

Q3 2024 Earnings Presentation

November 7, 2024



Cautionary Note Regarding Forward-Looking Statements

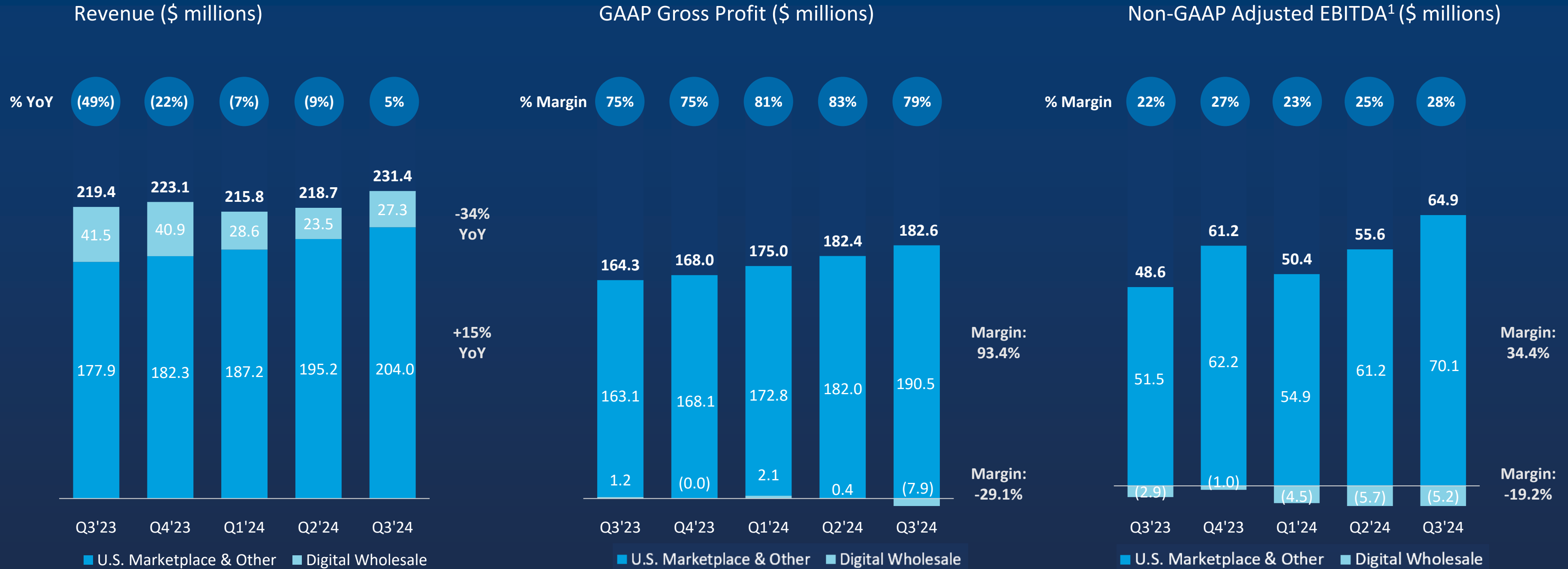
This presentation includes forward-looking statements. Other than statements of historical facts, all statements contained in this presentation, including statements regarding our transformation to a transaction-enabled platform; industry trends; our market and brand awareness; our business and growth strategy and our plans to execute on our growth strategy; our ability to grow our business profitably and efficiently; our expectation that we will continue to invest in growth initiatives; the growth levers we expect to drive our business; our ability to quickly make transformations necessary for our business to achieve long-term goals; the attractiveness and value proposition of our current offerings and other product opportunities; our ability to maintain existing and acquire new customers; addressable opportunities; synergies that can be created from our combined offerings, including our ability to help dealers optimize margins; the potential growth, scaling, and efficiency of CarOffer, LLC (CarOffer) as well as the value proposition of CarOffer's business and expected transaction synergies; our ability to grow the CarOffer business and return it to profitability; the potential growth and scaling of our various product opportunities; the impact of macro-level industry issues on our industry, business, and financial results; global and domestic economic conditions; capital allocation and investment strategy; our future financial and operating results; and our fourth quarter 2024 and full-year 2024 financial and business performance, including guidance; and other statements regarding our plans, prospects, and expectations, are forward-looking statements. The words "aim," "anticipate," "believe," "could," "estimate," "expect," "goal," "guide," "intend," "may," "might," "plan," "potential," "predicts," "projects," "seeks," "should," "strive," "target," "will," "would," and similar expressions and their negatives are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including risks related to our growth and our ability to grow our revenue; our relationships with dealers; competition in the markets in which we operate; market growth; our ability to innovate; our ability to realize benefits from our acquisitions and successfully implement the integration strategies in connection therewith; impairment of the carrying value of our goodwill, intangible assets, right-of-use assets, or other assets; increased inflation and interest rates, global supply chain challenges, and other macroeconomic issues; the material weakness identified in our internal controls over financial reporting; changes in our key personnel; natural disasters, epidemics, or pandemics; and our ability to operate in compliance with applicable laws as well as other risks and uncertainties as may be detailed from time to time in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and other reports we file with the U.S. Securities and Exchange Commission (SEC). These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of the date of this presentation, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, third-party studies, and industry publications and reports as well as other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Similarweb, YipitData, Joreca, and, as applicable, third-party studies for data relating to comparisons with our competitors. Google Analytics, Similarweb, YipitData, Joreca, and applicable third-party studies use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These third-party studies and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that these third-party studies and industry publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys and/or third-party studies, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

In addition to the financial measures contained in this presentation that are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), this presentation includes certain non-GAAP financial measures and other business metrics. The presentation of non-GAAP financial information and other business metrics is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. While our non-GAAP financial measures and other business metrics are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measure included in the Appendix to this presentation, and not to rely on any single financial measure to evaluate our business.

CarGurus® is a registered trademark of CarGurus, Inc., and CarOffer® is a registered trademark of CarOffer, LLC. All other product names, trademarks, and registered trademarks are property of their respective owners. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this presentation.

Financial Highlights: Q3 2024



Marketplace revenue growth continued to accelerate, growing double-digit YoY for the third consecutive quarter

Drivers of Value Creation: Q3 2024 Progress

More Value to Dealers

- CarGurus ranked #1 for ROI, based on independent dealer survey¹
- Launched Next Best Deal Rating internationally
- Highlight upgrade driving adoption and engagement
- In-person dealer training

Better Consumer Experience

- Launched website redesign
- More intuitive in-app search with swipeable photos and updated browsing
- Upgraded lead submission experience to facilitate connection with dealers
- 4.9-star rated iOS App

Transaction Enablement

- Digital Deal adoption +150% YoY to 8,474 dealers
- Digital Deal live in Canada
- Top Dealer Offers penetration +30% QoQ to ~500 dealers across 80 metro areas
- 60% of Top Dealer Offers sellers search for a new car on CarGurus marketplace

