

# HALF YEAR RESULTS

Year 2014



Malaysia



Thailand



Indonesia

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# MARKET OVERVIEW

# ORGANIZATIONAL STRUCTURE

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## MALAYSIA



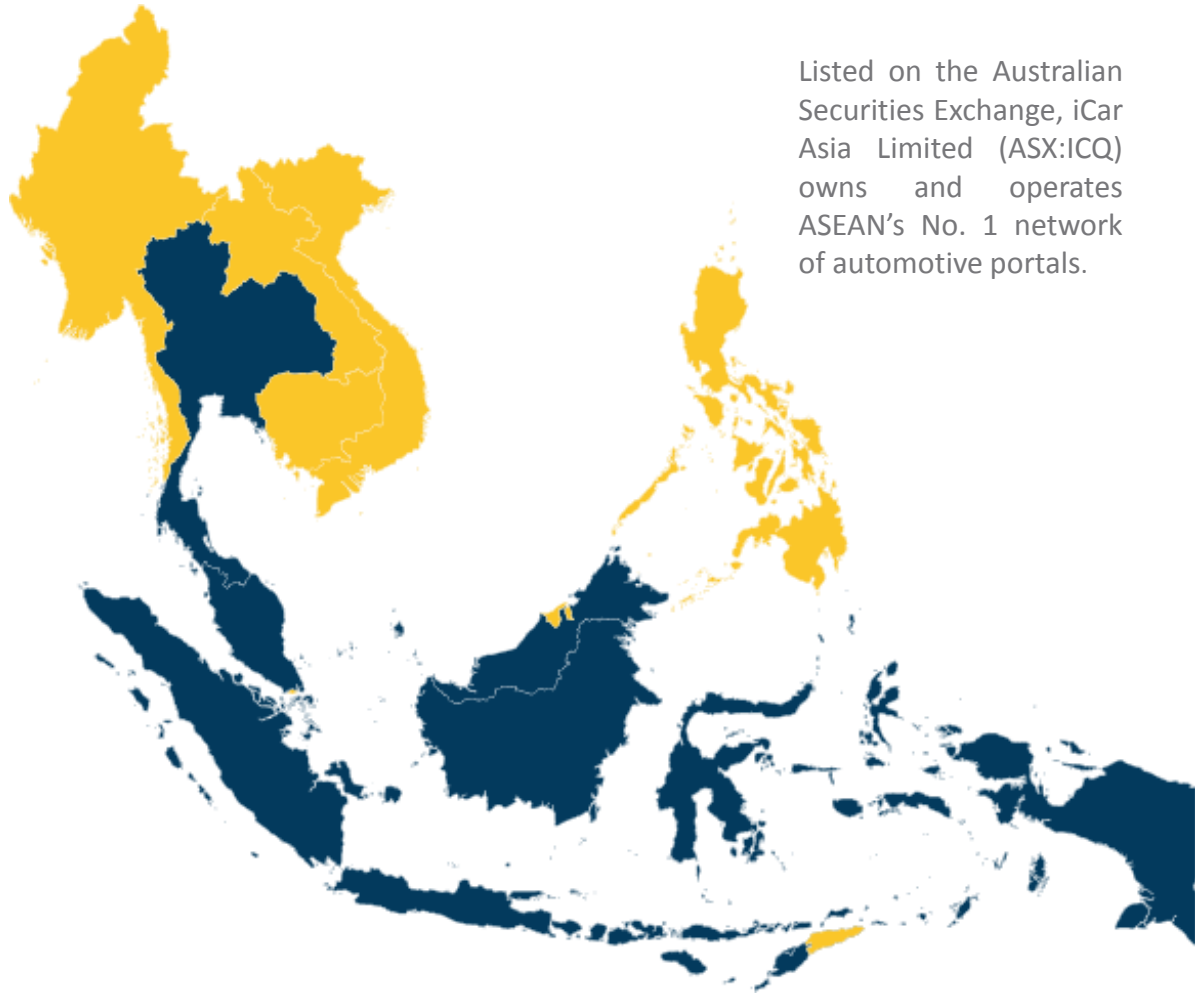
**LIVE LIFE DRIVE**



## THAILAND



## INDONESIA



Listed on the Australian Securities Exchange, iCar Asia Limited (ASX:ICQ) owns and operates ASEAN's No. 1 network of automotive portals.



# ECONOMY: POPULATION & GROWTH

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	MALAYSIA	THAILAND	INDONESIA	VS	AUSTRALIA
POPULATION ('000)	30,278	68,668	250,751		23,693
POPULATION <30	54%	41%	51%		40%

Population in the 3 countries that iCar Asia operates in are **substantially younger** with 48% aged <30 years old (v. 40% in Australia).

