



**ARB CORPORATION LTD**

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**ASX ANNOUNCEMENT**

20 February 2024

**APPENDIX 4D, CHAIRMAN'S STATEMENT AND FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

ARB Corporation Limited herewith lodges:

1. Appendix 4D for the half year ended 31 December 2023;
2. Chairman's Statement for the half year ended 31 December 2023; and
3. Financial Report for the half year ended 31 December 2023.

This announcement was approved for release by the Company Secretary.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Damon Page', written over a white background.

Damon Page  
Company Secretary

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## APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

1. The reporting period is the half year ended 31 December 2023.  
The previous corresponding period is the half year ended 31 December 2022.

2. **Results for announcement to the market**  
**Six months ended**

	Dec 2023	Dec 2022	% Change
	\$'000	\$'000	
Sales revenue	341,545	340,873	0.2%
<b>2.1 Revenues from ordinary activities</b>	<b>342,688</b>	<b>342,377</b>	<b>0.1%</b>
Profit from ordinary activities before tax attributable to members	70,819	64,649	9.5%
<b>2.2 Profit from ordinary activities after tax attributable to members</b>	<b>51,267</b>	<b>47,421</b>	<b>8.1%</b>
<b>2.3 Net profit for the period attributable to members</b>	<b>51,267</b>	<b>47,421</b>	<b>8.1%</b>
Truckman acquisition adjustments (for which tax is not applicable) (i)	1,671	(266)	
Net profit for the period attributable to members excluding adjustments relating to Truckman (i)	52,938	47,155	12.3%

(i) Truckman acquisition adjustments are non-IFRS measures which have not been subject to review or audit.

Reported profits include the impact of fair value adjustments relating to deferred contingent payments for the Truckman business acquired in 2021 and a subsequent goodwill impairment expense. Given the quantum of the adjustment in the current period, and for consistency, the Board believes the non-IFRS financial results excluding the impact of these adjustments in both periods more accurately reflect the ongoing operating performance of the Company:

- 31 December 2023: the Company recognised a non-operating expense of \$1.671 million for the estimated deferred contingent consideration payable resulting from the significantly improved performance by the Truckman business in 1H FY2024; and
- 31 December 2022: the Company recognised a non-operating net gain of \$0.266 million reflecting a \$13.673 million write back to profit of the provision for deferred contingent consideration that was not expected to be paid which was offset by an impairment to goodwill expense of \$13.407 million. The net financial impact of this adjustment was considered immaterial and not separately adjusted in last year's Appendix 4D.

Growth in profit from ordinary activities before tax attributable to members excluding the non-IFRS Truckman acquisition adjustments for the six months ended 31 December 2023 was 12.6%.

<b>2.4 Interim dividend</b>	<b>Dec 2023</b>	<b>Dec 2022</b>	<b>% Change</b>
Interim dividend per ordinary share (fully franked at 30%)	34.0 cents	32.0 cents	6.3%

- 2.5 Refer to section 5 for dividend details.

<b>3. Net tangible assets per security</b>	<b>Dec 2023</b>	<b>Dec 2022</b>	<b>% Change</b>
Net tangible assets per security (including right-of-use assets)	\$7.12	\$6.55	8.7%

4. There were no changes to controlled entities during the half year ended 31 December 2023.

## APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

5. Dividends	Amount per Security	Franked Amount per Security	Total \$'000	Record date	Payment date
Interim dividend - year ended 30 June 2023	32.0 cents	32.0 cents	25,964	6 Apr 2023	21 Apr 2023
Final dividend - year ended 30 June 2023	30.0 cents	30.0 cents	24,365	6 Oct 2023	20 Oct 2023
Interim dividend - year ended 30 June 2024	34.0 cents	34.0 cents	27,955	5 Apr 2024	19 Apr 2024

6. A Dividend Reinvestment Plan and Bonus Share Plan will be in operation for the interim dividend. The last date for the receipt of an election notice to participate in the plans is 10 April 2024.

