

carsales  com ltd

Full Year Results Presentation

Year ended 30 June 2023



Disclaimer and Non-IFRS Information

Disclaimer

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Non-IFRS Financial Information

carsales' results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including "adjusted", "underlying" "proforma" and "look-through". These measures are used internally by management to assess the performance of our business and our associates, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review. All numbers listed as reported comply with IFRS.

Agenda



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1. FY23 Highlights



Excellent Full Year Results

- Outstanding financial performance with 18% proforma¹ revenue growth, 19% proforma¹ EBITDA growth and margin expansion to 53%
- Excellent progress on strategic priorities and continued investment in long-term growth initiatives
- Creating substantial value through delivery of carsales' products and IP in US and Brazil
- Double-digit revenue and earnings growth in all key markets

Proforma¹
Consolidation of acquisitions in both periods

Revenue	↑	
\$942m		18% vs pcp
EBITDA	↑	
\$496m		19%

Adjusted¹
Actual ownership excluding abnormal items

Revenue	↑	
\$781m		53%
EBITDA	↑	
\$425m		57%
NPAT	↑	
\$278m		43%

Reported
In accordance with IFRS

Revenue	↑	
\$781m		53%
EBITDA	↑	
\$400m		49%
NPAT	↑	
\$646m		301%

(1) Proforma financial information assumes consolidation of Trader Interactive and webmotors in FY23 and prior periods. Proforma NPAT not provided due to the complexity in determining Trader Interactive and webmotors' financial information under a hypothetical capital structure. Adjusted financials excludes certain non-recurring or non-cash items. See slide 36 regarding the disclosure of non-IFRS Information and slides 38-39 for a reconciliation of Adjusted to Reported Financials.

Operational Highlights

Excellent operational metrics reflect strength of our global marketplaces

Marketplace Highlights


2.2 million

↑  Vehicles online¹

1.2 billion

↑  Total sessions⁴

42 million

↑  Unique audience per month⁷

Dealer Highlights


48 thousand

↑  Subscribed dealers²

410 thousand

↑  Encar car inspections⁵

22 million

↑  Dealer leads delivered⁸

Consumer Highlights

18 billion

↑  Page views³

11x more preferred

↑  v nearest competitor⁶

8% Faster

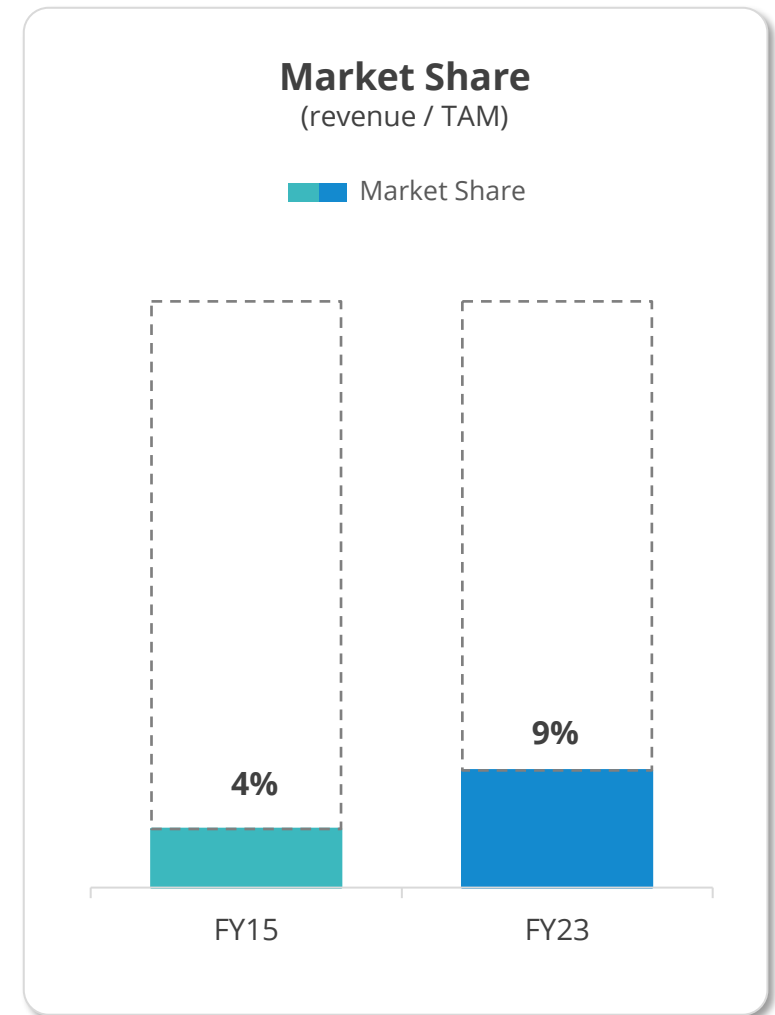
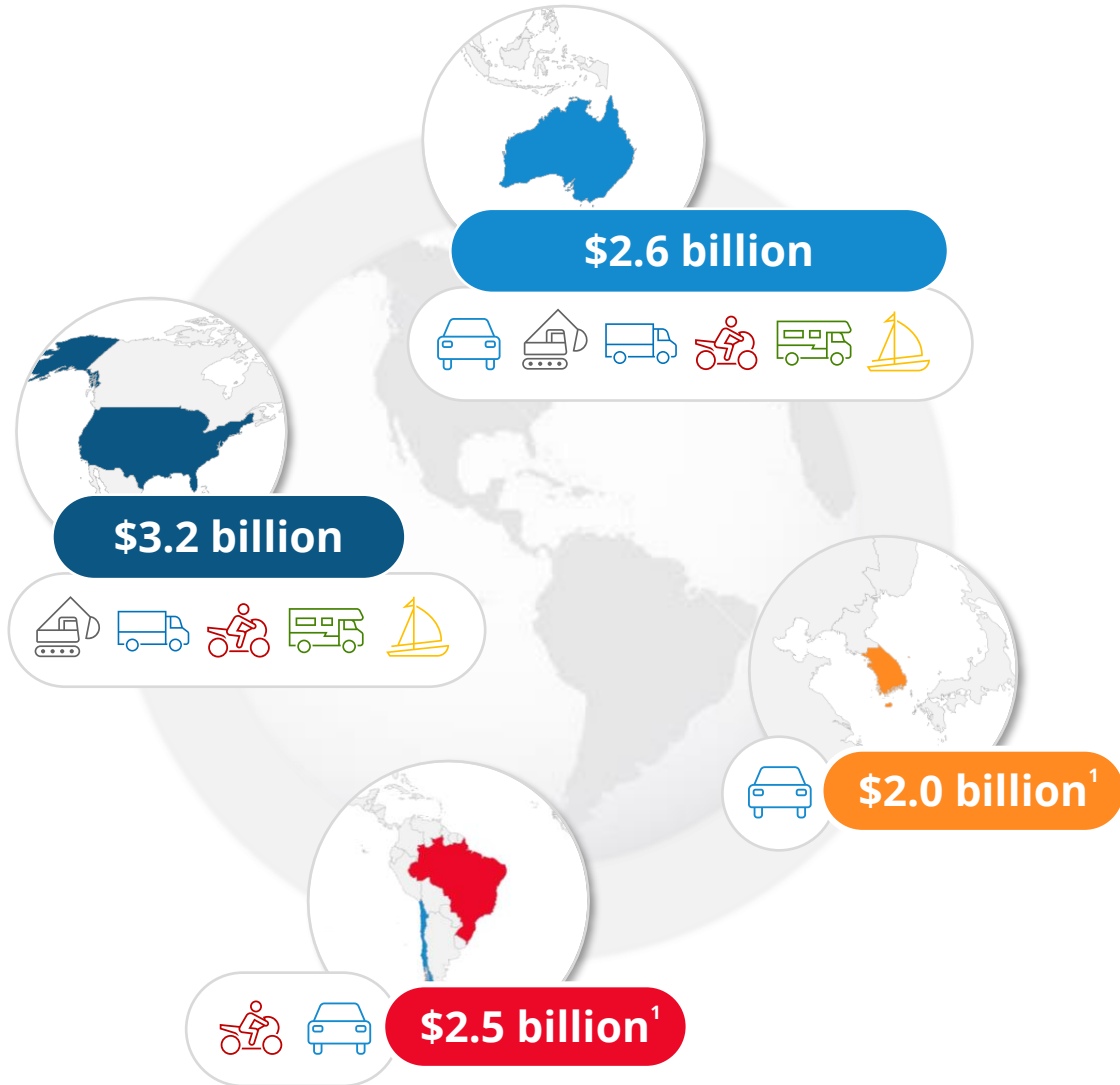
↑  Time to sell⁹

All arrows show change vs. FY19

(1) Inventory published for websites in Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 23. (2) Number of active dealers in Australia, South Korea, United States, Brazil, Mexico and Chile as at 30 Jun 23. (3) Page views for websites in Australia, South Korea, United States, Brazil, Mexico and Chile for period 1 Jul 22 – 30 Jun 23. (4) Google Analytics, sessions for websites in Australia, South Korea, United States, Brazil, Mexico and Chile for period 1 Jul 22 – 30 Jun 23. (5) South Korea - carsales internal data, cars inspected for period 1 Jul 22 – 30 Jun 23. (6) Study conducted by independent research agency, Nature Pty Ltd, "market brand health tracker Jun 23". If you had to choose one tomorrow, which one would you most prefer for buying or selling a new / used car? carsales.com.au vs. competitors. (7) Google Analytics, unique audience for websites in Australia, South Korea, United States, Brazil, Mexico and Chile, monthly average for period 1 Jul 22 – 30 Jun 23. (8) Dealer leads from websites in Australia, South Korea, United States, Brazil, Mexico, and Chile for period 1 Jul 22 – 30 Jun 23. (9) Median time to sell Jun-23 vs. Jun-19 average for Australian used private and dealer inventory.

Market Opportunity

We operate in large markets with significant opportunity for future long-term growth



Refer to slide 41 for calculation methodology. (1) Brazil and Korea re-stated to reflect recalculation of dealer and inclusion of media and private addressable markets.

