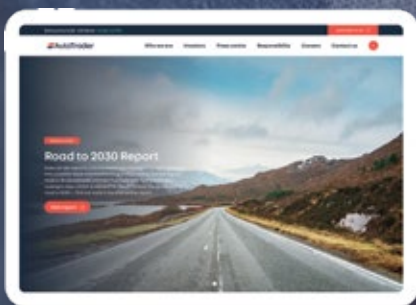




# Auto Trader Group plc is the UK and Ireland's largest automotive marketplace

Our marketplace sits at the heart of the vehicle buying and selling process, with the largest number of car buyers and sellers, and the largest choice of trusted stock.

**Auto Trader** exists to Drive change together. Responsibly. We aim to grow both our car buying and selling audiences, thereby strengthening our core advertising business. We will change how the UK shops for cars by providing the best online car buying experience and enabling all retailers to sell online. We aim to build stronger partnerships with our customers, use our voice and influence to drive more environmentally friendly vehicle choices, and create a diverse and inclusive culture.



## STAY CONNECTED

Head online to our corporate website to find out more about us, download a copy of this report and keep in touch via our social channels.



[plc.autotrader.co.uk](http://plc.autotrader.co.uk)



[Auto Trader Insight](#)



[@ATInsight](#)

## FINANCIAL

### Revenue

£m



### Operating profit

£m



### Operating profit margin

%



### Basic EPS

Pence per share



FINANCIAL KPIS P24 →

## OPERATIONAL

### Cross platform visits

Monthly average visits spent across all platforms



### Cross platform minutes

Monthly average minutes spent across all platforms



### Live car stock

Average number per month



### Number of retailer forecourts

Average number per month



OPERATIONAL KPIS P26 →

## CULTURAL

### Employee engagement

% of employees who are proud to work at Auto Trader



### Women as a % of total staff

As at March each year



### Ethnically diverse representation as a % of total staff

As at March each year



### Total CO<sub>2</sub> emissions

Tonnes of carbon dioxide equivalent



CULTURAL KPIS P28 →

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## Acquisition of Autorama

In March 2022, we announced that we have agreed to acquire all the share capital of Autorama (UK) Limited, subject to regulatory approvals. Autorama's online marketplace and fulfilment capabilities will transform Auto Trader's existing leasing proposition helping meet the demands of the growing number of consumers who might consider leasing their next new vehicle.

[MATERIAL DECISIONS MADE P22 →](#)



## April 2021 pricing event

We successfully executed our annual pricing event in April 2021, including the launch of Retailer Stores, which provide retailers their own dedicated, customisable location on Auto Trader.

# 58m

visits to Retailer Stores pages during 2022



[OUR PURPOSE-DRIVEN STRATEGY P12 →](#)



## Becoming net zero before 2040

In June 2021, we signed up to the Science Based Targets initiative Business Ambition for 1.5°C. By doing so we have committed to achieving net zero before 2040 and will halve carbon emissions before the end of 2030.



## Welcoming Jasvinder Gakhal to the Board

Jasvinder was appointed as an Independent Non-Executive Director to the Board, with effect from 1 January 2022. Following Jasvinder's appointment, the Board comprises five Independent Non-Executive Directors, three Executive Directors and a Non-Executive Chair.



[BOARD OF DIRECTORS P72 →](#)

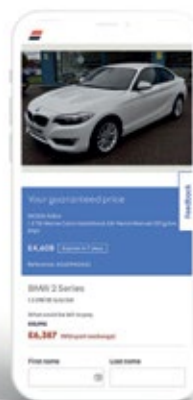


## Evolved our advertising package structure

Early in the year, we evolved our advertising package structure, giving a consistent cross platform search experience powered by a relevancy algorithm. We also launched Market Extension, a product that allows our retailers to reach car buyers outside their local area.

# 31%

retailer stock on a package above Standard in March 2022



[OPERATIONAL REVIEW P30 →](#)



## Our audience performance has strengthened

# 64m

cross platform visits a month, on average, in 2022



**ELECTRIC ESTATE CARS**  
Stylish, spacious, and ideal for drivers with lots of luggage



Auto Trader rating  
★★★★★

Owner ratings  
★★★★★



## CHAIR'S STATEMENT



### Context

COVID-19 remained a significant factor over the last year in terms of the operational conduct of our business. I am pleased though to be able to report that its impact is not obviously reflected in our business performance, as it was in the previous financial year.

Towards the end of the financial year we have shared the shock and horror of the war in Ukraine. As a business focused on the UK and Ireland we do not believe we have any direct exposure to Ukraine and Russia in terms of customers, supply chain or the imposition of sanctions. We have not witnessed any clear negative impact on vehicle buying and selling in the UK and Ireland as a result of increased fuel prices, but this cannot be ruled out in future.

### The year of the used car

A notable aspect of the last 12 months has been the way in which used cars and the used car industry have become the centre of attention in the automotive retailing industry, having been previously overshadowed by the new car market.

With supply chain problems across the new car industry and high levels of demand for personal mobility as we emerged from successive lockdowns, used car prices have risen in real terms at rates we have never seen before.

New car retailers have in very many cases refocused their businesses on the used car market. With fewer cars being traded in for new cars they have had to compete harder to secure a supply of used cars. A trend which has impacted the industry for much of the past 12 months.

In addition, at the corporate level, most of the new investment flowing into the industry has been into national digital car retailing businesses and those focused on buying vehicles from the public. In response to this, and as a necessity during lockdowns, larger car retailers have been increasingly focused on selling cars online and to customers anywhere in the UK, not just to customers able to visit the local retailer where a car may physically be.

National online selling of used cars represents a very substantial opportunity for Auto Trader, without any evidence that these trends in any way threaten our historical core business of advertising used cars.

### Financial performance and strategic focus

Our revenues and profits for the financial year 2022 were both at record highs. As we enter the new financial year, the business has good momentum with record uptake of our products by vehicle retailers and, what appears to be, an end for the moment to the two-year headwind created by a decline in the number of used cars transacted in the market.

Most of our technology development effort, as well as effort more generally across the business, is devoted to building out our full range of services for car buyers and retailers to enable cars marketed on Auto Trader to also be sold online. For us, the difference between marketing online and selling online consists of being able to reserve a car, secure approval for finance for that car, get a guaranteed price at which to trade-in an existing vehicle and to enable a retailer to advertise that vehicle outside their local area and beyond the location in which the car is situated.

### Environmental, Social and Governance

Environmental, Social and Governance ('ESG') matters are rightly taking a more central role in UK corporate governance. Auto Trader takes these matters seriously. We believe we conform fully to the Corporate Governance Code as well as recent recommendations on governance such as the Parker Review.

Prior to 2021 we addressed these topics in our full Board meeting, supported by governance from the Nomination Committee. However, as environmental concerns in particular have become increasingly an area of focus, we have established a Corporate Responsibility Committee, which is chaired by Jeni Mundy. The work of this Committee has already made a significant contribution to the additional disclosure levels in this Annual Report, and more importantly to our practical efforts to reduce the environmental impact of and increase the sustainability of our business.

## AN UNWAVERING COMMITMENT TO ALL ASPECTS OF ESG



## Make a difference

MAKE A DIFFERENCE P36 →

## OUR JOURNEY TO NET ZERO

We are committed to achieving net zero before 2040, as well as reducing our emissions in line with the Paris Agreement goals.

## LEADING THE WAY IN CARBON LITERACY

Over 50% of our people have been through Carbon Literacy training, meaning we have achieved Gold Carbon Literacy Organisation status – the first FTSE company to do so.

In partnership with the Carbon Literacy Trust we have developed and launched an automotive sector Carbon Literacy Toolkit which is available free of charge to the automotive industry.

## IMPLEMENTING THE NIST FRAMEWORK

We are implementing the NIST framework to support us in assessing our cyber security. This has undergone internal audit during the year.



Environmental, Social and Governance matters are rightly taking a more central role in UK corporate governance. Auto Trader takes these matters seriously.

Ed Williams  
Chair

**+1%**

increase in the percentage of employees who are women

**+3%**

increase in the percentage of employees who are ethnically diverse



## FOCUSED ON OUR PAY GAP

Our gender pay gap reduced in 2021, but our ethnicity pay gap increased. Both were influenced by changes in our upper quartile. Reducing both of these positions is something the Board and the Company as a whole are very passionate about.

