

# AMA GROUP

## ASX Announcement

24 November 2022

### 2022 Annual General Meeting Chairman and Group CEO Address

In accordance with ASX Listing Rule 3.13.3, please see attached the addresses to shareholders to be delivered by Anthony Day, Chairman and Carl Bizon, Group Chief Executive Officer at the 2022 AMA Group Limited (ASX: AMA) (AMA Group) Annual General Meeting, being held as a hybrid in-person and virtual meeting today.

Also enclosed are the slides to be presented at today's meeting.

This announcement has been authorised by the Board of AMA Group Limited.

ENDS.

#### Investors and Media:

Alexandra Holston, Director Investor Relations and Corporate Affairs

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#### AMA Group Limited

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## Chairman's Address to Shareholders

I would like to commence by acknowledging that the financial year ended 30 June 2022 (which I will refer to as FY22) was not the year we had hoped for or expected. Like many of our stakeholders, we are frustrated by the impact that the external environment continued to have on the Company's operations. However, we have a clear pathway, focused on prioritising delivering margin expansion, rather than absolute site numbers, repair volumes and revenue. We have already flagged FY23 as a transition year, but I am pleased to note that we have taken several actions to progress our stated strategy and can already see the early fruits of these actions that will realise the true value of the AMA Group.

Throughout the FY22 year, Carl finalised senior leadership team appointments, ensuring a strength in management, with a depth of experience and knowledge, appropriate for an ASX listed business, and the largest multi-site operator in the Australian Collision Repair Industry.

Further, during the year, the Board continued its program of enhanced governance and capacity building, which led to the appointment of Caroline Waldron to the AMA Group board. I welcome Caroline to her first AMA Group AGM. Caroline's appointment followed a thorough process, including the engagement of an external search firm, and interviewing several strong candidates. Caroline brings to the business a strength in governance and oversight borne of over 30 years' experience. Her experience encompasses leadership roles in law, human resources, marketing, risk, and internal audit within ASX 100 and blue-chip organisations. In addition to formal training in law, Caroline is a Non-Executive Director and cross-border advisor, and a welcome addition to the AMA Group Board. Caroline is standing for election today.

In addition, today I retire in accordance with our constitution and am standing for re-election. I am honoured that my re-appointment is endorsed by the Board.

As recently announced, Nicole Cook has decided to focus her energy on opportunities outside AMA Group and has withdrawn her nomination for re-election at today's AGM. I would like to thank Nicole and acknowledge her contribution to the Board, the People Committee, and the Group over her three-year tenure, which included two years as Chair of the People Committee. Nicole was instrumental in guiding the reshaping of our remuneration practices, people systems and, in particular, significantly improving the disclosure in our Remuneration report. On behalf of the Board, and the broader AMA Group business, I thank Nicole for her hard work and insight, and wish her all the best in the future. Following Nicole's retirement from the Board, Kyle Loades will assume the role of Chair of the People Committee. The Board is currently conducting a search process for a new independent Non-Executive Director and expect this to complete in early 2023.

The FY23 remuneration framework follows that proposed and endorsed in FY22. It seeks to attract, motivate, and retain key personnel within our business and align their interests with the interests of shareholders by matching long-term rewards with the long-term performance of the Group. The structure includes relative and absolute Total Shareholder Return vesting conditions in the long-term incentive plan as well as deferral of a portion of any short-term incentive result into equity. We will continue to consider and revise the terms of the remuneration framework to ensure they remain appropriate.

I would like to take a moment to reflect on the 2022 Financial Year.

As I mentioned earlier, FY22 was not the year we had hoped for, as the business was significantly impacted by the continuing effects of COVID-19 on collision repair volumes, inflationary pressures, and significant supply chain disruption as well as the nationwide skilled labour shortage and COVID-19 and flu-related absenteeism.

