

NZX Virtual Investor Event

Oct 2023

Todd Hunter – Group CEO



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- I. Uncertainties relating to government and regulatory policies;
- II. The occurrence of catastrophic events with a frequency or severity exceeding our estimates;
- III. The legal environment;
- IV. Loss of services of any of the company's officers;
- V. General economic conditions; and
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We love cars



Overview of Turners Automotive Group

NZX and ASX listed business with over 50 years of heritage

700+ kiwis employed and 4,500 shareholders

FY23
\$59M revenue
\$15m profit
11% of auto loan market



Finance

**47th largest
company on NZX by
free float market
cap 9-10-23**

FY23
\$278M revenue
\$25M profit
~9% market share



Auto Retail

Turners.
Automotive Group



Insurance

FY23
\$44M revenue
\$12.6M profit
60% of Mechanical breakdown
insurance market

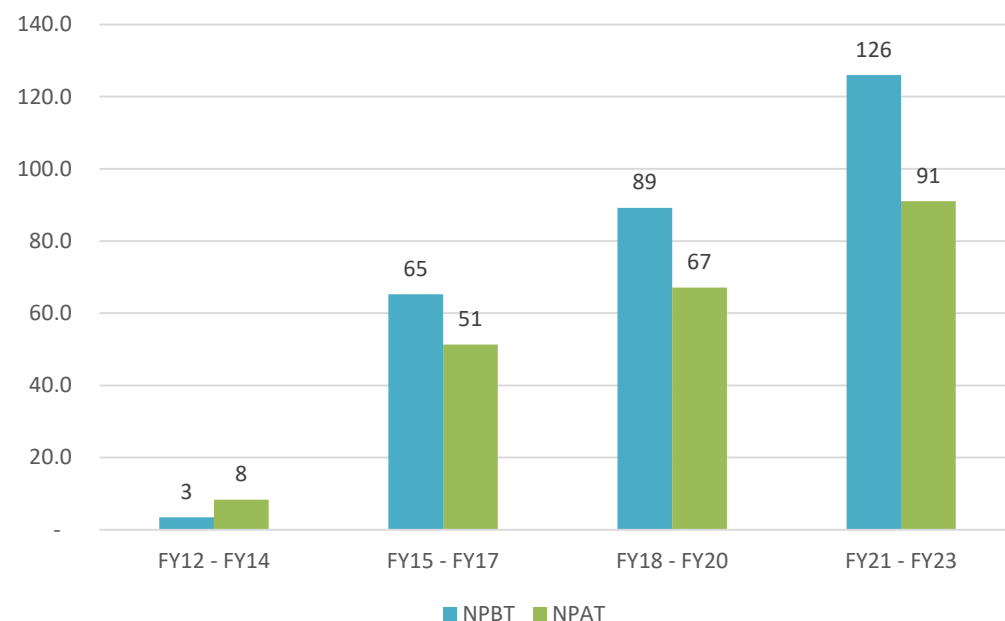


Credit Management

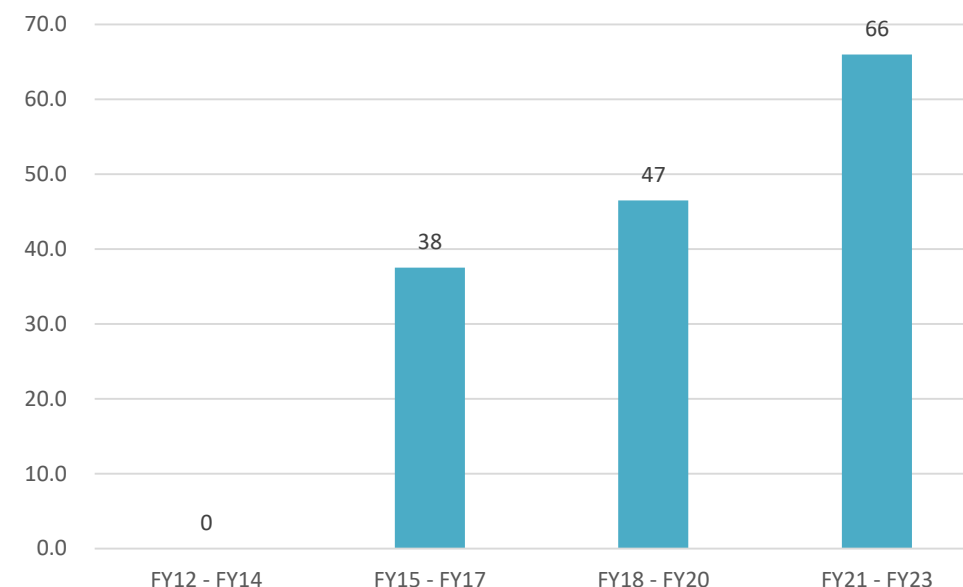
FY23
\$9.2M revenue
\$3M profit
20% of NZ debt collection market

Turners has built a strong and sustainable business with a proven track record...

