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# FY24 RESULTS PRESENTATION

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**Rebecca Payne CFO**

**RPM AUTOMOTIVE GROUP LTD**  
**(ASX: RPM)**

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**26 AUGUST 2024**

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This document is issued by RPM Automotive Group Limited ACN 002 527 906 RPM ("RPM Automotive" or "RPM") on 26 August 2024.

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# ABOUT RPM

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# 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 customer facing personnel to best serve our customer

## Scale drives operational leverage

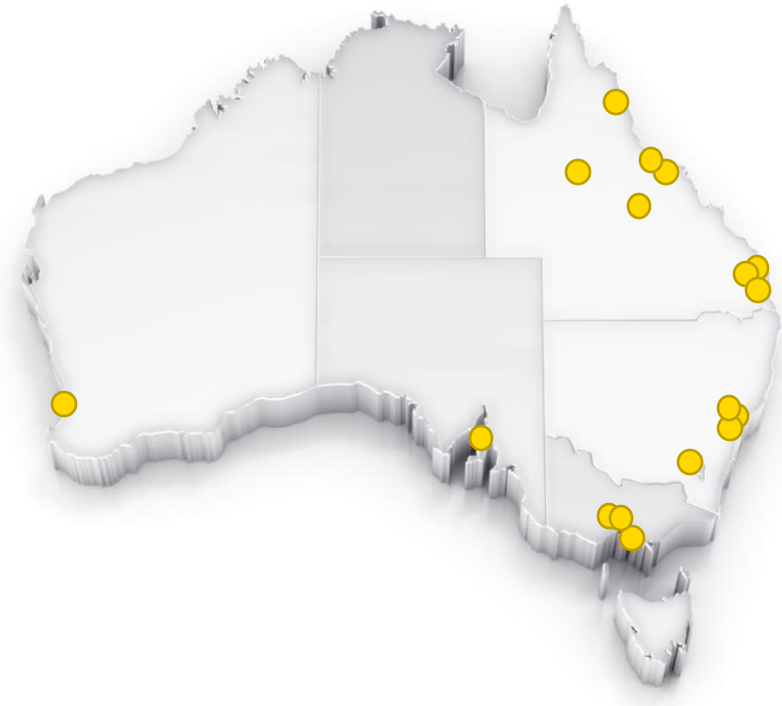
Increasing economies of scale and margins through cross-selling expanded product ranges to different customer groups

## Leveraging capability and footprint

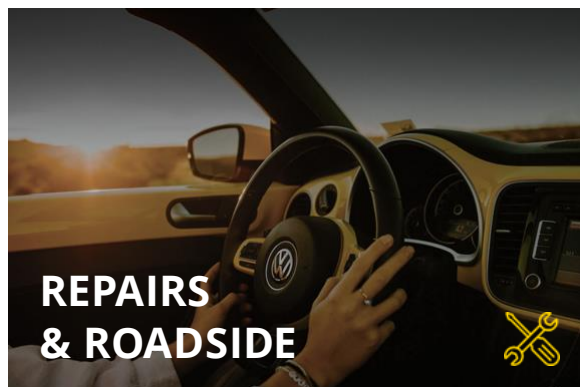
Adding new products, services and customers to our uniquely independent national footprint

