



carsales  com ltd

Trader Interactive Investor Presentation

8 September 2023



Disclaimer and Non-IFRS Information

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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?

- 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.
- 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", "Proforma" or "look-through" to differentiate it from reported/IFRS financial information.

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1. Introduction



The Trader Interactive Story

1991 → 1996 → 2006 → 2017 → 2021 → 2022



Cox Enterprises and Landmark Media come together to form Trader Publishing Company

Trader Publishing Company launches non-auto vehicle digital marketplaces

Landmark Media and Cox Enterprises split auto and non-auto assets, Landmark keeping non-auto

Landmark re-brands non-auto assets as Dominion Enterprises with Dominion Web Solutions as the online brand

Dominion Web Solutions aggressively pursues online strategy with print revenues declining

Eurazeo and Goldman Sachs acquire Dominion Web Solutions

Dominion Web Solutions rebrands as Trader Interactive



carsales acquires 49% interest in Trader Interactive



carsales acquires additional 51% interest to move to 100% ownership

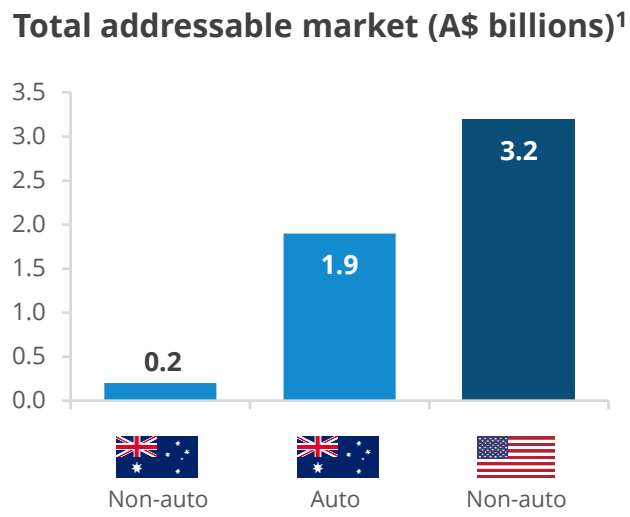
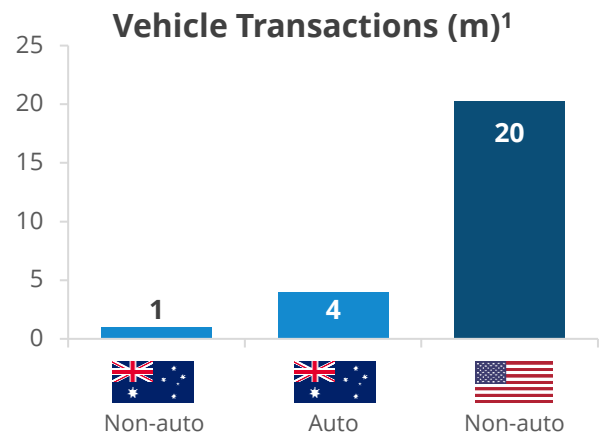
Strong Conviction in Growth Potential



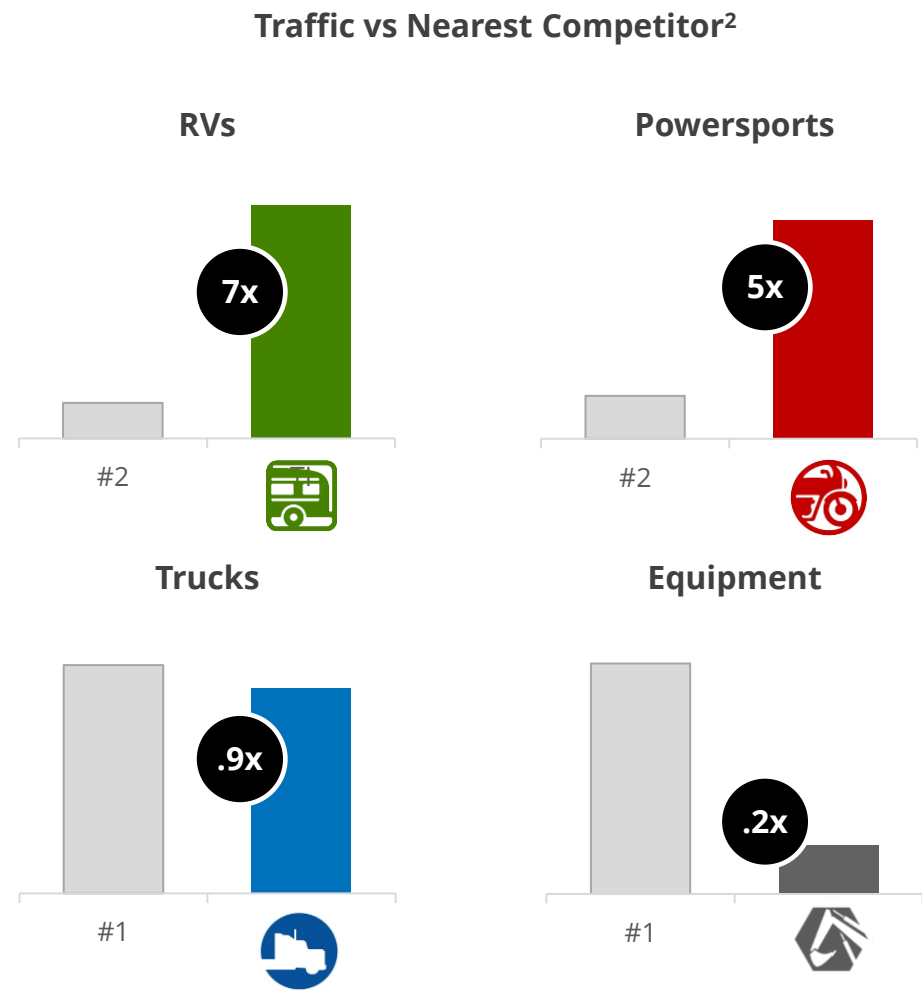
(1) Similarweb Jun-July 23 sessions.

1 Leadership Across Huge and Attractive Markets

US non-auto market is significant



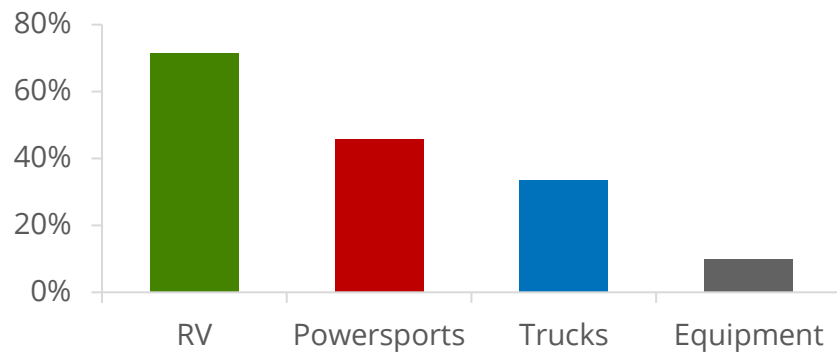
Trader Interactive has strong brands



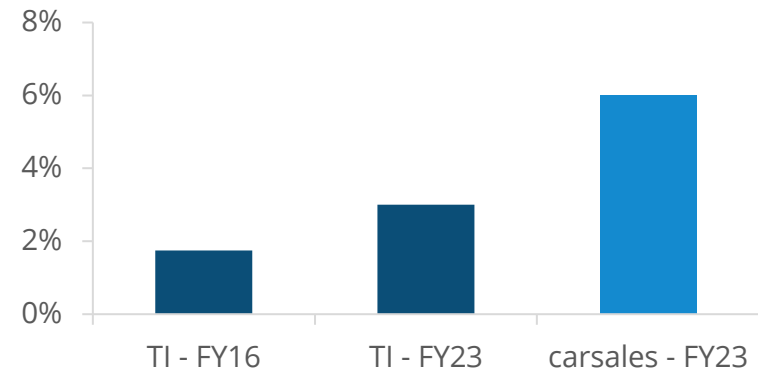
(1) Refer to appendix for total addressable market calculations. (2) Similarweb sessions. Truck: Similarweb Jun-July 23, all others: FY23.

