apollo® | TOURISM & LEISURE LTD

H1 FY2020

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 29 of this presentation.

Important Points to Note

Acquisitions

- Direction France (rebranded as Apollo Motorhome Holidays SARL (Apollo France)) and the caravan brands Windsor and Coromal, were acquired in full on 28 February 2019 and 1 March 2019, respectively. Additionally, the operations of Apollo Motorhome Holidays GMBH (Apollo Germany) did not commence until 1 April 2019. As such, the comparative results of the Australian and Europe & UK segments do not include the results of these entities.

AASB 16 *Leases*

- The Company adopted the new Accounting Standard AASB 16 Leases on 1 July 2019 and, accordingly, H1 HY20 Statutory Results presented in the 31 December 2019 Financial Statements have been prepared in accordance with the new standard. The Company used the modified retrospective approach when adopting AASB 16 and, as a result, prior period comparatives were not restated. To allow for prior period comparison, all underlying H1 HY20 results disclosed in this presentation are pre application of AASB 16 and exclude the impact of AASB 16.

General

- All comparisons are against prior corresponding period (pcp).
- All figures in this presentation are rounded to the nearest $100,000, however the dollar and percentage movements presented in the various financial tables are calculated using the actual figures stated in the Group's half-year financial report. As a result, some of the figures presented may not be mathematically accurate when recalculated using the rounded figures shown in the presentation's financial tables.
- 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.
- All figures in this report are presented in Australian dollars, unless otherwise stated. The exchange rates used to convert foreign currencies to AUD are set out below:

Exchange rates	Average for period		Rate at period end		
AUD to:	H1 FY20	H1 FY19	Dec-19	Jun-19	Dec-18
NZD	1.0609	1.0820	1.0412	1.0462	1.0519
USD	0.6846	0.7256	0.7006	0.7013	0.7058
CAD	0.9035	0.9545	0.9144	0.9187	0.9622
GBP	0.5452	0.5609	0.5340	0.5535	0.5563
EUR	0.6167	N/A	0.6254	0.6171	N/A

Key Financial Metrics[1]

- Average Funds Employed = Total Assets – Non-Interest Bearing Liabilities – Cash On Hand (calculated as the average of the opening and closing funds employed balances).
- 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).

[1]For half year reporting, metrics involving performance based results (i.e. EBIT/NPAT), have been calculated using calendar year results, to account for the impact of seasonality, which disproportionately skews the Company's results towards H1, due to Northern Hemisphere operation.

Business Model

We are leaders in the RV 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 $11.3M.
- Underlying NPAT of $12.0M[1].
- Record H1 revenue of $197.2M (up 7.4% on pcp) and guest rental days of 536,562 (up 7.0% on pcp), though earnings were constrained by global events impacting the RV industry and continued investment in people, systems and infrastructure.
- Long term outlook for the RV industry globally remains positive and forward bookings for FY21 remain strong in all regions.
- Due to the current challenging and uncertain trading conditions caused by the bushfires and Coronavirus (COVID-19) and ongoing margin pressure on RV sales, Apollo will incur a loss in H2 FY20. Our current forecast is for FY20 Underlying NPAT to be in a range of $8M - $9M.
- As a result of these trading conditions, the Board has decided not to declare a dividend for H1 FY20.

Underlying EBIT Waterfall (AUD $M)

[1]Refer slide 29 for a reconciliation of statutory net profit after tax to underlying net profit after tax.

H1 FY20 In Review

Challenging times to navigate, but outlook remains positive

Business item	Financial Impact	Outcome
Planned increase in the cost of doing business		
Improvements in guest experience		
New websites, apps, in-branch technology Upgraded premises - Auckland, Melbourne Removal/reduction additional fees	Higher other expenses Higher rental costs Lower rental extras revenue	Improved guest experience and metrics
New locations		
Rental - Germany, France, Alaska, Florida Retail - Newcastle, Auckland	Higher rental costs Higher rental costs	Expanded footprint and greater access for travel partners to products and offerings
Investment in people		
Senior leadership - CFO, full 6 months GM Retail, GM NZ, board expansion	Higher employee costs	Streamlined operations, increased oversight
Other head office support - IT, retail, business analysis	Higher employee costs	
Escalated retail marketing costs	Higher advertising and promotion costs	Increased brand awareness, increased sales volumes
Successful integration of acquisitions into Apollo Group	N/A	Leveraging of network synergies, enhanced reporting
Different to plan		
Bushfire impact on December cancellations and lower last minute bookings	Lower rental income	Negative impact on tourism sentiment and willingness to travel
Ongoing soft RV retail markets conditions globally	Lower gross margins	Innovation of distribution offerings to drive margin growth and gain market share

Financial Performance

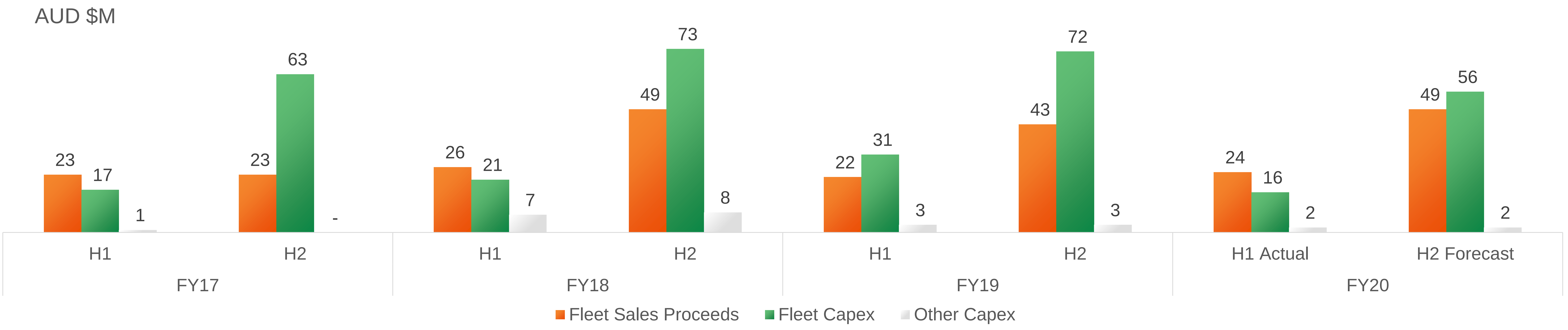
Results Overview

- Global rental business performance remained consistent, with revenue up 3.8% on pcp. Earnings growth, however, was hampered by the Australian bushfires in late CY19, with increased cancellations and lower than expected last-minute booking over the peak Christmas period.
- Record new and ex-fleet RV sales revenue and volumes were achieved in Australia (revenues up 11.3% on pcp to $80.5M), however, margin pressures continued to suppress net earnings.
- New Zealand performance remained consistent, with total revenues up 0.7% on pcp, totalling $15.0M. Retail sales are gaining traction following the opening of the new Auckland flagship retail site and H2 sales projections are positive.
- Record underlying H1 EBIT in North America of $20.5M (up 4.5% on pcp) was driven by strong performance of CanaDream and a concerted focus on cost control throughout the region.
- Europe & UK performance was positive, with strong rental demand in the UK and good first peak season utilisation for the German and French operations underpinning a 11.0% increase in rental revenue over pcp.
- Given the impact of the Australian bushfires and Coronavirus (COVID-19) on rental bookings in H2 FY20, and the uncertainty that remains, the Board has determined there will be no dividend declared for H1 FY20.