Rebuild & Integrate Digital Wholesale

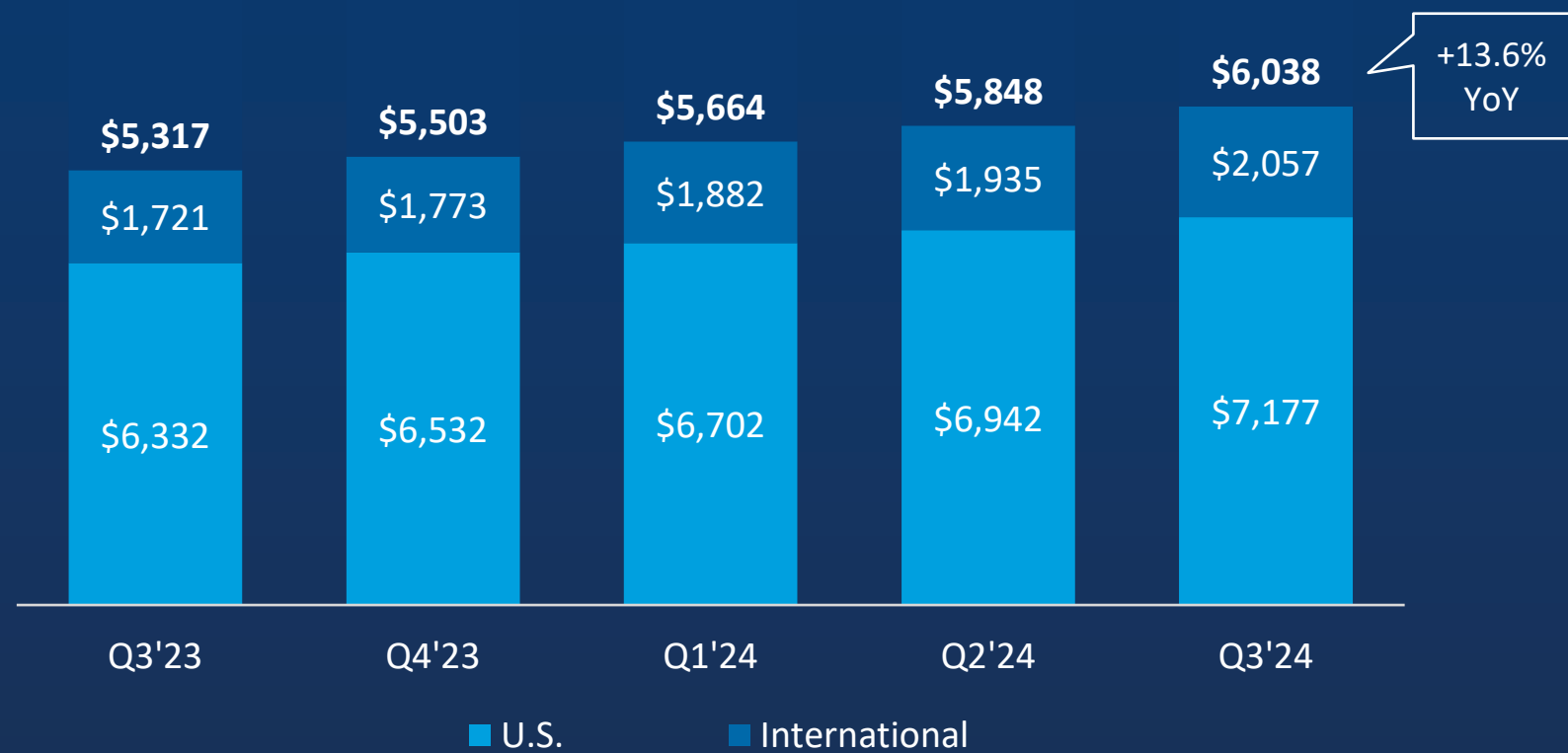
- Reduced transaction fulfillment times, optimized transportation
- Programmatic buying and selling powered by real-time retail & market data
- Touchpoints to help dealers to optimize their matrix



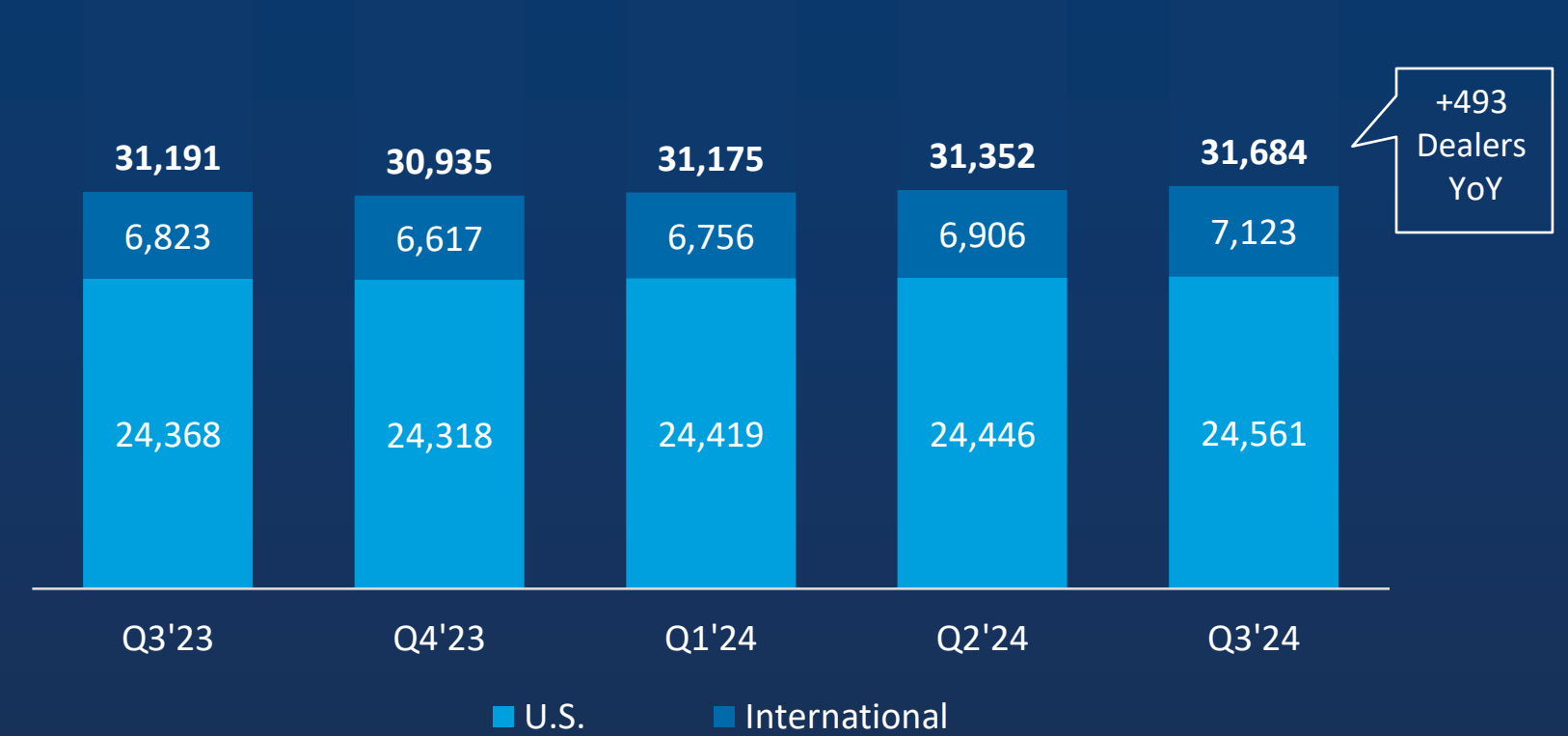
Leveraging actionable data insights and transaction capabilities to deliver more value to dealers and consumers

Mid-Teens QARSD Growth; Paying Dealer Base Expansion

QARSD¹



Paying Dealers¹



Drivers of QARSD¹

- Add and renew dealers at market rates
- Subscription upgrades to higher tiers
- New product innovation and adoption
- Lead quantity and quality