2 Significant Future Growth Opportunity

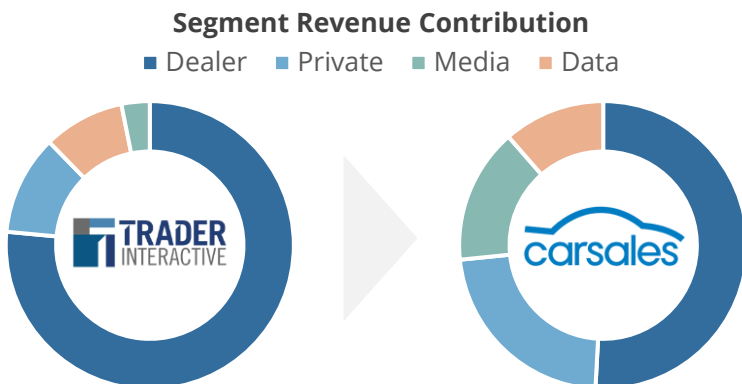
Substantial dealer penetration upside¹



Take-rates are low compared to Australia²



TI can further diversify revenue contribution³



Future opportunities in adjacent areas



Improving our marine footprint



Ramping up digital retailing



Expanding data & services products

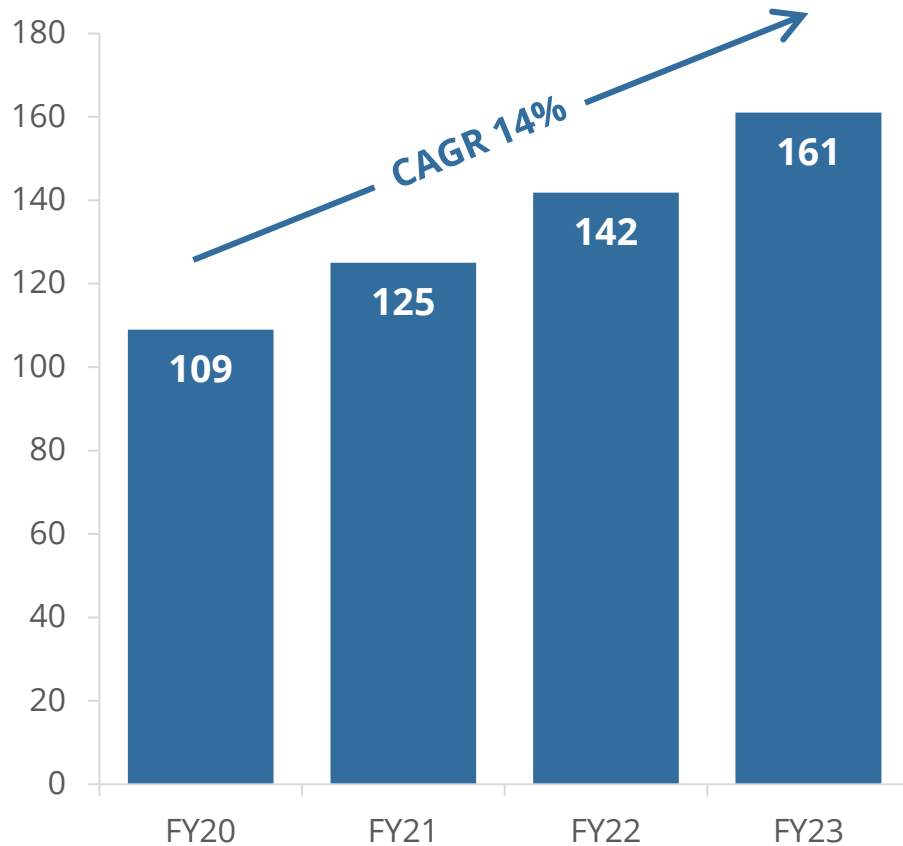
(1) Subscribed dealers / total dealers. (2) Revenue per vehicle / gross profit per vehicle. carsales management estimates. (3) FY23 revenue by segment.

3

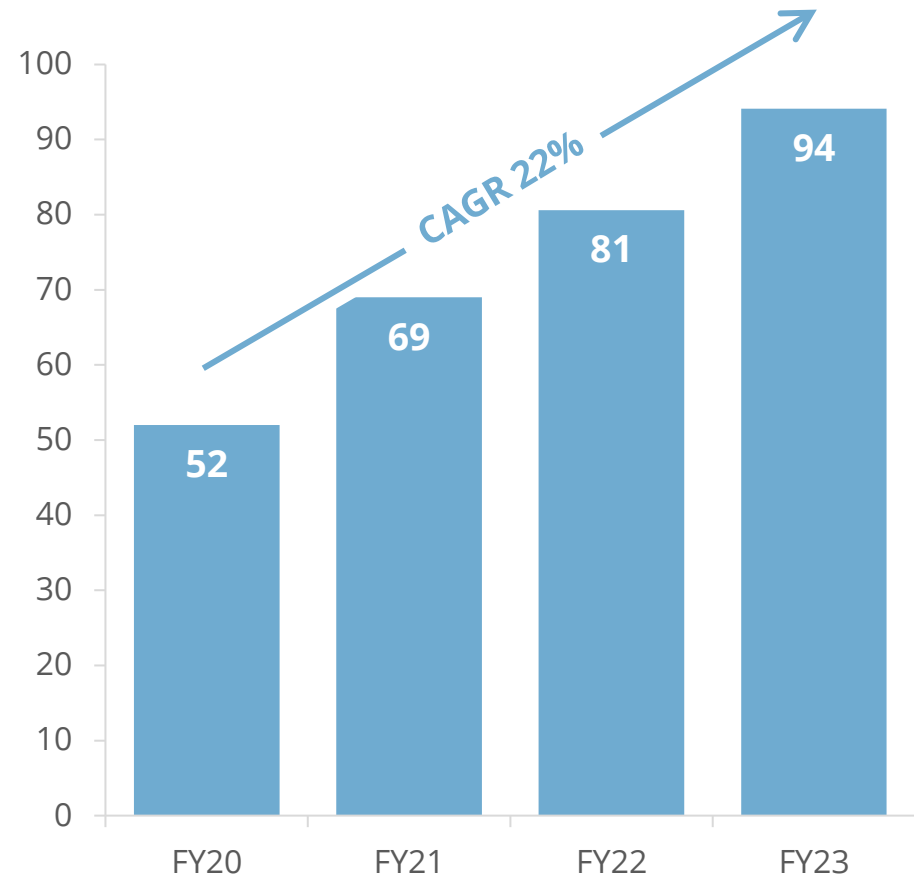
Strong Business Model Driving Performance

Trader Interactive has delivered strong financial outcomes

Revenue (USDm)



Adjusted EBITDA (USDm)¹



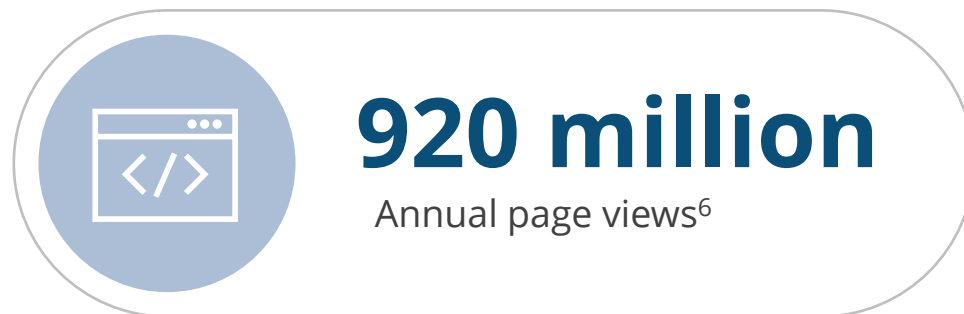
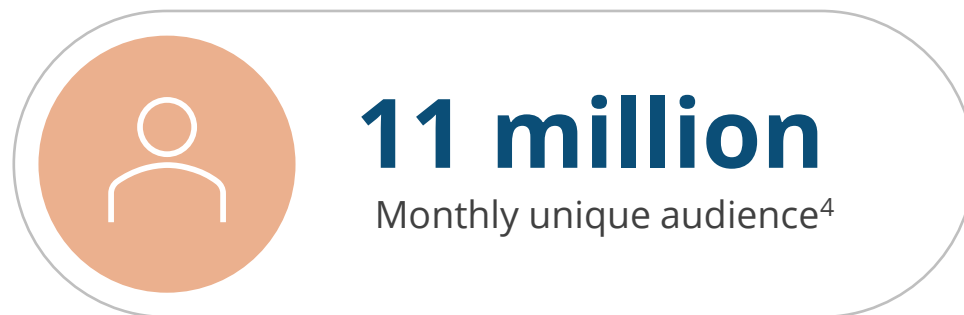
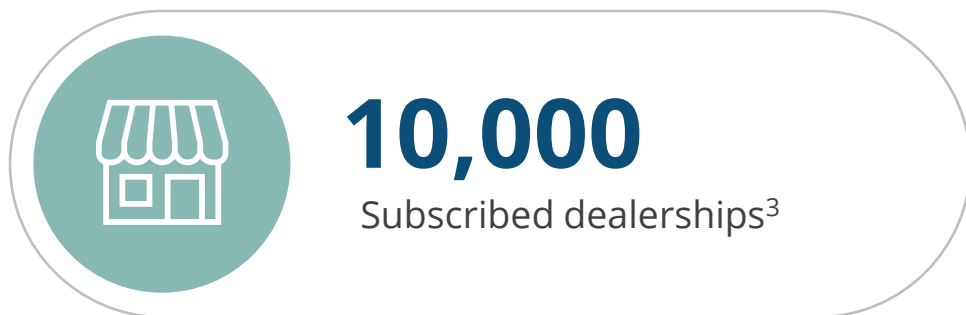
(1) Adjusted financials excludes certain non-recurring or non-cash items. See slide 2 regarding the disclosure of non-IFRS Information and slides 38-39 of the FY23 Results Presentation for a reconciliation of Adjusted to Reported Financials.

2. Strategic Priorities



Unrivalled Scale of Marketplaces

Our network of marketplaces has unrivalled scale generating strong network effects

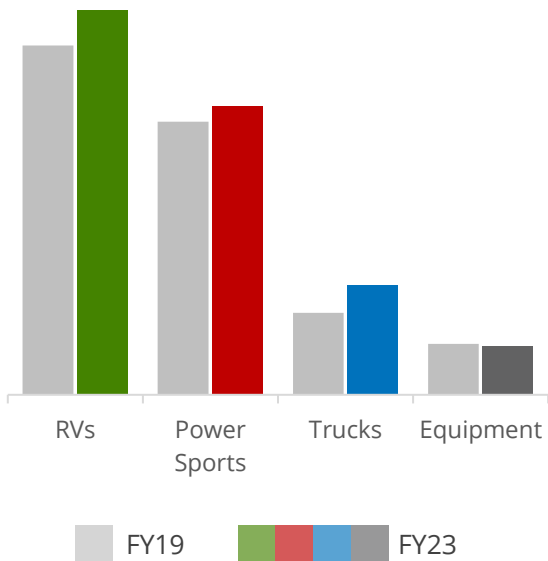


Strong Operating Metrics

Focus on delivering outcomes for buyers and sellers

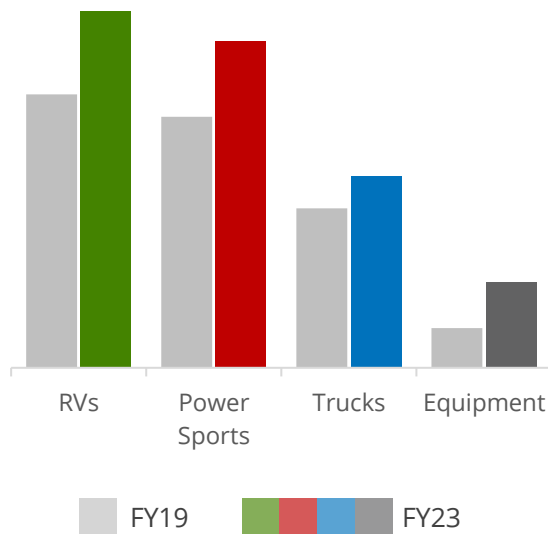
Traffic volumes have normalised above 2019 levels in all verticals

