



H1 FY2024 RESULTS PRESENTATION

RPM AUTOMOTIVE GROUP LTD
(ASX: RPM)

29 FEBRUARY 2024

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AGENDA

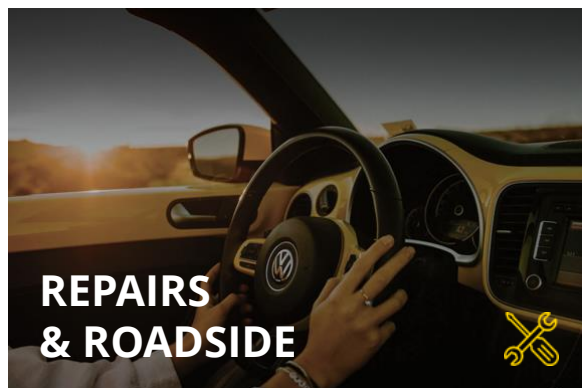
ABOUT RPM <ul style="list-style-type: none">• Clive Finkelstein	4
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ABOUT RPM

ABOUT RPM - FOUR COMPLEMENTARY DIVISIONS

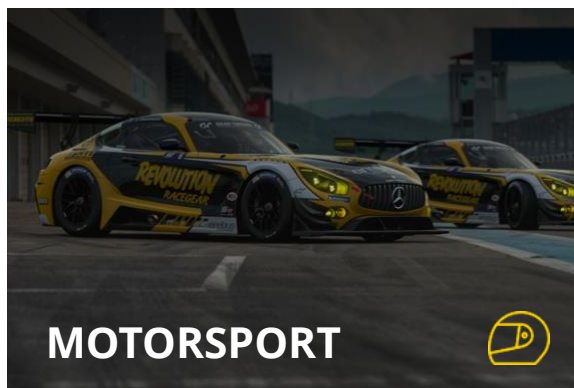


**Commercial & Industrial
Tyre and auto
service centres**

Retail

- Retail sales, wheel and tyre repairs, and roadside assist to commercial vehicles nationwide
- Services both commercial & industrial (including fleet) and consumer customers

36% of H1 FY24 revenue

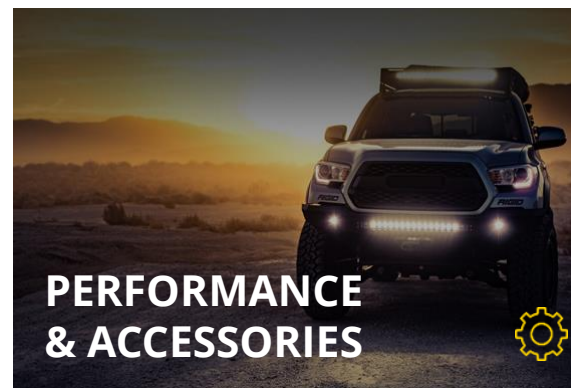


**Certified race safety wear,
suits and helmets**

Retail

- The sole FIA-approved racewear manufacturer in Australia under the RPM Racewear brand
- Exclusive distributor of Alpinestars, Hans Devices, Cobra Seats and Bell Motorsport Helmets

8% of H1 FY24 revenue

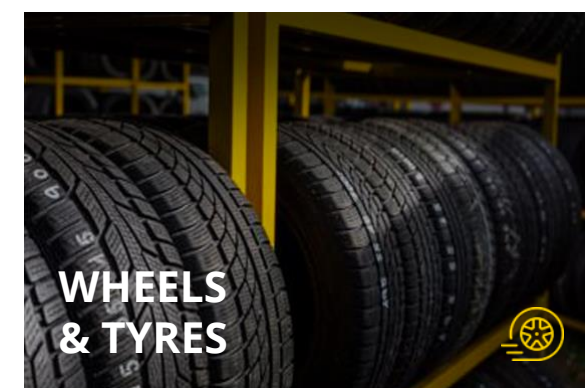


**Bolt on vehicle parts and
accessories**

Retail & Wholesale

- Well-known “best-in-class” accessory brands
- Distributed through a nationwide group of auto repair shops
- Several fleet contracts in place

