AMA GROUP

2024 INTERIM RESULTS PRESENTATION

For the Half Year Ended 31 December 2023

23 February 2024

Webcast

AMA Group Limited
2024 Half Year Results

Friday, 23 February 2024

11:00am, AEDT

Register at:

https://event.choruscall.com/mediaframe/webcast.html?webcastid=T39qKgUu

Contents

Overview

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1H24 Overview

Revenue	EBITDA
$469m 1H23 $426m +$43m to 1H23	$19m 1H23 $3m +$16m to 1H23
NPAT ($9m) 1H23 ($27m) +$18m to 1H23	**EPS** (0.69cps) 1H23 (2.40cps)
OCF ($5m) 1H23 ($18m) +$13m to 1H23	**2.72 LTIFR** 1H23 3.04

Positive momentum and improving business performance

- $16.1 million increase in normalised, pre-AASB 16 EBITDA with improved margins
  - Price discipline, with uplifts across portfolio, notably renegotiated Capital SMART MRSA[1]
  - Business has stabilised, productivity and cost initiatives are delivering improved performance
  - Increased workforce and reduced attrition - 3,370 team members[2], up 103 over 1H24
  - $55 million capital raise executed and debt refinancing commenced
  - New CEO appointed December 2023
- Vehicle Collision Repair
  - Performance ahead of expectations, including Capital SMART's Project SHIFT[3] largely complete
  - Utilisation at 79% capacity, opportunity to grow volume by adding people in existing facilities
- Wales - Heavy Vehicle Repair
  - 33.9% increase in pre-AASB 16 EBITDA on pcp[4]
- ACM Parts
  - Solid continued growth in core focus areas (Parallel and Aftermarket parts)
  - Reclaimed margins impacted by higher auction prices and lower scrap commodity pricing
- $34.3 million cash at period end
- FY24 normalised pre-AASB 16 EBITDA guidance of $42 – 49 million maintained

Notes: 1H24 is the six months to 31 December 2023. 1H23 is the six months to 31 December 2022. EBITDA is normalised pre-AASB 16 EBITDA unless otherwise stated. EBITDA is Earnings before interest, tax, depreciation, amortisation, impairment and fair value adjustments on contingent vendor consideration, excluding the impact of normalisations as identified on slide 14. NPAT is Net profit after tax. EPS is Earnings per share. OCF is operating cash flows. OCF is operating cash flow including principal elements of lease payments. LTIFR is lost time injury rate. 1H23 LTIFR updated from prior year.

1. Motor Repair Services Agreement.
2. Average headcount 2Q24.
3 Project SHIFT is the Capital SMART operational project to evolve Capital SMART's business model to facilitate a full range of drivable repairs at all sites.
4. PCP is prior corresponding period, 1H23..

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People Activities

Turnover continues to reduce as we invest in team members

- Keeping People Safe and Well
  - Take the LEAD HSE program
  - LTIFR at 2.72, continues improvement from 3.04 in the pcp
  - Mental Health First Aid Training made available to leaders
- Attracting People
  - Headcount increased to 3,370[1], ~10% improvement in voluntary employee turnover on pcp
  - Industry leading Apprenticeship program (442 apprentices at end 1H24)
  - 35 International arrivals and 146 offers in 1H24
    - Visa processing challenges with changes in Government application policies
- Engaging and Retaining People
  - Communicating with team members through multiple channels
  - AMA Group Awards to recognise the team
  - Paid Emergency Services Leave introduced
- Developing People
  - Frontline Leaders Program 1 completed; Program 2 commenced
  - i-CAR 'Power to Platinum' Program launched
  - 12 i-CAR Gold sites

