

# Interim Results

For the six months ended 27 September 2015

13<sup>th</sup> November 2015



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# Financial Highlights

Revenue: **up 8%** to £138.2 million (H1 2015: £127.5 million)

Underlying operating profit: **up 17%** to £83.0 million (H1 2015: £70.8 million)

Underlying operating profit margin: **up 4% points to 60%** (H1 2015: 56%)

Operating cash flow: **up 46%** to £86.0 million (H1 2015: £58.8 million) representing cash conversion of **97%** (H1 2015: 76%) of Adjusted underlying EBITDA

Net external debt: **down £70.5m** to £457.4 million with leverage falling to **2.7x** from 3.4x at March 2015

Earnings & Distribution: EPS of 6p (H1 2015: 1p): interim dividend of **0.5p per share** (H1 2015: nil)

# Key Drivers

**Cross platform visits:** 43.0 million on average each month: **5 times** larger than our nearest competitor

**Advert Views:** **up 9%** to 240 million (H1 2015: 220 million) generating more response for our customers

**Customers:** retailer forecourts **up 0.3%** to 13,503 (H1 2015: 13,456)

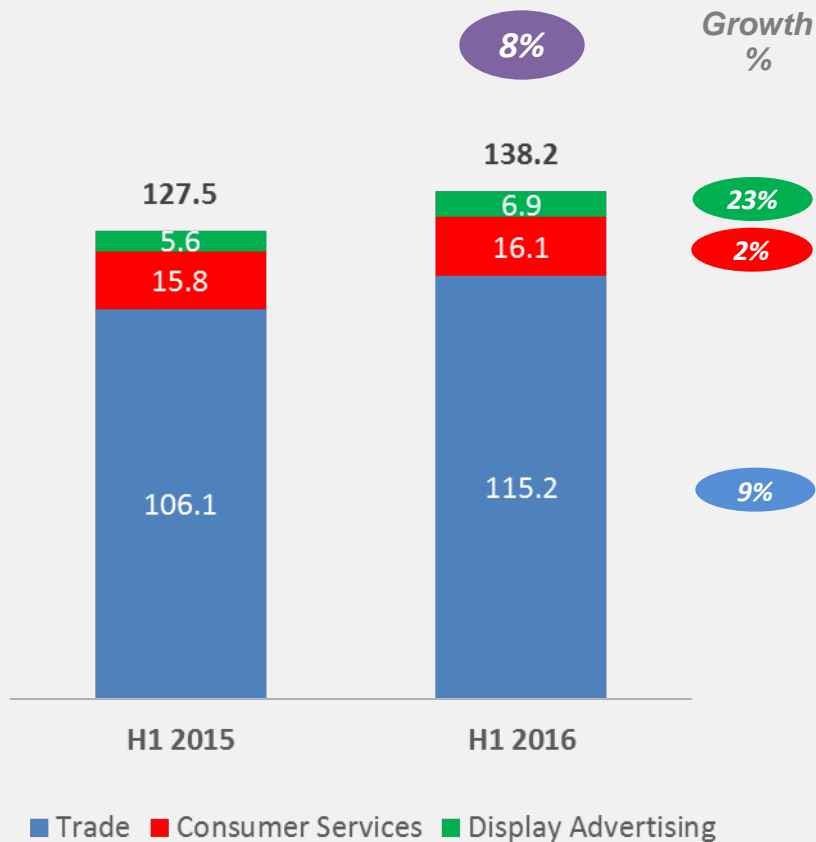
**ARPR:** **up 9%** to £1,347 on average per month (H1 2015: £1,237)

**Average FTEs & Contractors:** **down 6%** to 863 on average during the period (H1 2015: 919)

# Revenue

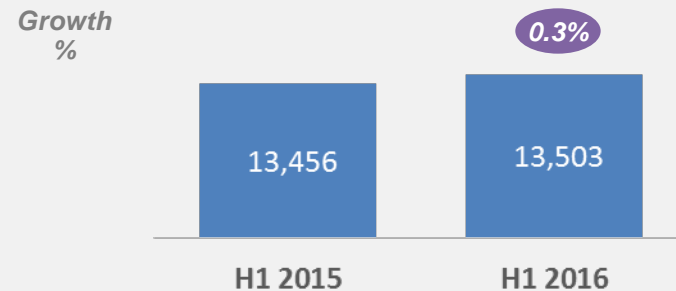
## Revenue (£m)

Six months ended September 2015 is shown as H1 2016

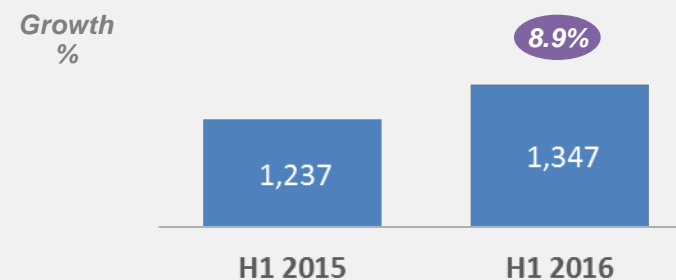


Trade revenue comprises:  
 2015: Retailer (£109.1m), Home Trader (£5.7m) and Other (£0.4m)  
 2014: Retailer (£99.9m), Home Trader (£5.1m) and Other (£1.1m)

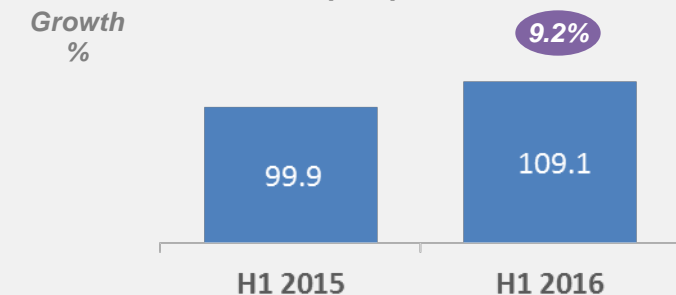
## Number of Retailer Forecourts <sup>(1)</sup>



