

Second Quarter 2024 Earnings

August 8, 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.

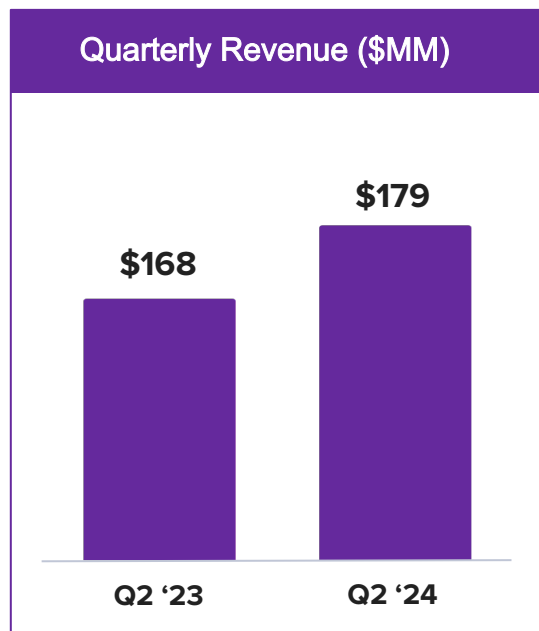
Transaction-related items result from actual or potential transactions such as business combinations, mergers, acquisitions, dispositions, spin-offs, financing transactions, and other strategic transactions, including, without limitation, (1) transaction-related bonuses and (2) expenses for advisors 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.

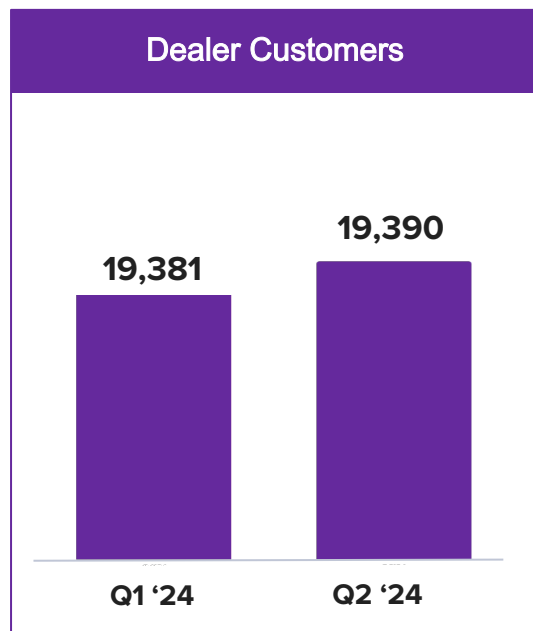
We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internally developed technology.

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.

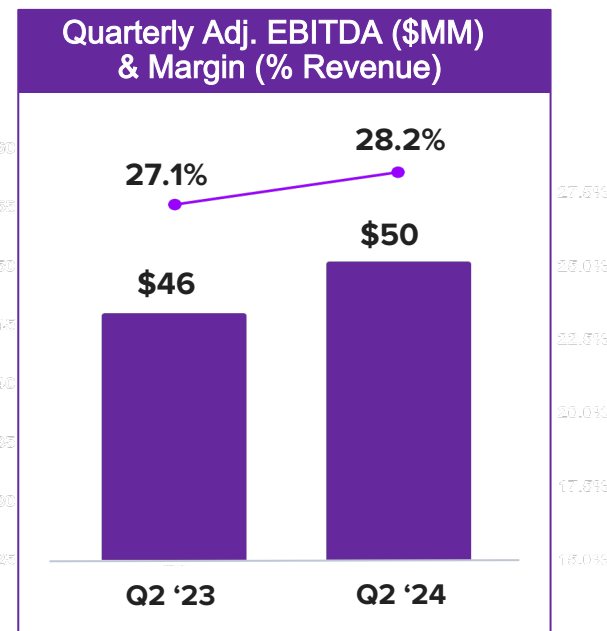
Delivered Year-Over-Year Growth and Margin Expansion