Total NPBT/NPAT over 3 year period (\$M)



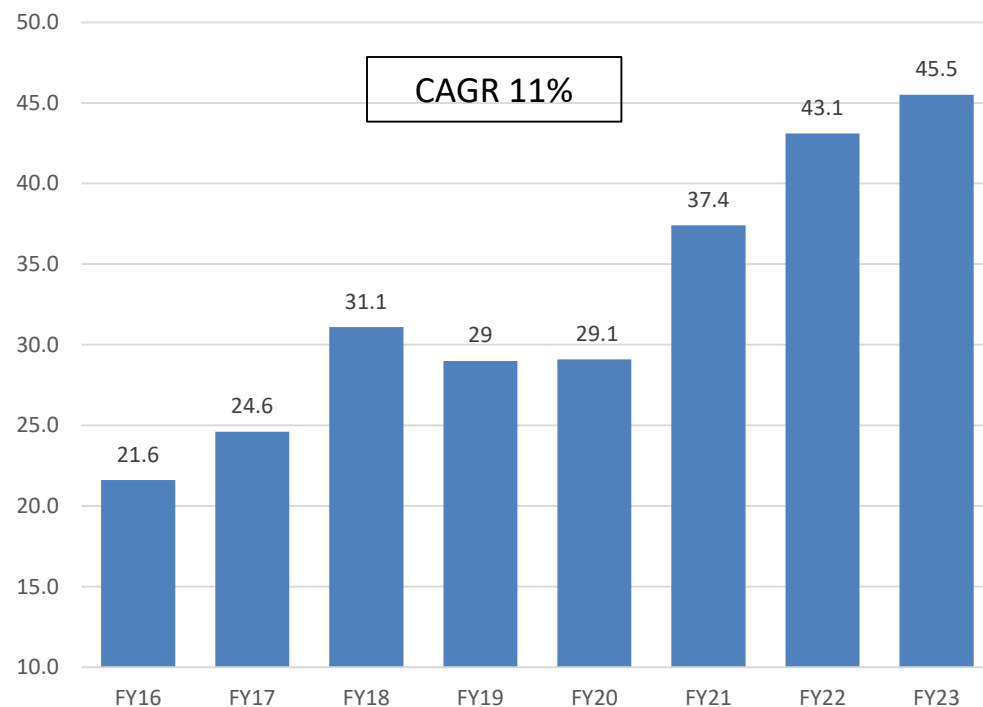
Aggregate dividends paid over 3 year period (cps)



** Dividends fully imputed from FY17 onwards*

On track to better FY23 and achieve record result in FY24

Net profit before tax



Updated guidance issued this week

- HY24 net profit after tax will be at least \$25M
- After a strong H1 comfortable to reaffirm that our FY24 result will be ahead of record FY23 result.
- Forecast dividend at this level of profit will be 24 cents per share (+4%).

