



4X4 ACCESSORIES

1H FY2024 RESULTS

PRESENTATION • 20 FEBRUARY 2024

Lachlan McCann
Chief Executive Officer

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Chief Financial Officer & Company Secretary





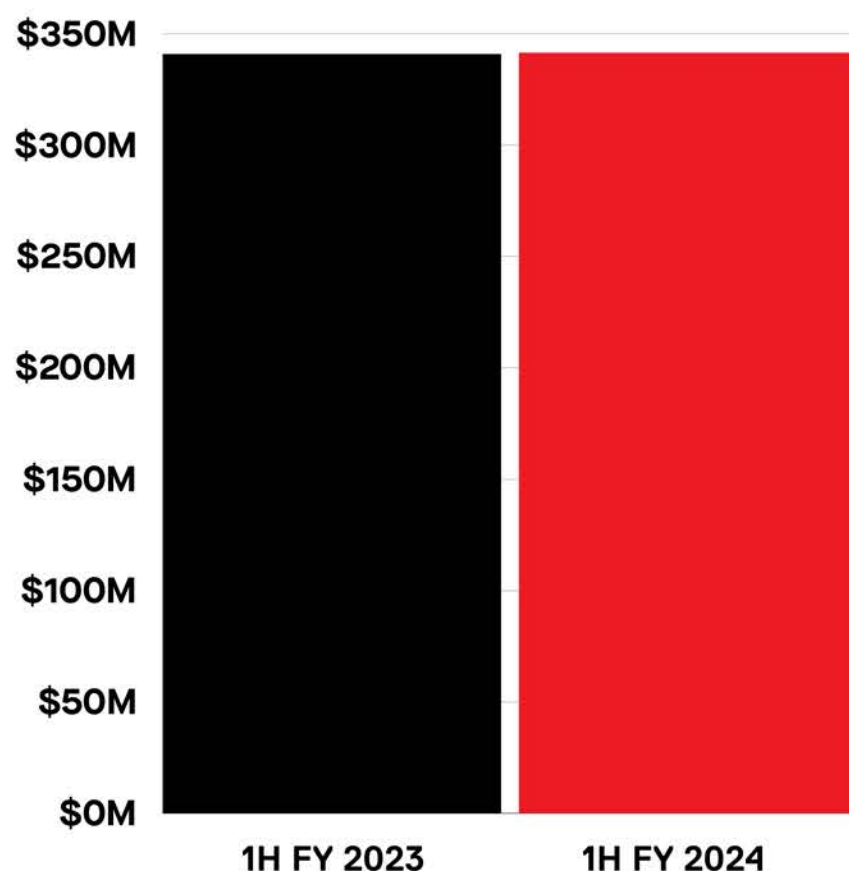
FINANCIAL RESULTS
AUSTRALIAN AFTERMARKET
INTERNATIONAL
ORIGINAL EQUIPMENT
MANUFACTURERS
PRODUCTS
OUTLOOK



1H FY2024 FINANCIAL RESULTS SALES & PROFITS

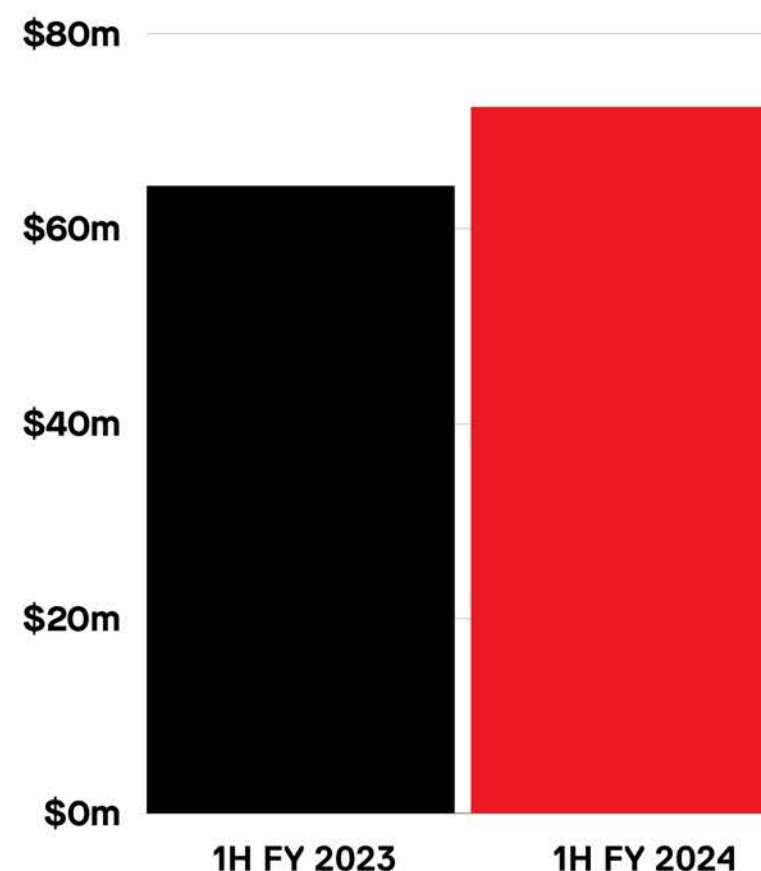


SALES REVENUE: \$341.5M
UP 0.2%



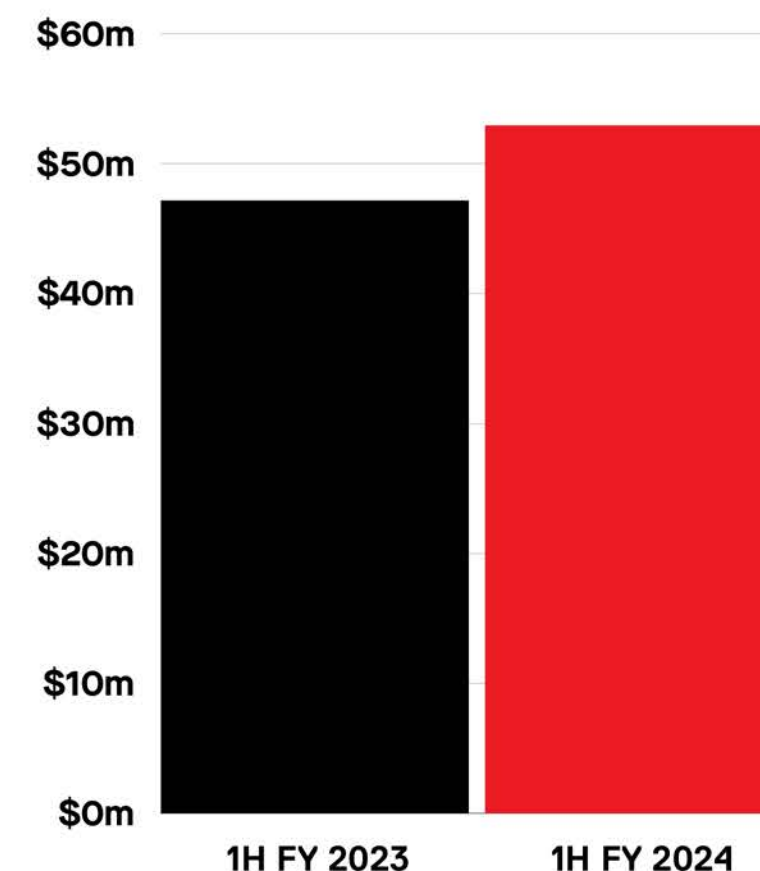
- 1H sales performance flat with 0.2% growth.
- 1Q sales growth of 0.7% compares with 2Q sales decline of 0.3%. 2Q FY2024 sales were significantly hindered by industrial disputes across Australian ports resulting in inbound and outbound disruptions.
- Sales in the month of January 2024 were strong.
- Growth achieved in the Australian Aftermarket and OEM.
- Export markets continued to be a challenge in 1H FY2024.
- Vehicle availability has improved around the world, notably in Australia and the UK.