+6% YoY Growth

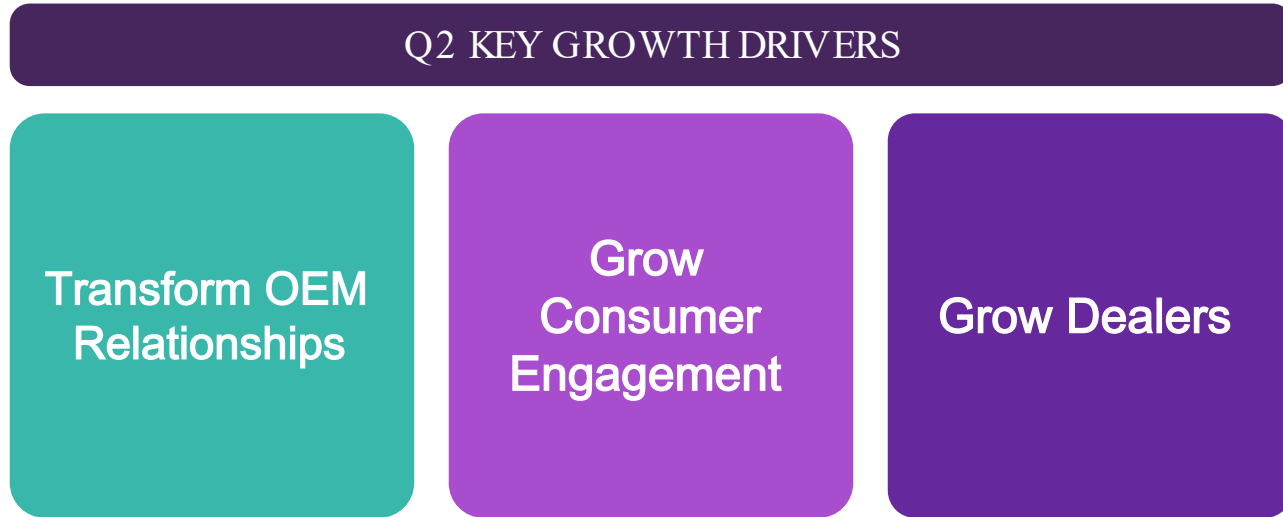


Positive QoQ Growth



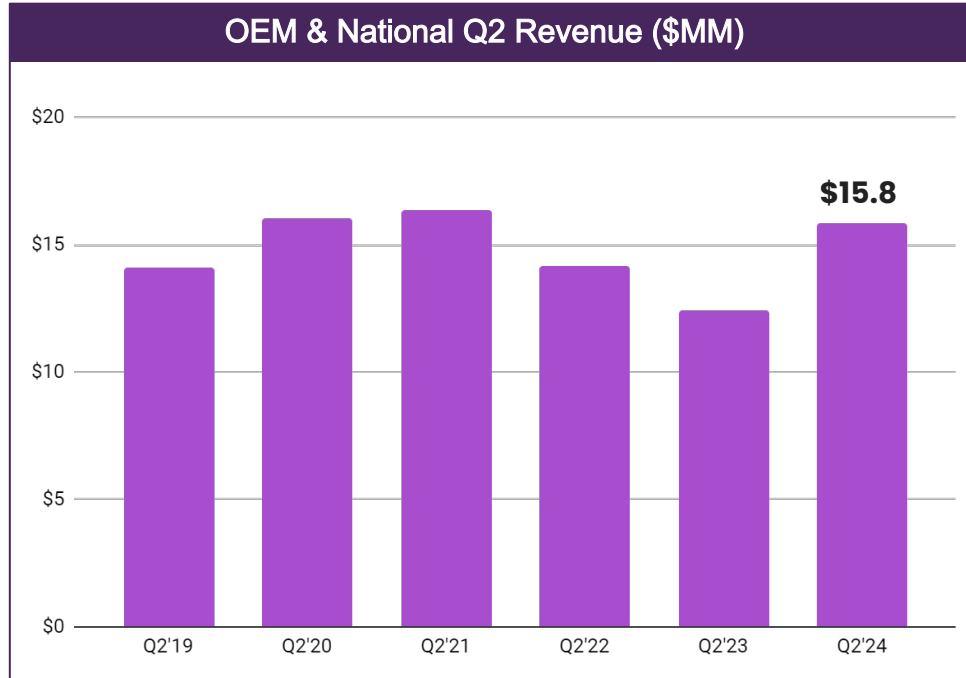
28% Adj. EBITDA Margin

Delivered Fifteenth Consecutive Quarter of YoY Revenue Growth



Continuing to execute on our platform strategy

OEM and National revenue +28% YoY

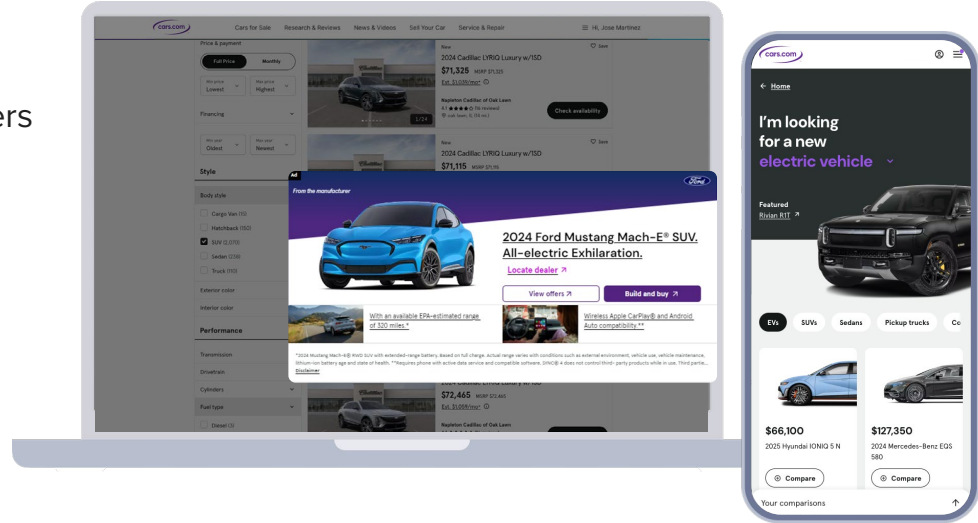


- Higher vehicle inventory levels driving OEM demand for our solutions
- New car inventory up 13% YoY in 1H'24¹ and new model launches expected to stay strong into 2H'24

