

carsales  com Ltd

# 2020 AGM PRESENTATION

**30 October 2020**

# DISCLAIMER AND NON-IFRS INFORMATION

## **Disclaimer**

The material in this presentation has been prepared by carsales.com Limited (ASX: CAR) ABN 91 074 444 018 ("carsales") and is general background information about carsales' activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete. In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to carsales' businesses, market conditions and/or results of operations, as although due care has been used in the

preparation of such statements, actual results may vary in a material manner. Information in this presentation, including forecast financial information, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

## **Non-IFRS Financial Information**

carsales' results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including "adjusted", "underlying" "proforma" and "look-through". These measures are used internally by management to assess the performance of our business and our associates, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review. All numbers listed as reported comply with IFRS.

# DELIVERING STRONG SHARHOLDER RETURNS

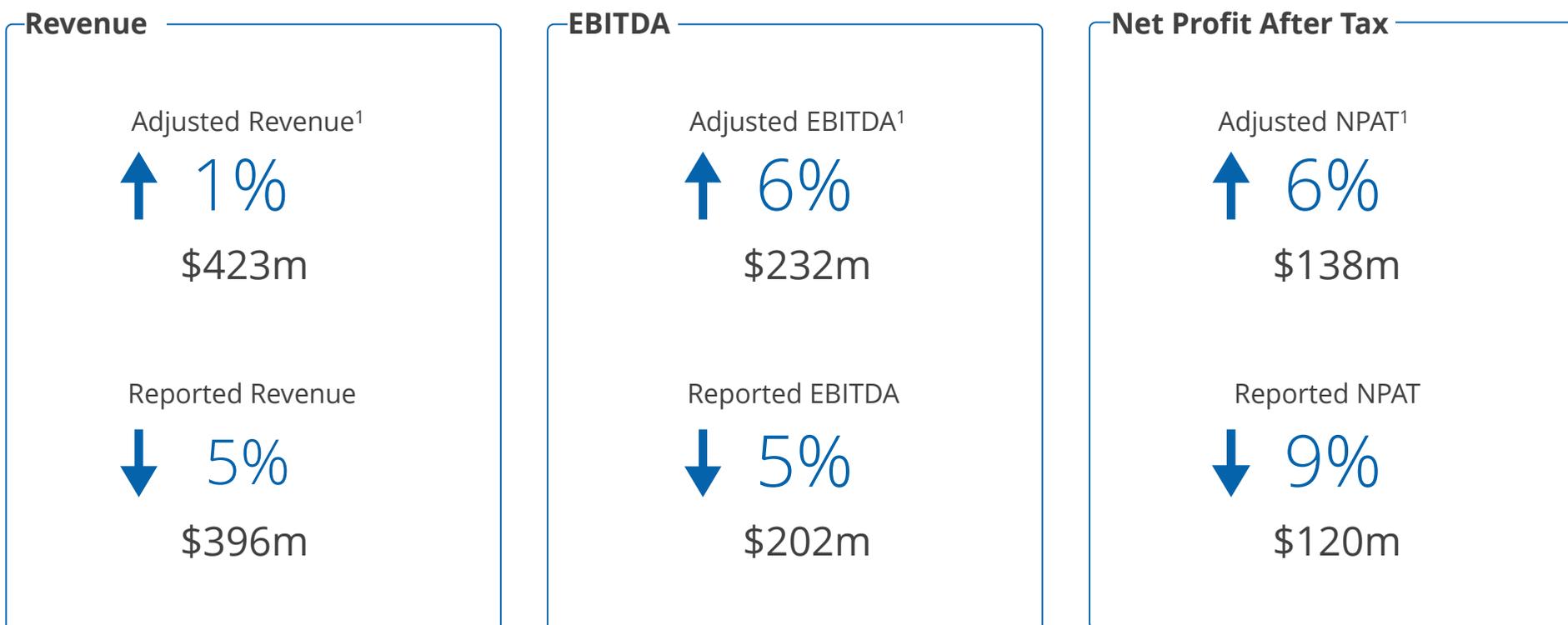
Carsales (CAR) Total Shareholder Return (TSR) v S&P ASX200 Total Return Index (AXNT) <sup>1</sup>



<sup>1</sup> Total Shareholder Returns (TSR) includes dividend and share price appreciation from 10 September 2009 to 14 October 2020.

# FY20 HIGHLIGHTS

- Delivered growth across Domestic and International businesses despite the impact of COVID-19 in H2
- Reported financial metrics lower than pcp<sup>2</sup> primarily due to COVID-19 dealer support package
- Expanded Group Adjusted EBITDA<sup>1</sup> margin to 55%, whilst continuing to invest for the future
- Final dividend of 25.0 cents per share, flat on pcp. Supported by strong free cash flow generation, prudent gearing and debt re-finance
- Effective diversification in products and geographies with International now representing 24% of look-through<sup>3</sup> revenue
- Performance shows resilience of Australian business and significant growth potential in International, with South Korean EBITDA up 18%<sup>4</sup>



1. Adjusted Revenue excludes COVID-19 support rebate provided to dealers, Adjusted EBITDA and Adjusted NPAT stated above is on a continuing basis, post non-controlling interests and excludes certain non-recurring or non-cash items. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.

2. pcp refers to prior corresponding period | 3. For look-through definition refer slide 12 | 4. Refers to local currency growth.

Note: Growth rate from 'AASB 16 - Leases' restated FY19 results. Refer to slide 39 for AASB16 adjustments.

# MARKET-LEADING OPERATIONAL METRICS

carsales is one of the largest digital automotive advertising businesses in the world



~ 760,000 cars  
for sale

around the world at any point  
in time down 11% on pcp<sup>1</sup>



time to sell  
reduced by 34%

In Australia compared to  
same period last year<sup>2</sup>



~ 31 million  
leads

on all carsales sites around  
the world up 30% on pcp<sup>3</sup>



~ 1 billion  
sessions

on all carsales sites around  
the world up 7% on pcp<sup>4</sup>



> 484,000  
cars

Australian Member cars in  
our Virtual Garage up 45% on  
pcp<sup>5</sup>



> 177,000  
guarantee inspections

cars up 49% In South Korea  
on pcp<sup>6</sup>



Most trusted  
place

for buying and selling cars in  
Australia (+118% vs nearest  
competitor)<sup>7</sup>



2x  
more time

spent on carsales.com.au  
than nearest auto competitor  
in Australia<sup>8</sup>

1. Stock published for websites in Australia, South Korea, Brazil, Mexico, Argentina and Chile on 30 Jun 2020 v 30 Jun 2019. 2. Median time to sell 30 June 2020 v 30 June 2019. 3. Leads from websites in Australia, South Korea, Brazil, Mexico, Argentina and Chile Jul-19 – Jun-20 v Jul-18 – Jun-19. 4. Google Analytics, sessions for websites in Australia, South Korea, Brazil, Mexico, Argentina and Chile Jul-19 – Jun-20 v Jul-18 – Jun-19. 5. carsales internal data. 6. carsales internal data, cars inspected Jul-19 – Jun-20 v Jul-18 – Jun-19. 7. Study conducted by independent research agency Nature Pty Ltd Market brand health tracker. Jun-20. Reputation - Is Trustworthy (Rated 7-10). 8. Nielsen DCR, Monthly average Jul-19 – Jun-20.

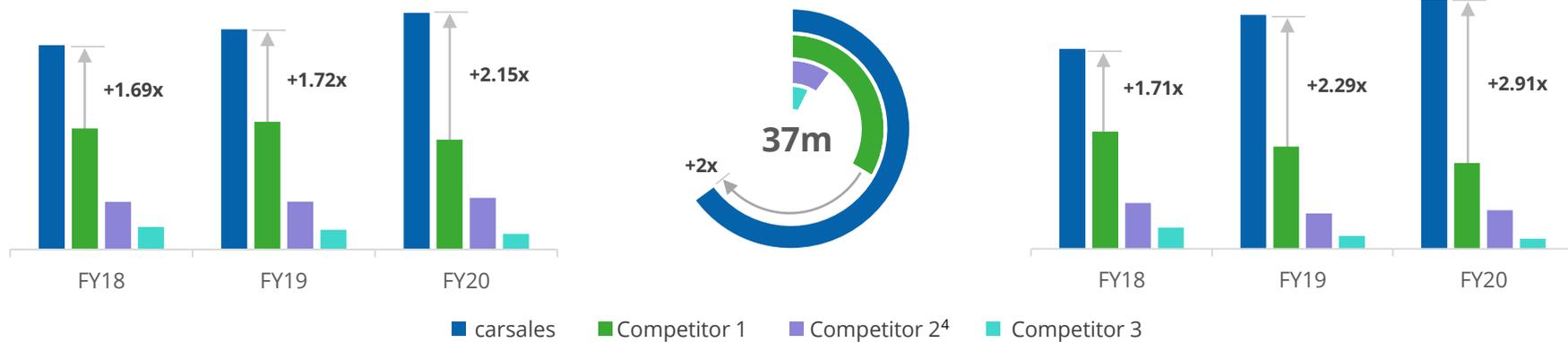
# EXTENDING OUR AUSTRALIAN MARKET LEADERSHIP

carsales is consolidating its market leadership position in Australia

## 1. Daily Unique Audience<sup>1</sup>

## 2. Monthly Avg. time on site<sup>2</sup>

## 3. Total sessions<sup>3</sup>



The largest quantity and highest quality of leads helps dealers sell more cars

1. Nielsen Ratings average daily unique audience. | 2. Nielsen DCR, Monthly average Jul-19 – Jun-20. | 3. Google Analytics total sessions. 4. Competitor 2: May and June 2020 - SimilarWeb.

A hand holding a white spray bottle with a blue nozzle, positioned over a clear glass pitcher filled with water. In the background, a pair of sunglasses and a tissue box are visible on a wooden surface. The text "RESPONSE TO COVID-19 AND EMERGING TRENDS" is overlaid in white, sans-serif font.

RESPONSE TO  
COVID-19 AND  
EMERGING TRENDS

# CARSALES' RESPONSE TO COVID-19

Our Australian customers and people have endured an extremely difficult FY20, first through the severe bushfire season and later the global pandemic. Throughout the pandemic, the business has been focused on three priorities:

## 1. Protecting our people

The health and wellbeing of our people has been paramount throughout this crisis.