NET PROFIT BEFORE TAX: \$72.5M
UP 12.6% EXCLUDING TRUCKMAN ADJ



- Reported profit before tax of \$70.8m in 1H FY2024 includes an expense of \$1.671m for the estimated final deferred contingent consideration payable resulting from Truckman's improved performance (the provision previously written back to profit in 1H FY2023).
- Profit growth exceeded revenue growth driven by improved gross margins resulting from reductions in freight and the impact of sales price increases.
- Profit before tax represents 21.2% of sales (excl Truckman adj).

NET PROFIT AFTER TAX: \$52.9M
UP 12.3% EXCLUDING TRUCKMAN ADJ

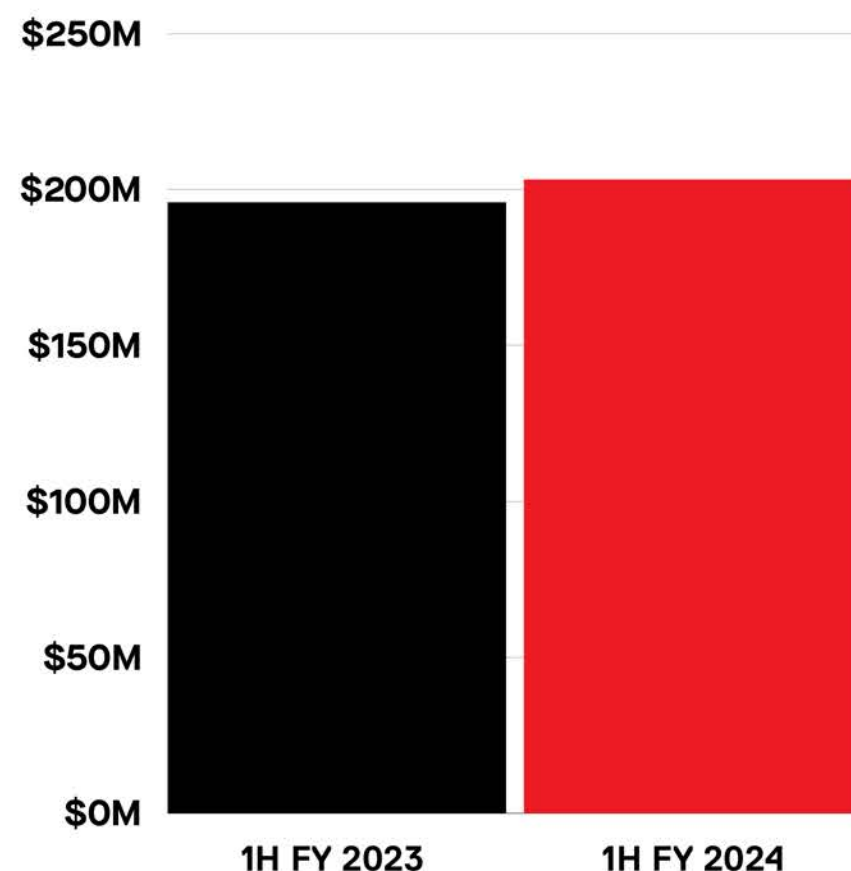


- Reported profit after tax was \$51.3m.
- The increase in the effective tax rate was due to profits generated in higher taxing jurisdictions, following on from 2H FY2023.
- Earnings per share of 64.4 cents up 11.9% (excluding Truckman adj).

1H FY2024 FINANCIAL RESULTS **GROUP SALES BY CHANNEL**

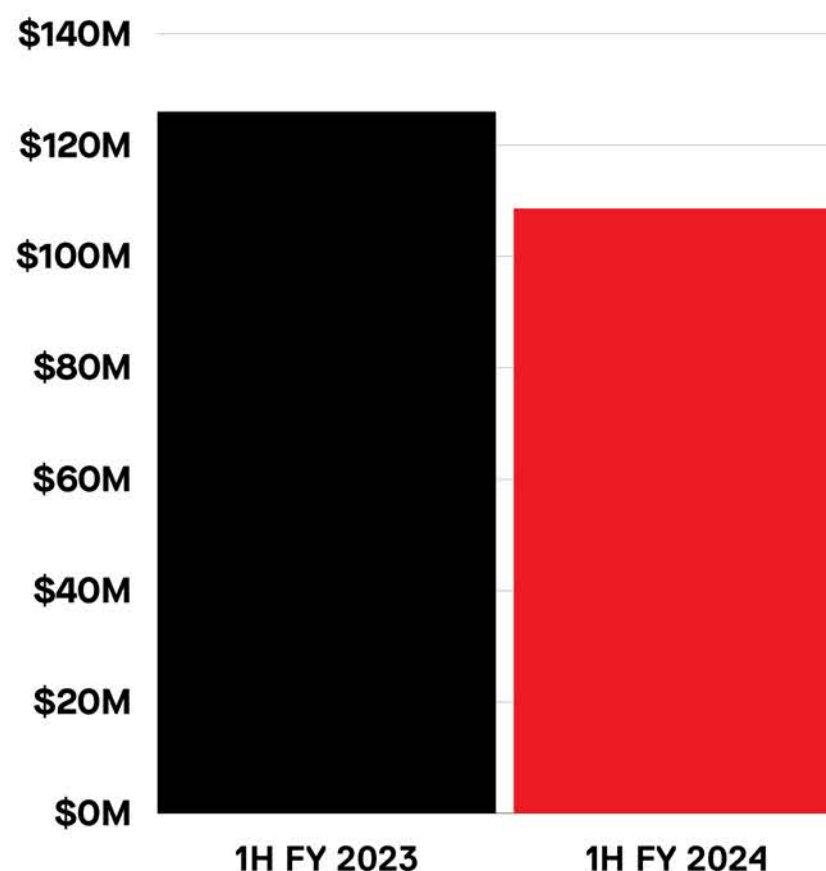


AUSTRALIAN AFTERMARKET UP 3.7%



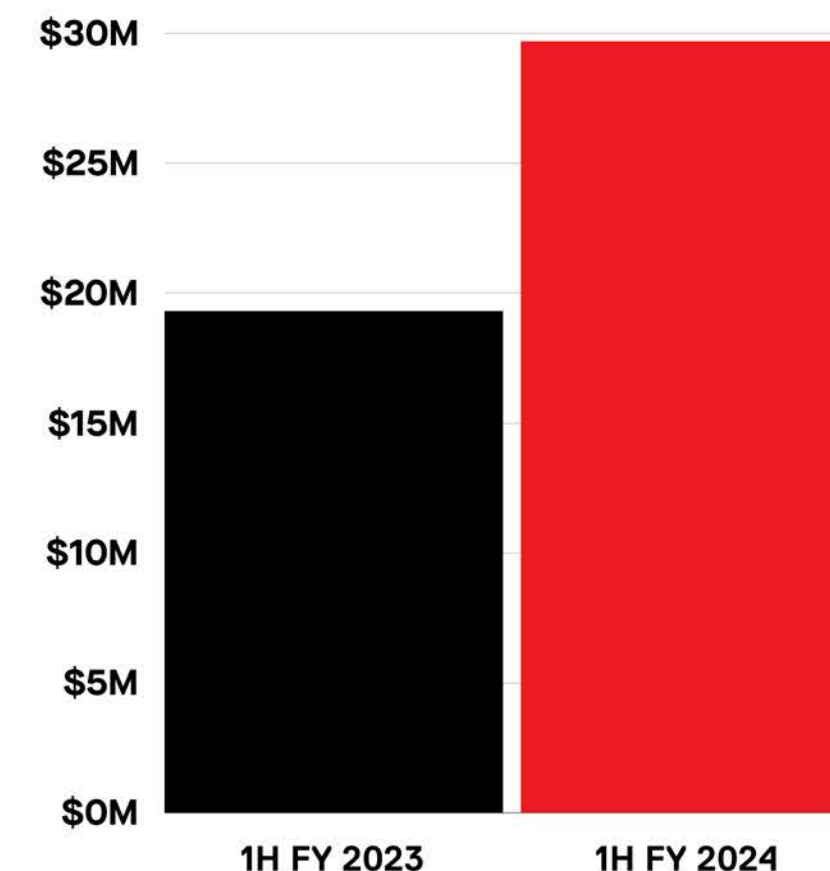
- The Australian Aftermarket achieved sales growth of 3.7%.
- 2Q growth of 5.5% demonstrates an improvement on 1Q growth of 2.1%.
- Fitting resources were a key constraint with recent initiatives now contributing positively.
- Vehicle availability has improved.