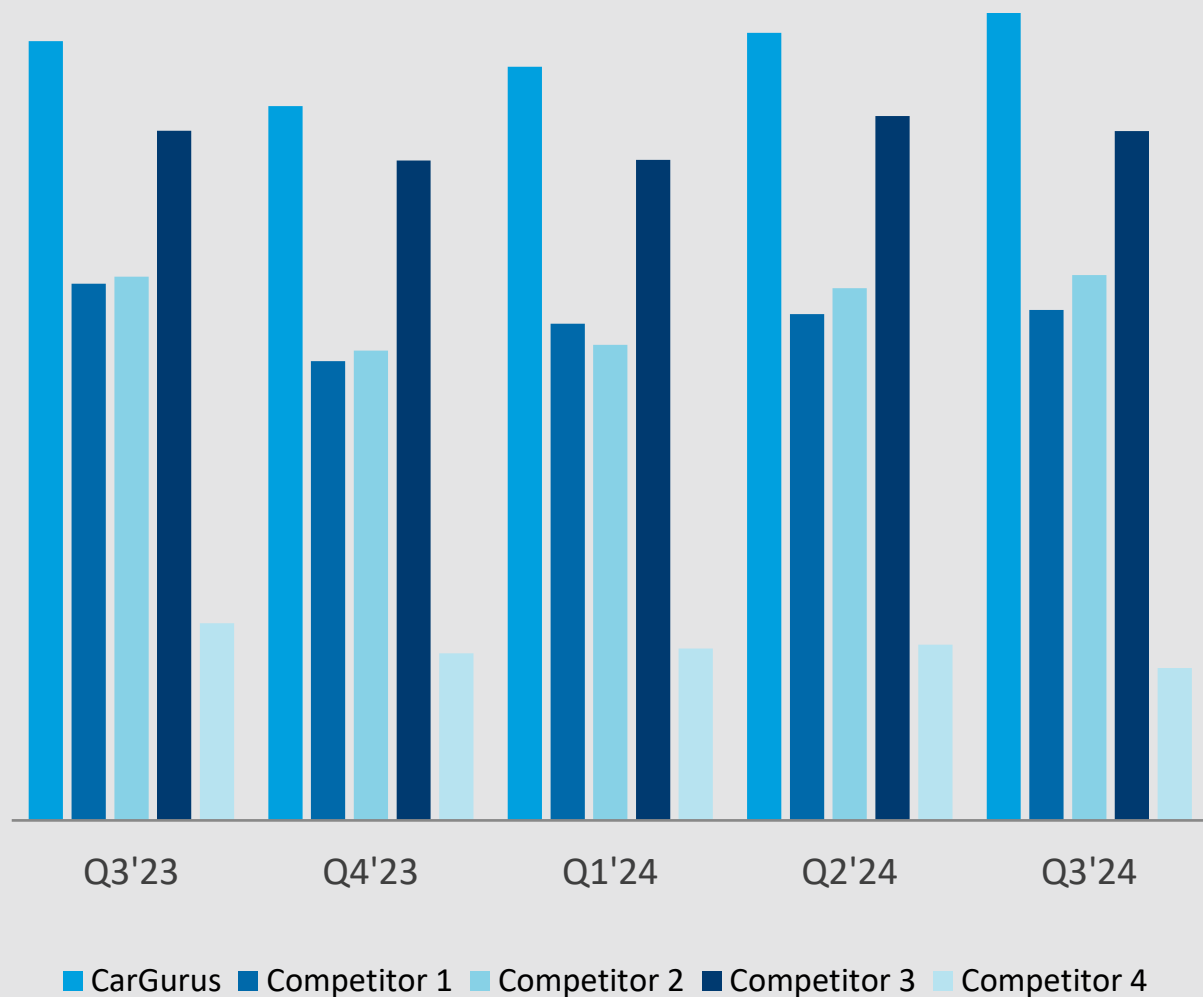
Paying Dealers¹ Commentary

- #1 ROI based on independent survey²
- Increasing engagement and retention
- Longer average contract duration
- Increasing mix of U.S. franchise dealers

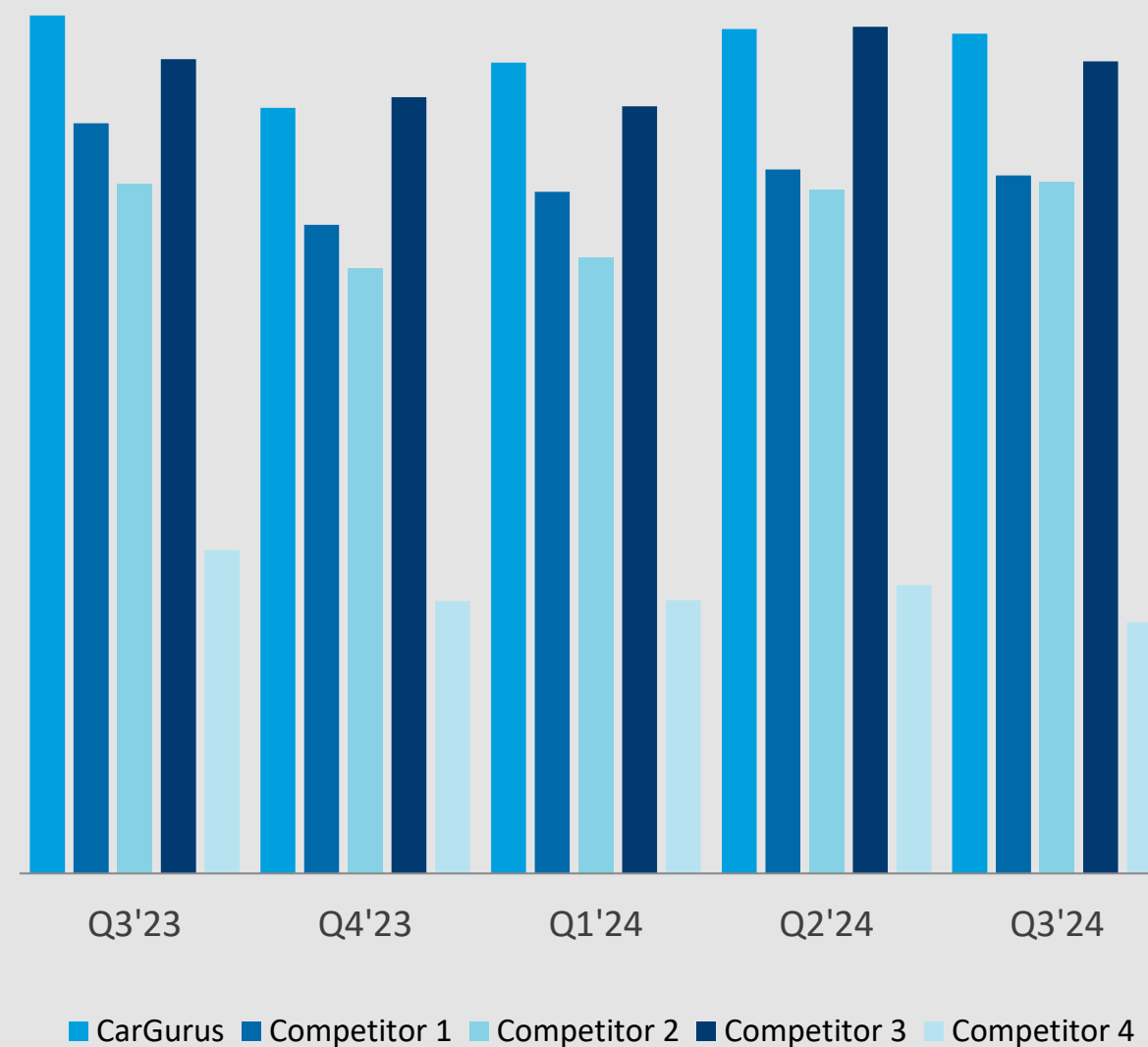
1. As defined in our Form 10-Q for the quarterly period ended September 30, 2024, filed with the SEC on November 7, 2024.
 2. Marketprobe, blinded survey of 600 dealers, Aug 2024. Based on 313 responding dealers who pay for at least two listings sites.

