



2024 AGM PRESENTATION

RPM AUTOMOTIVE GROUP LTD
(ASX: RPM)

AGM INVESTOR PRESENTATION | 26 NOVEMBER 2024

FOUR COMPLEMENTARY DIVISIONS



**Commercial & Industrial
Tyre and auto
service centres**

Retail

- Retail sales, wheel and tyre repairs, and roadside assist to commercial vehicles nationwide
- Services both commercial & industrial (including fleet) and consumer customers



**Certified race safety wear,
suits and helmets**

Retail

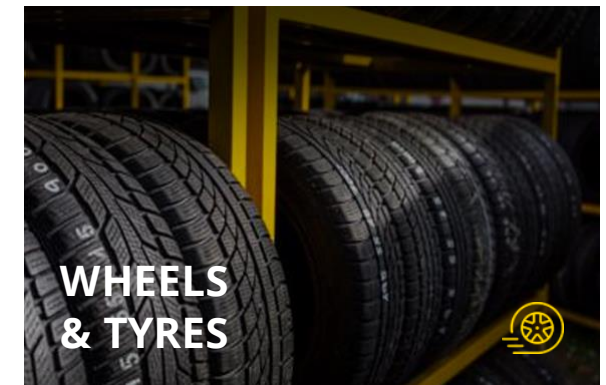
- The sole FIA-approved racewear manufacturer in Australia under the RPM Racewear brand
- Exclusive distributor of Alpinestars, Hans Devices, Cobra Seats and Bell Motorsport Helmets



**Bolt on vehicle parts and
accessories**

Retail & Wholesale

- Well-known “best-in-class” accessory brands
- Distributed through a nationwide group of auto repair shops
- Several fleet contracts in place



**Distribution of wheels and
tyres**

Wholesale

- 13 exclusive, in-house brands offered across all three tyre categories (commercial, industrial and passenger)
- Exclusive mature supply chain offering distribution of quality wheels & tyres at value prices

NATIONAL COVERAGE IN THE AUTOMOTIVE INDUSTRY

In brief

RPM business units offer wheels, tyres, accessories and apparel to both wholesale and retail (B2B commercial, industrial and consumer) customers

Successful record of integration

12 strategic acquisitions since Sept 2020 - leveraging operational capability (shared services) - freeing up customer facing personnel to best serve our customer

Scale drives operational leverage

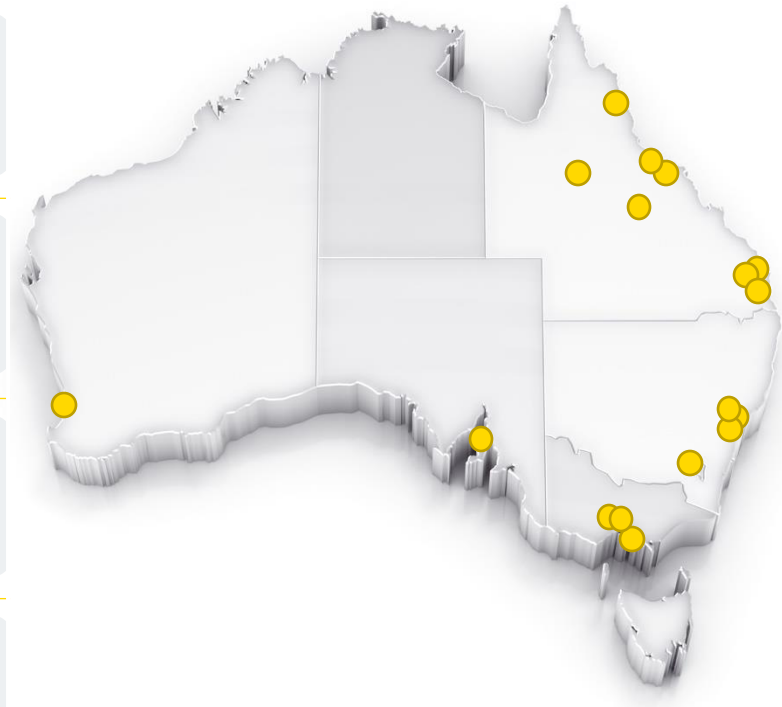
Increasing economies of scale and margins through cross-selling expanded product ranges to different customer groups

