

An aerial photograph of a multi-lane road on a bridge spanning a body of water. A single yellow car is driving on the road. The water is a deep teal color with visible ripples. The text is overlaid on the upper half of the image.

# **Auto Trader Group plc announces acquisition of Autorama (UK) Limited**

**22 March 2022**

# Disclaimer

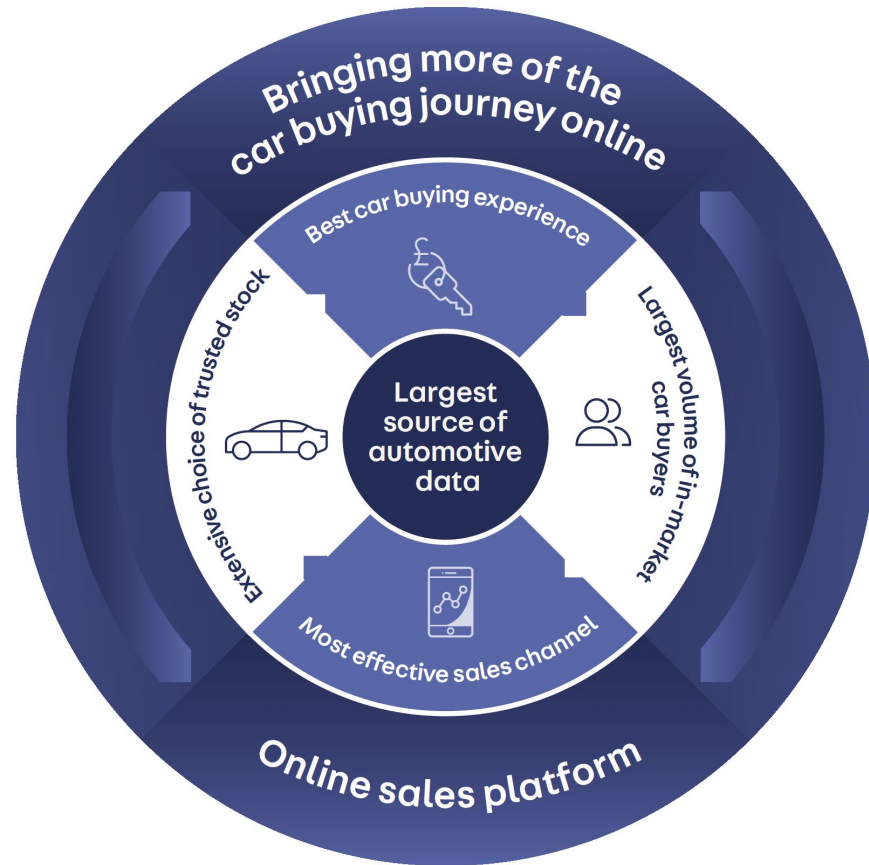
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# Auto Trader is where the UK buys and sells cars. Our strategy is to bring more of the car buying journey online



Auto Trader is the largest automotive marketplace in the UK, with record numbers of car buyers, and the widest choice of new and used vehicles. Today, used cars represent 95% of our revenue

We are developing an end-to-end buying journey, enabling any consumer to complete more, or all, of the transaction online, including:

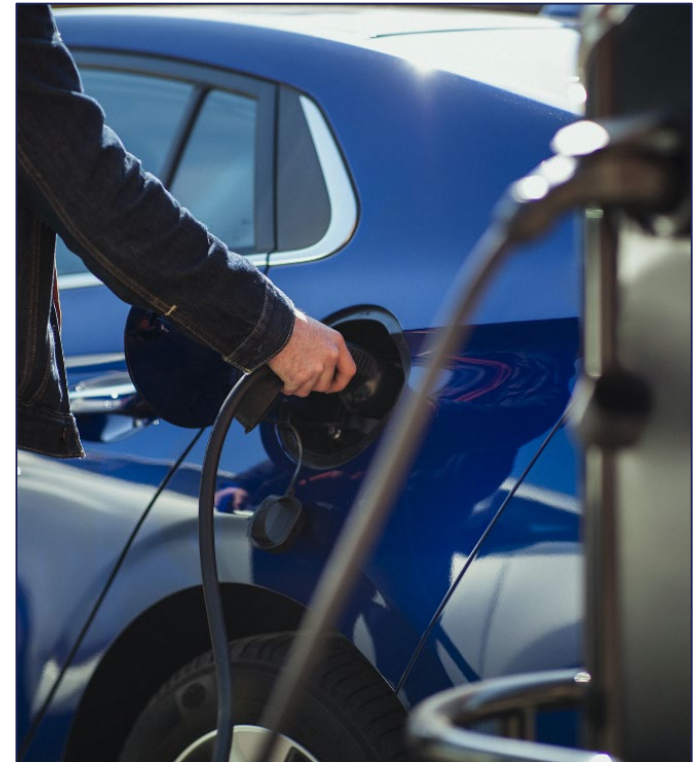
- Guaranteed part-exchange
- Reservations
- Finance application and approval