## Average Revenue Per Retailer (ARPR) (£) <sup>(1)</sup>



## Retailer Revenue (£m)

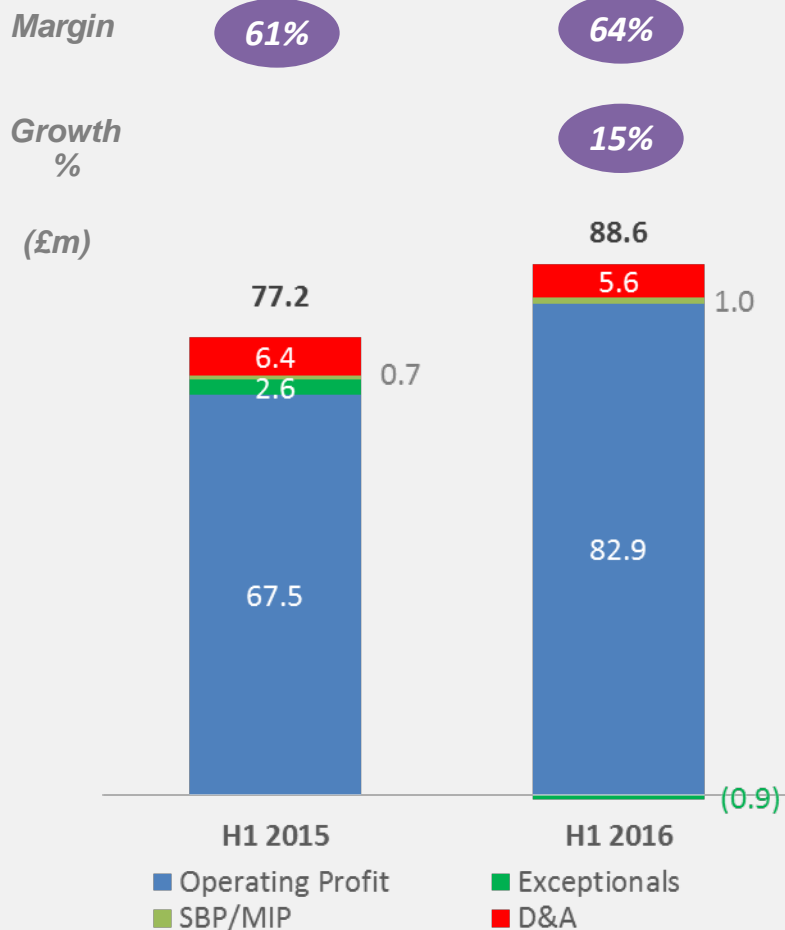


<sup>(1)</sup> Average monthly metric

# Profit

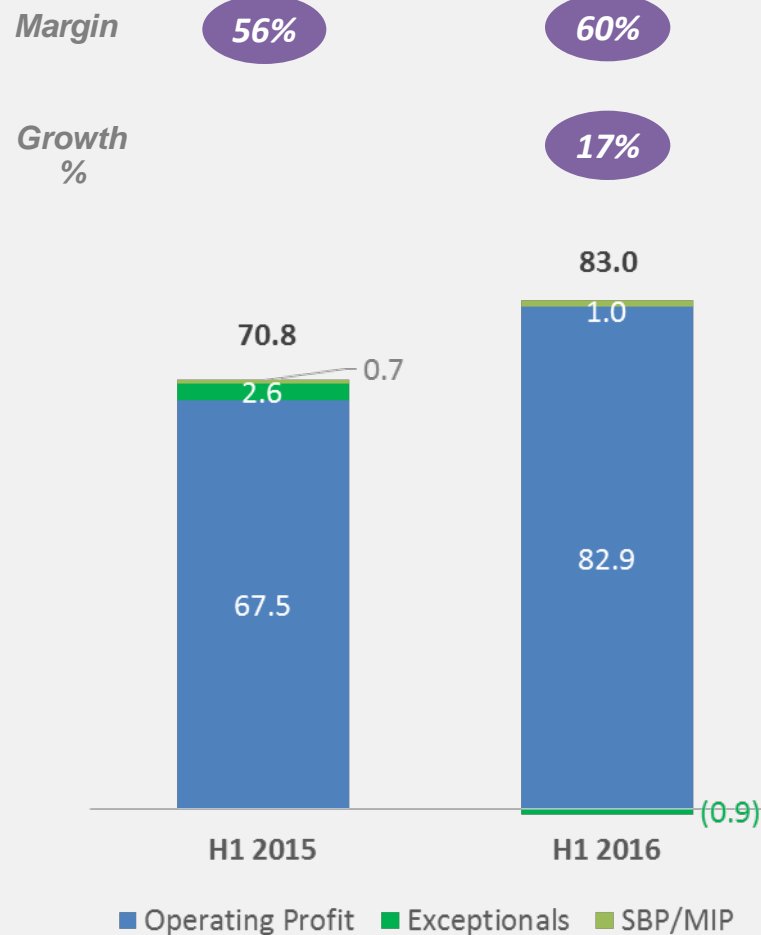
## Adjusted underlying EBITDA

Six months ended September 2015 is shown as H1 2016



## Underlying operating profit

Six months ended September 2015 is shown as H1 2016

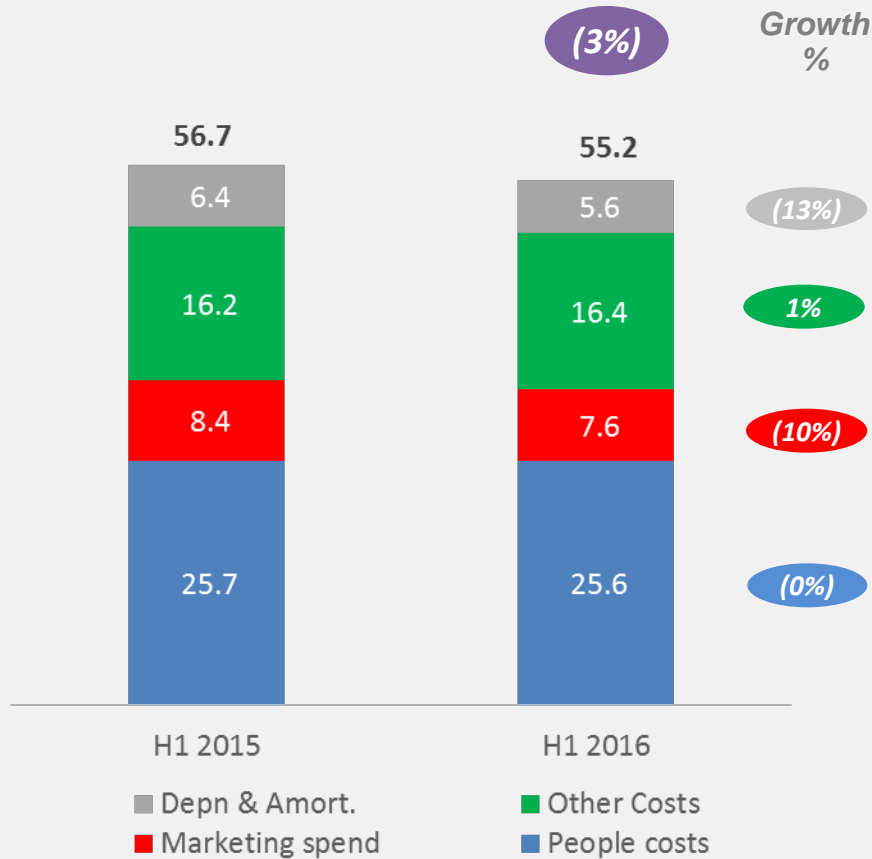


Underlying operating profit represents operating profit before impairment charges, exceptional items, share-based payments (SBP) and pre IPO, ownership related management incentive plans (MIP)  
 Adjusted underlying EBITDA represents Underlying operating profit before depreciation and amortisation