Strong US Growth Since Acquisition

Key Revenue Synergies Being Delivered



Lead Amplifier

October
2022

- Audience extension product with 75% dealer uptake
- Price of 99USD per month
- Delivering low single-digit increase in revenue growth



Dynamic Pricing

March
2023

- Dynamic pricing for private seller advertisements
- Live on all key sites
- Delivering significant increase in private ad yield of 30%¹



Premium Select

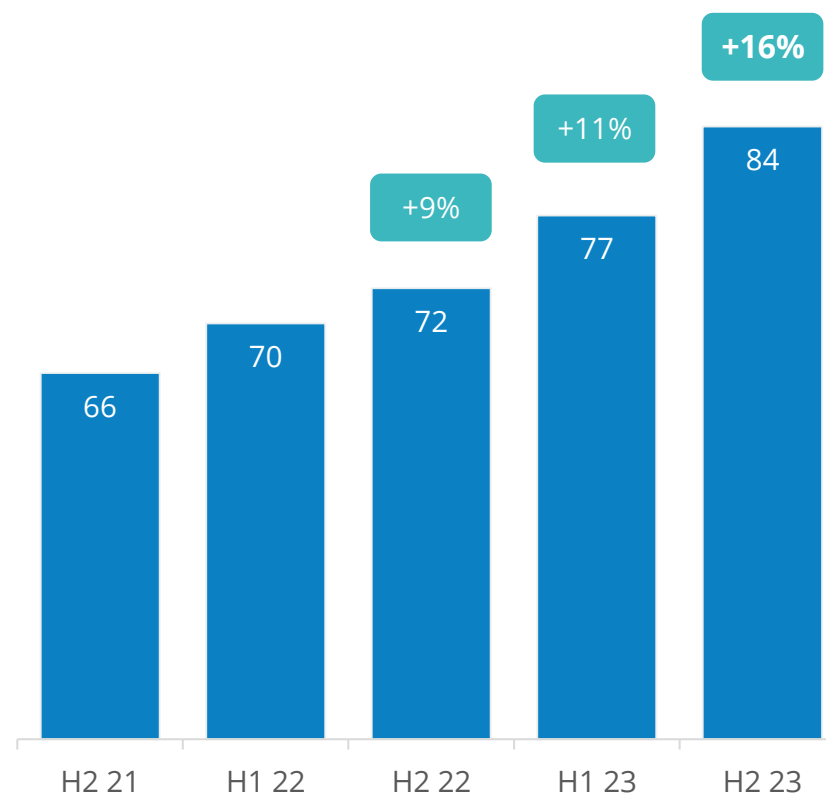
April
2023

- Ranking product that promotes vehicle to top of search
- Live on all key sites
- Signed >400 dealers at monthly yield of USD550

Revenue Growth Has Increased

Revenue (USDm) and Growth vs pcp (%) by Half

■ Revenue (USDm) ■ Growth v pcp



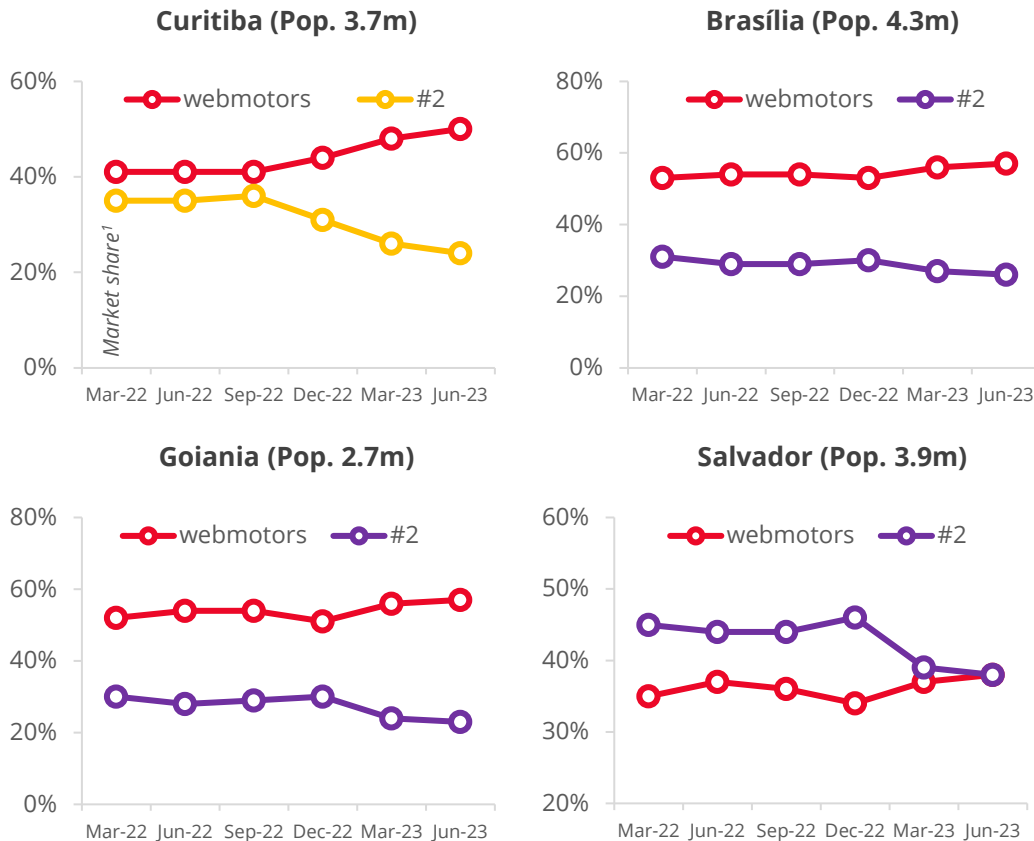
(1) Jun-23 v Jun-22

Strong webmotors Progress

National expansion driving increased audience and new initiatives gaining traction

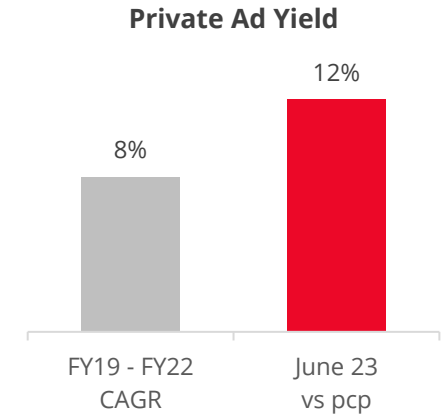
National Expansion

Investment in increasing brand presence is yielding strong benefits



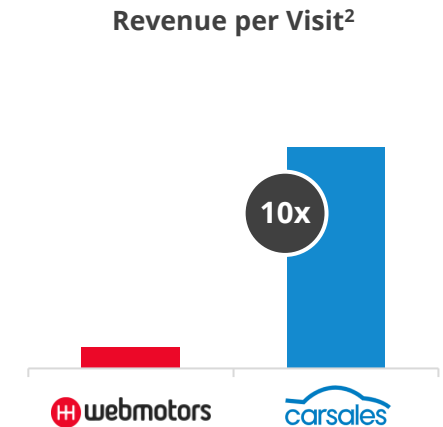
Dynamic Pricing

- Dynamic pricing engine implemented mid-June
- Increased private ad yield 12% with no volume loss
- More upside to come through additional initiatives



What's Next - Media

- webmotors has a huge audience but derives minimal media revenue
- Initial media revenue upside will come from deployment of carsales' programmatic technology which will deliver improved ad quality and pricing



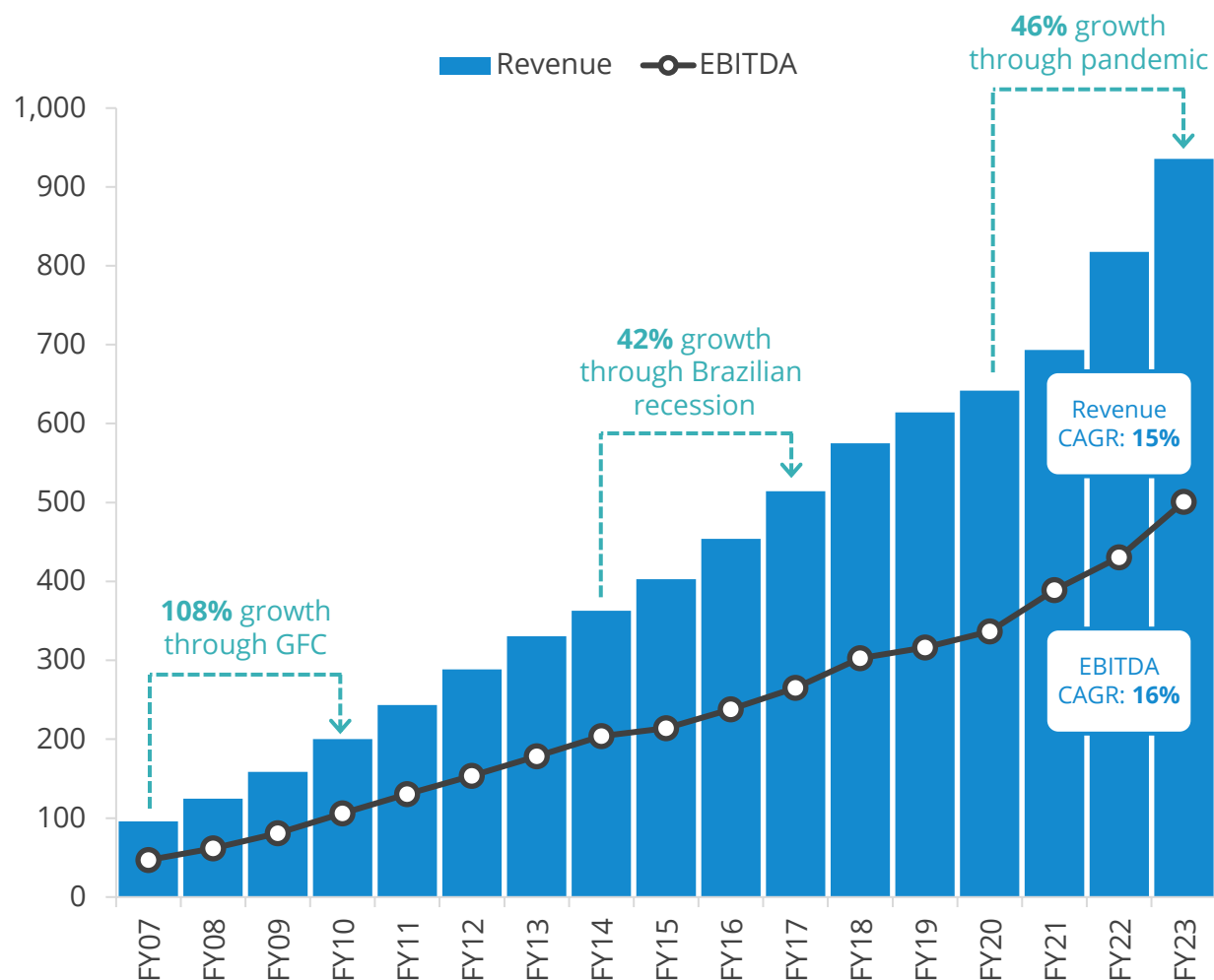
(1) Source: Google Analytics. (2) Visits and revenue for the period of Jul-22 - Jun-23. Assumes an AUD / BRL exchange rate of 3.23.

