

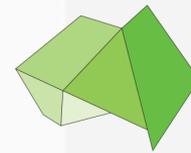
AMAGROUP

**FIRST HALF TO 31 DECEMBER 2019
RESULTS PRESENTATION**

26 FEBRUARY 2020

amagroupltd.com

WORLD CLASS AUTOMOTIVE SOLUTIONS



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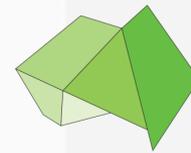


Appendices

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AMA GROUP OVERVIEW



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Highlights.

- 🚗 Growth strategy on track - very strong strategic progress with the acquisition of Capital SMART and ACM Parts now completed - a game changer for the Group which nearly doubles the size of the Group with revenue projected to be in excess of \$1b in FY 21.

- 🚗 Capital SMART integration is well progressed and we are confident of delivering in excess of \$17 million of synergies for FY 21.

- 🚗 AMA is a market leader in two key automotive industry sectors:
 - Vehicle Panel Repairs – national footprint of 188 panel sites
 - Automotive Parts and Accessories

- 🚗 Continued advances on the corporate governance front:
 - new Chairman
 - two new independent, non-executive Directors with significant functional expertise (HR; Manufacturing)
 - new auditors, KPMG in place.



Highlights.



Disappointing first half financial result, impacted by:

- Reduced repair volumes due to prolonged dry weather and lower claims frequency (Confirmed by Suncorp in recent releases);
- Static pricing of repairs and rising costs associated with parts and new vehicle technologies (Advance Driver Assistance Systems “ADAS”);
- Adverse damage severity mix for Capital SMART
- Year on Year decrease in new car sales;
- Profit or Loss impact from the adoption of new accounting standard AASB 16 Leases; and
- Impact of acquisition transaction costs.

