

ASX RELEASE 28 OCTOBER 2022

**2022 ANNUAL GENERAL MEETING
MANAGING DIRECTOR'S ADDRESS TO SHAREHOLDERS**

Good morning everyone and welcome to the carsales 2022 Annual General Meeting and the first time it has been hosted in the carsales office.

Once again it has been another hugely eventful and significant year for the company as we mark our 25th anniversary. We've continued to evolve considerably across many different fronts - from managing through the pandemic and the way we work and collaborate as a business, to developing new products and expanding further into global markets. Through all this the company has performed exceptionally well and I look forward to taking you through our FY22 performance in a moment.

But before I do, in keeping with tradition I'd like to play a short video for you. This year we were able to attend the Australian Automotive Dealer Association convention and expo in person and we showed this video to dealers to highlight how we have supported them through the year. And we will share that video with you now.

Turning to the presentation:

Slide 3 – Delivering Strong Shareholder Returns

- As the Managing Director and a shareholder this is always a good place to start and as you can see here, we've continued to perform very well delivering strong total shareholder returns over a long period of time.
- The gap between the performance of the company (being the blue line) and the broader market continues to widen significantly over time which is pleasing.

Slide 4 – FY22 Financial Highlights

- It's also good to report to shareholders that the financial performance of the company in FY22 landed at the top end of our market guidance.
- Once again we've seen the resilience we have in trading through economic cycles and the important role diversification continues to play in driving our growth.
- We're also very happy with how the team has managed the significant disruption and volatility caused by COVID-19, while at the same time staying absolutely focused on driving our strategy.
- With Adjusted Revenue up 16% year on year to \$510m, Adjusted EBITDA up 7% to \$272m and Adjusted NPAT up 27% to \$195m we are very pleased with the financial performance outcomes delivered this year.

Slide 5 – FY22 Operating Highlights

- Over the last 12 months we've seen the vehicle market trade strongly whether that be consumers continuing to move into lifestyle assets like RVs and powersports or buying their next car. Used car prices have continued to rise significantly throughout the year, particularly dealer used cars, driven by ongoing new car supply challenges and strong demand against pre-COVID levels.
- Strength in market conditions continues to be reflected here, along with our ability as a business to build on our market position while at the same time delivering excellent performance results for our customers. This is reflected in shorter time to sell and lead volumes performing strongly against pre-pandemic levels.

Slide 6 – An Internationally Diversified Business

- Part of our strategy for many years has been to invest in large high-growth markets where we can leverage our intellectual property and technology to create long term sustainable value for carsales shareholders. We've been highly effective at that with our investments in South Korea and Brazil especially.
- With the acquisition of Trader Interactive in the United States that strategy continues to play out. Nearly half our businesses revenue is being delivered from large high-growth offshore markets and we've been able to achieve good industry diversification into non-automotive markets which tend to be less digitally mature.
- With diversification through geography, industry mix and business models, we're in excellent shape to continue to grow into the future.

Slide 7 - Positioned To Drive Long-Term Growth and Shareholder Value

- As we've presented before to shareholders, we operate in very large and growing total addressable markets, with emerging opportunities that have been accelerated by COVID. We see significant room to increase our share in these markets which will continue to drive our long term growth.

Slide 8 – Strong Strategy Execution in FY22

- In terms of realising that long term growth potential over the last 12 months, the team has performed exceptionally well.
- Some of the key Australian highlights have been the great progress we've made on our digital retailing capability, our volume growth in Instant Offer, yield uplift from dynamic pricing, the re-positioning of our media business and growth in dealer finance.
- Our international businesses have also made great progress with the launch of new branches in Korea for Guarantee and growing our dealer customer base in the United States for Trader Interactive.
- We're also pleased to announce that we achieved carbon neutral certification in respect of our Australian business operations from Climate Active and we are working with our international businesses now to achieve similar certification.

Slide 9 - Leading to Excellent Results

- It is very pleasing to see the execution of our strategy is also contributing to good financial performance outcomes in FY22 across both our Australian and international businesses with double digit Adjusted Revenue and EBITDA growth.
- This pro forma view normalises the acquisitions of Trader Interactive which we closed on the 30th of September this year, and tyreconnect on an underlying basis

Slide 10 - And a Positive Outlook Leading into FY23

- Looking at our outlook for FY23, we are very pleased with how the year has started across our Australian and international businesses. On a pro-forma basis we expect to deliver good growth in Adjusted Revenue and Adjusted EBITDA.
- On an actual basis with the inclusion of the 51% of Trader Interactive from October, we will deliver very strong Adjusted Revenue, Adjusted EBITDA and Adjusted NPAT growth in FY23.
- In terms of margins, we expect to see margin expansion of Group Adjusted EBITDA on both a pro-forma and actual basis in FY23.