For the 2022 Financial Year, the AMA Group reported post-AASB 16 Normalised Earnings Before Interest, Tax, Amortisation, and Impairments of \$21.8 million, exceeding guidance given in May 2022. Revenue from continuing operations was \$845.1 million. The Group reported a net loss after tax of \$148.0 million, significantly impacted by the \$80.7 million impairment of goodwill related to both Capital S.M.A.R.T and other Drive sites and \$24.8 million impairment for sites closed or planned to close.

The Group reduced net debt by \$60.5 million, mainly through the repayment of \$72.5 million in debt following a successful capital raising in 1H22. The capital raising comprised an entitlement offer which raised approximately \$99 million and a \$50 million senior unsecured convertible notes. I thank our shareholders for the overwhelming support shown for that raising.

Despite the challenging conditions, we continued to progress our stated strategies and focus on our core businesses, while taking a conservative approach to cash management. Today we share several operational achievements.

The health and safety of our Team is always our top priority. We are very proud that, through the continued focus of the entire AMA Group Team, we delivered a second consecutive year of improvement in Lost Time Injury Frequency Rate, which declined 17% year on year. In addition, the Group partnered with Defib For Life to install public access defibrillators in all sites and donate eight defibrillators to local community sporting clubs. We also commenced the roll out of our Take the LEAD health, safety, and environment program across our network, which completed in the first quarter of FY23.

Several initiatives were undertaken as part of the Group's parts and procurement strategy. Annualised savings of \$10 million are expected from improved terms, we opened a new Victorian warehouse in Somerton and enhanced the supply service model to support the expansion of ACM Parts' offering.

The Group's commitment to its people as "One AMA" continued with the development of the "Building Better" employee value proposition and the inaugural employee share plan gift of shares to employees.

As the impacts of COVID-19 on travel and therefore collision repair volumes alleviated, we quickly evolved from a scarcity of volume to a scarcity of labour. In the face of this well-documented skilled labour shortage, which transcends industries, AMA Group is committed to building the "workforce of the future" through a dedication to apprentice training as well as skilled migration.

While I intend to let Carl provide an update on FY23, I would like to recognise the immense amount of work undertaken by our team and our insurer partners, to reach new pricing agreements in the early months of FY23. We were pleased with the strong engagement with many of our insurance partners, which saw reasonable initial price uplift offered by many, in recognition of the extreme inflationary environment we have been facing in recent times. The discussions and positive outcomes have demonstrated that the quality work we provide, with exceptional governance combined with the breadth of our network, is highly valued by our insurer partners and we look forward to long and collaborative partnerships with these key customers.

With a plan in place and well underway — with a new contract pricing cadence and network optimisation, which Carl will talk to — the Group is well-positioned for the future. We are starting to see the green shoots of the immense amount of work undertaken to-date. The team have made tough decisions and focussed on long term margin improvement as we earn the right to grow.

On behalf of the Board, I would like to thank the Management team and all our people for their tremendous effort and hard work over what was yet another challenging year. I would also like to thank our insurer and supplier partners and customers for their ongoing support. Most importantly, thank you to you, our shareholders, for your ongoing support of AMA Group.

With that, I would like to hand over to Carl Bizon, who will provide an update on FY23 and talk more to the future of AMA Group.

# Group CEO's Address to Shareholders

Thank you, Anthony. I would also like to welcome everyone who is joining us in-person and online for today's meeting.

I would now like to briefly recap our FY23 priorities, and provide an update on the activities undertaken so far this financial year.

As we announced previously, in an environment characterised by significant inflationary pressures, a constrained skilled labour force and the increasing cost and complexity of repairs, the Group approached all insurer partners with updated pricing in late FY22. This included labour rates, average cost models and additional charges across the Non-Drive and Drive networks (excluding Capital S.M.A.R.T). These pricing negotiations were generally constructive and positive, and resulted in an ongoing commitment between AMA Group and our insurer partners to regularly engage in price discussions through these times of heightened cost inflation. Agreed new pricing was live across the network throughout the first quarter of FY23.

