



THE RPM GROUP

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

3 May 2021
ASX Announcement

RPM AUTOMOTIVE GROUP DELIVERS RECORD THIRD QUARTER; STRONG YOY GROWTH ACROSS ALL DIVISIONS

Market Update for the quarter ended 31 March 2021

Q3 FY21 highlights:

- Record revenue generated over the quarter ended 31 March 2021 (Q3 FY21), up 59% to \$14.5 million (Q3 FY20 \$9.1 million)
 - Roadside & Repairs division revenue of \$4.57 million up 131% from Q3 FY20
 - Motorsport division revenue of \$2.0 million, up 34% from Q3 FY20
- Record quarterly Gross Profit, up 49% to \$3.94 million (Q3 FY20 \$2.65 million)
- Record quarterly EBITDA, up 87% to \$1.275 million (Q3 FY20 \$680k)
- Successfully acquired Traralgon Tyre Service to support Wheels and Tyres Divisional growth
- Strong balance sheet supporting growth initiatives, with \$4.45 million cash at bank as at 31 March 2021

RPM Automotive Group Limited (ASX: RPM) (“RPM” or the “Company”) is pleased to provide this business update for the quarter ended 31 March 2021 (“Q3 FY21”).

Commenting on the Company’s progress during the quarter, RPM Automotive Group CEO, Clive Finkelstein said:

“This was a record third quarter across all divisions for the Company, and sets us up well as the economy continues to rebound from the challenges created by COVID-19. Our acquisition of Traralgon Tyre Service during the quarter and RPM Autoparts in November 2020, coupled with well-stocked warehouses of all our products and brands, have all been key growth drivers. A special mention must be given to our Motorsport Division that really recovered well from the COVID-19 disruption and has become our star performer.”

“RPM’s aggressive growth strategy, fuelled by a diversity of brands and staff experts across the transport and automotive aftermarket sectors, is key to the Group’s success. We now have 15 companies across our four divisions – Tyres & Wheels, Repairs & Roadside, Performance & Accessories and Motorsport. Our customers receive expert advice from our specialist workforce – whether that be racing enthusiasts servicing our performance and motorsport customers, or heavy transport experts helping keep our country’s logistics companies on the road 24/7. Our level of service and expertise is a key differentiator across the sector, and this is why we continue to invest heavily in our people.”



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A record quarterly performance for RPM

RPM delivered a record performance over Q3 FY21, with all divisions delivering a solid revenue performance. Group revenue for the quarter was up 59% to \$14.5 million (Q3 FY20 \$9.1 million), beating projected forecasts by 16%. In addition, unaudited earnings before interest, tax, depreciation and organization (EBITDA) was up 87% to \$1.275 million, and 8.5% above projected forecasts.

RPM Automotive Group Summary Quarterly Results Q3						
Quarter Ended 31st March 2021	Wheels & Tyres	Roadside & Repairs	Motorsport	Performance & Accessories	Administration	Consolidated
Revenue	7,102,240.71	4,571,217.65	2,024,009.45	800,181.69	-	14,497,649.50
Cost of Goods Sold	5,979,885.99	3,188,870.80	1,093,695.98	293,886.16	-	10,556,338.93
	1,122,354.72	1,382,346.85	930,313.47	506,295.53	-	3,941,310.57
Other Income	44.04	14,000.00	155,002.89	263,750.00	116.29	432,913.22
Other Expenses	747,852.36	1,184,966.43	484,907.88	464,262.62	267,543.94	3,149,533.23
Net Profit	374,546.40	211,380.42	600,408.48	305,782.91	- 267,427.65	1,224,690.56
EBITDA	374,546.40	211,380.42	625,241.67	305,196.70	- 240,535.36	1,275,829.83
Year to Date Ended 31st March 2021	Wheels & Tyres	Roadside & Repairs	Motorsport	Performance & Accessories	Administration	Consolidated
Revenue	15,307,368.10	11,125,629.39	5,350,961.09	2,740,339.31	-	34,524,297.89
Cost of Goods Sold	12,734,022.00	7,778,727.57	2,948,757.38	985,433.53	-	24,446,940.48
	2,573,346.10	3,346,901.82	2,402,203.71	1,754,905.78	-	10,077,357.41
Other Income	893.24	275,400.00	420,767.23	454,700.00	441,536.18	1,593,296.65
Other Expenses	1,742,378.99	2,888,278.05	1,514,313.37	1,455,820.63	1,048,959.63	8,649,750.67
Net Profit	831,860.35	734,023.77	1,308,657.57	753,785.15	- 607,423.45	3,020,903.39
EBITDA	831,860.35	734,023.77	1,384,218.03	750,385.19	- 479,087.71	3,221,399.63

Year-on-year unaudited Gross Profit increased 49% to \$3.94 million – even with some pricing pressures, namely: multiple raw material increases in January and March, with those costs only being able to be passed on to customers from April; and the cost of importing goods, especially from China, being higher by between 30 to 100% for much of the quarter due to constrained shipping supply. That constraint has since eased with pricing coming off as at late-April and expected to return to normal levels in the coming weeks.



