CARS™

Investor Relations

February 2023

Forward-Looking Statements

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. Forward-looking statements include information concerning the impact of the COVID-19 pandemic on our industry, our dealer customers and our results of operations, our business strategies, strategic alternatives, plans and objectives, market potential, outlook, trends, future financial performance, planned operational and product improvements, potential strategic transactions, liquidity, including draws from our revolving credit facility, expense management and other matters and involve known and unknown risks that are difficult to predict. As a result, our actual financial results, performance, achievements, strategic actions or prospects may differ materially from those expressed or implied by these forward-looking statements. These statements often include 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, based on our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments, current developments regarding the COVID-19 pandemic and other factors we think are appropriate. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are expressed in good faith and we believe these judgments are reasonable. However, you should understand that these statements are not guarantees of strategic action, performance or results. Our actual results and strategic actions could differ materially from those expressed in the forward-looking statements. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. Comparisons of results between current and prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed 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 presentation. For a detailed discussion of many of these and other risks and uncertainties, see our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and our other filings with the Securities and Exchange Commission, available on our website at investor.cars.com or via EDGAR at www.sec.gov. All forward-looking statements contained in this presentation are qualified by these cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. The forward-looking statements contained in this presentation are based only on information currently available to us and speak only as of the date of this presentation. 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 presentation are intended to be subject to the safe harbor protection provided by the federal securities laws.

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Definitions: Non-GAAP Financial Measures

This presentation discusses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Expenses and Free Cash Flow. 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 we believe they provide meaningful information regarding our performance and provide a basis to compare operating results between periods. In addition, we use Adjusted EBITDA as a measure for determining incentive compensation targets. Adjusted EBITDA also is used as a performance measure under our 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 our lenders, securities analysts, investors and other interested parties to evaluate companies in our industry. For a reconciliation of the non-GAAP measures presented in this presentation 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, these 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, and (7) 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.

We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internal-use software and website development costs.

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.

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Investment Highlights

01. CARS Connected Platform Advantage

02. Operating in a Large and Growing Addressable Market

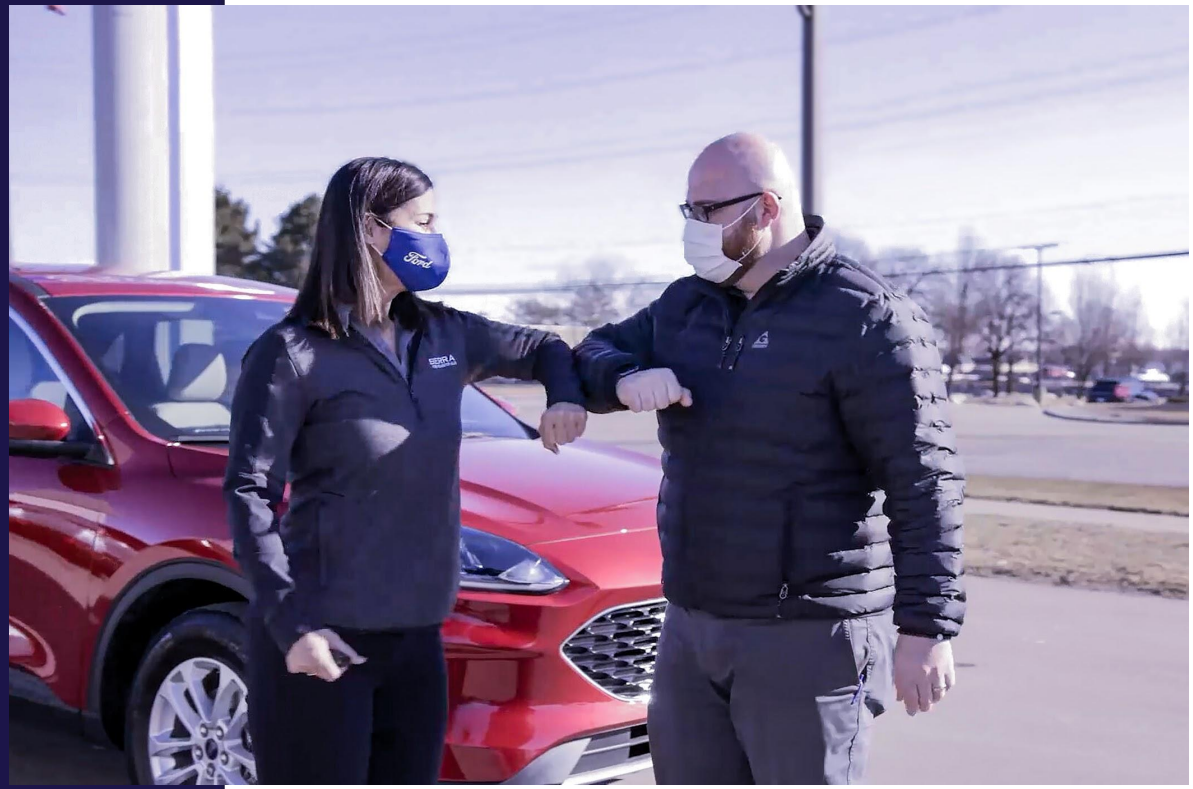
03. Leading Brand with Strong Organic Traffic

04. Well Positioned to Benefit from Accelerating Shift to Digital Automotive Solutions

05. CARS Asset Light Model Drives Strong Free Cash Flow and Balance Sheet

06. Clear Strategy and Roadmap for Growth

Connected Platform Advantage



Our Mission

Driving The Future Of Automotive Retail

Become the largest digital automotive marketplace and platform powering innovative solutions and frictionless omni-channel experiences for **buyers** and **sellers**

CARS

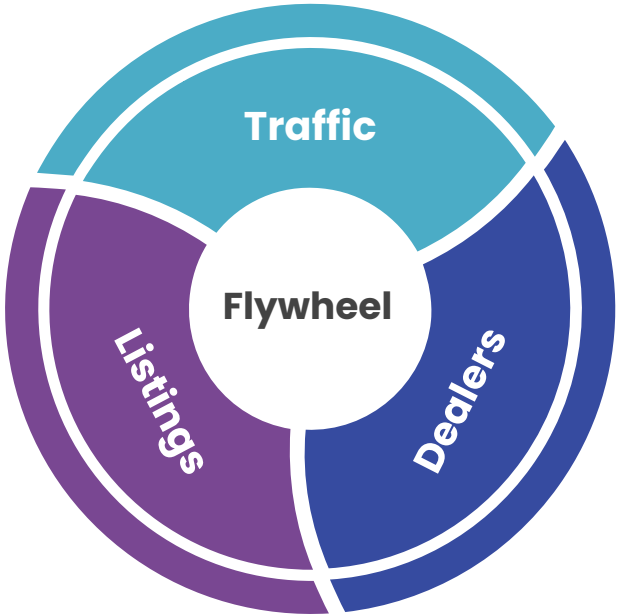
CARS Winning Platform Strategy

[1]*CARS Internal Data, as of December 31, 2022*

Our Strategy

Traffic → Dealers → Vehicle Listings → More Traffic → More Dealers

A flywheel of dealers driving vehicle listings, vehicle listings driving traffic & data, traffic & data attracting dealers defines our digital solutions platform



