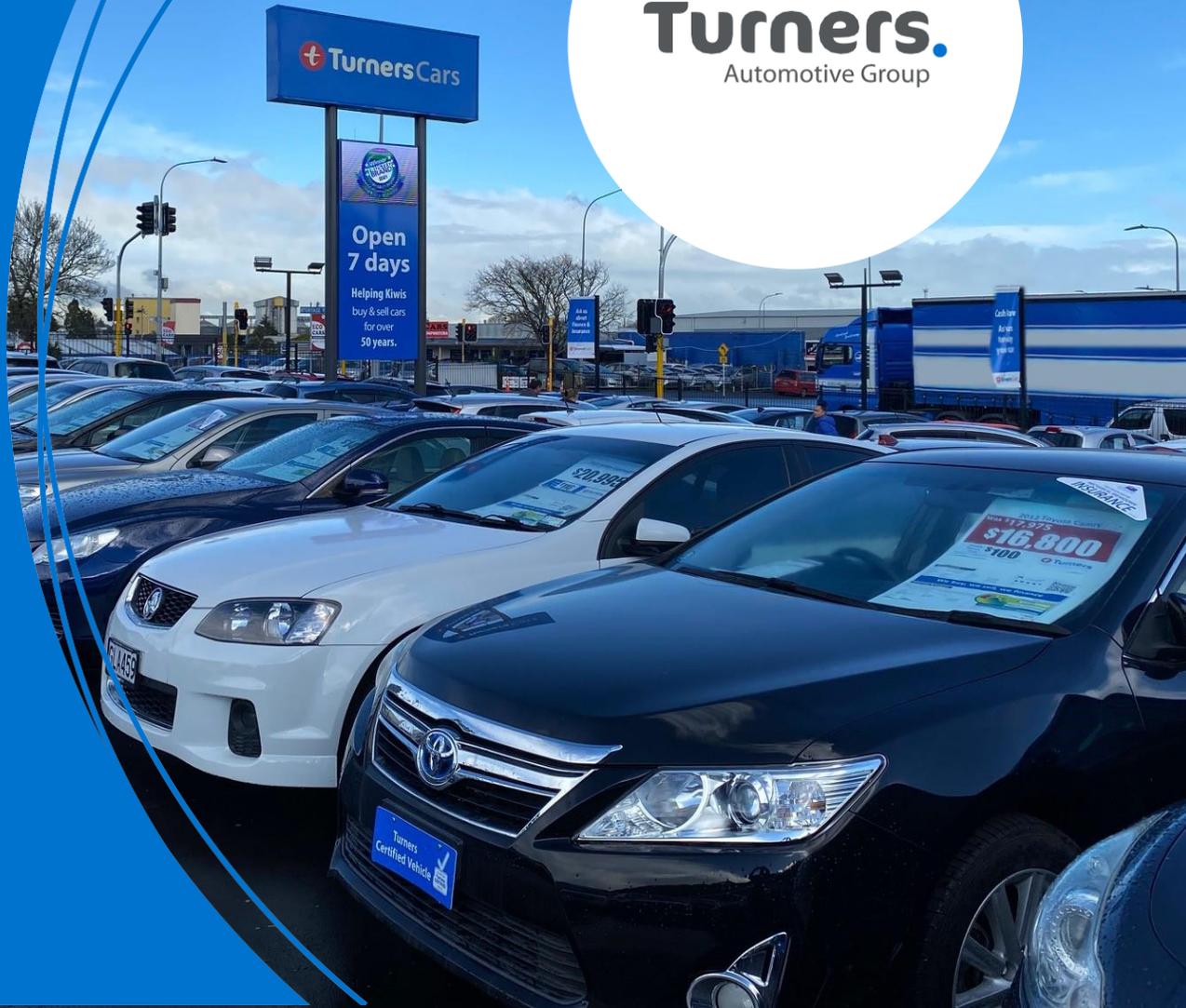


2022 Annual Meeting Presentation

17th August 2022

Turners.
Automotive Group



We love cars



Board of Directors



Grant Baker
Non-executive Chairman



Matthew Harrison
Non-executive Director



Antony Vriens
Independent Director



Alistair Petrie
Non-executive Director



John Roberts
Independent Director



Martin Berry
Independent Director



Lauren Quaintance
Emerging Director

Meeting Agenda

Presentations

- Address from the Chair, Grant Baker
- Address from the CEO, Todd Hunter
- Address from Directors up for re-election

Shareholder Discussion

Resolutions are per Notice of Meeting

- Auditors' Remuneration
- Re-election of Grant Baker and Alistair Petrie

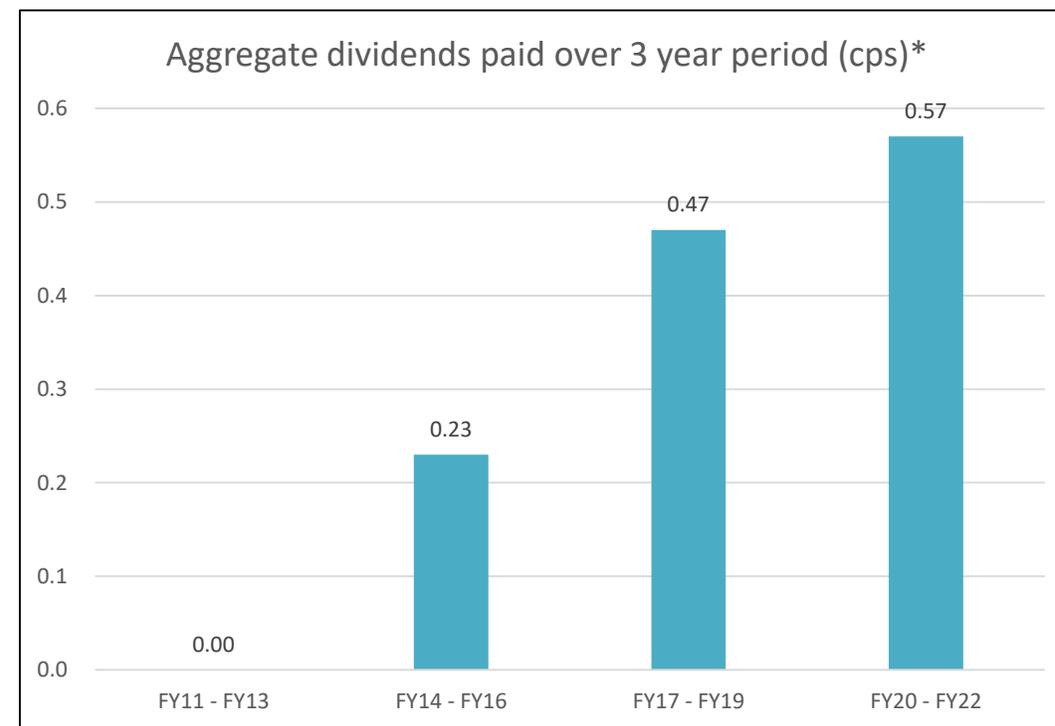
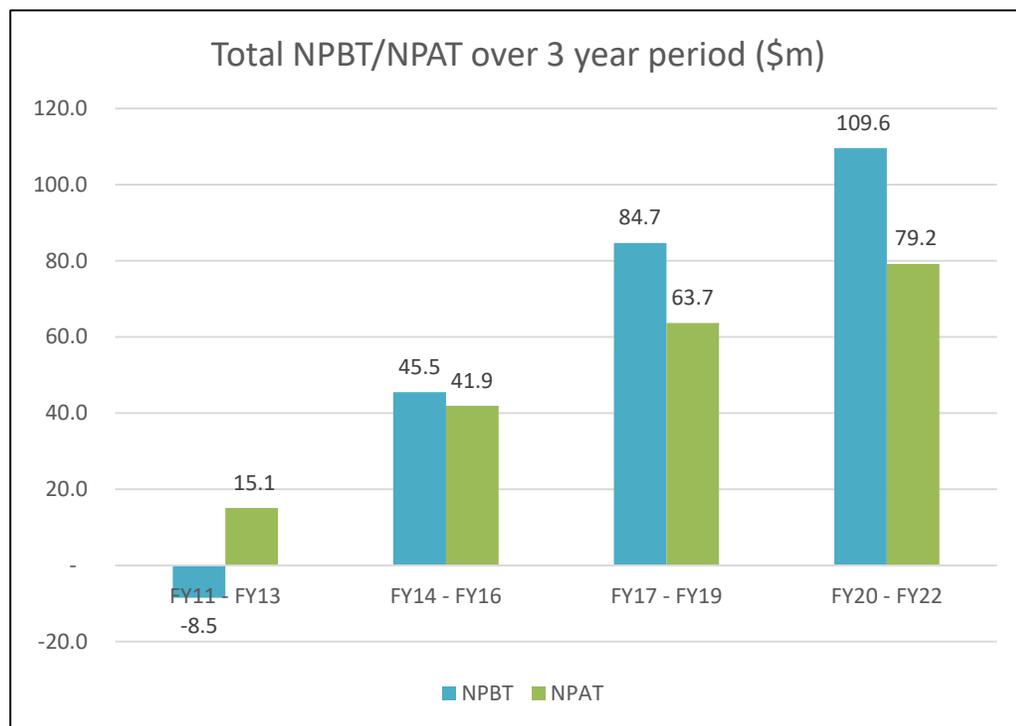
General Business

Chairman's Address

Grant Baker



Turners continues to build a strong and sustainable business with a proven track record...



