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Road to IPO

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Abstract

This project aims to evaluate a potential Initial Public Offering scenario for the company Indie Campers. As a first approach, it was assessed if and where would this listing be most beneficial for the company. Subsequently, for informational purposes, an analysis on the necessary IPO requirements and procedural steps was elaborated. In addition, past IPOs and companies listed within the same industry were studied to infer investor's and market reactions towards this type of opportunity. Finally, based on a 10-year business model and on comparable listed companies, it was possible to calculate Indie Campers' potential market value which, considering that assumptions hold, could reach €2.4B. Also, this valuation would entail a listing share price of approximately 20€ and would allow the company to raise close to €305M.

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1. Introduction

1.1. Brief History

Indie Campers' history tracks back to 2012, year in which, after a road trip in Australia, the co-founder Hugo Oliveira saw the possibility of implementing the road trip concept in the relatively unexplored European touristic market. Hugo's first test to the idea surged with his master thesis where he found that awareness and demand for this new way of travelling were increasing.

Seizing the opportunity, Hugo allied with a friend, who left the project after the first year, and created Indie Campers in 2013 with 6 vans and the ambition to democratize the road trip experience in the European market. Since day one the company's mission has been to make the pleasure and enjoyment of a road trip accessible to everyone and everywhere in Europe.

With great ambition, the company grew at an enviable pace every year since. By 2016, the company had already grown its fleet to 95 vehicles and was strongly operating all over the Iberian market with revenues of €1.5M. This bold expansion continued in the pivotal year of 2017, year in which the company reached a fleet of 425 vans, entered the Italian, French and Belgium markets, acquired its biggest Portuguese competitor (West Coast Campers) and achieved revenues of €5.6M.

Following the expansion plan, 2018 is ramping up to be another consistent year. With 213 new campervans already on its books, with the entrance in 4 new markets (German, Croatian, Swiss and Dutch) and with its 106 staff, the company expects to have a strong business growth.

1.2. Industry Overview

In a broader analysis, Indie Campers is integrated in the tourism sector. Although extensive, this information is important due to the historical growth the sector has and is expected to continue having (2% CAGR from 2015-2020 – *Source: Euromonitor*). Within the tourism sector, we can place Indie Campers in the adventure tourism sector which refers to travel with a certain degree of flexibility and risk associated to the trip. Adventure tourism includes road-trips (where Indie Campers is inserted), exploration trips, sport activities and outdoor experiences. This industry has a current size of €0.6Tn and is expected to have a 17.4% CAGR until 2023 (*Annex 1*), where it will reach a size of €1.34 trillion and represent 10% of the overall tourism industry (*Source: Allied Market Research – Adventure Tourism Market (2018)*).

Within this market, Indie Campers competes directly in the Caravan & RV rental industry (road-trip providers) which is expected to grow globally at a CAGR of 4.12% from 2018 to 2013 (*Source: Mordor Intelligence: Recreational Vehicle Rental Market – Segmented by Type and Geography - Growth, Trends, and Forecast (2018 - 2023) – Oct 2018)*. In the US alone, this industry size is calculated to be $390M with an average annual growth of 4.7% from 2012 to 2017 (IBISWorld). Within the Western European Market, the one where Indie Campers is competing, Google data shows that the destinations with the biggest demand are Great Britain, Germany and France with 33%, 21% and 12% of the overall European demand, respectively. Nonetheless, several countries such as Portugal, Spain, Iceland and Norway have shown an interesting growth in demand. In fact, Google reports show that YoY demand of these markets has increased 38%, 35%, 98% and 27%, respectively.

In addition to this industry, we could also analyze industries in which Indie Campers competes indirectly such as the Lodging Services (e.g. Hotels and Hostels) and Car Rental industries. The first has a total retail value of €101Bn globally and had a CAGR of 39.6% from 2013 to 2018. On the other hand, the car rental industry has a global retail value of €62Bn and had a global growth of 3% in 2017 alone.

1.3. Competition

Indie Campers' competitive landscape can be categorized as follows (these groups are also expressed in *Annex 2*):

- **Direct Alternatives** – this category is composed by Indie Campers main direct competitors (RV businesses such as McRent, TouringCars and Just Go). These competitors have similar business models, target similar clients and are in similar markets as Indie Campers. Moreover, we can also consider companies such as Cruise America and Thl which, while not operating in the European markets, given their size do compete for the same clients and can, at any moment, enter the European market.
- **Secondary Alternatives –** this category is composed by aggregators that serve as intermediaries between rental companies and clients and private individuals that rent owned vans directly to end customers.
- **Indirect Alternatives –** Finally, this third group is composed by sectors such as the pure rental car companies (Hertz, Europcar, Avis, etc.) and accommodation providers (hotels, hostels, etc.).

Among the stated, aggregators represent the biggest competitive threat given that they reflect all the possible rental options at a particular moment for a particular location. Consequently, all market players are expressed in these platforms, both Indie Campers direct and alternative competitors (particulars). Furthermore, it is important to refer that Indie Campers is present in several aggregators, such as Campanda, however every sale through these channels is subject to a fee that varies from 10% and 20% which impacts the profitability of such sale.

Lastly, considering this competitive landscape, Indie Campers' strategy is to differentiate in the services and products provided to its customers. Hence, the main differentiating focusses are:

- **Van Model Offer –** Across the different companies Indie Campers holds, there are four different van models that customers can choose from. All Indie Campers and WCC models are compact and have a modern design (interior and exterior) that aim to fulfill the required standards of the different customers (*Annex 3*).

- **Customer Support –** Another differentiating characteristic of Indie Campers is its tailored made customer support. With more than 7 languages and 24/7 support, clients are able to obtain whatever help needed whenever it is needed. Moreover, the broad range of services (airport pick-up, travel guidance, etc.) and extras (surfboards, wi-fi, etc.) at the customer's disposal make a trip with Indie Campers unique.
- **Geographical Representativity –** Currently, Indie Campers is present in 43 locations over 9 countries (*Annex 4*) which allows for customers to have a one-way trip possibility. What this means is that, due to network effects, clients can undergo a trip with different departure and arrival destinations for a low extra amount (e.g. Pick-up in Lisbon and drop off in Barcelona).
- **Online Journey –** One of the major goals of Indie Campers is to provide its clients an unforgettable journey before, during and after their booking. Consequently, complementarily to its products and services, the company tries to have a strong and user-friendly online presence. For instance, the booking process, from van/service selection to payment transaction and invoicing is completely made online. Moreover, communication, information and support are provided online and are available to the customer at any time, thus decreasing communication costs.

1.4. Barriers to entry

Taking into account Indie Campers' business model, we can understand that, given its capital requirements as well as its geographical presence, the easiness to enter in the industry/market and compete with the company for market share can be difficult.

Firstly, one of the most important barriers to entry is the access to the required capital to purchase a fleet such as the one Indie Campers has. Along the company's expansion years, its assets have grown as well as its capability of negotiating with suppliers to achieve economies of scale. Currently, Indie Campers can have high discounts due to its increasing yearly orders, which is difficult to be obtained by a new entrant.

Furthermore, another obstacle in the entrance to this market is the already assembled infrastructure in the geographies Indie Campers is present. The company's network of contacts, warehouses, staff and partners is difficult to replicate and implement. Consequently, the cost of committing to such a dynamic and spread out strategy can be a big challenge for new comers. For instance, for a new comer to be able to enter in the same markets and with the same fleet as Indie Campers its initial investment would have to be close to €18M. Moreover, if we assume the marketing costs to raise the same brand awareness as Indie Campers, the new comer would have to invest an additional estimated €2M.

Finally, the ultimate barrier to entry is the customer experience and the recognition of the Indie Campers brand in the market. The high levels of satisfaction showed by clients lead us to believe that, for future trips or even first-time experiences, the brand is considered trustworthy and can provide an excellent service which translates into consumer loyalty. Consequently, new entrants would need a high level of marketing and customer excellence investment to achieve the same level of perception.

1.5. Regulatory restrictions/challenges

Indie Campers has grown and internationalized greatly in the past years and will continue to do so as mentioned before. Consequently, the presence in diverse jurisdictions and markets has raised several restrictions and challenges both fiscal, legal and financially.

The first major challenge for Indie Campers is to clearly define the boundaries of free flow of vehicles across different geographies. Currently, most of Indie Campers assets are registered in Portugal, however, generating revenue in foreign countries which (e.g. Portuguese vehicle generating revenue in Italy) can raise legal questions. This situation becomes even more uncertain when interconnected with vehicle and Business permissions across Europe (e.g.

Dutch rental car companies must own Dutch cars to operate in the country). Therefore, the company is conducting an international research to understand what the best solution for this problem would be.

An additional regulatory challenge that has arisen for Indie Campers regards taxability. Currently, the company is debating if its business model should be considered a symbiosis between an accommodation services and a rent-a-car business, since the tax consequences of both denominations are great (e.g. rent-a-cars pay a VAT of 23% in Portugal whereas hotels, an indirect competitor of Indie Campers, only pay 6%, which harms Indie Campers overall margins). Furthermore, there is a long-term concern on the increasing taxes that are being applied in fuel driven and transformed vehicles (e.g. the initial vehicle tax for transformed vehicles is 3x higher than normal vehicles in Portugal. This fact increased Indie Campers vehicle investment in 2017 and 2018 by €1.5M and increases annual vehicle costs).

A final, however less deterring regulatory challenge for Indie Campers relates to the characteristics of its vehicles which, due to local regulations, can become a restriction. For instance, in Portugal, vehicles should always circulate with its original color, consequently, Indie Campers is studying how its vehicle branding can economically impact this challenge.

1.6. Company's target customer

Given the mission to democratize the road trip experience, Indie Campers ends up having a great and diverse profile of customers. Nevertheless, the company focusses on targeting upper and middle-class customers (males and females) who tend to travel 3 to 4 times a year and have a distinguished travel behavior regarding adventure and getting a deep and broad connection to the place they are visiting.

Taking this into consideration, we are able to divide the company's client base into the following segmented groups (*Annex 5*):

- **Modern Families** – typically young families that want a relaxing holiday in which they can discover new things, places and people, but mostly want to create and share family moments that will last.
- **Groups of friends** – among this group, the tastes for travelling can be very different, but the most popular are groups of friends looking to have a good time in one or more countries and who have adventurous hobbies like surfing and mountain biking.
- **Active Couples** – couples who are looking for an alternative way of travelling, both adventurous and romantic, so they can share unique moments, impossible to replicate in any other kind of trip.
- **Inspiring Individuals** – this group is composed by curious individuals who want to "hit the road" and learn all about the world and what it has to offer. Some just want a break to relax, others want to have the freedom to wake up in a new place every day.

Regarding the age group, most of Indie Campers clients are between 25 and 44 (67%), 13% are older than 45 and 20% are between 18 and 24 (*Annex 5*). On the other hand, clients are not prevenient form a specific country or groups of countries creating a nationally diverse inbound of clients (*Annex 6*). Although not fully dependent on a single market, German (17% of clients) and Spanish (11% of clients) consumers are, so far, perceived as the most prone to embark in this kind of travelling experience with Indie Campers.

1.7. Supplier Information

Indie Campers' most important suppliers can be divided into two categories, asset suppliers and operational suppliers.

Regarding the first category, asset suppliers constitute the companies that provide Indie Campers with its vehicles. Here, the two biggest suppliers historically have been FCA Motorvillage and Transforgroup, the first supplying the vehicles and the second supplying the transformation service (from commercial vehicle to a camper van). Moreover, in 2018, Knaus, a German camper van producer, became a major partner for Indie Campers, supplying 74 vehicles. Looking into the future and taking into account the quality and logistic advantages of this supplier, it is almost certain that the company will continue ordering from Knaus (or similar suppliers such as Hymer) in times of in-fleet. To a lower extent, Volkswagen can also be considered an important supplier accounting for the 55 vans of Indie Campers' current fleet.

On the other hand, in terms of operational suppliers, due to the aggressive online marketing strategy implemented, the most important and biggest suppliers of the company are Google and Facebook.

1.8. Company's geographic markets

In 2017, the company had its first great expansion from 15 locations in 2 markets (Portuguese and Spanish) to 50 locations in 5 markets (Portuguese, Spanish, French, Italian and Belgian). Moreover, in 2018 the company had its second big expansion increasing its market presence by 4 markets (Dutch, German, Swiss and Croatian) but decreasing the number of locations to 43.

Looking into the future, the company's strategy entails an addition of 12 locations in 3 new markets in 2019 (British, Irish and Icelandic) and an addition of 8 locations in 8 new markets in 2020 (Czech, Danish, Finish, Greek, Latvian, Norwegian, Polish and Swedish). The goal behind the decreased momentum in expansion in 2019 is to fully develop and mature the markets in which Indie Campers has presence before ramping up to a new and ambitious expansion plan.

The last step within this expansion plan is to enter in the US and Australian markets. These two markets show high levels of demand, being the biggest markets within the sector. Consequently, Indie Campers will encounter a very competitive landscape when it decides to enter these markets, which is expected to happen in 2021 (US) and 2023 (Australia and New Zealand).

All the stages of the plan until 2020 are visually detailed in *Annex 4*.

1.9. Pricing strategy

The current pricing strategy of Indie Campers takes into consideration two factors, expected demand for a given period of the year and pricing strategy practiced by its competitors. Regarding the first factor, the company tries to exploit the seasonality effect of the demand across all its product portfolio by implementing higher prices during the higher season period (from April until September) and the opposite during low season (October until March). Regarding the second factor, Indie Campers practices prices lower than the competition in terms of daily rental (average 10% lower).

