



4X4 ACCESSORIES

H1 FY22 FINANCIAL RESULT

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Non-executive Director

Chairman of the Audit & Risk Committee

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22 FEBRUARY 2022



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TABLE OF CONTENTS



3	Financial Highlights
8	New Vehicle Sales
10	Sales Categories
14	Operations
17	Outlook



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H1 FY22

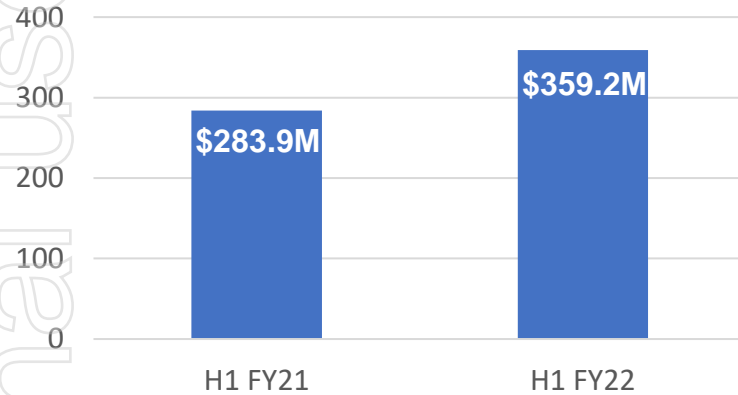


FINANCIAL HIGHLIGHTS

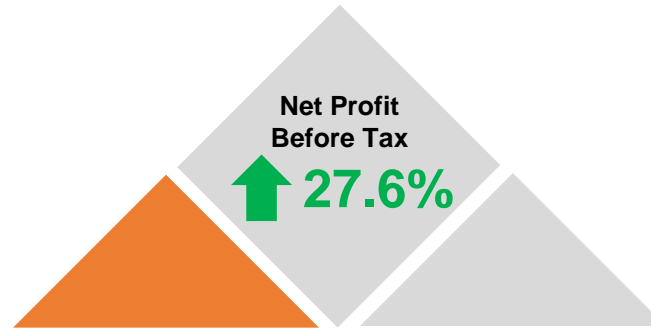
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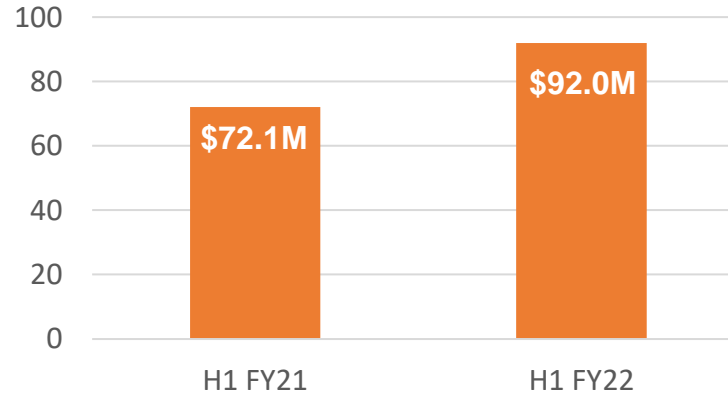
Sales Revenue: **\$359.2M**



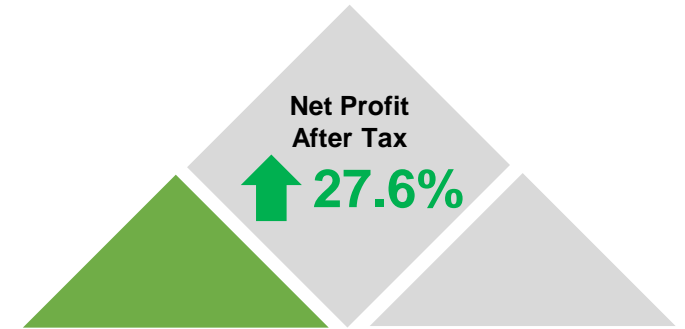
- Growth achieved in all channels
- Key challenge continues to be new vehicle availability across the globe



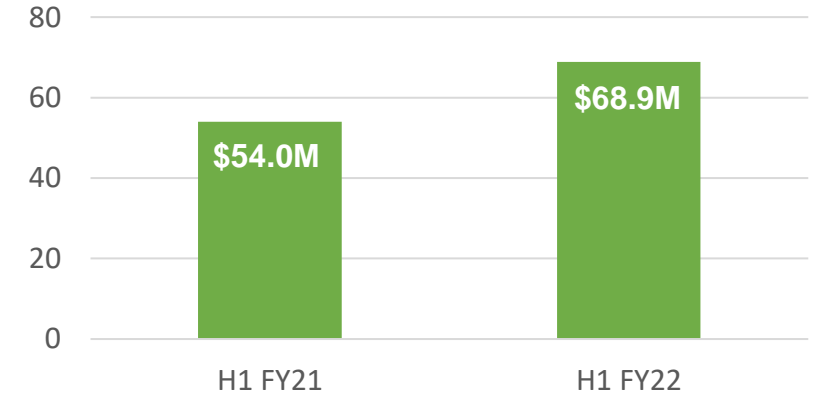
Net Profit Before Tax: **\$92.0M**



- Improved gross profit margin
- Operating expenses scaling with sales growth
- Distribution costs remain historically high
- Net profit margin comparable to prior year



Net Profit After Tax: **\$68.9M**

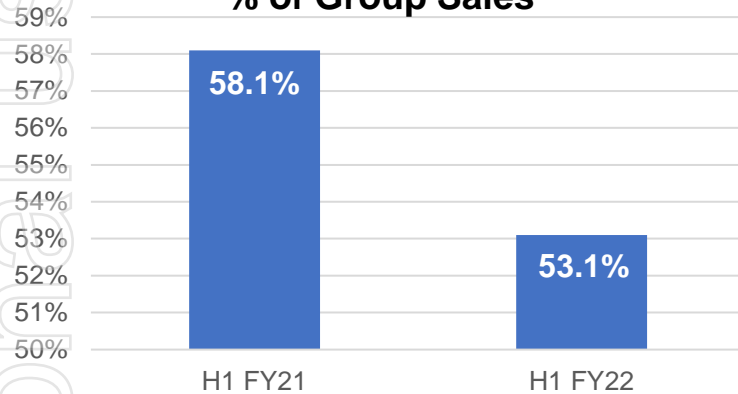


- Profit growth in line with sales growth
- Earnings per share of 84.5 cents, up 25.5% on H1 FY21

