

JM Family:
**Growing
Stronger
Together**

2018 Impact Report





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 **TOYOTA**
Southeast Toyota Distributors, LLC

WWW.JMFAMILY.COM

WWW.JMFAMILY.COM

 **Welcome Letter**
from the President & CEO

What an incredible 2018! Across all our business units, we closed the books on another record-breaking year and celebrated 50 Years of Family. I am inspired every day by our 4,300 amazing associates. Their determination, spirit and teamwork truly separate us from the competition and make JM Family not only an industry leader, but also a very special place to work.

After 50 years of growth and success, we continue to “do it better” by investing in our associates and their continuous learning. Over the next several years, we will be building our new headquarters and expanding our Deerfield Beach campus, allowing for greater collaboration and efficiency among our teams. But it doesn’t stop there. In Georgia, DataScan has already moved into its new space in Alpharetta, and we’re building our new vehicle processing center in Commerce from the ground up.

As fast as things are changing, some things will always be the same. We are committed to our culture and the time-honored traditions established by our founder Jim Moran. Our core values make us who we are, and will always guide us in our relationships with our fellow associates, hardworking dealers and business partners.

This Impact Report illustrates JM Family’s 2018 business results as well as our dedication to our associates, community and the environment. Our future is brighter than ever, and we have our sights set on the road ahead.

Together, we do it better.

A handwritten signature in black ink, appearing to read "Brent Burns", with a long, sweeping underline that extends to the right.

Brent Burns
President & CEO



Company Overview

JM Family is a leader in the automotive industry and operates our primary business units and supporting companies: Southeast Toyota Distributors, Southeast Toyota Finance, JM&A Group and JM Lexus.

In partnership with our business units, JM Family's Corporate Group serves as an internal support team to the entire organization. It incorporates functions like Accounting, Finance, Legal, Human Resources, Learning & Development and Information Technology.

2018 Key Stats



Revenue:

\$16.3 Billion

Up from \$15.1 Billion in 2017



4,354 Associates
as of December 31, 2018



No. 21 on *Forbes'* list of
**America's Largest
Private Companies**
Leading automotive company

FORTUNE
100
BEST
COMPANIES
TO WORK FOR
2019

No. 17 on FORTUNE's 100 Best
Companies to Work For list
21 Consecutive Years!



46% of associates have been with
the company for 10 or more years



Associates live and work in
47 states, Puerto Rico and Canada





Leadership Profiles



Colin Brown
Chairman of the Board
JM Family
Joined 1992



Brent Burns
President & Chief Executive Officer
JM Family
Joined 2000



Carmen Johnson
Executive Vice President,
Human Resources & Legal, JM Family
Joined 2007



Ed Sheehy
Executive Vice President, JM Family
President, Southeast Toyota Distributors
Joined 1999





Dan Chait

Executive Vice President, JM Family
President, Southeast Toyota Finance
Joined 2002



Ron Coombs

Executive Vice President &
Chief Financial Officer, JM Family
Joined 1999



Forrest Heathcott

Executive Vice President, JM Family
President, JM&A Group
Joined 1993





Business Unit Highlights



Southeast Toyota Distributors, LLC

Southeast Toyota Distributors is the world's largest independent distributor of Toyota vehicles, parts and accessories.

southeast.buyatoyota.com



177 independent
Toyota dealers retailed
382,847
vehicles in 2018

Share of Toyota's total
U.S. retail sales reached
an all-time high of

20.3%

Fleet sales for 2018

122,305



Combined retail and
fleet sales totaled

505,152 vehicles

representing 23.9 percent of
Toyota's total U.S. sales volume



\$545 million

in parts and
accessories sold





Southeast Toyota Finance

Southeast Toyota Finance is the captive finance company for Toyota dealers in the southeast United States, providing financial products and services to consumers and dealers.

southeasttoyotafinance.com



Serviced **730,810** finance and lease accounts in support of Southeast Toyota dealers at year-end 2018



In the southeast, **nearly 60%** of all new Toyota vehicles were financed or leased through Southeast Toyota Finance



