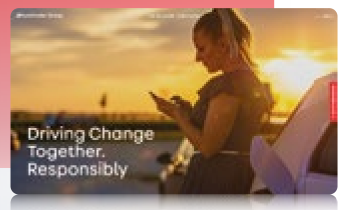
AutoTrader Group

Driving Change Together. Responsibly

Auto Trader Group plc
Annual Report and
Financial Statements
2025

Auto Trader Group plc is the UK's largest automotive platform

Auto Trader is committed to improving the efficiency of car buying and selling in the UK, to building stronger partnerships with customers, using its influence to drive more environmentally friendly vehicle choices and enabling this through a culture that allows our people to develop and perform. 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.



plc.autotrader.co.uk

How to use this report

The following symbols highlight where you can find additional information, including video content, elsewhere in this report or on our PLC website:

READ MORE IN THIS REPORT

VIEW MORE ONLINE

SCAN ANY QR CODE WITHIN THIS REPORT TO UNLOCK INTERACTIVE CONTENT

Strategic report

How our performance, purpose, strategy and risk management are shaping the long-term value we deliver for our stakeholders.

02 - 72

WHY WE EXIST

Our purpose: Driving Change Together. Responsibly guides our strategy, our ways of working and our culture.

WHAT WE DO

Our strategy has three focus areas that are closely interconnected, with working responsibly embedded into everything we do:

MARKETPLACE
be the best place to buy and sell a car

PLATFORM
be the industry's data and technology platform

DIGITAL RETAILING
be the enabler for all retailers to sell online

WORKING RESPONSIBLY
be a responsible business

HOW WE WORK

Whilst it lacks precision, our culture is often described internally as 'doing the right thing', which comes through as 'Responsibly' in our purpose:

- WORKING AS ONE AUTO TRADER
- WORKING IN PARTNERSHIP
- WORKING AS OWNERS

WHO WE ARE

Our values are the guiding characteristics that underpin our culture. They are embedded into our ways of working and core to our success:

COMMUNITY
We connect and understand each other, respect our differences and focus on finding common ground. We are committed to making a difference in the communities around us.

CURIOUS
We look up, listen, think beyond the obvious and find the Auto Trader way. We're restless and always thinking about what's next.

DETERMINED
We get stuck in and have the conviction to make big things happen. We persevere and aren't scared to do the hard thing.

DECISIVE
We crack on, trusting our instincts, data and experience. We sometimes disagree, but we always commit and deliver together.

ADAPTABLE
Our ability to change and change again is our greatest strength. We act for the long term, accept uncertainty and challenge everything.

HUMBLE
We share in our failures as well as our successes. We earn our place and take nothing for granted.

Highlights of the year

We continue to deliver value for customers and embed our role as the UK's leading automotive platform

OPERATIONAL

>75%

of all minutes spent on automotive marketplaces were spent on Auto Trader (2024: >75%)

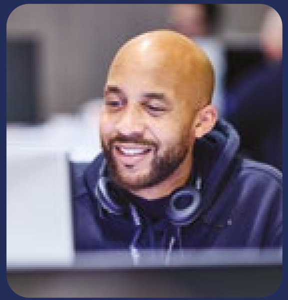
FINANCIAL

£377m

Group operating profit (+8% YoY)

31.66p

Basic earnings per share (+12% YoY)



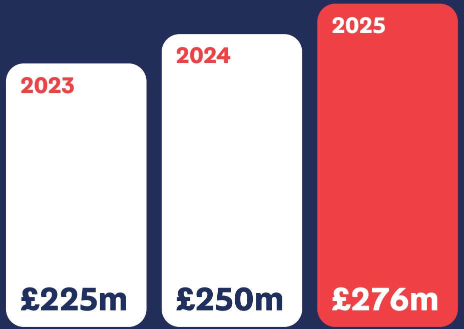
CULTURAL

91%

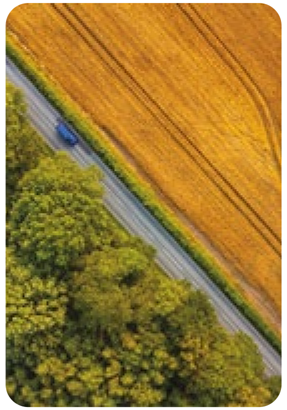
of employees proud to work at Auto Trader (2024: 97%)

FINANCIAL

>£750m returned to shareholders over the past three years



CULTURAL



6% reduction

in carbon emissions to 93.2k tonnes of CO_2 (2024: 98.9k)

OPERATIONAL

Record numbers of buyers using our platform

81.6m

monthly visits
(2024: 77.5m)

557m

monthly minutes
(2024: 553m)

02 - 72

Matt Davies
Chair

"Our customer engagement continues to grow with record numbers of buyers and sellers using Auto Trader and our data and technology are increasingly being used by retailers to power their businesses."

INTRODUCTION

I am pleased to report another set of strong Auto Trader results. Our customer engagement continues to grow with record numbers of buyers and sellers using Auto Trader and our data and technology are increasingly being used by retailers to power their businesses. Nathan sets out in the subsequent report the drivers that we believe will continue to serve us well over the years ahead. The success of Auto Trader is entirely down to the amazing people that we have powering our business forward and we are proud of our focus on diversity, equity and inclusion which in no small part has contributed to the continued success of the organisation.

RESULTS OVERVIEW

2025 has seen another year of operational and financial progress at Auto Trader. The automotive market has remained robust, with transaction volumes and the number of consumers using our marketplace increasing year-on-year. We continue to enhance our product offering, enabling more of the buying journey to be completed online, and have launched 'Co-Driver', our suite of AI powered tools, designed to assist customers in advertising their vehicles more efficiently and effectively. We continue to invest in our people, creating an environment where there is increasing alignment between employees, customers and shareholders. In the core Auto Trader business we achieved record revenues of £564.8m, an increase of 7% on 2024. Group revenue increased 5% to £601.1m (2024: £570.9m) with Autorama revenue contributing £36.3m (2024: £41.2m). Operating profit in the core Auto Trader business was £394.0m (2024: £378.6m), up 4% on last year, with an operating profit margin of 70% (2024: 71%). Autorama saw reduced operating losses of £4.3m (2024: £8.8m). Group operating profit increased by 8% to £376.8m (2024: £348.7m), reflecting the increase in revenue, reduced operating loss in Autorama, and the reduction in Group central costs to £12.9m (2024: £21.1m). Group operating profit margin increased to 63% (2024: 61%). Basic earnings per share increased 12% to 31.66p (2024: 28.15p).

BOARD CHANGES

At our AGM on 19 September 2024, Non-Executive Directors, David Keens and Jill Easterbrook, did not stand for re-election having both served their third three-year term. We are very grateful for David and Jill's contributions as Non-Executive Directors and highly effective Committee Chairs. At the conclusion of the AGM, Geeta Gopalan who joined the Board on 1 May 2024 was appointed as Senior Independent Director and Remuneration Committee Chair, and Amanda James who joined the Board on 1 July 2024 was appointed as Audit Committee Chair.

On 16 May 2025 we announced the appointment of two Independent Non-Executive Directors, Megan Quinn and Adam Jay, who will join the Board with effect from 1 July 2025. Megan and Adam will also join the Audit, Remuneration, Corporate Responsibility and Nomination Committees. These appointments follow a comprehensive search process using an external search firm, led by the Nomination Committee, and are part of the Board's long-term succession planning.

We also announced that Jeni Mundy, who has come to the end of her third three-year term, and Sigga Sigurdardottir who will come to the end of her second three-year term in 2025, will not stand for re-election at the 2025 AGM. We thank Jeni and Sigga for their important contributions to Auto Trader during their time on the Board.

CAPITAL STRUCTURE AND DIVIDENDS

The Directors are recommending a final dividend of 7.1 pence per share. Subject to shareholders' approval at the AGM on 18 September 2025, the final dividend will be paid on 26 September 2025 to shareholders on the register of members at the close of business on 29 August 2025. The total dividend for the year is therefore 10.6 pence per share (2024: 9.6 pence per share).

The Group's long-term capital allocation policy remains consistent, focusing on investing in the business to support growth while returning approximately one third of net income to shareholders through dividends. Any surplus cash following these activities will be used to continue our share buyback programme.

ANNUAL GENERAL MEETING

The AGM will be held in our Manchester office on 18 September 2025 at 11am.

Matt Davies
Chair
29 May 2025

02 - 72

Nathan Coe
Chief Executive Officer

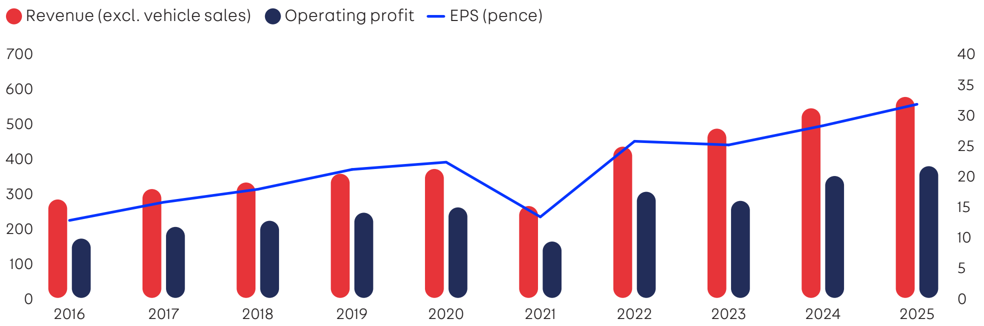
AUTO TRADER'S ROADMAP PODCAST
'Life as a CEO of a tech company'

"We remain confident in the outlook for the business given our strong market position, the value we deliver for customers, and unique data and technology capabilities."

STRATEGIC AND OPERATIONAL REVIEW

We are now a full 10 years post our IPO in March 2015. In keeping with our approach last year, we want to position our short-term results in the context of the long-term Auto Trader investment case. One of the strengths of the Auto Trader business over its 48-year history has been its consistent performance and growth through changing market and economic conditions. That is not to say that Auto Trader always grows at the same rate, but we have consistently expanded revenues, profits and our market position over time. Whilst Auto Trader is always evolving, the investment case has not fundamentally changed over this 10-year period.

Group revenue, operating profit and earnings per share (£m)



Our position connecting buyers and sellers in the UK automotive market has also grown over a long period of time. We have maintained this position through an obsessive focus on the car buying experience, the delivery of new products to retailers and by staying ahead of evolving competitive dynamics. Our consistent strategy has focused on our core strengths which continue to deepen the value we add to the UK automotive market. There remains a big opportunity to create additional value from both existing and new customers that builds on our strengths and assets. This will deliver high incremental returns on the capital our shareholders entrust us with. We accept this is one of many possible strategies, but we believe based on our capabilities and advantages, it represents the best choice to create value for all our stakeholders.

Since Auto Trader's IPO the business has delivered consistently. The early years post IPO were characterised by steady revenue growth and more dramatic margin expansion as we simplified the business to focus on our core proposition and becoming a business that develops and scales through technology. Since that time our performance has seen higher revenue growth driven by the core business, with margins still expanding. This has been delivered through increased investment in the core platform and close-adjacent opportunities.

We have a high velocity software development cycle and lean operating structure, the costs of which are mostly expensed as incurred through the income statement. This means our profits are post the required investment in the business. We have consistently distributed these profits through a combination of dividends and share buybacks, which we intend to continue. This has led to earnings per share growing at a faster rate than both revenue and operating profit. Since IPO, £1.4bn of surplus cash has been returned to shareholders (net of the equity raise during COVID-19) and we have delivered total shareholder returns of 221% versus 77% for the FTSE 350 (excluding investment trusts) since IPO to the end of March 2025. We have a high degree of confidence that over a longer time horizon we will continue to grow through continued focus on the drivers of value that have served us well so far. These include: a growing automotive market and profit pool; our market-leading position; our heritage of innovation; a focused and consistent strategy; and our purpose and culture.

1. A GROWING AUTOMOTIVE MARKET AND PROFIT POOL

The size of the UK car parc has grown on average by just over 300,000 (or 1%) cars per year for the past 20 years, to now total over 36 million. The COVID-19 pandemic broke this consistent trend, as new car production fell to levels below even those of the Global Financial Crisis of 2008-09. From time to time there will be these anomalies, but over the long term we expect the UK car parc to continue to grow. This is driven by GDP growth, population growth and stable trends in car ownership, supported by the continued requirement for car owners to have exclusive access to a vehicle. With a relatively consistent vehicle change cycle in the UK, typically between three and four years, this growth in the car parc translates into growing used car transaction volumes.

We also expect the value of both new and used cars to continue to increase over time. At the beginning of 2011, the average price of a used car advertised on Auto Trader was £9,000, today it is over £17,000, an average of over 4% growth per year. While part of that increase is due to vehicle mix, the majority is due to inflation, improved functionality, longer useful lives and the move towards more expensive electric vehicles. Based on a sample of customer accounts, over the past 10 years gross percentage margins have remained relatively consistent, between 9 and 11%, meaning higher vehicle prices typically translate through to higher absolute gross profits. In combination with growing transaction volumes, this has seen the gross profit pool increase over the past 10 years. As a result, we have been able to grow revenues without meaningfully increasing our take-rate.

Today, our business model is largely linked to the number of used vehicles available for sale in the UK at any one time. This number is determined by new vehicle sales in preceding years less scrappage and means that vehicle supply operates somewhat independently of economic conditions, which limits the cyclicality of our business model. New car sales tend to be more cyclical or exposed to other macro-level events, such as the global pandemic in 2020. However, these events typically have a more muted impact on used car sales due to the relative size of the two markets (annual new car sales of around 2 million versus used car sales of 7.5-8 million). When economic conditions do change, it is used vehicle prices that can be the balancing factor given the relatively fixed used car supply. When consumer demand softens significantly, prices typically reduce which impacts the profitability of our customers and can flow through to greater cost consciousness and retailer closures. We still grow, however not necessarily at the same rate as when trading conditions are more favourable for retailers.

While not a material driver of revenue, the number of retailer forecourts is still an important metric for us. Overall, the market is highly fragmented, and we do not expect this to change. Within the UK, we have seen continued growth in retailer forecourts for the past seven years. Looking forward, we expect the very largest retailer groups to get bigger, but these account for a relatively small amount of revenue (our top 10 customers represent less than 7% of Group revenue). Overall retailer numbers for last year averaged 14,013 which is significantly higher than the 13,452 at the time of our IPO. This is despite a reduction of c.550 retailers when we sold our business in the Republic of Ireland.

All 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 technology, data and digital sales channels, we are uniquely placed to help. At IPO (financial year 2015) Auto Trader had visits of 40.3 million per month, which has grown to 81.6 million in the current year. We account for over 75% of all minutes spent on automotive classified sites and remain 10x larger than our nearest classified competitor. Almost half of our traffic comes via our app, which has been downloaded 22 million times and our prompted brand awareness with UK consumers is over 80%; both are key components of our competitive moat. The level of consumer engagement continues to grow, as measured by the number of minutes spent on site, which was up 1% year-on-year. Over the last financial year we saw 67 billion vehicle search appearances, 3.5 billion views of an advert and 15 million enquiries submitted to retailers. We also saw 21 million valuations requested by consumers and 23 million engagements with our finance calculator, showing the important role the online buying journey plays in helping consumers arrive at the forecourt ready to buy.

Beyond car buyers, retailers are increasingly using our data, tools and services to power their businesses. Our Retailer Portal system saw over 1.8 million logins per month over the last year and our API technology services, which supply data, stock management and now AI-enabled vehicle descriptions and smart image sorting and tagging, were called 91 million times per month (2024: 86 million). This demonstrates how our data, tools and services are becoming increasingly embedded within our customers' systems, operations and decision-making, extending our reach and influence beyond just classified advertising and marketing.

3. OUR HERITAGE OF INNOVATION

As a result of our trusted position and brand heritage, Auto Trader has been the destination for car buyers to navigate their car buying journey for many years. From initially operating as a magazine to the technology business we are today, we have continuously evolved our consumer experience to provide more confidence, comparability and consistency for buyers. On Auto Trader, buyers can benefit from enriched data about the specification and performance of the car, check the history of the vehicle and whether it has outstanding finance, seamlessly use artificial intelligence ('AI') to get a market value for the car they're buying or selling, consider retailer reviews, apply for finance and reserve cars online.

This year we have extended our proposition for car buyers again, with the largest redesign of our desktop search experience in a decade. We have moved our search results to a grid view, enabling buyers to see an increased number of cars with larger images. Our search filters have been redesigned, and we have introduced continuous scrolling, making it easier to access all the choice available on Auto Trader. The coverage of Deal Builder has increased to c.84,000 vehicles at year end, where consumers can secure a part-exchange valuation, complete a finance application and reserve the vehicle all on Auto Trader. We rolled out dark mode to our Apple and Android apps, which account for almost half of consumer activity and engagement on Auto Trader. Finally, we have launched our Co-Driver product, delivering one of the most material improvements to our search experience in years by improving descriptions and imagery and calling out the unique aspects of each individual vehicle.

Co-Driver is an umbrella brand for a range of AI-enabled products that we plan to launch in the years ahead, as we look to make our data, technology and services available to every retailer regardless of their size or technical capability. We believe we have a significant advantage in our platform products, as the output of any AI application will only ever be as good as the data upon which it is based. We have the most complete and comprehensive vehicle dataset in the UK, along with a vast and unique dataset of observations on the behaviour of car buyers and retailers on our platform. Our goal with the first wave of Co-Driver products is to significantly improve the quality of adverts, whilst reducing the amount of time it takes for retailers to advertise their vehicles. The first three products include Smart Image Management, AI Generated Descriptions and Vehicle Highlights, all of which assist retailers in getting an advert live quickly and accurately and in delivering consistency and transparency for car buyers. Smart Image Management means retailers just need to upload their images and using AI we will tag and categorise the images, order them and highlight any that are missing. This process utilises the huge amount of consumer data we have to optimise the image order, to maximise engagement with that retailer's vehicle. AI Generated Descriptions leverage everything we know about a specific vehicle, the vehicles it is competing with and what buyers of the vehicle are most interested in. This replaces the time-consuming process of working out the spec of a vehicle, determining what matters most to car buyers and the manual writing of the description by retailers. Finally, Vehicle Highlights calls out the top three most distinctive features about a specific vehicle on the advert. This could include fuel economy relative to similar vehicles, the number of owners, low mileage, cheaper insurance, or any other aspect that is meaningful to buyers of those types of vehicles.

We will continue to improve and build on these products; to improve the consumer experience and strengthen the partnership we have with customers by increasing their use of our data, tools and technology services. This innovation is delivered through our well-invested technology platform, built in-house by Auto Trader engineers who have many years of experience enabling products and services for our customers. Our high velocity approach to software development means we typically deliver product value incrementally which reduces risk and enables us to maintain agility. This year we delivered 89,000 software releases (2024: 65,000).

4. A FOCUSED AND CONSISTENT STRATEGY

Our strategy has three focus areas: our marketplace; our platform; and digital retailing. These areas are closely interconnected, as our platform and digital retailing capabilities build on and contribute to the strength of our marketplace. Over time we have embedded our data and services into the systems and processes used by both our retailer partners and car buyers. These will be covered in more detail in Catherine's update on our strategic progress.

5. OUR PURPOSE AND CULTURE

Our purpose is Driving Change Together. Responsibly, which describes why we exist, what we are looking to do and how we are looking to achieve it. Culture for us is as tangible and important to our performance as our strategy, competitive position and product development pipeline. 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', represented by 'Responsibly' in our purpose. Specifically, we are looking for balance. Balance between short and long term performance, and balance between value creation for customers, our people, shareholders and the industry and communities within which we work.

'Together' is also an important part of our purpose. We refer internally to being 'One' Auto Trader. This refers to working as a single team, not in silos, with trust and collaboration over hierarchy and bureaucracy. To progress any initiative, our people must talk, be aligned with our priorities, listen to each other, and collaborate authentically. 'Together' also talks to the partnership we aim for with our customers, retailers, manufacturers, leasing companies, finance companies and other players in the automotive ecosystem. We bring a lot more to our customers than just the advertising 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. Finally, 'Together' is an ownership mindset amongst our people which strongly reinforces the two points above. We have now awarded two One Auto Trader all-employee share schemes that provide 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.

There has been much in the press recently regarding diversity, equity and inclusion ('DE&I'). At Auto Trader, we have been quietly working for many years to create a talent strategy that is inclusive and diverse, where any talented person can be successful. We started on that journey, and will continue, because it has proven to be an important contributor to the success of our organisation. 91% of people are proud to work at Auto Trader (March 2024: 97%). Our employee driven networks support women, ethnicity, LGBT+, wellbeing, early careers, disability and neurodiversity, social mobility and family. They have continued their impressive work and have supported many colleagues during the period.

At the end of March 2025, women represented 44% of our organisation (March 2024: 44%) and 43% (March 2024: 42%) of leadership roles as defined by the FTSE Women Leaders Review. We are committed to increasing the percentage of ethnically diverse employees, who currently represent 19% of our organisation (March 2024: 17%), with 7% of employees not disclosing their ethnicity. The percentage of ethnically diverse employees in leadership increased to 10% (March 2024: 6%), although we also increased our Leadership Team which impacted this number. Following the AGM, our Board comprises six women and three men, with two from an ethnically diverse background and a woman as Senior Independent Director.

We are committed to being net zero by 2040 and halving our carbon emissions by 2030, targets which have been validated by the Science Based Targets initiative ('SBTi'). Our calculations estimate our GHG emissions during the year were 6% lower at c.93.2k tonnes of CO_2 across Scopes 1, 2 and 3 (2024: 98.9k tonnes). The majority of our emissions are Scope 3, predominantly attributable to our suppliers and emissions relating to the small number of vehicles sold by Autorama that pass through their balance sheet. Emissions relating to Auto Trader total 9.9k tonnes and 83.3k tonnes are attributable to Autorama (2024: Auto Trader 14.2k and Autorama 84.7k).

OUTLOOK

Our April 2025 pricing and product event has gone well.

Retailer revenue growth in the second half of last year was 5% which was constrained by the acceleration in speed of sale. This has continued into the new financial year, however we expect retailer revenue growth to improve to between 5 and 7% for FY26 for the following reasons:

- Speed of sale has natural constraints. The acceleration seen last financial year was largely driven by a fall in used car prices which have steadily increased throughout the second half of the year as retailers have sought more normalised margins.
- Our pricing and product event has delivered approximately 6% growth in retailer revenue. Assuming consistent retailer forecourts, we expect this to grow the price lever within ARPR by £90-100 and contribute £70-80 to the product lever.
- We have responded to market dynamics with offers to stimulate stock and continue to support retailer margins with our prominence products. In H2 FY25, the stock lever was minus £54, in April 2025 it was minus £42. We expect stock to continue to improve through the year but still be marginally down for FY26. However, any marginal decline in the stock lever should be offset by similar amounts in product lever contribution from additional prominence products.
- Due to the comparative periods, growth will be stronger in the second half which we expect will benefit the start of FY27.

We expect broadly consistent revenues in Consumer Services and Manufacturer & Agency, which account for 9% of Group revenue. Autorama losses are expected to reduce in line with current market expectations, with growth in commission & ancillary revenue on a relatively consistent cost base. Vehicle & accessory sales which has no impact on profit is likely to be c.£20m.

We expect to maintain current levels of Auto Trader operating profit margins, whilst Group operating profit margins will increase as a result of reduced Autorama losses.

Nathan Coe
Chief Executive Officer
29 May 2025

Market overview

A resilient market growing in both volume and value over the past 20 years, which we expect to continue into the future

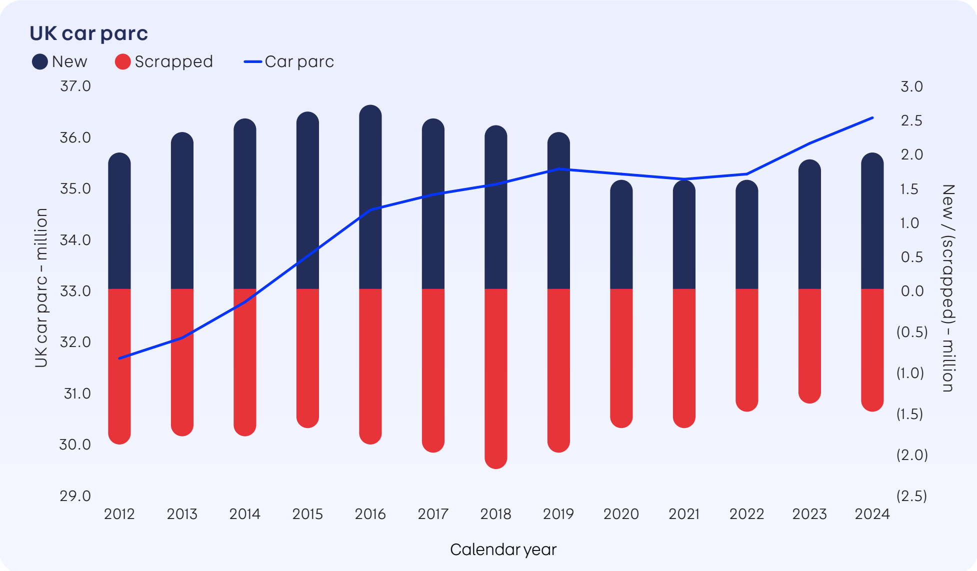
UK CAR PARC

The size of the UK car parc has grown on average by just over 300,000 (or 1%) cars per year for the past 20 years, to now total over 36 million. The COVID-19 pandemic broke this consistent trend, as new car production fell to levels below even those of the Global Financial Crisis of 2008-09. From time to time there will be these anomalies, but over the long term we expect the UK car parc to continue to grow. This is driven by GDP growth, population growth and stable trends in car ownership, which is supported by feedback from car owners that they value exclusive access to a vehicle more than ever. With a relatively consistent vehicle change cycle in the UK, typically between three and four years, this growth in the car parc, supports used car transaction volumes.

LONG-TERM PRICES

We also expect the value of both new and used cars to continue to increase over time. At the beginning of 2011, the average price of a used car advertised on Auto Trader was £9,000, today it is over £17,000, an average of over 4% growth per year. While part of that increase is due to vehicle mix, the majority is due to inflation, improved functionality, longer useful lives and the move towards more expensive electric vehicles. Based on a sample of customer accounts, over the past 10 years gross percentage margins have remained relatively consistent, between 9% and 11%, meaning higher vehicle prices translate through to higher absolute gross profits. This, in combination with growing transaction volumes, has seen the gross profit pool increase over the past 10 years.

As a result, we have been able to grow revenues without meaningfully increasing our take-rate over the same period.



With the UK car parc turning relatively consistently, used car transactions are well supported, increasing 4% year-on-year as new car registrations continue to recover

NEW CAR REGISTRATIONS

Over the past 12 months the new car market has grown 2% to just under two million registrations. The retail channel has remained under pressure, seeing a 4% year-on-year decline, with lower registration volumes than in our financial year 2009, after the Global Financial Crisis. This decline was more than offset by growth in the fleet segment, which accounted for nearly 60% of all registrations. The share of battery electric vehicles as a percentage of total car sales increased to 21%.

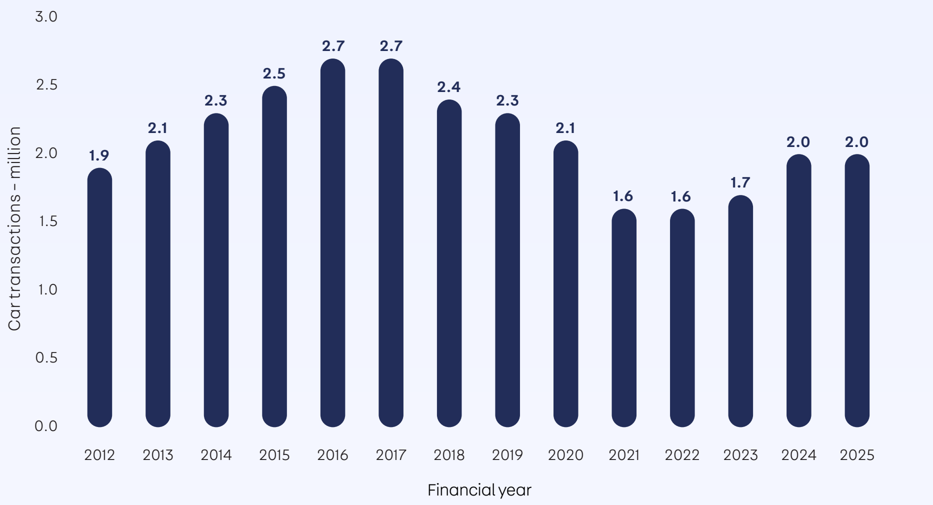
It is not yet clear how global tariffs are likely to impact the UK car market. It is possible that due to a lack of retaliatory tariffs the UK market looks relatively attractive for foreign vehicle exports. In addition, vehicles produced in the UK may be more likely to be sold in the UK, both of which could support new car volumes going forward. Offsetting this impact is the possibility that wide-ranging tariffs on vehicle components increase the price of new cars, which would push car buyers towards used car alternatives and put downward pressure on new car volumes. This would support near-term used car prices, however as we saw in 2020/2021, lower new car volumes today create used car supply challenges in the future. The government has also announced plans to soften the Zero Emission Vehicle ('ZEV') mandate, which should support overall registration volumes over the next two to three years.

USED CAR TRANSACTIONS

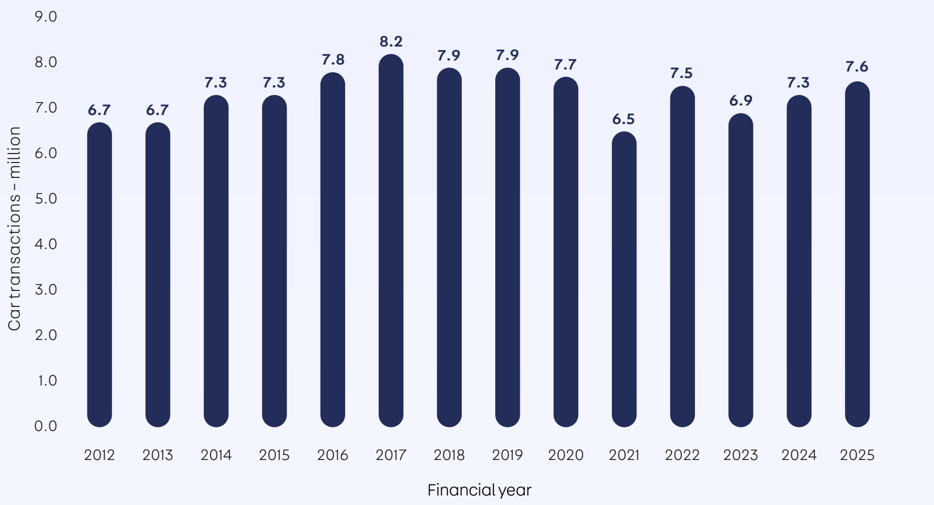
The used car market has continued to recover from the lows of COVID-19 throughout this financial year, which we expect to continue. Demand remains strong, with cars continuing to sell faster than before the pandemic as explained on the next page. Used car supply has gradually improved and both trade and retail prices have been broadly stable throughout this year, following declines last year. There were 7.6 million used car transactions in the 12 months to March 2025, up 4% year-on-year (2024: 7.3 million). Supply has gradually improved through the year as new car registrations have grown through the fleet channel, which has in turn increased the availability of ex-fleet stock for franchise and independent customers. The growth in used car transactions is larger than our increase in live car stock on site as the speed at which cars have been sold has continued to be quicker.

Whilst supply at a market level has gradually improved, we have seen the impact of the 3 million new cars not sold during the pandemic flowing through the parc, shifting from 1-3-year-old cars to the 3-5-year-old segment of the market. In 2019 there were circa 4.8 million 3-5-year-old cars in the parc; by the end of this year, it falls to just 2.9 million, making it the lowest level on record.

New car registrations



Used car transactions



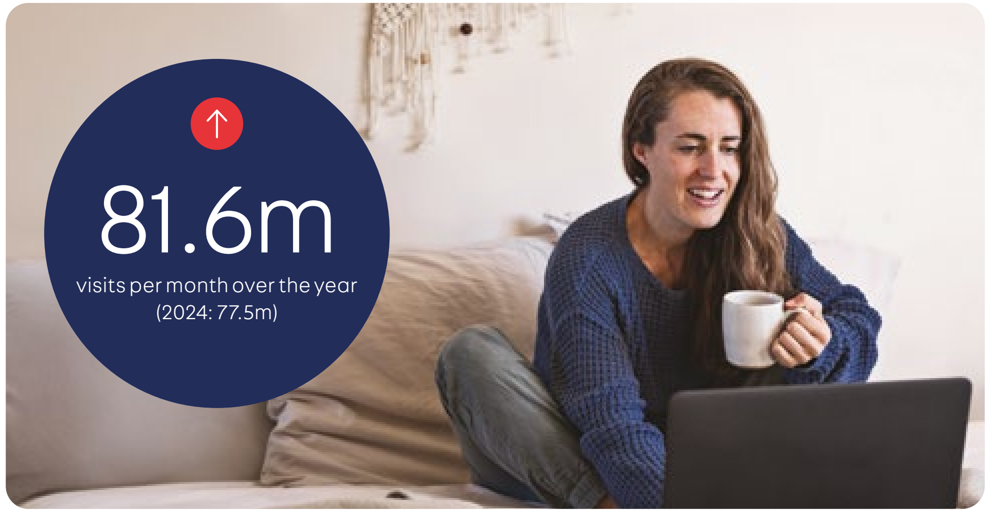
We continue to see strong levels of demand for used cars, with a record number of cross platform visits and minutes spent on Auto Trader

DEMAND

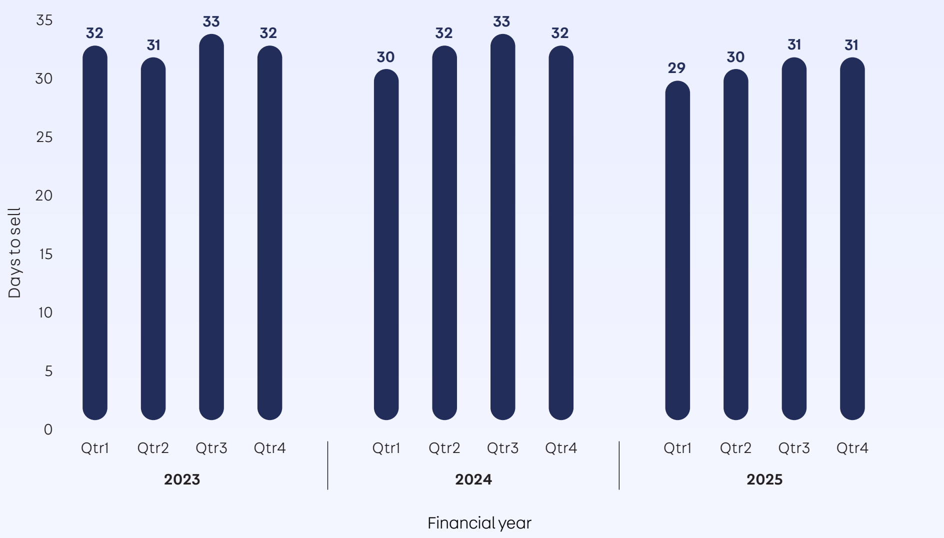
Despite the political instability of a general election at the start of the year and a challenging economic backdrop, used car demand remained extremely resilient throughout the year, building on two previous years of growth. Over 75% of all minutes spent on automotive marketplaces were spent on Auto Trader (2024: over 75%) and we saw record numbers of both visits and minutes on our platform. Cross platform visits were up 5% to 81.6 million per month (2024: 77.5 million) and cross platform minutes increased 1% to 557 million per month (2024: 553 million).

DAYS TO SELL

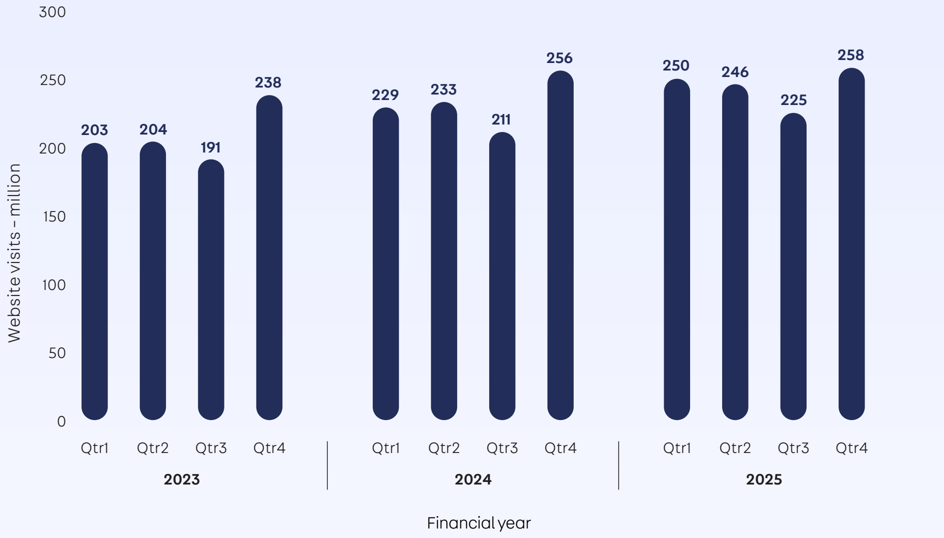
As mentioned, this year we saw a gradual rise in used car supply relative to last year, which was met with increasing levels of used car demand, resulting in used car transaction growth of 4% year-on-year. We believe this set of market dynamics could have supported higher used car prices, however pricing remained broadly stable which led to a further increase in the speed with which cars were sold. This combination of high demand and supply being restricted in the 3-5-year-old cohort has led to cars selling at a faster rate than any time in our recent history.



Average days to sell



Visits



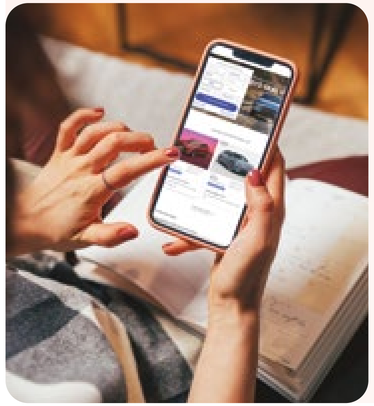
Key trends within the automotive market

1 Online buying journey

As choices have become more complex, the demand for an omnichannel journey, that blends digital convenience and transparency with the in-person experience that only a retailer can offer, is accelerating. A 'digital first' mindset and the right online presence is also influencing footfall – although some consumers contact a retailer before visiting, the majority still just walk in, looking to speak to someone before finalising their purchase. Our research shows that two thirds of walk-ins don't feel the need to make contact first, having already researched the car and retailer online.

We're committed to bringing more of the car buying journey online through our digital retailing solutions. Our main focus has been in developing our Deal Builder product for used cars, which enables our partners to offer a seamless online buying journey from their Auto Trader adverts. By the end of this financial year, there were c.2,000 retailers and c.84,000 vehicles live with the product available.

Over the past year, retailers have consistently seen more than double the sales conversion rate of deals versus traditional enquiries, as well as a significant reduction in haggling and time spent on admin, which freed-up front-line colleagues to focus on driving even more sales. It enables consumers to engage with retailers when and how it best suits them, with almost half of deals being submitted out of hours, meaning retailers would arrive at work with enquiries in their inbox. Although the initial point of contact can now happen at any time, most drivers still want to test drive before completing the deal, signalling that a mix of both digital and physical is still essential.



STAKEHOLDER PERSPECTIVE

"Deal Builder means that we are open 24 hours a day... last week we came in and had three deals waiting for us which had been submitted overnight. We're not having to deal with the back and forth."

Paul Bainton
Managing Director, G5 Cars

2 EV transition

2024 was the year of 'peak petrol', which means from now on the volume of petrol cars on the UK's roads will fall. It was also a record year for electric sales as the share of new car registrations hit 21% with volume exceeding 400,000. However, progress came at a cost in the shape of heavy discounting whilst the fleet sector accounted for three out of four EVs registered. The shift to electric is fuelling increased competition in the market, with over 62 brands expected to be in the UK market by the end of calendar year 2025, up from 45 in 2019. At a time when the industry is working hard to encourage more people to make the switch, this year will see the introduction of the Electric Car Supplement, potentially pushing brand-new EVs even further out of reach for many car buyers. Private buyers wanting to transition to electric are increasingly relying on the used market, drawn by lower resale values, competitive pricing relative to the ICE market and growing consumer choice. Since mid-2023, the used EV market has continued to grow, with consumer demand outpacing supply on retailer forecourts.

Through our unique market data and insights, and our range of products and tools, we continue to support the transition to electric among consumers, as well as all our customer and industry stakeholders, helping them to make more informed buying and selling decisions. Over the last financial year, we have invested significantly in driving consumer awareness, through both our monthly 'EV Giveaway' competition, and our multi-million-pound new car marketing campaign. We're also working closely with Government, ensuring key departments have the most accurate and informed view of the progress being made on the road to electrification.

STAKEHOLDER PERSPECTIVE

"Adapting to the market by stocking electric cars has kept us up to date with consumer demand, and we foresee this electric demand increasing as time goes on."

James McConville
Company Director, Solo Cars

How we create value

At the core of our business model is the UK's largest automotive marketplace

Our marketplace is built on an industry-leading technology and data platform, which is increasingly used across the automotive industry. The scale and engagement with our platform deepens our relationships with both customers and car buyers, as well as presenting long-term growth opportunities. 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.

What sets us apart

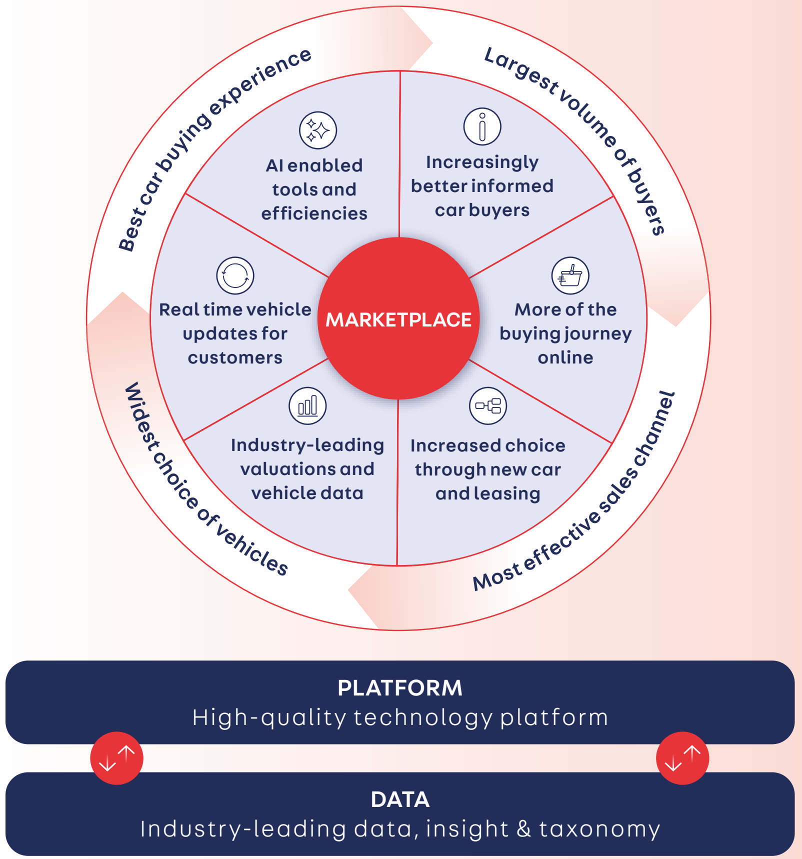
1 **Solely focused on the UK automotive market**

2 **Most recognised and trusted automotive brand with largest and most engaged car buying audience**

3 **Long-term focus and investment in our technology, platform and data capability**

4 **Driven, principled and values-led culture**

Powering the automotive ecosystem



Value created for stakeholders

Our investors
Long-term revenue and profit growth leading to significant cash generation and returns to shareholders through dividends and share buybacks.

Our consumers
The best buying experience with the greatest choice of vehicles regardless of type or purchase method. Continuing to create greater levels of transparency for car buyers.

Our customers
The most effective sales channel with market-leading insight, data and products. Continue to drive efficiencies with AI and more of the buying journey being completed online.

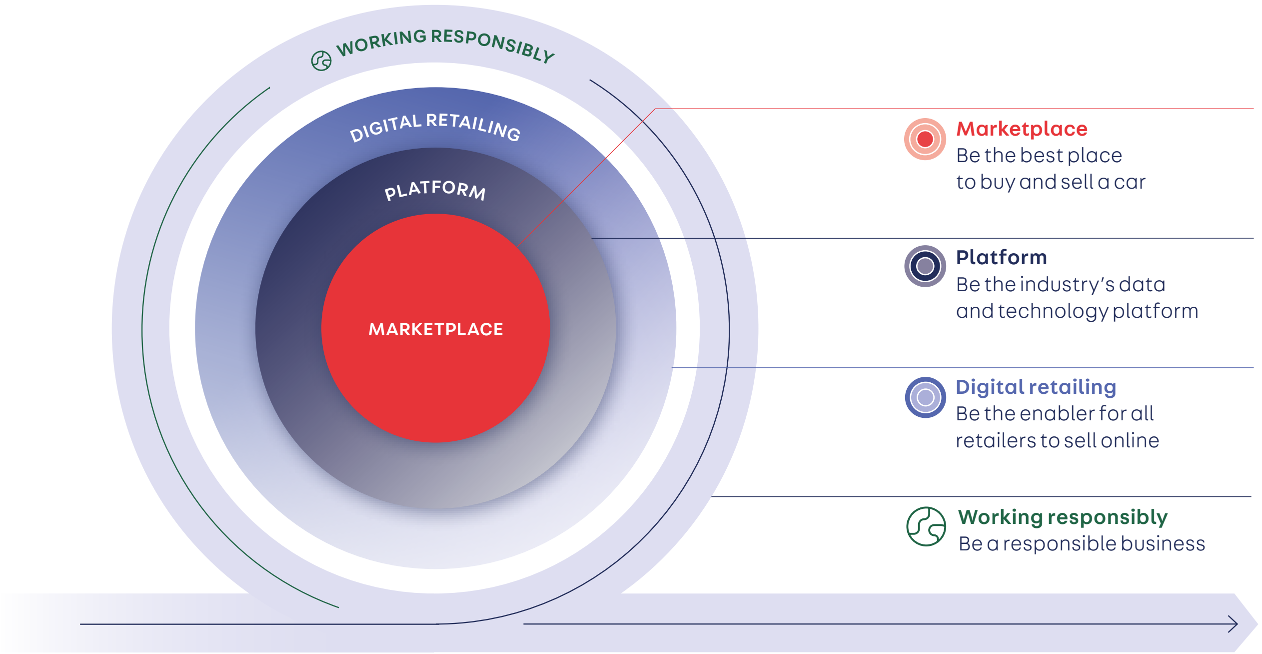
Our people
We continue to evolve our culture so everyone can develop and achieve their career aspirations.

Strategic progress

A focused and consistent strategy

Catherine Faiers
Chief Operating Officer

"We continue to see further adoption of our products, platform and services amongst retailers and other industry players."



Our strategy as set out at our investor day in September 2022 is made up of 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 strengthening our marketplace through deeper relationships and greater value for customers and car buyers.

Across those strategic focus areas we have working responsibly embedded into everything we do. This inter-relationship is well articulated by our purpose: Driving Change Together. Responsibly. As part of working responsibly we aim to do the right thing for our customers, our car buyers, our people and our shareholders.

Marketplace

KPIs P22 RISKS P62

Our marketplace delivered robust revenue and operating profit growth during the year. Our marketplace business grows reasonably consistently between mid and high single digits. When stock is in tighter supply or when market conditions mean that retailer profitability is particularly challenged, revenue is typically at the lower end of this range. This year we saw a gradual rise in used car supply relative to last year, which was met with increasing levels of used car demand, resulting in used car transaction growth of 4% year-on-year. This set of market dynamics could have supported higher used car prices, however pricing remained broadly stable which led to a further increase in the speed with which cars were sold. This meant we did not see an uptick in live car stock or the stock lever component of average revenue per retailer ('ARPR'), which was negative in the year. This fast speed of sale also impacted the level of product growth with less need for customers to buy our prominence products. Despite this, we have generally managed to retain customers, with 33% of retailer stock on a package above Standard compared to 35% in the prior year, but additional upsell opportunities have been limited. Both of these impacts can be seen in our ARPR growth of 5% year-on-year, where much of the growth was attributable to our annual pricing and product event.

Despite a subdued new car retail market, we have continued to make good progress with our new car products. We ended the year with c.2,200 Franchise customers paying to advertise new cars on the platform (2024: c.2,100). Encouragingly, we had an average of 1.9 million people coming to Auto Trader and viewing a new vehicle on average every month this year, an increase of 28% on the previous year. Importantly, we are maintaining our relevance as the market transitions to electric vehicles ('EVs'), with 21% of our new car stock being EVs. We continue to work with manufacturers that are looking to sell direct to consumers, however we are yet to find a solution that fits with their operating model that is both scalable and effective.

We also offer an end-to-end leasing transaction journey on Auto Trader. This year we continued to focus on integrating leasing offers into the core Auto Trader search experience. The goal is to enable a more scalable and robust checkout journey on all platforms and to ensure we are set up to grow profitably as volume returns to the personal leasing channel ('PCH'). This year we delivered 6,268 vehicles, which is lower than the previous year (7,847) due to supply constraints in this channel and our focus on scalable and profitable transactions. Average commission and ancillary revenue per vehicle was £1,627, compared to £1,631 in the prior year. Despite more challenging conditions than we expected at the beginning of the year, operating losses halved from the previous year to £4.3m (2024: £8.8m loss).

HOW WE MEASURE PROGRESS

- Revenue
- Average revenue per retailer ('ARPR')
- Operating profit (and margin)
- Basic EPS
- Cash generated from operations
- Cross platform visits
- Cross platform minutes
- Number of retailer forecourts
- Live car stock
- Employee engagement

ASSOCIATED RISKS

- Automotive economy, market and business environment
- Climate change
- Employees
- Reliance on third parties and partners
- IT systems and cyber security
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Legal and regulatory compliance
- Competition
- Brand and reputation

1.8m
people viewing a new vehicle on Auto Trader each month

2%
retailer forecourt growth year-on-year to record level

Significant new car marketing campaign

During the year we launched an extensive new car marketing campaign. We have recently complemented the advertising of Franchise retailers' new car stock, with direct listings from manufacturers and increased new car leasing deals through our acquisition of Autorama. The campaign was aimed at increasing consumer awareness of this broader new car offering now available on Auto Trader. The media investment was across a number of channels including broadcast and digital. We've seen increased engagement with new car content as we've moved through the year, demonstrating the success of the campaign. This marketing has also been supported by our partnership with WhatCar? and our continued EV giveaway. We will continue marketing new cars into the next financial year, with the aim of targeting a younger audience.

Platform

KPIs P22 RISKS P62

We continue to see strong adoption amongst retailers and other industry players of our platform capabilities, data, tools and technology services. Many retailers gain access to these products through our Retailer Portal as their primary stock management system, but for larger or more complex retailers they integrate these services into their own systems. We see high engagement once customers integrate either directly or through their technology partners, as the data and services are embedded into their own systems and processes. We are now integrated with over 120 technology partners and continue to build on these partnerships each month. Making our platform accessible enables our customers to benefit from the multi-year investment we have made in our technology and data platform and our data science capability. Over many years we have improved the quality of our vehicle data, retailer data and consumer data, most of which is proprietary and not available anywhere other than in our own services.

As part of our annual pricing and product event in April 2024, we made the third module of Auto Trader Connect available, providing retailers with Trended Valuations and our enhanced Retail Check product. Combined, this powerful new layer of intelligence helps retailers adapt and respond to daily market changes with quicker and more profitable sourcing, advertising, and pricing decisions. Throughout the last financial year, over 70% of retailers were using our trended valuations product each month. Most data we provide is real-time, which is helpful but is enriched when retailers can see how retail pricing for vehicles has trended in the past and what we forecast it to do in the future. All our metrics draw on the millions of vehicle and consumer observations we have, using machine learning to turn them into accurate and specific metrics for exactly the car a retailer owns or is looking to buy.

We continue to focus on building a robust, scalable automotive finance platform that brings transparency, technology and choice to the industry. We believe this is very valuable to our customers, lenders and Auto Trader, however the work and time taken to establish this is significant. One of the key challenges is the time taken to secure lender agreement and for them to prioritise and undertake the technical work to integrate with our platform. The platform enables a journey up to two-way full real-time finance applications and approval with an e-signature.

HOW WE MEASURE PROGRESS

- API calls on average per month
- Number of lender integrations
- Number of product releases

ASSOCIATED RISKS

- Reliance on third parties and partners
- IT systems and cyber security
- Failure to innovate: disruptive technologies and changing consumer behaviours

91m
API calls per month on average (2024: 86m)

Long-term investment in data science

For much of the past 10 years, we have been building our data science team and working with machine learning and artificial intelligence ('AI'). These models underpin most of the metrics we provide to our customers and car buyers, including price flags, valuations, advertising performance, retail demand and supply and our search algorithm. We have been experimenting with the latest generation of large language models ('LLMs') and see great potential to leverage this technology combined with our unique, proprietary dataset to make the lives of our retailers easier and to improve the experience for buyers on Auto Trader.

Digital retailing

KPIs P22 RISKS P62

Retailers and their physical stores will continue to play a critical role in the car buying and retailing process for many years to come, as most consumers are not comfortable buying a car entirely online. There is a desire to inspect, test drive and gain support from people throughout the process. However, we do believe the process can be improved by enabling more of the journey to be done online, at a time convenient for car buyers before they visit the forecourt. This also benefits our customers as a large amount of resource is allocated to managing enquiries and processing paperwork that does not ultimately result in a sale and therefore impacts their bottom line. We are in a unique position to connect online journeys, which typically start on Auto Trader, into retailers' systems and processes through our Retailer Portal and API journeys. This is the strategy we have been pursuing to date with our Deal Builder product.

The feedback on the product continues to be positive from both retailers and car buyers, with deals converting twice as effectively as a regular Auto Trader lead and over half of all deals being submitted outside of traditional working hours. At the end of March 2025, we had increased customers using Deal Builder year-on-year by 82% to c.2,000 (2024: c.1,100), which made the product available on c.84,000 vehicles, an increase of over 100% on the same period last year. Deals generated were three times higher at c.49,000 from c.16,000 in the prior year. Over half of the customers at year end were either paying for the product or had been onboarded as 'try before you buy', expecting to roll up to paid after an initial offer period.

Given this progress, and our experience with previous products at Auto Trader, we have decided to accelerate the adoption of Deal Builder by making Deal Builder functionality part of our core advertising proposition. We believe there are significant benefits to this approach:

- We have been onboarding c.500 customers every six months and with this approach we expect to have significantly more customers with the product by the end of this financial year, accelerating customer adoption.
- With significantly more vehicles having a 'deal' journey available, we expect to materially increase the number of deals being submitted on Auto Trader, accelerating the level of buyer engagement on site. We believe this may provide additional functionality that will appeal to the two thirds of buyers that walk into the forecourt without contacting the retailer in advance, resulting in a disconnected and inefficient forecourt journey for both the buyer and the retailer where there is no insight provided on the buyer's online journey.
- We have seen retailers' willingness to pay for Deal Builder, suggesting they value the product. While Deal Builder will no longer be monetised per transaction, we now have the opportunity to bring Deal Builder into our core offering, something we have a long history of successfully achieving. This plays to our strengths of being a subscription business. We continue to see future opportunities to further monetise finance and other ancillary products.
- Having this functionality available on Auto Trader offers further differentiation from current and future competitors. The technical undertaking would require substantial time and resources to replicate.

Since our IPO more of our growth has come from product than price and stock. Our product pipeline is as strong as it has ever been, with opportunities across our advertising marketplace, data and AI, our platform services and Digital Retailing. This combined with the strong foundations we have built with our brand, data, technology, and software development capability gives us confidence in our ability to grow profitably for many years to come.

HOW WE MEASURE PROGRESS

- Number of Deal Builder customers
- Number of Deal Builder live stock
- Number of submitted deals
- Number of leasing vehicles delivered

ASSOCIATED RISKS

- Reliance on third parties and partners
- IT systems and cyber security
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Legal and regulatory compliance

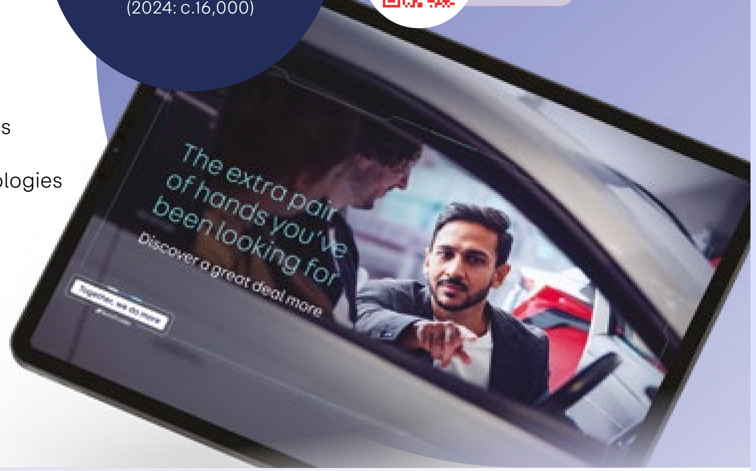
New car leasing check-out available on Auto Trader

In parallel to Deal Builder, we are working to enable a digital retailing journey for new cars. Throughout the period 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, but in time, as fleets 'catch-up' on orders not fulfilled over the past four years we expect supply through this channel to gradually improve.

c.2,000
Deal Builder customers live in March 2025 (March 2024: c.1,100)

c.49,000
deals generated on Deal Builder in 2025 (2024: c.16,000)

SCAN TO WATCH VIDEO



Working responsibly

KPIs P22 RISKS P62

Our ESG strategy is underpinned by our purpose of Driving Change Together. Responsibly.

This ensures we strive to make a positive difference to our people, our communities, the industries we operate in, and the wider environment to create a more accessible, equitable and sustainable future.

The environment

- Minimise our impact on the environment, thereby protecting our business from the impact of climate change.
- Drive change across our own operations and supply chain, and also use our capabilities and voice to influence the automotive and technology industries and Government to support urgent action to tackle the climate crisis.
- Report comprehensively in line with TCFD recommendations.
- Support car buyers to make more environmentally friendly vehicle choices.

Our people & communities

- Build diverse teams and evolve our inclusive culture.
- Maintain high levels of employee engagement, supporting positive health and wellbeing.
- Partner with charities, community groups and industry bodies to make a difference to the communities where we work and live.

Our governance & compliance

- Uphold the values of good corporate governance and risk management and consider the needs of all our stakeholders in our strategic decision-making.
- Comply with our legal and regulatory obligations and behave ethically and with integrity at all times.
- Maintain a trusted marketplace for our customers and consumers to find, buy and sell vehicles.

HOW WE MEASURE PROGRESS

- See our cultural KPIs and Working responsibly section

ASSOCIATED RISKS

- Climate change
- Employees
- Brand and reputation

Catherine Faiers
COO
29 May 2025

Volunteering

600+

volunteering days taken by our employees to volunteer in the community

Carbon Literacy

5,800+

automotive professionals gain Carbon Literacy with the automotive Carbon Literacy toolkit

Inclusive Top 50 UK Employers

91%

of employees say they're proud to work for Auto Trader

Section 172(1) statement

Considering our stakeholders

The Directors of the Company have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having due regard in doing so for the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006.

To achieve our goals and ensure long-term success, we recognise the importance of establishing and maintaining meaningful, mutually beneficial relationships with our stakeholders. We actively consider different stakeholder perspectives, identify their priorities, and assess the long-term impact of our business on both the industry and the environment. The Board and the Auto Trader Leadership Team are dedicated to upholding our high standards of business conduct.

A detailed stakeholder framework is applied to all papers prepared for the Board in advance and is key to thoughtful and considered boardroom discussions.

The framework which has been adopted allows decision-makers to consider the balance of interests of affected stakeholders and ultimately to do the right thing for the long-term success of the Company for the benefit of its members as a whole. The Board recognises that not every decision will result in an equally positive outcome for all stakeholders. However, by genuinely understanding our stakeholders and considering their diverse needs, the Board incorporates into discussions the potential impact of decisions taken on each stakeholder group and the other matters required by section 172(1).

Considering the long-term consequences of our decisions

How we create value **P12**
Strategic progress **P13**
Material decisions made **P19**

Considering the interests of our employees

How we create value **P12**
Our stakeholders **P20**
Our people & communities **P51**

The need to foster good relationships with our stakeholders

How we create value **P12**
Our stakeholders **P20**

Considering our impact on the environment and our community

Report of the Corporate Responsibility Committee **P92**
Our ESG strategy **P31**
TCFD disclosures **P93**

Maintaining high standards of conduct

Governance **P73**
How we manage risk **P63**
Our governance & compliance **P58**

Acting fairly between stakeholders

How we create value **P12**
Our stakeholders **P20**

Section 172 matters

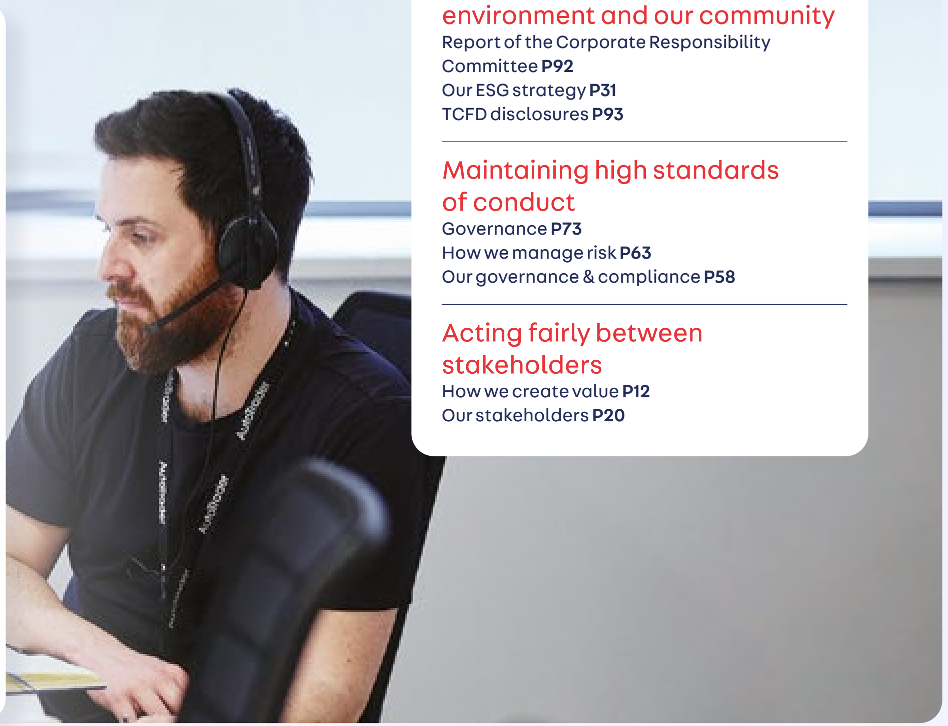
Our purpose is **Driving Change Together. Responsibly**

We are **driving change** in an industry that needs to evolve to adapt to changing consumer needs, and the impact of electric vehicles.

Our business model results in bringing **together** a diverse set of stakeholders – consumers, customers (including retailers, manufacturers and other customers), suppliers and partners – underpinned by our collaborative, people-led culture.

We are committed to acting **responsibly** through our focus on diversity and inclusion, environmental sustainability and maintaining high levels of ethical conduct, trust and transparency.

MARKET OVERVIEW **P08**
HOW WE CREATE VALUE **P12**
WORKING RESPONSIBLY **P29**



Section 172(1) statement continued

Material decisions taken by the Board

Here are examples of two key decisions taken this financial year, detailing how the Board has had regard to the matters set out in s.172 where the Board discussed, considered and balanced stakeholder interests.

OUR STRATEGIC PRIORITIES

- Marketplace
- Platform
- Digital retailing
- Working responsibly

Co-Driver and AI-powered tools

CONTEXT

The Company has invested in machine learning and AI technology for over 10 years. It is widely documented that AI can drive efficiencies, saving time and money for our customers. This inspired us to develop our first AI-powered 'Co-Driver' tools which streamline the advertising process while maintaining accuracy and relevance through the use of Auto Trader's unrivalled dataset:

1. Smart Image Management: Automates and optimises vehicle image categorisation.
2. AI Generated Descriptions: Instantly crafts vehicle descriptions using extensive data.
3. Vehicle Highlights: Showcases key vehicle features like fuel economy and low mileage.

BOARD CONSIDERATIONS

As with any technology there are risks associated. The use of large language models ('LLMs') in real-time creates an additional requirement to ensure the accuracy and reliability of the output is credible and of value to our customers and consumers. As our use of AI evolves, it will create a new type of risk as AI tools have a 'black box' and we need to be able to explain how these tools work in the event of a challenge.

c.250,000

AI vehicle description generations since launch

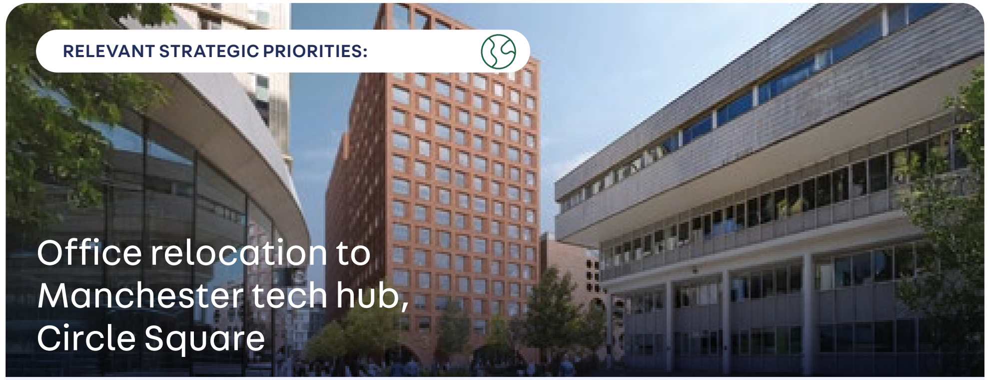
The Board acknowledged the risks of using an LLM but was confident that appropriate mitigations had been put in place, including extensive testing, quality controls and continual learning.

OUTCOME

Given the strength of Auto Trader's data and technology the Board felt the benefits of the tools outweighed the risks involved. In the past year, we launched the three 'Co-Driver' products and made these available to all retailers. These products assist retailers with faster and more accurate advertising, and provide consumers with higher-quality, transparent information to assist them with their buying journey.

RELEVANT STAKEHOLDERS

- Customers
- Our people
- Consumers



Office relocation to Manchester tech hub, Circle Square

CONTEXT

Over the past 18 – 24 months, our Manchester head office has been nearing capacity, because of changes in ways of working and increased requirements for the available office space to meet our employees' needs for both collaborative and focused work. The Board, along with the management team, recognise the importance of a suitable working environment where employees can be at their best and work effectively in a modern, purpose-built tech space.