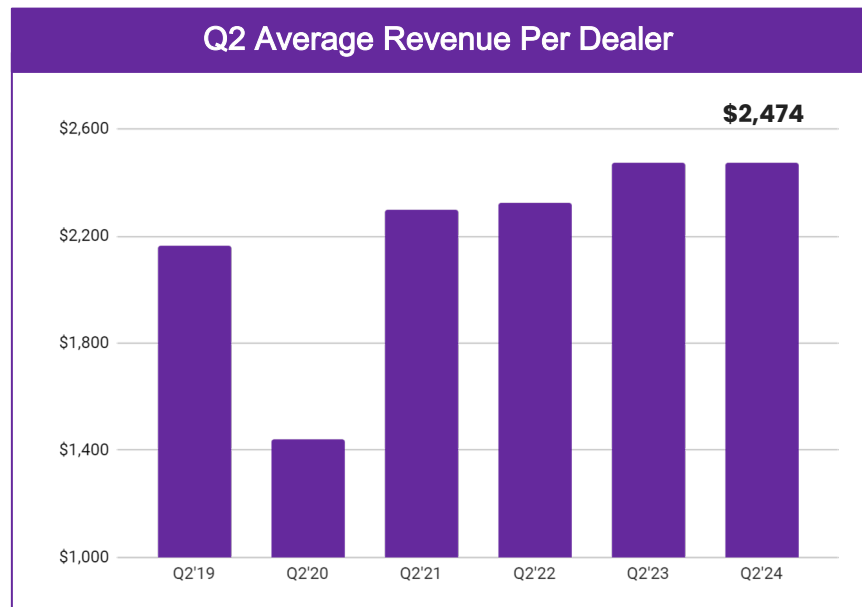
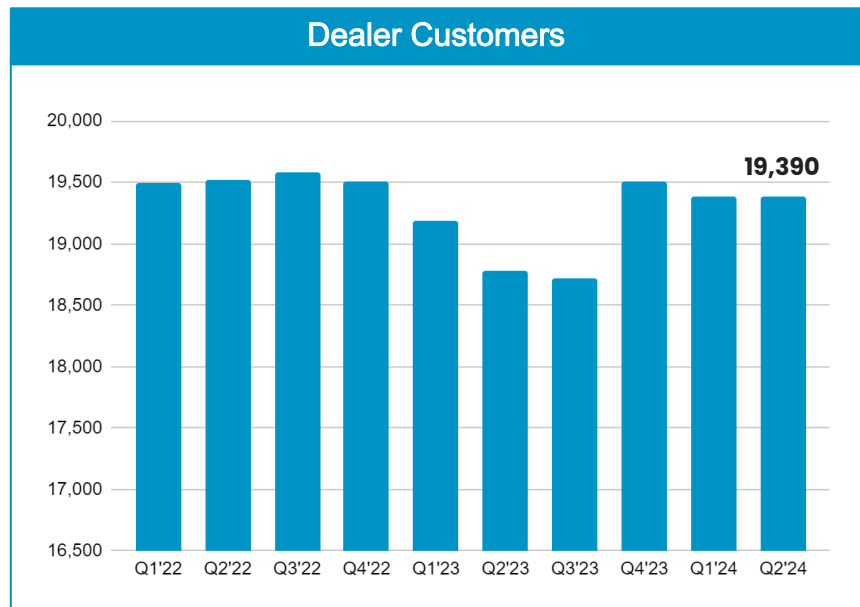
¹Cars Commerce Industry Insights Report, July 2024

Increased OEM interest in media products

- Approximately two-thirds of OEM customers increased marketing and advertising investments in Cars Commerce products and solutions during Q2
- Won two new OEM partners during Q2

