

ASX ANNOUNCEMENT

6 February 2023

MARKET UPDATE

The Board of ARB Corporation Limited (“**ARB**” or the “**Company**”) provides the following update to the market for the half year ended 31 December 2022 (“**1H FY2023**”).

Based on preliminary, unaudited management accounts for 1H FY2023, the Company achieved:

- Sales revenue of \$340.9 million, down 5.1% compared with the previous corresponding period. Pleasingly, the second quarter of 1H FY2023 (“**2Q FY2023**”) was slightly ahead of the same period last year, an improvement from the 10.0% decline in the first quarter reported at the 2022 AGM.

Sales to the Australian Aftermarket achieved 2.7% growth during 1H FY2023, whilst sales to export markets and original equipment manufacturers were consistent with expectations at the 2022 AGM, down 8.8% and 36.9% respectively.

- Profit before tax within the range of \$64.0 million to \$64.6 million, a decline of 29.7% compared with the previous corresponding period. The profit result reflects the lower sales and the inflationary impact on the Company’s cost base in particular.

Pleasingly, inflationary pressure on the Company’s cost base moderated throughout 2Q FY2023 with freight and steel costs retreating towards more historical levels. Furthermore, recent sales price increases will improve margins and recruitment opportunities appear to be improving despite continuing to be challenging.

The Company maintains a positive short-term outlook based on its continuing strong customer order book, which is in line with order levels throughout 2022. ARB is focused on supporting export markets and pursuing various market opportunities whilst managing input costs and global supply chain pressures.

The Board believes ARB remains well positioned to achieve long term success through:

- New product development with a number of new and innovative products to be released in 2H FY2023;
- Expansion of the Australian Aftermarket through new and upgraded retail stores and stockists;

- For personal use only
- Strategic partnerships with key Original Equipment customers in Australia and internationally;
 - Increased distribution and manufacturing capacity to accommodate future growth; and
 - A well-balanced management team with a blend of long-term ARB and experienced external executives.

ARB expects to release its results for 1H FY2023 and further commentary on Tuesday, 21 February 2023. The Company will host a webcast of the 1H FY2023 results at 10.00am on the same day, details for which will be provided via an ASX announcement one week prior.

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