Camplify Holdings Limited

Happy Campers

CHL is in the process of evolving from a largely Australian centric peer to peer RV rental platform to a Company with significant scale and growth potential following the acquisition of PaulCamper (PC) in late 2022. We estimate compound annual growth (CAGR) in revenue of circa 37% per annum between FY23 to FY26 driven by a combination of three factors: 1) The impact of the PC acquisition completed in December; 2) 17% CAGR in the number of owner RV's or vans on platform (organic growth); and 3) Flat Average Revenue per Van (ARPV) due to the mix impact of PC. Our confidence in RVs on platform is based on the track record of the business since inception, the outlook for domestic leisure in the short to medium term, category growth during the pandemic and the fact that despite its leading position vs direct peers, the Company currently has a very low market share (<1% in Australia) within its addressable markets. We initiate on CHL with an Accumulate recommendation and price target of $1.87 per share noting the upside risk upon delivery of two key opportunities.

Insurance and Automation the keys to outperformance

The key earnings deltas from our perspective are: 1) The ability to develop and sell what we would call "the holy grail", best-in-class global Insurance products suitable for both hirers and owners using a single underwriter; and 2) Increase the level of automation across the group such that the Company can prove the business model is profitable at scale. The first of these opportunities has the potential to drive a material increase in ARPV across the combined group and the second improved EBITDA margins. We have assumed a modest level of success in both objectives, but full execution represents upside risk to our numbers. The Company has ample cash (~$24m) and no debt and is expected to deliver positive free cashflow in FY24.

Price target $1.87 based on DCF methodology

We value CHL using a DCF methodology as this best captures the expected evolution of the business over the coming years. Our DCF valuation equates to $1.87 (estimated WACC 11.5% and terminal growth rate 3%) and we have used this as the basis for our 12-month price target.

Key risks

Risks to our thesis include: 1) Inability to execute insurance strategy; 2) A downturn in demand for RV rentals; and 3) Lack of automation/efficiency gains.

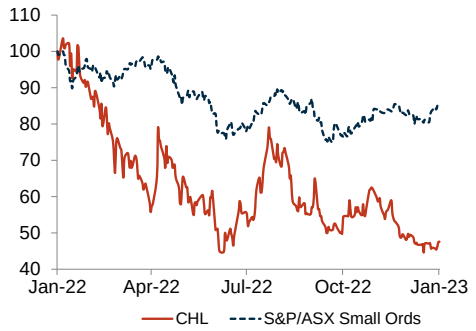
Year-end June ($)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue ($m)	8.5	16.4	31.7	43.8	56.1
EBITDA ($m)	(1.4)	(6.0)	(3.5)	0.1	3.2
EBIT ($m)	(1.6)	(6.2)	(3.7)	(0.2)	2.9
Reported NPAT ($m)	(2.1)	(8.2)	(3.5)	(0.1)	2.1
Reported EPS (c)	(9.6)	(20.5)	(5.0)	(0.1)	3.0
Normalised NPAT ($m)	(2.0)	(6.8)	(3.5)	(0.1)	2.1
Normalised EPS (c)	(9.2)	(17.0)	(5.0)	(0.1)	3.0
Dividend (c)	-	-	-	0.0	-
Net Yield (%)	-	-	-	0.0	-
Franking (%)	-	-	-	-	-
EV/EBITDA (X)	-	-	-	-	27.6
Normalised P/E (x)	-	-	-	-	58.8
Normalised ROE (%)	-	-	-	-	3.6

Source: OML, Iress, Camplify Holdings Limited

Last Price
A$1.75
Target Price
A$1.87
Recommendation
Accumulate
Risk
Higher

Consumer Discretionary	
ASX Code	CHL
52 Week Range ($)	1.64 - 3.81
Market Cap ($m)	121.5
Shares Outstanding (m)	69.4
Av Daily Turnover ($m)	0.1
3 Month Total Return (%)	-12.5
12 Month Total Return (%)	-52.4
Benchmark 12 Month Return (%)	-13.9
NTA FY23E (¢ per share)	9.8
Net Cash FY23E ($m)	22.9

Relative Price Performance



Source: FactSet

Consensus Earnings	FY23E	FY24E
NPAT (C) ($m)	-	-
NPAT (OM) ($m)	(3.5)	(0.1)
EPS (C) (c)	-	-
EPS (OM) (c)	(5.0)	(0.1)

Source: OML, Iress, Camplify Holdings Limited

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Summary

CHL is an IT platform provider that connects Hirers and Owners of RVs (Caravans, Campervans and Motorhomes). The Company has grown from a concept developed by the current CEO out of frustration with the large volume of RVs sitting idle while many hirers were in desperate need of vehicles. The Camplify platform now has more than 25,000 vans available for hire having launched in FY16.

We believe the company is now entering a period of strong revenue growth driven by a range of growth options including organic market share gains, the impact of the recent PC acquisition and significant upside risk to ARPV. At the current share price, we believe the magnitude of the opportunity available to the company has not yet been fully priced in. We are initiating with an Accumulate recommendation and a 12-month price target of $1.87 on a DCF valuation approach.

Investment Thesis

We believe CHL has several investment positives that underpin our view on the company. The highlights of the CHL business model from an investor perspective are as follows:

- **Demand outlook appears solid** – The pandemic created a surge in RV demand globally given the appeal of domestic travel and a desire to get back to nature. Our analysis suggests that this domestic leisure stronger for longer theme has further to play out with CHL set to be a beneficiary for some time.
- **Low market shares in large addressable markets** – Despite the fact that CHL has delivered very strong growth in the number of owner RVs on platform in Australia (>10,000) this represents just 1% of the total RV's registered nationally. This suggests the scope for organic growth appears high even in markets where they have a strong presence.
- **The PC acquisition provides an important platform for European expansion** – CHL acquired German peer to peer RV rental provider PC in late 2022. This represents a watershed moment for the Company given it provides a platform for growth in the all-important European RV rental segment.
- **Development of global insurance capabilities could be a game changer** – Insurance is a critical part of the RV rental industry. Owners want peace of mind that their RV is looked after during the term of the booking and hirers want to be aware of their obligations for damage incurred during the same timeframe. The current insurance solution for CHL and its customers (both hirers and owners) is fragmented and requires multiple products in a variety of countries.

  One of the benefits of the PC acquisition is that the business already has authority to operate as an insurance broker in Europe. CHL have stated that their plan is to utilise the insurance broking business within PC as a platform to establish a global insurance Managing General Agency (MGA) business. This investment would enable the broker to become a global MGA partner. "The Holy Grail" for CHL would be the development of market leading global insurance products for both hirers and owners sourced from a single underwriter. This would drive higher revenue, gross profit margin improvements, and provide opportunities for expansion into new markets.
- **Automation the key to sustainable profit growth** – The Company appears aware of the importance of ensuring the business becomes more efficient as it achieves scale. This highlights the need to increase automation across the group in the coming years and we will be monitoring progress in this area closely.

Background Matrix – Company Overview

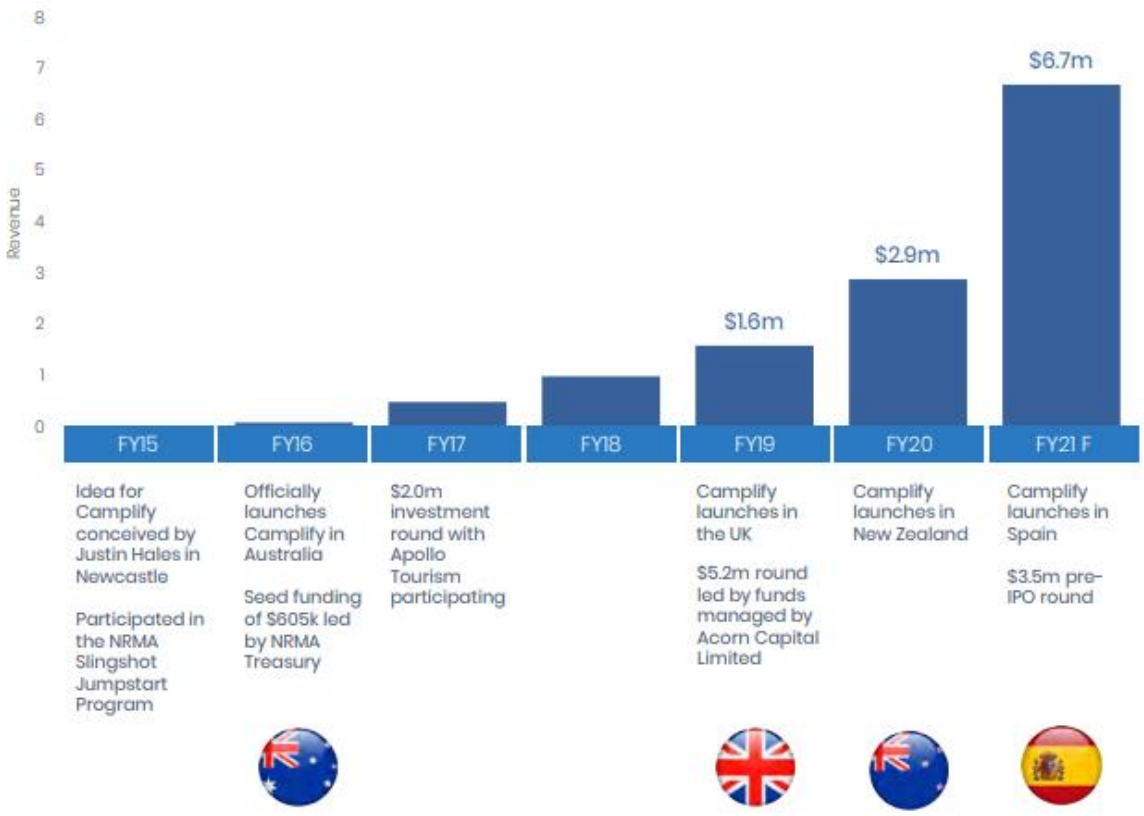
	Camplify Brand (Original business) 70% of FY24e revenue	PaulCamper Brand (acquired Dec 22) 30% of FY24e revenue
The offering	Facilitates Peer-to-Peer rental of RVs with ~90% of Gross Transaction Value (GTV) generated from Australia/New Zealand with remainder from the UK and Europe	Facilitates Peer-to-Peer rental of RVs with ~90% of GTV generated from Germany with remainder from the Netherlands, Austria and the UK
Business Model	**3 key sources of revenue.** 1) Hire Revenue - Both the RV owner and the hirer are charged a percentage of the GTV of the booking. The hirer is charged 15% of the GTV providing them with usage of the Camplify platform, 24/7 support and National Roadside Assistance from NRMA. The owner is also charged a fee based on GTV with the amount determined by the insurance level selected - Casual membership (13%), Bring Your Own Insurance (10%) and Premium Membership (6.5%). 2) Premium membership - A sliding scale subscription service for RV owners (monthly and annual option), charged between $866 and $2,827 p.a./per van, based on the value of the vehicle. Members receive additional marketing services, reduced commission and full insurance. 3) Other revenue - From time to time CHL can earn fees from the sale of new RV's promoted and sold on its platform (via direct referral to dealer). CHL also offers other RV products for sale on its platform including: GPS trackers, mats, first aid kits, gift vouchers etc	**2 key sources of revenue.** 1) Hire Revenue - Both the RV owner and the hirer are charged a percentage of the Gross Transaction Value (GTV) of the booking. The hirer is charged 5% of the GTV providing them with usage of the Paul Camper platform and 24/7 support. The owner is also charged 15% of the GTV. 2) Insurance Revenue - PaulCamper has a dedicated insurance subsidiary allowing them to operate as an insurance broker to customers throughout Europe.
Number of RV's on platform	12, 262 (end of CY22 estimate provided by CHL)	12, 762 (end of CY22 estimate provided by CHL)
key Competitors	Camptoo, RV rental providers (THL, Let's Go, Jucy etc)	Go Booney, Yescapa, RV rental providers
Key growth drivers	1) Demand for RV rental as as category vs other travel options (flying, driving, camping, hotel/motels/home rentals etc). 2) Economic conditions and outlook. 3) Cost of RV rental vs other travel options above 4) Ability to develop and sell a "best in class RV insurance product". 5) Ability to source and retain RV owners. 6) Ability to expand the Temporary Accommodation Program (TAP) with Government and B2B initiatives with other sectors.	1) Demand for RV rental as a category vs other travel options (flying, driving, camping, hotel/motels/home rentals etc). 2) Economic conditions and outlook. 3) Cost of RV rental vs other travel options above. 4) Ability to develop and sell a "best in class RV insurance product". 5) Ability to source and retain RV owners.