Traffic (visits)¹



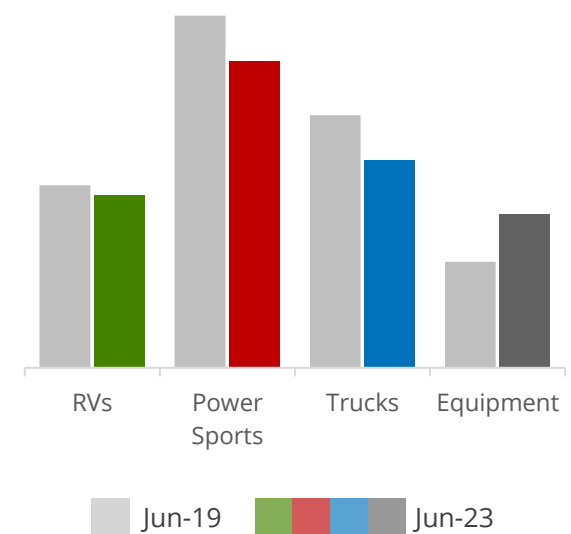
Compelling value proposition with leads significantly above 2019 levels

Dealer Leads²

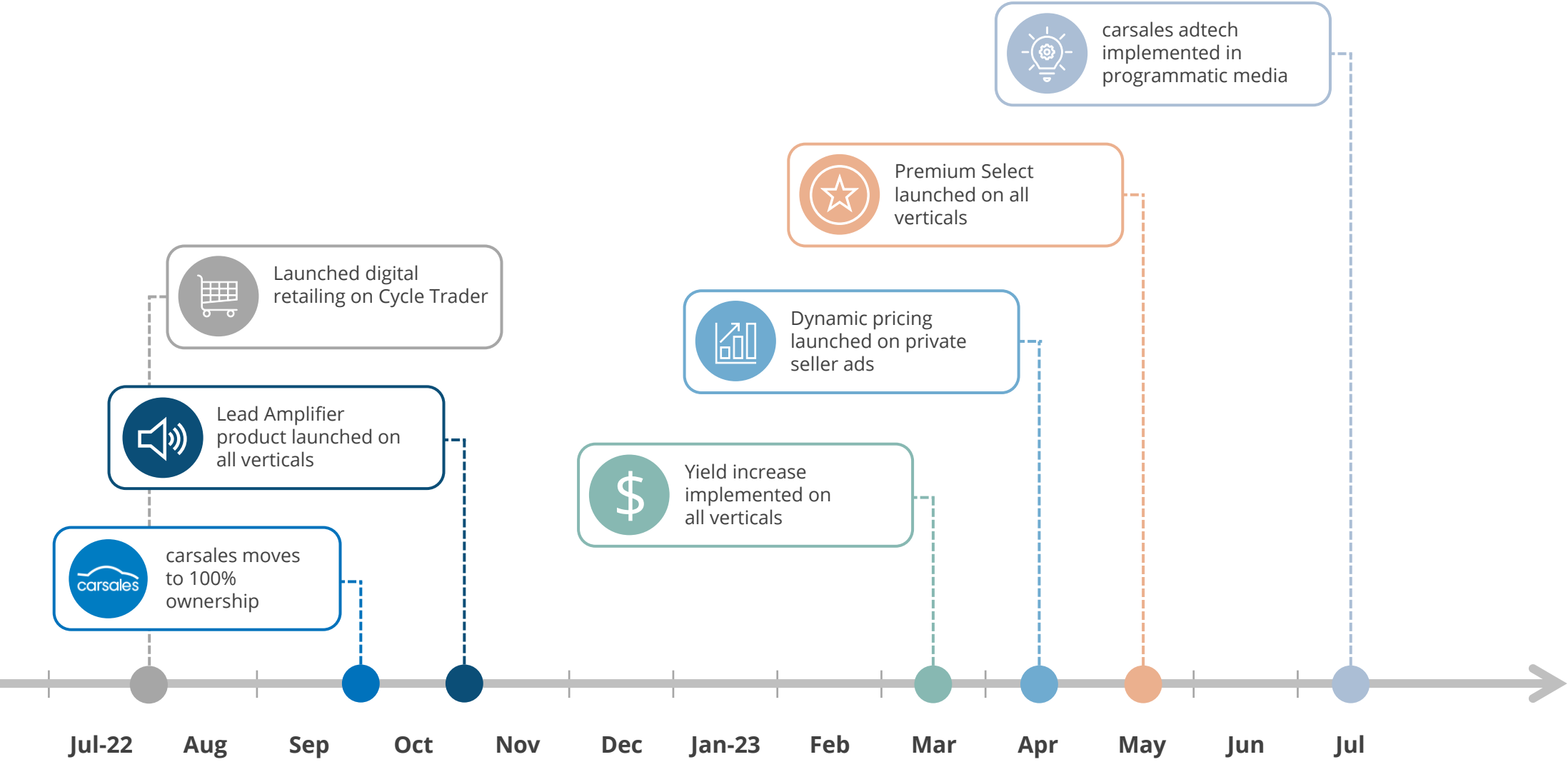


Inventory conditions continue to improve and are near pre-pandemic levels

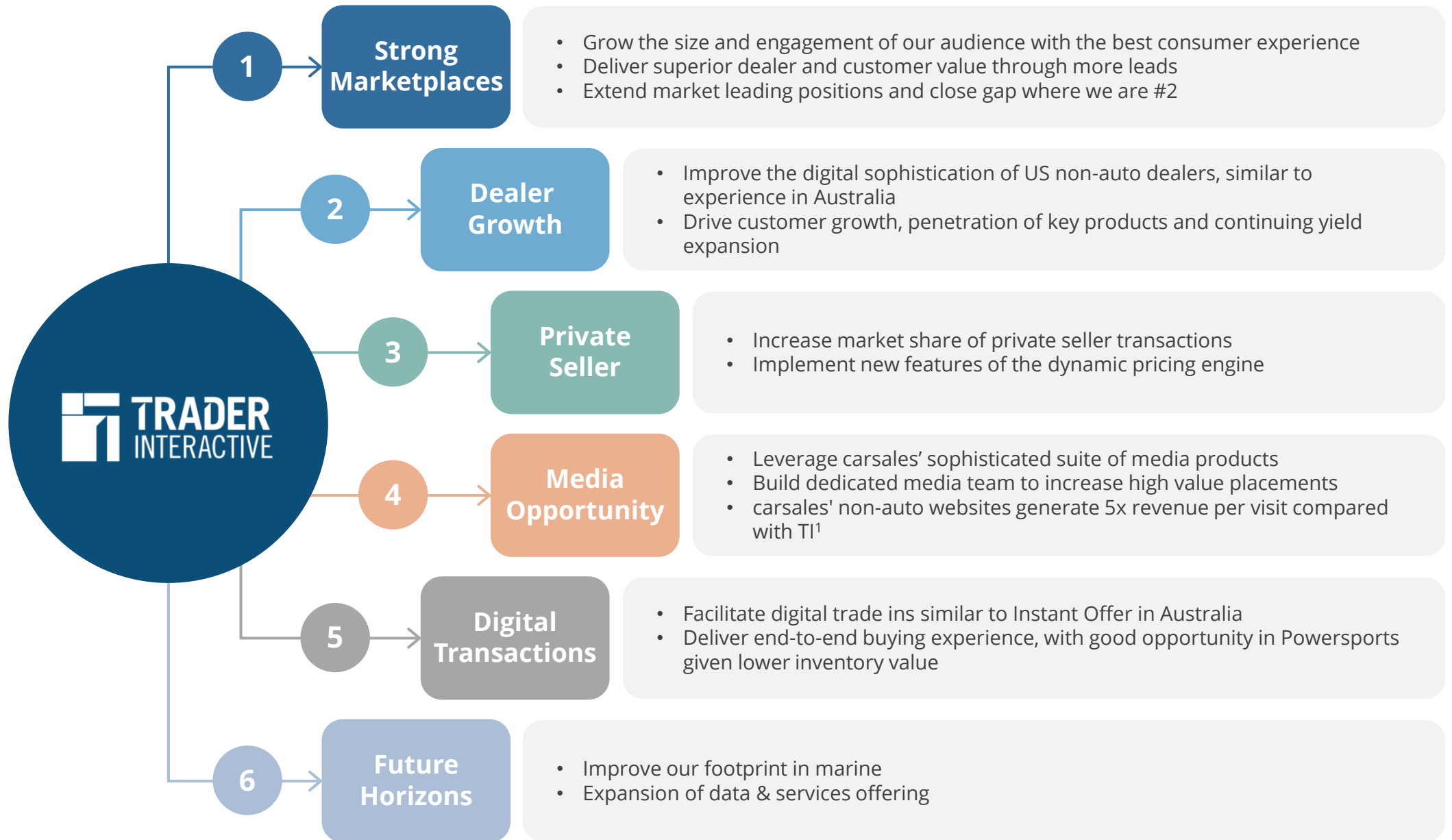
Published Inventory³



Rapid Execution Over Last 12 months



Trader Interactive's Priorities



(1) FY23 media revenue / total sessions FY23.

