Embargoed until 7.00am, 30 May 2024

AUTO TRADER GROUP PLC

FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2024

Auto Trader Group plc ('the Group'), the UK's largest automotive marketplace, announces full year results for the year ended 31 March 2024

Strategic overview

- Group revenue increased by 14% and Group operating profit increased by 26%. Core Auto Trader revenue grew 12% driven by double digit revenue growth across all segments. Core Auto Trader operating profit grew by 14%, with operating profit margins expanding to 71%.
- Average revenue per retailer ('ARPR') grew 12%, driven by continued uptake of additional products and services and a successful annual pricing and product event on 1 April 2023. As part of this event, we launched our second Auto Trader Connect module enabling all retailers to benefit from our market-leading retail valuations.
- Over the past 12 months both our marketplace and our competitive position have strengthened, with record numbers of buyers and sellers using Auto Trader. We were 10x larger than our nearest classified competitor and UK retailer forecourt numbers were up 1%.
- The used car retail market has been robust throughout the financial year, which we expect to continue. Demand is resilient with cars continuing to sell faster than before the pandemic and used car supply has gradually improved. Trade prices softened in the latter months of the calendar year, which subsequently impacted retail prices, but monthly pricing movements have since stabilised in line with typical seasonal trends.
- The new car retail market has been more challenging and discounting has started to return. We are well placed to support the structural changes in this market, which remains a significant opportunity. We now have products to support franchise retailers, manufacturers and leasing companies selling new cars directly to consumers on Auto Trader.
- Our Deal Builder product, which is part of our digital retailing strategy, enables car buyers to value their part-exchange, apply for finance and reserve a car on Auto Trader. The product is still in trial phase but scaling well with c.1,100 retailers onboarded at the end of March 2024 (March 2023: c.50). During the year we have seen c.16,000 deals (2023: c.200) with at least a reservation and continue to receive positive feedback from both buyers and sellers. We commenced a small monetisation trial in January 2024.

Financial results

£m (unless otherwise specified)	**2024**	**2023**	**Change**
Auto Trader[1]	529.7	473.0	12%
Autorama[2]	41.2	27.2	51%
Group revenue	**570.9**	**500.2**	**14%**
Auto Trader[1]	378.6	332.9	14%
Autorama[2]	(8.8)	(11.2)	21%
Group central costs[3] – relating to Autorama acquisition	(21.1)	(44.1)	52%
Group operating profit	**348.7**	**277.6**	**26%**
Auto Trader operating profit margin	71%	70%	1% pts

Group operating profit margin	61%	55%	6% pts
Basic earnings per share (pence)	**28.15**	**25.01**	**13%**
Cash generated from operations[4]	**379.0**	**327.4**	**16%**
Adjusted EBITDA[5]	375.3	328.0	14%
Adjusted earnings per share (pence)[6]	29.37	27.12	8%

- We have returned £250.3 million to shareholders (2023: £225.0 million) through £169.9 million of share buybacks and dividends of £80.4 million.
- With a proposed final dividend of 6.4 pence per share (2023: 5.6 pence per share), total dividends for the year are 9.6 pence per share (2023: 8.4 pence per share).

Operational results

- Over 75% of all minutes spent on automotive classified sites were spent on Auto Trader[7] (2023: over 75%). Cross platform visits[8,10] were up 11% to 77.5 million per month (2023: 69.6 million) and cross platform minutes[8,10] were up 8% to 553 million per month (2023: 514 million).
- Like-for-like retailer numbers were up 1%, after removing the impact of the Webzone Limited disposal in the prior year (a loss of 305 retailers), Without this adjustment, the average number of retailer forecourts[8] in the year declined slightly to 13,783 (2023: 13,913).
- Average revenue per retailer[8] ('ARPR') was up 12% (or £284) to £2,721 on average per month (2023: £2,437), driven by a positive contribution across all three growth levers (price, stock and product).
- Live car stock[8,12] on site was up 2% to 445,000 cars (2023: 437,000), within which new car listings declined to 20,000 (2023: 25,000). We delivered 7,847 new lease vehicles (2023: 6,895[2]) which continues to be impacted by limited supply.
- The average number of employees[9] ('FTEs') in the Group increased to 1,233 during the year (2023: 1,160).

Cultural KPIs

- 97% of employees are proud to work at Auto Trader[13] (March 2023: 91%).
- We continue to build a diverse and inclusive culture[14]:
    - Board: There were more women than men on our Board (March 2023: five women and four men) and one ethnically diverse Board member (March 2023: one). From the start of May, we increased to six women and two ethnically diverse Board members.
    - Leadership: The percentage of leaders that are women[15,17] was 42% (March 2023: 40%) and those who are ethnically diverse[15,16,17] was 6% (March 2023: 8%).
    - Organisation: The percentage of employees who are women was 44%[17] (March 2023: 43%) and those who are ethnically diverse[16,17] was 17% (March 2023: 15%).
- We aim to achieve net zero across our value chain before 2040 (Scopes 1, 2 and 3) and to halve carbon emissions by the end of 2030. Total Group emissions for the period were 98.9k tonnes of carbon dioxide equivalent[18] (2023: 79.5k tonnes). Most of our CO_2 emissions are Scope 3, attributable to both our suppliers and the emissions related to the small number of vehicles sold by Autorama that pass through the balance sheet, which were responsible for the year-on-year increase.

Nathan Coe, Chief Executive Officer of Auto Trader, said:

"This has been another year of strong financial, operational and strategic progress for Auto Trader. More than 8 in 10 car buyers now use Auto Trader during their car buying journey and two thirds of buyers only use Auto Trader. Our data and technology continue to underpin the UK automotive industry and we are constantly innovating to help our retailers access the very best tools to achieve their business goals.

“We are confident in our prospects for the year ahead and, in the longer term, we see significant opportunities to continue growing our marketplace and to move more of the car buying process online, on Auto Trader.

“As ever, I would like to thank our people, customers and the UK’s car buyers for continuing to place their trust in us.”

Outlook

The new financial year has started well.

We anticipate another good year of ARPR growth across all three levers. In FY24 there was some positive ARPR benefit from the Webzone disposal, as on average their retailers were lower yielding, which won’t be replicated in FY25. We expect ARPR price growth of £90-£100, product growth of £120-£130 and stock growth of £20-£40, with average retailer forecourts likely to be marginally down year-on-year, as market conditions continue to return to normal levels. Consumer Services and Manufacturer & Agency are expected to grow at a rate of mid-to-high single digits.

We expect Autorama operating losses to reduce year-on-year, despite tight supply conditions in the leasing channel for new vehicles continuing. Group central costs, which relate to the amortisation of Autorama acquired intangibles, will be c.£13m for the year.

As mentioned at our last results, in FY25 we will exceed the threshold for the UK’s digital services tax (‘DST’) which will be taken as an operating expense in the core Auto Trader segment. We therefore expect FY25 operating profit margins within this segment to be 69%, or 71% when excluding DST. However, at a Group level we expect to see modest margin expansion.

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

Analyst presentation
A presentation for analysts will be held in person at the offices of Bank of America Merrill Lynch and also via audio webcast and conference call at 9.30am, Thursday 30 May 2024. Details below:

Audio webcast: https://edge.media-server.com/mmc/p/vw8vywth

Conference call registration: https://register.vevent.com/register/BIdab284011b934097a5130184192bd492

If you have any trouble registering or accessing either the conference call or webcast, please contact Powerscourt on the details below.

For media enquiries
Please contact the team at Powerscourt on +44 (0)20 7250 1446 or email autotrader@powerscourt-group.com

About Auto Trader
Auto Trader Group plc is the UK’s largest automotive marketplace. It listed on the London Stock Exchange in March 2015 and is a member of the FTSE 100 Index.

Auto Trader’s purpose is Driving Change Together. Responsibly. Auto Trader is committed to creating a diverse and inclusive culture, to build stronger partnerships with customers and use its influence to drive more environmentally friendly vehicle choices.

With the largest number of car buyers and the largest choice of trusted stock, Auto Trader’s marketplace sits at the heart of the UK car buying process. That marketplace is built on an industry-leading technology and data platform, which is increasingly used across the automotive industry. Auto Trader is continuing to bring more of the car buying journey online, creating an improved buying experience, whilst enabling all its retailer partners to sell vehicles online.

Auto Trader publishes a monthly used car Retail Price Index which is based on pricing analysis of circa 800,000 unique vehicles. This data is used by the Bank of England to feed the broader UK economic indicators.

For more information, please visit https://plc.autotrader.co.uk/

Cautionary statement

Certain statements in this announcement constitute forward looking statements (including beliefs or opinions). “Forward looking statements” are sometimes identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “aims”, “anticipates”, “expects”, “intends”, “plans”, “predicts”, “may”, “will”, “could”, “shall”, “risk”, “targets”, “forecasts”, “should”, “guidance”, “continues”, “assumes” or “positioned” or, in each case, their negative or other variations or comparable terminology. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company’s future expectations, operations, financial performance, financial condition and business is a forward looking statement. Such forward looking statements are subject to known and unknown risks and uncertainties, because they relate to events that may or may not occur in the future, that may cause actual results to differ materially from those expressed or implied by such forward looking statements. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this results announcement. As a result, you are cautioned not to place reliance on such forward looking statements, which are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the forward looking statements set out in this announcement. Except as is required by applicable laws and regulatory obligations, no undertaking is given to update the forward looking statements contained in this announcement, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement has been prepared for the Company’s group as a whole and, therefore, gives greater emphasis to those matters which are significant to the Company and its subsidiary undertakings when viewed as a whole.

To the extent available, the industry and market data contained in this announcement has come from third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. In addition, certain parts of the industry and market data contained in this announcement come from the Company’s own internal research and estimates based on the knowledge and experience of the Company’s management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this announcement.

Summary financial performance

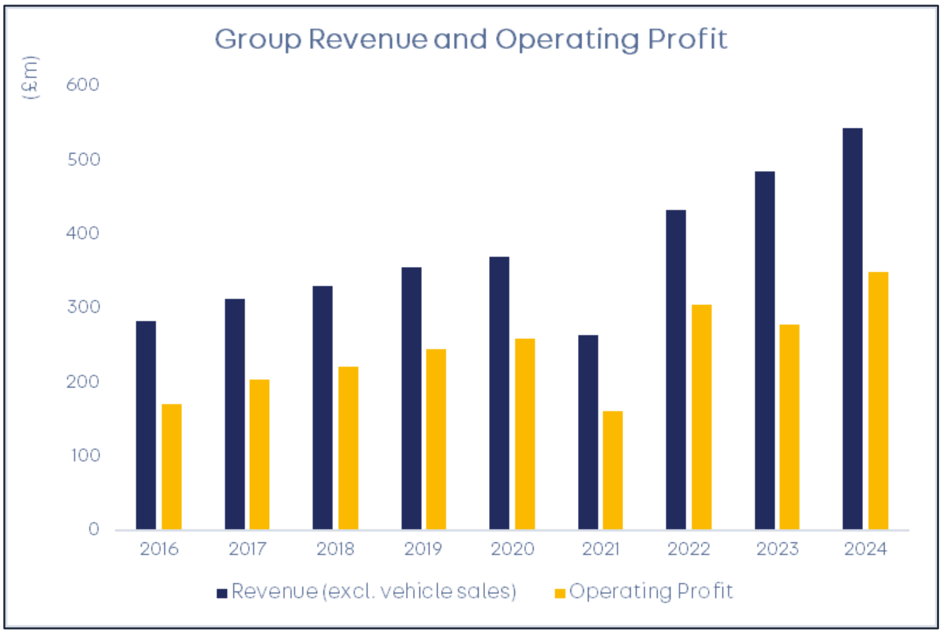
Group results	Units	2024	2023	Change
Revenue	£m	570.9	500.2	14%
Adjusted EBITDA[5]	£m	375.3	328.0	14%
Operating profit	£m	348.7	277.6	26%
Operating profit margin	%	61%	55%	6% pts
Profit before tax	£m	345.2	293.6	18%
Basic earnings per share	Pence	28.15	25.01	13%
Adjusted earnings per share[6]	Pence	29.37	27.12	8%
Dividend per share	Pence	9.6	8.4	14%
Group cash flow				
Cash generated from operations[4]	£m	379.0	327.4	16%
Net bank debt[11]	£m	11.3	43.4	(32.1m)
Auto Trader results[1]				
Trade	£m	475.7	427.4	11%
Consumer Services	£m	39.6	34.5	15%
Manufacturer & Agency	£m	14.4	11.1	30%
Revenue	£m	529.7	473.0	12%
People costs	£m	81.5	74.0	10%
Marketing	£m	22.3	22.3	0%
Other costs	£m	44.2	39.6	12%
Depreciation & amortisation	£m	5.9	6.7	(12%)
Operating costs	£m	153.9	142.6	8%
Share of profit from joint ventures	£m	2.8	2.5	12%
Operating profit	£m	378.6	332.9	14%
Operating profit margin	%	71%	70%	1% pts
Autorama results[2]				
Vehicle & Accessory Sales	£m	28.4	16.0	78%
Commission & Ancillary	£m	12.8	11.2	14%
Revenue	£m	41.2	27.2	51%
Cost of goods sold	£m	28.2	15.7	80%
People costs	£m	10.9	10.5	4%
Marketing	£m	4.0	4.7	(15%)
Other costs	£m	4.5	5.4	(17%)
Depreciation & amortisation	£m	2.4	2.1	14%
Operating costs	£m	50.0	38.4	30%
Operating loss	£m	(8.8)	(11.2)	21%
Group central costs[3] **– relating to Autorama acquisition**				
Autorama deferred consideration	£m	11.1	38.8	(71%)
Depreciation & amortisation	£m	10.0	5.3	89%
Operating costs	£m	21.1	44.1	(52%)
Operating loss	£m	(21.1)	(44.1)	52%

1. Auto Trader includes the results of Auto Trader and AutoConvert (2023 also includes Webzone up to the date of disposal) in respect of online classified advertising of motor vehicles and other related products and services in the digital automotive marketplace, including the Dealer Auction joint venture.
2. 2023 Autorama results are from acquisition date of 22 June 2022, therefore include just over nine months of results.
3. Group central costs which are not allocated within either of the two segmental operating profit/(loss) comprise an £11.1 million charge for the Autorama deferred consideration settlement (2023: £38.8 million) and a £10.0 million amortisation expense (2023: £5.3 million) relating to the fair value of intangible assets acquired in the Group's business combination of Autorama.
4. Cash generated from operations is defined as net cash generated from operating activities before corporation tax paid.
5. 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.

