

Q1 2025 Earnings Presentation

May 8, 2025



Cautionary Note Regarding Forward-Looking Statements

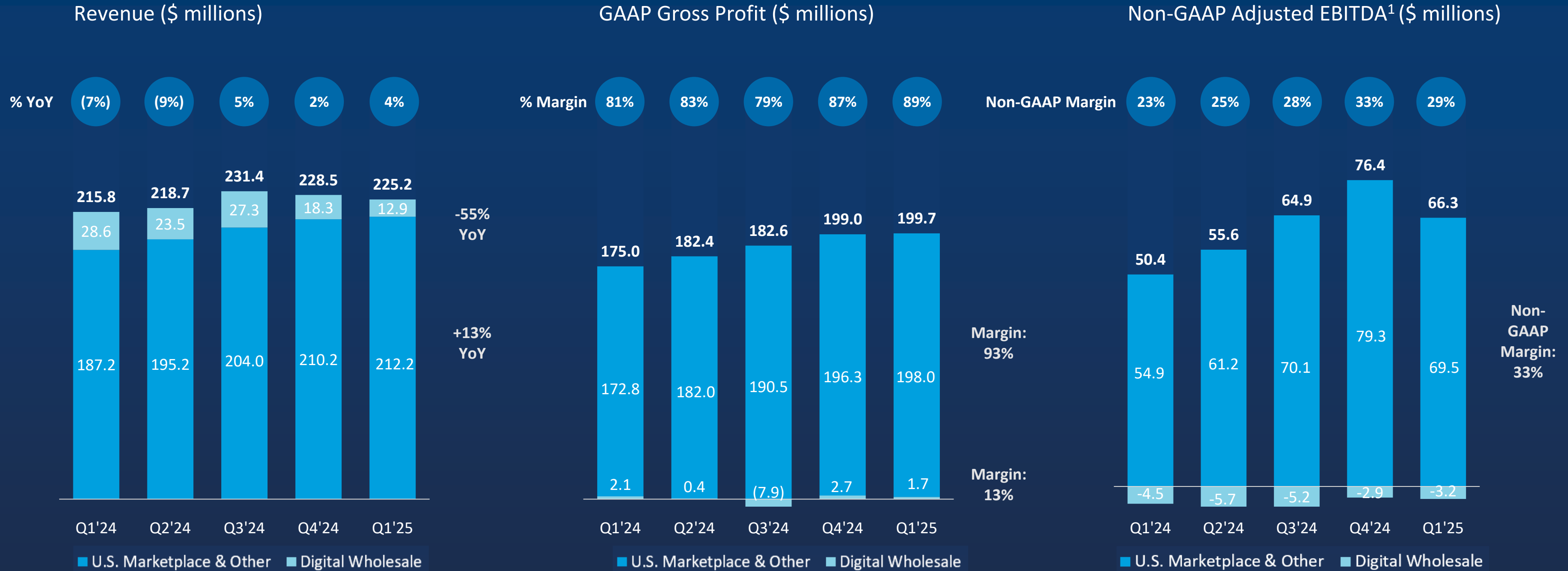
This presentation includes forward-looking statements. Other than statements of historical facts, all statements contained in this presentation, including statements regarding our future financial and operating results; our second quarter 2025 financial and business performance, including guidance; our transformation to a transaction-enabled platform; 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 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; our strategic assessment of a CarGurus wholesale business model; the attractiveness and value proposition of our current offerings and other product opportunities; our ability to maintain existing and acquire new customers; addressable opportunities; industry trends; our ability to overcome challenges facing the automotive industry ecosystem, including inventory supply problems, global supply chain challenges, including disruptions to pre-existing supply chains and vendor relations, changes to trade policies or tariff regulations, financial market volatility and disruption, increased interest rates, inflationary concerns, and other macroeconomic issues, including uncertain or volatile economic conditions in the U.S. and abroad; 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," "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, changes in international trade policies, including tariffs, volatile economic conditions, and other macroeconomic issues; 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 4 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 4, 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.