1 Strengthen our Marketplaces





Our aim is to make buying and selling a great experience

Invest in growing stronger brands

-  Optimise SEO performance
-  Increase and enhance paid search marketing
-  Invest in brand awareness
-  Establish and maintain leadership



Build the best consumer and customer experience

-  Best in class user experience
-  Increasingly digital transaction process
-  Best data and insights
-  Enhance trust & safety

2 Dealer Growth Priorities

Strategy is to grow our value proposition which will support future dealer acquisition and yield growth

Enhance Value Proposition

- Grow lead volumes faster than our competitors - leads are up 41% on pre-pandemic levels¹
- Enhance dealer tools, return on investment visibility, and local sales and service capability

Increase Depth Usage & Penetration

- New ad types are being developed to better meet dealer needs
- Premium Select delivers excellent value with up to 5x leads²
- Inventory penetration levels are less than 10% today

Build Compelling New Products

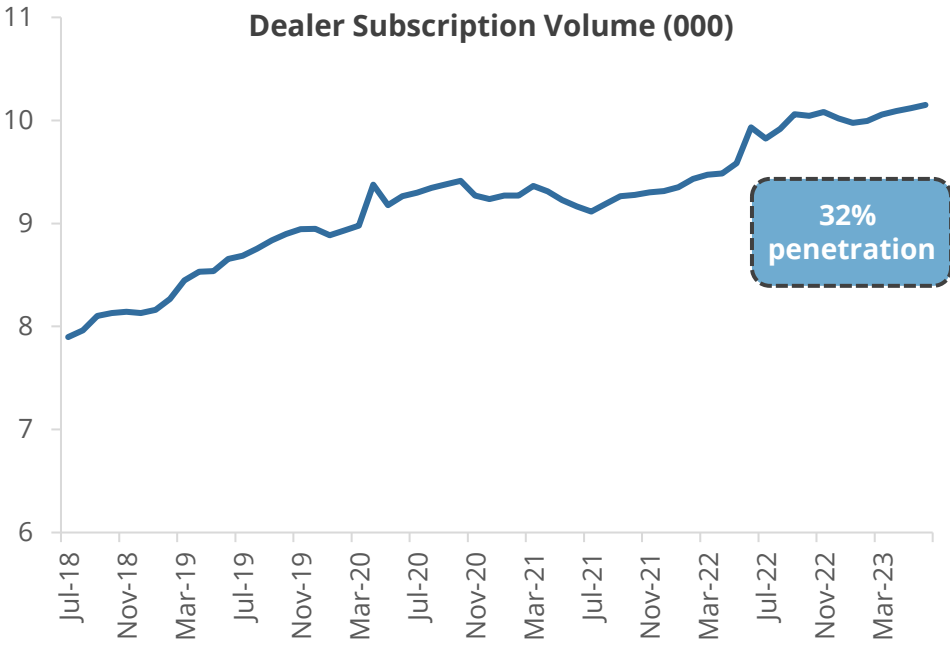
- Launch new products to market that add value to experience
- Delivered Lead Amplifier opt-out product in FY23 that delivered multiple % points to revenue

Sustainable Yield Management

- Grow yield in line with increased value delivered
- Opportunity to simplify packages in future

Grow Dealer Subscription Volumes

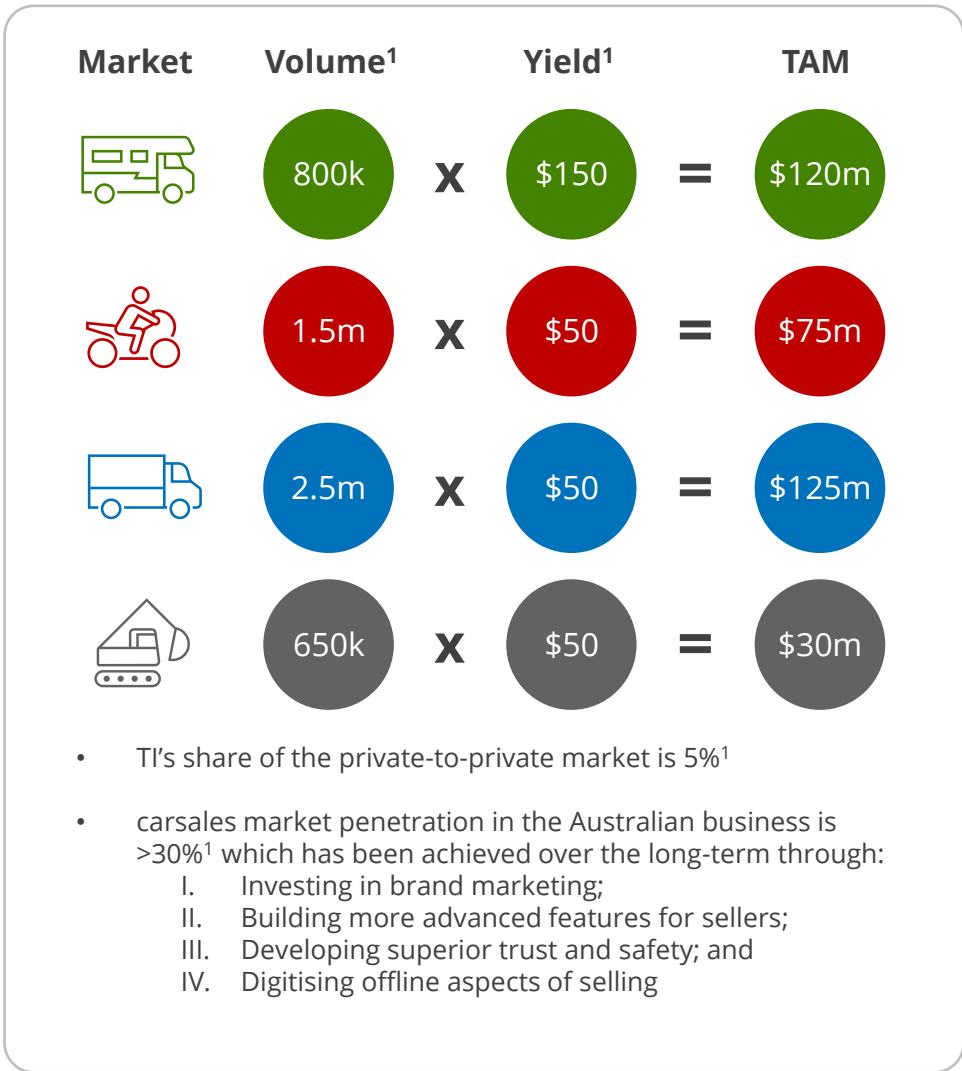
- Dealer penetration is c.30%³
- Key opportunities in Powersports and Trucks
- Grew 300 dealers in FY23



(1) FY23 total leads vs FY19. (2) Premium Select vs standard ads, carsales internal data (3) carsales management estimates.

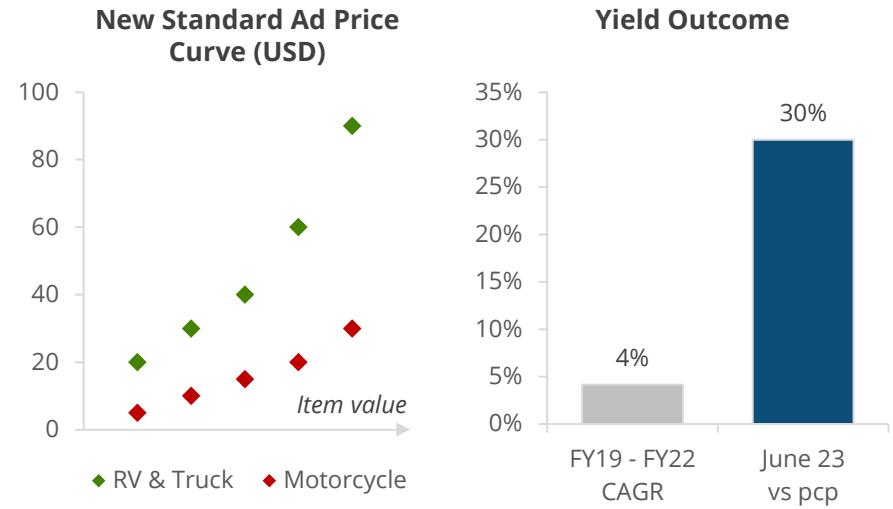
3 Private Seller

The private-to-private market opportunity is significant



The dynamic pricing engine is driving yields

- Historically, charged one flat fee regardless of inventory value
- Dynamic pricing has been launched on all verticals to more closely align ad fee with item value
- Yield benefit has been significant with 30%+ upside to yield with no volume impacts
- Further upside to follow as more features of the engine are implemented



(1) carsales management estimates.

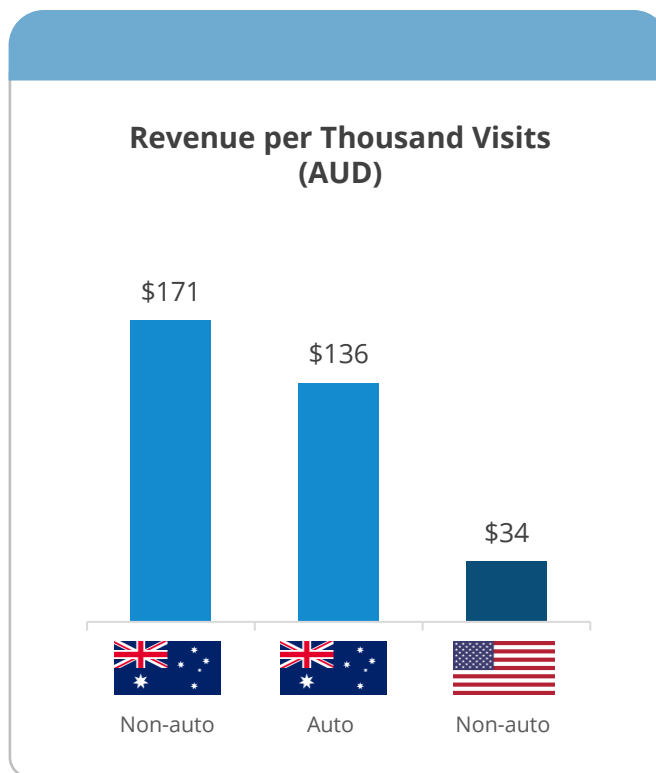
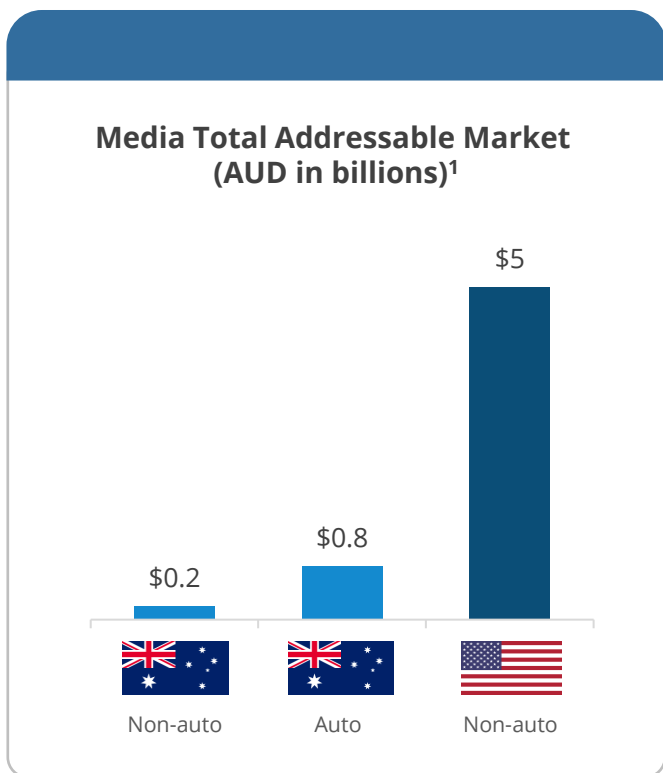
4 Media Opportunity

