

TURNERS LIMITED ANNUAL MEETING

CHAIR'S PRESENTATION

9th September 2021



Play video welcome from Tina



That's a hard act to follow. Welcome everyone and thanks for joining us at the 2021 annual meeting of shareholders of Turners Automotive Group.

My name is Grant Baker and I'm the Chairman of Turners.

The Notice of Meeting and 2021 Annual Report and financial statements have been circulated and made available to shareholders. Today's meeting is being held online via the Computershare Online Meetings platform. This allows Shareholders, Proxies and Guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting and read the company documents associated with the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

I would like to introduce my fellow directors - Paul Byrnes our deputy chair, Matthew Harrison, Alistair Petrie, John Roberts, and Antony Vriens. Martin Berry is streaming live from Singapore via Zoom and is participating fully in the meeting today.

Also with us online today are Todd Hunter, our Group CEO and Aaron Saunders, the company's Group CFO.

There will also be a number of our senior managers and staff online today. Welcome to you all.

Also in attendance today are the company's auditors, Staples Rodway, as well as our legal advisors Chapman Tripp, and other advisors.

Thanks to all these firms that provide valuable services to Turners.

How to Participate in Virtual/Hybrid Meetings (Q&A)

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



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We were looking forward to the opportunity to meet shareholders in person, and to share our plans and our enthusiasm for the future of the business. However, like many situations we have faced in the last 18 months we have had to adapt, and this meeting having to be postponed from August and shifted online is yet another reflection of that.

If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen anytime. Type your question into the field and press send. Your question will be immediately submitted. Should you require any assistance, you can type your query and one of the Computershare team will assist with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email. Accordingly, I encourage you to get in early, to ensure that your question gets answered at the end.

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open the voting for all resolutions.


How to Participate in Virtual/Hybrid Meetings (Voting)

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



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At that time, if you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. Once the voting has opened, the resolutions will allow votes to be submitted. To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution. Your vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You have the ability to change your vote, up until the time I declare voting closed.

I now declare voting open on all items of business. The resolutions will now be open in the vote tab, please submit your votes at any time. I will give you a warning before I move to close voting.

Agenda

1. Chairman's Address

2. CEO Update

3. Resolutions

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Today you will hear from me first and then an update from Todd Hunter.

Then we'll deal with the resolutions, where voting will be conducted by way of a poll on all items of business.

Following the presentations, there will be an opportunity for discussion and any questions you may have.

We'll answer questions on the resolutions at the time they are proposed, and there will be a further opportunity at the end of the meeting for you to ask any other general questions about the company and our operations.

Chairman's Address
Grant Baker



Firstly, let me give you some comments on the year just gone and how we're positioned as a company. Obviously 2020 was a year unlike any other - but I couldn't be more pleased about the shape the business is in, the trajectory we're on and the future for the Turners business.

All coming together ...

Our plan for growth* has been proven up and de-risked over the last three years:

- 1. Building out a digital and omni-channel experience in Auto Retail**
- 2. Auto Retail optimisation**
- 3. Targeting high quality lending growth in finance**

* For more details on our Growth Plan, please refer to our recent [Investor Presentation](#) (14/4/2021)

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Reflecting on the last 12 months, our team has responded incredibly well to the pandemic challenges presented through the year. Their high levels of engagement combined with the diversified nature of the business ensured we were well positioned as we moved out of the lockdown.

We've continued to focus on building our digital capability, optimising our retail network and customer experience and continued to grow high quality lending.

Our growth plans are being realised and the work we've been doing over the last 3 years is getting serious traction.

KEY THEMES

Quality + Growth + Yield

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Quality, Growth and Yield are the key themes I wanted to drill into a little with you today. Let's start with Quality.

1. Quality: Building a quality business

- 1. Quality of our trusted brands**
- 2. Improving earnings quality and consistency (incl. annuity revenue)**
- 3. Building a quality customer experience**
- 4. Extending our competitive advantage for digital**
- 5. Quality culture and people**

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As a group, we've continued to focus on quality. We know the great trusted brands we have in our stable.

Quality customer experiences are leading to improvement in earnings quality and consistency. We continue to extend our competitive advantage through digital initiatives, and we know that improving the quality of the work environment for our people will be critical in helping deliver quality experiences for our customers, as well as returns for our shareholders.

2. Growth: Momentum continues ...

FY21 Result:

Achieved a step change in performance during FY21, with 19% growth in underlying PBT

FY22 YTD:

Tracked comfortably ahead of run rate profit levels in H2 of FY21 (pre-lock down)

FY22 Guidance:

Prior to lock down we were on track to deliver a 15% uplift in net profit before tax for FY22

FY24 Target

Our target is for a 31% increase in Underlying NPBT from FY21 to FY24 to \$45m

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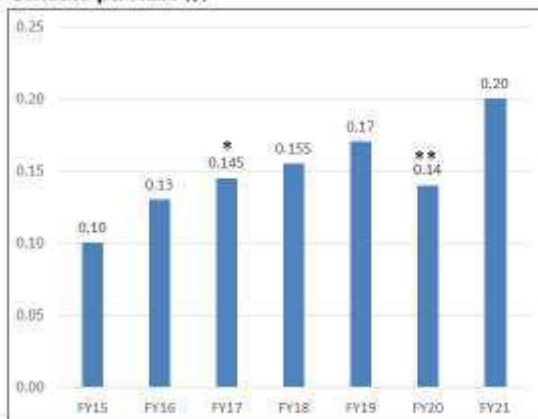
We have some serious momentum in this business. We had already signs of this step change in late FY20 but the March 2020 lockdown put a temporary halt on this. But the halt didn't last long. We achieved a step change in performance over FY21 with a 19% uplift in underlying profits. Then, prior to lockdown in mid-August, YTD FY22 has seen monthly operating results tracking comfortably ahead of run rate profit levels in the second half of FY21.

Given the lift in performance in the first 4 months of the financial year we were well on track to achieving at least a 15% uplift in profits for FY22. However, our short-term performance will now be impacted by the level and duration of Covid-19 restrictions on trading. It is good to see our branches outside of Auckland now returning to Level 2 restrictions, and we are hopeful we will see Auckland move down levels in the next few weeks. Our nationwide geographic diversification is helpful at the moment, as it was in previous Auckland-centric lockdowns.

What I do want to be clear about is that this latest lockdown doesn't change our medium-term view on the prospects for Turners. At the annual results announcement in May, we put out a marker for our 3 year growth plans. We aim to deliver a further 31% growth in underlying profits to \$45m profit before tax in FY24. If anything, we feel even more confident on this medium-term target given how the businesses performed heading into this lockdown.

3. Yield: Sustainable and growing

Dividend per Share (\$)



*Dividends fully imputed from FY17 onwards

**Covid-19 related cancellation of final dividend

- Strong track record of growing dividends for shareholders over time
- Directors declared a final dividend of 6.0 cents per share (fully imputed) taking full year dividends to 20.0 cents per share for FY21
- Pay out ratio at 60-70% of NPAT to ensure business is funding growth opportunities
- Based on a 20.0 cents per share dividend (FY21) and a share price of \$4.50 this is a gross yield of 6.2% pa

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Our performance and sustainability of profits is being reflected in our growing dividend stream.

We declared a final dividend of 6.0 cents per share - slightly above our published guidance, which resulted in a record pay out for shareholders in FY21 of 20 cents per share.

We intend to maintain our current dividend policy – 60% to 70% of NPAT – in the year ahead to ensure the business is being supported in funding its growth opportunities.

