



4X4 ACCESSORIES

FY2023 FINANCIAL RESULT



Lachlan McCann - Chief Executive Officer
Damon Page - Chief Financial Officer & Company Secretary

22 August 2023

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FINANCIAL HIGHLIGHTS
NEW VEHICLE SALES
SALES
PRODUCTS & OPERATIONS
OUTLOOK



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FINANCIAL HIGHLIGHTS



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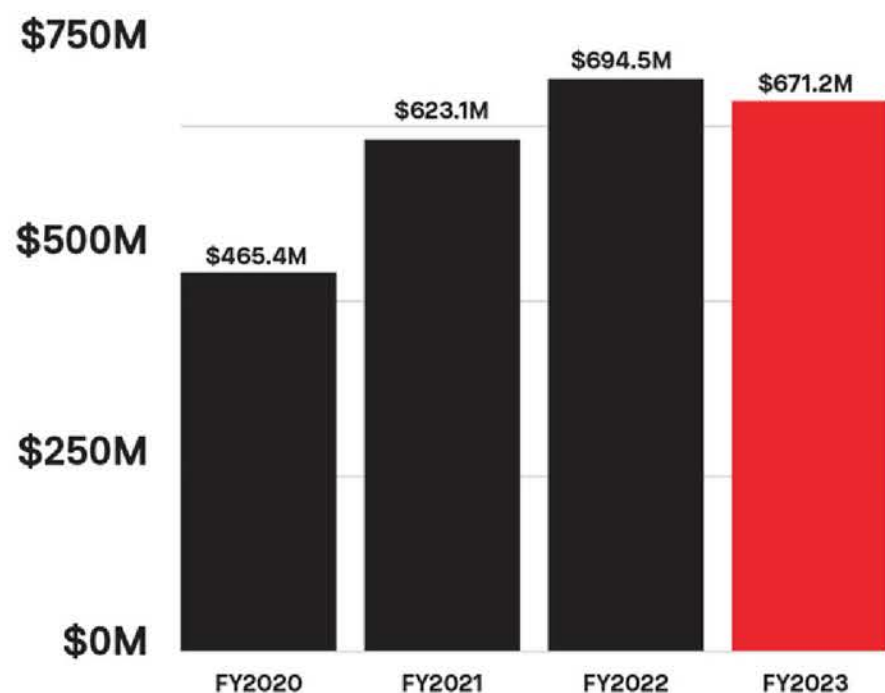
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FY23 FINANCIAL HIGHLIGHTS



SALES REVENUE V FY22
SALES REVENUE: \$671.2M

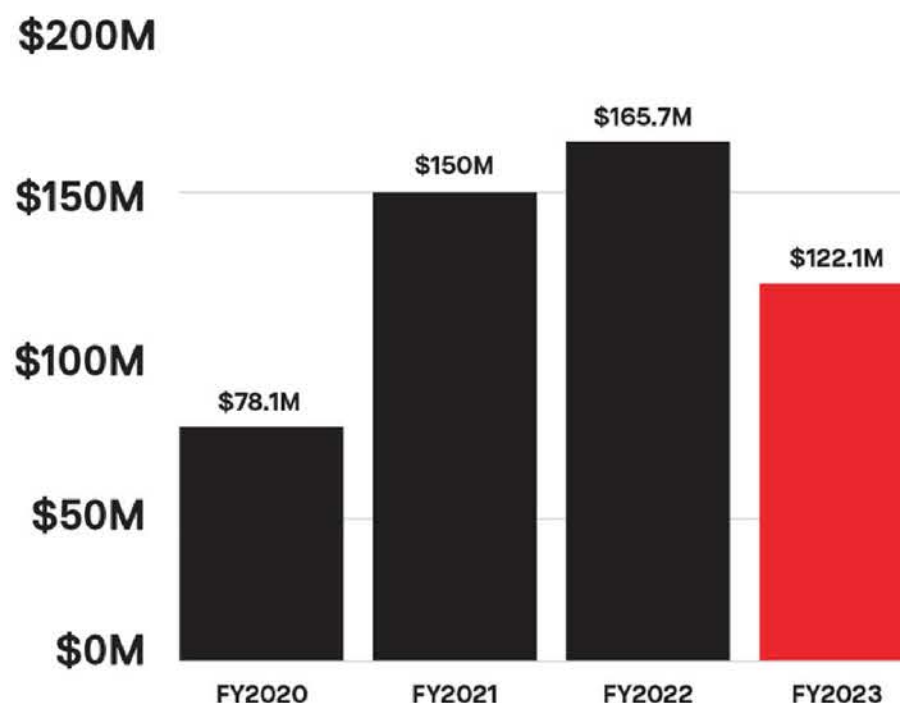
DOWN 3.4%



- Sales CAGR of +13.0% from FY20 (i.e., consolidation of last two years' growth).
- Growth achieved in Australian Aftermarket .
- Declines in Exports (predominantly US) and OEM, both flagged previously.

NET PROFIT BEFORE TAX V FY22
NET PROFIT BEFORE TAX: \$122.1M

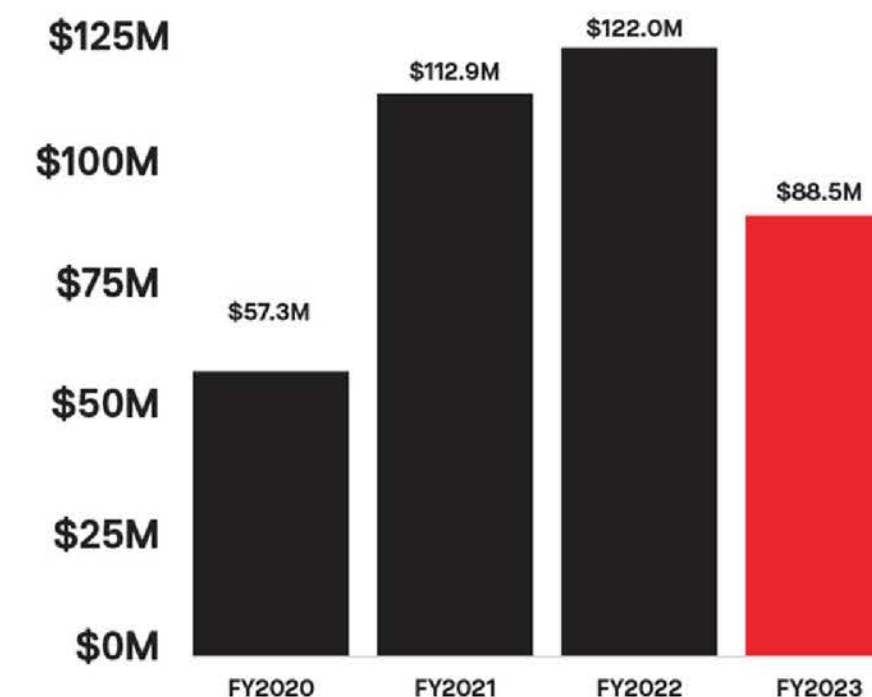
DOWN 26.3%



- Profit before tax CAGR of +16.1% from FY20 i.e., consolidation of last two years' sales growth.
- Key impacts include:
 - inflationary pressures
 - delayed price increases effect
 - weaker Australian dollar
 - overhead recoveries with less stock buildup
 - non-cash provisions.

NET PROFIT AFTER TAX V FY22
NET PROFIT AFTER TAX: \$88.5M

DOWN 27.5%



- Effective tax rate increased from 26.4% to 27.5% due to higher earnings in higher taxing jurisdictions.
- Earnings per share of 107.9 cents, down 27.8%.