23% of H1 FY24 revenue



**Distribution of wheels and
tyres**

Wholesale

- 13 exclusive, in-house brands offered across all three tyre categories (commercial, industrial and passenger)
- Exclusive mature supply chain offering distribution of quality wheels & tyres at value prices

33% of H1 FY24 revenue

NATIONAL COVERAGE IN THE AUTOMOTIVE INDUSTRY

In brief

RPM business units offer wheels, tyres, accessories and apparel to both wholesale and retail (B2B commercial, industrial and consumer) customers

Successful record of integration

12 strategic acquisitions since Sept 2020 - leveraging operational capability (shared services) - freeing up forward facing personnel to best serve our customers

Scale drives operational leverage

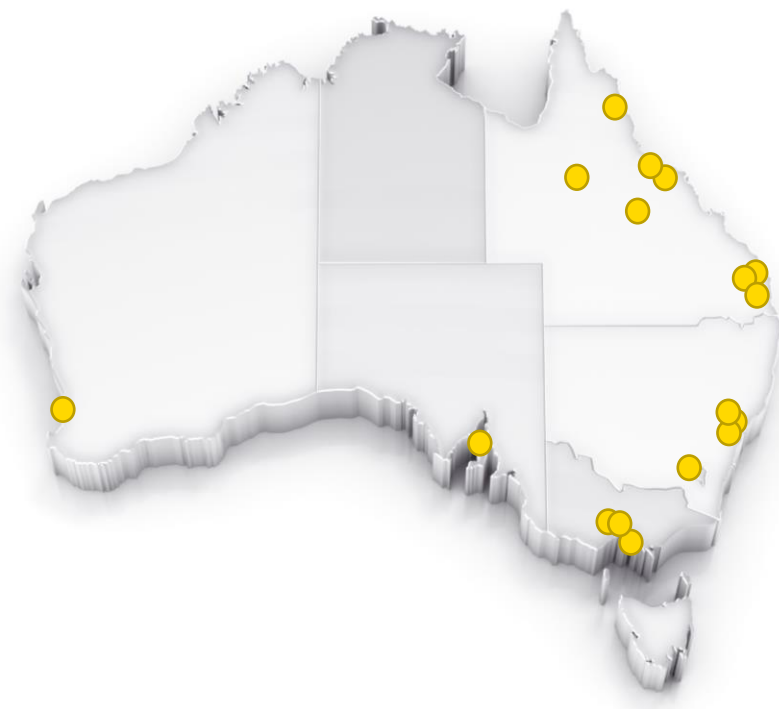
Increasing economies of scale and margins through cross-selling expanded product ranges to different customer groups

Leveraging capability and footprint

Adding new products, services and customers to our uniquely independent national footprint

Substantial market opportunity

Highly fragmented industry ripe for consolidation...demand for services outstrips supply