Delivered Compelling Double-Digit Growth Over 16 Years Through Different Economic Cycles

Highly resilient and countercyclical business model

- carsales is more geared to used vehicle buy & sell transactions which have less cyclicity than new vehicle buy transactions
- Dealers & OEMs need to move inventory in any economic environment
- Marketplaces deliver a high return on investment versus other advertising sources and tends to be last channel to be reduced
- Subscription model for dealers in the US and Korea results in high recurring levels of revenues
- Cost base has a good level of flexibility
- Diversity of geographies and industries provide further resilience

Group Proforma Financial Performance (AUDm)



Positive Outlook for FY24

Outlook statement

Proforma Basis

We expect to deliver good growth in Revenue and EBITDA in FY24

Actual Basis

We expect to deliver very strong growth in Revenue and Adjusted EBITDA and strong growth in Adjusted NPAT in FY24

Margin

We expect to see expansion in the carsales Group EBITDA margin on a proforma basis in FY24

Australia Observations

Dealer

- We expect to deliver solid growth in dealer revenue in FY24 supported by increased penetration of premium products including depth and dealer finance along with yield increases

Private

- Anticipate good revenue growth supported by private ad volume growth, private ad yield and Instant Offer

Media

- Expect good revenue growth supported by continued expansion of our native ad products, programmatic capability and non-automotive diversification

Investments

- Expecting good growth in revenue and similar EBITDA versus FY23

International Observations

United States

- We expect good growth in revenue and strong growth in EBITDA in FY24

Brazil

- We expect strong growth in revenue and strong growth in EBITDA in FY24

Korea

- We expect good growth in revenue and solid growth in EBITDA in FY24

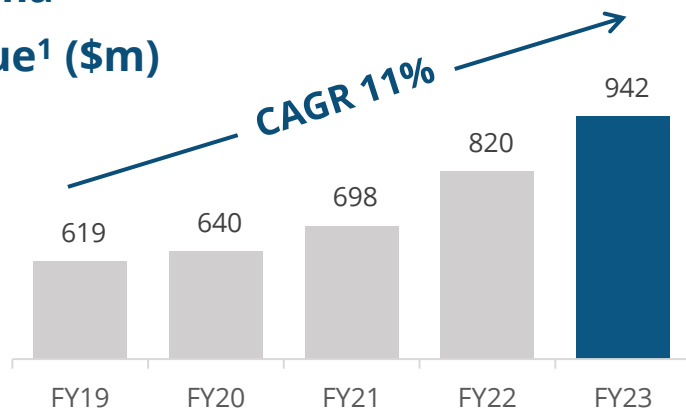
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2. Financial Performance

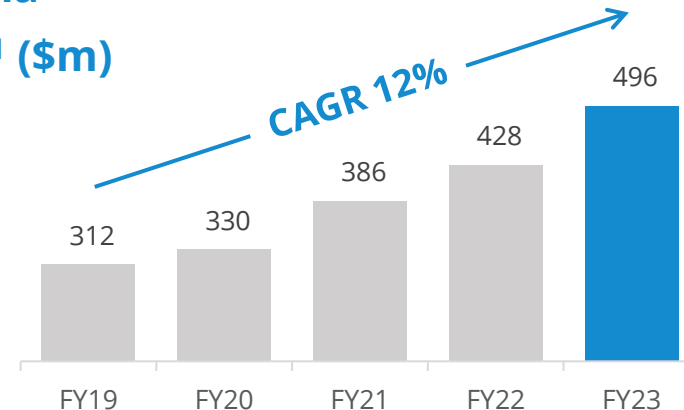


Strong Track Record of Growth

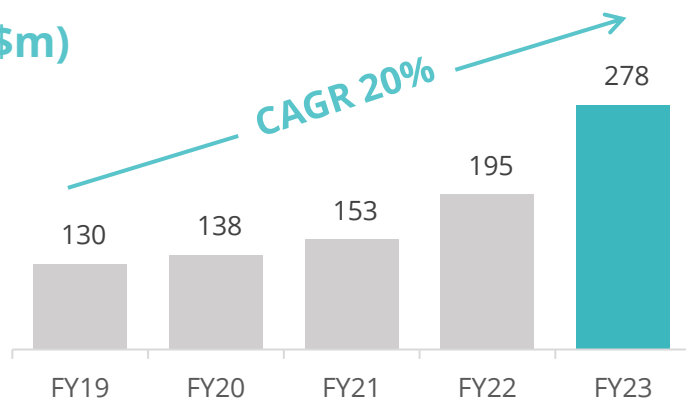
Proforma Revenue¹ (\$m)



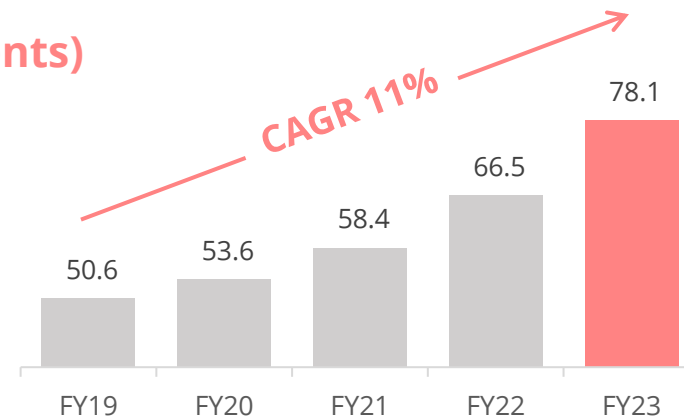
Proforma EBITDA¹ (\$m)



Adjusted NPAT (\$m)



Adjusted EPS² (cents)



P&L Summary

Actual Basis

\$A Millions	FY22	FY23	Growth %
Revenue	509.5	781.0	53%
Operating expense	238.4	356.1	49%
Adjusted EBITDA	271.2	424.9	57%
Depreciation & amortisation	38.6	50.7	31%
Net finance cost	13.1	48.9	275%
Income tax expense	64.1	61.8	(4%)
Profits from associates & NCI	39.4	14.7	(63%)
Adjusted NPAT	194.8	278.2	43%
Adjusted earnings per share (cents) ¹	66.5	78.1	17%
Final dividend per share (cents)	24.5	32.5	33%

Reconciliation of Adjusted NPAT to Reported NPAT

Adjusted NPAT	194.8	278.2	43%
Gain on step acquisition	-	486.5	n.m.
Acquired intangible amortisation	(23.0)	(49.0)	n.m.
Impairment of investments	-	(37.6)	n.m.
M&A and other significant items	(11.1)	(32.5)	n.m.
Reported NPAT	160.8	645.6	301%

- Very strong increase in revenue and EBITDA reflects strong underlying double-digit growth and the consolidation of Trader Interactive and webmotors in FY23
- D&A largely reflects depreciation of building fit outs and software assets. The high growth is largely due to the inclusion of Trader Interactive and webmotors. The software investment continues to support ongoing growth, which was strong in FY23
- Net finance cost increase reflects an increased debt balance and a higher average interest rate
- Profits from associates & NCI largely reflects contribution from webmotors and Trader Interactive as associates. Profit contribution is lower in FY23 vs FY22 because both were equity accounted for a shorter duration in FY23
- Final dividend of 32.5 cents per share declared, up 33% on pcp. Dividend will be franked at 50%
- Reported NPAT is higher than Adjusted NPAT largely due to the one-off gain recognised on moving to majority ownership in the US and Brazil
- M&A costs comprises costs associated with the US and Brazil transactions
- Impairment largely reflects non-cash impairment of Tyres Group business due to a more challenging operating environment

Segment Performance

Delivering double-digit revenue and earnings growth in all key segments

Proforma Basis

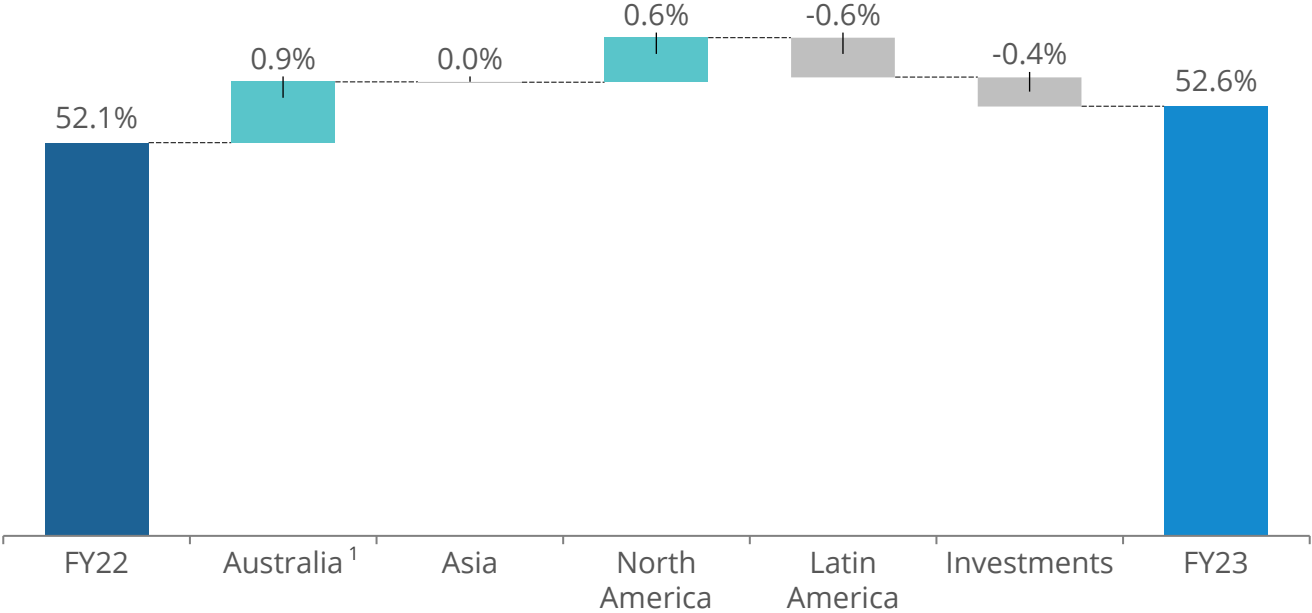
\$A Millions	FY22	FY23	Growth %	CC % ¹
Australia ²	351.7	399.1	13%	13%
Asia	95.4	103.9	9%	12%
North America	195.5	239.4	22%	14%
Latin America	99.0	138.9	40%	29%
Investments	56.5	60.9	8%	8%
Revenue	798.1	942.2	18%	15%
Australia ¹	226.6	258.6	14%	14%
Asia	48.1	52.5	9%	13%
North America	111.2	140.0	26%	17%
Latin America	31.8	47.7	50%	33%
Investments	(1.9)	(3.0)	n.m.	n.m.
Adjusted EBITDA	415.8	495.7	19%	16%