BOARD CONSIDERATIONS

In making its decision about whether to proceed with the office relocation, the Board considered the effects on employees, along with the impact on the local community and environment.

Given the significant financial commitment associated with a head office move of over 1,000 employees, the Board devoted considerable time to thoroughly review the financial implications on the business alongside the potential for future growth.

1,100+

Auto Trader colleagues will relocate to the new space in early 2026

The Board determined that the benefits of the relocation to a new building, including improved employee engagement, retention and attraction of top talent, a sustainable office building, and a tech-focused estate, justified the move and would strengthen our overall proposition in a competitive market.

OUTCOME

The Board agreed that Circle Square was by far the preferred new office space of all of the options considered; it believed we can build a new home in the best long-term interests of the business that will enable us to continue to attract and retain the very best tech talent for the coming decade.

RELEVANT STAKEHOLDERS

- Our people
- Community & environment

Maintaining stakeholder relationships

Below, we highlight our key stakeholders and explore their importance to us, their priorities, and, most importantly, how our organisation and the Board actively engage with them and respond through meaningful actions.

When engagement doesn't occur directly with the Board, the feedback is communicated to the Board and/or a Board Committee through detailed reports throughout the year, outlining stakeholder views to inform their decisions.

A deeper understanding of our stakeholders and their diverse interests allows us to incorporate the potential impact and long-term consequences of our decisions on each stakeholder group into boardroom discussions. We consulted with all stakeholders during the process of refreshing our materiality assessment to ensure our priorities and the focus of our ESG strategy remains relevant.

MATERIAL ISSUES

- E The environment
- S Our people & communities
- G Our governance & compliance

Consumers

WHY ARE OUR CONSUMERS IMPORTANT TO US?

The continued success of our business model is underpinned by maintaining and strengthening relationships with consumers. Our business thrives by creating a large, engaged community of car buyers, sellers and researchers who trust our brand and reputation and have confidence in Auto Trader as a marketplace.

WHAT MATTERS TO OUR CONSUMERS?

- Wide choice of vehicles and choice of ways in which to buy. Hassle free buying and selling process.
- Clear, transparent and accurate details for vehicles, sellers, and payment options.
- Reliable and accessible service with knowledgeable support and responsive communication when needed.

HOW DO WE ENGAGE WITH OUR CONSUMERS?

- Regular contact with a diverse group of consumers for research and insight.
- Gathering feedback on real world user experience.
- Conducting consumer testing for new products, services and website designs with a wide range of demographics.
- Providing in-house consumer facing support seven days a week.
- Utilising social media and marketing channels.

WHAT ACTIONS DID WE TAKE?

- Partnered with an accessibility agency to test our approach to building accessible products and journeys.
- Conducted one-on-one interviews with consumers who had experienced our Deal Builder journey (checkout experience) to understand their path to purchase and the impact of our experience.
- New benchmarking to a broader audience to understand brand awareness, preference, considerations and product.
- Outputs of consumer research shared with Auto Trader Leadership Team ('ALT') and Board to factor into decision-making.

MATERIAL ISSUES

- 2 Data privacy and security
- 4 Product innovation
- 5 Customer satisfaction
- 11 Driving transparency

Customers

(retailers, manufacturers and other customers)

WHY ARE OUR CUSTOMERS IMPORTANT TO US?

Our partnerships with vehicle retailers, manufacturers, leasing companies and other customers enable us to offer consumers the widest choice of vehicles. The majority of our revenue is generated from our customers.

WHAT MATTERS TO OUR CUSTOMERS?

- Access to a large volume of engaged car buyers.
- Streamlining the car selling process for greater efficiency.
- Effectively sourcing vehicles.
- Easy access to trusted, understandable data for informed sourcing and disposal decisions.
- Ensuring value for money with Auto Trader through product choice, quality and cost.
- Establishing two-way lasting partnerships.

HOW DO WE ENGAGE WITH OUR CUSTOMERS?

- Conducting retailer sentiment surveys to assess product improvements and value.
- Our Leadership Team participates in a business partnering programme.
- Sales teams, including telesales and field sales, maintain ongoing communication with customers.
- Customers are invited to attend select Board meetings.
- Publishing regular thought leadership and insight-driven reports, such as the Road to 2030 Report.
- Hosting regular forums with CEOs of major and mid-tier retailers, OEMs, car supermarkets and automotive finance companies to share our latest data and insight and gain their input.

WHAT ACTIONS DID WE TAKE?

- Organising timely webinars to support retailers on topics such as the changing landscape of the vehicle marketplace, and the FCA Commissions court case.
- Hosting industry events and masterclasses to share insights and discuss key topics.
- Conducting beta tests for product launches to optimise performance.

MATERIAL ISSUES

- 2 Data privacy and security
- 4 Product innovation
- 5 Customer satisfaction
- 6 Pricing fairness
- 8 Advocacy

Our people

WHY ARE OUR PEOPLE IMPORTANT TO US?

Our people are one of our most valuable assets and the key to our ongoing success. To thrive, it is important to attract new talent while supporting and developing our highly skilled workforce. We aim to create a diverse and inclusive culture and environment where everyone has the right tools to achieve their full potential and is a valued part of our community.

WHAT MATTERS TO OUR PEOPLE?

- Fair reward, recognition and benefits.
- Opportunities for training, career development and professional growth.
- Supportive leadership with open communication and appreciation for contributions.
- A working environment that provides a comfortable, inspiring physical space with an emphasis on wellbeing.
- An inclusive values-led culture.

HOW DO WE ENGAGE WITH OUR PEOPLE?

- The Board Engagement Guild, made up of our employees from across the business, engages with the Board (without management present).
- Regular employee engagement surveys.
- Biannual all-employee conferences, and regular virtual business updates.
- Open wellbeing forums.
- Health and safety assessments.
- Independent whistleblowing service.

WHAT ACTIONS DID WE TAKE?

- Inclusive Leadership Programme and Diverse Talent Accelerator, focused on developing diverse talent across the business.
- Ongoing review and refresh of annual employee benefits.
- Benchmarking of salary and benefits in line with the market.
- Continuing with annual Save As You Earn share scheme and One Auto Trader Share Award.
- Financial wellbeing education with external leading specialist.
- Launch of a new People Manager Hub providing a toolkit and resources for managers across the business.

MATERIAL ISSUES

- 2 Data privacy and security
- 3 Employee wellbeing, engagement and safety
- 7 Investment in talent
- 10 Diversity and inclusion
- 16 Ethics and integrity
- 17 Remuneration

MATERIAL ISSUES

- E The environment
- S Our people & communities
- G Our governance & compliance

Partners & suppliers

WHY ARE OUR PARTNERS AND SUPPLIERS IMPORTANT TO US?

We rely on our suppliers and partners for technology infrastructure, supply of vehicle and financing data, and the fulfilment of some of our revenue-generating products. Building trusted partnerships allows us to collaborate more effectively and consistently to deliver the highest-quality products and services.

WHAT MATTERS TO OUR PARTNERS AND SUPPLIERS?

- Collaborating on innovative solutions.
- Creating shared opportunities to increase revenue and generate additional income streams.
- Fair trading practices and clear terms and conditions.
- Building long-term trusted relationships.

HOW DO WE ENGAGE WITH OUR PARTNERS AND SUPPLIERS?

- Maintaining regular engagement with suppliers and partners at the appropriate levels.
- Implementing structured procurement processes to onboard new suppliers and regular check-ins for familiarisation, updates and building ongoing relationships.
- Establishing ways of working with new suppliers and partners and providing feedback throughout ongoing projects.
- Fostering an open dialogue for collaborative relationships and creating opportunities for shared learning.

WHAT ACTIONS DID WE TAKE?

- Regularly monitoring and reviewing financial health and operating resilience.
- Reporting on the time taken to pay suppliers within agreed payment terms.
- Applying our Ethical Procurement Policy to take a holistic view based on cultural alignment when selecting which suppliers and partners we want to work with.

MATERIAL ISSUES

- 4 Product innovation
- 13 Responsible supply chain
- 16 Ethics and integrity

Community & environment

WHY ARE OUR COMMUNITY AND OUR ENVIRONMENT IMPORTANT TO US?

We aim to have a net positive impact on the planet while mitigating the effects of climate change on our business. We strive to strengthen communities and create positive social and environmental outcomes.

WHAT MATTERS TO OUR COMMUNITY AND OUR ENVIRONMENT?

- Energy consumption and carbon emissions.
- Transitioning to electric vehicles.
- Supporting local communities in which we operate and beyond.
- Other Environmental, Social and Governance ('ESG') factors.

HOW DO WE ENGAGE WITH OUR COMMUNITY AND OUR ENVIRONMENT?

- Employee networks oversee our charitable initiatives, including the Auto Trader Community Fund and our sustainability strategy.
- We support organisations such as Manchester Digital, Forever Manchester and the Automotive 30% Club, as well as local schools and colleges through our STEM ambassador programme.
- We share data and insights with industry bodies and Government departments to shape policies that promote the mass adoption of electric vehicles.

WHAT ACTIONS DID WE TAKE?

- The Corporate Responsibility Committee holds the business accountable for its cultural KPIs.
- Continued Carbon Literacy training for all employees.
- Funding for the first Carbon Literacy® Toolkit for the digital & tech industries in Manchester.
- The Environmental Strategy working group leads our carbon reduction plans and reports in line with the TCFD framework.
- Regular consumer research and user testing to understand what information is most helpful when buying an electric vehicle.
- Charitable donations of £476k.
- 606 volunteering days.
- Auto Trader Community Funds aim to deliver financial support to local community groups. We operate four different funds to support grassroot community organisations.
- Partnered with organisations such as the 10,000 Black Interns and Community Computers.

MATERIAL ISSUES

- 1 Climate
- 9 Making a difference to our local communities and industries
- 10 Diversity and inclusion

Investors

WHY ARE OUR INVESTORS IMPORTANT TO US?

Maintaining an ongoing, transparent dialogue with current and potential investors fosters confidence, resulting in continued access to capital that enables us to invest in the long-term success of the business.

WHAT MATTERS TO OUR INVESTORS?

- Financial performance, with a balanced and fair representation of current financial results and future prospects.
- Share price performance and overall returns.
- Equitable remuneration practices for both executives and employees.
- Adherence to high governance standards.
- A continued commitment to environmental and social issues.

HOW DO WE ENGAGE WITH OUR INVESTORS?

- Open, honest and balanced communication accessible to all shareholders.
- Private shareholders are encouraged to contact the Board through ir@autotrader.co.uk.
- Comprehensive investor relations programme.
- Annual Report, AGM, corporate website and regulatory news announcements.
- Ongoing dialogue with proxy advisors and other agencies.
- The Chair and the Chair of the Remuneration Committee maintain contact and correspondence with investors throughout the year.
- Governance-related meetings attended by the Chair or another Non-Executive Director.
- Feedback regularly given to the Board.
- Relevant industry-related data and internally produced market reports shared with analysts.

WHAT ACTIONS DID WE TAKE?

- Continuing with our capital policy and share buyback programme.
- Interim and final dividends paid.
- Extended our debt facility.
- Continuing succession planning to ensure the Board remains independent.
- Maintaining an ongoing commitment to enhancing the transparency and relevance of our information.

MATERIAL ISSUES

- 4 Product innovation
- 12 Digital infrastructure
- 14 Responsible tax strategy and total tax contribution
- 15 Corporate governance
- 16 Ethics and integrity
- 17 Remuneration

Key performance indicators

Measuring our performance

We measure our performance through a defined set of financial, operational and cultural KPIs.

OUR STRATEGIC PRIORITIES

- Marketplace
- Platform
- Digital retailing
- Working responsibly

OUR PRINCIPAL RISKS AND UNCERTAINTIES

1. Macro risks
2. Automotive economy, market and business environment
3. Legal and regulatory compliance
4. Competition
5. IT systems and cyber security
6. Employees
7. Brand and reputation
8. Failure to innovate: disruptive technologies and changing consumer behaviours
9. Climate change
10. Reliance on third parties and partners

1-10. All principal risks could impact this KPI

FINANCIAL

Revenue
£m

2025	601.1
2024	570.9
2023	500.2

2025 PROGRESS
+5%

LINK TO RISKS
1-10

PROGRESS
Group revenue increased 5% year-on-year. Auto Trader revenue increased to £564.8m, up 7% when compared to the prior year. Trade revenue, which comprises revenue from Retailer, Home Trader and other smaller revenue streams, increased by 7% to £509.1m. Autorama revenue was £36.3m, with vehicle and accessory sales contributing £26.1m, and commission and ancillary revenue contributing £10.2m.

Linked to remuneration? **Yes**

Average revenue per retailer[1] ('ARPR') £ per month

2025	2,854
2024	2,721
2023	2,437

2025 PROGRESS
+5%

LINK TO RISKS
1-10

PROGRESS
ARPR grew £133 in the year to £2,854, driven by our product and pricing levers. Our annual product and pricing event saw like-for-like price increases, alongside additional products being included in retailers' packages. Stock was marginally negative in the year.

Linked to remuneration? **No**

Operating profit
£m

2025	Margin 63%	376.8
2024	Margin 61%	348.7
2023	Margin 55%	277.6

2025 PROGRESS
+8%

LINK TO RISKS
1-10

PROGRESS
Group operating profit increased by 8% to £376.8m, reflecting the increase in revenue, the £8.2m reduction in Group central costs, and reduced losses of £4.3m in Autorama. Operating profit in the core Auto Trader business was £394.0m, up 4% on last year. Group operating profit margin increased to 63%.

Linked to remuneration? **Yes**

Basic EPS
Pence per share

2025	31.66
2024	28.15
2023	25.01

2025 PROGRESS
+12%

LINK TO RISKS
1-10

PROGRESS
Basic EPS increased by 12% year-on-year, 2% more than the increase in net income. We purchased and cancelled 22.5 million shares during the year, resulting in the average number of shares in issue declining 2%.

Linked to remuneration? **Yes**

Cash generated from operations
£m

2025	399.7
2024	379.0
2023	327.4

2025 PROGRESS
+5%

LINK TO RISKS
1-10

PROGRESS
Cash generated from operations increased 5%, largely driven by the increases in Group operating profit. £275.7m was returned to shareholders through £187.3m of share buybacks and dividends of £88.4m.

Linked to remuneration? **No**

1. Average revenue per retailer ('ARPR') is calculated by taking the average monthly revenue generated from retailer customers and dividing by the average monthly number of retailer forecourts who subscribe to an Auto Trader advertising package.

Key performance indicators continued

OUR STRATEGIC PRIORITIES

- Marketplace
- Platform
- Digital retailing
- Working responsibly

OUR PRINCIPAL RISKS AND UNCERTAINTIES

1. Macro risks
2. Automotive economy, market and business environment
3. Legal and regulatory compliance
4. Competition
5. IT systems and cyber security
6. Employees
7. Brand and reputation
8. Failure to innovate: disruptive technologies and changing consumer behaviours
9. Climate change
10. Reliance on third parties and partners

1-10. All principal risks could impact this KPI

OPERATIONAL

Cross platform visits[1]

Monthly average visits spent across all platforms

2025	81.6m
2024	77.5m
2023	69.6m

2025 PROGRESS

+5%

LINK TO RISKS

2, 4, 7, 8

PROGRESS

Average monthly cross platform visits increased by 5% to 81.6 million per month (2024: 77.5 million). Continued high levels of demand from car buyers, despite continued economic uncertainty, underpinned strong visit numbers across the year.

Linked to remuneration? **No**

Cross platform minutes[1,2]

Monthly average minutes spent across all platforms

2025	557m
2024	553m
2023	514m

2025 PROGRESS

+1%

LINK TO RISKS

2, 4, 7, 8

PROGRESS

Engagement, measured by total minutes spent onsite, increased by 1% to an average of 557 million per month (2024: 553 million). We account for over 75% of all minutes spent on automotive classified sites and were 10x larger than our nearest classified competitor.

Linked to remuneration? **No**

Number of retailer forecourts[3]

Average number per month

2025	14,013
2024	13,783
2023	13,913

2025 PROGRESS

+2%

LINK TO RISKS

2, 4, 7, 8

PROGRESS

The average number of retailer forecourts advertising on our platform increased 2% to 14,013 (2024: 13,783).

Linked to remuneration? **No**

Number of full-time equivalent employees ('FTEs')[4]

Average number (including contractors)

2025	1,267
2024	1,233
2023	1,160

2025 PROGRESS

+3%

LINK TO RISKS

6

PROGRESS

The continued investment in people to support the growth of the business has resulted in FTEs increasing by 3% year-on-year to 1,267 (2024: 1,233).

Linked to remuneration? **No**

Live car stock[5]

Average number per month

2025	449,000
2024	445,000
2023	437,000

2025 PROGRESS

+1%

LINK TO RISKS

2, 4, 7, 8

PROGRESS

Total live stock on site increased by 1% to an average of 449,000 cars (2024: 445,000). New car stock remained flat at an average of 20,000 (2024: 20,000). Used car live stock increased to 429,000 (2024: 426,000), driven by an increase in the volume of private listings.

Linked to remuneration? **No**

1. As measured internally by Snowplow.
2. We use Comscore for a comparison to competitors.
3. The average number of retailer forecourts per month that subscribe to an Auto Trader advertising package.
4. Full-time equivalent employees ('FTEs'), which includes contractors, are measured on the basis of the number of hours worked by full-time employees, with part-time employees included on a pro-rata basis. Number of FTEs is reported internally each calendar month; the full-year number is the average of those 12 periods.
5. The average number of physical cars (either new or used) that are advertised on autotrader.co.uk per month.

Key performance indicators continued

OUR STRATEGIC PRIORITIES

- Marketplace
- Platform
- Digital retailing
- Working responsibly

OUR PRINCIPAL RISKS AND UNCERTAINTIES

1. Macro risks
2. Automotive economy, market and business environment
3. Legal and regulatory compliance
4. Competition
5. IT systems and cyber security
6. Employees
7. Brand and reputation
8. Failure to innovate: disruptive technologies and changing consumer behaviours
9. Climate change
10. Reliance on third parties and partners

1-10. All principal risks could impact this KPI

CULTURAL

Employee engagement[1]

% of employees who are proud to work at Auto Trader

2025	91%
2024	97%
2023	91%

2025 PROGRESS -6%

LINK TO RISKS 6, 7

PROGRESS

We are pleased that we have been able to maintain high levels of engagement from employees, with 91% (2024: 97%) of employees saying they are proud to work for Auto Trader. Results have dropped due to an usually high measure in 2024 following the announcement of the One Auto Trader share scheme.

Linked to remuneration? **No**

Women as a % of total staff△

% as at March each year

2025	44%
2024	44%
2023	43%

2025 PROGRESS 0%

LINK TO RISKS 6, 7

PROGRESS

We are committed to having a representative workforce across all levels of our business and recognise the importance of gender diversity. Over the past 12 months, the percentage of our employees who are women remained at 44% (2024: 44%). We remain committed to improving gender diversity across our organisation.

Linked to remuneration? **Yes**

Women as a % of leadership[3]△

% as at March each year

2025	43%
2024	42%
2023	40%

2025 PROGRESS +1%

LINK TO RISKS 6, 7

PROGRESS

The percentage of employees who are women in leadership roles increased to 43% (2024: 42%). Of the 111 people in leadership positions who define their gender when asked, 48 are women. We have well established development programmes to increase our representation across all levels of the organisation.

Linked to remuneration? **Yes**

Ethnically diverse representation as a % of total staff[2]△

% as at March each year

2025	19%
2024	17%
2023	15%

2025 PROGRESS +2%

LINK TO RISKS 6, 7

PROGRESS

Over the past 12 months we have increased the percentage of our employees who define themselves as ethnically diverse to 19% (2024: 17%). Of the 1,194 people who disclose their ethnicity when asked, 246 are ethnically diverse. There were 96 employees (7%) who have not disclosed their ethnicity or opted not to do so.

Linked to remuneration? **Yes**

Ethnically diverse representation as a % of leadership[2,3]△

% as at March each year

2025	10%
2024	6%
2023	8%

2025 PROGRESS +4%

LINK TO RISKS 6, 7

PROGRESS

The percentage of ethnically diverse employees in leadership roles increased in the year to 10% (2024: 6%). Of the 104 people in leadership positions who define their ethnicity when asked, 11 are ethnically diverse. It is worth noting that in the year we increased the size of our Leadership Team, which has impacted this metric.

Linked to remuneration? **Yes**

Total CO_2 emissions[4]

Tonnes of carbon dioxide equivalent

2025	93,168
2024	98,941
2023	69,492

2025 PROGRESS -6%

LINK TO RISKS 3, 9, 10

PROGRESS

GHG emissions during the year totalled 93.2k tonnes of CO_2 across Scopes 1, 2 and 3 (March 2024: 98.9k 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. Emissions relating to Auto Trader totalled 9.9k tonnes, with 83.3k tonnes relating to Autorama.

Linked to remuneration? **Yes**

1. Based on an all-employee survey in April 2025 asking people to rate the statement "I am proud to work for Auto Trader".
2. We include those who have chosen not to specify their ethnicity in the calculation.
3. A leadership position is defined as the Auto Trader Leadership Team ('ALT') and its direct reports excluding those with senior and principal job titles in Product & Tech.
4. The total amount of CO_2 emissions includes Scopes 1, 2 and 3 across all relevant categories.

△ This KPI has been subject to limited assurance - see plc.autotrader.co.uk/esg/policies-reports for a copy of the report and methodology.

The table below sets out where stakeholders can find further non-financial and sustainability information.

NON-FINANCIAL RISK	POLICIES AND PROCEDURES	WHERE TO READ MORE WITHIN THIS ANNUAL REPORT	EMPLOYEE GUILDS, NETWORKS AND WORKING GROUPS
ENVIRONMENTAL	• Environmental Policy	More information on our impact on the environment can be found in the Environment section, pages **33 to 50**, which also sets out our statutory carbon emissions and energy data (page **49**)	• Environmental Strategy working group • Sustainability Network
OUR PEOPLE	• Whistleblowing Policy • Equality & Diversity Policy • Inclusive Recruitment • Disability Confident leader • Health & safety • HR policies including adoption leave, parental leave, flexible working • Gender Pay Gap reports	• Diversity and inclusion: pages **53 to 57** • Section 172(1) statement: pages **18 to 21**	• Stakeholder engagement • Board Engagement Guild • Ethnicity Network • Women's Network • LGBT+ Network • Parents' Network • Disability & Neurodiversity Network • Social Mobility Network • Career Kickstart Network • Wellbeing Guild
SOCIAL AND COMMUNITY	• Ethical Procurement Policy • Customer Charter • Volunteering days • Environmental Policy	• Diversity and inclusion: pages **53 to 57** • The environment: pages **33 to 50**	• Make a Difference Guild • Parents' Network • Disability & Neurodiversity Network • Social Mobility Network • Wellbeing Guild
HUMAN RIGHTS	• Modern Slavery Policy • Data Privacy Policy • Data Retention and Destruction Policy • Data Handling and Data Quality Policy	• Governance & compliance: pages **58 to 61**	–
ANTI-BRIBERY AND ANTI-CORRUPTION	• Anti-bribery, Gifts and Hospitality Policy • Whistleblowing Policy	• Governance & compliance: pages **58 to 61**	–
BUSINESS MODEL	–	• How we create value: page **12**	–
PRINCIPAL RISKS	–	• Principal risks and uncertainties: pages **65 to 72**	–
NON-FINANCIAL KEY PERFORMANCE INDICATORS	–	• Operational and cultural KPIs: pages **22 to 24**	–

Please note, certain Group policies are not published externally.

£601m
Group revenue
(2024: £571m)

Jamie Warner
Chief Financial Officer

"We have achieved double digit growth in basic earnings per share, demonstrating our consistent approach to capital allocation."

GROUP RESULTS

	2025 £m	2024 £m	Change %
Revenue	**601.1**	570.9	5%
Operating costs	**(227.9)**	(225.0)	(1%)
Share of profit from joint ventures	**3.6**	2.8	29%
Group operating profit	**376.8**	348.7	8%
Group operating profit margin	**63%**	61%	2% pts

Group revenue increased by 5% to £601.1m (2024: £570.9m) driven by Auto Trader revenue which increased by 7% to £564.8m (2024: £529.7m) with Autorama contributing £36.3m (2024: £41.2m). Group operating profit grew by 8% to £376.8m (2024: £348.7m).

Auto Trader operating profit increased by 4% to £394.0m (2024: £378.6m), which included £3.6m share of profit from joint ventures (2024: £2.8m). Autorama had an operating loss of £4.3m (2024: £8.8m).

	2025 £m	2024 £m	Change %
Auto Trader	**394.0**	378.6	4%
Autorama	**(4.3)**	(8.8)	51%
Group central costs – relating to Autorama acquisition	**(12.9)**	(21.1)	39%
Group operating profit	**376.8**	348.7	8%

Group central costs comprise an amortisation charge of £12.9m (2024: £10.0m) relating to the Autorama intangible assets acquired, and, in the prior period, there was an £11.1m charge for the remaining deferred consideration relating to the acquisition of Autorama. The increased amortisation charge is due to the Vanarama brand's useful economic life being reduced to five years from acquisition, following accelerated integration between Auto Trader and Autorama. This change took effect in October 2023. Group central costs are expected to be £13.1m in financial year 2026.

	2025 £m	2024 £m	Change %
Operating profit	**376.8**	348.7	8%
Add back:			
Depreciation & amortisation	**20.7**	18.3	13%
Share of profit from joint ventures	**(3.6)**	(2.8)	29%
Autorama deferred consideration	**–**	11.1	(100%)
Adjusted EBITDA	**393.9**	375.3	5%

Adjusted earnings before interest, taxation, depreciation and amortisation, share of profit from joint ventures and Autorama deferred consideration increased by 5% to £393.9m (2024: 375.3m). This adjusted measure of EBITDA, and a similar adjusted measure of earnings per share, are calculated to show the financial measures before the effect of acquisition related expenses.

Group profit before tax increased by 9% to £375.7m (2024: £345.2m). Cash generated from operations was £399.7m (2024: £379.0m).

AUTO TRADER RESULTS

Revenue increased to £564.8m (2024: £529.7m), up 7% when compared to the prior year. Trade revenue, which comprises revenue from Retailer, Home Trader and other smaller revenue streams, increased by 7% to £509.1m (2024: £475.7m).

	2025 £m	2024 £m	Change %
Retailer	**480.0**	450.0	7%
Home Trader	**16.1**	13.4	20%
Other	**13.0**	12.3	6%
Trade	**509.1**	475.7	7%
Consumer Services	**42.4**	39.6	7%
Manufacturer & Agency	**13.3**	14.4	(8%)
Auto Trader revenue	**564.8**	529.7	7%

Retailer revenue increased by 7% to £480.0m (2024: £450.0m). The average number of retailer forecourts advertising on our platform increased by 2% to 14,013 (2024: 13,783).

Average revenue per retailer ('ARPR') per month increased by 5% to £2,854 (2024: £2,721). The ARPR growth was driven by the product and price levers, with a small negative contribution from the stock lever.

- Price: Our price lever contributed growth of £78 (2024: £114) to total ARPR as we delivered our annual pricing event for all customers on 1 April 2024, which included additional products alongside a like-for-like price increase.

- Stock: Our stock lever negatively impacted ARPR by £22, compared to a positive contribution of £34 in the prior year. This was driven by a reduction in the average number of retailer paid stock units, as a result of an accelerated speed of sale which meant more vehicles were sold through a slightly lower number of advertising slots. The average number of live cars advertised on Auto Trader increased by 1% to 449,000 (2024: 445,000) with new car stock consistent at an average of 20,000 (2024: 20,000). Average underlying used car stock also increased marginally in the year to 429,000 (2024: 426,000), driven by an increase in the volume of private listings which do not impact the stock lever.
- Product: Our product lever contributed £77 (2024: £136) to total ARPR. This growth is mainly attributable to the Trended Valuations and enhanced Retail Check products, which were included in retailer packages as part of the annual pricing and product event in April 2024. New Car has also contributed positively due to an increased number of paying retailers.

Home Trader revenue increased by 20% to £16.1m (2024: £13.4m). Other revenue increased by 6% to £13.0m (2024: £12.3m).

Consumer Services revenue (comprising Private and Motoring Services revenue) increased by 7% in the year to £42.4m (2024: £39.6m). Private revenue, which is largely generated from individual sellers who pay to advertise their vehicle on the Auto Trader marketplace, was unchanged at £26.6m (2024: £26.6m). Motoring Services revenue increased 22% to £15.8m (2024: £13.0m), driven by increased revenue from our finance partners.

Revenue from Manufacturer and Agency customers decreased 8% to £13.3m (2024: £14.4m), with much of the decrease being due to foregone revenue for certain platform services in exchange for data.

Total costs increased 13% to £174.4m (2024: £153.9m).

	2025 £m	2024 £m	Change %
People costs	**92.8**	81.5	14%
Marketing	**24.6**	22.3	10%
Other costs	**40.5**	44.2	(8%)
Depreciation & amortisation	**6.3**	5.9	7%
Digital Services Tax	**10.2**	–	–
Auto Trader costs	**174.4**	153.9	13%

People costs increased by 14% to £92.8m (2024: £81.5m). The increase in people costs was mainly due to an increase in the average number of full-time equivalent employees ('FTEs') to 1,140 (2024: 1,060) as we continue to invest in people to support the growth of the business. Underlying salary costs also contributed, as we continue to attract and retain the best digital talent. Within people costs, share-based payments were £11.3m (2024: £8.2m), increasing 41% due to the vesting of our all-employee share schemes. The first award was granted in November 2023 and the second award was granted in November 2024. With a further award granted each November, share-based payments are expected to be c.£14-15m in financial year 2026.

Marketing expenditure increased 10% to £24.6m (2024: £22.3m).

Other costs, which include data services, property-related costs and other overheads, decreased by 8% to £40.5m (2024: £44.2m). The year-on-year decrease was primarily due to reduced legal & professional costs and increased research and development expenditure credits ('RDEC'). Depreciation and amortisation increased by 7% to £6.3m (2024: £5.9m).

We recently announced that we are moving our head office within Manchester from the beginning of 2026. The fit-out of the new premises has substantively commenced and the Group has incurred costs of £2.6m in 2025 and is committed to incurring further capital expenditure of c.£20m in 2026. Total Auto Trader depreciation and amortisation is expected to be £8.9m in financial year 2026 and £9.4m in financial year 2027.

	2025 £m	2024 £m	Change %
Revenue	**564.8**	529.7	7%
Operating costs	**(174.4)**	(153.9)	(13%)
Share of profit from joint ventures	**3.6**	2.8	29%
Auto Trader operating profit	**394.0**	378.6	4%
Auto Trader operating profit margin	**70%**	71%	(1%) pts

The Group's share of profit from our joint venture, Dealer Auction, increased 29% to £3.6m (2024: £2.8m). This increase was driven by a higher volume of vehicle transactions.

AUTORAMA RESULTS

	2025 £m	2024 £m	Change %
Vehicle & Accessory Sales	**26.1**	28.4	(8%)
Commission & Ancillary	**10.2**	12.8	(20%)
Autorama revenue	**36.3**	41.2	(12%)

Autorama revenue was £36.3m (2024: £41.2m), with vehicle and accessory sales contributing £26.1m (2024: £28.4m), and commission and ancillary revenue contributing £10.2m (2024: £12.8m).

Total deliveries amounted to 6,268 units (2024: 7,847), which comprised 2,124 cars (2024: 2,646), 3,498 vans (2024: 4,616) and 646 pickups (2024: 585). Average commission and ancillary revenue per unit delivered was £1,627 (2024: £1,631).

	2025 £m	2024 £m	Change %
Cost of goods sold	**26.2**	28.2	(7%)
People costs	**7.4**	10.9	(32%)
Marketing	**2.7**	4.0	(33%)
Other costs	**2.8**	4.5	(38%)
Depreciation & amortisation	**1.5**	2.4	(38%)
Autorama costs	**40.6**	50.0	(19%)

The Autorama business delivered c.900 (2024: c.1,200) vehicles which were temporarily taken on balance sheet in the year to 31 March 2025. This represented 14% (2024: 15%) 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 £7.4m (2024: £10.9m) related to the 127 FTEs (2024: 173) employed on average through the year. Marketing in the year was £2.7m (2024: £4.0m). Other costs of £2.8m (2024: £4.5m) include IT services, property costs, and other overheads. Depreciation and amortisation totalled £1.5m (2024: £2.4m).

	2025 £m	2024 £m	Change %
Revenue	**36.3**	41.2	(12%)
Operating costs	**(40.6)**	(50.0)	19%
Autorama operating loss	**(4.3)**	(8.8)	51%

GROUP NET FINANCE COSTS

Group net finance costs decreased to £1.1m (2024: £3.5m). Interest costs on the Group's Syndicated Revolving Credit Facility ('Syndicated RCF') totalled £1.1m (2024: £3.0m) with the year-on-year decrease due to lower borrowing during the year.

At 31 March 2025, the Group had drawn £nil of its available facility (31 March 2024: £30.0m). Other finance costs comprised amortisation of debt issue costs of £0.5m (2024: £0.6m), vehicle stocking loan interest of £0.3m (2024: £0.3m) and interest costs relating to leases of £0.1m (2024: £0.1m). This was offset by interest receivable on cash and cash equivalents of £0.9m (2024: £0.5m).

EXTENSION OF SYNDICATED RCF COMMITMENTS

On 1 February 2025, the Group extended the term of its Syndicated RCF to February 2030 by exercising the remaining one-year extension option, incurring £0.3m of transaction costs. Until February 2029 the available facility is £200m, reducing to £165m thereafter, due to one lender not participating in the second extension option. 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

Group profit before taxation increased by 9% to £375.7m (2024: £345.2m). The Group tax charge of £93.1m (2024: £88.3m) represents an effective tax rate of 25% (2024: 26%), which is in line with the standard rate of UK corporation tax.

The Group has exceeded the threshold for in-scope revenue for UK Digital Services Tax ('UK DST') in financial year 2025. This has resulted in an operating expense of £10.2m in the period, which we expect to be recurring and to grow in line with revenue. We had previously commented that 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. The recently announced US trade deal has not impacted UK DST. We will continue to monitor the progress of any changes to the application of UK DST.

EARNINGS PER SHARE

Basic earnings per share increased by 12% to 31.66 pence (2024: 28.15 pence) based on a weighted average number of ordinary shares in issue of 892.4 million (2024: 912.6 million). Diluted earnings per share of 31.56 pence (2024: 28.07 pence) also increased by 12%, based on 895.4 million shares (2024: 915.3 million) which accounts for the dilutive impact of outstanding share awards.

	2025 £m	2024 £m	Change %
Net income	**282.6**	256.9	10%
Autorama deferred consideration	**-**	11.1	(100%)
Adjusted Net income	**282.6**	268.0	5%
Adjusted earnings per share (pence)	**31.66**	29.37	8%

Adjusted earnings per share, before Autorama deferred consideration, and net of the tax effect in respect of these items, increased by 8% to 31.66 pence (2024: 29.37 pence).

CASH FLOW AND NET CASH

Cash generated from operations increased to £399.7m (2024: £379.0m) predominantly due to the increase in operating profit. Corporation tax payments increased to £95.1m (2024: £91.5m). Net cash generated from operating activities was £304.6m (2024: £287.5m).

As at 31 March 2025, the Group had net cash of £15.3m (31 March 2024: net bank debt of £11.3m), an increase of £26.6m. At the year end, the Group had drawn £nil of its Syndicated RCF (31 March 2024: £30.0m) and held cash and cash equivalents of £15.3m (31 March 2024: £18.7m).

Leverage, defined as the ratio of Net bank debt to EBITDA (adjusted for the Autorama deferred consideration), was 0.0 times (2024: 0.0 times) and interest paid was £1.2m (2024: £3.1m).

CAPITAL STRUCTURE AND DIVIDENDS

During the year, a total of 23.9 million shares (2024: 25.2 million) were purchased for a consideration of £187.3m (2024: £169.9m) before transaction costs of £0.9m (2024: £0.9m). A further £88.4m (2024: £80.4m) was paid in dividends, giving a total of £275.7m (2024: £250.3m) in cash returned to shareholders.

The Directors are recommending a final dividend of 7.1 pence per share. Subject to shareholders' approval at the Annual General Meeting ('AGM') on 18 September 2025, the final dividend will be paid on 26 September 2025 to shareholders on the register of members at the close of business on 29 August 2025. The total dividend for the year is therefore 10.6 pence per share (2024: 9.6 pence per share).

The Group's long-term capital allocation policy remains consistent, focusing on investing in the business to support growth while returning approximately one third of net income to shareholders through dividends. Any surplus cash following these activities will be used to continue our share buyback program.

GOING CONCERN

The Group generated significant cash from operations during the year. At 31 March 2025 the Group had drawn £nil of its Syndicated RCF and had cash balances of £15.3m. The Group has a strong balance sheet, flexibility regarding the utilisation of cash, and a Syndicated RCF committed until February 2030. Based on these factors and the 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.

AUDIT TENDER

KPMG LLP were appointed as statutory auditor for the financial year ending 31 March 2017, following a competitive tender process in 2016. In line with the Large Companies Market Investigation Order 2014 we must conduct a competitive tender process for our statutory audit engagement every ten years or earlier.

To allow ample time for the selection process and an orderly transition should there be a change in auditor, the Group will commence a comprehensive and competitive tender process during the upcoming year for the external audit for the financial year ending 31 March 2027. The process will be led by the Chair of the Audit Committee and supported by a steering group who will make a recommendation to the Board on the appointment or reappointment of the statutory auditor (as applicable).

The audit tender process is expected to conclude before the end of this financial year (FY26). An announcement will be made following the selection of the preferred firm by the Board.

Jamie Warner
Chief Financial Officer
29 May 2025

Working responsibly

Ensuring we make a positive impact

Working responsibly is central to our purpose and strategy. Our purpose is driven by our commitment to doing the right thing, measuring and reporting transparently and always acting with integrity.

Our ESG strategy focuses on the material issues that have the greatest impact on our business whilst considering the expectations of our stakeholders. We also recognise that our activities, and the way in which we carry them out, impact well beyond our financial performance and so our ESG strategy considers the impact our decisions have more widely on the environment, our people and society. Our many ESG initiatives are focused on ensuring we do business responsibly and, as the UK's largest automotive platform, that we play our role in creating a more accessible, equitable and sustainable future. Our ESG strategy supports this purpose over the long term.

Our trusted brand has been built over more than 40 years and we remain committed to being the best place to find, buy and sell vehicles in the UK on a platform that enables data-driven digital retailing for our customers.

In a rapidly changing world, we know that we will only succeed as a business if we use our technology, expertise and data to help solve the challenges our customers, our consumers and our industries face. This involves ensuring platform resilience whilst remaining innovative and changing how the UK shops for vehicles by providing the best online buying experience and supporting all our retailers to do more of the sales process online.

During the year we have continued to ensure that ESG is embedded in our business strategy. We use our cultural KPIs (see page 24) to help us monitor and measure progress and this year, we also undertook a full refresh of our materiality assessment to consider what ESG issues matter most to our stakeholders and the impact of these on our business.

Our ESG strategy is underpinned by our purpose, Driving Change Together. Responsibly.

We can play a positive role in making a difference to our people, our communities, the industries we operate in and the wider environment to create a more accessible, equitable and sustainable future.

02 - 72

Working responsibly to drive sustainable ESG impact

This year, we made meaningful progress across our Environmental, Social and Governance ('ESG') priorities. From reducing our carbon footprint to advancing diversity and strengthening ethical governance, our actions reflect a deep commitment to responsible growth.

ENVIRONMENTAL

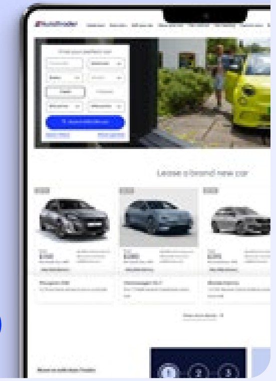
1,434

tonnes carbon removals purchased

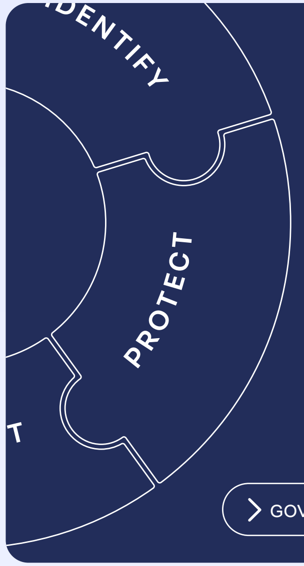
SOCIAL

Digital inclusion fund in partnership with Forever Manchester

Launch of our new volunteering platform 'Matchable'



OUR PEOPLE & COMMUNITIES P51



GOVERNANCE

NIST

Cyber Security Framework

This framework helps us identify areas for improvement and set a target state, complementing our existing business and cyber security operations

GOVERNANCE AND COMPLIANCE P58

GOVERNANCE

GDPR

Foundation training to achieve the International Board for IT Governance qualification

ENVIRONMENTAL

Digital and tech sector Carbon Literacy toolkit launched in collaboration with Manchester Digital and The Carbon Literacy Project

Automotive sector impact

311

organisations trained

5,800

people trained

THE ENVIRONMENT P33

SOCIAL

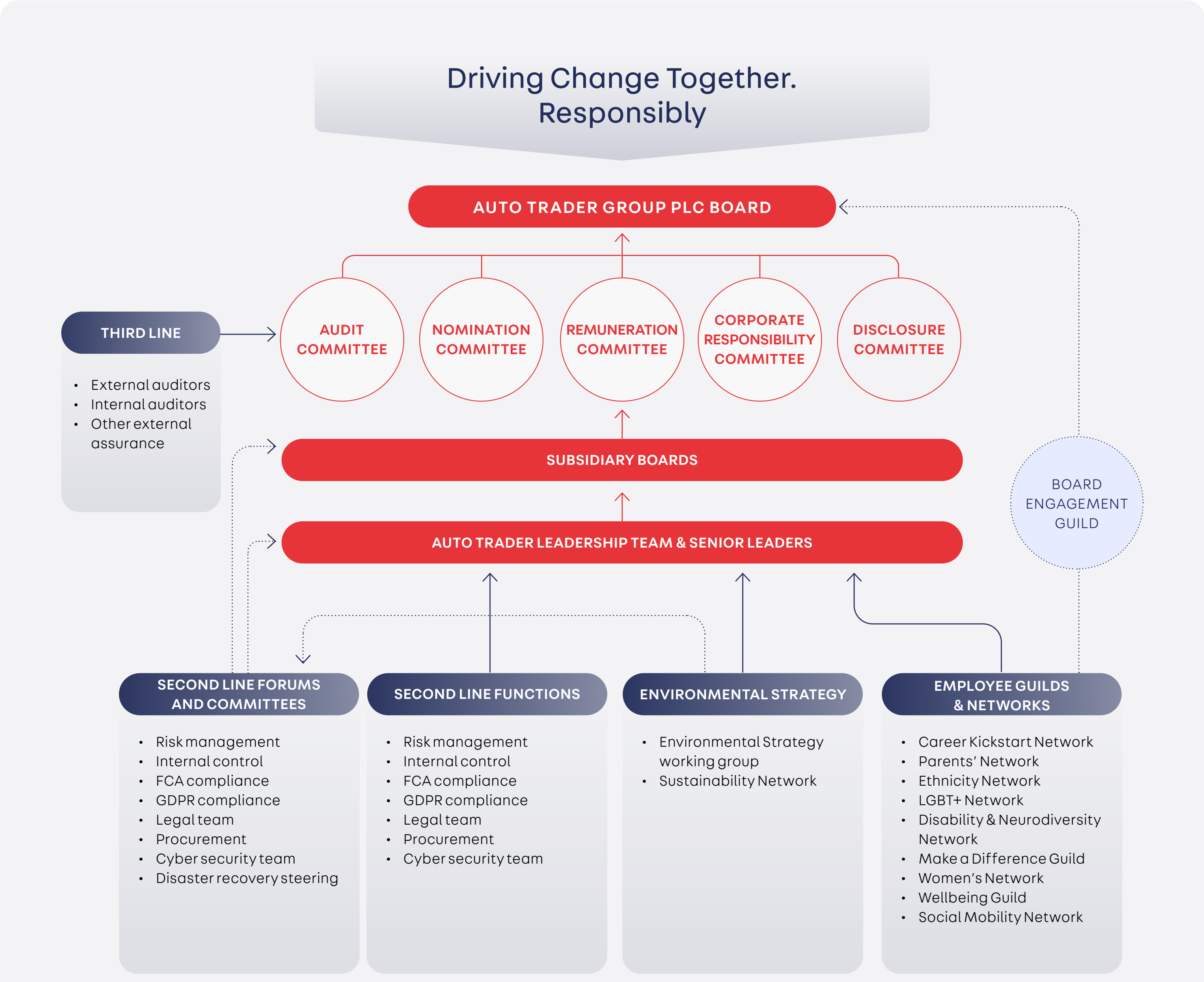
10 years

of our Make a Difference Guild

Governance of our ESG strategy

We have established our Corporate Responsibility Committee to sit alongside our Audit, Remuneration and Nomination Committees.

Whilst ESG-related topics are covered in all Committees, the Corporate Responsibility Committee is a formal Committee of the Board with the overarching goal of guiding and overseeing our corporate responsibility initiatives and sustainability targets. The Committee plays a crucial role in overseeing the progress towards fulfilling our ESG strategy and ensuring that our targets and goals remain ambitious and realistic. Responsibility for putting our ESG strategy into action spans across the business through specific functions and through our individual guilds and networks, which are empowered to drive change within the organisation.



HOW WE MANAGE RISK P62
GOVERNANCE OVERVIEW P74
REPORT OF THE CORPORATE RESPONSIBILITY COMMITTEE P92

Revising our materiality assessment

MATERIALITY APPROACH TO ESG

In order to remain successful in the long term, an understanding of our most material ESG topics is essential to inform company strategy, targets and reporting. When we initially implemented our materiality assessment in 2022, we agreed to refresh it in full every three years, and therefore this year we undertook this exercise to ensure that the focus of our ESG strategy remains aligned to issues that our stakeholders deem most important. We have taken a financial materiality approach to our assessment, considering the factors which may generate risks or opportunities that have a significant influence on future cash flows.

We identified 19 ESG factors of material importance to our business and assessed each area, taking into consideration risks, opportunities and potential financial impact on the Group's cash flow before any mitigating actions. To help inform our assessment, we sought feedback from our stakeholder groups on which ESG factors they consider most important with regards to Auto Trader.

The assessment this year identified driving trust and transparency; digital infrastructure and cyber security; data privacy, ethics, integrity and business conduct; customer satisfaction; and compliance with legislation, regulation and codes of practice as matters considered to be of high importance to both our stakeholders and Auto Trader. In addition, diversity and inclusion; workplace culture and employee engagement; and health, safety and wellbeing were factors with higher importance to the Group.

Want to know how we define each material issue? Head online: plc.autotrader.co.uk/esg

OUR MATERIAL ESG ISSUES

THE ENVIRONMENT

1. Reducing our environmental impact
2. Biodiversity

OUR PEOPLE & COMMUNITIES

3. Customer satisfaction
4. Driving trust and transparency
5. Diversity and inclusion
6. Community impact
7. Human rights and labour practices in our supply chain
8. Investment in talent
9. Health, safety and wellbeing
10. Workplace culture and employee engagement
11. Government affairs and lobbying

OUR GOVERNANCE & COMPLIANCE

12. Artificial intelligence in the digital workplace
13. Artificial intelligence in products
14. Data privacy
15. Digital infrastructure and cyber security
16. Ethics, integrity and business conduct
17. Compliance with legislation, regulations and codes of practice
18. Corporate governance
19. Risk management

STEPS IN OUR MATERIALITY ASSESSMENT

1. Identify a long list of sustainability topics and categorise them into E, S and G - define what these mean to Auto Trader
2. Consideration of risks and opportunities and potential financial impact (high, medium, low) specific to Auto Trader
3. Engage internal and external stakeholders - gauge opinions on issues amongst key stakeholder groups
4. Review the results of steps two and three to determine the issues of importance for our business and our stakeholders
5. Produce a materiality matrix and sense check this against our purpose and strategy to ensure we are focused on the right areas

E

The environment

Our Climate Transition Plan – a strategic roadmap to a sustainable future.

Developing a climate resilient strategy aligned to the UK's ambitious environmental targets and which aims to minimise future risks, capture opportunities and protect our business from the impact of climate change.

We are pleased to publish our first Climate Transition Plan ('CTP'). Its aim is to outline our role in the transition to a net zero economy. We will review our transition plan at least every three years in line with the TPT recommendations, and provide updates on our progress on an annual basis.

The UK has set itself ambitious targets to cut greenhouse gas ('GHG') emissions to net zero by 2050. As a responsible business Auto Trader has a role to play in reaching this goal. We are committed to reaching net zero in our own operations by 2040 – we recognise, however, that we have a small carbon footprint, so we focus equally on areas outside of our emissions measure, including the industry and the cars listed on our platform. We can help drive change by using our capabilities and voice to contribute to an economy-wide transition, supporting the UK Government and the automotive and technology industries.

OUR CLIMATE TRANSITION PLAN AT A GLANCE

OUR NET ZERO TARGETS | **PARTNERING WITH OUR INDUSTRIES** | **SUPPORTING OUR CONSUMERS**

OUR STRATEGIC AMBITION
- Transitioning our operations to net zero
- Transitioning our supply chain to net zero
- Inform public policy and regulation
- Supporting industry transformation to net zero
- Adapt our marketplace to make it easier for consumers to search for EVs
- Increase information, coverage and exposure of EVs

ACTION: OUR IMPLEMENTATION STRATEGY
- Our operations and supply chain
- Our data and community engagement
- Our content, product and services

ACTION: OUR ENGAGEMENT STRATEGY
- Employees
- Suppliers
- Government
- Industry and peers
- Customers
- Consumers

ACCOUNTABILITY: GOVERNANCE, METRICS AND TARGETS
- Strong governance
- Science based targets
- Regular monitoring and reporting

SUPPORTING THE UN SDGS MOST RELEVANT TO OUR STRATEGY

13 CLIMATE ACTION

02 – 72

Ambition

Our strategic ambition is to minimise our impact on the environment, thereby protecting our business from the impact of climate change.

TAKING A STRATEGIC AND ROUNDED APPROACH

Our strategy is **'Putting the brakes on carbon'**, not only across our own operations and supply chain, but also by using our capabilities and voice to influence the automotive and technology industries to support others in the transition to a low carbon economy.

As the world transitions to a low carbon economy, regulatory change and changes in consumer behaviour will have an impact on the automotive and technology industries. We need to continue to develop and adapt our business strategy to incorporate climate resilience. Reducing the impact our business has on the environment is embedded into our wider business strategy of acting responsibly and we are committed to being a net zero business by 2040.

As well as reducing our own emissions, our strategy also focuses on raising environmental awareness with both our customers and consumers, encouraging them to reduce their own environmental impact. We use our breadth of expertise, data and market insight to accelerate the transition to low carbon transport. Another key part is sharing our data and insights with Government to help inform public policy and regulation to support the mass adoption of electric vehicles.

Failure to deliver on our environmental commitments could negatively impact our brand as a responsible business or result in regulatory sanctions.

By 2030
(from 2023 base year)

50%
reduction in emissions we control (Scope 1 and Scope 2)

46.2%
reduction in emissions we influence (Scope 3)

By 2040
(from 2023 base year)

90%
reduction in all emissions (Scope 1, Scope 2 & Scope 3)

NET ZERO

As defined by the SBTi: Reduce emissions by at least 90% to reach net zero. Then, any remaining emissions (usually no greater than 10% of base year emissions) must be neutralised through carbon removals. Our 2040 targets to reduce all emissions by 90% have been fully validated by the SBTi.

Putting the brakes on carbon

Our strategic ambition is covered across three key focus areas, with robust governance underpinning them:

Our operations

Our aim is to be net zero by 2040.
We will do this by:

- Embedding a culture of sustainability to ensure all employees can contribute to our net zero goals through their roles.
- Minimising the environmental impact of our offices and company cars.
- Engaging with our suppliers and other stakeholders in our value chain to support them in the transition to a low carbon economy.
- Continuing to identify and respond to climate related risks and opportunities that arise from the transition to a low-GHG emissions, climate-resilient economy.

Partnering with our industries and influencing the UK Government

Our aim is to influence the Government, and partner with and support the automotive and technology industries in their own transition towards a low carbon economy by:

- Using our breadth of expertise, data and market insight to accelerate the transition to low carbon transport.
- Sharing our data and insights with retailers, the broader automotive industry and Government to help inform public policy and regulation to support the mass adoption of electric vehicles.
- Collaborating with the automotive and technology industries to support their own sustainability journeys with our partner, The Carbon Literacy Project.

Supporting consumers

Our aim is to support consumers to make more environmentally friendly vehicle choices which means we will focus on:

- Normalising sustainable choices through surfacing content and information on our site to grow consumer confidence around electric vehicles ('EVs').
- Developing reviews and YouTube videos that help to educate and inform car buyers about EVs.
- Promoting EVs as part of our wider marketing activity, including our monthly EV giveaway.
- Sharing 'The Facts' about owning and running an EV with consumers via owned and earned channels.

Governance

We have integrated climate governance into our existing governance processes and sought to embed responsibility for the risks associated with climate change throughout our business, adopting a climate change focused mindset.

	2023	2025	2027	2030	2035	2040+

Reducing our emissions

- Baseline emissions calculated
- Near and long-term targets approved by SBTi
- Develop and roll out engagement strategy with supply chain
- Monitor developments with the SBTi framework to understand the impact on our strategy and targets
- Reduce fleet of vehicles and switch to EVs or low emission
- Move to our new office
- Reduce volume of vehicles taken on balance sheet

Carbon Literacy ('CL') training

- Platinum carbon literate organisation status achieved
- Employee CL training embedded in our 'Great Start' programme to ensure CL training across our employees continues
- Continue to reach retailers and partners within the automotive industry with the Automotive CL toolkit
- Automotive CL toolkit created and launched
- Digital & Tech CL toolkit created
- Support the roll out of the Digital & Tech CL toolkit

Climate contribution plan and carbon removals

- Move away from carbon neutrality
- Invest in green community projects and small investment in carbon removal
- Develop carbon removal strategy to ensure we reach our net zero targets
- Start retirement of carbon removals in line with our net zero targets
- More significant purchases of carbon removals in line with our net zero targets

ADAPTING OUR MARKETPLACE

As an online marketplace, our direct GHG emissions are low in comparison to other industries. However, the automotive industry holds a key role in tackling climate change and there is pressure from consumers and Government to reduce its impact on the environment. We can influence positive societal change through our content, and encourage positive climate action amongst our audiences.

Auto Trader is uniquely positioned to accelerate the transition towards a low-GHG emissions and climate resilient economy. The transition to a low-carbon economy requires us to evaluate our operations and also adapt our marketplace to meet the changing preferences of all car buyers. This means changing the way we work, how we support our customers and our consumers and how we partner with our wider industries. We have the opportunity to do this by positively supporting our customers and audiences through our marketplace, our content and by working with the automotive industry and Government bodies to shape the transition towards mass adoption of EVs.

See 'Our implementation strategy' and 'Our engagement strategy' sections for more detail on page 41 and page 45.

CONSIDERING NATURE WITHIN OUR PLAN

The Taskforce on Nature-related Financial Disclosures ('TNFD') has developed a set of disclosure recommendations and guidance that encourage and enable businesses to assess, report and act on their nature-related dependencies, impacts, risks and opportunities. Climate and nature are inherently connected and it is important that we seek to understand how nature-related risks could affect our operations and financial performance. We are at the very early stages of considering nature-related risks and a nature-positive strategy, with a view to reporting on these in the future in line with the recommendations from the TNFD.

DEPENDENCIES

Achieving our strategic ambition and reaching our net zero targets are both dependent on external factors. These have informed our implementation and engagement strategies and we will need to continually monitor these as we work towards achieving our goals.

EXTERNAL FACTORS

Broad external dependencies	Sector factors Industry trends	Value chain factors Suppliers and customers
Government policy	**Technology & innovation**	**Data quality**
UK Government policies, new decarbonisation reporting requirements and regulation put in place to govern the electric vehicle transition and the UK's net zero target.	Advancements in technology, including hardware and software, that will enable better outcomes.	Accurate data on operational and supplier emissions, as well as the ability to use this to report progress, and disclose externally.
Global decarbonisation	**Consumer behaviour**	**Supplier commitments**
Worldwide momentum towards net zero and the required structural changes which are impacted by a variety of factors, such as the impact of geo-politics on decarbonisation.	Consumer opinion on climate change and the effect this has on their perceptions of the electric vehicle transition.	Suppliers committing to align with our net zero ambition by establishing their own reduction targets and transition plans.
Global economy	**Industry collaboration**	**Customer behaviour**
How the global economy impacts our customers, our sector and our place in it and what this means for our ability to progress our decarbonisation goals.	Industry-wide collaboration, including the sharing of best practice, supplier referrals and consistency of messaging both to internal (employees) and external (consumers) audiences.	Our customers' attitudes to decarbonisation, going above and beyond the electric vehicle transition.

RISK MANAGEMENT

The Board is collectively responsible for determining the nature and extent of the principal risks which may impact the business. Our risk management framework, including the processes for identifying, assessing and managing risk, is described on pages 62 to 63 and the Board recognises climate change as one of Auto Trader's principal risks (see page 66).

Auto Trader plays an important role within the UK automotive ecosystem and climate change is a catalyst for unprecedented change within our industry. This mainly relates to the transition from ICE vehicles to Zero Emission Vehicles ('ZEVs') which could result in significant changes to automotive retail. We are working hard to support the industry with this transition, from providing content to help consumers 'demystify' EVs, to lobbying Government to incentivise the transition and sharing our data and insights to inform Government policy over EVs.

Internally, climate change also poses a threat to our business and to our supply chain, including via regulatory change. It is therefore critical that our risk management process considers climate change if we are to understand its impacts both on our business and on the automotive industry as a whole.

Our risk management process approach allows for the continual identification and assessment of climate related risks. We maintain an environment/climate risk register which is reviewed regularly by the risk register owner, their delegates and our risk management team. Each climate related risk is assigned an owner and controls and/or mitigating actions are recorded against each risk.

ASSESSING CLIMATE RELATED RISKS AND OPPORTUNITIES

In order to protect our business from the challenges of climate change, we must build climate resilience into our business strategy by identifying climate related risks and opportunities.

As an online marketplace, we have a relatively small carbon footprint and our business model is sustainable in a low carbon environment. However, the automotive industry is intrinsically linked with climate change and there is pressure from consumers and Government for the industry to reduce its impact on the environment. The nature of the risks and opportunities that we face depends not just on the physical aspects of climate change, but also on transition risks.

These are driven by the trajectory of our customers and consumers in responding to climate change and the regulations applied to the market we operate in.

Our climate related assessment of the risks and opportunities posed by climate change and how they might impact our business has provided a firm foundation on which to build our environmental strategy and resilience. We considered the transitional and physical climate risks and opportunities presented by rising temperatures, climate related policy and emerging technologies. We agreed the methodology for assessing and quantifying financial impacts.

To ensure we understand the potential impact of plausible future states, in accordance with the TCFD recommendations, we have used climate scenarios to explore how potential climate risks and opportunities could evolve and impact our business over the short, medium and long term. In each case, the likely impact on costs or revenues was reviewed. We have assessed how the risks can be better managed, reduced or mitigated in line with the Group's risk management framework and business strategy. The risks identified during our analysis are more likely to present themselves in the medium or long term.

Having assessed and modelled the risks, we believe that there is no immediate material financial risk or threat to our business model. The results of our scenario analysis showed that based on our strategic plans and capabilities, we remain well positioned to mitigate the risks and seize the opportunities related to climate change. Even though there is uncertainty around the time horizon over which climate risks will materialise, stakeholder expectations and regulatory attention could develop at pace, impacting the rate at which the business may need to cut carbon emissions. We recognise that we will need to keep abreast of future climate change legislation as well as consumer preferences and retailers' ability to adapt. However, we have a strong track record of quickly evolving.

CLIMATE SCENARIOS:

Hot house world (>2°C)	Orderly transition (1.5°C)
• Assumes business as usual, some climate policies are implemented but efforts are insufficient to halt significant global warming • Continuation of current projection of carbon emissions with little or no abatement or mitigation	• Assumes climate policies and legislation are introduced early to limit climate change and become gradually more stringent • Both physical and transition risks are relatively subdued

IMPACT TIME HORIZONS, ALIGNED TO OUR BUSINESS PLANNING CYCLE:

Short term	Medium term	Long term
0-5 years	5-10 years	10 years +

KEY TRANSITION RISKS:

Regulatory changes: Emissions regulations and Government policies favouring EV adoption may impact manufacturers' production strategies which will impact supply and therefore stock available to list on Auto Trader's platform.

Supply chain disruptions: Dependency on complex global supply chains exposes the industry to risks related to geo-political tensions, natural disasters, pandemics, tariffs and risks delaying new cars entering the UK, which can impact supply for retailers and therefore impact Auto Trader.

Consumer preferences: Changes in consumer preferences towards sustainable transportation options and shared mobility services could impact the desire to own a car outright, challenging the number of new and used car transactions made each year.

KEY PHYSICAL RISKS:

Extreme weather and climate related natural disasters: Extreme weather could impact our cloud providers which could impact platform performance. We could also see customers' ability to open their showrooms impacted, which risks their ability to sell vehicles.

Resource scarcity: Shortages of critical materials like rare earth metals and lithium could disrupt production of electric vehicles and their components, impacting supply of the vehicles into the UK and available stock on Auto Trader's platform.

Geo-political instability: Political unrest, trade tensions, tariffs and sanctions can disrupt international supply chains and increase production costs for automotive manufacturers, which risks the amount of vehicles they'll choose to sell in the UK and therefore impacts Auto Trader's new car stock offering.

Navigating these risks will require adaptation, innovation and strategic planning as well as robust risk management strategies and contingency planning.

02 - 72

Climate related scenario analysis

Impact	Mitigation/response		Financial impact (Minor / Moderate / Major): Short term 0-5 years	Medium term 5-10 years	Long term 10+ years	Inherent likelihood
PHYSICAL RISK – Increased frequency/severity of extreme weather and climate related natural disasters						
• Offices closed • Cloud infrastructure providers • Customers cannot open their showrooms	All technology infrastructure is cloud based. Disaster recovery/business continuity planning in place, including tools and guidance to support our people in emergency situations. COVID-19 proved the sales process can be completed without physical showrooms, plus development of digital retailing will enable all retailers to compete on our digital marketplace.	>2°C	Minor	Minor	Minor	Low
		1.5°C	Minor	Minor	Minor	
• Weather has the potential to disrupt the supply chain and limit vehicles entering the UK car parc	We have experienced the impact of disrupted supply chains as a result of recent external catastrophic and geo-political events. These significant supply side challenges have constrained new and used car transactions for much of the past four years. However, our business has remained healthy as market dynamics have adjusted and OEMs and retailers learnt to adapt their business models. We would anticipate weather related disruption to be more intermittent and comparatively less severe than the disruption caused by recent events.	>2°C	Minor	Minor	Minor	Low
		1.5°C	Minor	Minor	Minor	
• Costs – increased operational costs such as heating/aircon, insurance, cloud costs	In order to have a significant impact on our business, costs would need to increase significantly. We are continually reviewing our cost base such that any increases can be managed.	>2°C	Minor	Moderate	Moderate	Medium
		1.5°C	Minor	Minor	Minor	
TRANSITION RISK – Increased regulation relating to climate change						
• Existing UK regulation banning the sale of new internal combustion engine ('ICE') vehicles from 2035, with the industry already working towards this milestone	We already closely monitor the implementation of policies related to our core business. We will continue to monitor policies with a view to identifying potential risks and opportunities and related financial impacts. We are already evolving our product offering and provision of information to support the effectiveness of EVs on our marketplace and will continue to meet changing preferences of car buyers.	>2°C	Minor	Minor	Moderate	High
		1.5°C	Minor	Minor	Minor	
• Increased regulatory scrutiny and introduction of new legislation could result in increased reputational risk but also increased compliance costs. Failure to deliver against our environmental commitments would undermine our reputation as a responsible business and may result in loss of revenue, legal exposure or regulatory sanctions	We have formed a Corporate Responsibility Committee to oversee our environmental strategy and commitments. We will report in line with the TCFD recommendations and report progress towards our net zero ambitions against our science based targets.	>2°C	Minor	Minor	Minor	Low
		1.5°C	Minor	Minor	Minor	

Financial impact: Minor · Moderate · Major

Impact	Mitigation/response	Scenario	Short term 0-5 years	Medium term 5-10 years	Long term 10+ years	Inherent likelihood
TRANSITION RISK – Regulation discouraging the use of internal combustion engine ('ICE') vehicles						
• Cost of ownership increases, making ICE vehicles less appealing • Consumers stop buying petrol or diesel vehicles, demand switches over to electric • If EVs remain expensive some consumers could be priced out of the market presenting a risk to demand	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers. It is likely that used car prices will continue to move in line with supply and demand dynamics such that lower demand will make vehicles more affordable.	>2°C	Minor	Moderate	Moderate	Low/Medium
		1.5°C	Minor	Minor	Minor	
TRANSITION RISK – Demand for sustainable products and services						
• Consumers' preferences shift away from ICE vehicles; steep decline in purchase of petrol or diesel vehicles in favour of EVs • Potential opportunity: Support our audience to find the sustainable options they are seeking	We will continue with our strategy to adapt our marketplace to meet changing preferences of all car buyers and continue to be the largest marketplace for EVs.	>2°C	Minor	Minor	Minor	Low/Medium
		1.5°C	Minor	Minor	Minor	
TRANSITION RISK – Increased reputational risk associated with the automotive industry and misrepresenting environmental claims						
• As consumer consciousness around climate change rises, there is increased scrutiny on our industry's role on the environment • Failure to appropriately demonstrate that as a business we are committed and moving towards net zero carbon emissions could negatively impact our brand and also impact our ability to operate and/or remain relevant to our customers and consumers	As part of our goal to be net zero by 2040 we will focus on our own operational footprint and also on how we can positively support our industry. We have set clear reduction targets for our own operations and report progress to stakeholders. We work with customers, suppliers and the industry on education and policy.	>2°C	Minor	Minor	Moderate	Low
		1.5°C	Minor	Minor	Minor	
TRANSITION RISK – Achieving resource efficiency through cutting our carbon footprint and improving energy efficiency						
• Reduced costs associated with energy use and avoid increased costs associated with carbon taxation	Reduction initiatives to reduce our absolute usage, including successfully moving our technology infrastructure to the cloud.	>2°C	Minor	Minor	Minor	Medium
		1.5°C	Minor	Minor	Minor	
TRANSITION RISK – Increased reputational risk associated with the automotive industry and misrepresenting environmental claims						
• Consumers may stop buying vehicles if they no longer require one • Potential opportunity: Consumers' desire/need to switch to EV	Likely the risk and opportunity would be taken together, and stock/demand would be maintained as the desire for personal transportation/vehicle ownership remains strong. We will continue with our strategy to adapt our marketplace to meet changing preferences for all car buyers and continue to be the largest marketplace for EVs.	>2°C	Minor	Minor	Minor	Low/Medium
		1.5°C	Minor	Minor	Minor	

OUR FUTURE FOCUS

We intend to periodically review the scenarios and timeframes we choose to apply in our analysis and refine them as needed. The risk management recommendations arising from our climate change scenario analysis were:

- Policy/regulation: It is likely that increased policy and regulation will have the most significant financial impact on Auto Trader over the longer term. The most significant action we can take is to reduce our exposure to this risk and continue with our strategy to adapt our marketplace to meet the changing preferences of all car buyers. We also need to make sure we continue to remain abreast of regulatory requirements to ensure we are compliant with all relevant reporting obligations.
- Market: Driven by its net zero ambitions, the Government announced the ban on the sale of new petrol and diesel vehicles by 2035, and this is already changing the make up of the car parc as consumers begin to buy electric vehicles as an alternative.

