

## CEO's statement



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**Nathan Coe**  
Chief Executive Officer

**INTRODUCTION**

Our purpose, Driving Change Together. Responsibly, guides how we use our brand, technology and data to improve the UK automotive market.

We can do this better than any other business for car buyers, sellers and retailers in the UK. The market is large, the transaction is important and often filled with complexity for millions of buyers and sellers every year.

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 proprietary data and services into the systems and processes used by both our retailer partners and wider automotive related businesses.

I would like to thank all my colleagues across Autotrader for their commitment and professionalism throughout the year. It has been a demanding period, and your contribution and teamwork has been humbling.

**OUR MARKET-LEADING POSITION**

For much of the past 50 years under the Autotrader brand, we have built a large, highly engaged audience that is difficult for others to replicate. This year, on average each month, we saw over nine million unique visitors, averaging 548 million (2025: 557 million) minutes of activity on site. Through the strength of our brand, the large majority of these buyers came direct to Autotrader: over 80% of our visits were either direct to our mobile apps, direct to our URL or through searches for "Autotrader"; 13% were from organic search; and only 4% from paid for web traffic. Currently less than 1% of audience comes from generative AI chat assistants.

In the year our competitive position has strengthened. We were 11x larger (2025: 10x) than our nearest competitor in terms of time on site, which was against a collection of four brands. We were 22x larger (2025: 23x) than the next largest individual brand and six times more time was spent on Autotrader than all our main competitors combined. 67% of our audience was unique to Autotrader, not visiting these other sites.

Retailer numbers softened slightly during the year, reflecting both the more difficult cost-related trading conditions and concerns with the speed and nature of our Deal Builder product roll-out. Average retailer forecourts advertising with us for the year decreased by 0.5% to 13,942 (2025: 14,013) and were 236/1.7% lower in the second half. Whilst this was disappointing, we have listened carefully to customer feedback, taken proportionate action and remain focused on winning back retailers and strengthening our long-term partnership with customers.

Average revenue per retailer ('ARPR') increased 5% (or £141) to £2,995 (2025: £2,854). This was primarily driven by our April 2025 pricing and product event which included our generative AI powered product, Co-Driver, which automates vehicle description generation and vehicle highlights for retailers, as well as image tagging, ordering and optimisation. Despite higher average live car listings of 451,000 (2025: 449,000), which was supported by an offer, paid for stock was a drag on ARPR this year. This was largely due to customers moderating spend at the end of the calendar year, which also impacted our prominence products. We are evolving our package staircase in H1, with the aim of returning prominence to long-term growth.

**A WELL-INVESTED TECHNOLOGY AND DATA PLATFORM**

Our technology platform reflects decades of consistent, long-term investment. We have already transitioned fully to a modern cloud-based delivery and data platform based largely on open-source technologies. We've adopted these emerging technologies always within our existing cost base. The highly performant, reliable and consistent architecture allows us to build new features quickly on stable foundations. The recent addition of an AI platform built using the same principles allows us to quickly build, train and roll-out AI services and products utilising a wide range of foundational Large Language Models ('LLMs').

Alongside this, we hold a proprietary dataset covering everything from vehicle specifications to real-time buyer behaviour, which retailers have come to rely on as much as our advertising products. With the broadest view of the UK car market, we can provide unparalleled insight into which cars retailers should be stocking, what retail prices they are likely to achieve, likely days to sell and how they are performing against competitors. We have almost 300 people in our customer-facing teams, who are equipped with tools that identify operational opportunities, problem vehicles, areas of future risk and opportunity and performance variation across different retail sites. By combining these tools with hands-on support, we help retailers drive efficiencies and improve profitability over time.

The use of our data also extends beyond just retailers to become an important industry asset, integrated with over 220 technology partners and increasingly central to finance and insurance companies. The number of calls on these technology and data services increased to an average of 155 million per month (2025: 91 million), demonstrating the embedded nature of this data into many customer systems and decision-making processes. We see further opportunity in continuing to expand this capability to deliver business improvements to a range of automotive industry participants.

