% | 13.2% | (4.3%) | 8.9% | 13.2% | (4.3%) |
| Europe & UK | 3.2% | 4.6% | (1.4%) | 3.2% | 4.6% | (1.4%) |
| **Total** | **6.1%** | **13.4%** | **(7.3%)** | **8.5%** | **13.5%** | **(5.0%)** |



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**Luke Trouchet**
CEO and Managing Director

**Karl Trouchet**
CFO and Executive Director

**T** (+61) 7 3265 9222 | **E** info@apollotourism.com | **W** apollotourism.com