

AMA GROUP

ASX Announcement

23 February 2024

1H24 Appendix 4D and Interim Report

In accordance with ASX Listing Rules, please see attached AMA Group Limited's (ASX: AMA) (AMA Group) Appendix 4D and Interim Report for the half year ended 31 December 2023. AMA Group's 1H24 Investor Presentation will be provided separately.

This announcement has been authorised by the Board of AMA Group Limited.

ENDS.

Investors and Media:

Alexandra Holston, Director Investor Relations and Corporate Affairs

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AMA Group Limited

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The following information is presented in accordance with Listing Rule 4.2A.3 of the Australian Securities Exchange ("ASX").

Results for announcement to the market

Half year ended	31 Dec 2023	31 Dec 2022	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Revenue and other income from continuing operations	469,257	426,240	43,017	10.1%
Loss after income tax attributable to members	(10,036)	(25,750)	15,714	61.0%

Dividends

No dividend declared or proposed in the current or previous financial period.

Financial Statements and Commentary on "Results for announcement to the market"

Detailed financial statements and commentary, including any significant information needed by an investor to make an informed assessment of the entity's activities and results, is contained in the Interim Financial Report for the period ended 31 December 2023.

Net tangible assets per share

Half year ended	31 Dec 2023	31 Dec 2022	Increase / (Decrease)	
	cents	cents	cents	%
Net tangible assets per share	(11.2)	(22.8)	11.6	50.9

Details of entities over which control has been gained or lost during the period.

During the period, control was not gained or lost over any entity. The Group has no associates or joint ventures.



AMA GROUP

INTERIM FINANCIAL RESULTS

For the Half Year Ended
31 December 2023

AMA Group Limited ABN 50 113 883 560

Enduring Mobility:

Our vision for our customers, our people,
our industry and our shareholders.

AMA Group Limited

ABN 50 113 883 560

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AUSTRALIA

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Shareholder information and enquiries

All enquiries and correspondence regarding
shareholdings should be directed to
AMA Group's share registry provider:

Computershare Investor Services Pty Limited
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MELBOURNE, VICTORIA, 3001
AUSTRALIA

Telephone: +61 3 9415 4000

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(Within Australia)

Website: computershare.com.au

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Stock Exchange Listing

AMA Group Limited shares are listed on the
Australian Securities Exchange, code AMA.



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Directors' Report

Introduction

The Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of AMA Group Limited and its controlled entities for the half-year ended 31 December 2023.

This Directors' Report has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth).

Directors

In December 2023, Mathew Cooper was appointed as Group Chief Executive Officer of AMA Group Limited following the retirement of Carl Bizon, however is not a Director. The following persons were Directors of AMA Group Limited during the six months ended 31 December 2023 and up to the date of this report, unless otherwise stated:

Name	Position
Caroline Waldron	Non-Executive Director and Chair (Chair from 1 September 2023)
Talbot Babineau	Non-Executive Director
Kyle Loades	Non-Executive Director
Simon Moore	Non-Executive Director (retiring 23 February 2024)
Kim Stewart-Smith	Non-Executive Director (appointed 1 December 2023)
Brian Austin	Non-Executive Director (appointed 1 December 2023)
Carl Bizon	Managing Director & Group Chief Executive Officer (retired 23 November 2023)
Anthony Day	Non-Executive Director and Chair (retired 1 September 2023)
Paul Ruiz	Non-Executive Director (retired 1 September 2023)

Principal activities

AMA Group is a leader in the Australian and New Zealand collision repair industry. The principal activity of the Group is the operation and development of collision repair businesses in Australia and New Zealand, and the national supply of parts and consumables to the mechanical and collision repair industries.



Review and results of operations

Operating results

The half year ended 31 December 2023 continued the improved business performance trajectory, building on the second half of FY23. Improved commercial pricing (including the reset of Capital S.M.A.R.T pricing from 1 July 2023), easing labour conditions and moderating inflation helped drive a significant improvement in the financial results. As at 31 December 2023, the Group had 126 active Vehicle Collision (Capital S.M.A.R.T and AMA Collision) sites across its vehicle repair network plus 8 Wales (Heavy Motor) sites and 7 ACM Parts locations. There has been no material change in repair capacity during the period.

Segment (\$000s)	Revenue and other income			Pre-AASB 16 EBITDA ^{1,2}		
	HY2024	HY2023 ³	Change	HY2024	HY2023 ³	Change
Vehicle Collision Repairs	413,804	372,201	41,603	32,728	12,587	20,141
Wales (formerly Heavy Motor)	37,256	31,741	5,515	4,428	3,306	1,122
ACM Parts (formerly Supply)	40,602	40,556	46	(2,417)	(11)	(2,406)
Corporate / Eliminations	(22,405)	(18,258)	(4,147)	(14,428)	(13,016)	(1,412)
Total Group	469,257	426,240	43,017	20,311	2,866	17,445
Normalisations:						
Closed and hibernated site costs				(2,554)	(369)	(2,185)
Legal costs on investigations and earn-outs				1,267	373	894
Normalised Pre-AASB 16 EBITDA (unaudited, non-IFRS term)¹				19,024	2,870	16,154
AASB 16 Leases impact to occupancy costs				23,824	22,426	1,398
Normalised Post-AASB 16 EBITDA (unaudited, non-IFRS term)¹				42,848	25,296	17,552

¹ Non-IFRS measures, including Normalised EBITDA, are financial measures used by management and the Directors as the primary measures of assessing the financial performance of the Group and individual segments. The Directors also believe that these non-IFRS measures assist in providing additional meaningful information for stakeholders and provide them with the ability to compare against prior periods in a consistent manner.

