Public Competition Assessment

22 December 2025

THL - proposed acquisition of Apollo

The ACCC's decision

1. On 29 September 2022, the Australian Competition and Consumer Commission (**ACCC**) announced its decision not to oppose the proposed acquisition by Tourism Holdings Limited (**THL**) of Apollo Tourism & Leisure Ltd (**Apollo**) (the **proposed acquisition**), after accepting a section 87B undertaking from THL and Apollo (the **Undertaking**).

2. The Undertaking required Apollo to divest 200 (around 80 per cent) of its four to six berth motorhomes in its Australian rental fleet, which included the newest motorhomes in the fleet, and associated forward bookings to Star RV Australia Fleet Pty Ltd (**Star RV**), ultimately owned by Jucy Group (2022) Ltd (**Jucy**). The Undertaking also included divestiture of leases for Apollo's rental branches and depots in Alice Springs, Darwin, Hobart and Perth, along with the Apollo Star RV motorhome brand.

3. The ACCC considered that the proposed acquisition, taking into account the Undertaking, was unlikely to contravene section 50 of the *Competition and Consumer Act 2010* (the **Act**). Section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.

4. The ACCC considered the competitive effects of the proposed acquisition in the market for the supply of motorised recreational vehicles for rent in Australia. Without the Undertaking, the ACCC considered that the proposed acquisition would remove Apollo and THL as each other's closest and largest competitor, and give THL the ability to profitably increase prices and/or decrease quality or service levels.

5. This Public Competition Assessment outlines reasons for the decision by the ACCC not to oppose the proposed acquisition, taking into account the Undertaking.

6. Please note that this and other public competition assessments are subject to the following qualifications:

- The ACCC considers each transaction on a case-by-case basis and so the analysis and decision outlined in one assessment will not necessarily reflect the ACCC's view of another transaction.

- As assessments are relatively brief and do not refer to confidential information, assessments do not necessarily set out all of the issues and information considered by the ACCC.

- The ACCC's findings and conclusions set out in this public competition assessment reflect information available to the ACCC at the time of its decision and do not reflect developments in the industry subsequent to the ACCC's decision.

The parties and the transaction

The acquirer: THL

7. THL is a foreign company registered in New Zealand. It is headquartered in New Zealand and is listed on the New Zealand Stock Exchange.

8. THL is a global tourism company operating a range of tourism related businesses in Australia, New Zealand, the United States and the United Kingdom at the time of the ACCC's review. THL's main operations in Australia relate to the rental of motorised recreational vehicles.

9. At the time of the ACCC's review, THL's Australian recreational vehicle rental brands were Maui, Britz and Mighty Campers. These brands target different age and tourist demographics, from Maui as a premium offering through to Mighty Campers as a budget-friendly offering. According to THL's 2022 annual report, THL had approximately 1200 motorised recreational vehicles in its fleet at the time of the ACCC's review.

The target: Apollo

10. At the time of the ACCC's review, Apollo was headquartered in Australia and listed on the Australian Securities Exchange with operations in Australia, New Zealand, Canada, Germany, the United Kingdom and Ireland.

11. In Australia, Apollo's principal activities were the manufacture, rental, sales, and distribution of recreational vehicles. At the time of the ACCC's review, Apollo's Australian recreational vehicle rental brands were Star RV (premium offering), Apollo, Cheapa Campa and Hippie Camper (budget-friendly offering), with approximately 1050 vehicles in its fleet according to Apollo's 2022 annual report.

The transaction

12. THL proposed to acquire shares in Apollo pursuant to a scheme of arrangement such that, on completion, THL would hold 100% of the shares in Apollo.

Market inquiries

13. The ACCC conducted market inquiries with a range of industry participants, including competitors, potential competitors, customers, industry bodies and other interested parties.

Statement of Issues

14. On 28 April 2022, the ACCC published a Statement of Issues on the proposed acquisition identifying competition concerns. In the Statement of Issues, the ACCC stated its preliminary view that the proposed acquisition would be likely to substantially lessen competition in the supply of motorised recreational vehicles for rent in Australia.