FINANCIAL HIGHLIGHTS

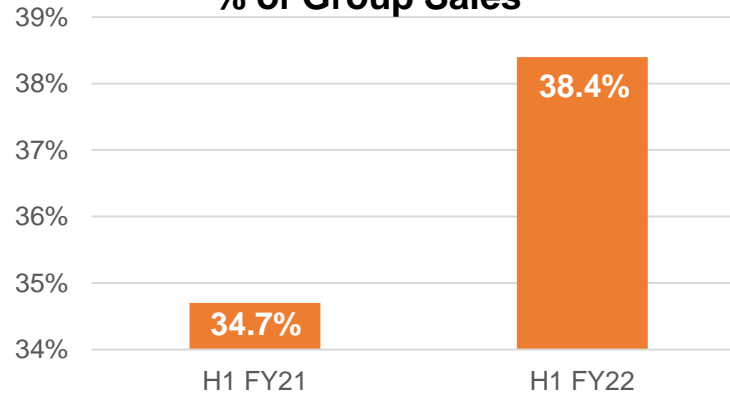


**Australian Aftermarket
% of Group Sales**



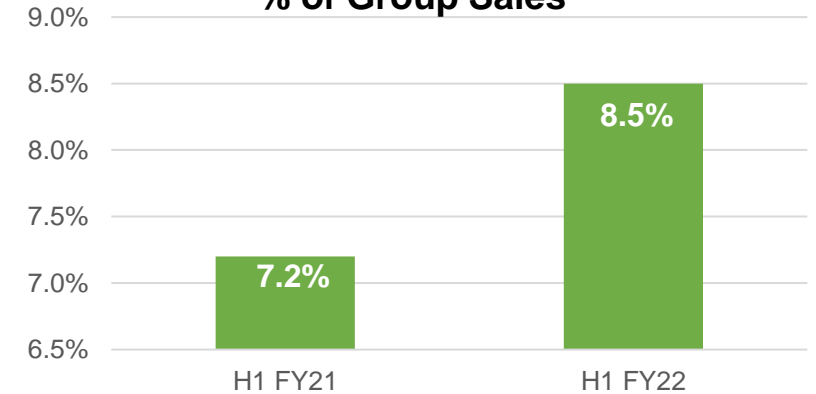
- Growth in all customer segments including Retail, Stockists, Dealer and Fleet
- Strong sales growth but reducing as a percentage of Group sales

**Exports
% of Group Sales**



- Growth in US, Europe, NZ, Thailand and exports from Australia to the rest of the world
- Inclusion of Auto Styling Truckman sales (UK) for all of H1 FY22

**Original Equipment
% of Group Sales**



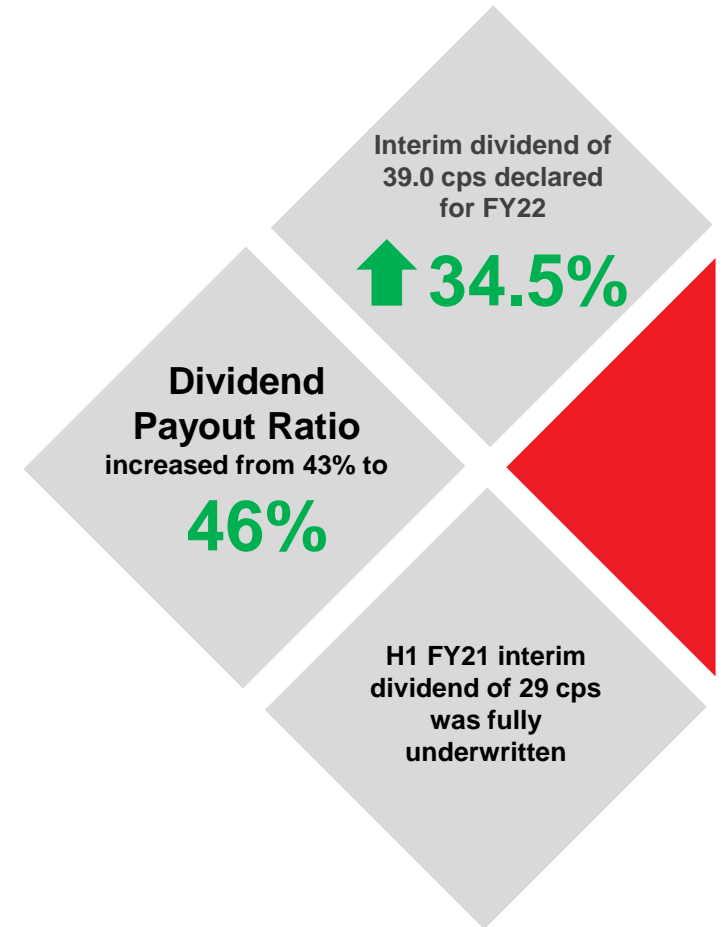
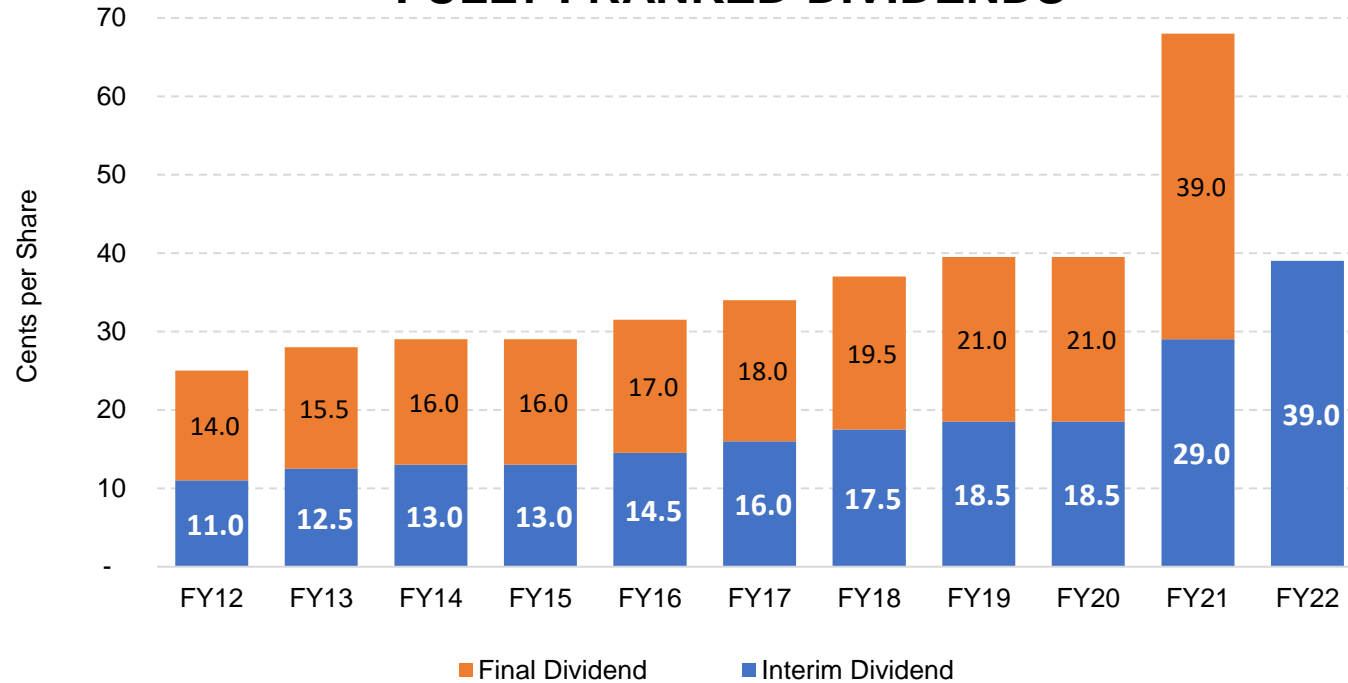
- Boosted by initial order quantities in both H2 FY21 and H1 FY22
- Sales in H2 FY22 are expected to decline compared with prior year