² Refer to B1 Segment information for further information regarding pre-AASB 16 EBITDA. Normalisations are excluded from the Segment results.

³ Comparative information has been re-presented to achieve consistency in disclosure with the current period financial presentation.

Revenue and other income increased by 10% to \$469,257 thousand. Repair volumes decrease 5% from the prior period, driven by the site rationalisation that occurred in September 2022, which removed around 2% of largely unprofitable volume, while the repair severity mix meant that the remaining volume reduction was recovered through increased repair pricing.

Closed and hibernated site costs reflect a positive impact of one site which was able to early surrender a lease without penalty and avoid future rental payments as a result, which reflected a gain in the profit and loss for the period.

The Group reported an operating loss before tax of \$11,868 thousand in 1H FY24. This result was a substantial improvement on the comparative period, primarily due to commercial pricing reset on 1 July 2023 in relation to the Capital S.M.A.R.T contract with Suncorp.

Net profit before tax (\$000s)	HY2024	HY2023
Pre AASB 16 EBITDA	20,311	2,866
AASB 16 Leases impact to occupancy costs	23,824	22,426
Depreciation, amortisation and impairment	(35,347)	(44,905)
Net finance charges	(20,656)	(18,267)
Loss on disposal of business	-	(41)
Fair value adjustments on contingent vendor consideration	-	654
Loss before income tax	(11,868)	(37,267)

Directors' Report

Operating results (Cont.)

Depreciation, amortisation and impairment is lower than the prior comparative period as the prior period included \$6,899 thousand of impairments for sites closed/hibernated (\$1,731 thousand in current period). In addition the comparative period had accelerated depreciation in relation to make goods of sites that were closed and leases early terminated.

Finance costs increased over the prior comparative period due to higher base rates on the Group's senior debt facility. The Group was unhedged in the current period compared to 60% in the prior period following the closure of a fixed rate swap in June 2023.

Financial Position and Cashflow

During the half-year to 31 December 2023, the Group continued to invest in replacement capital expenditure and new site equipment. In December 2023, the Group repaid \$35,000 thousand of debt, utilising part of the \$55,000 thousand (\$51,940 thousand after costs) equity raising completed in September 2023.

The Group generated \$10,761 thousand cash flow from operations during the period (1H23: \$1,249 thousand outflow). Cash flow from operations in the prior period was positively impacted by the \$15,331 thousand tax refund, whereas no tax refund was received in the current period, with a refund expected in February 2024 following submission of the FY23 tax return in December 2023. No further claims of carry-back losses are available to the Group after this refund is received.

Set out below is the net debt calculation, which is presented in accordance with the calculation requirements of the Group's Syndicated Facility Agreement.

Net senior debt	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Financial liabilities – drawn cash facilities (including capitalised interest)	132,277	166,042
Cash and cash equivalents	(34,338)	(28,874)
Net senior debt used in covenant calculations	97,939	137,168

During the period, the Group was under modified covenant testing criteria. The Group achieved compliance under a minimum EBITDA threshold at all testing dates during the period. Cash balances remained above the agreed thresholds with senior lenders.

The Group maintains a strong financial position. The Group ended 1H FY24 with a cash balance of \$34,338 thousand and net assets of \$116,532 thousand.

Events occurring after the reporting period

There has not been any other matter or circumstance occurring since 31 December 2023, in the reasonable opinion of the Directors, that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends

No interim dividend has been declared for the half-year ended 31 December 2023.

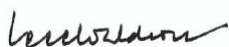
Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 7.

Rounding of amounts

The Group is of a kind referred to in *Instrument 2016/191*, issued by the *Australian Securities and Investments Commission*, relating to the 'rounding off' of amounts in the Financial / Directors' Report. Amounts in this report and the interim financial report have been rounded off to the nearest thousand dollars in accordance with the Instrument.

This Directors' Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



Caroline Waldron
Non-Executive Director & Chair of the Board
23 February 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of AMA Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of AMA Group Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'M. Araneda'.

