

## **ASX/MEDIA RELEASE**

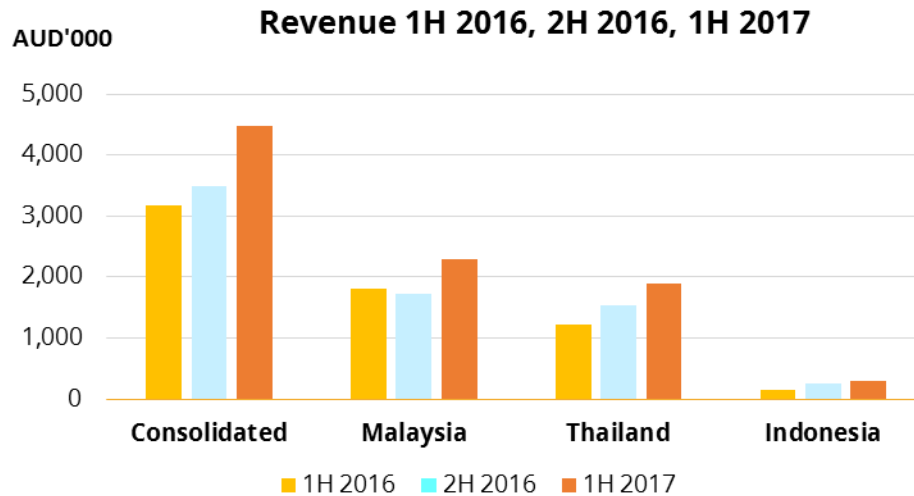
### **iCar Asia Limited reports 49% (FOREX neutral) first half 2017 revenue growth**

18 August 2017 - iCar Asia Limited ('iCar Asia' or the 'Company'), owner of ASEAN's number 1 network of automotive portals today released its Financial Report for the first half year of 2017.

#### **Financial Performance**

##### ***Strong revenue growth of 49% year on year (FOREX neutral)***

In the first half of 2017 the Group generated \$4,482,581 in revenue (first half 2016: \$3,170,770), an increase of 41%. This represents an acceleration of year on year growth to 49% (on a FOREX neutral basis) with revenue growth of 28% compared to the second half of 2016.



This growth was primarily driven by the Group's core Classified and Media businesses. Incremental revenue growth came from the introduction of New Car events in Malaysia in May 2017. In addition, operations in all countries benefited from the establishment of new advertising and dealer incentive partnerships with finance and insurance institutions.

##### ***Margin improvement through optimisation of spending and cost management measures***

Operating expenses increased 21% in the first half of 2017 to \$10,983,971 (first half 2016: \$9,114,443) largely through a 52% increase in discretionary marketing expenses compared to the prior corresponding period in line with the Group's strategy of continuing to invest in initiatives to grow market share. Although there was growth year on year, operating expenses decreased by 3% on the previous six-month period (second half 2016: \$11,361,696), largely through optimisation of employment and administrative expenses as the increase in discretionary marketing spend was largely implemented in the previous six month period.

#### **iCar Asia Limited**

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The Group incurred an EBITDA loss for the half year of \$6,501,390 (first half 2016: \$5,943,673). The EBITDA loss was a 17% improvement on the previous six month period (second half 2016: \$7,869,072) as revenue growth of 28% was delivered in conjunction with the marginal reduction in the operating cost base of the Group on the previous six month period.

## **Operating Performance Highlights**

### ***Extending leadership position in all markets enabling growth into New Car***

The Group's core Classified and Media businesses delivered solid growth in all markets primarily as a result of the following:

1. Increases in paying dealer accounts (up 28% year on year), listings (up 22% year on year) and the increased take-up of paid 'depth' products (sales of 'bumps' – where a listing is promoted to the top of search results – were up 48% year on year);
2. Pricing optimisation resulting in increases in monthly spend per account. In Thailand subscription pricing was increased along with the bundling of an allocation of 'depth' products into each pricing tier. In Malaysia bundles were introduced driving more consistent monthly spend;
3. An increasingly diversified group of advertisers now engaging with the Group's various online properties. The Group has established key strategic partnerships with leading finance and insurance institutions in all markets. This has helped drive revenues and establish a base of key relationships which the Group will be able to leverage in the future with increased focus on a transactional based online car buying experience;
4. The introduction of car events in Malaysia, which has contributed to solid growth in media revenue. iCar Asia's first new car event was held in Kuala Lumpur in May 2017 and run in association with the Malaysian Automotive Association. Over 20,000 car buyers attended this two day event to test drive and buy from the 15 car brands that participated. Over 2,500 test drives were completed, with over RM 23 million of cars being sold as a result of the event.

### ***Rollout of a solid platform for future growth***

A range of key initiatives were delivered in the development of iCar Asia's product and technologies. Consumer and dealer mobile applications are now live in all markets, the Group is now running off a single technology platform and a revised new car proposition is ready to be launched in all markets. With these developments, the Group considers that it has all the tools in place to grow in its core markets whilst extending into the new areas including in the new car section, finance, insurance and other automotive services.

### ***Strengthening of iCar Asia Board and Management Team***

The Group has recently strengthened its board with the appointment of three new directors who bring a wealth of experience in the successful commercialisation of digital media and technology businesses in Asia and Australia. iCar has also made senior appointments in the marketing and events teams bringing additional expertise to the management team. The combined developments at a strategic, operational and execution levels have placed the Group in a strong position to capture the opportunity it has before it.

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## Operating Environment and Opportunities

CEO of iCar Asia Limited, Mr. Hamish Stone commented: "With improving economic conditions, our markets are returning to growth in new car sales. iCar Asia is in a great position to maximise revenue from our existing products as well as moving into new areas. We look forward to extending the progress from the first half of 2017.

The new car market represents one of the biggest opportunities in the digital space. We have the right brands, audience and now platform to build a great proposition in New Car combining a world class digital experience with physical events. This transformative approach will help drive further progress in the adoption of digital practices in the automotive industry and allow iCar to extend its leadership position in car buying across ASEAN."

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**About iCar Asia Limited ([www.icarasia.com](http://www.icarasia.com))**

Listed on the Australia Securities Exchange, iCar Asia (ASX: ICQ) owns and operates ASEAN's No.1 network of automotive portals.

Headquartered in Kuala Lumpur, Malaysia, the company is focused on developing and operating leading automotive portals in Malaysia, Indonesia and Thailand. iCar Asia is continuously working to capitalise on its market-leading positions, with its online properties currently reaching over 7 million car buyers and sellers in the region every month.

**iCar Asia Network of websites**

- Malaysia: Carlist.my
- Malaysia: LiveLifeDrive.com
- Indonesia: Mobil123.com
- Indonesia: Otospirit.com
- Thailand: One2Car.com
- Thailand: Autospinn.com
- Thailand: Thaicar.com

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