Large upside opportunity through a more sophisticated and dedicated approach to media

The total addressable market 6x the size of the Australian auto market¹

TI Media revenue per visit is 5x lower than Australia

We will grow a direct sales team to engage OEMs and Agencies



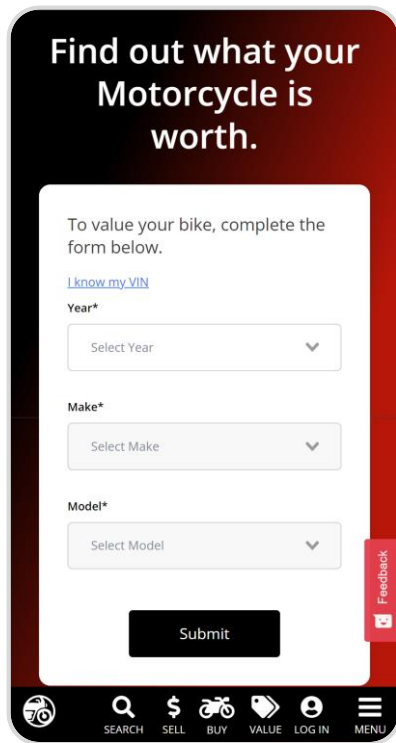
- Building a dedicated direct sales team is required to address the large and fragmented OEM market
- Plan is to build relationships with key agencies and OEMs with large advertising budgets
- Will utilise high value carsales ad placements such as homepage buyout, native and video products

(1) carsales management estimates.

5 Digital Transactions

Digital Trade-ins

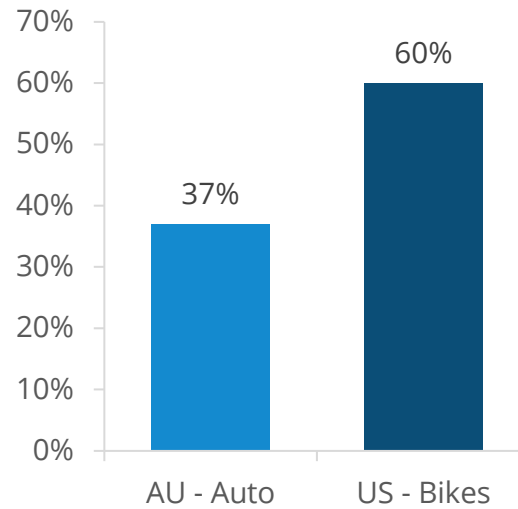
We have built a motorcycle valuation tool and are adding dealers to the platform



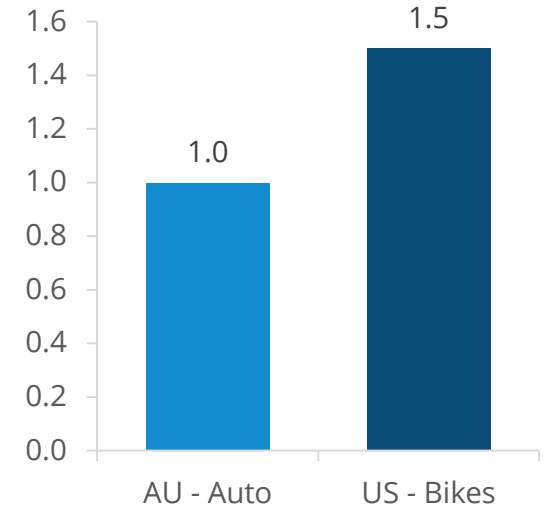
Digital Retailing

The consumer demand for a digital retail is very strong in bikes with a high number of low value transactions

Willingness to buy online¹



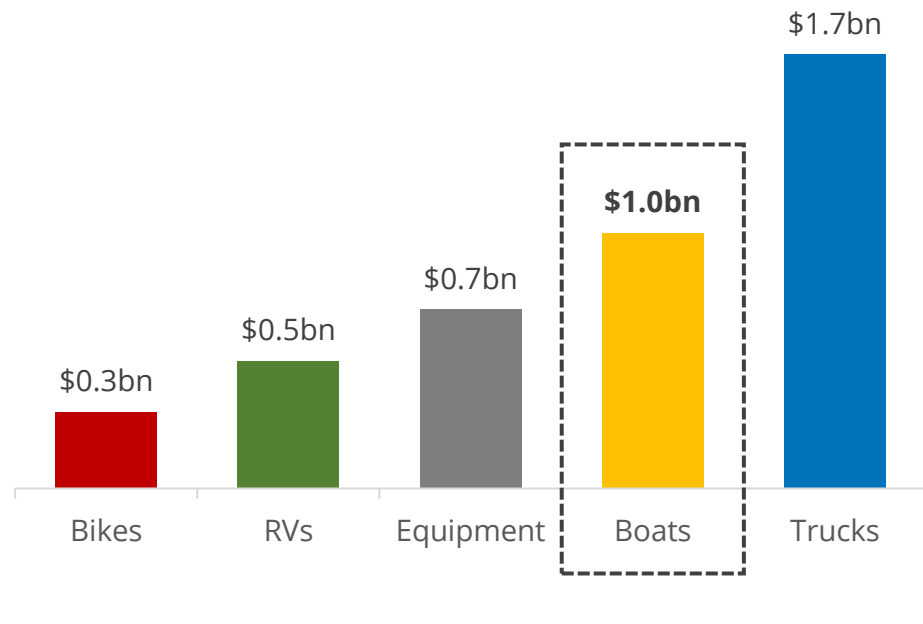
Dealer to Consumer sales (m)²



(1) Australia - Nature Buy Online Research Survey. US - Trader Interactive Consumer Survey, Jun-22. n = 1,013. Question: "Are you willing to buy a used car/bike online?" (2) carsales management estimates.

6 Future Horizons – Marine & Data

The marine TAM is one of the largest in the TI portfolio¹



200k

Monthly sessions

50k

Published listings

Opportunity to expand data and services



- Trader Interactive has a data business that collects industry sales information to produce reports similar to the Australian new car sales report, vfacts
- Opportunity to grow customer base and expand reporting capability



- Our dealer CRM system, 'Trader Traxx' allows dealers to access leads, publish inventory and optimise their online performance through reporting and insights
- We can introduce more reporting and insight products such as consumer surveys

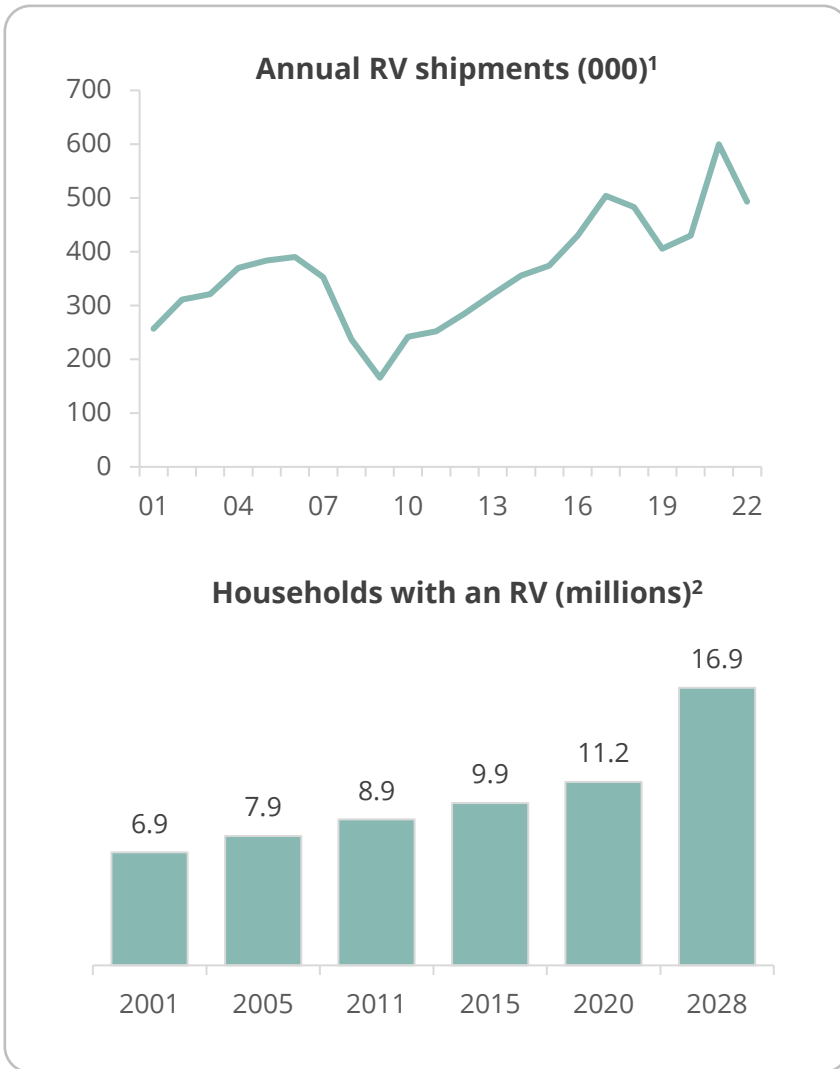
(1) Total addressable market calculations are carsales management estimates in AUD.

