

ASX Announcement
15 July 2020

FY20 Trading Update

RPM Automotive Group Ltd (ASX: RPM) provides the following update of 2020 trading results and forecasts (pre audit).

Trading results for FY20 have surpassed expectations and while market volatility is still a concern, the board acknowledges the fact that RPM has exceeded its turnover forecast with a YOY increase of 13.7% despite the difficulties experienced as a result of the COVID-19 Pandemic.

RPM AUTOMOTIVE GROUP TURNOVER BY SEGMENT					
	Tyres & Wheels	Repairs & Roadside	Performance & Accessories	Motorsport	Consolidated
	\$	\$	\$	\$	\$
FY19	9,136,862	12,146,518	3,117,958	7,707,727	32,109,065
FY20	14,167,838	13,143,230	3,880,577	5,326,379	36,518,025

Notes:

- RPM's Tyre and Wheel Division has outperformed its budget and has surpassed the overall performance of the tyre and wheel industry, mainly driven by increased demand for TBR and OTR sales.
 - TBR (Truck & Bus Tyres) sales up 62%
 - OTR (Off-Road Tyres) sales up 51%
- RPM's Repairs and Roadside Division achieved mixed results, with an overall fiscal year sales improvement of 8.2%. Despite the pandemic having a fairly substantial impact on this division, one of the businesses showed significant growth through:
 - increasing its geographical footprint with a new outlet in the North-Western corridor of Melbourne and
 - increasing its scope of activity by acquiring the equipment and capability to work on all sizes of commercial and industrial tyres.
 - The company now operates in a very specific and highly skilled niche of the tyre industry - that of the sales, service, repair and

replacement of heavy commercial and earth moving equipment tyres also known as OTR.

- d. This expansion will positively impact our wholesale business with increased demand and pull-through of both TBR and OTR product.
3. The Board has always maintained that the short to medium term growth strategy will be focused on our commercial tyre divisions and it is pleased to report that these efforts have yielded strong headline results, especially considering the challenges the company has encountered since September 2019.
 - a. *These results only serve to rubber-stamp RPM's growth strategy in this sector.*
4. RPM's Performance and Accessories Division has also seen improved sales figures driven in part by strong demand for components in both the repairs and roadside, as well as the performance and accessories segments – while this division only accounts for 11% of RPM's total sales, it has seen a 24.5% increase in turnover YOY.
5. Along with the some of our retail businesses, our Motorsport Division has been severely affected by COVID-19 and while we have seen some positive signs of late, turnover reduced by 31% YOY.
6. As a result of the growth achieved in what can only be described as a very difficult FY20, the board is confident that the business plan is working and has forecast further growth in FY21.
 - a. Despite the challenging year, the performance under review has been pleasing. The underlying earnings look to be quite good considering the hefty one-off expenses associated with:
 - i. Listing & transactional fees
 - ii. structural & integration costs
 - iii. COVID-19

The Group's primary strategy remains on course, with growth [both acquisitional and organic] at the forefront.

RPM is focused on the health, well-being and safety of both our staff and customers and continue to provide the appropriate sanitation measures and social distancing regimen.





RPM Automotive Group Ltd
6-18 Antonella Court,
Dandenong South, Vic 3175
ABN: 34 002 527 906

THE RPM GROUP

About RPM: 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.

This announcement was approved, and authorised for release, by The RPM's Board of Directors.

For further information, please contact:

Mr Clive Finkelstein
Chief Executive Officer
(03) 9792 5006

Mr Grant Carman
Non-Executive Chairman
(03) 8352 7100

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