AUD $M STATUTORY	H1 FY20	H1 FY19	Movement	% Change
Total revenue	197.2	183.5	13.7	7.4%
EBIT	24.9	29.3	(4.4)	(15.1%)
EBIT margin	12.6%	16.0%	(3.3%)	
NPAT	**11.3**	**14.7**	**(3.5)**	**(23.5%)**
Calendar Year ROFE[1]	4.6%	10.6%	(6.0%)	
Calendar Year ROE[1]	1.0%	14.5%	(13.5%)	
Basic earnings per share (cents)	6.0	8.0	(2.0)	(25.0%)
UNDERLYING				
Total revenue	197.2	183.5	13.7	7.4%
EBIT	24.9	29.7	(4.7)	(16.0%)
EBIT margin	12.6%	16.2%	(3.5%)	
NPAT	**12.0**	**15.1**	**(3.1)**	**(20.5%)**
Calendar Year ROFE	6.9%	11.3%	(4.4%)	
Calendar Year ROE	9.3%	16.8%	(7.5%)	
Basic earnings per share (cents)	6.4	8.2	(1.8)	(22.0%)
DIVIDENDS				
Interim dividend (cents per share)	-	2.0	(2.0)	(100.0%)
BALANCE SHEET	**Dec-19**	**Jun-19**	**Movement**	**% Change**
Cash and cash equivalents	17.3	34.6	(17.3)	(50.0%)

1. Statutory CY ROFE and CY ROE have been impacted by non-cash impairments of goodwill and intangible assets incurred at the 30 June 2019 reporting date.

Capital Expenditure and Rental Fleet Sales



Fleet Sales Proceeds

- Fleet sales for the period were consistent with prior periods. Sales proceeds are forecast to increase in H2, as the company is in the process of rationalising fleet lifecycles and fleet numbers to meet the requirements of the current global rental environments. This will result in the sell down of a number of units in various regions.

Fleet Capex

- The fleet rationalisation process has resulted in a reduced requirement to purchase new fleet, as existing fleet are being retained on longer lifecycles. This has reduced fleet capex requirements during the period and is expected to continue in H2 FY20.

Other Capex

- Significant systems and infrastructure investments have been completed in recent years, reducing the need for additional investment in FY20.

Borrowings

AUD $M	Closing Drawn Balance			Headroom		
Facility Type	**Dec-19**	**Jun-19**	**Movement**	**Dec-19**	**Jun-19**	**Movement**
Hire Purchase	266.5	296.0	(29.5)	104.0	83.7	20.3
Floor Plan	32.5	39.6	(7.1)	32.4	10.3	22.1
Bank loans	28.2	28.8	(0.6)	1.9	1.6	0.3
Total	**327.2**	**364.4**	**(37.2)**	**138.3**	**95.6**	**42.7**

Approximate Fleet Equity Position as at 31 December 2019 (AUD $M)			
Segment	**Fleet WDV (incl held-for-sale)**	**Drawn HP Balance**	**Equity**
Australia	100.6	75.3	25.3
New Zealand	54.5	41.3	13.2
North America	171.8	133.5	38.3
Europe & UK	22.2	16.3	5.9
Total	**349.1**	**266.5**	**82.6**

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 31 December 2019, approximate Group equity held in the rental fleet across all segments is $82.6M. Refer to slide 33 for a reconciliation of all financed assets and the corresponding equity position.
- As at 31 December 2019 the Group has $138.3M of headroom across all facility types (up $42.7M on pcp), which provides flexibility and diversification of financier concentration risk.
- Group HP debt has decreased by $29.5M over pcp, due to a sell down of fleet as part of the Company's fleet rationalisation review carried out during the period, as noted in slide 11.
- Borrowings as at 31 December 2019 per the Company's statement of financial position total $376.0M. The variance to total debt in the table above relates to lease liabilities recognised from 1 July 2019 on leases previously classified as operating leases. These additional liabilities were recognised in accordance with AASB 16 Leases, which came into effect on 1 July 2019. Refer slide 33 for a full reconciliation of borrowings to related asset values.

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 has decreased (Dec-19: $32.5M / Jun-19: $39.6M) due to stronger sales volumes being achieved, despite continued margin pressures. The opening of a new Newcastle site and an expanded Melbourne site, were contributing factors to the increased sales volumes.

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. Loan values have remained consistent with the prior period.

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 $132.4M, as at 31 December 2019. The Group has sufficient cash flows to satisfy all debt obligations with an expiry of 12 months or less. Refer to slide 33 for additional detail.
- Apollo has one facility in New Zealand and facilities in Canada that contain standard financial covenants such as Debt:EBITDA, 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 31 December 2019 was 6.1, increasing from 5.3x at 30 June 2019. The increase is attributable to the reduced Group underlying EBITDA for the period, which was partially offset by the reduced debt levels.

Example: Rental Fleet Debt/Equity Relationship

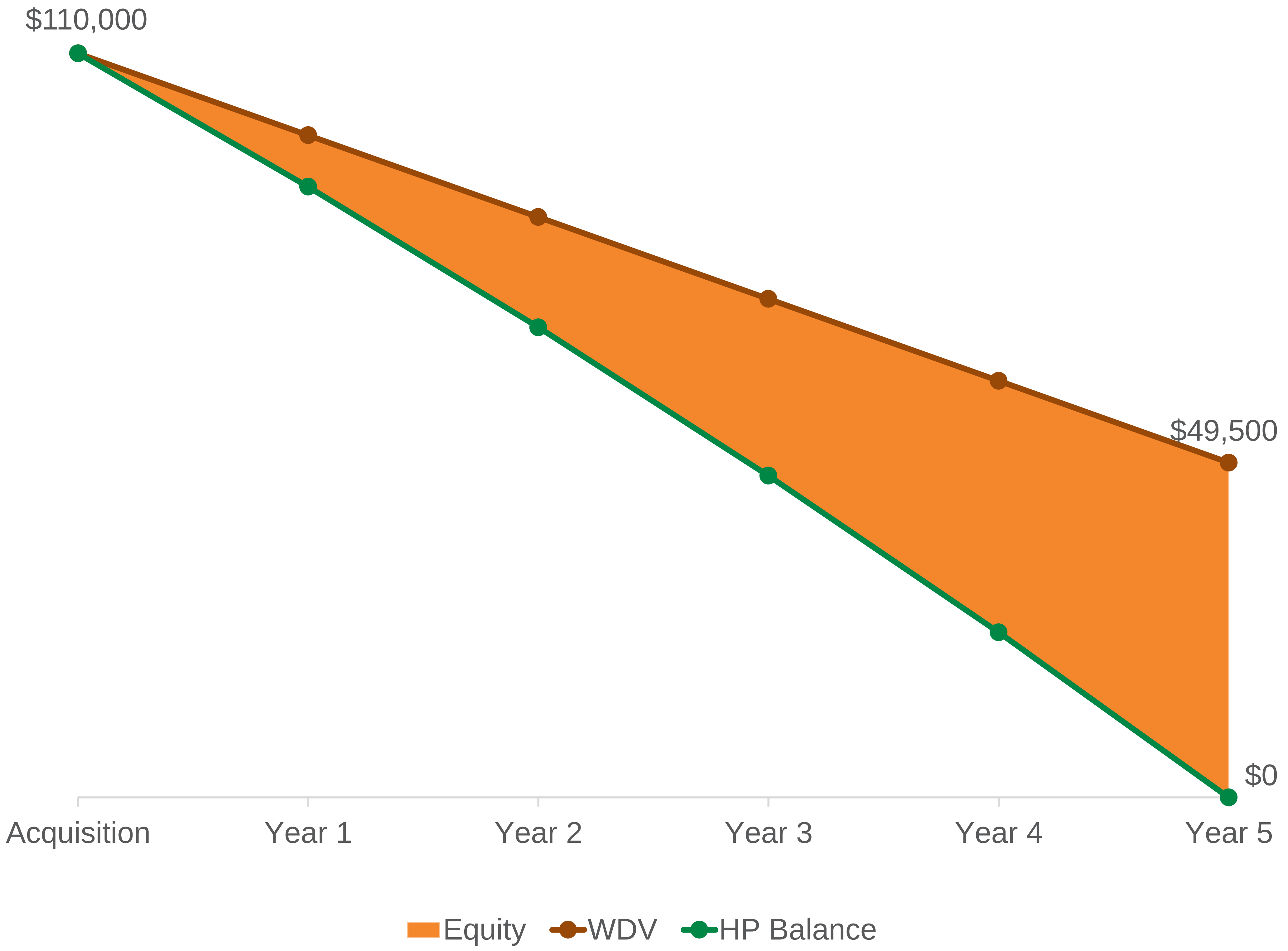
The following graph demonstrates the relationship between the hire purchase finance balance and the corresponding WDV of an example 6 Berth rental fleet vehicle in Australia, from acquisition date, to disposal, at the end of the vehicle's rental lifecycle. *Note: the following figures are for illustrative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