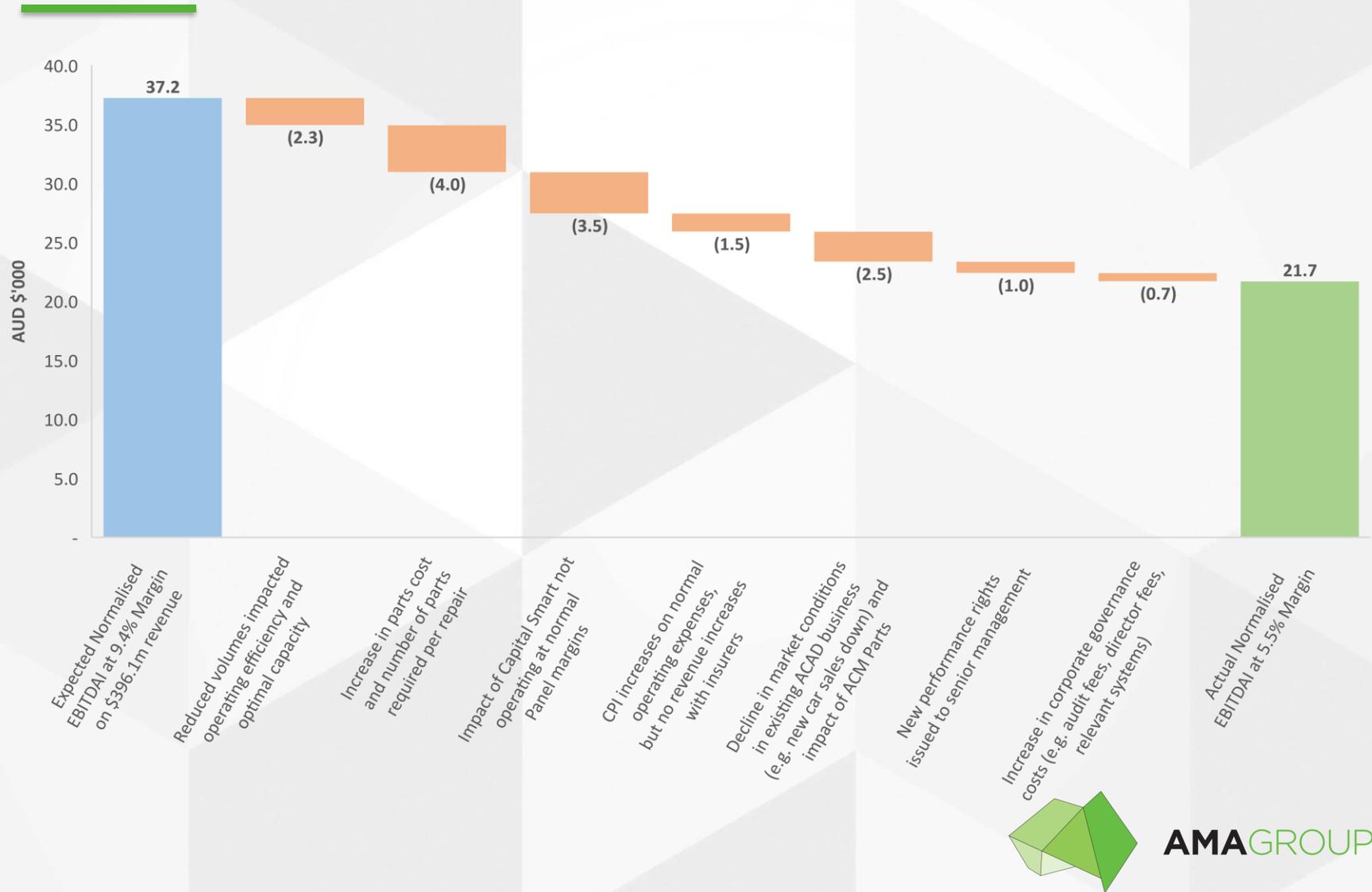


Interim Dividend:

- Historically the Company has paid an interim dividend (FY19: 0.5c per share).
- In light of the first half trading performance and our robust acquisition pipeline, the Company has decided not to pay an interim dividend.
- The Company expects to be in a position to pay a full year dividend, which will then be announced at the time of the full year results in late August 2020.



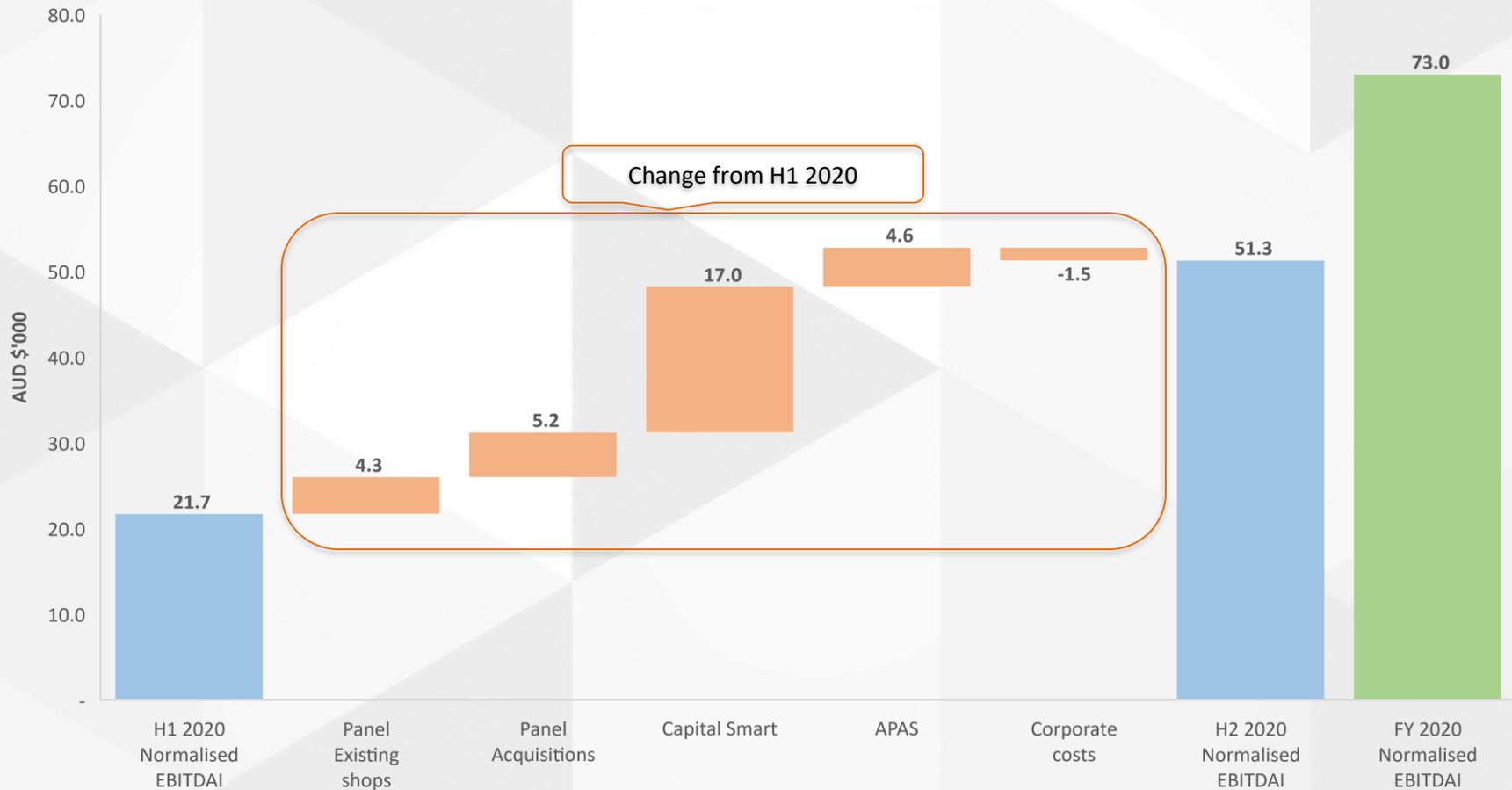
Key impacts to H1 2020.