1. Average headcount 2Q24.

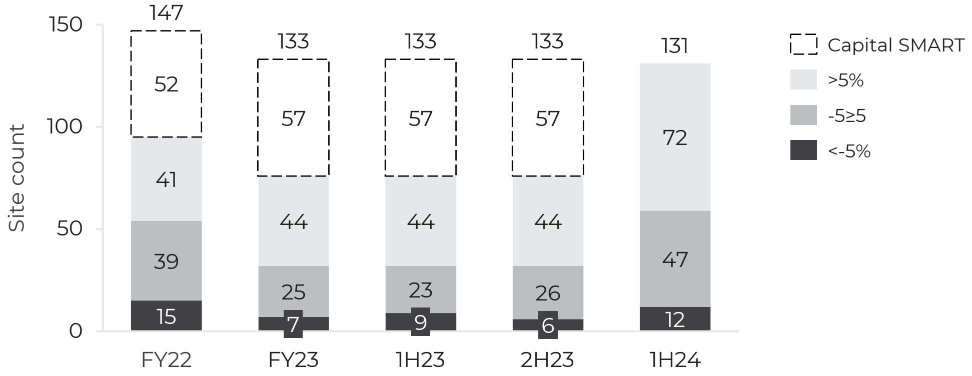
Vehicle Collision Repairs

Sites[1] **130** 1H23 132	Repairs **121k** 1H23 127k
Revenue **$414m** 1H23 $372m +$42m to 1H23	EBITDA **$33m** 1H23 $13m +$20m to 1H23
EBITDA % **7.9%** 1H23 3.4%	ACM Purchases **$23m** 1H23 $19m

Performance ahead of expectations, with opportunity to further improve

- Substantial $20.4 million pre-AASB 16 EBITDA improvement from 1H23
- Reduction in repair volume from 1H23 largely reflective of network consolidation completed in FY23 and continued repair mix change increasing labour hours per repair
- Business continues to focus on improving performance in all sites with specific improvement plans in place for all underperforming locations
  - Capital SMART now able to accurately measure site profitability given model adjustments under Project SHIFT
- Overall network capacity at ~79% is performing under maximum capacity utilisation, with labour supply continuing to represent an opportunity to improve throughput

Site profitability[2]



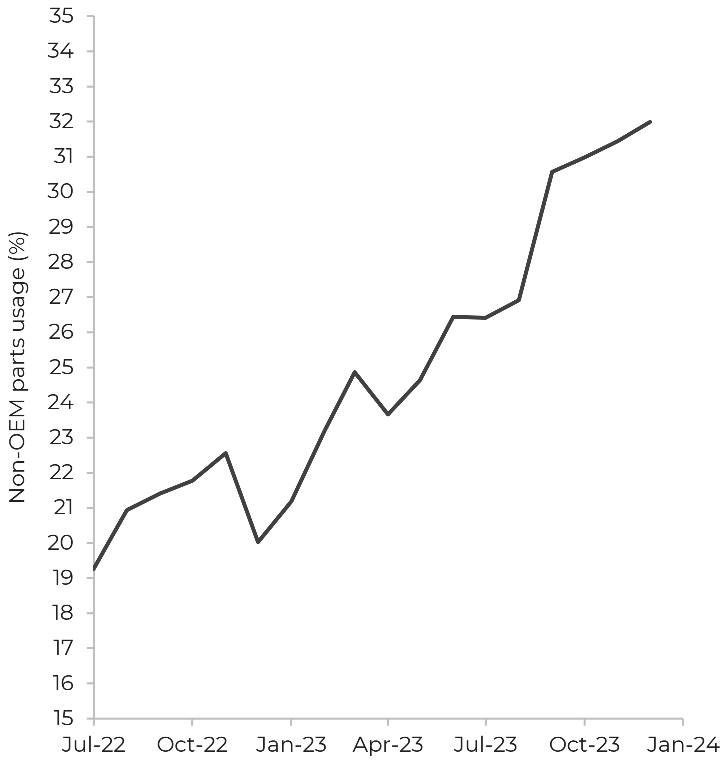
1. Includes 4 hibernated sites.
2. Includes hibernated sites. Represents profitability on a pre-AASB 16 basis, before allocation of support centre costs. 131 sites with measured profitability, as one physical location houses two sites (one Capital SMART, one AMA Collision).

S.M.A.R.T

Strong results on the back of a successful change program

- Capital SMART delivered operating results ahead of expectations
  - Project SHIFT ahead of plan and largely complete
    - Positive team member engagement has been critical to success of this change program
    - Volume disruption from the change period was lower than expected
    - Outcomes delivered:
      - Expanded drop off locations from 39 to 48
      - Enabling a full spectrum of drivable repairs at the majority of locations
      - Improved customer experience with more convenient access to the national network and reduced vehicle movements
      - Reduced towing cost (~$2.0 million annualised)
      - Improved operational efficiency through a wider mix of repair work
  - Updated contract pricing and scope from July 2023
- Capital SMART continues to focus on productivity and margin optimisation:
  - Increased usage of parallel and aftermarket parts (from 26.4% to 32.0% over 1H24)
  - Focus on repair rather than replace where possible
  - Insourcing previously outsourced services including vehicle scanning and plastic welding
  - Continued estimating capability training

