

Third Quarter 2024 Earnings

November 7, 2024

This presentation contains "forward-looking statements" within the meaning of the federal securities laws. All statements other than statements of historical facts are forward-looking statements. These statements often use words such as "believe," "expect," "project," "anticipate," "outlook," "intend," "strategy," "plan," "estimate," "target," "seek," "will," "may," "would," "should," "could," "forecasts," "mission," "strive," "more," "goal" or similar expressions. Forward-looking statements are based on our current expectations, beliefs, strategies, estimates, projections and assumptions, experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments, and other factors we think are appropriate. Such forward-looking statements are based on estimates and assumptions that, while considered reasonable by Cars Commerce and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. While Cars Commerce and its management make such statements in good faith and believe such judgments are reasonable, you should understand that these statements are not guarantees of future strategic action, performance or results. Our actual results, performance, achievements, strategic actions or prospects could differ materially from those expressed or implied by these forward-looking statements. Given these uncertainties, you should not rely on forward-looking statements in making investment decisions. When we make comparisons of results between current and prior periods, we do not intend to express any future trends, or indications of future performance, unless expressed as such, and you should view such comparisons as historical data. Whether or not any such forward-looking statement is in fact achieved will depend on future events, some of which are beyond our control.

Forward-looking statements are subject to a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results and strategic actions to differ materially from those expressed in the forward-looking statements contained in this press release. For a detailed discussion of many of these and other risks and uncertainties, see "Part I, Item 1A., Risk Factors" and "Part II, Item 7., Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission ("SEC") on February 22, 2024 and our other filings filed with the SEC and available on our website at investor.cars.com or via EDGAR at www.sec.gov.

You should evaluate all forward-looking statements made in this press release in the context of these risks and uncertainties. The forward-looking statements contained in this press release are based only on information currently available to us and speak only as of the date of this press release. We undertake no obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise. The forward-looking statements in this report are intended to be subject to the safe harbor protection provided by the federal securities laws.

This presentation discusses Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Free Cash Flow and Adjusted Operating Expenses. These financial measures are not prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). These financial measures are presented as supplemental measures of operating performance because the Company believes they provide meaningful information regarding the Company's performance and provide a basis to compare operating results between periods. In addition, the Company uses Adjusted EBITDA as a measure for determining incentive compensation targets. Adjusted EBITDA also is used as a performance measure under the Company's credit agreement and includes adjustments such as the items defined below and other further adjustments, which are defined in the credit agreement. These non-GAAP financial measures are frequently used by the Company's lenders, securities analysts, investors and other interested parties to evaluate companies in the Company's industry. For a reconciliation of the non-GAAP measures presented in this earnings release to their most directly comparable financial measure prepared in accordance with GAAP, see "Non-GAAP Reconciliations" below.

Other companies may define or calculate these measures differently, limiting their usefulness as comparative measures. Because of these limitations, non-GAAP financial measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. Definitions of these non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures are presented in the tables below.

We define Adjusted EBITDA as net income (loss) before (1) interest expense, net, (2) income tax (benefit) expense, (3) depreciation, (4) amortization of intangible assets, (5) stock-based compensation expense, (6) unrealized mark-to-market adjustments and cash transactions related to derivative instruments, (7) unrealized foreign currency exchange gains and losses, and (8) certain other items, such as transaction-related items, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets.

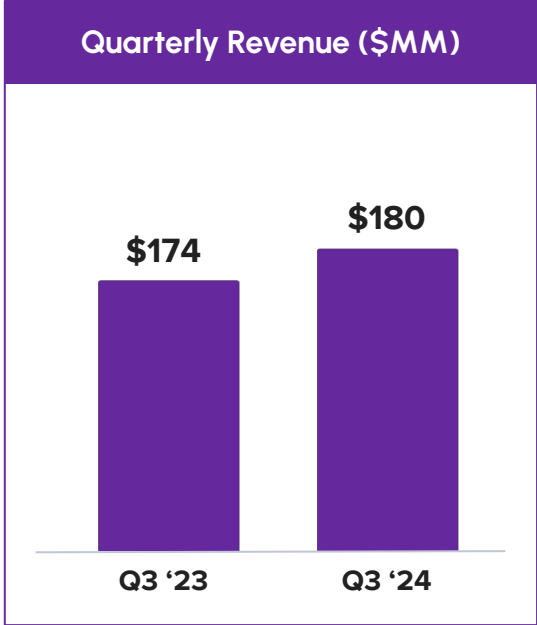
Transaction-related items result from actual or potential transactions such as business combinations, mergers, acquisitions, dispositions, spin-offs, financing transactions, and other strategic transactions, including, without limitation, (1) transaction-related bonuses and (2) expenses for advisors and representatives such as investment bankers, consultants, attorneys and accounting firms. Transaction-related items may also include, without limitation, transition and integration costs such as retention bonuses and acquisition-related milestone payments to acquired employees, consulting, compensation and other incremental costs associated with integration projects, fair value changes to contingent considerations and amortization of deferred revenue related to the AccuTrade acquisition.

We define Adjusted Net Income as GAAP net income (loss) excluding, net of their related tax effects: (1) amortization of intangible assets, (2) stock-based compensation expense, (3) unrealized mark-to-market adjustments and cash transactions related to derivative instruments, (4) unrealized foreign currency exchange gains and losses, and (5) certain other items, such as transaction-related costs, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets.

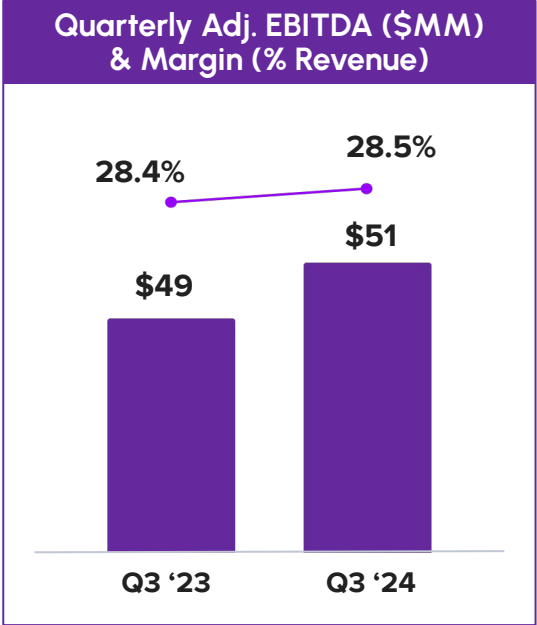
We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internally developed technology.