## SETTING THE PACE FOR GREATER DIVERSITY

This year, we have seen small improvements in our diversity measures, with the exception of leaders who are ethnically diverse which remained flat. There is still much work to do, but we remain committed to making continued progress.



Used cars and the used car industry have become the centre of attention in the automotive retailing industry, having been previously overshadowed by the new car market.

Ed Williams  
Chair

In June 2021, Auto Trader signed up to the Science Based Targets initiative Business Ambition for 1.5°C, which committed us to achieving net zero before 2050. Auto Trader is aiming to reach net zero ahead of this: our near-term targets, which have been validated, are to halve carbon emissions before the end of 2030 and to achieve net zero across our entire value chain by 2040. We continue to work on the initiatives to help us achieve our longer-term targets.

## Board changes

We welcomed Jasvinder Gakhal as a new Board member from 1 January 2022. Jasvinder is currently Managing Director of Motor at Direct Line Group. She sits on our Nomination, Audit, Remuneration and Corporate Responsibility Committees. There were no other changes to the Board.

Plans are well in hand to handle the replacement of three Non-Executive Directors who will have completed their third three-year term in 2024, the ninth anniversary of Auto Trader Group plc's admission to the London Stock Exchange's official list.

## Dividend and capital return strategy

We are recommending to shareholders a final dividend of 5.5 pence per share, bringing the total dividend for the year to 8.2 pence per share. Having suspended our dividend at the height of COVID-19, we have now fully reinstated our capital return strategy of investing in the business, returning around a third of net income as dividends and returning the remainder through share buybacks.

In the coming year, it is expected that the Group will draw on its revolving credit facility to fund part of the initial consideration relating to the Autorama acquisition. It is the long-term intention of the Board that over time this debt will be repaid.

## Annual General Meeting

Our Annual General Meeting ('AGM') will be held at 10.00am on 15 September at our office in Manchester and we expect all Directors to be in attendance.

Ed Williams  
Chair  
26 May 2022



## CHIEF EXECUTIVE OFFICER'S STATEMENT



### Overview

Early in the pandemic we acted decisively to protect our people, customers, and our business. As a result of these actions, we have emerged as a stronger business which is not only reflected in our very strong financial results for the year, but also in the greater relationships we now have with our customers.

The number of people using Auto Trader to buy their next car is at record levels, and more retailers are choosing to partner with us, helping to strengthen our competitive position.

### Summary of operating performance

Supported by a strong car market and seeing a meaningful increase in the amount of time car buyers have spent online, Auto Trader has had a strong year. Revenue grew by 65% to £432.7m (2021: £262.8m). The abnormally high rate of growth principally reflects the COVID-related discounts we gave to our retailer customers throughout the pandemic. A better comparison is that of two years ago, against which revenue grew by 17% (2020: £368.9m), with a greater number of customers using Auto Trader and choosing to spend more on our platform. Operating profit grew 88% to £303.6m (2021: £161.2m), again with a better comparison being 2020 where growth was also 17% (2020: £258.9m). Operating profit margin grew to 70% (2021: 61%) and was consistent with the level achieved in 2020.

### Our purpose and strategy

Our purpose is to Drive change together. Responsibly. Which is at the core of our business strategy. It is also integral to how we think about supporting our customers, our industry, our people, our local communities and the environment.

We strive to be the best place to find, buy and sell a car in the UK on a platform that enables data-driven digital retailing for our customers. We think about our strategy in terms of four strategic pillars: our core marketplace, digital retailing, our data platform, all of which sit alongside our make a difference strategy. We have made good progress across all areas throughout the year.

In April 2021, we successfully executed our annual pricing event including the launch of Retailer Stores, which offers retailers their own dedicated, customisable location on Auto Trader. This allows retailers to bring their brand to life, driving consumer confidence and standing out to buyers. As we build our digital retailing capabilities, we envisage these pages becoming an area that customers can use as part of their own e-commerce journey.

At the start of the year, we also evolved our advertising package structure and changed the sort order for listings. We have now created a consistent cross platform experience with adverts appearing in search based on a relevancy algorithm. As part of this change, we have discontinued our Basic package, introduced a higher level and re-branded our top three levels to Enhanced, Super and Ultra. We have increased the penetration of these higher yielding packages with 31% of retailer stock on a package above Standard in March 2022 (March 2021: 26%). Whilst the supply and demand dynamics during the past six months have not created the best environment for upselling, we have nonetheless seen customers continue to invest further in our suite of prominence products.

The number of customers paying for our new car product has been robust despite the challenges of sourcing stock due to the shortage of semi-conductors. We ended the year with over 1,800 retailers (2021: over 2,000) paying to advertise new cars on our site.

With car buyers continuing to do more online, our focus is to build an end-to-end deal builder journey on Auto Trader, which leverages the three individual components of guaranteed part-exchange, reservations and finance applications, all of which have been trialled individually. Whilst we believe that the physical showroom will continue to play a role in the car buying process for a number of years, there are several components which can be brought online which will drive sales and efficiencies for our retailer customers,

provide a better consumer experience, and provide significant long-term growth opportunities for our business.

Having last year acquired AutoConvert, a finance, insurance and compliance platform, we have recently launched a small trial enabling the application and approval of a finance proposal on Auto Trader. This product is expected to drive greater transparency for buyers, with an upfront understanding of their finance options, including a soft-check and full application journey which will drive efficiencies on the forecourt. The trial is working with a couple of lenders and if the buyer is not eligible for the retailer's first choice of lender, the journey presents an alternative lender via a broker, Carmoney. While enabling each retailer to use their choice of lender dramatically increases the complexity of the product and onboarding, we believe it will ultimately result in much greater take-up and engagement from our customers, thereby giving us the best chance of seamlessly bridging the offline and online experiences.

We have also continued to evolve our trial for vehicle reservations during the year, with the introduction of Auto Trader's Seller Promise, which is currently offered by a subset of trial customers. Seller Promise is designed to give buyers greater peace of mind when completing more of the buying journey online and includes certain features offered by the retailer, such as warranties, a 14-day moneyback guarantee and 12-month minimum MOT and service. In the year we have seen over 400 reservations convert into a successful transaction, which give us good levels of confidence as we evolve the proposition to be incorporated into our full deal builder journey.

As referenced in our half-year results, we have improved our offering for consumers who want to conveniently sell their car for cash through our Instant Offer product, which uses the same consumer journey as our Guaranteed Part-Exchange ('GPX') product, and is the final component in our deal builder journey. These products enable consumers to get an accurate and guaranteed price for their existing vehicle whilst shopping on Auto Trader, eliminating either the need to haggle over a part-exchange or look for other disposal routes for their current vehicle. Over the past 12 months, we have provided c.1.2 million guaranteed valuations and purchased over 10,000 vehicles on Instant Offer, through our partner Cox Automotive.

During the year we launched a new product, Market Extension, that allows customers to sell vehicles outside their local area. This digital retailing product enables customers to sell beyond the physical constraints of their forecourt. Initial uptake has been strong with over 6% of retailer stock on this product at year end, with the product being most relevant for those customers with either delivery capability or multiple forecourt locations.

OUR STRATEGY P12 →

SECTION 172(1) STATEMENT P19 →

## VALUE OUTPUTS

## How we share value with our stakeholders



## FOR CONSUMERS

Our trusted marketplace gives consumers one place to view an extensive choice of vehicles for sale and we provide transparency to allow them to make informed decisions.

**9.2m**  
car transactions  
in the UK in 2022



## FOR CUSTOMERS

Offering the largest and most engaged audience results in the most effective sales channel for our customers.

**13,964**  
average retailer  
forecourts in 2022



## FOR OUR PEOPLE

Our environment has been created to ensure everyone gets the opportunity to be at their best and develop their careers. We offer competitive packages to all of our employees.

**95%**  
of our people feel proud  
to work for Auto Trader



## FOR PARTNERS &amp; SUPPLIERS

We work collaboratively on innovations, increasing revenue from shared opportunities whilst ensuring we have fair trading and robust terms and conditions.

