

27 September 2018

Company Announcement



Turners 2018 Annual Meeting Summary and Voting Results

Turners Automotive Group Limited (NZX: TRA) held its annual meeting yesterday in Auckland, updating shareholders on its strategy and performance in the year to date.

Turners has by far the biggest share of the used vehicle market in New Zealand and its integrated business model allows it to offer all the add-ons that customers are looking for - finance, insurance and auto care services. The industry dynamics remain strong and the company expects many more years of demand as New Zealand's fleet ages and needs to be replaced.

The company remains focused on growth across its automotive and related financial services group, with a number of strategic imperatives for the year.

- Organic growth leading to increased market share, building on the trust inherent in the Turners' brand.
- Putting the customer at the heart of the business, with significant investments in training and people development, further investments into retail re-configuration, and other initiatives to improve the quality of the customer experience, both physically and online, across all Turners' businesses.
- Continuing the transition to higher quality and more profitable lending with a focus on improving Turners' loan origination platform and credit scoring decisions.
- Increasing efficiency and product development and innovation in insurance.
- Targeting growth for EC Credit Control in Australia, in both the corporate and SME segments.

Highlights and key activity in the year to date include:

- Automotive Retail – contracts signed with large insurance brands for Damaged and End of Life vehicle sales; growing website visits; and introduction of Net Promoter Score measures with very pleasing initial results.
- Expanding property footprint – relocated, refurbished or opened five sites across New Zealand; acquired land for two further relocations; and negotiated a lease for a new site in New Plymouth, a new market for the business.
- Working with MTF to improve the quality of lending in the MTF channel and rebuild volume; planning to introduce comprehensive credit reporting into the loan origination platform.
- Completed review of insurance business to identify further opportunities for efficiencies; affirmation of DPL Insurance's B+ rating by A.M Best; underway with a review to ensure appropriate pricing for risk.
- Investment into senior sales expertise with corporate debt load continuing to grow; utilising wealth of data to provide added value for customers and improve operational efficiency.

The Board reaffirmed its previous profit guidance for FY19 of a Net Profit before Tax of between \$34 million and \$36 million, the mid-point representing a healthy 13% increase over FY18.

Turners CEO, Todd Hunter, said: "Turners has never been in better financial shape, with a conservative equity ratio and an improved diversified funding platform to support growth. The investments we are making into people, property and our businesses will start to deliver early benefits in the second half and we are seeing positive momentum in the company. Our confidence in our strategy and long term prospects remains at high levels."

Copies of Turners' annual meeting speeches and presentation are available on the company website <https://www.turnersautogroup.co.nz/Investor+Centre/Annual+Meetings.html>

Shareholders passed all resolutions at the 2018 Turners' Annual Meeting:

Resolution	For	Against	Abstain
Authorise Directors to fix the auditor's remuneration	99.96%	0.04%	4,472
Election of Martin Berry as a Director	99.87%	0.13%	25,766
Re-election of Antony Vriens as a Director	99.88%	0.12%	31,236
Re-election of Paul Byrnes as a Director	99.76%	0.24%	23,683
Increase in total Directors' remuneration to \$665,000 per annum	94.87%	5.13%	8,769,267

ENDS

About Turners

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector www.turnersautogroup.co.nz

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