Notes:

1. Normalised EBITDAI is pre-AASB 16 and after normalisations (e.g. Transaction costs for Capital SMART and ACM Parts).

FY 2020 Guidance range remains.



AMA reaffirms our previous guidance of FY 2020 Normalised EBITDAI in the range of \$73 to \$77 million.



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Key Operational Deliverables to 30 June 2020.

	Timing
 Complete the integration of Capital SMART and ACM Parts – <i>deliver in excess of \$17 million synergies in FY 21</i>	Q4
 Finalise advance stage price and volumes negotiations with Suncorp under the new 15 year contract (MRSA) – <i>deliver increased Capital SMART earnings in FY 20/21 as per investment case announced at acquisition</i>	Q3
 Finalise reasonable price and volume negotiations with other key insurers, including allowance for ADAS costs to be recovered fully – <i>improve current suboptimal margins under some existing contracts</i>	Q4
 Leverage best of breed customer quality service to realise greater customer share – <i>increase revenue and customer base</i>	Q4
 Complete strategic acquisitions to enhance AMA’s footprint and service offerings – <i>diversify revenue and improve EBITDA</i>	Ongoing
 Operational excellence culture implemented with best practice shared across the expanded Group and scale purchasing benefits fully realised – <i>improve margin and EBITDA</i>	Q4*

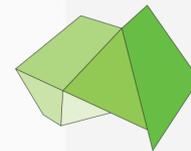
* Program will take approx. 18mths, but expect c. 30% of the benefits to be in place by Q4.

Achieving the above will place the Company in a strong position to deliver FY 2021 market expectations of c. \$110 million EBITDA.



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AMA GROUP FINANCIAL INFORMATION



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H1 2020 Statutory Result.

H1 2020 STATUTORY RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	HY 2019	CHANGE	
	STATUTORY	STATUTORY		
	AUD \$'000	AUD \$'000	AUD \$'000	%
Revenue from continuing operations	396,114	298,050	98,064	32.9%
Operating profit before interest and tax	(2,564)	16,818	(19,382)	(115.2%)
Profit / (loss) before income tax from continuing operations	(13,718)	15,346	(29,064)	(189.4%)
Net profit / (loss)	(12,272)	10,082	(22,354)	(221.7%)
Profit / (loss) attributable to members of AMA Group Limited	(11,602)	9,945	(21,547)	(216.7%)
Basic EPS (Cents) - continuing operations	(1.59)	1.65	(3.24)	(196.4%)

- Results include 2 months of Capital SMART and ACM Parts.
- Financial performance significantly impacted by:
 - Transactions costs of \$8.5m associated with the acquisition of Capital SMART and ACM Parts and the unsuccessful acquisition of Horizon Global.
 - Adoption of AASB 16 resulting in \$3.6 million impact to net profit after tax.
 - Impairment expense of \$3.7 million recognised in relation to the Distribution CGU (relates to ACAD).
 - Amortisation of Customer Contract between Capital SMART and Suncorp of \$2.4 million.