SCAN TO LISTEN TO NATHAN'S  
INTERVIEW ON THE BBC BIG BOSS

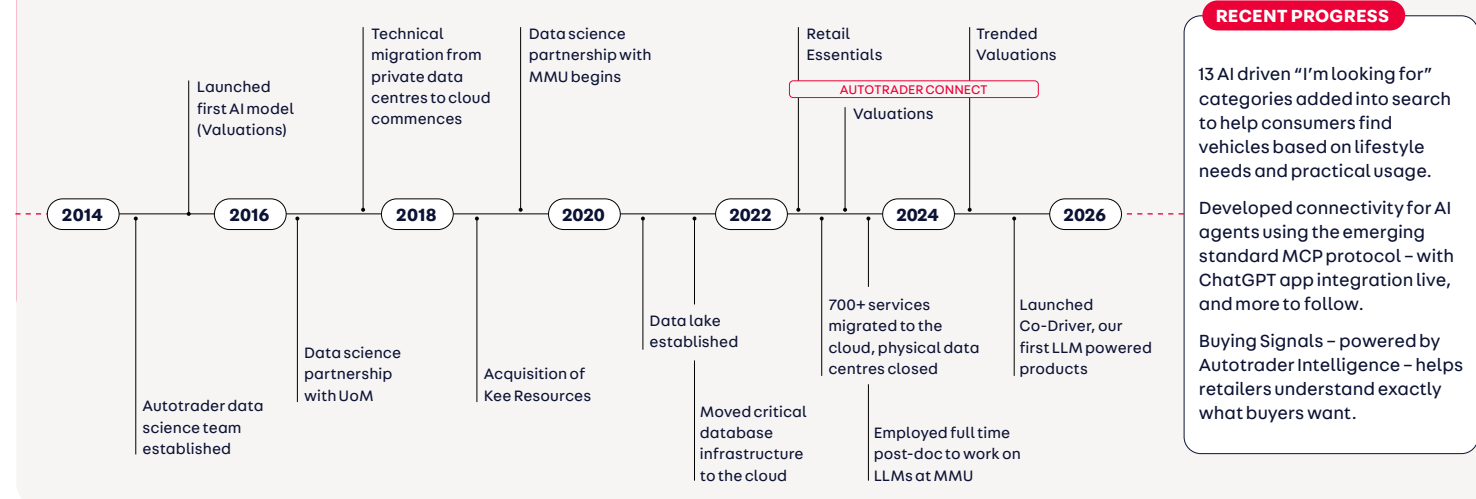


## CEO's statement continued

**AI PRESENTS SIGNIFICANT OPPORTUNITY TO IMPROVE OUR EXPERIENCES**

We believe the shift in AI capability over the next few years will be as big if not a bigger technology transition than the internet, mobile, big data, cloud and machine-learning. The products we are building today provide a long runway for us to provide an even richer experience for car buyers, better tooling for retailers, enabling them to automate tasks that previously relied on the manual effort of people, and better tooling for our colleagues enabling us to improve our ways of working. We are well positioned to do this with a technology stack that already has examples of these types of products at scale today.

Our product and technology organisation includes a growing data science and analytics community and has had ongoing research partnerships with Manchester Metropolitan University and the University of Manchester since 2019, focused on Natural Language Processing and Large Language Models, producing academic whitepapers and insights that inform internal development. Our data platform includes more than 50 proprietary AI and machine learning models, and our advantage lies in training these specialised models that leverage our significant volume of consumer, vehicle and retailer data to deliver a level of accuracy and consistency that general-purpose LLMs cannot achieve on their own. Publicly available vehicle listings represent only a small part of the required data, and our products are dependent on deep technical integrations including vehicle checks, integrated retailer finance offers, and integrations with manufacturer production systems, all of which have been built over many years and are generally specific to the UK.

