RPM Automotive Group Ltd
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THE RPM GROUP

27 August 2026
ASX Announcement

RPM AUTOMOTIVE GROUP FY26 RESULTS

RPM Automotive Group Limited (ASX: RPM) ("RPM" or the "Company"), a leading player in the Australian automotive aftermarket sector, has today released its results for the financial year ended 30 June 2026.

Key Financial Highlights:

- Revenue of $102.1m, down 10% vs pcp.
- EBITDA+[1] of $2.3m, decreased from $13.0m pcp (after $5.2m of one-off items).
- Gross margin of 34.3%, down 170 basis points from 36.0% pcp.
- Operating cash flow of $7.2m, with cash at bank of $7.2m at year end.
- Statutory net loss after tax of $12.0m, after non-cash depreciation, amortisation and impairment of $9.5m (FY25: $4.6m).

Key Highlights:

- **Portfolio Review** – A review of profitability across every business and site was initiated, resulting in the closure of identified underperforming operations. The review and associated assessment of carrying values resulted in a non-cash goodwill impairment of $4.0m, in addition to other one-off costs incurred in FY26.
- **Cash and Debt** – Borrowings of $31.9m and cash at bank of $7.2m at 30 June 2026, with net debt of $24.7m (vs $27.0m pcp). Improving operating performance, strengthening cash generation and reducing borrowings remain key priorities for the Group.
- **Margin** – Group gross margin declined to 34.3% from 36.0%, with pricing discipline, purchasing and product mix the levers to restore margin toward historical levels.
- **Working Capital** – Focus on improved working capital practices led to inventories reducing from $26.2m to $21.5m and receivables from $17.0m to $12.3m, reflecting a structured sell-down of aged stock and a finance-led focus on collections.
- **Turnaround Program** – A priority turnaround agenda is underway to protect and expand margin, grow profitable revenue, reduce structural cost, improve productivity, and simplify the supplier and brand portfolio.

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[1] *EBITDA+ is before goodwill impairment.*

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Commenting on the Company's FY26 performance, Chairman Lawrence Jaffe said:

"FY26 was a challenging year for RPM Automotive Group. In response, the Group initiated a program to strengthen operating performance, improve cash generation and position the business for sustainable long term value creation.

To guide our priorities and decision making, we adopted a simple framework: stabilise, restructure, rebuild, grow. Our immediate priority is to strengthen the foundations of the business and, in doing so, the Company's long-term performance and success. Importantly, many of the levers for future improvement are within our control. RPM retains several quality businesses, strong customer relationships and meaningful opportunities that provide a solid foundation, and we will report on progress against these objectives during FY27."

Overview

To assess the financial position of the Group, the Company has undertaken a review of its businesses, operating performance and future growth opportunities. Through engagement with employees, customers, suppliers, shareholders and financing partners, together with a detailed review of operations, the Group developed a clearer understanding of the challenges it faces and the opportunities available to it.

Guided by that framework, action during the period was taken to improve trading. Identified underperforming operations have been closed and acquisition activity paused. The finance function has been strengthened and restructured to improve financial oversight, cash generation and working capital management. The balance sheet reflects lower inventories and receivables and positive operating cash flow for the year, as set out in the highlights above.

The priority turnaround agenda described above will continue through FY27. We now have a clearer understanding of the issues to be addressed and the actions required to improve performance, strengthen cash generation and create long-term value. We anticipate the initiatives we have outlined will take time to execute. What has changed is that we now have a clear view of where the Group creates value, where it does not, and a plan for acting on both. RPM retains quality businesses, recognised brands and established customer relationships. The task now is to execute against those objectives in a timely fashion.

FY26 Financial Results

Revenue for FY26 was $102.1m, down 10% on FY25 ($113.7m), reflecting a broader downturn in the tyre sector, increased competition and ongoing pressure on pricing and margins. Group gross margin declined to 34.3% from 36.0%. The decline of 170 basis points equates to approximately $1.7m of gross profit, which flows to EBITDA, and demonstrates how directly margin movements affect earnings at our scale.

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Reported EBITDA+ of $2.3m compared with $13.0m in FY25, after $5.2m of one-off items recognised during the year primarily associated with portfolio rationalisation, underperforming operations and strategic review activities. Net profit / (loss) also included a $4.0m non-cash goodwill impairment identified through the Group's review of business performance and asset carrying values. The items are not expected to repeat in FY27.

Throughout FY26 the Group increased its focus on cash flow and cash conversion, including enhanced reporting and forecasting processes. Borrowings stood at $31.9m at 30 June 2026 (FY25: $33.8m), with net debt of $24.7m (FY25: $27.0m). Improving operating performance, strengthening cash generation and reducing borrowings remain key priorities as the Group works to build a stronger balance sheet and greater financial flexibility.

Governance and cost discipline were tightened during the year, with stricter expenditure approval processes and closer oversight of discretionary and non-business-critical spending. We expect the benefits of these changes to become more evident during FY27.

FY27 Priorities

1. **Strengthen cash generation and reduce debt** – A structured sell-down of aged and slower-moving inventory, a finance-led focus on aged debtors and collections, and active management of supplier payment timing and available funding lines.
2. **Protect and expand gross margin** – Pricing discipline, purchasing and product mix are the levers being used to restore gross margin towards historical levels.
3. **Reduce operating cost** – Remove duplication, simplify the organisation, and reduce costs and improve procurement outcomes, to establish a lower operating cost base.
4. **Simplify the supplier and brand portfolio** – Rationalise suppliers, brands and SKUs and strengthen purchasing power and working capital management, delivering a focused portfolio rather than managed complexity.
5. **Grow profitable revenue** – Retain key customers, increase share of wallet, improve conversion and target attractive returns, so that revenue growth improves earnings.
6. **Improve productivity** – Simplify processes, remove unnecessary activity, automate where appropriate and improve utilisation, to get more output from existing resources.

Looking Forward

FY26 represented the beginning of broader improvement rather than its conclusion. FY27 is expected to be a transition year as the Group continues to execute these initiatives. In the near term this means completing the business and site profitability reviews, consolidating suppliers and rationalising the product range, implementing margin and pricing changes, and continuing to reduce inventory.

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Importantly, the Group does not regard future improvement as dependent solely on revenue growth or external market conditions: meaningful gains are available from stronger execution, tighter cost control and more disciplined capital allocation. The Group will report on progress against these priorities during FY27.

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

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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/

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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.