Maritza Araneda
Partner

Melbourne
23 February 2024

Interim Financial Report

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This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by AMA Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

AMA Group Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office is: Level 13, 484 St Kilda Road, Melbourne Victoria 3004

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023

	Notes	31 Dec 2023 \$'000	31 Dec 2022 ¹ \$'000
Revenue and other income	B2	469,257	426,240
Raw materials and consumables used		(210,375)	(202,720)
Employee benefits expense		(185,668)	(171,683)
Occupancy expense		(10,165)	(9,578)
Professional services expense		(4,758)	(4,202)
Other expense		(14,156)	(12,765)
Loss on disposal of business		-	(41)
Fair value adjustments on contingent vendor consideration		-	654
Depreciation and amortisation expense		(33,616)	(38,006)
Impairment expense	B3(B)	(1,731)	(6,899)
Operating profit / (loss) before interest and tax		8,788	(19,000)
Net finance costs	B3(A)	(20,656)	(18,267)
Loss before income tax		(11,868)	(37,267)
Income tax benefit		2,624	10,040
Loss after income tax		(9,244)	(27,227)
(Loss) / benefit is attributable to:			
Members of AMA Group Limited		(10,036)	(25,750)
Non-controlling interests		792	(1,477)
Loss for the period		(9,244)	(27,227)
Other comprehensive income / (expense)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(10)	31
Changes in fair value of cash flow hedges		(1,165)	(1,061)
Other comprehensive income / (expense), net of tax		(1,175)	(1,030)
Total comprehensive loss, net of tax		(10,419)	(28,257)
Total comprehensive loss is attributable to:			
Members of AMA Group Limited		(11,213)	(26,785)
Non-controlling interests		794	(1,472)
Total comprehensive loss for the period		(10,419)	(28,257)

¹ Comparative information has been re-presented to achieve consistency in disclosure with the current period financial presentation.

	Notes	31 Dec 2023 cents	31 Dec 2022 cents
Basic and diluted loss per share (cents)	D1	(0.69)	(2.40)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 Dec 2023 \$'000	30 Jun 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		34,338	28,874
Receivables and contract assets		51,076	61,470
Inventories		48,856	44,457
Other financial assets		1,663	1,592
Current tax receivable		4,725	4,178
Other assets		9,791	14,469
Total current assets		150,449	155,040
Non-current assets			
Property, plant and equipment	C1	47,367	46,479
Right-of-use assets	C3(A)	286,252	296,184
Intangible assets	C2	317,642	325,788
Other non-current assets		529	685
Deferred tax assets		27,786	20,747
Total non-current assets		679,576	689,883
Total assets		830,025	844,923
LIABILITIES			
Current liabilities			
Trade and other payables		86,904	111,441
Other financial liabilities	D3	130,246	163,846
Lease liabilities	C3(B)	30,472	31,000
Provisions		34,960	36,331
Other liabilities	C4	4,087	3,459
Total current liabilities		286,669	346,077
Non-current liabilities			
Other financial liabilities	D3	45,777	45,104
Lease liabilities	C3(B)	275,113	285,988
Provisions		35,673	31,742
Other liabilities	C4	43,168	38,079
Deferred tax liabilities		27,093	23,761
Total non-current liabilities		426,824	424,674
Total liabilities		713,493	770,751
Net assets		116,532	74,172
EQUITY			
Contributed equity	D2	586,101	533,190
Convertible notes		5,197	5,197
Other reserves		3,343	4,652
Retained deficit		(486,966)	(476,930)
Equity attributable to ordinary shareholders of AMA Group		107,675	66,109
Non-controlling interests		8,857	8,063
Total equity		116,532	74,172

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

Notes	Attributable to owners of AMA Group Limited					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Convertible notes \$'000	Other reserves \$'000	Retained deficit \$'000	Total \$'000		
Balance at 1 July 2022	531,504	5,197	5,145	(332,482)	209,364	10,419	219,783
Loss for the period	-	-	-	(25,750)	(25,750)	(1,477)	(27,227)
Other comprehensive income	-	-	(1,035)	-	(1,035)	5	(1,030)
Total comprehensive income / (expense) for the period	-	-	(1,035)	(25,750)	(26,785)	(1,472)	(28,257)
Transactions with owners in their capacity as owners:							
Shares issued, net of transaction costs	1,686	-	(501)	-	1,185	-	1,185
Employee equity plan	-	-	1,184	-	1,184	-	1,184
Balance at 31 December 2022	533,190	5,197	4,793	(358,232)	184,948	8,947	193,895

Notes	Attributable to owners of AMA Group Limited					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Convertible notes \$'000	Other reserves \$'000	Retained deficit \$'000	Total \$'000		
Balance at 1 July 2023	533,190	5,197	4,652	(476,930)	66,109	8,063	74,172
Loss for the period	-	-	-	(10,036)	(10,036)	792	(9,244)
Other comprehensive income / (expense)	-	-	(1,177)	-	(1,177)	2	(1,175)
Total comprehensive expense for the period	-	-	(1,177)	(10,036)	(11,213)	794	(10,419)
Transactions with owners in their capacity as owners:							
Shares issued, net of transaction costs	D2 52,911	-	-	-	52,911	-	52,911
Employee equity plan	-	-	(132)	-	(132)	-	(132)
Balance at 31 December 2023	586,101	5,197	3,343	(486,966)	107,675	8,857	116,532