Slide 12 – Strong Track Record of Growth

- Looking at our Group financial performance, it's clear the evolution of our business strategy is paying dividends as we've continued to build shareholder value through sustained growth across Adjusted Revenue, EBITDA and NPAT.
- And we continue to be well positioned coming into FY23.

Slide 13 – Adjusted Net Profit After Tax Summary

- Looking at Adjusted NPAT and the major movements below EBITDA.
- Growth in Cost of Goods Sold reflects the operating expense increase due to the acquisition of tyreconnect, a wholesale tyre business.
- Depreciation increased by 21% year on year, which reflects the ongoing investment in further developing our software assets and supporting our growth generating initiatives.
- Profit from associates was up 826% reflecting the inclusion of Trader Interactive's results and Webmotors' strong revenue and earnings performance.
- The Group delivered adjusted net profit of \$195m which was 27% higher year on year, reflecting the strong underlying performance of the business and the addition of Trader Interactive as an associate.
- Finally, the Board declared a final dividend of 24.5c per share up 9% on last year. This growth is particularly pleasing given we issued almost 25% more shares in our recent entitlement offer in respect of the Trader Interactive acquisition.

Slide 14 - Strong Cashflow and Robust Balance Sheet

- The company generated strong operating cash flows again in FY22, with an EBITDA to cash flow conversion ratio of 99%, which highlights the strong working capital profile of our marketplace business model.
- From a capex perspective, the company continues to invest in a number of key products which are all supporting current and future revenue growth and customer experience. The increase in capex in FY22 is also reflective of less employee churn and higher wage costs in the technology teams versus FY21. And as pointed out in the slide we expect the rate of capex growth to moderate in FY23.
- From a funding perspective we have now refinanced our syndicated debt facility which we did as part of the acquisition of the remaining 51% of Trader Interactive in September.
- Post completion we now have leverage of about 2.7x net debt to EBITDA and we plan to de-lever over the next 2 years to around 2x.

Slide 16 – Australian Revenue – Dealer & Media

- As already mentioned, our Australian business has had a good 12 months with revenue growth of over 10%.
- Dealer revenue growth of 6% for the full year and 10% in the second half was a solid outcome overall in what's been an eventful and buoyant year in the automotive industry. Demand for new and used cars has remained robust with excellent performance in our key underlying metrics such as audience, time to sell and lead to sale conversion, enabling us to deliver strong results for dealers.
- Looking at the right hand part of the slide at media performance, it was great to see this part of the business finishing the year strongly with revenue growth of 15% on pcp. What's working for us here has been our ability to diversify our customer base towards a larger share of non-automotive customers and continued enhancement of key products across native advertising, programmatic and brand terms.

Slide 17 – Australian Revenue – Private & DR&S

- Private has had an excellent year growing exceptionally fast with revenue up 26% on pcp, driven by sellers continuing to have the ability to command higher prices and with time to sell still running lower than pre-pandemic levels.
- In addition to the private seller ad volume strength, we made some advertising price changes and launched dynamic pricing which led to yield increasing by 19% on pcp.
- Alongside private seller is Instant Offer which has performed exceptionally, with growing consumer awareness helping us achieve around 3,000 cars being purchased through Instant Offer a month and supporting the strong double digit revenue growth we saw overall in private seller.
- Looking at Data, Research and Services revenue was up slightly by 3% on pcp, which we felt was a resilient effort given market conditions. Similar to H1 revenue growth came from Redbook.

Slide 18 – Australian Revenue – carsales Investments

- We've restructured our reporting so that our investments stand apart from the rest of our Australian operations, and as you can see they include tyresales and tyreconnect, Redbook Inspect and Placie.
- The biggest contributor to this segment is our tyre businesses which saw around 150% revenue growth on pcp for the year, primarily driven by the inclusion of tyreconnect but without it we still saw underlying revenue growth of 8% on pcp which was a solid outcome.
- Our Redbook Inspect business, which underwent a re-brand this year, was challenged with lockdowns in H1 but has bounced back nicely particularly around ride share volumes which is pleasing.
- Finally, Placie, which is a longer term play, has made good progress building relationships in the important ride share segment.

Slide 20 – Americas – Trader Interactive

- Moving onto our international portfolio, and overall in FY22 we've continued to deliver in our offshore markets where we've generated 15% revenue growth on pcp and we still feel like we're just getting started.
- Looking at Trader Interactive, they've had an excellent year with revenue and earnings up 11% and 16% on pcp respectively on a constant currency basis and EBITDA margins expanding through operating leverage from around 54% to 57%. All verticals grew but RV and powersports were the stand outs through growth in yield, customer penetration and rising inventory levels.
- The business is really well positioned coming into FY23 with average yield uplifts of around 7% from March/April this year, inventory levels continuing to improve and the execution of our synergies all supporting incremental revenue growth next year.