## Substantial market opportunity

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



# FOUR COMPLEMENTARY DIVISIONS



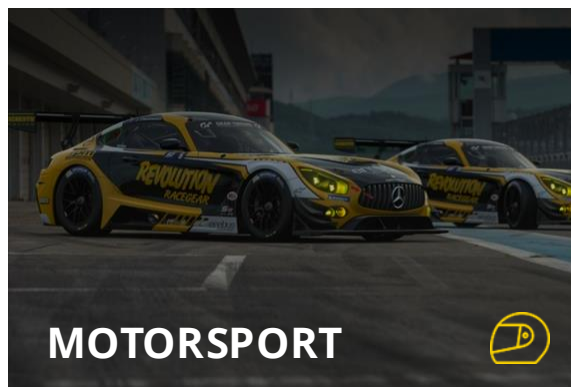
## REPAIRS & ROADSIDE

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

### Retail - B2C

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

**34.5% of FY24 revenue**



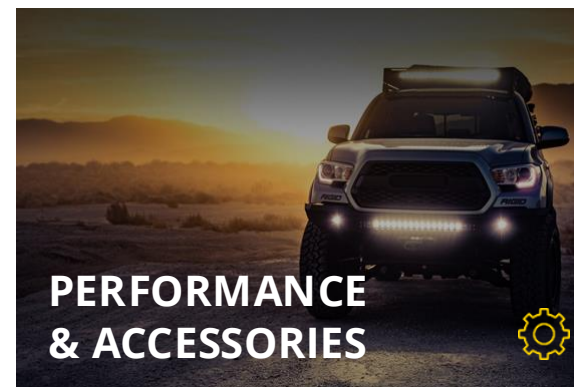
## MOTORSPORT

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

### Specialist 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

**7.8% of FY24 revenue**



## PERFORMANCE & ACCESSORIES

**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

**21.8% of FY24 revenue**



## WHEELS & TYRES

**Distribution of wheels and  
tyres**

### Wholesale - B2B

- 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

**35.9% of FY24 revenue**





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# KEY FINANCIAL DRIVERS FY24

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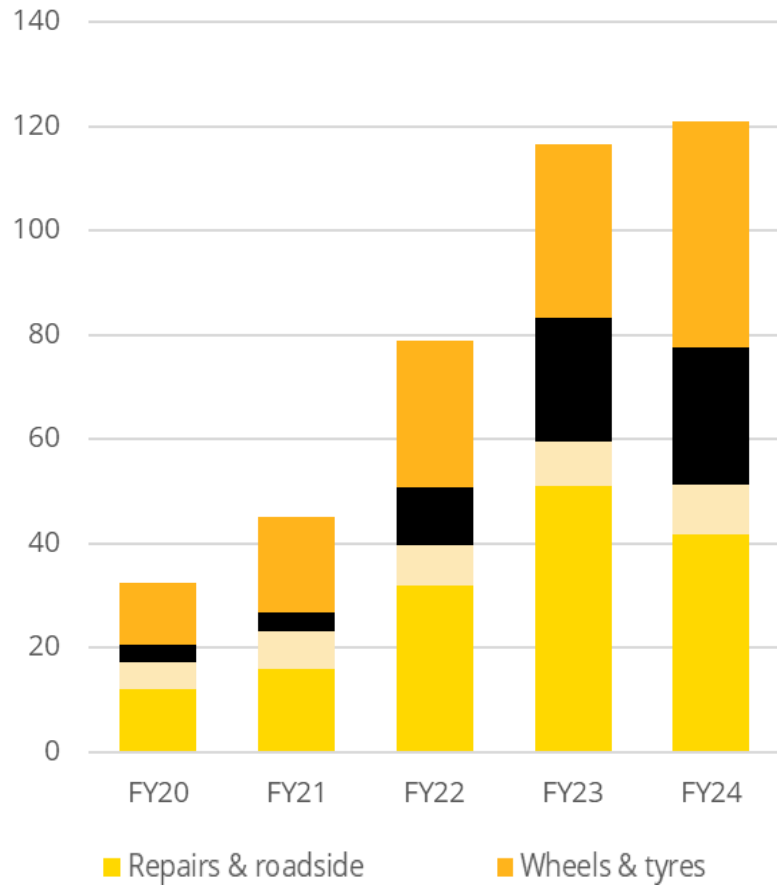
## FY24 KEY FINANCIAL DRIVERS

