

First Quarter 2024 Earnings

May 9, 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 and 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.

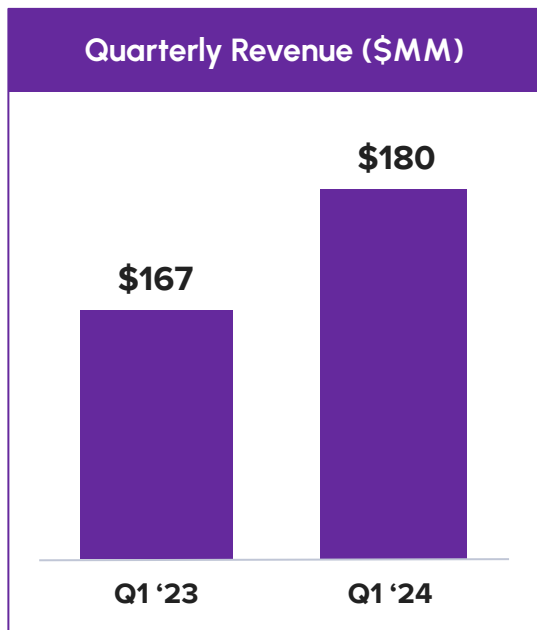
Transaction-related items result from actual or potential transactions such as business combinations, mergers, acquisitions, dispositions, spin-offs, financing transactions, and other strategic transactions, including, without limitation, (1) transaction-related bonuses and (2) expenses for advisors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

The Company defines 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.

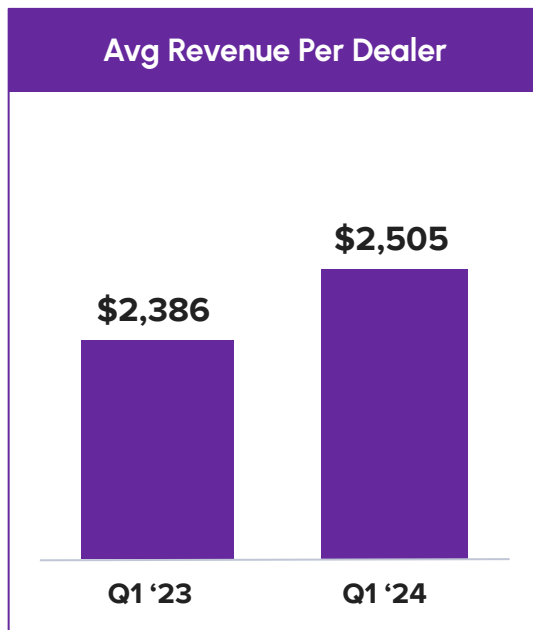
We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internally developed technology.

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.

