



THE RPM GROUP

RPM Automotive Group Ltd
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ASX Announcement

RPM DRIVES GROWTH AND INVESTS IN THE FUTURE

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "**Company**"), a leading player in the Australian automotive aftermarket sector, has released its results for the six months ended 31 December 2024 ("**H1 FY25**").

Highlights:

- **Revenue up 6%** to \$60 million (H1 FY24: \$56.9 million) through diversified product offering and increased cross sell
- **Gross Profit up 5%** to \$21 million (H1 FY24: \$19.9 million) driven by benefits from operational optimisation program and scale
- **Net Cash Flow up \$1.9 million** to \$1.5 million (H1 FY24: -\$0.4 million)
- **EBITDA down 10%** to \$4.8 million (H1 FY24: \$5.4 million)
- **Strategic Imperative** - Divestment of non-core under-performing asset
- Implementation of **Tyre Recycling Program**

H1 FY25 Financial Results Overview.

	H1 FY25	H1 FY24	change
Revenue (\$m)	60	56.9	3.1
Gross Profit (\$m)	20.9	19.9	1.0
Gross Profit Margin (%)	35	35	flat
Reported EBITDA+ (\$m)	4.8	5.4	-0.6
Net Cash Flow (\$m)	1.5	-0.4	1.9
Net Profit After Tax (NPAT \$m)	-1.2	2.1	-3.3
Underlying Earnings per Share (EPS)	0.49	1.13	-0.64

Commenting on the Company's half-year performance, RPM Automotive Group CEO, Clive Finkelstein said:

"Over the past six months, our focus has been on building for the future, while optimising operational resources and streamlining our business. A great deal of time, money and energy has been invested in our Tyre Recycling Program, which although it did not contribute to H1 from an income point of view, has had an impact on the results.

"In December, we divested of a non-core, underperforming asset which we felt was a strategic imperative, allowing the executive to focus on our sunrise opportunities and enter the ever-

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growing circular economy. Unfortunately, the impairment realised (-\$2.5 million) along with higher-than-expected operational and establishment costs, has resulted in a negative impact on earnings-per-share for the first half.

Despite challenging trading conditions, we have achieved revenue and gross margin growth, improved both the balance sheet and cash generations, and invested in our next phase of growth; strengthening RPM's position and preparing the company to maximise future opportunities."

Overview of H1 FY25 Results

RPM generated revenue of \$60 million in H1 FY25, an increase of 6% on the prior corresponding period (pcp). A combination of difficult trading conditions, a weakening currency and climbing operating expenses has resulted a 10% drop in EBITDA to \$4.8 million.

Total gross profit increased to \$20.9 million, up 5% from H1 FY24. This was due to increased scale, quality procurement and innovative purchasing, while meeting the demands of the industry.

The divestment of AFT Automotive, as well as an increase in operational and establishment expenses has resulted in a Net Profit After Tax loss of (\$1.2 million).

Division Commentary

In H1 FY25, **Wheels and Tyres** (wholesale tyres) generated revenue of \$23.3million, a 24% increase on pcp. All growth achieved was organic driven by access to a broader range of market-leading products and imported exclusive brands across passenger vehicle, truck & bus, and industrial applications. RPM's optimisation strategy has resulted in improved margins, despite the currency volatility, while a focus on inventory management has delivered improved stock turns. Our focus has been on establishing our Tyre Recycling Business to position us well for the future.

RPM's **Repairs and Roadside** division has shown resilience despite cost-of-living pressures, with revenue of \$19.7 million, down 5% on pcp. Increased operating expenses, combined with a slight decrease in gross profit has resulted in a reduction in operating profit – a focus for management to rectify in H2 FY25.

Performance and Accessories continues to deliver strong results with \$12.6 million in revenue this half and 20% EBITDA, driven primarily by a successful marketing and targeting approach aimed at repositioning the sales focus. RPM's current fleet and OEM contracts continue to grow steadily.

Motorsport continues to cement itself as a leading destination for all soft parts and safety categories in motorsport, despite an increase in competition mainly from Europe. After a slow start to FY25, business has picked up and we anticipate a strong H2, delivering \$4.5 million in revenue, which is in-line with H1 FY24.

Outlook

The first half of FY25 has seen change in management team as well as the roll out of our major strategic initiatives designed to create new revenue streams and leverage our extensive footprint.

Despite economic headwinds in the retail and consumer markets, as well as establishment charges associated with future returns, we delivered earnings in line with expectations, once again showing our resilience in comparison with peers in the automotive aftermarket sector.

RPM is well positioned to navigate the dynamic landscape of the Australian automotive aftermarket, with several new group-wide initiatives implemented that are designed to deliver sustainable growth throughout 2025 and into the future.

RPM's focus is on our Tyre Recycling business, as we improve processes and work towards a fully operational recycling plant. Our Tyre Recycling Project roll-out has been delayed by a few weeks but has now begun operation.

The Company remains committed to controlling operating expenses, optimising inventory management efficiency and exceptional on-going customer service.

The Company expects a stronger second half with both group revenue and EBITDA to improve in H2 FY25.

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

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For investor and media queries, please contact: investors@rpmgroup.net.au

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, Formula Off-Road, RPM Autoparts, Safety Dave.

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

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