* Dividends fully imputed from FY17 onwards

We have made great progress in our operating KPIs in the last 3 years

KPI	FY19	FY22	Progress
No. of owned cars sold	16,179	22,170	+
Auto retail market share	4.85%	6.55%	+
Avg GP per owned unit	\$470	\$818	+
Average monthly premium lending	\$2m	\$14m	+
Consumer arrears	10.6%	2%	+
Average credit score	650	710	+
Insurance Claims Ratio MBI	72%	53%	+
Gross Written Premium MBI	\$32.6m	\$31.9m	-
Debt Collected	\$56.8m	\$36.7m	-

Revenue	\$336.6m	\$344.5m	+
Reported Net Profit Before Tax	\$29.0m	\$43.1m	+
Earnings per Share	26.3 cps	36.4 cps	+
Dividends Paid per Share	\$0.17	\$0.23	+

FY22 was another excellent year...

- 1. We achieved 15% growth in PBT in FY22...another record year for the business, and 48% growth in profits since FY19**
- 2. Full year dividend at 23.0 cps versus guidance of 22.0 cps.** Based on current share price this is a gross yield of over 8.0% pa.
- 3. Our plan for growth has been proven up and de-risked over the last three years:**
 1. Building out an omni-channel experience in Auto Retail
 2. Auto Retail optimisation
 3. Focus on growth in premium borrower segment
 4. Digitised distribution in Insurance
- 4. There are clear NZ and global economic challenges over the next 12-24 months, but we still see opportunities in the markets we operate in, and are well positioned to take advantage of these.**
- 5. Our updated target is \$50m in Underlying NPBT in FY25**

We operate to a simple formula

**Quality
environment
for our
people**

+

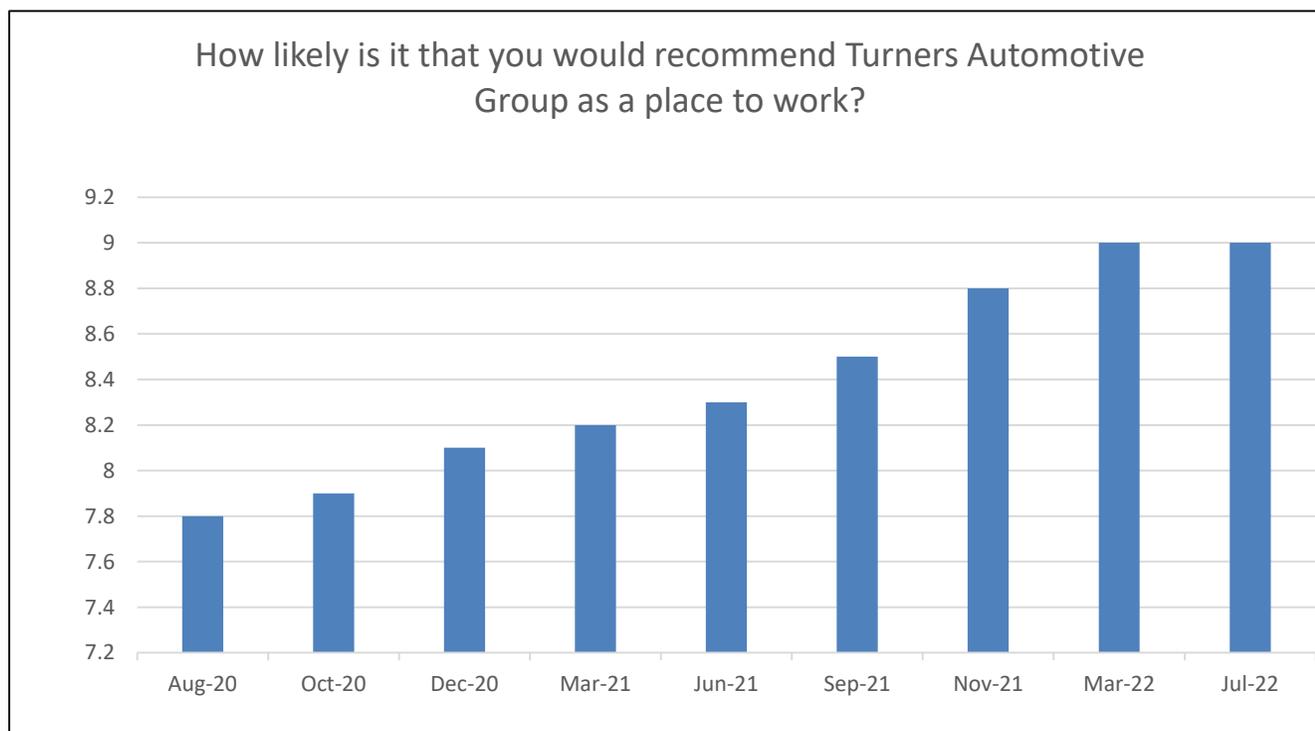
**Quality
customer
experiences**

=

**Quality
outcomes for our
shareholders**

Quality Environment – our team engagement scores at all time high

Peakon Employee Engagement Scores



Across nearly 700 employees we are averaging 9/10 to the question “How likely is it that you would recommend Turners Auto Group as a place to work?”

- Having a strong culture and an engaged team is very important to us, particularly at a time when recruitment and retention is challenging
- Turners rank in the top 5% of consumer businesses using the Peakon survey tool
- We continue to invest in training, remuneration, and other benefits. We have launched an Employee Share Scheme this month

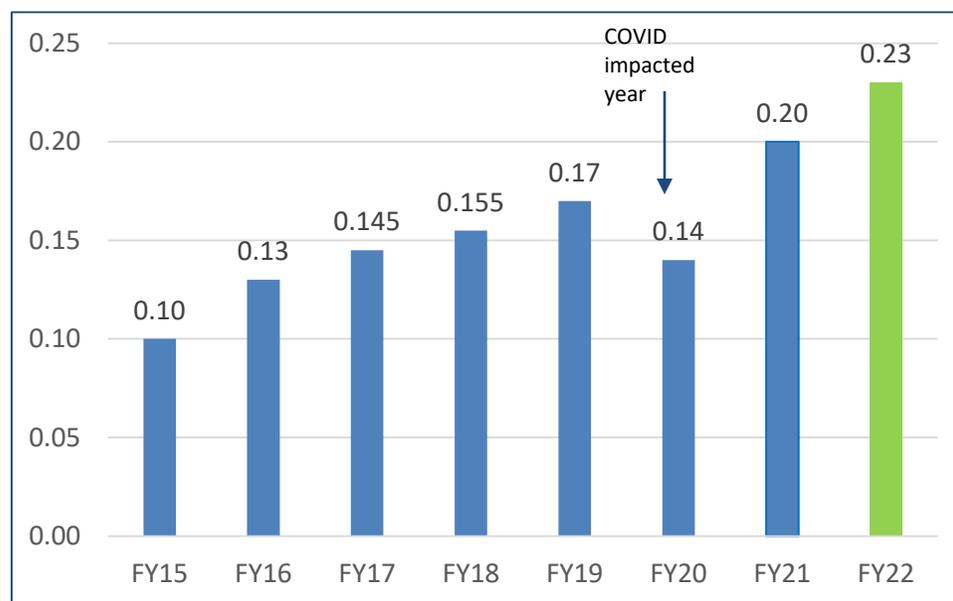
Our customer experience is market leading, but still work to do...



We are one of NZ's most trusted brands

We are delivering strong returns for shareholders despite the challenges...

