

FY25 Results Presentation

For the period ending
31 March 2025



Turners.
Automotive Group

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This document or any other written or oral statements made by, or on behalf of, the company may include forward-looking statements that reflect the company's current views with respect to future events and financial performance. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These uncertainties and other factors include, but are not limited to:

- I. Uncertainties relating to government and regulatory policies;
- II. The occurrence of catastrophic events with a frequency or severity exceeding our estimates;
- III. The legal environment;
- IV. Loss of services of any of the company's officers;
- V. General economic conditions; and
- VI. The competitive environment in which the company, its subsidiaries and its customers operate; and other risks inherent in the company's industry

The words "believe," "anticipate," "investment," "plan," "estimate," "expect," "intend," "will likely result," or "will continue" and other similar expressions identify forward-looking statements. Recipients of this document are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The company undertakes no obligation to update or revise any forwardlooking statements, whether as a result of new information, future events or otherwise.



Turners Cars

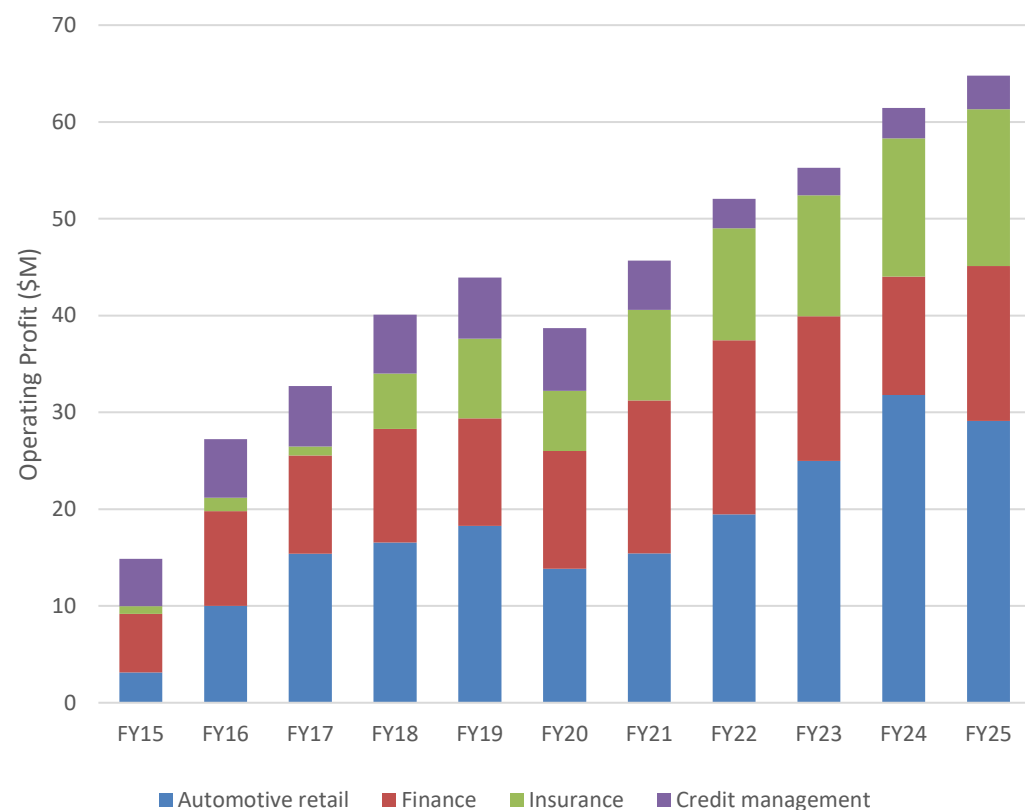
Helping Kiwi & sell for over 50 years.



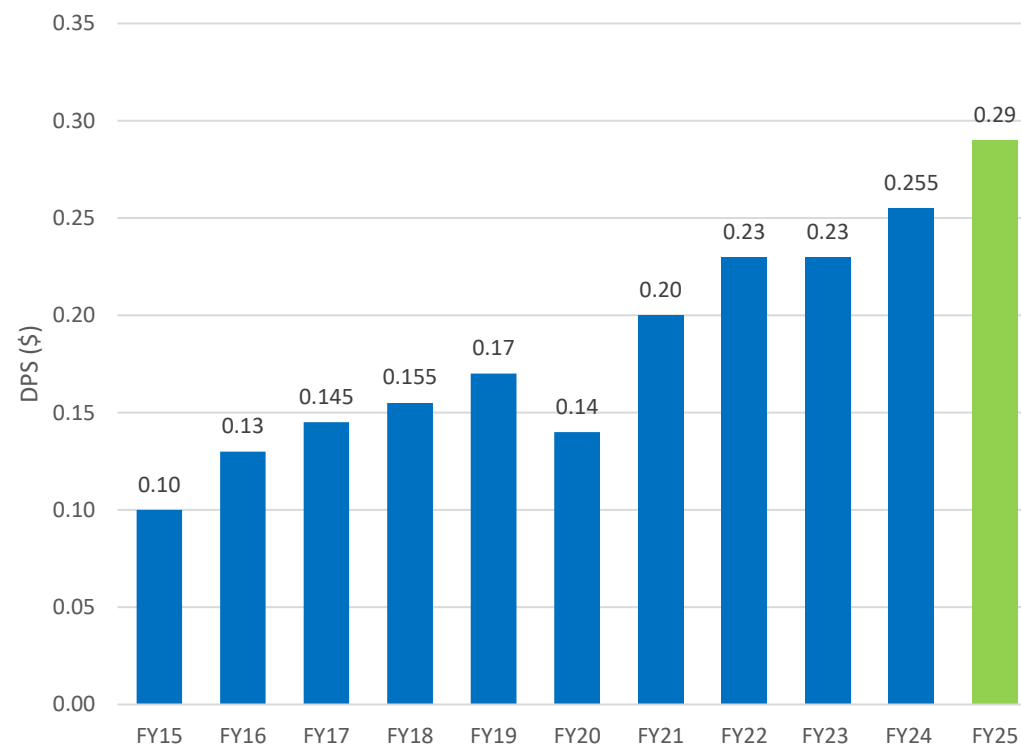
- **Record result caps off a decade of growth**
- **Resilient model and outstanding team**
- **Confidence in future growth**

Record result caps off a decade of growth

Operating profit contribution by segment (\$M)



Dividend per Share (\$)



Diversified model with widespread growth



Auto Retail

Volume growth and margin gains expected from a focus on domestic sourcing and 3x new Christchurch branches opening, with new branch pipeline building well.



Finance

Solid loan book growth expected and quality metrics will continue to improve. Provision buffer maintained.



Insurance

Expand digital distribution through partnership strategy, grow the direct to consumer offer and continue to enhance risk pricing and product features.



Credit Management

New large corporate customer onboarded and business improving as debt load increases as wider environment deteriorates.



Servicing and Repairs

Rebranding to Turners, building our network of vans and cross selling into Turners customers

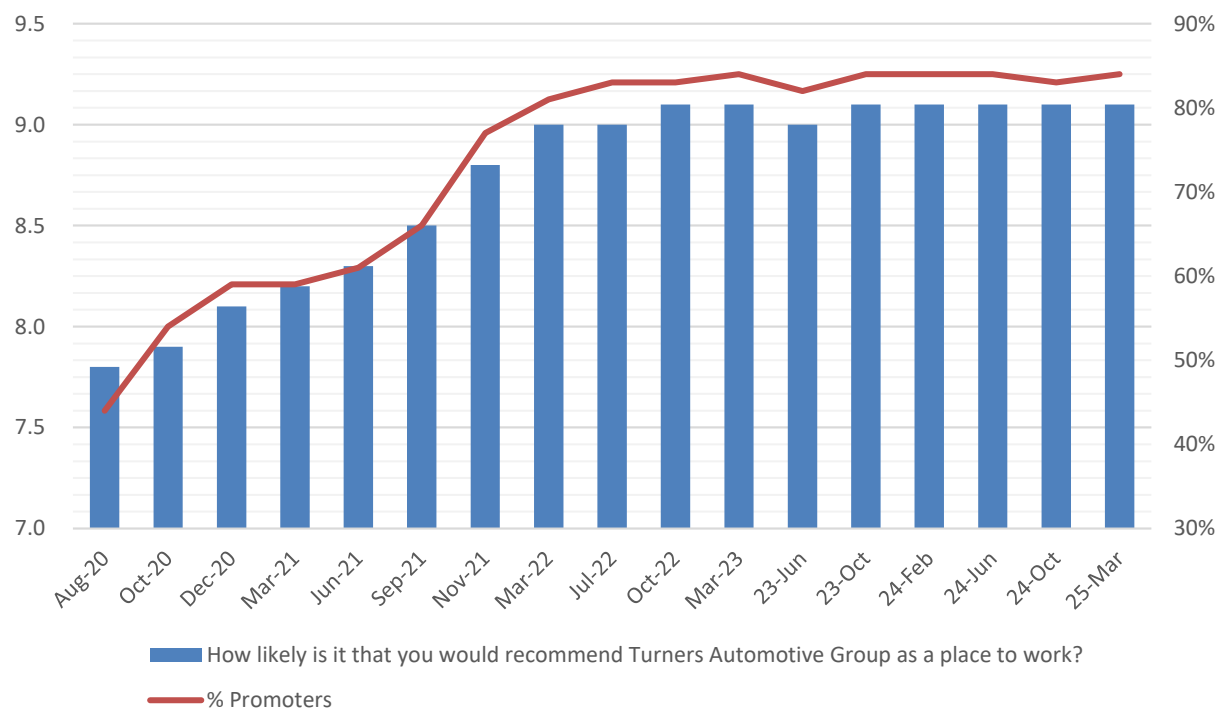


We delivered on growth, despite the economy ...

1. **The result extended our track record of resilience**, by again delivering another record, despite an extremely challenging consumer environment.
2. **FY25 dividend of 29.0 cps up 14% on pcp** and caps off a decade of strongly growing dividends from 10 cps in FY15.
3. **Earning diversification proven again**, with well signalled lower Auto Retail revenue offset by gains from Finance, Insurance and Credit Management, as expected.
4. **Consumer sentiment downturn put pressure** on vehicle prices, reducing margins during 1H. But 2H showed strong recovery in Auto Retail, and all 4 business divisions showed growth over 2H24.
5. **NZ used car market volumes have remained resilient**, despite the economic conditions.
6. **Turners team remain highly motivated**, with high levels of employee engagement and share ownership
7. **Outlook for FY26 is a slowly recovering economy** with further growth expected in Turners profits over FY25.

Our strong culture is a key advantage for our business

Peakon Employee Engagement Scores



- Turners rank in the top 5% of consumer businesses globally using the Peakon survey tool.
- We have now run our Employee Share Scheme for 3 years and take up is ~53%.
- Turners scores 9.4 for Diversity and Inclusion. This measures our efforts to maintain a diverse workforce and create an environment where every individual feels included.
- Turners scores 9.1 for Health and Wellbeing. This measures how satisfied employees are with Turners efforts to help them cope with stress and stay mentally, socially, and physically healthy.

Across nearly 700 employees we are averaging 9/10 to the question “How likely is it that you would recommend Turners Auto Group as a place to work?”



