



Auto Trader Group plc

Full year results presentation

Full year ended 31 March 2023

1 JUNE 2023

 **AutoTrader**

2023 highlights



Strategic overview



Auto Trader's core marketplace business **grew revenue by 9%, operating profit by 10% and maintained 70% operating profit margins**



Our annual pricing and product event took effect from 1st April 2023, **underpinning revenue growth expectations for the coming year**



The number of UK forecourts continued to be at record levels, with over 800 more retailers paying to advertise on Auto Trader than before the pandemic



The **number of visits continued to be significantly above pre-pandemic levels and were up 1% year-on-year**



We **completed the initial development of our Deal Builder product** with over 50 retailers trialling the service as at the end of March. Autorama losses were as expected and the integration is progressing well

Financial results

£M (UNLESS OTHERWISE SPECIFIED)	2023	2022	Change
Auto Trader ¹	473.0	432.7	9%
Autorama	27.2	-	-
Group revenue	500.2	432.7	16%
Auto Trader ¹	332.9	303.6	10%
Autorama	(11.2)	-	-
Group central costs ² - relating to Autorama acquisition	(44.1)	-	-
Group operating profit	277.6	303.6	(9%)
Auto Trader operating profit margin	70%	70%	0%
Group operating profit margin	55%	70%	(15%)
Basic earnings per share (pence)	25.01p	25.61p	(2%)
Cash generated from operations³	327.4	328.1	(0%)
Adjusted EBITDA ⁴	328.0	307.9	7%
Adjusted earnings per share (pence) ⁵	27.12	25.61	6%

- £225.0 million returned to shareholders (2022: £237.1 million) through £147.3 million of share buybacks and dividends paid of £77.7 million.
- Proposed final dividend of 5.6 pence per share (2022: 5.5 pence per share) giving total dividends of 8.4 pence per share for the year (2022: 8.2 pence per share). The increase in dividend takes into consideration the transition to a significantly higher corporation tax rate from April 2023.

¹ Auto Trader includes the results of Auto Trader, AutoConvert & Webzone (up to the date of disposal) and includes the share of profit from the Dealer Auction joint venture.

² Group central costs which are not allocated within either of the two segmental operating profit/(loss) comprise a £38.8 million charge for the expense of group shares expected to be issued to settle the Autorama deferred consideration and a £5.3 million amortisation expense relating to the fair value of intangible assets acquired in the Group's business combination of Autorama.

³ Cash generated from operations is defined as net cash generated from operating activities, before corporation tax paid.

⁴ Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation, share of profit from joint ventures, Autorama deferred consideration and profit on the sale of subsidiary.

⁵ Adjusted earnings per share is calculated before Autorama deferred consideration, profit on the sale of subsidiary, and net of the tax effect in respect of these items.

Operational results

>75%

Share of cross platform minutes remained at **over 75%** (2022: over 75%) and cross platform visits were up 1% to 69.6 million per month (2022: 68.9 million)

13,913

The average number of retailer forecourts in the year was broadly flat at 13,913 (2022: 13,964). After removing the impact of the Webzone Limited disposal, **like-for-like retailer numbers were up 1%**

£2,437

Average Revenue Per Retailer (ARPR) per month was **up £227 (or 10%)** to £2,437 (2022: £2,210) - this was driven by both price and product levers, with the stock lever being flat

437,000

Physical car stock on site was **up 2% to 437,000 cars** (2022: 430,000) on average, and our new car advertising product (included within this total) declined to 25,000 on average (2022: 29,000)

6,895

We delivered **6,895 new vehicles under lease agreements, at an average yield of £1,624** whilst facing continued new vehicle supply constraints

1,160

The average number of employees (FTEs) in the Group **increased to 1,160** during the year (2022: 960), with a net increase of 148 from the acquisition of Autorama and the disposal of Webzone Limited

Cultural KPIs

91%

Employees that are **proud to work at Auto Trader** remained high at 91% (March 2022: 95%)

56%

We have **more women than men on our Board** (March 2022: five women and four men) and one ethnically diverse Board member

43%

Percentage of our employees who are women was 43% in March 2023 (March 2022: 40%). The percentage of women in leadership positions was 40% (March 2022: 38%)

15%

Percentage of our employees who are ethnically diverse was 15% in March 2023 (March 2022: 14%). The percentage of ethnically diverse leaders was 8% (March 2022: 6%)

(39%)

Total CO₂ emissions for the period were **79.5k tonnes of carbon dioxide equivalent** (2022 restated: 129.4k tonnes)

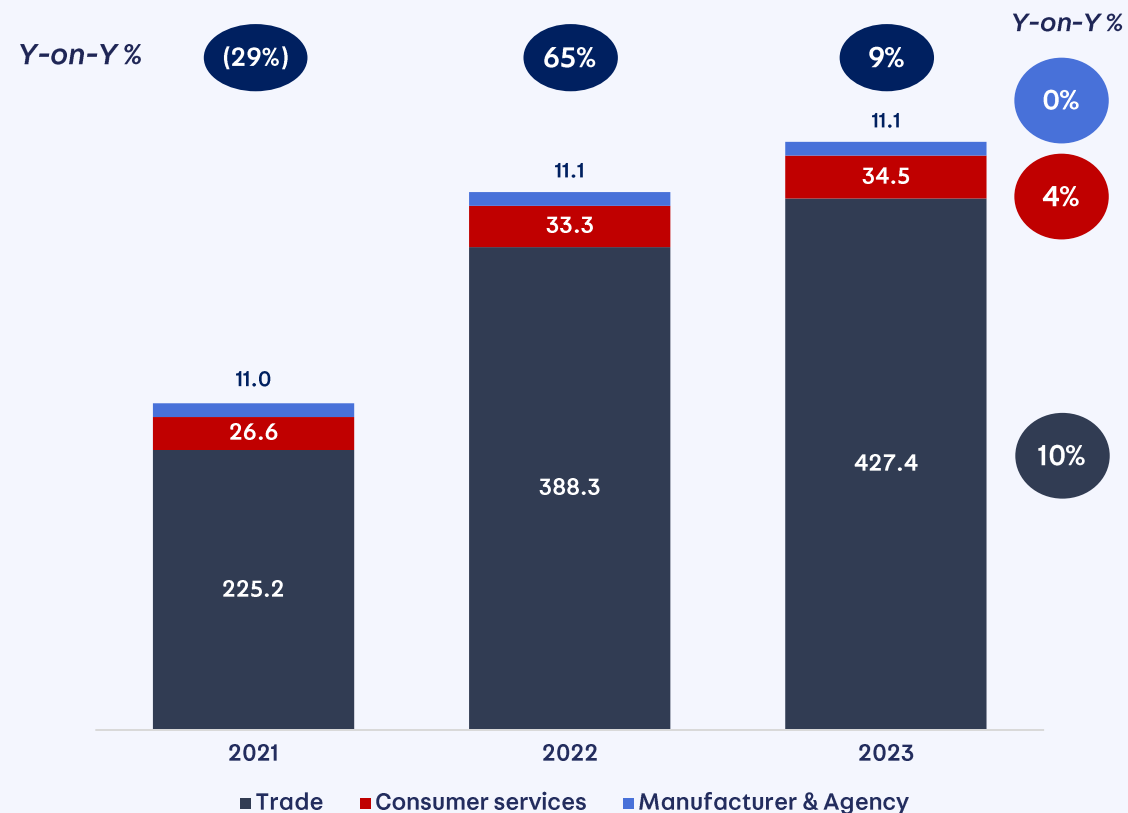
2023 Financials



Auto Trader: revenue

Revenue (£m)

Year ended 31 March 2023 is shown as 2023



Trade revenue comprises:

2023: Retailer (£406.8m); Home Trader (£10.1m); Other (£10.5m)
 2022: Retailer (£370.4m); Home Trader (£8.8m); Other (£9.1m)
 2021: Retailer (£211.9m); Home Trader (£6.3m); Other (£7.0m)

Consumer services revenue comprises:

2023: Private (£22.4m); Motoring Services (£12.1m)
 2022: Private (£20.2m); Motoring Services (£13.1m)
 2021: Private (£16.7m); Motoring Services (£9.9m)

Average Revenue Per Retailer (ARPR) per month (£)¹

Y-on-Y



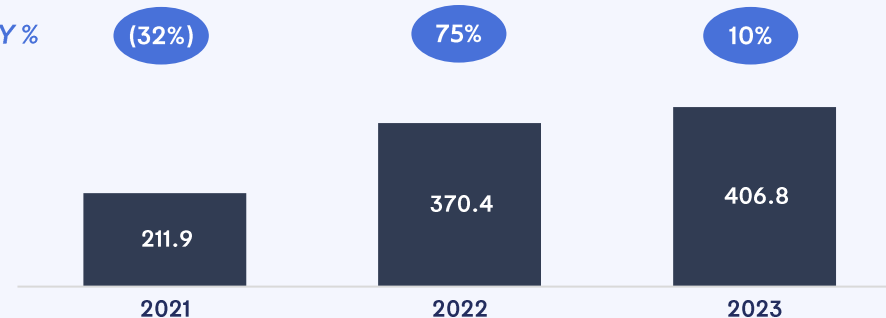
Number of retailer forecourts¹

Y-on-Y %



Retailer revenue (£m)