Slide 21 - Trader Interactive Post Completion Update

- Given that we've recently completed the acquisition of the remaining 51% of Trader Interactive we wanted to provide shareholders with a further update on business performance.
- Overall the business continues to deliver excellent financial performance through Q1 of this financial year in both revenue and earnings.
- In addition to this we are anticipating further incremental growth through the delivery of a new dealer auto response product that has just been launched, good momentum in dealer package upsells, improving inventory conditions across all verticals and dealer customer acquisition at record levels in September. There will also be further yield optimisation, and we are looking to launch dynamic pricing in private seller in H2 FY23. We are also completing our key cost synergies initiatives by combining carsales and Trader Interactive supplier arrangements.

Slide 22 - Trader Interactive Post Completion Update

- Trader is a business that has good counter cyclical market characteristics and while we have seen metrics like traffic and leads come off the FY21 COVID pandemic highs they still remain well above pre pandemic FY19 levels.
- As a result of changing market conditions we are also seeing inventory levels begin to rise across all major verticals but still below 2019 levels. As dealer inventory grows, TI becomes an even more important partner for dealers from a selling perspective - this is supporting strong recent customer acquisition with TI now having a record 10,000 dealer customers

Slide 23 – Asia – Encar

- Looking at Asia and Encar has again been able to deliver strong financial performance outcomes while investing in long term future growth opportunities.
- Revenue growth of 17% on a constant currency basis was underpinned by strong execution across three key growth products:
 - Guarantee revenue growth of 30% was impressive and driven by branch network expansion with the addition of 4 sites and growing customer penetration within existing branches. 40% of Encar vehicles on site are now inspected.
 - With Dealer Direct we remain focused on building product, dealer penetration and volume, which were contributors to the 76% pcp revenue growth we saw here.
 - Encar Home grew by 65% on pcp which was pleasing as we continue to refine the consumer and dealer experience the product offer.

Slide 24 - Americas – webmotors

- webmotors had another outstanding year across the business finishing with revenue growth of 26% and EBITDA growth of 23% on pcp on a constant currency basis.
- Dealer revenue growth was strong and underpinned by new customer subscriptions across the country and yield growth the result of an increase in lead fees, an improvement in chargeable leads and the sale of premium dealer products such as CRM.
- Our regional expansion re-commenced in H1 and this was a nice driver of new dealer subscriptions through the south and south east regions of the country.

Slide 25 – Americas – chileautos & soloautos

- It has been a challenging year for our Chilean and Mexican businesses dealing with COVID but the teams in both countries have done a great job in working together, keeping cost under control and looking for good growth opportunities as market conditions improve.
- Chile is beginning to show promising signs of recovery and we're seeing consistent double digit revenue growth being delivered by chileautos each month now.
- Mexico remains a challenging market at the moment with new car sales still around 30% below pre-pandemic levels, so our focus remains on holding back cost while we await improved market conditions.

Slide 27 – Australian and International Priorities

- This particular slide was in our Investor Day deck from December and it's important because it reflects what we're trying to do, which is build on our traditional sources of growth while adding material new growth drivers to meet the demands of a changing landscape to keep the company in a strong position moving forward into the future.
- At the same time, we've diversified our sources of growth within large addressable markets with trend tailwinds and industries where we can leverage some of the best IP and technology in our class.

Slide 28 – Select is Ramping Up

- With Digital Retailing or 'carsales Select' we've been making solid progress since we launched the product in August last year and we are seeing good outcomes for customers.
- We've sold more than 6,000 Select cars so far through the site with around 2,300 Select cars available for sale today. We're gradually bringing more dealers into the product, and we've evolved the product from the initial offering with the introduction of both trade in and finance capability.
- Over the coming months there will be more to come to improve our offering, but we are pleased with the good progress we are making.

Slide 29 – Instant Offer Momentum is growing

- Instant offer is a product we've had in market for around 5 years. It's a product that we've tweaked and pivoted several times to ensure we're building the right buyer and seller experience.
- Over the past 12 months we've felt the product is in the right place for us start increasing consumer awareness, which we've been doing with above the line advertising. This has brought more sellers to Instant Offer and we're now selling around 3,000 cars a month through the platform.
- The other thing we've done over the last few months has been to optimise the service to allow us to quickly adapt to changing market conditions.
- The outcome of this evolution can be seen on the far right, and we feel there's much more private seller volume that can be sold through Instant Offer over time, because it's delivering a simple, easy, convenient and fast way to sell a car for our consumers.

That completes our presentation for today.

We're very happy with how the Company is performing and how we're executing and driving strategy. We're really excited about taking full ownership of the Trader Interactive business and have a lot of confidence in the future growth of carsales.

Finally, I'd like to thank our customers for their ongoing support over the last twelve months, and our outstanding global team for the incredible job they do each and every day.

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