

## Results announcement

Results for announcement to the market		
Name of issuer	Turners Automotive Group Limited	
Report period	12 months to 31 March 2022	
Previous reporting period	12 months to 31 March 2021	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$342,029	15%
Total revenue	\$344,516	14%
Net profit from continuing operations	\$31,281	16%
Total net profit	\$36,359	32%
Final dividend		
Amount per quoted equity security	\$0.07000000	
Imputed amount per quoted security	\$0.02722222	
Record date	19/07/2022	
Dividend payment date	28/07/2022	
	Current period	Prior comparable period
Net tangible assets per quoted security	\$1.18	\$0.92
A brief explanation of any of the figures above necessary to enable the figures to be understood	Please refer to accompanying Company Announcement	
Authority for this announcement		
Name of person authorised to make this announcement	Barbara Badish	
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Date of release through MAP	24/05/2022	

This announcement is based on audited results.

TURNERS AUTOMOTIVE GROUP LIMITED  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 31 March 2022

	2022 \$'000	2021 \$'000
Revenue	342,029	296,512
Other income	2,487	7,015
Cost of goods sold	(153,173)	(121,748)
Interest expense	(10,932)	(11,266)
Impairment provision expense	(3,024)	(3,986)
Subcontracted services expense	(10,940)	(9,176)
Employee benefits	(56,030)	(52,023)
Commission	(12,925)	(12,721)
Advertising expense	(4,140)	(2,349)
Depreciation and amortisation expense	(10,702)	(11,418)
Systems maintenance	(3,399)	(2,365)
Claims	(21,024)	(21,843)
Other expenses	(15,107)	(17,257)
<b>Profit before taxation</b>	<b>43,120</b>	<b>37,375</b>
Taxation expense	(11,839)	(10,511)
<b>Profit from continuing operations</b>	<b>31,281</b>	<b>26,864</b>
<b>Other comprehensive income for the period (which may subsequently be reclassified to profit/loss), net of tax</b>		
Cash flow hedges	5,429	1,023
Revaluation of financial assets at fair value through OCI	(345)	(430)
Foreign currency translation differences	(6)	33
<b>Total comprehensive income for the period</b>	<b>36,359</b>	<b>27,490</b>
<b>Earnings per share (cents per share)</b>		
Basic earnings per share	36.39	31.40
Diluted earnings per share	36.45	31.54

**TURNERS AUTOMOTIVE GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2022

	Share Capital \$'000	Share Options Reserve \$'000	Translation Reserve \$'000	Revaluation of financial assets at fair value through OCI \$'000	Cash flow reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 31 March 2020	204,327	-	(59)	(310)	(975)	20,072	223,055
<i>Transactions with shareholders in their capacity as owners</i>							
Capital buy back	(30)	-	-	-	-	-	(30)
Employee share based payments	-	255	-	-	-	-	255
Dividend paid	-	-	-	-	-	(17,200)	(17,200)
	(30)	255	-	-	-	(17,200)	(16,975)
<i>Comprehensive income</i>							
Profit	-	-	-	-	-	26,864	26,864
Other comprehensive income	-	-	33	(430)	1,023	-	626
Total comprehensive income for the period, net of tax	-	-	33	(430)	1,023	26,864	27,490
Balance at 31 March 2021	204,297	255	(26)	(740)	48	29,736	233,570
<i>Transactions with shareholders in their capacity as owners</i>							
Employee share based payments	1,185	217	-	-	-	-	1,402
Dividend paid/payable	-	-	-	-	-	(18,934)	(18,934)
	1,185	217	-	-	-	(18,934)	(17,532)
<i>Comprehensive income</i>							
Profit	-	-	-	-	-	31,281	31,281
Other comprehensive income	-	-	(6)	(345)	5,429	-	5,078
Total comprehensive income for the period, net of tax	-	-	(6)	(345)	5,429	31,281	36,359
Balance at 31 March 2022	205,482	472	(32)	(1,085)	5,477	42,083	252,397