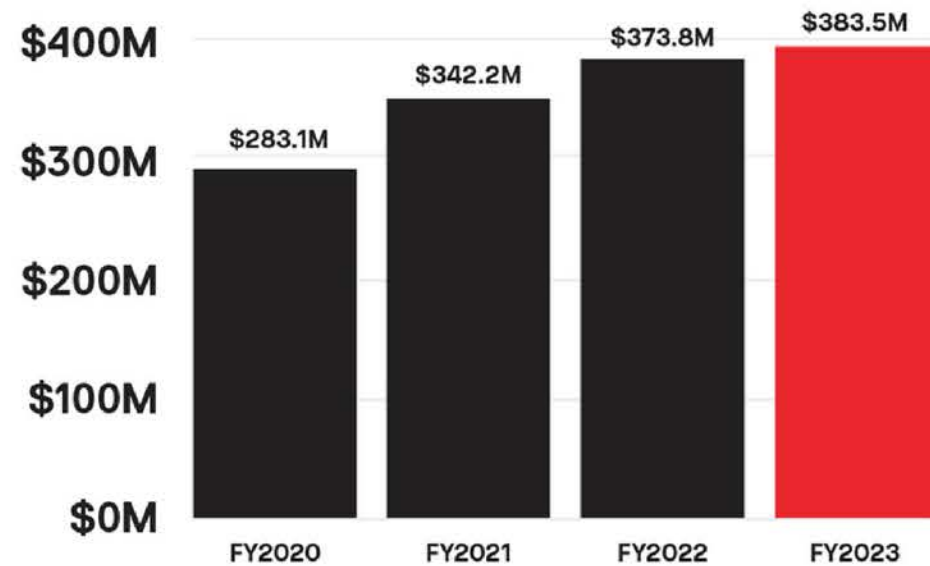
FY23 FINANCIAL HIGHLIGHTS



TOTAL GROUP SALES BY CHANNEL

AUSTRALIAN AFTERMARKET SALES REVENUE: **\$383.5M** V FY22

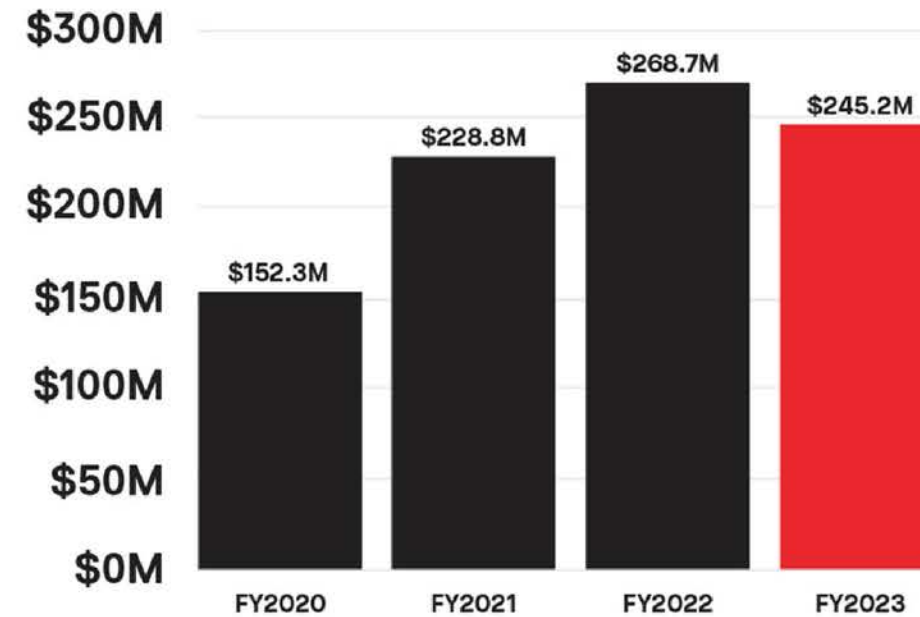
UP 2.6%



- Represents 57.2% of total sales (FY22: 53.8%).
- Growth of 5.2% excluding the decline in Thule branded products via GoActive Outdoors.
- Mixed results across sales channels.

EXPORT SALES SALES REVENUE: **\$245.2M** V FY22

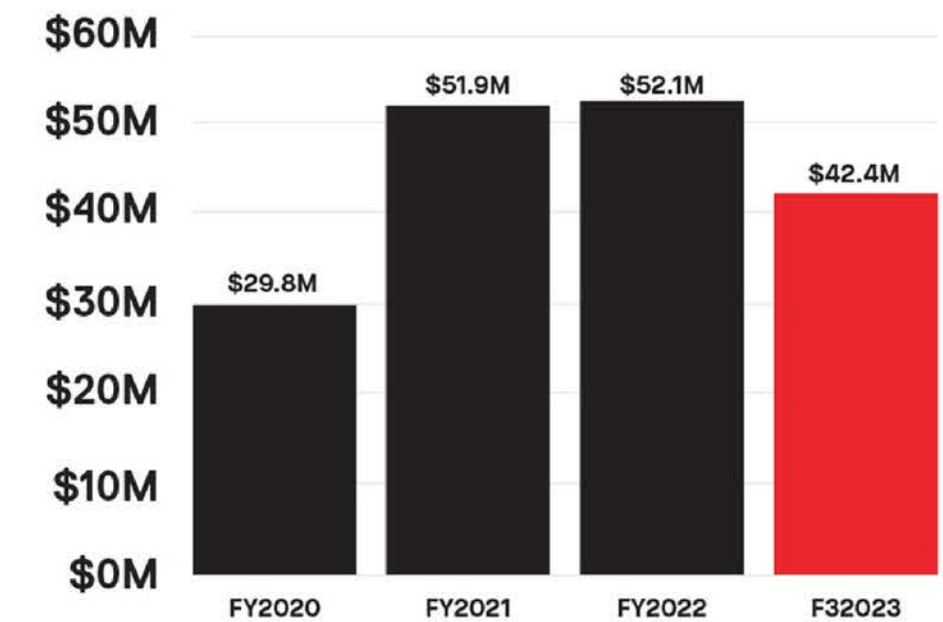
DOWN 8.7%



- Represents 36.5% of total sales (FY22: 38.7%).
- Sales into the US severely disrupted by the sale and restructuring of the major US customer, 4 Wheel Parts with 100+ retail stores.
- Strong finish to the year in the UK with new vehicle supply improving.

ORIGINAL EQUIPMENT SALES REVENUE: **\$42.4M** V FY22

DOWN 18.5%

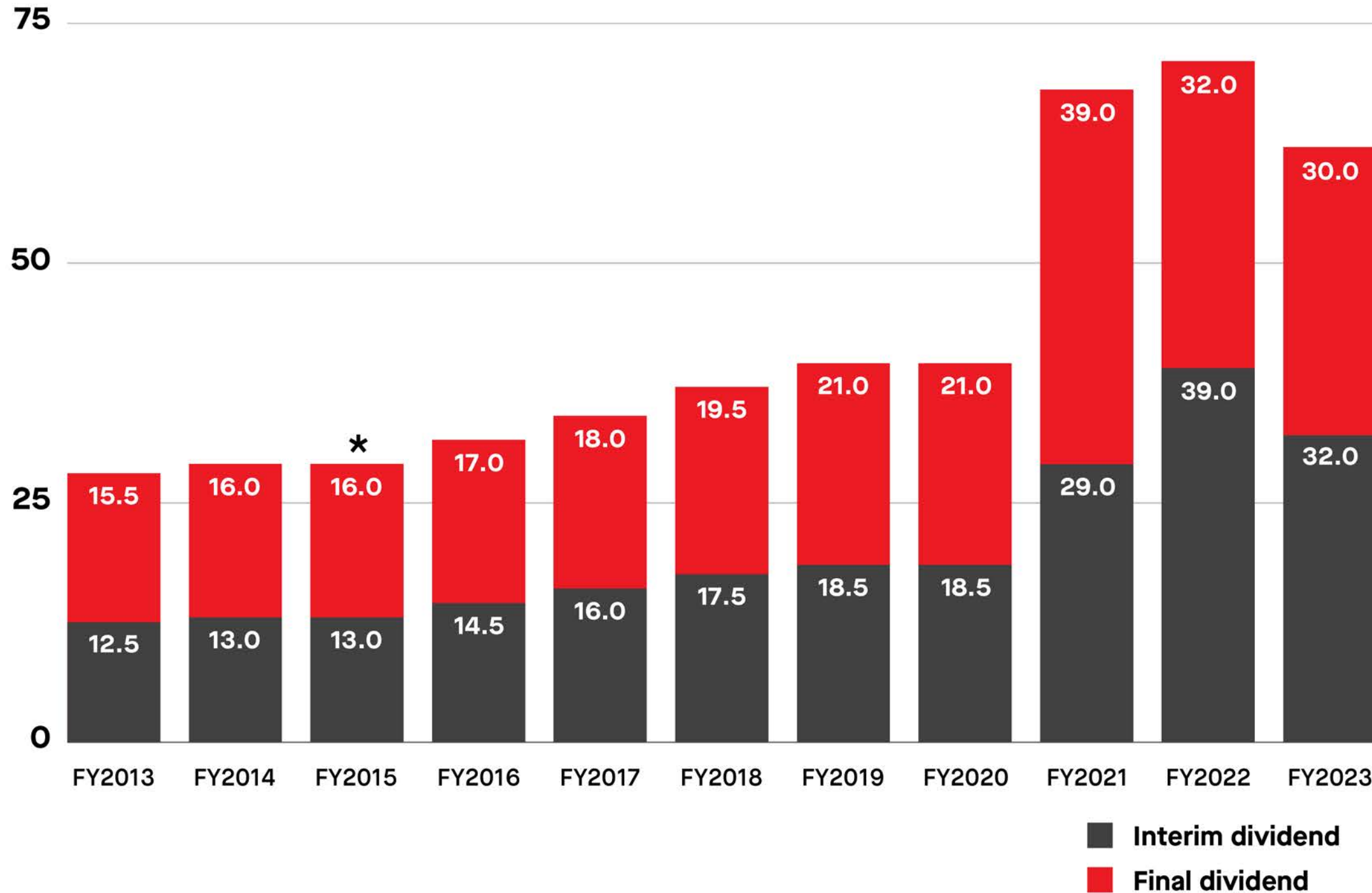


- Represents 6.3% of total sales (FY22: 7.5%).
- Full year down due to timing of contracts and releases of new models, 2H FY23 up \$4m or 19.7% on 1H FY23.
- New contracts already in place to underpin solid growth in both FY24 and FY25.

