



Annual General Meeting presentation 28 October 2016

Disclaimer and Non-IFRS Information

Disclaimer

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Non-IFRS Financial Information

carsales' results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including, "proforma", "underlying" 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.



Key Messages

to 30 June 2016





Overview of FY16



**REPORTED REVENUE up
10% to \$344m**



**REPORTED EBITDA up
10% to \$170m**



**Adjusted NPAT* up 9%
to \$111m**

FINANCIAL OVERVIEW

- Pleasing full year results.
- FY16 pcg growth in revenue of 10%, EBITDA of 10% and adjusted NPAT* of 9%. Reported NPAT** up 6% to \$109m.

DOMESTIC OVERVIEW

- Strong H2 revenue growth across all online advertising and data research and services.
- Strong gross profit contribution from Stratton reflecting ongoing growth in core finance products.
- Overall Group EBITDA margins maintained at 50%.
- Continued strong revenue performance by Redbook Inspect and Tyresales.

INTERNATIONAL OVERVIEW

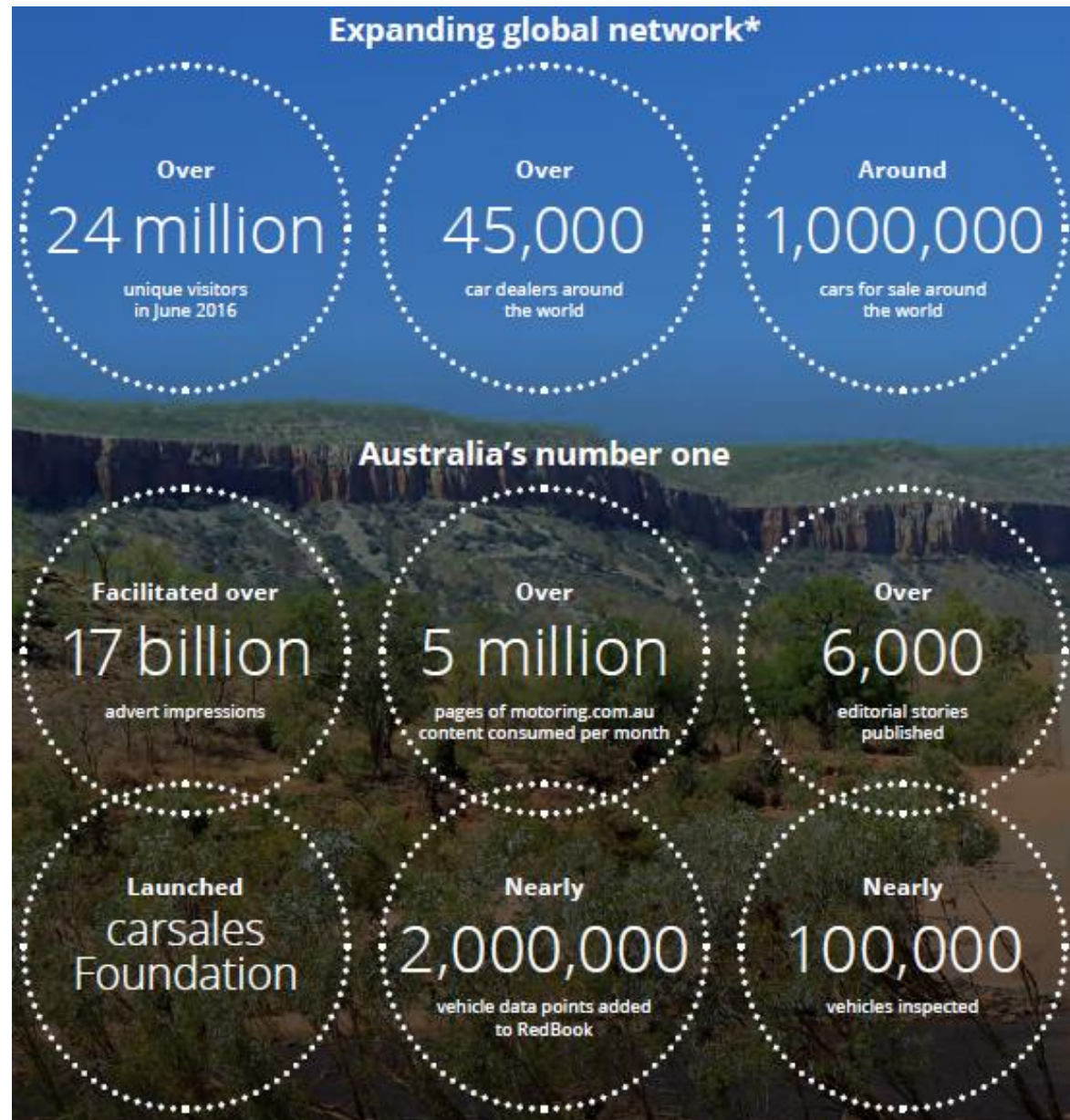
- Completed the acquisition of 83% of Chileautos, the No. 1 auto classifieds business in Chile, during the second half continuing our Latin American expansion strategy. 65% of SoloAutos in Mexico also acquired during the year.
- Strong local currency growth for SKENCARSALES with revenue up 21% on pcg.
- Webmotors delivered solid local currency revenue growth of 13% on pcg with lead model being trialled from 1 July 2016.