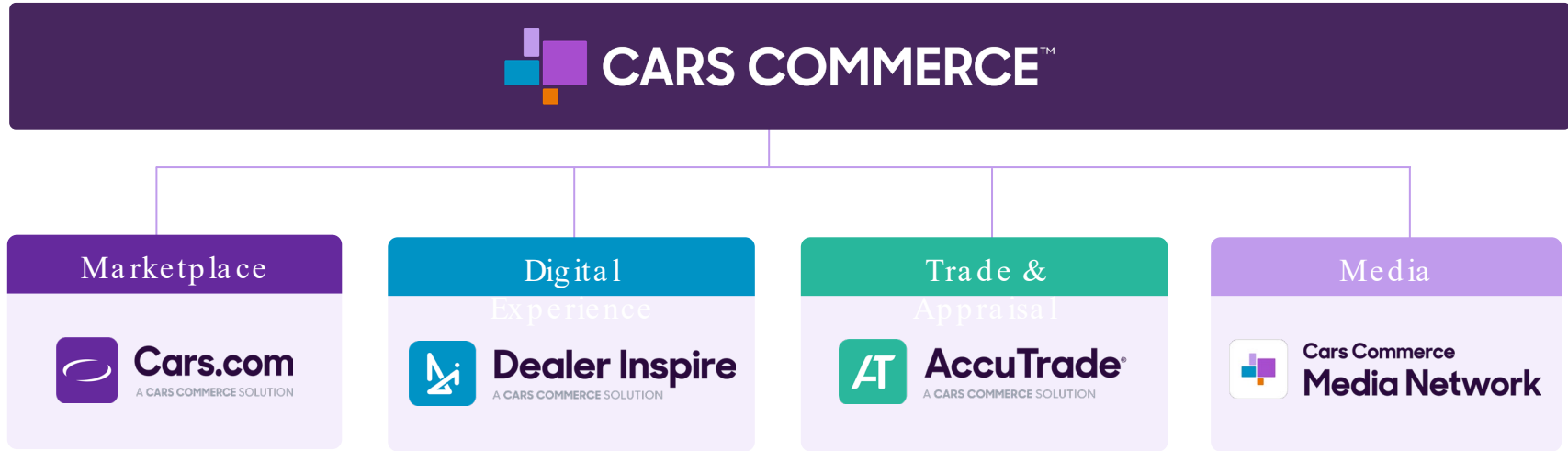


Expanded dealer count while maintaining ARPD



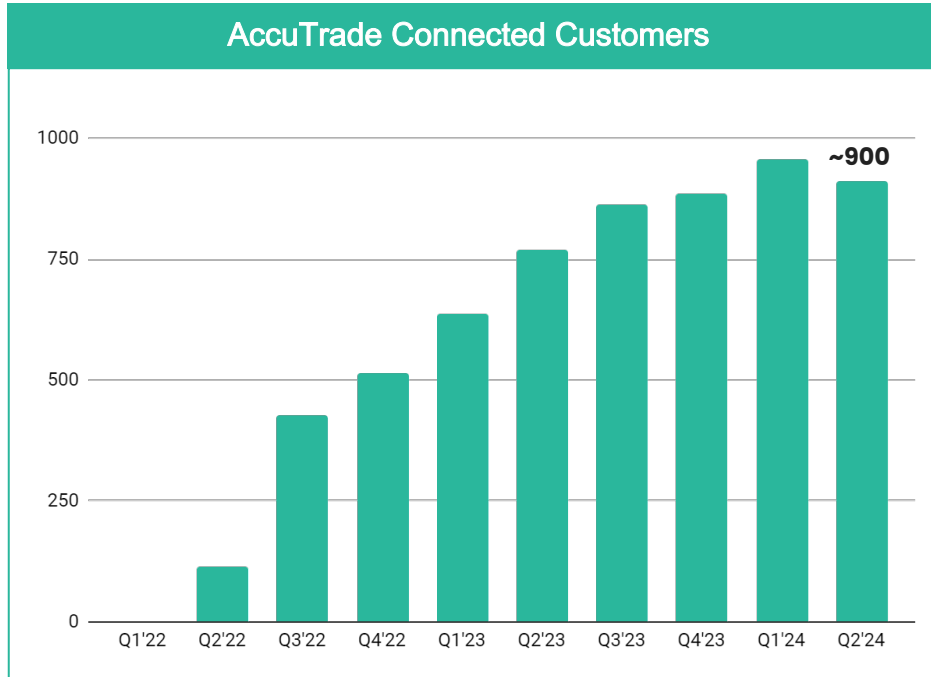
Note: The decline of the digital dealer industry negatively impacted our Dealer Customer count by over 650 cancellations (which started in Q2'22). There are effectively no digital dealers in our Dealer Customer count. Includes D2C customers as of Q4'23.

Driving adoption of the Cars Commerce platform



Pursuing additional cross-selling opportunities in 2H'24

AccuTrade powers 639,000 appraisals in Q2



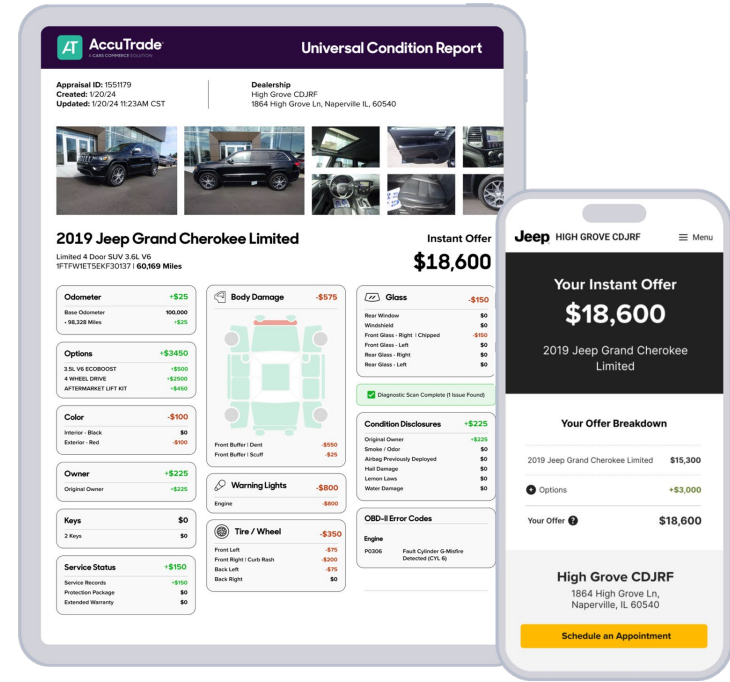
- AccuTrade appraisals are 34% more accurate than competitor solutions¹
- Total appraisals up 3% QoQ
- Seeing improvement in customer engagement following changes to onboarding, account support and product education