Moreover, as a second variable the company differentiates its pricing according to the quality of the product offered (different van models) and the additional services provided (fees and extras). It is important to state that these two go hand to hand since the company's strategy is to offer a lower daily price for the van rental and, at the same time, maximize the turnover in extra services and fees. Consequently, in addition to the different pricing applied due to seasonality, higher hand models, such as the Motorhome and the Nomad, have a higher price throughout the year. Regarding the additional services and extras provided, the company applies a pricing given a predetermined profit margin (average 50%).

Finally, it is important to refer that pricing changes are currently made manually, not allowing prices to adjust in real time to increases or decreases in demand, hence, not optimizing potential revenue. Consequently, the current strategy is not optimal, reflecting an average (considering high and low season) daily revenue of 106€. Nevertheless, the company is developing a system of dynamic pricing to have, at any time, the best price for the presented demand.

1.10. Current financing (i.e. debt/equity, maturity and other terms of debt)

Debt

Overall, the company has current outstanding debt of €18.25M, being 67% of this amount loans and 33% leasing (*Annex 7*). Inferably, given the current capital-intensive nature of the business model and until further optimization of the in-fleet and de-fleet model, the company is very dependent on debt to fulfill its great capex necessities.

Furthermore, as of December 31st, 2018, Indie Campers debt to equity ratio ranges between 3 and 3.5. Looking into the upper component of the ratio, there are several long and short-term debt instruments at the company's disposal. Among the contracts the company has in place, we can divide debt products into the following:

- **Loans** – this financial product can assume several specificities (maturity and interest rate) across the contracts Indie Campers currently holds. Currently, within this debt group, the company has an average spread rate of 1.83% + Euribor. Moreover, the maximum interest rate in place is 4.91% applicable for an auto loan and the minimum rate is 0%, which is in place for two government subsidized loan contracts. In addition, the company's average maturity within this line of financial products is 78 months, being the maximum maturity of 96 months and the lowest of 48 months. Also, some of the contract's extended maturity are due to grace periods that range from 6 months to 2 years. It is also important to state that loans are the most representative parcel of the company's current debt composition (67%) with a remaining debt value of €12.24M as of the end of December 2018. Finally, some of these contracts have promissory notes as a collateral and some have a financial insurer to which Indie Campers pays a premium.
- **Leasing –** The second most used financial debt product in Indie Campers is Financial Leasing. Given the tailor-made type of contract, which uses the vehicle as collateral, this type of debt is the most comprehensible for the business model of the company. Currently, Indie Campers holds an outstanding debt of €6.01M in leasing which accounts for 33% of its current debt (as of 31 of December). Although the contracts have a collateral associated, the average spread being currently charged is 2.77%, which is higher when compared to

loans. Moreover, the average term of the contracts is 64 months, period in which the agreed residual values are paid.

- **Confirming –** this kind of contract serves as a short-term debt product that is used solely for supplier payments. This product allows a supplier to be paid in due time by the signing bank, and the liable company, in this case Indie Campers, would only have to pay the bank at a determined date, usually 3 months. This type of product has been widely used by the company given its flexibility to bridge cash flow needs between low and high revenue seasons. Although flexible and helpful, these short-term contracts have high spreads (>3%) and have high fee levels paid upon usage and renewal (automatic every 6 months). Consequently, the goal would be to eliminate these contracts or transform them into other financial products in the future. As of December 2018, the company has managed to amortize all debt associated with this instrument, however, it has the option to use this instrument up to €700K.
- **Pledged Current Accounts –** these accounts were contracted mainly for potential cash flow emergencies that could occur (e.g. payment of potential contingencies or delay in the approval of a financing contract). Although the usage of these accounts is extremely rare, they provide an extra safety to the normal cash flow management of the company. This product provides Indie Campers with an agreed plafond that can be used and reimbursed at any time. In terms of interests, these contracts have the particularity of having daily compounding and, on average, have a 2.88% annual spread. Finally, the company holds a plafond of 300K with this product, all of which is not being used.

Equity

Regarding the denominator of the Debt/Equity ratio, it is important to refer that the company had an investor change in 2017. At this time, Indie Campers bought back the 20% interest of Portugal Ventures, previous stakeholder. Moreover, the new and current investor and partner

Novos Rituais, bought a position in Indie Campers Group for €1.5M. This capital increase aimed to improve the company's financial ratios, for it to be able to have a more stable position for a next round of debt financing. Finally, it is also important to state that Indie Campers bought back a third of the position invested by Novos Rituais in 2018.

As a final note, Indie Campers long-term D/E target stands at 0.2 (used for IPO valuation). This target results from the company's shift towards an asset light model in which the vehicles are going to be under operational leasing contracts, hence, not reflected in the company's balance sheet. In fact, Gay B. Hatfield, Louis T.W. Cheng, and Wallace N. Davidson (1994) noticed that high debt firms tend to have more frequent negative market reactions. Also, as Peter MacKay and Gordon M. Phillips (2001) state "firms that significantly deviate from the median industry capital structure also significantly deviate from the median industry capital intensity", hence, Indie Campers will differentiate itself from its competitors in a sector where the average D/E ratio is 1.5 (*Source: Statistics of Canada*). Also, the company will have increased financial flexibility to take advantage of eventual investment opportunities and to deal with negative events (*Source: Making capital structure support strategy, By Marc H. Goedhart, Timothy Koller, and Werner Rehm – McKinsey&Company (2006)*).

1.11. Current Partners and Investors

Given the current size of Indie Campers and its international business dimension, its shareholder structure has developed in a tailor-made way. Currently, the complete group is composed of 9 companies (Indie Campers SA, Indie Campers SL, Indie Campers France SARL, Indie Campers Italy SRL, Indie Campers Germany GmbH, Indie Campers UK LTD, Indie Campers Belgium SPRL, Indie Campers Adriatic DOO and West Cost Camper Lda). Within the structure, Indie Campers SA works as a holding and has 100% ownership on all other companies from the group apart from WCC, in which the stake is only of 80%.

Furthermore, above this structure, Indie Campers SA 85% owned by Indie Ventures, 15% by Novos Rituais and 5% by West Coast Campers. All the structure is presented in a more visual way in *Annex 8*. Moreover, given the strategic expansion plan and the possible addition of the reselling of vans to the current business model, it is probable that, within the next year, this structure suffers deep changes which will allow fiscal optimization and more business independence and organization.

Within this plan, the most strategic change in the pipeline would be to create 2 to 3 new companies for holding and central services purposes. In other words, instead of Indie Campers SA, a new company (establishment to be defined) would hold 100% equity in the remaining subsidiaries. Moreover, in order to separate regular operations from central services, a potential new company would be created. This new company would only be responsible for in-fleeting and de-fleeting of vans between low and high seasons. Among this structure, transfer pricing and location for the assembly of the aforementioned structure becomes of the utmost importance and is still a matter to be target of proper due diligence.

1.12. Current trends of Indie Campers

Indie Campers is currently fully focused on increasing its customer base and its community (*Annex 9*) which will consequently increase sales and market share. As previously mentioned, the Adventure tourism sector has a current size of €0.6Tn and is expected to have at a 17.4% CAGR until 2023 (*Annex 1*). Within this market, it is estimated that 14% is related to road-trips, market in which Indie Campers competes (*Source: Allied Market Research – Adventure Tourism Market (2018)*). Consequently, Indie Campers expects to take advantage of this momentum and rapidly increase its market share which is now minimal (<5% of the RV rental industry).

This growth is going to be driven by two trends, one being the investment in Marketing and Product and the other the increase in organic customer acquisition growth. As it can be seen in

Annex 10, Indie Campers' main customer acquisition has been made through paid channels. Nonetheless, in the future, it is expected that the latter decreases in weight and organic acquisition ramps up, following Indie Campers community increase which spurs referrals. Furthermore, the increase in the product offering (*Annex 11*) will increase the value proposition of the company, increasing client's willingness to book with Indie Campers.

Overall, Indie Campers is aiming for a 129% CAGR in sales over the next 3 years (European expansion period). This will allow the company to become one of the biggest players globally, which will greatly influence brand awareness for long-term expansion.

1.13. Website, apps and technology use in general

Indie Campers tries to invest as much as possible into technology, which can be seen by the increase in the Product and Technology team from 2 members to 5 members this year.

Given that most of Indie Campers sales (93%) come from the website, the company heavily relies on its good performance. What this means is that there is an aim for the customer to have the friendliest journey possible in order to convert the potential client into an actual client. Therefore, the website is constantly optimized so that booking options can be easily checked. Furthermore, several software products, such as Salesforce and Talkdesk, allow the customer excellence team to have a simpler and more organized way of work.

Moreover, all the booking and van management is made through an inbuilt proprietary management platform that allows the integration of all necessary operational information. Here, most booking optimization and allocations are done automatically. Subsequently, this platform communicates with a payment processor software and an accounting software so that everything, from charging clients to invoicing and booking sales is interconnected.

Finally, the goal of the company is to make every workers' job easier and the clients' journey better by the use of technology. Consequently, within the pipeline, we can expect a dynamic pricing algorithm to be fully functioning in the near future and on a longer term (end of 2019) have an app ready to optimize both operational procedures and the clients' experience.

2. IPO Process

2.1. Advantages/disadvantages of going public for Indie Campers

Given the long-term ambitious plan of expansion and growth for Indie Campers, one important capital decision to be made is if an Initial Public Offering is the necessary and best step to be taken by the company.

The net proceeds from this capital raise can have different goals. Firstly, new projects that need high level of investment (capital intensive projects or R&D) and that could not otherwise be financed by debt can be pursued. Secondly, the capital raised can be beneficial for initial shareholders that want to make a strategic exit or can "cash-in" some of the initial investment. Moreover, in terms of talent acquisition and personnel retention, an IPO could entail interesting consequences. Here the company could distribute bonus in form of stocks and could also use stock options as an attractive tool for executive compensation. Furthermore, the requirements that need to be filled by a company that is publicly traded are vast and complex. Hence, companies that fulfill these are viewed as healthy and strong, which may enable better partnerships and business relations and might spur confidence for clients.

On the other hand, the process of taking a company public can have several challenges. Firstly, after an IPO, and given the rigid existing regulations, the information disclosure and detail for investors is much higher than if the company is privately owned which entails a higher level of administrative costs (Financial department and Investor Relations). Secondly, the whole IPO process (underwriting, registration, roadshow, book building) is very costly, which can be vastly problematic for the company if the IPO is not successful. Finally, being traded publicly can add an extra management pressure for short-term instead of long-term gains which can be prejudicial for a strategy such as the one Indie Campers which focusses on long-term gains.

Consequently, after an IPO, management might be forced to fully focus on the profitability in the current markets instead of pursuing new projects in new markets in search for higher global market share.

2.2. Which exchange would be the best?

Assuming that, in the case of Indie Campers, the advantages of going public outweigh the disadvantages, the next step that becomes particularly important in terms of strategy is the decision of which exchange the company should be listed on.

Although it might be simple to merely aim for a big exchange, the decision process for this task becomes very difficult for two main reasons. Firstly, the long-term strategy of the company is 1) still very volatile and 2) subject to rapid changes. For instance, in 3 years, Indie Campers might find that entering in the US market might not be the best project to undertake. Instead, the company might make a strategic shift and pursue maturity in the European market and new projects in order to diversify its portfolio of services.

Taking this into consideration, we would now focus on a top-down approach to decide which would be the most beneficial market to undergo with the IPO. Initially, given the growth prospects and the expected future financial results for the company, there should be the belief that the company will be eligible to list in one of the top 10 biggest exchanges in the world (*Annex 12*). Moreover, listing in the top exchanges would probably result in higher trading volumes and a higher visibility for the company.

Secondly, given that the company does not have intentions to pursue new ventures in the Asiatic markets in the near future, both awareness from investors and partner entities would not be adequate and could eventually tank a potential IPO. Consequently, we should disregard the Japan Exchange, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and the Bombay Stock Exchange.

Funneling down, the decision arises to a strategically complex trade-off between the continents with the biggest exchange markets, the US, and Europe where we have Euronext, the London Stock Exchange and the Deutsche Börse.

Within the European market, Indie Campers has several exchange options to choose from for an IPO, the most suitable being the Euronext, the London Stock Exchange or the Deutsche Börse.

Firstly, looking into the individual history of the London Stock Exchange, this exchange has been one of the leading in Europe, both in size and the number of IPOs. In fact, in Europe, the London Stock Exchange has the highest percentage of global consumer products and services IPOs (*Source: IPO Insights – Comparing Global Stock Exchanges, Earnest & Young, 2007*), which is the sector Indie Campers operates in and has also been the market with the highest proceeds in Q2 of 2018 (*Source: Global IPO trends: Q2 2018, Earnest & Young, 2018*). Moreover, the overall strategy of the exchange to attract foreign companies, mainly from Asia, has dynamized the exchange and spurred investors to further participate in this market. Nonetheless, currently, due to Brexit, the economic and business climate in the UK has become more isolated, which leads investors to search for more open markets. Not only this but also the currency difference between the rest of Europe, and especially Indie Campers' business currency (€), makes the option of listing the company in the London Stock Exchange not optimal.

The next, and probably the best market for Indie Campers to undertake an IPO, would be the Euronext, which is a European stock exchange that seats in Amsterdam, Brussels, London, Lisbon, Dublin and Paris and, combined, is the largest market in Europe with €3.8 trillion market capitalization. Apart from the dimension of this exchange, Indie Campers would also have the opportunity to list in Portugal, its "Home Country" on PSI-20 or PSI-Geral or in the Netherlands, where there is a probability of Indie Campers' main Holding to be created.

