



THE RPM GROUP

RPM AUTOMOTIVE GROUP LTD (ASX:RPM)

Investor Update

June 2022

RPM Automotive Group is a leading player in the Australian automotive aftermarket sector

RPM has a nationwide footprint of businesses involved in importing, wholesaling and retailing tyres, mechanical repairs, motor vehicle accessories, motorsport apparel and safety equipment, niche manufacturing, and roadside assistance service for the transport industry.

ABOUT RPM

FAVOURABLE INDUSTRY FUNDAMENTALS

The Australian automotive aftermarket is large and growing including the high-growth 4X4 and caravan sectors.

VERTICALLY INTEGRATED BUSINESS MODEL

RPM has operations across design, manufacture, wholesale and retail which provides opportunities for cross-selling and operational leverage to drive revenue and earnings growth

MARKET LEADING BRANDS

The RPM Group holds the rights to some of the most well known Australian automotive brands with a rich history of association in the sector

DIVERSIFIED BUSINESSES

Revenue diversity across market sectors, distribution channels, products and services within the automotive industry

EXPERIENCED BOARD AND MANAGEMENT TEAM

The founders have a proven track record of owning, building and operating automotive businesses

CLEAR GROWTH STRATEGY

The auto industry is highly fragmented, and RPM has a clear strategy to progress multiple acquisition opportunities in the Australasian market to aggressively build the business while driving organic growth as well

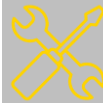
RPM'S FOUR DIVISIONS HAVE A NATIONWIDE FOOTPRINT IN THE AUTOMOTIVE AFTERMARKET



WHEELS & TYRES

Wholesale & distribution of industrial, commercial and passenger wheel & tyres

Wheels and Tyres - with 11 exclusive brands RPM offers a diverse range across all three tyre categories; TBR - which is commercial or truck and bus tyres, OTR - is industrial, including agriculture, mining and heavy earth-moving tyres, and PCR - or passenger and 4wd tyre



REPAIRS & ROADSIDE

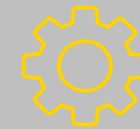
Commercial and retail tyre & auto service centers

Repairs & Roadside provides retail sales & repairs of wheels and tyres, and emergency roadside assistance to commercial vehicles nationwide, with a focus on B-to-B and B-to-Fleet, customer-facing operations and three auto service centres



MOTORSPORT

Revolution Racegear is the industry leader in certified race safety wear and manufactures, imports, wholesales and retails its products to Australia's motorsport fraternity. RPM is the sole, FIA approved racewear manufacturer in Australia under our famous RPM Racewear Brand and as such is the only supplier of custom race suits, & is the exclusive distributor of Alpinestar, Hans Devices, Cobra Seats and Bell Motorsport Helmets



PERFORMANCE & ACCESSORIES

Vehicle parts and accessories

Performance and Accessories division specialises in bolt on vehicle parts and accessories, includes well-known brands such as Genie, Carline and Formula Offroad, holds a number of strong fleet contracts. Carline Automotive is a nation-wide group of auto repair stores that provide a fantastic distribution platform