FY23 FINANCIAL HIGHLIGHTS



FULLY FRANKED DIVIDENDS (cents per share) AT 30% TAX RATE



Dividends fully funded from operating cash flows.

Total dividends for FY23 decreased from 71.0 cps to 62.0 cps.

Dividend payout ratio increased from 48% to 57%.

Key Dates:

Record: 6 October 2023

Payment: 20 October 2023

DRP and BSP in operation with 2.0% discount.

* FY2015 excludes \$1.00 special dividend paid that year

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FY23 PROFIT & LOSS STATEMENT FINANCIAL HIGHLIGHTS



A\$000s	FY23	% SALES	FY22	% SALES	\$ CHANGE	% CHANGE	COMMENTS
Sales and other revenue	675,037		697,276		(22,239)	(3.2%)	
Reversal of Truckman contingent consideration	13,673		-		13,673	100.0%	(i) As reported at December 2022
Total Revenue	688,710		697,276		(8,566)	(1.2%)	
Materials & consumables used	(314,570)	47%	(305,129)	44%	(9,441)	(3.1%)	Cost inflation in advance of sales price increases, weaker AUD, lower factory recoveries, non-cash provisions
Employee expenses	(150,134)	22%	(144,403)	21%	(5,731)	(4.0%)	
Depreciation and amortisation expense	(25,884)	4%	(24,992)	4%	(892)	(3.6%)	
Advertising expense	(7,323)	1%	(5,860)	1%	(1,463)	(25.0%)	Resumption of marketing activities
Distribution expense	(16,685)	2%	(17,013)	2%	328	1.9%	Distribution costs in 2H reduced to historical levels
Finance expense	(1,684)	0%	(2,069)	0%	385	18.6%	
Occupancy expense	(15,373)	2%	(14,432)	2%	(940)	(6.5%)	Inflationary pressure
Maintenance expense	(6,057)	1%	(6,392)	1%	335	5.2%	
Impairment loss on Truckman goodwill	(13,407)	2%	-	0%	(13,407)	(100.0%)	(i) As reported at December 2022
Other expenses	(15,517)	2%	(11,308)	2%	(4,209)	(37.2%)	Increased travel and insurance premium costs
Profit before income tax expense	122,076	18%	165,678	24%	(43,602)	(26.3%)	

Materials and consumables used increased from 44% of net sales value to 47%.

Inflationary pressure on the Company's cost base moderated through calendar year 2023. Weaker AUD persists.

Sales price increases have now filtered through the customer order book.

Currently working through higher costed inventories with peak freight and steel prices.

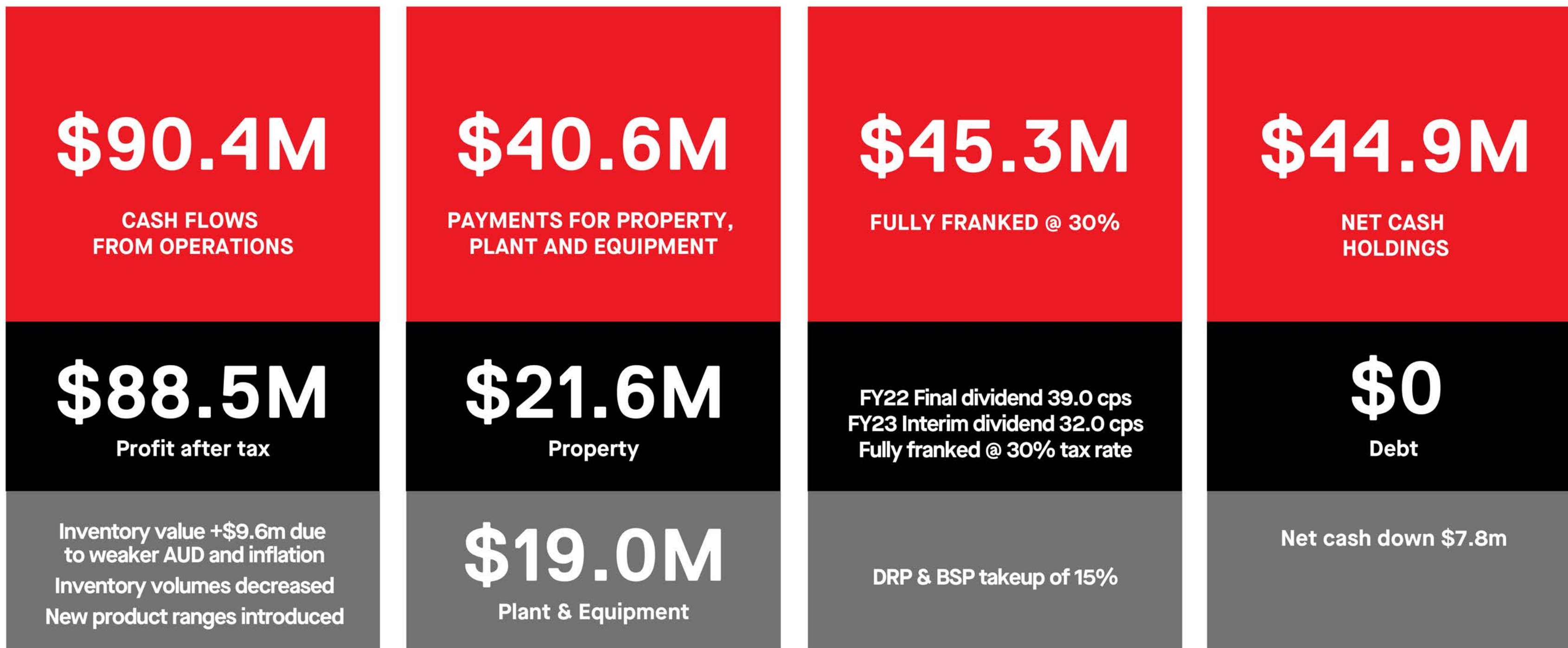
FY23 operational costs contained during high inflationary period.

Gross profits in Q1 FY24 have returned to historical levels.

(i) Adjustments to the Truckman contingent consideration and goodwill were reported in detail in the 1H FY23 financial report.

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FY23 CASH FLOW FINANCIAL HIGHLIGHTS





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NEW VEHICLES SALES



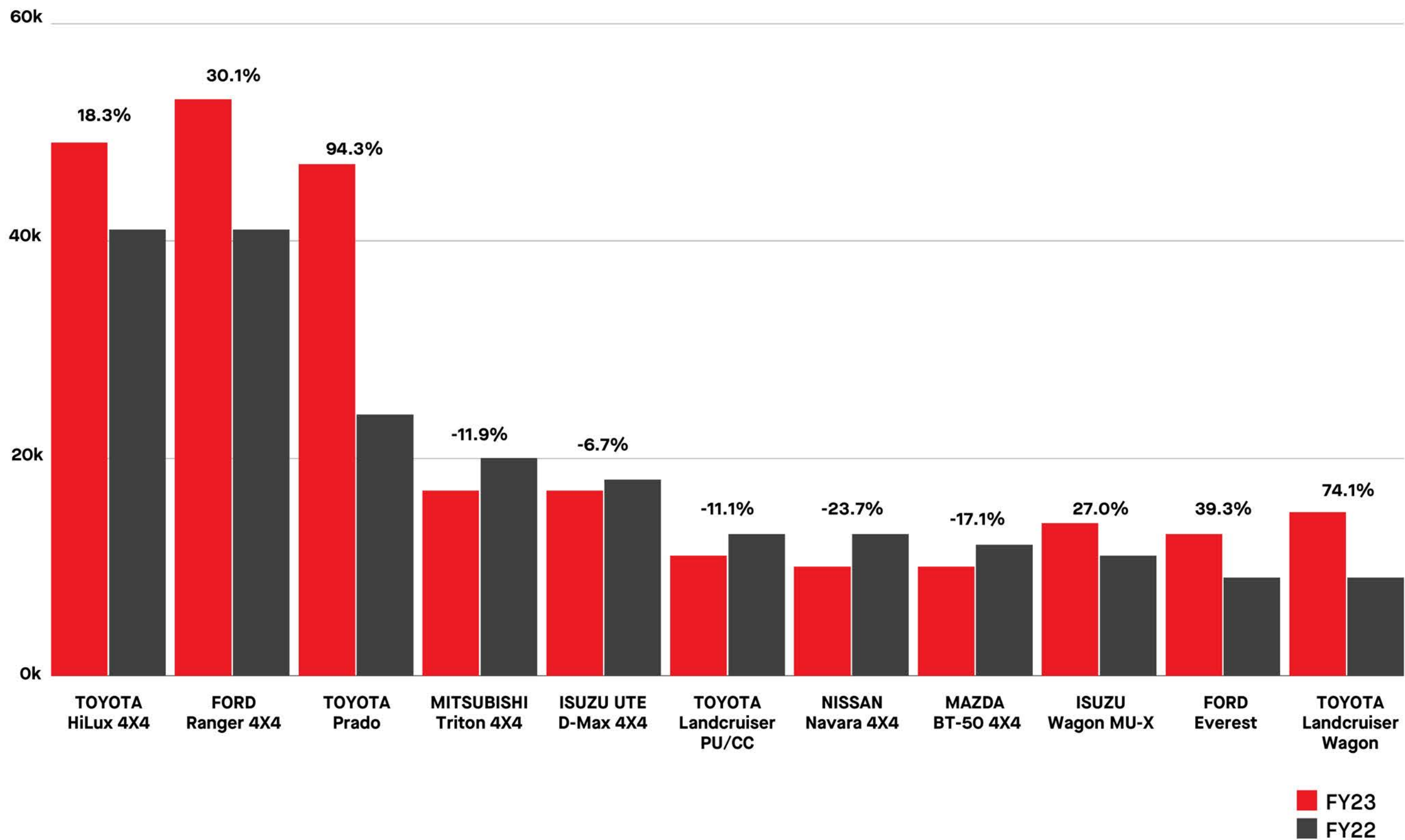
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FY23 AUSTRALIAN NEW VEHICLE SALES v FY22