In October, we announced agreement with our largest customer, Suncorp, with respect to the pricing for services provided by Capital S.M.A.R.T to Suncorp for the period the 1<sup>st</sup> of October 2022 to the 30<sup>th</sup> of June 2023. The interim pricing package reflects cost inflation being experienced by motor repairers and provides incentives for AMA Group to expand capacity within Capital S.M.A.R.T to accept more drivable repairs from Suncorp. The interim pricing arrangements continue to reflect a volume-based discount to current market pricing. I would like to take a moment to acknowledge the support of our insurer partners as we work through the significant impact of the operating environment in which we find ourselves.

AMA Group chose to exit some contracts where a mutually satisfactory pricing agreement could not be reached. Removing this unprofitable volume has enabled realignment of our current labour force as we seek to optimise our network and deploy AMA Group's skilled Team members to maximise efficiency, productivity, and profitability. As part of our network optimisation, we closed the Bundall corporate office in Queensland with \$0.3 million ongoing annual cost savings. We chose to hibernate fourteen sites, merge one and exit three sites. Further, we chose to convert three sites into Capital S.M.A.R.T, enabling us to grow the Capital S.M.A.R.T. business and network.

At the heart of our business are incredibly talented and experienced Panel Beaters, Spray Painters, Centre and Site Managers, Customer Service Officers, Estimators, Warehouse and Sales staff, and any number of incredibly skilled and capable people. These are the teams who drive the business and ensure that cars which come into AMA Group sites are repaired and returned to their owners, safe and ready for the road. We also have over 350 apprentices across the Group and plans to continue developing the program in FY23. Apprentices are the workforce of the future, and I am incredibly proud of the significant commitment across the Group to the development of new talent.

This year we introduced the AMA Group Awards, where we recognised people and sites who have outperformed and embody AMA Group values. It has been an honour to present a number of these awards myself, and I congratulate all the nominees and winners from across the Team.

Our key operational priorities in FY23 are:

- Progressing the parts & procurement strategy,
- Revenue growth and diversification, and
- Pursuit of ADAS opportunities.

Further, the Group will continue to embed adjustments to organisational structure, network optimisation and contract pricing. We will also continue work on strategic priorities of:

- Retention and engagement,
- Operational improvements,
- Organic and acquisition growth, and
- Workforce of the future.

FY23 is expected to be a transition year, with a bumpy first half as we navigate and implement repricing and network optimisation, but green shoots are visible. We have an incredible team, both at the site and corporate level. Through the recent repricing process, we have seen that the quality and consistency of work delivered to our insurer partners across our broad network, combined with the governance expected from a listed entity, is highly valued.

In FY23, our sights are set on executing our strategic priorities, continuously improving the health and safety of our Team, and delivering shareholder value and I look forward to the future of the Group. We affirm FY23 and FY24 post-AASB 16 EBITDA guidance of \$70 million – \$90 million and \$120 million – \$140 million, respectively.

In closing, I would like to thank the Board, the AMA Group Team who are at the heart of everything we do, our insurer, fleet and other partners, our end customers, and our shareholders for their ongoing support.

# AMA Group Limited

**2022 Annual General Meeting**

24 November 2022

AMA GROUP



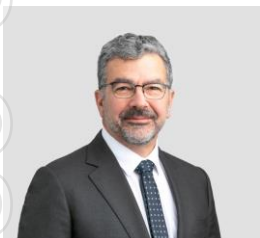
# AMA Group Board

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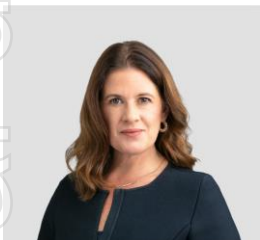
**Anthony Day**

Non-Executive Director and Chair



**Carl Bizon**

Executive Director and Group CEO



**Nicole Cook**

Non-Executive Director

(retiring at the conclusion of today's AGM)



