

## **Disclaimer and Non-IFRS Information**

#### Disclaimer

The material in this presentation has been prepared by carsales.com Limited (ASX: CRZ) 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 as 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.

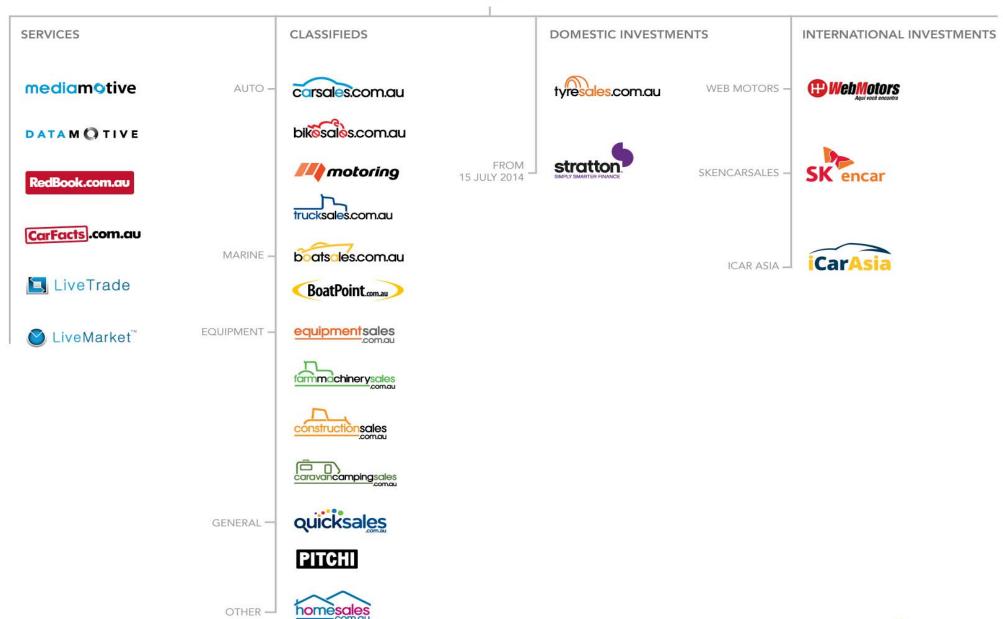
#### Non-IFRS Financial Information

carsales' results are reported under International Financial Reporting Standards (IFRS). This presentation may also include certain non-IFRS measures including, "underlying" and "look through". Non-IFRS measures have not been subject to audit or review. All numbers listed as reported comply with IFRS.



### **Organisational Structure**









## **Overview of FY14**







#### FINANCIAL HIGHLIGHTS

- → Another record result with strong revenue and earnings growth.
- > FY14 pcp growth in revenue of 10%, EBITDA of 15% and NPAT of 14%.

#### INTERNATIONAL INVESTMENTS

- Webmotors (Brazil) performing strongly with underlying revenue growing 22% on pcp.
- Acquired 49.9% of SKENCARSALES in South Korea and underlying revenue for the period of ownership grew 35% on pcp.
- → iCar Asia increased equity by 3% to 22.9% in March 2014.

#### DOMESTIC INVESTMENTS

Acquired 50.1% of Stratton Finance in July 2014 to leverage the finance opportunities in the private to private marketplace.

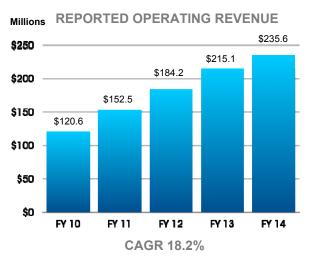


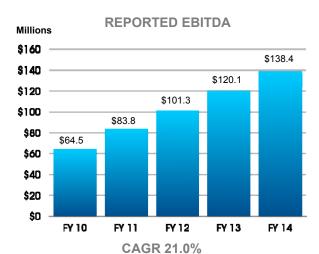


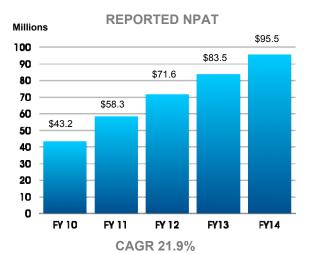
## **Financial Overview**

- Maintained strong growth in Operating Revenue rising to \$235.6m, up by 10% on pcp.
- Operating expenses (before interest and D&A) up 2% on pcp
- **▶** EBITDA up 15% on pcp to \$138.4m
- EPS of 40.2 cents per share, up 4.7 cents on the prior full year
  (H2 FY14 21.7 cents per share up 2.2 cents on prior H2).
- ➢ Final FY14 dividend of 17.4 cents per share declared (Interim FY14 dividend of 14.7 cents per share).
- **▶** Total capex spend of \$5.1m.

