

## Turners upgrades guidance to record FY22 results

Turners Automotive Group (NZX: TRA) now expects Net Profit Before Tax (NPBT) for FY22 to be between \$42m and \$43m, ahead of its earlier guidance of \$40m - 42m. Based on this upgraded guidance and applying its dividend policy, Turners expects record full year dividends of at least 23 cents per share fully imputed (previously 22cps).

The company anticipates another record result, demonstrating resilience in the face of COVID-19, and delivering on the strength of a deliberate diversification strategy, coupled with annuity income from Insurance and Finance.

CEO Todd Hunter says the Omicron outbreak is understandably disrupting both the wider used car market, as well as Turners operations. Vehicle processing capacity has reduced with a number of staff currently isolating due to testing positive or as household contacts. Demand for used cars has dropped away in the second half of February, however Turners has continued to gain market share in Auto Retail, reflecting a widening advantage over competitors. Given the nature of the Omicron outbreak Turners expects a return to normal operating conditions reasonably quickly following the peak of this current outbreak.

The finance and insurance segments continue to deliver quality annuity earnings and despite the widely publicised regulatory changes of the CCCFA and challenges for some potential borrowers, the group is navigating the change well.

In Auto Retail the ability to source vehicles domestically (more than 90% of Turners' stock) continues to prove an advantage as COVID-19 and government regulation effectively reduces the supply of imported used cars from Japan. Mr Hunter said "our 'Tina from Turners' brand campaign has exceeded expectations, enhancing our ability to secure more quality NZ cars, and reinforcing our strength of supply. The combination of consignment supply and our local purchasing means we are well positioned from a supply perspective."

Delivering another record year of earnings, despite near term COVID-19 challenges, further highlights the benefits of Turners' geographic diversification, supply diversification and earnings diversification.

The company expects to report its full year results in late May.

ENDS

### **About Turners**

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector [www.turnersautogroup.co.nz](http://www.turnersautogroup.co.nz)

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