



carsales  com ltd

# webmotors Investor Presentation

11 September 2023



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## What is IFRS and non-IFRS financial information?

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
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- 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.
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- Any non-IFRS financial information is clearly labelled as "underlying", "Adjusted", "Proforma" or "look-through" to differentiate it from reported/IFRS financial information.

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# 1. Introduction



# webmotors Growth Opportunity



1

## The Brazilian auto market is highly attractive

- **Fifth biggest automotive market** in the world<sup>1</sup>, with over 14 million new and used car sales annually<sup>2</sup> and 78 million cars in use<sup>3</sup>
- **Growing vehicle ownership** with cars per capita increasing<sup>4</sup>
- **28 thousand dealers**<sup>5</sup>: Large, disparate and fragmented dealer base

2

## Significant upside to penetration and monetisation

- **Underpenetrated market** with c. 1/3<sup>rd</sup> of addressable dealers not subscribed to webmotors<sup>6</sup>
- **National expansion plan** to increase market share in large areas outside of São Paulo and Rio de Janeiro is progressing well
- **Low dealer take rates**<sup>7</sup> compared to other businesses in the carsales group, with lead pricing 5x lower than Australia<sup>8</sup>

3

## webmotors has clear audience leadership

- **Clear market leadership position**<sup>9</sup> with excellent audience and inventory metrics
- **Highly sophisticated software** integrates webmotors deeply with dealers – clear competitive advantage

4

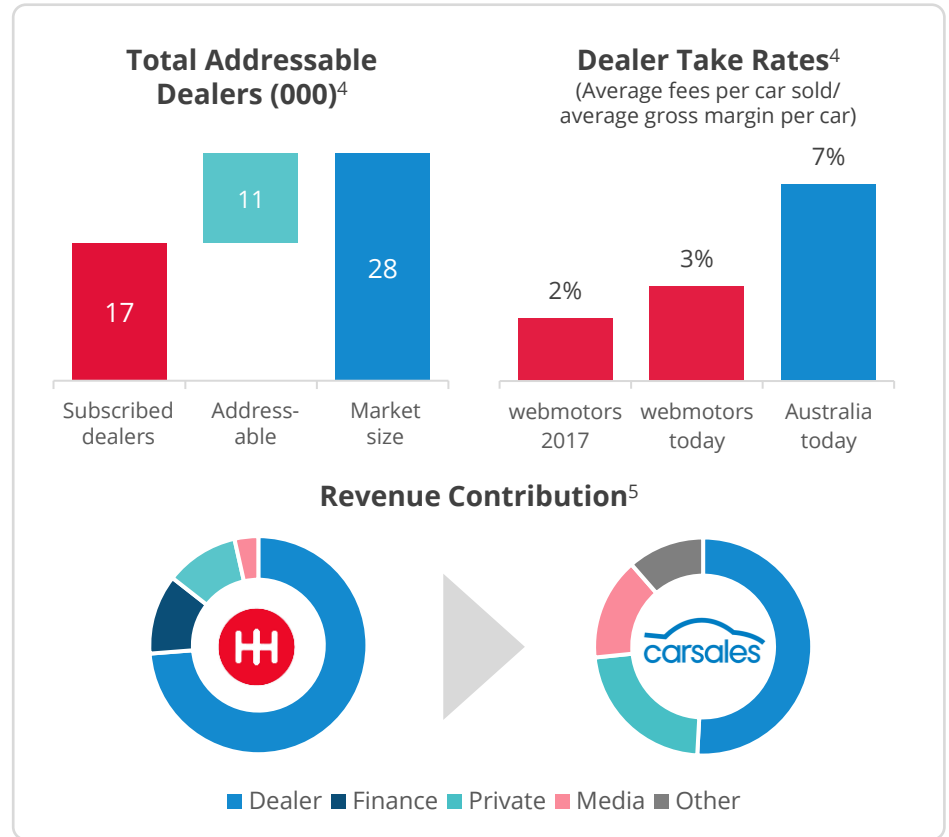
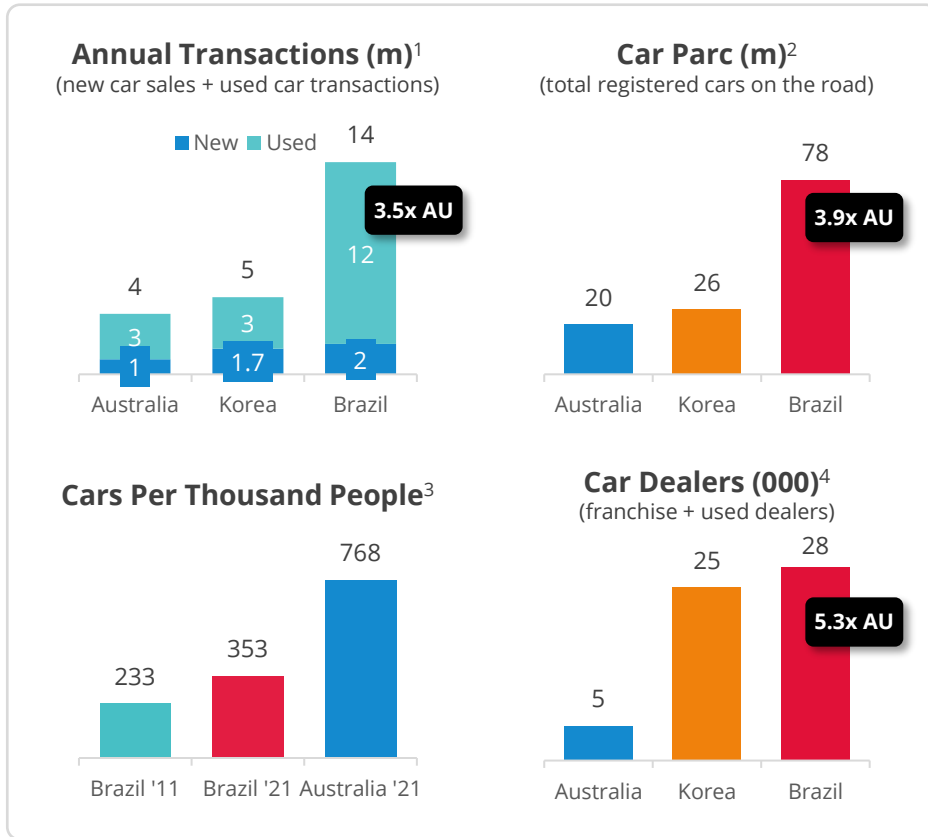
## Exciting pipeline of growth initiatives

- **Key growth initiatives** include:
  - Improving media product offering
  - Further uplift from dynamic pricing
  - Car servicing and repairs
  - Online auctions
  - Further driving auto finance opportunity through Santander partnership