Based on last year's dividend of 20 cents per share and a share price of \$4.50 this produces an attractive gross yield of 6.2%. This is a major attraction for shareholders and personally for me as well.

Why I continue to believe in this business ...

Why I invest...	Competitive advantages...
<ul style="list-style-type: none">• Yield we are generating for shareholders• Opportunity for growth in all businesses• Consistency of earnings improving• Latent value in the property portfolio• People and culture of Turners Auto Group	<ul style="list-style-type: none">• High trust "Turners" brand• Biggest buyer and seller of cars in NZ• Unmatched national footprint• Diversified sources of cars• Agility in finance and insurance systems• Technology capability and data advantages

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I thought it might be useful for other shareholders and prospective shareholders to understand why I believe in the company so much. I recently increased my holding and now own over 7% of the shares in Turners. I enjoy being involved in this business and plan on continuing as a long term holder.

I love the yield we are generating through dividends, and the fact we pay these out quarterly is a real positive. There is significant growth opportunity across all our businesses but particularly within Auto retail and the Finance business.

With the growth we have experienced in finance and insurance our earnings consistency has really improved over the last few years.

We're also creating some significant value in our property portfolio which currently sits off balance sheet. Todd will go into this further but we have conservatively another \$14m in unrealised property gains and more to come as we make further investments.

This business is extremely well run. The culture is very positive, and at all levels of the organisation we see committed and engaged people. I know this is something Todd focuses on right across the business.

The business is well positioned from a competitive perspective and our strategic focus is designed to make these advantages grow bigger.

Our brand strength is a massive asset. Turners stands for trust in a market that is known for mis-trust.

We are the biggest buyer and seller of cars in NZ. Our network reach is unrivalled which gives us economies of scale and an ability to be closer to our customers.

Our business is diversified in terms of earnings, geography and for vehicle sourcing. We've also made significant investment to ensure we have agility within our finance and insurance systems. This means we can react and take advantage of opportunities quicker than our competitors.

We are going to continue to invest heavily in digital.

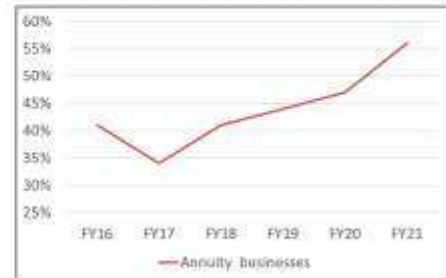
And we're a big player in highly fragmented market which means we have the means to do things others can't, particularly in the data and digital space.

Resilient and well placed for an uncertain environment

The business has strong geographical and earnings diversification and will perform strongly once we return to more normal operating conditions

1. Used car market is resilient – strong sales expected out of lockdown
2. Diversified business – geographic diversity and earnings diversity (annuity earnings more than 50% of profits)
3. High “trust” brands – consumers move to high trust brand in times of uncertainty
4. Digital is a competitive advantage – well positioned to deliver online
5. Business has a strong balance sheet and supportive banks

Annuity business profits as a % of total operating profit



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It is important to reflect and remind ourselves what has happened with the previous lockdowns over the last 18 months. We have built a resilient business group that is robust even in difficult market circumstances. We also know that once these restrictions ease up that customers return to normal very quickly.

We know the used car market is resilient with around one-quarter of the cars in NZ turning over each year, and hundreds of thousands of cars needing to be replaced in the coming years.

Our business has geographical resilience...no more highlighted than the exact situation we find ourselves in today. Also our higher level of annuity earnings helps mitigate some of the short term interruptions in vehicle sales due to COVID level restrictions. This reduces risk, and also provides stability in terms of earnings and dividends.

Our high trust brands resonate with consumers, particularly in times of uncertainty.

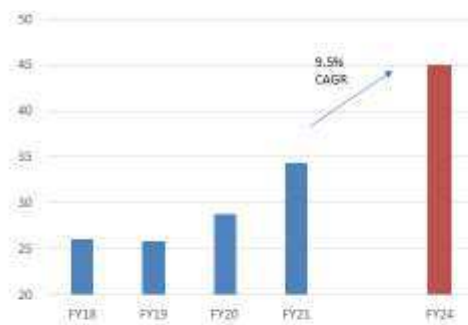
Digital investment will continue to be a competitive advantage and we know there is lots more we can do in the future to drive that advantage home.

Lastly we have a strong balance sheet and the business is well funded and well supported by our banks ASB and BNZ.

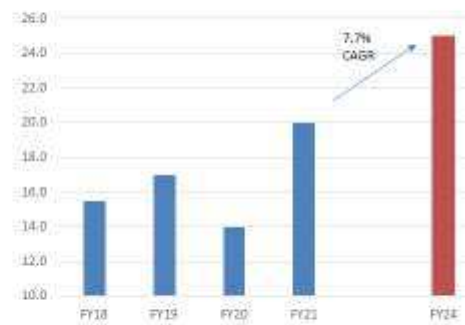
Performance: Line of sight on where we're going

Over three years we target 31% growth in Underlying NPBT¹

Underlying Net Profit Before Tax (\$M)¹



Dividends Paid (cps)



Underlying NPBT is a non-GAAP measure

¹ Reported NPBT (\$m) for FY18 31.1, FY19 29.0, FY20 29.1, FY21 37.4. Reconciliations for each of the periods can be found in the respective Annual Results Presentation

This is a target and achievement we depend on various factors some of which will be outside of our control.

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We reached an inflection point mid-way through FY20 and since then we have seen a step change in the business. The key strategic investments, initiatives and changes that have been completed over the last 3 years are delivering.

We're very happy with the momentum and the plan and feel very confident there is much more to come. Todd shared the FY24 plan at the Annual Results presentation in May. We felt it was important to give some insight to shareholders how we were thinking about the growth trajectory internally and which divisions the growth will come from.

Based on our plans and the results we're seeing we are very confident that in less than 3 years we'll see Profit before Tax of \$45m, and a dividend payout of around 24cps based on current dividend policy. The team are very focused and driven around achieving this goal.

Of course I do have some aspirational goals of my own. About 5 years ago I went to a management meeting and one of the guys asked me what my goals were for the company. I always like to set ambitious goals so my off the cuff reply was I want three things starting with a five.

A \$5 share price

\$50m profit before tax

Break into the NZX 50

Obviously we're not there yet. But we're pushing!

In closing may I thank shareholders for your ongoing support and interest in the company.

We are well-advanced in growing a high-**quality** business with reliable and diversified earnings, capable of success through the cycle.

We are confident in our growth plans and are already seeing significant traction from the investments and initiatives we have put in place.

Our improving business performance will enable us to continue to deliver a growing and sustainable yield to shareholders.

