



FY2022 FINANCIAL RESULT

23 August 2022

LACHLAN MCCANN

CHIEF EXECUTIVE OFFICER

DAMON PAGE

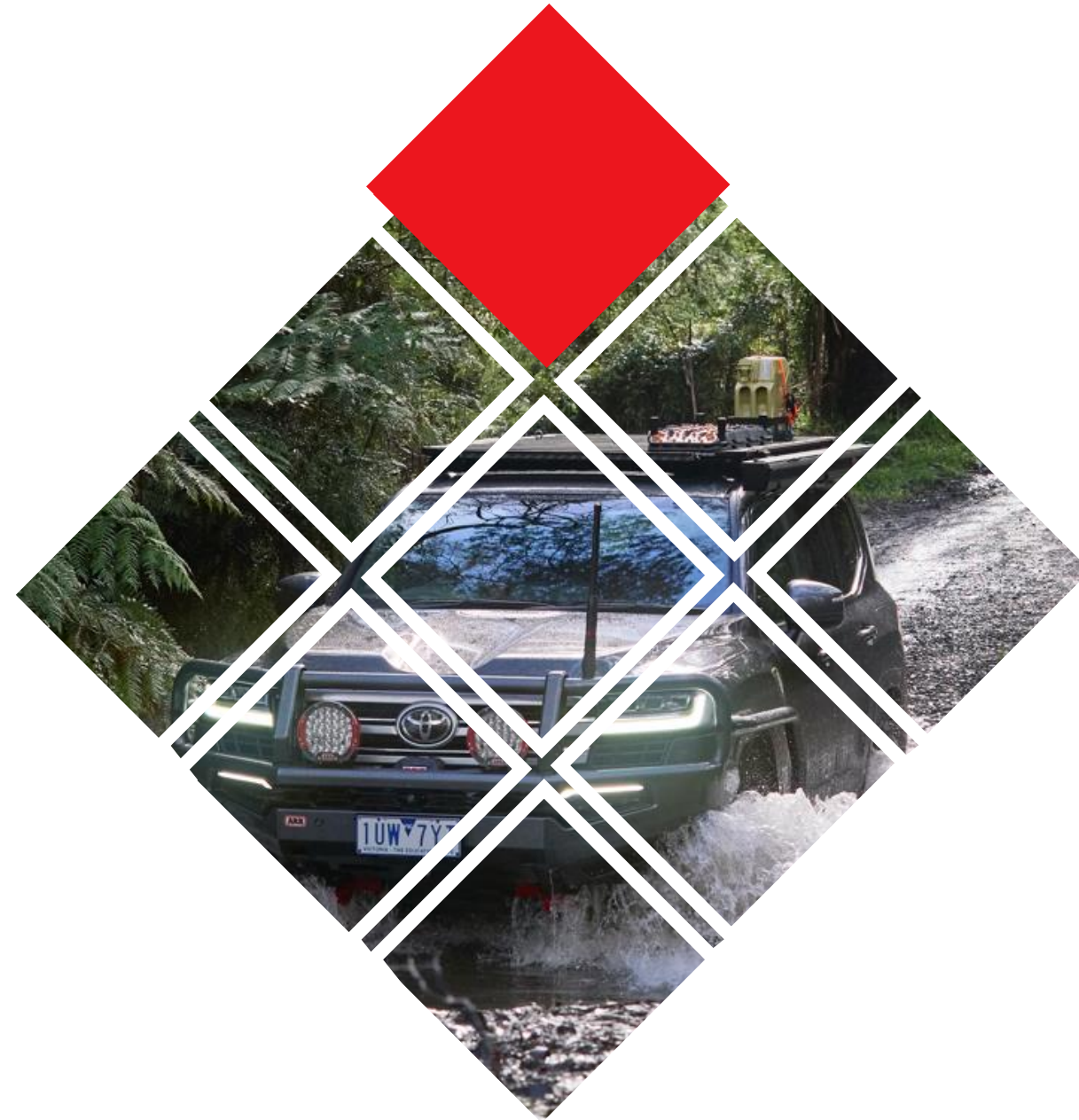
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY



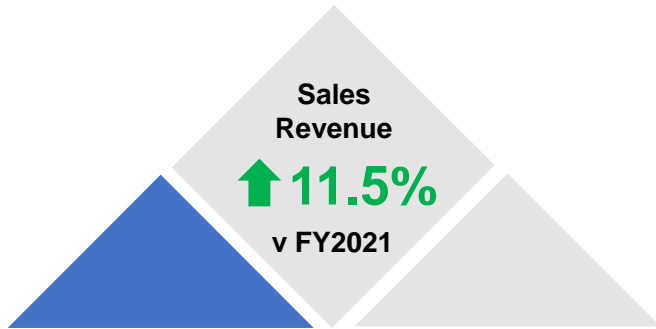
4X4 ACCESSORIES

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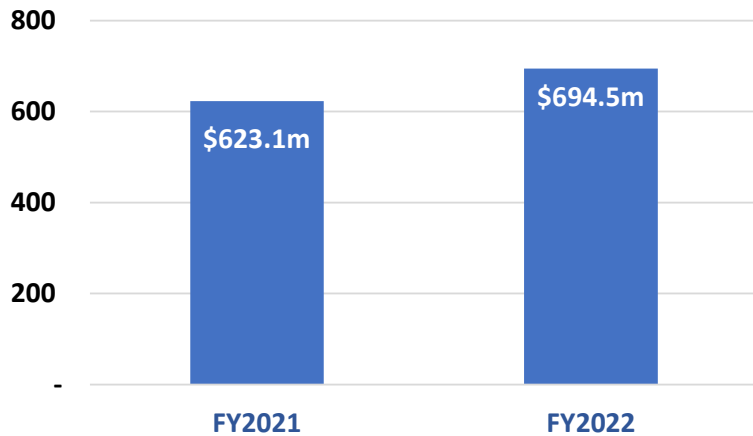
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FINANCIAL HIGHLIGHTS



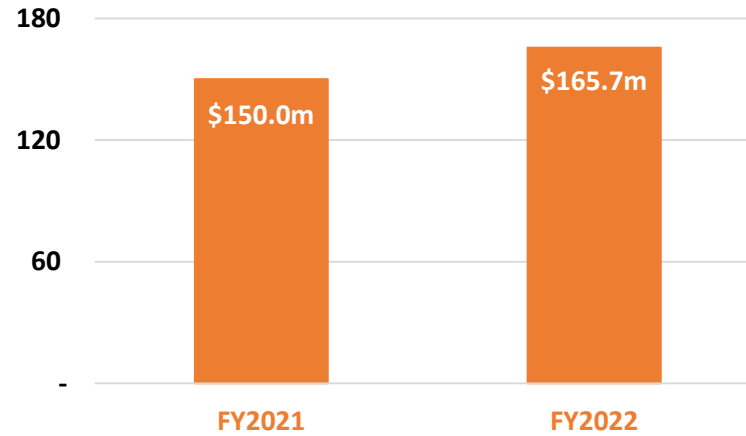
Sales Revenue: \$694.5M



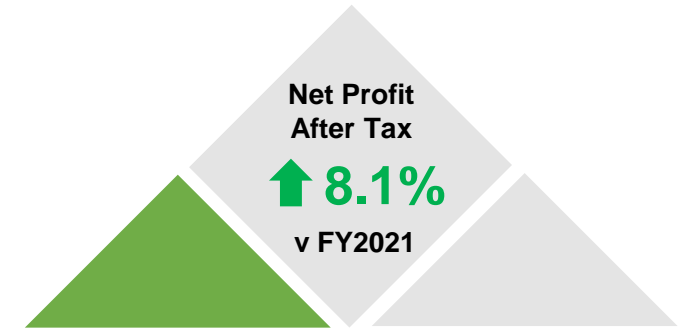
- Growth achieved in Australian Aftermarket and Exports; sales to OEM flat
- Key challenge continues to be new vehicle availability across the globe
- Sales backorders remain at elevated levels