Key Driver 1 – Ability to maintain and grow the number of RVs on platform

Concept developed by current CEO

The idea for Camplify came in 2014 when Justin Hales (currently CEO for the CHL group) wanted to revisit his childhood love of caravanning. When searching for the perfect van to hire, he noticed all the unused caravans and campers sitting on driveways around his neighbourhood. What if these unused caravans and campers were able to be hired out to those who wanted to use them at that very same time? In essence, the concept was similar to other sharing models such as Airbnb where consumers homes are rented out to those who wanted to use them via a third party platform or intermediary.

Figure 1: Camplify History pre-IPO



Various private equity raisings were undertaken prior to IPO in June 2021

Having come up with an interesting concept, the challenge for the Company was to obtain sufficient funds to build the technology platform. As is often the case this phase proved challenging but fortunately the business was supported by NRMA plus several private shareholders such that the platform was officially launched in FY16. Australia was the initial target market followed by the UK, New Zealand and Spain. The Company undertook various private equity raisings between FY16 and FY21 and an IPO was completed in June 2021.

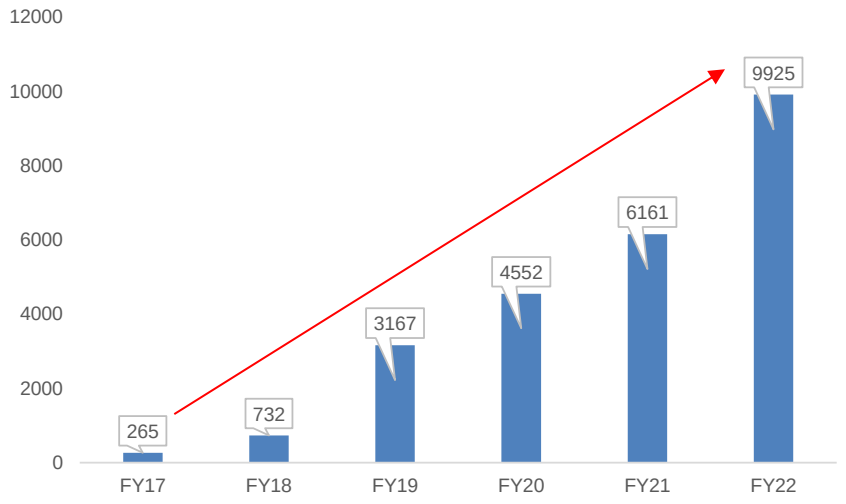
The concept has clearly been validated by both owners and hirers given CHL's track record

The Company has delivered very strong growth in the numbers of RV's available for hire on platform both pre and post IPO. This has gone "hand in glove" with the expansion in hirer bookings over the same timeframe. CHL derives revenue from both the owner of the RV and the hirer by retaining a percentage of the gross booking value (termed the take rate) together with the sale of insurance and other products and services to either or both parties.

The key reasons or benefits of using the CHL platform from an RV owner's perspective could include the following:

- ✓ Monetise underutilised assets. - The average owner of an RV on the platform earns circa $5,000 per annum from an asset that could otherwise lie idle with many owners earning more than $15,000 from their RV.
- ✓ SME's can offer a fleet. - For those interested in providing multiple RVs as a small business, the CHL platform can be a suitable option.
- ✓ Transaction conducted through a secure platform - One of the associated benefits of the platform from an owner's perspective is that it can facilitate transactions via a reputable third party in a safe and cost-effective manner.
- ✓ Distribution reach – The CHL is one of the larger peer to peer RV platforms in Australia and NZ with an increasing global presence. This has obvious appeal for an owner seeking to maximise their return.
- ✓ Insurance – One of the critical components of the owner/hirer peer to peer segment is the importance of having a quality insurance product for both owners and hirers. Given CHL's scale and expertise in the segment it is ideally positioned to provide this service in an agency capacity.

Figure 2: CHL – Number of RVs on platform



Source: Company data

CHL has grown the number of RVs supplied by owners for hire on its platform at a CAGR of 106% over the last five financial years and 46% over the last 3 financial years.

Similarly, the key reasons or benefits of using the CHL platform from an RV hirer's perspective could include:

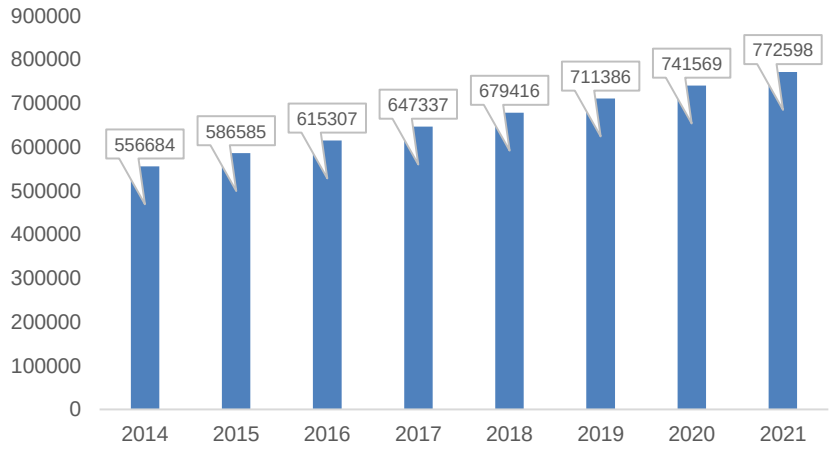
- ✓ Rent assets short term on demand – The CHL platform provide RV's that are available immediately for rent or within designated timeframes.
- ✓ Extensive product range – The number of RV's available for hire at 30 June 2022 was 9.925. This has obvious appeal for hirers.

- ✓ Reputable brand – The CHL brand is becoming well known within the RV industry particularly in Australia and New Zealand.
- ✓ Try before you buy – Many RV enthusiasts like the idea of renting an RV before making the decision to spending material sums in buying one for themselves.

Despite CHL's growth, it still has a sizeable addressable market

The theoretical addressable market for CHL in Australia is all RVs that are currently registered. This number equated to 772,598 on 31 December 2021 and implies that the Company had around 1% share of its addressable market with significant scope for growth in the coming years.

Figure 3: Number of RVs registered in Australia



Source: Caravan Industry Association

Despite its recent growth CHL currently has just 1% share of its theoretical addressable market in Australia.

The RV rental outlook appears solid given the domestic stronger for longer leisure theme playing out globally

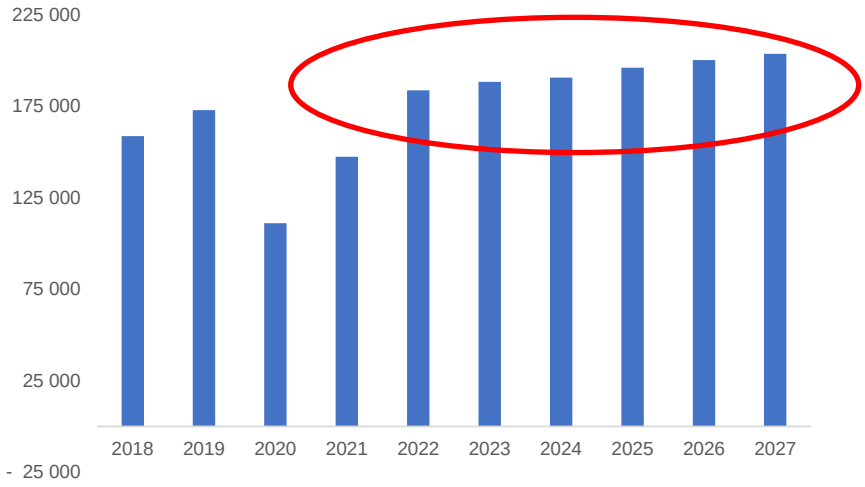
The pandemic was the catalyst for a surge in demand for both owned and rented RV's globally and CHL has clearly been a beneficiary of this trend. This was hardly surprising given consumers desire to return to nature and travel outdoors and the costs of alternative holiday types particularly air travel. At the same time many were attracted to the concept of domestic vs international travel and analysis from Tourism Australia expects this domestic stronger for longer theme to continue for some time.

Figure 4: Australian Domestic Overnight Trips – Caravan Parks and Commercial Camping Grounds

Source: Tourism Australia

Once Covid restrictions have eased, demand for RV style holidaying has far exceeded historical levels.

