



ASEAN'S NO.1 NETWORK OF AUTOMOTIVE PORTALS

# Half Year Investor Presentation

29 August 2016



Malaysia

LIVE LIFE DRIVE



Thailand



Indonesia

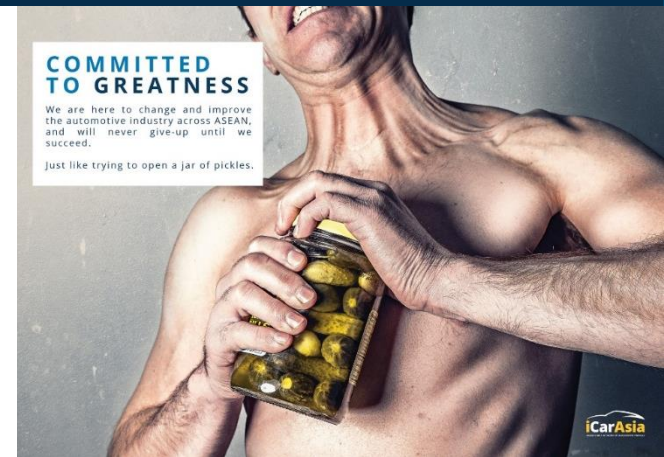


# COMPANY OVERVIEW



## Who are we?

iCar Asia Limited (ASX:ICQ) owns and operates ASEAN's No. 1 network of automotive portals with clear leadership positions established in each of ASEAN's three largest automotive markets.



iCar Asia has a significant market opportunity with the potential to connect over 600 million car buyers and seller throughout ASEAN.

We have a consolidated position in ASEAN markets with established brands, consistent consumer audiences, and listings leadership due to deep car dealership penetration and engagement via our market-leading Response Management System (RMS) which is integrated into dealers' businesses.

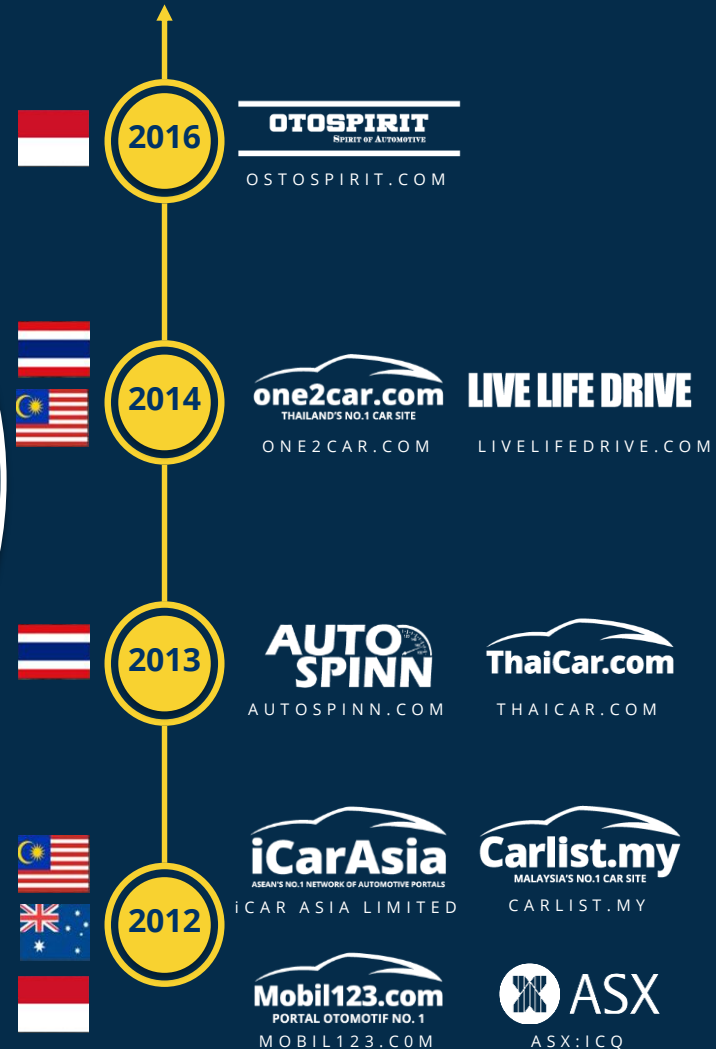
iCar Asia is now working to accelerate vibrancy and revenue growth with the potential to expand its proposition into new markets and geographies.

# ICAR ASIA MILESTONES

## WHY MALAYSIA, THAILAND & INDONESIA?

Over 1 million car transactions  
per year per country

Suitable set of acquisition  
targets as early stage  
vertical leaders



# OUR GROUP EXECUTIVES



**HAMISH STONE**  
**CHIEF EXECUTIVE OFFICER**

Experienced Digital Classified professional, with 10 years experience at eBay across three countries



**JOE DISCHE**  
**CHIEF FINANCIAL OFFICER**

CFO since June 2014  
Financial Controller  
Vodafone Hutchinson  
Australia (6 years)  
Chartered  
Accountant &  
Member of  
Australian Institute  
of Company Directors



**HARRY ANTARAKIS**  
**CHIEF MARKETING OFFICER**

Experienced Manager  
Director from  
iMoney Group and  
Group Operation  
Director at 701  
Search who manages  
Malaysian horizontal  
classified site  
Mudah.



