



The small company specialists

COMPANY INFORMATION

Just Car Clinics Group PLC (LSE - JCR)

Info sheet compiled October 2006

Company Eye Ranking

40/50

EDITOR'S NOTE

Just Car Clinics is the country's second largest independent vehicle accident repair group, with body shops throughout Yorkshire, Lincolnshire and Nottinghamshire. Just Car Clinic's new website provides a range of services and important company information as well links an integrated online vehicle repair tracking system and internal staff extranet resource.

The Company benefits from a strong management team and always takes advantage of the opportunities ahead and It makes Just Car Clinics Group one of the leading players in this expanding market. This Company in our opinion has a good potential for medium term growth and we feel it is valued on a reasonable valuation.

CHART



FUNDAMENTALS

Company Name	Just Car Clinics Group PLC
Current Price	42.0p
Status	AIM
Market Cap	£5.69 m.
Shares in Issue	13,574,132 m.
Activities	The Group's principal activity is the provision of collision damage repairs to all makes of cars, vans and motorcycles.
Sector	Speciality Retailers
Corporate advisor	Brewin Dolphin Securities
Registrar	Capita Registrars

HISTORY

Just Car Clinics (JCC), the 13-strong chain of branded accident repair centres that listed in January 2003 following a buy-out from Dixon Motors, is the second biggest independent chain, yet still has only 0.5% of the

market, and therefore much to play for. Under chief executive Barry Whittles, the company has motored in with record results once again.

THE BUSINESS

Just Car Clinics chain of branded vehicle repair centres is currently number 2 in the UK bodyshop industry. Its brightly coloured, purpose built units, or modern redevelopments, all in central locations, aim to dismiss the common perception of 'under the arches' repair sites. The success of the business is based, primarily on the strength of the relationships built with the company's key work providers, this is greatly assisted by the Company ability to offer national companies the geographic strength of the Company site locations and its consistent high standards and easily recognised brand. This support is reassuring and easy to understand

for the customers and The Company will continue to grow its business through its commitment to training and development of the people, for businesses and relationships. The Company encourage its suppliers to embrace the business and be an intrinsic part of its development. Companies such as Standox, Car-o-liner, 3M and Brown Brothers all contribute enormously to ensure Just Car Clinics Group PLC use their products and systems to the best of their capabilities and to pass on their expertise in turn to its customers.

LIST OF CLIENTS

65% of the market JCC operates in is work directed by insurers and JCC has a roster of 'blue chip' customers,

AXA, RBS and Norwich Union.



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ACTIVITIES

The Group's principal activity is the provision of collision damage repairs to all makes of cars, vans and motorcycles. The Group has thirteen profit centres operating from twelve locations in Yorkshire, Nottinghamshire and Lincolnshire.

The provision of high levels of customer care is central to retaining and increasing work provider approvals and is therefore paramount to the Group's continued success and future growth. The launch of "In-Touch" during 2005 has improved customer satisfaction significantly. This initiative, which involved team members from all aspects of the business, included a fundamental review of all areas of internal and external communication and customer service levels. As a result, a number of changes have been made to its customer liaison processes, including the introduction of a web-based tracking system, which allows customers to monitor the status of their vehicle repair and provides regular update by text or email messages. Customer satisfaction is measured by regular surveys and mystery shopping exercises, these confirm the progress made, but as ever with customer service, there are always areas for improvement and this remains a key objective of the Group.

The quality of customer service was confirmed by the Group winning the Customer Care Award at the national Bodyshop Awards.

During November 2005 the Group moved into a new Support and Training Centre in Goole, East Yorkshire. The leasehold site is just minutes away from the motorway network and central to the Group's trading locations, avoiding traffic congestion and promoting the opportunity for more face to face communication.

Even more importantly the facility will meet all of the Group's training needs, offering everything from workshop technical training, using the latest techniques of vehicle repair, to IT training for our customer facing team. The Centre will also host bespoke management training to build the skill base of the current team and develop the Group's future managers. The nature of the vehicle repair business means that a skilled and knowledgeable team is essential, both to operate efficiently (to maintain and improve profit margins), and to further enhance customer service (to generate increased volumes). Against the background of a national skills shortage within the accident repair industry, the ability to provide high quality training is key to the Group's success.