<b>REVENUE</b>	FY24 Group Revenue increased +3.7% to \$121.0 million, or up 10.0% excluding discontinued operations
<b>GROSS MARGIN</b>	FY24 Group Gross Margin up 250bp to 34.2%
<b>OPERATING COSTS</b>	OPEX \$25.7 million, down 5.4% on a proforma basis
<b>EBITDA</b>	FY24 Group EBITDA \$12.5 million, up 41.2% up on FY23
<b>CASH FLOW</b>	FY24 Group operating cash flow of \$7.6 million, (FY23 \$0.9 million)

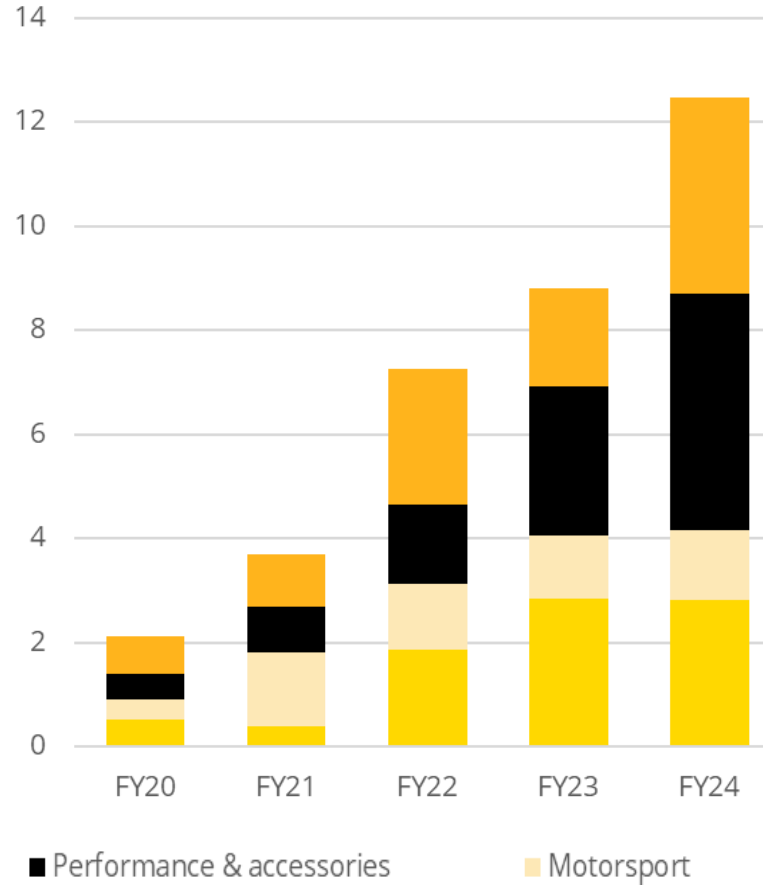


# TRACK RECORD OF REVENUE AND EARNINGS GROWTH

Sales Revenue  
(by division) (\$m)



Reported EBITDA  
(by division) (\$m)



## FY24 Key Highlights

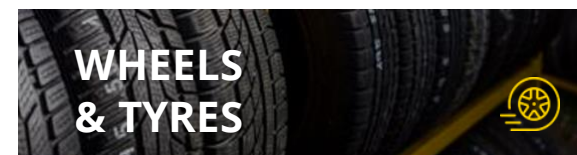
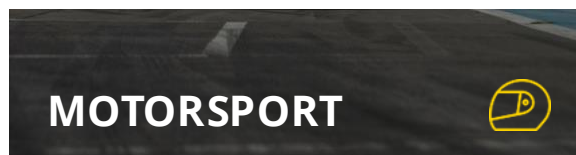
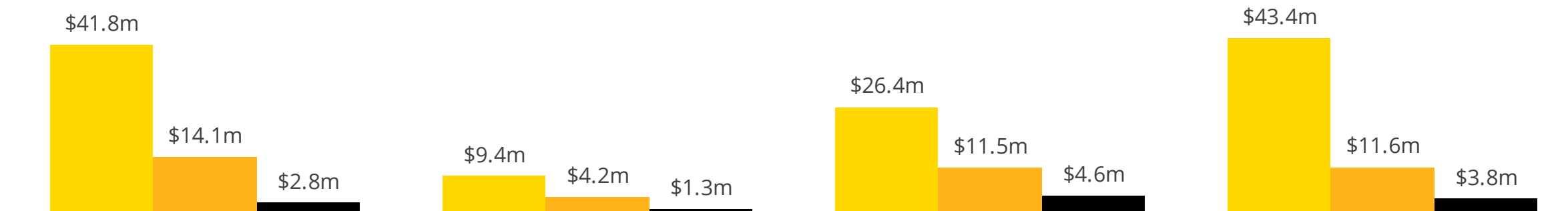
- EPS\* up 127.4% pcp
- NPAT up 275% pcp
- Gross Margin up 250bp
- EBITDA up 41.2% pcp