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Notes	31 Dec 2023 \$'000	31 Dec 2022 ¹ \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		526,985	486,640
Payments to suppliers and employees (inclusive of GST)		(494,592)	(487,944)
Payments for make good of leased sites		(1,590)	(2,367)
Interest received		583	187
Interest and other costs of finance paid		(20,392)	(13,096)
Income taxes (paid) / received		(233)	15,331
Net cash inflow / (outflow) from operating activities		10,761	(1,249)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		56	743
Proceeds from disposal of business (net of costs and cash disposed)		-	2,450
Payments for property, plant and equipment		(6,600)	(4,247)
Payments for intangible assets		(29)	-
Contingent consideration relating to previously acquired businesses		-	(41)
Net cash outflow from investing activities		(6,573)	(1,095)
Cash flows from financing activities			
Proceeds from issue of equity securities		55,000	-
Transaction costs related to issues of equity securities		(3,060)	-
Repayment of borrowings		(35,000)	-
Principal elements of lease payments		(15,668)	(16,569)
Net cash inflow / (outflow) from financing activities		1,272	(16,569)
Net increase / (decrease) in cash and cash equivalents		5,460	(18,913)
Cash and cash equivalents, at the beginning of the financial period		28,874	52,189
Effects of exchange changes on the balances held in foreign currencies		4	50
Cash and cash equivalents, at the end of the period		34,338	33,326

¹ Comparative information has been re-presented to achieve consistency in disclosure with the current period financial presentation.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

A BASIS OF PREPARATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements but is not immediately related to individual line items in the financial statements.

A1 Basis of preparation

This Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of Directors on 23 February 2024.

This Condensed Consolidated Interim Financial Report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for derivative financial instruments and contingent vendor consideration payable which have been measured at fair value.

This report should be read in conjunction with the Group's most recent Annual Report as at and for the year ended 30 June 2023 and ASX announcements. This does not include all of the information required for a complete set of financial statements prepared in accordance with accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the most recent annual financial statements.

(A) Going concern

This general-purpose Condensed Consolidated Interim Financial Report has been prepared on a going concern basis, which assumes that the Group will be able to meet its debts as and when they become due and payable.

Management has prepared cash flow forecasts for the next twelve months that support the ability of the Group to continue as a going concern. The Group was cash flow positive for the current period and continue to forecast positive cash flow after funding some growth initiatives. The main consideration for FY24 is the refinancing of existing senior debt facilities ahead of their October 2024 maturity, and the refinancing of the convertible notes which are redeemable in March 2025.

The Group' has a net senior debt position as at 31 December 2023 of \$97,939,000. As at 31 December 2023, the Group had \$34,338,000 in cash and cash equivalents. As at 31 December 2023, the Group has current liabilities exceeding current assets by \$136,220,000 of which \$130,246,000 is current debt expected to be refinanced in FY24. The deficit is also impacted by AASB 16 Leases (refer note C3) which requires of the right-of-use asset to be entirely classified in non-current, whilst future lease payments are split between current (\$30,472,000) and non-current, resulting in a mismatch. Management expects any working capital deficiency will be met out of operating cash flows.

While performance is improved in 1H24, AMA continues to operate at a net loss and is generating levels of EBITDA that may impact the ability to obtain sufficient leverage to operate effectively upon maturity of existing debt. As a result, continuing at current levels of profitability could adversely impact the ability of the Group to refinance existing debt, which may in turn cast significant doubt on the Group's ability to continue as a going concern. The Group is progressing its debt refinancing activities for the existing \$130 million of senior debt and \$50 million of outstanding convertible notes and expects to finalise the new arrangements through 2H24, ahead of the October 2024 maturity of senior debt.

The Group remains confident that based on forecast performance for the remainder of FY24 and FY25 the Group can obtain adequate refinancing at acceptable terms and maintain required liquidity and covenant profiles. In the event that cash flows do not meet expectations, the Group has a number of options which could include restructuring operations, raising additional equity funding or the sale of assets to assist in further reducing leverage to facilitate the debt refinancing if required.

The Directors' are of the opinion that, as at the date of approving this report, the cash flow forecasts and refinancing progress support the Group's ability to continue as a going concern including ongoing covenant compliance.

(B) New and amended standards adopted by the Group

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and which became effective for the half-year commencing 1 July 2023.

The Group's assessment of the impact of the new and amended standards and interpretations that are relevant to the Group is set out below:

Pronouncement

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

Impact

Requests the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates.

The application of the amendments did not have a material impact on the Group's consolidated financial statements or on the disclosure of accounting policy information in the financial statements.

A1(B) New and amended standards adopted by the Group (Cont.)

Pronouncement

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Impact

Clarifies that deferred taxes must be recognised where, on initial recognition of an asset or liability, the transaction gives rise to equal taxable and deductible temporary differences.

The Group has recognised deferred tax assets and deferred tax liabilities in relation to lease liabilities and right-of-use assets, which the amendments clarify can no longer be offset on initial recognition. Hence there was no impact on the Group's consolidated financial statements from application of amendments.

AASB 17 *Insurance Contracts*

Applies to insurance contracts regardless of the entity that issues them, and so has broader application than traditional insurance entities. AASB defines an insurance contract based on whether the contract transfers significant insurance risk.

Application of this standard has not materially impacted the Group.

A2 Key accounting estimates and judgements

In preparing the Condensed Consolidated Interim Financial Statements, the Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The significant judgements made by the Directors in applying the Group's accounting policies and key sources of estimation uncertainty are the same as those described in the Group's Annual Report for the year ended 30 June 2023. The estimates, judgements, and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.