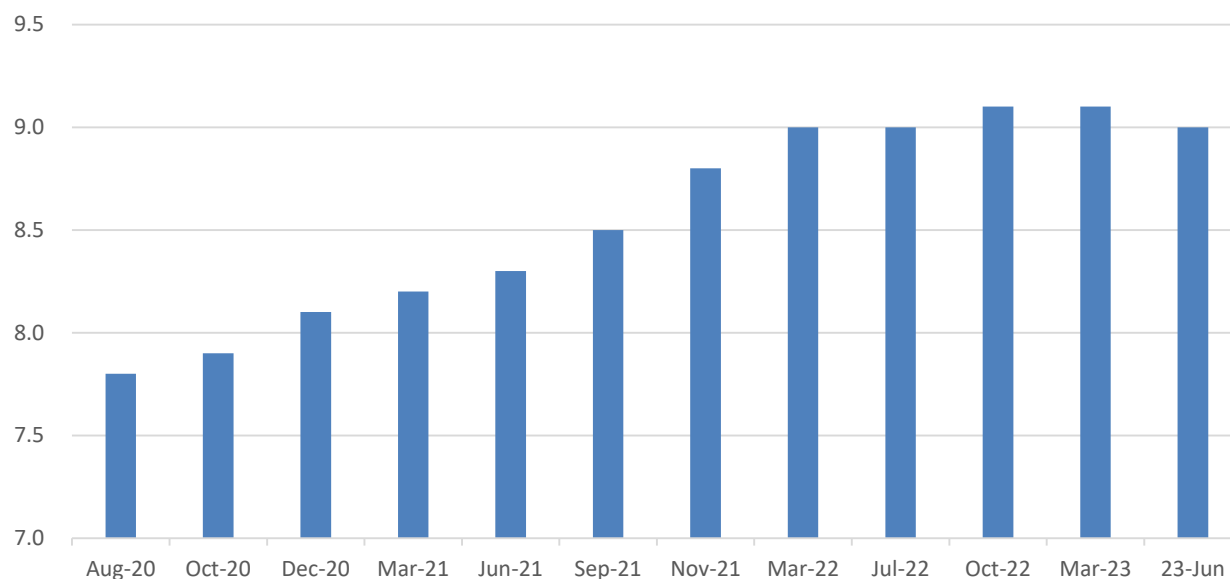
We operate to a simple formula

**Quality
environment
for our people** + **Quality
customer
experiences** = **Quality outcomes
for our
shareholders**

Our strong culture is a key advantage for our business

Peakon Employee Engagement Scores

How likely is it that you would recommend Turners Automotive Group as a place to work?



- Turners rank in the top 5% of consumer businesses globally using the Peakon survey tool
- Having a strong culture and an engaged team is very important to us, particularly at a time when recruitment and retention is challenging
- We continue to invest in training, remuneration, and other benefits eg. in FY23 we launched an Employee Share Scheme with just under 50% take up

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?”

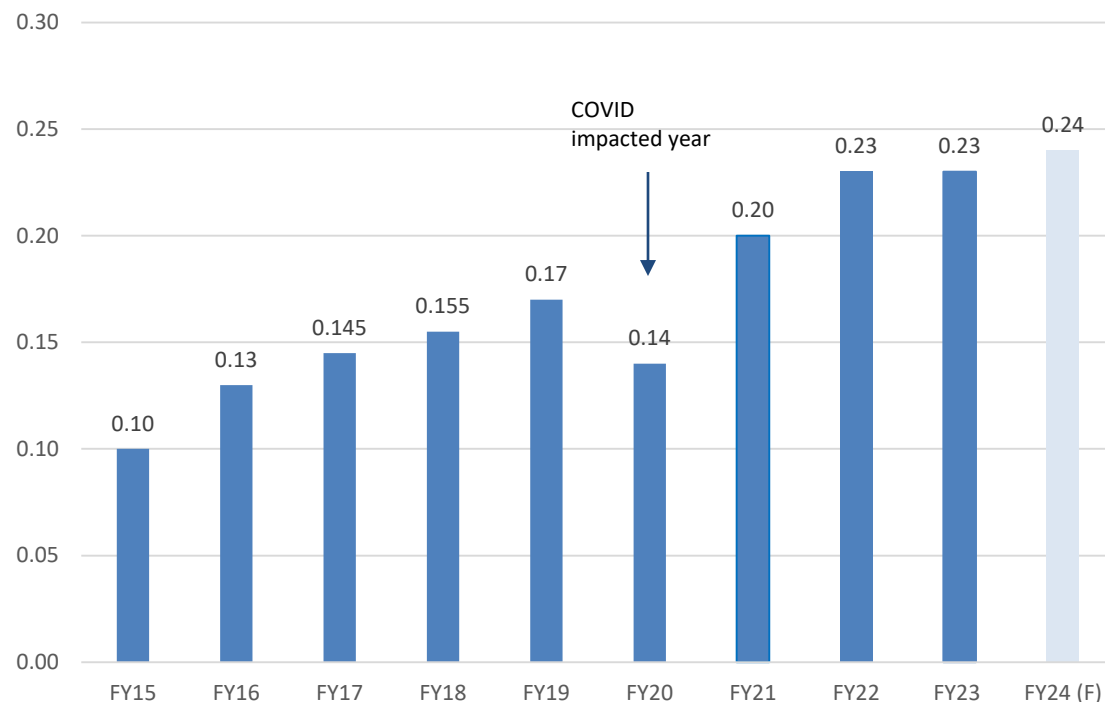
**We're building
our “ownership” of
the used car category.**

**Most trusted winner
for 4th year in a row.**



Turners has been growing dividends for almost a decade

Dividend per Share (\$)



Note - Dividends fully imputed from FY17 onwards

- Proven track record of delivering.
- Dividend payout ratio is 60-70% of NPAT.
- ***Quarterly dividend payments***
- Q1 dividend declared at 6.0 cps paid on the 28th Oct.
- Based on the projected 24.0 cents per share dividend and a share price of \$4.00 this is a gross yield of 8.3% pa.
- Dividend reinvestment plan (DRP) will continue.