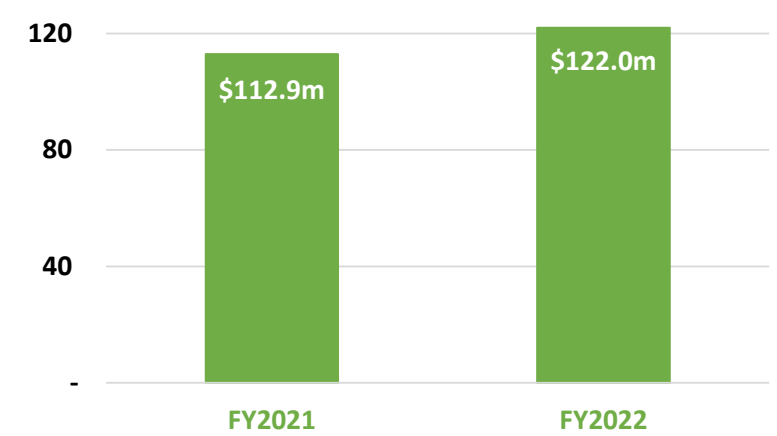
Net Profit Before Tax: \$165.7m



- Price increases maintain gross profit margin
- Operating expenses scaling with sales growth
- No government wage subsidies in current year
- Net profit margin comparable to prior year



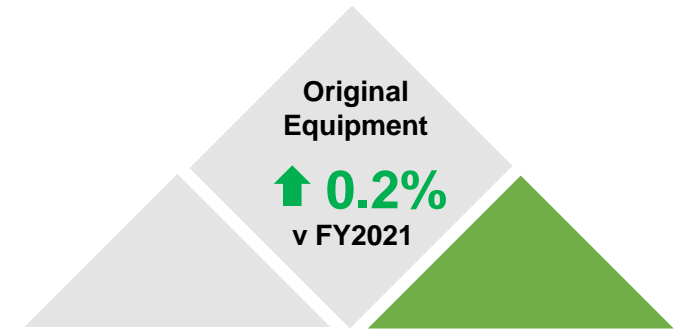
Net Profit After Tax: \$122.0m



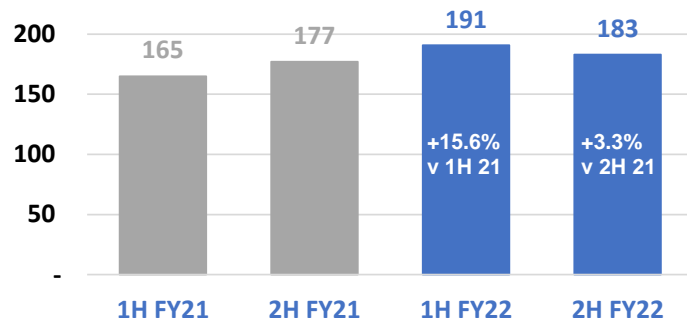
- Effective tax rate increased from 24.7% to 26.4% due to higher taxes in higher-taxing jurisdictions
- Earnings per share of 149.4 cents, up 6.7% on FY22

FINANCIAL HIGHLIGHTS

TOTAL GROUP SALES GROWTH FOR FY2022 **↑ 11.5%**

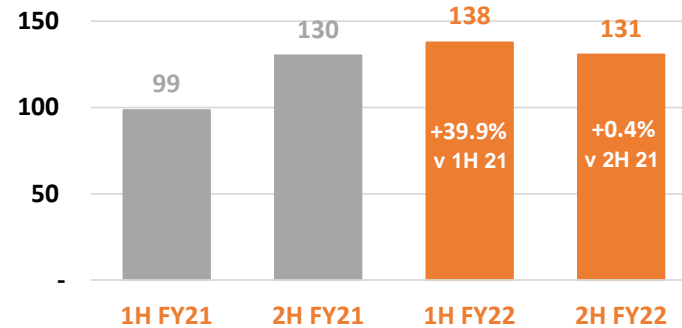


Australian Aftermarket Sales (\$millions)



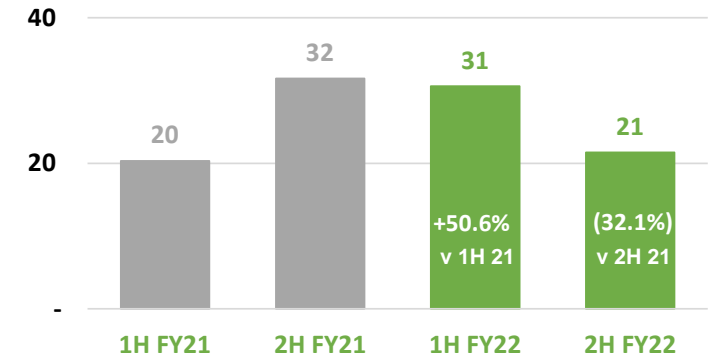
- Represents 53.8% of total sales (2021: 54.9%)
- All segments grew: Retail, Stockists, Dealer & Fleet
- 2H FY22 down \$8m or 4.0% on 1H FY22 due to high staff absenteeism with the emergence of Omicron in Jan22 and new car availability

Export Sales (\$millions)