Market-leading Consumer Experience

U.S. Average Monthly Visitors^{1 2} (millions)



Average Monthly Unique Visits³ (millions)



58%

More average monthly visits than our closest competitor⁴

36%

Of our average monthly unique visitors do not visit our competitors' sites⁵

56%

More minutes per unique visitor on average than our closest competitor⁶

~20%

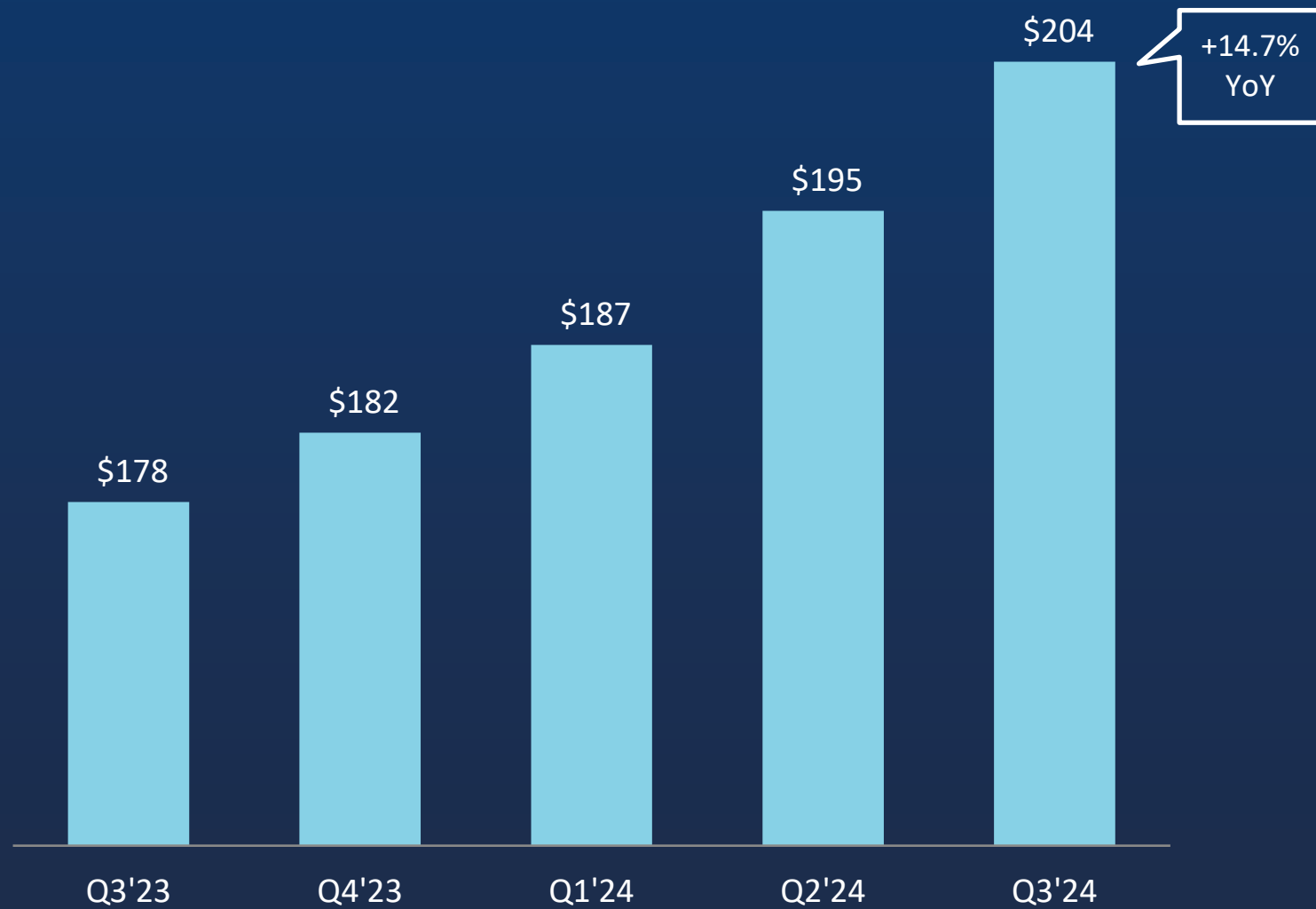
More inventory than our next competitor⁷

1. Historical average monthly visitors for CarGurus and competitors have been updated to match Similarweb's change in methodology as of 7/29/24.
 2. Similarweb, Traffic Report (Cars.com, Autotrader, CARFAX Listings (defined as CARFAX Total visits minus Vehicle History Reports traffic), TrueCar, Q3'24.
 3. Similarweb, Audience Report (Cars.com, Autotrader, CARFAX Listings (defined as CARFAX Total visits minus Vehicle History Reports traffic), TrueCar, Q3'24.

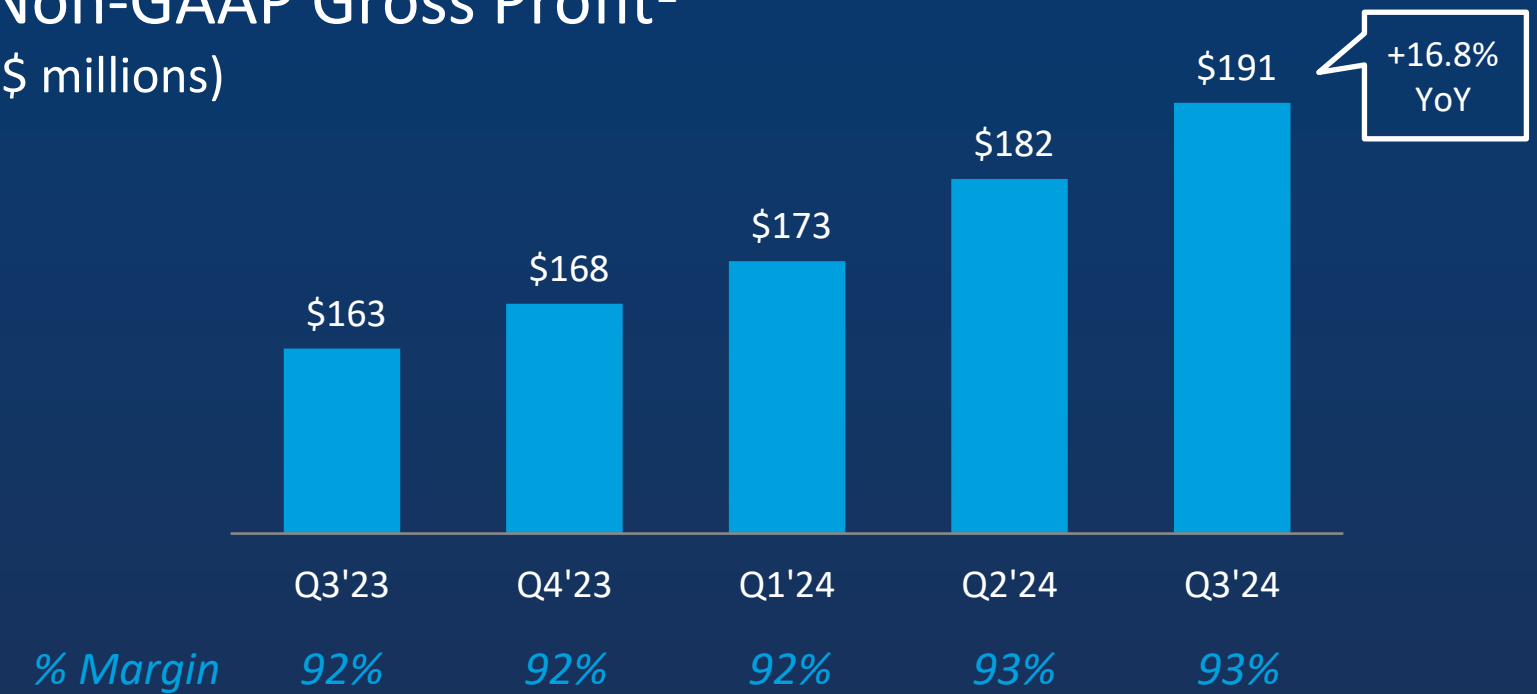
4. Similarweb, Traffic Report (Cars.com), Q3'24.
 5. Similarweb, Audience Report (Cars.com, Autotrader, TrueCar, CARFAX), Q3'24.
 6. Similarweb, Engagement Report (Cars.com), Q3'24.
 7. Compared to Autotrader.com, Cars.com, TrueCar.com (YipitData as of 9/30/24), and CARFAX (Joreca as of 9/30/24).

