

Trade Me purchases vehicle data experts MotorWeb

Trade Me has entered into an agreement to buy Auckland-based business MotorWeb (motorweb.co.nz) for NZ\$19.5m. The deal is conditional but expected to be completed later this month. The transaction is cash funded.

MotorWeb is an online business that packages and sells motor vehicle information and reports to finance companies, insurers, car dealers and the general public. It is recognised as providing a “one-stop shop” for the motor vehicle industry via its suite of more than a dozen products and services.

MotorWeb was founded by Patrick Costigan in 1997 and began trading in 2000. It is based in Auckland and operates in both New Zealand and Australia.

Trade Me CEO Jon Macdonald said MotorWeb was a great fit, given its great reputation and strong expertise in vehicle data. “The MotorWeb business has a lot of potential to complement our existing Trade Me Motors business, and will give us the chance to broaden and deepen the products and data we provide in relation to motor vehicles.”

Mr Macdonald said twelve MotorWeb staff would move across to join the Trade Me Motors team early next year. “We’ve had a longstanding business partner relationship with MotorWeb in place for many years, and we know they run an excellent business. It’s exciting to have them coming on board.”

MotorWeb managing director Chris Knight said he was pleased Trade Me had bought the business. “It’s a perfect fit – both Trade Me and MotorWeb understand the power of providing people with transparent and accurate data to empower their purchasing decisions.

“We’ve known the Trade Me team for a long time and we think this is great news for our clients on both sides of the Tasman, as well as for our staff. It’s another exciting chapter in the life of MotorWeb and we’re looking forward to seeing MotorWeb continue to grow as part of a great Kiwi company.”

About MotorWeb

F13* EBITDA:	\$3.7m	(Forecast F14* EBITDA: \$4.1m)
F13* NPAT:	\$2.3m	
Staff as at 12 December 2013:	12	
Clients as at 12 December 2013:	900	

About the transaction:

Purchase price:	\$19.5m	
F13 EBITDA multiple:	5.3	(Forecast F14* EBITDA multiple: 4.8)
NPAT multiple:	8.3	

* Based on year to 31 March

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More info: Trade Me investor website: <http://investors.trademe.co.nz/>