1. FY25 Results



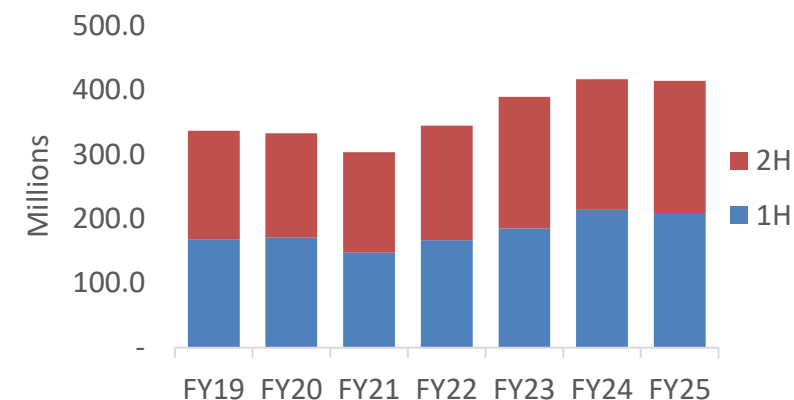
FY25 Results snapshot

Revenue \$414.2M -1%	Shareholders' Equity \$298M as at 31 March 25
Net Profit Before Tax \$54.3M +10%	Final Dividend 9.0 cps (fully imputed) FY Div 29.0 cps +14%
EBIT ¹ \$62.3M +6%	Earnings Per Share ² 43.3cps +17%
Net Profit After Tax ² \$38.6M +17%	

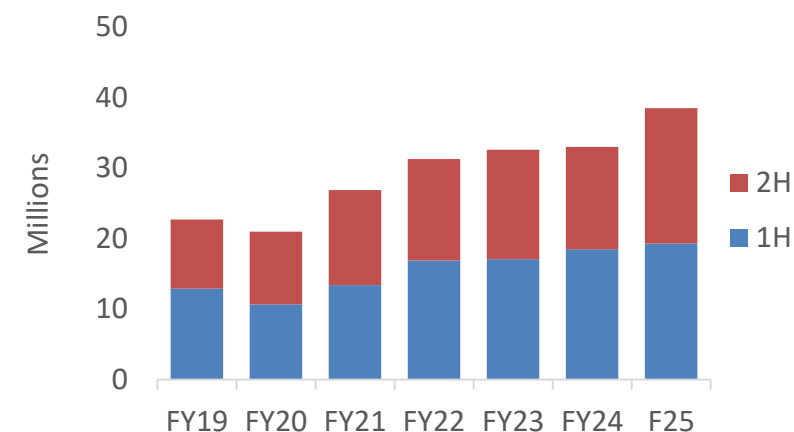
¹ EBIT adjusted for interest expense in Finance (non-IFRS measure)

² The effective tax rate for FY25 reverted to 29%. In FY24 there was a one-off legislative change to remove depreciation on commercial buildings which increased the effective tax rate to 33%.

Revenue



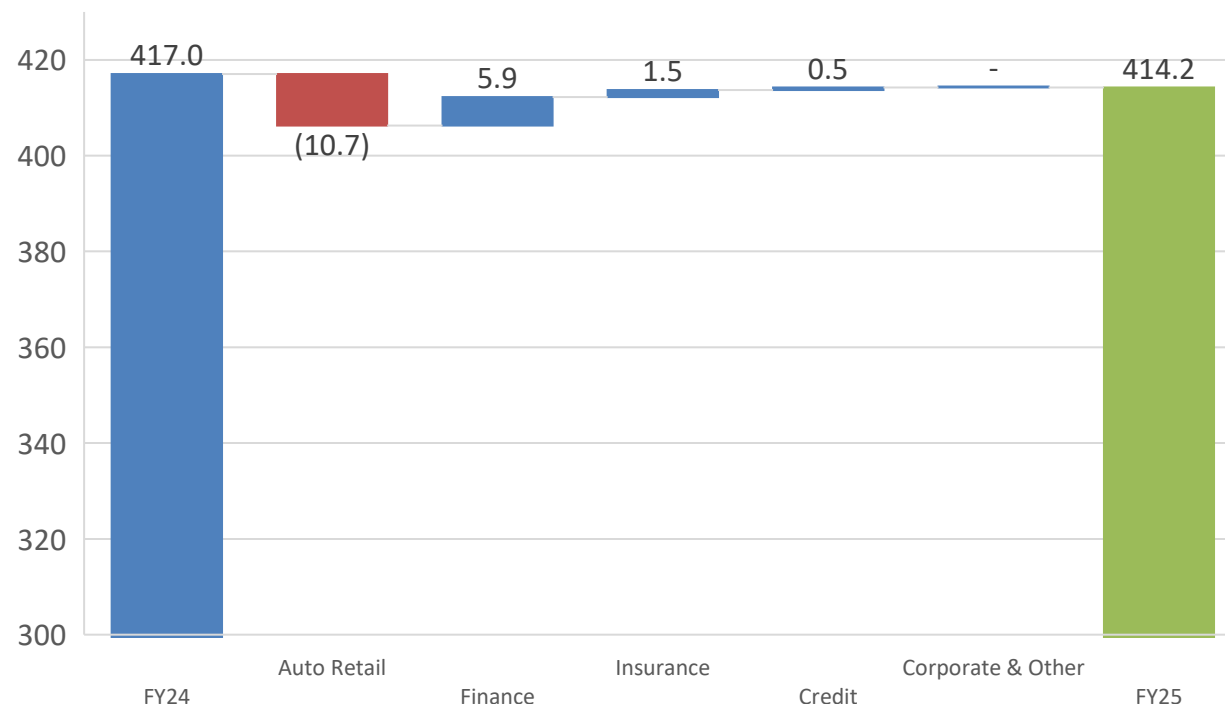
Net profit after tax



FY24 to FY25 Revenue bridge

Revenue flat from \$417.0M to \$414.2M

Revenue Bridge FY24 to FY25 (\$M)

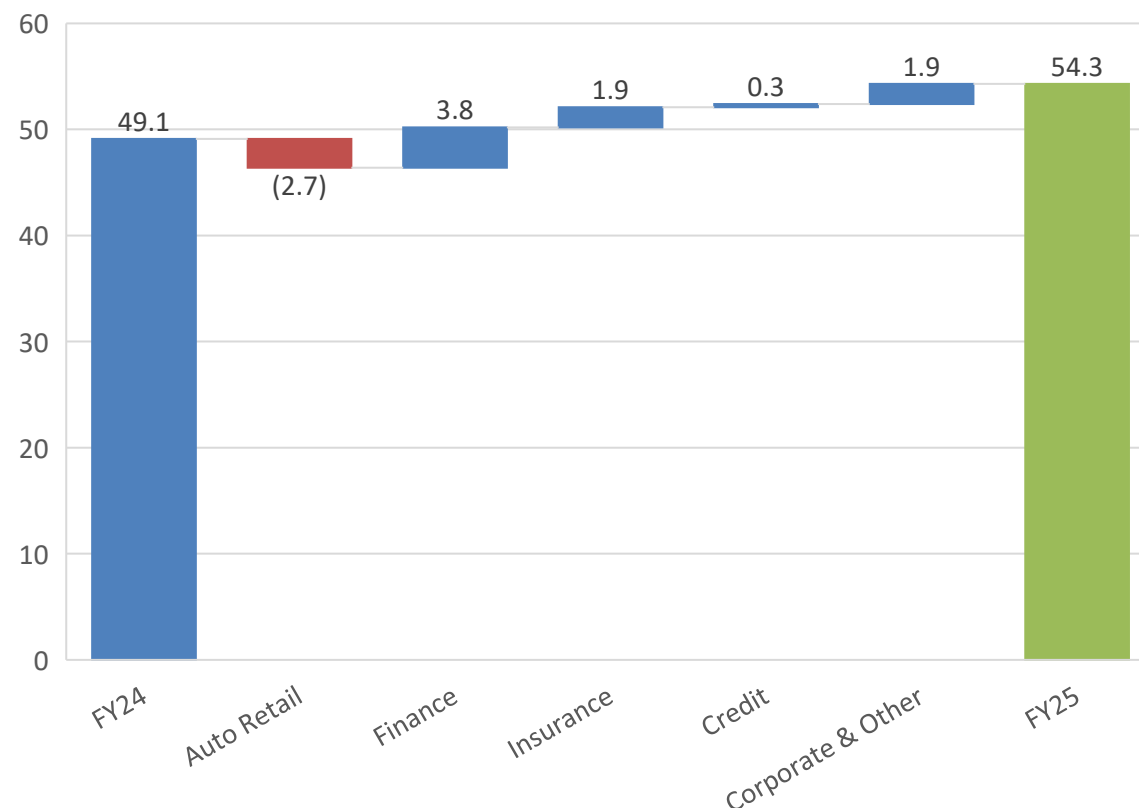


- **Auto Retail** revenues have decreased from selling lower value vehicles particularly in 1H25 as we positioned stock for where demand in the market was. Also fewer damaged vehicles sold due to benign weather environment.
- **Finance** book revenues reflect improving Net Interest Margin and continued growth in premium borrower segment.
- **Insurance** revenues up off better policy sales.
- **Credit Management** revenues have increased as a result of increasing debt load increasing the payment bank of arrangements.

FY24 to FY25 Net profit before tax (NPBT) bridge

NPBT increased from \$49.1M to \$54.3M

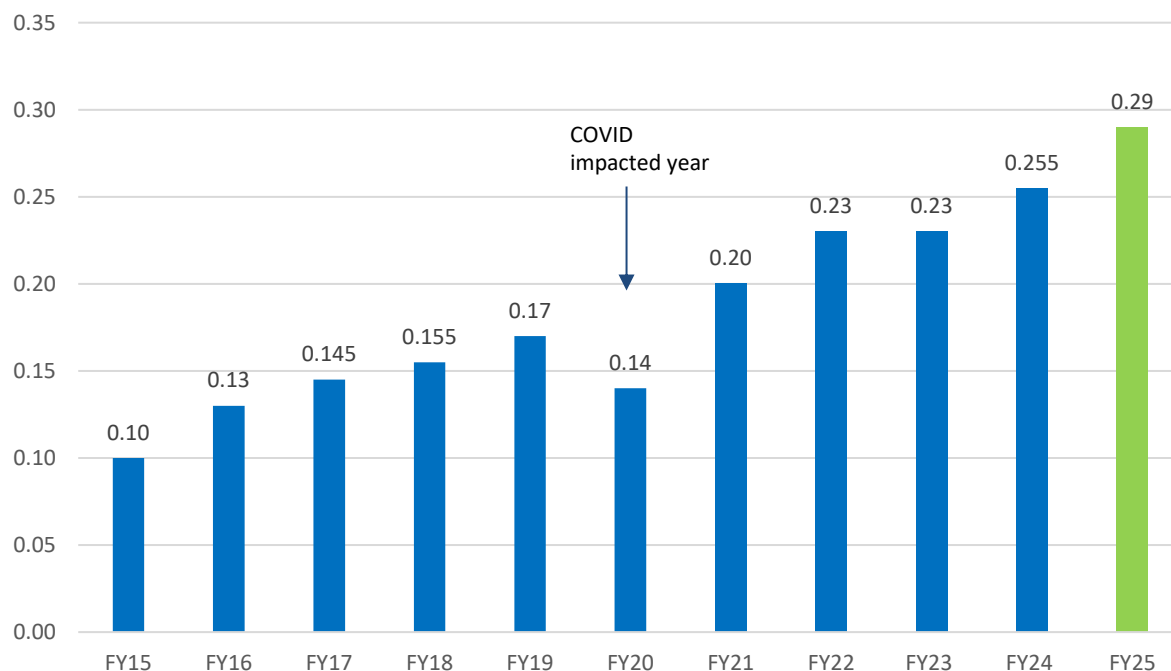
NPBT Bridge FY24 to FY25 (\$M)



- **Auto Retail** profit growth decreased due to difficult 1H trading period. Improved momentum as vehicle pricing stabilised and margins improved with 2H25 profits ahead of 2H24.
- **Finance** result benefits from strong discipline around credit quality and low arrears and increase in Net Interest Margin from gains made on funding arrangements.
- **Insurance** result reflects improvements in risk pricing, investment returns, claims ratios and cost base.
- **Credit Management** result is driven off increased debt load and commissions generated from this.
- **Corporate** costs have reduced largely due to lower interest costs.