Leveraging capability and footprint

Adding new products, services and customers to our uniquely independent national footprint

Substantial market opportunity

Highly fragmented industry ripe for consolidation...demand for services outstrips supply in retail





RESULTS OVERVIEW

FY24 RESULTS HIGHLIGHTS

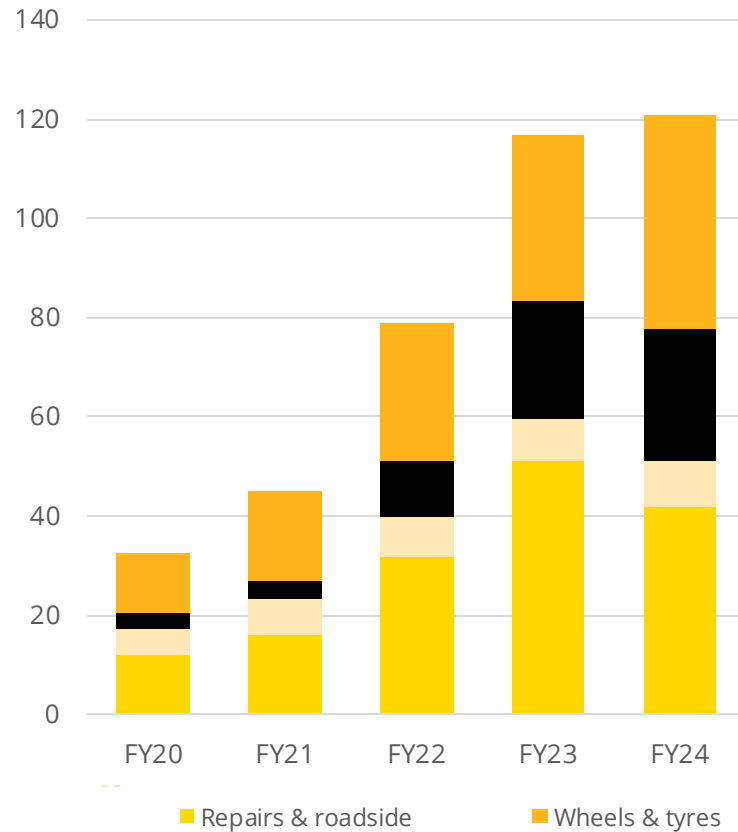
FY24 Key Highlights

- Solid revenue and underlying earnings growth
 - Revenue \$116.7m, up 3.7%
 - Gross margin 34.3%, up 257 bps
 - EBITDA \$12.4 million, up 41%
- Operational optimisation driving improved ROI

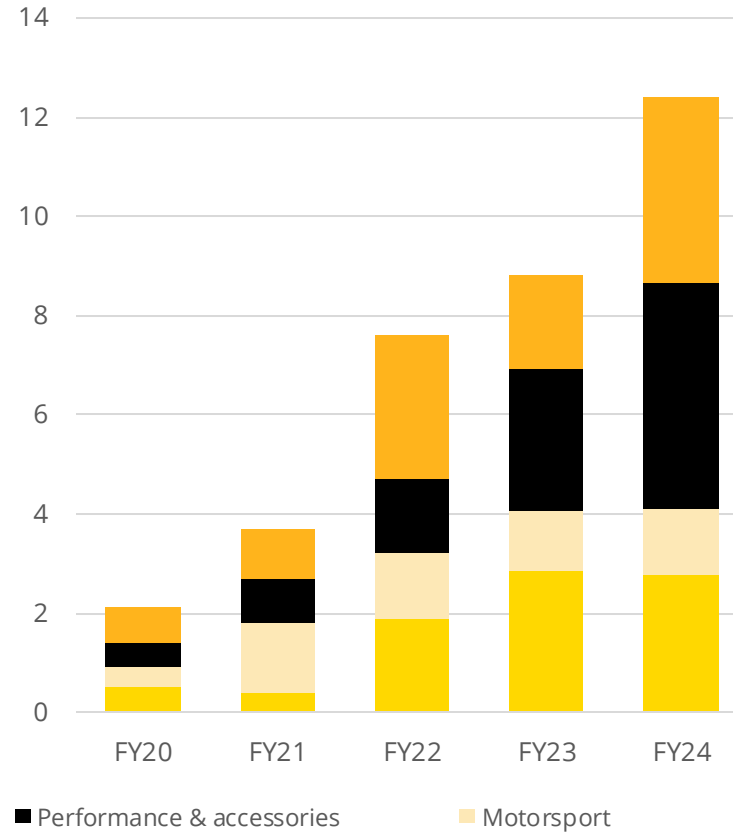
	FY23	FY24	Change
Revenue	116.7m	121m	Up 3.7%
Gross Profit \$	37m	41.4m	Up 12%
Gross Profit %	31.7%	34.3%	Up 257 bps
EBITDA	8.8m	12.4m	Up 41%
NPAT	1.2m	4.4m	Up 258%
Cash Balance	4.4m	6.3m	Up 1.9m
OPEX	27.1m	29m	Up 1.9m
Inventory	25.1m	24.6m	Down 0.5m
EPS	1.02cps	2.22cps	Up 1.2cps