**PEDRO STTAU**  
**CHIEF INFORMATION OFFICER**

CIO of iCar Asia since  
September 2015  
CTO of iCar Asia  
since March 2015  
Global Programme  
Manager with  
laterooms.com



**JOEY CAISSE**  
**CHIEF BUSINESS DEVELOPMENT OFFICER**

CBDO of iCar Asia  
responsible for new  
model initiatives.  
CIO of iCar Asia from  
Dec 2012 to Sept 2015.  
CTO Carsguide.com.au  
(2011) CTO News  
Digital Media  
Australia



**GAN KIAN YEH**  
**GROUP SALES DIRECTOR**

12 year experience in  
the automotive  
industry. Previously  
Group Sales Manager  
at PROTO Malaysia  
(Motor Trader),  
responsible for  
heading the Sales  
Team across the  
vertical markets of  
Cars and Bikes.



# THE MARKET POTENTIAL & ICAR ASIAs POSITION

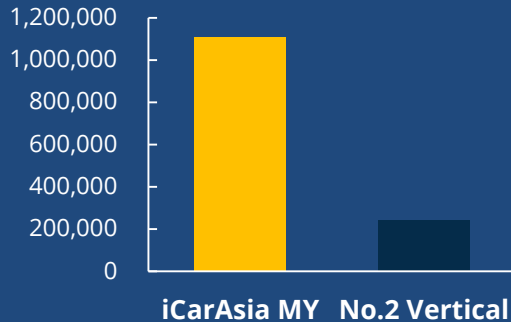
# MARKET OPPORTUNITY

- iCar Asia operates in developing markets with large populations and high GDP growth.
- Internet usage is widespread with a large population of users that is growing rapidly.
- Vehicle ownership is expected to accelerate as consumer purchasing power begins to rise (tipping point: US\$5,000 GDP per capita)
- New car sales volumes already exceed established markets such as Australia.
- iCar Asia's markets offer a huge potential for long-term growth in car transactions and as a result revenue for technology providers that facilitate buyer/seller interactions.

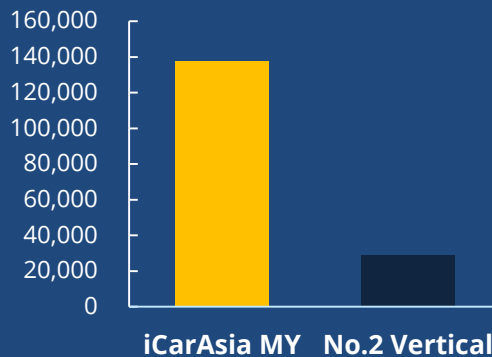
2016 FORECAST	ICAR ASIA MY, TH, ID	AUSTRALIA
POPULATION	359m	24m
INTERNET USERS (ANNUAL GROWTH)	103m (+5.5%)	21m (+1.7%)
GDP PER CAPITA (ANNUAL GROWTH)	A\$5.7k (+4.4%)	A\$73.8k (+2.3%)
VEHICLE OWNERSHIP PER 1,000	113	730
ANNUAL NEW CAR SALES	2.3m	1.2m
USED CAR SALES TRANSACTION	3.4m	2.4m
AUTOMOTIVE AD SPEND	A\$2.3b	A\$1.2b
% OF AD SPEND ONLINE	10%	47%

# COMPETITIVE LANDSCAPE

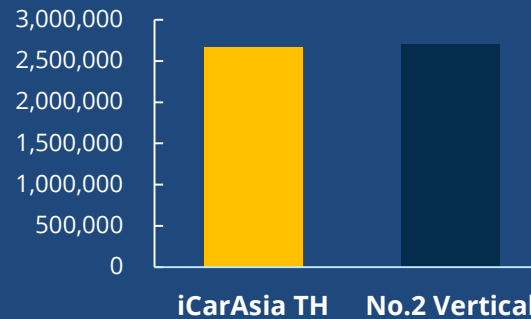
## MALAYSIA AUDIENCE



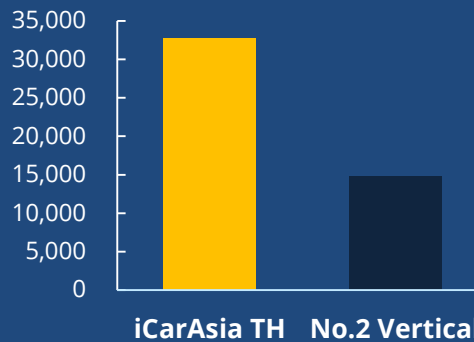
## LISTINGS



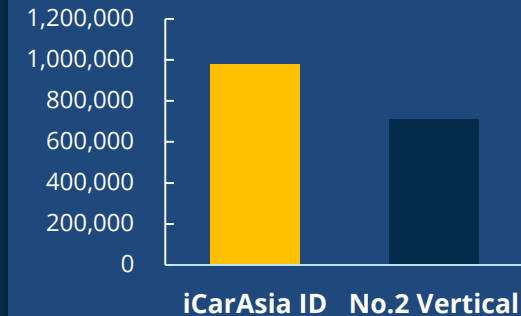
## THAILAND AUDIENCE



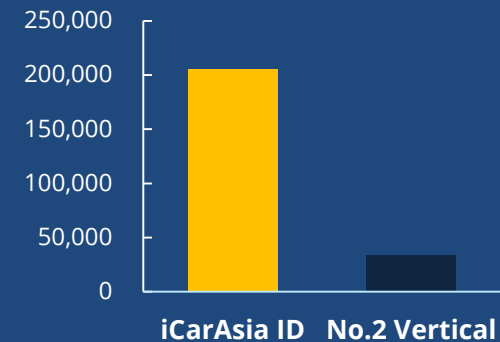
## LISTINGS



## INDONESIA AUDIENCE



## LISTINGS



### Position versus Automotive Classified Verticals (as per graphs):

- iCar Asia is the leading vertical in all its markets in all metrics.