Key company support measures include:

- Seamless transition to remote working from mid-March;
- Increased communication, including weekly virtual catch ups and Q&A sessions;
- Successfully completed our first "Virtual Hackathon" to preserve innovation and collaboration;
- Encouraged flexible working arrangements and focus on physical and mental health; and
- Delivered on our commitment to keep everyone employed during this challenging time. The JobKeeper support package was an important contributor to this and minimised impact on our people.

## 2. Supporting our customers and industry

We are also proud of the support we have provided our customers during this year.

Key support measures include:

- **Financial:** The total financial support of \$28m and deferred payment terms.
- **Educational:** Hosted multiple virtual catch ups and Q&A sessions to provide market insights and information about government support.
- **Product innovation:** Implemented 'Dealer Badges', which highlight key information around a dealer's services, capabilities and sanitisation during COVID-19. This includes home test drives, Video in listings, virtual tours and buy from home functionality. Also held the first ever caravancampingsales.com Online Expo.

## 3. Bolstering our business

### Cost savings

- 20% decrease in board and executive salaries, other discretionary cost savings and the JobKeeper support program in the last quarter;
- c.250 employees in Australia were stood down temporarily, most on a partial basis; and
- Reduction of other variable costs.

### Balance Sheet & Cash Flow

- Refinanced, extended and increased our debt facilities in June 2020 and rolled out in July 2020; and
- Strong free cash flow generation and reduced leverage ratio from 1.8 to 1.6.

# TRENDS EMERGING FROM COVID-19

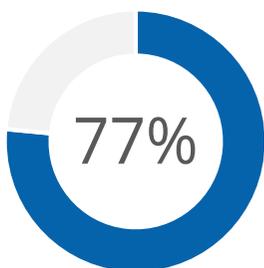
Strong growth in car ownership demand and traffic to our platform through COVID-19 is attributable to three broad factors

## 1. Online migration has accelerated

### Key observations from a recent carsales survey on online automotive shopping:

- COVID-19 has materially increased preference toward online shopping, away from traditional retail.
- carsales conducted a survey to understand how shopping habits have changed during covid.

How has COVID-19 changed how you are shopping for your car?

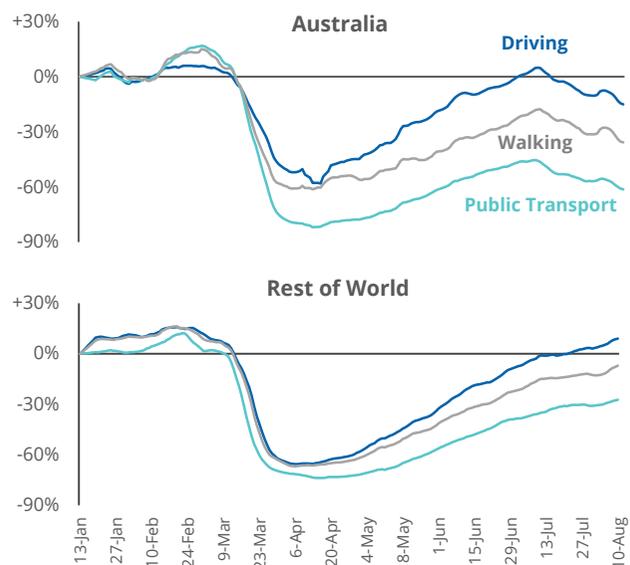


77% of answers indicated they would conduct more research and purchases online and visit fewer dealerships.<sup>1</sup>

## 2. Alternative transport options

### Key observations:

- Recent carsales survey indicated concerns about taking public transport or using rideshare due to hygiene concerns in connection with COVID-19 with 81% of respondents more likely to use their car now than before COVID-19.<sup>2</sup>
- Limited air travel also driving car ownership.
- Apple mobility data shows that car driving has emerged as a more preferred mode of transport during COVID-19.<sup>3</sup>



## 3. Government initiatives

Stimulus initiatives deployed by the Federal Government have driven increased demand for vehicles:

### Instant Asset Tax Write-off

The Instant Asset Tax Write-off Program for assets up to \$150k has stimulated demand for cars in the commercial sector. This program has been extended to 31 December 2020.

### Early Superannuation Access

Individuals affected by COVID-19 have been granted early access to two \$10,000 parcels of their superannuation in FY20 and FY21. This has also stimulated demand for vehicles, particularly in the lower value segment.

1. carsales post COVID transportation survey, April 18–27, 2020. Q21 "How has COVID-19 changed how you are shopping for your car?" n=2,983 | 2. carsales post COVID transportation follow up survey, "Q: How has the COVID-19 climate impacted how you feel about future use of these forms of transport?" July 16–21, 2020. n= 1,755, filtered by car owners who take public transport options, n=332. | 3. <https://www.apple.com/covid19/mobility>. Data is generated by counting the number of requests made to Apple Maps for directions in select countries/regions indexed at 100 on 13 January 2020. Charts shown are a trailing 7-day average of the daily index.

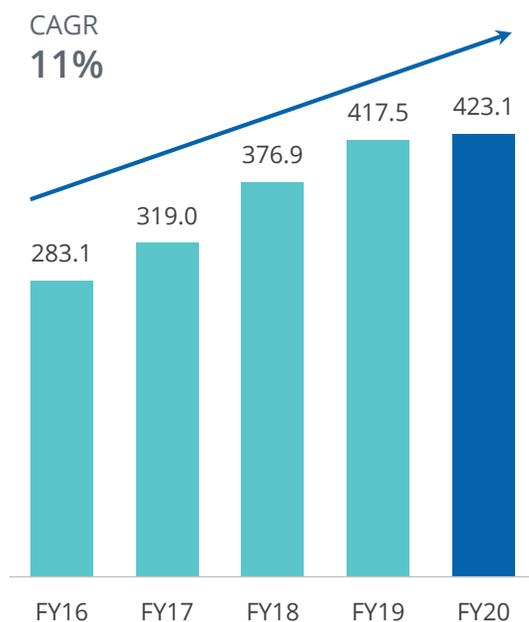
# GROUP FINANCIAL REVIEW



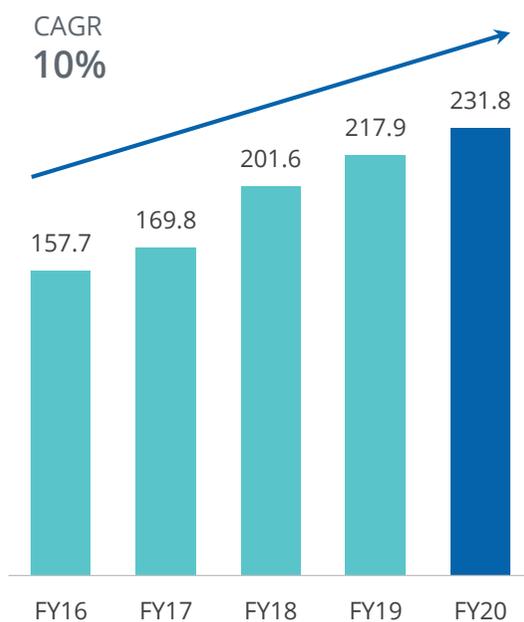
# STRONG TRACK RECORD OF SUSTAINED GROWTH

Well positioned to continue delivering long-term shareholder value through world-class capability, exposure to international growth markets and investment in new products and services.

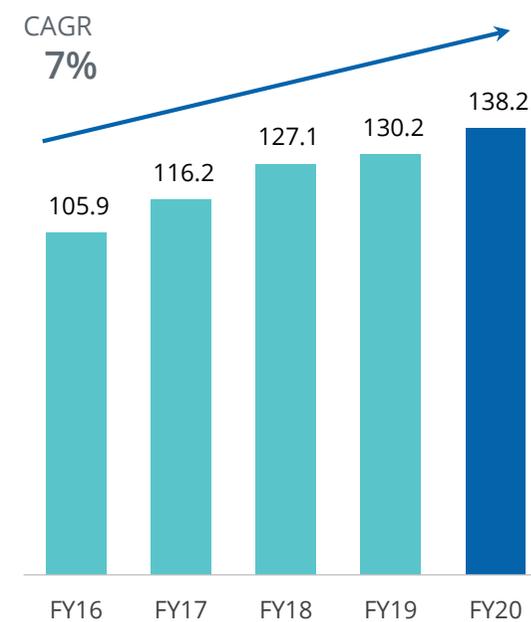
### Adjusted Revenue<sup>1</sup> (\$m)



### Adjusted EBITDA<sup>1</sup> (\$m)



### Adjusted NPAT<sup>1</sup> (\$m)



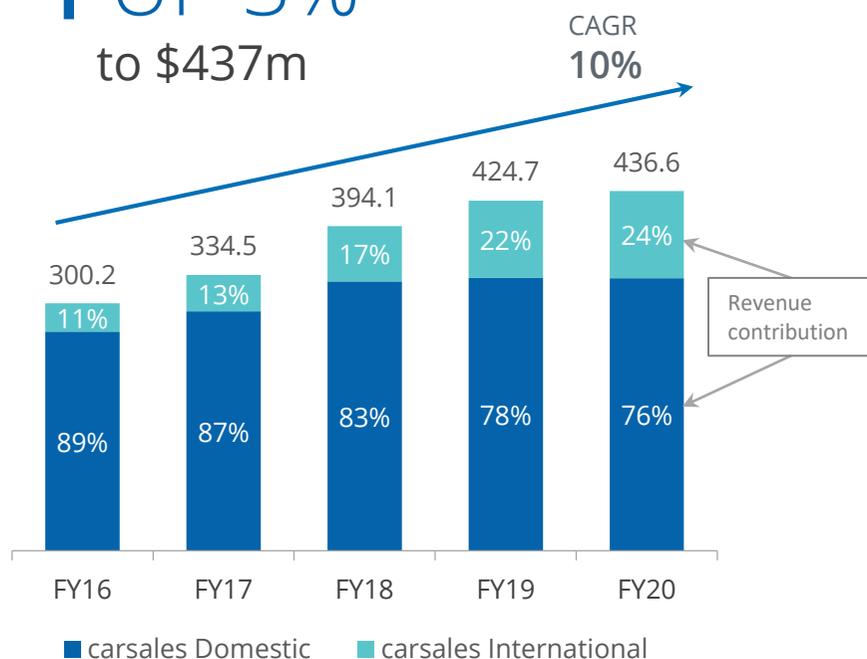
1. Adjusted Revenue, Adjusted EBITDA and Adjusted NPAT is on a continuing basis, post non-controlling interests and excludes certain non-recurring or non-cash items. See slide 35 regarding the disclosure of non-IFRS Information and slides 36-37 for a reconciliation of Reported to Adjusted Financials  
Note: FY16 - FY19 financials have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

# INCREASING INTERNATIONAL CONTRIBUTION DRIVING GROWTH

- International now contributes more than 24% of look-through<sup>1</sup> revenue and 19% of look-through<sup>1</sup> EBITDA.
- International look-through<sup>1</sup> revenue and EBITDA grew 13% and 20% respectively in FY20 despite the impact of COVID-19 in H2.

