



THE RPM GROUP

RPM Automotive Group Ltd
1-7 Ausco Place
Dandenong South, Vic 3175
ABN: 34 002 527 906

18 November 2024
ASX Announcement

CHAPEL CORNER TYRES FINAL EARNOUT PAYMENT

Key Highlights:

- Earnout payment to the vendors of Chapel Corner Tyres of \$2.55 million to be paid in a combination of cash and equity
- The earnout is above expectations due to the stronger than anticipated performance of the underlying business
- The final payment will consist of 50% cash and 50% equity

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "Company"), a leading player in the Australian automotive aftermarket sector, confirms the contingent earnout consideration ("Earnout") related to the acquisition of Chapel Corner Tyres, announced to the market on 3 July 2023. Following the stronger than anticipated performance of Chapel Corner Tyres, the earnout payment is approximately \$0.9 million above initial expectations.

The total earnout amount for the final tranche is as follows:

- Total Amount: \$2,552,000
- Cash Component: \$1,276,000
- Share Component: \$1,276,000

RPM CEO Clive Finkelstein said, "We would like to commend Stephen Nash, on behalf of the Nash Family on a remarkable outcome that has validated the strategic fit of Chapel Corner Tyres within RPM's operations. The acquisition has enhanced RPM's Wholesale Tyre Division by adding scale, warehousing capacity and creating significant cross-selling opportunities for our broader product range.

"During the period, Chapel Corner Tyres exceeded our expectations, despite challenging market conditions. Notably, gross profit within the business has improved 3%, and expenses have been reduced by 25%, leading to a substantial 21% increase in EBITDA. These results, alongside our integration and new [recycling] initiatives, positions Chapel Corner Tyres as an outstanding business unit within the RPM Tyre Division.

"Stephen Nash now joins Joe De Sensi's team as a key executive in the Tyre Division, taking on the role of Operations Manager.

"We appreciate the dedication shown and look forward to continued success."



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ENDS

This Announcement was approved and authorised for release by the Board of Directors.

For investor and media queries, please contact:

Investors

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CEO & Managing Director

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RPM Automotive Group

RPM Automotive Group Limited is expanding its national footprint in the automotive aftermarket and has business units selling wheels, tyres, accessories and apparel across wholesale and retail customers, with key brands including Revolution Tyre Services, Revolution Racegear and RPM Autoparts.

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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