

HALF-YEAR REPORT
2023



Contents

Directors' Report	1	Equity	
Auditor's Independence Declaration	4	6. Contributed equity	20
Consolidated Financial Statements		7. Dividends	20
Consolidated Statement of Comprehensive Income	5	Other Assets and Liabilities	
Consolidated Statement of Financial Position	7	8. Leases	21
Consolidated Statement of Changes in Equity	8	9. Business combination	22
Consolidated Statement of Cash Flows	10	Items Not Recognised	
Notes to the Consolidated Financial Statements		10. Events occurring after the reporting period	22
Basis of preparation	11	Directors' Declaration	23
Corporate Information	11	Independent Auditor's Review Report to the Members of CAR Group Ltd	24
Key Performance Measures		Corporate Directory	26
1. Segment information	12		
2. Revenue from contracts with customers	15		
3. Earnings per share	17		
Financing and Risk management			
4. Borrowings	18		
5. Financial assets and liabilities and fair value measurement	19		

Lodged with the ASX under Listing Rule 4.2A.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by CAR Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.



Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of CAR Group Ltd and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of CAR Group Ltd (formerly carsales.com Ltd) during the half-year ended 31 December 2023 and up to the date of this report:

Pat O'Sullivan (Non-Executive Chair)
Cameron McIntyre (Managing Director and Chief Executive Officer)
Wal Pisciotta OAM (Non-Executive Director)
Kim Anderson (Non-Executive Director)
Edwina Gilbert (Non-Executive Director)
Kee Wong (Non-Executive Director)
David Wiadrowski (Non-Executive Director)
Susan Masasso (Non-Executive Director)
Pip Marlow (Non-Executive Director – effective 1 February 2024)

Use of non-IFRS measures

The Directors believe the information included on non IFRS (International Financial Reporting Standards) measures in this report are relevant and useful in measuring the financial performance of the Group. In particular, the presentation of 'proforma revenue', 'proforma EBITDA', 'adjusted net profit after tax' and 'adjusted earnings per share' provides the best measure to assess the performance of the Group by excluding certain non-recurring or non-cash items from the reported IFRS measures. A reconciliation of reported net profit to adjusted net profit is provided in note 3 of the Financial Statements included in this report. Proforma metrics show the business on a like-for-like basis by normalising for acquisitions made throughout the period.

Operational and Financial Review¹

The Group delivered an excellent result for the half-year ended 31 December 2023.

The Group achieved reported revenue growth of 60% and reported EBITDA growth of 63% largely reflecting the inclusion of Webmotors and Trader Interactive as subsidiaries. Reported net profit after tax (NPAT) attributable to owners declined by 72% reflecting a one-off gain recorded in the prior comparative period (H1 FY23 or pcp) in relation to the 51% acquisition of Trader Interactive.

Proforma revenue and EBITDA grew 18% and 19% respectively whilst adjusted NPAT grew 34%. The Group recorded double digit revenue and earnings growth in all key markets, reflecting the extension of market leadership positions and increased uptake of key products.

The key operational matters for the Group were:

Australia

- **Online advertising** – overall revenue and adjusted EBITDA growth of 14% reflecting a strong vehicle market and increasing demand for premium advertising products. Dealer revenue grew 12% driven by a robust new and used car market and increasing penetration of premium depth products. Private revenue grew 11% reflecting a strong private seller market and carsales' increasing market share. Private yield increases were supported by dynamic pricing initiatives. Media revenue grew 22%, driven by an improving advertising market and the development of innovative new advertising products.
- **Data, Research & Services** – Revenue was up 9% on pcp largely reflecting solid growth in our market leading Redbook data business. This translated into an Adjusted EBITDA increase of 10% on pcp.

Asia

- Revenue growth of 13% on a constant currency basis reflects excellent performance from our Encar business in South Korea. The key growth drivers were the Guarantee Inspection and Home Delivery products. This translated into Adjusted EBITDA growth of 11%.

North America

- Reported revenue growth of 133% and Adjusted EBITDA growth of 132% reflects the inclusion of Trader Interactive as a consolidated subsidiary for the full six months in H1 FY24 (only 3 months in H1 FY23).
- On a proforma basis, revenue grew 15% and EBITDA grew 18% reflecting new customer growth, increasing demand for premium advertising products and higher media sales.

Latin America

- Reported revenue growth of \$83.9m reflects the inclusion of Webmotors as a consolidated subsidiary from April 2023.
- Proforma revenue growth of 26% and EBITDA growth of 29% reflects dealer subscription growth, higher dealer yields and an increase in lead volumes.

Investments

- Revenue was up 11% on pcp which reflected solid growth in our tyres and inspection businesses. Adjusted EBITDA was largely in line with pcp.