- **Australia²** – excellent revenue and EBITDA result driven by continuing to provide a compelling value proposition for our customers. Reflected in double digit growth across the Private, Dealer and Media revenue segments. Achieved margin expansion whilst continuing to invest in future growth
- **Asia** – Good revenue and earnings growth primarily driven by increasing the penetration rate of the Guarantee and Encar Home products in South Korea
- **North America** – delivered another excellent revenue and margin result via strong customer acquisition momentum, yield increases through premium product penetration and continuing to demonstrate operating leverage
- **Latin America** – this segment comprises Brazil, Chile and Mexico. The strong growth largely derives from the performance in Brazil. The national expansion campaign in Brazil delivered strong growth in customer acquisition and yield increases through premium product penetration
- **Investments** – Solid revenue growth in Redbook Inspect and the Tyres Group. Lower EBITDA result due to lower margin in Tyres due to higher freight costs

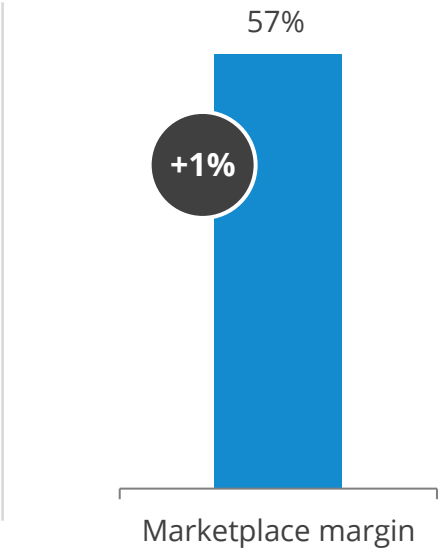
EBITDA Margin Summary

- Overall, reflects a strong revenue result and continued discipline in managing costs. Margins continue to grow despite an inflationary cost environment and continued investment in key growth initiatives
- Increase in Australian margin reflects continued benefits of operating leverage whilst investing in key future growth drivers including Instant Offer
- In North America, continued introduction of new high margin products and existing operating leverage drove margin expansion
- The small negative result in Latin America, reflects the mix impact of adding in webmotors which has a lower margin than the average Group margin. Underlying margins in Brazil increased in FY23 which was a good result given the level of national expansion investment
- Investments reflects a similar negative mix impact to Latin American and higher freight costs in the Tyres group

Group Proforma EBITDA Margin



Marketplace² EBITDA Margin



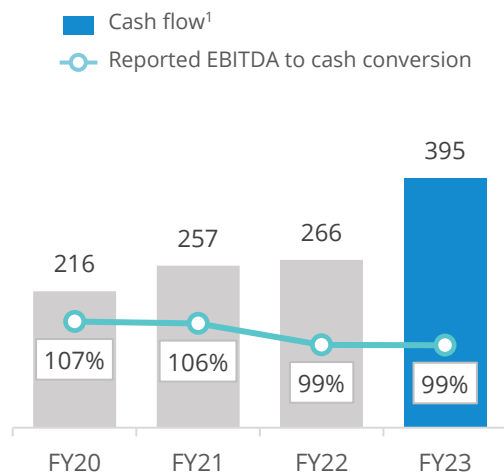
Refer to footnote 1 on slide 5 for proforma and adjusted financial definitions. (1) Australia reflects Online Advertising and Data research & Services segments. (2) Marketplace reflects all segments excluding Investments.

Strong Cash Flow and Robust Balance Sheet

Cash flow conversion

- Good conversion of EBITDA to cash reflects the attractive working capital profile of marketplace business models and good cash collections

EBITDA to Cash flow



Leverage² and net debt

- Net debt and leverage ratio increase reflects incremental debt drawn down as part the 51% acquisition of Trader Interactive, which was completed in Sep-22
- FY23 Leverage on proforma² basis remains prudent at 1.96x

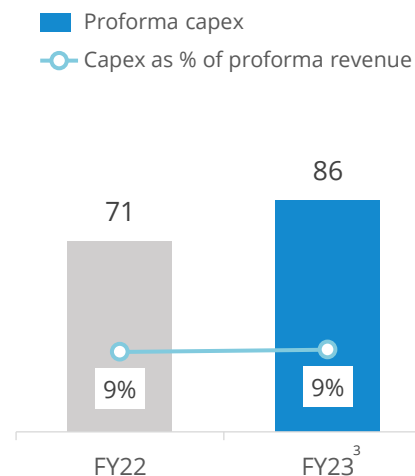
Net debt

\$A Millions	FY22	FY23	%
Borrowings	650	1,172	(80%)
Cash	(132)	(199)	50%
Net Debt	518	973	(88%)
Leverage ratio	1.91	1.96	n/a

Capex

- Key investments in digital retailing and trade-in, dynamic pricing and media technology continue to drive growth in all our markets
- We expect FY24 capex as a % of revenue to be similar to FY23

Capex

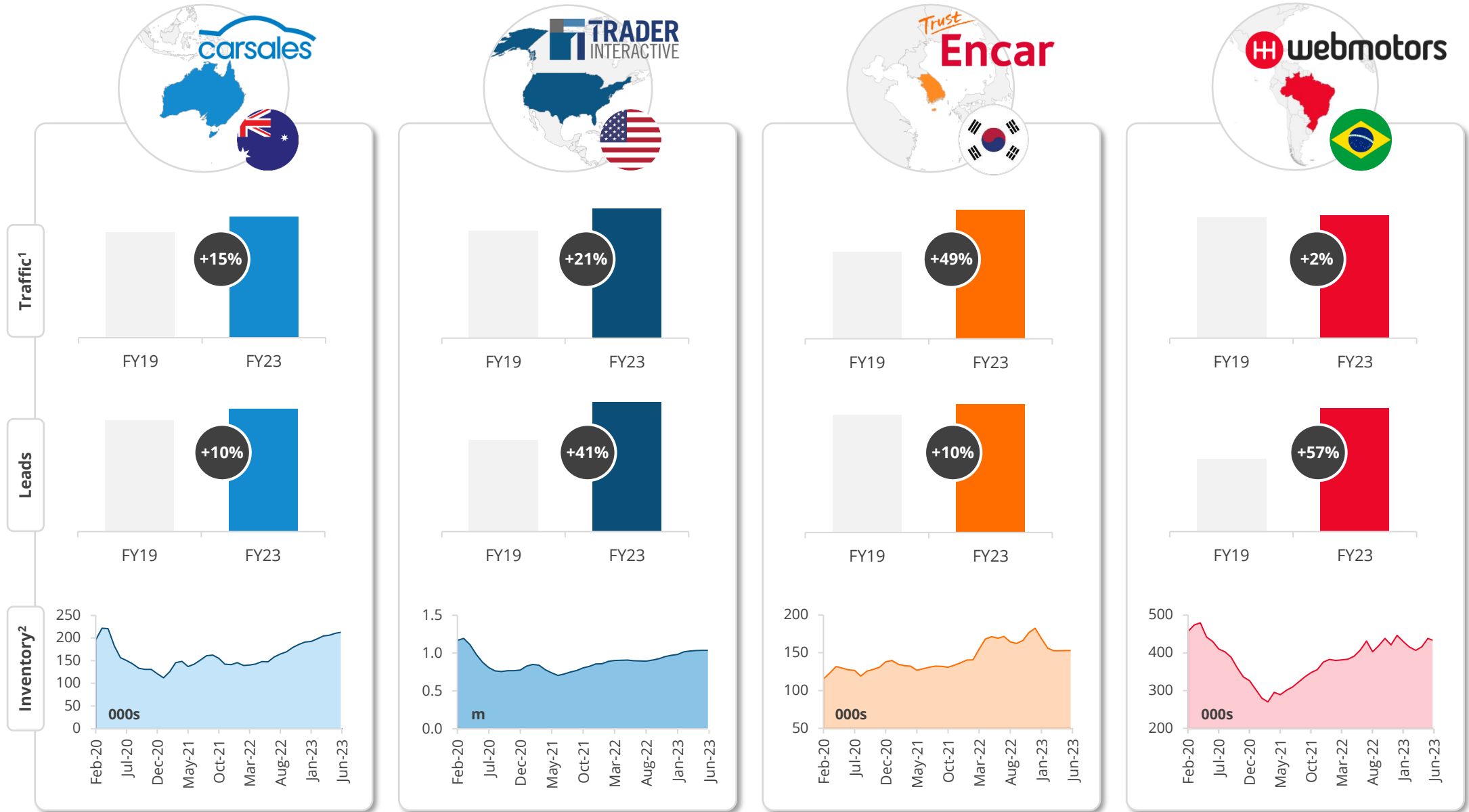


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3. Operating Segments Review



Strong Marketplace Metrics



(1) Traffic measurement sources: US, Korea: Google Analytics, Brazil: Adobe. (2) Trader Interactive monthly unique listings. Other markets listing volumes on last day of each month

Excellent execution on key priorities supported by strength and resilience in the used car market