B PERFORMANCE FOR THE HALF-YEAR

This section provides information that is most relevant to explaining the Group's performance during the reporting period.

B1 Segment information

(A) Description of segments

The Board and Executive Management Team, the Chief Operating Decision Maker (CODM), monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

The Group's operating segments are organised and managed separately according to the nature of the products and services provided being Vehicle Collision Repairs, Wales (formerly Heavy Motor) and ACM Parts (formerly Supply). The Group's corporate function is not an operating segment under the requirements of AASB 8 *Operating Segments* as its revenue generating activities are only incidental to the business. Geographically, the Group operates in Australia and New Zealand.

A description of the operations in each of the Group's reportable segments is outlined below.

Vehicle Collision Repairs

Includes Capital S.M.A.R.T, which specialises in performing rapid repairs on cars that have sustained low-to-medium collision damage and are still drivable and AMA Collision, which provides larger, more complex repairs of cars that have sustained high severity collision damage and are undriveable as well as prestige repair.

Wales (formerly Heavy Motor)

Provides dedicated and highly specialised facilities for all commercial vehicle repairs, from light commercial to prime movers, B-doubles, buses, and earthmoving equipment.

ACM Parts (formerly Supply)

This business provides a large range of genuine, reclaimed and aftermarket parts as well as collision repair consumables for the mechanical and collision repair industries.

Unless stated otherwise, all amounts reported are determined in accordance with the Group's accounting policies. All inter-segment transactions are eliminated on consolidation for the Condensed Consolidated Interim Financial Statements. Comparative information has been re-presented to achieve consistency in disclosure with the current financial period presentation.

(B) Adjusted EBITDA from reportable segments

In addition to using profit as a measure of the Group, the Board and CODM use adjusted EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) as a measure to assess the performance of the segments.

Adjusted EBITDA excludes the effects of significant items which may have an impact on the quality of earnings such as fair value adjustments or items that are the result of an isolated, non-recurring event. It includes occupancy costs, reflecting the treatment of these costs prior to the implementation of AASB 16 *Leases*.

A reconciliation of adjusted EBITDA to loss before income tax is set out below.

For the half-year ended 31 December	Vehicle Collision		Wales		ACM Parts		Corporate / Eliminations		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue from external customers	410,437	369,729	37,226	31,684	18,133	21,886	-	-	465,796	423,299
Inter-segment revenue	-	-	-	-	22,464	18,615	(22,464)	(18,615)	-	-
Other income	3,367	2,472	30	57	5	55	59	357	3,461	2,941
Total revenue & other income	413,804	372,201	37,256	31,741	40,602	40,556	(22,405)	(18,258)	469,257	426,240
Segment result (EBITDA excluding impact of AASB 16 Leases)	32,728	12,587	4,428	3,306	(2,417)	(11)	(14,428)	(13,016)	20,311	2,866
AASB 16 <i>Leases</i> impact to occupancy costs	18,361	17,687	2,608	2,505	2,759	2,141	96	93	23,824	22,426
EBITDA	51,089	30,274	7,036	5,811	342	2,130	(14,332)	(12,923)	44,135	25,292
Depreciation and amortisation									(33,616)	(38,006)
Impairment expense									(1,731)	(6,899)
Loss on disposal of business									-	(41)
Net finance costs									(20,656)	(18,267)
Fair value adjustments on contingent vendor consideration									-	654
Loss before income tax									(11,868)	(37,267)

B2 Revenue and other income

Set out below is the disaggregation of the Group's revenue and other income. The Group derives revenue from the transfer of goods and services over time and at a point in time. Comparative information has been re-presented to achieve consistency in disclosure with the current financial period presentation.

For the half-year ended 31 December	Vehicle Collision Repairs		Wales		ACM Parts		Corporate / Eliminations		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue										
Vehicle panel repair services	410,052	369,418	-	-	-	-	-	-	410,052	369,418
Truck and bus repairs	-	-	36,875	31,369	-	-	-	-	36,875	31,369
Sale of goods	385	311	351	315	40,582	40,396	(22,464)	(18,615)	18,854	22,407
Other services	-	-	-	-	15	105	-	-	15	105
Total revenue	410,437	369,729	37,226	31,684	40,597	40,501	(22,464)	(18,615)	465,796	423,299
Other income	3,367	2,472	30	57	5	55	59	357	3,461	2,941
Revenue and other income	413,804	372,201	37,256	31,741	40,602	40,556	(22,405)	(18,258)	469,257	426,240
Timing of revenue recognition										
Over time	410,052	369,418	36,875	31,369	15	105	-	-	446,942	400,892
At a point in time	385	311	351	315	40,582	40,396	(22,464)	(18,615)	18,854	22,407
Revenue	410,437	369,729	37,226	31,684	40,597	40,501	(22,464)	(18,615)	465,796	423,299

B3 Other expense items

(A) Net finance costs

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Interest and finance charges	8,912	7,006
Interest expense on lease liabilities	10,289	9,008
Unwind of discount on make good provision	1,080	788
Amortisation of borrowing costs	958	1,652
Interest income	(583)	(187)
Net finance costs	20,656	18,267

(B) Impairment expense

The Group recognised the following non-cash impairment expenses for the half-year ended 31 December 2023:

	Notes	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Impairment of right-of-use assets (including make good assets)	C3(A)	1,682	5,715
Impairment of property, plant and equipment	C1	49	1,184
Total impairment expense		1,731	6,899

C ASSETS AND LIABILITIES

This section provides information about the Group's major balance sheet items where the movement in the half year is significant to an understanding of the changes in the Group's financial position.