256,295 retail and lease contracts purchased in 2018, totaling **\$7.4 billion** in support of Southeast Toyota dealers, an all-time volume record



JM&A Group is one of the largest providers of automotive finance and insurance (F&I) products nationwide.

jmagroup.com



Customer Service Team answered more than

1.97 million calls

and paid out more than \$470 million in claims in 2018



The Performance Development Center trained more than

6,100 dealership associates

in 2018, helping them master industry regulations and maximize sales opportunities

Approximately
12.9 million
contracts in force



Nearly

\$1.9 billion

in reserves



1 in 10
vehicles

sold by new franchise dealers in the United States includes JM&A products



DataScan is the industry leader in wholesale floorplan accounting and dealer risk management solutions.

onedatascan.com



Solutions provided to
60 clients
across North America



380+

field professionals



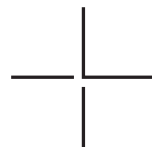
conducted more than **269,000 dealer visits** and verified over **16.5 million units** and **\$165+ billion** of assets managed by DataScan's solutions



YOUR LEXUS PLUS DEALER

JM Lexus is the nation's largest volume Lexus Plus dealership.

jmlexus.com



LEXUS PLUS

Lexus Plus is a new sales experience with a single point of contact from start to finish, and the best upfront price with no dealer fees

Retailed **4,150 new** and **1,512 pre-owned** vehicles in 2018



Economic Impact by State

with Major Business Operations

Alabama

Southeast Toyota Finance



Associates

383



Payroll

\$27,094,189

Sales Tax

\$1,108,799



Taxes

\$91,394

Local Purchases

\$15,287,217

Florida

All Business Units
Represented



Associates

2,631



Payroll

\$424,853,772

Sales Tax

\$31,578,129



Taxes

\$4,120,841

Local Purchases

\$143,804,339

Georgia

Southeast Toyota Distributors
Southeast Toyota Finance



Associates
418



Payroll

\$48,596,312

Sales Tax

\$235,419

Local Purchases

\$245,276,689



Taxes

\$305,183

Missouri

JM&A Group
Southeast Toyota Finance



Associates
343



Payroll

\$23,927,027

Sales Tax

\$24,504

Local Purchases

\$21,736,491



Taxes

\$206,969

Southeast Toyota's Retail Sales by State

Alabama

29,863

Florida

189,677

Georgia

66,244

North Carolina

64,963

South Carolina

31,889



Supplier Diversity

At JM Family, we believe in partnering with a supplier base that is reflective of the many backgrounds and experiences of our workforce, diverse automotive products and services, and varied customers and business partners we serve.

Our philosophy is to build long-term, sustainable and mutually beneficial relationships with highly qualified minority- and women-owned businesses* as an essential component of our continued growth and success.

2018 Diversity Spend



Total Diverse Spend

\$46,812,447



Percentage of Total Spend

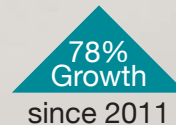
5.6



Number of Suppliers

32

Women-owned: 15 | Minority-owned: 17



*For the purpose of JM Family's Supplier Diversity Policy and Statement, minority-owned businesses are defined as enterprises certified by the NMSDC or one of its regional affiliates. Similarly, women-owned businesses must be certified by WBENC or one of its affiliates. In Canada, JM Family recognizes minority-owned businesses that are certified by the Canadian Aboriginal and Minority Supplier Council (CAMSC) and women-owned businesses that are certified by WEConnect Canada.



Corporate Philanthropy



JM Family focuses on four areas of giving:



Empowering families and nurturing children



Providing for essential needs



Promoting education



Preserving our environment

Our mission is to be a **leader in corporate citizenship** and **improve the quality of life** in the communities where we live and work.

In locations outside our South Florida headquarters, philanthropic efforts are facilitated by local teams of associates who volunteer their time to research and recommend programs, sponsorships and volunteer opportunities that fit within our guidelines.