Moreover, Euronext has been growing year on year following its plan to achieve critical mass and to be able to compete globally. Among these efforts, Euronext has already attempted to merge with the London Stock Exchange and with Deutsche Börse (both unsuccessful) and was successfully merged with the NYSE from 2007 until 2014. Furthermore, Euronext is pursuing a strategy of diversification adding new products and services and investing heavily in technologic development (e.g. stake in MTS largest electronic platform for debt instruments in Europe). Despite all the upsides and the easiness to go public within the Euronext, this move might not be the best strategically. Firstly, despite the aggressive internationalization strategy, this exchange is still less recognized than the London Stock Exchange and the US Stock Exchanges, which translates into a narrower investor base (less receptive to Indie Campers business model) and a more illiquid market. In addition, the opportunity to list in the "Home Country" exchange might not be ideal to the long-term strategy of Indie Campers due to its lack of liquidity, low attractiveness from investors, lack of strategic global partners and low IPO volume and market size. For instance, the most recent IPO in Portugal was from the company Raize that was able to raise €5.5M and, before that, the last IPO had been in 2016 (Patris Investimentos SGPS SA). PSI-20, which used to hold the 20 biggest Portuguese companies, is now reduced to 18, showing the lack of momentum in Indie Campers' hometown.

Looking into the other side of the Atlantic, in the US, both the NYSE (New York Stock Exchange) and the NASDAQ have a history of great IPOs, such as Alibaba and Facebook. Moreover, due to their sizes, with billions of trades each year, these markets provide an unparallel level of liquidity and become a strategic place to have an IPO due to its visibility. In addition, these exchanges have invested greatly in technology, allowing for faster order execution, decreasing market inefficiencies and delays and creating a fairer and more liquid market. Despite all these advantages, listing in the US can be a great stretch for Indie Campers due to its current geographic representativity. Understandably, most of the partnerships of the company are currently in Europe and will continue to be so for the next years, which might make the company relatively unknown in the US market. Moreover, even if the company enters in said market, the time to effectively develop the partnerships and the know-how necessary to strive in the US might take too long. In fact, if one of the company's motivations for an IPO is to have the required capital to enter in the US market, an IPO within one of these exchanges would not be ideal in terms of timing and strategy. Finally, listing in the US market would raise complexity to the operation due, for example, to the exchange rate ($ to €). Consequently, the IPO would be ideally made in Europe, although, depending on the growth of the company and in the entrance in the US, the opportunity of a second listing in those markets in the future can still be a reality.

Finally, the second most prominent individual European Stock Exchange, the Deutsche Börse tries to differentiate itself from the remaining exchanges by providing a service portfolio that covers all of the process chain including securities and derivatives trading, transaction settlement and the provision of market information, as well as the development and operation of electronic trading systems (*IPO Insights – Comparing Global Stock Exchanges, Earnest & Young*, *2007*). Another big advantage of this exchange is the low capital costs provided for issuers, as well as the high liquidity and low transaction costs for investors, all driven by its highly efficient and process-oriented business model. Moreover, its geographical position in Germany provides strategic enhancement for further partnerships and recognition within the Auto Sector. In fact, not only the main RV producers such as Knaus and Hymer are located in Germany, but also the investor mindset for the auto markets as well as related industries is very beneficial for an IPO of Indie Campers and for future possible ventures within the mobility industry. Finally, the current economic and business environment existent in the UK due to Brexit might lead several companies to be more inclined to opt in a more open German market and, consequently, go public in the Deutsche Börse, which increases expectations on the future of this exchange. On the other hand, however, the Deutsche Börse is only the 7th biggest stock exchange in the world which, when compared with higher exchanges, entails lower monthly trading volumes, lower number and proceeds of and from IPOs and a narrower investor base.

2.3. Prerequisites to fulfill before going public

When considering going public, Indie Campers should consider all the requirements that are put in place both by the stock exchange where it wants to be listed and by the underwriters that are going to subscribe to the IPO.

Exchange Listing Requirements

As it is going to be expressed in the next section (Process), all exchanges have a regulating authority which supervises the listed companies and assesses the companies applying for an IPO. The final output of the regulating authority should be the prospectus which, in the end, is what enables the listing to go through.

For a company to get the final prospectus it ought to follow several requirements (financial, tax, capitalization, etc.) which differ from exchange to exchange. For instance, the NYSE and the Nasdaq have stricter requirements than the Euronext, Börse or the London stock exchange. Nonetheless, in order for a company to be able to list in an exchange it should pass the following criteria areas:

- **Legal, Financials & Tax –** A company should demonstrate audited financials and a correct business administration. Usually this is proved through a due diligence which examines the last 3-5 years of the company's activity.
- **Revenues –** stock exchanges often require the company to have historical revenues higher than a defined threshold (NASDAQ – $90M; Börse – €10M). Although this is a requirement, if a company does not comply with this threshold, they can still go public if they comply with other requirements (e.g. Capitalization).

- **Number of offered Shares –** Stock exchanges have different requisites in terms of number of public shares traded (NASDAQ – 1,25M shares; Börse – at least 1M shares). Consequently, a company that is targeting an IPO should be able to provide the required number of shares.
- **Initial Share Price –** Alongside the number of offered shares, exchanges also predefine the initial share price (NASDAQ – $4 p/share; Börse – €1p/share) which the issuer has to meet.
- **Capitalization –** One of the most important requirements for an exchange is the capitalization of a company. Therefore, exchanges define thresholds for the value of listed securities (NASDAQ – $50M; Börse – €30M).
- **Others –** Although the most important requirements were defined above, a company should always look for additional criteria that might be reserved to an exchange. For instance, there are exchanges with thresholds of pre-income tax, cash-flows, shareholders equity, market makers, number of employees, etc. All of these are accessed by the Investment bank that assists with the IPO.

Underwriters Requirements

Apart from the exchange listing requirements, for an IPO to have a successful outcome it should fulfill what potential underwriters consider to be an attractive investment opportunity. For this to happen, Indie Campers should check the following boxes:

- The company should have strong and consistent revenue that can be predictable. Markets tend to have a negative reaction to missed earnings and difficult to predict businesses. Consequently, the business should be mature enough to be possible to assess correctly the next quarter or years revenues and earnings. Here, some underwriters only accept companies that have annual sales higher than $10M-$25M, hence, Indie Campers should only consider going public once volumes of sales surpass this threshold.

- The company should demonstrate an excess amount of cash in order to fund the potential IPO. The process of going public is costly and most of the costs start before the company can receive the proceeds from the earnings. Therefore, underwriters expect to see a healthy company with enough funds to finance the complete IPO project. According to PwC, 83% of CFOs surveyed estimated spending more than $1M in one-time costs associated with an IPO (*Source: PwC - Considering an IPO to fuel your company's future? – November 2017*). Moreover, to this cost is incremented the underwriters fee, which can range from 4% to 7% of the IPO proceeds.
- Another usual requirement from underwriters relates to the growth potential of the business sector. Although investors want reliable revenues, as mentioned before, they also look for good growth prospects for future years. Industries where double-digit growth rates can be expected are considered high growing industries and are appealing in an IPO event.
- Parallelly to the last point, investors also seek for leading companies within their sector of activity. Consequently, a company that has a dominant position (top 5 or top 10) in its industry and high market share will have higher interest from investors.
- In addition to the financials of the company, underwriters pay close attention to the management team of the company. The quality of management is paramount given that it is their responsibility not only to take accountability of day-to-day operations, but also to divulge quarterly and annual results (earning calls) to investors, both of which have great impact on the market performance of a company. Given this, the company should aim to have qualified C-Level personnel, ideally with experience in IPOs or listed companies.
- Alongside the exchange listing requirements, audited financials are always a requirement for a publicly traded company.
- Also, within the financials, underwriters tend to appreciate businesses with a lower D/E ratio given its lower leverage and risk associated. This fact can have a big influence in a

pricing of an IPO. Although this ratio varies across sectors, ratios that are close to 2 are considered healthy, thus increasing the investment's attractiveness.

- Finally, it is of great importance that the company has excellent processes implemented and has a good long-term plan (with financials supporting this plan). Both these facts shall decrease underwriters' preoccupations and will show the market an image of organization and structured vision for the future.

2.4. IPO Process

The process of an IPO is considered complex and long, often beginning up to two years before the actual listing. Moreover, the complete process is usually composed by twelve steps that lead to the final listing:

1. **Board Approval**

   The IPO process begins by getting the IPO proposal accepted by the board of the company. Here, the management team prepares and presents a case (proposal) which entails the detailed past historical performance of the company, the objectives of going public and the future business plan and projections to sustain the IPO. With this information, the Board of Directors deliberates if the public offering should go forward or not.

2. **Assemble Team**

   After getting the board's approval, the next step in the process is the constitution of the IPO team. Most of the members that will be drafted to this team will be external service suppliers such as the accountant firm and the securities lawyer. Nonetheless, there might be some reinforcement of the management team with advisors or employees with previous IPO or Public listing experiences.

3. **Review and Restate Financials**

   After having the IPO team assembled, one of the first tasks is to review the past financial statements of the company. This requires looking into the last 5 years of financial statements in order to check if everything is in accordance with the Generally Accepted Accounting Principles (GAAP). Furthermore, all transactions and arrangements that might raise questions or that might not be seen as completely correct for a public company are eliminated and the financial statements are restated.

4. **Letter of Intent with Investment Bank**

   Subsequently to having all the financials reviewed, it is time to choose the Investment Bank that the company is going to partner with for the IPO. This stage should result in a letter of intent that formalizes the relationship between both parties and states all the bank fees, offering size, price ranges and other details.

5. **Draft Prospectus**

   With the letter of intent signed and the Investment Bank on the team, it becomes time to draft the prospectus. The prospectus is a document that is usually written by the securities lawyer and the accountants and that serves as a selling and a legal disclosure document for investors (underwriters). A prospectus usually entails:

   - A business description
   - Explanation of management structure
   - Disclosure of management compensation
   - Disclosure of transactions between the company and management
   - Names of principal shareholders and their holdings in the company
   - Audited financial statements
   - Discussion on company operations and financial condition
   - Information on the intended use of offering proceeds
   - Discussion on the effect of dilution on existing shares
   - Breakdown of the company's dividend policy
   - Description of the company's capitalization

- Description of the underwriting agreement

6. **Due Diligence**

   In this part of the process, the company is going to be fully examined by the investment bank and the accountants. The goal here is to confirm if everything within the company is correctly done. Therefore, a due diligence should be exhaustive to evaluate the company's operations, management team and labor force, financial condition, business strategy and plan, legal and tax situation, the industry's landscape and how the company is competitive in that industry.

7. **Preliminary prospectus presentation to stock market regulatory**

   After having the prospectus and the due diligence finalized, it becomes time to present the prospectus to the stock market regulatory entity (e.g. regulatory entity for US exchanges is the SEC). The prospect is reviewed, and the entity will inform the issuing company if more information should be disclosed or further explanations are needed.

8. **Syndication**

   This part of the process is under the responsibility of the investment bank. Here, and after the prospectus draft has been filled with the regulatory entity, the investment bank should partner with other investment banks ("Syndicate") that should aim to sell parts of the offering to investors. This syndication usually works as a market study since there is an opportunity to infer investors appetite for the IPO and narrow the share price range associated.

9. **Road Show**

   This part of the process relates to the formal presentations happening between the management team/investment bankers and potential investors and analysts. This allows the company to, more directly, explain the investment opportunity and the underlying business. Hence, the topics discussed in these presentations relate to the financial condition, operations, performance, strategy, products and services and future plan of the company. Moreover, these meeting allow for investors and analysists to further clarify some questions they might have about the business.

10. Determine Offering Size and Price

Before the registration becomes effective and the sales begin, it is necessary to decide the offering price. Consequently, taking into account the company's performance, pricing of proxy companies, roadshow feedbacks and market conditions, the investment bank will advise on a defined price for the offering. Furthermore, the investment bank will also advise on the size of the offering, always considering the trade-off between capital requirements for the company, the demand from investors and the controlling stakes at the company.

11. Prospectus Finalization

At this time, all the regulatory entity's comments and notes should have been addressed and revised in the prospectus. Once this has been done, the stock market regulatory entity should declare the registration effective and the status of the prospectus should be "*go to print*".

12. Print

At this point, a financial printer, with the required capacity and that is acquainted with the stock market regulatory entity's regulations, will print the final version of the prospectus which should then be expedited to all the defined underwriters. Subsequently, on the closing date, the underwriter receives its shares and the company receives the proceeds from the offering. Shortly after, the shares should start trading on the exchange.

3. IPO Valuation

3.1. How did similar IPOs go?

Despite the broad competitive landscape within Indie Campers' sector of activity, most companies are privately owned, only two being publicly traded (Tourism Holdings Ltd and Apollo Tourism & Leisure).

Tourism Holdings Ltd (THL: NZSE) is a New Zealander company that was founded in 1984 and debuted in the New Zealand Stock exchange on the 3rd of June 1986. Since then, the company has issued additional securities in several occasions being the last one the issue of 590,065 shares on the 11th of October 2018 for the nominal price of NZ$5.283. In the original IPO in 1986, the total of 4M shares were issued at the value of NZ$4. Information regarding the road show was not available, making it impossible to infer if the demand was high for the IPO. Nevertheless, the market reacted positively to Thl's first trading day leaving the price per share at NZ$4,34 at the closing of the session leading early investors to a 8.5% return on investment on the first day (*source: Bloomberg*). Finally, it is also important to refer that since the IPO, Thl has become the largest provider of recreational vehicles for rent in Australia and New Zealand and has been able to expand its operations to the US and UK. Alongside this, the company has been able to close major deals and partnerships (e.g. Partnership with Thor in 2018).

On the other hand, there is Apollo Tourism & Leisure (ATL: ASX) which was founded in 1985 but was maintained private until November 4th, 2016. Apollo went public in the Australian stock exchange issuing 50M shares at a price of AUS$1 per share. The IPO process occurred smoothly, being the total of shares subscribed for its nominal value (*Joneday, October 2016*). Furthermore, shares soared during the first trading day closing at AUS$1.325 which reflects a positive market reaction to the IPO and giving early investors a return on investment of 32.5%

in the first trading day. Since the IPO, Apollo has acquired Camperco and has entered in the UK and European markets through this acquisition.

