

Third Quarter 2023 Earnings

November 2, 2023

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 goals, plans, expectations, projections regarding the expected benefits of the transaction, management's plans, projections and objectives for the transaction, future operations, scale and performance, integration plans and expected synergies therefrom, and our financial position, results of operations, market position, capital allocation strategy, initiatives, business strategy and expectations of our 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. All forward-looking statements contained in this presentation are qualified by these cautionary statements. 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, global supply chain shortages, fluctuating fuel prices, rising interest rates, inflation and other factors we think are appropriate. Such forward-looking statements are based on 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. While the Company 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 presentation. 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, 2022, as filed with the Securities and Exchange Commission ("SEC") on February 23, 2023 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 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 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 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 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.

Cars Commerce Acquires D2C Media

Leading automotive technology and digital solutions provider in Canada



—  **Proudly a Canadian Company**  —

Accelerated Growth in Q3 2023



Revenue Growth,
+6% YOY



ARPD Growth,
+9% YOY



Improved QOQ
Adjusted EBITDA,
28% Margin

Simplified Go-to-Market Strategy To Drive Sustainable Growth in Subscription Revenue



SOLUTIONS

Marketplace



Digital Experience



Trade & Appraisal



Media

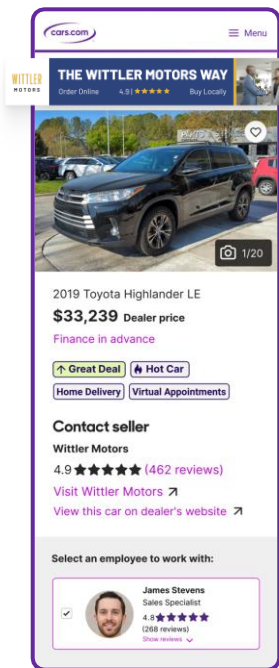


My Garage Keeps Consumers Engaged Between Purchases

- New marketplace feature connects retail data to real-time trade-in values
- Helps consumers track the value of their vehicle over time to know the optimal time to trade or sell

The screenshot displays the 'Your Garage' section on the Cars.com website. At the top, there are navigation links for 'Cars for Sale', 'New Cars', 'Research & Reviews', 'News & Videos', 'Service & Repair', and 'Sell Your Car'. The user's location is set to 60673. Below this, three car thumbnails are shown: a 2011 Ford Escape Limited, a 2016 Nissan Rogue SL (which is highlighted), and a 2008 Toyota Prius Touring. The main listing for the 2016 Nissan Rogue SL includes a large image of the car, a 'Listing details' section with status 'In progress' and start date 'April 28, 2023', and an 'Instant offer' section showing an expected cash offer range of \$10,375-\$12,475. Below the offer is a 'Cars.com Market Value' chart showing the car's value from 2019 to 2023, with a current value of \$16,997 as of 5/6/2023. The chart shows a peak in early 2022 followed by a decline. A 'List your car for free' button is at the bottom.

Largest Review Platform in the Industry



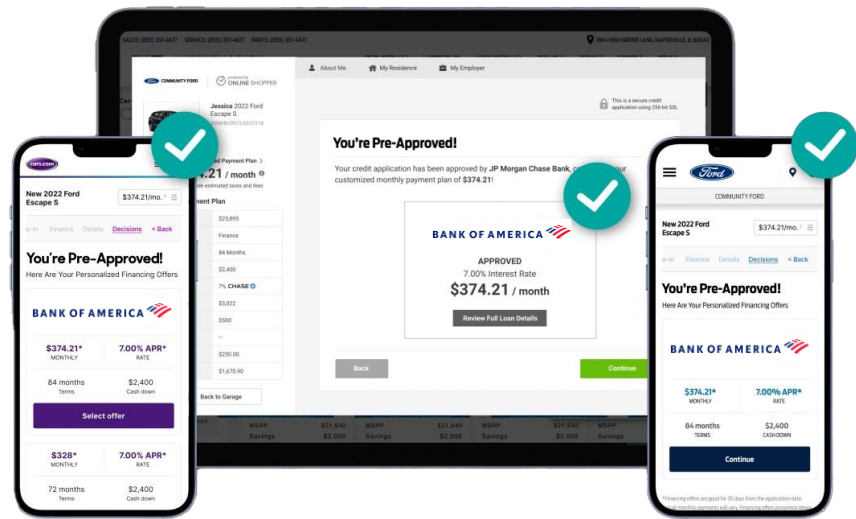
13MM
dealer reviews

Sarah M.
Thank you Wittler Motors!