Marketplace (U.S. Segment & Other) Q3 2024 Results

Revenue (\$ millions)

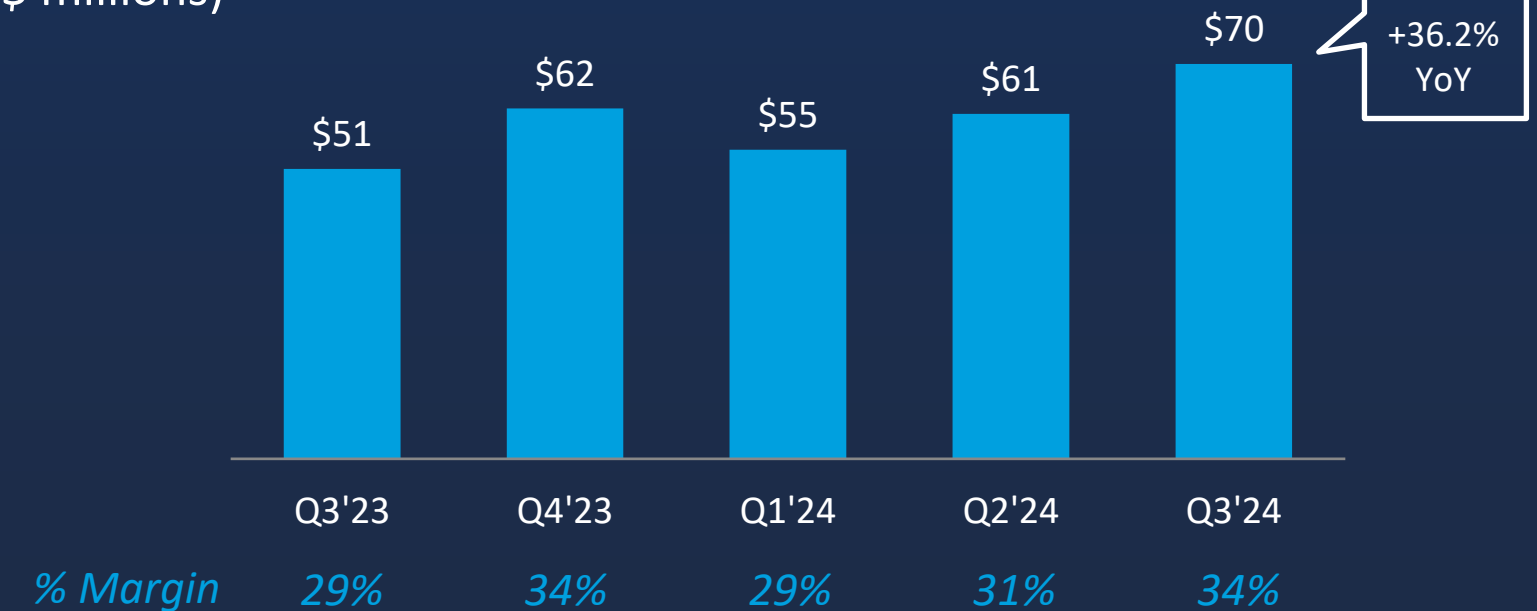


Non-GAAP Gross Profit¹ (\$ millions)



Quarter	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
% Margin	92%	92%	92%	93%	93%

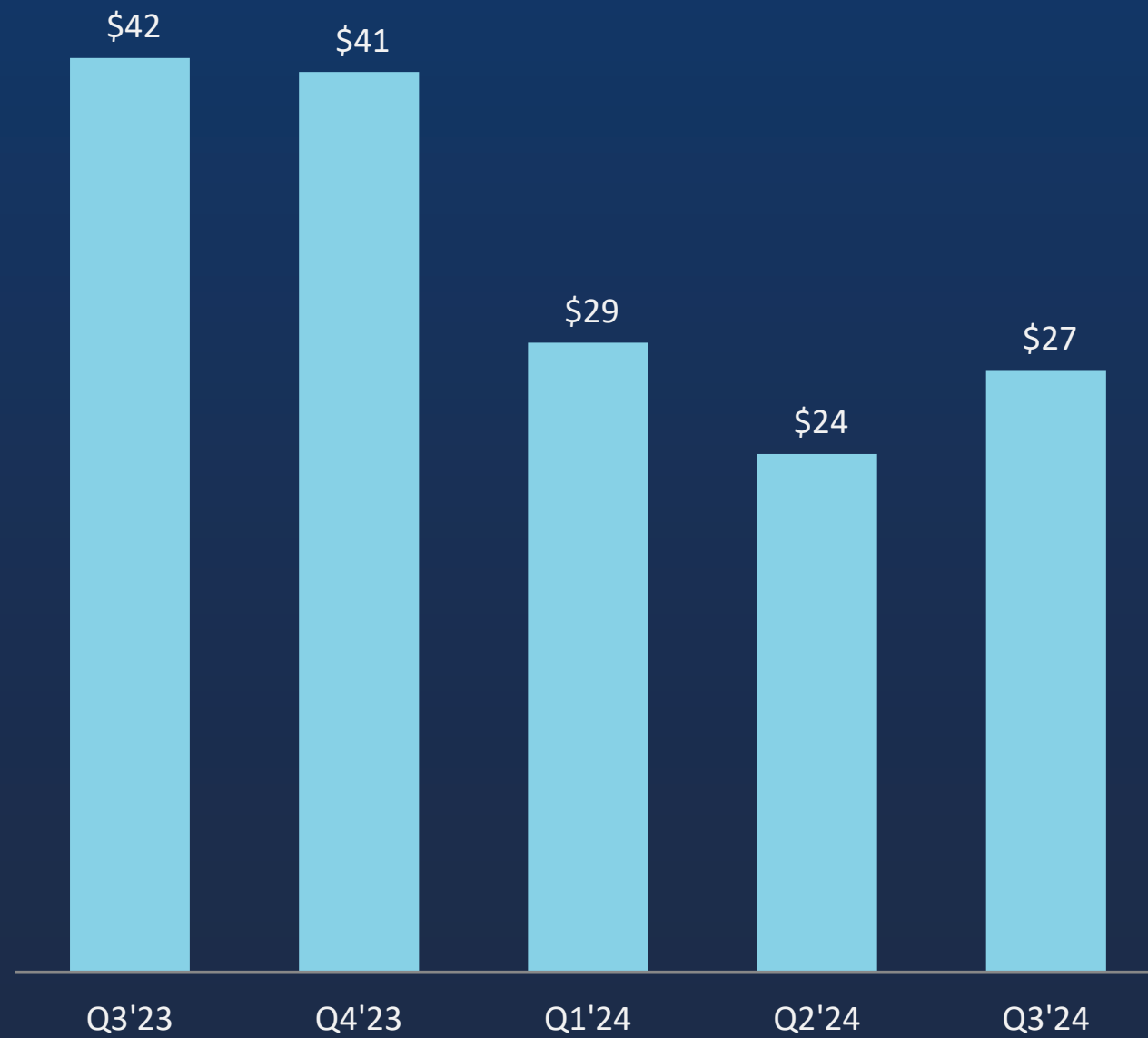
Adjusted EBITDA¹ (\$ millions)