2018 by the Numbers

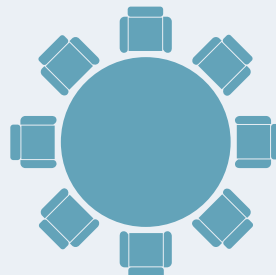


More than
\$30 million
donated to nonprofit organizations



15,000 hours

volunteered by more than 1,200 associates at 240 company-sponsored events



38
JM Family leaders
served on nonprofit boards of directors

Philanthropy Initiatives



JM Family's 50th Anniversary

Planted more than **1,000 trees** in all business location communities in conjunction with Arbor Day Foundation and local partners



Donated **\$300,000** to six community partners – \$50,000 per business location – that are helping drive stronger families

United Way Campaign

A record-breaking campaign!

\$585,208 raised

by our South Florida associates to support United Way of Broward County



African-American Achievers

JM Family honored four outstanding individuals in the categories of Arts & Culture, Business & Entrepreneurism, Community Service and Education.

Each Achiever received a **\$10,000 contribution** to the charity of his/her choice. In addition, a Youth Achiever was recognized and awarded a needs-based, four-year scholarship to Florida State University.

spring into giving

Spring into Giving

\$116,000 raised

by associates to support our
six food bank partners

ASSOCIATES
HELPING
ASSOCIATES

JM FAMILY ENTERPRISES, INC.



Associates Helping Associates

\$186,000 in immediate financial
assistance provided to **100 associates**
who faced hardship, including the loss of
an immediate family member, or damage to
their home by natural or manmade disasters



Disaster Relief

Donated nearly **\$540,000**
to provide assistance following national
disasters in 2018, including:



Community Involvement Time Off

More than **650 associates**
volunteered **5,000 hours**
through our paid volunteer
time off program



+ \$100,000 donation to the National Center for
Victims of Crime for the deadly shooting at
Marjory Stoneman Douglas High School, located
in close proximity to our Deerfield Beach headquarters

+ Donated four Toyota Tundra trucks to the St. Bernard
Project in North Carolina, and made a \$100,000
Red Cross contribution following Hurricane Florence