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Financial Highlights: Q1 2025



Marketplace revenue grew 13% YoY with 33% non-GAAP adjusted EBITDA margin

Drivers of Value Creation: Q1 2025 Updates

Expanding Suite of Data-Driven Dealer Solutions to Drive Profitable Businesses

- Next Best Deal Rating: 17,000 global dealers; 74% took action on our pricing recommendations in Q1
- VIN-level targeting helps promote the right vehicles with greater speed and precision
- In-person dealer engagement program expanded to international markets
- Seven consecutive quarters of global YoY lead growth

Powering a More Intelligent and Seamless Journey for Car Shoppers

- Launched conversational AI search; users who engage spend 2x more time on-site
- Redesigned Car Value Experience provides real-time valuations, monthly car estimate updates, and offer alerts
- Product and user experience improvements and brand investments contributed to a ~20% YoY increase in direct traffic

Enabling More of the Transaction Online to Streamline the Final Steps

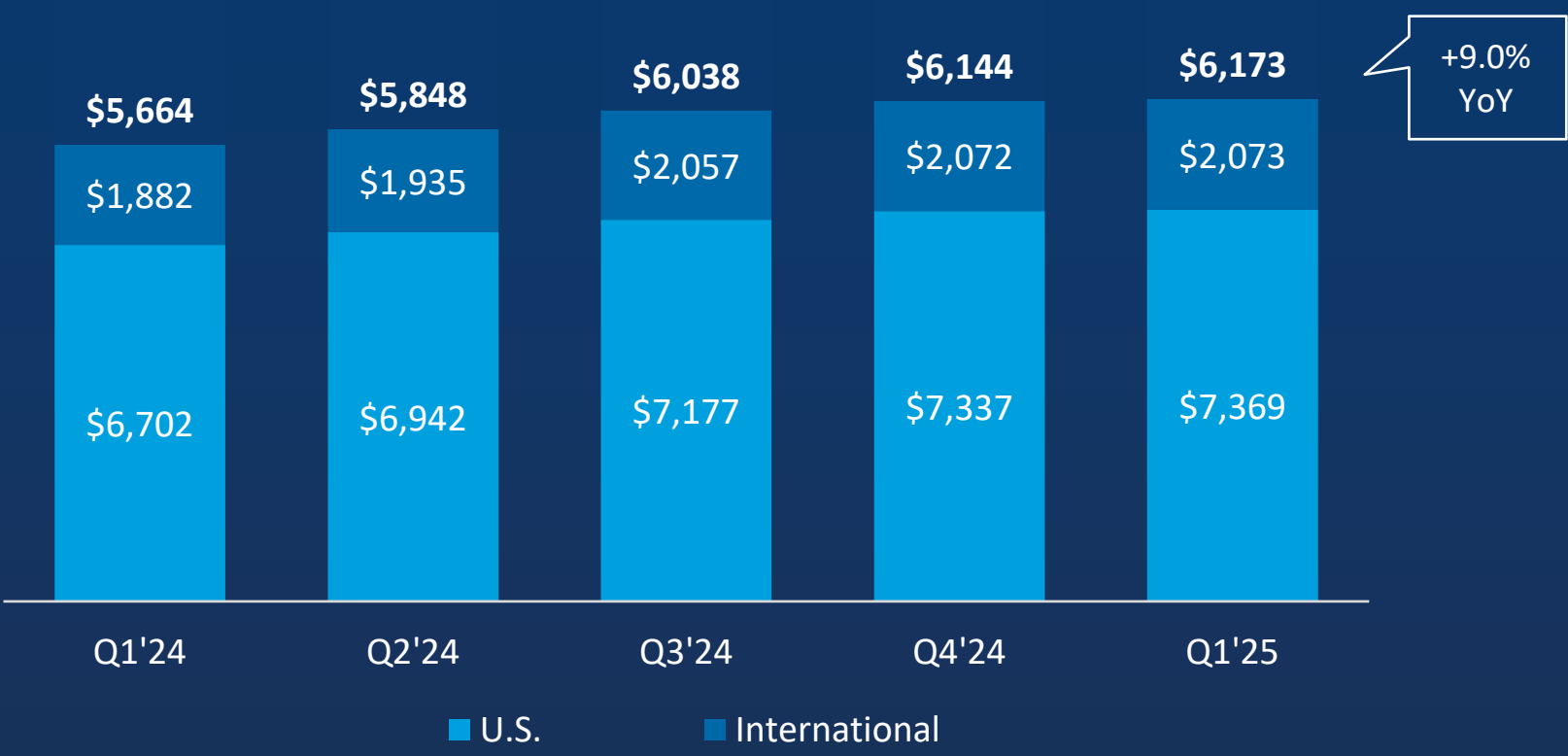
- Over 11,000 dealers on Digital Deal with nearly 1 million vehicle listings enabled
- Integrated credit apps live with 1,100 dealers and the default financing experience within Digital Deal
- Digital Deal now accounts for over 25% of a dealer's email leads
- Uptick in buying and selling dealers for the first time in over a year at CarOffer