Although there is a narrow number of IPO examples for this type of business, both have been successful and supported the companies in their expansion and business strategies. Furthermore, an important fact is that both IPOs took place in Oceania, which might reveal an increased interest for these types of investment opportunities in the region.

Looking into the Mobility sector, where Indie Campers has indirect competitors, it is noticeable that IPOs have not been as successful as in the RV rental industry. For instance, Hertz, founded in 1918, decided to publicly list 28% of its equity in the market in 2006. In the IPO process, the company was expecting to sell 88.2M shares at a price ranging from $16 to $18. However, after the road show, the company was only able to price its shares at $15 failing the overall target (*Source: New York Times - Hertz Downshifts I.P.O., Raising $1.3 Billion (2006)*). Furthermore, in 2015, Europcar, another company in the sector, debuted in the Euronext Paris. According to the company's IPO prospectus, the objective was to raise a total of €854.5M with target share prices ranging from €11.5 to €15. At the time of the issue, the company managed to sell 71.8M shares at a price of €12.25, raising €879M and obtaining a value of €1.75B, meaning that demand for the IPO outweighed supply. Nevertheless, the company's first trading day, where share prices were down 3.3%, proved not as successful, which raises concerns to the overall market reaction to IPOs of this sector (*Source: The New York Times - Europcar Shares Decline in Early Trading After Paris I.P.O.*).

3.2. Is this a business that will generate interest among investors?

As seen in the previous part, both IPOs that happened in this sector (RV rental) were successful. Also, both happened in Oceania, which can unveil a higher understanding and valorization of this kind of business for investors in that region. Such valorization can arise from several business-related reasons, being the major one the high demand for road trip experiences in that area, which largely increases the company's value.

On the other hand, however, the biggest market for this sector is the US which has not yet had an IPO of this kind. This fact leads to the belief that, perhaps, privately-owned companies in the sector do not want to go public or that there is no interest from investors to have such IPOs. On one hand, it can be argued that the ease of access to debt, alongside the scrutiny and cost of taking a company public, might lead companies in the sector to prefer remaining private or to adopt other equity financing alternatives (e.g. Private Equity Funds). Inversely, investors might not be looking for asset heavy investment opportunities in the services sector. In fact, according to Ernest and Young, in 2018 the tech sector is leading the IPO ranking followed by the industrials sector and health care, being the first two considered asset light sectors (*EY, Global IPO trends: Q3 2018*).

Finally, bearing in mind that Indie Campers is converging to an asset light business model, in which vehicles are going to be ordered under operational leasing agreements (with buy-back clauses), the company is going to be able to reposition itself as a technological focused service provider with a profitable operational business and a healthy balance sheet. Consequently, assuming a successful transition to this business model, the company will differentiate itself even further from its competition and increase overall interest from investors in the regions considered for an IPO.

3.3. Valuation by Discounted Cash Flow analysis

3.3.1. Business Main Drivers

Revenues

Indie Campers revenues are expected to follow a steep increase in the following years (*Annex 13*) mainly due to its aggressive expansion strategy and marketing optimization. The company expects to increase its position in the European market and be present in the overall region by

2020. Moreover, with the entrance in bigger and more competitive markets, the company's disruptive business model and product offering are expected to bring increasing momentum to sales. By the end of the expansion plan, the company is expected to be operating in 149 locations across 33 countries. Furthermore, in 2019, sales are expected to be €25M, which will grow to €105M in 2021, with the entrance in the US, and to €269M in 2023, with the extension to Oceania. Additionally, it was assumed that sales will subsequently grow at a steady 8% yearly rate until 2028, mainly justified by the prosperous market landscape (increase in the adventure tourism market and intensification in number of Millennials and Generation Z tourists) and by increase in market share.

Finally, to the scope of this valuation, it was assumed that the company will continue operating exclusively within its core business, therefore, incremental revenue streams from potential new business units (e.g. RV production and retail) were not considered as it is not yet in the company's strategic pipeline.

Operational Margin

Following the revenues trend, the operational cost structure of Indie Campers will also increase greatly with expansion. Considering the strategic shift towards the adoption of an asset light model in which vans are operationally leased under a buy-back agreement, vehicle associated costs will become one of the most important components for business profitability.

For the five-year timeframe imposed for the expansion plan, the company expects to increase its high season fleet from 627 in 2018 to 10,600 in 2023. Inferably, this increase will have direct impact in all vehicle related costs (amortization, interest, insurance, maintenance, repairs and extras), seen in *Annex 14*, that climb from a total of €7.6M in 2019 to €48.4M in 2023. In the second five-year time span (2023-2028), vehicle cost are expected to increase at a steady rate of 4%, due to the increase in sales but offset by optimization. This optimization is present throughout the years and is mainly driven by the increase in occupation rates (higher profitability per unit) and decrease in the average vehicle monthly cost (e.g. decrease in interest rate, insurance cost per month, maintenance and repair costs due to negotiations with suppliers, etc.) which was assumed to be 10% a year.

Apart from the vehicle costs, the other most relevant costs for the operational success of Indie Campers are operational personnel costs and variable operational costs (cleaning, consumables, fuel, laundry, temporary subcontracted services, etc.). Both will increase exponentially during the time of expansion as it can be seen in *Annex 15* and then, once the internationalization strategy is concluded, will reach a steady growth rate of 4%. Similarly to vehicle costs, these costs will be growing due to the increase in operational activity, however, will be offset by optimization and scale gains. In fact, the company expects efficiency gains up to 25% per year in the first years and 8% YoY gains over the long-term. The reason for these numbers is mainly due to increasing negotiating power with suppliers and technological development, which will optimize processes.

All in all, Indie Campers expects increasing and highly profitable operational margins (*Annex 16*) that can sustain its necessity for investment in marketing and in central service costs (discussed further ahead). The company is expected to reach a positive operational result of €281M by 2028.

EBITDA

Given that Indie Campers is going to adopt the asset light model previously mentioned, the remaining items to discuss before going further into the valuation are the denominated central service costs and the costumer acquisition costs. These two will represent a considerable part of the cost structure moving forward, mostly because of the aggressive marketing, technological and international strategies.

The first item relates to every cost comprised on the central structure of Indie Campers, such as the management team, external suppliers, licenses, central rents and board and lodging (*Annex*

17). Within these, the first three are the most relevant, being the main sensitivity drivers of an overall healthy EBITDA margin.

In terms of central personnel, the strategy in place focusses on high and sustainable growth, which will translate in increased hiring for the areas of marketing and product & technology. Moreover, with the overall increase in business dimension, the supporting staff (finance, human resources, customer excellence, business development, etc.) will also increase, however, at a lower rate. The overall central staff numbers can be seen in *Annex 18* and reflect an increase from 98 resources in 2019 to 401 in 2028 (overall costs increase from €2.5M to 13.7M).

In terms of costumer acquisition costs, Indie Campers expects a high investment level throughout the next 5 years followed by a decrease after the market share is strong across the geographies. This investment pattern is reflected in *Annex 19* in which we see an increase in investment from €5.1M in 2019 to €104M in 2028. The reason for this high level of investment is the need to attract first comers to this sector. In fact, the majority of the clients of Indie Campers (63%) are first-time camper van users. Furthermore, once the company is established in more competitive markets each client will be more expensive to acquire. Hence, market share will only be able to increase if marketing efforts increase as well.

Net Income & Growth Rate Expectations

Due to increased efficiency in operational processes and economies of scale, Indie Campers EBITDA margins are expected to increase throughout the years reaching 28% in 2028. Moreover, initial central investment (increase in personnel and G&A cost) is expected to be diluted throughout the years, decreasing its weight in the overall EBITDA margin. In terms of absolute numbers, Indie Campers is expected to produce a free cash flow of €2M in 2019, which will then rump up to €109M in 2028. These last free cash flows will be considered for the discounted cash flow valuation (*Annex 20*).

Furthermore, after year 2028, it was assumed that Indie Campers will have a perpetual growth rate of 2%. This growth rate is primarily justified by an increase in brand awareness over the long run, which then translates in higher market share across the mentioned geographies. Moreover, increased efficiency due to technological developments, increase in occupancy rates and scale gains will allow Indie Campers to, in an early stage, cut part of its current costs and, in the long run, maintain a healthy cost base. Inferably, these growth levels assume that economic and sector growth continue to follow the upward trend previously mentioned.

3.3.2. WACC

After having determined Indie Campers' free cash flows, the next step towards calculating the value of the company is to estimate the WACC, which is composed by the company's cost of equity, cost of debt and targeted debt to equity ratio.

Regarding the cost of equity, calculated under the Capital Asset Pricing Model (CAPM), it was perceived that Indie Campers' business was very specific, hence, the available number of comparable companies is narrow, thus, only Thl and Apollo were considered for this analysis. Nevertheless, to further extend the cost of equity analysis, a second calculation was made based on companies that operate in a similar sector, Mobility Services, and that are indirect competitors of Indie Campers. Here, the companies Hertz Global Holdings, AvisBudget Group, Europcar Mobility Group and Sixt SE were considered as comparables. Consequently, for all companies and for the scope of this analysis, the metrics debt to equity ratio, tax rate and levered beta were retrieved from Bloomberg. All this information, as well as the subsequently calculated unlevered betas are expressed in *Annex 21*.

For each of the weighted unlevered beta analysis made, it was considered that every comparable company had an equal weight. In other words, it was considered that for analysis one, Apollo's beta and Thl's beta each had a weight of 50%, whereas in analysis two each company's beta had a weight of 25%. Furthermore, in order to calculate Indie Campers' levered beta, it was assumed that the company's future tax rate will be 25% and the long-term targeted debt to equity ratio will be 0.2. As a result, Indie Campers' levered beta under the first analysis was 0.49 whereas in the second analysis was 0.45.

Parallelly, the remaining CAPM model assumptions, market risk premium and risk-free rate were calculated. Given that around 60% of Indie Campers business will be done in Europe and its central structure is going to be based in Europe, a representative index of this region was used (DAX), as a risk free, the German 10-year bond was considered. In order to avoid short-term trends, both outputs were calculated based on a 10-year historical database (from 2008 to 2018). As a product, the average market return totaled 10.51% and the risk-free rate 1.48% making the risk premium 9.04% (*Annex 22)*.

Considering all aforementioned inputs, and assuming that the cost of debt is the current one (1.69%) and remains unchanged throughout the year, it was possible to calculate Indie Campers' WACC. Under the first analysis (using Apollo and Thl as comparable companies) a WACC of 5.17% was obtained, whilst, in the second analysis (using the mobility sector comparable companies), a WACC of 4.92% was obtained (*Annex 22)*.

Finally, it is important to mention that no liquidity, options or market adjustments were made to the overall WACC calculation.

3.3.3. Valuation

Using the previously achieved results, it was possible to valuate the company under the discounted cash flow method. Considering the free cash flows of the 10-year project, the perpetuity associated with the business after year 10 and the WACC calculated before, we achieve an enterprise value of €2.4B under analysis one (close comparable companies) and of €2.7B under analysis two (mobility comparable companies). Moreover, taking into account the aforementioned D/E ratio, the enterprise values expressed will translate into equity values of €2.0B and €2.2B, respectively (*Annex 22*).

3.4. Multiples-based valuation

As an alternative valuation, a multiples-based valuation, also using the previously comparable companies (also divided into two analysis), was computed. Furthermore, given that Indie Campers is not traded publicly, some of the multiple comparisons, such as P/E ratios or P/B ratios, could not be applied. Consequently, the best multiples to be considered would be the ones that could be indexed to the P&L expressed on the business plan of the company and that were also commonly used in the industry. The final choice was to calculate the company's value through a Value/EBITDA multiple and via a Value/Sales multiple. The first multiple is widely used across industries due to its ability to reflect operational profitability and free cash flow (e.g. companies with higher EBITDA in the same sector show higher operating capacity and efficiency which increases margins (and FCF) and increase the overall company valuation). The second multiple however, although a bit more subjective, is used in the mobility area as a reflection of market share (e.g. companies with higher sales have a higher market share and consequently should have a higher valuation).

Regarding the Value/EBITDA analysis, comparable firms expressed the multiples shown in *Annex 23*. From the individual multiples, an average was calculated which then served as input to calculate Indie Campers' enterprise value. Thus, with the average multiple Value/EBITDA of 7.39 and 8.54, an enterprise value of €1.2B and €1.3B, respectively, we reach. This, assuming the same D/E ratio as before, entails an equity value of €965M and €1.1B, respectively.

On the other hand, a similar analysis was done using the Value/Sales analysis. Within this analysis, comparable companies showed the multiples expressed in *Annex 23*. As in the previous analysis, the average of the Value/Sales was calculated translating into the results of 1.65 and 2.12. These reflect an enterprise value for Indie Campers of €655M and €838M respectively and, an equity value of €546M and €699M, respectively (*Annex 23*).

3.5. Sensitivity analysis

Having concluded the valuation, this section will focus on testing some of the most important inputs and assumptions used for the valuation model.

Firstly, the company’s valuation was tested to changes in the WACC and growth rate. These changes were conducted under both analysis previously done for the DCF valuation and the results can be seen in *Annex 24*. Furthermore, the WACC was tested for the intervals [3.67%;6.67%] and [3.42%;6.42%], respectively. On the growth rate side, the interval was set between 0% and 3% for both cases. It was possible to conclude that for both variables the company’s valuation can change greatly. On one hand, changes of 1% in WACC, driven by shifts in the cost of debt, cost of equity or in the D/E ratio, can lead to increases in valuation of more than 50% or decreases of more than 25% (e.g. a decrease of 1% in the WACC translates into an increase in valuation from €2.4B to €3.7B in analysis 1 and an increase from €2.7B to €4.3B in analysis 2). On the other hand, changes in growth rates have a lower, nevertheless significant, impact in the company’s valuation. Here, changes of 1% can increase the company’s value more than 40% or, contrarily, decrease it by more than 20%.