¹Cars Commerce internal research, March 2024

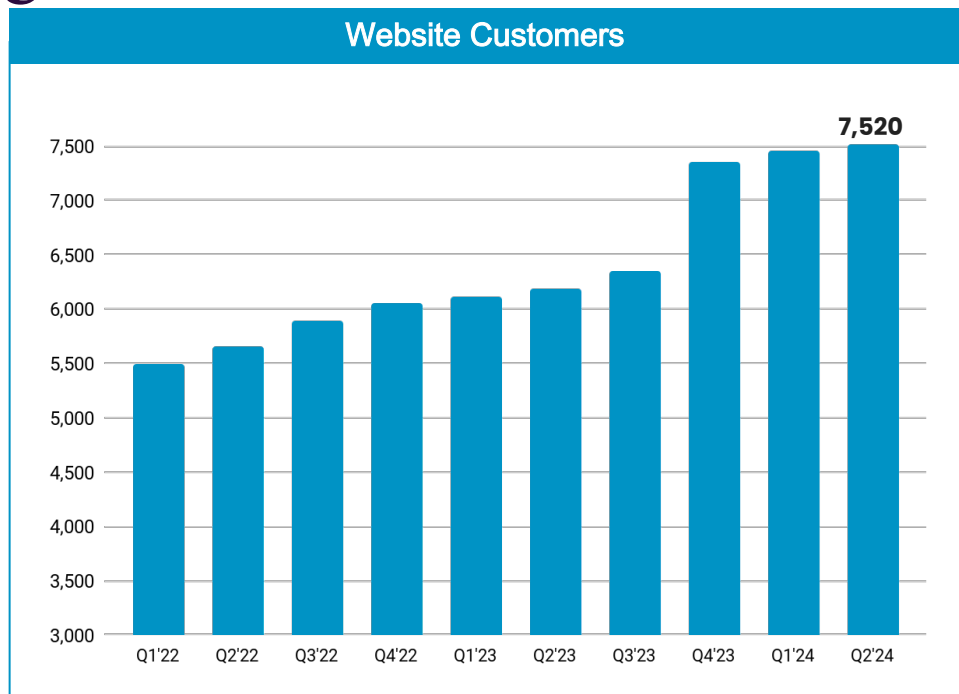
AccuTrade wins multiple OEM endorsements



- AccuTrade has been certified by Stellantis Digital as a trade and appraisal solution for its U.S. based retailers
- JLR has selected AccuTrade as the Trade & Appraisal solution partner for their new digital retail experience for their four brands: Range Rover, Defender, Discovery and Jaguar, scheduled to launch later this year



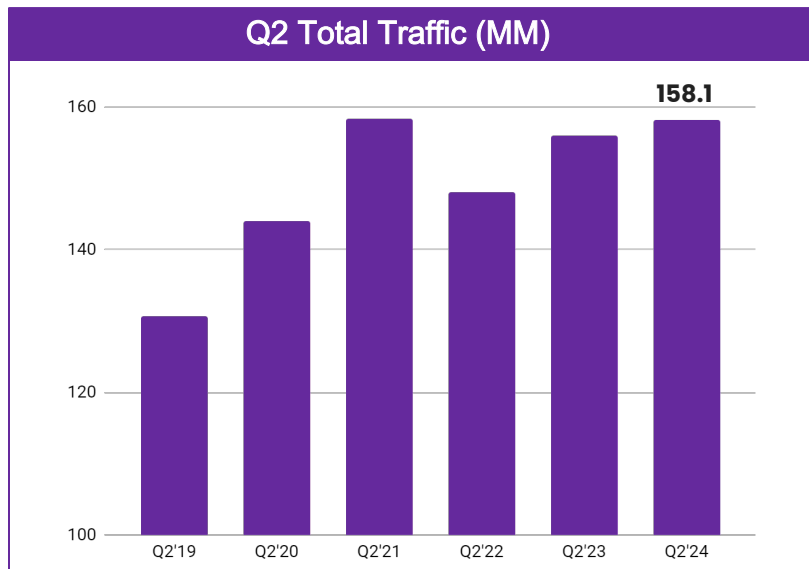
Consistent digital experience solutions growth



- Powered 7,520 websites for DI and D2C at end of Q2, up 21% YOY
- D2C became #1 dealer website provider in Canada

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

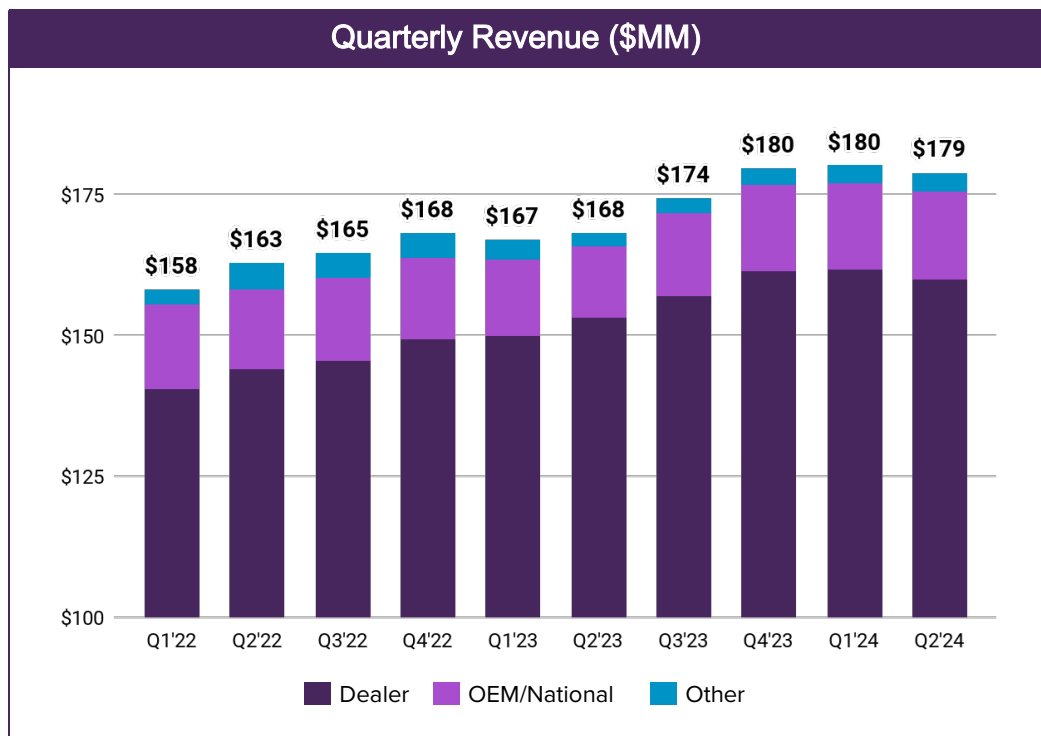
Improved consumer marketplace engagement