1. All financial references in the outlook statement are made on a constant currency basis.

Directors' Report continued

Review of Results and Operations

	H1 FY23 \$m	H1 HY24 \$m	Growth	
			\$m	%
Proforma Revenue	448	531	83	18
Proforma EBITDA	233	277	44	19
Adjusted Revenue	332	531	199	60
Adjusted EBITDA	178	277	99	56
Adjusted NPAT	122	163	41	34
Reported Revenue	332	531	199	60
Reported EBITDA	165	269	104	63
Reported NPAT attributable to owners of CAR Group Ltd	416	117	(299)	(72)
Adjusted Earnings Per Share (Cents)	34.6	43.2	9	25
Reported Earnings Per Share (Cents)	118.4	31.1	(87)	(74)
Interim Dividend Per Share (Cents)	28.5	34.5	6	21

Outlook¹

Proforma Basis²

We expect to deliver good growth in Revenue and EBITDA in FY24.

Actual Basis

We expect to deliver very strong growth in Revenue and Adjusted EBITDA and strong growth in Adjusted NPAT in FY24.

Margin

We expect to see expansion in the Group EBITDA margin on a proforma basis in FY24.

Australia Observations

• Dealer

— We expect to deliver good growth in dealer revenue in FY24 supported by higher lead volumes, increased penetration of premium products including depth and dealer finance along with yield increases.

• Private

— Anticipate solid revenue growth supported by private ad yield and Instant Offer.

• Media

— Expect strong revenue growth supported by continued expansion of our native ad products, programmatic capability and non-automotive diversification.

Investments

— Expecting good growth in revenue and similar EBITDA versus FY23.

International Observations

• United States

— We expect good growth in revenue and strong growth in EBITDA in FY24.

• Brazil

— We expect strong growth in revenue and EBITDA in FY24.

• Korea

— We expect good growth in revenue and solid growth in EBITDA in FY24.

1. All financial references in the outlook statement are made on a constant currency basis.

2. Assumes consolidation of Trader Interactive and Webmotors for all of H1 FY23 and H1 FY24.

Directors' Report continued

Dividends – CAR Group Ltd

Dividends paid to members during the half-year were as follows:

	31 December 2023 \$'000	31 December 2022 \$'000
Final 50% franked dividend for the year ended 30 June 2023 of 32.5 cents (2022: fully franked 24.5 cents) per fully paid ordinary share paid on 16 October 2023 (2022: 17 October 2022)	122,503	86,015
	122,503	86,015

On 11 February 2024, the Directors declared an interim dividend of 34.5 cents – 50% franked. The interim dividend will be paid on 15 April 2024.

Matters subsequent to the end of reporting period

There are no matters or circumstances which have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Declaration

This report is made in accordance with a resolution of Directors.



Cameron McIntyre

Managing Director and CEO

Melbourne

11 February 2024

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of CAR Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of CAR Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S. Lobley', is written over a faint, light-colored signature line.

Sam Lobley
Partner
PricewaterhouseCoopers

Melbourne
11 February 2024

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023

	Notes	31 December 2023 \$'000	31 December 2022 \$'000
Revenue from contracts with customers	2	530,964	331,836
Total revenue		530,964	331,836
Expenses			
Costs of sale		(31,368)	(25,964)
Sales and marketing		(97,572)	(60,409)
Service development and maintenance		(49,780)	(25,480)
Operations and administration		(82,809)	(55,119)
Earnings before interest, taxes, depreciation and amortisation*		269,435	164,864
Depreciation and amortisation		(74,706)	(42,064)
Finance income		6,977	3,488
Finance costs		(43,469)	(21,141)
Net gain on modification of leases	8	3,494	–
Net gain on step acquisition of associate		–	333,019
Share of net profit from associates accounted for using the equity method		–	2,964
Profit before income tax		161,731	441,130
Income tax expense		(39,542)	(24,275)
Profit for the half-year		122,189	416,855
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(88,118)	(57,957)
Reclassification of exchange differences on step acquisition of associate		–	(115,269)
Remeasurement of post-employment benefit obligations		32	457
Movement in net investment hedge (net of tax)		1,598	19,118
Movement in cash flow hedge (net of tax)		(121)	(1,024)
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in financial assets at fair value (net of tax) through other comprehensive income		(2,459)	(3,913)
Other comprehensive loss for the half-year		(89,068)	(158,588)
Total comprehensive income for the half-year		33,121	258,267
Profit for the half-year is attributable to:			
Owners of CAR Group Ltd		117,032	416,467
Non-controlling interests		5,157	388
		122,189	416,855
Total comprehensive income for the half-year is attributable to:			
Owners of CAR Group Ltd		29,216	257,879
Non-controlling interests		3,905	388
		33,121	258,267

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023 continued

	Notes	31 December 2023 Cents	RESTATED** 31 December 2022 Cents
Earnings per share for half-year profit attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share	3(a)	31.1	118.4
Diluted earnings per share	3(a)	31.0	118.3

* EBITDA noted above is profit before interest income, interest expense, income taxes, depreciation, amortisation, net gain on step acquisition of associate, net gain on modification of leases and share of net profit from associates accounted for using the equity method.