Cash Flow Summary

Cash flow movements	H1 FY20	H1 FY19	Movement	Comments
Underlying EBITDA	**40.5**	**44.2**	**(3.7)**	
Change in working capital	(7.5)	(29.1)	21.6	Seasonal impacts - fleet movements to pre-sale (from PPE to inventory) and unearned income.
Proceeds from sales of rental fleet	23.7	21.6	2.1	Increased sales revenue globally.
Net finance costs paid - borrowings	(8.2)	(8.4)	0.2	Improved working capital management in Australian retail dealerships, including a focus on moving aged inventory.
Net finance costs paid - property leases	(1.1)	0.0	(1.1)	A portion of property leases have been classified as interest payments under AASB 16 from 1 July 2019. Reclassified from working capital.
Tax paid	(2.5)	(3.4)	0.9	Slight reduction in tax paid due to lower profits for the Group.
Net cash from operating activities	**44.7**	**24.9**	**19.8**	
Fleet capex	(7.7)	(19.7)	12.0	Reduced purchasing requirements due to sufficient fleet numbers being held.
Net other PPE and intangibles capex	(2.4)	(3.7)	1.5	Bulk of key IT projects were implemented in the prior period.
Payments for purchase of intellectual property	0.0	(1.0)	1.0	Prior period balance relates to acquisition of Fleetwood brands. No acquisitions during the current period.
Free cashflow	**34.8**	**0.5**	**34.3**	
Borrowings (net)	(47.1)	(20.9)	(26.2)	Increased debt repayments form retail inventory reduction and lower fleet capex.
Lease payments	(5.1)	0.0	(5.1)	A portion of property leases have been classified as interest payments under AASB 16 from 1 July 2019. Reclassified from borrowings.
Dividends paid	0.0	(3.9)	3.9	No dividends were paid during the period as the Company did not declare a dividend in H2 FY19.
Net cash flow	**(17.4)**	**(24.3)**	**6.9**	

Segment Performance

Global Footprint

EUROPE & UK

RENTAL FLEET

~350

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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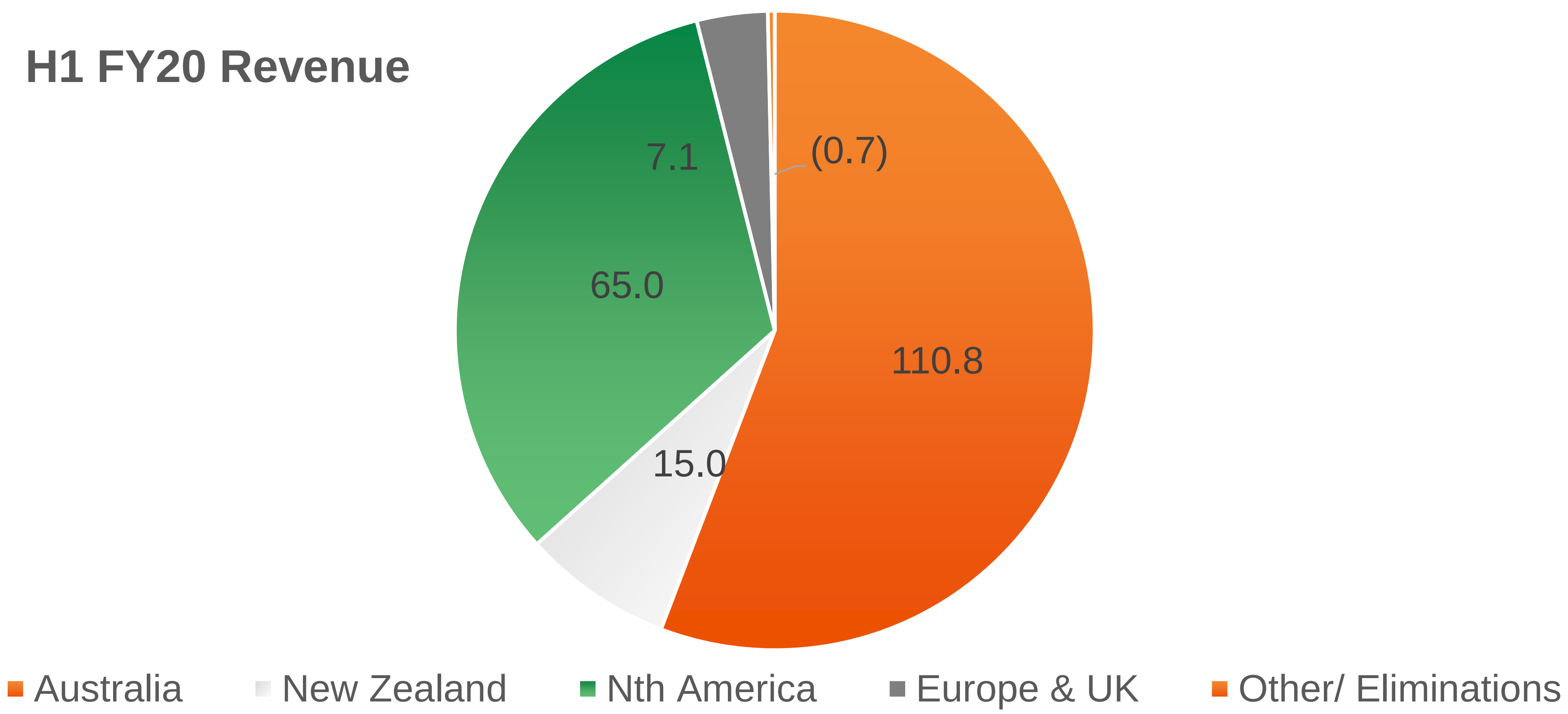
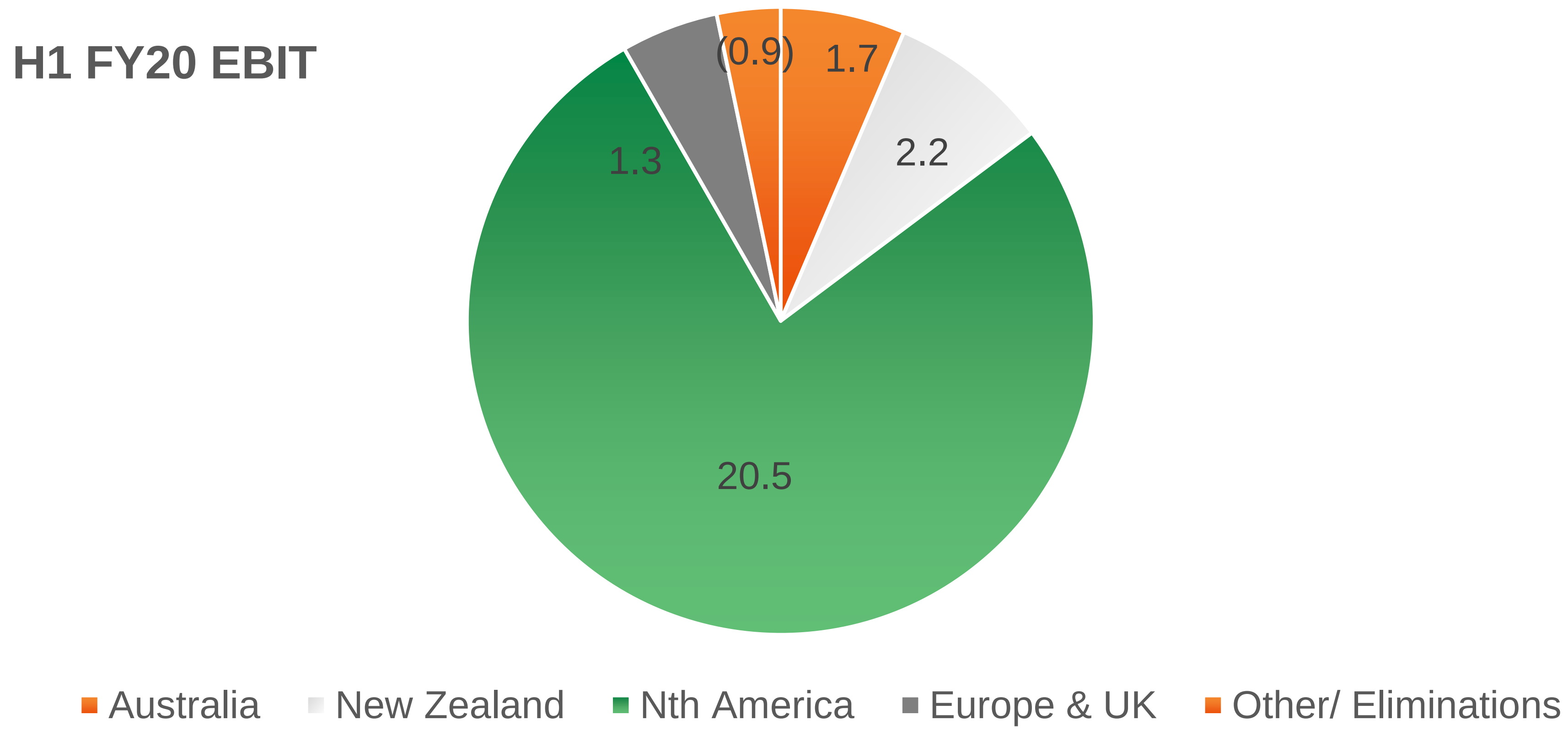
Segment Results

