

Dear Shareholder

RESULTS

The Directors of ARB Corporation Limited (“**ARB**” or the “**Company**”) are pleased to report that the Company achieved a net profit after tax of \$112.9 million for the year ended 30 June 2021, up 97.0% on the reported net profit after tax of \$57.3 million in the previous year.

Sales for the year were \$623.1 million, an increase of 33.9% over the previous year.

Profit before tax of \$150.0 million for the year ended 30 June 2021 represents an increase of 92.1% compared with the year to 30 June 2020.

The full year results are summarised below:

Year ended	30 Jun 21 \$'000	30 Jun 20 \$'000	Change
Sales	623,072	465,379	33.9%
Other Revenue	2,785	1,609	
Total Revenue	625,857	466,988	34.0%
Profit before Tax	150,023	78,092	92.1%
Tax	(37,128)	(20,797)	
Profit after Tax	112,895	57,295	97.0%
EPS - cents	140.0	71.8	
DPS - cents			
Interim	29.0	18.5	
Final	<u>39.0</u>	<u>21.0</u>	
Total	<u>68.0</u>	<u>39.5</u>	72.2%
Franking (at 30% tax rate)	100%	100%	

The Company intends to pay a final fully franked dividend of 39.0 cents per share. This brings total dividends for the year to 68.0 cents per share fully franked, an increase of 72.2% compared with last year.

Information about the ARB Dividend Reinvestment Plan and Bonus Share Plan, which will apply to the final dividend, can be found on the Company's website at <https://www.arb.com.au/about/investor-relations/>. Investors wishing to make or change an election to participate in either of the plans can do so online via the Computershare Investor Centre website at www.computershare.com.au/easyupdate/arb or by phoning Computershare on 1300 850 505.

COVID-19

Unfortunately, COVID-19 continues to significantly impact lives, livelihoods, economies and businesses around the world. ARB has adapted its work practices to focus on the health, safety and hygiene of its employees, customers and other stakeholders.

The Company rebounded strongly in the current financial year from the worst of the COVID-19 impacts experienced at the onset of the pandemic. The ongoing disruption caused by COVID-19 across all of ARB's markets has presented both opportunities and operational challenges. The trend towards local travel has increased worldwide demand for the Company's products, however logistical and supply chain constraints coupled with labour shortages have increased operational costs and disrupted timely fulfilment of sales. It is not feasible to quantify the impact of these and other COVID-19 related factors.

CORPORATE GOVERNANCE STATEMENT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTS

The Company's Corporate Governance Statement and Environmental, Social and Governance report can be accessed online at <https://www.arb.com.au/about/investor-relations/>.

ARB DRIVES EXCELLENCE WITH PASSION

ARB's core values of DRIVE, EXCELLENCE and PASSION have steered the Company's success in Australia and across the world for close on half a century since ARB was founded in 1975.

A committee comprising past and present employees was charged to define and articulate the values and guiding principles that drive the Company's culture and shape the way ARB does business. Over 50 employees from the shop floor to the Board, across all international locations, were invited to participate in interviews and workshops to collaborate, share experiences and contribute to the formation of ARB's Values Statement.



ARB DRIVES EXCELLENCE WITH PASSION

<u>DRIVE</u>	<u>EXCELLENCE</u>	<u>PASSION</u>
We collaborate We work together to achieve better results	We are innovative We are committed to creating the world's best 4WD products	Safety matters Ensuring everyone stays safe is a priority in all we do
We are determined We push through challenges to find practical solutions	We are flexible We adapt to the changing needs of our global customers	We are loyal We are welcoming, respectful and care for our ARB family
We think ahead We make decisions to ensure a sustainable future for our business	We keep trying We strive to give our customers the best possible experience	We are proud We have built a world-leading brand that we grow and protect



"It's easy to be passionate about your job when it so obviously values quality and takes pride in its products. We don't call it work when we love our job and the culture at ARB feels like family."

Emma Richards,
Sales

"People aspire to have ARB products and be involved with ARB as a company. We are a quality-focused industry leader and we do what we do well, no compromises."

Lachlan Strauss,
VIC/TAS State Manager

"Passion for our products is what brings us together. We all believe in our product range and love the lifestyle it is designed for."

James Chapman,
Stockist Sales Representative

"ARB stands for something to be proud of and that is passion, quality and well-designed products."

Attention to detail is what makes us stand out in the industry as well as solid engineering and design. The founders were a group of family and friends and the entire business still feels like that today."