TOTAL POPULATION

**349,667,000**

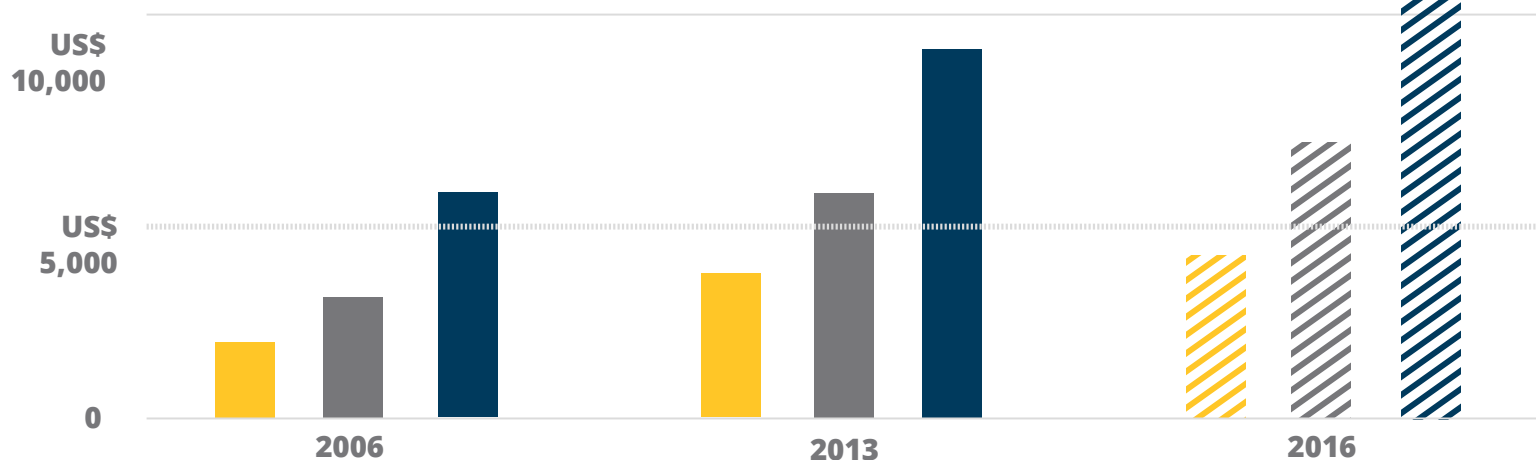
**23,693,000**

Total population of the 3 countries in which iCar Asia operates is **17x the size of Australia's population**. The market population is continuing to grow.

# ECONOMY: GDP PER CAPITA

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US\$5,000 GDP per capita is the widely accepted inflection point when vehicle ownership in a country enters a high growth stage.



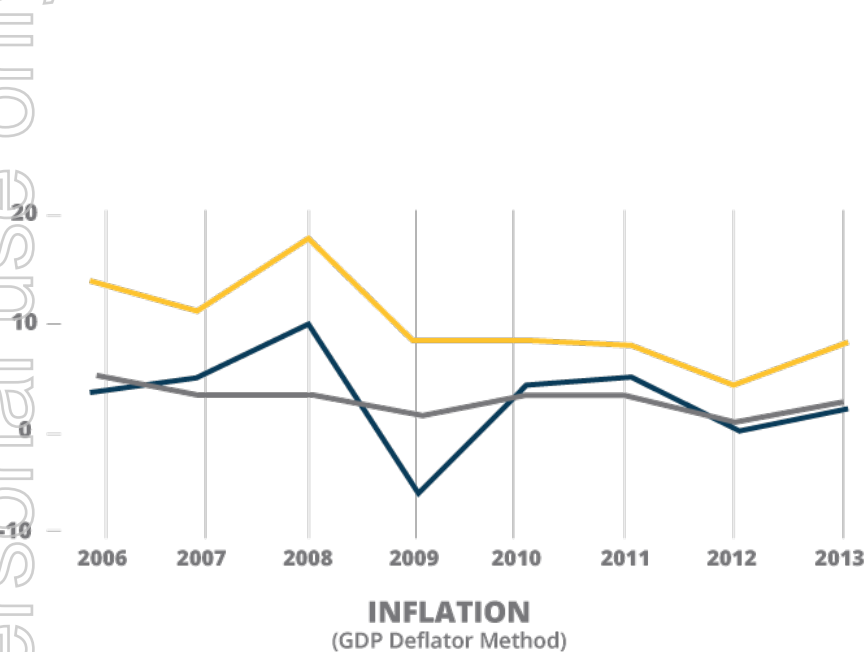
GDP per capita is expected to continue the upward trajectory across iCar Asia's market making car purchases possible for an increasing proportion of the population.

Source: International Monetary Fund. (\*) forecast, International Road Federation

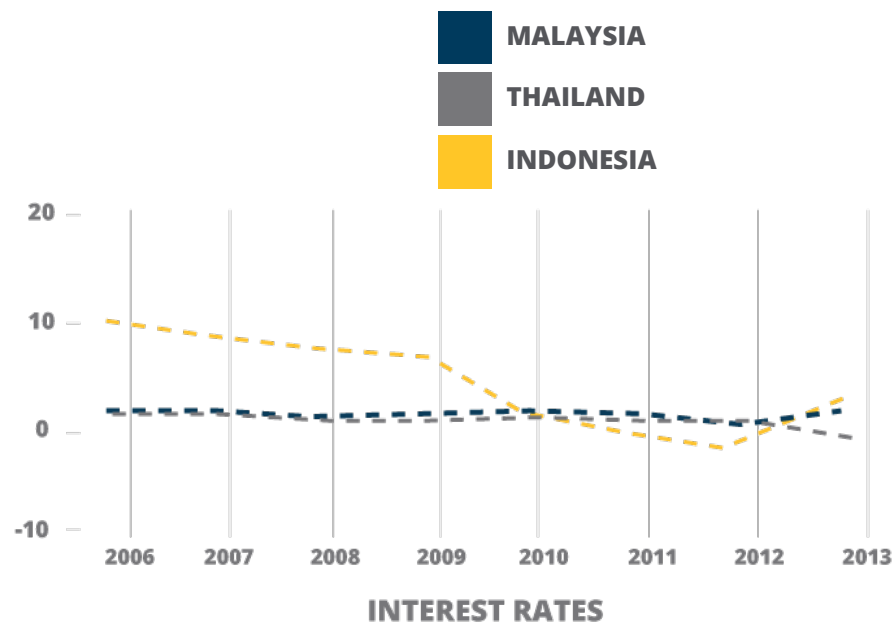
Source: "Vehicle Ownership & Income Growth, Worldwide: 1960-2030" J. Dargay, D.Gately, M. Sommer, 2007

# ECONOMY: INFLATION AND INTEREST RATE

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Source: World Bank



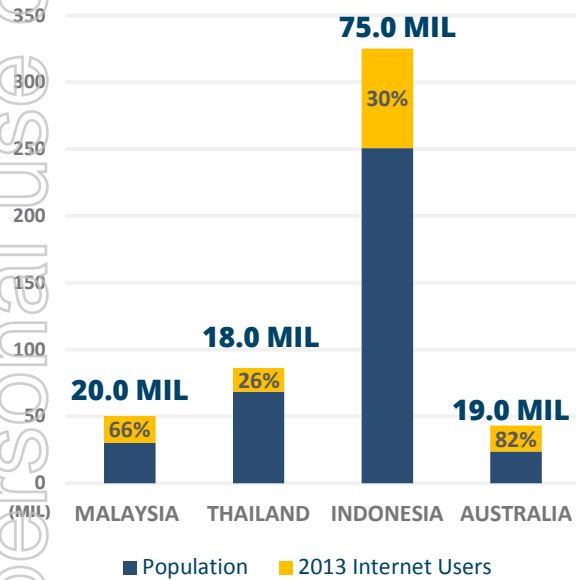
Source: Trading Economics

Low inflation rate and interest rate across iCar Asia's market supports affordability and encourages car purchase.

