21 October 2024

Manager
Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

2024 Annual General Meeting – Addresses

Attached are copies of the addresses of the Chair and the Managing Director & Chief Executive Officer to be given at Amotiv's 2024 Annual General Meeting today.

For inquiries:
Anne Mustow
Company Secretary

The attached document has been approved for release to the market by Amotiv's Company Secretary

Amotiv Limited
2024 Annual General Meeting

21 October 2024

CHAIR'S ADDRESS

Ladies and gentlemen… I am pleased to address you today on behalf of the Board.

Shareholders will be aware that an extraordinary general meeting of the Company was held in June this year, at which shareholders resolved to change the name of the Company from GUD Holdings to Amotiv. The Board thanks shareholders for supporting this change which was, of course, a significant milestone in the life of our Group. The new name is a fitting one, reflecting the transformation of the Group into an automotive "pure play" with an exciting future in the automotive parts and services sector.

I can report that Amotiv delivered pleasing financial results during the FY24 year. Total Shareholder Return (TSR) improved from ~15% in FY23 to ~23% in FY24. We delivered revenue of $987.2 million (up 7.7%) and Underlying Earnings Before Interest, Tax and Amortisation of $194.6 million (up 5%). The Board determined to pay a total of 40.4 cents per share in aggregate dividends. The leverage and balance sheet of the Group are in great shape and the Group is poised to continue the next phase of its growth trajectory.

Our Managing Director and CEO (Chief Executive Officer), Graeme Whickman, will provide you with an outline of the operational performance of the Group for the FY24 year a little later.

Before I turn to talk about sustainability, I would like to turn to one last aspect of shareholder value. The Company announced today its intention to undertake a 12-month on-market share buyback of up to 7,044,734 AOV shares, representing approximately 5% of AOV's outstanding share capital.

The Board believes that a share buy-back of this amount represents the best use of that capital and strikes the right balance of delivering sustainable returns to shareholders without compromising the Company's strong capital position or its ability to continue investing in growth.

Now, I will address you in relation to sustainability and strategy – two critical areas upon which we constantly focus. I will also talk to you about the Board's structure and evolution.

Sustainability remains very important to our people and our shareholders. The Group has continued to invest in its sustainability journey, including the recent recruitment of an executive responsible for sustainability across the Group. This role will oversee and promote this continuing sustainability journey into the Group's future, leveraging collaboration across the Group.

As is set out in our 2024 Sustainability Review – which can be found starting at page 20 of Amotiv's 2024 Annual Report - the Group continues to work towards ESG (Environmental, Social and Governance) targets in key impact areas. They are:

1. Health, Safety and Wellbeing
2. Thriving People
3. Sustainable Sourcing
4. Energy and Emissions
5. Electric Vehicle Transition; and
6. Waste

Our Health, Safety and Wellbeing performance remains a priority in everything we do across the Group. Our Lost Time Injury Frequency Rate has improved year on year for the third year in a row, to 6.6 which is materially better than the industry benchmark for the Wholesale Trade Motor Industry of 13.2. The Board is very proud of our safety performance, but is careful not to "take its eye off" the safety "ball" – to move the Group to the "next level" of safety, an independent review was commissioned this year. Its recommendations further our continuous improvement approach to safety and work is well advanced to implement them.

Under our Thriving People impact area, our staff engagement scores increased by 4 percentage points to 76%, which is above the global average. The wellbeing score also increased 4 percentage points to 72% - the Board congratulates management on these achievements.

I continue to be very impressed with the way the Group demonstrates its commitment to Thriving People through promoting its value that "people are at the heart of all we do". The Board sees management living this value in many contexts and decisions that are taken every day across the Group.

In relation to Sustainable Sourcing, we continued to increase the number of suppliers who are assessed under our ethical sourcing program to over 1,000 Tier 1 products and services suppliers. Importantly, during the year the Group established an Asian Sourcing Office in China. One of its main functions is to assist with supplier communications and audits to support our ethical sourcing program. The Board considers that this demonstrates our true commitment to investing in, and taking responsibility for, ethical sourcing risk across the Group. Look out for our Modern Slavery Statement before the end of the calendar year, which will provide more information on this aspect of ethical sourcing.