7. Details of associates or joint venture entities are as follows:	Date Acquired	Dec 2023	Jun 2023
Ownership interest in investments accounted for under the equity method:			
Nacho LED LLC	4 Oct 2023	49%	0%
ORW USA, Inc.	11 Oct 2023	30%	0%

8. Accounting standards used by foreign entities are not applicable.

9. The financial report has been independently reviewed by Deloitte Touche Tohmatsu and is not subject to a modified opinion or emphasis of matter paragraph.

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## CHAIRMAN'S STATEMENT

The Board of ARB Corporation Limited (“**ARB**” or the “**Company**”) reports that the Company generated sales revenue of \$341.5 million for the half year ended 31 December 2023 (“**1H FY2024**”), up 0.2% compared with the previous corresponding period.

Profit before tax of \$72.5 million represents profit growth of 12.6% over the previous corresponding period after excluding a one-off capital expense of \$1.7 million relating to the final estimated payout for the acquisition of the Truckman business (see note 1 below).

Profit after tax, excluding the Truckman adjustment was \$52.9m, up 12.3% compared with the previous corresponding period.

Reported profit for 1H FY2024 includes the Truckman adjustment and was \$70.8 million before tax and \$51.3 million after tax. This represents an increase of 9.5% and 8.1% respectively over the previous corresponding period.

The half year results are summarised below:

Six months ended	31 Dec 23 \$'000	31 Dec 22 \$'000	Change
<b>Sales revenue</b>	<b>341,545</b>	<b>340,873</b>	<b>0.2%</b>
Other revenue	1,143	1,504	
<b>Total revenue</b>	<b>342,688</b>	<b>342,377</b>	<b>0.1%</b>
<b><u>Profit excluding Truckman adjustments</u><sup>1</sup></b>			
<b>Profit before tax</b>	<b>72,490</b>	<b>64,383</b>	<b>12.6%</b>
Tax expense	(19,552)	(17,228)	
<b>Profit after tax</b>	<b>52,938</b>	<b>47,155</b>	<b>12.3%</b>
<b>Earnings per share (cents)</b>	<b>64.44</b>	<b>57.58</b>	<b>11.9%</b>
<b><u>Reported Profit</u></b>			
<b>Profit before tax</b>	<b>70,819</b>	<b>64,649</b>	<b>9.5%</b>
Tax expense	(19,552)	(17,228)	
<b>Profit after tax</b>	<b>51,267</b>	<b>47,421</b>	<b>8.1%</b>
<b>Earnings per share (cents)</b>	<b>62.41</b>	<b>57.90</b>	<b>7.8%</b>
<b>Interim Dividend (cents per share)</b>	<b>34.00</b>	<b>32.00</b>	<b>6.3%</b>
Franking	100%	100%	

(1) Reported profits include the impact of fair value adjustments relating to contingent payments for the acquisition of the Truckman business completed in 2021 in the UK. The Board believes that non-IFRS Profit excluding Truckman adjustments more accurately reflects the operating performance of the Company:

- 31 December 2023: the Company recognised an expense of \$1.671 million for the estimated deferred contingent consideration resulting from the significantly improved performance by the Truckman business in 1H FY2024; and
- 31 December 2022: the Company recognised a net gain of \$0.266 million reflecting a \$13.673 million write back to profit of the provision for deferred contingent consideration that was not expected to be paid which was offset by an impairment to goodwill expense of \$13.407 million.

The Board has declared an interim dividend of 34.0 cents per share, fully franked at a 30% tax rate. The interim dividend will be paid on 19 April 2024 and the Record Date will be 5 April 2024.

The ARB Dividend Reinvestment Plan and Bonus Share Plan (the “Plans”) will be in operation for the interim dividend to assist with the funding of ARB’s ongoing expansion programme. Information about the Plans can be found on the Company’s website at: <http://www.arb.com.au/about/investor-relations>. Investors wishing to make or change an election to participate in the Plans can do so online via the Computershare Investor Centre website at: [www.computershare.com.au/easyupdate/arb](http://www.computershare.com.au/easyupdate/arb) or by phoning Computershare on 1300 850 505.

## HIGHLIGHTS OF THE HALF YEAR ENDED 31 DECEMBER 2023

### Sales

The Company’s sales revenue for 1H FY2024 was up 0.2% compared with the previous corresponding period.