Auto Trader can mitigate this risk by continuing to develop its strategy to be the destination of choice for consumers searching for a more environmentally friendly vehicle.

Action: Our implementation strategy

We are taking action in our business operations, portfolio of services and policies to achieve our strategic ambition. Our aim is to embed a culture of sustainability across the business.

SUSTAINABILITY NETWORK AND DIGITAL SUSTAINABILITY WORKING GROUP

Our Sustainability Network comprises passionate individuals from across the business who are focused on making life at Auto Trader more sustainable through increased employee awareness and driving impactful changes for our business.

More recently, our Digital Sustainability working group ('DSWG') has been formed. The aim of the DSWG is to focus on raising internal awareness of digital sustainability and provide reliable resources for employees to learn more about digital sustainability. This will encourage and enable employees to identify how we can adopt a more digitally sustainable approach to our products. A key aim for the DSWG is to embed sustainability across the various technology disciplines within Auto Trader such as design, marketing and development, with the goal of understanding what each team creates, the tools and processes they use, and identify opportunities to embed and advocate for sustainable solutions in these areas.

MORE SUSTAINABLE DATA MANAGEMENT PRACTICES

In 2024 we finalised the migration of our data centres to the cloud which should result in less energy consumed to store our data compared to physical data centres. However, this move to the cloud also needs to be complemented with how much data we are storing. We are implementing specific initiatives across our business that focus on storage and data retention. This includes understanding how much storage we use across all of our tools and reviewing our data retention policies. Evaluating how we manage, store and dispose of data will contribute towards minimising our environmental impact. We are implementing and automating data retention policies to minimise storage capacity and we are also raising employee awareness of how digital waste contributes to our environmental impact.

PRODUCTS AND SERVICES

Although our direct impact on global GHG emissions is low, through our reach we are in a unique position to make a positive difference to our customers and users of our marketplace.

The market for electric vehicles ('EVs') continues to grow; supply and demand for electric cars has grown materially over the last 12 months and it's important that our experiences evolve to meet this growing need. One step we have taken towards making electric cars easier to find on Auto Trader is to elevate the filters specific to EVs; where previously they were only shown if 'fuel type: electric' was selected, they are now shown by default. This makes it easier to find an EV with a suitable range. Alongside this change, we have introduced explainer copy within the EV filters, acknowledging that a number of buyers will be transitioning from traditional petrol/diesel vehicles to EV and will need more context and confidence to make the right decision for them.

As the market for EVs continues to grow, in order to meet the changing preferences of car buyers we must continue to evolve our product offering and provision of information to support the effectiveness of EVs on our marketplace and meet the needs of car buyers.

Dark Mode for our Auto Trader app was successfully rolled out in August 2024. This feature, now used by nearly half of our app users (either through system defaults or manual selection) consumes less energy and has received positive user feedback. As part of our design system evolution, we are implementing a comprehensive tokenisation of the Auto Trader colour palette, including Dark Mode colours.

Auto Trader is proud to be certified under the IAB Gold Standard. This shows our commitment to promoting sustainability by reducing carbon emissions from ad loads on our pages.

We strictly adhere to a creative acceptance policy for all media advertisers to ensure ad loads are kept to a minimum across all platforms and this is constantly reviewed. Furthermore, we have ceased carrying programmatic advertising from third parties to ensure that page loads remain minimal and on-site user experience is positive.

We are exploring ways to measure the carbon footprint of our on-site media advertising and are actively engaged in discussions with the IAB and ISBA to determine how best to achieve this.

See 'Our engagement strategy' section for more details on how we have evolved our content to support the transition to EVs (page 45).

The market for electric cars continues to grow with 50% more EVs advertised than this time last year and our experience needs to evolve to reflect this.

SCOPE 1 AND SCOPE 2 EMISSIONS

A key part of our environmental strategy has always been to reduce the emissions directly generated from our operations and facilities.

Over recent years we have been decreasing our Scope 1 and Scope 2 emissions through various actions as set out in the table opposite and we continue with targeted action to further reduce our direct emissions.

OUR POLICIES

Our policies provide a framework to guide employees, suppliers and other stakeholders in improving our environmental performance and reaching our climate ambitions:

- Environmental Policy – Reflects our commitment to protect the environment and support the low-carbon transition.
- Ethical Procurement Policy – We want to engage suppliers that share our values to build a stronger and more responsible supply chain.
- Supplier Code of Conduct – Sets out our expectations of all our suppliers.
- Travel Policy – Sets out requirements for our employees to travel more sustainably.

Metric	Scope	Implemented or planned activities	Timeline
Switch 100% of our fleet vehicles (Auto Trader and Autorama) to be EV or low emission	SCOPE 1	• 12 remaining vehicles, all of which are fully electric or hybrid. • We have a salary sacrifice scheme for employees available to those who need to drive as part of their role, providing EVs as a sustainability benefit.	IMPLEMENTED
Energy: reduce overall electricity/gas usage by 50% (against a 2023 baseline) and procure 100% renewable energy for our remaining needs	SCOPE 1 SCOPE 2	• All of our offices are on renewable energy tariffs.	IMPLEMENTED
		• In all our offices, lighting has been upgraded to LED light bulbs and sensors installed so that lighting is activated by movement.	IMPLEMENTED
		• We have started to roll out standardising to new Apple products, which has allowed us to take a more holistic approach to reducing the carbon lifecycle of our employee focused technology. The products themselves have a substantially lower lifetime carbon footprint and are also much more efficient from a power usage perspective which means less charging. We are also able to reduce the amount of underlying tech infrastructure which is required when having both PCs and Apple products.	IN PROGRESS
		• Hemel Hempstead office – This year we completed a large solar panel installation in September, replacing a smaller number of older panels. Rather than disposing of these, they were donated to a charity via our installer (Solarsense), and we made a further donation towards the recycling and reinstallation at Draycott Memorial Hall.	IMPLEMENTED
		• Further enhancements to the Hemel Hempstead office have been identified as part of our ESOS Phase 3 action plan: – install pipe and valve insulation. – lighting upgrade.	PLANNED
		• London office – we reduced floorspace at our London office.	IMPLEMENTED
		• In 2026 we will be relocating our head office to state-of-the-art facilities in the heart of Manchester's tech community. Auto Trader is passionate about being a responsible technology business. The move to No.3 Circle Square will help Auto Trader in meeting our net zero goals as sustainability is one of the core principles in its design. The building will be net zero embodied carbon in both its construction and shared spaces, and is expected to achieve BREEAM Excellent status, as well as a NABERS 5-star rating and an EPC A rating. • As part of the move to our new office, we will plan to re-use existing furniture where possible as opposed to buying new and will work with existing partners to donate or recycle items we will not take with us.	IN PROGRESS
Migrating our data centres to the cloud	SCOPE 2	• 100% of our data centres have been migrated to cloud providers.	IMPLEMENTED
Review of our data retention policies	SCOPE 2	• We have been reviewing how we store data in each of our productivity suite solutions (including Office 365, Slack) and implementing changes which will help us save on storage, energy and productivity.	IN PROGRESS

02 - 72

SCOPE 3 EMISSIONS

One of our strategic objectives is to transition our value chain to net zero emissions, bringing suppliers on the journey and embedding sustainability within our procurement processes. We calculate all relevant Scope 3 emissions, including those relating to suppliers. We are improving our data quality, using activity data where possible (as opposed to spend data), and will continue to get enhanced data as we continue to measure our emissions.

We are taking action to address our Scope 3 emissions. With the majority of our total greenhouse gas emissions attributed to spend within our supply chain in our baseline year, engagement with our value chain is crucial to achieving our carbon reduction goals.

The key actions that we are taking, or plan to take, within our value chain to achieve our Scope 3 targets are outlined opposite:

Metric	Scope	Implemented or planned activities	Timeline
Gathering supplier data and adapting procurement processes	SCOPE 3.1	• We have implemented a new supplier engagement strategy to collate information from suppliers which provides greater insight into aspects of their performance, including ESG practices. Ethical procurement questionnaires covering c.75% of our supplier spend have been completed.	IMPLEMENTED
		• We will develop a clear plan for enhancing supply chain emissions data further to improve our Scope 3 emissions calculations relating to purchased goods and services.	IN PROGRESS
		• Develop guidance for supplier selection criteria specifically relating to climate.	PLANNED
Engaging suppliers	SCOPE 3.1	• We have expanded our discussions on sustainability with the suppliers who account for our highest carbon emissions, to understand where our suppliers are on their own sustainability journeys, recording if they are monitoring and reporting emissions and what scopes are included in a supplier's own reporting.	IMPLEMENTED
		• Develop a plan for sharing knowledge and learnings with suppliers that are seeking to improve their environmental maturity.	PLANNED
Sustainable capex	SCOPE 3.2	• Refurbishment of our offices – where possible, we recycle furniture and/or donate unwanted furniture to local communities/organisations. This same policy will apply when we relocate to our new offices.	IMPLEMENTED
		• Standardising to new Apple products including specifically the Mac Air range has allowed us to take a more holistic approach to reducing the carbon lifecycle of our employee focused technology. The products have a substantially lower lifetime carbon footprint than the equivalent PCs we have purchased in the past and are also much more efficient from a power usage perspective which means less charging.	IN PROGRESS
Business travel	SCOPE 3.6	• Our Travel Policy has been updated to make flights as a mode of travel by exception.	IMPLEMENTED
		• Employees with a company car allowance are required to have an EV/low emission (75g/km or less for a hybrid) vehicle.	
		• Salary sacrifice scheme introduced for employees to lease an EV or low emission hybrid vehicle in a tax efficient way.	
		• Our travel booking system has been updated to display carbon emissions associated with bookings to make employees more aware of the impact their journeys are having.	
		• We have invested in video conferencing equipment in our offices to facilitate enhanced virtual meetings and collaborative online working.	
Purchased vehicles	SCOPE 3.1, SCOPE 3.10, SCOPE 3.11	• Develop a clear plan for reducing the volume of vehicles taken on balance sheet through Autorama.	IN PROGRESS

PURCHASED VEHICLES – LEASING

A significant part of the Group's Scope 3 emissions relate to the purchased vehicles that temporarily pass through Autorama's balance sheet. This significantly impacts our emissions from purchased goods and services and use of sold goods as we account for purchase of the vehicles as well as the lifetime emissions and end of life emissions of the vehicles. As the supply of new vehicles improves, we expect to become less reliant on vehicles where we are required to take them on balance sheet.

PURCHASED GOODS AND SERVICES

We want our supply chain to align with Auto Trader's own net zero goals, and are embedding this in our sourcing, supply chain management and reporting processes. We engage our suppliers to understand their own intentions, approaches, targets and actions with a view to measure, monitor and offer support and potentially future assistance to our key suppliers.

To complement our actions across our business operations, we have set a target of reducing our absolute Scope 3 GHG emissions by 46.2% before 2030 (from a 2023 base year), a key part of which will mean addressing our supply chain emissions to ensure that our purchased goods and services are aligned to the low carbon economy transition.

We set out a clear stance on the importance of appropriate environmental action with our highest emitting suppliers. All our suppliers' emissions are tracked as part of our own calculations, and we monitor this year-on-year. We also assess our top spend and highest emitting suppliers to see what they include and how they calculate their emissions, if they have set any targets (SBTi or other), whether they submit a report to CDP (if so, how have they scored year-on-year) and finally, what are they sharing publicly, targets, initiatives, actions and do they feel appropriate for their business type, size and industry. This information forms part of an internal rating system which indicates where a supplier is on their journey to become a more sustainable business and aids internal business decisions about the relationships we have.

46.2%

target reduction in our absolute Scope 3 GHG emissions

FINANCIAL PLANNING

We know our transition plan requires adequate financing to succeed. While we haven't quantified its impact on our financial position yet, we expect it to involve minimal investment and in some instances will yield cost savings. For example, reusing furniture from offices which would otherwise go to waste will save costs. The purchase of carbon removals will play a role in our ability to reach net zero and therefore developing a carbon credit purchasing strategy is required for us to meet our targets.

Our Revolving Credit Facility arrangements are linked to performance against our ESG targets, including our climate targets, ensuring that there is a direct positive financial reward for staying on track with our GHG emissions reductions through reduced rates. Investors consider ESG factors in their decisions, and our strong performance on various indices reflects our progress in ESG strategy.

ENGAGEMENT STRATEGY P45

CARBON REMOVALS

The purchase of carbon removals plays a role in our ability to reach net zero. We are developing a carbon credit purchasing strategy to align our purchase of carbon removals with our targets to meet net zero. In the meantime, we have started to build a modest portfolio of carbon removals.

Provider	Category	Tonnes CO_2e
Ruumi Project	Sustainable Land Management	39
Highland Carbon's Loch Ness Project	Reforestation	324
The Carbon Removers / Carbon Capture Scotland	Carbon Capture and Utilisation	156
Undo	Enhanced Rock Weathering	615
The Carbon Removers / Carbon Capture Scotland	Carbon Capture and Utilisation	300

One organisation we have purchased removals from is UNDO, a project based in Scotland that uses enhanced rock weathering ('ERW') to capture and lock away CO_2 permanently from the atmosphere.

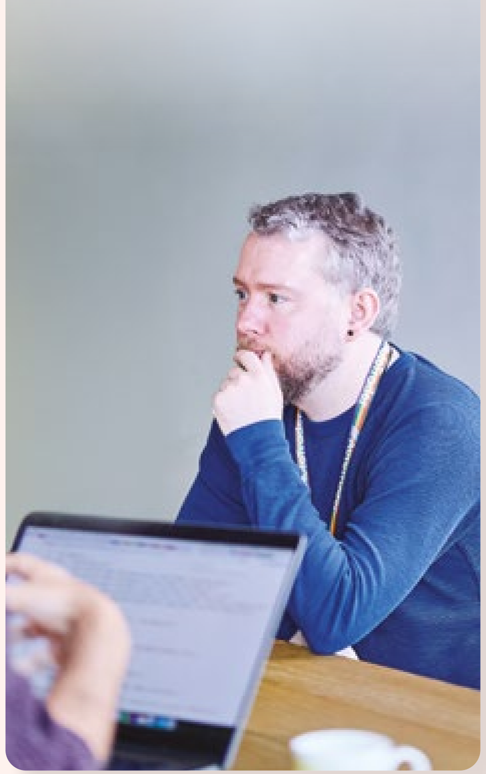
The project uses the ICROA-endorsed Puro Standard methodology to quantify high-quality, high-durability CO_2 Removal Certificates (CORCs). ICROA is the voluntary carbon market's provider of best practice guidelines.

ERW is a scalable technology with significant co-benefits to soil health and crop yields. It accelerates the natural geological process of weathering, whereby the CO_2 in rainwater interacts with silicate rocks such as basalt, forming bicarbonate ions which are transported to the ocean where it is stable over geological time. As this mineral-rich volcanic rock breaks down, it releases magnesium, calcium, potassium, phosphorus and other nutrients, increasing crop yield, raising and stabilising soil pH and ultimately reducing the need for fertilisers.

UNDO is currently establishing a range of operational partnerships that will enable the spreading of millions of tonnes of basalt each year. Its immediate aim is to spread enough rock by 2025 to remove one million tonnes of CO_2, a first step towards billion-tonne scale operations.

Action: Our engagement strategy

An effective engagement strategy is essential to achieving the strategic objectives of our transition plan. We aim to influence industry change and support the net zero transition across all stakeholders we interact with.



CARBON LITERACY

We embarked on our Carbon Literacy training for all our employees in 2019, working with the Carbon Literacy Trust with the aim of increasing the carbon literacy of all our employees, providing learners with an awareness of the carbon dioxide costs and impacts of everyday activities and the ability and motivation to reduce emissions, on an individual, community and organisational basis. Over 70% of our workforce trained and we are a platinum Carbon Literate Organisation – the first FTSE 100 company to achieve this accreditation. The training has been key in engaging our employees and raising awareness of climate change across the business, contributing to better decision-making around commuting, business travel, consumption of energy, and more broadly into operational decisions such as supply chain considerations and development of our products and services.

EXTENDING CARBON LITERACY

- **Automotive Toolkit –** In 2022, we funded and launched the new Automotive Carbon Literacy Toolkit, developed in partnership with the Carbon Literacy Trust. The Toolkit contains pre-accredited training materials for organisations and staff working in the automotive sector, and has been specifically designed to engage the workforce through providing information directly related to the industry, and encouraging staff to reduce emissions within their role.
- **Digital & Tech Toolkit –** In 2025, we collaborated with the Carbon Literacy Trust and Manchester Digital to create a Carbon Literacy Toolkit for the Digital & Tech industry. The Toolkit was carefully designed to address the unique environmental challenges facing the technology industry, which in 2022 alone accounted for 62 billion kg of e-waste globally.

ENGAGEMENT WITH OUR SUPPLY CHAIN

Working with our GHG emissions calculation partner, we have a granular level view of our highest emitting suppliers. We have engaged a combination of our highest emitting and highest spend suppliers, equating to c.75% of our financial year spend. We have three main approaches to supplier engagement:

Code of Conduct (Supplier) – Our published policy outlines Auto Trader's approach and position on environmental, governance, ethical practices and social responsibility, setting out our expectations relating to sustainability and what we encourage all of our suppliers to consider. This is shared with our existing supply chain and all new suppliers we onboard.

Know Your Supplier – Auto Trader's ethical procurement questionnaire helps us establish alignment to Auto Trader's values, targets and actions. We gather information through a combination of discussion, questionnaire completion and self-service from publicly disclosed information, covering a variety of themes including community support, diversity and inclusion, governance, modern slavery and environmental action.

Supplier Sustainability Ratings – Working with our GHG emissions calculation partner, we are able to identify signals that a supplier is taking appropriate environmental action and assess whether they are leaders in sustainability action or only just starting their journeys. These are important indicators which complement the emissions we calculate and allow our decision-makers within the business to see what percentage of our overall emissions an individual supplier equates to, and assess if the supplier is taking appropriate actions to reduce their (and our) emissions over time. Ownership of GHG emissions at a relationship manager level is an important objective for Auto Trader to engage the business and drive emissions reduction at all levels within the business.

FUTURE PLANS

As we move towards 2030, we intend to develop and improve our measurement and monitoring by taking the following actions:

- Engage with suppliers in a more managed way via a technology partner, potentially our GHG emissions calculation partner (Watershed) to gather more appropriate and contextual information from different types of businesses at different points in their environmental action journeys.
- Enhance the information gathering process by working with a market-leading due diligence partner which will automate and improve the quality of information we gather, so that we can focus our resource on proactive engagement and discussions with our suppliers.
- Develop and evolve our internal policies, processes and tools to adapt to our growing requirements to work with sustainable suppliers, whilst also refreshing and improving our external approach and documentation to ensure the importance to Auto Trader of appropriate environmental action is made clear to existing and new suppliers.

02 - 72

ENGAGEMENT WITH THE AUTOMOTIVE INDUSTRY

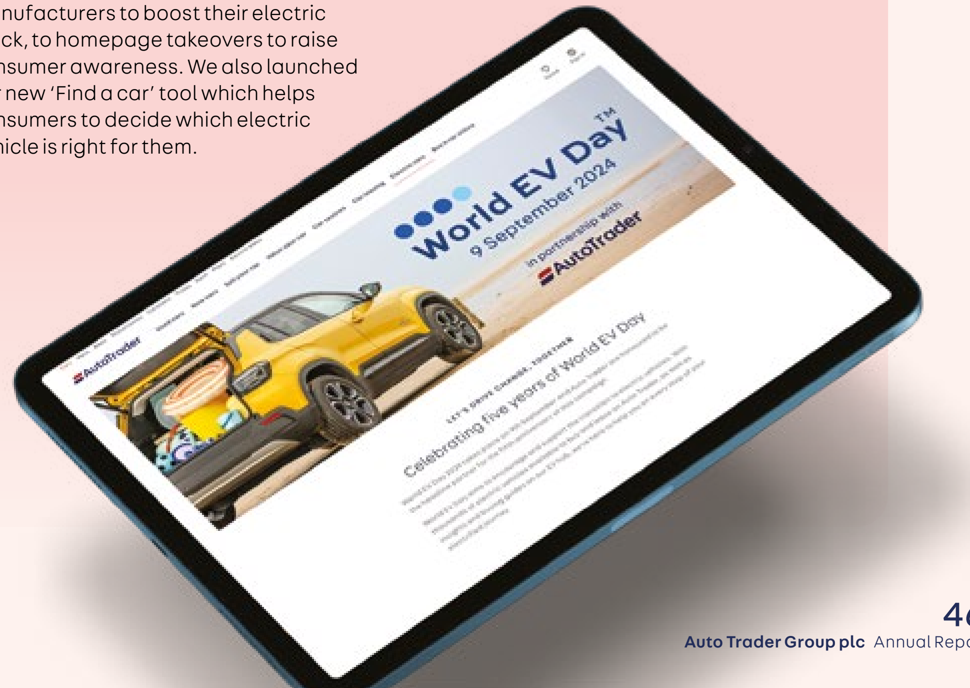
Supporting the industry in the electric transition

The Zero Emission Vehicle mandate came into force in 2024, causing significant levels of change in the automotive industry for manufacturers and retailers as the mandate began to dictate the portion of electric vehicles ('EVs') that brands need to sell each year or risk paying fines. A lot needs to happen in the coming years to ensure the successful mass adoption of electric vehicles. Our wealth of data and insight gives us a unique view of consumer car buying intentions, and particularly consumer EV buying intentions.

We disseminate this data through various channels, including webinars, Electric Retailing Masterclasses, and the Retailer EV Insight Hub. Our strategy segments industry partners for a tailored experience depending on confidence, exposure and appetite for change. We support independent retailers, who have no one to provide additional training on these new products, through unique events offering data, insights, expert advice, as well as test drive opportunities.

Before switching to EVs, consumers need accurate information. However, myths and misinformation have influenced their views.

We are headline sponsors of World EV Day and to mark the occasion this year we ran a number of workstreams, from gifting free products to retailers and manufacturers to boost their electric stock, to homepage takeovers to raise consumer awareness. We also launched our new 'Find a car' tool which helps consumers to decide which electric vehicle is right for them.



To counter this, we, along with the Society of Motor Manufacturers and Traders and Charge UK, have launched an initiative endorsed by the Department for Transport. 'The Facts' provide accurate data on the price, running costs, eco-credentials, fire risks, and charging of EVs, aiming to build consumer confidence.

Our goal is to ensure a fair and equitable transition to EVs. To aid this, we researched the EV gender gap and created the report 'No Driver Left Behind: Women and the journey to electric'. This has been well-received and featured on national TV, radio and online media and has been shared throughout the industry. Multiple Government departments and manufacturers have requested sessions on this topic.

Sustainability

The automotive industry is under enormous pressure to reduce its carbon emissions and whilst many of our industry partners have clear and bold plans to reduce emissions, many are still very early on in their sustainability journeys and require support to help them develop a carbon reduction plan. Through our partnership with the Carbon Literacy Trust, we have created and funded the Automotive Carbon Literacy Toolkit which has gone from strength to strength. We have now also launched a Digital & Tech Toolkit with a new set of sector partners.

In the automotive space, 311 organisations have now completed the training, which our customers view as an important step in their sustainability journey, as well as a key employee engagement initiative. Once an individual in a business has been accredited as 'carbon literate', the business is then provided with training content and trainer manuals that enable them to run their own one-day Carbon Literacy training. Over 5,000 automotive professionals have now achieved carbon literacy through the toolkit to help sustainability efforts (2024: over 1,000).

In addition to the training, we continue our Building a Sustainable Automotive Industry event series which aims to inspire action and motivate businesses to be more sustainable by gathering industry partners and sustainability experts together. This includes an online knowledge hub and LinkedIn community where industry peers can share questions, challenges and successes. We also award sustainability categories at our Retailer and Manufacturer Awards to encourage and champion those working on sustainability in their businesses.

ENGAGEMENT WITH GOVERNMENT

We have been regularly engaging with various Government departments to share our data and insights to help guide policy for several years. The number of Government departments receiving these insights has expanded, showing the value and impact of our work. Additionally, we have been invited to present oral and written evidence at the House of Lords Environment and Climate Change Committee Electric Vehicles inquiry, with our research playing a key part in the summary document of the inquiry.

We are members of the Society of Motor Manufacturers and Traders ('SMMT'), British Vehicle Remarking and Leasing Association ('BVRLA') and partner with ChargeUK, all industry bodies representing different aspects of the automotive sector. These memberships are valuable as they provide additional routes to influence key stakeholders and share our data and insight.

We also host and sponsor Parliamentary events including roundtables and receptions with Ministers, sharing key insights and data tracking the electric transition to inform their policy making. This is a key component of our public affairs work as well as individual meetings with Ministers and Department officials.

This data also forms the basis of our award winning 'Road to 2030' Reports, which are extremely valuable to not only the Government, but also to media and the industries involved in the electric transition.

ENGAGEMENT WITH COMMUNITIES AND SOCIETY

We aim to be a guiding hand through the EV transition and to help consumers understand how they can make more environmentally friendly choices. Through our consumer EV hub, we provide buying guides, informative content and explainers for those curious about electric cars. The consumer marketing team is focused on increasing traffic to this hub through various paid marketing activities. Our electric car review content from both the editorial and YouTube teams also plays a vital role in educating and engaging drivers about EVs. Our EV monthly giveaway has been running for three years now, garnering over 15 million entries since the beginning of the campaign. The EV giveaway is an incredibly successful campaign which increases awareness of electric vehicles. The Facts myth busting material will also be promoted across all channels to raise awareness of the key information consumers need.

A significant development in our mission to support environmentally-friendly choices was the launch of new electric bikes on our platform. The electric bike community welcomed this as a sign of market maturity, excited by Auto Trader's influence. On-site interest in e-bikes has surged, with successful Black Friday promotions and editorial content. We have also run multiple campaigns with influencers to grow the reach and engagement of electric bikes on Auto Trader; these partnerships allow us to reach younger and more diverse audiences due to the hand-picked nature of the influencers we work with.

Our No Driver Left Behind report uncovered that women were keen to learn more about electric vehicles in the content they already consume and so we have targeted the lifestyle media – educating them about the need for electric vehicle content and engaging them with the new technology in a way that will resonate with their readers. Following multiple relationship building activities, we are seeing strong results with repeated coverage in key lifestyle titles.

We have partnered with Community Computers, who work to address digital exclusion in Greater Manchester, to donate used devices to their service users. By repurposing salvageable technology instead of selling it back to suppliers, these devices can have a second life and help the digitally excluded, aligning with our community values and net zero strategy.

The partnership also means that technical waste is not going to landfills.

We have also partnered with the Manchester Green Spaces Fund to join regional efforts of nature recovery projects driven by local people right across Greater Manchester. We've given £96,000 to the Green Spaces Fund (FY24) to expand an ongoing partnership with the Greater Manchester Environmental Fund. These projects include a community garden, a pond on a community allotment, native tree and hedge planting and a new wildlife corridor.

£96,000

donated to the Green Spaces Fund

In 2023 we joined The Castlefield Viaduct Club, supporting the National Trust renovation work of the previously unused railway track, which is just a short walk from our Manchester campus. The aim is for the viaduct to become a 'garden in the sky' and a freely accessible green space. Through funding provided by the National Trust's relationship with Auto Trader, the garden was expanded to include a pond, planters for trees, a mural and more growing space.

Accountability

Governance, metrics and targets: enabling delivery through robust governance and reporting.

OUR ROADMAP TO NET ZERO

Net zero refers to the balance between the amount of greenhouse gas produced and the amount removed from the atmosphere. We have established near-term (2030) and long-term (2040) emissions reduction targets in line with the SBTi Net Zero Standard.

Our greenhouse gas emissions and carbon intensity ratios are disclosed on page 49 and these form part of our key metrics.

We have committed to reach net zero greenhouse gas emissions across our value chain by 2040, committing to:

- Reduce absolute Scope 1 and 2 GHG emissions by 50% before 2030 from a 2023 base year.
- Reduce absolute Scope 3 GHG emissions by 46.2% over the same timeframe.
- Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040 from a 2023 base year.

Our Net Zero roadmap visualises our emissions reduction from our 2023 base year until 2040. This roadmap does not yet account for business growth or incorporate the impact of actions and initiatives that we will use to achieve our target. Although we have started to quantify these, further work is required to fully model these into our roadmap. We intend to overlay these into our roadmap in the future, to further embed them into our business and financial planning, and to issue an updated roadmap in the next iteration of our transition plan.

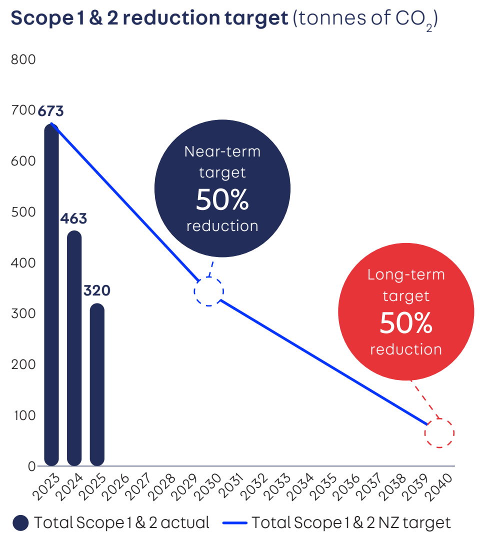
To meet the SBTi's definition of net zero, we need to reduce our emissions by at least 90%. It is therefore essential that we fully understand the source of our emissions and undertake targeted actions. Our SBTi approved targets have been updated to include the impacts of acquiring the Autorama business in 2022.

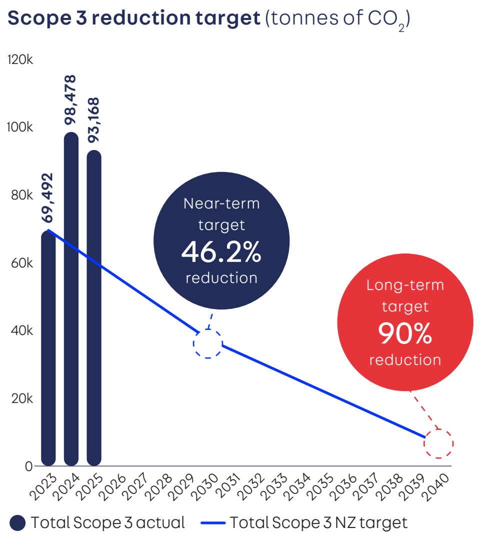
The make-up of our carbon emissions is heavily weighted towards Scope 3, and within that purchased vehicles, use of sold goods and other purchased goods and services are the biggest contributors.

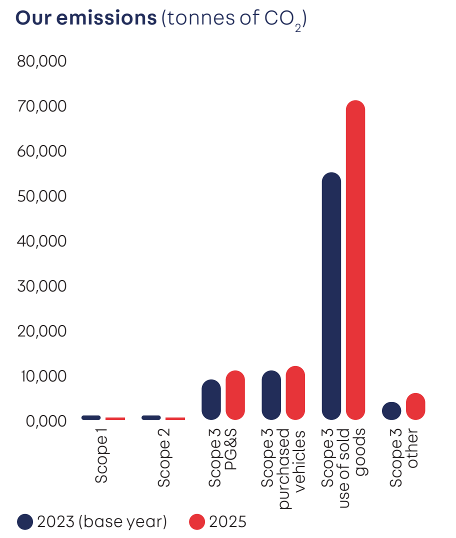
To monitor progress against our environmental strategy, we have key metrics and targets. We also disclose our Scope 1, 2 and 3 GHG emissions.

The Group is required to report its energy use and measure and report its direct and indirect greenhouse gas ('GHG') emissions by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The GHG reporting period is aligned to the financial reporting year.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines.







METHODOLOGY

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 factor 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.

INDEPENDENT VERIFICATION OF OUR GHG EMISSIONS

EcoAct has independently assessed and verified Auto Trader's GHG emissions following verification standard ISO 14064-3:2019. Based on the data and information provided by Auto Trader and the processes and procedures followed, nothing has come to EcoAct's attention to indicate that the GHG emissions totals for all years reported are not fairly stated and free from material error.

ENERGY AND EMISSIONS REPORTING

Our total CO_2 emissions[1]

	2025		2024	
	UK	Global	UK	Global
Scope 1	116	116	258	258
Scope 2 (location based)	204	204	205	205
Total (Scopes 1 and 2)	**320**	**320**	463	463
KwH ('000s)	1,277	1,277	1,448	1,448
Purchased goods and services		19,457		22,949
Capital goods		1,375		2,262
Fuel and energy-related activities		91		74
Upstream transportation and distribution		–		–
Waste generated in operations		100		107
Business travel		933		1,041
Employee commuting (inc. working from home)		725		982
Upstream leased assets		–		–
Use of sold products		69,950		70,643
End of life treatment of sold products		172		383
Investments		45		37
Scope 3 (total)		**92,848**		98,478
Total (Scopes 1, 2 and 3)		**93,168**		98,941
Group revenue		£601.1m		£570.9m
Tonnes of CO_2 equivalent per FTE[2]		73.5		80.2
Tonnes of CO_2 equivalent per £million turnover		155.0		173.3
Scope 2 (market based)		0.1		10
% renewable		99%		95%
Auto Trader total emissions		9,903		14,169
Autorama total emissions		83,265		84,772

1. Scopes 1, 2 & 3 are reported in tonnes of CO_2 equivalent.
2. Based on average number of employees in the Group throughout the year 2025: 1,267 (2024: 1,233).

Our approach to climate governance

We have integrated climate governance into our existing governance processes and sought to embed responsibility for the risks associated with climate change throughout our business, adopting a climate change focused mindset. There is a clear commitment from the Board to deliver on our environmental commitments and ensure relevant accountability across the business. Our environmental strategy was initiated to ensure a joined up approach across the business considering the risks and opportunities climate issues pose and how we are responding to them.

We submitted our annual CDP questionnaire and received a B rating in December 2023; we are awaiting our 2024 score. The rating is on a scale from A (best possible score) to D-. Our current rating indicates that Auto Trader has knowledge of impacts on, and of, climate issues and that we are taking coordinated action on climate issues.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') COMPLIANCE STATEMENT

The Group has prepared its TCFD disclosures in line with guidance from the 2021 updates to the TCFD Final Report and Annex, including the supplementary guidance for all sectors. At the time of publication, in accordance with the UK's Financial Conduct Authority ('FCA') Listing Rule 9.8.6R(8), the Group has made climate related financial disclosures consistent with the TCFD recommendations and recommended disclosures set out on page 94. The table included in the Corporate Responsibility Committee report (page 92) summarises where the relevant disclosures are addressed. We continue to develop our net zero strategy and to identify the risks and opportunities to our business as a result of climate change and the potential financial impact. The climate related financial disclosures made by the Group comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

HOW WE GOVERN THIS AREA

1. BOARD RESPONSIBILITY

The Corporate Responsibility Committee is responsible for holding the Executive Directors to account with respect to climate risks and opportunities and their impacts on both the business and the wider environment. Our environmental strategy is a standing agenda item for all Committee meetings.

2. EXECUTIVE RESPONSIBILITY

The responsibility for assessing and managing climate related risks and opportunities sits at both Executive and Board level. Executive responsibility for our impact on climate change is held by all our Executive Directors, who have responsibility for overseeing our environmental strategy. Responsibility for the consideration of climate related risks and opportunities on the financial performance of the Group and compliance with environmental reporting sits with our CFO, Jamie Warner.

3. RISK FORUM

Our Risk Forum undertakes a review of climate related risks with our Auto Trader Leadership Team ('ALT').

Environmental risks are also reviewed at least twice a year as part of the overall risk review process.

4. REMUNERATION COMMITTEE

The Committee introduced ESG-related targets into the Performance Share Plan ('PSP') for the first time in 2021. The PSP includes a specific performance target linked to a reduction in our GHG emissions.

5. THIRD-PARTY ASSURANCE

Our GHG emissions have been independently assured by EcoAct using ISO 14064-3 for all scopes of our carbon footprint.

6. ENVIRONMENTAL WORKING GROUPS

Our environmental strategy not only focuses on our own environmental impact, but also aims to support our customers, consumers and the industries in which we operate and, as a result, various parts of the business play a part in delivering our ambitions. Different parts of the business are brought together through our Environmental Strategy working group, which is sponsored by members of our ALT. Key activities and milestones are set for each financial year and these are shared with the Corporate Responsibility Committee. The Environmental Strategy working group is responsible for our commitment to net zero, which is in line with our SBTi targets. This group also identifies ways in which we can support the tech and automotive industries, alongside helping consumers make more environmentally friendly vehicle choices.

7. EMPLOYEE GUILDS & NETWORKS

Our employees play a fundamental role in the success of our environmental strategy. Our Sustainability Network comprises passionate individuals from across the business who are focused on making life at Auto Trader more sustainable. They do this through increasing employee awareness and driving impactful changes for both individuals and our business, supporting our overall goal of reducing our carbon emissions.

TARGETS AND METRICS

Our operations

SBTi approved near and long-term targets (see page 34).

Supporting the automotive and technology industries

Number of EVs advertised on Auto Trader
33,603
average as at March 2025 (2024: 22,536)

Share of EVs advertised on Auto Trader
5.6%
during FY25 (FY24: 4.5%)

Number of EVs delivered by Autorama
950
during FY25 (FY24: 876)

Number of videos produced covering EVs
41
during FY25 (FY24: 56)

Supporting consumers

Number of EV advert views on Auto Trader
150 million
during FY25 (FY24: 105 million)

Share of EV advert views on Auto Trader
5.0%
during FY25 (FY24: 3.7%)

Number of EV giveaway entries
15.5 million
since campaign started (FY24: 10.8 million)

Number of video views covering EVs
6.5 million
during FY25 (FY24: 7.9 million)

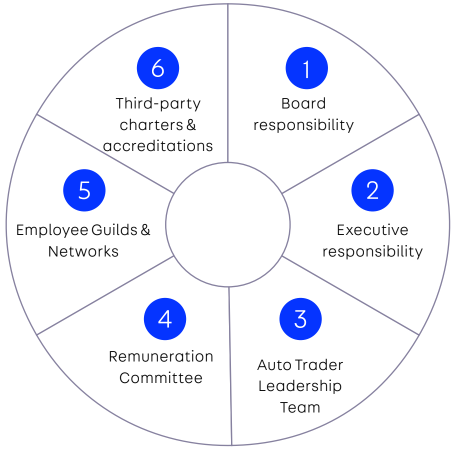
S

Our people & communities

Our values underpin everything we do.

SUPPORTING THE UN SDGS MOST RELEVANT TO OUR STRATEGY

HOW WE GOVERN THIS AREA



1. BOARD RESPONSIBILITY

Material ESG topics discussed by the Board include diversity and inclusion, employee engagement and talent development. The Corporate Responsibility Committee is responsible for holding the Executive Directors to account and on a quarterly basis our people scorecard is reviewed and progress against our cultural KPIs is monitored. The Board plays an important role in ensuring our culture is aligned with our long-term strategy.

2. EXECUTIVE RESPONSIBILITY

The responsibility for assessing and managing our people and culture sits at both Executive and Board level. Our Executive Directors have responsibility for oversight of our diversity and inclusion agenda and are responsible for ensuring that our values are embedded into all parts of our business.

3. AUTO TRADER LEADERSHIP TEAM

Our Auto Trader Leadership Team ('ALT') is responsible for driving our culture that is values-led, customer-centric and data driven, underpinned by a diverse and inclusive team. Having a progressive culture and environment ensures the attraction, development and retention of a talented, engaged and diverse workforce.

4. REMUNERATION COMMITTEE

The Committee introduced diversity-related metrics into the Performance Share Plan ('PSP') targets for the 2021 PSP award. From 2022 onwards, PSP award performance will be measured against our diversity ambitions as part of an underpin rather than as a standalone target. The Committee also has remit over material changes to package and benefits and approved the all-employee share scheme.

5. EMPLOYEE GUILDS & NETWORKS

Our employees play a fundamental role in the success of our ESG strategy. Through our thriving networks and guilds, our ESG priorities and ambitions are championed and driven forward by our employees. See page 54 for more information about our networks.

Our Board Engagement Guild is the primary mechanism for our Board to engage with our employees and meetings are not attended by the Executive Directors. Employees are able to share their experiences and views, as well as providing the opportunity for them to ask questions directly of Non-Executive Directors. The Board Engagement Guild has representatives from across different parts of the business and canvasses views and opinions from their colleagues to share with the Board.

6. THIRD-PARTY CHARTERS & ACCREDITATIONS

We have signed up to various third-party charters and have received a number of accreditations, most notably:

- Race at Work Charter
- Change the Race Ratio
- Disability Confident
- Social Mobility Top 75
- Inclusive Companies
- Living Wage Employer

OVERVIEW

Being a responsible employer and maintaining a strong, purpose-led culture is key to our ongoing success. Our values underpin everything we do, reflecting our culture and commitment to making a positive impact.

ENGAGING OUR EMPLOYEES

We value effective communication and engagement with our employees, continually reviewing and improving based on feedback. We conduct regular surveys, including an anonymous one twice a year, to assess engagement and job satisfaction. In our latest engagement survey, 91% (2024: 97%) of employees agreed or strongly agreed with the statement "I am proud to work for Auto Trader", a measure which we view as a proxy for engagement. We enhance these surveys with pulse and post-event surveys as needed.

Our Board Engagement Guild allows direct engagement between our Board and employees, facilitating questions and sharing employee experiences and views. This year, the Guild met three times, discussing topics such as what employees find great about working for Auto Trader and what they would like to see done differently; Directors' remuneration; employee engagement and trust; and sentiment around organisational changes. A key part of engaging our employees is to ensure senior leaders are visible throughout the business and accessible to staff delivering our business objectives. We aim to ensure our employees are regularly kept up to date with the key aspects of our business strategy and priorities, and understand their role in achieving them, which is important to maintaining our purpose-led culture across the business. As a result, we provide various internal communication channels including regular 'ALTV' sessions led by our CEO and leadership team, as well as our bi-annual all-employee conferences.

We have continued to embrace Connected Working, our hybrid working model which offers greater flexibility in where and how our employees work. Central to this approach is the importance we place on staying connected, while maintaining collaboration within teams and the wider Auto Trader community. In early 2026, we'll be relocating our head office to Bruntwood SciTech's Circle Square – right in the heart of Manchester's tech community. Once the fit out is completed, the purpose-built environment with state-of-the-art workspaces will not only support our employees staying connected, but it will also bring us even closer to our customers and industry peers, providing a collaborative space to share insights, data, and experiences.

PAY AND BENEFITS PACKAGE

We offer a comprehensive pay and benefits package, including employee pension contributions up to 7%, private medical cover, income protection, life assurance and enhanced family/dependant leave provisions. In FY25 we introduced our retirement benefit to support those employees ready to transition to retirement.

Share ownership is fundamental to who we are as a business and is a great way to reward our staff, which is critical for the long-term sustainable success of our business. FY25 saw the second award of our One Auto Trader Share Award ('OATSA') scheme, an all-employee share award scheme that rewards employees with an additional 10% of their salary in shares, vesting over a three-year period. In addition, we provide an annual SAYE scheme, with 53% of our employees actively contributing to one of the current schemes.

WELLBEING AND SAFETY OF OUR EMPLOYEES

We are committed to supporting our employees in all aspects of their health and wellbeing. We provide a comprehensive range of healthcare benefits as well as access to tools and education, mental health support and supportive pathways to empower our employees to have more good days. During the year, people leaders have the opportunity to attend a refresher course in mental health awareness to assist them in identifying and supporting issues that relate to people's mental health and learn practical skills that can be used every day to help support team members. Access to mental health support and services is made available to all employees via trained Mental Health First Aiders and the Employee Assistance Programme.

We have a comprehensive 'Respect at Work' Policy, which emphasises the importance of maintaining a safe and respectful environment. The policy details cultural expectations and employee rights regarding bullying, discrimination and harassment, including sexual harassment, and explains our zero tolerance stance. It also outlines the reporting process and sets standards for upholding these principles outside of the workplace and during the course of employment. We provide employees with sexual harassment training and awareness sessions, including specific training on how to identify and report harassment by third parties. The training ensures that all employees understand their rights under the Equality Act 2010 and the Company's expectations regarding inappropriate behaviour.

We provide access to tools and resources to support employees with their financial wellbeing, including access to mortgage advisors and will writing services, season ticket travel loans and salary finance.

We are committed to creating a safe office environment and to achieving high standards of health and safety and to protecting our staff and others affected by our operations. Our principal objective is to prevent or minimise accidents, injury and ill health to staff, contractors and others who work at or visit our premises. We have a fully compliant Health and Safety Policy and appropriate insurance for all employees. We can report that we have had no fatalities or serious injuries during the year, and there was no impact to our operations due to work-related incidents or work-related occupational disease. We have had no accidents reportable to RIDDOR this past financial year.

Within our Connected Working approach, we remain committed to our people's health and wellbeing. To support our employees, we make sure that their workstations are safe by completing DSE risk assessments of both office and home-based workstations and environments. These assessments ensure compliance with health and safety regulations and help to identify and minimise risks while working from home or the office.

INVESTING IN AND SUPPORTING OUR TALENT

The quality of our people and the development of a robust and diverse talent pipeline for the future are essential to delivering our long-term growth strategy. Our objective is to attract and retain talent across the organisation, providing them with opportunities for personal growth that will help us to achieve our goals while enabling them to fulfil their potential.

We are committed to ensuring that our employees have the time and opportunity to pursue their development. To support this, we are focusing on developing our People Managers and our People team, enabling personal development plans, a coaching approach across learning, and structured programmes with self-learning. We pride ourselves on having a community focused on development where everyone can be successful. We still retain a strong level of retention and employee engagement and our attrition rate remains low at 10% (2024: 11%) when compared to industry and national averages.

We recognise that People Managers are one of our most important partners in development. As a central objective of our People team, we are investing in the development of our People Managers. Through conversations with them,

we have designed our expectations of management at Auto Trader. Our focus now is to create stronger boundaries through our policies for People Managers and a development framework to support their abilities.

Our Learning Academy is central to our community-focused development approach. We offer accessible courses for everyone across the business (including part-time and contractors). Coaching and mentoring are primary approaches for us in learning, including the training of 50 employees to be qualified coaches. Training our People Managers to be coaches is also a focus for our manager development. We offer sponsorship for professional qualifications and help our people maintain continuous professional development.

Our mandatory training covers our compliance needs, ensuring we meet legislative and regulatory requirements. We also have 'always on' sessions that support our ways of working with role-specific technical skills and soft skills. These are available for all employees and accessible through the Learning Academy system.

EARLY CAREERS

We have a dedicated Early Careers team which plays a vital role in nurturing the future success of Auto Trader. We take immense pride in our exceptional pipeline of talented individuals who are carefully developed to assume key roles across various departments in the business. Our team is committed to identifying opportunities, crafting innovative programmes and delivering comprehensive support to facilitate the growth and success of early careers, retraining and professional development for employees at Auto Trader.

In FY25 we welcomed 38 apprentices and graduates to the Early Careers Academy (including internal career changes). Our apprentices enjoyed great success this year and we celebrated seven apprentices completing their level 3, 4 and 6 apprenticeships.

LEADERSHIP DEVELOPMENT

During the year we expanded our leadership team to form the Auto Trader Leadership Team ('ALT'). The ALT takes responsibility for the overall stewardship, culture and performance of Auto Trader, including our strategy and priorities and how we work together. In line with the changes, the ALT have all taken part in an onboarding programme aiming to introduce them to their new roles.

We have continued with our Diverse Talent Accelerator programme designed to support the progression of mid-career employees.

Year	2025	2024
Hours of mandatory training	2,328	1,113
Hours of non-mandatory training	28,291	27,363
Annual cost of training[1]	£476k	£633k
Average cost per employee[2]	£376	£513
Employees studying for professional qualification	16	8
Employees on an apprenticeship/early careers[3]	66	71

1. This includes external trainer and platform costs, but excludes the employment costs of our in-house Learning & Development team.
2. Based on average number of employees in the Group throughout the year 1,267 (2024: 1,233).
3. As at 31 March – this excludes individuals who completed their programme during the reporting period.

DIVERSITY AND INCLUSION

At Auto Trader, we value a diverse and inclusive workforce, which enhances our culture and business by attracting and developing talent. Diversity and inclusion unlock the full potential of our people and, consequently, our business. A mix of ideas and perspectives is essential for innovation and creating the best experience for our customers and consumers.

Diversity includes gender, sex, age, sexual orientation, disability, neurodiversity, race, ethnicity, religion, faith, marital status, social background, educational background, and way of thinking. Inclusion means being valued, respected and supported for who you are. We aim to achieve this authentically and systematically, reflected in our metrics over time. We're committed to long-term change in the technology and automotive industries, focusing on developing diverse leaders and representative workforces. We continue to strive for diverse representation at every level of the Company, with a particular focus on leadership. Our representation of women at a total company level remained consistent at 44% (2024: 44%).

This year, the percentage of women on our Auto Trader Leadership Team ('ALT') is 38% (2024: 50%). We increased the percentage of women in leadership roles to 43% as at 31 March 2025 (March 2024: 42%), as defined by the FTSE Women Leaders Review.

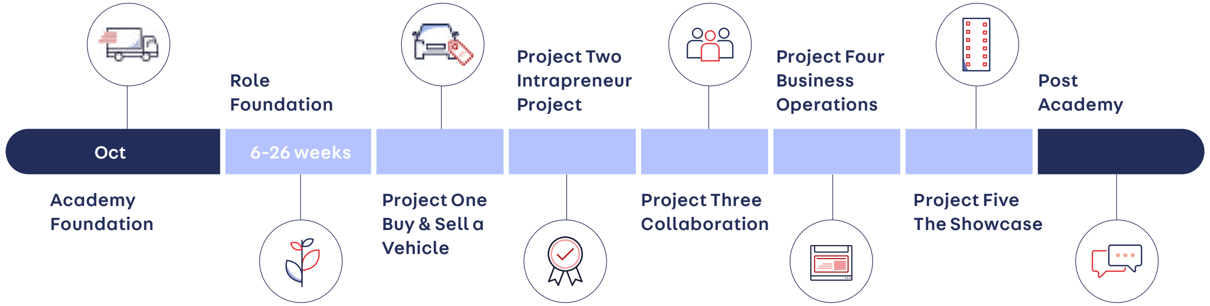
We aim to build a diverse candidate pool for internal development and succession planning by identifying diverse talent for senior roles, ensuring equitable representation. In FY25, we refined our Inclusive Culture Development Programme, designed to support us in achieving our aims. This programme focuses on enhancing our talent management, succession planning and leadership development initiatives.

We remain committed to supporting disabled and neurodiverse employees and those who become disabled during their employment with us. Recognising that everyone is unique, we provide the right support to ensure they continue to realise their full potential and develop their careers with us. Selection for employment, promotion, training and development (as well as other benefits and awards) is made based on merit, aptitude and ability and the Group does not tolerate discrimination in any form, including in relation to disabled candidates.

We are very proud that Auto Trader has continued to be recognised as a Leader of the Disability Confident Scheme and one of the Top 75 (ranking 29th) employers in the Social Mobility Employer Index by The Social Mobility Foundation, signifying our commitment to inclusivity and supporting individuals with disabilities.

EARLY CAREERS ACADEMY

Our Early Careers Academy is designed to support the onboarding, knowledge, skills, behaviours, wellbeing and continuous development of everybody on one of our Early Careers programmes, which include graduate programmes, apprenticeships and internships.



INCLUSIVE CULTURE DEVELOPMENT PROGRAMME

Auto Trader's Inclusive Culture Development Programme s a series of learning and development programmes driven throughout the business, with diversity and inclusion at their core.

ONE AUTO TRADER – A CULTURE OF INCLUSION

As part of Auto Trader's 'Great Start', all new starters must attend this workshop.

In one day, colleagues gain a common understanding of diversity and inclusion at Auto Trader, meet representatives from our Employee Networks and explore different biases and how to call out behaviour that goes against inclusion.

INCLUSIVE RECRUITMENT

When it comes to recruitment and selection, all those that are part of the hiring process take part in a full day workshop around inclusive recruitment. These sessions raise awareness of bias, share best practice, introduce our scoring frameworks and allow assessors to develop their shortlisting and interview skills.

INCLUSIVE LEADERSHIP

This is aimed at equipping leaders with the 'know how', skills and insights required to lead diverse teams in an inclusive way. Leaders are educated on the benefits of leading inclusively and are equipped with the tools to enhance their leadership style which will inspire them to re-evaluate how they lead others and create an inclusive culture across Auto Trader.

DIVERSE TALENT ACCELERATOR PROGRAMME ('DTA')

The aim of DTA is to accelerate the progression of high potential talent in order to create a pipeline of diverse future leaders.

The programme offers a range of experiential and group learning, coaching and sponsorship.

We encourage undiscovered talent to apply, particularly colleagues from groups that are under-represented in our senior leadership teams including those that are people of colour, women, LGBT+, disabled and neurodiverse, and from a lower socio-economic background.

THE BLACK EXPERIENCE

The workshops were designed and are being delivered by the People team in collaboration with our black employees and aim to increase awareness and appreciation of the challenges black employees face in and out of the workplace. Through the workshops we also aim to highlight the behaviours that people leaders can utilise in order to enhance black inclusion.

NEURODIVERSITY AND MENTAL HEALTH MANAGER AWARENESS

On top of the general Mental Health Awareness training, we have recently launched Neurodiversity and Mental Health Manager Awareness training, which is specially designed to empower People Managers with the knowledge and confidence to engage in meaningful conversations about neurodiversity and mental health in the workplace.

DRIVING DIVERSITY AND INCLUSION THROUGH OUR EMPLOYEE-DRIVEN NETWORKS

A core part of our people and culture strategy is centred around our employee-driven networks. Everyone at Auto Trader is encouraged to join one of these networks. The networks and their leaders are a core part of our culture, helping to welcome employees when they join our organisation, empowering team members to thrive and spearheading outreach programmes that support our local communities. We ensure each network has a senior leadership sponsor to help drive change and champion network initiatives.

The Career Kickstart Network brings together employees in their early careers from across the business to learn and grow together through shared experiences, resources and discussion.

Our Disability & Neurodiversity Network continues to create a more accessible and inclusive environment for our employees. 13.3% (2024: 13.5%) of our employees have disclosed a disability or neurodiverse condition. The network partners with various charities including Research Institute for Disabled Consumers, Speed of Sight and the Business Disability Forum to educate employees and raise awareness.

The Ethnicity Network brings together employees from across the business to raise awareness and drive positive change for our employees, customers and communities who are currently under represented ethnically. With an aim to create an even more inclusive workplace where everyone feels valued, respected and empowered to contribute to their fullest potential.

Our LGBT+ Network representation is currently 10.8% (2024: 10.0%) and the network has continued to support our employees and connect with local LGBT+ charities, including The Proud Trust and the George House Trust.

Through building an internal community within the business, the Parents' Network helps create an environment for employees to support each other in navigating the challenges of being working parents.

Our Social Mobility Network is focused on understanding how socio-economic background can influence individuals in the workplace and working to remove barriers and open opportunities. Auto Trader has signed the Social Mobility Pledge, committing to putting social mobility at the heart of what we do, with 74% of our people sharing social mobility data.

Our Women's Network is focused on improving and evolving representation of women at all levels in Auto Trader, the automotive industry and the digital communities within which we operate, by recruiting, retaining and developing female talent.

GENDER AND ETHNICITY DIVERSITY

As at 31 March 2025, Board membership is comprised of six women and three men, exceeding the FTSE Women Leaders Review recommendations and FCA Listing Rules requirements, which have a target of 40% women's representation. A woman is appointed as Senior Independent Director, meeting the targets set out in the Listing Rules at LR 9.8.6 (9)(a). Two Board members are from an ethnically diverse background, meeting the recommendation of the Parker Review.

The percentage of the total company who are from an ethnically diverse background has increased from 17% to 19% during the year, with the percentage of those from an ethnically diverse background in leadership increasing from 6% to 10%, although changes to our Auto Trader Leadership Team ('ALT') have contributed to the increase. We remain committed to increasing ethnically diverse representation in leadership. As was the case with women, we are focused on our recruitment processes, the majority of which are in lower level roles, and how we develop and promote a diverse group of individuals through the organisation.

Last year, the Parker Review extended its scope to senior management, asking the FTSE 350 to set a percentage target for senior management positions that will be occupied by ethnic minority executives in December 2027. We have set a target of 10% for ethnically diverse senior management (ALT and ALT-1) to be achieved by March 2027 in line with the Parker Review.

	As at 31 March 2025									As at 31 March 2024								
	Board			Executive management ALT[2]		ALT direct reports[3]		Total Company		Board			Executive management OLT[2]		OLT direct reports		Total Company	
	Number	%	Number of senior positions[1]	Number	%	Number	%	Number	%	Number	%	Number of senior positions[1]	OLT[2]	%	Number	%	Number	%
Men	**3**	**33%**	**3**	**11**	**61%**	**50**	**56%**	**721**	**56%**	4	44%	4	4	44%	41	59%	701	57%
Women	**6**	**67%**	**1**	**7**	**39%**	**40**	**44%**	**562**	**44%**	5	56%	–	5	56%	28	41%	548	43%
Non binary/ other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7**	**–**	–	–	–	–	–	–	–	6	–

	As at 31 March 2025									As at 31 March 2024								
	Board			Executive management ALT[2]		ALT direct reports		Total Company		Board			Executive management OLT[2]		OLT direct reports		Total Company	
	Number	%	Number of senior positions[1]	Number	%	Number	%	Number	%	Number	%	Number of senior positions[1]	OLT[2]	%	Number	%	Number	%
White British or other White	**7**	**78%**	**3**	**17**	**94%**	**73**	**81%**	**948**	**74%**	8	89%	4	9	100%	59	86%	909	72%
Mixed ethnic groups	**–**	**–**	**–**	**–**	**–**	**1**	**1%**	**36**	**3%**	–	–	–	–	–	–	–	26	2%
Asian /Asian British	**2**	**22%**	**1**	**1**	**6%**	**7**	**8%**	**144**	**11%**	1	11%	–	–	–	4	6%	129	10%
Black/ African /Caribbean /Black British	**–**	**–**	**–**	**–**	**–**	**2**	**2%**	**50**	**4%**	–	–	–	–	–	1	1%	42	3%
Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**16**	**1%**	–	–	–	–	–	–	–	19	2%
Not disclosed	**–**	**–**	**–**	**–**	**–**	**7**	**8%**	**96**	**7%**	–	–	–	–	–	5	7%	130	11%

1. Senior positions defined as CEO, CFO, SID and Chair of the Board.
2. Excludes CEO, COO and CFO who are included in the Board numbers.
3. In 2025 we extended our leadership team from 12 individuals (previously our Operational Leadership Team, 'OLT') to 21 individuals (now called our Auto Trader Leadership Team, 'ALT'). We define leaders as those who are on our ALT and its direct reports, excluding those with senior and principal job titles in Product & Tech.

GENDER AND ETHNICITY PAY GAP

We released our fifth combined Gender and Ethnicity Pay Gap Report 2024 (published in November 2024, reporting the pay gap as at 5 April 2024). We welcome the new Government's commitment to introducing disability pay gap reporting as a fundamental step for employers to gain a better understanding of its drivers and take steps to closing it over time. As we have done with our ethnicity pay gap, we are publishing our disability pay gap in advance of it becoming a mandatory requirement and have included a high-level analysis in this year's report. We will work with our peers across our industries and the Government to support the introduction of mandatory pay gap reporting for ethnicity and disability in the coming years. You can read our Gender and Ethnicity Pay Gap Report on our corporate website (plc.autotrader.co.uk).

We are pleased to report that we continue to make progress in reducing our gender pay gaps. Our mean gender pay gap decreased by 0.2% (2023: 2.3% decrease), and our median pay gap decreased by 0.7% (2023: 3.3%). We continued to make good progress during the reporting period in retaining women in upper quartiles within our business, with only 15% of leavers coming from this group, compared to 53% for men.

Overall, we have increased our women hires, with 52% of all new starters being women within the last 12 months, a 6% increase year-on-year. We are pleased to have achieved our goal of reaching an equal gender split across our recruitment campaigns. This year, we have further strengthened our maternity and family leave policies to provide even greater support for women and families throughout their careers. We also introduced our Company funded Menopause Plan which provides personalised support for employees struggling to manage their symptoms. We believe these enhancements will further boost our retention of women in the future. We do however recognise that there is still work to do here, specifically maintaining that equal representation when hiring into senior roles.

When we take a closer look at our colleagues who have been in consecutive pay gap reports, we can see that the biggest movement for women was in the lower middle and upper middle quartiles. Both quartiles saw 22% of existing women move upwards year-on-year which points to an important element of our diversity strategy – growing our own pipeline of talent. Firstly, the movement from the lower to lower middle quartile highlights our continued commitment to develop our Early Careers talent, with this move into the lower middle quartile often coinciding with the step into Professional level roles. Secondly, we are pleased to see the continuation of that pipeline in the upper middle quartile, which saw an increase of 3.8% this year. Our promotions contributed to this increase, with 25% of women who were promoted between April 2023 and March 2024 moving up a quartile compared to 17% of men.

During the reporting period, we have seen both our median and mean ethnicity pay gaps increase with the median increasing by 4.1% and the mean by 2.3%. However, we have seen our overall representation of Ethnically Diverse employees increase by 3%, with all quartiles growing apart from the upper middle quartile.

When we analyse the data, the increase in our pay gaps is primarily driven by the positive steps we are taking to increase representation of Ethnically Diverse employees. Our biggest source of hiring is Early Careers, so as we increase the diversity at Early Career level, they join us at the lower quartile pay level, which negatively impacts our pay gap in the short term, particularly the median. Nevertheless, we are pleased to report that 43% of our Early Career intake during the reporting period were from Ethnically Diverse backgrounds and we will continue to focus on this important element of our strategy to grow our own diverse future leaders.

At Auto Trader, we believe that pay gap reporting is an important tool to aid transparency and create accountability in our equality, diversity and inclusivity journey. We have made the decision to report on our disability pay gap ahead of the anticipated policy change to make both ethnicity and disability pay gap reporting mandatory for all businesses with over 250 employees. We've opted to use the same binary methodology for our Disability Pay Gap report as we do for our Ethnicity Pay Gap report. This means that any employees who have not disclosed their data will be omitted from the analysis. We classify employees as having a disability if they have chosen to declare a long-term condition or disability in our people system. Our mean disability pay gap for the reporting period was 5.9% with the median disability pay gap being 1.9%.

As this is our first year of reporting, we currently lack comparable figures. Moving forward, as we gather more data, we are committed to implementing action plans aimed at reducing these gaps and enhancing equality in our workplace.

43%
of our Early Career intake last year were from ethnically diverse backgrounds

52%
of all new starters were women

MAKING A DIFFERENCE TO OUR COMMUNITIES AND THE INDUSTRIES WE OPERATE IN

Our Auto Trader community shapes our culture and we are committed to making a difference and having a positive impact on the communities we operate in.

This year we are celebrating 10 years of our Make a Difference Guild. The Guild is committed to empowering our employees to support national and local charities and communities, supporting the causes that are close to their hearts and delivering real and visible change to our communities.

Employees can take up to two days a year to volunteer in the community. This year 606 days were taken by our employees to volunteer in the community. Our Auto Trader Community Funds aim to deliver financial support to local community groups and charities in our office locations of Manchester, London, Hemel Hempstead and across the UK.

Through our AT Sponsorships we continue to support employees' and customers' fundraising efforts and we also provide funding for sports equipment and kit sponsorship for our employees and their families. Our employees can also support charities close to their hearts through payroll giving, with 20% of employees choosing to donate to charities using this method. Auto Trader supports this further through match funding up to £5 per month for every employee signed up to payroll giving and also by entering all employees who are signed up into a monthly prize draw with the chance to win a further £500 for the employee's chosen charity.

With Auto Trader operating in both the automotive and technology industries, we continue to partner with the charity BEN, making a significant contribution to the charity on behalf of our customers and partners. BEN is a key charity supporting the automotive industry with the aim to offer life-changing support which empowers people to take control of their mental and physical health. This year we have continued our partnership with Speed of Sight, a local charity that gives life-changing driving experiences for the blind and disabled, running track events for people of all ages regardless of ability or disability.

To help tackle digital exclusion, we work with local charities to repurpose our laptops and devices. This allows us to repurpose our old tech efficiently and sustainably, while supporting communities and individuals to tackle digital poverty and promote digital inclusion.

We have continued our partnership with Forever Manchester who support us in running our well established Auto Trader Community Fund. The fund provides support for a wide range of community projects across Greater Manchester, delivering meaningful social impact to a wide range of grassroot community projects. This year we also worked with Forever Manchester to set up the Auto Trader Digital Inclusion Fund. Through the fund, we are thrilled to have supported four local charities in the Greater Manchester area. These charities will each be using the funds to run technical workshops and programmes in order to upskill members of the local community and reduce the digital divide.

We are proud to be a member of the Automotive 30% Club, a group focused on increasing the representation of women in the automotive industry, focusing on recruiting, retaining, and developing female talent within the industry. Catherine Faiers, COO at Auto Trader, is a patron of the Automotive 30% Club, and this year was named as the winner of the Automotive 30% Club IMI Inspiring Automotive Woman of the Year Award.

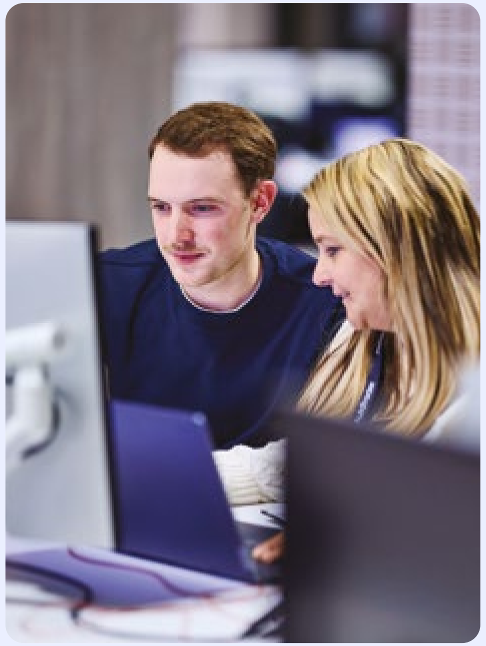
To further support the goals of the Automotive 30% Club, this year we launched a new award category, Auto Trader Woman of the Year, as part of our annual Auto Trader Retailer Awards, designed to recognise the exceptional women in automotive retail. The award will celebrate an inspiring woman working within an operational management role in a retail organisation who is delivering results and destined to be a future leader. We also collaborated with the Automotive 30% Club and the Consent Collective to spearhead a new initiative, 'Great Events for All', to educate the automotive industry on sexual harassment and consent to ensure industry events are safe and inclusive. We have continued with our podcast series, 'Women in the driving seat', that explores the challenges and successes of women in the automotive industry.