3 Segment Overview



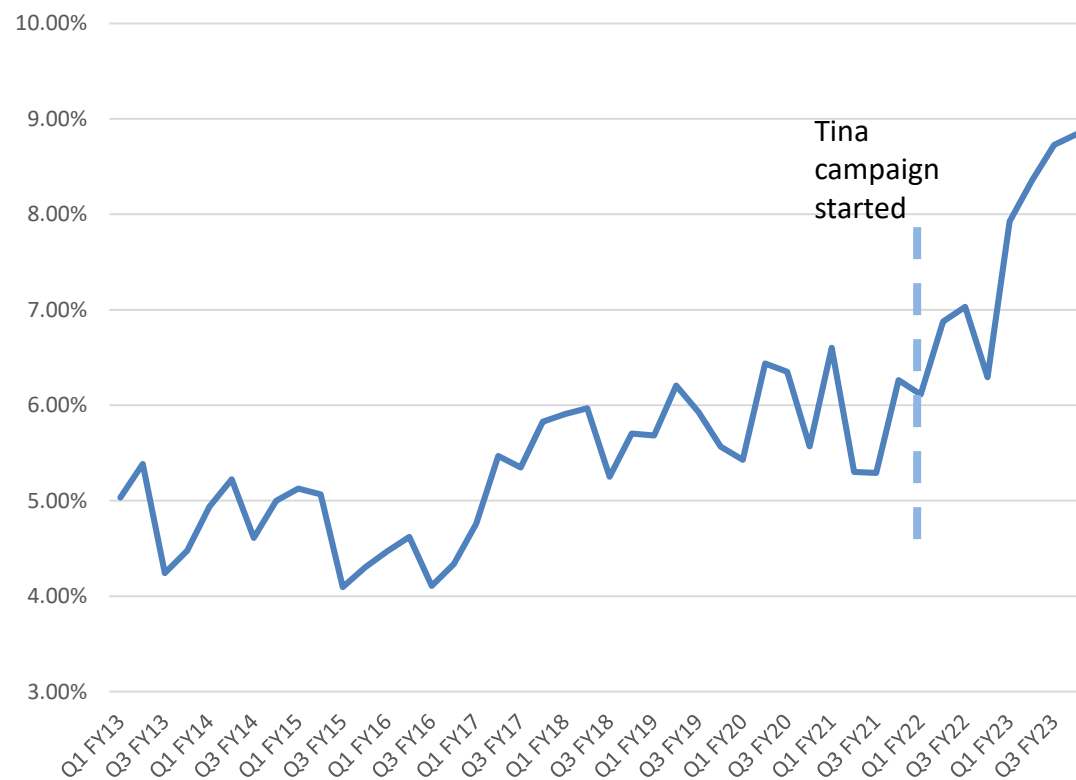
Go to www.turnersautogroup.co.nz
Investor Centre / Results and Presentations

Our Annual Shareholder Meeting presentation
has a lot of good detailed information in here on
the business divisions

Auto Retail division

Branch expansion and retail optimisation key areas of focus

Turners Retail Quarterly Market Share



- Market share has continued to grow
- Local vehicle sourcing strategy continues to deliver
- New branches delivering and good pipeline building
- Big opportunity to transfer sales from our wholesale auction channel (49% of sales or 18,500 units) into our retail channel...margin and yield uplift
- Damaged and end of life vehicle business performing well off the back of aging NZ vehicle fleet

Voted NZ's Most Trusted Used Ve

NEB3

 TurnersCars

Voted NZ's Most Trusted Used Vehicle Dealership

HBR249

 TurnersCars

A better way to buy & sell

KGP12

 TurnersCars

Voted NZ's Most Trusted Used Vehicle Dealership

LEN534

 TurnersCars

Retail expansion pipeline

Ready for expansion. We have a balance of committed sites and future opportunities

Committed development pipeline

Location	Size	Timing	Expected additional profit contribution
Timaru	4,000m2	Q4 FY24	\$500k
Napier (site expansion)	8,000m2	Q4 FY24	\$500k
Christchurch - Hornby	15,500m2	Q4 FY25	\$400k
Christchurch – Burnside (Airport precinct)	8,000m2	Q4 FY25	\$300k
Christchurch – City Centre	6,000m2	Q1 FY26	\$500k