C1 Property, plant and equipment

Property, plant and equipment represents the investment by the Group in tangible assets.

The net book amounts and movements in property, plant and equipment for the half-year ended 31 December 2023 are set out below.

	Leasehold improvements \$'000	Plant and equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
At 1 July 2023						
Cost or fair value	27,452	125,511	4,188	6,728	3,534	167,413
Accumulated depreciation	(22,735)	(90,996)	(3,193)	(4,010)	-	(120,934)
Net book amount	4,717	34,515	995	2,718	3,534	46,479
Movement:						
Additions	3	2,340	210	423	4,115	7,091
Transfers	2,988	3,040	-	-	(6,028)	-
Disposals	(183)	(122)	(40)	(53)	-	(398)
Depreciation	(702)	(4,451)	(290)	(337)	-	(5,780)
(Impairment) / reversal of impairment	(419)	424	(21)	(33)	-	(49)
Effect of foreign exchange	5	19	-	-	-	24
Closing net book amount	6,409	35,765	854	2,718	1,621	47,367
At 31 December 2023						
Cost	29,614	128,853	4,219	6,965	1,621	171,272
Accumulated depreciation and impairment	(23,205)	(93,088)	(3,365)	(4,247)	-	(123,905)
Net book amount	6,409	35,765	854	2,718	1,621	47,367

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C2 Intangible assets

Intangible assets represent goodwill, customer contracts, software and other intangibles. Goodwill arises when the Group acquires a business where consideration exceeds the fair value of net assets acquired and represents the future benefits expected to arise from the purchase.

The net book amounts and movements in intangible assets for the half-year ended 31 December 2023 are set out below.

	Goodwill \$'000	Customer contracts \$'000	Software \$'000	Other intangibles \$'000	Total \$'000
At 1 July 2023					
Cost	496,996	240,043	7,023	2,396	746,458
Accumulated amortisation and impairment	(340,685)	(73,640)	(5,470)	(875)	(420,670)
Net book amount	156,311	166,403	1,553	1,521	325,788
Movement:					
Additions and adjustments	-	-	41	-	41
Amortisation	-	(7,745)	(321)	(121)	(8,187)
Impairment	-	-	-	-	-
Closing net book amount	156,311	158,658	1,273	1,400	317,642
At 31 December 2023					
Cost	496,996	240,043	7,064	2,396	746,499
Accumulated amortisation and impairment	(340,685)	(81,385)	(5,791)	(996)	(428,857)
Net book amount	156,311	158,658	1,273	1,400	317,642

(A) Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to each of the Group's cash generating units (CGU) or group of CGUs, and represents the lowest level within the Group at which management monitors goodwill. Goodwill has been allocated to the Group's CGUs as follows:

Reporting Segment	CGU	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Vehicle Collision Repairs	AMA Collision	113,131	113,131
Wales (formerly Heavy Motor)	Wales	43,180	43,180
Total goodwill		156,311	156,311

(B) Impairment testing of goodwill

Goodwill is assessed for impairment on an annual basis, or more frequently when there is an indication that the CGU to which it belongs may be impaired. Where indicators exist, impairment testing is undertaken by comparing the carrying and recoverable amounts of goodwill. Impairment losses are recognised in the profit or loss when carrying amounts are higher than recoverable amounts.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group's impairment test is performed using the fair value less costs of disposal methodology. The recoverable amount is determined using a discounted cash flow model based on the present value of cash flow projections over a five-year period with the period extending beyond year five extrapolated using an estimated growth rate. Management has considered cash flow scenarios and market evidence to help corroborate the resulting value by comparing to relevant market multiples.

The value assigned to key assumptions represent management's assessment of future trends in the industry and are based on historical data from both external and internal sources. The approach and key assumptions used in the calculation of the recoverable amount are disclosed in the Group's Annual Report for the year ended 30 June 2023.

Significant estimate: impact of possible changes in key assumptions

Management assessed whether any CGU for which the carrying amount of goodwill is significant could be impaired as a result of a possible change in a key assumption and consistent with 30 June 2023 financial statements, given previous impairment of the AMA Collision CGU, any adverse change in assumptions would lead to further impairment. The following impairments would be recognised by a change in key assumption for this CGU:

- 1% increase in discount rate \$9,059,000
- 1% decrease in terminal growth rate \$7,027,000
- 10% decrease in EBITDA \$19,901,000

C3 Right-of-use assets and lease liabilities

The Group leases various offices, warehouses, site premises, equipment and vehicles. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

(A) Right-of-use assets

The net book amounts and movements in right-of-use assets for the half-year ended 31 December 2023 are set out below.