★★★★★

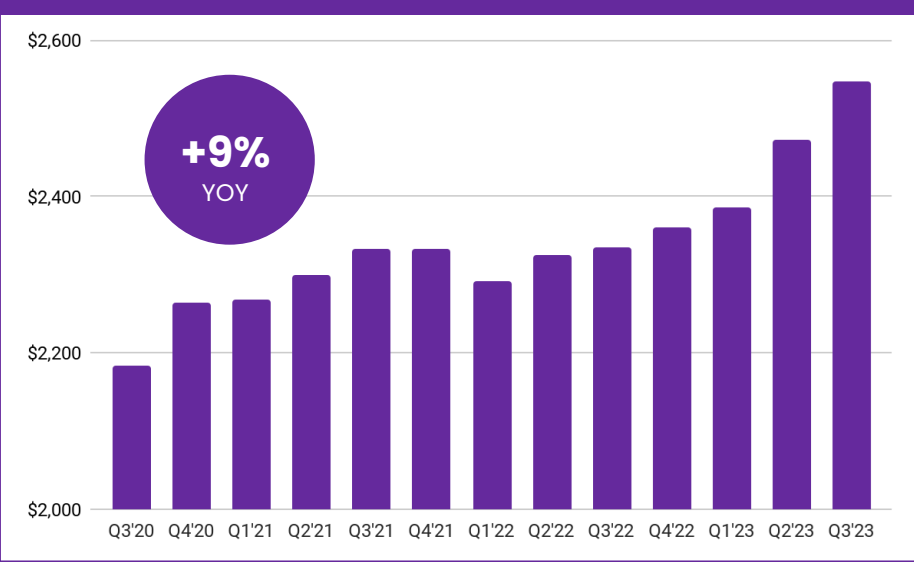
I got an instant offer on my current vehicle and then Jake took it from there. So easy. I'm never going anywhere else.

~9K Dealers Enable Instant Financing

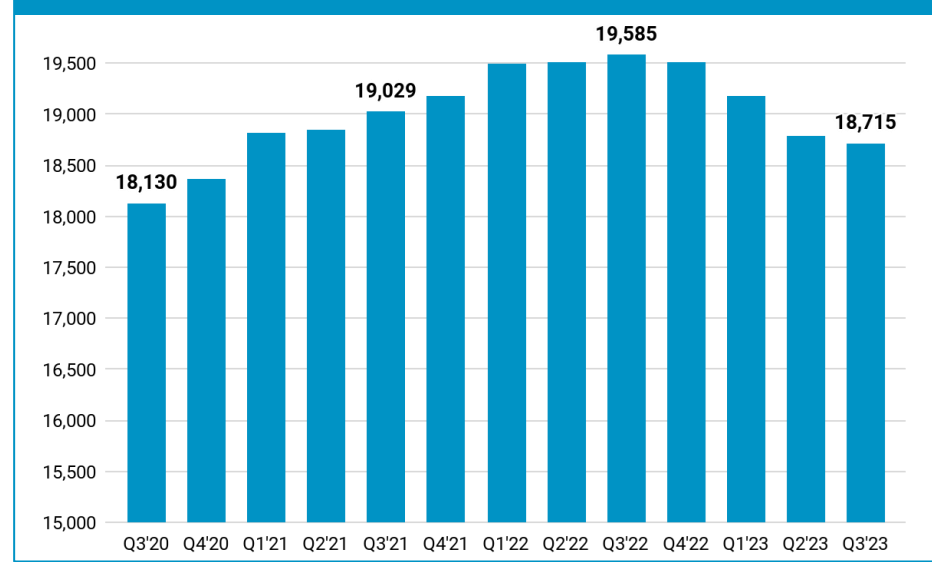


Marketplace Repackaging Driving ARPD, With Only Modest Impact to Dealer Customers

