Company Announcement

21 May 2026

Record FY26 reinforces Turners' FY31 strategic targets

Turners Automotive Group (NZX/ASX: TRA) has delivered a record financial result for the year ended 31 March 2026 (FY26), reinforcing the Group's trajectory toward the FY31 strategic targets set out at its March 2026 Investor Day.

Turners delivered record normalised net profit before tax (NPBT) of $63.2 million, up 16% on FY25. Each of the three core automotive divisions (Auto Retail, Finance and Insurance) delivered profit growth, with Q4 a record quarter for the business.

The result brings forward the Group's $65 million NPBT target (originally set for FY28) into FY27, which would mark the third successive multi-year target Turners has met or exceeded ahead of schedule, and lays the foundation for the new $100 million NPBT target by FY31.

Key Financial Highlights (FY26 vs FY25)

- **Revenue:** $451.2m, +9%
- **Normalised EBIT [1]:** $70.6m, +14%
- **Reported NPBT**: $55.7m, +3%
- **Normalised NPBT:** $63.2m, +16% [2]
- **Reported NPAT:** $38.2m, -1% [2]
- **Normalised NPAT:** $45.6m, +18%[2]
- **Normalised Earnings per share (EPS):** 50.4cps, +16% [2]
- **Final dividend declared:** 9.0cps, fully imputed
- **Full year dividend:** 33.0cps, +14%

[1] *EBIT (non-IFRS measure) normalised for interest expense in Finance, and excludes EC Credit goodwill write-down*

[2] *Excluding EC Credit goodwill write-down of $7.5m*

Key Business Highlights

- **Auto Retail:** Margin expansion through 2H following a tough 1H macro; three new Christchurch branches opened and now fully operational; Tina 2.0 brand campaign launched in May 2025; total owned units sold +9%; commercial division strong, supported by lifts in liquidations and damaged vehicle volumes.
- **Finance:** Loan book grew 27% to $566m; record profit, with NPBT +19%; consumer arrears at 2.5% versus industry 5.6%; NIM lifted to 5.7%; $200m public securitisation warehouse term out in October 2025, improving funding rates and reducing capital commitment.
- **Insurance:** Revenue +5%, NPBT +7%, with growth across all portfolios. Strong premium growth overall (dealer and finance broker partnerships); D2C offering for comprehensive insurance providing additional revenue. Claims cost inflation has been well managed.
- **Turners Servicing & Repairs:** Brand transition from MyAutoShop complete; VTNZ partnership extended to pre-purchase inspections; technician and van network expanding.
- **EC Credit Management:** Now positioned as managed for cash. Focus remains on core automotive operations, with the ECCC business positioned for potential divestment over the medium term.
- **People and culture:** Top 5% globally for employee engagement; 67% of staff are shareholders; 83% of leadership roles filled internally.

FY26 was a year of two distinct halves. The first half was constrained by a soft consumer environment and tight margins; the second half delivered a strong recovery as consumer confidence improved through the year, and Turners benefitted from proactive stock management, culminating in a record profit performance in Q4. In late March, the onset of the Iran-US conflict softened momentum, and Turners has deployed the same operational playbook applied successfully through the FY24 and FY25 macro downturns.

Reported NPAT of $38.2m, included a non-cash goodwill write-down on EC Credit (ECCC) of $7.5m, consistent with the $7–9 million indicated in the March 2026 guidance update. Normalised for the ECCC write-down, Normalised NPAT was $45.6m.

CEO Commentary

Todd Hunter, Group CEO, said:

"This record result is a significant achievement and a credit to the entire team. Demand was soft in the first half, but our team's discipline on stock, margin and credit through 2H culminated in a record Q4. Each of our three core automotive divisions delivered profit growth, and the integrated platform continues to compound as we expand our network and our customer base. Our Finance division has been a standout result in the last 12 months growing new lending by over 50% and loan book growth of 27%.

