AMA GROUP LTD

Operating Specialised Automotive Aftercare and Accessory Companies

2017 Full Year Results Presentation

20 September 2017

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AMA Group Overview

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	Vehicle Panel Repair	Vehicle Protection Products & Accessories	Automotive Electrical & Cable Accessories	Automotive Component Remanufacturing
Brands	Mr.Gloss (Victoria's Leading Prestige Smash Repairer); GEMINI Accident Repair Centre; BMB Prestige Collision Repairs; Repair Management; Shipstone Accident Repair Specialists; RPM Repair Process Management; MICRA Accident Repair Centre; Go Rapid Repair Centre	ECB East Coast Bullbars – World's Best Alloy Bullbars; Custom Alloy – Australia's Leading Manufacturer of Truck Bullbars	KT Cable Accessories – Connecting Through Innovation!; Alanco Australia – Auto Electrics Made Easy; gesta	Fluiddrive – Better Than New; asnu Transmission Products

- Australian leader in the automotive aftercare and accessories market
- An ASX 300 Company (ASX:AMA) with a strong Balance Sheet; highly cash generative
- Well-positioned for organic and inorganic growth opportunities, especially in Vehicle Panel Repair with close relationships with work providers
- Proven track record of successful business enhancement through targeted acquisitions and partnering with insurers to open exclusive "greenfield" sites backed by a long term contract with an attractive payback period
- The business model in Vehicle Panel Repair effectively provides an "annuity" income stream

June 2017 Full Year Results

2017 results exceeded market guidance of Normalised EBITDA in excess of $40 million

	June 17	June 16 [3]	Change
Revenue – continuing operations : Reported ($'000)	382,165	264,284	44.6%
EBITDA - continuing operations : Reported ($'000)	37,205	24,672	50.8%
EBITDA - continuing operations : Normalised [1] ($'000)	41,072	31,921	28.7%
Basic EPS - continuing operations : Reported (cents)	3.32	1.53	116.7%
Basic EPS - continuing operations : Normalised [1] (cents)	3.97	3.54	13.2%
Current ratio (times)	0.81	1.06	(22.9%)
Current ratio adjusted for non cash items (times)	0.96	1.18	(18.6)%
Gearing ratio	5.47%	1.73%	3.74%
Net Operating Cash Flows ($'000)	12,987	36,761	(64.7)%
Cash Earnings ($'000) [2]	31,041	24,368	27.4%

AMA has declared a final dividend of 2.0 cents per share

Notes:
1. Normalised excludes effect of various items which are detailed on Slide 4
2. Calculation of Cash Earnings is detailed on Slide 5
3. Prior comparative period – year ended 30 June 2016

Normalisation of EBITDA

($'000)	June 17	June 16
EBITDA – Reported	**37,205**	**24,672**
Greenfield Start Ups	1,250	-
Business Acquisition expenses	677	916
Site Integrations	500	500
Employee Equity Plan expense	403	3,644
Redundancies	379	1,128
Litigation Settlement	350	-
Restructuring	125	600
Borrowing Cost	133	-
Site Make Good	50	350
Discontinued operations	-	111
EBITDA – Normalised	**41,072**	**31,921**

EBITDA to Operating Cash Flow

($'000)	June 17	June 16	June 15
EBITDA – Reported	**37,205**	**24,672**	**14,194**
Discontinued operation	-	(10)	216
Interest Paid	(170)	(207)	(253)
Deferred Income Amortisation	(5,487)	(2,981)	-
Equity Issued As Employment Condition	403	3,644	-
Other Non Cash Items	(910)	(750)	64
Cash Earnings (pre tax)	**31,041**	**24,368**	**14,221**
Income Tax Paid	(9,724)	(7,247)	(4,198)
Market investment incentive receipt	-	23,000	-
Repayment of Paint Prebate of Acquired business	(5,433)	-	-
Normalisation of Working Capital for Acquired business	(1,981)	-	-
Other Working Capital Movement	(916)	(3,360)	(2,203)
Net Cash Flow From Operations	**12,987**	**36,761**	**7,820**