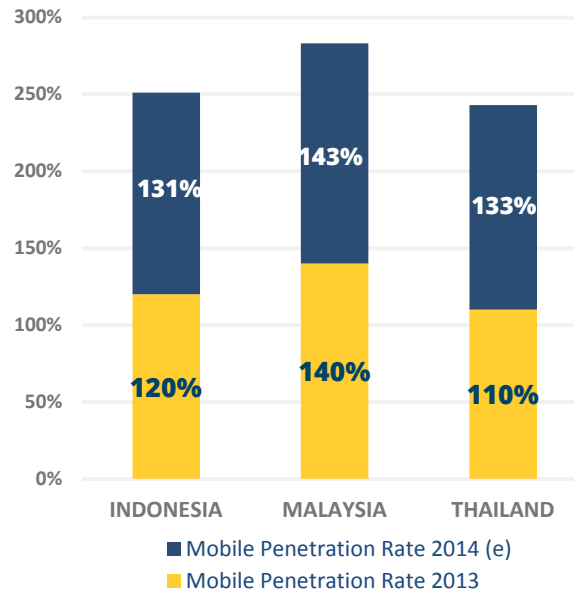
Source: International Monetary Fund. (\*) forecast, International Road Federation

# TECHNOLOGY: ADOPTION OF INTERNET & MOBILE

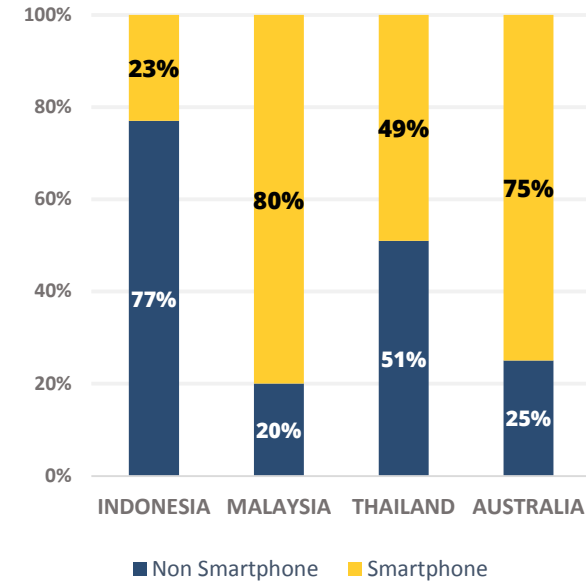
## INTERNET PENETRATION



## MOBILE PENETRATION



## SMARTPHONE PENETRATION



Growing internet penetration rate enables an increasing target market for iCar Asia's business. Greater than 100 million people across the 3 countries of operation now have internet access, **over 5 times the entire population of Australia.**

Mobile phone usage is prevalent in the 3 markets that iCar Asia operates in. Penetration rate is greater than 100% suggesting that, **on average each individual owns more than 1 device.** Mobile is a key platform for iCar Asia to reach car buyers and sellers across the region.

Smart phone penetration in Malaysia is one of the highest in the world and Indonesia & Thailand are growing rapidly.

Source: Internet World Stats

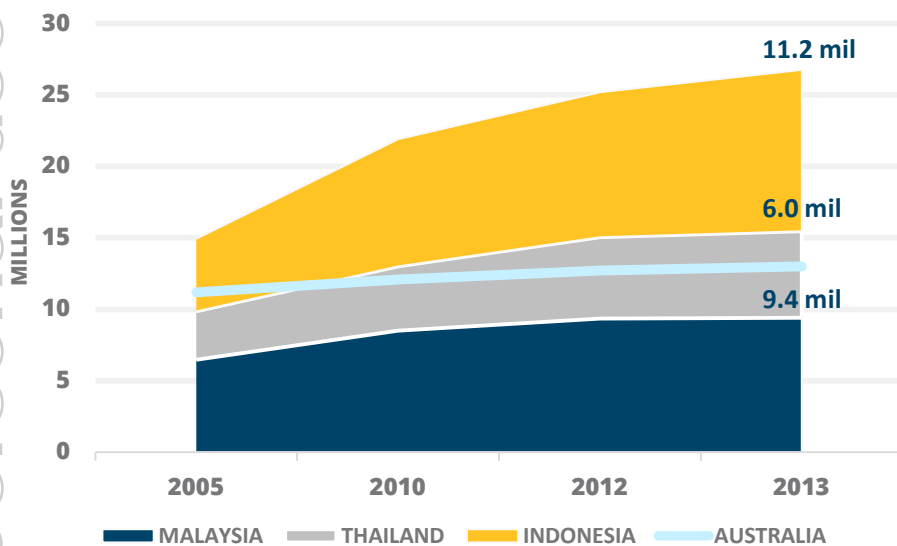
Source: Forest Interactive, 2014  
(e) Estimation

