

Consistently delivering on our priorities

A clear focus on our six operating priorities allows us to monitor our strategic progress and deliver results, consolidating our position at the forefront of the UK automotive marketplace.

Industry challenge

76%

of car buyers claim that transparent pricing of cars is the most important thing to them¹.

1

Increase consumer audience, advert views and use of our valuations tools

We continue to operate the UK's largest digital automotive marketplace with an average of 582 million cross platform minutes and 55 million cross platform visits per month, viewing an average of 247 million full page advert views per month and conducting over 17 million valuations as consumers seek to understand the private sale or part-exchange value for their cars.

Progress during the last year:

582m

cross platform minutes each month.

2%

increase in advert views year-on-year.

17m

consumer valuations conducted on site over the year.

Video car adverts

New ways to view stock

Video adverts help reassure car buyers that they are buying a vehicle from a reputable and trusted retailer. It's another vital way retailers can deliver transparency with car buyers that builds trust.



¹ Auto Trader September 2016 Market Report.



2

Promote trust and fairness in the marketplace

As an industry that has a low perception of trust with consumers, it's essential that the industry works together to drive greater levels of transparency and therefore trust. If growth of transparency is adopted industry-wide, it will remove some of the friction that's currently felt in the car buying process and lead to people changing their cars more often.

Progress during the last year:

Forced removal of misleading adverts that deliberately misinform consumers.

We implemented an extra layer of security with two-factor verification on our dealer portal accounts.

We launched Dealer Reviews for our retailer customers, as well as forming partnerships with major review platform providers, to enable them to show a level of trust to car buyers.

We continued to harmonise retailer pricing structures and created new packages for financial year 2018. The new packages, including the 'starter' package, provide retailers with products that allow them to convey trust and transparency with consumers, i.e. 100 Images, Dealer Reviews, Live Chat, and Part-Exchange Guide.



Price Indicator

Creating price transparency

Powered by our valuations algorithm, we launched 'good', 'great' and 'low' price indicators onto the marketplace so consumers get transparency in the pricing of cars.

3

Grow ARPR in a balanced, sustainable way by creating value for our customers

We continually innovate to develop new and enhance existing products and services for consumers, retailers and manufacturers to ensure we are always delivering value. We've made significant strides in improving our valuations data, which has allowed us to provide adjusted valuations based on spec, something that the rest of the industry has struggled to achieve. We have also enhanced our Dealer Portal with new functionality that allows group reporting, enabling self-serve of a dealer group's performance dashboard, and a new look stock management dashboard, so retailers can assess levels of response and adjust their advertising and pricing accordingly.

Progress during the last year:

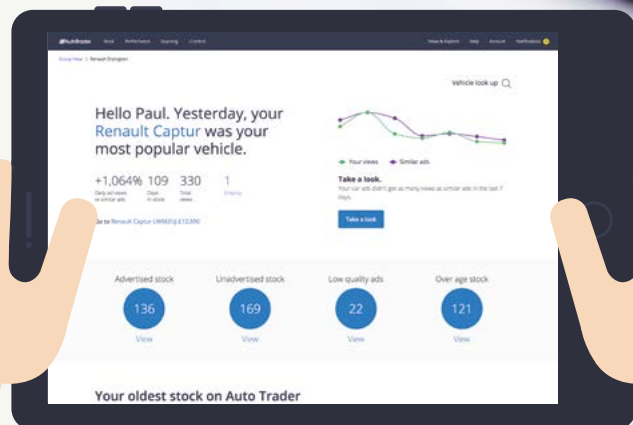
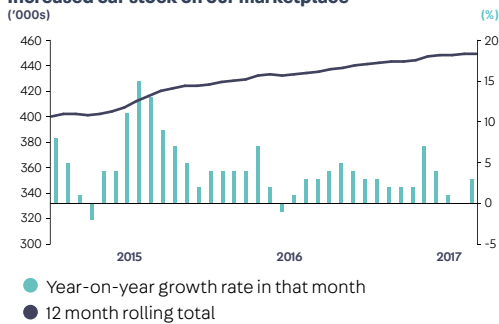
Physical car stock on site has increased year-on-year by 3%.

Portal is now utilised by around 87% of our retailer customers.

We've increased prices to reflect the value we deliver to our customers, adding more products as standard into our packages.

We migrated all of our customers onto a new monthly billing system, Singleview, helping us to improve our customer service as well as our effectiveness to cross sell products.