Dividend per Share (\$)

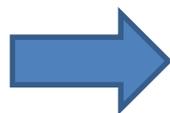


Dividends fully imputed from FY17 onwards

- Proven track record of delivering strong, sustainable and growing dividends in the business
- Directors declared a final dividend of 7.0 cents per share (fully imputed) taking YTD dividends to 23.0 cents per share.
- Based on the current share price the gross yield 8%+ pa

Property investment is strategic and delivers value for shareholders

7 properties on
balance sheet at cost
\$47.3m



7 properties @ 31
March 2022 valuation
\$66.1m

Nelson and Rotorua
being developed

\$10.5m

Commitments in
Napier, Timaru and
Tauranga (Tauriko)

\$17.7m

Note - Unrecognised property gains are generated from group owned properties that are subject to annual independent valuations and the unrecognised gain is the difference between the valuation as at 31 March 2022 and the original cost of the properties.

- Property ownership is strategic where it protects a location, we also leverage surplus capital in insurance business to purchase property.
- Generating significant unrecognised property gains of \$18.8m or 22c per share of value for shareholders since we have started buying properties
- Committed sites for
 - Napier – expanded cars site
 - Timaru – new cars branch
 - Tauranga (Tauriko) – new commercial branch
- Offers and negotiations under way in East Auckland, Tauranga and Christchurch

There are some challenges but we are in a strong position...

Challenges

- Economic situation
- Rapidly increasing interest rate environment
- Supply chain
- Recruitment and retention of people
- Regulatory

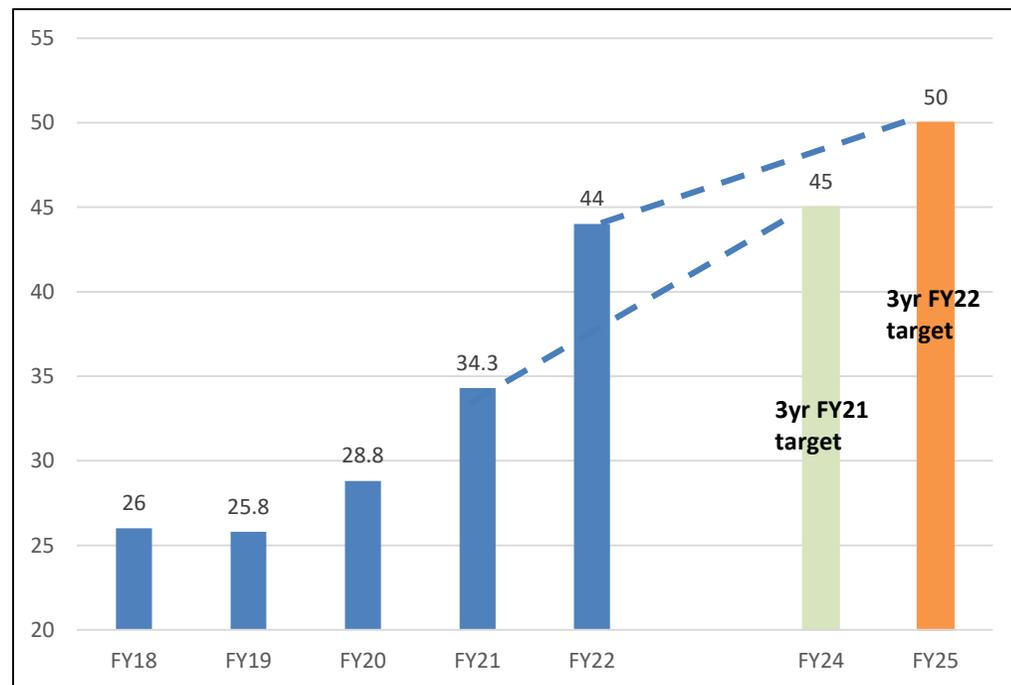
Competitive advantages...

- High trust brands in our stable...
- 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
- Highly engaged and capable team of people

We are ready for what's next ... \$50M PBT by FY25

The broader economic environment has moderated our growth expectations

Underlying Net Profit Before Tax (\$M) ¹



¹ Underlying NPBT is a non-GAAP measure

Reported NPBT (\$m) for FY18 31.1, FY19 29.0, FY20 29.1, FY21 37.4, FY22 \$43.1

Reconciliations for each of the periods can be found in the respective Annual Results Presentation

Targets are dependent on factors outside our control, are not guidance. (See disclaimer Slide 2)

- Set our first 3 year target in FY21 of \$45m, essentially achieved in FY22.
- Updated 3 year target communicated in FY22 results announcement. Growth expectations have been moderated due to economic conditions.
- Growth will come from
 - Retail optimisation and branch expansion
 - Vehicle purchasing decision-making
 - Margin management and premium lending
 - Invest in digital distribution and omni-channel customer experience

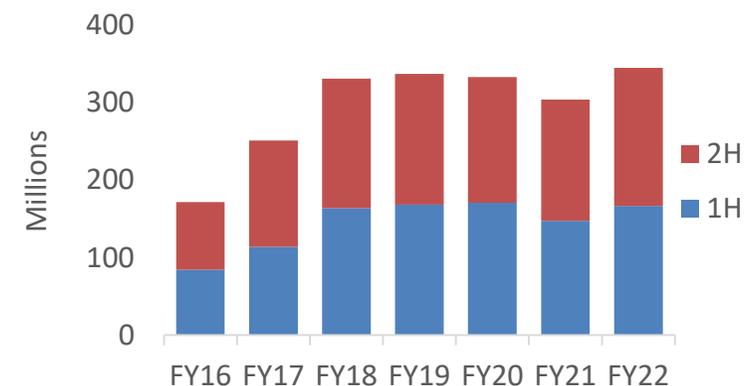
CEO's Update Todd Hunter



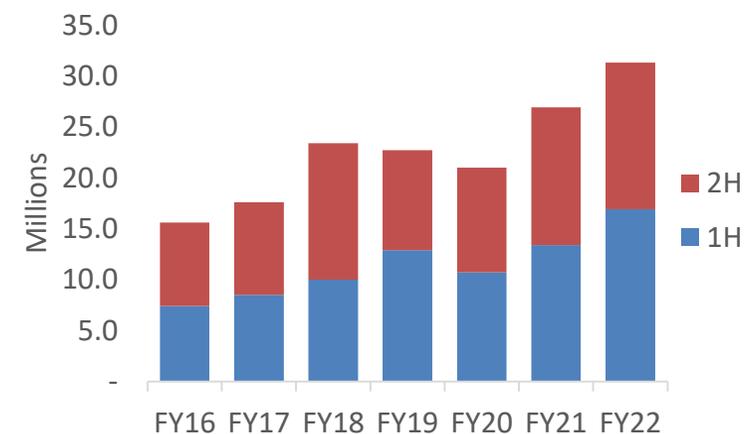
FY22 Results snapshot

Revenue \$344.5m +14%	Shareholders' Equity \$252m as at 31 March 22
Underlying Net Profit Before Tax \$44.1m +29%	Final Dividend 7.0 cps FY Div 23.0 cps +15%
Net Profit Before Tax \$43.1m +15%	
EBIT* \$47.7m +11%	FY22 Earnings Per Share 36.4cps (FY21 31.4cps, +16%)
Net Profit After Tax \$31.3m +16%	* EBIT adjusted for interest expense in Finance (non-IFRS measure)

