

24 January 2024
ASX Announcement

RPM DELIVERS GROWTH AND MARGIN EXPANSION, INCREASES GUIDANCE

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "**Company**"), a leading player in the Australian automotive aftermarket sector, is pleased to provide a trading update for the six months ending 31 December 2023 (H1 FY24) and increases guidance for FY24.

Key highlights

- **Revenue growth:** Revenue up 4.0%, to \$29.0 million in Q2 FY24, on prior corresponding period (pcp), despite challenging trading conditions
- **Margin expansion:** Gross profit margin up 280 bps to 34.4% (H1 FY23: 31.6%) driven by ongoing benefits from scale, operational optimisation, and disciplined procurement management
- **Earnings growth:** FY24 H1 Earnings before interest, tax, depreciation, and amortisation (unaudited) of \$5.9 million up 37.2% on prior corresponding period (H1 FY23: \$4.3 million)
- **Wholesale tyre division strengthened** with the acquisition of Chapel Corner Tyres
- **Cost benefits from restructure implemented:** \$1.5 million in annualised cost savings achieved
- **Increase to FY24 guidance range:** Reported revenue expected to exceed \$130 million and EBITDA guidance range increased to \$11-\$13 million (prior \$10.5-\$12 million) – second half (H2) is typically stronger

	Q1 FY24	Q2 FY24	H1 FY24	H1 FY23	Chg. on pcp
Sales Revenue	28.4m	\$29.0m	\$57.4m	\$55.7m	up 3.1%
Contribution margin	34.1%	34.5%	34.4%	31.6%	+280bps
EBITDA	\$3.0m	\$2.9m	\$5.9m	\$4.3m	up 37.2%
EBITDA to Sales	10.6%	10.0%	10.3%	7.7%	+850bps

Commenting on RPM's performance in the first half of FY24, CEO Clive Finkelstein said:

"Over the half, we continued our focus on optimising RPM for its next phase of growth. We strive for operational excellence and efficiency across the business, and I believe we are now well placed to drive further growth and margin expansion. In the first half of FY24, gross profit margin increased to 34.4%, up 280 bps on pcp, and we expect to deliver a similar margin for the full year, benefitting from scale, cross-selling opportunities and further diversification of our product range.

"Our wholesale tyre division is actively expanding its geographic reach across Australia, particularly in Victoria through the successful integration of Chapel Corner Tyres. Further, it is pleasing to see growth across our performance and accessories division over the half, as new partnerships and initiatives strengthen our market presence and enrich our product offerings.

"Revenue for the first half of the FY24 was \$57.4 million, up 3.1% on the same period last year, reflecting RPM's success in growing sales despite ongoing challenges, with difficult trading conditions impacting the broader market and retail in general.

"In H1 FY24, unaudited EBITDA of \$5.9 million was up 37.2% over the same period last year, reflecting the benefits from our operational optimisation and cost management programs.

"I look forward to providing more detail on our performance and current initiatives with the release of audited results next month."

H1 FY24 results date and investor webinar

RPM intends to release its audited financial results for the six months ended 31 December 2023 on Monday, 26 February 2024.

RPM's CEO Clive Finkelstein, CFO Rebecca Payne and COO Guy Nicholls will host an investor webinar, followed by a Q&A session, at 10.30am (AEDT) on the day.

To participate, please register at:

[H1 FY24 RPM Results Webinar](#)

After registering, you will receive a confirmation email containing information about the webinar.

Authorised for release by the Board of RPM Automotive Group Limited.

- ENDS -



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Important Information and Disclaimer

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, Formula Off-Road, RPM Autoparts, Safety Dave, Max 4x4.

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

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial positions and performance are examples of forward-looking statements.

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.