A summary of sales category performance for the period is as follows:

Customer Category	Percentage of Sales		Sales Growth
	6 months to Dec 2023	6 months to Dec 2022	
Australian Aftermarket	59.5%	57.4%	3.7%
Exports	31.8%	36.9%	(13.6%)
Original Equipment	8.7%	5.7%	53.8%
	100.0%	100.0%	0.2%

The Company achieved sales growth in the Australian Aftermarket of 3.7% in 1H FY2024 and growth was achieved in all Australian states.

Aftermarket sales were significantly hindered during the second quarter by industrial disputes across Australian ports resulting in extensive inbound and outbound disruptions. The Company continues to implement initiatives to improve the Company’s fitting capacity and alleviate constraints which continued throughout the half year.

Pleasingly, current customer orders remain strong and new vehicle sales in Australia have returned to growth with the Ford Ranger, Toyota Hilux and Isuzu D-Max being the three highest selling vehicles in Australia in 2023. ARB carries a full range of accessories for these vehicles.

Export sales declined by 13.6%, including strong sales growth achieved in the UK, offset by challenging market dynamics in other key international markets.

The UK based Truckman business achieved strong sales and profit growth as new vehicle supply returned to the UK market after two years of subdued market conditions resulting from reduced new vehicle supply into the UK market.

ARB continues to focus on recovering sales lost when its major US customer, 4 Wheel Parts, was acquired by a third party which subsequently divested a majority of its retail store network. The Company anticipates stronger sales in New Zealand during 2024 after the country’s newly elected government repealed the “Ute tax” from 1 January 2024 which had depressed sales of new pick-ups throughout 1H FY2024.

ARB continues to implement a number of longer-term initiatives to engage more directly with consumers and support sales in the USA via the establishment of the US e-comm site, its investment in Off Road Warehouse, Inc. and the construction of a pilot ARB branded retail store in Seattle, Washington, expected to open in Q4 CY2024.

Sales to original equipment manufacturers (“OEM”) increased by 53.8% over the period, in line with previous disclosure to the market. The growth is attributable to increased volume from existing contracts, new vehicle model launches and vehicle availability. Sales to OEMs in 2H FY2024 and into FY2025 are projected to continue to grow.

### Distribution

The Company distributes through its market leading ARB store network in Australia, to retail customers, ARB stockists, new vehicle dealers and various fleet operators. There are currently 74 ARB stores in Australia, of which 30 are Company owned, the same number of stores as at this time last year.

The Company’s flagship store roadmap is well developed to accelerate new stores. ARB recently completed construction of a new company-owned flagship store in Osborne Park, WA, which relocated and officially opened in early-February 2024. ARB also relocated its Canberra store during 1H FY2024 to a newly constructed flagship store with significantly

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enlarged floor space. Developments are well progressed for relocating existing retail operations in Albury, NSW, and Bundaberg, QLD, into new company-owned flagship stores. Further, construction of a new site in Mornington, Vic, is underway.

ARB's business and close partnership with Ford continues to grow, underpinned by the successful Ford License Accessory ("FLA") programme. FLA provides consumers with the option of purchasing select ARB products directly from Ford dealers with a Ford extended 5-year accessory warranty. The programme essentially extends ARB's store network to include Ford's distribution network. The addition of the newly released Ranger and Everest models to the FLA programme has further supported ARB's penetration into the Ford accessories' market.

## Products

ARB maintains its long-term competitive advantage through excellence in product development. The Company's continued focus on the engineering and development of new products provides a point of difference to market and further long-term product development projects are planned for release throughout 2024.

ARB launched a number of significant long-term development products during 1H FY2024 including the Earth Camper, the new MT-64 shock absorber range and parabolic leaf springs and airbags for Toyota's LC70. The Company continues to expand the application of existing products to new vehicle models, successfully delivering capable and feature packed products. ARB expects to release three significant new products in CY2024.

Shareholders can learn more about ARB's new product releases via the Company's website at:

<https://www.arb.com.au/latest/news-and-releases/>.