Source: Nielsen, 2013

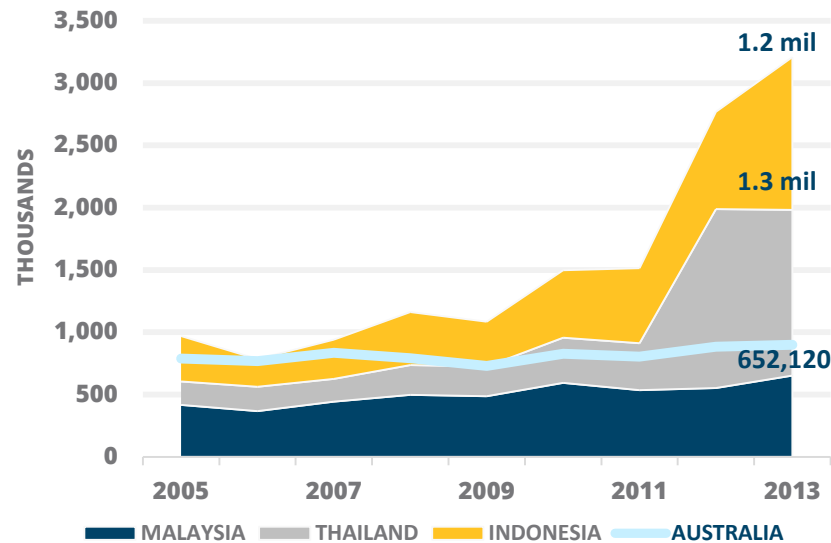
# CAR SALES: NEW CAR SALES & OWNERSHIP

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## CAR OWNERSHIP (UNITS)



## NEW CAR SALES (UNITS)



Car Ownership and New Car Sales volumes across the combined **3 markets that iCar Asia operates in are substantially larger relative to Australia**. In addition, the markets are growing at a pace much higher than the rate experienced in Australia.

Sources AU: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/9309.0/>  
MY: Malaysia Automotive Industry (MAI)

TH: Wards Auto InfoBank  
ID: International Business Times (IBT)

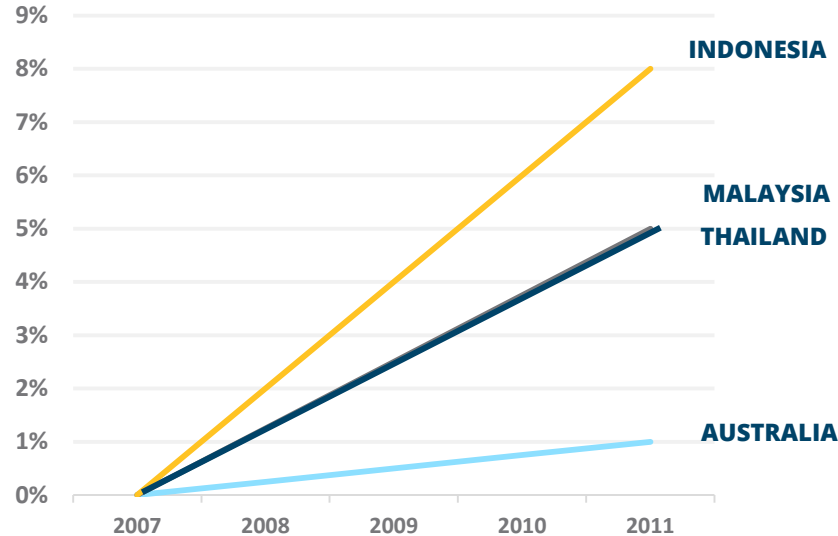


# CAR SALES: VEHICLE OWNERSHIP RATE

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	VEHICLE OWNERSHIP RATE (per 1000 population)
MALAYSIA	378
THAILAND	172
INDONESIA	69
AUSTRALIA	703

AVERAGE GROWTH RATE



Car ownership rates clearly show **increasing car ownership** as a result of **economic development** and also the substantial **growth potential** in the 3 subject markets.

Source: World Bank

NB: Vehicle includes cars, buses, and freight vehicles but do not include two-wheelers

Evidence shows that **vehicle ownership grows twice as fast as income growth at middle income levels (US\$3,000 to US\$10,000 per capita)\***. The 3 markets in which iCar operates are all in this high growth window.

\* Source: Vehicle Ownership and Income Growth Worldwide: 1960-2030 by J. Dargay, D. Gately and M. Sommer (2007).

# ADVERTISING: AUTOMOTIVE ADVERTISING GROWTH

**1** **Automotive Advertising Expenditure across iCar Asia's markets in combination is estimated to be AU\$380 million per annum.** It is approximately 40% of Australia's current automotive advertising expenditure, but growing at much faster rates.

**2** Advertising spend in the Automotive sector in iCar Asia's markets is expected to grow at a greater rate than the corresponding overall advertising expenditure.

	TOTAL ADVERTISING SPEND 2013 (A\$ billion)	ONLINE AS % OF TOTAL ADVERTISING SPEND	APPROX. ONLINE ADVERTISING SPEND (A\$ million)	FORECAST GROWTH RATE IN ONLINE ADVERTISING SPEND 2014
MALAYSIA	<b>4.52</b>	<b>3.0%</b>	<b>135.60</b>	<b>17%</b>
THAILAND	<b>4.10</b>	<b>3.5%</b>	<b>145.20</b>	<b>24%</b>
INDONESIA	<b>9.98</b>	<b>1.0%</b>	<b>99.80</b>	<b>31%</b>

**3** **Total advertising in iCar Asia's three countries** of operation is **already greater than Australia's** total advertising market, and growing faster.

**4** Online proportion of advertising is low but growing quickly. Growth rate is linked to the adoption of digital media by consumers as per observations and analysis of more mature market.