Reported	\$A M	\$A Millions		Growth	
Year Ending 30 June 2014	FY13	FY14	\$'s	%	
Operating Revenue (Excluding Interest Revenue)					
Online Advertising	187.2	203.9	16.7	9%	
Data & Research	25.6	29.1	3.5	14%	
International	2.3	2.6	0.3	13%	
Total Operating Revenue	215.1	235.6	20.5	10%	
Operating Expenses (Before Interest and D&A)	95.0	97.2	2.2	2%	
EBITDA	120.1	138.4	18.3	15%	
EBITDA Margin	56%	59%			
D&A	2.5	3.3	8.0	32%	
EBIT	117.6	135.1	17.5	15%	
Net Interest Expense (Income)	(1.3)	2.9	4.2	319%	
Profit Before Tax	118.9	132.3	13.4	11%	
Income Tax Expense	35.2	39.4	4.2	12%	
Profits (Losses) in Associates	(0.2)	3.4	3.6		
Outside Equity Interests	0	(8.0)	(8.0)		
Net Profit After Tax	83.5	95.5	11.9	14%	
Earnings Per Share (cents)	35.5	40.2	4.7	13%	



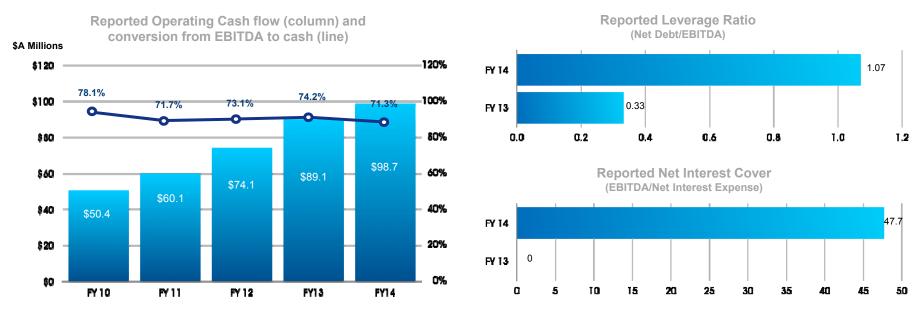




Source: carsales

## **Reported Debt and Cash flow**

#### Continued strong operating cash flows



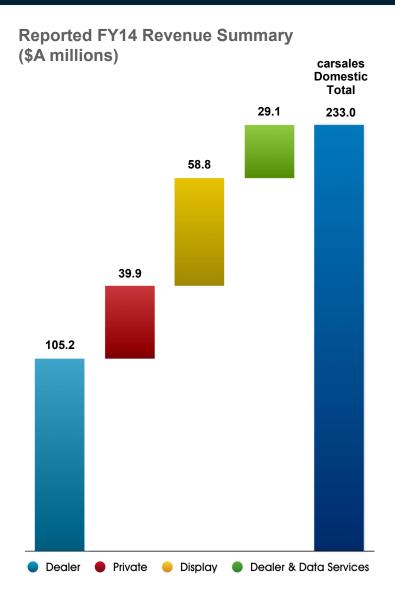
Comfortable credit metrics

- Reported Net Debt\* of ~\$149m as at 30 June 2014. Increase on pcp due to investments.
- Consistent solid cash conversion of earnings with Operating cash flow/EBITDA at 71%
- **Ratios above are based on reported financial outcomes and may vary with bank covenant definitions.**





## **FY14 Domestic Highlights**

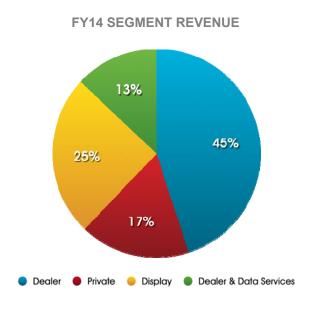


- Automotive dealer enquiry growth up slightly on pcp
- Overall automotive inventory down slightly on pcp to ∼224,000 cars.
- Strong private revenue growth of 12% on pcp, with sources of growth again coming from new product, product upsells, yield growth and tyresales.
- Mediamotive revenue growth of 8% was solid considering market conditions
- Non automotive vertical sites performing well.
- Marine, industry and caravan & camping dealer customers moved from subscription based charging models to performance based (as per automotive).
- Dealer and Data Services once again performed strongly with revenue up 14% on pcp.
- Homesales inventory continuing to rise steadily with revenue starting to follow
- Tyresales revenue growth good although much lower margin business
- Ongoing investment in significant product developments across the entire business with new cars a focus area