**We are benefiting from a long history of investment in our technology, data and AI platform**

For car buyers, we have delivered:

- Our new "I'm looking for" AI-powered search, which uses proprietary models to enable car buyers to search across car listings using categories.
- A trial of conversational-based text search to discover filters more easily.
- ChatGPT app integration via Model Context Protocol ('MCP'), which benefits future integrations.
- AI-generated vehicle highlights, identifying what characteristics are most valuable compared to similar vehicles.
- Improved search relevancy algorithm that also underpins our advertising products.
- "You may also like" suggested recommendations.
- Specification adjusted valuations underpinning our price flags.
- Independent valuations for private sale, part-exchange, sale to a retailer or a retailer auction.
- Enhanced imagery and descriptions through Co-Driver.

For retailers, we have delivered:

- Tools that help optimise inventory performance (pricing, retail rating, market health, demand, supply, vehicle marketplace performance and predicted days to sell).
- APIs that power manufacturer and retailer websites, business intelligence tools, point-of-sale systems and third-party applications.
- Improved car buyer conversion through Deal Builder and Buying Signals.
- Productivity improvements through AI-powered Co-Driver image and description tools. 86% of retailers have used one of our Co-Driver tools since launch. There have been 1.9 million descriptions generated and 700k smart image re-orders. 66% of retailers have used Co-Driver in the past 30 days.

Consumer behaviour is changing, with increased use of conversational chat interfaces powered by LLMs. We expect this trend to continue, with AI taking on more of the buying experience for many goods sold online. Whilst this change presents some risk, car buying is a high-value, multi-step and often regulated process, where each vehicle is unique and changes daily. We see opportunity to provide seamless pathways into real-time vehicle results through efficient and effective integrations with AI assistants and agents. As with search engines over the past two decades, AI agents will rely on Autotrader as a trusted source of truth, ensuring that wherever a buyer's journey begins, the most accurate and up-to-date information comes from our platform.

## CEO's statement continued

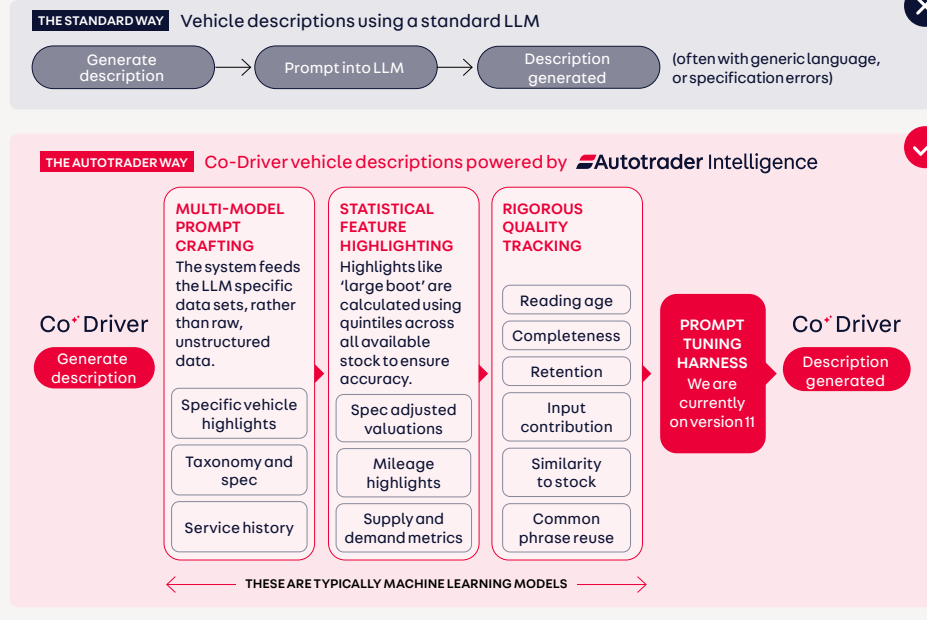
**INCREASING VALUE FOR OUR RETAILERS**

As part of our 1 April 2025 pricing and product event, we included Co-Driver which anecdotally reduces the average time taken to list a vehicle from 28 minutes to 5 minutes, which is significant when multiplied across more than 340,000 vehicles uploaded every month by retailers. Vehicle Highlights, which appear on the majority of adverts, has seen strong buyer engagement and feedback.