* Adjusted NPAT stated above is post non-controlling interests and excludes one-off gains on business disposal, gains on associate dilution and acquired intangible amortisation.

** Reported NPAT stated above is post non-controlling interests.



FY16 Operational Highlights



* Figures stated are for all websites in the carsales Network globally

Reported Group Financial Performance

to 30 June 2016



Financial Overview

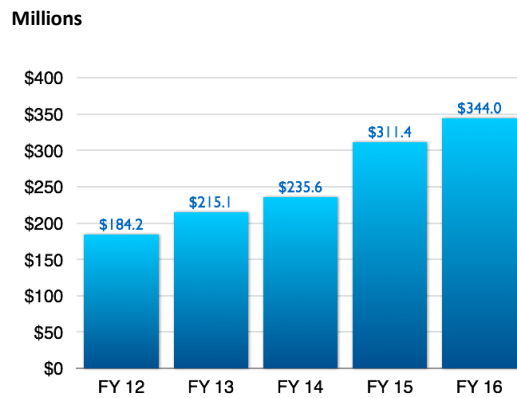
- Solid growth in revenue rising to \$344.0m, up by 10% on pcip.
- Operating expenses (before Interest and D&A) up 10% on pcip.
- EBITDA up 10% on pcip to \$170.3m.
- Stratton gross profit up 29% reflecting strong core finance revenue growth, offset by reduction in low margin products.
- Adjusted NPAT* up 9% on pcip to \$110.5m.
- D&A increased by \$2.8m reflecting acquisition intangible asset amortisation and depreciation of capitalised labour supporting group wide integration and globalisation projects.
- Underlying solid growth in profits from associates (up 34% on pcip), offset by acquisition intangible asset amortisation, adverse FX in Brazil and inclusion of Ratesetter for the first time.
- Divestment of homesales business resulted in a gain of \$0.9m.
- Adjusted EPS* up 3.3 cents per share to 45.9, up 8% on pcip.
Reported EPS up 2.2 cents per share to 45.4, up 5% on the prior year.
- Final FY16 dividend of 19.5 cents per share declared up 10% on pcip (FY15 final dividend of 17.7 cents per share).

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Revenue				
Online Advertising	216.5	240.7	24.2	11%
Data & Research	33.0	35.9	2.9	9%
Finance and Related Services	59.4	63.0	3.6	6%
International	2.9	4.4	1.5	54%
Total Revenue	311.8	344.0	32.2	10%
Operating Expenses (Before Interest and D&A)	157.5	173.7	16.2	10%
EBITDA	154.3	170.3	16.0	10%
<i>EBITDA Margin</i>	<i>50%</i>	<i>50%</i>		
D&A	4.7	7.5	2.8	61%
EBIT	149.6	162.8	13.2	9%
Net Interest Expense	8.5	8.4	0.1	1%
Profit Before Tax	141.1	154.4	13.3	9%
Income Tax Expense	42.3	47.4	5.1	12%
Profits from Associates	4.9	5.3	0.4	8%
Gain on business disposal	-	0.9	0.9	N/A
Gain on associate dilution	3.5	0.9	(2.6)	(74%)
Outside Equity Interests	(4.0)	(4.8)	(0.8)	(21%)
Reported Net Profit After Tax	103.2	109.3	6.1	6%
Reported Earnings Per Share (cents)	43.2	45.4	2.2	5%
Adjusted Net profit After Tax*	101.8	110.5	8.7	9%
Adjusted Earnings Per Share (cents)*	42.6	45.9	3.3	8%

* Adjusted NPAT and earnings per share stated above is post non-controlling interests and excludes one-off gains on subsidiary disposal, gains on associate dilution and acquired intangible amortisation.

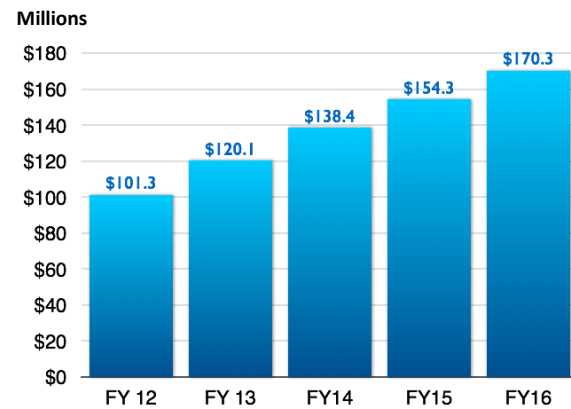
Strong track record of financial performance

