



Operating Specialised Automotive Aftercare and Accessory Companies

Ray Malone

Executive Director & CEO Presentation

Morgan Stanley 2013 Emerging Companies Conference

# AMA Group

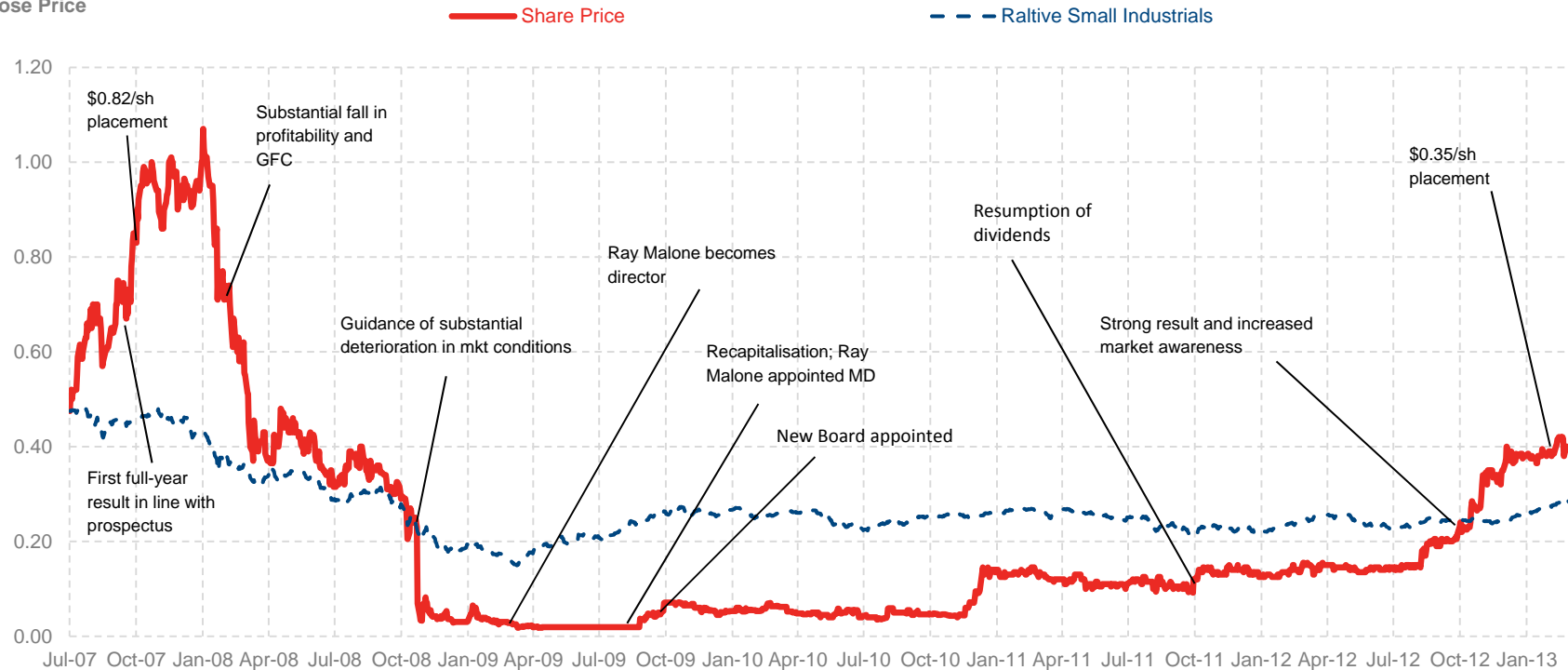
- AMA Group Ltd (ASX:AMA) was listed on the Australian Stock Exchange on 31 August, 2006.
- Focused on the wholesale vehicle aftercare and accessories market.
  - vehicle protection bullbars
  - smash repair shops
  - automotive and electrical components
  - servicing workshops for transmissions and brakes
- Market leading brands with a commitment to operating excellence.
- Strong Balance Sheet (net cash) and highly cash generative.
- Culture of employee ownership.
- Well positioned for organic and inorganic growth opportunities.