As a second analysis, operational inputs and assumptions were tested under seven scenarios. Among these, the variables sales, vehicle costs, operational costs, CAC and central service costs were changed negatively and positively depending on the scenario (all assumptions and results can be seen in *Annex 25*). The reasoning for changes was to reflect a normal distribution with a standard deviation of 5%. Consequently, assuming most of the scenarios will fall between ±3 standard deviations, the change on operational inputs will always fall between ±15%.

From this stress test, it could be concluded that the company’s valuation is less sensitive to changes in both sales and operational costs when compared with the first analysis. For instance, in a pessimistic scenario, where sales drop by 5% and costs increase by 5%, the company’s valuation falls to €1.88B and €2.06B for its respective DCF valuation analysis. On the opposite direction, in an optimistic scenario, where sales increase by 5% and costs decrease by 5%, the company's valuation increases to €3.0B in analysis 1 and €3.3B in analysis 2.

Finally, it is important to mention that the changes in sales can be driven by a decrease in demand, slower expansion growth and higher difficulty in attaining market share. On the other hand, cost changes are influenced by efficiency in company's processes, negotiation power with suppliers and increasing or decreasing costs regarding paid customer acquisition.

3.6. What are the pros and cons of each method?

Within this project two valuation methodologies were used to calculate Indie Campers' value, the DCF valuation model and the Comparables Multiple-based Model.

Firstly, the DCF valuation assumes a more accurate approach to the company's business fundamentals given that the intrinsic value is calculated via the free cash flows, which are a repercussion of the company's future strategy. Furthermore, the WACC is calculated by using the cost of equity inputs of the best comparable companies traded in the public market and by the expected long-term strategy the company aims to achieve in terms of D/E ratio and cost of debt. Nevertheless, this valuation is based mainly in operational and growth assumptions which, in the long run, might not translate into an equal reality (e.g. sales might be lower or higher than expected). Hence, the free cash flows of this model, although mirroring the perspective of the company, can be difficult to materialize.

On the other hand, not only is the Comparables Multiple-Based Valuation easier to understand and apply, but it also implies less assumptions than the DCF methodology. Furthermore, the comparable companies used are publicly listed which allows to reflect the current momentum of the market. Nevertheless, the use of multiples can be considered subjective and difficult, given the dissimilar characteristics of comparable companies (e.g. Indie Campers business model is different from its publicly traded comparables). Additionally, this model works under the assumption that the market is accurately pricing the comparable companies, which might not be completely true.

4. Conclusion

4.1. Go Public or Not

Firstly, and independently of the potential IPO valuation and prospects, Indie Campers should internally debate thoroughly the advantages and disadvantages of going public. As stated, going public changes greatly the operating environment of a company and, as such, this shift should be deliberated carefully. Since Indie Campers business fundamentals are strong, the primary reason for an IPO might not be to raise funds for future projects, but for early investors to have a ROI and for increased global visibility. Consequently, the company should assess if alternative opportunities, parallel to an IPO, yield higher valuations or higher advantages (e.g. M&A deal).

Nonetheless, considering that the assumptions used for Indie Campers valuation hold, the company would have a good valuation, achieving the status of *Unicorn* and becoming the largest company in its industry. Hence, a potential IPO would be beneficial for Indie Campers. This IPO is believed to have a higher strategic impact for the company and a higher chance for success if done in the Nasdaq and the Börse. Given its strategic landscape, characteristics and investors profile, these exchanges show unmatched benefits for Indie Campers.

Assuming Indie Campers is in fact valued between [€2.4B; €2.7B] and that the target D/E ratio of the company (0.2) is achieved, we reach an equity value that ranges from €2.0B to €2.2B (*Annex 26*). Furthermore, the company currently holds 5M outstanding shares, which is considered low for an eventual IPO scenario. Therefore, the company should increase its outstanding shares to an amount that would allow it to publicly list a fair percentage of equity, however, maintaining majority control, and leave a margin for new potential public listings.

Consequently, and from management's feedback, the company should aim to increase its outstanding shares to 100M.

From the above outstanding shares, it was assumed that only 15% (15M shares) should be traded in the IPO, therefore, maintaining operational control of the company and maintaining a shares margin for future incremental listings if necessary. With this information, Indie Campers IPO share price should be set within the range [€20.27; €20.33] under the DCF valuation or the range of [€5.46; €1.14] considering the Multiples-based Model (*Annex 26*). It is believed that, given the unique business model of Indie Campers and the lack of close comparables, the DCF valuation should have a higher weight on both the Valuation and Price and should therefore be considered the IPO target price.

4.1. Disclaimers and Recommendations

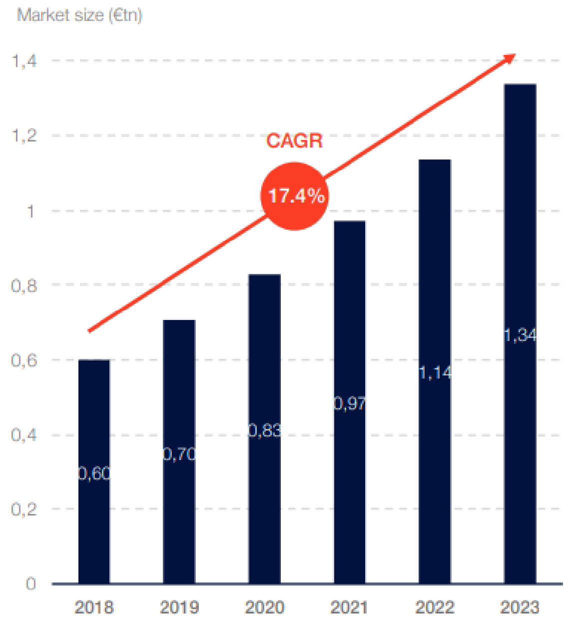
Although this analysis yields a positive outcome for an IPO, Indie Campers should analyze thoroughly, with an investment bank, the overall initial and ongoing costs and legal specificities of a potential IPO. Publicly listing a company requires deep understanding of exchange, fiscal, legal and accounting requirements, all of which were not covered in enough depth within this paper and are only able to be fully assessed by an expert counterparty on the field.

Furthermore, the company is still considered a young player in the market, making the realized valuation difficult to conceptualize for potential investors. Consequently, if Indie Campers decides to forgo an IPO within the next 2 years, it is likely that much lower valuations are obtained. Moreover, the company currently has inefficient processes and hires very talented, yet young individuals who might lack the necessary expertise for an IPO scenario. Both these qualities can hurt a potential IPO which could prove costly to the company. Hence, Indie Campers should consider timing its listing after the next two to three years. This would allow the company to improve on its business model and realize part of its business plan, allowing investors to better grasp and valuate the potential of the company. Also, despite forgoing the potential advantages of IPO now, the company would benefit from them in a larger scale in the future (e.g. increase visibility, increased prospects, increased strategic enhancement, etc.).

In addition, the company should only consider undergoing with an IPO during a period of economic and market expansion given its increased probability of positive impact in the IPO pricing (e.g. Opsware, that listed during the dotcom bubble, achieved lower valuation than it would have it listed before the dotcom bubble).

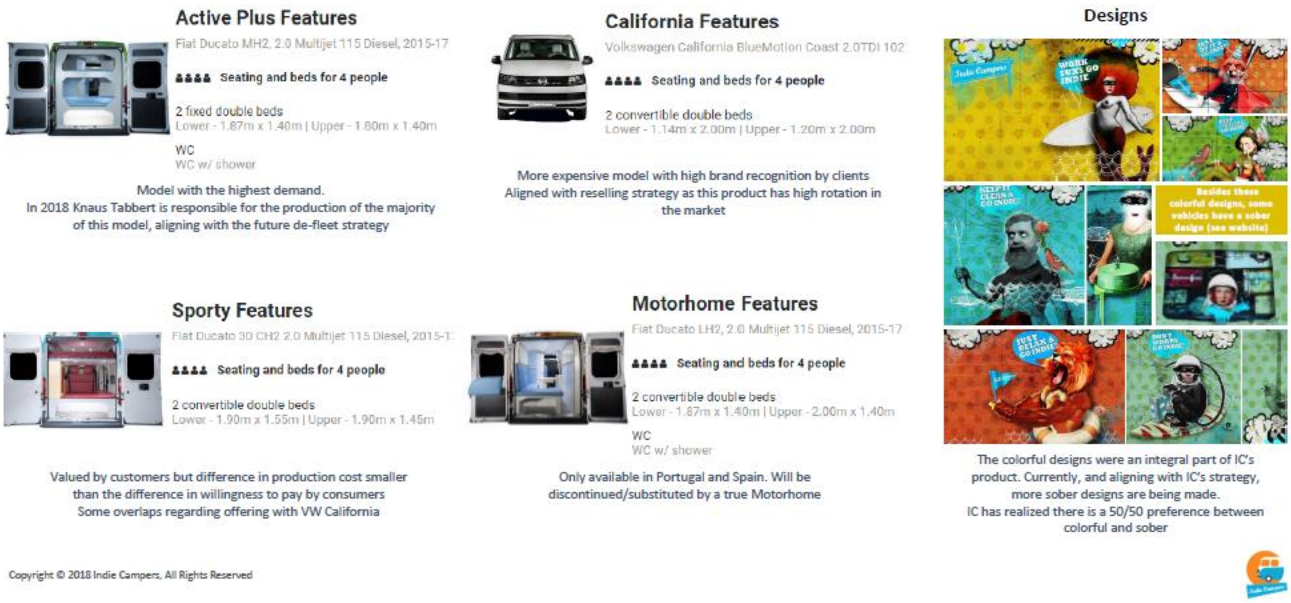
Finally, the company should only consider undergoing an IPO in the near future (next 3 years) if other sources of equity financing (e.g. Private equity financing or Venture Capital) are not available or if the market climate is propitious to an abnormal high valuation. From the company's side, there has not been an historical difficulty in finding potential investors for capital increases, hence, there is no reason to believe that this would invert now. Moreover, current market momentum (late 2018) seems to be slowing down, diminishing the probability of success for an IPO.

Annexes



Annex 1 – Adventure tourism industry size from 2018 to 2023 - *Source: Allied Market Research – Adventure Tourism Market (2018)*

Annex 2 – Indie Campers Positioning Matrix and Competitive Landscape – *Indie Campers Internal Information*

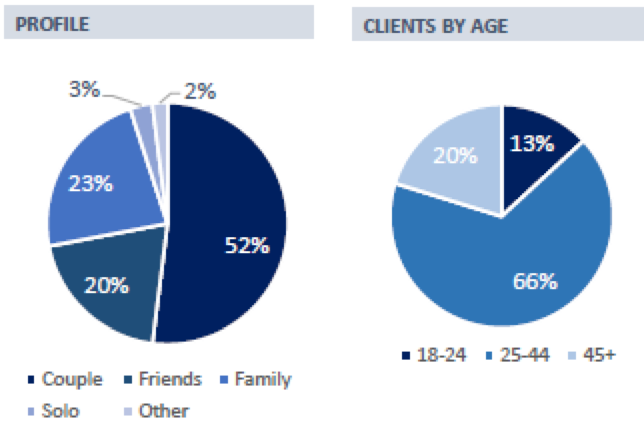


Annex 3 – Indie Campers current van models and characteristics - *Indie Campers Internal Information*

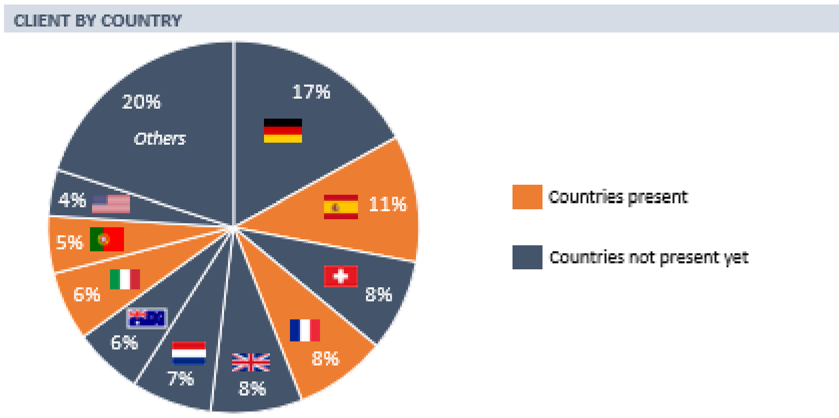
2017		2018		2019E		2020E	
Total	50	Total	43	Total	55	Total	63
Portugal	4	Portugal	3	Portugal	3	Portugal	3
Spain	11	Spain	6	Spain	6	Spain	6
France	15	France	12	France	12	France	12
Italy	18	Italy	13	Italy	14	Italy	14
Belgium	2	Belgium	2	Belgium	2	Belgium	2
		Netherlands	1	Netherlands	1	Netherlands	1
		Switzerland	3	Switzerland	3	Switzerland	3
		Germany	2	Germany	6	Germany	6
		Croatia	1	Croatia	3	Croatia	3
				UK	3	UK	3
				Ireland	1	Ireland	1
				Iceland	1	Iceland	1
						Czech Republic	1
						Denmark	1
						Finland	1
						Greece	1
						Latvia	1
						Norway	1
						Poland	1
						Sweden	1