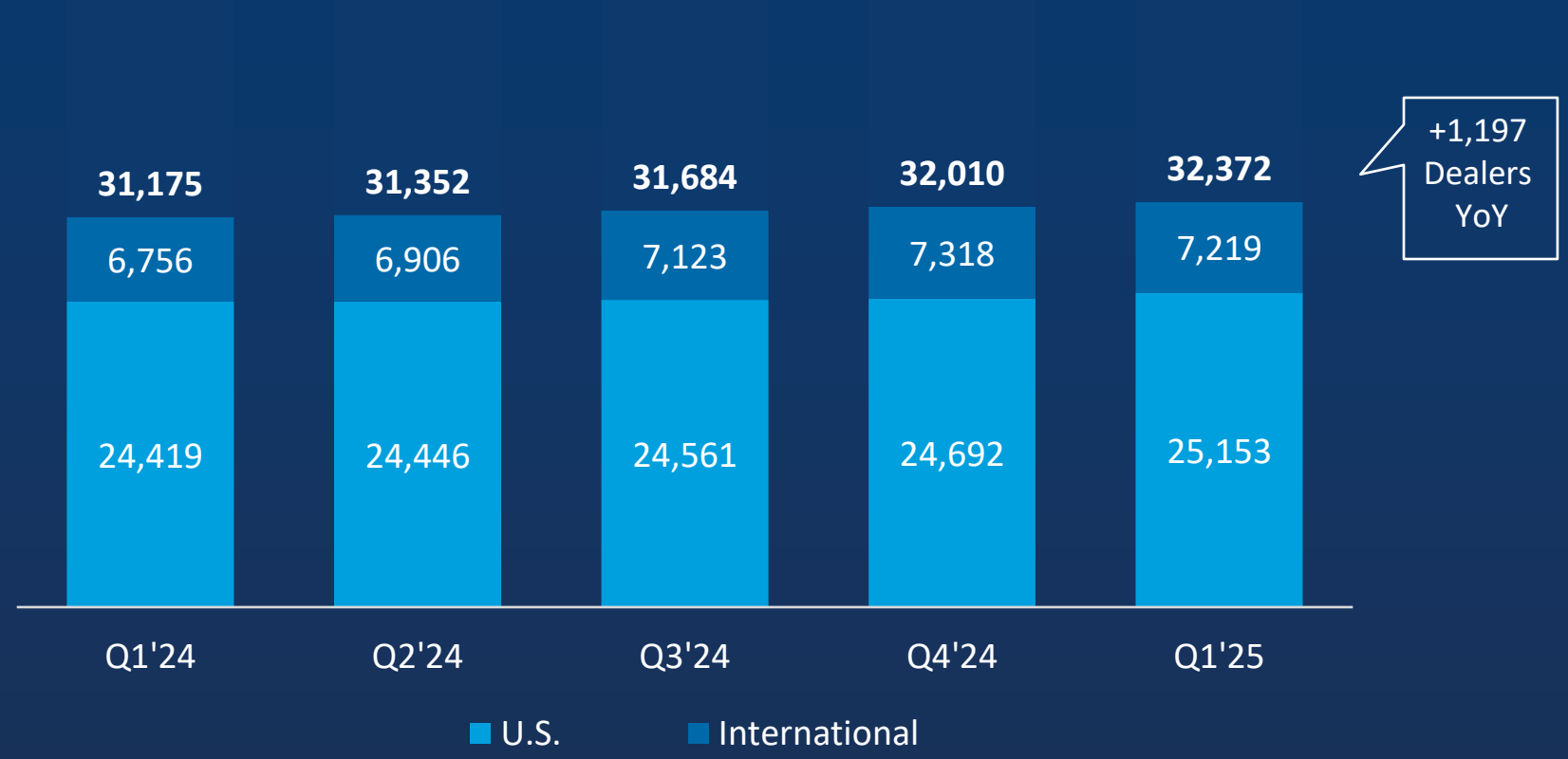
Deepening engagement, expanding adoption, and reinforcing our market leadership