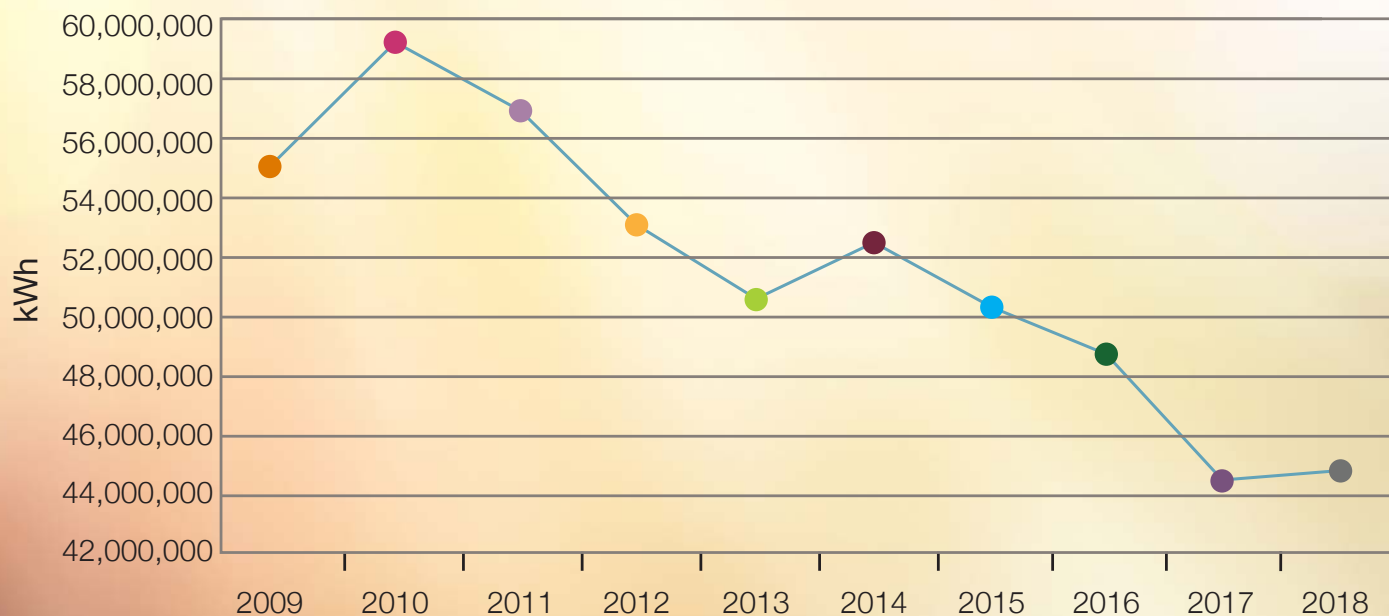


Environmental Action

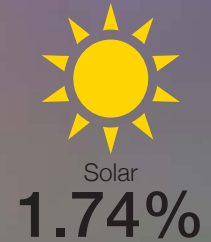
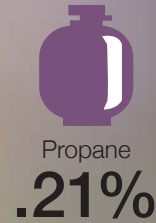
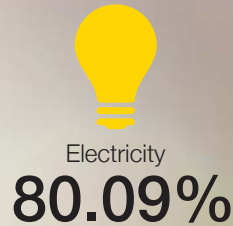
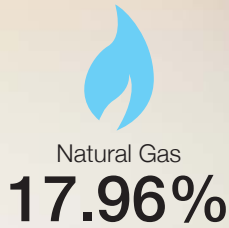
We believe that giving back to the communities where our associates live and work is tightly connected to conducting business with consideration for the environment. Together this demonstrates our long-held beliefs that doing the right thing not only feels good, but simply makes good business sense.

Energy Conservation

Non-renewable Energy Trend



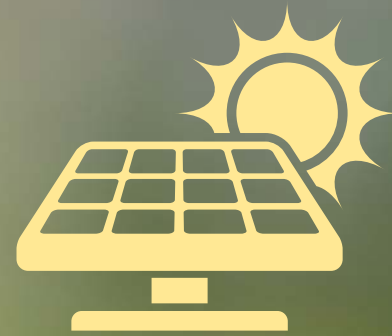
2018 Energy Mix



Solar Portfolio

JM Family operates seven rooftop arrays: four at the Deerfield Beach, Fla. headquarters, two at JM Lexus in Margate, Fla. and one at DataScan in Alpharetta, Ga.

In 2018, our solar arrays produced 790,757 kWh of clean, renewable energy. Consuming the same amount of electricity from non-renewable means would emit 408 metric tons of carbon dioxide equivalents (mtCO₂e), which is comparable to emissions from:



Burning
45,908 gallons
of gasoline



Consuming
945 barrels
of oil



Electricity use of
49 homes
for one year

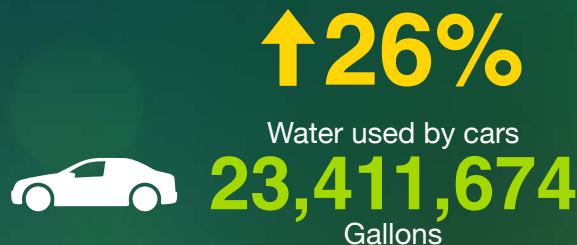
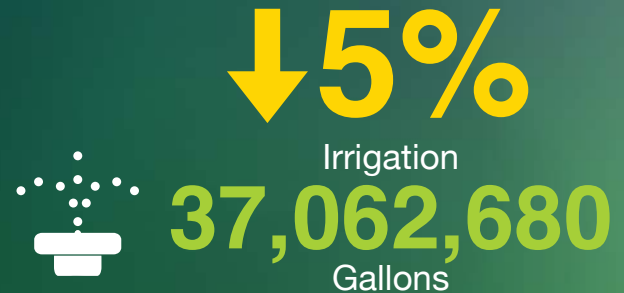
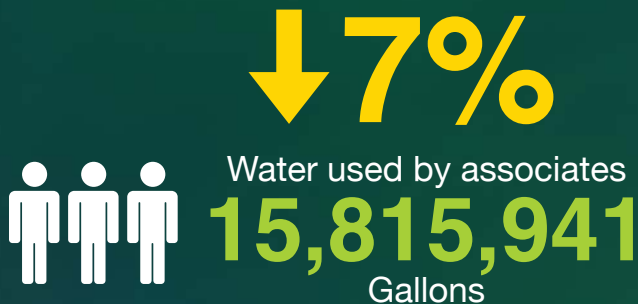
STS Earns SmartWay Award