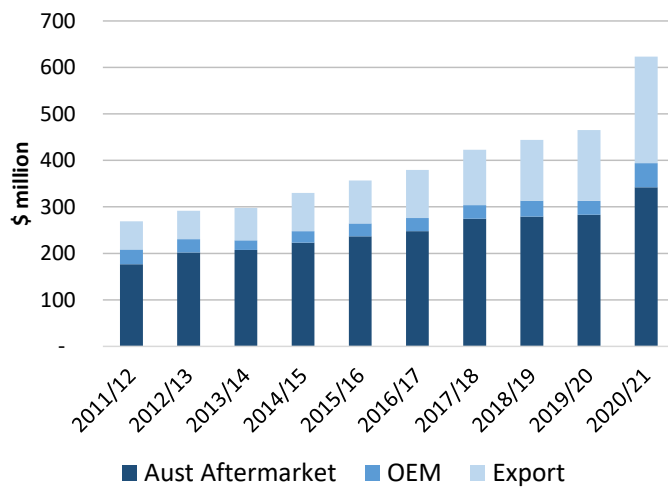
Trever Roper,
Thailand

"ARB represents trust, team work and continually moving forward. Innovation is at the forefront of what we do and ARB offers great opportunities by empowering its people to achieve."

Stuart Fooks,
Engineer

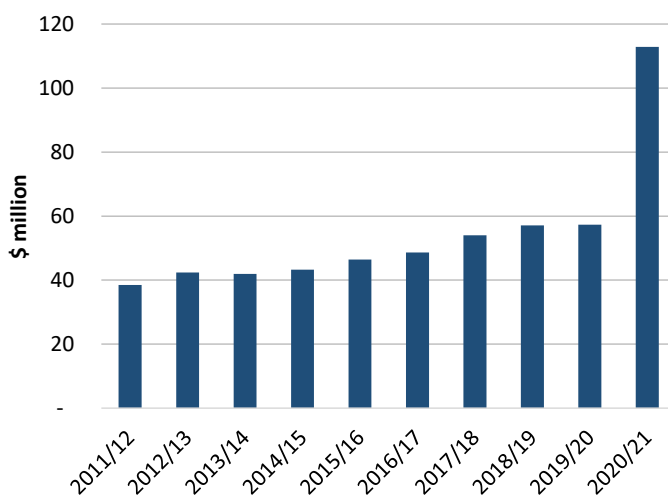
10 YEAR HISTORICAL PERFORMANCE

The sales, profits and dividends per share performance of the Company over the past 10 years are illustrated in the graphs below:



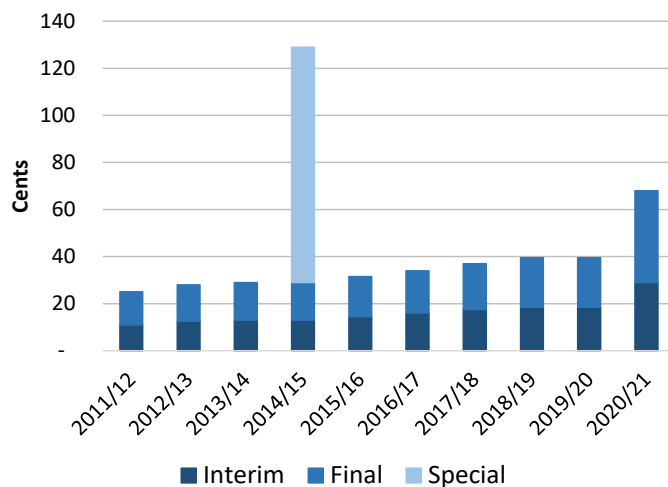
SALES REVENUE

Annual sales revenue has grown at an average compound rate of 9.4% over the past 10 years.



NET PROFIT AFTER TAX

Net profit after tax has grown at an average compound rate of 11.5% over the past 10 years.



DIVIDENDS PER SHARE

Dividends per share have grown steadily over the past 10 years with a special dividend paid in 2014/15.

All dividends have been fully franked.

HIGHLIGHTS OF THE 2020/21 YEAR

Sales and Distribution

Sales revenue increased by 33.9% in 2020/21 over the previous year. Strong sales growth was achieved across all customer categories with particularly pleasing growth achieved in the export and original equipment categories:

Customer Category	Percentage of Sales		Sales Growth
	12 months to Jun 2021	12 months to Jun 2020	
Australian Aftermarket	54.9%	60.9%	20.9%
Exports	36.7%	32.7%	50.2%
Original Equipment	8.3%	6.4%	73.9%
	100.0%	100.0%	33.9%

ARB's sales to the Australian aftermarket grew by 20.9% with consistently strong demand throughout the year, challenged by fitment capacity and supply chain constraints. Sales growth was above average in New South Wales, Queensland, Western Australia and Tasmania and below average, albeit still double-digit percentage growth, in Victoria and South Australia.

ARB has continued to diversify sales to overseas and original equipment channels. Despite sales growth of 20.9% to the Australian aftermarket, the percentage of total group sales to export and original equipment manufacturers has increased from 39.1% to 45%, and in turn the Australian aftermarket has dropped from 60.9% to 54.9%.

New vehicle sales in Australia grew by 9.6% during the financial year while new vehicle sales of ARB's target vehicles, four-wheel drive utilities and SUVs, grew by 11.3%, with all of the growth occurring during the final four months of the financial year. Demand for second hand 4WD vehicles globally has also spiked. Product sales for used 4WD vehicles remains an important part of ARB's business.