**10,000+**  
cars bought through Instant  
Offer, operating through  
a partnership with Cox  
Automotive, during 2022

FOR THE COMMUNITY  
& THE ENVIRONMENT

We support each other and think of others ahead of ourselves. We respect diversity and advocate inclusion, and make a difference to the communities in which we operate.

**2040**  
committed to achieving  
net zero before 2040  
and to reduce our  
emissions in line with the  
Paris Agreement goals



## FOR INVESTORS

We continually invest in our platform and marketplace to create a long-term sustainable business. A high proportion of our profit is converted into cash, which, outside of COVID, has been largely returned to shareholders through dividends and share buybacks.

**£237m**  
cash returned to  
shareholders in 2022

## Largest volume of in-market car buyers

The scale of our consumer audience means we are the most effective sales platform for anyone who is wanting to sell a vehicle in the UK.

**63.8m**  
monthly average cross  
platform visits during 2022

**8x**

larger than our nearest competitor  
for share of cross platform minutes

## Extensive choice of trusted stock

Our marketplace provides our buyers with an unrivalled choice of both new and used vehicles, which caters for all consumers' needs.

**430,000**  
live car stock on average  
per month during 2022

## Bringing the car buying journey online

Development of tools to convert car buyers' interest into sales whilst on the Auto Trader platform, stretching our influence beyond just the advertising of the vehicle.

**16.9m**  
volume of leads submitted  
to retailer customers in 2022



# Our stakeholders

Not all engagement takes place directly with the Board. However, the output of this engagement informs our decisions, with an overview of developments and relevant feedback being reported to the Board and/or

a Board Committee. By understanding our stakeholders, and by considering their diverse needs, we factor into boardroom discussions the potential impact of our decisions on each stakeholder group.



## Consumers

### WHY ARE THEY IMPORTANT TO US?

Maintaining a large and highly engaged consumer audience of in-market car buyers, who have high levels of trust and confidence in Auto Trader, is critical to the success of our business model.

### WHAT ARE THEIR NEEDS?

- Comprehensive choice of vehicles.
- Ease of buying or selling a vehicle.
- Clear and transparent information about the vehicle, about the seller and about the payment options.
- Offering good levels of consumer support when there is a problem.

### HOW WE ENGAGE

- We speak to consumers for our Car Buyers Report, and biannual consumer brand trackers to gauge views on the car market.
- We hold consumer on-site surveys which provide constant feedback on our experience.
- Consumer user testing of new products, services and brand designs on our website.
- Workshops with people who are neurodiverse and potentially vulnerable consumers, which feeds into our consumer facing products (including how we display finance).
- Complaints and customer security teams operate seven days a week.
- We measure consumer brand sentiment and engagement scores.
- Consumer research is provided to the Board.
- Surveyed consumers for the completion of our materiality matrix.

### MATERIAL ISSUES

- 2 Data privacy and security
- 4 Product innovation
- 5 Customer satisfaction
- 11 Driving transparency



## Customers (retailers, manufacturers and other customers)

### WHY ARE THEY IMPORTANT TO US?

Our partnerships with almost 14,000 car retailers, and with manufacturers, means that we continue to have the greatest choice of trusted vehicles for consumers. The majority of our revenue is generated from our customers.

### WHAT ARE THEIR NEEDS?

- Making the car selling process more efficient.
- Access to data to make informed decisions.
- High-quality access to car buyers' response.
- Receiving value for money from Auto Trader.
- Sourcing vehicles.

### HOW WE ENGAGE

- Monthly retailer sentiment surveys, which evaluate product improvements and value for money.
- Forums with CEOs of big retailers, OEMs, supermarkets, automotive finance companies and mid-tier franchises.
- Webinars for our smaller customers.
- Regular thought leadership, insight-driven reports, such as the Car Buyers Report, and the biannual Market Reports.
- Hosting industry insight events, dealer masterclasses, fortnightly webinars and conferences.
- Business partnering by the Operational Leadership Team ('OLT') and other senior management.
- Sales teams, both telesales and field sales.
- Attendance by customers at Board meetings.
- Enhanced and increased frequency of communication with retailers.
- Surveyed customers for the completion of our materiality matrix.

### MATERIAL ISSUES

- 2 Data privacy and security
- 4 Product innovation
- 5 Customer satisfaction
- 6 Pricing fairness
- 8 Advocacy



## Our people

### WHY ARE THEY IMPORTANT TO US?

Our continued success requires us to attract, recruit, motivate and retain our highly skilled workforce, with a particular focus on specialist technological and data skills whilst also ensuring that we continue to build a diverse and inclusive culture.

### WHAT ARE THEIR NEEDS?

- Diversity and inclusion.
- Training and career development.
- Reward and benefits.
- Working conditions, environment and wellbeing.

### HOW WE ENGAGE

- Board Engagement Guild engages directly with the Board.
- Biannual virtual conferences, regular CEO and OLT virtual business updates.
- Annual benefits roadshow, salary workshops and share scheme pulse survey.
- Save as you earn share schemes.
- D&I Guilds with networks with a focus on women, age, ethnic diversity, LGBT+, neurodiversity and disability with OLT sponsors. Including specific OLT and Board reverse mentoring by ethnically diverse employees.
- Regular employee check-in surveys.
- Health and safety assessments.
- Wellbeing forums.
- Inclusive Culture Development Programmes (inclusive leadership & diverse talent accelerator).
- Whistleblowing service.
- Surveyed our people for the completion of our materiality matrix.

### MATERIAL ISSUES

- 2 Data privacy and security
- 3 Employee wellbeing, engagement and safety
- 7 Investment in talent
- 10 Diversity and inclusion
- 16 Ethics and integrity
- 17 Remuneration

## CULTURAL

### Employee engagement

% of employees who are proud to work at Auto Trader

**95%**  
+2% pts



#### RELEVANT STRATEGIC PILLARS



#### DEFINITION

We define employee engagement by measuring the percentage of people who say they are proud to work for Auto Trader. Based on a survey to all employees in April 2022 asking our people to rate the statement "I am proud to work for Auto Trader". Answers were given on a five-point scale from strongly disagree to strongly agree and were collated through Culture Amp.

#### PROGRESS

By taking appropriate measures and keeping clear lines of communication open with our people, we have been able to maintain a high level of engagement at 95%, despite the challenging circumstances over the past two years.

#### RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

#### Linked to current year remuneration?

No

### Women as a % of total staff

As at March each year

**40%**  
+1% pts



#### RELEVANT STRATEGIC PILLARS



#### DEFINITION

We calculate our diversity percentages using headcount (2022: 1,002, 2021: 953, 2020: 904). The percentage of employees who are women (both cis and trans) at the end of March. In calculating this percentage we take into account all gender identities, including non-binary.

#### PROGRESS

We recognise the importance of gender diversity. Over the past 12 months, the percentage of our employees who are women increased to 40%. We remain committed to improving gender diversity within our organisation.

#### RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

#### Linked to current year remuneration?

Yes

### Women as a % of leadership

As at March each year

**38%**  
+4% pts



#### RELEVANT STRATEGIC PILLARS



#### DEFINITION

We calculate our diversity percentages using headcount (2022: 1,002, 2021: 953, 2020: 904). The percentage of those in leadership positions who are women (both cis and trans) at the end of March. We define leaders as those who are on our Operational Leadership Team ('OLT'), three divisional leaders and their direct reports. In calculating this percentage we take into account all gender identities, including non-binary.

#### PROGRESS

The percentage of employees who are women in leadership roles increased in the year to 38%. Of the 100 people in leadership positions who define their gender when asked, 38 were women. We recognise there is a lot still to do in this area. We launched our Diverse Talent Accelerator programme to support our people, particularly women and those from an ethnically diverse background, develop into leadership roles.

#### RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

#### Linked to current year remuneration?

Yes

## OUR STRATEGIC PILLARS



Marketplace



Digital retailing



Data as a platform



Make a difference

OUR PURPOSE-DRIVEN STRATEGY P12 →

MAKE A DIFFERENCE P36 →

### Ethnically diverse representation as a % of total staff

As at March each year

**14%**  
+3% pts



## RELEVANT STRATEGIC PILLARS



## DEFINITION

The percentage of our headcount that define themselves as ethnically diverse as at 31 March. In calculating this percentage we take into account those who have chosen not to specify their ethnicity.

