



## ASX Announcement

22 August 2018

### APOLLO TOURISM & LEISURE LTD FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

#### *Successful acquisitions and internal investment delivers strong global performance*

The Directors of Apollo Tourism and Leisure (ASX: ATL) (**Apollo** or the **Company**) are pleased to report strong growth in rental and retail sales revenue and net profit after tax (**NPAT**) for the 2018 financial year, reflecting the positive impacts of acquisitions and organic growth.

#### **FY18 HIGHLIGHTS**

- Statutory NPAT of \$19.2M, up 122.1% on the prior corresponding period (**pcp**).
- Underlying NPAT of \$19.5M, up 40.6% on pcp.
- EBIT of \$40.4M, up 156.5% on pcp.
- Revenue of \$355.6M compared to \$171.5M pcp, up 107.3%.
- Completion of CanaDream Corporation (**CanaDream**) acquisition, significantly boosting North American presence.
- Acquisition of UK and Ireland based rental operator/retailer Camperco Group Limited (**Camperco**), to support continued UK and Ireland growth and provide a beachhead for Apollo's expansion into Europe.
- The acquisition of Western Australian retailer George Day Caravans and Motorhomes (**George Day**) further strengthened the Australian retail distribution network.
- Completion of the acquisition of iconic caravan brands Fleetwood RV, Coromal and Windsor.
- Final dividend of 3.0 cents per share (unfranked), bringing the total dividend to 5.0 cents per share for FY18 (40% franked).

Group CEO and Managing Director, Luke Trouchet, said "FY18 was a significant year for the Company's global growth strategy.

"Strategic acquisitions, nationally and internationally have positioned the Company to build on the strong performance of FY18 and create global synergies to drive future earnings growth.

"While we continue to seek opportunities for global expansion, development of our existing infrastructure, people and systems, is a primary focus, to ensure our growth strategy is supported and effectively executed."

Rental demand grew across all operating segments in FY18, with rental revenue increasing by 66.0% to \$136.7M. Growth was underpinned by the strong performance of CanaDream, acquired in July 2017, additional capacity generated through expansion of the dynamic fleet offering, and increasing international visitor numbers in each region.

Guest experience is an important focus for the Company. The ApolloConnect app, launched in April 2018, provides guests with real-time access to holiday park availability, attractions and instructional content including safety and "how-to" videos.

Retail sales revenue of new RVs totalled \$138.6M, up 235.4% on pcp, due to a 12-months contribution from Sydney RV and Kratzmann Caravans, acquired in February and June 2017 respectively, coupled with the acquisition of George Day in August 2017.

Return On Funds Employed (ROFE<sup>1</sup>) improved from 9.0% for FY17 to 13.4% for FY18 and Return On Equity (ROE<sup>2</sup>) increased from 13.0% for FY17 to 17.6% for FY18.

<sup>1</sup> ROFE calculated as EBIT / Average Funds Employed.

Average Funds Employed = ((Opening Total Equity + Opening Borrowings – Opening Cash) + (Closing Total Equity + Closing Borrowings – Closing Cash)) / 2.

<sup>2</sup> ROE calculated as Net Profit After Tax / Average Total Equity.

Average Total Equity = (Opening Total Equity + Closing Total Equity) / 2.

**Apollo Tourism & Leisure Ltd, ACN 614 714 742**

**Head Office:** 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

**Free Call:** Australia: 1800 777 779 | International: +800 3260 5466

[www.apollotourism.com](http://www.apollotourism.com) | [info@apollotourism.com](mailto:info@apollotourism.com)



## **AUSTRALIA**

The Australian segment continued to deliver solid performance. EBIT increased by 57.1% to \$18.2M, with revenue of \$208.2M up \$101.3M on pcp.

Rental revenue increased 10.3% with solid growth in rental days and expansion of the Australian fleet to meet demand. Dynamic fleet management remains a key revenue driver for rental income and will be utilised further in FY19.

