



ASX Announcement

21 June 2018

APOLLO TOURISM & LEISURE LTD ACQUISITION OF FLEETWOOD RV, COROMAL AND WINDSOR BRANDS

The Directors of Apollo Tourism & Leisure Ltd (ASX: **ATL**) (“Apollo” or “the Company”) are pleased to announce that the Company has executed a binding agreement to acquire the brands Fleetwood RV, Coromal and Windsor and associated intellectual property from Fleetwood Corporation Limited for a purchase price of \$1.0 million.

Strategic Rationale

These iconic Australian caravan brands have strong market positions with a wide range of product offerings. The acquisition adds quality, well-known brands which address market segments that complement Apollo’s existing multi-brand portfolio.

The acquisition aligns with Apollo’s strategy to expand its retail distribution footprint. Apollo continues to lead the consolidation of the caravan industry, and the acquisition is expected to result in a more rational market and improved margins.

Managing Director, Luke Trouchet said, “Acquiring segment leading caravan brands in Coromal and Windsor is the logical strategic response to current industry dynamics and will be a catalyst for improved margins.

“The acquisition provides significant potential for manufacturing synergies due to economies of scale.

“We are proud to add these established and well-recognised brands to our portfolio and will continue to build on their heritage in the Australian market.”

Fleetwood will continue to manufacture caravans in Perth for a transition period of up to six months following completion of the transaction. At the end of this period, Apollo will purchase some inventory and raw materials, at discounted prices. Apollo will then manufacture motorhomes and caravans under the names of Fleetwood RV, Coromal and Windsor in Brisbane, leveraging existing infrastructure and capacity in the Company’s new manufacturing operations.

Apollo’s existing rental and retail sales sites in Melbourne will be consolidated into the large and well positioned retail site at Campbellfield, currently utilised by Fleetwood Corporation Ltd.



Merger and Acquisition Strategy

Apollo has completed a number of acquisitions since listing on the ASX in November 2016. These acquisitions fit with the Company's strategic intent to expand its retail distribution and rental footprint. The acquisitions include:

- March 2018: Camperco, one of the largest independent motorhome operators in the UK and Ireland.
- August 2017: George Day Caravans, an established Western Australian dealership for new and used caravans, campers and luxury motorhomes.
- July 2017: CanaDream, one of the largest RV rental and sales companies in Canada, with a fleet of approximately 1,000 units.
- May 2017: Kratzmann Caravans and Clint's Caravan Warehouse, one of the largest retailers for a number of popular motorhomes and caravan brands in south-east Queensland.
- February 2017: Sydney RV Group, a successful, established and growing retailer of new and used caravans and motorhomes located in Penrith NSW.
- February 2017: ATL acquired a 25% stake in Camplify, an online "peer to peer" caravan and RV sharing community currently operating in Australia and the United Kingdom.

FY18 Outlook

Apollo plans to release its FY18 results on 21 August 2018.

The strength in the global rental business has supported growth in the Canadian, American and New Zealand rental fleets. This combined with a prolonged winter in North America has led to a delay in used RV sales in FY18. Today's acquisition is expected to assist in improving ongoing demand and margins following some softness in the Australian caravan sales market in the June quarter. As a result, the Company expects FY18 earnings to be at the lower end of market estimates.

END

Authorised by:

Luke Trouchet

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

For more information please contact:

Investors:

Luke Trouchet, Managing Director and CEO

T: 07 3265 9222

E: info@apollotourism.com

W: www.apollotourism.com



Media:

Alasdair Jeffrey, Executive Director, Rowland

T: 0404 926 768

E: alasdair.jeffrey@rowland.com.au

W: www.apollotourism.com

About Apollo Tourism & Leisure Ltd

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