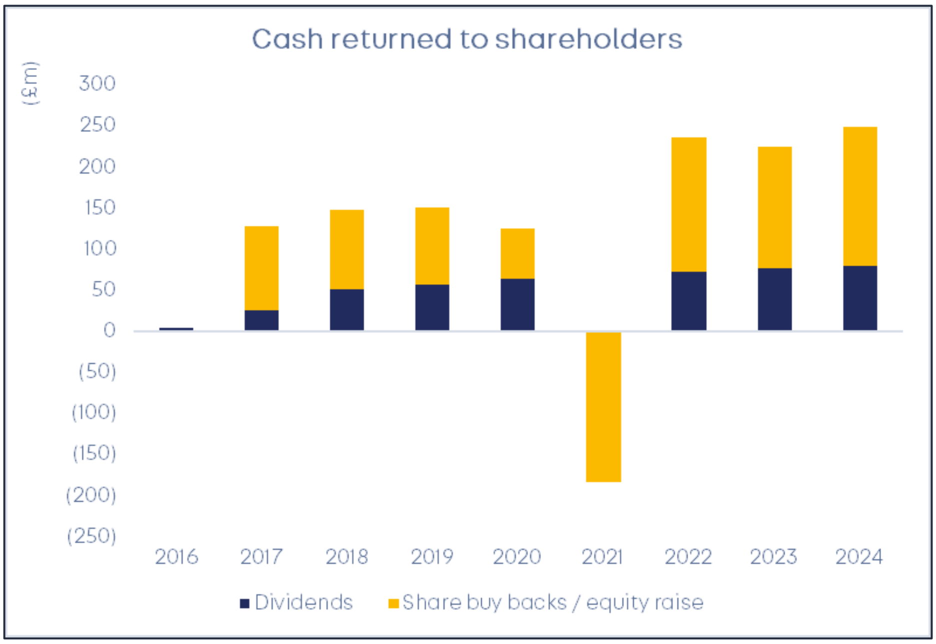
6. Adjusted earnings per share is calculated before Autorama deferred consideration, profit on the sale of subsidiary, and net of the tax effect in respect of these items.
7. Share of minutes is a custom metric based on Comscore minutes and is calculated by dividing Auto Trader's total minutes volume 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 and CarGurus. Comscore MMX Multi-Platform, Total Digital Population, Total Audience, Average Minutes, April 2023 - March 2024, UK
8. Average during the year.
9. Average during the year, including contractors.
10. As measured internally through Snowplow.
11. Net 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.
12. Physical car stock advertised on autotrader.co.uk.
13. Based on a survey to all employees in April 2024 asking our people to rate the statement "I am proud to work for Auto Trader". Answers were given on a five-point scale from strongly disagree to strongly agree.
14. As at 31 March 2024.
15. We define leaders as those who are on our Operational Leadership Team ('OLT') and their direct reports.
16. Throughout the year we have asked our employees to voluntarily disclose their ethnicity, at year end we had 130 employees (10%) who had not yet disclosed.
17. We calculate all our diversity percentages using total group headcount, 1,255 (March 2023: 1,226) as at 31st March. At the period end, we had 548 employees who are women, 701 employees who are men and 6 who are non-binary.
18. The total amount of CO2 emissions includes Scope 1, 2 and 3. From the 15 different emission categories that fall within Scope 3, the following have been identified as relevant to Auto Trader: Purchased goods and services; Capital goods; Fuel and energy related activities (not included in Scope 1 and Scope 2); Upstream transportation and distribution; Waste generated in operations; Business travel; Employee commuting; Downstream transportation and distribution; Use of sold products; End of life treatment of sold products; and Investments. The methodology used to calculate emissions is based on the financial control consolidation approach, as defined in the Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition). Emission factors used are from the UK Government's GHG Conversion Factors for Company Reporting, and selected other emissions factors datasets as applicable, for the year reported. For Scope 3 Category 1, an Environmentally Extended Input Output database methodology was used to calculate the GHG footprint across total spend in the year. The methodology for calculating use of sold goods has changed in 2024. We will recalculate 2023 on the same basis in the coming year.

Strategic and operating review

With almost 10 years since our IPO in March 2015 and two years since our last investor day we thought it worthwhile to look back at our performance over a longer period. We believe many of the contributing factors are still equally relevant to our future. Historically our results statements have focused solely on what has happened in the previous financial year, which whilst important, does not always highlight the key factors shareholders might consider when thinking about our longer-term prospects. We will look to supplement the usual full year detail with this forward-looking view each year.



Since Auto Trader's IPO the business has delivered consistent execution and performance. During the first few years of being a public company, revenue grew steadily whilst much of the focus was on transitioning to a pure digital business and changing the cost base from a model that had remnants of our magazine heritage. This transition yielded cost efficiencies and stronger profit growth, which was largely a one-time opportunity. Since then, our performance has been characterised by higher revenue growth, with a focus on our core marketplace and product growth, coupled with investments in our platform and adjacent opportunities. These revenues have driven profit growth that is only slightly lower than the period during which margins expanded significantly.



Our profits have been consistently distributed through a combination of dividends and share buy backs, which is something we expect to continue. During our history as a listed business, £1.1bn of surplus cash has been returned to shareholders (net of the equity raise during COVID-19) and we have delivered total shareholder returns of 225% versus 60% for the FTSE350 (excluding investment trusts). We don't always expect our performance to be linear, with 2021 being a good example, but we do expect the drivers of our historic and future value creation to remain reasonably consistent. These drivers include: a growing automotive market; our market leading position; our heritage of innovation; a focused and consistent strategy; and our purpose and culture.

1. A growing automotive market

Today, most of our economics are linked to the number of used vehicle retailers who choose to advertise on Auto Trader. Used vehicle supply is determined by new vehicle sales (less scrappage) in preceding years, meaning it does not meaningfully change with economic conditions and therefore our business does not see significant cyclicality. When economic conditions or consumer demand do change it is used vehicle prices that adjust, not supply.

Over the past 20 years the total size of the UK car parc has gradually increased, growing on average by just over 250,000 cars per year. The COVID-19 pandemic broke this consistent trend, as new car production fell to levels below even those of the Financial Crisis of 2007-09. From time to time there will be these anomalies, but over the long term we expect the used car market to grow as a result of population growth and stable trends in car usage.

At times there have been concerns about a material consolidation within our customer base, although to date this has not materialised. We do expect the biggest retailers to get bigger and we have seen consolidation in our very largest customers, but not at a level that materially changes the overall market fragmentation. At the time of our IPO, we had 13,452 retailers and today we have 13,783, despite losing c.550 retailers when we sold our business in the Republic of Ireland.

Finally, we expect the value of both new and used cars to increase over the long term. During a short window of time, used car prices will adjust due to supply and demand movements, but over longer time periods we expect used car values to increase gradually due to GDP growth, population growth, inflation, improved functionality, longer useful lives and the move towards more expensive electric vehicles. In the period from 2011 to 2024, used car prices have increased by an average of 4% per year.

These factors combine to provide an underlying market that is resilient and likely to grow in both volume and value over the long term.

2. Our market leading position

As the automotive market increasingly embraces digital channels, technology and data we are uniquely placed to help. In financial year 2016 Auto Trader had visits of 47.9 million per month, last year that number had increased to 77.5 million. This past year we accounted for over 75% of all minutes spent on automotive classified sites and were 10x larger than our nearest classified competitor (2023: 7x). Over time we have seen 21 million downloads of our app and currently see 89% prompted brand awareness with UK consumers. In addition to this, third party data suggests that more than 8 in 10 car buyers use Auto Trader during their shopping journey, and two thirds of buyers only use Auto Trader. In order to ensure this position is maintained, we will continue to invest in improving our site experience, maintaining high levels of trust, evolving our brand, building our content and marketing capabilities, launching new tools and functionality for retailers, and deepening our partnership with customers.

Many of the changes we are currently developing are as significant as any in our history in terms of deepening the experience we provide to car buyers. These will improve our marketplace, enable our customers to power their businesses with our technology and data platform, whilst moving us towards digital retailing.

3. Our heritage of innovation

Almost every retail category has been impacted by the growing role of the internet in how we purchase goods, and the car market is no exception. New cars are still at a much earlier stage, but researching and shopping for used cars online has been commonplace for many years. Today over 90% of car buyers use the internet for some part of their car buying process. However, the physical part of the shopping experience is and will remain important due to the value and unique characteristics and condition of every used car.

Most car buyers will use the internet to find a used car, ensure they're getting a good deal and to check the reputation of the retailer. This is because the choice available is significant and platforms like Auto Trader make navigating the car buying process much simpler than it would otherwise be. Our trusted position and brand heritage in this area is significant, from initially operating as a magazine to the fully digital business we are today, leveraging technology to support more of the buying and selling journey. On Auto Trader buyers are now using retailer reviews, seeing professionally produced video content, benefitting from enriched data about the specification and performance of the car, checking the history of the vehicle and whether it has outstanding finance, seamlessly using artificial intelligence ('AI') to get a market value for the car they're buying or selling, applying for finance and reserving cars online. This continuous improvement in the way buyers use Auto Trader has underpinned much of our past success and we know there are significant opportunities to further enhance the consumer experience.

The shift to digital has also brought real benefits to retailers. It has meant they can advertise their vehicles as quickly as it takes to photograph and upload an advert. The insight they have on vehicle performance and what they get for their advertising is detailed, real-time, and can be acted upon at the click of a button. Over time retailers have also accessed our AI models for pricing and demand metrics that use almost one million vehicle observations a day. This helps customers decide which vehicles they should be buying for their local area, what prices they can expect at retail and how long it is likely to take to sell. These products might otherwise have been unattainable or have required significant investment by our customers, and we have every intention of continuing to use our brand, data and technology to enable any retailer to access the very best tools and achieve their business goals. Over time we will continue improving and building on these areas, strengthening the partnership we have with customers and increasing their use of our software products, and unlocking new revenue streams for the business.

All this innovation is delivered through our well-invested technology platforms, built by Auto Trader people who have many years of experience enabling infrastructure and products for our customers. This year we delivered 65,000 software releases (2023: 51,000) and saw 22.1 million API calls a week (2023: 10.2 million).

4. A focused and consistent strategy

Our strategy as set out at our investor day in September 2022 outlined three strategic focus areas: our marketplace; our platform; and digital retailing. These areas are closely interconnected, as our platform and digital retailing capabilities build on the strengths of our marketplace whilst also deepening our relationships with customers and car buyers. These have all been multi-year investments which have progressed over the past 12 months.

Marketplace

Our marketplace saw strong revenue and operating profit growth in the year, with double digit growth across all three revenue segments for the first time since our IPO in 2015. The largest area of revenue comes from retailer customers, where forecourt numbers were broadly consistent and we increased average revenue per retailer ('ARPR') by 12%. This growth came from all three levers: price, stock and product. Our annual pricing and product event, which took effect in April, included a further module of Auto Trader Connect as we look to embed our data and insight into customers' businesses to enable them to make better, faster decisions. Our advertising packages continue to perform well with penetration above our standard package averaging 35% of retailer stock over the year (2023: 32%, March 2024: 34%).

Within our marketplace we remain committed to building our new car experience. Franchise customers have been able to advertise physical new cars for a number of years, and we ended the year with c.2,100 paying retailers on this product (March 2023: c.1,900). Alongside this, we have launched a product allowing manufacturers operating an agency model to advertise new cars directly to consumers nationally. This revenue is included in the Manufacturer and Agency line. Critical to having the best new car buying experience is ensuring we are the research destination for electric vehicles ('EVs'). To support this, we have added new EV content, tools and evolved search. We have also actively started to incorporate EVs into our marketing campaigns, launched new media partnerships to promote EVs, hosted live events, and continued our successful monthly EV giveaway.

