

Full Year Results

Year ended 27 March 2016

9th June 2016



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Financial Highlights

Revenue: **up 10%** to £281.6 million (2015: £255.9 million)

Underlying operating profit: **up 19%** to £171.3 million (2015: £144.1 million)

Underlying operating profit margin: **up 5% points to 61%** (2015: 56%)

Operating cash flow: **up 30%** to £177.0 million (2015: £135.8 million) representing cash conversion of **97%** (2015: 87%) of Adjusted underlying EBITDA

Net external debt: **down £135.3m** to £392.6 million with leverage falling to **2.2x** from 3.4x at March 2015

Earnings & Distribution: Basic EPS of **12.7p** (2015: 0.9p): proposed final dividend of **1p per share** (2015: nil), totalling 1.5p for the year

Key Drivers

Cross platform visits: 47.9 million on average each month: **6 times larger** than our nearest competitor

Advert Views: **up 7.5%** to 243 million per calendar month (2015: 226 million) generating more response for our customers

Customers: retailer forecourts **up 0.5%** to 13,514 (2015: 13,452)

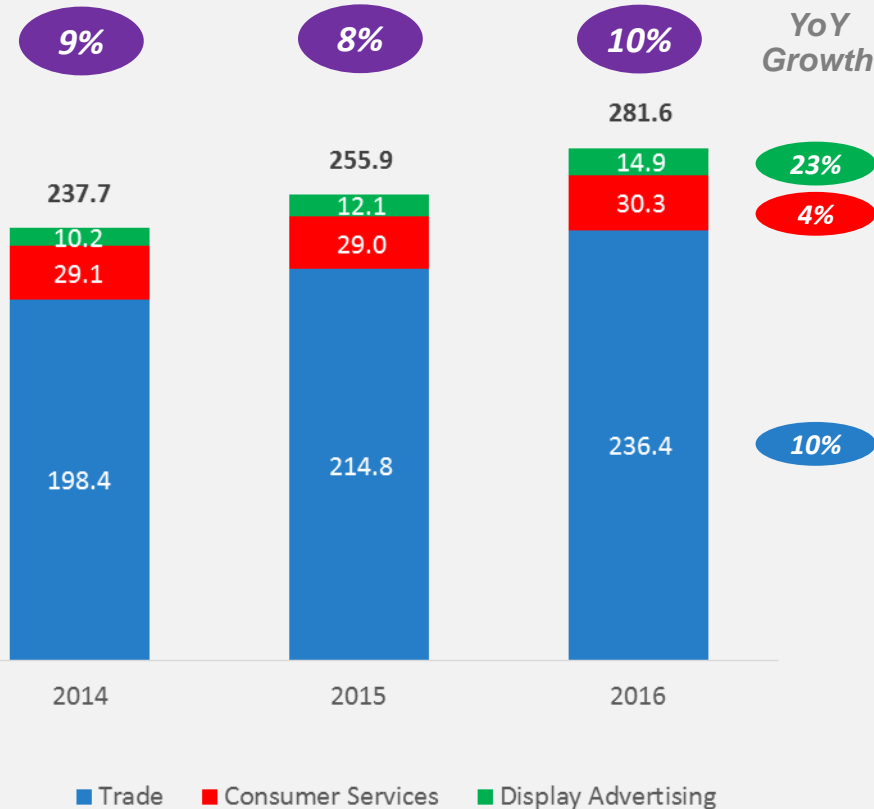
ARPR: **up 10.5%** to £1,384 on average per month (2015: £1,252)

Average Employees & Contractors (FTEs): **down 6%** to 859 on average during the period (2015: 915)

Revenue

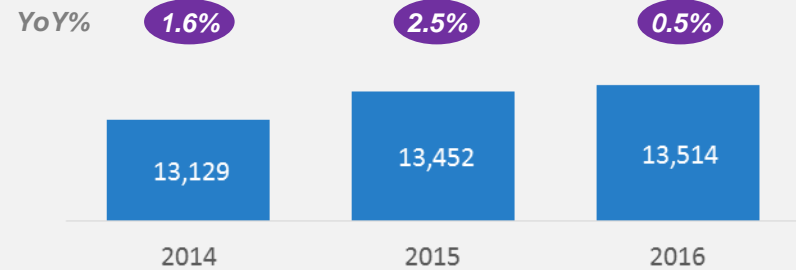
Revenue (£m)

Year ended March 2016 is shown as 2016.

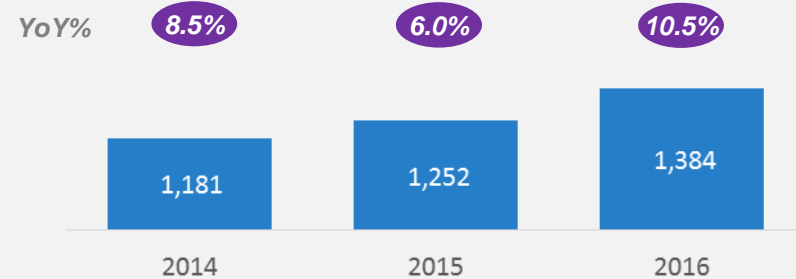


Trade revenue comprises:
 2016: Retailer (£224.5m), Home Trader (£11.5m) and Other (£0.4m)
 2015: Retailer (£202.1m), Home Trader (£10.3m) and Other (£2.4m)
 2014: Retailer (£186.0m), Home Trader (£9.8m) and Other (£2.6m)

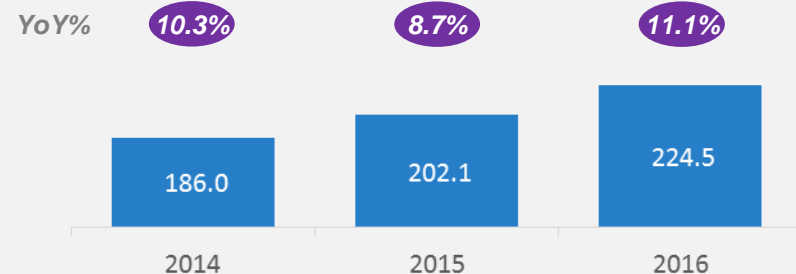
Number of Retailer Forecourts ⁽¹⁾



Average Revenue Per Retailer (ARPR) (£) ⁽¹⁾



Retailer Revenue (£m)

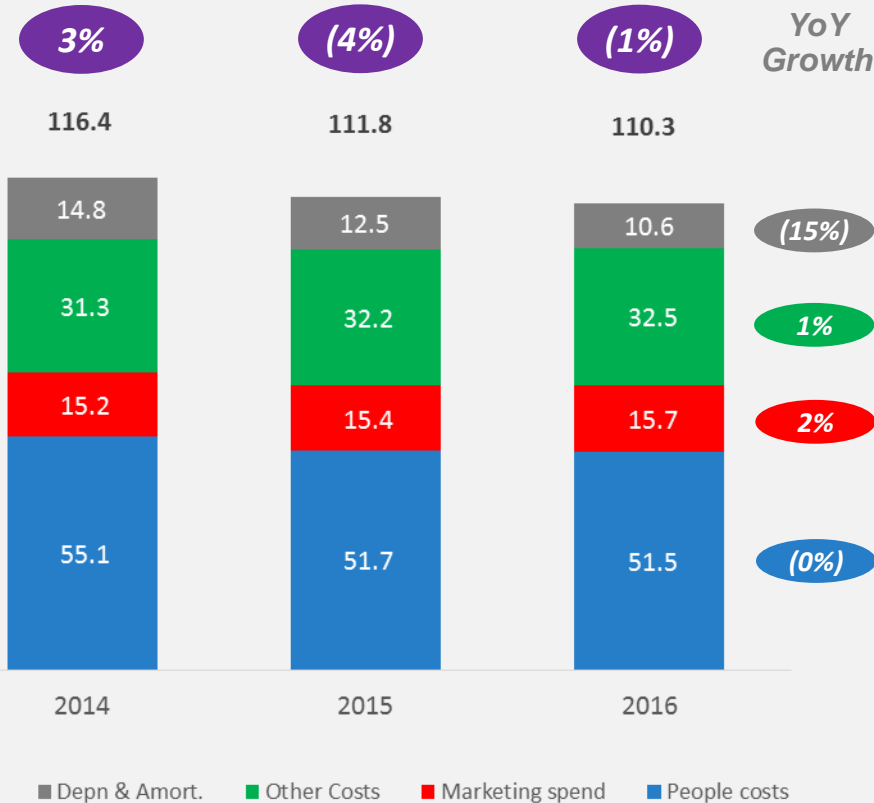


(1) Average monthly metric

Costs

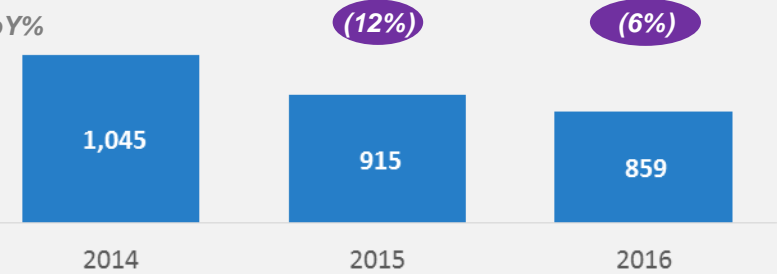
Costs⁽¹⁾(£m)

Year ended March 2016 is shown as 2016 .