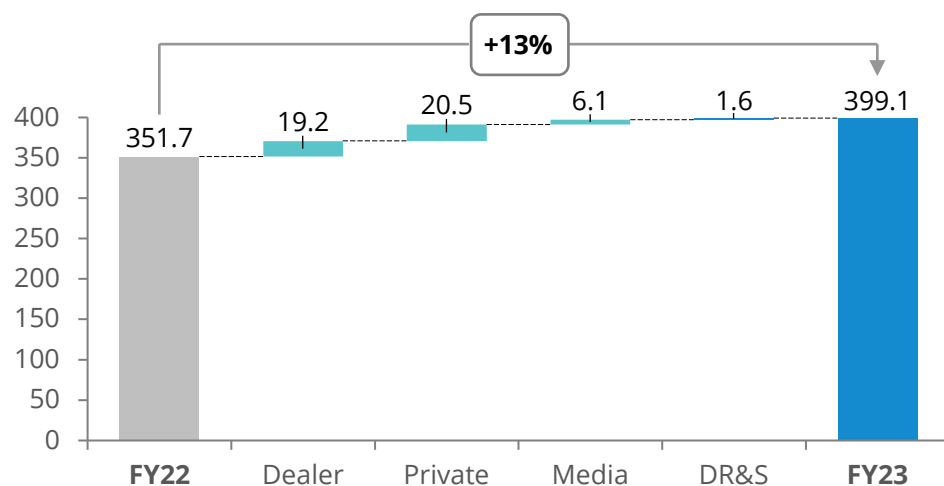
Financial summary

\$A millions	FY22	FY23	%
Dealer	183.8	203.0	10%
Private	69.4	89.9	30%
Media	54.5	60.6	11%
Data, Research & Services	44.1	45.6	4%
Revenue	351.7	399.1	13%
Adjusted EBITDA	226.6	258.6	14%

Performance commentary

- Outstanding FY23 result with double digit growth in Dealer, Private and Media segments
- Extended our market leadership position from an audience and inventory perspective, reflecting the strength of carsales' value proposition. Result also supported by the resilience of the Australian used car market, growth in new car sales and a healthy dealer network
- Dealer performance underpinned by higher yields and increasing penetration of premium products, which was primarily depth products
- Excellent Private revenue outcome driven by record volumes, increased ad yield and strong growth in Instant Offer volumes
- Media delivered good growth through continued execution of new products and diversification into non-automotive categories
- Resilient result in Data, Research & Services reflects Redbook continuing to maintain its market leading position as a provider of vehicle specification and market insight services
- Small improvement in EBITDA margin reflects the benefits of operating leverage and good cost management. This was despite investing more in future growth and the impact of a more inflationary environment

Revenue Growth Contribution (\$m)



North America - Trader Interactive



Outstanding first year of full ownership with strong progress on synergies driving growth

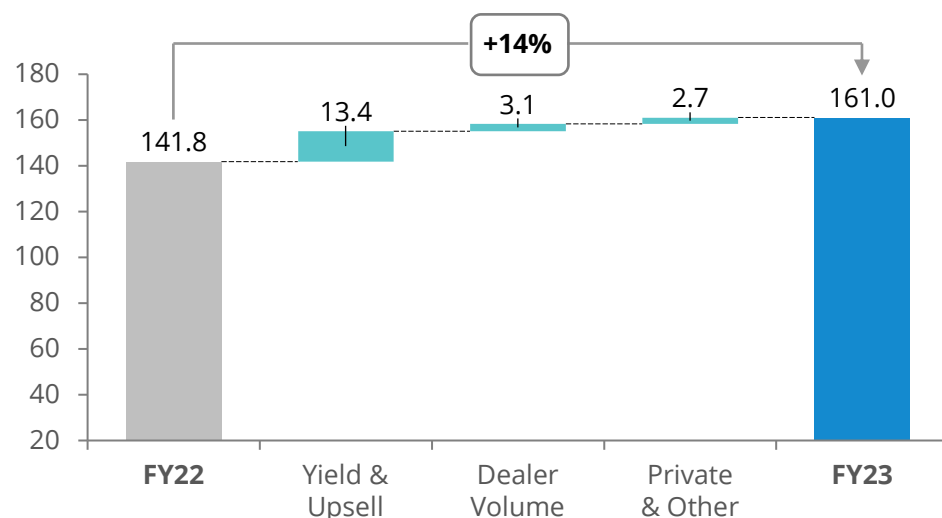
Financial summary (proforma)

		FY22	FY23	%
USDm	Revenue	141.8	161.0	14%
	Adjusted EBITDA	80.6	94.1	17%
AUDm	Revenue	195.5	239.4	22%
	Adjusted EBITDA	111.2	140.0	26%

Performance commentary

- Strong financial performance reflects delivery of new product, acquiring new customers and investing in technology to drive future growth
- Consumer demand remains elevated versus pre-covid levels with traffic and lead volumes significantly higher than 2019
- Delivered double-digit revenue growth across all verticals in H2, supported by growing inventory levels
- Good customer acquisition, particularly in the under penetrated Powersports and Commercial Truck segment
- Strong value proposition supported increases in average yield per dealer. Yield uplift delivered through new product releases, package upsells and price increases
- Private growth driven by higher volumes and the implementation of the dynamic pricing engine
- Strong dealer acquisition with >300 new paying dealers subscribed
- Achieved three percentage points of EBITDA margin expansion to 60%, through operating leverage and good cost discipline
- Rapid integration of carsales IP, in particular Premium Select and dynamic pricing to drive momentum into FY24

Revenue Growth Contribution (\$USDm)



Excellent financial performance with strong growth in all key areas and margin expansion

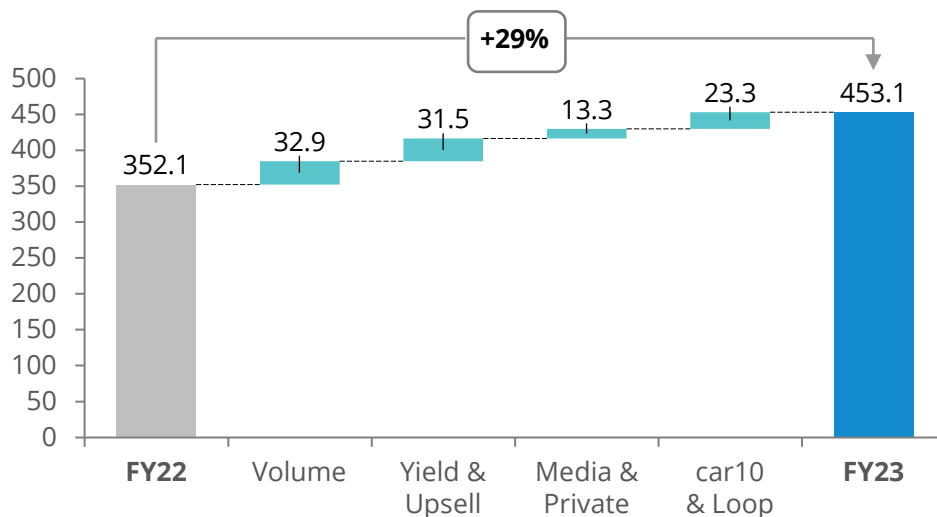
Financial summary (proforma)

		FY22	FY23	%
BRLm	Revenue	352.1	453.1	29%
	EBITDA	127.1	166.6	31%
AUDm	Revenue	93.1	131.1	41%
	EBITDA	33.4	48.3	44%

Performance commentary

- Excellent financial performance in Brazil reflecting strong execution of the national expansion plan driving lead volume and dealer subscription growth
- Delivered higher dealer yields through higher premium product penetration and a price increase
- National expansion plan increased market share in key markets Curitiba, Brasília, Goiania and Salvador with a combined population of c.15 million
- Private ad dynamic pricing engine implemented in June 23. This delivered a good uplift in yield with further upside expected in FY24
- Good growth in finance simulations but similar level of transactions due to tight credit market and more conservative lending policies. This should improve in FY24 as credit markets improve and interest rates reduce
- Strong growth in adjacent market services, Car10 and Loop

Revenue Growth Contribution (BRLm)



Continued execution on penetrating premium products driving good growth

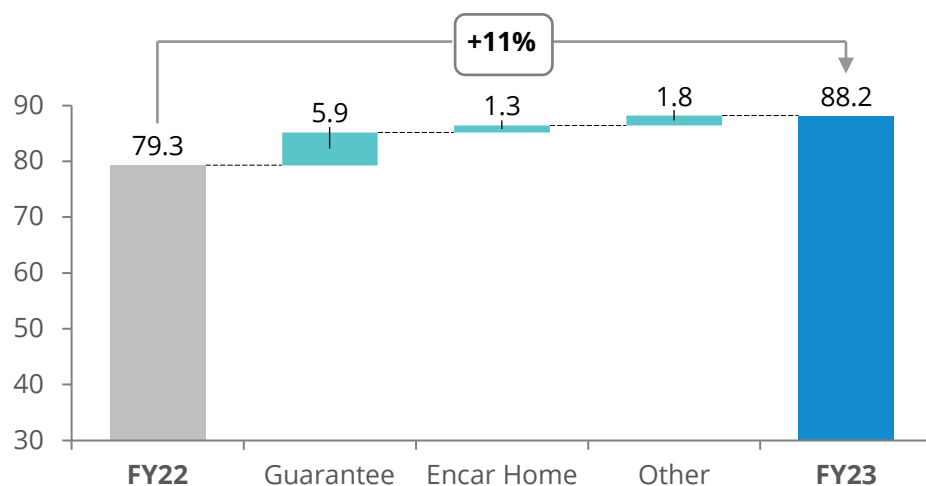
Financial summary

		FY22	FY23	%
KRWb	Revenue	79.3	88.2	11%
	Adjusted EBITDA	39.7	44.3	12%
AUDm	Revenue	90.9	98.6	9%
	Adjusted EBITDA	45.5	49.6	9%

Performance commentary

- Good growth in revenue and EBITDA which was a pleasing result given tight credit market conditions experienced throughout the year
- Strong inventory growth with listings on site at a record high of 180k
- Performance supported by further increase in penetration of Guarantee product to 46% of all listings. Key drivers were:
 - Opening of 4 new inspection centres with 51 now operational across Korea
 - Establishment of new dealer contracts at existing inspection centres
 - Expansion of minimum volume commitments from existing dealers
- Encar Home transaction volumes were up 43% vs pcp with continued refinement of user experience positively impacting conversion from deposit to delivery
- Dealer Direct volumes impacted by difficult credit market conditions

Revenue Growth Contribution (KRWb)



Latin America & Investments

Latin America ex. Brazil¹

		FY22	FY23	%
CCm ¹	Revenue	6.1	8.0	31%
	EBITDA	(1.3)	(1.3)	(1%)

- Strong growth in revenue reflects increasing customer penetration in Chile
- Resolved to exit our Mexican business given the market remains challenging and our focus on other priorities

Investments

		FY22	FY23	%
AUDm	Revenue	56.5	60.9	8%
	EBITDA	(1.9)	(3.0)	n.m.