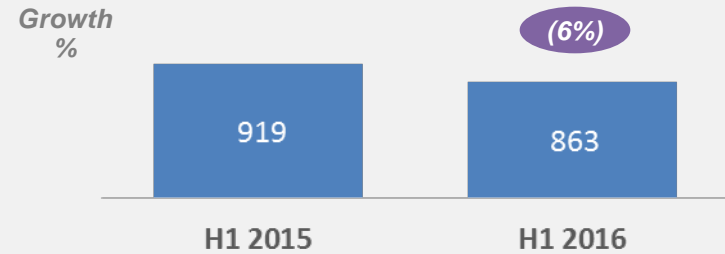
# Costs

## Costs<sup>(1)</sup>(£m)

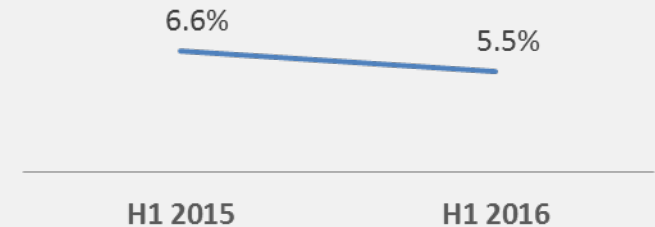
Six months ended September 2015 is shown as H1 2016



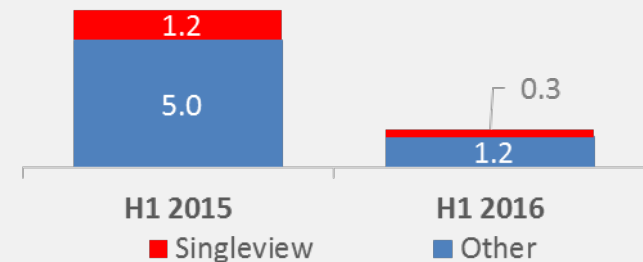
## FTEs & Contractors (Average)



## Marketing % of Revenue



## Continuing Capital Expenditure (£m)



(1) 2015: Administrative Expenses (£55.3m) before SBP (£1.0m), pre IPO, ownership related MIP (£nil), and exceptional items (£0.9m credit)  
 2014: Administrative Expenses (£60.0m) before SBP (£0.6m), pre IPO, ownership related MIP (£0.1m) and exceptional items (£2.6m)



# Income statement

	Six months ended September 2015 (unaudited) £m	Six months ended September 2014 (unaudited) £m
Revenue	138.2	127.5
Administrative expenses	(55.3)	(60.0)
<b>Operating profit before share based payments, management incentive plans and exceptional items</b>	<b>83.0</b>	<b>70.8</b>
Share based payments	(1.0)	(0.6)
Management incentive plans	-	(0.1)
Exceptional items	0.9	(2.6)
<b>Operating profit</b>	<b>82.9</b>	<b>67.5</b>
Finance costs - net	(8.2)	(54.4)
<b>Profit before taxation</b>	<b>74.7</b>	<b>13.1</b>
Taxation	(14.9)	(3.6)
<b>Profit for the period from continuing operations</b>	<b>59.8</b>	<b>9.5</b>
Profit for the period from discontinued operations attributable to equity holders of the parent	-	0.4
<b>Profit for the period attributable to equity holders of the parent</b>	<b>59.8</b>	<b>9.9</b>
<b>Earnings per share</b>		
From continuing operations (pence per share) - Basic	5.98	0.95
From continuing operations (pence per share) - Adjusted basic	6.01	1.96
<b>Dividend per share</b>	0.50	-



# Cash Flow & Net External Debt

## Operating Cash Flow

Six months ended September 2015

### Cash Conversion

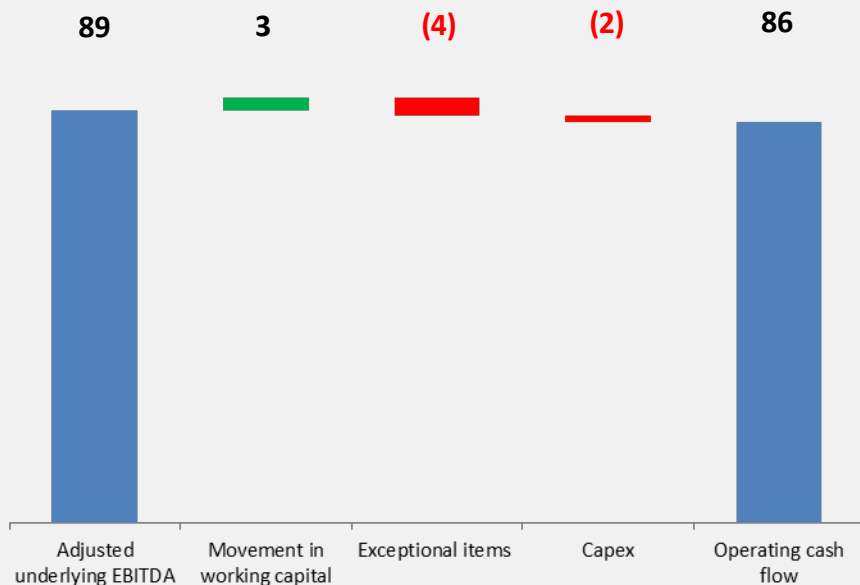
(Operating cash flow as % of Adjusted Underlying EBITDA)

97%

### Capex % of revenue

1%

(£m)



## Reconciliation of Net External Debt<sup>(1)</sup>

As at period ending March 2015 & September 2015

3.4x

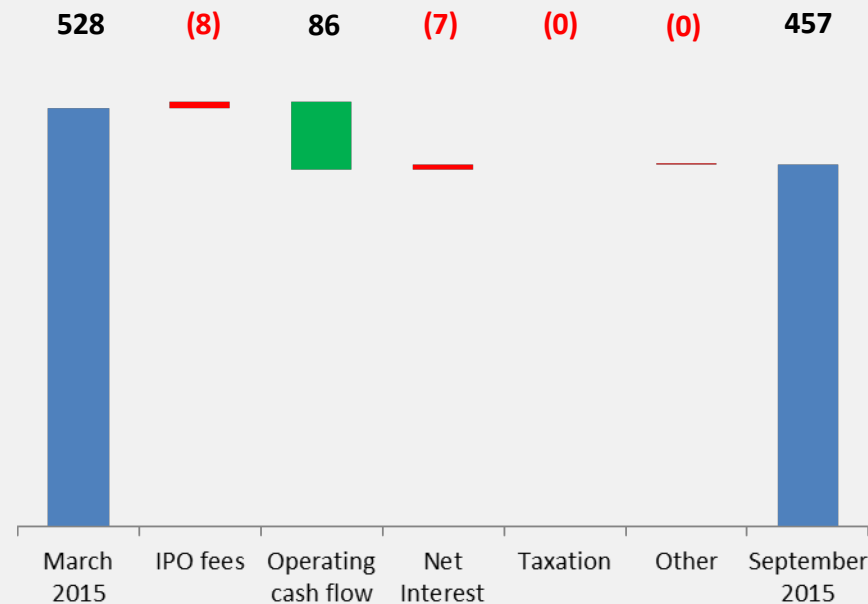
Leverage

2.7x

### Repayment of gross borrowings in the period

£81m

(£m)