Investment Cash Flows

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($'000)	June 17	June 16	June 15
Capital Expenditure – Greenfields [1]	6,310	1,275	-
Capital Expenditure - Other (Maintenance) [2]	5,676	7,629 [3]	2,336
	11,986	8,904	2,336
Acquisition of Existing Businesses	6,851	31,185	8,344
Investment in Automotive Solutions Group Ltd	3,902	-	-
Other	(52)	(1,882)	(13)
Investment Cash Outflow	**22,687**	**38,207**	**10,693**
Repayment of Paint Prebate of Acquired business [4]	5,433	-	-
Normalisation of Working Capital for Acquired business [5]	1,981	-	-
Restated Investment Cash Outflow	**30,101**	**38,207**	**10,693**

Notes:
1 - Greenfields relates to capital expenditure on new facilities dedicated to a work provider supported by a long term contract.
2 - Other (Maintenance) relates to capital expenditure on existing facilities.
3 - The FY16 capex impacted by the abnormal expenditure associated with the reorganisation of facilities for the VPPA and AECCA divisions and the rebranding of the Woods Auto Shops.
4 - "Investing" outflow related to the payment of a liability assumed on acquisition of another business (and factored into acquisition price).
5 - "Investing" outflow related to the payment of excess trade liabilities assumed on acquisition of another business (and factored into acquisition price).

“Greenfields” Investment Case

Capital Expenditure	1,200,000
Start Up Losses	500,000
“Investment”	1,700,000
Revenue	5,000,000
Margin	10%
EBITDA	500,000
Payback Period	**3.4 years**

Market Investment Incentive

($'000)	June 17	June 16	June 15
Deferred Income - Opening Balance	20,919	-	-
Receipt	-	23,000	-
Amortisation	(5,487)	(2,981)	-
Deferred Income - Closing Balance	14,532	20,019	-
Classified as:			
Current	6,000	5,100	-
Non Current	8,532	14,919	-
	14,532	20,919	-

In a previous financial year, the Group entered into an agreement with a key supplier to purchase product and services from the supplier over an agreed period of time and receives various preferential benefits; one of which is a market investment incentive. To satisfy the requirements of this agreement, the Group must purchase from this supplier in accordance with agreed terms. The intention of the market investment incentive is to provide funding for the Group's expansion. The "notional liability" associated with this incentive reduces in line with the purchases made.

At 30 June 2017, an amount of $6.0 million (2016: $5.1 million) has been classified as current representing the anticipated amortisation over the next 12 months (based on the prevailing run rate). As the Group grows then the amortisation of this balance should increase. As this arrangement refreshes, once the balance is fully amortised the Group may draw another tranche of this incentive and this cash injection will be used to further grow the business.

Free Cash Flow

($'000)	June 17	June 16	June 15
Cash Earnings (pre tax)	**31,041**	**24,368**	**14,221**
Income Tax Paid	(9,724)	(7,247)	(4,198)
Other Working Capital Movement	(916)	(3,360)	(2,203)
Net Cash Flow From Operations (excluding "Investment Outflows")	**20,401**	**13,761**	**7,820**
Maintenance Capital Expenditure	(5,676)	(7,629)	(2,336)
Free Cash Flow	**14,725**	**6,132**	**5,484**

The financial strategy of the group is to fund:

- Maintenance capital expenditure out of cash flow from operations;
- Dividends to AMA shareholders out of free cash flow; and
- Acquisitions of "greenfields" and "brownfields" out of the remaining free cash flow, the market investment incentive and the debt facilities

To date the Group has managed this, primarily by using the free cash flow and the first tranche of the market investment incentive.

Cash Flow

The Cash Flow Statements in the financial statements can be summarised as:

(Stated $'000)	June 17	June 16	June 15
From Operating Activities	12,987	36,761	7,820
From Investing Activities	(22,687)	(38,207)	(10,693)
From Financing Activities	1,545	22,126	2,972
Net Cash Flow	**(8,155)**	**20,680**	**99**

Restating this summary for the reclassifications associated with the "investing" and "financing" cash flows recorded as "operating" results in:

(Restated $'000)	June 17	June 16	June 15
From Operating Activities	20,401	13,761	7,820
From Investing Activities	(30,101)	(38,207)	(10,693)
From Financing Activities	1,545	45,126	2,972
Net Cash Flow	**(8,155)**	**20,680**	**99**