Strong Expansion of Global Paying Dealer Base with Robust YoY QARSD Growth

QARSD¹



Paying Dealers¹



Drivers of QARSD¹

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

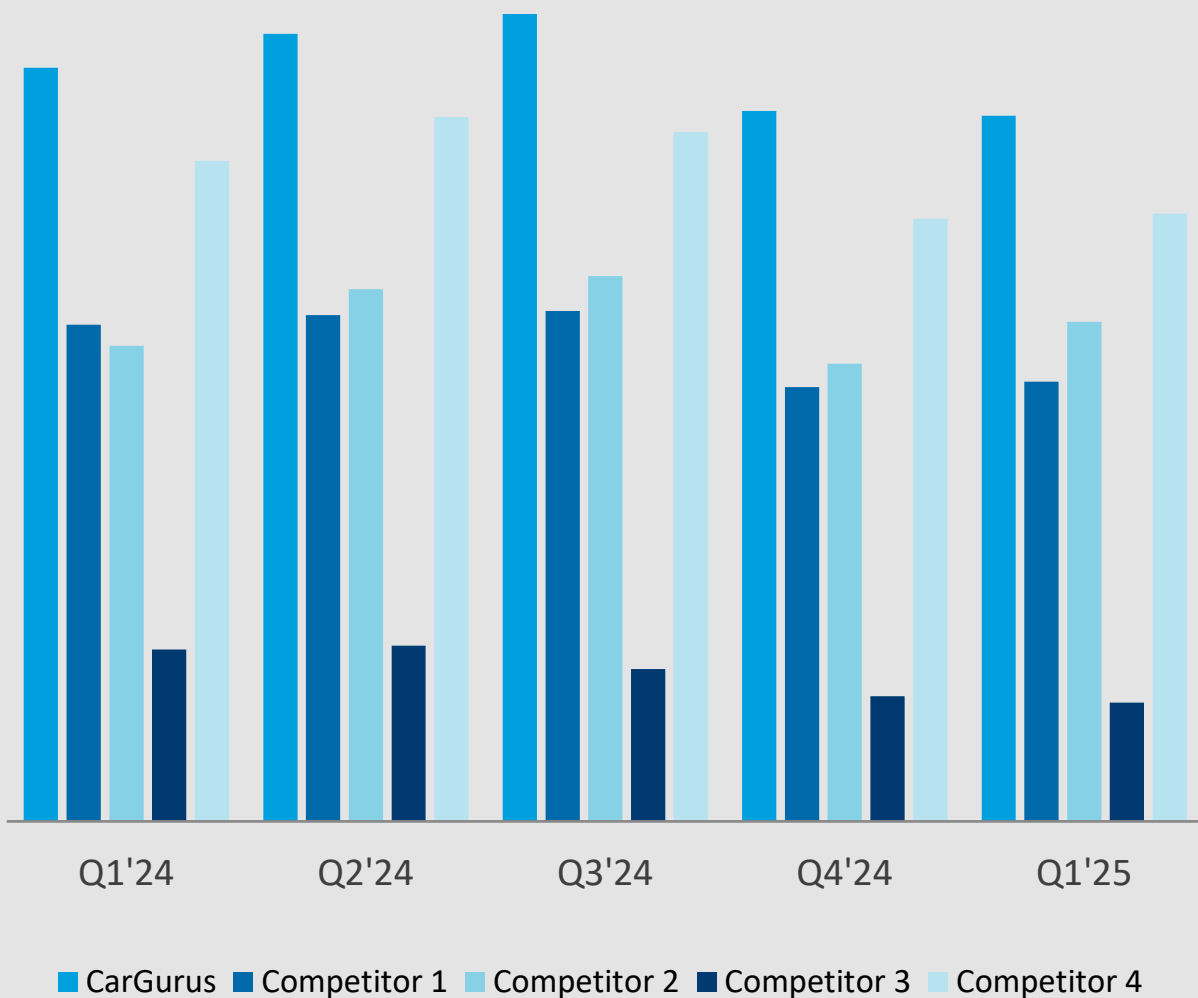
Paying Dealers¹ Commentary

- Ranked #1 ROI by dealers in independent survey²
- Increasing engagement and retention
