

ASX Announcement
3 April 2020

FY20 Trading Update (March Quarter)

RPM Automotive Group Ltd (ASX: RPM) has offered the following update of 2020 trading results (pre audit).

RPM AUTOMOTIVE GROUP BY SEGMENT					
	Tyres & Wheels	Repairs & Roadside	Performance & Accessories	Motorsport	Aggregated
	\$	\$	\$	\$	\$
Turnover	4,997,919	1,974,862	683,373	1,493,558	9,149,712
Gross Profit	1,136,283	497,846	348,967	667,002	2,650,099
Net Profit	365,711	143,085	35,137	106,831	650,765
EBITDA	366,214	150,370	36,779	126,680	680,042

➤ These figures do not include head office administration fees

Notes on trading performance during March and the COVID-19 restriction period:

- Tyres and Wheels** turnover is up 21.6% YOY for the month of March
 - 1.1. This is largely attributed to an acquisition as well as increased wholesale sales
- Repairs & Roadside** turnover is up 30.3% YOY for the month of March
 - 2.1. This is largely attributed to organic sales growth and internal expansion
- Performance & Accessories** turnover is down 6.2% for the month of March
 - 3.1. This is largely attributed to sudden reduction in demand for accessories
- Motorsport** turnover is down 52.2% for the month of March
 - 4.1. This is a direct effect of the impact of COVID-19

Spider GT

Our supply has largely been unaffected by COVID-19. We have been able to capitalise on shortages in the market resulting in our business trending upwards

RPM's investment into this sector has resulted in an increase in trading opportunities for this entity

The board is closely monitoring the AUD / US\$ exchange volatility and have taken some precautions to minimise the forex impact on this business

RW Tyres

While the impact of COVID-19 has at this stage been mitigated by increased revenue as a result of our acquisition strategy, we expect greater retail business disruption as we get closer to stage 4 lockdown protocols



The board is monitoring the situation and is taking the necessary precautions to minimise expenditure during these difficult times

Air Anywhere

Investment into new operations in the North West Corridor of Melbourne have resulted in increased turnover and synergies as far as servicing our fleet business is concerned. The additional customer-base is strongly associated with the transportation and food industries.

Stock availability and consistency of supply is certainly proving to be a challenge at this time

Revolution Racegear

While the 3rd Quarter is usually the strongest for this company [with the start of the motorsport season] this company has been most affected by COVID-19 starting with the cancellation of the Melbourne Grand Prix

Following the postponement of the motorsport season, Revolution Racegear has experienced a significant reduction in retail sales across the 5 stores nationally

The board expects this trend to worsen, and has taken the necessary precautions to minimise expenditure during these difficult times

Genie Headers [Wildcat]

January is historically a very tough month for manufacturing in Australia, this year certainly followed that trend

At this stage it is uncertain what impact this business will experience as a result of COVID-19, but we are anticipating significant disruptions

The board has taken the necessary precautions to minimise expenditure

Formula Off-Road

Like Wildcat, this business experienced a difficult January, however we have noticed some improvements since as a result of a stronger team involved in the business

New supply agreements with Capricorn Society and Autopacific Group bode well for the future

March proved difficult again as the impact of the effects of coronavirus was felt on this business likewise on the entire vehicle accessories industry

The board has begun taking the necessary precautions to minimise expenditure

RPMAG is focused on the health, well-being and safety of both our staff and customers and have implemented the appropriate sanitation measures to ensure that we can continue trading and providing the necessary products and services required by our customers.

Being so diversified in the Automotive Industry, RPMAG is experiencing mixed results across its divisions. While retail sales will certainly suffer in the coming weeks / months [until we see the back of the coronavirus pandemic] we anticipate online sales [with relatively low selling expense] to improve, and are focused on cost-cutting. Our wholesale and transport service businesses will look to maximise this unusual opportunity in the short term, but its longevity in this current climate, is impossible to predict.





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THE RPM GROUP

The Board feels that it is not prudent to reliably forecast results for the 4th quarter of FY20 as a consequence of the increasing levels of economic and social uncertainty as a result of COVID-19.

About RPMAG: *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. RPMAG owns brands, such as: RPM Racewear, Carline, Genie, Air Anywhere, Formula Off-Road.*

This announcement was authorised for release by Clive Finkelstein Chief Executive Officer.

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