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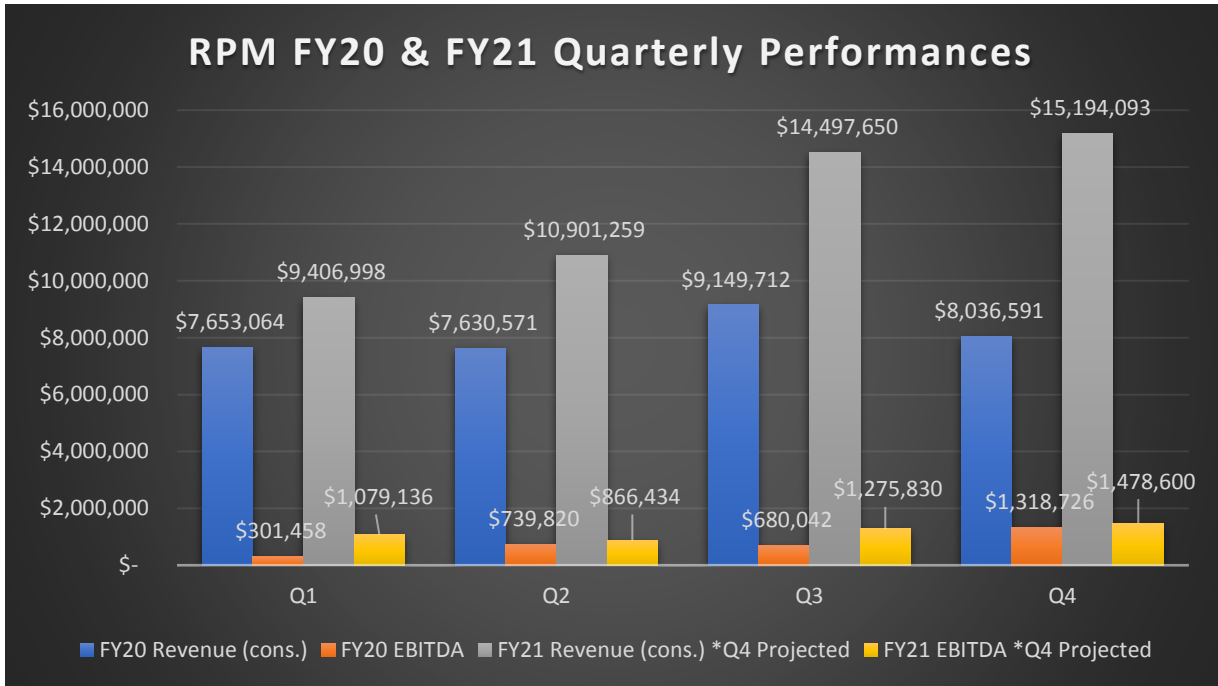
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*Data excludes eliminations

RPM experienced record turnover growth in 3 of its 4 divisions

Wheels & Tyres generated revenue of \$7.1 million, fueled by:

- solid trading in our commercial tyres wholesale businesses
- excellent organisational skills and leadership from our divisional managers
- increased vehicle usage generally
- the Australian economy returning to more normal trading conditions with its resulting effects on heavy transport and logistics needs.

Gross Profit and EBITDA for this division did not follow the record quarterly revenue figure however, due to lower margins in the new RPM Autoparts acquisition to successfully increase market share against robust competition.

Repairs & Roadside increased year-on-year revenue by 131% to reach \$4.57 million and increased EBITDA by 40% compared to the corresponding period last year, mainly due to the acquisition of Traralgon Tyre Service which has been immediately revenue accretive as the team has integrated into this division, as well as the opening economy mentioned above. The division continues to feel the intense pressure and competition for quality staff, which the company plans to address through its acquisition strategy.



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Throughout Q3 FY21, the **Motorsport** division generated revenue of \$2.0 million, up 34% on the prior year, driven by healthy stock levels and demand for quality racing safety gear and attire as the Australian Motorsport Industry returned to more normal levels after COVID-19 restrictions were eased and the 2021 Racing Season got under way.

Outlook

“With another quarter of growth completed, we are on track to meet our projections. We are confident of delivering strong results into Q4 for our shareholders. We plan to continue with our acquisition strategy to support our expansion and place increased focus on where we see the most opportunity, our Tyres & Wheels and Repairs & Roadside divisions,” said Mr Finkelstein.

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, Air Anywhere, Formula Off-Road, RPM Autoparts.

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



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