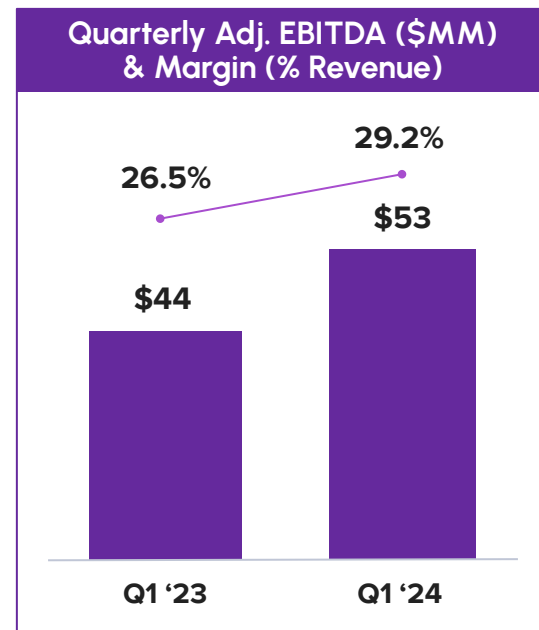
Strong start to 2024



+8% YoY Growth

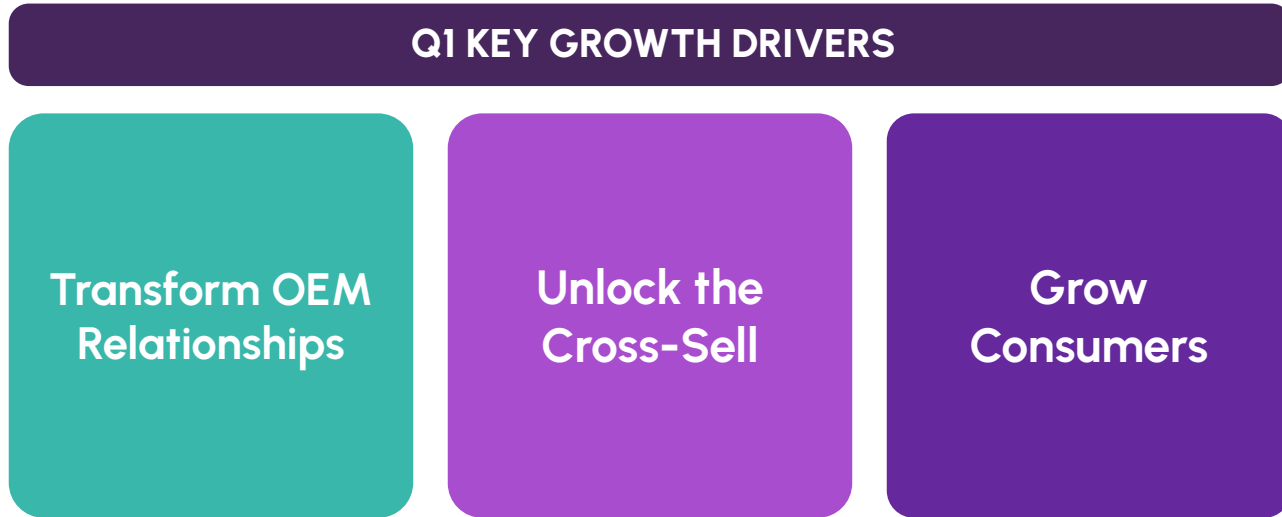


+5% YoY Growth



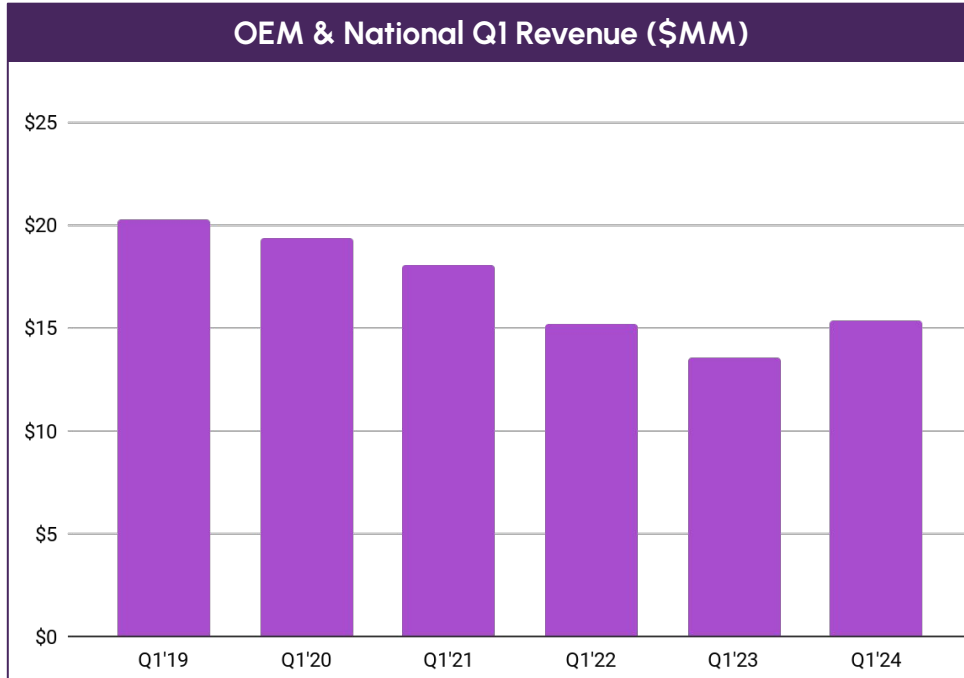
29% Adj. EBITDA Margin

Continuing to execute on our platform strategy



Delivered best quarterly top-line growth in over two years

OEM and National revenue +13% YoY

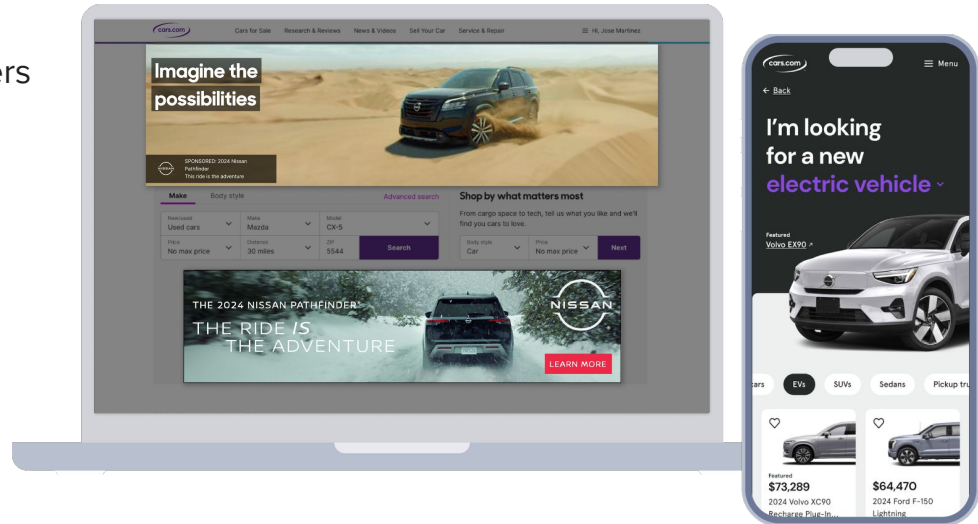


- Strong upfront and incremental sales benefiting from our consistent investments in OEM-related products
- Recent supply normalization driving OEM demand our market-leading solutions
- New car inventory up 37% YoY¹ and new model launches also growing in 2024