- Solid revenue result reflects double-digit growth in our inspections business. The tyres business had a challenging year with profitability impacted by higher freight costs. Resulted in recording a non-cash impairment charge of \$22m

(1) CC refers to constant currency AUDm, growth in local currency.

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4. Strategy Update



Our Global Priorities

We have a clear set of priorities across our global marketplaces



1. Market Leadership

Expand the leadership positions of our online marketplaces

2. Digital Retailing

Increase digitisation of the vehicle buying and selling process

3. Dynamic Pricing

Alignment of price to value in the most structured and automated way

4. Media

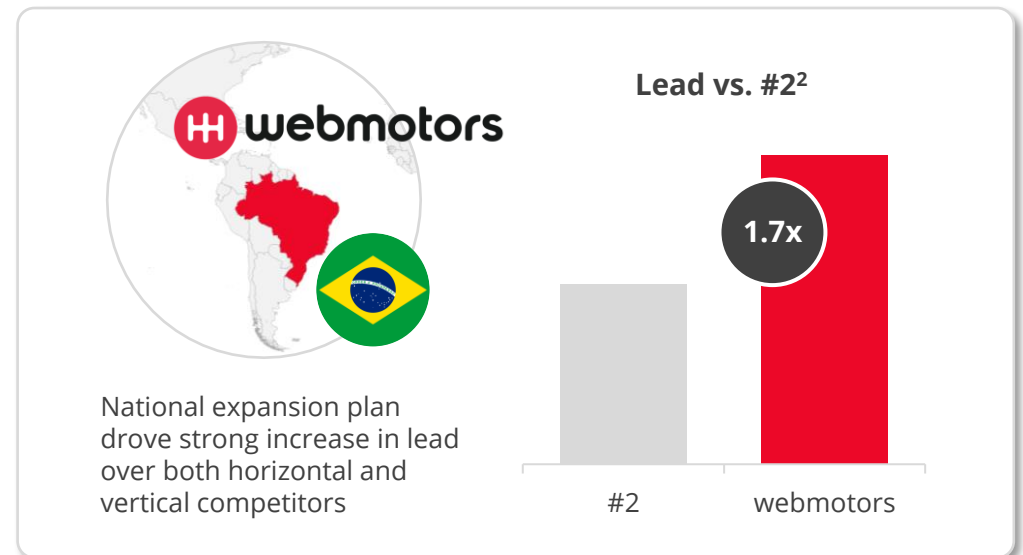
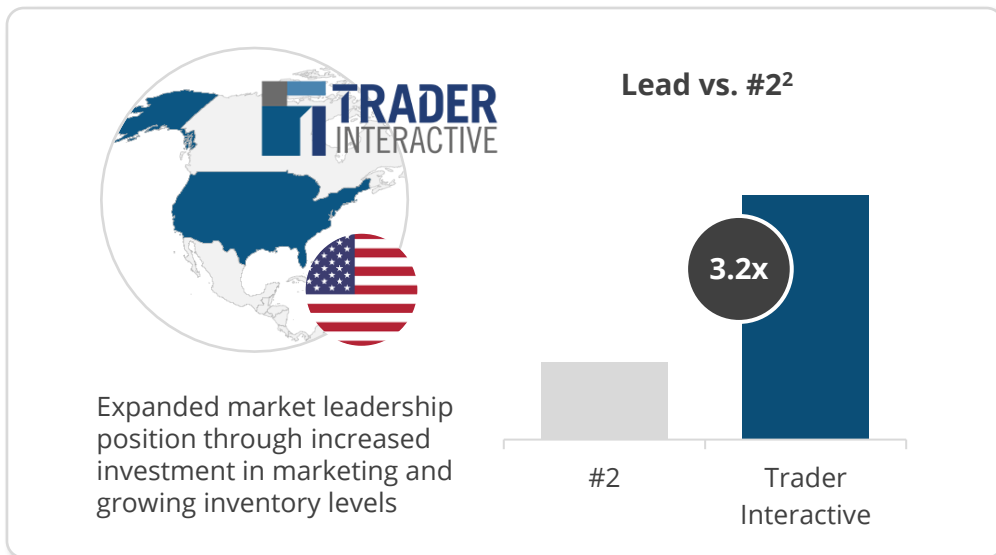
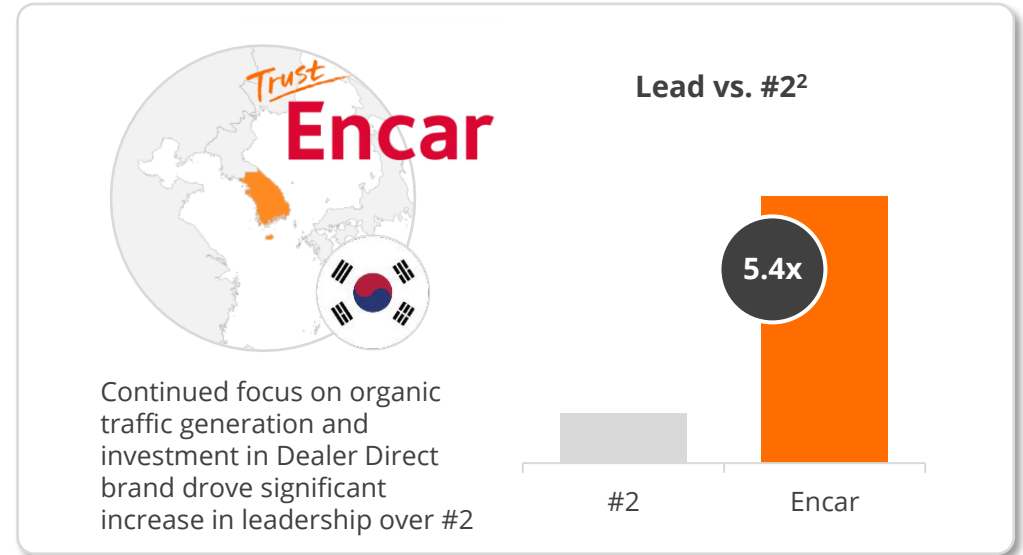
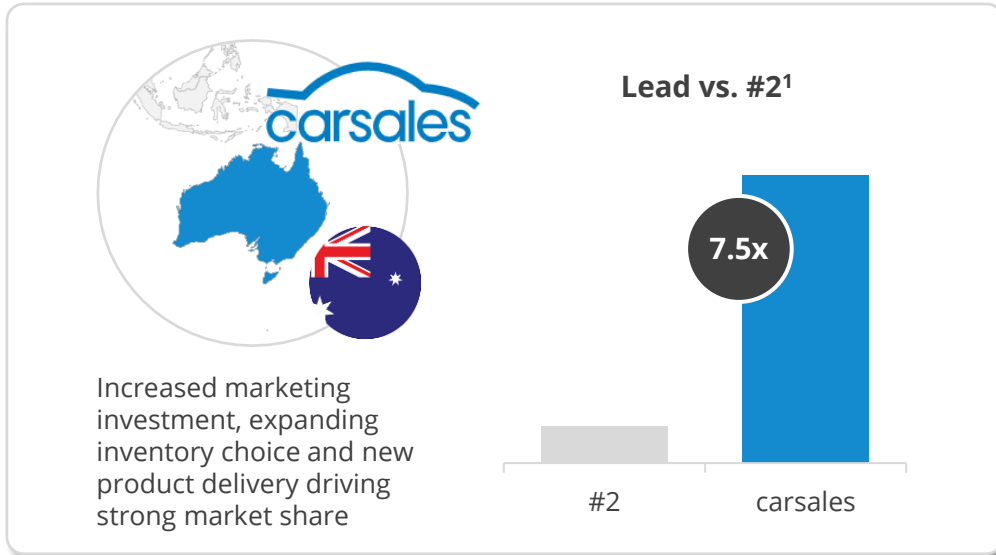
Connect advertisers to our audience through the most sophisticated data products

5. Future Horizons

Leverage insights and trends to explore new opportunities in core and adjacent markets

1. Market Leadership

Expand the leadership positions of our online marketplaces



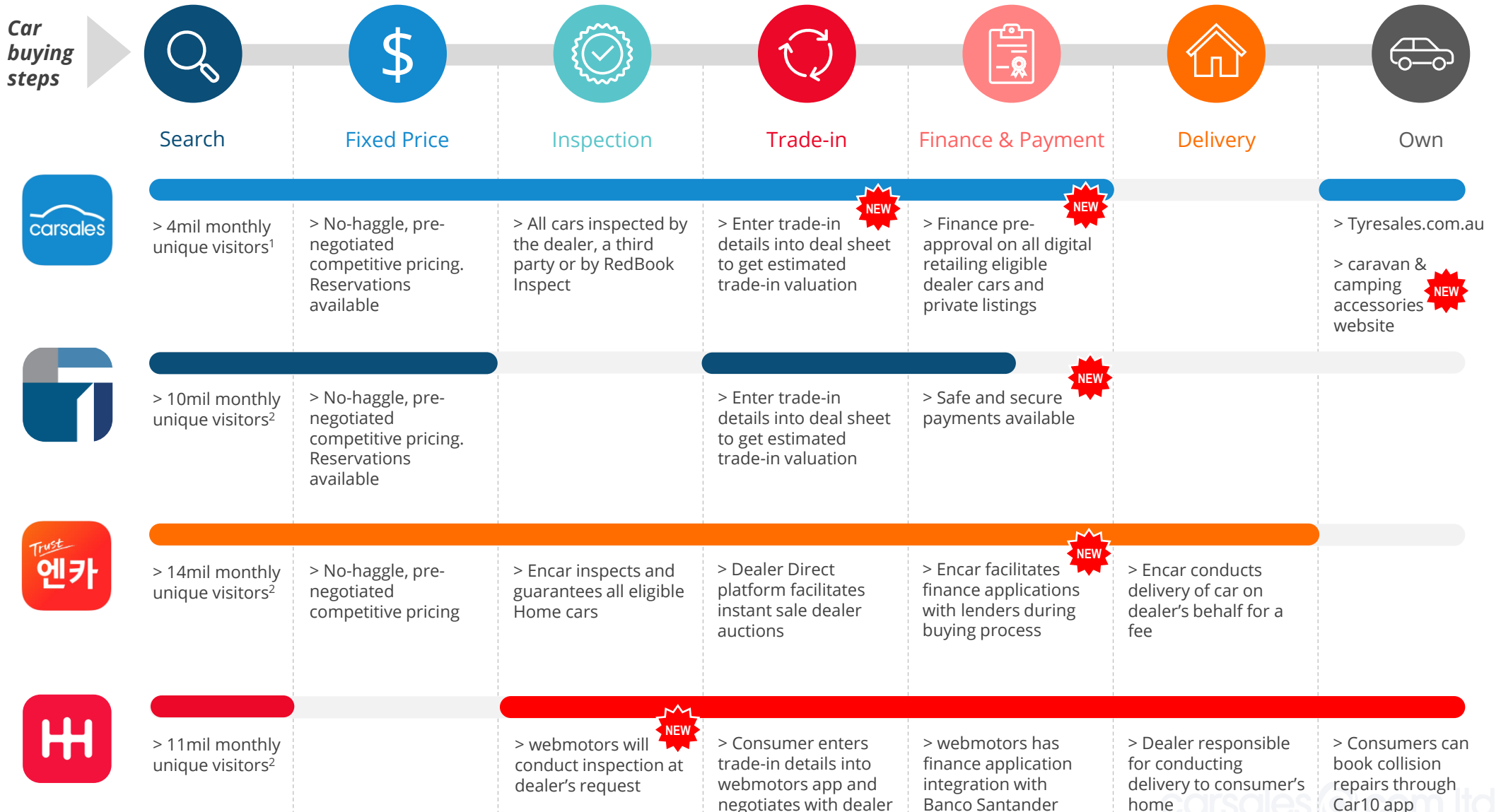
(1) Nielsen Digital Content Ratings. (2) Similarweb Jun-23 sessions vs. #2. Trader Interactive excludes Equipment.