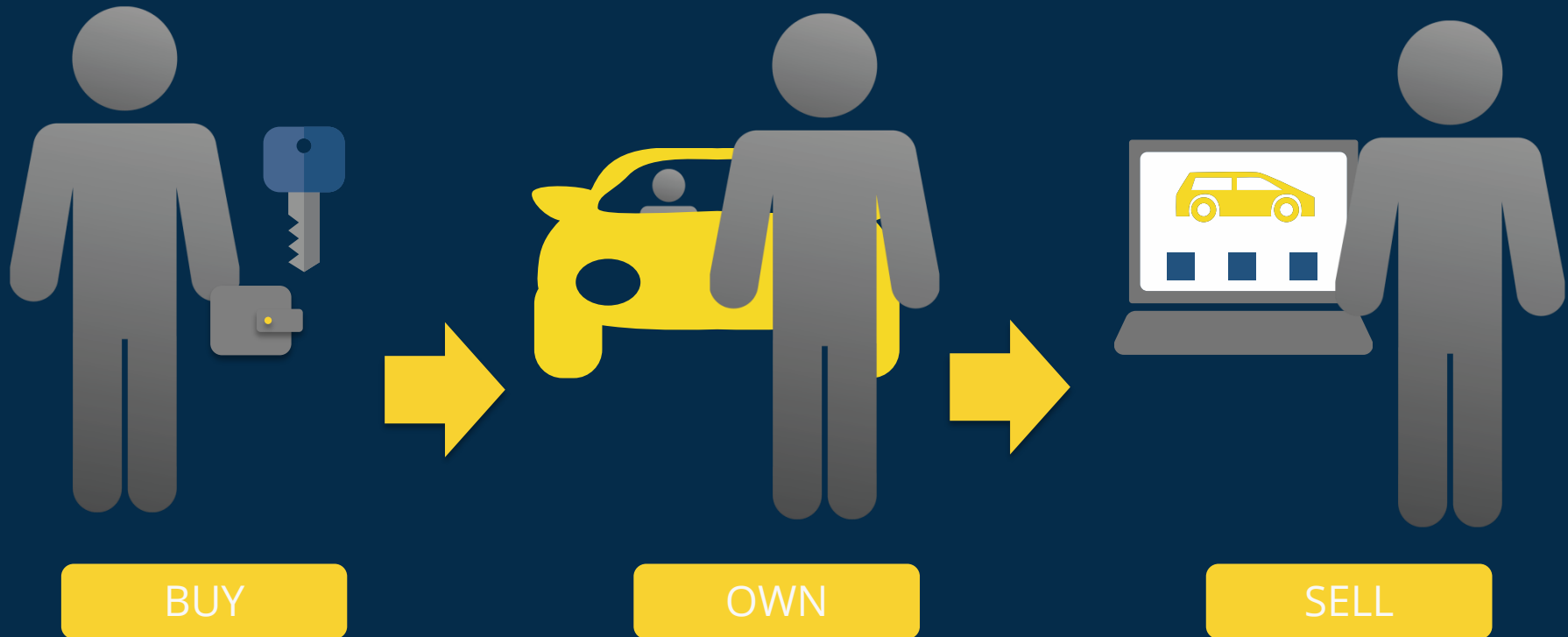
### Position versus Horizontal Classifieds (not graphed):

- Audience for Cars is not reported for Horizontal Classifieds
- The listings quality for horizontal classified is sub-standard with circa 20% to 30% duplication, sold cars and fraudulent listings.
- iCar Asia has clear listings dominance in Malaysia and Indonesia in the areas it services. In Thailand, iCar Asia is at parity with the horizontal once listing volumes are adjusted.

# STRATEGIC DIRECTION & PRIORITIES



# UNLOCKING THE VALUE



UNLOCKING THE VALUE IN THE MARKET BY  
CONNECTING PEOPLE AND BUSINESSES  
THOROUGHOUT THEIR WHOLE AUTOMOTIVE JOURNEY

# ICAR ASIA: PURPOSE, VISION & MISSION

## OUR PURPOSE

Enable people to successfully buy, own and sell automotive vehicles throughout ASEAN

## OUR VISION

Successfully connect buyers and sellers throughout their whole automotive journey

