

28 July 2021
ASX Announcement

RPM AUTOMOTIVE GROUP DELIVERS ANOTHER RECORD QUARTER

Market Update for the quarter ended 30 June 2021

Q4 FY21 highlights:

- Record revenue, up 48.5% to \$15.24 million (Q4 FY20: \$10.26 million)
 - Wheels and Tyres division up 41.8% to \$7.46 million
 - Repairs and Roadside up 82.5% to \$5.15 million
 - Motorsport division up 42.5% to \$1.72 million *
 - Performance and Accessories flat at \$0.91 million
- Record Gross Profit, up 33.1% to \$3.82 million (Q4 FY20: \$2.87 million)
- Pro Forma EBITDA of \$1.78 million
- Successfully acquired and integrated Traralgon Tyre Service and RPM Autoparts to support the growth strategy

* Motorsport Division Revenue was significantly impacted in Q4 FY20 with closure of all non-essential retail stores due to COVID-19 lockdown restrictions. Similarly, this division has been adversely affected in Q4 FY21.

RPM Automotive Group Limited (ASX: RPM) (“RPM” or the “Company”) is pleased to provide this market update for the quarter ended 30 June 2021 (“Q4 FY21”).

Unaudited results for Q4 FY21, show RPM has delivered record revenue of \$15.24 million, up 48.5% on pcp. Revenue growth was underpinned by continued demand for commercial tyres, with the Company’s Wheels and Tyres division reaching a new quarterly record of \$7.46 million, up 41.8% on pcp. The Repairs and Roadside division also made a strong contribution of \$5.15 million to Q4 revenue, due to strong retail numbers being reported.

Commenting on the Company’s record performance, RPM Automotive Group CEO, Clive Finkelstein said:

“This quarter has again demonstrated that our diversification strategy of complementary brands across the transport and automotive aftermarket sectors provides resilience to the RPM Automotive Group and the ability to thrive during periods of market volatility brought on by the COVID-19 pandemic.

“Our Wheels and Tyres division is experiencing significant growth, driven by increased commercial tyres orders, as essential services such as transport, agriculture and mining continue to surge. While passenger tyre retail sales were slightly down due to the decrease of passenger cars on the road because of COVID-19 lockdowns in various capital cities, our passenger tyre wholesale revenue significantly increased. Our acquisition and diversification strategy provides a buffer from current volatile retail operating conditions.



“Our growing national footprint has been another significant contributor to the Group’s strong results, and with all recent acquisitions now finalised and operating under the RPM umbrella, our national presence will only become stronger as we continue the rollout our growth strategy.

“With operations throughout Australia we are well positioned to grow RPM into a leading Australian business operating a diversity of brands across the transport and automotive aftermarket sectors.”

Record quarterly performance

RPM delivered a strong performance over Q4 FY21, with all divisions delivering solid revenue. Group revenue for the quarter was up 48.5% to \$15.24 million (Q4 FY20: \$10.26 million), beating projected forecasts by 5%. Unaudited Pro Forma quarterly earnings before interest, tax, depreciation and amortisation (EBITDA) was \$1.78 million.

| RPM Automotive Group Ltd Summary Quarterly Results Q4 | | | | | | | |
|--|---------------------------|-------------------------------|-------------------|--------------------------------------|-----------------------|---------------------|--|
| | Wheels & Tyres | Repairs & Roadside | Motorsport | Performance & Accessories | Administration | Consolidated | |
| Revenue | 7,460,032 | 5,148,374 | 1,720,458 | 914,380 | - | 15,243,244 | |
| Cost of Goods Sold | - 6,341,358 | - 3,688,632 | - 999,183 | - 393,551 | - | - 11,422,723 | |
| Gross Profit | 1,118,674 | 1,459,742 | 721,276 | 520,829 | - | 3,820,521 | |
| Other Income | 73,852 | 326,947 | 13,354 | 14,109 | - | 428,262 | |
| *Other Expenses | - 472,462 | - 936,064 | - 414,202 | - 241,900 | - 408,183 | - 2,472,811 | |
| EBITDA | 720,064 | 850,625 | 320,427 | 293,038 | - 408,183 | 1,775,972 | |

Year-on-year unaudited Gross Profit increased 33.1% to \$3.82 million, even with ongoing lockdown activity in different states at various times.

Supply of imports has returned to normal levels, and RPM is taking the opportunity to increase inventory levels accordingly.