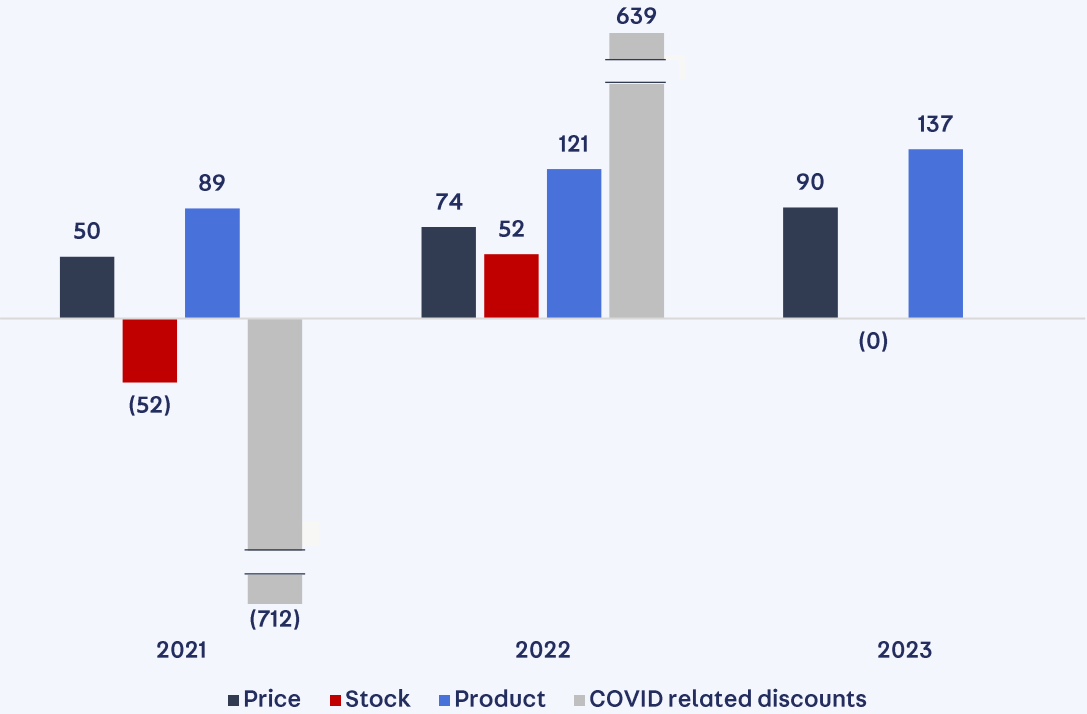
Y-on-Y %



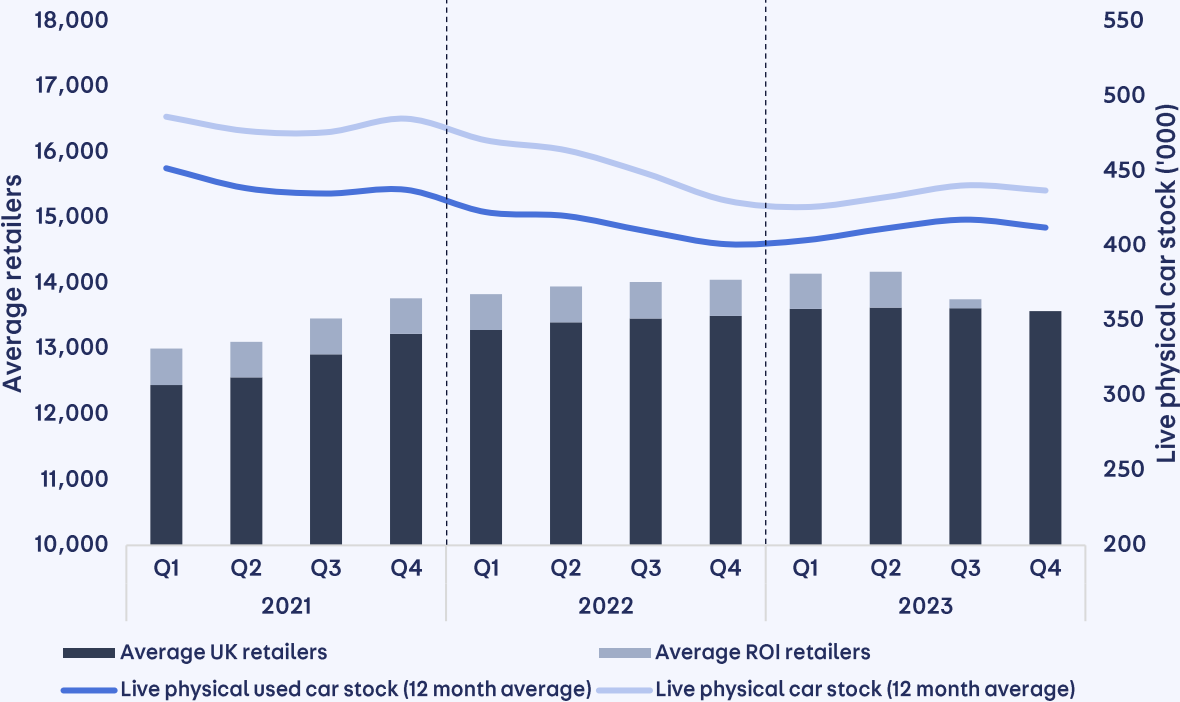
Auto Trader: ARPR, stock and retailer forecourts

ARPR levers

Growth in Average Revenue Per Retailer per month (£)



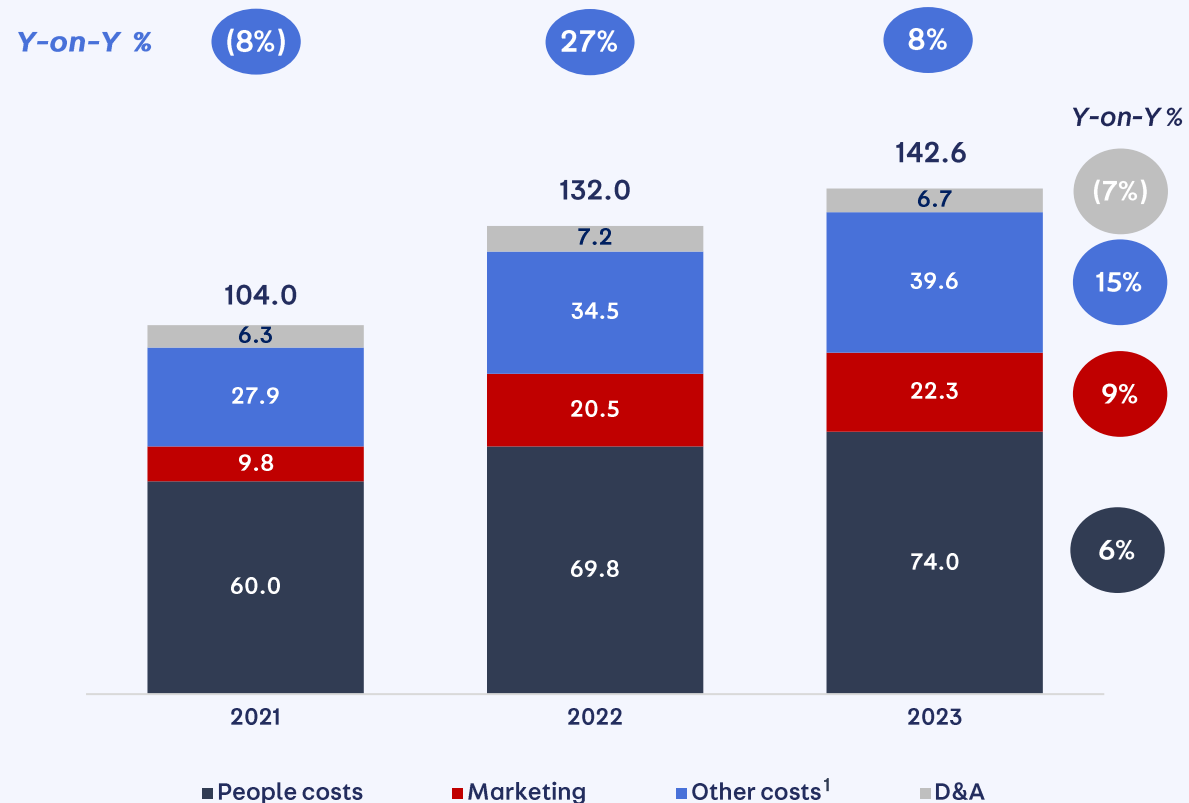
Physical car stock and retailer forecourts



Auto Trader: costs and operating profit

Costs (£m)

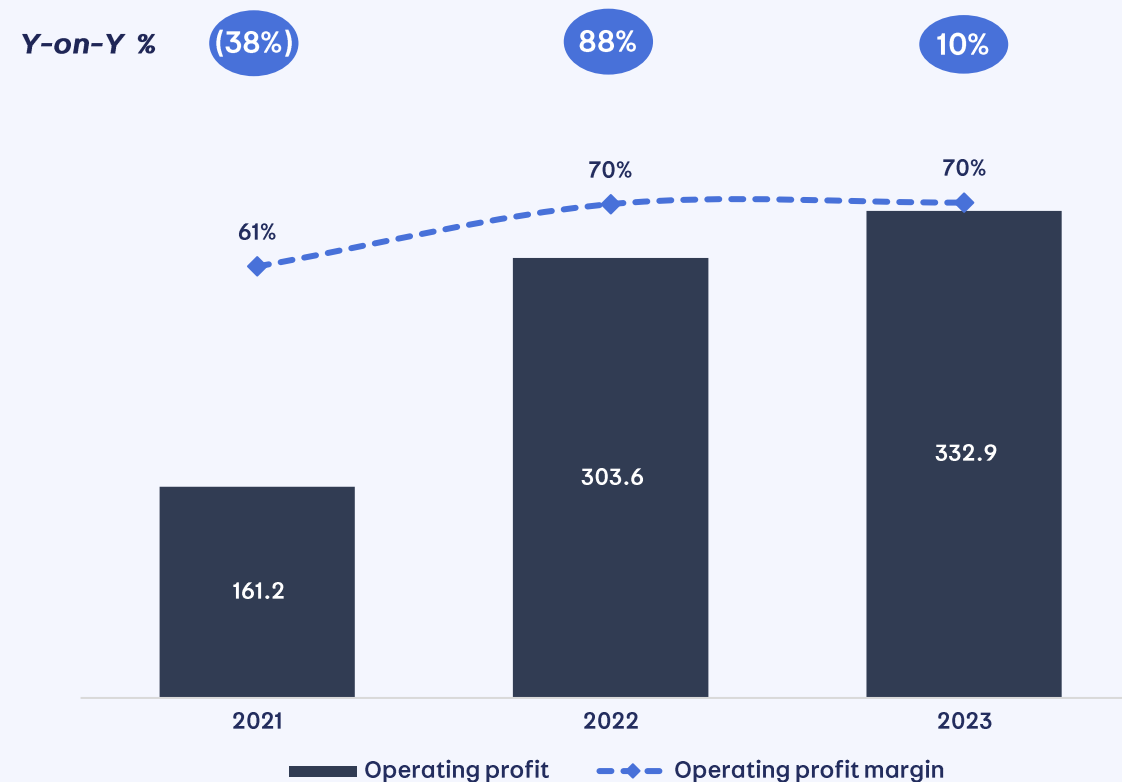
Year ended 31 March 2023 is shown as 2023



