



New Mountain Capital buys 34-shop MSO Classic Collision

By [John Huetter](#) on January 20, 2020

In another sign [investors continue to see potential](#) in collision repair, [the 34-shop Classic Collision announced Thursday it would join the \\$20 billion portfolio of New Mountain Capital assets.](#)

Terms of the deal weren't disclosed, but New Mountain's website might contain a hint.

"New Mountain's private equity strategy seeks to acquire the highest quality leaders in carefully selected 'defensive growth' industries, and then to build those businesses," [a description of the company's private-equity strategy states](#). "The firm generally seeks to acquire five companies each year, typically in the \$100 million to \$1 billion enterprise value range, and generally invests \$100 million to \$500 million per transaction."

Atlanta-based Classic Collision's 34 shops can be found in Georgia, Florida, South Carolina and Alabama. However, the joint news release Thursday referenced plans to develop a "national presence."

"We are excited to partner with Classic as the Company accelerates its growth, builds a national presence and continues to deliver outstanding customer experiences," New Mountain senior advisor Mat Lori said in a statement. "Led by its world-class team that brings more than 20 years of experience in the space, we see many avenues for growth ahead at Classic, and we look forward to providing additional resources to help the Company realize its full potential."

Classic Collision hired CEO Toan Nguyen in 2019 with a goal "to execute an accelerated acquisition strategy in the highly fragmented collision repair market and modernize the space with a technology-enabled approach," according to the Thursday news release. Classic said the management team would remain, as would the company's founder.

“The investment by New Mountain sets the stage for the acceleration of organic and acquisition-based growth at Classic,” Nguyen said in a statement. “We are confident that New Mountain’s proven track record of building businesses and supporting management teams through close strategic engagement will help us accelerate the execution of our core strategies. We look forward to our partnership and the benefits it will yield for our customers, employees and industry partners.”

Classic called itself “the fifth largest MSO in the industry,” though this tally does not appear to count franchise or dealership collision repair facility footprints.

[The Romans Group’s recently released “A 2018 Profile of the Evolving U.S. and Canada Collision Repair Marketplace”](#) put the company tenth among all non-dealerships — but that tally would reflect the market before ABRA bought No. 9 Cook’s Collision and Nos. 1 and 2 Caliber and ABRA merged.

U.S. Top 10 MLO/MLN Repairers - 2018		
All Repairers	Independents	Dealers
Caliber	Caliber	Auto Nation
ABRA Corporate & Franchise	ABRA Corporate & Franchise	Hendricks
Service King	Service King	Berkshire-VT
Boyd/Gerber	Boyd/Gerber	Penske
CARSTAR	CARSTAR	Asbury
Maaco	Maaco	Group 1
Auto Nation	Fix Auto	Carl Sewell
Fix Auto	Joe Hudson	Sonic
Hendricks	Cook’s Collision	Faulkner
Berkshire - VT	Classic Collision	Terry Taylor AMSI

“The super regionals and regional consolidators, like Classic Collision and [Joe Hudson](#), have also turned up their M&A activity in the last 15 months,” the Romans Group [wrote in a media summary of the report](#). “We expect an Illinois-based MLO, Crash Champions, which recently closed its private equity investment relationship with A&M Capital to be on the hunt for MLO, single-location, brownfield, and Greenfield expansion opportunities. Service King continues to sit on the sideline, it has now been two years without any MLO acquisitions, as they focus internally. Caliber and Boyd have been the most active and aggressive consolidators in 2018 and 2019.”

The Romans Group called 2019 the “busiest and most dramatic year for MLO transactions ... with revenue transferred through MLO acquisitions north of \$1.8 billion.”

[Classic Collision's website carries](#) a pitch for other shops looking to sell.

“Our strong relationships with insurance companies and numerous OEM certifications coupled with our highly productive operating systems puts us in a position to leverage your businesses past performance and augment its growth going forward,” the company states. “We can also offer you a fair price to you and future professional development opportunities for your staff. Additionally, if you own real estate, we are able to purchase it as part of the transaction or provide you a stable and solid long term return if you wish to retain ownership of the site.”