

Edgar Filing: ALBERTO CULVER CO - Form 425

ALBERTO CULVER CO  
Form 425  
January 17, 2006

Filed by Regis Corporation pursuant to Rule 425 under the Securities Act of 1933 and  
deemed Filed Pursuant to Rule 14a-12 under the Securities Exchange Act of 1934

Subject Company:

Alberto-Culver Company (Commission file number: 001-05050)

Sally Holdings, Inc. (Commission file number: 001-05050)

Regis Corporation

Filing Person's Commission file number: 001-12725

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---



[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---



[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

[Link to searchable text of slide shown above](#)

---

**Searchable text section of graphics shown above**

---



**investor presentation**

**Proposed Merger of**

**Sally Beauty**

**&**

**Regis Corporation**

**Boston/New York Roadshow**

**January 17-19, 2006**

[GRAPHIC]

[LOGO] [LOGO]

**\$2.6 Billion Transaction (as of 1/10/06)**

Valuation Based On:

Comparable Companies

Precedent Transactions

Discounted Cash Flows

Valuation of Deal:

114.5%X Net Sales

9.6X EBITDA

11X EBIT

16.9X Net Income

[LOGO]

[LOGO]

[LOGO]

NYSE: RGS

[LOGO]

**Deal Highlights**

**combining Sally & Regis**

	6/30/06E	6/30/07E
<b>Regis:</b>		
Projected Sales	\$2.4 billion	
Projected EBITDA	\$300+ million	
<b>Sally:</b>		
Projected Sales	\$2.3 billion	
Projected EBITDA	\$270+ million	
<b>New Regis:</b>		
Projected Sales		\$5+ billion
Projected EBITDA		\$650+ million

**Merger**

**financial advantages**

125% increase in annual dividend to \$0.36

Higher pretax margins

Improved debt ratios

Better cash flow generation

[GRAPHIC]

**Merger Details**

**the opportunities**

In addition to approximately \$20 million of near-term synergies, there are additional long-term opportunities to increase share- holder value

Build upon our vendor relationships

Reduce product diversion

Ability to develop our own brands

Identify salon acquisition targets

More aggressive advertising and promotion for Sally Beauty

[GRAPHIC]

**Merger Synergies**

[GRAPHIC]

---

**committed to growth**

Over 11,000 worldwide locations

Three profitable divisions all poised for double-digit growth

Generate predictable recurring revenue

Organic & acquisition growth

***Annual Revenues***

[CHART]

**Company Overview**

**hair salons**

\$150 billion worldwide market

2% worldwide market share

10,952 salons generating over \$2 billion in revenue

7,108 corporate

3,844 franchised

350,000 salons in North America

Continued acquisition opportunities

Salon counts as of 9/30/05

[GRAPHIC]



**hair salon growth**

	June 1996	June 2005
Mall-based	1,463	2,117
Wal-Mart	157	1,497
Strip Centers		2,937
United Kingdom	343	426
Franchise:		
Domestic		2,310
International		1,592
	1,963	10,879

**Hair Salons**

**acquisition opportunities**

350,000 North American salons & barbershops

50,000 (~15%) meet our acquisition criteria

strip center or regional mall locations

not top 5% or bottom 15%

5,000 (~1%) are for sale at any time

Regis needs to acquire only 500 salons each year to meet growth goals

**acquisition summary (excluding proposed Sally merger)**

From January 1994 to January 2006 Regis:

Completed over 330 deals

Acquired over 8,000 salons

Added over \$1.0 billion to annual revenues

[CHART]

**prototypical acquisition: 10 salons**

Sales	\$2,500,000
Operating cash flow:	
Seller's historical	\$400,000
Regis future (w/ synergies)	\$500,000
Maximum purchase price:	\$1.75 million \$2.0 million
Purchase price/operating cash flow:	
Seller's historical	5.0 times
Regis future	3.5 4.0 times

[LOGO]

**hair restoration**

\$4 billion domestic market

Hair Club for Men and Women has 5% market share

90 locations generating over \$100 million in annual revenue

41 corporate

49 franchised

Attractive demographics    aging baby boomers

Consolidation opportunities

EBITDA margins in excess of 25%

**beauty schools**

[GRAPHIC]

\$1 billion domestic market

Attractive demographics

expanding pool of potential students

economic factors

increases in financial aid

Seeking 10% market share through acquisitions

EBITDA margins in excess of 20%

**one-of-a kind company**

Lack of comparables

Growth company

Industry leader with only 2% share in our core business

Limited risk factors

predictable, replenishment business

no threat of technological obsolescence

no threat of foreign competition

[GRAPHIC]