People costs include share-based payments and associated national insurance costs of £6.6m in 2023 (2022: £6.1m; 2022: £4.3m)

Operating profit (£m)

Year ended 31 March 2023 is shown as 2023



Operating profit includes the Group's share of profit from joint ventures: 2023: £2.5m; 2022: £2.9m; 2021: £2.4m

Autorama: revenue and costs

Revenue and costs¹ (£m)

Year ended 31 March 2023 is shown as 2023

£M	2023
Vehicle and Accessory sales	16.0
Commission and Ancillary revenue	11.2
Autorama revenue	27.2
Cost of goods sold	15.7
People costs	10.5
Marketing	4.7
Other costs	5.4
D&A	2.1
Autorama costs	38.4
Operating loss	(11.2)

c.10% of vehicles are taken on balance sheet. Sales revenue is booked and cost of vehicles sold are taken through costs. There is limited profit impact from the net of these two lines.

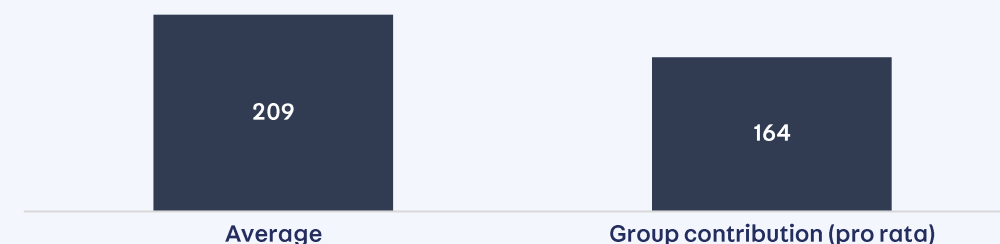
Vehicle deliveries¹



Commission and ancillary revenue per delivery (£)¹



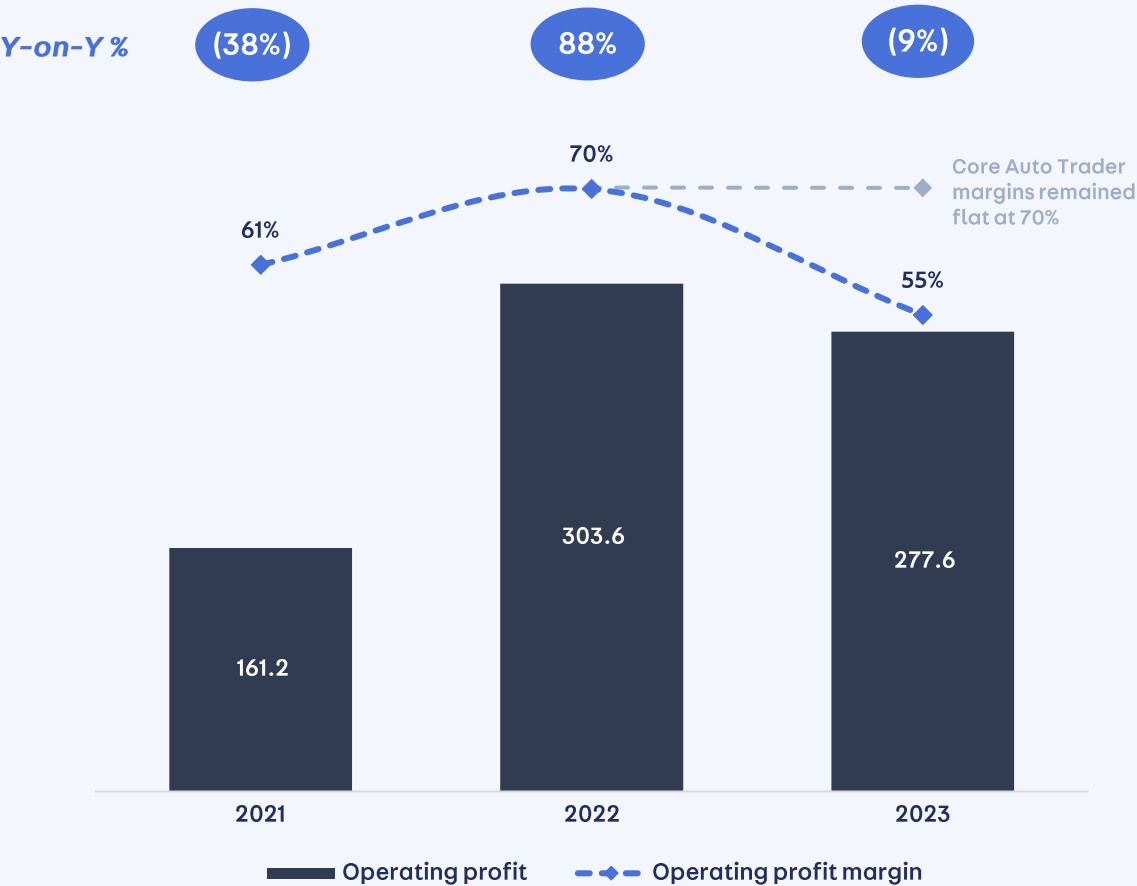
Average FTEs and Group FTE contribution¹



Group: profit and cash flow

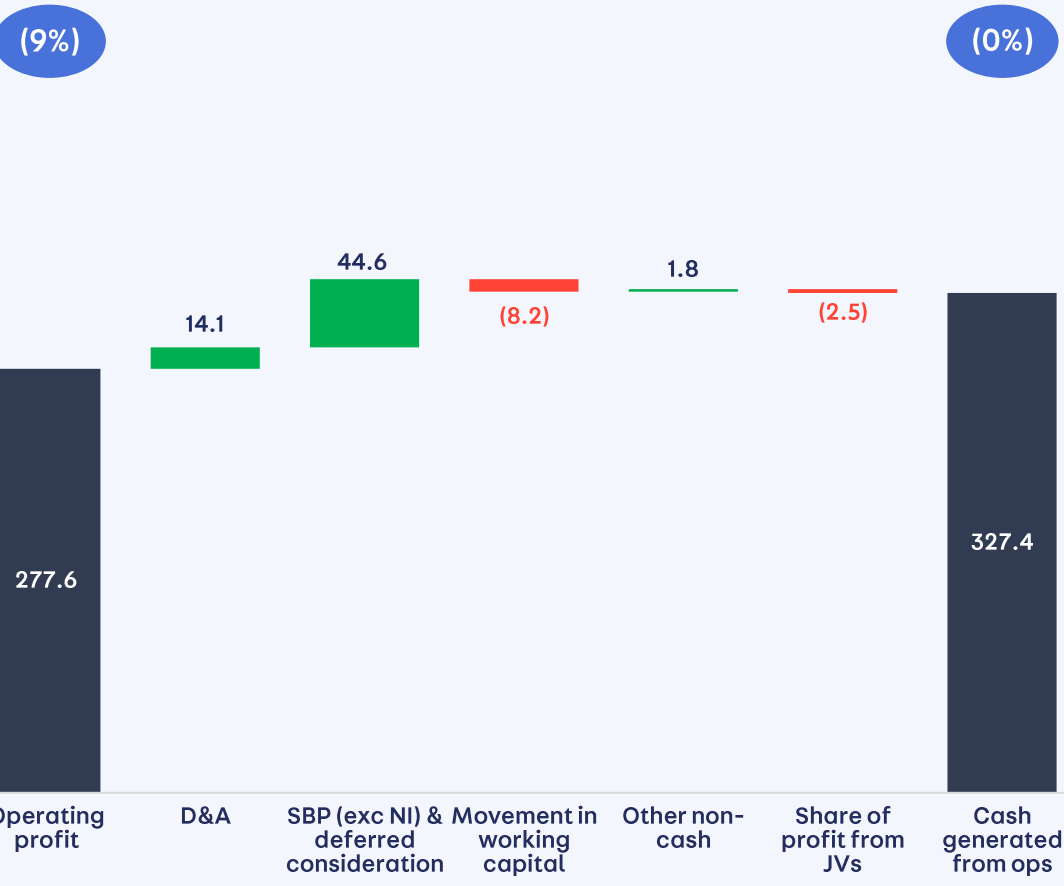
Operating profit (£m)

Year ended 31 March 2023 is shown as 2023



Cash generated from operations (£m)