## **Domestic Revenue Performance**

	\$A M	illions	Gro	wth
Year Ending 30 June 2014	FY13	FY14	\$'s	%
Reported Operating Revenue				
Dealer	97.0	105.2	8.2	8%
Private	35.7	39.9	4.2	12%
Display	54.5	58.8	4.3	8%
Dealer & Data Services	25.6	29.1	3.5	14%
Total Reported Operating Revenue	212.8	233.0	20.2	10%



- Dealer revenue up 8% on pcp. Key growth drivers being some yield and growth in customer acquisition.
- Mediamotive up 8% on pcp and delivering a good result in a more challenging market.
- Private revenue grew by 12% on pcp, with a particularly strong H2 as a result of yield growth in automotive, new product and a positive contribution from tyresales.
- Dealer and Data services achieved another strong revenue growth outcome up 14% on pcp with sources of growth coming from Datamotive, Redbook and Livemarket.



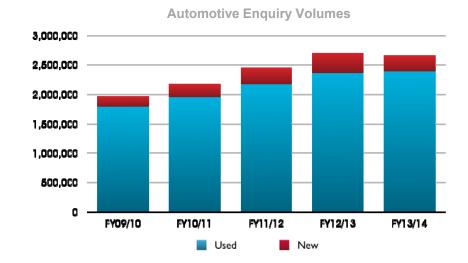
## **Operational Metrics**

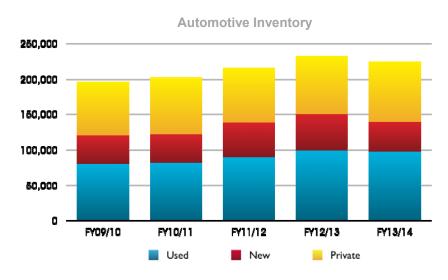
#### Dealer used car enquiry up slightly on the same time last year.

- Automotive dealer enquiry volumes overall slightly lower on pcp.
- New vehicle enquiry volumes down as a result of manufacturers forcing dealers to remove new car inventory from third party sites. H2 FY14 showed some positive improvement.

## Automotive inventory count slightly lower than pcp at around 224,000 cars

- → Dealer used vehicle inventory continued its steady growth up
   ~2% on pcp. New car inventory rose to around 43,000 from
   the low point of 39,300 in Oct 2013\*.
- → Private inventory was up ~2% on pcp to around 86,000 cars, with average time to sell similar to the same time last year.





<sup>\*</sup> NOTE – In the 30 June 2014 Investor presentation the new car inventory low point was reported to be in December 2013 at 34,400, This was not in fact the low point as BNCA stock was excluded from the count



## **Domestic Investments - Stratton Finance and Tyresales**

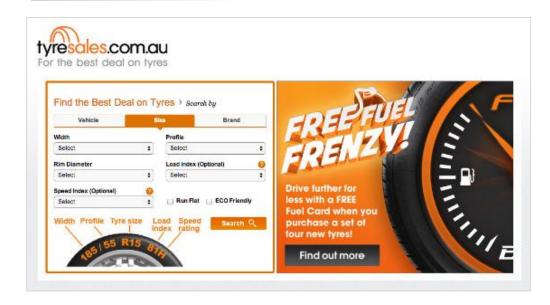
Stratton Finance Financials			
	30-Jun-13 30-Jun-14		
	\$ Millions	\$ Millions	%
Underlying Revenue	20.3	29.0	42.8%
Underlying EBITDA	N/A	9.5	
Underlying EBITDA%	N/A	33%	



## **> 50.1%** investment in Stratton Finance completed 15<sup>th</sup> July 2014

- Consolidated into CRZ from 15<sup>th</sup> of July 2014
- Great opportunity to introduce stratton across carsales' range of verticals in addition to the presence it currently has in automotive for private to private customers.
- Stratton will replace carsales' existing iGnition finance product which was a two year partnership between carsales and BMW Finance.

Revenue and EBITDA are per Stratton Finance management accounts for the 12 months ending 30 June 2013 and 12 months ending 30 June 2014



#### tyresales - continuing to build momentum

- → Launched in Q3 FY13 carsales owns 50% and consolidates.
- tyresales over the past twelve months has continued to evolve and is now delivering many hundreds of fitment transactions into carsales dealer service centres each month.





