Carma Limited (ASX: CMA)
ABN 20 648 091 418

ASX Announcement
31 August 2026

Carma Full Year Results and Trading Update

	FY25	FY26	Change
Retail units	2,101	3,156	+ 50%
Wholesale units	807	2,260	+ 180%
Total units	2,908	5,416	+ 86%
Revenue	$71.4m	$113.8m	+ 59%
Gross profit	$5.2m	$10.5m	+ 102%
Gross profit per retail unit	$2,500	$3,300	+ 35%
Pro Forma EBITDA[1]	($27.8m)	($30.2m)	- 8%
Pro Forma EBITDA margin	(38.9%)	(26.5%)	+ 1,248bps

Carma Limited (ASX:CMA) today released its Appendix 4E, Financial Report and Investor Presentation for the year ended 30 June 2026 (FY26).

FY26 key financial highlights

- Revenue of $113.8 million, up 59% vs pcp
- Gross profit of $10.5 million, up 102% vs pcp, with gross profit margin improving 196 basis points to 9.2% and gross profit per retail unit increasing 35% to $3,300
- Pro Forma EBITDA of ($30.2) million, representing a Pro Forma EBITDA margin of (26.5%), a 1,248 basis point improvement vs pcp

Carma CEO, Lachlan MacGregor, said:

"We are very pleased with our first full year result as a listed company. Revenue grew 59% to $113.8 million and gross profit more than doubled to $10.5 million, with gross profit per retail unit up 35% to $3,300. These improvements were driven by the growth of Sell-to Carma, which now supplies 89% of the cars we buy, and by the efficiency gains from the upgraded St Peters reconditioning facility.

[1] Pro Forma EBITDA is an unaudited non-IFRS measure. EBITDA is calculated by adding depreciation and amortisation, finance costs and deducting finance income to loss after tax. Pro Forma EBITDA further excludes $3.2 million of IPO transaction costs and the costs of the convertible notes that converted to equity at the IPO, and includes listed company costs in both periods as if the Group had been listed throughout. It is reconciled to statutory results in the Appendix 4E. The H1 FY26 announcement reported EBITDA adjusted for IPO costs only; the two measures are not directly comparable. Percentages are calculated on unrounded numbers.

The customer response to Sell-to Carma has been excellent. We opened our first locations outside Sydney this year, in Newcastle and Wollongong, and now have nine locations across New South Wales. The supply of vehicles this creates is what has allowed us to grow both our retail and wholesale businesses so quickly.

At the half year we said St Peters would soon be reconditioning over 20 retail cars per shift. We averaged 21.7 in the June quarter and 15.1 for the year, double the previous year, and we are still running one shift on a line built for two. The second shift is planned to start in the March 2027 quarter, taking capacity to around 60 retail units per operating day.

The used car market softened from March as fuel prices rose, and cars took longer to sell. Despite this, the June quarter was our biggest ever for retail and wholesale deliveries. Conditions have been more stable since June and August is on track to be our biggest month yet.

We finished the year with $41.3 million in available funding and a business with significant capacity to grow. I want to thank the Carma team for what they achieved this year. We are looking forward to an exceptional year ahead."

FY26 performance overview

- A total of 5,416 units delivered (comprised of 3,156 retail units and 2,260 wholesale units), up 86% vs pcp
- Sell-to Carma including trade-ins accounted for 89% of vehicles purchased, with the network expanding to nine locations
- Reconditioning throughput increased 101% to 15.1 retail units per shift, and reached 21.7 retail units per shift in Q4 FY26
- Online inventory days improved 4 days to 36 days

Sell-to Carma

Sell-to Carma continued to scale as Carma's primary sourcing channel. During the year 6,235 vehicles were purchased, up 127% on the prior corresponding period. Of these, 5,577 were through Sell-to Carma including trade-ins, up 255%, and the channel accounted for 89% of purchases for the year. The network expanded to nine locations at 30 June 2026. Kotara in Newcastle and Albion Park in Wollongong were the first locations opened outside Sydney.

Sell-to Carma has driven a higher proportion of older vehicles through the business, which carry lower purchase and lower selling prices than the forecast mix. Pleasingly, increased throughput and efficiency in reconditioning allow Carma to add greater value to these older vehicles, supporting gross profit at these lower prices. Vehicles that are not suitable for the retail range are sold through the wholesale channel, and the growth in wholesale volumes has also been driven by the growth in Sell-to Carma.

Reconditioning

The upgrade of the St Peters facility was completed in August 2025. The upgrade consolidated three sites into a single 35,000m^2 facility and increased single-shift capacity to 30 retail vehicles per operating day. Retail units reconditioned increased 99% to 3,743 and the average number reconditioned per shift increased from 7.5 to 15.1. Throughput improved in each quarter of the year and reached 21.7 retail units per shift in Q4 FY26.

Revenue

Revenue increased 59% to $113.8 million with growth in both retail and wholesale. Retail unit growth exceeded retail revenue growth due to a 6% decrease in retail average selling price to $28,900 as a higher proportion of sales were older vehicles sourced through Sell-to Carma. Wholesale units grew 180% to 2,260.

Gross profit

Gross profit increased 102% to $10.5 million and gross profit margin expanded 196 basis points to 9.2%. Gross profit per retail unit increased 35% to $3,300, or $3,500 before vehicle write-downs. Retail gross profit per unit increased 22% to $2,500, reflecting higher margins on Sell-to Carma sourced vehicles and lower reconditioning cost per vehicle. Wholesale gross profit per unit increased 95% to $400 as auctions became larger and more frequent. Finance and extended coverage income also increased following changes to fee structures. Vehicle write-downs remained low and online inventory days improved by 4 days to 36.