This year, we collaborated with DigitalHER, DigitalFutures, and GM Enterprise Advisors to host Career Safari days at our Manchester office. Young people from Greater Manchester enjoyed career talks, activities, sponsorship, and workshops. We also launched Curiosity Camps with DigitalHER for women interested in tech careers. We've committed to supporting young women at the start of their tech careers through MentorHER and we also worked with Pursuing Individual Excellence, reaching students through networking events. We actively support the Manchester Baccalaureate and are a Cornerstone Employer in the GM network. Colleagues are encouraged to be STEM Ambassadors and volunteer as mentors with the Social Mobility Foundation.

Over the past year, Auto Trader has hosted a variety of meetups in our dedicated event space, bringing together data, design, delivery and tech community groups. This reflects our commitment to supporting community engagement and knowledge sharing within Manchester. We've built strong relationships with groups like PyData, Natter UX, and Manchester Java Community through recurring events and ongoing sponsorship, helping them thrive and continue enriching the local tech and design communities.

This year, we have hosted various events to highlight the importance of social mobility: we hosted an event encouraging more tech businesses to consider the importance of social mobility; and our Social Mobility Network ran a series of events in the run up to Social Mobility Awareness Day to lift the lid on class and address social mobility imbalance in the tech industry. The Tech Charter recently reported that only 9% of tech employees are from a lower working class background. This compares with 33% of employees at Auto Trader, but despite this, we still have work to do to better represent the communities within our reach, with the national average sitting at 39%.

At Auto Trader, we are passionate about educational outreach and supporting students in our local communities. Throughout the year we hosted 30 students from Manchester schools and colleges for work experience. During National Careers Week and to celebrate International Women's Day, colleagues from Auto Trader went back to school to deliver talks and interactive sessions, reaching over 250 students. We've also given talks on apprenticeships at local colleges and hosted college students at our offices. We are a member of the Manchester Enterprise Advisor Group and are matched with two schools in Manchester to support with career strategy. We also offer a five day friends and family work experience.



G

Our governance & compliance

Uphold the values of good corporate governance and risk management and consider the needs of all our stakeholders in our strategic decision-making.

Comply with our legal and regulatory obligations and behave ethically and with integrity at all times.

Maintain a trusted marketplace for our customers and consumers to find, buy and sell vehicles.

SUPPORTING THE UN SDGS MOST RELEVANT TO OUR STRATEGY

HOW WE GOVERN THIS AREA

1. BOARD RESPONSIBILITY

Material ESG topics are discussed by the Board including cyber security and GDPR.

The Corporate Responsibility Committee assists the Board in fulfilling its oversight responsibilities in respect of governance and compliance, where topics have not been covered by the Board.

2. EXECUTIVE RESPONSIBILITY

Responsibility for assessing and managing our governance and compliance sits at both Executive and Board level. Our Executive Directors have responsibility for ensuring we conduct ourselves with the highest standards of honesty and integrity.

3. AUTO TRADER LEADERSHIP TEAM

The Group's Chief Technology Officer, Chris Kelly, is responsible for setting the Group technology strategy, including our cyber security programme.

The Group's Director of Governance, Claire Baty, is responsible for regulatory compliance, procurement, legal services and risk management. Her remit includes compliance with GDPR and FCA regulation.

4. AUDIT COMMITTEE

Internal audit reports and assessments of the effectiveness of risk management and internal control frameworks are presented to the Audit Committee and monitored to ensure recommendations are actioned.

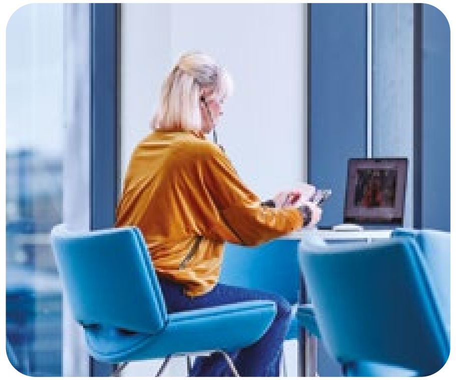
5. SECOND LINE FORUMS & COMMITTEES

We operate the following regular second line forums and committees which report regularly to the Audit Committee:

- Risk Forum
- FCA Governance Committee
- GDPR Steering
- Cyber Security Forum
- Trust Forum
- Health & Safety Committee
- Disaster Recovery Steering

6. INTERNAL AUDIT PROGRAMME

We operate a rolling internal audit programme which provides independent and objective assurance activities relating to the Group's governance, risk management and internal control processes. The programme includes regular reviews of cyber security, enterprise risk management, GDPR compliance and FCA compliance.



OVERVIEW

We ensure high standards are embedded across the business through a compliance framework that includes policies, processes, guidance and training on core compliance topics.

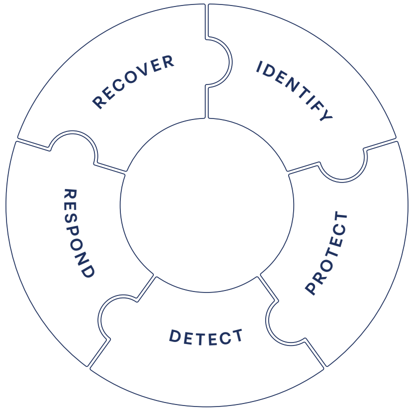
As an online marketplace, a primary focus is on cyber security and data protection to maintain customer trust and support our shift to digital retailing. It is crucial that our cyber and data security infrastructure evolves with our business priorities. In 2025 we complied fully with the UK Corporate Governance Code 2018. Details of our Board governance framework and policies are available in the Governance section (from page 73).

CYBER SECURITY

Trust is essential to our business. We prioritise the security of our services to protect our customers from cybercrime and fraud. As cyber attacks increase in volume and sophistication, they pose a significant and perpetual threat. A successful breach could harm our reputation with customers and regulators and be costly in terms of fraud losses, regulatory sanctions or remediation activity – one of our viability scenarios reflects the risk of a ransomware attack (see page 72).

Cyber security risks cannot be fully mitigated but by having an effective cyber security risk and governance framework we can reduce their impact. Our robust security programme covers both our corporate systems and the Auto Trader platform, under the supervision of our Chief Technology Officer. We employ a security by design process for products we develop and build for our customers and consumers with a defence in depth approach including multi-factor authentication for customers, least privilege access controls where required and appropriate and continuous testing of applications and products before, during and after deployment.

NIST CYBERSECURITY FRAMEWORK



NIST Cyber Security Framework

We use the NIST Cyber Security Framework ('NIST CSF') to define, continuously improve, and effectively govern our cyber security operations. This helps us to identify areas for improvement and define target levels of maturity across the framework, complementing our existing business and cyber security operations. Our outsourced internal audit programme reviews cyber security regularly, and we also make use of annual 'red team' exercises to test the effectiveness of our defences. In FY25 we adopted the NIST version 2.0 and we increased headcount in this area.

Policies and procedures

Our policies and procedures are designed to detect and respond to pre-emptive cyber attacks, risks and threats:

- An overarching Cyber Security Programme outlining the cyber security scope including the roles and responsibilities of the leadership team, cyber security forum and employees.
- A proactive awareness programme to educate all employees on cyber security risks.
- A suite of essential resources and policies designed to safeguard our organisation, our customers' and our employees' information and assets. These policies cover acceptable use, asset management, access control, bring your own device, document sharing, use of generative AI, the Information Security Programme, key management and cryptography, network security, passwords, security incident management, server security, software development lifecycle and vulnerability management.
- A dedicated security operations team to monitor, detect and respond to security incidents in line with our cyber security incident management procedures.
- Enhanced data protection solutions have been implemented across consumer facing and internal systems, to guard against the increasing threat of ransomware.
- All employee accounts are protected by multi-factor authentication ('MFA') regardless of device and location, providing enhanced authentication protection.
- Major incident response simulations and business continuity tests carried out periodically.
- System vulnerability and penetration testing carried out regularly by both external and internal resources, including: application vulnerability testing; penetration testing of our platform and infrastructure; and red team testing to ensure our processes for responding to a cyber incident are robust and fit for purpose.
- All aspects of our applications are designed and deployed with security in mind so that Auto Trader can deliver a secure and trusted platform for our customers.

PROTECTING OUR CUSTOMER AND CONSUMER DATA

At Auto Trader, data is at the heart of everything we do and data compliance and protection are crucial. Our structured framework helps us meet compliance obligations, customer expectations and privacy rights, and mitigate the risk of a data breach. We fully adhere to the Data Protection Act 2018 and UK GDPR for data protection standards.

We have policies and guidelines complying with privacy legislation for collecting and storing personal data of our consumers, customers, and employees. As a data processor for our customers and a data controller for employees' personal data, we are committed to ensuring the personal information we collect is used appropriately, securely, responsibly and transparently according to our privacy notices which govern all our platforms and subsidiaries.

We have dedicated teams responsible for data privacy, breach prevention, reporting, policy compliance, record keeping and data subject rights. We monitor adherence to data privacy laws and address breaches promptly through our assurance framework. Consumer data protection enquiries are managed via a dedicated mailbox.

We hold quarterly GDPR Steering meetings with data owners from all business areas to coordinate communication and guide our ongoing data strategy, and compliance with security and privacy regulations.

All data owners are encouraged to complete Certified GDPR Foundation training to achieve the International Board for IT Governance qualification ('IBITGQ'). Currently, over 80% of data owners are certified. Auto Trader employees, including part-time, contractors and Board members, must complete annual data privacy and information security training. We have established processes for UK GDPR compliance, including Data Protection Impact Assessments ('DPIAs') for identifying and minimising data protection risks in new or changed products or services involving personal data. We maintain records of processing activity ('ROPAs') detailing lawful basis and data retention periods, with bi-annual audits to ensure they remain up to date and accurate. We maintain separate privacy notices for consumers, employees and retailers, which are reviewed and updated regularly. We have processes in place to handle Subject Access Requests ('SAR') and Erasure requests.

Where required, Auto Trader obtains consent to collect personal data to service consumer enquiries about products, services, or vehicles advertised on our marketplace. Separate, explicit consent is obtained to contact consumers for marketing purposes. Where we do pass on personal data, we carefully vet third-party service providers to ensure they are aware of their responsibilities, including the security of personal information, and use it only to fulfil the service they provide on our behalf.

In case of data loss incidents, we follow a rigorous management process, report notifiable breaches promptly to regulatory authorities, and take remedial action swiftly to ensure incidents are fully mitigated.

FCA COMPLIANCE

Auto Trader Limited, the main trading subsidiary of the Group, is authorised by the FCA for consumer credit and insurance intermediary activities. Our activities primarily relate to providing finance and insurance introductions to consumers for third parties (retailers or commercial partners). We have introduced consumer journeys for some of our regulated activities as part of our digital retailing proposition using the technology of Blue Owl Limited (trading as 'AutoConvert'), a wholly owned subsidiary which is an Appointed Representative of Auto Trader Limited in respect of consumer credit activities.

Autorama UK Limited (trading as 'Vanarama') is authorised by the FCA for consumer credit activities relating to brokering leases to retail and trade customers. Autorama UK Ltd also maintains the required FCA permissions to support a managed exit from providing Guaranteed Asset Protection ('GAP') insurance in accordance with its previous distribution model. We have introduced, and continue to develop, consumer journeys where consumers start their journey on Auto Trader and complete an onward journey with Vanarama.

We have specialist internal resource within our Governance, Risk and Compliance team across Auto Trader Limited and Autorama UK Limited with significant experience of working in FCA regulated businesses, and we have developed a detailed governance framework to ensure that we comply with the principles, rules and guidance applicable to our activities.

We have a comprehensive suite of policies, training and monitoring procedures to ensure awareness of and compliance with the requirements, including financial promotions, product change management, complaint handling and vulnerable customers. Our Customer Charter outlines our commitment to delivering good outcomes for consumers.

During the year, our compliance monitoring framework has supported us to continue to embed the requirements of the Consumer Duty, whilst also allowing us to keep pace with a period of change in the regulatory landscape that underpins motor finance.

We apply the FCA's Senior Managers & Certification Regime at Auto Trader Limited and Autorama UK Limited. The Auto Trader Leadership Team all take up roles of Senior Managers or Certified Functions at Auto Trader Limited. The Autorama UK Limited Board and other specific members of the Auto Trader Leadership Team make up the Autorama UK Limited Senior Managers population, with a number of non-Auto Trader Leadership Team members taking up roles as Certified Functions. All of these individuals have been assessed and certified as Fit and Proper. All employees are subject to the Conduct Rules and have received appropriate training and guidance.

BUSINESS ETHICS AND COMPLIANCE

We are committed to operating in a responsible and compliant way. Our governance framework, values, internal policies, processes and controls, training programmes and performance review systems are designed to support a culture of high standards, trust and integrity.

We have zero tolerance for bribery, corruption and financial crime in our business and in dealings with our customers, suppliers and other third parties we engage with. All of our employees, including contractors and Board members, complete annual online training on information security, GDPR, anti-bribery and corruption, tax evasion, anti-money laundering, modern slavery and whistleblowing.

Our Company values put ethical standards at the heart of our day-to-day decision-making and actions. We take all reasonable steps to prevent unethical practices and risks to consumers. We do not work with any service provider, customer, or supplier that does not align with our values.

We have performed a Group-wide review of our counter-fraud and financial crime framework. This involved a refresh of our financial crime risk register and we considered various vectors for financial crimes, such as: where Auto Trader could be the victim of a financial crime; where Auto Trader's systems and platforms could be exploited by criminals to defraud other users of our site; and where employees and/or associated persons could commit financial crimes which might seemingly 'benefit' Auto Trader.

GRIEVANCE REPORTING OR ESCALATION PROCEDURES

We aim to create a working environment in which all individuals enjoy coming to work, where they can perform at their best, and where they are free from discrimination or harassment.

We foster a culture of open and healthy conversations, mutual appreciation and respect. We do not tolerate any behaviour that undermines this aim. We are committed to a culture where staff can freely report any issue or concern, and access support via the escalation procedures we have in place. Our grievance policy sets out both informal and formal avenues for addressing concerns.

MAINTAINING A TRUSTED MARKETPLACE

Auto Trader aims to offer a marketplace that is relevant, reliable and fair. We ensure that advertisements shown are accurate and genuine, which is important for both our consumers and customers. Our goal is to deliver a valuable service and an engaging user experience.

RETAILER FEEDBACK

We actively gather retailer and consumer feedback to improve our products and services, ensuring market-leading solutions and support to our retailer partners. We monitor consumer sentiment across various products and channels, reviewing thousands of feedback items weekly.

PRODUCT RESEARCH AND TESTING

When we bring a product to market, we undertake thorough discovery to ensure solutions meet the varied needs of our retailer partners and consumers. Retailers participate at all stages, including beta testing prior to scaling solutions.

SENTIMENT TRACKING

We survey retailers monthly to gather structured feedback on our partnership relationship, satisfaction, value for money, and brand sentiment.

VOICE OF THE CUSTOMER

We monitor feedback gathered by our Partnerships community from retailers during inbound and outbound calls each week. This helps us measure retailer sentiment and respond promptly to market challenges they might be facing.

CONSUMER SENTIMENT

We maintain very positive feedback scores on Trustpilot (4.7/5 from 99k reviews), iOS App Store (4.8/5 from 274.k reviews), and Android Play Store (4.8/5 from 97.8k reviews).

TAG VERIFICATION

We hold the Brand Safety Recognition seal from Trustworthy Accountability Group ('TAG'), the leading programme fighting criminal activity and protecting brand safety in digital advertising. This recognition confirms our compliance with global standards against fraud, malware, and threats to brand safety, acknowledging our efforts to enhance trust and transparency in the industry.

VSTAG FORUM

We lead the Vehicle Safe Trading Advisory Group ('VSTAG'), an industry forum we founded in 2006, that includes the UK's top online automotive advertisers and advisors, the Metropolitan Police, Get Safe Online and Action Fraud. Together, we aim to reduce online vehicle crime and protect buyers and sellers of used vehicles from fraud.

IMPLEMENTING CONSUMER DUTY

The FCA's Consumer Duty took effect on 31 July 2023, establishing higher standards of consumer protection within financial services. This Duty aligns well with our objectives of enhancing transparency in the car buying process, positioning us favourably to comply with the requirements.

Following the successful execution of our implementation plan, which included collaboration with our internal audit partners to conduct a readiness review in early 2023 and an effectiveness review in March 2024, compliance with the requirements of the Duty are now fully embedded in our policies and procedures.

We are confident in our ongoing compliance with the Duty and are well prepared to continue to meet its requirements and adapt as necessary as the FCA reviews the Duty rules during 2025.

MODERN SLAVERY

We are committed to preventing slavery and human trafficking in our business and supply chains. We require the highest standards of honesty and integrity in all our business dealings and relationships. We will not tolerate the mistreatment of people in our employment and employed in our supply chain. We are opposed to all forms of discrimination with respect to employment and occupation, modern slavery, human trafficking, forced or compulsory labour and child labour in our business and supply chain. Our Modern Slavery Act statements can be found here: plc.autotrader.co.uk/media/atufuyrt/at_modernslaverypolicy_2024.pdf. During 2025, no incidents of modern slavery or human rights abuse were identified or reported in our business or supply chain.

HUMAN RIGHTS

Auto Trader is committed to supporting human rights and is opposed to all forms of discrimination in our business activities, relationships and supply chain. We have zero tolerance towards modern slavery, human trafficking, forced or compulsory labour and child labour. Through compliance with national laws and our internal policies, we are committed to supporting human rights and adhere to internationally recognised human rights principles. In line with our commitment to creating a diverse and inclusive culture, our internal policies require respect and equitable and fair treatment of all persons we come into contact with. All employees are paid above the Real Living Wage. We are an accredited Living Wage Employer. We safeguard our employees through a framework of policies and statements including Modern Slavery, Gender Pay, Flexible Working, Equal Opportunities and Inclusion Policies. All employees receive training to ensure they can identify the different types of modern slavery and the action they can take if they have any concerns.

WHISTLEBLOWING

We are committed to carrying out all business activities in an honest and open manner and strive to apply high ethical standards in all our business dealings. We actively cultivate a transparent and open culture, encouraging our employees to speak up whenever they have concerns, if they suspect anything inappropriate, or experience any serious malpractice or wrongdoing in our business. We believe this contributes to a fairer and more transparent marketplace where customers and consumers know that we can be trusted. We have an internal reporting facility for employees to discuss concerns and we also operate an anonymous and confidential whistleblowing helpline through an independent organisation. Reports are directed to the Audit Committee Chair and the Company Secretary or via an independent hotline.

TAX TRANSPARENCY

Auto Trader is committed to being a responsible taxpayer. We ensure responsible tax management with a strong controls culture, governance, and well-defined processes and controls. The Audit Committee oversees our tax-related risks within the Group's governance framework, with our tax policy being reviewed and approved annually. Our processes and controls are designed to ensure accuracy in the Group's tax filings, minimising the potential for errors. We recognise the role that tax plays in supporting wider society, contributing to the funding of public services and infrastructure that benefit communities and the economy. We are committed to fulfilling our tax obligations responsibly and paying the appropriate amount of tax at the right time in accordance with relevant legislation. In 2025 our total tax contribution was £230.2m (2024: £213.9m). Taxes borne by the Group totalled £105.9m (2024: £100.9m), made up of corporation tax, employer's NICs and stamp duty. Taxes collected by the Group totalled £124.3m (2024: £113.0m), comprised of PAYE deductions, employees' NICs and net VAT collected. Our full tax strategy (approved by the Audit Committee on 5 February 2025) is available at: plc.autotrader.co.uk/media/m4vdqotp/at_grouptaxpolicy2025.pdf.

PAYMENT PRACTICES REPORTING

We publish information about our supplier payment practices and performance. On average, Auto Trader takes 36 days (2024: 36 days) to pay our supplier invoices, with 98% (2024: 99%) paid within agreed terms during the reporting period.

SUPPLIER ESG ENGAGEMENT

We hold ourselves and our suppliers to the highest standards of behaviour. We want to engage suppliers that share our values and collaborate with them to build a stronger, more responsible supply chain.

We have an established supplier engagement strategy and the information we collect through our supplier engagement/onboarding process, complemented with our Ethical Procurement Questionnaires, provides us with greater insight into numerous aspects of our suppliers' performance, including their ESG practices.

As part of our environmental strategy, we have expanded our discussions on sustainability with those suppliers who account for our highest carbon emissions to deep dive into understanding where our suppliers are on their own sustainability journey. Additionally, this year we have launched our own internal Supplier Sustainability Ratings, which use simple criteria to establish which of our suppliers are at the beginning of their sustainability journeys and which are advanced and a leader in terms of targets, actions, initiatives and reducing their own emissions. We have published a Supplier Code of Conduct which outlines Auto Trader's stance on important matters and our expectations of our suppliers.

FURTHER INFORMATION

To find out more about all of our governance & compliance policies, please go online:

plc.autotrader.co.uk/esg/policies-reports

To find out more about how we are protecting our customer and consumer data, please go online:

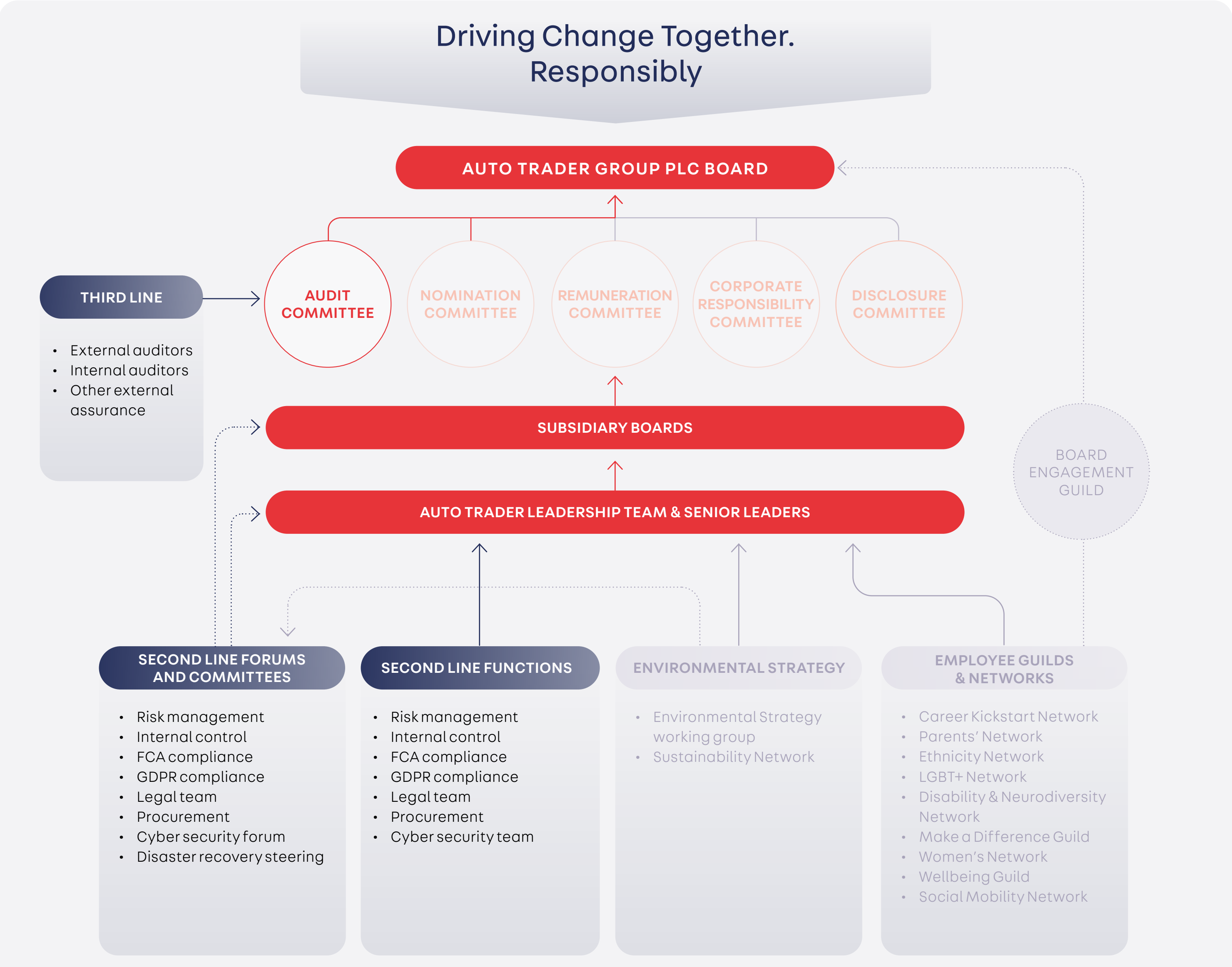
autotrader.co.uk/privacy-notice

plc.autotrader.co.uk/privacy-cookies

Our risk management arrangements

Effective risk management supports sustainable long-term growth aligned with our purpose of Driving Change Together. Responsibly.

The Board is responsible for determining the nature and extent of the risks the Group is willing to take to achieve its strategic objectives. The Board is responsible for establishing and maintaining effective risk and internal controls frameworks and the Audit Committee independently monitors the frameworks' effectiveness.



WORKING RESPONSIBLY P29
GOVERNANCE OVERVIEW P74

OUR RISK MANAGEMENT PROCESS

We use a four-step process to manage principal risks. The Auto Trader Leadership Team ('ALT') and risk owners in the 1st Line of Defence identify, assess, mitigate, and monitor their risks. They report to the PLC Board on risk management through our governance structure. The process is summarised opposite.

RISK IN THE BOARDROOM

Our risk management process works hand-in-hand with our strategy. Whilst the Board reviews the Group's risk register at least half-yearly, risk is a factor considered within every agenda item at every Board meeting. In the last year the Board has discussed topics including changes within automotive economy, our technology strategy & cyber security, and the potential impacts to the automotive finance market which could arise from the ongoing legal challenges surrounding commissions.

Board papers also capture considerations of potential risks arising from new initiatives. Accordingly, risk is an ever-present factor in all decisions made by the Board. Our principal risks have also been considered as part of the material decisions made by the Board (see page 19). The decision to the move to a new office in 2026 is a step towards mitigation of our Employees risk. The introduction of Co-Driver is a mitigation to our Innovation and Competition risks.

PRINCIPAL RISKS AND UNCERTAINTIES P65

EFFECTIVE RISK MANAGEMENT

1 IDENTIFY

We identify key risks using a top-down and bottom-up approach through three mechanisms:

- The Board, ALT, senior managers and Group's Governance, Risk and Compliance ('GRC') team perform continuous horizon scanning.
- Embedding 2nd Line Functions into teams executing strategic initiatives.
- GRC-facilitated risk workshops with ALT and senior managers.

All new risks are captured on the Group risk register which is reviewed by the Board at least half-yearly.

2 ASSESS & QUANTIFY

All risks are evaluated to establish their root causes, the impact, the likelihood of occurrence, and the time between the risk occurring and its impact being felt. Risk assessments consider financial, reputational, regulatory, customer, consumer, and operational impacts. Risks are then categorised as:

- Existential risks: those with the potential to cause fundamental change within our organisation and wider industry.
- Operational risks: those arising out of the existing business activities.
- Emerging risks: those which relate to new initiatives, new products and new laws and regulations.

3 RESPOND & MITIGATE

Assessing risks helps us to determine the most suitable mitigation plan. Risk owners consider whether existing controls and mitigations reduce the risk to an acceptable level. 2nd Line Functions provide support to ensure that the response is consistent with our Group risk appetite. Additionally, challenge on risk response is provided from 2nd Line Functions, Forums, and Committees. If the residual level of risk after mitigation remains above our risk appetite, then action plans are agreed to reduce the risk to an acceptable level.

4 MONITOR, REVIEW & ASSURE

The key controls are monitored throughout our governance structure, including:

- Ongoing monitoring by 2nd Line Functions.
- Monthly and quarterly 2nd Line Forums and Committees, including Risk Forum, Cyber Security Forum, FCA Compliance, and Trust Forum.
- A risk-based Internal Audit plan which delivers 4-5 assignments per year.
- Other third-party and specialist monitoring and assurance.

The Board reviews the outcomes of assurance activities on an as-needed basis. The Board also reviews the Group's risk register at least half-yearly and assesses the adequacy and effectiveness of mitigating actions in line with our risk appetite.

RISK APPETITE

The Board has assessed the principal risks Auto Trader faces, including those from our strategy and the wider market. It has set a risk appetite that guides our response to these risks. Our risk appetite can be summarised as follows:

FLEXIBLE

Auto Trader acknowledges that, in some circumstances, fast-paced and innovative development of new products within the technology space presents significant opportunities and taking advantage of these opportunities may result in financial loss. We consider whether opportunities can outweigh the downside risks, and therefore, in pursuit of our strategic objectives, we are flexible about taking risks which relate to product innovation, addressing competitive threats, and/or making the most of market opportunities.

CAUTIOUS

As we pursue our strategic objectives, we must remain cognisant of the potential for them to have conflicting impacts on our stakeholders, including employees, suppliers and third parties, and the environment. Owing to the potential for these risks to have significant knock-on impacts across a wide range of categories, we are cautious about taking risks in relation to such areas.

AVERSE

We are averse to taking risks which conflict with our values; risks which could damage our reputation; risks which threaten the security of our systems and technology; risks leading to a breach of laws, regulations or financial covenants; and/or risks which could compromise the organisation's going concern status. Across these categories we take all reasonable steps to ensure our business activities do not give rise to significant risk of damage to our stakeholders, and in pursuing our strategic objectives we are averse to exposing ourselves to higher levels of risk knowingly.

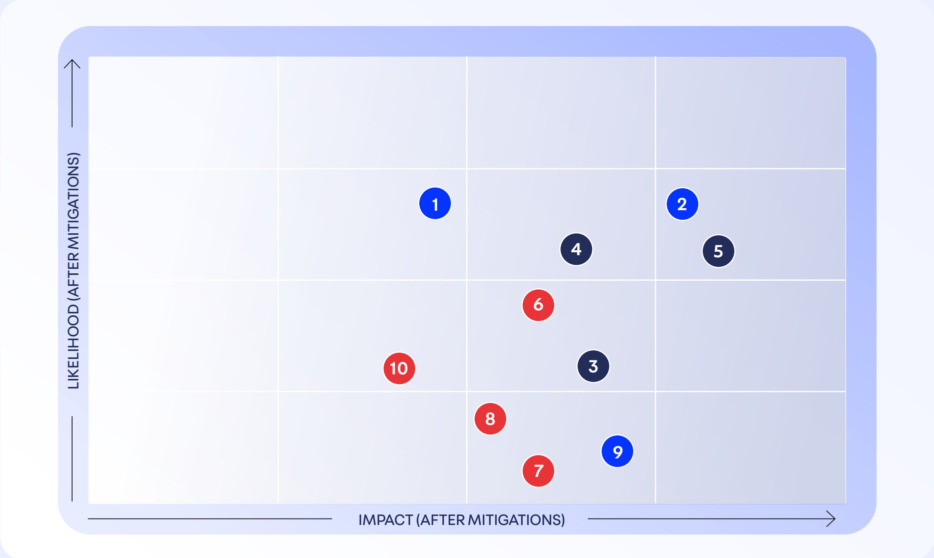
02 - 72

OUR PRINCIPAL RISKS IN 2025

The risk landscape is always evolving. Our strategy is linked intrinsically to our principal risks and our principal risks can be grouped into three categories:

1. Risks to Auto Trader and the automotive retail industry as a whole.
2. Risks we face from external sources.
3. Risks we face from internal sources.

The matrix below summarises our view for FY24 of the extent to which the Group is exposed to each of our principal risks:



- 1 Macro risks
- 2 Automotive economy, market and business environment
- 3 Legal and regulatory compliance
- 4 Competition
- 5 IT systems and cyber security
- 6 Employees
- 7 Brand and reputation
- 8 Failure to innovate
- 9 Climate change
- 10 Reliance on third parties and partners

- Risks which could affect the wider industry
- Risks we face from external sources
- Risks we face from internal sources

The evolving risk landscape & emerging risks

Identification of new and emerging risks is crucial to our risk management process. Details of each of our principal risks can be found in the following pages 66 to 70 and we have summarised below the most significant and material emerging risks:

RISKS AFFECTING THE AUTOMOTIVE INDUSTRY

- Global tariffs could affect automotive supply chains, which could lead to increased new car prices. However, the new car segment of the UK automotive industry may benefit from the tariffs if OEMs consider the UK as an increasingly attractive place to sell.
- EVs are making up an increasing proportion of new car registrations, however pricing of EVs remains the biggest barrier to mass adoption and the increased sales of EVs have been driven largely by the fleet segment. Recent changes to the ZEV mandate will provide OEMs with greater flexibility as they work towards 2030. We also expect that this change will help to support overall registrations of new cars in the UK which should bolster used car volumes in the following years.
- There is uncertainty about how the automotive finance industry could be impacted by the investigation into discretionary commission agreements ('DCAs'). Similarly, there is uncertainty about the potential impacts of the Supreme Court's hearing on disclosure of commissions. The outcomes of this hearing are expected during the summer of 2025.

RISKS WE FACE FROM EXTERNAL SOURCES

- The competitive landscape is increasingly complex. We continue to monitor potential threats posed by our traditional competitors, as well as 'big-tech' players entering the automotive retail industry.
- Within society, there is a trend towards increasing political and societal polarisation and there is a risk of societal discourse permeating into the workplace, leading to a negative impact upon our culture.
- The increasing prevalence of AI creates a new cyber-attack vector. Criminals will continuously seek more sophisticated and effective methods to attack businesses, and we are continuously investing in our defences.

RISKS WE FACE FROM INTERNAL RISKS

- As we progress with our platform strategy, we are increasingly reliant on technology partners to help us to service our customers. Ensuring that we maintain good relationships and communications with them is key to providing the best possible service to our mutual customers.
- Recent years have seen an increase in the number of automotive brands in the UK. There are now over 70 brands operating in the UK compared to 45 in 2019. There is an opportunity for us to support these brands by introducing them to our audience and to provide our consumers with informative content about the vehicles that these brands offer.

How we mitigate our emerging and principal risks

IDENTIFYING, ASSESSING, RESPONDING TO AND MONITORING THE GROUP'S PRINCIPAL RISKS

The Board has carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The principal risks and uncertainties are detailed in this section. Additional risks and uncertainties to the Group, including those that are not currently known or that the Group currently deems immaterial, may individually or cumulatively also have a material effect on the Group's business, results of operations and/or financial condition.

STRATEGIC PROGRESS **P13**
KPIs **P22**

OUR STRATEGIC PRIORITIES

Marketplace
Platform
Digital retailing
Working responsibly

1. MACRO RISKS

Increasing

RISK AND POTENTIAL IMPACT

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.

KEY CHANGES AND OUTLOOK

- Global tariffs are creating economic uncertainty. Whilst Auto Trader is not affected directly by global tariffs, we remain wary of the potential knock-on impacts. Disrupted supply chains, for example, could lead to heightened costs.
- Global tariffs will likely impact our key stakeholders in the short term, especially OEMs. The tariffs could even have a favourable impact on the UK automotive industry if OEMs see the UK as an increasingly attractive location to sell new cars.
- The conflict in Ukraine continues to have knock-on economic impacts in the UK, and the potential for escalation of conflict in the Middle East remains a threat to supply routes between Asia and Europe.
- Despite the increasingly uncertain geo-political landscape, we remain financially resilient to major shocks and incidents. We continue to carry very low levels of debt, and our Syndicated RCF remains available to us.

HOW WE MANAGE THE RISK

- We monitor external events continuously. The ALT and the Risk Forum both evaluate the ways in which our business could be impacted from external events, both in the short term and in the longer term.
- We continuously review our business continuity and crisis management arrangements to ensure that they consider the impacts of external events, including those which might affect our customers.
- Our business continuity plan ('BCP'), IT disaster recovery plan ('ITDR'), and wider crisis management arrangements all set out the key steps required for us to respond to major events and restore operations in the event of downtime.
- Our crisis response team includes senior leadership and internal experts. Nominated delegates minimise single person dependencies. Where necessary we also have external advisors available to support us in our response.
- Our crisis management arrangements are tested regularly via simulated crisis scenarios, and we capture lessons learned to continually improve our crisis management arrangements.

2. AUTOMOTIVE ECONOMY, MARKET AND BUSINESS ENVIRONMENT

Unchanged

RISK AND POTENTIAL IMPACT

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.

KEY CHANGES AND OUTLOOK

- New car supply was stable in FY25 but still below pre-pandemic levels.
- Throughout much of FY25, consumer demand exceeded the supply of used cars, resulting in fast speed of sale. However, our revenues did not fully benefit from this trend because retailers better utilised our slot-based advertising model.
- Despite the strong demand and low used car supply, year-on-year used car retail prices were stable throughout FY25. This situation, coupled with intense competition for used car inventory and high trade prices, created a challenging environment for our customers.
- High operating costs, inflation, and high interest rates on stocking loans put financial pressure on our customers.
- Looking to the future, softening of the ZEV mandate targets should help with overall new car registrations, supporting used car supply in the future years.

HOW WE MANAGE THE RISK

- We monitor new and used car transactions closely, using data from SMMT and DVLA. We also monitor behaviour on our marketplace and engage closely with our customers and consumers to assess market health.
- We use our own Auto Trader Retail Price Index and valuations data to monitor the pricing trends of used cars by trade sellers.
- We publish reports containing data and insights to help retailers understand the state of the automotive market.
- We adopt a partnership approach to support our customers in getting value from our products. By democratising our data, we provide retailers with the tools to enable them to inform their stock sourcing and pricing strategies.
- We continuously enhance existing products and seek opportunities to develop new products to support our customers.
- Our culture of agility and innovation enables us to respond quickly to new and emerging threats and opportunities.

OUR STRATEGIC PRIORITIES

Marketplace
Platform
Digital retailing
Working responsibly

3. LEGAL AND REGULATORY COMPLIANCE

Unchanged

RISK AND POTENTIAL IMPACT

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 execute our strategic objectives.

KEY CHANGES AND OUTLOOK

- We do not believe that Auto Trader will be directly or materially impacted by the recent Court of Appeal judgment against certain automotive finance lenders, which is currently awaiting the result of an appeal heard in April 2025 to the Supreme Court. We have made the relevant changes in our leasing journey to disclose and capture consent for commissions. We do not expect further product changes to be required to Deal Builder but continue to monitor the situation closely. Similarly, Auto Trader is not directly or materially impacted by the current FCA investigation into the discretionary element of commission arrangements. We believe that a technology enabled, transparent process for automotive finance will benefit car buyers, lenders and retailers under all scenarios.
- Changes to the regulatory landscape in the coming years include: the Economic Crime and Corporate Transparency Act; the Digital Markets, Competition and Consumers Bill; and the Data (Use and Access) Bill. Work is ongoing to ensure that we are compliant with all emerging laws and regulations. Changes to the regulatory landscape in the coming years include: the Economic Crime and Corporate Transparency Act; the Digital Markets, Competition and Consumers Bill; and the Data (Use and Access) Bill. Work is ongoing to ensure that we are compliant with all emerging laws and regulations.
- Continued scaling of Deal Builder and Leasing will heighten our exposure to the risks of non-compliance with GDPR and FCA regulations and our Governance, Risk and Compliance ('GRC') team continues to partner with product teams to build compliance into the design of our products.
- The regulated entities within the Group continue to comply with the FCA's Senior Managers & Certification Regime and relevant individuals have been assessed and certified as Fit and Proper. All employees are subject to the FCA's Conduct Rules and have received appropriate training and guidance.

HOW WE MANAGE THE RISK

- We continuously monitor the legal and regulatory landscape to identify and evaluate potential changes in laws and regulations. We utilise external specialists for specialist advice where needed.
- Our mature governance framework oversees our legal and regulatory risks. Governance forums receive internal reporting on our compliance with the principles, rules, and guidance applicable to our regulated activities. These forums then report to the Risk Forum.
- Our Governance, Risk and Compliance team ('GRC') consists of legal and regulatory expertise. GRC are embedded within the product development process to ensure that legal and regulatory compliance is built into the design of products.
- Regular 'product reviews' are performed by GRC to assess compliance with the FCA Consumer Duty.
- Our suite of policies is reviewed regularly. These policies are supplemented by mandatory training for all employees to ensure awareness of, and compliance with, regulatory requirements.

4. COMPETITION

Increasing

RISK AND POTENTIAL IMPACT

External measures show that we are maintaining our position as the largest and most engaged automotive platform.

Nevertheless, we remain wary of competitive threats, including big-tech and social media, who could develop products which fundamentally disrupt the car buying journey, and/or provide superior retailer products. This could lead to a loss of market share.

KEY CHANGES AND OUTLOOK

- Large technology organisations such as Meta, Google, eBay, and Amazon continue to operate in segments of the automotive sector.
- Recent competitive developments include TikTok, who recently launched Automotive Ads. In the US, Amazon launched Amazon Autos, and eBay acquired Caramel, and we are monitoring the potential for them to expand their presence in the UK automotive sector. We also closely monitor the activities of our traditional competitors.
- Notwithstanding the increasingly complex competitive landscape, we have maintained our position as the UK's largest and most engaged automotive platform, with over 75% of all minutes spent on automotive classified sites spent on Auto Trader.

HOW WE MANAGE THE RISK

- Continued investment in our branding and marketing helps us to protect and grow our audience. This aims to maintain our position as the most influential website for consumers when purchasing a vehicle.
- We monitor competitor activity closely through monthly reporting and formal quarterly competitor reviews. The competitive landscape is regularly reviewed at ALT and Board level.
- We continue to invest in and develop our product offerings to ensure we offer value to consumers, retailers, and manufacturers.
- We work in an agile way which enables us to respond quickly to emerging competitive threats.
- We work with OEMs to develop solutions to enable them to advertise their new car pipeline stock on our website.

OUR STRATEGIC PRIORITIES

Marketplace | Platform | Digital retailing | Working responsibly

5. IT SYSTEMS AND CYBER SECURITY

Increasing

RISK AND POTENTIAL IMPACT

As a digital business, we rely on our IT infrastructure to provide our services. A disruptive cyber security and/or business continuity incident 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 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.

KEY CHANGES AND OUTLOOK

- Our Cyber Security team and Disaster Recovery Forum have continued to monitor the number and severity of incidents and vulnerabilities. We have not experienced any major or material disruptions or cyber-attacks in the last year.
- We continuously invest in our cyber defences, for example we are in the process of rolling out passkeys for employees to authenticate onto their machines. We are also in the process of rolling out Mac laptops to all our employees which will improve the efficiency of employees as well as improve our security.
- We have reviewed and refreshed our data retention and deletion policies. This will reduce the amount of data that we hold, reducing the risk of data breaches.
- We have migrated from NIST version 1.1 to version 2.0. Our Cyber Security Forum monitors the maturity of our cyber framework and security remains central to the design of all our products and services.

HOW WE MANAGE THE RISK

- We have a BCP and ITDR which are regularly reviewed and tested.
- We continuously monitor the availability and resilience of processing systems and services.
- All our systems are cloud-based which heightens both our resilience to incidents, and our ability to recover quickly and efficiently.
- We have dedicated security teams, including white hat hackers, who carry out regular penetration testing of our systems to identify and fix potential vulnerabilities.
- All employees undergo IT security awareness training on at least an annual basis.
- We have embarked upon a multi-year project to upgrade our internal systems used by our customer and consumer support teams.
- We adopt the NIST 2.0 Cyber Security Framework to manage and reduce cyber security risks. Our cyber security framework includes control activities such as firewalls to prevent external access, multi-factor authentication, conditional access, third-party application security, regular application penetration testing, and data minimisation and retention policies.

6. EMPLOYEES

Increasing

RISK AND POTENTIAL IMPACT

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.

Delivery of our strategy is also dependent on us building a diverse, inclusive and representative workforce, a supportive, collaborative culture, and a safe environment, all of which will enable optimum performance from all our employees.

KEY CHANGES AND OUTLOOK

- Our Company values, which were refreshed in FY24, have now embedded fully across Auto Trader and Autorama.
- In FY25 we evolved our organisational structure. This aims to heighten collaboration, efficiency, and opportunities for employees. Each Community has a Leadership Team who have delegated responsibility for operational matters within their Community / Collective.
- We also increased the size of our Auto Trader Leadership Team. This brings further diversity and expertise from around our business, including additional Product and Engineering skills.
- We have evolved our People Manager Hub to provide additional resources, tools, and guidance to People Managers. This will empower them to fulfil their responsibilities and to help develop all of our employees.
- However, across society there is increasing political and societal polarisation, and this has the potential to affect our employees and potentially have an impact on our culture. Nevertheless, employee attrition remains low and engagement remains high. Our Glassdoor rating is 4.6 out of 5.

HOW WE MANAGE THE RISK

- A values-led culture is embedded throughout the organisation and is central to our recruitment, induction, training and development processes.
- Active succession planning and career development for key roles and senior executives. These are coupled with long-term incentive plans for senior staff, including incentives linked to diversity, inclusion and sustainability.
- Regular employee engagement surveys and monitoring of Glassdoor ratings, coupled with an all-employee share award, aim to heighten retention and engagement of all employees.
- We have regular business updates, networks, guilds and all-employee conferences to maintain engagement.
- Career development plans aimed at developing all employees, especially those with ambitions to reach senior leadership. Talent development is part of the Terms of Reference of the Nomination Committee.
- Diverse Talent Accelerator and Inclusive Leadership programmes equip our employees, people leaders and future leaders with the skills to lead diverse teams.
- Health and Safety Committee reports to Risk Forum to ensure that all employees are working in a safe environment.
- Monitoring how Connected Working affects engagement, inclusion, employee safety and productivity. Any overseas working must be approved by People Operations to ensure the safety of our employees, security of our systems and compliance with all relevant laws and regulations.

OUR STRATEGIC PRIORITIES

Marketplace · Platform · Digital retailing · Working responsibly

7. BRAND AND REPUTATION

Unchanged

RISK AND POTENTIAL IMPACT

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.

KEY CHANGES AND OUTLOOK

- In line with our ambitions in New Car, in August 2024 we launched a major marketing campaign focused on driving buyers of new cars to our site.
- Our Customer Security team has continued to work proactively to block unscrupulous and potentially fraudulent activity on our website. The level of fraud remains low and our Trustpilot rating remains high at 4.7 out of 5.
- We have expanded our use of AI to improve our prevention and detection of potential frauds and scams, and this will continue to evolve in the coming years.
- We have continued to work with players in the industry to collectively fight against unscrupulous behaviours. We work closely with law enforcement to help them to prevent and investigate potentially criminal behaviour.
- We have reviewed and refreshed our crisis management plans to ensure that we are well prepared to respond in the event of a major incident.

HOW WE MANAGE THE RISK

- We invest in new and innovative marketing campaigns and new ways of engaging car buyers to continue to maintain brand awareness, and to change perceptions of Auto Trader to be a destination for new cars as well as used.
- We have a clear and open culture with a focus on trust and transparency and Community is at the heart of our values.
- Our Customer Security team proactively monitors our website to identify and quickly remove fraudulent or misleading adverts. Customer Security also works proactively with retailers, law enforcement and authorities, and the wider industry to highlight potential security concerns.
- Our approach to cyber security and data protection helps to protect us from the adverse impact of a significant data breach or cyber-attack. We also have mature breach reporting and crisis management programmes that enable us to identify, escalate and appropriately handle any emerging issues that could result in reputational damage.

8. FAILURE TO INNOVATE: DISRUPTIVE TECHNOLOGIES AND CHANGING CONSUMER BEHAVIOURS

Unchanged

RISK AND POTENTIAL IMPACT

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 safely and responsibly, 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 revenue.

KEY CHANGES AND OUTLOOK

- We have continued to scale Deal Builder. We now have c.2k retailers and c.84k vehicles on this product and feedback remains strong. Our future plans for Deal Builder involve increased marketing to consumers to help accelerate the uptake of the product.
- We have launched Co-Driver, a suite of customer-facing generative AI products which are designed to help retailers place high-quality adverts whilst at the same time reducing the time it takes to place an advert. We have also been working with technology partners to enable retailers to use Co-Driver within their own systems.
- We are investing in the growth of our Product and Tech Community. This will increase our agility, and the speed at which we can develop and deploy products. Our software development process continues to receive significant investment which enables us to design, build, and deploy software quickly, efficiently, and securely. We have deployed over 89k software releases in the last year.

HOW WE MANAGE THE RISK

- Continuous research into changing consumer behaviour, regular horizon scanning of competitive threats, monitoring of emerging trends and use of external resources when needed.
- We engage and maintain regular contact with digital marketplaces around the world, both automotive and non-automotive, to enable peer-to-peer sharing of good practice.
- We continuously work collaboratively with all key stakeholders to ensure that we are aware of their needs and challenges. Doing so helps us to identify the best possible solutions for them.
- An inclusive and diverse workforce enables us to maximise creativity and performance, leading to innovation.
- An agile and collaborative culture, as well as continuous investment in technology, maximises innovation.
- Dedicated workstreams as part of all our strategic priorities. These workstreams are aimed at developing the best products to meet the needs of the consumer and customer.

OUR STRATEGIC PRIORITIES

Marketplace · Platform · Digital retailing · Working responsibly

9. CLIMATE CHANGE

Decreasing

RISK AND POTENTIAL IMPACT

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 environmental impact. Failure to deliver on our environmental commitments could negatively impact our brand as a responsible business.

Failure to overcome the challenges caused by the shift from internal combustion engines ('ICE') to electric vehicles ('EVs') could inhibit their take-up. Factors include the purchase price of EVs, potential for improvements in public transport, new and expanded emissions zones, increasing taxes on EVs, and consumer uncertainty over the residual value of 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).

KEY CHANGES AND OUTLOOK

- The Labour Government has reinstated the 2030 ban on new ICE vehicles and extended the phase out date for hybrid vehicles to 2035. New EV sales in the UK accounted for 19.6% of new car registrations in 2024, below the ZEV mandate's 22%. However, OEMs avoided fines by purchasing credits from other OEMs and/or borrowing credits from future years.
- Fleet purchases drove sales of new EVs in 2024. OEMs applied discounts on new EVs in 2024, and whilst we expect this to continue into 2025, the softening of the ZEV mandate will provide OEMs with more flexibility in their transition to EVs.
- Price disparity between ICE and EVs remains the primary barrier to mass-adoption of EVs. Other factors include price inequality between public and private charging, and the availability and reliability of public EV charging.
- Introduction of Mac laptops to our employees will reduce our own climate impact.
- Updated data retention policies will also lower our data storage and energy usage.

HOW WE MANAGE THE RISK

- We are evolving our marketplace to provide consumers with information about EVs. A cross-functional team is focusing on helping consumers make environmentally friendly vehicle choices.
- We lobby Government and share our data and insights to help guide policy on how to decarbonise the automotive industry.
- As part of our climate commitments, we are focusing, not just on our own carbon footprint, but positively supporting the industry to decarbonise. Our partnership with the Carbon Literacy Project provides training and insights to employees and external stakeholders.
- Our Corporate Responsibility Committee oversees our environmental commitments, and work to reduce our carbon emissions continues.
- We evaluate the environmental record and commitments of suppliers within our procurement processes.
- By digitising the automotive retail sector, we provide customers and consumers with purchasing options should extreme weather events lead to short-term retailer forecourt closures.

10. RELIANCE ON THIRD PARTIES AND PARTNERS

Unchanged

RISK AND POTENTIAL IMPACT

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.

KEY CHANGES AND OUTLOOK

- Retailers can use Auto Trader's systems to access our services and data, whereas others use third-party technology systems that we have integrated with. We continue to work with these technology partners to enable our customers to use our platform capabilities.
- Our strategy remains dependent upon working successfully with a wide range of technology partners and this is a critical focus of our new Professional Services Collective.
- Our Vehicle Check product has successfully rolled out and enables us to obtain directly from source, rather than via a third party.
- Despite the ongoing geo-political uncertainties over the last year, our supplier-base has remained resilient over the last year. We have not experienced any major disruption or downtime arising from suppliers.

HOW WE MANAGE THE RISK

- Our strategic approach is to build and develop tools and systems ourselves, rather than rely on outsourcing.
- Where possible, we limit reliance on single suppliers to reduce single points of failure.
- We maintain a list of critical suppliers and have contingency plans to respond quickly in the event of disruption.
- Contracts and service level agreements are in place with all key suppliers. New relationships go through a robust procurement and legal review process and are subject to regular review.
- We carry out due diligence on our key suppliers and partners at the onset of the relationship and throughout the life of these relationships. This includes financial viability, resilience and alignment with our values and culture.
- We seek to develop strong commercial relationships with our partners and regularly explore ways of working together even more effectively. We monitor the performance of partners and suppliers to ensure continued quality and uptime.

02 – 72

Viability statement

In accordance with the UK Corporate Governance Code 2018 (the 'Code'), the Directors have assessed the prospects and viability of the Group over a period significantly longer than 12 months from the approval of these financial statements.

ASSESSMENT OF PROSPECTS

The Group's overall business model and strategy, as set out on pages 12 to 13, are central to assessing its future prospects. The Group's aim is to continue growing its marketplace, which includes playing a larger role in new car sales and advertising, to surface the power of artificial intelligence ('AI') which will enhance our existing data products, and to move more of the car buying process online.

As such, key factors likely to affect the future development, performance and position of the Group are:

- data and technology: continuous investment is made in developing platform and AI technologies which lead to improvements for consumers, retailers and manufacturers;
- market position: the Group is the UK's largest and most engaged automotive marketplace, with the largest volume of in-market car buyers and the most influential website a consumer visits when purchasing a vehicle; and
- people: continued success and growth are dependent on the ability to attract, retain and motivate a highly skilled and diverse workforce, including those with expertise in data and technology.

The Board has determined that a period of five years to March 2030 is the most appropriate period to provide its viability statement as:

- it allows consideration of the longer-term viability of the Group;
- it being more aligned with the Group's strategic planning process; and
- it reflects reasonable expectations in terms of the reliability and accuracy of operational forecasts.

The Group's prospects are assessed primarily through its strategic planning process. This process includes an annual review of the ongoing plan, led by the Group CEO and CFO through the Auto Trader Leadership Team ('ALT') and in conjunction with relevant functions. The Board participates fully in the annual process and has the task of considering whether the plan continues to take appropriate account of the external environment including technological, social and macro-economic changes.

The output of the annual review process is a set of objectives which collectively form our three strategic focus areas and our Environmental, Social and Governance ('ESG') strategy, an analysis of the risks that could prevent the plan being delivered, and the annual financial budget. The latest updates to the plan were finalised in March 2025, which considered the Group's current position and its prospects over the forthcoming year. Progress against this plan is reviewed monthly by both the ALT and the Board.

Detailed financial forecasts that consider customer numbers, stock levels, ARPR, revenue, profit, cash flow and key financial ratios have been prepared for the five-year period to March 2030. Funding requirements have also been considered, with particular focus on the ongoing compliance with covenants attached to the Group's Syndicated Revolving Credit Facility ('Syndicated RCF'). The first year of the financial forecasts is based off the Group's 2026 annual financial budget. The following years are prepared in detail and are flexed based on the actual results in year one.

The key assumptions in the financial forecasts, reflecting the overall strategy, include:

- sustained growth in our marketplace, as we continue to develop our platform and invest in our search experience;
- growth in the use of our data, being the industry standard platform and further embedding our data into the automotive ecosystem, giving buyers and retailers up-to-date insight;
- growth in digital retailing, as we continue to evolve both our products and consumer experience, bringing more of the car buying process online; and
- increase in costs largely through salaries as the Group continues to grow, supporting and developing new products.

These key assumptions are reflected in the Group's emerging and principal risks and uncertainties, which are set out on pages 65 to 70 and over which the Directors have carried out a robust assessment. The purpose of the principal risks is primarily to summarise those matters that could prevent the Group from delivering on its strategy, including those that would threaten its business model, future performance, solvency, and liquidity. A number of other aspects of the principal risks – because of their nature or potential impact – could also threaten the Group's ability to continue in business in its current form if they were to occur. This was considered as part of the assessment of the Group's viability, as explained on the following page.

ASSESSMENT OF VIABILITY

The output of the Group's strategic and financial planning process detailed previously reflects the Board's best estimate of the future prospects of the business. To make the assessment of viability, however, additional scenarios have been modelled over and above those in the ongoing plan, based upon a number of the Group's principal risks and uncertainties which are documented on pages 65 to 70. These scenarios were overlaid into the plan to quantify the potential impact of one or more of these crystallising over the assessment period.

While each of the Group's principal risks has a potential impact and has therefore been considered as part of the assessment, only those that represent severe but plausible scenarios have been modelled through the Plan. These were as follows:

Scenario modelled	Links to principal risks
Scenario 1: Severe macro-economic shock As rising economic uncertainty and increasing geo-political volatility creates macro-economic instability, this scenario assesses the impact of an adverse macro-economic shock, similar to the last global financial crisis. This could have a significant impact on the automotive supply chain and impact consumer demand, resulting in the Group's customers being unable to trade profitably, leading to loss of revenue, stock, audience and market share. **Revenue assumptions:** Economic downturn lasting two years and c.30% of retailers cease trading. Underlying average revenue per retailer ('ARPR') decline through a loss of stock as retailers' budgets are constrained, leading to a c.40% decrease in Trade revenue. A c.40% decrease in all other revenue streams and a c.10% decrease in Autorama revenue were assumed due to reduced demand and consumer confidence. Modest recovery was assumed from financial year ended March 2028. **Cost assumptions:** Cost of sales and marketing decreased in line with revenue.	**Risk 1:** Macro risk **Risk 2:** Automotive economy, market and business environment
Scenario 2: Ransomware attack A ransomware attack could result in the loss of data and downtime of the Group's systems and infrastructure. This would result in reduced revenue and associated additional costs of regulatory fines, remediation and reputational damage. This scenario assumes a ransomware attack resulting in the maximum General Data Protection Regulation ('GDPR') fine (4% of Group revenue), coupled with a significant level of reputational damage to the Group's brand. This diminishes confidence in the Group's products and services, resulting in a reduction in audience and revenue. **Revenue assumptions:** A severe reduction was modelled through Trade revenue, resulting in an initial c.30% decrease in revenue driven by a shock loss of retailers. A c.30% decrease in all other revenue streams and a c.10% decrease in Autorama revenue were assumed due to loss of consumer and partner confidence in the Group's brand. Group performance assumed to stabilise in financial year ended March 2027 before gradual recovery from financial year ended March 2028 as a result of the work done to restore brand confidence and implement technical fixes. **Cost assumptions:** Cost of sales decreased in line with revenue. Overheads increased due to the regulatory fine for the data breach (maximum fine of 4% assumed), technical fixes, consultancy costs, and remediation costs. Marketing spend increased as a percentage of revenue in earlier years to counter reputational damage.	**Risk 3:** Legal and regulatory compliance **Risk 5:** IT systems and cyber security **Risk 7:** Brand and reputation
Scenario 3: Increased competition This scenario assumes a change in the competitive landscape as a result of the takeover of a competitor by a well-capitalised third party or the entry of a new player. The competitor could develop a superior consumer experience or retailer products. This could disrupt the Group's total market share and change retailer behaviour, impacting the Group's ability to grow revenues due to a reduction in retailer numbers and/or impact underlying ARPR due to a loss of pricing power. **Revenue assumptions:** Approximately 10% of retailers are lost in FY26, with underlying ARPR reducing through a loss of stock and pricing power, resulting in a c.25% decrease in Trade revenue over two years. A c.35% decrease in all other revenue streams and a c.10% decrease in Autorama revenue was assumed due to a decline in volumes and margins as a result of increased competition. Gradual recovery was assumed through retailers from financial year ended March 2028 as new products and packages are developed to counter the competitive threat. **Cost assumptions:** Marketing spend increased as a percentage of revenue in a bid to counter competitive threat. Cost of sales decreased in line with revenue.	**Risk 2:** Automotive economy, market and business environment **Risk 4:** Competition **Risk 8:** Failure to innovate: disruptive technologies and changing consumer behaviours
Scenario 4: Combination of all three scenarios as above This is seen as a worst-case scenario, and highly unlikely.	All of those listed in other scenarios

SYNDICATED REVOLVING CREDIT FACILITY ('SYNDICATED RCF')

The above scenarios consider the bi-annual covenants attached to the Group's Syndicated RCF, ensuring thresholds are met. The scenarios are hypothetical and severe for the purpose of creating outcomes that have the ability to threaten the viability of the Group.

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, it would be able to withstand the impact of any of these scenarios, remain cash generative and meet the obligations of its debt facility.

VIABILITY STATEMENT

Based on their assessment of prospects and viability above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period ending March 2030.

GOING CONCERN

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of preparation paragraph in note 1 to the financial statements.

The Company's Strategic report, set out on pages 1 to 72, was approved by the Board on 29 May 2025 and signed on its behalf by:

Nathan Coe
Chief Executive Officer
29 May 2025

Governance

How our business is governed in the best interests of our shareholders in alignment with the Code.

73 – 112

Dear shareholders,

Auto Trader is committed to upholding high standards of corporate governance and complies in full with the UK Corporate Governance Code 2018 ('the Code').

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

These reports detail our governance policies and procedures, and how we have applied the principles and provisions of the UK Corporate Governance Code 2018 (the 'Code'). The Code is available on the Financial Reporting Council website at frc.org.uk.

The Board considers that the Company complied with all provisions set out in the UK Corporate Governance Code 2018 during the year. The following pages, including the Committee reports, outline our governance arrangements, and detail how we have met the Code requirements.

The Board acknowledges the revisions to the Corporate Governance Code announced by the Financial Reporting Council ('FRC') in 2024, which will apply to Auto Trader in the coming financial years. Preparations are underway to ensure we will be compliant with the new requirements, including Provision 29 around the effectiveness of our material internal controls.

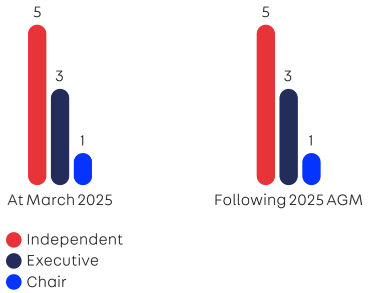
PLANNED LEADERSHIP SUCCESSION

As the Corporate Governance Code provides that there is a deemed loss of independence after nine years' service, over the past 18 months three of our Non-Executive Directors have reached the end of their third three-year terms and so succession planning has continued to be an area of focus in the year. At our AGM on 19 September 2024, Non-Executive Directors, David Keens and Jill Easterbrook, did not stand for re-election, in line with expectations, having both served their third three-year term. We are grateful for David and Jill's contribution as Non-Executive Directors and highly effective Committee Chairs. As previously stated, at the conclusion of the AGM, Geeta Gopalan who joined the Board on 1 May 2024 was appointed as Senior Independent Director and Remuneration Committee Chair, and Amanda James who joined the Board on 1 July 2024 was appointed as Audit Committee Chair.

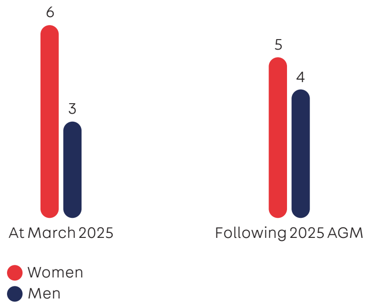
Jeni Mundy will come to the end of her third three-year term in 2025, and therefore will not stand for re-election at the 2025 AGM. Sigga Sigurdardottir will also be stepping down at the 2025 AGM as she comes to the end of her second three-year term.

As previously announced on 16 May 2025, the Board approved the appointment of Megan Quinn and Adam Jay with effect from 1 July 2025. Megan will be appointed as Corporate Responsibility Committee Chair at the conclusion of the 2025 AGM subject to shareholder approval. The Nomination Committee report on page 84 sets out these changes in more detail, including the process to identify and appoint the successful candidates.

Independence

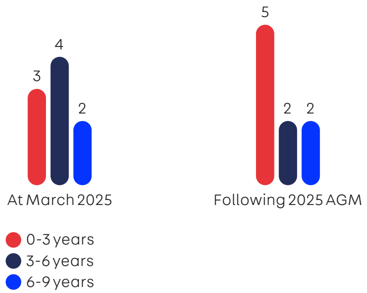


Gender diversity



Ethnic diversity[1]

Length of tenure[2]



1. As per the Parker Review, a Director was defined as being ethnically diverse if they identified as Asian, Black, Mixed or Other.
2. Refers to the period since appointment to the PLC Board.

INDUCTION

As a result of implementing our succession plan and refreshing the make-up of the Board, the induction process has become even more crucial for helping new Board members quickly and effectively understand the business. For more detailed information, see the induction process on page 82.

BOARD ACTIVITIES

Key items on the Board agenda can be found in the table on page 81. In addition to the scheduled meetings, the Board met for its annual two-day deep dive into the long-term strategy and business plans. The strategy days are used to look further into the future and to explore topics or trends that we believe will impact the business over a longer time horizon. In October 2024, time was spent reflecting on the wider automotive ecosystem in which we operate, how it has evolved over the last decade and how we expect it will evolve over the coming decade given current market trends.

ANNUAL GENERAL MEETING

Our Annual General Meeting ('AGM') will be held at 11:00am on Thursday 18 September 2025 at 4th Floor, 1 Tony Wilson Place, Manchester, M15 4FN. The other Directors and I will join the meeting either in person or by telephone. We strongly encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to ir@autotrader.co.uk.

Matt Davies
Chair
29 May 2025

COMPLIANCE WITH THE 2018 CODE

The Company has complied in full with all provisions of the 2018 Corporate Governance Code during the year as referenced below:

1 BOARD LEADERSHIP AND COMPANY PURPOSE

The Board is responsible for ensuring that the Group has a clearly defined purpose, business model, strategy and objectives to generate long-term sustainable value. It also assesses and monitors culture and how this has been embedded, and aligned with our values and behaviours.

The Strategic report, which can be found on pages 1 to 72, sets out the Group's purpose, strategy, objectives and business model.

Details of how the Board assesses and monitors culture can be found on page 79.

The Board's engagement and interactions with employees, shareholders and other stakeholders are described in detail on pages 18 to 21 and page 79.

2 DIVISION OF RESPONSIBILITIES

The responsibilities of the Chair, Chief Executive Officer, Senior Independent Director, Non-Executive Directors and Company Secretary are set out on page 80. The Board has adopted a formal schedule of matters reserved for its approval and has delegated other specific responsibilities to its Committees. The schedule sets out key aspects of the affairs of the Company which the Board does not delegate and is reviewed at least annually. Each Committee has formally approved Terms of Reference which are reviewed and approved at least annually, or more frequently as circumstances require. Details are published on our website at plc.autotrader.co.uk/investors.