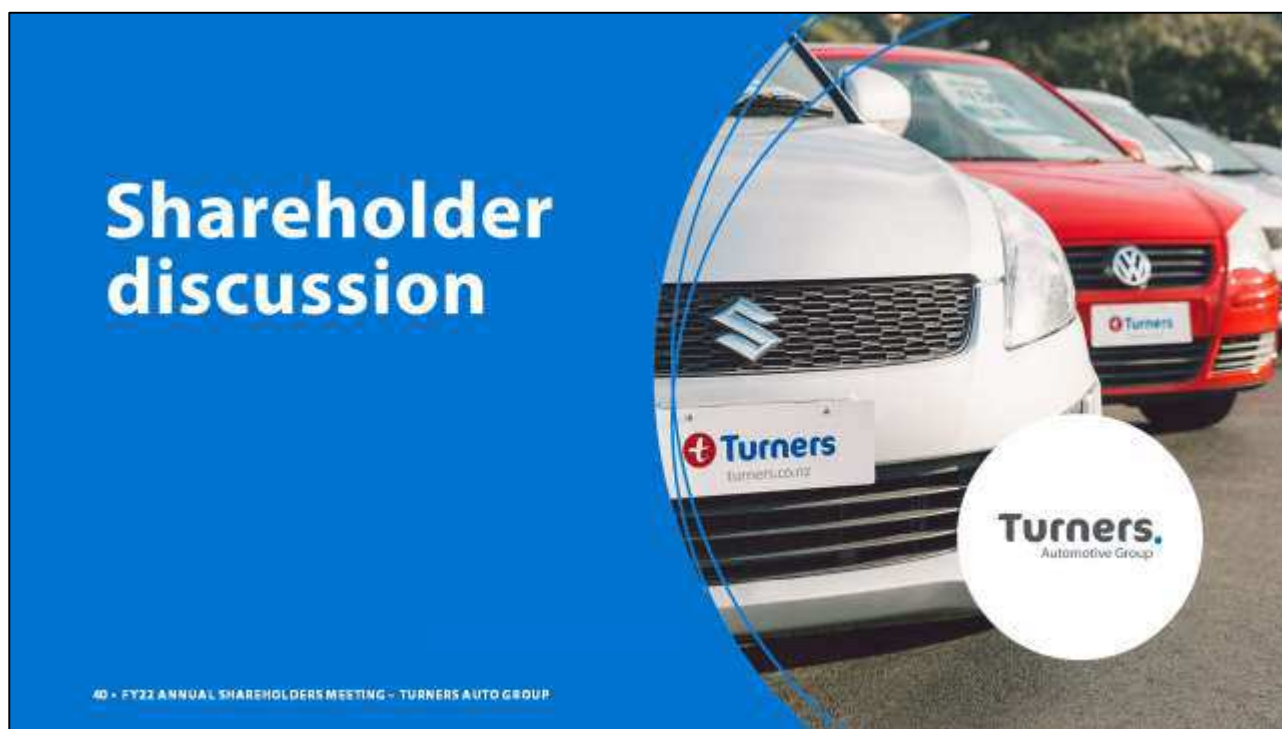
Before I hand over to our CEO Todd Hunter to review operations and strategy for each business unit in more detail let's have a quick look at the latest brand advertisement from Tina...

We love cars



[MOVE TO CEO PRESENTATION]

[.. THEN CHAIRMAN RESUMES CONTROL OF THE MEETING]



I will be checking with the question moderator if there are any questions on the resolutions as we come to them.

In the meantime, are there any questions on the presentation or results?

[Questions]

OK with that, I'll move onto the formal part of the meeting.

Resolutions

ORDINARY RESOLUTIONS:

- **RESOLUTION 1:** That Baker Tilly Staples Rodway be reappointed as auditors of the Company and that the Directors be authorised to fix the auditors' remuneration.
- **RESOLUTION 2:** That Paul Byrnes, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company until 18 February 2022.
- **RESOLUTION 3:** That Martin Berry, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.
- **RESOLUTION 4:** That Antony Vriens, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

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I would now like to move to the resolutions before the meeting.

These were notified in the Notice of Meeting and explanatory notes have been provided.

Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolutions.

There are four Resolutions before the meeting today:

RESOLUTION 1: That Baker Tilly Staples Rodway be reappointed as auditors of the Company and that the Directors be authorised to fix the auditors' remuneration.

RESOLUTION 2: That Paul Byrnes, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company until 18 February 2022.

RESOLUTION 3: That Martin Berry, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

RESOLUTION 4: That Antony Vriens, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

We believe that having Directors with relevant industry, commercial and governance skills is essential for the continuing success of the Turners' group. Diversity of thought in particular and broader commercial acumen, are also taken into consideration by the Board when reviewing Board membership.

We currently have Directors with hands on experience in the finance, insurance and debt management sectors as well as Directors with expertise in governance and very diverse experience and entrepreneurial skills in sales, marketing and business growth.

Before handing over to Paul I did want to say a few words about Paul's contribution to the company, given he will be stepping down from the board in February 2022. Paul joined the board in February 2004 – almost 18 years ago and he's had a huge influence on the company during that time. Paul is a highly skilled director with broad business experience. He has experience as a director in other companies, experience in chief executive roles as well as managing his own private investments. He's also a chartered accountant by profession.

There have been a few highs and lows over those 18 years. The company had a very difficult time after the GFC. We were losing money and even lost our CEO. Paul stepped into the breach as acting CEO and ended up staying in the role for 8 years until we appointed Todd. Those were very tough times and without Paul at the helm we may have well not have got through.

Paul also led or was involved in a number of acquisitions including the Turners Auctions business and the Oxford Finance business, as well as Autosure Insurance – all of which have turned out to be fantastic buys and are the foundation of the business you see today.

Some of the acquisitions were quite complex with some creativity required to get the transaction over the line.

At board level Paul has always been extremely thorough and well prepared and been an integral part of our growth story. As a board we do have some robust discussion from time to time - and Paul is often at the forefront of those discussions. He does have strong views but they are always well thought out and always help get us to the right answer. At a personal level I have a great deal of respect for what Paul has achieved in his business career and contributed to the company, and wish him all the best with whatever he chooses for his future.

I will invite Paul Byrnes, Martin Berry and Antony Vriens to speak to the meeting in support of their re-election. If you have any questions in regard to the resolutions, please send them now.

Let's start with Paul and then move to Martin and Antony.

[TAKE QUESTIONS ETC AS APPROPRIATE]

Voting

Resolution: Proxies	FOR	AGAINST	PROXY DISCRETION
Auditor's reappointment / remuneration	19,268,037	36,000	2,807,113
Re-election of Paul Byrnes	18,907,955	391,926	2,823,869
Re-election of Martin Berry	19,197,799	22,383	2,822,968
Re-election of Antony Vriens	19,191,211	28,971	2,822,968

Total proxies received in respect of 22,129,150 shares representing 25.71% of total shares on issue.

Voting on each resolution will be by way of poll.

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Moving onto the proxy votes. Many shareholders, who are not attending this meeting have voted by proxy.

I wish to advise that proxies have been received for 25.71% of total shares on issue.

Ladies and gentlemen that concludes our discussion on the items of business.

In a couple of minutes, I will close the voting system. Please ensure that you have cast your vote on all resolutions. I will now pause to allow you time to finalise those votes.

In the meantime, let me check if there are any final questions that we can deal with while we are waiting for the final minutes of voting.

[WAIT FOR 60 SECONDS IF THERE ARE NO QUESTIONS]

Voting is now closed.

The results of today's voting will be posted to the NZX as soon as possible.

Ladies and gentlemen that concludes our discussion on the items of business.



That brings the formal part of the meeting to a close.

I therefore call the 2021 annual meeting of shareholders closed.

Thank you all for your attendance today and most importantly, your ongoing support. We very much value our loyal shareholder base and welcome your feedback.

Thank you again for your patience in participating in an online meeting.

I hope it is not too long before we can once again meet face-to-face and share some refreshments.

In the meantime, we will continue to work hard to ensure your Company continues to grow and prosper and as we discussed we are very confident about our future trajectory.

ENDS

TURNERS LIMITED ANNUAL MEETING

CEO'S PRESENTATION

9 September 2021



Thank you Grant, and may I start by thanking the Board and all the Directors, on behalf of the Turners Auto Group team, for their support and guidance through the last 12 months.

