



# FY2022 FINANCIAL RESULT

23 August 2022

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CHIEF EXECUTIVE OFFICER

**DAMON PAGE**

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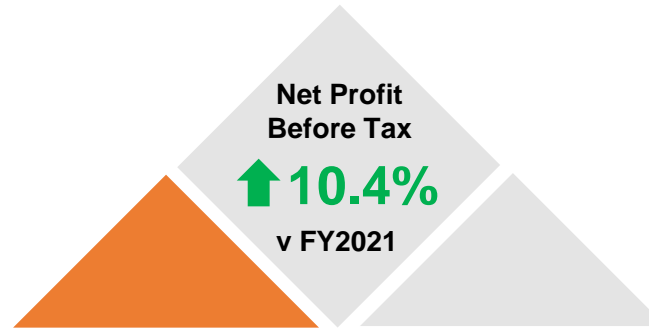
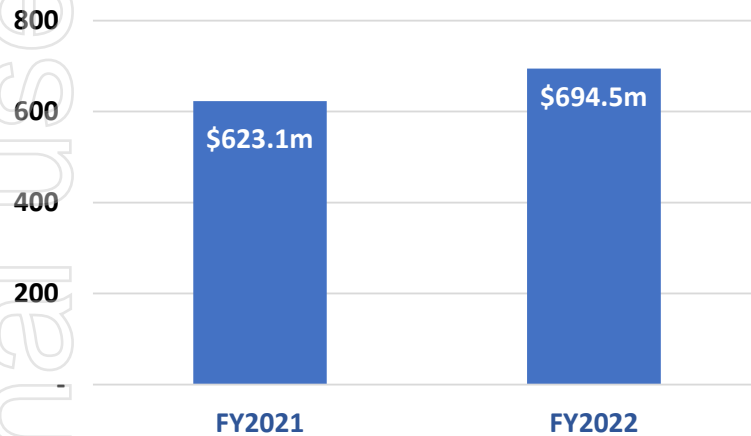


FY2022

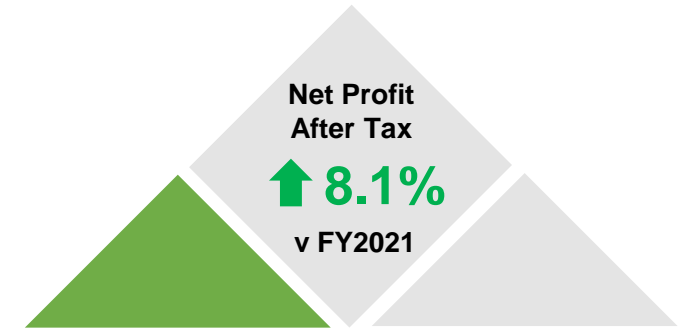
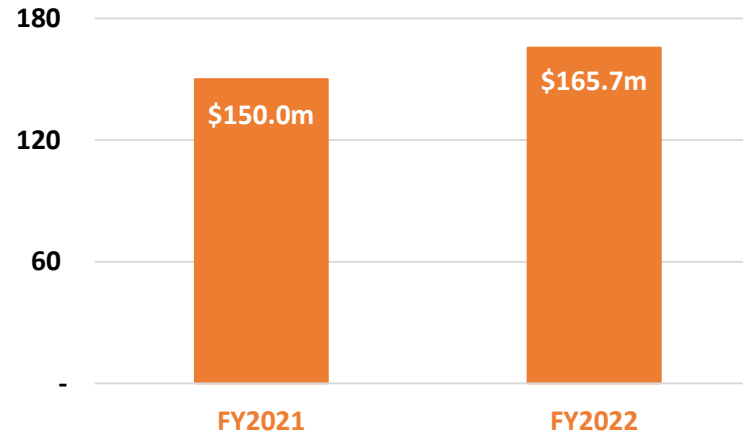
# FINANCIAL HIGHLIGHTS