## PROGRESS

We recognise the importance of diversity. Over the past 12 months we have increased the percentage of our employees who define themselves as ethnically diverse to 14%. Of the 878 people who disclose their ethnicity when asked, 139 are ethnically diverse. There were 124 employees (21%) who have not yet disclosed their ethnicity or opted not to do so.

## RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

## Linked to current year remuneration?

Yes

### Ethnically diverse representation as a % of leadership

As at March each year

**6%**  
0% pts



## RELEVANT STRATEGIC PILLARS



## DEFINITION

The percentage of those in leadership positions that define themselves as ethnically diverse at the end of March. We define leaders as those who are on our Operational Leadership Team ('OLT'), three divisional leaders and their direct reports. In calculating this percentage we take into account those who have chosen not to specify their ethnicity.

## PROGRESS

The percentage of ethnically diverse employees in leadership roles remained flat in the year at 6%. Of the 100 people in leadership positions who define their ethnicity when asked, six were ethnically diverse. We recognise there is a lot to do in this area and we launched our Diverse Talent Accelerator programme to help people, particularly women and those from an ethnically diverse background, develop into leadership roles.

## RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

## Linked to current year remuneration?

Yes

### Total CO<sub>2</sub> emissions

Tonnes of carbon dioxide equivalent

**11,659tCO<sub>2</sub>e**  
+75%



## RELEVANT STRATEGIC PILLARS



## DEFINITION

The methodology used to calculate our emissions is based on the financial consolidation approach, as defined in the GHG Protocol, a Corporate Accounting and Reporting Standard (Revised Edition). Emission factors used are from the UK Government's Department for Business, Energy and Industrial Strategy ('BEIS') conversion factor guidance for the year reported. The total amount of CO<sub>2</sub> emissions includes Scope 1, 2 and 3 across all relevant categories. See page 45 for our reported Scope 3 emissions.

## PROGRESS

Climate change is treated as a Board-level governance issue. Our newly formed Corporate Responsibility Committee evidences our commitment to ensuring as a business we keep progressing with our climate change agenda. The total amount of CO<sub>2</sub> emissions increased in the year to 11,659 tonnes of carbon dioxide equivalent versus our benchmark of 2020, which was due to an increase in our cost base and higher capital expenditure. During the year we offset these emissions across all scopes using an accredited scheme and were therefore carbon neutral.

## RELEVANT RISKS

- Economy, market and business environment
- Employees
- Failure to innovate: disruptive technologies and changing consumer behaviours
- Brand and reputation
- External catastrophic and geo-political events

## Linked to future years' remuneration?

Yes



## FINANCIAL REVIEW CONTINUED

Marketing spend increased by 109% to £20.5m (2021: £9.8m). The increase was driven by discretionary spend being reduced in the prior year in response to the pandemic as previously mentioned.

Other costs, which include data services, property related costs and other overheads, increased by 24% to £34.5m (2021: £27.9m). The increase was primarily due to higher overhead costs, including the return of travel, office & people related costs, as well as higher IT spend as we continue to move more of our services and applications to the cloud. Depreciation and amortisation increased to £7.2m (2021: £6.3m) mainly as a result of an additional office lease and office improvements.

Operating profit (£m)	2022	2021	Change
Revenue	432.7	262.8	+65%
Administrative expenses	(132.0)	(104.0)	+27%
Share of profit from joint ventures	2.9	2.4	+21%
Operating profit	303.6	161.2	+88%

### Operating profit

During the year Operating profit increased by 88% to £303.6m (2021: £161.2m). Operating profit margin increased by nine percentage points to 70% (2021: 61%), back in line with 2020 levels.

Our share of profit generated by Dealer Auction, the Group's joint venture with Cox Automotive, increased to £2.9m (2021: £2.4m) as auction activity saw improved levels following a reduction during periods of lockdown in the prior year.

### Net finance costs

Net finance costs decreased to £2.6m (2021: £3.8m). The decrease was driven by lower interest payable of £1.4m (2021: £2.9m). Amortisation of debt issue costs increased to £1.0m due to accelerated amortisation following the reduction of the Syndicated revolving credit facility ('Syndicated RCF') commitments as referenced below (2021: £0.6m). Interest on lease liabilities totalled £0.2m (2021: £0.3m) and interest relating to deferred consideration was £0.1m (2021: £0.1m). Interest receivable on cash was £0.1m (2021: £0.1m).

### Reduction of RCF commitments

With effect from 24 September 2021, the Company reduced the total commitments of its Syndicated RCF by £150m from £400m to £250m. The facility will terminate in two

tranches: £52.2m will mature in June 2023 and £197.8m will mature in June 2025. Additionally, there was an amendment to the Senior Facilities Agreement to reflect the discontinuation of LIBOR and the transition to SONIA (in respect of sterling loans); Loan Market Association updates; and to include the effect of IFRS 16 for the purposes of calculating financial covenants. There is no requirement to settle all, or part, of the debt earlier than the termination dates stated.

### Profit before taxation

Profit before taxation increased by 91% to £301.0m (2021: £157.4m). The increase resulted from the Operating profit performance, with a further benefit from lower net finance costs of £2.6m (2021: £3.8m).

### Taxation

The Group tax charge increased 90% to £56.3m (2021: £29.6m) which represents an effective tax rate of 19% (2021: 19%), in line with the average standard UK rate.

### Earnings per share

Basic earnings per share increased by 93% to 25.61 pence (2021: 13.24 pence) based on a weighted average number of ordinary shares in issue of 955,532,888 (2021: 965,175,677). Diluted earnings per share of 25.56 pence (2021: 13.21 pence) increased by 93%, based on 957,534,145 shares (2021: 967,404,812) which takes into account the dilutive impact of outstanding share awards. The reduction in shares is due to the share buyback programme throughout 2022.

### Cash flow and net cash

Cash generated from operations increased by 115% to £328.1m (2021: £152.9m) primarily due to the increase in Operating profit but also a positive working capital movement, driven by VAT. Corporation tax payments increased to £56.2m (2021: £28.2m), due to higher profit before taxation. Net cash generated from operating activities was £271.9m (2021: £124.7m).

As at 31 March 2022 the Group had net cash of £41.7m (31 March 2021: £10.3m), representing an increase of £31.4m. At the year end, the Group had drawn £nil of the Syndicated revolving credit facility (31 March 2021: £30.0m) and held cash and cash equivalents of £51.3m (2021: £45.7m).

Leverage, defined as the ratio of Net bank debt to EBITDA, remained at zero as we exit the year in a net cash position. Interest paid on these financing arrangements was £1.5m (2021: £3.0m).



With effect from 24 September 2021, the Company reduced the total commitments of its Syndicated revolving credit facility by £150m from £400m to £250m. The facility will terminate in two tranches: £52.2m will mature in June 2023 and £197.8m will mature in June 2025.

**Jamie Warner**  
Chief Financial Officer

## Make a difference at a glance.

### OUR PROGRESS DURING 2022



#### OUR ENVIRONMENT



#### OUR PEOPLE & COMMUNITIES



#### OUR GOVERNANCE & COMPLIANCE

### OUR AMBITION

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Achieve net zero in our own business as well as help our customers and suppliers as they transition to net zero</li> <li>• Ensure the majority of our business has completed Carbon Literacy training</li> <li>• Our customers can confidently sell more alternatively fuelled vehicles</li> <li>• Support our customers on their own net zero strategies with the Automotive Carbon Literacy Toolkit</li> <li>• Help car buyers make more environmentally friendly vehicle choices</li> <li>• Use our data and insight to support and influence the government's policies related to supporting the adoption of electric vehicles</li> </ul> | <ul style="list-style-type: none"> <li>• Have a representative workforce across all levels of our business</li> <li>• Foster an environment where everyone feels included</li> <li>• Continue to make progress on our gender &amp; ethnicity pay gap</li> <li>• Maintain high levels of employee engagement</li> <li>• Support the physical, mental and financial wellbeing of all our employees</li> <li>• Positively contribute to the communities we operate in and partner with local and national charities</li> </ul> | <ul style="list-style-type: none"> <li>• Fully adopt the NIST framework</li> <li>• Continue to evolve with the requirements of both GDPR and FCA compliance</li> <li>• Integrate sustainability into all aspects and decision making processes of our business</li> <li>• Embed our ethical procurement policy within the business and adopt a socially responsible sourcing model</li> <li>• Report comprehensively in line with SASB and TCFD reporting frameworks</li> </ul> |
|--|---|---|