** Earnings per share for the half-year ended 31 December 2022 has been restated, in accordance with AASB 133, for the effects of the capital raise executed during the previous financial year to fund the purchase of the additional 40% stake in webmotors. Refer to Note 3 for details.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 \$'000	RESTATED* 30 June 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		232,578	198,709
Trade and other receivables		150,078	136,629
Inventory		2,928	2,475
Current tax receivable		895	—
Total current assets		386,479	337,813
Non-current assets			
Financial assets at fair value through other comprehensive income	5	22,156	25,354
Property, plant and equipment		22,607	21,313
Right-of-use assets	8	39,642	58,583
Deferred tax assets		51,675	47,443
Intangible assets		4,063,876	4,172,872
Other receivables		23,013	21,280
Total non-current assets		4,222,969	4,346,845
Total assets		4,609,448	4,684,658
LIABILITIES			
Current liabilities			
Trade and other payables		131,856	91,313
Lease liabilities	8	12,456	11,173
Borrowings	4	31,856	26,098
Current tax liabilities		—	12,683
Other financial liabilities	5	6,601	1,136
Provisions		27,939	27,576
Contract liabilities		13,145	14,814
Total current liabilities		223,853	184,793
Non-current liabilities			
Other payables		283	108
Lease liabilities	8	31,309	59,299
Borrowings	4	1,178,339	1,145,999
Other financial liabilities	5	4,180	8,991
Deferred tax liabilities		143,777	155,136
Provisions		6,618	5,703
Total non-current liabilities		1,364,506	1,375,236
Total liabilities		1,588,359	1,560,029
Net assets		3,021,089	3,124,629
EQUITY			
Contributed equity	6	2,454,435	2,451,802
Reserves		(176,470)	(83,530)
Retained earnings		693,811	700,736
Non-controlling interests		49,313	55,621
Total equity		3,021,089	3,124,629

* The Consolidated Statement of Financial Position as at 30 June 2023 has been restated to reflect the final fair value of the purchase price allocation balances of Trader Interactive, which was acquired on 30 September 2022. Refer to Note 9 for details.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

	Notes	Attributable to owners of CAR Group Ltd			Non- controlling interests \$'000	Total equity \$'000
		Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000		
Balance at 1 July 2023		2,451,802	(83,530)	700,736	55,621	3,124,629
Profit for the half-year to 31 December 2023		–	–	117,032	5,157	122,189
<i>Items that may be reclassified to profit or loss</i>						
Exchange differences on translation of foreign operations		–	(86,866)	–	(1,252)	(88,118)
Remeasurement of post-employment benefit obligations		–	32	–	–	32
Movement in net investment hedge (net of tax)		–	1,598	–	–	1,598
Movement in cash flow hedges (net of tax)		–	(121)	–	–	(121)
<i>Items that will not be reclassified to profit or loss</i>						
Changes in financial assets at fair value (net of tax) through other comprehensive income		–	(2,459)	–	–	(2,459)
Total comprehensive income for the half-year		–	(87,816)	117,032	3,905	33,121
Transactions with owners in their capacity as owners:						
Contributions of equity upon exercise of employee share options	6	148	–	–	–	148
Increase in share-based payment reserve inclusive of tax		–	3,888	–	–	3,888
Dividends paid to company shareholders net of transaction costs	6, 7	2,485	–	(122,503)	–	(120,018)
Dividends paid/payable to non-controlling interests		–	–	–	(9,725)	(9,725)
Movement in Brazilian legal reserve		–	1,454	(1,454)	–	–
Transactions with non-controlling interests		–	(10,466)	–	(488)	(10,954)
Balance at 31 December 2023		2,454,435	(176,470)	693,811	49,313	3,021,089

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

	Attributable to owners of CAR Group Ltd				Non- controlling interests \$'000	Total equity \$'000
	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000		
Balance at 1 July 2022		769,959	(1,865)	243,466	1,849	1,013,409
Profit for the half-year to 31 December 2022		—	—	416,467	388	416,855
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations		—	(57,957)	—	—	(57,957)
Reclassification of exchange differences on step acquisition of associate		—	(115,269)	—	—	(115,269)
Remeasurement of post-employment benefit obligations		—	457	—	—	457
Movement in net investment hedge (net of tax)		—	19,118	—	—	19,118
Movement in cash flow hedges (net of tax)		—	(1,024)	—	—	(1,024)
Items that will not be reclassified to profit or loss						
Changes in financial assets at fair value (net of tax) through other comprehensive income		—	(3,913)	—	—	(3,913)
Total comprehensive income for the half-year		—	(158,588)	416,467	388	258,267
Transfer of loss on disposal of equity investment at fair value through other comprehensive income to retained earnings		—	2,196	(2,196)	—	—
Transactions with owners in their capacity as owners:						
Contributions of equity upon exercise of employee share options		941	—	—	—	941
Contributions of equity net of transaction costs and tax		1,181,039	—	—	—	1,181,039
Increase in share-based payment reserve inclusive of tax		—	1,003	—	—	1,003
Dividends paid to company shareholders net of transaction costs	7	4,745	—	(86,015)	—	(81,270)
Dividends paid to non-controlling interests		—	—	—	(484)	(484)
Non-controlling interest on acquisition of subsidiary		—	—	—	316	316
Transactions with non-controlling interests		—	(4,324)	—	4,700	376
Balance at 31 December 2022		1,956,684	(161,578)	571,722	6,769	2,373,597