# The Brazilian Auto Market is Highly Attractive With Upside to Penetration and Monetisation

## 1 Enormous automotive industry in Brazil with large addressable market and strong growth potential

## 2 Scope to grow penetration, monetisation and increase contribution from other revenue sources

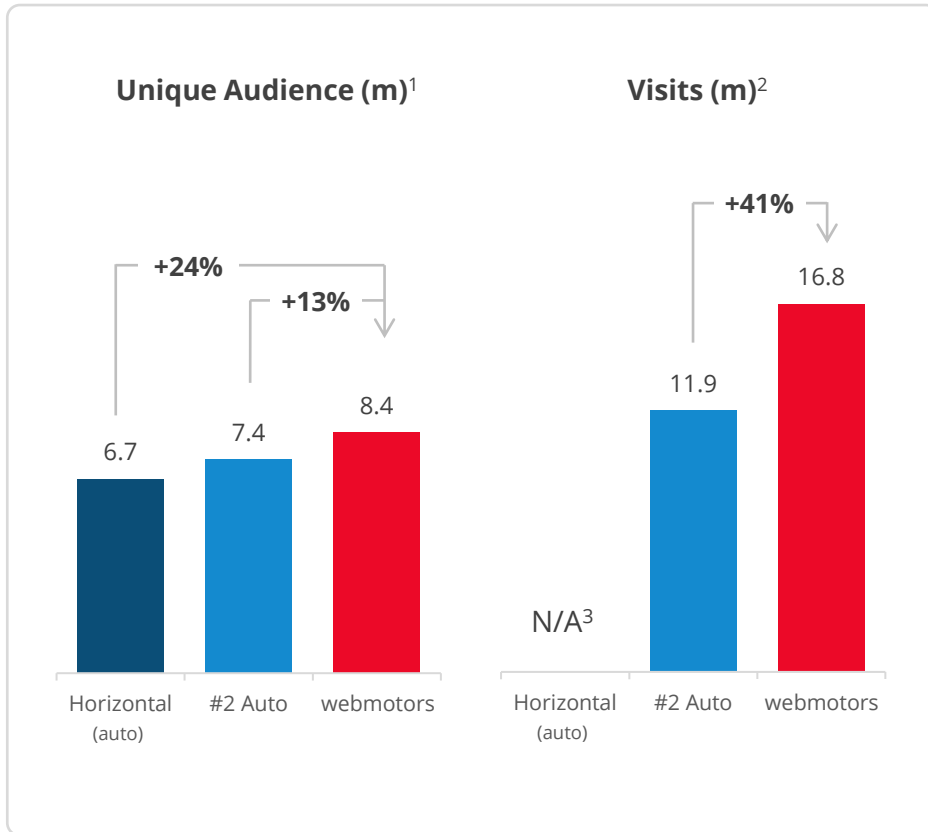


(1) Australia: 2022 New car sales: Federal Chamber of Automotive Industries. Used car transactions: National estimate based on NSW Registration transactions report. Korea: Korean Automobile Manufacturers Association. Brazil: 2022 new car sales: Brazilian Association of Motor Vehicle Manufacturers (Anfavea). 2022 Used transactions: Brazilian National Federation of Automotive Vehicle Distribution (Fenabrave). (2) Australia: Australian Motor Vehicle Census 2022. Korea: 2022 Korea Automobile Manufacturers Association. Brazil: 2022 National vehicle fleet, Brazilian Ministry of Infrastructure. (3) Cars in use / population. (4) carsales internal data and management estimates. (5) FY23 revenue.

# webmotors has Clear Audience Leadership and an Exciting Pipeline of Growth Initiatives

3

webmotors has clear audience leadership over horizontal and vertical competitors



4

Key marketplace, finance and emerging digital opportunities



### Media & Membership

Significant opportunity to leverage carsales' media products and new technologies



### Dynamic Pricing

Increase volume and yield on private seller ads with algorithmic pricing



### Dealer Acquisition & Yield

Large dealer whitespace and opportunity for premium product growth



### Finance

Opportunity to increase finance penetration with product enhancements and lower central bank interest rates