OUR MARKETS AND OPPORTUNITIES



THE AUSTRALIAN AUTOMOTIVE PARTS & MAINTENANCE SECTOR REPRESENTS ABOUT \$34 BILLION¹ IN ANNUAL REVENUE



THE SECTOR IS HIGHLY FRAGMENTED AND RPM HAS A STRONG TRACK RECORD OF DRIVING CONSOLIDATION



RPM HAS A VERTICALLY INTEGRATED BUSINESS MODEL WITH INCREASED OPERATING LEVERAGE TO DRIVE EARNINGS GROWTH



RPM ACQUIRED DESIGN CAPABILITY THROUGH THE AFT ACQUISITION TO BE USED FOR INTERNAL AND EXTERNAL CLIENTS

¹ Australian Automotive Aftermarket Association



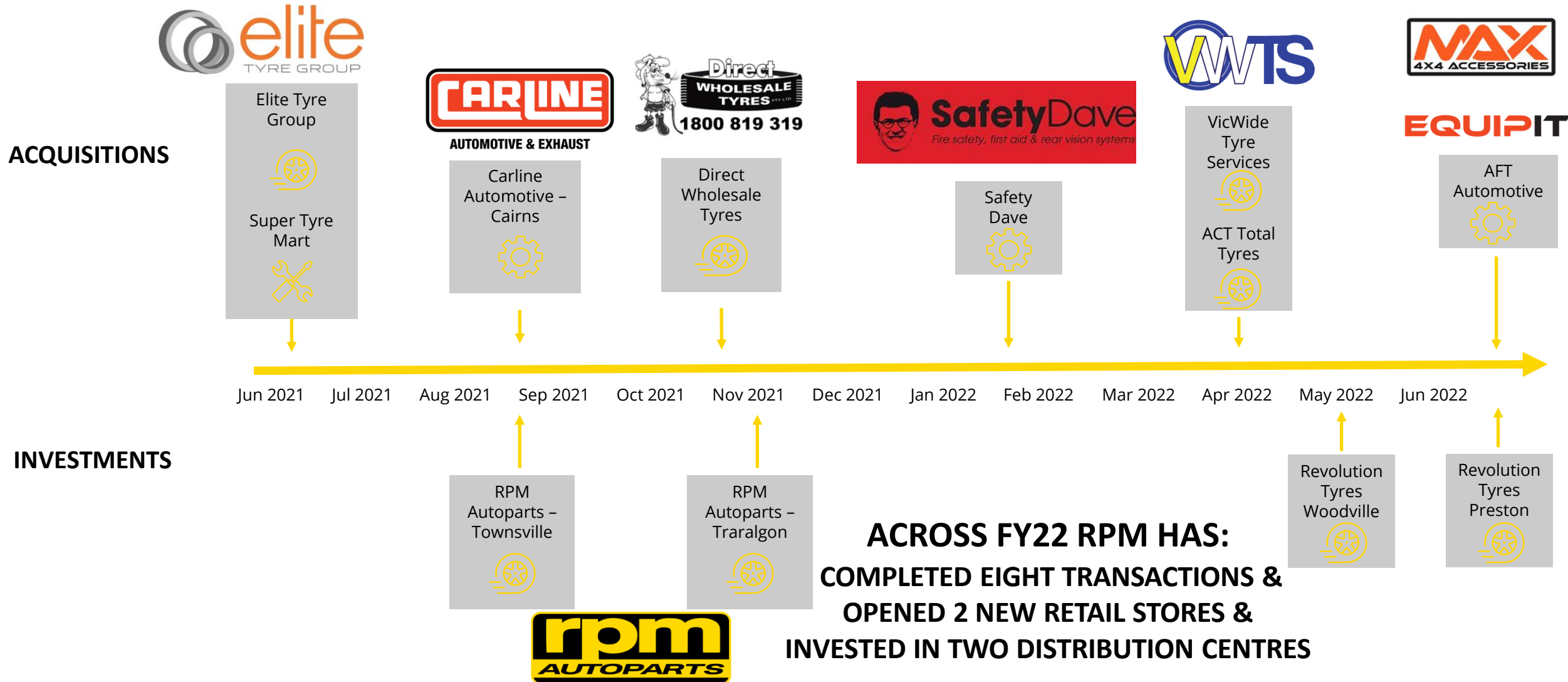
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GROWTH STRATEGY

ACQUISITION GROWTH STRATEGY

- ⚙ Identify similar complementary businesses to unlock synergies through cross-selling and leveraging existing infrastructure
- ⚙ Build both our retail and wholesale platforms
- ⚙ Target approximately ~50% scrip and ~50% cash (paid out over a period of time) consideration
- ⚙ Aim to purchase businesses on attractive valuation metrics of 3.5 – 5x earnings
- ⚙ Apply a term payout to retain vendors in the business for 3+ years; escrow applied to scrip consideration
- ⚙ In FY22 RPM completed 8 acquisitions, building on 5 acquisitions in FY21
- ⚙ RPM has identified multiple new opportunities that would unlock synergies and provide us with the ability to better service our customers – more locations with more products to more customers

FY22 BUSINESS INVESTMENT SUMMARY



SUMMARY

FY22 HIGHLIGHTS

- ⚙ Record growth in revenue and EBITDA
- ⚙ 8 strategic acquisitions of complementary businesses that will deliver meaningful cost and revenue synergies
- ⚙ Strong investment strategy to support rapid growth

FY22 GUIDANCE

- ⚙ FY22 revenue target of \$80m+
- ⚙ FY22 EBITDA target of \$7.2m+
- ⚙ FY22 Organic growth of 18.5%+
- ⚙ Annualised Turnover run-rate of \$120m+

FY23 OUTLOOK

- ⚙ Consolidation of recent acquisitions and organic expansion of wholesale through cross-channel selling
- ⚙ Further growth opportunities to continue the Company's expansion strategy
- ⚙ A focus on earnings-growth specifically in Repairs and Roadside & Performance and Accessories Divisions – achieved through economies of scale
- ⚙ Further improvements in trading conditions as COVID-19 restrictions ease and activity increases
- ⚙ Continued implementation of Best-Practice management in inventory and supply-chain



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THANK YOU
Questions?