		77
Webmotors	FY14	Growth (PCP)
Unique Visitors (desktop)	5.6m*	(20.3)%
Unique Visitors (mobile)	1.7m*	80.2%
Inventory	251k cars*	14.1%
Underlying Revenue	72.8m BRL	21.7%
Underlying EBITDA	28.1m BRL	N/A
Market Position	#1	N/A
carsales share of NPAT	A\$4.6m	N/A

	SKENCARSALES	FY14	Growth (PCP)
	Unique Visitors (desktop)	5.7m	3.6%
•	Unique Visitors (mobile)	6.3m	40.3%
Y	Inventory	61k cars	1.7%
{	Underlying Revenue***	4.7b KRW	35.1%
	Underlying EBITDA***	2.4b KRW	N/A
~	Market Position	Clear #1	N/A
(	carsales share of NPAT	A\$0.8m	N/A

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iCar Asia	FY14	Growth (PCP)
Unique Visitors	~3.9m**	87%
Inventory	~480k**	45%
carsales share of NPAT	(2.0)m AUD**	N/A
carsales share of M. A.I	(2.0)III AOD	IV/A



With a portfolio of international investments carsales now reaches a population of over 600 million, lists approximately one million cars and generates well over 20 million unique visitors across some of the world's highest growth markets.

Redbook Asia and NZ	FY14	Growth (PCP)
Reported Revenue	2.6	13.0%
Reported EBITDA	1.4	3.4%

RedBook

All other inventory and traffic as at June, 2014. Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business over the carsales ownership period (i.e. the full 2014 financial year for WebMotors and 15-April to 30-June 2014 for SK ENCARSALES)



<sup>\*</sup> Unique visitors and inventory measured at 30, April 2014 due to the impact of the Word Cup in May and June 2014. Inventory and traffic is the combined inventory of Webmotors, Compreauto and meucarango and has not been de aggregated

<sup>\*\*</sup> ASEAN (iCar Asia) inventory and traffic as per iCar Asia public announcement to the ASX on 24-July 2014. carsales share of associate income based on June 30, 2014 estimate.

\*\*\* Revenue and EBITDA for SKENCARSALES is for the period from 15-Apr to 30-July, 2014

## Asia – "Underlying" Results

#### SK ENCARSALES Financials (Equity Accounted by CRZ)

Pro-Forma	April 16 to June 30, 2013 KRWb	April 16 to June 30, 2014 KRWb	PCP
Underlying Revenue	3.5	4.7	35.1
Underlying EBITDA	N/A	2.4	N/A
Underlying EBITDA(%)	N/A	51.0	N/A
Underlying Cash Balance	N/A	11.4	N/A

#### carsales Reported Earnings

	AUDm	AUDm	%
Reported NPAT (Share of Associate Earnings)	N/A	0.8	

#### **Key Drivers**

	Jun 30, 2013 '000's	Jun 30, 2014 000's	%
Inventory	59.6	60.6	1.7
Unique Visitors (Desktop)	5,547	5,745	3.6
Unique Visitors (Mobile)	4,507	6,322	40.3

#### iCar Asia Financials (Equity Accounted by CRZ)

Pro-Forma	12 Months to June 30, 2013	12 Months to June 30, 2014	PCP
	AUDm	AUDm	%
Reported NPAT (Share of Associate Earnings)	(0.2)	(2.0)	N/A



- **尽 SKENCARSALES**, the clear #1 player in South Korea 49.9% acquired in April 2014
- Korea sells considerably more new cars than Australia with higher technology adoption rates – the opportunity to grow is material
- Revenue up 35% on pcp, largely based on yield improvements
- Opportunities exist to license carsales' world leading technology into the Korean market



■ Expect continuing collaboration in FY15

#### RedBook Asia and New Zealand (100% owned / Consolidated by CRZ)

Pro-Forma	12 Months to June 30, 2013	12 Months to June 30, 2014	PCP
	AUDm	AUDM	%
Reported Revenue	2.3	2.6	13.0
Reported EBITDA	1.4	1.4	3.4



Solid performance overall and continuing to support investments in other markets

## **Latin America – Underlying Results**

#### **WebMotors Financials (Equity Accounted by CRZ)**

Pro-Forma	12 Months to June 30, 2013	12 Months to June 30, 2014	PCP
	BRLm	BRLm	%
Underlying Revenue	59.8	72.8	21.7
Underlying EBITDA	N/A	28.1	
Underlying EBITDA (%)	N/A	38.6	
Underlying NPAT	N/A	32.4	
Underlying Cash Balance	N/A	194.2	



	AUDm	AUDm	%
Reported NPAT (Share of Associate Earnings)	0*	4.6	

#### **Key Drivers**

	April 30, 2013* '000's	April 30, 2014* 000's	%
Inventory**	219.7	250.7	14.1
Unique Visitors (Desktop)	7,000	5,579	(20.3)
Unique Visitors (Mobile)	935	1,685	80.2