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities		
Receipts from customers (including GST)	570,080	369,724
Payments to suppliers and employees (including GST)	(305,340)	(210,491)
Income taxes paid	(62,009)	(55,620)
Net cash inflow from operating activities	202,731	103,613
Cash flows from investing activities		
Payment for investment in non-controlling interests, associates and subsidiaries (net of cash acquired)	(3,054)	(1,217,896)
(Payment for)/proceeds from financial instruments held for investing activities	(14,589)	83,690
(Payment for)/proceeds from sale of financial assets at fair value through other comprehensive income	(751)	5,046
Proceeds from term deposits with maturity greater than 90 days	–	14,244
Payments for property, plant and equipment	(6,263)	(4,290)
Payments for intangible assets	(43,659)	(28,237)
Proceeds from sale of property, plant and equipment	883	351
Interest received	6,661	3,505
Net cash outflow from investing activities	(60,772)	(1,143,587)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities (net of transaction costs)	148	1,186,734
Proceeds from borrowings	135,063	1,264,394
Repayment of borrowings	(80,688)	(651,084)
Payment of Trader Interactive external debt on acquisition	–	(597,256)
Payment of loan establishment fees	(2,144)	(5,128)
Principal elements of lease payments	(6,301)	(4,588)
Deposits paid for leases	(3,381)	(730)
Dividends paid to non-controlling interests	(60)	(484)
Dividends paid to company shareholders	(120,018)	(81,273)
Interest paid	(26,139)	(14,676)
Net cash (outflow)/inflow from financing activities	(103,520)	1,095,909
Effects of exchange rates on cash and cash equivalents	(4,570)	13,228
Net increase in cash and cash equivalents	33,869	69,163
Cash and cash equivalents at the beginning of the financial year	198,709	117,452
Cash and cash equivalents at the end of the half-year	232,578	186,615

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023

Basis of preparation

CAR Group Ltd is a for-profit entity for the purpose of preparing the consolidated financial statements.

These condensed consolidated interim financial statements for the half-year ended 31 December 2023:

- (i) Have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.
- (ii) Do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by CAR Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.
- (iii) Are presented in Australian dollars with all values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the *Australian Securities and Investments Commission Corporations Instrument 2016/191*.
- (iv) Adopt accounting policies consistent with those of the previous financial year.
- (v) Have been prepared on a going concern basis.

Corporate information

CAR Group Ltd (the 'Group') (formerly carsales.com Ltd) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

CAR Group Ltd
449 Punt Road
Richmond, Victoria 3121

The Company name was changed to CAR Group Ltd on 3 November 2023, following shareholder approval at the 2023 Annual General Meeting and registration with Australian Securities and Investments Commission (ASIC).

The half-year financial report was authorised for issue by the Directors on 11 February 2024. The Directors have the power to amend and reissue the half-year financial report.

All press releases, financial reports and other information are available at our shareholders' centre on our website: <https://cargroup.com>. For queries in relation to our reporting please call +61 (3) 9093 8600.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

KEY PERFORMANCE MEASURES

This section provides a breakdown of the key individual line items in the financial statements that the Directors consider most relevant to understanding performance and shareholder returns for the half-year and summarises the accounting policies, judgements and estimates relevant to understanding these line items.

1. Segment information

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer ('CEO').

Management has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions.

The Group's operating segments are determined firstly based on location, and secondly by function, of the Group's operations.

Effective from the year ended 30 June 2023, the Group has disaggregated the Americas segment into two separate segments called "North America" which comprises of Trader Interactive and "Latin America" which comprises of webmotors and Chileautos. The rationale behind changing the operating and reporting segments is to better align with the operating group structure and the manner in which financial information is reported to the chief operating decision maker internally.

The prior year comparatives have also been restated to reflect this.

The Group principally operates in six business segments which are described below:

Operating Segment	Nature of operations and primary source of revenue	Geographical location
Australia – Online Advertising Services	Online Automotive Classifieds, Display Advertising services and Finance Commission.	Australia
Australia – Data, Research and Services	Automotive Data Services including software, analysis, research and reporting, valuation services, website development, hosting and photography services. This segment also includes display and consumer advertising related to these divisions.	Australia
Australia – Investments	Online Tyre Retail and Wholesale and Inspection Services.	Australia
North America	Online Automotive Classifieds, Display Advertising services and Automotive Data Services.	United States of America and Canada
Latin America	Online Automotive Classifieds, Display Advertising services, Automotive Data Services, Finance Commission and Purchase of Receivables.	Brazil and Chile
Asia	Online Automotive Classifieds, Display Advertising services and Automotive Data Services.	South Korea, Malaysia, Thailand, China and Indonesia