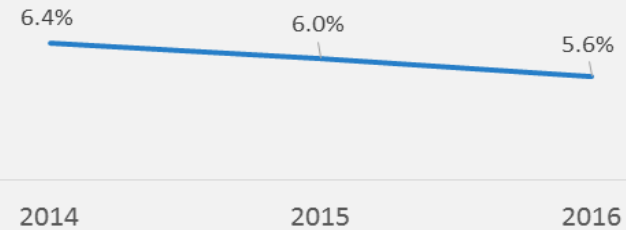


Employees & Contractors (Average)

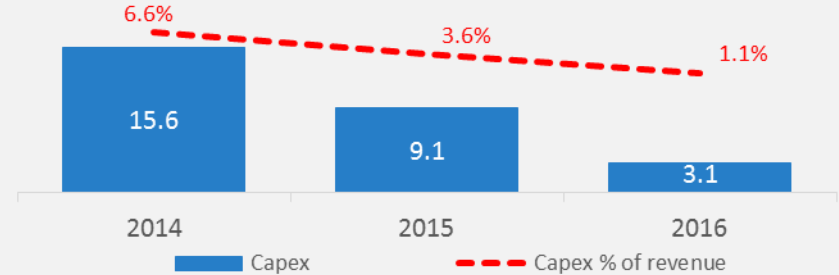
YoY%



Marketing % of Revenue



Continuing Capital Expenditure (£m)



(1) 2016: Administrative Expenses (£112.0m) before SBP & associated NI (£2.5m), MIP (£0.0m), less exceptional items (£0.8m credit), plus capitalised development spend (£0.0m)

2015: Administrative Expenses (£122.8m) before SBP & associated NI (£3.7m), MIP (£1.9m), less exceptional items (£5.4m), plus capitalised development spend (£0.0m)

2014: Administrative Expenses (£139.0m) before SBP & associated NI (£0.0m), MIP (£0.6m), less exceptional items (£11.1m) and impairment charges (£15.8m) plus capitalised development spend (£4.9m)

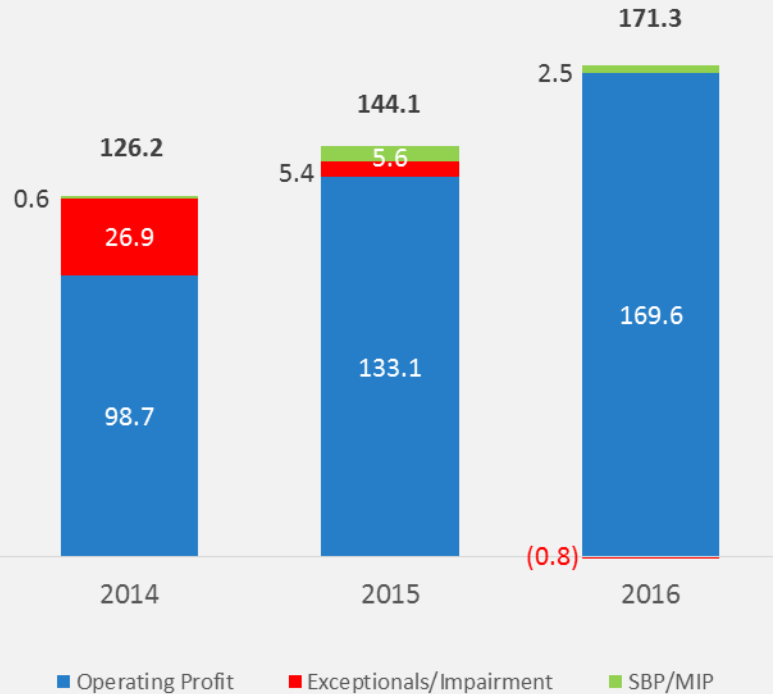
NB: Capitalised development spend excludes expenditure incurred on building the SingleView order-to-cash billing system

Profit & Cash Flow

Underlying operating profit (£m)

Year ended March 2016 is shown as 2016

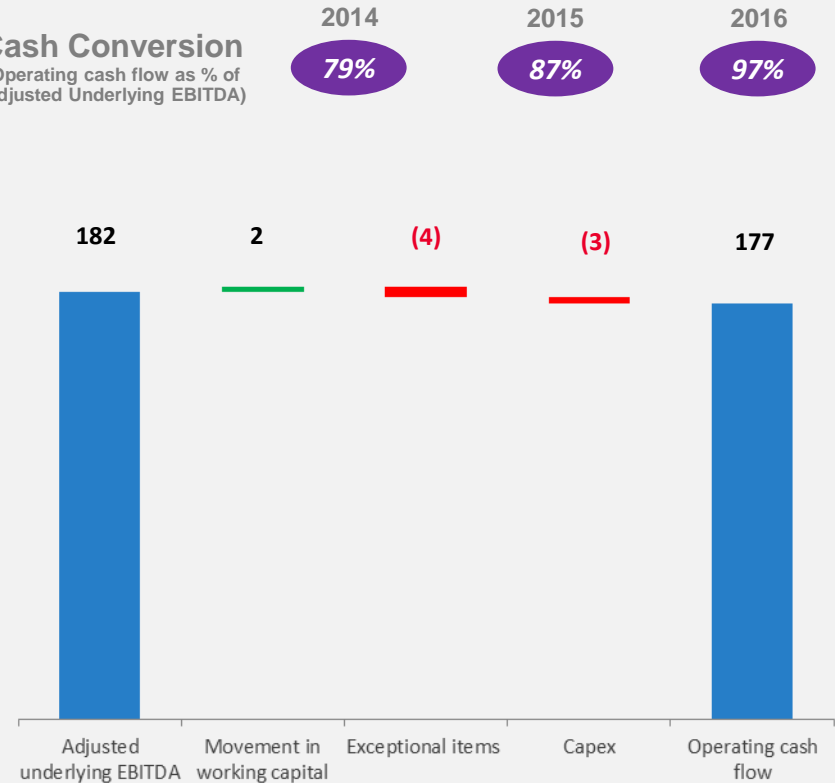
Margin	53%	56%	61%
Growth %	9%	14%	19%



Operating cash flow

Year ended March 2016 is shown as 2016

Cash Conversion
(Operating cash flow as % of Adjusted Underlying EBITDA)



Underlying operating profit represents operating profit before exceptional items, share-based payments and associated NI (SBP) and pre IPO, ownership related management incentive plans (MIP)
Adjusted underlying EBITDA represents Underlying operating profit before depreciation and amortisation