	Leased properties \$'000	Leased equipment \$'000	Total \$'000
At 1 July 2023			
Cost	425,220	123	425,343
Accumulated depreciation and impairment	(129,064)	(95)	(129,159)
Net book amount	296,156	28	296,184
Movement:			
Additions and modifications to lease terms	12,255	-	12,255
Disposals	(910)	-	(910)
Depreciation	(19,635)	(13)	(19,648)
Impairment	(1,682)	-	(1,682)
Effect of foreign exchange	53	-	53
Closing net book amount	286,237	15	286,252
At 31 December 2023			
Cost	444,946	123	445,069
Accumulated depreciation	(158,709)	(108)	(158,817)
Net book amount	286,237	15	286,252

(B) Lease liabilities

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current	30,472	31,000
Non-current	275,113	285,988
Total lease liabilities	305,585	316,988

Impairment of right-of-use assets

Right-of-use assets are tested for impairment as part of the CGU to which they relate. The related lease liability is also included in the carrying amount of the CGU.

During the period, the Group took the opportunity to hibernate one site and consolidate a number of collision repair sites. As a result of this review, impairment indicators were identified at certain AMA Collision sites. Consequently, the Group recognised impairment losses of \$1,682,000 against right-of-use assets.

C4 Other liabilities

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Market incentive	2,507	2,375
Other liabilities	1,580	1,084
Total current	4,087	3,459
Non-current		
Market incentive	35,862	38,079
Other liabilities	7,306	-
Total non-current	43,168	38,079
Total other liabilities	47,255	41,538

(A) Market incentive

A reconciliation of the movement of the market incentive liability is set out below.

	6 months to 31 Dec 2023 \$'000	6 months to 30 Jun 2023 \$'000	6 months to 31 Dec 2022 \$'000
Opening balance	40,454	41,649	47,960
Movement:			
Offset against inventory	(49)	(233)	136
Charged to profit or loss – raw materials and consumables used	(2,036)	(962)	(6,447)
Closing balance	38,369	40,454	41,649

D CAPITAL STRUCTURE, FINANCING AND FAIR VALUE MEASUREMENT

This section provides information about the capital management practices of the Group, shareholder returns and the valuation techniques the Group uses to fair value its financial instruments.

D1 Earnings/(loss) per share

Earnings per share (EPS) presents the amount of profit or loss generated for the reporting period attributable to shareholders divided by the weighted average number of shares on issue. The potential for any share rights issued by the Group to dilute existing shareholders' ownership when the share rights are exercised are also presented. There are no dilutive share options or performance rights at 31 December 2023 and convertible notes on issue also have no dilution effect on earnings per share.

	31 Dec 2023	31 Dec 2022
Loss attributable to the ordinary equity holders of the Company (\$'000s)	(10,036)	(25,750)
Weighted average number of shares used as denominator in calculating basic and diluted earnings per share	1,457,779,575	1,072,795,028
Basic and diluted loss per share (cents)	(0.69)	(2.40)

D2 Contributed equity

	31 Dec 2023 Shares	31 Dec 2023 \$'000	30 Jun 2023 Shares	30 Jun 2023 \$'000
Quoted				
Opening balance	1,073,070,217	533,190	1,071,009,343	529,893
Institutional placement, net of tax	522,160,826	39,162	-	-
Retail entitlement offer, net of tax	211,172,508	15,838	-	-
Transaction costs, net of tax	-	(2,089)	-	-
Employee share issue	-	-	418,545	1,727
Convert from unquoted shares	-	-	1,642,329	1,611
Share buy-back for nil consideration	-	-	-	(41)
Total quoted	1,806,403,551	586,101	1,073,070,217	533,190
Unquoted				
Opening balance	-	-	1,642,329	1,611
Convert to quoted shares	-	-	(1,642,329)	(1,611)
Total unquoted	-	-	-	-
Total share capital	1,806,403,551	586,101	1,073,070,217	533,190

D3 Other financial liabilities

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Bank loan, net of capitalised borrowing costs	130,246	163,846
Total current	130,246	163,846
Non-current		
Convertible notes, net of capitalised borrowing costs	45,777	45,104
Total non-current	45,777	45,104
Total financial liabilities	176,023	208,950

(A) Borrowings

Key terms of the Syndicated Facility Agreement are outlined below:

Facility	Limit \$'000	Cash drawn \$'000	Guarantees drawn ¹ \$'000	Available \$'000	Maturity
Facility B - Term Loan Facility	112,500	112,500	-	-	Oct 2024
Facility D - Revolving Working Capital Facility	35,000	17,500	15,744	1,756	Oct 2024
Total	147,500	130,000	15,744	1,756	

¹ Bank guarantees issued are not included in the Condensed Consolidated Statement of Financial Position.

The Group is required to make interest payments on the drawn debt. For the period from 19 August 2022 to 30 September 2024 a further margin was applied, which is capitalised into the loan balance. At 31 December an additional \$2,277,000 was capitalised into the loan balance (30 June 2023: \$1,042,000). The repayment of principal and capitalised interest is required at maturity date.

