

ersonal use only



Engineering Specialised Automotive Aftercare and Accessories Companies

## Australian Microcap Investment Conference

October 2015

Presented by Ray Malone – CEO & Executive Chairman

## Corporate overview

- Listed on the Australian Stock Exchange in 2006 (ASX:AMA)
- Australian leader in the wholesale vehicle aftercare and accessories market, offering:

Smash repair shops

Vehicle protection bullbars

Automotive & Electrical components

Workshops for transmission & brakes

- Market leading brands with a commitment to operating excellence
- Strong Balance Sheet; highly cash generative
- Culture of employee ownership
- Well-positioned for organic and inorganic growth opportunities
- Proven track record of successful business enhancement through targeted acquisitions

## Financial information

Share price (19-Oct-15)	A\$0.99
Number of shares outstanding	410.0
Market capitalisation	A\$405.9m
Cash (19-Oct-15)	A\$39.3m
Debt (19-Oct-15)	A\$0.4m
Enterprise value	A\$367.0m

Source: IRESS

## Share price performance



Source: ASX.com.au 19 October 2015

## Top shareholders















	NOSH	%
Raymond Malone	80m	19.6%
Thorney Opportunities	25m	6.1%
LHC Capital	18m	4.3%
Schroder Investment Management Ltd	16m	3.8%
Perpetual Limited	15m	3.7%
Top 20	257m	62.8%

## Vehicle Panel Repair

## Vehicle Protection Products & Accessories

## Automotive Electrical & Cable Accessories

## Automotive Component Remanufacturing

Brands	Existing Panel Repair Businesses	Gemini (Sep. 2015)	Vehicle Protection Products & Accessories		Automotive Electrical & Cable Accessories		Automotive Component Remanufacturing	
	 Mr. Gloss Victoria's Leading Prestige Smash Repairer  BMB PRESTIGE COLLISION REPAIRS  REPAIR MANAGEMENT  Shipstone ACCIDENT REPAIR SPECIALISTS  WOODS  GO RAPID  BROWNS MOTORS	 GEMINI ACCIDENT REPAIR CENTRES	 ECB BEST COST BULLBARS WORLD'S BEST ALLOY BULLBARS  CUSTOM ALLOY Australia's Leading Manufacturer of Truck Bullbars	 AUSTRALIA Alanco AUTO ELECTRICS MADE EASY	 CABLE KT ACCESSORIES Connecting Through Innovation!	 FLUID DRIVE BETTER THAN NEW	 PERTH BRAKE PARTS YOUR BRAKE PART SPECIALIST	
	Vehicle Panel Repair	Gemini	Custom Alloy	ECB	Alanco	KT Cable Accessories	Fluid Drive	Perth Brake Parts
2015 Sales	A\$42m (+193%) <sup>2</sup>	A\$150m	A\$28m (+12%) <sup>2</sup>		A\$17m (-6%) <sup>2</sup>		A\$9m (+20%) <sup>2</sup>	
GP <sup>1</sup>	A\$26m	n.a.	A\$12m		A\$6m		A\$4m	
GM <sup>1</sup>	62%	n.a.	42%		33%		40%	
Geo.	29 repair centres, focused in the Greater Melbourne Area	41 repair centres nationwide	Queensland		Western Australia	Queensland	Victoria	Western Australia

<sup>1</sup> Gross Profit ("GP") and Gross Margin ("GM")

<sup>2</sup> Y-o-Y growth.