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APPENDIX



CORPORATE SNAPSHOT

CAPITAL STRUCTURE¹

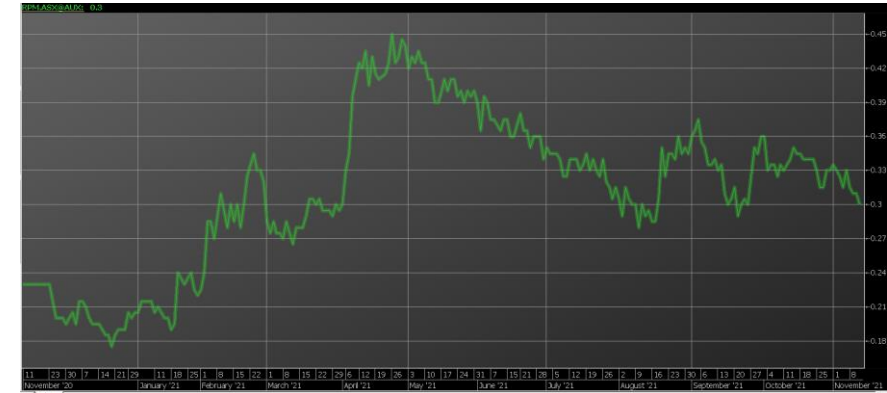
Shares on Issue	157m
Options	20.9m
Share Price (31/05/22)	\$0.330
Market Capitalisation	\$50.4m
52-week High	\$0.470
52- week Low	\$0.265

¹ Market data sourced from IRESS as of 2 June 2022

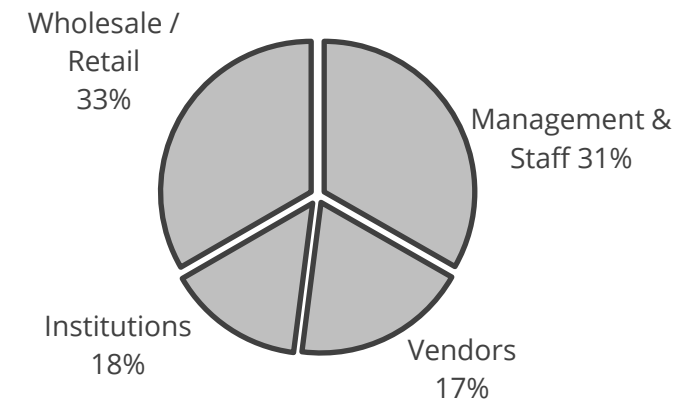
MAJOR SHAREHOLDERS

Lawrence Jaffe (Exec. Director)	~14%
Clive Finkelstein (CEO / MD)	~14%
Management (original vendors)	~17%
Collins Street Value Fund	~5%
Staff and Related Individuals	~5%

SHARE PRICE PERFORMANCE (\$/SHARE)¹



REGISTER





Grant Carman - Non-Executive Chairman

Grant Carman is a chartered accountant with over 30 years of experience in corporate finance and Australian capital markets.

Grant has held senior executive positions for and acted as a corporate adviser to a large number of Australian and international companies from a range of industry sectors, including financial services, automotive, pharmaceuticals, wholesale distribution, manufacturing, services, resources, technology and telecommunications.



Clive Finkelstein – CEO/Managing Director

Clive is a co-founder and promoter of the RPM Group. Clive has over 20 years' experience in the automotive sector, having built, managed and sold a number of automotive companies including a parts and accessories manufacturer and wholesaler and a 4WD franchise group.

Clive's experience spans international markets, manufacturing, development, wholesale, retail and franchising of automotive businesses.

Clive is a significant shareholder in the RPM Group.



Lawrence Jaffe – Executive Director

Lawrence is a co-founder and promoter of the RPM Group. Lawrence has a strong financial background having worked in Private Equity, Mergers and Acquisitions including for a major Australian financial institution.

He has over 20 years' experience in the automotive sector and was the CEO of RPM Australasia until 2015 when the group sold off one of its subsidiaries. Lawrence remained on as non-executive Chairman of RPM Australasia and has now re-joined the executive team.

Lawrence is a significant shareholder in the RPM Group.



Alex Goodman - Non-Executive Director

Alex has a strong background in Private Equity, business expansion of Private Companies and Executive Management in Global Companies such as IBM, Lotus (Boston) and Amdahl (Silicon Valley).

After worked in Jagen P/L, the family office of the Liberman Family, and sat as a Director, on a number of boards which included activities such as Investment Management and Mergers and Acquisitions.



Damian Banks- Non-Executive Director

Damian has extensive experience in the financial services, health, and employment sectors. His most recent executive role was as Managing Director and CEO of Konekt Ltd, technology-focused health, and employment company. He led Konekt from its listing on ASX in 2012 through to its successful sale to private equity in December 2019. Mr. Banks previously had a 15-year career, including several leadership positions with Westpac Banking Corporation.

IMPORTANT NOTICE AND DISCLAIMER

Overview

This document is issued by RPM Automotive Group Limited ACN RPM ("RPM Automotive" or "RPM") on 3 June 2022.

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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Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial situation or needs and seek appropriate advice applicable to them in their jurisdiction. An investment in RPM is subject to investment risk including possible loss of income and principal invested.



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