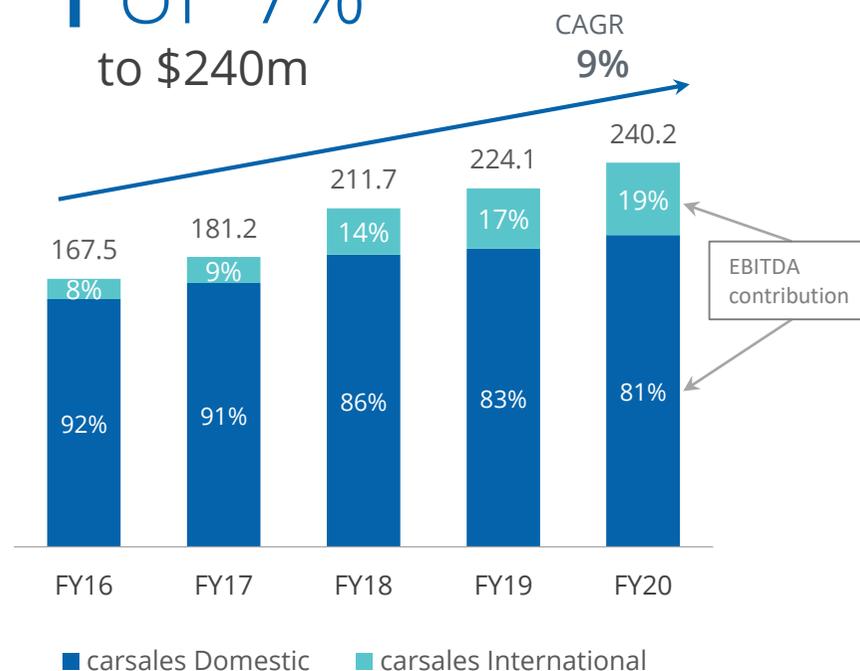
**Look-through<sup>1</sup> Adjusted Revenue<sup>2</sup> (\$m)**

↑ UP 3%  
to \$437m



**Look-through<sup>1</sup> Adjusted EBITDA<sup>2</sup> (\$m)**

↑ UP 7%  
to \$240m



1. carsales "look-through" methodology: For equity accounted associates and consolidated subsidiaries, add the total revenue or EBITDA for the period of ownership within the reporting period multiplied by the % ownership over the period. Some "look-through" numbers involve the disclosure of non IFRS information - Refer to carsales' Disclosure of Non IFRS information on slide 35 for further details.

2. Adjusted Revenue and Adjusted EBITDA stated above is on a continuing basis, excludes certain non-recurring or non-cash items relating to restructuring and M&A transaction cost. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Adjusted EBITDA to Reported EBITDA. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

# SUMMARY REVENUE & EBITDA PERFORMANCE

| Full Year Ending<br>30 June 2020    | \$A Millions      |              | Growth     |           |
|-------------------------------------|-------------------|--------------|------------|-----------|
|                                     | FY19 <sup>1</sup> | FY20         | \$'s       | %         |
| <b>Adjusted Revenue<sup>2</sup></b> |                   |              |            |           |
| Online Advertising                  | 300.1             | 296.7        | (3.4)      | (1%)      |
| Dealer                              | 153.9             | 168.7        | 14.8       | 10%       |
| Private                             | 82.1              | 77.8         | (4.3)      | (5%)      |
| Media                               | 64.1              | 50.2         | (13.9)     | (22%)     |
| Data, Research and Services         | 43.2              | 43.3         | 0.1        | 0%        |
| Asia                                | 65.1              | 75.5         | 10.4       | 16%       |
| Latin America                       | 9.1               | 7.6          | (1.5)      | (16%)     |
| <b>Adjusted Revenue<sup>2</sup></b> | <b>417.5</b>      | <b>423.1</b> | <b>5.6</b> | <b>1%</b> |

|                                    |              |              |             |           |
|------------------------------------|--------------|--------------|-------------|-----------|
| <b>Adjusted EBITDA<sup>2</sup></b> |              |              |             |           |
| Online Advertising                 | 162.6        | 168.3        | 5.7         | 4%        |
| Data, Research and Services        | 26.2         | 27.5         | 1.3         | 5%        |
| Asia                               | 34.5         | 40.7         | 6.3         | 18%       |
| Latin America                      | (5.4)        | (4.7)        | 0.7         | 13%       |
| <b>Adjusted EBITDA<sup>2</sup></b> | <b>217.9</b> | <b>231.8</b> | <b>13.9</b> | <b>6%</b> |
| EBITDA Margin                      | 52%          | 55%          |             | 3%        |

## Revenue

- Full year Adjusted Revenue<sup>2</sup> up 1% on pcp.
- Solid results from our Dealer segment reflecting the resilience of the used car market.
- Private revenue was lower due to the impact of COVID-19 in H2.
- Reduction in media revenue due to challenging new car market and advertising conditions.
- Solid underlying Data, Research and Services result excluding exit of some low margin contracts, RedBook data business a resilient source of growth.
- Excellent international result, with look-through<sup>3</sup> revenue up 13%, driven by good growth in South Korea and Brazil.

## EBITDA

- Adjusted EBITDA<sup>2</sup> up 6% to \$232m.
- Adjusted EBITDA growth in Online Advertising & DR&S reflects continued cost savings in core business and operating leverage.
- Strong international result with look-through<sup>3</sup> Adjusted EBITDA<sup>2</sup> up 20% underpinned by excellent results in South Korea and Brazil, albeit Brazil growth rate was negatively impacted in H2 by COVID-19.
- Expanding Asia margin reflects operating cost leverage in South Korea.
- Reduction in EBITDA losses in Latin America reflects cost control measures.

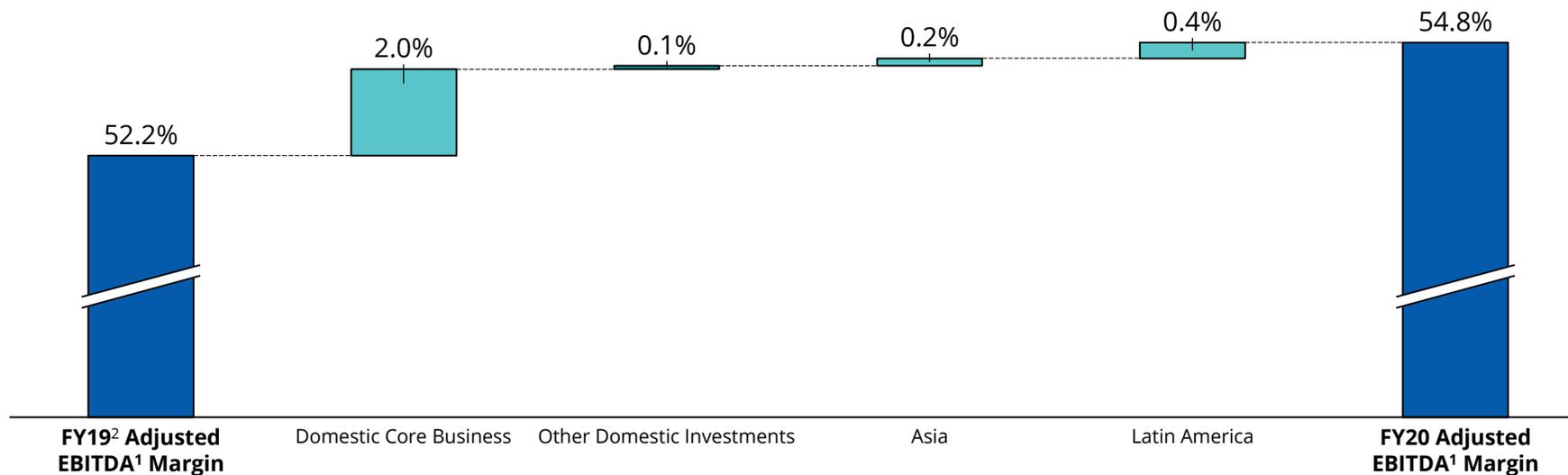
1. FY19 EBITDA has been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

2. Adjusted Revenue and Adjusted EBITDA stated above is on a continuing basis, excludes certain non-recurring items. See slide 35 regarding the disclosure of non-IFRS Information and slides 36-37 for a reconciliation of Adjusted EBITDA to Reported EBITDA.

3. For look-through definition refer slide 12

# GOOD EXPANSION IN DOMESTIC AND INTERNATIONAL MARGINS

Good growth in overall margin from 52% to 55%, driven by expansion across all segments, particularly in the Domestic core business.



## Domestic highlights

- Domestic core business margin expanded from 62.4% to 65.2% in FY20, reflecting a range of cost control measures including reduced marketing spend, wages and other discretionary costs.
- Domestic investments of tyresales and RedBook Inspect improved EBITDA margin by 0.1%.

## International highlights

- Asia growth reflects margin expansion in South Korea.
- Reduced losses in Latin America had a positive impact on overall margins.

1. Adjusted EBITDA stated above is on a continuing basis, excludes certain non-recurring or non-cash items relating to restructuring and M&A transaction cost. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.

2. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

# ADJUSTED NET PROFIT AFTER TAX SUMMARY

| Full Year Ending<br>30 June 2020                         | \$A Millions      |              | Growth      |           |
|--|-------------------|--------------|-------------|-----------|
|  | FY19 <sup>1</sup> | FY20         | \$'s        | %         |
| <b>Adjusted Revenue<sup>2</sup></b>                      | <b>417.5</b>      | <b>423.1</b> | <b>5.6</b>  | <b>1%</b> |
| Total operating expenses                                 | 199.6             | 191.3        | 8.3         | 4%        |
| <b>Adjusted EBITDA<sup>2</sup></b>                       | <b>217.9</b>      | <b>231.8</b> | <b>13.9</b> | <b>6%</b> |
| <i>EBITDA margin</i>                                     | <i>52.2%</i>      | <i>54.8%</i> |             |           |
| Depreciation & amortisation                              | 23.4              | 28.2         | (4.8)       | (21%)     |
| <b>EBIT</b>  | <b>194.5</b>      | <b>203.6</b> | <b>9.1</b>  | <b>5%</b> |
| Net finance costs  | 15.5              | 14.3         | 1.2         | 8%        |
| <b>Profit Before Tax</b>                                 | <b>179.0</b>      | <b>189.3</b> | <b>10.3</b> | <b>6%</b> |
| Income tax expense                                       | 52.9              | 56.5         | (3.6)       | (7%)      |
| Profits from associates                                  | 3.7               | 4.7          | 1.0         | 27%       |
| Non-controlling interests (NCI)                          | 0.4               | 0.7          | 0.3         | 75%       |
| <b>Adjusted NPAT<sup>2</sup> (continuing operations)</b> | <b>130.2</b>      | <b>138.2</b> | <b>8.0</b>  | <b>6%</b> |
| Adjusted Earnings per share (cents)                      | 53.4              | 56.4         | 3.0         | 6%        |
| Final Dividend per share (cents)                         | 25.0              | 25.0         | -           | -         |

## Summary of Reported Results

|                                       |       |       |        |       |
|---------------------------------------|-------|-------|--------|-------|
| Reported Revenue                      | 417.5 | 395.6 | (21.9) | (5%)  |
| Reported EBITDA                       | 212.9 | 202.0 | (10.9) | (5%)  |
| Reported NPAT (continuing operations) | 132.1 | 119.9 | (12.2) | (9%)  |
| Reported Earnings per share (cents)   | 54.2  | 48.9  | (5.3)  | (10%) |

The analysis above shows the Adjusted net profit after tax results of the business for FY20. Details of the reconciliation between Adjusted and Reported results are shown on slides 36-37. This analysis better reflect the underlying trading performance of the Group.

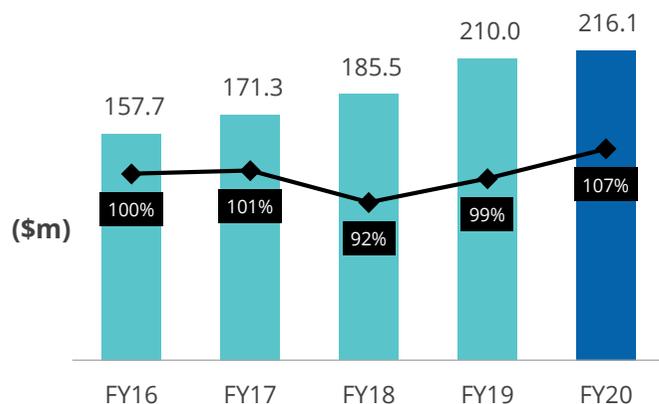
- D&A increased by \$4.8m due to increased depreciation of building fit outs, software assets and other growth capex - this investment supports Group wide growth and global platform projects.
- Net finance cost reduction reflects lower average interest rates.
- Profits from associates largely reflects NPAT contribution from webmotors.
- Refer to slides 36-37 for breakdown of adjustments.
- Final dividend of 25.0 cents per share declared, flat on pcp.
- Reported results impacted by COVID-19 dealer support package.

1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

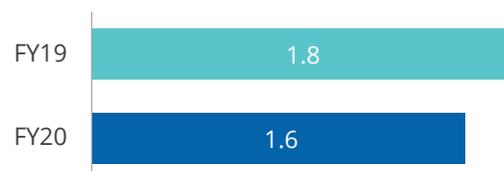
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# STRONG CASH FLOW FROM OPERATIONS AND ROBUST BALANCE SHEET

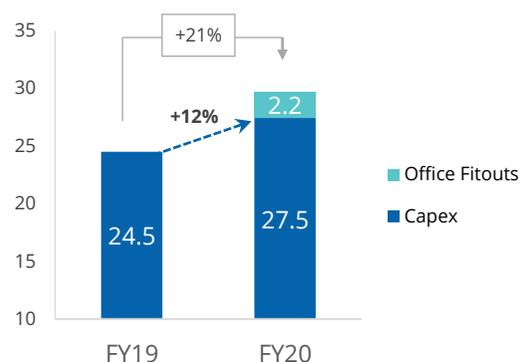
## Cash Flow<sup>2</sup> (column) and conversion from Reported EBITDA to cash (line)



## Leverage Ratio<sup>1</sup> (Net Debt/Adjusted EBITDA<sup>3</sup>)



## Capital expenditure (\$'m)



- Excellent conversion of EBITDA to cash flow demonstrates attractive working capital profile of the business, good cash collections and timing benefit on payables.
- Capex up 21% reflecting continued investment in technology platforms supporting international and adjacent market expansion and the office fit out in Melbourne.
- Leverage ratio remains prudent at well under 2x Adjusted EBITDA<sup>3</sup>.
- Refinanced, extended and increased our debt facilities in June 2020.

## Net debt<sup>1</sup>

| \$A Millions    | Jun-19       | Jun-20       |
|-----------------|--------------|--------------|
| Borrowings      | 474.6        | 544.2        |
| Swaps           | 17.4         | 14.2         |
| Cash            | (94.4)       | (179.9)      |
| <b>Net Debt</b> | <b>397.6</b> | <b>378.5</b> |

1. Net debt includes total borrowings and cross currency interest swaps less total cash as at 30 June 2020 as per published balance sheet, excluding Stratton and lease liabilities. Ratios above are based on reported financial outcomes and may vary with bank covenant definitions.

2. Operating cash flow less tax (excluding Stratton).

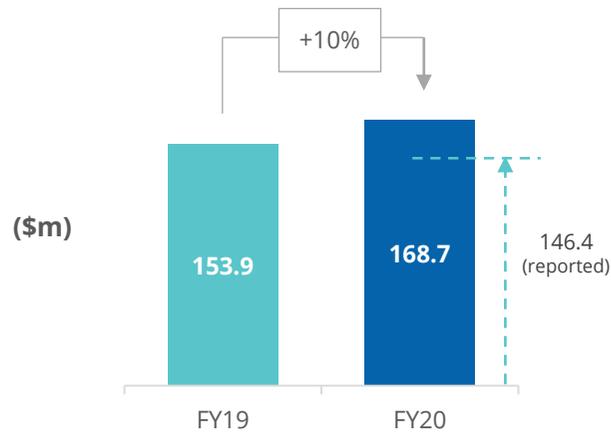
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# CARSALES AUSTRALIA

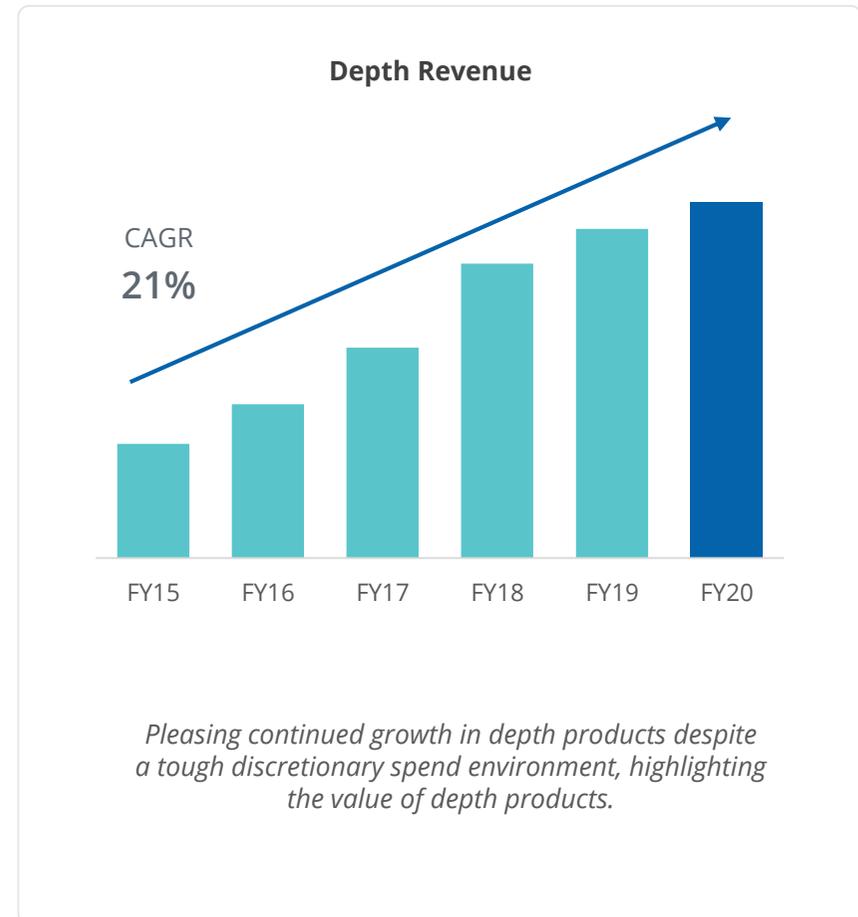


# DEALER

## Dealer Adjusted Revenue<sup>1</sup> up 10% to \$168.7m

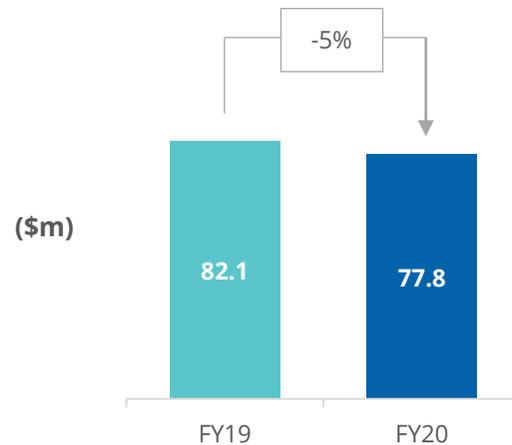


- Breadth of product offering and resilience of used car business underpinned solid Dealer performance.
- The used car lead volumes a key growth driver, reflecting continued market leadership and strength of used car market. Demand positively impacted in H2 by the car ownership trends emerging from COVID-19 (refer slide 9 for further detail).
- Also observed pleasing growth in depth products, reflecting the strong return on investment these products provide – refer graph adjacent.