REPORTED REVENUE



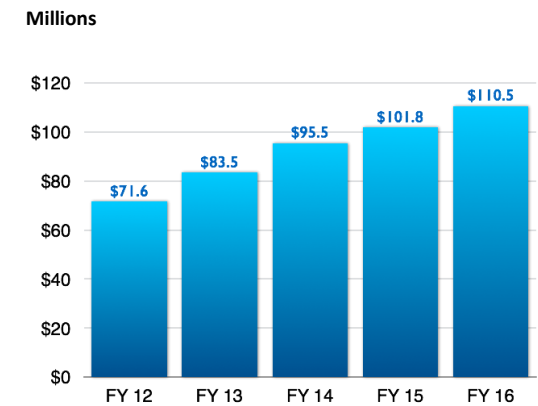
CAGR 16.9%

REPORTED EBITDA



CAGR 13.9%

ADJUSTED NPAT

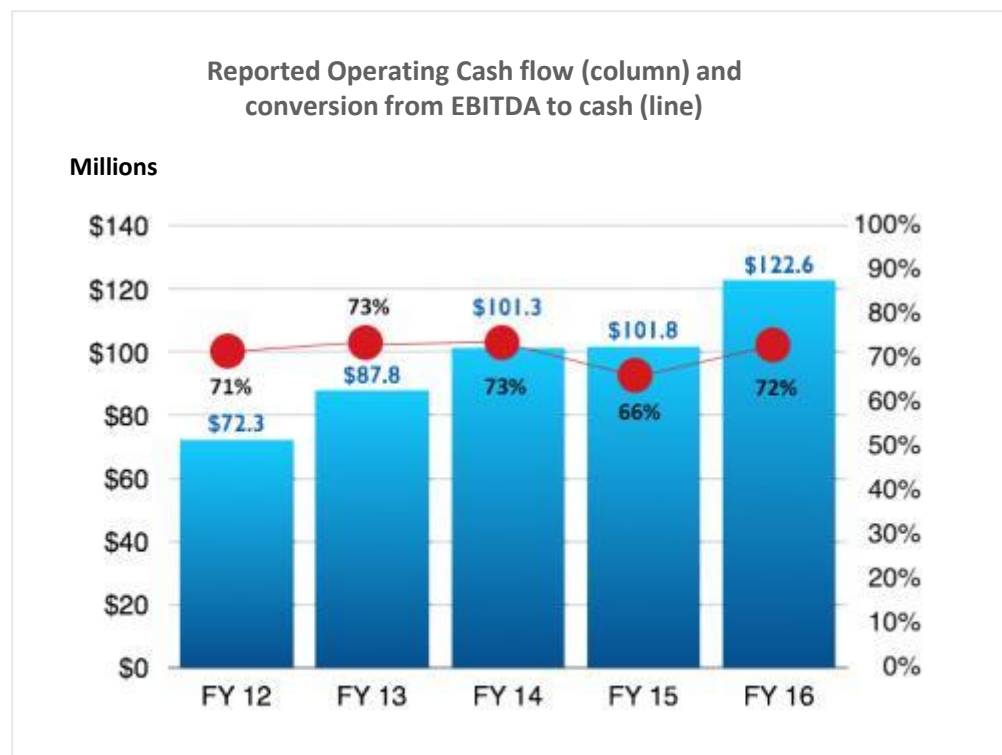


CAGR 11.5%

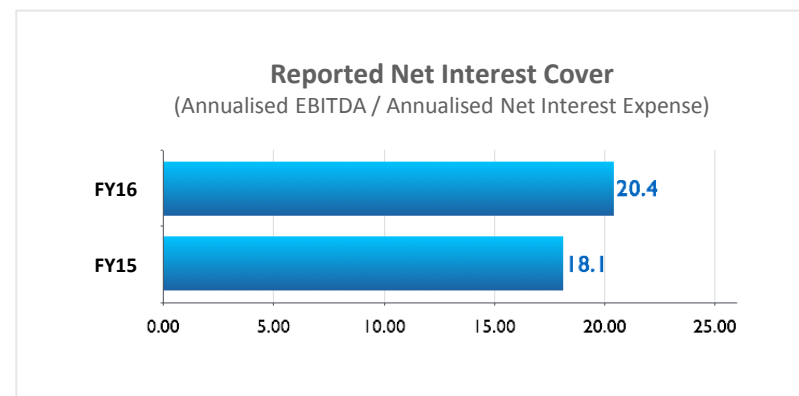
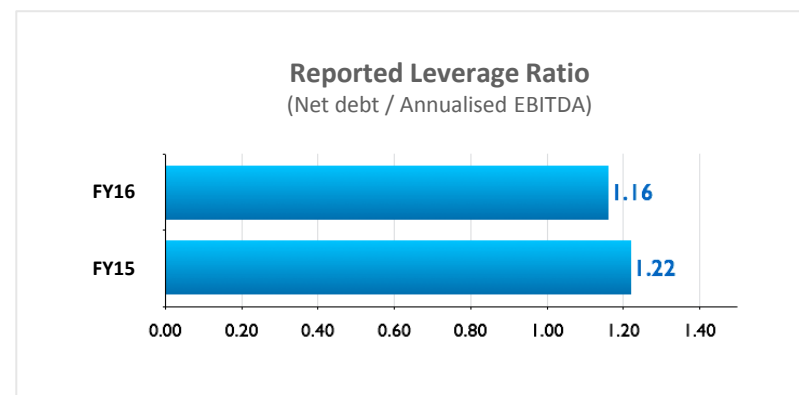
Once again carsales continues to demonstrate consistent high returns to its shareholders.

Reported Debt and Cash flow

Continued strong operating cash flows



Improved credit metrics



- Solid cash conversion of earnings with Operating cash flow / EBITDA at 72% up on pcp, with FY15 being lower due to timing of tax payments.
- Reported Net Debt* of ~\$198m as at 30 June 2016. ~\$10m increase on 30 June 2015 due to investments in Chile, Mexico and Promisepay, offset by operating cashflow.
- Cash capex up 153% on pcp to \$4.3m principally reflecting office fit-out costs at Stratton due to ongoing business growth. Capitalised labour costs up 66% on pcp due to investment in technology platforms supporting international and adjacent market expansion.