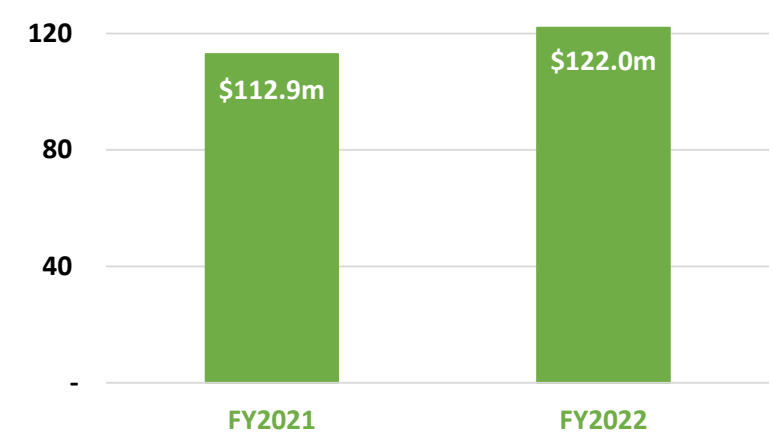
**Sales Revenue: \$694.5M**



**Net Profit Before Tax: \$165.7m**



**Net Profit After Tax: \$122.0m**



- 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

- 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

- 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

FY2022

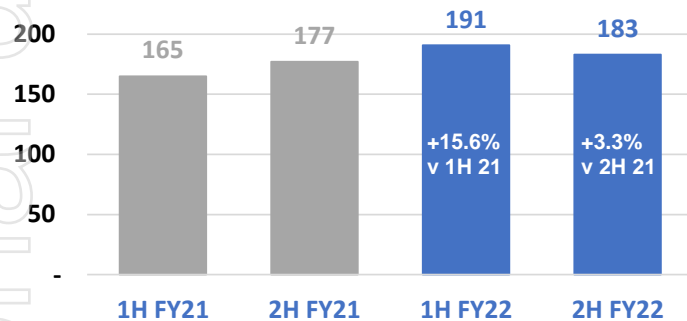
# FINANCIAL HIGHLIGHTS



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



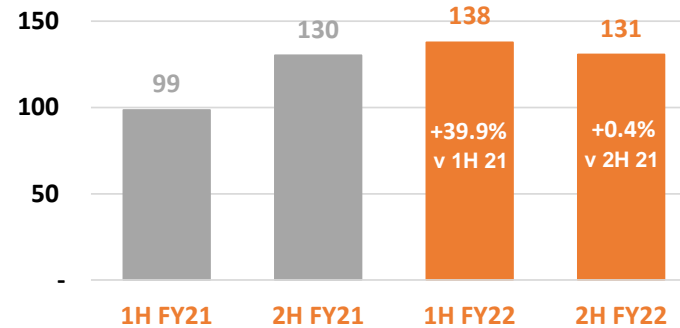
**Australian Aftermarket Sales (\$millions)**



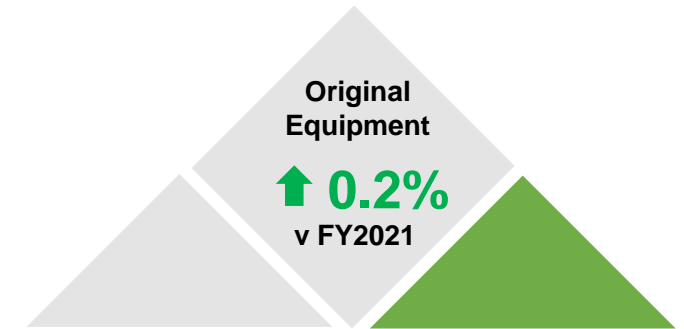
- Represents 53.8% of total sales (2021: 54.9%)
- All segments grew: Retail, Stockists, Dealer & Fleet
- 2H FY22 down \$8m or 4.0% on 1H FY22 due to high staff absenteeism with the emergence of Omicron in Jan22 and new car availability