Income Statement

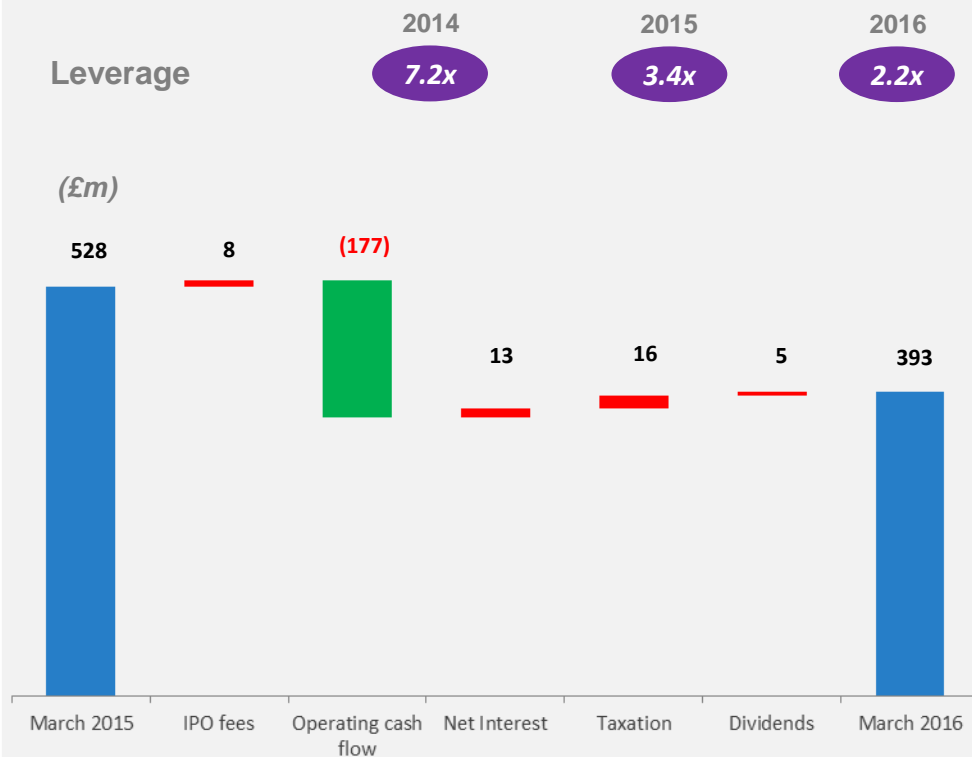
	Year ended 27 March 2016 £m	Year ended 29 March 2015 £m
Revenue	281.6	255.9
Administrative expenses	(112.0)	(122.8)
Operating profit before share based payments and associated NI, management incentive plans and exceptional items	171.3	144.1
Share-based payments and associated NI	(2.5)	(3.7)
Management incentive plans	-	(1.9)
Exceptional items	0.8	(5.4)
Operating profit	169.6	133.1
Finance costs - net	(14.6)	(122.2)
Profit before tax	155.0	10.9
Taxation	(28.3)	(2.4)
Profit for the year from continuing operations	126.7	8.5
Profit for the year from discontinued operations attributable to equity holders of the parent	-	1.9
Profit attributable to equity holders of the parent	126.7	10.4
Earnings per share		
From continuing operations (pence per share) - Basic	12.67	0.85
From continuing operations (pence per share) - Adjusted	12.86	4.12
Dividend per share (pence)	1.50	-

(Interim 0.5p/final 1.0p)

Net External Debt & Capital Structure

Reconciliation of Net External Debt (1)

Year ended March 2016 is shown as 2016



Capital Structure

- IPO aim of **2.0x leverage achieved** post year end
- Future annual **dividend** will rise to c.1/3 of net income
- The Group will **continue to invest in the business** but ability to grow organically means **significant levels of surplus cash** (i.e. cash after dividends) will be generated
- The majority of surplus cash will be used to fund a rolling programme of **share buy backs** that will start imminently
- The balance will be used to **steadily reduce debt**

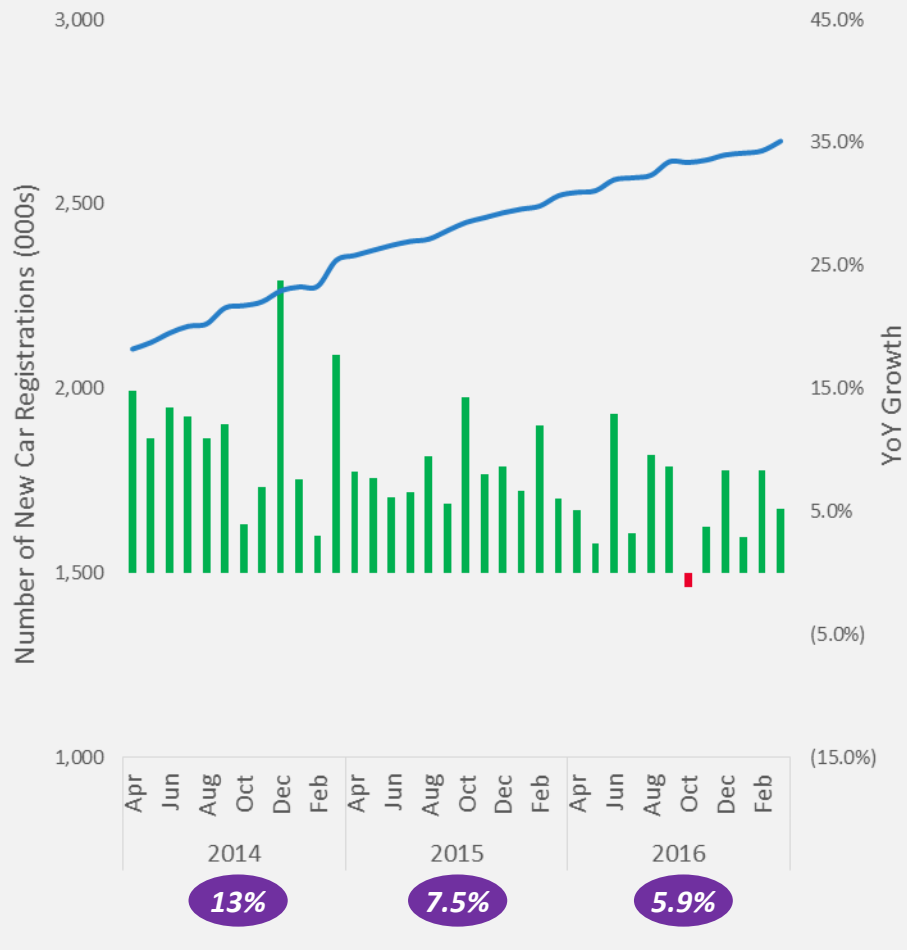
(1) Net External Debt represents gross external borrowings before amortised debt issue costs less cash

Key Drivers & Outlook



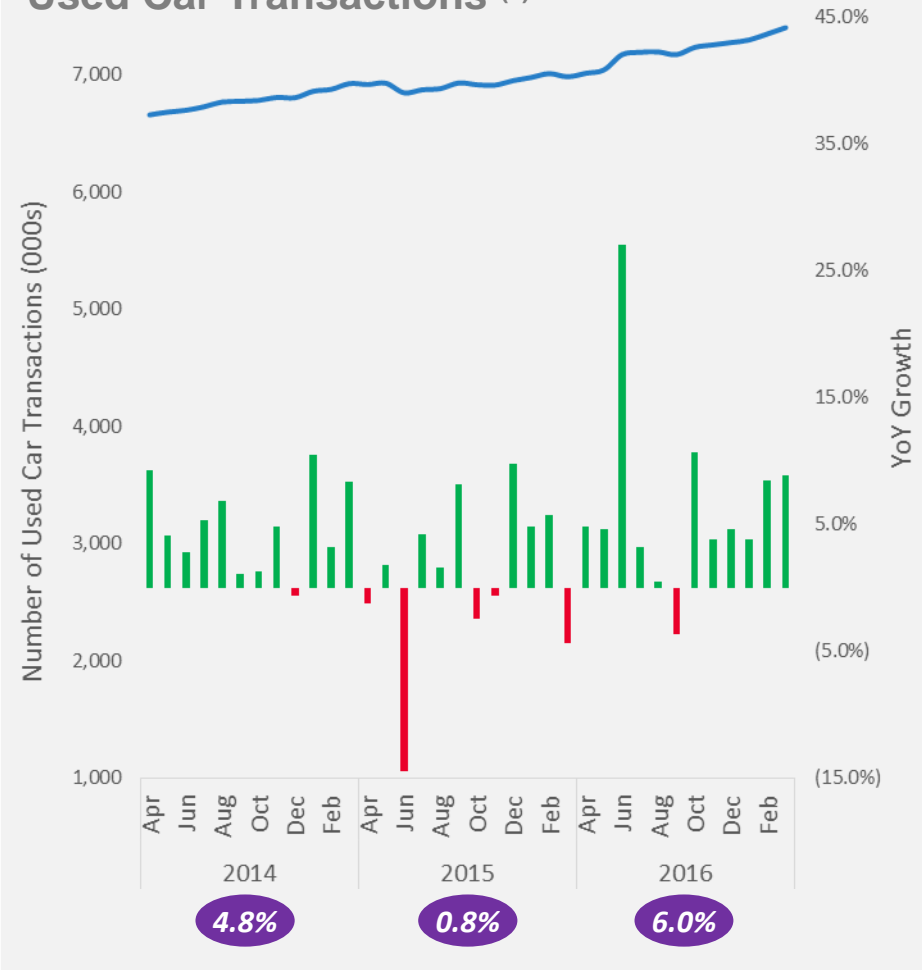
Market

New Car Registrations (1)



