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Providing Specialist Automotive Aftercare and Accessories Companies

## ACQUISITION OF GEMINI ACCIDENT REPAIR CENTRES

## **Gemini – Australia’s largest accident repair group**

- **Gemini Accident Repair Centres Pty Ltd (“Gemini”) has 40 panel repair centres across Australia and 1 in New Zealand, with group revenue of \$150 million in FY15**
- **Combined with AMA’s presence, the group has a strong national footprint of 70 centres – in Victoria, Qld, ACT, NSW and WA and 1 in NZ**
- **AMA further improves its position to reap the benefits of consolidation in the fragmented panel repair market**
- **Gemini is highly complementary to AMA, blending skills and capabilities to add value to the combined group**
  - Significant cost savings and synergies expected through integration process
- **Deal consideration has financial performance hurdle – minimum annual Gemini EBITDA contribution for next 3½ years – maximum EBITDA multiple payable is 7.5x**
  - Maximum consideration of \$100m
  - Structured to protect AMA’s balance sheet and will recognise performance delivery by Gemini
  - See slide 4 for further breakdown of consideration details
- **AMA’s management team will be further strengthened through this transaction**
  - Gemini Executive Chairman, Andrew Hopkins, to join the AMA Board and become CEO of AMA’s Panel Repair division

## Gemini is one of Australia's leading panel repair groups

— Gemini was founded in 2009 in Perth by Andrew Hopkins

— Group operations now include:

- 40 panel repair centres across Australia
- 1 panel repair centre in Auckland, New Zealand
- 1 mechanical repair centre specialising in fleet maintenance and collision mechanical repairs

Panel repair operations spread across Australia and NZ

- 2 centres in ACT
- 5 centres in NSW
- 18 centres in Queensland
- 7 centres in Victoria
- 8 centres in WA
- 1 centre in Auckland

Strong relationships with insurers and auto manufacturers

— Employs more than 750 staff

— Group revenue for FY15 was \$150 million



## Highly complementary skills and capabilities with significant cost-savings and synergies

- Gemini's sophisticated centralised control systems together with AMA's operations management platform and the combined group procurement capabilities are expected to generate significant benefits

## Gemini brings further management expertise and innovation within the sector

- Andrew Hopkins, Executive Chairman of the Gemini Group, brings further management expertise to AMA
- The success of his group is illustrative of his experience in the sector and his ability to continually innovate
- Andrew and his team have become the major independent consolidator in the country

## Strong national footprint and customer relationships

- National coverage with little overlap between the two groups
- Broaden relationships with insurance companies



## Transaction structured to protect AMA's balance sheet and recognise performance delivery

— Maximum consideration of \$100 million which would equate to an EBITDA multiple of 7.5 times but subject to Gemini achieving minimum EBITDA performance hurdle

Upfront cash consideration of \$27-28m (\$35m less Gemini's working capital) funded from existing cash resources

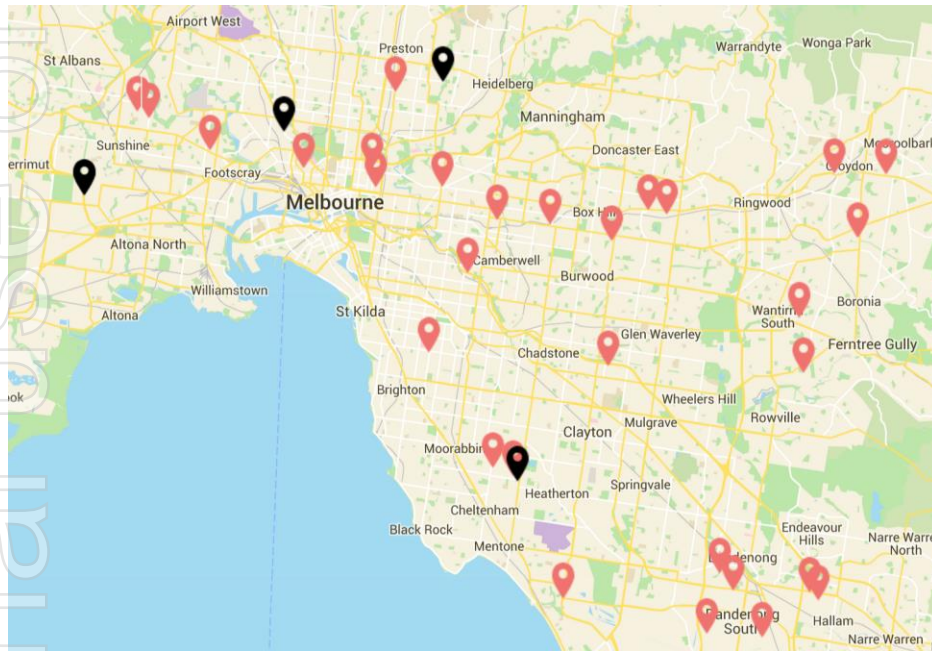
Two tranches of shares with an issue price of 60 cents per share – each escrowed for 3.5 years:

- \$35 million of AMA ordinary shares- dividends paid during escrow period
- \$15 million of AMA restricted class B shares – nil dividends during escrow period
- \$15 million of cash payable at end of escrow period
- The shares and the \$15m cash payment are subject to downward adjustment on a proportional basis if the financial performance hurdle is not met

