



THE RPM GROUP

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

ASX Announcement  
24 February 2022

## RPM ACCELERATES GROWTH MOMENTUM WITH RECORD H1 RESULTS

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "Company") is pleased to announce its results for the six months ended 31 December 2021 ("H1 FY22").

### H1 FY22 record result and operational execution has laid the foundations for strong FY22 guidance

- Increased results across all key financial metrics

(\$m)	H1 FY22	H1 FY21	Growth
Revenue	34.4	19.9	+73%
Gross Profit	10.9	7.8	+40%
EBITDA	3.1	1.9	+63%
Statutory NPAT	1.3	0.9	+44%
Operating cashflow	(1.2)	(0.5)	-140%

- Acquired and successfully integrated seven complementary businesses; one yet to have material revenue impact as trading commenced post H1 FY22
- Entered caravan and camper trailer sectors with acquisition of Safety Dave
- Opened RPM Autoparts distribution centres in Townsville (QLD) and Gippsland (VIC)
- Sound balance sheet, with cash at bank of \$5.6 million at 31 December 2021, supports further growth initiatives
- Given the foundations laid in H1 FY22, the Company's strong performance in that period and strong start to H2 FY22, the Company has released the following guidance for FY22:
  - Revenue forecast of \$78 million
  - EBITDA forecast of greater than \$7 million

**Commenting on the Company's record half-year performance, RPM Automotive Group CEO Clive Finkelstein said:** "The benefits of RPM's customer acquisition and business integration strategy started to flow through in the first half. Our complementary businesses and brands, as well as successful cross-selling and servicing, have underpinned RPM Automotive Group's strong growth across all financial metrics even through challenging operating conditions given COVID-19 impacts.



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“While early in the half lockdowns occurred in major markets affecting some retail trading conditions, there was continued demand for RPM’s commercial tyres, accessories, and repairs across essential service sectors including transport, mining and agriculture. Once trading opened up, our Repairs and Roadside, Motorsport and Performance and Accessories division turnover ramped up, underpinning a 73% increase in revenue to \$34.4 million.

“The successful integration of our recent acquisitions coupled with the addition of some new brands and product ranges, has strongly positioned the RPM Automotive Group for its next phase of growth.

“We had a very busy past six months executing satisfactory business outcomes and supporting our customers. We completed the acquisitions of Citic Autoparts (now RPM Autoparts), Elite Tyre Group and Super Tyre Mart. Carline Store and Direct Wholesale Tyres in Far North Queensland were acquired. We also opened RPM Autoparts distribution centres in Townsville [Queensland] and Gippsland [Victoria] to more efficiently support this broader footprint. This helped grow EBITDA by 63% to \$3.1 million and increase Gross Profit by 40% to \$10.9 million.

“Towards the end of the half we also entered the caravan and camper trailer sectors with the announcement of our acquisition of Safety Dave, while expanding our wholesale product offering, with RPM becoming a secondary distributor of tier-1 Car Radial and Truck and Bus Radial tyres. These will provide several cross-sell opportunities with other divisions.”

### A record half-year result for RPM

H1 FY22 revenue was up 73% to \$34.4 million, reflecting increased demand for commercial and wholesale passenger tyres, rebounds in repairs and roadside and performance and accessories once trading conditions eased, as well as new acquisitions being successfully integrated. Despite the effects of COVID-19, all four RPM divisions performed well, delivering strong growth in key metrics.

The revenue growth achieved, combined with operational optimisation and disciplined cost management, saw Gross Profit up 40% to \$10.9 million, and EBITDA up 63% to \$3.1 million.

### Compelling strategic acquisitions

RPM continued to roll out its mid-term expansion strategy, with seven complementary businesses either acquired or integrated into the RPM Group during H1 FY22:

- Opened RPM Autoparts distribution centres in Townsville (QLD) and Gippsland (VIC)
- Acquired Carline Store and Direct Wholesale Tyres in Far North Queensland
- Completed acquisitions of Citic Autoparts (now RPM Autoparts), Elite Tyre Group and Super Tyre Mart
- Entered caravan and camper trailer sectors with acquisition of Safety Dave.

Safety Dave did not have an impact on H1 FY22, as trading commenced post reporting period.



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RPM elected to not proceed with the previously announced Carline Townsville transaction prior to settlement.

### Positive outlook for continued strong growth

The record results achieved during H1 FY22, along with the successful execution of the Company's expansion strategy and increased cost management efficiencies, have RPM well placed to deliver strong growth in H2 FY22 and another record full-year result for the Group.

With strong performance in existing operations and the successful integration of newly acquired businesses by RPM's dedicated integration team, the Company provides the following guidance in relation to its expected FY22 results:

- Revenue \$78 million
- EBITDA \$7+ million

"RPM Automotive Group is on track to meet ambitious targets and expansion goals to serve more customers with more products via multiple distribution channels. Integrations of acquired businesses are proceeding well, and we recently significantly strengthened our management team to match our strong growth profile and use the funding we have available to support our acquisition growth strategy.

"With trading conditions starting to become less volatile, we have confidence in our ability to deliver on the strong growth expected over the remainder of FY22. RPM is strongly positioned to capitalise on the increased demand for automotive aftermarket products and services, and to grow into a leading Australian business operating well-known brands across the transport and automotive aftermarket sectors," said Mr Finkelstein.

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

- ENDS -

### For investor and media queries, please contact:

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## Appendix: Divisional overview

RPM's divisional performance is discussed in further detail in the results presentation released on 24 February 2022.

### *Wheels and Tyres*

(\$m)	H1 FY22	H1 FY21	Variance
Revenue	13.7	8.2	+66%
Gross Profit	3.7	1.9	+95%
EBITDA	1.5	0.4	+275%

### *Repairs and Roadside*

(\$m)	H1 FY22	H1 FY21	Variance
Revenue	14.0	6.3	+122%
Gross Profit	3.5	2.1	+75%
EBITDA	0.5	0.4	+15%

### *Performance and Accessories*

(\$m)	H1 FY22	H1 FY21	Variance
Revenue	3.5	2.0	+77%
Gross Profit	2.0	1.7	+18%
EBITDA	0.8	0.3	+166%

### *Motorsport*

(\$m)	H1 FY22	H1 FY21	Variance
Revenue	3.5	3.3	+6%
Gross Profit	1.7	1.8	-5%
EBITDA	0.5	0.8	-37%



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## About us

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, Safety Dave.

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

## Important information and disclaimer

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.



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