EXPORT SALES DOWN 13.6%



- Export sales declined as expected in 1H FY2024.
- US market was challenging with distribution channels yet to consolidate but creating new opportunities.
- New Zealand market is expected to rebound in 2H FY2024 with recent legislation repealing the 'Ute Tax'.
- New models are being released internationally and consumer demand remains healthy.
- Positive signs with export growth achieved in the month of January 2024.

ORIGINAL EQUIPMENT UP 53.8%



- Growth of 53.8% driven by increased volume of existing contracts reflecting the increase in new vehicle supply to the market.
- Sales are projected to continue to grow in 2H FY2024 and into FY2025.

1H FY2024 FINANCIAL RESULTS **PROFIT & LOSS STATEMENT**

A\$000s	1H 2024	% SALES	1H 2023	% SALES	\$ CHANGE	% CHANGE	COMMENTS
Sales and other revenue	341,545		340,873		672	0.2%	
Other revenue	1,143		1,504		(361)	(24.0%)	
Total Revenue	342,688		342,377		311	0.1%	
Materials & consumables used	(145,132)	42%	(159,572)	47%	14,440	9.0%	Improved margin: price increases, reduced freight & inflation
Employee expenses	(76,873)	23%	(74,437)	22%	(2,436)	(3.3%)	Increase in employee expenses contained below inflation
Depreciation and amortisation expense	(14,163)	4%	(12,610)	4%	(1,553)	(12.3%)	Recent increased capital expenditure program
Advertising expense	(4,013)	1%	(3,622)	1%	(391)	(10.8%)	Return to shows and 4x4 events
Distribution expense	(8,001)	2%	(8,828)	3%	827	9.4%	Easing shipping rates
Finance expense	(844)	0%	(956)	0%	112	11.7%	
Occupancy expense	(8,480)	2%	(7,304)	2%	(1,176)	(16.1%)	Additional sites
Maintenance expense	(3,134)	1%	(2,981)	1%	(153)	5.1%	
Equity accounted share of profit/(loss)	(277)	0%	-	0%	(277)	(100.0%)	New associates: Nacho LED LLC and ORW USA, Inc (slide 6)
Other expenses	(9,281)	3%	(7,684)	2%	(1,597)	(20.8%)	Increased insurance premiums, audit & software costs
Underlying Profit before income tax expense	72,490	21%	64,383	19%	8,107	12.6%	Profit growth ahead of sales growth due to improved margins
Impairment loss on Truckman goodwill	-	0%	(13,407)	4%	13,407	100.0%	
Change in fair-value of contingent consideration	(1,671)	0%	13,673	(4%)	(15,344)	112.2%	Improved Truckman performance in 1H FY2024
Reported Profit before income tax expense	70,819	21%	64,649	19%	6,170	9.5%	Reported profit before income tax growth of 9.5%

Materials and consumables used reduced from 47% of net sales value to 42%.

Inflationary pressure on the Company's cost base has moderated.
Weaker AUD persists.

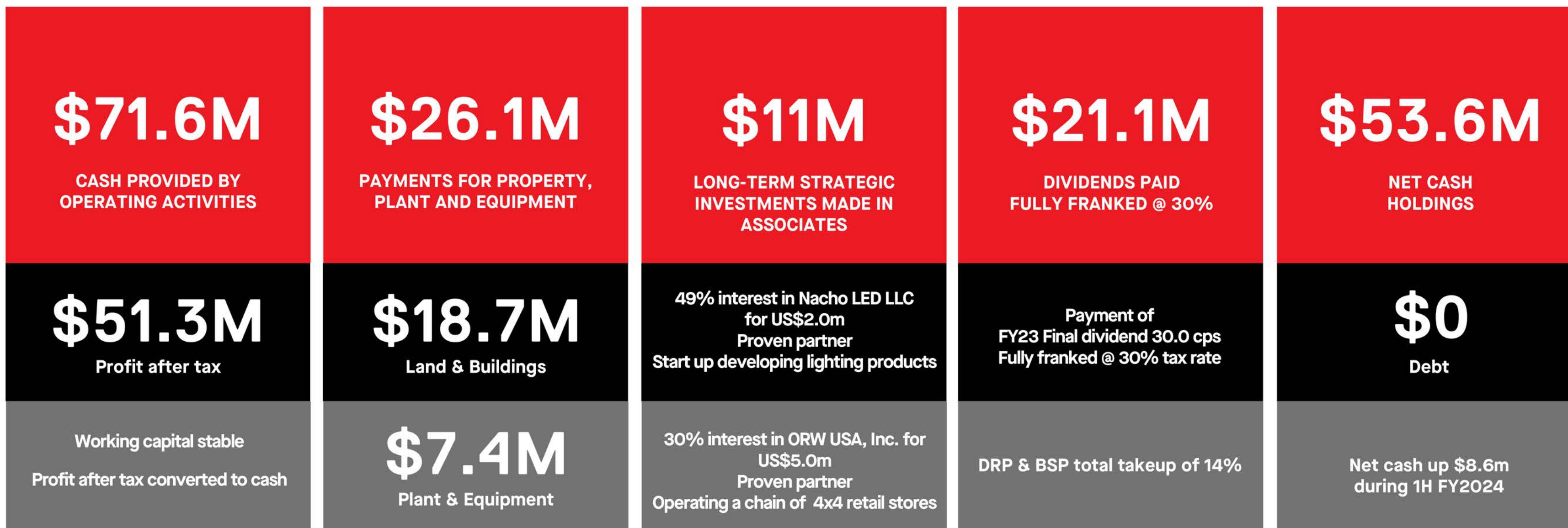
Sales price increases have fully filtered through the customer order book to invoicing.

Adjustments to the Truckman contingent consideration and goodwill were reported in detail in the 1H FY2023 financial report.

Improved sales margins achieved via sales price increases and reduced freight and inflationary impact.

1H FY2024 operational costs contained during high inflationary period.