And on behalf of the wider Turners team, thank you to each of you for being with us online today, and for continuing to show interest and care about the company. We are delighted by the loyalty of our investor base, and we will continue to strive to reward that loyalty with improving outcomes, including dividends.

Today I'm going to spend a small amount of time looking back on the FY20 year, give you a quick overview of the car market in NZ, and a few comments on how each business unit is going so far in the FY22 year, including the impact of the current lockdown. I will then finish up with a discussion on our 3 year roadmap and how we're tracking toward that.

FY21 Results snapshot

Revenue \$296.5m -11%	Shareholders' Equity \$234m as at 31 March 21
Underlying Net Profit Before Tax \$34.3m +19%	Final Dividend 6.0 cps FY Div 20.0cps
Net Profit Before Tax \$37.4m +29%	FY21 Earnings Per Share 31.4cps (FY20 24.3cps, +29%)
Net Profit After Tax \$26.9m +28%	

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Looking back quickly at FY21 results. We announced this to the market back in May, so I won't dwell on the historic outcomes.

Suffice to say, we had a step change in our business performance in FY21. This included a 19% increase in underlying profit before tax. This is a result of many of the changes we made over the last 2-3 years that are now really starting to get traction. Although a disrupted operating period saw FY21 revenue down 11% to \$296m, a strong response from the business, including acceleration of its digital strategy and rigorous cost management saw three of our four segments lift profit strongly. Only Credit was down on last year's result and that was because of an unusual situation where a number of our corporate and bank customers were reluctant to pursue debt aggressively over the Covid-19 period.

Demonstrating the benefits of the Group's diversified annuity businesses, profit rose 50% in Insurance, 30% in Finance and 11% in Automotive Retail. All of this helped to contribute to a strong and sustainable yield.

I think our team has responded incredibly well to the challenges brought on by the pandemic. Their high levels of engagement combined with the diversified nature of the business ensured we were well positioned to navigate the various national and regional lockdowns. As a group, we have continued to build quality customer

experiences, improving the quality of the work environment for our people, which in turn will deliver quality returns for our shareholders.

Our growth plans are working and our confidence in our longer-term plan is only growing.

Pleasingly, FY22 has started positively and we have continued to see another step change in the business performance run rate prior to the latest lockdown.

Update on the NZ used car market



- Significant delays in the supply chain for new cars (particularly commercials) caused by Covid and the demand for semi-conductors
- Used car prices have risen ~10% since April 2020. We expect them to hold at these levels.
- Dealers are leaving the market...Registered dealers down ~10% in 2021 from 2019 levels
- Transaction levels are tracking 3% below 2019 (June YTD) but well ahead of 2020
- ~ 10% less used imports have come into NZ June YTD v 2019

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Firstly, in regard to the short-term. We now have the August market transaction numbers and as expected there has been a short-term impact on transaction numbers from the lockdown. Last year's experience will tell us we can also expect a bounce back in transaction levels once normal operating conditions return. It's still too early to have a firm view of how this halt followed by acceleration will have on our business. However, we are more confident than we were during the first lockdown on how this will play out. And we will update you further when we announce HY results in November.

Secondly, on the medium terms, as many of you will have read about or possibly experienced first hand, there are significant delays being experienced in the supply of new cars. This is mostly due to the unusually high demand for micro-chips. Based on our conversations with new car manufacturers, we now expect this shortage to continue to impact the market for at least another couple of years.

Because less new cars are being sold internationally, vehicles are difficult to buy in Japan, which means there are less used imports coming into New Zealand. As a reminder, we are much less exposed to this shortage than most of our competitors, with less than 10% of our vehicles coming from overseas.

This overall reduction in supply has led to used car prices increasing over the last 12 months probably somewhere in the 10-15% range. The price rises are more

pronounced in specific makes and models, such as utes (incidentally, we have certainly observed the impact of the 2020-2021 construction boom!)

With more regulation now coming into effect from the government we would expect used car prices to hold at this level or potentially even increase further.

Also the difficulty in sourcing stock means around 10% of dealers have left the market over the last 2 years.

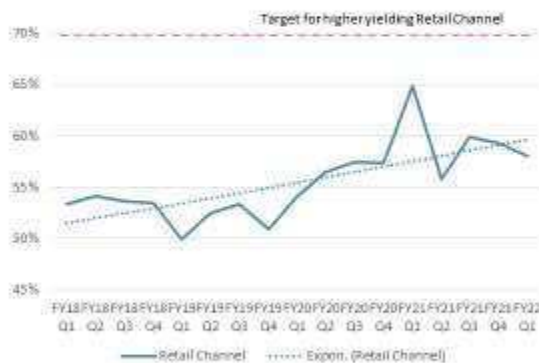
Finally, to give you a sense on volume, at the end of August 2021 YTD used car transactions are tracking around 10% below the same period in 2019.

Let's move onto the business units.

Automotive retail

Revenue 201m -11%, Segment Profit \$15.4m +11%

Growth - % of Total Sales by Sales Channel



- Margins are higher for retail sales and Turners share of retail sales continues to grow
- "Tina" brand campaign working well, attracting new retail buyers and sellers to the business
- Rotorua phased opening planned with Phase 1 opening at start of Oct-2021
- Nelson development progressing well and tracking to expectation (May-2022)
- Finance attach rates have improved from 29% to 32% in Q1 of FY22 v Q1 FY20
- Customer Data Platform has 500k contact points

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In **Auto Retail** our strategy of focusing on the purchasing capability of our business, optimising our network of sites, and enhancing our digital presence, is delivering gains in both margin and market share.

Auto Retail also drives synergies amongst our other business units. Each month we are lending more of Oxford's money to Turners customers, and our new Turners brand campaign is attracting new buyers and sellers to the business.

Our customer data platform is complete and we now have over half a million contact points for customers. This is leading to much more relevant and timely communications with customers and is ultimately helping us drive our conversion numbers up in both buying cars and selling cars.

Continued investment in both digital and physical continues to widen our competitive moat



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We feel we have the winning formula for market share and margin growth in the Auto Retail business. If we source vehicles smartly, provide quality digital and physical networks, this will deliver great experiences and outcomes for our customers.

We continue to be very focused on improving our sourcing. We source over 90% of our vehicles locally which means we don't have the exposure to the volatility in the Japanese used car supply chain. The initiatives we have put in place using data, extensive training and the use of diagnostic tools means our purchasing is improving.

We are investing in both our physical network and our digital network. It is not an either or situation. Firstly, on our physical network. We are already seeing significant benefit from exiting the large wholesale auction site in Penrose, Auckland and moving into smaller retail-optimised sites like Westgate.

Our physical network growth is on track

Rotorua – Phase 1 opening Oct 2021



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The two property projects we have underway are Rotorua and Nelson. Rotorua is now in our possession and we are on track for our phased opening as we redevelop and “Turnerise” the main building on site. Phase 1 opening will be in the next 2 weeks or so with the full redevelopment to happen over the next 6-9 months. We have used this phased playbook before and it allows us to realise contribution from the site more rapidly, whilst steadily building momentum over a 12 month period.

Concept drawings for Rotorua



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This is the concept drawing of what it will look like. As you can see we are partial to the colour blue!



The Nelson site development also remains on track. Demolition work has now been completed and design and consents are being finalised. We expect this branch to be operating in Q1 of FY23.

Our physical network growth is on track

Nelson design concepts



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Property asset “unrealised gain” growing...