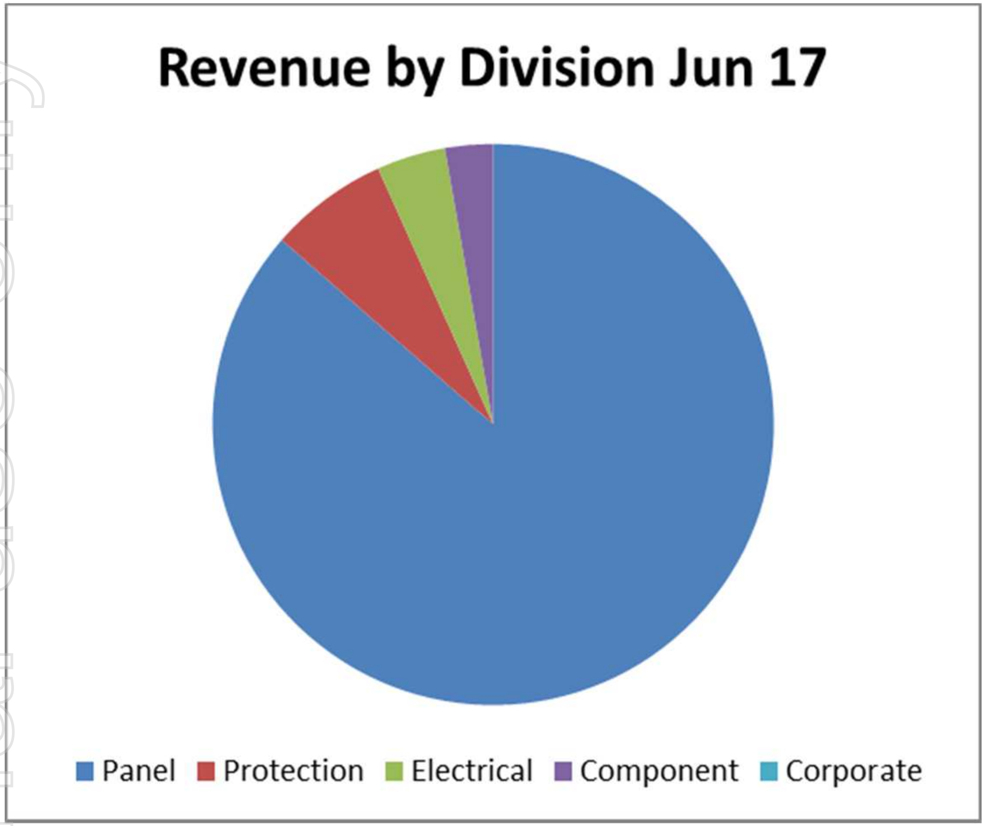
Reflecting the strong cash flow from "Operating" activities and the significant investment in "greenfields" and "brownfields" in the "Investing" activities.