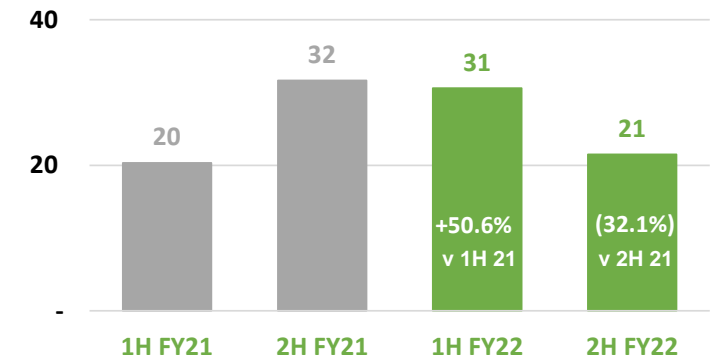
**Export Sales (\$millions)**



- 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

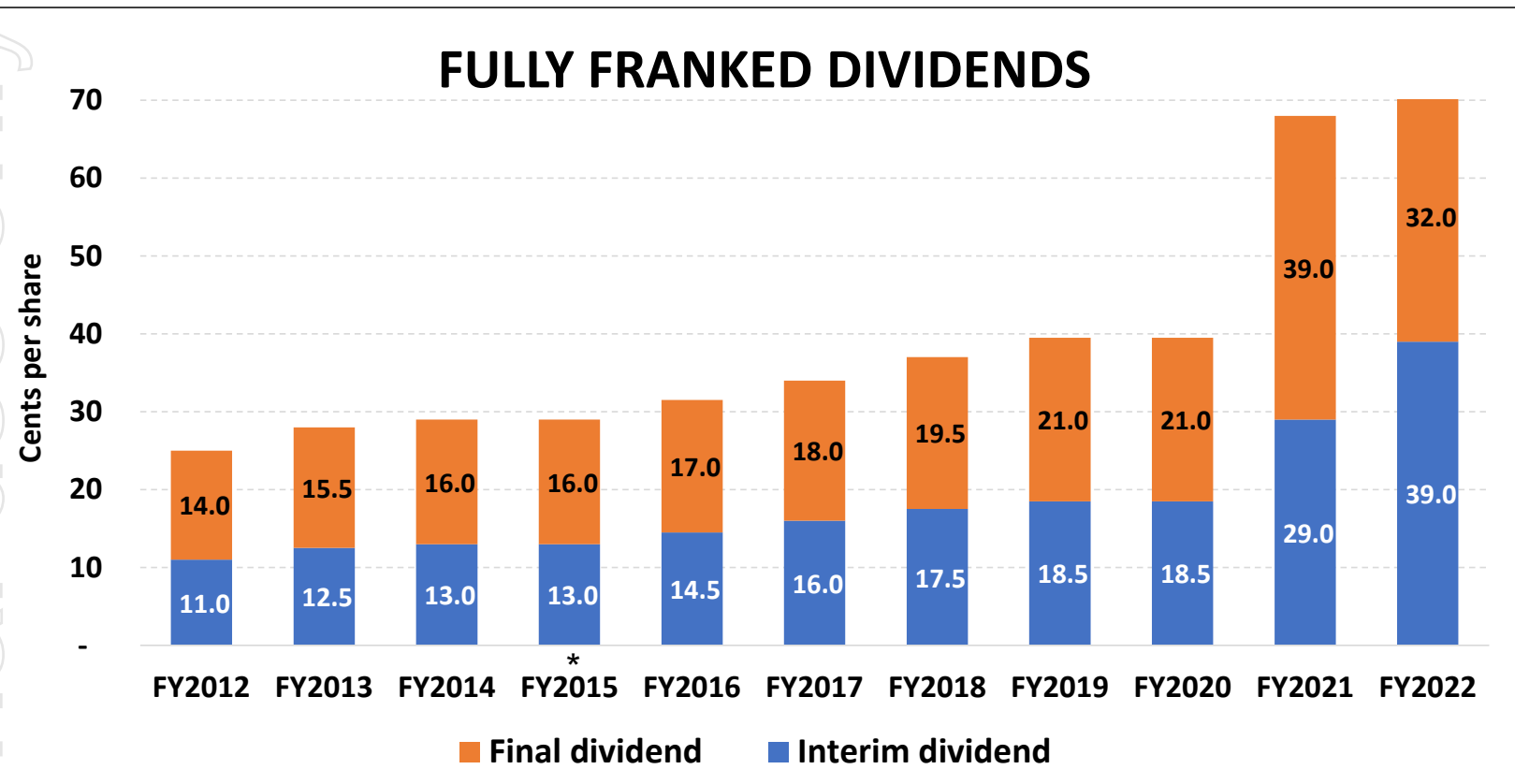


**Original Equipment Sales (\$millions)**

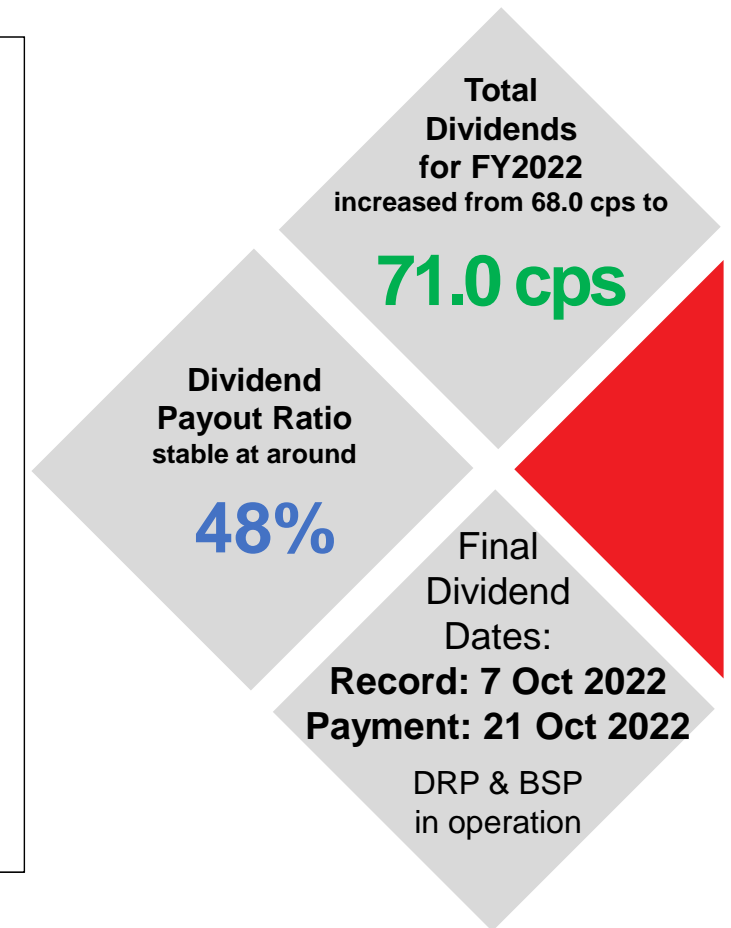


- Represents 7.5% of total sales (2021: 8.3%)
- 2H FY22 down \$10m or 29.8% on 1H FY22 as expected due to timing of contracts and stocking up for new models

## FINANCIAL HIGHLIGHTS



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



## FY2022 PROFIT &amp; LOSS STATEMENT

## FINANCIAL HIGHLIGHTS



A\$000s	FY2022	% sales	FY2021	% sales	CHANGE \$	CHANGE %	Comments
<b>TOTAL REVENUE</b>	<b>697,276</b>		<b>625,857</b>		<b>71,419</b>	<b>11.4%</b>	
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%	
<b>PROFIT BEFORE INCOME TAX</b>	<b>165,678</b>	<b>23.8%</b>	<b>150,023</b>	<b>24.0%</b>	<b>15,655</b>	<b>10.4%</b>	<b>PBT margin relatively consistent over the two years</b>
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
<b>PROFIT AFTER INCOME TAX</b>	<b>122,006</b>	<b>17.5%</b>	<b>112,895</b>	<b>18.0%</b>	<b>9,111</b>	<b>8.1%</b>	<b>PAT margin impacted by higher effective tax rate</b>
<b>EBITDA</b>	<b>192,665</b>	<b>27.6%</b>	<b>175,387</b>	<b>28.0%</b>	<b>17,278</b>	<b>9.9%</b>	<b>EBITDA margin relatively consistent over the two years</b>



# FINANCIAL HIGHLIGHTS

**\$84.6M**

Cash flows from operations

**\$58.1M**

Payments for property,  
plant and equipment

**\$50.3M**

Fully Franked Dividends paid  
in cash

**\$52.7M**

Net cash holdings

Cash flow from operations

↓ **\$18.6M**

Property

**\$44.5M**

FY21 Final dividend 39.0 cps  
FY22 Interim dividend 39.0 cps  
*fully franked dividends*

Net cash

↓ **\$32.1M**

Inventories increased \$50.7m to  
mitigate longer supply lead times and  
to facilitate growth.