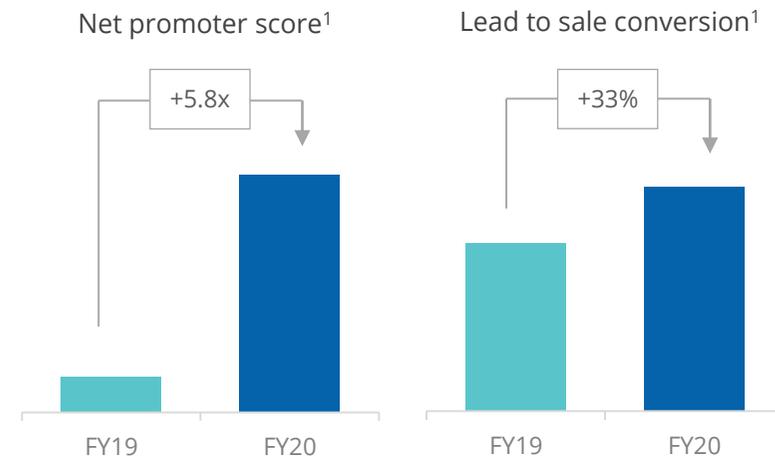
1. Adjusted Revenue stated above excludes COVID-19 support rebate provided to dealers. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.

## Private revenue down 5% to \$77.8m



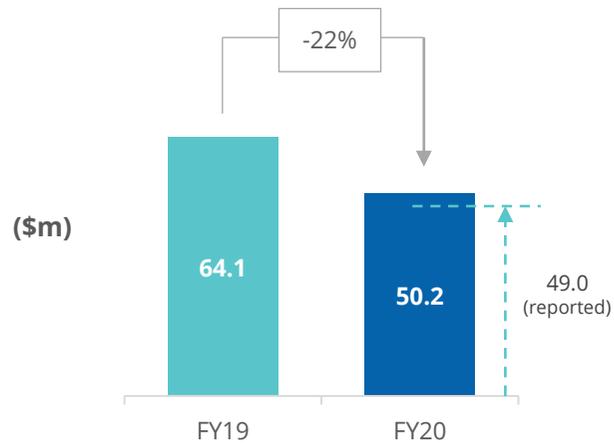
- Solid growth of 7% in H1 and a decline of 17% in H2. Growth in H1 reflective of growth in core private business, Instant Offer and tyresales.
- Decline in H2 largely reflects the negative impact from social distancing measures. Pleasing to see good recovery in core private business in the last quarter of the financial year as social distancing measures were eased.

## Instant Offer optimisation



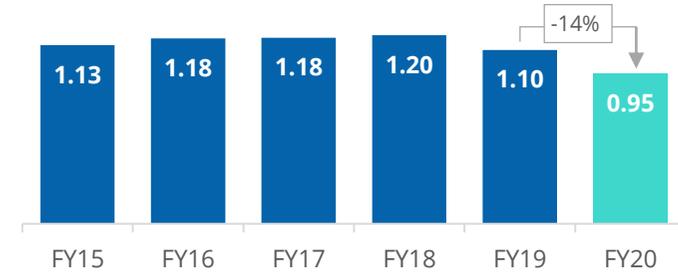
*Enhanced user experience and continued expansion of our supplier network resulted in a significant uplift in conversion from offer to sale and customer satisfaction.*

## Media Adjusted Revenue<sup>2</sup> down 22% to \$50.2m



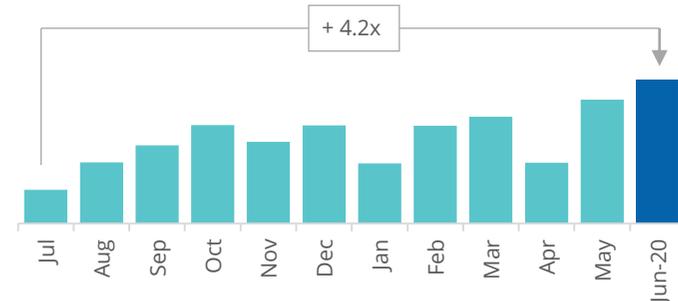
- Very challenging advertising environment due to significant reduction in new car sales and associated reduction in OEM advertising budgets. Declines accelerated in H2 due to the impact of COVID-19 with new car sales down 20%.
- The media business increased its share of a contracted market. This is testament to the continued attractiveness of our site as a digital marketing channel, the strong growth in our audience metrics and the benefits of our enhanced native and video product offering.

## VFACTS reported new car sales<sup>1</sup>



New car sales in FY20 declined 14% on pcp.

## Programmatic inventory sales volume<sup>2</sup>

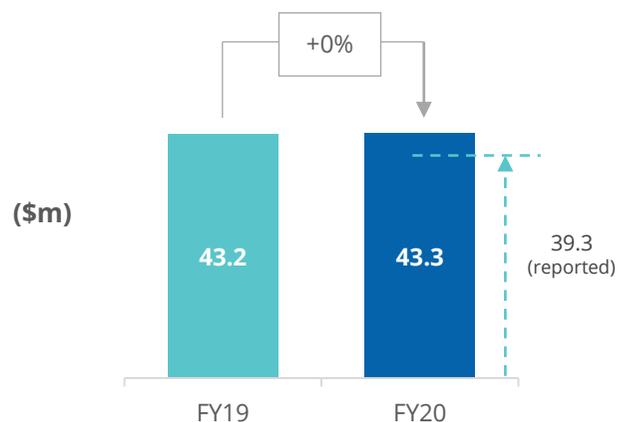


In FY20, we increased our programmatic selling capability. This enables us to monetise a higher proportion of our site traffic in an environment in which we are strongly growing our audience and site visits.

1. Reported new car sales, Federal Chamber of Automotive Industries. 2. carsales internal data  
 2. Adjusted Revenue stated above excludes COVID-19 support discount provided to dealers. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.

# DATA RESEARCH & SERVICES

## DR&S Adjusted Revenue<sup>1</sup> flat on pcp to \$43.3

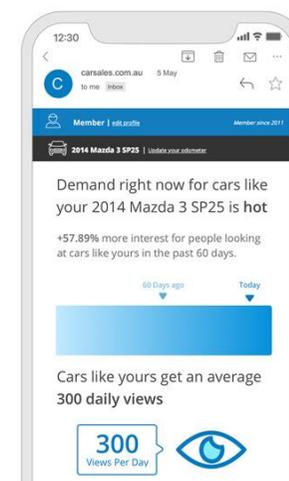


- Revenue growth impacted by intentional exit of low margin products and contracts. Underlying revenue growth of 5% in FY20 excluding this impact reflects the resilience of this segment.
- Our vehicle appraisals product continues to be a key growth driver, as dealers have focused on growing their used car inventory supply given challenges in other areas of their businesses.
- RedBook business continues to record pleasing revenue growth, consolidating its position as a market leading source of vehicle specification, valuation and pricing data.

## It's Odometer Day!

Update the odometer reading for your Mazda in your carsales garage to find out how much it's worth and more

We'll keep you updated on your car's demand...



*Increasing the accuracy of the odometer readings of cars improves our personalisation capability. Over 16,000 odometers were updated<sup>2</sup> and total cars in the virtual garage increased to over 484,000.<sup>2</sup>*

1. Adjusted Revenue stated above excludes COVID support discount provided to dealers. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.  
2. carsales internal data



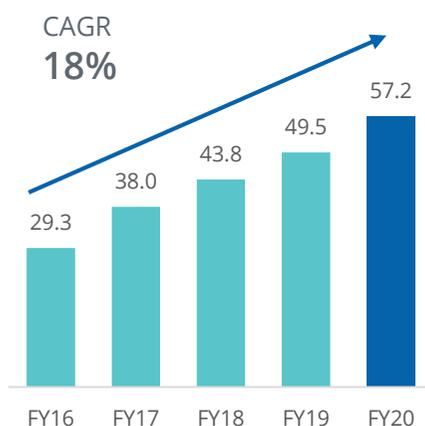
# CARSALES INTERNATIONAL

## Impressive performance given challenging macroeconomic conditions

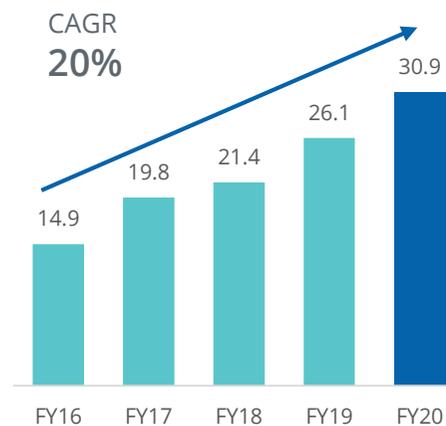
|         | \$A Millions      |      | Growth |     | Constant Currency (%) |
|---------|-------------------|------|--------|-----|-----------------------|
|         | FY19 <sup>1</sup> | FY20 | \$'s   | %   |                       |
| Revenue | 61.0              | 71.2 | 10.1   | 17% | 16%                   |
| EBITDA  | 32.2              | 38.5 | 6.3    | 20% | 18%                   |

- While South Korea has clearly been impacted by COVID-19, economic activity to date has been significantly less impacted than most other countries.
- Recorded growth in all its key operating metrics of inventory, listing volumes and traffic. The business has benefited from the accelerated migration of the car buying process towards online sources driven by COVID-19.
- The business also made a seamless transition away from the SK brand, with strong traffic growth demonstrating the underlying strength of the Encar brand.
- Key revenue growth drivers were:
  - Guarantee vehicle inspection service, with the opening of 9 new branches and continued improvements in utilisation of existing branches.
  - Standard dealer listing volume growth of 8% on pcp.
  - Strong growth in the redesigned Dealer Direct product, which is similar to carsales' Instant Offer product.
- Very good growth in key operational metrics of traffic and leads reflecting continued market leadership:
  - 15% increase in visits<sup>2</sup>;
  - 14% increase in leads<sup>2</sup>;
- Continuing to grow margins through operating leverage.