TRACK RECORD OF REVENUE AND EARNINGS GROWTH

Sales Revenue
(by division) (\$m)



Underlying EBITDA
(by division) (\$m)



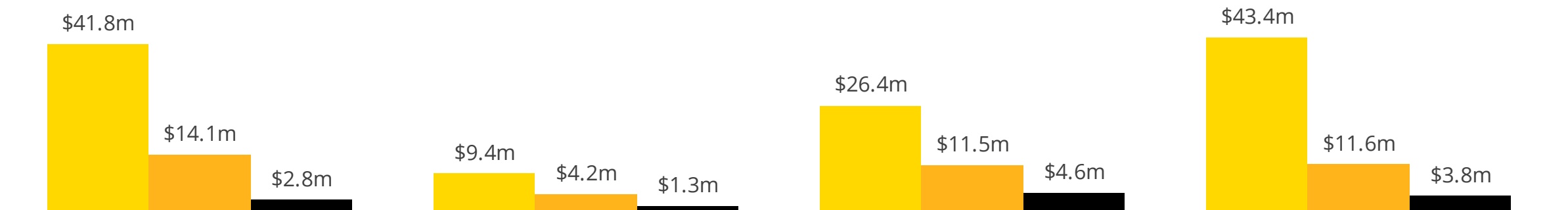
Key Highlights

- EPS up 117.6% pcp
- NPAT up 258% pcp
- Gross Margin up 257bp
- EBITDA up 41% pcp

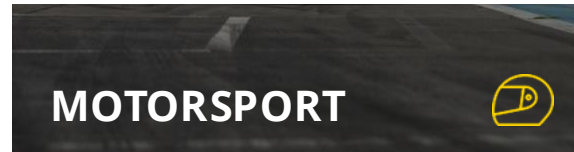
DIVERSIFIED REVENUE STREAMS

FY24 Revenue, GP Margin & EBITDA (by division)

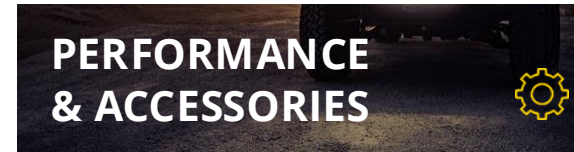
■ Revenue ■ Gross Profit ■ EBITDA



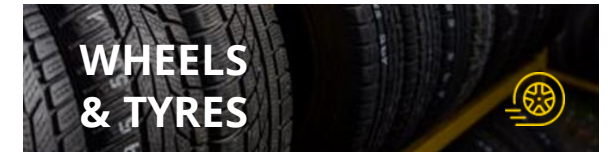
**REPAIRS
& ROADSIDE**



MOTORSPORT



**PERFORMANCE
& ACCESSORIES**



**WHEELS
& TYRES**

Retail

Retail

Retail & Wholesale

Wholesale

- Focus on optimisation and business rationalisation
- Sales down 18%
- Gross profit margin of 34%
- EBITDA margin of 7%

- Geographical expansion (Gold Coast)
- Sales growth of 9.5%
- Gross profit margin of 45%
- EBITDA margin of 14%

- Improved product range and expanded distribution
- Sales Growth of 11.8%
- Gross profit margin of 44%
- EBITDA margin of 17%

- Chapel Corner Tyres successful integration
- Sales Growth of 29.5%
- Gross profit margin of 27%
- EBITDA margin of 9%