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

1. Segment information continued

(a) Segment analysis

	Australia - Online Advertising Services	Australia - Data, Research and Services	Australia - Investments	North America	Latin America	Asia	Total
Half-year ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	189,496	24,326	33,123	137,009	87,500	59,510	530,964
EBITDA*	116,929	15,391	(2,197)	82,447	31,546	25,319	269,435
Depreciation and amortisation							(74,706)
Net finance costs							(36,492)
Net gain on modification of leases***	3,911	—	—	(417)	—	—	3,494
Income tax expense							(39,542)
Non-controlling interests							(5,157)
Profit for the half-year attributable to the owners of CAR Group Ltd							117,032
Segment assets	212,344	17,385	13,532	2,713,782	757,349	463,736	4,178,128
Deferred tax assets							51,675
Cash and cash equivalents							232,578
Unallocated assets							147,067
Total assets							4,609,448

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

1. Segment information continued

(a) Segment analysis continued

RESTATED**	Australia - Online Advertising Services	Australia - Data, Research and Services	Australia - Investments	North America	Latin America	Asia	Total
Half-year ended 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	166,821	22,263	29,853	58,869	3,654	50,376	331,836
EBITDA*	99,817	13,533	(2,897)	32,521	(1,131)	23,021	164,864
Depreciation and amortisation							(42,064)
Net finance costs							(17,653)
Share of net profit / (loss) from associates accounted for using the equity method	(32)	-	-	(723)	3,719	-	2,964
Net gain on step acquisition of associate	-	-	-	333,019	-	-	333,019
Income tax expense							(24,275)
Non-controlling interests							(388)
Profit for the half-year attributable to the owners of CAR Group Ltd							416,467
Segment assets	188,767	17,176	31,775	2,815,179	126,854	457,300	3,637,051
Deferred tax assets							23,364
Cash and cash equivalents							186,615
Unallocated assets							96,194
Total assets							3,943,224

* EBITDA noted above is profit before interest income, interest expense, income taxes, depreciation, amortisation, net gain on step acquisition of associate, net gain on modification of leases and share of net profit from associates accounted for using the equity method.

** Balances and amounts for the half-year ended 31 December 2022 have been restated with the change to operating segments. Segment assets were also restated to reflect the final fair value of the purchase price allocation balances of Trader Interactive, which was acquired on 30 September 2022. Refer to Note 9 for details.

*** Refer to Note 8 for further information on the modification of leases during the half-year ended 31 December 2023.

Segment assets are measured in the same way as in the financial statements. Segment assets include goodwill, trade and other receivables, inventory, brands, trademarks, customer relationships, property, plant and equipment, right-of-use assets and financial assets at fair value through other comprehensive income. Unallocated assets include intangible and other assets utilised across multiple segments. All unallocated assets are assessed by the chief operating decision maker at a consolidated entity level.

Liabilities are not reported to the chief operating decision maker by segment. All liabilities are assessed at a consolidated entity level.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

2. Revenue from contracts with customers

Accounting policy

The Group derives revenue from the transfer of goods and services in the following product and reporting segments. Amounts disclosed as revenue are net of returns, agency commissions, trade allowances, rebates and amounts collected on behalf of third parties. Where services have not been provided but the Group is obligated to provide the services in the future, a contract liability is recognised.

Type of revenue	Reporting segment	Recognition criteria
Dealer leads	Online Advertising/ Latin America/Asia	Lead revenues are recognised at a point in time upon delivery of the lead to the dealers' lead management system.
Dealer listings	Online Advertising/ North America/Latin America/ Asia	Dealer listings usually have a definite end date to the advertisement and where they do not, an average duration is calculated. Revenues are recognised over the period during which the listing is displayed on the CAR Group network.
Listing depth products	Online Advertising/ North America/Latin America/ Asia	Transaction value is allocated to customer service obligations based on the fair value and revenue is recognised over the period during which the product is displayed on the CAR Group network.
Private listing	Online Advertising/ North America/ Latin America/Asia	Private listings remain effective until the consumer removes the advertisement. Revenues are recognised over the average number of days advertisements are displayed (based on historical trends).
Instant offer	Online Advertising	Revenue is recognised at a point in time upon satisfaction of the performance obligation, that being the acceptance of the instant offer by the seller and thus the facilitation of the successful sale by the seller to an official buyer.
Bundled products	Online Advertising/ North America/ Latin America/Asia	Includes the combination of dealer advertising products and corporate media services under one single contractual price. Whilst the products are bundled, each individual service has its own distinct performance obligations and stand-alone selling prices (used to determine the fair value of each service). Revenue is recognised over time as performance obligations are fulfilled.
Sponsorship advertising	Online Advertising/ North America/Latin America/ Asia	Revenues from sponsorship advertising are recognised in the period over which the advertisements are placed or displayed, depending on the type of contract.
Performance advertising and contracts	Online Advertising/ North America/Latin America/ Asia	Revenues from performance advertising and performance contracts are recognised when the performance measure occurs and is generated (e.g. cost per click).
Subscription services	Online Advertising/ Data, Research and Services/ North America/Latin America/ Asia	Subscription revenues are recognised over the subscription period.
Sale of goods	Investments	Revenues are recognised at a point in time when goods have been provided to a customer.
Inspection services	Investments/Asia	Revenue from vehicle inspection services are recognised when the inspection service is performed.
Finance commission	Online Advertising/ Latin America	Commission revenue is recognised at a point in time when a customer finances the purchase of a vehicle with a 3rd party through the CAR Group network.
Purchase of Receivables (Car10)	Latin America	Revenue is recognised at the point in time when the consumer receivables are purchased from automotive service providers at a discount to their face value.