(1) Source: Society of Motor Manufacturers & Traders (SMMT) - 12 month rolling total

Used Car Transactions (2)

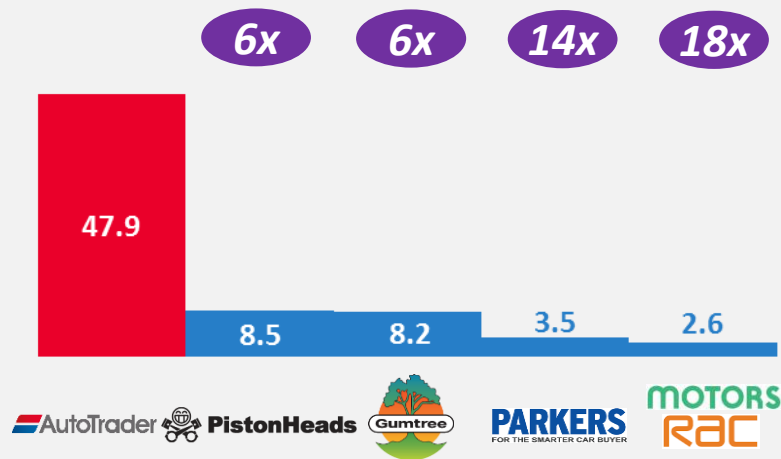


(2) Source: DVLA transaction data - 12 month rolling total

Audience & Engagement

Visits (1)

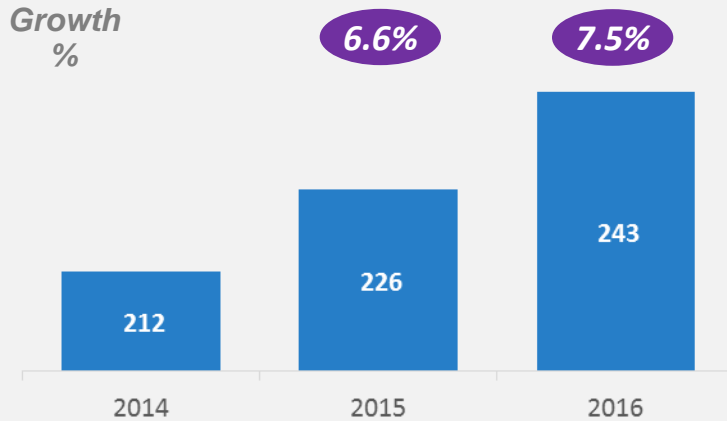
(12 month average to March - million)



Advert Views (2)

(average pcm - million)

Growth %

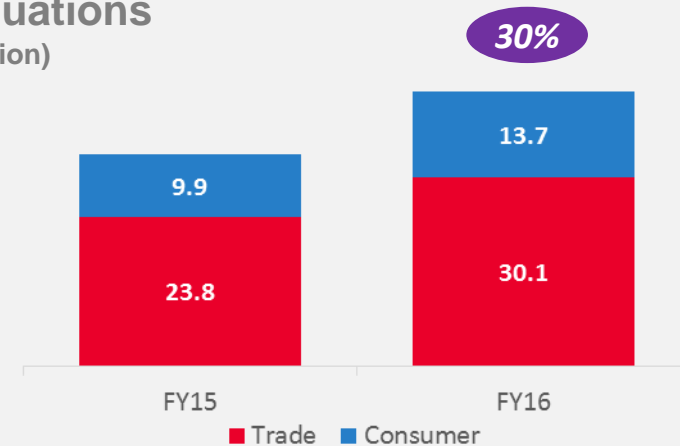


Device

c.70%
from a
mobile device

Valuations

(million)

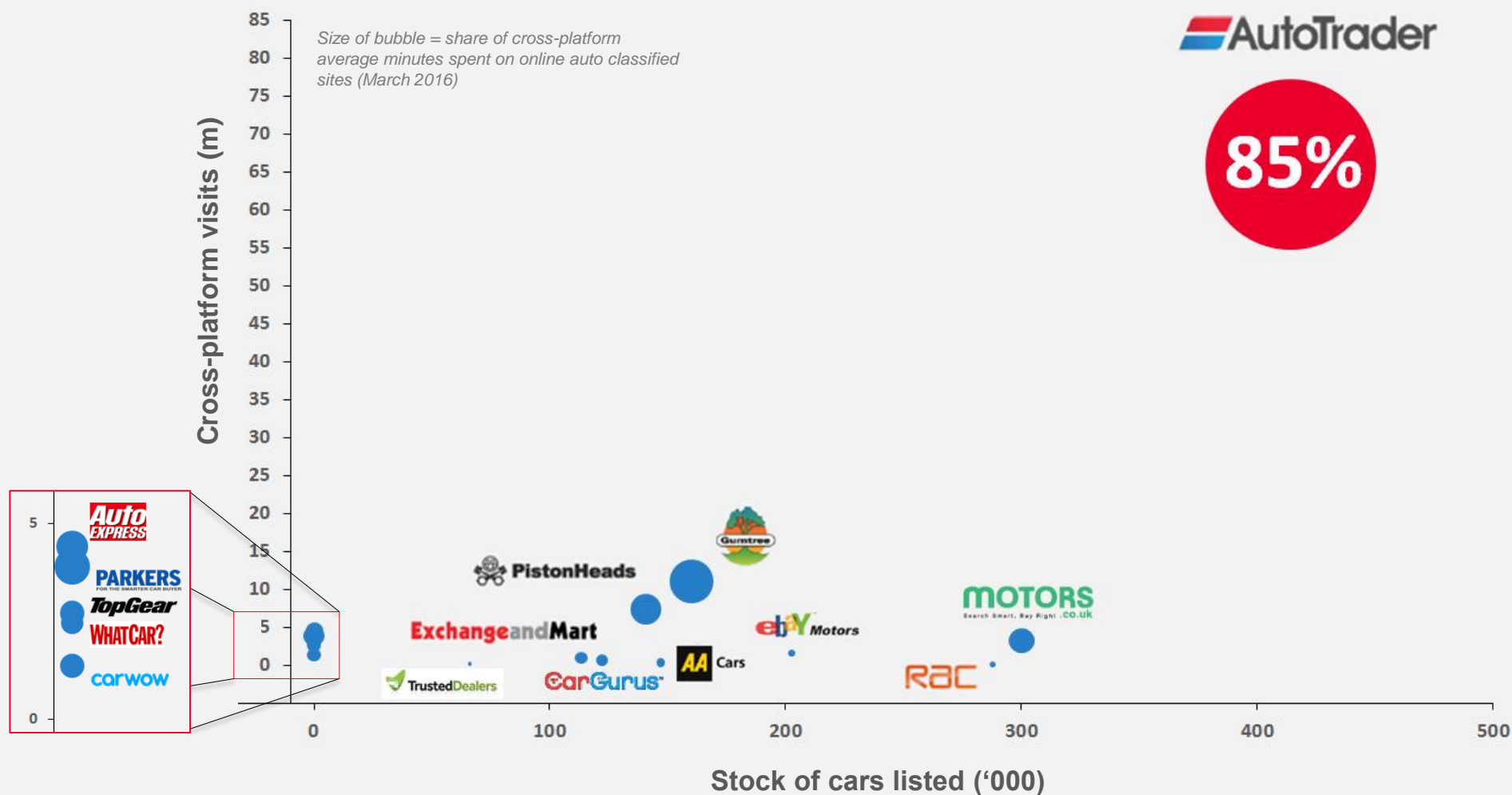


(1) comScore MMX® in Europe – average for the twelve months to March 2016

(2) Company measure of the number of inspections of individual vehicle advertisements on the UK marketplace and externally by 3rd parties