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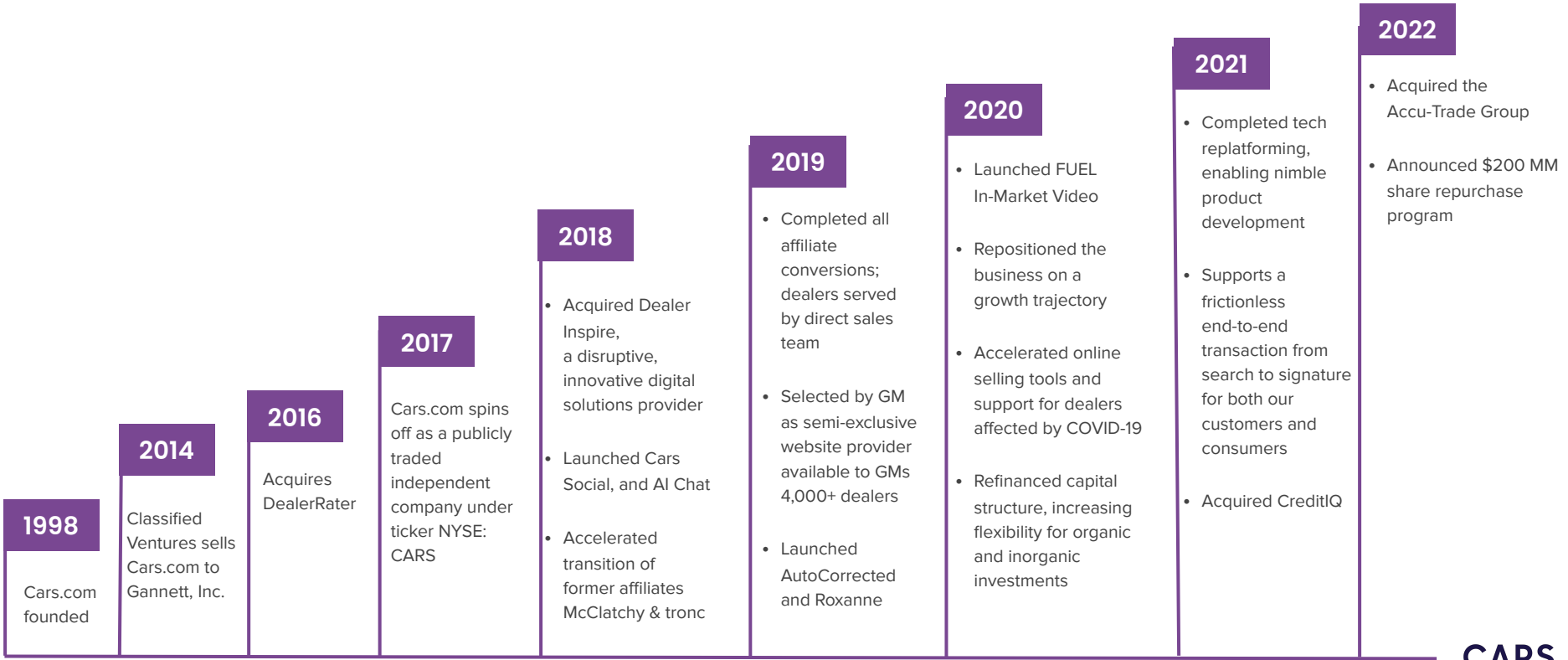
CARS Extending Beyond the Marketplace

Durable, Category Leading Brand Supporting a 25 Year History of Innovative Solutions



CARS at a Glance

Our Company Today: Scaled Dealer Solutions Platform with Unparalleled Brand

CARS has scale	**$654MM** FY 2022 Revenue	**$187MM / 29%** FY 2022 Adj. EBITDA / margin	**$109MM** FY 2022 Free cash flow
	~587 MM FY 2022 visits	**19,506** Dealer customers[6]	**Nearly all** of OEMs are customers
CARS is influential	**~85%** Visitors plan to purchase within 6 months[1]	**12MM+** reviews[7]	**60%** of our traffic is organic[2]
CARS is the gold standard	**#1** Brand awareness[3]	**#1** downloaded online auto marketplace app[4]	**#1** Highest rated mobile platform[5]

Note: See the appendix for a reconciliation of Non-GAAP financial measures.
[1] CARS internal data as of Q4 2022; [2] Q4 2022: Direct + App + SEO; [3] Qualtrics as of December 2022; total brand awareness shown among CARS' competitive set;
[4]Downloads versus peers, per App Annie as of January 2023; [5] CARS has the highest Apple App Store rating among peers at 4.8/5.0 as of December 2022 [6]As of 12/31/2022;
[7]As of December 31, 2022

CARS

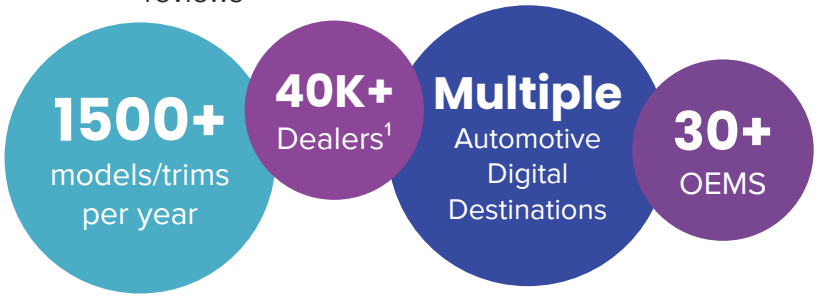
At the Heart of our Business is a Vibrant Marketplace

Consumer Challenges

- Too many options
- Price opacity & distrust
- Inconvenient, broken shopping experience
- Gaps in online-to-offline experience

The Solution

- ~587MM annual visits[2]
- ~2.4MM new & used vehicle listings[2]
- Trusted, objective editorial content
- Price transparency & comparisons
- 12MM+ vehicle, dealership & salesperson reviews[3]



We're here to make car-buying simple

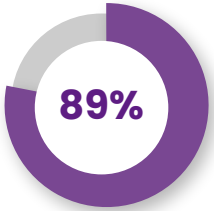
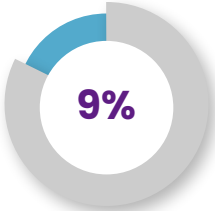
Dealer Challenges

- Growing customer expectations
- Inefficient advertising
- Disruption from online dealers
- Too many disparate solutions

[1] 25.8K independent US car dealerships per 2020 Borrell Automotive Advertising Outlook report, and 16.6K franchised dealers per National Automobile Dealers Association
[2] As of Full Year/Q4 2022; [3] As of December 31, 2022