STRATEGY, ESG & OUTLOOK

THREE CORE STRATEGIES TO BETTER SERVICE OUR CUSTOMERS



Strategic initiatives

- Identify complementary businesses to unlock synergies through cross selling and leveraging existing infrastructure
- Divesting non-core business segments to narrow strategic focus
- Leverage growing existing wholesale & retail platforms by implementing tyre recycling strategy –
- Focusing on growing tyre-related operations



Vertical integration

- Capitalise on in house design capability to bring new products to market
- Enhance capacity through expanded warehousing and recycling infrastructure
- Use network footprint to distribute planned products
- Premium products at value prices has appeal to both consumers and commercial users



Operating leverage

- Consolidate brands to maximise brand awareness at the state and national level
- In-fill existing network with products
- Invest in systems and analytics to drive cross selling
- Use economies of scale to deliver improved margin

ESG ROADMAP

E

S

G

FY25 – “Identify”

- Scope 1,2 GHG Assessment
- Identify opportunities for reverse logistics to return, recycle & repurpose products
- Launch in-house tyre recycling (stage 1)

- Establish Safety network (incl. regular safety toolbox talks)
- Identify additional aligned social partnerships to sponsor

- ESG insert into annual report
- Explore APCO certification
- Commence ISO9001, ISO14001, ISO45001 accreditation

FY26 – “Improve”

- Set Scope 1 and 2 emission reduction targets
- Conduct climate-related risk and opportunity assessment
- Explore incorporating SEDEX into procurement

- Integrate suppliers further with data collection & assessment (risks & opportunities)
- Employee and customer engagement survey
- Additional employee-nominated sponsorships

- Publish inaugural ESG report
- Maintain ISO accreditation

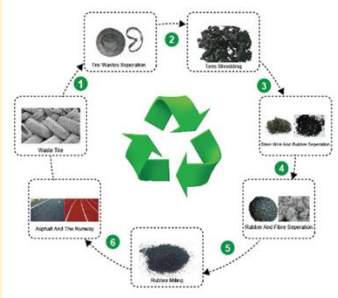
FY27 – “Impact”

- Measure Scope 3 GHG emissions
- Commence 2nd stage tyre recycling capability.
- Develop climate transition plan (incl. Scenario Analysis).

- Establish ESG and Climate committee.
- Target setting for community contribution.
- Assess progress of employee integration & communication

- Publish ASRS aligned disclosures.
- Maintain ISO accreditation.
- Review/refresh ESG Roadmap

ESG INITIATIVES



Tyre recycling – Circular economy

- Leveraging RPM's established wholesale and retail networks to create a fully integrated national tyre recycling operation
- Collecting & recycling end-of-life tyres, ensuring they don't end up as land fill
- Reverse Logistics



Bicycles for humanity

- 100% volunteer grassroots organisation that aims to make a life changing difference in poor countries through improving basic mobility.
- Transforming second-hand bikes and tyres into mobility solutions through Bicycle Empowerment Centres (BECs) in Africa, enhancing access to education, healthcare, and employment opportunities while reducing waste.



Boys to the bush

- Supporting programs that provide prevention and early intervention strategies for vulnerable male youth
- Since 2017 Boys to the Bush has impacted over 7,000 lives through involvement in our range of programs.
- Ongoing support is provided to over 75% of the youth that engaged with Boys to the Bush programs.

POST BALANCE DATE

- **Balance Sheet Restructure:** Full payment and removal of convertible note improving balance sheet and capital structure
- **Banking Relationship:** Newly established partnership on improved terms to support future growth
- **Chapel Corner Tyres Earnout:** Finalised earn-out payment following stronger-than-anticipated performance
- **Non-Core Asset Disposal:** Divesting of non-core assets to streamline operations, narrowing the focus on core business units

Q1 FY25 TRADING UPDATE & OUTLOOK

- Continued revenue and earnings growth in FY25
- Continued wholesale division expansion through economies of scale and improved customers offerings
- Commissioning and implementation of tyre recycling operations
- Strategic partnership initiatives implementation and roll out
- Rationalisation and optimisation of administration and operating expenses
- Divesting non-core business assets to narrow strategic focus

	FY24 Q1	FY25 Q1	Change
Revenue	28m	31.5m	Up 12%
Gross Profit \$	9.3m	10.5m	Up 13%
Gross Profit %	33.1%	33.2%	Up 13 bps
EBITDA	3.0m	3.1m	Up 3%





APPENDIX

EXPERIENCED BOARD OF DIRECTORS & EXECUTIVES



LAWRENCE JAFFE
NON-EXECUTIVE CHAIRMAN

Co-founder of RPM

Previously CEO and Managing Director of RPM Australasia until 2015 and stepped down when the company sold off its largest division. He remained on as Non-Executive Chairman until the company listed on the ASX.