### Car10

Automotive servicing and damage repairs

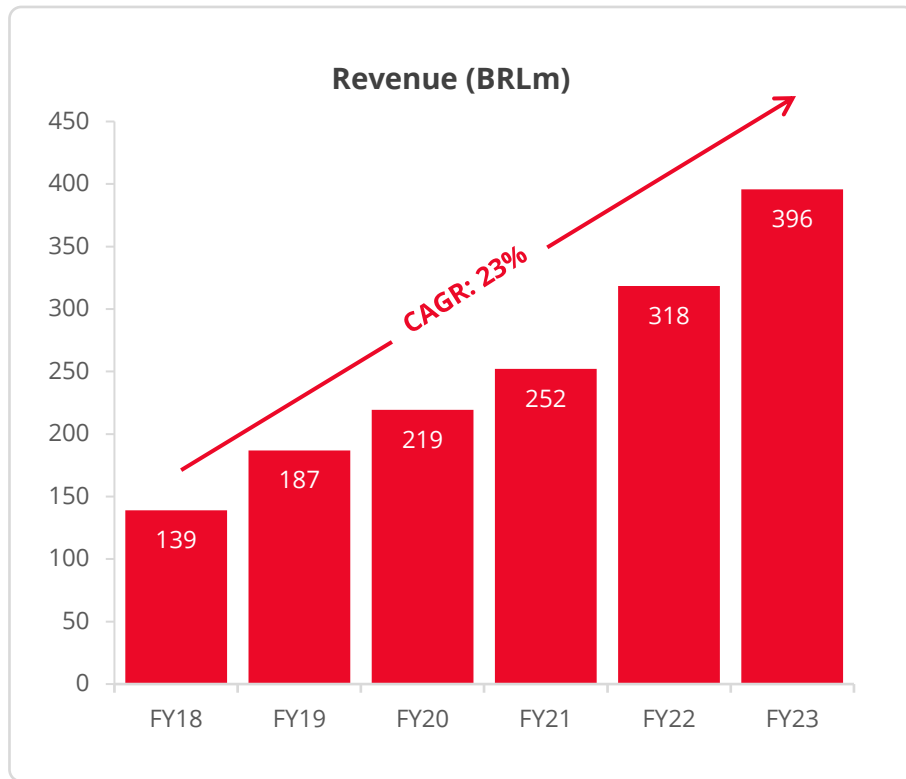


### Loop

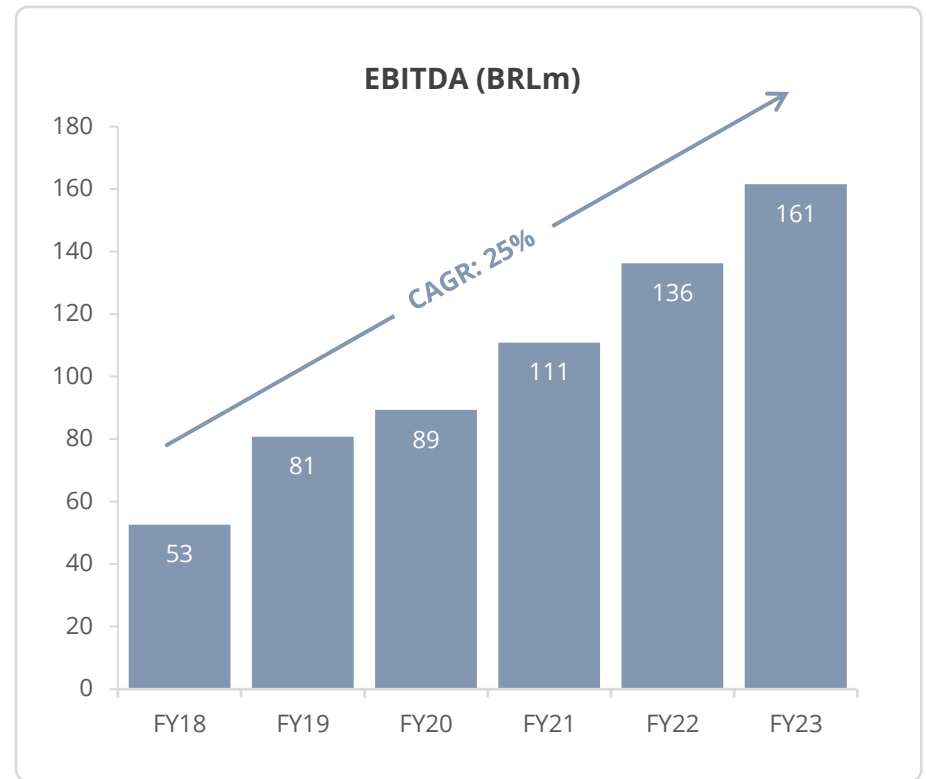
Digital auto auction platform

# Strong Track Record of Financial Performance

Strong and resilient revenue growth through economic cycles

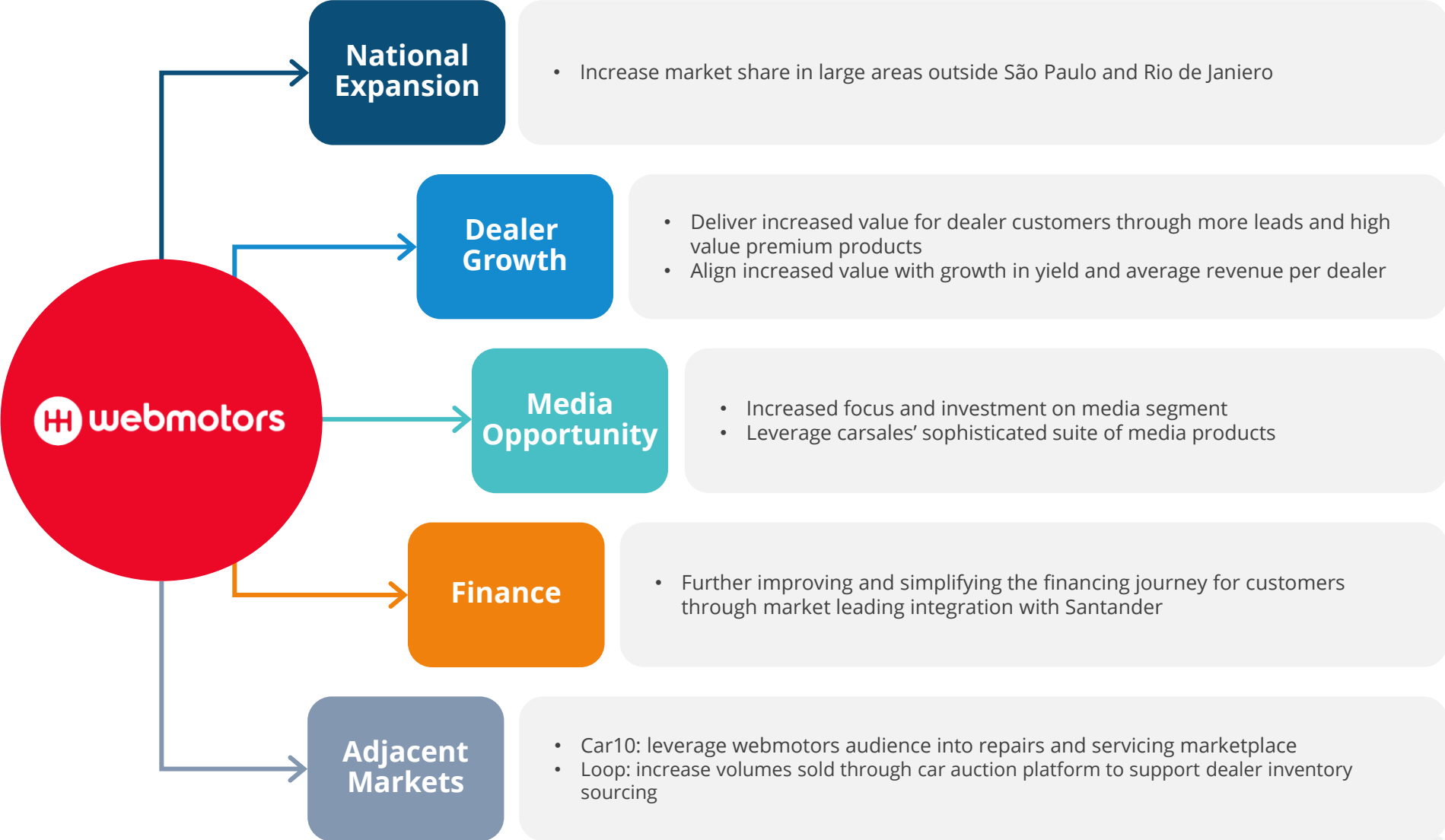


Inherent operating leverage with more upside to come