We are committed to delivering more, higher quality enquiries, that convert at double the rate into sales for our customers, which has always been at the core of our Deal Builder proposition. We believe doing so will drive long-term value for buyers, our retailer customers and Autotrader, whilst being difficult for others to replicate. During the year we recognised the need to change both our approach and aspects of the product to better accommodate the needs of some retailers. Sentiment has now improved following our response, which included: pausing auto-roll-out; holding open listening sessions; establishing customer advisory groups; and introducing "request a reservation".

In the year, we have continued to scale Deal Builder, with over 6.7k retailers on the product (March 2025: 2.0k) and 175k vehicles live at the end of March (March 2025: 84k). Within the 6.7k retailers, we have started onboarding some of our largest customers with custom integrations. In the year, we saw 137k deals with a full reservation placed (2025: 49k), which continue to be the very best enquiries in terms of conversion to sale.

In January 2026, we launched our Buying Signals product, which uses a proprietary machine learning model trained on verified but anonymised sales transactions and consumer interactions. Buying Signals has already featured on over 800k enquiries, and early results indicate that leads flagged as high-intent convert at twice the average rate. With over 15 million enquiries generated annually, some of which go unanswered, the potential for better outcomes for both car buyers and retailers is clear.

**Building on our unique data sets to enable robust customer and consumer facing AI products****OUR CULTURE**

Culture for us is as tangible and important to our performance as our strategy, competitive position, product and technology.

During the year, we completed the move to our new office at Circle Square in Manchester. Although only a short distance from our previous site, this new campus represents a meaningful step forward. It can accommodate all our people and provides a modern working environment, increased space for collaboration, improved facilities for customers and community activity, enhanced technology and stronger environmental credentials. Employee engagement has fallen to 72% from 91% a year ago. It has been a challenging year for colleagues with restructures, external factors and a tighter approach to working in the office. We remain committed to improving

this measure over the next 12 months. Other core people measures including recruitment and colleague turnover remain largely unchanged.

At the end of March 2026, women represented 43% of our organisation (March 2025: 44%) and 43% (March 2025: 43%) of leadership roles as defined by the FTSE Women Leaders Review. Ethnically diverse employees represent 20% of our organisation (March 2025: 19%), and 9% (March 2025: 10%) of leaders. We remain focused on improving both of these percentages, albeit in a sustainable way. Our Board comprises four women and four 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 55% higher at c.144.1k tonnes of CO<sub>2</sub> across Scopes 1, 2 and 3 (2025: 93.2k tonnes). The majority of our emissions are Scope 3, with the increase driven by both one-off capital expenditure on our new office and an increase in the number of vehicles taken on balance sheet by Autorama.

**OUTLOOK**

We remain comfortable with our current levels of investment such that Group operating profit margins, excluding Vehicle & Accessory sales, will be at least maintained. Group operating profit is expected to be £395m – £415m for financial year 2027. With an accelerated level of share buybacks, we anticipate at least high single digit Basic EPS growth.

Autotrader revenue was flat year-on-year in April 2026, due to a lower run rate and a lower price increase. However, retailer forecourts, volumes of paid stock and package penetration are now improving, and we expect to grow in the second half. Full-year expectations are as follows:

- Our pricing and product event has gone well, growing the price lever within ARPR by £85-95. Growth in the product lever is expected to contribute £65-75.
- Stock will recover resulting in an improvement from current levels to minus £30-40 for the full year.
- Average retailer forecourts are now growing but will be 1-2% lower for the full year.
- Other revenue will be broadly flat in aggregate, with a decline in Consumer Services offset by growth in Manufacturer & Agency.

We expect Autorama to make a small profit for the year, with Commission & Ancillary revenue growing 8-12% and Vehicle & Accessory sales of c.£40m.

As the majority of leasing transactions now originate on Autotrader we will move to one reported operating segment in 2027. More detail is provided within the Financial review.

**Nathan Coe**  
Chief Executive Officer  
21 May 2026