Southeast Transportation Systems (STS) received the 2018 EPA SmartWay Excellence Award from the U.S. Environmental Protection Agency. STS was among 40 organizations being recognized nationally as industry leaders in supply chain environmental and energy efficiency.

Awardees represent the top-performing, environmentally responsible SmartWay carriers that move goods more miles with lower emissions and less energy.



Water Conservation



Recycling

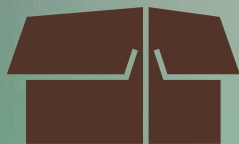
68%
of our total waste

Total Pounds Recycled

6,093,433

Total Rebate

\$148,154



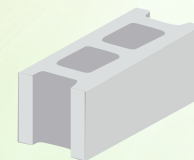
Cardboard
1,452,807



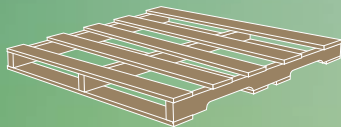
Paper
671,066



Tires
322,581



Construction Debris
194,760



Wooden Pallets
1,844,858



Food Waste
6,232



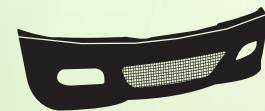
Windshield Glass
14,290



Cooking Oil
3,400



Metal
1,241,171



Plastics
194,820



Aluminum, Glass and Plastic
Beverage Containers
147,448



Building Our Future

Deerfield Beach, Fla.

The renovation of JM Family's Deerfield Beach headquarters began in 2018 and will create a collaborative, walkable campus that fosters innovation and builds community.

The \$150 million project will feature multiple new office buildings, a sports complex, outdoor amphitheater, green spaces, two-story dining hall and state-of-the-art facilities including a 55,000-square-foot Welcome Center with exciting, new amenities.



Deerfield Beach Mayor Bill Ganz (center) joined (L to R) JM Family's Executive Management Team: Ron Coombs, Forrest Heathcott, Dan Chait, Carmen Johnson, Brent Burns and Chairman of the Board Colin Brown at the campus groundbreaking ceremony.



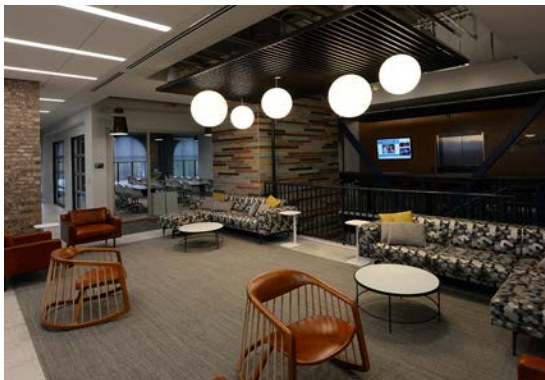
Commerce, Ga.

Southeast Toyota Distributors is building a new **\$90 million campus** with six buildings totaling **330,000 square feet** in Jackson County, across the street from where it currently processes **140,000 vehicles** annually for distribution to Toyota dealers.

The facility is estimated to be completed in April 2020 and incorporates associate feedback for an improved work environment with enhancements to comfort, productivity and efficiency.



Breaking ground at our new Commerce facility are (L to R): Colin Brown, Brent Burns, Cindy Patterson, Ed Sheehy, Kevin Fleeger and Ray Natour.



Alpharetta, Ga.

In 2018, associates moved into a **\$20 million**, state-of-the-art facility complete with collaborative spaces and modern design in the heart of the downtown technology hub.



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