Number of Vehicles sold (000s); Percentage change FY23 v FY22



Improved vehicle supply in 2H FY23 compared with 1H FY23.

Consistency of supply by make & model remained a challenge.

Healthy volumes of 4x4 Ford Ranger and Toyota HiLux a highlight.

Healthy recovery to Toyota LC300 from Toyota LC200.

Positive outlook for key ARB vehicle sales in H1 FY24.



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SALES



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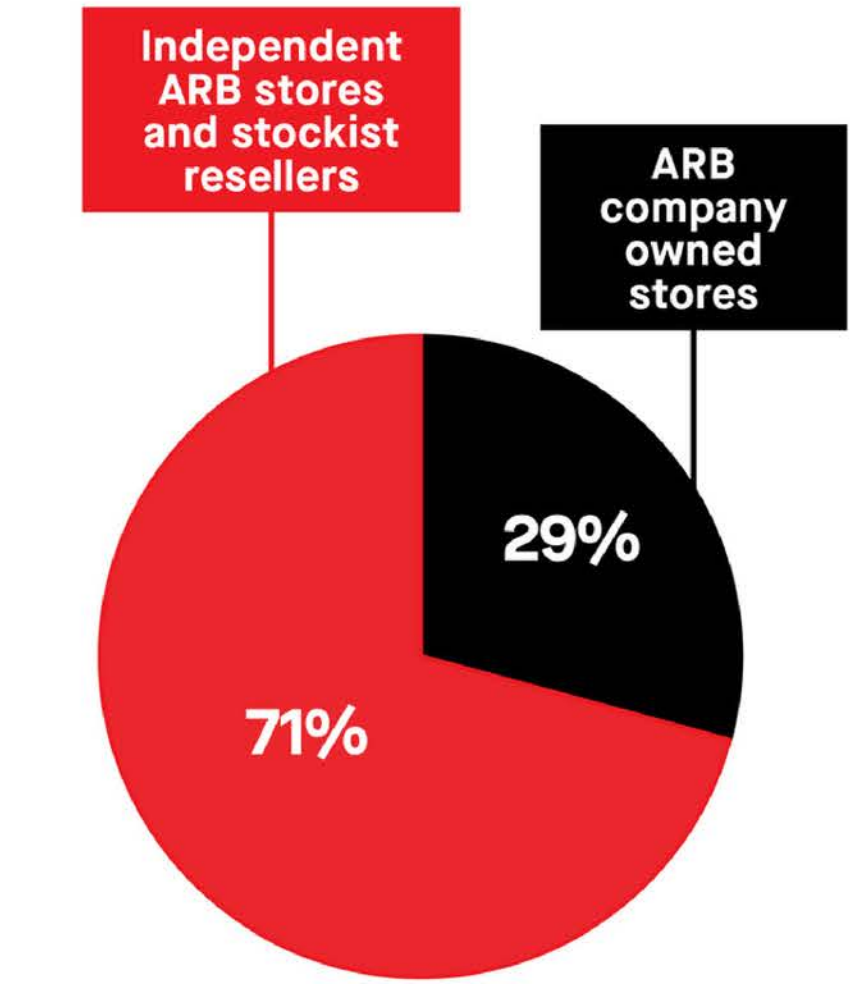
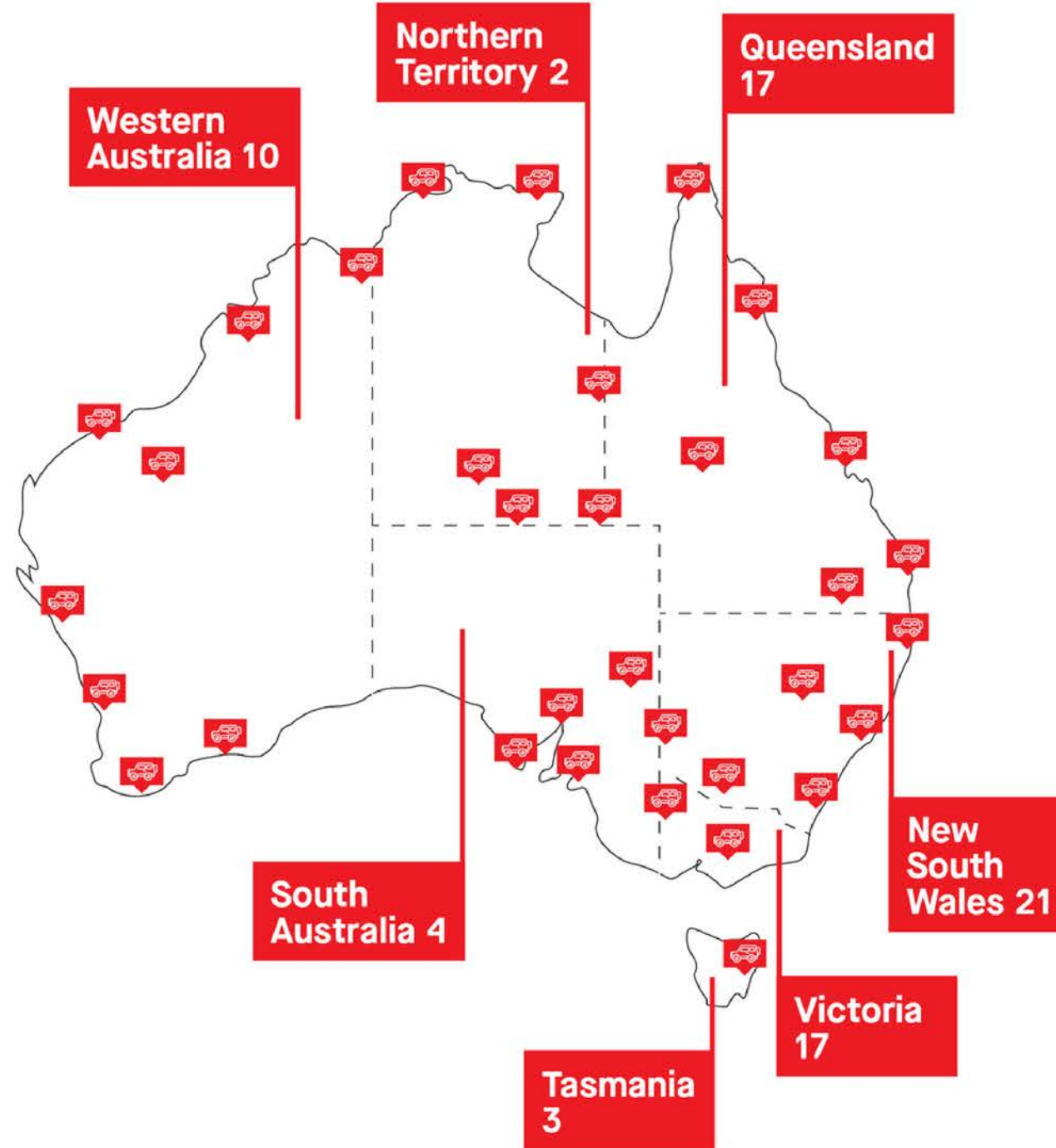
FY23 AUSTRALIAN AFTERMARKET DISTRIBUTION

74 ARB STORES IN TOTAL NATIONWIDE

30 ARB COMPANY OWNED STORES

44 ARB BRANDED STORES

150+ STOCKISTS AND INDEPENDENT RESELLERS



ARB's strong and growing wholesale, fleet and dealer business remains integral to the national sales performance.

Australian Aftermarket up 2.6% despite challenging market conditions. Total orders remain historically high.

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FY23 AUSTRALIAN AFTERMARKET **BRANDED HOUSE**



By James Waller



Retail one stop shop for new product integration



Enhanced go to market. Simple and effective marketing execution



Long term customer loyalty

FY23 AUSTRALIAN AFTERMARKET SALES & BUSINESS DEVELOPMENT



Short to medium term flagship store roadmap well developed to accelerate new stores.

