

### ASX Announcement

## ACQUISITION OF HALLAM TYRE STORE

- CT&M Hallam expected FY20 revenue of \$2,000,000 and EBITDA of 8-10%
- Acquisition price of \$240,000 represents 1.2-1.5x EBITDA
- Acquisition payable in both cash and equity in RPM at \$0.25 per share
- Management to continue to work in the business.
- Acquisition has NTA of \$85,000 and no debt

**Melbourne: 3 September 2019**, RPM Automotive Group Limited (ASX:RPM) (RPMAG or the Company) is pleased to announce the acquisition of Competition Tyres & More, Hallam VIC (**CT&M Hallam**). CT&M Hallam will join RW Tyres, the Company's tyre retail chain.

CT&M Hallam is located on Hallam Road in a highly visible, prime retail location. The store also has a large retail floorspace and workshop to provide a platform to offer products from RPMAG group subsidiaries, including; Longmarch, Carline, Genie Headers and Formula Off-Road products.

A summary of the transaction is provided below:

- CT&M Hallam expected FY20 revenue of \$2,000,000 and EBITDA of 8-10%
- Acquisition price of \$240,000 represents 1.2-1.5x EBITDA
- Acquisition payable in both cash and equity in RPMAG at \$0.25/share
- NTA of \$85,000 and no debt
- Management to continue to work in the business.

The acquisition price is split with \$200,000 payable in cash over 12 months and \$40,000 in RPMAG shares at \$0.25/share. The Company expects the acquisition to be earnings accretive from day one.





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**THE RPM GROUP**

Mr Clive Finkelstein, Managing Director of RPM commenting on the acquisition said “The acquisition of CT&M Hallam fits with the Company’s goal of building a group of ‘class-leading’ tyres stores nationally and utilising this platform to cross-sell other Company products and thereby offering customers a ‘one-stop-shop’. CT&M Hallam will become the Victorian Head Office of Formula Off-Road, and offers the opportunity to co-brand as a Carline Automotive storefront.”

*About: RPM Automotive Group Limited is a leading player in the Australian automotive aftermarket comprising a number of businesses involved in; wholesale and retailing of tyres, mechanical repairs, motorsport apparel and equipment, niche manufacturing and a roadside assistance service for the transport industry. RPMAG was founded in 2013 and owns brands such as; rpm, Carline, Genie Headers, Air Anywhere, Formula Off-Road and Fix-My-Truck.*

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