## Investments in Associates

ARB invested in two US based 4x4 accessories companies during 1H FY2024:

- ARB acquired a 30% interest in ORW USA, Inc. ("**ORW**") for US\$5.0 million. ORW currently operates nine retail stores in the US and ARB's investment will accelerate ORW's plans to expand its retail network; and
- ARB acquired a 49% interest in Nacho LED LLC ("**Nacho**") for US\$2.0 million. Nacho was recently established and ARB's investment will facilitate the development of innovative lighting solutions for the 4x4 and automotive industries.

ARB's management team has interacted with the principals of Nacho and ORW over many years and looks forward to combining the companies' respective strengths.

## Financial

ARB achieved a profit before tax of \$72.5m, excluding the non-IFRS adjustment relating to the Truckman acquisition explained in the following paragraph. This represents growth of 12.6% compared with the previous corresponding period. The growth in profit was achieved despite relatively flat sales during 1H FY2024 and was driven by improved margins.

The reported profit includes a \$1.671 million expense relating to the estimated final payment for the acquisition of the UK based Truckman business acquired in March 2021. The acquisition originally included a deferred and contingent earnout based on the performance of the business through 2021 to 2024 for which a provision was raised at completion. Subsequently, the performance of the business declined as the supply of new vehicles into the UK was constrained and the provision was reversed in 1H FY2023, along with a reduction in the associated goodwill, as the contingent payment was considered unlikely. Truckman's performance improved significantly during 1H FY2024 and it now appears certain that a deferred contingent payment of approximately \$1.671 million will be payable.

The Company achieved a net profit after tax, excluding the non-IFRS adjustments relating to the Truckman acquisition, of \$52.9 million in 1H FY2024 compared with \$47.2 million in the previous corresponding period.

ARB has focused on managing its operating expenses in the high inflationary period during the first half. The Company has established an efficient and solid infrastructure to continue servicing the business and its anticipated growth. Weakness in the Australian dollar however continues to impact the group's results given the Company's significant operations in Thailand, with three factories and a distribution centre located in Rayong.

Net cash provided by operating activities was \$71.6 million compared with \$24.0 million in the previous corresponding period, driven by the conversion of profits into cash and the stabilisation of inventory levels. The Company invested \$26.1 million in property, plant and equipment and \$11.0 million in its new US based associates (ORW and Nacho) during 1H FY2024. The Company also paid \$21.1 million in cash dividends.

The Company's maintains a strong balance sheet, with a cash balance of \$53.6 million at 31 December 2023 and no debt.

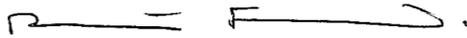
## THE FUTURE

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 Company maintains a positive outlook despite continued uncertain economic conditions, particularly in the global environment. ARB has a strong customer order book, strengthening partnerships and opportunities with OEMs and new and innovative products to be released to market during 2024. The Company's distribution network continues to expand to meet higher customer demand as the supply of new vehicles around the world increases.

The Board believes ARB is well positioned to achieve on-going long-term success in Australia and internationally, with strong brands around the world, loyal customers, very capable senior management and staff, a strong balance sheet and growth strategies in place.

Yours faithfully,



**Robert Fraser**  
Chairman

20 February 2024

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# **4X4 ACCESSORIES**

**ARB CORPORATION LTD**  
ABN 31 006 708 756

## **FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

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**This half year financial report is to be read in conjunction with the  
financial report for the year ended 30 June 2023.**

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## CORPORATE INFORMATION

The half year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by ARB Corporation Limited during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

### COMPANY ABN

31 006 708 756

### DIRECTORS

Robert D Fraser B.Ec., LLB (Hons) - Chairman

Andrew H Brown - Managing Director

Roger G Brown B.E., M.B.A.

Shona M Faber B.Bus., GAICD

Adrian R Fitzpatrick B.Com., FCA

Karen L Phin BA., LLB (Hons), GAICD

Andrew P Stott

### COMPANY SECRETARY

Damon Page B.Bus., CA

### PRINCIPAL REGISTERED OFFICE

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Fax: +61 3 9761 6807

### AUDITORS

Deloitte Touche Tohmatsu

477 Collins Street

Melbourne Victoria 3000

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Abbotsford Victoria 3067

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Australian Securities Exchange

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Rialto, 525 Collins Street

Melbourne Victoria 3000

## DIRECTORS' REPORT

The Directors present their report together with the condensed financial report of the consolidated entity of ARB Corporation Limited, being the Company and its controlled entities ("the Group"), for the half year ended 31 December 2023 and the independent auditor's review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

### Directors Names

The Directors listed below each held office as a Director of the Company at all times during or since the end of the financial half year.