DIVIDENDS

FINANCIAL HIGHLIGHTS



FULLY FRANKED DIVIDENDS



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H1 FY22: PROFIT & LOSS STATEMENT

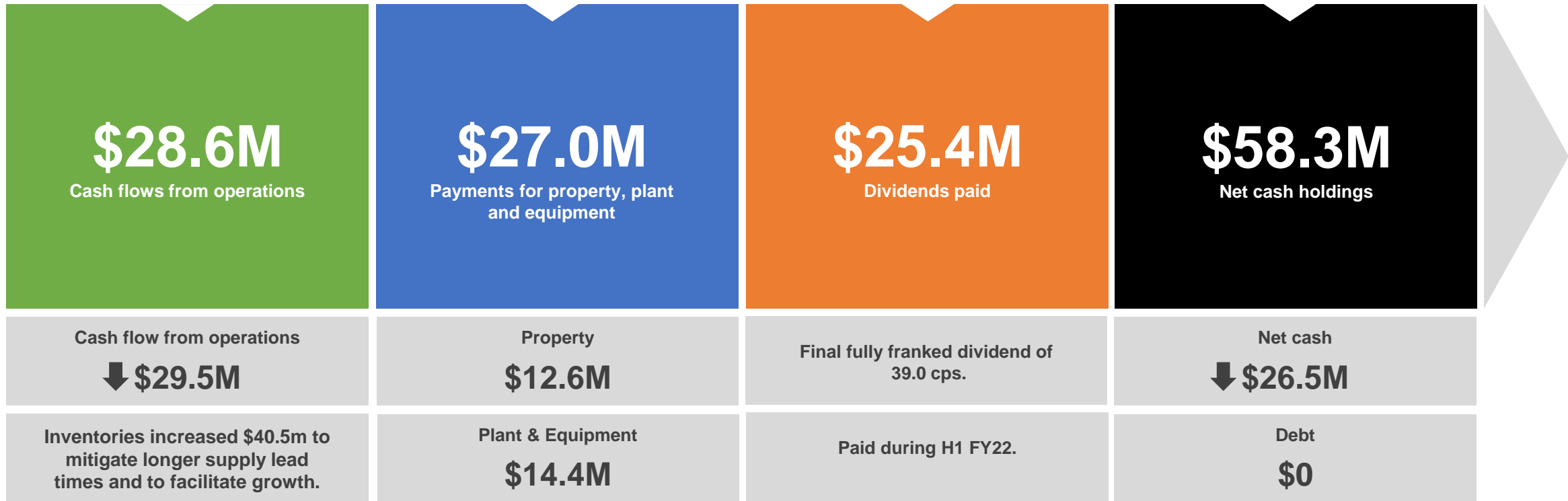
FINANCIAL HIGHLIGHTS



A\$000s	H1 2022	% sales	H1 2021	% sales	CHANGE \$	CHANGE %	Comments
TOTAL REVENUE	360,663		285,019		75,644	26.5%	
Materials and consumables used	(151,891)	42%	(125,700)	44%	(26,191)	(20.8%)	Improvement via stronger AUD and volume driven recoveries
Employee expenses	(73,611)	20%	(62,276)	22%	(11,335)	(18.2%)	Increased headcount to drive growth and post COVID
Government wage subsidies	-	0%	9,819	-3%	(9,819)	(100.0%)	
Depreciation and amortisation expense	(12,525)	3%	(11,337)	4%	(1,188)	(10.5%)	
Advertising expense	(3,120)	1%	(2,314)	1%	(806)	(34.8%)	
Distribution expense	(9,562)	3%	(6,186)	2%	(3,376)	(54.6%)	Distribution costs remain at historically higher levels
Finance expense	(1,073)	0%	(950)	0%	(123)	(12.9%)	Lease finance costs arising from AASB 16 Leases
Occupancy expense	(7,569)	2%	(6,648)	2%	(921)	(13.9%)	Increase due to volume driven manufacturing costs
Maintenance expense	(3,252)	1%	(2,177)	1%	(1,075)	(49.4%)	
Other expenses	(6,074)	2%	(5,167)	2%	(907)	(17.6%)	
PROFIT BEFORE INCOME TAX	91,986	25.5%	72,083	25.3%	19,903	27.6%	Net Profit margin consistent across periods