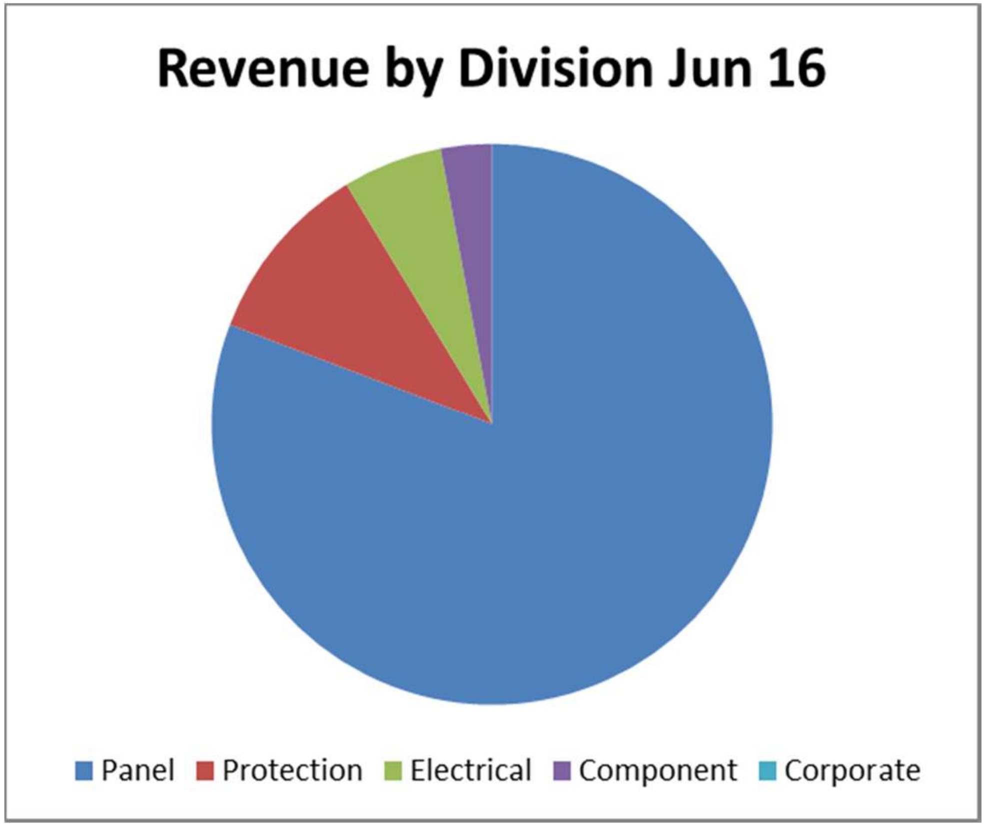
Cash Conversion

(Turn in Days)	June 17
Accounts Receivable	24.97
Inventory	17.37
Accounts Payable	(49.72)
Cash conversion	(7.38)