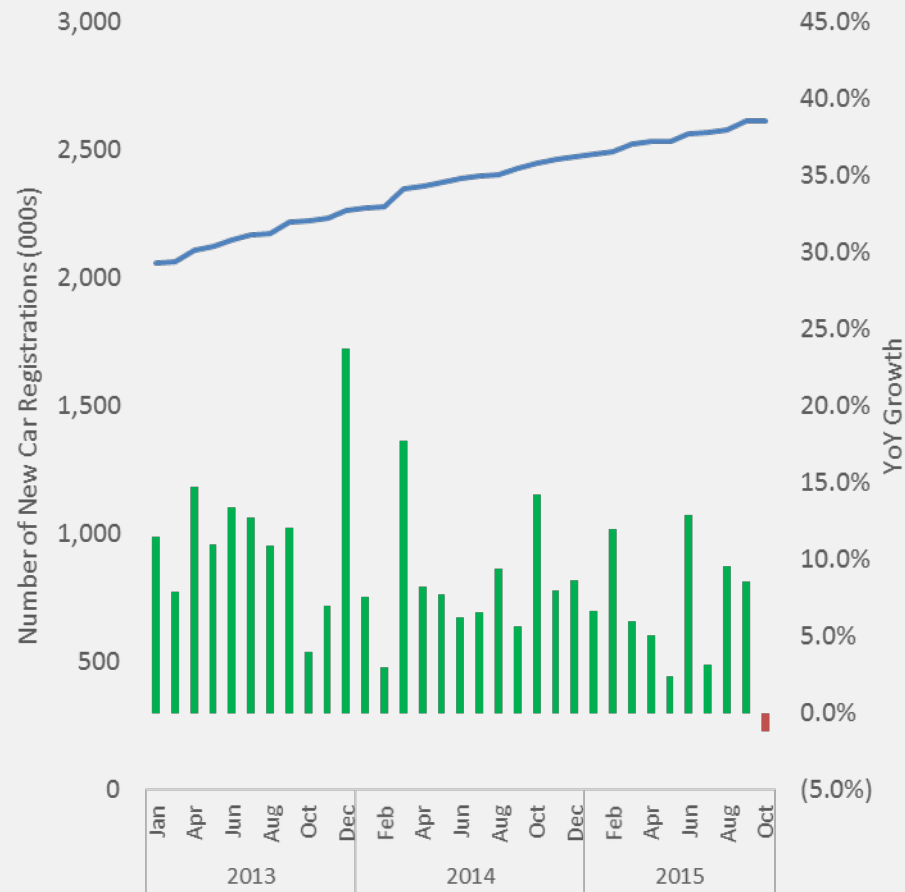


(1) Net External Debt represents gross external borrowings before amortised debt issue costs less cash

# Key Drivers

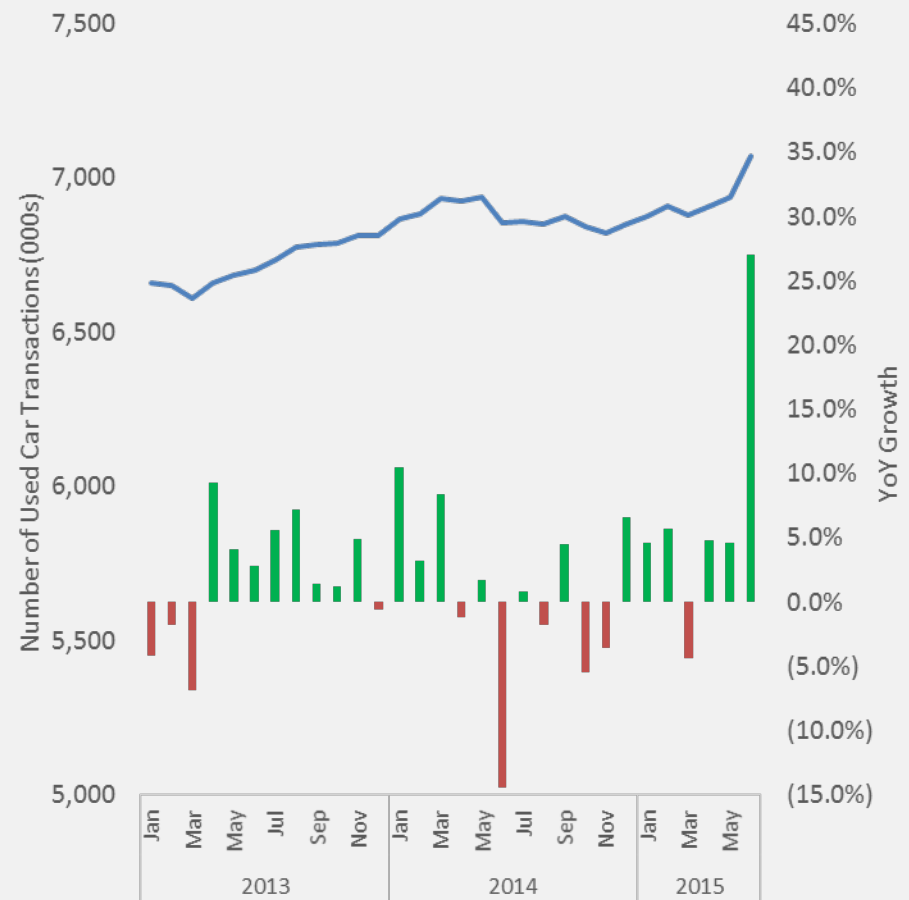
# Market

## New Car Registrations (1)



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

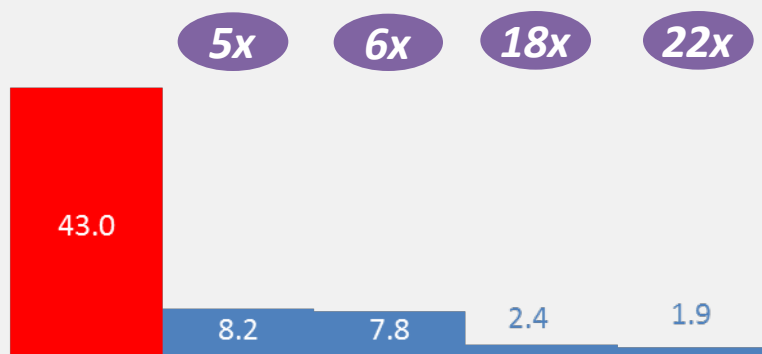
## Used Car Transactions (2)