FINANCIAL HIGHLIGHTS

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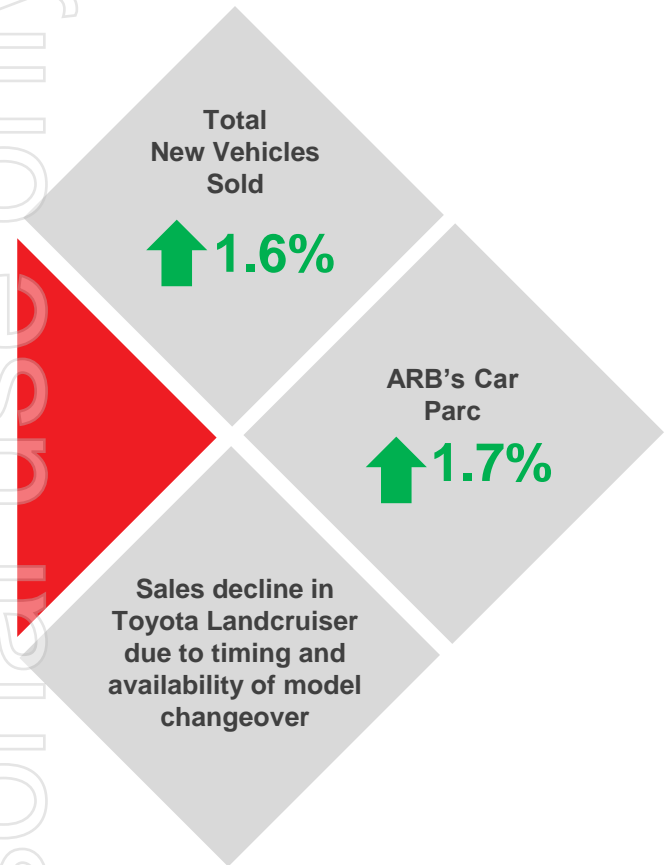