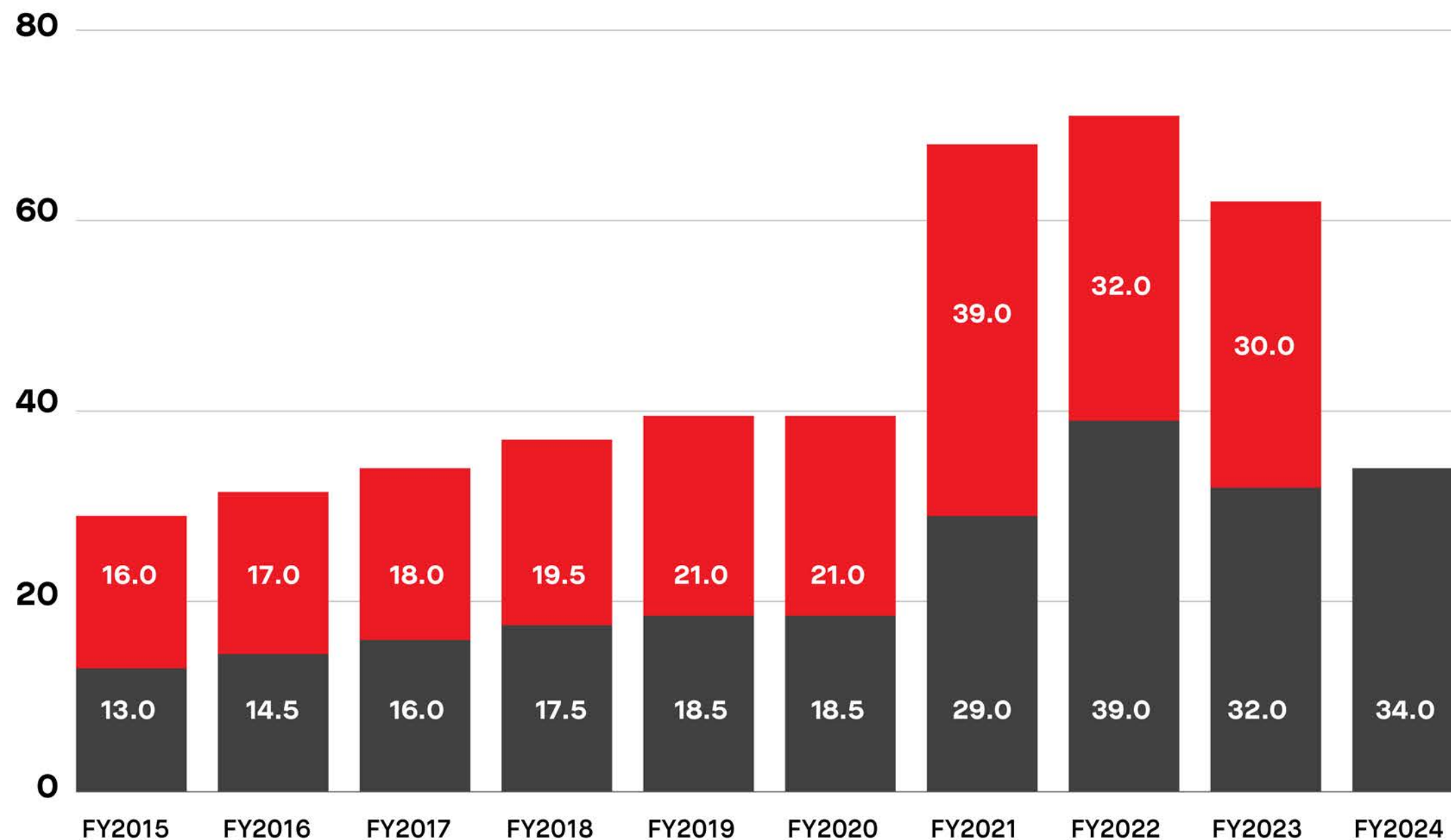
1H FY2024 FINANCIAL RESULTS **CASH FLOWS**



1H FY2024 FINANCIAL RESULTS **DIVIDENDS**



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



FY2015 excludes special dividend of 100 cents

■ Final dividend
■ Interim dividend

Dividends fully funded from operating cash flows.

Interim dividend 34cps.

Dividend payout ratio 54.5%

Key Dates:

Record: 5 April 2024

Payment: 19 April 2024

DRP and BSP in operation with 2.0% discount.



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AUSTRALIAN AFTERMARKET



1H FY2024 RESULTS AUSTRALIAN AFTERMARKET RETAIL STORES

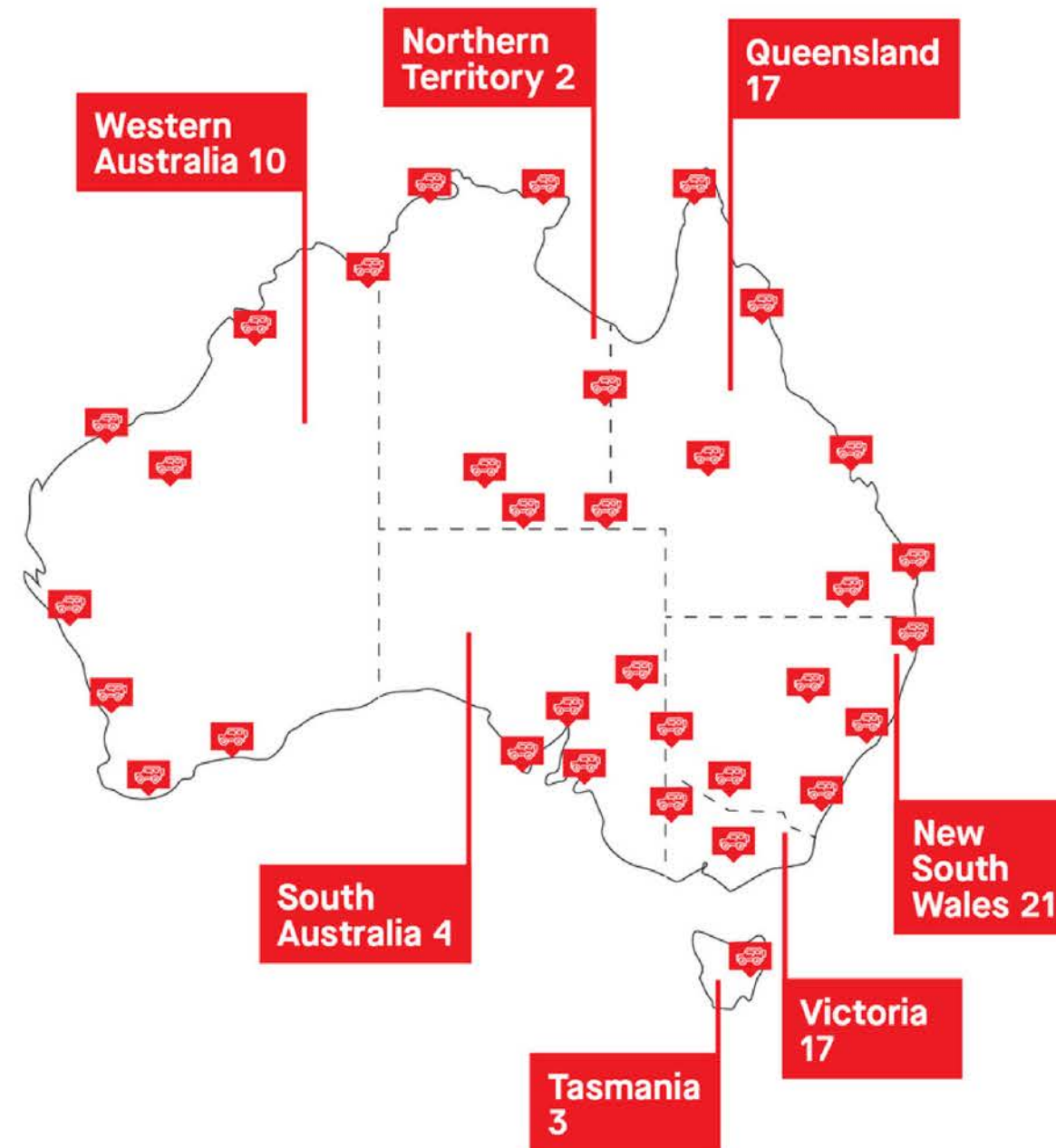


74 ARB STORES
IN TOTAL
NATIONWIDE

30 ARB
COMPANY
OWNED
STORES

44 ARB
BRANDED
STORES

150+
STOCKISTS AND
INDEPENDENT RESELLERS



The Company's flagship store roadmap is well developed to accelerate new stores.

ARB store upgrades to the flagship model include Osborne Park WA and Canberra ACT, with Albury NSW nearing completion. Mornington Vic, and Bundaberg Qld are in the early stages of construction. Jayco Adelaide SA will open March 2024.

ARB continues to work with independent store owners as they develop plans for additional stores within their territories.

The resources to increase the pipeline of new store developments beyond CY2024 remain a focus.

Australian Aftermarket remains strong representing 59.5% of ARB sales.

1H FY2024 RESULTS AUSTRALIAN AFTERMARKET RETAIL STORES



JAYCO ADELAIDE
ARB welcomes Jayco Adelaide in becoming an ARB Authorised Partner at its new dealership in West Beach, SA.



ARB CANBERRA
ARB Canberra relocated to the new flagship format on 9 October 2023.

The new store is more than twice the size of the old store.