Notes:

1. The amortisation of market incentive is now reported within raw materials and consumables used. Prior period has also been adjusted.
2. The Group has adopted the new accounting standard AASB 16 *Leases* from 1 July 2019.
3. Two months trading for Capital SMART and ACM Parts has been included. The costs relating to the acquisition are included in the statutory results.



Normalised EBITDAI (Pre-AASB 16).

SUMMARY FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	HY 2019	CHANGE	
	PRE-AASB 16	STATUTORY		
	AUD \$'000	AUD \$'000	AUD \$'000	%
Revenue from continuing operations	396,114	298,050	98,064	32.9%
Raw materials and consumables used	(177,853)	(127,001)	(50,852)	40.0%
Employment benefits expense	(156,306)	(115,711)	(40,595)	35.1%
Occupancy expense	(30,845)	(21,189)	(9,656)	45.6%
Other expense	(21,099)	(10,282)	(10,817)	105.2%
Earnings before interest, tax, depreciation, amortisation and impairment ("EBITDAI")	10,011	23,867	(13,856)	(58.1%)
Depreciation and amortisation	(11,656)	(7,049)	(4,607)	65.4%
Impairment	(3,700)	-	(3,700)	100.0%
Reported EBIT	(5,345)	16,818	(22,163)	(131.8%)
Finance costs	(3,400)	(1,472)	(1,928)	131.0%
Profit / (loss) before income tax from continuing operations	(8,745)	15,346	(24,091)	(157.0%)
Discontinued operations	(619)	(141)	(478)	339.1%
Income tax (expense) / benefit	739	(5,123)	5,862	(114.4%)
Net profit / (loss)	(8,625)	10,082	(18,707)	(185.5%)
Normalisations	11,737	4,254	7,483	175.9%
Normalised EBITDAI (Pre-AASB 16)	21,748	28,121	(6,373)	(22.7%)
Normalised EBITDAI Margin %	5.5%	9.4%	(3.9%)	(41.8%)

- Results include 2 months of Capital SMART and ACM Parts.
- Normalisations predominantly relate to transactions costs (\$8.5m) associated with the acquisition of Capital SMART and ACM Parts and unsuccessful acquisition of Horizon Global.
- Reduced "historical" normalisations.
- Refer to Appendix A for breakdown.

Notes:

1. The amortisation of market incentive is now reported within raw materials and consumables used. Prior period has also been adjusted.
2. Refer to Appendix A for breakdown of normalisations.
3. Normalised EBITDAI is unaudited, non-IFRS term.



Effects of AASB 16 – Leasing Standard.

SUMMARY FINANCIAL PERFORMANCE FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	AASB 16	HY 2020
	STATUTORY	ADJUSTMENT	PRE-AASB 16
	AUD \$'000	AUD \$'000	AUD \$'000
Revenue from continuing operations	396,114	-	396,114
Raw materials and consumables used	(177,853)	-	(177,853)
Employment benefits expense	(156,306)	-	(156,306)
Occupancy expense	(11,256)	(19,589)	(30,845)
Other expense	(21,099)	-	(21,099)
Earnings before interest, tax, depreciation, amortisation and impairment ("EBITDAI")	29,600	(19,589)	10,011
Depreciation and amortisation	(28,464)	16,808	(11,656)
Impairment	(3,700)	-	(3,700)
Reported EBIT	(2,564)	(2,781)	(5,345)
Finance costs	(11,154)	7,754	(3,400)
Profit / (loss) before income tax from continuing operations	(13,718)	4,973	(8,745)
Discontinued operations	(856)	237	(619)
Income tax (expense) / benefit	2,302	(1,563)	739
Net profit / (loss)	(12,272)	3,647	(8,625)

- The Group adopted the new leases accounting standard AASB 16 Leases from 1 July 2019. Under the transition methods chosen, comparative information has not been restated.
- AASB 16 *Leases* has had a material impact (\$3.6m) on AMA Group's statutory results, including:
 - Substantial increase in depreciation and finance costs
 - Substantial decrease in occupancy costs
 - Impact to net profit after tax and earnings per share
 - No Cash Impact



Summary Financial Position.