Record turnover across three of four divisions

Wheels & Tyres generated revenue of \$7.46 million, fuelled by:

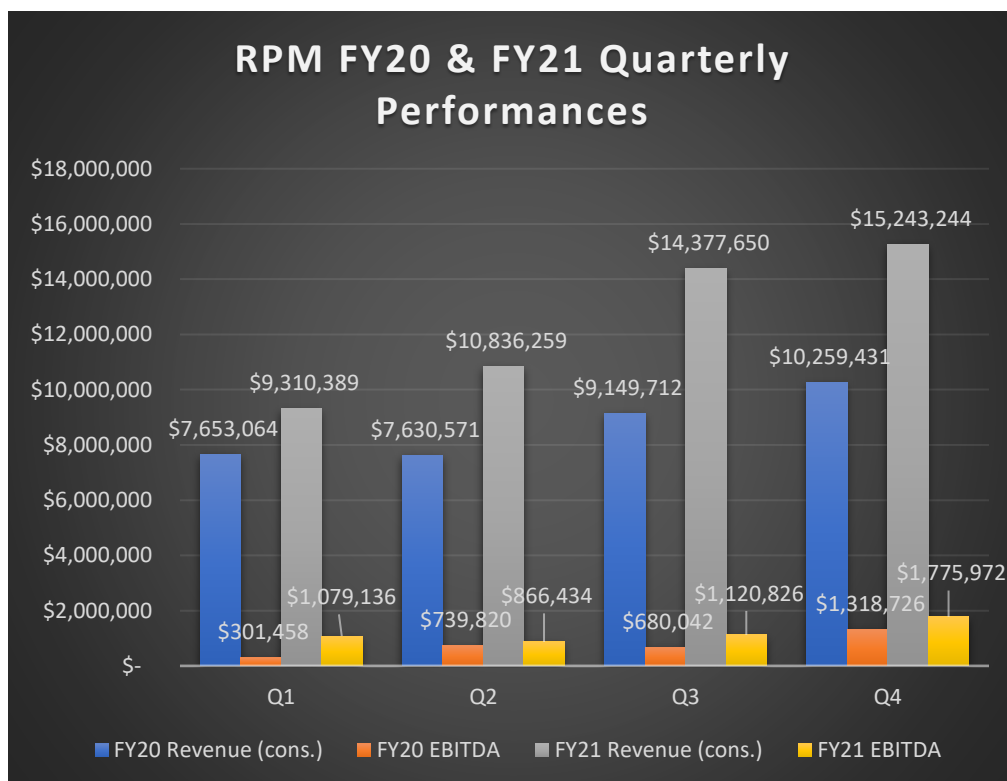
- Consistent, solid trading in our commercial tyres as well as our industrial tyres and agricultural sector tyres, as a result of their links to essential services and the heavy transport and logistics sectors
- The acquisition of RPM Autoparts as well as our significant stock investment, which has reflected well in our turnover growth
- Excellent organisational skills and leadership from our divisional managers



- Efficient integration of the new wholesale businesses
- Successful vertical integration model has seen wholesale numbers increase as we increase our Repairs and Roadside Network
- Increasing passenger vehicle usage generally as the Australian economy gains momentum.

Repairs & Roadside increased Q4 revenue by 82.5% on pcp to reach \$5.15 million and increased EBITDA by 337%, mainly due to scaling operations through integration of new acquisitions, which have been immediately revenue accretive as well as an under-performance of this division in the corresponding period last year due to the direct impacts of COVID-19. This has helped us address quality staffing issues prevalent across the sector generally.

The **Motorsport** division generated quarterly revenue of \$1.72 million, up 53.6% on pcp, driven by increased turnover supported by good inventory levels as well as the 2021 Australian Motorsport season enjoying less disruptions than 2020.



**Data excludes eliminations*

Positive outlook for continued growth

“The record fourth quarter that reflected strong revenue and earnings growth, as well as the inclusion of previous acquisitions, has us on track to deliver strong results in FY22. The successful integration of our recent acquisitions is allowing us to more effectively cross-sell products and cross-pollinate customers over an increasing geographic retail footprint and wholesale distribution network. With RPM’s growth strategy proving successful, we will continue to explore opportunities to optimise our wholesale, warehouse and distribution capability to better service all our retail outlets,” said Mr Finkelstein.

Authorised for release by the Board of RPM Automotive Group Limited.

- ENDS -

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Important Information and Disclaimer

RPM Automotive Group

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, RPM Autoparts.

For further information, please visit: <http://www.rpmgroup.net.au/>





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