# Strategic Priorities



# 2. National Expansion Update

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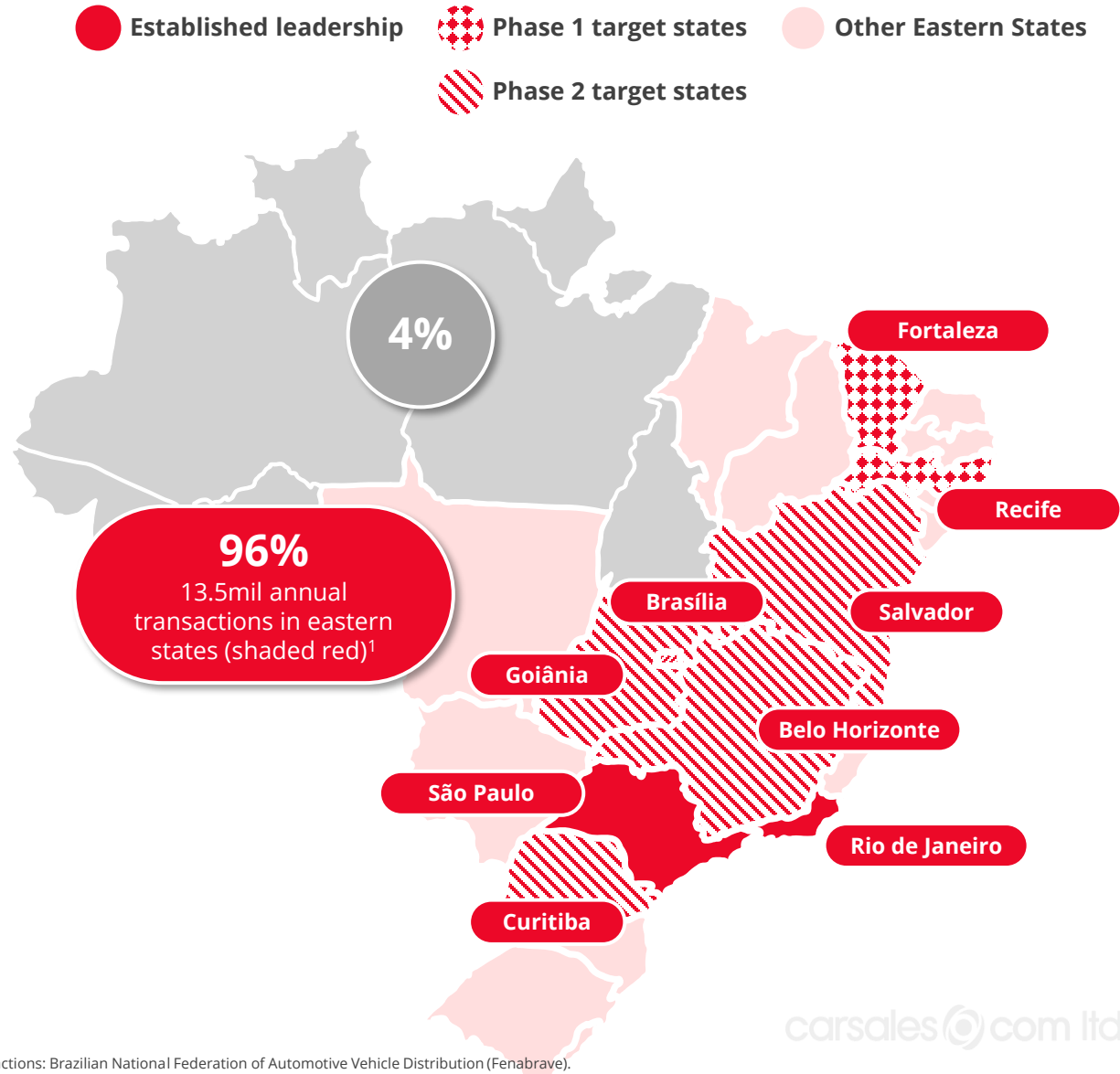
# National Expansion Plan

**Strengthen leadership in core markets while growing share in target areas**

Existing market strength in São Paulo and Rio de Janeiro

First phase has delivered market share growth in Fortaleza and Recife

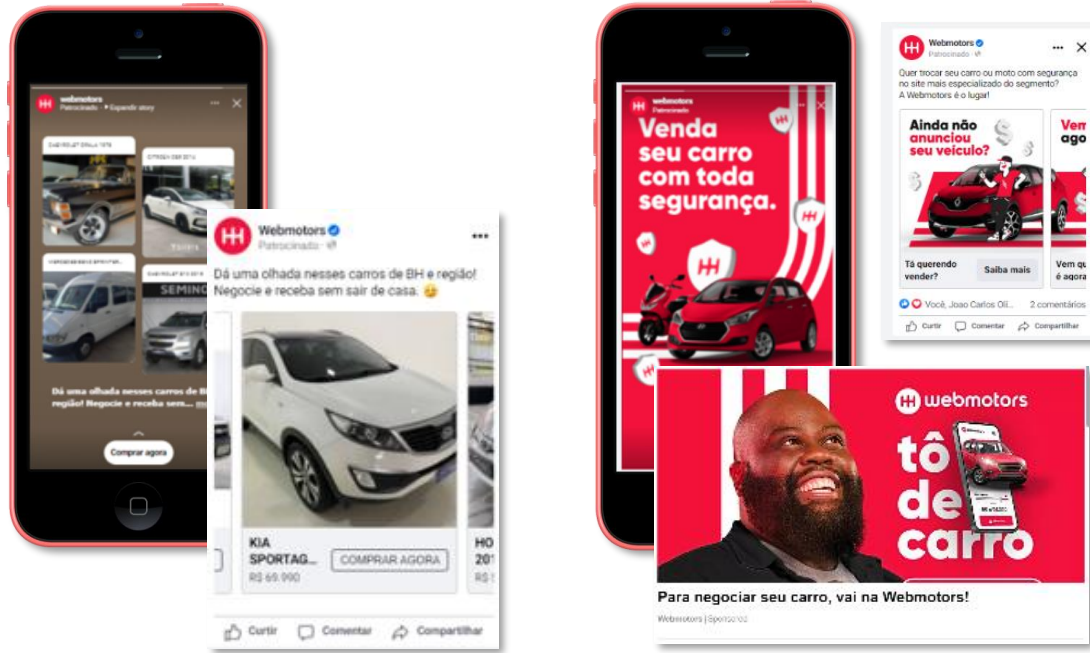
Second phase focused on Curitiba, Goiânia, Salvador, Belo Horizonte and Brasília