Locations served
Present 2019 2020

Annex 4 – Indie Campers current representativity and expansion plan until 2020 - *Indie Campers Internal Information*



Annex 5 – Indie Campers customer profile and age division - *Indie Campers Internal Information*



Annex 6 – Indie Campers customer nationality dispersion - *Indie Campers Internal Information*

Remaining Debt

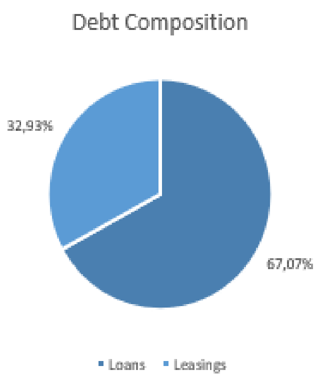
Bank/Entity	Loans	Leasings	Total
BCP	487 067 €	537 765 €	1 024 831 €
CGD/CLF	350 000 €	538 724 €	888 724 €
Montepio	4 783 442 €	729 483 €	5 512 924 €
FCA	861 749 €	111 293 €	973 041 €
Santander Totta	- €	- €	- €
Popular	- €	84 258 €	84 258 €
Novo Banco	500 000 €	426 394 €	926 394 €
Turismo de Portugal	5 074 385 €	- €	5 074 385 €
Volkswagen	185 161 €	979 941 €	1 165 102 €
Mercedes Fin. Serv.	- €	321 374 €	321 374 €
RCI	- €	73 543 €	73 543 €
BPI	- €	2 207 753 €	2 207 753 €
Total	**12 241 803 €**	**6 010 528 €**	**18 252 331 €**
Weight	67,07%	32,93%	**100%**

Loan

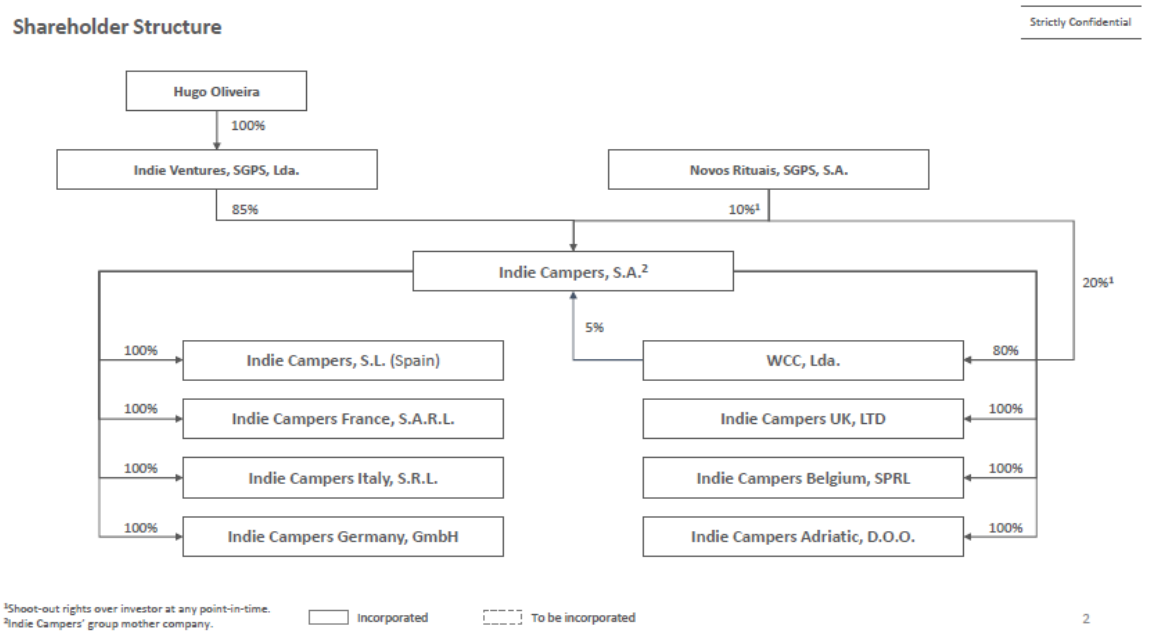
	Rate	Term
Average	1,83%	78 months
Max	4,91%	96 months
Min	0,00%	48 months

Leasings

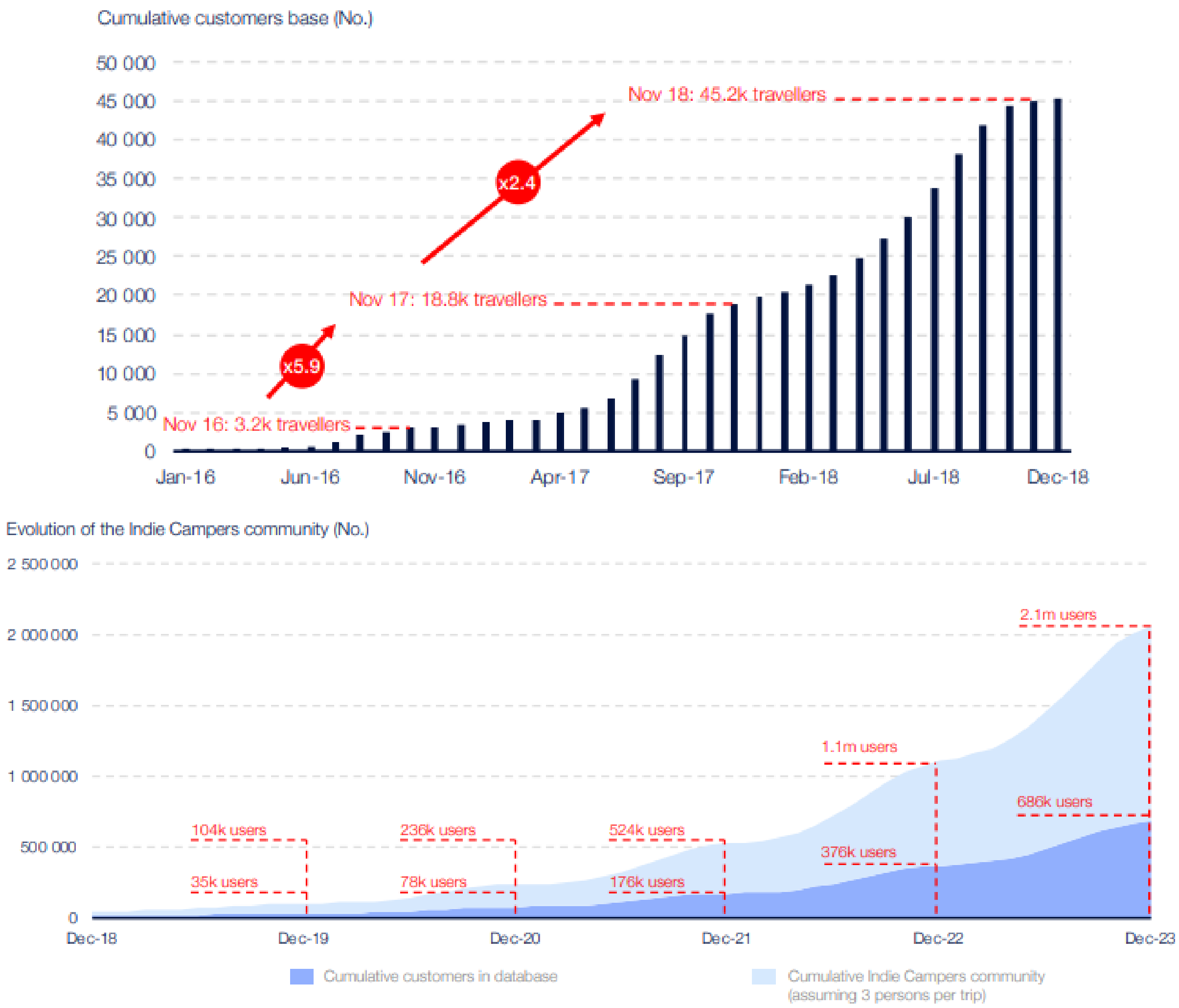
	Rate	Term
Average	2,77%	64 months
Max	3,60%	72 months
Min	0,05%	48 months



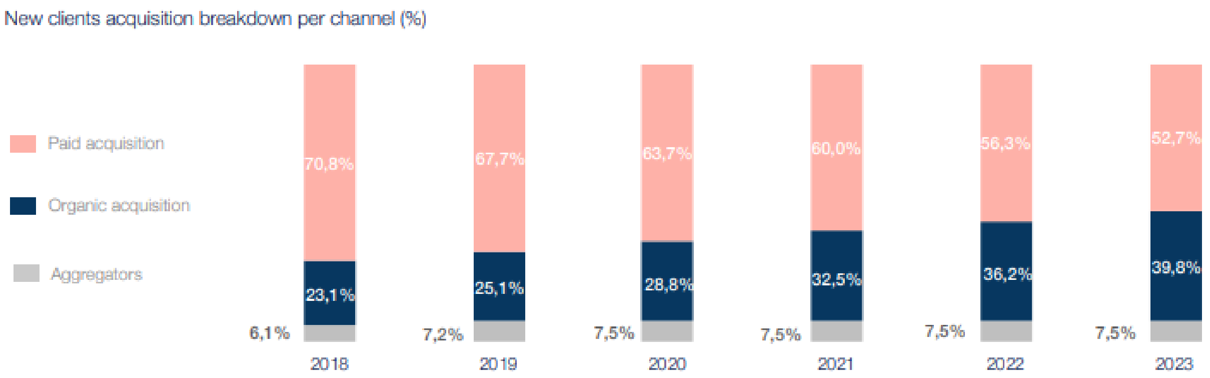
Annex 7 – Indie Campers debt information - *Indie Campers Confidential Information*



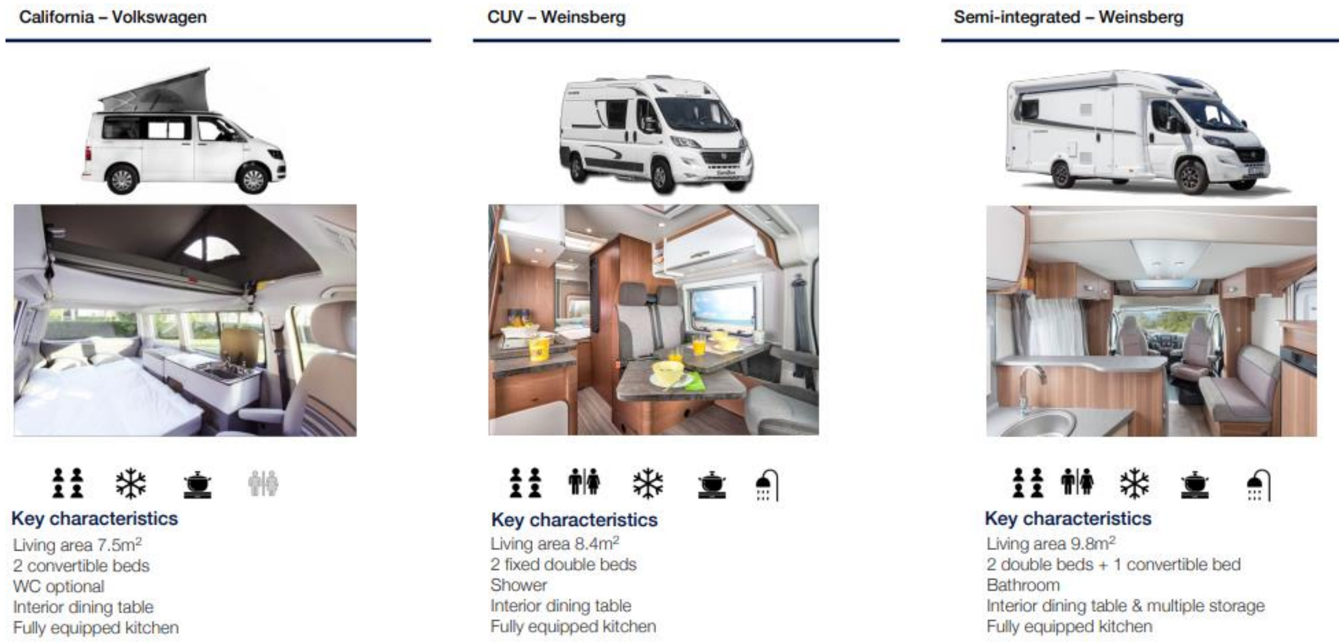
Annex 8 – Indie Campers shareholder structure - *Indie Campers Confidential Information*



Annex 9 – Indie Campers current customer base and expected overall community - *Indie Campers Confidential Information*



Annex 10 – Indie Campers acquisition per channel dispersion - *Indie Campers Confidential Information*

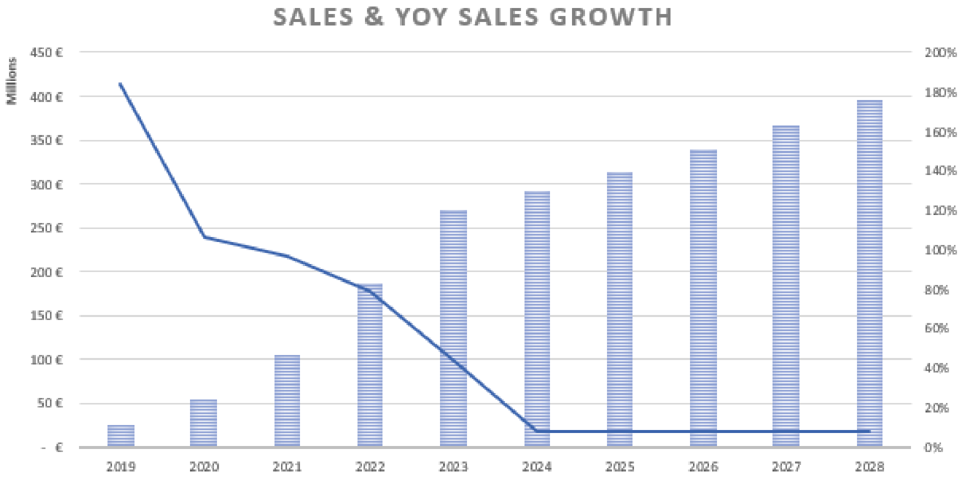


Annex 11 – Indie Campers New Product Offering for 2019 - *Indie Campers Confidential Information*