Name	Period of Directorship
Mr. Robert D Fraser (Chairman)	Since 2004
Mr. Andrew H Brown (Managing Director)	Since 1987
Mr. Roger G Brown	Since 1987
Ms. Shona M Faber	Since 2022
Mr. Adrian R Fitzpatrick	Since 2016
Ms. Karen L Phin	Since 2019
Mr. Andrew P Stott	Since 2006

### Review of Operations

Further information on the Group's operations is disclosed in the Chairman's Statement lodged with ASX on 20 February 2024.

The principal activities of the Group during the course of the half year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The consolidated profit attributable to members of the parent entity after income tax expense for the half year was \$51,267,000 (2022: \$47,421,000).

### Significant Changes in the State of Affairs

During the period, the Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

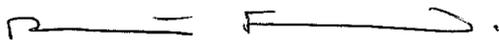
### Rounding Amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year is included at page 16 of this report.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*.



Robert D Fraser  
Chairman

Melbourne, 20 February 2024

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## CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
Sales revenue		341,545	340,873
Other income		1,143	1,504
<b>Total revenue and other income</b>		<b>342,688</b>	342,377
Materials and consumables used		(145,132)	(159,572)
Employee expenses		(76,873)	(74,437)
Depreciation and amortisation expense		(14,163)	(12,610)
Advertising expense		(4,013)	(3,622)
Distribution expense		(8,001)	(8,828)
Finance expense		(844)	(956)
Occupancy expense		(8,480)	(7,304)
Maintenance expense		(3,134)	(2,981)
Equity accounted share of profit/(loss)		(277)	-
Impairment loss on goodwill	6	-	(13,407)
Change in fair-value of contingent consideration	6	(1,671)	13,673
Other expenses		(9,281)	(7,684)
<b>Profit before income tax expense</b>		<b>70,819</b>	64,649
Income tax expense		(19,552)	(17,228)
<b>Profit attributable to members of the parent entity</b>		<b>51,267</b>	47,421
<b>Basic earnings per share (cents)</b>		<b>62.41</b>	57.90
<b>Diluted earnings per share (cents)</b>		<b>62.40</b>	57.90

The accompanying notes form part of these financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Dec 2023 \$'000	Dec 2022 \$'000
<b>Profit attributable to members of the parent entity</b>	<b>51,267</b>	47,421
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to Profit or Loss</b>		
Movement in fair value of cash flow hedges	132	52
Exchange differences on translation of foreign operations	(1,620)	7,621
<b>Other comprehensive income / (loss) for the half year</b>	<b>(1,488)</b>	7,673
<b>Total comprehensive income for the half year attributable to members of the parent entity</b>	<b>49,779</b>	55,094

The accompanying notes form part of these financial statements.

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Dec 2023 \$'000	Jun 2023 \$'000
<b>Current assets</b>			
Cash and cash equivalents		53,569	44,945
Receivables		76,742	80,027
Current tax receivable		1,807	3,064
Derivative financial instruments		59	48
Inventories		231,900	233,192
Other assets		7,480	4,556
<b>Total current assets</b>		<b>371,557</b>	<b>365,832</b>
<b>Non-current assets</b>			
Property, plant and equipment		285,337	268,844
Deferred tax assets		10,592	8,774
Intangible assets		50,449	51,242
Equity accounted investments	4	9,957	-
Right-of-use assets		33,064	30,101
<b>Total non-current assets</b>		<b>389,399</b>	<b>358,961</b>
<b>Total assets</b>		<b>760,956</b>	<b>724,793</b>
<b>Current liabilities</b>			
Payables		60,217	57,625
Derivative financial instruments		45	166
Current tax liabilities		866	28
Lease liabilities		5,980	6,619
Provisions		22,778	21,750
<b>Total current liabilities</b>		<b>89,886</b>	<b>86,188</b>
<b>Non-current liabilities</b>			
Lease liabilities		33,004	29,225
Deferred tax liabilities		1,128	1,136
Provisions		1,165	1,118
<b>Total non-current liabilities</b>		<b>35,297</b>	<b>31,479</b>
<b>Total liabilities</b>		<b>125,183</b>	<b>117,667</b>
<b>NET ASSETS</b>		<b>635,773</b>	<b>607,126</b>
<b>EQUITY</b>			
Contributed equity		193,411	190,163
Reserves		14,375	15,889
Retained earnings		427,987	401,074
<b>TOTAL EQUITY</b>		<b>635,773</b>	<b>607,126</b>