# Marketing Strategy

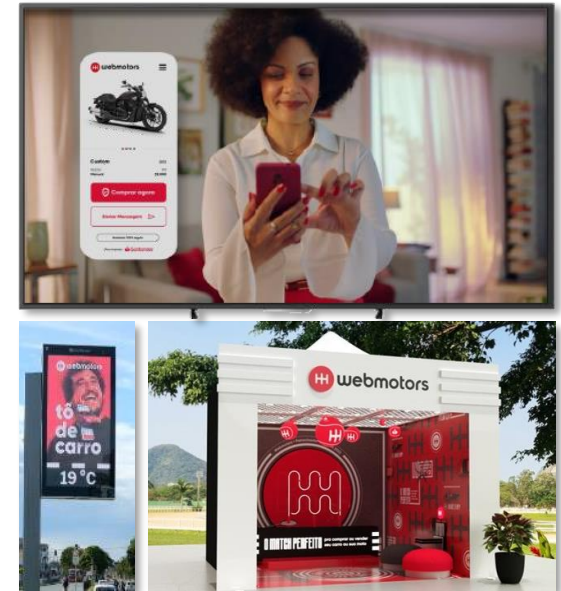
## Performance Marketing

Google  
Facebook & Instagram



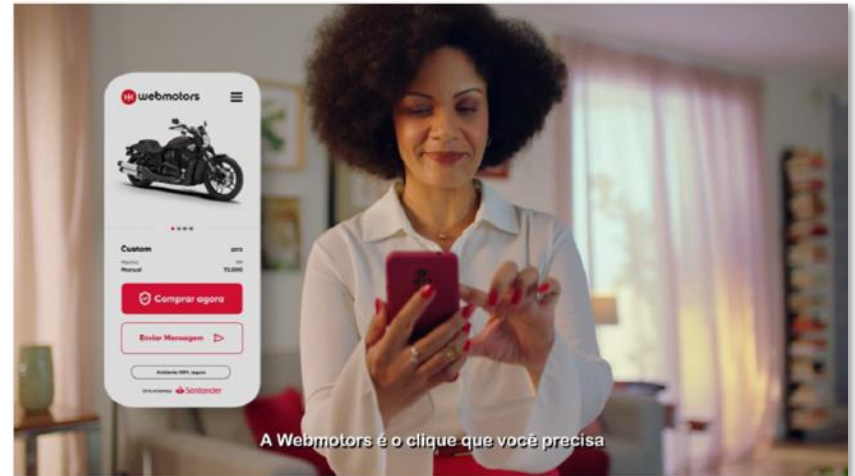
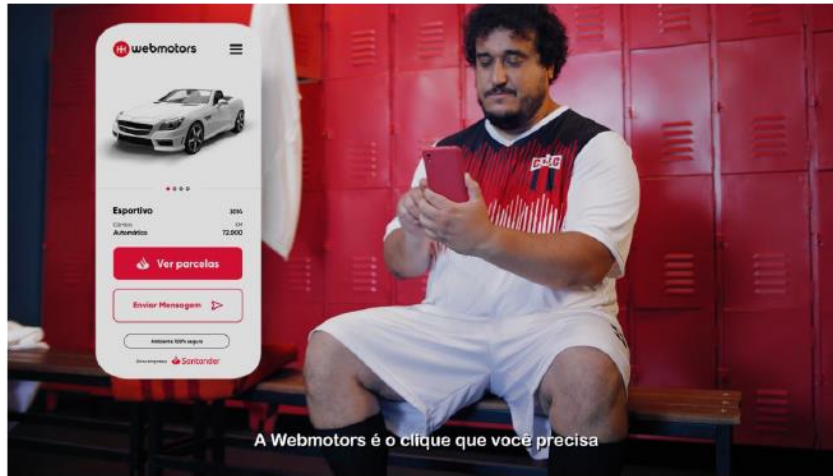
## Brand Awareness

TV & Pay TV  
Radio  
Out-of-home Media  
Event Sponsorship



# Marketing Strategy

## National television advertising across Brazil



# Marketing Strategy

Digital billboards, bus shelters and transit media



# Marketing Strategy

Sponsorship of the Mineiro and Gaúcho Championship in 2023, also in expansion regions

Mineiro Championship 2023



Gaúcho Championship 2023



# 3. Dealer and Cockpit Overview

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# Dealer Business Overview

## Sophisticated software products and integrations

### Overview

- webmotors provides products and services to 17k active dealers
- Dealers pay a monthly subscription for access to the platform and are then charged a fee per customer enquiry
- Highly sophisticated suite of premium products available to upsell

### Core Offering

#### Leads

Provides dealers with leads from the webmotors platform

#### Premium

Key products: Depth, CRM, Feirão, Media, Vision360

#### Subscriptions

Monthly subscription allowing dealers to list cars on the webmotors platform

#### Finance

Consumer finance offering on webmotors. Three way integration between webmotors, the dealer and Santander finance

### Dealer Revenue Breakdown<sup>1</sup>

■ Leads ■ Premium ■ Subscriptions ■ Finance



# Dealer Growth Strategic Priorities

1

**Grow  
customer  
base**

- Upside to dealer penetration with 11k incremental addressable dealers
- Increased focus on national expansion cities through dedicated sales teams

2

**Grow lead  
volumes**

- Increased marketing investment and improved consumer experience to drive lead volume growth
- Growth will be supported by improvements in consumer sentiment as interest rates decline

3

**Expand  
product  
offering and  
penetration**

- Deliver superior value for dealers through continued investment in back-end dealer software tool Cockpit
- Expand depth product offering through new products and buying formats