2. Digital Retailing

Increase digitisation of the vehicle buying and selling process



Our strategy is to adapt key digital retailing features to cater to local market's conditions



(1) Nielsen Digital Content Ratings. (2) FY23 average monthly unique sessions, Google Analytics.

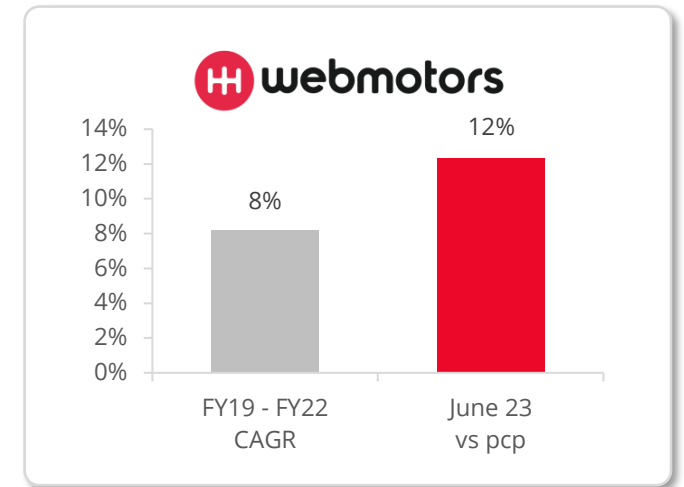
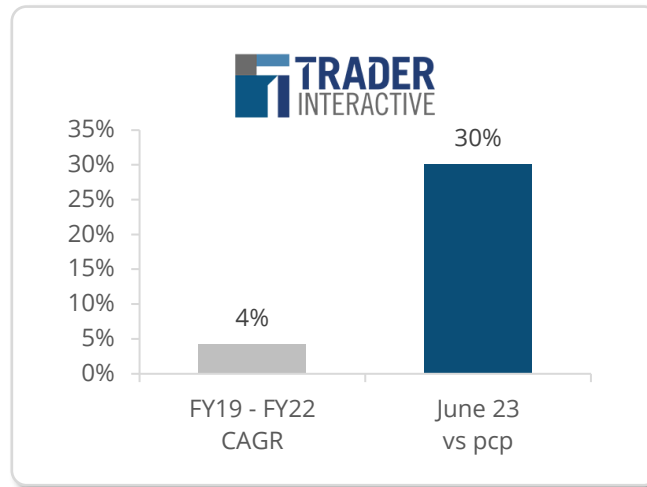
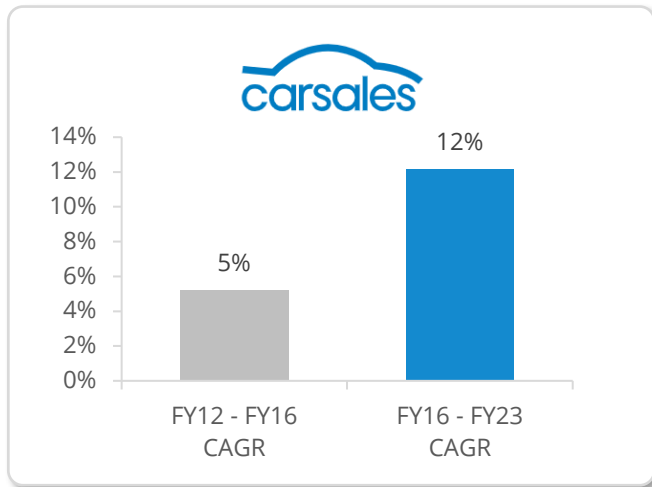
3. Dynamic Pricing



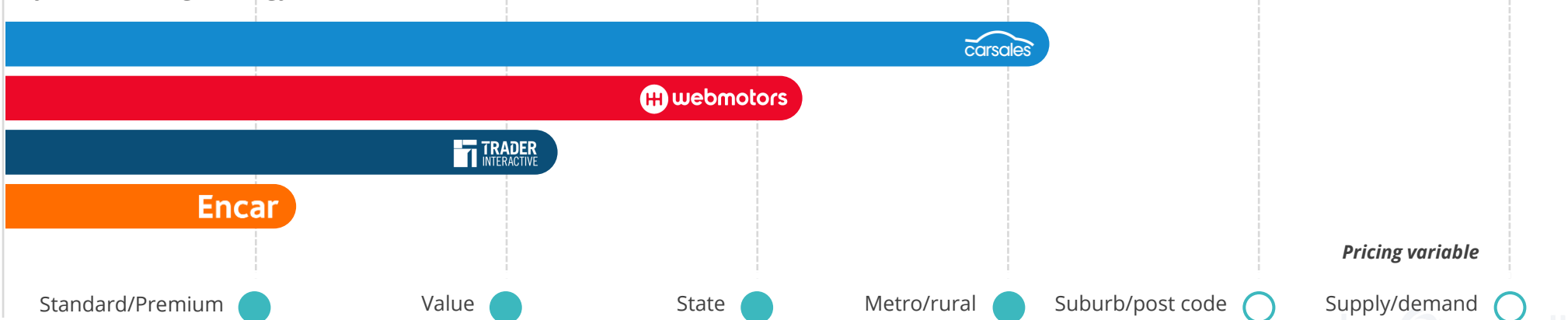
Alignment of price to value in the most structured and automated way

- carsales continued rollout of new pricing engine features, with area-based pricing (metro/rural) recently launched
- Implemented value-based dynamic pricing in Trader Interactive and webmotors which is driving strong yield uplift
- Clear path for further increases to private ad yield

Private Ad Yields



Dynamic Pricing Strategy



4. Media

Connect advertisers to our audience through the most sophisticated data products



Australian double-digit growth continues and adtech is being leveraged into international markets

New audience match technology is increasing advertising market share

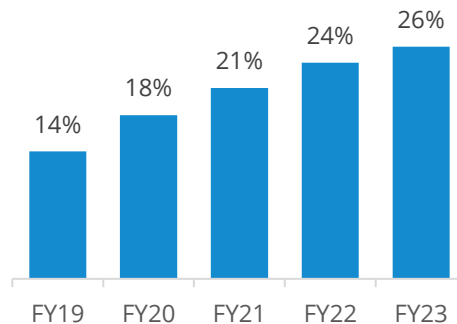
- carsales match provides advertisers with the ability to match their first party-data with carsales' first-party-data
- We then create a 'carsales id' which joins the attributes of both data sources and enables advertisers to build segments based on buying signals using Adobe Real-Time CDP
- Advertisers can now create targeted ad campaigns across the entire carsales network without reliance upon third-party cookie technology



Agency re-brand is driving new customer growth

- Through re-branding our media agency we are attracting more diverse advertisers and have a significant non-auto customer base

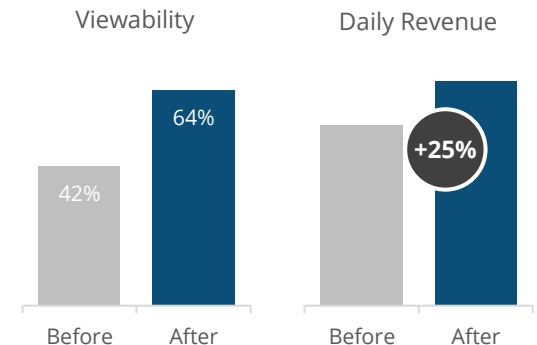
Non-auto Contribution¹



We are deploying Australian product and technology capability into international markets

- Implemented programmatic best-practice into Trader Interactive websites to improve ad viewability, which measures whether an ad is actually seen by users
- Improving this metric commands higher yields through increased demand

Programmatic Performance²



(1) Non-Automotive OEM contribution to Media segment revenue. (2) Optimisations implemented 1-July-23. Before = June-23, After = July-23.