H1 FY22 v H1 FY21



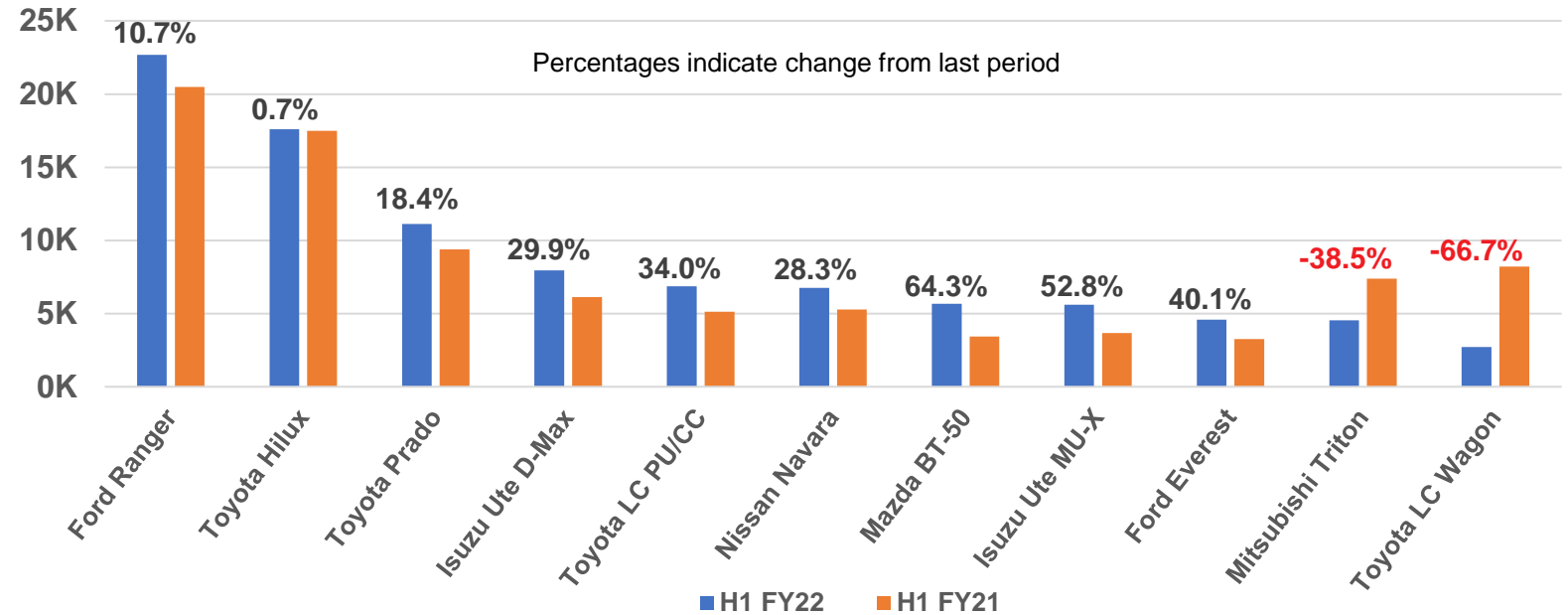
AUSTRALIAN NEW VEHICLE SALES

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New Vehicle Sales

H1 FY22 v H1 FY21



RANGER



HILUX



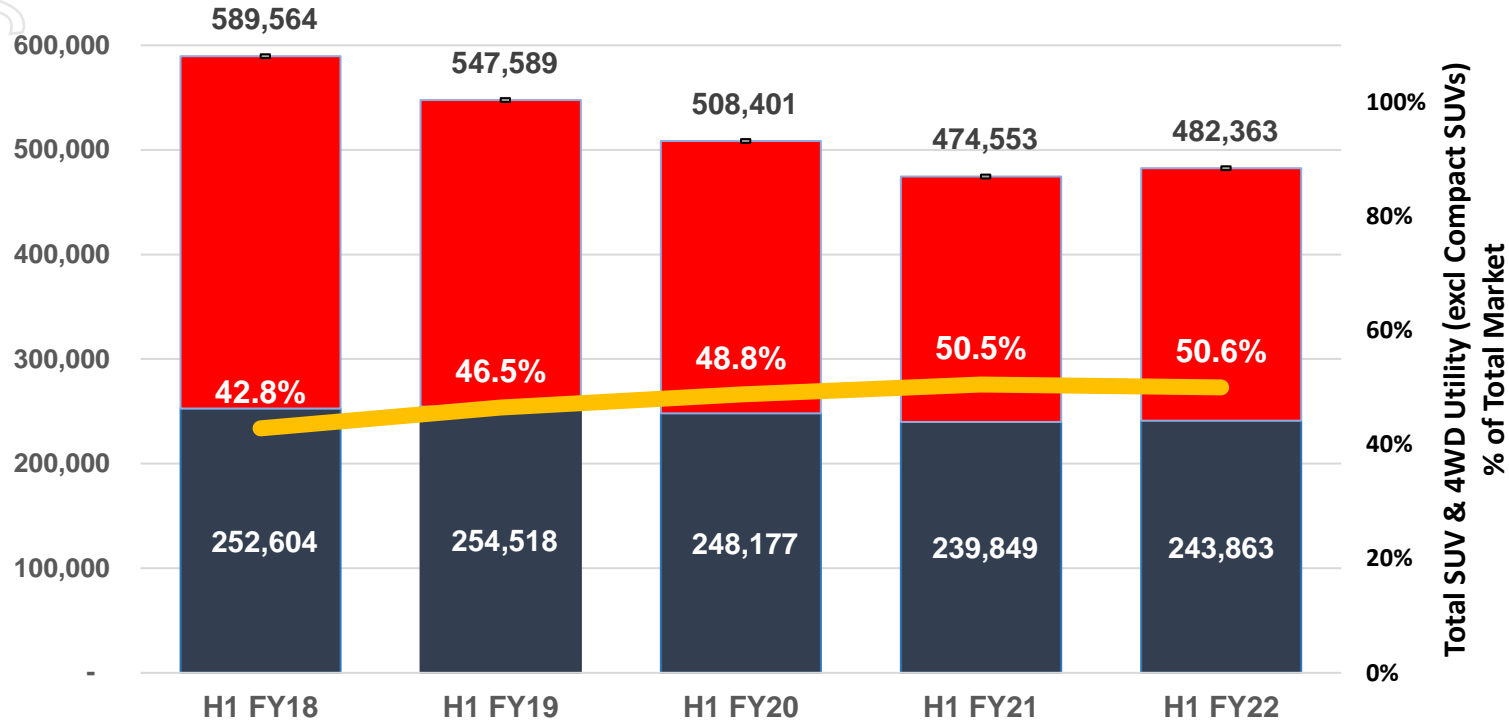
PRADO

H1 FY22 v H1 FY21

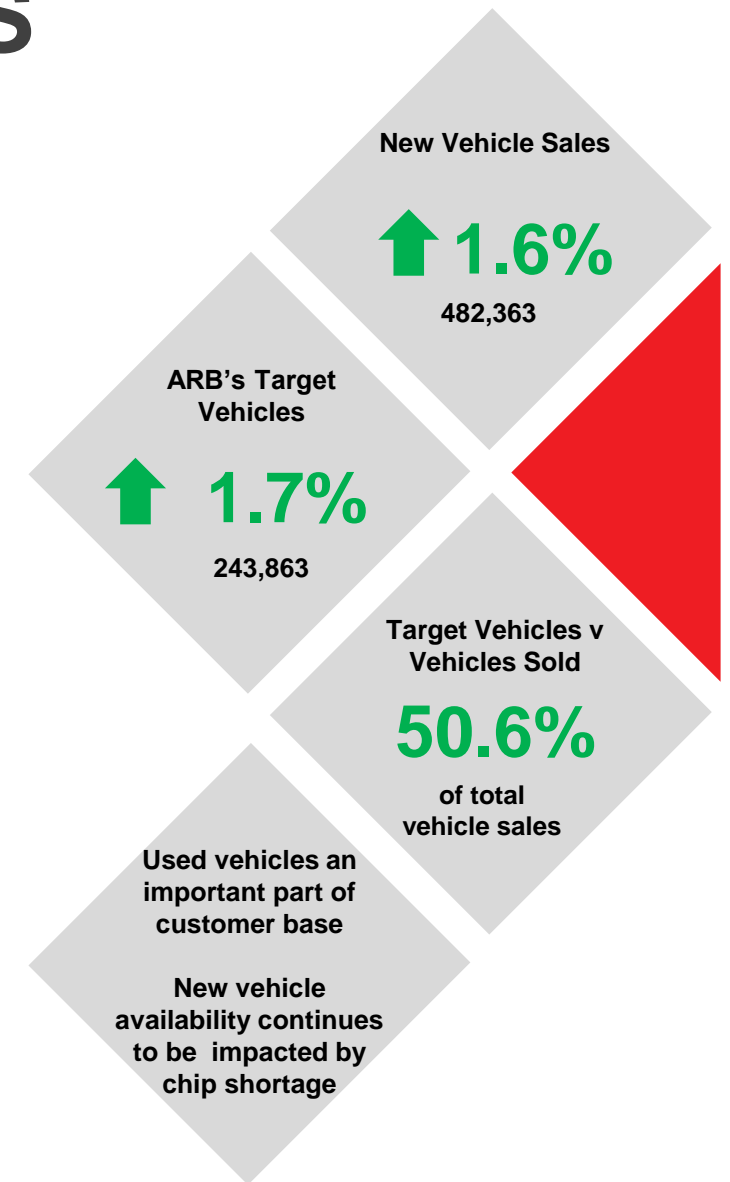
AUSTRALIAN NEW VEHICLE SALES



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- Other Vehicles
- Total SUV & 4WD Utility (excl Compact SUVs)
- ▬ Total Vehicles
- SUV & 4WD (excl Compact SUVs) % of New Vehicles Sold