ALBURY
Nearing completion. Looking great. Trading out of corporate location. Expected completion Q2 CY2024.

MORNINGTON
Site progressing well. Expected completion Q3 CY2024.



1H FY2024 RESULTS NATIONAL FITTING PERFORMANCE

UPDATE

Fitting capacity continues to be a key challenge for ARB, however gradual improvements to employee retention, skill development and total fitters are contributing to improved fitter productivity in recent months.



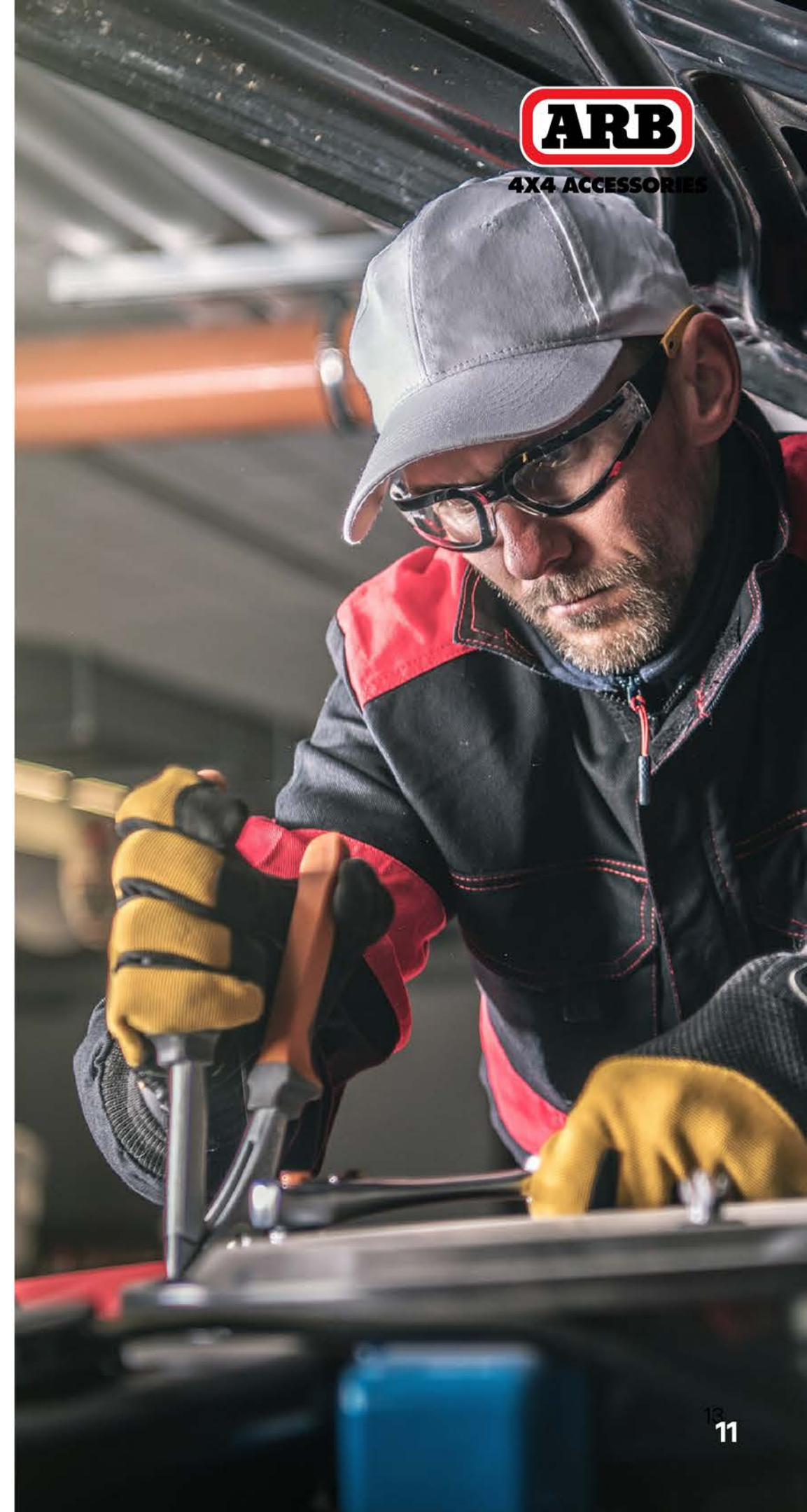
ENGAGEMENT

- Fitter turnover well down in 1H FY2024 compared with 2H FY2023.
- Fitter staff numbers up 6% end 1H FY2024 compared with end 2H FY2023.
- Fitter pathway and fast-track induction programs progressing well.
- Workshop experience steadily increasing from historical lows in mid 2022.



PERFORMANCE

- Increased retention and employee tenure has gradually improved workshop productivity.
- Overtime as a percentage of total fitting continues to increase.
- Additional workforce for domestic and international fitters in progress.



1H FY2024 RESULTS AUSTRALIAN AFTERMARKET OPERATIONS



SUPPLY CHAIN

- Port disruption due to the industrial action in recent months had a material effect on revenue in Q2 FY2024.
- The backlog of containers continues to be an operational challenge as our DCs process higher inbound inventory.
- Key supplier issues dampened both domestic aftermarket and export sales in 1H FY2024.



ORDER BOOK

- New vehicle sales of key platforms including the Ford Ranger, Toyota HiLux and Land Cruiser and Isuzu Dmax were very strong in 1H FY2024.
- As a result, ARB's aftermarket order intake through H1 FY2024 remained healthy.
- Wholesale customers continued to balance their inventory levels.



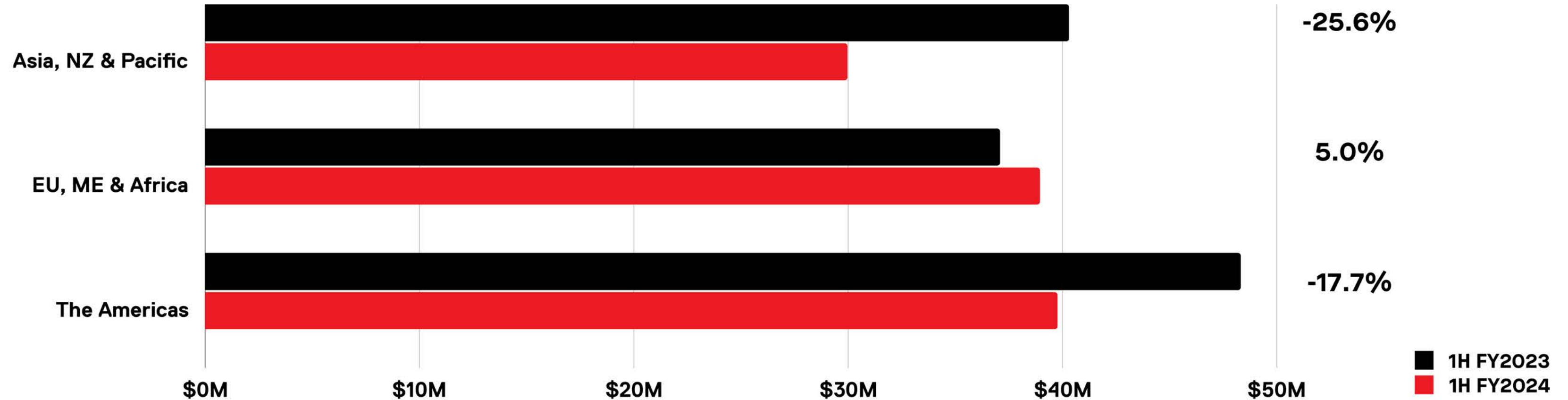


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INTERNATIONAL



ARB EXPORT SALES BY REGION



Export business generally hampered by increased interest rates, supply challenges and weakness in emerging markets. Conflicts around the world have made some markets difficult to operate in.

Truckman UK business a highlight. Sales rebounded strongly as pick-up vehicle sales improved.

New Zealand result in 1H FY2024 materially impacted by now repealed government tax policy on new pick-up vehicles.