Rank	Stock exchange	Country	Market place	Market cap (USD bn)	Monthly trade volume (USD bn)
1	New York Stock Exchange	United States	New York	23,139	1,452
2	NASDAQ	United States	New York	10,376	1,262
3	Japan Exchange Group	Japan	Tokyo	6,288	481
4	Shanghai Stock Exchange	China	Shanghai	5,023	536
5	Euronext	European Union	Amsterdam Brussels Dublin Lisbon Paris	4,649	174
6	London Stock Exchange Group	United Kingdom Italy	London Milan	4,596	219
7	Hong Kong Stock Exchange	Hong Kong	Hong Kong	4,443	182
8	Shenzhen Stock Exchange	China	Shenzhen	3,547	763
9	Deutsche Börse	Germany	Frankfurt	2,339	140
10	Bombay Stock Exchange	India	Mumbai	2,298	210

Annex 12 – List of top Stock Exchanges – *Source: Wikipedia*

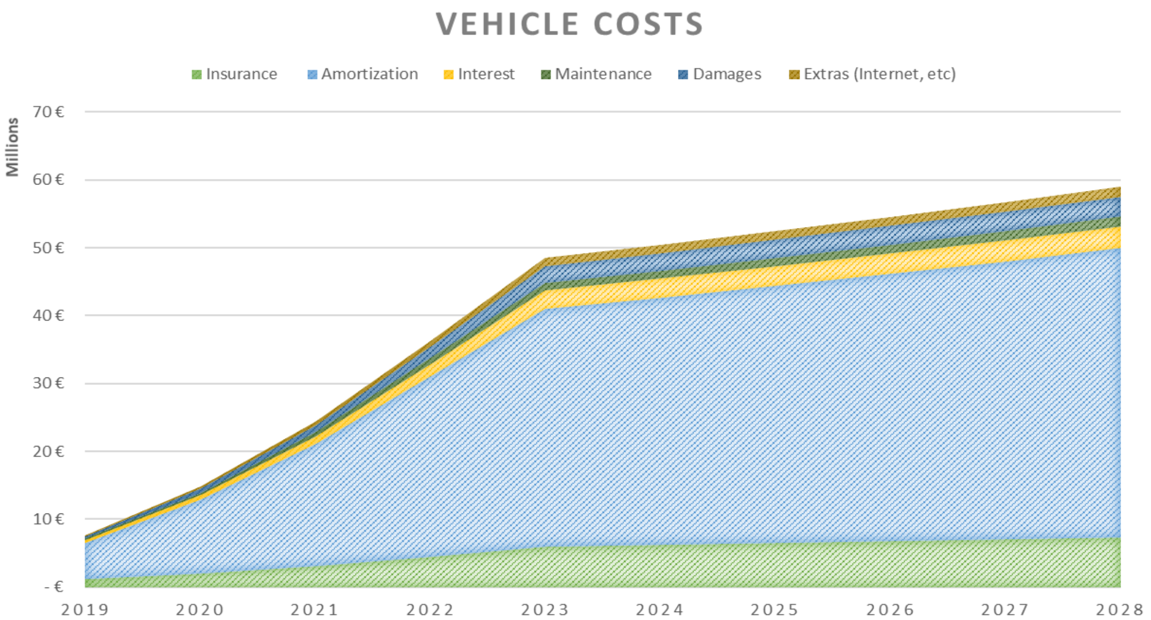
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Sales	25 834 429 €	53 272 131 €	104 684 458 €	187 336 950 €	269 566 295 €	291 131 599 €	314 422 127 €	339 575 897 €	366 741 968 €	396 081 326 €
YOY Growth	184%	106%	97%	79%	44%	8%	8%	8%	8%	8%



Annex 13 – Indie Campers Budgeted Sales and YOY Sales Growth – *Source: Indie Campers IPO Valuation Model*

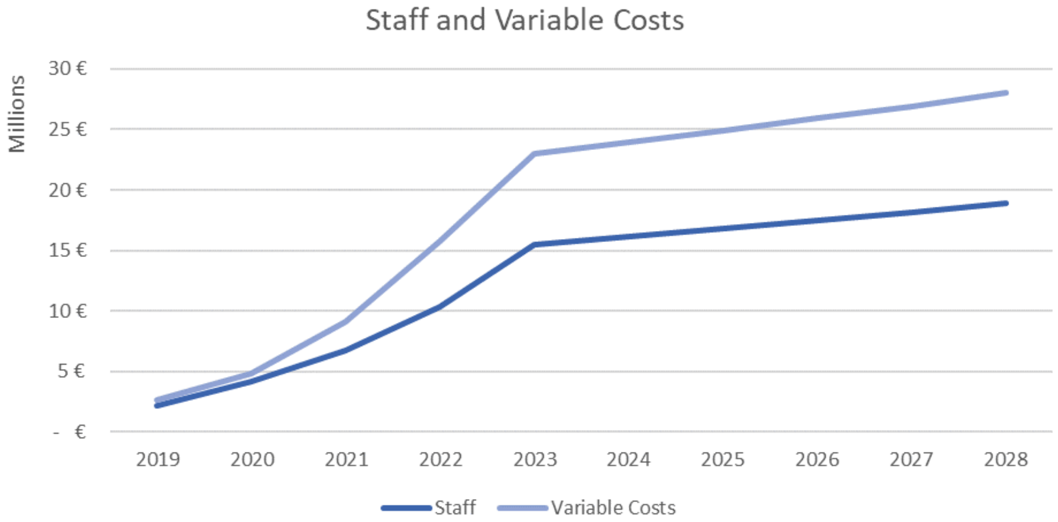
	Jul/2018	Jul/2019	Jul/2020	Jul/2021	Jul/2022	Jul/2023	Jul/2024	Jul/2025	Jul/2026	Jul/2027	Jul/2028
#Of Vehicles	627	1277	2775	4520	7350	10600	11024	11465	11924	12401	12897

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Insurance	1 142 185 €	1 961 456 €	3 079 539 €	4 523 598 €	5 984 068 €	6 223 431 €	6 472 368 €	6 731 263 €	7 000 514 €	7 280 534 €
Amortization	5 371 436 €	10 890 047 €	18 042 144 €	26 502 476 €	35 058 955 €	36 461 314 €	37 919 766 €	39 436 557 €	41 014 019 €	42 654 580 €
Interest	438 734 €	707 470 €	1 112 607 €	1 827 322 €	2 671 062 €	2 777 905 €	2 889 021 €	3 004 582 €	3 124 765 €	3 249 756 €
Maintenance	218 578 €	375 361 €	589 327 €	865 674 €	1 145 162 €	1 190 968 €	1 238 607 €	1 288 151 €	1 339 677 €	1 393 264 €
Damages	306 707 €	585 225 €	1 020 910 €	1 666 262 €	2 449 139 €	2 547 104 €	2 648 988 €	2 754 948 €	2 865 146 €	2 979 752 €
Extras (Internet, etc)	144 276 €	275 292 €	480 240 €	783 816 €	1 152 084 €	1 198 167 €	1 246 094 €	1 295 938 €	1 347 775 €	1 401 686 €
Total	7 621 917 €	14 794 850 €	24 324 766 €	36 169 147 €	48 460 470 €	50 398 889 €	52 414 845 €	54 511 438 €	56 691 896 €	58 959 572 €
YOY Growth	89%	94%	64%	49%	34%	4%	4%	4%	4%	4%



Annex 14 – Indie Campers Fleet and Fleet Costs – *Source: Indie Campers IPO Valuation Model*

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Staff	2 152 369 €	4 166 451 €	6 712 561 €	10 334 784 €	15 505 467 €	16 125 686 €	16 770 713 €	17 441 542 €	18 139 203 €	18 864 772 €
YOY Growth	162%	94%	61%	54%	50%	4%	4%	4%	4%	4%
Variable Costs	2 621 333 €	4 776 420 €	9 093 998 €	15 722 034 €	23 028 549 €	23 949 691 €	24 907 679 €	25 903 986 €	26 940 145 €	28 017 751 €
YOY Growth	261%	82%	90%	73%	46%	4%	4%	4%	4%	4%

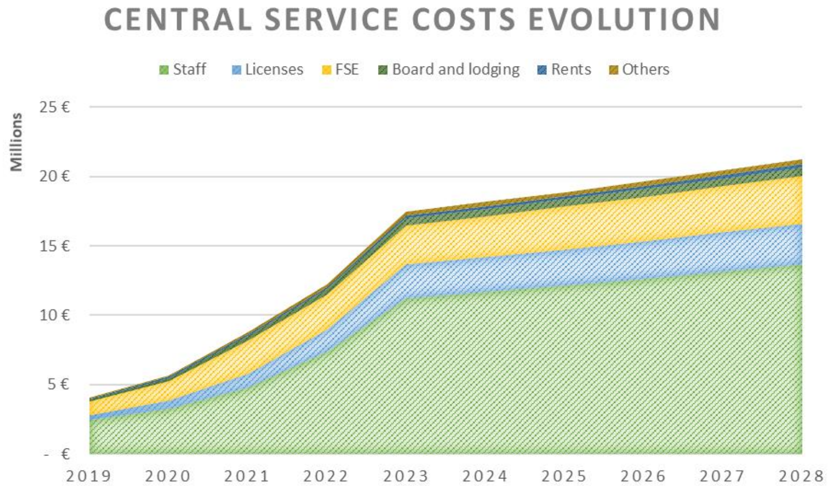


Annex 15 – Indie Campers Operational Staff Costs, Variable Operational Costs and respective YoY growth – *Source: Indie Campers IPO Valuation Model*

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operational Margin (€)	12 020 323 €	26 868 343 €	60 602 386 €	119 580 439 €	175 336 960 €	193 133 090 €	212 503 678 €	233 580 710 €	256 506 974 €	281 436 932 €
YOY Growth	192%	124%	126%	97%	47%	10%	10%	10%	10%	10%

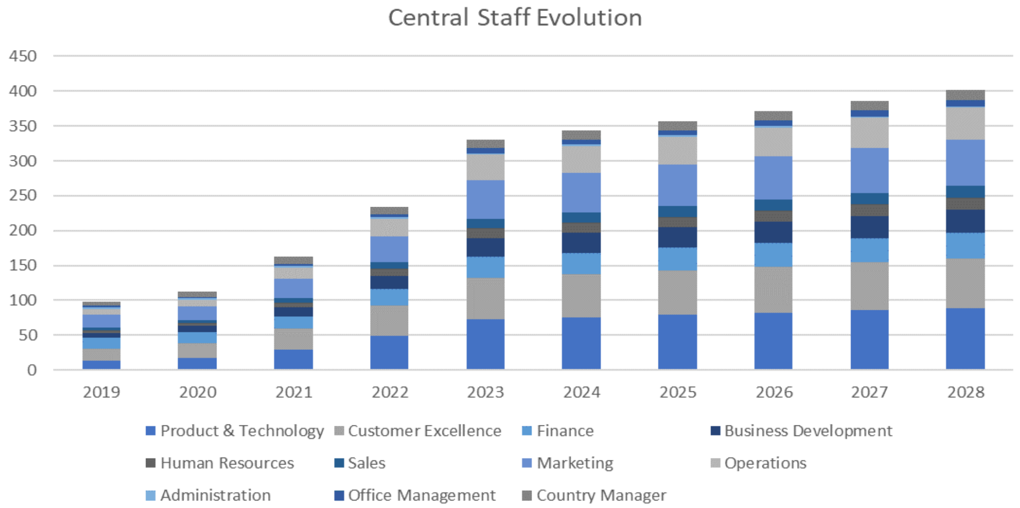
Annex 16 – Indie Campers Expected Operational Margin and respective YoY growth – *Source: Indie Campers IPO Valuation Model*

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Central Service Costs	4 075 397 €	5 647 860 €	8 764 595 €	12 240 133 €	17 453 178 €	18 151 305 €	18 877 357 €	19 632 451 €	20 417 749 €	21 234 459 €
Staff	2 462 487 €	3 231 215 €	4 808 903 €	7 349 327 €	11 233 447 €	11 682 785 €	12 150 096 €	12 636 100 €	13 141 544 €	13 667 206 €
Licenses	365 882 €	596 066 €	1 000 507 €	1 633 162 €	2 416 926 €	2 513 603 €	2 614 147 €	2 718 713 €	2 827 461 €	2 940 560 €
FSE	975 778 €	1 402 199 €	2 345 100 €	2 516 048 €	2 837 100 €	2 950 584 €	3 068 608 €	3 191 352 €	3 319 006 €	3 451 766 €
Board and lodging	145 450 €	213 980 €	324 060 €	389 020 €	495 380 €	515 195 €	535 803 €	557 235 €	579 525 €	602 706 €
Rents	60 000 €	108 000 €	144 000 €	144 000 €	180 000 €	187 200 €	194 688 €	202 476 €	210 575 €	218 998 €
Others	65 800 €	96 400 €	142 025 €	208 575 €	290 325 €	301 938 €	314 016 €	326 576 €	339 639 €	353 225 €