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# AMA History

Close Price



## February 2009

- \$50m+ of liability
- Challenging operating environment
- Business inefficiencies
- Unstable outlook

## Getting back on track

- Stabilise management/HR investment
- Debt reduction plan
- Focus on increasing revenues
- Stabilise/grow operating cash
- Increase EBITDA
- Improve stakeholder returns

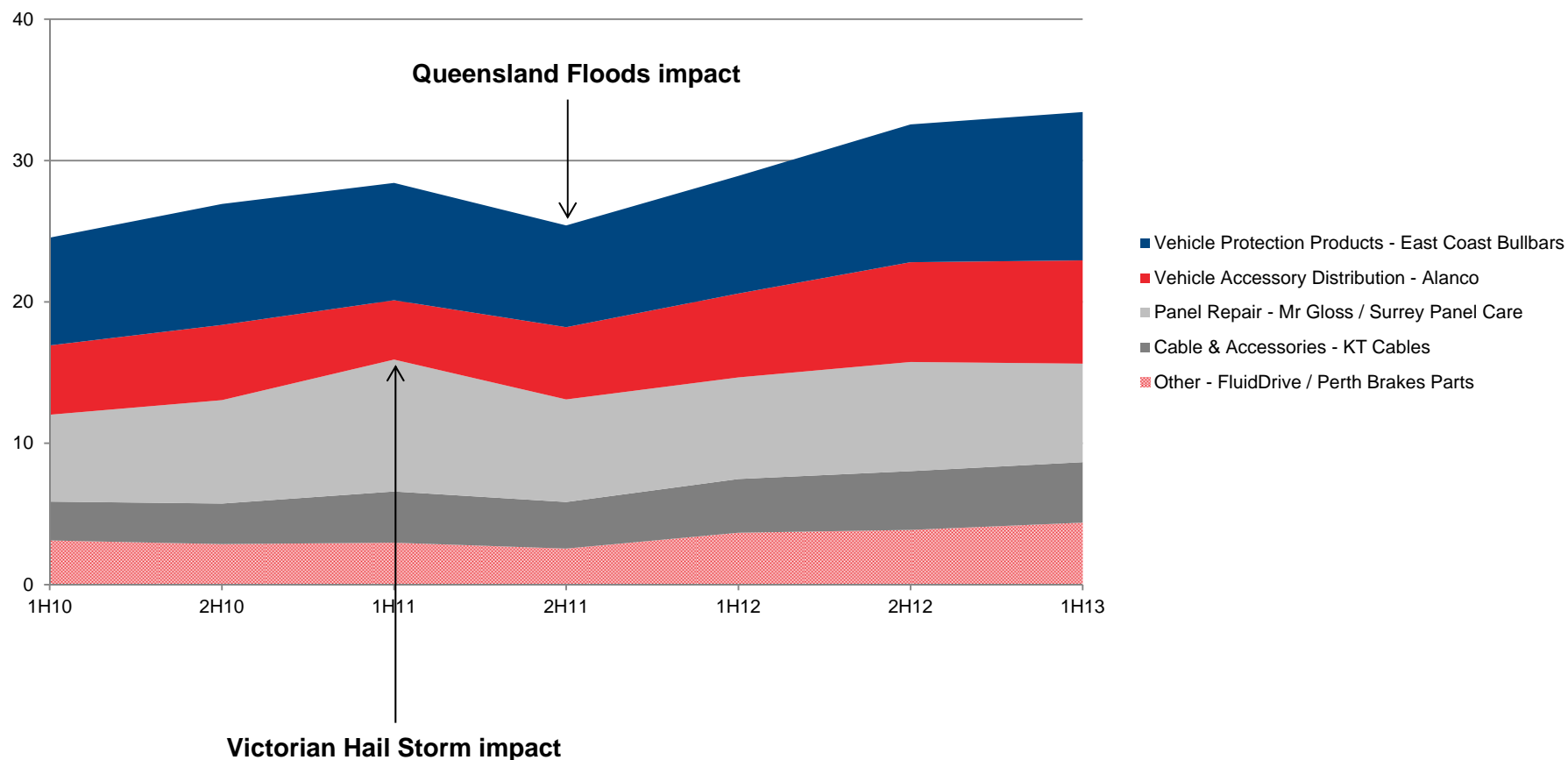
# AMA Group



Reporting segment	Vehicle protection products	Panel repair	Vehicle accessory distribution	Cable & accessory distribution	Vehicle transmission repair	Other
Market focus	<ul style="list-style-type: none"> <li>SUV and 4WD vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Prestige vehicles (BMW specialist)</li> </ul>	<ul style="list-style-type: none"> <li>SUV and 4WD vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle auto-electrical, caravan &amp; boat</li> </ul>	<ul style="list-style-type: none"> <li>All road vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Off the road and sports brakes sales and repair</li> </ul>
Client focus	<ul style="list-style-type: none"> <li>Wholesale distributors</li> </ul>	<ul style="list-style-type: none"> <li>Major insurance companies, private clients</li> </ul>	<ul style="list-style-type: none"> <li>Mining operations, fleet buyers</li> </ul>	<ul style="list-style-type: none"> <li>OEMs, mass-market retail chains</li> </ul>	<ul style="list-style-type: none"> <li>Major vehicle manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Specialist fleets, private after-market</li> </ul>