Cash flow is further assisted by the "negative working capital" position

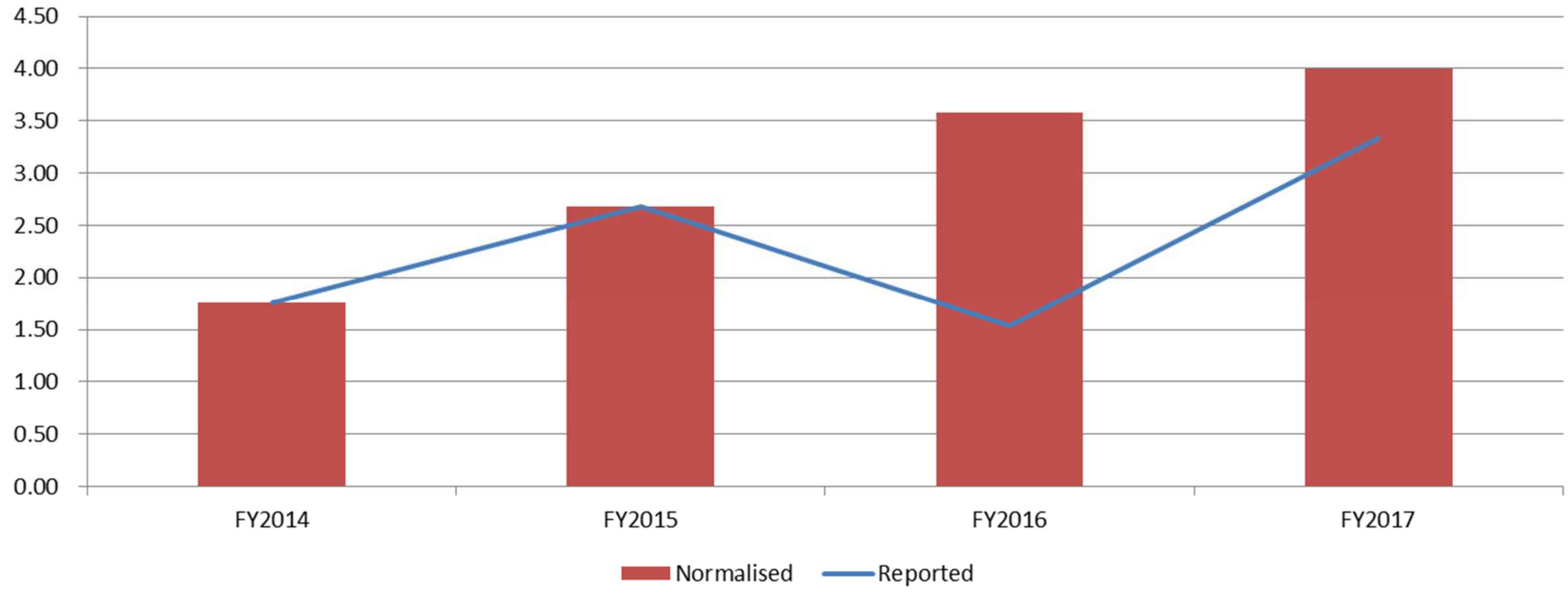
Business Mix



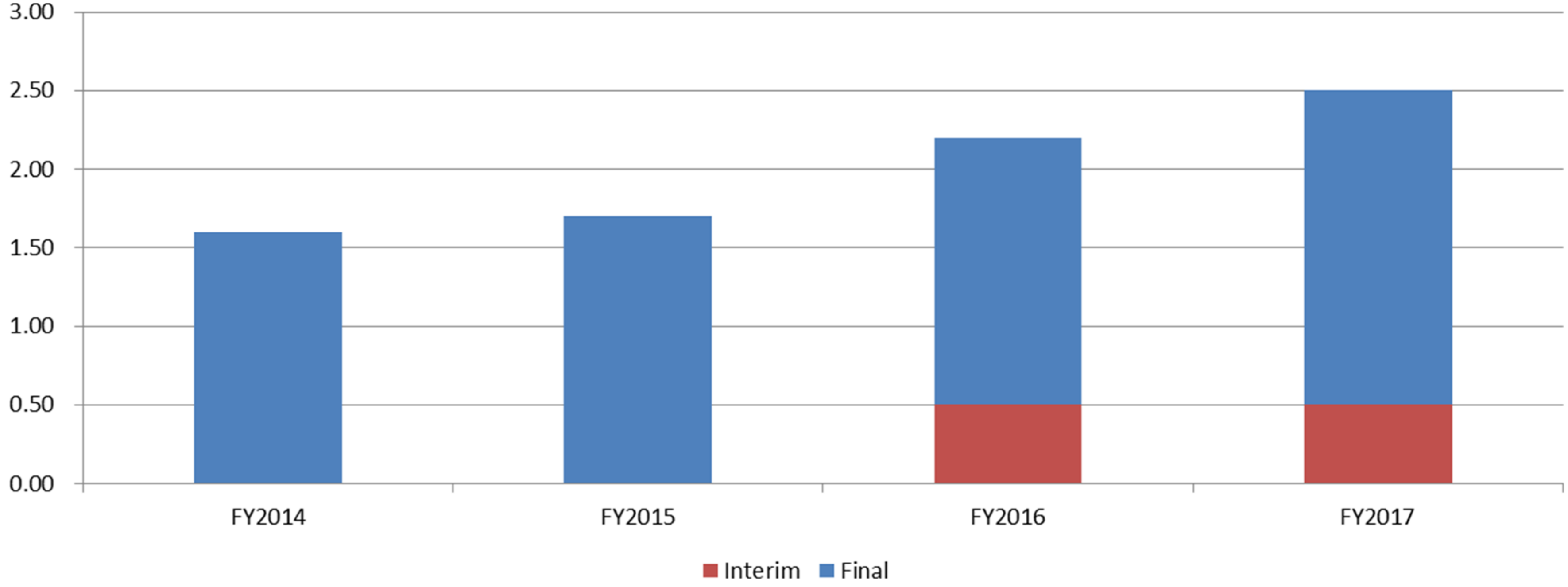


Panel now provides 86.4% of revenue (2016: 80.8%) changing the business mix.
Group EBITDA % also reflects this changing mix.

Earnings per Share



Dividends per Share



Vehicle Panel Repair

Brands	Mr.Gloss, BMB Prestige Collision Repairs, Shipstone, Gemini, Repair Management, RPM, Micra, Go Rapid
Sales	A$323.8 m (+53.1%) [2]
GM $[1]	A$185.5m (+49.9%) [2]
GM %[1]	57.3% (-1.2%) [2]

Comments

– National footprint with 93 sites across Australia [3]
– Principal consolidator in highly fragmented industry in Australia
– Active "roll out" of exclusive rapid / express shops increasing "annuity" revenue stream
– Strong relationship continues with major insurers and prestige car manufacturers
– Solid Like for Like growth for revenue of 4.7%.and overall operating margins improved
– GM% decrease reflects cost mix change in traditional shops and newly acquired shops
– Continuing to explore new ways to drive "cost to do business" down.
– More acquisitions and "Greenfields" are currently being considered

1. Gross Margin ("GM") for Panel does not include direct labour or an overhead allocation
2. Period on Period growth.
3. Seven shops added to the network post balance date including the announcement of three "Greenfields"