We define Adjusted Operating Expenses as total operating expenses adjusted to exclude stock-based compensation, write-off and impairments of goodwill, intangible assets, long-lived assets, severance, transformation and other exit costs and transaction-related items.

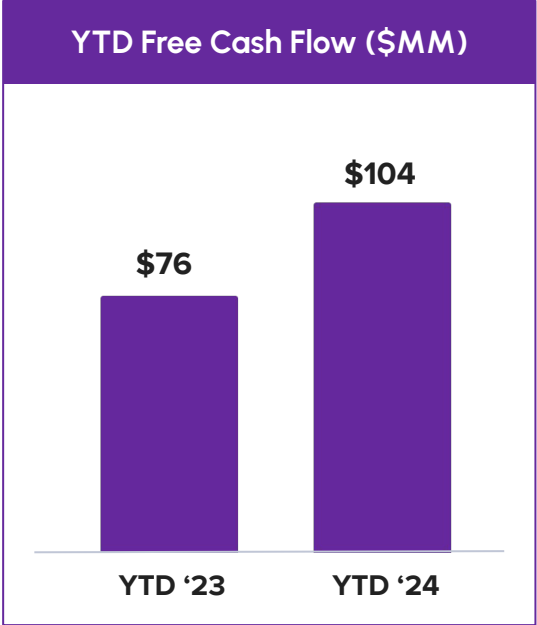
Delivered year-over-year growth and margin expansion