Revenue

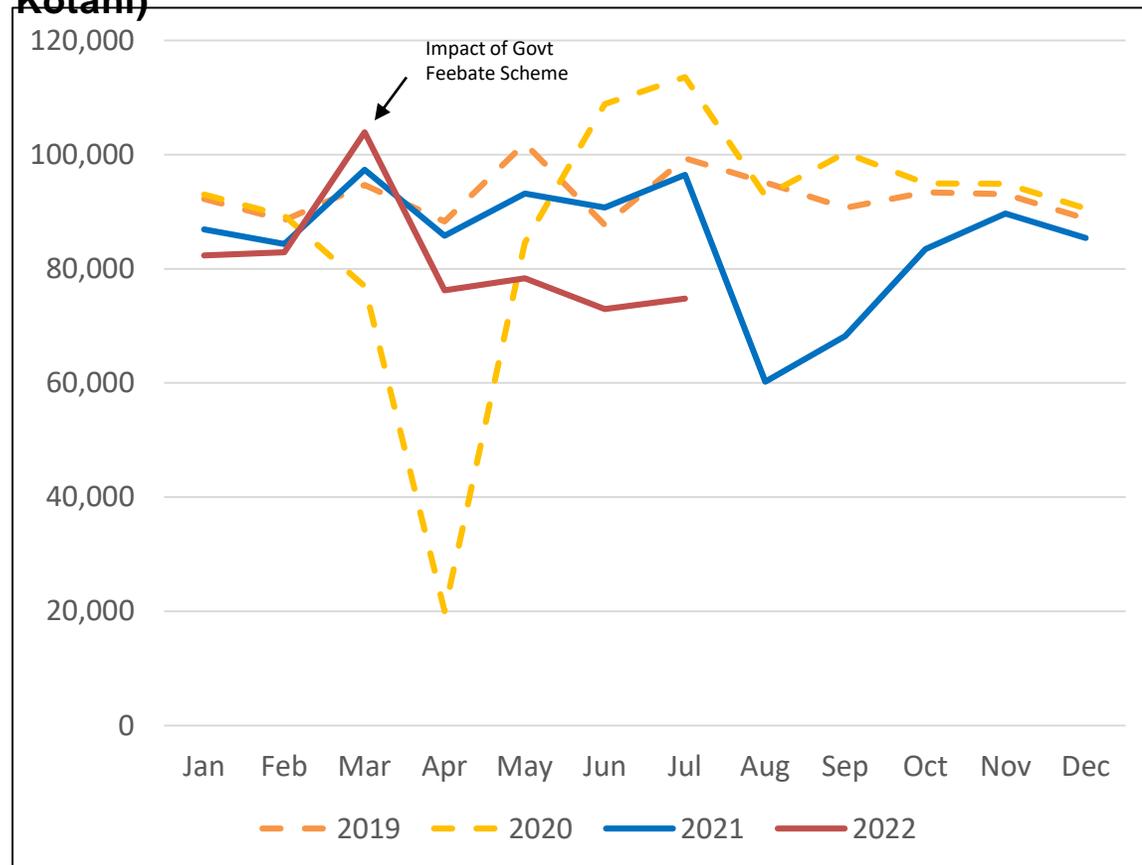


Net profit after tax



NZ used car market transactions down in FY23...

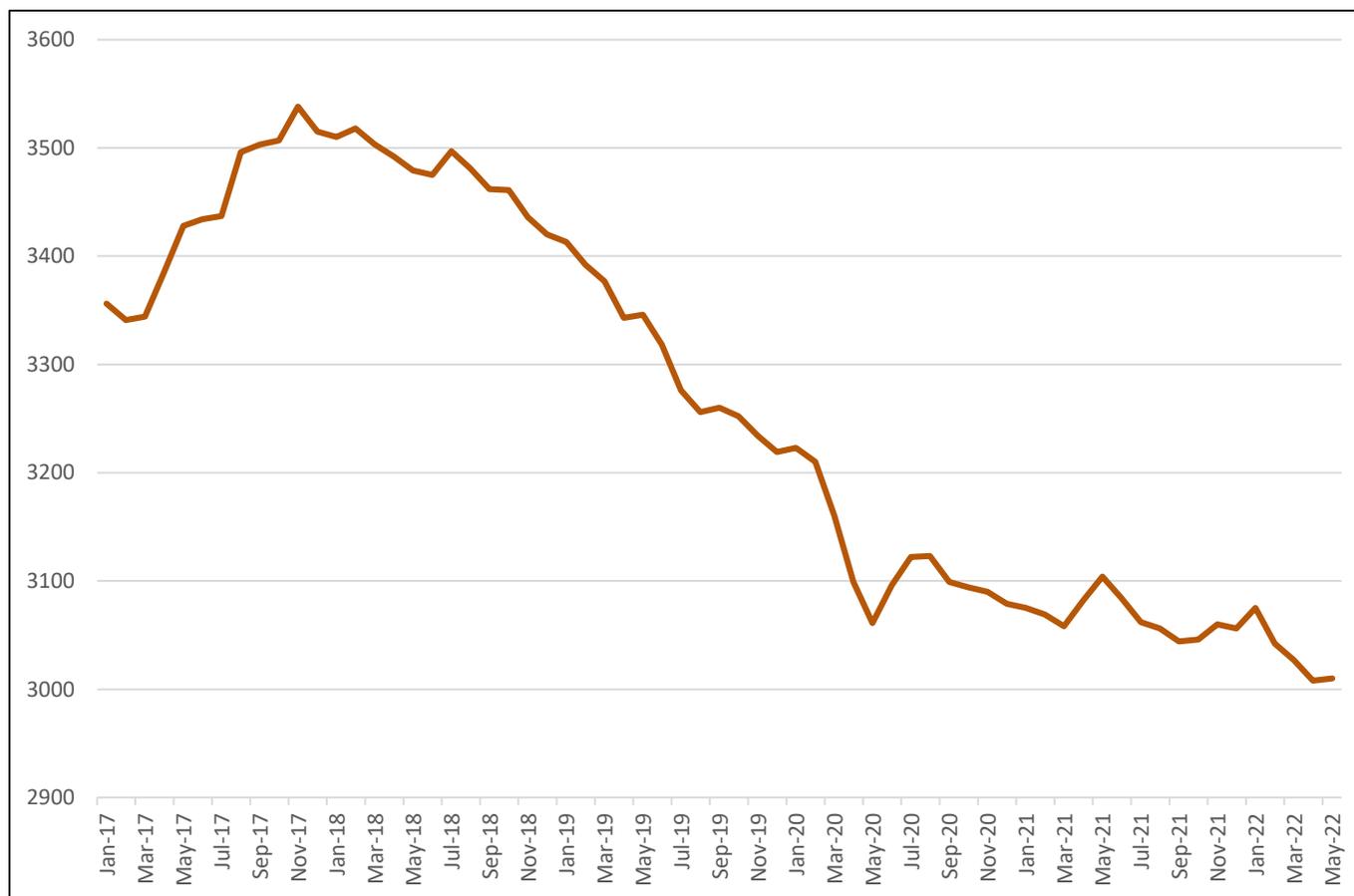
NZ Used Car Change of Ownerships (Source Waka Kotahi)



- Overall transaction levels in late 2021 and early 2022 tracking behind pre-Covid levels.
- The exception was March 2022 where a significant number of pre-registrations occurred to pre-empt fees under government’s Clean Car Discount scheme.
- Still expecting supply constrained market for next few years due to impact of semi-conductors, disruption to material supply, and impact of government regulation
- Demand for higher value cars is moderating and shifting into the lower price point segments.

Dealers are leaving the NZ market...the opportunity is for the strong to get stronger

Registered Dealer Numbers NZ (source MBIE)



- **Harder for under capitalised operators to survive**
- **Registered dealer numbers at lowest point in the last 5 years (3k), down 14% from peak in 2017...**
- **We expect to see dealer numbers reduce further due to challenges in supply and impact of government regulation (sourcing and finance)**