Turners has delivered sustainable dividend growth

Dividend per Share (\$)



Note - Dividends fully imputed from FY17 onwards

- 6.6% gross dividend yield based on a \$6.10 share price.
- Continued the track record of delivering strong, sustainable and growing dividends in the business (CAGR 14% over 11 years).
- Directors have declared a final dividend of 9.0 cents per share taking full FY25 dividends to 29.0 cents per share fully imputed.
- Dividend payout ratio is 60-70% of NPAT.
- Dividend reinvestment plan (DRP) will apply to the final FY25 dividend

Balance sheet has capacity to support growth

(\$M)	FY25	FY24
Cash and cash equivalents	22	18
Financial assets at fair value	79	70
Inventory	22	25
Finance receivables	447	430
Property, plant and equipment	138	114
Right of use Assets	19	21
Intangible asset	163	163
Other assets	28	25
Total Assets	918	866
Borrowings	446	425
Other payables	56	48
Deferred tax	14	15
Insurance contract liabilities	62	60
Lease liabilities	22	25
Other Liabilities	20	15
Total Liabilities	620	588
Shareholders Equity	298	278

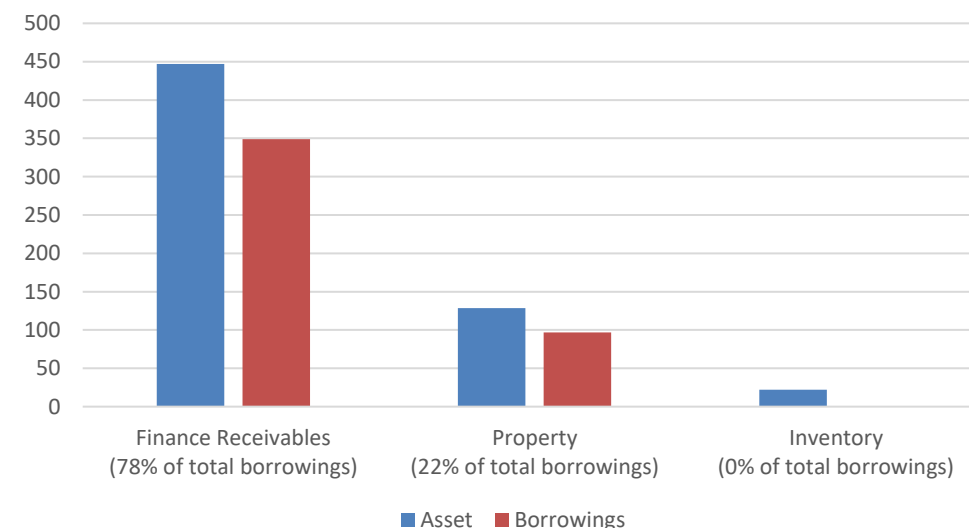
- **Inventory levels** reflect lower value units and gains from a focus on operational efficiencies to improve stock turn.
- **Finance receivables** ledger growing over FY24, but still prioritising margin and credit quality.
- **Property, plant and equipment** increase due to development of sites in Napier, Tauranga and Christchurch.
- **Borrowings** reflects receivables growth and property development/acquisition progress.

Business has funding capacity for growth plans

Borrowings

(\$M)	Limit	Drawn
Receivables – Securitisation (BNZ/ACC)	399	322
Receivables – Banking Syndicate (ASB/BNZ/Westpac)	50	27
Less Cash		(8)
Net Receivables Funding	449	341
Receivables Funding Capacity		108
Corporate & Property	110	97
Working Capital (ASB & BNZ)	20	0
Less Cash		(14)
Net Corporate Borrowings	130	83
Corporate and Property Funding Capacity		47

Borrowings by asset class (\$M)



- A new securitisation warehouse created for new funders (\$100M ABS Trust in September 2023) has amortised down to \$37M at March 2025.
- Oxford capacity is expected to support lending over the next 12 months.
- Corporate funding capacity is sufficient to support current committed branch expansion plans in Auto Retail.



2. Segment Results

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FY25 by segment

Revenue (\$M)	Automotive Retail		Finance		Insurance		Credit	
1H25	146.3	(6%)	33.6	11%	23.7	4%	5.4	2%
2H25	141.6	(1%)	34.7	8%	23.9	2%	4.9	9%
FY25 Total	287.9	(4%)	68.3	9%	47.6	3%	10.3	5%

NPBT (\$M)	Automotive Retail		Finance		Insurance		Credit	
1H25	14.7	(18%)	8.1	59%	7.7	8%	1.8	2%
2H25	14.4	4%	7.9	11%	8.5	18%	1.7	22%
FY25 Total	29.1	(8%)	16.0	31%	16.2	13%	3.5	11%

Auto Retail Division

Strong brand

Smart sourcing

Operational agility

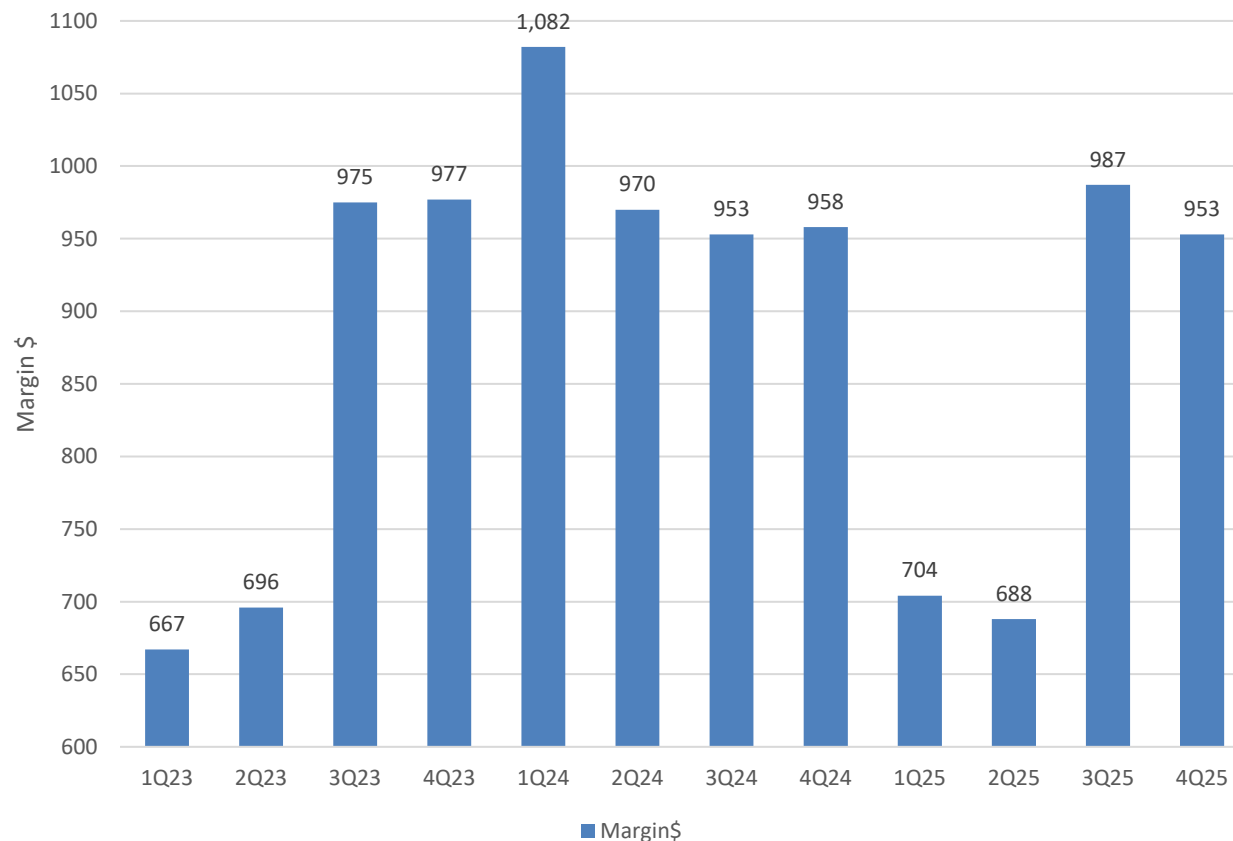
Auto Retail - Summary

Revenue \$287.9M -4%, Segment Profit \$29.1M -8%

- FY25 NZ auto market conditions were challenging, in line with the macroeconomic environment.
- Our sourcing initiatives, pricing optimisation and stock management discipline during 1H set us up for margin expansion in 2H.
- Operational efficiency gains lead to higher stock turn and lower working capital requirements and mitigates effect of market pricing shifts.
- Damaged/end-of-life segment dropped on the previous year, due to more benign weather.
- Commercial division benefited from increased liquidations and receiverships, particularly in 2H.
- Continuing to expand our network and grow our market share.

Disciplined approach to stock management

Average Vehicle Margin ¹ by Quarter

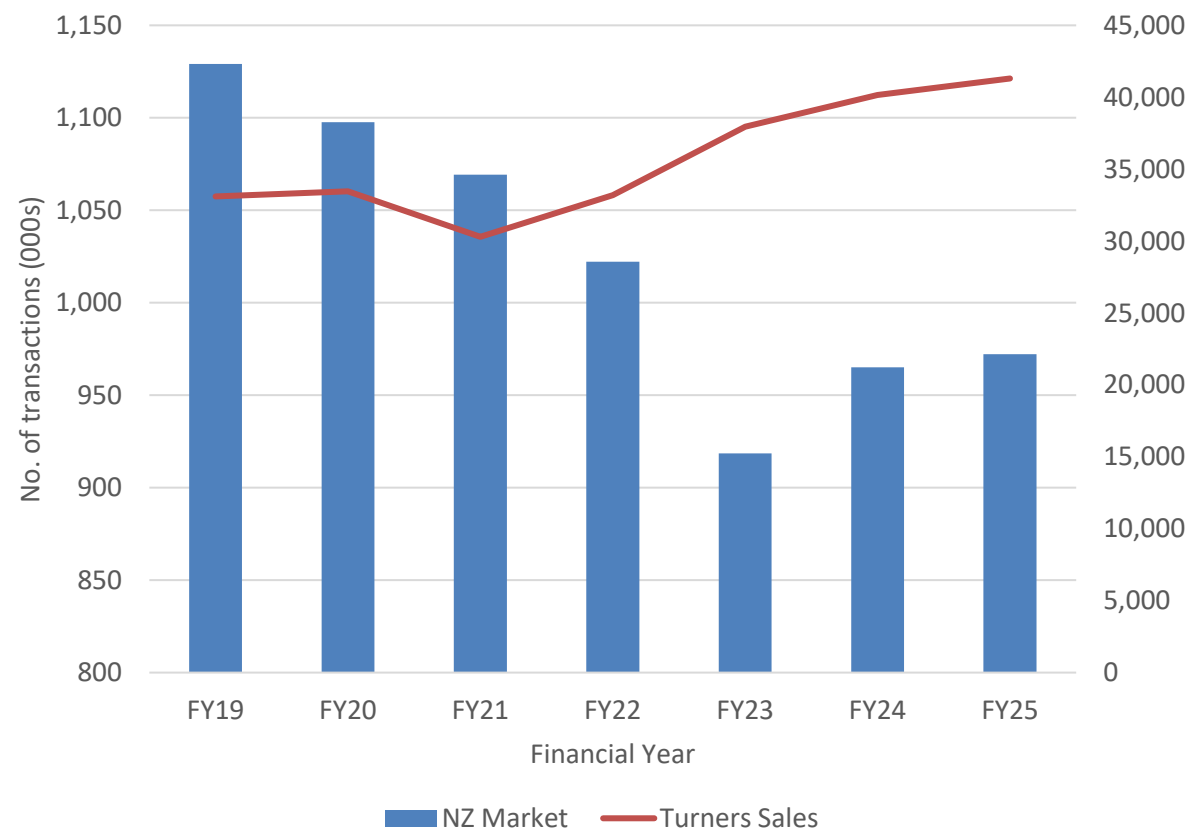


¹ Margin calculated after selling fees

- Overall units sold up +3% to 41,300 units. Retail (BuyNow) unit sales +4% to ~21,200, Same store BuyNow units +2%.
- Demand for lower-priced stock remains steady, and the business has successfully repositioned inventory to meet demand.
- Ensuring our stock pricing remains "on market" by improving stock turn and being disciplined around stock management was key to our quick recovery.