Non-OEM[1] parts usage



1. Original Equipment Manufacturer.

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Solid portfolio performance but work remains to rebuild

- Overall portfolio is performing well - focus is on bottom-third performing sites
  - AMA Collision EBITDA margins have remained compressed
  - AMA Collision most negatively impacted by cash constraints in 1H24 prior to equity raise
  - Network operating below capacity as labour shortages impacted throughput in some locations and pricing activities in FY22/FY23 impacted repair volumes in others
  - Operational cost cutting in prior periods impacted business improvement capability
- AMA Collision is focussed on resetting:
  - Renewed dedication to a customer-centric approach and to relationships
  - BDMs[1] to focus on exceptional customer service delivery for insurance customers
  - Seeking additional volume in sites with unutilised booking capacity
  - Project Wallaby transformation program
    - Productivity focus: business improvement team to be re-established in 2H24
    - Estimating capability: estimating training team to be re-established in 2H24
    - Site refresh and rebrand: over 3-5 years to align brand and experience
    - New customer service experience: improved consistency of service
  - Developments in ACT, Gosford and Townsville underway

1. Business Development Managers.

TechRight

Tech Right planning well progressed

- Most new vehicles have Advanced Driver Assistance Systems (ADAS)
- ~20% vehicles in Australian carparc have ADAS[1]
- Currently ~10-15% of vehicles in accident repair require calibration – expected to grow to 30%+ as the carparc changes over time[2]
  - Nationally, AMA Group currently outsources in excess of 20,000 ADAS calibrations annually
- Tech Right – AMA Group's ADAS solution
  - Initial investment of ~$0.5 million will see the installation and roll out of ADAS equipment to six sites in 3Q24
  - Each site will have the capacity to do 30 – 40 calibrations per week, with expected revenue of ~$350 – $450 per calibration
  - After initial evaluation, expect to invest further in ADAS capability and capacity

1. ADAS Industry Information - Awareness in the Collision Repair Industry (nationalassessing.com)
2. AMA Group estimates.

WALES - Heavy Vehicle Repairs

Sites	Repairs
8	4k
1H23 9	1H23 4k

Revenue	EBITDA
$37m	$4m
1H23 $32m +$6m to 1H23	1H23 $3m +$1m to 1H23

EBITDA %
11.8%
1H23 10.4%

Profitable growth continues, with significant further runway

- Revenue up 17.4% pcp
  - Strong forward bookings and active jobs on site
- Pre-AASB 16 EBITDA grew 33.9% pcp
- Price increases from 1 July 2023
- Wales Adelaide established and operating well
  - Additional capacity with larger footprint and state-of-the-art equipment
  - Substantially higher throughput than previous Adelaide site (>50%)
  - Improved customer experience
- Wales is focussed on further growth:
  - National Truck Repairs in Newcastle will expand and receive new equipment
  - Plans will soon be finalised for the expansion of capacity in Perth
  - Works underway to install an additional spray booth in Townsville
  - Brand and service offer consistency to be achieved over the next 2-3 years

ACM PARTS

Sites	Daily Sales
7	$275k
1H23 7	1H23 $209k

Revenue	EBITDA
$41m	($2m)
1H23 $41M +$0m to 1H23	1H23 $0m -$2m to 1H23

EBITDA %
(5.9%)
1H23 0.0%

Note: Daily sales refers average daily parts sales of Parallel, Aftermarket and Reclaimed parts.

Core new parts growth programs progressing well

- Business has been reset over past two years and is now delivering strong core growth which is expected to result in overall business profitability in 2H24
- Strong underlying sales growth
  - Parallel import parts sales up 64.7% in 1H24 vs 1H23
  - Parts sales to AMA Group sites up 58.4% in 1H24 vs 1H23
- Challenges being addressed include:
  - Lower scrap prices, without a corresponding reduction in auction prices have impacted Reclaimed product margins by 9.9 percentage points 1H24 vs 1H23 – further pricing activity will be taken in 2H24
  - Consumables reset nearing completion
  - Aftermarket expansion program behind plan with strong focus on supplier quality delaying the release of some products
- ACM is focussed on sales growth:
  - Parallel and Aftermarket parts range expansion where clear demand exists
  - Improved customer service by expanding insourced distribution network with 12 additional vans for NSW & Qld
  - External customer growth now that the ACM offer has been reset – this compelling offer is available to the broader collision repair network and insurance customers