Store development programme to accelerate following delays resulting from building costs and council permit approvals in FY23.

Average order intake over the last 12 months has trended positively over PCP. Total orders in-line with reporting at half year.

Vehicle supply remained constrained in 2H FY23, however, vehicle supply expected to improve in 1H FY24.



FYSHWICK, ACT



ALBURY, NSW



OSBORNE PARK, WA



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FY23 AUSTRALIAN AFTERMARKET NATIONAL FITTING PERFORMANCE



POSITIVE

Order backlog remains at historically high levels.

OPPORTUNITY

Fitting capacity continues to be a key challenge within ARB and the broader distribution network and is constraining revenue.

FOUR KEY STRATEGIC INITIATIVES ARE IN PROGRESS TO IMPROVE THIS SITUATION

1 **Upskill Workforce:** Increasing productivity of current workforce through targeted training, development, employee retention schemes and goal setting.

2 **Fast Track Induction:** Selective working groups in critical locations mobilizing mature ARB workshop trainers to work with hand-picked trainees on an 8-week intensive induction program.

3 **Technician Pathway:** A comprehensive program to determine and drive competency across ARB's technical group. Reward & recognise the complexity of the various products and combinations of products installed by ARB technicians.

4 **Skilled Migration:** Employees have been contracted from off-shore and commenced work in ARB Corporate and non-Corporate stores. Further skilled migration will be considered after assessment of the trial group.



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FY23 AUSTRALIAN AFTERMARKET **FORD PARTNERSHIP**

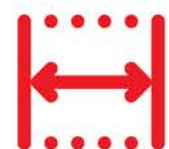


**TWO ICONIC BRANDS HAVE JOINED FORCES
TO BRING AN INDUSTRY-LEADING VEHICLE
PERSONALISATION**

Program uptake has exceeded both Ford and ARB's expectations.

Social media and retail consumer engagement with collaboration remains a highlight.

Working with Ford engineering to introduce new products as vehicles come to market.



Broad Range of Products from New Ranger & Everest Launch



Strong ARB Network Support



New Fleet Opportunities



Engaged Dealer Partners



Global Opportunities

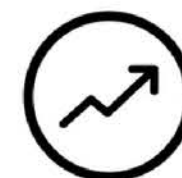
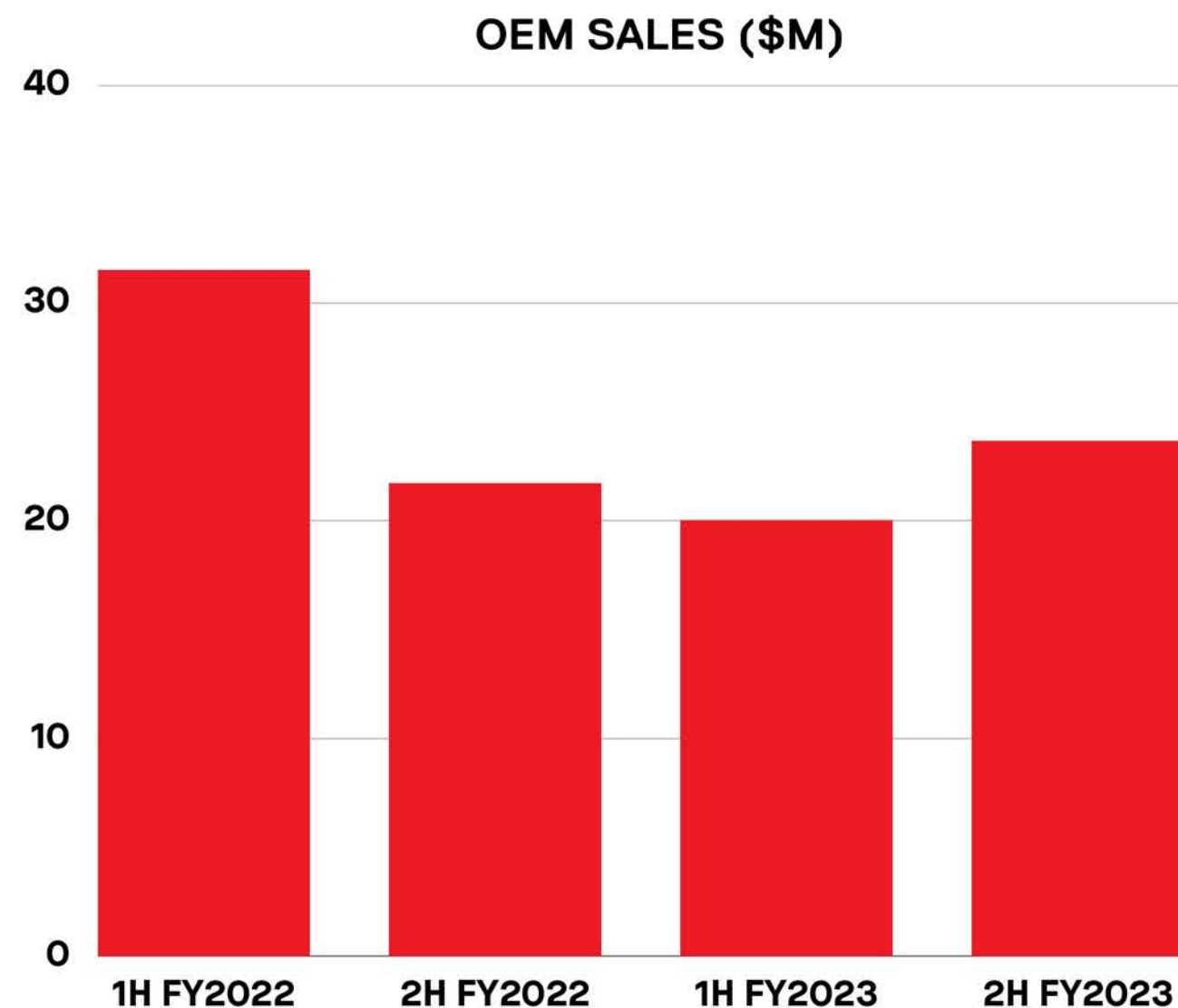


Ford & ARB Brand Enhancement



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FY23 ORIGINAL EQUIPMENT MANUFACTURERS



Overall OEM sales declined 18.5% on a YOY basis. However 2H FY23 sales increase 19.7% on 1H FY23 and 7.6% over 2H FY22.

OEM sales represented 6.3% of total FY23 sales.

New projects typically have a two-year to four-year development cycle. ARB has a record number of projects currently underway for OEMs in Australia and overseas.

Sales to OEMs are forecast to grow steadily in FY24. Higher growth forecast in 2H FY24 as new contracts come on-line.