Industry background

Recreational vehicle types

15. Recreational vehicles offer flexible transport and accommodation options for travellers. There are two categories of recreational vehicles:

    - Motorised recreational vehicles which combine transport and accommodation in a single vehicle

    - 'Towables' including caravans, camper trailers and other pop-up or slide on campers, which must be towed by another vehicle such as a car or 4WD.

16. Relevant to the ACCC's assessment, motorhomes and campervans are the main two types of motorised recreational vehicles. Motorhomes are typically more expensive, built on a truck or bus chassis with facilities that include a kitchen, toilet and shower. Campervans are generally modified vans with limited cooking facilities, such as a gas cooktop, and do not have toilets or showers.

17. As neither THL nor Apollo offered towables, these were of limited relevance to the ACCC's competition assessment.

Forms of competition and sales channels

18. Recreational vehicle rental suppliers compete based on price (including one-way trip fees, early bird and other discounts) and other non-price elements including the number and locations of their depots, fleet size and vehicle availability, vehicle quality and age, as well as inclusions such as free fuel or cleaning. In particular, rental suppliers' fleet size and number of depot locations were important considerations for travel wholesalers and web consolidators in order to cater for their customers' preferences.

19. Rental recreational vehicles may be booked by consumers through:

    - rental suppliers directly

    - travel agents who typically in turn book via a travel wholesaler

- web consolidators and online travel agents
- affiliate partners such as the NRMA, RACQ, RACV and airlines
- peer-to-peer platforms.

20. Prior to the Covid-19 pandemic, web consolidators, overseas travel wholesalers and travel agents were important sales channels for THL and Apollo. While domestic customers tended to utilise direct bookings with rental suppliers, web consolidators, and/or peer-to-peer platforms, information obtained by the ACCC indicated that international customers tended not to book through peer-to-peer platforms. International customers accounted for a significant proportion of THL's and Apollo's booking numbers prior to the Covid-19 pandemic.

21. Information obtained by the ACCC also suggested that prior to the Covid-19 pandemic, there was a significant proportion of consumers that booked one-way trips (where consumers pick up a recreational vehicle at one location and drop off at a different location).

Other industry participants

22. At the time of the ACCC's review, THL and Apollo had the largest fleets of recreational vehicles by a substantial margin and the largest geographic footprints, with depots in every state of Australia and the Northern Territory.