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

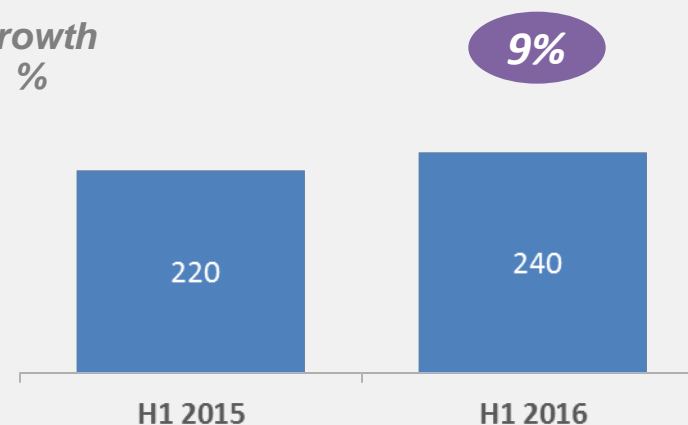
# Audience & Value

## Visits <sup>(1)</sup> (million)



## Full Page Advert Views (FPAVs) <sup>(2)</sup> (average pcm - million)

Growth  
%



## Device

c.70%  
from a  
mobile device

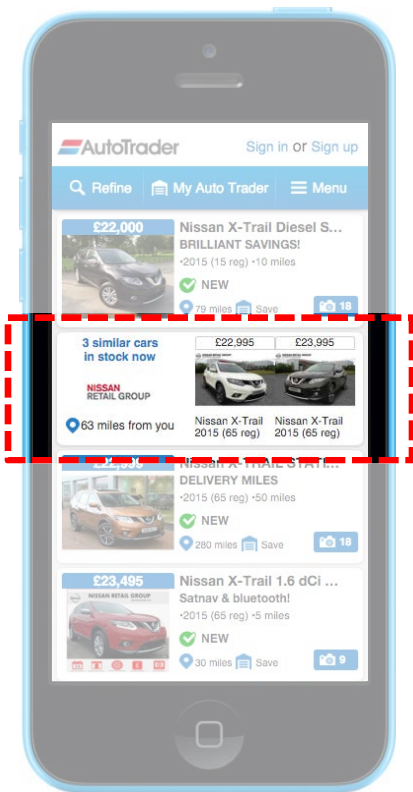
## Engagement

>80%  
Share of ALL  
classified  
minutes

(1) Per Comscore – average for the six months to September 2015

(2) Company measure of the number of inspections of individual vehicle advertisements on the UK marketplace

# Enhancing Consumer Experience



Retailer Native Ad

21 models found  
Reset search

Price range: £7,000 to £40,000

Body type: Any, Hatchback, Saloon, Estate, MPV, SUV, Convertible, Coupe

Explore models that meet your needs

Sorted by relevance and grouped by: Body type

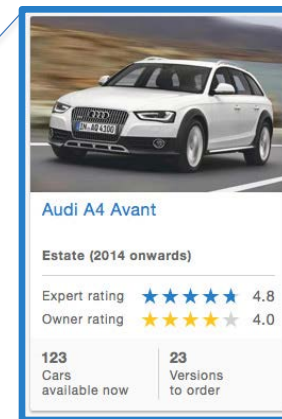
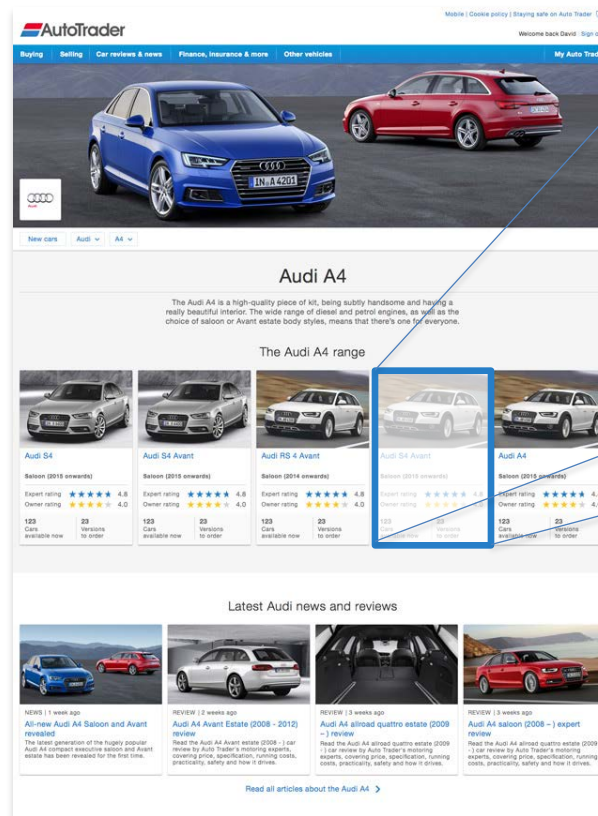
SUV (21 models)

 <b>Suzuki Jimny - SUV</b> Current model from 2013 No expert rating available 20 cars available now   6 new cars to order	 <b>Toyota Land Cruiser - SUV</b> Current model from 2013 No expert rating available 3 cars available now   1 new car to order	 <b>Land Rover Range Rover Evoque - SUV</b> Current model from 2011 Expert rating: 4.0 Owner rating: 4 137 cars available now   6 new cars to order	 <b>The All New Honda CRV</b> See thinking that's not been thought of before. With features like the Honda CONNECT that lets you stream the internet, gives you directions, helps you park, and more. The new CR-V is clever thinking for the seriously driven.
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Discovery Search with manufacturer native ad