5. Future Horizons

Leverage insights and trends to explore new ideas and opportunities



In-house product development and innovation

- Our culture of innovation encourages creativity and new ideas, harnessing emerging technologies and themes to build new products
- Hackathons empower our teams to build new products and solve customer problems outside of day-to-day roles
- Product & technology teams hold conferences and regular catchups to share IP across countries



Adjacent marketplace opportunities

- Explore horizontal and vertical integration opportunities that leverage our existing audience
- Recently launched a caravan ecommerce store and working on a payments solution in Australia



International M&A opportunities

- Invest in high growth, underpenetrated international markets
- Implement IP and product synergies to accelerate growth



carsales early-stage investments

- Launched in 2022, the carsales' corporate venture capital program looks to make minority investments to scale early-stage venture
- Key focus areas:
 - Adtech
 - Fintech
 - EV & batteries
 - Artificial intelligence



Artificial Intelligence

AI supports innovation to drive customer experience and efficiency to deliver improved productivity

Our Artificial Intelligence Strategy

Enrich the Consumer Experience

- Deploy artificial intelligence to make searching simpler
- Improve personalisation with more relevant recommendations
- Increase accuracy of vehicle pricing and valuation products

Enhance Security, Trust & Safety

- Protect the identity of buyers and private sellers
- Integrate 3rd party AI software to detect abnormal site activity
- Use Natural Language Processing to detect and prevent unauthorised site access

Optimise Engineering & Processes

- Use AI code-completion to fast-track new software and products
- Use generative AI to produce creative content more efficiently
- Automate manual back-office processing tasks



Lead Scoring

Machine learning deployed to understand consumer behavioural patterns to determine buyer intent



Boat GPT

Beta search utilises Chat GPT's language model to make ad data entry faster and AI comment generation



Mystique

AI engine that identifies and blurs number plates in an images, providing protection against number plate cloning fraud



Mobile Diagnosis

During Encar's Guarantee inspection, photos are analysed by AI to automate detection of registration, optional features, mileage, and specifications



Cyclops

Deep learning image recognition tool that classifies vehicle images during publishing, reducing photographer manual effort. Awarded 2018 IT project of the year by itnews



Tessa

Cuts down private ad review times from hours to minutes by using AI to review and publish vehicles to sites



Sustainability

We are committed to driving improvement across our Sustainability focus areas



Environment

- Published our first TFCF report in FY23
- Maintained carbon neutrality in Australian operations in FY23
- Commitment to deliver carbon neutrality in international businesses in FY24



Social

- Certified as a Great Place to Work for the sixth year in a row and recognised by the Australian Financial Review a Best Place to Work
- Launched our Reflect Reconciliation Action Plan, endorsed in FY23
- 37.5% female representation on the board and 43% females in senior management roles in Australia



Governance

- Implemented subsidiary boards with independent directors in each of our key geographies. Allows the business to dedicate appropriate focus to local country risks



How carsales Creates Shareholder Value

carsales presents a highly compelling investment proposition with multiple growth large opportunities across large addressable markets

1



Clear leadership positions in each of our markets

Our leadership positions generate the strongest network effects, further building competitive advantage and delivering long term growth

2



Digitising vehicle transactions

There is strong demand for frictionless buying and selling experiences creating significant opportunities for digital incumbents

3



Underpenetrated international markets

Digital advertising spend is lower in our international markets with significant runway to grow through increasing take-rates

4



Transferrable, scaled IP and technology

Our global technology platform and IP can facilitate rapid deployment of strategic products in all markets

5



Strong cash flows with robust balance sheet

High margin business models generate strong free cash flows to fund investment in future growth and provide for good dividends

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5. Appendix



Overview of carsales Non-IFRS Financial Information

What is IFRS and non-IFRS financial information?

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example:
 - Revenue or profit information calculated on a basis other than under accounting standard definitions or calculated with accounting standards and then adjusted e.g. “adjusted”, “underlying” or “look-through”.

What non-IFRS financial information does carsales disclose in its half year and year end results presentations?

- carsales presents reported financial information for its business segments, associates and investments where applicable IFRS financial information exists. The financial

information presented is sourced directly from financial information prepared in accordance with all relevant accounting standards and has been subject to either review or audit by carsales’ external auditors (PwC).

- In carsales’ investor presentations the company aims to provide equal or greater prominence to IFRS financial information. However, we also present or refer to non-IFRS financial information. Please note, all information labelled “Reported” in this presentation complies with IFRS.
- Non-IFRS financial information is calculated based on statutory IFRS financial information and adjusted to show either a position excluding significant items which have been removed OR presented based on carsales’ effective equity ownership interest of an entity’s underlying revenue, EBITDA or NPAT.
- Any non-IFRS financial information is clearly labelled as “underlying”, “Adjusted”, “Proforma” or “look-through” to differentiate it from reported/IFRS financial information.
- carsales provides reconciliations on the face of slides, appendices and in footnotes of

presentations in order to allow the reader to clearly reconcile between the IFRS and non-IFRS financial information.

Why does carsales disclose non-IFRS financial information in its half year and full year results presentations?

- carsales has invested in businesses in Malaysia, Thailand, Indonesia, South Korea, United States, Mexico, Chile, Brazil and has become a global portfolio of online automotive assets. Accordingly carsales management believes that the presentation of additional non-IFRS information in its half year and full year results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial conditions of carsales overall performance.
- The Australian Securities and Investment Commission (“ASIC”) acknowledges the relevance of non-IFRS financial information in providing “meaningful insight” as long as it does not mislead the reader.

Segment Details

\$A Millions	Proforma Basis				Actual Basis			
	FY22	FY23	Growth %	CC % ¹	FY22	FY23	Growth %	CC % ¹
Dealer	183.8	203.0	10%	10%	183.8	203.0	10%	10%
Private	69.4	89.9	30%	30%	69.4	89.9	30%	30%
Media	54.5	60.6	11%	11%	54.5	60.6	11%	11%
Online Advertising	307.7	353.4	15%	15%	307.7	353.4	15%	15%
Data, Research and Services	44.1	45.6	4%	4%	44.1	45.6	4%	4%
Australia	351.7	399.1	13%	13%	351.7	399.1	13%	13%
Asia	95.4	103.9	9%	12%	95.4	103.9	9%	12%
North America	195.5	239.4	22%	14%	-	182.8	n.m.	n.m.
Latin America	99.0	138.9	40%	29%	6.0	34.4	n.m.	n.m.
Investments	56.5	60.9	8%	8%	56.5	60.9	8%	8%
Adjusted Revenue	798.1	942.2	18%	15%	509.5	781.0	53%	54%
Online Advertising	197.8	229.0	16%	16%	197.8	229.0	16%	16%
Data, Research and Services	28.8	29.6	3%	3%	28.8	29.6	3%	3%
Australia	226.6	258.6	14%	14%	226.6	258.6	14%	14%
Asia	48.1	52.5	9%	13%	48.1	52.5	9%	13%
North America	111.2	140.0	26%	17%	-	106.7	n.m.	n.m.
Latin America	31.8	47.7	50%	33%	(1.6)	10.1	n.m.	n.m.
Investments	(1.9)	(3.0)	n.m.	n.m.	(1.9)	(3.0)	n.m.	n.m.
Adjusted EBITDA	415.8	495.7	19%	16%	271.2	424.9	57%	57%

Reconciliation of Adjusted to Reported Financials

\$A Millions	FY22			FY23			Growth %	
	Adjusted	Adj's	Reported	Adjusted	Adj's	Reported	Adjusted	Reported
Revenue	509.5	(0.5)	509.1	781.0	0.3	781.2	53%	53%
Operating expense	238.4	1.7	240.1	356.1	(24.8)	331.3	49%	38%
EBITDA	271.2	(2.2)	268.9	424.9	(24.5)	400.4	57%	49%
<i>EBITDA margin</i>	53.2%	<i>n/a</i>	52.8%	54.4%	<i>n/a</i>	51.2%	<i>n/a</i>	<i>n/a</i>
Depreciation & amortisation	38.6	8.1	46.7	50.7	56.4	107.0	31%	129%
Net financing cost	13.1	3.2	16.4	48.9	(1.1)	47.8	275%	192%
Income tax expense	64.1	(2.0)	62.0	61.8	(10.4)	51.4	(4%)	(17%)
Profits from associates	40.0	(22.9)	17.2	17.4	(12.1)	5.3	(57%)	(69%)
Fair value revaluation	-	0.3	0.3	-	448.9	448.9	-	n.m.
Non-controlling interest (NCI)	(0.6)	-	(0.6)	(2.7)	-	(2.7)	(323%)	(350%)
Net profit after tax	194.8	(34.1)	160.8	278.2	367.4	645.6	43%	301%

Reconciliation of Adjusted to Reported Financials





\$A Millions	FY22			FY23		
	Revenue	EBITDA	NPAT	Revenue	EBITDA	NPAT
Adjusted Financials	509.5	271.2	194.8	781.0	424.9	278.2
Gain on step acquisition	-	-	-	-	-	486.5
Acquired intangible amortisation	-	-	(23.0)	-	-	(49.0)
Impairment of investments	-	-	-	-	-	(37.6)
M&A and other significant items	(0.5)	(2.2)	(11.1)	0.3	(24.5)	(32.5)
Dealer Support Package	(0.5)	(0.5)	(0.3)	-	-	-
M&A and Restructuring costs	-	(1.7)	(1.5)	0.3	(24.5)	(20.6)
Financing Cost, Hedge and FX	-	-	(2.9)	-	-	0.3
Profit from associates adjustments	-	-	(6.4)	-	-	(12.3)
Reported Financials	509.1	268.9	160.8	781.2	400.4	645.6

Exchange Rates

FX rates, full year ended June	FY22		FY23	
	Average	Closing	Average	Closing
AUD / USD	0.73	0.69	0.67	0.67
AUD / KRW	872.39	888.61	894.52	877.04
AUD / BRL	3.78	3.63	3.46	3.19
AUD / CLP	589.78	634.44	576.38	534.01
AUD / MXN	14.73	13.88	12.84	11.41

- For the presentation, constant currency growth rates have been derived by applying FY23 Average rates to convert historical financials.

Total Addressable Markets

Country	Segment	Volume (m)	Yield (AUD)	TAM (AUDm)	
	Dealer	B2C	2.0	250	500
		Digital Retailing	0.2	700	110
		Digital trade-in	0.5	500	225
		Finance	0.1	490	50
		Non-auto	-	-	200
	Private	1.8	100	175	
	Media	-	-	800	
	Data & Services	-	-	500	
Australia Total				2,560	
	Dealer	RV	0.8	667	500
		Powersports	1.5	200	300
		Trucks	10.0	170	1,700
		Equipment	2.5	280	700
US Total				3,200	
	Dealer	New	1.7	360	600
		Used	1.7	360	600
		Wholesale	0.3	360	100
	Private	1.7	360	600	
Media	1.7	42	70		
Korea Total				1,970	
	Dealer	7.0	100	700	
	Private	5.0	50	300	
	Media	-	-	1,500	
Brazil Total				2,500	
Total				10,230	

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Thank you