- Longer average contract duration
- Strong paying dealer growth

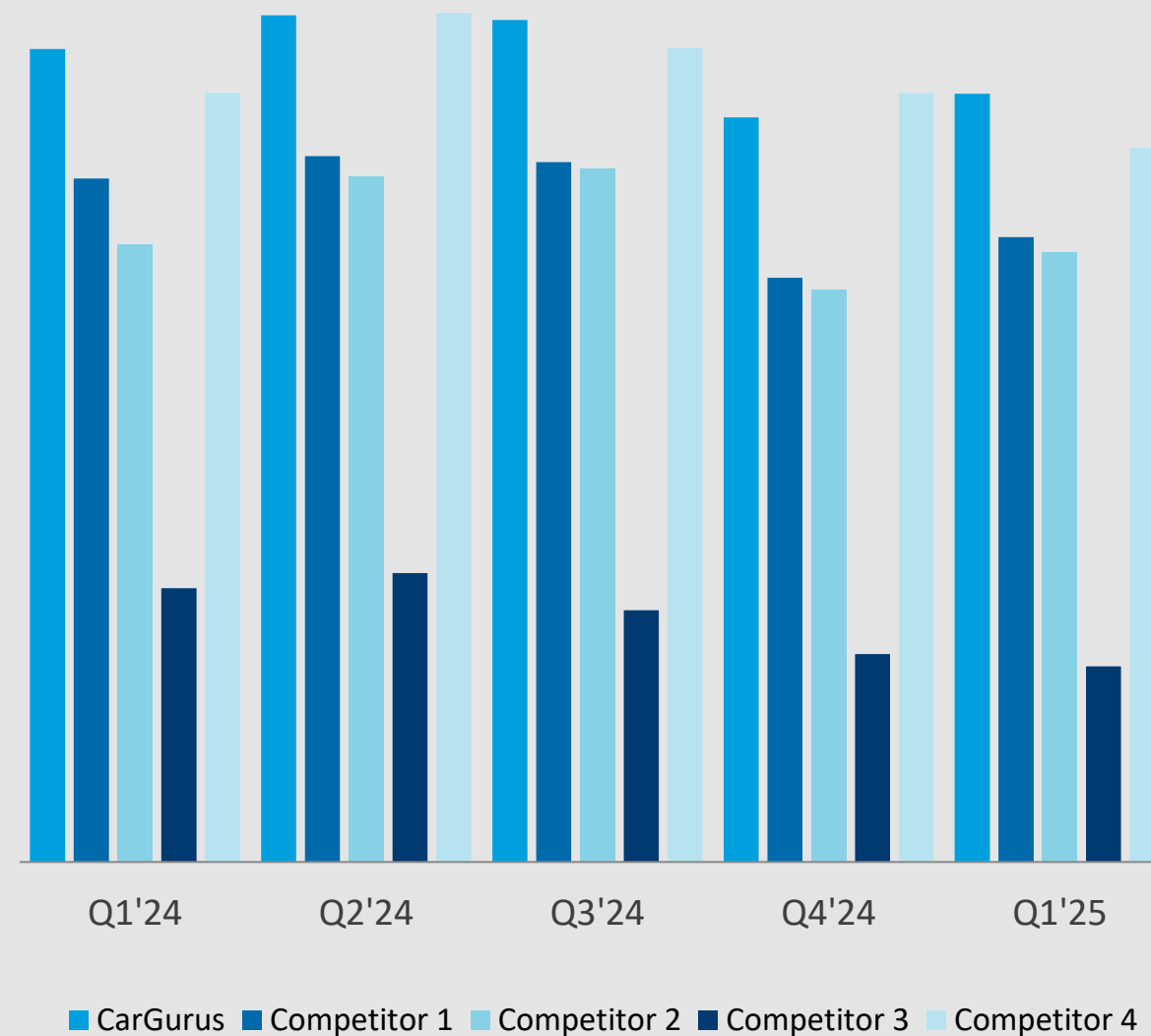
1. As defined in our Form 10-Q for the quarterly period ended March 31, 2025, filed with the SEC on May 8, 2025.
 2. Marketprobe, blinded survey of 600 dealers, Aug 2024. Based on 313 responding dealers who pay for at least two listings sites.