Higher effective tax rate.

Plant & Equipment

**\$13.6M**

DRP & BSP take up of c.21%

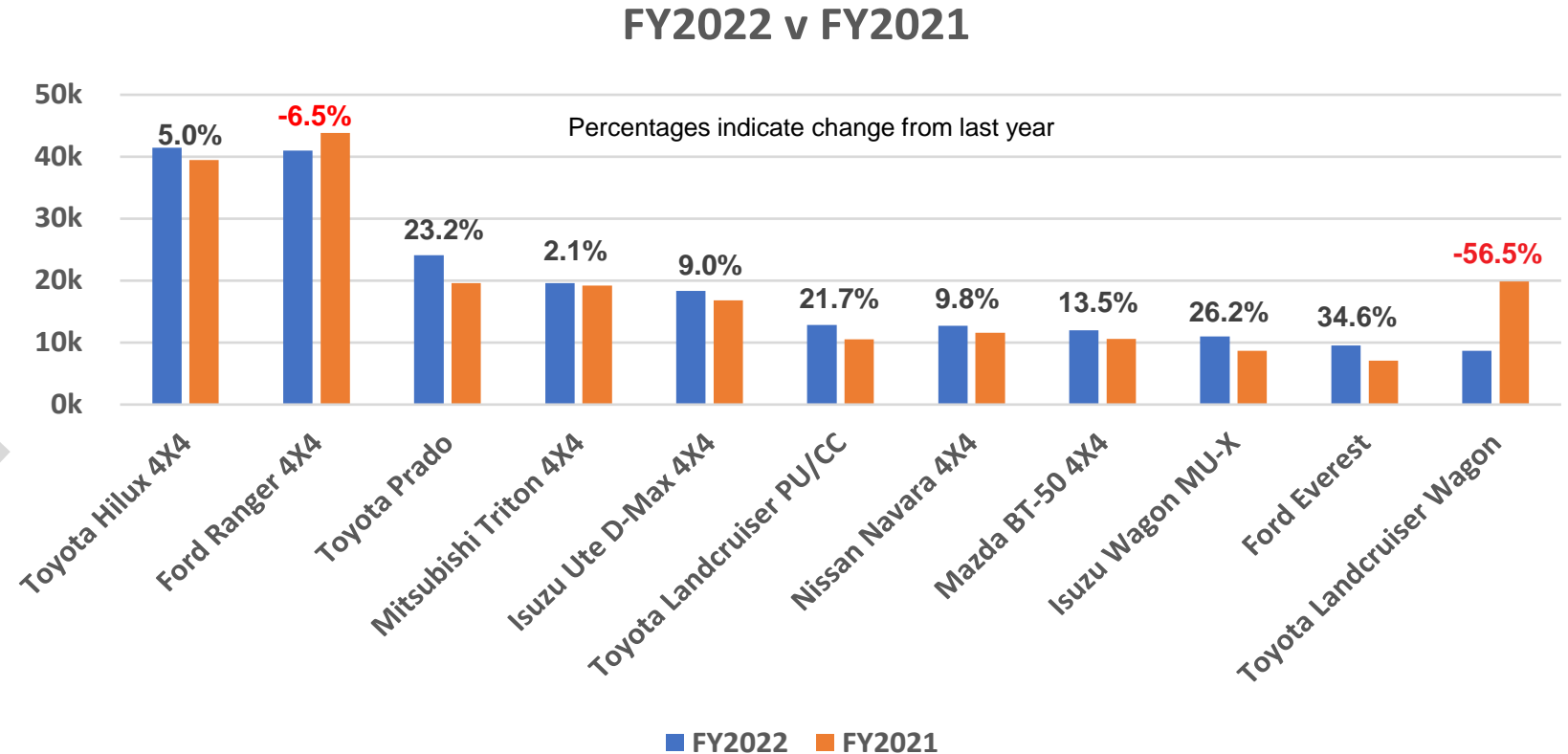
Debt

**\$0**

FY2022 v FY2021

# AUSTRALIAN NEW VEHICLE SALES

ersonal use only



Model  
changeover of the  
Toyota Landcruiser

Model  