- More than 26 million average monthly visitors
- Repeat visitation ~7% higher year-over-year exiting Q2
- Annual American Made Index published in June 2024
- Committed to delivering more innovative content and technology to capture in-market audiences at scale

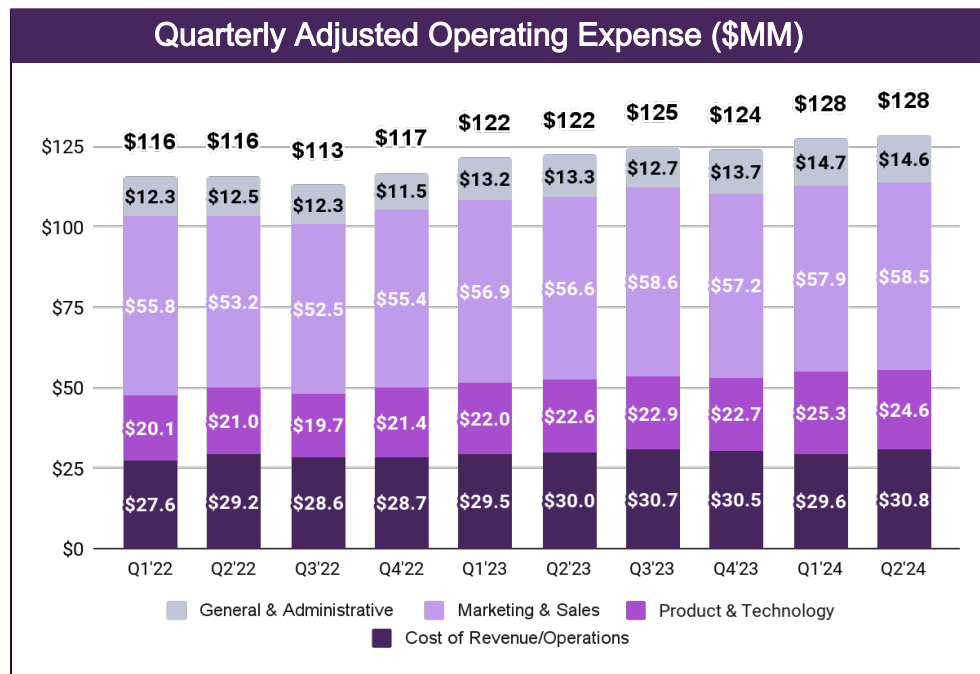
**These metrics do not include traffic to Dealer Inspire or D2C Media websites. UVs and Traffic were measured via Adobe Analytics prior to December 31, 2023, and measured via RudderStack of January 1, 2024. Prior period UVs and Traffic information has not been recast.*

Revenue growth of +6% YoY



- Dealer Revenue +4% YoY, driven by D2C Media contribution and growing product penetration
- OEM & National +28% YoY, driven by additional investment to raise consumer awareness amid rising inventory levels
- Q2 revenue includes a roughly 1% impact from discrete items related to legacy Solutions contracts