+3% YoY Growth



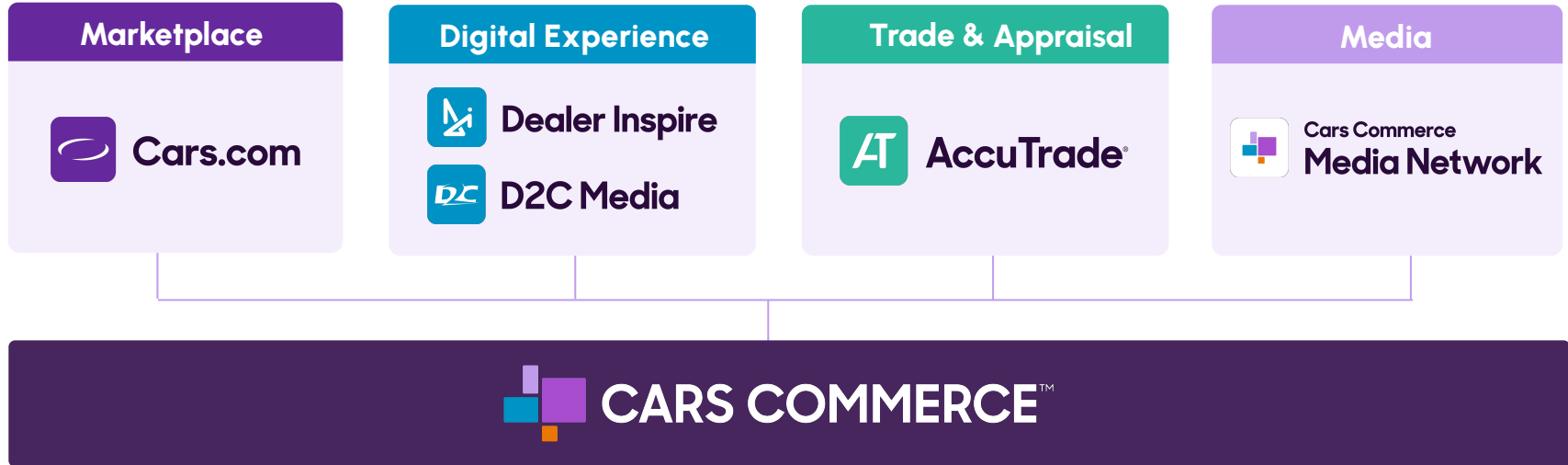
28.5% Adj. EBITDA Margin



~13% FCF Yield

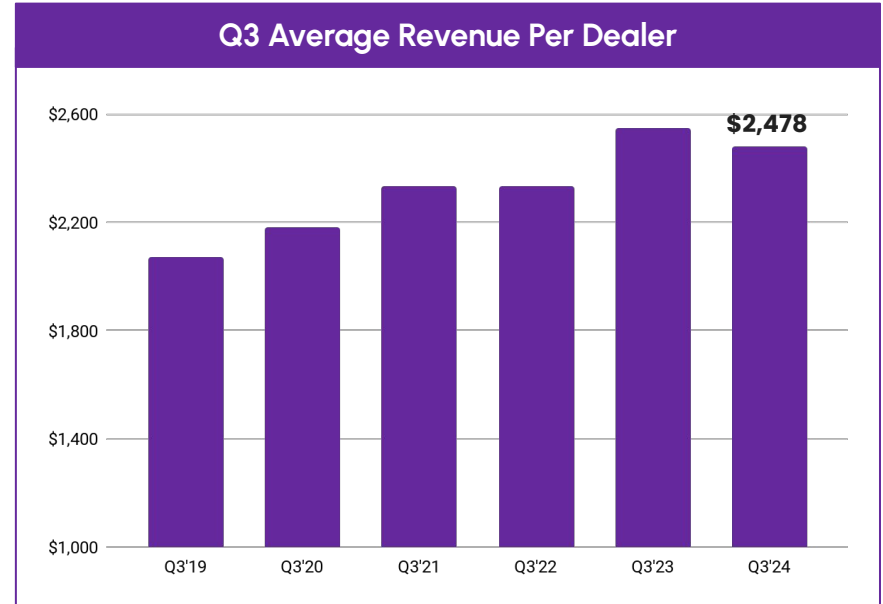
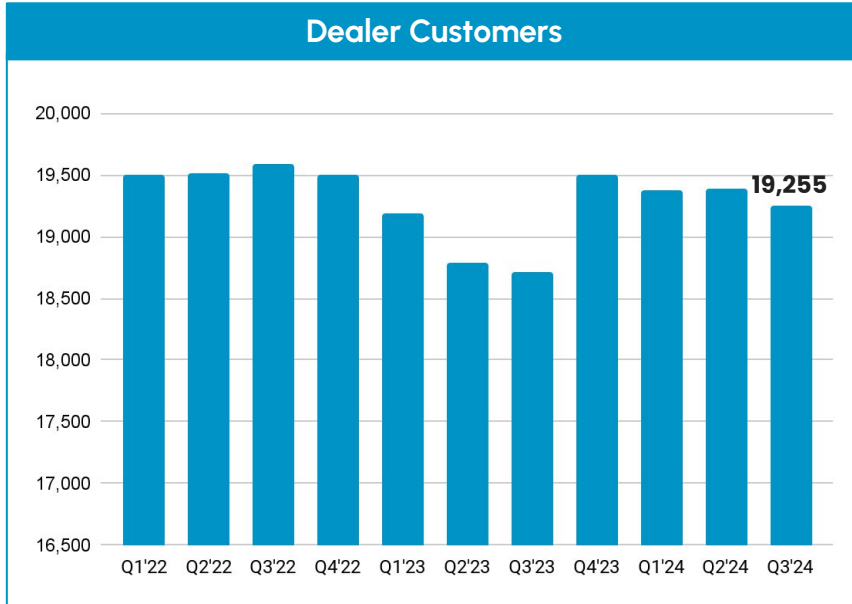
(as of September 30, 2024)

Driving adoption of the Cars Commerce platform



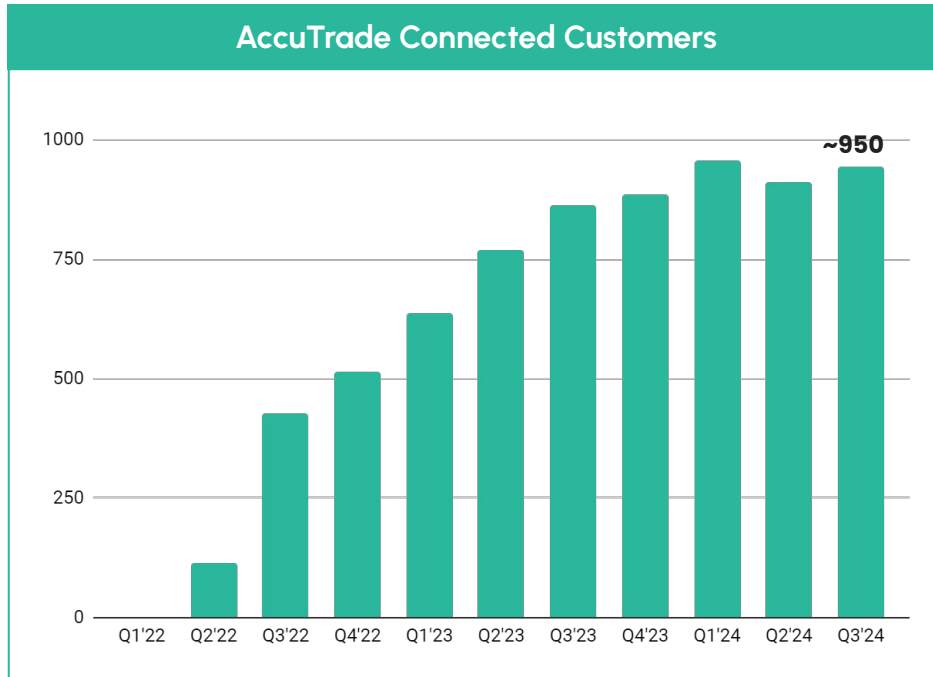
Pursuing additional cross-selling opportunities in Q4

Maintained strong average revenue per dealer



Note: The decline of the digital dealer industry negatively impacted our Dealer Customer count by over 650 cancellations (which started in Q2'22). There are effectively no digital dealers in our Dealer Customer count. Includes D2C customers as of Q4'23.

AccuTrade grows to 950 subscribers in Q3



- AccuTrade powered 671,000 appraisals, up 5% QoQ
- ~40% YoY increase in average number of vehicles acquired per dealer per month that are appraised through AccuTrade
- Simplified consumer website experience yielded sustained improvement in monthly lead volume
- Customer engagement continues to improve following changes to onboarding, account support and product education

AccuTrade service drive adoption creates more profitable sales



+87%

more profit per
sale initiated in
“the service lane”

20% of service drive
appraisals acquired

Ed Martin Toyota
committed to an
AccuTrade appraisal
process directly within
its service lane and
**acquired 26 additional
vehicles within 60 days**



“AccuTrade has helped tremendously in our service drive with the **transparency** that customers have always wanted from dealers. The ability to do appraisals from the app in front of the customer in the service drive and getting real data upfront has **helped the consumer confidence** in our dealership. This has helped us **acquire inventory for the right money** and also get customers into a new/newer vehicle!”