## OUR MISSION

Be the largest and most trusted automotive properties in ASEAN

# ICAR ASIA STRATEGIC PRIORITIES



**WORLD CLASS  
EXPERIENCE**



**WIN CORE  
MARKETS**



**CONQUER NEW  
FRONTIERS**

# WORLD CLASS **USER EXPERIENCE**



## Engagement Tools

- Dealer App
- Messaging

01



## Private Users

- Private Seller Experience
- Web & App Private Listing

02



## Personalization

- User Segmentation
- Elastic Search EE Module

03



## Single Platform

- Local Themes
- Daily Deployments

04



# MOBIL123

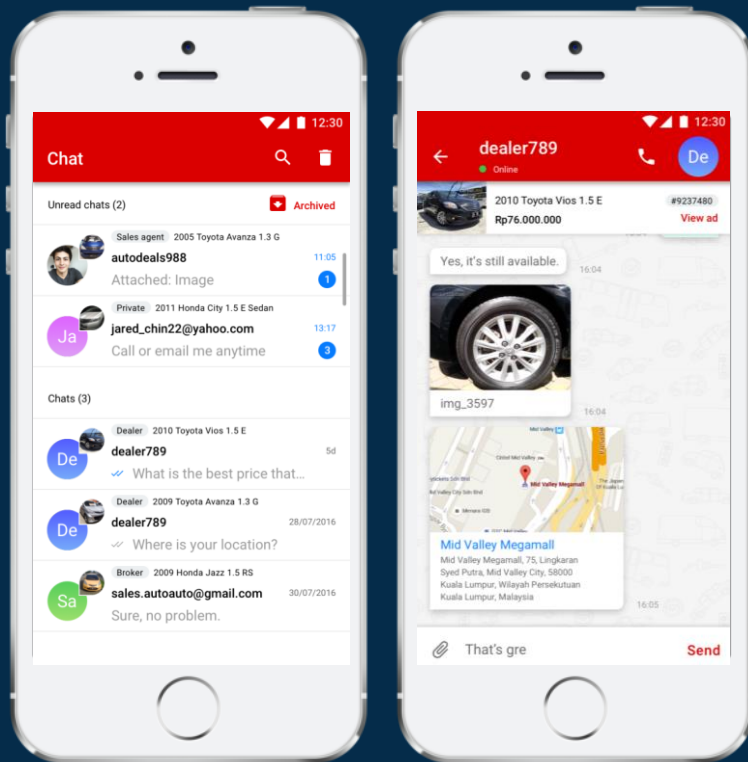
## DRIVING DEALER ENGAGEMENT THROUGH A DEALER APPLICATION

- Customized camera module
- Improved listing creation steps
- Enhanced inventory design

# MOBIL123

BUYER

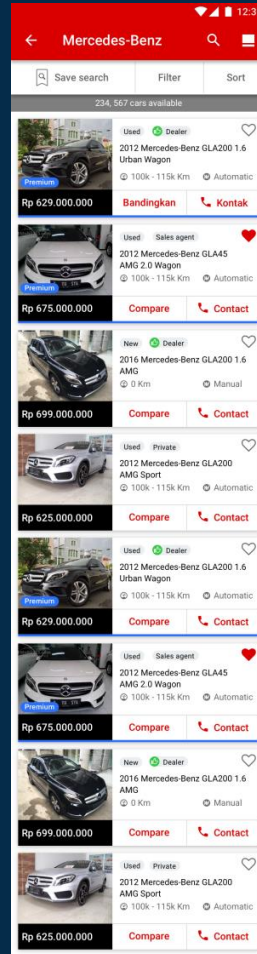
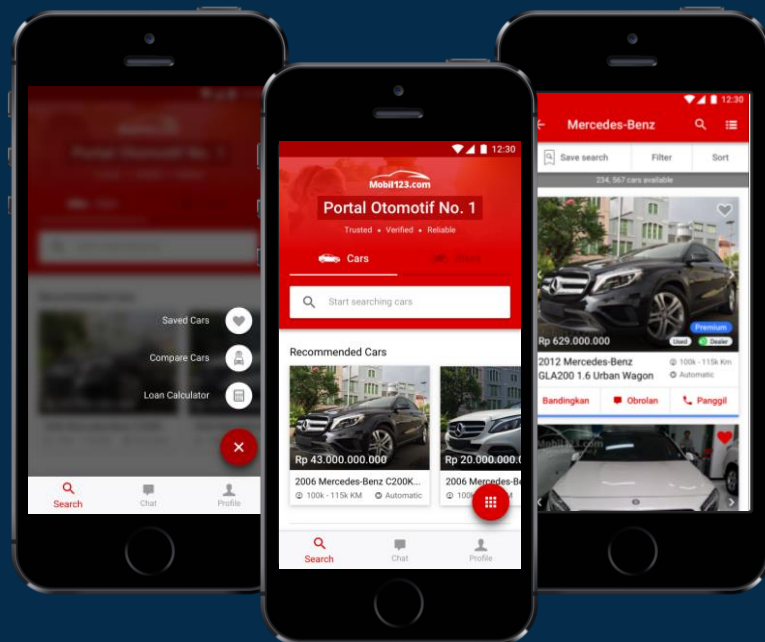
DEALER