*\*Based on unaudited continuing operations*

# DIVERSIFIED REVENUE STREAMS

FY24 Revenue, GP Margin & EBITDA (by division)

■ Revenue ■ Gross Profit ■ EBITDA



Retail	Specialist Retail	Retail & Wholesale	Wholesale
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- Focus on optimisation and business rationalisation
- Sales down 18%
- Gross profit margin of 34%
- EBITDA margin of 7%

- Geographical expansion (Gold Coast)
- Sales growth of 9.5%
- Gross profit margin of 45%
- EBITDA margin of 14%

- Improved product range and expanded distribution
- Sales Growth of 11.8%
- Gross profit margin of 44%
- EBITDA margin of 17%

- Chapel Corner Tyres successful integration
- Sales Growth of 29.5%
- Gross profit margin of 27%
- EBITDA margin of 9%



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# FINANCIAL REVIEW

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# FY24 PROFIT AND LOSS STATEMENT

## FY24 Key Highlights

- Revenue up 3.7% or up 10% excluding discontinued business
- Gross Profit up 12%
- Gross Profit Margin up 250 bps
- Operating costs flat demonstrating benefits of optimisation program and operating leverage
- Record full year NPAT
- EPS\* of 2.32c up 127% on pcp

\*Based on unaudited continuing operations

Summary P&L - A\$ millions (unaudited)	FY24	FY23	Chg
Revenue	121.0	116.7	3.7%
Cost of goods sold	-79.6	-79.7	0%
<b>Gross profit</b>	<b>41.4</b>	<b>37.0</b>	<b>12%</b>
<b>Gross profit %</b>	<b>34.2%</b>	<b>31.7%</b>	<b>+250 bps</b>
Other income	1.3	2.1	-37%
Operating expenses	-29.2	-27.1	7%
Depreciation and amortisation expense	-4.5	-3.7	22%
Impairment of goodwill	0.0	-1.0	
Net finance costs	-1.9	-1.7	12%
<b>Profit before income tax</b>	<b>6.0</b>	<b>1.9</b>	<b>212%</b>
Income tax expense	-1.4	-0.7	101%
<b>Profit after Income Tax</b>	<b>4.6</b>	<b>1.2</b>	<b>275%</b>
<b>EBITDA</b>	<b>12.5</b>	<b>8.8</b>	<b>41.2%</b>
<b>EBITDA %</b>	<b>10.3%</b>	<b>7.6%</b>	<b>+270 bps</b>
Earnings per share	2.32	1.02	127%

# FY24 CASH FLOW STATEMENT

## FY24 Key Highlights

- Operating cash generation increased to \$7.6m (from \$0.9m in FY23)
- Net cash from operations improved materially, driven by a renewed focus on working capital management
- Financing activities reflected partial repayment of debt