AUD $M	H1 FY20 REVENUE	H1 FY20 UNDERLYING EBIT	H1 FY19 REVENUE	H1 FY19 UNDERLYING EBIT	Growth ($) REVENUE	Growth ($) UNDERLYING EBIT	Change (%) REVENUE	Change (%) UNDERLYING EBIT
Australia	110.8	1.7	104.2	6.2	6.6	(4.5)	6.3%	(72.3%)
New Zealand	15.0	2.2	14.9	2.5	0.1	(0.2)	0.7%	(9.9%)
North America	65.0	20.5	58.8	19.6	6.2	0.9	10.5%	4.5%
Europe & UK	7.1	1.3	5.6	1.4	1.6	(0.1)	27.9%	(7.4%)
Other/eliminations	(0.7)	(0.9)	0.1	(0.1)	(0.8)	(0.8)	N/M	1083.8%
Underlying	**197.2**	**24.9**	**183.5**	**29.7**	**13.7**	**(4.7)**	**7.4%**	**(16.0%)**





- 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 remained solid in the region, however rental income was affected by the bushfires in late CY19 and lower ancillary revenue, primarily due to implementation of the guest experience strategy.
- New RV sales volumes were up 4.6% on pcp, a promising result given industry production was down 7%[4] during the period. Despite increased activity, however, general market sentiment remained subdued, resulting in reduced GP margins.
- New Windsor and Coromal branded products were launched in late CY19 and have been well received to date. Production of these models will be ramped up throughout the remainder of CY20 to meet demand.
- While corporate overhead allocation is reviewed annually, the majority is retained within the Australian segment. The continued investment in systems, people and infrastructure during the period contributed to the increase in costs over pcp. The benefit of these investments should crystallise in future financial periods.
- Increased corporate costs, suppressed sales margins and the impact of the bushfires on rental revenue contributed to the decline in ROFE during the period.

AUD $M	H1 FY20	H1 FY19	Movement	% Change
Rental income	29.5	31.3	(1.8)	(5.8%)
Sale of goods - ex-rental fleet sales	6.3	3.1	3.2	103.2%
Sale of goods - new RV sales[1]	74.2	69.3	4.9	7.1%
Other income	0.8	0.5	0.2	48.9%
Costs	(109.1)	(98.0)	(11.0)	11.3%
Underlying EBIT	**1.7**	**6.2**	**(4.5)**	**(72.3%)**
Underlying Calendar Year ROFE	**4.0%**	**6.6%**	**(2.6%)**	

VEHICLE FLEET UNITS	H1 FY20	H1 FY19	No. Change	% Change
Opening fleet - at 30 June	1,912	1,777	135	7.6%
Rental fleet sales[2]	(125)	(154)	(29)	(18.8%)
Rental fleet purchases[3]	123	243	(120)	(49.4%)
Closing fleet - at 31 Dec	**1,910**	**1,866**	**44**	**2.4%**
Retail RV sales	1,173	1,121	52	4.6%
Total RV sales (rental + retail)	**1,298**	**1,275**	**23**	**1.8%**

1. Sale of goods – new RV sales includes revenue generated from part sales, repairs and servicing and royalties/rebates received from manufacturers.
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.
4. Caravan Industry Association of Australia, 2019 RV Production Finished Down in Difficult Business Environment, 10 February 2020.

New Zealand

- New Zealand's rental business continues to perform consistently year on year as tourism in the region has remained buoyant.
- Vehicle sales volumes and revenues remained consistent with pcp. Establishment of a flagship retail store at the new Auckland rental branch is beginning to generate positive market traction.
- The appointment of a country manager and the relocation to a larger Auckland rental and retail facility in early CY19 are foundational investments expected to generate future growth in the region. The initial cost of these investments during the period, however, contributed to the slight decline in EBIT and ROFE over pcp.

AUD $M	H1 FY20	H1 FY19	Movement	% Change
Rental income	11.3	11.4	(0.1)	(1.0%)
Sale of goods - ex-rental fleet sales	3.2	2.7	0.5	17.5%
Sale of goods - new RV sales	0.5	0.7	(0.2)	(28.6%)
Other income	-	-	(0.0)	N/M
Costs	(12.8)	(12.4)	(0.4)	2.8%
Underlying EBIT	**2.2**	**2.5**	**(0.2)**	**(9.9%)**
Underlying Calendar Year ROFE	**12.4%**	**16.9%**	**(4.5%)**	

VEHICLE FLEET UNITS	H1 FY20	H1 FY19	No. Change	% Change
Opening fleet - at 30 June	939	843	96	11.4%
Rental fleet sales[1]	(75)	(79)	(4)	(5.1%)
Rental fleet purchases[2]	73	170	(97)	(57.1%)
Closing fleet - at 31 Dec	**937**	**934**	**3**	**0.3%**
Retail RV sales	7	10	(3)	(30.0%)
Total RV sales (rental + retail)	**82**	**89**	**(7)**	**(7.9%)**

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, with record booking nights for the region, due to increased fleet size, utilisation improvements and distribution channel growth.
- Ex-fleet RV sales continued to pose a significant challenge for the region, with the impact of oversupply of new vehicles by USA manufacturers during CY18 yet to fully dissipate.
- Refinement of fleet lifecycles assisted to maximise rental utilisation and capital allocation, coupled with focused cost controls, help to negate the negative impact of suppressed ex-fleet sales and achieve a record H1 underlying EBIT, with a 4.5% increase over pcp.
- Unsold RVs have been retained on fleet for the 2020 summer season, as the lifecycle refinements continue to flow through the fleet. This will reduce purchasing requirements for H2 FY20 and allow optimal capital allocation for current market conditions.