Figure 5: Domestic Overnight Trips for Holiday Purposes in Australia



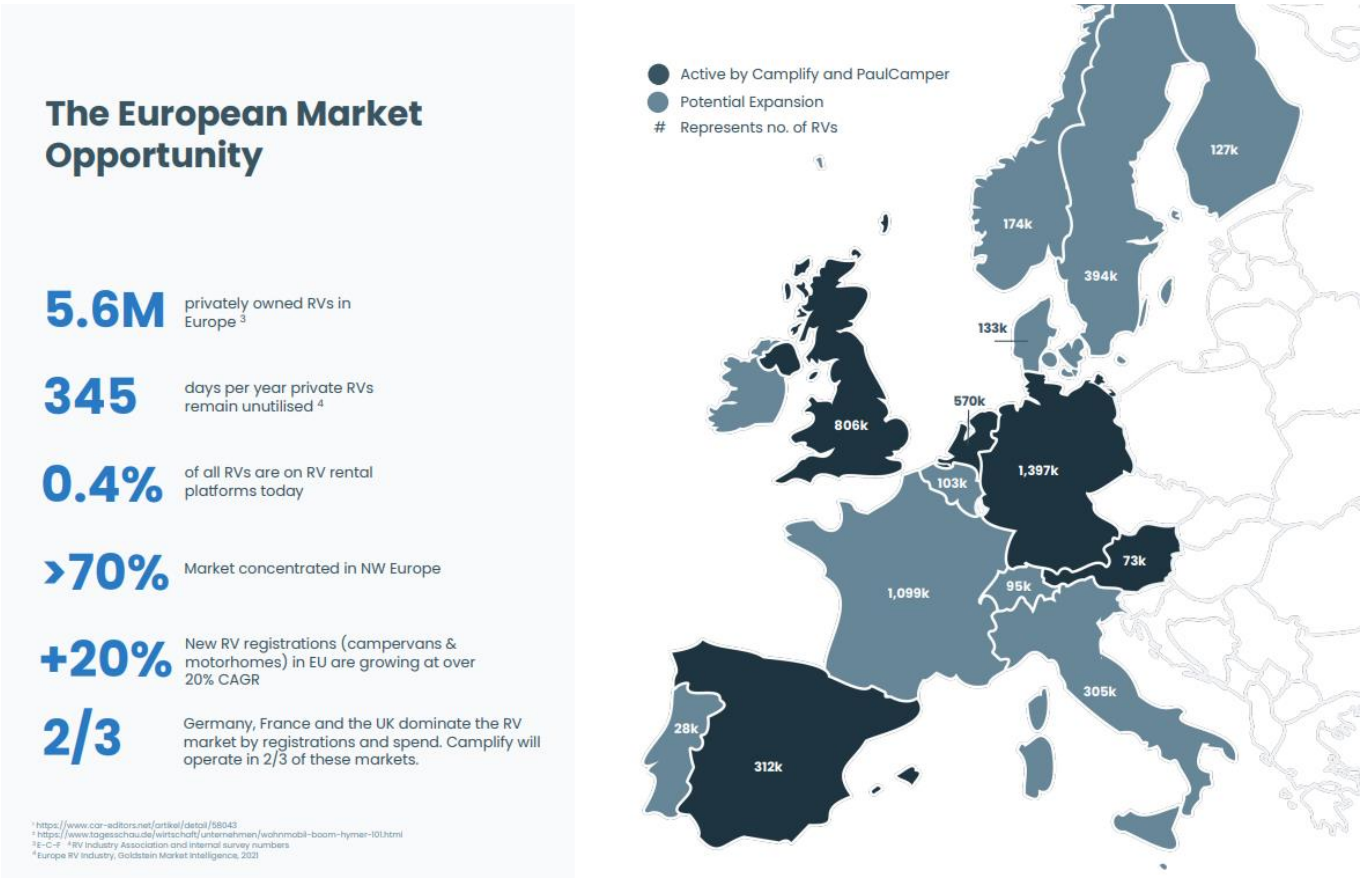
Tourism Australia is forecasting demand for domestic holidays to remain strong for some time.

Source: Tourism Australia

The Company recently pulled the trigger on offshore expansion via European acquisition

Given the strength of demand for RV holidays post pandemic, it came as no surprise to us that the Company announced global expansion plans via the $47.6m acquisition ($1.8m in cash and $45.6m in shares) of Germany's leading peer to peer RV rental platform PC. PC also operates in the Netherlands, Austria and the UK. All these markets represent attractive opportunities for CHL.

Figure 6: The European RV rental opportunity



Source: Company data

Strategic rationale for PC acquisition appears sound

The strategic rationale for the acquisition appears sound based on the following factors:

- ✓ Size and scale - The acquisition provides significant scale benefits with CHL now one of the leading RV rental marketplaces globally. On a FY22 unaudited basis, the combined businesses represented:
  - Gross transactional value of A$111m+
  - Revenue of A$26.3m+
  - Total Fleet of 22k
  - Total Bookings of 83k+
  - Total Customers of 794k
- ✓ European beachhead - Enables CHL to become a significant operator in Europe. Germany is the biggest and most significant market in Europe and PC is a significant leader in this market.
- ✓ Insurance enhancement could be a game changer - As part of the acquisition CHL will acquire the PC Insurance Broking division. This will provide the opportunity for CHL to provide an improved insurance product to existing and future customers. We will discuss this opportunity in more detail in Key Driver 2.
- ✓ Shortens the timeframe to profitability given PC is EBITDA positive and forecast synergies are expected to be material – The Company has guided to CY22 EBITDA for the PC business of $1.0m. In addition, it expects a further $3.2m in additional revenue per annum through implementation of the CHL product model to PC (including charging per night vs per day and adoption of the premium membership style model). Cost synergies have also been estimated at $0.5m per annum. CHL have also stated that they expect all these synergies to be fully realised by FY24.

Capital raising of $10.5m to fund three initiatives

At the time of the PC acquisition the Company also announced an $8.5m share placement together with a $2m share purchase plan. CHL also stated that the funds raised will be used to fund three specific initiatives:

1. The realisation of the cost and revenue synergies outlined above.
2. Development of a global insurance solution leveraging off PC's existing status and capabilities in this area. The Company has guided to additional annual revenue from this initiative of $3.3m in the first full year of trade (FY24). Refer further analysis in Key Driver 2.
3. Temporary Accommodation Program (TAP) expansion. Over the last 12 months CHL has dramatically expanded its TAP through services provided to both Australian insurance companies, and the NSW Government. Temporary accommodation is a major problem in Australia because of natural disasters (floods, bushfires etc) and remote needs.

   The Company plans to utilise a portion of the funds raised to implement a dedicated TAP team or division into the business and improve booking and invoicing capabilities for government and insurance clients. This is expected to put CHL in a strong position to source new TAP contracts from government and private enterprises. The Company has guided to incremental annual revenue from expansion of its TAP business equating to $2.2m.

The Company expects the PC acquisition to generate $1m EBITDA in CY22. In addition, it has guided to $0.5m in cost synergies.

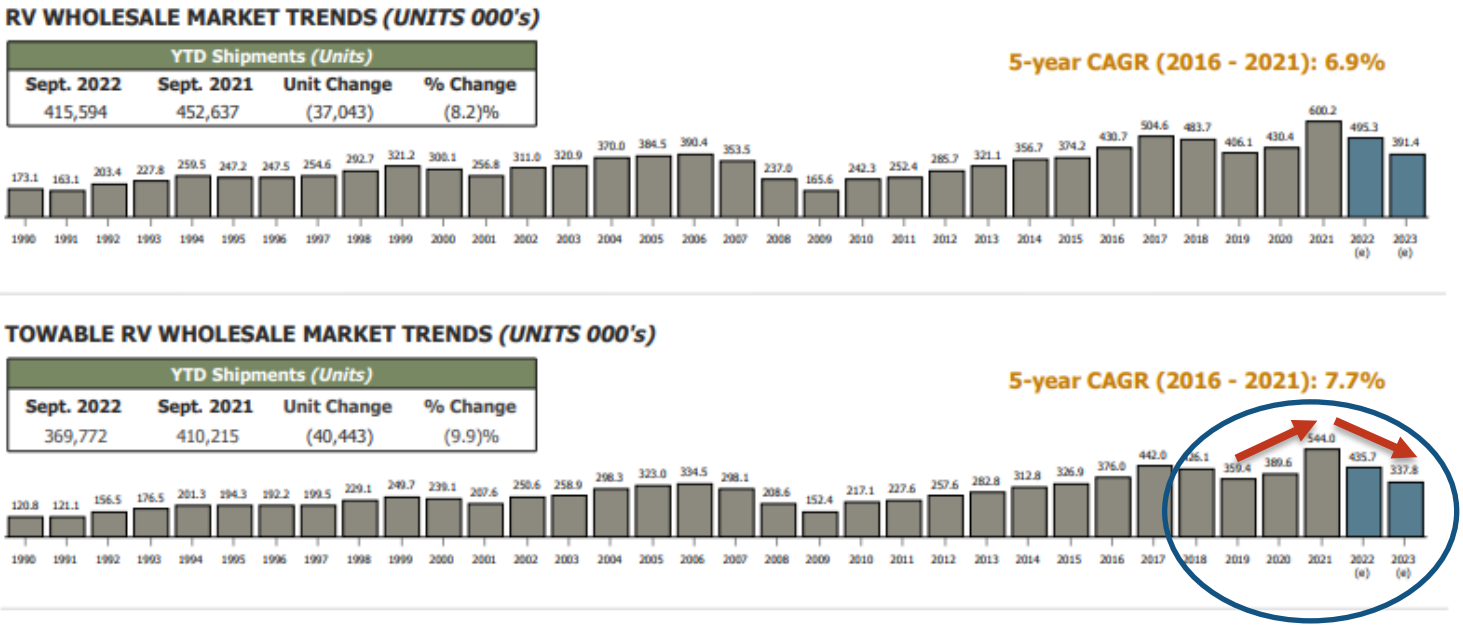
It also expects the funds raised from the capital raising to drive incremental EBITDA of $3.2m through a range of other initiatives.

Global oversupply of caravans appears likely, but this may prove a positive for CHL

One of the things we are acutely aware of is the potential oversupply of RV's, particularly caravans (the bulk of CHL's product offered for rental), in the coming years. The impact of the dramatic ramp up in the production of towable product (caravans) in the USA during the pandemic has been a sharp reversal during 2022. We note that while the USA is the largest market globally in terms of global production, similar trends are either occurring globally or appear inevitable.

This suggests to us that a material oversupply of caravans globally is likely in the coming years. This represents both a challenge and an opportunity for CHL. In some markets such as Australia where the Company is currently constrained by a lack of supply, this would be a welcome positive. Under these conditions acquisition costs for RV owners would likely decline considerably. On the flip side, excess supply of caravans could have a negative impact on revenue as the price component of each booking would likely decline.

Figure 7: RV production in the USA



Source: Thor Industries

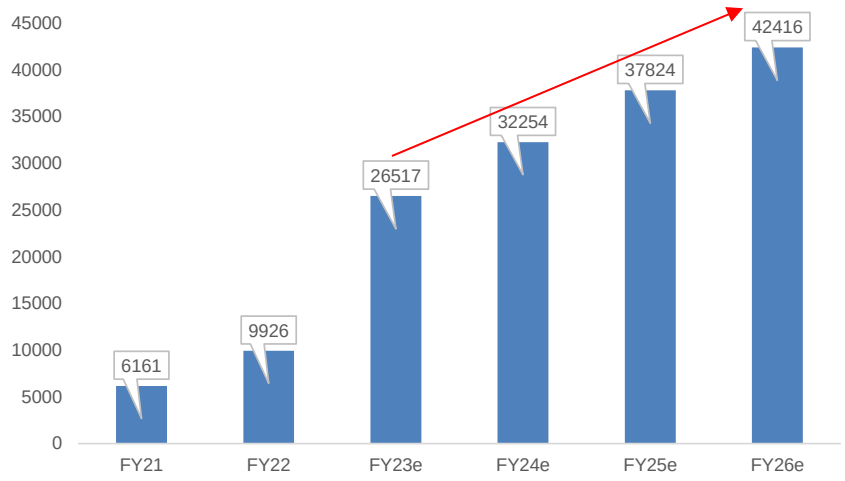
Conclusion – CHL appear well positioned to deliver robust growth in RV's on platform

CHL has proven its peer-to-peer RV marketplace can deliver strong growth in RVs on platform particularly in Australia and NZ. The pandemic has been a strong positive catalyst during this period as CHL was an obvious beneficiary of category growth within the RV segment (both owned and rented).

The acquisition of PC effective December 2022 significantly increased the number of RVs CHL had on platform globally and provided an important entry point to the all-important German market.

We expect the stronger for longer demand for leisure travel to be a global trend in the near term and drive strong growth in RVs on platform over the medium term. The likely oversupply of caravans globally could provide CHL with a material uplift in RVs on platform albeit at lower average booking levels.