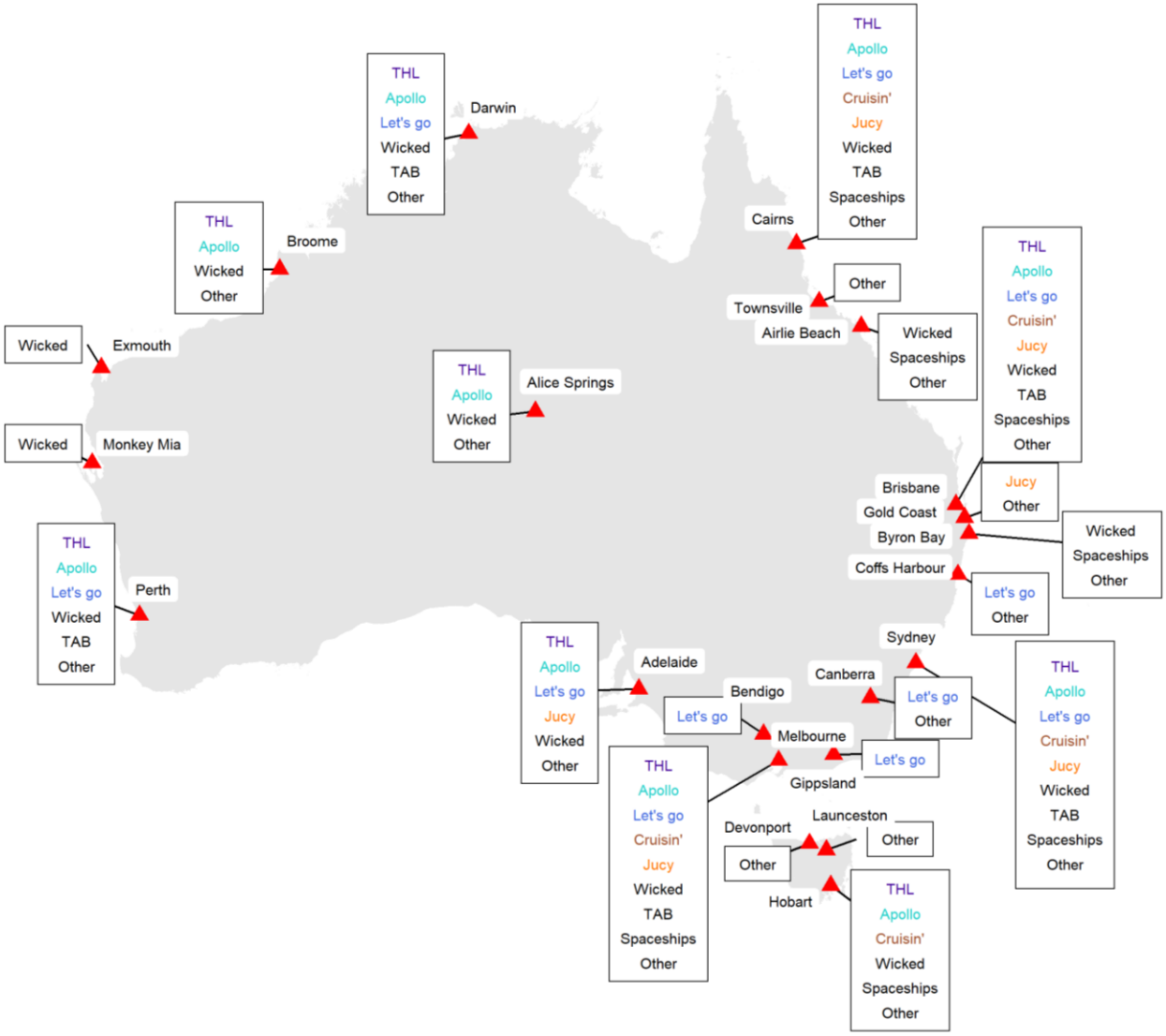
23. Other suppliers, including Cruisin' Motorhomes, Let's Go, Jucy and Wicked had smaller fleets than THL and Apollo, and their fleets were typically weighted much more heavily towards only one of motorhomes or campervans. Some were only present in the eastern states, such as Jucy and Cruisin' Motorhomes.

24. The following table lists the types of vehicles that each recreational vehicle rental supplier offered at the time of the ACCC's review.

Vehicles offered	**Rental supplier**
Motorhomes and campervans	THL, Apollo, Cruisin' Motorhomes, Let's Go Motorhomes
Campervans only	Jucy, Wicked, Spaceships Rentals, Travellers Autobarn

25. The map below sets out each supplier's depot locations at the time of the ACCC's review.

Figure 1: RV rental industry participants



Jucy

26. At the time of the ACCC's review, Jucy was a campervan and car rental operator with depots located along the east and south coasts of Australia.

27. At the time of the ACCC's review, Next Capital Tourism Holdings Pty Ltd, an Australian independent private equity firm, held a controlling interest in Jucy.

Peer-to-peer platforms

28. Peer-to-peer networks provide platforms for private recreational vehicle owners to offer their recreational vehicles for rent. Similar to Airbnb, private recreational vehicle owners may be individuals (renting out vehicles when they are not used) or professional owners (with small fleets of vehicles). Examples of peer-to-peer platforms include Camplify, Camptoo and Outdoorsy.

29. At the time of the ACCC's review, Camplify was the leading peer-to-peer platform in Australia. Camplify is ASX listed, reporting $8.4 million in revenue for FY21 and 7,338 vehicles on its platform as of February 2022, with the vast majority being towables.

Market definition

30. The ACCC's starting point for considering which markets will be affected by the proposed acquisition is to identify the areas of overlap between the products actually or potentially supplied by the merger parties. The ACCC then considers other actual or potential suppliers of those products, as well as what other products constitute sufficiently close substitutes to provide a significant source of constraint on the merged entity.

31. The primary overlap between THL and Apollo was in the supply of motorised recreational vehicles (including both motorhomes and campervans) for rent in Australia. While the ACCC did not consider it necessary to arrive at a concluded view on the relevant market, the ACCC considered the effect of the proposed acquisition in a market encompassing the supply of both motorhomes and campervans. While state-based or regional markets may also exist, the ACCC considered the effects of the proposed acquisition in a national market due to the national presence of THL and Apollo, the importance of a supplier's national presence to customers including travel wholesalers and web consolidators, and the significant number of one-way trip bookings.