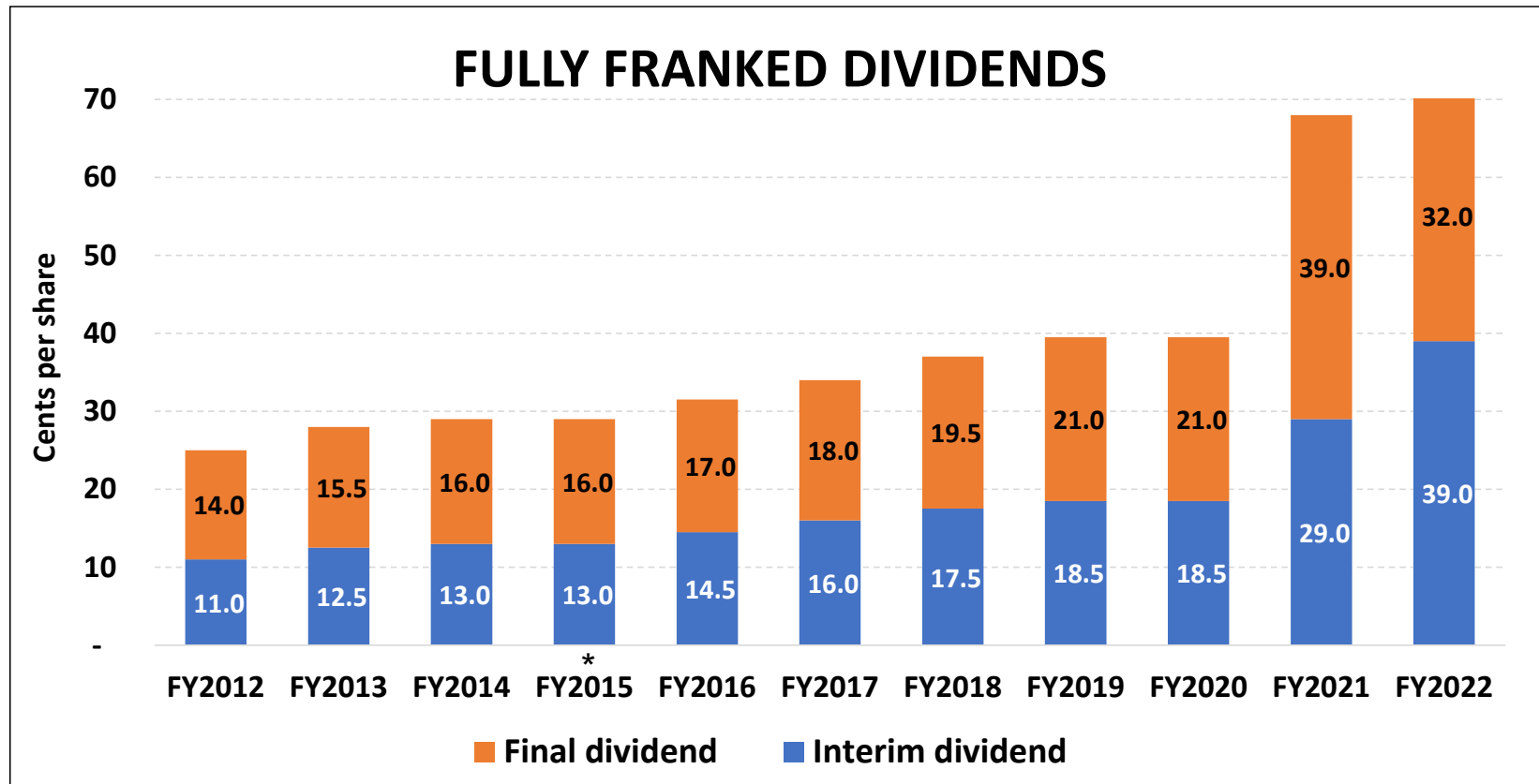
- Represents 38.7% of total sales (2021: 36.7%)
- Growth in Americas, Asia/Pacific & Rest of World
- 2H FY22 down \$7m or 5.1% on 1H FY22 due to emergence of Omicron in Jan22, new car availability and the outbreak of war in Ukraine

Original Equipment Sales (\$millions)



- Represents 7.5% of total sales (2021: 8.3%)
- 2H FY22 down \$10m or 29.8% on 1H FY22 as expected due to timing of contracts and stocking up for new models

FINANCIAL HIGHLIGHTS



* Excludes fully franked special dividend of \$1.00 per share in December 2014

Total Dividends for FY2022
increased from 68.0 cps to
71.0 cps

Dividend Payout Ratio
stable at around
48%

Final Dividend Dates:
Record: 7 Oct 2022
Payment: 21 Oct 2022
DRP & BSP in operation