We have continued to share our data and insight with retailers, the industry and Government to help inform public policy and regulation to support the mass adoption of EVs. During the period we continued our programme of political engagement, which included giving evidence to a House of Lords Committee, presenting our data to key ministers, and assisting Transport for London's Ultra Low Emission Zone ('ULEZ') expansion and the associated scrappage scheme.

Platform

In April 2023 we made our second module of Auto Trader Connect, Valuations, available to customers as part of our annual pricing and product event. This provides specification and condition adjusted valuations within our Retailer Portal and via our Auto Trader Connect APIs, enabling third parties and retailers to directly integrate these into their core systems. In April 2024 we launched a further module of Auto Trader Connect providing retailers with Trended Valuations and enhanced Retail Check functionality. Combined, these tools help retailers confidently understand the past and present trends in terms of pricing and demand so they can make better decisions when buying or retailing vehicles.

Making our platform accessible also enables our customers to benefit from the multi-year investment we have made in our data platform and data science capability. Over many years we have improved the quality of our data, most of which is proprietary. We acquired Kee Resources for vehicle taxonomy, have integrated build-level data from manufacturers, collated many observations on our platform and more recently have sourced granular vehicle data to provide our own provenance checks. As part of our platform strategy, we continue to integrate with lenders to enable a full digital automotive finance journey on Auto Trader. While we are not directly impacted by the current FCA investigation into discretionary commission arrangements, we believe it should lead to a more consistent and transparent car buying journey for consumers, which we are well placed to provide on Auto Trader.

Digital retailing

To strengthen our marketplace, we are looking to provide a deeper car buying and selling experience on Auto Trader, allowing car buyers and retailers to extend beyond some of the constraints of a physical forecourt and sales process.

Our main focus has been to develop and scale our Deal Builder product for used cars, where car buyers can carry out as much of the journey as they want on Auto Trader, completing the rest of the transaction on the forecourt, over the phone or through a combination of channels. We launched Deal Builder last year, which uses Auto Trader technology to enable car buyers to get a part-exchange valuation, apply for finance and reserve a car online. Launched as a trial, we have increased the volume of customers to c.1,100 retailers (March 2023: c.50) with over 40,000 cars live at the end of March 2024. Over the past 12 months, we have continued to improve the onsite experience and generated 16,000 deals with a reservation in the period (2023: c.200). Consumer feedback continues to be positive and deals are converting at roughly double the rate of any other enquiry type, with many deals being completed outside of retail hours. In January 2024, we trialled monetisation with a small cohort of customers paying a transaction fee (0.25%) linked to the price of the vehicle which is charged on submission of a deal.

In parallel to Deal Builder, we are working to enable a digital retailing journey for new cars. Throughout the year we have further integrated leasing deals for cars, vans and pickups into the core Auto Trader search experience. Our car leasing tab consolidates all available deals and provides a full checkout journey on Auto Trader. The personal leasing market has been constrained by tight supply throughout the year, but in time we expect supply through this channel to improve. Autorama delivered 7,847 vehicles across the period (2023, from 22 June acquisition date: 6,895), with average commission and ancillary revenue per vehicle delivered of £1,631 (2023: £1,624).

5. Our purpose and culture

Our purpose is Driving Change Together. Responsibly, which encompasses our ways of working and our culture. Culture has been a fundamental part of the changes we've made and the results we've achieved for at least 10 years. As an organisation we aim to be purpose driven, principled, and values led. Whilst it lacks precision, our culture is often described internally as 'doing the right thing', described as 'Responsibly' in our purpose. Within this we're looking to achieve a balance between investing in the future, performing today and ensuring our customers and other stakeholders see the benefits of working with us.

‘Driving Change’ runs deep within the organisation. We are restless, self-critical and comfortable embracing new and disruptive technology, which is something the organisation has done for decades. We launched our website back in 1996, which went on to completely replace the magazines that were the business for much of our 47-year history. When the mobile internet arrived, we were quick to launch mobile sites and apps some 15 years ago. We embraced server virtualisation, then private cloud, then public cloud which we completed our full transition to last year. We invested in building out a new data platform and data science capability 10 years ago, making artificial intelligence available to the automotive industry. This history of innovation is a core part of our culture and our results. These initiatives take a long time to build at scale, but once operational they enable us to act fast without the constraints of legacy systems and significant technical debt.

‘Together’ points to three aspects of our culture. The first is being ‘One’ Auto Trader. This refers to working as a single team, not in silos, with trust and collaboration over hierarchy and bureaucracy. We are one organisation which means tech is tech for all of Auto Trader, finance is finance for all of Auto Trader, product is product for all of Auto Trader, marketing is marketing for all of Auto Trader. Therefore, to progress any piece of work or initiative, our people have to talk, be aligned with our priorities, listen to each other, and collaborate authentically.

The second important aspect of ‘Together’ is the way in which we work with customers, retailers, manufacturers, leasing companies, finance companies and other players in the automotive ecosystem. We aim for partnership. We believe that there is a lot more we can bring to our customers than just the products we sell. With our data, brand, people and technology we can help our customers achieve their business goals, which makes them much more likely to understand and use our products, advice, insight and services. We believe this will lead to a much bigger and more influential business, not least because to be successful in areas adjacent to our core we often need the advice and support of customers.

The third aspect of ‘Together’ is an ownership mindset amongst our people which strongly reinforces the two points above. In September 2023 we announced our One Auto Treader all-employee share scheme that provides employees with an extra 10% of their salary in shares each year, vesting over a three-year period. This builds on an already strong ownership culture, aligns our people with our shareholders and can be accommodated within our long-term Auto Trader margin target of above 70%.

Finally, a big part of our culture and ‘Responsibly’ is creating an environment that attracts diverse groups of people and enables them to fulfil their potential for both the business and themselves. This requires long-term commitment to structural changes that take years to come to fruition, but we are making progress. As an example, like all technology companies we would like more women engineers, but it is a career still under-represented by women. To address this, we have a range of initiatives including outreach programmes with universities and schools, graduate and apprenticeship schemes (not requiring a computer science degree) and retraining. This is just one example, but we apply the same thinking to other groups such as the neurodivergent, those from ethnically diverse backgrounds, the LGBT+ community, those with disabilities and those that are later in their careers. Our employee-driven networks have been instrumental in supporting these efforts which represent women, ethnicity, LGBT+, early careers, disability and neurodiversity, social mobility, parents and age.

This is by no means a complete view of our culture, but hopefully gives some sense of how we work at Auto Trader and more importantly how it contributes to both execution and the results we have achieved this year, this decade, and that we aspire to in the years ahead.

Board changes

An important enabler for our success over the years has been a capable, diligent and supportive Board. During the year Matt Davies joined the Board and succeeded Ed Williams as Chair of the Board and Nomination Committee with effect from the 2023 Annual General Meeting (‘AGM’). Geeta Gopalan joined the Board on 1 May 2024 and Amanda James will join the Board on 1 July 2024, both as Non-Executive Directors and as members of the Audit, Remuneration, Corporate Responsibility and Nomination Committees. With effect from the conclusion of the 2024 AGM on 19 September 2024, Geeta will be appointed as Senior Independent Director and Remuneration Committee Chair, and Amanda will be appointed as Audit Committee Chair, both subject to shareholder approval. These appointments replace David Keens and Jill Easterbrook who came to the end of their third three-year terms in 2024, and therefore will not stand for re-election at the 2024 AGM. We are deeply grateful for the contribution Ed, David and Jill have made in their time at Auto Trader. Following this AGM, the number of Independent Non-Executive Directors will reduce to five and our Board will comply with the recommendation in the FTSE Women Leaders Review and Listing Rules with respect to appointing a woman in one of the roles of Chair, Senior Independent Director, Chief Executive or Chief Financial Officer.

Investor calendar

The Group's results for the half year ending 30 September 2024 will be announced on 7 November 2024.

2024 financial performance
Group results

	2024 £m	2023 £m	Change %
Revenue	570.9	500.2	14%
Operating costs	(225.0)	(225.1)	(0%)
Share of profit from joint ventures	2.8	2.5	12%
Group operating profit	**348.7**	**277.6**	**26%**
Group operating profit margin	**61%**	**55%**	**6% pts**

Group revenue increased by 14% to £570.9m (2023: £500.2m) driven by Auto Trader revenue which increased by 12% to £529.7m (2023: £473.0m) with Autorama contributing £41.2m (2023: £27.2m). Group operating profit grew by 26% to £348.7m (2023: £277.6m).

	2024 £m	2023 £m	Change %
Auto Trader	378.6	332.9	14%
Autorama	(8.8)	(11.2)	21%
Group central costs – relating to Autorama acquisition	(21.1)	(44.1)	52%
Group operating profit	**348.7**	**277.6**	**26%**

Auto Trader operating profit increased by 14% to £378.6m (2023: £332.9m), which included £2.8m share of profit from joint ventures (2023: £2.5m). Autorama had an operating loss of £8.8m (2023: £11.2m). Group central costs included a charge of £11.1m (2023: £38.8m), which is the final charge of the £49.9m deferred consideration relating to Autorama, which was fully settled in the period, and an amortisation charge of £10.0m (2023: £5.3m) relating to the Autorama intangible assets acquired. Having accelerated the integration work between Autorama and Auto Trader, we have reviewed the useful economic life of the intangible assets and in September 2023 we shortened the life of the Vanarama brand to five years from the date of acquisition, which brings forward the future amortisation charge.

	2024 £m	2023 £m	Change %
Operating profit	**348.7**	**277.6**	**26%**
Add back:			
Depreciation & amortisation	18.3	14.1	30%
Share of profit from joint ventures	(2.8)	(2.5)	12%
Autorama deferred consideration	11.1	38.8	(71%)
Adjusted EBITDA	**375.3**	**328.0**	**14%**

Adjusted earnings before interest, taxation, depreciation and amortisation, share of profit from joint ventures and Autorama deferred consideration increased by 14% to £375.3m (2023: £328.0m). This adjusted measure of EBITDA, and a similar adjusted measure of earnings per share, are calculated principally to show the financial measures before the effect of acquisition related expenses and disposal gains.

Group profit before tax increased by 18% to £345.2m (2023: £293.6m), despite the prior year including a £19.1m profit on disposal of Webzone Limited (trading as 'Carzone'). Cash generated from operations was £379.0m (2023: £327.4m).

Auto Trader results

Revenue increased to £529.7m (2023: £473.0m), up 12% when compared to the prior year. Trade revenue, which comprises revenue from Retailer, Home Trader and other smaller revenue streams, increased by 11% to £475.7m (2023: £427.4m).

	2024 £m	2023 £m	Change %
Retailer	450.0	406.8	11%
Home Trader	13.4	10.1	33%
Other	12.3	10.5	17%
Trade	475.7	427.4	11%
Consumer Services	39.6	34.5	15%
Manufacturer & Agency	14.4	11.1	30%
Auto Trader revenue	**529.7**	**473.0**	**12%**

Retailer revenue increased by 11% to £450.0m (2023: £406.8m). The average number of retailer forecourts advertising on our platform slightly declined to 13,783 (2023: 13,913). However, excluding the Webzone Limited disposal in the prior year (a negative impact of 305 retailers), like-for-like retailer numbers grew by 1% year-on-year.

Average revenue per retailer ('ARPR') per month increased by 12% to £2,721 (2023: £2,437), with some positive impact from the Webzone disposal as on average their retailers were lower yielding. The ARPR growth was predominantly driven by the product and price levers, with smaller growth from the stock lever.

- Price: Our price lever contributed growth of £114 (2023: £90) to total ARPR as we delivered our annual pricing event for all customers on 1 April 2023, which included additional products alongside a like-for-like price increase.

- Stock: Our stock lever contributed growth of £34 (2023: £nil). The average number of live cars advertised on Auto Trader increased by 2% to 445,000 (2023: 437,000). Despite supply constraints easing, new car stock declined to an average of 20,000 (2023: 25,000) as we evolved our new car product, moving from an 'all you can eat' to a 'slot-based' model. Underlying used car stock increased by 3% on average across the year to 426,000 (2023: 412,000), with much of this increase coming from a higher volume of private listings. The stock lever is not impacted by private listings, but by the number of retailer paid stock units which marginally increased.

- Product: Our product lever contributed growth of £136 (2023: £137) to total ARPR. Just over half of this product growth was from our Auto Trader Connect Valuations product, which was included in retailer packages as part of our annual pricing and product event in April 2023. Much of the remaining growth was as a result of seeing a continued increase in retailers using our higher-level packages and market extension products. Despite the reduction in new car stock, the higher number of paying retailers also positively contributed to product lever growth.

Home Trader revenue increased by 33% to £13.4m (2023: £10.1m). Other revenue increased by 17% to £12.3m (2023: £10.5m).