Of course the Group continues to work toward our carbon neutral goals. These are:

- Distribution (non-manufacturing) businesses - carbon neutral for scope 1 and 2 emissions by 2025; and
- Manufacturing businesses – carbon neutral for scope 1 and 2 emissions by 2030

More information about how we define these concepts can be found in our Sustainability Review within our Annual Report.

In Australia, our distribution businesses have taken a significant step towards achieving our 2025 carbon-neutral goal by implementing GreenPower agreements for renewable electricity. The Group's carbon emissions decreased in FY24 as a result of increased purchase of renewable electricity (purchased electricity being 73% of our overall emissions) and the divestment of the Davey business. Further, our Knoxfield site in Melbourne added a 200-kilowatt solar system to its roof during FY24, reducing its grid electricity demand.

Amotiv is invested in, and supportive of, the transition to electric vehicles – also an impact area of focus. Sales of electric and hybrid vehicles in Australia continues to increase, with the Australian Government further promoting uptake through its New Vehicle Efficiency Standard which will take effect from 2025.

75% of our revenue is generated from "Non-ICE Products" (you can find a detailed definition of this in our Annual Report, but essentially, these are products in categories which are not dependant on internal combustion engines.)   We continue to invest in our Infinitev EV and hybrid battery remanufacturing and repair startup – its going well and expanded into New Zealand during FY24. This business is expanding its relationships with vehicle manufacturers and repair networks, with whom it partners to pursue a "circular economy" in electric and hybrid vehicle batteries.

We also worked on reducing packaging waste and achieved an APCO "Advanced" or above rating for all 8 of our businesses that are signatories to the Australian packaging covenant, a substantial improvement on FY23. One example initiative undertaken to cut packaging waste was Ryco's re-designing its 4 -by- 4 filtration upgrade kit packaging to replace foam with fully recyclable materials – as well as reducing the cardboard content used for by around 25%.

I recommend to you our FY24 Sustainability Review, which provides more detail around our sustainability impact areas and performance.

Strategic Vision

The Board is pleased to report that the Group's medium term growth plan (called "GUD2025") has now largely been achieved - as described at the May 2024 Investor Day. We're now deep into planning for the Group's "next horizon".

I would like to give you a quick update on the developments in our portfolio, which are consistent with GUD2025.

As you know, Amotiv is now an "automotive pure play", having reached during FY24 a significant inflection point in the Group's history. There are many growth opportunities ahead for Amotiv, across key categories and multiple geographies.

We acquired three businesses in FY24:

- First, Rindab, which is the Sweden-based distributor for our Lighting, Power and Electrical Division's Vision X business, giving the Group a European beachhead;
- Second, Milford, an Adelaide based manufacturer of cargo barriers and towbars for vehicle manufacturers, which provides our 4WD Accessories and Trailering Division with an expanded product offering and an opportunity to further leverage its manufacturing capabilities;
- Third, Caravan Electrical Solutions in Melbourne, which has been integrated into our Lighting, Power and Electrical Division's tailored power management solutions to Caravan producers. We continue to launch many new products across the Group.

We also launched many new products across the Group and expanded our global reach. The Lighting, Power and Electrical Division has steadily invested in opportunities in the United States of America and Europe. Our 4WD Accessories and Trailering Division has continued to invest in its growth and make "share of wallet" gains in functional accessories as well as expanding geographically into the South African market.

The Board and Management expect to continue to consider opportunities for bolt-on acquisitions where they make sense from a shareholder value perspective and are in line with our portfolio vision.

Board

The Board continues to evolve to meet the challenges of doing business in an ever changing commercial and regulatory environment. During the year, a new Board skills matrix was developed, which the Board is actively using to guide its evolution.