Contracts with customers do not include a significant financing component.

As a practical expedient, the Group recognises any incremental costs of obtaining a contract, which mainly consist of sales commissions, as an expense when incurred given the amortisation period of the asset that would have been recognised is one year or less.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

2. Revenue from contracts with customers continued

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major segments:

	Australia - Online Advertising Services	Australia - Data, Research and Services	Australia - Investments	North America	Latin America	Asia	Total
Half-year ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	189,496	24,326	33,123	137,009	87,500	59,510	530,964
Revenue is recognised							
At a point in time	103,267	7,178	33,123	5,368	66,199	28,040	243,175
Over time	86,229	17,148	—	131,641	21,301	31,470	287,789
RESTATED*							
Half-year ended 31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	166,821	22,263	29,853	58,869	3,654	50,376	331,836
Revenue is recognised							
At a point in time	86,710	5,199	29,853	1,966	1,712	21,570	147,010
Over time	80,111	17,064	—	56,903	1,942	28,806	184,826

* The allocation of revenues for the half-year ended 31 December 2022 between the Group's operating segments have been restated to align with the new operating segments.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

3. Earnings per share

(a) Reported earnings per share

Earnings per share for half-year profit attributable to the ordinary equity holders of the Company:	Basic earnings per share		Diluted earnings per share	
	31 December 2023	RESTATED** 31 December 2022	31 December 2023	RESTATED** 31 December 2022
Reported half-year profit attributable to equity holders of the Company	117,032,000	416,467,000	117,032,000	416,467,000
Weighted average number of ordinary shares	376,813,861	349,040,867	376,813,861	349,040,867
Dilutive impact of options	—	—	137,532	96,957
Dilutive impact of performance rights	—	—	212,173	108,116
Dilutive impact of renounceable entitlement offer	—	2,725,771	—	2,725,771
Total weighted average number of ordinary shares used in EPS calculation	376,813,861	351,766,638	377,163,566	351,971,711
Reported earnings per share/cents	31.1	118.4	31.0	118.3

(b) Adjusted earnings per share*

Earnings per share for half-year profit attributable to the ordinary equity holders of the Company:	Basic earnings per share		Diluted earnings per share	
	31 December 2023	RESTATED** 31 December 2022	31 December 2023	RESTATED** 31 December 2022
Reported half-year profit attributable to equity holders of the Company	117,032,000	416,467,000	117,032,000	416,467,000
Add: Restructuring, M&A transactions costs (net of tax) and FX	7,011,000	9,912,435	7,011,000	9,912,435
Add: Acquired intangibles amortisation (net of tax)	35,240,000	21,447,351	35,240,000	21,447,351
Add: Trader Interactive non-recurring costs	—	6,981,323	—	6,981,323
Less: Net gain on modification of leases (net of tax)	(2,320,000)	—	(2,320,000)	—
Add: Cash benefit from utilisation of tax losses***	5,707,000	—	5,707,000	—
Less: Net gain on step acquisition of associate	—	(333,019,000)	—	(333,019,000)
Adjusted profit attributable to equity holders of the Company	162,670,000	121,789,109	162,670,000	121,789,109
Adjusted earnings per share/cents*	43.2	34.6	43.1	34.6

* The Directors believe the presentation of "adjusted earnings per share" provides a useful measure to assess the performance of the Group by excluding significant one-off items of income and expense to arrive at an adjusted profit measure which reflects the underlying financial performance of the Group.

** Earnings per share for the half-year ended 31 December 2022 has been restated, in accordance with AASB 133, for the effects of the capital raise executed during the previous financial year to fund the purchase of the additional 40% stake in webmotors.

*** Trader Interactive had \$24.6 million (tax effected) of tax losses recorded on the Consolidated Statement of Financial Position, which were recognised as part of the initial acquisition accounting.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

FINANCING AND RISK MANAGEMENT

This section provides information about the capital management practices of the Group, the Group's exposure and management of various financial risks and explains how these affect the Group's financial position and performance.

4. Borrowings

	31 December 2023 \$'000	30 June 2023 \$'000
Current borrowings	31,856	26,098
Non-current borrowings	1,178,339	1,145,999
	1,210,195	1,172,097

(a) Bank debt

	Commitment \$'000	Drawn at close \$'000	Maturity date
Tranche B	850,000	633,100	14 September 2025
Tranche C	250,000	100,000	14 September 2027
Total syndicated revolving loan facility	1,100,000	733,100	
BRL denominated bank loans	n/a	41,100	Various
Total bank debt		774,200	

The Group has a syndicated revolving loan facility that was established under a Common Terms Deed (CTD) documentation structure. Ten financiers are part of the syndicate and each of these financiers entered into a bilateral facility agreement with the Company under the CTD documentation structure. The syndicate comprises National Australia Bank Limited (NAB), Australia and New Zealand Banking Group Limited (ANZ), Hongkong and Shanghai Banking Corporation Limited (HSBC), Westpac Banking Corporation (WBC), Commonwealth Bank of Australia (CBA), MUFG Bank Limited, Bank of China (BOC), Sumitomo Mitsui Banking Corporation (SMBC), Mizuho Bank, Ltd and BNP Paribas. Borrowings under this loan facility bear interest at a floating rate of BBSY Bid plus a margin, with margin based on a net leverage ratio of the Group.