Year ended 31 March 2023 is shown as 2023

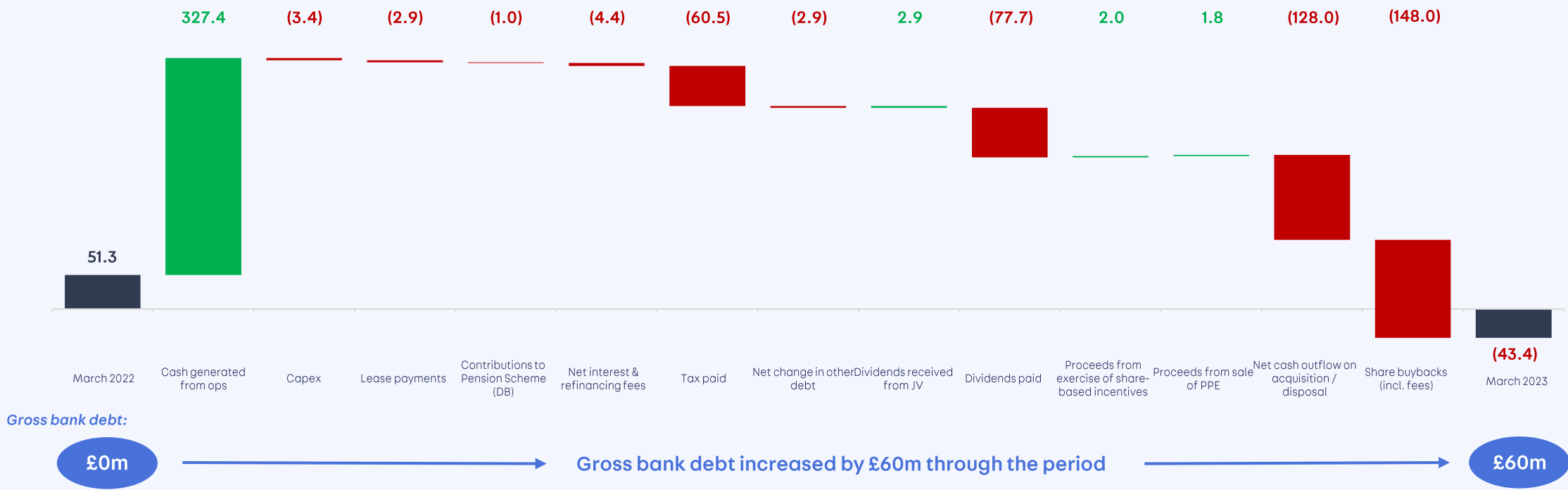


Group: income statement

£M (UNLESS OTHERWISE SPECIFIED)	2023	2022	Year-on-year
Revenue	500.2	432.7	16%
Operating costs ¹	(225.1)	(132.0)	71%
Share of profit from joint ventures	2.5	2.9	(14%)
Operating profit	277.6	303.6	(9%)
Net finance costs	(3.1)	(2.6)	19%
Profit on disposal of subsidiary	19.1	-	-
Profit before taxation	293.6	301.0	(2%)
Taxation	(59.7)	(56.3)	6%
Profit for the year attributable to equity owners of the parent	233.9	244.7	(4%)
Earnings per share (pence)			
Basic	25.01	25.61	(2%)
Diluted	24.77	25.56	(3%)
Dividend per share (pence)	8.4	8.2	2%

Group: net bank debt and capital allocation policy

Reconciliation of net cash/bank (debt) position¹ (£m)



Capital allocation policy

During the year, a total of 25.3m shares (2022: 24.9m) were purchased for a consideration of £147.3m (2022: £163.5m) before transaction costs of £0.7m (2022: £0.8m). A further £77.7m (2022: £73.6m) was paid in dividends, giving a total of £225.0m (2022: £237.1m) in cash returned to shareholders.

The Directors are recommending a final dividend of 5.6 pence per share. The total dividend for the year is therefore 8.4 pence per share (2022: 8.2 pence per share).

The Group’s long-term capital allocation policy remains unchanged: continuing to invest in the business enabling it to grow while returning around one third of net income to shareholders in the form of dividends. Following these activities any surplus cash will be used to continue our share buyback programme and steadily reduce gross indebtedness. It is the Board’s long-term intention that the Group will return to a net cash position.

¹ Net cash/bank (debt) represents gross bank debt before amortised debt costs less cash and does not include amounts relating to leases, non-bank loans or vehicle stocking loans

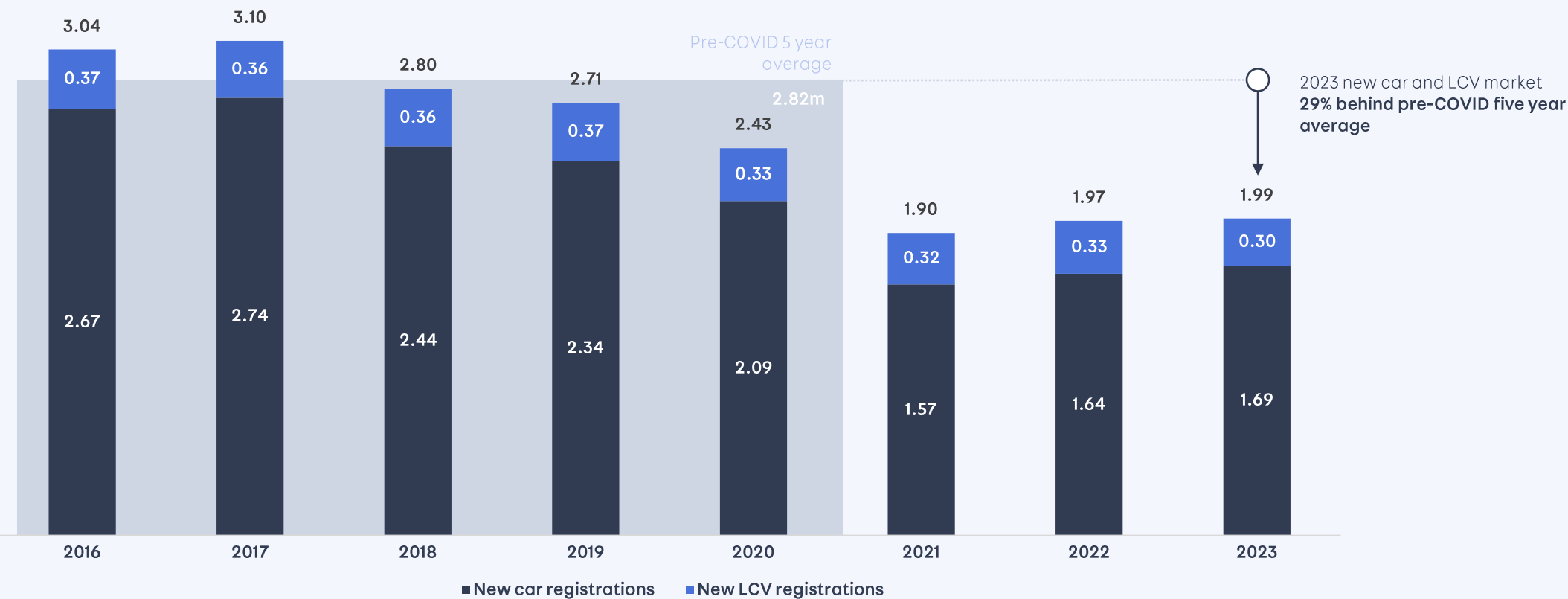
Market dynamics



In the new car and light commercial vehicle markets we continued to see constrained supply

New car and LCV registrations, millions

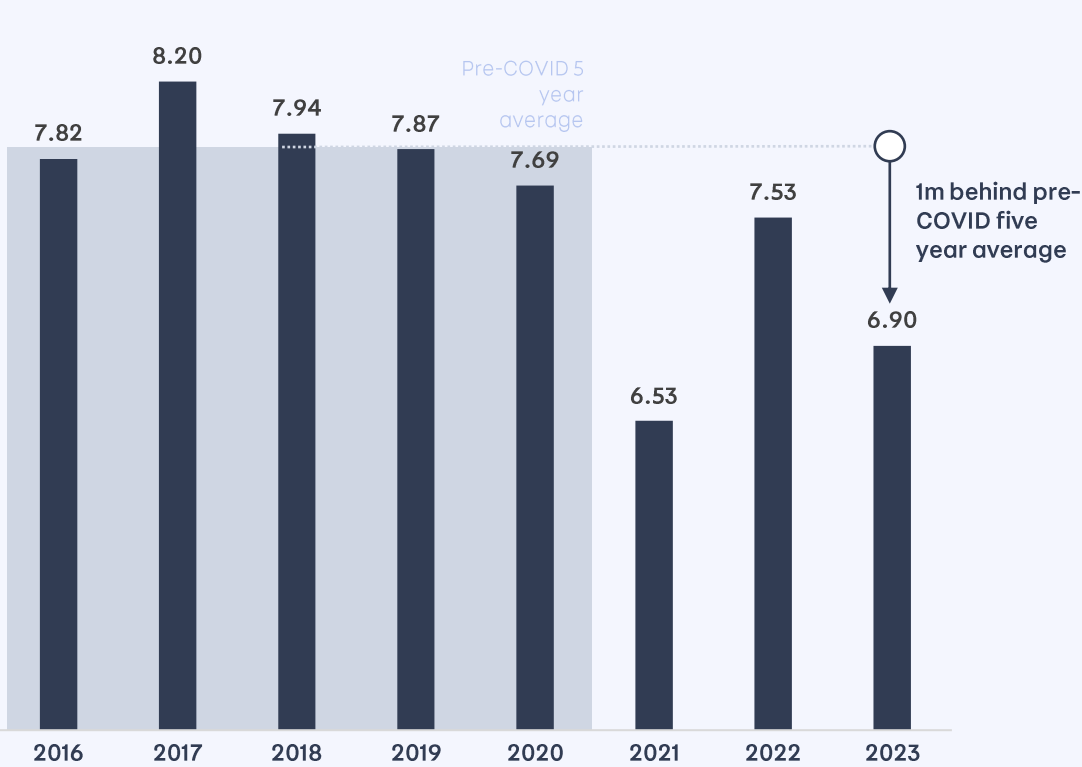
Year ended 31 March 2023 is shown as 2023, SMMT data



Used car transactions in 2023 were ~1m below pre-COVID averages, impacting transaction frequency