Market-leading Consumer Experience

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



Average Monthly Unique Visits³ (millions)



60%

More average monthly visits than our closest competitor⁴

~37%

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

48%

More minutes per unique visitor on average than our closest competitor⁶

>20%

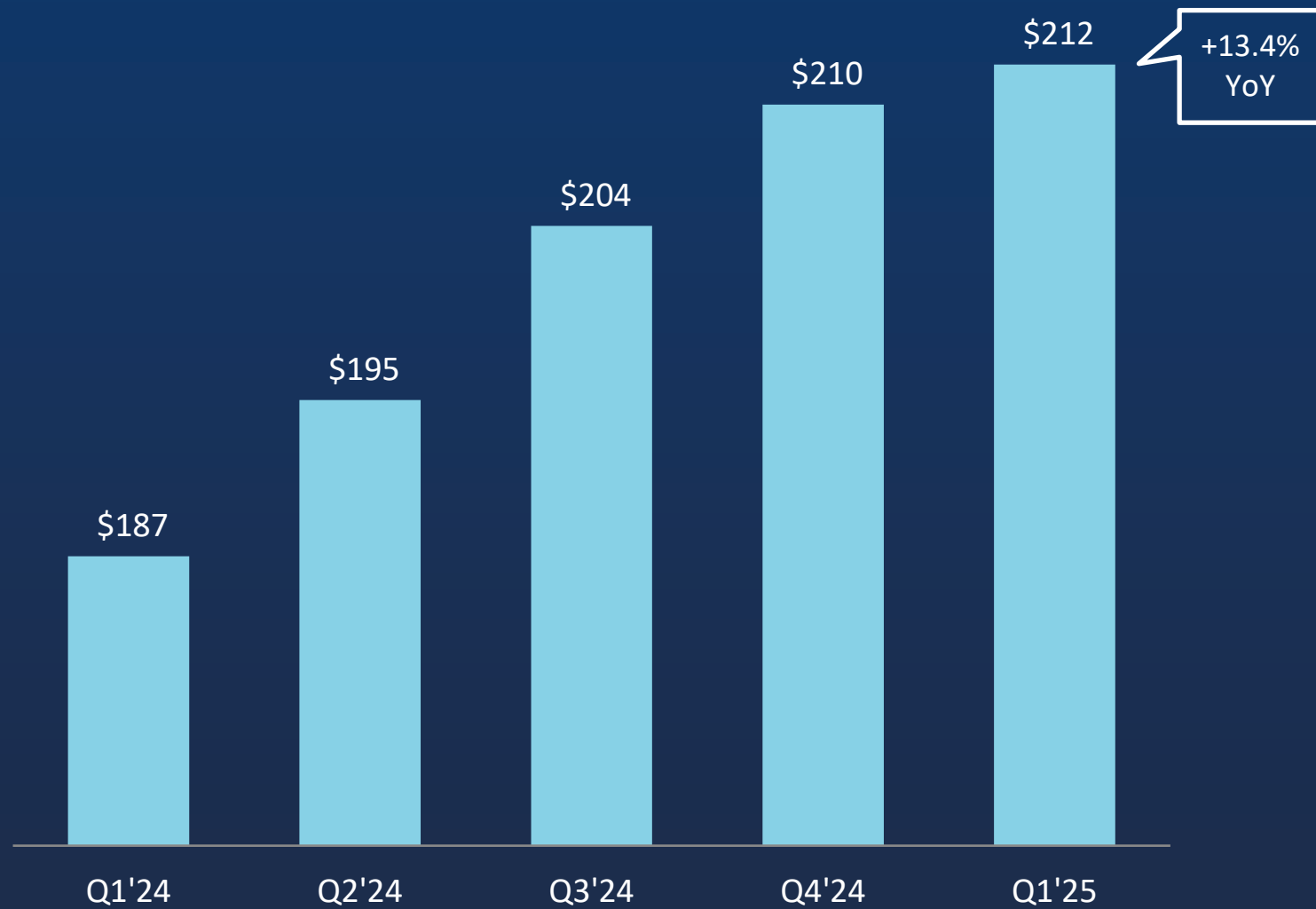
More average monthly inventory than our next competitor⁷