### 2022 KEY HIGHLIGHTS

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Our near-term Science Based Targets have been validated by the Science Based Targets initiative ('SBTi')</li> <li>• 50% of our employees are carbon literate, putting us at gold award level</li> <li>• Funded and launched the new Automotive Carbon Literacy Toolkit, developed in partnership with the Carbon Literacy Trust</li> <li>• Launched our Road to 2030 EV report, sharing the latest data and insight with all our stakeholders</li> <li>• Launched an electric vehicle hub within our top navigation, to give consumers the information they need in order to consider an electric car</li> <li>• Expansion of relationships across key industry bodies and government departments</li> <li>• Monthly EV car giveaway, with over two million entries</li> </ul> | <ul style="list-style-type: none"> <li>• Appointment of Jasvinder Gakhal as an Independent Non-Executive Director</li> <li>• 27 employees participated in our Diverse Talent Accelerator programme, developing the next level of leadership talent</li> <li>• 196 of our leaders participated in our inclusive leadership programme</li> <li>• Accredited Real Living Wage employer</li> <li>• Three colleagues recognised at the Automotive 30% Club Most Inspiring Automotive Women for 2021</li> <li>• Highly commended at the Disability Smart awards</li> <li>• Community based funding of £356k including charitable donations and employee matched funding</li> <li>• Improved gender pay gap, although our ethnicity pay gap has widened</li> <li>• 95% employee engagement</li> </ul> | <ul style="list-style-type: none"> <li>• NIST framework implemented and reviewed by our internal auditors</li> <li>• Continued to make good progress with our cloud migration and we are on track to fully migrate by the end of our next financial year</li> <li>• First TCFD report completed</li> <li>• Launch of a new Supplier Code of Conduct, increased usage of Ethical Procurement questionnaires, and the launch of a new Carbon Emissions Survey</li> </ul> |
|---|--|--|

### HOW THE UN SDGS ALIGN TO OUR ESG STRATEGY



There are 17 UN SDGs that form a shared global agenda to achieve a better and more sustainable future for all. Whilst all of the goals are important, we believe our ambitions and priorities best align with the above SDGs, which are most relevant to our strategy and where we believe we can have the greatest impact.



## Our environment

The impact of climate change is posing an ever-increasing threat. The UK Government has a target to become net zero by 2050. As a responsible business Auto Trader has a role to play in reaching this goal and we are committed to reaching net zero by 2040. Developing a climate resilient strategy aligned to the UK's ambitious environmental targets which considers the risks and opportunities of climate change is essential in order to protect our business from the impact of climate change.



### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') COMPLIANCE STATEMENT

The Group has prepared its TCFD disclosures in line with guidance in the 2021 updates to the TCFD Final Report and Annex, including the supplementary guidance for all sectors. We are building on our progress from previous years to develop a net zero strategy and we continue to evolve our reporting under the TCFD recommendations. At the time of publication, the Group has made climate related financial disclosures consistent with the TCFD recommendations and supporting recommended disclosures on pages 42 to 48, other than as follows. Whilst we have made good progress on our reporting we acknowledge that further work is required to enhance the identification, impact and reporting for climate related risks and opportunities, and how these map over the short, medium and long term. Further disclosure is required to include climate related scenario analysis, taking into consideration different climate related scenarios, including a 2°C or lower scenario. This work will be undertaken in the coming financial year.

### Task Force on Climate-related Financial Disclosures ('TCFD')

Climate change and how we are responding to the risks and opportunities that it poses are at the forefront of the minds of our investors, regulators and other stakeholders of our business. We support the Task Force on Climate-related Financial Disclosures ('TCFD') and its recommendations and are committed to assessing the impacts of climate risks and opportunities across our operations and supply chains. This year, we have focused on establishing our internal process to manage climate risks, opportunities and reporting structure, which we plan to further enhance and improve as we evolve along the TCFD journey.

### Our climate governance

We have integrated climate governance into our existing governance processes and sought to embed responsibility for the risks associated with climate change throughout our business, adopting a climate change focused mindset. There is a clear commitment from the Board to deliver on our environmental commitments and ensure relevant accountability across the business. Our environmental strategy was initiated to ensure a joined up approach across the business in considering the climate issues our business faces, the risks and opportunities these present and our response to those risks and opportunities. These are considered and incorporated with our climate related strategy and commitments across four pillars which are: our own operations and people; our consumers; our customers; and the industries we work in.

Each of the four pillars has a targeted action plan to ensure the right steps are taken and progress is made towards our commitments. The working groups responsible for each pillar have set overall commitments that need to be achieved in order to have an impactful outcome. Key activities and milestones are set for each financial year and these are shared with the Corporate Responsibility Committee. The working groups meet individually as required but meet collectively on a quarterly basis, together with Operational Leadership Team sponsors to ensure a joined up approach and to monitor progress against the agreed commitments.



## CLIMATE GOVERNANCE

**1. BOARD RESPONSIBILITY**

The Corporate Responsibility Committee, chaired by Jeni Mundy, plays a crucial role in overseeing the progress towards fulfilling the ambitions and targets of our make a difference strategy, which encompasses our Environmental, Social and Governance responsibilities. The Committee is responsible for holding the Executive Directors to account with respect to climate risks and their impacts to the business, and our environmental strategy in response to climate change is a standing agenda item.

**2. EXECUTIVE RESPONSIBILITY**

The responsibility for assessing and managing climate related risks sits at both executive and Board level. Executive responsibility for climate change impact is held by our Executive Directors, who have responsibility for oversight of our climate change agenda and are responsible for ensuring that climate related risks are integrated into the existing business strategy. Responsibility for the consideration of climate related risks on the financial performance of the Group and compliance with environmental reporting rests with our CFO, Jamie Warner.

**3. RISK FORUM**

The risk forum undertakes a review of climate related risks with the OLT.

**4. REMUNERATION COMMITTEE**

The Committee introduced ESG related metrics into the performance share plan in 2023. The 2023 PSP award will include a performance target linked to a reduction of our GHG emissions.

**5. THIRD-PARTY ASSURANCE**

Our GHG emissions have been independently audited by EcoAct providing assurance using ISO 14064-3 of all scopes of our carbon footprint.

**6. ENVIRONMENTAL STRATEGY WORKING GROUPS**

Our environmental strategy not only focuses on our own environmental impact, but also aims to support our customers, consumers and the industries in which we operate and as a result, various parts of the business play a part in delivering our ambitions. Different parts of the business are brought together through our environmental strategy working groups, all of which are supported by members of our Operational Leadership Team:

- Net Zero Working Group (supported by Jamie Warner, CFO) – responsible for our commitment to net zero in line with our SBTi targets.
- EV working group (supported by Ian Plummer, Commercial Director) – responsible for helping consumers make more environmentally friendly vehicle choices.
- Automotive network (supported by Ian Plummer, Commercial Director) – responsible for helping our customers consider their carbon footprint and supporting them on their sustainability journey.

**7. EMPLOYEE GUILDS AND NETWORKS**

Our employees play a fundamental role in the success of our make a difference strategy. Through our networks and guilds, our ESG priorities and ambitions are championed and driven forward by our employees:

- Sustainability network – comprises passionate individuals from across the business who are focused on making life at Auto Trader more sustainable through increasing employee awareness and driving impactful changes for individuals as well as our business operations to support our overall goal of reducing our carbon emissions.
- Make a Difference Guild – committed to empowering our people to give back to local communities and supporting causes our employees are passionate about.

**Strategy: building climate resilience into our business strategy**

Our purpose is to Drive change together. Responsibly. We recognise that we have a role to play in the UK Government's target to become net zero by 2050. Reducing the impact our business has on the environment is embedded into our strategy and we are committed to being a net zero business by 2040. Our environmental commitments will help us to achieve this by reducing emissions across our own operations, through initiatives to raise environmental awareness with our employees, customers and consumers and supporting them in reducing their environmental impact. We will use our breadth of expertise, data and market insight to accelerate the transition to a low-carbon future and influence the automotive industry to support urgent action to tackle the climate crisis.