# 1 Grow Customer Base

## Large and underpenetrated addressable dealer market

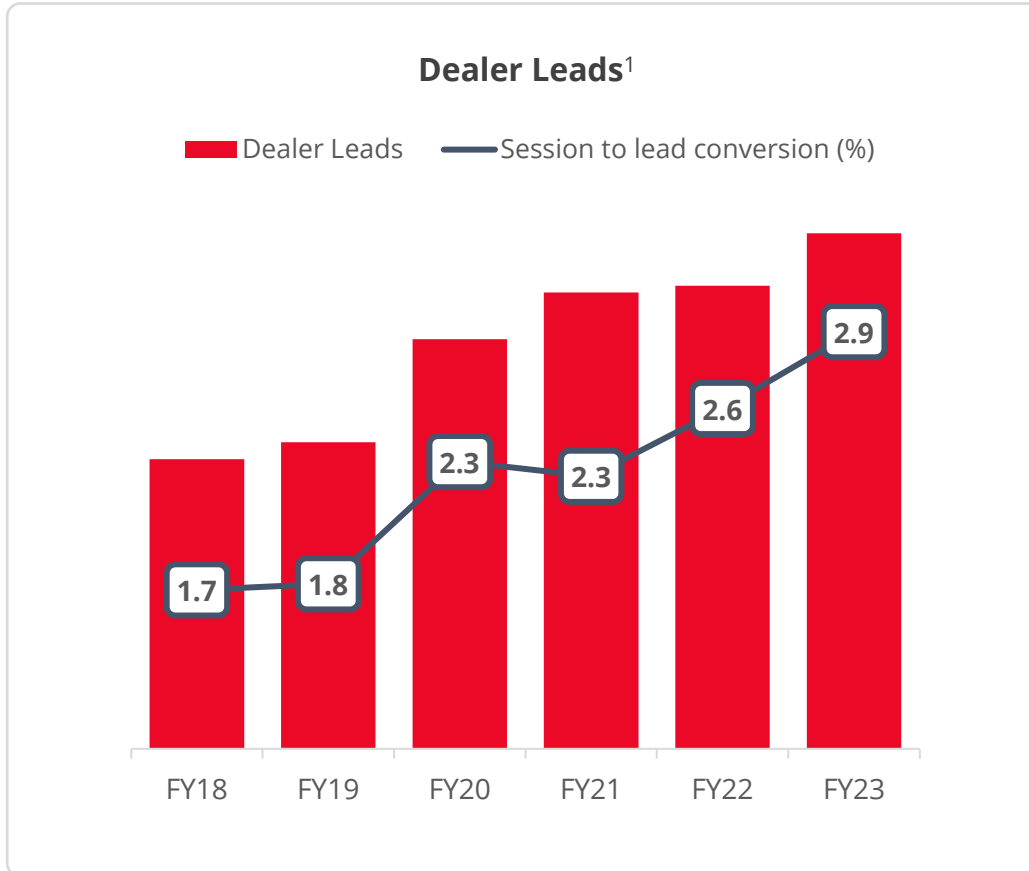


### Strong focus on increasing dealer subscriptions

- webmotors sales team supported by c. 800 Santander sales staff with webmotors KPIs
- Establishment of an inside sales team dedicated to smaller regional areas
- Continued execution of national expansion strategy

## 2 Grow Lead Volumes

We are focused on delivering the highest volumes of leads to our dealer customers



### Traffic growth and improved conversion are driving lead growth

- Traffic growth has been moderate during period of elevated interest rates
- Focus on improving conversion of leads from traffic has ensured we are continuing to deliver outcomes for dealers
- We are increasing traffic from the national expansion plan

# 3 Expand Product Offering and Penetration

## Focus on development and increased penetration of key products

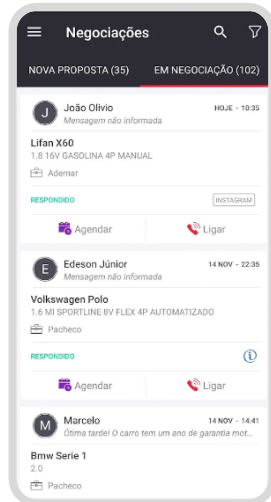
### Key Products



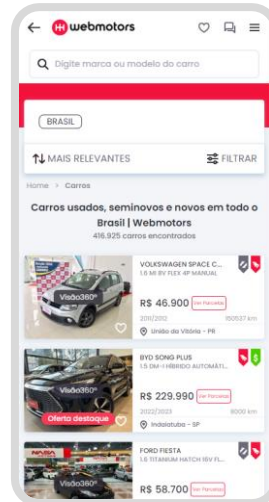
- Large offline and online sales event supported by webmotors marketing
- Opportunity to increase participation and scale of event



- Auto-specialised CRM for car dealers
- Can expand features and products to increase dealer penetration

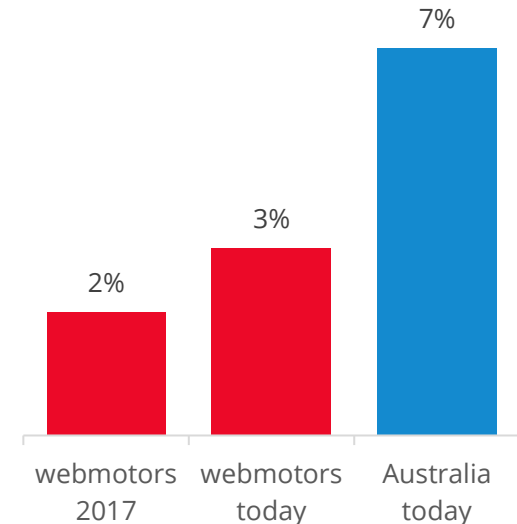


- 'Boost' is a depth product that enables dealers to promote cars to top of search
- Opportunity to increase dealer penetration




### Dealer Take Rates<sup>1</sup> (Average fees per car sold/ average gross margin per car)


- Development of new premium products and increasing penetration will support future take-rate growth




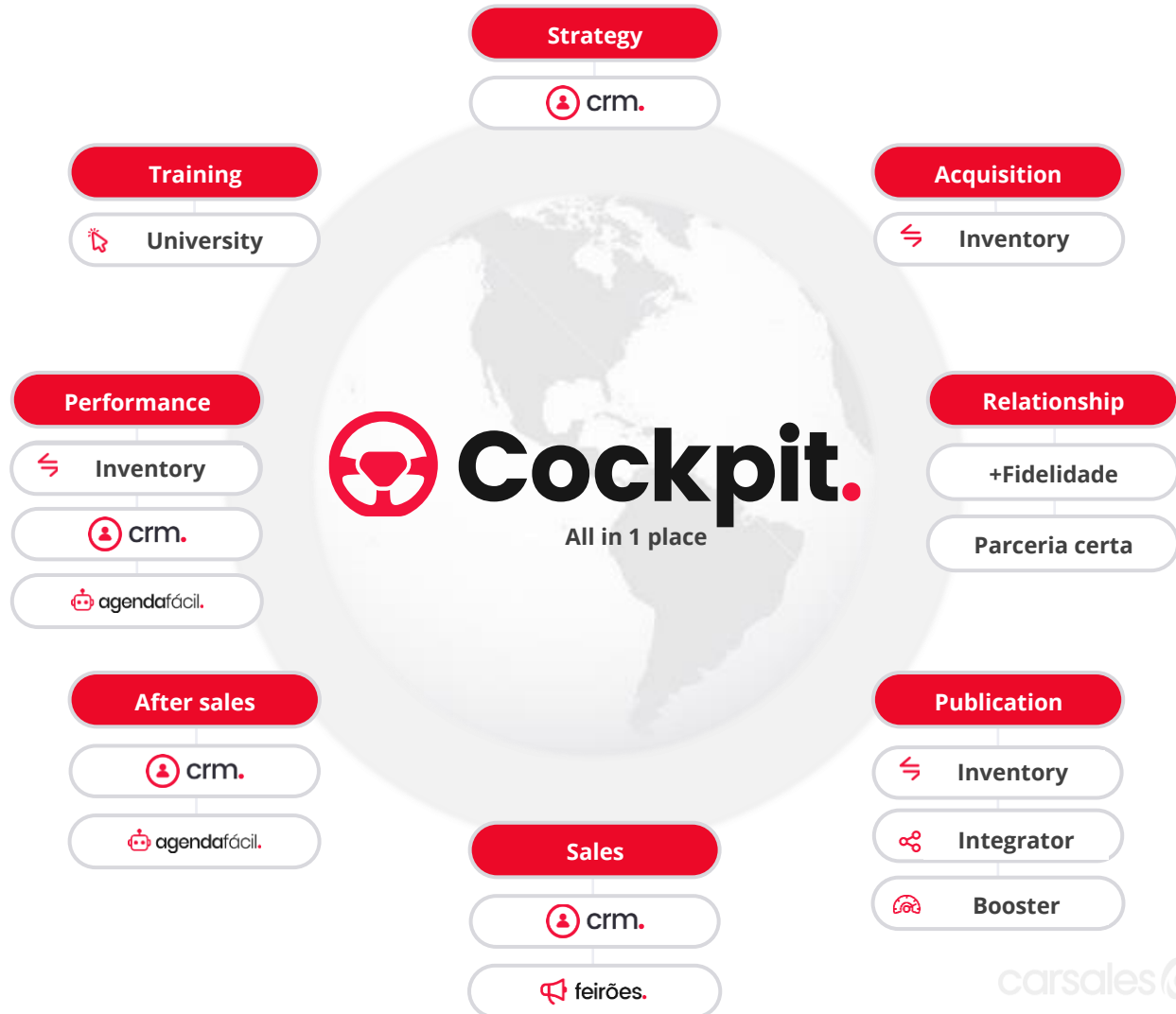
# 3 Expand Product Offering & Penetration