AUD $M	H1 FY20	H1 FY19	Movement	% Change
Rental income	48.2	43.3	4.8	11.2%
Sale of goods - ex-rental fleet sales	16.6	15.4	1.2	7.7%
Other income	0.2	0.1	0.1	184.0%
Costs	(44.5)	(39.1)	(5.3)	13.6%
Underlying EBIT	**20.5**	**19.6**	**0.9**	**4.5%**
Underlying Calendar Year ROFE	**8.4%**	**10.9%**	**(2.5%)**	

VEHICLE FLEET UNITS	H1 FY20	H1 FY19	No. Change	% Change
Opening fleet - at 30 June	2,588	2,092	496	23.7%
Rental fleet sales[1]	(227)	(204)	23	11.3%
Rental fleet purchases[2]	114	30	84	280.0%
Closing fleet - at 31 Dec	**2,475**	**1,918**	**557**	**29.0%**

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.

Europe & UK

- Rental performance for the region was positive, with the increase in rental revenue driven by strong demand for Camperco's larger fleet, over the 2019 summer season. This was supported by the contribution of a solid first peak season of the new Apollo Germany and Apollo France operations.
- Alignment with Apollo's branch operations model during the period is generating positive growth indicators for both rental and ancillary sales across Europe in H2.
- RV sales volumes and revenue in the UK remained consistent with pcp, despite the ongoing uncertainty surrounding Brexit. New vehicle sales volumes and prices in early H2 FY20 have been positive and suggest market sentiment is strengthening.
- While revenues were up on pcp, the initial establishment costs of the German and French operations resulted in an increase in operating costs that reduced underlying EBIT.

AUD $M	H1 FY20	H1 FY19	Movement	% Change
Rental income	5.1	4.6	0.5	11.0%
Sale of goods - ex-rental fleet sales	1.8	0.2	1.5	651.1%
Sale of goods - new RV sales	0.2	0.7	(0.5)	(71.4%)
Other income	-	-	-	0.0%
Costs	(5.8)	(4.1)	(1.7)	40.3%
Underlying EBIT	**1.3**	**1.4**	**(0.1)**	**(7.4%)**
Underlying Calendar Year ROFE	**(3.5%)**	**10.3%**	**(13.8%)**	

VEHICLE FLEET UNITS	H1 FY20	H1 FY19	No. Change	% Change
Opening fleet - at 30 June	346	209	137	65.6%
Rental fleet sales[2]	(24)	(17)	7	41.2%
Rental fleet purchases	31	27	4	14.8%
Closing fleet - at 31 Dec	**353**	**219**	**134**	**61.2%**
Retail RV sales	2	10	(8)	(80.0%)
Total RV sales (rental + retail)	**26**	**27**	**(1)**	**(3.7%)**

1. Apollo Motorhome Holidays GMBH (Apollo Germany) and Apollo Motorhome Holidays SARL (Apollo France) commenced trading on 1 April 2019. Accordingly, the comparative period does not include results for these entities.
2. 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 Co (Australia) Pty Ltd (Camplify), an online RV sharing community, connecting caravan & motorhome owners with holidaymakers seeking hire options.

The Company's share of losses on its investment in Camplify for the period totalled $0.3M (up from $0.1M in pcp). Camplify is in the early stages of commercialisation and it is expected to continue generating losses during its global growth establishment phase.

H1 FY20 Update:

- To date, Camplify generated over 600,000 guest nights for its community owners.
- Camplify successfully launched in New Zealand in December 2019. 600 RVs are on fleet for rental with revenues already commencing to flow.
- Camplify successfully launched for owner registration in Spain in December 2019. Over 500 vehicles have signed up to date, with the hirer side to launch in Q3 CY20.
- Continued growth in Australia has seen a significant uplift in fleet size, and income, with a 255% increase in revenues over last year's result.
- Growth in the UK continues, with 25% growth for owners, hirers, and income.
- Liability waiver continues to be a growing income stream for Camplify, with a conversion ratio of 42%.
- Insurance revenue has become another significant revenue stream, with over $1m in insurance income generated in the past 12 months.

Strategy & Outlook

Digital Ecosystem

ApolloConnect

- ApolloConnect app is a must have travel companion, allowing rental guests to search and book holiday parks and attractions and view vehicle how-to-guides.
- ApolloConnect North America launched in late CY19, with UK and Europe versions to be launched progressively throughout H2 FY20.
- Approx. 7,900 user sign-ups to date, with an average of approx. 1,200 active users per month.

Telemetry (vehicle GPS monitoring)

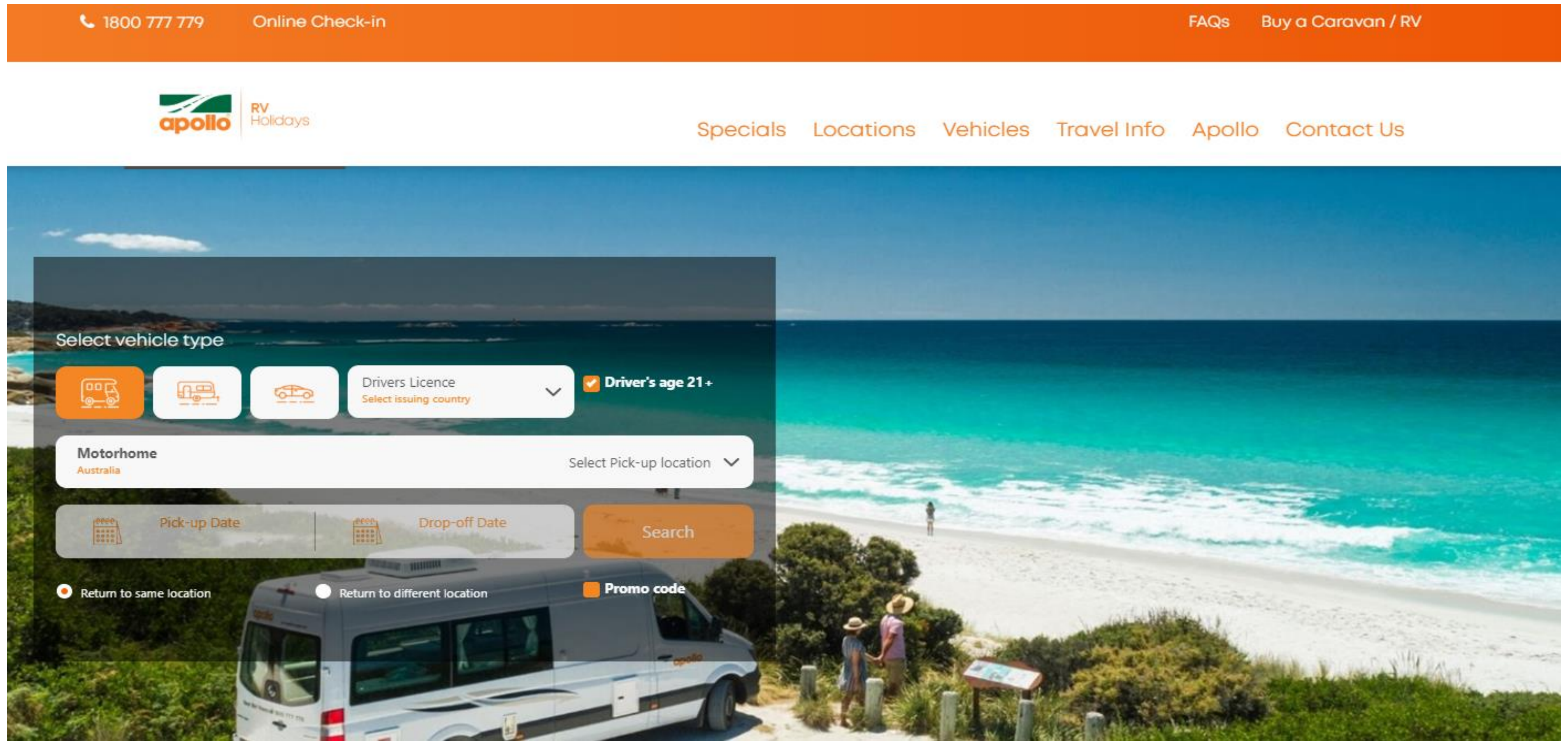
- Vehicle telemetry assisted with tailored guest communications during the recent Australian bushfires, to support the safety and wellbeing of guests.
- Integration into geo-marketing opportunities is planned for H2 CY20.