Summary Cash Flow - A\$ millions (unaudited)	FY24	FY23	\$ Chg
Receipts from customers	115.6	104.6	11.0
Payments to suppliers and employees	-104.7	-101.3	-3.4
Interest and other income received	0.1	0.0	0.0
Borrowing costs paid	-1.4	-1.1	-0.3
Income tax paid	-1.9	-1.3	-0.6
<b>Cash flows from operating activities</b>	<b>7.6</b>	<b>0.9</b>	<b>6.7</b>
Cash flow from investing activities	-3.8	-12.0	8.2
Cash flows from financing activities	-2.0	8.8	-10.8
<b>Net cash flow for the year</b>	<b>1.9</b>	<b>-2.7</b>	<b>4.6</b>
<b>Cash and cash equivalents at end of year</b>	<b>6.3</b>	<b>4.4</b>	<b>1.9</b>

# FY24 STATEMENT OF FINANCIAL POSITION

## 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 2.1x, well below banking covenants with significant headroom in the current facility

Balance Sheet - A\$ millions (unaudited)	FY24	FY23	\$ Chg
Cash and cash equivalents	6.3	4.4	1.9
Trade and other receivables	22.4	18.1	4.2
Inventories	24.7	25.1	-0.4
Other assets	2.4	2.1	0.4
Right of use assets	8.9	8.7	0.2
Deferred tax assets	1.0	1.2	-0.2
Property, plant and equipment	8.8	7.5	1.3
Intangible assets	41.0	38.9	2.1
<b>Total Assets</b>	<b>115.5</b>	<b>106.1</b>	<b>9.5</b>
Trade and other payables	14.1	13.5	0.7
Lease liabilities	9.6	9.4	0.2
Borrowings	32.0	33.7	-1.7
Tax Liabilities	0.9	1.5	-0.6
Provisions	2.5	2.5	0.0
Other Liabilities	1.4	0.6	0.9
<b>Total Liabilities</b>	<b>60.5</b>	<b>61.1</b>	<b>-0.6</b>
<b>Net Assets</b>	<b>55.0</b>	<b>45.0</b>	<b>10.0</b>
Net Debt	25.7	29.3	-3.6
<b>Net debt / EBITDA</b>	<b>2.1</b>	<b>3.3</b>	<b>-1.3</b>





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# OUTLOOK

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# KEY FY25 GROWTH INITIATIVES

## Tyre Recycling Project

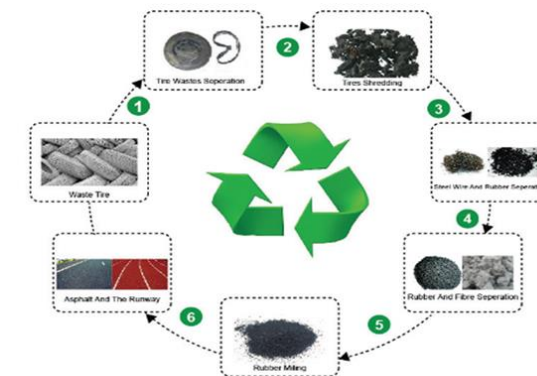
- Machines scheduled to be fully operational in Q2 FY25.
- Fully integrated tyre recycling operation leveraging infrastructure.
- Addresses environmental challenges by repurposing tyres to reduce landfill waste.
- Positioned to enhance RPM's sustainability profile and national reach.

## WHG

- New SaaS product suite developed with WHG, targeting commercial fleet customers.
- Establishes RPM as Australia's largest distributor of WHG products, expanding service offerings.
- Aligns with tech adoption and regulatory changes, driving future earnings growth.

## Yokohama

- Strategic national distribution partnership with Yokohama, enhancing margin growth.
- Leverages RPM's extensive wholesale and retail networks for efficient distribution.
- Strengthens Yokohama's national presence and RPM's logistics capabilities.