## Stable of businesses focused on the automotive aftercare and accessories market

Vehicle Panel Repair



Vehicle Protection Products & Accessories



Automotive Electrical & Cable Accessories



Automotive Component Remanufacturing



- Highly fragmented industry in Australia
- AMA ideally placed for significant consolidation taking place in panel repairs
- Highly acquisitive – Gemini (Australia’s largest accident repair group), RMA, Shipstone, BMB & Browns and management agreement with Woods Accident Repair Centres
- Strong relationship with major insurers (inc. Suncorp and IAG) and prestige car manufactures
- National footprint with 70 sites across Australia
- Integration progressing well with cost saving / synergies ahead of expectations
- Momentum building and several more acquisitions are currently being considered

- Leading manufacturer of alloy bullbars
- Prominent in the market with approx 50%+ market share across aftermarket, fleet and OEM sales channel in alloy
- Insurer relationships creating supply opportunities for bullbars
- Further potential acquisitions in this segment

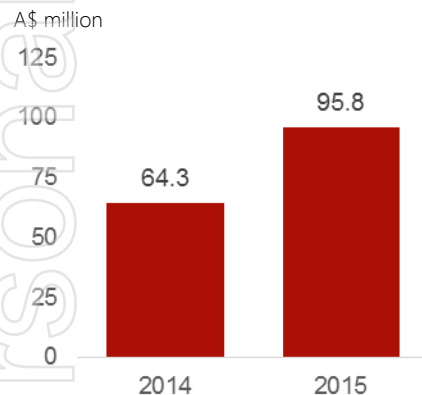
- Product innovation creating organic opportunities
- Pursuing broader product segments including industrial, marine, leisure and automotive retail sectors
- Opportunity to expand through vertical integration in supply chain for Panel.

- Solid organic growth profile with Fluiddrive
- Strong relationship with major manufactures
- Integrated relationship with 4 out of the top 6 market share OEM brands
- Opportunity to expand in core market areas
- Strong management and team buy-in are delivering exceptionally strong operational results

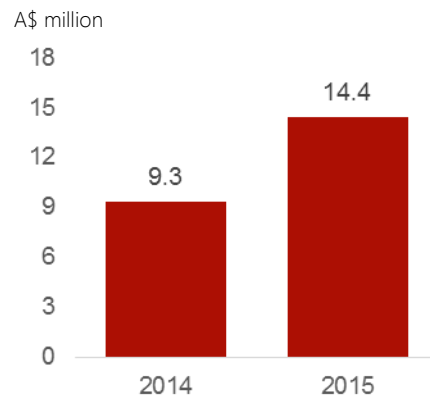
## Strong revenue and earnings growth supported by accretive acquisitions

- Strong financial performance in 2015 driven by vehicle protection and panel segments
- Revenue up to \$95.8m (up ~49% on 2014), driven by panel acquisitions of RMA, Shipstone, BMB & Browns Motors, in addition to a full 12month contribution from Custom Alloy, which was acquired November 2013
- Underlying EBITDA up to \$14.4m (up ~55% on 2014), with margins increasing to 15.0% as the benefits of recent acquisitions and efficiency gains underpinned margin expansion
- Strong operating cash flows of \$7.8 million (up ~30% on 2014)
- All segments performing well and recently acquired businesses contributing strongly with synergies as expected
- Significantly higher revenue and earnings contribution from panel repair expected with recent acquisitions and more in the pipeline
- Low gearing with significant balance sheet capacity

