



Operating Specialised Automotive Aftercare and Accessory Companies

## **2016 Annual General Meeting**

**Held at Bell Potters Securities Limited**

**Level 29, 101 Collins Street, Melbourne, Victoria 3000**

**11.00am Friday 25<sup>th</sup> November 2016**

### **Chairman's Address to Shareholders**

Good morning, ladies and gentlemen, and welcome to the AMA Group Limited 2016 Annual General Meeting.

The business of the day is set out in the Notice of Meeting that has been provided to all shareholders. In essence, the items to be considered include:

- Receipt of the 2016 Annual Report
- Adoption of the Remuneration Report
- Re-election of Directors
- The issue of shares to the vendors of Repair Management Australia
- Amendments to the Company's Constitution

While the Explanatory Statement attached to the Notice of Meeting contains some additional information on the items to be discussed I would like to now provide some further context to shareholders.

#### **The 2016 Financial Result**

In recent years, the Board and Management have focussed on the growth opportunities presenting themselves to our four key business divisions. The Group has successfully exploited these opportunities with our:

- Relatively strong financial position;
- Market leading brands;
- Strong relationships with customers and suppliers across multiple channels; and
- Industry experienced management with a commitment to operating excellence.

In particular, the Group has been at the forefront of the consolidation of the Vehicle Panel Repair industry and we have taken advantage of the significant opportunities for strategic and accretive acquisitions in this industry segment.

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Whilst challenging market conditions have persisted across most of the Group's business segments, the results year to date are in line with the Directors' expectations. AMA believes that its continued application of key management strategies combined with its acquisition strategy will continue to boost future earnings.

The Board believes that there still exist significant growth opportunities for our businesses; especially in Vehicle Panel Repair and Vehicle Protection Products & Accessories. As such, Management are focussed on continuing the growth strategy outlined previously.

The consolidation of the Vehicle Panel Repair industry continues and Management are actively involved in negotiating the acquisition of existing businesses and new "greenfield" sites. The acquisition of further businesses will provide further scale to our operations.

The last 12 months has seen a transformational change in our business. The consolidation in panel has been satisfying to be a part of and the strategic benefits will be clearly obvious for years to come.

### **Our People**

I would like to thank our executive team and all of our GM's and teams for their continued exceptional efforts over the last year.

The position we find ourselves in today is primarily due to the efforts of our people and in particular, Ray Smith-Roberts and Andy Hopkins, who have been instrumental in driving this performance.

As I work with these people I admire the drive and commitment that they show. Due to these efforts, I firmly believe that our company is in an extraordinary space and that this growth will continue.

### **Re-election of Directors**

As shareholders, I would like to take a moment and thank you for your ongoing support and belief in us.

I would also like to thank my fellow directors for their contribution to our successful year. During the year we appointed three new directors, who at this meeting are seeking confirmation of their appointment. In addition, Ray Smith-Roberts is standing for re-election. The appointment of these individuals from varied backgrounds but with complementary skills and has enabled the Board to create a shared vision for the company.

This team is very focussed on protecting the interests of all shareholders and ensuring that this company continues to provide outstanding financial returns. I would recommend to all shareholders that they vote to reappoint these directors to ensure that this success continues.

### **The issue of shares to the vendors of Repair Management Australia**

In June 2014, the Company announced the acquisition of Repair Management Australia; our first major acquisition of a Vehicle Panel Repair business. The consideration for this acquisition

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included an earn-out component. With the earn-out period concluding in less than twelve months, the Board has assessed the performance of this business has exceeded expectations and therefore that it is appropriate to issue a portion of this consideration as shares now but subject to escrow. These shares will be able to participate in any future dividend payments.

This outperformance is a credit to the efforts of Phil Munday and his operational team and the Board believes that the issue of these shares will display the company's confidence in this group to continue generating these results.

I would recommend to shareholders that they vote to approve the issue of these shares

### **Closing Comments**

The strategic position we find ourselves in is quite extraordinary.

The acquisition pipeline has plenty of opportunities and the work providers are keen for us to roll out more Greenfield sites.

Our first half is shaping up as expected and we are excited by the opportunities that are ahead of us.

Thank You

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