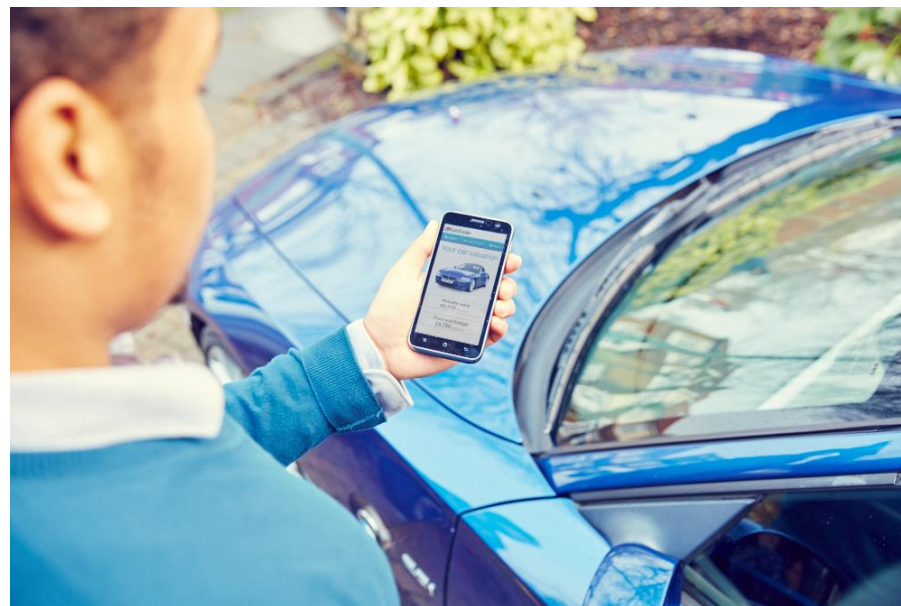
Competitive Position

March 2016



Source: Autobiz (for stock data with the exception of CarGuru and Trusted Dealer where we have used an Auto Trader estimate), comScore MMX © in Europe (for data on visits and minutes); March 2016. Graph does not attempt to name all competitors (including scraping sites)

TV Campaign Montage



Integrated Marketing Beyond TV

part exchange of my car

All Shopping Images News Videos More Search tools

About 12,500,000 results (0.89 seconds)

AutoTrader Part Exchange - Part-Exchange with Confidence
 Ad www.autotrader.co.uk/Part-Exchange
 4.6 ★★★★★ rating for autotrader.co.uk
 Find Out How Much Your Car is Worth Now!
 Get a Free Valuation - Feel More Confident - Realistic Valuation - Reliable Part-Exchange
 Get an Instant Valuation - Find the Perfect Car

Part Exchanging Your Car? - Sell To Us, Save £2,165 On Average
 Ad www.webuyanycar.com/PartEx
 4.6 ★★★★★ rating for webuyanycar.com
 Get A Free Instant Car Valuation.
 225 Nationwide Branches - Better Deal Than Part Ex. - 7 Day Price Guarantee.
 Manchester - 0161 241 3692 - Open today - 10:00 am - 7:00 pm

Free Car Valuation – How much is my car worth? – Auto Trader UK
www.autotrader.co.uk/car-valuation
 Find out how much a car is worth with an expert online free car valuation at Auto ... The part-exchange price is an estimate of what you might get when you ...

Part Exchange Your Car with Auto Trader
www.autotrader.co.uk/part-exchange
 Start your part-exchange on Auto Trader and we'll send our guide valuation to you ... reviews & more; Finance, insurance & more; Other vehicles; My Auto Trader.



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Home / Part-Exchange

Real time part-ex valuation Understand your cost of change Feel more confident

Start your part-exchange on Auto Trader

We'll send our guide valuation to you and the dealer

[Search cars](#)

How it works?

- 1 Find the perfect car
Search for your next car from dealers who are using Auto Trader's guide valuation
- 2 Use the part exchange tool
Enter your VRM and mileage to start your conversation with a dealer
- 3 Get an instant valuation
A guide price will be sent to both you and the dealer
- 4 Discuss your final price
The dealer will be in touch or you can contact them yourself

Your Valuation has been sent to the dealer

This car £XXXX Your car £XXXX

You could pay £XXXX

http://www.autotrader.co.uk/ Auto Trader UK - New & us...

Buying new & used Sell my car Car reviews & more Finance, insurance & more Other vehicles My Auto Trader

Find new & used cars

SW11 5ED Distance (select)

Show: Used Nearby new New

Make (any) Model (any) Min price Max price

Search cars
441,692 cars available

More options Help me choose a car

Start your part-exchange on Auto Trader and feel more confident on the forecourt [Find out more](#)

Every 60 seconds someone chooses to sell [Find out more](#)

TRUSTPILOT 9.1/10 rating on independent review site Trustpilot

ENTER REG ENTER MILEAGE

Create your ad or manage existing ad

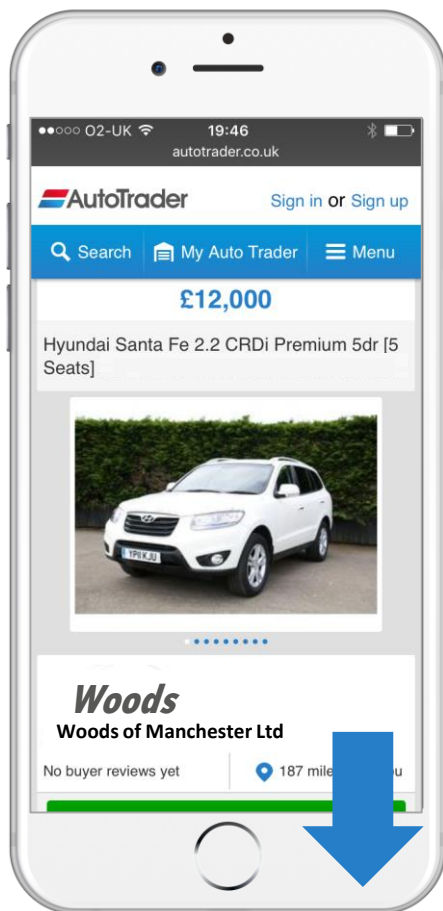
Thinking of part-exchanging?
We'll send our guide valuation to you and the dealer

Car insurance Car loans Vehicle check Car valuations

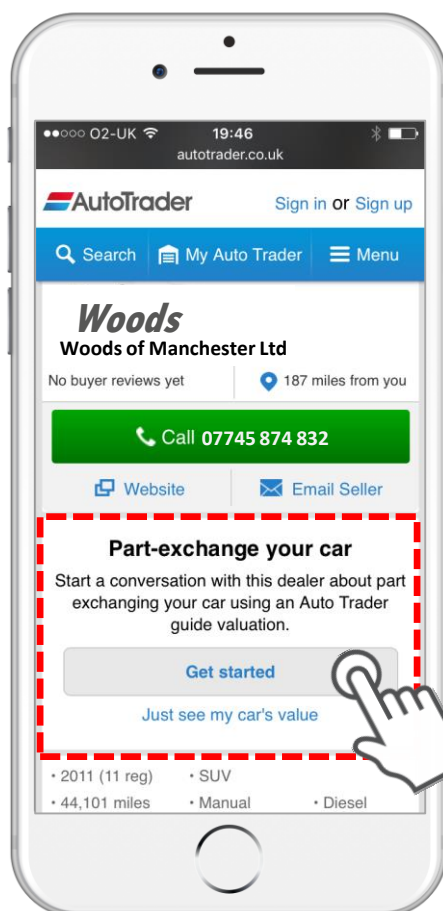
Did you know that 1 in 3 cars has a hidden past?
ENTER REG Start check