ARPD



Dealer Customers

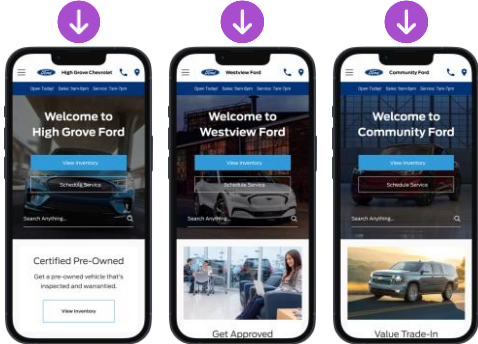
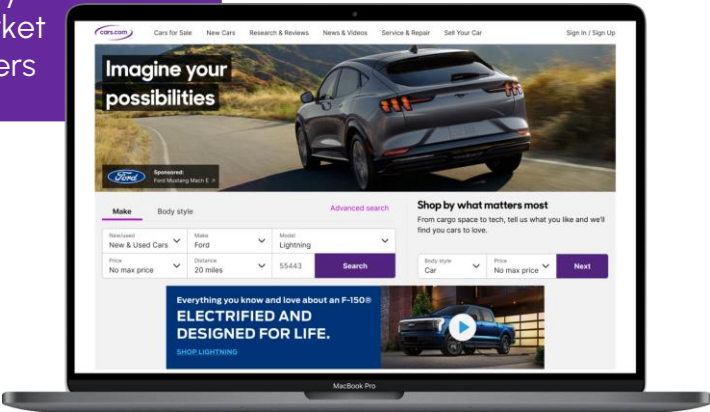


Note: The decline of the digital dealer industry negatively impacted our Dealer Customer count by over 650 cancellations (which started in Q2'22). There are effectively no digital dealers in our Dealer Customer count.

Cars Commerce Media Network Drives Retail Sales Results

- Leveraging the Cars.com audience across video, social and display advertising, **improves dealer website traffic by 30%+¹**
- National OEM advertising buy on Cars.com generates **double-digit lift in leads²** on dealer websites

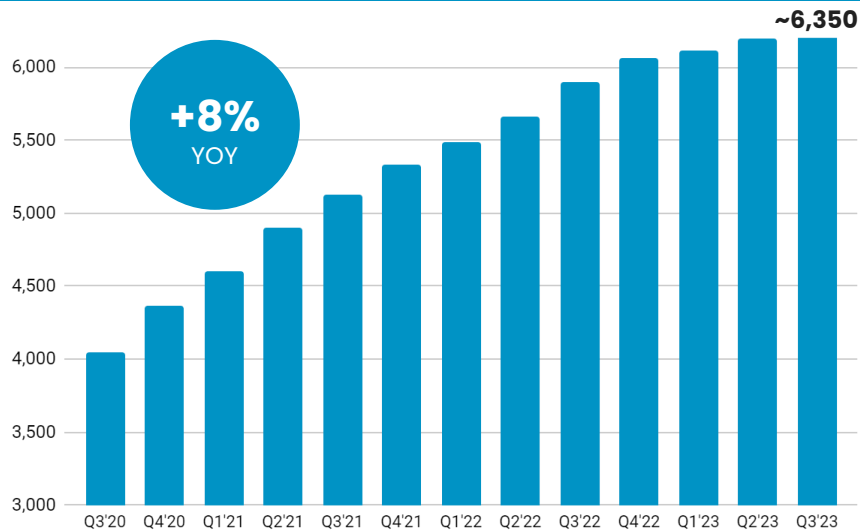
26MM
monthly
in-market
shoppers



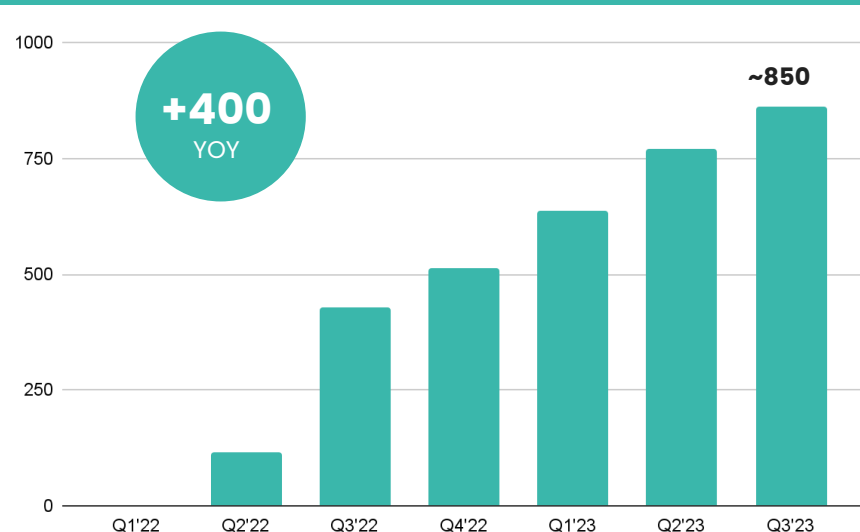
¹Cars.com Inventory Search Ads 4/1/23-4/30-23 compared to Dealer Inspire Google SEM Data 3/14/23-4/14/23; ²Blinded customer results from Oct. 2023 ad buy