Brandon Selig
Sales Manager, Ed Martin Toyota

AccuTrade's OEM endorsements are driving growth



- Nearly 50% of new AccuTrade customers in Q3 were affiliated with Ford, Stellantis, and Jaguar Land Rover (JLR), who have endorsed AccuTrade as an on-program solution
- Continued onboarding of JLR dealers to AccuTrade website application program, which began end of Q3

AccuTrade Universal Condition Report

Appraisal ID: 1551179
Created: 1/20/24
Updated: 1/20/24 11:23AM CST

Dealership
High Grove CDJRF
1864 High Grove Ln, Naperville, IL 60540

2019 Jeep Grand Cherokee Limited Instant Offer **\$18,600**

Limited 4 Door SUV 3.6L V6
SFFVW15SEK3037 | 60,569 Miles

Odometer +\$25	Body Damage -\$575	Glass -\$150
Base Odometer 100,000		Rear Window \$0
-9K,328 Miles -\$25		Windshield \$0
		Front Glass - Right Chipped -\$100
		Front Glass - Left \$0
		Rear Glass - Right \$0
		Rear Glass - Left \$0
		<input checked="" type="checkbox"/> Diagnostic Scan Complete (7 Issues Found)
Options +\$3450		Condition Disclosures +\$225
3.6L V6 ECOBOOST -\$600		Original Owner -\$125
4 WHEEL DRIVE -\$1500		Smoked / Odor \$0
AFTERMARKET LIFT KIT -\$450		Always Previously Deployed \$0
		Hail Damage \$0
		Lens/Lens \$0
		Water Damage \$0
Color -\$100		OBD-II Error Codes
Interior - Black \$0		Engine
Exterior - Red -\$100		
Owner +\$225		Tire / Wheel -\$350
Original Owner -\$225		Front Left -\$75
Keys \$0		Front Right Curb Rash \$200
2 Keys \$0		Back Left -\$75
Service Status +\$150		Back Right \$0
Service Records -\$150		
Protection Package \$0		Engine P0305 Fault Cylinder 5-Misfire Detected (CTC #1)
Extended Warranty \$0		

Your Instant Offer
\$18,600

2019 Jeep Grand Cherokee Limited

Your Offer Breakdown

2019 Jeep Grand Cherokee Limited \$15,300

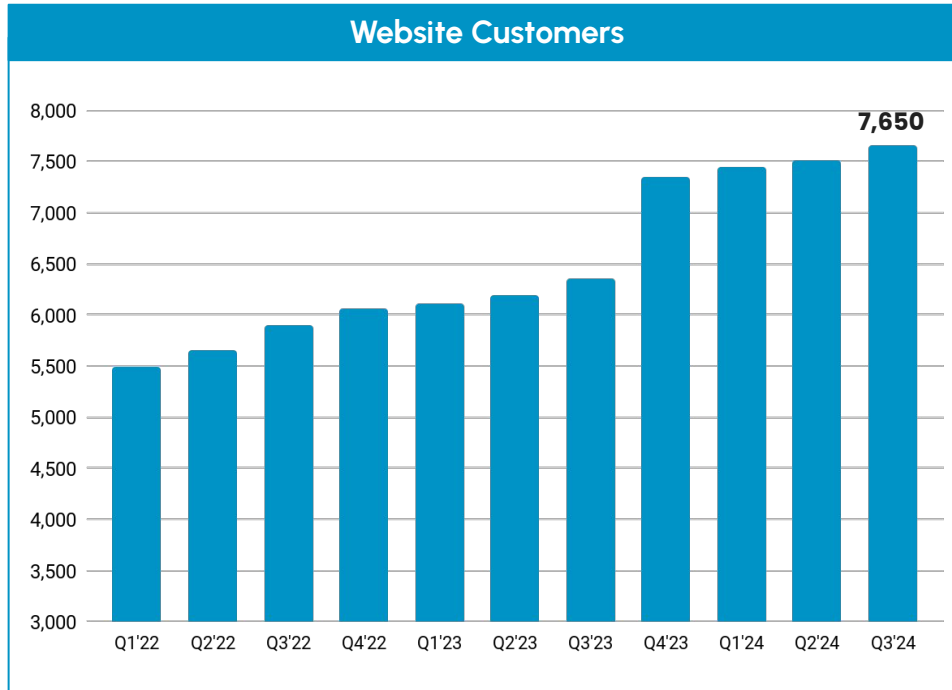
Options +\$3,000

Your Offer **\$18,600**

High Grove CDJRF
1864 High Grove Ln,
Naperville, IL 60540

Schedule an Appointment

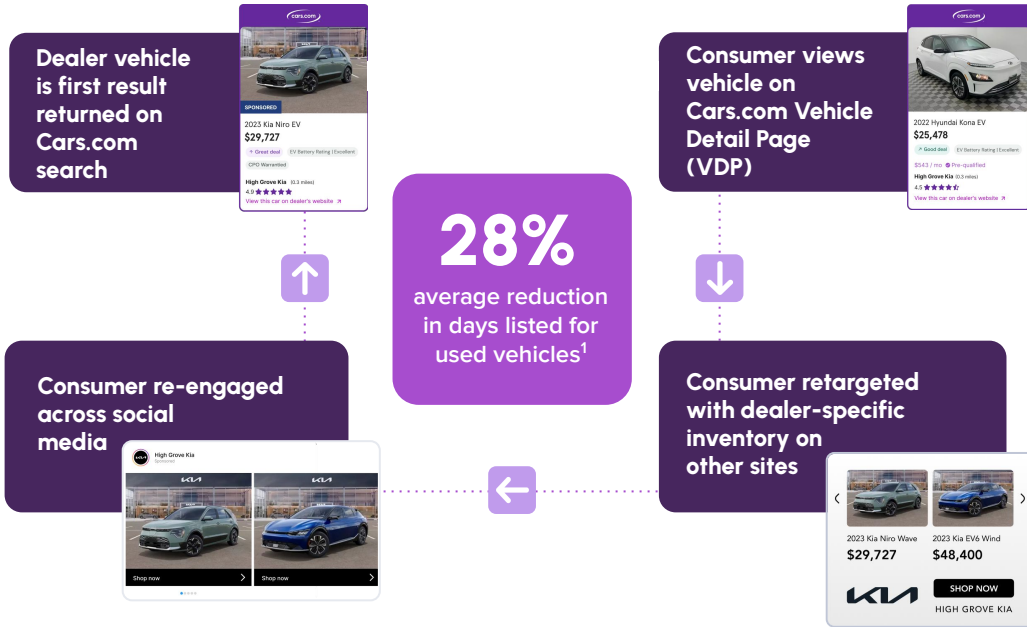
Digital experience solutions added ~150 customers QoQ