Consumer Services revenue increased by 15% in the year to £39.6m (2023: £34.5m). Private revenue, which is largely generated from individual sellers who pay to advertise their vehicle on the Auto Trader marketplace, increased by 16% to £26.0m (2023: £22.4m). Motoring Services revenue increased 7% to £13.0m (2023: £12.1m).

Revenue from Manufacturer and Agency customers increased 30% to £14.4m (2023: £11.1m), with much of the increase a result of manufacturers who sell direct to consumers using our recently launched new car market extension product, allowing them to advertise and sell new cars on Auto Trader.

Total costs increased 8% to £153.9m (2023: £142.6m).

	2024 £m	2023 £m	Change %
People costs	81.5	74.0	10%
Marketing	22.3	22.3	0%
Other costs	44.2	39.6	12%
Depreciation & amortisation	5.9	6.7	(12%)
Auto Trader costs	**153.9**	**142.6**	**8%**

People costs increased by 10% to £81.5m (2023: £74.0m). The increase in people costs was mainly due to an increase in the average number of full-time equivalent employees ('FTEs') to 1,060 (2023: 996), as we continue to invest in people to support the growth of the business. Underlying salary costs also contributed to this increase as we continue to attract and retain the best digital talent and supported employees with the higher cost of living. Within people costs, share-based payments was £8.2m (2023: £6.6m), increasing 21% largely due to the award of an all-employee share award in November 2023.

Marketing spend remained flat at £22.3m (2023: £22.3m).

Other costs, which include data services, property-related costs and other overheads, increased by 12% to £44.2m (2023: £39.6m). The year-on-year increase was primarily due to people-related costs, IT costs, legal & professional costs and general inflationary increases. Depreciation and amortisation declined by 12% to £5.9m (2023: £6.7m).

	2024 £m	2023 £m	Change %
Revenue	529.7	473.0	12%
Operating costs	(153.9)	(142.6)	8%
Share of profit from joint ventures	2.8	2.5	12%
Auto Trader operating profit	**378.6**	**332.9**	**14%**
Auto Trader operating profit margin	**71%**	**70%**	**1% pts**

Our share of profit generated by Dealer Auction, the Group's joint venture, increased 12% to £2.8m (2023: £2.5m) as auction activity increased following supply constraints in the prior year.

Autorama results

	2024 £m	2023 £m	Change %
Vehicle & Accessory Sales	28.4	16.0	78%
Commission & Ancillary	12.8	11.2	14%
Autorama revenue	**41.2**	**27.2**	**51%**

Autorama revenue was £41.2m (2023: £27.2m), with vehicle and accessory sales contributing £28.4m (2023: £16.0m), and commission and ancillary revenue contributing £12.8m (2023: £11.2m). The prior period included just over nine months of results from acquisition date, compared to a full year this year.

Total deliveries amounted to 7,847 units (2023: 6,895), which comprised 2,646 cars (2023: 4,295), 4,616 vans (2023: 2,253) and 585 pickups (2023: 347). Average commission and ancillary revenue per unit delivered was £1,631 (2023: £1,624).

	2024 £m	2023 £m	Change %
Cost of goods sold	28.2	15.7	80%
People costs	10.9	10.5	4%
Marketing	4.0	4.7	(15%)
Other costs	4.5	5.4	(17%)
Depreciation & amortisation	2.4	2.1	14%
Autorama costs	**50.0**	**38.4**	**30%**

The Autorama business delivered c.1,200 (2023: c.700) vehicles which were temporarily taken on balance sheet in the year to 31 March 2024. This represented 15% (2023: 10%) of total vehicles delivered in the period. The cost of these vehicles was taken through cost of goods sold, with the corresponding revenue in vehicle and accessory sales. People costs of £10.9m (2023: £10.5m) related to the 173 FTEs (2023: 209) employed on average through the year. Marketing in the year was £4.0m (2023: £4.7m). Other costs of £4.5m (2023: £5.4m) include IT services, property costs, people-related costs and other overheads. Depreciation and amortisation totalled £2.4m (2023: £2.1m).

	2024 £m	2023 £m	Change %
Revenue	41.2	27.2	51%
Costs	(50.0)	(38.4)	30%
Operating loss	**(8.8)**	**(11.2)**	**21%**

Group net finance costs

Group net finance costs increased to £3.5m (2023: £3.1m). Interest costs on the Group's Syndicated Revolving Credit Facility ('Syndicated RCF') totalled £3.0m (2023: £2.5m) with the year-on-year increase due to an increase in underlying SONIA. At 31 March 2024, the Group had drawn £30.0m of its available facility (31 March 2023: £60.0m). Other finance costs comprised amortisation of debt issue costs of £0.6m (2023: £0.5m), vehicle stocking loan interest of £0.3m (2023: £0.1m) and interest costs relating to leases of £0.1m (2023: £0.2m). This was offset by interest receivable on cash and cash equivalents of £0.5m (2023: £0.2m).

Extension of Syndicated RCF commitments

On 2 February 2024, the Group extended the term for its £200.0m Syndicated RCF by one year, incurring additional associated debt transaction costs of £0.3m. The facility has been extended to February 2029 and still has an additional one-year extension option with no tranche terminations. There is no change to the interest rate payable and there is no requirement to settle all, or part of the debt earlier than the termination dates stated.

Taxation

Profit before taxation increased by 18% to £345.2m (2023: £293.6m). The Group tax charge of £88.3m (2023: £59.7m) represents an effective tax rate of 26% (2023: 20%). This is slightly higher than the average standard UK rate of 25% (2023: 19%) due to non-deductible expenses.

We had previously stated that the Group was potentially in scope for the UK's digital services tax ('DST') with revenues exceeding £500m. The UK Government continues to work towards implementing a global two-pillar tax solution addressing the tax challenges arising from the digitalisation of the economy. Pillar Two came into effect for accounting periods beginning on or after 31 December 2023, but the timeline for finalising the multilateral convention that would implement Pillar One is still not certain. The implementation of Pillar One would see DST repealed and the Group liability would fall away. An outcome statement was published in July 2023 which gave an expectation that Pillar One would come into force during calendar year 2025. We are awaiting further updates.

Our in-scope revenue did not exceed the threshold for UK DST in financial year 2024, but we expect the Group will exceed that threshold and pay DST in financial year 2025. This would result in an additional operating expense equivalent to c.2% of in-scope revenue, which will be deductible against corporation tax payable.

Earnings per share

Basic earnings per share increased by 13% to 28.15 pence (2023: 25.01 pence) based on a weighted average number of ordinary shares in issue of 912,582,172 (2023: 935,138,578). Diluted earnings per share of 28.07 pence (2023: 24.77 pence) also increased by 13%, based on 915,302,568 shares (2023: 944,144,242) which takes into account the dilutive impact of outstanding share awards.

	2024 £m	2023 £m	Change %
Net income	**256.9**	**233.9**	**10%**
Autorama deferred consideration	11.1	38.8	(71%)
Profit on the sale of subsidiary	–	(19.1)	100%
Adjusted Net income	**268.0**	**253.6**	**6%**
Adjusted earnings per share (pence)	**29.37**	**27.12**	**8%**

Adjusted earnings per share, before Autorama deferred consideration and profit on the sale of subsidiary in respect of the prior year, and net of the tax effect in respect of these items, increased by 8% to 29.37 pence (2023: 27.12 pence).

Cash flow and net bank debt

Cash generated from operations increased to £379.0m (2023: £327.4m) predominately due to the increase in operating profit. Corporation tax payments increased to £91.5m (2023: £60.5m). Net cash generated from operating activities was £287.5m (2023: £266.9m).

As at 31 March 2024, the Group had net bank debt of £11.3m (31 March 2023: net bank debt of £43.4m), a decrease of £32.1m. At the year end, the Group had drawn £30.0m of its Syndicated RCF (31 March 2023: £60.0m) and held cash and cash equivalents of £18.7m (31 March 2023: £16.6m).

Leverage, defined as the ratio of Net bank debt to EBITDA (adjusted for the Autorama deferred consideration), was 0.0 times (2023: 0.1 times) and interest paid was £3.1m (2023: £3.2m).

Capital structure and dividends

During the year, a total of 25.2 million shares (2023: 25.3 million) were purchased for a consideration of £169.9m (2023: £147.3m) before transaction costs of £0.9m (2023: £0.7m). A further £80.4m (2023: £77.7m) was paid in dividends, giving a total of £250.3m (2023: £225.0m) in cash returned to shareholders. The Directors are recommending a final dividend of 6.4 pence per share. Subject to shareholders' approval at the Annual General Meeting ('AGM') on 19 September 2024, the final dividend will be paid on 27 September 2024 to shareholders on the register of members at the close of business on 30 August 2024. The total dividend for the year is therefore 9.6 pence per share (2023: 8.4 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.

Going concern

The Group generated significant cash from operations during the year. At 31 March 2024 the Group had drawn £30.0m of its £200.0m unsecured Syndicated RCF and had cash balances of £18.7m. The Group has a strong balance sheet and flexibility in terms of uses of cash to manage increased economic uncertainty and higher interest rates. The £200.0m Syndicated RCF is committed until February 2029. Based on the facilities available and current financial projections for the next 12 months the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £m	2023 £m
Revenue	3	**570.9**	500.2
Operating costs		**(225.0)**	(225.1)
Share of profit from joint ventures, net of tax	11	**2.8**	2.5
Operating profit	4	**348.7**	277.6
Net finance costs	5	**(3.5)**	(3.1)
Profit on disposal of subsidiary		**–**	19.1
Profit before taxation		**345.2**	293.6
Taxation	6	**(88.3)**	(59.7)
Profit for the year attributable to equity holders of the parent		**256.9**	233.9
Basic earnings per share (pence)	7	**28.15**	25.01
Diluted earnings per share (pence)	7	**28.07**	24.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £m	2023 £m
Profit for the year	**256.9**	233.9
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	**–**	(0.3)
Realisation of cumulative currency translation differences	**–**	0.4
	–	0.1
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations, net of tax	**(0.1)**	(0.4)
Other comprehensive income for the year, net of tax	**(0.1)**	(0.3)
Total comprehensive income for the year attributable to equity holders of the parent	**256.8**	233.6

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2024

	Note	2024 £m	2023 £m
Assets			
Non-current assets			
Intangible assets	8	**487.7**	501.0
Property, plant and equipment	9	**14.9**	15.9
Retirement benefit surplus		**0.6**	0.5
Net investments in joint ventures	11	**48.2**	49.3
Other investments		**1.3**	2.3
		552.7	569.0
Current assets			
Inventory		**2.6**	3.6
Trade and other receivables		**83.3**	72.9
Current income tax assets		**0.7**	0.6
Cash and cash equivalents		**18.7**	16.6
		105.3	93.7
Total assets		**658.0**	662.7
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	13	**9.2**	9.3
Share premium		**182.6**	182.6
Retained earnings		**1,420.5**	1,390.3
Own shares held	14	**(31.3)**	(26.0)
Capital reorganisation reserve		**(1,060.8)**	(1,060.8)
Capital redemption reserve		**1.4**	1.2
Other reserves		**30.7**	30.7
Total equity		**552.3**	527.3
Liabilities			
Non-current liabilities			
Borrowings	12	**27.7**	57.5
Provisions		**1.6**	1.3
Lease liabilities	10	**2.4**	4.6
Deferred income		**7.8**	8.3
Deferred taxation liabilities		**2.9**	5.8
		42.4	77.5
Current liabilities			
Trade and other payables		**60.1**	53.6
Provisions		**0.8**	0.7
Lease liabilities	10	**2.4**	2.5
Borrowings	12	**–**	1.1
		63.3	57.9
Total liabilities		**105.7**	135.4
Total equity and liabilities		**658.0**	662.7

The financial statements were approved by the Board of Directors on 30 May 2024 and authorised for issue:

Jamie Warner
Chief Financial Officer

Auto Trader Group plc
Registered number: 09439967
30 May 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Share capital £m	Share premium £m	Retained earnings £m	Own shares held £m	Capital reorganisation reserve £m	Capital redemption reserve £m	Other reserves £m	Total equity £m
Balance at 31 March 2022		**9.5**	**182.6**	**1,332.4**	**(22.4)**	**(1,060.8)**	**1.0**	**30.2**	**472.5**
Profit for the year		–	–	233.9	–	–	–	–	233.9
Other comprehensive income:									
Currency translation differences		–	–	–	–	–	–	(0.3)	(0.3)
Realisation of cumulative currency translation differences		–	–	–	–	–	–	0.4	0.4
Remeasurements of post-employment benefit obligations, net of tax		–	–	(0.4)	–	–	–	–	(0.4)
Total comprehensive income, net of tax		–	–	233.5	–	–	–	0.1	233.6
Transactions with owners									
Employee share schemes – value of employee services		–	–	44.6	–	–	–	–	44.6
Exercise of employee share schemes		–	–	(3.6)	5.1	–	–	0.4	1.9
Tax impact of employee share schemes		–	–	0.4	–	–	–	–	0.4
Purchase of own shares for treasury		–	–	–	(8.7)	–	–	–	(8.7)
Purchase of own shares for cancellation		(0.2)	–	(139.3)	–	–	0.2	–	(139.3)
Dividends paid		–	–	(77.7)	–	–	–	–	(77.7)
Total transactions with owners, recognised directly in equity		(0.2)	–	(175.6)	(3.6)	–	0.2	0.4	(178.8)
Balance at 31 March 2023		**9.3**	**182.6**	**1,390.3**	**(26.0)**	**(1,060.8)**	**1.2**	**30.7**	**527.3**
Profit for the year		–	–	256.9	–	–	–	–	256.9
Other comprehensive income:									
Remeasurements of post-employment benefit obligations, net of tax		–	–	(0.1)	–	–	–	–	(0.1)
Total comprehensive income, net of tax		–	–	256.8	–	–	–	–	256.8
Transactions with owners									
Employee share schemes – value of employee services		–	–	17.9	–	–	–	–	17.9
Exercise of employee share schemes		–	–	(4.0)	5.8	–	–	–	1.8
Tax impact of employee share schemes		–	–	(0.3)	–	–	–	–	(0.3)
Purchase of own shares for treasury		–	–	–	(11.1)	–	–	–	(11.1)
Purchase of own shares for cancellation		(0.2)	–	(159.7)	–	–	0.2	–	(159.7)
Issue of ordinary shares		0.1	–	(0.1)	–	–	–	–	–
Dividends paid		–	–	(80.4)	–	–	–	–	(80.4)
Total transactions with owners, recognised directly in equity		(0.1)	–	(226.6)	(5.3)	–	0.2	–	(231.8)
Balance at 31 March 2024		**9.2**	**182.6**	**1,420.5**	**(31.3)**	**(1,060.8)**	**1.4**	**30.7**	**552.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Cash generated from operations	16	**379.0**	327.4
Income taxes paid		**(91.5)**	(60.5)
Net cash generated from operating activities		**287.5**	266.9
Cash flows from investing activities			
Purchases of intangible assets		**(0.2)**	(1.0)
Purchases of property, plant and equipment		**(3.6)**	(2.4)
Proceeds from sale of property, plant and equipment		**0.2**	1.8
Dividends received from joint ventures		**3.9**	2.9
Interest received on cash and cash equivalents		**0.5**	0.3
Payment for acquisition of subsidiary, net of cash acquired	17	**–**	(144.2)
Payment of deferred consideration for acquisition of subsidiary	17	**–**	(8.1)
Payment for acquisition of shares in investment entities		**–**	(1.3)
Proceeds on disposal of shares in investment entities		**1.0**	–
Proceeds on disposal of subsidiary, net of cash disposed		**–**	25.6
Net cash used in investing activities		**1.8**	(126.4)
Cash flows from financing activities			
Dividends paid to Company's shareholders	15	**(80.4)**	(77.7)
Drawdown of Syndicated revolving credit facility	12	**57.0**	110.0
Repayment of Syndicated revolving credit facility	12	**(87.0)**	(50.0)
Repayment of other debt		**(1.1)**	(4.0)
Proceeds from loan	12	**–**	1.1
Payment of refinancing fees	12	**(0.5)**	(1.4)
Payment of interest on borrowings		**(3.4)**	(3.3)
Payment of lease liabilities	10	**(2.7)**	(2.9)
Purchase of own shares for cancellation	13	**(158.9)**	(138.6)
Purchase of own shares for treasury	14	**(11.0)**	(8.7)
Payment of fees on purchase of own shares		**(0.9)**	(0.7)
Contributions to defined benefit pension scheme		**(0.1)**	(1.0)
Proceeds from exercise of share-based incentives		**1.8**	2.0
Net cash used in financing activities		**(287.2)**	(175.2)
Net increase/(decrease) in cash and cash equivalents		**2.1**	(34.7)
Cash and cash equivalents at beginning of year		**16.6**	51.3
Cash and cash equivalents at end of year		**18.7**	16.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Basis of preparation
The Consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards. The Consolidated financial statements have been prepared on the going concern basis and under the historical cost convention except for equity investments which are carried at fair value. The Group's principal business is the operation of the Auto Trader platforms which form the UK's largest automotive marketplace.

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 April 2023:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

The adoption of these amendments has had no material effect on the Group's Consolidated financial statements.

There are a number of amendments to IFRS that have been issued by the IASB that, when endorsed in the UK, will become effective in a subsequent accounting period including:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Group has evaluated these changes and none are expected to have a material impact on the Consolidated financial statements.

The Group has early adopted the amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants, which are required to be effective from 1 January 2024. The amendments do not have any material impact on the Group's financial statements.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 March 2024 or 31 March 2023 but is derived from those accounts. Statutory accounts for 31 March 2023 have been delivered to the registrar of companies, and those for 31 March 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern
During the year ended 31 March 2024 the Group has continued to generate significant cash from operations. The Group has an overall positive net asset position and had cash balances of £18.7m at 31 March 2024 (2023: £16.6m). During the year £250.3m was returned to shareholders through share buybacks and dividends (2023: £225.0m).

The Group has access to a Syndicated revolving credit facility (the 'Syndicated RCF'). At 31 March 2024 the Group had £30.0m (2023: £60.0m) drawn of its £200.0m Syndicated RCF. On 2 February 2024, the Group extended the term for its Syndicated RCF by one year and the facility is now available until February 2029.

Cash flow projections for a period of not less than 12 months from the date of this report have been prepared. Stress case scenarios have been modelled to make the assessment of going concern, taking into account severe but plausible potential impacts of a severe economic downturn, ransomware attack and a new market entrant within the next 12 months. The results of the stress testing demonstrated that due to the Group's significant free cash flow, access to the Syndicated RCF and the Board's ability to adjust the discretionary share buyback programme, the Group would be able to withstand the impact and remain cash generative. Following the year end, the Group has generated cash flows in line with its forecast and there are no events that have adversely impacted the Group's liquidity.

The Directors, after making enquiries and on the basis of current financial projections and facilities available, believe that the Group has adequate financial resources to continue in operation for a period not less than 12 months from the date of this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Accounting estimates and judgements
The preparation of financial statements in conformity with UK-adopted international accounting standards requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no accounting estimates or judgements at the financial year end which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Other accounting estimates and judgements include:

Carrying values of goodwill (judgement and estimate)
The Group tests annually whether goodwill held by the Group has suffered any impairment in accordance with its accounting policy. The Group has two cash generating units, Digital and Autorama. Estimation is required for the assumptions used in the calculation of the recoverable amounts of each cash generating unit.

2. Segmental information

IFRS 8 'Operating segments' requires the Group to determine its operating segments based on information which is provided internally. Based on the internal reporting information and management structures within the Group, it has been determined that there are two operating segments (2023: two operating segments). The Group's reportable operating segments have therefore been identified as follows:

- Auto Trader – includes the results of Auto Trader and AutoConvert (2023 also includes Webzone before it was disposed on 24 October 2022) in respect of online classified advertising of motor vehicles and other related products and services in the digital automotive marketplace including profit from the Dealer Auction joint venture.
- Autorama – the results of Autorama in respect of a marketplace for leasing new vehicles and other related products and services.

Management has determined that there are two operating segments in line with the nature in which the Group is managed. The reports reviewed by the Operational Leadership Team ('OLT'), which is the chief operating decision-maker ('CODM') for both segments, splits out operating performance by segment. The OLT is made up of the Executive Directors and Key Management and is responsible for the strategic decision-making of the Group. Revenue and cost streams for each operating segment are largely independent in the reporting period.

The OLT primarily uses the measures of Revenue and Operating profit to assess the performance of each operating segment. The revenue from external parties reported to the OLT is measured in a manner consistent with that in the income statement. There are no inter-segment revenues in the current or comparative periods.

Analysis of the Group's revenue and results for both reportable segments, with a reconciliation to Group profit before tax is shown below:

Year to March 2024	Auto Trader segment £m	Autorama segment £m	Group central costs £m	Group £m
Total segment revenue	529.7	41.2	–	**570.9**
People costs	(81.5)	(10.9)	(11.1)	**(103.5)**
Marketing	(22.3)	(4.0)	–	**(26.3)**
Costs of goods sold	–	(28.2)	–	**(28.2)**
Other costs	(44.2)	(4.5)	–	**(48.7)**
Depreciation & amortisation	(5.9)	(2.4)	(10.0)	**(18.3)**
Total segment costs	(153.9)	(50.0)	(21.1)	**(225.0)**
Share of profit from joint ventures	2.8	–	–	**2.8**
Total segment operating profit/(loss)	**378.6**	**(8.8)**	**(21.1)**	**348.7**
Finance costs – net				**(3.5)**
Profit before tax				**345.2**

Group central costs which are not allocated within either of the segment operating profit/(loss) reported to the CODM comprise:

(i) People costs: £10.4m share-based payment expense relating to the Group shares issued as part of the deferred consideration for Autorama, which was fully settled in the period. A further £0.7m was settled in cash.

(ii) Depreciation and amortisation: £10.0m of amortisation expense relating to the fair value of intangible brand and technology assets acquired in the Group's business combination of Autorama.

Year to March 2023	Auto Trader segment £m	Autorama segment £m	Group central costs £m	Group £m
Total segment revenue	473.0	27.2	–	500.2
People costs	(74.0)	(10.5)	(38.8)	(123.3)
Marketing	(22.3)	(4.7)	–	(27.0)
Costs of goods sold	–	(15.7)	–	(15.7)
Other costs	(39.6)	(5.4)	–	(45.0)
Depreciation & amortisation	(6.7)	(2.1)	(5.3)	(14.1)
Total segment costs	(142.6)	(38.4)	(44.1)	(225.1)
Share of profit from joint ventures	2.5	–	–	2.5
Total segment operating profit/(loss)	332.9	(11.2)	(44.1)	277.6
Finance costs – net				(3.1)
Profit on disposal of subsidiary				19.1
Profit before tax				293.6

3. Revenue

The Group's revenue is derived from contracts with customers. All revenues were earned from activities and customers in the United Kingdom.

In the following table, the Group's revenue is detailed by customer type. This level of detail is consistent with that used by management to assist in the analysis of the Group's revenue-generating trends.

Revenue	2024 £m	2023 £m
Retailer	**450.0**	406.8
Home Trader	**13.4**	10.1
Other	**12.3**	10.5
Trade	**475.7**	427.4
Consumer Services	**39.6**	34.5
Manufacturer and Agency	**14.4**	11.1
Autorama	**41.2**	27.2
Total revenue	**570.9**	500.2

4.Operating profit

Operating profit is after (charging)/crediting the following:

	Note	2024 £m	2023 £m
Staff costs		**(92.2)**	(84.1)
Contractor costs		**(0.2)**	(0.4)
Depreciation of property, plant and equipment	9	**(4.8)**	(4.9)
Amortisation of intangible assets	8	**(13.5)**	(9.2)
(Loss)/profit on sale of property, plant and equipment		**(0.3)**	0.7

5. Net finance costs

	2024 £m	2023 £m
On bank loans and overdrafts	**3.0**	2.5
Amortisation of debt issue costs	**0.6**	0.5
Interest unwind on lease liabilities	**0.1**	0.2
Interest on vehicle stocking loan	**0.3**	0.1
Interest receivable on cash and cash equivalents	**(0.5)**	(0.2)
Total	**3.5**	3.1

6. Taxation

	2024 £m	2023 £m
Current taxation		
UK corporation taxation	**91.7**	61.2
Foreign taxation	**–**	0.1
Adjustments in respect of prior years	**–**	(0.2)
Total current taxation	**91.7**	61.1
Deferred taxation		
Origination and reversal of temporary differences	**(3.0)**	(1.3)
Adjustments in respect of prior years	**(0.4)**	(0.1)
Total deferred taxation	**(3.4)**	(1.4)
Total taxation charge	**88.3**	59.7

The taxation charge for the year is higher than (2023: higher than) the effective rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

	2024 £m	2023 £m
Profit before taxation	**345.2**	293.6
Tax on profit at the standard UK corporation tax rate of 25% (2023: 19%)	**86.3**	55.8
Expenses not deductible for taxation purposes	**3.5**	8.5
Income not taxable – gain on disposal of subsidiary	–	(3.6)
Share of joint venture taxation	**(0.7)**	(0.5)
Adjustments in respect of foreign taxation rates	–	(0.1)
Adjustments in respect of OCI group relief	–	(0.1)
Adjustments in respect of prior years	**(0.4)**	(0.3)
Adjustments in respect of losses not previously recognised	**(0.4)**	–

	2024 £m	2023 £m
Total taxation charge	**88.3**	59.7

Expenses non-deductible for taxation purposes in the current year principally includes the share-based payment expense relating to the deferred consideration and amortisation of intangible assets arising on acquisition of Autorama.

Adjustments in respect of losses not previously recognised in the current year relates to brought forward tax losses within the Group which were previously not recognised. Losses have been utilised in the period and a deferred tax asset has been recognised in respect of the remaining balance on the basis that it is deemed probable that future taxabale profit will be available to utilise these against.