We continue to increase investment in Cockpit to drive dealer value

 **17k+**  
Dealers

 **61**  
Dealer NPS

 **360k+**  
Listings



# 4. Media

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# Media Strategy

1

**Grow direct sales team to engage OEMs and agencies**

- Increased focus on media segment
- Develop and grow direct sales team to build relationships with key agencies and OEMs

2

**Expand media product set and capability**

- Implement key media products from carsales Australia into webmotors

3

**Explore implementation of key technologies**

- Improve programmatic performance through new technology
- Explore implementation of Customer Data Platform (CDP) and self-serve platform



# 1 Grow Direct Sales Team

The OEM advertising market is significant with opportunity to increase share

The Brazilian new car market is highly competitive










- Approximately 60 brands competing for market share. webmotors is a good place for advertisers to grow brand awareness

**\$1.5bn**

Total Addressable Market<sup>1</sup>

webmotors can increase focus on Media and build a direct sales team to increase market share

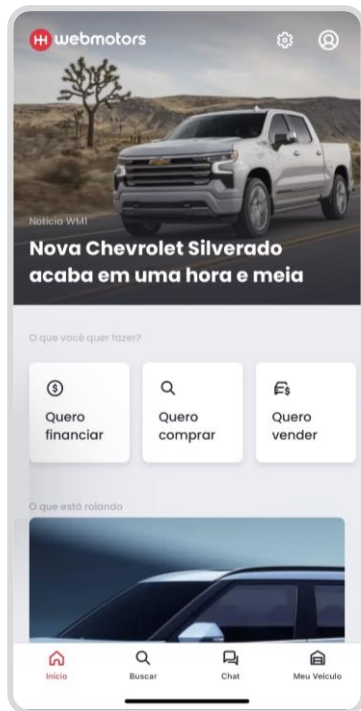
## Key Brands

Brand	Market Share	Brand	Market Share
	22%		7%
	14%		6%
	12%		3%
	10%		3%
	10%		2%

# 2 Expand Media Product Set

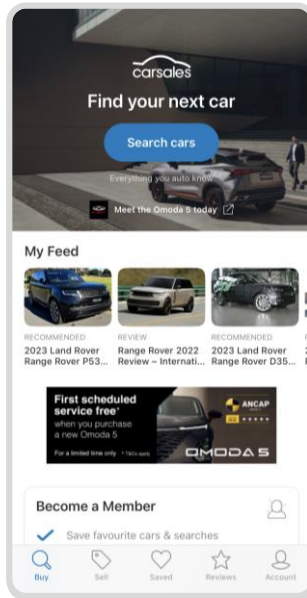
webmotors can increase advertiser demand by implementing key products from carsales

## webmotors app today



## carsales Australia product set

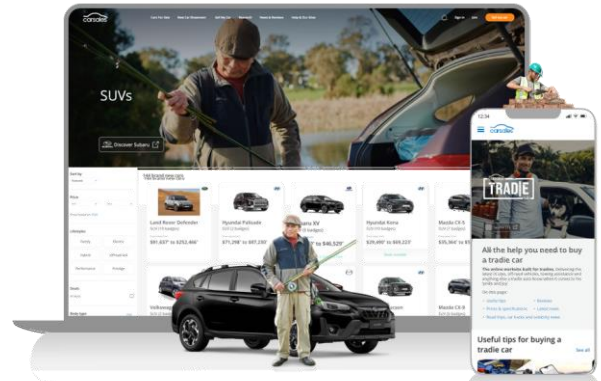
### Homepage Buyout



### Native Ads



### Creative



### Native Video



### Partnerships



### Branded Content



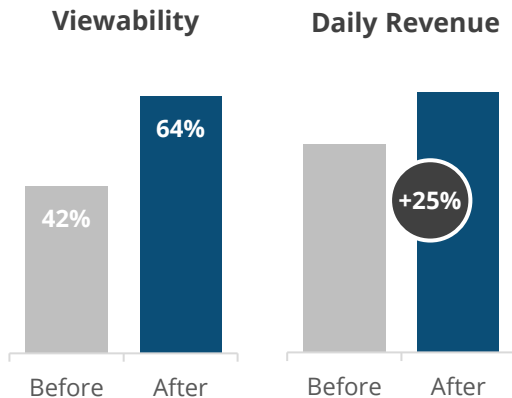
# 3 Explore Key Technology Programs

carsales has a suite of technologies that can enhance webmotors' media offering

## Programmatic

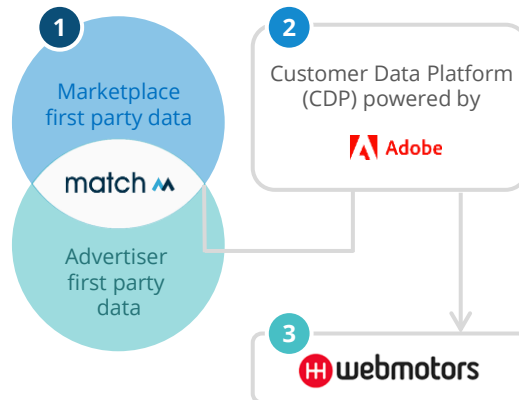
- Plan is to implement carsales programmatic ad tech into webmotors
- Expected to drive similar uplift in key performance metrics to Trader Interactive as shown below