Source: Forst & Sullivan, Report 2012  
MY – AC Nielsen

TH – Digital Advertising Association Thailand (DAAT)  
ID – e-marketer.com

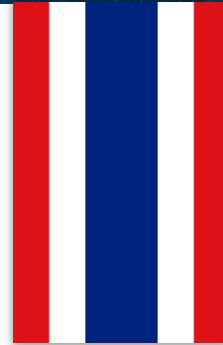
# MACRO FOCUS: MACRO AUTOMOTIVE INFLUENCES



**MALAYSIA**

- 1 Car sales are growing and are estimated to register an **all-time high of 680,000** cars by the end of the year.
- 2 Fierce competition from manufacturers is resulting in **lower car prices, better quality and also likely to increase consumer spending.**
- 3 Consumer demand for new cars is strong, compared to other emerging markets such as India, Brazil and Russia. The only time the Malaysian car market contracted significantly was in 1997.

Source: MITI, MAA



**THAILAND**

- 1 The 2014 forecast of new vehicle sales in Thailand is **920,000 units**. Further growth is expected in Q4, with a new government in power.
- 2 Renewed political stability for the National Council for Peace and Order (NCPO) has raised Consumer Confidence Index to a 15-month high. Positive implications for manufacturers, who have committed to keeping production hubs in Thailand.
- 3 **Commitment from manufacturers** such as Mazda, in schemes such as The 2<sup>nd</sup> Eco Car project, demonstrates advancement of new technologies and the production of better vehicles.

Source: The Federation of Thai Industries (FTI), Toyota Motor Thailand



**INDONESIA**

- 1 Another record year in new car sales for 2014, forecasting **1,350,000 units**. This will see **Indonesia over-take Thailand as ASEAN's largest new car market** for the first time.
- 2 With a new government in power, the industry is expected to continue to grow on the back of the government lowering taxes to encourage new car sales.
- 3 Continued **growth in Low Cost Green Cars (LCGC)** has encouraged manufacturers, such as Volkswagen, to announce plans for a production plant in Indonesia.
- 4 **Infrastructure improvements**, such as the proposed Selat Sunda Bridge, connecting Sumatera and Java, signal advancements in mobility, **encourage economic growth and urbanisation.**

Source: Ministry of Industry and Ministry of Public Works - Indonesia, Automotive Industry Review

# MARKET OVERVIEW: SUMMARY

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## ECONOMY

- Population - **17 times larger** than population in Australia, high proportion of youth
- Strong GDP growth results in rising middle income level when escalated growth of car ownership rate is expected
- Low inflation and interest levels provides greater access to financing to facilitate car purchase

## TECHNOLOGY

- Strong growth in internet penetration with **over 100 million** people currently connected.
- Some of the heaviest mobile usage globally with fast growing smartphone penetration.

## CAR SALES

- New passenger car sales achieveing **strong growth** on average across the iCar Asia's three countries of operation of over 10%.
- Average CAGR of registered passenger cars since 2005 of 7.6% relative to Australia at only 1.7%.

## ADVERTISING

- Automotive vertical is the fastest growing advertising vertical, created by surge in new car purchases.
- Overall advertising market of iCar Asia's three countries is **greater than Australia's total market** and growing at faster rates.
- Internet advertising is a low percentage of overall advertising but recording strong growth with increase in growth rate expected.

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# STRATEGY

# iCar Asia: STRATEGY

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## WIN RACE TO OWN VIRTUOUS CYCLE

No.

1

### LISTING & CONTENT

No.1 Volume & Quality

### AUDIENCE

No.1 in UV's & Engagement Metrics

### LEADS

No.1 Lead Provider to Dealer, Private Sellers and Manufacturers

# iCar Asia: VISION & ROADMAP

## OUR VISION

We are passionate about iCar Asia becoming **ASEAN'S LARGEST & MOST TRUSTED AUTOMOTIVE DIGITAL MARKETPLACE**, connecting over 600 million buyers and sellers

**2012**

Start Up  
phase

**2013**

Win Market Share  
(Listings and Leads)

**2014**

Lead Leadership  
& Monetisation

**2015**

Expansion

**2016**

ROAD TO  
PROFITABILITY



# iCar Asia: STRATEGY PROGRESS

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## OUR STRATEGY

Win the virtuous cycle by establishing **clear market-leadership** in the key operating metrics of **Listings, Audience and Leads** in the three largest automotive markets in ASEAN, Malaysia, Indonesia and Thailand.

Establishing this market-leadership in conjunction with products that both buyers and sellers 'can't live without' will generate great revenue opportunities.



## OUR PROGRESS

We have achieved:

**MALAYSIA:** Clear market-leadership in key operating metrics of Listings, Audience & Leads. RMS launched, with 1,400 active accounts and more than 1,400 Dealers paying for Feature Listings products. More than 32,000 cars were 'bumped' by dealers during month of July.

**INDONESIA:** Clear vertical market-leader in key operating metrics of Listing, Audience & Leads. No RMS or dealer monetisation.

**THAILAND:** Leadership in Listings, challenging in Audience and Leads. No RMS or dealer monetisation.



## OUR NEXT STEPS

- 1 Continue to grow our core metrics, particularly Audience & Leads to establish clear market-leadership in each country.
- 2 Launch RMS in Indonesia
- 3 Launch Version 2.0 in each country integrating Listings and Content

**DOMINATE QUALITY LEAD VOLUMES**  
PHASE 3 (NOW)



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# PERFORMANCE UPDATE

# 2014: SUMMARY OF HALF YEAR RESULTS

## FINANCIAL HIGHLIGHTS

Cash balance: **AUD\$14.66M** 30 June, 2014

## KEY METRICS AS OF JULY

	JULY 2013	JULY 2014	GROWTH
LISTINGS	346,709	485,515	40%
AUDIENCE	2,318,786	4,867,985	110%
LEADS	205,305	567,844	177%

## PARTNERSHIPS AND ACQUISITIONS

**CARSALES.COM LTD** acquired a further 3% of ICQ at A\$1, increasing strategic holding from 19.9% to 22.9%. Exceptional partner, positions the iCar Asia strongly for the future.