More on car history checks

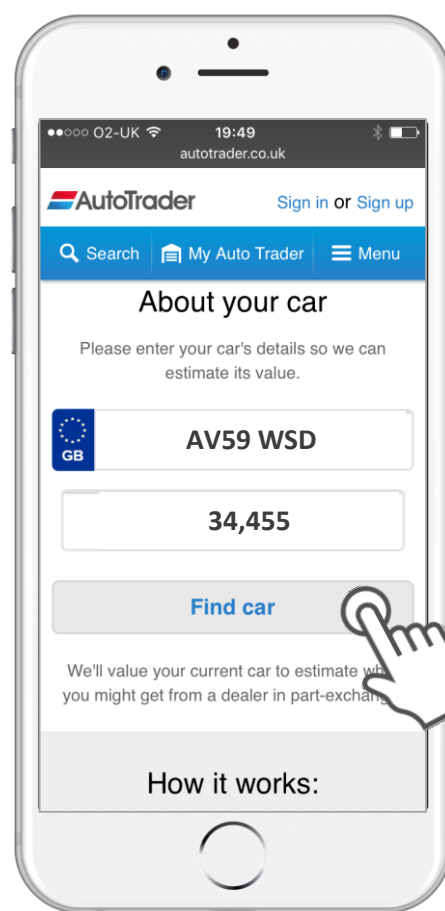
Part-Exchange Guide Product



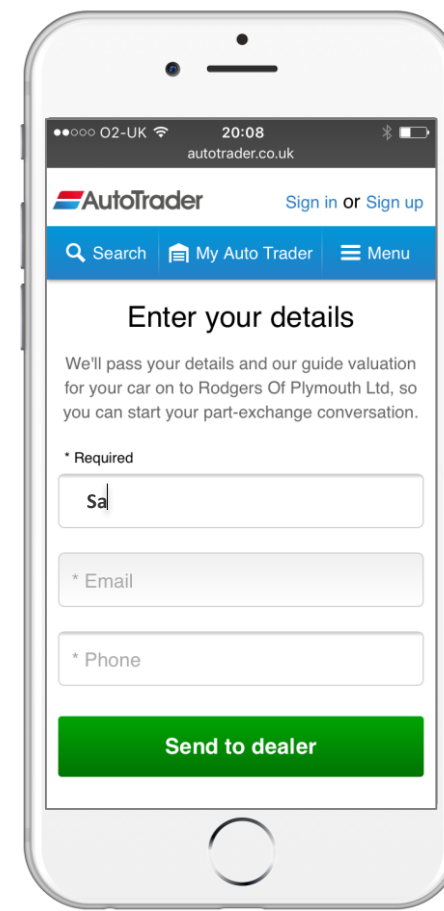
Consumer on FPA



Scroll down FPA



Enter reg no. and
mileage of your car



Send details to retailer

Part-Exchange Guide between Consumer & Retailer

Buying new & used
Sell my car
Car reviews & more
Finance, insurance & more
Other vehicles
My Auto Trader

Home / Part-Exchange

Auto Trader's guide valuation

£9,000

Price for today, 18/04/2016.

Based on your car's good condition ⓘ
[Learn more about conditions and our valuation](#)

This is an estimate of what you might get from a dealer in part-exchange for another car. The dealer could give you more or less. It's a good guide price, but part-exchange values do depend on many factors, including the condition, any optional extras and the car you're buying.


Your valuation has been sent to the dealer

The dealer should be in touch to discuss your part-exchange.
You can also go ahead and call them yourself:

(01845) 743901

When you call, remember to let them know that we've provided a guide price for the car.


[Back to advert](#)



The car you enquired about:

£12,000

Vauxhall Zafira 2.0 CDTi SRi 5dr




Your car:

£9,000


Volkswagen Scirocco Coupe 2.0 TSI GT 3dr

You could pay **£3,000**



What drives us is you

New Part-Ex Guide enquiry from Auto Trader



Hello

Contact details

Name	Jonathan Smith
Telephone number	09864 774993
Email address	jsmith45@hotmail.com

Their car

VRM	VX56 OBW
Description	Volkswagen Scirocco Coupe 2.0
Mileage	23,587
Auto Trader Valuation	£9,000
Valuation provided on	09-05-2016 09:22

Interested in

VRM	RT15 UVW
Description	Vauxhall Zafira 2.0 CDTi 5dr
Mileage	34,000
Price	£12,000

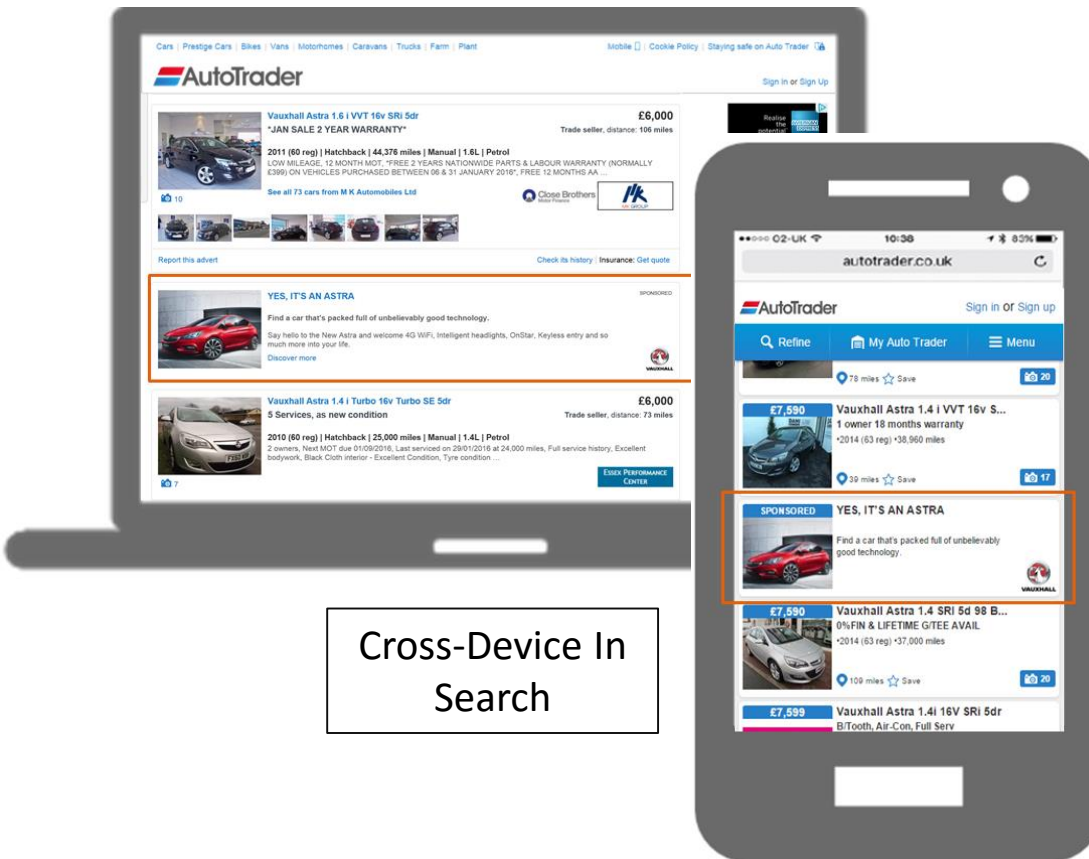
Please contact this customer
We've let them know you'll be in touch.

[Reply to customer](#)

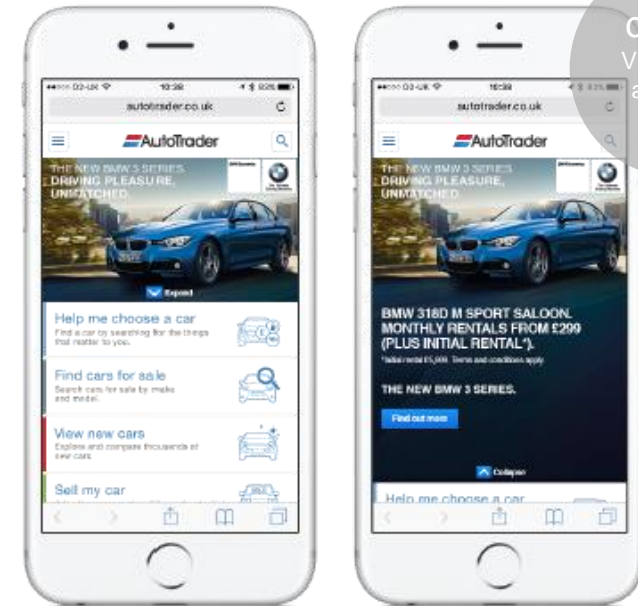
Guide for consumer

Lead emailed to retailer

Cross-Platform Display Proposition



Cross-Device In Search



Mobile Home Page Takeover

c.70%
Visits from
a mobile
device

Retailer

ARPR Levers

ARPR growth

(£)