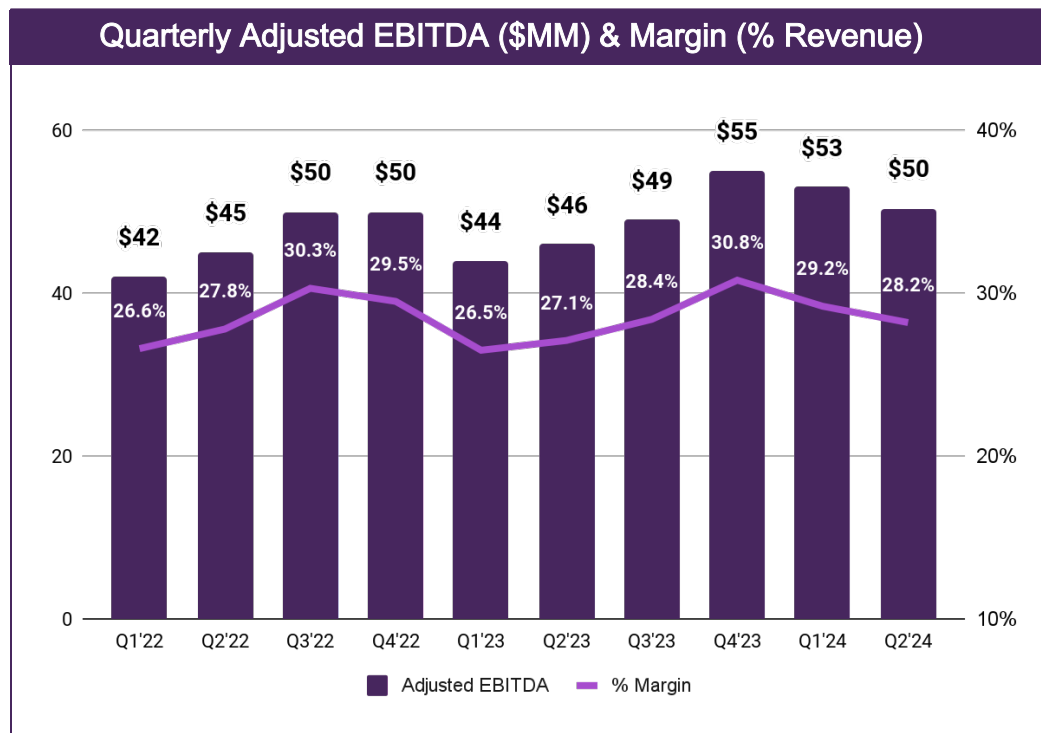
Disciplined investment in growth



- Adjusted operating expenses +6% 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 28.2%, 100+ bps YoY
- Adjusted EBITDA grew \$5MM, +10% YoY

Strength across Key Operating Metrics

	Q2 2024	Q2 2023
AVERAGE MONTHLY UNIQUE VISITORS ¹	26.1 MM	26.9 MM
TRAFFIC (VISITS) ¹	158.1 MM	156.0 MM
MONTHLY ARPD ²	\$2,474	\$2,472
DEALER CUSTOMERS ³	19,390	18,785

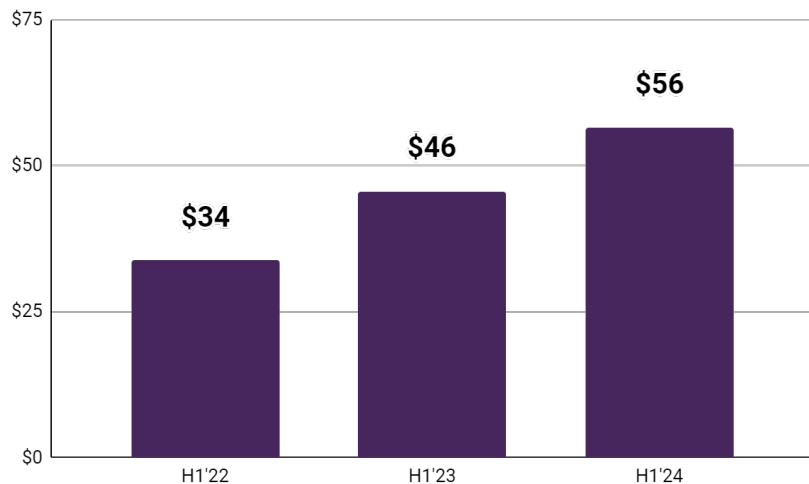
¹UVs and Traffic were measured via Adobe Analytics prior to December 31, 2023, and measured via RudderStack of January 1, 2024. Prior period UVs and Traffic information has not been recast. These metrics do not include traffic to Dealer Inspire or D2C Media websites.

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

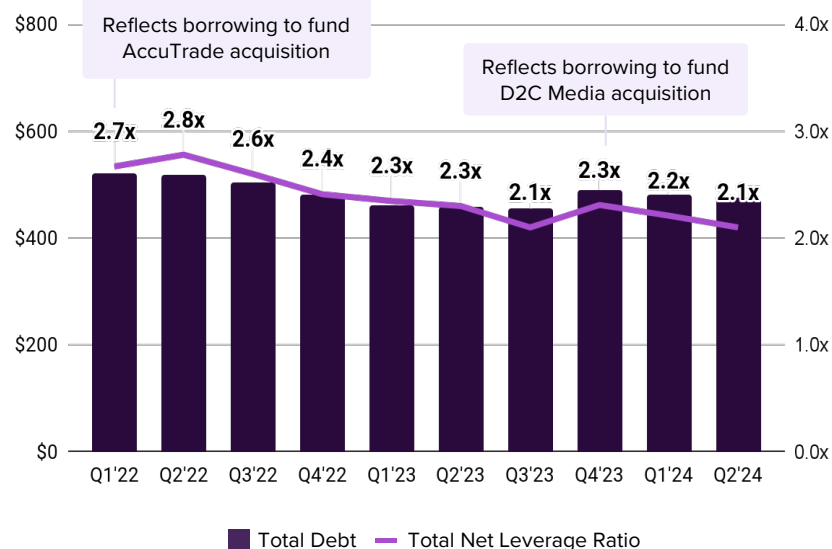
³Q1 2024 Dealer Customers includes the addition of 950 D2C Media only customers as of December 31, 2023.