Taxation on items taken directly to equity was a debit of £0.3m (2023: credit of £0.4m) relating to tax on share-based payments.

Taxation recorded in equity within the Consolidated statement of comprehensive income was a release of £0.1m (2023: release of £0.4m) relating to post-employment benefit obligations.

The taxation charge for the year is based on the standard rate of UK corporation tax for the period of 25% (2023: 19%).

Deferred income taxes have been measured at the tax rate expected to be applicable at the date the deferred income tax assets and liabilities are realised.

We had previously stated that the Group was potentially in scope for the UK's digital services tax ('DST') with the Group's revenues exceeding £500m. The UK Government continues to work towards implementing a global two-pillar tax solution addressing the tax challenges arising from the digitalisation of the economy. Pillar Two came into effect for accounting periods beginning on or after 31 December 2023, but the timeline for finalising the multilateral convention that would implement Pillar One is still not certain. The implementation of Pillar One would see the UK DST repealed and the Group liability would fall away. An outcome statement was published in July 2023 which gave an expectation that Pillar One would come into force during calendar year 2025. We are awaiting further updates.

Our in-scope revenue did not exceed the threshold for UK DST in financial year 2024, but we expect the Group will exceed that threshold and pay DST in financial year 2025. This would result in an additional operating expense equivalent to c.2% of in-scope revenue, which will be deductible against corporation tax payable.

7. Earnings per share

Basic earnings per share is calculated using the weighted average number of ordinary shares in issue during the year, excluding those held in treasury and by the Employee Share Option Trust ('ESOT'), based on the profit for the year attributable to shareholders.

	Weighted average number of ordinary shares	Total earnings £m	Pence per share
Year ended 31 March 2024			
Basic EPS	**912,582,172**	256.9	**28.15**
Diluted EPS	**915,302,568**	256.9	**28.07**
Year ended 31 March 2023			
Basic EPS	935,138,578	233.9	25.01
Diluted EPS	944,144,242	233.9	24.77

The number of shares in issue at the start of the year is reconciled to the basic and diluted weighted average number of shares below:

	2024	2023
Issued ordinary shares at 1 April	**923,074,657**	946,892,976
Weighted effect of ordinary shares purchased for cancellation	**(11,835,430)**	(7,112,698)
Weighted effect of ordinary shares held in treasury	**(4,417,849)**	(4,304,401)
Weighted effect of shares held in the ESOT	**(330,294)**	(348,989)
Weighted effect of ordinary shares issued for share-based payments	**6,091,088**	11,690
Weighted average number of shares for basic EPS	**912,582,172**	935,138,578
Dilutive impact of share options outstanding	**2,720,396**	9,005,664
Weighted average number of shares for diluted EPS	**915,302,568**	944,144,242

For diluted earnings per share, the weighted average number of shares for basic EPS is adjusted to assume conversion of all potentially dilutive ordinary shares. The Group has potentially dilutive ordinary shares arising from share options granted to employees. Options are dilutive where the exercise price together with the future IFRS 2 charge is less than the average market price of the ordinary shares during the year. Options under the Performance Share Plan, the Single Incentive Plan Award for the Operational Leadership Team and certain key employees, the Single Incentive Plan Award for all employees, the Deferred Annual Bonus Plan and the Share Incentive Plan are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions are satisfied. Dilutive share options outstanding at 31 March 2023 included shares to be issued for the Autorama deferred consideration, which were issued in June 2023.

The average market value of the Group's shares for the purposes of calculating the dilutive effect of share-based incentives was based on quoted market prices for the period during which the share-based incentives were outstanding.

8. Intangible assets

	Goodwill £m	Software and website development costs £m	Financial systems £m	Brand £m	Other £m	Total £m
Cost						
At 31 March 2022	457.9	14.4	13.1	1.2	25.3	**511.9**
Acquired through business combinations	92.5	13.7	–	47.6	5.6	**159.4**
Additions	–	1.0	–	–	–	**1.0**
Disposals	(5.7)	(1.8)	–	(0.6)	(1.2)	**(9.3)**
Exchange differences	(0.1)	–	–	–	–	**(0.1)**
At 31 March 2023	544.6	27.3	13.1	48.2	29.7	**662.9**
Additions	–	0.2	–	–	–	**0.2**
Disposals	–	(3.0)	–	–	–	**(3.0)**
At 31 March 2024	**544.6**	**24.5**	**13.1**	**48.2**	**29.7**	**660.1**
Accumulated amortisation and impairments						
At 31 March 2022	117.0	9.2	13.1	0.7	16.3	**156.3**
Amortisation charge	–	2.5	–	4.2	2.5	**9.2**
Disposals	–	(1.8)	–	(0.6)	(1.2)	**(3.6)**
At 31 March 2023	117.0	9.9	13.1	4.3	17.6	**161.9**
Amortisation charge	–	3.0	–	7.9	2.6	**13.5**
Disposals	–	(3.0)	–	–	–	**(3.0)**
At 31 March 2024	**117.0**	**9.9**	**13.1**	**12.2**	**20.2**	**172.4**

	Goodwill £m	Software and website development costs £m	Financial systems £m	Brand £m	Other £m	Total £m
Net book value at 31 March 2024	**427.6**	**14.6**	**–**	**36.0**	**9.5**	**487.7**
Net book value at 31 March 2023	**427.6**	**17.4**	**–**	**43.9**	**12.1**	**501.0**
Net book value at 31 March 2022	**340.9**	**5.2**	**–**	**0.5**	**9.0**	**355.6**

Other intangibles include customer relationships, technology, trade names, trademarks and non-compete agreements. Intangible assets which have a finite useful life are carried at cost less accumulated amortisation. Amortisation of these intangible assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives (principally between 3 to 15 years). The longest estimated useful life remaining at 31 March 2024 is 11 years (31 March 2023: 12 years).

For the year to 31 March 2024, the amortisation charge of £13.5m (2023: £9.2m) has been charged to operating costs in the Consolidated income statement. As the integration of Autorama, our new car leasing proposition, has accelerated at a faster rate than anticipated at acquisition, the useful economic life of the 'Vanarama' brand has been reduced from ten years to five years from the date of acquisition, effective from 1 October 2023.

At 31 March 2024, there were no software and website development costs representing assets under construction (2023: £nil).

In accordance with UK-adopted international accounting standards, goodwill is not amortised, but instead is tested annually for impairment, or more frequently if there are indicators of impairment. Goodwill is carried at cost less accumulated impairment losses.

9. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Office equipment £m	Motor vehicles £m	Total £m
Cost				
At 31 March 2022	23.1	13.9	1.6	**38.6**
Acquired through business combinations	4.0	0.3	1.0	**5.3**
Additions	2.2	2.0	0.3	**4.5**
Disposals	(7.6)	(3.0)	(0.9)	**(11.5)**
At 31 March 2023	21.7	13.2	2.0	**36.9**
Additions	2.8	1.4	0.2	**4.4**
Disposals	(1.5)	(4.1)	(0.6)	**(6.2)**
At 31 March 2024	**23.0**	**10.5**	**1.6**	**35.1**
Accumulated depreciation				
At 31 March 2022	11.5	11.1	1.3	**23.9**
Charge for the year	3.3	1.1	0.5	**4.9**
Disposals	(4.4)	(2.8)	(0.6)	**(7.8)**
At 31 March 2023	10.4	9.4	1.2	**21.0**
Charge for the year	2.9	1.5	0.4	**4.8**
Disposals	(1.1)	(4.1)	(0.4)	**(5.6)**
At 31 March 2024	**12.2**	**6.8**	**1.2**	**20.2**
Net book value at 31 March 2024	**10.8**	**3.7**	**0.4**	**14.9**

	Land, buildings and leasehold improvements £m	Office equipment £m	Motor vehicles £m	Total £m
Net book value at 31 March 2023	**11.3**	**3.8**	**0.8**	**15.9**
Net book value at 31 March 2022	**11.6**	**2.8**	**0.3**	**14.7**

Included within property, plant and equipment are £5.0m (2023: £6.5m) of assets recognised as leases under IFRS 16. The depreciation expense of £4.8m for the year to 31 March 2024 (2023: £4.9m) has been recorded in operating costs. During the year, £5.3m (2023: £2.6m) worth of property, plant and equipment with £nil net book value was disposed of.

10. Leases

The Group's lease assets including land and buildings and motor vehicles are held within property, plant and equipment. Information about leases for which the Group is a lessee is presented below.

	2024 £m	2023 £m
Net book value property, plant and equipment owned	**9.9**	9.4
Net book value right of use assets	**5.0**	6.5
	14.9	15.9

Net book value of right of use assets	Land, buildings and leasehold improvements £m	Office equipment £m	Motor vehicles £m	Total £m
Balance at 31 March 2022	7.8	0.1	0.4	**8.3**
Acquired through business combination	0.1	–	0.3	**0.4**
Additions	1.5	0.1	0.3	**1.9**
Disposals	(1.4)	–	(0.1)	**(1.5)**
Depreciation charge	(2.2)	–	(0.4)	**(2.6)**
At 31 March 2023	5.8	0.2	0.5	**6.5**
Additions	0.5	0.1	0.2	**0.8**
Disposals	(0.1)	–	–	**(0.1)**
Depreciation charge	(1.8)	(0.1)	(0.3)	**(2.2)**
At 31 March 2024	**4.4**	**0.2**	**0.4**	**5.0**

Lease liabilities in the balance sheet at 31 March	2024 £m	2023 £m
Current	**2.4**	2.5
Non-current	**2.4**	4.6
Total	**4.8**	7.1

The term recognised for certain leases has assumed lease break options are exercised. Certain lease rentals are subject to periodic market rental reviews.

During the year, the Group reassessed its dilapidations provision for its leased properties which resulted in a £0.4m increase in the provision, and corresponding increase in the right of use asset.

Amounts charged in the income statement	2024 £m	2023 £m
Depreciation charge of right of use assets	**2.2**	2.6

Amounts charged in the income statement	2024 £m	2023 £m
Interest on lease liabilities	**0.1**	0.2
Gain on disposal of right of use assets	**–**	(0.1)
Total amounts charged in the income statement	**2.3**	2.7

Cash outflow	2024 £m	2023 £m
Total cash outflow for leases	**2.7**	2.9

11. Net investments in joint ventures

Joint ventures are contractual arrangements over which the Group exercises joint control with partners and where the parties have rights to the net assets of the arrangement, irrespective of the Group's shareholding in the entity.

The Group owns 49% of the ordinary share capital of Dealer Auction Limited (previously Dealer Auction (Holdings) Limited). The basis of the Group's joint control is through a shareholder agreement and an assessment of the substantive rights of each shareholder, including operational barriers or incentives that would prevent or deter rights being exercised.

Net investments in joint ventures at the reporting date include the Group's equity investment in joint ventures and the Group's share of the joint ventures' post acquisition net assets. The table below reconciles the movement in the Group's net investment in joint ventures in the year:

	Equity investments in joint ventures £m	Share of post acquisition net assets £m	Net investments in joint ventures £m
Carrying value			
As at 31 March 2022	40.3	9.4	**49.7**
Share of result for the year taken to the income statement	–	2.5	**2.5**
Dividends received in the year	(2.9)	–	**(2.9)**
As at 31 March 2023	37.4	11.9	**49.3**
Share of result for the year taken to the income statement	–	2.8	**2.8**
Dividends received in the year	(3.9)	–	**(3.9)**
As at 31 March 2024	**33.5**	**14.7**	**48.2**

Set out below is the summarised financial information for the joint venture, adjusted for differences in accounting policies between the Group and the joint venture. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the joint venture.

	2024 £m	2023 £m
Non-current assets	**94.5**	95.6
Current assets		
Cash and cash equivalents	**6.8**	6.4
Other current assets	**2.1**	1.3
Total assets	**103.4**	103.3
Liabilities		
Current liabilities	**4.4**	2.0
Total liabilities	**4.4**	2.0

Net assets	**99.0**	101.3
Group's share of net assets	**48.2**	49.3

	2024 £m	2023 £m
Revenues	**13.2**	10.5
Profit for the year	**5.7**	5.2
Total comprehensive income	**5.7**	5.2
Group's share of comprehensive income	**2.8**	2.5
Dividends received by the Group	**3.9**	2.9

12. Borrowings

Non-current	2024 £m	2023 £m
Syndicated RCF gross of unamortised debt issue costs	**30.0**	60.0
Unamortised debt issue costs on Syndicated RCF	**(2.3)**	(2.5)
Total	**27.7**	57.5

Current	2024 £m	2023 £m
Loan from other investment	**–**	1.1
Total	**–**	1.1
Total borrowings	**27.7**	58.6

Unamortised debt issue costs on the Syndicated RCF decreased to £2.3m in the year (2023: £2.5m).

Borrowings are repayable as follows:

	2024 £m	2023 £m
Less than one year	–	1.1
Two to five years	**30.0**	60.0
Total	**30.0**	61.1

The carrying amounts of borrowings approximate their fair values.