KEY FINANCIAL DRIVERS H1 FY24

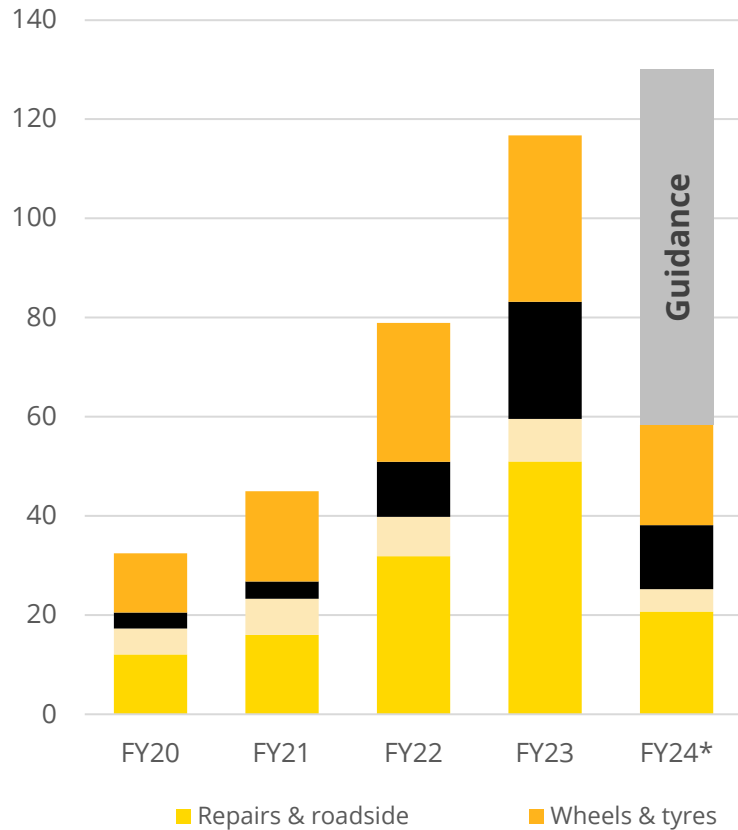
H1 FY24 KEY FINANCIAL DRIVERS

REVENUE	H1 FY24 Group Revenue increased +2.2% to \$57 million
GROSS MARGIN	H1 FY24 Group Gross Margin increased 420 bps to 35% to \$20 million up 16.2% on H1 FY23
OPERATING COSTS	Operational Costs \$14.6 million, flat on H1 FY23
EBITDA	H1 FY24 Group EBITDA \$5.4 million, 23% up on H1 FY23
CASH FLOW	H1 FY24 Group operating cash generation \$4.2 million, (H1 FY23 - \$0.5 million)

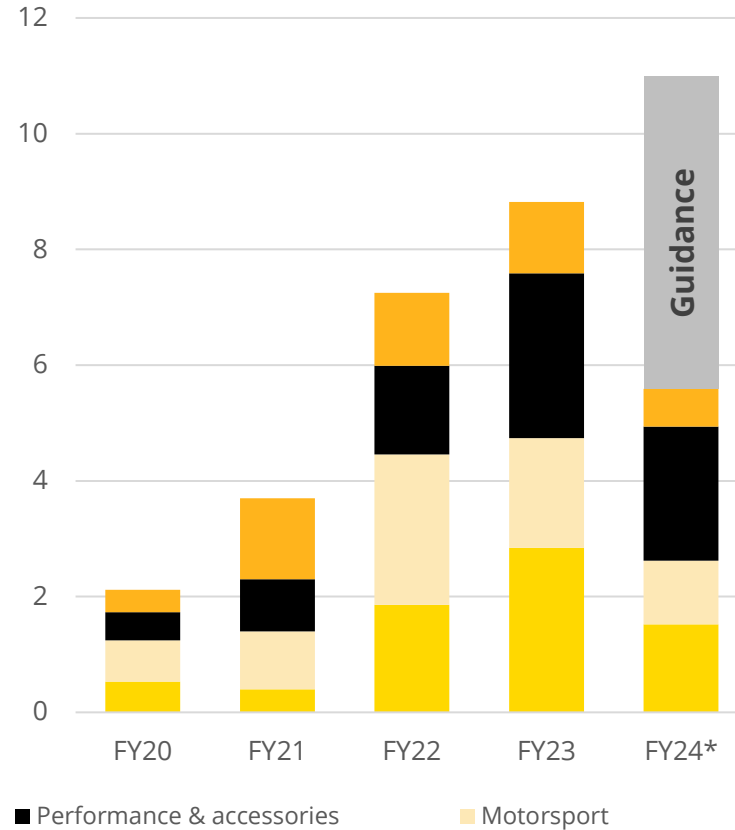


TRACK RECORD OF REVENUE AND EARNINGS GROWTH

Sales Revenue
(by division) (\$m)



Reported EBITDA
(by division) (\$m)