We believe our asset-light approach will enable us to offer the widest choice of vehicles available to buy online

Our online sales platform is an extension of our current marketplace and technology

# The pace of change in the sale and distribution of new cars has never been greater, requiring a disciplined and bold approach

- Car buyers now expect to be able to do more, or all, of the **car buying journey online**
- **Digital disruptors** across all parts of the automotive ecosystem are investing at unprecedented levels
- The growth of **electric vehicles** will accelerate as the business case for existing manufacturers, and the threat from new entrants becomes clearer
- **Personal leasing is growing fast.** It's a compelling choice for buyers considering electric vehicles, but has also benefited from the reduction in company cars and is positioned well for a potential move towards **usership**
- **Ancillary products** are increasingly '**bundled**' as part of the monthly price
- **Agency models** are gaining traction, shifting sales and customer acquisition to OEMs and digital channels
- As supply constraints ease, we believe **new car production will return** driven by new and existing OEMs



# The acquisition of Autorama complements our strategy adding digital retailing on new cars and transaction capability

Enable consumers to purchase new cars online

Enable OEMs and leasing companies to sell direct to consumers

Provide operational capability to support the transaction

Support the sale of ancillary products

Transform Auto Trader's existing leasing marketplace

A key step in creating a comprehensive online journey for car buyers - choice of vehicle, choice of payment and choice of add-ons

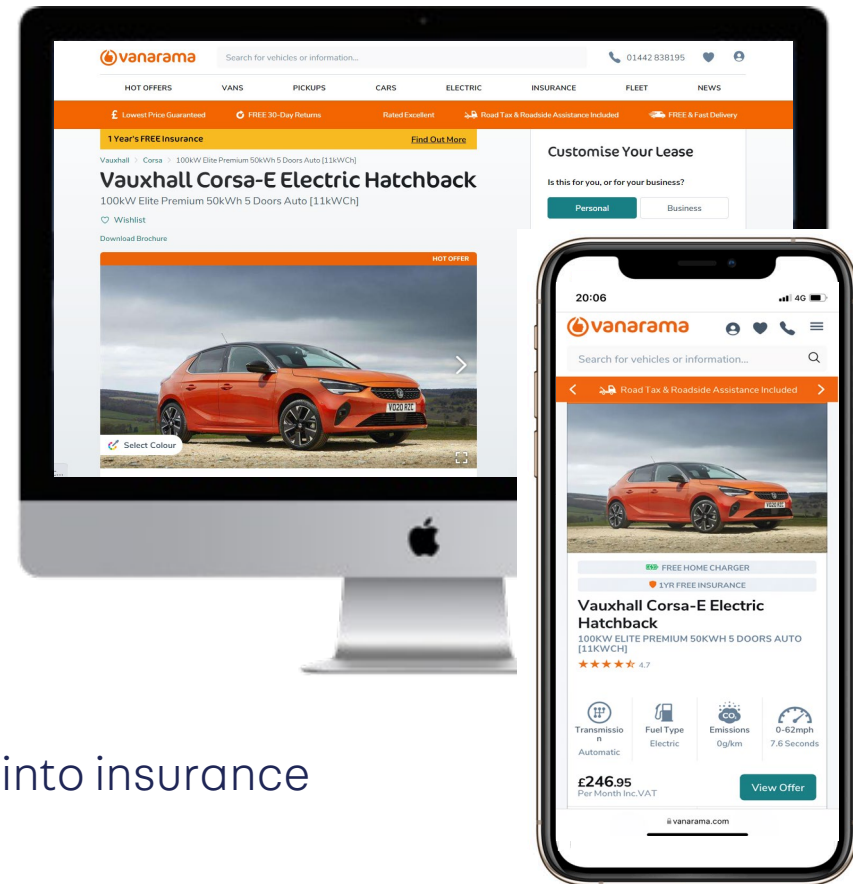
# Overview of Autorama (UK) Limited, trading under the Vanarama brand

Autorama is a data-driven, e-commerce business that offers light commercial vehicles and cars for both business and personal leasing