Group Financials

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Summary Financial Performance

Summary financial performance ($M)	1H24	1H23	Change
Revenue and other income	469.3	426.2	43.1
Operating expenses (inc. rent, normalisations)	(450.3)	(423.3)	(27.0)
Normalised EBITDA (pre- AASB 16)	**19.0**	**2.9**	**16.1**
Occupancy cost (AASB 16 adjustment)	23.8	22.4	1.4
Normalised EBITDA (post- AASB 16)	**42.8**	**25.3**	**17.5**
Operating expenses (normalisations)	1.3	0.0	1.3
EBITDA (post- AASB 16)	**44.1**	**25.3**	**18.8**
Depreciation and amortisation	(33.6)	(38.0)	4.4
Impairment expense	(1.7)	(6.9)	5.2
Fair value adj. on contingent vendor consideration	0.0	0.6	(0.6)
Operating profit / (loss) before interest and tax	**8.8**	**(19.0)**	**27.8**
Finance costs	(20.7)	(18.3)	(2.4)
Income tax benefit	2.7	10.1	(7.4)
Net loss after tax	**(9.2)**	**(27.2)**	**18.0**

Normalisation (post AASB 16) ($M)	1H24	1H23	Change
EBITDA (post- AASB 16)	**44.1**	**25.3**	**18.8**
Normalisations			
Closed and hibernated site costs/(gains)	(2.6)	(0.4)	(2.2)
Professional services[1]	1.3	0.4	0.9
Normalised EBITDA post-AASB 16	**42.8**	**25.3**	**17.5**

- Total Group revenue and other income up $43.1 million to $469.3 million (1H23: $426.2 million)
- Normalised pre-AASB 16 EBITDA up $16.1 million to $19.0 million (1H23: $2.9 million)
- Higher occupancy costs reflect new premises since 1H23 (Hemmant and Adelaide) plus CPI and fixed rent increases
- Finance costs increased as senior debt unhedged in current period (prior period 60.0% hedged)
- No dividend for 1H24 (consistent with FY23)
- 31 December covenant test passed
- Normalisations in the period are a reduction to reported EBITDA being a gain on early surrender of a lease, partly offset by legacy legal costs

1. Professional services costs on investigations and earn outs.

Summary Financial Position

Summary financial position ($M)	Dec-23	Jun-23	Change
Cash and cash equivalents	34.3	28.9	5.4
Other current assets	116.1	126.1	(10.0)
Intangible assets	317.6	325.8	(8.2)
Other non-current assets	362.0	364.1	(2.1)
Total assets	**830.0**	**844.9**	**(14.9)**
Current liabilities	286.7	346.1	(59.4)
Non-current liabilities	426.8	424.6	2.2
Total liabilities	**713.5**	**770.7**	**(57.2)**
Net assets	**116.5**	**74.2**	**42.3**
Contributed equity	586.1	533.2	52.9
Other reserves	3.3	4.7	(1.4)
Convertible notes	5.2	5.2	0.0
Retained deficit	(487.0)	(477.0)	(10.0)
Non-controlling interest	8.9	8.1	0.8
Total equity	**116.5**	**74.2**	**42.3**

- 31 December cash position of $34.3 million
- Net $51.9 million equity raise proceeds
  - $35.0 million used to repay senior debt in December 2023
  - $132.3 million senior debt current, maturing in October 2024
- Adverse working capital movement due to reduced payment terms with some suppliers, partially offset by seasonal reduction in WIP and debtors in December
  - Targeting recovery of $3.0 - $5.0 million over 2H24 through direct supplier engagement and re-sourcing where possible
- $3.0 million inventory build to broaden Parallel and Aftermarket parts ranges

Net Debt and Funding

Net Debt ($M)	31-Dec-23	30-Jun-23	Change
Financial liabilities - drawn cash facilities	130.0	165.0	(35.0)
PIK interest capitalised	2.3	1.0	1.3
Cash and cash equivalents	(34.3)	(28.9)	(5.4)
Net senior debt	**98.0**	**137.1**	**(39.1)**
Convertible notes (face value)	50.0	50.0	0.0
Net debt	**148.0**	**187.1**	**(39.1)**