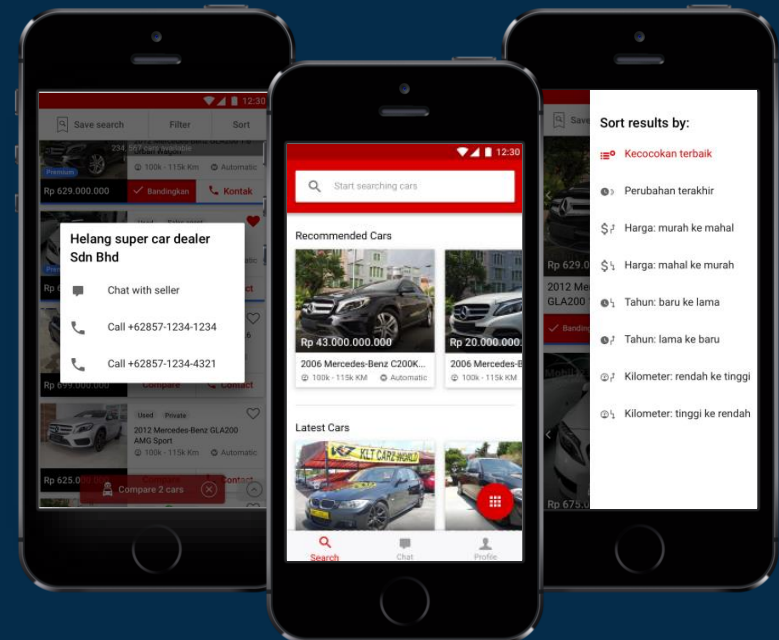
ENABLING FRICTIONLESS COMMUNICATION  
THROUGH MESSAGING

# MOBIL123

## A REVAMPED CONSUMER APP EXPERIENCE



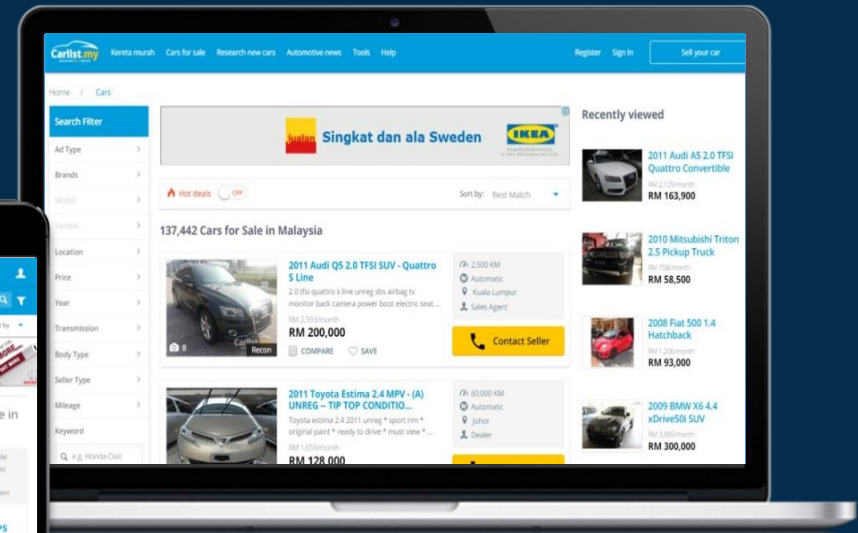
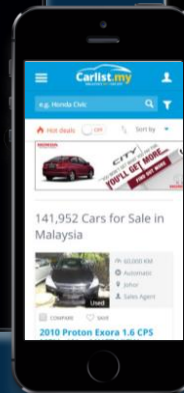
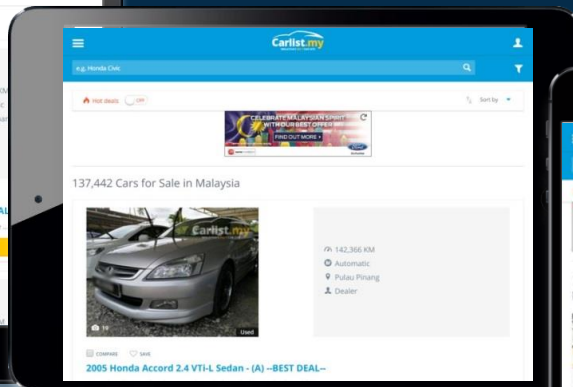
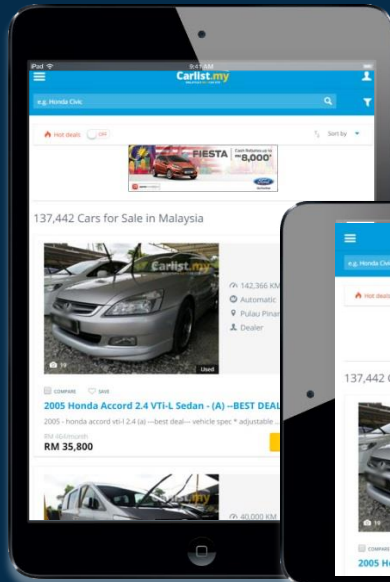
- Refined search experience
- Full / list view
- Floating menu
- Messaging