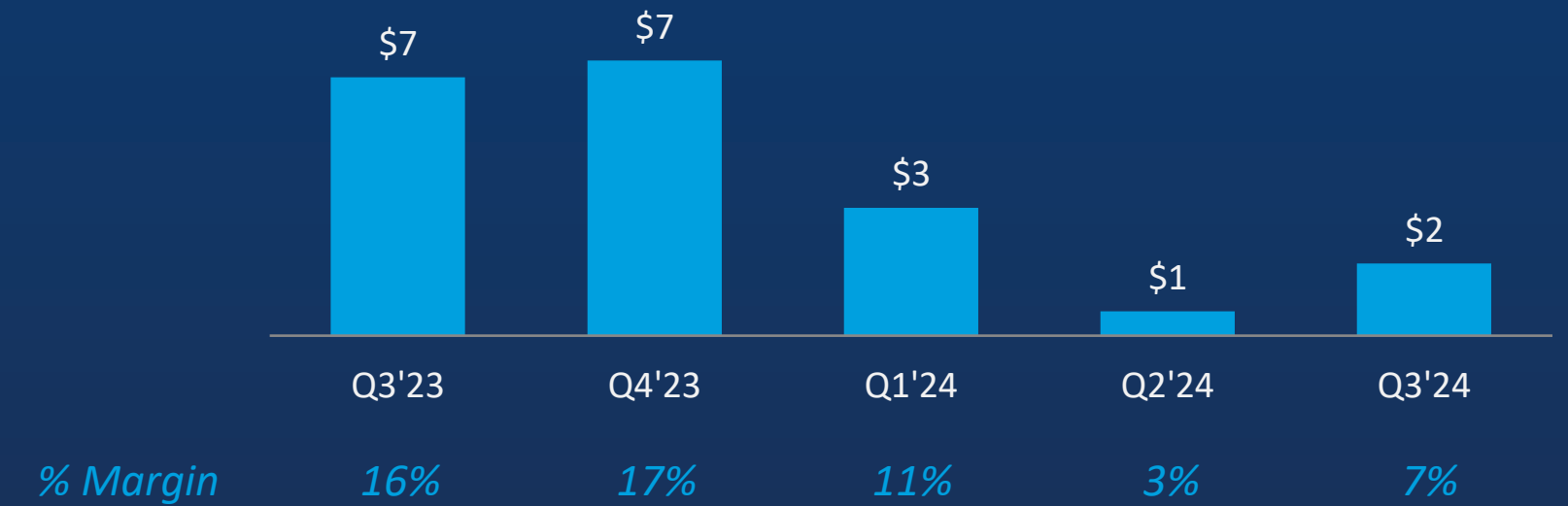
Quarter	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
% Margin	29%	34%	29%	31%	34%

Digital Wholesale Q3 2024 Results

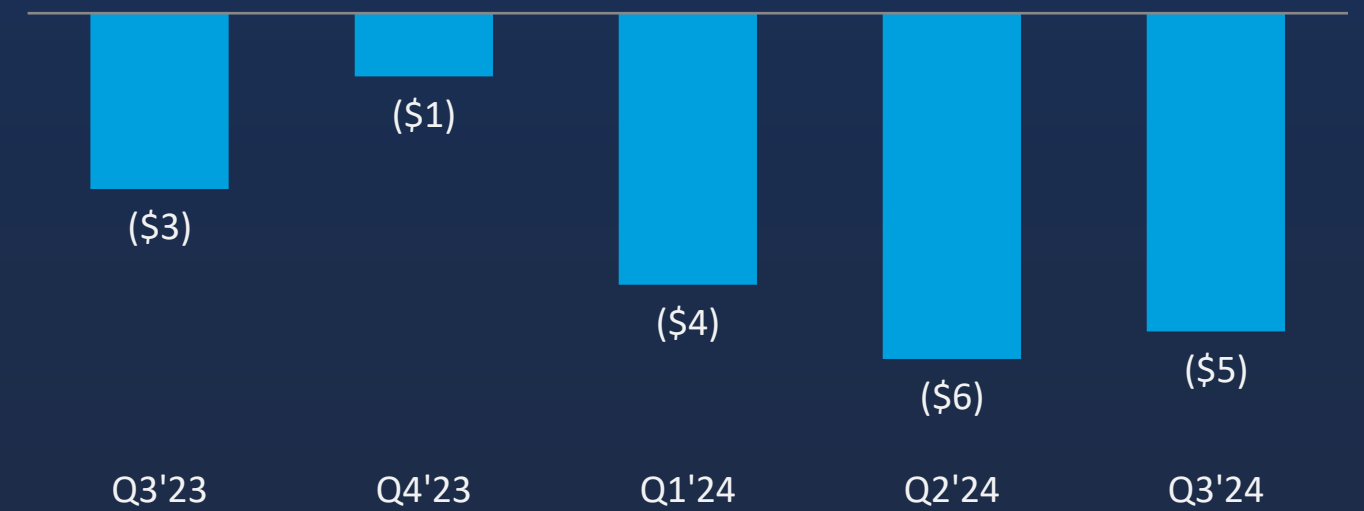
Revenue (\$ millions)



Non-GAAP Gross Profit (Loss)¹ (\$ millions)



Adjusted EBITDA¹ (\$ millions)



Q4 & Full-Year 2024 Outlook

	Q4'24	Full-Year 2024
Total Revenue	\$219 million - \$239 million	\$885 million - \$905 million
Marketplace Revenue	\$208 million - \$213 million	\$794 million - \$799 million
Non-GAAP Consolidated Adjusted EBITDA	\$72 million - \$80 million	\$243 million - \$251 million
Non-GAAP Earnings Per Share	\$0.50 - \$0.55	\$1.67 - \$1.73

The fourth quarter and full-year 2024 non-GAAP EPS calculations assume 106.0 million diluted weighted-average common shares outstanding.