The Group is required to comply with financial covenants under the terms of the borrowing facilities including a net senior leverage ratio (NSLR) and a fixed charge cover ratio (FCCR). In August 2023, AMA received consent from lenders to change the FY24 covenant requirements to remove the FCCR for FY24 and replace the NSLR covenant with a minimum EBITDA covenant for September and December 2023. The NSLR covenant has also been increased for March 2024 but left unchanged for June 2024. As part of this consent request, the Group agreed to a debt repayment obligation of \$35 million by December 2023, which has resulted in a corresponding reduction in the Facility B limit during the period. The Group continues to closely monitor its forecast compliance with debt covenants and was compliant with covenants at 31 December 2023.

The Syndicated Facility Agreement is secured by a fixed and floating charge over all the assets of the Company and its wholly owned subsidiaries.

(B) Convertible notes

On 21 September 2021, the Group completed the issuance of \$50,000,000 Senior Unsecured Convertible Notes ("Notes"). The Notes are convertible at the option of the Noteholders into ordinary shares of AMA Group Limited. The initial conversion price was \$0.4688 per share, however following the September 2023 equity raise has reduced to \$0.3910 following a calculation performed under the terms of the Notes. Notes can be converted at any time up to 5 business days prior to the maturity date. The Noteholder has the option to require the Company to redeem all or some of the Noteholder's Notes on 22 March 2025 for an amount equal to 100% of the principal amount of the Notes plus any accrued but unpaid interest. Any Notes not converted will be redeemed on 21 March 2027, being the maturity date, at the principal amount of the Notes plus any accrued but unpaid interest. The Notes carry an interest rate of 4.0% per annum which is paid semi-annually in arrears on 22 March and 22 September.

D4 Fair value measurement of financial instruments

The Group measures certain financial instruments at fair value at each reporting date using the prescribed 3 level hierarchy in AASB 13 *Fair Value Measurement* based on the lowest level of input that is significant to the fair value measurement.

(i) Carrying amount approximates fair value

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair value due to their short-term nature. The fair value of non-current borrowings and senior convertible notes is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. The carrying amounts of the Group's borrowings approximates their fair values, as commercial rates of interest are paid, and the impact of discounting is not significant. However, the Group's convertible notes are fixed rate instruments with conversion options at a fixed price per AMA Group share. These convertible notes are tradeable on the Singapore Stock Exchange. In the event of interest rates increasing or the AMA share price falling, it would be expected the fair value of convertible notes would decline.

E OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

E1 Share-based payments

Performance Rights Program

The Performance Rights Program (PRP) was implemented in FY20 (in accordance with the Employee Equity Plan) and acts as the Group's long-term incentive scheme to reward participants through variable remuneration. Under the PRP, Executives and other eligible senior employees are invited to receive performance rights in the Company.

Executives were granted performance rights in relation to the three-year performance period commencing 1 July 2023 on 15 December 2023. Under the PRP, each performance right enables the participant to acquire a share in the Company, at a future date, subject to agreed vesting conditions. Performance rights are measured at the fair value at the grant date.

Vesting of the performance rights is subject to continued employment with the Group and the achievement of performance hurdles, which are tested at the end of the three-year performance period. The performance hurdles that apply to the FY24, FY23 and FY22 LTI grants are based on the Group's Relative TSR (50%) and Absolute TSR (50%) performance.

Set out in the table below is a summary of movements in the number of performance rights under the PRP for the period ending 31 December 2023. Rights forfeited during the period were primarily due to resignation of executives.

Grant date	Balance at the start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at the end of the period	Unvested at the end of the period
09 December 2021	2,004,900	-	-	(2,004,900)	-	-
20 December 2021	1,457,739	-	-	(445,533)	1,012,206	1,012,206
18 February 2022	396,802	-	-	-	396,802	396,802
14 June 2022	1,206,653	-	-	-	1,206,653	1,206,653
30 November 2022	15,551,960	-	-	(5,469,915)	10,082,045	10,082,045
6 January 2023	218,531	-	-	(218,531)	-	-
15 December 2023	-	23,649,896	-	-	23,649,896	23,649,896
	20,836,585	23,649,896	-	(8,138,879)	36,347,602	36,347,602

E2 Events occurring after the reporting period

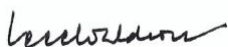
There has not been any matter or circumstance occurring since 31 December 2023, in the reasonable opinion of the Directors, that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Declaration

In the opinion of the Directors of AMA Group Limited (the Company):

- (a) the Condensed Consolidated Interim Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.



Caroline Waldron
Director
23 February 2024



Independent Auditor's Review Report

To the shareholders of AMA Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of AMA Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of AMA Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed Consolidated Statement of Financial Position as at 31 December 2023
- Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the Interim Period ended on that date
- Notes A1 to E2 comprising a summary of material accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises AMA Group Limited (the Company) and the entities it controlled at the end of the Interim Period or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2023.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Material uncertainty related to going concern

We draw attention to Note A1(A), "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note A1(A), indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Maritza Araneda
Partner

Melbourne
23 February 2024