Used car market slowly recovering...

NZ Used Car Change of Ownerships (000s)

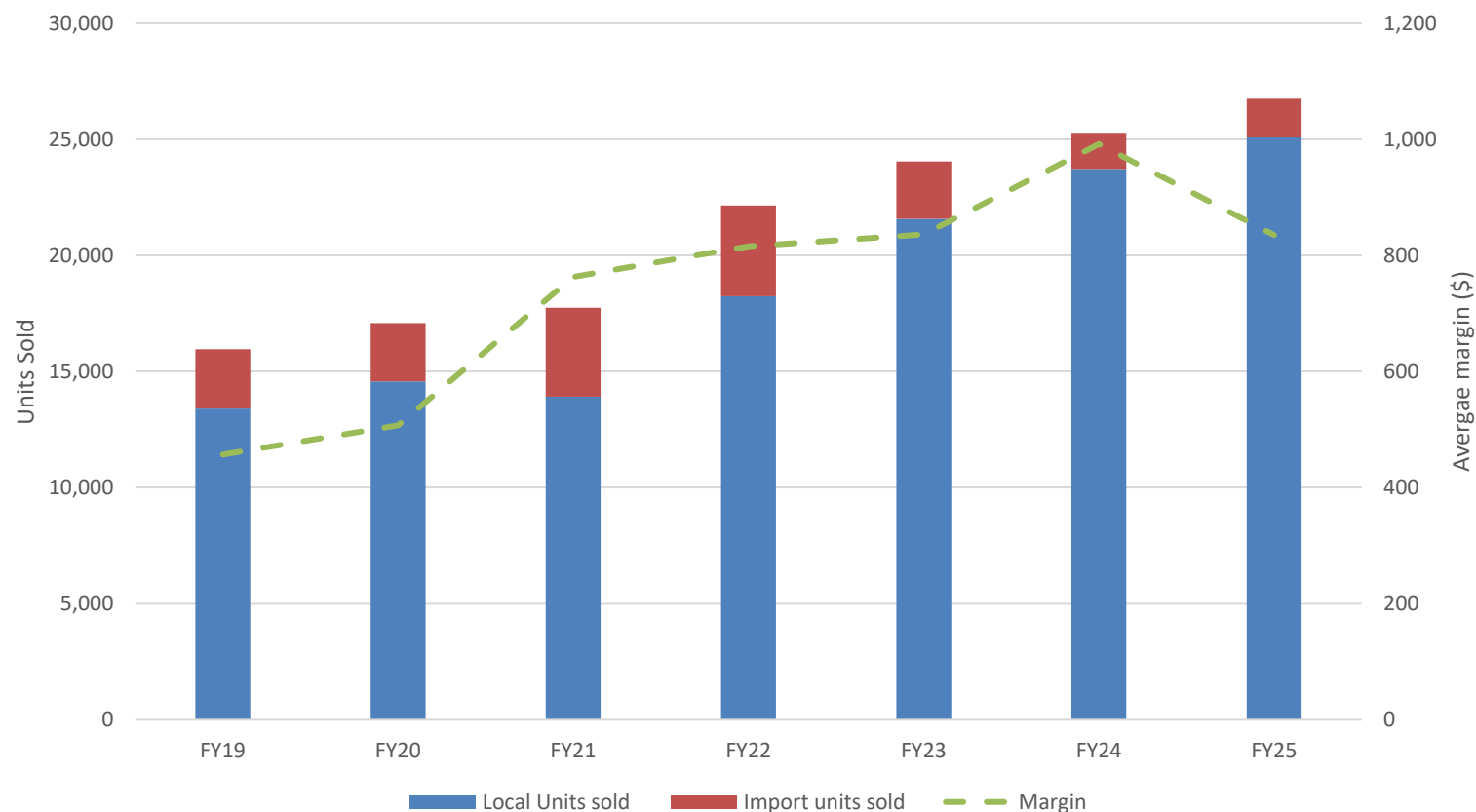


Source NZTA

- Overall transaction levels grew +1% in FY25.
- The last year saw a material impact on the used import market with continued changes in government regulation.
- NZ saw a 21% decrease in used overseas imports registered in FY25 to 93k units, with a 30% reduction in the number of units coming over the border from Japan.
- Demand is still strong for lower value cars, expect this price point to lift as the economy recovers.
- Turners car unit sales +3% FY25 v FY24.
- Registered dealer numbers continue to reduce, down 2% from Mar24

Local sourcing continues to deliver growth, margin and address customer need

Owned cars sold through Turners + Average Margin¹



¹ Margin calculated after selling fees

- Total "owned" units sold in FY25 +6% to 26,767 and overall margin per unit on cars we own is down 16% for FY25.
- Business pivoted to lower priced stock units to reflect where demand is (-14% reduction in average cost per vehicle over FY24). Value of inventory down but stock units up.
- Margins quickly recovered back to F24 levels in 3Q25.

Entering the next phase for ongoing growth push

More opportunities to purchase sites at appropriate valuations (stage of interest rate cycle).

Committed development pipeline

Location	Branch	Size	Timing	Expected additional profit contribution
Tauranga – Tauriko (COMPLETED)	Commercial	7,900m ²	2Q25	\$400k
Invercargill (COMPLETED)	Cars	5,500m ²	1Q26	\$300k
Christchurch – Hornby (COMPLETED)	Cars	15,500m ²	1Q26	\$400k ¹
Christchurch – City Centre	Cars	6,000m ²	1Q26	\$500k ¹
Christchurch – Burnside (Airport precinct)	Cars	10,000m ²	2Q26	\$300k ¹
Napier	Commercial	6,000m ²	2Q26	\$200k
Roscommon Rd - Manukau	Cars	10,000m ²	1Q27	\$700k ²
Tauranga - Greerton	Cars	7,600m ²	4Q27	\$600k

¹ additional profit contribution over and above the current operating profit of Christchurch operations of ~\$4M

² initially geared as a processing branch to replace Auckland service center with some retailing.

“Live” conditional offers

- Drury – Commercial site 18,000m²
- Whanganui – Cars 3,500m²
- Takanini – Cars 8,000m²

“Opportunities” pipeline

New locations

- Albany north
- North East Christchurch
- Lower Hutt

Existing locations expansion

- New Plymouth

**We own 17 of our sites
with a cost value of \$129M**


**Turners
Cars**
Customer Parking ➔

Give us your car and
we'll give you money.
Adults. Consensual act.


+ Turners



Tina 2.0



- New integrated campaign launched May 2025
- 90"/60"/30" brand TVCs with 8 other executions – total of \$700K production
- +15% increase in media investment from \$4.2M in FY25 to \$5.1M in FY26
- Expanding campaign messaging from sourcing to now include selling ads
- Content generated for multi-year campaign roll out.

Finance Division

Net interest margin expanding

Arrears stayed flat and well below industry

Well positioned for growth

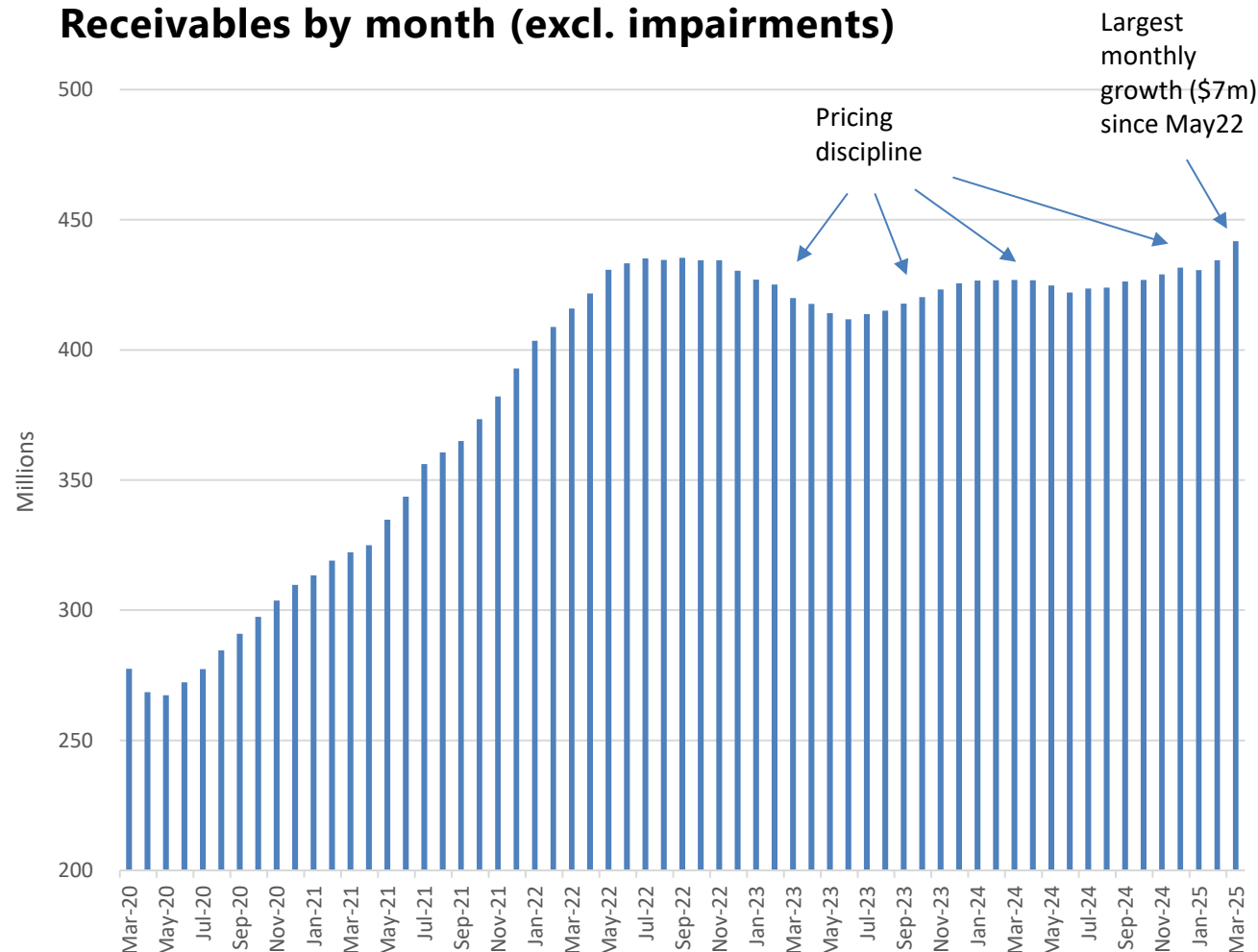
Finance - Summary

Revenue \$68.3M +9%, Segment Profit \$16.0M +31%

- Total ledger is growing again.
- During extreme economic hardship, our arrears have remained substantially below industry norms.
- Quality continues to improve with credit scores lifting and reduced higher risk commercial lending.
- Net interest margin is expanding as OCR shifts from headwind to tailwind.
- Increased percentage of Turners “controlled” lending.