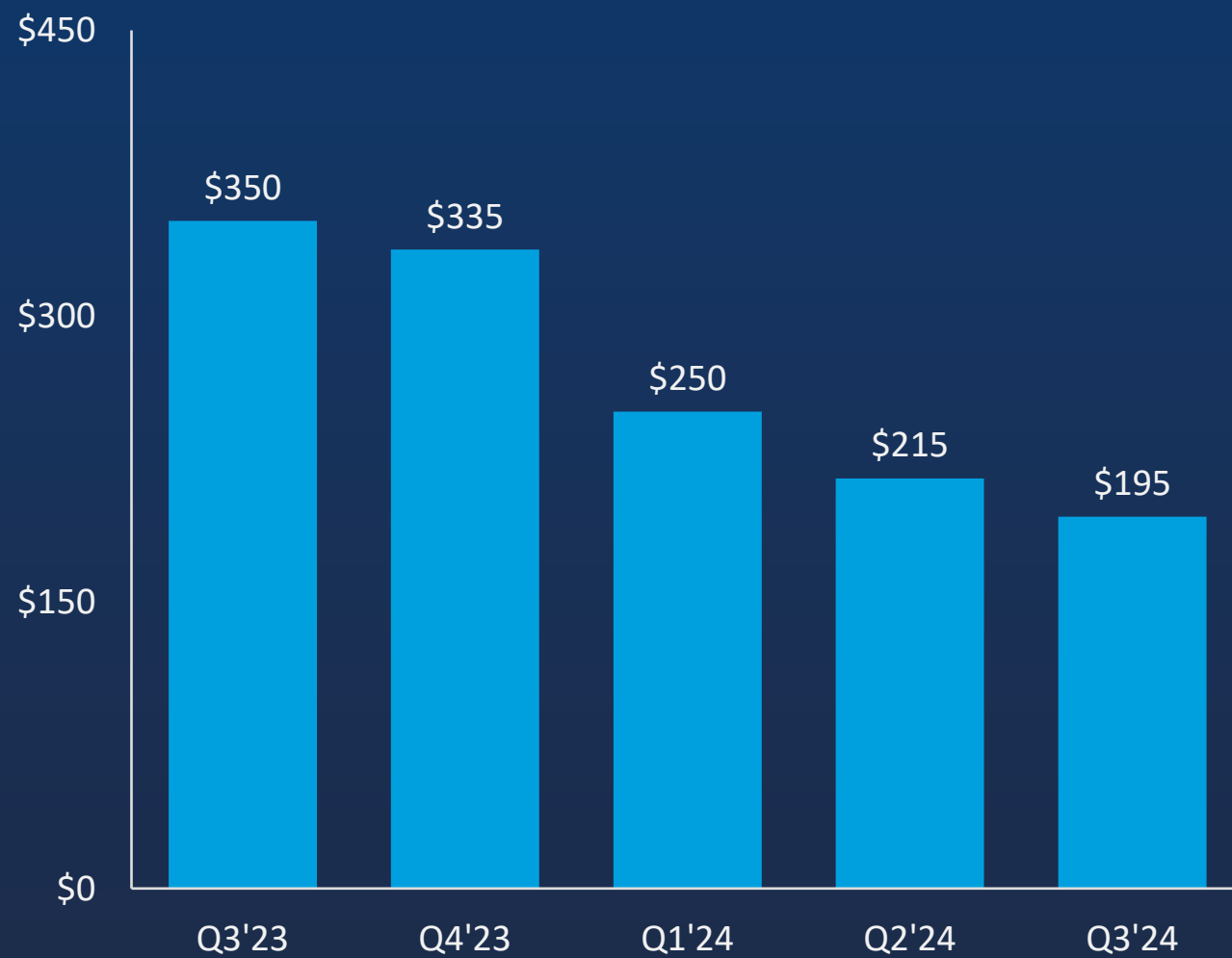
The assumptions that are built into guidance for the fourth quarter and full-year 2024 regarding our pace of paid dealer acquisition, churn, and expansion activity for the relevant period are based on recent market trends and industry conditions. Guidance for the fourth quarter and full-year 2024 excludes macro-level industry issues that result in dealers and consumers materially changing their recent market trends or that cause us to enact measures to assist dealers. Guidance also excludes any potential impact of foreign currency exchange gains or losses.

CarGurus has not reconciled its guidance of non-GAAP consolidated adjusted EBITDA to GAAP consolidated net loss or non-GAAP EPS to GAAP EPS because reconciling items between such GAAP and non-GAAP financial measures, which include, as applicable, stock-based compensation, amortization of intangible assets, goodwill and other asset impairment, depreciation expenses, non-intangible amortization, transaction-related expenses, other income, net, the provision for (benefit from) income taxes, and income tax effects, cannot be reasonably predicted due to, as applicable, the timing, amount, valuation, and number of future employee equity awards, and the uncertainty relating to the timing, frequency, and effect of acquisitions and the significance of the resulting transaction-related expenses, and therefore cannot be determined without unreasonable effort.

Appendix

Digital Wholesale Platform Transaction Volume

Gross Merchandise Sales (GMS)¹ (\$ millions)



Total Transactions²



1. We define Gross Merchandise Sales (GMS) as the aggregate recorded vehicle cost remitted to the selling entity, excluding all fees and other charges associated with the Transactions, as separately defined, within the applicable period. GMS figures are rounded down to the closest \$5 million increment.

2. We define Transactions within the Digital Wholesale segment as the number of vehicles processed from car dealers, consumers, and other marketplaces through the CarOffer website within the applicable period. For additional information, please see the definition in our Form 10-Q for the quarterly period ended September 30, 2024, filed with the SEC on November 7, 2024.

Marketplace (U.S. Marketplace Segment & Other) GAAP to Non-GAAP Gross Profit and Non-GAAP Gross Margin Reconciliation

(\$ thousands)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP U.S. Marketplace Segment Revenue	\$ 164,323	\$ 168,897	\$ 172,988	\$ 180,052	\$ 187,253
GAAP Other Revenue	13,586	13,353	14,231	15,115	16,766
GAAP Marketplace Revenue	\$ 177,909	\$ 182,250	\$ 187,219	\$ 195,167	\$ 204,019
GAAP U.S. Marketplace Segment Cost of Revenue	13,832	13,179	13,437	12,058	11,984
GAAP Other Cost of Revenue	991	1,011	948	1,087	1,537
GAAP Marketplace Cost of Revenue	14,823	14,190	14,385	13,145	13,521
GAAP Marketplace Gross Profit	\$ 163,086	\$ 168,060	\$ 172,834	\$ 182,022	\$ 190,498
Impact of Stock-Based Compensation Expense in Marketplace Cost of Revenue	77	77	75	45	63
Non-GAAP Marketplace Gross Profit ^{1,2}	\$ 163,163	\$ 168,137	\$ 172,909	\$ 182,067	\$ 190,561
GAAP Marketplace Gross Profit Margin	92%	92%	92%	93%	93%
Non-GAAP Marketplace Gross Profit Margin ³	92%	92%	92%	93%	93%

1. We define Non-GAAP Marketplace Gross Profit as the difference between GAAP Marketplace Revenue and GAAP Marketplace Cost of Revenue adjusted for the impact of Stock-Based Compensation Expense in GAAP Marketplace Cost of Revenue.

2. Non-GAAP Marketplace Gross Profit plus Non-GAAP Digital Wholesale Gross Profit may not equal Non-GAAP Gross Profit in earnings release due to rounding.

3. We define Non-GAAP Marketplace Gross Profit Margin as Non-GAAP Marketplace Gross Profit divided by GAAP Marketplace Revenue.

Digital Wholesale GAAP to Non-GAAP Gross Profit (Loss) and Non-GAAP Gross Margin Reconciliation

(\$ thousands)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Wholesale Revenue	\$ 21,735	\$ 22,035	\$ 16,125	\$ 13,119	\$ 12,107
GAAP Product Revenue	19,775	18,838	12,452	10,406	15,232
GAAP Digital Wholesale Revenue	\$ 41,510	\$ 40,873	\$ 28,577	\$ 23,525	\$ 27,339
GAAP Wholesale Cost of Revenue	21,284	22,286	14,224	12,633	20,415
GAAP Product Cost of Revenue	19,014	18,612	12,226	10,470	14,871
GAAP Digital Wholesale Cost of Revenue	\$ 40,298	\$ 40,898	\$ 26,450	\$ 23,103	\$ 35,286
GAAP Digital Wholesale Gross Profit (Loss)	\$ 1,212	\$ (25)	\$ 2,127	\$ 422	\$ (7,947)
Impact of Stock-Based Compensation Expense in Digital Wholesale Cost of Revenue	109	1,780	156	14	33
Impact of Stock-Based Compensation Expense for CarOffer, LLC Units in Digital Wholesale Cost of Revenue ^{1,2}	(1)	-	-	-	-
Impact of Amortization of Intangible Assets in Digital Wholesale Cost of Revenue	5,250	5,250	875	-	-
Impact of Transaction-Related Expense in Digital Wholesale Cost of Revenue	-	-	92	-	-
Impact of Other Asset Impairment in Digital Wholesale Cost of Revenue ³	-	-	-	180	9,750
Non-GAAP Digital Wholesale Gross Profit ^{4,5}	\$ 6,570	\$ 7,005	\$ 3,250	\$ 616	\$ 1,836
GAAP Digital Wholesale Gross Profit (Loss) Margin	3%	(0%)	7%	2%	(29)%
Non-GAAP Digital Wholesale Gross Profit Margin ⁶	16%	17%	11%	3%	7%

1. During the three months ended December 31, 2023, we updated the table to separately disclose the stock-based compensation expense for CarOffer, LLC Units; the three months ended September 30, 2023 has been updated for comparison purposes.