### Revenue (KRW bn)



### EBITDA (KRW bn)



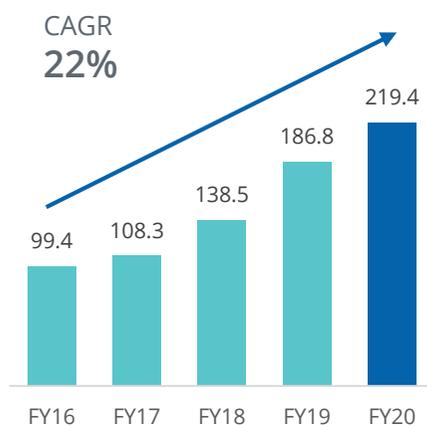
1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.  
 2. Visits and leads generated for the period Jul-19 to Jun-20 compared with Jul-18 to Jun-19.

| Pro-forma<br>100%    | \$A Millions |      | Growth |     | Constant<br>Currency (%) |
|----------------------|--------------|------|--------|-----|--------------------------|
|                      | FY19         | FY20 | \$'s   | %   |                          |
| Revenue <sup>1</sup> | 67.8         | 74.6 | 6.8    | 10% | 17%                      |
| EBITDA <sup>1</sup>  | 29.3         | 30.4 | 1.1    | 4%  | 10%                      |

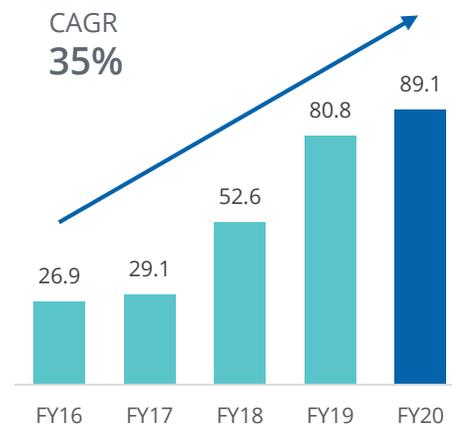
### carsales Share of Earnings (30% owned – equity accounted)

|                            | \$A Millions |      | Growth |      | Constant<br>Currency (%) |
|----------------------------|--------------|------|--------|------|--------------------------|
|                            | FY19         | FY20 | \$'s   | %    |                          |
| Reported NPAT              | 5.1          | 5.1  | (0.0)  | (1%) | 4%                       |
| Adjusted NPAT <sup>2</sup> | 5.7          | 5.6  | (0.1)  | (2%) | 4%                       |

### Revenue<sup>4</sup> (BRLm)



### EBITDA<sup>4</sup> (BRLm)



Strong underlying growth rates as webmotors consolidates its no.1 market position. H2 impacted by COVID-19.

- Finance revenue now a material contributor to the business, comprising more than 15% of revenue and growing rapidly. Growth driven by Santander bank integration, which allows seamless credit integration into Cockpit (webmotors CRM).
- The business commenced its large scale regional expansion plan at the start of H2 that was showing very positive signs with a material uplift in dealer numbers, traffic and leads. Unfortunately, the onset of COVID-19 has delayed further rollout of this plan. Nevertheless, this highlights the opportunity for webmotors to continue growing organically as Brazil emerges from lockdown.
- The business adopted strong cost control measures in Q4 to mitigate the impact of revenue declines during the height of the lockdown in April.
- Key financial and non-financial operating metrics showed strong signs of recovery in June, albeit still lower than Q3 run rate.
- Outstanding growth in Leads<sup>3</sup> up 57% on pcp in FY20. Dealer customer<sup>4</sup> numbers up 7%.

1. Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business.

2. Adjusted NPAT stated above excludes intangible amortisation. The carsales share of earnings is based on owning the percentage set out above. See slide 35 regarding the disclosure of non-IFRS information and slides 36-37 for a reconciliation of Reported to Adjusted Financials.

3. Lead volume generated for the period Jul-19 to Jun-20 compared with Jul-18 to Jun-19

4. Dealer customer volume counts as at 30 June 2020 compared with 30 June 2019

## Strong growth in Mexico, performance in Chile and Argentina impacted by macro conditions

### CHILE

|         | \$A Millions      |      | Growth |       | Constant Currency (%) |
|---------|-------------------|------|--------|-------|-----------------------|
|         | FY19 <sup>1</sup> | FY20 | \$'s   | %     |                       |
| Revenue | 5.9               | 4.8  | (1.1)  | (19%) | (13%)                 |
| EBITDA  | 2.0               | 1.6  | (0.4)  | (20%) | (15%)                 |



- Weaker results in Chile driven by macroeconomic challenges posed by the pandemic and civil unrest. Lead volumes were resilient, up 15% on pcp.
- EBITDA result managed through cost control.

### MEXICO<sup>3</sup>

|         | \$A Millions      |       | Growth |     | Constant Currency (%) |
|---------|-------------------|-------|--------|-----|-----------------------|
|         | FY19 <sup>1</sup> | FY20  | \$'s   | %   |                       |
| Revenue | 1.5               | 1.8   | 0.3    | 22% | 25%                   |
| EBITDA  | (4.3)             | (4.3) | 0.0    | 1%  | 1%                    |



- Good revenue growth despite the challenging trading environment. Revenue growth was driven by increases in dealer yield and Media revenue as the business is benefiting from carsales' IP and technology.
- Continue to make excellent progress towards achieving clear vertical market leadership in Mexico due to continued investment in product, marketing and technology.

### ARGENTINA

|         | \$A Millions      |       | Growth |       | Constant Currency (%) |
|---------|-------------------|-------|--------|-------|-----------------------|
|         | FY19 <sup>1</sup> | FY20  | \$'s   | %     |                       |
| Revenue | 1.3               | 0.7   | (0.6)  | (46%) | (24%)                 |
| EBITDA  | (2.4)             | (1.6) | 0.8    | 33%   | (0%)                  |



- Continued challenging market conditions given ongoing high inflation and the impacts of the pandemic.
- Strong cost discipline helped mitigate this impact.

**Update to year end presentation:** in Chile and Argentina we have executed a commercial partnership with Santander Bank to roll out digital automotive finance and lead management tools to our websites in each jurisdiction. carsales' dealer clients in Chile and Argentina will have access to Santander's online finance simulator and Cockpit, webmotors' CRM.

1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

2. Visits and leads generated for the period Jul-19 to Jun-20 compared with Jul-18 to Jun-19.

3. Mexico represents soloautos entity and excludes the Mexican inventory management business.



# STRATEGY UPDATE

# CARSALES STRATEGY

OUR PURPOSE: *We empower people to move freely through our world-leading marketplaces*

*We are focused on three strategic priorities...*

## Digital marketplaces

To grow our global leadership in digital automotive classified solutions for consumer and commercial customers

## Value added services

To build a compelling ecosystem of services that support dealers, OEMs, corporate and private consumers through the buying, selling and ownership of vehicles

## Future horizons

Leveraging consumer insights and industry trends to explore new opportunities in core and adjacent markets, and beyond

*... supported by three enablers...*

**Data** | To become a 'best-in-class' data-driven company, with unrivalled data and analytics to help customers understand their audience and commercial clients to grow their businesses

**People** | To be an employer of choice and destination for talent by continuously evolving our culture of inclusion, learning, leadership, performance and passion

**Technology** | To build 'best-in-class' global platform-based software services that exceed the expectations of our customers and drive continued growth in the carsales business

*... and underpinned by our unique culture*

## Our DNA

Innovation | Simplicity | Customer focus

## Our Values

Enjoyment | Respect | Integrity | Communication | Honesty

# INTRODUCING PLACIE



An app that helps customers seamlessly combine, compare, & book 8+ modes of transport to get from place to place faster, cheaper & smarter.

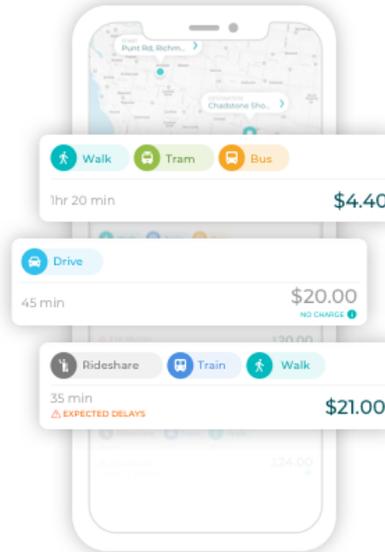
## More than a regular journey planner:

- One stop (mobility) shop for consumers to save time, money and effort
- Real-time data for on-demand and scheduling multi modal journeys
- One account for all private partner bookings
- Transport partners all natively integrated (no need to leave the app)

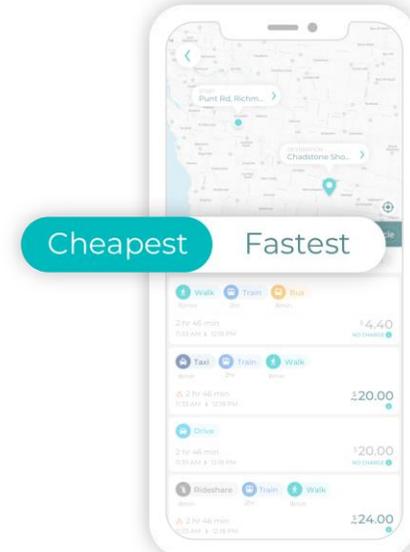
8+ modes of transport integrated



Compare, combine and book



Cheaper or faster trip filter



# GROWTH IN THE MOBILITY MARKETPLACE



## Transport mega trends are changing how we move

- Proliferation of new transport options
- Electrification of vehicles
- Rise of shared & on-demand services
- COVID accelerating change and disruption

Transport behaviours are disrupted & new habits are forming.

## carsales is a world leader in digital marketplaces

- One of Australia's biggest tech enabled businesses
- Proven leader in B2C aggregation
- Track record for driving innovation and growth

Capability grounded in technology, commercial & partnerships.

## Strong Mobility as a Service (MaaS) growth outlook globally

- Global Transport spend 2018:\* AUD\$ 8.7tn
- Global MaaS Penetration % 2018\*: <0.1%
- Global transport spend 2030 forecast\* AUD\$12.6tn
- Global MaaS penetration 2030 forecast\*: 6.8%

- Aust addressable Transport spend 2018\*\*: AUD\$28.1b

MaaS within smart cities is changing how we live and work.