Strong Q4 growth in loan book

Receivables by month (excl. impairments)



- Despite challenging economic conditions, the total active receivables have increased from \$427m (Mar24) to \$442m (Mar25)
- The growth has largely come from an increase in consumer lending, as Oxford’s credit policy for commercial loans remains tight
- Turners “consumer” lending loan balance at \$109M (\$101M Mar24)
- Weighted Average Interest Rate (WAIR) on the ledger is 13.62% (Mar25), up from 13.07% (Mar24).
- Increased conversion rate from application to paid-out loan, demonstrating cost to income improvements.

Arrears well below industry due to continued focus on credit quality

Consumer arrears vs auto-loan industry (Centrix)

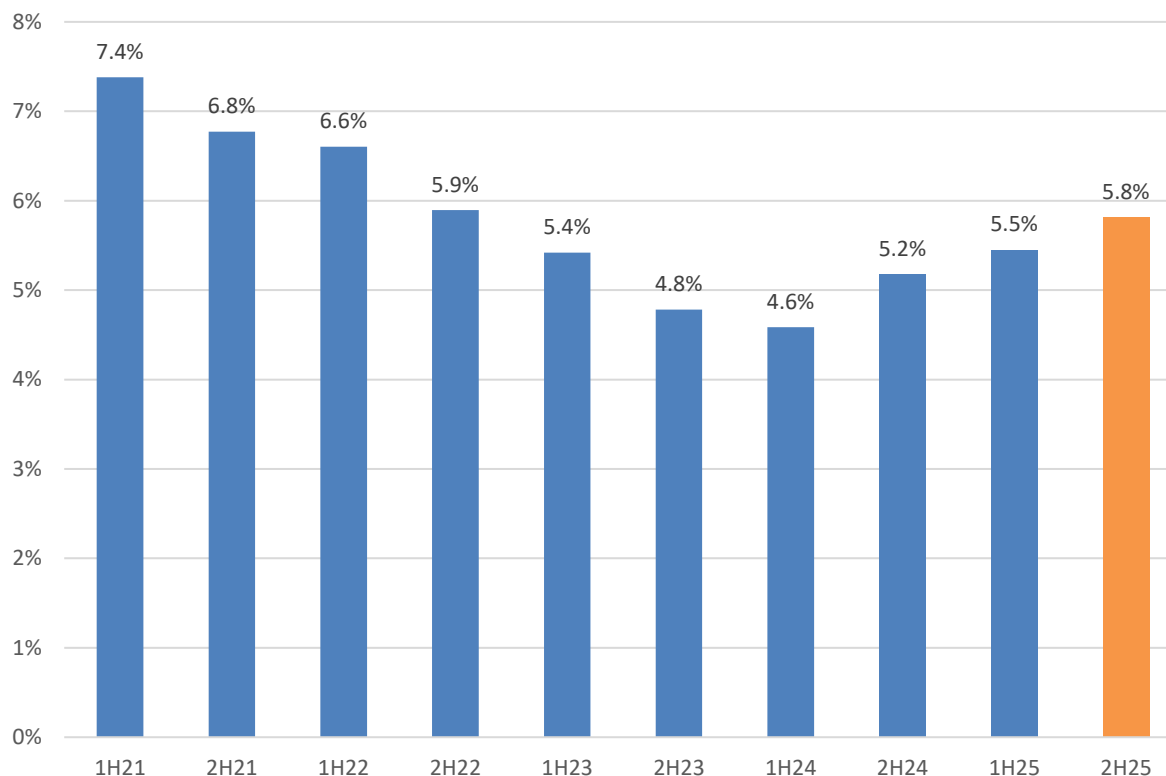


- Consumer loan arrears continue to perform materially better than market data (see chart at left).
- Hardship applications have consistently increased through FY25, peaking in August 2024. Applications have since dropped.
- Total arrears are at 3.0%, down from 3.1% at Mar24.
- We still have a buffer of \$1.9M, above BAU arrears provisioning, to allow for further economic uncertainty.

Hardship	As at Mar25	As at Mar24	COVID peak in FY22
Number	111	58	511
% of total customers	0.4%	0.2%	2%
Balance (NZ\$M)	2.2	1.1	12.2

Highest net interest margin (NIM) in 3 years

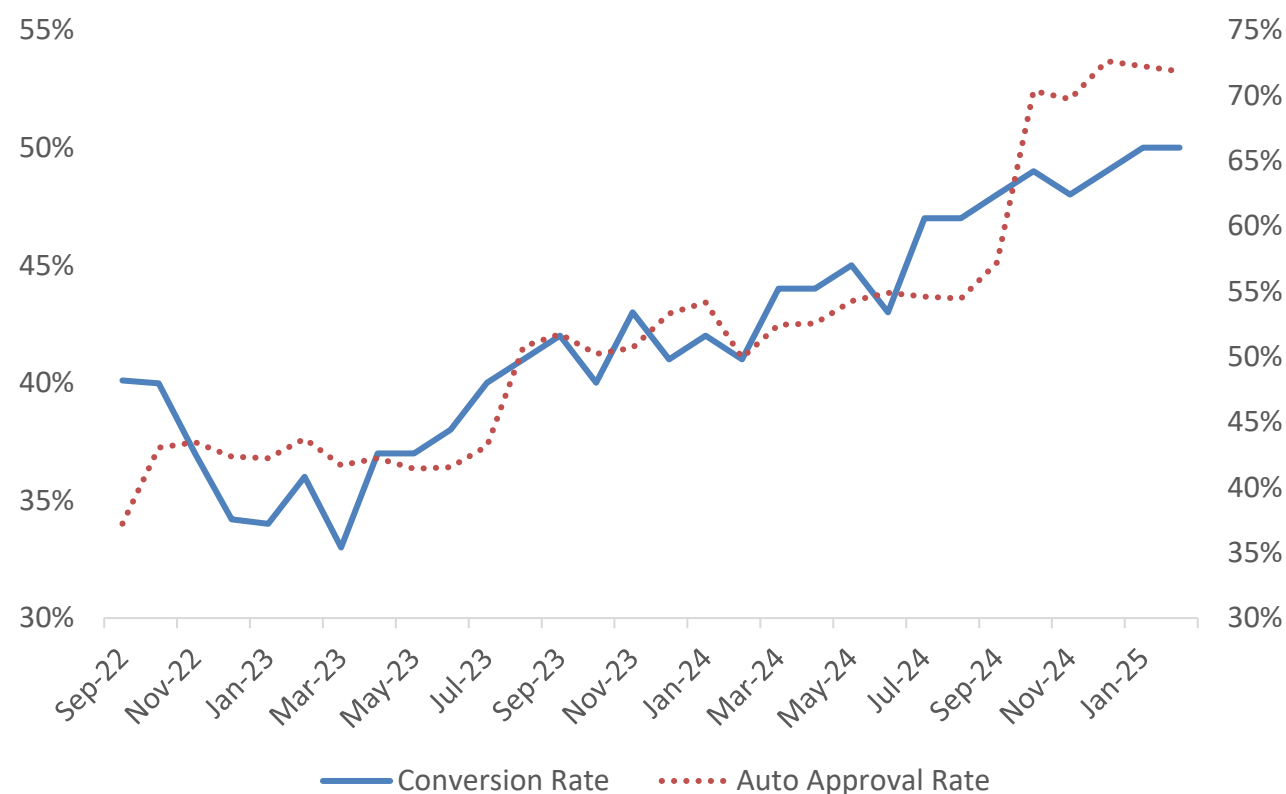
NIM % (after originator commission)



- NIM has increased further in 2H25 as cost of funds have stabilised and the loan book has been repriced
- The pace of recovery is expected to be slower than the pace of decline, as Oxford continues to target high quality borrowers
- We expect medium term run rate NIM to consolidate around 6.0%
- The hedged portion of Finance borrowings has increased to approximately ~80%.

Improving conversion demonstrates operating leverage and reduces cost to income measures

Opened loans as a percentage of total applications (above 500 CCR)



- Cost to income ratio has reduced from 65% to 60%, as a result of operational efficiency gains.
- Loan conversion rates reached 50% for the first time in Feb25 and Mar25 (up from 33% in Mar23).
- This improvement was driven by system enhancements, process adjustments and improved lending quality.

Insurance Division

Stable and consistent business

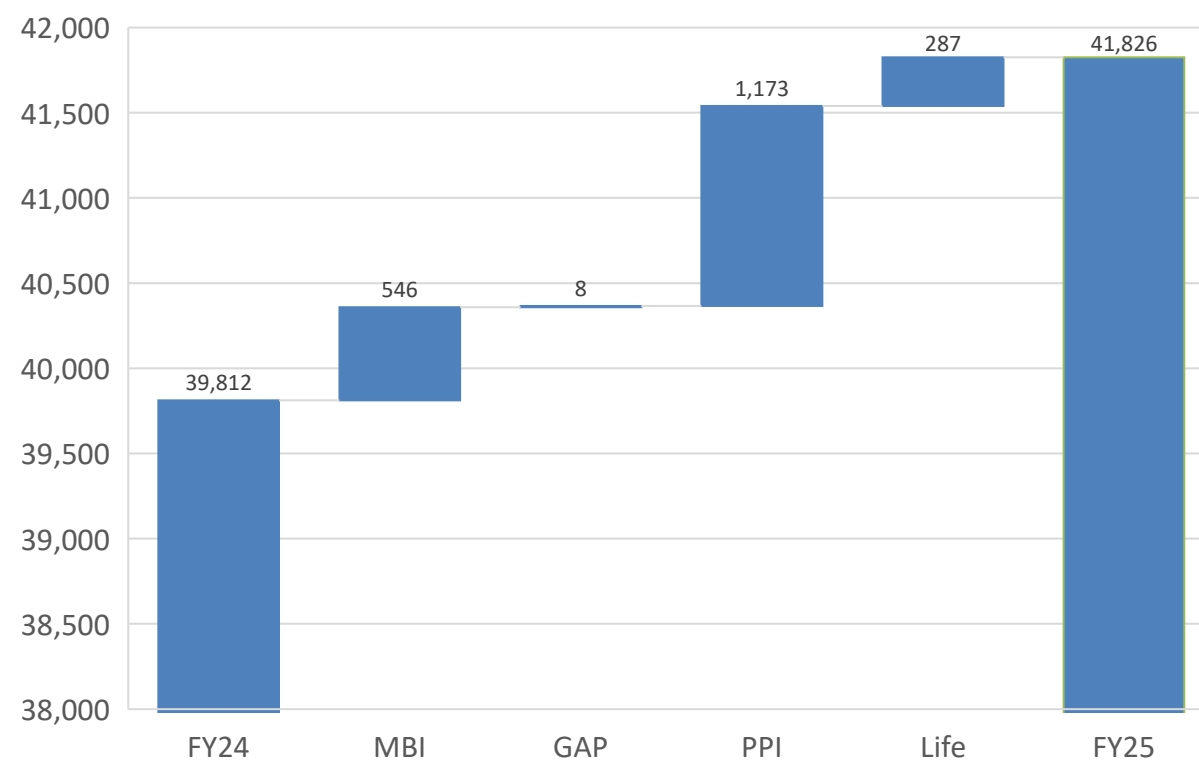
Distribution networks remain strategically important