SUMMARY FINANCIAL POSITION AS AT 31 DECEMBER 2019 AND 30 JUNE 2019	HY 2020	AASB 16	HY 2020	FY 2019	CHANGE	
	STATUTORY	ADJUSTMENT	PRE-AASB 16	STATUTORY		
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	%
Current assets	171,752	320	172,072	110,492	61,580	55.7%
Non-current assets	1,211,899	(367,963)	843,936	346,253	497,683	143.7%
Total assets	1,383,651	(367,643)	1,016,008	456,745	559,263	122.4%
Current liabilities	200,971	(32,095)	168,876	131,191	37,685	28.7%
Bank loan, net of borrowing costs	285,345	-	285,345	80,568	204,777	254.2%
Other non-current liabilities	495,901	(339,195)	156,706	52,513	104,193	198.4%
Total liabilities	982,217	(371,290)	610,927	264,272	346,655	131.2%
Net Assets	401,434	3,647	405,081	192,473	212,608	110.5%
Contributed equity	416,117	-	416,117	200,263	215,854	107.8%
Reserves	1,125	-	1,125	46	1,079	2,345.1%
Retained earnings / (deficit)	(32,655)	3,647	(29,008)	(8,128)	(20,880)	256.9%
Non-controlling interest	16,847	-	16,847	292	16,555	5,669.5%
Equity	401,434	3,647	405,081	192,473	212,608	110.5%
Current Ratio (times)			1.0	0.8	0.2	21.0%
Gearing Ratio (%) ¹			36.6%	26.2%	10.7%	40.6%

- Financial position is significantly impacted by the acquisition of Capital SMART, resulting in additional \$465 million of intangible assets.
- Financial position is also impacted by the adoption of AASB 16 *Leases*, resulting in a gross-up of the balance sheet by c. \$370 million.
- The Group completed a fully underwritten \$216 million equity raise which was strongly supported by both existing shareholders and new institutional investors.
- The Group completed a debt refinance for \$375 million which was syndicated in December 2019.


Notes:

1. Gearing ratio = Net Debt / Net Debt + Equity.

Summary Operating Cash Flows.

SUMMARY OPERATING CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	AASB 16	HY 2020	HY 2019	CHANGE	
	STATUTORY	ADJUSTMENT	PRE-AASB 16	STATUTORY	AUD \$'000	%
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	%
Receipts from customers	450,623	-	450,623	344,001	106,622	31.0%
Market incentive received	59,510	-	59,510	-	59,510	100.0%
Payments to suppliers and employees	(426,797)	(19,835)	(446,632)	(324,258)	(122,374)	37.7%
Interest received	169	-	169	38	131	344.7%
Interest and other costs of finance paid	(11,558)	7,873	(3,685)	(1,472)	(2,213)	150.3%
Income taxes paid	(8,687)	-	(8,687)	(4,540)	(4,147)	91.3%
Net cash inflows provided by operating activities	63,260	(11,962)	51,298	13,769	37,529	272.6%

CASH CONVERSION FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	HY 2019
	PRE-AASB 16	STATUTORY
	AUD \$'000	AUD \$'000

Operating cash flows	51,298	13,769
- Market incentive received (net GST)	(54,100)	-
+ Net interest	3,516	1,434
+ Tax paid	8,687	4,540
Gross operating cash flow pre Interest and Tax	9,401	19,743
Pre-AASB16 EBITDAI	10,011	23,867
- Amortisation of market incentive	(4,003)	(4,403)
+ Non-cash remuneration	1,334	523
- Discontinued operations	(619)	(141)
Cash EBITDAI	6,723	19,846
Cash conversion %	140%	99%

- Operating cash flows impacted by the market incentive tranche received.
- Interest and other finance costs increased inline with bank debt .



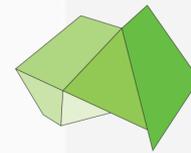
Summary Investment and Financing Cash Flows.