- Powered 7,650 websites at the end of Q3 2024, up 21% YOY
- Became the #1 dealer website provider in Canada in Q3 2024
- Double digit increase in site response speed to enhance consumer experience
- New AI translation for over 100 languages, engineered to handle dynamic automotive content like vehicle descriptions, specs, and features

**Website customer data includes D2C Media, effective Q4'23*

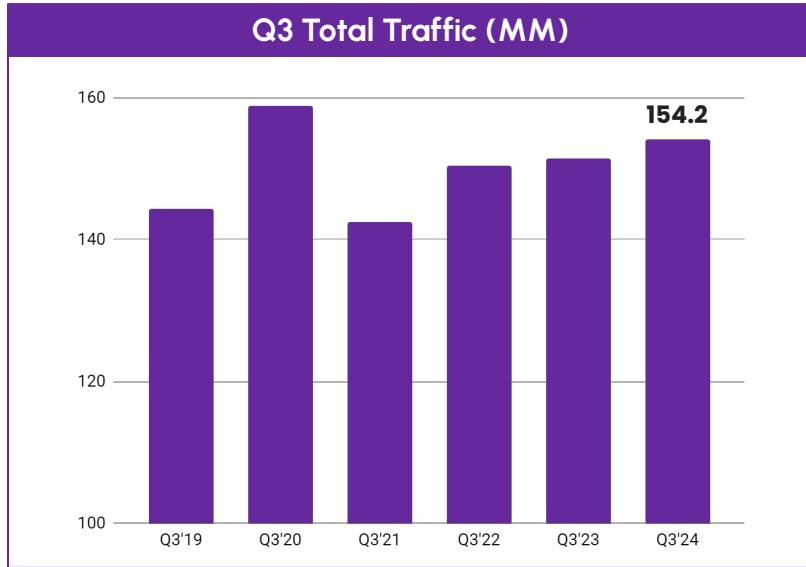
VPM growing and driving value for dealers



- VPM has nearly quadrupled subscriber base since Q1
- Customers using VPM have seen up to a double digit improvement in inventory turn rates

Illustrative example of VIN Performance Media
¹Cars Commerce internal data, Q1-Q3 2024

Robust marketplace audience engagement



- More than 24 million average monthly visitors in Q3
- Q3 repeat visitation +4% and leads per visit +7% quarter-over-quarter
- 62% organic traffic in Q3

70%

higher lead conversion rate for traffic from Cars.com vs Google¹

73%

are undecided on make and model²

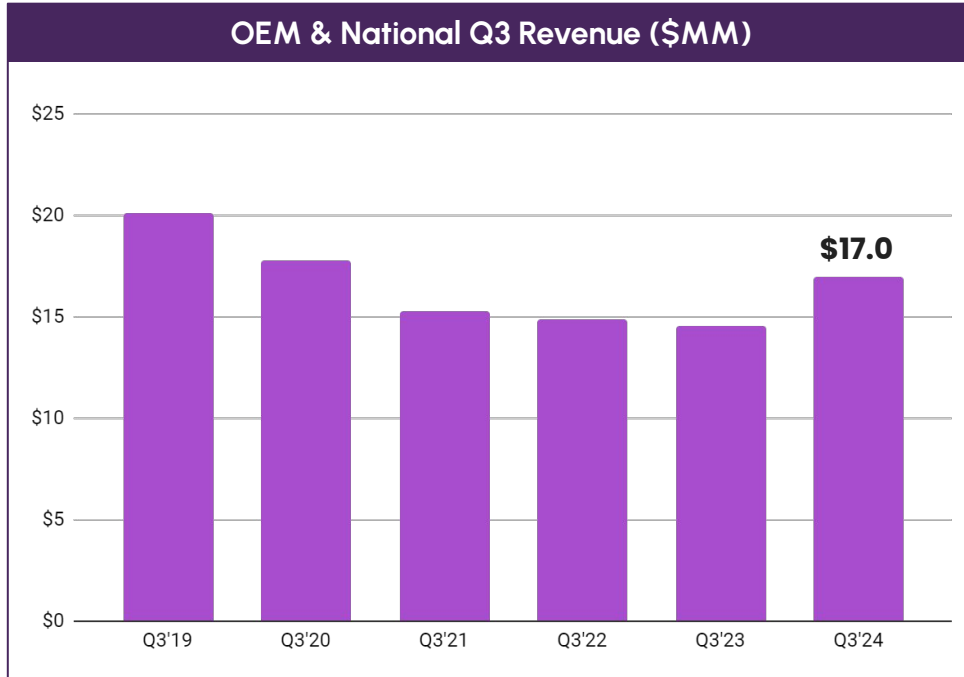
84%

intend to buy within 6 months²

**These metrics do not include traffic to Dealer Inspire or D2C Media websites. UVs and Traffic were measured via Adobe Analytics prior to December 31, 2023, and measured via RudderStack of January 1, 2024. Prior period UVs and Traffic information has not been recast.*

1. Dealer Inspire website GA4 data from Q2 2024 for 1,900 customers with Cars.com marketplace subscription
2. Cars.com Consumer Survey Metrics Q3 2024