The accompanying notes form part of these financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance as at 1 July 2022</b>	183,560	7,281	364,506	555,347
Profit for the half year	-	-	47,421	47,421
Movement in fair value of cash flow hedges, net of tax	-	52	-	52
Exchange differences on translation of foreign operations, net of tax	-	7,621	-	7,621
<b>Total comprehensive income for the half year</b>	-	7,673	47,421	55,094
Dividend reinvestment plan and bonus share plan	2,895	-	-	2,895
Dividends paid (note 2)	-	-	(25,923)	(25,923)
<b>Balance as at 31 December 2022</b>	186,455	14,954	386,004	587,413
<b>Balance as at 1 July 2023</b>	<b>190,163</b>	<b>15,889</b>	<b>401,074</b>	<b>607,126</b>
Profit for the half year	-	-	51,267	51,267
Movement in fair value of cash flow hedges, net of tax	-	132	-	132
Exchange differences on translation of foreign operations, net of tax	-	(1,620)	-	(1,620)
<b>Total comprehensive income for the half year</b>	-	<b>(1,488)</b>	<b>51,267</b>	<b>49,779</b>
Equity settled share based payments expense, net of tax	-	(26)	-	(26)
Difference arising on winding up interest in subsidiary	-	-	11	11
Dividend reinvestment plan and bonus share plan	3,248	-	-	3,248
Dividends paid (note 2)	-	-	(24,365)	(24,365)
<b>Balance as at 31 December 2023</b>	<b>193,411</b>	<b>14,375</b>	<b>427,987</b>	<b>635,773</b>

The accompanying notes form part of these financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Dec 2023 \$'000	Dec 2022 \$'000
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		370,222	353,240
Payments to suppliers and employees		(278,909)	(303,617)
Interest received		401	118
Finance costs		(812)	(714)
Income tax paid		(19,349)	(25,039)
<b>Net cash provided by Operating activities</b>		<b>71,553</b>	<b>23,988</b>
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		(26,071)	(17,895)
Payments for development costs		(1,509)	(2,438)
Payments for intangible software assets		(12)	(106)
Payments for equity accounted investments	4	(11,031)	-
Proceeds from sales of property, plant & equipment		640	419
<b>Net cash used in Investing activities</b>		<b>(37,983)</b>	<b>(20,020)</b>
<b>Cash Flows From Financing Activities</b>			
Dividends paid		(21,117)	(23,028)
Payments for lease liabilities		(3,873)	(3,368)
<b>Net cash used in Financing activities</b>		<b>(24,990)</b>	<b>(26,396)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>8,580</b>	<b>(22,428)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>44,945</b>	<b>52,707</b>
Foreign exchange differences		44	(489)
<b>Cash and cash equivalents at the end of the half year</b>		<b>53,569</b>	<b>29,790</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

### 1. BASIS OF PREPARATION

This condensed consolidated half year financial report does not include all the notes of the type usually included in the annual financial report.

It is recommended that this half year financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by ARB Corporation Limited during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This condensed half year financial report covers the Company and its controlled entities as a consolidated entity. ARB Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity for the purpose of preparing the financial statements.

The half year financial report was authorised for issue by the Directors as at the date of the Directors' Report.

#### (a) Basis of preparation of the half year financial report

This condensed consolidated half year financial report has been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* as appropriate for for-profit entities and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

The half year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Where necessary, comparative information has been reclassified for consistency with current year disclosures.

#### (b) Summary of the material accounting policies

Except as described below, the accounting policies applied in this half year financial report are the same as those used in the annual financial report for the year ended 30 June 2023.