£93

£71

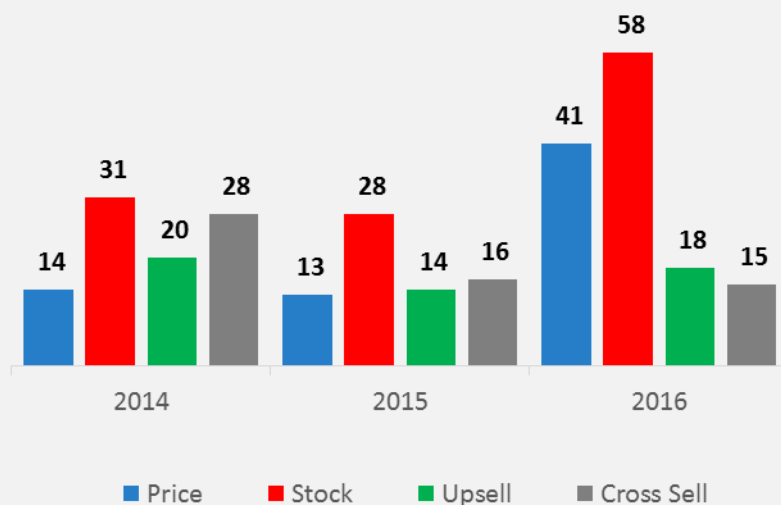
£132

(%)

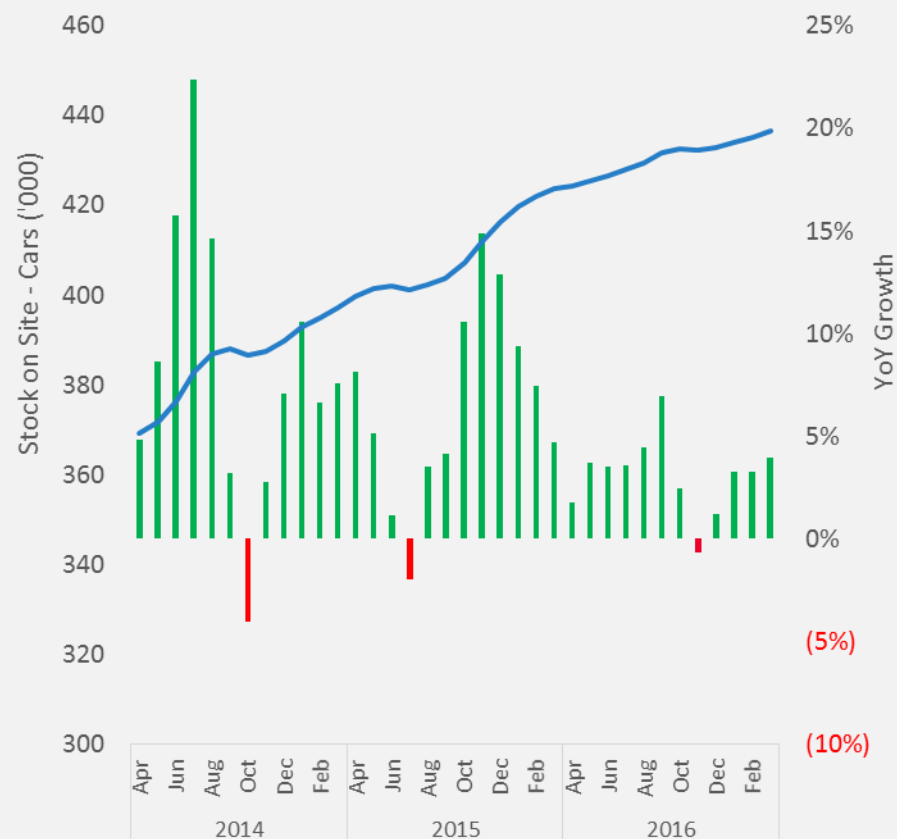
8.5%

6.0%

10.5%



Car stock on site



Cross Sell

RETAILING SOLUTIONS

=

BUYING

+

MARKETING

+

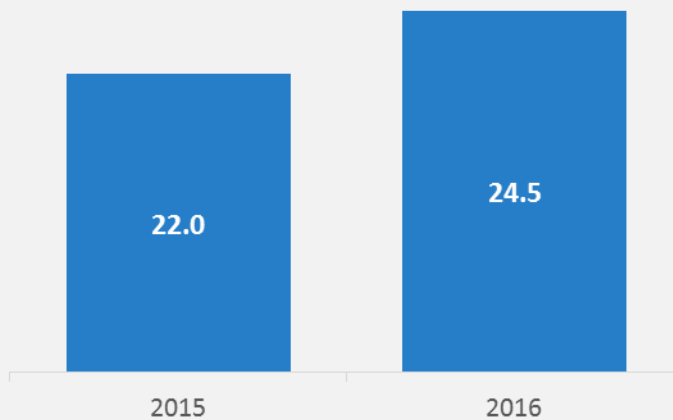
MANAGING

Retailing Solutions Revenue (£m)

Year ended March 2016 is shown as 2016

Growth
%

11%

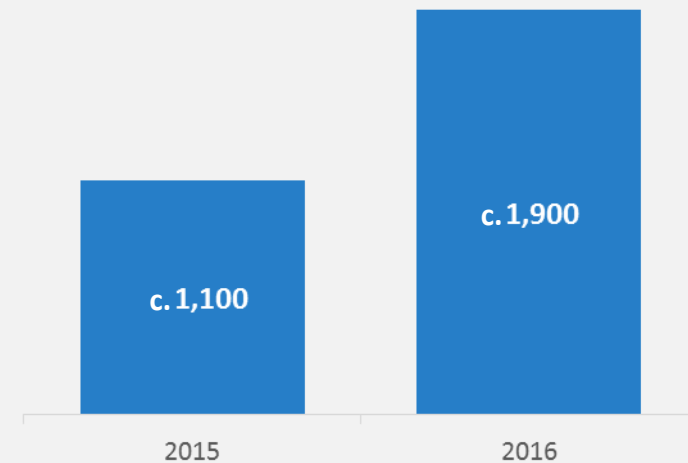


Managing Pillar Forecourts (#)

Average number in the month of March

Penetration ⁽¹⁾

14%



(1) Based on the average number of retailer forecourts in the month of March

FY17 Outlook

- Automotive **trends expected to remain positive**
- **Retailer forecourt** numbers unlikely to decline even with industry consolidation
- **ARPR growth** expected to be high single digit
- **Consumer Services** revenue to grow moderately
- **Display Advertising** momentum to continue
- **Underlying operating profit margin** set to improve as **cost base** well under control and with further reduction in D&A, underlying costs set to decline modestly again
- **Leverage target of 2x** achieved post year end. The FY17 full year **dividend** will likely rise to **c.1/3 of net income** and the majority of surplus cash will fund a **share buy back** programme with the balance used to **further repay debt**
- The new financial year has **started well**