Figure 8: Number of RVs on platform



Source: Company Data, OML estimates

The PC acquisition is expected to add ~14,000 RVs in FY23. Post-acquisition, we expect the number of RVs on platform to grow at a CAGR of 17% between FY23 and FY26 (note this is purely assumed organic growth).

Key Driver 2 – Ability to grow average revenue per van (ARPV)

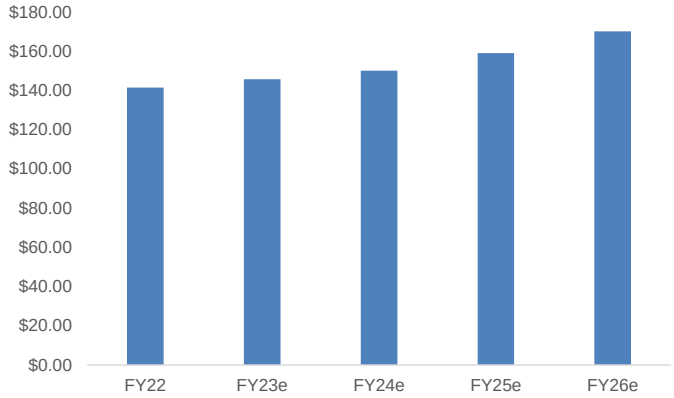
A function of four key factors

In addition to the volume of vans made available by RV owners, the second key driver of earnings is the Average Revenue per Van (ARPV). In simple terms this is defined as Total Revenue/Average Numbers of Vans over the period. In general terms, ARPV is a function of four key factors: 1) How many times Vans are rented out during the period; 2) The number of days they are booked for; 3) The price per night charged for each booking; and 4) Other products or services acquired from CHL by either the owner or hirer as part of each booking e.g., GPS devices, Insurance etc.

Should trend higher given the impact of the macro factors discussed in Key Driver 1

On the assumption, RVs are available for hire on the CHL platform, these four factors are a function of the variables already analysed under Key Driver 1 i.e., the strength of demand for RV Holidays post pandemic, forecast growth in Domestic Holidays, category growth in the RV segment, the cost of alternative forms of travel etc. In general terms this analysis points to ARPV trending modestly higher in the near term.

Figure 9: ARPV per month (exc PC)



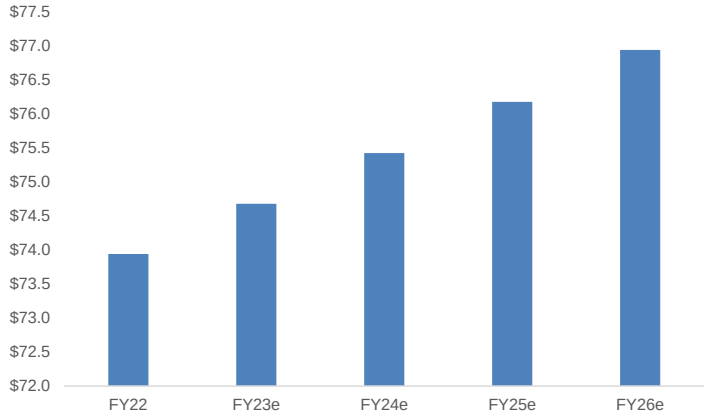
Source: Company Data, OML estimates

PC has a much lower ARPV than the existing CHL business

Further, we estimate that PC has historically delivered a much lower ARPV of circa $70 per month compared to the existing CHL business of $140 per month. This means that, other things being equal, when the two are combined the mix impact will drive reported ARPV lower at a group level.

The PC business has historically delivered ARPV of around $70 per month which is half the size of what CHL delivered in FY22.

Figure 10: ARPV per month PC only

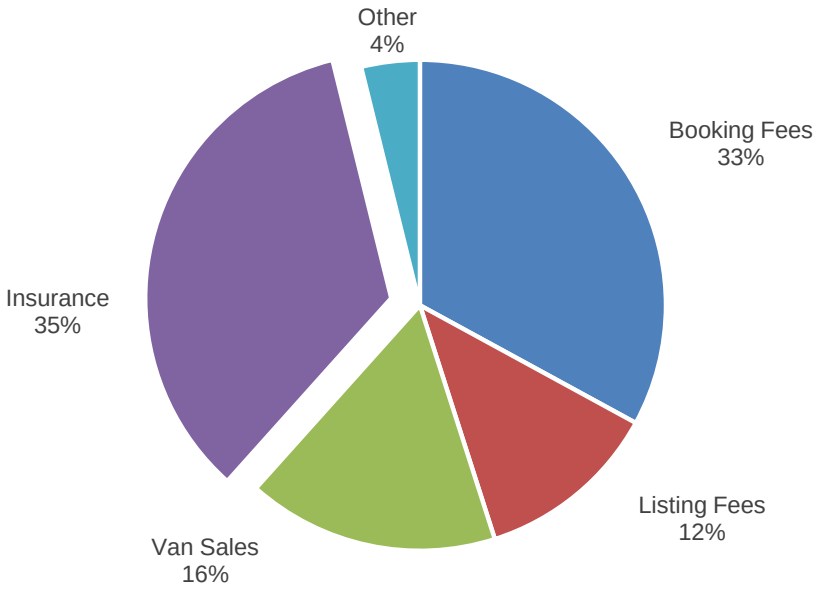


Source: Company Data, OML estimates

PC has authority to operate as an insurance broker in Europe

One of the obvious attractions of the PC business acquired late in 2022 is the fact that it has a subsidiary to act as an insurance broker; PaulCamper Insurance Broker GmbH ("PCIB"). PCIB allows PC to operate as an insurance broker to customers in its current European markets. PCIB has been granted an appointed representative license by Allianz and Allianz Partners (the underwriter) to enable the sale of Motor Insurance (casual daily coverage for RV rental), accident Excess Reduction (deductible risk reduction for hirers), roadside coverage (breakdown cover whilst on rent) and travel insurance (cover for hirers whilst renting a vehicle through PC). PCIB receives a brokerage commission on all products sold through the platform.

Figure 11: CHL – Revenue by Source FY22



Source: Company Data

The single largest source of revenue for CHL in FY22 was insurance. The insurance capabilities inherited as part of the PC acquisition have the potential to materially increase group revenue over the coming years.

Plan to develop Managing General Agency business

CHL have stated that their plan is to utilise the insurance broking business within PC as a platform to establish a global insurance Managing General Agency (MGA) business. This investment would enable the broker to become a global MGA partner.

Could be a game changer for CHL

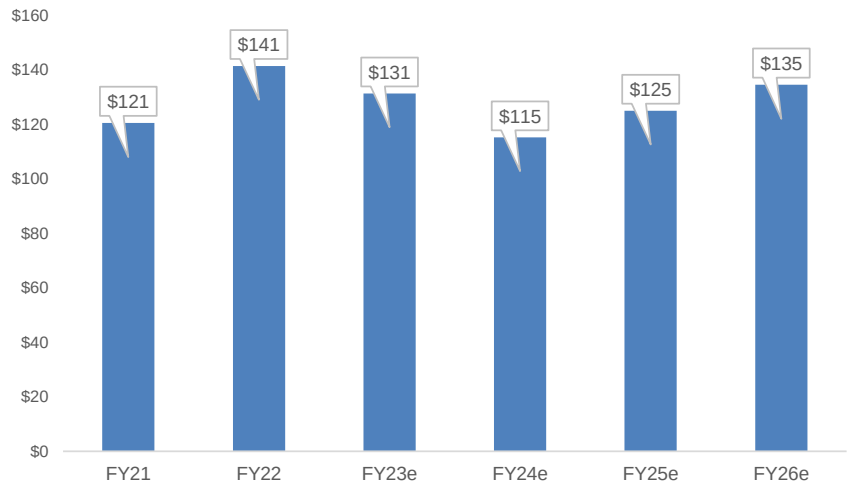
Insurance is a critical part of the RV rental industry. Owners want peace of mind that their RV is looked after during the term of the booking and hirers want to be aware of their obligations for damage incurred during the same timeframe. The current insurance solution for CHL and its customers (both hirers and owners) is fragmented and requires multiple products in a variety of countries.

"The Holy Grail" for CHL would be the development of market leading global insurance products for both hirers and owners sourced from a single underwriter. This would drive higher revenue, gross profit margin improvements, and provide opportunities for expansion of into new markets.

Conclusion – ARPV for both PC and CHL to trend higher with upside risk for insurance but mix to impact group numbers

We expect the combination of factors discussed in Key Driver 1 to result drive modest growth in ARPV in the coming years for both the PC and the existing CHL business. Further, we see upside risk to our estimates from successful development and rollout of global insurance products for both hirers and owners in the coming years. At the group level the mix impact of the PC acquisition is expected to result in ARPV trending lower in FY23 and FY24 and then move higher.

Figure 12: CHL Average Revenue per Van per month



Source: Company Data. OML estimates.

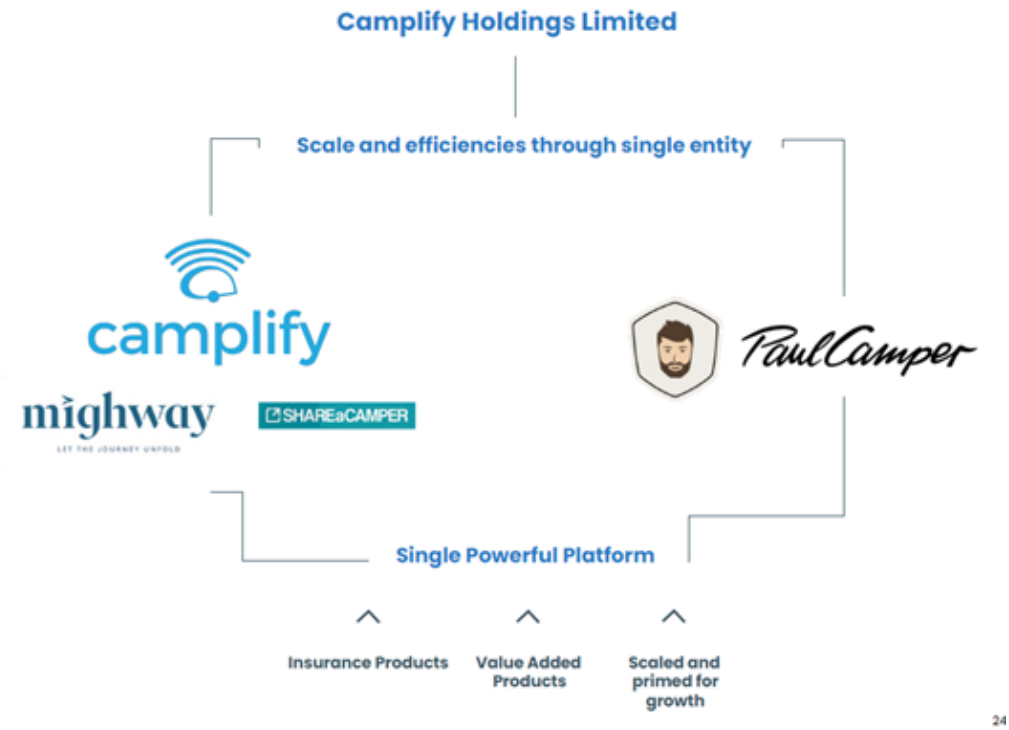
Group ARPV to decline in FY23 and FY24 due to the mix impact of the PC acquisition then trend higher.