AUSTRALIAN AFTERMARKET
**ARB FLAGSHIP
STORES**

Aftermarket sales increase of 15.6% now
representing 53.1% of total sales



72

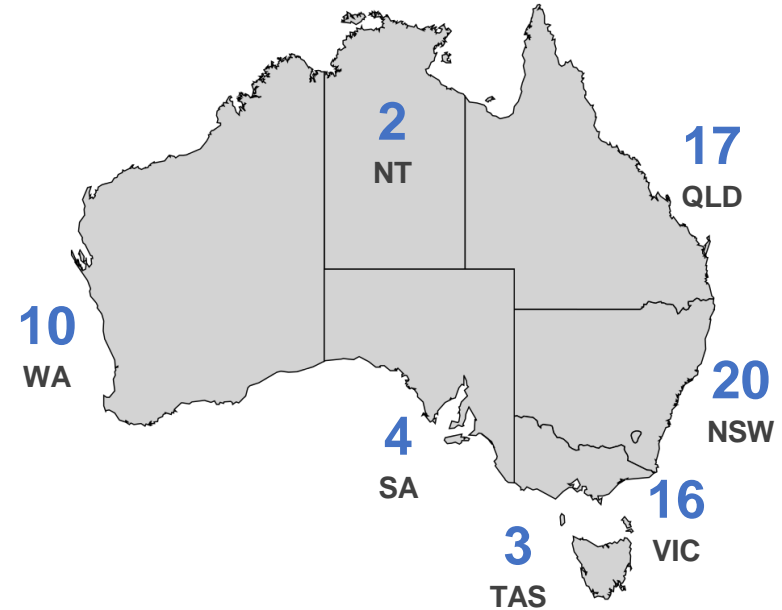
ARB Stores in
Total Nationwide

29

ARB Company
Owned Stores

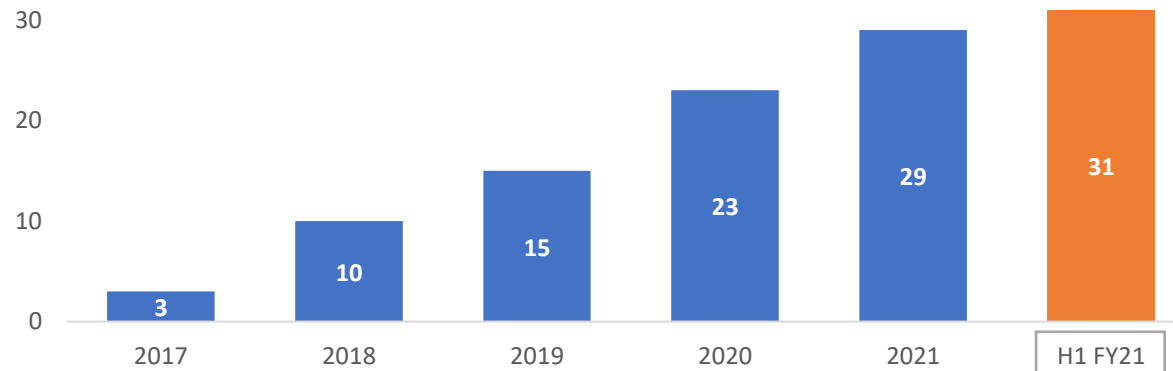
43

ARB Branded
Stores



31

ARB FLAGSHIP
STORES IN TOTAL
NATIONWIDE



New ARB
Stores
SALE, VIC
KARRATHA, WA

EXPORTS

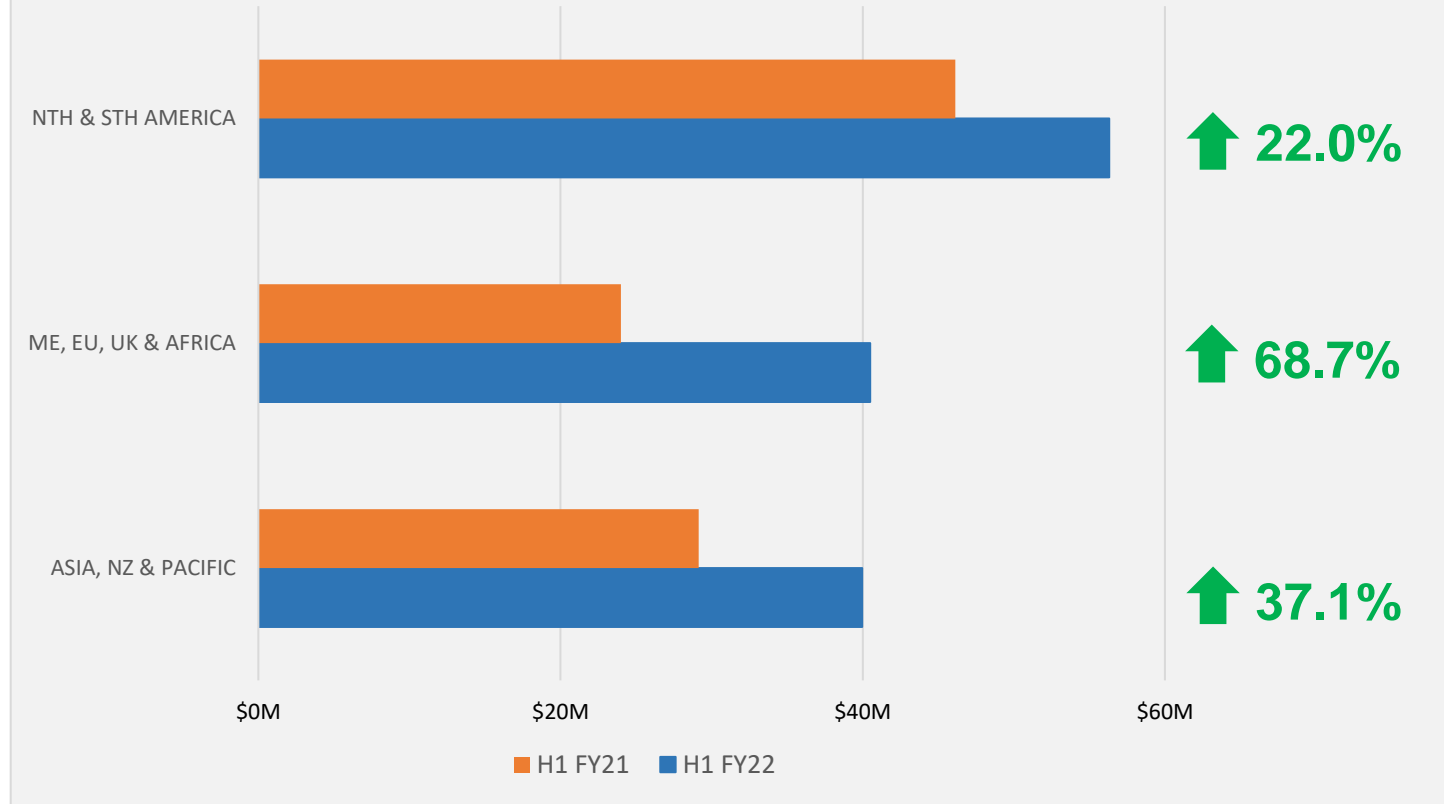