New and used RV sales increased by \$95.7M over pcp, with dealership acquisitions over the last 18-months contributing the majority of the additional revenue. Significant progress has been made in achieving key objectives for retail RV sales in FY18 and FY19, including consolidating acquisitions, establishing an integrated sales network, generating distribution synergies, and executing a national retail sales strategy.

Fourth quarter caravan sales were affected by distressed selling from some competitors. The acquisition of the iconic Australian caravan brands Fleetwood RV, Coromal and Windsor, will assist in consolidating a fragmented industry.

Manufacturing experienced a record year of production following the relocation of the Brisbane facility to a new 12-acre site.

## **NEW ZEALAND**

Rental demand was strong in New Zealand in FY18, with a 9.2% increase in rental income over pcp, as the Company's strong brand and strategies in the region continued to drive growth. This performance is expected to continue into FY19, with current forward bookings indicating another strong year ahead.

A number of vehicles were retained on fleet beyond their standard disposal lifecycles to cater for the increased rental demand, reducing ex-rental fleet sales. Increasing new and used RV sales channels will be a key focus for FY19. The Company's Auckland rental operations are moving to a new, larger site in the middle of FY19, which will include a flagship retail sales store.

Overall, New Zealand continues to be a strong performer for the consolidated group, with EBIT increasing by 15.3% in FY18.

## **NORTH AMERICA**

Completion of the CanaDream acquisition, in July 2017, was a significant step in the Company's journey towards becoming the global RV solution. Operating for over 20 years, CanaDream is one of Canada's largest RV rentals and sales companies.

Group CEO and Managing Director, Luke Trouchet, said "North America represents the largest RV sales and rentals market in the world and the addition of CanaDream to the Apollo Group has provided a tremendous boost to the Company's presence in the region."

During the year, CanaDream assumed responsibility for the Company's North American operations, leveraging CanaDream's experienced executive team.

Segment EBIT was \$13.7M for the year, turning around an EBIT loss of \$2.2M for FY17, which was mainly attributable to the addition of CanaDream and inclusion of 12-months results from Apollo's USA operations.

A prolonged winter reduced the sales window leading into the peak summer period, resulting in lower than expected ex-fleet sales in H2 FY18. Strong rental demand, however, supported the retention of unsold vehicles on fleet for an additional season, mitigating the impact of reduced sales on the region's performance.

The Toronto and Halifax rental branches were relocated to new, improved facilities in late FY18, enhancing guest experience. Two new rental locations will be opened in the USA prior to the 2019 peak summer period.

## **EUROPE & UK**

The acquisition of UK and Ireland based rental operator and retailer Camperco Group Limited in March 2018, further strengthened the Company's global footprint and provides a strategic platform for future expansion

**Apollo Tourism & Leisure Ltd, ACN 614 714 742**

**Head Office:** 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

**Free Call:** Australia: 1800 777 779 | International: +800 3260 5466

[www.apollotourism.com](http://www.apollotourism.com) | [info@apollotourism.com](mailto:info@apollotourism.com)



into mainland Europe. Camperco contributed EBIT of \$0.37M to the Company's results in the period since its acquisition to 30 June 2018.

Established in 2007, Camperco operates multiple rental and sales sites throughout the United Kingdom and Ireland. Apollo will utilise Camperco's existing infrastructure, European relationships and managerial experience when entering new markets in mainland Europe. Plans are progressing to open a rental branch under the Apollo brand in Hamburg, Germany, in readiness for the 2019 peak summer season.

A new flagship retail vehicle sales site in Birmingham, England was opened in April 2018. The launch of a revamped RV accessories and spare parts online store during the year generated a marked increase in retail sales for Camperco in FY18, positioning the business for further growth in FY19.

#### **DIVIDEND**

The Directors have declared a final dividend of 3.0 cents per share (unfranked), bringing the FY18 total dividend to 5.0 cents per share (40% franked). The dividend will be paid on 13 September 2018, with a record date of 29 August 2018.