**Climate related risks and opportunities**

In order to build climate resilience into our business strategy we must identify climate related risks and opportunities. The nature of the risks and opportunities that we face depends not just on the physical aspects of climate change, but also on transition risks. These are driven by the trajectory of our customers and consumers in responding to climate change and regulations in the markets in which we operate. As an operator of an online marketplace, we have a relatively small carbon footprint and our business model is sustainable in a low-carbon environment. In the short to medium term, the journey to net zero presents opportunities for which our business must adapt, e.g. becoming the destination of choice for consumers searching for a more environmentally friendly vehicle, but we must also ensure we are managing transition risks.

To assess how various climate risk drivers may impact our business, we used the TCFD framework's categorisation of transition and physical climate risks. Our predominant focus is on transition risk as we consider this to have the greatest potential impact on our business. We consider the principal physical risk to our business to be severity of extreme weather, in particular flooding.

We have identified the climate related risks and opportunities set out in the table on the next page and have considered the potential impact each has on our marketplace, our technology, our customers, our consumers and our employees. We have assessed how the risks can be better managed, reduced or mitigated in line with the Group's risk

## Investing in and supporting our talent

Our ambition is to make sure that everyone's career is supported by learning opportunities, including self-learning, mentoring, coaching and innovative programmes. Our learning academy platform provides a range of opportunities to support careers at Auto Trader and during the year 100% of our employees (including part time and contractors) were offered training.

Year	FY22
Hours of mandatory training (see page 55 for more information)	2,657
Hours of non-mandatory training	19,739
Annual cost of training <sup>1</sup>	£379k
Average cost per employee	£378
Employees studying for professional qualification	6
Employees on an apprenticeship/early careers	61

1. This includes external trainer and platform costs, but excludes the employment costs of our in-house L&D team.

Our non-mandatory training covers a broad range of learning and development, including awareness, technical skills, and more generic training of soft skills like coaching and presentation training. We also provide sponsorship for professional qualifications and access to continuing professional development for our finance, legal and compliance teams. The majority of the training was provided by our in-house L&D team but we also use external training where required.

Towards the end of the year we launched a programme of continuous leadership development within Auto Trader which supports our senior leaders and people managers. The programme is made up of a range of training interventions, including classroom training, self learning modules, psychometrics, executive coaching and sponsorship. To increase our representation across all levels of the organisation, we aim to stimulate the flow of diverse talent from early careers through to senior leadership by both targeted development programmes and equipping our leaders to get the very best out of everyone on their team and support their development through the organisation.

We have continued with our two talent programmes; one focusing on Inclusive Leadership for all leaders across our organisation, and the second a Diverse Talent Accelerator programme designed to support the progression of mid-career colleagues. We have continued investing in our early career programmes, welcoming new graduates and apprentices to our business, as well as forming a new partnership with Ambitious About Autism to host two internships. Our mentoring and coaching programmes are available to all employees and we currently have six colleagues working towards their coaching qualification to build internal coaching capability.

We have relaunched our quarterly appraisal process and pride ourselves on having a community focused on development where everyone can be successful. Despite challenging times we still retain a strong level of retention and employee engagement. Our attrition rate remains low at 11% when compared to industry and national averages.

### Diversity & inclusion

We are committed to creating a diverse and inclusive work community that enhances our culture and improves our business through our ability to attract, identify and develop talent. We have made significant progress on ensuring everyone at Auto Trader can bring their authentic and best selves to work and thrive as a result.

We define diversity as any classification that can be used to differentiate groups or individuals from one another, including: gender; sex; age; sexual orientation;

disability & neurodiversity; race and ethnic origin; religion & faith; marital status; and social/educational background and way of thinking. We define inclusion as a state of being valued, respected and supported for who you are. We, and our people, strongly believe in pursuing this aim authentically and systemically, expecting to see improvements in metrics, but not being driven solely by the pursuit of metrics.

We appointed Jasvinder Gakhal as an Independent Non-Executive Director to the Board, taking us to over half the Board being women. Our representation of women at a total Company level increased by 1%, taking us to 40% of women overall. During the year, the percentage of women on our Operational Leadership Team ('OLT') increased from 40% to 44% although this was due to a member of the OLT leaving during the year. We also increased the percentage of women in leadership roles to 38% as at 31 March 2022 (March 2021: 34%), as defined by the FTSE Women Leaders Review (formerly the Hampton-Alexander review).

During the year we continued with our focus on ethnicity. We have met the Parker Review recommendation that all FTSE100 Boards should have at least one director from an ethnically diverse background by 2021. The percentage of the total Company who are from an ethnically diverse background has increased from 11% to 14% during the year, with the percentage of those from an ethnically diverse background in leadership remaining at 6%.

As at 31 March 2022	Men	Women	Non-binary/ other	Men as a % of total	Women as a % of total
Board	4	5	0	44%	56%
OLT	5	4	0	56%	44%
OLT direct reports <sup>1</sup>	57	34	0	63%	37%
Total Company	599	400	3	60%	40%

As at 31 March 2022	White	Ethnically diverse	Not disclosed	White as a % of total	Ethnically diverse as a % of total
Board	8	1	0	89%	11%
OLT	9	0	0	100%	0%
OLT direct reports <sup>1</sup>	79	6	6	87%	7%
Total Company	739	139	124	74%	14%

1. This includes three divisional leaders and their direct reports.

### Gender and ethnicity pay gap

We released our second combined Gender and Ethnicity Pay Gap Report 2021 (published in March 2022, reporting the pay gap as at 5 April 2021).



#### Find out more online

[plc.autotrader.co.uk/media/2388/april-2021-gender-pay-report-published-march-2022.pdf](https://plc.autotrader.co.uk/media/2388/april-2021-gender-pay-report-published-march-2022.pdf)

Our gender pay gap in 2021 reduced due to better retention of women in our upper quartiles and the return of several women in the upper quartile, who were excluded from the reported figures for 2020 due to taking a period of leave, such as maternity. In addition to this we have made good progress in terms of recruitment. For the reported period, we welcomed 81 new starters between April 2020 and March 2021, 42% of whom were women, of whom approximately a third (31%) were in early career roles. One area in which we acknowledge more work is required is the recruitment of women within the upper middle and upper quartiles.

The mean and median ethnicity pay gaps in 2021 increased by 2.7% and 0.7% respectively. The key reason being that ethnically diverse colleagues in the upper quartiles left the business during the reporting period and many of the new ethnically diverse recruits were earlier on in their careers. Of the 81 new starters, 20% were ethnically diverse. The data is representative of 83% of people in our business who have disclosed their ethnicity. Our representation of ethnically diverse colleagues, reported for the purpose of the ethnicity pay gap 2021, is 14.5% (2020: 13.7%). While close to reflecting national demographics, these numbers are not yet reflective of the areas in which Auto Trader operates (London and Manchester).

### Accreditations

We have received a number of accreditations over the year, most notably:

- Race at Work Charter
- Social Mobility Top 75
- Change the Race Ratio
- Disability Confident Leader
- Inclusive Companies
- Stonewall Champions

### Our diversity and inclusion strategy

Diversity and inclusion is at the heart of everything we do. Our strategy and initiatives are focused on driving long-term changes, so we don't expect to see immediate results and we are prepared for our numbers to fluctuate whilst our plans take hold. Our Board Corporate Responsibility Committee and our OLT oversee the progress we make against our commitments. We review the cultural KPIs which are reported externally in our results, but also a broader culture scorecard on a quarterly basis.

Our diversity and inclusion strategy has two key commitments:

- foster an environment where everyone feels included with high levels of engagement, especially across the different diversity focus areas.
- have a representative workforce of the communities we operate in with a focus on: women, ethnic diversity, LGBT+, disability & neurodiversity, social mobility and age.