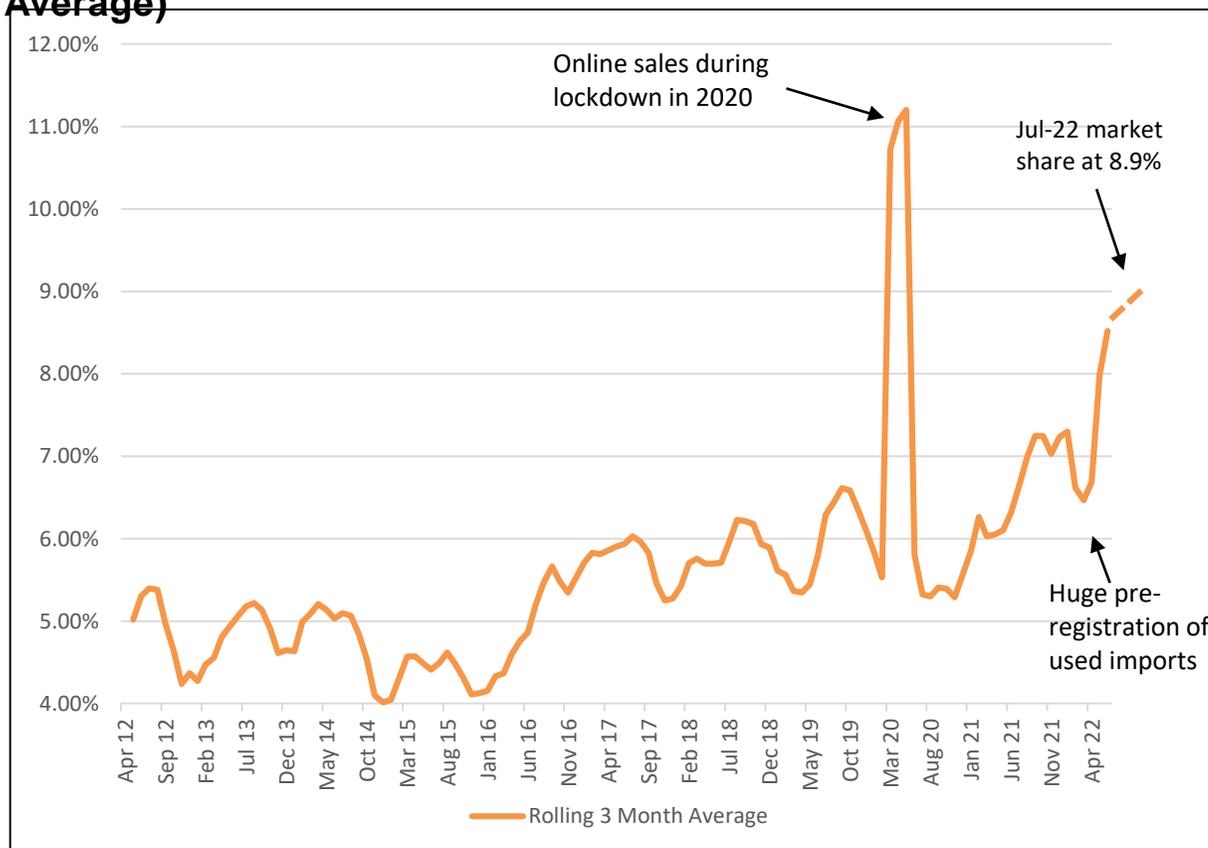
Business divisions



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Automotive retail

Turners Retail Market Share (3 Month Rolling Average)



- Selling more locally owned vehicles, buying less used imports which enables quicker turnaround in processing
- Improving our finance and insurance conversion rates post CCCFA changes
- Shifting sales out of our wholesale / auction channel and into our retail channel...we still sell around 35% of cars through wholesale/auction channel
- Opening more branches – bringing a supermarket approach to the used car market
- Continue to grow commercial business – trucks and machinery and damaged/end of life vehicles
- Less demand for higher priced vehicles and margin moderating as a consequence

Rotorua – on track for completion of development by end of Q2



- Sold over 500 cars in first 6 months of operation
- Operating from half a site and during building development
- On track to deliver \$1m+ operating profit contribution to group



Nelson operational 2 months ahead of schedule...



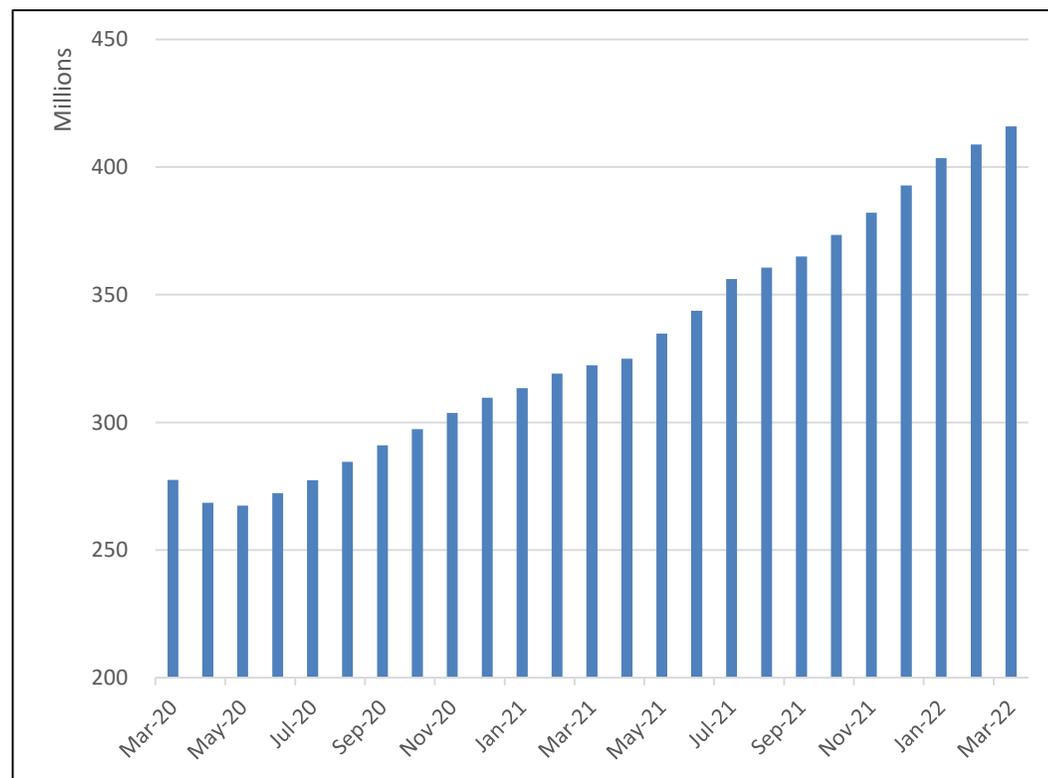




Finance

The finance book is in excellent shape but there are some short term pricing challenges

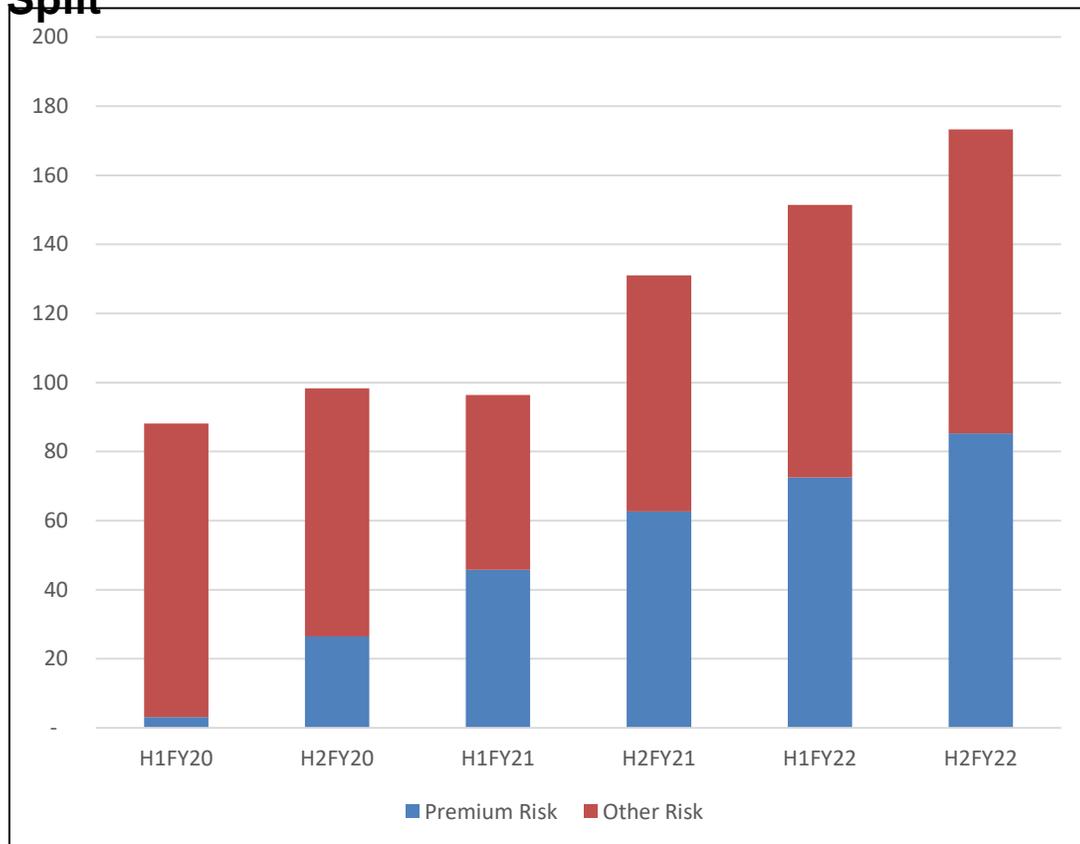
Total Receivables (ex impairments)