Key Driver 3 – Ability to drive automation and reduce costs as the business scales

All comes down to whether the model is profitable at scale

As discussed in Key Drivers 1 & 2, we remain confident the business can deliver strong revenue growth driven by a combination of growth in the number of vans available for hire on the platform and the average revenue per month derived from each van. The question that needs to be raised is whether Company can deliver all of these outcomes in a profitable way as the business increases in size? In other words, is the business scalable?

Figure 13: The CHL vision



Source: Company Data

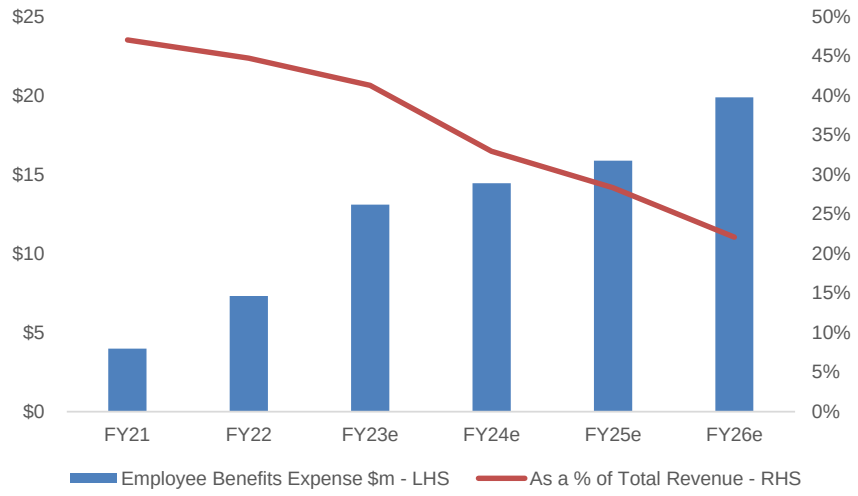
People costs are the largest single line item in the P&L

It should come as no surprise that the largest single cost for the Company is people with Employee Costs increasing materially over recent years. This reflects a combination of factors including the need to right size the business for life as a listed entity, the size and scale of the growth opportunities currently being pursued and the early-stage development of certain markets. We would expect these costs to increase in absolute terms as the business grows but decline as a percentage of revenue.

Automation key to future profitability and management are well aware of both the challenge and the prize

As with any business of this nature, the key question is typically not revenue growth but the ability to maintain costs at scale. The challenge for CHL is that both the hirers and the owners are customers. Future profitability will be a function of how effectively the business can implement automation and improve efficiencies within all areas of the organisation. We remain confident management are heavily focussed on this issue and its importance to the future success of the business but at this point we have elected to assume only modest levels of automation with upside to our numbers.

Figure 14: CHL Group Employee Costs



Source: Company Data, OML estimates

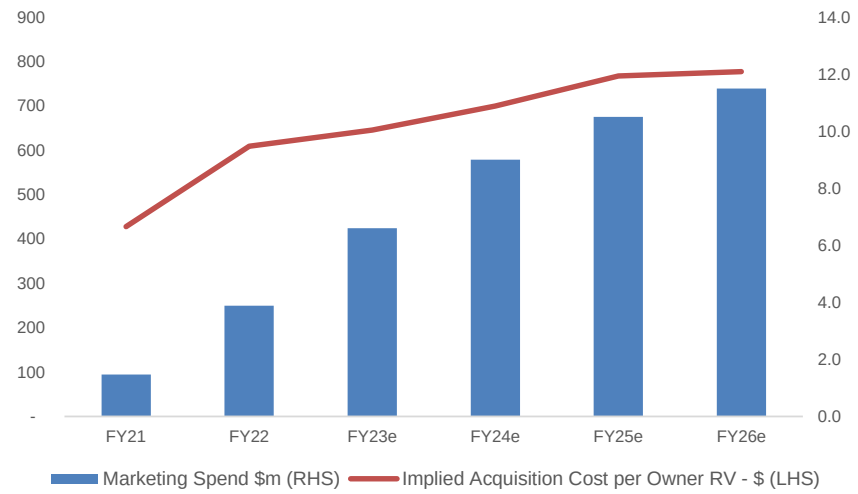
The Company has materially increased headcount post listing. The PC acquisition has also added to numbers, but expenditure should decline as a % of revenue over time.

SaaS metrics appear solid despite high churn driven by relatively low owner (customer) acquisition costs

The second largest item in the P&L is Sales & Marketing costs. For simplicity, our models have been built on the basis that this expenditure is entirely directed towards increasing the number of RV's available from owners on the platform. We appreciate the fact that in reality, a portion of this money is directed towards attracting hirers to the CHL platform but consider the number of RV's sourced from owners a more important driver of growth for the Company.

Under these assumptions, CHL has demonstrated that its customer acquisition costs or CAC (in this case the owner acquisition costs) per RV added to the platform are relatively low compared to the estimated Lifetime Value of each owner (LTV). This is despite the fact that churn levels remain relatively high at around 25% per annum for the CHL business (exc PC) and 30% for PC. We estimate group LTV/CAC levels at around 6 times post the PC acquisition with upside risk to these numbers for successful development and rollout of a global insurance product and higher than expected automation.

Figure 15: CHL Group – Sales & Marketing and CAC



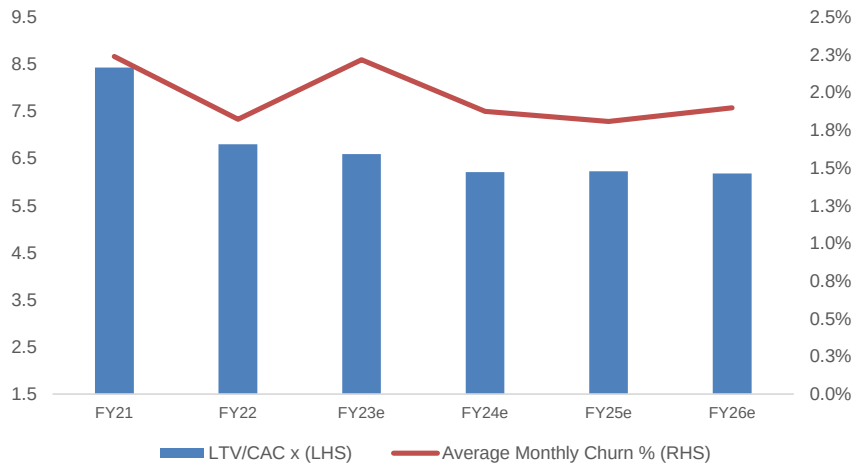
Source: Company Data, OML estimates

Significant increase in CAC in FY22 as Company tried to win customers while straddling Covid. Expect CAC to move higher but at a lower growth rate in coming years.

Conclusion – Well positioned to deliver attractive LTV/CAC metrics and positive free cashflow in FY24 with upside risk from automation

CHL appear to have recognised that acquiring owners and hirers can be an expensive exercise unless one can significantly reduce the level of human intervention involved in both the booking and operational aspects of the transaction. This suggests it is reasonably well positioned for the next phase of automation and maintain attractive LTV/CAC metrics and positive free cashflow from FY24 onwards.

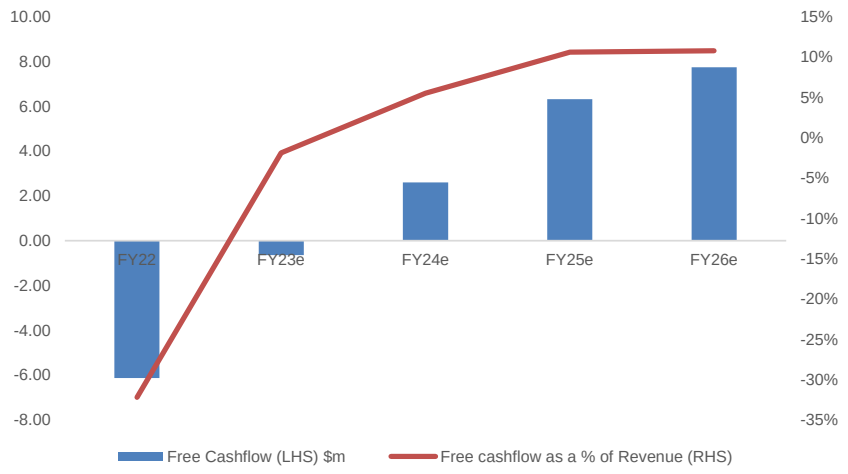
Figure 16: CHL Group – LTV/CAC and Monthly Churn



PC churn has historically been higher than CHL hence expect group churn to move upwards in FY23 and then moderate. LTV/CAC (owner) to remain above six times.

Source: Company Data, OML estimates

Figure 17: Cash Burn (Net Operating Cashflow +/- Change in Working Capital less Capex)



Appear well positioned to deliver positive free cashflow from FY24 onwards.

Source: Company data, OML estimates

Financials – P&L and SaaS Metrics

Figure 18: Historical and Forecast Profit and Loss Statement

Profit & Loss Statement $m	FY21a*	FY22a	FY23e	FY24e	FY25e	FY26e
Revenue						
Core Platform Revenue - Hiring, Membership, Insurance etc	7.8	13.7	28.7	40.6	52.6	64.8
Van Sales Revenue	0.7	2.7	3.0	3.2	3.5	3.5
Other	-	-	-	-	-	-
Total Revenue	8.5	16.4	31.7	43.8	56.1	68.3
% change on PCP		93%	94%	38%	28%	22%
Core Platform - Gross Profit	5.2	7.3	20.7	28.8	36.4	44.0
Van Sales - Gross Profit	0.1	0.3	0.3	0.3	0.4	0.2
Other gross profit	-	-	-	-	-	-
Gross Profit	5.3	7.6	21.0	29.1	36.8	44.2
% change on PCP		43%	177%	39%	26%	20%
Core Platform - Gross Profit Margin	67.1%	53.5%	72.0%	70.8%	69.3%	67.9%
Van Sales - Gross Profit Margin	14.0%	10.3%	10.0%	10.0%	10.0%	4.3%
Total Gross Profit Margin	62.6%	46.3%	66.1%	66.4%	65.6%	64.7%
Sales and Marketing Expenses	-1.5	-3.9	-6.6	-9.0	-10.5	-11.5
Admin Expenses	-0.6	-0.9	-1.5	-1.9	-2.8	-3.4
Employee Expenses	-4.0	-7.3	-13.1	-14.5	-15.9	-17.8
Operational Expenses	-1.4	-2.2	-3.3	-3.6	-4.3	-6.3
Other Income/Expenses	0.7	0.7	0.0	0.0	0.0	0.0
Total EBITDA	-1.4	-6.0	-3.5	0.1	3.2	5.2
% change on PCP		316%	-42%	-104%	2172%	59%
EBITDA margin	-17%	-36%	-11%	0%	6%	8%
Deprec. & amort.	-0.1	-0.2	-0.2	-0.3	-0.4	-0.4
EBIT	-1.6	-6.2	-3.7	-0.2	2.9	4.7
Interest	-0.6	-0.7	0.0	0.1	0.1	0.1
Non recurring items	-0.1	-1.4	0.0	0.0	0.0	0.0
Pre-tax profit	-2.3	-8.3	-3.7	-0.1	3.0	4.8
Tax expense	0.2	0.1	0.2	0.0	-0.9	-1.5
. . . tax rate	8.0%	1.6%	5.5%	30.0%	30.0%	30.0%
Minorities/Equity Acc	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit Reported	-2.1	-8.2	-3.5	-0.1	2.1	3.3
NRI's post tax	0.1	1.4	0.0	0.0	0.0	0.0
Net Profit pre-NRI's	-2.0	-6.8	-3.5	-0.1	2.1	3.3
Norm Adj (amortisation of identifiable intangibles)	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit Normalised	-2.0	-6.8	-3.5	-0.1	2.1	3.3
% change on PCP		235.2%	-48.9%	-98.1%	-3246.5%	60.4%
EPS fully diluted - cps	-9.2	-17.0	-5.0	-0.1	3.0	5.1
% change on PCP						

*Pro forma

Source: Company data, OML estimates

- PC acquisition to contribute circa 6 months of revenue in FY23 and a full 12 months in FY24.
- CAGR in Revenue of 29% per annum over the FY23 to FY26 periods driven by 17% growth in RVs on platform, modest growth in ARPV and a full year contribution from the PC acquisition in FY24.
  .
- Van Sales Revenue to increase by around 20% per annum over the coming years.