# 2014: FINANCIAL STATEMENTS

## PROFIT & LOSS

	CONSOLIDATED (Half-year ended)		CHANGE
	30 JUN 14 \$	30 JUN 13 \$	
Revenue	1,100,148	551,158	100%
Expenses	(7,077,079)	(3,376,501)	(110%)
Loss before interest, tax, depreciation and amortisation (EBITDA)	(5,976,931)	(2,825,343)	(112%)
Depreciation and amortisation expense	(183,376)	(88,683)	(107%)
Loss before interest and tax (EBIT)	(6,160,307)	(2,914,026)	(111%)
Loss for the period	(6,040,653)	(2,776,046)	(118%)

Balance sheet	CONSOLIDATED		CHANGE
	30 JUN 14 \$	31 DEC 13 \$	
Cash and cash equivalents	14,653,782	12,481,630	17%
Net assets	18,982,808	17,643,014	8%

- 1 Revenue **doubling** period on period as the Malaysian Classifieds business began monetisation and media **revenues improved in all markets**.
- 2 Expenses **increased due to greater investment** in people, advertising and technical capability - aligned to company objectives of **winning in Listings, Audience and Leads** in all markets.
- 3 Uplift in depreciation/ amortisation expense in line with increased investment in technology including 'RMS'.

# GROWTH OVERVIEW: MALAYSIA

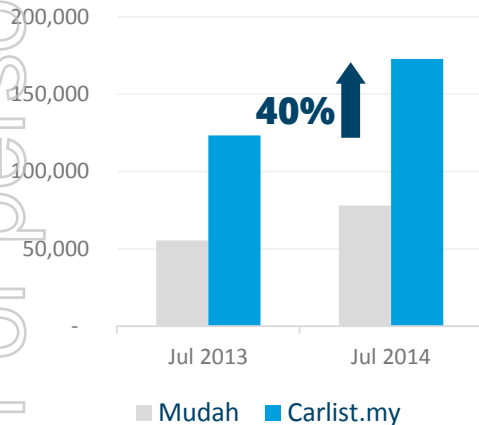


## LIVE LIFE DRIVE

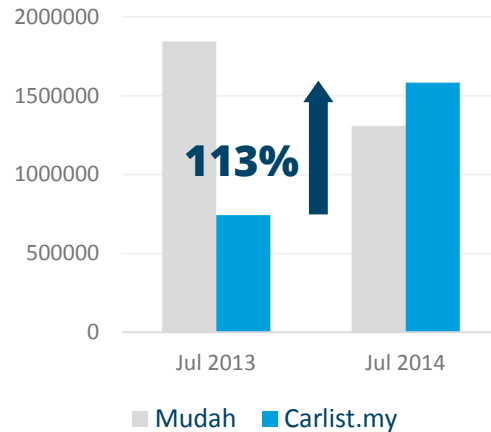
- 1 #1 automotive classifieds website
- 2 1,580,000+ Unique Visitors/month
- 3 21,000,000+ Page Views/month.

- 1 Best buying research tool for new car buyers
- 2 611,000+ Unique Visitors/month
- 3 3,400,000+ Page Views /month.
- 4 Buying research tool for new car buyers

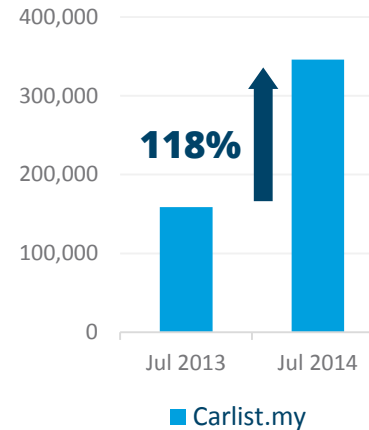
### LISTINGS



### AUDIENCE



### LEADS



- Carlist.my continues to increase market leadership in all key operating metrics.
- iCar has secured a very strong position in the Malaysian market and will look to extend market-leadership and explore revenue growth initiatives.

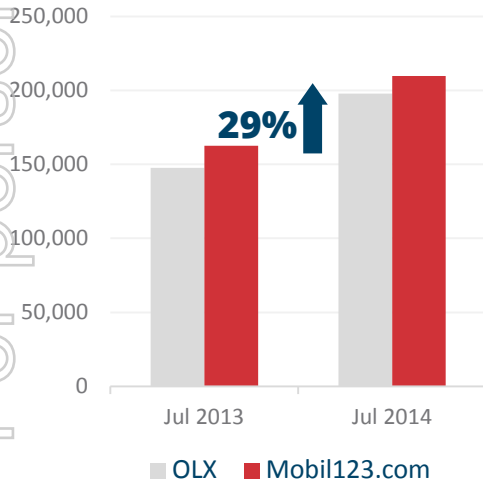
Source: Google Analytics & Internal Sources, July 2014

# GROWTH OVERVIEW: INDONESIA

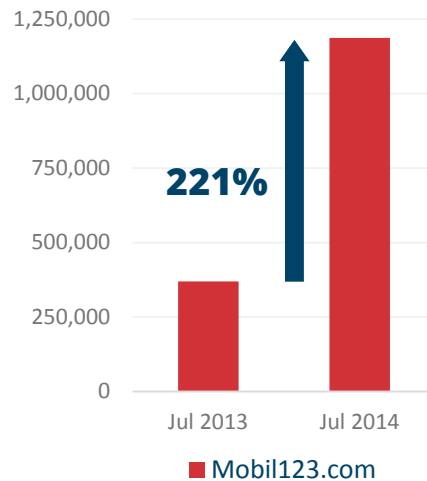


- 1 #1 automotive classifieds website
- 2 1 million + UV's (Unique Visitors) /month
- 3 8.8 million+ PVs (Page Views) /month
- 4 200,000+ Automotive listings

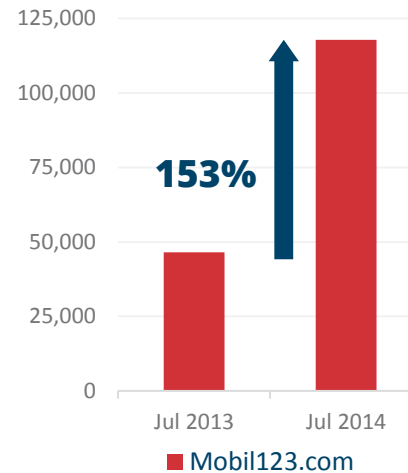
## LISTINGS



## AUDIENCE



## LEADS



- Holds a very strong vertical leadership position.
- Competitive landscape has 2 large horizontal classifieds competing OLX & Berniaga.
- Key initiatives to launch RMS & version 2.0 product to allow for greater new car market-share.

