

12 February 2025

Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
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Amotiv Limited – Results for the half year ended 31 December 2024

Result reflects a challenging environment and AOV's strong market positions and disciplined cost management

Highlights

- Revenue growth of 2.3% due to Powertrain and Undercar (+5.8%) and Lighting, Power and Electrical (+3.6%) while 4WD and Trailing was softer (-1.9%)
- Gross margins slightly lower due to the inclusion of LPE acquisitions, higher freight costs and adverse mix in 4WD. Price increases take effect in early H2 across all segments
- Underlying EBITDA growth reflects pro-active steps taken to manage costs and realisation of operational efficiencies
- Underlying EBITA incorporates ongoing investment in strategic growth imperatives
- Cash conversion remains strong albeit below the prior corresponding period (pcp) due to one-off impacts
- Leverage remains conservative. Interim dividend of 18.5cps and continuation of buyback announced at the October 2024 AGM

Financial overview

\$M	FY25 H1	FY24 H1	Change
Revenue	503.7	492.6	2.3%
Statutory NPAT	33.0	51.4	(35.8%)
Underlying NPATA ¹	58.9	59.5	(1.0%)
Underlying EBITA ¹	97.0	98.0	(1.0%)
Cash Conversion ²	76.5%	93.5%	(17.0ppts)
Net Debt/Adjusted EBITDA ³	1.75x	1.69x	0.06x
Cents	FY25 H1	FY24 H1	Change
EPS (Basic)	23.4	36.5	(35.9%)
Underlying EPSA	41.9	42.2	(0.7%)
DPS (interim)	18.5	18.5	0.0%

1. Underlying NPATA, underlying EBITA and underlying EPSA are non-IFRS, unaudited and exclude significant items outlined in note 5 of Appendix 4D.
2. Operating cash flow adjusted for tax paid, lease payments and transaction costs as a percentage of underlying EBITA adjusted for leases.
3. Refer to slide 25 of the FY25 H1 Investor Presentation for Net debt/Adjusted EBITDA calculation.

Revenue for the half year increased 2.3% to \$503.7 million, benefiting from contributions from FY24 acquisitions. Organic revenues were down 3.0% compared to pcp.

Amotiv achieved a net profit after tax from continuing operations of \$33.0 million, a decrease of 35.8% on the pcp, which includes a \$9.4 million impairment of the Fully Equipped New Zealand (NZ) business as well as \$1.0 million of other brand impairments following restructuring activity in the current period. Revenue headwinds continued across NZ, Caravan/RV¹ and APG Top 20.

Underlying EBITA of \$97.0 million decreased 1.0% on the prior year. Underlying EBITA performance reflects proactive steps taken to manage costs and realisation of operational efficiencies.

Segment summary

Underlying EBITA ¹	FY25 H1	FY24 H1	Change
4WD Accessories & Trailering	30.9	33.6	(8.0%)
Lighting, Power & Electrical	33.9	34.8	(2.6%)
Powertrain & Undercar	37.4	35.7	4.8%
Corporate	(5.2)	(6.1)	(14.8%)

4WD Accessories and Trailering

Revenue was down 1.9% against a backdrop of weak pick-up/SUV sales (APG Top 20 flat) and softness in caravan/RV and NZ markets. Reported revenues were supported by a modest acquisition. Organic revenues down 5.6%.

Underlying EBITA reduced by 8.0% driven by lower revenues as well as higher depreciation. Strong margin management and productivity focus resulted in flat underlying EBITDA margins as annualised price increases partially offset elevated cost inflation (e.g. containerised freight) along with proactive cost control and operational efficiencies. The ongoing weakness in the NZ macroeconomic environment resulted in an impairment charge on the Fully Equipped business of \$9.4 million.

Lighting, Power and Electrical

Revenue increased 3.6% supported by the contribution from acquired businesses of \$19.1 million. Organic revenues reduced 8.8% due to Australian reseller destocking and weakness in RV/caravan and NZ. US revenues (Vision X) continue to grow strongly reflecting new product program releases.

Underlying EBITA reduced by 2.6% on the pcp, inclusive of investment in US initiatives. Underlying EBITA margin contracted 140 basis points due to the impact of acquisitions. Underlying organic EBITA margins were flat.

¹ RV is a recreational vehicle

Powertrain and Undercar

Revenue increased 5.8% on prior period reflecting the resilience of the 'wear and repair' market, brand strength and ongoing revenue diversification. Price rises (implemented in H2 FY24) also supported revenue growth. Gasket performance was strong, offset by a softer domestic brake business due to the transition to a new distribution centre.

Underlying EBITA increased by 4.8%. Continued strong margin management reflective of leading market positions. Pricing and proactive cost control offset containerised freight and domestic cost inflation. The Division continues to invest in its EV business, Infinitiv, product development and innovation. Ryco was awarded the 2024 AFR Most Innovative Company (manufacturing and consumer goods) in October 2024.

Corporate

Corporate costs were down 14.8% largely reflecting higher prior period incentive provisions. Investments have been made centrally to enable the business to execute on its growth strategy, sustainability and innovation ambitions. At the same time, proactive measures have been taken to manage costs.

Balance sheet

The balance sheet remains in a strong position with conservative leverage. The debt maturity profile remains long-dated with mostly fixed-rate debt and low funding cost.

Net debt increased by \$26.6 million due to working capital increases and the \$7.7 million share buyback. The Group achieved a leverage ratio (Net Debt/Adjusted EBITDA) of 1.75x. The leverage ratio provides the Group with an ability to continue to invest in organic growth opportunities and selective acquisitions.

Cash flow

Cash conversion of 76.5% reflects higher inventory and one-off issues impacting receivables. Adjusting for receivable one-offs, cash conversion would be 87.4%, broadly in line with historical interim levels.

Shareholder returns

A fully franked interim dividend of 18.5 cents per share was announced, in line with the prior comparative period.

The Company announced at its AGM on 21 October 2024 the plan to undertake a 12-month on-market share buyback of up to approximately 5% of AOV's outstanding share capital. In the first half, approximately 733,000 shares were bought back at a cost of \$7.7 million.

January Trading Update

- Forward workshop bookings stable at 1-2 weeks
- ANZ NVS trends have continued
- South Africa revenue commenced in January in line with plan

Outlook

Growth in Group revenue and underlying EBITA is expected in FY25 driven by slightly stronger H2 skew, supported by

- New business wins and new product launches
- Modest improvement in key APG Top 20 models
- Continued resilience of wear and repair market
- Third quarter pricing actions
- Restructuring and optimisation benefits
- Corporate cost to be below prior year including investment in Amotiv Unified
- Cash conversion expected to be ~85%
- Strong balance sheet and leverage position supportive of growth initiatives
- The Group looks forward to hosting an Asian facility visit in early April 2025

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Announcement approved by the Board of Directors