Market conditions in the June quarter

Market conditions changed in the final quarter. Fuel prices rose sharply from March 2026, dealer demand for wholesale vehicles fell, used car prices declined and cars took longer to sell. This resulted in most dealers experiencing a reduction in the number of leads per car coming from classifieds sites. In response, Carma adjusted its pricing models, maintained reconditioning output and moved marketing spend to its direct channels. Q4 was a record quarter for both retail and wholesale deliveries (38% total unit growth over Q3) although gross profit per unit was lower than the first three quarters.

Operating expenses and EBITDA

Underlying operating expenses reduced to 35.4% of revenue from 42.9% in FY25 as revenue grew faster than the cost base. Pro Forma EBITDA was ($30.2) million and the Pro Forma EBITDA margin improved 1,248 basis points to (26.5%). Marketing cost per unit improved through Q3 before increasing in Q4 due to the conditions described above. Retail marketing expense was $1,500 per retail unit delivered and Sell-to Carma marketing expense was $600 per retail unit delivered.

Balance sheet and cash flow

Carma commenced trading on the ASX on 5 November 2025 and raised $70.0 million in new equity. All convertible notes converted to ordinary shares on listing. Net assets were $52.2 million at 30 June 2026 compared with net liabilities of $10.3 million at 30 June 2025.

Net cash used in operating activities was $46.7 million, including $3.2 million of IPO transaction costs and a $17.8 million increase in vehicle inventory. Vehicle inventory was $32.1 million at year end with 625 vehicles available for sale online (as at 30 June 2026). The Bailment Finance Facility has a total limit of $30.0m, with $0.4m drawn at quarter end. The amount that can be drawn at any point is limited to the vehicle inventory on hand at an 80% Loan-to-Value Ratio ("LVR"). Based on vehicle inventory at quarter end, the undrawn capacity was $25.3m. Cash and cash equivalents were $16.0 million, and available funding including cash, funds on deposit and undrawn facilities was $41.3 million.

Statutory result

The statutory loss after tax of $49.6 million includes $13.3 million of non-recurring items: $10.0 million of convertible note costs, comprising finance costs and fair value remeasurement extinguished on conversion at the IPO, and $3.2 million of IPO transaction costs. The year also included $2.6 million of listed company costs that were not incurred in FY25. Adjusting for these items, Pro Forma loss after tax was $36.7 million and the Pro Forma loss after tax margin improved 1,652 basis points to (32.3%).

FY27 priorities

Carma's priorities for FY27 are to improve unit economics and to grow into the reconditioning capacity already built at St Peters. Operational effort across the business is concentrated on the following three key initiatives:

Apollo program. In July 2026 Carma launched Apollo, a company-wide program to improve unit economics across every business line ahead of the next doubling in retail volume. The program reviews each process against how it would be designed today, at Carma's current scale and using the AI tools now available.

AI and platform reinvention. Carma is moving its core systems onto its own platform and has put 18 AI-native systems into production across pricing, valuations, bookings, logistics and sales since March 2026. As Carma controls each step from purchasing a vehicle to selling it, these tools can be applied across the whole operation.

Scaling into built capacity. The second shift at St Peters is scheduled to commence in the March 2027 quarter, increasing reconditioning capacity to around 60 retail units per operating day using existing equipment and requiring limited capex.

Trading update

Strong start to FY27. Retail deliveries booked in from 1 July to 31 August 2026 are up 120% on the same period last year. Sell-to Carma retail purchasing has continued at the rate achieved in the June quarter, and reconditioning output in July exceeded the Q4 FY26 record. August is on track to be Carma's largest month to date for retail deliveries.

Market stabilising and margins recovering. Carma experienced margin pressure in Q4 FY26 due to the extraordinary conditions resulting in vehicles being bought and sold into shifting markets. Carma has observed market conditions stabilise during Q1 FY27. When prices stabilise, Carma buys and sells in the same market, and gross margin recovers. Vehicles sold within 30 days of listing (56% of vehicles sold) earned approximately $3,300 retail gross profit per unit in the September quarter to date, the highest on record. Vehicles held for over 60 days earned less, as the effect of the March softening worked through that stock.

FY27 outlook

Revenue. As we continue to observe the used car market stabilise despite the macroeconomic headwinds, we expect to deliver ongoing unit growth across our retail and wholesale businesses resulting in FY27 revenue growth of over 80%.

Capacity and FY27 exit run-rates. With the second shift in operation, Carma expects to exit FY27 reconditioning more than 35 retail units per operating day (approximately 750 retail units per month) and scaling rapidly.

Path to profitability. Carma currently expects that the company can crossover to positive EBITDA when reconditioning in the range of 45-60 retail units per operating day on average. Carma expects to be in this range before the end of calendar 2027.

This announcement has been authorised by the Board of Directors.

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Forward-looking Statements

About Carma Limited

Carma is transforming the way Australians buy and sell pre-owned cars. Headquartered in Sydney, Australia, Carma is a fully digital platform that delivers a simpler, smarter and more transparent experience. With an extensive range of quality vehicles, every car is rigorously inspected and reconditioned through a process that's verified by the NRMA, who have named Carma their Preferred Used Car Dealership.

Customers can buy online and checkout in under 10 minutes with fixed pricing, integrated finance, extended coverage, and a 7-day return policy. Selling is just as seamless: customers receive a fast, data-driven offer and instant payment at one of nine Sell-to Carma locations across New South Wales. It's a safer, smarter alternative to private sales, without the hassle or risk. Visit carma.com.au to learn more.