Strong financial background in private equity, mergers and acquisitions.

A significant shareholder in RPM



GRANT CARMAN
NON-EXECUTIVE DIRECTOR

Chartered accountant with over 30 years of experience in corporate finance and the Australian Capital Markets

Held senior executive positions for and acted as a corporate adviser to a large number of Australian and international companies in the financial services, automotive, pharmaceuticals, wholesale distribution, manufacturing, services, resources, technology, and telecommunications sectors



CLIVE FINKELSTEIN
CEO/MANAGING DIRECTOR

Co-founder of RPM

Over 20 years' experience in the automotive sector, having built, managed and sold companies including a parts and accessories manufacturer and wholesaler and a 4WD franchise group

Automotive experience spans international markets, manufacturing, development, wholesale, retail and franchising

A significant shareholder in RPM



REBECCA PAYNE
CHIEF FINANCIAL OFFICER

Rebecca is a qualified chartered accountant with over 20 years' experience in Senior Financial Advisory positions, having worked in multiple industries including the automotive sector and joins RPM from a very respected multi-national Truck Manufacturer.

Rebecca has extensive experience in the auto industry and has managed large teams in multi-entity organisations.

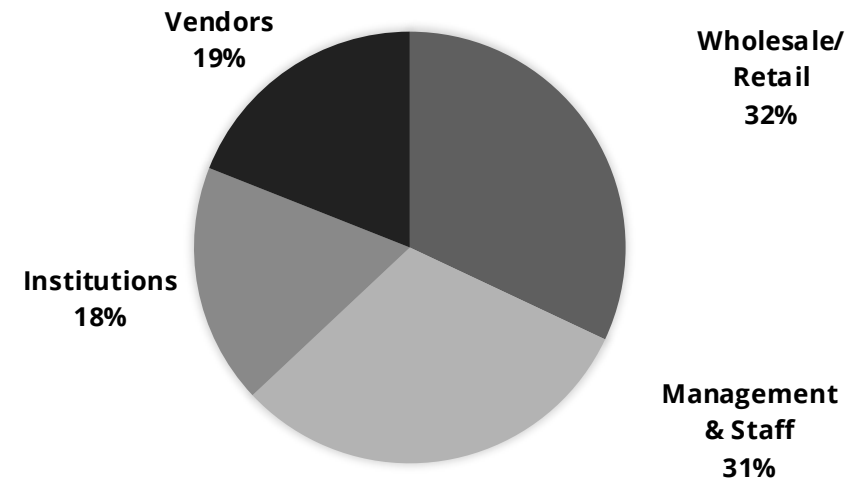
CORPORATE SNAPSHOT

CAPITAL STRUCTURE – 22 NOVEMBER 2024

Shares on Issue	270m
Options (Exp 08/25 @ \$0.10)	96m
Share Price	\$0.080
Market Capitalisation	\$22m



REGISTER



MAJOR SHAREHOLDERS

Clive Finkelstein (CEO/MD)	~10%
Lawrence Jaffe (Non-Executive Chairman)	~10%
DMX Capital Partners	~9%
Henrock Pty Ltd	~4%
Briar Place Pty Ltd	~3%

IMPORTANT NOTICE & DISCLAIMER

Overview

This document is issued by RPM Automotive Group Limited ACN 002 527 906 RPM ("RPM Automotive" or "RPM") on 26 November 2024.

Summary Information

This document contains summary information about RPM Automotive and its associated and proposed associated entities and their activities as known by RPM Automotive at the date of this document. The information contained in this document is of general background and does not purport to be complete. It should be read in conjunction with RPM Automotive's periodic and continuous disclosure announcements lodged with ASX which are available at www.asx.com.au

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