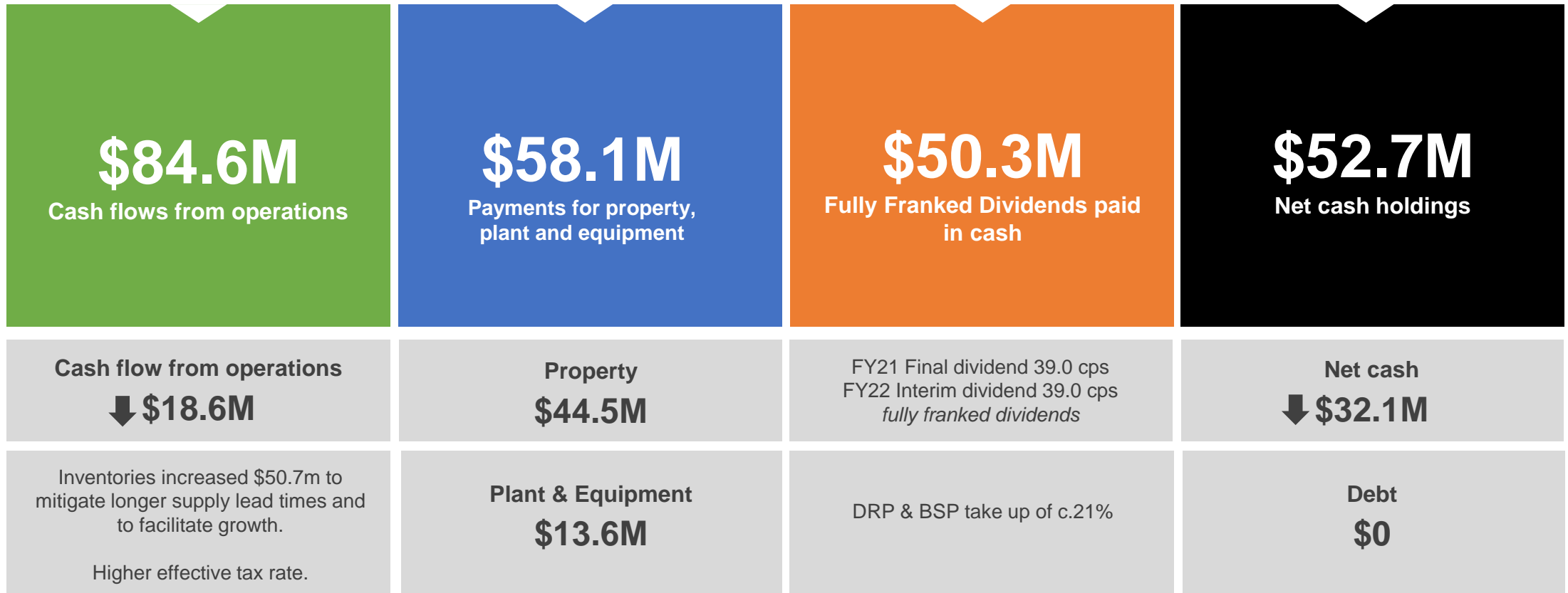
FY2022 PROFIT & LOSS STATEMENT

FINANCIAL HIGHLIGHTS

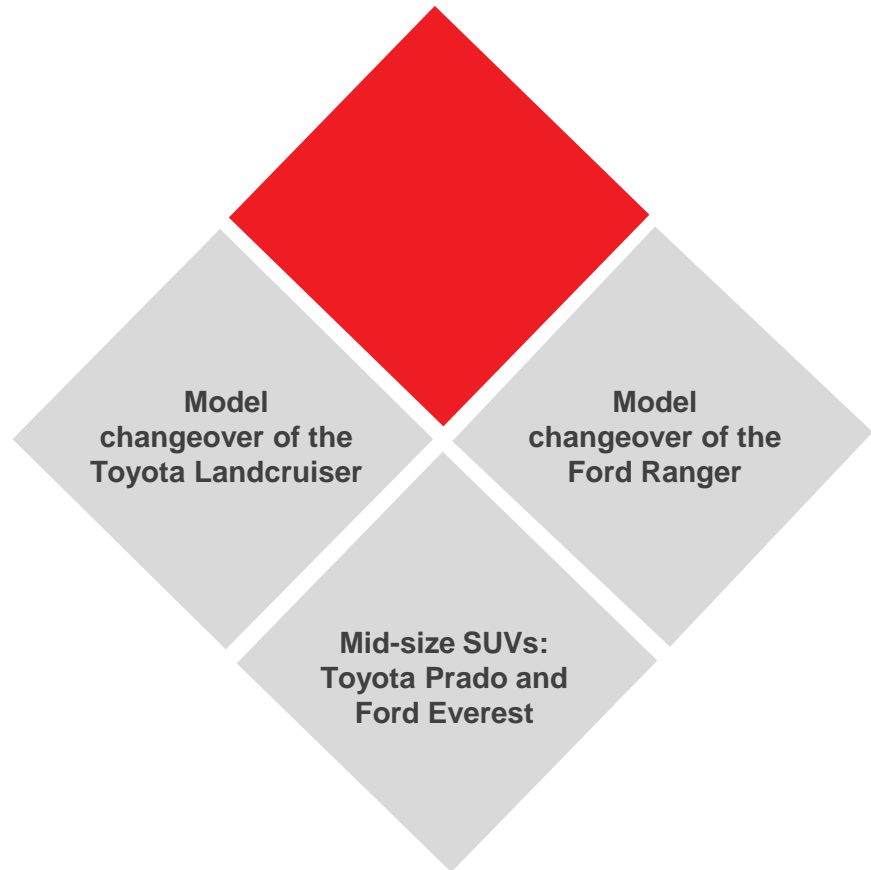


A\$000s	FY2022	% sales	FY2021	% sales	CHANGE \$	CHANGE %	Comments
TOTAL REVENUE	697,276		625,857		71,419	11.4%	
Materials and consumables used	(305,129)	44%	(278,878)	45%	(26,251)	(9.4%)	Sales price increases offset inflation; stronger AUD to THB
Employee expenses	(144,403)	21%	(129,093)	21%	(15,310)	(11.9%)	Employee expenses increased in line with sales revenue
Government wage subsidies	-	0%	9,819	2%	(9,819)	(100.0%)	
Depreciation and amortisation expense	(24,992)	4%	(23,513)	4%	(1,479)	(6.3%)	
Advertising expense	(5,860)	1%	(5,975)	1%	115	1.9%	
Distribution expense	(17,013)	2%	(14,467)	2%	(2,546)	(17.6%)	Distribution costs continue at historically higher levels
Finance expense	(2,069)	0%	(2,002)	0%	(67)	(3.3%)	No debt; Lease finance costs arising from AASB 16 Leases
Occupancy expense	(14,432)	2%	(13,820)	2%	(612)	(4.4%)	
Maintenance expense	(6,392)	1%	(5,065)	1%	(1,327)	(26.2%)	Increased manufacturing volumes
Other expenses	(11,308)	2%	(12,840)	2%	1,532	11.9%	
PROFIT BEFORE INCOME TAX	165,678	23.8%	150,023	24.0%	15,655	10.4%	PBT margin relatively consistent over the two years
Income tax expense (<i>effective tax rate %</i>)	(43,672)	26.4%	(37,128)	24.7%	(6,544)	(17.6%)	Higher profits in higher-taxing jurisdictions
PROFIT AFTER INCOME TAX	122,006	17.5%	112,895	18.0%	9,111	8.1%	PAT margin impacted by higher effective tax rate
EBITDA	192,665	27.6%	175,387	28.0%	17,278	9.9%	EBITDA margin relatively consistent over the two years