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Cash Capital expenditure	1.7	4.3	2.6	153%
Capitalised labour costs	5.0	8.3	3.3	66%
Total capital expenditure	6.7	12.6	5.9	88%

* Net debt includes total borrowings less total cash as at 30 June 2016 per published balance sheet. Ratios above are based on reported financial outcomes and may vary with bank covenant definitions.

carsales Domestic

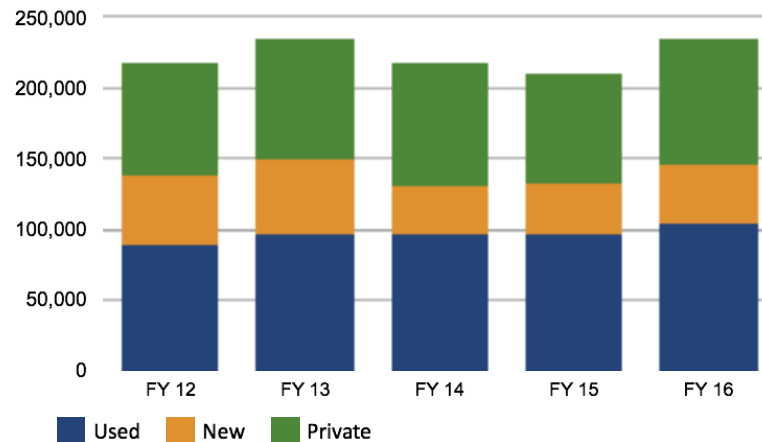
to 30 June 2016



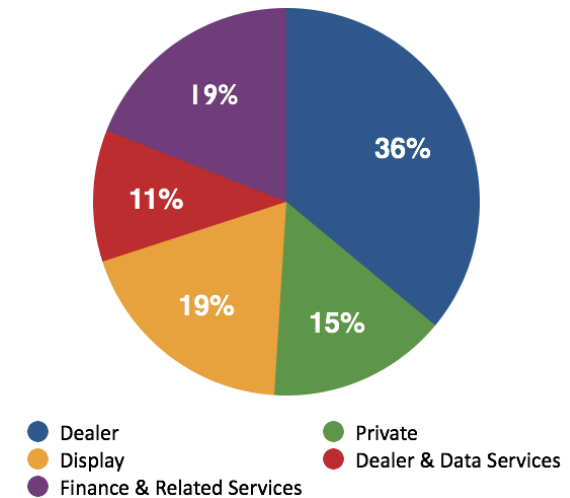
Domestic Revenue Performance - Summary

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Domestic Revenue				
Dealer	112.8	123.8	11.0	10%
Private	43.0	51.1	8.1	19%
Display	60.6	65.8	5.2	9%
Total Online Advertising	216.4	240.7	24.3	11%
Data, Research and Services	33.0	35.9	2.9	9%
Finance and Related Services	59.4	63.0	3.6	6%
Total Domestic Revenue	308.8	339.6	30.8	10%

Automotive Inventory at 30 June

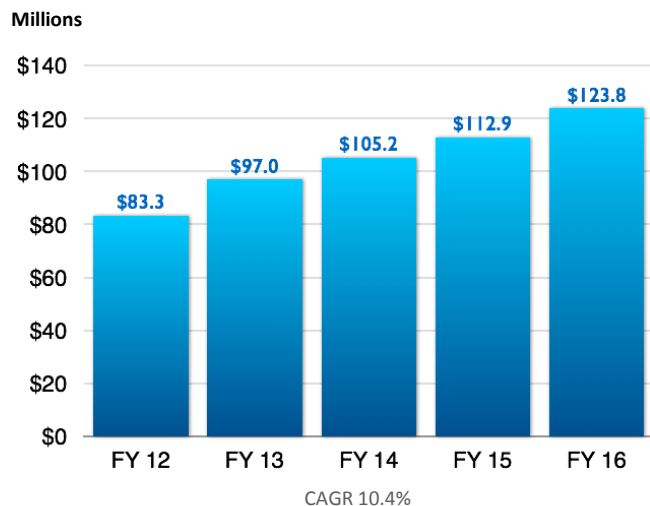


FY16 Category Revenue



Domestic Revenue Performance by Category

Dealer

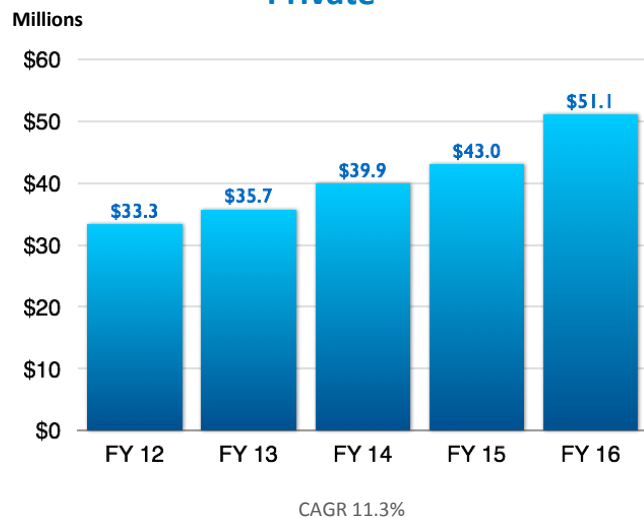


Dealer revenue up 10% on pcp to \$123.8m

Solid new and used car dealer enquiry volumes. Full year used enquiry volumes up 3% and in H2 new car enquiry volumes saw pcp growth. Pleasing used and new inventory growth of 8% and 15% respectively on pcp.