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, TrueCar, CARFAX Listings (defined as CARFAX Total visits minus Vehicle History Reports traffic)), Q1'25.
 3. Similarweb, Audience Report (Cars.com, Autotrader, CARFAX Listings (defined as CARFAX Total visits minus Vehicle History Reports traffic), TrueCar, Q1'25.

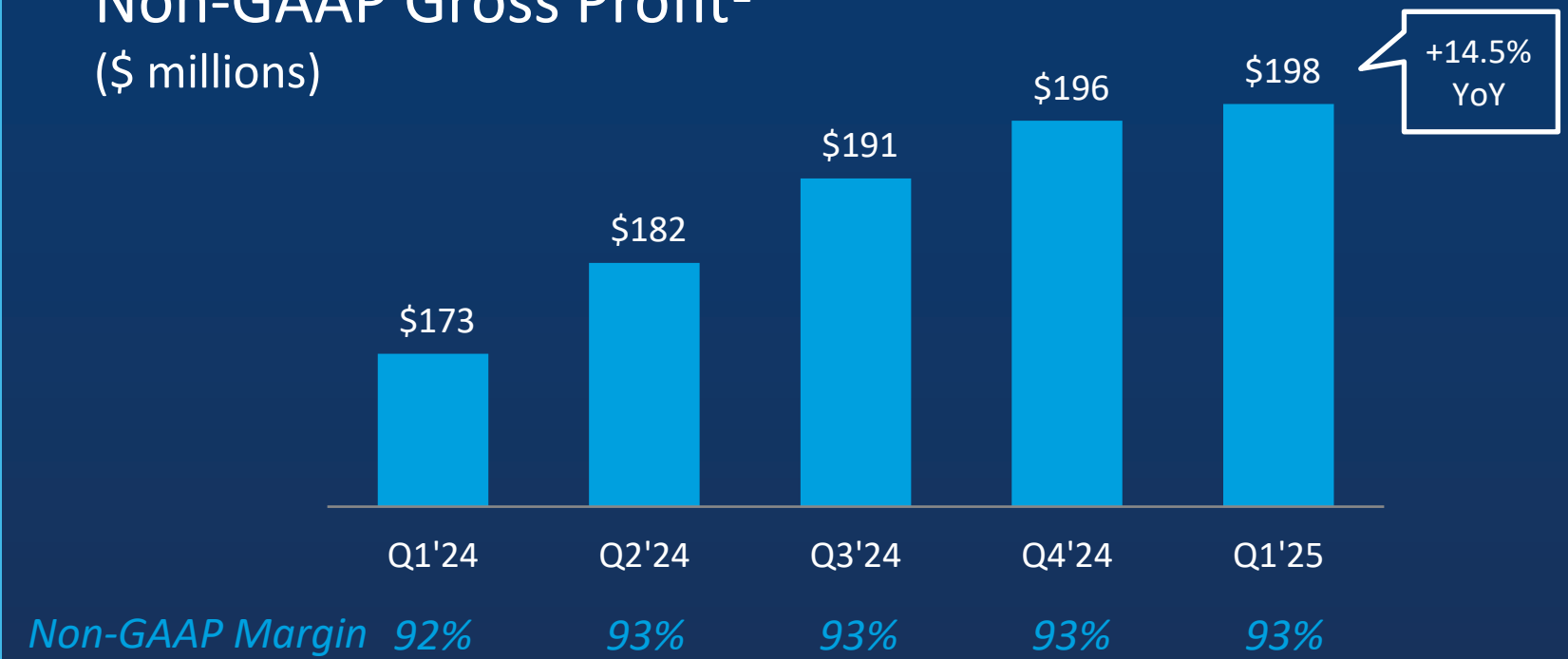
4. Similarweb, Traffic Report (Cars.com), Q1'25.
 5. Similarweb, Audience Report (Cars.com, Autotrader, TrueCar, CARFAX), Q1'25.
 6. Similarweb, Engagement Report (Cars.com), Q1'25.
 7. Compared to Autotrader.com (YipitData as of 03/31/24).