At 31 March 2025, the Board consisted of the Non-Executive Chair, five Independent Non-Executive Directors and three Executive Directors. As part of our long-term succession planning, two new Independent Non-Executive Directors have been appointed, Megan Quinn and Adam Jay from 1 July 2025. Jeni Mundy and Sigga Sigurdardottir, existing Independent Non-Executive Directors since 2016 and 2019 respectively, will not stand for re-election at the 2025 AGM. Therefore the Board will continue to comprise majority Independent Non-Executive Directors.

The Board and its Committees have an appropriate balance of skills, experience and knowledge of the Group to enable them to discharge their respective duties and responsibilities effectively.

Refer to page 81 for details of Board and Committee meetings and attendance, and to the biographies on pages 77 to 78 for details of Board members' external commitments, all of which were approved by the Board.

3 COMPOSITION, SUCCESSION AND EVALUATION

The Board has established a Nomination Committee, chaired by Matt Davies, with all other members comprising Independent Non-Executive Directors. The main responsibilities of this Committee are to keep under review the structure, size and composition of the Board and its Committees; to identify and nominate candidates for appointment to the Board; and to ensure that there are formal and orderly succession plans in place. During the year, the Committee also arranged an internally facilitated review of the Board, its Committees and individual Directors.

The work of the Committee is described on pages 84 to 86.

4 AUDIT, RISK AND INTERNAL CONTROL

The Board has established an Audit Committee, chaired by Amanda James and comprised entirely of Independent Non-Executive Directors. The Board Chair is not a member of the Committee. The Committee has defined Terms of Reference which include assisting the Board in discharging many of its responsibilities with respect to financial and business reporting, risk management, internal control, internal audit and external audit.

The work of the Committee is described on pages 87 to 91.

The Company does not have a separate Risk Committee; the Board is collectively responsible for determining risk appetite, and the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. Refer to page 89 for details of the evaluation of the risk management and internal control framework, and to pages 62 to 70 for details of risk management and the principal risks facing the Company.

5 REMUNERATION

The Board has established a Remuneration Committee, chaired by Geeta Gopalan and comprised entirely of Independent Non-Executive Directors. The Remuneration Committee is responsible for determining the Remuneration Policy, and for setting remuneration for the Executive Directors, the Chair and senior employees; for monitoring the remuneration policies for the wider organisation; and for ensuring the alignment of reward with the culture of the organisation. The work of the Committee is described on pages 95 to 108.

Responsible Board leadership

COMMITTEE MEMBERSHIPS

- A Audit
- D Disclosure
- R Remuneration
- CR Corporate Responsibility
- N Nomination
- Chair

SKILLS AND EXPERIENCE

Matt joined Auto Trader as Chair Designate with effect from 1 July 2023, and was formally appointed as Company Chair with effect from the 2023 AGM.

Matt brings a wealth of UK retail, digital and brand experience. He is currently Chair at Greggs plc where he was appointed in August 2022, and Chair of Travel Counsellors.

Matt was formerly the Chair of N Brown Group plc and a Non-Executive Director of Dunelm Group plc, and was formerly the Chair of privately owned business, Hobbycraft. In his executive career, Matt was previously the CEO of Tesco UK & ROI from 2015 to 2018, before which he held CEO positions at Pets at Home and Halfords. Matt is a qualified Chartered Accountant and had early career corporate finance experience with Rothschild.

APPOINTED TO PLC BOARD

July 2023

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

- Greggs plc

SKILLS AND EXPERIENCE

Nathan was first appointed to the Board as Chief Operating Officer ('COO') in April 2017 and as Chief Financial Officer ('CFO') in July 2017. Nathan was appointed Chief Executive Officer ('CEO') in March 2020.

Nathan joined Auto Trader in 2007 to support the transition from a magazine business to a digital business. Prior to his appointment to the Board, Nathan was the joint Operations Director, sharing responsibility for the day-to-day operations of the business.

Prior to joining Auto Trader, Nathan was at Telstra, Australia's leading telecommunications company, where he led Mergers and Acquisitions and Corporate Development for its media and internet businesses. He was previously a consultant at PwC, having graduated from the University of Sydney with a B.Com (Hons).

APPOINTED TO PLC BOARD

April 2017

INDEPENDENT ON APPOINTMENT?

N/A

EXTERNAL PLC APPOINTMENTS

None

SKILLS AND EXPERIENCE

Catherine joined Auto Trader in August 2017 and was appointed as Chief Operating Officer in May 2019. Catherine is responsible for the day-to-day operations of Auto Trader's business. She is also focused on guiding the Group's strategy and development.

Prior to this, Catherine was Chief Operating Officer at Addison Lee, Corporate Development Director at Trainline and a Director at Close Brothers Corporate Finance.

Catherine is also a Non-Executive Director and Chair of the ESG Committee for Allegro.eu Group.

Catherine graduated from the University of Durham with a BA in Economics and is a qualified Chartered Accountant, training at PwC.

APPOINTED TO PLC BOARD

May 2019

INDEPENDENT ON APPOINTMENT?

N/A

EXTERNAL PLC APPOINTMENTS

- Allegro.eu Group

SKILLS AND EXPERIENCE

Jamie joined Auto Trader in 2012 and was appointed CFO in March 2020. Prior to this he was Auto Trader's CFO-Designate and Deputy CFO. During his time at Auto Trader, Jamie has worked in a variety of different roles across finance, covering commercial finance, financial reporting, pricing and investor relations.

Jamie initially worked as a freight derivatives broker for inter-dealer broker GFI. Jamie left to join a start-up company, Swapit, developing a children's online swapping and trading community, that was subsequently acquired by Superawesome.

Jamie graduated from Bristol University with a BSc in economics and economic history and is a qualified Chartered Management Accountant.

APPOINTED TO PLC BOARD

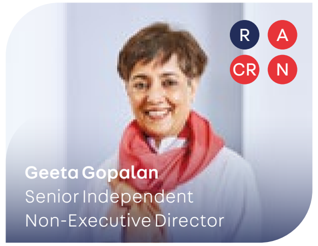
March 2020

INDEPENDENT ON APPOINTMENT?

N/A

EXTERNAL PLC APPOINTMENTS

None



SKILLS AND EXPERIENCE

Geeta was appointed as a Non-Executive Director to the Board effective 1 May 2024 and was appointed as Senior Independent Director and Remuneration Committee Chair with effect from the 2024 AGM.

Geeta currently serves as a Non-Executive Director of Natwest Group plc, Funding Circle plc, Intrum AB and as a Trustee of The Old Vic Theatre. She previously served as a Non-Executive Director of Virgin Money UK PLC, Dechra Pharmaceuticals Ltd, Ultra Electronics Plc, Wizink Bank SA and Vocalink.

She has over 25 years of experience in financial services and retail banking, particularly payments and digital innovation.

APPOINTED TO PLC BOARD

May 2024

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

- Funding Circle plc
- Intrum AB
- NatWest Group plc

SKILLS AND EXPERIENCE

Amanda was appointed as a Non-Executive Director to the Board effective 1 July 2024. She was also appointed as Audit Committee Chair with effect from the 2024 AGM.

Amanda was the Chief Financial Officer of NEXT Plc, one of the UK's largest FTSE 100 fashion, footwear, and home retailers, until July 2024. She retired from NEXT at the end of September 2024 after more than 28 years with the company. With an extensive background in finance, she held various roles in NEXT's finance department before being appointed CFO and joining the NEXT Board in 2015. Amanda is also an Independent Non-Executive Director of the Board of British Land plc and a member of the Audit Committee. In addition, Amanda joined Rightmove plc as a Non-Executive Director on 9 May 2025 and was appointed Audit Committee Chair from 1 June 2025.

APPOINTED TO PLC BOARD

July 2024

INDEPENDENT ON APPOINTMENT?

Yes

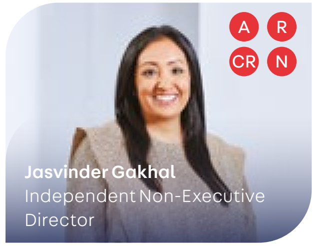
EXTERNAL PLC APPOINTMENTS

- British Land plc
- Rightmove plc

73 – 112

Board of Directors continued

COMMITTEE MEMBERSHIPS
A Audit · D Disclosure · R Remuneration · CR Corporate Responsibility · N Nomination · Chair



Jasvinder Gakhal
Independent Non-Executive Director

SKILLS AND EXPERIENCE

Jasvinder was appointed as a Non-Executive Director on 1 January 2022.

Jasvinder is the CEO of Money at the Skipton Group, responsible for the strategic expansion of the Money business and delivering on the Group ambition to support more members with their long-term financial wellbeing.

Prior to joining the Skipton Group Jasvinder held a number of senior leadership roles at Direct Line Group. Most recently she served on the Group Executive Team as Managing Director of Motor and Rescue and before that, Chief Strategy Officer and Managing Director of Direct Line for Business. She was also the Executive sponsor of the Group's Diversity & Inclusion strands.

Jasvinder is a champion of gender diversity and women in top positions in business. She has been named on Green Park's BAME 100 Board Talent Index, on the Cranfield University Top 100 women to watch in 2018 list and also featured on the Northern Power Women list of 'Top 50 Women to Watch'.

APPOINTED TO PLC BOARD

January 2022

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

None

Jeni Mundy
Independent Non-Executive Director

NOT STANDING FOR RE-ELECTION

SKILLS AND EXPERIENCE

Jeni was appointed as a Non-Executive Director on 1 March 2016.

She most recently served as Visa Inc's SVP, Global Head of Merchant Sales and Acquirers, where she was responsible for driving the growth of digital commerce for the world's sellers. Jeni joined Visa in 2018 as Managing Director for the UK and Ireland. Prior to that, she spent nearly two decades at Vodafone Plc, holding Group Director roles across product management and sales, and earlier serving as Chief Technology Officer on the UK and New Zealand Executive Boards.

Jeni began her career as a Telecommunications Engineer in New Zealand and holds an MSc in Electronic Engineering from Cardiff University.

APPOINTED TO PLC BOARD

March 2016

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

None

Sigga Sigurdardottir
Independent Non-Executive Director

NOT STANDING FOR RE-ELECTION

SKILLS AND EXPERIENCE

Sigga was appointed as a Non-Executive Director to the Board effective 1 November 2019.

Sigga is currently the Global Head of Digital for HSBC Intl Wealth & Personal Banking, delivering world class and seamless digital experiences for its customers around the world. Sigga has worked in the financial services industry since 2001, pioneering customer led digital transformation at HSBC and previously at Experian, Tesco Bank, Santander UK and American Express.

Sigga holds a doctorate in Leadership and Innovation from Manchester Business School, an MBA from IESE Business School as well as a BS degree in Marketing from the University of South Carolina.

APPOINTED TO PLC BOARD

November 2019

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

None

Megan Quinn
Independent Non-Executive Director

TO JOIN THE BOARD FROM 1 JULY 2025

SKILLS AND EXPERIENCE

Megan will be appointed as a Non-Executive Director to the Board effective 1 July 2025. She will be appointed as Corporate Responsibility Committee Chair with effect from the 2025 AGM.

Megan is a startup investor and currently serves as a Non-Executive Director of Handshake, Niantic, and Pendo.

She was previously COO of Niantic and a general partner at Spark Capital, where she invested in notable companies including Glossier and Snapchat.

Megan co-founded All Raise, a non-profit supporting women in tech, and has held significant roles at Google and Square. She has received multiple accolades, including Fortune's '40 Under 40' and Forbes' 'Midas Brink', and holds a degree from Stanford University.

APPOINTED TO PLC BOARD

July 2025

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

None

Adam Jay
Independent Non-Executive Director

TO JOIN THE BOARD FROM 1 JULY 2025

SKILLS AND EXPERIENCE

Adam will be appointed as a Non-Executive Director to the Board effective 1 July 2025.

Adam is CEO of Vinted Marketplace, the go-to place for all kinds of second-hand items. Prior to that, Adam held various senior roles within Expedia, including President for Hotels.com and later President for all of Expedia's retail brands.

Adam has held a number of previous Non-Executive Board positions including Despegar, the Latin American travel technology company listed on NYSE, and Checkatrade.com. Adam started his career at BCG working with clients in the automotive, travel and financial services sectors.

APPOINTED TO PLC BOARD

July 2025

INDEPENDENT ON APPOINTMENT?

Yes

EXTERNAL PLC APPOINTMENTS

None

Claire Baty
Company Secretary

SKILLS AND EXPERIENCE

Claire joined Auto Trader in July 2015 and is Company Secretary and Director of Governance. She is responsible for corporate governance; legal services; regulatory compliance; procurement; and risk management.

Claire was previously Deputy Company Secretary at Betfair Group plc and prior to that was Company Secretary at Centaur Media plc.

Claire is a qualified accountant, a member of The Chartered Governance Institute UK & Ireland ('CGIUKI') and holds an MBA from Manchester Business School.

Corporate governance statement

This Corporate governance statement explains key features of the Company's governance framework. The Company has complied in full with all provisions of the 2018 UK Corporate Governance Code during the year.

This statement also includes items required by the UK Listing Rules ('UKLR') and the Disclosure Guidance and Transparency Rules ('DTRs'). The UK Corporate Governance Code (the 'Code') is available on the Financial Reporting Council website at frc.org.uk.

CULTURE

Auto Trader has a distinctive culture that is values-led and underpinned by a diverse and inclusive workforce. The Board plays an important role in ensuring that this culture remains aligned with our long-term strategy, in ensuring that clear values have been set, demonstrating behaviours consistent with these values, and in monitoring the culture and behaviours of the organisation.

The Board receives a quarterly Cultural Scorecard, designed to allow monitoring of various cultural indicators such as staff retention, diversity, investment in training, absences, employee engagement, internal audit findings, customer feedback and complaints.

WORKFORCE ENGAGEMENT

A Board Engagement Guild has been established as the core mechanism by which the Board engages with the workforce. The Board Engagement Guild comprises members from across different parts of the business. Each member canvasses views and opinions from their colleagues to share with the Board, covering areas such as Directors' remuneration, employee engagement and trust and sentiment around organisational changes.

The Board has decided that it is not appropriate to designate a specific Non-Executive Director to carry out this role and instead shares this role across all Non-Executive Directors, and so the Guild meets with the Chair and all Non-Executive Directors (without Executive Directors or any members of senior management present).

The Non-Executive Directors are also invited to attend some of our Company events such as our annual conference, departmental update days and our Diversity and Inclusion Guild events.

Additionally there are a number of well established ways in which the Company engages with the workforce, for example, regular check-in surveys; an annual employee engagement survey; an annual conference and quarterly virtual conferences and updates; regular sharing of information from the CEO via emails and videos; and informal open forums.

WHISTLEBLOWING

A whistleblowing policy has been adopted which highlights various routes for employees to raise concerns (including directly to the Audit Committee Chair) and includes access to an anonymous whistleblowing telephone service run by an independent organisation, allowing employees to raise concerns on an entirely confidential basis. Reports are directed to the People Director and the Company Secretary. The Audit Committee receives regular reports on any reports that have been received (whether through the anonymous service or otherwise), the investigations carried out and any actions arising as a result.

ENGAGEMENT WITH SHAREHOLDERS

The Board has a comprehensive investor relations programme to ensure that existing and potential investors understand the Company's strategy and performance.

As part of this programme, the Executive Directors give formal presentations to investors and analysts on the half-year and full-year results. These updates are webcast live and posted on the Group's investor relations website. The results presentations are followed by formal investor roadshows covering UK and overseas shareholders.

There is also an ongoing programme of attendance at conferences, one-to-one and group meetings with institutional investors, fund managers and analysts. These meetings cover a wide range of topics, but care is exercised to ensure that any price-sensitive information is released to all shareholders, institutional and private, at the same time. Meetings which relate to governance are attended by the Chair or another Non-Executive Director and the Company Secretary as appropriate. Private shareholders are encouraged to give feedback and communicate with the Board through ir@autotrader.co.uk.

The Board receives regular reports on issues relating to share price, trading activity and movements in institutional investor shareholdings. The Board is also provided with current analyst opinions, forecasts and feedback from its joint corporate brokers, Bank of America and Deutsche Numis, on the views of institutional investors on a non-attributed and attributed basis, and on the views of analysts from its financial PR agency, Sodali. Any major shareholders' concerns are communicated to the Board by the Executive Directors.

At the beginning of the year, the Remuneration Committee Chair wrote to major shareholders as part of a consultation to outline the proposed changes to our Directors' Remuneration Policy which were voted upon at the 2024 AGM. The Remuneration Committee Chair welcomed the opportunity to speak with shareholders and hear different views on our approach to executive remuneration and our proposals.

The Chair, the Senior Independent Director and other Non-Executive Directors are available to meet with shareholders and arrangements can be made through the Company Secretary.

ANNUAL GENERAL MEETING

At the 2024 AGM, all resolutions were passed with votes in support ranging from 84.02% to 100%. The 2025 AGM will take place at 11:00am on Thursday 18 September 2025 at the Company's registered office: 4th Floor, 1 Tony Wilson Place, Manchester, M15 4FN. The other Directors and I will join the meeting.

All proxy votes received in respect of each resolution at the AGM are counted and the balance for and against, and any votes withheld, are indicated. At the meeting itself, voting on all the proposed resolutions is conducted on a poll rather than a show of hands, in line with recommended best practice. We encourage shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to ir@autotrader.co.uk. Following the meeting, responses to questions will be published on the website at plc.autotrader.co.uk/investors.

The Notice of the AGM can be found in a booklet which is being mailed out at the same time as this Annual Report and is also available to view on the Company's website: https://plc.autotrader.co.uk/investors/shareholder-meetings/. The Notice of the AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

Results of resolutions proposed at the AGM will be published on the Company's website: plc.autotrader.co.uk/investors following the AGM.

DIVISION OF RESPONSIBILITIES

THE BOARD

Main responsibilities include:

- Providing leadership for the long-term success of the Group.
- Monitoring delivery of business strategy and objectives; responsibility for any necessary corrective action.
- Overall authority for the management of the Group's business, strategy, objectives and development.
- Oversight of operations including effectiveness of systems of internal control and risk management and high standards of business conduct.
- Approval of the Annual Report and Financial Statements, equitable engagement with shareholders and the wider investment community.
- Approval of changes to the capital, corporate and/or management structure of the Group, the dividend policy and capital policy.
- Engagement with and consideration of the interests of employees and other stakeholders.
- Consideration of the business's impact on the community and the environment, and oversight of climate related risks and opportunities.

COMMITTEES

Nomination Committee
Reviews the structure, size and composition of the Board and its Committees, evaluates their performance and makes recommendations to the Board. Also covers diversity, talent development and succession planning.
Read more P84

Audit Committee
Reviews and reports to the Board on the Group's financial reporting, internal control, whistleblowing, internal audit and the independence and effectiveness of the external auditor.
Read more P87

Corporate Responsibility Committee
Assists the Board in fulfilling its oversight responsibilities in respect of corporate responsibility and sustainability for the Company and the Group as a whole.
Read more P92

Remuneration Committee
Responsible for all elements of the remuneration of the Executive Directors, the Chair and senior employees.
Read more P95

Disclosure Committee
Assists the Board in discharging its responsibilities relating to monitoring the existence of inside information and its disclosure to the market.
Read more online

BOARD ROLES

Chair
- Leadership and governance of the Board.
- Creating and managing constructive relationships between the Executive and Non-Executive Directors.
- Ensuring ongoing and effective communication between the Board and its key stakeholders.
- Setting the Board's agenda and ensuring that adequate time is available for discussions.
- Ensuring the Board receives sufficient, pertinent, timely and clear information.

Chief Executive Officer
- Responsible for the day-to-day operations and results of the Group.
- Developing the Group's objectives, strategy and successful execution of strategy.
- Responsible for the effective and ongoing communication with stakeholders.
- Delegates authority for the day-to-day management of the business to the Auto Trader Leadership Team (comprising the Executive Directors and senior management) who have responsibility for all areas of the business.

Non-Executive Directors
- Scrutinise and monitor the performance of management.
- Constructively challenge the Executive Directors.
- Monitor the integrity of financial information, financial controls and systems of risk management.

Senior Independent Director
- Acts as a sounding board for the Chair.
- Available to shareholders if they have concerns which the normal channels through the Chair, Chief Executive Officer or other Directors have failed to resolve.
- Meets with the other Non-Executive Directors without Executive Directors present.
- Leads the annual evaluation of the Chair's performance.

Company Secretary
- Available to all Directors to provide advice and assistance.
- Responsible for providing governance advice.
- Ensures compliance with the Board's procedures, and with applicable rules and regulations.
- Acts as secretary to the Board and its Committees.

The full schedule of matters reserved for the Board and the Terms of Reference of each Committee are published on the Company's website at plc.autotrader.co.uk/investors.

To ensure a clear division of responsibility at the head of the Company, the positions of Chair and Chief Executive Officer are separate and not held by the same person. The division of roles and responsibilities between the Chair and the Chief Executive Officer is set out in writing and has been approved by the Board. Geeta Gopalan is the Senior Independent Director.

Two new Independent Non-Executive Directors have been appointed as part of our long-term succession planning: Megan Quinn and Adam Jay will join the Board with effect from 1 July 2025. Jeni Mundy, Non-Executive Director and Corporate Responsibility Committee Chair, and Sigga Sigurdardottir, Non-Executive Director, will not stand for re-election at the 2025 AGM.

At the date of this report, the Board consists of the Non-Executive Chair, five Independent Non-Executive Directors and three Executive Directors.

Matt Davies was considered to be independent on appointment. All of the Non-Executive Directors (Jeni Mundy, Sigga Sigurdardottir, Jasvinder Gakhal, Geeta Gopalan, Amanda James) are considered to be independent in character and judgement, and free of any business or other relationship which could materially influence their judgement. The Chair's fees and the Non-Executive Directors' fees are disclosed on page 107, and they received no additional remuneration from the Company during the year.

Therefore, at 31 March 2025 and to the date of this report, the Company is compliant with the Code provision that at least half the Board, excluding the Chair, should comprise Independent Non-Executive Directors.

ATTENDANCE AT MEETINGS

	Board	Nomination Committee	Audit Committee	Corporate Responsibility Committee	Remuneration Committee
Number of scheduled meetings held	8	4	4	5	6
DIRECTOR[1]					
Matt Davies	8/8	4/4	N/A	N/A	N/A
Nathan Coe	8/8	N/A	N/A	N/A	N/A
Catherine Faiers	8/8	N/A	N/A	N/A	N/A
Jamie Warner	8/8	N/A	N/A	N/A	N/A
David Keens[2]	2/2	N/A	2/2	2/2	2/2
Jill Easterbrook[2]	2/2	N/A	2/2	2/2	2/2
Jeni Mundy	8/8	4/4	4/4	5/5	6/6
Sigga Sigurdardottir	8/8	4/4	4/4	5/5	6/6
Jasvinder Gakhal	8/8	4/4	4/4	5/5	6/6
Geeta Gopalan[3]	8/8	4/4	4/4	5/5	5/5
Amanda James[1,4]	7/7	4/4	3/3	3/4	4/4

1. Where Directors were unable to attend a meeting date, this was either due to unavoidable personal circumstances or work commitments. Directors all received the meeting papers and had an opportunity to feed comments in to the Board and Committee Chairs prior to the meetings.
2. David Keens and Jill Easterbrook retired from the Board at the 2024 AGM.
3. Geeta Gopalan was appointed to the Board on 1 May 2024.
4. Amanda James was appointed to the Board on 1 July 2024.

In addition to the scheduled Board meetings mentioned above, additional calls occurred throughout the year concerning various financial and transactional decisions.

BOARD AND COMMITTEE MEETINGS ATTENDANCE

Board meetings are planned around the key events in the corporate calendar, including the half-yearly and final results, and the Annual General Meeting ('AGM'). A two-day strategy meeting is held each year. A monthly financial update call is also held at which the Board discusses results with operational management.

During the year, the Chair and Non-Executive Directors have met without Executive Directors present. In addition, the Non-Executive Directors have met without the Chair and the Executive Directors present, and the Senior Independent Director has met with the Executive Directors.

BOARD AND COMMITTEE ACTIVITIES IN 2025

The Board makes decisions in order to ensure the long-term success of the Group whilst taking into consideration the interests of wider stakeholders, such as employees, consumers, customers and suppliers, and other factors as required of it under s172 of the Companies Act 2006. Board meetings are one of the mechanisms through which the Board discharges this duty, and in order to formalise this process, a stakeholder framework has been established which is applied to all Board papers and discussions. Further information about engagement with the Group's stakeholders is included on pages 18 to 21.

KEY ACTIVITIES OF THE BOARD AND COMMITTEES DURING 2025

STRATEGY & GROWTH

- Review and approve the mid-term financial plan for viability scenarios.
- Approve the strategic priorities for FY26.
- Strategy session focused on the automotive ecosystem.
- Technology strategy and overview (teach-in).

OPERATIONAL

- Digital Retailing deep dive on finance platform and Deal Builder.
- Overview of competitive landscape.
- Audience and marketing plan for review and approval.
- Deep dive into the core advertising business and main revenue drivers.

FINANCIAL

- Review and approve FY26 plan.
- Approval of half-yearly report, Annual Report and Preliminary Results.
- Review and approval of capital policy.
- Extension of debt facility term to February 2030.
- Review of tax compliance including Digital Services Tax.

PEOPLE & CULTURE

- Board Engagement Guild meetings covering topics including discussion on employees' experiences of working for Auto Trader, Directors' remuneration, employee engagement and trust and sentiment around organisational changes.
- Review of people changes, recruitment, resourcing needs and employee engagement.
- Review of Directors' Remuneration Policy and target setting.
- Approval of FY24 bonus outturn for Executive Directors and Single Incentive Plan vesting for senior management.
- FY25 PSP and Single Incentive Plan targets and grants.
- Succession planning for senior management.
- Director and senior management salary reviews.
- Gender and ethnicity pay gap reporting.

SHAREHOLDERS & OTHER STAKEHOLDERS

- Review of stakeholder materiality assessment.
- Review of cultural KPIs.
- ESG rating agencies update.
- Quarterly shareholder analysis.
- Review of feedback from analysts and investors from results roadshows.
- Review of dividend policy and capital structure.
- Review of feedback from investors and proxy advisory agencies in advance of Annual General Meeting ('AGM').

GOVERNANCE, RISK MANAGEMENT & INTERNAL CONTROL

- Governance and regulatory updates including ESG reporting and regulatory developments and a general legal and regulatory update.
- Review and approval of Group risk register.
- Internal audit update including reviews of billing processes, complaints reporting and GDPR compliance.
- Review of insurance programme.
- Review and approval of Modern Slavery Statement.
- Review of internal and risk management framework and internal controls.
- Review of external audit effectiveness.
- External Board review feedback and action plan.
- Review of succession plans.
- Business continuity planning.
- Approval of material contracts.

The Board's activities are structured through the year to develop and monitor the delivery of the Group's strategy and financial results; to receive feedback from and engage with stakeholder groups such as employees, customers and suppliers; and to maintain a robust governance and risk management framework. Some of the key activities during the year are illustrated on the previous page.

INFORMATION AND SUPPORT AVAILABLE TO DIRECTORS

The Board receives full and prompt access to all pertinent information. For Board meetings, this includes a formal agenda, minutes from previous meetings, and a comprehensive set of documents with operational and financial reports, provided to Directors in advance.

All Directors have access to the advice and services of the Company Secretary, Claire Baty, and the Company Secretary team. The appointment or removal of the Company Secretary is a matter for the whole Board.

CONCERNS OVER OPERATION OF THE BOARD

All of the Directors have the right to have their opposition to, or concerns over, any Board decision noted in the minutes. Directors are entitled to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

INDUCTION AND DEVELOPMENT

There is a formal comprehensive, tailored induction programme which has been designed to ensure the newly appointed Director is equipped with the knowledge and materials necessary to understand the business, their responsibilities, and to support their meaningful contribution to the Board. This includes:

- Familiarisation with the Group and its activities
- Statutory and regulatory information
- Board and Committee specific information
- Business overview
- Deep dives into areas covering people and culture, technology, and digital retailing

Directors attend presentations from senior management on strategic priorities and specific business-related topics. They also have opportunities to engage with colleagues and customers to understand the business from various perspectives. Regular feedback is provided by the partnerships community to keep Directors informed about customer sentiment.

The Board receives updates and training from internal specialists and external advisors when appropriate on governance developments as they emerge and annual legal and regulatory updates. Directors complete yearly compliance training on anti-bribery, anti-money laundering, data protection, information security, and other relevant subjects. The Chair meets with each Director annually to discuss individual training and development needs. The Board is also invited along to the bi-annual Company-wide conferences which are held in person and virtually at six-monthly intervals.

Geeta Gopalan and Amanda James joined the Board in May and July 2024 and had tailored inductions that involved meeting with internal and external key stakeholders to gain a deeper level of understanding of the Company culture and the business operations.

As part of the detailed induction programme, key areas covered are set out in the table below.

Key areas covered as part of onboarding and induction	Presenters
Statutory and regulatory essential information Directors are informed about their statutory duties, along with relevant legislation such as the Companies Act 2006. In addition to face to face meetings, reading materials and memos are provided for further understanding which include the UK Corporate Governance Code and associated FRC guidance.	Company Secretary, Governance, Risk and Compliance team, Group Finance team, external legal counsel
Board and Committees overview Directors are furnished with details of the Board and Committee structures, including Terms of Reference, Board composition, and evaluation reports, emphasising the importance of understanding the governance framework and processes in place.	Company Secretary, Board and Committee Chairs
Business overview New Directors are introduced to the Company's business model, financial overview, major shareholders, and organisational structure, including risks and financial reporting. This section aims to provide a clear understanding of the Company's strategic direction and performance metrics.	Executives and Auto Trader Leadership Team
In addition, People, Culture and Environment is a key area where new Directors are encouraged to spend time with employees working in the business day to day.	All employees
Deep dives into key business areas In-depth meetings on various topics such as consumer marketing, digital retailing, and technology are conducted to enhance Directors' understanding of critical business areas.	Auto Trader Leadership Team and key employees with specialist knowledge in their area

LETTERS OF APPOINTMENT

The Chair and the Non-Executive Directors have letters of appointment which are available for inspection at the registered office of the Company during normal business hours and at the place of the AGM from at least 15 minutes before and until the end of the meeting; or on request from ir@autotrader.co.uk. These letters set out the expected time commitment from each Director. Non-Executive appointments to the Board are for an initial term of up to three years. Non-Executive Directors are typically expected to serve two three-year terms, although the Board may invite the Director to serve for an additional period.

CONFLICTS OF INTEREST

In accordance with the Company's Articles of Association, the Board has a formal system in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation.

Any external appointments or significant commitments of the Directors require prior approval from the Board. We acknowledge that our Executive Directors may receive invitations to serve as non-executive directors at other companies. Such non-executive roles can enhance a Director's experience and knowledge, benefiting Auto Trader. Currently, Catherine Faiers serves as a Non-Executive Director of Allegro.eu Group. As of the date of this report, none of the other Executive Directors holds any external directorships.

The Board confirms that the external roles of the Chair, Chief Operating Officer, and Non-Executive Directors pose no unmanageable conflicts of interest.

TIME COMMITMENT

The Board is comfortable that external appointments of the Chair, the Non-Executive Directors and the Chief Operating Officer do not impact on the time that any Director devotes to the Company. As noted, any external appointments or significant time commitments require prior approval of the Board.

ELECTION OF DIRECTORS

The Board can appoint any person to be a Director, either to fill a vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next AGM and shall then be eligible for election by the shareholders. The AGM Notice sets out the specific reasons for reappointing each Director, and why each board members contribution is, and continues to be, important to the company's long term success.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and maintaining the Group's system of risk management and internal controls and it receives regular reports from management identifying, evaluating and managing the risks within the business. The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The processes in place for assessment, management and monitoring of risks are described in Principal risks and uncertainties on pages 65 to 70.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of risk management and internal controls during the year ended 31 March 2025 and for the period up to the date of approval of the Consolidated financial statements contained in the Annual Report. The review covered all material controls, including financial, operational and compliance controls and risk management systems. The Board considered the weaknesses identified and reviewed the developing actions, plans and programmes that it considered necessary. The Board confirms that no significant weaknesses or failings were identified as a result of the review of effectiveness.

FINANCIAL AND BUSINESS REPORTING

Assisted by the Audit Committee, the Board has carried out a review of the 2025 Annual Report and considers that, in its opinion, the report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Refer to the Report of the Audit Committee on pages 87 to 91 for details of the review process.

See pages 71 to 72 for the Board's statement on going concern and the viability statement.

Matt Davies
Chair of the Committee

AT A GLANCE

Reviewing the size and composition of the Board, leading the process for appointments, ensuring orderly succession plans for Board and senior management positions, and overseeing the development of a diverse pipeline for succession.

OVERVIEW

- Composed of the Chair and five Independent Non-Executive Directors.
- At least one meeting held per year. More meetings have been held this year due to ongoing succession planning.
- Meetings are attended by the Chief Executive Officer and other relevant attendees by invitation.

OUR PROGRESS IN 2025

- Reviewed the Group's organisational structure and senior level succession plans.
- Ran a robust selection process to appoint two new Non-Executive Directors.
- Managed the appointment and tailored inductions of most recently appointed Non-Executive Directors.
- Conducted an internal Board Review, evaluated results, and identified improvement areas.

FOCUS AREAS FOR 2026

- Following up on the results and areas identified for improvement from the internal Board Review.
- Continuing to monitor Board and senior management succession in the context of the Company's long-term strategy.

KEY SKILLS AND EXPERIENCE NON-EXECUTIVE DIRECTORS CONTRIBUTE TO THE BOARD

TERMS OF REFERENCE
plc.autotrader.co.uk/investors

BOARD OF DIRECTORS P77

Dear shareholders,

I am pleased to present the Report of the Nomination Committee for 2025.

ROLE OF THE COMMITTEE

The Committee's main role is to keep under constant review the size and composition of the Board and its Committees including its gender and ethnic diversity, its independence, and the skills, knowledge and experience required for the effective oversight of the Group. The Committee is also responsible for ensuring that there are formal and orderly succession plans in place for the members of the Board.

HOW THE COMMITTEE OPERATES

The Committee consists of Independent Non-Executive Directors. The Chair of the Board leads meetings of the Committee as Chair unless it concerns their successor or where there may be a conflict of interest, in which case the Senior Independent Director ('SID') chairs the meeting unless the SID is in contention for the role or also has a potential conflict of interest.

The Committee meets at least annually and on an ad hoc basis as needed. Members are the only attendees. Only members of the Committee have the right to attend meetings; however, the Chief Executive Officer attends for all or part of meetings to share views on key talent within the business for the Committee's benefit.

SUCCESSION PLANNING

The focus of the Committee's work during the year continued to be developing and implementing plans for the renewal of Non-Executive Directors. As the Corporate Governance Code provides that there is a deemed loss of independence after nine years' service, Jeni Mundy (Chair of the Corporate Responsibility Committee) will reach the end of her third three-year term during 2025 and will not stand for re-election at the 2025 AGM. Sigga Sigurdardottir will also be stepping down at the 2025 AGM as she comes to the end of her second three-year term. The Nomination Committee identified, that following Jeni's departure, there was a need to increase technology skills on the Board. The Committee also recognised that the Board would benefit from the addition of digital marketplace skills and experience. These factors were taken into account in planning for the appointment of the new Non-Executive Directors as described in the diagram on page 85 in more detail.

Megan Quinn will succeed Jeni Mundy in the role of Corporate Responsibility Committee Chair with effect from the conclusion of the 2025 AGM.

With regards to Executive succession, the Committee is satisfied that the succession plans remain appropriate, and that there is a strong pipeline of talent within the business for future leadership needs. The Auto Trader Leadership Team has increased in size over the year and we believe we have the talent required within the business to fill potentially all of our future needs. This clarity about future leadership contributes to talent retention.

POLICY ON APPOINTMENTS TO THE BOARD

Appointments are made on merit, against objective criteria and with due regard to the benefits of diversity on the Board. The Committee takes account of a variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity, including gender and ethnic diversity.

The Committee also considered the targets set out in UKLR 22.2.30. At year end, the Board comprised 67% woman, and had two Directors from a minority ethnic background and the role of Senior Independent Director being held by a woman.

At a leadership level, 38.1% of the Auto Trader Leadership Team ('ALT') and 44.4% of the ALT's direct reports were women, a combined total of 43.2%. One ALT member and 11.1% of the ALT's direct reports were ethnically diverse, and improvement of this remains a focus area for the Committee and the business.

APPOINTMENTS TO THE BOARD

As noted above, the Nomination Committee identified the need to make additional appointments to the Board.

The Committee oversaw a thorough search, selection and appointment process, ensuring that new appointments were complementary to and enhanced the current skills and experience on the Board. The process is summarised in the diagram below.

BOARD AND COMMITTEES' PERFORMANCE REVIEW

An internal Board and Committee performance review was undertaken during the year, overseen by the Chair. The review was completed by each Board member using an anonymous questionnaire style format with opportunity to make any additional comments against each question.

The SID oversaw the review of the Chair's performance, consisting of individual conversations with each Director. The areas explored included Board chairing and agenda management, relationship with management (esp CEO), relationship with NEDs and overall stewardship of the business. Feedback was also shared with the Chair at a one-to-one meeting.

An analysis of the overall results was reviewed and discussed at the next Nomination Committee meeting. The performance review concluded that the Board, each Committee, and the Chair continue to perform well and that each individual Director continues to make an effective contribution.

The results of the 2025 internal review are shown in the table on page 86.

ELECTION AND RE-ELECTION OF DIRECTORS

Following the UK Corporate Governance Code, all Directors will retire and offer themselves for election or re-election at the AGM unless stepping down. The Committee and Board reviewed each Director's tenure, performance, contributions, and external commitments to ensure they effectively fulfil their duties as a Director of Auto Trader plc.

The Committee and the Board have confirmed their satisfaction that all Directors remain effective in their roles and demonstrate commitment to their responsibilities on the Board. Each Director contributes valuable leadership to the Company.

Therefore, the Board recommends that shareholders approve the resolutions concerning the election and re-election of Directors at the 2025 AGM.

I welcome any questions in respect of the work of the Committee, which can be submitted to ir@autotrader.co.uk, or in person at our Annual General Meeting.

Matt Davies
Chair of the Nomination Committee
29 May 2025

Appointments to the Board

Review and identify
The process was led by the Chair and overseen by the Committee, with input from the Executive Directors and members of the ALT.

A detailed role specification was drawn up, identifying the skills and experience required, taking into account the Company's long-term strategy, with a particular focus on experience in the technology sector, digital innovation and marketplace business models.

Search and selection
A wide search was conducted, taking into consideration the requirements of the role, and with due regard to the benefits of diversity, and the targets set by the UKLR, including gender and ethnicity. Ivy Street, a recruitment consultancy which has no other connection with the Company, was used to identify candidates. Extensive interviews were conducted, including with all Executive and Non-Executive Directors. Following this process, the Committee selected the successful candidates as announced on 16 May 2025.

Appointment
Megan Quinn and Adam Jay will join the Board with effect from 1 July 2025 and also become members of the Audit, Remuneration, Corporate Responsibility and Nomination Committees. Megan is a highly experienced Product and Operational leader with a strong background in technology and with US listed Board experience. Adam brings strong expertise in marketplaces and ecommerce, across B2C, C2C and B2B platforms, and is currently CEO of Vinted's marketplace business. Their full biographies are included on page 78.

Both Megan and Adam are considered to be independent.

BOARD EVALUATION

Areas of strength	Areas for improvement
Board leadership and purpose: A clear, collaborative approach to developing purpose, strategy, and objectives across the Board. Active understanding of organisational culture and values, using a Cultural Scorecard and engaging with the Employee Guild. Focus on and understanding of shareholder changes and attitudes and a continuous awareness of stakeholders including customers, consumers, and employees.	Identify training needs individually and as a whole. Set meeting objectives, reduce jargon, focus the discussion. Revisit ESG focus and desired outcomes via the CSR. Revisit mechanism for engagement with employees.
Division of responsibilities: The capacity to monitor performance is enhanced by an open culture, supported by continuous review processes as well as structured mechanisms. There is openness in the interaction between the Executive and Non-Executive Directors, along with an appropriate level of constructive challenge and effective contribution. The company secretarial function provides support to the Board and Committees, characterised by effective processes and responsiveness.	Continue to focus on longer-term Executive and senior management succession planning.
Composition and succession: Succession planning has been highly effective with a very robust approach to role profiling and identifying relevant skills and experience. Tailored induction processes to NED requirements, specifically for Committee Chair roles.	Earlier meetings with customers for future onboarding of Non-Execs.
Audit, risk and internal control: The transition of the new Chair was well coordinated with a detailed handover, personalised induction and meetings with key stakeholders. Communication is effective and efficient. Regulatory changes are communicated timely and are well understood.	Consider when non-Committee member attendance at meetings is required in line with specific agenda items, including the CEO and Board Chair attendance.
Remuneration: The relationship with the Executive is constructive. The Committee is well supported internally and externally by the remuneration consultants. The Committee actively reviews wider employee remuneration policies and is aware and responsive to critical people related matters.	Consider when non-Committee member attendance at meetings is required in line with specific agenda items.

Amanda James
Chair of the Committee

AT A GLANCE

Monitoring the integrity of financial reporting, internal controls and the effectiveness of internal and external audit.

OVERVIEW

- Five Independent Non-Executive Directors, all have financial, commercial and/or operating experience in consumer and digital businesses.
- The Board has determined that Amanda James, as the Committee Chair, has the recent and relevant experience required by the Code.
- At least three meetings held per year.
- Meetings are attended by the Chair of the Board, CEO, COO, CFO, internal auditor and external auditor by invitation.

OUR PROGRESS IN 2025

- Appointed Amanda James as Audit Committee Chair.
- Assessed and monitored the integrity of financial reporting, the Group's going concern and viability statements.
- Reviewed the Group's policies on the impairment of assets.
- Received updates from the Finance and Compliance teams on GDPR, Tax, Cyber Security and Consumer Duty.
- Evaluated the quality, effectiveness and independence of our internal and external auditors.
- Reviewed internal controls and risk management processes, including our planned approach to Provision 29 of the UK Corporate Governance Code.

FOCUS AREAS FOR 2026

- Continue to focus on maintaining the integrity of our financial reporting, internal controls, and the effectiveness of our audit functions.
- We will aim to stay up-to-date with new areas such as AI and evolving ESG standards and regulations.
- Closely monitor emerging risks, including geo-political events, cyber security developments, regulatory changes, and evolving market conditions.
- Continued focus on cyber security.
- Audit tender process.

TERMS OF REFERENCE
plc.autotrader.co.uk/investors

HOW WE MANAGE RISK **P62**

Dear shareholders,

I am pleased to present the 2025 Report of the Audit Committee, which provides an overview of the Committee's principal activities and key areas of review during the year.

This is my first report as Chair of the Audit Committee, having joined the Board on 1 July 2024. I wish to extend my sincere thanks to my predecessor, David Keens, for his invaluable contributions during his tenure since 2015. His extensive experience has been instrumental since Auto Trader's IPO, and I feel privileged to build on his achievements.

Since taking on this role, I have focused on engaging with the Auto Trader teams, building relationships, and gaining a clear understanding of our business. I would like to thank the Auto Trader teams for the comprehensive induction they provided, which has greatly assisted me in familiarising myself with the organisation. I believe this approach will support robust financial oversight and effective risk management going forward.

INTERNAL AND EXTERNAL AUDITORS

The Internal Audit function is co-sourced, with our in-house internal audit resource collaborating alongside BDO LLP. This arrangement provides us with access to a broad range of expertise on a cost-effective basis, supporting best practices in managing internal controls and financial risks.

Our external auditor, KPMG LLP, continues to provide independent assurance over our annual and interim financial statements. I have met regularly with our Audit Partner and his team, and I am satisfied that their work provides strong challenge and rigour when auditing the Auto Trader accounts.

During the year, Jamie Warner (CFO), members of the Finance team, and I conducted a selection process with KPMG to replace our current Audit Partner, David Derbyshire, when his five-year term concludes in May 2025. We would like to extend our thanks to David for his service and dedication as our Audit Partner over the past five years. He has provided expertise and challenge that has significantly enhanced the quality and integrity of our audits. In addition, KPMG will complete nine years of service in March 2026, and in line with regulations for statutory audits we have begun an audit tender process.

Both our internal and external auditors regularly attend Audit Committee meetings, providing valuable insights and challenge. I extend my thanks to both BDO and KPMG for their services during the year.

LOOKING FORWARD

In the year ahead, my priority is to build on the strong foundation laid by my predecessor. The Committee will continue to focus on maintaining the integrity of our financial reporting, internal controls, and the effectiveness of our audit functions.

We will aim to stay up-to-date with new areas such as AI and evolving ESG standards and regulations. Additionally, we will closely monitor emerging risks, including geo-political events, cyber security developments, regulatory changes, and evolving market conditions.

I look forward to working with the Board and management team to ensure Auto Trader's continued success.

At the 2024 AGM, shareholders approved the re-appointment of KPMG LLP as our external auditor, and the Committee has recommended their re-appointment at the 2025 AGM.

Please note that whilst this Report of the Audit Committee covers some of the matters addressed during the year, it should be read alongside the external auditors' report (starting on page 114) and the Auto Trader Group plc financial statements.

Amanda James
Chair of the Audit Committee
29 May 2025

FINANCIAL REPORTING

The primary role of the Committee in relation to financial reporting is to review and monitor the integrity of the financial statements, including annual and half-year reports, results announcements, dividend proposals and any other formal announcement relating to the Group's financial performance.

The Committee assessed the accounting principles and policies adopted, and whether management had made appropriate estimates and judgements. The Committee also reviewed external audit reports for the 2025 half-year statement and Annual Report. With assistance from management and KPMG, the Committee identified areas of financial statement risk and judgement as described below:

Description of significant area	Audit Committee action
Carrying value of cash generating units The Group has two cash generating units ('CGUs'), Digital and Autorama, which require annual impairment testing. Management's assessment of the recoverability of the carrying value is based on future cash flow forecasts. Forecast estimation is most significant for the growth in revenue from the market share of Autorama.	The Committee reviewed the assumptions made by management, in particular the market and market share revenue growth estimates that underpin the value in use of the Autorama CGU. The Committee concluded that the judgements applied were appropriate. The Committee challenged and was satisfied with the forecasts used, the results of the reviews and the sensitivities disclosed.
Revenue recognition Revenue recognition for the Group is not complex. However, this remained an area of focus due to the large volume of transactions and as revenue is the largest figure in the income statement.	The Committee was satisfied with the explanations provided and conclusions reached in relation to the Group's revenue recognition.

Other areas of focus	Audit Committee action
Going concern and viability statement The Directors must satisfy themselves as to the Group's viability and confirm that they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due. The period over which the Directors have determined it is appropriate to assess the prospects of the Group has been defined as five years. In addition, the Directors must consider if the going concern assumption is appropriate.	The Committee reviewed management's work supporting the going concern assessment and viability statements. These included the Group's Medium Term Plan and cash flow forecasts for the period to March 2030. The Committee discussed with management the appropriateness of the five-year period and discussed the correlation with the Group's principal risks and uncertainties as disclosed on pages 65 to 70. The feasibility of mitigating actions and the potential speed of implementation to achieve any financial flexibility required were discussed. The Committee evaluated the conclusions over going concern and viability and the proposed disclosures in the financial statements and satisfied itself that the financial statements appropriately reflect the conclusions.
Investment value in joint venture The Group has a joint venture with Cox Automotive UK, Dealer Auction. Management's assessment of the recoverability of the investment value, including goodwill, is based on future cash flow forecasts.	The Committee reviewed the assumptions made by management, particularly in relation to cash flow forecasts to support the carrying value, and was satisfied that these were appropriately accounted for.

FAIR, BALANCED AND UNDERSTANDABLE

At the request of the Board, the Committee reviewed the content of the 2025 Annual Report and considered whether, taken as a whole, in its opinion it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee was provided with a draft of the Annual Report and the opportunity to comment where further clarity or information should be added. The final draft was then recommended for approval by the Board. When forming its opinion, the Committee had regard to discussions held with management and reports received from internal and external auditors. In particular, the Committee considered:

Is the report fair?	• Is a complete picture presented and has any sensitive material been omitted that should have been included? • Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting? • Are the revenue streams described in the narrative consistent with those used for financial reporting in the financial statements?

Is the report balanced?	• Is there a good level of consistency between the reports in the front and the reporting in the back of the Annual Report? • Do you get the same messages when reading the front end and the back end independently? • Is there an appropriate balance between statutory and adjusted measures and are any adjustments explained clearly with appropriate prominence? • Are the key judgements referred to in the narrative reporting and significant issues reported in the Report of the Audit Committee consistent with disclosures of key estimation uncertainties and critical judgements set out in the financial statements? • How do these compare with the risks that KPMG include in their report?
Is the report understandable?	• Is there a clear and cohesive framework for the Annual Report? • Are the important messages highlighted and appropriately themed throughout the document? • Is the report written in accessible language and are the messages clearly drawn out?

Following the Committee's review, the Directors confirm that, in their opinion, the 2025 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

RISK MANAGEMENT AND INTERNAL CONTROL

The Committee's responsibilities include a review of the effectiveness of Auto Trader's risk management and internal controls frameworks, and where relevant, ensure that weaknesses are remediated in a timely manner. During 2025 the Audit Committee's review concluded that it is effective. The processes adopted for monitoring the frameworks included the following:

- Evaluation of the processes used to identify and assess risks, including new and emerging risks.
- Evaluation of the process for designing mitigations and controls and how the Group's risk appetite informs responses to risk.
- Reviewing the Group Assurance Map to confirm that Auto Trader's risk and governance structure has appropriately overseen, managed, and controlled our material principal risks. The Audit Committee concluded that our principal risks are being managed effectively and to a level consistent with our risk appetite.
- In addition to holistic reviews of the risk, controls, and assurance framework, the Committee also received reporting from management regarding Auto Trader's response to specific areas of risk, laws, and regulations. These included: cyber security, treasury policy, tax compliance, effectiveness of our internal and external audit functions, and corporate governance reforms. In 2025 no material internal control weaknesses were identified.
- Reviewing cultural and ethical indicators to ensure that Auto Trader's culture sets a solid foundation for effective risk management. The review included reporting from management confirming that during 2025 there have not been any known instances of fraud, bribery or whistleblowing complaints. The Committee also reviewed information on whether there have been any employee cases, grievances, settlements, legal disputes, disciplinary action, conduct rule breaches, or regulatory penalties.
- Receiving reports from the Group's co-sourced Internal Audit function and monitoring the completion of internal audit actions.
- Reviewing reports from the external auditor on any issues identified in the course of their work, including reports on the effectiveness of the internal control environment. The Audit Committee also ensured that there were appropriate responses from management.

The Group has internal controls and risk management arrangements in place in relation to its financial reporting processes and preparation of consolidated accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of financial statements in accordance with IFRS. The internal control systems include the following elements:

Element	Approach and basis for assurance
Risk management	Details of our governance structure and risk management arrangements can be found in the Risk management section of this Annual Report. Risk management operates throughout all levels of our governance structure. The Board as a whole is accountable for risk management. The day-to-day responsibility for managing risk resides with the Auto Trader Leadership Team ('ALT'). Assurance over the effectiveness of risk management activity is provided under the three lines of defence model as described below. Reports on the effectiveness of risk management and internal controls are presented to executive management at the Risk Forum (which meets monthly), to Non-Executive Directors via the Audit Committee, and to the Board. The Risk Forum agenda includes risk-based 'deep dives' into key risk areas and in the last year these have included: crisis management; cyber security penetration testing; employee relations and grievance processes; corporate governance reform; FCA compliance; counter-fraud and financial crime; artificial intelligence; and third-party risk management. Key risks and controls are documented in a Group risk register with ALT members designated as risk owners. The process for reviewing and updating the risk register is facilitated by the Governance, Risk and Compliance function and overseen by the Board, as described in the 'How we manage risk' section of this Annual Report. A risk-based internal audit programme provides independent, third-line assurance over the effectiveness of the risk management arrangements and this year's internal audit plan included the reviews outlined in the following section.

Element	Approach and basis for assurance
Financial reporting	Group consolidation is performed on a monthly basis with a month-end pack produced that includes an income statement, balance sheet, cash flow and detailed analysis. The pack also includes KPIs and these are reviewed by the ALT and the Board. Results are compared against the Plan or re-forecast and narrative is provided by management to explain significant variances. The effectiveness of the controls within the financial reporting and consolidation process is reviewed on an ongoing basis by the Governance, Risk and Compliance function. The Risk Forum and the Audit Committee review and oversee these reports and there were no significant or material control weaknesses identified during 2025.
Budgeting and forecasting	An annual Plan is produced and monthly results are reported against this. The Plan is prepared using a bottom-up approach, informed by a high-level assessment of market and economic conditions. Reviews are performed by the ALT and the Board. The Plan is also compared to the top-down Medium Term Plan ('MTP') as a sense check. The Plan is approved by the ALT and the Board. A detailed monthly rolling forecast is produced, with inputs provided from all business owners. The rolling forecast is then used to help identify potential risks and opportunities by comparison to the original budget. A monthly business review then takes place with the relevant ALT member, COO and CFO to agree actions.
Delegation of authority and approval limits	A documented structure of delegated authorities and approval for transactions is maintained within the Board's Terms of Reference. This is reviewed regularly by management to ensure it remains appropriate for the business.
Segregation of duties	Procedures are defined to segregate duties over significant transactions, including: procurement, payments to suppliers, payroll, discounts and refunds. Regular reviews of IT system access take place to ensure that segregated duties remain enforced. Key reconciliations are prepared and reviewed on a monthly basis to ensure accurate reporting.

INTERNAL AUDIT

BDO are the Group's co-sourced Internal Audit function. The Internal Audit function is accountable to the Audit Committee and uses a risk-based approach to provide independent assurance over the adequacy and effectiveness of the control environment. The internal audit work plan for 2025 included internal audit assignments in relation to the following areas of risk:

- Customer billing and invoicing.
- Data protection and GDPR across the Group.
- FCA compliance within AT Leasing.
- Customer, consumer, and regulated complaints.

The risk-based internal audit plan for 2026 was approved by the Audit Committee and covers a broad range of core financial and operational processes and controls, focusing on specific risk areas. Whilst the plan has been approved, the Audit Committee will continue to review it regularly to ensure that any new and emerging areas of risk are considered.

Management actions that are recommended following the internal audits are tracked to completion and reviewed by the Risk Forum and then by the Audit Committee. The Committee had closed sessions with BDO and the Committee also met with management without the presence of BDO. There were no significant issues raised during these meetings.

A risk-based programme of key controls testing is performed by the Governance, Risk and Compliance function. We continue to monitor the resource within this function to ensure that we are able to efficiently monitor the effectiveness of our material internal controls.

EXTERNAL AUDIT

The Committee oversees the relationship with the external auditor, KPMG, and reviews their findings in respect of audit and review work. The Committee received and discussed KPMG's review of the half-year report to 30 September 2024 and their audit of the financial statements for the year to 31 March 2025. The Committee met with KPMG without management present and with management without KPMG present, to ensure that there were no issues in the relationship between management and the external auditor to be addressed, and no issues were raised.

External auditor effectiveness

One of the Committee's roles is to evaluate the quality and effectiveness of audit services provided, and the level of professional scepticism applied. The Committee has conducted an assessment in accordance with the FRC Practice Aid for Audit Committees (updated 2019) and Audit Committees and the External Audit: Minimum Standard.

The review considered audit scope and plans, materiality assessments, review of auditor's reports and feedback from management on the effectiveness of the audit process. The review also included an evaluation of KPMG's latest 'Audit Quality Inspection and Supervision' report issued by the Audit Quality Review ('AQR') team of the FRC in July 2024. The Committee and KPMG have discussed the findings of the report.

Overall, the result of the review concluded that the external auditor provided appropriate challenge on key areas of audit risk and applied professional scepticism throughout. No issues were identified which cause doubt on the quality of Auto Trader's external audit and the Committee remains satisfied with the efficiency and effectiveness of the external audit.

Partner rotation

The year ended 31 March 2025 was the fifth year the Group's current engagement lead audit partner has been involved in the audit of the Group. In accordance with the FRC Ethical Standard for Auditors, a replacement engagement lead audit partner will be appointed for the audit of the Group accounts for the year ending 31 March 2026.

INDEPENDENCE AND NON-AUDIT SERVICES

The Committee is responsible for ensuring the external auditor remains independent. The Committee has reviewed, and is satisfied with, the independence of KPMG as the external auditor. In particular, discussions have been held with KPMG's senior management to verify the Group's audit partner's performance and standing within KPMG. There were no conflicts or matters of concern conveyed.

The external auditor is primarily engaged to carry out statutory audit work. There may be other services where the external auditor is considered to be the most suitable supplier by reference to their skills and experience. It is the Group's practice that it will seek quotes from more than one firm, which may include KPMG, before engagements for non-audit projects are awarded. Contracts are awarded based on individual merits. A policy is in place for the provision of non-audit services by the external auditor, to ensure that the provision of such services does not impair the external auditor's independence or objectivity, and will be assessed in line with FRC Ethical and Auditing Standards.

Non-audit service	Policy
Audit-related services directly related to the audit For example, the review of interim financial statements, compliance certificates and reports to regulators.	Pre-approval by the Committee is required for all non-audit services. Permissible services may be approved to a maximum of £100,000 for each individual engagement, and to a maximum aggregate in any financial year of 70% of the average audit fees paid to the audit firm in the last three consecutive years. In addition, services relating to issue of compliance certificates in relation to banking facilities, loan agreements or covenants are considered to be pre-approved by the Audit Committee to a level of £50,000 for each individual engagement.
Prohibited services In line with the EU Audit Reform, services where the auditor's objectivity and independence may be compromised. Prohibited services are detailed in the FRC Revised Ethical Standard 2019 and include tax services, accounting services, internal audit services, valuation services and financial systems consultancy.	Prohibited.

Refer to plc.autotrader.co.uk/investors for full details of the policy

During the year, KPMG charged the Group £55,000 (2024: £52,000) for audit-related assurance services directly relating to the review of the Group's interim report for the six months ended 30 September 2024 and £16,000 for the provision of an annual limited assurance report which is published on the Group's website and used for the Sustainability Compliance Certificate required under the Company's Syndicated Revolving Credit Facility.

THE STATUTORY AUDIT SERVICES FOR LARGE COMPANIES MARKET INVESTIGATION (MANDATORY USE OF COMPETITIVE TENDER PROCESSES AND AUDIT COMMITTEE RESPONSIBILITIES) ORDER 2014 – STATEMENT OF COMPLIANCE

A competitive tender was completed in 2016 and KPMG were appointed as statutory auditor for the year to March 2017. We have therefore complied with the requirement that the external audit contract is tendered within the 10 years prescribed by UK legislation and the Code's recommendation. To allow ample time for the selection process and an orderly transition should there be a change in auditor, the Group will commence a comprehensive and competitive tender process during the upcoming year for the external audit for the financial year ending 31 March 2027. The process will be led by the Chair of the Committee and supported by a steering group who will then make a recommendation to the Board on the appointment or reappointment of the auditor (as applicable). In the meantime, the Group will be proposing the re-appointment of its current auditor at the 2025 AGM. The Committee confirms that the Group complies with the provisions of the Competition and Markets Authority's Order for the financial year under review.

Amanda James
Chair of the Audit Committee
29 May 2025

Jeni Mundy
Chair of the Committee

AT A GLANCE
Providing oversight, scrutiny and challenge on matters relating to the Group's ESG strategy.

OVERVIEW
- Composed of five Independent Non-Executive Directors.
- The Chair of the Board, Executive Directors and other relevant individuals attend the meetings when appropriate by invitation.
- The Assistant Company Secretary acts as secretary to the Committee.
- At least three meetings held per year.

OUR PROGRESS IN 2025
- Refresh of our materiality assessment to ensure we are prioritising the right issues.
- Development of our Carbon Transition Plan.
- Submission of our ESOS Phase 3 reporting.
- Carbon Literacy Technology Toolkit Partnership.
- Mandatory sexual harassment training for all employees and roll out of 'Respect at Work' Policy.
- Set up the Auto Trader Digital Inclusion Fund (partnering with Forever Manchester).

FOCUS AREAS FOR 2026
- Keep up to date with the SBTi's Net-Zero Standard.
- Promote engagement with the Digital & Tech Carbon Literacy Toolkit.
- Continued focus on manager training and development.

TERMS OF REFERENCE
plc.autotrader.co.uk/investors

WORKING RESPONSIBLY **P29**

Dear shareholders,

I am pleased to present the Report of the Corporate Responsibility Committee for March 2025.

The Committee has continued to guide and oversee progress in the delivery of our Environmental, Social and Governance ('ESG') strategy, providing oversight, scrutiny and challenge on matters relating to the Group's ESG strategy.

We recognise that our activities – and the way we carry them out – have impacts that reach well beyond our financial performance. Our business activities impact a wide range of stakeholders and we strive to make this impact a positive one.

OUR PROGRESS IN 2025

This year we undertook a full refresh of our materiality assessment to ensure we are prioritising and focusing on the right issues. Conducting business responsibly, with stakeholders at the heart of our decisions, is core to our strategy and success. Our materiality assessment serves as a strategic tool, providing an overview of the material ESG issues that impact our business but also considers our business's impact and external influence.

We continue to make good progress with our ESG strategy and our cultural KPIs.

Environmental strategy

The Group has developed its first Climate Transition Plan (see pages 33 to 50) which sets out the Group's plans to transition to a sustainable economy. The Group has continued to push forward in each of the pillars making up the Group's strategic objectives, with a key achievement during the year being the launch of the first Carbon Literacy Toolkit for the digital and tech industries in partnership with Manchester Digital and The Carbon Literacy Project.

We report consistently with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD') and have continued to review the risks and opportunities posed by climate change and how they might impact our business.

The Group continues to measure its GHG emissions and these have been verified by a third party, providing an assurance over our emissions reporting. In addition, this year we also submitted our Phase 3 compliance and action plan reporting in line with the ESOS regulations on energy usage.

Looking ahead to next year, the Committee looks forward to seeing the Group's progress with its Climate Transition Plan and further progress towards the ambitious target to be net zero by 2040.

Diversity and inclusion

The Group has continued to focus on and make progress to improve the diversity and inclusion within the organisation through well established training and development programmes. It is encouraging that the Group's representation of women at a Company and leadership level remains consistently high. The refined Inclusive Culture Development Programme supports the Group's continued focus on diversity and inclusion.

Measuring progress

It is important to assess the progress being made across the Group's ESG commitments and goals and we use our cultural KPIs for this purpose. I am pleased to see that there has been positive progress with all of our diversity and inclusion KPIs and our employee engagement score remains high at 91%.

Progress towards our net zero target will continue to be monitored throughout the year. The Group should monitor developments with the SBTi's Corporate Net-Zero Standard, which is currently under review and consultation, to ensure that the Group's targets and planned actions remain appropriate. Over the next year the Committee will continue to oversee and monitor the business's commitments in relation to ESG and continue to push forward our ESG strategy.

After nine rewarding years as a Non-Executive Director and Committee Chair, I will be stepping down from the Board at the AGM. I will be handing over the Committee Chair to Megan Quinn with effect from the conclusion of the 2025 AGM. It has been a real privilege to serve alongside such a talented and committed team. I leave with great confidence in the Company's future and wish everyone continued success in the years ahead.

Jeni Mundy
Chair of the Corporate Responsibility Committee
29 May 2025

ONGOING ESG TRAINING
During the year we engaged an advisory team to deliver annual ESG specific training to the Corporate Responsibility Committee and the Group's Executive Directors. This year the training focused on ESG trends and how Auto Trader is viewed by sustainable investors. It was pleasing to hear that Auto Trader is well positioned in ESG reporting and performs well against peers in the majority of the most renowned third-party ESG metrics, screening the strongest via MSCI and Bloomberg disclosure data in particular.

NON-FINANCIAL REPORTING FRAMEWORKS
We continue to evolve our ESG reporting to meet the requirements of leading industry frameworks and our stakeholders' expectations. Our reporting focuses on the Task Force on Climate-related Financial Disclosures ('TCFD') and the Sustainability Accounting Standards Board ('SASB') standards referencing the SASB's reporting framework for the Internet and Media Services and Media & Entertainment industries. We have also identified the UN Sustainable Development Goals ('SDGs') which we believe Auto Trader can make a meaningful contribution to.

73 – 112

TCFD ALIGNMENT AT A GLANCE

The Task Force on Climate-related Financial Disclosures ('TCFD') recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets. We have summarised our progress below and pages 33 to 50 in our Being a responsible business section include disclosures consistent with the recommendations of the TCFD.

TCFD recommended disclosure	Group progress
Governance **1.** Describe the Board's oversight of climate related risks and opportunities. **2.** Describe management's role in assessing and managing climate related risks and opportunities.	We have integrated climate governance into our existing governance processes and responsibility for the risks associated with climate change throughout our business. Oversight of climate risks and opportunities is described in 'The environment' in the Being a responsible business section on page 50.
Strategy **3.** Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term. **4.** Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy and financial planning. **5.** Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.	The global threat of climate change and the Paris Agreement are forcing action and car buyers want to make the shift to more environmentally friendly vehicles. Public policy is pushing de-carbonisation with the ban on petrol and diesel vehicles before 2035. We have also strengthened our environmental strategy to focus on the following areas: (i) Auto Trader's net zero commitments; (ii) Supporting the automotive industry; and (iii) Supporting our consumers. We have undertaken climate scenario analysis and refined our assessment of the risks and opportunities posed by climate change and how they might impact our business, including consideration of the resilience of our business strategy. See pages 38 to 40 for more information.
Risk management **6.** Describe the organisation's processes for identifying and assessing climate related risks. **7.** Describe the organisation's processes for managing climate related risks. **8.** Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	We have a well-established risk management framework that separates responsibilities into three lines of defence – our ALT, oversight functions and committees and independent assurance. The Group risk register includes risk of climate change as a principal risk. We have considered various risks and opportunities, which includes both physical and transition factors. We are looking to take advantage of the opportunities presented by a shift towards electric vehicles and mitigate risks. We have modelled a climate related scenario in our viability statement and have also undertaken climate scenario analysis. See pages 62 to 72 for more information.
Metrics and targets **9.** Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process. **10.** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks. **11.** Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	To help us accurately assess and develop strategies to reach our net zero target, we have broadened the reporting of our GHG emissions to include a full inventory of Scope 3. We have updated our reporting to include the impact of Autorama. We are committed to the Science Based Targets initiative and our near-term (2030) and long-term (2040) targets have both been validated by the SBTi. We are committed to: (i) Reduce absolute Scope 1 and 2 GHG emissions 50% by FY2030/31 from a FY2022/23 base year; (ii) Reduce absolute Scope 3 GHG emissions 46.2% over the same timeframe; and (iii) Reduce absolute Scope 1, 2 and 3 GHG emissions 90% by FY2040/41 from a FY2022/23 base year. Our GHG emissions have been audited by a third party, EcoAct, providing an assurance over our emissions reporting. See page 49 for more information.