FY23 USA UPDATE



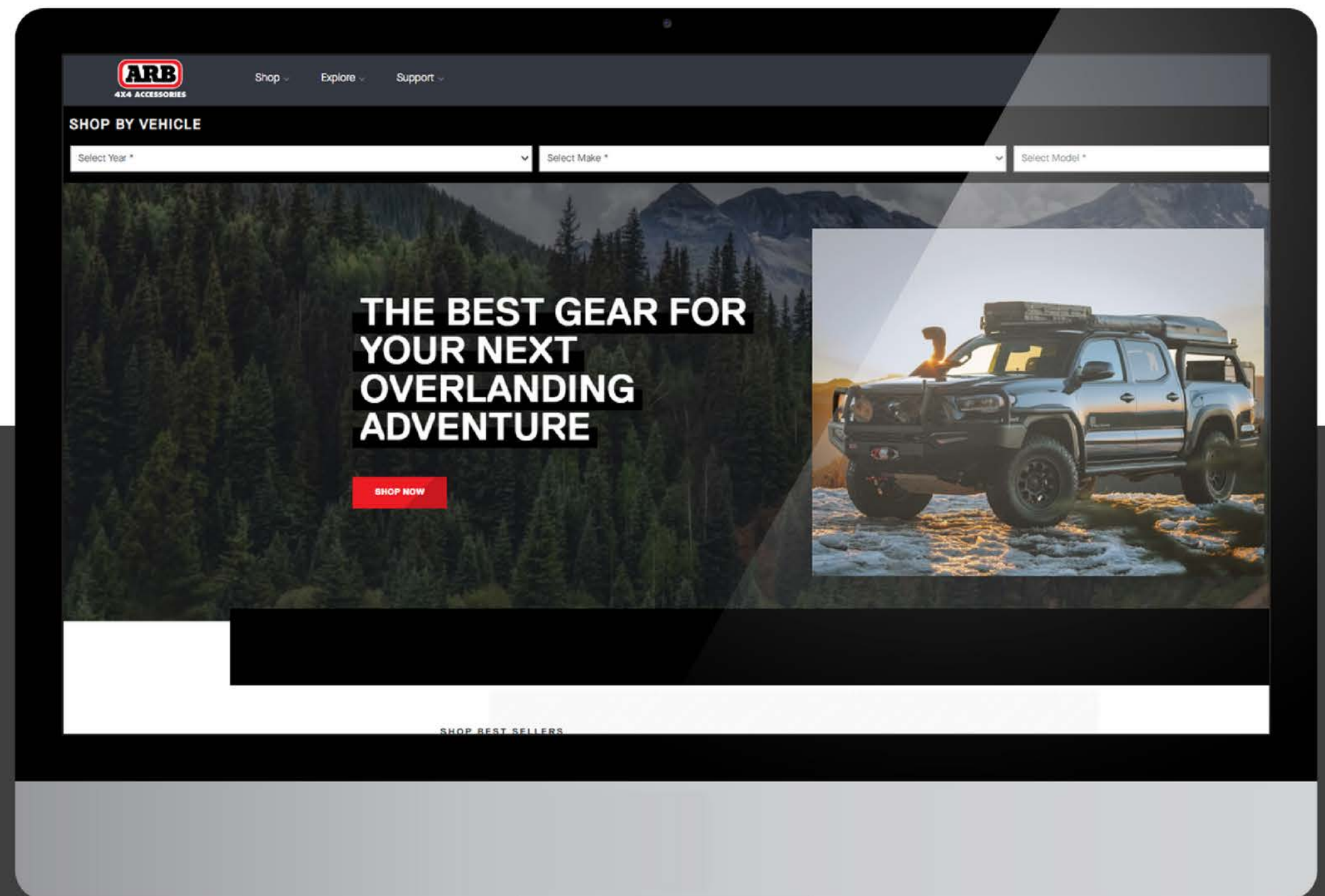
USA WHOLESALE LANDSCAPE

- Challenging year with the continued disruption to ARB USA's channel partners.
- Ongoing changes to 4WP store ownership. Disruption in this sales channel.
- Various options being considered to improve access for end users to ARB products.
- Long-term outlook for the US business remains positive.

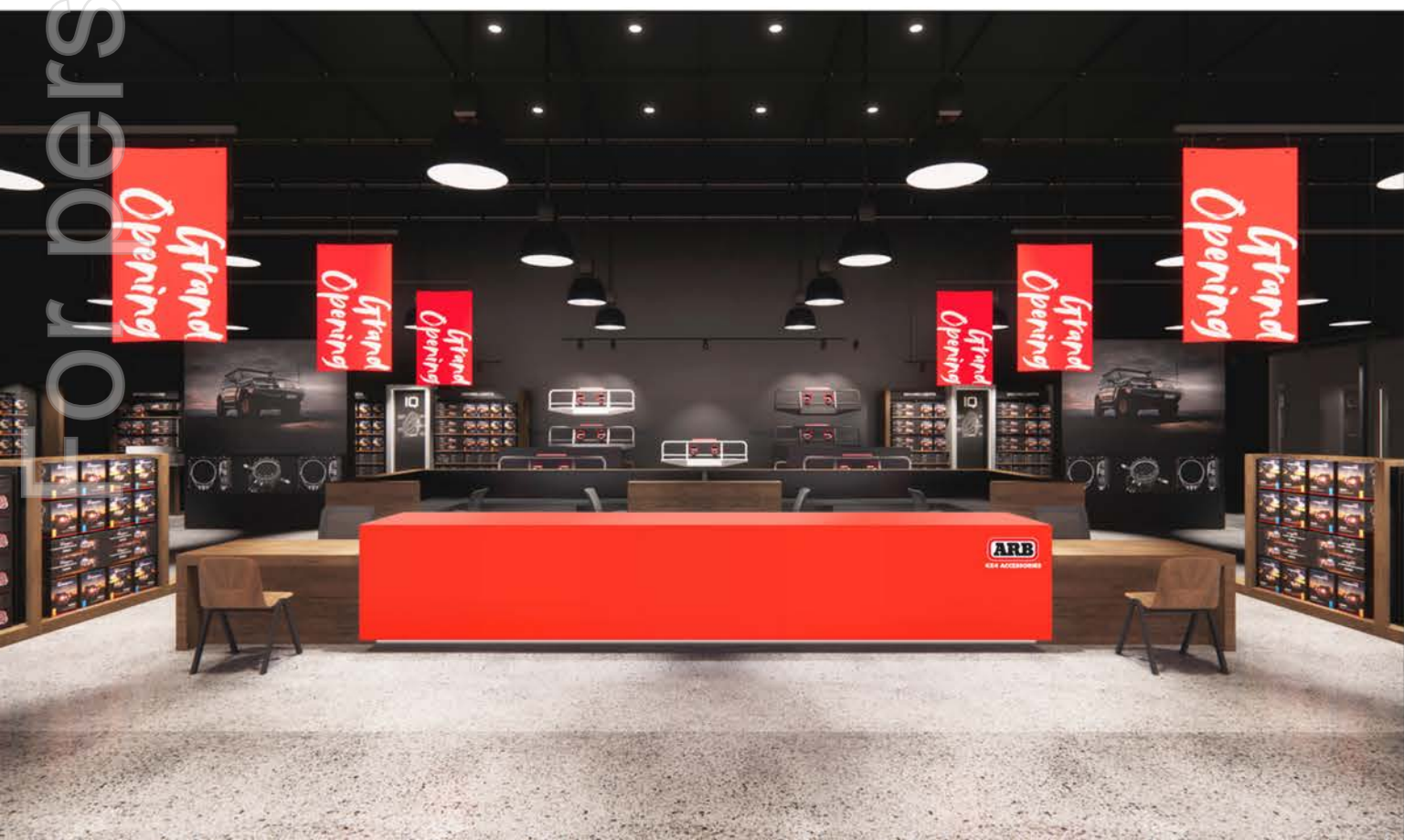
Retail Store 2H FY24: On track. Permitting approved, exterior design complete, general contractor to be appointed.

E-COMMERCE PLATFORM

Will launch in September 2023



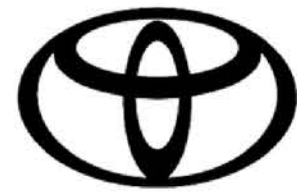
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FY23 USA TOYOTA TACOMA TRAILHUNTER



ARB & TOYOTA USA FORGE NEW PARTNERSHIP



- Halo model Toyota Tacoma, peer to TRD Pro.
- Focus on USA overlanding market.
- All parts are factory fitted.
- Trailhunter vehicle complemented in dealership with 40+ ARB AAP (Toyota approved, dealer supplied) accessories to allow customers to up-fit their Toyota vehicles in dealership.
- Toyota marketing of Halo vehicle will strengthen ARB brand and product in the US.



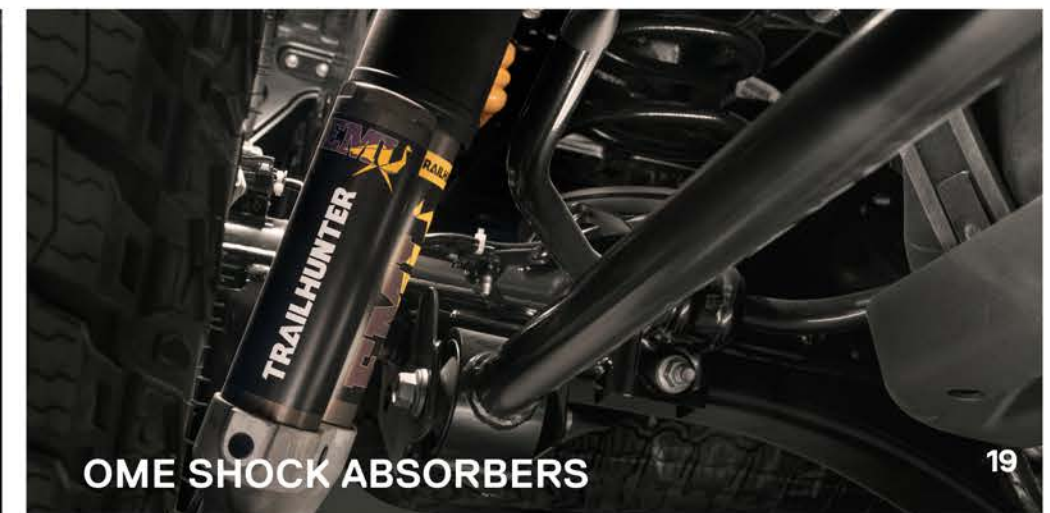
BED RACK & SPORTS BAR



REAR BUMPER



RECOVERY POINTS



OME SHOCK ABSORBERS

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PARTNERSHIP WITH FORD USA CONTINUES TO GROW

- Revenue from Ford program growing. Ford USA has become a key contributor to ARB USA's sales performance.
- New model Ford Ranger due for release in the US 1H FY24.
- ARB has designed and Ford has validated in excess of 15 vehicle specific Ranger accessory parts to be sold through Ford online and dealer channels from launch.
- Opportunities for upstream content attachment continue to be explored.
- ARB Bronco accessory sales continue to grow through Ford and other aftermarket channels.
- New Ford Bronco programs in progress.