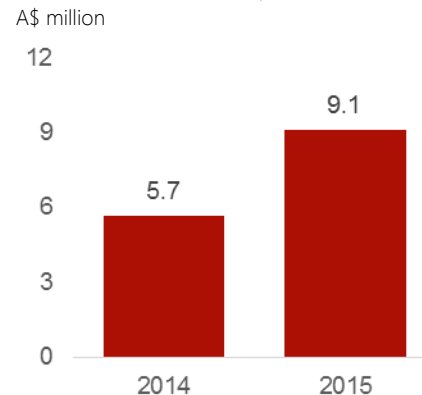
Revenue\*  
Group



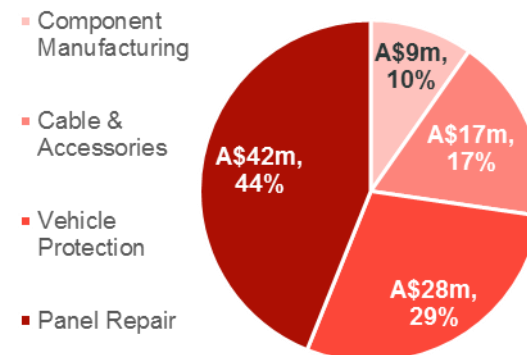
EBITDA\*  
Group



NPAT\*  
Group



Segment revenue contribution (FY15)\*



\*Pre Gemini acquisition

## Gemini - Australia's leading panel repair group

### Transaction Highlights

- Acquired Gemini Accident Repair Centres Pty Ltd (“Gemini”) in Sept. 2015
- Australia's leading panel repair group with 40 domestic locations in addition to 1 location in New Zealand
- Generated annualised group revenue of \$150 million in FY15
- Bolstered national footprint, with the combined group owning 70 Australian centres
- Improved ability to benefit largely consolidation in the fragmented panel repair market
- Strengthened management team with Gemini's Executive Chairman, Andrew Hopkins, to join the AMA Board and become CEO of AMA's Panel Repair division
- Highly complementary acquisition, blending each companies individual skills and capabilities to add value to the combined group
- Significant cost savings and synergies expected through integration over the medium term
- Structured deal consideration with financial performance hurdles – minimum Gemini EBITDA contribution for next 3½ years – maximum EBITDA multiple payable of 7.5x
- Maximum consideration of \$100m
- Structured to protect AMA's balance sheet whilst recognising performance delivery by Gemini



Revenue	–\$150m (FY2015)
Employees	–750
Locations	<ul style="list-style-type: none"> <li>–40 panel repair centres</li> <li>• 39 in Australia</li> <li>• 1 in New Zealand</li> <li>–1 mechanical repair centre</li> </ul>
Executive Chairman	–Andrew Hopkins
Founded	–2009

## Strong national footprint and customer relationships




- National coverage with little overlap between the two groups
- Broaden relationships with insurance companies

**Highly complementary skills and capabilities with significant cost-savings and synergies are expected in the medium term.**

- Gemini's sophisticated centralised control systems together with AMA's operations management platform and the combined group procurement capabilities expected to generate significant benefits
- Further strengthens AMA's position to participate in the industry consolidation

## Further management expertise and innovation within the sector

- Andrew Hopkins, Executive Chairman of the Gemini Group, brings further management expertise to AMA
- The success of his group is illustrative of his experience in the sector and his ability to continually innovate
- Andrew and his team have become the major independent consolidator in the country
- Gemini's depth of management adds significantly to AMA

Combined Repair Locations			
			 Post Acquisition
Victoria	28	8	36
Queensland	1	18	19
NSW	-	5	5
A.C.T.	-	2	2
WA	-	8	8
New Zealand	-	1	1
Total	29	41	71