- WebMotors continues to deliver above expectations
- Revenue growth of 21.7% on pcp, predominately from dealer advertisement volume growth
- WebMotors' leadership position in Brazil continues to grow: The combined (MeuCarango, CompreAuto and WebMotors) inventory now almost double closest competitor
- ▼ Technology platform has been successfully migrated to Amazon allowing significant product improvement in FY15.
- RyvusIQ currently being implemented, other carsales product and IP to be implemented in the coming year



<sup>\*</sup> Inventory and Unique visitors measured at 30, April 2014 due to the impact of the Word Cup in May and June 2014



<sup>\*\*</sup> Inventory is the combined inventory of Webmotors, Compreauto and meucarango and has not been de aggregated



## **Performance Outlook**

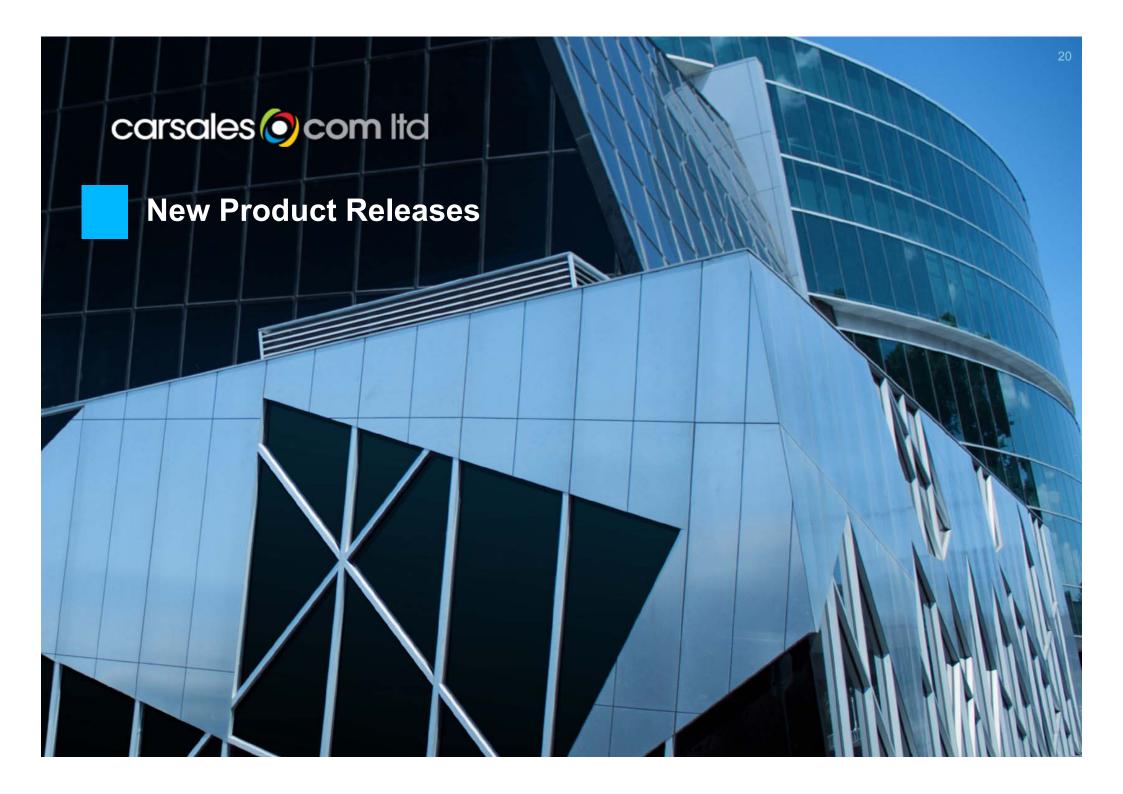
#### carsales Domestic

- Affirms: Domestic trading performance in the first quarter was solid and we expect this to continue throughout the first half assuming market conditions remain unchanged.
- **▶ Affirms:** We remain well positioned for continued growth through the medium to long term.
- Affirms: Stratton Finance and Tyresales performances continue to be encouraging.
- Affirms: A further update on market conditions and performance to be provided at the H1 FY15 results (Feb 2015).