Continued Adoption of Our Digital Solutions

Dealer Inspire Website Customers

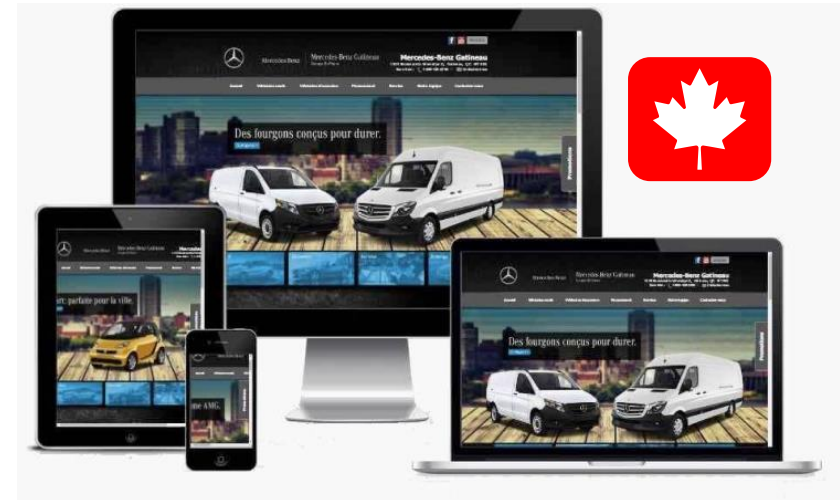


Accu-Trade Connected Customers



Welcome D2C Media

- Expands Cars Commerce platform in Canada
- ~1,000 dealer customers
- Website endorsements covering ~60% of OEMs operating in Canada
- D2C Media generates profitable top-line growth
- Experienced local Canadian team



