



Enabling Successful Automotive Operations with Precision Components

# 2015 Half Year Results presentation

24 February 2015



# Group Highlights

Operating Specialised Automotive Aftercare and Accessory Companies

## First half 2015 saw strong operational performance and benefits of significant acquisitions

| Half year ended 31 December | 2015    | 2014    | %       |
|-----------------------------|---------|---------|---------|
| Revenue                     | \$43.6m | \$30.8m | +41.4%  |
| EBITDA <sup>1</sup>         | \$6.8m  | \$4.2m  | +60.3%  |
| NPAT <sup>1</sup>           | \$4.4m  | \$2.6m  | +66.7%  |
| Net operating cashflows     | \$3.7m  | \$0.9m  | +301.0% |
| EPS <sup>1</sup>            | 1.31c   | 0.79c   | +66.0%  |

Note 1: from continuing operations

- Panel repair – significant acquisitions integrated well and contributing above expectations
- Vehicle protection products – combined ECB / Custom Alloy business has delivered additional GP of 41% benefit in a subdued market, target market new car sales down approximately 4%
- Component remanufacturing – delivered excellent results in both revenue and bottom line
- Electrical & cable accessories – market remained subdued and business was flat. Expenses have been closely monitored and the it appears the cycle has bottomed
- Strong operating cash flow and balance sheet continue to provide opportunities for further growth and accretive acquisitions

# Vehicle Panel Repair

## AMA continues to rapidly build its position in an industry undergoing significant consolidation

| Half year ended 31 December | 2015    | 2014   | %       |
|-----------------------------|---------|--------|---------|
| Revenue                     | \$16.4m | \$7.5m | +118.0% |
| Gross margin                | \$10.3m | \$4.5m | +131.4% |

- Strong relationships with major insurers
- Strong relationships with all of the major prestige car manufacturers
- Strong management team with deep experience
- Acquisition of RMA, Shipstone and BMB & Browns businesses has increased the annualised revenue of our panel repair business by approximately 360%
- Strategic footprint in Victoria and entry prominent point in Queensland
- Integration progressing well with cost savings and synergies ahead of expectation
- Momentum is building and several more compelling acquisitions are currently being considered



# Integrating Acquisitions

## Acquisitions are integrating well

- Since Nov 2013 AMA Group has integrated acquired businesses that have grown the group's annualised revenue by approximately 72% to \$111.5m before organic growth
- First half 2015 included 1 strategic acquisition in panel repair and 2 further panel repair acquisitions were integrated early in the second half
- RMA acquisition was transformative and has delivered significant benefits through systems integration, workflow optimisation and procurement cost savings
  - Integration has exceeded expectations and the combined business is over delivering on revenue and earnings
- New rapid repair workshop provides scope for further growth and creates a template for additional organic opportunities
  - Fully operational since start of 2015 and building rapidly
- Shipstone and BMB & Browns acquisitions are integrating well and should contribute as expected to the full year



**New RMA rapid repair workshop**

# Vehicle Protection Products & Accessories

## ECB and Custom Alloy businesses fully integrated and dominating alloy bullbar market

| Half year ended 31 December | 2015    | 2014    | %      |
|-----------------------------|---------|---------|--------|
| Revenue                     | \$14.5m | \$10.9m | +32.4% |
| Gross margin                | \$7.6m  | \$5.3m  | +41.6% |

- New vehicle sales were flat however our business performed well
- Market appears to be improving
- Custom Alloy is now completely integrated with ECB and a continuous improvement program is now well underway. This program is expected to continue to deliver margin improvements over the next 12-18 months
- Custom Alloy's margin is steadily increasing to that of ECB through this program
- ECB and Custom Alloy dominate the alloy Bullbar market and further initiatives to grow market share even further are also well underway



# Automotive Component Remanufacturing

## FluidDrive and Perth Brake Parts delivered solid results underpinned by management initiatives

| Half year ended 31 December | 2015   | 2014   | %      |
|-----------------------------|--------|--------|--------|
| Revenue                     | \$4.3m | \$3.7m | +17.2% |
| Gross margin                | \$1.7m | \$1.2m | +34.1% |

- Solid organic growth with revenue up 17% on the comparative period
- Volume benefits and improved efficiencies have driven gross margin growth of 34%
- Key opportunities in core market areas are providing platform for ongoing performance
- Exceptional management and team buy-in are delivering outstanding performance



# Automotive Electrical & Cable Accessories

## New product initiatives underpinned stable result in a subdued market

| Half year ended 31 December | 2015   | 2014   | %      |
|-----------------------------|--------|--------|--------|
| Revenue                     | \$8.8m | \$9.1m | -3.4%  |
| Gross margin                | \$3.0m | \$3.3m | -11.5% |

- Business performed well to stay largely flat in subdued market with continued declining demand from resources-related clients (this appears to have stabilised)
- New product initiatives have delivered alternative revenue streams, whilst WA has stabilised at levels lower than FY14
- New products with innovative technology providing penetration in to Industrial, Marine, Leisure and Automotive retail sectors



*Connecting Through Innovation!*



# Summary

- First half 2015 was a strong result with significant revenue and earnings growth
- Strategic and accretive acquisitions are expected to contribute strongly in FY15
- Smash repairs industry continues to undergo significant consolidation and rationalisation
  - AMA very well placed to capitalise on opportunities for growth within this changing industry and across our businesses
- Strong financial position
  - High cash generation
  - Low debt
- AMA will continue to pursue organic growth as well as identifying, acquiring and integrating complementary businesses across its market segments