3. Dealer and Market Overview



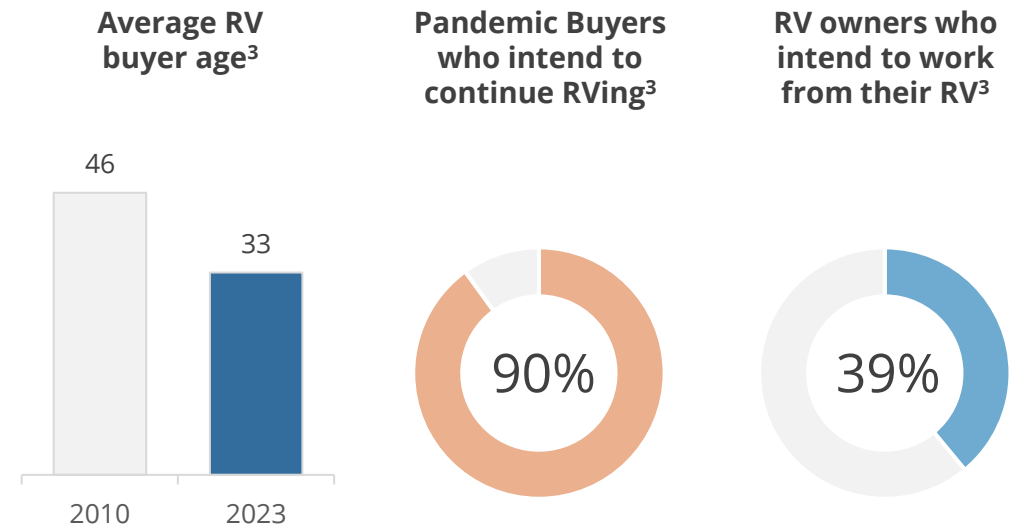
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Good outlook for the RV industry



RV buyer demographic is changing







- Generational shift underway as buyers of RVs trend younger
- Also becoming more diverse with an increase in female participation
- Buyers who purchased RVs during the pandemic have indicated they intend to continue travelling with their RV post pandemic
- RV buyers also intend to use their RV to travel and work simultaneously






(1) RV Industry Association. (2) GoRVing RV Owner Demographic Profile and Grand View Research Project. (3) RV Industry Association, surveys of RV buyers who purchased their first RV in 2022, n = 600.

RV Market Overview

RV Inventory Types

Shape	Type	Description	Price	% TI listings
	Class A	Truck chassis or commercial bus	\$80k - \$150k+	10%
	Class B	Converted conventional van / sprinter	\$75k - \$125k	5%
	Class C	Cutaway medium / heavy duty truck or van	\$60k - \$100k	10%
	Fifth Wheel	Towed via horseshoe shaped coupling device	\$40k - \$100k	25%
	Travel Trailer	Conventional towable caravan	\$20k - \$50k	48%
	Pop-up	Collapsible walls for towing and storage	\$10k - \$20k	2%

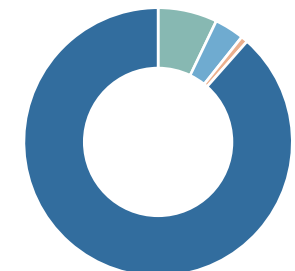
Key Players - nearly 100 brands

Brand	Owner	Market share
	Berkshire Hathaway	20%
	Thor Industries Mkt Cap: \$5bn	13%
	Winnebago Mkt Cap: \$2bn	10%

Dealer Concentration

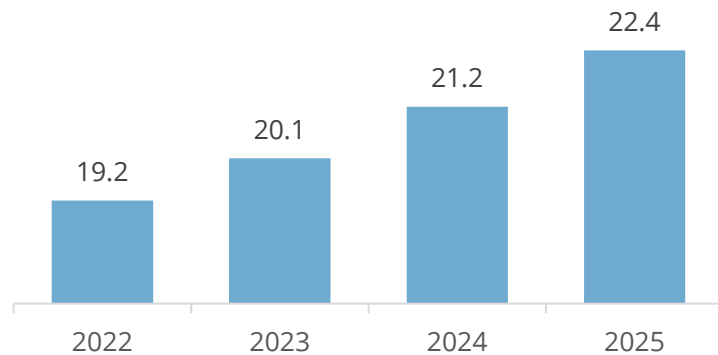
Dealer Counts

- Dealer Group 1
- Dealer Group 2
- Dealer Group 3
- Other

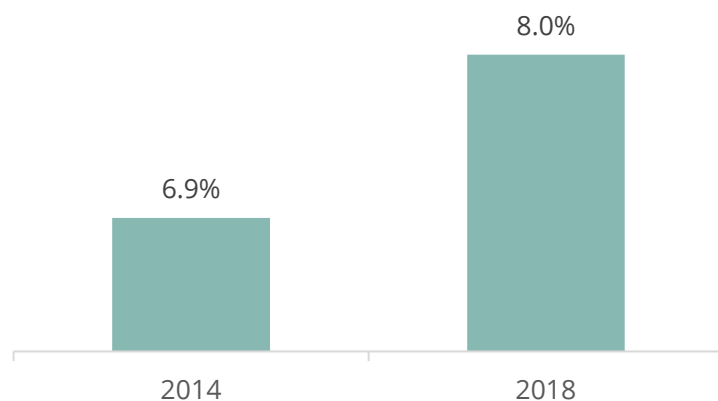


Growing powersports market

North American Total Powersports market (US\$bn)¹



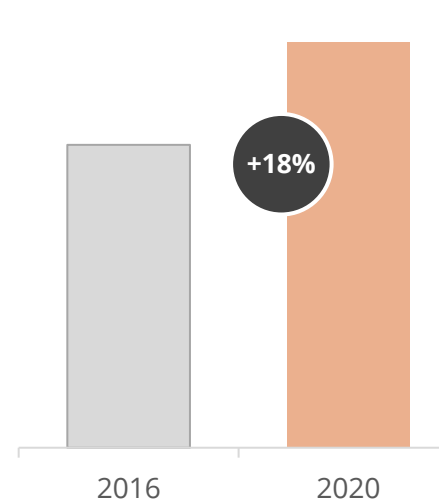
USA households with motorcycles²



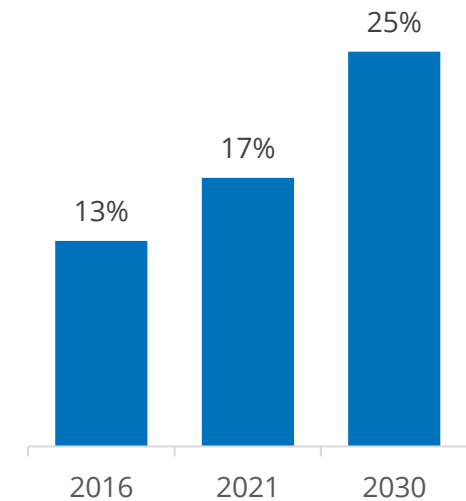
Motorcycle buyer demographics are changing

- Surging demand for lifestyle assets and Increasing interest in off-road adventure activities is driving popularity of powersports vehicle ownership
- Rising participation from younger generation riders

16-20 year-old motorcycle owners³










% female motorcycle owners⁴



Powersports Market Overview

Key Powersports Inventory Types

Shape	Type	Description	Price	% TI listings
	Sport bikes	High-performance motorcycles for high-speed riding	\$2k - \$20k+	10%
	Cruisers	Low seats, often reclined for relaxed riding	\$2k - \$20k+	10%
	Standard / road bikes	Standard bikes for comfortable daily commutes	\$1k - \$15k+	10%
	Dirt bikes	Taller seats to accommodate suspension for off-road riding	\$1k - \$12k+	10%
	ATVs	Recreational quad bikes suited for all terrains	\$1k - \$12k+	15%
	Scooters	Smaller in size and easy to use; for short commutes or city rides	\$1k - \$6k+	3%
	Electric	Electric powertrain	\$1k - \$20k+	1%

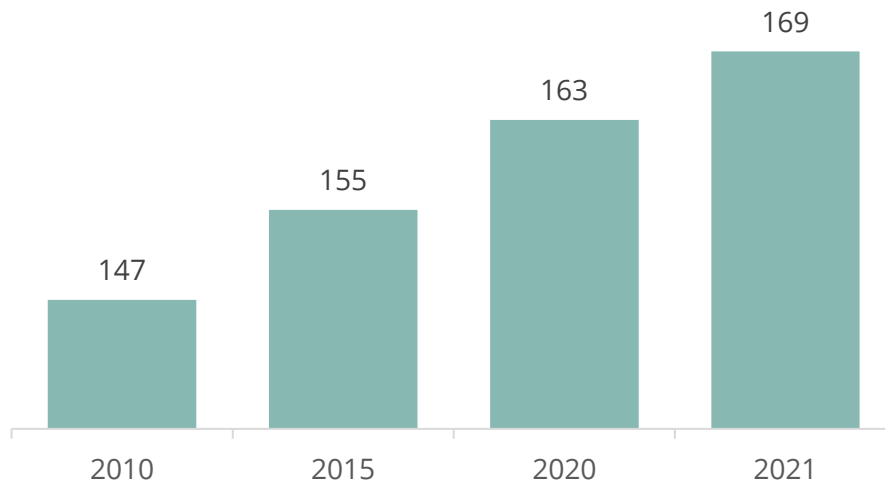
Key Players

Brand	Owner	Market share
	NYSE: HOG Mkt Cap: \$5bn	25%
	TYO: 7267 Mkt Cap: \$55bn	20%
	TYO: 7272 Mkt Cap: \$10bn	20%
	TYO: 7012 Mkt Cap: \$5bn	12%
	TYO: 7012 Mkt Cap: \$16bn	12%
	NYSE: PII Mkt Cap: \$6bn	5%

Strong growth in registered trucks

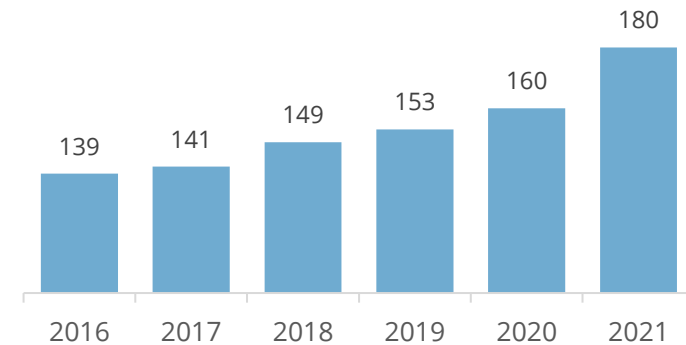
- Trucks are a critical component of the US economy
- Rise of e-commerce has increased transport and truck demand
- Increases in construction activity also expected to underpin future growth

Registered light and heavy-duty trucks (millions)¹

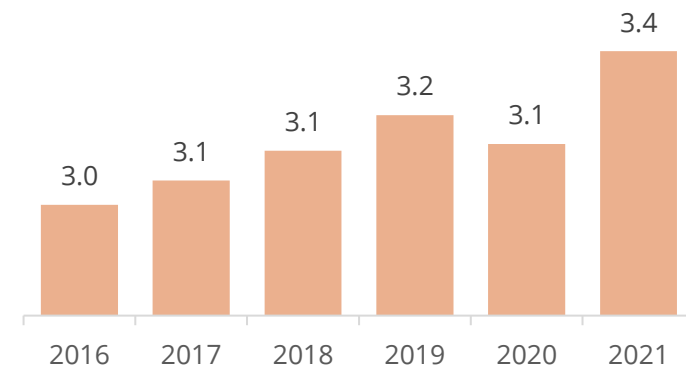


Supported by favourable market dynamics

Trucking Transport companies (000)²

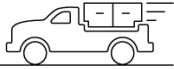
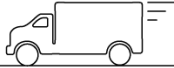
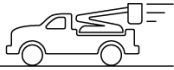