“Opportunities” pipeline

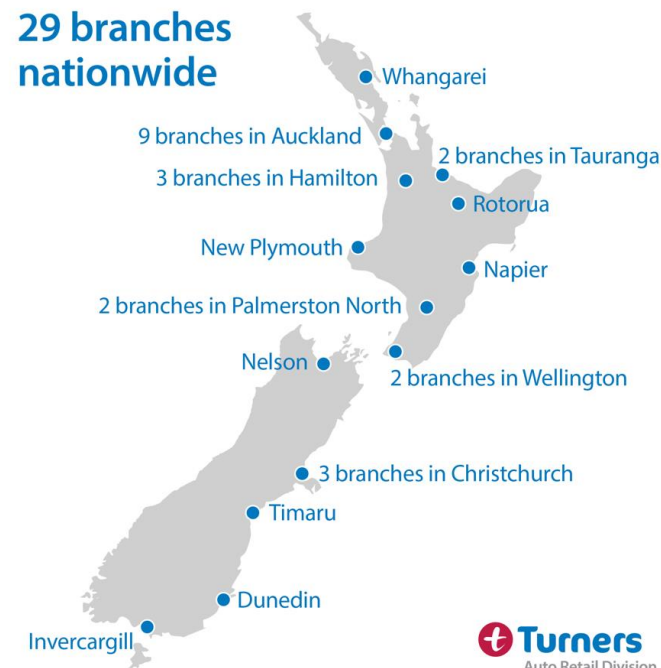
New locations

- Takanini/Drury
- Whanganui
- North East Christchurch
- Lower Hutt
- Albany North

Existing locations expansion

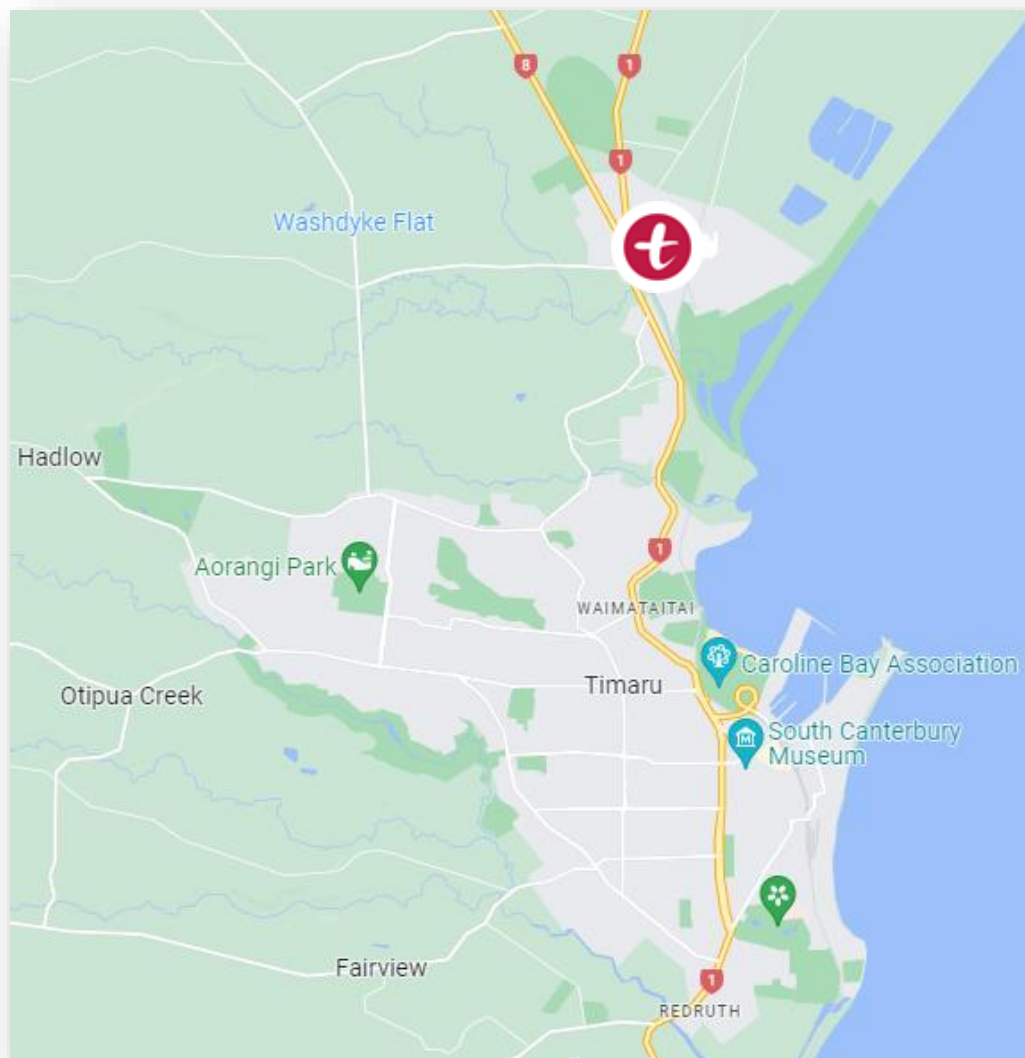
- Invercargill
- New Plymouth
- Tauranga