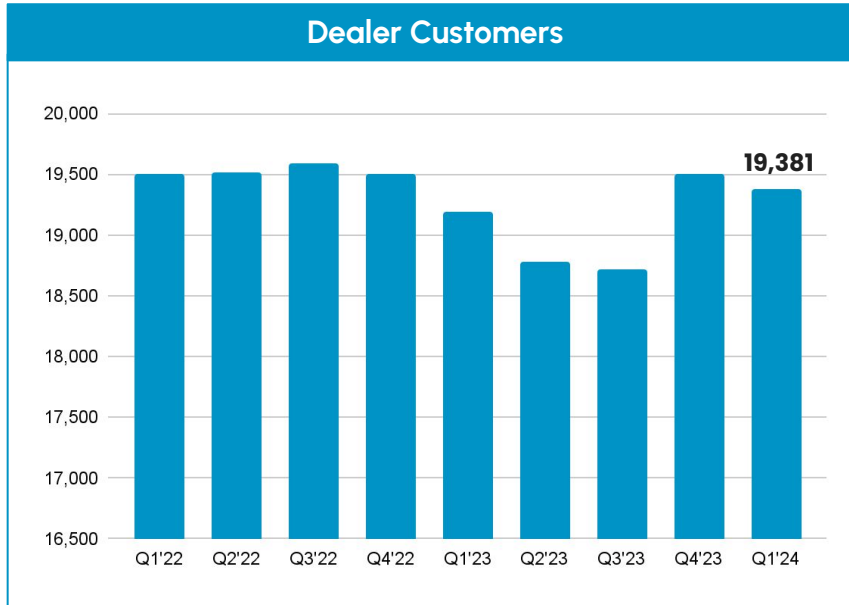
¹Cars Commerce Industry Insights Report, March 2024

Increased OEM interest in media products

- Approximately two-thirds of OEM customers increased marketing and advertising investments in Cars Commerce products and solutions during Q1
- Homepage Take Over product sales reached the highest level in four years
- EV-only manufacturers seeking direct marketplace listings



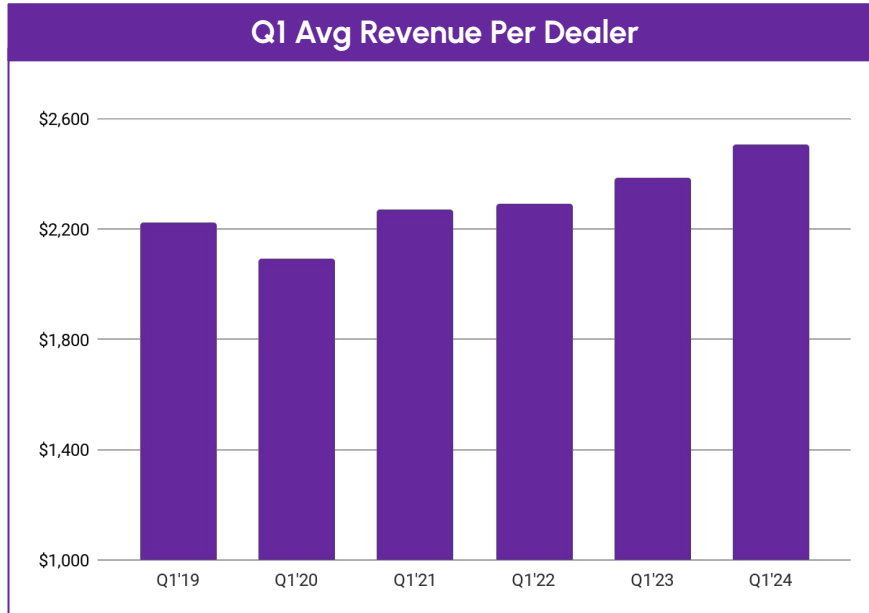
Served extensive base of dealer customers in Q1



- Q1 new marketplace sales at highest level in three years
- Modest attrition QoQ from temporary cost-cutting as they adjust to profitability pressures
- Remain confident in delivering dealer customer growth for FY24

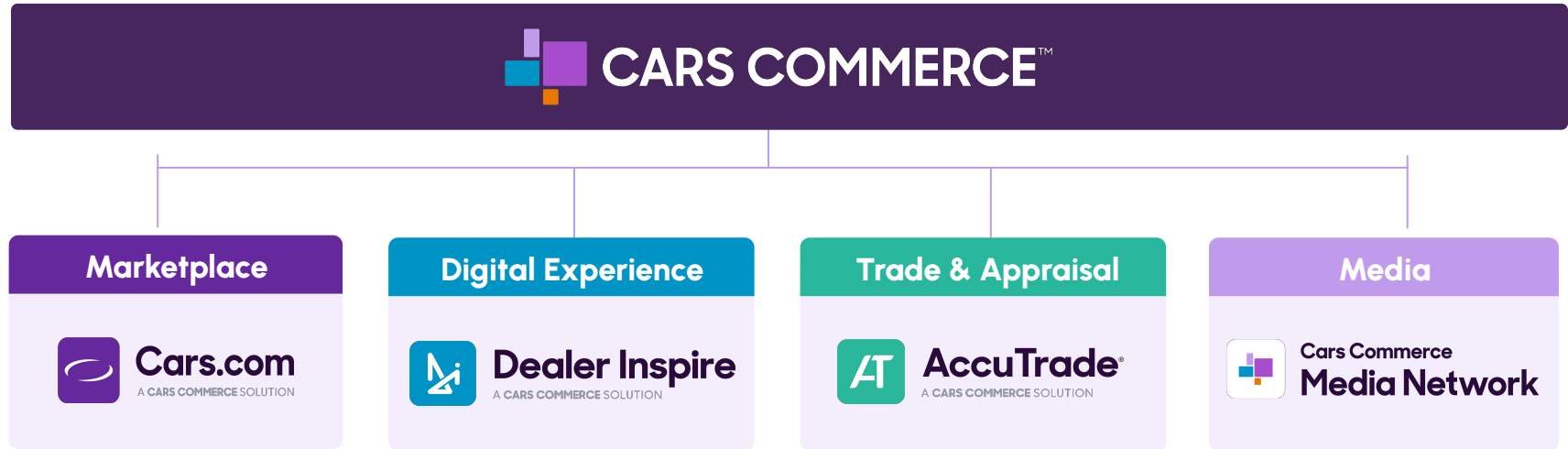
Note: The decline of the digital dealer industry negatively impacted our Dealer Customer count by over 650 cancellations (which started in Q2'22). There are effectively no digital dealers in our Dealer Customer count. Includes D2C customers as of Q4'23.