Expanded and Advanced Our Platform Strategy



**Launched
Cars Commerce**



**Grew Dealer
Revenue
& OEM Sales**

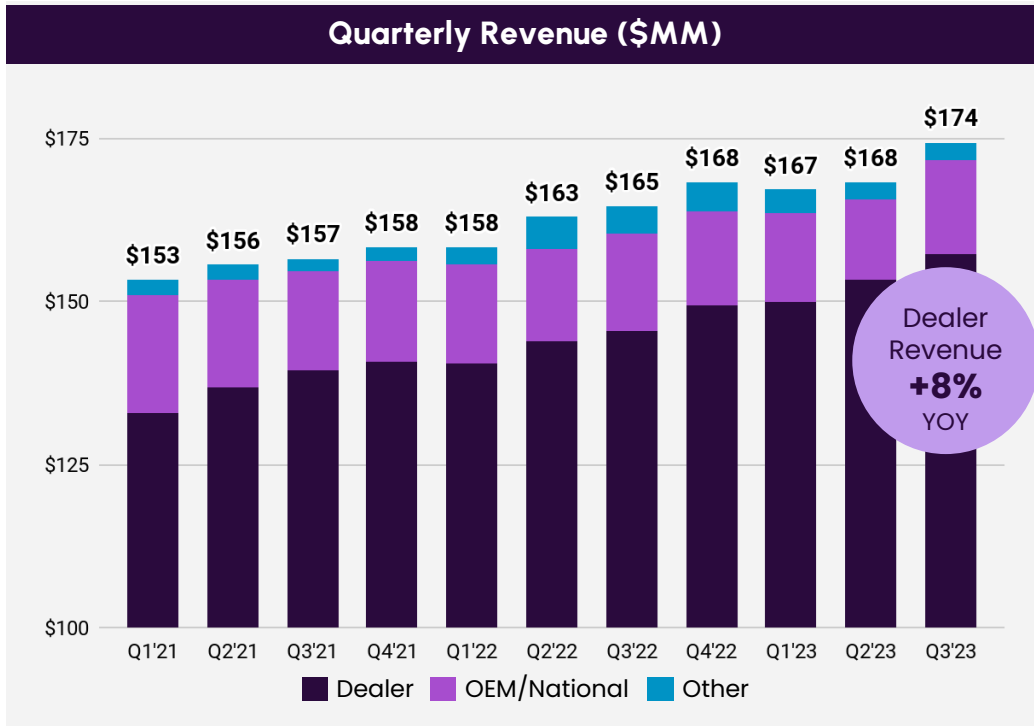


**Expanded
Growth
Opportunities**



**Recognized as
"Best
Companies to
Work For in
2024"**

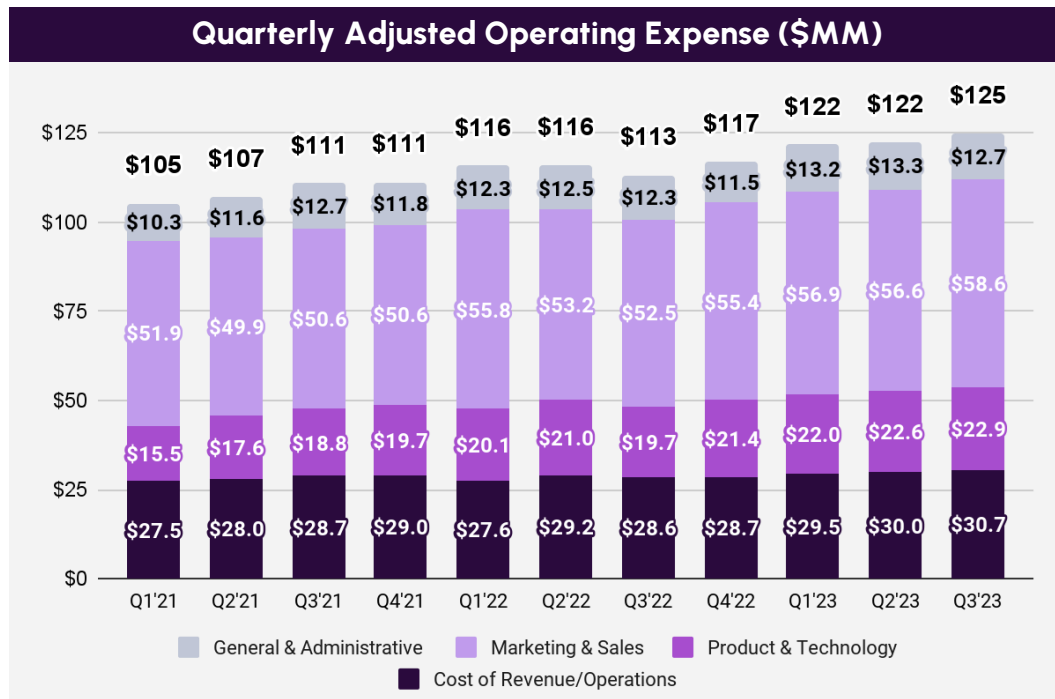
Revenue Growth of +6% YOY



Drivers of Revenue Growth

- Dealer Revenue +8% YOY driven by growth in solutions, media upsells and Marketplace Repackaging Initiative
- OEM & National down 2% YOY, however OEM Revenue was up double-digits YOY
- Other Revenue down YOY driven by expected termination of Accu-Trade license agreement with former owner