29 branches nationwide

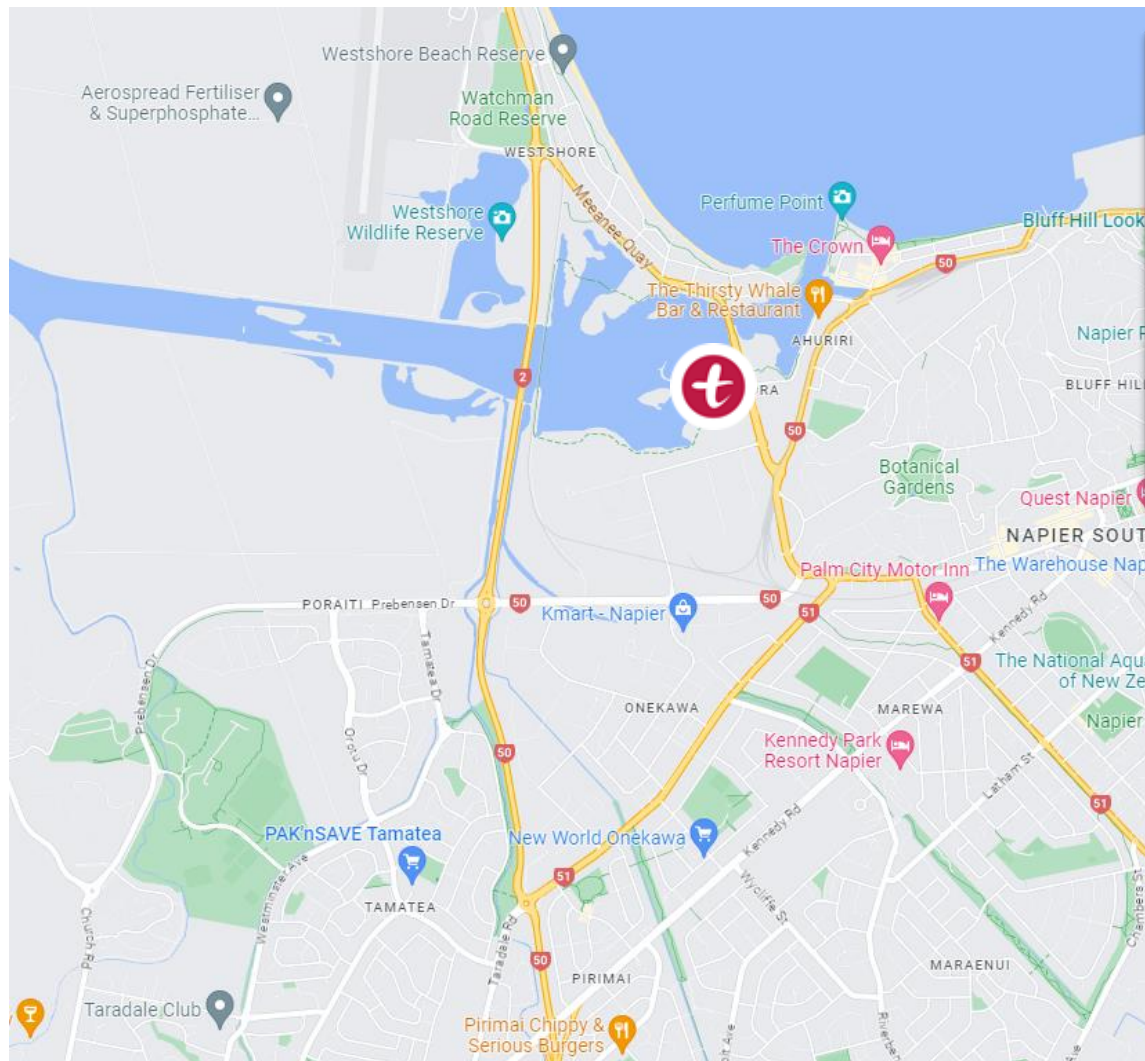


We own 14 of our sites with a cost value of \$95M

Timaru: New territory open Nov-23



Napier: Bigger better branch open Nov-23