- Gross Margin decline in FY22 reflects the delay in passing on higher insurance costs to premium members.
- Group Gross Margins expected to improve from FY23 onwards due to favourable mix impact as PC currently operates at 100% gross margin given its insurance status.

- Increase in Sales and Marketing spend post Covid to drive customer (owner) growth but decline as a % of Revenue over time.
- Employee Expenses have increased materially over recent years as staff numbers have almost doubled and wage increases paid in line with inflation and market conditions. Rate of increase to slow once PC full year numbers included in FY24 and decline as a % of Revenue.

Figure 19: Key SaaS Metrics

SaaS metrics	FY21a*	FY22a	FY23e	FY24e	FY25e	FY26e
Closing RV's on Platform	6,161	9,926	26,517	32,254	37,824	42,416
Growth		61.1%	167.2%	21.6%	17.3%	12.1%
ARPV per month $	120.6	141.4	131.3	115.2	125.0	134.6
Growth		17.3%	-7.1%	-12.3%	8.5%	7.7%
% of Revenue that is Core (Rental, Membership, Insurance etc)	91.6%	83.5%	87.0%	89.8%	91.4%	92.3%
Core Revenue $m	7.8	13.7	28.7	40.6	52.6	64.8
Company Reported Revenue $m	8.5	16.4	31.7	43.8	56.1	68.3
Growth		93%	94%	38%	28%	22%
GP on Core Revenue %	67%	53%	72%	71%	69%	68%
GP on Core Revenue $m	5.2	7.3	20.7	28.8	36.4	44.0
Company Average Monthly Churn %	2.2%	1.8%	2.2%	1.9%	1.8%	1.9%
LTV $	3,610	4,147	4,259	4,350	4,784	4,813
LTV/CAC	8.4	6.8	6.6	6.2	6.2	6.2

*Pro forma

Source: Company data, OML estimates

- PC has historically delivered much lower ARPV than the CHL business (~$70 per month vs $140 per month).
- Mix impact of acquisition to drive group ARPV lower in FY23 and FY24 and then move higher.
- Upside risk to ARPV from FY24 onwards depending on success of Insurance product development and sales.

- PC has traditionally had higher churn rates than the pre-existing CHL business (~30% vs 25%).
- Mix impact to increase group churn in FY23 and then moderate.

- Owner LTV/CAC declined materially in FY22 due to the material increase in CAC as the Company stepped up marketing expenditure.
- We are expecting LTV/CAC to slowly decline in FY23 and FY24 given impact of PC acquisition (lower ARPV and higher churn) and then stabilise.

Financials - Balance Sheet, Capital Expenditure and Cashflow

Figure 20: Historical and Forecast Balance Sheet

Balance Sheet $m	FY21a*	FY22a	FY23e	FY24e	FY25e
Cash assets	21.1	15.0	23.1	25.7	32.0
Receivables	7.9	10.9	15.9	24.1	30.8
Inventories	0.2	0.4	0.4	0.4	0.4
Other	0.5	0.5	0.5	0.5	0.5
Total current assets	29.6	26.7	39.7	50.6	63.7
Plant and equipment	0.5	1.3	1.6	1.7	1.9
Non-current receivables	0.0	0.0	0.0	0.0	0.0
Intangible assets	0.1	7.8	49.5	49.5	49.5
Deferred tax assets	0.0	0.4	0.4	0.4	0.4
Other	0.3	0.0	0.0	0.0	0.0
Total non-current assets	0.9	9.6	51.5	51.6	51.8
Total assets	30.6	36.3	91.3	102.2	115.4
Payables	12.4	20.4	28.9	39.9	51.0
Debt	0.0	0.0	0.0	0.0	0.0
Current tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.3	0.4	0.0	0.0	0.0
Other liabilities	3.3	5.2	5.2	5.2	5.2
Total current liabilities	16.1	26.1	34.2	45.2	56.3
Debt	0.1	0.1	0.1	0.1	0.1
Other	0.3	0.3	0.3	0.3	0.3
Total non-current liabilities	0.4	0.4	0.4	0.4	0.4
Total liabilities	16.5	26.5	34.5	45.6	56.7
Net assets	14.1	9.8	56.7	56.7	58.7
Contributed equity	22.0	25.5	75.9	75.9	75.9
Reserves & outside equity	0.0	-0.1	-0.1	-0.1	-0.1
Retained earnings	-7.9	-16.1	-19.5	-19.6	-17.5
Total equity	14.1	9.4	56.3	56.2	58.3
Net Company Debt (Cash)	-21.5	-14.9	-22.9	-25.5	-31.9

*Pro forma

- The Company has a strong balance sheet with no debt.
- Cash balance likely to have bottomed out on 30 June 22 and then increase due to impact of capital raising and positive free cash generation.

- The bulk of Intangible assets relate to the PC acquisition.

- Receivables and payables to increase as the business achieves scale.
- Current liabilities should exceed receivables as the business grows given the CHL holds cash from hirers in advance of payments to owners.

Source: Company data, OML estimates

Figure 21: Forecast Cashflow

Cashflow	FY21a*	FY22a	FY23e	FY24e	FY25E
Reconciliation					
Net Profit	-2.1	-8.2	-3.5	-0.1	2.1
Deprec. & amort.	0.1	0.2	0.2	0.3	0.4
Change in working capital	4.3	2.9	3.1	2.8	4.4
Proceeds sale of rental fleet	0.0	0.0	0.0	0.0	0.0
Net operating cashflow	2.4	-5.1	-0.1	3.0	6.8
Investing Cashflow					
Capital Expenditure (PPE plus R&D)	-0.1	-1.0	-0.5	-0.4	-0.5
Payment for businesses	0.0	0.0	-1.8	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Net investing cash flow	-0.2	-1.0	-2.3	-0.4	-0.5
Financing Cashflow					
Issue of shares	14.2	0.0	10.5	0.0	0.0
Buy backs	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Debt	0.1	0.0	0.0	0.0	0.0
Others	-0.1	0.0	0.0	0.0	0.0
Net financing cash flow	14.2	0.0	10.5	0.0	0.0
Effects of exchange rate	0.0	0.0	0.0	0.0	0.0
Net change in cash held	16.4	-6.1	8.1	2.6	6.3

*Pro forma

Source: OML estimates

- A portion of booking (25%) is received upfront from RV hirers with remainder paid 30 days prior to travel date.
- Pay RV owners half the value of the booking on the first day of travel and the remainder on completion.
- This points to a positive and growing contribution to cashflow as the business scales.

- Modest capital expenditure requirements as all software and platform spend expensed through P&L.

- Cash burn expected to peak in FY22 due to the combined impact of Covid and the continued investment in R&D
- Based on our current assumptions, the business is expected to become free cashflow positive during FY24

Financials – Key Charts

Figure 22: Group Revenue

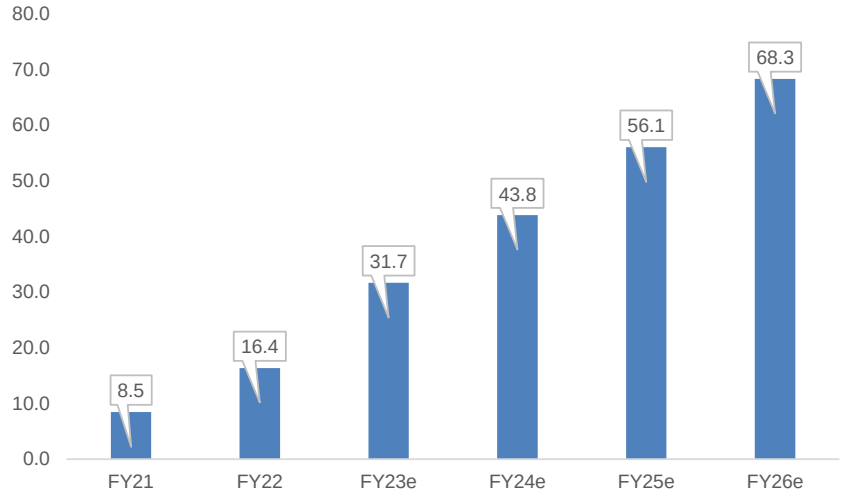


Figure 23: Group Gross Profit

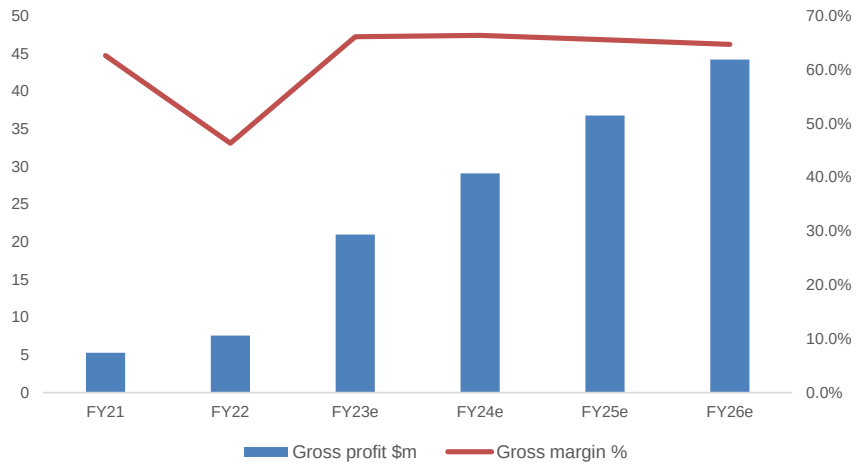
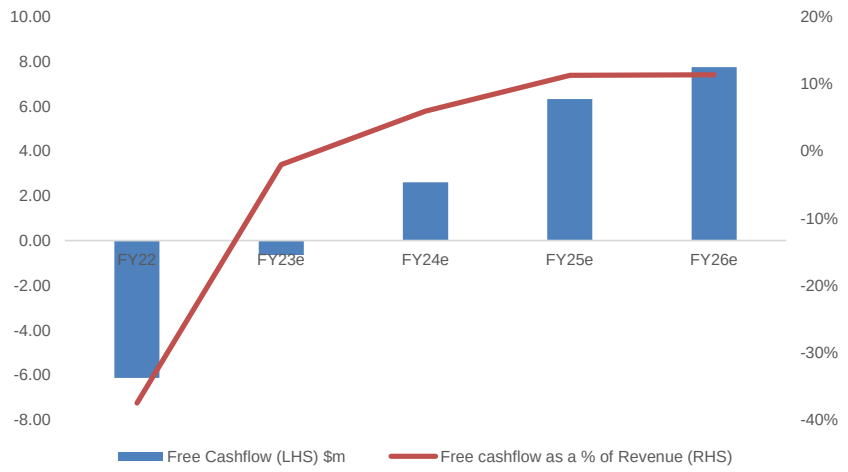


Figure 24: Cash Burn (Net Operating Cashflow +/- Change in Working Capital less Capex)



Source: Company data, OML estimates

Valuation

Price target $1.87 based on DCF valuation

We have elected to value CHL using a DCF methodology (WACC 11.5% and terminal growth rate 3%) as this best captures the evolution of the business from loss making to expected positive free cashflow generation in the coming years. Our DCF estimate equates to $1.87 and this forms the basis for our 12-month price target.