Strong growth in 'depth' products and pricing improvements continue to expand yields.

Private



Private revenue up 19% on pcp to \$51.1m

Continued strong revenue growth from Tyresales B2C and Redbook Inspect.

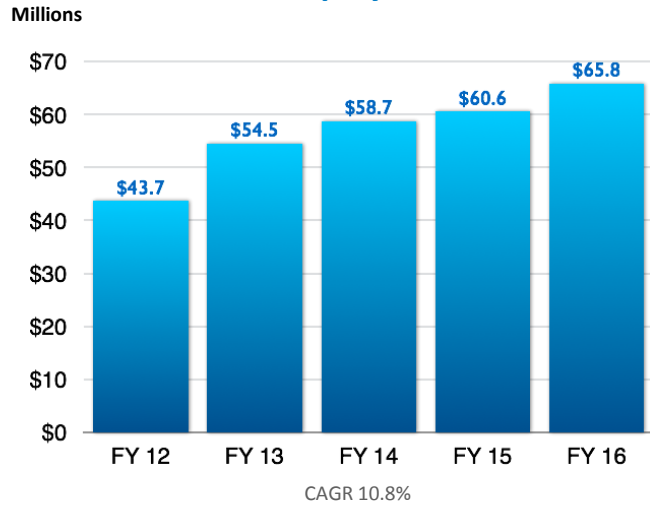
Private automotive ad volumes up double digit percentage in H2 and more pleasingly accompanied by lower time to sell which is a great message for consumers. Strong growth in lower priced inventory which has been well supported by free under \$3k campaign.

Total private inventory up 12% on pcp to around 86,000 cars as at 30 June 2016. Good growth in instant offer product which achieves an outcome for the consumer without being reflected in inventory count.

Good opportunities to come from investment in Promisepay along with other product development in Q4.

Domestic Revenue Performance by Category

Display



Display revenue up 9% to \$65.8m

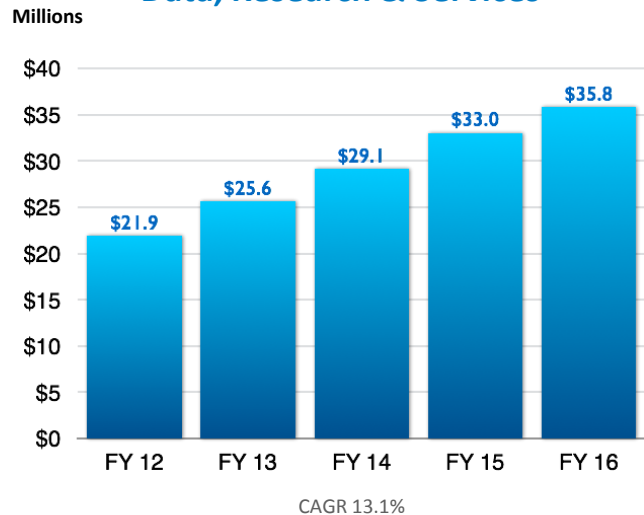
Continued improvement in revenue trend growth to 9% on pcp (FY15 3% on pcp).

Refreshed new car showroom launched to provide new opportunities for display.

Despite ongoing changes in OEM advertising policies we have continued to develop stronger relationships with OEMs across the board.

Invested in analytics and insights to complement the evolution of the display product set.

Data, Research & Services



Data, Research and Services revenue up 9% to \$35.8m

Continued solid pcp revenue growth from Livemarket, driven by volume growth.

Redbook business continues to expand reflecting increasing demand from OEM's for data services.

Domestic Revenue Performance by Category

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Core Finance	33.4	43.6	10.2	31%
Other products	26.0	19.4	(6.6)	(25%)
Total Revenue	59.4	63.0	3.6	6%
Cost of sales	22.8	15.9	(6.9)	(30%)
Gross Profit	36.6	47.1	10.5	29%
Operating Expenses (Before Interest and D&A)	24.9	31.3	6.4	26%
EBITDA	11.7	15.8	4.1	36%

Finance and Related Services Revenue up 6% to \$63.0m

Strong growth in core finance broking revenue up 31% on pcp. All About Finance acquisition integrated into core Stratton operations and performing well. Q4 soft as a result of a temporary volume capacity reduction at a major lender.

Gross profit up 29% on pcp to \$47.2m reflecting growth in core finance broking and reduction in volume of low margin other products.

Core finance EBITDA margins continue to expand reflecting ongoing operational leverage.

Ratesetter integration continues and showing encouraging signs for the future. Equity accounted losses of \$1m reflecting early stage of the business.

10% stake in Promisepay acquired during the year with significant potential to provide complementary transaction settlement services to core customer base.

carsales International

to 30 June 2016



International Portfolio



- **International Key Highlights**
- Strong double digit revenue growth rates across International.
- Business model progression continues in all of our businesses to support future growth.
- Chileautos (Chile) and SoloAutos (Mexico) acquisitions completed in the year.

Year Ending 30 June 2016	\$A Millions		Growth	
	FY15	FY16	\$'s	%
Revenue	2.9	4.4	1.5	54%
EBITDA	1.6	1.4	(0.2)	(13%)
Adjusted NPAT (including associates) after NCI*	8.6	10.1	1.5	18%

* Adjusted NPAT and earnings per share stated above is post non-controlling interests and excludes one-off gains on subsidiary disposal, gains on associate dilution and acquired intangible amortisation.