Competition analysis

32. In the absence of the Undertaking, the ACCC considered that the proposed acquisition would remove Apollo and THL as each other's closest and largest competitor. The ACCC considered this loss of competition would have given THL the ability to profitably increase prices and/or decrease quality or service levels post-acquisition.

33. Market feedback indicated that THL's and Apollo's respective brands were positioned directly against one another. Pre-acquisition, THL and Apollo also

competed directly for customers using the same sales channels, including web consolidators and travel wholesalers as important sales channels. Their depots were located in the same cities, and their fleets were similar in both size and composition. Market participants perceived that THL and Apollo also set prices in similar ways.

34. The ACCC considered that a combined THL-Apollo was unlikely to be constrained by other suppliers of rental recreational vehicles and peer-to-peer platforms as:

    - Only two other traditional recreational vehicle rental suppliers (Cruisin' Motorhomes and Let's Go) offered motorhomes, however they both had significantly smaller fleets than THL and Apollo. Cruisin' Motorhomes was also only present on the east coast of Australia. While there were a larger number of campervan rental suppliers in Australia, these companies did not have motorhomes in their fleets. Many market participants considered that these suppliers were unlikely to be viable alternatives to THL and Apollo, particularly for travel wholesalers, due to their smaller fleet sizes, limited range of vehicles and limited depot locations.

    - Peer-to-peer platforms did not impose a strong constraint on traditional recreational vehicle rental suppliers. Peer-to-peer rentals were less likely to be suitable for international tourists due to customer preferences for travel packages that included flights, a limited availability of one-way rentals and less certainty around vehicle availability compared to THL and Apollo.

35. The ACCC concluded that there was unlikely to be timely and sufficient entry or expansion on a scale required to constrain a combined THL-Apollo. This was due to the high capital requirements for sufficient entry or expansion at scale at a time when domestic and international travel had yet to return to pre-Covid 19 levels, and the importance of established key relationships (including with key sales channels, vehicle manufacturers and dealer networks) to support operations at scale.

36. The ACCC considered that, in the absence of the Undertaking, the proposed acquisition was likely to substantially lessen competition in the market for rental recreational vehicles in Australia. Further information about the Undertaking is set out below.

Undertaking

37. To remedy this concern, THL and Apollo gave a court enforceable undertaking pursuant to s87B of the Act. The Undertaking required THL and Apollo divest assets to a purchaser approved by the ACCC. The ACCC approved Star RV (ultimately owned by Jucy) as purchaser.

Key obligations

38. The Undertaking required divestiture to an ACCC-approved purchaser of:

- 200 four to six berth motorhomes, which was around 80% of Apollo's four to six berth motorhomes in its rental fleet in Australia, and comprised the newest motorhomes in Apollo's fleet (**Apollo Australian Divestment Fleet**)

- Apollo's rights and interests in all manufacturer warranties (including all original equipment manufacturer warranties) applicable to all motorhomes comprising the Apollo Australian Divestment Fleet and an initial supply of consumables for motorhomes to be transferred including linen, towels, pots and pans

- Apollo's rights and interests in customer bookings for the hire of the Apollo Australian Divestment Fleet

- the Star RV brand and all associated intellectual property in Australia

- Apollo's rights and interests in the leases for rental branches/depots in Perth, Darwin, Alice Springs and Hobart

- relevant records.

Assessment of the Undertaking

39. The ACCC considered that the Undertaking addressed the ACCC's competition concerns and that the divested Apollo assets would ensure Jucy was able to compete more effectively with THL, including by expanding Jucy's vehicle range, fleet size and depot locations.

40. In reaching this view, the ACCC assessed the risks associated with accepting the remedy. In assessing the risks, the ACCC consulted with a range of market participants about the Undertaking.

Conclusion

41. Based on the above analysis, the ACCC concluded that the proposed acquisition of Apollo by THL, in the absence of the Undertaking, would be likely to have the effect of substantially lessening competition in the supply of recreational vehicle rentals in Australia. However, the ACCC considered that the Undertaking offered by THL and Apollo was likely to address the ACCC's competition concerns in this market.