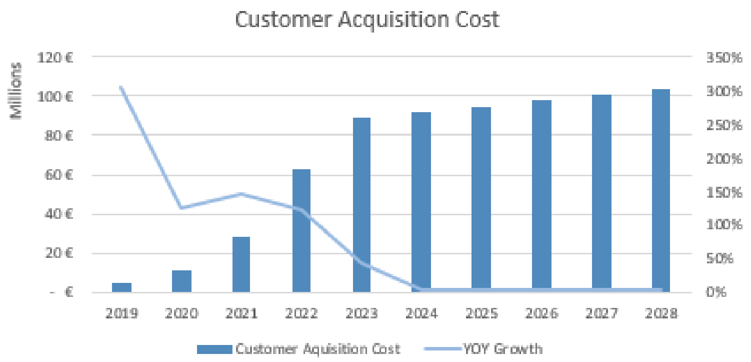
Annex 17 – Indie Campers Expected Central Service Costs and respective YoY growth – *Source: Indie Campers IPO Valuation Model*

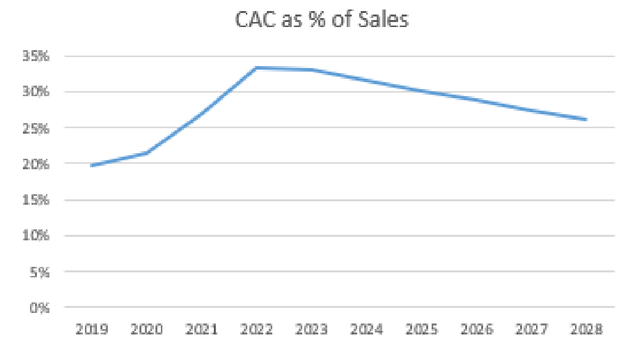
# Central Staff	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Product & Technology	13	17	29	49	73	76	79	82	85	89
Customer Excellence	18	22	30	43	59	61	64	66	69	72
Finance	15	15	18	24	30	31	32	34	35	36
Business Development	7	9	13	19	27	28	29	30	32	33
Human Resources	4	5	7	10	14	15	15	16	16	17
Sales	4	4	6	10	14	15	15	16	16	17
Marketing	19	19	28	37	55	57	59	62	64	67
Operations	8	10	16	25	37	38	40	42	43	45
Administration	2	2	2	2	2	2	2	2	2	2
Office Management	2	2	3	5	7	7	8	8	8	9
Country Manager	6	8	10	10	12	12	13	13	14	15
Total	**98**	**113**	**162**	**234**	**330**	**343**	**357**	**371**	**386**	**401**



Annex 18 – Indie Campers Expected Central Staff Evolution Costs – *Source: Indie Campers IPO Valuation Model*

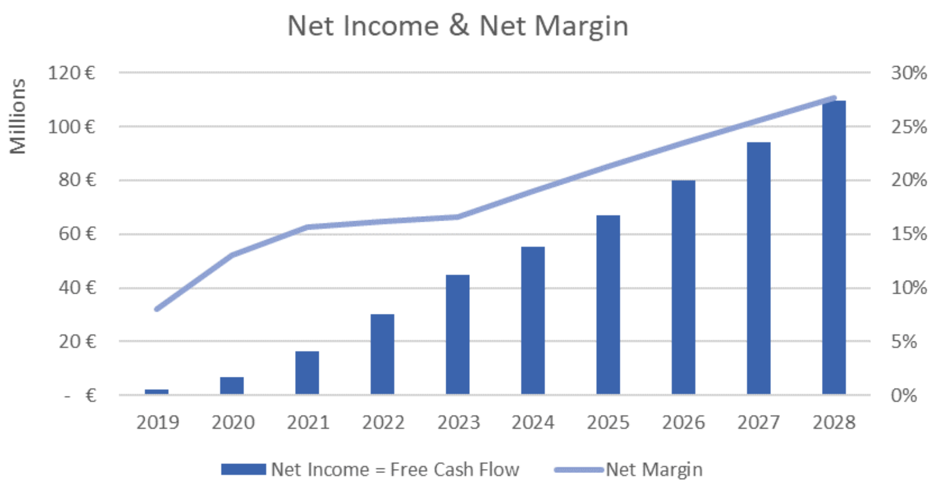
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Customer Aquisition Cost	5 107 077 €	11 433 395 €	28 030 044 €	62 359 383 €	89 341 341 €	92 021 581 €	94 782 229 €	97 625 696 €	100 554 467 €	103 571 101 €
YOY Growth	305%	124%	145%	122%	43%	3%	3%	3%	3%	3%
% of Sales	20%	21%	27%	33%	33%	32%	30%	29%	27%	26%





Annex 19 – Indie Campers Expected Customer Acquisition Costs, respective YoY growth and weight on Sales– *Source: Indie Campers IPO Valuation Model*

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Net Income = Free Cash Flow	2 080 813 €	6 940 870 €	16 420 787 €	30 292 179 €	44 868 506 €	55 420 295 €	67 061 217 €	79 887 196 €	94 002 153 €	109 518 657 €
Net Margin	8%	13%	16%	16%	17%	19%	21%	24%	26%	28%



Annex 20 – Indie Campers Expected Net Income (Free Cash Flow) and respective YoY growth – *Source: Indie Campers IPO Valuation Model*

	Apollo Tourism & Leisure	Tourism Holdings	Hertz Global Holdings, Inc	AvisBudget Group	Europcar Mobility Group SA	Sixt SE
Ticker	ATL	THL	HTZ	CAR	EUCAR.PA	SIX2 GY
D/E Ratio	2,5669	0,8493	9,7796	22,3735	4,1916	1,9452
Tax Rate	28,52%	18,10%	12,88%	41,58%	16,24%	28,84%
Beta	0,72	1	1,35	1,28	1,26	1,23
Unlevered Beta	0,25	0,59	0,14	0,59	0,25	0,59

Annex 21 – Comparables Market Information and Unlevered Beta results – *Source: Bloomberg and Indie Campers IPO Valuation Model*

WACC (Analysis 1)	5,17%
Cost of Equity	5,86%
Cost of Debt	1,69%
D/E	0,2

Market Data	
Return Market	10,51%
Risk Free	1,48%
Market risk premium	9,04%

WACC (Analysis 2)	4,92%
Cost of Equity	5,57%
Cost of Debt	1,69%
D/E	0,2

DCF Valuation	
Comp. Val. (Analysis 1)	2 439 647 858 €
Comp. Val. (Analysis 2)	2 672 155 065 €
Shares Outstanding	100 000 000
% of tradable shares	15%
Floating Shares	15 000 000
Equity Value (Anlysis 1)	2 033 039 882 €
Equity Value (Anlysis 2)	2 226 795 888 €
IPO Price (Analysis 1)	20,33 €
IPO Price (Analysis 2)	22,27 €

Annex 22 – WACC results and Market Risk Premium results and Valuation results under the DCF Model – *Source: Bloomberg and Indie Campers IPO Valuation Model*

Value/EBITDA Valuation

Analysis 1 - Close Proxies	Value/EBITDA
Apollo Tourism & Leisure	7,25
Tourism Holdings	7,54
Average Value/EBITDA	7,39

Analysis 2 - Indirect Proxies	Value/EBITDA
Hertz Global Holdings, Inc	5,00
AvisBudget Group	5,27
Europcar Mobility Group SA	16,03
Sixt SE	7,85
Average Value/EBITDA	8,54

Value/Sales Valuation

Analysis 1 - Close Proxies	Value/Sales
Apollo Tourism & Leisure	1,37
Tourism Holdings	1,93
Average Value/Sales	1,65

Analysis 2 - Indirect Proxies	Value/Sales
Hertz Global Holdings, Inc	1,98
AvisBudget Group	1,77
Europcar Mobility Group SA	2,17
Sixt SE	2,56
Average Value/Sales	2,12

Multiples Based Valuation	Value/EBITDA	Value/Sales
Comp. Val. (Analysis 1)	1 158 198 362 €	654 724 125 €
Comp. Val. (Analysis 2)	1 337 254 456 €	838 306 372 €
Shares Outstanding	100 000 000	100 000 000
% of tradable shares	15%	15%
Floating Shares	15 000 000	15 000 000
Equity Value (Anlysis 1)	965 165 302 €	545 603 437 €
Equity Value (Anlysis 2)	1 114 378 713 €	698 588 643 €
IPO Price (Scenario 1)	9,65 €	5,46 €
IPO Price (Scenario 2)	11,14 €	6,99 €

Annex 23 – Company Comparable Multiples under the Value/EBITDA and the Value/Sales analysis and Valuation results under the Multiples Based Valuation Model – *Source: Bloomberg and Indie Campers IPO Valuation Model*

Analysis 1 - Close Comparable Companies

WACC	Growth rate 0,0%	1,0%	2,0%	3,0%
3,67%	2 471 998 180 €	3 253 655 127 €	4 973 578 370 €	11 857 095 599 €
4,17%	2 122 330 913 €	2 674 343 655 €	3 736 022 765 €	6 618 493 786 €
4,67%	1 849 248 549 €	2 254 991 411 €	2 965 097 774 €	4 527 584 288 €
5,17%	1 630 451 654 €	1 937 934 703 €	2 439 647 858 €	3 404 586 409 €
5,67%	1 451 514 658 €	1 690 228 539 €	2 059 167 528 €	2 704 862 000 €
6,17%	1 302 693 354 €	1 491 684 670 €	1 771 402 569 €	2 227 811 953 €
6,67%	1 177 169 138 €	1 329 243 001 €	1 546 498 272 €	1 882 272 378 €

Analysis 2 - Mobility Sector Comparables

WACC	Growth rate 0,0%	1,0%	2,0%	3,0%
3,42%	2 679 533 062 €	3 622 392 780 €	5 890 131 649 €	18 872 079 334 €
3,92%	2 280 788 606 €	2 930 663 278 €	4 256 324 196 €	8 453 512 016 €
4,42%	1 973 966 085 €	2 443 123 738 €	3 299 484 697 €	5 359 179 259 €
4,92%	1 730 991 669 €	2 081 628 427 €	2 672 155 065 €	3 876 753 610 €
5,42%	1 534 147 540 €	1 803 368 509 €	2 229 876 215 €	3 008 387 545 €
5,92%	1 371 700 874 €	1 582 928 229 €	1 901 833 601 €	2 438 919 668 €
6,42%	1 235 574 310 €	1 404 267 039 €	1 649 234 126 €	2 037 318 126 €

Annex 24 – Valuation Sensitivity Analysis for WACC and Growth Rate variables – *Source: Indie Campers IPO Valuation Model*

Scenario Summary	Worst Case Scenario	Very Pessimistic Scenario	Pessimistic Scenario	Expected Scenario	Optimistic Scenario	Very Optimistic Scenario	Best Case Scenario
Changing Cells:							
Sales Δ	-15,0%	-10,0%	-5,0%	0%	5,0%	10,0%	15,0%
Vehicle Costs Δ	15,0%	10,0%	5,0%	0%	-5,0%	-10,0%	-15,0%
Other Operational Costs Δ	15,0%	10,0%	5,0%	0%	-5,0%	-10,0%	-15,0%
CAC Δ	15,0%	10,0%	5,0%	0%	-5,0%	-10,0%	-15,0%
Central Services Costs Δ	15,0%	10,0%	5,0%	0%	-5,0%	-10,0%	-15,0%
Company Valuation (WACC)							
Comp. Val. (Analysis 1)	758 893 618 €	1 319 145 031 €	1 879 396 445 €	2 439 647 858 €	2 999 899 271 €	3 560 150 685 €	4 120 402 098 €
Comp. Val. (Analysis 2)	838 564 678 €	1 449 761 474 €	2 060 958 270 €	2 672 155 065 €	3 283 351 861 €	3 894 548 657 €	4 505 745 453 €
Company Valuation (Multiples)							
Valu Comp. Val. (Analysis 1)	453 290 451 €	688 259 755 €	923 229 058 €	1 158 198 362 €	1 393 167 665 €	1 628 136 969 €	1 863 106 273 €
Comp. Val. (Analysis 2)	523 368 618 €	794 663 897 €	1 065 959 176 €	1 337 254 456 €	1 608 549 735 €	1 879 845 014 €	2 151 140 294 €
Valu Comp. Val. (Analysis 1)	556 515 506 €	589 251 712 €	621 987 919 €	654 724 125 €	687 460 331 €	720 196 537 €	752 932 744 €
Comp. Val. (Analysis 2)	712 560 416 €	754 475 735 €	796 391 053 €	838 306 372 €	880 221 690 €	922 137 009 €	964 052 328 €

Annex 25 – Valuation Scenario Analysis for Operational Variables – *Source: Indie Campers IPO Valuation Model*

DCF Valuation	
Comp. Val. (Analysis 1)	2 439 647 858 €
Comp. Val. (Analysis 2)	2 672 155 065 €
Shares Outstanding	100 000 000
% of tradable shares	15%
Floating Shares	15 000 000
Equity Value (Anlysis 1)	2 033 039 882 €
Equity Value (Anlysis 2)	2 226 795 888 €
IPO Price (Analysis 1)	20,33 €
IPO Price (Analysis 2)	22,27 €

Multiples Based Valuation	Value/EBITDA	Value/Sales
Comp. Val. (Analysis 1)	1 158 198 362 €	654 724 125 €
Comp. Val. (Analysis 2)	1 337 254 456 €	838 306 372 €
Shares Outstanding	100 000 000	100 000 000
% of tradable shares	15%	15%
Floating Shares	15 000 000	15 000 000
Equity Value (Anlysis 1)	965 165 302 €	545 603 437 €
Equity Value (Anlysis 2)	1 114 378 713 €	698 588 643 €
IPO Price (Scenario 1)	9,65 €	5,46 €
IPO Price (Scenario 2)	11,14 €	6,99 €

Annex 26 – Valuation Summary and IPO Price Target – *Source: Indie Campers IPO Valuation Model*

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