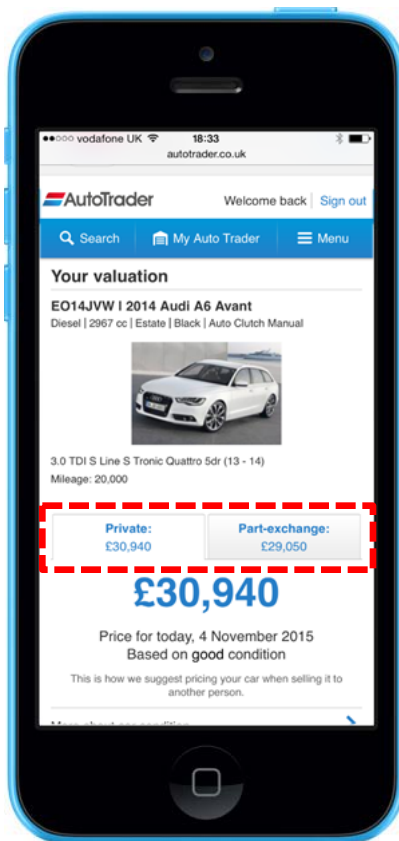


# Enhancing Consumer Experience

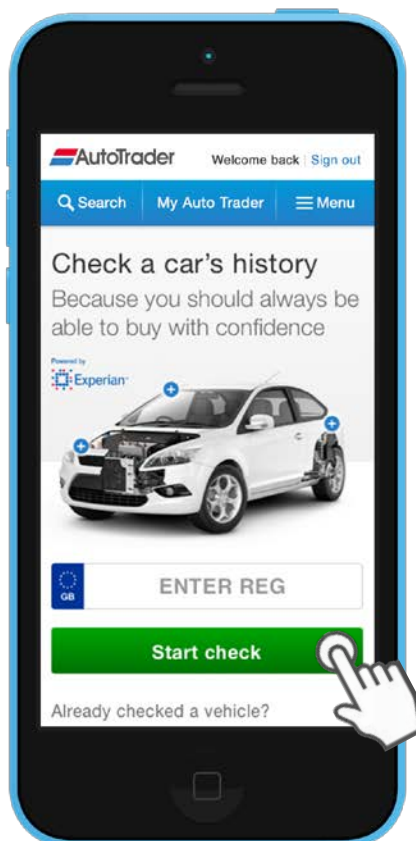


Landing Pages

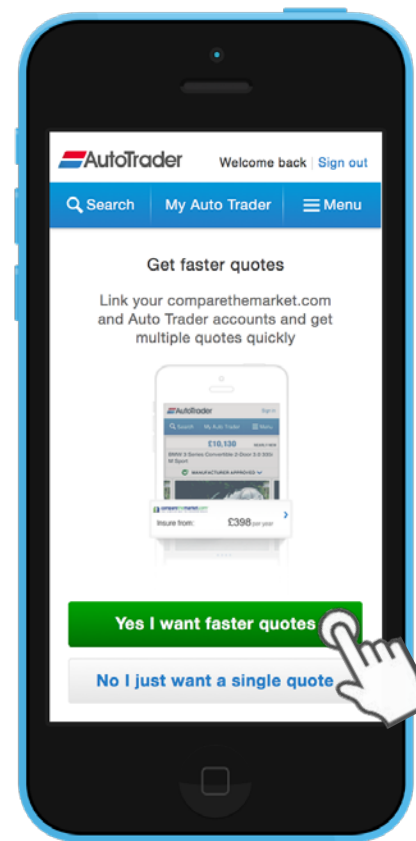
# Enhancing Consumer Experience



Valuation



Vehicle Check



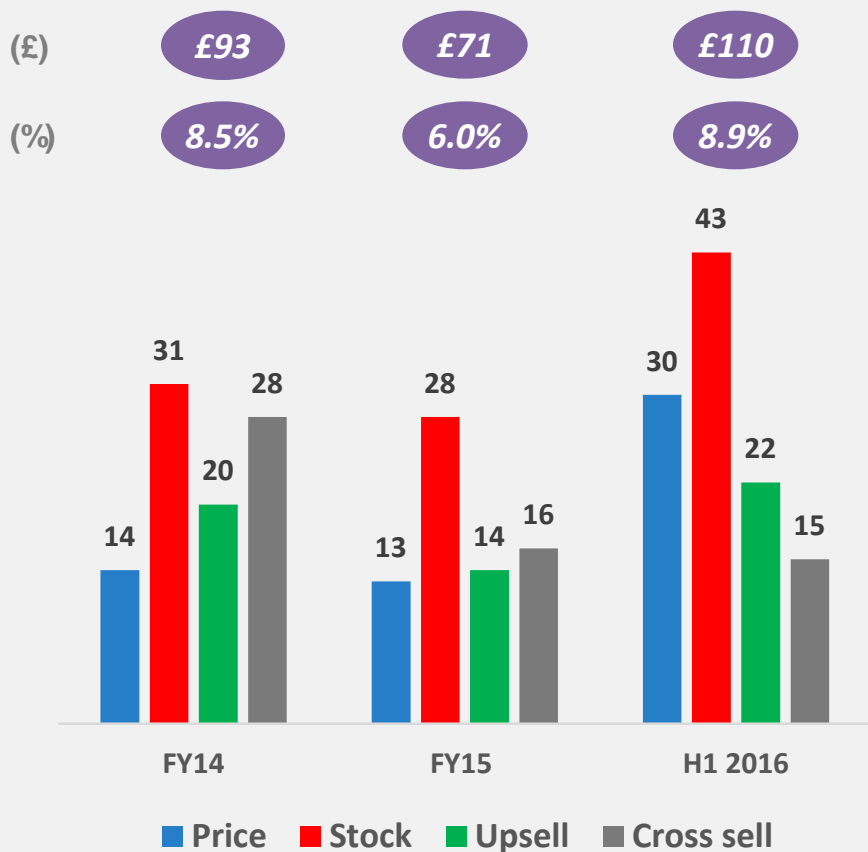
Quick Quote



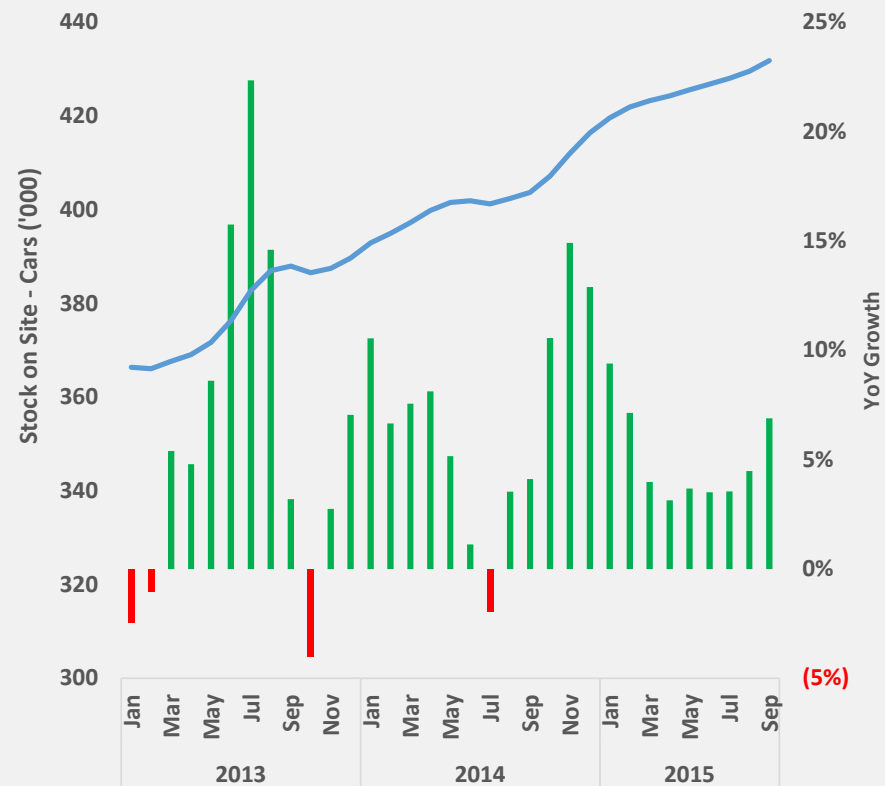
# Retailer

## ARPR Levers

### ARPR growth



## Car stock on site



# Cross Sell

RETAILING SOLUTIONS

=

BUYING

+

MARKETING

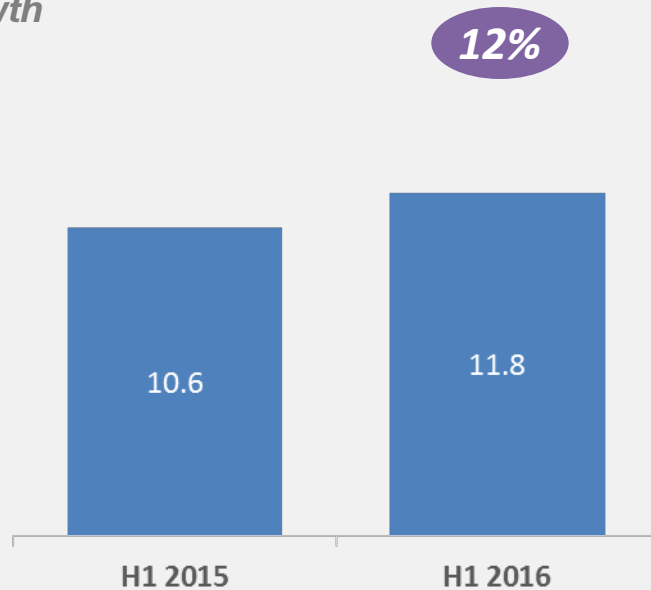
+

MANAGING

## Retailing Solutions Revenue (£m)

Six months ended September 2015 is shown as H1 2016

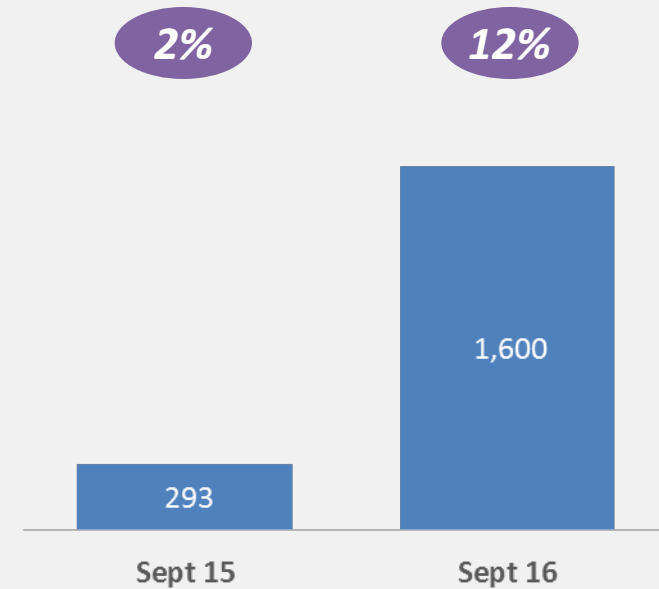
Growth  
%



## Managing Pillar Forecourts (#)

Average number in the month of September

Penetration <sup>(1)</sup>



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

# Display advertising

**RENAULT RETAIL GROUP**

**END OF SEASON SALE!**  
GET YOURSELF A QUALITY RENAULT VEHICLE AT AN AMAZING PRICE  
