

## **TURNERS INVEST IN AUS CAR SUBSCRIPTION AND SHARING BUSINESS**

### **Turners Gains Access to High Growth Car Sharing Market via Investment in Australian Tech-Focused Car Share and Vehicle Subscription Platform**

As a sub-set of its newly developed growth strategy, Turners Automotive Group Limited (NZX/ASX:TRA) is investing AUD\$1 million into ASX-listed [Collaborate Corporation](#), a tech-focused car-sharing and vehicle subscription business based in Australia.

Turners will acquire a 12.13% stake in Collaborate Corp (CL8.ASX) and will appoint a director to the Collaborate board. Collaborate's core business centres around the rapidly evolving car sharing market with [DriveMyCar](#), Australia's leading peer-to-peer car rental business, complemented by [Carly](#), Australia's first truly flexible car subscription offering, which launched in March 2019.

This is the first of a series of potential investments by Turners under the pillar of innovation and ventures, a part of its broader strategy launched at the end of May 2019. The investment in Collaborate strongly fulfils Turners' investment criteria, given its adjacency to Turner's existing business model, the potential synergies that exist between both companies and the exciting opportunity for Turners to participate in the rapid growth of the 'Sharing Economy' as it relates to transportation and changing consumer preferences.

Investing and working with Collaborate enables Turners to continue focusing on its core business of growing share in New Zealand automotive retail market, but with exposure to this exciting opportunity in the larger and fast evolving Australian market. Likewise, it presents the opportunity for Turners to learn and potentially introduce this capability into the New Zealand market.

Turners chairman, Grant Baker, said: "Strategically the investment in Collaborate makes sense for both companies. We have been impressed with Collaborate's board and management team, the progress they have made and the traction they are getting with customers in a short space of time. We are very excited about the partnership between the two organisations."

Alternative vehicle ownership models are on the rise internationally, and vehicle subscription programmes could account for nearly 10% of all new vehicle sales in the US and Europe by 2025. In developed markets like the UK and the US, subscription-based ownership models have already crossed 10% of monthly household incomes, driven in large part by the benefits experienced by consumers such as greater flexibility and a reduction in costs incurred including the purchase of vehicles, parking, insurance, fuel and maintenance<sup>1</sup>.

Turners CEO Todd Hunter said: "We are excited about Turner's future as we position ourselves for the long term projected changes in the traditional retail car market. New concepts such as peer to peer car

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<sup>1</sup> <https://www.forbes.com/sites/sarwantsingh/2018/07/30/your-next-car-could-be-a-flexible-subscription-model/#2ec7ac4f4ffa>

rentals and car sharing are a part of the future and provide a new revenue opportunity for car dealers and other industry players.”

## **DriveMyCar**

DriveMyCar is Australia's first and largest peer to peer car rental service, making it possible for people to rent a car from a private owner with confidence. The business has created a 'trusted marketplace' where owners list their vehicles for free and renters can find and make a car booking after passing verification processes. Coverage is provided for accidental damage and theft. DriveMyCar offers flexible rental periods, is up to 57% cheaper than traditional car rental companies and enables owners to earn money from a vehicle they are not using.

Collaborate estimates up to 13.5 million cars across Australia are under-utilised and often sitting idle in garages and carparks. It is targeting both the private car rental market as well as corporate customers. It is also leveraging the growing popularity of the ridesharing industry and has an agreement which allows existing UberX drives to rent idle corporate fleet cars, with DriveMyCar working to ensure the right types of vehicles are available at the right times for the right rental periods.

## **Carly**

The vehicle subscription concept is still new but is rapidly gaining in popularity. Not only does it offer flexibility, variety, minimal responsibility and an all-round simpler solution to vehicle ownership, the single monthly payment covers all the usual costs of vehicle ownership, from registration and insurance to maintenance and repairs. Customers can choose and switch cars to suit their lifestyle and their needs. Carly will provide the flexibility that many drivers and especially younger generations are now seeking - no long term commitments, no upfront costs or loans to buy a car and the ability to change cars when you want. Whilst the transition of consumers moving from buying vehicles to utilising vehicle subscription services is expected to take time, the strong potential of car subscription is supported by the large number of vehicle manufacturers and startups launching services in the USA and recent large investment by Softbank in the sector.

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## **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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