CARS

Durable Brand and Subscription Based Model Yields Strong Recurring Revenue

	Overview	Revenue mix	Target partners
Dealer • Cars.com • Dealer Inspire • Dealer Rater • Conversations • FUEL • Accu-Trade	• ~20K dealer customers list new and used inventory on Cars.com on a subscription basis • Solutions include Dealer Inspire website products, FUEL in market video, DealerRater review platform and Accu-Trade vehicle acquisition • Targeting market leading franchised dealers, dealer groups and independent dealers • Monthly ARPD of $2,361[1]		 40K+[2] Dealers
OEM & National • Cars.com • Fuel	• Nearly all OEMs as well as auto adjacent companies advertise with CARS • Long-term relationships cultivated with target partners • Solutions range from performance marketing to value-add solutions like lead generation, CPO programs and FUEL in market video		 OEMs

CARS

$654MM

FY 2022 Revenue

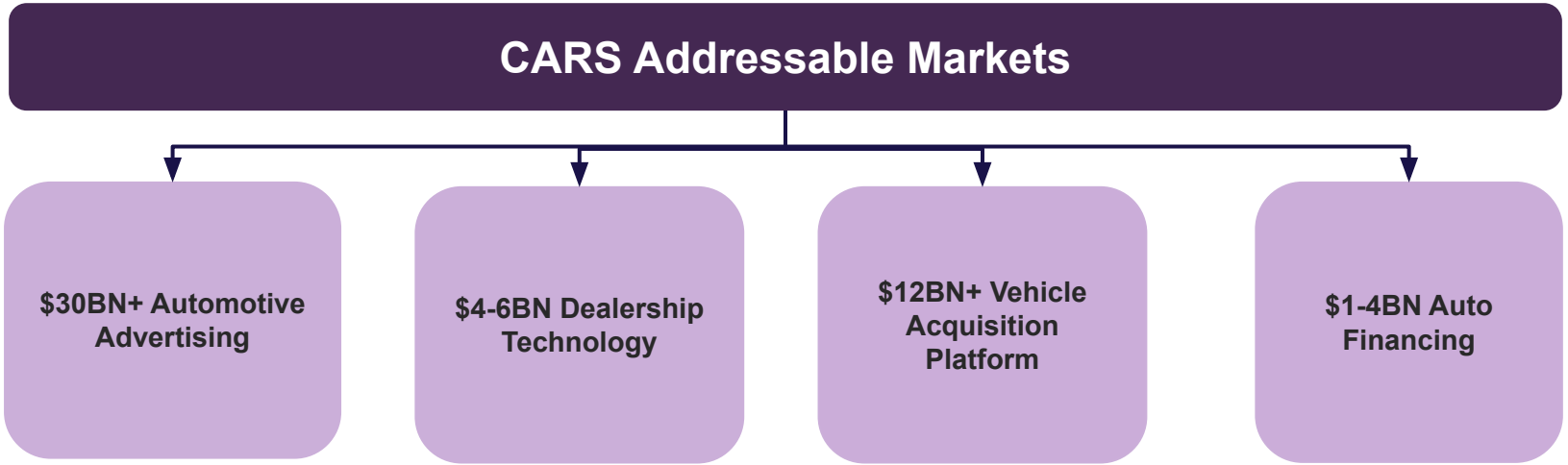
Note: 2.0% of revenue is related to "Other Revenue" which consists of data-driven solutions, revenue partnerships and CreditIQ; [1] Q4 2022

[2] 25.8K independent US car dealerships in 2019 per 2020 Borrell Automotive Advertising Outlook report, and 16.6K franchised dealers as of June YTD 2020 per National Automobile Dealers Association

02

Operating in a Large and Growing Addressable Market

Significant Headroom in Multi-Billion-Dollar TAM



$50BN TAM

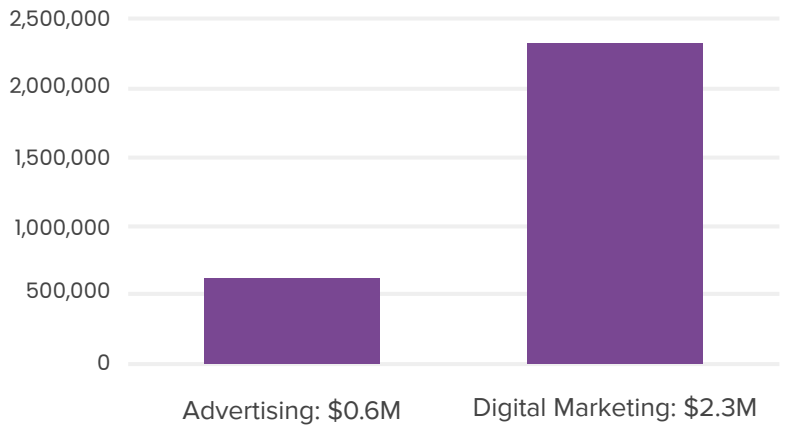
Sources: Borrell, McKinsey, ACV, Automotive Ventures

Tapping into More than Just Advertising Budgets

WE CAPTURE LESS THAN 2% OF U.S. AUTO ADVERTISING

- $30B+ is spent in Automotive Advertising in the U.S. growing at 3% CAGR[1]
- $21B is spent in Digital, projected to grow at a 5% CAGR[1]

Dealers Spend 4X More on Digital Solutions[2]



- Typical dealer spends ~4x more on digital marketing services than advertising
- Average Dealer Spends $2.9M/year

1. Based on Borrell Outlook 2022; 2. Based on Borrell Outlook 2022; Average spending for U.S. car dealer with 135 employees

