



COMPANY UPDATE

Trading conditions for the AMA Group Limited (ASX: AMA) are tracking within expectations and on this basis, **confirms its earnings guidance for the financial year 18/19 at a Normalised EBITDA of approximately \$58m.**

By way of a further update, **Andrew Hopkins Group CEO** of AMA provides the following:

1. Market Investment Incentive Instalment

The market investment incentive instalment of \$30.9m has been received as indicated in the half year results release in Feb 19. Proceeds from this have been used to finalise contractual earnouts, acquisitions and general corporate purposes.

2. Acquisitions Update

- The acquisition pipeline for AMA remains strong.
- We are delighted to confirm that we have increased our promised revenue acquisition run rate in the second half to in excess of \$120m.
- The current list of acquisitions are in line with our new strategic direction of growing into the heavy motor space and most importantly taking the 3rd largest east coast consolidator.
- Based on the current pipeline, by Jun 19 AMA will finalise binding agreements/open (Greenfields) for Panel and related Businesses:
 - Smash Care – 8 Sites
 - Correct Panel Group – 4 Sites
 - KSR Autobody- 1 Site
 - Inkerman Panels – 1 Site
 - Norm Flynn Smash Repairs – 1 Site
 - Re-car Australia – 3 Sites
 - Wales Truck Repairs – 2 Sites
 - All Transport- 1 Site
 - Gemini Chatswood (Greenfield)
 - Gemini Ballarat (Greenfield)
 - Gosford Hail Shop (Greenfield)
- These acquisitions, including Greenfields are expected to contribute in excess of \$120m revenue and approximately \$12m of EBITDA on an annual basis once fully integrated.
- Multiples for the businesses being acquired have been on average 3.8 times.
- The current acquisitions will be funded through a combination of debt and cash.
- To accommodate the acquisition pipeline AMA has recently increased its debt facility with NAB by C\$50m to C\$150m. This has been done on similar terms to its existing facilities.
- The acquisitions, which are subject to customary completion conditions, will settle over the coming months.

3. Appointment of New Panel Division CEO

With the appointment of Andy Hopkins to the role of AMA Group CEO earlier in the year, the Company is pleased to announce the appointment of Steven Bubulj to the role of Panel Division CEO to help support and drive the growth of the Panel Division.

Steven comes with extensive insurance industry experience and has worked alongside AMA as an industry partner with leading insurance and industry brands such as IAG, I-Car, Youi and more recently QBE.

Steven will join the group on 1 July 2019.

4. Procurement Update

- Progress on the Procurement opportunity continues well with key supply and distribution agreements being finalised.
- AMA has processed its first orders, however, contribution to FY 18/19 earnings will be minimal.
- AMA is taking a staged and measured approach to the opportunity and expects it to provide a positive return in the next financial year.

5. Release of Annual Results

AMA expects to release its full year results for the year ending 30 June 2019 on Monday 26th August 2019.

Commenting on the Acquisitions, **Andrew Hopkins Group CEO**, said: "We are very happy with the second half of 2019 and pleased that the new team structure and new strategy is continuing to deliver results.

The acquisitions team has been very busy in the second half with us expecting to finalise binding agreements for acquisitions/ open (Greenfields) with annualised revenue in excess of \$120m of by June 30. This is well ahead of what we expected when we presented our results for the first half. We see no slow down for the business with new entrants and look forward to a strong and robust 2020 under the new management regime".

Andrew Hopkins
Group CEO
AMA Group Limited

Queries:
Andrew Hopkins
Group CEO
+61 448 400 600

Steve Becker
Group CFO
+61 409 643 023