- Repayment of $35.0 million senior debt principal in December 2023
  - Outstanding senior debt ($132.3 million) maturing in October 2024
  - PIK interest of 1.5% was applicable from August 2022 and capitalised into the loan value during the period
  - Effective all-in interest rate on debt increased from 6.8% in 1H23 to 8.9% in 1H24 (after adjusting for the repayment of $35 million senior debt)
- Convertible bond put date in March 2025
- Refinancing process progressing with further updates to be provided as appropriate
- December 2023 covenant test passed, with projected headroom against March 2024 and June 2024 covenants

Cash Flows

Statement of Cash Flows ($M)	1H24	1H23	Change
Receipts from customers, inclusive of GST	527.0	486.6	40.4
Payments to suppliers and employees, inc. of GST	(494.6)	(487.9)	(6.7)
Payment for make good of leased sites	(1.6)	(2.4)	0.8
Net interest paid	(19.8)	(12.8)	(7.0)
Income taxes received/(paid)	(0.2)	15.3	(15.5)
Total Operating Cash Flows	**10.8**	**(1.2)**	**12.0**
Capital expenditure payments	(6.6)	(4.2)	(2.4)
Proceeds from disposal of business	0.0	2.4	(2.4)
Proceeds from sale of property, plant & equipment	0.0	0.7	(0.7)
Total Investing Cash Flows	**(6.6)**	**(1.1)**	**(5.5)**
Equity funding received	51.9	0.0	51.9
Debt repaid	(35.0)	0.0	(35.0)
Principal elements of lease payments	(15.7)	(16.6)	0.9
Total Financing Cash Flows	**1.2**	**(16.6)**	**17.8**
Net (decrease)/increase in cash and cash equivalents	5.4	(18.9)	24.3
Cash and cash equivalents, at beginning of period	28.9	52.2	(23.3)
Cash and cash equivalents at the end of the period	**34.3**	**33.3**	**1.0**

- 1H24 Operating Cash outflow of $4.9 million (once all lease payments included) substantially improved from $17.8 million outflow in 1H23
  - Improved EBITDA performance
  - The cash impact of onerous leases and exit costs on closed but not yet exited sites is $2.9 million FY24 year-to-date and projected to be approximately $6.7 million for the full year, with the majority of this cash spend not expected to continue into FY25
  - $3.0 million inventory build in ACM Parts
  - Early payment of $1.5 million of accrued interest (normally paid in Q3) as part of the debt repayment in December 2023
- Repaid $35.0 million of debt in December 2023, plus $1.5 million accrued interest on the amount repaid
- Tax refund of $4.7 million under ATO carry-back rules remains payable to AMA Group, expected in February 2024

Corporate

Summary financial performance ($M)	1H24	1H23	Change
Revenue	0.0	0.0	0.0
Operating expenses (including rent)	(14.4)	(13.0)	(1.4)
EBITDA (pre- AASB 16)	**(14.4)**	**(13.0)**	**(1.4)**
Occupancy cost (AASB 16 adjustment)	0.1	0.1	0.0
EBITDA (post- AASB 16)	**(14.3)**	**(12.9)**	**(1.4)**
Normalisations	1.3	0.4	0.9
Normalised EBITDA	**(13.0)**	**(12.5)**	**(0.5)**

- Increase in operating expenses reflects higher legal costs and international recruitment costs
- Normalisations reflect continuing legacy legal cases in relation to earn out disputes and previous executive litigation

Outlook

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FY24 Outlook

Continued positive turnaround momentum

- Continuing to care for our growing team
  - Keeping team members safe
  - Retaining and developing team members who we have and attracting new team members
  - Enhancing talent to build further momentum
- A heightened focus on exceptional customer experience for both insurers and vehicle owners
- Profitable growth
  - Maximising what we have by enhancing productivity, estimating practices, and cost control
  - Targeted portfolio growth – hibernated, greenfield, and capacity expansions
  - Growing ACM Parts sales
- Tech Right new business growth program
- Executing Group refinancing
- Normalised pre-AASB 16 EBITDA guidance of $42 – 49 million maintained[1]
  - Projecting positive total cash flows in FY24, including all lease payments, changes in working capital, capital expenditure, and before net benefits of equity raising and debt repayment

[1]FY24 Normalised post-AASB 16 EBITDA guidance $89 – 96 million.

Q&A

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Other Information

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Group Snapshot

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ACM PARTS

AMA COLLISION

AMA PRESTIGE

S.M.A.R.T

TechRight

WALES

~3,370
Team members

~220k
Recycled & new parts supplied per year

~260k
Vehicles repaired per year

~6.3k
Vehicles reclaimed per year

130
Vehicle Collision Repairs sites

8
Wales - Heavy Vehicle Repairs sites

7
Supply locations

1
Support office

Site count and team members as at 31 December 2023. Parts supplied, and vehicles repaired and reclaimed reflect FY23 numbers.