# CARLIST

TABLET:  
LANDSCAPE, PORTRAIT

DESKTOP



MOBILE

Responsive header  
and footer

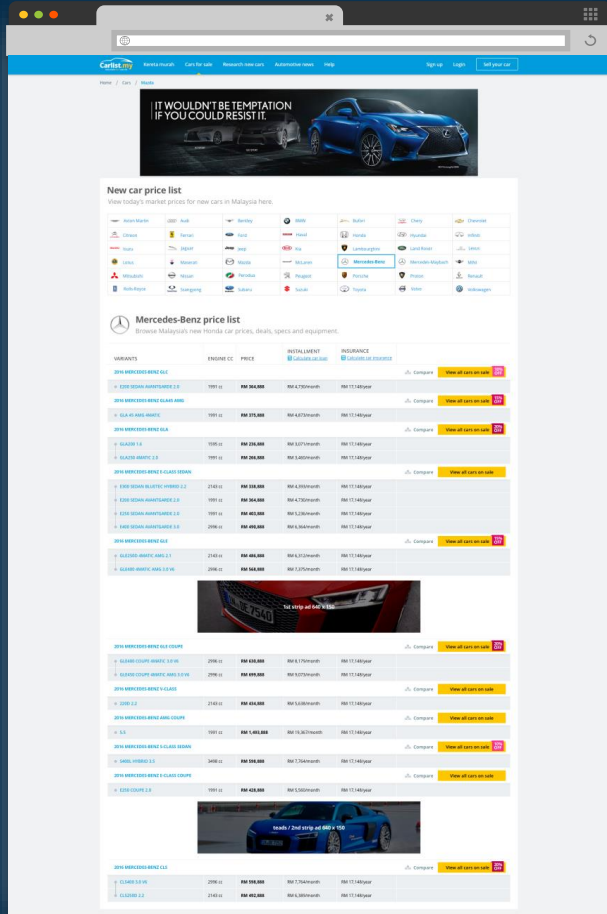
Responsive sticky  
search bar

Responsive Ads, full IAB  
standard ad units

FULLY RESPONSIVE SITE



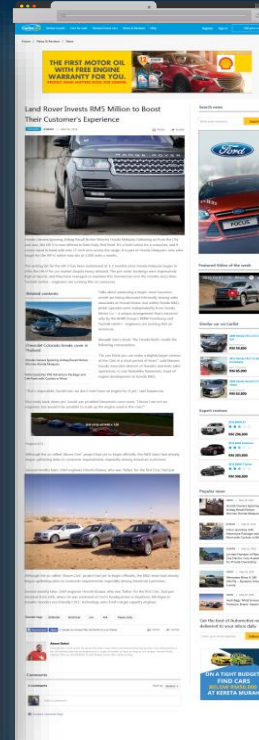
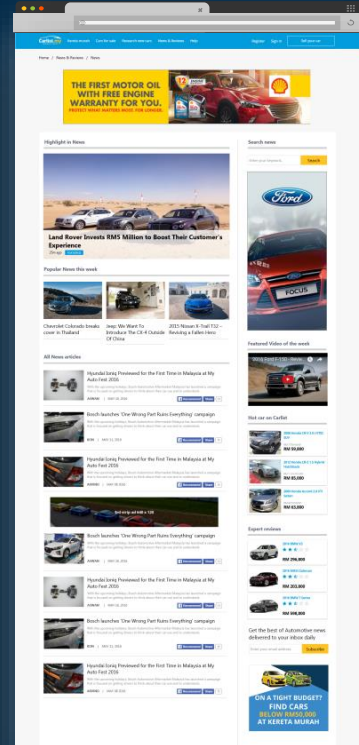
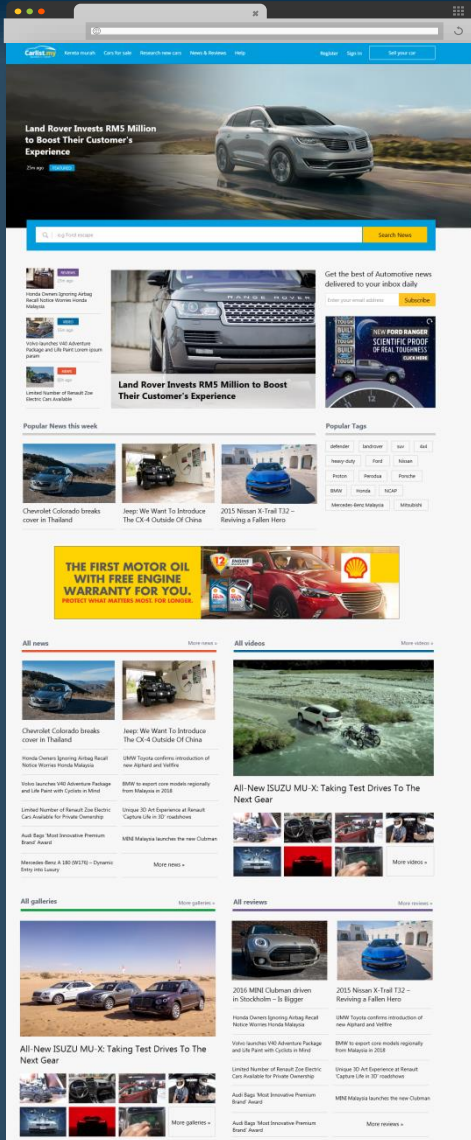
# CARLIST



# DATA AT HEART OF PRODUCT DEVELOPMENT WITH PRICING TOOL 2.0

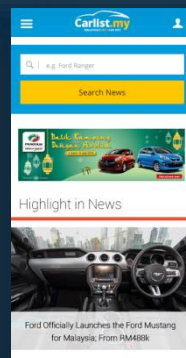
- One of our highest ranking SEO pages
- Updating to latest design language
- Enhancements; customize finance and insurance calculator, discount percentage cars on sale and Ajaxify loading
- First fully responsive page