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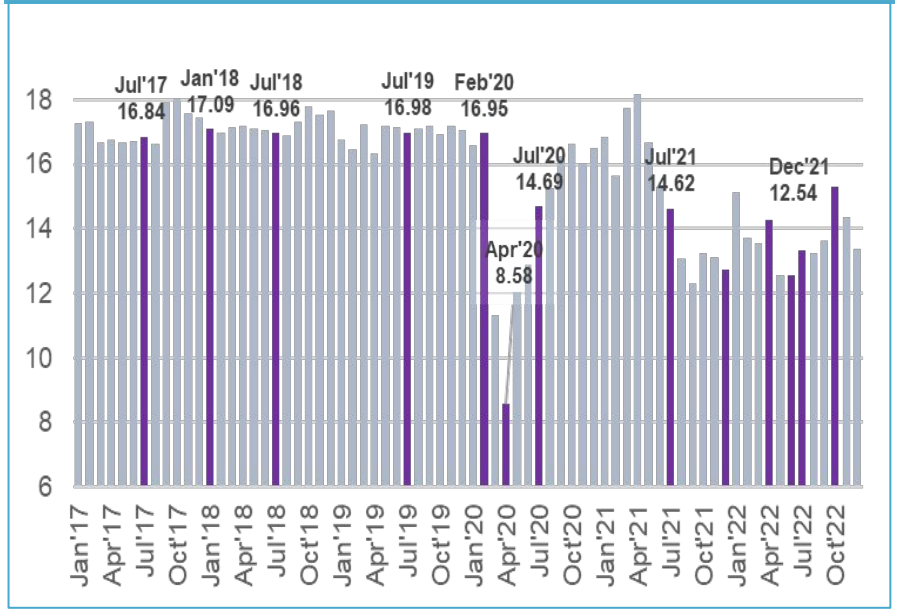
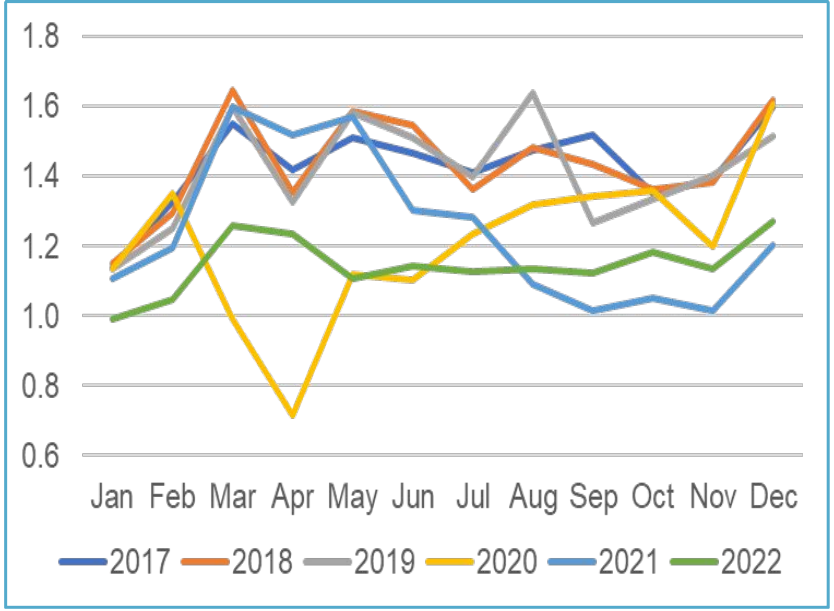
Car Ownership Trends Remain Durable

Strong Demand for Car Ownership

SAAR: New Vehicle Sales (in millions)



New Vehicle Sales, Unadjusted (in millions)



Source: U.S. Bureau of Economic Analysis

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03

Leading Brand with Strong Organic Traffic

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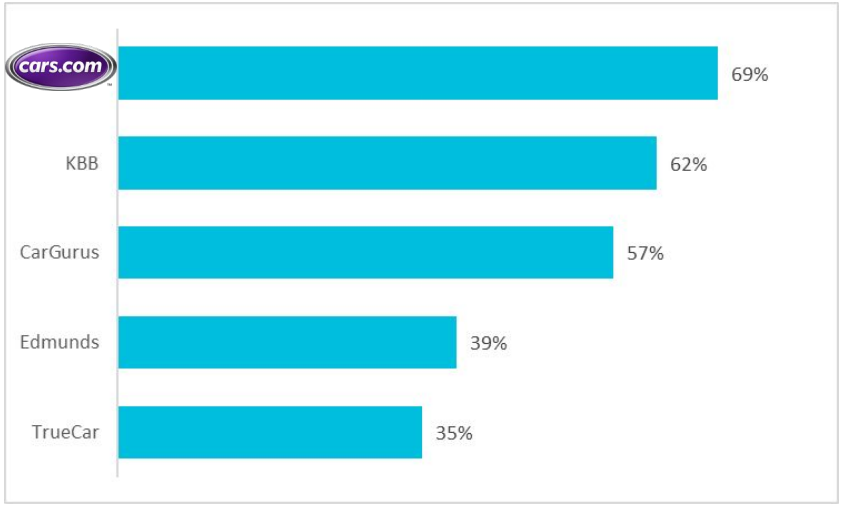
Strong Brand Drives Marketing Efficiencies

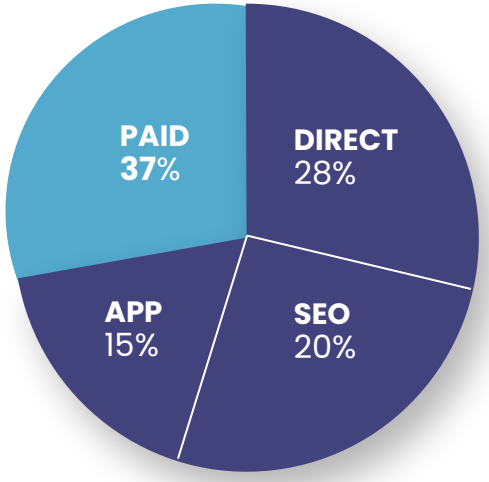
We Spend a Third Less on Advertising Compared to our Largest Competitor

Cars.com is #1 in total brand awareness[1]



Majority of Traffic Generated Organically

FY 2022 CARS Traffic Breakdown



[1] Qualtrics as of December 31, 2022; total brand awareness shown among CARS' competitive set

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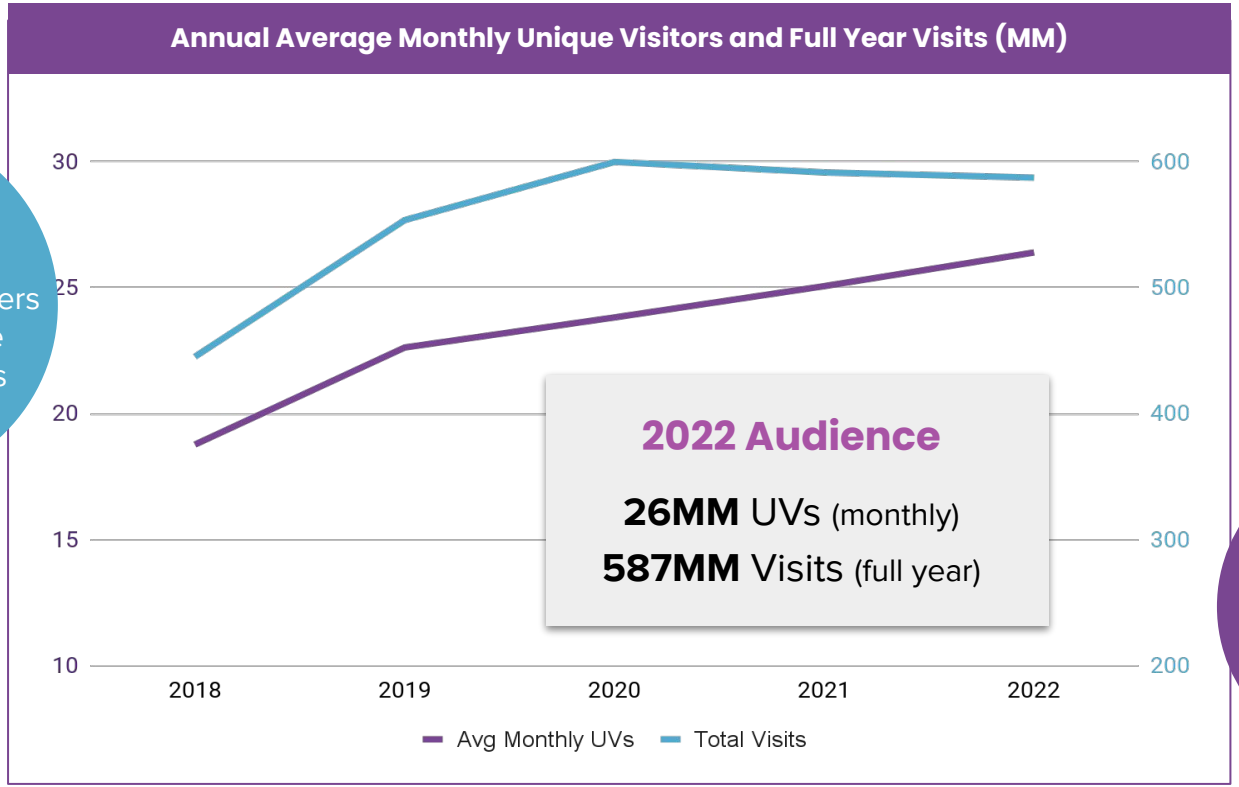
Massive, High Intent, In-Market Audience