\*Source: Euromonitor, KPMG, Frost & Sullivan, UN World Urbanisation Prospects

\*\*Source: carsales estimates

# TRANSPORT PARTNERS AND DEMAND RELATIONSHIPS



- Helps local and state governments build smarter cities; using technology to make our cities more liveable
- Enables private transport operators to drive volume and brand recognition
- Market leading channel and technology brand relationships

## Private Transport Partners

Ongoing integration throughout beta phase

| Rideshare | Metro taxi | Metro taxi | Regional taxi | Luxe car | Parking | Rental | Private bus | Micromobility |
|-----------|------------|------------|---------------|----------|---------|--------|-------------|---------------|
|           |            |            |               |          |         |        |             |               |
|           |            |            |               |          |         |        |             |               |
|           |            |            |               |          |         |        |             |               |
|           |            |            |               |          |         |        |             |               |
|           |            |            |               |          |         |        |             |               |

## Channel & Technology Brands

Consumer acquisition & retention

|  |  |
|--|--|
|  |  |
|  |  |

## Public Transport Options

State transport routes connected

|  |  |
|--|--|
|  |  |
|  |  |



# FY21 TRADING OBSERVATIONS

# FY21 TRADING OBSERVATIONS - UPDATE

## Overall Summary

- COVID-19 continues to create uncertainty in our operating environment
- We will continue to focus on managing costs
- Remain committed to investing in product and market leading positions
- Business is well diversified across geography and product – international now represents 19% of total look-through<sup>1</sup> EBITDA, significant diversification in Australia across states and territories
- Used car market has proven very resilient with volumes rebounding quickly after lockdowns have been lifted, business has limited exposure to new car market
- Trends coming out of COVID-19 very positive for carsales – continued digital adoption, increased propensity for car ownership
- Business is well funded with low gearing, strong liquidity and strong cash generation to fund growth capital and dividends

1. For look-through definition refer to slide 12.

# SPECIFIC TRADING OBSERVATIONS - UPDATE

Given the continuing uncertainty due to COVID-19, we are not providing specific guidance on our financial expectations for FY21. We do, however provide the following current trading observations.

## Australia

- Dealer:
  - Overall lead volumes in Q1 FY20 have been impacted by the closure of dealerships in Metro Melbourne. However, excluding Metro Melbourne, overall lead volumes grew strongly on the prior corresponding period (pcp) in Q1 FY20.
  - carsales has provided a 100% rebate for all metro Melbourne dealers from the 6th of August 2020 until the 27th of October 2020 when retail reopened. We estimate the quantum of this support to be ~\$12m to date in FY21 which brings the total support provided to dealers since the start of the pandemic to approximately \$40m. We have reverted to normal charging for our dealer customers from the 28th of October 2020.
- Private:
  - Excluding metro Melbourne, private listing volumes have largely recovered to pre-COVID levels in Q1 FY20.
  - Materially lower volumes in tyresales expected in FY21 reflecting COVID-19 impacts and metro Melbourne restrictions.
- Media and new car market:
  - Excluding metro Melbourne there have been improving signs in new car activity in Q1 FY20, with some recovery in media revenue run rate against pcp. Expecting media revenue to be lower than pcp in the first half.

## International

- South Korea:
  - Key operating metrics of inventory, listing volumes and traffic are all growing well reinforcing continued good growth in revenue and EBITDA on pcp.
- Brazil:
  - In Q1 FY20 we have observed the continued rebound in the key metrics of the business. Traffic, leads, local currency revenue and local currency EBITDA all demonstrated good growth on pcp over this period. Depreciation of the BRL is negatively impacting pcp growth rates when translated into AUD.
- LATAM
  - Key operating metrics still impacted by continuing restrictions in Chile, Mexico and Argentina. Profitability being well managed through strong cost control. In a good position to leverage unserved consumer demand and recent product development investment as countries emerge from COVID19 restrictions.

A close-up, low-angle shot of a motorcycle's front wheel and brake disc. The brake disc is in the foreground, showing its perforated surface. The wheel's spokes and rim are visible in the background, creating a sense of depth and mechanical complexity. The lighting is warm and directional, highlighting the metallic textures.

# APPENDIX

# OVERVIEW OF CARSALES NON-IFRS FINANCIAL INFORMATION

## What is IFRS and non-IFRS financial information?

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.
- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example:
  - Revenue or profit information calculated on a basis other than under accounting standard definitions or calculated with accounting standards and then adjusted e.g. "adjusted", "underlying" or "look-through".

## What non-IFRS financial information does carsales disclose in its half year and year end results presentations?

- carsales presents reported financial information for its business segments, associates and investments where applicable IFRS financial information exists. The financial

information presented is sourced directly from financial information prepared in accordance with all relevant accounting standards and has been subject to either review or audit by carsales' external auditors (PwC).

- In carsales' investor presentations the company aims to provide equal or greater prominence to IFRS financial information. However, we also present or refer to non-IFRS financial information. Please note, all information labelled "Reported" in this presentation complies with IFRS.
- Non-IFRS financial information is calculated based on statutory IFRS financial information and adjusted to show either a position excluding significant items which have been removed OR presented based on carsales' effective equity ownership interest of an entity's underlying revenue, EBITDA or NPAT.
- Any non-IFRS financial information is clearly labelled as "underlying", "Adjusted" or "look-through" to differentiate it from reported/IFRS financial information.
- carsales provides reconciliations on the face of slides, appendices and in footnotes of

presentations in order to allow the reader to clearly reconcile between the IFRS and non-IFRS financial information.

## Why does carsales disclose non-IFRS financial information in its half year and full year results presentations?

- carsales has invested in businesses in Malaysia, Thailand, Indonesia, South Korea, Mexico, Chile, Brazil and Argentina and has become a global portfolio of online automotive assets. Accordingly carsales management believes that the presentation of additional non-IFRS information in its half year and full year results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial conditions of carsales overall performance.
- The Australian Securities and Investment Commission ("ASIC") acknowledges the relevance of non-IFRS financial information in providing "meaningful insight" as long as it does not mislead the reader.

# RECONCILIATION OF REPORTED TO ADJUSTED NPAT

| \$A Millions   | FY19 <sup>1</sup> |              |              | FY20         |              |              |
|--|-------------------|--------------|--------------|--------------|--------------|--------------|
|  | Revenue           | EBITDA       | NPAT         | Revenue      | EBITDA       | NPAT         |
| <b>Reported Financials (continuing operations)</b>   | <b>417.5</b>      | <b>212.9</b> | <b>132.1</b> | <b>395.6</b> | <b>202.0</b> | <b>119.9</b> |
| Dealer Support Package <sup>2</sup>                  | -                 | -            | -            | 27.5         | 27.5         | 19.3         |
| Restructuring and M&A transaction costs <sup>2</sup> | -                 | 1.8          | 1.3          | -            | 2.3          | 2.0          |
| Bad Debt Write-off <sup>2</sup>                      | -                 | 3.1          | 2.2          | -            | -            | -            |
| Option Discounting Unwind                            | -                 | -            | 0.4          | -            | -            | -            |
| Option Movement in Fair Value                        | -                 | -            | (11.3)       | -            | -            | (7.2)        |
| Loss / (Gain) on disposal of business                | -                 | -            | -            | -            | -            | 0.5          |
| One-off tax adjustment                               | -                 | -            | -            | -            | -            | 3.7          |
| Gain on associate dilution                           | -                 | -            | (1.6)        | -            | -            | -            |
| Fair value revaluation post NCI                      | -                 | -            | -            | -            | -            | (7.1)        |
| Total acquired intangible amortisation <sup>2</sup>  | -                 | -            | 7.0          | -            | -            | 7.1          |
| <b>Adjusted Financials (continuing operations)</b>   | <b>417.5</b>      | <b>217.9</b> | <b>130.2</b> | <b>423.1</b> | <b>231.8</b> | <b>138.2</b> |

1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

2. Tax effected

# ADJUSTED FINANCIALS - CONTINUING OPERATIONS

| \$A Millions                             | FY19 <sup>1</sup> |              |              | FY20         |             |              | Growth %       |             |
|--|-------------------|--------------|--------------|--------------|-------------|--------------|----------------|-------------|
|  | Reported          | Adjustments  | Adjusted     | Reported     | Adjustments | Adjusted     | Reported       | Adjusted    |
| <b>Revenue</b>                           | <b>417.5</b>      | -            | <b>417.5</b> | <b>395.6</b> | <b>27.5</b> | <b>423.1</b> | <b>(5.2%)</b>  | <b>1.3%</b> |
| Total operating expenses                 | 204.6             | (5.0)        | 199.6        | 193.6        | (2.3)       | 191.3        | 5.4%           | 4.2%        |
| <b>EBITDA</b>                            | <b>212.9</b>      | <b>5.0</b>   | <b>217.9</b> | <b>202.0</b> | <b>29.8</b> | <b>231.8</b> | <b>(5.1%)</b>  | <b>6.4%</b> |
| <i>EBITDA margin</i>                     | <i>51.0%</i>      |              | <i>52.2%</i> | <i>51.1%</i> |             | <i>54.8%</i> |                |             |
| Depreciation & amortisation              | 31.4              | (8.0)        | 23.4         | 36.3         | (8.1)       | 28.2         | (15.6%)        | (20.5%)     |
| <b>EBIT</b>                              | <b>181.5</b>      | <b>13.0</b>  | <b>194.5</b> | <b>165.7</b> | <b>37.9</b> | <b>203.6</b> | <b>(8.7%)</b>  | <b>4.7%</b> |
| Net financing cost                       | 4.7               | 10.8         | 15.5         | 7.1          | 7.2         | 14.3         | (51.1%)        | 7.7%        |
| <b>Profit Before Tax</b>                 | <b>176.8</b>      | <b>2.2</b>   | <b>179.0</b> | <b>158.6</b> | <b>30.7</b> | <b>189.3</b> | <b>(10.3%)</b> | <b>5.8%</b> |
| Income Tax Expense                       | 49.8              | 3.1          | 52.9         | 50.3         | 6.2         | 56.5         | (1.0%)         | (6.5%)      |
| Profits from associates                  | 3.1               | 0.6          | 3.7          | 4.2          | 0.5         | 4.7          | 35.5%          | 27.0%       |
| Fair value revaluation                   | -                 | -            | -            | 9.8          | (9.8)       | -            | -              | -           |
| Gain on associate investment dilution    | 2.1               | (2.1)        | -            | -            | -           | -            | (100.0%)       | -           |
| Gain / (Loss) on business disposal       | -                 | -            | -            | (0.5)        | 0.5         | -            | -              | -           |
| Non-controlling interest (NCI)           | (0.1)             | 0.5          | 0.4          | (1.9)        | 2.6         | 0.7          | (1800.0%)      | 57.3%       |
| <b>Net profit after tax (continuing)</b> | <b>132.1</b>      | <b>(1.9)</b> | <b>130.2</b> | <b>119.9</b> | <b>18.3</b> | <b>138.2</b> | <b>(9.2%)</b>  | <b>6.1%</b> |