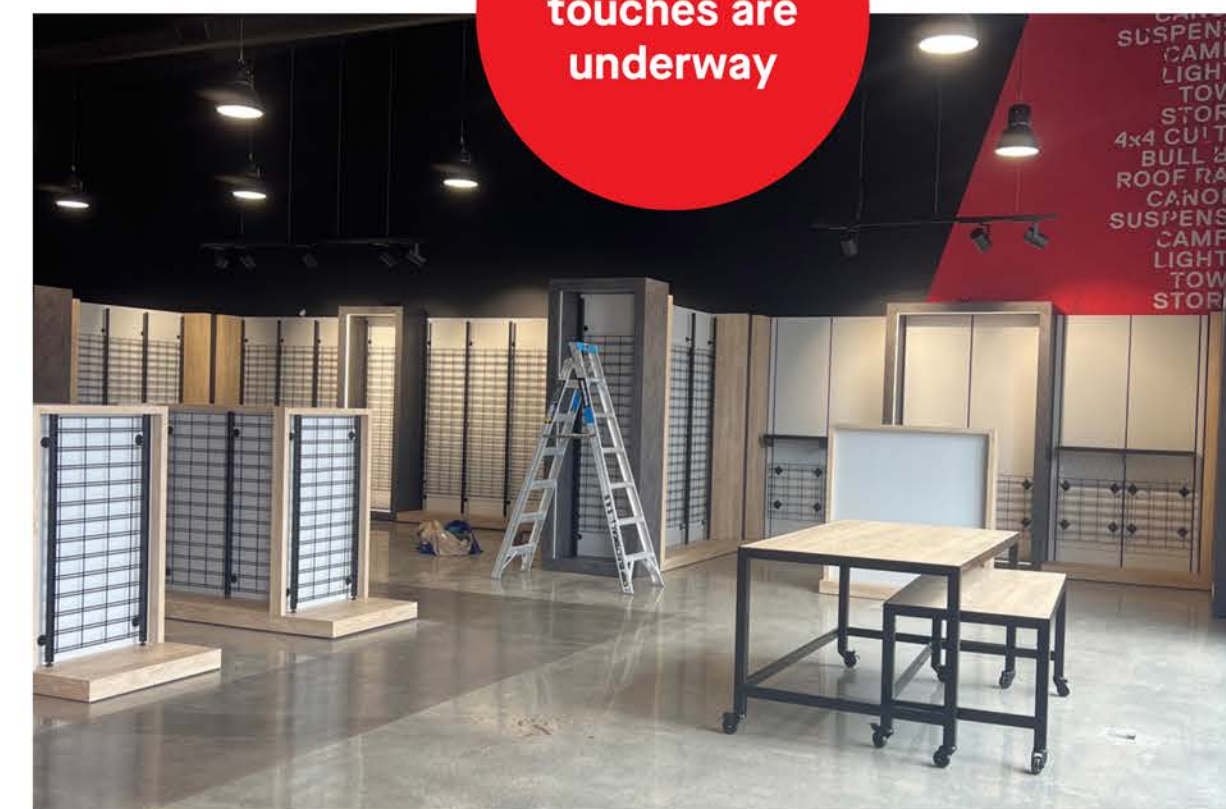
Exports represent 31.8% of ARB sales.

1H FY2024 RESULTS **FLAGSHIP STORE NEW ZEALAND**



New Zealand remains a focus market for ARB and we continue to invest in its development.

ARB welcomes its first New Zealand flagship store in Hamilton, NZ. Opening March 2024.



STRUCTURE



- US business has been structured to address our two core sales channels in this market: Aftermarket and OEM.
- Experienced leadership has been appointed in both channels to lead ARB's development for the Americas.
- Both the OEM business and Aftermarket business require specific expertise. ARB is confident the business now has the leadership in place to grow both.

SEATTLE RETAIL



- Seattle retail site remains on schedule for opening in Q4 CY2024.
- Civil and building permits have been submitted to council.
- Construction is due to commence in Q2 CY2024.

OEM



- The Trailhunter program with Toyota USA remains on schedule.
- ARB and Old Man Emu brands and products now heavily featured on Toyota USA website and social media marketing for Trailhunter launch.
- Ford impending release of 2024 US specification Ranger. A number of ARB parts for sale through dealer channel will be available at or shortly after launch.

ORW



- Business progressing well.
- ARB merchandising footprint expansion in ORW stores on schedule for H2 FY2024.
- Glendale AZ store under construction and due to open in April 2024.
- Final stages of negotiation on the lease of store number 11.
- Strong revenue growth through CY2023, with the exception of Q4 CY2024 largely due to union actions slowing vehicle deliveries.

Sales to the Americas down 17.7% in H1 FY2024. Outlook trending positively.

1H FY2024 RESULTS **E-COMMERCE**



ARB USA's eCommerce site (www.arbusa.com) has launched successfully. Order intake, average order value and total revenue have been pleasing. ARB USA will continue to invest in site optimization and enhanced content for a better user experience.



