



Engineering Specialised Automotive Aftercare and Accessories Companies

2017 Half Year Results Presentation

24 February 2017

AMA Group Overview



Operating Specialised Automotive Aftercare and Accessory Companies

	Vehicle Panel Repair	Vehicle Protection Products & Accessories	Automotive Electrical & Cable Accessories	Automotive Component Remanufacturing
Brands		<p>WORLD'S BEST ALLOY BULLBARS</p>		

- An ASX 300 Company (ASX:AMA)
- Australian leader in the automotive aftercare and accessories market
- 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

Dec 2017 Half Year - Normalised Results



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First half 2017 results saw strong operating performance despite several abnormal items

	Current	Prior ³	Change
EBITDA - continuing operations : Reported (\$'000)	18,357	9,571	91.8%
EBITDA - continuing operations : Normalised ¹ (\$'000)	20,557	12,508	64.4%
NPBT (\$'000)	12,320	6,759	82.3%
Basic EPS - continuing operations : Reported (cents)	1.71	0.85	101.2%
Basic EPS - continuing operations : Normalised ¹ (cents)	2.07	1.55	33.5%
Current ratio (times)	0.82	1.06	(22.6)%
Current ratio adjusted for non cash items (times)	1.05	1.18	(11.0)%
Gearing ratio	4.80%	1.73%	177.5%
Net Operating Cash Flows (\$'000)	2,265	4,593	(50.7)%
Cash Earnings (\$'000) ²	15,684	12,047	30.2%

AMA has declared an interim dividend of 0.5 cents per share









Notes:

1. Normalised excludes effect of various items which are detailed in Appendix A
2. Calculation of Cash Earnings is detailed in Appendix B
3. Prior comparative period – six months ended 31 December 2015 (except for Current ratio and Gearing ratio – 30 June 2016)

Vehicle Panel Repair



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Brands	       
Sales	A\$149.3 m (+88.7%) ²
GM \$¹	A\$85.5m (+88.8%) ²
GM %¹	57.3% (0.0%) ²
Comments	<ul style="list-style-type: none"> – Highly fragmented industry in Australia – AMA ideally placed for significant consolidation taking place in panel repairs – Solid Like for Like growth over 1st Half FY16 – Strong relationship with major insurers and prestige car manufacturers – National footprint with 79 sites across Australia ³ – Integration progressing well with cost saving / synergies ahead of expectations – Several more acquisitions 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. 5 shops added to the network post balance date

Vehicle Protection Products & Accessories



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Brands	 
Sales	A\$14.7 m (-1.7%) ²
GM \$ ¹	A\$6.6 m (+0.5%) ²
GM % ¹	44.8% (+2.3%) ²
Comments	<ul style="list-style-type: none"> – Leading manufacturer of alloy bullbars – Prominent in the market with approx 50%+ market share across aftermarket, fleet and OEM sales channel in alloy – OEM business performing strongly in current half – Further potential acquisitions in this segment




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	  
Sales	A\$7.9 m (-5.3%) ²
GM \$ ¹	A\$2.6 m (+11.6%) ²
GM % ¹	33.2% (+17.9%) ²
Comments	<ul style="list-style-type: none"> – Product innovation creating organic opportunities – Pursuing broader product segments including industrial, marine, leisure and automotive retail sectors – The re-organisation of this division is providing increased gross margin as expected – 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	
Sales	A\$4.9 m (+29.3%) ²
GM \$¹	A\$1.9 m (+37.1%) ²
GM %¹	39.1% (+6.1%) ²
Comments	<ul style="list-style-type: none"> – Solid organic growth profile with FluidDrive – Strong management and team buy-in are delivering exceptionally strong operational results – 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 – 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.

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 executive 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 FY2017 Full Year in excess of \$40 million.

Summary



Operating Specialised Automotive Aftercare and Accessory Companies

- ✓ **Leading provider of Australian automotive aftercare services and accessories**
- ✓ **Cemented leading position in Australia's panel repair market**
- ✓ **Strong balance sheet with ability to take on additional leverage**
- ✓ **Well positioned to drive ongoing consolidation in panel repair market**
- ✓ **High quality management team**

Appendix A – Normalisation Adjustments



Operating Specialised Automotive Aftercare and Accessory Companies

	Dec 16	Dec 15
	\$'000	\$'000
EBITDA from continuing operations – Reported	18,357	9,571
Employee Equity Plan expense – Corporate division	192	2,340
Business Acquisition expenses – Vehicle Panel Repair division	453	597
Site Integrations – Vehicle Panel Repair division	300	-
Site Make Good – Vehicle Panel Repair and Protection Products divisions	175	-
Redundancies – Vehicle Panel Repair division	379	-
Greenfield Start Ups - Vehicle Panel Repair division	250	-
Litigation Settlement – Automotive Electrical and Cable division	350	-
Borrowing Cost – Corporate division	101	-
EBITDA from continuing operations – Normalised	20,557	12,508

Appendix B – Operating Cash Flow



Operating Specialised Automotive Aftercare and Accessory Companies

	Dec 16	Dec 15
	\$'000	\$'000
EBITDA from continuing operations – Reported	18,357	9,571
Interest paid	(82)	(93)
Deferred income amortisation	(2,396)	-
Equity issued as employment condition	218	2,587
Other non cash items	(414)	(19)
Cash Earnings	15,684	12,047
Income tax paid	(5,020)	(3,028)
Repayment of paint prebate	(5,433)	-
Normalisation of working capital for Acquisitions	(1,981)	-
Other working capital movement	(985)	(4,426)
Net Cash Flow From Operations	2,265	4,592

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