Source: Google Analytics & Internal Sources, July 2014

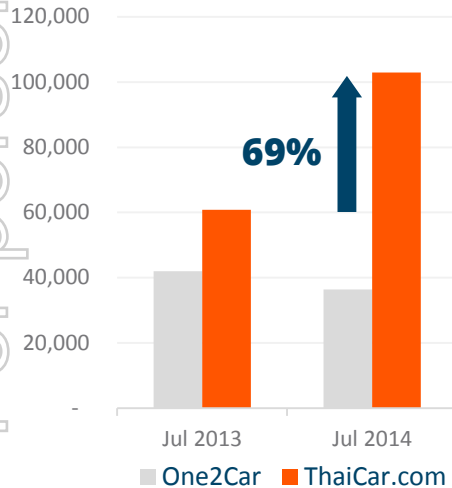
# GROWTH OVERVIEW: THAILAND



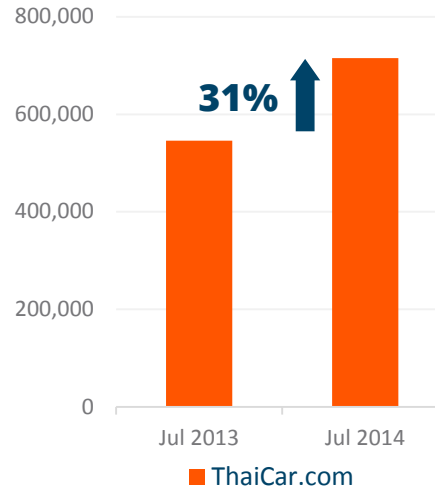
- 1 #1 automotive classifieds website by volume of listings
- 2 715,000+ Unique Visitors /month
- 3 9,400,000 Page Views /month
- 4 100,000+ listings

- 1 Leading automotive content website
- 2 771,000 Unique Viewers /month
- 3 2,200,000 Page Views /month
- 4 All large manufacturers have advertised with Autospinn.com

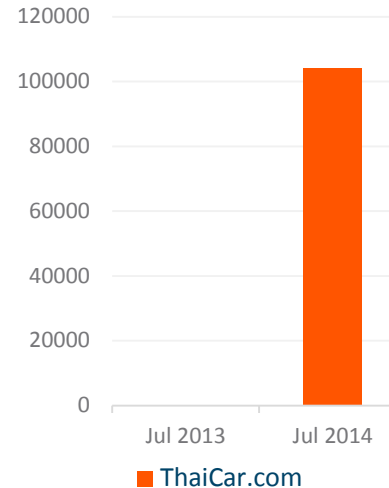
## LISTINGS



## AUDIENCE



## LEADS

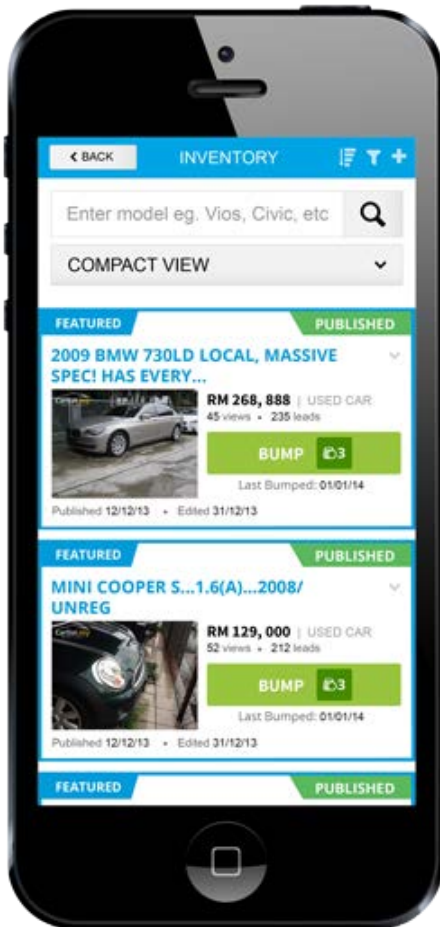


- Continuing to hold a strong position on listing volume.
- 31% growth experienced in Audience with continued focus on catching market-leading one2car.com
- Started measuring leads and had continued growth in volume.
- Launch new home page and marketing injection to grow audience and leads.

Source: Google Analytics & Internal Sources, July 2014

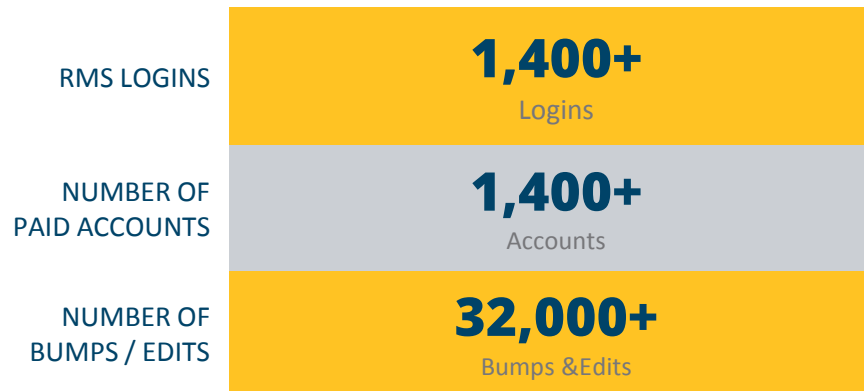
# KEY STATISTICS: RESPONSE MANAGEMENT SYSTEM

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## JULY 2014

(2 MONTHS AFTER RMS LAUNCH)



Source: Internal Sources, July 2014  
Used Car Dealers in Malaysia: 4,000 approx.