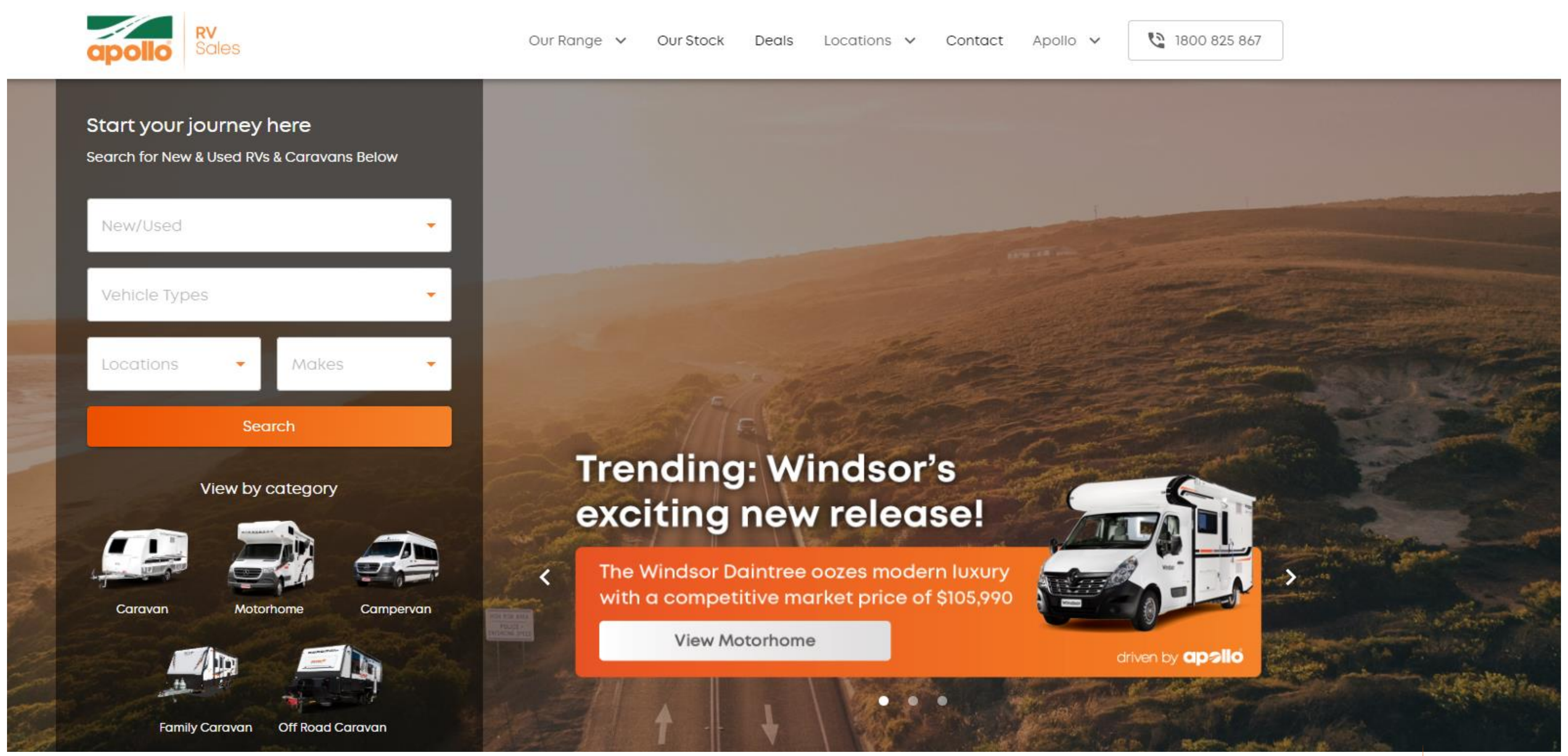
Websites

- New rental booking and RV sales websites, incorporating state-of-the-art functionality, were launched in late February 2020 for Australia. New websites for other regions will follow throughout the remainder of CY20.
- The websites aim to improve guest experience, increase direct booking volumes and improve marketing of retail products.
- Connection of the guest journey from dreaming, planning, booking and experiencing, as well the launch of a loyalty club membership, is planned for H2 CY20.

Retail

- The Apollo Retail app went live in late CY19, featuring customer support and allowing customers to interact with their vehicles and leverage Apollo’s partner network.
- A pilot for retail telematics is underway.
- Streamlined process to enable product upload to virtual distribution channels.
- Consolidation of retail dealership technology has commenced, with the aim of improving utilisation of data across the Group.
- Streamlining of the product ordering direct from the manufacturing facility is planned for H2 CY20.





TOURISM & LEISURE LTD

Industry & Tourism Outlook

RENTAL

- The long-term effect of the bushfires on Australian tourism is yet to be fully determined and it remains an area of concern for the rental business.
- Coronavirus (COVID-19) is having a detrimental impact on global tourism and the impact may flow to our supply chain. In the Company's experience of similar events, tourism activity rebounds quickly once travellers' confidence improves.
- VisitBritain forecasts significant visitor growth in CY20 over pcp, though Brexit uncertainty and weak GBP remain potential deterrents.

RETAIL

- Globally retail markets are showing signs of recovery from geo-political and industry issues that affected much of CY19. Sales volumes are trending upwards, however margins are expected to remain constrained.
- There is no current evidence of any impact on demand from Australian bushfires and Coronavirus (COVID-19), however, a deterioration in regional economic growth or consumer confidence may impact demand. There may also be a flow on impact to the retail RV supply chain.

FY20 Outlook

- Until the recent Australian bushfires and Coronavirus (COVID-19) outbreak, Apollo was tracking to expectations as outlined in the October 2019 AGM update. As noted in the recent 13 and 29 January 2020 market updates, Apollo is challenged by the current combination of macro events; however, the underlying business is strong and well positioned to cycle into better conditions in FY21.
- To date, longer term rental bookings globally remain resilient against the bushfires and Coronavirus (COVID-19).
- The Group continues to consolidate acquisitions and implement growth strategies.
- Expansion of retail sales outlets in the USA, utilising existing rental branch real estate, will expand vehicle distribution channels.
- Benefits of focus on staff, systems, premises and guest experience expected to emerge over coming periods.

GUIDANCE

- Prior to the noted external macro events, the Group was expecting to report a small profit in H2 FY20. Apollo will now incur a H2 FY20 loss and the current forecast is for FY20 Underlying NPAT to be in a range of $8M - $9M. This range assumes lower rental income in all regions, particularly Australia, and ongoing margin pressure on RV sales.

Corporate Governance

- Continual focus on prevention initiatives for key risk areas including data and guest privacy, work place health and safety and cyber-security.
- Board gender diversity with one female and two male Independent Directors.

Conference Call

Date: 8:00 am AEST (QLD), Wednesday 26 February 2020

Phone:

Australia: 1800 148 258

Overseas: (+61) 2 8038 5271

Conference ID: 8690976

Supporting Analysis

Underlying Adjustments

AUD $M	H1 FY20	H1 FY19
Statutory net profit after tax	**11.3**	**14.7**
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	-	0.1
- Intangibles amortisation	0.2	0.2
Share of profit/(loss) in associates[1]	0.3	0.1
Impact of adoption of new lease accounting standard AASB 16 *Leases*[2]	0.2	-
Underlying net profit after tax	**12.0**	**15.1**

1. Share of profit/(loss) in associates represents the Company's equity accounted share of losses on its investment in Camplify. The Directors have resolved for the first time to add back this loss as an underlying adjustment, given that Camplify is still in the early stages of commercialisation and losses are expected for a number of years to come, as the business grows. Accordingly, Camplify's performance is not currently deemed to represent ordinary trading performance. For consistency, the comparative underlying net profit after tax figure has been restated to account for this add-back.