ARPD grew 5% YoY



- Grew all of our industry-leading brands year-over-year in Q1
- Focused on cross-selling Cars Commerce platform products to help customers efficiently acquire vehicles and market to high-intent buyers

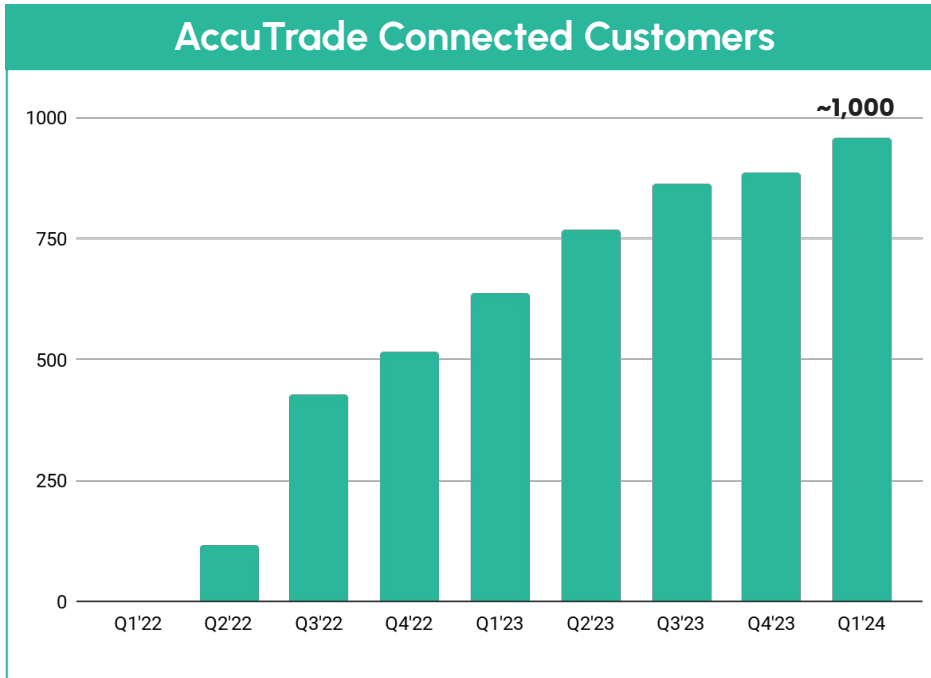
Cross-selling drove Cars Commerce platform growth



Inventory turned ~20% faster on average for dealers adopting multiple products¹

¹Cars Commerce internal data

AccuTrade Connected grew to ~1,000 customers in Q1



\$650

Avg. Savings Per Vehicle
By Uncovering Needed
Repairs

\$1,300

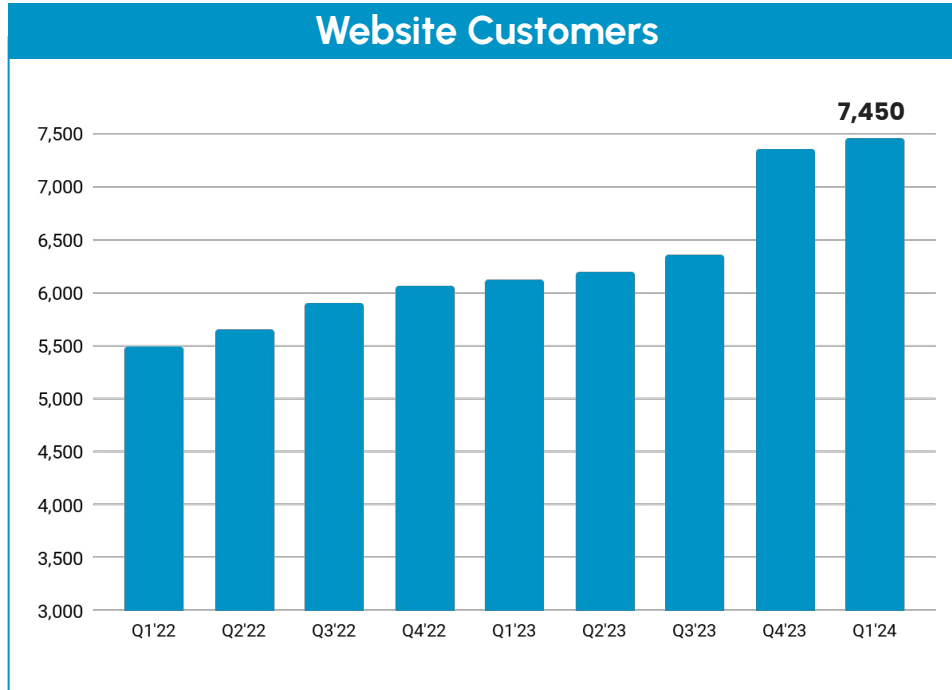
Avg. Savings Per Vehicle
in Auction & Transportation
Fees

“We haven’t gone to an auction in 2 years. With AccuTrade, the majority of our cars come from the service drive now.”