Digital sales platform gaining momentum

Insurance

Revenue \$47.6M +3%, Segment Profit \$16.2M +13%

Gross Written Premium (GWP) FY24 to FY25 (\$'000's)

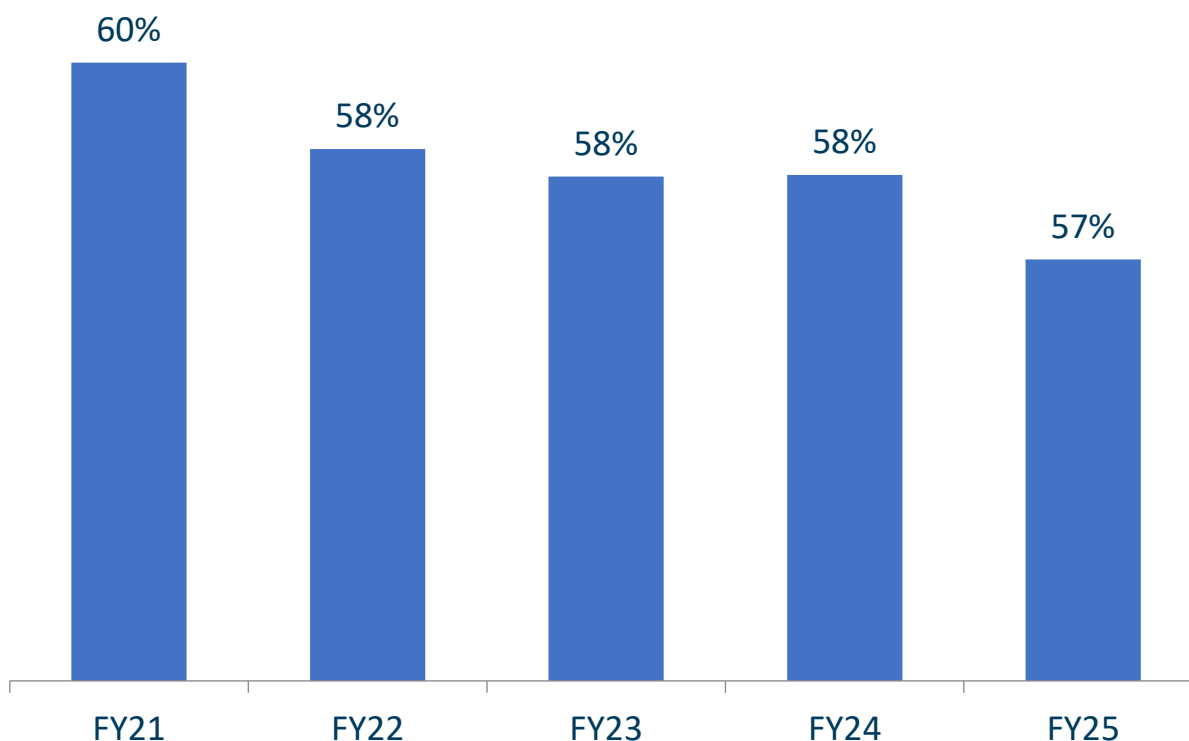


MBI – Mechanical Breakdown Insurance
GAP – Guaranteed Asset Protection Insurance
PPI - Payment Protection Insurance

- Strong GWP growth across all insurance portfolios with key distribution partnerships continuing to deliver significant value (large dealer and finance broker partnerships)
- Comprehensive Motor Insurance portfolio (underwritten by Suncorp NZ) has increased by +25% over FY24, with sustained customer acquisition and retention.
- New digital platform launched, enhancing our direct-to-consumer capabilities including NZ AA Digital Partnership successfully launched and showing promising early performance.
- New product that combines and extends benefits of GAP and PPI launches Q1 FY26.
- AM Best upgraded Autosure's Long-Term Issuer Credit Rating (ICR) to 'bbb+' from 'bbb', reflecting the business's track record of strong and stable operating performance metrics

Combination of risk pricing and procurement have helped us moderate claims ratios

Mechanical Breakdown Insurance (MBI) Loss Ratio Performance



- Claims Cost inflation stabilising.
- MBI Claims Ratio showing a slight reduction and holding steady, reflecting our effective claims management and pricing alignment.
- Autosure's continuous risk pricing enhancements are helping manage loss ratios effectively. Recently implemented automated system pricing and underwriting for older, higher-risk vehicles, improving risk selection and operational efficiency.
- Scale enables us to fix vehicles more cost effectively.

Credit Management Division

Strong growth in both debt referred and collected
Economic conditions are a tailwind
Well positioned for further growth

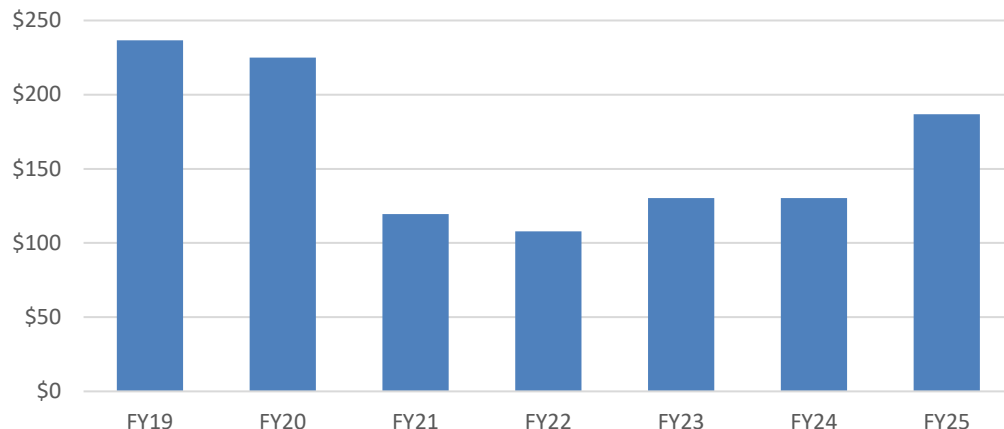
Credit Management - Summary

Revenue \$10.3M +5%, Segment Profit \$3.5M +11%

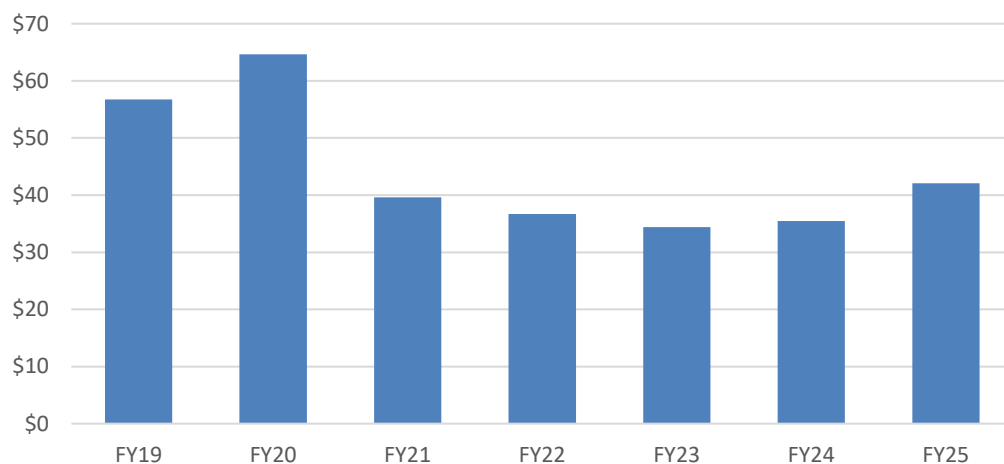
- Debt referred has increased in all sectors with both corporate and SME businesses feeling the impact of the economy on their arrears.
- NZ wide credit metrics continue to deteriorate across 2024, and are tracking at the highest levels for the last 7 years.
- Lower repayment amounts and extended payment arrangements due to diminished customer repayment capacity.
- Payment arrangement "bank" growing as consumer debt load increases.
- Our clients remain "reputation-sensitive", though there are signs of a shift further towards more "outsourced" and active collections strategies.
- Demand for our services is growing among small businesses as defaults and liquidations increase.
- Resource constraints have been unlocked through accessing experienced people offshore, leading to improved costs and increased levels of activities.

Debt referred/collected growing, steadily

Total debt referred for FY25 (NZ\$M)



Total debt collected for FY25 (NZ\$M)



- First referral corporate debt load increased in FY25, +52% driven by government and banking clients.
- Higher yielding SME clients debt load increased +8% in FY25 reflecting impacts of recession.
- Debt value collected lifted +12% to \$42m (lower growth than the increase in referral values due to extended payment arrangements caused by diminished customer repayment capacity).
- Tail winds from a worsening economy means we are in a strong position to assist clients.

Strong growth in payment arrangement bank

Debts under repayment arrangement



- Total debts under arrangement up +17% in the last 12-months and building.
- Cost-of-living pressures are resulting in longer repayment arrangements to resolve outstanding debts.
- The 'promises to pay kept' rate has remained steady at 77.5% with 33% of all calls received result in a promise (up from 31% in FY24).
- Nationwide credit metrics continue to deteriorate.

Servicing and Repairs

Focus on integration, brand transition and co-marketing



The goal is simple, to make vehicle repairs easier.

- Recap - Turners invested \$3.35M for 50% of My Auto Shop in August 2024 an early stage growth opportunity.
- Turners supports growth by integrating My Auto Shop into its Auto Retail network, creating significant synergies by conducting servicing work onsite at Turners branches \$430k new revenue generated for MyAutoShop from Oct-24 to Mar-25
- My Auto Shop has opened in Hamilton, Tauranga, Wellington.
- Rebrand under way to Turners Servicing and Repairs to leverage strong brand awareness and equity in "Turners" brand.
- Cross selling and targeting Turners consumer database key priority for FY26.
- We expect to pass through break even in FY26 but will be continuing to invest for growth.



3. Looking forward ...



Our key risks are narrowing...