Site	Original Cost (\$m)	31-Mar-21 Valuation	Unrealised Gain/loss
Developed sites			
John Seddon Drive, Porirua	7,800	9,700	1,900
160 Roscommon Road, Auckland	6,600	10,700	4,100
Walton Street, Whangarei	5,400	6,500	1,100
Francella St, Christchurch	1,800	2,700	900
Archers Road, Auckland	13,600	17,000	3,400
Mt Richmond, Auckland	11,300	13,600	2,300
Matipo Lane, Palmerston North	800	1,100	300
Total Developed sites	47,300	61,300	14,000
Development sites (settled in FY22)			
Nelson	4,000		
Rotorua	5,500		

- We have been building up a portfolio of property over the last 7 years
- We are utilising insurance company reserves to invest in these properties.
- These properties are on the balance sheet at cost at \$47.3m compared to independent valuations of \$61.3m resulting in an unrealised gain of \$14m.
- We have another two properties which will settle in FY22 taking our total property portfolio to \$62.5m, and two more offers in play

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We now own 9 sites across our network of 27 auto retail branches. One thing we haven't talked a lot about till now is the unrealised gains we are accruing on this portfolio. These are all held on balance sheet at cost and even with some very conservative valuations we have around \$14m in unrealised gains so far. We are always working on our funnel of property opportunities and have another 3 property deals in the pipeline that haven't concluded but are well advanced. These either relate to new sites or larger sites in existing locations and we look forward to updating you on progress in due course.

Our digital and data strategy is gaining strong traction and extending our competitive advantage



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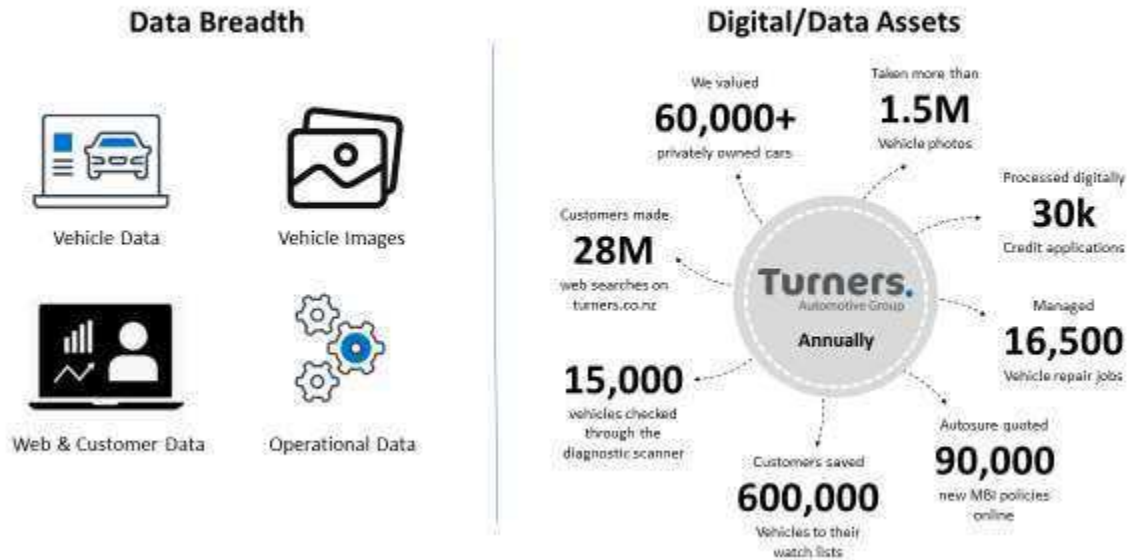
- Our omni-channel offering allows customers to engage with us how, when and where they want
- Customer Data Platform allows customer's data to come with them as they transition across channels
- Now have 500,000 customer contact details in our customer data platform and adding to this each month
- 15,500+ online vehicle appraisal appointments booked from Jan – June 21
- 13,500+ test drive booked online from Jan – June 21
- ~300,000 vehicles saved to customers watchlists from Jan – June 21

In terms of our digital networks, I am really pleased with the progress we have made and the traction we are getting with customers, which is driving business outcomes.

We now have in place **the leading omni-channel experience** for buying and selling cars in New Zealand. This means customers can choose how and where they want to purchase.

Whether that is in-person at one of our branches or buying a car completely online from woe to go. Once they do come into the branch we already have their data and are able to really customise and speed up their whole buying experience. We have had over 13,500 test drives booked online in the first 6 months of 2021 and over 300,000 vehicles saved to customers watch lists. More and more of our customers' journeys are being enhanced by our digital platform.

We are working through unlocking more value from our data assets



As you can see on this slide, we have an enormous amount of data in the Turners Auto Group ecosystem. This includes the largest transaction data set for car sales in NZ. Whether that is vehicle-related data from diagnostic scanning, the number of cars we value each year, or over 1.5m vehicle images we take annually...we are building up enormous pools of data that will enable us to keep sharpening up our vehicle purchasing decisions. Every day, we also have material numbers of digital interactions through all parts of the customer journey...we are getting great feedback on what works and what doesn't work.

Overall, digital is becoming an intrinsic part of how we operate. But the key for market-leading digital platforms is to not rest on your laurels. That's why we've increasing our investment into digital every year. Strategically, we see digital as one of our most important competitive advantages and we continue to double-down our investments, knowing that our competitors cannot and simply are not keeping pace.

ESG - EVs and Subscription



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- Turners have an exciting role to play to help the NZ fleet transition, in partnership with EECA we have expanded our EV fleet.
- We currently have 78 vehicles on subscription of which 40% are EVs. There is high demand for these subscription cars...helps with "try before you buy"
- Used EVs difficult to source...pricing has already increased in Japan and locally by the amount of the government rebate.
- Japan is the major source of used vehicles for NZ. There are 303k EVs in vehicle fleet out of a total of 78m cars. New EV sales in 2020 were 29k against new car sales of 4.6m
- EVs in the NZ fleet are at ~30k units out of a total vehicle population of around 4m vehicles.
- Older low range EVs have a good fit in the subscription business
- The rebate scheme has driven up purchases significantly to 1,947 in July up from average of 781 (Jan-Jun). August sales have dropped back to 671.

We launched our Turners Subscription offering in October last year. This is an alternative to owning the car outright. Customers pay a monthly subscription for exclusive access to the car, this includes insurance, rego, WoF etc. The customer only needs to pay the subscription fee and of course when they fuel up at the service station or at the power point in the case of an EV. We currently have around 80 vehicles out on subscription, of which around 40% of these vehicles are EVs. We think there is a nice fit with EVs and the subscription offering. Subscription provides a low risk and low-cost way for customers to "try before you buy". Also many of the older lower drive range EVs can be priced at a level that makes EVs more accessible to more people. We are looking to increase our EV fleet within Subscription as we do see a role for Turners to assist in getting more Kiwis behind the wheel of an EV. Accordingly, the subscription model is the key pillar of the Environmental part of our ESG strategy

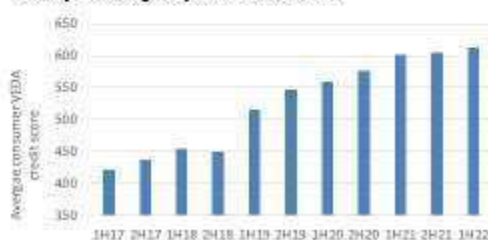
Finance

Revenue \$47.9m +5%, Segment Profit \$15.8m +30%

Growth - Total Receivables (ex impairments)