Geographic spread	<ul style="list-style-type: none"> <li>Qld based, national &amp; international market</li> </ul>	<ul style="list-style-type: none"> <li>South-east Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>Western Australia</li> </ul>	<ul style="list-style-type: none"> <li>Qld based with national &amp; international distribution</li> </ul>	<ul style="list-style-type: none"> <li>Melbourne based, national distribution</li> </ul>	<ul style="list-style-type: none"> <li>Western Australia</li> </ul>
FY12 Revenue	<ul style="list-style-type: none"> <li>\$18.059m</li> </ul>	<ul style="list-style-type: none"> <li>\$14.904m</li> </ul>	<ul style="list-style-type: none"> <li>\$13.002m</li> </ul>	<ul style="list-style-type: none"> <li>7.957m</li> </ul>	<ul style="list-style-type: none"> <li>\$4.907m</li> </ul>	<ul style="list-style-type: none"> <li>\$2.638m</li> </ul>

# AMA Business Segments

## AMA GROUP PERIODIC REVENUE BY SEGMENT



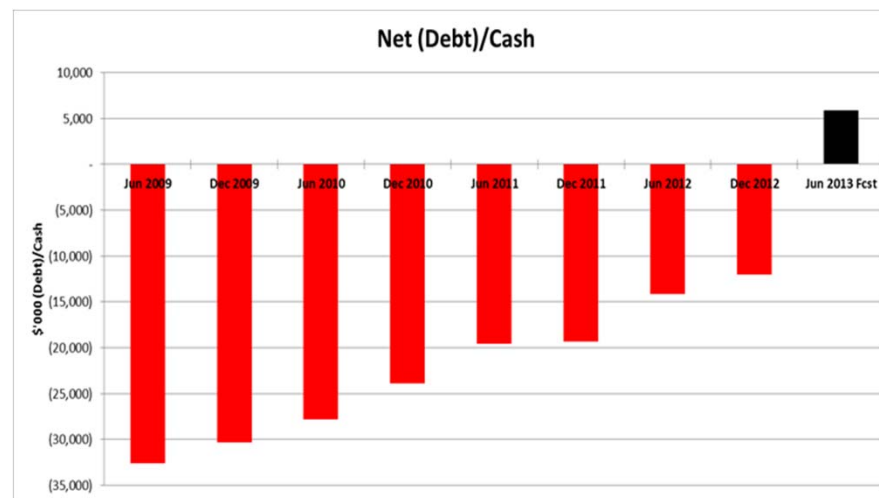
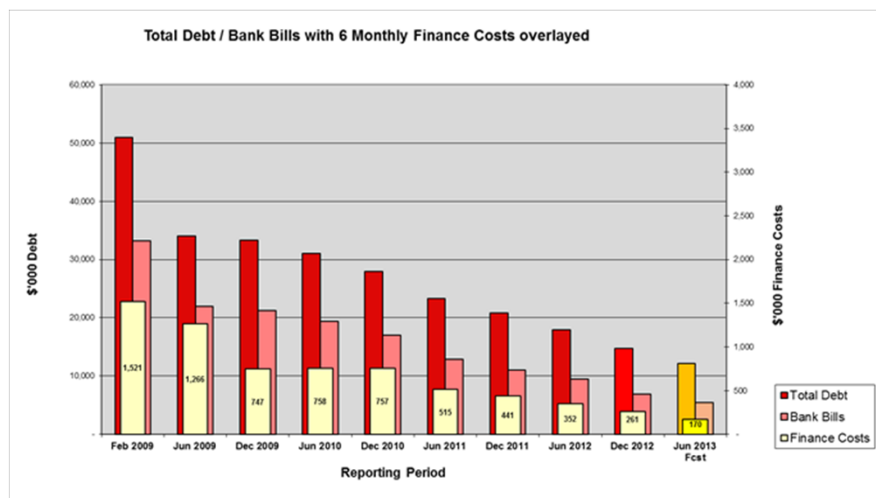
# East Coast Bullbars (ECB)

Area	Outline
Manufacturer	<ul style="list-style-type: none"><li>• Over 40 years in the industry designing and manufacturing custom designed superior quality products</li><li>• Core products are Alloy Bullbars</li></ul>
Operations	<ul style="list-style-type: none"><li>• Manufacturing facility in Brisbane<ul style="list-style-type: none"><li>• 9000 square metres</li><li>• In-house powder coat plant</li><li>• 3 warehouses, 15 welding bays</li></ul></li><li>• Design and engineering capabilities</li><li>• Buy high grade plate and tube and manufacture products from raw materials</li></ul>
Critical Attributes	<ul style="list-style-type: none"><li>➤ High Barriers to Entry</li><li>➤ Strategic Location</li><li>➤ Regular Customers</li><li>➤ Stable long term employees</li><li>➤ Limited future capex</li></ul>