**Kyle Loades**

Non-Executive Director



**Simon Moore**

Non-Executive Director



**Paul Ruiz**

Non-Executive Director

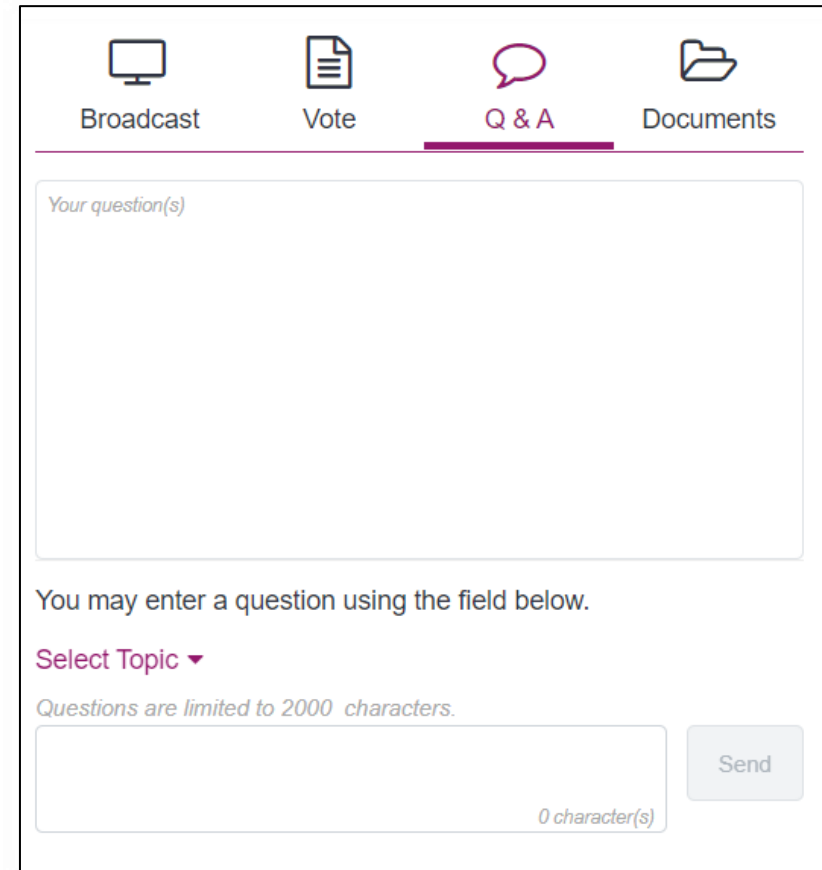


**Caroline Waldron**

Non-Executive Director

# Online Attendees – Question Process

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and **press** the send button
- To ask a verbal question follow the instructions below the broadcast window