##### **New accounting standards and interpretations issued**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year. There has been no material effect.

A number of new accounting standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not yet assessed the impact of these standards or interpretations.

#### (c) Rounding amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

## 2. DIVIDENDS

	Dec 2023 \$'000	Dec 2022 \$'000
Dividends paid or recommended by the Company are:		
<b>Recognised Amounts</b>		
A final fully franked ordinary dividend of 30.0 cents per share paid on 20 October 2023 (2022: 39.0 cents per share fully franked)	24,365	25,923
<b>Unrecognised Amounts</b>		
An interim fully franked ordinary dividend of 34.0 cents per share to be paid on 19 April 2024 (2022: 32.0 cents per share fully franked)	27,955	26,231

The interim dividend proposed was declared subsequent to the reporting period and has therefore not been recognised as a liability.

The dividends paid by the Company were fully franked at the tax rate of 30% (2022: 30%) and the recommended interim dividend will be fully franked at the tax rate of 30%.

## 3. ISSUES OF EQUITY SECURITIES

Number of fully paid ordinary shares:

	Dec 2023 Shares	Dec 2022 Shares
Balance at the beginning of the half year	82,099,299	81,855,789
Dividend Reinvestment Plan and Bonus Share Plan	121,142	115,933
Balance at the end of the half year	82,220,441	81,971,722

Weighted average number of ordinary shares used in the calculation of basic earnings per share is 82,147,361 (2022: 81,900,524).

## 4. INVESTMENTS IN ASSOCIATES

On 4 October 2023, the Group acquired a 49% interest in Nacho LED LLC, a USA based company engaged in the business of distribution and sale of off-road motor vehicle lighting products. The consideration for the acquisition was \$3,151,593 (US\$2,000,000).

On 11 October 2023, the Group acquired a 30% interest in ORW USA, Inc, a USA based company engaged in the business of distribution and sale of off-road motor vehicle parts and accessories. The consideration for the acquisition was \$7,878,979 (US\$5,000,000).

The carrying amount of the equity accounted investments at 31 December 2023 was \$9,957,323 reflecting the foreign exchange revaluation at balance date and the equity accounted share of loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

## 5. SEGMENT INFORMATION

The major products/services from which the economic entity derived revenue during the half year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The reportable segments of the consolidated entity are based on geographical locations comprising operations in Australasia, USA, Thailand and Middle East, Europe & UK.

The following table includes the disaggregation of revenue disclosures in line with *AASB 15 Revenue from Contracts with Customers*.

	Australasia	USA	Thailand	Middle East, Europe & UK	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2022</b>						
<b>Segment revenue</b>						
Total segment revenue and other income	323,721	41,389	57,069	27,607	(107,409)	342,377
Intersegmental revenues	(56,326)	-	(50,924)	(159)	107,409	-
<b>Segment revenue and other income</b>	<b>267,395</b>	<b>41,389</b>	<b>6,145</b>	<b>27,448</b>	<b>-</b>	<b>342,377</b>
<b>Segment result</b>						
Total segment result	42,528	3,258	5,206	2,270	(5,841)	47,421
Intersegmental eliminations	(1,183)	-	(4,645)	(13)	5,841	-
<b>Segment result from external source</b>	<b>41,345</b>	<b>3,258</b>	<b>561</b>	<b>2,257</b>	<b>-</b>	<b>47,421</b>
<b>31 December 2023</b>						
<b>Segment revenue</b>						
Total segment revenue and other income	321,917	32,665	65,511	31,583	(108,988)	342,688
Intersegmental revenues	(47,804)	-	(61,074)	(110)	108,988	-
<b>Segment revenue and other income</b>	<b>274,113</b>	<b>32,665</b>	<b>4,437</b>	<b>31,473</b>	<b>-</b>	<b>342,688</b>
<b>Segment result</b>						
Total segment result	39,999	2,672	6,630	2,885	(919)	51,267
Intersegmental eliminations	5,272	-	(6,181)	(10)	919	-
<b>Segment result from external source</b>	<b>45,271</b>	<b>2,672</b>	<b>449</b>	<b>2,875</b>	<b>-</b>	<b>51,267</b>
<b>30 June 2023</b>						
<b>Total segment assets</b>	<b>596,746</b>	<b>63,148</b>	<b>150,584</b>	<b>50,783</b>	<b>(136,468)</b>	<b>724,793</b>
<b>Total segment liabilities</b>	<b>124,633</b>	<b>16,235</b>	<b>15,603</b>	<b>15,130</b>	<b>(53,934)</b>	<b>117,667</b>
<b>31 December 2023</b>						
<b>Total segment assets</b>	<b>637,585</b>	<b>67,936</b>	<b>162,330</b>	<b>54,429</b>	<b>(161,324)</b>	<b>760,956</b>
<b>Total segment liabilities</b>	<b>138,574</b>	<b>19,915</b>	<b>20,323</b>	<b>17,071</b>	<b>(70,700)</b>	<b>125,183</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