By way of cross check, we estimate CHL is currently trading at an EV/Revenue multiple of 2.9x FY23e revenue. This compares favourably to the only stock on the local share market that is remotely relevant in SiteMinder (ASX: SDR) which is currently trading at an estimated EV/Revenue multiple of 5.6x on the same basis.

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Figure 25: Valuation Summary

VALUATION	
Cost of Equity (%)	13.6
Cost of debt (after tax) (%)	5.6
D / EV (%)	25.6
WACC (%)	**11.5**
Forecast cash flow ($m)	59.4
Terminal value ($m)	47.8
Enterprise Value ($m)	105.3
Less net debt / add net cash & investments ($m)	24.9
Equity NPV ($m)	**130.2**
Equity NPV Per Share ($)	**1.87**
Target Price Method	DCF
Target Price ($)	1.87
Valuation disc. / (prem.) to share price (%)	7.1

Source: OML estimates, Bloomberg, Company data

Key Risks

We believe there are several factors which represent the key risks to our financial estimates as follows:

- **Platform risks** - As the Company operates a two-sided platform, the Company's future growth and profitability is dependent on that platform being vibrant and active. The Company's business relies on both Hirers utilising the platform and on Owners listing RV's on the platform. The growth of the Company is also reliant on attracting and retaining customers to use its platform and converting those customers into new and repeat customers. Various factors can impact this conversion rate which in turn could impact the Company's ability to meet stated objectives and could adversely impact the operations and financial performance of the Company.
- **Performance of technology** - The Company is heavily reliant on information technology to make the Company's platform available to users. There is a risk that the Company, its web host or the platform's third-party integrations may fail to adequately maintain their information technology systems, which may cause disruptions to the Company's business. There is also a risk that systems failures or delays, corruption of databases or other electronic information, power failures, issues with upgrades, technical malfunctions and other disruptions to information technology systems used by the Company, its web host or the platform's third-party integrations or its users may cause disruptions to the platform or adversely affect user experience on the platform.
- **Innovation -** The Company's success in the future may depend on its ability to continue to identify and deploy the most appropriate new technologies and features in its. The ability to improve the Company's existing products and services and develop new products and services is subject to risks inherent in the development process. There is a risk that the Company may fail to update its platform to adopt new technologies, or that other businesses may develop or adopt new technologies which give them a competitive advantage over the Company's platform. This may render the Company's business less competitive.
- **Growth strategies** - As the Company plans to continue expanding its cross-border operations into existing and new markets, there is a risk that the Company may face challenges (including legal or regulatory) in which it has limited or no experience in dealing with. The success of the Company's expansion may be affected by a number of factors, including, without limitation, existing incumbent competitors, the timing for and rate of uptake of the Company's platform, differing consumer demands and sentiments, differing regulatory requirements, the ability to enforce intellectual property rights, exchange rate fluctuations and differing tax treatments in different jurisdictions. The Company may have to expend significant resources, such as costs and time, to establish operations, and market itself and develop its presence in those jurisdictions.
- **Fraud and fictitious transactions** - The Company may be exposed to and encounter risks with regard to fraudulent activity by platform users. This may involve Hirer's not receiving goods they have purchased, or bookings they have reserved, Owner's not receiving full

payment for hires and the Company not receiving full payments it is contracted to receive. Negative publicity and user sentiment generated as a result of actual or alleged fraudulent or deceptive conduct on the Company's platform could severely diminish consumer confidence in and use of the Company's platform.

- **Cybersecurity and data protection** - The Company collects a wide range of personal, financial and service usage data and other confidential information from users in the ordinary course of its business, such as contact details and addresses, and stores that data electronically. The platform also includes third-party integrations who may collect information on the Company's users, such as payment details. As an online business, the Company is subject to cyber-attacks. The Company and, as far as the Company is aware, those third-party integrations have systems in place to maintain the confidentiality and security of that data and detect and prevent unauthorised access to, or disclosure of, that data. There can be no guarantee that the systems will completely protect against data breaches and other data security incidents.
- **Intellectual property** - The Company places significant weight on the value of their intellectual property and Company know-how to maintain its competitive position in the market. There is a risk that the Company may inadvertently fail to adequately protect its intellectual property or be unable to adequately protect its intellectual property in new jurisdictions which it expands into from time to time. It is also possible that this information be compromised by an employee or a third-party without authorisation.
- **Competition** - The Company recognises the potential risk that existing competitors or new entrants to the market may increase the competitive landscape and have an adverse impact on the financial performance of the Company which in turn, would erode the Company's revenue and market share. Existing competitors and new entrants in the market may both domestically and overseas may engage in strategic partnerships or acquisitions, develop superior technology, increase marketing activity and/or offer competitive pricing. There is a risk that the Company may be unable to respond to such competition and this may reduce demand for the Company's service and use of its platform which in turn, may have a material adverse effect on its revenue, profit margins, operations, financial position and growth prospects.
- **Suppliers** - The Company's business utilises third party suppliers, including companies which offer insurance and roadside assistance services. There is a risk that suppliers may become unable or unwilling to do business with the Company, or to renew contracts with the Company once they expire. There is no guarantee that the Company will maintain existing contracts or be able to renew contracts with suppliers on current terms, or at all. If the Company is unable to source alterative suppliers within a reasonable period of time and on reasonable terms, this may cause disruptions to the Company's platform while suitable replacements are sourced or cause the Company to incur substantial costs.
- **Key Personal** - The Company is dependent on its existing personnel as well as its ability to attract and retain skilled employees. The

Company must recruit and retain expert engineers and other staff with the skills and qualifications to operate, maintain and develop the platform. A loss of key employees or under-resourcing, and inability to recruit suitable replacements or additional staff within a reasonable time period, may cause disruptions to the platform and growth initiatives, and may adversely affect the Company's operations and financial performance.

- **Restriction or suspension from digital marketing channels** - The Company relies on digital marketing channels such as Google and Facebook to market the platform to the social media of their client demographic. This reliance creates a risk that a ban, restriction or suspension may have an adverse effect on the business reputation, financial performance and operations of the Company.
- **Search engine risk** - Due to the fact that most consumers access the platform through a search engine, the Company become vulnerable to variations in search engine recommendations. This becomes particularly relevant if the Company becomes excluded from or ranked lower in search engine results due to changes to a search engine's algorithms or other ranking criteria that are outside of the Company's control. If the Company's Search Engine Optimisation (SEO) activities are no longer effective for any reason, the traffic coming to the platform could significantly decrease.
- **Reputational risk** - There is a risk that the Company's reputation may be adversely impacted by sub-standard service of Owners, negative user experiences in the platform, user complaints or other adverse events which involve the Company or its platform. Any negative impact on the Company's reputation may adversely influence user sentiment towards the Company and willingness to use its platform. This may have a material adverse impact on the Company's future prospects.
- **Insurance** - The Company maintains customary insurances against typical business risks, such as public liability insurance and cyber insurance. There is a risk that the Company's insurance may not be adequate in coverage, valid in overseas jurisdictions, may not insure all risks or may not be able to be claimed against in respect of losses. This could have a material adverse impact on the Company's financial position and reputation. There is also a risk that claims brought under the Company's insurance policies could increase the premiums payable by the Company going forward, which may have a material adverse impact on the Company's financial position

Appendix 1 – Board and Management

Board of Directors

Trent Bagnall - Chairperson & Non-Executive Director

Trent has ASX experience as Founder, CEO and Managing Director of QMASTOR (ASX: QML), a company specialising in mining supply chain optimisation software which was acquired in 2012. Trent successfully led QMASTOR to an ASX listing, and then acquisition. Trent has a passion for good governance and is experienced in growing companies of all sizes. In 2014, he established Slingshot's Corporate Innovation Accelerator Program which has since helped launch over 200 tech start-ups Australia wide. The Company was a participant in the program and Trent was a founding Board member. In addition to the Company, Trent has successfully run innovation programs for NRMA, News Corp, Lion Nathan, QANTAS, and HCF. Trent holds a Bachelor of Environmental Science from the University of Newcastle and is a Fellow of the Australian Institute of Company Directors.

Justin Hales – Chief Executive Officer and Executive Director

Justin is the Founder of the Company. Over the past 9 years, he has been building a brand, a community and growing the platform to generate revenue and expand the customer base. This includes the Company's expansion into overseas markets. Justin has not only built one of the largest RV rental companies in Australia but also developed the concept, design, and technical roadmap to deliver an industry leading solution for the RV rental industry. He is recognised as an industry expert in digital, ecommerce, and marketplaces having lectured at the University of Newcastle, Queensland University of Technology and The University of Adelaide, together with various industry seminars and events (including the Global Risk Summit) on these subjects. Justin has won numerous awards for his entrepreneurial successes including two Young Entrepreneur of the Year (Tourism & Hospitality) awards. Previously, Justin was Head of Customers at ASX listed QMASTOR in a global role improving customer satisfaction and engagement and is also Co-Founder of the Sharing Hub.

Karl Trouchet – Non-Executive Director

Karl was a Director of previously listed Apollo Tourism and Leisure Ltd (ASX: ATL) which was recently acquired by Tourism Holdings Ltd (ASX: THL). He led ATL, a Multinational RV rental company operating in Australia, USA, Canada, New Zealand, & the UK through their listing process in 2016 as their CFO. Karl has been instrumental in driving the Apollo business forward, developing and managing new initiatives across all divisions of Apollo. In 2019, he was appointed Executive Director – Strategy & Special Projects to allow him to focus on executing Apollo's growth strategy to become the global RV solution. This has included successfully navigating the acquisition of six RV businesses across Australia, Europe and North America. Karl has served on the board of the Company since ATL's investment in 2017. He holds a Bachelor of Business from Queensland University of Technology.

Stephanie Hinds - Non-Executive Director

Stephanie is a Certified Practicing Accountant and Founder and Director of Growthwise, one of Australia's most progressive accounting firms. She is recognised as a technology expert in the accounting industry and has over 20 years' experience delivering financial, leadership and business advice to start-ups, scaleups and businesses. Stephanie has been part of the Company's Board since 2017 and sits on several other advisory boards of high-growth tech start-ups. She holds a Bachelor of Commerce from the University of Newcastle and is deeply involved in Newcastle's entrepreneurial community.