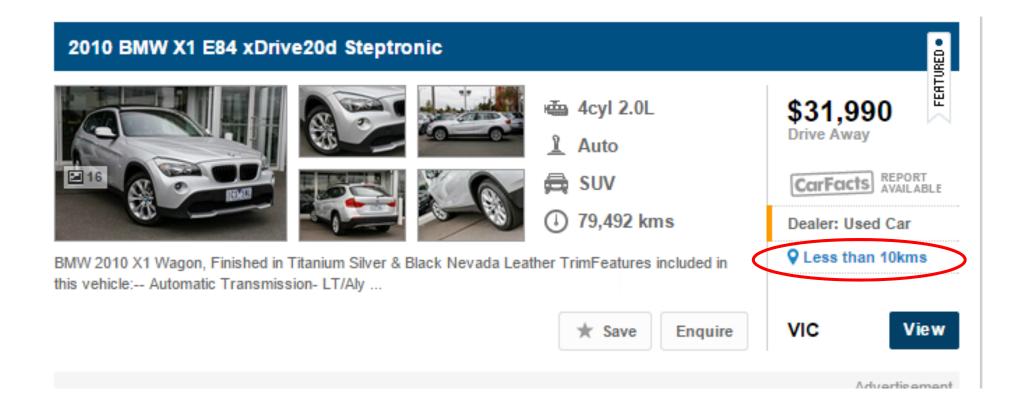
#### carsales International

Affirms: - Solid progress on the development of opportunities in Brazil and South Korea continuing. Well positioned for medium and long term growth in these markets.





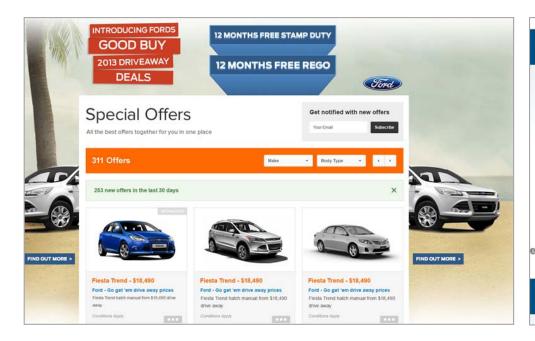
## Distance to car - Compelling data vs. map gimmick





## **New Cars - Special Offers**

Car company special offers for consumers looking for savings

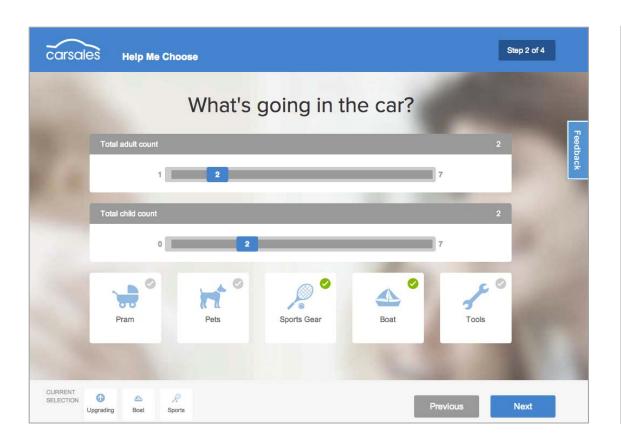


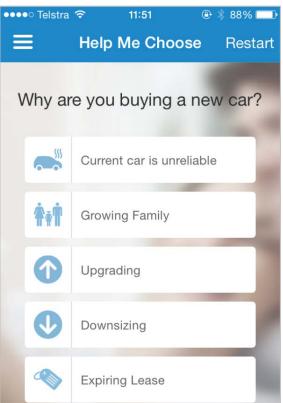




## **New cars – Help me choose**

acarsales new Help Me Choose tool is available on all platforms and is perfect for those who don't yet know what they are looking for.



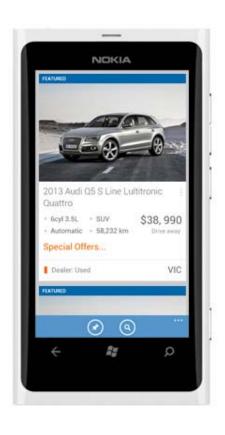


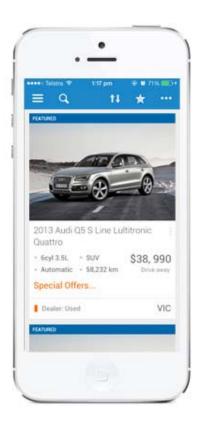


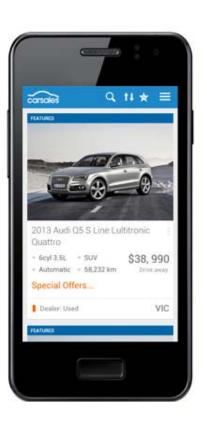
## **App and Mobile – Unified experience**

All carsales mobile platforms: iOS, Android, Windows and Mobile are based on carsales' unified experience model