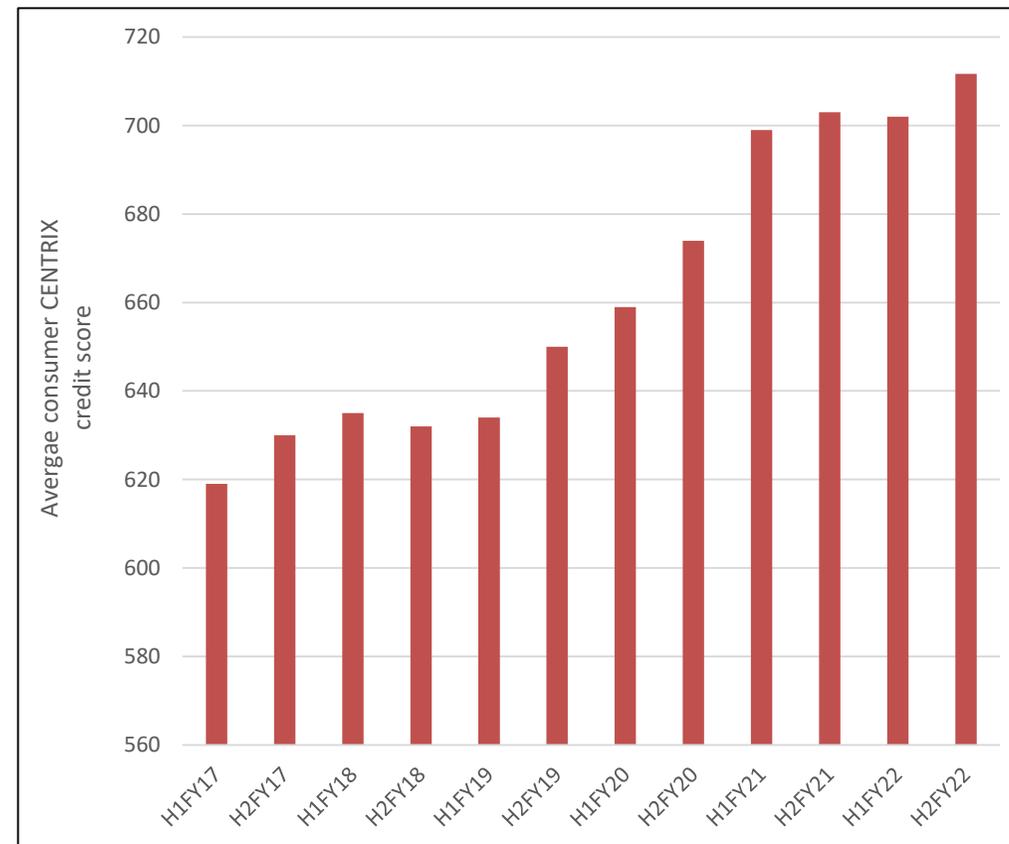
- Key focus areas are...
 - Continued highly efficient credit decisioning process
 - Pricing management critical in a rapidly increasing interest rate environment
 - Early settlement reductions and loan application conversion improvement
- Loan book has grown 28% over FY21 to \$423m, driven out of strong premium borrower lending. Growth is moderating as our pricing focus is more of a priority.
- Total arrears continue to track at historic low levels, Consumer arrears at 2.4% at end of Q1 (3.4% Q1-FY22) and Commercial arrears at 1.0% (0.9% Q1-FY22).
- Still carrying a material Covid-19 arrears provision buffer to allow for future uncertainty and performance of loans that have been in hardship status.

The quality of the finance book continues to improve...

Total New Lending with Premium Tier Risk Split

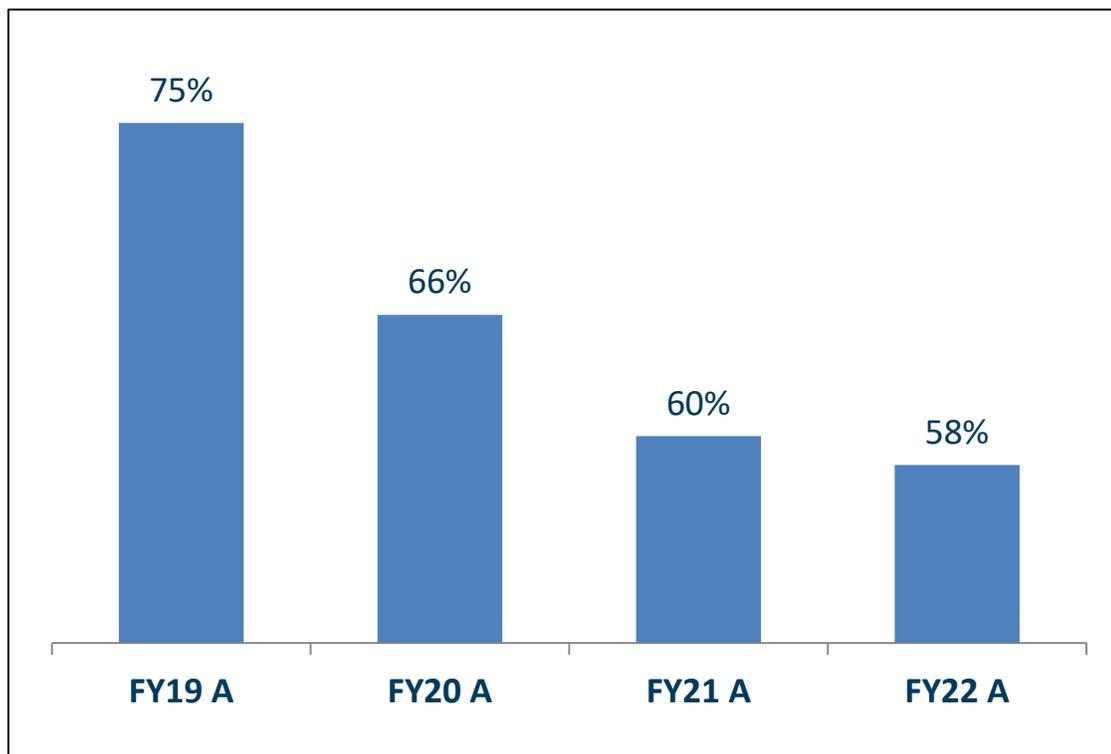


Average Credit Score



Insurance returns improving through less consumers driving less and higher investment returns

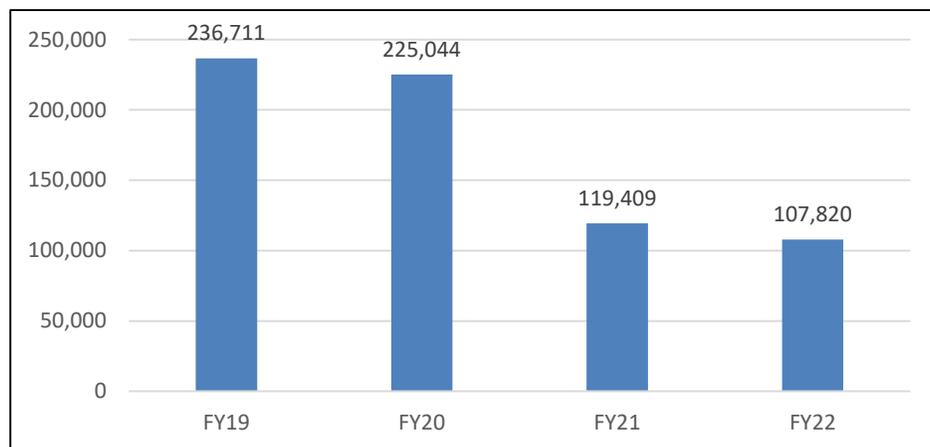
Mechanical Breakdown Insurance Loss Ratio Performance (claims expense over premium)