Syndicated revolving credit facility ('Syndicated RCF')
The Group has access to an unsecured Syndicated RCF. Associated debt transaction costs total £6.2m, with £3.3m being incurred at initiation and £2.9m of additional costs associated with extension requests.

In the prior year, with effect from 1 February 2023, the Group entered into an Amendment and Restatement Agreement to extend the term of the facility for five years from the date of signing and to further reduce the capacity of the facility to £200.0m. During the year, on 2 February 2024, the Group extended the term of the Syndicated RCF by one year. The facility has been extended to February 2029 and still has an additional one year extension option with no tranche terminations. There is no change to the interest rate payable and there is no requirement to settle all or part of the debt before the termination date stated. The associated debt transaction costs of the extension were £0.3m, which were paid in the period to 31 March 2024. The remaining £0.2m debt transaction costs relating to the prior year Amendment and Restatement were also paid in the period to 31 March 2024.

Individual tranches are drawn down, in sterling, for periods of up to six months at the compounded reference rate (being the aggregate of SONIA for that interest period) plus a margin of between 1.2% and 2.1% depending on the consolidated leverage ratio of the Group. As part of the Amendment and Restatement Agreement of the Syndicated RCF in 2023, three sustainability performance targets were incorporated into the agreement. This will be tested for the first time in 2024. The margin shall be increased or decreased between -0.05% and 0.05% based on the number of sustainability performance targets achieved in the reporting period. This will be reviewed annually. A commitment fee of 35% of the margin applicable to the Syndicated RCF is payable quarterly in arrears on unutilised amounts of the total facility.

The Syndicated RCF has financial covenants linked to interest cover and the consolidated debt cover of the Group:

- Net bank debt to EBITDA must not exceed 3.5:1.
- EBITDA to Net Interest Payable must not be less than 3.0:1.

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation, share-based payments and associated NI, share of profit from joint ventures and exceptional items.

All financial covenants of the facility have been complied with through the period.

Loan from other investments
In the prior year, the Group's wholly owned subsidiary, Autorama Holding (Malta) Limited, elected to transfer the insurance portfolio held in a protected insurance cell with Advent Insurance PCC Limited to Atlas Insurance PCC Limited. As part of this process, Advent Insurance PCC Limited issued a loan to Autorama Holding (Malta) Limited to fund the investment in the new protected insurance cell until the portfolio transfer was complete. This process was completed during the year and the loan was repaid. As at 31 March 2024, £nil was recognised on the Consolidated balance sheet (2023: £1.1m).

Exposure to interest rate changes
The exposure of the Group's borrowings (excluding debt issue costs) to SONIA rate changes and the contractual repricing dates at the balance sheet date are as follows:

	2024 £m	2023 £m
One month or less	**30.0**	60.0
Total	**30.0**	60.0

13. Share capital

	2024		2023	
Share capital	Number '000	Amount £m	Number '000	Amount £m
Allotted, called-up and fully paid ordinary shares of 1p each				
At 1 April	**923,075**	**9.3**	946,893	9.5
Purchase and cancellation of own shares	**(23,711)**	**(0.2)**	(23,831)	(0.2)
Issue of shares	**7,850**	**0.1**	13	0.0
Total	**907,214**	**9.2**	923,075	9.3

In the year ended 31 March 2017, the Company commenced a share buyback programme. By resolutions passed at the 2023 AGM, the Company's shareholders generally authorised the Company to make market purchases of up to 92,019,875 of its ordinary shares, subject to minimum and maximum price restrictions. In the year ended 31 March 2024, a total of 25,207,430 ordinary shares of £0.01 were purchased. The average price paid was 673.0p with a total consideration paid (including fees of £0.9m) of £170.8m. Of all shares purchased, 1,496,445 were held in treasury with 23,710,985 being cancelled. In the year ended 31 March 2024, 7,849,782 ordinary shares were issued for the settlement of share-based payments.

Included within shares in issue at 31 March 2024 are 312,831 (2023: 340,196) shares held by the ESOT and 4,899,346 (2023: 4,371,505) shares held in treasury, as detailed in note 14.

14. Own shares held

Own shares held – £m	ESOT shares reserve £m	Treasury shares £m	Total £m
Own shares held as at 31 March 2022	(0.4)	(22.0)	(22.4)
Repurchase of own shares for treasury	–	(8.7)	(8.7)
Share-based incentives exercised	–	5.1	5.1
Own shares held as at 31 March 2023	(0.4)	(25.6)	(26.0)
Repurchase of own shares for treasury	–	(11.1)	(11.1)
Share-based incentives exercised	–	5.8	5.8
Own shares held as at 31 March 2024	**(0.4)**	**(30.9)**	**(31.3)**

Own shares held – number	ESOT shares reserve Number of shares	Treasury shares Number of shares	Total Number of shares
Own shares held as at 31 March 2022	358,158	3,826,928	4,185,086
Transfer of shares from ESOT	(17,962)	–	(17,962)
Repurchase of own shares for treasury	–	1,430,372	1,430,372
Share-based incentives exercised	–	(885,795)	(885,795)
Own shares held as at 31 March 2023	340,196	4,371,505	4,711,701
Transfer of shares from ESOT	(27,365)	–	(27,365)
Purchase of own shares for treasury	–	1,496,445	1,496,445
Share-based incentives exercised	–	(968,604)	(968,604)
Own shares held as at 31 March 2024	**312,831**	**4,899,346**	**5,212,177**

15. Dividends

Dividends declared and paid by the Company were as follows:

	2024		2023	
	Pence per share	£m	Pence per share	£m
2023 final dividend paid	**5.6**	**51.3**	5.5	51.7
2024 interim dividend paid	**3.2**	**29.1**	2.8	26.0
	8.8	**80.4**	8.3	77.7

The proposed final dividend for the year ended 31 March 2024 of 6.4p per share, totalling £58.4m, is subject to approval by shareholders at the Annual General Meeting ('AGM') and hence has not been included as a liability in the financial statements.

16. Cash generated from operations

	2024 £m	2023 £m
Profit after tax	**256.9**	233.9
Adjustments for:		
Tax charge	**88.3**	59.7
Depreciation	**4.8**	4.9
Amortisation	**13.5**	9.2
Share-based payments charge (excluding associated NI)	**7.5**	5.8
Deferred contingent consideration	**10.4**	38.8
Share of profit from joint ventures	**(2.8)**	(2.5)
Loss/(profit) on sale of property, plant and equipment	**0.3**	(0.7)
Net lease disposals and modifications	**–**	(0.1)
Post employment expenses relating to the defined benefit scheme	**–**	2.7
Finance costs	**3.5**	3.1
RDEC	**(0.1)**	(0.1)
Profit on disposal of a subsidiary	**–**	(19.1)
Changes in working capital (excluding the effects of exchange differences on consolidation):		
Trade and other receivables	**(10.4)**	(3.6)
Trade and other payables	**6.0**	(1.9)
Inventory	**1.0**	(2.7)
Provisions	**0.1**	–
Cash generated from operations	**379.0**	327.4

17 Business combinations in the prior year

Purchase of Autorama UK Limited
On 22 June 2022, the Group acquired the entire share capital of Autorama UK Limited ('Autorama') for initial consideration of £150.0m, with an additional £50.0m deferred until 22 June 2023 and settled in shares to the value of £50.0m, subject to employment and customary performance conditions.

Autorama, one of the UK's largest marketplaces for leasing new vehicles, is a leading end-to-end digital platform, which aggregates leasing deals from multiple funders and OEMs (under its 'Vanarama' brand), enabling buyers to transact online across a wide range of vehicles.

The total consideration of £150.0m excludes acquisition costs of £2.1m which were recognised within costs in the Consolidated income statement. The following table provides a reconciliation of the amounts included in the Consolidated statement of cash flows for the period:

	2023 £m
Cash paid for subsidiary	150.0
Less: cash acquired	(5.8)
Payment for acquisition of subsidiary, net of cash acquired	**144.2**

As the settlement of the deferred consideration of £50.0m was subject to a condition for continuing employment to 22 June 2023, the amount was not included in the business combination but was recorded as a post-acquisition income statement expense over the period of service, which extended to the first anniversary of the acquisition. The deferred consideration was fully settled at 31 March 2024 with the final settlement being reduced to £49.9m due to the associated performance conditions not being met.

From the period of acquisition to 31 March 2023, Autorama contributed revenue of £27.2m and a loss of £11.2m to the Group's results.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. The fair value of net assets acquired was assessed and, other than in respect of the intangible assets and related deferred tax, described below, no material adjustments from book value were made to existing assets and liabilities. The period in which measurement adjustments could be made is still open on this acquisition and the provisional goodwill calculation is summarised below:

	Fair value £m
Intangible asset recognised on acquisition	
Brand	47.6
Technology	13.7
Customer relationships	2.9
Order book	2.3
Deferred tax liability arising on intangible assets	(16.3)
	50.2
Other non-current assets	
Investments	1.0
Property, plant and equipment	5.3
Intangible assets	0.4
Deferred tax asset	6.8
	13.5
Current assets	
Cash and cash equivalents	5.8
Trade and other receivables	4.5
Inventory	0.9
Other debtors	0.9
	12.1
Current liabilities	
Trade and other payables	11.6
Deferred income	2.3
	13.9
Non-current liabilities	
Borrowings	4.0
Lease liabilities	0.4
	4.4
Total net assets acquired	57.5
Goodwill on acquisition	92.5
Total assets acquired	150.0
Fair value of cash consideration	**150.0**

The brand, technology, customer relationships and order book obtained through the acquisition met the requirements to be separately identifiable under IFRS 3.

The business operates under the Vanarama brand name and is one of the UK's longest running leasing e-commerce brands. This asset was valued using Multi-period Excess Earnings Method and crosschecked using relief from royalty. A useful economic life and obsolescence decline period of 10 years was assumed. Revenue forecasts were discounted using a post-tax discount rate of 14%. This discount rate is lower than that for Autorama as a whole at the date of acquisition and reflects factors including the finite brand forecast period, compared to cash flows into perpetuity used to support the goodwill.

The technology is Autorama's propriety technology which helps manage a complex vehicle lease purchasing process into a streamlined online transaction via a customer friendly user interface, which has been developed in-house. The asset was valued using the cost approach specifically replacement costs and crosschecked using relief from royalty. The order book is customer orders not yet delivered, which is expected to unwind.

The goodwill recognised on acquisition principally relates to value arising from intangible assets that are not separately identifiable under IFRS 3. Such assets include the value of the acquired workforce (including technical experience), returning customers and future market growth opportunities. Customer lists have not been valued separately on the basis they are inseparable in their own right from the brand. Supplier relationships are not separately valued on the basis that their terms are in line with industry standards of what would be typically agreed with a market participant.

The valuation of the Vanarama brand name is sensitive to a change in the obsolescence rate assumption. An obsolescence profile has been assumed which is considered to be a representative curve for a consumer asset in the absence of continued marketing spend, showing a slow decline in the early years due to the benefit of historic spend, then decline accelerating in the middle years as consumer brand consciousness falls, before slowing in the final years to reflect a slower drop off of residual awareness. Slowing or accelerating the assumed rate of obsolescence by one year, with all other factors being unchanged, would increase or decrease the valuation of the brand by £14m or £16m respectively. Residual goodwill would be adjusted by an equal and opposite amount, net of taxation. The discount rate used in the brand valuation is less sensitive to change, reflecting the finite useful economic life of ten years and the lower positive cash flows in the latter years due to the obsolescence decline.

None of the acquired intangible assets or goodwill is expected to be deductible for tax purposes. A deferred tax liability has been recorded on the fair value of the intangible assets recognised, other than goodwill, measured at the substantively enacted UK rate of corporation tax from April 2023 of 25%. This deferred tax liability has been debited against and increased the value of goodwill recognised.

Settlement of deferred consideration in relation to BlueOwl Network Limited
In addition, in July 2022, the deferred consideration of £8.1m was settled in respect of the acquisition of BlueOwl Network Limited ('BlueOwl'). On 31 July 2020, the Group acquired the entire share capital of BlueOwl for consideration of £18.2m, of which £8.1m was deferred until 31 July 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

<table>
<tr><th>RISK</th><th>POTENTIAL IMPACT</th><th>CHANGES IN THE YEAR</th></tr>
<tr><td>1. Automotive economy, market and business environment</td><td>An increase in the supply and/or a drop in consumer demand for new/used cars could lead to reduced vehicle prices and therefore reduced retailer profitability. Higher costs and interest rates could lower retailer profitability and reduce their advertising spend with Auto Trader. Reduced profitability could lead to consolidation of retailers.

High cost of living and interest rates could affect car buyers’ ability to afford a change of vehicle, affecting demand.

Mass adoption of the agency model, whereby manufacturers sell new vehicles directly to consumers with the retailer acting as an agent facilitating the transaction, could lead to lower revenues for our retailer customers. Further, manufacturers operating an agency model may not wish to use Auto Trader as an advertising channel.