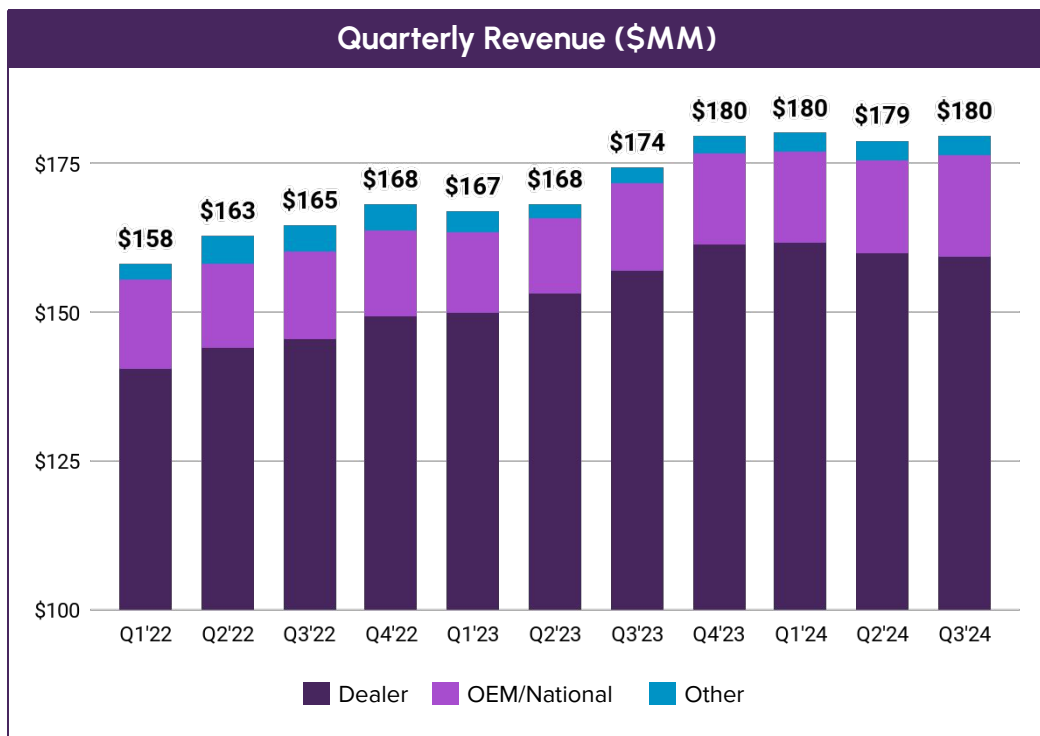
OEM and National revenue +17% YoY



- Highest quarterly OEM and National revenue since Q1 2021
- Increased vehicle inventory levels driving OEM demand for our solutions
- Over half of OEM customers increased marketing and advertising investments in Cars Commerce products and solutions during Q3
- New model launches expected to accelerate in 2025¹

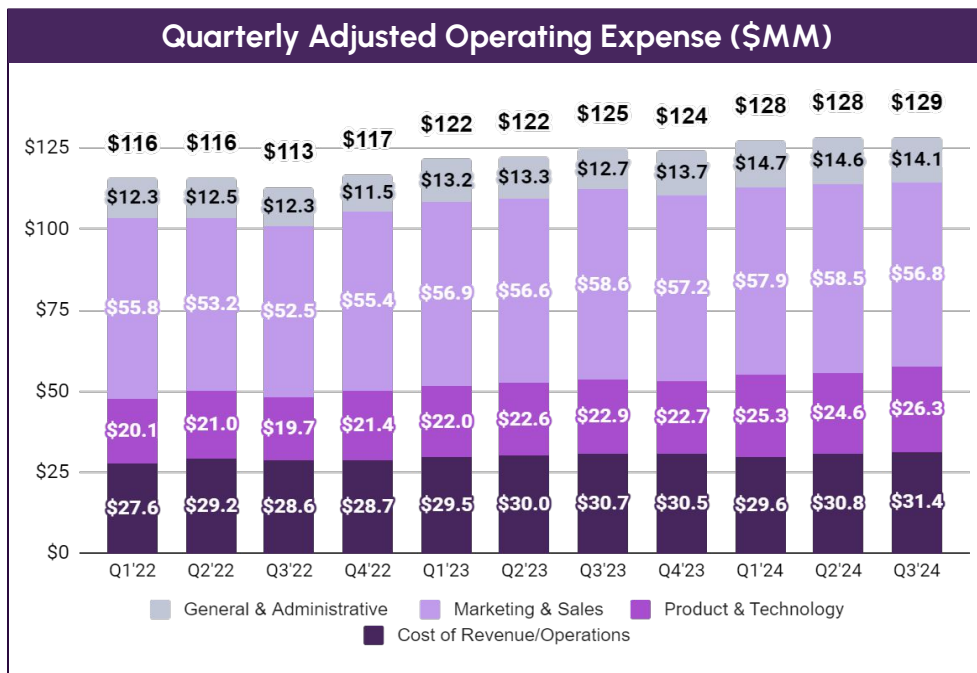
¹Cars Commerce internal data, Q3 2024

Revenue growth of +3% year-over-year



- Achieved record third quarter revenue
- Dealer revenue +2% YoY, driven by growing product adoption
- OEM & National revenue +17% YoY, driven by additional investment to raise consumer awareness amid rising inventory levels

