



**1 March 2021**

Company Announcement

**NZX:NZA**

## **NZ Automotive Investments Limited update of FY21 earnings guidance**

NZ Automotive Investments Limited (NZAI/the Company) (NZX:NZA) is pleased to provide an update to the market on its earnings guidance for the year ending 31 March 2021 (FY21).

This follows the direct listing of NZAI on the NZX and the issue of its Listing Profile on 25 February 2021. The Listing Profile contains information about the company, including its strategy.

NZAI's long-term strategy is to leverage its retail business to build a diversified automotive group, including growing the NZ Motor Finance book. NZAI has appointed an experienced Board, including independent directors, and vehicle finance expert David Page as CEO, to provide strong governance and management to lead the company through its expansion and drive its growth strategy.

As set out in the Listing Profile, NZAI and the general automotive industry were impacted by the lockdowns relating to Covid-19 throughout FY21. Throughout the year, the Company has had to be agile in responding to the disruptions and uncertainty. Nevertheless, the results for FY21 will be affected by the lockdowns, where the company could not fully trade for at least 68 days, or 19% of the year.

The Company now expects net profit after tax (NPAT) (excluding listing costs\*) for FY21 to be in the range of between \$3.3m to \$3.7m.

This guidance assumes an impact from the latest Covid-19 restrictions of between 7 and 14 days of lockdown in level 3 for Auckland and level 2 for the rest of the country between 28 Feb 2021 to 13 March 2021.

The company has adopted a dividend policy with a target pay-out ratio of 50% to 60% of underlying NPAT. Further detail on the dividend policy is set out in the Listing Profile.

The company expects to release its full year FY21 results at the end of May 2021.

\*Listing costs include non-recurring legal, other advisory and NZX fees associated with listing the company on the NZX.

### **Authorised by**

The Board of Directors

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## **About NZ Automotive Investments Limited (NZAI)**

NZAI is an integrated used automotive group operating throughout New Zealand via two divisions: Automotive Retail and Vehicle Finance. The company's purpose is to help Kiwis afford great cars. Operating under the "2 Cheap Cars" brand, its Automotive Retail company is a major used vehicle importer and seller in New Zealand with 12 dealerships across the country. NZAI's Vehicle Finance company operates under the "NZ Motor Finance" brand. It was established in 2019 to diversify earnings and provide a further growth opportunity for NZAI.