GERMAIN

TOYOTA OF NAPLES

Strong website growth into new markets

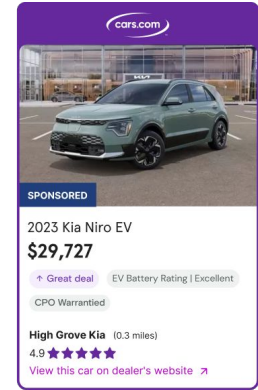
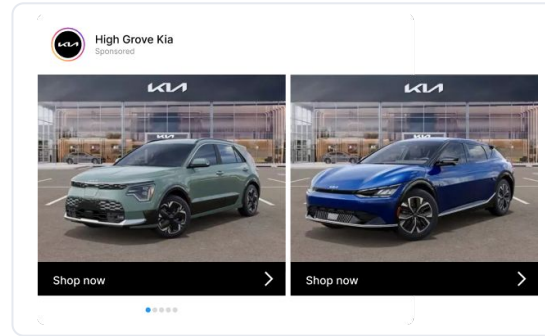
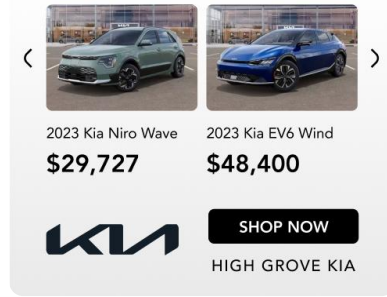


Dealer Inspire
A CARS COMMERCE SOLUTION

- Powered 7,450 websites for DI and D2C at end of Q1, up 22% YOY
- D2C has expanded website and AccuTrade TAM into the Canadian market

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

Media products driving value for dealers



Consumer views EVs on Cars.com Vehicle Detail Page (VDP)



Consumer retargeted with dealer's EVs on other sites



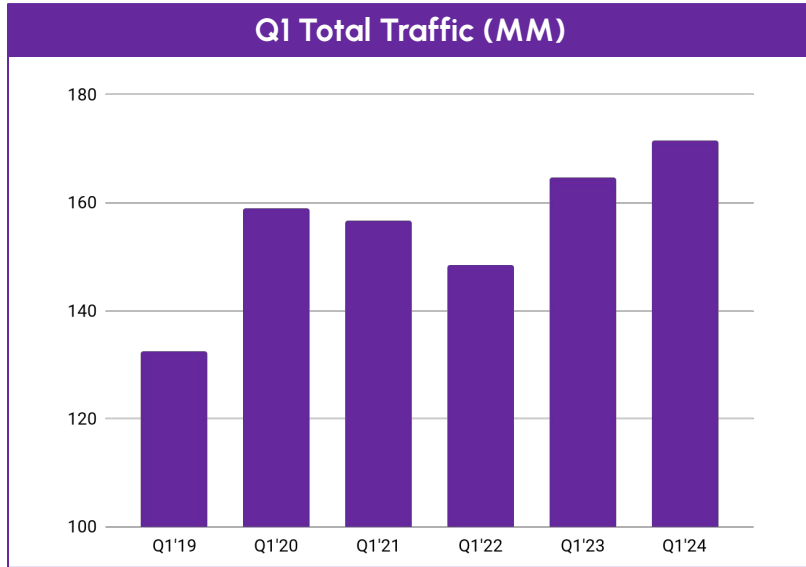
Consumer engaged on social with same EVs



