

ASX Announcement
6 November 2020

RPM Automotive Group Ltd completes the purchase of Citic Autoparts Pty Ltd

On 17 September 2020, **RPM Automotive Group Limited (ASX: RPM)** (“RPM” or the “Company”) announced that it had executed a Purchase Agreement pursuant to which RPM had acquired 100% of the shares in Citic Autoparts Pty Ltd effective 31 October 2020.

The Company takes great pleasure in announcing that all the conditions of the transaction were completed, and RPM took ownership of the business on 1 November 2020.

Citic Autoparts Pty Ltd has already undergone a name change and is now RPM Autoparts Pty Ltd (AUT).

AUT operates in a very similar space to another one of RPM’s subsidiaries, Spider GT (SGT), in its Wheels and Tyres Division as an importer, wholesaler and distributor of tyres. AUT began its tyre trading business in late 1994, and today, is a major distributor in the Australian Tyre Industry. AUT carry a comprehensive product range and pride themselves on customer-oriented service. With distribution facilities, complete with sales force and administration teams in Campbellfield, Victoria and Sherwood, Queensland, AUT have successfully built a name for quality service and supply of both passenger and commercial tyres.

Additional benefits derived from this transaction include the ability to leverage brands and products in both SGT and AUT’s stable across both distribution platforms and customer-bases, which is expected to further improve the already impressive organic growth of this division. Sharing of overheads, infrastructure and resources will be a natural next step, with immediate operational benefits and savings anticipated.

For the 8 months to June FY21, AUT is forecast to generate approximately:

- Revenue of \$12,750,000
- Operating Profit of \$500,000
- Contribution of \$600,000
- * FY22 is expected to improve significantly, as a result of consistency of supply & post the Covid-19 Pandemic (RPM anticipates a 3-5-year ROI)

Grant Carman, Chairman of RPM was quoted as saying, *“The plan is to grow the Wheels and Tyres Business and this acquisition gives us the platform to achieve our targets, while*





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the cross-pollination of products and services only serve to complement our existing businesses.”

RPM is focuses on the health, well-being and safety of both our staff and customers and continue to provide the appropriate sanitation measures and social distancing regimen with regards to Covid-19 Protocols.

About RPM: RPM Automotive Group Limited is a leading player in the Australian Automotive Aftermarket comprising a number of businesses involved in: importing, wholesaling and retailing of tyres, mechanical repairs, motorsport apparel and safety equipment, niche manufacturing and a roadside assistance service for the transport industry. RPM owns brands, such as: RPM Racewear, Carline, Genie, Air Anywhere, Formula Off-Road.

This announcement was approved, and authorised for release, by The RPM’s Board of Directors.

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