Robust cash flow and solid balance sheet

YTD Free Cash Flow Trend (\$MM)



Total Debt (\$MM) & Net Leverage Ratio



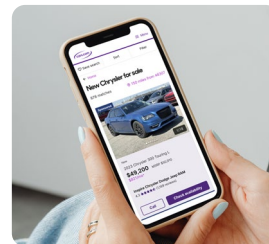
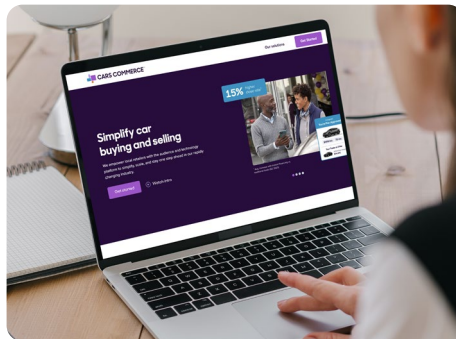
Outlook

Q3 2024 OUTLOOK

- Q3 Revenue: \$178.0 to \$181.0 million
 - Represents 2% to 4% YoY growth
- Q3 Adjusted EBITDA margin: 26.5% to 28.5%

FULL YEAR 2024 OUTLOOK

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



Q&A

Appendix

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of Net income to Adjusted EBITDA				
Net income	\$ 11,381	\$ 94,126	\$ 12,165	\$ 105,605
Interest expense, net	8,109	8,150	16,430	16,394
Income tax expense	5,017	(93,075)	5,053	(92,030)
Depreciation and amortization	27,571	24,669	54,936	48,711
Stock-based compensation, including related payroll tax expense	8,813	7,720	16,763	14,672
Transaction-related and other one-time items	(10,853)	4,059	(3,684)	(3,366)
Non-operating foreign exchange expense	387	—	1,435	—
Adjusted EBITDA	\$ 50,425	\$ 45,649	\$ 103,098	\$ 89,986

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of Net income to Adjusted Net income				
Net income	\$ 11,381	\$ 94,126	\$ 12,165	\$ 105,605
Stock-based compensation, including related payroll tax expense	8,813	7,720	16,763	14,672
Amortization of intangible assets	21,209	19,159	42,214	38,317
Transaction-related items	(12,668)	3,203	(6,525)	(5,574)
Non-operating foreign exchange expense	387	—	1,435	—
Other one-time items	1,815	856	2,841	2,208
Valuation allowance	—	(94,851)	—	(94,137)
Income tax impact of adjustments	(4,889)	(7,735)	(14,182)	(12,406)
Adjusted net income	\$ 26,048	\$ 22,478	\$ 54,711	\$ 48,685
Adjusted net income per share, diluted	\$ 0.38	\$ 0.33	\$ 0.81	\$ 0.71
Weighted-average common shares outstanding, diluted	67,821	68,493	67,514	68,118

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of Net cash provided by operating activities to Free cash flow				
Net cash provided by operating activities	\$ 35,254	\$ 28,041	\$ 68,722	\$ 56,182
Capitalization of internally developed technology	(5,871)	(4,889)	(11,176)	(10,061)
Purchase of property and equipment	(391)	(309)	(1,099)	(508)
Free cash flow	\$ 28,992	\$ 22,843	\$ 56,447	\$ 45,613

Non-GAAP Reconciliations

(unaudited and in thousands)

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

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 31,030	\$ —	\$ (229)	\$ 30,801
Product and technology	27,583	—	(3,009)	24,574
Marketing and sales	60,213	(44)	(1,672)	58,497
General and administrative	22,980	(4,480)	(3,903)	14,597
Depreciation and amortization	27,571	—	—	27,571
Total operating expenses	\$ 169,377	\$ (4,524)	\$ (8,813)	\$ 156,040
Total nonoperating expense, net	\$ 6,881	\$ (14,990)	\$ —	\$ (8,109)

⁽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 June 30, 2023:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 30,415	\$ —	\$ (443)	\$ 29,972
Product and technology	24,956	—	(2,372)	22,584
Marketing and sales	58,153	—	(1,531)	56,622
General and administrative	17,649	(982)	(3,374)	13,293
Depreciation and amortization	24,669	—	—	24,669
Total operating expenses	\$ 155,842	\$ (982)	\$ (7,720)	\$ 147,140
Total nonoperating expense, net	\$ (11,283)	\$ 3,077	\$ —	\$ (8,206)

⁽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 Six Months Ended June 30, 2024:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 60,992	\$ —	\$ (558)	\$ 60,434
Product and technology	55,668	—	(5,790)	49,878
Marketing and sales	119,376	(88)	(2,893)	116,395
General and administrative	45,837	(9,051)	(7,522)	29,264
Depreciation and amortization	54,936	—	—	54,936
Total operating expenses	\$ 336,809	\$ (9,139)	\$ (16,763)	\$ 310,907
Total nonoperating expense, net	\$ (5,043)	\$ (11,388)	\$ —	\$ (16,431)

⁽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 Six Months Ended June 30, 2023:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 60,210	\$ —	\$ (750)	\$ 59,460
Product and technology	49,057	—	(4,429)	44,628
Marketing and sales	116,450	—	(2,964)	113,486
General and administrative	35,953	(2,899)	(6,529)	26,525
Depreciation and amortization	48,711	—	—	48,711
Total operating expenses	\$ 310,381	\$ (2,899)	\$ (14,672)	\$ 292,810
Total nonoperating expense, net	\$ (11,288)	\$ (5,182)	\$ —	\$ (16,470)

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