



Dear Shareholder

The Turners Limited Annual Report for the year ended 31 March 2022 is now available. We invite you to read this on our website at <https://www.turnersautogroup.co.nz/Investor+Centre/Investor+Reports.html>

The FY22 year delivered another record result for our business, with Turners not only demonstrating earnings resilience but strong growth credentials as well. We are confident we have found the right formula and that our actions will deliver continuing growth over the next three years.

Our growing returns are driving much improved outcomes for our shareholders, and we were pleased to deliver record dividends of 23.0 cents per share in FY22.

With another record year of results, a stronger and de-risked business, a clear strategy and a near-term economic outlook that is looking more uncertain, our business has never been in better shape. We are ready for whatever comes next.

Our Three Year Plan

Our three-year plan centres on organic growth and is focused on four key areas, comprising both physical and digital investments.

1. Retail Optimisation and Expansion across people, property and processes.
2. Vehicle purchasing decision-making using data and tools to help identify new sourcing opportunities, and leveraging our brand strength to generate local sourcing leads.
3. Margin management and Premium lending within Finance.
4. Continued investment in digital and improving our omni-channel customer experience which allows customers to engage with us however, whenever and wherever they want.

Looking beyond FY23, we remain very confident about further growth over the medium to longer term. We have updated our three-year rolling target to grow to more than \$50m of underlying profit before tax by FY25.

On behalf of the Board and management, we would like to thank our shareholders for your continued support.

A handwritten signature in black ink, appearing to be 'Grant Baker'.

Grant Baker
Chairman

A handwritten signature in black ink, appearing to be 'Todd Hunter'.

Todd Hunter
Group Chief Executive Officer

We couldn't be more pleased about the shape the business is in, the trajectory we're on and the future for the Turners business.

FY22 AT A GLANCE

- Strong consumer demand despite continued disruption from COVID-19 lockdowns and Omicron outbreak
- Employee engagement at an all-time high (top 5% of companies using Peakon tool); continued to increase at a time where retention and recruitment have been under significant pressure
- **Auto Retail:** Market share continued to grow in Auto Retail with a good pipeline of new branches
- **Finance:** Quality lending strategy resulting in arrears at record lows
- **Insurance:** Strong new policy sales with improving claims ratios
- **Credit Management:** Debt load returning slowly but environment should be more productive in FY23
- Macro headwinds (inflation and interest rates) starting to impact... speed of change biggest challenge



FY22 FINANCIAL SNAPSHOT

- Record earnings from divisions operating in the used car market (Auto Retail, Finance and Insurance)
- Record NPBT up 15% to \$43.1m
- NPAT up 16% to \$31.3m
- EBIT up 11% to \$47.7m¹
- Underlying NPBT up 29% to \$44.1m²
- Revenue up 14% to \$344.5m
- Dividends up 15% to 23.0 cents per share
- Earnings per share up 16% to 36.4 cents per share
- Unrealised property gains per share 22 cents per share (measured from carrying value)

More information on Turners FY22 financial results can be read in Turners FY22 Annual Report.

¹Earnings Before Interest and Tax (EBIT) adjusted for interest expense in Finance (non-IFRS measure).

² Underlying Net Profit Before Tax (NPBT) is a non-GAAP measure and excludes one-off or non-cash costs including property sales and acquisitions, covid-related support and remuneration sacrifice, review and restructure costs and profit normalisation (Turners' estimated profit had the business not been shut during lockdown). In FY22, these totalled \$1.0 million. A reconciliation can be viewed in Turners FY22 Annual Report.