# FY25 OUTLOOK

## GUIDANCE

- Revenue and earnings expected to grow in FY25

## PRODUCT EXPANSION

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

## GEOGRAPHIC

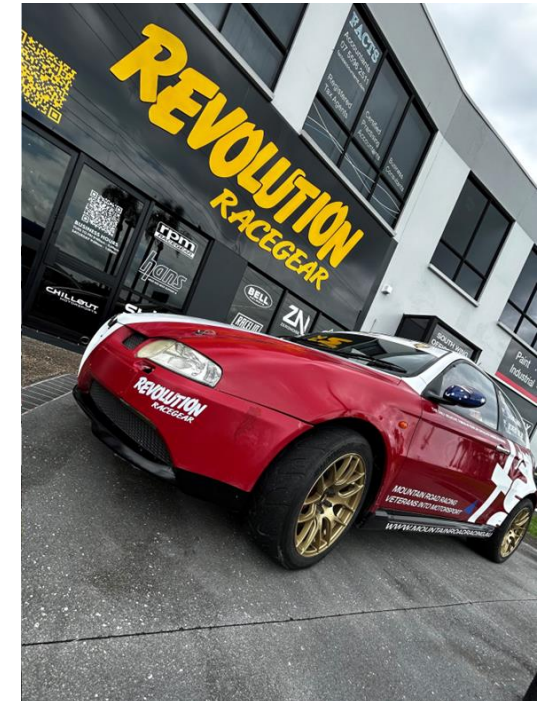
- Growth in wholesale division from expansion in VIC and organic growth in NSW & QLD and Yokohama initiative

## OPERATIONS

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

## TYRE RECYCLING PROJECT

- Implementation of our Tyre Recycling Strategy in FY25







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# Q & A

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# APPENDIX

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# 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



**GUY NICHOLLS**  
CHIEF EXECUTIVE OFFICER

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 Ryco 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.



**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



**CLIVE FINKELSTEIN**  
CCO/EXECUTIVE 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



**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.

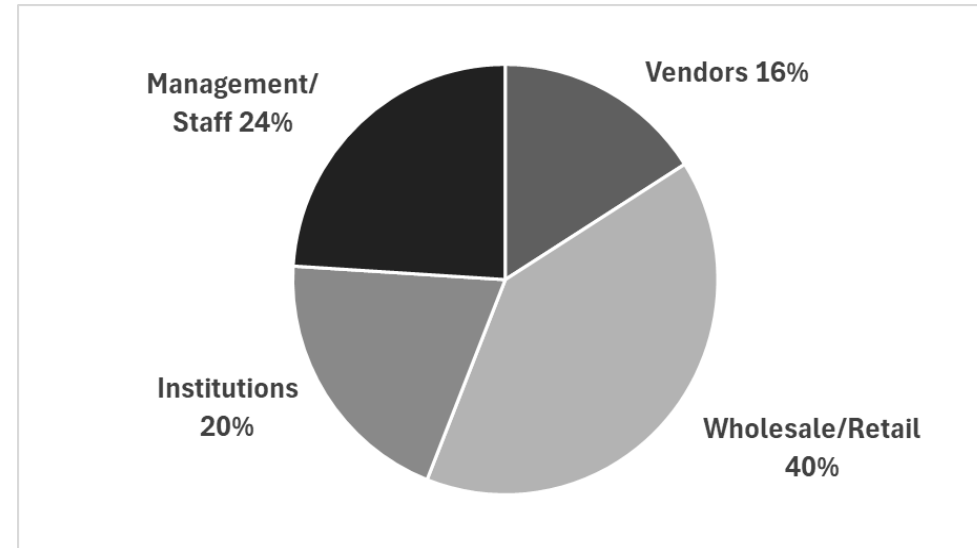
# CORPORATE SNAPSHOT

## CAPITAL STRUCTURE – 20 AUGUST 2024

Shares on Issue	252m
Options (Exp 08/25 @ \$0.10)	96m
Share Price	\$0.071
Market Capitalisation	\$17.9m



## REGISTER



## MAJOR SHAREHOLDERS

Clive Finkelstein (COO/MD)	~12%
Lawrence Jaffe (Executive Director)	~12%
BNP Paribas Nominees	~4%
Henrock Investments	~4%
Briar Place	~4%
DMX Capital Partners	~3%





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