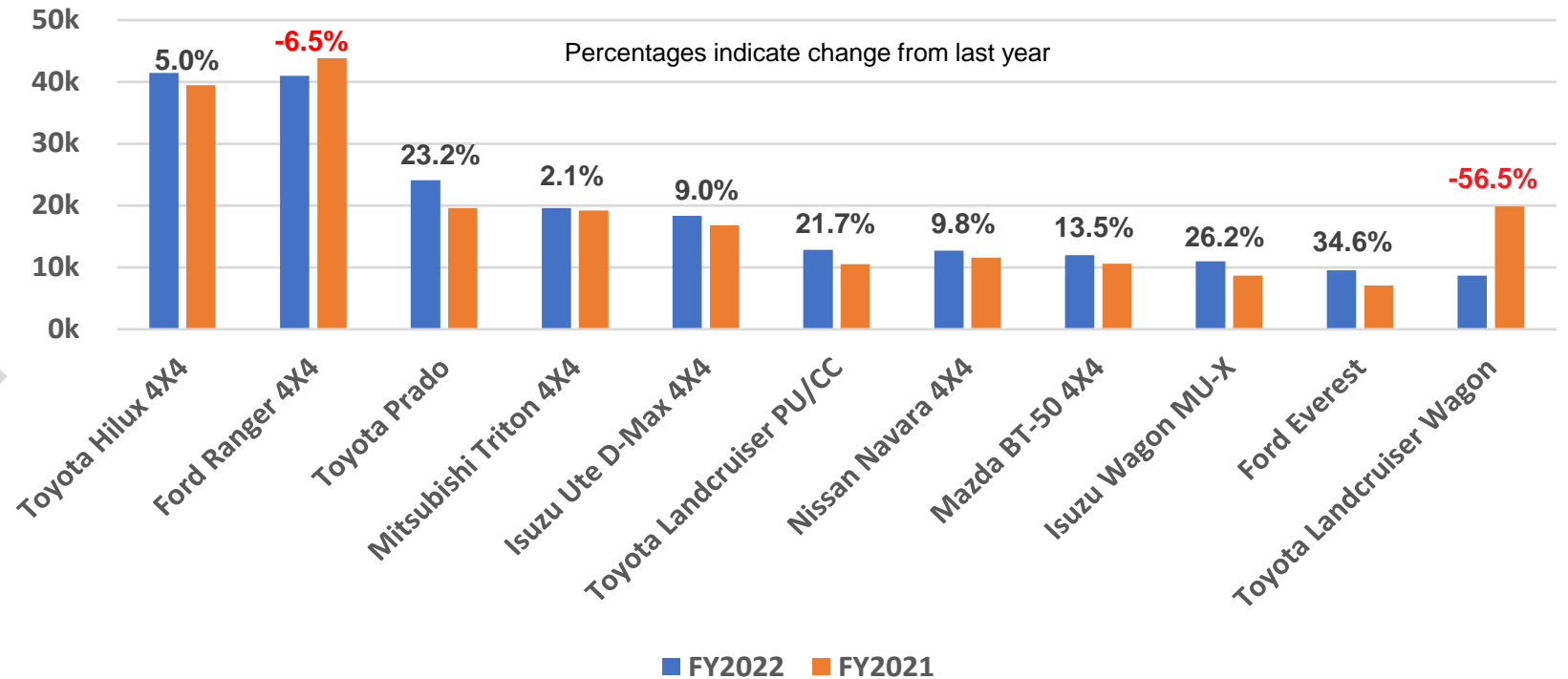
FINANCIAL HIGHLIGHTS



AUSTRALIAN NEW VEHICLE SALES



FY2022 v FY2021



RANGER



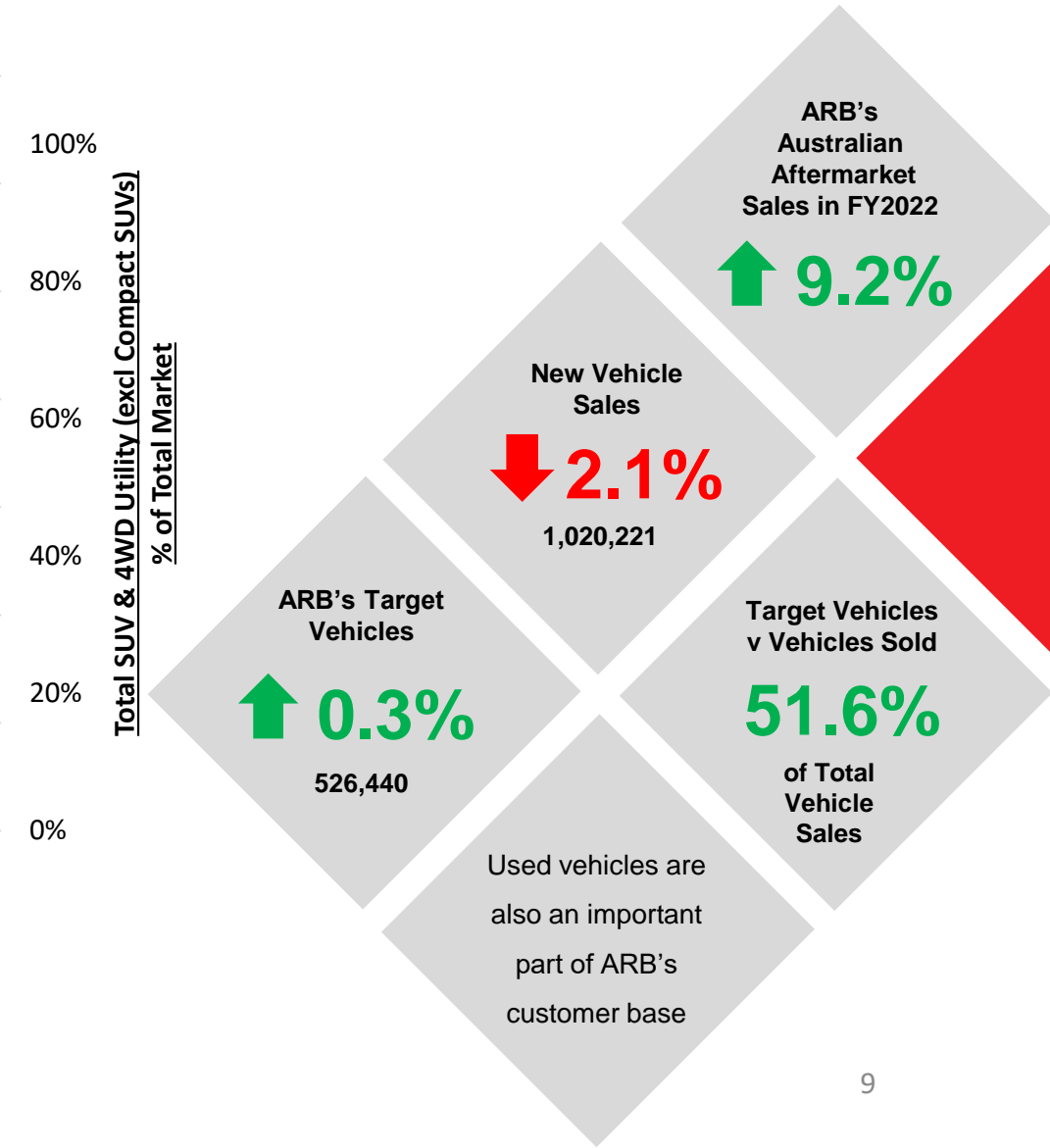
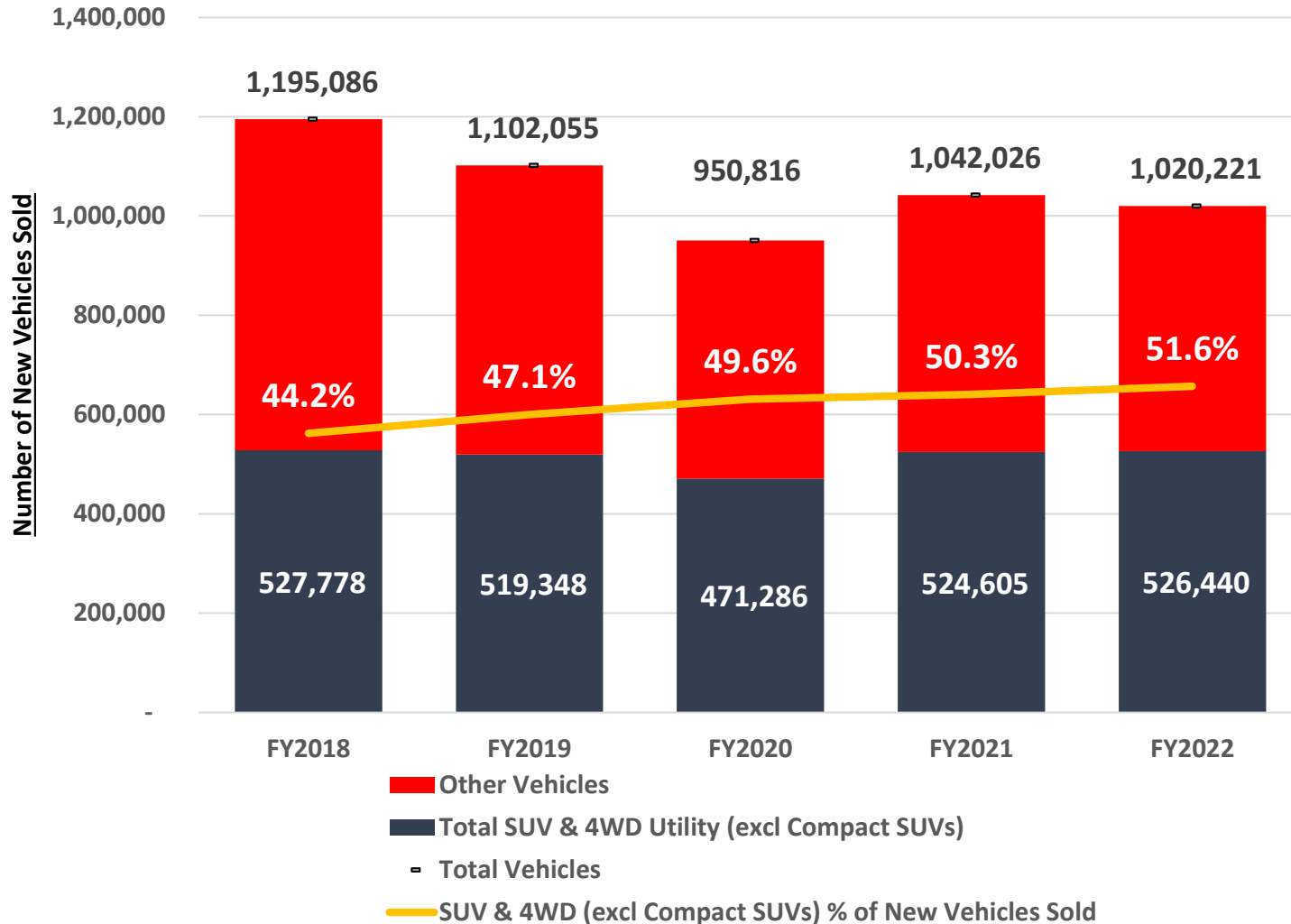
HILUX



