

**Chairman's Address to Shareholders
2017 Annual General Meeting
11.00am Wednesday 29th November 2017**

**Held at Computershare Conference Centre
Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067**

Good morning, ladies and gentlemen, and welcome to the AMA Group Limited 2017 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 2017 Annual Report
- Adoption of the Remuneration Report
- Re-election of Directors
- Ratification and approval of the issue of shares to the various business vendors

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 2017 Financial Result

In recent years, the Board and Management have focussed on the growth opportunities presenting themselves to our four key business divisions. 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 as well as the roll-out of "greenfield" sites for our insurance partners. We currently have a network of approximately 100 sites and in the 14 months ending in August 2017, put on an additional 33 panel facilities.

These activities have significantly impacted on our reported results. Normalised EBITDA was \$41.1 million (a rise of 28.7% over the previous year) saw the Company meet its FY17 market guidance of Normalised EBITDA being in excess of \$40 million. This increase has been due to organic growth as well as acquisitions.

This growth also resulted in Normalised Net Profit after Tax increasing by 27.7% to \$20.6 million. With this growth the Directors increased the Final Dividend to 2.0 cents per share; which was paid on 31 October 2017.

The conversion of these earnings into cash flow has also been strong with pre-tax Normalised Cash Earnings up 23.4% to \$34.5 million. This operating cash flow assisted in the funding of the investments made in business acquisitions and "greenfield" roll-outs.

The financial position of the Group is also strong with the gearing ratio at 30 June 2017 being 5.5%; an increase from the 1.7% at June 2016.

Our panel division rollout is going to plan with annualised panel revenue in excess of \$400 million today and the division continues to grow at a similar pace. Our current PE paid to vendors is under 3 times earnings.

Whilst panel is growing rapidly, we are now also focussing on continuing the growth strategy in our Automotive Components and Accessories divisions. During the 2017 financial year, the Company initiated a takeover bid for all of the issued capital of Automotive Solutions Group Limited. This Group operates businesses that are aligned to segments that some of our ACAD businesses operate in. In addition the acquisition of other similar businesses such as CSM Service Bodies adds further scale to this division. We also have several smaller acquisitions in the sector that are at various stages of completion.

Our People

I would like to thank all of our wonderful 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, Andy Hopkins and Ray Smith-Roberts and their teams have been instrumental in driving this performance

Re-election of Directors

I would also like to thank my fellow directors for their contribution to our successful year. This team is very focussed on protecting the interests of all shareholders and ensuring that this company continues to provide outstanding financial returns.

At this meeting, Mr Hugh Robertson and Mr Brian Austin are standing for re-election.

I would recommend to all shareholders that they vote to reappoint these directors.

The issue of shares to the vendors of various businesses

A key element of the growth strategy has been to acquire businesses with outstanding management. The consideration for these acquisitions therefore normally includes an earn-out component and payment using the Company's shares. It is believed that this incentivises that management team and improves the results for all AMA shareholders.

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

Closing Comments

I believe that the strategic position we find ourselves in is quite extraordinary.

The acquisition pipeline appears endless, our Insurer business partner relationships have gone from strength to strength and we are rolling out more and more Greenfield sites nationally.

Our ACAD division is growing and there are numerous procurement opportunities presenting themselves.

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

Thank You