Quality - Average Equifax Credit Score

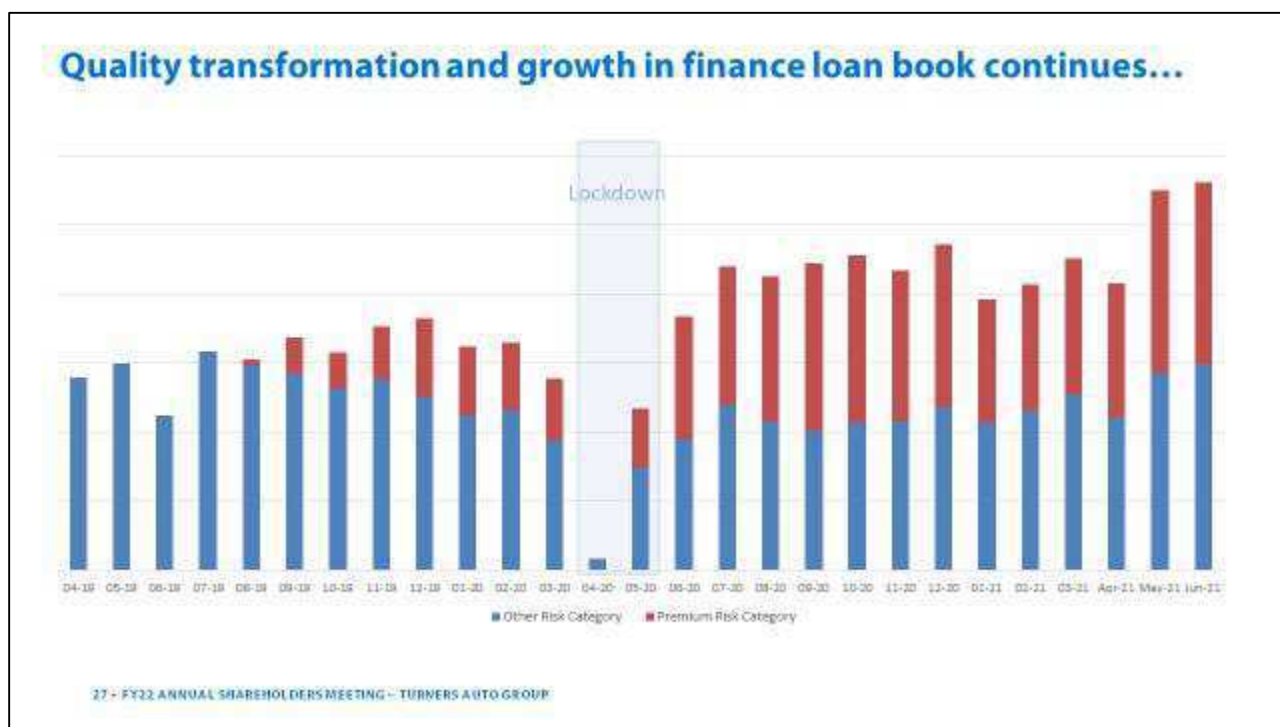


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- Oxford's market share of auto loans continues to rise
- Q1 FY22 new lending up 78% v Q1 FY20 (Apr - June 2019)
- Consumer arrears at 3.9% Q1 FY22 v 10.3% at end of Q1 FY20
- Commercial arrears at 0.9% Q1 FY22 v 13.9% Q1 FY20
- Total ledger growth of 35% to \$344m Q1 FY22 v \$255m Q1 FY20
- Prime and near prime lending now makes up 80% of the consumer loan book

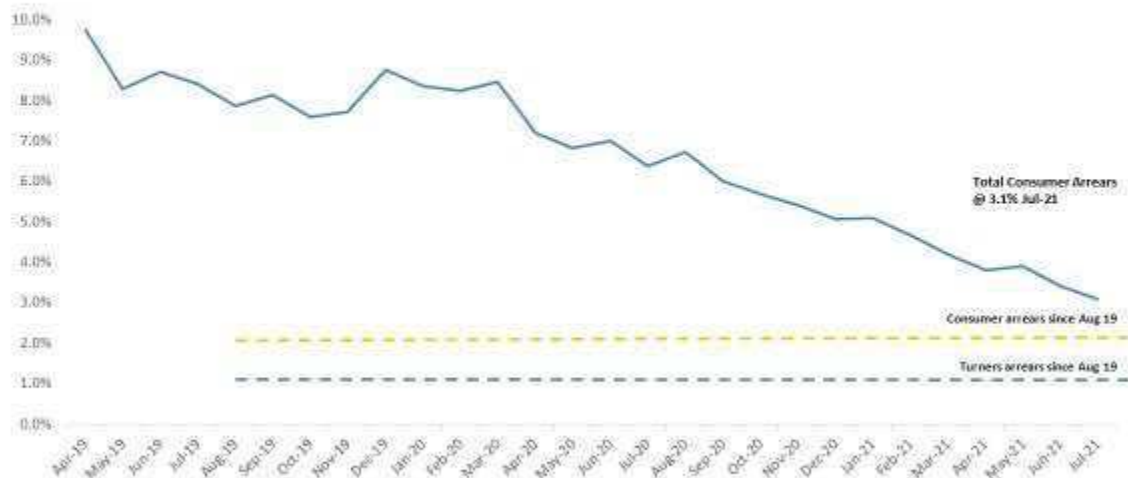
The Finance business continues to perform exceptionally well and is our most improved business over the last three years.

New lending is growing off the back of our market share wins. Arrears continue to drop off the back of our focus on the premium borrower segment of the market. Consistent with our Digital investment in Auto Retail, we continue to improve our reporting and data analytics and as a result, we have never had more transparency and control over risk and pricing.



Quality lending strategy resulting in arrears at record lows

Consumer Customer Arrears (Loan Balance)



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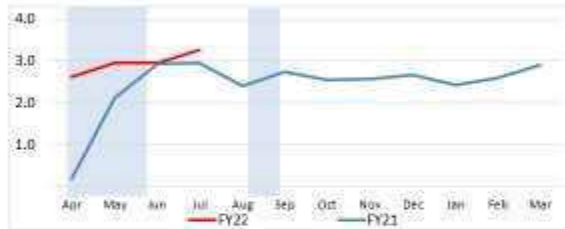
Arrears continues to track down as the increased quality of the loan book takes hold. This is a structural change and thus will result in an ongoing benefit to the business relative to the counterfactual. The cause of this change is the introduction in premium lending that I showed you in the previous slide. Accordingly, we expect arrears to continue to decrease going forward as premium continues to increase as a % of our total loans.

You can see in the two horizontal lines the performance of newer loans written since we introduced premium lending in August 2019. The yellow horizontal line are arrears from loans sourced from third party dealers and the blue horizontal line being loans from Turners Auto customers. Thus, the top line should continue to track down going forwards, assuming relatively stable economic conditions.

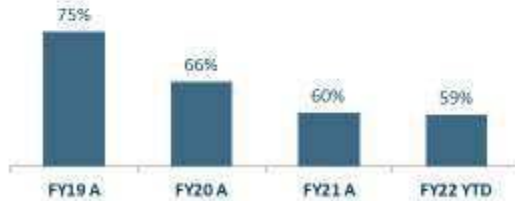
Insurance

Revenue \$41.9m -5%, Segment Profit \$9.4m +50%

Growth - MBI Gross Written Premium FY21 v FY22 (\$000s)



Yield - MBI Loss Ratio Performance



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- Market share gains resulting in strong increase in premium sales 16% ahead of Q1 FY20*
- Claims costs 16% down on Q1 FY20*
- Parts price inflation being experienced and delays in claims processing times due to parts shipping
- New brand launch for Autosure in Jun 2021
- Full speed ahead with partner integrations via API
- Continuing to develop data analytics capability meaning further development of risk pricing and value to unlock for car buying in Turners Auto Retail division.