FVELIT MAURIS EOBESTAS QUAM, UT ALIQUAM MASSA MBL QUBS.  
OFFER ENDS 30TH JUNE 2015

DISCOVER LATEST RENAULT OFFERS

Model	Price Now	Price Difference Against New
64 PLATE RENAULT CAPTUR 1.5 DCI 90 DYNAMIQUE S MEDIANV ENERGY	£13,000	£5,495
64 PLATE RENAULT CLIO 1.5 DCI 90 DYNAMIQUE MEDIANV ENERGY	£11,100	£4,875

WATCH OUR RENAULT EXPERT REVIEWS

WHY CHOOSE THE RENAULT RETAIL GROUP

- We sell 1 in 4 Renault vehicles in the UK
- We offer FREE 5 day drive away insurance
- Dealerships throughout the Country
- Friendly expert advice
- Choice of over 2400 vehicles
- CAR360 video servicing assessment

High relevance for manufacturers(1)



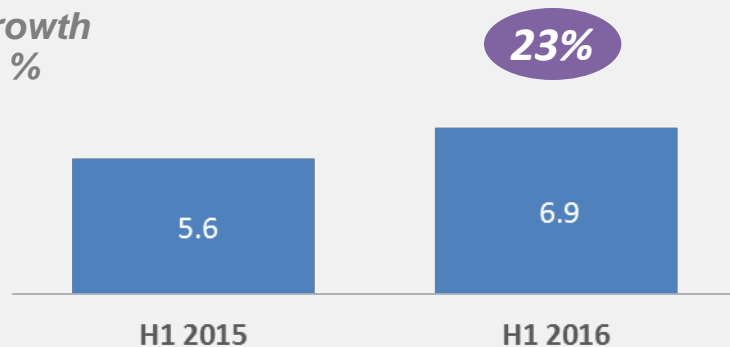
(1) Source: Kantar media research

# Display revenue

## Display advertising revenue (£m)

Six months ended September 2015 is shown as H1 2016

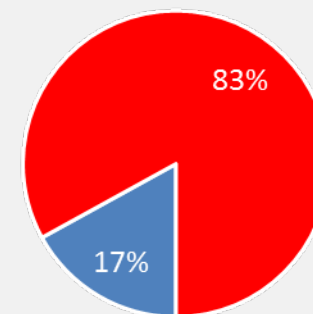
Growth  
%



## Share of impressions

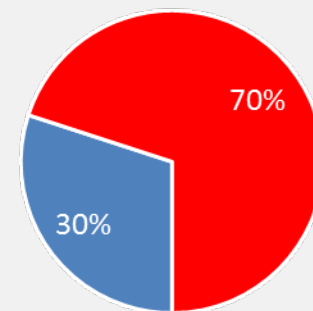
Six months ended September 2015 is shown as H1 2016