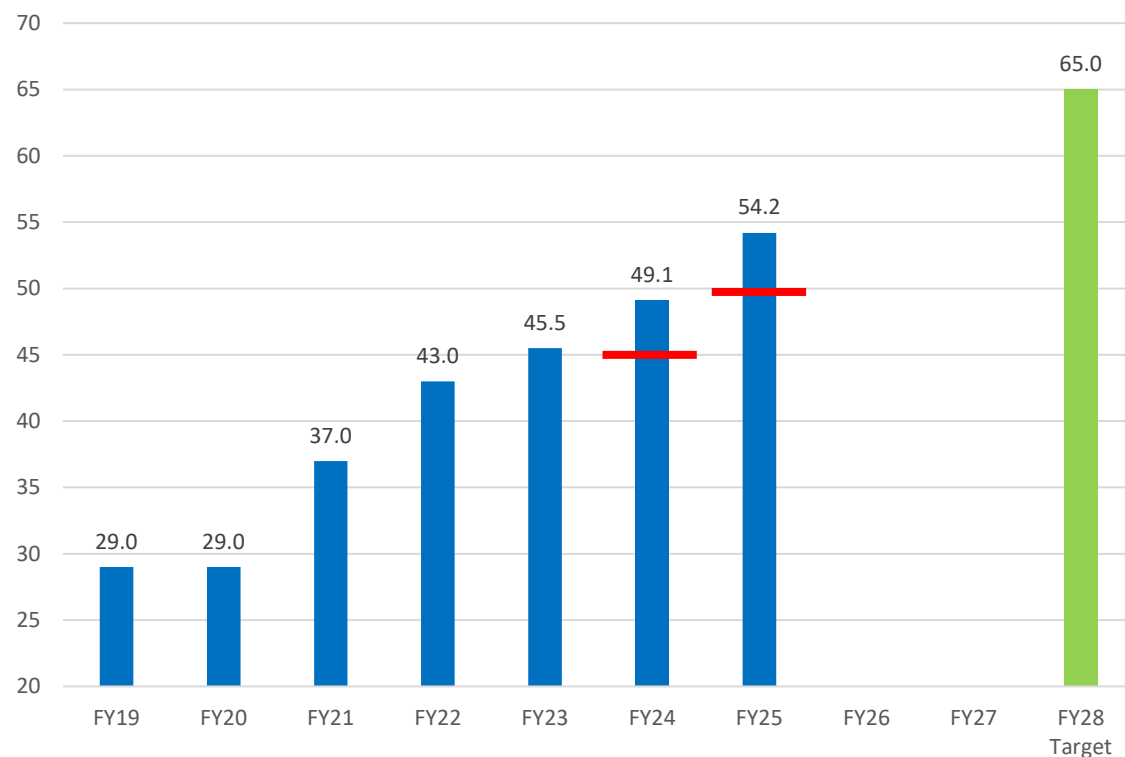
Challenge	Mitigation	Mar22	Mar23	Sept23	Mar24	Sept24	Mar25
Funding and Interest rate movements	<ul style="list-style-type: none"> Diversifying funding sources Increase volume of higher margin direct lending Increase hedging Operate the business conservatively against funding covenants 	High	Medium	Low	Low	Low	Low
Recession	<ul style="list-style-type: none"> Agility to reposition inventory to lower value vehicles to meet where demand is Continued discipline of credit policy and conservative provisioning 	High	Medium	Medium	Medium +	Medium	Medium
Regulatory Eg. Clean Car Standard	<ul style="list-style-type: none"> Continue to strengthen local sourcing position in NZ market 	Medium	Low	Low	Low	Low	Low

Outlook

- **Group** – Our expectations are to see continued strong progress towards our FY28 goal of \$65M NPBT over the next twelve months. The business will continue to benefit from the tailwind of reducing interest rates as will the NZ economy which will translate into more robust demand for cars. We also expect to see material benefits from our new branches in Christchurch and our other branch expansion plans.
- **Automotive Retail** – Impact of new Christchurch branch footprint to flow in 2H26. We will continue to push hard for the transition of wholesale to retail, although this is taking longer than initially thought. Vehicle pricing has stabilised and expect margins to be consistent with 2H25. Overall sales volumes continue to track ahead of FY25.
- **Finance** – Maintaining credit discipline remains a key priority. We expect solid book growth for FY26 and further improvement in interest margin with a medium term run rate NIM to consolidate around 6.0%.
- **Insurance** – Earned premium holding up very well and claims ratios stable. Contribution from new distribution arrangements and direct sales expected in FY26. Motor vehicle insurance portfolio (underwritten by Vero) to continue to grow strongly.
- **Credit Management** – Our payment bank is rebuilding as debt load increases from the tightening economic conditions and the resultant impact on consumer arrears. We have onboarded a large new corporate customer in April and we remain well positioned for the next stage of the NZ credit cycle.

On track to achieve FY28 target earlier

Net Profit Before Tax (\$M)



— Target #1 set in FY21 for FY24, and Target #2 set in FY22 for FY25

Target #1 of \$45M NPBT by FY24 - Achieved

Target #2 of \$50M NPBT by FY25 - Achieved

Target #3 of \$65M NPBT by FY28

- Assumes organic growth out of Auto Retail with new branches planned plus continued wholesale to retail transition. Recovery in Finance business and Credit management + direct to consumer growth in Insurance.

Results Video:

A short video is available summarising the FY25 results at...

<https://www.turnersautogroup.co.nz/investor-centre>

Questions



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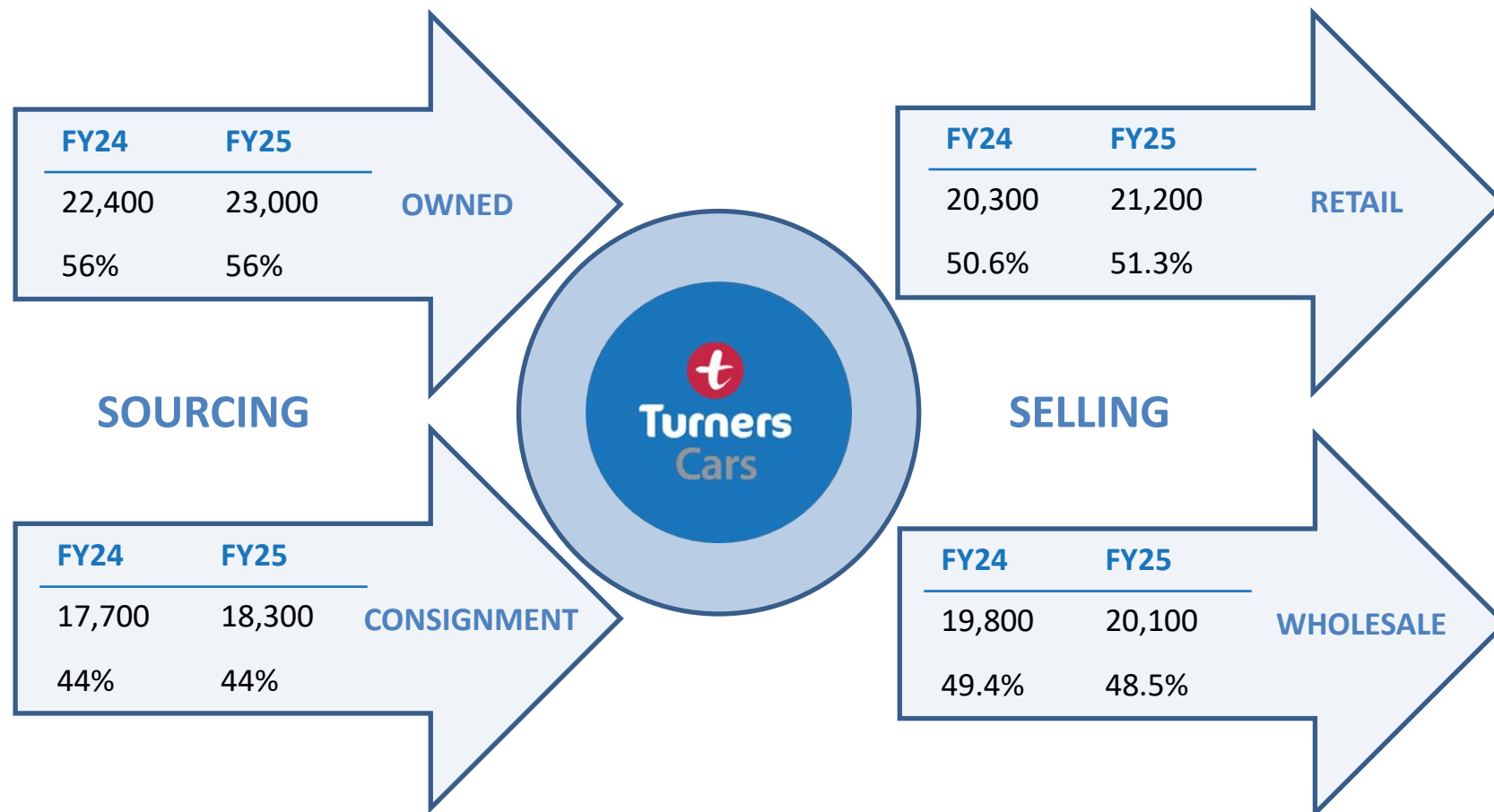


Appendices



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Transition of wholesale to retail is progressing.

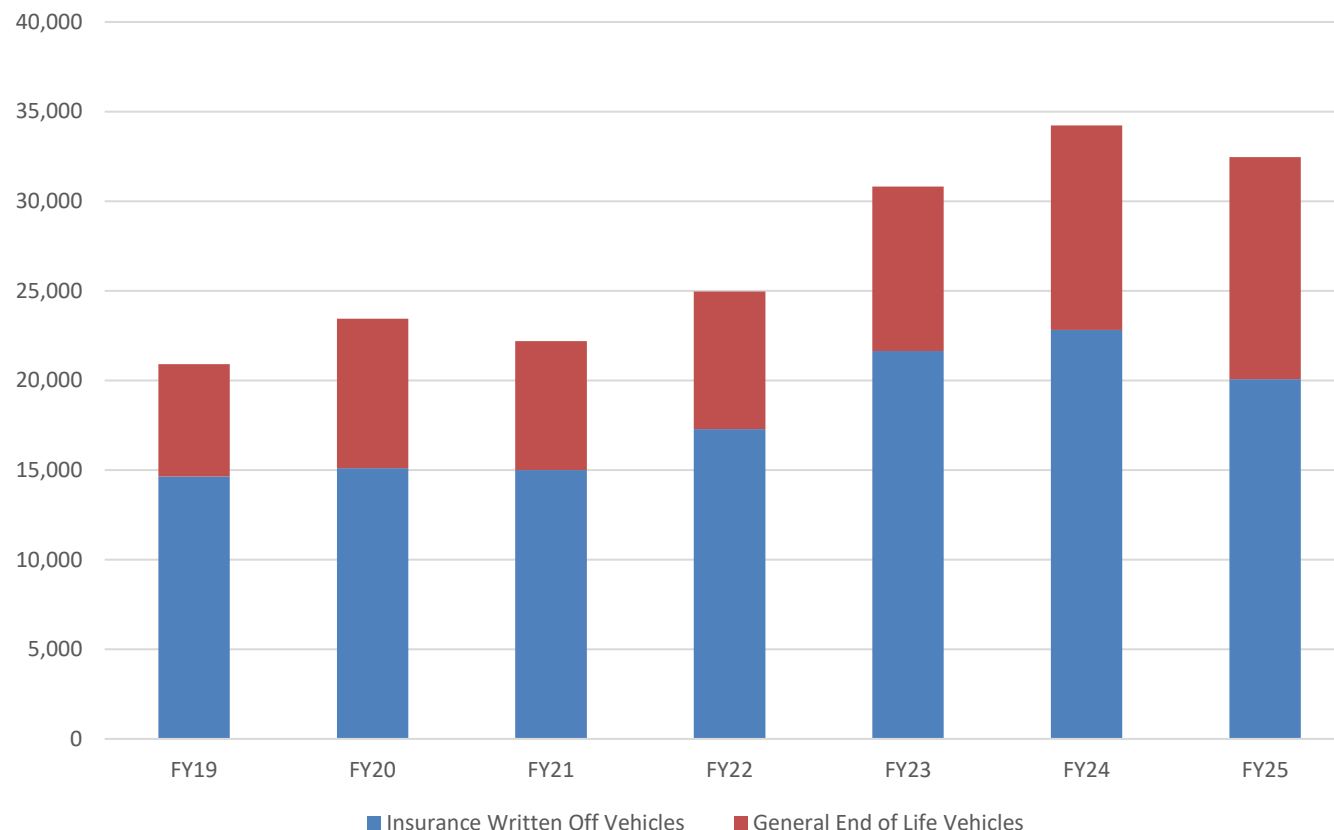


- **BuyNow units increased by 4.4% to 21,200 in FY25. A strong result in a recessionary market.**
- 20,100 units sold through auction in FY25 v 19,800 sold in FY24 a 1.5% increase (increase in low value trade-ins and repos).
- For each additional vehicle sold through retail (not auction) Turners makes another \$1,000 per vehicle in margin.
- Proportion of lease consignment through Retail Channel improved to 37% of all units received (FY24 35%)
- We have sourced more owned stock, and we have increased our retail % and capacity through branch expansion.