Used car transactions, millions

Year ended 31 March 2023 is shown as 2023, DVLA data



Car parc & frequency of transactions

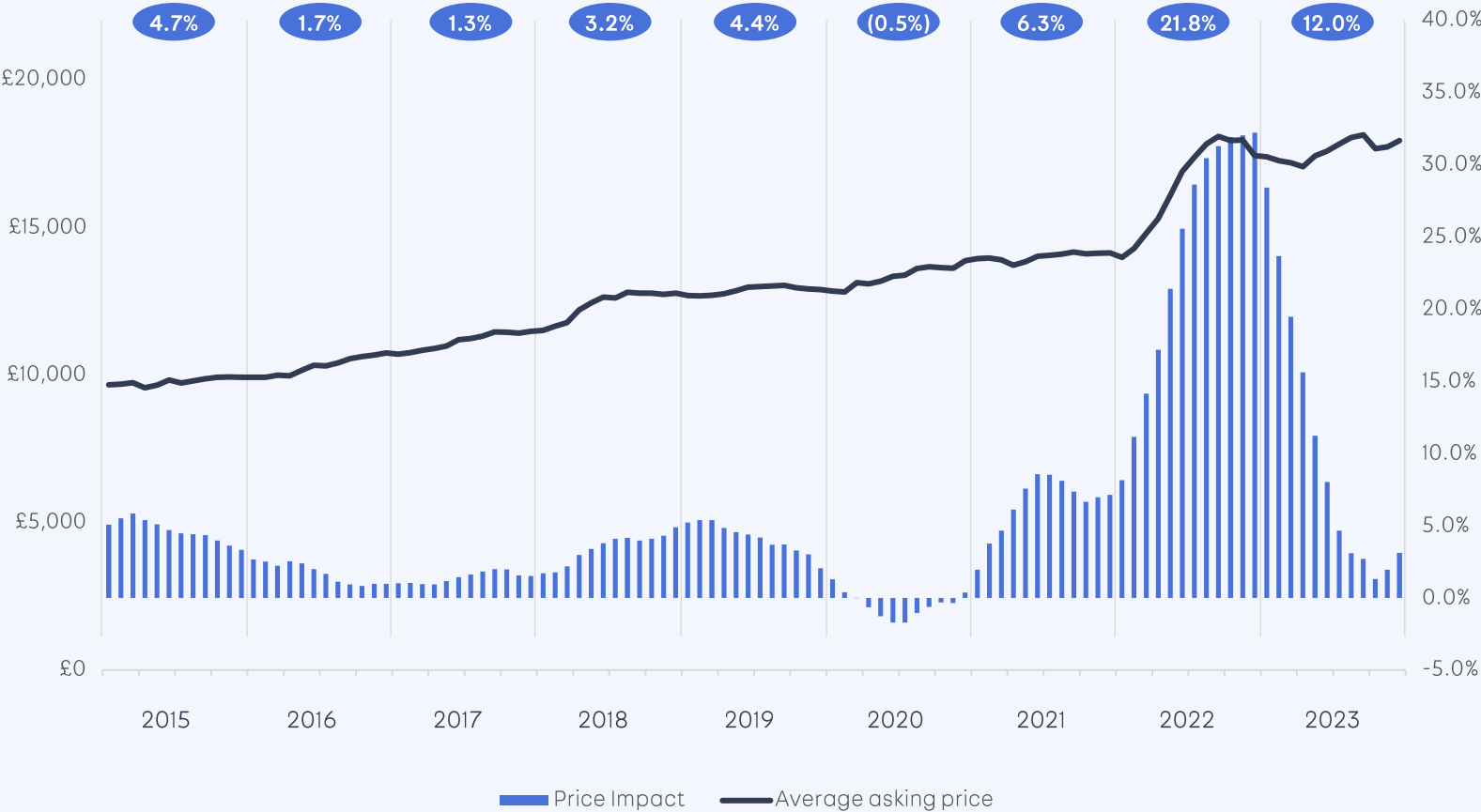
Calendar year, DVLA and SMMT data



Supply and demand dynamics, particularly in H2, supported resilient used car prices and fast stock turn for retailers

Used car retail pricing

Year ended 31 March 2023 is shown as 2023, Auto Trader data



£17,544 Average price of a used car

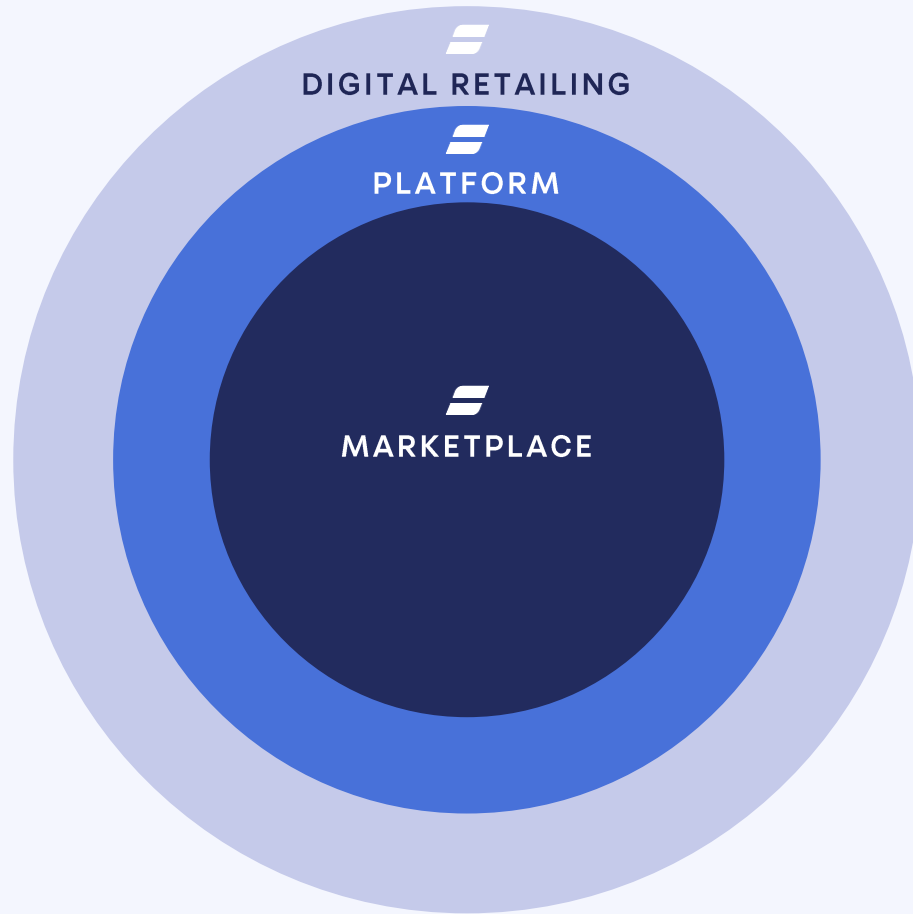
+12.0% Like-for-like year-on-year pricing growth

2 days quicker Average days to sell in 2023 was 2 days quicker than pre-pandemic (2020)

Progress against strategic priorities



Good progress on our three strategic priorities during 2023



2023 SUMMARY

➤ Marketplace:

- Executed a successful product and pricing event
- Increased uptake of prominence products to 33% (March 2022: 31%)
- Maintained >75% share of cross platform minutes
- Grew the number of retailers on our new car product by over 100 retailers

➤ Platform:

- Integrations with over 90 partners (2022: 40)
- 19 lenders integrated with our finance platform (2022: 9)
- Launched Auto Trader Connect: Valuations to support April 2023 event

➤ Digital retailing:

- Began scaling Deal Builder trial – over 50 retailers live at the end of 2023
- Acquisition of Autorama enables consumers to buy a new vehicle online on Auto Trader