Disciplined Investment in Growth



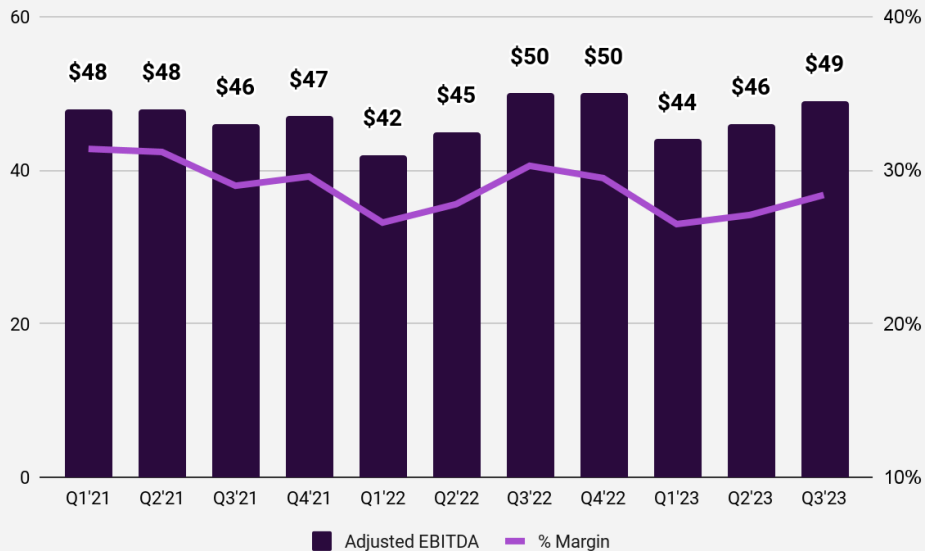
Drivers of Changes in Expense

- YOY and sequential increase in Marketing and sales due to investment in the Cars.com advertising campaign, in-person employee events, and compensation expense
- YOY increase in Product and technology driven by continued investment in consumer and customer experiences

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 Sequential Improvement in Adjusted EBITDA

Quarterly Adjusted EBITDA (\$MM) & Margin (% Revenue)



Drivers of Adjusted EBITDA

- Adjusted EBITDA margin improved 125bps sequentially
- YOY variance in Adjusted EBITDA reflects continued investment in the business, including higher YOY Marketing expense

Strength Across Key Operating Metrics

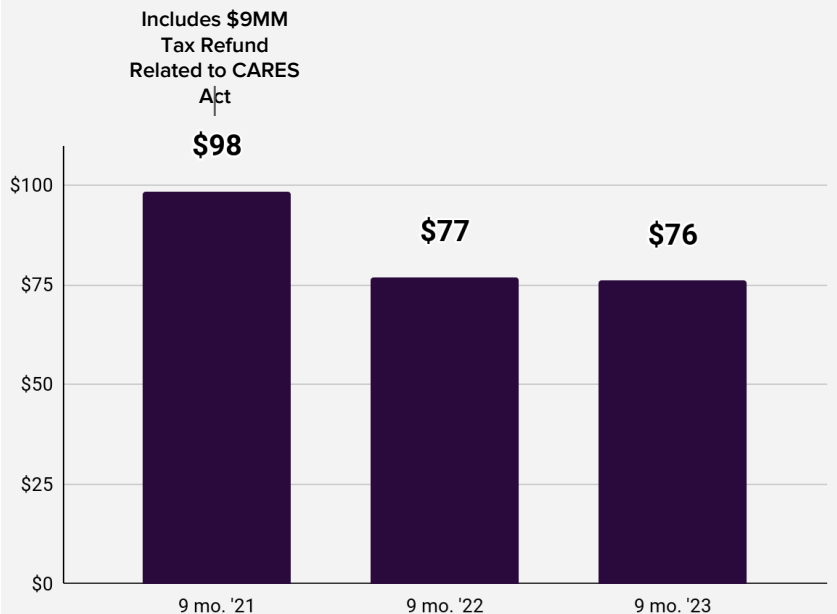
	Q3 2023	Q3 2022
AVERAGE MONTHLY UNIQUE VISITORS	26.0 MM	27.3 MM
TRAFFIC (VISITS)	151.4 MM	150.4 MM
MONTHLY ARPD ¹	\$2,548	\$2,334
DEALER CUSTOMERS ²	18,715	19,585

¹ARPD excludes revenue from Dealer Inspire digital advertising services.