Christchurch: 1 becomes 3 from mid-2025 to 2026

Wairakei



Moorhouse



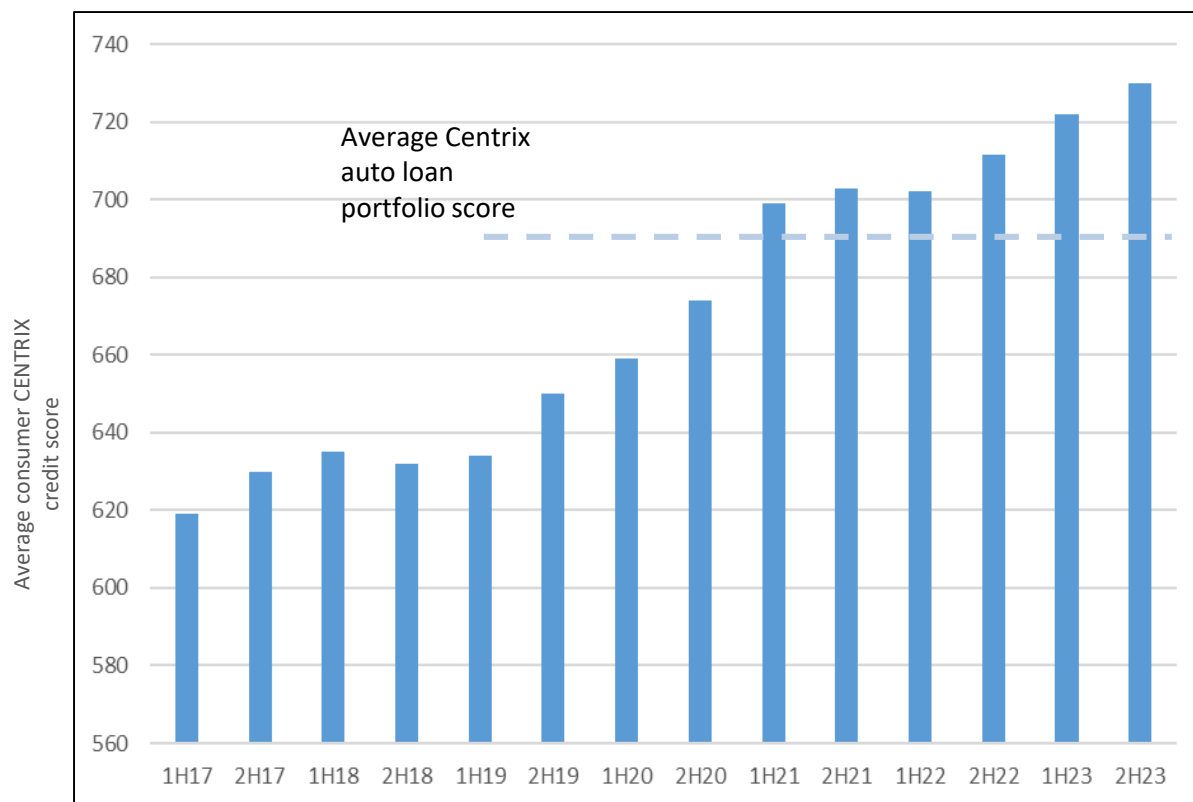
Hornby



Finance division

Improving credit quality and maintaining margin key focus areas given environment