In particular, the Board is evolving to reflect the new “automotive pure play” nature of the Group – to this end, we have added David Coolidge, a leader in the global automotive aftermarket, having spent 23 years with the Bosch Group in USA and Europe. David was appointed in June 2024 (to fill a casual vacancy) and today David stands for election by the shareholders. The Board is very pleased with David’s appointment and he is already adding value using his automotive background. I will ask David to address shareholders a little later.

We also farewell Carole Campbell from the Board at this AGM. After the end of the financial year, Carole advised the Board that she will not stand for re-election at this AGM and will retire from the Board at the conclusion of this Meeting. Carole has made a significant contribution since her appointment as a Non-Executive Director in 2021. As Audit Chair she has overseen material improvements in the Group’s governance practices. With a strong commercial and financial lens, she has actively contributed to Amotiv’s strategy, including helping the Board navigate the Group’s transformation into an automotive “pure play”. Carole has worked diligently and, on behalf of the Directors, I wish to thank her and wish her all the best for her next chapter.

Also standing for re-election at this meeting is John Pollaers OAM who, along with his well-documented broad skills and knowledge in industry, has brought to the Board demonstrated experience in governance and his passion for sustainability. I will ask John to address you a little later.

Close

On behalf of your Directors… I thank Amotiv’s people for their hard work and dedication to the Group. The Directors are appreciative of the results the teams delivered during FY24 and congratulate them accordingly.

I also thank shareholders for their ongoing support.

I now invite our Managing Director and Chief Executive Officer, Graeme Whickman, to provide you with some more perspectives on the operational performance of the Group.

Amotiv Limited
2024 Annual General Meeting
21 October 2024

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S ADDRESS

Good morning, Ladies and Gentlemen.

Thank you for the opportunity to address you today.

I am pleased to be able to provide commentary on the performance of Amotiv Limited for the 2024 financial year.

I will also briefly update you on the trading of the Group so far, this financial year.

Operational Review

Following the Group becoming an automotive "pure play" in the first half of FY24, management organised and developed the new divisional operating structure - we rolled this out at our May Investor Day and we continue to work to enhance the efficiencies and benefits of it. Importantly, the structure has enabled us to provide you, our shareholders, with improved reporting and transparency – this was reflected in our FY24 results information.

I am pleased to be able to highlight for you today our operational achievements during FY24.

As you heard during the Chair's address, we have high expectations of employee engagement and safety across our Divisions. This has not wavered, notwithstanding the acquisitions made during the year and the work involved with integrating them.

Across the Group, we continue to positively diversify revenue sources while we optimise Divisions and the platforms we've built, all in support of consistent growth ambitions and financial outcomes of high quality and sustainability. I commend to you the Operating and Financial Review (page 10 of the Annual Report) which provides more detail.

In terms of measures of efficiency or quality, our net working capital (NWC) and warranty outcomes are very pleasing, as you can see from the slide.

I'm also proud to see our many businesses feature in customer supplier awards and third-party awards. The awards won during FY24 are certainly great achievements. Not only this but recently we celebrated our Ryco business winning the "top spot" – the 2024 AFR Most Innovative Company (manufacturing and consumer goods). The AFR awards recognises and celebrates Australian businesses that are challenging the status quo – this is really a wonderful accomplishment for Ryco, and it gives me great pleasure to be able to bring your attention to it today.

Looking back a few years, the Group has been on a journey. It is now a considerably bigger business, with materially increased footprint, manufacturing scope and geography.

We have, quite deliberately and strategically, reduced the concentration in our customer base and taken on more of the automotive lifecycle with an appropriate mix of traditional aftermarket and targeted OEM and OES business. In doing so, we've been flexing stronger Product Development muscles - this work, along with acquisitions, has meant that now 16% of our revenue is gained from offshore.

Amotiv is a different Group than it was a few years ago; and yet we have proved we can integrate sensibly and methodically – and, importantly, continue to deliver great results for shareholders.

