

28 August 2018

Acquisition Update

AMA Group, (“AMA” or the “Group”) (ASX: AMA), the Australian leader in the automotive aftercare and accessories market, is pleased to provide an update on recent acquisitions within the Group.

Panel

The Group successfully settled the following panel businesses since July 1, 2017, adding 28 new locations to the Group network. The Group now has a total of 114 sites across the country.

- AAA Accident Repair Centre, Burwood, Victoria on 1 July 2017;
- A&A Smash Repairs, Fyshwick, ACT on 14 July 2017;
- Griffiths Panel Works, Moorabbin, Victoria on 21 July 2017;
- Picken Autobody Repair Centre in North Hobart, Tasmania on 28 July 2017;
- Eastern Autobody in Eastern Shore, Tasmania on 28 July 2017;
- JPV Smash Repairs in Kogarah, New South Wales on 1 December 2017;
- Bunbury City Smash Repairs, Bunbury, Western Australia on 8 December 2017;
- Californian Smash Repairs, Botany, New South Wales on 15 December 2017;
- Alexander Body Works, Townsville, Queensland on 22 December 2017;
- Craig Hall Bodyworks, Phillip, Australian Capital Territory on 5 January 2018;
- Bear’s Auto Hospital on 16 February 2018
 - Albion Park, New South Wales;
 - Bathurst, New South Wales;
 - Corrimal, New South Wales;
 - Helensburgh, New South Wales;
 - Orange, New South Wales; and
 - Wollongong, New South Wales;
- Wells Harvey Group of businesses on 30 April 2018.
 - Wells Smash Repairs, Arundel, Queensland;
 - Wells Bodyworks & Towing, Hobart, Tasmania;
 - H Harvey Collision Repairs, Upper Coomera, Queensland;
 - H Harvey Prestige, Upper Coomera, Queensland; and
 - Domroy Prestige Autobody, Moorooka, Queensland.
- Mt Druitt Group of Companies on 8 August 2018
 - ARM Structural Accident Repairs, Mount Druitt, New South Wales;
 - ARM Rapid Accident Repairs, Penrith, New South Wales;
 - ARM Rapid Accident Repairs, Mount Druitt, New South Wales;
 - ARM Rapid Accident Repairs, Wetherill, New South Wales;

Wells Harvey, Mt Druitt Group, Bunbury City Smash Repairs and Craig Hall Bodyworks were purchased with an “earnout” as part of their acquisition consideration.

Following strategic planning and consultation with the Group's insurer partners, plans are in place to open a number of Greenfield sites. AMA has initially agreed to open the following new sites:

- Albany, New Zealand

These discussions continue with the Group's insurer partners, who have expressed strong interest for the Group to open further Greenfields. The Group anticipates announcing further new sites in the future.

The following Greenfield sites have opened during the period:

- RPM Milperra, NSW
- Gemini Prestons, NSW
- RPM Mitchell, ACT
- Autoco Hume, ACT
- RPM Narellan, NSW
- Gemini Sunshine, Victoria

The acquisitions have been funded using existing financial resources and debt and it is anticipated they will have the following financial impact:

Anticipated Consideration (Total)	\$39.7 mil
Incremental Revenue (Total)	\$94.1 mil
Incremental EBITDA (Total)	\$11.3 mil
Implied EBITDA Multiple (Average)	3.50

Commenting on the Acquisitions, AMA Panel Division CEO, Andrew Hopkins, said: "I am particularly pleased by the performance of the smash repairs business over the last 12 months. Despite the significant distraction caused by the Blackstone transaction process, our management team have completed a number of significant strategic acquisitions which have resulted in AMA Group being able to offer its insurer customer base the highest quality service throughout Australia. We will continue to add sites, both through acquisition and greenfield development, over the year ahead to meet the rapidly growing demand for our services."

ACAD

On the 5th December 2017, CSM Service Bodies ("CSM") joined the Group's Vehicle Protection Product and Ute/Commercial Accessories Division. CSM is a market leader in Trade Service Bodies, specialising in the Fleet, Government & Trade Vehicle Market.

The acquisition of CSM went extremely well as it had been a well-run business before being acquired. CSM continues to deliver improving results from an outstanding forward order bank. Achieving its first ever \$1m+ Revenue month in June 2018

On the 18th January 2018, the Company completed the takeover of Automotive Solutions Group Limited ("ASG").

The Group has successfully completed the restructuring of ASG moving the six go forward business units out of the Fleet Alliance Pty Ltd entity into separate entities as follows:

- Integrating one into the Automotive Electrical and 4x4 Accessories Division ("*Distribution*"),
- Three into the Vehicle Protection Equipment and Ute Accessories Division ("*Manufacturing*")
- Two units into a new fourth Workshop and Performance Products Division ("*Workshop*").

This restructure and integration was completed to facilitate improved controls, synergies, capacity and to strengthen their independent business identities.

The ACAD support team have worked extremely hard to instil AMA Group's strong business leadership principles, reporting mechanisms and improvement strategies into the new business units. Management is developing the teams' knowledge and abilities in each new business unit and are on the road to high performance and business excellence.

Commenting on the acquisitions, AMA Group Executive Chairman, Ray Malone, said: "We continue to deliver on our strategy of acquiring good quality businesses on a reasonable multiple and instilling our strong disciplines across all of them. Through these acquisitions we will deliver incremental Panel EBITDA of \$11.3m, which is a fantastic result for shareholders.

The increase in our presence Australia wide and in particular NSW is particularly strategic and we are excited to capitalise on the synergies across all lines of our business. I am extremely proud of how the team has continued to deliver over the past 12 months and we are extremely focused on the growth ahead."

Ends