2. The impact of adopting AASB 16 *Leases* has been added back to statutory net profit after tax, to provide consistency with the comparative period, as the new standard did not come into effect until 1 July 2019.

Profit or Loss

Underlying (AUD $M)	H1 FY20	H1 FY19	$ Change	% Change
Rental income	94.2	90.7	3.4	3.8%
Revenue from sale of goods	102.7	92.1	10.7	11.6%
Other revenue	0.3	0.7	(0.4)	(58.9%)
Total revenue	**197.2**	**183.5**	**13.7**	**7.4%**
Costs	(156.7)	(139.4)	(17.4)	12.5%
EBITDA	**40.5**	**44.2**	**(3.7)**	**(8.4%)**
Depreciation & amortisation	(15.5)	(14.5)	(1.0)	7.2%
EBIT	**24.9**	**29.7**	**(4.7)**	**(16.0%)**
Finance costs	(9.8)	(8.6)	(1.2)	14.0%
Profit before income tax	**15.1**	**21.1**	**(5.9)**	**(28.2%)**
Income tax (expense)/benefit	(3.1)	(6.0)	2.9	(48.3%)
Profit attributable to Apollo shareholders	**12.0**	**15.1**	**(3.0)**	**(20.2%)**
Basic EPS	6.4	8.2	(1.8)	(22.0%)

Balance Sheet

AUD $M	Dec-19	As at Jun-19	Change	As at Dec-18	Change
Cash and cash equivalents	17.3	34.6	(17.3)	13.0	4.3
Intangibles	37.1	36.1	1.0	41.8	(4.7)
Inventories	83.7	97.0	(13.3)	124.1	(40.4)
Equity accounted investments	2.3	2.5	(0.3)	1.4	0.9
Property, plant and equipment	69.1	382.0	(312.9)	290.7	(221.6)
Right-of-use asset	348.3	-	348.3	-	348.3
Other assets[1]	24.4	32.6	(8.2)	20.3	4.1
Total assets	**582.2**	**584.7**	**(2.5)**	**491.2**	91.0
Payables	25.0	33.3	(8.3)	21.0	4.0
Borrowings (current + non-current)	376.0	364.5	11.6	286.8	89.2
Provisions (current + non-current)	3.8	6.0	(2.2)	8.1	(4.4)
Income tax payable	-	1.5	(1.5)	0.7	(0.7)
Other payables[2]	46.9	60.0	(13.1)	45.3	1.6
Total liabilities	**451.7**	**465.2**	**(13.5)**	**361.9**	89.8
Net assets	**130.5**	**119.5**	**11.0**	**129.3**	1.2
Net debt position[3]	358.7	329.9	28.8	273.8	84.9
Net tangible assets (NTA)[4]	(254.9)	83.4	(338.3)	87.5	(342.4)
NTA per share[5]	($1.37)	$0.45		$0.48	
Book value of net assets per share[6]	$0.70	$0.64		$0.70	
Net debt / net debt + equity ratio (net of Intangibles)	345.5%	79.8%		75.8%	
Equity ratio[7]	22.4%	20.4%		26.3%	
Total no. of shares on issue at period end	186,150,908	186,150,908		183,605,363	

Notes:

1. Other assets is comprised of trade and other receivables, income tax refunds receivable, prepayments and other current assets, deferred tax assets and other non-current asset balances, per the statement of financial position.
2. Other payables is comprised of contract liabilities, income tax payable, unearned leasing income, other current liabilities and other non-current liabilities, per the statement of financial position.
3. Represents total borrowings, less cash and cash equivalents.
4. Represents equity, net of intangibles. Under AASB 16, lease liabilities and the related right-of-use assets are to be included in the statement of financial position from 1 July 2019. The net tangible assets calculation includes the lease liability, but excludes the related right-of-use asset, which is classified as an intangible asset for the purpose of the net tangible asset calculation. If the right-of-use asset was included, the NTA per share would be $0.50.
5. Calculated as NTA / total no. of shares on issue at period end.
6. Calculated as equity / total no. of shares on issue at period end.
7. Calculated as equity / total assets.

Funding

- Debt facilities as at 31 December 2019 are summarised as follows:

AUD $M	Total facility			Drawn amount			Undrawn amount			
Segment	**Hire purchase**	**Floor plan**	**Mortgages**	**Hire purchase**	**Floor plan**	**Mortgages**	**Hire purchase**	**Floor plan**	**Mortgages**	**Interest split**
Australia	123.8	60.1	0.0	75.3	31.1	0.0	48.5	29.0	N/A	70% fixed / 30% floating
New Zealand	49.8	4.8	0.0	41.3	1.4	0.0	8.4	3.4	N/A	60% fixed / 40% floating
North America	172.7	N/A	30.1	133.5	N/A	28.2	39.2	N/A	1.9	70% fixed / 30% floating
Europe & UK	24.2	N/A	0.0	16.3	N/A	0.0	7.9	N/A	N/A	100% fixed
Facility totals	**370.5**	**64.9**	**30.1**	**266.5**	**32.5**	**28.2**	**104.0**	**32.4**	**1.9**	
Group total			**465.4**			**327.2**			**138.3**	
Debt from lease liabilities recognised on leases previously classified as operating leases						48.8				
Cash and cash equivalents						(17.3)				
Net debt						**358.7**				

Net Current Liability Position

The Group is in a consolidated net current liability position as at 31 December 2019 of $132.4M. In accordance with AASB 101 *Presentation of Financial Statements*, the finance lease and hire purchase facilities are treated as current liabilities with the assets that are being financed included as non-current assets. This results in current liabilities being in excess of current assets in the statement of financial position as at 31 December 2019.

The Directors consider that the Group will generate sufficient operating cash flows to finance its ongoing operations and meet its financial obligations.