We've been clear with the market that we set tough targets, and we love to exceed them. We delivered our $45m FY24 NPBT target a year early, our $50m FY25 NPBT target a year early, and we now expect to deliver our $65m FY28 NPBT target a year early as well, in FY27. With the Iran–US conflict softening early FY27 trading, we have already deployed the same tough macro playbook we ran in FY24 and FY25. This is a business that knows how to perform and still grow across cycles."

Financial Summary

Group revenue rose 9% to $451.2m, with growth in Auto Retail (+$27m), Finance (+$9m) and Insurance (+$3m) more than offsetting a decline in Credit (−$2m). NPBT grew 16% to $63.2m before goodwill write-down, reflecting margin expansion across the three core divisions, operating leverage in Finance, and lower corporate interest costs. Normalised NPAT grew 18% to $45.6m and Normalised EPS rose 16% to 50.4cps. Total assets increased to $1,071m, with finance receivables up $119m and property, plant and equipment up $35m, reflecting the development of new sites in Napier, Dunedin, Tauranga and Christchurch. Shareholders' equity grew to $318m, from $299m a year earlier.

Capital Management

Turners' capital base now provides clear capacity to support the FY31 strategic plan. The $200m public securitisation warehouse termed out in October 2025 (the Group's inaugural public securitisation transaction) has delivered improved funding rates and a meaningful reduction in capital commitment. New syndicated banking facilities were signed in March 2026, increasing funding capacity and lowering costs. Receivables funding capacity is approximately $70m and corporate/property funding capacity is approximately $20m, sufficient to support the committed branch expansion pipeline. Capital is also being progressively reallocated from non-core operations (EC Credit) into core automotive operations. The Group will continue to apply the disciplined capital allocation framework that underpins its 15% ROE target.

Dividend

The Board has declared a final dividend of 9.0 cents per share, fully imputed, taking total FY26 dividends to **33.0cps, up 14% on FY25**. This continues a 12-year track record of dividend growth, representing a CAGR of 10.5%. The dividend reinvestment plan (DRP) will apply to the final FY26 dividend.

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Chair Commentary

Grant Baker, Chair, said:

"At our March 2026 Investor Day, we set out the next chapter of Turners' growth: a target of $100 million NPBT by FY31, supported by network expansion, lending growth, deeper integration of our automotive platform, and a discipline of 15% return on equity. FY26 is another confirmation that we are on track towards that ambition.

Capital efficiency is the engine of our compounding shareholder returns. With the new $200m securitisation warehouse and refreshed banking facilities now in place, Turners has the capital base to grow without compromise. The board remains committed to the disciplined, through-cycle approach to capital allocation that has now delivered 12 years of dividend growth."

Outlook

Q4 FY26 was a record quarter for the business. However, in late March, the onset of the Iran–US conflict softened consumer demand, and April trading has been similarly subdued. As with all businesses, there is uncertainty as to how long this will last. However, management has deployed the same operational playbook that has guided Turners through prior macro downturns since Covid, including disciplined inventory positioning, selective buying, and the maintenance of credit quality, whilst still continuing to invest in branch expansion.

Despite the softening in Auto Retail transactions, Turners Group benefits from diversification, with continued momentum from its annuity businesses (Finance and Insurance), and Finance in particular taking market share.

Accordingly, the Group expects to continue to make strong progress towards achieving the FY28 target of $65M NPBT a year earlier in FY27. Auto Retail will benefit from a full year contribution from the FY26 branch openings; Finance is positioned to benefit from a materially larger loan book and stable margins. FY27 will be a year of network groundwork rather than network expansion, with no new retail branches scheduled to open, but four new branches and two replacement branches currently in development for opening across FY28. Earned premium is holding up very well and claims ratios are table. Contribution from new distribution arrangements and direct sales continue to lift.

Looking further out, the progress made during FY26 across all businesses keeps Turners firmly on track toward its $100m FY31 NPBT target, the next of the four multi-year targets the Group has set since FY21.

