



**AMAGROUP**

20 November 2019

## **ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS**

This year's AGM is my first as Chairman of AMA. As you will be aware, I've been on the Board for the past 12 months and it has been great to be part of the progress we have made, not only in growth but also in the building of a unified structure, culture, stronger governance while adding talent to the team.

At the outset I'd like to acknowledge the contribution of the two directors who left or are leaving the board this year. Ray Malone and Ray Smith- Roberts were part of the foundations of this business and have played a significant role in laying the platform for the growth of the AMA Group.

On behalf of the Board and management, we thank both Ray Malone and Ray Smith-Roberts for their service and commitment to the Group.

The Group's results were the strongest in the Company's history and demonstrates the Board's commitment to execute strategic acquisitions, deliver improved performance and in the process create shareholder value.

AMA Group delivered a final fully franked dividend of \$2.25 cents per share bringing the total dividend for FY19 to \$2.75 cents per share.

Focusing on our key priorities in FY19, the Group grew its vehicle panel division portfolio to 130 sites.

We have continued to invest in processes and systems to deliver best practice in governance and improved benefits for our partners, customers and shareholders, which is essential to the ongoing management of our business.

We have also been successful in building the talent in both the business and the Board. The Group's apprentice program was recognised with an industry first female finalist in the World Skills Competition held in Russia. Maxine Colligan, who works at our Campbelltown repair facility, is a fantastic ambassador for our Company, her award at World Skills shows the quality and talent we have in our team. AMA Group was also a finalist in the Champion Employer of the Year award.

Reflective of the stage of evolution of our business, this year saw a number of key changes and additions to the Board – the appointment of Andy Hopkins to the position of Group CEO in October 2018 and the appointment of myself and Simon Moore to the Board as Non-Executive Directors in November 2018. On 1 September 2019, I was appointed as Chair of the Board replacing Ray Malone who stepped down as Executive Chair of the Board.

As announced on 14 November, Non-Executive Director, Nicole Cook will join the Board with effect from 1 December 2019. Nicole brings extensive experience in leading organisations through growth and transformation, expertise in growing technology with a strong focus on Human Resources, innovation and high performance cultures. I look forward to working with Nicole and to the contribution that she will undoubtedly bring to the Board.

While we continue to grow, we are keenly focused on executing industry-best quality and service standards, aimed at delivering increased earnings performance and greater value creation for all our stakeholders.

A number of changes to Senior Management were also made during the year - the appointment of new Group CFO, Steve Becker in February 2019, the appointment of Darren Wales as the new CEO of the Heavy Motor Division in H2 FY19 and most recently, in July 2019, the appointment of Steven Bubulj as CEO to lead the Panel Division. These appointments are key to building the leadership talent of the Group.

Aligned with our strategy - and in pursuit of acquisitions well aligned to the business - the business successfully completed the acquisition of the Capital S.M.A.R.T and ACM Parts businesses in October 2019. This is a strategic milestone for the business and for some time the combination has been regarded both internally and externally as a natural fit. The combination of the businesses with the Company's existing operations creates a platform for future revenue growth, improved operational performance, the ability to pursue innovative opportunities will ensure the Company is well placed to exceed its \$1bn revenue target for FY21.

To ensure the integration of these businesses does not impact the performance of the existing business, a dedicated integration team led by a recently appointed Director of Integration will ensure the smooth integration of these businesses into the Group.

The strong support of institutional and retail equity investors and our banking partners at NAB and ANZ for the capital raising conducted in October 2019 in relation to the Capital Smart/ACM Parts acquisition reinforced our confidence to pursue opportunities which we feel will add significant value to the Group.

If I was to leave you with one message today, it is that the future is bright for AMA Group and most importantly, the Board and management believe that the Company's track record for market leading service provision for customers and strong financial returns for investors is sustainable. We are well positioned to deliver on our strategy and key initiatives. These include:

- Integrating the Capital S.M.A.R.T and ACM Parts business;
- Continuing to invest in systems, processes and the implementation of policies that will achieve continuous improvement in corporate governance;
- Continuing to investment in employee training and career development to ensure retention and attraction of quality candidates throughout the business
- Exploring industry innovation aimed at improved and efficient operations for longer term sustainability;
- Continuing our consolidation of the panel repair division by pursuing an extensive pipeline of potential acquisitions and greenfield sites; and
- Pursuing sizeable acquisition opportunities aligned with our business.

As you would expect, the pace of individual panel repair acquisitions slowed in 1<sup>st</sup> half FY20 due to management focus on the Capital S.M.A.R.T and ACM parts acquisitions. We expect to regain momentum in smaller acquisitions in Q3 FY20.

While the business focuses on the integration of the Capital S.M.A.R.T and ACM Parts businesses, the Directors have decided not to provide FY20 earnings guidance. However, the Company reiterates its view given at the time of the recent capital raise, that it expects the combined business, including Capital S.M.A.R.T and ACM parts, to deliver attractive shareholder value with double digit EPS accretion expected in the first full year of ownership (FY21 and inclusive of synergies).

I extend the Board's appreciation to our customers, investors and all stakeholders for the support of the AMA Group during the year.

On behalf of the Board,

We welcome Management and employees from the Capital S.M.A.R.T and ACM Parts businesses to the AMA Group and look forward to working with their leadership teams.

Thanks to CEO, Andy Hopkins, Senior Management and our people for their contribution and commitment to the AMA Group during the year.

And finally, I thank my fellow Board members for their ongoing support during the year.

I look forward to the year ahead, the growth, improved performance and continued success of the AMA Group in FY20 and beyond.

Thankyou

Ends.