Asia – Underlying Results

SKENCARSales Financials (49.9% Owned - Equity Accounted by CAR)

Pro-Forma (100%)	12 months to 30 June 2015 KRWb	12 months to 30 June 2016 KRWb	PCP %
Underlying Revenue*	24.9	30.0	20.6%
Underlying EBITDA*	14.5**	15.6	7.6%
Underlying EBITDA(%)*	58.2%	51.9%	N/A
Underlying Adjusted NPAT*	11.2	12.2	9%
Underlying Cash Balance	15.8	18.5	16.9%

carsales Share of Earnings

	AUDm	AUDm	%
Adjusted NPAT (Share of Associate Earnings)*	6.2	7.1	14.6%

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	64.6	66.7	3.2%
Unique Visitors	3,568	5,342	49.7%



Strong Financial Results.

Strong continued revenue growth across dealer, private and display advertising channels. Dealer growth a standout reflecting growth in premium listing products.

Private growth reflects introduction of paid listings in April 2015.

Underlying EBITDA margin performed consistently with H1 as the business continued to invest in personnel and technology in preparation for the introduction of a lead model. Continued investment in marketing in H2.

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

	12 months to 30 June 2015 AUDm	12 months to 30 June 2016 AUDm	PCP %
Reported Revenue	2.9	3.3	12%
Reported EBITDA	1.6	1.6	2%



Solid performances across Asian countries, reflecting continued demand for data services, particularly in China.

iCar Asia Financials (20.2% Owned - Equity Accounted by CAR)

	12 Months to 30 June 2015 AUDm	12 Months to 30 June 2016 AUDm	PCP %
Estimated Adjusted NPAT (Share of Associate Earnings excl. one-off acctg gains)	(3.3)	(2.4)	27%



Retained 20.2% equity position

*Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business. The carsales share of earnings is based on owning the percentage set out above. Adjusted NPAT stated above excludes intangible amortisation.

** FY15 EBITDA represented to reclassify KRWb1.4 of non-operating income below EBITDA consistent with FY16 presentation. No net impact on Underlying or Reported NPAT.

Latin America – Underlying Results

WebMotors Financials (30% owned - Equity Accounted by CAR)

Pro-Forma (100%)	12 Months to 30 June 2015	12 Months to 30 June 2016	PCP
	BRLm	BRLm	%
Underlying Revenue*	87.7	99.4	13.3%
Underlying EBITDA*	23.5	26.9	14.6%
Underlying EBITDA* (%)	27%	27%	N/A
Underlying NPAT*	29.5**	34.9	18%
Underlying Cash Balance	202.5	213.2	5.3%

carsales Share of Earnings

	AUDm	AUDm	%
Adjusted NPAT* (Share of Associate Earnings)	4.1	4.0	(1.4%)

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	264.5	269.5	1.9%
Unique Visitors	9,811	8,396	(14.4%)



WebMotors continuing solid growth

Pleasing double digit growth in both dealer and private revenue segments across the year. Display remains challenging reflecting the subdued economic conditions and impacts on the new car market as a result – a 25% reduction in new car market size in H2 on pcp.

Decline in desktop visitors on pcp reflects shift to mobile and more targeted marketing activities which resulted in significant reduction in low quality traffic. This, along with other operational improvements, has achieved 50%+ growth in dealer lead volumes on pcp.

Trial of a leads based model for dealer from July 2016 has potential to be a good growth contributor over the coming year. Anticipate a good level of acceptance from dealers over transition to lead model.

Margins remain steady, reflecting underlying leverage offset by investments to implement lead model.

carsales adjusted NPAT impacted by adverse FX rates during the year otherwise share of earnings growth would be similar of WebMotors underlying earnings growth.

*Revenue and EBITDA stated is 100% of the revenue and EBITDA for the business. The carsales share of earnings is based on owning the percentage set out above. Adjusted NPAT stated above excludes intangible amortisation..

** FY15 underlying NPAT has been represented to exclude acquired intangible amortisation consistent with the FY16 presentation.

Latin America – Underlying Results

SoloAutos Financials (65% owned – Consolidated by CAR)

Pro-Forma (100%)	2 Oct 2014 to 30 June 2015	2 Oct 2015 to 30 June 2016	PCP
	MXPm	MXPm	%
Reported Revenue	N/A	5.9	N/A
Reported EBITDA	N/A	(7.5)	N/A
Reported EBITDA (%)	N/A	N/A	N/A
Adjusted NPAT*	N/A	(6.5)	N/A
Reported Cash Balance	N/A	43.3	N/A

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	N/A	37.4	N/A
Unique Visitors	331	506	53%



SoloAutos

Solid revenue performance since acquisition of Soloautos.

Earnings impacted by one-time post acquisition costs to change the trading model and prepare for future growth. Pleasing growth in unique visitors and dealer numbers on pcp.

Spanish language editorial site Autologica acquired in the period to support the development of the business. Integration of carsales IP and technology set to continue into FY17.