SUMMARY INVESTING AND FINANCING CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	AASB 16	HY 2020	HY 2019	CHANGE	
	STATUTORY	ADJUSTMENT	PRE-AASB 16	STATUTORY	AUD \$'000	%
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000		
Net cash inflows provided by operating activities	63,260	(11,962)	51,298	13,769	37,529	272.6%
Proceeds from sale of property plant and equipment	-	-	-	90	(90)	(100.0%)
Proceeds from disposal of business	-	-	-	150	(150)	(100.0%)
Payments for purchases of property plant and equipment	(5,142)	-	(5,142)	(2,721)	(2,421)	89.0%
Payments for intangible assets	(53)	-	(53)	-	(53)	100.0%
Payments for businesses acquired and earn-outs	(432,849)	-	(432,849)	(14,447)	(418,402)	2,896.1%
Cash acquired on acquisition of businesses	19,170	-	19,170	-	19,170	100.0%
Net cash outflows used in investing activities	(418,874)	-	(418,874)	(16,928)	(401,946)	2,374.4%
Equity raised, net of costs	208,711	-	208,711	9,509	199,202	2,094.9%
Proceeds from borrowings	326,000	-	326,000	16,000	310,000	1,937.5%
Repayment of borrowings	(116,568)	-	(116,568)	(13,750)	(102,818)	747.8%
Payment of new borrowings transaction costs	(4,817)	-	(4,817)	-	(4,817)	100.0%
Principal elements of lease payments	(11,962)	11,962	-	-	-	0.0%
Dividends paid to AMA shareholders	(9,310)	-	(9,310)	(10,595)	1,285	(12.1%)
Dividends paid to non-controlling shareholders	(169)	-	(169)	-	(169)	100.0%
Net cash inflows provided by financing activities	391,885	11,962	403,847	1,164	402,683	34,594.8%
Net (decrease) / increase in cash and cash equivalents	36,271	-	36,271	(1,995)	38,266	(1,918.1%)
Cash and cash equivalents at the end of period	48,510	-	48,510	14,355	34,155	237.9%

- Investing and financing cash flows are in-line with significant activity around acquisitions and the corresponding debt refinance and equity raise to fund the acquisitions.



DIVISIONAL PERFORMANCE



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Vehicle Panel Repairs.

SUMMARY FINANCIAL PERFORMANCE ¹ FOR THE HALF YEAR ENDED 31 DECEMBER	HY 2020	HY 2019	CHANGE	
	AUD \$'000	AUD \$'000	AUD \$'000	%
Revenue from continuing operations	352,105	257,078	95,027	37.0%
EBITDA	37,876	20,705	17,171	82.9%
AASB 16 adjustment for occupancy costs	(17,898)	-	(17,898)	100.0%
Pre-AASB 16 EBITDA	19,978	20,705	(727)	(3.5%)
Normalisations	1,729	1,964	(235)	(12.0%)
Normalised EBITDA	21,707	22,669	(962)	(4.2%)
Normalised EBITDA Margin %	6.2%	8.8%	(2.7%)	(30.1%)
Normalised EBITDA Margin % - Excluding Capital SMART	6.9%	8.8%	(1.9%)	(22.1%)

Highlights and Trading Performance

- Completed the acquisition of Capital SMART in October 2019 and added a further nine shops in the half year ended 31 December 2019.
- Strong revenue increase of 37% resulting from acquisitions (Capital SMART and BAU) and Greenfields developments.
- Despite strong revenue growth, Normalised EBITDA declined by 4%, and Normalised EBITDA Margin reduced to c. 7% (excluding Capital SMART).

Key factors include:

- Reduced volumes primarily as a result of extended dry weather (c. 5%).
- Reduced volumes impacted operating efficiency and historic economies of scale producing suboptimal margin outcomes.
- Average repair prices have remained relatively constant over the past 3 years in a market where costs have increased significantly especially in the last year as vehicle technology changes became more pervasive. Approximately 75% of our business is influenced by average fixed cost arrangements.
- Parts usage has increased c. 17% compared to the prior period. This is predominately due to an increase in parts, change in mix and due to new car technology (e.g. Advanced Driver Assistance Systems (ADAS)). The proportion of repairs involving ADAS system has increased significantly.



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Notes:

1. Includes 2 months of Capital SMART.

National Footprint.

VEHICLE PANEL REPAIR SHOP COUNT	DEC-19	JUN-19
Opening Balance	130	109
Acquired	60	21
Greenfields	0	4
Disposed or consolidated	-2	-4
Closing Balance	188	130

VEHICLE PANEL REPAIR SHOP LOCATION	DEC-19	JUN-19
Victoria	67	47
Queensland	36	27
Western Australia	14	12
New South Wales	41	26
Australian Capital Territory	9	7
South Australia	6	3
Tasmania	9	7
New Zealand	6	1
Closing Balance	188	130

VEHICLE PANEL REPAIR SHOP TYPE	DEC-19	JUN-19
Prestige	6	6
Exclusive ¹	85	34
Traditional	87	81
Mechanical	3	3
Heavy Motor	7	6
Closing Balance	188	130


Notes:

1. All Capital SMART sites are considered "exclusive".

Automotive Parts and Accessories.