H1 2015



■ Premium ■ Standard

H1 2016

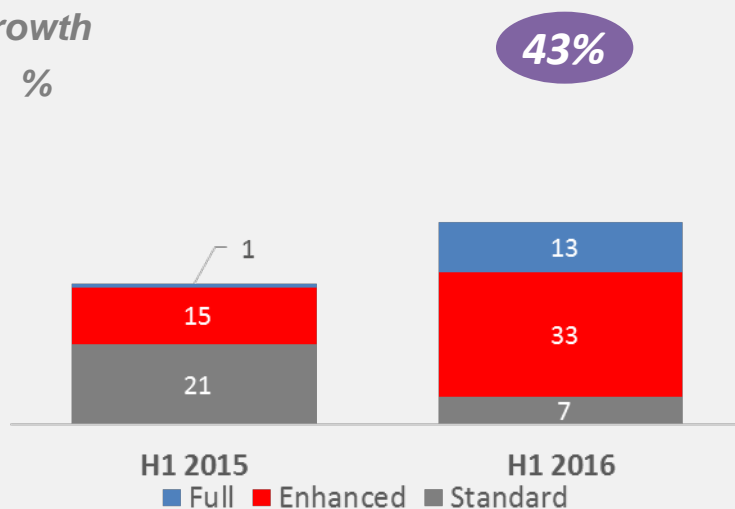


■ Premium ■ Standard

## Number of Home Page Takeovers (#)

Six months ended September 2015 is shown as H1 2016

Growth  
%



# Outlook

- Underlying economy and automotive **trends remain positive** but growing disparity between those retailers who are winning in the market and those that are struggling
- **Retailer forecourt** numbers likely to remain flat overall for H2
- Full year **ARPR** growth expected to be broadly in line with that achieved in the first half
- **Consumer services** revenue for the year to be flat or marginally up at best
- **Display advertising** set to maintain growth trajectory
- **Underlying operating profit** to grow faster than revenue as only modest cost base increases planned, with the exception of a shift in marketing spend from the first half to the second half
- The first half has underpinned our confidence in **delivering the Board's expectations** for the full year



# Questions



# Appendices





# Cash Flow Statement

	Six months ended September 2015 (unaudited) £m	Six months ended September 2014 (unaudited) £m
<b>Adjusted underlying EBITDA</b>	<b>88.6</b>	<b>77.2</b>
Movement in working capital	2.7	(6.2)
Exceptional items (excluding IPO costs)	(3.8)	(6.0)
Continuing capital expenditure	(1.5)	(6.2)
<b>Operating cash flow</b>	<b>86.0</b>	<b>58.8</b>
Cash conversion	97%	76%
Cash flow from discontinued operations	-	(0.1)
Net repayment of borrowings	(80.5)	-
Fees and expenses of the Offer	(8.3)	-
Refinancing fees	-	(2.1)
Other	0.1	(15.7)
Net interest payable	(7.3)	(32.4)
Tax paid	-	(0.4)
<b>Net (decrease)/increase in cash</b>	<b>(10.0)</b>	<b>8.1</b>

- Movement in Working Capital:** due to the timing of the September 2015 period end, payments totaling c.£4 million that would normally be made in the first half will now be recorded as out flows in the second half of the year.
- Capital expenditure:** of the £6.2 million spend in the six months to September 2014, £4.0 million related to property fit out costs. In the six months to September 2015 spend has been predominately on IT equipment (£1.2 million) and continued development of the Singleview billing system (£0.3 million)
- Exceptional items:** during the six months to September 2015 the group negotiated early exits from a number of unoccupied properties in return for a reduced liability to the respective landlords. The total spend on legacy property commitments was £2.3 million with a further £1.5 million of reorganisation costs. As at September 2015 a total provision of £0.7 million remains in respect of remaining legacy properties and £0.3 million in respect of reorganisation costs.

# Four Year Record

	Six months to September		Year to March			
	2015	2014	2015	2014	2013	2012
	£m	£m	£m	£m	£m	£m
Revenue	138.2	127.5	255.9	237.7	218.9	209.1
Administrative expenses	(55.3)	(60.0)	(122.8)	(139.0)	(109.8)	(101.4)
<b>Operating profit before share based payments, management incentive plans, exceptional items and impairment charges</b>	<b>83.0</b>	<b>70.8</b>	<b>144.1</b>	<b>126.2</b>	<b>116.1</b>	<b>111.6</b>
Share based payments	(1.0)	(0.6)	(3.7)	-	-	-
Management incentive plans	-	(0.1)	(1.9)	(0.6)	(0.6)	(0.5)
Exceptional items	0.9	(2.6)	(5.4)	(11.1)	(6.4)	(3.4)
Impairment charges	-	-	-	(15.8)	-	-
<b>Operating profit</b>	<b>82.9</b>	<b>67.5</b>	<b>133.1</b>	<b>98.7</b>	<b>109.1</b>	<b>107.7</b>
Finance costs - net	(8.2)	(54.4)	(122.2)	(95.0)	(86.3)	(84.3)
<b>Profit before taxation</b>	<b>74.7</b>	<b>13.1</b>	<b>10.9</b>	<b>3.7</b>	<b>22.8</b>	<b>23.4</b>
Taxation	(14.9)	(3.6)	(2.4)	(6.5)	(9.3)	(11.4)
<b>Profit/ (loss) for the period from continuing operations</b>	<b>59.8</b>	<b>9.5</b>	<b>8.5</b>	<b>(2.8)</b>	<b>13.5</b>	<b>12.0</b>
Profit/ (loss) for the period from discontinued operations	-	0.4	1.9	13.3	6.8	(4.5)
<b>Profit for the period attributable to equity holders of the parent</b>	<b>59.8</b>	<b>9.9</b>	<b>10.4</b>	<b>10.5</b>	<b>20.3</b>	<b>7.5</b>
<b>Operating profit before share based payments, management incentive plans, exceptional items and impairment charges</b>	<b>83.0</b>	<b>70.8</b>	<b>144.1</b>	<b>126.2</b>	<b>116.1</b>	<b>111.6</b>
Capitalised development spend	-	-	-	(4.9)	(10.6)	(9.9)
Depreciation	1.4	1.3	2.5	2.2	1.8	1.6
Amortisation	4.2	5.1	10.0	12.6	13.4	11.4
<b>Adjusted underlying EBITDA</b>	<b>88.6</b>	<b>77.2</b>	<b>156.6</b>	<b>136.1</b>	<b>120.7</b>	<b>114.7</b>
Adjusted underlying EBITDA margin	64%	61%	61%	57%	55%	55%
Net assets attributable to equity owners of the parent	(115.4)	(757.6)	(176.1)	(750.6)	(760.0)	(780.5)
Net external debt	457.4	969.7	527.9	977.8	562.0	637.1
ARPR (£/pcm)	1,347	1,237	1,252	1,181	1,088	996
Retailer forecourt (average pcm)	13,503	13,456	13,452	13,129	12,919	12,996

# Notes

# Notes

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