

ASX ANNOUNCEMENT

7 October 2020

MARKET UPDATE

In compliance with continuous disclosure requirements, this update is to advise that ARB Corporation Limited ("**ARB**" or "**the Company**") achieved unaudited sales revenue growth of 17.7% for the first quarter to 30 September 2020 compared with the previous corresponding period. Based on preliminary, unaudited management accounts, ARB's profit before tax for the quarter is \$29.7 million, excluding non-recurring government benefits of \$9.7 million related to the quarter.

Excellent growth was achieved in export markets, while domestic Australian sales growth was moderate and, as expected, OEM sales decreased compared with the same period last year. The extended lockdown in Melbourne had a negative impact on local sales during the quarter. The level of outstanding orders remains high and work is being done to overcome logistical difficulties and to increase production to reduce the order bank and better service customers.

The Board believes a substantial proportion of the recent growth can be attributed to satisfying pent up demand created during the lockdown period. In addition, an increased trend towards local touring in several countries has been helpful and government support has provided spending stimulus to people and businesses. In the absence of a significant change in the economic environment, export sales are expected to remain strong and the OEM order book is growing.

While the short to medium term outlook for the Company is positive, the future economic environment remains very uncertain and no guidance can be given for the remainder of the financial year. Furthermore, the Board of ARB does not believe that the Company's first quarter performance should be used as an indicator of the likely full year result which remains far too uncertain to predict. As government and other COVID-19 related support reduces, the impact on economic activity will be monitored closely so that ARB can respond appropriately as required.

The next planned shareholder event is the Company's virtual AGM on 15 October 2020.

This announcement was approved for release by the Board of ARB.