- Shipped product to every US State
- Average 3 day shipping across US

SALES PERIOD 01/11/2023 - 31/01/2024

2,150

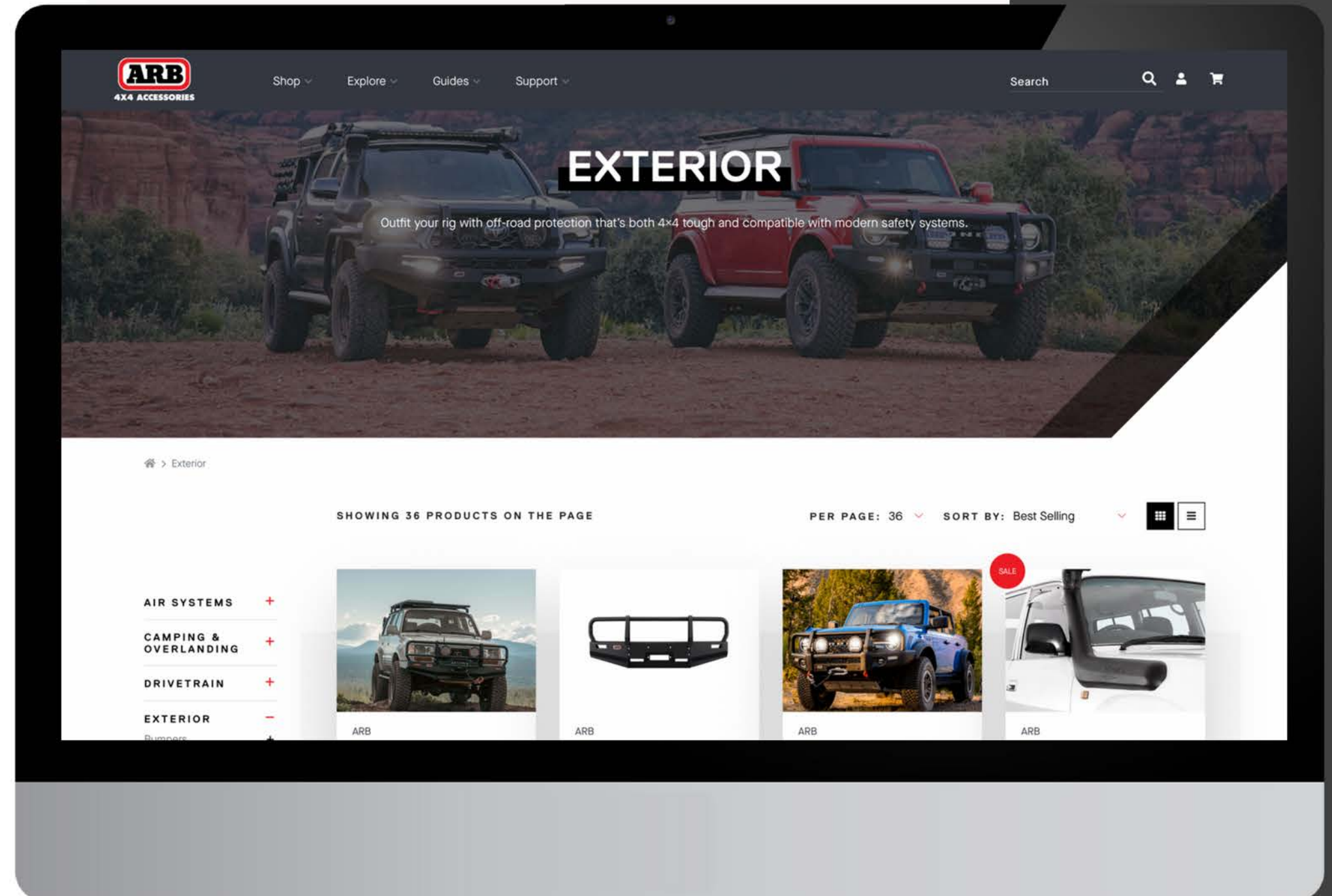
UNIQUE PARTS
LOADED

310k

UNIQUE SITE VISITS
SINCE LAUNCH

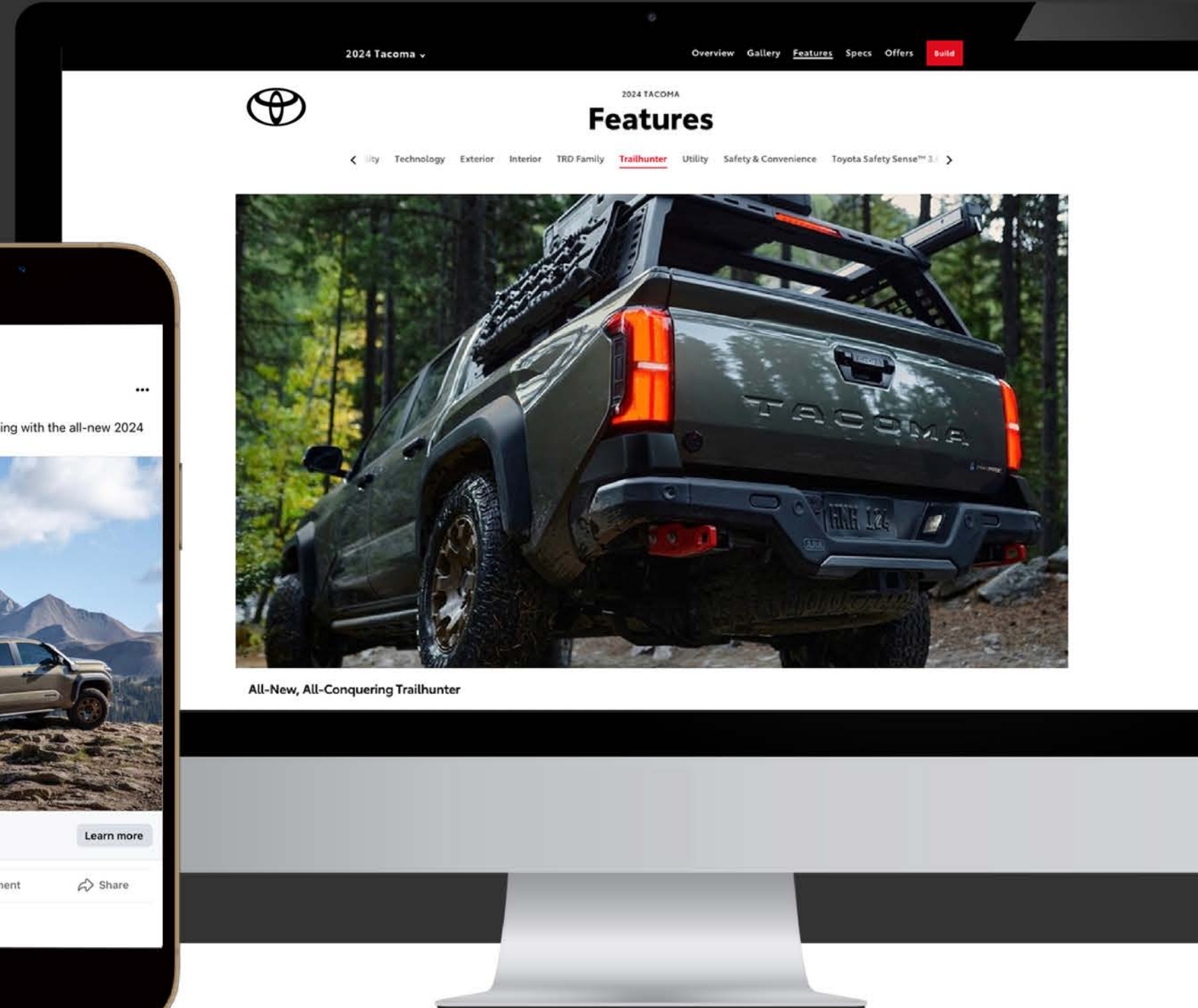
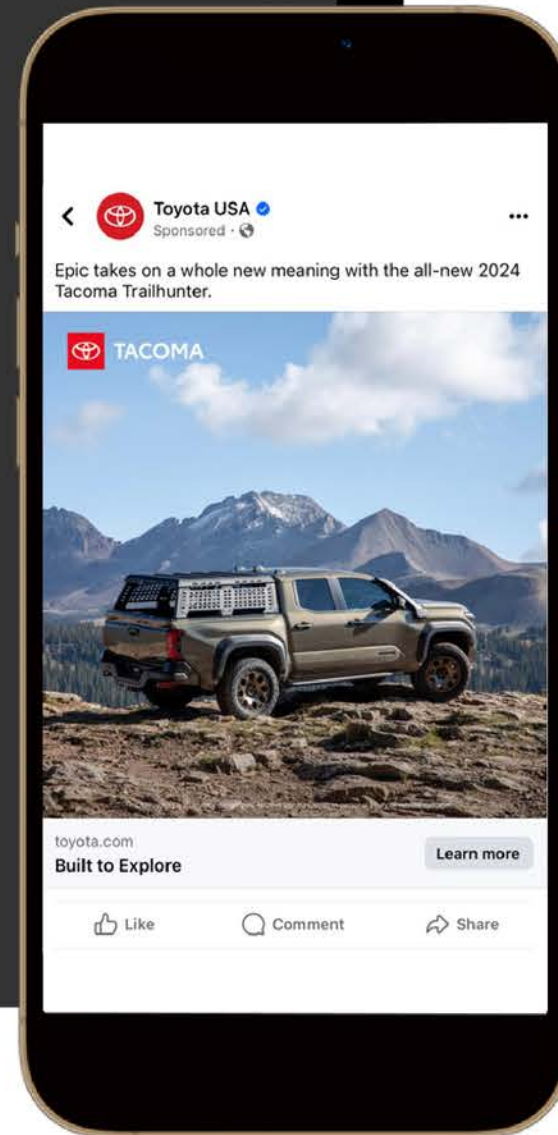
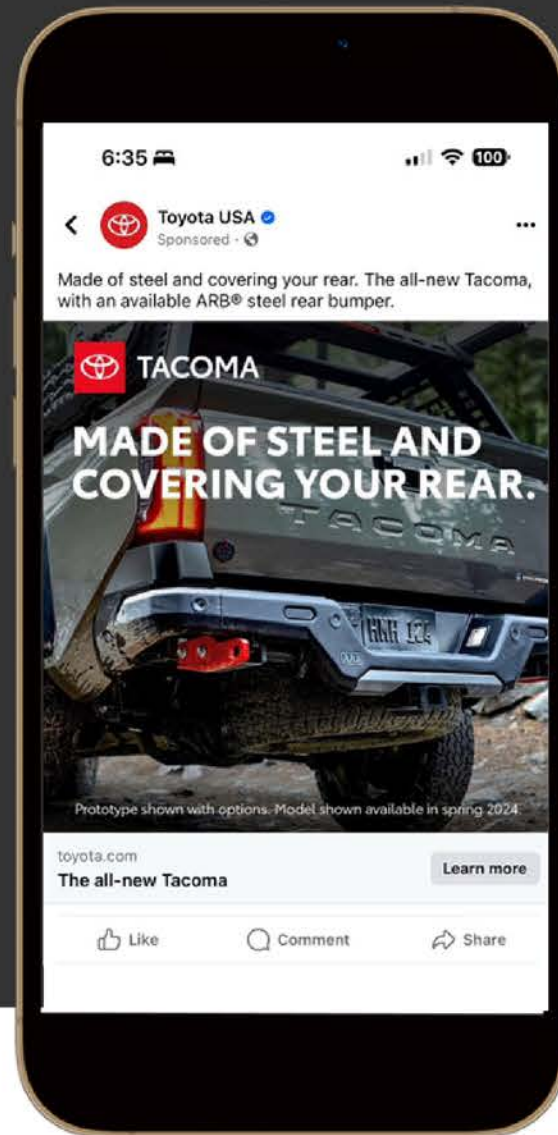
<2%