Revenue Growth

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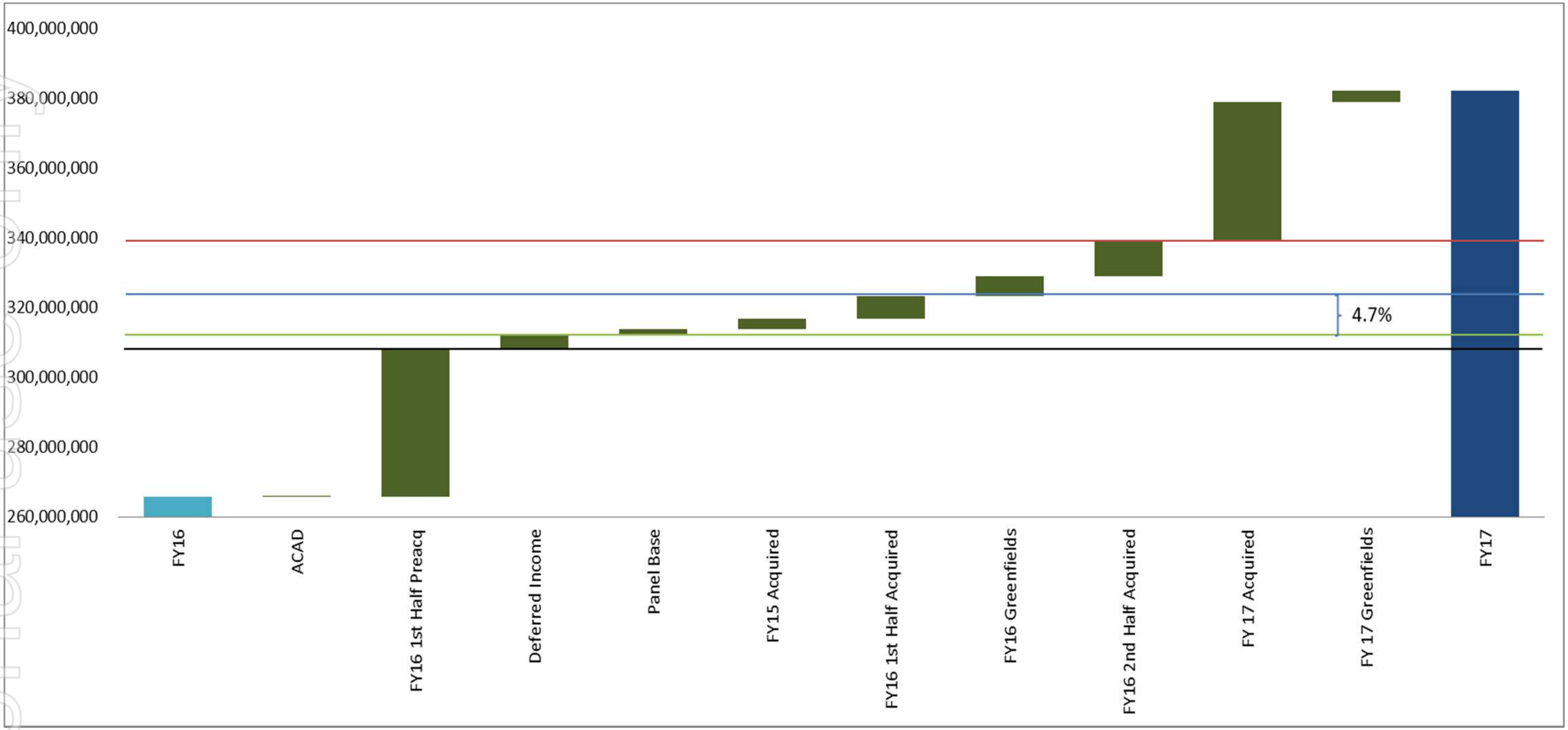

FY16 1st Half Preacq. - Annualised uplift from Gemini & Woods
Deferred Income – Market Investment Incentive Amortisation
Panel Base – All panel acq. pre FY15)
FY15 Acquired - RMA, BMB and Shipstone
FY16 1st Half Acquired – Gemini and Woods

FY16 Greenfields – Tingalpa & Para Hills
FY16 2nd Half Acquired – Micra, BDS & Keswick
FY17 Acquired – Geelong, Canberra, Direct One
FY17 Greenfields – Edwardstown, Laverton & Knoxfield

National Footprint of 93 Panel Repair Shops

Victoria	40
Queensland	19
Western Australia	10
New South Wales	10
Australian Capital Territory	7
South Australia	3
Tasmania	3
New Zealand	1
	93