Of the Group's BRL denominated bank debt, \$31.4 million is due in the next 12 months and \$9.7 million is due later than 12 months. The BRL bank debt includes \$28.9 million of loans which bear interest at fixed rates and are used by Car10 in order to acquire receivables from automotive service providers at a discount in the course of its operations. The remaining BRL bank loans bear interest at a floating rate of CDI (interbank deposit certificate rate) plus a margin.

The Group has complied with all debt covenants throughout the reporting period.

(b) US Private Placement debt

At 31 December 2023, the Group had long-term, fixed rate notes on issue to investors in the US Private Placement market. The notes are denominated in US dollars and are issued in three tranches, as follows:

	Face value USD\$'000	Carrying value \$'000	Interest rate	Maturity date
Series A – 7 year	100,000	146,028	5.88%	2 July 2030
Series B – 8 year	100,000	146,020	5.92%	2 July 2031
Series C – 9 year	100,000	146,015	5.96%	2 July 2032
Total	300,000	438,063		

Interest is payable semi-annually to noteholders.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

5. Financial assets and liabilities and fair value measurement

Financial assets and liabilities that are carried at fair value are measured by the following fair value measurement hierarchy:

Level 1: the fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period;

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and

Level 3: if one or more of the significant inputs to the fair value of an instrument is not based on observable market data, the instrument is included in level 3.

Financial asset/liability	Level	31 December 2023 \$'000	30 June 2023 \$'000
Financial assets measured at fair value through OCI			
Unquoted financial assets (i)	3	22,156	25,354
Financial liabilities measured at fair value through profit or loss			
Other financial liabilities – current (ii)	3	(6,601)	(1,136)
Other financial liabilities – non-current (ii)	3	(4,180)	(8,991)

(i) Investments in unquoted financial assets are measured at fair value through other comprehensive income and includes PromisePay Pte Ltd, mx51 Group Pty Ltd, Adfixus Pty Ltd and other equity investments that mostly relate to investments in unlisted US based venture capital fund assets. The fair value of the investments in PromisePay Pte Ltd, mx51 Group Pty Ltd and Adfixus Pty Ltd have been calculated either with reference to the latest capital raise/contribution or based on an independent valuation performed during the year. The fair value of other equity investments is based on capital contributions and adjusted for independent valuation performed by the fund managers on a quarterly basis.

(ii) Other financial liabilities are mainly put option and contingent consideration liabilities which are based on the future earnings of an acquired subsidiary for a defined period and were valued at period end based on the forecast of earnings for the acquired subsidiary.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

EQUITY

This section provides information about the capital management practices of the Group.

6. Contributed equity

Movement in ordinary shares during the period	Number of shares	\$'000
Balance at 1 July 2023	376,733,547	2,451,802
Exercise of options and performance rights under the CAR Group Ltd Employee Option Plan and Share Plan	206,227	148
Dividend Reinvestment Plan	85,519	2,496
Less: transaction costs arising on share issues	–	(11)
Balance at 31 December 2023	377,025,293	2,454,435
Balance at 1 July 2022	282,845,469	769,959
Exercise of options and performance rights under the CAR Group Ltd Employee Option Plan and Share Plan	275,202	1,295
Dividend Reinvestment Plan	522,457	10,992
Capital raised	93,090,419	1,715,485
Less: transaction costs arising on share issues	–	(45,423)
Deferred tax recognised directly in equity	–	(506)
Balance at 30 June 2023	376,733,547	2,451,802

7. Dividends

	31 December 2023 \$'000	31 December 2022 \$'000
The dividends were proposed/paid as follows:		
Final dividend paid for the year ended 30 June – 50% franked (PY: fully franked) at the tax rate of 30%	122,503	86,015
Interim dividend proposed/paid for the half-year ended 31 December – 50% franked (PY: fully franked) at the tax rate of 30%*	130,074	100,132
	252,577	186,147
	Cents per share	Cents per share
Final dividend paid for the year ended 30 June	32.5	24.5
Interim dividend proposed/paid for the half-year 31 December	34.5	28.5

* Proposed dividend is expected to be paid on 15 April 2024 out of retained earnings at 31 December 2023 but is not recognised at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

7. Dividends continued

Dividend Reinvestment Plan (DRP)

The CAR Group Ltd DRP will be maintained for the 2024 interim dividend, offering shareholders the opportunity to acquire further ordinary shares in CAR Group Ltd. The DRP will not be offered at a discount and the price will be calculated using the daily volume weighted average sale price of CAR Group Ltd shares sold in the ordinary course of trading on the ASX during the five days after, but not including, the Record Date 18 March 2024. The last date for shareholders to nominate their participation in the DRP is 5:00pm (AEDT) on 19 March 2024. Shares issued under the DRP will rank equally with CAR Group Ltd existing fully paid ordinary shares. Shareholders eligible to participate in the DRP are currently limited to those whose registered address on the CAR Group Ltd share registry is in Australia or New Zealand.