2. CarOffer, LLC Units consists of CO Incentive Units, Subject Units (each as defined in the Company's Annual Report on Form 10-K as of December 31, 2023, filed with SEC on February 26, 2024), and payments made to noncontrolling interest holder.

3. During the three months ended June 30, 2024, we updated the table to disclose other asset impairment in Non-GAAP Gross Profit and Non-GAAP Gross Profit Margin.

4. We define Non-GAAP Digital Wholesale Gross Profit as the difference between GAAP Digital Wholesale Revenue and GAAP Digital Wholesale Cost of Revenue adjusted for the impacts of Stock-Based Compensation Expense, Stock-Based Compensation Expense for CarOffer, LLC Units, Amortization of Intangible Assets, Transaction-Related Expenses, and Other Asset Impairment in GAAP Digital Wholesale Cost of Revenue.

5. Non-GAAP Marketplace Gross Profit plus Non-GAAP Digital Wholesale Gross Profit may not equal Non-GAAP Gross Profit in earnings release due to rounding.

6. We define Non-GAAP Digital Wholesale Gross Profit Margin as Non-GAAP Digital Wholesale Gross Profit divided by GAAP Digital Wholesale Revenue.

Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA Reconciliation

(\$ thousands)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
U.S. Marketplace Segment Income from Operations	\$ 33,285	\$ 43,281	\$ 34,217	\$ 42,043	\$ 50,410
Other Income from Operations	1,462	1,653	2,407	2,531	2,341
GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations	\$ 34,747	\$ 44,934	\$ 36,624	\$ 44,574	\$ 52,751
Impact of Depreciation and Amortization	3,136	3,224	3,200	2,227	2,892
Impact of Stock-Based Compensation Expense	13,614	13,334	14,989	14,434	14,476
Impact of Transaction-Related Expenses	-	704	58	14	7
Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA ^{1,2}	\$ 51,497	\$ 62,196	\$ 54,871	\$ 61,249	\$ 70,126
GAAP Marketplace Operating Income Margin	20%	25%	20%	23%	26%
Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA Margin ³	29%	34%	29%	31%	34%

1. We define Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA as GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations, adjusted to exclude: Depreciation and Amortization; Stock-Based Compensation Expense; and Transaction-Related Expenses.

2. Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA plus Non-GAAP Digital Wholesale Adjusted EBITDA may not equal Non-GAAP Consolidated Adjusted EBITDA due to rounding.

3. We define Non-GAAP Marketplace Adjusted EBITDA margin as Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA divided by GAAP Marketplace Revenue.

Non-GAAP Digital Wholesale Adjusted EBITDA Reconciliation

(\$ thousands)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Digital Wholesale Loss from Operations	\$ (11,652)	\$ (67,199)	\$ (10,340)	\$ (138,158)	\$ (25,317)
Impact of Depreciation and Amortization	9,334	9,537	4,281	3,436	2,286
Impact of Goodwill and Other Asset Impairment ¹	-	-	-	127,655	16,776
Impact of Stock-Based Compensation Expense	648	737	833	1,123	979
Impact of Stock-Based Compensation Expense for CarOffer, LLC Units ^{2,3}	(1,225)	55,543	-	-	-
Impact of Transaction-Related Expenses	-	340	753	250	32
Non-GAAP Digital Wholesale Adjusted EBITDA ^{4,5}	\$ (2,895)	\$ (1,042)	\$ (4,473)	\$ (5,694)	\$ (5,244)

1. During the three months ended June 30, 2024, we recognized a goodwill impairment and presented it with other asset impairment. During the three months ended September 30, 2023, December 31, 2023, and March 31, 2024, we did not have a goodwill or other asset impairment.
2. During the three months ended December 31, 2023, we updated the table to separately disclose the stock-based compensation expense for CarOffer, LLC Units; the three months ended September 30, 2023 and December 31, 2023 have been updated for comparison purposes.
3. CarOffer, LLC Units consists of CO Incentive Units, Subject Units (each as defined in the Company's Annual Report on Form 10-K as of December 31, 2023, filed with SEC on February 26, 2024), and payments made to noncontrolling interest holder.

4. We define Non-GAAP Digital Wholesale Adjusted EBITDA as GAAP Digital Wholesale Loss from Operations, adjusted to exclude: Depreciation and Amortization; Goodwill and Other Asset Impairment; Stock-Based Compensation Expense; Stock-Based Compensation Expense for CarOffer, LLC Units; and Transaction-Related Expenses.
5. Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA plus Non-GAAP Digital Wholesale Adjusted EBITDA may not equal Non-GAAP Consolidated Adjusted EBITDA due to rounding.

Non-GAAP Consolidated Adjusted EBITDA Reconciliation

(\$ thousands)	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
GAAP Consolidated Net Income (Loss)	\$ 18,973	\$ (22,603)	\$ 21,301	\$ (68,721)	\$ 22,511
Impact of Depreciation and Amortization	12,470	12,761	7,481	5,663	5,178
Impact of Goodwill and Other Asset Impairment ¹	-	-	-	127,655	16,776
Impact of Stock-Based Compensation Expense	14,263	14,071	15,822	15,557	15,455
Impact of Stock-Based Compensation Expense for CarOffer, LLC Units ^{2,3}	(1,225)	55,543	-	-	-
Impact of Transaction-Related Expenses	-	1,044	811	265	39
Impact of Other (Income) Expense, Net	(4,167)	(5,875)	(3,401)	(3,161)	(2,623)
Impact of Provision for (Benefit from) Income Taxes	8,289	6,213	8,384	(21,702)	7,546
Non-GAAP Consolidated Adjusted EBITDA ^{4,5}	\$ 48,603	\$ 61,154	\$ 50,398	\$ 55,556	\$ 64,882
Consolidated Net Income Margin	9%	-10%	10%	-31%	10%
Non-GAAP Consolidated Adjusted EBITDA Margin ⁶	22%	27%	23%	25%	28%

1. During the three months ended June 30, 2024, we recognized a goodwill impairment and presented it with other long-lived asset impairment. During the three months ended September 30, 2023, December 31, 2023, and March 31, 2024, we did not have a goodwill impairment.
2. During the three months ended December 31, 2023, we updated the table to separately disclose the stock-based compensation expense for CarOffer, LLC Units; the three months ended September 30, 2023 and December 31, 2023 have been updated for comparison purposes.
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4. We define Non-GAAP Consolidated Adjusted EBITDA as GAAP Consolidated Net Income (Loss), adjusted to exclude: Depreciation and Amortization; Goodwill and Other Asset Impairment; Stock-Based Compensation Expense; Stock-Based Compensation Expense for CarOffer, LLC Units; Transaction-Related Expenses; Other (Income) Expense, Net; and Provision for (Benefit From) Income Taxes.
5. Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA plus Non-GAAP Digital Wholesale Adjusted EBITDA may not equal Non-GAAP Consolidated Adjusted EBITDA due to rounding.
6. We define Non-GAAP Consolidated Adjusted EBITDA Margin as non-GAAP Adjusted EBITDA divided by GAAP Consolidated Revenue.