**TURNERS AUTOMOTIVE GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2022**

	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
Cash and cash equivalents	1	13,373	11,867
Financial assets at fair value through profit or loss			
- Insurance	1	70,199	67,465
- Other		-	2,931
Trade receivables		7,581	7,155
Inventories		31,980	30,189
Finance receivables		422,870	330,165
Derivative financial instruments		5,414	40
Other receivables, deferred expenses and contract assets		9,340	8,116
Reverse annuity mortgages		3,242	4,152
Investment property		5,950	5,950
Financial assets at fair value through OCI		225	570
Property, plant and equipment		67,569	60,258
Right-of-use assets		23,497	23,559
Intangible assets		164,453	166,034
<b>Total assets</b>		<b>825,693</b>	<b>718,451</b>
<b>Liabilities</b>			
Other payables		50,103	38,243
Contract liabilities		1,848	2,313
Deferred tax		13,191	11,297
Tax payable		4,016	3,453
Borrowings		412,761	339,611
Lease liabilities		28,209	28,747
Life investment contract liabilities		8,153	8,116
Insurance contract liabilities		55,015	53,101
<b>Total liabilities</b>		<b>573,296</b>	<b>484,881</b>
<b>Shareholders' equity</b>			
Share capital		205,482	204,297
Other reserves		4,832	(463)
Retained earnings		42,083	29,736
<b>Total shareholders' equity</b>		<b>252,397</b>	<b>233,570</b>
<b>Total shareholders' equity and liabilities</b>		<b>825,693</b>	<b>718,451</b>
Total assets per share (\$)		9.59	8.40
Net tangible assets (\$)		1.18	0.92

**Note 1**

The Group's insurance business is required to comply with the solvency standards for licensed insurers issued by the Reserve Bank of New Zealand. The solvency standards specify the level of assets the insurance business is required to hold in order to meet solvency requirements, consequently all cash and cash equivalents and term deposits, disclosed in financial assets at fair value through the profit or loss, held in the insurance business may not be available for use by the wider Group. DPL Insurance's cash and cash equivalents at 31 March 2022 were \$1.5m (2021:\$0.7m) and term deposits at 31 March 2022 were \$61.9m (2021: \$59.2m).

Investments in unitholded funds, disclosed in financial assets at fair value through the profit or loss, underwrite the Life investment policies and are not available for use by the wider Group. Investments in unitholded funds at 31 March 2022 were \$8.3m (2021: \$8.3m).

Cash and cash equivalents at 31 March 2022 of \$3.4m (2021: \$3.6m) belongs to the Turners Marque Warehouse Trust 1 and is not available to the Group.

**TURNERS AUTOMOTIVE GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 March 2022**

	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>		
Interest received	44,429	41,598
Receipts from customers	297,032	256,676
Receipt of government subsidies	1,580	5,247
Interest paid - borrowings	(6,676)	(9,193)
Interest paid - lease liabilities	(1,774)	(1,461)
Payment to suppliers and employees	(274,022)	(222,063)
Income tax paid	(9,326)	(8,166)
<b>Net cash inflow/(outflow) from operating activities before changes in operating assets and liabilities</b>	<b>51,243</b>	<b>62,638</b>
Net increase in finance receivables	(93,992)	(48,654)
Net decrease in reverse annuity mortgages	1,164	1,134
Net increase of financial assets at fair value through profit or loss	(2,482)	(4,090)
Net contribution/(withdrawal) from life investment contracts	126	(150)
<b>Changes in operating assets and liabilities arising from cash flow movements</b>	<b>(95,184)</b>	<b>(51,760)</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(43,941)</b>	<b>10,878</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant, equipment and intangibles	636	563
Purchase of property, plant, equipment and intangibles	(16,121)	(8,641)
Sale of investments	3,420	234
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(12,065)</b>	<b>(7,844)</b>
<b>Cash flows from financing activities</b>		
Net bank loan advances/(repayments)	100,660	(392)
Principal elements of lease payments	(5,563)	(6,346)
Bond repayments	(25,000)	-
Proceeds from the issue of shares	1,185	-
Dividend paid	(13,770)	(17,200)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>57,512</b>	<b>(23,938)</b>
<b>Net movement in cash and cash equivalents</b>	<b>1,506</b>	<b>(20,904)</b>
<b>Add opening cash and cash equivalents</b>	<b>11,867</b>	<b>32,771</b>
<b>Closing cash and cash equivalents</b>	<b>13,373</b>	<b>11,867</b>