Financial Performance

Key highlights from FY24 were:

- Revenue growth of 7.7% including 5.8% organic growth
- Underlying EBITA of ~$194.6 million, growth of 5.0%
- Organic NWC to revenue ratio of 25.4% slightly reduced from June 2023
- Cash conversion at 92.9%
- Net Debt: Adjusted EBITA ~1.6 times, reduced from ~2.0 times at June 2023

Importantly, we increased gross margin slightly reflecting price and currency management throughout the year which allowed us to reinvest for growth including greenfield activities.

Including increased investment spend, EBITA grew in all segments, and combined to deliver 5.0% underlying EBITA growth at a Group level.

EPSA grew at a slightly slower pace of 4.5% reflecting a one-off tax benefit of $3m in FY23 which did not repeat.

Cash conversion of 92.9% exceeded expectations as the pattern of creditor payments in June was more favourable than anticipated. Importantly, our net debt to EBITDA leverage is notably lower driven by strong cash conversion and cash received from the Davey divestment net of the FY24 acquisition activity. We were very pleased with the financial outcome of the Davey sale, which contributed to bringing the Group's leverage down to the bottom end of our targeted mid-term range of 1.6 to 1.9x.

A final dividend of 22 cps was announced, consistent with the prior year and full year of 40.5c was up 1.5 cents.

All in all, we are honoured to have been able to deliver to you, our shareholders, a great financial outcome from FY24.

Strategy

Back in 2018 when I joined the Group, I talked about the "next horizon" strategy. We are now at that horizon. We have demonstrated our competitive advantages across our Divisions, the attractive markets that we service and the significant ongoing and greenfield actions to drive our business forward.

Our 4WD Accessories & Trailering Division has deep customer relationships, legendary brands and engineering and manufacturing capabilities / set up, that are hard to replicate.

Equally our Lighting, Power & Electrical Division has grown its diversity of customer revenue as it expands its investment in product development - and now this is tied to a selective global footprint.

Our Powertrain and Undercar Division is the domestic jewel in the crown, strong brands, great defensive positions with obvious customer intimacy.

Now I am looking forward to the "next horizon", pursuing growth, resilience and optimisation for the future of the Group. We continue to focus on other opportunities, including rolling out South Africa and growing profitable offshore revenue. And, whilst not relenting on the pursuit of operational excellence, we will continue evaluation of bolt on acquisitions.

Trading Update & Outlook

Now turning to the trading update and outlook for the Group.

Consistent with the update provided at the FY24 result, first quarter trading conditions remain mixed and this is reflected in quarter one Group revenue growth of around 3.5% versus the prior corresponding period.

Within this 'wear and repair' continues to be resilient. However, the NZ market, Caravan/RVs and APG Top 20 pick-ups are soft. While destocking by Australian resellers persisted in the first quarter, reseller sales levels indicate that end user demand remains steady. Pleasingly, US growth was strong.

In line with expectations, further growth in Group revenue and underlying EBITA is expected in FY25. The second half underlying EBITA and margin is expected to be slightly stronger than the first half. This is due to a range of factors including:

- Scheduled price rises, that will be effective early H2.
- Reseller destocking should end in H1.
- A contribution from commencing operations in South Africa.
- Modest NZ cost savings.

The Company's balance sheet remains strong with a conservative leverage position and the refinance of the expiring December 2025 and December 2026 facilities are expected to be executed shortly on more favourable terms.

I would like to take this opportunity to thank our outgoing CFO, Martin Fraser, for his lengthy service to the Group. Martin has delivered great value to the Group since he joined in January 2012 and we have all very much enjoyed working with him. He will move into a new Chief Commercial Officer part time role, so we are not losing him completely. I also welcome Martin's successor as CFO, Aaron Canning, whose first day with the Group is today.

Finally, I want to say thank you for the hard work and dedication shown during FY24, and so far this financial year, by our employees. I know I say it regularly, but it is absolutely true, that we have a great team and I am enormously proud of our collective achievements.

Thank you and I will now hand back to our Chair.