85%
of Cars.com shoppers plan to purchase within six months



50%
of Cars.com shoppers purchase within 30 days

Source: Cars.com Q4 2022 Consumer Metrics Survey

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04

Well Positioned to Benefit From Accelerating Shift to Digital Automotive Solutions

Solutions Connect Car Shoppers with Dealers

We Help our Customers, **OEMs and Dealers**, Reach Their Customers, **Car Shoppers**

Marketplace Listings

Customized marketing and customer acquisition solutions

Cars Social

Allows dealers to power their own dynamic social ads leveraging Cars.com's pure, first-party audience data

FUEL-IMV

Delivers video ads to local in-market shoppers on their device of choice, leveraging Cars.com's pure, first-party audience data

DealerRater

Allows local car shoppers to discover, meet and recommend a dealership's team, improving our customers' reputations and building authentic relationships

Dealer Inspire Websites

Award winning, custom designed website platforms supporting highly personalized digital campaigns

Conversations

Powerful A.I. messaging platform that centralizes customer communication, improves quality and speed of response time, and decreases operating costs

Online Shopper

Provides consumers with advanced payment options, resulting in higher intent, higher quality and faster-to-close leads for dealers

CreditIQ

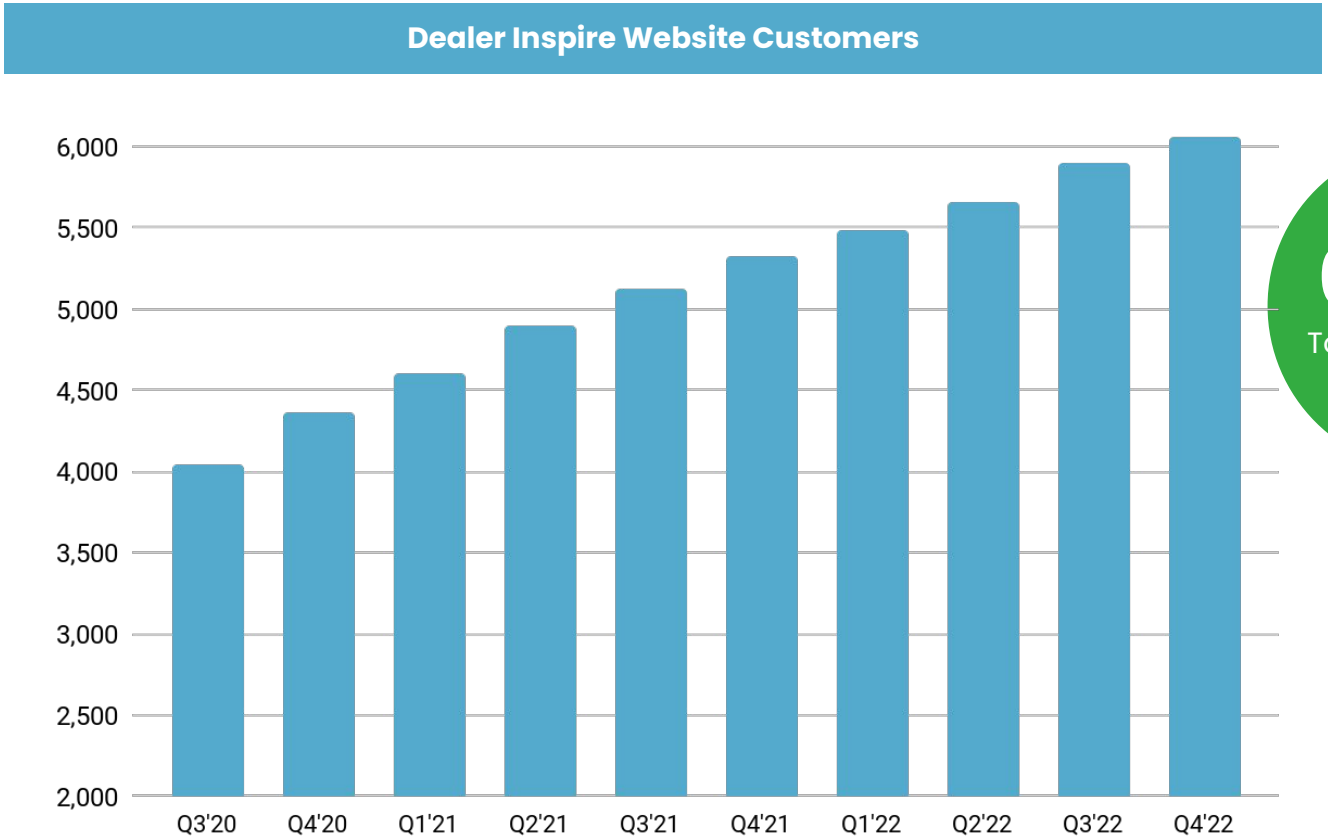
Provides online loan screening and approvals to facilitate online car buying

Accu-Trade

Enables real-time transparency on vehicle valuation and provides a trusted platform for secure online transactions for dealers and consumers looking to sell to qualified buyers