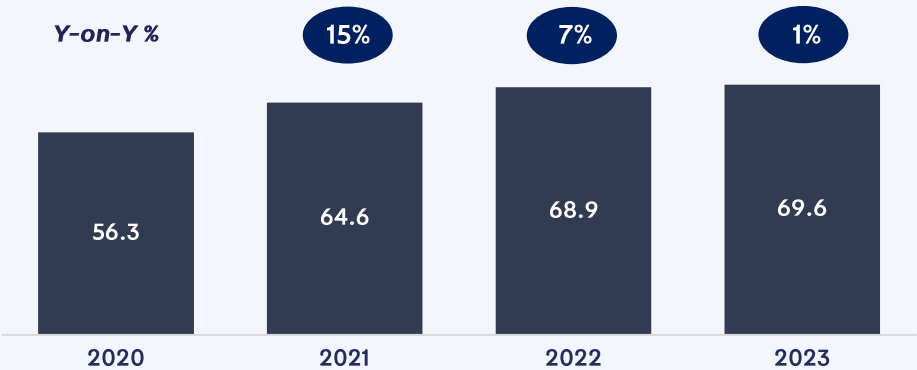
We maintained our competitive position

Auto Trader consumer engagement

Year ended 31 March 2023 is shown as 2023

Cross platform visits¹

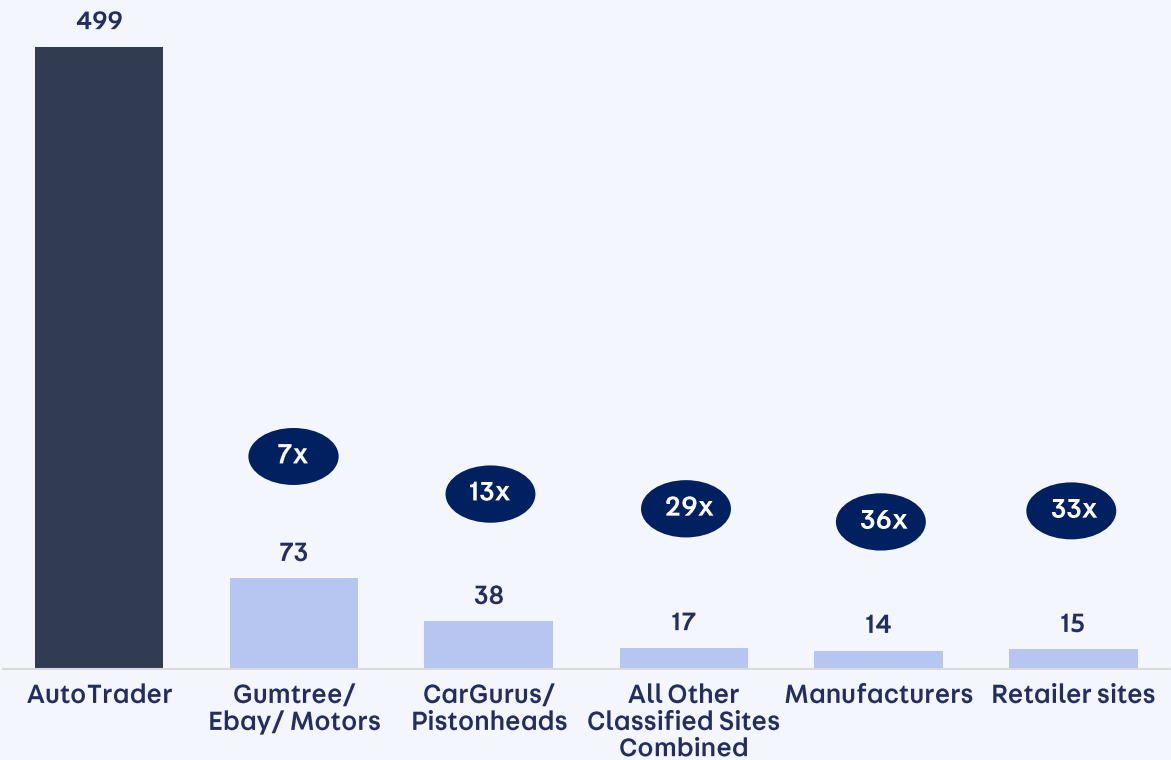
Average per month, millions



Average minutes spent, 2023, millions²

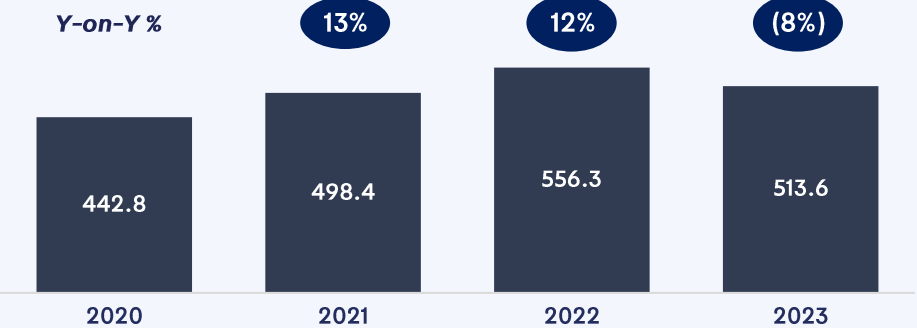
Auto Trader and other automotive websites

Our share of cross platform minutes remained at **over 75%**³



Cross platform minutes¹

Average per month, millions



¹ As measured internally through Snowplow

² Source: Comscore MMX® Multi-Platform, Total Audience, April 2022 through March 2023 UK. 'Retailer sites' Custom-defined list including - Arnold Clark, Evans Halshaw, Carshop, Lookers, Motorpoint, Availablecar.com, Stoneacre, Marshall, Cargiant, Big Motoring World, Pentagon, Sytner, Peter Vardy, Jardine Motors Group, JCT600, TrustFord, Robins and Day, Carcraft, Bristol Street Motors, Cazoo. 'All Other Classified Sites Combined' Custom-defined list including - Parkers, Whatcar, Carwow, Exchange and Mart, RAC Cars, Carsnip, Cinch, Heycar. 'Manufacturers' Custom-defined list including - Ford, Vauxhall, Volkswagen, Toyota, Mercedes-Benz, Audi, Land Rover, Nissan, Renault, Peugeot, Honda, Volvo (.com), BMW, Hyundai, Dacia, Citroen, Skoda, Seat, Lexus, Jaguar, Fiat, Suzuki, Ssangyong GB, Mazda, Mini, Tesla.

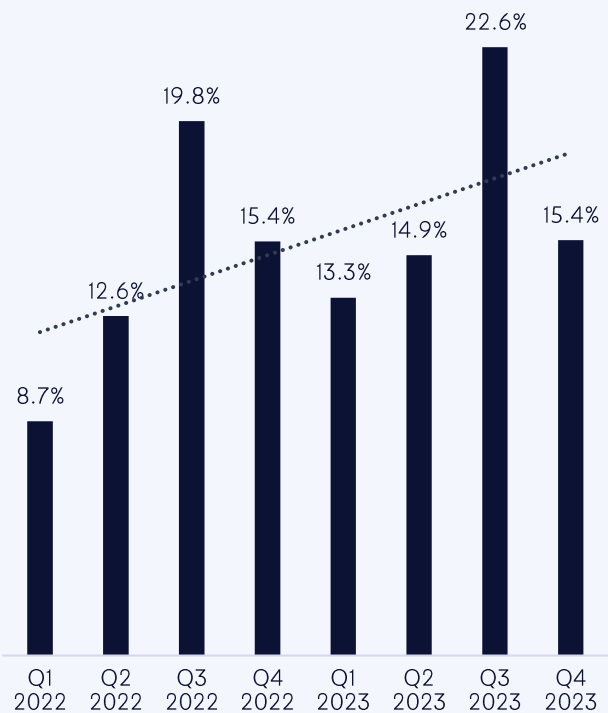
³ Share of minutes is a custom metric based on Comscore minutes and is calculated by dividing Auto Trader's total minutes volume by the entire custom-defined competitive set's total minutes volume. The custom-defined list includes: Auto Trader, Gumtree Motors, Pistonheads, Motors.co.uk, eBay Motors & CarGurus.

We continue to see electric vehicle (EV) demand and supply grow – and have the widest choice of EVs for sale in the UK

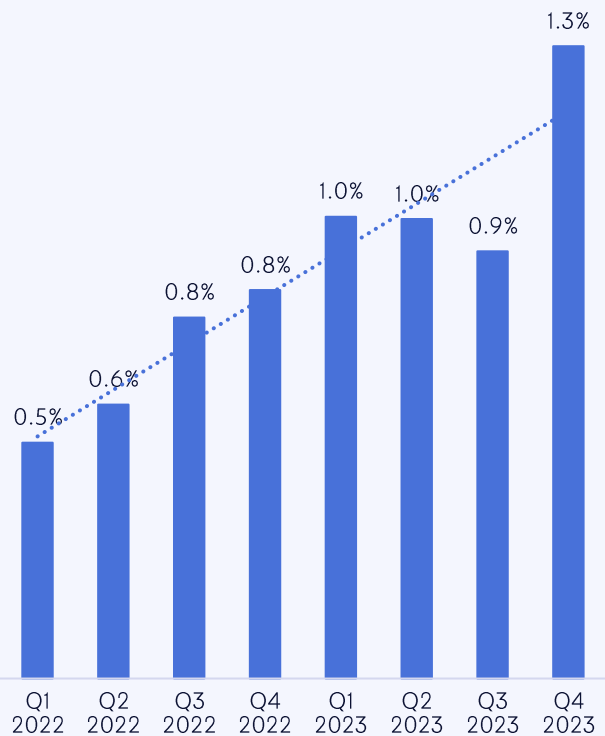
Electric share of new and used car transactions