PRADO

FY2022 v FY2021

AUSTRALIAN NEW VEHICLE SALES



AUSTRALIAN AFTERMARKET
ARB FLAGSHIP STORES



Aftermarket sales increase of **9.2%**,
 representing 53.8% of total sales



74

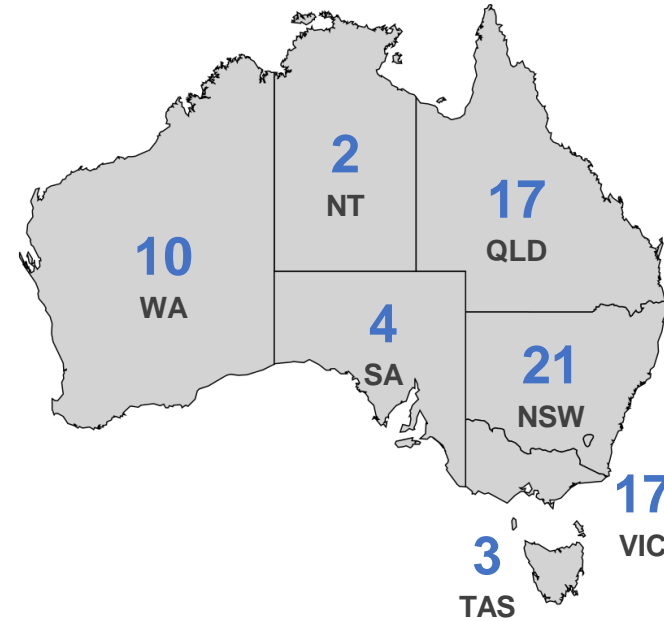
ARB Stores in
 Total Nationwide

30

ARB Company
 Owned Stores

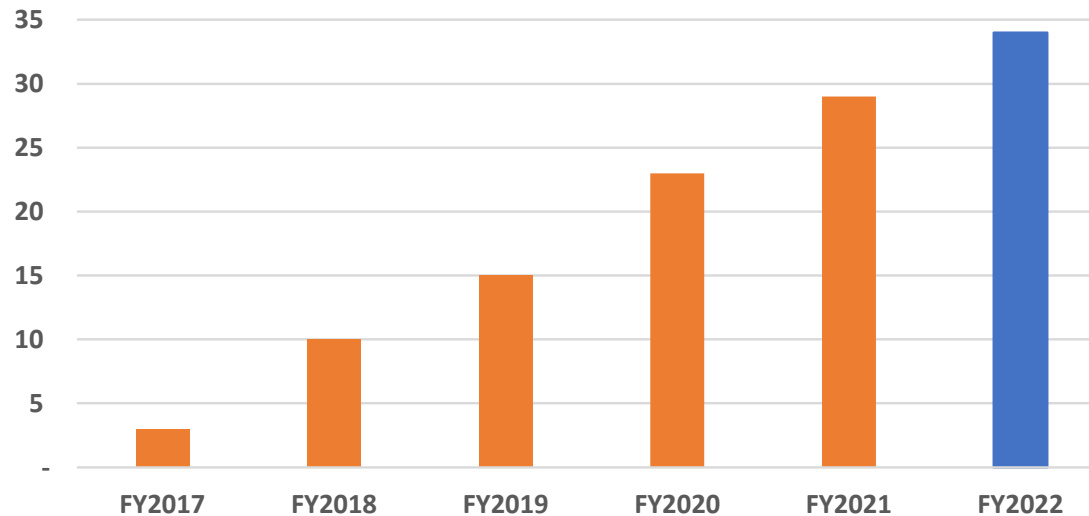
44

ARB Branded
 Stores



34

ARB FLAGSHIP STORES
 NATIONWIDE



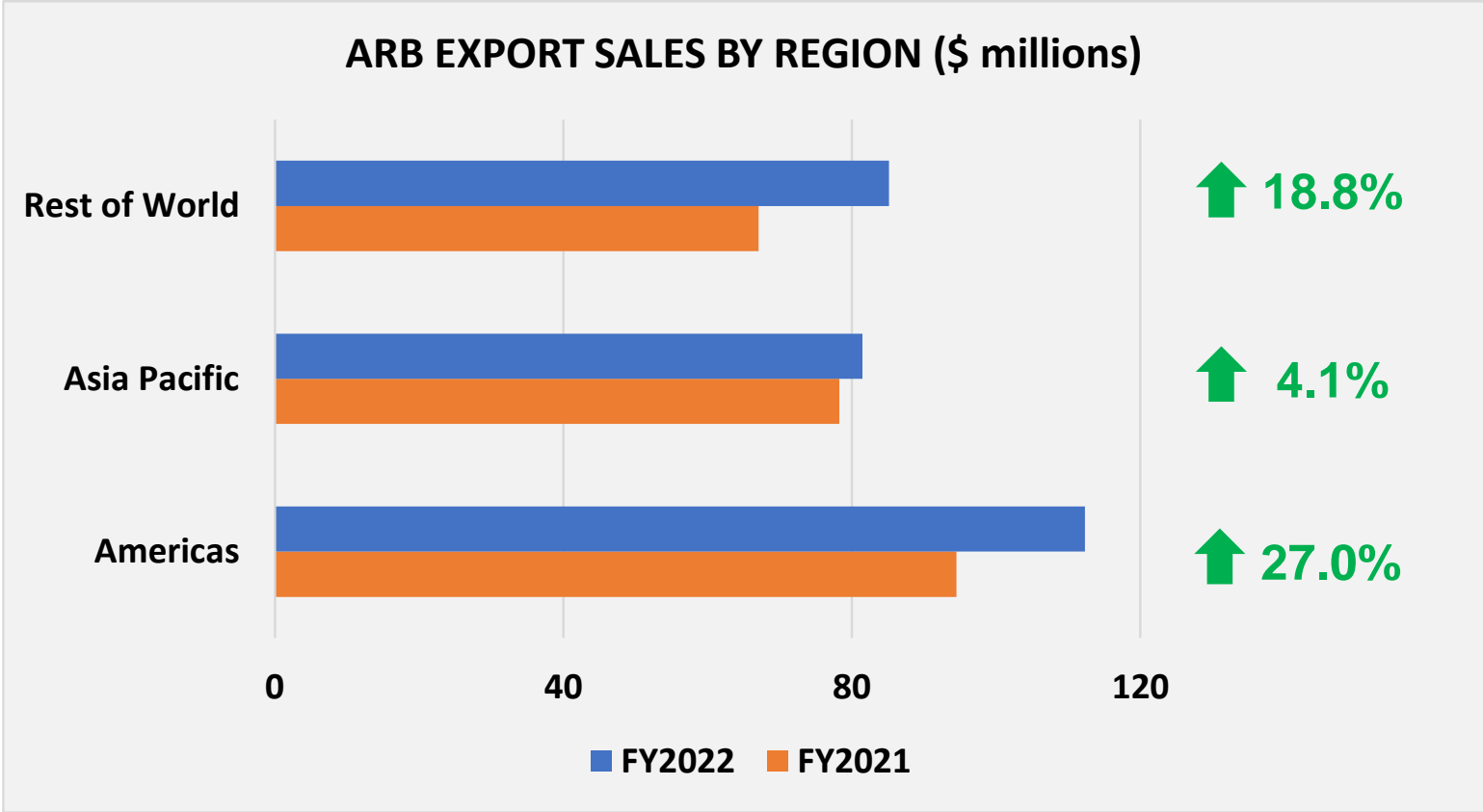
New ARB
 Stores
 RUTHERFORD, NSW
 SALE, VIC
 MELTON, VIC
 KARRATHA, WA