SUMMARY FINANCIAL PERFORMANCE ¹	HY 2020	HY 2019	CHANGE	
FOR THE HALF YEAR ENDED 31 DECEMBER	AUD \$'000	AUD \$'000	AUD \$'000	%
Revenue from continuing operations	43,936	44,762	(826)	(1.8%)
EBITDA	4,310	6,189	(1,879)	(30.4%)
AASB 16 adjustment for occupancy costs	(1,691)	-	(1,691)	100.0%
Pre-AASB 16 EBITDA	2,619	6,189	(3,570)	(57.7%)
Normalisations	481	345	136	39.4%
Normalised EBITDA	3,100	6,534	(3,434)	(52.6%)
Normalised EBITDA Margin %	7.1%	14.6%	(7.5%)	(51.7%)
Normalised EBITDA Margin % - Excluding ACM Parts	12.9%	14.6%	(1.7%)	(11.5%)

Highlights and Trading Performance

- Completed the acquisition of ACM Parts in October 2019 and subsequent to half year end, completed the acquisition of Fully Equipped NZ in January 2020.
- Revenue was impacted by the decline in new car sales – (c. 8% decline year on year)
- Normalised EBITDA declined by 53%, and Normalised EBITDA Margin reduced to c. 7%. (c. 13% pre-ACM Parts). Key factors include:
 - The acquisition of ACM Parts contributed negative EBITDA of \$1.4m for the period. This business is expected to break-even for FY20 under our ownership and restructure.
 - Lower production volumes have impacted operating efficiencies and historic economies of scale resulting in suboptimal margin outcomes.
- The consolidation of various parts businesses into one division - Automotive Parts and Accessories (APAS) will optimise the cost structure.

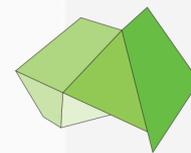


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Notes:

- Includes 2 months of ACM Parts.

STRATEGY AND OUTLOOK



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Path to Growth.

Market opportunity is c. \$6 billion in which AMA Group has c. 15% market share.

Multiple opportunities to continue to grow:



Continue to lead the vehicle panel repair industry consolidation in Australia



Realise the full potential of our team and synergistic / procurement opportunities



Progressively execute further "Greenfield" opportunities, both domestically and internationally



Identify and execute strategic acquisitions in the automotive parts and accessories division



Expansion of our strategic partnership agreements with key customers and suppliers

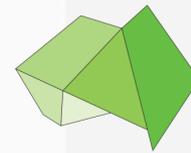


Increase the customer / diversify base through a proven customer / quality / safety centric approach to vehicle panel repairs



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APPENDICES



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Appendix A: Normalisations.

NORMALISATIONS	HY 2020	HY 2019	CHANGE	
	(AUD \$'000)	(AUD \$'000)	AUD \$'000	%
Acquisition costs	8,508	191	8,317	4,354%
Restructuring and reorganisation costs	1,999	1,153	846	73%
Fair value adjustments on deferred vendor consideration	721	421	300	71%
Integration costs	321	200	121	61%
Other costs	188	132	56	42%
Procurement project costs	-	735	(735)	-100%
IT roll-out costs	-	650	(650)	-100%
Greenfield startup costs	-	500	(500)	-100%
Site closures and make good costs	-	150	(150)	-100%
Litigation and resolution costs	-	122	(122)	-100%
Total normalisations	11,737	4,254	7,483	176%

- Abnormals costs are predominately due to the acquisition of Capital S.M.A.R.T , ACM Parts and unsuccessful acquisition of Horizon Global.
- Significantly reduced historical normalisations.



Appendix B: HY 2020 Acquisitions.

ACQUISITIONS	# SHOPS	DATE
Vehicle Panel Repairs (VPR)		
Smashcare	6	29-Aug-19
Diplocks	1	13-Sep-19
All Transport Crash Repairs	1	30-Sep-19
Capital S.M.A.R.T	51	31-Oct-19
BF Panels	1	31-Dec-19
Total Sites	60	
Automotive Parts and Accessories Solutions (APAS)		
ACM Parts	N/A	31-Oct-19
Fully Equipped NZ	N/A	31-Jan-20

- Fully Equipped NZ settled subsequent to 31 December 2019.