# AMA Key Focus

## Normalisation of Banking Arrangements

- Close non-performing businesses
- Consider sale of some businesses
- Negotiate re-financing deals with lenders and vendors
- Jan 2013 capital raising net proceeds c\$14.5m
- Net Cash of approximately \$6m

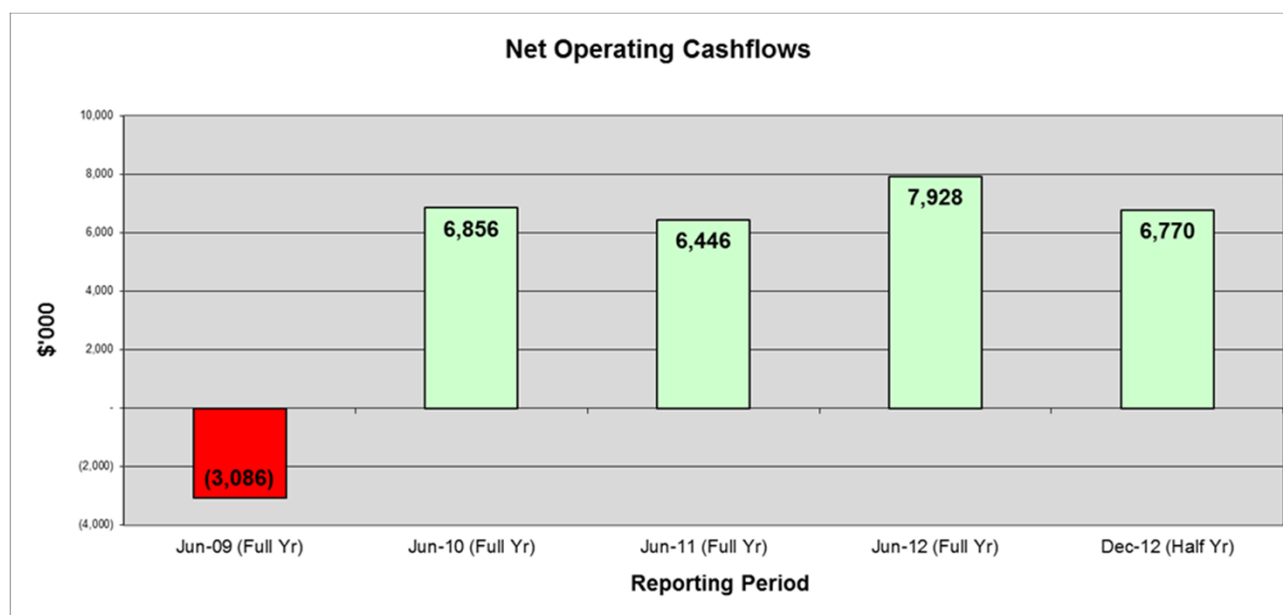


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# AMA Key Focus

## Stabilise/Grow Operating Cash

- Improve cash cycle (receivables and payables)
- Manage overall working capital across all segments of the business
- Review underlying cost base



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# AMA Key Focus

## Organic Growth Opportunities

- Vehicle Protection Products
  - Continued strength in SUV & 4WD new vehicle sales
  - Introduction of some new product lines
- Panel Repair
  - Insurance industry model changes
- Cable & Accessory Distribution
  - Growth in expanded distribution channels
  - Further product development and range expansion of core product lines



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# AMA Key Focus

## Identify and Execute on targeted Acquisitions

- Disciplined approach to target attributes
  - High Barriers to entry / Strategic location
  - Long term arrangements with loyal customers
  - Low future capital expenditure requirements
  - Long term stable work force
- Tight Valuation requirements
  - 3-4x historical EBITDA
- Positioned well to execute
  - Strong cash position
  - Flexible debt arrangements
- Acquisitions expected to be earnings enhancive (value accretive)



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# AMA - Outlook

- AMA is now well positioned to grow and prosper following the debt restructure.
- AMA is looking closely at several potential acquisition opportunities.
- AMA is well positioned to grow profit, cashflow and dividends over the medium term.
- Current trading has been solid and inline with the Board's expectations.
- Some weakness is being felt in the mining and resources sector which has weakened the 2H13 results.
- The Board expects 2013 financial results to be broadly consistent with 2012.
- The Board is confident of the outlook for the business in 2014 and beyond.

personal use only

# Thank you

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