## 6. ADJUSTMENTS RELATING TO THE AUTO STYLING TRUCKMAN GROUP LIMITED BUSINESS COMBINATION

*31 December 2022*

The Company acquired 100% of the shares of Auto Styling Truckman Group Limited (trading as Truckman) and indirectly its wholly owned subsidiary Auto Styling UK Limited on 2 March 2021, both of which are private companies incorporated in the United Kingdom. The total cost of acquisition recognised at acquisition date included a provision for contingent consideration of \$13,194,000 based on the companies acquired achieving the maximum target EBITDA during the three years following completion. The goodwill of \$26,021,000 at acquisition reflected the excess of the cost of acquisition, including the provision for contingent consideration, over the fair value of net assets acquired.

Truckman's trading result declined throughout the 2022 calendar year as a result of new motor vehicle supply constraints and the general economic environment in the UK.

Based on management's projection of Truckman's trading result, goodwill (\$13,407,000) was impaired during the half year ended 31 December 2022. The Directors also considered it unlikely that the contingent consideration (\$13,673,000) would be payable, hence a gain from change in fair value of the contingent consideration was recognised.

*31 December 2023*

Truckman's operations and results improved significantly during the half year ended 31 December 2023 due to improved supply of new vehicles into the UK, sales price increases and stabilisation of operational costs. The Company recognised a liability and expense of \$1,671,000 during the period to 31 December 2023 reflecting management's estimate of the final contingent consideration based on Truckman's improved profitability. The final payment will be made during the second half of the financial year.

	Dec 2023 \$'000	Dec 2022 \$'000
Gain/(loss) from change in fair-value of contingent consideration	(1,671)	13,673
Impairment loss on goodwill	-	(13,407)
Movements in the carrying amount of Truckman goodwill acquired:		
Opening balance at the beginning of financial year	12,614	26,021
Impairment loss	-	(13,407)
Closing balance at the end of the financial period	12,614	12,614

## 7. SUBSEQUENT EVENTS

With the exception of the declaration of an interim dividend in Note 2, no other matters or circumstances have arisen since 31 December 2023 that have significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2023, of the consolidated entity;
- (b) the results of those operations; or
- (c) the state of affairs, in financial periods subsequent to 31 December 2023, of the consolidated entity.

## DIRECTORS' DECLARATION

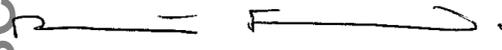
The Directors declare that the financial statements and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, and:

- (a) comply with the Australian Accounting Standard *AASB 134 Interim Financial Reporting*, and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that ARB Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

For personal use only



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Robert D Fraser  
Chairman

Melbourne, 20 February 2024

## Independent Auditor's Review Report to the Members of ARB Corporation Limited

### *Conclusion*

We have reviewed the accompanying half-year financial report of ARB Corporation Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 4 to 13.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibility for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Andrew Reid  
Partner  
Chartered Accountants  
Melbourne, 20 February 2024

20 February 2024

The Board of Directors  
ARB Corporation Limited  
42-44 Garden Street  
Kilsyth VIC 3137

Dear Board Members

## Auditor's Independence Declaration to ARB Corporation Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of ARB Corporation Limited.

As lead audit partner for the review of the half year financial report of ARB Corporation Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Andrew Reid  
Partner  
Chartered Accountants