Eligible shareholders who wish to participate in the DRP can make their elections online at www.computershare.com.au/easyupdate/CAR or complete the DRP form, which will be sent to shareholders for completion and submission to Computershare Investor Services Pty Ltd (CAR Group share registry). Further information can be obtained from Computershare on 1300 850 505.

OTHER ASSETS AND LIABILITIES

This section provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk.

8. Leases

Net gain on modification of lease

In September 2023, the Group modified the lease agreement for the head office building in Cremorne, Melbourne, which will take effect from September 2024. As a result, the Group recognised a gain on lease modification of \$3.9 million in the Statement of Comprehensive Income for the half-year and Right-of-use Assets and total Lease Liabilities reduced by \$20.4 million and \$24.3 million respectively.

The gain above was partially offset by a loss on lease modification recognised for a sub-lease arrangement that was terminated early in North America.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2023 continued

GROUP STRUCTURE

This section explains aspects of the group structure, such as our acquisitions and how these have affected the financial position and performance of the Group.

9. Business combinations

(a) Trader Interactive

On 30 September 2022, the acquisition of the remaining 51% stake in Trader Interactive was completed for \$1,183.2 million (excluding transaction costs), resulting in the Group gaining control over Trader Interactive. Pursuant to AASB 3 Business Combinations, the transaction was treated as a step-acquisition which occurs when the buyer in a business combination has a previously held equity interest in a target and acquires an additional interest in the target that results in the buyer obtaining control. Further details regarding this prior year acquisition were disclosed within Note 20(a) to the 30 June 2023 consolidated financial report.

Subsequent to reporting a provisional balance sheet at 30 June 2023, the Group has finalised the calculation of the fair value of assets and liabilities acquired as part of the business combination. During the period an additional deferred tax asset of \$8.4 million, related to tax losses, was recognised with a corresponding reduction in goodwill for the same amount. There were no other changes to the purchase consideration or to the fair value of assets and liabilities acquired from that which was reported at 30 June 2023.

(b) webmotors

On 28 April 2023, the Group acquired an additional 40% of Webmotors S.A. ("webmotors") for \$368.7 million (excluding transaction costs), increasing the Group's interest from 30% to 70% and resulting in the Group gaining control over webmotors. Pursuant to AASB 3 Business Combinations, the transaction was treated as a step-acquisition which occurs when the buyer in a business combination has a previously held equity interest in a target and acquires an additional interest in the target that results in the buyer obtaining control. Further details regarding this prior year acquisition were disclosed within Note 20(b) to the 30 June 2023 consolidated financial report.

Both the net asset value and the allocation of the purchase price to acquired assets are still preliminary. In particular, the fair values assigned to intangible assets and deferred taxes are still being assessed and may be subject to change. The acquisition accounting, including tax related impacts, will be finalised within 12 months of the acquisition date. There have been no changes to the provisional fair value of assets and liabilities acquired from that which was reported at 30 June 2023.

ITEMS NOT RECOGNISED

This section of the notes provides information about material items that are not recognised in the half-year financial statements as they do not yet satisfy the recognition criteria.

10. Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end up to the date of this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Directors' Declaration

31 December 2023

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
 - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The basis of preparation confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of Directors.



Cameron McIntyre
Managing Director and CEO
Melbourne
11 February 2024

Independent Auditor's Review Report to the Members of CAR Group Ltd

31 December 2023



Independent auditor's review report to the members of CAR Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of CAR Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of CAR Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTH BANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Liability limited by a scheme approved under Professional Standards Legislation.



and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'M. Antkowiak', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'S. Loble', written in a cursive style.

Sam Loble
Partner

Melbourne
11 February 2024

Corporate Directory

Directors

Pat O'Sullivan

(Non-Executive Chair)

Cameron McIntyre

(Managing Director and CEO)

Wal Pisciotta OAM

(Non-Executive Director)

Kim Anderson

(Non-Executive Director)

Edwina Gilbert

(Non-Executive Director)

Kee Wong

(Non-Executive Director)

David Wiadrowski

(Non-Executive Director)

Susan Massasso

(Non-Executive Director)

Pip Marlow

(Non-Executive Director
– effective 1 February 2024)

Company secretary

Nicole Birman

Registered office

449 Punt Road
Richmond Vic 3121

T +61 3 9093 8600

F +61 3 9093 8697

cargroup.com

Share registry

Computershare Ltd

452 Johnston Street
Abbotsford Vic 3067

T +61 3 9415 4000

F +61 3 9473 2500

computershare.com

External auditor

PricewaterhouseCoopers

2 Riverside Quay
Southbank Vic 3006

Stock Exchange

CAR Group Ltd is a public company listed with the Australian Securities Exchange Limited

ASX: CAR