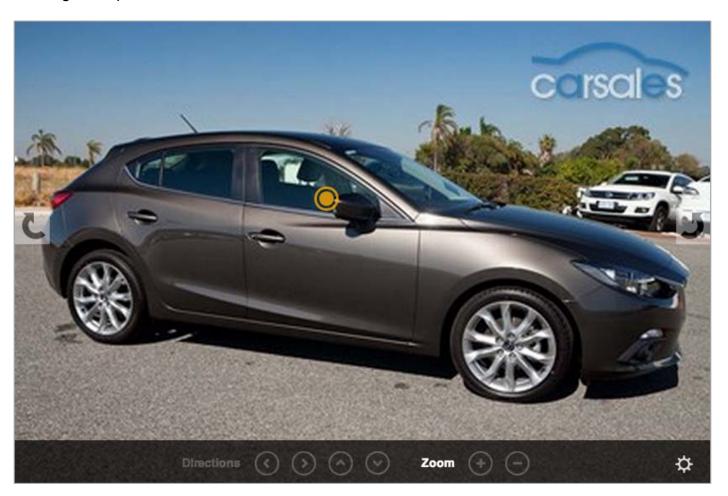






## **App and Mobile – Unified experience**

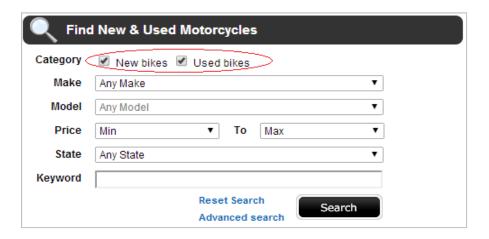
In an Australian first, carsales now supports 360 degree views on cars and active image hotspots.

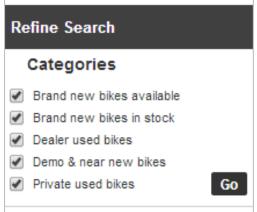


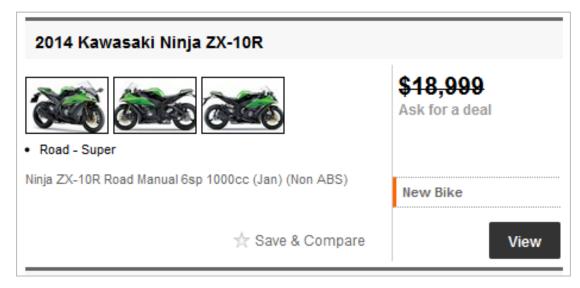


## **Bikes – New Bikes Available**

Brand New Bikes Available released on bikesales

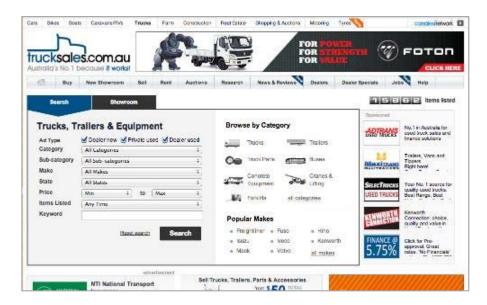








## **Trucks – New Homepage and Editorial Section**

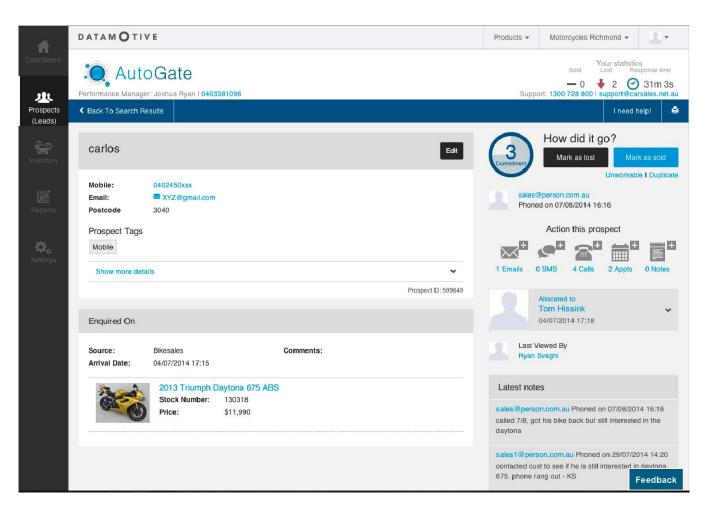






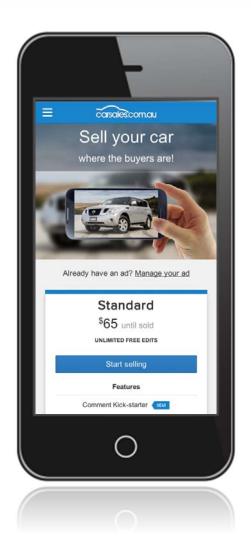
# New Autogate For Bikes, Boats and Industry Update: Cars currently being rolled out