A move towards agency, combined with other structural changes in the industry, could lead to the consolidation of retailer forecourts.</td><td>The supply of both new and used vehicles increased in FY24, with new car registrations increasing 16% and used car transactions increasing 6%. Prices have softened through the year, however continually strong levels of demand, fast speed of sale, and lower trade prices have lessened some of the impact felt by retailers.
Whilst the volume of fleet new car registrations has increased 38% year on year, these vehicles have been sold into corporate and rental customers rather than feeding into the broker channel where supply remains tight.
Higher interest rates on stocking loans and general inflationary pressures have increased retailer costs. In this context, we are working closer in partnership with our retailers to help them get the most out of our advertising and data-led products.
The number of UK retailer forecourts working with Auto Trader increased in the year to its highest ever number.
Some manufacturers moved to an agency model in FY24, and many are using Auto Trader for advertising.
Some manufacturers have signalled their intention to remain with their traditional franchise models.</td></tr>
<tr><td>2. Climate change</td><td>The automotive industry is a high contributor to emissions, and so there is pressure from consumers and the Government for the industry to reduce its impact on the environment. Failure to deliver on our environmental commitments could negatively impact our brand as a responsible business or result in regulatory sanctions.

Failure to overcome the challenges caused by the shift from internal combustion engines (‘ICE’) to electric vehicles (‘EVs’) could inhibit their take-up or lead to changes in buying behaviour. Factors include the purchase price of EVs, potential for improvements in public transport, new and expanded emissions zones, increasing EV running costs, and consumer uncertainty over the residual value of used EVs.

Changing and more stringent regulatory requirements could increase our cost base. Increased frequency and severity of extreme weather events could lead to heightened costs, including costs associated with heating/air conditioning, insurance and cloud infrastructure. Extreme weather events could also lead to short-term closure of retailer forecourts (for example, due to flooding).</td><td>The UK Government deferred the ban on new ICE vehicles from 2030 to 2035. However, in mitigation the Zero Emissions Vehicle (‘ZEV’) mandate applies between 2024 and 2035. New EV registrations are currently below the 22% ZEV target for 2024, and so OEMs will need to take further steps in the coming years to incentivise buyers to switch to EVs.
We continued to highlight on our website and throughout our content the benefits of EVs.
Price disparity between new EVs and ICE vehicles remains a barrier to mass adoption, albeit it has begun to reduce in FY24 owing to OEMs reducing pricing and offering other incentives to stimulate sales. Other barriers to widespread public adoption of EVs include:
Price inequality between public charging and those able to install private charging.
Reliability and availability of public EV charging.
Adverse and often inaccurate media coverage, which affects consumer perceptions of EVs, including about their safety and reliability.
Uncertainty over future Government policy on EVs and incentives to make the switch from ICE to EV.
Regarding our own impacts on the environment, we continue to partner with the Carbon Literacy Project to help provide carbon literacy training to employees and to stakeholders within the automotive industry.</td></tr>
</table>

		• We have introduced into our supplier selection processes an evaluation of the 'green credentials' of potential suppliers, and we are evaluating the environmental impacts of pre-registering vehicle inventory within Autorama. • Our net zero targets have been revised to include Autorama UK Ltd in our base year. Our revised net-zero plans have been validated and approved by the SBTi. • We have introduced an online marketplace for electric pedal-bikes, which provides an alternative route for consumers to access green personal transport.
3. External catastrophic and geo-political events	In a connected, global industry, we are prone to the impacts of external events around the globe, as are our customers and consumers. We consider there to be a threat to the short-to-mid-term performance of our business posed by external, unpreventable, catastrophic and geo-political events. Such events could result in our customers being unable to trade, leading to loss of revenue, stock, audience and market share.	• Over the coming year, we expect the uncertain geo-political landscape will continue to pose risks to the global automotive industry, particularly with regards to supply chain. The conflict in Ukraine has continued and, sadly, does not show signs of abating. Additionally, continued threats to shipping in the Red Sea could affect global trade, and conflict in the Middle East has the potential to escalate to a regional-level conflict. • The US has announced the introduction of increased tariffs on Chinese-manufactured EVs and semiconductors, and similar measures are being considered by the European Commission. • We have taken learnings from previous 'black swan' events, such as the COVID-19 pandemic, to inform our response plans should major incidents occur. • We have maintained low leverage in FY24 and have extended our Syndicated RCF to 2029 providing us access to short-term debt. We are well-positioned to respond to short-term shocks and incidents.
4. Legal and regulatory compliance	The Group operates in a complex regulatory environment. As we progress in executing our strategy, we are likely to be exposed to increased legal and regulatory risks, particularly those relating to financial services and data protection. There is a risk that the Group, or its subsidiaries, fail to comply with legal and regulatory requirements. This could lead to reputational damage, financial or criminal penalties and impact on our ability to do business.	• The FCA is investigating historic Discretionary Commission Arrangements ('DCAs') on automotive finance deals. Whilst Auto Trader is not within the scope of the investigation, there is a risk that the outcomes could impact how automotive finance is bought and sold. This could potentially affect our customers' profitability and, in the short-term, affect our aspirations in the automotive finance market. • Almost every retailer has stopped selling GAP insurance owing to an FCA investigation. GAP insurance has historically been a profitable product for some segments of retailers. • We adopted the FCA's Consumer Duty in advance of the July 2023 deadline. This involved a review of our policies, products and processes to ensure that we can demonstrate delivery of good consumer outcomes. • We continuously 'horizon scan' to identify and prepare for changes to regulations and legislation. Upcoming changes which may affect us to varying degrees include the Competition and Consumers Bill, the Data Protection and Digital Information Bill, and the Economic Crime and Corporate Transparency Bill. • Scaling up of Deal Builder and our leasing journey will heighten our exposure to regulatory risks. These risks relate to GDPR, owing to the amount of personal information

		we will need to collect, and the FCA, as a result of the online finance application journey. • In the last year we have refreshed our suite of compliance training. This new training provides more engaging and tailored content to ensure that all our employees are equipped with the necessary skills and knowledge of all relevant laws and regulations. Our Risk Forum monitors the completion rates of mandatory training.
5. Competition	External measures show that we are maintaining our position as the largest and most engaged automotive marketplace. Nevertheless, we remain wary of the risk that competitors could develop superior consumer experiences or superior retailer products. This could lead to a loss of market share.	• Large technology companies such as Facebook, eBay and Amazon continue to operate in segments of the automotive sector. However, to date, these organisations have not gained notable market share over the last year. • Google have recently launched Google Vehicle Ads and there is a risk that this could gain traction as a consumer acquisition channel. We continuously improve our products to avoid erosion of our market share. • In the last year we maintained our position as the UK's largest and most engaged automotive marketplace for new and used cars, with over 75% of all minutes spent on automotive classified sites spent on Auto Trader.
6. IT systems and cyber security	As a digital business, we rely on our IT infrastructure to provide our services. A disruptive cyber security and/or business continuity event could lead to downtime of our systems and infrastructure. Execution of our strategy also relies on us making appropriate investments in secure systems and technologies. Failure to invest in appropriate technology and safeguards could lead to us failing to achieve our objectives. Delivery of our strategic objectives also relies on us using data to provide valuable insights to customers. A significant data breach, whether because of our own failures or a malicious cyber-attack, would lead to a loss in confidence by the public, retailers and advertisers.	• The emergence of artificial intelligence ('AI') has prompted much debate and speculation. Whilst Auto Trader has been using AI for over 10 years, for example in our valuations tools, generative AI creates additional opportunities. Opportunities include improved customer and consumer experience and improving the productivity of our employees. Our established data science team are responsible for evolving our AI tools. • Externally, we expect AI to be used by criminals for malicious purposes. Deepfake technology, for example, increases the risks of social engineering against stakeholders, and we expect phishing to become more convincing. Our mandatory compliance training has been updated to raise employee awareness of these threats, and we perform regular simulated phishing tests. • In the last year our security teams have continued to monitor and enhance our cyber defences. We have not experienced any major disruption owing to cyber-attacks. Nevertheless, we continue to perform regular tests of our ITDRs to ensure that we could recover in the event of major disruption. • Security is central to the design of all our products and services. Our software development process has continued to receive significant investment which enables us to design, build, and deploy software quickly, efficiently, and securely. In the last year we have deployed 65,000 software releases.
7. Employees	To enable us to achieve our strategic objectives it is important that we continue to attract, retain and motivate a highly skilled workforce, including those with specialist skillsets in data and technology.	• During the year, we refreshed our company values and held workshops with all employees to illustrate how the values inform our ways of working. • Employee turnover has remained low and engagement levels remain high. Our

	Delivery of our strategy is also dependent on us building a diverse and inclusive workforce, a supportive, collaborative culture, and a safe environment, all of which will enable optimum performance from all our employees.	Glassdoor rating based on anonymous reviews is 4.5 out of 5. • The cost of living and skills shortages in the market continue to affect workforce costs. We monitor the market proactively to ensure that salaries are fair, proportionate and competitive. We introduced an annual all-employee share scheme in FY24, increasing all employees' total remuneration. • Employees rightly have increasing expectations of their employers to act fairly, responsibly and sustainably. We engage with networks and guilds to ensure that we conduct our business in a responsible way. This year we added sexual harassment awareness training to our suite of mandatory HR training. • FY24 has brought about more 'day-1 rights' for employees. A general election in FY25 could bring about further change. Whilst we support heightened inclusion and equal opportunity, some changes are not without risk. If, for example, employees receive a legal day-1 right to work remotely, it could affect our innovative and collaborative culture.
8. Brand and reputation	Our brand is one of our biggest assets. Our research shows that we are the largest and most trusted automotive classified brand in the UK. Failure to maintain and protect our brand, and/or negative publicity affecting our reputation could diminish the confidence that retailers, consumers, and advertisers have in our products and services. This could result in a reduction in audience and revenue.	• In the year we spent over £20m marketing our brand, with both the number of visits and minutes spent on Auto Trader increasing year-on-year. • Our Trustpilot rating remains high at 4.7 out of 5 and there continues to be a low level of fraudulent activity on our site owing to the monitoring performed by our security team. We estimate that each month we block around 450 stolen vehicles from being advertised and we have continued to work with law enforcement to help protect the industry. • We make use of a customer watchlist which enables us to identify and remove those customers that are not delivering for consumers, other retailers, or the Auto Trader brand. • We have increased investment and headcount within our Governance, Risk and Compliance team ('GRC'). GRC embed themselves into all major initiatives to ensure that ethical, legal, and regulatory considerations are baked into the design of all our products and services and all of our major initiatives. • We have begun evolving our customer onboarding and identification verification processes, which involves leveraging new specialist third party tools.
9. Failure to innovate: disruptive technologies and changing consumer behaviours	The automotive industry is changing. Should we fail to innovate our business and product offerings, we could lose relevance with our key stakeholders, including consumers and customers. It is crucial that we develop and implement new products, services and technologies, and adapt to changing consumer behaviour towards car buying and ownership. Failure to provide both customers and consumers with the best possible products and online journey, including an online buying experience, could lead to reduced website traffic and loss of	• A high portion of our non-capitalised expenditure is from our software development processes. The high level of spend demonstrates the significant investments we continued to make in building new products, enhancing existing products, and maintaining the security of our systems and services. • Omni channel retailing is increasingly emerging as the preferred retailing journey for consumers. Our Deal Builder product which supports this journey has begun to scale up with c.1,100 retailers on the product at year end FY24. • Leveraging Autorama's systems, we have launched a leasing check-out journey on the

	revenue.	Auto Trader website. Providing consumers with a leasing option positions us to meet their needs as buying behaviours change. • We have continued to develop our AT Connect solutions. This suite of APIs (a series of messaging and data services) leverages our platform and data to provide retailers with real-time connections to Auto Trader systems. • Looking to FY25 and beyond, we are assessing how technology such as AI could be used more widely across the business to make the complex car buying process simpler for consumers. AI could also be used to improve the experience of retailers, making the process for placing adverts more efficient and to improve the productivity of our employees.
10. Reliance on third parties and partners	To achieve our strategic objectives, we are reliant on partners to support certain product initiatives, for example having lenders integrated with our Deal Builder journey is a key dependency. We also rely on third parties to support our technology infrastructure, to supply vehicle data and financing, and in the fulfilment of some of our revenue generating products. Consequently, it is important that we manage relationships with, and performance of, key suppliers and strategic partners.	• Many retailers use Auto Trader systems to access our data, products and technology services, whereas others use third party technology systems that we have integrated with. Over the last year we have made good progress working with these technology partners. However, to fulfil our ambition to provide these products and services to retailers, we are dependent on integrating successfully with more technology partners. Building and maintaining good relationships with partners is therefore critical to our growth plans. • The successful launch of the Deal Builder trial has seen us reach c.1,100 retailers on the product at the end of FY24. Further scale relies on us being able to integrate with the finance lenders used by retailers so that consumers can obtain finance via Deal Builder. • We launched our Vehicle Check product in FY24. With this product we obtain data direct from the source rather than a third-party supplier. • In FY24 we have continued to regularly review our critical supplier list and perform enhanced recurring due diligence over these suppliers. We have not experienced any significant disruption over the last year.