Network – 30 June 2016	65
Acquired	19
Greenfields	10
Disposed	(1)
Network - Current	93

Prestige	3
Traditional	64
Exclusive	23
Mechanical	3
	93

Three Greenfields and four shops acquired to the network post balance date with further in the “pipeline”

Vehicle Protection Products & Accessories

Brands	
Sales	A$25.7 m (-6.9%) [2]
GM $[1]	A$12.6 m (+0.4%) [2]
GM %[1]	49.1% (+3.6%) [2]
Comments	– Leading manufacturer of alloy bullbars – Recently won the AAAA award for 'Excellence in Manufacturing over $10 million turnover' – Prominent in the market with approx 50%+ market share across aftermarket, fleet and OEM sales channel in alloy – Consolidation & reorganisation of the sites (Nov 15 to Feb 16) is continuing to provide production efficiencies as expected – OEM revenues decreased although aftermarket revenues increased during FY17 – Further potential acquisitions in this segment being explored

1. Gross Margin ("GM") for Protection does not include an overhead allocation
2. Period on Period growth.

Automotive Electrical & Cable Accessories

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Brands	KT Cable Accessories – Connecting Through Innovation!; Alanco Australia – Auto Electrics Made Easy; qesta
Sales	A$14.9 m (-1.1%) [2]
GM $[1]	A$4.5 m (+2.8%) [2]
GM %[1]	30.3% (+1.2%) [2]
Comments	– Product innovation creating organic opportunities – Recently won AAAA award for the 'Most innovative new aftermarket electrical product' – Pursuing broader product segments including industrial, marine, leisure and automotive retail sectors – The re-organisation of this division has continued throughout FY17 and is providing increased gross margin as expected with further efficiencies expected to contribute to FY18 and beyond – Strong team buy-in is set to deliver improved operational results in FY18 – Opportunity to expand through vertical integration in supply chain for Panel

1. Gross Margin ("GM") for Electrical and Cable does not include direct labour or an overhead allocation
2. Period on Period growth.

Automotive Component Remanufacturing

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Brands	FLUIDDRIVE BETTER THAN NEW	asnu Transmission Products
Sales	A\$10.3 m (+33.7%) [2]	
GM \$[1]	A\$4.1 m (+26.9%) [2]	
GM %[1]	39.3% (-2.1%) [2]	

Comments

– Solid organic growth profile within FluidDrive enabled our transmission remanufacturing revenues to exceed \$10m for the first time ever
– Strong management and team buy-in are delivering exceptionally strong operational results
– Recently won AAAA award for 'Excellence in Manufacturing under \$10 million turnover'
– Strong relationship with major manufacturers
– Integrated relationship with 4 out of the top 6 market share OEM brands
– Opportunity to expand in core market areas
– Integration of ASNU (Torque Converters) is proceeding as expected
– Further potential acquisitions in this segment being explored

1. Gross Margin ("GM") for Component Remanufacturing does not include direct labour or an overhead allocation
2. Period on Period growth.

Investment in Automotive Solutions Group

- On 23 May 2017, AMA announced that it would seek to acquire all of the shares in Automotive Solutions Group Limited ("ASG").
- The principal activity of ASG is the design, manufacture, supply and fitment of automotive aftermarket parts, accessories and performance technology, with an emphasis on four-wheel drive and SUV markets. It supplies components, accessories, vehicle fitment and modification services to the private four-wheel drive and fleet vehicle markets through retail and wholesale distribution networks. It operates through eight businesses with activities located in Queensland, New South Wales, Victoria and Western Australia.
- Several of these businesses are aligned to those in our Automotive Components and Accessories divisions.
- At 30 June 2017, the Company had acquired 12,532,376 fully paid ordinary shares in ASG which represents 24.9% of the issued capital of ASG.
- At completion of the offer, on 7 July 2017, AMA held 15,755,471 fully paid ordinary shares in ASG which represents 31.3% of the issued capital of ASG.
- The Board of AMA proposes to wait, along with fellow ASG shareholders, for the outcome of the ASG Turnaround Strategy. As a substantial shareholder in ASG, AMA will closely monitor the performance of the Board and management of ASG and hold them accountable for their performance against their stated intentions and projected outcomes.