Note – Additional “owned” sales through Damaged and End of Life Vehicle Division 2,900 FY24 and 3,700 FY25.

Damaged vehicle volumes down with no material weather events

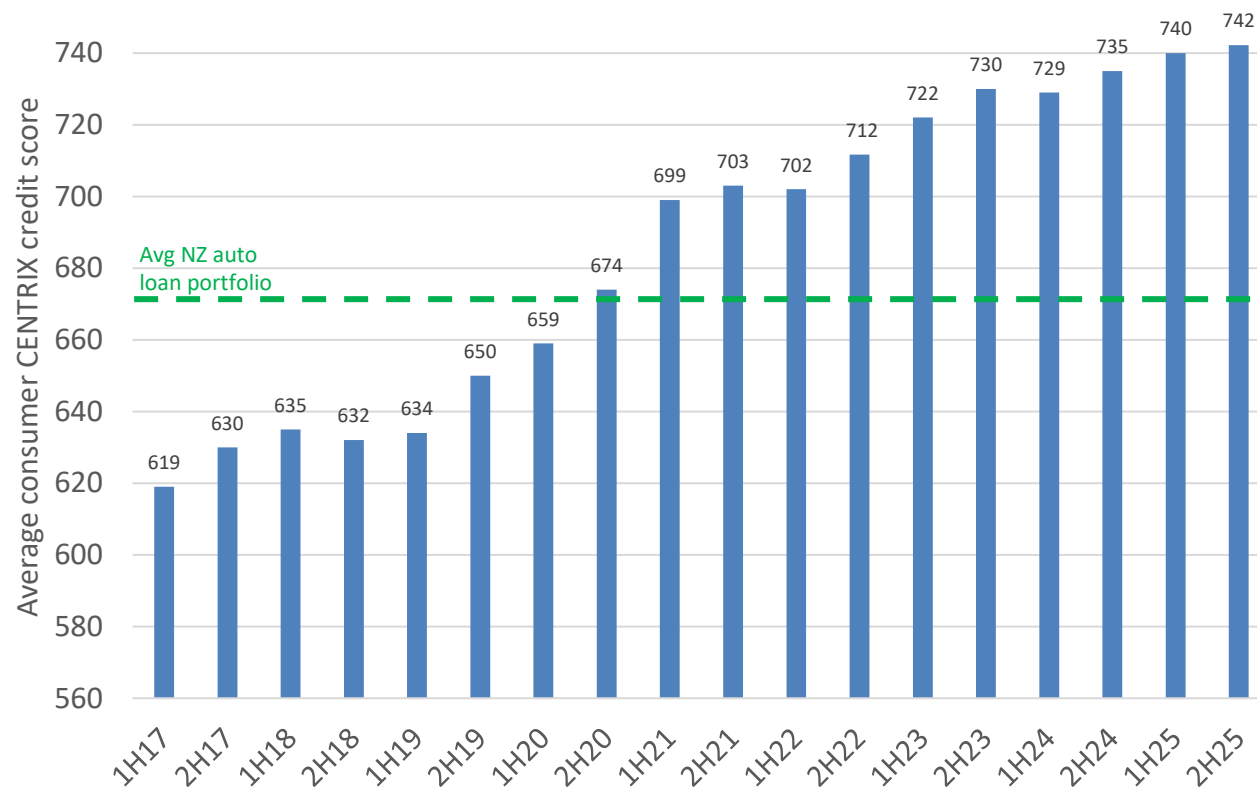
Damaged and end of life (DEL) vehicle units sold through Turners



- Volumes are down -5% or 1,700 units in comparison to the previous year which had the benefit of weather damaged vehicles in Auckland and the Hawkes Bay.
- The overall trend shows increasing flows of damaged and end-of-life vehicles from New Zealand's aging fleet.
- The ageing fleet is also now flowing in through our sourcing of lower value vehicles.
- However, insurance write-offs are softening as parts costs have eased off and insurers look to repair more.
- 20% of the NZ vehicle fleet are more than 20 years old.

Underwriting quality continues to improve

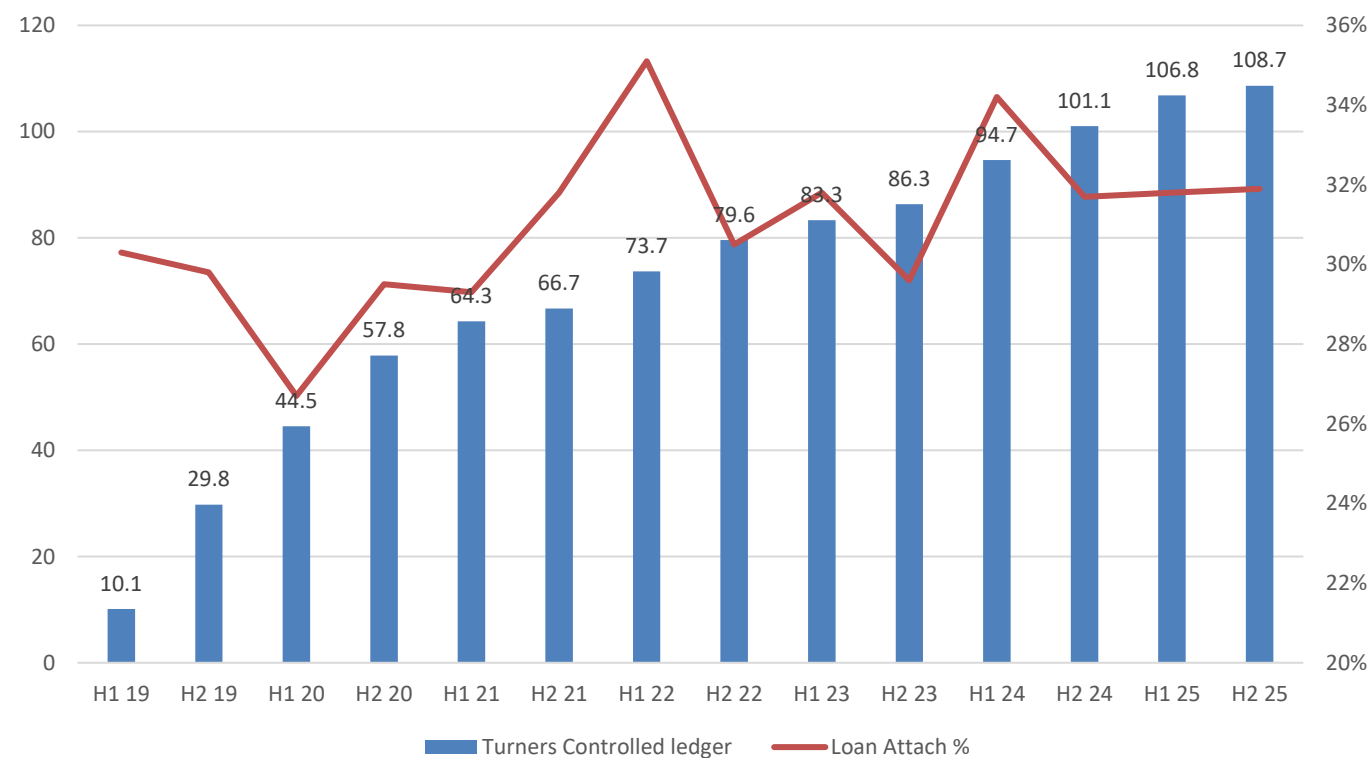
Average Centrix credit score for loans on-boarded



- In FY25 premium tier lending (CCR score of 735+) made up 60% of our new lending (54% in FY24).
- Our credit policy has continually been refined over the last 24 months.
- T2 (lowest quality risk tier) has been switched off for FY26.

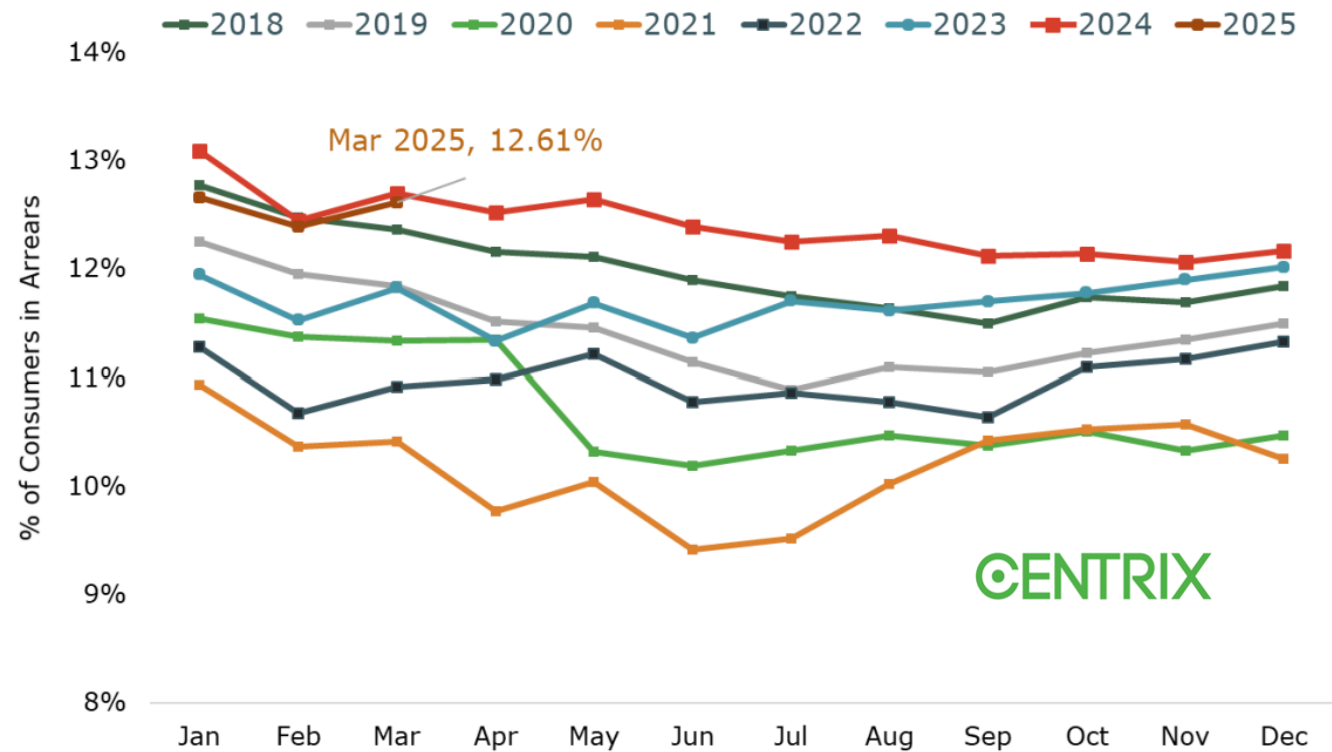
Turners Auto Retail finance attach rates and Turners originated loan ledger with Oxford

Turners Ledger and Loan Attach Rate



Tailwind effect of NZ wide credit metrics still deteriorating year on year

Consumer arrears trend



Source – Centrix Credit Bureau

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