

26 May 2021

MARKET UPDATE

AMA Group Limited (ASX: AMA) (**AMA/Group**), the leader in the Australian and New Zealand panel repair industry, today announces an update about recent developments in the Group.

Pleasingly, the resumption of more traditional, pre-Covid driving customs, the popularity of domestic drive holidays, as well as the reluctance of many people to use public transport, in addition to the sustained periods of wet weather in the region during March and April, means that vehicle volumes into our workshops in recent months has continued to improve.

Meanwhile, the reform and transformation of many Group activities continues under the leadership of Carl Bizon, who was appointed to the role of CEO in February this year. These changes will enhance the capacity and resilience of the Group as it continues to expand its operations in the region, and some of the more important developments are summarised below.

Governance

- The Group announced the appointment of two new, experienced, and independent Non-Executive Directors on 17 May 2021, to enhance the strength of the Board as the Group continues its expansion activities.
- The renewal and strengthening of Group leadership continues, with the recent appointments of a National Operations Manager and CFO for the AMA Panel business.

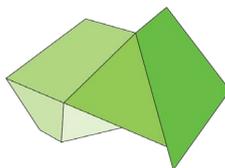
The business has also appointed Andrew Mair as Group Chief Commercial Officer in a newly created role aimed at building on and strengthening the strategic relationships with our key insurance customers. Andrew has extensive experience in the Insurance industry – most recently in a senior role at Suncorp Insurance from 2008 until 2020, and prior to that with Zurich Insurance Group from 1989 to 2008. This appointment will enhance the value our customers obtain from a consolidated strategic relationship with the Group and deliver growth and development from the strength of these relationships, for our business. Andrew will join the Group on 1 June 2021.

Further senior appointments anticipated will be announced shortly.

- AMA has also entered into litigation with former Group CEO and other former senior executives to protect the assets of the Group and to recover unauthorised expenses incurred by former senior executives.

Operations

- Vehicle volumes are near pre-Covid levels and are expected to continue to improve and act as a tailwind into the new financial year.
- The business continues to benefit from increased use of private vehicles compared to public transport and an increase in domestic drive holidays.



- AMA continues to work closely and constructively with its major customers to mitigate any impact connected with disruptions to labour or parts available to the Group, including any abnormal costs rises. As is being experienced in many industries, our business is proactively managing the headwinds of the current skilled labour shortfall being experienced at this time, primarily as a result of international border closures and part supply and pricing issues. Encouragingly parts supply is showing signs of returning to normal frequency which has improved volume throughput.
- The paint and consumables roll out to the Capital Smart network acquired from Suncorp in late 2019 is complete and on track to realise the acquisition case procurement benefits as volumes return.

Financial

- The performance of the business is tracking in line with returning volume and our current trading expectations. The Group has access to financial resources to undertake acquisition opportunities that are strategically aligned with the growth and development of the business.
- The Group is compliant with banking covenants, and expects to remain so going forward.

AMA Group CEO Carl Bizon said “It’s pleasing to see vehicle volume returning to normal. The efforts of our team members and their focus on achieving great outcomes for our customers has enabled the Group to maintain strong momentum post Covid, and with the management changes currently underway, places us in a strong position to capitalise on opportunities for growth as these arise”.

He added that, “with just over three months at the helm, my focus has been on delivery of operational and financial performance and ensuring the Group has the right people to deliver the continued growth and development of the business”.

This announcement has been approved by the Directors of AMA.

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