DISCOVER & SHOP ▶ **CONNECT** ▶ **BUY**

Dealer Website Growth



6,050
Total DI Websites

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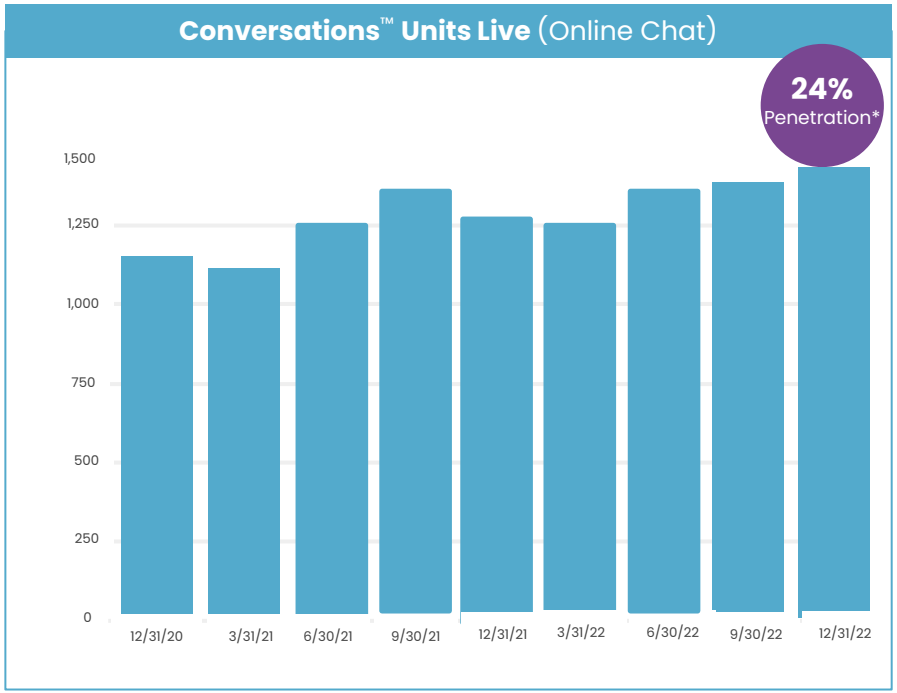
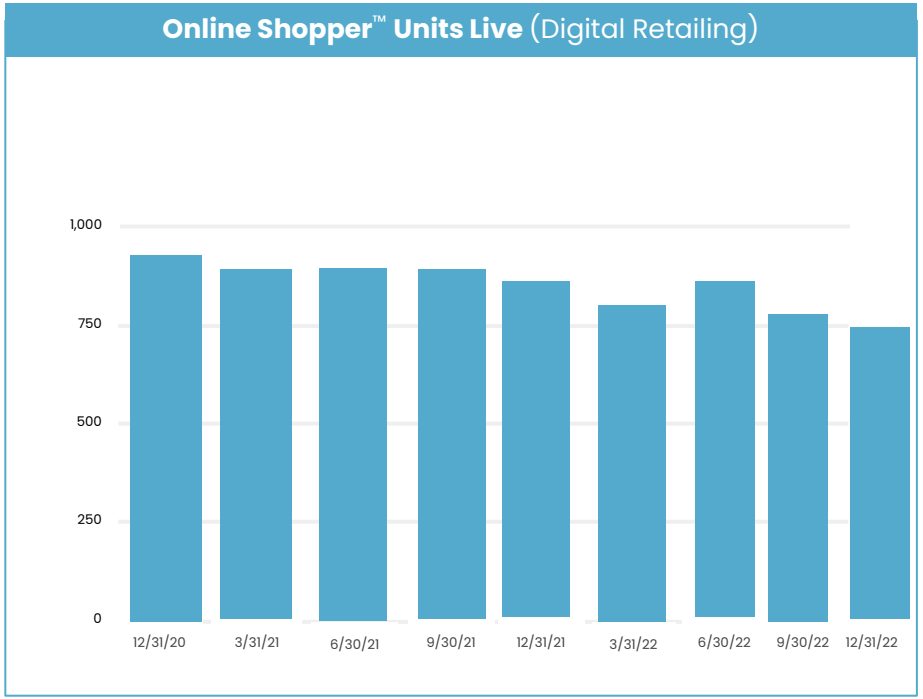
Dealer Inspire Growth Supported by OEM Partnerships





* Penetration rates calculated as units/website customers

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FUELing Future Growth and ARPD through New Products

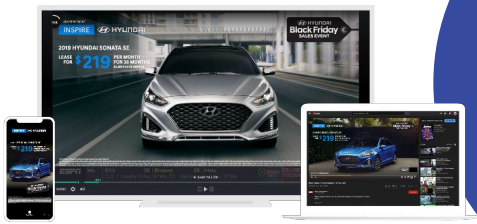
fuel

Unlock the power of in-market video and unprecedented audience targeting

- Subscription-like model connecting dealers directly to in-market shoppers through a customized video marketing platform
- Launched in February 2020

MAXIMIZE ROI ON IN-MARKET SHOPPERS

At any given time, a small percentage of households in a market are serious about buying a car — but we know who they are. By leveraging audience data from the most popular automotive marketplace, FUEL ads only target in-market shoppers



LAUNCH A FUEL AUDIENCE TAKEOVER

We reach the target audience across the devices and platforms they watch video on every day.
FUEL analyzes the ad frequency needed to move the needle in the market, and takes over screens until shoppers in the area can't think of anywhere else to buy a car

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CARS' Innovative Solutions Promote At-Home Shopping

Supporting consumers desire to shop when, where & how they want to shop

Home Delivery & Virtual Appointment

- Making dealer inventory accessible for home delivery

Online Shopper

- Seamless end-to-end digital retailing solution
- Enables saving, customizing and comparing payments for online listings in minutes

cars.com

Keeping Sellers Selling in a Socially Distanced World

Conversations

- Advanced messaging solution instantly connects customers to dealers 24/7
- Seamless texting between dealer and customer, desktop and mobile, and tracked in the dealer's CRM

OEM Partnerships

- OEMs working directly with CARS editorial teams to deliver the most relevant content in real time
- Support for virtual test drives, real-time incentives, and shopper guidance

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05

Asset Light Business Model With Attractive Free Cash Flow Profile and Strong Balance Sheet

Substantial Liquidity and Financial Flexibility

Recurring revenue	• Diversified Subscription model • Customer base
Strong free cash flow	• Asset light business model • Minimal working capital needs • Low cash taxes due to tax-deductible intangible amortization, NOL & tax credits
Flexible and solid balance sheet	• $66.3MM term loan and $400.0MM notes[1] • $31.7MM cash[1] & $215.0MM undrawn on revolving credit facility[1] • 2.4x net leverage[2] • Repurchased 4.2MM shares[3]

Strategically deploying capital to drive the greatest shareholder value

- Investing in organic growth initiatives
- Executing value-accretive M&A
- Paying down debt
- Returning capital to shareholders

[1] As of December 31, 2022
[2] For the three months ended December 31, 2022
[3] For the twelve months ended December 31, 2022

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Recurring Subscription Revenue From Diversified Customer Base