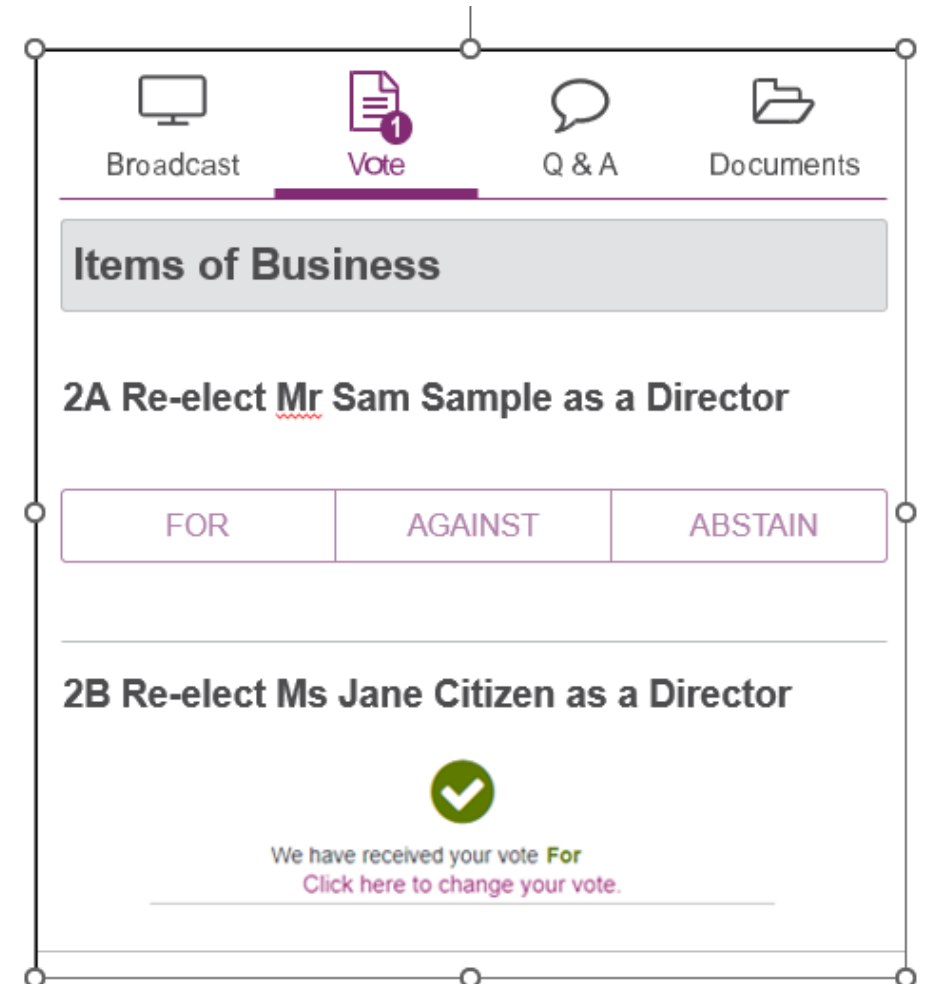


The screenshot shows the AMA Group Q&A interface. At the top, there are four icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a purple underline), and a folder for 'Documents'. Below the icons is a large text box labeled 'Your question(s)'. Underneath this box is the instruction 'You may enter a question using the field below.' followed by a 'Select Topic ▼' dropdown menu. Below the dropdown is a text box with the placeholder 'Questions are limited to 2000 characters.' and a 'Send' button. The text box also shows '0 character(s)' at the bottom right.



# Online Attendees - Voting

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed



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## Chairman Address – Anthony Day

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## Group CEO Address – Carl Bizon

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## Formal Business of the Meeting

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# Item 1

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## Receipt of the Annual Financial Report

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors' and Auditor's for the financial year ended 30 June 2022.

Please note there is no vote required for this Item.

An explanatory note to this Item appears on page 9 of the Notice of Meeting.

# Resolution 1

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## Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act, 2001 (Cth) (Corporations Act) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the year ended 30 June 2022.”

Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

An explanatory note to this Resolution appears on page 9 of the Notice of Meeting.

# Proxy Voting Results – Resolution 1

## Adoption of Remuneration Report

		Number	%
<b>FOR</b>		481,222,231	99.02
<b>AGAINST</b>		4,507,147	0.92
<b>OPEN</b>	- Chair <sup>1</sup>	32,036	0.01
	- Other Nomination	245,167	0.05
<b>ABSTAIN</b>		31,029	-

1. To be voted in **FAVOUR** of the Resolution

# Resolution 2

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## Election of Caroline Waldron as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Caroline Waldron, having been appointed by the Board since the last AGM of the Company, retires in accordance with clause 15.1(c) of the Company’s Constitution and, being eligible, offers herself for election, be elected as a Director of the Company.”

An explanatory note to this Resolution appears on page 10 of the Notice of Meeting.