changeover of the  
Ford Ranger

Mid-size SUVs:  
Toyota Prado and  
Ford Everest

FORD



RANGER

TOYOTA



HILUX

TOYOTA

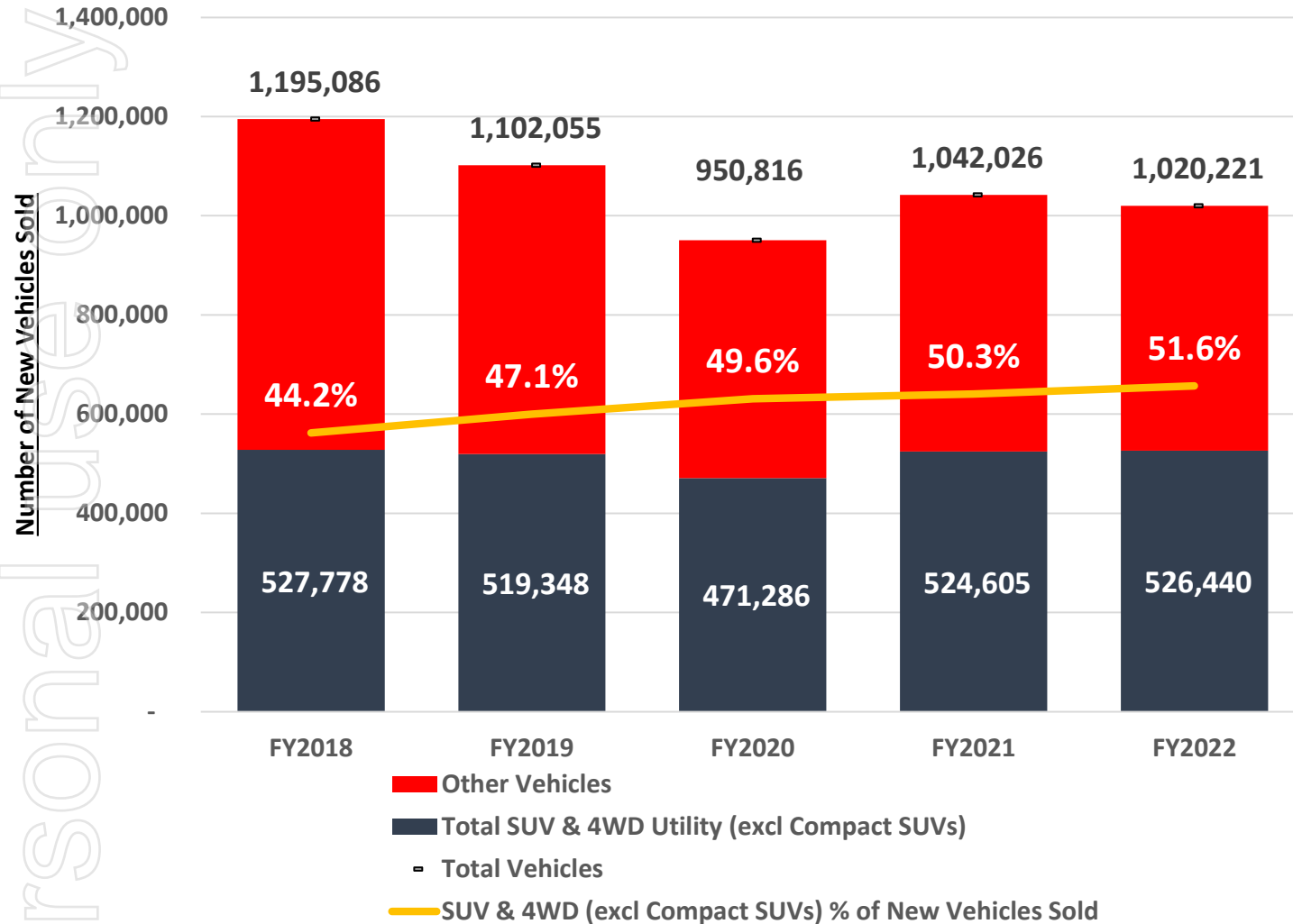


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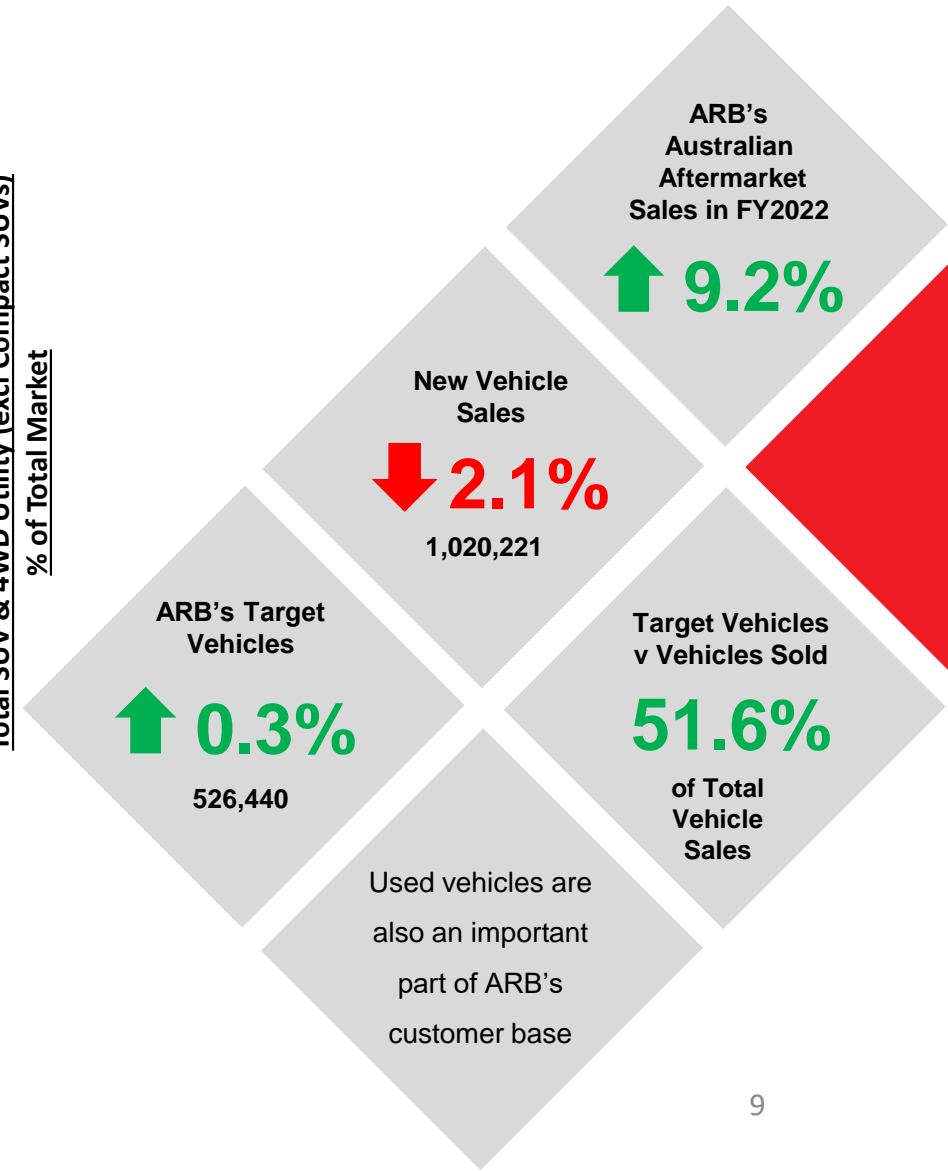


