

AMA Group Ltd

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AMA Group to demerge automotive component, accessory and procurement business

AMA Group Ltd (ASX:AMA) intends to demerge its automotive component, accessory and procurement (ACAD) business and enter a \$508 million transaction for its remaining vehicle panel repair business.

The transactions are part of a company restructure aimed at ensuring each division can realise its full potential.

New ACAD business to list on ASX

AMA's ACAD business will be spun out into a new company to be listed on the ASX.

It will incorporate the consumables and parts procurement function of the panel repair business.

The restructure also involves the purchase of the post-demergers AMA Group and its remaining vehicle panel repair business by funds advised by global private equity asset manager, Blackstone.

This transaction has an enterprise value of \$508 million.

Important stage in development

Executive chairman Ray Malone said "Today is an important point in the development of AMA Group.

"The board has decided to address the challenge of funding two growing but distinct businesses by separating the ACAD business into a new ASX-listed company.

"Each business will have its own management team, growth plans and funding strategy.

"This separation will ensure that neither business has its prospects limited by the competing demands of the other business for board and management attention and financial resources.

"Each business will be able to realise its full potential with significant benefits to customers, employees and shareholders."

Prospects of procurement business

Malone said he was especially excited about the prospects of the new procurement business.

"AMA Group is truly a global leader in sourcing consumables for the vehicle

Price: 1.065

Market Cap: \$779.42 m

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: AMA

Listing: ASX

52 week High Low
1.51264 0.812024

Sector: Tech

Website: www.amagroupltd.com

Company Synopsis:

AMA Group Ltd (ASX:AMA) is listed on the Australian Securities Exchange.

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panel repair industry.

"This is reinforced by our well-advanced discussions with a number of large international vehicle panel repair industry consolidators about servicing their consumables and parts needs.

"Based on the significant potential cost savings for international vehicle panel repair operators, we expect to rapidly grow this new business."

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