Trucking Transport employees (m)¹











Trucks Market Overview

Truck Inventory Types

Shape	Type	Description	Price	GVWR	% TI listings
Light Duty					
	Classes 1-3	Light trucks including SUVs and pick-up trucks	\$5k - \$30k+	<14k lb	53%
	Classes 4-6	Medium trucks including box trucks, service trucks, dump trucks, flatbeds, crane bodies, refrigerated trucks and tow trucks	\$10k - \$70k+	14k -26k lb	13%
					
					
Heavy Duty					
	Class 7	Heavier duty trucks including street sweepers and garbage trucks	\$20k - \$70k+	26k - 33k lb	2%
	Class 8	Heavy duty trucks typically for long haul freight transportation	\$20k - \$150k+	33k+ lb	13%

Key Players

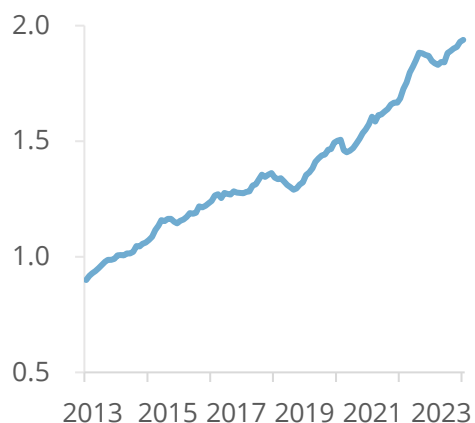
Brand	Owner	Market share
Light Duty		
	Ford Mkt Cap: \$48bn	29%
	GM Mkt Cap: \$46bn	22%
	Stellantis Mkt Cap: \$54bn	17%
Heavy Duty		
	Daimler Trucks Mkt Cap: \$30bn	38%
	Paccar Mkt Cap: \$43bn	10%
	Daimler Trucks Mkt Cap: \$30bn	10%
	Paccar Mkt Cap: \$43bn	10%
	Volvo Group Mkt Cap: \$40bn	20%

Equipment Market Overview

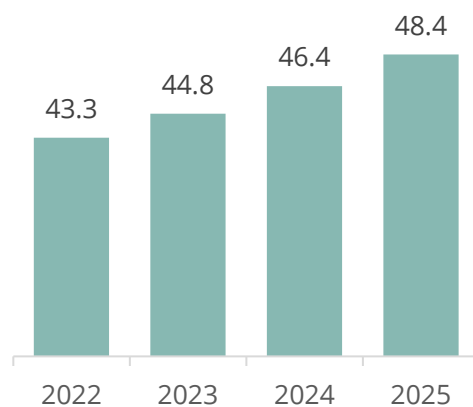
Demand for equipment underpinned by construction tailwinds

- Strong rebound in both non-residential and residential construction following significant challenges during the pandemic
- Supported by increased construction of more affordable, multi-family dwelling buildings
- The US government's bipartisan push for increased infrastructure expenditure through the Infrastructure Investment and Jobs Act is also expected to support 32,000+ specific projects / awards

US construction expenditure (US\$tr)¹



North America construction equipment market (US\$bn)²



Key Equipment Inventory Types

Shape	Type	Description	% TI listings
	Agricultural	Vehicle for mechanising agricultural tasks amongst others	15%
	Construction	Suited for digging and excavating	12%
	Lifting	For raising and lowering cargo	8%

Key Players

OEM	Owner	Market share
	NYSE: CAT Mkt Cap: \$139bn	22%
	NYSE: DE Mkt Cap: \$116bn	14%

(1) US Census Bureau (August 2023). (2) "Global Construction Machinery Market 2023-2027", Technavio (December 2022).

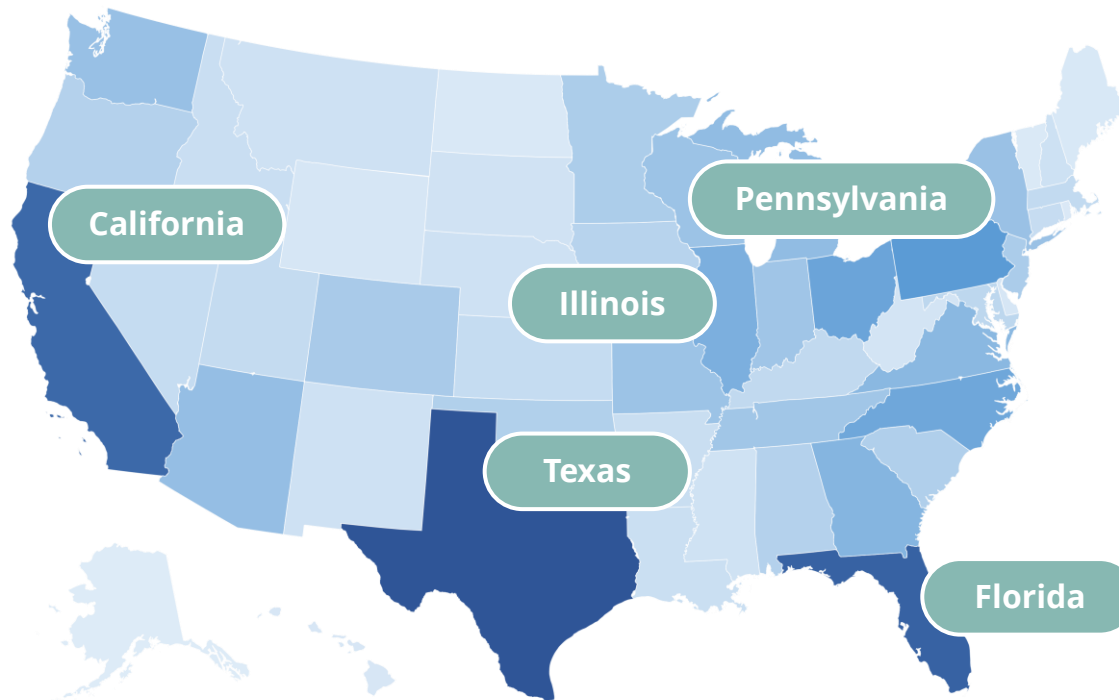
Dealer Acquisition Strategy

Dealer whitespace is substantial with large volume of dealers to be acquired

Heat Map of Key Dealer Acquisition Target States

States with
few dealers

States with
many dealers



Acquisition Strategy

1

Segmenting sales teams by vertical with dedicated new business and account management teams for each vertical

2

Increased focus on powersports and trucks

3

Increased headcount particularly in acquisition space

4

Develop predictive churn model to minimise cancellations

Dealer Yield Growth Strategy

Focus on increasing premium product take-up and dealer education



Upsell Dealers Into Premium Packages

Advance dealers through inventory tiers and increase premium offering penetration

- With stock conditions improving in key verticals, opportunity to progress dealers through inventory tiers
- Focus on increasing penetration of premium products
- Cross-sell market data and insights products
- Maximising participation of OEM and co-op programs

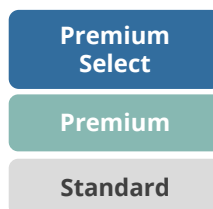


Increase Depth Product Offering

Expand on success of Premium Select with more diverse products in listings environment

- Premium Select has over 1,000 dealers participating after the first three months
- Next steps are to explore introduction of more products and buying format options such as programmatic and transactional

TI depth



carsales depth



Maximise TI Value Attribution

Ensure optimum attribution of TI enquiries and develop dealer understanding of ROI

- Focus on ensuring that the value TI deliver for customers is correctly attributed
- **Key priorities:**
 - Minimising traffic leakage from TI sites to other sites
 - Introduce consumer surveys to measure lead to sale conversion and present this data in Trader Traxx
 - Maximising Traxx usage to educate dealers on ROI, their online performance, depth products and inventory and lead management

4. Media Strategy



Media Strategy



1



Grow direct sales team to engage OEMs and Agencies

- Develop and grow sales team to build relationships with key agencies and OEMs

2



Expand media product set and capability

- Implement key media products from carsales Australia into TI

3



Explore implementation of key technologies

- Improve programmatic performance through ad health optimisation
- Explore suitability of Customer Data Platform (CDP) and self-serve platform

4



Diversify customer base into non-vehicle advertising market

- Attract digital advertisers outside of key markets within similar lifestyle industries

1 Grow Direct Sales Team

There are more than 300 vehicle advertisers with large addressable markets



RVs



Motorcycles



Trucks



Equipment

\$1.3bn

\$1.5bn

\$1bn

\$1bn

Key brands



Key brands



Key brands



Key brands

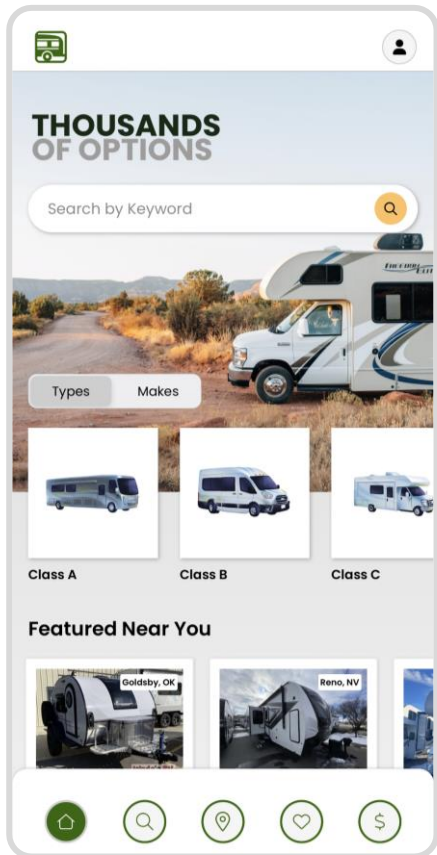


Total addressable markets are carsales management estimates based on the marketing spends of OEMs where publicly available.