**Financial Highlights**

**unit growth**

[CHART]

16

---



**consolidated gross margin**

[CHART]

17

---

**2005 hair salon revenue = \$2.1 billion**

[GRAPHIC]

[CHART]

**retail product sales, in millions**

estimated 15% market share

[CHART]

**steady growth**

**Revenue** (in billions)

[CHART]

**EPS**

[CHART]

---

\*Reported 2005 EPS of \$1.39 includes \$0.83 per share non-cash charge related to \$38 million charge for goodwill impairment.

## safe harbor statement

*This presentation contains forward-looking statements within the meaning of the federal securities laws, including statements concerning anticipated future events and expectations that are not historical facts. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward looking statements in this document reflect management's best judgment at the time they are made, but all such statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed in or implied by the statements herein. Such forward-looking statements are often identified herein by use of words including, but not limited to, may, believe, project, forecast, expect, estimate, anticipate and plan. In addition, the following could affect the Company's actual results and cause such results to differ materially from those expressed in forward-looking statements. These factors include competition within the personal hair care industry, which remains strong, both domestically and internationally, and price sensitivity; changes in economic condition; changes in consumer tastes and fashion trends; labor and benefit costs; legal claims; risk inherent to international development (including currency fluctuations); the continued ability of the Company and its franchisees to obtain suitable locations for new salon development; governmental initiatives such as minimum wage rates, taxes and possible franchise legislation; the ability of the Company to successfully identify and acquire salons and beauty schools that support its growth objectives; the ability of the Company to complete the merger with Sally Beauty Company; the ability to integrate the acquired business; the ability of the Company to maintain satisfactory relationships with suppliers; or other factors not listed above. The ability of the Company to meet its expected revenue growth is dependent on salon and beauty school acquisitions, new salon construction and same-store sales increases, all of which are affected by many of the aforementioned risks. Additional information concerning potential factors that could affect future financial results is set forth in the Company's Annual Report on Form 10-K for the year ended June 30, 2005 and included in Form S-3 Registration Statement filed with the Securities and Exchange Commission on June 8, 2005. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made in our subsequent annual and periodic reports filed or furnished with the SEC on Forms 10-K, 10-Q and 8-K and Proxy Statements on Schedule 14A.*

## Non-GAAP Reconciliation

*Reconciliation to non-GAAP financial measures mentioned in this presentation can be found on our website at [www.regiscorp.com](http://www.regiscorp.com). The contents of the Regis Corporation website are expressly not incorporated by reference in this presentation.*

**additional information & where to find it**

*Regis Corporation and Alberto-Culver have entered into an agreement for the merger of Regis Corporation and the Sally Beauty Company business unit of Alberto-Culver and, in connection with this proposed transaction, will prepare and distribute a joint proxy statement/prospectus to the shareholders of Regis Corporation and Alberto-Culver. Investors in Regis Corporation are urged to carefully read the joint proxy statement/prospectus and any other relevant documents filed with the SEC when they become available because they will contain important information. Investors will be able to get the joint proxy statement/prospectus and all relevant documents filed by Regis Corporation with the SEC free of charge at the SEC's website [www.sec.gov](http://www.sec.gov) or from Regis Corporation Investor Relations at 7201 Metro Boulevard, Minneapolis, MN 55439, (952) 947-7142 or [investor.relations@regiscorp.com](mailto:investor.relations@regiscorp.com).*

**PARTICIPANTS IN THE SOLICITATION**

*The respective directors, executive officers and other members of management and employees of Regis Corporation and Alberto-Culver may be deemed to be participants in the solicitation of proxies from their respective shareholders in favor of the merger and the related transactions. Information concerning persons who may be considered participants in the solicitation of Regis Corporation's and Alberto-Culver's stockholders under the rules of the SEC is set forth in public filings filed by Regis Corporation and Alberto-Culver with the SEC and will be set forth in the Joint Statement/Prospectus when it is filed with the SEC.*

*Information concerning Regis Corporation's participants in the solicitation is contained in Regis Corporation's Proxy Statement on Schedule 14A, filed with the SEC on September 26, 2005. Information concerning Alberto-Culver's participants in the solicitation is contained in Alberto-Culver's Proxy Statement on Schedule 14A, filed with the SEC on December 13, 2005.*