SASB DISCLOSURE TOPICS AND ACCOUNTING METRICS

SASB standards enable businesses around the world to identify, manage and communicate financially material sustainability information to their investors. The SASB standards are industry specific and identify the minimum set of financially material sustainability topics and their associated metrics for the typical company in an industry. SASB assigns Auto Trader to Internet & Media Services and the following disclosure sets out our progress according to the SASB standard for that sector.

Topic	Accounting metric	Group progress
Environmental footprint of hardware infrastructure	1. Total energy consumed. 2. Percentage grid electricity. 3. Percentage renewable.	Scope 1, 2 and 3 GHG emissions disclosed. See page 49 for further information.
	Discussion of the integration of environmental considerations into strategic planning for data centre needs.	We have completed the migration of our data centres to the cloud.
Data privacy, advertising standards and freedom of expression	Description of policies and practices relating to behavioural advertising and user privacy.	See page 59 for more information on our approach to data privacy.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring.	None, Auto Trader is a UK based company with a predominantly UK based target audience.
Data security	1. Number of data breaches. 2. Percentage involving personally identifiable information ('PII'). 3. Number of users affected.	We report qualifying incidents to the relevant regulators (for example, the Information Commissioner's Office ('ICO') in the UK) and impacted individuals, where we are legally required to do so and within the mandated timeframes. To the extent that the relevant regulators ever find fault with our data breach management and/or data security practices, they publish their findings/sanctions on their websites. There were no such sanctions in 2024/25.
	Description of approach to identifying and addressing data security risks, including use of third-party cyber security standards.	See page 59 for our approach to data security and privacy. We have adopted the National Institute of Standards and Technology ('NIST') Cyber Security Framework to manage and reduce cyber security risks.
Employee recruitment, inclusion and performance	Percentage of employees that are foreign nationals.	The Group has a total of 134 foreign nationals, representing 10.4% of total employees as at 31 March 2025.
	Employee engagement as a percentage.	91%, see page 24 for further information.
	Percentage of gender and racial/ethnic group representation for: 1. Management. 2. All other employees.	See page 55 for further information.
Intellectual property protection and competitive behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations.	No monetary losses as a result of legal proceedings.

Geeta Gopalan
Chair of the Committee

AT A GLANCE

Core responsibilities include determining all elements of remuneration for the chair, Executive Directors, and senior management, as well as advising and overseeing reward arrangements for the wider workforce.

OVERVIEW

- Composed of five Independent Non-Executive Directors.
- The Chair of the Board, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other relevant individuals including external advisors are invited to attend the meetings when appropriate. No person is present during any discussion relating to their own remuneration.

OUR PROGRESS IN 2025

- Directors’ Remuneration Policy approved by shareholders at 2024 AGM.
- Geeta Gopalan appointed as Remuneration Committee Chair with effect from the 2024 AGM.
- Assessed the achievement of targets for the FY25 annual bonus and 2022 PSP awards.
- Set appropriate targets for the FY26 annual bonus and the PSP awards to be granted in 2025.

FOCUS AREAS FOR 2026

- Assess the achievement of targets for the FY26 bonus and 2023 PSP awards.
- Continue to engage with shareholders on remuneration matters, ensuring sustained alignment with shareholder interests.
- Continue to monitor our remuneration arrangements in the context of our approach to the wider workforce, Executive pay environment, governance developments and market practice whilst ensuring alignment with strategic objectives.

TERMS OF REFERENCE
plc.autotrader.co.uk/investors

KPIs **P22**

Annual statement by the Chair of the Remuneration Committee

Dear shareholders,

I am pleased to present, on behalf of the Board, the Report of the Remuneration Committee (the ‘Committee’) for the year ended 31 March 2025, my first report since I became Chair of the Remuneration Committee in September 2024.

I would like to sincerely thank our shareholders for their support and confidence in voting in favour of the Remuneration Policy at the 2024 AGM.

I would like to thank Jill Easterbrook, my predecessor, for her exemplary contributions during her tenure. Under Jill’s leadership the Committee established a robust remuneration framework and policy, ensuring alignment with our strategic objectives and with shareholders’ interests, and I look forward to building on this strong foundation to ensure our pay structures continue to support the attraction, retention and motivation of our high-performing talent.

PERFORMANCE AND REWARD IN 2025

At Group level, revenue grew 5% to £601.1m (2024: £570.9m), and Group operating profit increased by 8% to £376.8m (2024: £348.7m) with an operating profit margin of 63% (2024: 61%). In the core Auto Trader business, revenue growth was 7% to £564.8m (2024: £529.7m) and operating profit was up 4% at £394m (2024: £378.6m) with an operating profit margin of 70% (2024: 71%), which includes a £10.2 million charge for the impact of the UK’s Digital Services Tax for the first time in the year.

Basic earnings per share increased 12% to 31.66p (2024: 28.15p), and adjusted earnings per share increased by 8% to 31.66 p (2024: 29.37 p).

Our marketplace delivered robust revenue and operating profit growth during the year, and we continued to make good progress in strategic areas including digital retailing as well as new car, leasing, data and AI and our platform services. We have continued to operate a balanced approach between short-term and long-term performance, and create value for our customers, our people and our shareholders.

Annual bonus
As detailed in last year's Directors' remuneration report, the FY25 annual bonus was based 75% on Group operating profit and 25% on strategic milestones linked to our digital retailing strategic priority.

The Group operating profit outcome was £376.8m (2024: £348.7m, an increase of 8%) compared to the stretch target of £405m. This resulted in a pay-out of 28% out of a maximum of 75% for this element. The Committee assessed the progress made on our digital retailing strategic priority based on a basket of measures including technical milestones and operational metrics, and determined that a pay-out of 15% out of a maximum of 25% should apply for this element.

The overall bonus pay-out is therefore 43% of maximum. Half of this bonus will be deferred into shares for a two-year period.

Performance Share Plan ('PSP')
PSP awards granted in 2022 will vest in June 2025 based on performance over the three years to 31 March 2025. The award was based 70% on operating profit growth, 20% on revenue growth and 10% on carbon reduction. The vesting under any of the performance conditions was subject to a diversity underpin.

Operating profit growth of 9.2% and revenue growth of 9.7% over the performance period were slightly below the set stretch targets, resulting in a pay-out of 81% and 88% of maximum potential respectively for these elements. The overall reduction in carbon emissions over the performance period was 15%, which was below the set threshold target, resulting in no pay-out for this element. The Committee determined that good progress had been made to satisfy the diversity underpin and that no adjustment to the vesting outcome was required. The overall PSP pay-out is therefore 74.3% of maximum. Under the terms of the PSP holding period, the Directors will retain the net vested shares received for at least two years from the point of vesting.

The Committee carefully considered the annual bonus outcome and the level of PSP award vesting and concluded that these were a fair reflection of the underlying performance during the year and over the past three years against the stretching targets set and that these outcomes are appropriate in the context of the broader shareholder and stakeholder experience. No discretion has therefore been exercised in relation to these outcomes.

PERFORMANCE AND REWARD IN 2026

After careful consideration, the Committee has approved salary increases of 2% for the Executive Directors. This is in line with the average increase for senior leaders in FY26, and below the planned average Company-wide pay increase of c.3.5%.

For FY26, we will continue with the approach we introduced for the FY25 awards. The annual bonus will continue to be weighted as 75% on operating profit and 25% on strategic measures linked to the achievement of stretching strategic and operational milestones against our digital retailing strategy. Targets, and performance against these, will be disclosed at the end of the performance period.

PSP awards granted this year will be based on 70% EPS growth and 20% revenue growth with the remaining 10%, previously a single carbon emission reduction target, being replaced with a basket of targets incorporating our cultural KPIs. Our cultural KPIs include gender and ethnic diversity in the workforce and in leadership, employee engagement and carbon emissions reduction, thus enabling a more comprehensive assessment of performance versus our ESG strategy. As the diversity targets are part of our cultural KPIs, awards will not be subject to a diversity underpin as was the case in previous years. The Committee will consider what progress has been achieved during the performance period against our longer-term objectives for each of the cultural KPIs as well as how that progress has been achieved and determine an appropriate level of vesting at the end of the period. Further details of the PSP targets are disclosed on page 97.

LOOKING AHEAD

I trust that you will support our 2025 Directors' remuneration report at the AGM in September. I will be available at the AGM to answer any questions. The Remuneration Committee is committed to ensuring that we are responsive to developments in best practice, and will proactively consider the implementation of our policy in light of this. I welcome any feedback that you may have, which can be submitted to ir@autotrader.co.uk.

Geeta Gopalan
Chair of the Remuneration Committee
29 May 2025

REMUNERATION AT A GLANCE: HOW EXECUTIVES WILL BE PAID IN FUTURE YEARS

An overview of our Policy and how it is proposed to apply in 2026 is set out below:

Fixed pay: to recruit and reward executives of a high calibre

Remuneration for the year ending 31 March 2026

Salary	CEO: £714,000 COO: £399,330 CFO: £443,700	The Committee decided it was appropriate to apply a salary increase of 2% in line with the average increase for senior leaders in FY26 and below the planned average Company-wide increase of c. 3.5%. The increase in salaries is effective from 1 July 2025. The COO's salary has been pro-rated to reflect that she works 4.5 days per week. Her full-time equivalent salary is £443,700, in line with that of the CFO.
Pension	7% of salary	Aligned with the maximum pension opportunity for the wider workforce.
Benefits	Includes private medical cover, life assurance and income protection insurance.	

Annual bonus

To incentivise and reward the achievement of annual financial and operational objectives which are closely linked to the corporate strategy.

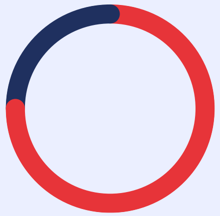
50% of bonus paid in cash

50% of bonus deferred into shares for two years

Maximum opportunity
CEO: 150% of salary
COO and CFO: 130% of salary

Malus and clawback provisions apply

FY26 bonus metrics



- **75%** Operating profit
- **25%** Strategic: milestones and metrics linked to our digital retailing strategic priority

Performance Share Plan

To incentivise and recognise successful execution of the business strategy over the longer term. To align the long-term interests of Executive Directors with those of shareholders.

3-year performance period

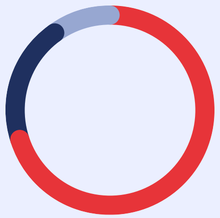
2-year holding period

Maximum opportunity
CEO: 250% of salary
COO and CFO: 200% of salary

Malus and clawback provisions apply

2026 PSP metrics

To incentivise and reward the achievement of long-term financial and ESG objectives which are aligned to our corporate strategy and our ESG ambitions.



- **70%** Earnings Per Share (EPS) growth[1]
- **20%** Revenue growth[2]
- **10%** Cultural KPIs[3]

Share ownership guidelines

GUIDELINES APPLY IN-POST, AND EXTEND BEYOND STEPPING DOWN FROM THE BOARD
200% of salary.

POST-EMPLOYMENT GUIDELINES
100% of in-post shareholding guideline (or actual shareholding if lower) for a period of two years following departure from the Board.

1. Compound annual growth rate targets have been set as three-year growth targets with reference to performance for 31 March 2025 as the base year. Earnings Per Share will be based on Group Earnings Per Share.
2. Revenue will be based on Group revenue, but excluding Vehicle & Accessory Sales attributable to Autorama, as this revenue does not generate any profit.
3. Our cultural KPIs include gender and ethnic diversity in the workforce and in leadership, employee engagement and carbon emissions reduction as defined on page 24.

73 – 112

Annual Report on remuneration

This report has been prepared in accordance with the Companies Act 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013) and the UKLA's Listing Rules. This report is subject to an advisory shareholder vote at the AGM on 18 September 2025.

Summary of Directors' Remuneration Policy ('Policy')

Our Policy was put to shareholders for approval at the AGM on 19 September 2024 and applies to payments made from this date. We consulted with shareholders when designing and implementing this Policy and received a strong level of support at the AGM with 95.88% of votes cast in favour.

In designing this Policy the Committee also considered the following principles as recommended in the revised 2018 UK Corporate Governance Code.

Clarity: The Policy is designed to allow our remuneration arrangements to be structured such that they clearly support, in a sustainable way, the financial and strategic objectives of the Company. The Committee remains committed to reporting on its remuneration practices in a transparent, balanced and understandable way.

Simplicity: The Policy consists of three main elements: fixed pay (salary, benefits and pension), an annual bonus and a long-term incentive award. The metrics used in our incentive plans directly link back to our key strategic ambitions and values and provide a clear link to the shareholder experience. The Committee may change measures for future years to ensure they continue to be aligned with our strategy.

Risk: The Policy is in line with our risk appetite. A robust malus and clawback policy is in place, and the Committee has the discretion to reduce pay outcomes where these are not considered to represent overall Company performance or the shareholder experience. Furthermore, our bonus deferral, post-cessation shareholding requirement and PSP holding period ensure that Executive Directors are motivated to deliver sustainable performance.

Predictability: The Committee considers the impact of various performance outcomes on incentive levels when determining quantum.

Proportionality: A substantial portion of the package comprises performance-based reward, which is linked to our strategic priorities and underpinned by a robust target-setting process. We are mindful of the alignment with our workforce, the shareholder experience and our values and culture when considering the right and proportional approach to pay.

Alignment: When developing our Policy, the Committee reviewed our approach to remuneration throughout the organisation to ensure that arrangements are appropriate in the context of the wider workforce. The themes considered include workforce demographics, engagement levels and diversity to ensure that executive remuneration is appropriate from a cultural perspective.

The following provides a summary of the Policy. For full details of the Policy approved by shareholders please refer to the 2024 Annual Report and Accounts which can be found at plc.autotrader.co.uk/investors.

Element	Purpose and link to strategy	Operation and performance conditions	Maximum opportunity	Performance assessment
Salary	To recruit and reward executives of high calibre.	Salaries are normally reviewed annually with changes effective from 1 July but may be reviewed at other times if considered appropriate. Salary reviews will consider: • personal performance; • Group performance; • the nature and scope of the role; • the individual's experience; • increases elsewhere in the Company; and • market practice at other companies of a similar size and complexity. Periodic reviews of market practice (for example, in comparable companies in terms of size and complexity) will also be undertaken. The Committee considers the impact of any salary increase on the total remuneration package.	There is no prescribed maximum salary level or salary increase; however, any base salary increases will normally be in line with the percentage increases awarded to other employees of the Group. Increases may be made outside of this policy in appropriate circumstances, such as: • Where a Director is appointed on a salary that is at the lower end of the market practice range, larger increases may be awarded as the executive gains experience to move the salary closer to a more typical market level. • Where there has been a change in the nature and scope of the role. • Where there has been a significant and sustained change in the size and complexity of the business. • Where there has been a significant change in market practice.	The Committee reviews the salaries of Executive Directors each year taking due account of all the factors described in how the salary policy operates.

Element	Purpose and link to strategy	Operation and performance conditions	Maximum opportunity	Performance assessment
Benefits	To provide competitive benefits to ensure the wellbeing of employees.	Executive Directors are entitled to the following benefits: • life assurance; • income protection insurance; and • private medical insurance. The Committee may determine that Executive Directors should receive additional reasonable benefits if appropriate, taking into account typical market practice and practice throughout the Group. Executive Directors may be reimbursed for all reasonable expenses and the Company may settle any tax incurred in relation to these. Where an Executive Director is required to relocate to perform their role, they may be provided with reasonable benefits as determined by the Committee in connection with this relocation (on either a one-off or ongoing basis), including any benefits such as housing, travel or education allowances.	The value of benefits is not capped as it is determined by the cost to the Company, which may vary.	N/A
Pension	To provide retirement benefits for employees.	Directors are eligible to receive employer contributions to the Company's pension plan (which is a defined contribution plan), a salary supplement in lieu of pension benefits (or combination of the above) or similar arrangement.	Maximum contribution in line with the contribution of other employees in the Group, currently 7% of salary.	N/A
Annual bonus	To incentivise and reward the achievement of annual financial and operational objectives which are closely linked to the corporate strategy.	The annual bonus is based predominantly on stretching financial and operational objectives set at the beginning of the year and assessed by the Committee following the year end. Half of any bonus earned is normally subject to deferral into shares, typically for a period of two years from the date of award. The deferred shares will vest subject to continued employment, but there are no further performance targets. A dividend equivalent provision applies, as described below. Recovery and withholding provisions apply, as described on page 101. Participation in the bonus plan, and all bonus payments, are at the discretion of the Committee.	Maximum of 150% of salary as determined by the Committee.	Financial measures will normally represent the majority of bonus measures, with strategic or operational or personal non-financial targets representing the balance (if any). Not more than 20% of each part of the bonus will be payable for achieving the relevant threshold hurdle. Measures and weightings may change each year to reflect any year-on-year changes to business priorities. The Committee has the discretion to adjust targets in appropriate circumstances for any exceptional events (including acquisitions or disposals) that may arise during the year. The Committee also has the discretion to adjust the bonus outcome if it is not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual over the performance period or where the outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.

Element	Purpose and link to strategy	Operation and performance conditions	Maximum opportunity	Performance assessment
Performance Share Plan ('PSP')	To incentivise and recognise successful execution of the business strategy over the longer term. To align the long-term interests of Executive Directors with those of shareholders.	Awards will normally be made annually under the PSP, and will take the form of nil-cost options or conditional share awards. Participation and individual award levels will be determined at the discretion of the Committee within the Policy. Awards normally vest after three years subject to the extent to which the performance conditions specified for the awards are satisfied, and continued service. Recovery and withholding provisions apply, as described on page 101. Executive Directors are required to retain vested shares delivered under the PSP for at least two years from the point of vesting, subject to the terms of the holding period described below. A dividend equivalent provision applies, as described below.	Normal: maximum of 250% of salary as determined by the Committee. Exceptional circumstances: maximum of 300% of salary as determined by the Committee.	The vesting of awards will be subject to the achievement of performance metrics which may be financial, share price or strategic in nature. The metrics and weightings for each award will be set out in the Annual Report on Remuneration. Any strategic measure(s) will account for no more than 25% of the award. No more than 25% of the award vests for achieving threshold performance. The Committee has the discretion to adjust targets in appropriate circumstances for any exceptional events (including acquisitions and disposals) that arise during the performance period. The Committee retains the discretion to adjust the vesting outcome if it is not considered to be reflective of underlying financial or non-financial performance of the business or the performance of the individual over the performance period or where the outcome is not considered appropriate in the context of the experience of shareholders or other stakeholders.
All-employee share plans	To encourage Group-wide equity ownership across all employees, and create a culture of ownership.	The Company operates two all-employee tax-advantaged plans, namely a Save As You Earn ('SAYE'), and a Share Incentive Plan ('SIP') for the benefit of Group employees. The operation of these plans will be at the discretion of the Committee, and Executive Directors will be eligible to participate on the same basis as other employees.	SAYE and SIP – Maximum permitted based on HMRC limits from time to time.	N/A
Share ownership guidelines	To increase alignment between executives and shareholders.	**In-post:** Executive Directors are expected to build and maintain a holding of shares in the Company. This is expected to be built through retaining a minimum of 50% of the net of tax vested PSP and DABP shares, until the guideline level is met. The minimum share ownership guideline is 200% of salary for current Executive Directors. **Post-cessation:** Following stepping down from the Board, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of salary (or actual shareholding if lower) for two years. The Committee retains discretion to waive this guideline or disapply the guideline from certain shares (for example purchased shares) if it is not considered to be appropriate in the specific circumstance.	Not applicable.	N/A

Recovery and withholding provisions

Recovery and withholding provisions apply to variable pay, to enable the Company to recover amounts paid under the annual bonus and PSP awards. For bonuses payable in respect of 2024/25 and PSP awards granted in respect of 2024/25, the provisions may be applied in the circumstances described below for a period of three years from payment of any cash bonus, three years from grant in the case of any DABP award and six years from grant in the case of any PSP award:

- a material misstatement of the audited financial statements;
- an error in assessing a performance condition or in the information or assumptions on which a PSP award or DABP award was granted or vests;
- a material failure of risk management;
- individual gross misconduct;
- serious reputational damage;
- a material corporate failure; or
- any other circumstances which the Committee considers is similar in nature or effect.

Should such an event be suspected, the Committee may extend the timeline to allow for an investigation of the event. Recovery may be satisfied in a variety of ways including through the reduction of outstanding deferred awards, reduction of net bonus or PSP vesting and seeking cash repayment.

Dividend equivalents

DABP and PSP awards may, at the Committee's discretion, also include the right to receive an additional benefit (in cash or shares) determined by reference to the value of dividends paid on vested shares, which may assume the reinvestment of dividends on a cumulative basis.

REMUNERATION POLICY FOR THE CHAIR AND NON-EXECUTIVE DIRECTORS

The Non-Executive Directors do not have service contracts with the Company, but instead have letters of appointment.

Element	Purpose and link to strategy	Overview of operation	Maximum opportunity
Fees	To attract and retain a high-calibre Chair and Non-Executive Directors by offering a market competitive fee level.	Fees are reviewed periodically and approved by the Board with Non-Executive Directors abstaining from any discussion in relation to their fees. Both the Chair and the Non-Executive Directors are paid annual fees and do not participate in any of the Company's incentive arrangements, or receive any pension provision or other benefits. The Chair receives a single fee covering all of their duties. The Non-Executive Directors receive a basic Board fee, with additional fees payable for chairing the Audit, Remuneration and Corporate Responsibility Committees and for performing the Senior Independent Director role. Additional fees may be paid to reflect additional Board or Committee responsibilities or an increased time commitment as appropriate. The Chair and Non-Executive Directors shall be entitled to have reimbursed all expenses that they reasonably incur in the performance of their duties. The Company may meet any tax liabilities that may arise on such expenses. The Board may introduce benefits for the Chair or Non-Executive Directors if it is considered appropriate to do so.	There is no prescribed maximum annual increase or fee level. The fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels (for example in companies of comparable size and complexity).

SINGLE FIGURE OF REMUNERATION FOR THE YEAR ENDED 31 MARCH 2025 (AUDITED)

The table below shows the aggregate emoluments earned by the Directors of the Company in the year ended 31 March 2025.

£'000	Salary and fees	Benefits	Other	Annual bonus[1]	Long-term incentives[2]	Pension	Total fixed remuneration	Total variable remuneration	Total
Executive									
Nathan Coe	682	1	–	452	1,167	47	730	1,619	2,349
Catherine Faiers[3]	380	1	–	219	485	25	406	704	1,110
Jamie Warner	417	1	2[4]	243	508	29	449	751	1,200
Non-Executive									
Matt Davies	332	–	–	–	–	–	332	–	332
Jill Easterbrook[5]	36	–	–	–	–	–	36	–	36
Jasvinder Gakhal	65	–	–	–	–	–	65	–	65
Geeta Gopalan[6]	76	–	–	–	–	–	76	–	76
Amanda James[7]	59	–	–	–	–	–	59	–	59
David Keens[5]	41	–	–	–	–	–	41	–	41
Jeni Mundy	80	–	–	–	–	–	80	–	80
Sigga Sigurdardottir	65	–	–	–	–	–	65	–	65
Total	2,233	3	2	914	2,160	101	2,339	3074	5,413

1. Performance against annual bonus targets resulted in an overall outcome of 43% of maximum. Half of the bonus is deferred into shares for a two-year period.
2. 74.3% of PSP awards granted in 2022 will vest in 2025 for performance over the three-year period to 31 March 2025, with financial year 2022 as the base year. The award was based 70% on Auto Trader operating profit compound annual growth rate for the three years ended 31 March 2025, 20% Auto Trader revenue compound growth rate for the three years ended 31 March 2025 and 10% in relation to a carbon emissions reduction target. Vesting of the award was subject to a diversity underpin which was judged by the Committee to have been met. The value of these awards has been calculated based on the three-month average share price to 31 March 2025 of 774.97p. Of the value reported, the following is attributable to share price growth from grant: Nathan Coe – £271,226; Catherine Faiers – £112,805; Jamie Warner – £118,179.
3. Catherine Faiers works a 4.5 day working week and her salary has been pro-rated accordingly.
4. Jamie Warner was granted 960 shares under the Company's Save As You Earn scheme, at a discount of 20% to the market price. The total value of the discount was £1,529 and has been included in the 'Other' column above.
5. David Keens and Jill Easterbrook retired from the Board at the AGM on 19 September 2024.
6. Geeta Gopalan was appointed to the Board on 1 May 2024 and was appointed as Remuneration Committee Chair at the AGM on 19 September 2024.
7. Amanda James was appointed to the Board on 1 July 2024 and was appointed as Audit Committee Chair at the AGM on 19 September 2024.

SINGLE FIGURE OF REMUNERATION FOR THE YEAR ENDED 31 MARCH 2024 (AUDITED)

The table below shows the aggregate emoluments earned by the Directors of the Company in the year ended 31 March 2024.

£'000	Salary and fees	Benefits	Other	Annual bonus[1]	Long-term incentives[2]	Pension	Total fixed remuneration	Total variable remuneration	Total
Executive									
Nathan Coe	619	1	–	867	1,626	43	663	2,493	3,156
Catherine Faiers[3]	343	1	–	416	676	24	368	1,092	1,460
Jamie Warner	360	1	–	436	709	25	386	1,145	1,531
Non-Executive									
Matt Davies[4]	190	–	–	–	–	–	190	–	190
Jill Easterbrook	74	–	–	–	–	–	74	–	74
Jasvinder Gakhal	63	–	–	–	–	–	63	–	63
David Keens	85	–	–	–	–	–	85	–	85
Jeni Mundy	74	–	–	–	–	–	74	–	74
Sigga Sigurdardottir	63	–	–	–	–	–	63	–	63
Ed Williams[5]	92	–	–	–	–	–	92	–	92
Total	1,963	3	–	1,719	3,011	92	2,058	4,730	6,788

1. Performance against annual bonus targets resulted in an overall outcome of 92.2% of maximum. Half of the bonus is deferred into shares for a two-year period.
2. 96.9% of PSP awards granted in 2021 vested in 2024 for performance over the three-year period to 31 March 2024. In last year's report, for the purpose of the single figure the vested shares were valued based on the three-month average share price to 31 March 2024 of 725.8p, giving a value of £1,455k for Nathan Coe, £605k for Catherine Faiers, and £634k for Jamie Warner including dividend equivalents. The amounts in the table above have been revalued based on the share price on the date of vesting of 811.0p. Of the value reported, the following is attributable to share price growth from grant: Nathan Coe – £481,163; Catherine Faiers – £200,122; Jamie Warner – £209,651.
3. Catherine Faiers works a 4.5 day working week and her salary has been pro-rated accordingly.
4. Matt Davies was appointed to the Board on 1 July 2023 as a Non-Executive Director, and assumed the role of Chair on 14 September 2023.
5. Ed Williams retired from the Board on 14 September 2023.

73 – 112

ADDITIONAL INFORMATION TO SUPPORT THE SINGLE FIGURE

Benefits

Benefits included in the single figure relate to private healthcare. Directors also receive life assurance and income protection insurance, the cost of which is not disclosed within Benefits above as these are non-taxable benefits.

The value of life assurance and income protection insurance comprised: Nathan Coe £2,848 (2024: £2,714); Catherine Faiers £2,119 (2024: £1,930); and Jamie Warner £2,222 (2024: £2,022).

Pension

Employer's pension contributions of up to 7% of salary were paid in respect of Executive Directors in line with those received for the wider UK employee population. Once Executive Directors have reached their annual pension limit, a salary supplement of 7% is paid in lieu of pension benefits.

Annual bonus for the year ended 31 March 2025 (AUDITED)

The performance measures, targets and performance outcomes for the annual bonus for the year ended 31 March 2025 are shown in the following table:

Performance measures		Weighting	Threshold	Stretch	Actual performance	Pay-out (as a % of maximum)	Pay-out as % of element
Financial	Operating profit for year ending 31 March 2025	75%	Below or equal to £360m	Equal to or above £405m	£376.8m	37.3%	28%
Strategic targets	Milestones linked to our digital retailing strategy	25%	–	–	See below	60%	15%
Total pay-out		–	–	–	–	–	43%

Operating profit remains a key performance indicator of the business and the Board believes continuing to deliver operating profit performance will generate long-term value for shareholders. The Committee reviewed the formulaic outcome and was comfortable that this was consistent with the overall performance of the Company, and did not exercise discretion.

The Committee assessed the strategic element based on performance against the Digital Retailing strategic priority using a range of quantitative and qualitative indicators, comprising both the completion of technical milestones, and achievement of a set of operational metrics including the number of retailers using the product and the volume of stock on the product. As detailed in the Strategic report, Deal Builder has grown since its launch in 2023 from around 50 customers to c.2,000 at the end of this year, and with c.84,000 vehicles with Deal Builder enabled. Based on this growth and achievements in relation to technical milestones, the Committee assessed performance to be at a level that results in an award of 15% out of the possible 25% of the maximum overall bonus (60% of maximum).

The overall bonus pay-out is therefore 43% of maximum.

PERFORMANCE SHARE PLAN VESTING FOR YEAR ENDED 31 MARCH 2025 (AUDITED)

The PSP award granted in 2022 was based on performance to 31 March 2025, with the base year being 31 March 2022. The performance conditions for this award, and the performance achieved, are set out in the table below:

Measure	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Actual performance	Pay-out (as a % of maximum)	Pay-out as % of element)
Operating profit	70%	5.5%	10.5%	9.2%	81%	56.7%
Revenue growth	20%	5.5%	10.5%	9.7%	88%	17.6%
Carbon reduction	10%	23%	36%	15%	0%	0%
Total vesting	–	–	–	–	–	74.3%

The growth targets for the operating profit and revenue targets were set as three-year growth targets with reference to performance for 31 March 2022 as the base year. Revenue and Operating Profit growth has been assessed consistent with the targets set, using Auto Trader Operating Profit and Auto Trader revenue, therefore excluding the impact of Autorama and Group Central Costs. Following the disposal of Webzone Limited in 2022, the associated revenue and operating profit has been excluded from the base year in order to assess performance on a like-for-like comparison of performance across the three-year performance period.

Carbon emissions have been calculated based on the financial consolidation approach as defined in the Greenhouse Gas Protocol, and include emissions from Scopes 1, 2 and 3. Our total carbon emissions for both the base year and 2025 have been independently verified. Although carbon emissions have reduced by 15% over the performance period, this did not reach the threshold for payment of this element.

The award was subject to a diversity underpin. The Committee assessed progress in the round taking into account 'how' performance had been achieved and 'what' performance had been achieved against key gender and ethnic diversity objectives, including considering the proportion of staff who are women and who are ethnically diverse as well as the proportion of leadership who are women and who are ethnically diverse. The Committee agreed good progress had been made and therefore did not apply any downward discretion. Overall, the Committee considers that the Remuneration Policy has operated as it was intended during 2025.

The performance-driven focus of our total remuneration directly supports the sustainable long-term success of the business.

SCHEME INTERESTS AWARDED DURING THE YEAR (AUDITED)

Awards were granted on 20 September 2024 under the PSP as shown below. Awards are granted as nil-cost options.

Executive Director	Number of shares awarded	Multiple of salary	Face value of awards[2]	% award vesting at threshold (% maximum)	Performance period
PSP awards[1]					
Nathan Coe	235,118	250%	1,750,000	25%	1 April 2024 to 31 March 2027
Catherine Faiers	105,198	200%	783,000	25%	1 April 2024 to 31 March 2027
Jamie Warner	116,887	200%	870,000	25%	1 April 2024 to 31 March 2027

1. PSP awards will normally be eligible to vest based on performance over the three years to 31 March 2027 and continued employment. The net value of the vested awards is subject to a two-year holding period.
2. Awards were granted after the approval of the Directors' Remuneration Policy at the 2024 AGM. Consistent with previous years, face value was calculated based on the mid-market price for the three-month period leading up to the usual grant date of 26 June 2024 of 744.31p. This approach has been used to smooth out share price volatility and ensure that the number of shares awarded is not overly impacted by short-term changes in the share price.

The performance conditions applying to the 2024 PSP awards shown in the table on the previous page are set out below:

Measure	Weighting	Basis	Threshold (25% vesting)	Stretch (100% vesting)
Earnings per share (EPS) growth	70%	EPS growth for the three years ended 31 March 2027.[1]	8%	14%
Revenue growth	20%	Revenue compound annual growth rate for the three years ended 31 March 2027.[2]	6%	11%
Carbon reduction	10%	Reduction of carbon emissions over the three years to 31 March 2027.[3]	33%	43%
Diversity underpin	N/A	The vesting under any of the performance conditions will be subject to a diversity underpin. The Committee will determine whether there has been acceptable progress made against the key gender and ethnic diversity objectives, including considering the proportion of our staff who are women and who are ethnically diverse as well as the proportion of leadership[4] who are women and who are ethnically diverse. In assessing whether the underpin has been satisfied, the Committee will consider a range of quantitative and qualitative benchmarks to inform its decision, including 'how' performance has been achieved and 'what' performance has been achieved over the performance period. Should the Committee consider that the underpin has not been met, it would consider whether a discretionary reduction in the number of shares vesting was required.		

1. EPS growth rate targets are set as three-year growth targets with reference to performance for 31 March 2024 as the base year. EPS will be based on Group Earnings Per Share, but excluding the impact of the deferred acquisition charges in relation to the acquisition of Autorama, which were spread over FY23 and FY24. This approach provides a like-for-like comparison for assessing performance across the three-year performance period.
2. Revenue targets are based on Group revenue, excluding Vehicle & Accessory Sales attributable to Autorama as this revenue does not generate any profit.
3. Carbon emissions are calculated based on the financial consolidation approach as defined in the Greenhouse Gas Protocol, and include emissions from Scopes 1, 2 and 3. Our total carbon emissions for the year to 31 March 2024 (the base year) have been independently verified. Refer to page 49 for further details.
4. Leadership is defined in line with our Cultural KPIs (refer to page 24).

When determining vesting the Committee will consider the overall experience of shareholders and wider stakeholders over the performance period.

2025 PSP TARGETS

2025 PSP awards will be made at the level of 250% of base salary for the CEO and 200% of base salary for the COO and CFO. Awards will be subject to the following performance measures and targets:

Measure	Weighting	Basis	Threshold (25% vesting)	Stretch (100% vesting)
Earnings per share (EPS) growth	70%	EPS growth for the three years ended 31 March 2028.[1]	7%	13%
Revenue growth	20%	Revenue compound annual growth rate for the three years ended 31 March 2028.[2]	5%	10%
Basket of cultural KPIs	10%	Years ended 31 March 2028 based on performance against our Cultural KPIs (set out on page 24) including; • Proportion of the workforce that are women • Proportion of leadership that are women • Proportion of the workforce that are ethnically diverse • Proportion of leadership that are ethnically diverse • Employee engagement • Carbon emissions The Committee will consider what progress has been achieved during the performance period against our longer-term objectives for each of the cultural KPIs as well as how that progress has been achieved and determine an appropriate level of vesting at the end of the period.		

1. EPS growth rate targets are set as three-year growth targets with reference to performance for 31 March 2025 as the base year. EPS will be based on Group Earnings Per Share.
2. Revenue targets are based on Group revenue, excluding Vehicle & Accessory Sales attributable to Autorama as this revenue does not generate any profit.

DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

Executive Directors are required to maintain a shareholding in the Company equivalent in value to 200% of salary. If an Executive Director does not meet the guideline, they will be expected to retain at least half of the net shares vesting under the Company's discretionary share-based employee incentive schemes until the guideline is met. Non-Executive Directors do not have shareholding guidelines.

The table below sets out the number of shares held or potentially held by Directors (including their connected persons where relevant) as at 31 March 2025. There have been no changes in these interests up until 29 May 2025.

Director	Beneficially owned shares[1]	Number of awards held under the PSP conditional on performance	Number of awards held under the DABP conditional on continued employment	Number of unvested Sharesave options and Share Incentive Plan shares	Number of vested but unexercised nil cost options	Number of vested Sharesave options and Share Incentive Plan shares	Target shareholding guideline (as a % of salary)	Percentage of salary held in shares as at 31 March 2025[2]
Executive Directors								
Nathan Coe	3,322,270	621,731	110,290	–	–	–	200%	3627%
Catherine Faiers	134,476	266,002	53,008	–	–	–	200%	263%
Jamie Warner	103,171	285,348	55,533	2,301	–	1,392	200%	184%
Non-Executive Directors								
Matt Davies	7,936	–	–	–	–	–	N/A	N/A
Jasvinder Gakhal	–	–	–	–	–	–	N/A	N/A
Geeta Gopalan	–	–	–	–	–	–	N/A	N/A
Amanda James	–	–	–	–	–	–	N/A	N/A
Jeni Mundy	–	–	–	–	–	–	N/A	N/A
Sigga Sigurdardottir	–	–	–	–	–	–	N/A	N/A

1. Includes shares owned by connected persons. Only beneficially owned shares count towards the shareholding guideline.
2. Based on the Director's salary and the mid-market price at close of business on 31 March 2025 of 744.2p. Includes net (after tax) of options vested but not exercised.

GAINS ON EXERCISE OF SHARE OPTIONS (AUDITED) DURING THE YEAR

Directors exercised share options in relation to share options and long-term incentive plans, resulting in an aggregate gain of £3,058,528.

PAYMENTS TO FORMER DIRECTORS (AUDITED)

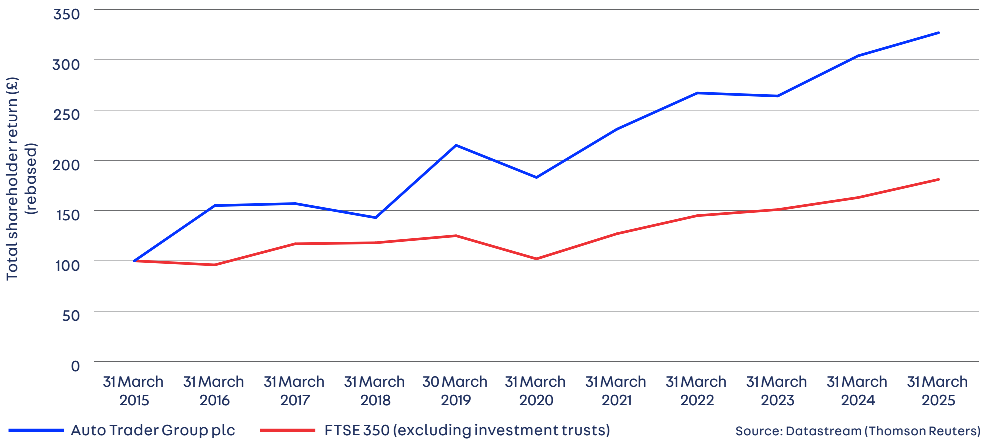
There were no payments made to former Directors during the year.

PAYMENTS FOR LOSS OF OFFICE (AUDITED)

There were no payments for loss of office during the year.

PERFORMANCE GRAPH AND CEO REMUNERATION TABLE

The graph below illustrates the Company's TSR performance relative to the FTSE 350 Index (excluding investment trusts) over the 10 years from 1 April 2015. This index has been selected as it is a broad all-sector group of which the Company is a constituent. The graph shows the performance over that period of a hypothetical £100 invested.



Source: Datastream (Thomson Reuters)

CEO REMUNERATION

The table below sets out the CEO's single figure of total remuneration together with the percentage of maximum annual bonus and PSP awarded over the same period.

	2025	2024	2023	2022	2021	2020[1]	2019[1]	2018[1]	2017[1]	2016[1]
CEO total remuneration (£'000)	**2,349**	3,156[7]	1,281	1,673	523	1,659	2,052	2,929	980	1,339
Annual bonus (% of maximum)	**43.0%**	92.2%	72.4%	75.0%	N/A[4]	N/A[3]	76.75%	50.3%	51.8%	100%
PSP vesting (% of maximum)	**74.3%**	96.9%	0%[6]	50.1%	0%[5]	73.6%	51.2%	100%	N/A[2]	N/A[2]

1. 2016 to 2019 figures reflect Trevor Mather's service as CEO. The 2020 figures reflect Trevor Mather's service as CEO to 29 February 2020, and Nathan Coe's service as CEO from 1 March 2020.
2. No awards were eligible to vest in respect of long-term performance ending in 2016 or 2017.
3. The CEO elected to waive his bonus in respect of 2019/20.
4. No bonus plan operated in 2020/21.
5. PSP awards lapsed in 2020/21 as performance conditions were not met.
6. PSP award vesting in 2023 was based solely on Relative Total Shareholder Return ('TSR') compared to the FTSE 350 (excluding investment trusts) due to the impact of COVID-19 on our business. The threshold was not met so the award lapsed.
7. The 2024 CEO figures have been updated due to revalued PSP based on the share price on the date of vesting of 811.0 pence. See page 102 for Single Figure of Remuneration for the year ended 31 March 2024 (audited) footnote 2.

CEO PAY RATIO

The table opposite shows the ratio between the CEO's total single figure (as calculated on the previous page) and the median, lower and upper quartile total remuneration for our UK-based workforce. Our median all-employee to CEO pay ratio is 40.7:1.

A significant proportion of the CEO's pay is in the form of variable pay through the annual bonus and the PSP. CEO pay will therefore vary year-on-year based on Company and share price performance. The CEO to all-employee pay ratio will therefore also fluctuate taking this into account.

It should be noted that the pay ratio when comparing 2024 to 2025 has decreased, which is largely driven by the decrease in variable pay, as the Annual Bonus pay-out has reduced from 92.2% to 43% of maximum, and the PSP has reduced from 96.9% to 74.3% of maximum.

The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression, and is appropriate for the Company's size and structure.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY25	**A**	**57.3:1**	**40.7:1**	**29.3:1**
FY24	A	80.3:1	58.3:1	40.4:1
FY23	A	36.6:1	26.9:1	18.2:1
FY22	A	46.6:1	33.5:1	23.7:1
FY21	A	15.9:1	10.9:1	7.8:1
FY20	A	50.4:1	34.2:1	24.8:1

- Method A has been used to determine the relevant employees on the basis that this approach is in line with the approach used to calculate the single total figure for the CEO and therefore is the most robust.
- For 2025, the salary for the P25 employee was £34,625 and total remuneration was £40,935. The salary for the P50 employee was £48,500 and total remuneration was £57,635. The salary for the P75 employee was £67,250 and total remuneration was £80,250.
- The P25, P50 and P75 employees were determined as at 31 March 2025 based on full-time equivalent remuneration. Only employees who were employed as at the end of the financial year were included; salaries were annualised, taking account of mid-year increases. The total remuneration includes salary, allowances, taxable benefits, pension contributions, bonus, and share-based payments. Taxable benefits are based on the 2024-2025 tax year. Options under the SAYE scheme are included as at the date of grant, based on the difference between the market value at grant date and the exercise price. Options under discretionary plans (PSP and Single Incentive Plan Award) are based on the date that the performance conditions were achieved, and valued using the three-month average share price to 31 March 2025 of 774.97 pence.
- For 2020, the CEO single figure reflects amounts to Trevor Mather (stepped down 29 February 2020) and Nathan Coe (appointed CEO 1 March 2020) for their respective time in service.
- The 2024 CEO pay ratio figures have been updated to reflect the change to the CEO total single figure of remuneration for the year ended 31 March 2024, following the revalued PSP award based on share price on date of vesting.

YEAR-ON-YEAR CHANGE IN PAY FOR DIRECTORS COMPARED TO THE AVERAGE EMPLOYEE

In accordance with the requirement under The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the table below shows the increase in each Director's pay (salary, benefits and bonus) between 2020 to 2021, 2021 to 2022, 2022 to 2023, 2023 to 2024 compared to the average increase for the employees of the Group.

	2025-2024			2024-2023			2023–2022			2022–2021			2021–2020		
	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus
Executive Directors															
Nathan Coe[1,2]	**10%[16]**	**10%[15]**	**(48%)**	5%	(4%)	34%	3%	(8%)	(1%)	16%	(7%)	100%[8]	26%	31%	**(100%)**
Catherine Faiers[1,3]	**11%[16]**	**10%[15]**	**(47%)**	5%	(4%)	34%	3%	(8%)	(1%)	12%	(7%)	100%[8]	(11%)	43%	**(100%)**
Jamie Warner[1,4]	**16%[16]**	**10%[15]**	**(44%)**	5%	(4%)	34%	3%	(8%)	(1%)	16%	(7%)	100%[8]	932%	1,477%	**(100%)**
Non-Executive Directors															
Matt Davies[11]	**75%**	**–**	**–**	–	–	–	–	–	–	–	–	–	–	–	**–**
Jill Easterbrook[1,14]	**(51%)**	**–**	**–**	5%	–	–	4%	–	–	17%	–	–	(13%)	–	**–**
Jasvinder Gakhal[7]	**3%**	**–**	**–**	5%	–	–	315%	–	–	N/A	N/A	N/A	N/A	N/A	**N/A**
Geeta Gopalan[12]	**N/A**	**N/A**	**N/A**												
Amanda James[13]	**N/A**	**N/A**	**N/A**												
David Keens[1,14]	**(52%)**	**–**	**–**	5%	–	–	4%	–	–	35%	–	–	(25%)	–	**–**
Jeni Mundy[1,5,17]	**8%**	**–**	**–**	5%	–	–	4%	–	–	31%	–	–	(9%)	–	**–**
Sigga Sigurdardottir[1,6]	**3%**	**–**	**–**	5%	–	–	4%	–	–	16%	–	–	108%	–	**–**
Average employee	**4.4%**	**10%**	**–**	7%	(4%)	–	6.4%	(8%)[9]	–[10]	5.5%	37%	–	0%	27%	**–**

1. David Keens voluntarily waived his entire fee from 1 April 2020 to 30 June 2020. The remaining Board members voluntarily waived 50% of their salaries and fees from 1 April 2020 to 30 June 2020.
2. Nathan Coe was appointed as CEO on 1 March 2020 and his base salary increased on that date from £377,000 to £568,000.
3. Catherine Faiers was appointed to the Board on 1 May 2020 and therefore her reported salary for 2020 represents only 11 months. Further, Catherine became part-time from 1 September 2020 and therefore her salary was pro-rated from that date to reflect her 4.5 day working week.
4. Jamie Warner was appointed to the Board on 1 March 2020 and therefore his reported salary for 2020 represents only one month.
5. Jeni Mundy was appointed Chair of the Corporate Responsibility Committee from 1 January 2021.
6. Sigga Sigurdardottir was appointed to the Board on 1 November 2019.
7. Jasvinder Gakhal was appointed to the Board on 1 January 2022.
8. 100% value shown as no bonus was paid for 2021.
9. The decrease in benefits in 2023 relates to a reduction in our private medical insurance premiums.
10. For the purpose of the annual bonus this relates to performance related schemes only and therefore figures exclude any cost of living payments made to all employees during the year.
11. Matt Davies was appointed to the Board on 1 July 2023 as Chair Designate, and assumed the role of Chair following shareholder approval at the 14 September 2023 AGM.
12. Geeta Gopalan was appointed to the Board on 1 May 2024, and was appointed Chair of the Remuneration Committee from 19 September 2024.
13. Amanda James was appointed to the Board on 1 July 2024, and was appointed Chair of the Audit Committee from 19 September 2024.
14. David Keens and Jill Easterbrook retired from the Board at the AGM on 19 September 2024.
15. The increase in benefits in 2024 relates to an increase in our private medical insurance premiums.
16. Executive salaries in 2024 were increased above the average employee increase to reposition and fairly reflect the significant growth in their roles and current scale of Auto Trader as disclosed in the previous Annual Report.
17. Committee Chair fees were increased from £11,283 to £18,500 with effect from the 2024 AGM.

RELATIVE IMPORTANCE OF THE SPEND ON PAY

The following table shows the Group's actual spend on pay for all employees compared to distributions to shareholders. The average number of employees has also been included for context. Revenue and operating profit have also been disclosed as these are two key measures of Group performance.

	2025 £m	2024 £m	% change
Employee costs (see note 7 to the Consolidated financial statements)	**100.2**	92.4	8%
Average number of employees (see note 7 to the Consolidated financial statements)	**1,267**	1,233	3%
Revenue (see Consolidated income statement)	**601.1**	570.9	5%
Operating profit	**376.8**	348.7	8%
Share buybacks and dividends paid (see notes 26 and 28 to the Consolidated financial statements)	**275.7**	250.3	10%

FEES FOR THE CHAIR AND NON-EXECUTIVE DIRECTORS

Fees for the Chair and Non-Executive Directors were reviewed in March 2025 and will be increased by 2% with effect from 1 July 2025, which is in line with the increase for senior leaders in the business and below the average increase for the workforce.

The following table sets out the fees in financial year 2026 compared to those which applied in financial year 2025 following the AGM:

Base fees	2025 – following AGM	Percentage change	2026
Chair	£334,750	2%	**£341,445**
Non-Executive Director	£65,821	2%	**£67,137**
Additional fees			
Senior Independent Director	£12,500	2%	**£12,750**
Audit Committee Chair	£18,500	2%	**£18,870**
Remuneration Committee Chair	£18,500	2%	**£18,870**
Corporate Responsibility Committee Chair	£18,500	2%	**£18,870**

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, subject to annual re-appointment at the AGM. Appointment is terminable on six months' written notice. The appointment letters for the Non-Executive Directors provide that no compensation is payable upon termination of employment. The letters of appointment are available for inspection at the Company's registered office.

Details of the appointment terms of the Non-Executive Directors are as follows:

	Start of current term	Expiry of current term
Matt Davies	1 July 2023	30 June 2026
Jeni Mundy[1]	1 March 2022	28 February 2025
Sigga Sigurdardottir[1]	1 November 2022	31 October 2025
Jasvinder Gakhal	1 January 2022	31 December 2027
Geeta Gopalan	1 May 2024	30 April 2027
Amanda James	1 July 2024	30 June 2027

1. Jeni Mundy and Sigga Sigurdardottir will remain on the Board until the AGM on 18 September 2025.

In addition, Megan Quinn and Adam Jay will join the Board as Non-Executive Directors on 1 July 2025 and their letters of appointment will include a three-year term to 30 June 2028.

FUNDING OF EQUITY AWARDS

Share awards may be funded by a combination of newly issued shares, treasury shares and shares purchased in the market. Where shares are newly issued or from treasury, the Company complies with Investment Association dilution guidelines on their issue. The current dilution usage of all share plans is c.1.37% of shares in issue.

Where shares are purchased in the market, these will be held by a trust, in which case the voting rights relating to the shares are exercisable by the Trustees in accordance with their fiduciary duties. At 31 March 2025, the trust held 294,600 shares in respect of the Share Incentive Plan.

EXTERNAL DIRECTORSHIPS

Auto Trader recognises that its Executive Directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden a Director's experience and knowledge which can benefit Auto Trader. Catherine Faiers is a Non-Executive Director of Allegro.eu Group. The Board approved the directorship in advance to ensure that there was no conflict of interest, and the Remuneration Committee approved that Catherine will retain the remuneration from the appointment.

MEMBERSHIP OF THE COMMITTEE

Geeta Gopalan is the Committee Chair, and its other members are Amanda James, Jeni Mundy, Sigga Sigurdardottir and Jasvinder Gakhal. Refer to pages 81 and 95 for further details of the membership of the Committee, the Terms of Reference, the meetings held and activities during the year.

EXTERNAL ADVISORS

During the year the Committee received advice from Deloitte who were appointed in October 2017 following a competitive tender process. Deloitte are founding members of the Remuneration Consultants Code of Conduct and adhere to this Code in their dealings with the Committee. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the members of the Deloitte team that provide remuneration advice to the Committee do not have connections with the Company or its Directors that may impair their independence. The Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

Fees are charged on a time and materials basis. During the year Deloitte was paid £36,250 excluding VAT for advice provided to the Committee. Deloitte provided additional services to the Company in relation to debt advisory and tax services.

STATEMENT OF SHAREHOLDER VOTING

Shareholder voting in relation to recent AGM resolutions is as follows:

	Votes for	% of votes cast for	Votes against	% of votes cast against	Abstentions
2024 AGM: Annual Report on Remuneration (advisory)	689,383,393	95.75%	30,611,669	4.25%	56,885
2024 AGM: Remuneration Policy (binding)	690,020,617	95.88%	29,676,477	4.12%	354,853

APPROVAL

This Directors' remuneration report has been approved by the Board of Directors. Signed on behalf of the Board of Directors.

Geeta Gopalan
Chair of the Remuneration Committee
29 May 2025

The Directors present their report and audited financial statements of Auto Trader Group plc (the 'Company') and its subsidiaries (together the 'Group') for the financial year to 31 March 2025.

STATUTORY INFORMATION

As permitted by legislation, some of the matters required to be included in the Directors' report have instead been included elsewhere in this report:

Section of Annual Report	Page reference
Employee engagement	• Strategic report: Working responsibly (page 51) • Strategic report: Section 172(1) statement (page 20)
Employment of disabled persons	• Strategic report: Working responsibly (page 53)
Engagement with suppliers, customers and other stakeholders	• Strategic report: Section 172(1) statement (pages 20 to 21)
Financial instruments	• Financial statements: Note 30 to the Consolidated financial statements (page 155)
Future developments of the business	• Strategic report: COO's strategic review (page 13)
Greenhouse gas emissions	• Strategic report: Working responsibly (page 49)
Non-financial reporting	• Strategic report: Non-financial and sustainability information statement (page 25)

INFORMATION REQUIRED BY UKLR 6.6

Information required to be included in the Annual Report by LR 9.8 can be found in this report as indicated in the table below:

Section of Annual Report	Page reference
Allotment of shares during the year	• Financial statements: Note 25 to the Consolidated financial statements (page 150)
Corporate Governance Code compliance	• Governance: Governance overview (page 74)
Directors' interests	• Governance: Directors' remuneration report (page 95)
Directors' Service Contracts	• Governance: Directors' remuneration report (page 95)
Gender and ethnicity targets	• Strategic report: Working responsibly (page 55)
Going Concern and Viability	• Strategic report: Principal risks and uncertainties (page 65)
Long-term incentive schemes	• Governance: Directors' remuneration report (page 95)
Powers for the Company to buy back its shares	• Governance: Directors' report (page 110)
Significant contracts	• Governance: Directors' report (page 111)
Significant related party agreements	• Governance: Directors' report (page 111)
Significant shareholders	• Governance: Directors' report (page 111)
TCFD disclosures	• Strategic report: Working responsibly (page 33)
Waiver of dividends	• Governance: Directors' report (page 110)

MANAGEMENT REPORT
The Management report comprises this Directors' report together with the Strategic report for the purposes of the Disclosure Guidance and Transparency Rules DTR 4.1.5R and DTR4.1.8R.

STRATEGIC REPORT
The Strategic report, which can be found on pages 1 to 72, details the Group's strategy, objectives and business model; the development, performance and position of the Group's business (including financial, operating and cultural key performance indicators); a description of the principal risks and uncertainties; the main trends and factors likely to affect the future development, performance and position of the Group's business; and contains the non-financial and sustainability information statement.

UK CORPORATE GOVERNANCE CODE
For the purposes of DTR 7.2.3R, the Company is subject to the UK Corporate Governance Code 2018 (the 'Code') which is available online at frc.org.uk. The Company's statement on corporate governance can be found in the Corporate governance statement, the Report of the Nomination Committee, the Report of the Audit Committee, the Report of the Corporate Responsibility Committee and the Directors' remuneration report and policy report on pages 95 to 108; all of which form part of this Directors' report and are incorporated into it by reference.

2025 ANNUAL GENERAL MEETING
The 2025 AGM will take place at 11:00am on Thursday 18 September 2025 at the Company's registered office: 4th Floor, 1 Tony Wilson Place, Manchester, M15 4FN. We intend to hold the AGM as a physical meeting.

We encourage all shareholders to cast their votes by proxy, and to send any questions in respect of AGM business to ir@autotrader.co.uk.

The AGM Notice outlines the resolutions to be proposed and details the deadlines for exercising voting rights and appointing a proxy or proxies to vote on the resolutions at the AGM. All proxy votes will be counted, and the results for, against, or withheld for each resolution will be announced at the AGM and published on the Company's website.

BOARD OF DIRECTORS
The following individuals were Directors of the Company for the whole of the financial year ending 31 March 2025, and to the date of approving this report unless otherwise stated:

- Matthew Davies.
- Nathan Coe.
- Catherine Faiers.
- Jamie Warner.
- David Keens (retired 19 September 2024).
- Jill Easterbrook (retired 19 September 2024).
- Jeni Mundy.
- Sigga Sigurdardottir.
- Jasvinder Gakhal.
- Geeta Gopalan (appointed 1 May 2024).
- Amanda James (appointed 1 July 2024).

APPOINTMENT AND REPLACEMENT OF DIRECTORS
As previously announced on 16 May 2025, the Board approved the appointment of Megan Quinn and Adam Jay with effect from 1 July 2025.

After nine years' service, Jeni Mundy (Chair of the Corporate Responsibility Committee) will reach the end of her third three-year term during 2025 and will not stand for re-election at the 2025 AGM. Megan Quinn will be appointed as Corporate Responsibility Chair at the conclusion of the 2025 AGM subject to shareholder approval.

Sigga Sigurdardottir will also be stepping down at the 2025 AGM as she comes to the end of her second three-year term.

All other Directors will stand for election or re-election at the 2025 AGM in line with the recommendations of the Code.

RESULTS AND DIVIDENDS
The Group's and Company's audited financial statements for the year are set out on pages 126 to 166.

The Company declared an interim dividend on 7 November 2024 of 3.5 pence per share which was paid on 24 January 2025.

The Directors recommend payment of a final dividend of 7.1 pence per share (2024: 6.4 pence) to be paid on 26 September 2025 to shareholders on the register of members at the close of business on 29 August 2025, subject to approval at the 2025 AGM.

WAIVER OF DIVIDENDS
Dividend waivers are in place in respect of all dividends payable by the Company on shares held in treasury and shares held by The Employee Share Option Trust ('ESOT').

SHARE CAPITAL AND CONTROL
The Company's issued share capital comprises ordinary shares of £0.01 each which are listed on the London Stock Exchange (LSE: AUTO.L). The ISIN of the shares is GB00BVYVFW23.

The issued share capital of the Company as at 31 March 2025 comprised 884,700,426 shares of £0.01 each, and 4,600,897 shares were held in treasury. As at 29 May 2025, the issued share capital of the Company comprises 881,902,608 shares of £0.01 each, and 4,556,631 shares held in treasury.

Further information regarding the Company's issued share capital and details of the movements in issued share capital during the year are provided in note 25 to the Consolidated financial statements. All the information detailed in note 25 forms part of this Directors' report and is incorporated into it by reference.

Details of employee share schemes are provided in note 29 to the Consolidated financial statements.

AUTHORITY TO ALLOT SHARES
Under the 2006 Act, the Directors may only allot shares if authorised to do so by shareholders in a general meeting. At the 2024 AGM, special resolution 21 conferred upon Directors the authority to allot ordinary shares up to a maximum nominal amount of £448,275 (44,827,500 shares), for cash, on a non-pre-emptive basis.

In the Notice of the 2025 AGM (the 'AGM Notice'), ordinary resolution 15 seeks a new authority to allow the Directors to allot ordinary shares representing approximately two thirds of the Company's existing share capital as at the date of the AGM Notice, of which approximately one third of the Company's issued ordinary share capital can only be allotted pursuant to a rights issue. Special resolutions 16 and 17 seek a new authority to allow the Directors to allot ordinary shares on a non-pre-emptive basis up to a maximum of approximately 5% of the Company's existing share capital and special resolutions 16 and 17 seek a new authority to allow the Directors to allot ordinary shares on a non-pre-emptive basis in connection with an acquisition or specified capital investment, up to a further maximum of approximately 5% of the Company's existing share capital at the date of the AGM Notice.

AUTHORITY TO PURCHASE OWN SHARES
The Company's share buyback programme continued during the year. As described on page 28, the Company intends to continue its share buyback programme, under the authority passed at the 2024 AGM under which the Company is authorised to make market purchases of up to a maximum of 10% (89,654,939 shares) of its own ordinary shares (excluding shares held in treasury), subject to minimum and maximum price restrictions, either to be cancelled or retained as treasury shares. The Directors will seek to renew this authority at the forthcoming AGM.

PURCHASE OF OWN SHARES

In the year ended 31 March 2025, a total of 23,873,028 ordinary shares of £0.01 were purchased, representing 2.65% of its own ordinary shares (excluding shares held in treasury) as at 31 March 2024. The average price paid was 783.2p with a total consideration paid (including fees of £280.5k) of £187.2m. Of all shares purchased, 1,360,000 were held in treasury with 22,513,028 being cancelled.

RIGHTS ATTACHING TO SHARES

All shares have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles, described below. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the shareholders have no rights to share in the profits of the Company. The Company's shares are not redeemable. However, following any grant of authority from shareholders, the Company may purchase or contract to purchase any of the shares on or off market, subject to the Companies Act 2006 and the requirements of the Listing Rules.

No shareholder holds shares in the Company which carry special rights with regard to control of the Company. There are no shares relating to an employee share scheme which have rights with regard to control of the Company that are not exercisable directly and solely by the employees, other than where share interests of a deceased participant in such scheme can be exercised by the personal representatives of the deceased in accordance with the Scheme rules.

VOTING RIGHTS

Each ordinary share entitles the holder to vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on by a show of hands, unless the Directors decide in advance that a poll will be conducted, or unless a poll is demanded at the meeting. On a show of hands, every member who is present in person or by proxy at a general meeting of the Company shall have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are a holder.

The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held by the member, unless all amounts presently payable by the member in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

RESTRICTIONS ON TRANSFER OF SECURITIES

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. Certain restrictions are also imposed by laws and regulations (such as insider trading and marketing requirements relating to close periods) and requirements of the Company's share dealing code whereby Directors and certain employees of the Company require approval to deal in the Company's securities.

CHANGE OF CONTROL

Save in respect of a provision of the Company's share schemes which may cause options and awards granted to employees under such schemes to vest on takeover, there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) because of a takeover bid.

SIGNIFICANT CONTRACTS

The only significant agreement to which the Company is a party that takes effect, alters or terminates upon a change of control of the Company following a takeover bid, and the effect thereof, is the Revolving Credit Facility agreement, which contains customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control.

SUBSEQUENT EVENTS AND COMMITMENTS

On 8 January 2025, the Group signed an agreement for lease for its planned new head office. The 15-year lease is expected to be signed in June 2025. The fit-out of the new premises has substantively commenced and the Group has incurred costs of £2.6m in 2025 and is committed to incurring capital expenditure of c.£20m in 2026, the contract for which was signed on 16 May 2025.

TRANSACTIONS WITH RELATED PARTIES

Compensation paid to Directors and Key Management is as disclosed in note 8 to the Consolidated financial statements.

RESEARCH AND DEVELOPMENT

Innovation, specifically in software, is key to Auto Trader's strategy and future success. We continue to invest in data technologies in particular, and the amount of R&D activity related to AI has increased significantly in the last year.

The Group enhances its core infrastructure through small-scale, incremental improvements, resulting in low capitalised internal development costs which meets the requirements of IAS 38 Intangible Assets.

INDEMNITIES AND INSURANCE

The Company maintains appropriate insurance to cover Directors' and officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the financial year ending 31 March 2025. The Company also indemnifies the Directors under a qualifying indemnity for the purposes of Section 236 of the Companies Act 2006: in the case of the Non-Executive Directors in their respective letters of appointment and in the case of the Executive Directors in a separate deed of indemnity. Such indemnities contain provisions that are permitted by the Director Liability provisions of the Companies Act and the Company's Articles.

ENVIRONMENTAL

Information on the Group's greenhouse gas emissions is set out in the Working responsibly section on page 49 and forms part of this report by reference.

POLITICAL DONATIONS

Auto Trader has a policy of not making any donations to political organisations.

The Company did not make any political donations or incur any political expenditure during the year ended 31 March 2025.

EXTERNAL BRANCHES

The Group had no active registered external branches during the reporting period.

INTERESTS IN VOTING RIGHTS

At the year end the Company had been notified, in accordance with Chapter 5 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, of the following significant interests in the issued ordinary share capital of the Company:

	At 31 March 2025		At 29 May 2025	
Shareholder	Number of ordinary shares/voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each	Number of ordinary shares/voting rights notified	Percentage of voting rights over ordinary shares of £0.01 each
BlackRock Inc.	89,666,544	9.97%	89,666,544	9.97%
Baillie Gifford & Co.	44,711,472	4.99%	44,711,472	4.99%
Kayne Anderson Rudnick Investment Management LLC.	35,739,468	3.98%	26,464,475	3.02%

FINANCIAL INSTRUMENTS

Details of the financial risk management objectives and policies of the Group, including hedging policies and exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk, are given in note 30 to the Consolidated financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the Directors has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director to make him/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Financial Statements and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and the Group profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and, in respect of the parent company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ('DTR') 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm, to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

APPROVAL OF THE ANNUAL REPORT

The Strategic report and the Corporate governance report were approved by the Board on 29 May 2025. Approved by the Board and signed on its behalf:

Claire Baty
Company Secretary
29 May 2025

Financial statements

How we have performed financially over the past 12 months.

113 – 168

1. OUR OPINION IS UNMODIFIED

In our opinion:

- the financial statements of Auto Trader Group plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Auto Trader Group plc ('the Company') for the year ended 31 March 2025 (FY25) included in the Annual Report and Financial Statements, which comprise:

Group	Parent Company (Auto Trader Group plc)
Consolidated income statement	Company balance sheet
Consolidated statement of comprehensive income	Company statement of changes in equity
Consolidated balance sheet	Notes 1 to 12 to the Parent Company financial statements, including the accounting policies in note 2.
Consolidated statement of changes in equity	
Consolidated statement of cash flows	
Notes 1 to 35 to the Group financial statements, including the accounting policies in note 2.	

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ('AC').

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. OVERVIEW OF OUR AUDIT

FACTORS DRIVING OUR VIEW OF RISKS

On 22 June 2022 the Company acquired Autorama UK Limited ('Autorama'). The carrying value of the Autorama cash generating unit is £132.6m at 31 March 2025, including £92.5m of goodwill for which an annual impairment test is required under IAS 36 to assess its recoverable amount. For the consolidated financial statements, recoverability of goodwill relating to Autorama is a significant risk for our audit, and a key audit matter. This reflects the judgement required to estimate growth in revenue cash flows, particularly the number of new car leases transacted and market share. The recoverability of goodwill relating to Autorama was also a significant risk and key audit matter in the prior year.

During the year, the Parent Company transferred its investment in Autorama down to another subsidiary company. We have identified a key audit matter in relation to this within the Parent Company financial statements, as it is an individually significant transaction, on which we have spent the most audit time in the context of the Parent Company audit.

We have also identified a key audit matter relating to revenue recognition over Trade Retailer revenue. This is the main driver of the Group's results, and its size is reflected in the allocation of our resources in planning and executing the Group audit. Consistent with the prior year, we do not consider this to be a significant audit risk of material misstatement, as based on our cumulative audit experience, we have concluded that there is no material judgement or estimation in Trade Retailer revenue recognition and a low risk of fraudulent material misstatement, given the low value and high volume of individual transactions.