H1 FY24 Key Highlights

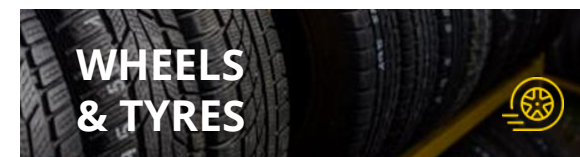
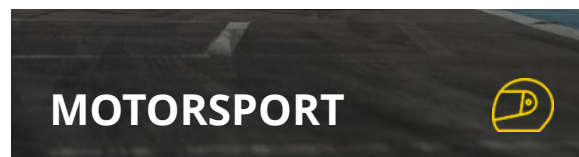
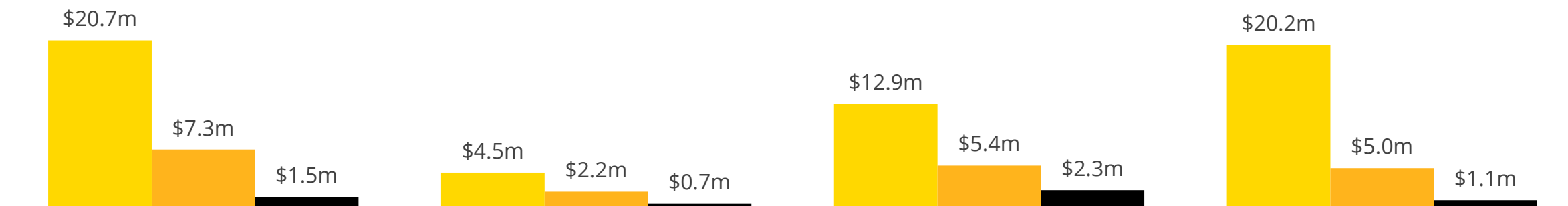
- EPS up 48% pcp
- NPAT up 74% pcp
- Gross Margin up 16% pcp
- EBITDA up 23% pcp

* includes revenue and EBITDA guidance

H1 FY24 DIVERSIFIED REVENUE STREAMS

H1 FY24 Revenue, GP Margin & EBITDA (by division)

■ Revenue ■ Gross Profit ■ EBITDA



Retail	Retail	Retail & Wholesale	Wholesale
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- Focus on optimisation and business rationalisation
- Sales down 9%
- Gross profit margin up to 35%
- EBITDA margin of 7%

- New Revolution Racegear Store recently opened in Gold Coast
- Sales growth of 6%
- Gross profit margin of 48%
- EBITDA margin of 14%

- Improved product range and expanded distribution
- Sales Growth of 2%
- Gross profit margin of 42%
- EBITDA margin of 18%

- Chapel Corner Tyres acquisition and successful integration
- Sales Growth of 2%
- Gross profit margin of 25%
- EBITDA margin of 6%



FINANCIAL REVIEW

H1 FY24 PROFIT AND LOSS STATEMENT

H1 FY24 Key Highlights

- Revenue growth of 2.2% in line with expectations and auto market conditions
- Gross margin improvement from improved procurement and scaled network
- Operating costs flat demonstrating benefits of optimisation program and operating leverage
- Record half NPAT with stronger 2H expected
- EPS of 1.13c up 48% on pcp

P&L - A\$ millions	1H FY24	1H FY23	% chg
Revenue	56.9	55.7	2%
Cost of goods sold	-37.0	-38.6	-4%
Gross profit	19.9	17.1	16%
Gross profit %	35%	31%	14%
Operating expenses	-14.6	-14.5	0%
Other income	0.1	1.8	-97%
EBITDA	5.4	4.3	23%
<i>EBITDA %</i>	9.4%	7.8%	21%
Depreciation and amortisation	-1.8	-1.7	7%
Finance costs	-0.9	-1.1	-21%
Profit before tax	2.7	1.5	73%
Income tax expense	-0.5	-0.3	71%
Profit after income tax	2.2	1.2	74%
Earnings per share (cents)	1.13	0.76	48%

H1 FY24 CASH FLOW STATEMENT

H1 FY24 Key Highlights

- Net cash from operations improved materially following renewed focus on working capital management
- Investing activities included the purchase of Chapel Tyres in the period
- Financing activities reflected partial repayment of debt in the half