## IN ORDER TO ACHIEVE OUR DIVERSITY AND INCLUSION STRATEGIC COMMITMENTS WE WILL:

### TAKE ACTION

- Recruit more diverse individuals concentrating on our focus areas
- Support our people to grow through our Inclusive Culture Development programmes
- Educate each other and increase awareness via our training and employee network activities

### MEASURE IMPACT

- Analyse and act on employee feedback through our guilds, networks and surveys
- Monitor the make up of our workforce across our focus areas
- Calculate the different pay gaps and report on our gender and ethnicity pay gap

### DO MORE

- Keep increasing representation of diverse individuals across all levels of the organisation at a steady pace every year
- Improve the employee experience, remove systematic barriers and reduce the gender and ethnicity pay gaps
- Make a difference in our industries and communities



## BOARD OF DIRECTORS



### Ed Williams Chair

#### Biography

Ed was appointed as Chair of Auto Trader Group plc in February 2015. He was the founding Chief Executive of Rightmove plc, serving in that capacity from November 2000 until his retirement from the business in April 2013. Rightmove plc was floated on the London Stock Exchange in February 2006. Prior to Rightmove, Ed spent the majority of his career as a management consultant with Accenture and McKinsey & Co.

Ed holds an MA in Philosophy, Politics and Economics from St Anne's College, Oxford.

**Appointed to PLC Board**  
February 2015

**Independent on appointment?**  
Yes

**External appointments**  
• Baltic Classifieds Group plc  
**Committee memberships**  
• Nomination (Chair)

### Nathan Coe Chief Executive Officer

#### Biography

Nathan was first appointed to the Board as Chief Operating Officer ('COO') in April 2017 and as Chief Financial Officer ('CFO') in July 2017. Nathan was appointed Chief Executive Officer ('CEO') in March 2020, following the announcement of former CEO Trevor Mather's retirement.

Nathan joined Auto Trader in 2007 to oversee the transition from a magazine business to a pure digital company. Prior to his appointment to the Board, Nathan was the joint Operations Director, sharing responsibility for the day-to-day operations of the business.

Prior to joining Auto Trader, Nathan was at Telstra, Australia's leading telecommunications company, where he led Mergers and Acquisitions and Corporate Development for its media and internet businesses. He was previously a consultant at PwC, having graduated from the University of Sydney with a B.Com (Hons).

**Appointed to PLC Board**  
April 2017

**Independent on appointment?**  
N/A

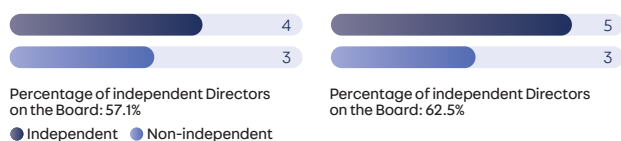
**External appointments**  
None

**Committee memberships**  
• Disclosure



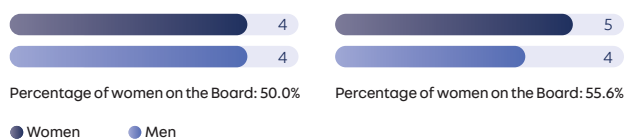
## Independence<sup>1</sup>

As at 31 March 2021 → As at 31 March 2022



## Gender diversity

As at 31 March 2021 → As at 31 March 2022



1. Excluding the Chair.



### Catherine Faiers Chief Operating Officer

#### Biography

Catherine joined Auto Trader in August 2017 and was appointed as Chief Operating Officer ('COO') in May 2019. Catherine is responsible for the day-to-day operations of Auto Trader's business. She is also focused on guiding the Group's strategy and development.

Prior to this, Catherine was Chief Operating Officer at Addison Lee, Corporate Development Director at Trainline and a Director at Close Brothers Corporate Finance.

Catherine graduated from the University of Durham with a BA in Economics and is a qualified Chartered Accountant, training at PwC.

#### Appointed to PLC Board

May 2019

#### Independent on appointment?

N/A

#### External appointments

None

#### Committee memberships

• None

### Jamie Warner Chief Financial Officer

#### Biography

Jamie was appointed Chief Financial Officer ('CFO') in March 2020. Prior to this he was Auto Trader's CFO-Designate and Deputy CFO. During his time at Auto Trader, Jamie has worked in a variety of different roles across finance, covering commercial finance, financial reporting, pricing and investor relations.

Jamie initially worked as a freight derivatives broker for inter-dealer broker GFI. Jamie left to join a start-up company, Swapit, developing a children's online swapping and trading community, that was subsequently acquired by Superawesome. He then joined Auto Trader in 2012.

Jamie graduated from Bristol University with a BSc in Economics and Economic History and is a qualified Chartered Management Accountant.

#### Appointed to PLC Board

March 2020

#### Independent on appointment?

N/A

#### External appointments

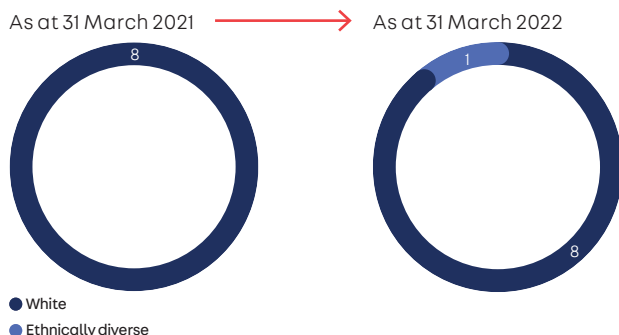
None

#### Committee memberships

• Disclosure

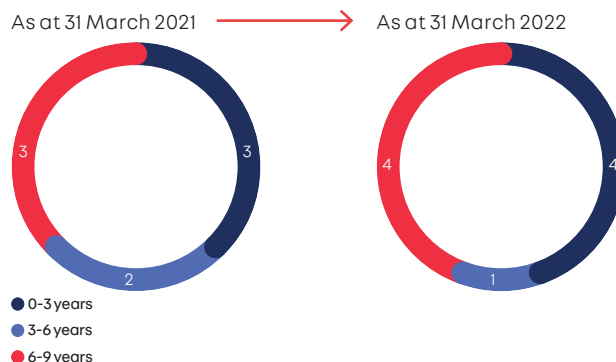


### Ethnic diversity<sup>1</sup>



1. As per the Parker Review, a Director was defined as being ethnically diverse if they identified as Asian, Black, Mixed or Other.

### Length of tenure<sup>2</sup>



2. Refers to the period since appointment to the PLC Board.



## David Keens

### Senior Independent Non-Executive Director

#### Biography

David was appointed as a Non-Executive Director on 1 May 2015.

David was previously Group Finance Director of NEXT plc (1991 to 2015) and its Group Treasurer (1986 to 1991). He was a Non-Executive Director and Audit Chair of J Sainsbury plc (2015 to 2021), and most recently has taken up the role as Senior Independent Non-Executive Director and Audit Chair of Moonpig Group plc. Previous management experience includes nine years in the UK and overseas operations of multinational food manufacturer Nabisco (1977 to 1986) and prior to that seven years in the accountancy profession.

David is a member of the Association of Chartered Certified Accountants and of the Association of Corporate Treasurers.

#### Appointed to PLC Board

May 2015

#### Independent on appointment?

Yes

#### External appointments

- Moonpig Group plc

#### Committee memberships

- Audit (Chair)
- Corporate Responsibility
- Nomination
- Remuneration

## Jill Easterbrook

### Independent Non-Executive Director

#### Biography

Jill was appointed as a Non-Executive Director to the Board on 1 July 2015.

Jill is also a Non-Executive Director of Ashted Group plc, the FTSE100 international equipment rental company; a Non-Executive Director of UP Global Sourcing Holdings plc, a FTSE small cap consumer goods business; and is Chair of Headland Consultancy, a PR and Communications agency.

Jill brings strong digital experience within retail environments to the Board. Previously, Jill was a member of the Executive Committee at Tesco Plc where she held a variety of senior roles, and was the Chief Executive Officer of JP Boden & Co. She also spent time as a management consultant having started her career at Marks & Spencer.

#### Appointed to PLC Board

July 2015

#### Independent on appointment?

Yes

#### External appointments

- Ashted Group plc
- UP Global Sourcing Holdings plc
- Headland Consultancy

#### Committee memberships

- Remuneration (Chair)
- Audit
- Corporate Responsibility
- Nomination



## Jasvinder Gakhal

### Independent Non-Executive Director

#### Biography

Jasvinder was appointed as a Non-Executive Director on 1 January 2022.