FY2022 v FY2021

# AUSTRALIAN NEW VEHICLE SALES



Total SUV & 4WD Utility (excl Compact SUVs)  
% of Total Market



# ARB FLAGSHIP STORES

AUSTRALIAN AFTERMARKET



34

ARB FLAGSHIP STORES  
NATIONWIDE

74

ARB Stores in  
Total Nationwide

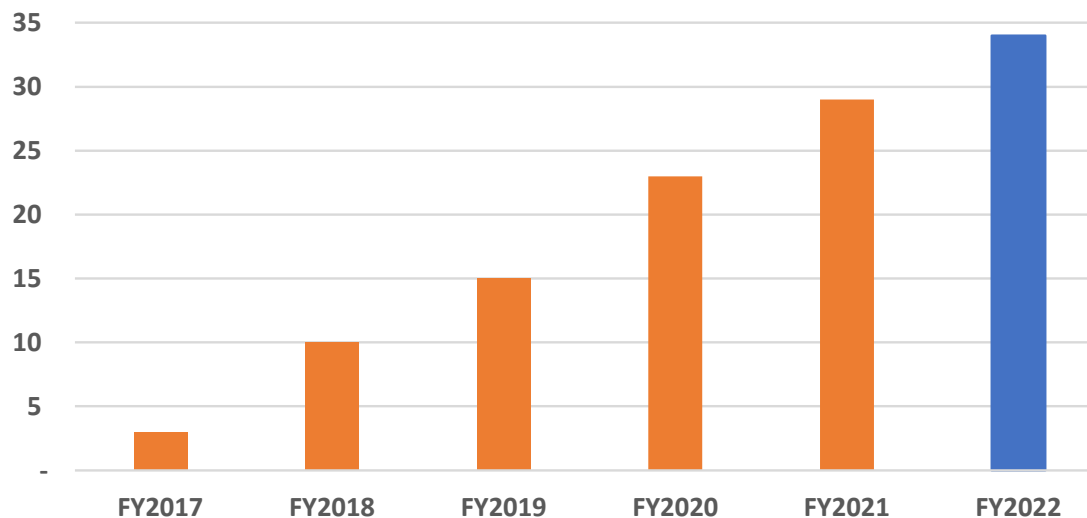
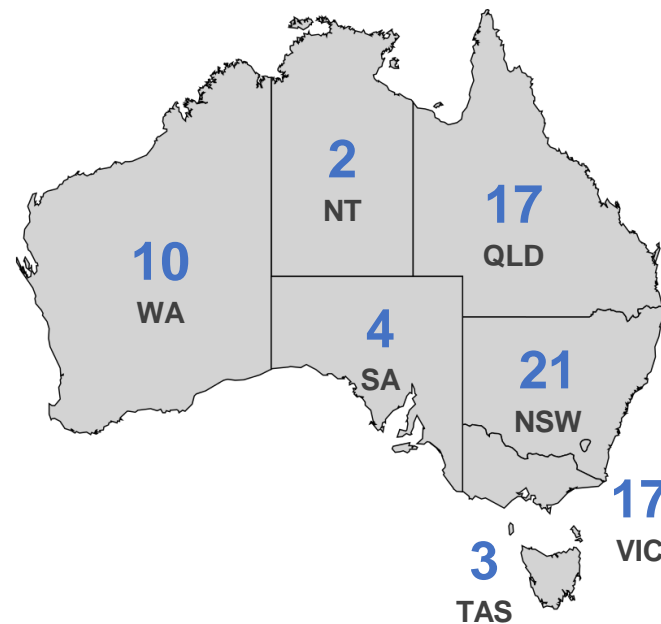
30