DEVELOPMENT HIGHLIGHTS

Just Car Clinics Group PLC has achieved the following milestones in developing the business:

September 2003

- * All sites awarded MVRA QA rating

October 2003

- * Bodyshop Magazine Awards
- * Bodyshop Training Award finalist
- * Leeds CC Bodyshop of the Year finalist
- * Young Painter of the Year finalist
- * Panel technician of the Year winner
- * Paint Technician of the Year winner
- * Estimator of the Year finalist

November 2003

- * Provident Insurance award environment award to all approved site

December 2003

- * AXA insurance awards Wakefield Car Clinic 'Top repairer in the country award'.

September 2004

- * Bodyshop Magazine Awards
- * Bodyshop Training Award Finalist
- * Panel Technician of the Year Winner
- * Young Painter of the Year winner

February 2005

- * Automotive Management Awards
- * Doncaster Car Clinic Bodyshop of the year finalist

October 2005

- * Bodyshop Magazine Awards
- * Customer Care Award Winner
- * Bodyshop Training Award finalist
- * Doncaster CC Bodyshop of the year award Finalist
- * Bodyshop Manager of the year finalist
- * Young Painter of the year finalist
- * Panel Technician of the year finalist

GROWTH POTENTIAL AND RETURNS

The new business undertakes collision damage repairs to all makes of cars, vans and motorcycles and has established successful trading relationships with most of the UK's leading insurance companies. It is key to the future strategy that the business continues to develop

closer partnerships with insurance companies and other work providers so as to provide an exceptional service to customers by investment in technology and the training and development of the employee team.

STRATEGY

The strategy of the Group to increase the number of trading locations and the Board has therefore been actively seeking acquisition opportunities. A number of potential targets have been investigated during the last six months;

these are evaluated against a number of specific criteria including location and price. Some negotiations are still in progress.



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The Board will continue to investigate acquisition opportunities, but has also decided to look at potential green field sites. The focus will be on reducing the period between start up and the site becoming profitable and

locations will be identified that could be opened initially with relatively low overheads but have the opportunity for expansion as the business develops.

ROLLING EPS



P/E RATIO



SHAREHOLDINGS

	Number	%
David Hickey	2,733,229	20.7
Simon William Lunt	2,460,696	19.1%
Barry Whittles	1,198,352	9.3

	Number	%
Chris Elton	806,727	6.3
Ian Davis	67,218	0.5

FINANCIAL HISTORY

Profit and loss account for 6 months to 30th June 2006

£	6 months to 30th June 2006	Year ended 31st Dec 2005
Turnover – continuing	13,558,495	24,855,035
Cost of sales	(7,775,346)	(14,278,844)
Gross profit	5,783,149	10,576,191
Goodwill amortisation	(43,947)	(87,895)
Expense arising from share options	(7,486)	(22,132)
Other operating expenses	(5,274,258)	(9,717,245)
Total operating profit – continuing	457,458	748,919
Net interest paid	(70,849)	(166,511)
Profit on ordinary activities before taxation	386,609	582,408
Taxation	(115,983)	(162,966)
Retained profit for the period	270,626	419,442
Earnings per share		
Basic earnings per share	2.1p	3.3 p
Diluted earnings per share	1.9 p	2.9 p

Balance sheet at 30th June 2006

£	30th June 2006	31st Dec 2005
Intangible assets - goodwill	1,450,266	1,494,213
Tangible assets	1,798,929	1,883,883
Fixed assets	3,249,195	3,378,096
Stock and work in progress	474,965	437,120
Debtors	3,548,304	3,484,947
Cash at bank and in hand	125,733	1,803
Current assets	4,149,002	3,923,870
Creditors: amounts falling due within one year		
Bank overdraft	-	(121,708)
Bank loans	(556,600)	(548,800)
Obligations under finance leases	-	(1,959)
Deferred consideration	(546,667)	(297,778)
Trade and other creditors	(3,099,974)	(2,995,171)
Taxation	(151,341)	(151,341)
Creditors: amounts falling due within one year TOTAL	(4,354,582)	(4,116,757)
Net current liabilities	(205,580)	(192,887)
Total assets less current liabilities	3,043,615	3,185,209
Creditors: amounts falling due after more than one year		
Bank loans	(435,000)	(725,000)
Deferred consideration	(729,583)	(978,472)
Taxation	(115,983)	-
Creditors: amounts falling due after more than one year TOTAL	(1,280,566)	(1,703,472)
Provisions for liabilities and charges		
Deferred taxation	(72,228)	(72,228)
Net assets	1,690,821	1,409,509
Capital and reserves		
Called up equity share capital	129,039	128,639
Share premium account	2,373,946	2,371,146
Other reserves	(89,398)	(89,398)
Profit and loss account	(722,766)	(1,000,878)
Total shareholders' funds	1,690,821	1,409,509

DIRECTORS

David Hickey - Non-executive Chairman

David, aged 50, is a chartered accountant who has spent the bulk of his career working in investment banking, initially with HSBC, and latterly with Investec Henderson Crosthwaite where he was Head of Corporate Finance. He is executive Chairman of Lighthouse Group plc and non-executive Chairman of SatCom Group Holdings Plc.