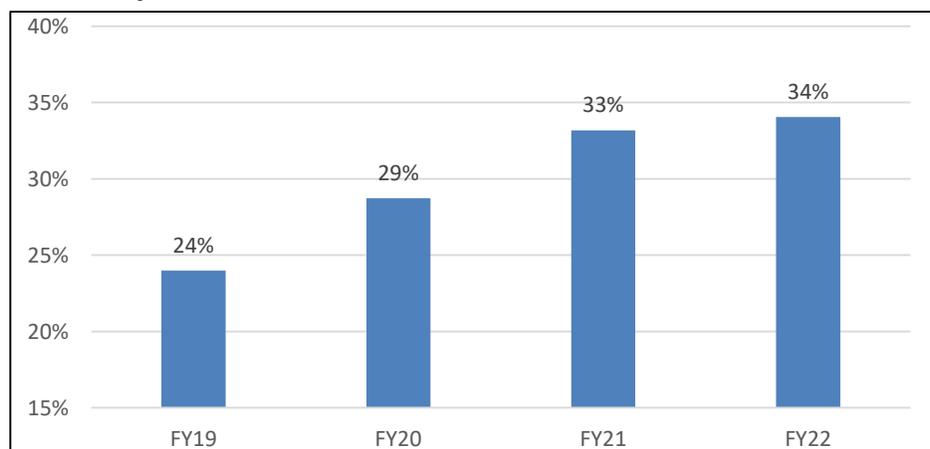
- Strategic initiatives - Benefits of our risk pricing analysis flowing through into improved loss ratios
- WFH and cost of fuel resulting in consumers driving less...this is resulting in fewer lodged claims. Some of this reduction is offset by parts price inflation and labour rate increases.
- Digital distribution arrangements working well (MTF, Marac Finance and Motorcentral using Autosure API), and pipeline of opportunities being worked on.
- Investment returns improving from higher interest rates

Credit management performance expected to improve

Total Debt Loaded (\$000s)



Recovery Rate on Debt Loaded



- Business recovering from historically low consumer arrears and corporates working back into recovery action
- In FY22 debt load down 54% on pre-pandemic levels and debt collected down 35%.
- Recovery rates have continued to improve after change to “resolution” collections focus FY22 34% cf. FY19 24%
- Key focus areas...
 - Investing in our SME lead generation capability
 - Continue to develop our “resolution” focused collections strategy
 - Continue working closely with corporates to manage reputational risk
- Economic environment expected to deteriorate which will mean increased debt loads

Supporting NZ's fleet transition

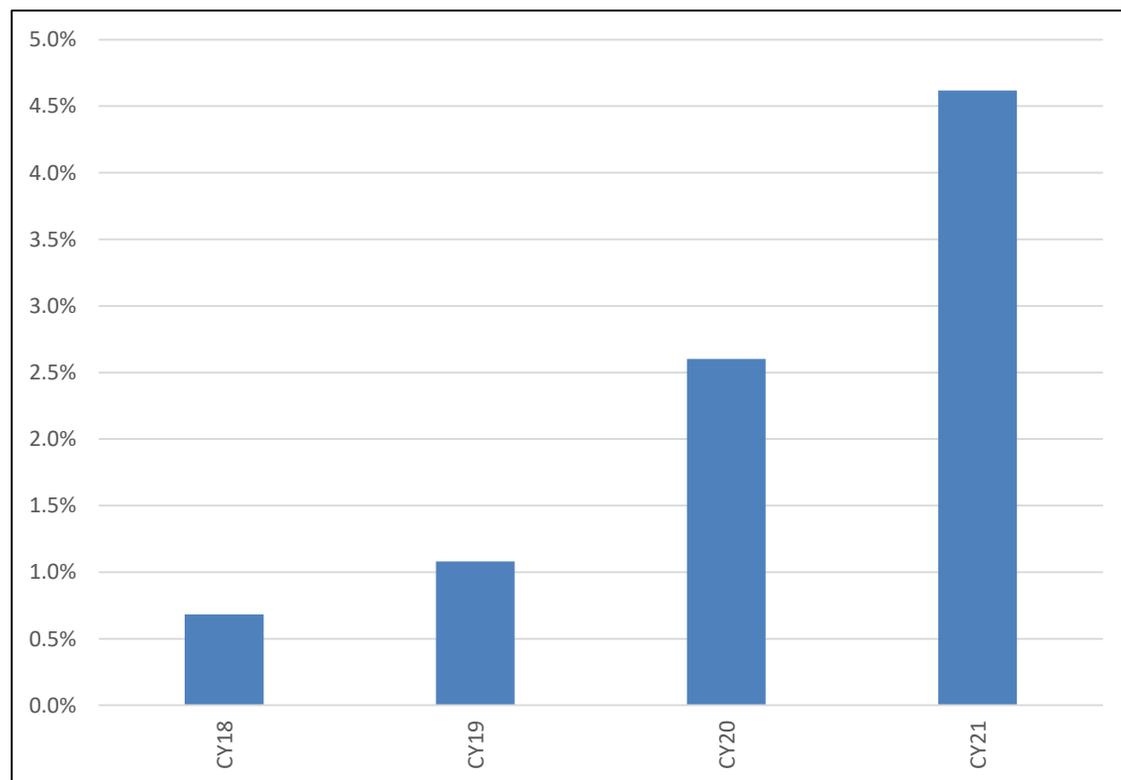


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Transitioning to a cleaner NZ vehicle fleet

The NZ vehicle fleet has 830,000 vehicles that are more than 20 years old

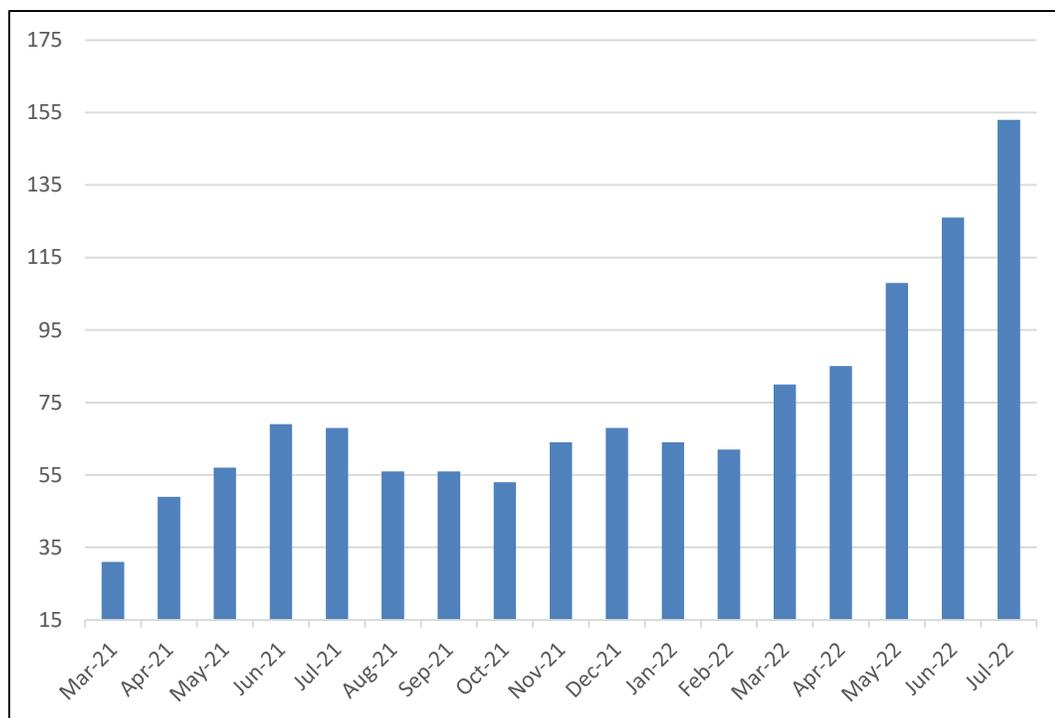
EV/Hybrid sales as % of total sales



- Fleet still has 830,000 vehicles more than 20 years old...vehicles that are above the average scrapping age
- EV and Hybrid sales are growing as a % of total cars sold in Turners, and as more corporate and government fleets transition we will see these numbers grow further.
- We helped 19,000 vehicles exit the fleet in FY22 through our damaged and end of life division.
- We have also launched and seeded EVs and hybrids into Turners Subscription to provide a flexible and low cost way of trying EVs and hybrids

EVs and Turners Subscription

Turners Vehicle Subscriptions at Month End



- Turners Subscription provides a highly flexible way of accessing exclusive use of a vehicles. Rolling 30-day subscription driver pays subscription + fuel.
- in partnership with EECA we have expanded our EV fleet.
- We currently have 150 vehicles on subscription of which 44 are EVs or Hybrids. There is high demand for these subscription cars...and helps with “try before you buy”
- Used EVs continue to be difficult to source...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 2021 were 20k against new car sales of 4.4m