Due to the Company's growing overseas operations, the ability to frank future dividends will be dependent on the amount of franking credits arising out of Australian operations.

#### **OUTLOOK**

The outlook for the global business remains positive with the following key initiatives planned for FY19:

- Establishment of new Australian retail sales locations in Adelaide, Geelong and Newcastle.
- Acquisition of Fleetwood RV, Coromal and Windsor caravan brands to further enhance the existing brand portfolio.
- Establishment of a new flagship rental and retail sales store in Auckland, New Zealand.
- Opening two new USA rental branches in preparation for the FY19 summer peak season.
- Opening a rental branch in Hamburg, Germany, in preparation for the FY19 summer peak season.

#### **FY19 NPAT GUIDANCE**

The outlook for the global business remains positive, with rental bookings in all regions ahead of the prior corresponding period and a number of growth initiatives are planned for the current financial year. The Company forecasts FY19 NPAT in the range of **\$22M - \$24M**.

The full year accounts and results presentation have been lodged with the ASX and can also be found on the ATL website: [www.apollotourism.com](http://www.apollotourism.com)

#### **Authorised by:**

**Luke Trouchet**

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

#### **Conference Call**

*There will be an ATL FY18 Results conference call held at 3:00pm AEST on Wednesday 22 August 2018. To be a part of this call from Australia please dial 1800 093 431 and quote participant passcode 75480052#, international callers please dial (+61)2 8047 9393.*

*For more information please contact:*

#### Investors:

Luke Trouchet, Managing Director and CEO

T: 07 3265 9222

E: [info@apollotourism.com](mailto:info@apollotourism.com)

W: [www.apollotourism.com](http://www.apollotourism.com)

#### Media:

Alasdair Jeffrey, Executive Director, Rowland

T: 0404 926 768

E: [alsadair.jeffrey@rowland.com.au](mailto:alsadair.jeffrey@rowland.com.au)

W: [www.apollotourism.com](http://www.apollotourism.com)

**Apollo Tourism & Leisure Ltd, ACN 614 714 742**

**Head Office:** 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

**Free Call:** Australia: 1800 777 779 | International: +800 3260 5466

[www.apollotourism.com](http://www.apollotourism.com) | [info@apollotourism.com](mailto:info@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 RVs including motorhomes, campervans and caravans.*
- *Apollo is the largest provider of rental RVs in Australia and owns the rental brands of Star RV, Apollo, Cheapa Campa and Hippie Camper.*
- *Apollo is the second largest provider of rental RVs 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 RVs in North America and owns the rental brands of CanaDream, Star RV and Apollo.*
- *Apollo is one of the largest providers of rental RVs 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 the Fleetwood RV, Coromal and Windsor caravan brands.*
- *Apollo owns a national RV dealership network across Australia incorporating Apollo RV & Caravan Sales, Sydney RV, George Day Caravans and Kratzmann RV.*

### **Important notices**

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representations, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by Apollo Tourism & Leisure Ltd or by any other person. In particular, no representation, warranty or assurance (express or implied) is given that any of the events expressed or implied in any forward-looking statement in this announcement will actually occur. While the Company believes there is a reasonable basis for the making of any forward-looking statements as at the date of this announcement, actual results, performance or financial positions may be affected by a range of variables which could cause actual results to differ materially from any forward-looking statements and the assumptions on which those statements are based.

**Apollo Tourism & Leisure Ltd, ACN 614 714 742**

**Head Office:** 698 Nudgee Road Northgate (Brisbane) Qld 4013 Australia | **Ph:** +61 7 3265 9200 | **Fax:** +61 7 3265 9201

**Free Call:** Australia: 1800 777 779 | International: +800 3260 5466

[www.apollotourism.com](http://www.apollotourism.com) | [info@apollotourism.com](mailto:info@apollotourism.com)