Ian Davis - Non-executive Director

Ian, aged 65, is a consultant with and former Senior Partner of Andrew M Jackson, one of East Yorkshire's leading commercial legal practices.

Barry Whittles - Chief Executive

Barry, aged 43, has spent his entire career in the automotive body repair industry and was the Managing Director of the Car Clinic division of Dixon Motors plc.

Chris Elton - Finance Director and Secretary

Chris, aged 45, is a chartered accountant who worked within the profession as senior manager until 1994 and then within motor retailing, initially as Financial Controller and subsequently Finance Director of Dixon Motors plc.



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RISK FACTORS

In addition to the other relevant information, the following specific factors should be considered carefully when evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective Investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective Investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her. There are various risk and other factors associated with an investment of the type described in this document. In particular:

The value of an investment in the Company is largely dependent upon the expertise of the Directors and their ability to identify and acquire or invest in suitable companies or businesses. There can be no certainty that the Company will be able to identify suitable acquisition targets or complete the purchase of any identified targets at a price the Directors consider acceptable. In the event of an aborted acquisition it is likely that resources may have been expended on investigative work and due diligence, which cannot be recovered. The acquisition of other businesses can involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

CONTACT

Rawcliffe Road
Goole
East Yorkshire
DN14 6XL
United Kingdom

RANKING

	Ranking out of 50 (50 being highest)
Business model - competitive advantage	
Competition	40
Customers	47
Low cost	39
Management	41
- corporate governance	
- quality	
- shareholding	
Product	39
Sector	41
Financial evaluation	
Early and profitable exit potential	38
Financial strength	39
- cash flow	
- conservative accounting	
- need for funding	
Growth at a reasonable price	
Risk	39
Overall average rating	40



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FURTHER INFORMATION ABOUT THE RANKING

Competitive advantage

Companies are assessed according to their business model and how this translates into strong and sustainable competitive advantage. This can only be achieved with low cost activities and doing something different from the competition. This 'differentiation' must add value to the customer who is then prepared to pay a premium price. The differentiation is most obvious in the product but it can exist anywhere in the company's value chain of activities, such as

easy payment terms, convenient locations, superior management, and quality of suppliers. Companies that do not achieve competitive advantage because they have the same costs and/or do the same as the competition are marooned in a profitless zone. They helplessly try to compete with the one weapon left open to them, which is the disaster of cutting prices and typically leads to similar retaliation by competitors, with disastrous results.

THE FOLLOWING ELABORATES ON THE RANKING CRITERIA

Competition

How intense is the competition and are there barriers to entry?

Customers

Is the company controlling its customers and therefore its revenue streams? Are customers glued to the company and providing valuable and reliable recurring revenue or are they one-off, or 'transactional', providing shaky revenue? The company should ideally have weak and numerous customers.

Low costs

Has the company achieved low cost activities thus allowing more of the top line revenue to trickle down to the profit line?

Management

Is there good corporate governance? What is the quality of management, as this is crucial to any business? Are the directors' shareholdings significant but not so large that they control the company?

Product

Is the product different from the competition and adds value to the customer? Are there threatening substitutes? Does it have a powerful brand?

Sector

Is the company in an attractive sector that is profitable and adds value?

Services tend to be more protected than products from international competition. Does the sector ride the tailwind of multi-year mega trends? Is the business well positioned in the current stage of the economic cycle? What is its resistance to a recession?

Profitable exit potential

What is the potential for selling the share profitably? This is more applicable to pre-flotation investments.

Financial strength

Does the company have strong cash flow, the lifeblood of any business? Is the accounting conservative or is there 'accounting for growth'? Does it need more funding? Is the profit margin healthy and at least equal to its sector? What has been the track record in the growth rate of profits?

Growth at a reasonable price

Does the share offer growth at a reasonable price? This is commonly measured using the PEG. This is the price earnings ratio (PE) divided by the forecast growth rate in earnings per share (EPS). The lower the PEG the better and under 1.0 is considered good for a blue chip company and under 0.6 for a small growth company.

Risk

What is the risk rating of the share due to factors such as new markets, its business model and strategies?

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