Key audit matters	Vs prior year	Item
Recoverability of goodwill in Autorama	◀▶	4.1
Revenue recognition – Trade Retailer	◀▶	4.2
Transfer of investment in Autorama from the Parent Company (Parent Company)	+	4.3

AUDIT COMMITTEE INTERACTION

During the year, the Audit Committee met four times. KPMG are invited to attend all Audit Committee meetings and are provided with an opportunity to meet with the Audit Committee in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the Audit Committee in section 4, including matters that required particular judgement for each. The matters included in the Audit Committee Chair's report on pages 87 to 91 are materially consistent with our observations of those meetings.

113 – 168

OUR INDEPENDENCE

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 March 2017. The period of total uninterrupted engagement is for the nine financial years ended 31 March 2025.

The Group engagement partner, who is also responsible for the component audits as set out in section 7, is required to rotate every 5 years. As these are the fifth set of the Group’s financial statements signed by David Derbyshire, he will rotate off after the FY25 audit.

Total audit fee	£589,500
Audit related fees (including interim review)	£55,000
Other services	£16,000
Non-audit fee as a % of total audit and audit related fee %	2.5%
Date first appointed	22 September 2016
Uninterrupted audit tenure	9 years
Next financial period which requires a tender	31 March 2027
Tenure of Group engagement partner	5 years
Average tenure of component partner	5 years

MATERIALITY (ITEM 6 BELOW)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £18.1m (FY24: £16.5m) and for the Parent Company financial statements as a whole at £12.9m (FY24: £12.8m).

Consistent with FY24, we determined that profit before tax remains the benchmark for the Group as it is the metric which best reflects the focus of the financial statements’ users. As such, we based our Group materiality on profit before tax, of which it represents 4.8% (FY24: 4.8%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets, limited in the current year to be less than Group materiality as a whole. It represents 0.62% (FY24: 0.75%) of the benchmark.

Materiality levels used in our audit

GROUP SCOPE (ITEM 7 BELOW)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, and what audit procedures to perform at these components.

Of the Group's five components identified, we performed audit procedures over two components, including the Parent Company. Work on the components was performed by the Group auditor.

The components within the scope of our work accounted for the percentages shown opposite.

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Coverage of Group financial statements

Our audit procedures covered 93% of Group revenue.

We performed audit procedures at the components that accounted for 95% of Group profit before tax and 28% of Group total assets.

In addition, at the Group level, we performed audit procedures over goodwill and intangible assets and the related amortisation expense, that together account for 69% of total Group assets and 3% of Group profit before tax.

THE IMPACT OF CLIMATE CHANGE ON OUR AUDIT

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. The Group has set out its commitments under the Paris Agreement to achieve net zero carbon emissions by 2040. Further information is provided in the Group's Task Force on Climate-related Financial Disclosures ('TCFD') recommended disclosures on pages 33 to 50.

As a part of our audit we have performed a risk assessment, including making enquiries of management, reading board meeting minutes and applying our knowledge of the Group and sector in which it operates to understand the extent of the potential impact of climate change risk on the Group's financial statements and to consider the impact of climate change on our audit.

Our risk assessment focused on the risk climate change may pose to the determination of future cash flows used in assessments such as impairment risk. On the basis of our risk assessment, we determined that the recoverable amount of goodwill in Autorama is the area which will be the most impacted.

As explained in note 12 of the financial statements, in preparing the value-in-use calculations management has projected sales growth in the Autorama Cash Generating Unit ('CGU'), based on forecast growth in new car leases. This growth is in part impacted by the transition to electric vehicles and how these vehicles are sold and distributed. Our audit response to the key audit matter of the recoverability of goodwill therefore considers climate change factors, such as UK regulations affecting transition to new electric vehicles. Please refer to this key audit matter response for further details.

Taking into account the relatively short-term nature of other assets we have not identified any other impacts of climate change on our key audit matters. We have read the Group's TCFD in the front half of the Annual Report and considered consistency with the financial statements and our audit knowledge. We have not been engaged to provide assurance over the accuracy of the climate risk disclosures set out on pages 33 to 50 in the Annual Report.

3. GOING CONCERN, VIABILITY AND PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

GOING CONCERN

We have used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to financial covenants over this period was lower-than-forecast revenues arising from reduced consumer demand in the automotive market.

We also considered less predictable but realistic second order impacts, such as reputational risk arising from a ransomware attack and a consequential erosion of customer confidence, which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the Group's liquidity or covenant compliance in the going concern period by assessing the degree of downside assumptions that, individually and collectively, could result in a liquidity shortfall, taking into account the Group's current and projected cash and borrowing facilities (a reverse stress test).

We also assessed the completeness of the going concern disclosure.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the UK Listing Rules set out on page 72 is materially consistent with the financial statements and our audit knowledge.

DISCLOSURES OF EMERGING AND PRINCIPAL RISKS AND LONGER-TERM VIABILITY

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement on pages 71 to 72 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement set out on page pages 71 to 72 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. KEY AUDIT MATTERS

WHAT WE MEAN

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Recoverability of goodwill relating to Autorama

Financial Statement Elements	FY25	FY24	Our assessment of risk vs FY24	Our results
Recoverability of Group Autorama goodwill Goodwill	**£92.5m**	£92.5m	Our assessment is that the risk is unchanged from the prior year. This reflects the continued judgement required to estimate growth in revenue cash flows over the forecast period.	**FY25: Acceptable** FY24: Acceptable

Description of the Key Audit Matter

Forecast-based assessment

We have identified a significant audit risk, and a key audit matter, over the recoverability of the Autorama goodwill due to the inherent uncertainty involved in forecasting and discounting future cash flows, and in particular, estimating the future number of new car leases transacted and market share. The new car market, including leasing, is impacted by changes in new car supply, distribution and the transition to electric vehicles.

The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that value in use of the Autorama cash generating unit ('CGU') had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.

The consolidated financial statements (Note 12) disclose the sensitivity estimated by the Group.

Our response to the risk

We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Our procedures to address the risk included:

- **Historical comparisons:** assessing the ability of the Group to forecast accurately, by comparing prior period forecasts of revenue growth assumptions to the actual outcomes.
- **Benchmarking assumptions:** challenging the revenue growth assumptions in the value in use calculation by comparing management's new car market growth assumptions against relative comparative external data (such as new car and leasing market data which reflect market expectations, including the impact of electric vehicle transition).
- **Tests of detail:** agreeing information used by the Group in their growth forecast to supporting evidence, including sales contracts, to evidence OEM supply; consumer audience data relating to the Auto Trader marketplace; and data relating to lease rate trends.
- **Risk assessment:** conducting risk assessment procedures for the long-term growth rate, and discount rate, utilising comparable market data.
- **Sensitivity analysis:** performing our own sensitivity analysis, including a reasonably possible reduction in the value and timing of forecast revenue growth and an alternative long term growth rate to assess the level of sensitivity to the revenue assumptions.
- **Assessing transparency:** assessing whether the Group's disclosures relating to the sensitivity of the outcome of the impairment assessment to reasonably possible adverse changes in forecast revenue growth sufficiently reflected the risks inherent in estimating the recoverable amount of goodwill.

Communications with Auto Trader Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach and conclusion on the appropriateness of the impairment assessment performed by management, and of the key assumptions made in determining the recoverable amount based on value in use; and
- the adequacy of the consolidated financial statement disclosures, including as they relate to the sensitivity of the recoverable amount to changes in key assumptions.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The appropriateness of the model, and particularly the key assumptions used in the model, including revenue growth, achieved through a higher forecast market share.

Our results

- We found the Group's conclusion that there is no impairment of Autorama goodwill to be acceptable (2024: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered the recoverability of Autorama goodwill as an area of significant attention, page 136 for the accounting policy on impairment, and note 12 for the financial disclosures.

4.2 Revenue recognition – Trade Retailer

Financial Statement Elements	FY25	FY24	Our assessment of risk vs FY24	Our results
Trade Retailer revenue	**£474.3m**	£450.0m	Our assessment is that the risk is similar to FY24, reflecting the fact that the majority of the Group's revenue processing is performed and recognised on a consistent basis in both years.	**FY25: Acceptable** FY24: Acceptable

Description of the Key Audit Matter	Our response to the risk
Data processing error Trade Retailer revenue primarily consists of fees for advertising on the Group's website and related data and access services. There is a high volume of transactions, no significant concentration of customers and a variety of set packages. Retailers have the ability to select the combination of products they receive. Based on our cumulative audit experience, we have concluded that there is not a material judgement or significant estimation uncertainty in revenue recognition and no significant opportunity for fraudulent material misstatement, given the low value and high volume of individual transactions. We continue to consider Auto Trader Trade Retailer revenue recognition to be a key audit matter as it is the main driver of the Group's results, and its size is reflected in the allocation of our resources in planning and executing the audit.	Our procedures to address the risk included: • **Control design and operation:** testing the design, implementation and operating effectiveness of bank reconciliation controls, to provide evidence over reliability of cash data used in our tests of detail. • **Accounting analysis:** inspecting contractual terms, including modifications to standard terms agreed in the year, to identify performance obligations and determine the timing of revenue recognition. • **Data comparisons:** using computer assisted audit techniques to match sales information from the billing system to the accounting records. • **Tests of detail:** using computer assisted audit techniques to match the entire population of Trade Retailer sales transactions recorded in the accounts to the billing system and from the billing system to cash received and trade receivables (including accrued income) outstanding at the year end. • **Tests of detail:** using computer assisted AI transaction scoring to identify higher and medium scoring Trade Retailer sales transactions, for testing using statistical sampling techniques.

Description of the Key Audit Matter	Our response to the risk

Communications with Auto Trader Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our planned audit approach for revenue testing, including our rebuttal of the presumed risk of material misstatement of revenue as a result of fraud and our use of computer assisted audit techniques.
- Our findings from our computer assisted audit techniques, which matched sales transactions between the accounts, the billing system, and cash received and trade receivables outstanding at year end.
- Our findings from our AI transactional scoring procedure, which identified higher or medium scoring revenue transactions for further substantive testing.

Areas of particular auditor judgement

- We identified no areas of particular auditor judgement.

Our results

- We considered the amount of Trade Retailer revenue recognised in the year to be acceptable (2024: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered revenue recognition as an area of significant attention, pages 132 to 133 for the accounting policy on revenue, and note 5 for the financial disclosures.

4.3 Transfer of investment in Autorama from the Parent Company (Parent Company only)

Financial Statement Elements	FY25	FY24	Our assessment of risk vs FY24	Our results
Investment in Autorama	**£0.0m**	£170.8m	+ The transfer of the investment in Autorama is a new risk in the Parent Company in FY25.	**FY25: Acceptable**

Description of the Key Audit Matter	Our response to the risk
Low risk, high value In September 2024, the Parent Company transferred its £170.8m investment in Autorama UK Limited to its wholly owned subsidiary, Auto Trader Limited, as part of a planned Group reorganisation following the original acquisition. The accounting, including the impairment indicators assessment at the transfer date, and the disclosure for this transaction is identified as the Parent Company key audit matter. This is because it is an individually significant transaction on which we spent the most audit time in the context of the Parent Company audit.	We performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures to address the risk included: • **Accounting analysis:** inspecting the share transfer agreement between the Parent Company and Auto Trader Limited and compared the contractual terms with the accounting adopted for the transaction. • **Impairment indicator assessment:** assessing whether there were any impairment indicators identified by the Parent Company at the date of the transfer and considered whether there was a requirement to assess the recoverability of the carrying value of the investment prior to the transaction. • **Assessing transparency:** assessing the appropriateness of the Parent Company's disclosure of the transaction.

Communications with Auto Trader Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- The analysis of the accounting treatment, including the impairment indicators assessment at the date of the transfer.

Areas of particular auditor judgement

- The assessment of impairment indicators at the date of the transfer.

Our results

- We considered the accounting for the transaction of the investment in Autorama to be acceptable.

We continue to perform procedures over the recoverability of the Parent Company's investment in its subsidiary. However, following the investment in Autorama being transferred to Auto Trader Limited, we have not assessed recoverability of the Parent Company's remaining investment as one of the most significant areas in our current year audit and, therefore, it is not separately identified in our report this year.

5. OUR ABILITY TO DETECT IRREGULARITIES, AND OUR RESPONSE

FRAUD – IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD

Fraud risk assessment	To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included: • Enquiring of Directors, the Audit Committee, internal audit and the company secretary and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the outsourced internal audit function, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud; • Reading Board and other Committee meeting minutes; • Considering remuneration incentive schemes and performance targets for management and Directors, including the Group's share-based incentive schemes, comprising the Performance Share Plan, the Deferred Annual Bonus and the Single Incentive Plan Award; and • Using analytical procedures to identify any unusual or unexpected relationships.
Risk communications	We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.
Fraud risks	As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as goodwill impairment assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because there is no material judgement or estimation in revenue recognition and a low risk of fraudulent material misstatement, given the low value and high volume of individual transactions. We did not identify any additional fraud risks.
Procedures to address fraud risks	We performed procedures including: • Identifying journal entries to test at the Group level and for selected components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries to revenue and cash posted to unexpected account combinations and those posted with unusual descriptions; and • Assessing whether the judgements made in making accounting estimates, are indicative of a potential bias.

LAWS AND REGULATIONS – IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT RELATING TO COMPLIANCE WITH LAWS AND REGULATIONS

Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards) and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.
Risk communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
Direct laws context and link to audit	The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pensions legislation in respect of defined benefit pension schemes and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
Most significant indirect law/ regulation areas	Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: General Data Protection Regulation, FCA compliance, competition law, employment law, anti-bribery and anti-corruption and money laundering legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

CONTEXT

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. OUR DETERMINATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£18.1m
(FY24: £16.5m)

Materiality for the Group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £18.1m (FY24: £16.5m). This was determined with reference to a benchmark of profit before tax.

Consistent with FY24, we determined that profit before tax remains the main benchmark for the Group as it is the metric in the primary statements which best reflects the focus of the financial statements' users.

Our Group materiality of £18.1m was determined by applying a percentage to the profit before tax. When using a benchmark of profit before tax to determine overall materiality, KPMG's approach for listed entities considers a guideline range 3% – 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.8% (FY24: 4.8%) to the benchmark.

Materiality for the Parent Company financial statements as a whole was set at £17.0m (FY24: £12.8m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.62% (FY24: 0.75%). Parent Company materiality was limited in the current year to be lower than Group materiality as a whole.

£13.5m
(FY24: £12.3m)

Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for Auto Trader Group plc Group financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £12.8m (FY24: £9.6m), which equates to 75% (FY24: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

£0.9m
(FY24: £0.8m)

Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to the Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £18.1m (FY24: £16.5m) compares as follows to the main financial statement caption amounts:

	Total Group revenue		Group profit before tax		Total Group assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial statement caption	**£601.1m**	£570.9m	**£375.7m**	£345.2m	**£639.6m**	£658.0m
Group Materiality as % of caption	**3.0%**	2.9%	**4.8%**	4.8%	**2.8%**	2.5%

113 – 168

7. THE SCOPE OF OUR AUDIT

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group

This year, we applied the revised Group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the Group auditor, plan to perform audit procedures to address Group risks of material misstatement ('RMMs'). Similarly, the Group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified five components, having considered our evaluation of the Group's legal and operational structure, the risk profile across the entities, the presence of key audit matters and our ability to perform audit procedures centrally.

Of those, we identified one quantitatively significant component which contained the largest percentages of both total revenue and total assets of the Group, for which we performed audit procedures. The audit of this component and of the Parent Company was performed by the Group team.

We set the component materiality at £16.2m, having regard to the size and risk profile of the component in relation to the Group.

Our audit procedures covered 93% of Group revenue. We performed audit procedures at the components that accounted for 95% of Group profit before tax and 28% of Group total assets. In addition, at the Group level, we performed audit procedures over goodwill and intangible assets, and the related amortisation expense that together account for 69% of total Group assets and 3% of Group profit before tax.

Impact of controls on our Group audit

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

We identified the following IT systems which were relevant to the Group audit:

- the ERP system used by all components in the scope of the Group audit to record accounting transactions.
- the sales and billing system used to record Trade Retailer revenue for advertising on the Group's platforms.
- the IT system used to prepare the Group's consolidation.

We involved IT specialists to support us in obtaining an understanding of these IT systems.

On this audit we believe it is more efficient to not rely on controls and so performed a predominantly substantive audit in all areas. We adopted a data-oriented approach to testing revenue, by performing data and analytics routines on the centralised IT environment, including as described in our key audit matter on Trade Retailer revenue. Given that we did not plan to rely on IT controls in our audit, a manual and direct testing approach was used over the completeness and reliability of data used in these routines.

We tested the design and operating effectiveness of the Group's manual bank reconciliation control and were able to rely on this control, which supported our data analytics procedures over revenue. We identified some control findings relating to manual journal postings and following incremental risk assessment, we assessed that no significant changes were required to our planned audit approach.

Group auditor oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

The audit of the component and the audit of the Parent Company were performed by the Group team.

8. OTHER INFORMATION IN THE ANNUAL REPORT

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

ALL OTHER INFORMATION

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

STRATEGIC REPORT AND DIRECTORS' REPORT

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

DIRECTORS' REMUNERATION REPORT

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

CORPORATE GOVERNANCE DISCLOSURES

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

We have nothing to report in this respect.

113 – 168

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Our responsibility	Our reporting
Under the Companies Act 2006, we are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	We have nothing to report in these respects.

9. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 112, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

29 May 2025

Consolidated income statement
For the year ended 31 March 2025

	Note	2025 £m	2024 £m
Revenue	5	**601.1**	570.9
Operating costs	4	**(227.9)**	(225.0)
Share of profit from joint ventures, net of tax	15	**3.6**	2.8
Operating profit	6	**376.8**	348.7
Net finance costs	9	**(1.1)**	(3.5)
Profit before taxation		**375.7**	345.2
Taxation	10	**(93.1)**	(88.3)
Profit for the year attributable to equity holders of the parent		**282.6**	256.9
Basic earnings per share (pence)	11	**31.66**	28.15
Diluted earnings per share (pence)	11	**31.56**	28.07

The accompanying notes form part of these financial statements.

Consolidated statement of comprehensive income
For the year ended 31 March 2025

	Note	2025 £m	2024 £m
Profit for the year		**282.6**	256.9
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax	24	**(0.5)**	(0.1)
Other comprehensive income for the year, net of tax		**(0.5)**	(0.1)
Total comprehensive income for the year attributable to equity holders of the parent		**282.1**	256.8

The accompanying notes form part of these financial statements.

Consolidated balance sheet
At 31 March 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Intangible assets	12	**472.2**	487.7
Property, plant and equipment	13	**13.4**	14.9
Deferred taxation assets	23	**1.1**	–
Retirement benefit surplus	24	**0.2**	0.6
Net investments in joint ventures	15	**47.4**	48.2
Other investments	16	**1.3**	1.3
		535.6	552.7
Current assets			
Inventory	18	**2.0**	2.6
Trade and other receivables	17	**84.7**	83.3
Current income tax assets		**2.0**	0.7
Cash and cash equivalents	19	**15.3**	18.7
		104.0	105.3
Total assets		**639.6**	658.0
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	25	**8.9**	9.2
Share premium		**182.6**	182.6
Retained earnings		**1,437.9**	1,420.5
Own shares held	26	**(31.6)**	(31.3)
Capital reorganisation reserve		**(1,060.8)**	(1,060.8)
Capital redemption reserve		**1.7**	1.4
Other reserves		**30.7**	30.7
Total equity		**569.4**	552.3
Liabilities			
Non-current liabilities			
Borrowings	21	**–**	27.7
Provisions	22	**1.6**	1.6
Lease liabilities	14	**0.4**	2.4
Deferred income	5	**7.2**	7.8
Deferred taxation liabilities	23	**–**	2.9
		9.2	42.4
Current liabilities			
Trade and other payables	20	**57.9**	60.1
Provisions	22	**1.0**	0.8
Lease liabilities	14	**2.1**	2.4
		61.0	63.3
Total liabilities		**70.2**	105.7
Total equity and liabilities		**639.6**	658.0

The accompanying notes form part of these financial statements. The financial statements were approved by the Board of Directors on 29 May 2025 and authorised for issue:

Jamie Warner
Chief Financial Officer
Auto Trader Group plc
Registered number: 09439967
29 May 2025

Consolidated statement of changes in equity
For the year ended 31 March 2025

	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 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	24	–	–	(0.1)	–	–	–	–	(0.1)
Total comprehensive income, net of tax		–	–	256.8	–	–	–	–	256.8
Transactions with owners									
Employee share schemes – value of employee services	29	–	–	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**
Profit for the year		–	–	282.6	–	–	–	–	282.6
Other comprehensive income:									
Remeasurements of post-employment benefit obligations, net of tax	24	–	–	(0.5)	–	–	–	–	(0.5)
Total comprehensive income, net of tax		–	–	282.1	–	–	–	–	282.1
Transactions with owners									
Employee share schemes – value of employee services	29	–	–	9.7	–	–	–	–	9.7
Exercise of employee share schemes		–	–	(9.4)	10.5	–	–	–	1.1
Tax impact of employee share schemes		–	–	0.8	–	–	–	–	0.8
Purchase of own shares for treasury		–	–	–	(10.8)	–	–	–	(10.8)
Purchase of own shares for cancellation		(0.3)	–	(177.4)	–	–	0.3	–	(177.4)
Dividends paid		–	–	(88.4)	–	–	–	–	(88.4)
Total transactions with owners, recognised directly in equity		(0.3)	–	(264.7)	(0.3)	–	0.3	–	(265.0)
Balance at 31 March 2025		**8.9**	**182.6**	**1,437.9**	**(31.6)**	**(1,060.8)**	**1.7**	**30.7**	**569.4**

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows
For the year ended 31 March 2025

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Cash generated from operations	28	**399.7**	379.0
Income taxes paid		**(95.1)**	(91.5)
Net cash generated from operating activities		**304.6**	287.5
Cash flows from investing activities			
Purchases of intangible assets		**–**	(0.2)
Purchases of property, plant and equipment		**(4.0)**	(3.6)
Proceeds from sale of property, plant and equipment		**0.3**	0.2
Dividends received from joint ventures	15	**4.4**	3.9
Interest received on cash and cash equivalents		**0.9**	0.5
Proceeds on disposal of shares in investment entities		**–**	1.0
Net cash used in investing activities		**1.6**	1.8
Cash flows from financing activities			
Dividends paid to Company shareholders	27	**(88.4)**	(80.4)
Drawdown of Syndicated Revolving Credit Facility	21	**–**	57.0
Repayment of Syndicated Revolving Credit Facility	21	**(30.0)**	(87.0)
Repayment of other debt	21	**–**	(1.1)
Payment of refinancing fees	21	**(0.3)**	(0.5)
Payment of interest on borrowings	31	**(1.2)**	(3.4)
Payment of lease liabilities	14	**(2.5)**	(2.7)
Purchase of own shares for cancellation	25	**(176.6)**	(158.9)
Purchase of own shares for treasury	26	**(10.7)**	(11.0)
Payment of fees on purchase of own shares		**(0.9)**	(0.9)
Contributions to defined benefit pension scheme	24	**(0.1)**	(0.1)
Proceeds from exercise of share-based incentives		**1.1**	1.8
Net cash used in financing activities		**(309.6)**	(287.2)
Net (decrease)/increase in cash and cash equivalents		**(3.4)**	2.1
Cash and cash equivalents at beginning of year	19	**18.7**	16.6
Cash and cash equivalents at end of year	19	**15.3**	18.7

The accompanying notes form part of these financial statements.

1. GENERAL INFORMATION

Auto Trader Group plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The Consolidated financial statements of the Company as at and for the year ended 31 March 2025 comprise the Company and its interest in subsidiaries (together referred to as 'the Group'). The Group's principal business is the operation of the Auto Trader platforms which form the UK's largest automotive platform.

The Consolidated financial statements of the Group as at and for the year ended 31 March 2025 are available upon request to the Company Secretary from the Company's registered office at 4th Floor, 1 Tony Wilson Place, Manchester, M15 4FN or are available on the corporate website at plc.autotrader.co.uk.

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 and defined benefit pension scheme assets, which are carried at fair value.

Functional and presentation currency

The Consolidated financial statements are presented in sterling (£), which is the Group's presentation currency, and rounded to the nearest hundred thousand (£0.1m) except when otherwise indicated.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group') and equity account the Group's interest in joint ventures and associates.

Subsidiaries are all entities over which the Group has control. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the Consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

When the Group disposes of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in the income statement.

Intercompany transactions and balances between Group companies are eliminated on consolidation.

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as: joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Associates are all entities over which the Group and parent company have significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Where significant influence is not demonstrated but the shareholding is between 20% and 50%, the Group would account for its interest as an investment. All investments are initially recognised at cost and the carrying value is reviewed for impairment.

Going concern

During the year ended 31 March 2025 the Group has continued to generate significant cash from operations. The Group has an overall positive net asset position and had cash balances of £15.3m at 31 March 2025 (2024: £18.7m). During the year £275.7m was returned to shareholders through share buybacks and dividends (2024: £250.3m).

The Group has access to a Syndicated Revolving Credit Facility (the 'Syndicated RCF'). At 31 March 2025 the Group had £nil (2024: £30.0m) drawn of its £200.0m Syndicated RCF. On 1 February 2025, the Group extended the term of its Syndicated RCF to February 2030 by exercising the remaining one-year extension option. Until February 2029 the available facility is £200m, reducing to £165m thereafter, due to one lender not participating in the second extension option.

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. Subsequent to 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 and parent company have 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.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

1. GENERAL INFORMATION CONTINUED

Carrying values of goodwill (judgement and estimate)

The Group tests annually whether goodwill held by the Group has suffered any impairment in accordance with the accounting policy stated within note 2. 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, the most significant assumptions relating to the forecast market share growth of Autorama (note 12).

2. SIGNIFICANT ACCOUNTING POLICIES

Changes in significant accounting policies

New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 April 2024:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

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

Standards, amendments and interpretations to existing standards that are not yet effective

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:

- 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)
- Presentation and Disclosure in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability Disclosures (IFRS 19)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)

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

Existing significant accounting policies

The following accounting policies applied by the Group have been applied consistently to all periods presented in the Consolidated financial statements.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer and is recognised when a customer obtains control of the services. Revenue is stated net of discounts, rebates, refunds and value-added tax.

Revenue principally represents the amounts receivable from customers for advertising on the Group's platforms but also includes non-advertising services such as vehicle leasing transactions and data services. The different types of products and services offered to customers along with the nature and timing of satisfaction of performance obligations are set out as follows:

(i) Trade revenue

Trade revenue comprises fees from retailers, Home Traders and logistics customers for advertising on the Group's platforms and customers utilising the Group's other services.

Retailer revenue

Retailer customers pay a monthly subscription fee to advertise their stock on the Group's platforms. Control is obtained by customers across the life of the contract as their stock is continually listed. Contracts for these services are agreed at a retailer or retailer group level and are ongoing subject to a 30-day notice period. Revenue is invoiced monthly in arrears.

Retailers have the option to enhance their presence on the platform through additional products, each of which has a distinct performance obligation. For products that provide enhanced exposure across the life of the product, control is passed to the customer over time. Revenue is only recognised at a point in time for additional advertising products where the customer does not receive the benefit until they choose to apply the product. Additional advertising products are principally billed on a monthly subscription basis in line with their core advertising package, however certain products are billed on an individual charge basis.

The Group also generates revenue from retailers for data and valuation services under a variety of contractual arrangements, with each service being a separate performance obligation. Control is obtained by customers either across the life of the contract where customers are licensed to use the Group's services or at a point in time when a one-off data service is provided. Digital retailing revenue is generated from retailers who pay a percentage of the vehicle list price when a consumer submits a deal. Each deal is a separate performance obligation and control is obtained at a point in time.

Contract modifications occur on a regular basis as customers change their stock levels or add or remove additional advertising products from their contracts. Following a contract modification, the customer is billed in line with the delivery of the remaining performance obligations. A receivable is recognised only when the Group's right to consideration is only conditional on the passage of time.

Home Trader revenue

Home Trader customers pay a fee in advance to advertise a vehicle on the Group's platform for a specified period of time. Revenue is deferred until the customer obtains control over the services. Control is obtained by customers across the life of the contract as their vehicle is continually listed. Contracts for these services are typically entered into for a period of between two and six weeks.

Logistics revenue

Logistics customers pay a monthly subscription fee for access to the Group's AT Moves platform. Control is obtained by customers across the life of the contract as their access is continuous. Contracts for these services are agreed at a customer level and are ongoing subject to a 30-day notice period. Logistics customers have the option to bid on vehicle moves advertised by retailers on the platform. The logistics customer pays a fee if they are successful in obtaining business from retailers through the Group's marketplace. Revenue is recognised at the point in time when the vehicle move has been completed. A receivable is recognised only when the Group's right to consideration is only conditional on the passage of time.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Data revenue

Data customers pay a subscription fee to access elements of Auto Trader's vehicle database or to access the Fleetware software. Control is transferred to customers across the life of the contract where customers have continuous access to the database or the software.

AutoConvert revenue

AutoConvert customers pay a monthly subscription fee to access the AutoConvert platform. Control is transferred to customers across the life of the contract where customers have continuous access to the platform and revenue is recognised across this period. Ancillary AutoConvert revenues are charged on a per transaction basis and revenue is recognised at the point in time that these services are provided.

(ii) Consumer Services revenue

Consumer Services comprises fees from private sellers for vehicle advertisements on the Group's websites, and third-party partners who provide services to consumers relating to their motoring needs, such as insurance and loan finance. Private customers pay a fee in advance to advertise a vehicle on the Group's platform for a specified period of time. Control is obtained by customers across the life of the contract as their stock is continually listed. Contracts for these services are typically entered into for a period of between two and six weeks and revenue is recognised over this time.

Revenue is also generated from third-party partners who utilise the Group's platforms to advertise their products under a variety of contractual arrangements, with each service being a separate performance obligation. Control is obtained by customers at a point in time when the service is provided. Revenue is also generated via an agreement with Dealer Auction (our joint venture), when retailers purchase a consumer's vehicle via Dealer Auction's platform. Revenue is recognised when the vehicle is listed as sold.

(iii) Manufacturer and Agency revenue

Revenue is generated from manufacturers and their advertising agencies for placing display advertising for their brand or vehicle on the Group's websites under a variety of contractual arrangements, with each service being a separate performance obligation. Control is obtained by customers across the life of the contract as their advertising is displayed on the different platforms. Rebates are present in the contractual arrangements with customers and are awarded either in cash or value of services based upon annual spend; an estimate of the annualised spend is made at the reporting date to determine the amount of revenue to be recognised. A small proportion of revenue relates to manufacturers who sell direct to consumers using our new car market extension product. Manufacturers pay a monthly subscription fee to advertise their stock on the Group's platforms. Control is obtained by manufacturers across the life of the contract as their stock is continually listed. Contracts for these services are agreed at a manufacturer or manufacturer group level and are ongoing subject to a 30-day notice period. Revenue is invoiced monthly in arrears.

(iv) Autorama revenue

Autorama revenue comprises consideration received from the sale of new vehicles and accessories as well as commission received for facilitating the lease of new vehicles.

Vehicle & Accessory sales revenue

Vehicle & Accessory sales revenue is generated from new vehicles which are purchased from an original equipment manufacturer ('OEM') or retailer and then sold to a lease funder. Control is obtained by the funder at a point in time when the vehicle is delivered and revenue is only recognised at this point. Additional accessories can be added to vehicles at extra cost upon the request of the funder, and control is once again obtained by the funder at a point in time when the vehicle is delivered. Where the Group obtains control of vehicles or accessories in advance of selling those goods to a funder, including holding inventory risk, then the Group is acting as principal and revenue and cost of sales are reported on a gross basis. Where the Group does not obtain control of vehicles, revenue is recorded as the value of the related commission and recognised as described below.

Commission & Ancillary revenue

Commission & Ancillary revenue is generated from commission received from lease funders for facilitating the lease of new vehicles via advertisement on the Company online marketplaces. Control is obtained by the funder at a point in time when the lease is live and revenue is only recognised at this point. Ancillary Autorama revenues are charged on a per transaction basis and revenue is recognised at the point in time that these services are provided.

Rebates are present in the contractual arrangements with funders and are awarded in cash based upon the quarterly number of vehicles provided. Similarly, rebates are present in the contractual arrangements with OEMs and are awarded in cash based upon the quarterly number of vehicles purchased. Revenue is recognised as volume targets are met.

Employee benefits

The Group operates several pension schemes and all except one are defined contribution schemes. Within the UK all pension schemes set up prior to 2001 have been closed to new members and only one defined contribution scheme is now open to new employees.

a) Defined contribution scheme

The assets of the defined contribution scheme are held separately from those of the Group in independently administered funds. The costs in respect of this Scheme are charged to the income statement as incurred.

b) Defined benefit scheme

The Group operates one defined benefit pension scheme that is closed to new members. The asset or liability recognised in the balance sheet in respect of the defined benefit scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of the Scheme's assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating those of the related pension liability. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Any Scheme surplus (to the extent it can be recovered) or deficit is recognised in full on the balance sheet. Contributions paid to the Scheme by the Group have been classified as financing activities in the Consolidated statement of cash flows as there are no remaining active members within the Scheme.

113 – 168

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

c) Share-based payments

Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the income statement spread over the vesting period. Fair value of the awards is measured using Black-Scholes and Monte Carlo pricing models. The credit side of the entry is recorded in equity. Cash-settled awards are revalued at each reporting date with the fair value of the award charged to the profit and loss account over the vesting period and the credit side of the entry recognised as a liability.

Research and development

Research and development expenditure is charged against profits in the year in which it is incurred, unless it is development that meets the criteria for capitalisation set out in IAS 38 – Intangible Assets.

Operating profit

Operating profit is the profit of the Group (including the Group's share of profit from joint ventures) before finance income, finance costs, profit on disposal of subsidiaries which do not meet the definition of a discontinued operation, and taxation.

Finance income and costs

Finance income is earned on bank deposits and finance costs are incurred on bank borrowings and vehicle stocking loans. Both are recognised in the income statement in the period in which they are incurred.

Taxation

The tax expense for the period comprises current and deferred taxation. Tax is recognised in the income statement, except to the extent that it relates to items recognised in 'other comprehensive income' or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current taxation is provided at amounts expected to be paid (or recovered) calculated using the rates of tax and laws that have been enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts are included in the Consolidated financial statements. Deferred taxation is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred taxation assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

The Group has determined that the global minimum top-up tax, which is a liability under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group does not expect a liability to Pillar Two top-up tax based on its effective rate of corporation tax paid and because its consolidated revenue is below the minimum threshold of €750m and all operations are in the UK.

Leases

At inception of a contract, the Group assesses whether or not a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is recognised in a contract the Group recognises a right of use asset and a lease liability at the lease commencement date other than as noted below.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group presents right of use assets in property, plant and equipment and leased liabilities in lease liabilities in the balance sheet.

The Group has applied the recognition exemption of low value leases. For these leases, the lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Financial instruments

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Under IFRS 9, trade receivables including accrued income, without a significant financing component, are classified and held at amortised cost, being initially measured at the transaction price and subsequently measured at amortised cost less any impairment loss.

The Group recognises lifetime expected credit losses ('ECLs') for trade receivables and accrued income. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for any macro-economic factors. At 31 March 2024, ECLs were adjusted to reflect high inflation, high interest rates and the upcoming UK general election. At 31 March 2025, ECLs were adjusted to reflect the lower levels of inflation and downward pressures on interest rates.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The Group assesses whether a financial asset is in default on a case by case basis when it becomes probable that the customer is unlikely to pay its credit obligations. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For all customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss. A financial liability is classified as at fair value through profit and loss if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition and measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities, including trade payables, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intangible assets

a) Goodwill

Goodwill represents the excess cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses are charged to the income statement and are not reversed. The gain or loss on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Trademarks, trade names, technology, non-compete agreements, customer relationships, franchise buybacks, brands and databases

Separately acquired trademarks, trade names, technology and customer relationships are recognised at historical cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of between one and 15 years. Trademarks, trade names, technology, non-compete agreements, customer relationships, franchise buybacks, brands and databases acquired in a business combination are recognised at fair value at the acquisition date and subsequently amortised.

c) Software

Acquired computer software controlled by the Group is capitalised at cost, including any costs to bring it into use, and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life of three to five years.

d) Software and website development costs and financial systems

Development costs that are directly attributable to the design and testing of identifiable and unique software products, websites and systems controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product or website so that it will be available for use;
- management intends to complete the software product or website and use or sell it;
- there is an ability to use or sell the software product or website;
- it can be demonstrated how the software product or website will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product or website are available; and
- the expenditure attributable to the software product or website during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product, website or system include employee and contractor costs. Other development expenditures that do not meet these criteria, as well as ongoing maintenance and costs associated with routine upgrades and enhancements, are recognised as an expense as incurred. Development costs for software, websites and systems are carried at cost less accumulated amortisation and are amortised over their useful lives (not exceeding 10 years) at the point at which they come into use.

Outside of acquired software, the Group develops its core infrastructure through small-scale, maintenance-like incremental improvements and as a result, a low proportion of internal expenditure meets the requirements of IAS 38, Intangible Assets. By their innovative nature, there may also be uncertainty over the technical feasibility of new development projects and, if successful, how they may be commercially monetised.

Licence agreements to use cloud software provided as a service are treated as service contracts and expensed in the Group income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Implementation costs are expensed unless implementation is a distinct service and gives rise to a separate intangible asset.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost comprises the purchase price of the asset and expenditure directly attributable to the acquisition of the item.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their estimated residual values over the estimated useful lives as follows:

Land, buildings and leasehold improvements:

• Leasehold land and buildings	life of lease
• Leasehold improvements	life of lease
• Plant and equipment	3–10 years

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying value of assets is reviewed for impairment if events or changes in circumstances suggest that the carrying value may not be recoverable. Assets will be written down to their recoverable amount if lower than the carrying value, and any impairment is charged to the income statement.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement within administrative expenses.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then to reduce the carrying amount of other assets in the unit (or group of units) on a pro-rata basis.

Business combinations

The Group accounts for business combinations using the acquisition method under IFRS 3 – Business Combinations. See note 1 for further details.

Interests in joint ventures

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Auto Trader Group plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses, movements in other comprehensive income and dividends received.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term deposits held on call with banks.

Inventories

Inventory is measured at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the income statement over the period of the borrowings using the effective interest method. Finance and issue costs associated with the borrowings are charged to the income statement using the effective interest rate method from the date of issue over the estimated life of the borrowings to which the costs relate.

Borrowings are derecognised when the contractual obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in respective carrying amounts together with any costs or fees incurred are recognised in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Vehicle financing

A vehicle stocking loan is a financing arrangement which is used to purchase new and used vehicles prior to re-sale. This financing arrangement can only be used for this purpose, typically has a maturity of 180 days or less and is repayable on the earliest of the vehicle delivery date or the maturity date. Based on these factors, the Group recognises these arrangements as financial liabilities within trade and other payables as part of its operating cycle.

Provisions

A provision is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of that obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Contingent liabilities are not recognised but are disclosed unless an outflow of resources is remote. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where the Group purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Group's shareholders. Where such shares are subsequently cancelled, the nominal value of the shares repurchased is deducted from share capital and transferred to a capital redemption reserve. Where the Group purchases its own equity share capital to hold in treasury, the consideration paid for the shares is shown as own shares held within equity.

Shares held by Employee Share Option Trust

The Employee Share Option Trust ('ESOT') provides for the issue of shares to Group employees principally under share option schemes. The Group has control of the ESOT and therefore consolidates the ESOT in the Group financial statements. Accordingly, shares in the Company held by the ESOT are included in the balance sheet at cost as a deduction from equity.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Share premium

The amount subscribed for the ordinary shares in excess of the nominal value of these new shares is recorded in share premium. Costs that directly relate to the issue of ordinary shares are deducted from share premium net of corporation tax.

Capital reorganisation reserve

The capital reorganisation reserve arose on consolidation as a result of the share-for-share exchange on 24 March 2015. It represents the difference between the nominal value of shares issued by Auto Trader Group plc in this transaction and the share capital and reserves of Auto Trader Holding Limited.

Capital redemption reserve

The capital redemption reserve arises from the purchase and subsequent cancellation of the Group's own equity share capital.

Other reserves

Other reserves include the currency translation reserve on the consolidation of entities whose functional currency is other than sterling, and other amounts which arose on the initial common control transaction that formed the Group.

Earnings per share

The Group presents basic and diluted earnings per share ('EPS') for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. For diluted EPS, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders in the case of final dividends, or the date at which they are paid in the case of interim dividends.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Auto Trader Leadership Team that makes strategic decisions (note 4).

Foreign currency translation

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within administrative expenses.

b) Foreign operations

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency other than sterling are translated into sterling as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and
- income and expenses for each income statement are translated at average exchange rates.

These foreign currency differences are recognised in other comprehensive income and the translation reserve within other reserves.

On the disposal of a foreign operation, the cumulative exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable outputs and minimise the use of unobservable outputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

3. RISK AND CAPITAL MANAGEMENT

Overview

In the course of its business the Group is exposed to market risk, credit risk and liquidity risk from its use of financial instruments. This note presents information about the Group's exposure to each of the below risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated financial statements.

The Group's overall risk management strategy is to minimise potential adverse effects on the financial performance and net assets of the Group. These policies are set and reviewed by senior finance management and all significant financing transactions are authorised by the Board of Directors.

Market risk

i. Foreign exchange risk

The Group has no significant foreign exchange risk as 100% of the Group's revenue and 98% of costs are sterling-denominated. As the amounts are not significant, no sensitivity analysis has been presented.

ii. Interest rate risk

The Group's interest rate risk arises from vehicle stocking loans which have floating rates of interest linked to the Bank of England Base Rate and long-term borrowings under the Syndicated RCF with floating rates of interest linked to SONIA. The Group monitors interest rates on an ongoing basis but does not currently hedge interest rate risk. The variation of 100 basis points in the interest rate of floating rate financial liabilities (with all other variables held constant) will increase or decrease post-tax profit for the year by £0.1m (2024: £0.3m).

3. RISK AND CAPITAL MANAGEMENT CONTINUED

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or banking institution fails to meet its contractual obligations.

i. Trade receivables

Credit risk relating to trade receivables is managed centrally and the credit risk for new Auto Trader customers is analysed before standard payment terms and conditions are offered. Policies and procedures exist to ensure that Auto Trader's existing customers have an appropriate credit history and a significant number of balances are collected via direct debit. In March, more than 88.3% (2024: 87.4%) of Auto Trader's retailer customers paid via monthly direct debit, minimising the risk of non-payment. Sales to private individuals using Auto Trader are primarily settled in advance using major debit or credit cards which removes the risk in this area.

Autorama's main customers are funders who do not change regularly, so the risk in this area is also minimal.

The Group establishes an expected credit loss that represents its estimate of losses in respect of trade and other receivables. Further details of these are given in note 30.

Overall, the Group considers that it is not exposed to a significant amount of either customer credit or bad debt risk, due to the fragmented nature of the customer base and the robust nature of the used car market.

ii. Cash and cash equivalents

As at 31 March 2025, the Group held cash and cash equivalents of £15.3m (2024: £18.7m). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated between P-1 and P-2 based on Moody's ratings. The Group's treasury policy is to monitor cash, and when applicable deposit balances, on a daily basis and to manage counterparty risk, whilst also ensuring efficient management of the Group's Syndicated RCF.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Cash flow forecasting is performed centrally by the Director of Group Finance. Rolling forecasts of the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs. The Group's revenue model is largely subscription-based, which results in a regular level of cash conversion allowing it to service working capital requirements.

On 1 February 2025, the Group extended the term of its Syndicated RCF to February 2030 by exercising the remaining one-year extension option. Until February 2029 the available facility is £200m, reducing to £165m thereafter, due to one lender not participating in the second extension option. The facility allows the Group access to cash at one working day's notice. At 31 March 2025, £nil was drawn under the Syndicated RCF (2024: £30.0m).

The Group has access to a vehicle stocking loan, with a limit of £12.0m. This financing arrangement can only be used to fund the purchase of new and used vehicles prior to re-sale and has a maturity of 180 days or less. The loan is repayable on the earliest of the vehicle delivery date or the maturity date.

At 31 March 2025, £1.0m was recognised in the Consolidated balance sheet (2024: £2.1m).

Capital management

The Group considers capital to be net debt plus total equity. Net debt is calculated as total bank debt, other loans and lease financing, less cash and cash equivalents as shown in note 31. Total equity is as shown in the Consolidated balance sheet.

The calculation of total capital is shown in the table below:

	2025 £m	2024 £m
Total net funds/(debt)	**(12.7)**	14.0
Total equity	**569.4**	552.3
Total capital	**556.7**	566.3

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient cost of capital structure. To maintain or adjust the capital structure, the Group may pay dividends, return capital through share buybacks, issue new shares or take other steps to increase share capital and reduce or increase debt facilities.

As at 31 March 2025, the Group had borrowings of £nil (2024: £30.0m) through its Syndicated RCF. Interest is payable on this facility at a rate of SONIA plus a margin of between 1.2% and 2.1% depending on the consolidated leverage ratio of Auto Trader Group plc and its subsidiaries, which is calculated and reviewed on a biannual basis. As part of the amendment and extension of its Syndicated RCF in 2023, three sustainability performance targets were incorporated into the agreement. These were 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. The Group remains in compliance with its banking covenants.

4. 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 (2024: two operating segments), being:

- Auto Trader: includes the results of Auto Trader and AutoConvert in respect of online classified advertising of motor vehicles and other related products and services in the digital automotive marketplace including share of 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 Auto Trader Leadership Team ('ALT'), which is the chief operating decision-maker ('CODM') for both segments, split out operating performance by segment. The ALT 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 presented for each operating segment are largely independent in the reporting period with certain costs recharged between segments.

4. SEGMENTAL INFORMATION CONTINUED

The ALT primarily uses the measures of revenue and operating profit to assess the performance of each operating segment. Segment revenue comprises revenue from external customers and is reported to the ALT in a manner consistent with that in the income statement. Inter-segment revenue and costs are not reported to the ALT. In the year to 31 March 2025, inter-segment revenue earned by Auto Trader from Autorama for vehicles leased via a journey initiated on the Auto Trader platform was not material (2024: £nil).

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 31 March 2025	Auto Trader segment £m	Autorama segment £m	Group central costs £m	Group £m
Total segment revenue	**564.8**	**36.3**	**–**	**601.1**
People costs	**(92.8)**	**(7.4)**	**–**	**(100.2)**
Marketing	**(24.6)**	**(2.7)**	**–**	**(27.3)**
Costs of goods sold	**–**	**(26.2)**	**–**	**(26.2)**
Digital Services Tax	**(10.2)**	**–**	**–**	**(10.2)**
Other costs	**(40.5)**	**(2.8)**	**–**	**(43.3)**
Depreciation & amortisation	**(6.3)**	**(1.5)**	**(12.9)**	**(20.7)**
Total segment costs	**(174.4)**	**(40.6)**	**(12.9)**	**(227.9)**
Share of profit from joint ventures	**3.6**	**–**	**–**	**3.6**
Total segment operating profit/(loss)	**394.0**	**(4.3)**	**(12.9)**	**376.8**
Finance costs – net				**(1.1)**
Profit before tax				**375.7**

Group central costs are not allocated to the operating profit/(loss) reported to the CODM for either operating segment.

For the year ending 31 March 2025, an amortisation expense of £12.9m (2024: £10.0m) was recognised in relation to the fair value of the brand, technology and other assets acquired in the Group's business combination of Autorama. In the prior period, a further £11.1m charge was recognised in people costs, comprising a £10.4m share-based payment charge relating to the shares issued as part of the deferred consideration for Autorama and a further £0.7m settled in cash.

Year to 31 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

In the current and prior year, the Group has classified expenditure by nature (2024: by nature).

5. REVENUE

The Group's operations and main revenue streams are those described in these annual financial statements. 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	2025 £m	2024 £m
Retailer	**480.0**	450.0
Home Trader	**16.1**	13.4
Other	**13.0**	12.3
Trade	**509.1**	475.7
Consumer Services	**42.4**	39.6
Manufacturer & Agency	**13.3**	14.4
Autorama	**36.3**	41.2
Total revenue	**601.1**	570.9

Revenue is largely recognised over time, other than Autorama revenue which is recognised at a point in time when related sales commission or fees are earned. The Group has no major customers to disclose in either the current or prior year.

5. REVENUE CONTINUED

Contract balances

The following table provides information about receivables and contract assets and liabilities from contracts with customers.

	2025 £m	2024 £m
Receivables, which are included in trade and other receivables	**33.4**	36.0
Accrued income	**46.0**	44.5
Deferred income	**(12.5)**	(15.1)

Accrued income relates to the Group's unconditional rights to consideration for services provided but not invoiced at the reporting date. Accrued income is transferred to trade receivables when invoiced.

Deferred income relates to advanced consideration received for which revenue is recognised as or when services are provided. £5.3m (2024: £7.3m) of the deferred income balance is classified as a current liability within trade and other payables (note 20). Included within deferred income is £7.8m (2024: £8.3m) relating to consideration received from Dealer Auction Limited (joint venture) for the provision of data services to Dealer Auction (note 15). Revenue relating to this service is recognised on a straight-line basis over a period of 20 years to 31 December 2038; given this time period the liability has been split between current and non-current liabilities. Revenue of £0.6m was recognised in the year (2024: £0.6m).

6. OPERATING PROFIT

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

	Note	2025 £m	2024 £m
Staff costs	7	**(100.0)**	(92.2)
Contractor costs		**(0.2)**	(0.2)
Depreciation of property, plant and equipment	13	**(5.2)**	(4.8)
Amortisation of intangible assets	12	**(15.5)**	(13.5)
(Loss)/profit on sale of property, plant and equipment		**–**	(0.3)

Services provided by the Company's auditor

During the year, the Group obtained the following services from the operating company's auditor:

	2025 £m	2024 £m
Fees payable for the audit of the Company and Consolidated financial statements	**0.3**	0.2
Fees payable for other services		
The audit of the subsidiary undertakings pursuant to legislation	**0.3**	0.3
Total	**0.6**	0.5

Fees payable for audit-related assurance services in the year were £55,000 (2024: £52,000) for the half-year review of the condensed financial statements. Fees payable for other non-audit services in the year were £16,000 (2024: £15,000) for limited assurance over certain information included within or referenced from the Annual Report.

7. EMPLOYEE NUMBERS AND COSTS

The average monthly number of employees (including Executive Directors and contractors) employed by the Group was as follows:

	2025 £m	2024 £m
Customer operations	**675**	646
Product and technology	**402**	394
Corporate	**190**	193
Total	**1,267**	1,233

The aggregate payroll costs of these persons were as follows:

	Note	2025 £m	2024 £m
Wages and salaries		**76.3**	72.6
Social security costs		**7.5**	7.5
Defined contribution pension costs	24	**4.7**	4.1
		88.5	84.2
Share-based payments and associated NI	29	**11.7**	8.2
Total		**100.2**	92.4

Wages and salaries include £29.6m (2024: £28.1m) relating to the product and technology teams; these teams spend a significant proportion of their time on innovation of our product proposition and incremental enhancements to the Group's platforms.

In addition to the share-based payments disclosed above, a share-based payment charge of £10.4m was recognised in the prior period relating to deferred consideration for the acquisition of Autorama.

8. DIRECTORS AND KEY MANAGEMENT REMUNERATION

Directors' remuneration

	2025 £000	2024 £000
Directors' remuneration	**2.7**	2.8
Amounts receivable under long-term incentive schemes	**4.0**	–
Company contributions to money purchase pension schemes	**0.1**	0.1
	6.8	2.9
Gain on exercise of share options	**3.1**	Nil

Three (2024: Three) Directors received Company contributions to money purchase pension schemes.

Three (2024: Nil) Directors exercised share options.

Three: (2024: Three) Directors received share awards for qualifying services.

8. DIRECTORS AND KEY MANAGEMENT REMUNERATION CONTINUED

The aggregate of remuneration and amounts receivable under long-term incentive schemes of the highest paid Director was £3,010,000 (2024: £1,054,000), and Company pension contributions of £47,000 (2024: £43,000) were made to a money purchase scheme on their behalf. During the year, the highest paid Director exercised share options and received shares under a long-term incentive scheme. This information was not included in the 2024 financial statements.

Key Management compensation

During the year to 31 March 2025, Key Management comprised the members of the ALT (who are defined in note 4) and the Non-Executive Directors (2024: OLT and the Non-Executive Directors). The remuneration of all Key Management was as follows:

	2025 £m	2024 £m
Short-term employee benefits	**5.3**	4.6
Share-based payments	**5.0**	2.1
Pension contributions	**0.3**	0.2
Total excluding NI	**10.6**	6.9
Employer NI	**1.0**	0.8
Total	**11.6**	7.7

9. NET FINANCE COSTS

	2025 £m	2024 £m
On bank loans and overdrafts	**1.1**	3.0
Amortisation of debt issue costs	**0.5**	0.6
Interest unwind on lease liabilities	**0.1**	0.1
Interest on vehicle stocking loan	**0.3**	0.3
Interest receivable on cash and cash equivalents	**(0.9)**	(0.5)
Total	**1.1**	3.5

10. TAXATION

	2025 £m	2024 £m
Current taxation		
UK corporation taxation	**96.5**	91.7
Adjustments in respect of prior years	**0.4**	–
Total current taxation	**96.9**	91.7
Deferred taxation		
Origination and reversal of temporary differences	**(3.4)**	(3.0)
Adjustments in respect of prior years	**(0.4)**	(0.4)
Total deferred taxation	**(3.8)**	(3.4)
Total taxation charge	**93.1**	88.3

The taxation charge for the year is lower than (2024: higher than) the effective rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £m	2024 £m
Profit before taxation	**375.7**	345.2
Tax on profit at the standard UK corporation tax rate of 25% (2024: 25%)	**93.9**	86.3
Expenses not deductible for taxation purposes	**0.4**	3.5
Share of joint venture taxation	**(0.9)**	(0.7)
Adjustments in respect of losses not previously recognised	**–**	(0.4)
Adjustments in respect of OCI group relief	**(0.3)**	–
Adjustments in respect of prior years	**–**	(0.4)
Total taxation charge	**93.1**	88.3

Expenses non-deductible for taxation purposes in the prior period principally included the share-based payment expense incurred in that year relating to the deferred consideration arising on acquisition of Autorama.

Taxation on items taken directly to equity was a credit of £0.8m (2024: debit of £0.3m) relating to tax on share-based payments.

Taxation recorded in equity within the Consolidated statement of comprehensive income was a release of £0.5m (2024: release of £0.1m) 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% (2024: 25%). 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.

The UK Digital Services Tax ('UK DST') is calculated using a gross measure of revenue and therefore does not meet the definition of an income tax under IAS 12 – Income Taxes. Amounts payable are therefore accounted for as a pre-tax operating expense which, on the basis it is incurred wholly and exclusively for the purposes of the Company's trade, will be included as a deductible expense in the calculation of corporation tax payable.

The Group has exceeded the threshold for in-scope revenue for UK DST in financial year 2025. This has resulted in an operating expense of £10.2m in the period, which we expect to be recurring and growing in line with revenue. We had previously commented that 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. The recently announced US trade deal has not impacted UK DST. We will continue to monitor the progress of any changes to the application of UK DST.

11. 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 2025			
Basic EPS	**892,418,234**	**282.6**	**31.66**
Diluted EPS	**895,392,458**	**282.6**	**31.56**
Year ended 31 March 2024			
Basic EPS	912,582,172	256.9	28.15
Diluted EPS	915,302,568	256.9	28.07

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:

	2025	2024
Issued ordinary shares at 1 April	**907,213,454**	923,074,657
Weighted effect of ordinary shares purchased for cancellation	**(9,986,345)**	(11,835,430)
Weighted effect of ordinary shares held in treasury	**(4,507,565)**	(4,417,849)
Weighted effect of shares held in the ESOT	**(301,310)**	(330,294)
Weighted effect of ordinary shares issued for share-based payments	**–**	6,091,088
Weighted average number of shares for basic EPS	**892,418,234**	912,582,172
Dilutive impact of share options outstanding	**2,974,224**	2,720,396
Weighted average number of shares for diluted EPS	**895,392,458**	915,302,568

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 Auto Trader 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.

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.

12. INTANGIBLE ASSETS

	Goodwill £m	Software and website development costs £m	Financial systems £m	Brand £m	Other £m	Total £m
Cost						
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**
Disposals	–	(2.6)	–	–	–	**(2.6)**
At 31 March 2025	**544.6**	**21.9**	**13.1**	**48.2**	**29.7**	**657.5**
Accumulated amortisation and impairments						
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**
Amortisation charge	–	2.7	–	11.2	1.6	**15.5**
Disposals	–	(2.6)	–	–	–	**(2.6)**
At 31 March 2025	**117.0**	**10.0**	**13.1**	**23.4**	**21.8**	**185.3**
Net book value at 31 March 2025	**427.6**	**11.9**	**–**	**24.8**	**7.9**	**472.2**
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**

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. The longest estimated useful life remaining at 31 March 2025 is 10 years (31 March 2024: 11 years).

For the year to 31 March 2025, the amortisation charge of £15.5m (2024: £13.5m) has been charged to operating costs in the Consolidated income statement. The increased amortisation charge is the result of the useful economic life of the Vanarama brand being reduced to five years from acquisition, following accelerated integration between Auto Trader and Autorama. This change took effect in October 2023.

At 31 March 2025, there were no software and website development costs representing assets under construction (2024: £nil).

12. INTANGIBLE ASSETS CONTINUED

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.

Impairment test for goodwill

Goodwill is allocated to the appropriate cash-generating unit ('CGU') based on the smallest identifiable group of assets that generates cash inflows independently in relation to the specific goodwill. There are two CGUs that exist in the Group, being the Digital CGU and the Autorama CGU.

The carrying value of the CGUs is principally the sum of goodwill, property, plant and equipment (including lease assets), intangibles and lease liabilities, and related deferred tax, as follows:

	2025 £m	2024 £m
Digital	**353.1**	352.3
Autorama	**132.6**	144.0

Digital

The recoverable amount of the Digital CGU, which includes goodwill of £335.1m, is determined from value-in-use calculations that use discounted cash flow projections from the latest business plan. The carrying value is forecast to be recovered based on less than two years of forecasted cash flows from this mature operating business.

Income and costs within the budget are derived on a detailed 'bottom up' basis – all income streams and cost lines are considered and appropriate growth, or decline, rates are assumed. Income and cost growth forecasts are risk adjusted to reflect specific risks facing the CGU and take into account the market in which it operates. Assumptions, which are not sensitive to change, include revenue growth rates, associated levels of marketing support and directly associated overheads. All assumptions are based on past performance and management's expectation of market development. Cash flows beyond the forecast period of five years (2024: five years) are extrapolated using the estimated growth rate stated into perpetuity; a rate of 2.5% (2024: 2.5%) has been used. This is lower than the current rate of inflation in the UK but takes account of longer-term considerations.

The pre-tax discount rate used within the recoverable amount calculation is based upon the weighted average cost of capital. The discount rate takes into account the risk-free rate of return, the market risk premium and beta factor reflecting the average beta for the Group and comparator companies which are used in deriving the cost of equity. Other than as included in the financial budget, it is assumed that there are no material adverse changes in legislation that would affect the forecast cash flows.

The key assumptions used for the value-in-use calculation are as follows:

	2025	2024
Terminal value growth rate	**2.5%**	2.5%
Discount rate (pre-tax)	**12.6%**	12.5%

The recoverable amount of goodwill shows significant headroom compared with its carrying value. The level of headroom may change if different growth rate assumptions or a different pre-tax discount rate were used in the cash flow projections. There are no changes to the key assumptions of growth rate or discount rate that are considered by the Directors to be reasonably possible, which give rise to an impairment of goodwill relating to the Digital CGU.

Having completed the 2025 impairment review, no impairment has been recognised in relation to the Digital CGU (2024: no impairment).

Autorama

The recoverable amount of the Autorama CGU is based on a value-in-use methodology following the integration of the business since its acquisition by the Group.

Goodwill amounting to £92.5m in the Autorama CGU arose on the acquisition of Autorama UK Limited in June 2022. The acquisition was undertaken to enable Auto Trader to establish, as part of its new car strategy, a leading marketplace for leasing new cars which, over time, is set to benefit from: the growth of electric cars, new manufacturers entering the UK market and a shift towards new digital distribution models. Leasing provides consumers a cost-effective way to access a new vehicle with a model that is consistent with any future move towards usership rather than ownership.

Value-in-use reflects the present value of the future cash flows the Group expects to be derived from the cash-generating unit. The key assumptions used in the estimation of the CGU's recoverable amount are as follows:

	2025	2024
Forecast period	**5 years**	6 years
Compound annual growth rate for revenue (from lease commissions and ancillary sales)	**41%**	32%
Terminal value growth rate	**2.5%**	2.5%
Discount rate (pre-tax)	**12.6%**	12.8%

The five-year forecast period to 2030 is consistent with the period of regulatory and commercial change expected in the new vehicle market described above. The increased compound annual growth rate for revenue since the prior year reflects the phasing of growth over the forecast period to 2030 as new car supply recovers. Actual revenue in the year ended 31 March 2025 was marginally below the prior year impairment assessment, albeit with lower than forecast car units.

Assessment of the CGU's value-in-use reflects long-term assumptions around changing distribution models for new car sales, including new electric vehicles, and an increased proportion of vehicles being leased. Management have used historic market data published by The Society of Motor Manufacturers & Traders ('SMMT') and British Vehicle Rental & Leasing Association ('BVRLA') to inform their estimate of the number of new vehicles to be sold each year, the proportion of new vehicles which are expected to be leased and the number of leases forecast to be transacted through brokers. The forecasts in any year do not assume a larger new car or van registration market than in 2019, before the disruption to supply that commenced during the COVID-19 pandemic.

12. INTANGIBLE ASSETS CONTINUED

The key assumption of the forecast sales growth is increasing the number of new vehicles transacted by the Group onto lease plans, with revenues, including ancillary sales, consequent on each vehicle lease transaction completed. This sales growth, particularly for cars, is dependent upon the assumption of a significant increase in the Group's market share. This is principally expected to be achieved by further developing the capability for new vehicle lease transactions to originate on the well-established Auto Trader marketplace, under the Auto Trader brand, as well as Vanarama. The reach of the Auto Trader audience is expected to support both demand and access to new vehicle supply. Growth in the forecast periods is a lower compound annual growth rate for new van leases which has a more established market share.

In the year to 31 March 2025, Autorama has delivered 6,268 vehicles (2024: 7,847 vehicles) of which an increasing proportion year-on-year originated on Auto Trader. The leasing market has continued to be constrained by tight new car supply in the current and prior year, but supply is expected to improve, particularly as new car manufacturers enter the UK market, and by 31 March 2025, the business had started to observe some improved offers to customers. Future customer demand is expected to be supported by reducing UK interest base rates, which are a component of lease rates offered.

In response to constrained supply in the current year, the Group continued the integration of Autorama into Auto Trader and focused on realising post-acquisition cost synergies in advance of market growth. Consequently, Autorama's loss for the year ended 31 March 2025 of £4.3m is lower than the prior year forecast for this period and is expected to be close to break-even in the year ending 31 March 2026.

The risk of sales growth assumptions for new vehicles transacted in this period not being achieved is reflected in the base forecast cash flows rather than the pre-tax discount rate applied. The pre-tax discount rate disclosed has been derived using a weighted average cost of capital and using the Capital Asset Pricing Model, reflecting UK-based assumptions for the risk-free rate.

The sensitivity of the impairment calculation at 31 March 2025 is reduced due to the accounting requirement to have expensed in prior years the £49.9m share-based payment charge relating to deferred consideration. All of this charge has been expensed at 31 March 2025, together with a cumulative £31.0m of acquired intangible amortisation.

The recoverable amount at 31 March 2025 is dependent on achieving the planned sales growth through increasing the number of leased vehicles by the end of the forecast period in 2030.

A 25% reduction in the number of all new vehicles delivered in 2030, reflecting a lower market share, would result in an impairment charge of £18m. The cash flows in 2030 have been sensitised because, as the cash flow period on which the terminal value is calculated, 2030 is the period in which revenue has the greatest impact on the estimation of the recoverable amount. If the sensitised growth in these cash flows was also deferred by one year to end in 2031, to reflect the risk of a delay in the recovery of new car and van supply, the impairment charge would increase to £29m.

No reasonably possible changes in the discount rate or long-term growth rate would result in an impairment charge.

13. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements £m	Office equipment £m	Motor vehicles £m	Work in progress £m	Total £m
Cost					
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**
Additions	0.2	1.2	0.3	2.6	**4.3**
Disposals	(0.2)	(2.9)	(1.0)	–	**(4.1)**
At 31 March 2025	**23.0**	**8.8**	**0.9**	**2.6**	**35.3**
Accumulated depreciation					
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**
Charge for the year	3.4	1.5	0.3	–	**5.2**
Disposals	(0.2)	(2.5)	(0.8)	–	**(3.5)**
At 31 March 2025	**15.4**	**5.8**	**0.7**	**–**	**21.9**
Net book value at 31 March 2025	**7.6**	**3.0**	**0.2**	**2.6**	**13.4**
Net book value at 31 March 2024	**10.8**	**3.7**	**0.4**	**–**	**14.9**
Net book value at 31 March 2023	**11.3**	**3.8**	**0.8**	**–**	**15.9**

Included within property, plant and equipment are £2.8m (2024: £5.0m) of assets recognised as leases under IFRS 16. Further details of these leases are disclosed in note 14. The depreciation expense of £5.2m for the year to 31 March 2025 (2024: £4.8m) has been recorded in operating costs in the Consolidated income statement. During the year, £2.9m (2024: £5.3m) worth of property, plant and equipment with £nil net book value was disposed of.

During the period, the Group announced the planned relocation of its head office. The fit-out of the new premises has commenced and the Group has incurred costs of £2.6m in 2025, disclosed under work in progress. Depreciation of work in progress assets will commence when they are available for use. Further details of capital commitments are given in note 34.

14. LEASES

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

	2025 £m	2024 £m
Net book value of property, plant and equipment owned	**10.6**	9.9
Net book value of right of use assets	**2.8**	5.0
	13.4	14.9

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 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)
Balance at 31 March 2024	4.4	0.2	0.4	5.0
Additions	–	0.1	0.2	0.3
Disposals	–	–	(0.2)	(0.2)
Depreciation charge	(2.0)	(0.1)	(0.2)	(2.3)
At 31 March 2025	**2.4**	**0.2**	**0.2**	**2.8**

Lease liabilities in the balance sheet at 31 March	2025 £m	2024 £m
Current	**2.1**	2.4
Non-current	**0.4**	2.4
Total	**2.5**	4.8

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented within note 30. 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 prior 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	2025 £m	2024 £m
Depreciation charge of right of use assets	**2.3**	2.2
Interest on lease liabilities	**0.1**	0.1
Total amounts charged in the income statement	**2.4**	2.3

Cash outflow	2025 £m	2024 £m
Total cash outflow for leases	**2.5**	2.7

15. 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 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
Share of result for the year taken to the income statement	–	3.6	3.6
Dividends received in the year	(4.4)	–	(4.4)
As at 31 March 2025	**29.1**	**18.3**	**47.4**

15. NET INVESTMENTS IN JOINT VENTURES CONTINUED

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.