Questions



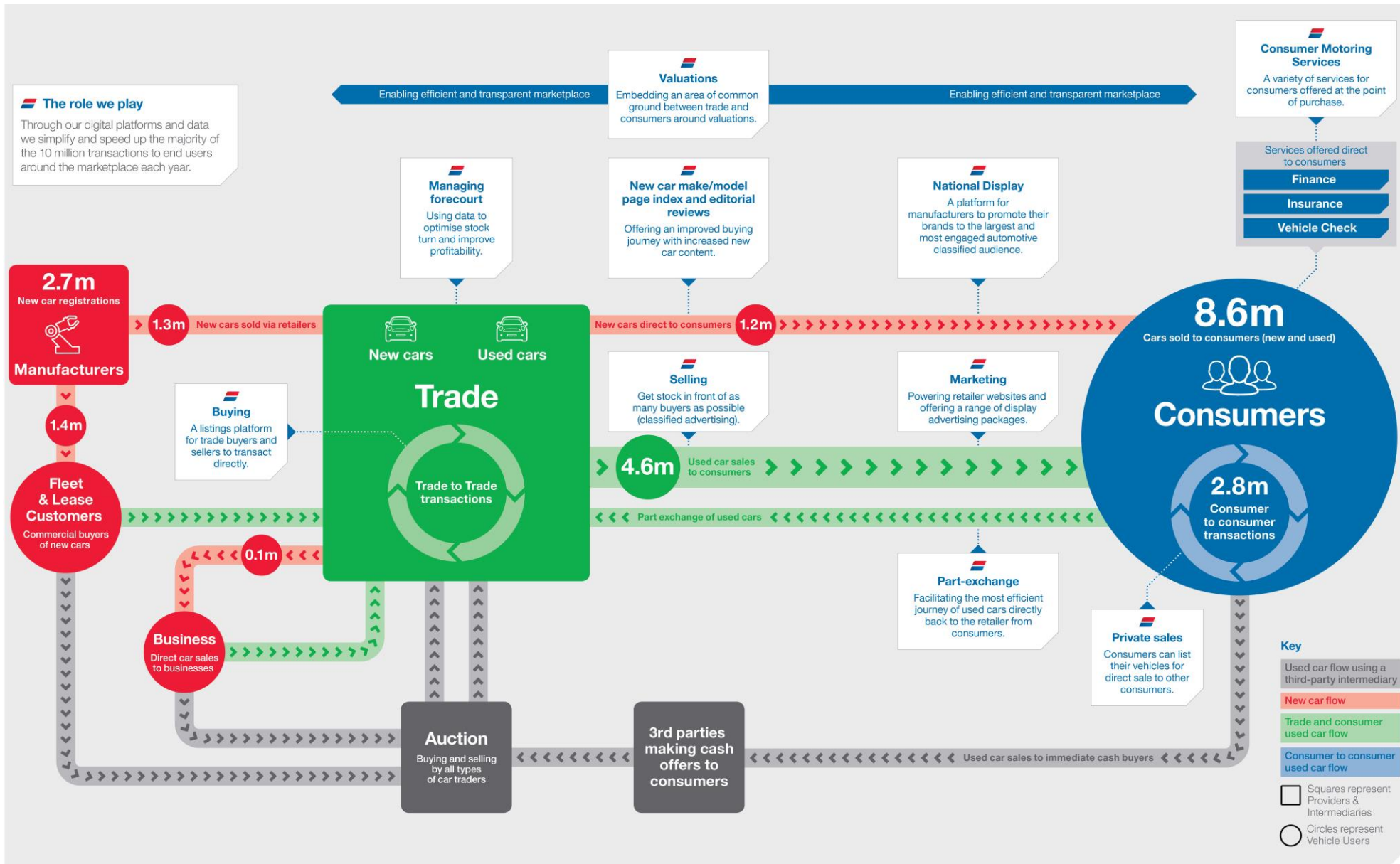
Appendices



Automotive Marketplace

The role we play

Through our digital platforms and data we simplify and speed up the majority of the 10 million transactions to end users around the marketplace each year.



Cash Flow Statement

	Year ended 27 March 2016 £m	Year ended 29 March 2015 £m
Adjusted underlying EBITDA	181.9	156.6
Capitalised development spend	-	-
Movement in working capital	2.5	(1.9)
Exceptional items (excluding IPO costs)	(4.3)	(9.8)
Continuing capital expenditure	(3.1)	(9.1)
Operating cash flow	177.0	135.8
Cash Conversion	97%	87%
Cash flow from discontinued operations	-	3.4
Primary proceeds	-	460.3
Net repayment of borrowings	(147.0)	(440.4)
Fees and expenses of the Offer	(8.3)	(15.3)
Refinancing fees & termination charges	-	(38.8)
Dividend	(5.0)	-
Other	0.1	(17.7)
Net interest payable	(12.5)	(73.1)
Tax paid	(16.0)	(4.7)
Net (decrease)/increase in cash	(11.7)	9.5

- **Movement in Working Capital:** represents c.1% of revenue
- **Capital expenditure** totaled £3.1m with the majority of the spend relating to continuing hardware upgrades. Singleview spend amounted to £0.5m
- **Cash conversion** increased to 97% resulting from an increase in Working capital and a decrease in exceptional costs as the Group's restructuring projects came to an end
- **Net repayment of borrowings:** a total of £147.0m of the Group's Term Loan was repaid during the year in order to decrease interest costs and reduce indebtedness
- **Net interest payable:** decreased to £12.5m following the change in capital structure implemented in March 2015

Balance Sheet

	As at 27 March 2016 £m	As at 29 March 2015 £m
ASSETS		
Intangible Assets	323.4	330.0
Property, plant & equipment	7.4	8.5
Deferred tax assets	4.3	4.6
Non-current assets	335.1	343.1
Trade and other receivables	51.7	49.0
Cash and cash equivalents	10.4	22.1
Assets held for resale	0.3	0.3
Current assets	62.4	71.4
LIABILITIES		
Borrowings	395.6	540.7
Deferred tax liabilities	0.3	0.6
Provisions	1.1	2.3
Non-current liabilities	397.0	543.6
Trade and other payables	36.6	40.4
Current income tax liabilities	14.9	2.7
Derivative financial instruments	-	-
Provisions	0.5	3.9
Current liabilities	52.0	47.0
Net liabilities	(51.5)	(176.1)
EQUITY		
Share capital	10.0	1,500.0
Retained earnings /reserves	(61.5)	(1,676.1)
Share capital & reserves	(51.5)	(176.1)

	As at 27 March 2016 £m	As at 29 March 2015 £m
BORROWINGS		
Syndicated Term Loan gross of unamortised debt issue costs	403.0	550.0
Unamortised debt issue costs	(7.4)	(9.3)
Total	395.6	540.7
NET EXTERNAL DEBT & LEVERAGE		
Total Borrowings	395.6	540.7
Cash	(10.4)	(22.1)
Debt issue costs	7.4	9.3
Net external debt	392.6	527.9
Adjusted underlying EBITDA	181.9	156.6
Leverage	2.2x	3.4x
INTANGIBLE ASSETS		
Goodwill	312.8	312.4
Software and website development costs	1.7	5.4
Financial systems	7.4	9.4
Other intangibles	1.5	2.8
Total	323.4	330.0

Five Year Record

	2016	2015	2014	2013	2012
Year to 31 March	£m	£m	£m	£m	£m
Revenue	281.6	255.9	237.7	218.9	209.1
Administrative expenses	(112.0)	(122.8)	(139.0)	(109.8)	(101.4)
Operating profit before share based payments and associated NI, management incentive plans, exceptional items and impairment charges	171.3	144.1	126.2	116.1	111.6
Share based payments and associated NI	(2.5)	(3.7)	-	-	-
Management incentive plans	-	(1.9)	(0.6)	(0.6)	(0.5)
Exceptional items	0.8	(5.4)	(11.1)	(6.4)	(3.4)
Impairment charges	-	-	(15.8)	-	-
Operating profit	169.6	133.1	98.7	109.1	107.7
Finance costs - net	(14.6)	(122.2)	(95.0)	(86.3)	(84.3)
Profit before taxation	155.0	10.9	3.7	22.8	23.4
Taxation	(28.3)	(2.4)	(6.5)	(9.3)	(11.4)
Profit/ (loss) for the period from continuing operations	126.7	8.5	(2.8)	13.5	12.0
Profit/ (loss) for the period from discontinued operations	-	1.9	13.3	6.8	(4.5)
Profit for the period attributable to equity holders of the parent	126.7	10.4	10.5	20.3	7.5
Operating profit before share based payments and associated NI, management incentive plans, exceptional items and impairment charges	171.3	144.1	126.2	116.1	111.6
Capitalised development spend	-	-	(4.9)	(10.6)	(9.9)
Depreciation	2.8	2.5	2.2	1.8	1.6
Amortisation	7.8	10.0	12.6	13.4	11.4
Adjusted underlying EBITDA	181.9	156.6	136.1	120.7	114.7
Adjusted underlying EBITDA margin	65%	61%	57%	55%	55%
Net assets attributable to equity owners of the parent	(51.5)	(176.1)	(750.6)	(760.0)	(780.5)
Net external debt	392.6	527.9	977.8	562.0	637.1
ARPR (£/pcm)	1,384	1,252	1,181	1,088	996
Retailer forecourt (average pcm)	13,514	13,452	13,129	12,919	12,996

Notes

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