Increased car stock on our marketplace





i-Control

We have continued to develop the functionality of our data intelligence solutions, i-Control and Retail Check. Users of these tools will now exclusively be able to see adjusted guide price valuations based on adding spec.

4

Extend the penetration of products outside of our core classified proposition

We have removed sales commissions from our sales and service teams and implemented a new ‘challenger’ sales approach. This ensures our teams are equipped to provide strategic business consultancy and are therefore more able to articulate value in products that sit outside of our core classified offering. We have also continued to develop products outside of our core, for example products that allow retailers to manage and market their businesses more effectively.

Progress during the last year:

We have increased penetration of products outside of our core selling proposition, growing usage of our Managing products, i-Control and Retail Check.

We gained FCA authorisation allowing us to show a retailer’s own finance deals on their adverts on Auto Trader.

Launched new website templates in order for us to compete more effectively.

Launched a new retailer brand advertising proposition.

2,500

retailer forecourts using our data-driven Managing products, i-Control or Retail Check

5

Enhance our relevance and value to manufacturers

Auto Trader is spontaneously top of mind for almost a quarter of consumers when looking to buy a new car². Coupled with an increase of over 6,000 brand new make/model variants onto our marketplace, this has increased the sales leads and amplified the value we now offer to manufacturers and their networks. We have also continued to build key relationships with manufacturers and their media agencies and are working with them to leverage our data and insight to target buyers at the right time in their car buying journey.

Progress during the last year:

Updated over 300 new car make/model pages, enabling consumers to make an enquiry with a local retailer.

Continued to develop new advertising and creative formats so manufacturers and their retailer networks can reach new car buyers at the right time, on the right channel with the right message.

Developed our cross platform audience targeting, beginning to embed our data management platform, helping us to target audiences more effectively.

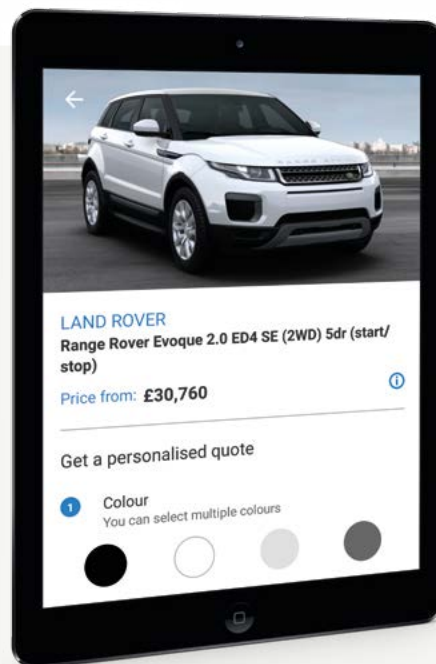
Increased Display advertising revenue from manufacturers and their media agencies by 16%.

Virtual stock

This year we extended our discovery search with the addition of over 6,000 brand new, make/model variants to our marketplace, what we have called 'virtual stock'.

1/3

of new car buyers state that Auto Trader would be one of their first destinations when looking to buy a brand new car².



² Auto Trader Brand Tracking Data from Acacia Avenue (January - February 2017).



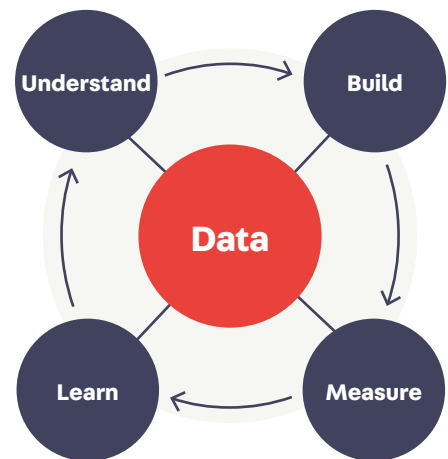
6

Operate a simpler, leaner and more data-oriented business

As part of the Group’s digital culture, incorporating an agile and lean working ethos, we have continued to find ways of operating more efficiently whilst ensuring that teams are truly data-driven, resulting in every team being assigned their own dedicated data analyst.

In a bid to operate a simpler and more efficient business, we have migrated all our 13,000 retailer forecourts onto a new billing system enabling our sales teams to manage and monitor product penetration as well as customer value.

Data-driven product development



Progress during the last year:

100%

migration of retailer forecourts onto new billing system, Singleview

Developed the “Auto Trader Way” methodology to standardise the approach to product development, placing data at the heart of everything we do.