	2025 £m	2024 £m
Non-current assets	**93.3**	94.5
Current assets		
Cash and cash equivalents	**6.5**	6.8
Other current assets	**2.1**	2.1
Total assets	**101.9**	103.4
Liabilities		
Current liabilities	**4.6**	4.4
Total liabilities	**4.6**	4.4
Net assets	**97.3**	99.0
Group's share of net assets	**47.7**	48.2

	2025 £m	2024 £m
Revenues	**16.3**	13.2
Profit for the year	**7.3**	5.7
Total comprehensive income	**7.3**	5.7
Group's share of comprehensive income	**3.6**	2.8
Dividends received by the Group	**4.4**	3.9

Non-current assets principally comprise goodwill and other intangible assets. The carrying value is assessed annually using a methodology consistent with the Auto Trader cash-generating unit disclosed in note 12.

A list of the investments in joint ventures, including the name, country of incorporation and proportion of ownership interest, is given in note 33.

16. OTHER INVESTMENTS

Shares in other undertakings

	2025 £m	2024 £m
Investment in iAUTOS Company Limited	**–**	–
Investment in protected insurance cell (Atlas Insurance PCC Limited)	**1.3**	1.3
Total comprehensive income	**1.3**	1.3

The Group designated the investment in iAUTOS Company Limited as an equity security at FVOCI as the Group intends to hold the shares for long-term purposes. iAUTOS Company Limited is an intermediate holding company through which trading companies incorporated in the People's Republic of China are held. The fair value of the investment has been valued at £nil since 2014 as the Chinese trading companies are marginally loss-making with forecast future cash outflows.

The protected insurance cell's activity was the writing of insurance business relating to Guaranteed Asset Protection insurance and business equipment in transit. The writing of new insurance business ceased during the prior year, therefore the cell will wind up once all existing policies terminate. The interest in the protected insurance cell is not consolidated in these financial statements as a silo, as the cell company has retained residual obligations in respect of the cell's liabilities. Autorama UK Limited is listed as a guarantor to an agreement between the cell company and Autorama Holding (Malta) Limited. No liability has been recognised for this guarantee by the Group under IFRS 17 – Insurance Contracts on the basis that its fair value is not material, reflecting the size and activity of the protected insurance cell.

17. TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
Trade receivables (invoiced)	**30.3**	32.7
Net accrued income	**44.4**	42.8
Trade receivables (total)	**74.7**	75.5
Prepayments	**10.0**	6.8
Other receivables	**–**	1.0
Total	**84.7**	83.3

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional and has been invoiced at the reporting date. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Included within trade receivables (invoiced) is a provision for the impairment of financial assets of £3.1m (2024: £3.3m).

Accrued income relates to the Group's rights to consideration for services provided but not invoiced at the reporting date. Accrued income is transferred to receivables when invoiced. Included within net accrued income is provision for the impairment of financial assets of £1.6m (2024: £1.7m).

Exposure to credit risk and expected credit losses relating to trade and other receivables are disclosed in note 30.

18. INVENTORIES

In Autorama, the Group temporarily takes a small proportion of new vehicle deliveries on balance sheet as principal, which are held within inventory.

	2025 £m	2024 £m
Finished goods	**2.0**	2.6
Inventories	**2.0**	2.6

113 – 168

19. CASH AND CASH EQUIVALENTS

Cash at bank and in hand is denominated in sterling:

	2025 £m	2024 £m
Cash at bank and in hand	**15.3**	18.7
Cash and cash equivalents	**15.3**	18.7

Cash balances with an original maturity of less than three months were held in current accounts during the year and attracted interest at a weighted average rate of 3.2% (2024: 2.4%).

20. TRADE AND OTHER PAYABLES

	2025 £m	2024 £m
Trade payables	**2.6**	3.9
Accruals	**13.9**	17.7
Other taxes and social security	**22.6**	25.2
Deferred income	**5.3**	7.3
Digital Services Tax	**10.2**	–
Vehicle stocking loan	**1.0**	2.1
Other payables	**2.2**	3.7
Accrued interest payable	**0.1**	0.2
Total	**57.9**	60.1

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

21. BORROWINGS

Non-current	2025 £m	2024 £m
Syndicated RCF gross of unamortised debt issue costs	**–**	30.0
Unamortised debt issue costs on Syndicated RCF	**–**	(2.3)
Total borrowings	**–**	27.7

Unamortised debt issue costs on the Syndicated RCF, which are now within Prepayments (note 17) in 2025, decreased to £2.1m in the year (2024: £2.3m).

Borrowings are repayable as follows:

	2025 £m	2024 £m
Less than one year	**–**	–
Two to five years	**–**	30.0
Total	**–**	30.0

The carrying amounts of borrowings approximates to their fair values.

Syndicated Revolving Credit Facility ('Syndicated RCF')

The Group has access to an unsecured Syndicated Revolving Credit Facility (the 'Syndicated RCF'). Associated debt transaction costs total £6.5m, with £3.3m being incurred at initiation and £3.2m of additional costs associated with extension requests.

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 2024 the Group extended the Syndicated RCF by one year to February 2029, and on 1 February 2025, exercised the second extension option, extending the term of the facility by a further one year to February 2030. Until February 2029 the available facility is £200m, reducing to £165m thereafter due to one lender not participating in the second extension option. No further extensions are permitted under the current agreement.

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.

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 (to be tested annually with 2024 being the first period of testing). 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. 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.

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:

	2025 £m	2024 £m
One month or less	**–**	30.0
Total	**–**	30.0

113 – 168

22. PROVISIONS

	Dilapidations provision £m	Holiday pay provision £m	Total £m
At 31 March 2024	1.6	0.8	2.4
Charged to the income statement	–	1.0	1.0
Utilised in the year	–	(0.8)	(0.8)
Recognised under IFRS 16	–	–	–
Released in the year	–	–	–
At 31 March 2025	**1.6**	**1.0**	**2.6**

	2025 £m	2024 £m
Current	**1.0**	0.8
Non-current	**1.6**	1.6
Total	**2.6**	2.4

23. DEFERRED TAXATION

A net deferred tax asset of £1.1m has been recognised in the balance sheet at 31 March 2025 (2024: deferred tax liability of £2.9m). The movement in deferred taxation assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred taxation assets	Share-based payments £m	Accelerated capital allowances £m	Other temporary differences £m	Total £m
At 31 March 2023	3.7	1.9	7.1	**12.7**
(Debited)/credited to the income statement	1.1	(0.8)	(0.3)	**–**
Debited directly to equity	(0.5)	–	–	**(0.5)**
At 31 March 2024	4.3	1.1	6.8	**12.2**
(Debited)/credited to the income statement	0.3	(0.3)	(0.1)	(0.1)
Debited directly to equity	0.2	–	–	0.2
At 31 March 2025	**4.8**	**0.8**	**6.7**	**12.3**

Deferred taxation liabilities	Acquired intangible assets £m	Other temporary differences £m	Total £m
At 31 March 2023	15.1	3.4	**18.5**
Credited to the income statement	(3.4)	–	**(3.4)**
At 31 March 2024	11.7	3.4	**15.1**
Credited to the income statement	(2.8)	(1.1)	(3.9)
At 31 March 2025	**8.9**	**2.3**	**11.2**

Net deferred tax liability at 31 March 2024	(2.9)
Net deferred tax asset at 31 March 2025	**1.1**

The Group has estimated that an additional £1.7m net deferred tax asset will be recognised in the next 12 months (2024: £2.5m net deferred tax liability realised). This is management's current best estimate and may not reflect the actual outcome in the next 12 months.

24. RETIREMENT BENEFIT OBLIGATIONS

(i) Defined contribution scheme

The Group operates a number of defined contribution schemes. In the year to 31 March 2025, the pension contributions to the Group's defined contribution schemes amounted to £4.7m (2024: £4.1m). At 31 March 2025, there were £0.8m (31 March 2024: £0.7m) of pension contributions outstanding relating to the Group's defined contribution schemes.

(ii) Defined benefit scheme

The Company sponsors a funded defined benefit pension scheme for qualifying UK employees, the Wiltshire (Bristol) Limited Retirement Benefits Scheme ('the Scheme'). The Scheme is administered by a separate board of Trustees, which is legally separate from the Company. The Trustees are composed of representatives of both the Company and members. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy for the assets and the day-to-day administration of the benefits.

The Scheme has been closed to future members since 30 April 2006 and there are no remaining active members within the Scheme. No other post-retirement benefits are provided to these employees.

Profile of the Scheme

As at 31 March 2025, approximately 40% of the defined benefit obligation ('DBO') is attributable to former employees who have yet to reach retirement (2024: 40%) and 60% to current pensioners (2024: 60%). The Scheme duration is an indicator of the weighted-average time until benefit payments are made. For the Scheme as a whole, the duration is approximately 13 years (2024: 15 years).

Buy-in

In the year ended 31 March 2023, the Scheme purchased a bulk annuity policy (known as a buy-in) from Just Retirement Limited ('Just Retirement') for £15.4m, which was funded by a £1.0m contribution by the Company along with existing Scheme assets. This policy secured the full benefits of all Scheme members, which as at the remeasurement date amounted to £13.7m. Given the financial strength of Just Retirement, this buy-in substantively removes the risk of further contributions being required from the Company to provide benefits to members, beyond those noted below.

Following the buy-in, the Scheme's assets largely comprise the bulk annuity policy held with Just Retirement, along with a small amount of additional assets currently held with LGIM. The Scheme trustees are now working to progress towards a full buy-out, which will involve various data and benefits exercises. It is anticipated that the Scheme buy-out will be completed in first half of financial year 2026. Once the buy-out is complete, the Scheme has no further purpose and will be wound up.

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 30 April 2021 and showed a surplus of £1.5m. The Company paid deficit contributions of £140k pa to 31 January 2022, plus an additional £1.2m in respect of the shortfall versus the buy-in premium. The next funding valuation was due as at 30 April 2024, although it is anticipated that the buy-out of the scheme will be completed prior to the statutory deadline for completion of this valuation. The Company expects that a further contribution may be required in the year ending 31 March 2026 in respect of the balancing premium, once the data cleansing and benefit rectification is completed. The Company also pays expenses and PPF levies incurred by the Scheme.

24. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Risks associated with the Scheme

The Scheme exposes the Company to some risks, although the purchase of a buy-in policy substantially mitigates these.

Asset volatility	The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The Scheme previously held a significant proportion of gilt and bond assets which limits volatility and risk in the short term. The allocation of assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.
Inflation risk	A proportion of the Scheme's benefit obligations are linked to inflation, and higher inflation leads to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
Change in bond yields	A decrease in corporate bond yields will increase the value placed on the Scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the Scheme's bond holdings.
Life expectancy	The majority of the Scheme's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the liabilities.

Assumptions used

The results of the latest funding valuation at 30 April 2021 have been adjusted to the new balance sheet date, taking account of experience over the period since 30 April 2021, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used to calculate the liabilities under IAS 19 are as follows:

	2025 %	2024 %
Discount rate for scheme liabilities	**5.80**	4.80
CPI inflation	**2.80**	2.80
RPI inflation	**3.30**	3.40
Pension increases		
Post 1988 GMP	**2.20**	2.20
Pre 2004 non GMP	**5.00**	5.00
Post 2004	**3.05**	3.15

The financial assumptions reflect the nature and term of the Scheme's liabilities. The weighted average duration of the Scheme liabilities at the year end is 14 years (2024: 15 years). This reduction is due to the discount rate increase which is the principal reason for the decrease in the value of Scheme liabilities compared with the prior year.

The Group has assumed that mortality will be in line with nationally published mortality table SAPS S3 Heavy tables with CMI 2021 projections related to members' years of birth with long-term rate of improvement of 1.5% per annum.

These tables translate into an average life expectancy for a pensioner retiring at age 65 as follows:

	2025		2024	
	Men Years	Women Years	Men Years	Women Years
Member aged 65 (current life expectancy)	**86.0**	**88.5**	86.1	88.6
Member aged 45 (life expectancy at age 65)	**87.8**	**90.4**	87.9	90.4

It is assumed that 50% of non-retired members of the Scheme will commute the maximum amount of cash at retirement (2024: 50%).

Post-employment benefit obligations disclosures

The following amounts have been recognised in the Consolidated statement of comprehensive income:

	2025 £m	2024 £m
Return on Scheme assets below that recognised in net interest	**2.2**	0.5
Actuarial gains due to changes in assumptions	**(1.5)**	(0.7)
Actuarial losses due to liability experience	**(0.1)**	0.3
Effect of the surplus cap	**–**	–
Deferred tax on surplus	**(0.1)**	–
Total amounts recognised within the Consolidated statement of comprehensive income	**(0.5)**	0.1

24. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Amounts recognised in the balance sheet are as follows:

	2025 £m	2024 £m
Present value of funded obligations	**11.3**	13.4
Fair value of plan assets	**(11.5)**	(14.0)
Net asset recognised in the Consolidated balance sheet	**(0.2)**	(0.6)

The Trustees of the Scheme sought legal advice which concluded that the Group has an unconditional right to a refund of surplus from the Scheme, if the Scheme were to be run-off until the final beneficiary died. As a result, the Group has concluded that IFRIC 14 does not apply, and therefore has recognised the accounting surplus of £0.2m (2024: £0.6m) and an associated deferred tax liability of £0.1m (2024: £0.2m) in the Consolidated balance sheet.

Movements in the fair value of Scheme assets were as follows:

	2025 £m	2024 £m
Fair value of Scheme assets at the beginning of the year	**14.0**	14.1
Interest income on Scheme assets	**0.7**	0.7
Remeasurement losses on Scheme assets	**(2.2)**	(0.5)
Contributions by the employer	**0.1**	0.1
Settlements	**–**	–
Net benefits paid	**(1.1)**	(0.4)
Fair value of Scheme assets at the end of the year	**11.5**	14.0

Movements in the fair value of Scheme liabilities were as follows:

	2025 £m	2024 £m
Fair value of Scheme liabilities at the beginning of the year	**13.4**	13.6
Past service cost	**–**	–
Interest expense	**0.6**	0.6
Actuarial gains on Scheme liabilities arising from changes in assumptions	**(1.5)**	(0.7)
Actuarial (gains)/losses on Scheme liabilities arising from experience	**(0.1)**	0.3
Net benefits paid	**(1.1)**	(0.4)
Fair value of Scheme liabilities at the end of the year	**11.3**	13.4

Movements in post-employment benefit net obligations were as follows:

	2025 £m	2024 £m
Opening post-employment benefit surplus	**(0.6)**	(0.5)
Past service cost	**–**	–
Settlement cost	**–**	–
Contributions by the employer	**(0.1)**	(0.1)
Remeasurement and experience losses	**0.5**	–
Closing post-employment benefit surplus	**(0.2)**	(0.6)

Plan assets are comprised as follows:

	2025		2024	
	£m	%	£m	%
Gilts	**–**	**–**	0.4	2.9
Cash	**0.2**	**2.0**	0.2	1.4
Buy-in policy	**11.3**	**98.0**	13.4	95.7
Total	**11.5**	**100.0**	14.0	100.0

All plan assets have a quoted market price.

Sensitivity to key assumptions

The key financial assumptions used for IAS 19 are the discount and inflation rates. Given that the Scheme's buy-in policy is valued exactly equal to the DBO, changes in the key assumptions no longer have any impact on the net funded status position.

25. SHARE CAPITAL

	2025		2024	
Share capital	Number '000	Amount £m	Number '000	Amount £m
Allotted, called-up and fully paid ordinary shares of 1p each				
At 1 April	**907,214**	**9.2**	923,075	9.3
Purchase and cancellation of own shares	**(22,513)**	**(0.3)**	(23,711)	(0.2)
Issue of shares	**–**	**–**	7,850	0.1
Total	**884,701**	**8.9**	907,214	9.2

Under authority passed at the 2024 AGM the Company is authorised to make market purchases of up to a maximum of 10% (89,654,939) of its own ordinary shares (excluding shares held in treasury), subject to minimum and maximum price restrictions.

In the year ended 31 March 2025, a total of 23,873,028 ordinary shares of £0.01 were purchased. The average price paid was 783.2p with a total consideration paid (including fees of £0.9m) of £188.2m. Of all shares purchased, 1,360,000 were held in treasury with 22,513,028 being cancelled. In the prior year, 7,849,782 ordinary shares were issued for the settlement of share-based payments.

Included within shares in issue at 31 March 2025 are 294,600 (2024: 312,831) shares held by the ESOT and 4,600,897 (2024: 4,899,346) shares held in treasury, as detailed in note 26.

26. OWN SHARES HELD

Own shares held – £m	ESOT shares reserve £m	Treasury shares £m	Total £m
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)
Repurchase of own shares for treasury	–	(10.8)	(10.8)
Share-based incentives exercised	–	10.5	10.5
Own shares held as at 31 March 2025	**(0.4)**	**(31.2)**	**(31.6)**

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 2023	340,196	4,371,505	4,711,701
Transfer of shares from ESOT	(27,365)	–	(27,365)
Repurchase 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
Transfer of shares from ESOT	(18,231)	–	(18,231)
Repurchase of own shares for treasury	–	1,360,000	1,360,000
Share-based incentives exercised	–	(1,658,449)	(1,658,449)
Own shares held as at 31 March 2025	**294,600**	**4,600,897**	**4,895,497**

27. DIVIDENDS

Dividends declared and paid by the Company were as follows:

	2025		2024	
	Pence per share	£m	Pence per share	£m
2024 final dividend paid	**6.4**	**57.3**	5.6	51.3
2025 interim dividend paid	**3.5**	**31.1**	3.2	29.1
	9.9	**88.4**	8.8	80.4

The proposed final dividend for the year ended 31 March 2025 of 7.1p per share, totalling £62.5m, 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.

The Directors' policy with regard to future dividends is set out in the Financial review on page 28.

28. CASH GENERATED FROM OPERATIONS

	2025 £m	2024 £m
Profit after tax	**282.6**	256.9
Adjustments for:		
Tax charge	**93.1**	88.3
Depreciation	**5.2**	4.8
Amortisation	**15.5**	13.5
Share-based payments charge (excluding associated NI)	**9.7**	7.5
Deferred contingent consideration	**–**	10.4
Share of profit from joint ventures	**(3.6)**	(2.8)
Profit on sale of property, plant and equipment	**–**	0.3
Finance costs	**1.1**	3.5
R&D expenditure credit	**(2.3)**	(0.1)
Changes in working capital (excluding the effects of exchange differences on consolidation):		
Trade and other receivables	**0.6**	(10.4)
Trade and other payables	**(3.0)**	6.0
Provisions	**0.2**	0.1
Inventory	**0.6**	1.0
Cash generated from operations	**399.7**	379.0

113 – 168

29. SHARE-BASED PAYMENTS

The Group currently operates five share plans: the Share Incentive Plan, Performance Share Plan, Deferred Annual Bonus, Single Incentive Plan Award and the Sharesave scheme. All share-based incentives are subject to a service condition. Such conditions are not taken into account in the fair value of the service received. The fair value of services received in return for share-based incentives is measured by reference to the fair value of share-based incentives granted. Black-Scholes and Monte Carlo models have been used where appropriate to calculate the fair value of share-based incentives with market conditions.

The total charge in the period relating to the five schemes was £11.7m (2024: £8.2m). This included associated national insurance ('NI') at the rate at which management expects to be effective when the awards are exercised, and apprenticeship levy at 0.5%, based on the share price at the reporting date.

The share-based payment charge reported in the prior period included a £10.4m charge for the deferred share-based payment consideration relating to the acquisition of Autorama.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Share Incentive Plan ('SIP')	**–**	–	**–**	–
Sharesave scheme ('SAYE')	**0.7**	0.7	**–**	–
Performance Share Plan ('PSP')	**2.1**	2.1	**2.1**	2.1
Deferred Annual Bonus and Single Incentive Plan	**6.9**	4.7	**0.6**	0.6
NI and apprenticeship levy on applicable schemes	**2.0**	0.7	**0.6**	0.3
Total charge from ongoing share schemes	**11.7**	8.2	**3.3**	3.0
Share-based payments relating to Autorama acquisition	**–**	10.4	**–**	–
Total charge	**11.7**	18.6	**3.3**	3.0

During the year, the Directors in office in total had £3.1m gains (2024: £nil) arising on the exercise of share-based incentive awards.

Share Incentive Plan

In 2015, the Group established a Share Incentive Plan ('SIP'). All eligible employees were awarded free shares (or nil-cost options in the case of employees in Ireland) valued at £3,600 each based on the share price at the time of the Company's admission to the Stock Exchange in March 2015.

UK SIP

	2025 Number	2024 Number
Outstanding at 1 April	**68,950**	96,315
Released	**(18,231)**	(27,365)
Outstanding at 31 March	**50,719**	68,950
Vested and outstanding at 31 March	**50,719**	68,950

The weighted average market value per ordinary share for SIP awards released was 810.4p (2024: 695.0p). The SIP shares outstanding at 31 March 2025 have fully vested (2024: fully vested). Shares released prior to the vesting date relate to those attributable to good leavers as defined by the Scheme rules.

Performance Share Plan

The Group operates a Performance Share Plan ('PSP') for Executive Directors, the Auto Trader Leadership Team and certain key employees. The extent to which awards vest will depend upon the Group's performance over the three-year period following the award date. Both market-based and non-market-based performance conditions may be attached to the options. An appropriate adjustment is made for market-based performance conditions when calculating the fair value of an option. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless under exceptional circumstances.

On 20 September 2024, the Group awarded 457,203 nil cost options under the PSP scheme (2024: 355,183). For the 2024 awards, the Group's performance is measured by reference to growth in earnings per share (70% of the award), revenue (20% of the award) and carbon reduction (10% of the award) over a three-year period to March 2027.

For other previous awards, the Group's performance had been measured by reference to growth in operating profit and revenue over a three-year period, total shareholder return relative to the FTSE 350 share index (2017 and 2020 awards), diversity progress (2021 award) and carbon reduction (2022 and 2023 awards).

The fair value of the 2024 and 2023 awards was determined to be the share price at grant date. In previous years, the total shareholder return element was valued using the Monte Carlo model. The resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date.

29. SHARE-BASED PAYMENTS CONTINUED

PSP award holders are entitled to receive dividends accruing between the grant date and the vesting date and this value will be delivered in shares. The assumptions used in the measurement of the fair value at grant date of the PSP awards are as follows:

Grant date	Condition	Share price at grant date £	Exercise price £	Expected volatility %	Option life years	Risk-free rate %	Dividend yield %	Non-vesting condition %	Fair value per option £
16 Jun 2017	TSR	4.00	Nil	31	3.0	0.2	0.0	0.0	2.17
16 Jun 2017	OP	4.00	Nil	N/A	3.0	0.2	0.0	0.0	4.00
30 Aug 2017	TSR	3.42	Nil	31	3.0	0.2	0.0	0.0	2.17
30 Aug 2017	OP	3.42	Nil	N/A	3.0	0.2	0.0	0.0	3.42
23 Jun 2022	OP	5.31	Nil	N/A	3.0	2.0	1.3	0.0	5.31
23 Jun 2022	Revenue	5.31	Nil	N/A	3.0	2.0	1.3	0.0	5.31
23 Jun 2022	Carbon reduction	5.31	Nil	N/A	3.0	2.0	1.3	0.0	5.31
22 Jun 2023	OP	6.22	Nil	N/A	3.0	4.9	1.4	0.0	6.22
22 Jun 2023	Revenue	6.22	Nil	N/A	3.0	4.9	1.4	0.0	6.22
22 Jun 2023	Carbon reduction	6.22	Nil	N/A	3.0	4.9	1.4	0.0	6.22
20 Sep 2024	OP	7.44	Nil	N/A	3.0	4.3	1.4	0.0	7.44
20 Sep 2024	Revenue	7.44	Nil	N/A	3.0	4.3	1.4	0.0	7.44
20 Sep 2024	Carbon reduction	7.44	Nil	N/A	3.0	4.3	1.4	0.0	7.44

Expected volatility is estimated by considering historic average share price volatility at the grant date.

The number of options outstanding and exercisable as at 31 March 2025 was as follows:

	2025 Number	2024 Number
Outstanding at 1 April	**1,116,040**	1,399,984
Options granted in the year	**457,203**	355,183
Dividend shares awarded	**14,018**	–
Options forfeited in the year	**(11,421)**	(591,580)
Options exercised in the year	**(401,259)**	(47,547)
Outstanding at 31 March	**1,174,581**	1,116,040
Exercisable at 31 March	**1,500**	31,801

The weighted average market value per ordinary share for PSP options exercised in 2025 was 844.1p (2024: 714.0p). The PSP awards outstanding at 31 March 2025 have a weighted average remaining vesting period of 1.3 years (2024: 1.2 years) and a weighted average contractual life of 8.4 years (2024: 8.1 years).

Deferred Annual Bonus and Single Incentive Plan Award

The Group operates the Deferred Annual Bonus and Single Incentive Plan Award for Executive Directors, the Auto Trader Leadership Team and certain key employees. The plan consists of two schemes, the Deferred Annual Bonus Plan ('DABP') and the Single Incentive Plan Award ('SIPA'). In addition, in the prior period the Group announced a Single Incentive Plan Award for all employees under the existing scheme rules.

Deferred Annual Bonus

The Group operates a Deferred Annual Bonus Plan ('DABP') for Executive Directors. Awards under the plan are contingent on the satisfaction of pre-set internal targets relating to financial and operational objectives. The extent to which the awards vest will depend upon the satisfaction of the Group's financial and operational performance in the financial year of the award date (the 'Performance Conditions'). The awards will vest on the second anniversary of the date the Remuneration Committee determines that the Performance Conditions have been satisfied (the 'Vesting Period'). Awards are potentially forfeitable during that period should the employee leave employment. The DABP awards have been valued using the Black-Scholes method where appropriate and the resulting share-based payments charge is being spread evenly over the combined Performance Period and Vesting Period of the shares, being three years.

On 22 June 2024, the Group awarded 115,501 nil cost options under the DABP scheme (2024: 103,330). DABP award holders are entitled to receive dividends accruing between the grant date and the vesting date and this value will be delivered in shares. The assumptions used in the measurement of the fair value at grant date of the DABP awards are as follows:

29. SHARE-BASED PAYMENTS CONTINUED

Grant date	Share price at grant date £	Exercise price £	Option life years	Risk-free rate %	Dividend yield %	Non-vesting condition %	Fair value per option £
23 June 2022	5.31	Nil	2.0	2.0	1.3	0.0	5.31
22 June 2023	6.22	Nil	2.0	4.9	1.4	0.0	6.22
22 June 2024	7.44	Nil	2.0	4.1	1.4	0.0	7.44

The number of options outstanding and exercisable as at 31 March was as follows:

	2025 Number	2024 Number
Outstanding at 1 April	**212,034**	108,704
Options granted in the year	**115,501**	103,330
Dividend shares awarded	**2,992**	–
Options exercised in the year	**(111,696)**	–
Outstanding at 31 March	**218,831**	212,034
Exercisable at 31 March	**–**	–

111,696 DABP options were exercised in 2025 (2024: No DABP options exercised).

Single Incentive Plan Award

The Group operates a Single Incentive Plan Award ('SIPA') for the Auto Trader Leadership Team and certain key employees. The extent to which awards vest will depend upon the satisfaction of the Group's financial and operational performance in the financial year of the award date (the 'Performance Conditions'). The awards will vest in tranches, with the first tranche vesting on the date on which the Remuneration Committee determines that the Performance Conditions have been satisfied, and subsequent tranches vesting on the first and second anniversary of this date, subject to continuing employment.

On 26 June 2024, the Group awarded 572,377 nil cost options under the SIPA scheme for the Operational Leadership Team and certain key employees (2024: 618,497). For the 2024 awards, 75% of the award value is dependent on FY25 operating profit and the remaining 25% linked to the achievement of strategic and operational milestones against our digital retailing strategy. The fair value of the 2024 award was determined to be £7.44 per option, being the share price at grant date.

During the prior year, the Group announced a new All-Employee Single Incentive Plan Award ('One Auto Trader Share Award') that rewards employees with an extra 10% of their salary in shares. The awards will vest in tranches, with the first tranche vesting on the first anniversary of the grant date and subsequent tranches vesting on the first and second anniversary of this date, subject to continuing employment.

On 28 November 2024, the Group awarded 831,018 nil cost options under the SIPA scheme for all employees (2024: 1,049,495). The fair value of the 2024 award was determined to be £8.53 per option (2024: £6.25), being the average of the mid-market price for the three months leading up to the grant date.

The resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date. SIPA holders are entitled to receive dividends accruing between the grant date and the vesting date and this value will be delivered in shares.

The assumptions used in the measurement of the fair value at grant date of the SIPA awards are as follows:

Grant date	Share price at grant date £	Exercise price £	Expected volatility %	Option life years	Risk-free rate %	Dividend yield %	Non-vesting condition %	Fair value per option £
17 August 2018	4.48	Nil	N/A	3.0	0.7	1.7	0.0	4.48
17 June 2019	5.65	Nil	N/A	3.0	0.6	1.3	0.0	5.65
8 July 2020	5.27	Nil	N/A	3.0	(0.1)	0.0	0.0	5.27
24 November 2020	5.52	Nil	N/A	3.0	(0.1)	0.0	0.0	5.52
17 June 2021	6.29	Nil	N/A	3.0	0.2	0.9	0.0	6.29
23 June 2022	5.31	Nil	N/A	3.0	2.0	1.3	0.0	5.31
22 June 2023	6.22	Nil	N/A	3.0	4.9	1.4	0.0	6.22
21 November 2023	6.25	Nil	N/A	3.0	4.5	1.4	0.0	6.25
26 June 2024	7.44	Nil	N/A	3.0	4.1	1.4	0.0	7.44
28 November 2024	8.53	Nil	N/A	3.0	4.1	1.4	0.0	8.53

The number of options outstanding and exercisable as at 31 March was as follows:

	2025 Number	2024 Number
Outstanding at 1 April	**2,513,318**	1,517,766
Options granted in the year	**1,403,395**	1,667,992
Dividend shares awarded	**12,273**	10,239
Options exercised in the year	**(166,066)**	(515,383)
Options forfeited in the year	**(949,534)**	(167,296)
Outstanding at 31 March	**2,813,386**	2,513,318
Exercisable at 31 March	**140,567**	473,755

The weighted average market value per ordinary share for SIPA options exercised in 2025 was 827.4p (2024: 680.4p). The SIPA awards outstanding at 31 March 2025 have a weighted average remaining vesting period of 3.0 years (2024: 2.9 years) and a weighted average contractual life of 8.7 years (2024: 8.7 years). The charge for the year includes an estimate of the awards to be granted after the balance sheet date in respect of achievement of 2022 targets.

Sharesave scheme

The Group operates a Sharesave ('SAYE') scheme for all employees under which employees are granted an option to purchase ordinary shares in the Company at up to 20% less than the market price at invitation, in three years' time, dependent on their entering into a contract to make monthly contributions into a savings account over the relevant period. Options are granted and are linked to a savings contract with a term of three years. These funds are used to fund the option exercise. No performance criteria are applied to the exercise of Sharesave options.

29. SHARE-BASED PAYMENTS CONTINUED

The assumptions used in the measurement of the fair value at grant date of the Sharesave plan are as follows:

Grant date	Share price at grant date £	Exercise price £	Expected volatility %	Option life years	Risk-free rate %	Dividend yield %	Non-vesting condition %	Fair value per option £
16 December 2020	5.75	4.41	32	3.0	0.0	0.5	10	1.86
16 December 2021	7.13	5.88	32	3.0	0.5	0.5	10	2.05
14 December 2022	5.64	4.56	34	3.0	3.2	1.3	10	1.87
23 July 2024	8.04	6.37	27	3.0	4.0	1.3	10	2.56

Expected volatility is estimated by considering historic average share price volatility at the grant date. The requirement that an employee has to save in order to purchase shares under the Sharesave plan is a non-vesting condition. This feature has been incorporated into the fair value at grant date by applying a discount to the valuation obtained from the Black-Scholes pricing model.

	2025		2024	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at 1 April	**856,958**	**4.84**	1,366,352	4.72
Options granted in the year	**489,713**	**6.37**	–	–
Options exercised in the year	**(194,413)**	**5.48**	(407,221)	4.40
Options cancelled in the year	**(33,013)**	**5.16**	–	–
Options lapsed in the year	**(30,403)**	**5.16**	(102,173)	4.92
Outstanding at 31 March	**1,088,842**	**5.40**	856,958	4.84
Exercisable at 31 March	**42,965**	**5.81**	54,288	4.41

The weighted average market value per ordinary share for Sharesave options exercised in 2025 was 776.2p (2024: 711.8p). The Sharesave options outstanding at 31 March 2025 have a weighted average remaining vesting period of 1.5 years (2024: 1.5 years) and a weighted average contractual life of 2.0 years (2024: 2.0 years).

30. FINANCIAL INSTRUMENTS

Financial assets

	Note	2025 £m	2024 £m
Net trade receivables (invoiced)	17	**30.3**	32.7
Net accrued income	17	**44.4**	42.8
Net trade receivables (total)	17	**74.7**	75.5
Other receivables	17	**–**	1.0
Cash and cash equivalents	19	**15.3**	18.7
Total		**90.0**	95.2

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2025 was £90.0m (2024: £95.2m). The maximum exposure to credit risk for trade receivables and accrued income at the reporting date by geographic region was:

	2025 £m	2024 £m
UK	**74.7**	75.5
Total	**74.7**	75.5

The maximum exposure to credit risk for trade receivables and accrued income at the reporting date by type of customer was:

	2025 £m	2024 £m
Retailers	**62.5**	58.0
Manufacturer and Agency	**4.9**	6.6
Other	**1.4**	4.7
Autorama	**5.9**	6.2
Total	**74.7**	75.5

The Group's most significant customer accounts for £2.0m (2024: £1.8m) of net trade receivables as at 31 March 2025.

Expected credit loss assessment

Expected credit losses are measured using a provisioning matrix based on actual credit loss experience over the past three years and adjusted, when required, to take into account current macro-economic factors. For certain customers the Group applies experienced credit judgement that is determined to be predictive of the risk of loss to assess the expected credit loss, taking into account external ratings, financial statements and other available information.

113 – 168

30. FINANCIAL INSTRUMENTS CONTINUED

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables and accrued income from individual customers as at 31 March 2025.

	Expected credit loss rate	Gross carrying amount £m	Loss allowance £m	Credit-impaired
Accrued income	**3.5%**	**46.0**	**(1.6)**	**No**
Current	**3.2%**	**28.0**	**(0.9)**	**No**
Past due 1–30 days	**6.5%**	**3.1**	**(0.2)**	**No**
Past due 31–60 days	**40.0%**	**0.5**	**(0.2)**	**No**
Past due 61–90 days	**100.0%**	**0.3**	**(0.3)**	**No**
More than 91 days past due	**100.0%**	**1.5**	**(1.5)**	**No**
		79.4	**(4.7)**	

At 31 March 2024, ECLs reflected macro-economic uncertainty around retailer profitability due to persistent high inflation, high interest rates and the upcoming UK general election. At 31 March 2025, ECLs were adjusted to reflect lower levels of inflation and falling interest rates while taking into consideration the cost pressures faced by retailer customers.

Sensitivity analysis has been performed in assessing the expected credit loss rate. There are no changes to the rate that are considered by the Directors to be reasonably possible, which give rise to a material difference in the loss allowance.

Comparative information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at 31 March 2024 is set out below:

	Expected credit loss rate	Gross carrying amount £m	Loss allowance £m	Credit-impaired
Accrued income	3.7%	44.5	(1.7)	No
Current	3.5%	27.8	(1.0)	No
Past due 1–30 days	9.5%	6.0	(0.6)	No
Past due 31–60 days	36.0%	0.3	(0.1)	No
Past due 61–90 days	92.8%	0.2	(0.2)	No
More than 91 days past due	81.6%	1.7	(1.4)	No
		80.5	(5.0)	

The Group has identified specific balances for which it has provided an impairment allowance on a line-by-line basis across all ledgers, in both years. The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the financial asset directly.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	Note	2025 £m	2024 £m
At 1 April	17	**3.3**	3.0
Charged during the year		**1.3**	1.9
Utilised during the year		**(1.5)**	(1.6)
At 31 March	17	**3.1**	3.3

The movement in the allowance for impairment in respect of accrued income during the year was as follows.

	Note	2025 £m	2024 £m
At 1 April	17	**1.7**	1.5
Charged during the year		**(0.1)**	0.2
Utilised during the year		**–**	–
At 31 March	17	**1.6**	1.7

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated between P-1 and P-2 based on Moody's ratings. The Directors do not consider deposits at these institutions to be at risk.

Financial liabilities

	2025			2024		
	As per balance sheet £m	Future interest cost £m	Total cash flows £m	As per balance sheet £m	Future interest cost £m	Total cash flows £m
Trade and other payables	**18.8**	**–**	**18.8**	25.5	–	25.5
Vehicle stocking loan	**1.0**	**–**	**1.0**	2.1	–	2.1
Borrowings (gross of debt issue costs)	**–**	**–**	**–**	30.0	–	30.0
Leases	**2.5**	**–**	**2.5**	4.8	0.1	4.9
Total	**22.3**	**–**	**22.3**	62.4	0.1	62.5

Trade and other payables are as disclosed within note 19, excluding vehicle stocking loan, other taxation and social security liabilities and deferred income.

30. FINANCIAL INSTRUMENTS CONTINUED

IFRS 7 requires the contractual future interest cost of a financial liability to be included within the above table. As disclosed in note 21 of these Consolidated financial statements, borrowings are currently drawn under a syndicated debt arrangement and repayments can be made at any time without penalty. As such there is no contractual future interest cost. Interest is payable on borrowings' drawn amounts at a rate of SONIA prevailing at the time of drawdown plus the applicable margin, which ranges from 1.2% to 2.1%, excluding the potential beneficial impact of sustainability performance targets. Interest paid in the year in relation to borrowings amounted to £1.2m (2024: £3.1m).

Similarly, repayments can be made at any time without penalty on the vehicle stocking loan. As such there is no contractual future interest cost. Interest is payable on the loan balance at the prevailing Bank of England Base Rate plus a 2% margin. Interest paid in the year in relation to the vehicle stocking loan amounted to £0.3m (2024: £0.3m).

The Company had no derivative financial liabilities in either year. It is not expected that the cash flows included in the maturity analysis could occur earlier or at significantly different amounts.

Liquidity risk

The maturity of financial liabilities based on contracted cash flows is shown in the table below. This table has been drawn up using the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay. The table includes both interest and principal cash flows. Floating rate interest payments have been calculated using the relevant interest rates prevailing at the year end, where applicable.

As at 31 March 2025	Trade and other payables £m	Vehicle stocking loan £m	Borrowings £m	Leases £m	Total £m
Due within one year	**18.8**	**1.0**	**–**	**2.1**	**21.9**
Due within one to two years	**–**	**–**	**–**	**0.3**	**0.3**
Due within two to five years	**–**	**–**	**–**	**0.1**	**0.1**
Due after more than five years	**–**	**–**	**–**	**–**	**–**
Total	**18.8**	**1.0**	**–**	**2.5**	**22.3**

As at 31 March 2024	Trade and other payables £m	Vehicle stocking loan £m	Borrowings £m	Leases £m	Total £m
Due within one year	25.5	2.1	–	2.4	30.0
Due within one to two years	–	–	–	2.0	2.0
Due within two to five years	–	–	30.0	0.5	30.5
Due after more than five years	–	–	–	–	–
Total	25.5	2.1	30.0	4.9	62.5

Fair values

The fair values of all financial instruments in both years approximate to their carrying values.

31. NET DEBT

Analysis of net debt

Net debt is calculated as total borrowings and lease liabilities, less cash and cash equivalents. Non-cash changes represent the effects of the recognition and subsequent amortisation of fees relating to the bank facility, changing maturity profiles, acquisition of debt and new leases entered into during the year.

March 2025	At 1 April 2024 £m	Cash flow £m	Non-cash changes £m	At 31 March 2025 £m
Debt due within one year	–	–	–	–
Debt due after more than one year	**27.7**	**(30.3)**	**2.6**	**–**
Accrued interest	**0.2**	**(1.2)**	**1.1**	**0.1**
Lease liabilities	**4.8**	**(2.5)**	**0.2**	**2.5**
Total debt and lease financing	**32.7**	**(34.0)**	**3.9**	**2.6**
Cash and cash equivalents	**(18.7)**	**3.4**	**–**	**(15.3)**
Net debt/(cash)	**14.0**	**(30.6)**	**3.9**	**(12.7)**

In the prior year, the vehicle stocking loan is not presented within net debt to be consistent with the presentation of this balance, together with the related inventory, as part of the Group's operating cycle.

Non-cash changes on debt due after more than one year relate to amortisation of debt issue costs.

March 2024	At 1 April 2023 £m	Cash flow £m	Non-cash changes £m	At 31 March 2024 £m
Debt due within one year	1.1	(1.1)	–	–
Debt due after more than one year	57.5	(30.5)	0.7	27.7
Vehicle stocking loan	3.0	–	(3.0)	–
Accrued interest	0.3	(3.4)	3.3	0.2
Lease liabilities	7.1	(2.7)	0.4	4.8
Total debt and lease financing	69.0	(37.7)	1.4	32.7
Cash and cash equivalents	(16.6)	(2.1)	–	(18.7)
Net debt/(cash)	52.4	(39.8)	1.4	14.0

31. NET DEBT CONTINUED

Reconciliation of movements in liabilities to cash flows arising from financing activities

	Liabilities/(Assets)		Equity				
	Borrowings and accrued interest	Lease liabilities	Share capital	Retained earnings	Own shares held	Other reserves	Total
Balance as of 1 April 2024	**27.9**	**4.8**	**9.2**	**1,420.5**	**(31.3)**	**(846.1)**	**585.0**
Changes from financing cash flows							
Dividends paid to Company shareholders	–	–	–	(88.4)	–	–	(88.4)
Drawdown of Syndicated RCF	–	–	–	–	–	–	–
Repayment of Syndicated RCF	(30.0)	–	–	–	–	–	(30.0)
Payment of refinancing fees	(0.3)	–	–	–	–	–	(0.3)
Payment of interest on borrowings	(1.2)	–	–	–	–	–	(1.2)
Payment of lease liabilities	–	(2.5)	–	–	–	–	(2.5)
Purchase of own shares for cancellation	–	–	(0.3)	(176.6)	–	0.3	(176.6)
Purchase of own shares for treasury	–	–	–	–	(10.7)	–	(10.7)
Fees on repurchase of own shares	–	–	–	(0.9)	–	–	(0.9)
Proceeds from exercise of share-based incentives	–	–	–	1.1	–	–	1.1
Total changes from financing cash flows	(31.5)	(2.5)	(0.3)	(264.8)	(10.7)	0.3	(309.5)
Other changes – liability related							
Interest expense	1.1	0.1	–	–	–	–	1.2
Other	2.6	0.1	–	–	–	–	2.7
Total liability-related other changes	3.7	0.2	–	–	–	–	3.9
Total equity-related other changes	–	–	–	282.2	10.4	–	292.6
Balance as of 31 March 2025	**0.1**	**2.5**	**8.9**	**1,437.9**	**(31.6)**	**(845.8)**	**572.0**

31. NET DEBT CONTINUED

	Liabilities/(Assets)			Equity				
	Borrowings and accrued interest	Vehicle stocking loan	Lease liabilities	Share capital	Retained earnings	Own shares held	Other reserves	Total
Balance as of 1 April 2023	**58.9**	**3.0**	**7.1**	**9.3**	**1,390.3**	**(26.0)**	**(846.3)**	**596.3**
Changes from financing cash flows								
Dividends paid to Company shareholders	–	–	–	–	(80.4)	–	–	(80.4)
Drawdown of Syndicated RCF	57.0	–	–	–	–	–	–	57.0
Repayment of Syndicated RCF	(87.0)	–	–	–	–	–	–	(87.0)
Repayment of other debt	(1.1)	–	–	–	–	–	–	(1.1)
Payment of refinancing fees	(0.5)	–	–	–	–	–	–	(0.5)
Payment of interest on borrowings	(3.4)	–	–	–	–	–	–	(3.4)
Payment of lease liabilities	–	–	(2.7)	–	–	–	–	(2.7)
Purchase of own shares for cancellation	–	–	–	(0.2)	(158.9)	–	0.2	(158.9)
Purchase of own shares for treasury	–	–	–	–	–	(11.0)	–	(11.0)
Fees on repurchase of own shares	–	–	–	–	(0.9)	–	–	(0.9)
Issue of ordinary shares	–	–	–	0.1	–	–	–	0.1
Proceeds from exercise of share-based incentives	–	–	–	–	1.8	–	–	1.8
Total changes from financing cash flows	(35.0)	–	(2.7)	(0.1)	(238.4)	(11.0)	0.2	(287.0)
Other changes – liability related								
Interest expense	3.0	–	0.1	–	–	–	–	3.1
Other	1.0	(3.0)	0.3	–	–	–	–	(1.7)
Total liability-related other changes	4.0	(3.0)	0.4	–	–	–	–	1.4
Total equity-related other changes	–	–	–	–	268.6	5.7	–	274.3
Balance as of 31 March 2024	**27.9**	**–**	**4.8**	**9.2**	**1,420.5**	**(31.3)**	**(846.1)**	**585.0**

32. RELATED PARTY TRANSACTIONS

Dealer Auction Limited

The Group transacted the following related party transactions with its joint venture, Dealer Auction Limited, during the period.

The Group provided data services to Dealer Auction under a licence agreement established as part of the formation of the joint venture in January 2019. The value of services provided to Dealer Auction was £0.6m (2024: £0.6m) and has been recognised within revenue. At 31 March 2025, deferred income outstanding in relation to the licence agreement was £7.8m (2024: £8.3m).

The Group recharged Dealer Auction for the provision of office space and laptops during the period, the total value of which was £16,500 (2024: £32,900). The service was provided to Dealer Auction at an arm's length basis and recorded within administrative expenses within the Consolidated income statement.

A dividend from Dealer Auction Limited of £4.4m (2024: £3.9m) was received in the year.

Other related party transactions

Key Management personnel compensation has been disclosed in note 8.

The Group sponsors a funded defined benefit pension scheme. Details of transactions with the Wiltshire (Bristol) Limited Retirement Benefits Scheme are set out in note 24.

33. SUBSIDIARIES AND JOINT VENTURES

Subsidiaries

At 31 March 2025 the Group's subsidiaries were:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Class of shares held	Percentage owned by the parent	Percentage owned by the Group
Auto Trader Holding Limited[1]	England and Wales	Intermediary holding company	Ordinary	100%	100%
Auto Trader Limited[1]	England and Wales	Online marketplace	Ordinary	–	100%
Trader Licensing Limited[1]	England and Wales	Dormant company	Ordinary	–	100%
Autorama UK Limited[2]	England and Wales	Online marketplace	Ordinary	–	100%
Vanarama Limited[2]	England and Wales	Dormant company	Ordinary	–	100%
Autorama Holding (Malta) Limited[3]	Malta	Investment company for a protected cell company	Ordinary	–	100%
Blue Owl Network Limited[1]	England and Wales	Finance platform	Ordinary	–	100%

1. Registered office address is 4th Floor, 1 Tony Wilson Place, Manchester, M15 4FN.
2. Registered office address is Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7DE.
3. Registered office address is The Landmark, Level 2, Suite 1, Triq L-Iljun, Qormi, Malta.

All subsidiaries have a year end of 31 March, apart from Autorama Holding (Malta) Limited, which has a year end of 31 December.

On 19 September 2024, Auto Trader Limited purchased 100% of the share capital of Autorama UK Limited from Auto Trader Group plc pursuant to an intra-group share purchase agreement. Auto Trader Limited is therefore now the immediate parent company of Autorama UK Limited. The ultimate parent company of the Autorama UK Limited continues to be Auto Trader Group plc.

Joint ventures

At 31 March 2025 the Group's interests in joint ventures were:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Class of shares held	Percentage owned by the parent	Percentage owned by the Group
Dealer Auction Limited[1]	England and Wales	Online marketplace	Ordinary	–	49%
Dealer Auction (Operations) Limited[1]	England and Wales	Dormant company	Ordinary	–	49%
Auto Trader Autostock Limited[1]	England and Wales	Dormant company	Ordinary	–	49%
Dealer Auction Services Limited[1]	England and Wales	Dormant company	Ordinary	–	49%

1. Registered office address is Central House, Leeds Road, Rothwell, Leeds, West Yorkshire, England, LS26 0JE.

All joint ventures have a year end of 31 December.

34. COMMITMENTS AND SUBSEQUENT EVENTS

On 8 January 2025, the Group signed an agreement for lease for its planned new head office. The 15-year lease is expected to be signed in June 2025. In 2026, the Group's total depreciation and amortisation charge is expected to be £22.9m (Auto Trader: £9.0m, Autorama: £0.8m and Group central costs £13.1m) and interest charges associated with the lease will be £1.7m.

The fit-out of the new premises has substantively commenced and the Group has incurred costs of £2.6m in 2025 and is committed to incurring capital expenditure of c.£20m in 2026, the contract for which was signed on 16 May 2025.

35. CONTINGENT LIABILITIES

The Group believes that it will not be directly impacted by the October 2024 Court of Appeal judgment on automotive finance commission disclosure, which is pending an appeal judgment from the Supreme Court. Any possible obligation is not expected to be material.

Company balance sheet
At 31 March 2025

	Note	2025 £m	2024 £m
Fixed assets			
Investments	3	**1,240.0**	1,403.9
		1,240.0	1,403.9
Current assets			
Debtors	4	**1,503.2**	303.1
Cash at bank and in hand	5	**0.2**	0.1
		1,503.4	303.2
Creditors: amounts falling due within one year	6	**(1,221.5)**	(1,118.3)
Net current assets		**281.9**	(815.1)
Net assets		**1,521.9**	588.8
Capital and reserves			
Called-up share capital	9	**8.9**	9.2
Share premium		**182.6**	182.6
Own shares held	10	**(31.6)**	(31.3)
Capital redemption reserve		**1.7**	1.4
Profit and loss account		**1,360.3**	426.9
Total equity		**1,521.9**	588.8

The profit for the year of the Company was £1,198.8m (2024: loss £39.7m). The accompanying notes form part of these financial statements. The financial statements were approved by the Board of Directors on 29 May 2025 and authorised for issue:

Jamie Warner
Chief Financial Officer
Auto Trader Group plc
Registered number: 09439967
29 May 2025

Company statement of changes in equity
For the year ended 31 March 2025

	Share capital £m	Share premium £m	Profit and loss account £m	Own shares held £m	Capital redemption reserve £m	Total equity £m
Balance at 31 March 2023	**9.3**	**182.6**	**693.0**	**(26.0)**	**1.2**	**860.1**
Loss for the year	–	–	(39.7)	–	–	(39.7)
Total comprehensive expense, net of tax	–	–	(39.7)	–	–	(39.7)
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	–	–	(0.1)	–	–	(0.1)
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)	–	(226.4)	(5.3)	0.2	(231.6)
Balance at 31 March 2024	**9.2**	**182.6**	**426.9**	**(31.3)**	**1.4**	**588.8**
Profit for the year	–	–	1,198.8	–	–	1,198.8
Total comprehensive income, net of tax	–	–	1,198.8	–	–	1,198.8
Transactions with owners:						
Employee share schemes – value of employee services	–	–	9.7	–	–	9.7
Exercise of employee share schemes	–	–	(9.4)	10.5	–	1.1
Tax impact of employee share schemes	–	–	0.1	–	–	0.1
Purchase of own shares for treasury	–	–	–	(10.8)	–	(10.8)
Purchase of own shares for cancellation	(0.3)	–	(177.4)	–	0.3	(177.4)
Dividends paid	–	–	(88.4)	–	–	(88.4)
Total transactions with owners recognised directly in equity	(0.3)	–	(265.4)	(0.3)	0.3	(265.7)
Balance at 31 March 2025	**8.9**	**182.6**	**1,360.3**	**(31.6)**	**1.7**	**1,521.9**

The accompanying notes form part of these financial statements.

1. ACCOUNTING POLICIES

Auto Trader Group plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The Company was incorporated on 13 February 2015.

Statement of compliance and basis of preparation

The Company financial statements of Auto Trader Group plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' applicable in the United Kingdom and the Republic of Ireland ('FRS 101') and the Companies Act 2006.

In preparing these financial statements, the Company applies recognition, measurement and disclosure requirements of UK-adopted international accounting standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- no separate parent company cash flow statement with related notes has been included;
- no separate parent company statement of comprehensive income with related notes has been included; and
- Key Management personnel compensation has not been included a second time.

As the Group financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the certain disclosures required by IFRS 2 – Share-Based Payments in respect of group settled share-based payments, IFRS 13 – Fair Value Measurement and the disclosures required by IFRS 7 – Financial Instruments: Disclosures.

The Company financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain financial assets and liabilities through profit or loss. The current year financial information presented is at and for the year ended 31 March 2025. The comparative financial information presented is at and for the year ended 31 March 2024.

The Company's accounting policies are the same as those set out in note 1 to the Consolidated financial statements.

The Directors have used the going concern principle on the basis that the current profitable financial projections and facilities of the consolidated Group will continue in operation for a period not less than 12 months from the date of this report.

The Company financial statements have been prepared in sterling (£), which is the functional and presentational currency of the Company, and have been rounded to the nearest hundred thousand (£0.1m) except where otherwise indicated.

As permitted by Section 408 of the Companies Act 2006, an entity profit and loss account is not included as part of the published Consolidated financial statements of Auto Trader Group plc. The profit for the financial period dealt with in the financial statements of the parent company was £1,198.8m (2024: loss of £39.7m).

Amounts paid to the Company's auditor in respect of the statutory audit were £259,800 (2024: £228,500). The charge was borne by a subsidiary company and not recharged.

Estimation techniques

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, is the carrying value of investments.

The Group considers annually whether there is an indicator that the carrying value of investments may have suffered an impairment, in accordance with the accounting policy stated. Where an indicator is identified, the recoverable amounts of investments are determined based on value-in-use calculations, which require the use of estimates.

Share-based payments

The Company grants equity-settled share-based payments to certain employees, who are employed directly by subsidiary Group undertakings. The equity-settled share-based payments granted to employees across the Group are in respect of ordinary shares in the Company. The accounting policy covering the fair value calculation of these equity-settled share-based payments can be found in note 2 to the Consolidated financial statements. The Company is not reimbursed for the expense relating to equity-settled share-based payments granted to employees of its subsidiaries and therefore recognises an increase in investment in subsidiaries.

Investments in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Where the Group purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Group's shareholders. Where such shares are subsequently cancelled, the nominal value of the shares repurchased is deducted from share capital and transferred to a capital redemption reserve. Where the Group purchases its own equity share capital to hold in treasury, the consideration paid for the shares is shown as own shares held within equity.

Shares held by the Employee Share Option Trust

Shares in the Company held by the Employee Share Option Trust ('ESOT') are included in the balance sheet at cost as a deduction from equity.

1. ACCOUNTING POLICIES CONTINUED

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred on the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all evidence available, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried-forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Financial instruments

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Under IFRS 9, trade receivables including accrued income, without a significant financing component, are classified and held at amortised cost, being initially measured at the transaction price and subsequently measured at amortised cost less any impairment loss.

The Company recognises lifetime expected credit losses ('ECLs') for trade receivables and accrued income. The expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for any macro-economic factors. At 31 March 2024, ECLs reflected macro-economic uncertainty around retailer profitability due to persistent high inflation, high interest rates and the upcoming UK general election. At 31 March 2025, ECLs were adjusted to reflect lower levels of inflation and falling interest rates while taking into consideration the cost pressures faced by retailer customers.

The Company assesses whether a financial asset is in default on a case-by-case basis when it becomes probable that the customer is unlikely to pay its credit obligations. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For all customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities are classified as measured at amortised cost or fair value through profit and loss. A financial liability is classified as at fair value through profit and loss if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition and measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities, including trade payables, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Dividend distribution

Dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders in the case of final dividends. In respect of interim dividends, these are recognised once paid.

2. DIRECTORS' EMOLUMENTS

The Company has no employees other than the Directors. Full details of the Directors' emoluments are set out in note 8 to the Consolidated financial statements.

3. INVESTMENTS IN SUBSIDIARIES

	2025 £m	2024 £m
At beginning of the period	**1,403.9**	1,427.2
Hive down – investment in subsidiary	**(170.8)**	–
Additions – share-based payments	**6.9**	4.7
Additions – share-based payments relating to acquisition	**–**	10.4
Additions – cash settlement of deferred consideration	**–**	0.7
Cost of investments	**1,240.0**	1,443.0
Impairment – investment in subsidiary	**–**	(39.1)
Net book value at end of the year	**1,240.0**	1,403.9

Subsidiary undertakings are disclosed within note 33 to the Consolidated financial statements. The Company directly owns shares in one subsidiary, Auto Trader Holding Limited.

The additions in the current period relate to equity-settled share-based payments granted to the employees of subsidiary companies. The £10.4m and £0.7m additions in the prior period were the remaining deferred consideration relating to the acquisition of Autorama.

On 19 September 2024, Auto Trader Limited purchased 100% of the share capital of Autorama UK Limited from Auto Trader Group plc pursuant to an intra-group share purchase agreement. Auto Trader Limited is therefore now the immediate parent company of Autorama UK Limited. The ultimate parent company of Autorama UK Limited continues to be Auto Trader Group plc.

113 – 168

3. INVESTMENTS IN SUBSIDIARIES CONTINUED

In the prior year an impairment charge of £39.1m was recognised against the investment in Autorama UK Limited, principally due to the requirement in the parent company to capitalise the £49.9m share-based payment relating to the deferred consideration. No impairment charge was recognised for the Group.

The Group's approach to impairment testing is disclosed in note 12 to the Consolidated financial statements.

No impairment indicators were identified for the investment in Auto Trader Holding Limited at either the current or prior year end.

4. DEBTORS

	2025 £m	2024 £m
Amounts owed by Group undertakings	**1,501.0**	301.1
Other receivables	**0.4**	0.3
Deferred tax asset	**1.8**	1.7
Total	**1,503.2**	303.1

Amounts owed by Group undertakings are non-interest-bearing, unsecured and have no fixed date of repayment. Not all of these amounts are expected to be settled in the next 12 months. All amounts are owed by Auto Trader Holding Limited. No expected credit loss has been recognised on the basis of immateriality.

5. CASH AT BANK AND IN HAND

	2025 £m	2024 £m
Cash at bank and in hand	**0.2**	0.1

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £m	2024 £m
Amounts owed to Group undertakings	**(1,219.6)**	(1,115.8)
Accruals and deferred income	**(1.9)**	(2.5)
Total	**(1,221.5)**	(1,118.3)

Amounts owed to Group undertakings are non-interest-bearing, unsecured and have no fixed date of repayment.

7. FINANCIAL INSTRUMENTS

Financial instruments utilised by the Company during the year ended 31 March 2025 and the year ended 31 March 2024 may be analysed as follows:

Financial assets	2025 £m	2024 £m
Financial assets measured at amortised cost	**1,501.4**	301.4

Financial liabilities	2025 £m	2024 £m
Financial liabilities measured at amortised cost	**(1,221.5)**	(1,118.3)

Current assets and liabilities

Financial instruments included within current assets and liabilities (excluding cash and borrowings) are generally short term in nature and accordingly their fair values approximate to their book values.

8. DIVIDENDS

Dividends declared and paid by the Company were as follows:

	2025		2024	
	Pence per share	£m	Pence per share	£m
2024 final dividend paid	**6.4**	**57.3**	5.6	51.3
2025 interim dividend paid	**3.5**	**31.1**	3.2	29.1
	9.9	**88.4**	8.8	80.4

The proposed final dividend for the year ended 31 March 2025 of 7.1p per share, totalling £62.5m, 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.

The 2024 final dividend paid on 27 September 2024 was £57.3m. The 2025 interim dividend paid on 24 January 2025 was £31.1m.

The Directors' policy with regard to future dividends is set out in the Financial review on page 28.

9. CALLED-UP SHARE CAPITAL

Share capital	2025 Number '000	2025 Amount £m	2024 Number '000	2024 Amount £m
Allotted, called-up and fully paid ordinary shares of 1p each				
At 1 April	**907,214**	**9.2**	923,075	9.3
Purchase and cancellation of own shares	**(22,513)**	**(0.3)**	(23,711)	(0.2)
Issue of shares	**–**	**–**	7,850	0.1
Total	**884,701**	**8.9**	907,214	9.2

Under authority passed at the 2024 AGM the Company is authorised to make market purchases of up to a maximum of 10% (89,654,939) of its own ordinary shares (excluding shares held in treasury), subject to minimum and maximum price restrictions.

In the year ended 31 March 2025, a total of 23,873,028 ordinary shares of £0.01 were purchased. The average price paid was 783.2p with a total consideration paid (including fees of £0.9m) of £188.2m. Of all shares purchased, 1,360,000 were held in treasury with 22,513,028 being cancelled. In the prior year, 7,849,782 ordinary shares were issued for the settlement of share-based payments.

Included within shares in issue at 31 March 2025 are 294,600 (2024: 312,831) shares held by the ESOT and 4,600,897 (2024: 4,899,346) shares held in treasury, as detailed in note 10.

10. OWN SHARES HELD

Own shares held – £m	ESOT shares reserve £m	Treasury shares £m	Total £m
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	–	5.8	5.8
Own shares held as at 31 March 2024	(0.4)	(30.9)	(31.3)
Repurchase of own shares for treasury	–	(10.8)	(10.8)
Share-based incentives	–	10.5	10.5
Own shares held as at 31 March 2025	**(0.4)**	**(31.2)**	**(31.6)**

Own shares held – number	ESOT shares reserve Number of shares	Treasury shares Number of shares	Total number of own shares held
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)
Repurchase of own shares for treasury	–	1,496,445	1,496,445
Share-based incentives exercised in the year	–	(968,604)	(968,604)
Own shares held as at 31 March 2024	312,831	4,899,346	5,212,177
Transfer of shares from ESOT	(18,231)	–	(18,231)
Repurchase of own shares for treasury	–	1,360,000	1,360,000
Share-based incentives exercised in the year	–	(1,658,449)	(1,658,449)
Own shares held as at 31 March 2025	**294,600**	**4,600,897**	**4,895,497**

11. RELATED PARTIES

During the year, a management charge of £6.9m (2024: £6.7m) was received from Auto Trader Limited in respect of services rendered.

At the year end, balances outstanding with other Group undertakings were £1,501.0m and £1,219.6m respectively for debtors and creditors (2024: £301.1m and £1,115.8m) as set out in notes 4 and 6.

12. FINANCIAL GUARANTEES

In the prior period the Company became a financial guarantor for the arrangement between Autorama UK Limited and its vehicle stocking loan provider, Lombard North Central PLC. As at 31 March 2025, the maximum amount the Company would be required to pay if called upon is £3.6m, plus interest (2024: £3.6m).

The Company is also a guarantor for borrowings by its subsidiaries under the Revolving Credit Facility. As at 31 March 2025, the maximum amount the Company would be required to pay if called upon is the amount drawn of £nil plus accrued interest (2024: £30.0m).

The fair value of the above intra-group guarantees has not been recorded as a liability in the Company's balance sheet as they are not considered to be a material liability.

113 – 168

Unaudited five-year record

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Trade	**509.1**	475.7	427.4	388.3	225.2
Consumer Services	**42.4**	39.6	34.5	33.3	26.6
Manufacturer and Agency	**13.3**	14.4	11.1	11.1	11.0
Autorama	**36.3**	41.2	27.2	–	–
Revenue	**601.1**	570.9	500.2	432.7	262.8
Operating costs	**(227.9)**	(225.0)	(225.1)	(132.0)	(104.0)
Share of profit from joint ventures	**3.6**	2.8	2.5	2.9	2.4
Operating profit	**376.8**	348.7	277.6	303.6	161.2
Net interest expense	**(1.1)**	(3.5)	(3.1)	(2.6)	(3.8)
Profit on disposal of subsidiary	**–**	–	19.1	–	–
Profit before taxation	**375.7**	345.2	293.6	301.0	157.4
Taxation	**(93.1)**	(88.3)	(59.7)	(56.3)	(29.6)
Profit after taxation	**282.6**	256.9	233.9	244.7	127.8
Net assets	**569.4**	552.3	527.3	472.5	458.7
Net bank debt/(cash) (gross bank debt less cash)	**(15.3)**	11.3	43.4	(51.3)	(15.7)
Cash generated from operations	**399.7**	379.0	327.4	328.1	152.9
Basic EPS (pence)	**31.7**	28.2	25.0	25.6	13.2
Diluted EPS (pence)	**31.6**	28.1	24.8	25.6	13.2
Dividends declared per share (pence)	**10.6**	9.6	8.4	8.2	5.0

Shareholder information

REGISTERED OFFICE AND HEADQUARTERS
Auto Trader Group plc
4th Floor, 1 Tony Wilson Place
Manchester
M15 4FN
United Kingdom

Registered number: 09439967

Tel: +44 (0)345 111 0006
Web: autotrader.co.uk
Web: plc.autotrader.co.uk
Investor relations: ir@autotrader.co.uk

COMPANY SECRETARY
Claire Baty

JOINT STOCKBROKERS
Bank of America Merrill Lynch
2 King Edward Street
London
EC1A 1HQ

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

INDEPENDENT AUDITOR
KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

REGISTRAR
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Tel UK: +44 (0)371 384 2030

Your call may be subject to a charge which will be determined by your local provider. Please check with your telephone provider for further information.

Web: equiniti.com

FINANCIAL CALENDAR 2025–2026

Annual General Meeting	18 September 2025
2025 half-year results	6 November 2025
2025 full-year results	May 2026

SHAREHOLDER ENQUIRIES
Our registrar will be pleased to deal with any questions regarding your shareholdings (see contact details above). Alternatively, if you have internet access, you can access shareview.co.uk where you can view and manage all aspects of your shareholding securely including electronic communications, account enquiries or amendment to address.

INVESTOR RELATIONS WEBSITE
The investor relations section of our website, plc.autotrader.co.uk/investors, provides further information for anyone interested in Auto Trader. In addition to the Annual Report and Financial Statements and share price, Company announcements including the full-year results announcements and associated presentations are also published there.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS
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.

This report is printed on GenYous uncoated paper.
Manufactured at a mill that is FSC® accredited.

Printed by Principal Colour.

Principal Colour are ISO 14001 certified, Alcohol Free and FSC® Chain of Custody certified.

Designed and produced by three thirty studio
www.threethirty.studio

AutoTrader Group

REGISTERED OFFICE AND HEADQUARTERS
Auto Trader Group plc
4th Floor, 1 Tony Wilson Place
Manchester
M15 4FN
United Kingdom

+44 (0)345 111 0006
ir@autotrader.co.uk

plc.autotrader.co.uk

Auto Trader Insight