Export sales grew by 39.9% and now represent 38.4% of the business

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ARB EXPORT SALES BY REGION



OEM sales increase of 50.6% now representing 8.5% of total sales



New Vehicle Sales

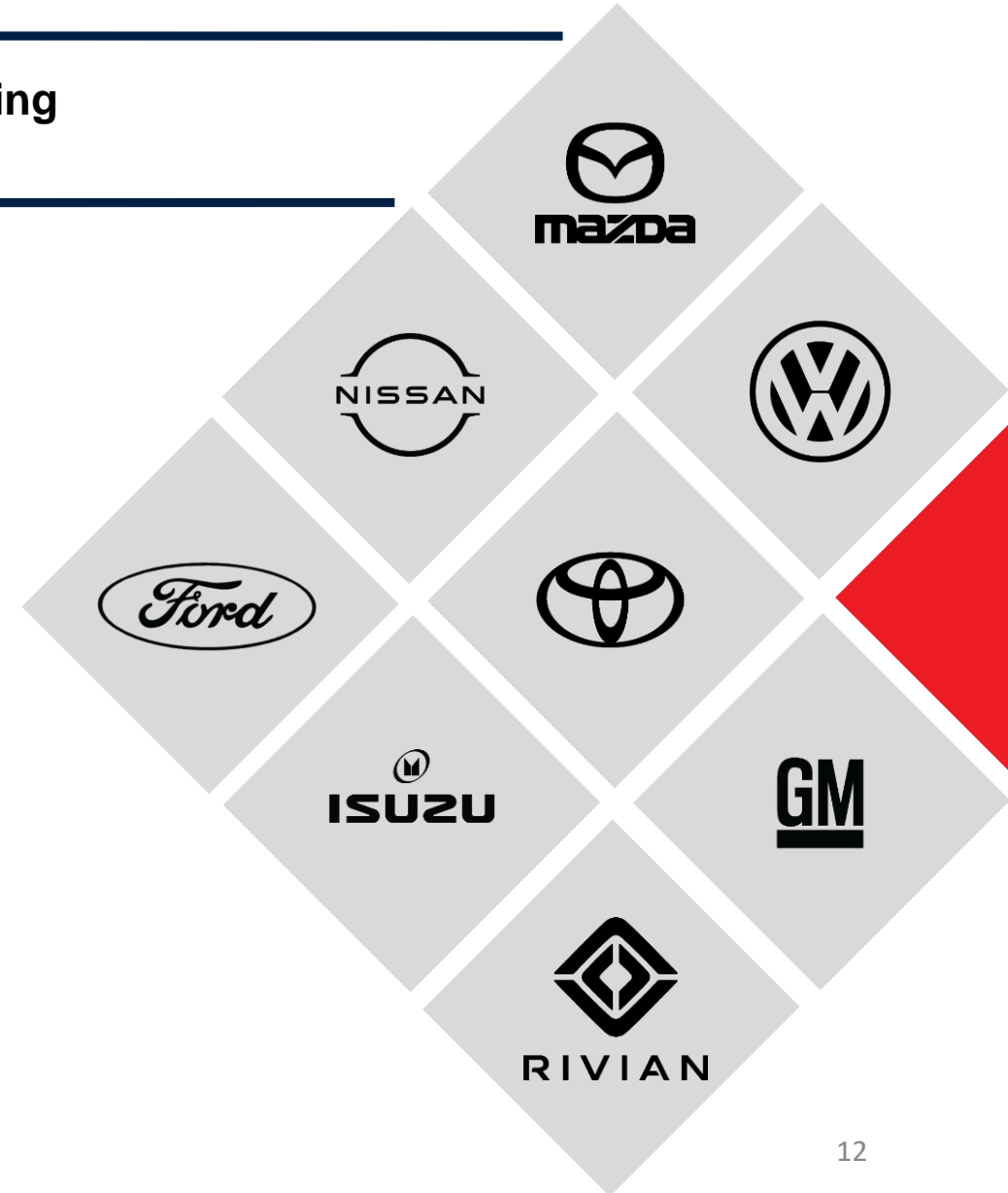
H1 FY22 growth in Australia reflects OEMs stocking up in preparation of new vehicle model launches and the addition of new business. Sales are expected to decline however during H2 FY22.