*Used Q1FY20 as a more normalised quarter for comparison due to Covid impact in Q1 FY21

Our Insurance business has seen continued wins in market share in the early part of FY22 resulting in a positive lift in Gross Written Premiums. You can this from the red line on the top graph.

We are experiencing some spare parts price inflation and delays in vehicle repairs due to shipping timeframes, however this is being offset by the improvements we have made in our risk pricing.

Finally, our focus remains on distribution and we now have a number of API integrations with finance partners in particular. These will deliver an increase in customer acquisition opportunities over coming years.

Credit management

Revenue \$12.8m -29%, Segment Profit \$5.1m -22%

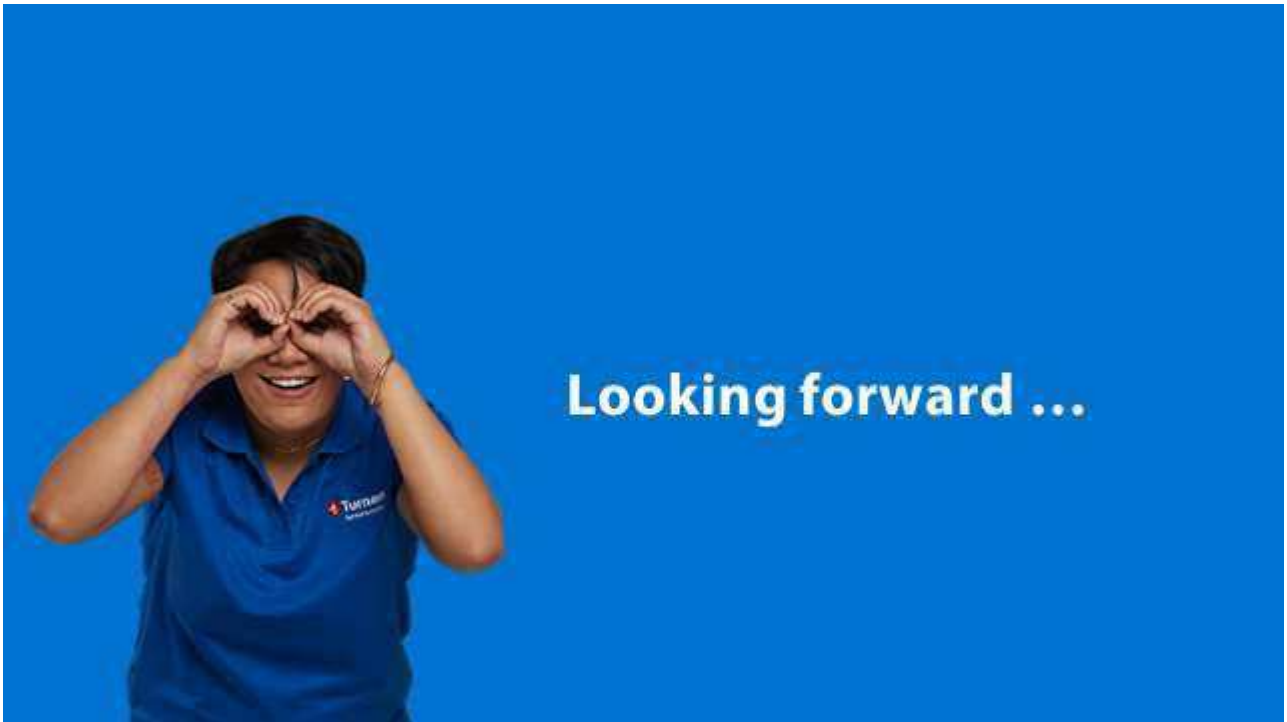
Debt Collected Q1 FY21 to Q1 FY22 (\$000s)



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- Debt load from major banks and government departments has scaled up although still down on historic levels due to overall low default environment.
- Total debt load up 47% in Q1 FY22 v Q1 FY21, mainly due to the recommencement of collections actions from large NZ large NZ corporate customers.
- Credit card, telco/utilities and personal loan arrears are all materially down on pre-pandemic levels.
- Debt collected up 2% to \$10.5m in Q1 FY22 v Q1 FY21
- Lockdown in Australia impacting sales of terms of trade product

The Credit Management business continues to be challenged by market wide low default rates and also lockdowns in Australia. Debt load is up on the same period last year but is still below historic levels. We continue to work closely with referrers to manage and improve customer outcomes as we operate in an environment where bad debts are likely to increase and debt collection services will see increasing demand.



Moving onto our short term and medium term plans and goals.

Growth model: FY22

- Auto Retail**
 - Stock acquisition – secure the right cars at the right price
 - Continue to invest in promoting the Turners brand and continue to build market share
 - Retail optimisation – developing and launching Rotorua and Nelson
- Finance**
 - Expand distribution
 - Keep improving credit quality through data driven risk pricing
 - Simplify and automate lending process
 - Reduce early settlements
- Insurance**
 - Expand distribution through partnership strategy and sales integration into other businesses
 - Cost and claims management discipline
 - Continue to enhance risk pricing
- Credit Management**
 - Grow SME debt load
 - Build on data initiatives to drive up contact rates with debtors
 - Continue to develop Debtor self service portal, Xero/MYOB
 - Continue working closely with corporates to manage reputational risk



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Nothing has changed in terms of the priorities we communicated back in May. If anything our conviction levels have increased based on the traction, we have seen in trading pre-lockdown.

On this slide, we have three to four priorities for each business. But I just want to zoom in for now on the top priority within each business:

- **In Auto Retail stock acquisition** is the single most important area of investment. Strategically this is where our competitive moat is becoming even wider
- **In Finance simplifying and automating** as much of our lending process to ensure fast turnaround on credit decisions will be priority #1.
- **In Insurance continuing to expand our distribution** is the top of the work stream list.
- **And in Credit Management investing in data initiatives** to improve contact rates will be the most important area to work on.

Growth model: FY22 – FY24

The model gives us confidence in higher earnings growth through the cycle.
We have found the right formula, and will optimise further ...

Four key areas underpin our earnings growth. These are a combination of both physical and digital:

1. Retail optimisation
2. Vehicle purchasing decision-making
3. Continued investment in digital and omni-channel customer experience
4. Risk pricing model enhancements in finance and insurance

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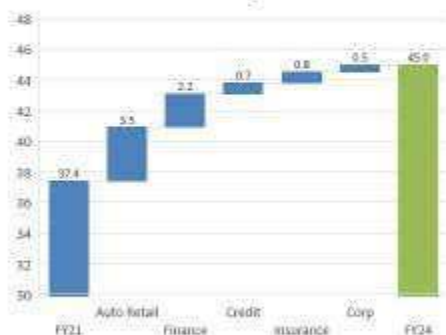
In May, we made the decision to publish our 3-year target and growth plan. This was possible due to the level of confidence we have in the structural improvements that we have made to build quality in the business. We've made a number of changes over the last 2-3 years where we're already seeing major benefits.

