

## Turners concludes Oxford Finance Strategic Review

As part of the Strategy for Turners Automotive Group announced in May 2019, Turners conducted a comprehensive Strategic Review to consider alternative ownership and growth options for Oxford Finance. Investment bank Jarden were appointed to run a process for interested parties, which has now been concluded.

Whilst there was significant interest in Oxford Finance above the book value of the business, in the Board's view, the offers received did not fully reflect the intrinsic value of the business both today and what we think can be achieved through the continued growth of the business via our organic growth strategy. This view was informed by separate valuations by two corporate advisors. The board has therefore decided to conclude the strategic review and is excited to focus all efforts on the execution of the growth strategy.

**Chairman Grant Baker said:** "As we indicated to shareholders, we were only prepared to sell Oxford if we were offered a premium price. Our strong view is that shareholder value continues to be optimised by retaining ownership of the business. Oxford Finance is a well performing and growing business with a strong network of active dealers across the country and we are excited by opportunities to continue reshaping and growing the business."

Turners will continue with its growth plans for Oxford, which were laid out at the recent AGM. These include:

- targeting higher quality lending
- use of data and technology initiatives to improve risk pricing
- system integration (API development) to broaden distribution
- ramping up origination from the Turners Cars business

Over five years, Turners successfully grew Oxford from NPBT of \$2.9m at time of acquisition in 2014 to \$11.1m in 2019 and our three year forecast shows further significant growth for this business.

**Turners CEO Todd Hunter said:** "Oxford's operating profit August YTD is tracking well ahead of budget and last year. A number of the initiatives we have implemented are delivering improved credit metrics and improved profitability. The Turners Auto Retail channel is delivering solid volume with excellent quality origination. We have plans to further enhance the business in line with our group strategy of simplification, de-risking and focusing on capital efficient growth opportunities."

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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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