Summary cashflow, \$A millions	1H FY24	1H FY23	Variance to 1H FY23
Receipts from customers	57.0	55.4	1.6
Payments to suppliers and employees	-51.6	-54.9	3.3
Interest and other income received	0.0	0.0	0.0
Borrowing costs paid	-0.7	-0.8	0.2
Income tax paid	-0.5	-0.2	-0.3
Cash generated from operations	4.2	-0.5	4.7
Capital payment of lease liabilities	-1.8	-2.3	0.5
Net cash inflow from financing activities	-1.6	1.8	-3.4
Net cash flow for the half	-0.4	-2.4	2.0
Cash and cash equivalents at end of half	4.0	4.6	-0.7

H1 FY24 STATEMENT OF FINANCIAL POSITION

H1 FY24 Key Highlights

- Renewed focus on Working capital management with focus on collections
- Borrowings lower following partial repayment of debt
- Net debt to EBITDA at 2x, well below banking covenants with significant headroom in the current facility

Abbreviated Statement of Financial Position, A\$ millions	1H FY24	1H FY23	Movement	% chg
Cash and cash equivalents	4.0	4.4	-0.4	-9%
Trade and other receivables	16.8	18.1	-1.3	-7%
Inventories	28.0	25.1	2.8	11%
Other assets	2.3	2.1	0.3	13%
Deferred tax assets	1.6	1.2	0.3	25%
Property, plant and equipment	9.0	7.5	1.5	20%
Right of use assets	8.5	8.7	-0.2	-3%
Intangible assets	41.1	38.9	2.1	5%
Total assets	111.2	106.1	5.1	5%
Trade and other payables	13.9	13.5	0.4	3%
Lease liabilities	9.2	9.4	-0.2	-2%
Borrowings	30.9	32.0	-1.1	-3%
Deferred acquisition payment	4.0	1.8	2.2	126%
Tax liabilities	1.5	1.5	0.0	-1%
Other liabilities	3.3	3.1	0.2	6%
Total liabilities	62.6	61.1	1.5	2%
Net assets	48.5	45.0	3.6	8%
Net debt*	21.1	13.4	7.8	58%
Net debt / EBITDA	2.0	1.5	0.4	28%

* Net Debt Calculation can be found on page 8 of the Appendix 4D



OUTLOOK

OUTLOOK

GUIDANCE

- FY24 Group revenue expected to exceed \$130 million
- FY24 Group EBITDA range \$11 to 13 million

PRODUCT EXPANSION

- Continuing product expansion in our retail divisions and to better service our customers

GEOGRAPHIC

- Growth in wholesale division from expansion in VIC and organic growth in NSW & QLD

OPERATIONS

- Focus on integration of acquisitions, inventory management and exceptional customer service

TYRE RECYCLING PROJECT

- Implementation of our Tyre Recycling Strategy in FY25
- Initial investments of \$250,000 in H1 FY24





Q & A



APPENDIX

THREE CORE STRATEGIES TO BETTER SERVICE OUR CUSTOMERS



Strategic initiatives

- Identify complementary businesses to unlock synergies through cross selling and leveraging existing infrastructure
- Geographic expansion across Australia – both retail and wholesale
- Leverage existing wholesale platform by implementing tyre recycling strategy



Vertical integration

- Capitalise on in house design capability to bring new products to market
- Capitalise on existing supply chain capability
- Use network footprint to distribute planned products
- Premium products at value prices has appeal to both consumers and commercial users



Operating leverage

- Consolidate brands to maximise brand awareness at the state and national level
- In-fill existing network with products
- Invest in systems and analytics to drive cross selling
- Use economies scale to deliver improved margin

EXPERIENCED BOARD OF DIRECTORS & MANAGERS



LAWRENCE JAFFE
NON-EXECUTIVE CHAIRMAN

Co-founder of RPM

Previously CEO and Managing Director of RPM Australasia until 2015 and stepped down when the company sold off its largest division. He remained on as Non-Executive Chairman until the company listed on the ASX.