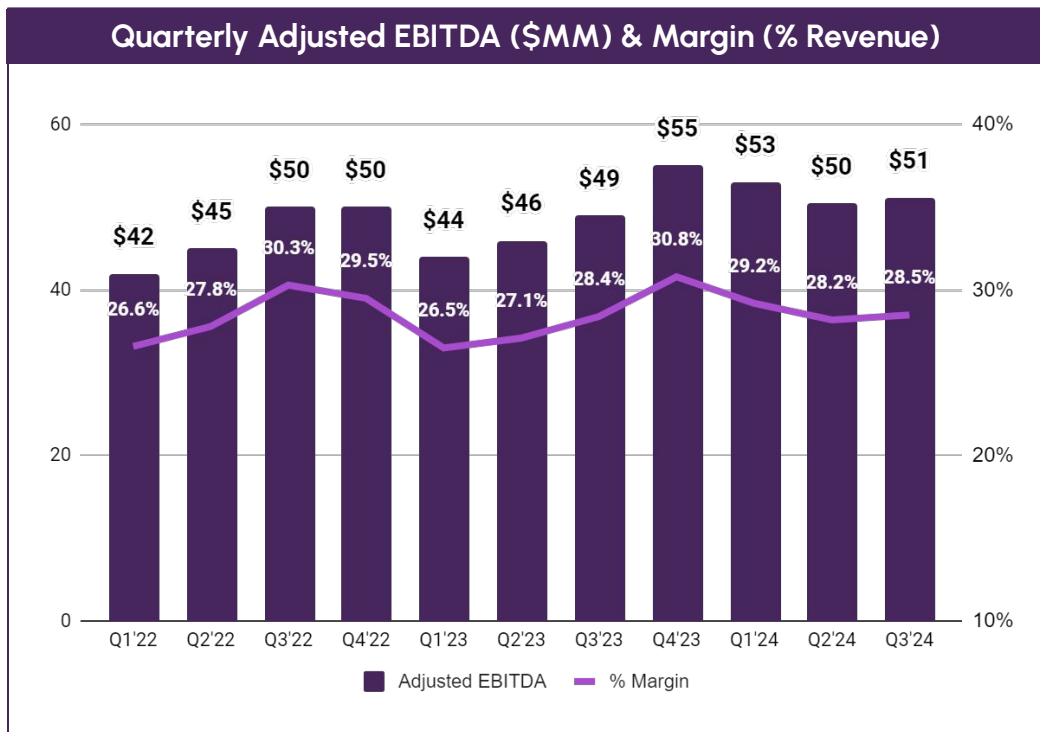
Disciplined investment in growth



- Adjusted operating expenses +4% YoY
- Driven by product and technology investments, primarily related to headcount and third-party licenses

Note: We define Adjusted Operating Expenses as total operating expenses adjusted to exclude stock-based compensation, write-off and impairments of goodwill, intangible assets, long-lived assets, severance, transformation and other exit costs and transaction-related items. Adjusted Operating Expenses in this graph exclude depreciation and amortization.

Continued Adjusted EBITDA improvement



- Adjusted EBITDA margin of 28.5%, up ~10 bps YoY
- Adjusted EBITDA grew ~\$2MM, +3%YoY

Key Operating Metrics

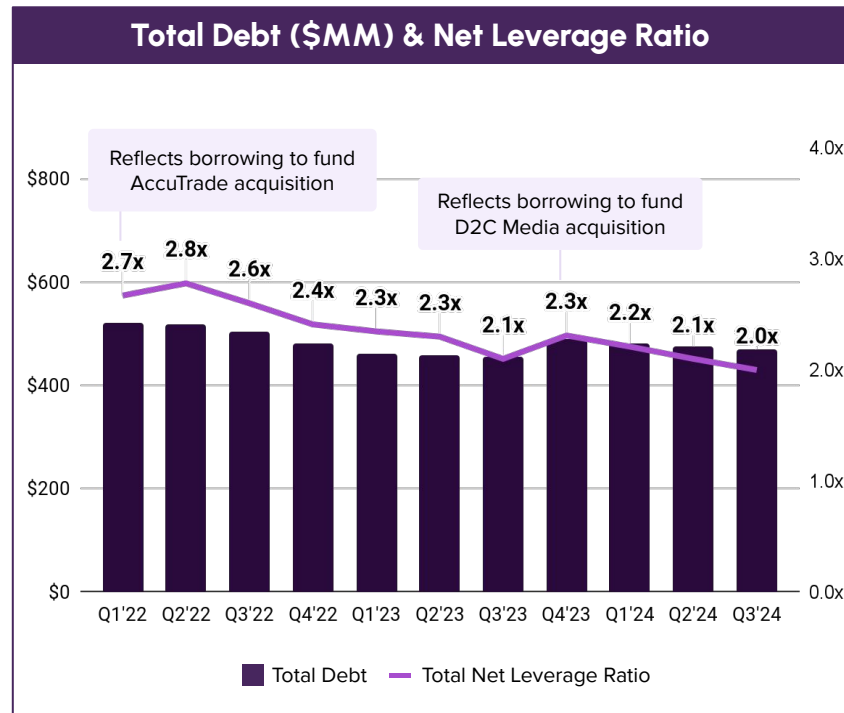
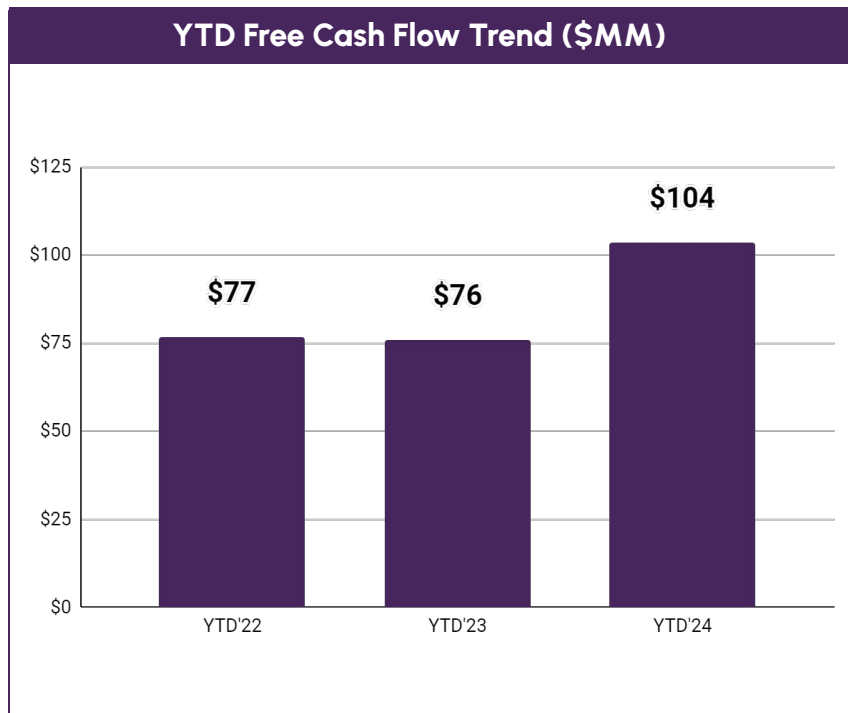
	Q3 2024	Q3 2023
AVERAGE MONTHLY UNIQUE VISITORS¹	24.5 MM	26.0 MM
TRAFFIC (VISITS)¹	154.2 MM	151.4 MM
MONTHLY ARPD²	\$2,478	\$2,548
DEALER CUSTOMERS³	19,255	18,715

¹UVs and Traffic were measured via Adobe Analytics prior to December 31, 2023, and measured via RudderStack of January 1, 2024. Prior period UVs and Traffic information has not been recast. These metrics do not include traffic to Dealer Inspire or D2C Media websites.