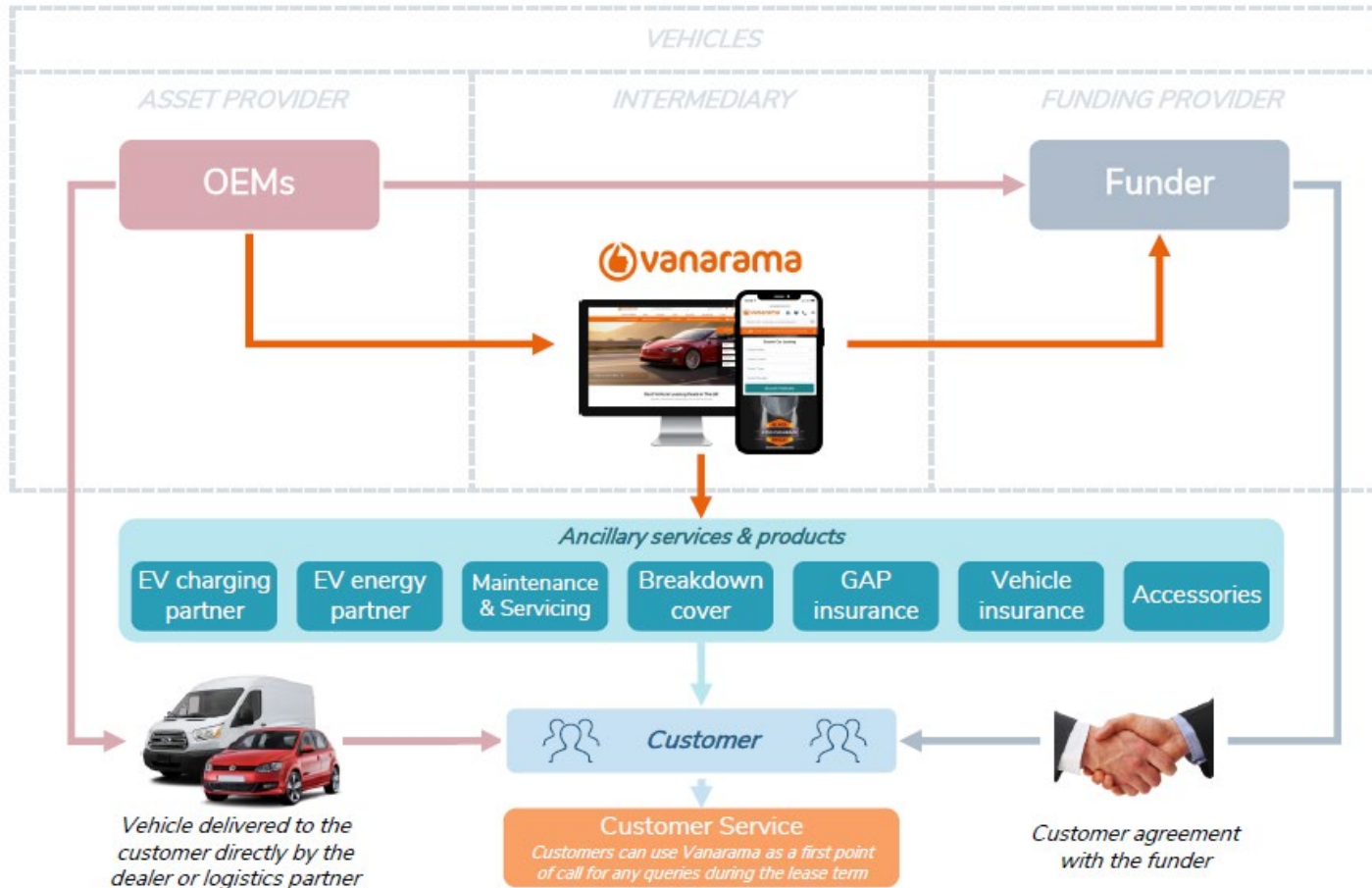
The platform itself facilitates a self-serve customer experience, providing a one-stop-shop solution for leasing new vehicles in the UK

The platform offers a wide selection of vehicles from multiple brands, with pricing supplied by a comprehensive panel of finance providers

The online journey has enabled the business to diversify into insurance and service plan products as part of their online journey



# Autorama is one of the UK's largest transactional marketplaces for leasing new vehicles



Autorama's platform offers consumers a wide choice of vehicles from multiple OEMs, vehicle finance providers, insurance providers and other auto service providers

The customer agreement exists between the buyer and the funder, with the transaction being fulfilled by a franchise retailer