Segment Summary Results

	Vehicle Collision Repairs			Wales			ACM Parts			Corporate/Eliminations			Total Group		
Summary financial performance ($M)	**1H24**	**1H23**	**Change**	**1H24**	**1H23**	**Change**	**1H24**	**1H23**	**Change**	**1H24**	**1H23**	**Change**	**1H24**	**1H23**	**Change**
Revenue and other income	413.8	372.2	41.6	37.3	31.7	5.6	40.6	40.6	0.0	(22.4)	(18.3)	(4.1)	469.3	426.2	43.1
Operating expenses (including rent)	(381.1)	(359.6)	(21.5)	(32.9)	(28.4)	(4.5)	(43.0)	(40.6)	(2.4)	8.0	5.3	2.7	(449.0)	(423.3)	(25.7)
EBITDA (pre-AASB 16)	**32.7**	**12.6**	**20.1**	**4.4**	**3.3**	**1.1**	**(2.4)**	**0.0**	**(2.4)**	**(14.4)**	**(13.0)**	**(1.4)**	**20.3**	**2.9**	**17.4**
Occupancy cost (AASB 16 adjustment)	18.4	17.7	0.7	2.6	2.5	0.1	2.7	2.1	0.6	0.1	0.1	0.0	23.8	22.4	1.4
EBITDA (post-AASB 16)	**51.1**	**30.3**	**20.8**	**7.0**	**5.8**	**1.2**	**0.3**	**2.1**	**(1.8)**	**(14.3)**	**(12.9)**	**(1.4)**	**44.1**	**25.3**	**18.8**
Normalisations	(2.6)	2.0	(4.6)	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.4	0.9	(1.3)	2.4	(3.7)
Normalised EBITDA	**48.5**	**32.3**	**16.2**	**7.0**	**5.8**	**1.2**	**0.3**	**2.1**	**(1.8)**	**(13.0)**	**(12.5)**	**(0.5)**	**42.8**	**27.7**	**15.1**

Quarterly Key Metrics

Key Metrics - Quarter on Quarter	Units	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
All Collision Repair							
Repair volume	'000	69.5	61.6	64.7	64.7	66.7	58.0
Average repair price	$	2,914	3,123	3,176	3,342	3,513	3,736
Revenue	$m	202.5	192.4	205.5	216.2	234.3	216.7
ACM Parts							
Average daily parts sales	$'000	204	228	249	255	278	287
Average daily internal parts sales	$'000	92	96	121	134	148	151
Labour							
Average headcount	#	3,372	3,253	3,215	3,267	3,343	3,370
Apprentices (end of quarter)	#	341	334	345	373	431	442
Group							
Revenue	$m	218.6	207.6	216.9	226.4	243.7	225.6
Reported EBITDA (post AASB 16)	$m	8.7	16.5	16.7	21.8	27.3	16.8
AASB-16 adjustments	$m	(11.7)	(10.7)	(11.0)	(11.6)	(11.8)	(12.0)
Reported EBITDA (pre AASB 16)	$m	(3.0)	5.8	5.7	10.2	15.5	4.8
Non-cash items in P&L	$m	(6.1)	(8.6)	(4.1)	(3.8)	(1.5)	(5.6)
Net interest payments	$m	(4.4)	0.5	(7.0)	5.8	(8.0)	(1.5)
Tax payments	$m	15.3	0.0	(0.2)	0.0	(0.1)	(0.1)
Impaired lease payments / make goods	$m	(3.1)	(4.0)	(2.2)	(3.9)	(1.1)	(2.0)
ACM inventory	$m	(4.9)	(4.7)	2.8	2.3	(0.7)	(3.0)
Other / working capital	$m	(0.7)	(1.5)	(3.2)	1.1	(10.8)	9.2
Operating cash flow (pre AASB 16)	$m	(6.9)	(12.5)	(8.2)	11.7	(6.7)	1.8
Principal lease elements	$m	9.4	8.9	7.6	7.7	7.9	7.8
Operating cash flow (post AASB 16)	$m	2.6	(3.8)	(0.6)	19.4	1.2	9.6

Note: changes to revenue numbers for 1Q24 and 2Q24 from Appendix 4C released in January 2024 following completion of half year financial accounts review.

AMA GROUP

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