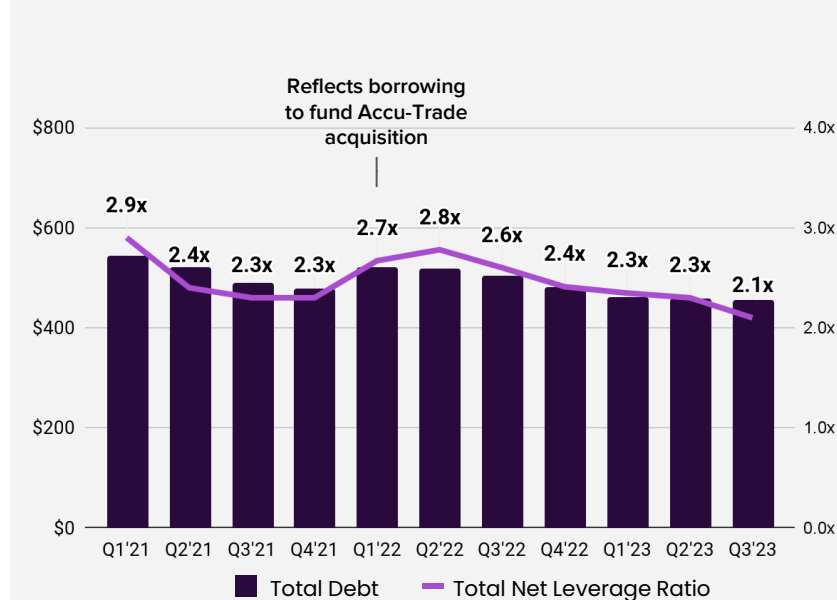
²Note: The decline of the digital dealer industry negatively impacted our Dealer Customer count by over 650 cancellations (which started in Q2'22). There are effectively no digital dealers in our Dealer Customer count.

Robust Cash Flow, Solid Balance Sheet

YTD Free Cash Flow Trend (\$MM)



Total Debt (\$MM) & Net Leverage Ratio



Q4 2023 Outlook

- Q4 Revenue: \$177.0 to \$179.0 million
 - Represents 5.2% to 6.4% YOY growth
 - Includes Revenue from D2C Media Inc, which is expected to contribute ~1.5% of total Revenue dollars in the quarter

- Q4 Adjusted EBITDA margin: 29.5% to 30.5%



Q&A

Upcoming IR Marketing Schedule

- **November 15:** RBC Capital Markets Global Technology, Internet, Media Telecommunication Conference in New York
- **November 16:** D.A. Davidson Technology Summit
- **November 20:** Needham 3rd Annual Consumer Technology / E-Commerce Virtual Conference



Capital
Markets



D | A | DAVIDSON



Appendix

Non-GAAP Reconciliations

(unaudited and in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of Net income (loss) to Adjusted EBITDA				
Net income (loss)	\$ 4,491	\$ (2,941)	\$ 110,096	\$ 6,944
Interest expense, net	7,777	8,501	24,171	26,878
Income tax (benefit) expense	(1,852)	952	(93,882)	(830)
Depreciation and amortization	25,670	23,134	74,381	70,688
Stock-based compensation	7,611	5,578	22,283	17,576
Write-off of long-lived assets and other	308	100	638	70
Severance, transformation and other exit costs	470	1,558	2,348	3,369
Transaction-related items	5,019	13,001	(555)	12,514
Adjusted EBITDA	\$ 49,494	\$ 49,883	\$ 139,480	\$ 137,209

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

Net cash provided by operating activities	\$ 35,398	\$ 49,011	\$ 91,580	\$ 91,291
Capitalization of internally developed technology	(4,777)	(5,523)	(14,838)	(13,147)
Purchase of property and equipment	(229)	(321)	(737)	(1,252)

Non-GAAP Reconciliations

(unaudited and in thousands)

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.

Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended September 30, 2022:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 28,828	\$ —	\$ (240)	\$ 28,588
Product and technology	21,425	—	(1,754)	19,671
Marketing and sales	53,615	—	(1,132)	52,483
General and administrative	17,604	(2,024)	(2,452)	13,128

Non-GAAP Reconciliations

(unaudited and in thousands)

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.

Reconciliation of Operating expenses to Adjusted operating expenses for the Nine Months Ended September 30, 2022:

	As Reported	Adjustments ⁽¹⁾	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 86,084	\$ —	\$ (759)	\$ 85,325
Product and technology	65,849	—	(5,086)	60,763
Marketing and sales	165,364	—	(3,904)	161,460
General and administrative	51,465	(6,570)	(7,827)	37,068
Depreciation and amortization	70,688	—	—	70,688
Total operating expenses	\$ 439,450	\$ (6,570)	\$ (17,576)	\$ 415,304