We believe we have found the right formula, and more importantly, we will continue to further optimise these known levers in the future:

1. **Retail optimisation:** We will continue to optimise our property footprint and customer experience for our retail consumer. More retail sales improve both our margin per transaction and also our market share.
2. **Vehicle purchasing:** We are continuing to improve our decision-making for buying cars. Like any retail business, we make our money when we buy, so we've invested in market leading diagnostic tools and data tools such as artificial intelligence to improve the % of vehicles where we make profit
3. **Digital:** We are continuing to invest in digital initiatives and in particular enhancing our omni-channel customer experiences. This will further expand our competitive advantage in this space.
4. **Risk pricing:** We will continue to refine our risk pricing models in finance and insurance using data insights that are both proprietary and third party.

Roadmap to \$45m NPBT

Net Profit Before Tax Bridge (\$M)



- Business is highly cash generative, leading to growth + yield for shareholders
- Profit growth largely driven out of Auto Retail and Finance
- Retail optimisation in Auto Retail – growth driven by combination of new sites and growth in existing sites
- Margin expansion in Auto Retail out of supply side initiatives
- Finance growth driven out of direct lending and improvements in distribution
- Current trading PE multiple remain very conservative in our opinion

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Within 3 years we are targeting Profit before Tax of \$45m. Using our existing dividend policy this equates to a dividend payout of around 24cps. Naturally, our future performance also depends on many variables outside our control. Covid is a pertinent reminder that the unexpected can happen. Nevertheless, we believe it's helpful to put a stake in the ground which enables investors to judge the progress of our strategy.

The Turners business and in particular the Auto Retail and Credit Management businesses are highly cash generative which gives us the opportunity to reinvest to deliver organic growth and yield for our shareholders.

The focus areas for growth will be Auto Retail and Finance with retail optimisation helping to deliver margin expansion and market share growth and Finance growth will come from distribution expansion and direct lending.

We are confident that if we deliver the growth the combination of higher earnings and an expanded valuation multiple should better reflect the value we are delivering for shareholders and the quality of the company we are building.

Capital Allocation: high level thinking

- Clear message from market that shareholders want yield + growth supported from existing capital base
- Organic growth to be funded via retained earnings and improving capital efficiency
- Maintain dividend policy of 60% to 70% NPAT
- Capital allocation broadly prioritised as follows:
 - Auto Retail businesses – footprint expansion can be funded largely through debt (lease premises and floorplan finance for inventory), some capital investment required for fit-out of retail sites
 - Property – de-risks the auto business through control of strategic sites and cost base plus provides opportunity for long term capital growth.
 - Oxford Finance – growth requires capital alongside debt to grow receivables ledger and profits
 - Digital initiatives across the Group largely assumed to be opex, supported by some capital to be allocated to support growth and future proofing

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We think it is important to be clear with shareholders on how we think about allocating capital in the business for these growth plans. We have received very clear messages from existing shareholders that they want to see both yield and growth, but growth supported from the existing capital base.

Our focus is on organic growth, which will be funded out of retained earnings and initiatives to make ourselves more capital efficient. The business continues to be well funded, and conservatively geared. We have significant headroom of \$55m+ in our funding facilities. Also as a reminder, 80% of our borrowings relates to the finance company ... and of course debt-funding is essentially just the inventory of any finance business.

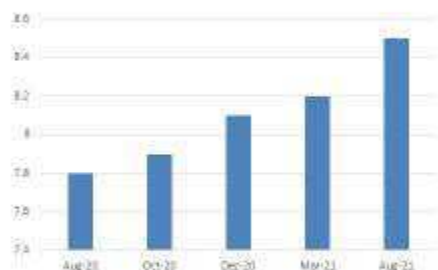
Capital allocation will be broadly prioritised across the following categories:

- * **Auto Retail businesses** – footprint expansion can be funded largely through debt (lease premises and floorplan finance for inventory), some capital investment required for fit-out of retail sites.
- * **Property** – largely mortgage funded, de-risks the auto business through control of strategic sites and cost base plus provides opportunity for long term capital growth.
- * **Oxford Finance** – growth requires capital alongside debt to grow receivables ledger and profits.

* **Digital initiatives across the Group.** Largely assumed to be opex, supported by some capital to be allocated to support growth and future proofing.

ESG – Focus areas

Peakon Employee Engagement Scores



Across nearly 700 employees we are averaging 8+/10 to the question "How likely is it that you would recommend Turners Auto Group as a place to work?"

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- The focus through FY21 has been on delivering on the "social" pillar of our ESG strategy.
 - Health and safety of customers and staff during Covid-19
 - Implementing an employee engagement measure (Peakon)
 - Dealing with 1,700+ customer hardship situations in Oxford Finance and successfully rehabilitating 96% of these over the last 12 months.
- In process of establishing and measuring emissions targets and we have a number of initiatives underway already
 - ✓ Board subcommittee established
 - ✓ We help get old and unusable vehicles off the road
 - ✓ Piloted solar power installations in two of our sites and have installed rainwater retention and recycling systems in two other sites
 - ✓ Vehicle subscription with a particular focus on Electric Vehicles in partnership with EECA (refer earlier slide EVs and Subscription)

The focus of our ESG strategy in FY21 has focused mostly on the social aspect with the obvious focus on our customers and staff safety and welfare during the height of the pandemic. This key focus has continued over this latest lock down.

We have implemented Peakon during the year, an excellent employee engagement survey, which gives our people a regular opportunity to give us their feedback and gives us great information on a whole range of topics. In the chart on this slide, you will see the positive improvement in our scores since launch. We are really pleased with the high levels of engagement right across the business.

We are also doing a lot in the current business to help old and end of life cars off the road.

Finally, as I previously detailed, with Turners Subscription we now have a platform by which we can increase our electric vehicle fleet over the next 6 months and thus do our bit to speed up EV adoption in New Zealand.

Trading update, outlook

FY22 Guidance:

Prior to lock down we were on track to deliver a 15% uplift in net profit before tax for FY22

Short term performance will be impacted by level and duration of Covid-19 restrictions on trading, and we will revisit guidance in November.

L4 National Lock down:

Biggest impact in Auto Retail division, burns cash at \$1m per week, this is offset somewhat by annuity revenue streams in finance and insurance. We expect a bounce back in Auto Retail once restrictions are eased.

FY24 Target

Our pre-lock down YTD performance and trajectory over the last two years gives us strong conviction levels around our strategy and results. We are well on track to exceeding our target of \$45m* PBT in FY24

* This is a target and achievement will depend on a range of factors some of which will be outside of our control.

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YTD FY22: The first 4 months of trading in FY22 has seen a continuation of our positive momentum over the last couple of years. Prior to the lock down in August we were tracking comfortably ahead of the comparative periods for both FY20 and FY21.

In all the auto related businesses we have seen market share gains and yield improvements. Based on the momentum we were experiencing prior to August we were easily on track to delivering a 15% uplift in profits for FY22.

Obviously the Covid restrictions have a short-term impact, particularly on our Auto Retail Division. Given the uncertainty around the L4 lock down period in Auckland, and the impact of a more restrictive L2 in the rest of the country we will update the market with more specific FY22 guidance at our half year results in November.

FY24 Target: Putting this short-term impact aside, our pre-lock down YTD performance and trajectory over the last two years gives us strong conviction levels around our strategy and results. In relation to our 3 year goal we are well on track to exceeding our target of \$45m PBT in FY24.

Before we finish, I would like to acknowledge the efforts of our team, from our Board of Directors through to the operational teams who deliver day in day out for our customers and for our shareholders. This group of people have been totally committed, and prepared to go above and beyond, even in the disruptive Covid-impacted periods. This really is a great group of people to be involved with. I feel very proud to be part of such a passionate and dedicated group of people.

Thank you for your attention this morning, and

and before I hand back to Grant we will show you a sneak preview of the next Tina instalment...

ENDS