Conference Call

Todd Hunter (Group CEO) and Aaron Saunders (Group CFO) will present the FY26 financial results followed by Q&A at 1030am on 21 May 2026: https://events.teams.microsoft.com/event/ebac50aa-3e47-4b45-b22e-4eee3e13d688@6a38d3ca-e45b-49d7-8a3d-680a588096ac

A short results video is also available at: https://www.turnersautogroup.co.nz/investor-centre

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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

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Appendix: Update by Business

Auto Retail *(Revenue $315.3m +10%, Segment NPBT $32.6m +12%)*

The first half saw constrained sourcing and tight margins as consumer demand was soft. Through the second half, sourcing initiatives, pricing optimisation and stock discipline established in 1H delivered strong margin expansion. Total owned units sold lifted 9%, with continued focus on the lower-priced segment where demand has been most resilient. Operational efficiency gains supported higher stock turn and lower working capital. The three new Christchurch branches opened in 1H FY26 are now fully operational and have driven a 22% increase in local units sold through the Christchurch region, a clear validation of the branch rollout economics. The Tina 2.0 brand campaign launched in May 2025 lifted media spend by 15% to $5.1m, with messaging now spanning both sourcing and selling. The commercial division performed strongly, with damaged/end-of-life and Trucks & Machinery revenues up 10% and 8% respectively.

Finance *(Revenue $77.0m +13%, Segment NPBT $19.2m +19%)*

Finance delivered a record result. The loan book grew 27% to $566m (from $447m), driven by consumer lending growth, whilst credit policy remained disciplined and indeed was tightened through the year. Premium tier lending (CCR score 735+) now represents 59% of the ledger, up from 56% at March 2025. Consumer arrears were 2.5% at March 2026, compared with the industry average of 5.6%, among the widest gaps the business has ever recorded. Net Interest Margin lifted to 5.7%, supported by stabilising cost of funds and continued repricing of the book. The hedged portion of finance borrowings has increased to ~85%, reducing earnings volatility. Operating leverage was a defining feature of the year, with lending volumes rising materially while headcount grew at a slower rate. The $200m public securitisation warehouse term out in October 2025 has lowered funding costs and reduced capital commitment, with further capital efficiency gains expected as the rating process completes.

Insurance *(Revenue $50.2m +5%, Segment NPBT $17.3m +7%)*

Insurance continued its steady growth over recent years, with strong premium growth overall. Key dealer and finance broker partnerships remained the primary driver of premium growth, providing scale and consistency. Direct to consumer offering for Comprehensive Motor vehicle insurance providing another useful diversified revenue stream. Claims cost inflation has been well managed despite ongoing global supply chain pressures. MBI loss ratios have edged up slightly but remain consistent with long-term historical trends. MBI Loss ratio 58% FY26 (57% FY25) Digital distribution capability was strengthened during the year, including the launch of a new MBI product for the ‘private to private’ car market. Early sales activity has been encouraging and this validates this channel as a complementary, scalable growth opportunity. New partners were also added during the year (VTNZ, Gaspy and Quashed) increasing Autosure’s digital footprint. **Turners Servicing & Repairs**

Completed rebrand to Turners Servicing and Repairs to leverage strong brand awareness and equity in “Turners” brand. Branding partnership with VTNZ to provide a “WoF Wizard” (WoF failures made simple for ~240k failures p.a). Cross sell, upsells and reminders with Turners wider customer base are starting to contribute (eg. service plans sold with cars). TSR is continuing to roll out mobile mechanics in locations to mirror the Turners network.

EC Credit Management *(Revenue $8.5m −17%, Segment NPBT $1.8m −49% excluding EC Credit goodwill write-down)*

Referral volumes were constrained throughout the year as several large corporate clients placed temporary holds on debt referrals during major system implementations, while consumers found it harder to consistently meet payment arrangements. Collections performance remained resilient, with debt collected broadly in line with FY25 and ahead of FY24, supported by a +9% lift in the payment arrangement bank. As flagged in the 19 March 2026 guidance update, the carrying value of the business was reviewed and a non-cash goodwill write-down of $7.5m was made, consistent with guidance at the time. EC Credit is non-core to Turners' integrated automotive platform strategy. Going forward, the business will be managed for cash, with capital progressively reallocated to higher-returning core operations

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