Converts when same EV is first result returned on Cars.com search

Illustrative example of Vin Performance Media

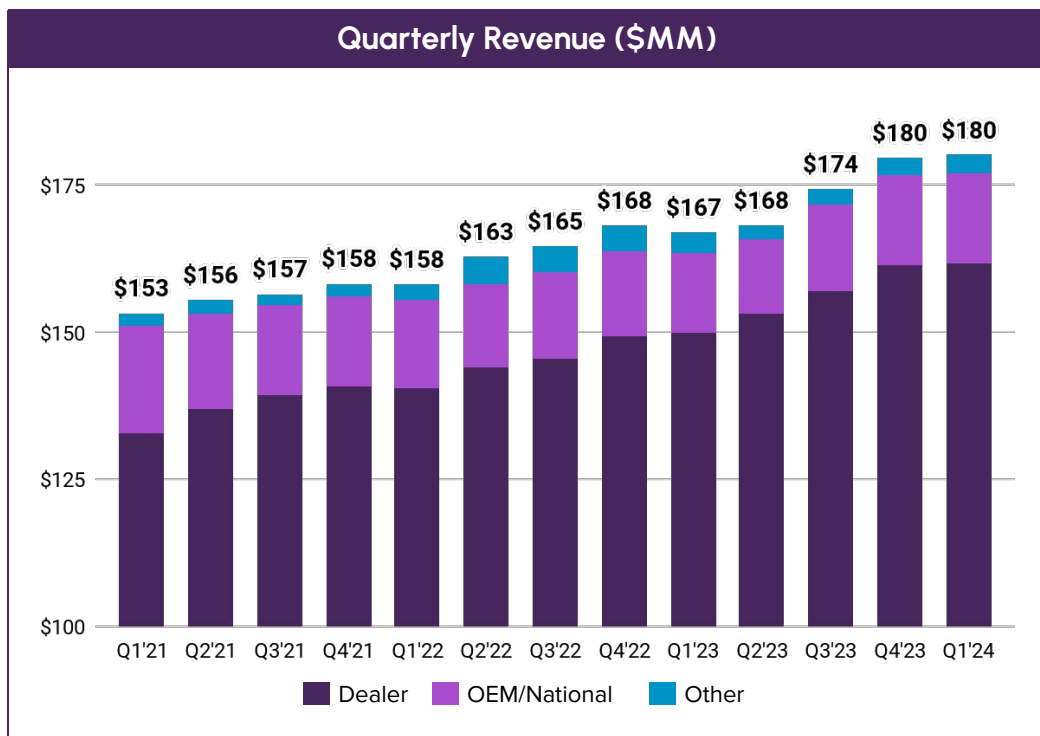
Reaching in-market shoppers at scale



- More than 28 million average monthly visitors
- New Affordability Report published in April 2024
- Tools like Your Garage and New Car Hub are driving strong repeat traffic
- Committed to delivering more innovative content and technology to capture in-market audiences at scale

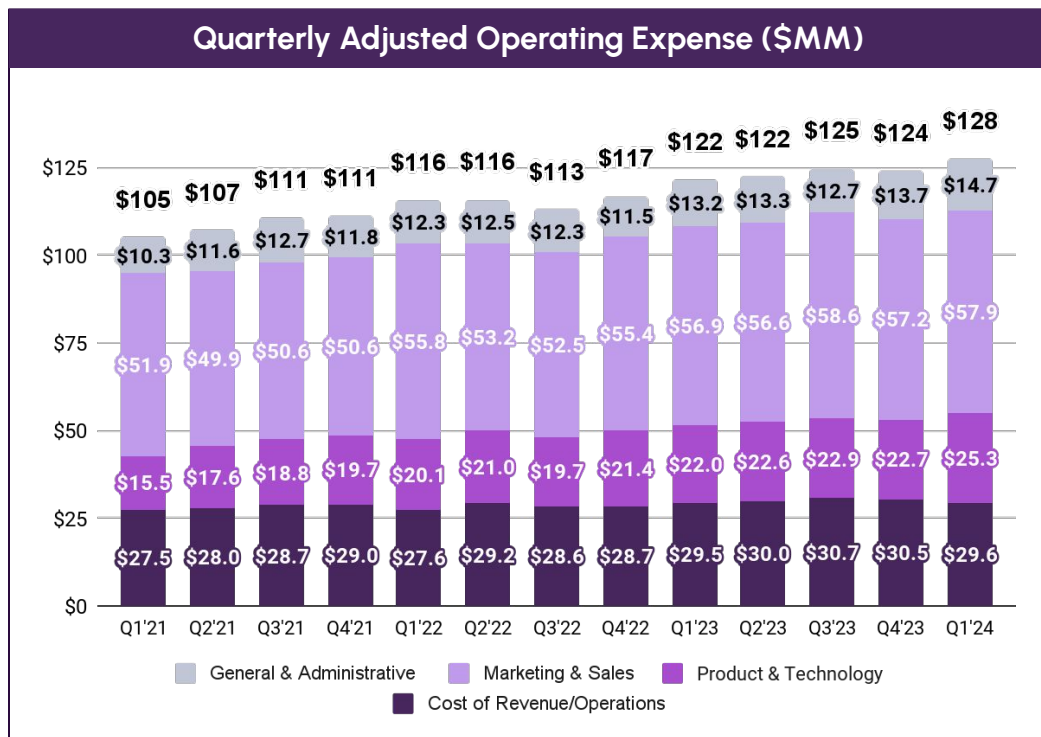
**These metrics do not include traffic to Dealer Inspire or D2C Media websites. UVs and Traffic were measured via Adobe Analytics prior to December 31, 2023, and measured via RudderStack of January 1, 2024. Prior period UVs and Traffic information has not been recast.*