AVERAGE
RETURN RATE

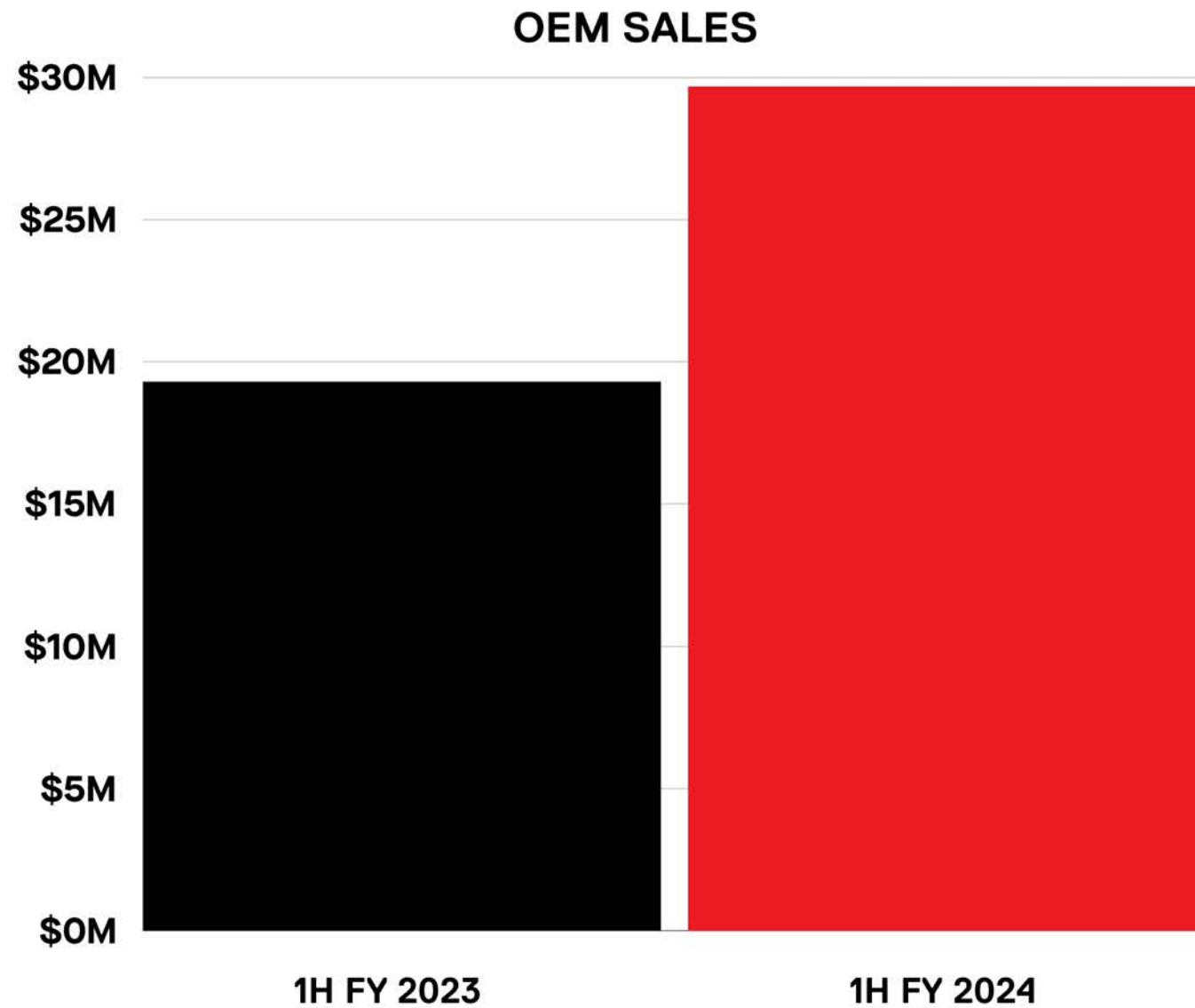


TOYOTA MARKETING

TOYOTA HAS COMMENCED ITS NATIONAL MARKETING CAMPAIGN FEATURING UNIQUE ARB CONTENT ON TRAILHUNTER MODEL.



1H FY2024 RESULTS ORIGINAL EQUIPMENT MANUFACTURERS



OEM sales increased 53.8% on a YOY basis. A strong result for this business channel given recent declines in OEM.

Invoicing to Toyota USA for new contracts has not yet commenced.

Australian OEM business pipeline is strong. Key long-term OEM partners have awarded ARB renewal contracts across updated models coming to market throughout CY2024.

Sales to OEMs in 2H FY2024 and into FY2025 are projected to continue to grow.

ARB continues to work closely with OEM partners on future programs including various EV pick-up platforms due to come to market in the next 5-years.

OEM represents 8.7% of ARB sales.





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PRODUCTS



EARTH CAMPER



- Global interest in the ARB Earth Camper remains strong.
- Quality challenges in the new build process has slowed the roll-out.
- International orders have now been received and shipped in limited quantities.
- Compliance for the US market progressing well.

MT-64



- Demand for MT-64 has been strong domestically and internationally.
- Production continues to ramp as demand increases.
- Consumer engagement through ARB marketing channels for MT-64 exceeding expectations.
- Over 20 new vehicle applications currently under development.

APPLICATIONS



- New model launches by global OEMs have kept ARB engineering busy:
 - Toyota Land Cruiser 70 facelift
 - Toyota HiLux Rogue GRS
 - Suzuki Jimmy 4-Door (JBOX)
 - Ford F150
 - Toyota Tundra
 - Toyota Tacoma (2024)
 - Various new OEM models pending release in H2 FY2024.

NEW PRODUCTS



- Innovation and continual improvement in product development remain a focus for the business.
- ARB expects to release three significant new products in CY2024.
- R&D engineering headcount in the last 12 months has increased by 10%.

1H FY2024 RESULTS **OUTLOOK**

- ARB's Aftermarket order book remains strong. The Company has recently strengthened its fitter capacity and is accelerating its store development programme.
- ARB's Export order book is holding at recent levels with positive signs.
- The recent investment in ORW (US retail stores) and a new e-comm platform provide a direct channel to grow retail sales of ARB branded products in the USA. Construction of the new ARB branded retail store in Seattle, WA, USA, is scheduled to complete during Q4 CY2024.
- Sales to OEMs should continue to grow in FY2024 and into FY2025 based on contracts already in place.
- New vehicle supply and lead times have improved globally.
- Sales in the month of January 2024 were strong with the resolution of Australian port disruptions and management initiatives contributing positively to accessory fitting capacity.

The Board believes that the Company is well-positioned to achieve long-term success through:

Expansion of the Australian and NZ Aftermarket with new and upgraded retail stores and stockists.

Strategic partnerships with key OE customers in Australia and the USA.

Increased distribution and manufacturing capacity to accommodate future growth.

A strong balance sheet with \$54m cash.

A pipeline of new product developments and releases.

A well balanced management team with a blend of long-term ARB and experienced external executives.



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