The business puts customer experience at the heart of all its activities



Reviews 4,681 • Excellent



4.4

✓ VERIFIED COMPANY

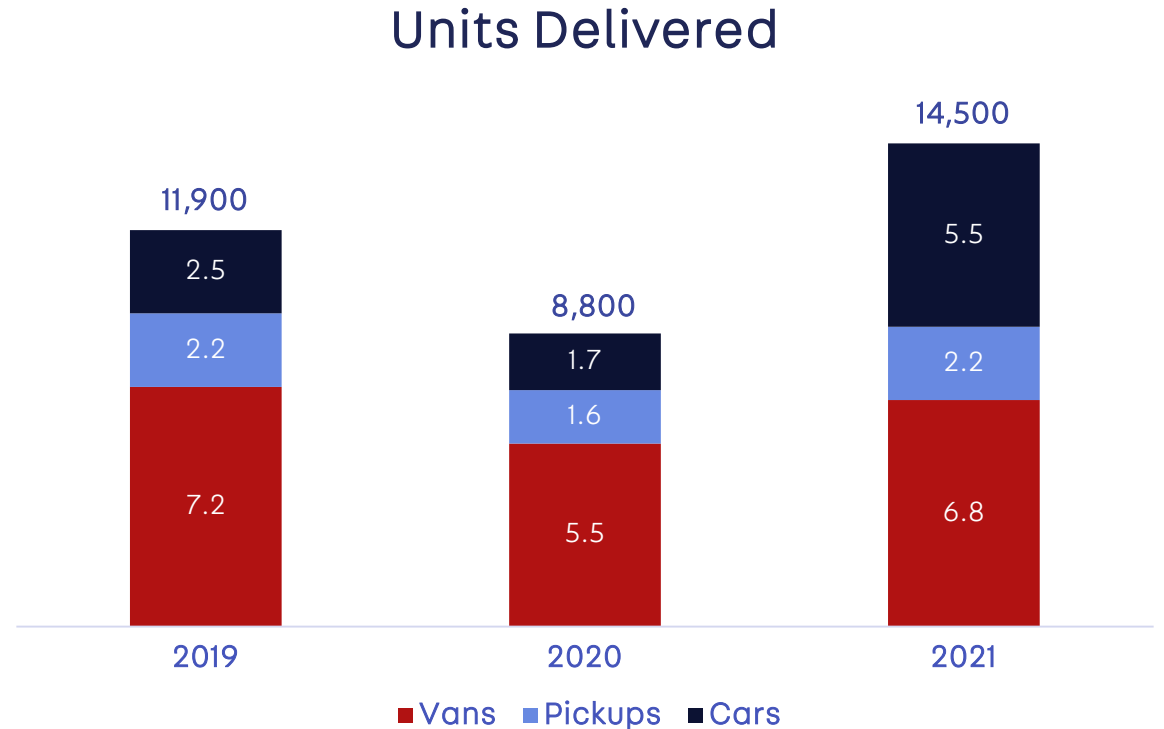
## Key deal terms:

- Auto Trader will pay initial consideration of £150m in cash
- A further £50m of deferred consideration is to be settled in shares, subject to customary performance conditions 12 months after the completion date.
- Once issued, the shares will vest over a period of two years in two 12 month instalments
- Completion of the transaction will be subject to applicable regulatory approvals



# Financial details

|                    | Year ended 31<br>December 2021 |
|--------------------|--------------------------------|
| <b>Revenue</b>     | <b>£59m</b>                    |
| <b>Net Revenue</b> | <b>£26m</b>                    |
| <b>EBITDA</b>      | <b>(£6m)</b>                   |
|                    | <b>Net Revenue/Unit</b>        |
| <b>Total</b>       | <b>£1,800</b>                  |
| <i>Cars</i>        | <i>£1,100</i>                  |
| <i>Vans</i>        | <i>£2,000</i>                  |
| <i>Pickups</i>     | <i>£2,600</i>                  |



Of the vehicles Autorama deliver, they pay for c.10% of them and take them onto their balance sheet, until funded by a leasing company. Most of these units are vans and are to secure inventory and pricing. This accounts for most of the difference between total and net revenue

There has been significant investment in technology and marketing, the latter of which was £9m in 2021. Other notable costs were salaries, with approximately 250 employees which are largely in sales and operations

# Notes

# Notes

The logo features a stylized icon on the left, composed of two overlapping horizontal bars: a red bar on top and a dark blue bar on the bottom. To the right of this icon, the text "AutoTrader" is written in a bold, dark blue, sans-serif typeface.

**AutoTrader**