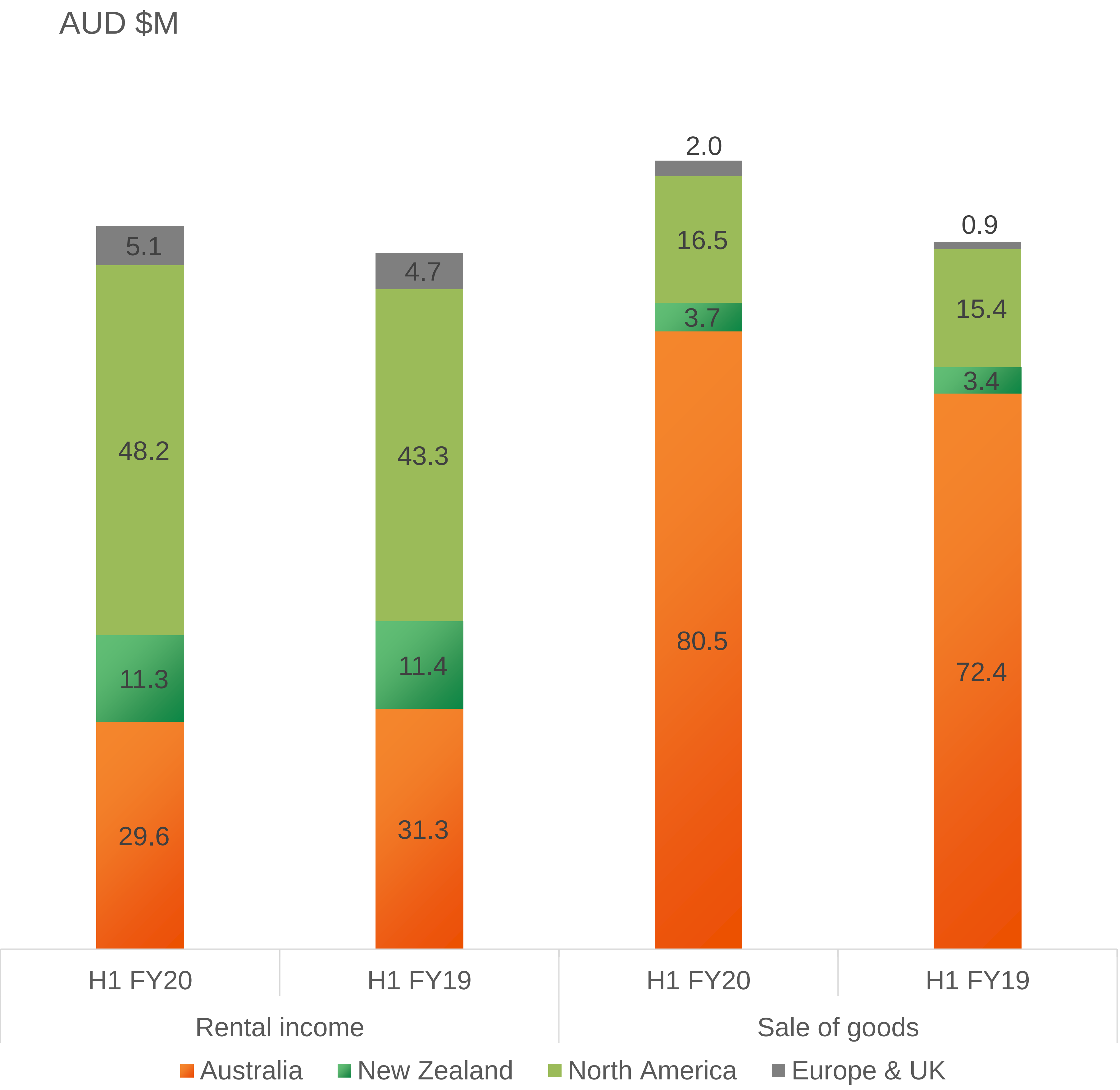
The financing arrangements for the Group as at 31 December 2019 are shown below, by combining the total current and non-current liability and aligning this with the related asset value:

Borrowings (AUD $M)	Liability	Related asset	Asset	Difference
Property financing				
Bank loans	28.2	Land and buildings: PPE	37.3	9.1
Lease liabilities[1]	47.8	Land and buildings: ROU asset	43.8	(4.0)
	76.0		**81.1**	**5.1**
Vehicle financing				
Floorplan	32.5	New vehicles for retail sale	39.8	7.3
Loans from other financiers	16.8	Used rental vehicles for sale	24.5	7.7
Lease liabilities	250.7	Motor vehicles: ROU asset	304.4	53.7
	300.0	Motor vehicle: PPE	20.2	20.2
			388.9	**88.9**
Total	**376.0**		**470.0**	**94.0**

1. The right-of-use asset (ROU asset) recognised for leases on land and buildings is less than the lease liability due to the front loading effect whereby the right-of-use asset is depreciated on a straight-line basis and the effective interest rate method is applied to the lease liability, resulting in the liability being higher in the early years of the lease term. The effective interest rate method results in a decreasing total lease expense throughout the lease term and the lease liability decreasing unevenly over time.

Revenue

AUD $M	H1 FY20	H1 FY19	$ Change	% Change
Rental income				
Australia	29.6	31.3	(1.7)	(5.4%)
New Zealand	11.3	11.4	(0.1)	(0.9%)
North America	48.2	43.3	4.9	11.3%
Europe & UK	5.1	4.7	0.4	8.5%
	94.2	**90.7**	**3.5**	**3.9%**
Sale of ex-rental fleet				
Australia	6.3	3.1	3.2	103.2%
New Zealand	3.2	2.7	0.5	18.5%
North America	16.5	15.4	1.1	7.1%
Europe & UK	1.8	0.2	1.6	800.0%
	27.8	**21.4**	**6.4**	**29.9%**
Sale of RVs				
Australia	74.2	69.3	4.9	7.1%
New Zealand	0.5	0.7	(0.2)	(28.6%)
North America	-	-	-	0.0%
Europe & UK	0.2	0.7	(0.5)	(71.4%)
	74.9	**70.7**	**4.2**	**5.9%**
Other Income				
Australia	0.7	0.5	0.2	40.0%
New Zealand	-	-	-	0.0%
North America	0.2	0.1	0.1	100.0%
Europe & UK	-	-	-	0.0%
	0.9	**0.6**	**0.3**	**50.0%**
Other/eliminations	(0.6)	0.1	(0.7)	N/M
Total revenue	**197.2**	**183.5**	**13.7**	**7.5%**
Segment split				
Australia and other	110.2	104.3	5.9	5.7%
New Zealand	15.0	14.8	0.2	1.4%
North America	64.9	58.8	6.1	10.4%
Europe & UK	7.1	5.6	1.5	26.8%
	197.2	**183.5**	**13.7**	**7.5%**



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EBIT Margin

Underlying (AUD $M)	H1 FY20	H1 FY19	Change
Australia	1.5%	5.9%	(4.4%)
New Zealand	14.8%	16.6%	(1.7%)
North America	31.6%	33.4%	(1.8%)
Europe & UK	18.9%	26.0%	(7.2%)
Other/eliminations	127.5%	(90.2%)	217.8%
Total	**12.6%**	**16.2%**	**(3.5%)**

EBITDA Margin

Underlying (AUD $M)	H1 FY20	H1 FY19	Change
Australia	7.5%	11.3%	(3.8%)
New Zealand	31.2%	37.4%	(6.2%)
North America	40.3%	42.4%	(2.1%)
Europe & UK	27.2%	33.2%	(6.0%)
Other/eliminations	100.0%	31.7%	68.3%
Total	**20.5%**	**24.1%**	**(3.5%)**

- 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

AUD $M	Average Funds[3] Dec-19[1]	Dec-18	Change	Year End Funds Dec-19	Jun-19	Change
Australia	220.1	228.4	(3.6%)	214.3	225.8	(5.1%)
New Zealand	66.8	54.9	21.8%	67.4	66.2	1.8%
North America	203.3	167.8	21.2%	207.0	199.6	3.7%
Europe & UK	26.3	17.7	100.0%	25.9	26.6	(2.5%)
Other/eliminations[2]	(43.5)	(51.0)	(14.8%)	(43.8)	(43.1)	1.6%
Total Segment Funds Employed	**473.0**	**417.7**	**13.2%**	**470.9**	**475.1**	**(0.9%)**
Net deferred tax position	(26.1)	(25.8)	1.3%	(26.6)	(25.6)	3.7%
Total Net Funds Employed	**446.9**	**392.0**	**14.0%**	**444.3**	**449.5**	**(1.2%)**

Calendar Year ROFE	Statutory Dec-19	Dec-18	Change	Underlying Dec-19	Dec-18	Change
Australia	(1.2%)	5.5%	(6.7%)	4.0%	6.6%	(2.6%)
New Zealand	12.6%	16.9%	(4.3%)	12.4%	16.9%	(4.5%)
North America	8.5%	10.8%	(2.3%)	8.4%	10.9%	(2.5%)
Europe & UK	1.7%	10.3%	(8.6%)	(3.5%)	10.3%	(13.8%)
Total	**4.6%**	**10.6%**	**(6.0%)**	**6.9%**	**11.3%**	**(4.4%)**

1. The Company adopted the new Accounting Standard AASB 16 Leases on 1 July 2019 and, accordingly, H1 HY20 Statutory Results presented in the 31 December 2019 Financial Statements have been prepared in accordance with the new standard. The Company used the modified retrospective approach when adopting AASB 16 and, as a result, prior period comparatives were not restated. To allow for prior period comparison, the above underlying H1 HY20 are pre application of AASB 16 and exclude the impact of AASB 16.
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.
3. Average funds are calculated as the average of opening funds held at 1 July and closing funds held at 31 December.

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