Jasvinder is currently Managing Director of Motor at Direct Line Group, leading Motor Insurance strategy and business delivery across household names such as Direct Line, Churchill and Privilege, and is a member of the Direct Line Group Executive Team. Prior to this, she held a number of roles within Direct Line including most recently Chief Strategy Officer and before that, Managing Director of Direct Line for Business.

Jasvinder is a champion of gender diversity and women in top positions in business. She has been named on

Green Park's BAME100 Board Talent Index, on the Cranfield University Top 100 women to watch in 2018 list and also featured on the Northern Power Women list of 'Top50 Women to Watch'.

#### Appointed to PLC Board

January 2022

#### Independent on appointment?

Yes

#### External appointments

- UK Insurance Business Solutions Limited

#### Committee memberships

- Audit
- Corporate Responsibility
- Nomination
- Remuneration







## Jeni Mundy

### Independent Non-Executive Director

#### Biography

Jeni was appointed as a Non-Executive Director on 1 March 2016.

Jeni is currently Visa Inc's SVP Global Head of Merchant Sales and Acquirers responsible for driving the growth of digital commerce for the world's sellers. She joined Visa in 2018 as the Managing Director for UK and Ireland. Jeni was previously at Vodafone Plc (1998 to 2017). Most recently she held Group Director roles across product management and sales. Prior to that she was Chief Technology Officer on the UK and New Zealand Executive Boards.

Jeni started her career as a Telecommunications Engineer in New Zealand and holds an MSc in Electronic Engineering from Cardiff University.

#### Appointed to PLC Board

March 2016

#### Independent on appointment?

Yes

#### External appointments

- Visa UK Ltd

#### Committee memberships

- Corporate Responsibility (Chair)
- Audit
- Nomination
- Remuneration

## Sigga Sigurdardottir

### Independent Non-Executive Director

#### Biography

Sigga was appointed as a Non-Executive Director to the Board effective 1 November 2019.

Sigga has worked in the financial services industry since 2001, pioneering digital transformation at both American Express and Santander UK. She was responsible for the development and launch of Asto, a Santander Fintech business, providing innovative cash flow solutions to small businesses. Most recently, Sigga was at Tesco Bank from August 2019 to April 2022 in the role of Chief Customer Officer.

Sigga holds a doctorate in Leadership and Innovation from Manchester Business School, an MBA from IESE Business School as well as a BS degree in Marketing from the University of South Carolina.

#### Appointed to PLC Board

November 2019

#### Independent on appointment?

Yes

#### External appointments

- Frumtak Ventures

#### Committee memberships

- Audit
- Corporate Responsibility
- Nomination
- Remuneration



## Claire Baty

### Company Secretary

#### Biography

Claire joined Auto Trader in July 2015 and is Company Secretary and Director of Governance. She is responsible for corporate governance; legal services; regulatory compliance; customer security; procurement; and risk management.

Claire was previously Deputy Company Secretary at Betfair Group plc and prior to that was Company Secretary at Centaur Media plc.

Claire is a qualified accountant, a member of the Institute of Chartered Secretaries and Administrators and holds an MBA from Manchester Business School.



ESG issues have always been a focus for the Group, and the COVID-19 pandemic has further reinforced the importance of resilience and the role that ESG matters play in our strategic priorities.

**Jeni Mundy**

Chair of the Corporate Responsibility Committee

### AT A GLANCE

#### Providing oversight, scrutiny and challenge on matters relating to our make a difference strategy

**3**  
meetings were held  
during the year



Member	Meetings attended/total meetings held	Percentage of meetings attended
Jeni Mundy (Committee Chair)	3/3	100%
Jill Easterbrook	3/3	100%
Jasvinder Gakhal <sup>2</sup>	1/1	100%
David Keens <sup>1</sup>	2/3	67%
Sigga Sigurdardottir	3/3	100%
Ed Williams <sup>3</sup>	2/2	100%
Nathan Coe <sup>3</sup>	2/2	100%
Jamie Warner <sup>3</sup>	2/2	100%
Catherine Faiers <sup>3</sup>	2/2	100%

- David Keens was unable to attend one meeting due to other commitments, but had an opportunity to feed comments in to the Chair prior to the meeting.
- Appointed 1 January 2022; attendance relates to meetings post-appointment.
- Membership of the Committee was reviewed in December 2021 to remove the Chair of the Board and the Executive Directors, as with other Committees. Subject to the approval of the Committee Chair, the Chair of the Board and Executive Directors will be invited to attend the CRC meetings as and when appropriate.



For more information on the Committee's Terms of Reference:  
[plc.autotrader.co.uk/investors](http://plc.autotrader.co.uk/investors)

#### OVERVIEW

- Composed of five independent Non-Executive Directors.
- The Chair of the Board, Executive Directors and other relevant individuals are invited to attend the meetings when appropriate.
- The assistant Company Secretary acts as secretary to the Committee.
- At least three meetings held per year.

#### OUR PROGRESS IN 2022

- Materiality matrix developed based on stakeholder engagement to understand where we should focus our efforts.
- Our near-term carbon reduction targets have been validated by the Science Based Targets initiative ('SBTi').
- Introduction of ESG metrics in our remuneration.
- Disclosures developed in line with the Task Force on Climate-related Financial Disclosures ('TCFD').
- UN Sustainable Development Goals ('SDGs') reviewed and our strategy aligned to those where we can make a meaningful contribution.
- Appointment of Jasvinder Gakhal as an independent Non-Executive Director.
- Accredited Real Living Wage employer.

#### FOCUS AREAS FOR 2023

- Receive validation from the SBTi of our Science Based net zero target.
- Deliver on our FY23 commitments under each pillar of our environmental strategy.
- Continue to work towards achieving a representative workforce across all levels of the organisation.
- Committee to attend Carbon Literacy training.

**MAKE A DIFFERENCE P36** →

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

Auto Trader Group plc is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. The consolidated financial statements of the Company as at and for the year ended 31 March 2022 comprise the Company and its interest in subsidiaries (together referred to as 'the Group').

The consolidated financial statements of the Group as at and for the year ended 31 March 2022 are available upon request to the Company Secretary from the Company's registered office at 4<sup>th</sup> Floor, 1 Tony Wilson Place, Manchester, M15 4FN or are available on the corporate website at [plc.autotrader.co.uk](http://plc.autotrader.co.uk).

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with UK-adopted international accounting standards.

The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention.

#### Basis of consolidation

Subsidiaries are all entities over which the Group has control. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions and balances between Group companies are eliminated on consolidation.

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as: joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Where significant influence is not demonstrated but the shareholding is between 20% and 50%, the Group would account for its interest as an investment. All investments are initially recognised at cost and the carrying value is reviewed for impairment.

#### Going concern

During the year ended 31 March 2022 the Group has continued to generate significant cash from operations. The Group has an overall positive net asset position and had cash balances of £51.3m at 31 March 2022 (2021: £45.7m). During the year £237.1m was returned to shareholders through share buybacks and dividends (2021: nil).

The Group has access to a Syndicated revolving credit facility (the 'Syndicated RCF'). At 31 March 2022 the Group had nil (2021: £30m) drawn of its £250m Syndicated RCF. The £250m Syndicated RCF is committed until June 2023, when it reduces to £197.8m through to maturity in June 2025.

Cash flow projections for a period of not less than 12 months from the date of this report have been prepared and include the capital commitment to acquire Autorama (UK) Limited given the likelihood of the event. Stress case scenarios have been modelled to make the assessment of going concern, taking into account severe but plausible potential impacts of a returning pandemic, a data breach and banning the sale of diesel cars. The results of the stress testing demonstrated that due to the Group's significant free cash flow, access to the Syndicated RCF and the Board's ability to adjust the discretionary share buyback programme, the Group would be able to withstand the impact and remain cash generative. Subsequent to the year end, the Group has generated cash flows in line with its forecast and there are no events that have adversely impacted the Group's liquidity.

The Directors, after making enquiries and on the basis of current financial projections and facilities available, believe that the Group has adequate financial resources to continue in operation for a period not less than 12 months from the date of this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.