Year ended 31 March 2023 is shown as 2023, SMMT and DVLA data

Electric share of new car registrations



Electric share of used car transactions

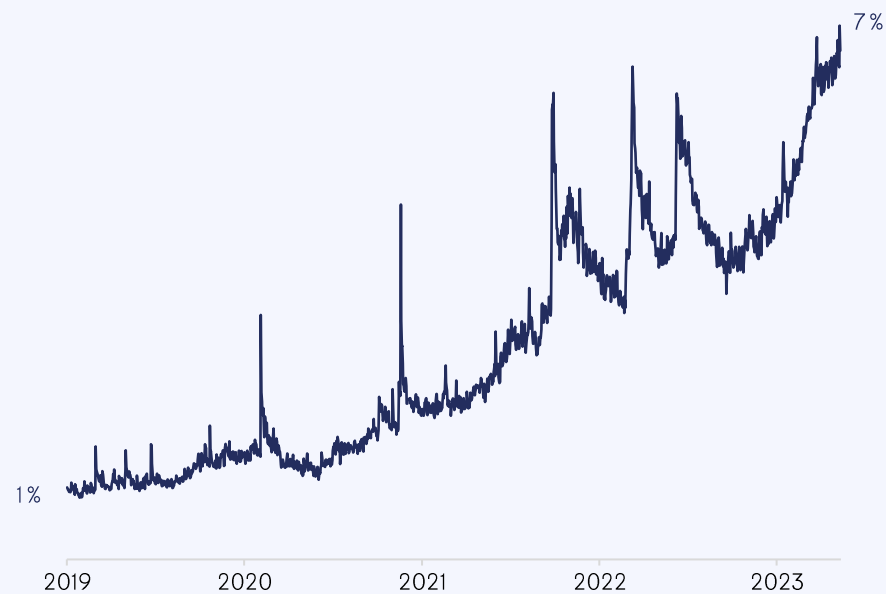


Electric cars on Auto Trader

Years shown are calendar years

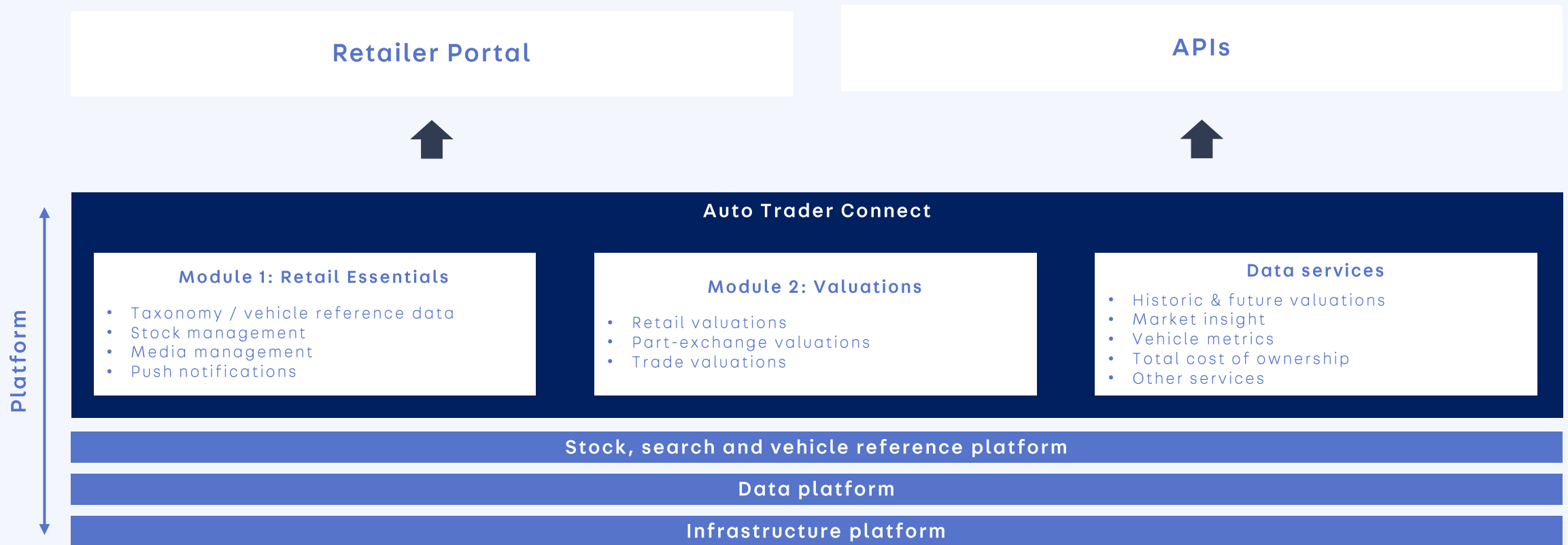
Electric share of used advert views

0-5 year old used cars

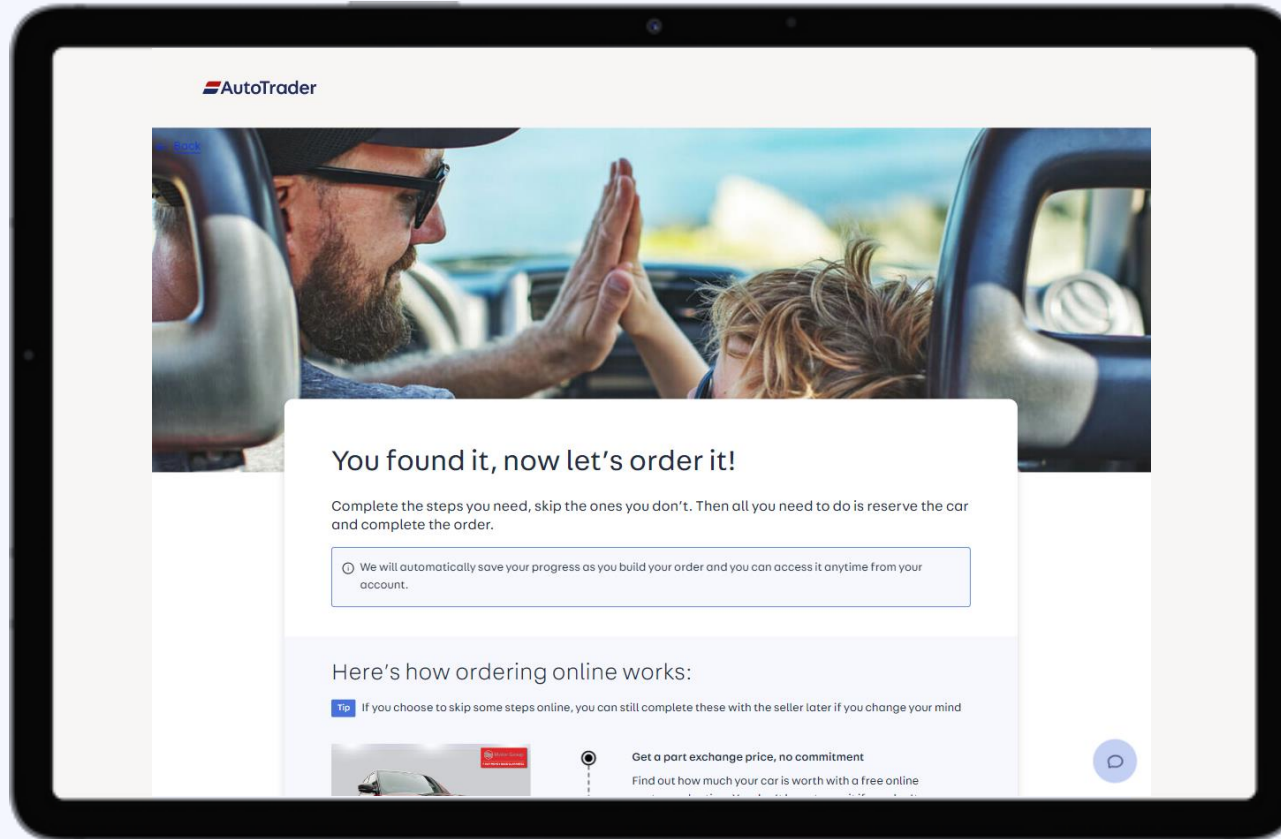


Two Auto Trader Connect modules are now included in retailer packages, which retailers can access in our Retailer Portal or via APIs

How retailers access Auto Trader Connect



We are making good progress with the Deal Builder trial



>50

Retailers on Deal Builder trial by the end of March 2023

>200

Deals on Deal Builder trial by the end of March 2023

>2k

Stock on Deal Builder trial at the end of March 2023

2024 Outlook



Outlook for 2024

The new financial year has started well and the Board is therefore confident of meeting its growth expectations for the year.

We expect another good year of retailer revenue growth, by far the largest part of our Auto Trader business. This will come from a similar ARPR growth rate to that achieved in financial year 2023. We expect the product lever to be consistent with the £137 achieved last year and the price lever to be slightly higher than last year's £90. The stock lever is likely to remain flat. We anticipate a slight decline in retailer numbers, mostly due to the full year impact of the disposal of Webzone Limited. The other revenue areas within the main Auto Trader business are likely to perform within a range of flat to low single digit growth.

Over time we aim to grow share in the new car leasing market through our new Autorama segment. Our short-term focus is on significantly reducing the current annualised operating losses of £15 million through deeper integration with Auto Trader and being disciplined on costs. Group central costs, which are non-cash and relate to the acquisition of Autorama, will be c.£18 million for the year.

Auto Trader operating profit margins should be consistent year-on-year at 70%, despite continued investment in product development and inflationary pressures. Group margins are expected to increase year-on-year.

Our capital policy remains unchanged, with the majority of surplus cash generated by the business being returned to shareholders through dividends and share buybacks.



Q&A

Appendix



Disclaimer

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Cash flow statement

£M (UNLESS OTHERWISE SPECIFIED)	2023	2022
Profit before tax	293.6	301.0
Depreciation & amortisation	14.1	7.2
Share-based payments charge (excl. associated NI)	44.6	5.1
Share of profit from joint ventures	(2.5)	(2.9)
Finance costs - net	3.1	2.6
Profit on disposal of subsidiary	(19.1)	-
Other non-cash items	1.8	(0.1)
Changes in working capital	(8.2)	15.2
Cash generated from operations	327.4	328.1
Tax paid	(60.5)	(56.2)
Capital expenditure	(3.4)	(2.8)
Payment of lease liabilities	(2.9)	(3.2)
Contributions to defined benefit pension scheme	(1.0)	(0.1)
Net cash outflow on acquisition/disposal	(128.0)	-
Dividends received from joint ventures	2.9	7.8
Proceeds from sale of property, plant & equipment	1.8	-
Drawdown/(repayment) of revolving credit facility	60.0	(30.0)
Drawdown/(repayment) of other debt	(4.0)	-
Proceeds from loan	1.1	-
Payment of interest on borrowings	(3.0)	(1.5)
Payment of refinancing fees	(1.4)	-
Dividends paid	(77.7)	(73.6)
Purchase of own shares	(147.3)	(163.5)
Payment of fees on repurchase of own shares	(0.7)	(0.8)
Proceeds from exercise of share-based incentives	2.0	1.4
Net increase/ (decrease) in cash	(34.7)	5.6

Five year record¹

£M UNLESS OTHERWISE STATED	2023	2022	2021	2020	2019
Auto Trader	473.0	432.7	262.8	368.9	355.1
Autorama	27.2	-	-	-	-
Revenue	500.2	432.7	262.8	368.9	355.1
Operating Costs	(181.0)	(132.0)	(104.0)	(113.2)	(112.3)
Group central costs ²	(44.1)	-	-	-	-
Share of profit from joint ventures	2.5	2.9	2.4	3.2	0.9
Operating profit	277.6	303.6	161.2	258.9	243.7
Net finance costs	(3.1)	(2.6)	(3.8)	(7.4)	(10.2)
Profit on disposal of subsidiary	19.1	-	-	-	8.7
Profit before taxation	293.6	301.0	157.4	251.5	242.2
Taxation	(59.7)	(56.3)	(29.6)	(46.4)	(44.5)
Profit after taxation	233.9	244.7	127.8	205.1	197.7
Net assets/ (liabilities)	527.3	472.5	458.7	141.6	59.0
Net bank (cash) debt/ (gross bank debt less cash)	43.4	(51.3)	(15.7)	275.4	307.1
Cash generated from operations	327.4	328.1	152.9	265.5	258.5
Basic EPS (pence)	25.0	25.6	13.2	22.2	21.0
Diluted EPS (pence)	24.8	25.6	13.2	22.1	20.9
Dividend per share (pence)	8.4	8.2	5.0	2.4	6.7

We issue regular market insight reports which are growing in authority and profile - these are shared widely across industry and government