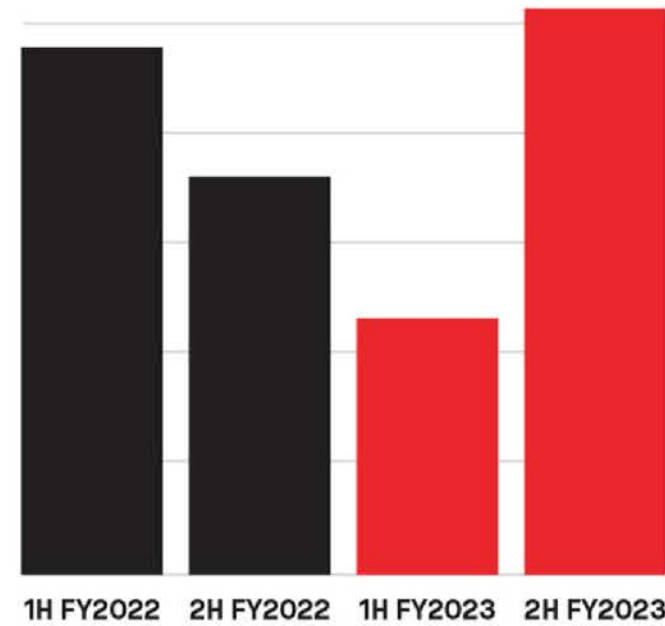


EUROPE



- ARB's European business continued its positive growth in FY23.
- ARB Europe expansion to new 5,000sqm warehouse in Prague in Q1 FY24.

UK -TRUCKMAN



- Sales at Truckman in the UK recovered in 2H FY23.
- Sales recovery in-line with increased availability of pick-up vehicles in market.

NEW ZEALAND



- The Proform business in New Zealand experienced significantly reduced export sales due to high freight and inflated post-COVID customer stock.
- New Zealand head office development and new Flagship Showroom on track for Q4 CY 2023 launch.

MONGOLIA



- Mongolia experiences days during winter of -40C, affecting product performance.
- OME suspension engineers worked in market to upgrade BP-51 shock absorbers to endure the extreme temperatures.
- Great example of ARB's distribution diversity and engineering capability.

Positive outlook as vehicle supply improves.



4X4 ACCESSORIES

PRODUCTS & OPERATIONS



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FY23 PRODUCT EARTH CAMPER LAUNCH



Walkaround video trended at #32 worldwide on YouTube

INTEREST REGISTRATION

940+

DOMESTIC REGISTRATIONS

490+

INTERNATIONAL REGISTRATIONS

LAUNCH HIGHLIGHTS

- Earth Campers have been sold to end users in limited numbers.
- Careful ramp-up of both production and supply to market - Australia only at this time.
- Earth Camper will debut in the USA at SEMA in late October 2023.
- Overwhelmingly positive market response to global launch of Earth Camper.
- Total registrations of interest received: 1.4k+ and growing.
- YouTube Walkaround: 421k+ views and growing.
- Huge engagement from the US market.
- Instagram Launch Reel: 795k+ plays / 14k+ likes / 8k new followers.
- Facebook Launch Reel: 544k views, 373 shares.
- Increase in website traffic.

AUDIENCE LOCATION

United States	34.8%
Australia	21.9%
Canada	5.5%
United Kingdom	3.7%
Thailand	3.0%
Rest of world	31.1%

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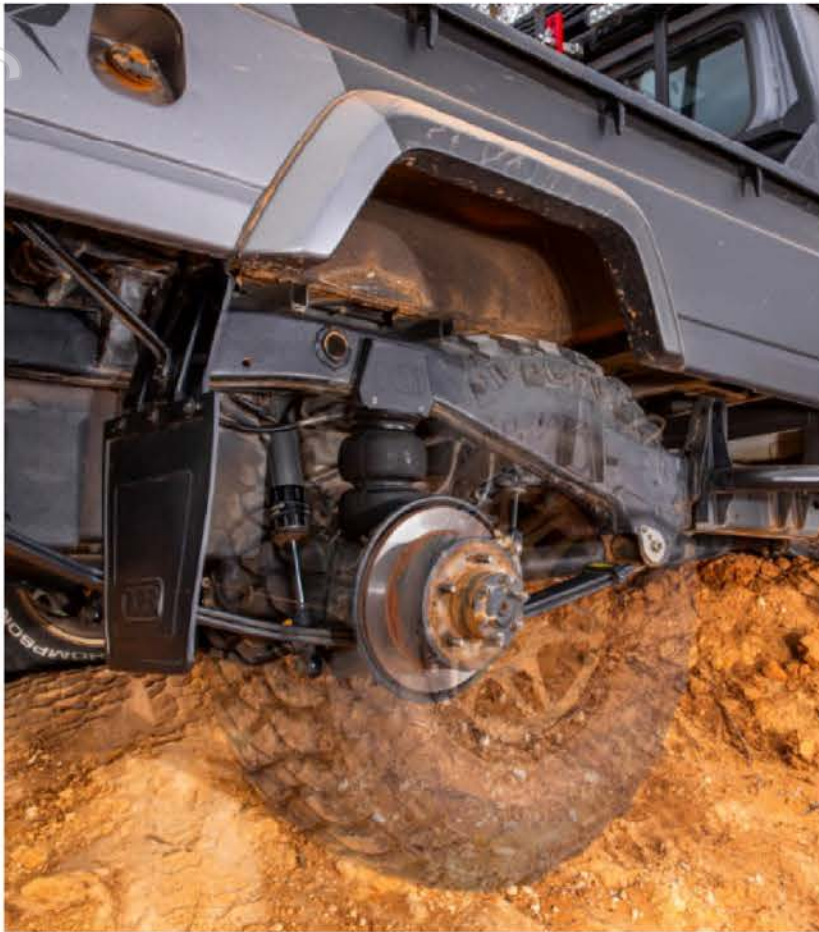
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FY23 PRODUCT EARTH CAMPER LAUNCH



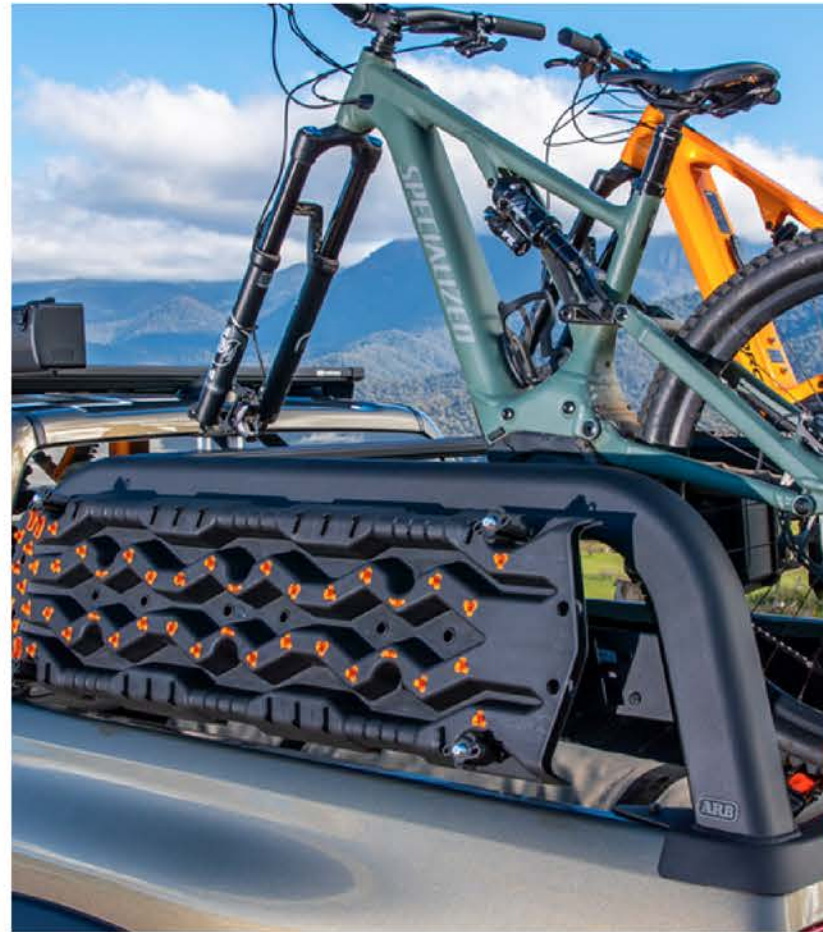
The image shows a computer monitor displaying a YouTube video player. The video content features a white ARB Earth Camper van and a silver SUV parked on a flat, open landscape at sunset. The sky is a mix of orange, yellow, and blue. The video player interface includes the ARB logo and 'ARB Earth Camper' in the top left, a 'Share' button in the top right, a large red play button in the center, and a 'Watch on YouTube' button in the bottom left.

