

11 July 2022
ASX Announcement

RPM COMPLETES ACQUISITION OF AFT AUTOMOTIVE GROUP

Key Highlights:

- **Strong revenue growth in FY23:** Following the acquisition of AFT Automotive Group, RPM's annualised revenue run rate has increased to over \$120 million.
- **Economies of scale driving sustainable earnings growth:** RPM's growing operational footprint enables economies of scale through a vertically integrated offering, significant cross-sell opportunities between the divisions and a focus on exceptional customer service.
- **Underlying business continues to perform well:** RPM generated solid organic and acquisitive revenue growth during FY22. In addition, RPM is continuing to expand operating margins, with a focus on the continued implementation of best-practice in inventory and supply chain management.
- **AFT Automotive Group strengthens RPM's position in the fast-growing 4WD accessories market:** Equipit and the MAX 4x4 Accessories Range has developed a strong reputation for quality accessories that are great value and easy to fit.
- **Management team aligned for growth:** The management team at AFT Automotive Group have a long working history with RPM and are committed to unlocking the value of the combined entity.

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "**Company**"), a leading player in the Australian automotive aftermarket sector, is pleased to announce the completion of its acquisition of AFT Automotive Group. AFT Automotive Group is comprised of Equipit Group - a leading wholesaler of premium 4x4 Accessories and All Terrain Design - a leading designer of 4WD motor vehicle accessories.

As at July 2022, RPM is tracking at an annualized revenue run rate of in excess of \$120 million with continued margin expansion driven by strong customer engagement and a focus on best practice inventory and supply chain management.

Over the past few years, RPM has built a national footprint of businesses involved in all facets of the large and ever-growing Australian Automotive Industry. Focusing our growth strategy on the tyre industry, we have built a strong distribution platform, well-supported by an extensive retail distribution network concentrating on emergency roadside assistance for the expanding transport industry. We have built a vertically integrated, national network, of retail stores specialising in mechanical repairs and motor vehicle accessories. This network compliments our market-leading motorsport apparel and safety equipment retail chain. Our niche manufacturing and design is further strengthened with AFT Automotive Group supporting RPM's strong position in the high growth 4x4, caravan and camper trailer sectors. RPM has diverse revenue streams across market sectors, distribution channels, as well as products and services.

The acquisition of AFT Automotive Group strengthens RPM's position in the fast-growing 4WD accessories market and will significantly expand RPM's vertically integrated offering across design, manufacture, and wholesale distribution.

The new wholesale product range in 4WD accessories complements RPM's existing retail accessories business through the supply of existing retail customers with more products and greater control over the supply chain. In addition, RPM will expand AFT's existing wholesale operations from Queensland to a national footprint by leveraging RPM's existing infrastructure throughout Australia. The addition of All Terrain Design's business will enable RPM to utilize the market leading design software to produce custom design work for RPM's internal divisions as well as for external customers.

RPM's growing operational footprint enables economies of scale through a vertically integrated offering, significant cross-sell opportunities between the divisions and a focus on exceptional customer service. All of these serve to improve the bottom line as the business grows.

Commenting on the completion of the acquisition, RPM CEO Clive Finkelstein said: "Over the past year, we have successfully executed on our strategic plan, exceeding our expectations through the delivery of strong organic revenue growth and continued margin expansion. We are building a vertically integrated business across wholesale and retail, with enhanced capabilities in design and manufacture. With our proven experience in the 4WD space, and with our national infrastructure, we have significant plans for developing Equipit Group and Max 4x4 Accessories into a major national 4x4 accessories player."

About AFT Automotive Group



AFT Automotive Group is comprised of Equipit Group, a leading wholesaler of premium 4x4 Accessories, and All Terrain Design, a leading designer of 4WD motor vehicle accessories.

MAX 4X4 Accessories is a leading brand for the 4WD industry. The current product range includes the MAX GEN II Bull Bars, Side Steps and Rails. The MAX brand has developed a strong reputation for quality accessories that are great value and easy to fit.

All Terrain Design is a design company specialising in motor vehicle accessories, predominately for the 4WD industry. All Terrain Design utilises market leading technology to provide a range of

services including 3D scan tooling, CAD and technical drawing, and custom design work for new products.

All Terrain Design owns the design and manufacture of all MAX 4x4 Accessories.

ENDS

This Announcement was approved and authorised for release by the Board of Directors.

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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, Safety Dave, VicWide Tyre Services, Equipit

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

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Forward-looking statements, including projections or guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including RPM). In particular, no representations, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.