# Proxy Voting Results – Resolution 2

## Election of Caroline Waldron as a Director

		Number	%
<b>FOR</b>		524,657,891	99.07
<b>AGAINST</b>		3,897,248	0.73
<b>OPEN</b>	- Chair <sup>1</sup>	784,333	0.15
	- Other Nomination	245,167	0.05
<b>ABSTAIN</b>		25,721	-

1. To be voted in **FAVOUR** of the Resolution

# Resolution 3

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## Re-Election of Anthony Day as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, Anthony Day, a Director of the Company who retires in accordance with clause 15.3(ii) of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

An explanatory note to this Resolution appears on pages 10-11 of the Notice of Meeting.

# Proxy Voting Results – Resolution 3

## Re-Election of Anthony Day as a Director

		Number	%
<b>FOR</b>		451,069,371	98.91
<b>AGAINST</b>		3,963,521	0.87
<b>OPEN</b>	- Chair <sup>1</sup>	784,333	0.17
	- Other Nomination	245,167	0.05
<b>ABSTAIN</b>		73,547,968	-

1. To be voted in **FAVOUR** of the Resolution

## Resolution 4

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### **Re-Election of Nicole Cook as a Director**

As announced to the ASX on 15 November 2022, this item of business has been withdrawn.

# Resolution 5

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## Adoption of AMA Group General Employee Share Plan

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rules 7.1 and 7.1A (Exception 13(b) of ASX Listing Rule 7.2), and for all other purposes, Shareholders approve the adoption of the AMA Group General Employee Share Plan (GESP) and approve the granting of equity securities under the GESP on the terms which are described in the explanatory memorandum, during the three years following the date of the 2022 AGM.”

An explanatory note to this Resolution appears on pages 11-12 of the Notice of Meeting.

# Proxy Voting Results – Resolution 5

## Adoption of AMA Group General Employee Share Plan

		Number	%
<b>FOR</b>		524,154,281	99.03
<b>AGAINST</b>		4,067,209	0.77
<b>OPEN</b>	- Chair <sup>1</sup>	736,833	0.14
	- Other Nomination	292,667	0.06
<b>ABSTAIN</b>		9,370	-

1. To be voted in **FAVOUR** of the Resolution

## Resolution 6

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### Grant of FY23 Performance Rights to Group Chief Executive Officer (Group CEO)

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 4,475,385 Performance Rights to the Group CEO, Carl Bizon in respect of the FY23 Long-Term Incentive (LTI), in accordance with the terms of the AMA Performance Rights Plan and on the terms set out in the explanatory memorandum.”

An explanatory note to this Resolution appears on pages 12-16 of the Notice of Meeting.

# Proxy Voting Results – Resolution 6

## Grant of FY23 Performance Rights to Group CEO

	Number	%
<b>FOR</b>	510,701,190	96.47
<b>AGAINST</b>	17,622,975	3.33
<b>OPEN</b> - Chair <sup>1</sup>	736,833	0.14
- Other Nomination	292,667	0.06
<b>ABSTAIN</b>	256,695	-

1. To be voted in **FAVOUR** of the Resolution



# Resolution 7

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## Amendments to the Constitution

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

“That in accordance with section 136(2) of the Corporations Act, the Company’s Constitution be amended as set out in the document tabled at the Meeting and signed by the Chairman for identification purposes, with effect from the close of the Meeting.”

An explanatory note to this Resolution appears on pages 16-19 of the Notice of Meeting.

As announced to the ASX on 31 October 2022, the proposed amendments to the Constitution to allow AMA Group to hold fully virtual general meetings have been withdrawn.

# Proxy Voting Results – Resolution 7

## Amendments to the Constitution

		Number	%
<b>FOR</b>		524,327,449	99.02
<b>AGAINST</b>		4,126,617	0.78
<b>OPEN</b>	- Chair <sup>1</sup>	784,333	0.15
	- Other Nomination	245,167	0.05
<b>ABSTAIN</b>		126,794	-

1. To be voted in **FAVOUR** of the Resolution

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Thank you for your attendance

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