AMA Group Limited – Progress driven by strong focus on operational improvement and profitable growth

By ACE Investors / 23 September 2025

Reading Time: 5 Mins

By Team Ace Investors

Stock Code	ASX: AMA
Shares O/S	4.79 billion
Closing Price	AUD 0.093
Market Cap	440.28 million
52 High/Low	0.110/0.042
One Year Stock Performance	47.62%
Avg volume (TTM)	7.27 million
EPS (TTM)	-0.001
P/E	-
Annual Dividend Yield	-
Franking	-
Last Dividend Ex-Date	-
Last Dividend Pay Date	-
DPS (AUD)	-
ROE %	-

COMPANY OVERVIEW

AMA Group Limited **("AMA" or the "Company)** is the leading collision repair and automotive supply company in Australia and New Zealand. Founded in 2005 as Allomak Ltd to acquire automotive aftercare businesses, it was listed on the ASX in 2006. The company entered the collision repair sector in 2007 by acquiring Mr Gloss in Victoria, which it still operates. Renamed AMA Group in 2009, the company has grown through acquisitions to become the region's largest collision repair network and is the only publicly listed business in Australia dedicated solely to collision repair and automotive supply.

On 22nd August 2025, the Company reported its results for the period ended 30th June 2025. The Company delivered a strong performance in FY25, with revenue rising to $1,013.7 million, reflecting an $80.6 million increase over FY24. Normalised EBITDA grew significantly by 38.4% to $62.6 million, driven by operational efficiencies and improved business performance across key divisions. Operating cash flow saw a substantial improvement of $33.6 million, reaching $44.1 million, supported by the successful $125 million equity raise, refinancing of $110 million in debt with a three-year term to February 2028, and repayment of $50 million in convertible notes by March 2025.

Drivable passenger vehicle collision repairs $490.3 million FY25 revenue 1,630 team members 148.1k repairs	SMART
Drivable and non-drivable passenger vehicle collision repairs $360.0 million FY25 revenue 1,388 team members 87.1k repairs	AMA COLLISION
Heavy vehicle collision repairs $77.9 million FY25 revenue 293 team members 6.4k repairs	WALES
Specialist Businesses *Prestige vehicle collision repairs* *Mechanical collision repairs* *ADAS calibrations* $56.3 million FY25 revenue 146 team members 6.6k repairs	AMA PRESTIGE TrackRight TechRight
Collision and mechanical parts and consumables $99.7 million FY25 revenue 176 team members 273k parts sold	ACM PARTS

Source – Company's Report

Operationally, Capital SMART exceeded expectations with enhanced operating performance and an expanded repair scope, leading to higher revenues from complex repairs. AMA Collision also achieved further optimisation gains, while Wales delivered robust results through capability improvement projects. Specialist Businesses, including TechRight and TrackRight, continued to progress with scope for further enhancements, especially at prestigious sites. Strategically, the company is focused on growth aligned with opportunity, capacity, and capability. It achieved an average of 4,773 repairs per week in FY25 and is targeting 5,000 weekly repairs going forward.

INVESTMENT RATIONALE

- **AMA Collision FY25 Performance and Transformation –** In FY25, AMA Collision achieved revenue of $360.0m, up $4.8m from FY24, with 87.1k repairs completed and normalised EBITDA improving to $7.4m from a $3.2m increase year-on-year, driven by a strong second-half EBITDA of $9.4m versus a first-half loss of $2.0m. The ongoing transitional change program is delivering operational optimisation, stronger insurance relationships, increased repair volumes from a broader insurer base, and improved network efficiency. With investments in repair capacity, customer experience, and cost efficiencies, AMA Collision is aligning opportunity, capability, and capacity to support strategic growth and long-term financial performance.
- **Driving Efficiency and Expansion Across Capital SMART & Specialist Units –** In FY25, Capital SMART exceeded expectations, driven by improved site efficiency, higher repair complexity, and additional capacity from prior site transitions. The business strengthened its relationship with Suncorp, signing a new Motor Repair Service Agreement in April 2025 with annual pricing adjustments from July 2024. Growth plans include optimising operations, expanding network capacity where demand exists, enhancing workforce skills, and improving customer satisfaction through better value and experience. Specialist Businesses delivered mixed results. AMA Prestige faced volume allocation challenges, leading to the consolidation of the Harris & Adams site into AMA Collision Gosford for improved efficiency and stronger OEM and insurance partnerships. TechRight expanded to ten installations with contracts for ADAS calibration services across the network, ensuring coverage for all sites. TrackRight grew capacity with new sites in Victoria and Western Australia, supporting both AMA Group and external repairers, with further expansion planned to strengthen mechanical collision repair capabilities.
- **Equity Raising and Debt Refinancing Strengthen Balance Sheet –** In August 2024, AMA Group successfully raised $125.0 million through an equity issue priced at $0.042 per share, using the proceeds to repay debt and strengthen the company's financial position. Following this, in February 2025, the Group refinanced its senior debt facilities with a new three-year $110 million facility, comprising $80 million in revolving working capital and $30 million in bank guarantee lines. This refinancing was secured on improved terms and at a lower overall cost of funds, providing the Group with enhanced financial flexibility and a stronger balance sheet for future growth.
- **FY26 Outlook and Strategic Priorities –** The Company is progressing toward achieving a pre-AASB 16 EBITDA margin of 10% across its core collision repair businesses in the coming years. For FY26, the company expects normalised pre-AASB 16 EBITDA in the range of $70m–$75m, supported by strategic growth initiatives and operational optimisation. Capital SMART anticipates a comparable underlying result, with some network rationalisation balanced by growth in specialised, value-add activities and 3–4 new or expanded sites to align with customer needs. AMA Collision continues its transitional change program, implementing further operational capability improvements. Wales will maintain steady EBITDA margins alongside consistent revenue growth. In Specialist Businesses, AMA Prestige will reset operational parameters and focus on key performance drivers, while TechRight and TrackRight will expand capacity where aligned with opportunity and demand. The Group is targeting 5,000 repairs per week and plans strategic growth through greenfield projects, brownfield developments, and acquisitions. Additionally, AMA Group is focused on

developing high-performing teams, executing key initiatives to drive sustainable outcomes for ACM Parts, and plans to propose a 1-for-10 share consolidation at the November AGM to optimise capital structure and shareholder value.

ACE's RECOMMENDATION

The AMA Group delivered a 38.4% increase in normalised pre-AASB 16 EBITDA in FY25 compared to FY24, marking a year of strong financial and operational performance. FY25 progress was driven by a focus on operational improvement and profitable growth, with Capital SMART and Wales Heavy Vehicle businesses outperforming expectations, while AMA Collision delivered a strong second-half result following recent optimisation initiatives. The Board continues to assess options for ACM Parts, aiming to focus on the core collision repair business while awaiting the right divestment opportunity.

The Chairman emphasised the resilience and essential nature of AMA Group's services, which play a pivotal role in supporting insurers by meeting their customer repair obligations and enhancing brand value. Industry fundamentals remain strong, with vehicle volumes rising, travel returning to pre-COVID levels, stable claim frequencies, and increasing claim sizes. The $125m equity raise completed in August 2024 transformed the balance sheet by enabling debt and convertible note repayments, while refinanced debt facilities provide financial flexibility. With strengthened operations, strategic growth plans, and a clear focus on delivering quality services and shareholder value, the company enters FY26 with optimism and confidence. We recommend the stock as **a SPECULATIVE BUY** at the closing price of $0.093.