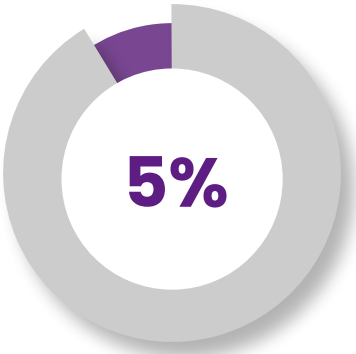
Revenue Mix

Includes marketplace subscriptions and digital solutions

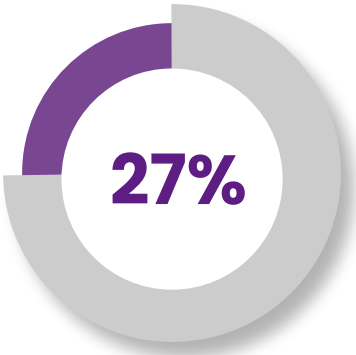
Subscriptions 89%

Non-recurring 11%

No One Customer Drives the Business[1]



~5% of CARS dealers
(~1,000 dealers)
Generate ~20% of CARS Revenue



~27% of CARS dealers[2]
(~5,100 dealers)
Generate ~60% of CARS Revenue

[1] Based on total number of dealers invoiced over the course of twelve months ended December 31, 2022; Revenue is for Marketplace and Dealer Rater Legacy only customers
[2] Includes the 5.4% of CARS dealers that represent 20% of revenue

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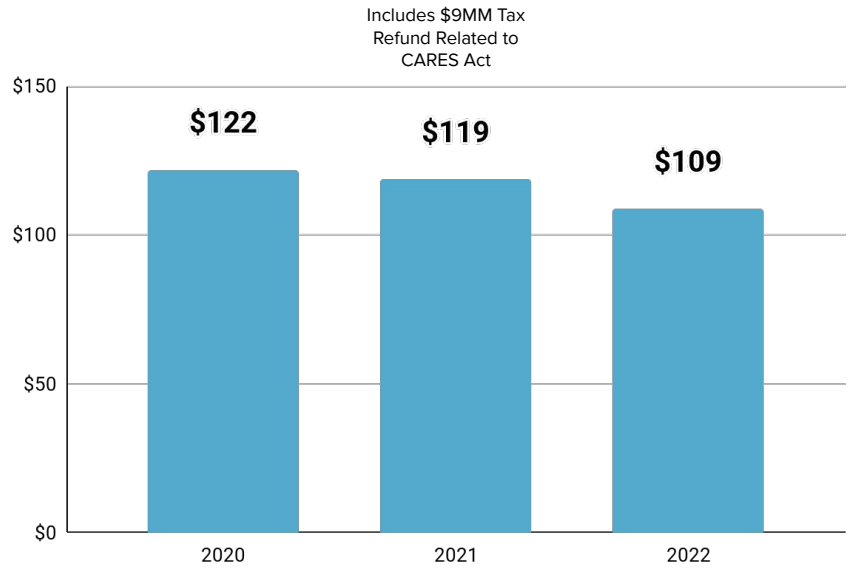
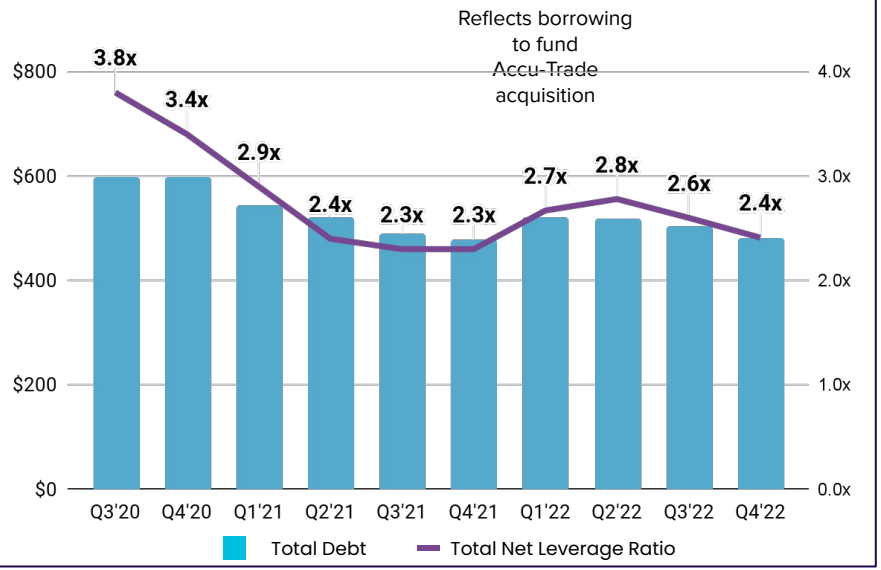
Robust Cash Flow, Solid Balance Sheet

YTD Free Cash Flow Trend ($MM)



Total Debt ($MM) & Net Leverage Ratio



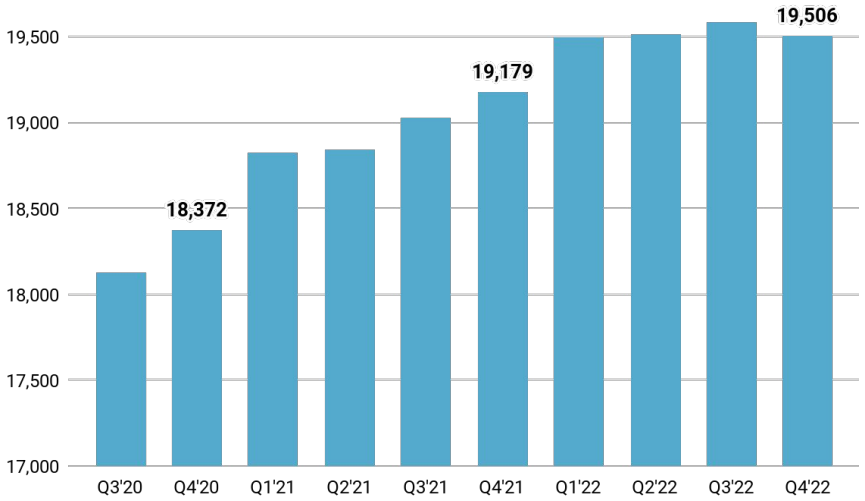
06

Clear Strategy & Roadmap for Growth

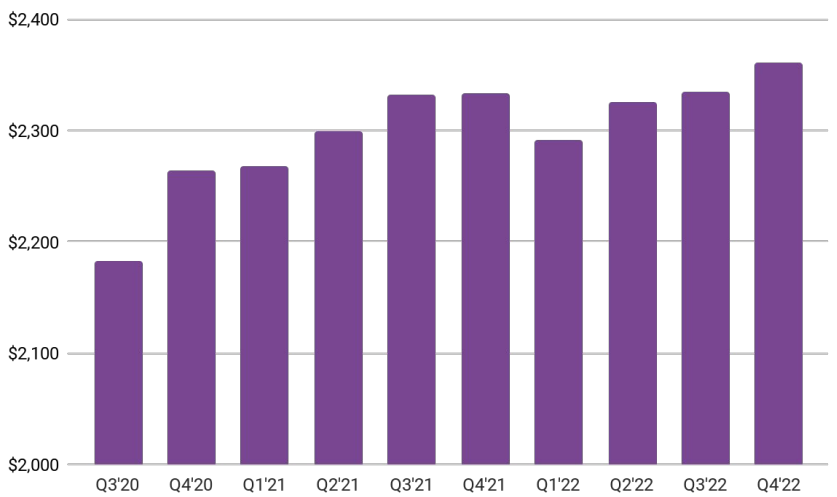
2023 Strategy: Building Blocks for Our Future

