



Company	AMA Group
Code	AMA
Meeting	AGM
Date	Thursday 19 November 2020
Venue	Online using Lumi system
Monitor	John Whittington (proxy collector)

Number attendees at meeting	Unknown
Number of holdings represented by ASA	5
Value of proxies	\$96k
Number of shares represented by ASA	117,698
Market capitalisation	\$605m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Anthony Day and Company Secretary Fiona van Wyk

Smashing Through Covid

AMA Group is a consolidator in the Australian and New Zealand autobody repair industry (smash repairs) with some additional vehicle aftercare and accessories businesses. With a significant number of bolt-on acquisitions over the years it has increased annual revenues from \$264m in FY16 to \$889m in FY20 whilst, until COVID-19, providing a growing dividend to shareholders.

COVID-19 had a significant effect on the business as, with lockdowns and restricted movement, there were fewer car crashes, so fewer repairs needed. The company reported a loss of \$71.5m (most of which was non-cash impairments), the first since at least FY16, however remained cash flow positive and paid off some debt.

The [Chair's presentation](#) and [CEO's presentation](#) were confident and upbeat and outlined how the company coped with Covid, how it performed, and how it sees the future. They also spoke about the divestment to GUD of some of their business focussing on the manufacturing and retailing of accessories [announced in the morning](#), the proceeds of which will allow for the retirement of debt and allow for further growth in the panel repairs sector.

It was an engaging AGM with Chair, CEO, and all directors speaking to their election with webcam type video connections from their laptops and seemingly to be genuinely interested in

participating in the meeting. It just shows up the many larger companies which have recently had audio only (or audio plus slides) AGMs and directors unable to participate in the meeting. So kudos to AMA.

As seems to be usual for an AMA Group AGM there were a lot of resolutions – 8 – on which to vote but this was efficiently handled by the Chair. The only questions came from the ASA who asked about related party transactions (recently implemented a policy and expect continued improvement in governance), how a \$59.5m incentive from a paint supplier is handled (offset against paint purchases so only taken to revenue as it is used up), why the CEO is paid so much – likely higher than the 75th percentile for comparable companies (set in October last year and appropriate at the time [when the company had a much higher market capitalisation]), and asking for improvements in disclosure in the remuneration report (valuable feedback, not yet completed on getting it right).

Whilst the ASA voted against the Remuneration Report and the issue of performance rights to the CEO, all resolutions were passed easily with 97%+ in favour.