

Open partnerships
Open possibilities

**Taking your family
business into battle
against your competition
– and winning!**

Introductions

Panel Members

Background

Roles

David Page
CEO Neller

David lead an MBO backed by ANZ Private Equity in early 2007. Neller is a payroll and HR software service provider.

CEO

Andrew Mostyn
Executive Director

Andrew is an Executive Director of the Mostyn Group, a WA based, 3rd generation family business, predominately in the food products industry.

CEO

Ed Paton
Partner

Ed is a Partner at Hall & Willcox and has extensive experience advising business' on the legal implications of their strategy.

Legal

Dominic Pelligana
Partner

Dominic is a partner at KPMG and is a specialist in the mid-market advisory team.

**Financial/
Strategic**

Mark Jago
Director

Mark is a director in ANZ Private Equity and has significant experience in growing business. Previously Mark worked for Bain & Co & Unilever.

**Funding &
Strategy**

Setting the scene

Background

- Your major competitor has just changed the rules – it has taken on a major new shareholder with fresh ideas, a significant cash injection while acquiring the number 4 player in the market
- This has pushed you to number 3 in the market
- They are running harder and faster than ever before and its crisis time

What do you do?

The Business – ‘Think Tanks’

- Until recent weeks, Think Tanks (‘TT’) was the number 1 manufacturer of rainwater tanks (RWT) in Australia
- TT has 150 employees across 3 sites in Australia (2 in NSW, 1 in QLD) and has grown rapidly over the past 3 years
- TT is a 3rd generation family business having moved from concrete infrastructure to RWT manufacturing in the late 90’s
- Growth in the RWT market is being driven by numerous factors including water scarcity, restrictions and pricing, government support in form of regulations and rebates plus changing consumer sentiment in favour of ‘green’ and sustainable technologies
- The business and industry remains relatively free from import competition due to excessive freight costs for tanks

Business Overview

Market

- The market is highly fragmented. The top 5 manufacturers having only 50% in total market share and 80 smaller manufacturers
- Market size estimated at \$450m and is growing at circa 8% pa

Financials

- Turned over \$59m in FY08 and made \$14m in EBITDA
- Capex and Working Capital investment remain reasonable (\$2m in capex in FY08)

Balance Sheet

- Not highly geared at present (~\$30m in facilities), but recent gearing was used to take out a special dividend
- Further investment is required to increase capacity to deliver revenue in excess of \$65m

Shareholders

- 3 family groups own a little over 90% of the business with management and employees owning the rest

Market

- No external board in place, however management meeting quarterly with the family representatives
- Good long term legal and financial advisors in place, however provide more ad hoc advice