ARB's distribution network to the Australian aftermarket is a key strength incorporating sales through the ARB store network, to ARB stockists, to new vehicle dealers and to various fleet operators. ARB also distributes to the Australian aftermarket segment through its GoActive Outdoors, Kingsley Enterprises and SmartBar divisions.

Branded ARB stores are an integral part of the Company's distribution network throughout Australia. Three new stores were established since this time last year in Gosford, New South Wales, Edwardstown, South Australia, and Cockburn, Western Australia. This brings the total number of ARB stores to 70, of which 29 are Company owned. The rollout of ARB's flagship store format continued with an additional three Company owned stores updated to the new format.

Export sales grew by 50.2% and now represent 36.7% of ARB's sales, up from 32.7% of sales last year. Growth in overseas markets is a key focus for ARB which has been bolstered by recent business acquisitions in the United Kingdom and New Zealand. Demand for ARB products was strong across all export markets and sales growth was achieved by all overseas subsidiaries, in the USA, New Zealand, the UAE, the Czech Republic, Thailand and now in the UK.

Accessory sales to original equipment manufacturers increased by 73.9%, after declining 12.9% in the prior year, supported by several new contracts commencing with original equipment customers.

Sales growth in all customer categories was impacted by global supply chain issues, labour shortages, fitment constraints and new vehicle availability resulting in longer lead times and larger than normal customer backorders.

"Truckman" Acquisition in the United Kingdom

ARB strategically acquired Auto Styling Truckman Group Limited, trading as Truckman, in the United Kingdom in March 2021. Truckman is the industry recognised brand leader in the UK, principally focused on rear of vehicle products such as hard top canopies, bed liners and general utility vehicle products.

The acquisition of Truckman expands the Company's international footprint and establishes a strong presence in Europe's largest utility vehicle market. Truckman's business, under the leadership of continuing local management, is integrating well despite the challenges imposed by COVID-19 and restrictions on international travel. The Board is pleased with Truckman's contribution and is excited by the opportunities to grow and expand in the UK market and throughout Europe.

Products and Production

Product development is a key element in maintaining ARB's long-term competitive advantage. The Company will further expand its research and development programme in 2021/22 and work is continuing on a number of exciting long-term development projects that will provide future growth opportunities for the Company. Significant engineering resources were used in developing comprehensive ranges of ARB and Old Man Emu accessories for the updated Toyota Hilux, the new Isuzu D-Max, the new Mazda BT-50 and the new Nissan Navara.

Engineering and development are underway on a full suite of premium, aftermarket products for the new Ford Bronco in the USA, announced to the market on 31 March 2021.

A number of new products were released during the financial year, consolidating ARB as a market leader and contributing to ARB's sales and profit growth. Examples include the low-profile, aluminium Base Roof Rack with clever accessories to secure a wide range of cargo and the integrated ARB Slide Kitchen that neatly tucks away into standard dual cab drawers. Further innovative all-new products will come to market this financial year.

Upcoming new vehicle releases, including the Toyota Land Cruiser 300 Series and Ford Ranger, present exciting opportunities and require collaboration across the engineering, manufacturing, marketing and sales teams at ARB.

The Company's website at www.arb.com.au provides further information on ARB's new product releases.

Construction has started on a new 30,000 square metre factory in very close proximity to the existing Thai operations on a site acquired during the financial year. The new factory will increase capacity and facilitate more efficient and streamlined operations in Thailand.

Financial

Growth in profit after tax of 97.0% exceeded sales revenue growth of 33.9% primarily due to higher gross profits, increased volume-driven factory overhead recoveries and strengthening of the Australian dollar against the Thai baht.

The Company's cash balance grew by \$43 million to \$85 million as at 30 June 2021, supported by cash flows generated from operations of \$103 million and the reinvestment and underwriting of \$54 million in dividends paid during the year. Throughout the year the Company continued to invest significantly in its future growth with an increase in net working capital of \$36 million, investments in property, plant and equipment of \$33 million and a net \$15 million payment for the initial instalment of the Truckman acquisition.

With its cash reserves and no debt, the Company is well placed to continue its investment in people, property, distribution networks, machinery and businesses to facilitate ongoing growth.

THE FUTURE

The Company maintains a positive short-term outlook based on strong global sales since the end of the financial year, a strong customer order book, increasing new car sales in Australia and customer opportunities already announced to the market.

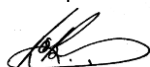
The current economic conditions remain very uncertain. While demand is strong and global economies have performed better than expected, ongoing and unpredictable restrictions designed to curb the spread of COVID-19 continue to disrupt supply chains, shipping networks, retail operations and customer fulfilment. It is not possible to provide financial or operational guidance in the short term with any level of confidence.

The Board remains focussed on the long-term growth of the Company as it develops and pursues a number of exciting opportunities, including further growth in export markets, new products, improved distribution and increased manufacturing capacity.

The Board believes 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.

The Board expresses its appreciation to ARB's staff worldwide for their commitment and efforts in challenging circumstances during the last financial year and thanks the Company's customers and suppliers for their continued support.

A first quarter trading update will be provided to shareholders at the AGM on 14 October 2021.



Roger Brown
Chairman
17 August 2021