### Trader Interactive Programmatic Performance<sup>1</sup>



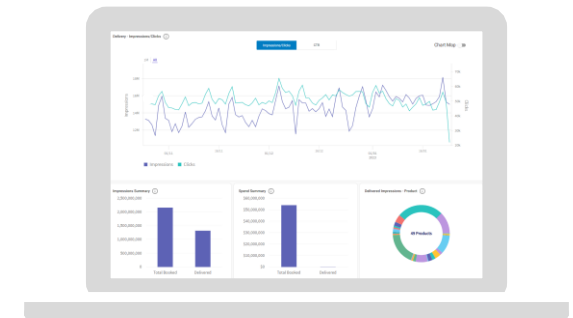
## match

- 1 Using match advertisers can match their first-party-data with our data
- 2 Advertisers can build segments based on buying signals using Adobe Real-Time CDP
- 3 Advertisers can create targeted ad campaigns across the entire webmotors network



## ignition

- ignition enables advertisers to plan, create, manage, report and analyse their own marketing campaigns
- Advertisers can conduct campaigns without human intervention from account managers
- ignition expands addressable market by increasing the volume advertisers



(1) Optimisations implemented 1-July-23. Before: June-23, After: July-23.

# 5. Adjacent Opportunities

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# Car10 - Market Overview



**Significant opportunity to leverage webmotors audience and capture value across the entire buy-sell-own value chain**

## BUY

- Private listings
- Dealer listings
- Home Delivery
- Feirão (sale event)
- Inspection reports



## SELL

- Private listings
- Dealer listings
- Cockpit CRM
- Leads
- Media

## OWN

- Servicing
- Repairs
- Car wash
- Paintwork

Brazilian Automotive Repair Market Opportunity



More than **5 million services** per year<sup>2</sup>

**320k+** Auto Shops<sup>2</sup>



**100k** with more than 3 employees<sup>1</sup>

# Car10 Strategy



Car10 can leverage webmotors' audience to generate powerful network effects



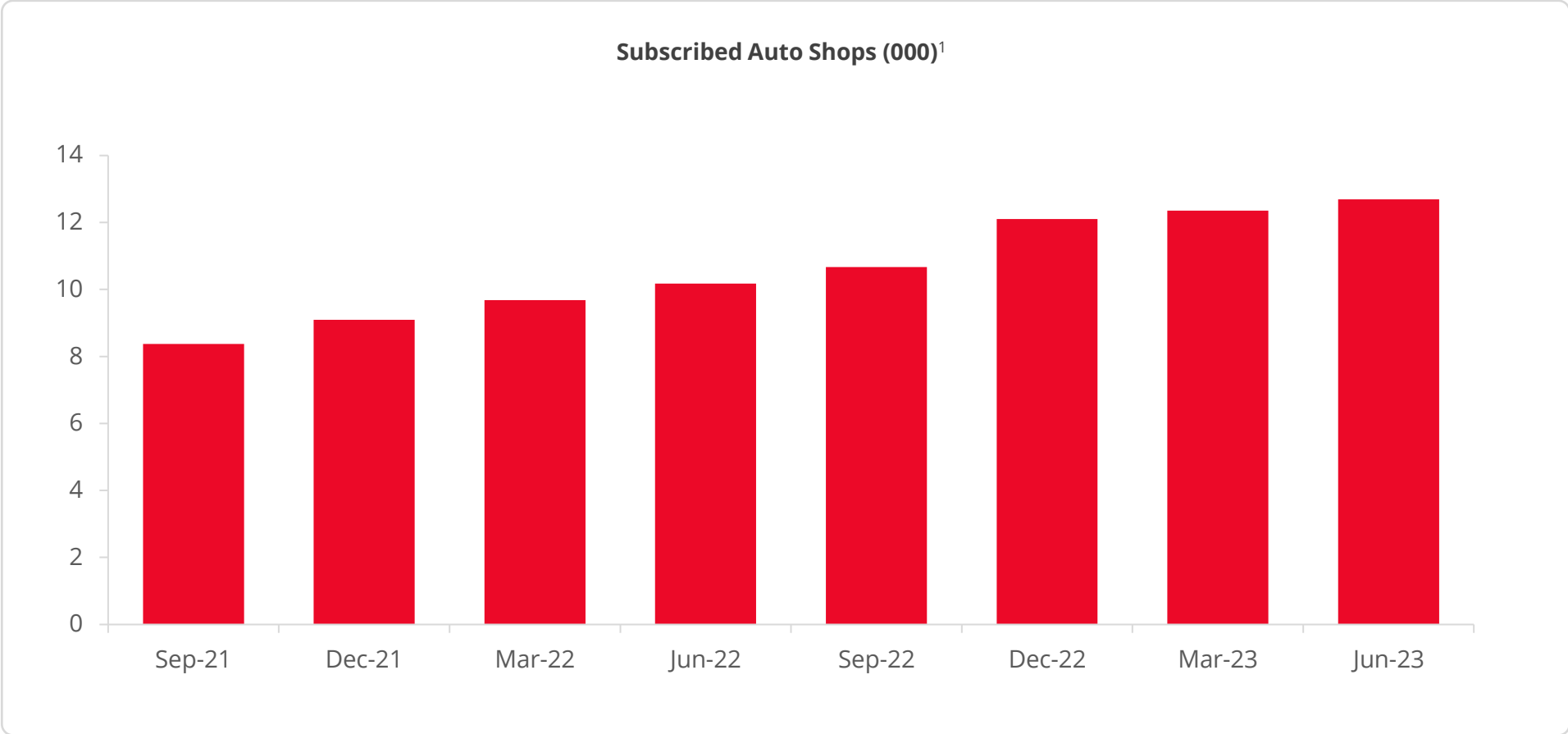
Strategy to acquire consumers and monetise repair shops

Consumer Offering	Repair Shop Offering
<p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Vehicle detailing</li> <li>• Vehicle body work</li> <li>• Preventative maintenance</li> <li>• Corrective maintenance</li> </ul>	<p><b>Features</b></p> <ul style="list-style-type: none"> <li>• White-label solutions</li> <li>• Unique landing pages</li> <li>• Communication bot and AI capabilities</li> <li>• API interface</li> </ul>
<p style="background-color: #e61e20; color: white; text-align: center;"><b>Monetisation</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Payments and financial solutions</li> <li>• Mini CRM</li> <li>• Webpages</li> </ul>	

# Progress Update



We are continually growing the number of participating auto shops, growing revenue and generating small profits



(1) webmotors internal data.