Strategy / Outlook

Initiatives
• Aggressively participate in the Panel Industry consolidation
• Identify and execute further “Greenfield” opportunities in Vehicle Panel Repair division
• Prioritize and continually drive vertical integration across Vehicle Panel Repair division
• Renegotiate new strategic partnership agreements with key customers and key suppliers
• Identify and execute strategic acquisitions in the Automotive Components and Accessories divisions
• Manage Operating Margins to ensure that AMA Shareholders are provided with a satisfactory Return on Investment

AMA has multiple opportunities to continue its growth by both organic and acquisition means

AMA is expected to generate an EBITDA, on a normalised basis, for FY2018 Full Year of at least $48 million.

Summary

- Leading provider of Australian automotive aftercare services and accessories
- Cemented position as Australia's leading consolidator in the panel repair market
- Strong balance sheet with ability to take on additional leverage
- Strong cash generation business model
- Growing exclusive panel repair shops is increasing "annuity" income stream
- High quality management team with extensive industry experience

Appendix A - NPBT and NPAT Normalisation

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($'000)	NPBT FY17	NPBT FY16	NPAT FY17	NPAT FY16
Reported	**25,405**	**13,429**	**17,411**	**7,187**
Outside Equity Interest	(287)	(282)	(201)	(197)
Greenfield Start Ups	1,250	-	875	-
Business Acquisition expenses	677	916	677	916
Site Integrations and Make Good	550	850	385	595
Employee Equity Plan expense	403	3,644	403	3,644
Redundancies	379	1,128	265	790
Litigation Settlement	350	-	245	-
Restructuring	125	600	87	420
Borrowing Cost	133	-	133	-
Discontinued operations	-	111	-	78
Impairment	300	2,954	300	2,668
Normalised	**29,285**	**23,350**	**20,580**	**16,101**

Appendix B - Cash Earnings Normalisation

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($'000)	June 17	June 16
Cash Earnings – Reported	**31,041**	**24,368**
Greenfield Start Ups	1,250	-
Business Acquisition expenses	677	916
Site Integrations	500	500
Redundancies	379	1,128
Litigation Settlement	350	-
Restructuring	125	600
Borrowing Cost	133	-
Site Make Good	50	350
Discontinued operations	-	111
Cash Earnings – Normalised	**34,505**	**27,973**
EBITDA – Normalised (excluding Deferred Income Amortisation)	35,585	28,940
Cash Conversion Ratio (excluding the timing effect of Deferred Income)	**97.0%**	**96.7%**

Appendix C - Intangible Assets Restatement

($'000)	Goodwill	Patents	Contracts	Total
Balance as at 30 June 2015	**47,235**	**79**	**732**	**48,046**
Additions & Adjustments	1,139	4	-	1,143
Acquired - Reported	96,978	384	7,282	104,644
Acquired - Prior Period Adjustment[1]	(3,647)	-	3,647	-
Impairment	(2,000)	-	-	(2,000)
Amortisation - Reported	-	(30)	(2,272)	(2,302)
Amortisation – Prior Period Adjustment[1]	-	-	(328)	(328)
Balance as 30 June 2016	**139,706**	**437**	**9,061**	**149,204**
Additions & Adjustments	96	-	-	96
Acquired	13,247	-	-	13,247
Amortisation	-	(20)	(3,424)	(3,444)
Balance as 30 June 2017	**153,049**	**417**	**5,637**	**159,103**

Note 1: Finalisation of the Gemini acquisition accounting resulted in a prior period adjustment increasing Contracts and reducing Goodwill. The resultant increased amortisation that should have be en charged in the prior period was also adjusted.

Appendix D - NPAT before Amortisation

($'000)	June 17	June 16
NPAT - Reported	17,411	7,187
Amortisation of Contracts	3,424	2,600
Income Tax Expense Effect of Amortisation of Contracts[1]	(1,027)	(780)
NPATA - Reported	19,808	9,007
Outside Equity Interest	(201)	(197)
NPATA attributable to AMA Shareholders - Reported	19,607	8,810

Note 1: While amortisation of Contracts is not deductible for tax purposes, at the time of recognising this asset a deferred tax liability is also recognised. Amortisation of the Contracts therefore has an effect on Income Tax Expense. Estimated future amortisation charges related to this asset should be:

FY18 - $3.295 million ($2.307 million after tax)
FY19 - $2.342 million ($1.639 million after tax)