1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

# CARSALES "LOOK-THROUGH"<sup>4</sup> P&L ANALYSIS

| \$A Millions                        | FY19 <sup>1</sup>    |                |                         |                           | FY20                 |                |                         |                           | Growth %   |                         |                           |
|-------------------------------------|----------------------|----------------|-------------------------|---------------------------|----------------------|----------------|-------------------------|---------------------------|------------|-------------------------|---------------------------|
|                                     | % Owned              | Reported       | Underlying <sup>5</sup> | Look Through <sup>4</sup> | % Owned              | Reported       | Underlying <sup>5</sup> | Look Through <sup>4</sup> | Reported   | Underlying <sup>5</sup> | Look Through <sup>4</sup> |
| <b>Adjusted Revenue<sup>2</sup></b> |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| carsales International              |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| Brazil                              | 30%                  | Equity Acc'ted | 67.8                    | 20.3                      | 30%                  | Equity Acc'ted | 74.6                    | 22.4                      | n/a        | 10%                     | 10%                       |
| South Korea                         | 100%                 | 61.0           | 61.0                    | 61.0                      | 100%                 | 71.2           | 71.2                    | 71.2                      | 17%        | 17%                     | 17%                       |
| Other Asia and NZ                   | 100%                 | 4.1            | 4.1                     | 4.1                       | 100%                 | 4.3            | 4.3                     | 4.3                       | 6%         | 6%                      | 6%                        |
| Mexico                              | 100%                 | 2.0            | 2.0                     | 2.0                       | 100%                 | 2.1            | 2.1                     | 2.1                       | 9%         | 9%                      | 9%                        |
| Chile                               | 83%                  | 5.9            | 5.9                     | 4.9                       | 100%                 | 4.8            | 4.8                     | 4.8                       | -19%       | -19%                    | -2%                       |
| Argentina                           | 100%                 | 1.3            | 1.3                     | 1.3                       | 100%                 | 0.7            | 0.7                     | 0.7                       | -46%       | -46%                    | -46%                      |
| <b>Total International</b>          |                      | <b>74.2</b>    | <b>142.1</b>            | <b>93.6</b>               |                      | <b>83.1</b>    | <b>157.7</b>            | <b>105.5</b>              | <b>12%</b> | <b>11%</b>              | <b>13%</b>                |
| carsales Domestic                   |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| Domestic Core                       | 100%                 | 300.3          | 300.3                   | 300.3                     | 100%                 | 299.8          | 299.8                   | 299.8                     | 0%         | 0%                      | 0%                        |
| Domestic Investments <sup>3</sup>   | Various <sup>3</sup> | 43.0           | 53.2                    | 30.8                      | Various <sup>3</sup> | 40.2           | 47.5                    | 31.3                      | -6%        | -11%                    | 1%                        |
| <b>Total Domestic</b>               |                      | <b>343.3</b>   | <b>353.5</b>            | <b>331.2</b>              |                      | <b>340.0</b>   | <b>347.3</b>            | <b>331.1</b>              | <b>-1%</b> | <b>-2%</b>              | <b>0%</b>                 |
| <b>Adjusted Revenue<sup>2</sup></b> |                      | <b>417.5</b>   | <b>495.6</b>            | <b>424.7</b>              |                      | <b>423.1</b>   | <b>505.0</b>            | <b>436.6</b>              | <b>1%</b>  | <b>2%</b>               | <b>3%</b>                 |
| <b>Adjusted EBITDA<sup>2</sup></b>  |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| carsales International              |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| Brazil                              | 30%                  | Equity Acc'ted | 29.3                    | 8.8                       | 30%                  | Equity Acc'ted | 30.4                    | 9.1                       | n/a        | 4%                      | 3%                        |
| South Korea                         | 100%                 | 32.2           | 32.2                    | 32.2                      | 100%                 | 38.5           | 38.5                    | 38.5                      | 20%        | 20%                     | 20%                       |
| Other Asia and NZ                   | 100%                 | 2.3            | 2.3                     | 2.3                       | 100%                 | 2.2            | 2.2                     | 2.2                       | -3%        | -3%                     | -4%                       |
| Mexico                              | 100%                 | (5.0)          | (5.0)                   | (5.0)                     | 100%                 | (4.7)          | (4.7)                   | (4.7)                     | 7%         | 7%                      | 7%                        |
| Chile                               | 83%                  | 2.0            | 2.0                     | 1.7                       | 100%                 | 1.6            | 1.6                     | 1.6                       | -20%       | -20%                    | -4%                       |
| Argentina                           | 100%                 | (2.4)          | (2.4)                   | (2.4)                     | 100%                 | (1.6)          | (1.6)                   | (1.6)                     | 33%        | 33%                     | 33%                       |
| <b>Total International</b>          |                      | <b>29.1</b>    | <b>58.4</b>             | <b>37.6</b>               |                      | <b>36.0</b>    | <b>66.4</b>             | <b>45.1</b>               | <b>24%</b> | <b>14%</b>              | <b>20%</b>                |
| carsales Domestic                   |                      |                |                         |                           |                      |                |                         |                           |            |                         |                           |
| Domestic Core                       | 100%                 | 187.4          | 187.4                   | 187.4                     | 100%                 | 195.5          | 195.5                   | 195.5                     | 4%         | 4%                      | 4%                        |
| Domestic Investments <sup>3</sup>   | Various <sup>3</sup> | 1.4            | (9.9)                   | (0.9)                     | Various <sup>3</sup> | 0.3            | (5.0)                   | (0.4)                     | -79%       | 49%                     | 56%                       |
| <b>Total Domestic</b>               |                      | <b>188.8</b>   | <b>177.5</b>            | <b>186.5</b>              |                      | <b>195.8</b>   | <b>190.5</b>            | <b>195.1</b>              | <b>4%</b>  | <b>7%</b>               | <b>5%</b>                 |
| <b>Adjusted EBITDA<sup>2</sup></b>  |                      | <b>217.9</b>   | <b>235.9</b>            | <b>224.1</b>              |                      | <b>231.8</b>   | <b>256.9</b>            | <b>240.2</b>              | <b>6%</b>  | <b>9%</b>               | <b>7%</b>                 |

1. FY19 results have been restated to reflect the adoption of AASB16. Refer to slide 39 for AASB16 adjustments.

2. Adjusted Revenue and Adjusted EBITDA stated above is on a continuing basis, excludes certain non-recurring or non-cash items. see slides 36-37 for a reconciliation of Adjusted EBITDA to Reported EBITDA

3. Domestic Investments comprises RedBook Inspect, Appraisal solutions, Ratesetter and tyresales

4. carsales "look-through" methodology: For equity accounted associates and consolidated subsidiaries, add the total revenue or EBITDA for the period of ownership within the reporting period multiplied by the % ownership over the period. Some "look-through" numbers involve the disclosure of non IFRS information - Refer to carsales' Disclosure of Non IFRS information on slide 35 for further details.

5. Underlying reflects results assuming 100% ownership of all assets

# IMPACT OF AASB 16 LEASES ADOPTION

| \$A Millions   | FY19             |                   |                  | FY20             |                   |                  |
|--|------------------|-------------------|------------------|------------------|-------------------|------------------|
|  | Excluding AASB16 | AASB16 Adjustment | Including AASB16 | Excluding AASB16 | AASB16 Adjustment | Including AASB16 |
| <b>Adjusted Revenue<sup>1</sup></b>                      | <b>417.5</b>     | <b>-</b>          | <b>417.5</b>     | <b>423.1</b>     | <b>-</b>          | <b>423.1</b>     |
| <i>Adjusted EBITDA<sup>1</sup></i>                       |                  |                   |                  |                  |                   |                  |
| Online Advertising                                       | 158.4            | 4.1               | 162.6            | 164.0            | 4.2               | 168.3            |
| Data, Research and Services                              | 25.5             | 0.7               | 26.2             | 26.8             | 0.7               | 27.5             |
| Asia   | 32.1             | 2.4               | 34.5             | 37.8             | 3.0               | 40.7             |
| Latin America  | (5.9)            | 0.5               | (5.4)            | (5.0)            | 0.4               | (4.7)            |
| <b>Adjusted EBITDA<sup>1</sup></b>                       | <b>210.1</b>     | <b>7.7</b>        | <b>217.9</b>     | <b>223.5</b>     | <b>8.3</b>        | <b>231.8</b>     |
| Depreciation & amortisation                              | 16.2             | 7.2               | 23.4             | 20.6             | 7.6               | 28.2             |
| <b>EBIT</b>  | <b>193.9</b>     | <b>0.5</b>        | <b>194.5</b>     | <b>202.9</b>     | <b>0.7</b>        | <b>203.6</b>     |
| Net finance costs  | 13.4             | 2.1               | 15.5             | 12.5             | 1.8               | 14.3             |
| <b>Profit Before Tax</b>                                 | <b>180.5</b>     | <b>(1.6)</b>      | <b>179.0</b>     | <b>190.5</b>     | <b>(1.2)</b>      | <b>189.3</b>     |
| Income tax expense                                       | 53.2             | (0.3)             | 52.9             | 56.8             | (0.3)             | 56.5             |
| Profits from associates                                  | 3.7              | -                 | 3.7              | 4.7              | -                 | 4.7              |
| Non-controlling interests (NCI)                          | 0.4              | -                 | 0.4              | 0.7              | -                 | 0.7              |
| <b>Adjusted NPAT<sup>1</sup> (continuing operations)</b> | <b>131.3</b>     | <b>(1.2)</b>      | <b>130.2</b>     | <b>139.1</b>     | <b>(0.9)</b>      | <b>138.2</b>     |
| <b>Summary of Reported Results</b>                       |                  |                   |                  |                  |                   |                  |
| Reported Revenue   | 417.5            | -                 | 417.5            | 395.6            | -                 | 395.6            |
| Reported EBITDA  | 205.2            | 7.7               | 212.9            | 193.7            | 8.3               | 202.0            |
| Reported NPAT (continuing operations)                    | 133.3            | (1.2)             | 132.1            | 120.8            | (0.9)             | 119.9            |

1. Adjusted Revenue and Adjusted EBITDA stated above is on a continuing basis, excludes certain non-recurring items. See slide 35 regarding the disclosure of non-IFRS Information and slides 36-37 for a reconciliation of Adjusted Financials to Reported Financials.



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