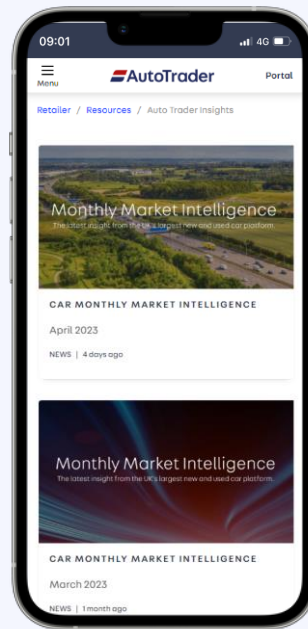


ROAD TO 2030

A report tracking the progress of **electric vehicle adoption** in the UK

Issued 3x per year

See [here](#)



MONTHLY MARKET INTELLIGENCE

A report tracking the health of the **new and used markets**

Issued monthly

Available for cars, vans and bikes

See [here](#)



USED CAR RETAIL PRICE INDEX

A report tracking the **retail pricing of used cars**

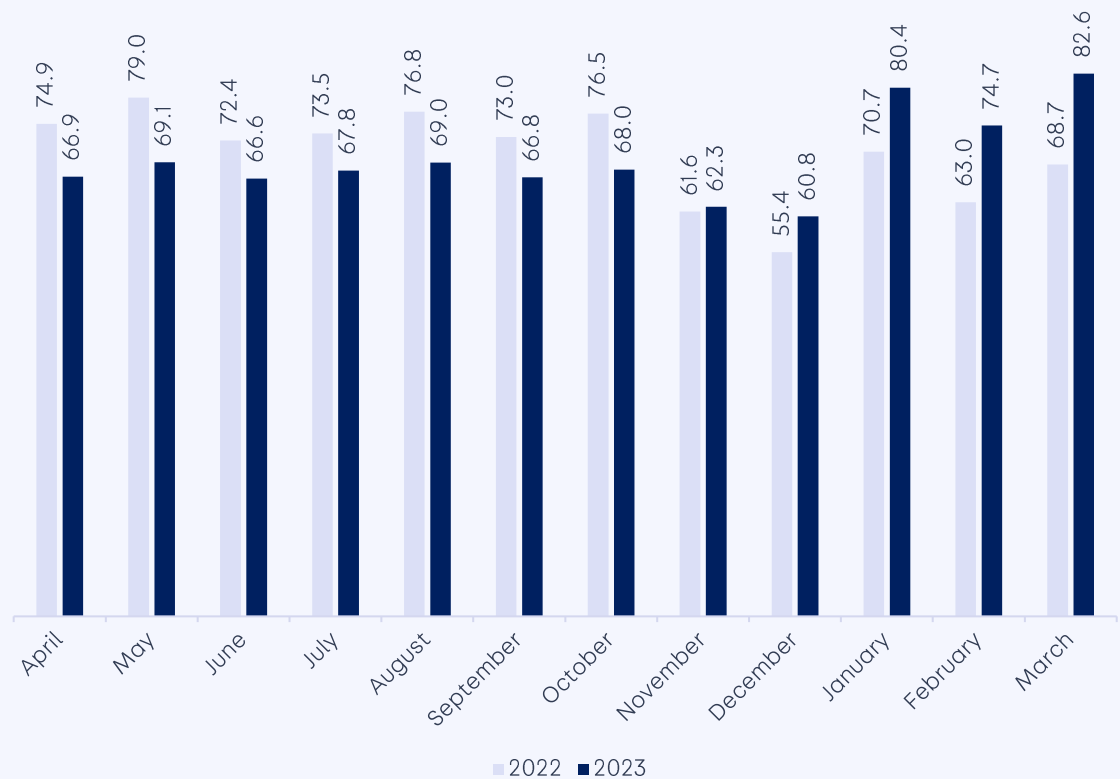
Issued monthly

See [here](#)

Consumer engagement strengthened in the second half of the financial year

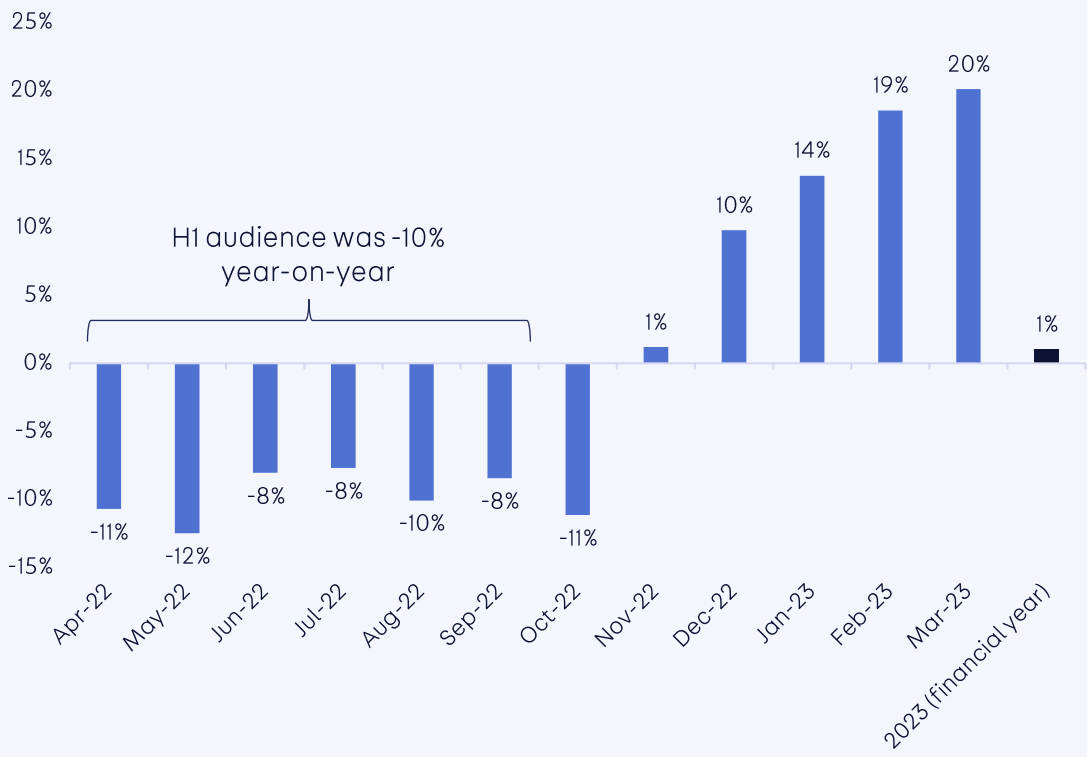
Auto Trader site visits (m)

Snowplow data, year ended 31 March 2023 is shown as 2023



Year-on-year change in site visits to Auto Trader

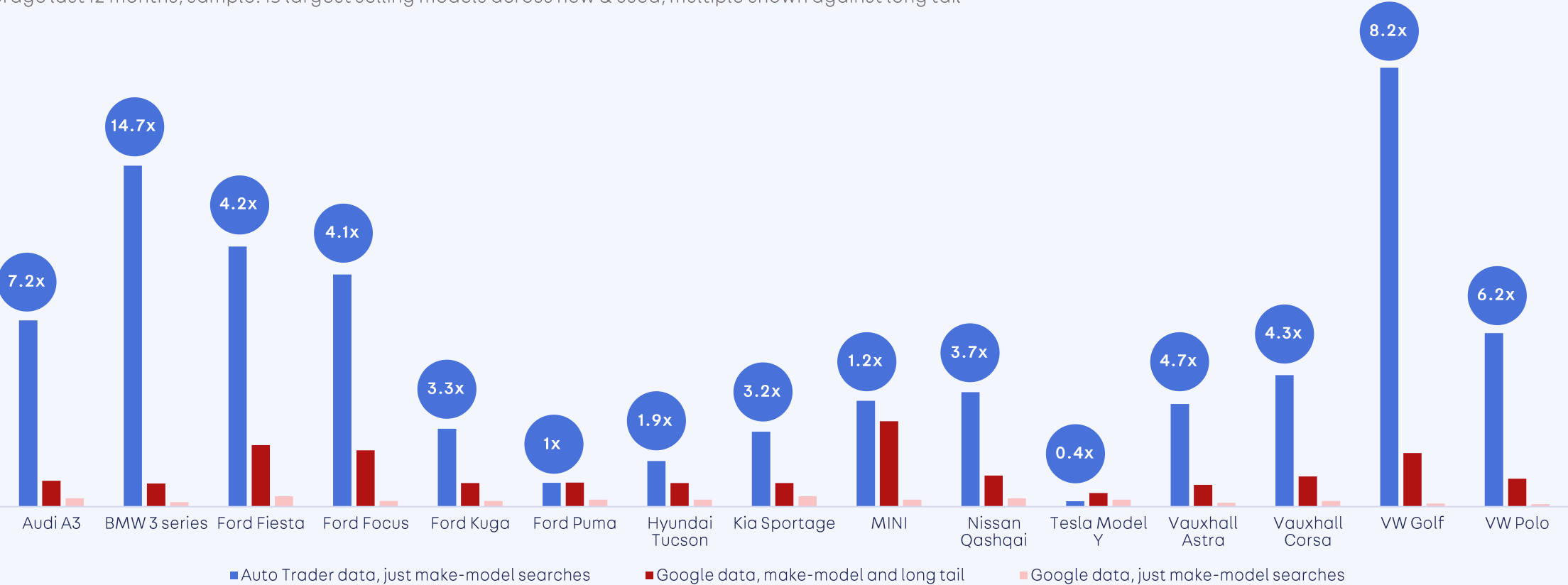
Snowplow data



We are the #1 destination for automotive searches in the UK with ~4x the volume of searches seen on Google in the UK

Auto Trader UK and Google UK monthly search volumes¹

Average last 12 months, sample: 15 largest selling models across new & used, multiple shown against long tail



¹Note on methodology: Google data comes from Google Keyword Planner, which we have validated against a 3rd party source. The analysis does not include 'make' searches on either Auto Trader or Google. In addition, we haven't included in the above the times those models appear in search on Auto Trader (for example) a consumer searches for a specific price bucket and those cars appear. So, if anything the numbers above are conservative.

Consumers can complete the full check out of a leasing deal on Auto Trader