**TURNERS AUTOMOTIVE GROUP LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONT)**  
**For the year ended 31 March 2022**

**RECONCILIATION OF NET SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES**

	2022 \$'000	2021 \$'000
<b>RECONCILIATION OF NET SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(loss)</b>	<b>31,281</b>	<b>26,864</b>
<b>Adjustment for non-cash items</b>		
Impairment charge on finance receivables, reverse annuity mortgages and other receivables	3,108	3,986
Net loss/(profit) on sale fixed assets	(306)	(689)
Depreciation and amortisation	10,702	11,418
Capitalised reverse annuity mortgage interest	(294)	(403)
Deferred revenues	1,500	52
Fair value adjustments on assets/liabilities at fair value through profit and loss	(297)	(1,582)
Net annuity and premium change to policyholders accounts	(89)	1,194
Non-cash adjustments to finance receivables effective interest rates	(14)	(86)
Deferred expenses	(4,136)	(1,850)
Revaluation gain on investment property	-	(300)
Gain on modification of a lease	(60)	(1,132)
Covid 19 rent concessions	-	(780)
<b>Adjustment for movements in working capital</b>		
Net decrease/(increase) receivables and pre-payments	(1,506)	1,515
Net (increase)/decrease in inventories	(1,792)	14,182
Net increase in payables	11,098	6,955
Net increase/(decrease) in contract liabilities	(465)	1,365
Net increase in finance receivables	(93,992)	(48,654)
Net decrease in reverse annuity mortgages	1,164	1,134
Net increase of insurance assets at fair value through profit or loss	(2,482)	(4,090)
Net contributions/(withdrawals) from life investment contracts	126	(150)
Net increase in deferred tax liability	1,952	1,248
Net increase in tax payable	561	681
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(43,941)</b>	<b>10,878</b>

# TURNERS AUTOMOTIVE GROUP LIMITED

## SEGMENTAL INFORMATION

### OPERATING SEGMENTS

Revenue	Total segment revenue	Inter- segment revenue	Revenue from external customers	Total segment revenue	Inter- segment revenue	Revenue from external customers
	2022	2022	2022	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Automotive retail	249,236	(6,707)	242,529	204,991	(4,080)	200,911
Finance	51,898	-	51,898	47,862	-	47,862
Insurance	43,269	(2,897)	40,372	43,175	(1,262)	41,913
Credit management	9,671	-	9,671	12,762	-	12,762
Corporate & other	46	-	46	82	(3)	79
	354,120	(9,604)	344,516	308,872	(5,345)	303,527

Operating profit	2022	2021
	\$'000	\$'000
Automotive retail	19,447	15,415
Finance	17,987	15,816
Insurance	11,580	9,350
Credit management	3,033	5,087
Corporate & other	(8,927)	(8,293)
Profit/(loss) before taxation	43,120	37,375
Income tax	(11,839)	(10,511)
Profit attributable to shareholders	31,281	26,864