Multiple Levers to Grow Revenue

Dealer Customers



Monthly Average Revenue Per Dealer



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Appendix

Led by an Experienced, Diverse Leadership Team

Alex Vetter
Chief Executive Officer

Sonia Jain
Chief Financial Officer

Angelique Strong Marks
Chief Legal Officer

Doug Miller
President & Chief Commercial Officer

Joe Chura
Chief Innovation Officer

Matthew Crawford
Chief Product Officer

Greg Heidorn
Chief Technology Officer

Emily Rhomberg
Chief People Officer

Julien Schneider
Chief Strategy Officer

Marita Hudson Thomas
Chief Communications Officer

Jandy Tomy
Executive Vice President of Finance and Treasurer

Jennifer Vianello
Chief Marketing Officer

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Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Reconciliation of Net income to Adjusted EBITDA				
Net income (loss)	$ 10,262	$ (2,884)	$ 17,206	$ 10,791
Interest expense, net	8,442	9,367	35,320	38,729
Income tax expense (benefit)	6,200	(2,565)	5,370	(1,308)
Depreciation and amortization	23,706	25,402	94,394	101,932
Stock-based compensation	5,390	5,435	22,966	22,195
Write-off of long-lived assets and other	929	499	999	1,387
Severance, transformation and other exit costs	960	748	4,329	3,528
Transaction-related items	(6,370)	10,814	6,144	11,948
Adjusted EBITDA	$ 49,519	$ 46,816	$ 186,728	$ 189,202
Reconciliation of Net cash provided by operating activities to Free cash flow				
Net cash provided by operating activities	$ 37,220	$ 21,777	$ 128,511	$ 138,003
Purchase of property and equipment	(5,315)	(1,313)	(19,714)	(19,192)
Free cash flow	$ 31,905	$ 20,464	$ 108,797	$ 118,811

CARS

Non-GAAP Reconciliations

(unaudited and in thousands)

Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended December 31, 2022:

	As Reported	Adjustments [1]	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	$ 28,875	$ —	$ (224)	$ 28,651
Product and technology	23,166	—	(1,765)	21,401
Marketing and sales	56,515	—	(1,164)	55,351
General and administrative	16,128	(2,373)	(2,237)	11,518
Depreciation and amortization	23,706	—	—	23,706
Total operating expenses	$ 148,390	$ (2,373)	$ (5,390)	$ 140,627
Total nonoperating expense, net	$ (3,349)	$ (5,229)	$ —	$ (8,578)

[1] Includes transaction related items, 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 December 31, 2021:

	As Reported	Adjustments [1]	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	$ 29,222	$ —	$ (179)	$ 29,043
Product and technology	20,990	—	(1,261)	19,729
Marketing and sales	51,867	—	(1,267)	50,600
General and administrative	26,762	(12,197)	(2,728)	11,837
Depreciation and amortization	25,402	—	—	25,402
Total operating expenses	$ 154,243	$ (12,197)	$ (5,435)	$ 136,611
Total nonoperating expense, net	$ (9,511)	$ (136)	$ —	$ (9,647)

[1] Includes transaction related costs, severance, transformation and other exit costs, and write-off of long-lived assets and other.

CARS

Non-GAAP Reconciliations

(unaudited and in thousands)

Reconciliation of Operating expenses to Adjusted operating expenses for the Year Ended December 31, 2022:

	As Reported	Adjustments [1]	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	$ 114,959	$ —	$ (983)	$ 113,976
Product and technology	89,015	—	(6,851)	82,164
Marketing and sales	221,879	—	(5,068)	216,811
General and administrative	67,593	(8,943)	(10,064)	48,586
Depreciation and amortization	94,394	—	—	94,394
Total operating expenses	$ 587,840	$ (8,943)	$ (22,966)	$ 555,931
Total nonoperating expense, net	$ (43,460)	$ 7,946	$ —	$ (35,514)

[1] Includes transaction related items, 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 Year Ended December 31, 2021:

	As Reported	Adjustments [1]	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	$ 114,200	$ —	$ (909)	$ 113,291
Product and technology	77,316	—	(5,660)	71,656
Marketing and sales	208,335	—	(5,402)	202,933
General and administrative	73,562	(16,874)	(10,224)	46,464
Depreciation and amortization	101,932	—	—	101,932
Total operating expenses	$ 575,345	$ (16,874)	$ (22,195)	$ 536,276
Total nonoperating expense, net	$ (38,855)	$ (11)	$ —	$ (38,866)

[1] Includes transaction related costs, severance, transformation and other exit costs, and write-off of long-lived assets and other.

CARS

Definitions: Key Metrics

Average Monthly Unique Visitors (“UVs”) and Traffic (“Visits”). The Company defines UVs in a given month as the number of distinct visitors that engage with its platform during that month. Visitors are identified when a user first visits an individual CARS property on an individual device/browser combination or installs one of its mobile apps on an individual device. If a visitor accesses more than one of its web properties or apps or uses more than one device or browser, each of those unique property/browser/app/device combinations counts toward the number of UVs. Traffic is defined as the number of visits to CARS desktop and mobile properties (responsive sites and mobile apps). The Company measures UVs and Traffic via Adobe Analytics. These metrics do not include traffic to Dealer Inspire websites.

Monthly Average Revenue Per Dealer ("ARPD"). The Company believes that its ability to grow ARPD is an indicator of the value proposition of its platform. The Company defines ARPD as Dealer revenue, excluding digital advertising services, during the period divided by the monthly average number of Dealer Customers during the same period. Beginning with the three months ended June 30, 2022, Accu-Trade is included in its ARPD metric, which had an immaterial impact on ARPD for the annual and quarterly periods. No prior period has been recast as it would be impracticable to do so.

Dealer Customers. Dealer Customers represent dealerships using the Company’s products as of the end of each reporting period. Each physical or virtual dealership location is counted separately, whether it is a single-location proprietorship or part of a large, consolidated dealer group. Multi-franchise dealerships at a single location are counted as one dealer. Beginning June 30, 2022, this key operating metric includes Accu-Trade; however, no prior period has been recast as it would be impracticable to do so.