2 Expand Media Product Set

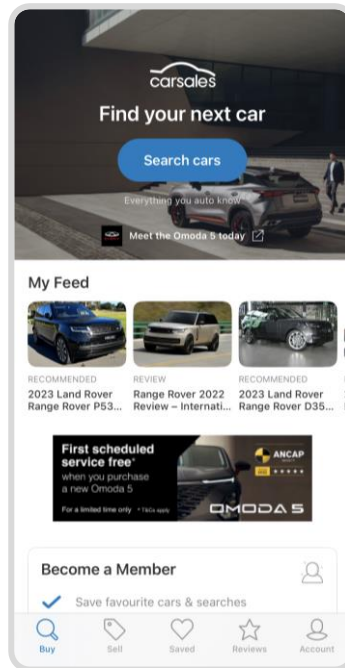
Trader Interactive can increase product capability by implementing key products from carsales

RVTrader app today



Carsales Australia product set

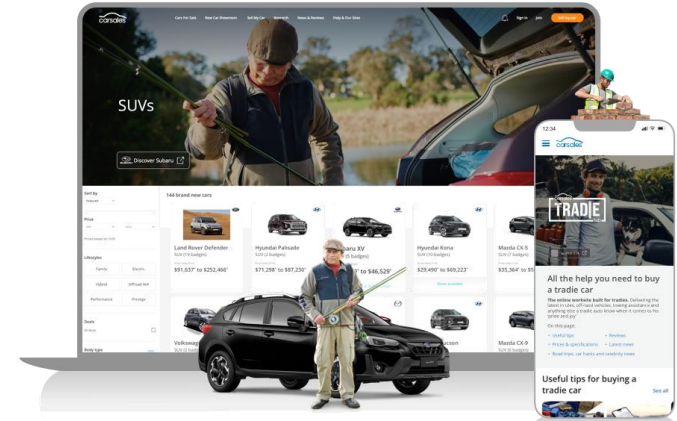
Homepage Buyout



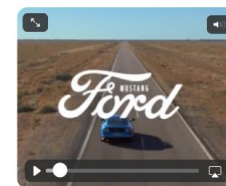
Native Ads



Creative



Native Video



Partnerships



Branded Content



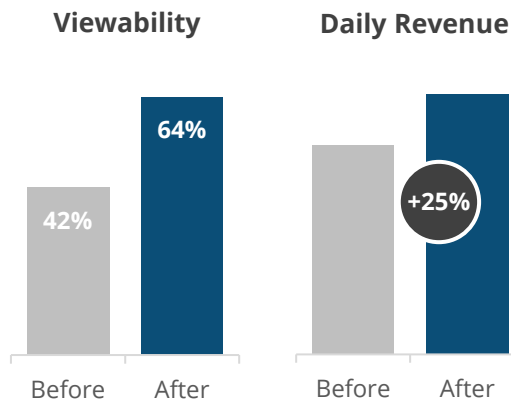
3 Explore Key Technology Programs

carsales has a suite of technologies that can enhance TI's media offering

Programmatic

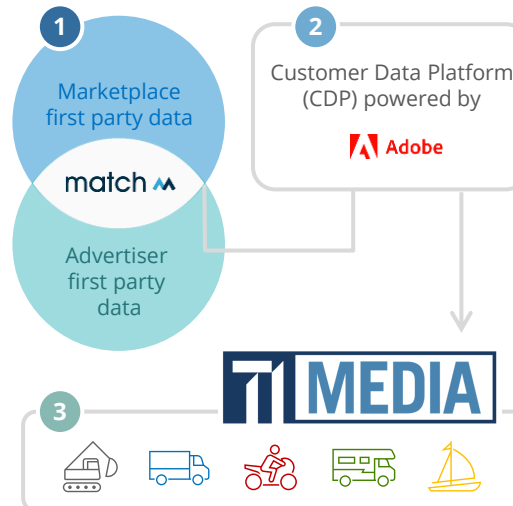
- Implementation of programmatic best-practice into Trader Interactive websites to improve ad visibility, which measures whether an ad is actually seen by users
- Improving this metric commands higher yields through increased demand

Programmatic Performance¹



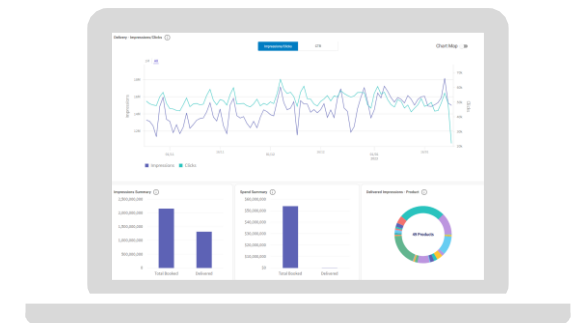
match

- 1 Using match, advertisers can match their first-party-data with our data
- 2 Advertisers can build segments based on buying signals using Adobe Real-Time CDP
- 3 Advertisers can create targeted ad campaigns across the entire TI network



ignition*

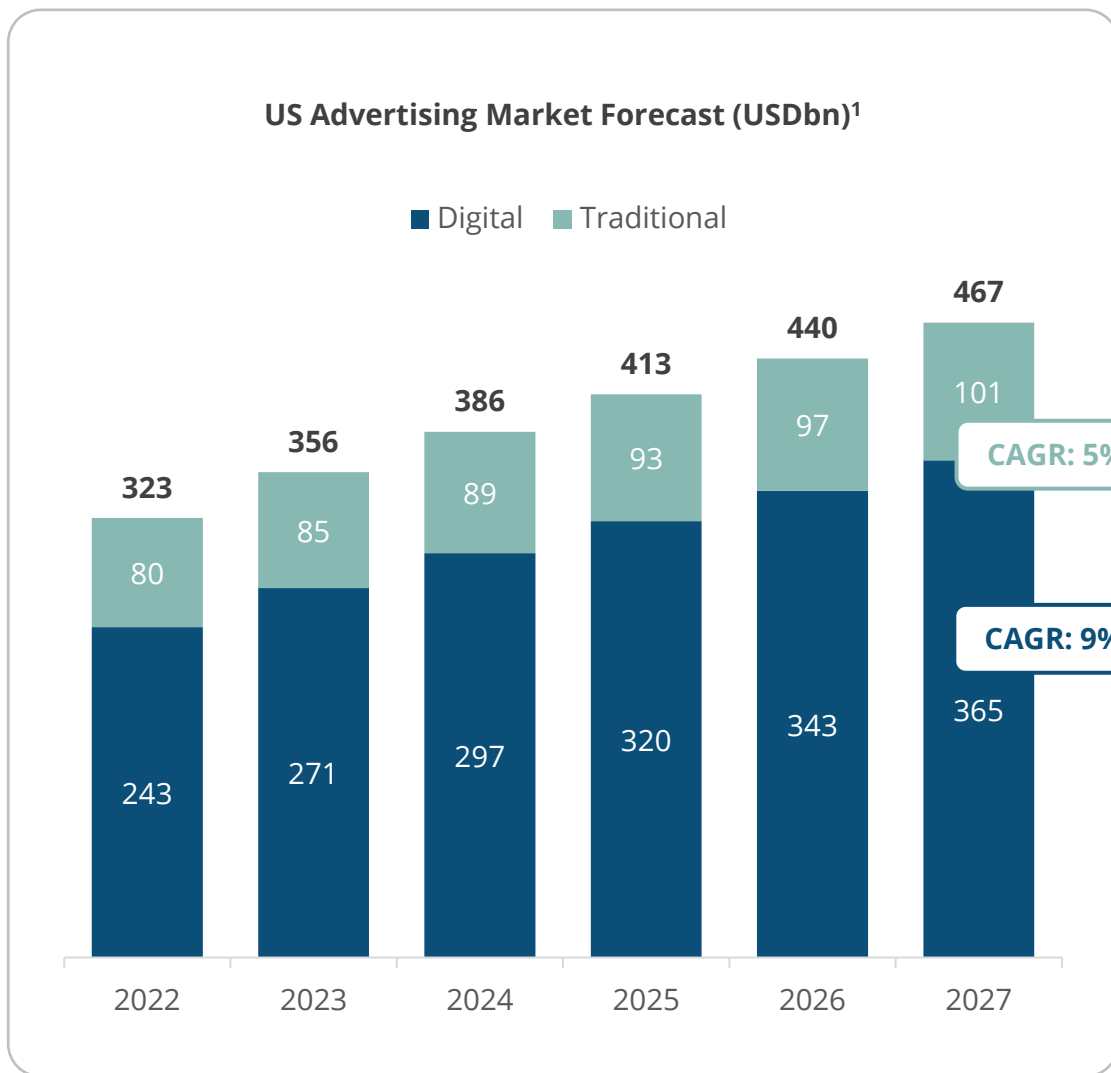
- ignition enables advertisers to plan, create, manage, report and analyse their own marketing campaigns
- Advertisers can conduct campaigns without human intervention from account managers. This opens our addressable market to include smaller advertisers







(1) Optimisations implemented 1-July-23. Before = June-23, After = July-23.

4 Diversify Customer Base

Significant opportunity to expand offering to broader advertising market



Key Focus Markets

-  **Automotive**
-  **Travel & tourism**
-  **Accessories & apparel**
-  **Finance & insurance**

(1) Statista Market Insights forecast, Advertising & Media.

5. Appendix



carsales  com Ltd

Total Addressable Markets

Country	Segment	Volume (m)	Yield (AUD)	TAM (AUDm)	
	Dealer	B2C	2.0	250	500
		Digital Retailing	0.15	700	105
		Digital trade-in	0.45	500	225
		Finance	0.1	490	50
		Non-auto	-	-	200
	Private	1.8	100	175	
	Media	-	-	800	
	Data & Services	-	-	500	
Australia Total				2,555	
	Dealer	RV	0.8	667	500
		Powersports	1.5	200	300
		Trucks	10.0	170	1,700
		Equipment	2.5	280	700
US Total				3,200	
	Dealer	New	1.7	360	600
		Used	1.7	360	600
		Wholesale	0.3	360	100
	Private	1.7	360	600	
	Media	1.7	42	70	
Korea Total				1,970	
	Dealer	7.0	100	700	
	Private	5.0	50	300	
	Media	-	-	1,500	
Brazil Total				2,500	
Total				10,225	