

**I'm pleased to report that our business is in as strong a position as it has ever been, and we are embarking on a journey where used and new car buyers can not only complete their research on Auto Trader, but complete more of the transaction too.**

#### Summary of Group financial performance

Revenue in the core Auto Trader business increased by 9% to £473.0 million as customers are increasingly using our data, platform and advertising products to support their businesses. At a Group level revenue grew 16% to £500.2 million (2022: £432.7 million), the difference being the inclusion of the Autorama business, acquired in June 2022, with revenue of £27.2 million. Auto Trader growth was ahead of expectations and has been achieved despite both the new and used car markets experiencing low transaction volumes, although this headwind has been somewhat offset by robust levels of retailer profitability. The brilliant work of our people continues to strengthen our position with car buyers, build true partnerships with our customers and support an industry-leading data and technology platform.

Operating profit in the core Auto Trader business was £332.9 million, up 10% on last year, with a continued margin of 70% as a result of careful management of costs despite inflationary pressures. Group operating profit declined by 9% to £277.6 million (2022: £303.6 million), due to an operating loss of £11.2 million from Autorama, and £44.1 million of Group central costs relating to the acquisition of Autorama, which were £38.8 million of deferred consideration and amortisation of acquired intangibles of £5.3 million. Group operating profit margin was 55% (2022: 70%).

#### Strategy and purpose

Our purpose continues to be "Driving Change Together. Responsibly" which guides strategy and decisions across the organisation. At our 2022 Investor Day, we outlined our strategy using three concentric circles to illustrate that they are all elements of Auto Trader's central business strategy, rather than three distinct opportunities. Our technology and data platform and digital retailing build on the strengths of our core marketplace business. As an example, our platform strategy embeds our technology and data into retailers' businesses enabling them to make quicker decisions, which ultimately improves the value they get from advertising on Auto Trader. Digital retailing provides a deeper buying experience on Auto Trader that is more efficient for retailers and harder for others to replicate.



#### The UK car market

New car registrations at 1.7 million were 3% above financial year 2022 (2022: 1.6 million) but 19% lower than financial year 2020 with supply chain challenges continuing to impact the volume of new cars available for sale in the UK. New light commercial vehicle ('LCV') registrations were down 11% year on year. Used car transactions at 6.9 million were 8% below financial year 2022 levels (2022: 7.5 million) due to the knock-on impact of low volumes of new car supply, which has reduced the availability of younger cars.

Despite the weakness seen in supply throughout the period, demand has been resilient and used car prices have remained strong. Our used car Retail Price Index saw a 12% like for like, year on year increase in prices over the past 12 months, which has contributed to favourable trading conditions for our customers.

#### Being a responsible business

We hold ourselves to the highest standards when it comes to acting responsibly. We have a Corporate Responsibility Committee with oversight of Auto Trader's focus on the environmental, social and governance ('ESG') aspects of our business. We have identified focus areas and created a range of initiatives which are monitored regularly, and reported on externally with our cultural KPIs. While recognising that many of these changes take time, we remain committed to making meaningful progress across all measures.

We continue to focus on our people, ensuring that those from all backgrounds can fully realise their potential. We have carefully constructed learning and development programmes focusing on supporting early careers, mid-management and a continuous leadership programme for senior leaders. All of these programmes are specifically designed to recruit, support and develop diverse talent in our business.

There are two strands to our commitment around the environment: achieving net zero carbon emissions by 2040, and supporting consumers in making more environmentally friendly vehicle choices.

#### Outlook

The new financial year has started well and the Board is therefore confident of meeting its growth expectations for the year.

We expect another good year of retailer revenue growth, by far the largest part of our Auto Trader business. This will come from a similar ARPR growth rate to that achieved in financial year 2023. We expect the product lever to be consistent with the £137 achieved last year and the price lever to be slightly higher than last year's £90. The stock lever is likely to remain flat. We anticipate a slight decline in retailer numbers, mostly due to the full year impact of the disposal of Webzone Limited.

Over time we aim to grow share in the new car leasing market through our new Autorama segment. Our short-term focus is on significantly reducing the current annualised operating losses of £15 million through deeper integration with Auto Trader and being disciplined on costs. Group central costs, which are non-cash and relate to the acquisition of Autorama, will be c.£18 million for the year.

Auto Trader operating profit margins should be consistent year on year at 70%, despite continued investment in product development and inflationary pressures. Group margins are expected to increase year on year.

#### Nathan Coe

CEO  
1 June 2023