New Products

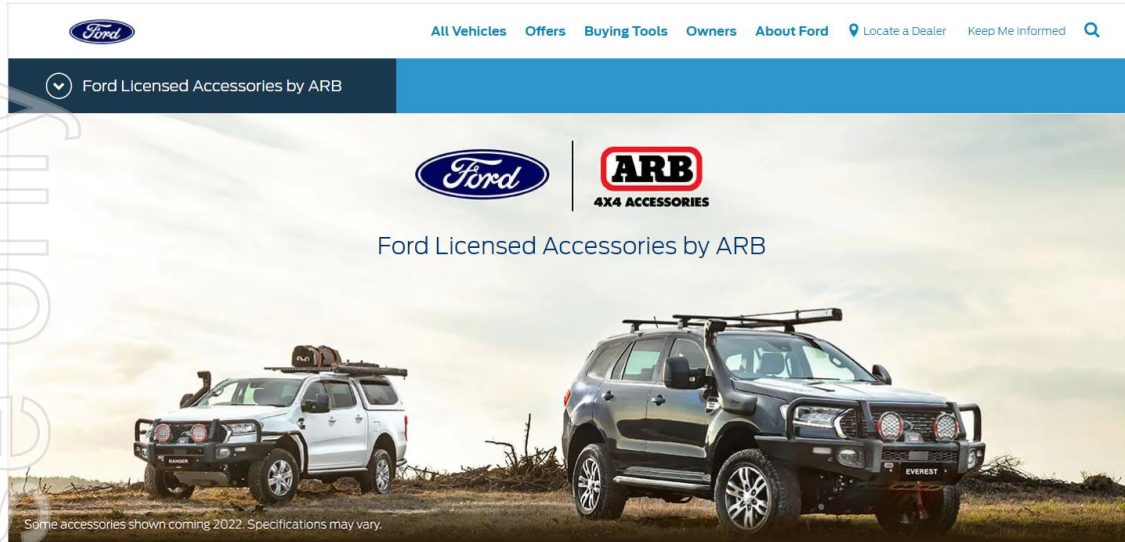
Targeting and developing relationships with OEMs internationally.

ORIGINAL EQUIPMENT MANUFACTURERS



FY22

FORD RELATIONSHIP



- The *Ford Licensed Accessories by ARB* program (FLA) commenced in October 2021
- The Ford website promotes and offers an extensive range of ARB products
- Ford offer a 5-year warranty on ARB products
- Dealers changing processes to adopt FLA
- Sales through FLA are in line with expectations and steadily increasing
- ARB will provide a wide range of products for the Ford Ranger and Ford Everest to be released in June 2022 and August 2022 respectively
- FLA will roll out to New Zealand later this year

FORD WEBSITE
“Ford has joined forces with ARB to bring an exciting range of 4x4 accessories to the Ranger and Everest.”



Home > News > Bronco Brand Teams Up With Respected 4x4 Companies To Expand Aftermarket Parts And Acces:

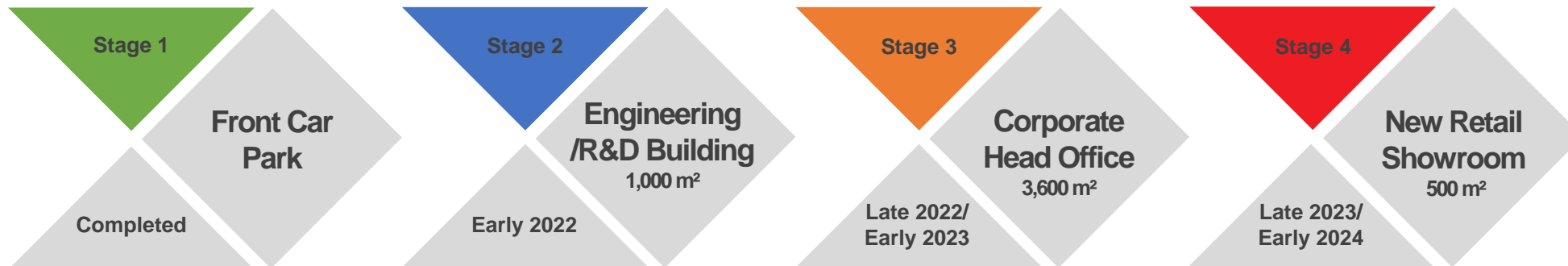
BRONCO BRAND TEAMS UP WITH RESPECTED 4X4 COMPANIES TO EXPAND AFTERMARKET PARTS AND ACCESSORY OPTIONS FOR CUSTOMERS

MAR 30, 2021 | MOAB, UTAH



- Ford Motor Company in the USA and ARB entered into a strategic partnership for new Ford Bronco and Ranger
- Products to be released through the Ford system are undergoing final engineering approval
- Further products are under commercial consideration by Ford
- ARB's wide range of products for the Bronco and Ranger are also available through its wholesale distribution network

HEAD OFFICE REDEVELOPMENT OPERATIONS UPDATE



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ORA 4 THAI FACTORY OPERATIONS UPDATE



INVESTMENT
\$27m

36,000 sqm
under roof



Manufacturing

- Increased manufacturing capacity to facilitate growth and new products
- Continued focus on efficiencies
- Timing of overhead recoveries
- Managing rising costs

FORWARD FOCUS



Australian Aftermarket

- Continued roll out of flagship stores
- Development of stockist network
- Building on partnerships
- Increasing fitting capacity



USA

- Successful Ford partnership
- Broaden range for US platforms
- Continued focus on wholesaling
- Enhance distribution network



Business Challenges

- Global shortages of new vehicles
- Commodity prices and availability
- Global logistics and pricing
- Labour shortages
- Stock availability and management



New Zealand

- ARB integration
- Distribution of ARB product
- Export development
- Site development



United Kingdom

- ARB integration
- Building on brand and history
- Distribution of ARB product

ARB 4X4 ACCESSORIES OUTLOOK



The Company maintains a positive outlook based on a strong customer order book, improved inventory levels and new products that are yet to be released to market. However, the flow on impacts of COVID-19, including disruptions to supply chains, shipping networks, retail operations and customer fulfilment, require ARB to remain focused on managing customer expectations and supply chain pressures.

Notwithstanding the uncertainty in the current global economic and political environment, ARB continues to develop and pursue its exciting long term growth opportunities, including further growth in Australia and in export markets, new products, improved distribution and increased manufacturing capacity.

The Board believes ARB is well positioned to achieve on-going success with strong brands around the world, loyal customers, very capable senior management and staff, a strong balance sheet and growth strategies in place.



ARB 4X4 ACCESSORIES

Q&A



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