Revenue growth of +8% YoY



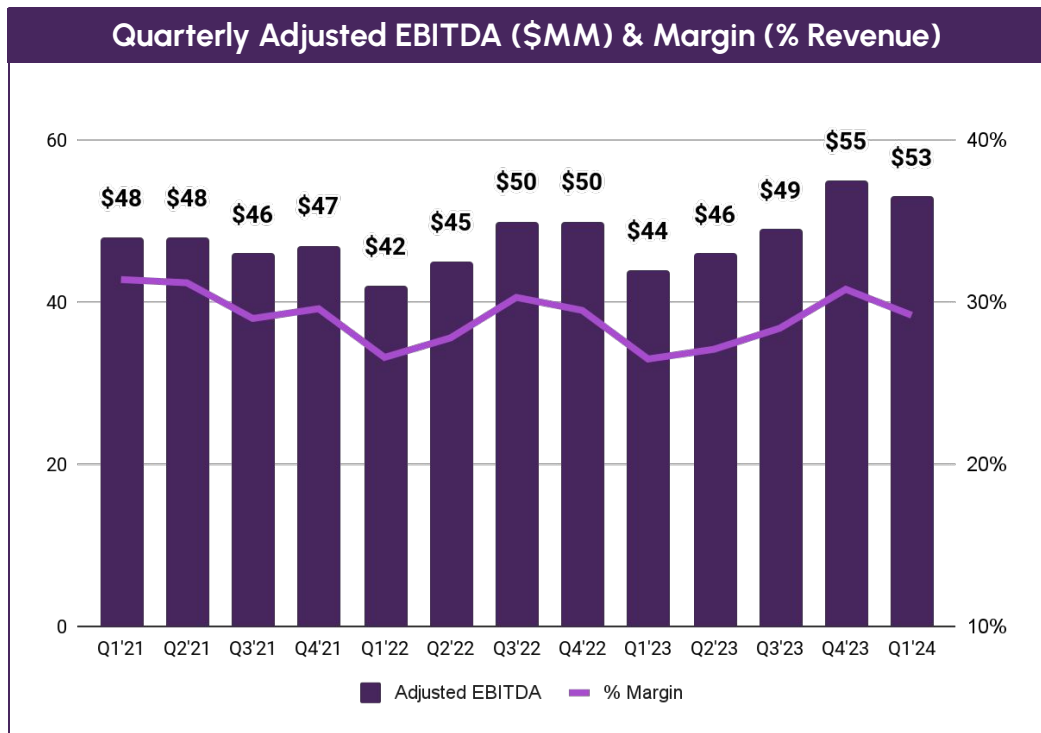
- Dealer Revenue +8% YoY driven by D2C Media, 2023 Marketplace Repackaging Initiative and product penetration
- OEM & National +13% YoY, driven by additional investment to raise consumer awareness amid rising inventory levels

Disciplined investment in growth



- Adjusted operating expenses +6% YoY
- Driven by product and technology investments in support of platform strategy, such as enhancing marketplace features, further augmenting product portfolio, and investing in backend systems

Continued Adjusted EBITDA improvement



- Adjusted EBITDA margin of 29.2%, +270 bps YoY and -160 bps QoQ
- Adjusted EBITDA grew \$8MM, +19% YoY

Strength across Key Operating Metrics

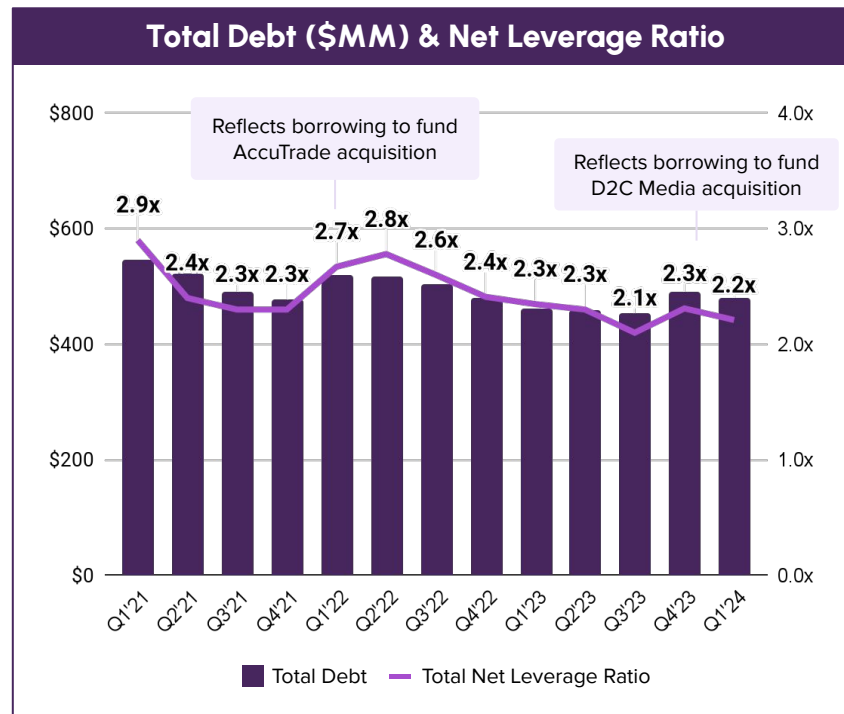
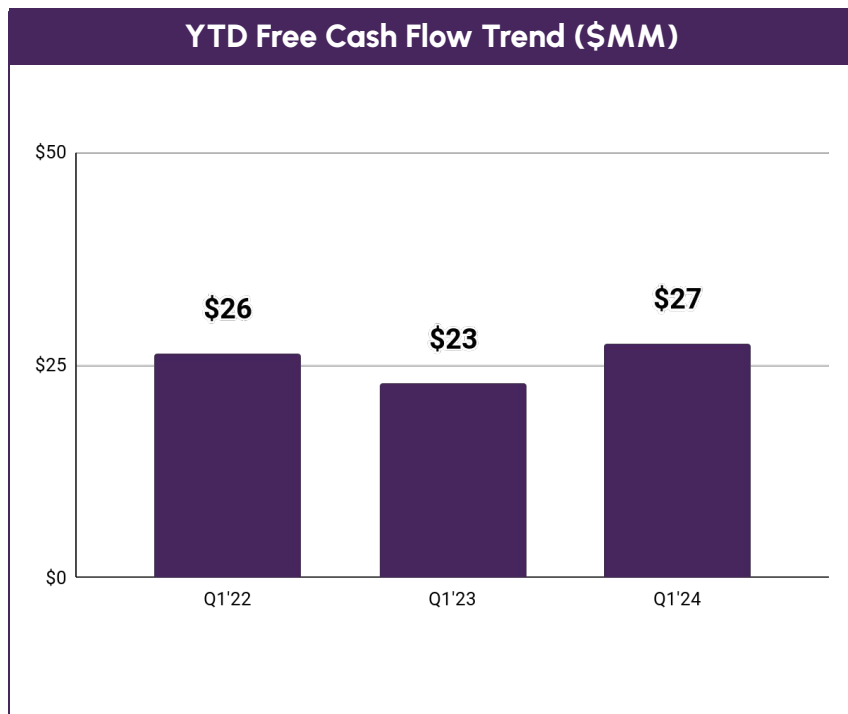
	Q1 2024	Q1 2023
AVERAGE MONTHLY UNIQUE VISITORS¹	28.3 MM	28.5 MM
TRAFFIC (VISITS)¹	171.4 MM	164.8 MM
MONTHLY ARPD²	\$2,505	\$2,386
DEALER CUSTOMERS³	19,381	19,186