FY23 ARB ENGINEERING NEW PRODUCTS



PARABOLIC & AIRBAG KIT

- Increased load capacity.
- Additional comfort.
- Internal bump stop.
- Lightweight & easy to install.



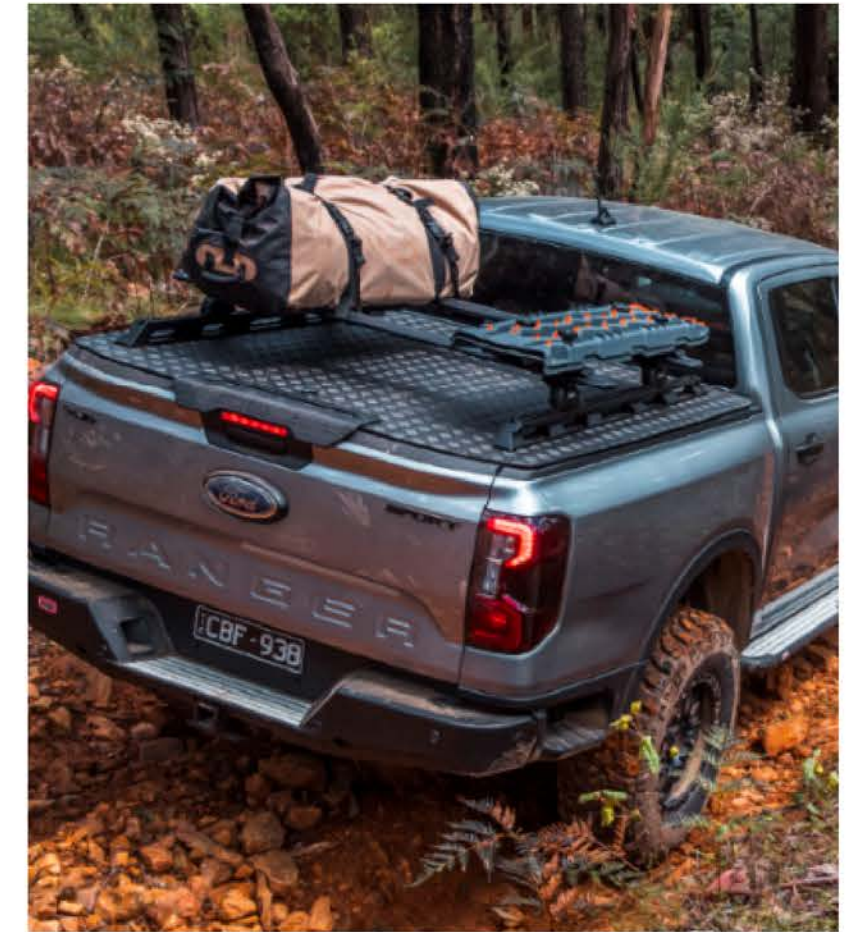
BEDRACK

- Low-profile tub rack.
- Unique extrusion rail design.
- Accessory carrying solution.
- Extremely flexible solution.



VOLKSWAGEN AMAROK

- Released in May 2023.
- ARB has a range of accessories available for the vehicle.



HARDLID

- Aluminium tread plate material.
- Unique dovetail design.
- 380kg static and 150kg dynamic load rating.



MAJOR NEW PRODUCT LAUNCH: Friday 25th August 2023

FY23 MARKET UPDATE PEOPLE & CULTURE

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Continuing to reinforce the importance of **safety** leadership, business safety plans, product safety and vehicle compliance in global markets



Partnering with global OEMs and working towards compliance of accessories in the **hydrogen and electric vehicle** sector



Joined **APCO** and initiated Action Plan with 'Good Progress' rating



Saving over **190,000kwh/year** with energy saving measures in Thailand factories



Upgrading existing manufacturing plants and investing in **lower emission machinery** to drive efficiency and environmental sustainability



Providing career opportunities to over **2,070** people globally



Assisting **disaster recovery** through the design and manufacture of products for aid relief and emergency service vehicles



Formed **Group Gifts and Donations Panel** to involve staff in ARB's charitable and community initiatives



Encouraging **sustainable travel** and educating customers on solar energy solutions



Establishing an ARB learning program (ARB-U) with more than **9,000** course completions

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FY23 MARKET UPDATE PEOPLE & CULTURE

ARB-U ANALYTICS

1,797

REGISTERED USERS

79

COURSES



46%

COURSE COMPLETIONS (OVERALL)

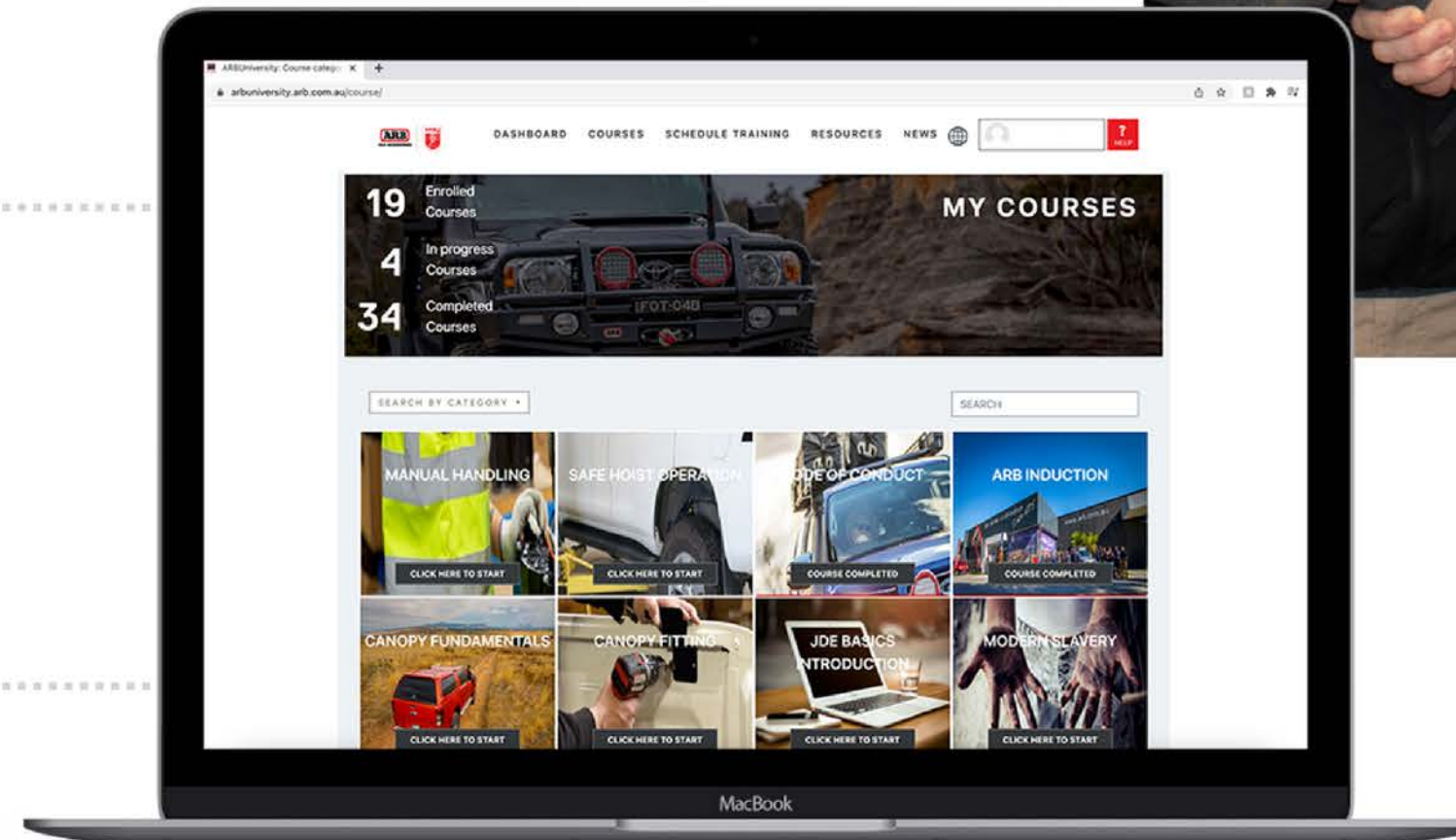
62%

COMPLETION OF SAFETY MODULES

TOP 3 SAFETY MODULES

1. Safe Hoist Use
2. Material Handling Safety Equipment
3. Spring Compressor

COMING SOON.... ARB-X



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ARB 4x4 ACCESSORIES **OUTLOOK**



The Company's outlook remains positive with ongoing healthy demand for ARB's products, improving new vehicle supply around the world, stronger gross margins and new products recently and soon to be released to market.

The Board anticipates sales and profits to grow in the 2024 financial year. Pleasingly, the Company's gross profit percentage has recovered to historical levels with recent price increases now fully in effect and product costs moderating after a period of strong global inflation.

The Board is pursuing a number of exciting long-term opportunities focusing on export markets, new partners, the release of new products, further expansion of ARB's store network and improved distribution in Australia and internationally.

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.





Q&A



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