ARB Company  
Owned Stores

44

ARB Branded  
Stores

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



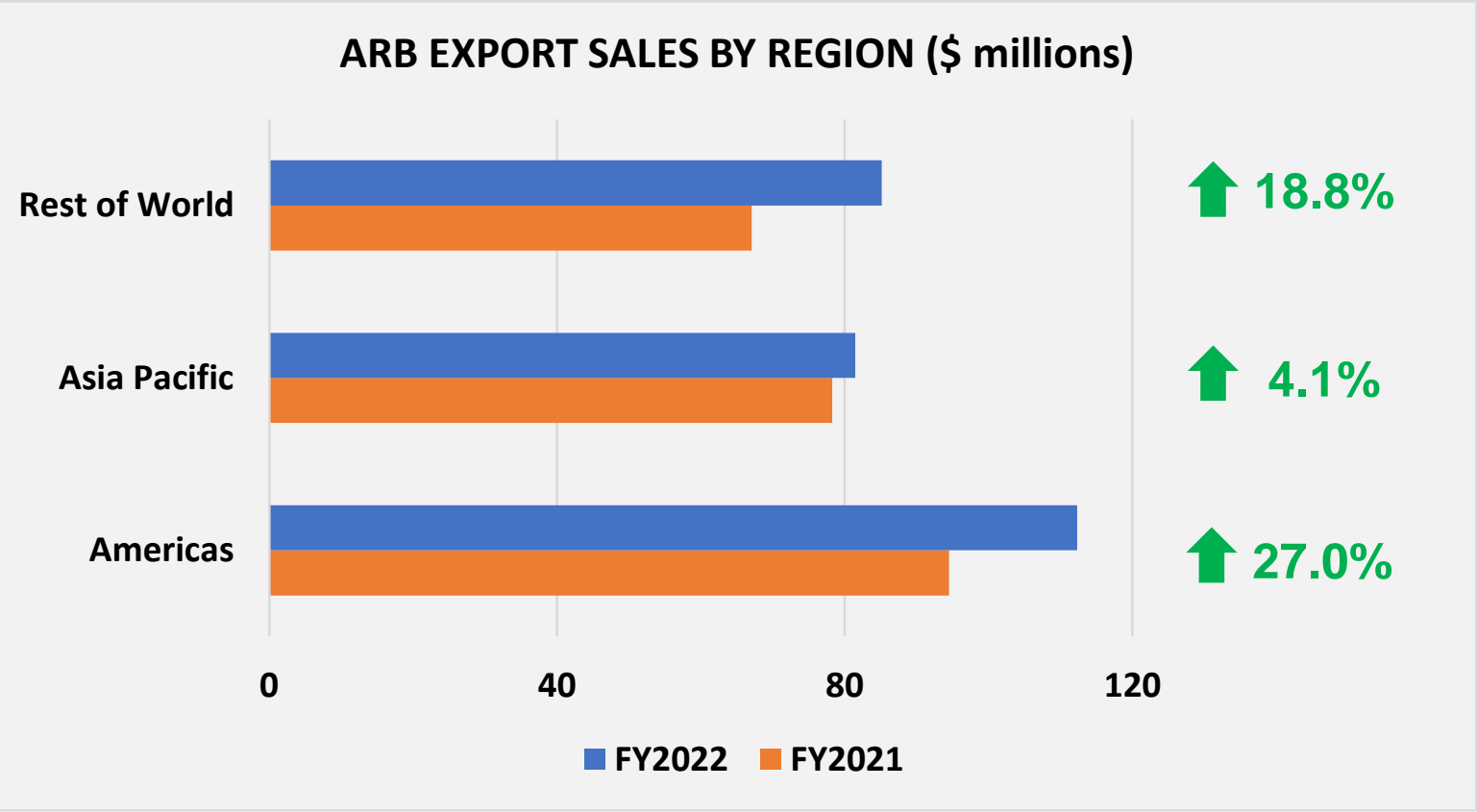
New ARB  
Stores  
RUTHERFORD, NSW  
SALE, VIC  
MELTON, VIC  
KARRATHA, WA