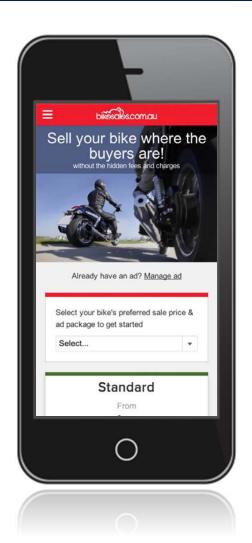
New improved single Autogate solution for all Bike, Boat and Industry verticals.

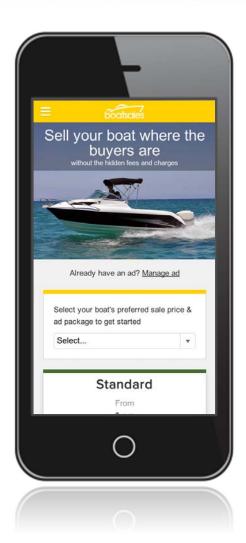




## **Private Seller System for Mobile**

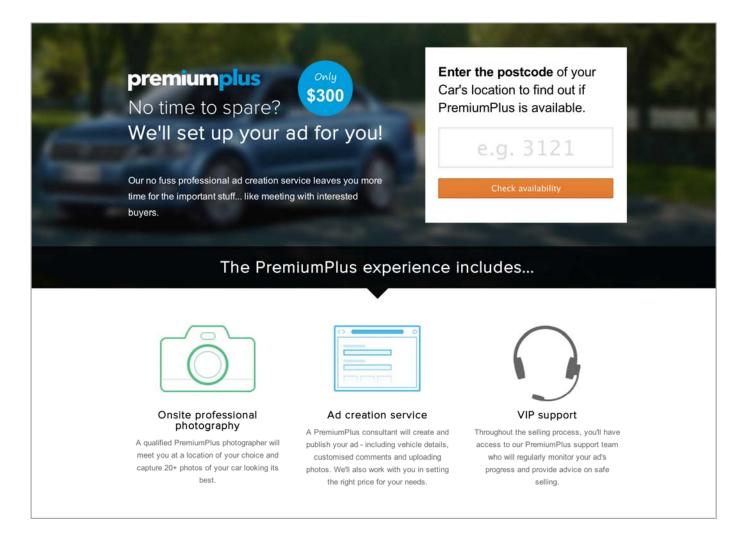








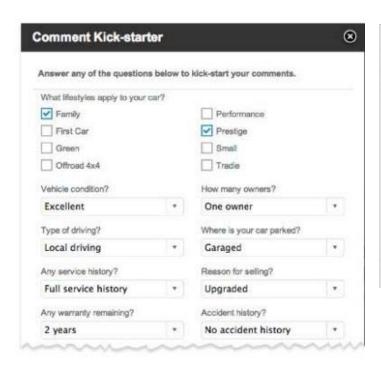
## Private Seller PremiumPlus – All Verticals

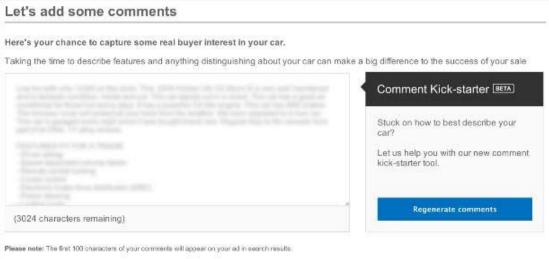




## **Comment Kick starter**

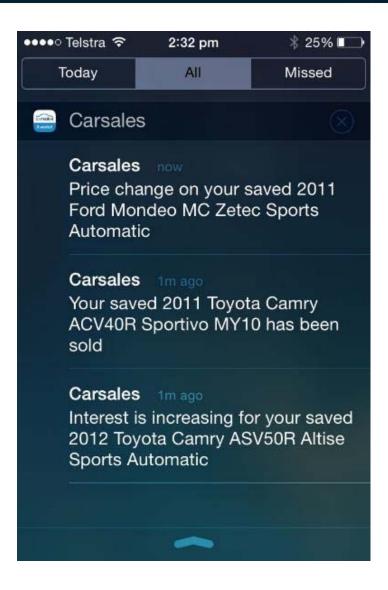
Creating an ad just got that much quicker with carsales' Comment Kick starter.







## **Customer Engagement – Push Notifications**





## PITCHI.com