ChileAutos Financials (83% owned – Consolidated by CAR)

Pro-Forma (100%)	24 March to 30 June 2015	24 March to 30 June 2016	PCP
	CLPm	CLPm	%
Reported Revenue	N/A	358	N/A
Reported EBITDA	N/A	175	N/A
Reported EBITDA (%)	N/A	49%	N/A
Adjusted NPAT*	N/A	165	N/A
Reported Cash Balance	N/A	281	N/A

Key Drivers

	30 June 2015 000's	30 June 2016 000's	%
Inventory	N/A	63	N/A
Unique Visitors	1,850	1,830	(1%)



ChileAutos

Pleasing performance since acquisition of Chileautos.

Significant opportunity to grow revenue and earnings from implementation of carsales technology platform.

Revenue and EBITDA stated is 100% of the revenue, EBITDA and NPAT for the business over the carsales ownership period. Soloautos acquired on 2 October 2015 and Chileautos acquired on 29 March 2016.

* Adjusted NPAT stated above excludes intangible amortisation.

Outlook

to 30 June 2016



Performance Outlook

carsales Domestic Outlook

Domestic core business performance in the first quarter of FY17 has remained solid and we expect this to continue throughout the first half assuming market conditions remain unchanged.

Domestic adjacent businesses continue to build good scale and breadth.

In the Financial and Related Services segment the volume capacity reductions experienced in Q4 FY16 have disappointingly continued into the first quarter of FY17, with further action plans being put in place to address. Anticipate first half revenue and EBITDA for this segment to be substantially below FY16 as a result.

carsales International Outlook

Trial of dealer lead model in Brazil progressing well and anticipate it being a good growth contributor to local currency revenue and earnings over the full year.

Other international businesses in Korea, Mexico and Chile expected to see continued solid local currency revenue and earnings growth.

A further update on market conditions and performance to be provided at the H1 FY17 results (Feb 2017).



New Product Releases

to 30 June 2016



Redbook Inspections

2015 Mercedes-Benz C250 Auto

Private Seller Car



\$63,000*
Own this car from
\$822 per month*

24,604 km
ODOMETER

Sedan
BODY TYPE

Automatic
TRANSMISSION

4cyl 2.0L Turbo Petrol
ENGINE

BEST PRESTIGE CAR
UNDER \$100K

motoring.com.au
RECOMMENDED



37 people recently viewed

Redbook
INSPECT

Buy this car with peace of mind.

- * 150+ point inspection by qualified mobile mechanics
- * Fast turnaround comprehensive report with photos
- * CarFacts history report included

Book Inspection

See a sample report

Key Details

* Sedan * 7 speed

Enquire on this car

Your details will only be sent to the seller of this car and no one else.

Name

Email Postcode

Telephone

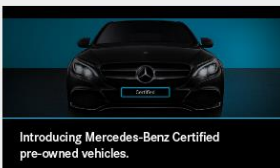
Comments

Send Enquiry

Seller's Details

Contact Name Alice Huang
Location Kangaroo Point, QLD 4169
Distance [More than 100kms](#)

Seller's phone number [View](#)



Redbook INSPECT

VEHICLE INSPECTION REPORT

Vehicle Description

Mercedes-Benz CLA 45 AMG

DATE INSPECTED: 01/03/2016
INSPECTION POINTS CHECKED: 150+

VIN JN1TANT31A0003024
Engine Number 2XA76364
Compliance Date 10/2014
Build Date 08/2015
Odometer Reading 12633
Registration Number MBCLA45
Registration Expiry 11/06/2017
Reason for inspection Pre-purchase



Overall Rating

★★★★★
FAIR TO GOOD

Engine Bay
★★★★★
FAIR TO GOOD

Interior
★★★★★
GOOD

Exterior
★★★★★
FAIR TO GOOD



Road Test
★★★★★
GOOD

Tyres, Wheels & Brakes
★★★★★
GOOD

The inspection is visual and non-mechanical only. Refer to terms and conditions on last page for further details and explanation of ratings.