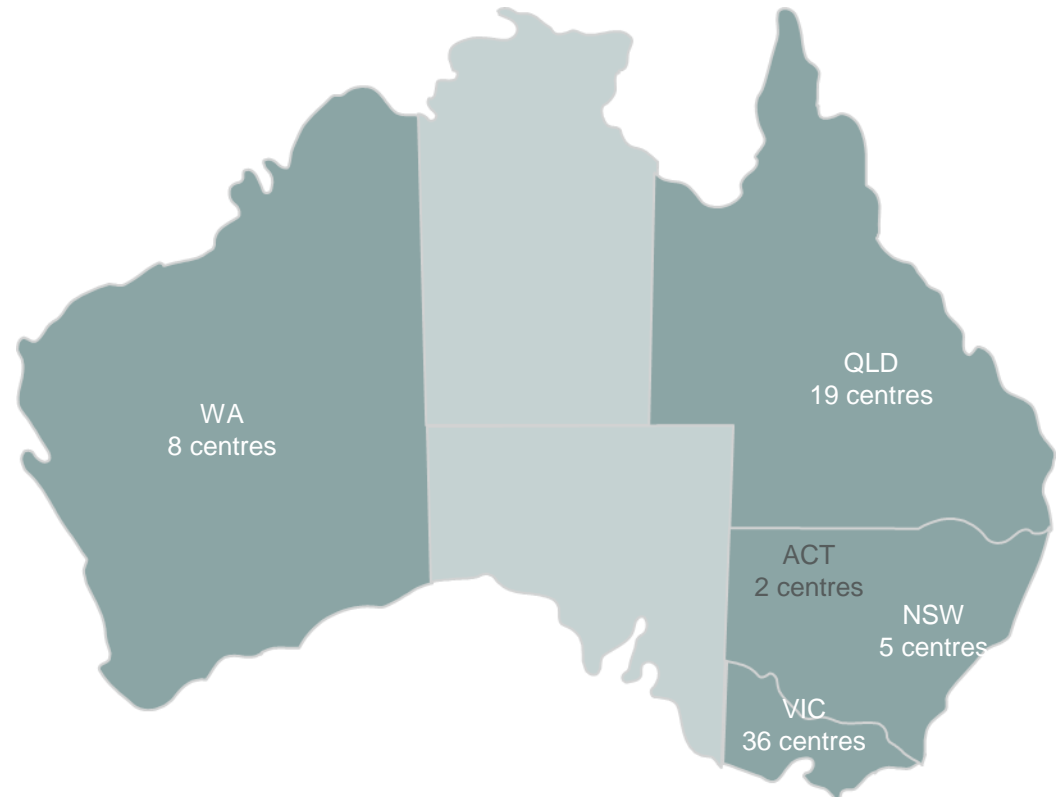
## In-depth coverage of Australia's most attractive metropolitan markets

### Comments



- The combined AMA and Gemini smash repair operations provide AMA with a truly national footprint, with locations in Victoria, Queensland, Western Australia, New South Wales ACT and New Zealand
- Diverse mix of operations, including ~17 'rapid repair' sites, three prestige sites and ~50 'conventional' smash repair sites
- Gemini also operates one mechanical repair centre specialising in fleet maintenance and collision mechanical repairs

VIC	QLD	WA	NSW	ACT	NZ	Total
36	19	8	5	2	1	71





— Finalise current acquisition pipeline

— Consolidate Panel Division operating systems, Finance, IT and HR functions  
[expected completion June 16]

— Prioritise and continually drive vertical integration across Panel  
[ongoing and endless]

— Continue to rapidly rollup

ersonal use only



- ✓ Leading provider of Australian automotive aftercare services and accessories
- ✓ Cemented leading position in Australia's panel repair market
- ✓ Strong operating cashflows, further increasing following transformational acquisition of Gemini
- ✓ Strong balance sheet with ability to take on additional leverage
- ✓ Well positioned to drive ongoing consolidation in panel repairs segment
- ✓ High quality management team bolstered by new additions

This presentation contains summary information about AMA Group Limited (ABN 50 113 883 560) (“AMA Group”) and its activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete. It should be read in conjunction with AMA Group’s other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire AMA Group’s shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. AMA Group is not licensed to provide financial product advice in respect of AMA Group shares or other securities. Past performance is no guarantee of future performance.

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of AMA Group and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of AMA Group, its related bodies corporate, or any of their respective directors, employees or agents.

This presentation may contain forward-looking statements including statements regarding our intent, belief or current expectations with respect to AMA Group’s business and operations, market conditions, results of operations and financial condition, specific provisions and risk management practices. When used in this presentation, the words ‘likely’, ‘estimate’, ‘project’, ‘intend’, ‘forecast’, ‘anticipate’, ‘believe’, ‘expect’, ‘may’, ‘aim’, ‘should’, ‘potential’ and similar expressions, as they relate to AMA Group and its management, are intended to identify forward-looking statements. Forward looking statements involve known and unknown risks, uncertainties and assumptions and other important factors that could cause the actual results, performances or achievements of AMA Group to be materially different from future results, performances or achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof.