



## ASX Announcement

### Smartgroup Corporation Ltd (SIQ) – Acquisition of Autopia Group

**Release date: 4 July 2016**

#### Acquisition of Autopia Group

Smartgroup is pleased to announce that it has entered into an agreement to acquire 100% of Autopia for \$36 million.

Autopia, based in Sydney, provides novated leasing to a corporate client base that includes over 300 employer clients. Autopia has a strong brand in the corporate market and manages approximately 3,000 vehicles across Australia.

The acquisition represents an implied EV/FY2016 EBITDA of approximately 6.5x<sup>1</sup> and is estimated to result in approximately 7% EPS accretion in CY2016 on a pro-forma NPATA basis.<sup>2</sup> The acquisition is funded by new debt facilities, existing cash reserves, and \$250,000 of Smartgroup shares to be issued to management shareholders of Autopia. Smartgroup completed the transaction today, and accordingly ownership of Autopia is effective immediately.

Autopia is expected to contribute approximately \$2.6 million EBITDA and approximately \$1.2 million NPATA in 2H CY2016 under Smartgroup ownership including the one-off before tax impact of approximately \$0.2 million of integration costs.

Commenting on the acquisition, Smartgroup CEO Deven Billimoria said:

“Autopia is a well-managed business and expands our novated leasing capabilities into an adjacent segment. We look forward to working with the Autopia team to leverage our respective strengths.”

David Wakeley, CEO of Autopia said:

“We are looking forward to working with the Smartgroup team to continue to deliver excellent results for our customers. There is a strong cultural fit between Autopia and Smartgroup and we are excited to be joining Smartgroup.”

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<sup>1</sup> Based on Autopia's forecast financials for the year ended 30 June 2016. Revenue ~\$11.2m, EBITDA ~\$5.5m

<sup>2</sup> Based on full year pro forma contribution for the year ending 31 December 2016. Excludes transaction costs of approximately \$1.1m, includes the one-off before tax impact of approximately \$0.2m integration costs