Strong financial background in private equity, mergers and acquisitions.

A significant shareholder in RPM



CLIVE FINKELSTEIN
CEO/MANAGING DIRECTOR

Co-founder of RPM

Over 25 years' experience in the automotive sector, having built, managed and sold companies including a parts and accessories manufacturer and wholesaler and a 4WD franchise group

Automotive experience spans international markets, manufacturing, development, wholesale, retail and franchising

A significant shareholder in RPM



GRANT CARMAN
NON-EXECUTIVE DIRECTOR

Chartered accountant with over 30 years of experience in corporate finance and the Australian Capital Markets

Held senior executive positions for and acted as a corporate adviser to a large number of Australian and international companies in the financial services, automotive, pharmaceuticals, wholesale distribution, manufacturing, services, resources, technology, and telecommunications sectors



GUY NICHOLLS
COO/EXECUTIVE DIRECTOR

Over 30 years' experience in Senior Executive roles in the automotive sector across strategy design and execution, manufacturing and supply chain, as well as mergers and acquisitions.

Guy was previously the CEO of Rycu Group, a business unit of ASX 200-listed GUD Holdings (ASX:GUD), and also held senior executive roles at NYSE-listed Genuine Parts Company, known locally as Repco and Napa Autoparts.



REBECCA PAYNE
CHIEF FINANCIAL OFFICER

Rebecca is a qualified chartered accountant with over 20 years' experience in Senior Financial Advisory positions, having worked in multiple industries including the automotive sector and joins RPM from a very respected multi-national Truck Manufacturer.

Rebecca has extensive experience in the auto industry and has managed large teams in multi-entity organisations.

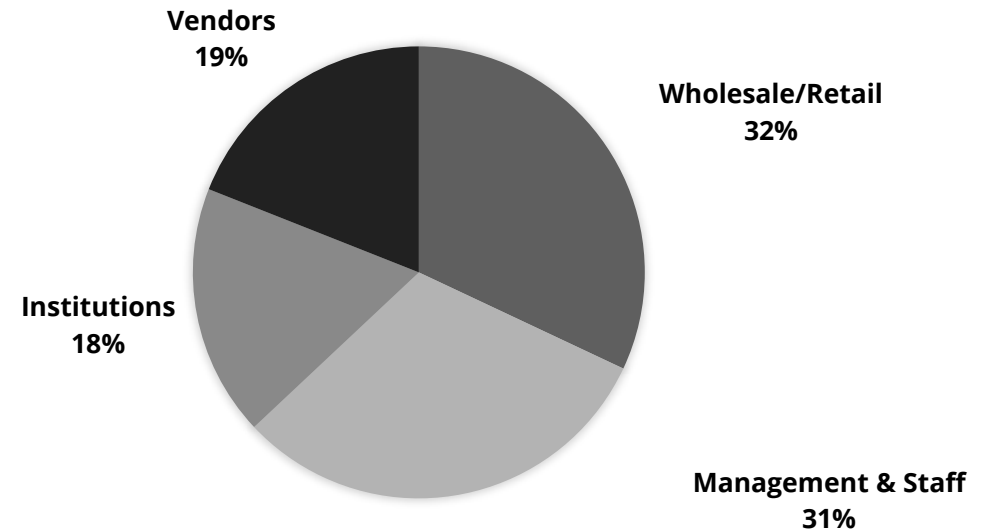
CORPORATE SNAPSHOT

CAPITAL STRUCTURE – 27 FEBRUARY 2024

Shares on Issue	196m
Options (Exp.03/24 @ \$0.435)	6m
Share Price	\$0.080
Market Capitalisation	\$15.72m



REGISTER



MAJOR SHAREHOLDERS

Clive Finkelstein (CEO/MD)	~12%
Lawrence Jaffe (Chairman)	~12%
Management (original vendors)	~14%
Henrock Pty Ltd	~5%



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