

7 March 2023

Turners continues to track toward record FY23 profit

FY23 Profit Guidance

Following consistent trading results over the summer months, including ongoing strength in Auto Retail, Turners Automotive Group (NZX: TRA) reiterates the guidance given at the HY23 results announcement. In November we expected profits to be at or slightly above the FY22 record result. The company is now on track for FY23 profit before tax to be at least \$44.0m (FY22: \$43.1m).

Trading in Q423 has seen no significant change to the market dynamics we were experiencing in Q3:

- Auto retail: Car sales in our business continue to hold up well, market share continues to grow across new and existing sites, margins are stable. Site expansion strategy working well and developing a pipeline of further opportunities.
- Finance: The impact of a higher interest rate environment is increasing, the expected deterioration in arrears occurred over December and January, however the loan book is stable and arrears improved in February.
- Insurance: Claims continue to track below expectations and investment returns improving.
- Credit: Debt load recovering, but more slowly than expected.

North Island Weather Events

Our thoughts are with everyone across New Zealand impacted by Cyclone Gabrielle and the Auckland Anniversary Weekend weather event, and especially our team in the Hawkes Bay region. We are pleased to report that our team and their families are safe and well. Our branches and operations suffered no damage during the recent weather events.

Our Damaged and End of Life Vehicle Division operational teams in Auckland and the Hawke's Bay are busy supporting our insurance vendors to de-register and sell these insurance write-offs for parts and recycling. Replacement demand for damaged cars, combined with the supply restrictions caused by the Clean Car Standard is expected to be inflationary for used vehicle pricing and margins.

ENDS

About Turners

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

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