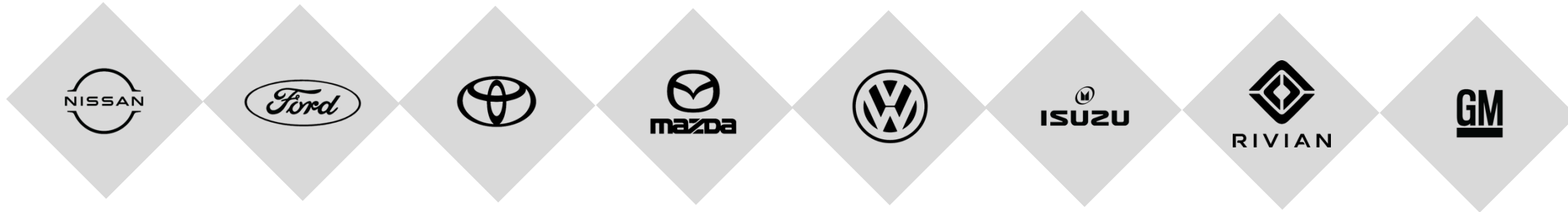
EXPORTS



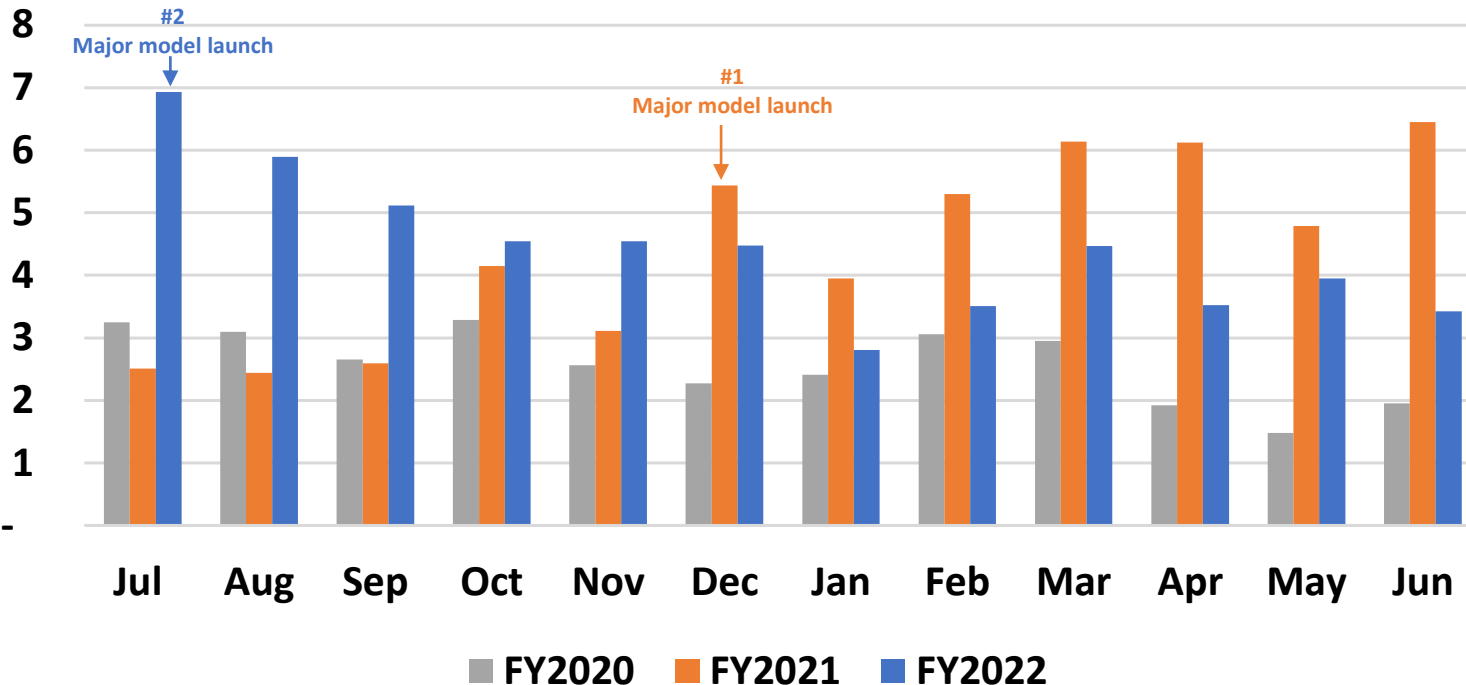
Export sales grew by **17.4%** and now represent 38.7% of total sales



ORIGINAL EQUIPMENT MANUFACTURERS



Sales to Original Equipment Manufacturers (\$ millions)



Overall OEM sales growth of **0.2%** after a record 73.9% sales increase last year

OEM sales represent **7.5%** of total sales

- OEMs stocked up for new models during:
 - 2H FY2021
 - 1H FY2022
- Increased enquiries, domestically and internationally to ARB following the strategic relationship with Ford in Australia and the US
- Sales to OEMs will remain lower during 1H FY2023 with new contracts to commence in 2023

FORD UPDATE



362136
People reached

6554
Interactions

207310
People reached

14723
Engagements

67213
People reached

3143
Likes

barlow_adventures Good to know! There are many options for Jeeps, not so many for some new hot things like Rangers, Colorados, etc.

11w Reply

Justin Fraser
Hey guys, gee that bar looks fantastic!!! I'm absolutely itching to try and get some inside feedback whether this things worth waiting for,,,, I've got a 2013 Colorado
[See more](#)

Like Reply 9 w

f350poderamericano Ford + ARB = 🔥🔥

11w 1 like Reply

fordrangerettesofficial 🙌🙌🙌🙌

11w Reply

Anthony Castle
Mark Castle looks pretty good 🙌

Like Reply 3 d

💎 Top fan
Greg Freemantle
Jason Poulter how good does that's look!!