3. Looking forward ...

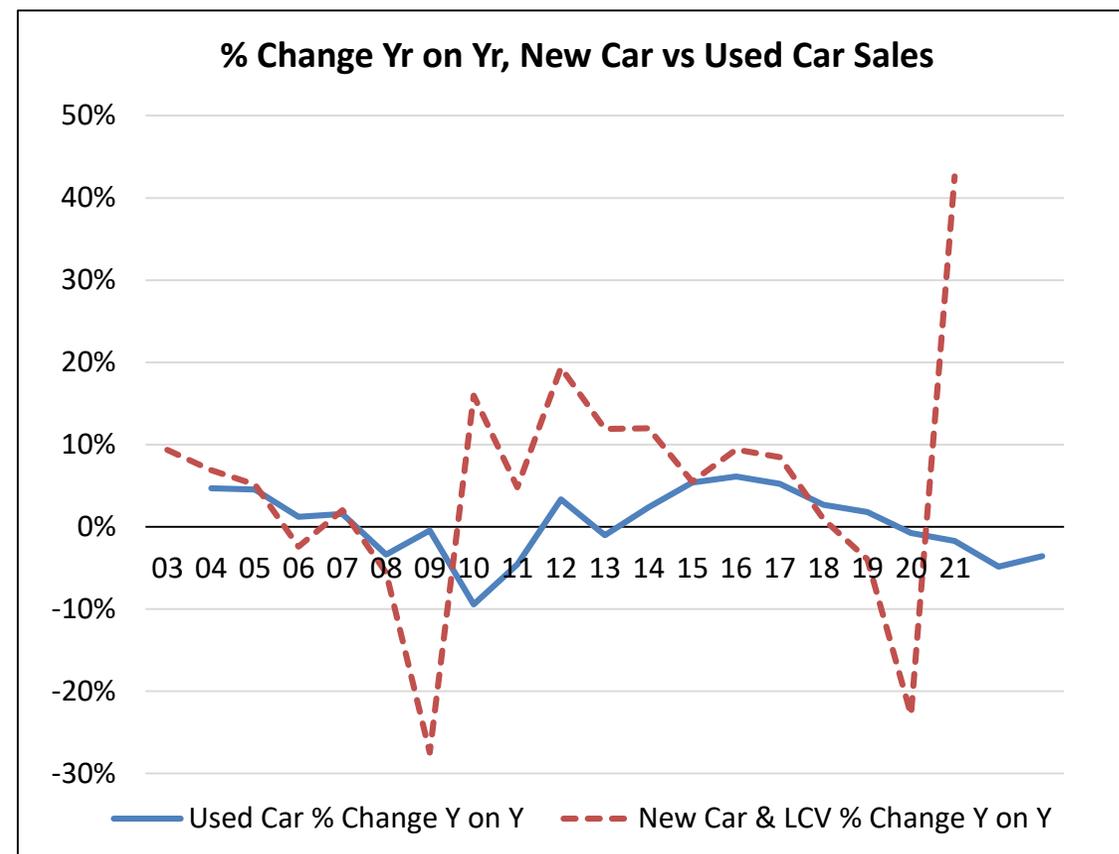


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Resilient and well diversified, poised for further growth ahead

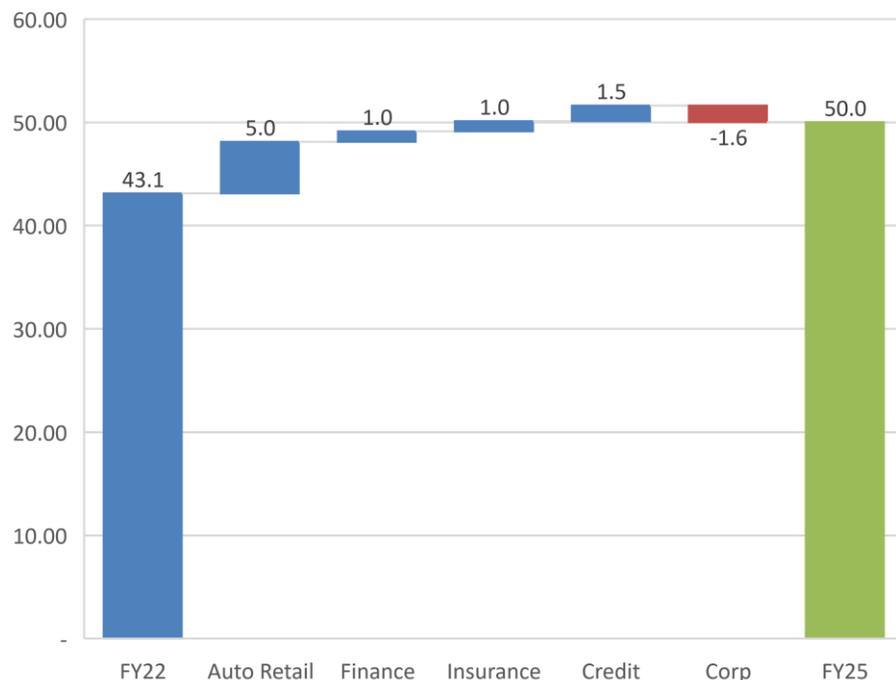
The business benefits from strong geographical and earnings diversification during restrictions.

1. Used car market is resilient...proven over time
2. 830,000 cars in NZ out of 4m are at the end of their economic life (20+ years old)
3. Diversified business – geographic diversity and earnings diversity (annuity earnings more than 55% of profits)
4. High “trust” brands – consumers move to high trust brand in times of uncertainty...we are building market share
5. Digital has become a competitive advantage - already demonstrated in both lockdown and normal periods



Roadmap to \$50M NPBT...

Net Profit Before Tax Bridge (\$M)



- Auto retail growth continues to come from retail optimisation and branch expansion. We are targeting a 10% market share.
- Continued improvement in the way we source should deliver margin expansion
- Headwinds in finance offset by growth driven out of direct lending and improvements in distribution
- Insurance growth to come from direct and digital distribution
- Halo effect of an expanding Auto Retail business for our finance and insurance divisions

Trading update + outlook

- Whilst the pandemic uncertainty has decreased, NZ's economic uncertainty has increased, therefore it is still too early to give guidance.
- Auto Retail – car sales strong, margins moderating, demand shifting to the lower price end of the market, further upside from new branches.
- Finance – lower lending volumes as interest rates rises take effect and lending market wide contracts, arrears holding, NIM has compressed as expected.
- Insurance – benevolent claims environment combined with payback from strategic initiatives.
- Credit – debt load expected to increase through the year.
- Despite Omicron disruptions (team and customers) we are pleased to see FY23 Q1 underlying profit performance is in-line with last year.

Key messages ...

1. Business is in the best shape it has ever been

Robust business with a sustainable dividend yield. We achieved 15% growth in PBT in FY22...another record year for the business, and 48% growth in profits since FY19.

2. Used car market is mostly needs based...lots of market resilience in this segment

20% of NZ vehicle fleet is 20 years or older...this is over 830,000 cars that are at the end of their life.

3. Our business model is based on vehicle churn...neutral on what powers the vehicle

Turners do have a role to play in helping the vehicle fleet transition but the solution is more than just EVs...it will include Hybrids and other types of Low Emission Vehicles.

4. We are very conscious of the clear NZ and global economic challenges over the next 12-24 months

We are aware of the challenges and have plans to mitigate these. We still see opportunities in the markets we operate in, and are well positioned to take advantage of these. The strong will get stronger.

5. Our updated target is \$50m in Underlying NPBT in FY25

FY25 projection would have been higher however given economic situation we have been more

Shareholder Discussion



3. Resolutions

The logo for Turners Automotive Group is centered within a white circular graphic. The word "Turners." is written in a bold, dark blue sans-serif font, with a period at the end. Below it, the words "Automotive Group" are written in a smaller, lighter blue sans-serif font. The background of the slide is a vibrant blue with a white curved line on the right side. In the background, a blue SUV is parked on a sandy beach near the ocean under a cloudy sky.

Turners.
Automotive Group

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 auditor's remuneration.
- **RESOLUTION 2:** That Grant Baker, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.
- **RESOLUTION 3:** That Alistair Petrie, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

Voting

Resolution: Proxies	FOR	AGAINST	PROXY DISCRETION
Auditor's reappointment / remuneration	8,332,474	78,591	2,275,152
Re-election of Grant Baker	8,378,446	317,925	1,992,846
Re-election of Alistair Petrie	8,141,502	316,558	2,229,884

Total proxies received in respect of 10,686,217 shares representing 12.34% of total shares on issue.

Voting on each resolution will be by way of poll.

Close of meeting

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Group CEO

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Group CFO

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