Andrew McEvoy – Independent Non-Executive Director

Andrew McEvoy has more than 25 years' experience in the tourism, media, marketing, and events sectors. Andrew is current Chairman of the Lux Group (owner of Luxury Escapes) and a Director at Voyages Indigenous Tourism Australia. He is the former CEO and Managing Director of Tourism Australia which was judged as "World's Best Tourism Organisation" during his tenure. He was the architect of the Tourism 2020 plan – designed to double the value of overnight tourism in Australia with a focus on aviation growth, product development and experience based marketing. Prior to this, Andrew was CEO of the South Australian Tourism Commission and held senior roles including as head of marketing for the Melbourne Convention and Visitor Bureau. Previously, Andrew was Chairman of the ASX listed Sealink Travel Group (ASX:SLK) for five years, a Director of the listed Ingenia Communities (ASX: INA). He is also an investor in several travel and technology start-ups and is currently in the Middle East working on one of the world's most ambitious destination projects – NEOM.

Helen Souness – Independent Non-Executive Director

Helen is a senior executive with a career that spans more than 30 years of commercial experience working in digital strategy, marketing and product across market-leading companies including Lonely Planet and ground-breaking marketplaces SEEK, Envato and Etsy. She is a Non-Executive Board Director at Sendle, Australia's first 100% carbon neutral shipping service and was previously a Non-Executive Director of national not-for-profit Canteen. As CEO of RMIT Online, Helen has grown a 120+ strong team to support a thriving community of learners to successfully navigate the world of work through relevant, accessible, and flexible education online. She has spearheaded a suite of Australian-first courses in areas like blockchain, AI, 5G and IoT technology, in partnership with over 70 global and local industry partners, including Salesforce, AWS and REA Group. Through Helen's leadership, RMIT Online has disrupted education models, tripled in size and helped to upskill over 26,000 online students in 2020.

Management

Dirk Fehse – Founder and CEO PaulCamper

Dirk is the founder and Managing Director of PC. Like CHL, the idea for the business occurred in Australia when Dirk crossed a large part of the world with a rented camper. Dirk is a former auditor with PWC and successfully scaled PC from a spreadsheet to market leading operator in Germany and one of the biggest in Europe.

Andrea MacDougall – Chief Financial Officer

Andrea is an experienced CFO for multinational, fast-growing organisations across technology, education, hospitality, manufacturing, and strata management industries. Putting policies, procedures, and efficiency improvements in place to enable the successful growth of companies is one of Andrea's strengths. She has managed extreme revenue growth due to large manufacturing contracts and employee growth from 80-200+ within a very short period. Andrea has also ensured the longevity of companies through the GFC, industry downturns and most recently the COVID-19 pandemic. Andrea was a Co-Founder of Coassemble (ed-tech SaaS) who have scaled from Australia into the US market. Andrea was involved in the early years of product road map, ROI analysis, viability and growth modelling, grant applications and early funding rounds. Andrea left Coassemble to caravan around Australia with her family, but remained as a Board Member for some time and is still a shareholder. Andrea holds a Bachelor of Finance (Newcastle University) and is a member of the Institute of Public Accountants (MIPA AFA) and the Australian Institute of Company Directors (MAICD).

Stephen Short – Chief Operations Officer

Over 15 years' experience in executive level positions for both Hertz and Thrifty across Australia, NZ, and the pacific region. Stephen has extensive experience in rental operations, franchising and fleet management experience. Stephen has led and developed large teams across large and complex branch networks. Stephen is a graduate member of the Australian Institute of Company Directors (AICD).

Josh Fisher – Chief Revenue Officer

As Co-founder and CRO, Josh has been an important part of the Camplify story. Josh's corporate career has extended over 20 years, 8 of which were based overseas, with senior managerial roles at Nestle, Arnott's and Goodman Fielder. With a flair for entrepreneurialism and problem solving, Josh has helped to establish many of the core fundamentals that personify Camplify, championed community engagement and the Camplify voice. Josh has been responsible for establishing many of the core components of Camplify such as premium membership and community engagement programs. He continues to lead and source opportunities and future projects for Camplify.

Jonathan Milgate – Chief Technology Officer

Jonathan has over 10 years' experience in leadership roles in software and systems development, varying across start-ups to billion dollar, multi-national corporations Jonathan played an integral part in the demerger of one of Australia's largest online real estate classifieds sites, receiving almost 1 million unique hits per month. He performed due diligence prior to purchase, leading the migration, and participated in all transitionary details from process management to technical handover. While at Camplify, Jonathan has scaled the engineering team from 2 to 15 and helped transform the approach to product development, with a focus on data analytics and user experience. Jonathan lead the Introduction of the Camplify Owners mobile app, redeveloping the underlying architecture to better suit a multi-tiered application Jonathan holds a Bachelor of Information Systems (Newcastle) and a Masters of Business Administration (Charles Sturt University).

Alastair McCausland - Chief Marketing Officer

Alastair has extensive experience building brands across the fast-moving consumer goods, foodservice, retail, ecommerce, apparel and tourism sectors. Alastair brings a depth of experience in both in both business-to-consumer and business-to-business marketing from his time at Cadbury Schweppes, Carlton and United Breweries, Grill'd Burgers, Fonterra, 2XU and AJ Hackett International. After over 15 years in the food and beverage space, Alastair took on the Chief Marketing role for 2XU performance sportswear, helping to grow a global omni-channel brand in over 70 markets. Alastair then moved into the tourism sector as Chief Marketing Officer for AJ Hackett where he was responsible for developing a new global brand and direct to consumer business model, whilst developing successful strategies to offset the impacts of COVID-19.

Appendix 2 – Major Shareholders

Post the PC acquisition, the following substantial shareholders notices have been lodged:

- Tourism Holdings Limited – 11.6%
- Dirk Fehse (Paul Camper) – 10.6%
- Justin Hales – 8.0%

Camplify Holdings Limited

Accumulate

PROFIT & LOSS (A$m)	2021A	2022A	2023E	2024E	2025E
Revenue	8.5	16.4	31.7	43.8	56.1
Operating costs	(9.9)	(22.3)	(35.2)	(43.7)	(52.8)
Operating EBITDA	**(1.4)**	**(6.0)**	**(3.5)**	**0.1**	**3.2**
D&A	(0.1)	(0.2)	(0.2)	(0.3)	(0.4)
EBIT	**(1.6)**	**(6.2)**	**(3.7)**	**(0.2)**	**2.9**
Net interest	(0.6)	(0.7)	0.0	0.1	0.1
Pre-tax profit	**(2.2)**	**(6.9)**	**(3.7)**	**(0.1)**	**3.0**
Net tax (expense) / benefit	0.2	0.1	0.2	0.0	(0.9)
Significant items/Adj.	-	-	-	-	-
Normalised NPAT	**(2.0)**	**(6.8)**	**(3.5)**	**(0.1)**	**2.1**
Reported NPAT	**(2.1)**	**(8.2)**	**(3.5)**	**(0.1)**	**2.1**
Normalised dil. EPS (cps)	(9.2)	(17.0)	(5.0)	(0.1)	3.0
Reported EPS (cps)	(9.6)	(20.5)	(5.0)	(0.1)	3.0
Effective tax rate (%)	11.2	1.6	5.5	30.0	30.0
DPS (cps)	-	-	-	0.0	-
DPS (cps)	-	-	-	-	-
Dividend yield (%)	-	-	-	0.0	-
Payout ratio (%)	-	-	-	(9.9)	-
Franking (%)	-	-	-	-	-
Diluted # of shares (m)	22.0	39.8	69.4	69.4	69.4

CASH FLOW (A$m)	2021A	2022A	2023E	2024E	2025E
EBITDA incl. adjustments	(1.3)	(7.3)	(3.3)	0.2	2.4
Change in working capital	4.3	2.9	3.1	2.8	4.4
Net Interest (paid)/received	(0.6)	(0.7)	0.0	0.1	0.1
Income tax paid	-	-	-	-	-
Other operating items	-	-	-	-	-
Operating Cash Flow	**2.4**	**(5.1)**	**(0.1)**	**3.0**	**6.8**
Capex	(0.1)	(1.0)	(0.5)	(0.4)	(0.5)
Acquisitions	(0.0)	(0.0)	(1.8)	-	-
Other investing items	0.2	-	-	-	-
Investing Cash Flow	**-**	**(1.0)**	**(2.3)**	**(0.4)**	**(0.5)**
Inc/(Dec) in equity	14.2	-	10.5	-	-
Inc/(Dec) in borrowings	0.1	0.0	-	-	-
Dividends paid	-	-	-	-	-
Other financing items	(14.3)	(0.0)	-	-	-
Financing Cash Flow	**-**	**(0.0)**	**10.5**	**-**	**-**
FX adjustment	-	-	-	-	-
Net Inc/(Dec) in Cash	2.4	(6.1)	8.1	2.6	6.3

BALANCE SHEET (A$m)	2021A	2022A	2023E	2024E	2025E
Cash	21.1	15.0	23.1	25.7	32.0
Receivables	7.9	10.9	15.9	24.1	30.8
Inventory	0.4	0.4	0.4	0.4	0.4
Other current assets	0.7	0.8	0.8	0.8	0.8
PP & E	0.5	1.3	1.6	1.7	1.9
Intangibles	0.1	7.8	49.5	49.5	49.5
Other non-current assets	0.3	0.4	0.4	0.4	0.4
Total Assets	**30.6**	**36.3**	**91.3**	**102.2**	**115.4**
Short term debt	0.0	0.0	0.0	0.0	0.0
Payables	12.4	20.4	28.9	39.9	51.0
Other current liabilities	3.6	5.7	5.2	5.2	5.2
Long term debt	0.1	0.1	0.1	0.1	0.1
Other non-current liabilities	0.3	0.7	0.7	0.7	0.7
Total Liabilities	**16.5**	**26.9**	**35.0**	**46.0**	**57.1**
Total Equity	**14.1**	**9.4**	**56.3**	**56.2**	**58.3**
Net debt (cash)	(21.5)	(14.9)	(22.9)	(25.5)	(31.9)

DIVISIONS	2021A	2022A	2023E	2024E	2025E

KEY METRICS (%)	2021A	2022A	2023E	2024E	2025E
Revenue growth	-	93.2	93.9	38.2	27.9
EBITDA growth	-	-	-	-	2,171.6
EBITDA margin	-	-	-	0.3	5.8
EBIT margin	-	-	-	-	5.2
Return on assets	-	-	-	-	1.9
Return on equity	-	-	-	-	3.6

VALUATION RATIOS (x)	2021A	2022A	2023E	2024E	2025E
Reported P/E	-	-	-	-	58.8
Normalised P/E	-	-	-	-	58.8
Price To Free Cash Flow	16.0	-	-	45.9	19.1
Price To NTA	2.8	44.6	17.9	18.0	13.8
EV / EBITDA	-	-	-	-	27.6
EV / EBIT	-	-	-	-	31.0

LEVERAGE	2021A	2022A	2023E	2024E	2025E
ND / (ND + Equity) (%)	289.9	271.6	(68.7)	(83.2)	(120.5)
Net Debt / EBITDA (%)	1,499.7	249.5	658.5	(17,886.0)	(982.4)
EBIT Interest Cover (x)	-	-	97.9	2.6	-
EBITDA Interest Cover (x)	-	-	92.1	-	-

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Guide to Ord Minnett Recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.

SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.