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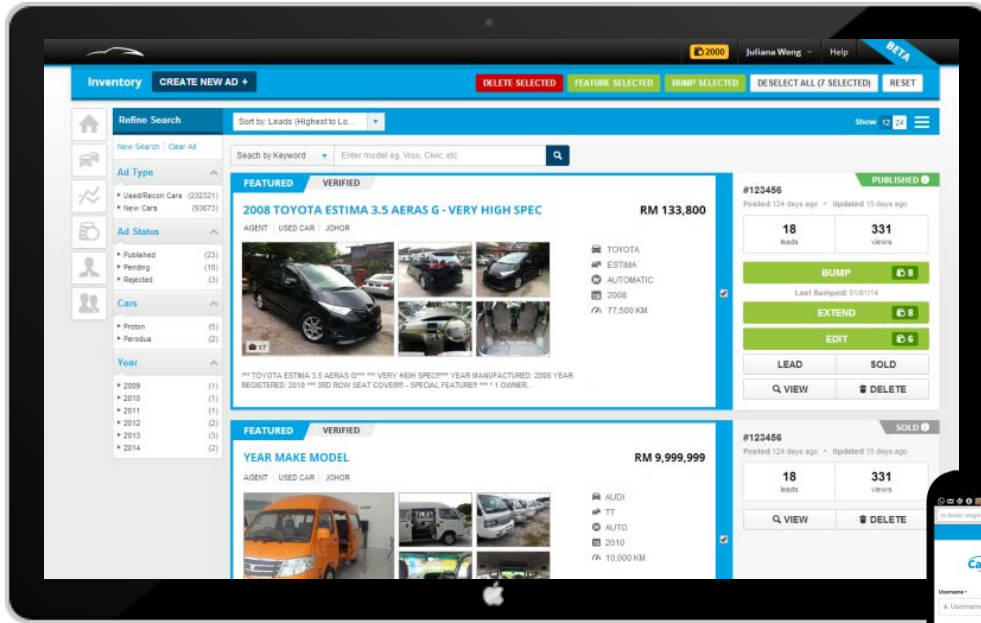
# NEW PRODUCTS



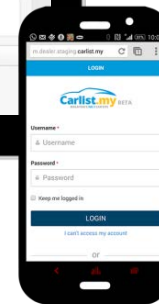
**NEW**

# NEW PRODUCT: RESPONSE MANAGEMENT SYSTEM

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**Desktop**



**Mobile**



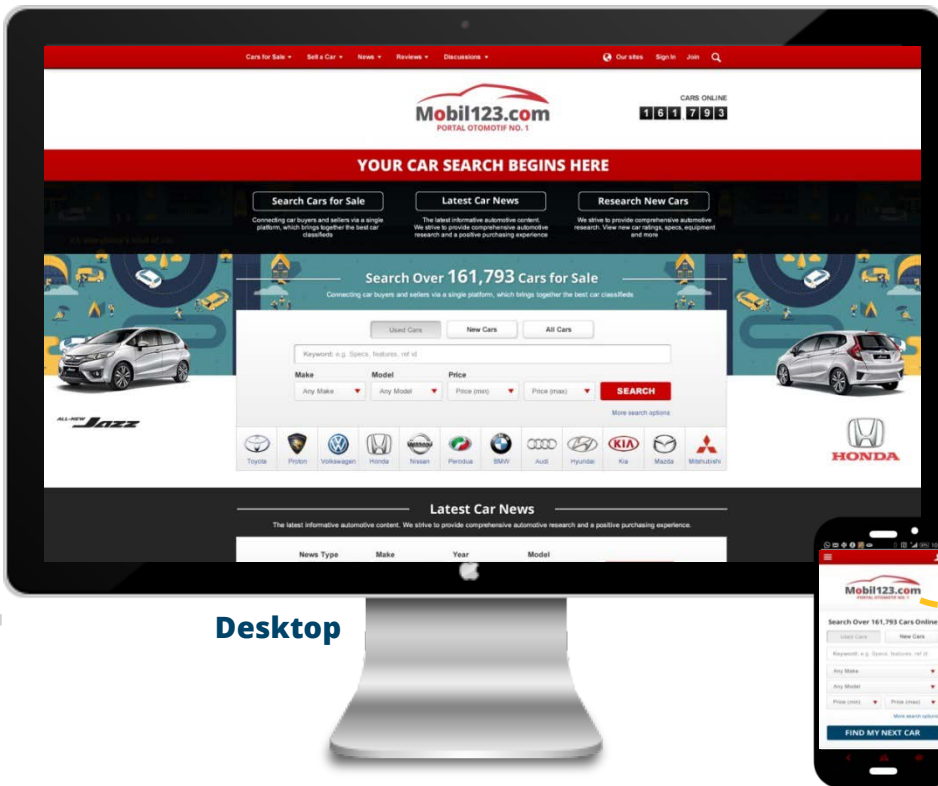
E.g.: Dealer RMS Upload Steps

RMS launched in Malaysia with more than 1,400 Dealers using the system in July. It is designed for ease of use via mobile to manage Listings & Leads.

**NEW**

# NEW PRODUCT: MOBIL123.COM 2.0

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Desktop



Mobile



E.g.: Revamp of News and Search Look

Version 2.0 for Mobil123.com in Indonesia is scheduled for delivery this year. It allows better integration of both Listings & Content to allow iCar Asia to better penetrate the new car market.

**NEW**

# NEW PRODUCT: THAICAR.COM HOMEPAGE REVAMP

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Desktop

New home page for Thailand's ThaiCar.com to better appeal to local Thai needs.

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