# CARLIST

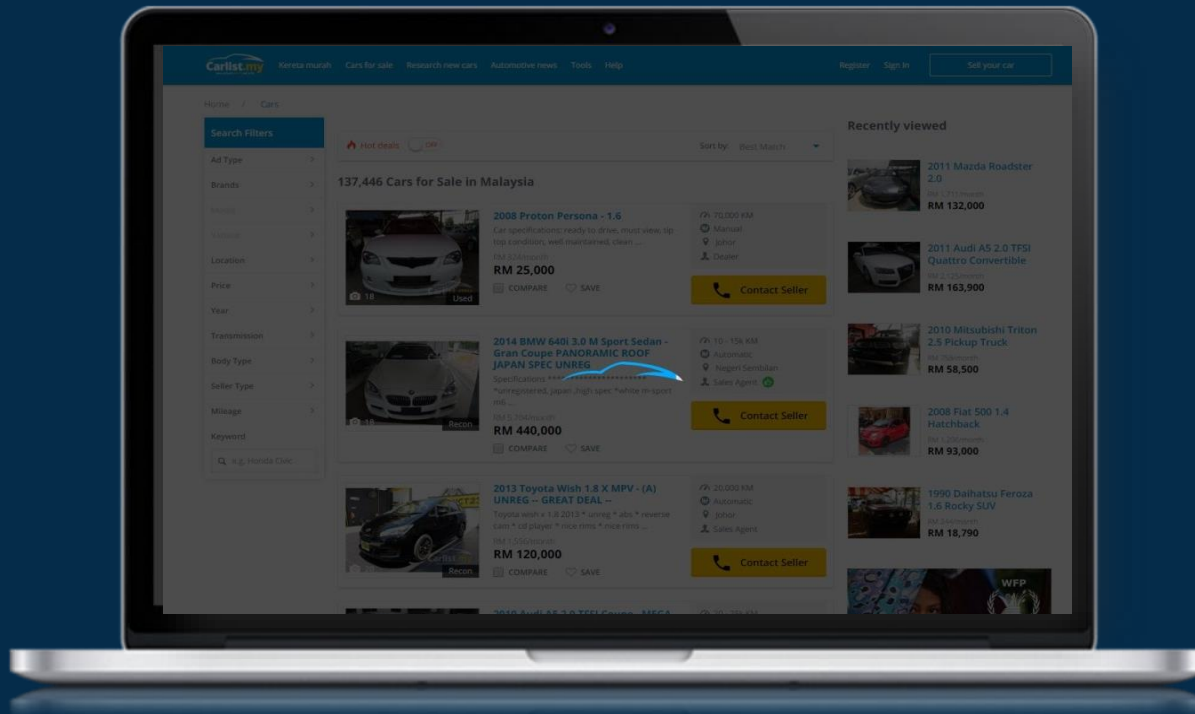


## INTEGRATING RELEVANT CONTENT INTO THE CUSTOMER JOURNEY

- Landing page
- Category page
- Article page
- Enhancements; video plug-ins, sticky social share, related content in article



# GROUP



- Ajaxify search loading
- Upgraded to PHP7
- Page speed improvements
- SEO investments
- Page size increased to 25 listings
- Lazy loading images
- Local proxy
- Page speed up to 3x faster; (circa ~9secs in Feb to ~4 secs in August)
- First steps in Malaysia to move to Single Platform with Indonesia and Thailand to follow in coming quarters

INVESTING IN TECHNOLOGY TO SPEED UP FUTURE DEVELOPMENT



# PERFORMANCE UPDATE & OUTLOOK



# OPERATIONAL PERFORMANCE UPDATE



<b>AUDIENCE</b>	2.0m	+29%	1.9m	+10%	2.0m	+6%
<b>PAID ACCOUNTS</b>	1,900	+2%	1,226	-18%	1,000	+24%
<b>LISTINGS</b>	150k	+20%	34k	0%	215k	+7%
<b>LEADS</b>	140k	-10%	240k	+2%	240k	+24%

COMPARISON  
AUG-16 FORECAST  
VS JAN-16

Audience continues to grow year on year organically and through improved paid traffic performance in all markets.



Paid accounts continue steady growth in Malaysia. In Thailand the conversion to a prepaid subscription model resulted in the loss of smaller dealers with a low impact on revenue. In Indonesia the penetration of paid accounts and products has begun to accelerate.



In Malaysia and Indonesia regional expansion and higher dealer engagement is driving listings growth. Thailand regional expansion is commencing in September.

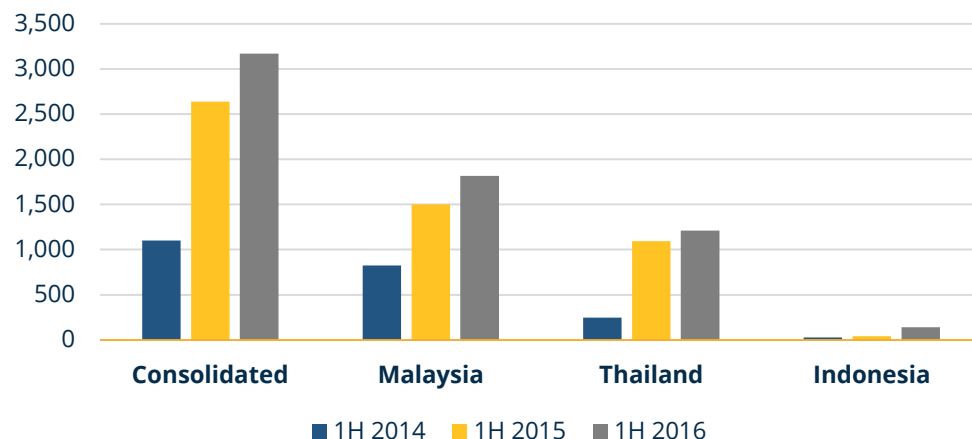


Strong leads growth in Indonesia. Malaysia and Thailand are compared to January seasonal peak car buying periods.