Like Reply 4 d

Idi_sairaja The bull bar looks amazing

3d Reply

fullthrottle72 To bad usa doesn't get these. Looks awesome

4d 1 like Reply

spencurai I just can't get over how beautiful the bumpers are. Just perfect! 🔥🔥🔥🔥

mallroad4wd That not the usual front bumpers we like from ARB. Hopefully an aussie style model is on the way

72w Reply

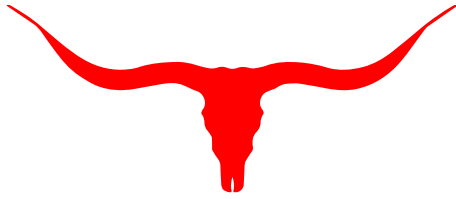
mielsbill Bring it to Australia!

72w Reply

jas.schell That front bar is gorgeous.

72w Reply

USA UPDATE



Texas DC

- Third US distribution centre
- 4,000 sqm warehouse
- ARB / FedEx study to optimize cost and delivery times
- Incremental localization opportunity
- Opening in October 2022



Wheel Pros
acquired 4WP

- ARB is in direct communication with Wheel Pros to support its business
- Positive engagement despite short-term challenges



USA OEM

- Positive engagement with US OEMs
- Rivian business on-going
- Ford relationship is positive in the USA
- Toyota North America and ARB have agreed to a commercial relationship



Latin America

- Latin American business continues to grow
- Improved distribution to Central America from Texas DC will support growth opportunities
- Markets including Brazil and Argentina are challenging due to restrictive import tax laws

KEY EXPORT MARKETS UPDATE

TRUCKMAN
UK



- Core business impacted by three key challenges:
 - availability of pick-up vehicles
 - freight costs
 - labor shortages for locally manufactured tops
- Vehicle supply expected to recover late 2022 to early 2023
- Strategy to develop ARB's core product lines through improved channel management and brand marketing continues

beaut
utes
UTILITY ACCESSORIES



PRO-FORM

- Pro-form remains a key contributor to ARB's success in New Zealand and Australia for the canopy business
- Pro-form's business has been impacted by significant outbound freight disruptions, labor shortages and global vehicle availability
- ARB's New Zealand based sales business continues to grow with a strong focus on channel development and strategic brand building

ENGINEERING / NEW PRODUCTS

Product Innovation remains a core pillar for ARB's continued competitive advantage

100+ Design & Production Engineers
Investment in global engineering team:
AU | NZ | USA | UK | THA

Engineering center of excellence
1,000 sqm



Accessories Launched

- Full line-up of protection equipment
- OME suspension system
- BASE roof rack
- Snorkel

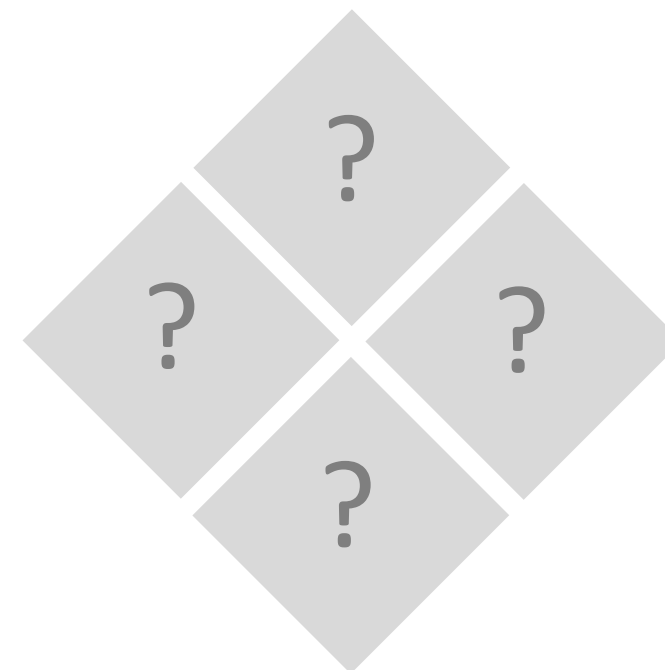
Accessories Launched

- Full line-up of protection equipment
- OME suspension system
- BASE roof rack
- Snorkel
- Air locker

Accessories Launched

- Full line-up of protection equipment
- OME suspension system
- Canopy / Bed liner / Sport lid
- BASE roof rack
- Snorkel
- Air locker
- Roller drawers
- Fuel tank

4+ ALL NEW PRODUCTS
Long-term product development programs for all new products due to come to market in FY2023



FORWARD FOCUS



Australian Aftermarket

- Continued roll out of flagship stores
- Product supply of LC300 and Ranger products
- Operational management of Ford FLA program
- Increasing fitting capacity



USA

- Management of new site in Texas
- Broaden range for US platforms
- ARB brand development through US OEM relationships



Business Challenges

- Global shortages of new vehicles
- Commodity prices and availability
- Freight cost and availability
- Inflationary impacts
- Labour shortages



New Zealand

- Operational efficiency in manufacturing business
- Export sales opportunities for Proform
- Continued development of ARB sales channels
- Ford licensed accessory program roll-out



United Kingdom

- Maintaining sales output while vehicle supply is constrained
- Development of wholesale channels for ARB product
- ARB brand building



Investment for Growth

- Continue to strengthen the senior leadership team
- Product development & innovation
- Enhance distribution networks
- Complete & commission Thai factory
- Construct head office & engineering facilities

Thai Factory under Construction

FORWARD FOCUS

Thai factory under construction is 83% complete and on schedule for December 2022 handover



OUTLOOK

The Company's growth in FY2022 was achieved in a very challenging and uncertain global environment, particularly in the second half of the financial year. These conditions have persisted into the first half of the current financial year and it is not possible to provide further financial or operational guidance in the short term with any level of confidence due to the continuing and significant global economic uncertainties.

Nonetheless, the Board remains positive and expects that the Company should benefit towards the end of calendar 2022 from recent new vehicle models, improved new vehicle supply, a strong customer order book sitting well above historical levels, a number of all-new products due for imminent release, healthy demand for the Company's products around the world and the prospect of increasing supply of new cars to the market.

The Board remains focussed on the long-term growth of the Company as it develops and pursues a number of exciting opportunities, some of which have already been announced to the market. These include further growth in export markets and overseas opportunities, new products, improved distribution and increased manufacturing capacity.

ARB is well positioned to achieve long-term success with strong brands around the world, loyal customers, capable senior management and staff, a strong balance sheet and growth strategies in place.



ARB 4X4 ACCESSORIES

Q&A



ARB 4X4 ACCESSORIES

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A white Ford SUV is parked on a dirt path in a forest. The vehicle is equipped with a roof rack carrying a large bag and other gear. It has a black bull bar with two round auxiliary lights and a license plate that reads '1VK 3DY'. The background shows tall trees and a misty or overcast sky. Two white diagonal lines cross the image from the top-left and bottom-right corners.

THANK YOU