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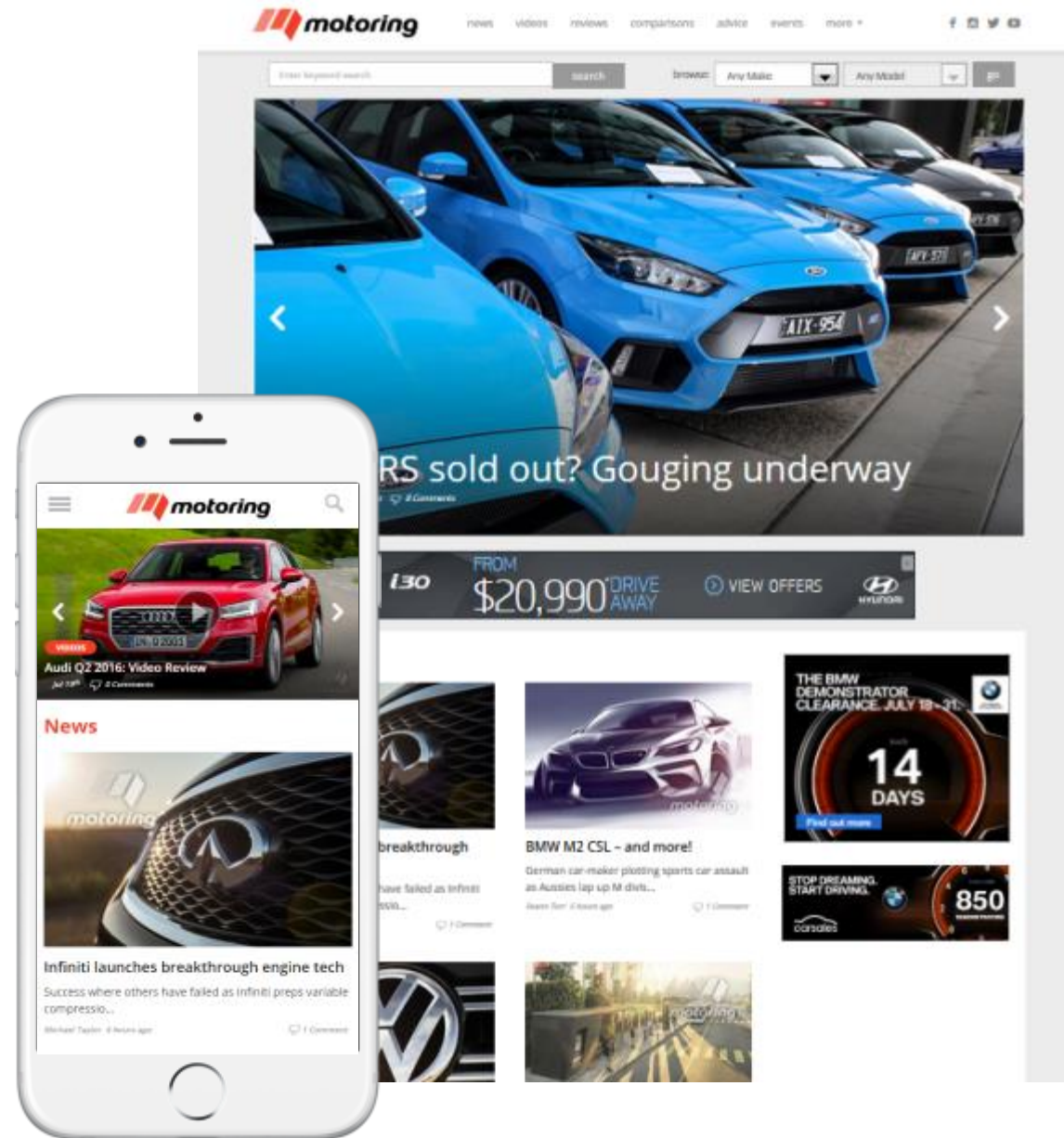
INSPECT@REDBOOK.COM.AU

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New Car Showroom

carsales New Car Showroom [Compare](#)










New cars in stock near **Richmond** **41,536** **11,752** **9,625**
VIC NSW QLD

Australia's biggest new car showroom
40,000 brand new cars and counting

[Choose a vehicle](#)


Start your new car search

Type [Search](#)

 Hatch
 Sedan
 SUV
 Wagon
 Ute
 C ute chassis
 Convertible
 Coupe
 MPV

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You are comparing **3 cars**




2016 Hyundai Tucson Active X
From \$34,500 Drive away

SUV

Active X

[Find cars in stock](#)




2016 Mazda CX-5 Maxx
From \$30,870 Drive away

SUV

Maxx

[Find cars in stock](#)



2016 Mazda CX-3 Neo
From \$23,462 Drive away

SUV

Neo

[Find cars in stock](#)

Details

Body Style	SUV	SUV	SUV
Doors	5 Seats	5 Seats	5 Seats
Seats	5 Doors	5 Doors	5 Doors
Transmission	6 speed Manual 6 speed Automatic	6 speed Manual 6 speed Automatic	6 speed Manual 6 speed Automatic
Engine Size	2.0L 4 Cylinder	2.0L 4 Cylinder 2.5L 4 Cylinder	2.0L 4 Cylinder
Drive Type	Front Wheel Drive	Front Wheel Drive 4x4 On Demand	Front Wheel Drive
Fuel Type	Petrol - Unleaded ULP	Petrol - Unleaded ULP	Petrol - Unleaded ULP

Native Advertising

Reviews



Volvo XC60 Polestar 2016 Review

Mid-size Swedish SUV gets option of dealer-fit sporty Polestar makeove...

9 Comments

Mar 22nd



Mazda CX-5 2016 Review

Practical, comfortable and seriously popular, this value-for-money SUV...

9 Comments

Mar 22nd



Lexus RX 2016 Review

Mid-size Swedish SUV gets option of dealer-fit sporty Polestar makeove...

9 Comments

Mar 22nd



Renault Megane RS: The French hatch that has taken on the world

Rocketship ups power, drops weight and remains the best driver's hat...

9 Comments

Sponsored

[view more >](#)

"MUX Build your MU-X your way! With access to the Genuine Isuzu UTE Accessory range and..."

Dealer: **Demo** [More than 100kms](#) | WA [Enquire](#) [View](#)

Have you considered?

2016 Subaru Outback 2.0D 5GEN Manual AWD MY16 [Sponsored](#) [Save](#) ☆

body SUV	transmission Manual	From \$39,840
engine 4cyl 2.0L Diesel	colour Crystal White	Drive Away
		\$35,490* Excl. Govt. Charges

New Car [Enquire](#) [View](#)

2013 Holden Ute SS VF Manual MY14 [Save](#) ☆

Odometer 51,410 km	Body Ute	\$33,990* Excl. Govt. Charges
Transmission Manual	Engine 8cyl 6.0L Petrol	

[CarFacts](#) [view report](#)

Dealer: **Used Car** [More than 100kms](#) | NSW [Enquire](#) [View](#)