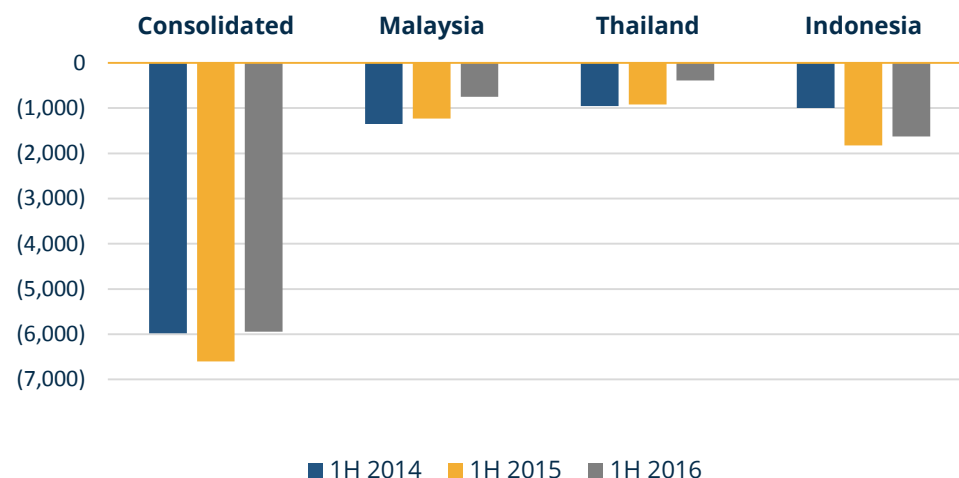


# FINANCIAL PERFORMANCE 1<sup>st</sup> HALF 2016

REVENUE 1ST HALF 2014 TO 2016



EBITDA 1ST HALF 2014 TO 2016



A\$ '000	1H 2016	1H 2015	YOY
REVENUE	3,170	2,638	20%
OPERATING COSTS	9,144	9,237	1%
EBITDA	(5,944)	(6,599)	10%
NPAT	(6,400)	(7,246)	12%

- Consolidated 1<sup>st</sup> half revenue grew 20% year on year largely through Media and Classifieds in Malaysia and Thailand.
- Revenues impacted by economic conditions, reduced car sales volumes and horizontal Classified competition.
- Costs largely flat year on year with savings from Thailand consolidation offsetting investment in Product & Technology.
- EBITDA improved YOY in all markets.

# FINANCIAL PERFORMANCE **FULL YEAR 2016**

	1H 2016	2H 2016		FY 2016		YOY
		LOW	HIGH	LOW	HIGH	HIGH
<b>REVENUE (A\$k)</b>	\$3,170	\$3,580	\$4,580	\$6,750	\$7,750	+23%
<b>EBITDA (A\$k)</b>	(\$5,944)	(\$9,556)	(\$8,556)	(\$15,500)	(\$14,500)	-27%

To cement its leadership position iCar Asia is increasing its investment in the 2<sup>nd</sup> half 2016 in marketing, product, technology and front-line sales staff.



The Company will use the investment to grow regionally outside the capital cities and expand the base of car dealer customers.



This will be supported by tactical above the line marketing and new product developments to drive growth in the consumer audience and engagement.



Strategic product developments in the private seller and new car markets will introduce new revenue streams and growth drivers.

# FUTURE POTENTIAL

## New Car Market

- As the markets mature new car online advertisings share of marketing spend is predicted to increase from 10% to 28% by 2021 (Australia is currently 47% and UK at 52%)
- This will generate an addressable online market of circa >\$900m.
- Carsales.com.au currently captures 18% of new car online advertising market.

## Used Car Market

- The used car market will conservatively generates a margin of \$3.7b by 2021.
- The used car markets continue to embrace online marketing channels
- Carsales.com.au currently captures approximately 10% of the used car dealer margin.

## MALAYSIA, INDONESIA, THAILAND

In A\$m

	2016	2021	CAGR
<b>NEW CAR</b> AUTOMOTIVE ADVERTISING SPEND	\$2,306	\$3,310	8%
% SPENT ONLINE	10%	28%	22%
VALUE SPENT ONLINE	\$239	\$919	31%
VALUE OF EACH 1% / CARSALES 18% OF ONLINE AUTOMOTIVE ADVERTISING MARKET		\$9 / \$166	
<b>USED CAR</b> TRANSACTIONS VOLUME M'	3.4	4.4	5%
VALUE OF USED CAR DEALER MARGIN @ 5%	\$2,906	\$3,709	5%
VALUE OF EACH 1% / CARSALES 10% OF GROSS DEALER MARGIN		\$37 / \$371	





ASEAN'S NO.1 NETWORK OF AUTOMOTIVE PORTALS



Malaysia

**LIVE LIFE DRIVE**



Thailand



Indonesia

## DISCLAIMER

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