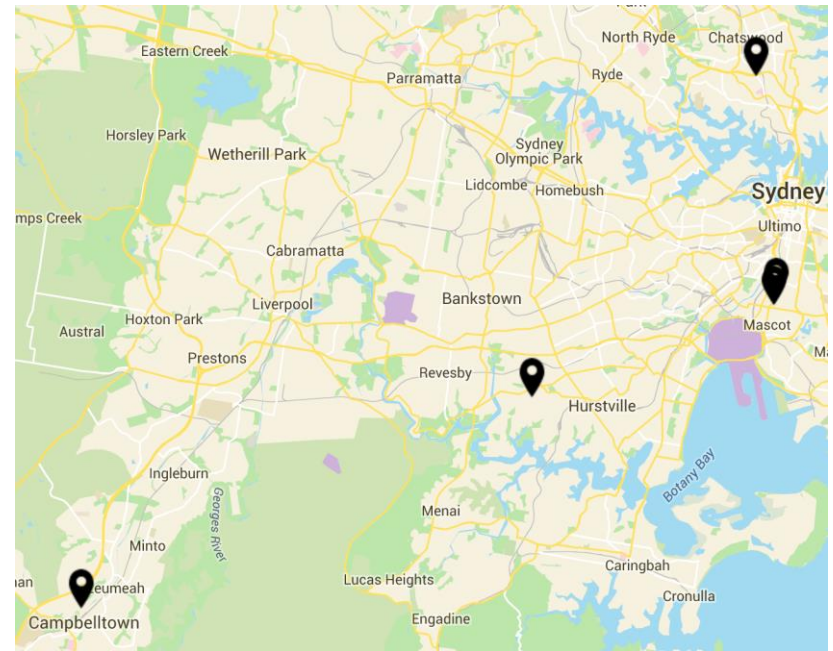
## **Transformational deal- AMA cementing its leading position in Australian panel repair market**

- Gemini transaction has significant strategic value to AMA in re-shaping the accident repair landscape
  - Combined group is leading operator with annualised revenue of more than \$250 million however over \$5 billion market remains highly fragmented and ripe for further consolidation
- Highly complementary businesses with ability to deliver significant benefits across combined group
- AMA and Gemini have strong track records of integrating businesses
- Large and growing national footprint with deep relationships across industry value chain
- AMA is well positioned to continue to take advantage of attractive acquisitions and growth opportunities across the group
  - Advanced discussions with major Australian bank regarding increased debt facility
  - Proceeds of recent \$45 million capital raising
  - Very strong operating cashflows

## Melbourne



## Sydney



AMA repair centre

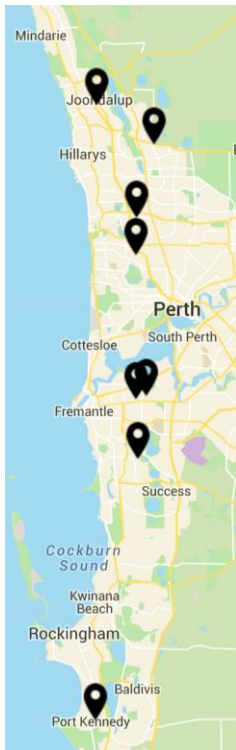


Gemini repair centre

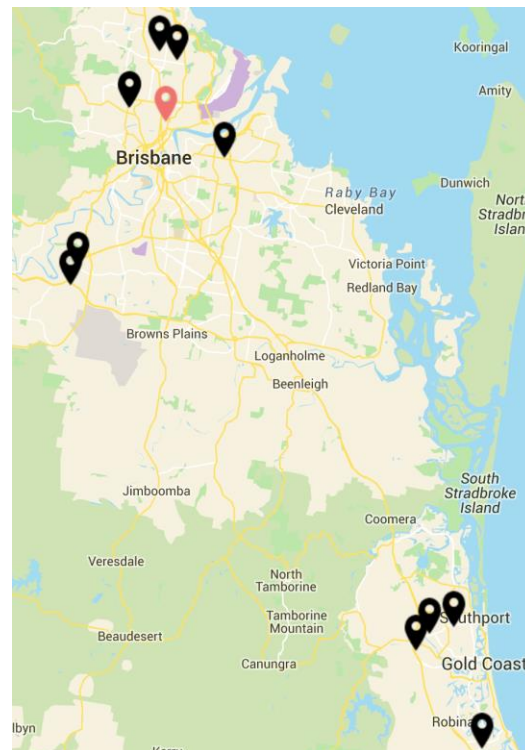
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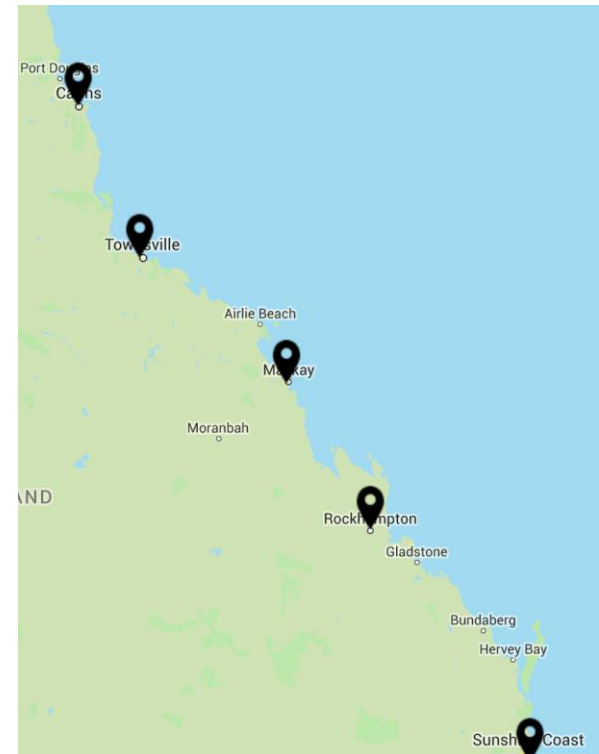
## Perth



## SE Queensland



## Regional Queensland



AMA repair centre



Gemini repair centre

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