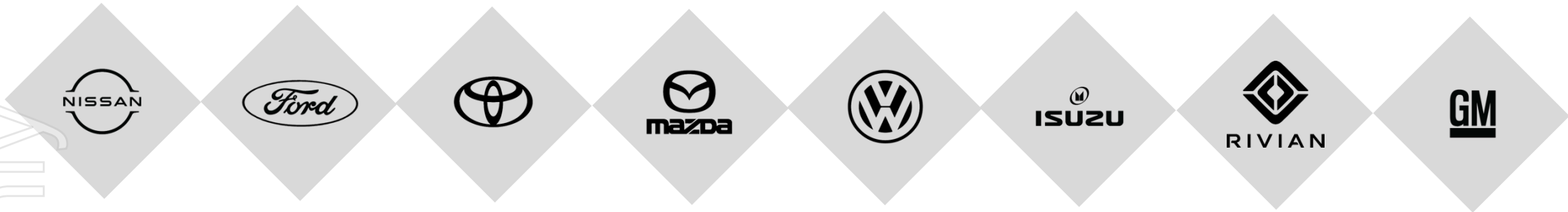
# EXPORTS



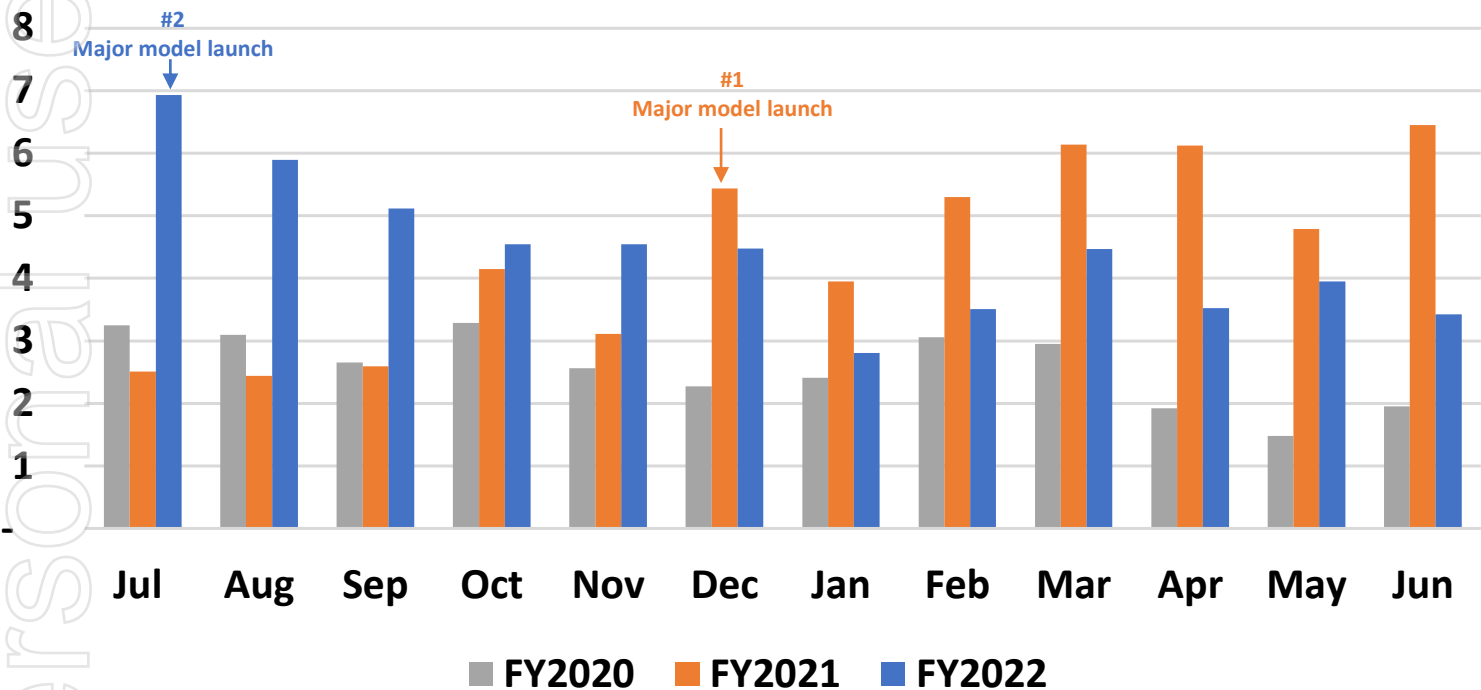
Export sales grew by **17.4%** and now represent 38.7% of total sales



# ORIGINAL EQUIPMENT MANUFACTURERS



Sales to Original Equipment Manufacturers (\$ millions)

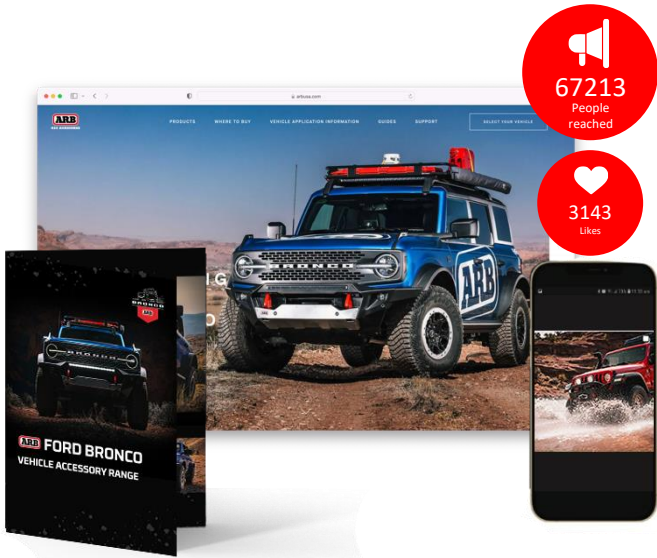


Overall OEM sales growth of **0.2%** after a record 73.9% sales increase last year

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



**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

**Greg Freemantle** Top fan  
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! 🔥🔥🔥🔥

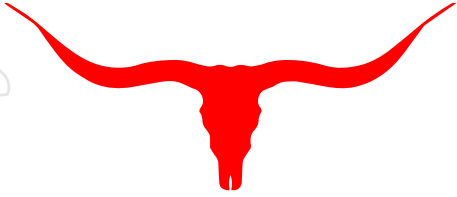
**mallroad4wd** That not the usual front bumpers we like from ARB. Hopefully an aussie style model is on the way  
72w Reply

**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

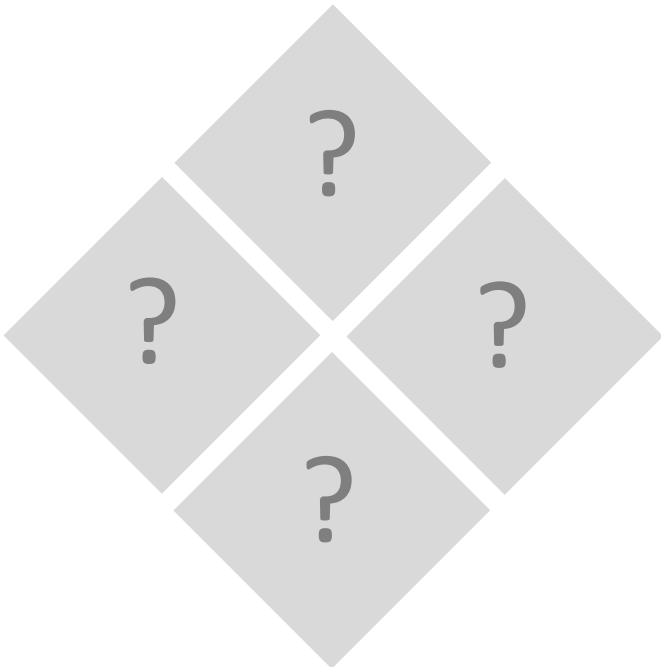


- Accessories Launched
- Full line-up of protection equipment
  - OME suspension system
  - BASE roof rack
  - Snorkel
  - Air locker



- 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



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## ARB 4X4 ACCESSORIES

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