	Interest revenue		Interest expense		Depreciation and amortisation expenses	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Automotive retail	199	1,208	(1,531)	(2,144)	(8,126)	(8,891)
Finance	44,782	40,466	(6,322)	(5,503)	(842)	(782)
Insurance	1,020	1,654	(72)	(82)	(1,240)	(1,286)
Credit management	1	1	(21)	(30)	(330)	(289)
Corporate & other	1	3	(2,994)	(3,510)	(164)	(170)
	46,003	43,332	(10,940)	(11,269)	(10,702)	(11,418)
Eliminations	(8)	(3)	8	3	-	-
	45,995	43,329	(10,932)	(11,266)	(10,702)	(11,418)

Other material non-cash items	Revenue/(expenses)	
	2022	2021
	\$'000	\$'000
Automotive retail - gain on modification of a lease	60	1,132
Automotive retail - impairment provisions	151	229
Finance - impairment provisions	(3,315)	(4,185)
Insurance - reverse annuity mortgage interest	294	403

# TURNERS AUTOMOTIVE GROUP LIMITED

## SEGMENT ASSETS AND LIABILITIES

	Segment assets		Segment liabilities	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Automotive retail	116,438	110,818	66,679	67,552
Finance	451,504	351,185	353,313	271,383
Insurance	139,091	139,583	75,544	75,022
Credit management	31,514	31,151	3,476	5,298
Corporate & other	187,749	190,439	76,181	71,134
	926,296	823,176	575,193	490,389
Eliminations	(100,603)	(104,725)	(1,897)	(5,508)
	825,693	718,451	573,296	484,881

Five reportable segments have been identified as follows:

Automotive retail -	remarketing (motor vehicles, trucks, heavy machinery and commercial goods) and purchasing goods for sale.
Finance -	provides asset based finance to consumers and SME's.
Insurance -	marketing and administration of a range of life and consumer insurance and saving products.
Credit management -	collection services, credit management and debt recovery services to the corporate and SME sectors. Geographically the collections services segment business activities are located in New Zealand and Australia.
Corporate & other -	corporate centre.

## DIVIDEND

	2022	2021
	\$'000	\$'000
Final dividend for the year ended 31 March 2021 of \$0.06 (31 March 2020: \$0.06) per fully paid ordinary share, imputed paid on 28 July 2021 (2020: 24 July 2020).	5,164	5,162
Quarterly dividend for the year ended 31 March 2022 of \$0.05 (31 March 2021: \$0.04) per fully paid ordinary share, imputed, paid on 28 October 2021 (2020: 22 October 2020).	4,303	3,440
Quarterly dividend for the year ended 31 March 2022 of \$0.05 (31 March 2021: \$0.04) per fully paid ordinary share, imputed, paid on 27 January 2022 (2021: 28 January 2021).	4,303	3,438
Quarterly dividend for the year ended 31 March 2022 of \$0.06 (31 March 2021: \$0.06) per fully paid ordinary share, imputed, paid on 20 April 2022 (31 March 2021: 30 March 2021).	5,164	5,160
	18,934	17,200

### Dividends not recognised at year end

In addition to the above dividends, after year end the directors recommended the payment of the following dividend:

Final dividend of \$0.07 (31 March 2021: \$0.06) per fully paid ordinary share, imputed, payable on 28 July 2022 (2021: 24 July 2021).	6,025	5,162
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# TURNERS AUTOMOTIVE GROUP LIMITED

## REVENUE

Revenue from continuing operations includes:

	2022	2021
	\$'000	\$'000
Interest income	45,995	43,329
Sales of goods	182,435	143,065
Commission and other sales revenue	58,962	54,237
Loan fee income	3,659	3,320
Insurance and life investment contract income	38,149	37,248
Collection income	9,519	12,198
Bad debts recovered	1,147	937
Other revenue	2,163	2,178
	342,029	296,512
<i>Other income includes:</i>		
Gain on sale of investments	502	10
Revaluation gain on investment property	-	300
Dividend income	45	172
Gain on sale of property, plant and equipment	270	154
Government subsidies	1,580	5,247
Gain on modification of a lease	60	1,132
Other	30	-
	2,487	7,015