

Chair's statement



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Matt Davies
Chair



INTRODUCTION

Autotrader delivered growth in revenue and profit this year, despite more challenging market conditions, with continued strong demand and constrained supply, added to by increased cost pressure for retailers and manufacturers. During the year, we have maintained our large and highly engaged audience, strong brand trust and the network effects between buyers and sellers on our platform. Our competitive position has strengthened when measured against other automotive marketplaces. This market position ensures we are well-placed to navigate both cyclical macroeconomic shifts and the long-term trends shaping the future of the automotive industry.

AI is one of these long-term trends, presenting opportunity for both our business and the wider industry. We are already seeing the application of AI improve the buyer experience, automate retailer tasks and enhance colleague productivity. To support these we're actively using over 50 AI models across our operations, combining advanced Large Language Models with our own proprietary, real-time dataset. While AI will change how many users begin their research, buying a car remains a complex, time-consuming journey for a high-value item, where inventory changes daily. We believe a trusted, up-to-date information source will remain an important part of the journey and Autotrader is well placed to continue in this role.

For retailers, we are increasingly a software and data platform that supports profitable retailing from sourcing through to sale. In the last financial year, we included our AI-powered Co-Driver product within our pricing and packaging event, continued the roll-out of Deal Builder, and launched Buying Signals. Having received increased levels of feedback in November on the roll-out of some of these products, we remain committed to delivering value to customers and will continue to listen and evolve our product offering.

On behalf of the Board, I would like to thank all our colleagues for their continued dedication, professionalism and commitment, through what has been a challenging year.

RESULTS OVERVIEW

In the core Autotrader business, we achieved revenues of £585.3m, an increase of 4% on 2025. Group revenue also increased 4% to £624.3m (2025: £601.1m) with Autorama revenue contributing £39.0m (2025: £36.3m). Operating profit in the core Autotrader business was £408.0m (2025: £394.0m), up 4% on last year, with an operating profit margin of 70% (2025: 70%). Autorama saw reduced operating losses of £2.0m (2025: £4.3m). Group operating profit increased by 4% to £392.7m (2025: £376.8m), reflecting the increase in revenue, reduced

operating loss in Autorama, and broadly maintaining Group central costs at £13.3m (2025: £12.9m). Group operating profit margin remained consistent at 63% (2025: 63%). Basic earnings per share increased 8% to 34.17p (2025: 31.66p).

UPDATED CAPITAL POLICY, WITH ACCELERATED SHARE BUYBACK PROGRAMME

Autotrader has a long track record of strong cash generation which we expect to continue. Autotrader's capital allocation policy continues to focus on investment in the business supporting growth, while returning approximately one third of net income to shareholders through dividends. We are proposing a final dividend of 7.8 pence per share (2025: 7.1 pence per share) giving total dividends of 11.6 pence per share for the year (2025: 10.6 pence per share). In the year, we have accelerated our share buyback programme, purchasing 58.5 million shares in the year, 6.6% of issued share capital. At year end we had drawn £165m of our debt facility, increasing leverage up to 0.3x. Combined with dividends we have returned £463.2m (2025: £275.7m) to shareholders.

The Board believes the prevailing Autotrader share price does not reflect the Company's underlying fundamentals or long-term prospects. Despite a rapidly changing technology environment, our current competitive position has strengthened, we are adapting our car buying experience to evolve with consumer habits, and we remain comfortable our investment in technology is sufficient to take full advantage of AI. We do recognise that we have had a challenging end to the year which impacts growth in both 2026 and 2027, although we have seen a gradual increase in some of our core metrics as we've entered the new financial year.

With this in mind, in 2027 we currently expect to return £600m to shareholders. This will be through purchasing c.£500m of shares (we will be seeking authority to purchase up to 15% of issued share capital at our AGM), as well as paying a third of net income in dividends. Based on current assumptions, this would increase leverage to c.1.0x. In aggregate this returns over £1bn to shareholders over the course of 2026 and 2027.

BOARD CHANGES

Megan Quinn and Adam Jay were appointed to the Board with effect from 1 July 2025, strengthening the Board's technology and digital marketplace experience. Both have also joined the Audit, Remuneration, Corporate Responsibility and Nomination Committees, and at the conclusion of the 2025 AGM, Megan assumed the role of Chair of the Corporate Responsibility Committee. Their appointments follow a comprehensive search led by the Nomination Committee, supported by an external search firm, and form an integral part of the Board's long-term succession planning. These changes mark a significant refresh of the Board following the scheduled completion of several Non-Executive Directors' third three-year terms since the Company's IPO in 2015. The Board now benefits from a balanced mix of technology, marketplace, retail and financial services experience, positioning the Company well for the years ahead.

We would also like to acknowledge Catherine Faiers, our Chief Operating Officer, who stepped down from the Board on 9 December 2025. Catherine has taken up the role of Chief Executive Officer at Moonpig plc, an opportunity that is well deserved. Catherine made a significant contribution to the business, and we are extremely grateful for her leadership and impact. While we are sad to see her leave, she departs with the very best wishes of everyone at Autotrader.

ANNUAL GENERAL MEETING

The AGM will be held on 16 July 2026 at 11am in our Manchester office.

Matt Davies
Chair
21 May 2026