²ARPD excludes revenue from Dealer Inspire and D2C Media digital advertising services.

³Q1 2024 Dealer Customers includes the addition of 950 D2C Media only customers as of December 31, 2023.

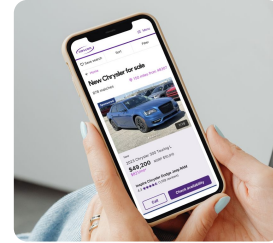
Robust cash flow and solid balance sheet



Outlook

FULL YEAR 2024 OUTLOOK

- Full Year Revenue: 4.5% to 5.5% YoY growth
- Adjusted EBITDA margins: 28% to 30%



Q&A

Appendix

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reconciliation of Net income to Adjusted EBITDA				
Net income	\$ 18,719	\$ 4,491	\$ 30,884	\$ 110,096
Interest expense, net	8,028	7,777	24,458	24,171
Income tax expense (benefit)	5,820	(1,852)	10,873	(93,882)
Depreciation and amortization	27,563	25,670	82,499	74,381
Stock-based compensation, including related payroll tax	8,444	7,611	25,207	22,283
Transaction-related and other one-time items	(16,971)	5,797	(20,655)	2,431
Non-operating foreign exchange (gain) loss	(472)	—	963	—
Adjusted EBITDA	\$ 51,131	\$ 49,494	\$ 154,229	\$ 139,480

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reconciliation of Net income to Adjusted Net income				
Net income	\$ 18,719	\$ 4,491	\$ 30,884	\$ 110,096
Stock-based compensation, including related payroll tax expense	8,444	7,611	25,207	22,283
Amortization of intangible assets	20,979	19,697	63,193	58,014
Transaction-related items	(17,941)	5,019	(24,466)	(555)
Non-operating foreign exchange (gain) loss	(472)	—	963	—
Other one-time items	970	778	3,811	2,986
Valuation allowance	—	(1,976)	—	(96,113)
Income tax impact of adjustments	(2,995)	(8,276)	(17,177)	(20,682)
Adjusted net income	\$ 27,704	\$ 27,344	\$ 82,415	\$ 76,029
Adjusted net income per share, diluted	\$ 0.41	\$ 0.40	\$ 1.22	\$ 1.11
Weighted-average common shares outstanding, diluted	67,666	68,508	67,590	68,199

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reconciliation of Net cash provided by operating activities to Free cash flow				
Net cash provided by operating activities	\$ 53,795	\$ 35,398	\$ 122,517	\$ 91,580
Capitalization of internally developed technology	(5,594)	(4,777)	(16,770)	(14,838)
Purchase of property and equipment	(947)	(229)	(2,046)	(737)
Free cash flow	\$ 47,254	\$ 30,392	\$ 103,701	\$ 76,005

Non-GAAP Reconciliations

(unaudited and in thousands)

Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended September 30, 2024:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 31,610	\$ —	\$ (215)	\$ 31,395
Product and technology	29,223	—	(2,956)	26,267
Marketing and sales	58,288	(44)	(1,469)	56,775
General and administrative	21,511	(3,624)	(3,804)	14,083
Depreciation and amortization	27,563	—	—	27,563
Total operating expenses	\$ 168,195	\$ (3,668)	\$ (8,444)	\$ 156,083
Total nonoperating income (expense), net	\$ 13,083	\$ (21,111)	\$ —	\$ (8,028)

⁽¹⁾ Includes transaction related items, unrealized gain/loss on foreign currency denominated transactions, severance, transformation and other exit costs, and write-off of long-lived assets and other.

Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended September 30, 2023:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 31,077	\$ —	\$ (425)	\$ 30,652
Product and technology	25,297	—	(2,413)	22,884
Marketing and sales	60,186	—	(1,548)	58,638
General and administrative	17,785	(1,895)	(3,225)	12,665
Depreciation and amortization	25,670	—	—	25,670
Total operating expenses	\$ 160,015	\$ (1,895)	\$ (7,611)	\$ 150,509
Total nonoperating expense, net	\$ (11,679)	\$ 3,902	\$ —	\$ (7,777)

⁽¹⁾ Includes transaction related items, severance, transformation and other exit costs, and write-off of long-lived assets and other.

Non-GAAP Reconciliations

(unaudited and in thousands)

Reconciliation of Operating expenses to Adjusted operating expenses for the Nine Months Ended September 30, 2024:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 92,602	\$ —	\$ (773)	\$ 91,829
Product and technology	84,891	—	(8,746)	76,145
Marketing and sales	177,664	(132)	(4,362)	173,170
General and administrative	67,348	(12,675)	(11,326)	43,347
Depreciation and amortization	82,499	—	—	82,499
Total operating expenses	\$ 505,004	\$ (12,807)	\$ (25,207)	\$ 466,990
Total nonoperating income (expense), net	\$ 8,040	\$ (32,499)	\$ —	\$ (24,459)

⁽¹⁾ Includes transaction related items, unrealized gain/loss on foreign currency denominated transactions, severance, transformation and other exit costs, and write-off of long-lived assets and other.

Reconciliation of Operating expenses to Adjusted operating expenses for the Nine Months Ended September 30, 2023:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 91,287	\$ —	\$ (1,175)	\$ 90,112
Product and technology	74,354	—	(6,842)	67,512
Marketing and sales	176,636	—	(4,512)	172,124
General and administrative	53,738	(4,794)	(9,754)	39,190
Depreciation and amortization	74,381	—	—	74,381
Total operating expenses	\$ 470,396	\$ (4,794)	\$ (22,283)	\$ 443,319
Total nonoperating expense, net	\$ (22,967)	\$ (1,280)	\$ —	\$ (24,247)

⁽¹⁾ Includes transaction related items, severance, transformation and other exit costs, and write-off of long-lived assets and other.