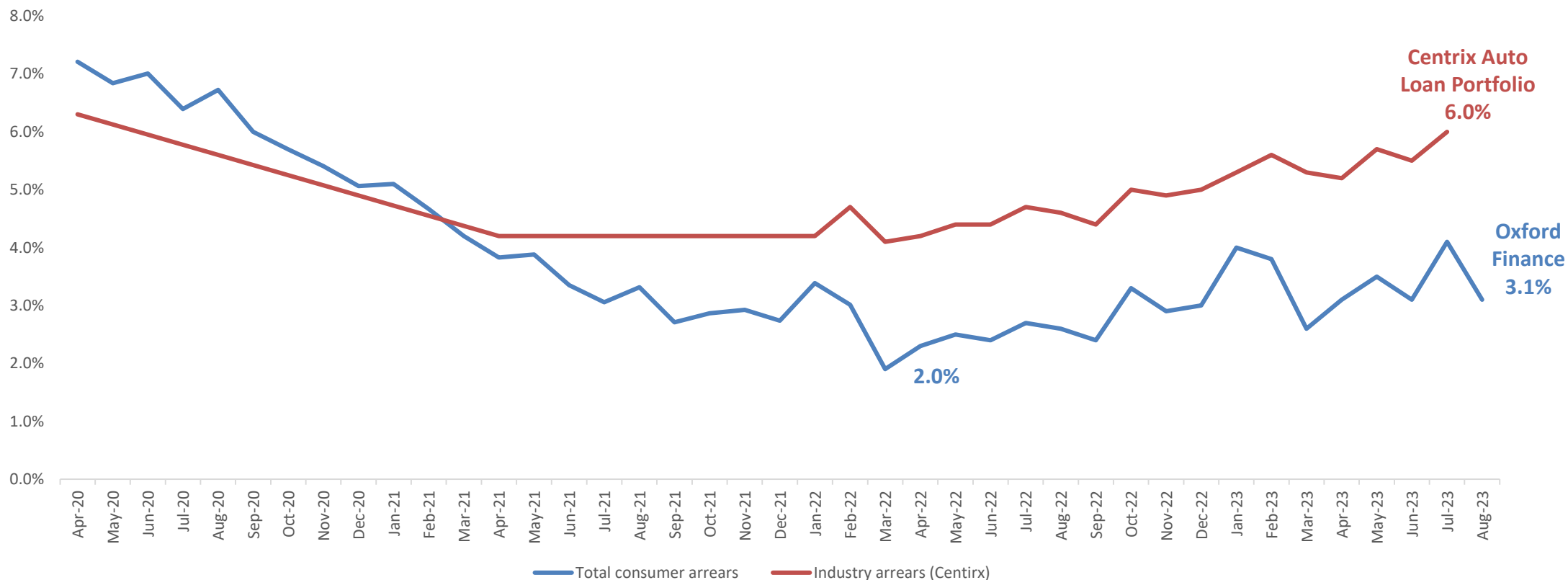
Average Credit Score



- Quality and margin have been higher priorities.
- Our borrower “quality” metrics continue to improve
- Interest rate cycle has been a head wind...but this will turn into a tail wind in time
- Growth in Turners Cars business has halo impact for Oxford.
- AAA rating from Fitch on the Oxford Finance receivables
- Arrears tracking well below pre-covid levels

Quality lending strategy resulting in arrears at well below industry benchmarks

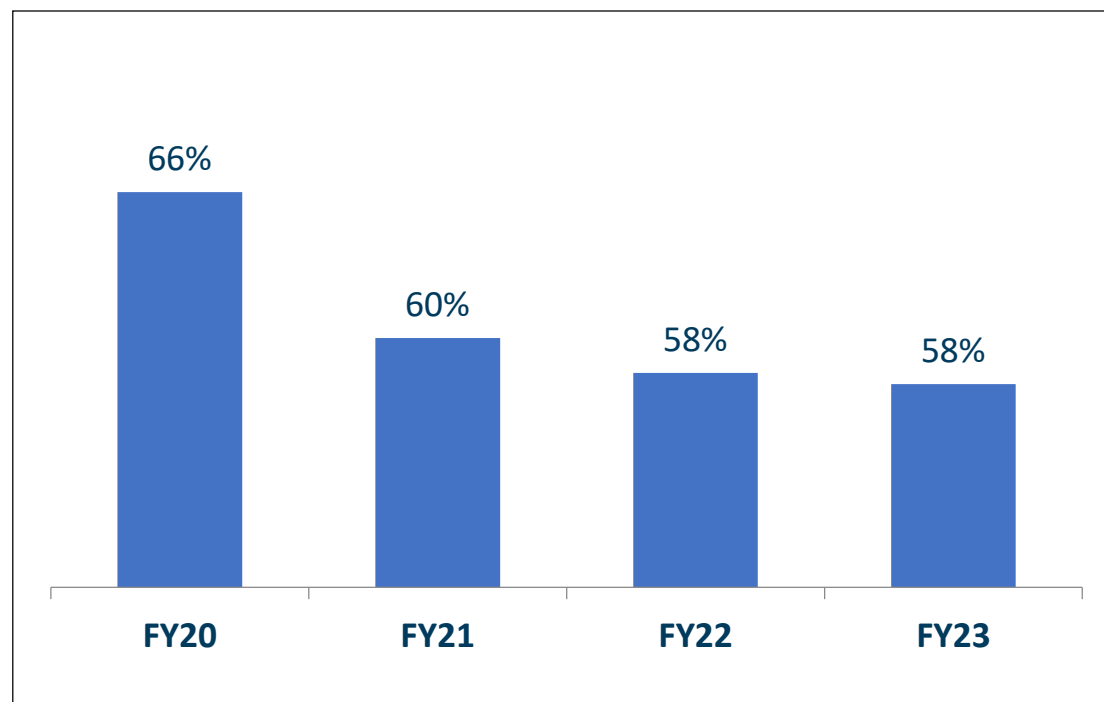
Consumer arrears



Insurance division

Growing market share and focus on digital distribution

Mechanical Breakdown Insurance Loss Ratio Performance



- Market share gains continuing to provide robust policy sales despite challenging market conditions.
- Risk pricing continues to be refined
- Digital distribution arrangements continuing to work well with further opportunities in pipeline
- Claims Costs inflation being offset by frequency of claims reducing due to changes in consumer behavior (WFH and cost of living)
- Pandemic and weather events have confirmed no catastrophe risk in portfolio, and our de-risking strategy has worked effectively

4 Outlook



What's next...

- Business has never been stronger, building genuine ownership of the used car category in NZ.
- On track to achieve our 10% market share goal in Auto Retail in the near term...
- Still so much opportunity in the used car space, 20% of registered cars in NZ 20+ years old.
- A strong Auto Retail business has a great halo effect for finance and insurance.
- We have huge strength in the Turners brand, systems, technology and people...we need to push ourselves to see what else we can do with this brand.
- Membership into the "NZX50 club" is close, as is our \$50M profit target.

We love cars



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