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



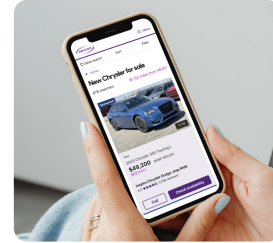
Outlook

Q2 2024 OUTLOOK

- Q2 Revenue: \$181.0 to \$183.0 million
 - Represents 7% to 9% YoY growth
 - Continued strength in both Dealer revenue and OEM & National revenue
 - Q2 Adjusted EBITDA margin: 27.5% to 29.5%

FULL YEAR 2024 OUTLOOK

- Full Year Revenue: YoY growth of 6% to 8%
- Adjusted EBITDA margins: 28% to 30%



Q&A

Upcoming Conference Schedule

- **May 14:** Needham Technology, Media, & Consumer Conference
- **May 16:** Barrington Virtual Spring Investment Conference
- **May 21:** J.P. Morgan Global Technology, Media and Communications Conference
- **May 22:** B. Riley Institutional Investor Conference

2024 CSR Report



Report can be downloaded from:

<https://investor.cars.com/CSR>

Appendix

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Net income to Adjusted EBITDA		
Net income	\$ 784	\$ 11,479
Interest expense, net	8,321	8,244
Income tax expense	36	1,045
Depreciation and amortization	27,365	24,042
Stock-based compensation, including related payroll tax expense	7,950	6,952
Transaction-related and other one-time items	7,169	(7,425)
Non-operating foreign exchange expense	1,048	—
Adjusted EBITDA	<u>\$ 52,673</u>	<u>\$ 44,337</u>

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended March 31.	
	2024	2023
Reconciliation of Net income to Adjusted Net income		
Net income	\$ 784	\$ 11,479
Stock-based compensation, including related payroll tax expense	7,950	6,952
Amortization of intangible assets	21,005	19,158
Transaction-related items	6,143	(8,777)
Non-operating foreign exchange expense	1,048	—
Other one-time items	1,026	1,352
Adjusted income tax valuation allowance	—	714
Income tax impact of adjustments	(9,293)	(4,671)
Adjusted net income	<u>\$ 28,663</u>	<u>\$ 26,207</u>
Adjusted net income per share, diluted	\$ 0.43	\$ 0.39
Weighted-average common shares outstanding, diluted	67,291	67,747

Reconciliation of Net cash provided by operating activities to Free cash flow

Net cash provided by operating activities	\$ 33,468	\$ 28,141
Capitalization of internally developed technology	(5,305)	(5,172)
Purchase of property and equipment	(708)	(199)
Free cash flow	<u>\$ 27,455</u>	<u>\$ 22,770</u>

Non-GAAP Reconciliations

(unaudited and in thousands)

Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended March 31, 2024:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 29,962	\$ —	\$ (329)	\$ 29,633
Product and technology	28,085	—	(2,781)	25,304
Marketing and sales	59,163	(44)	(1,221)	57,898
General and administrative	22,857	(4,570)	(3,619)	14,668
Depreciation and amortization	27,365	—	—	27,365
Total operating expenses	\$ 167,432	\$ (4,614)	\$ (7,950)	\$ 154,868
Total nonoperating expense, net	\$ (11,924)	\$ 3,603	\$ —	\$ (8,321)

⁽¹⁾ Includes transaction related items, unrealized 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 March 31, 2023:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 29,795	\$ —	\$ (307)	\$ 29,488
Product and technology	24,101	—	(2,057)	22,044
Marketing and sales	58,297	—	(1,433)	56,864
General and administrative	18,304	(1,917)	(3,155)	13,232
Depreciation and amortization	24,042	—	—	24,042
Total operating expenses	\$ 154,539	\$ (1,917)	\$ (6,952)	\$ 145,670
Total nonoperating expense, net	\$ (5)	\$ (8,259)	\$ —	\$ (8,264)

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