Marketplace (U.S. Segment & Other) Q1 2025 Results

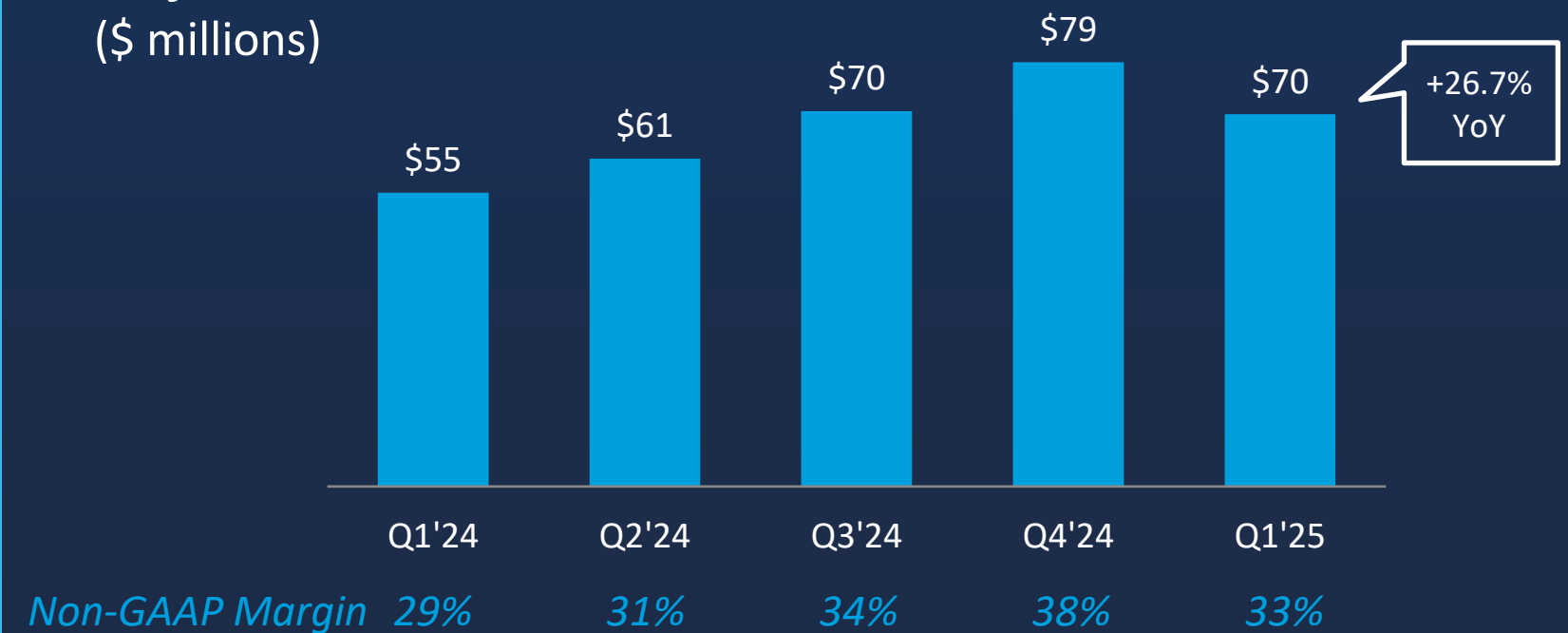
Revenue (\$ millions)



Non-GAAP Gross Profit¹ (\$ millions)

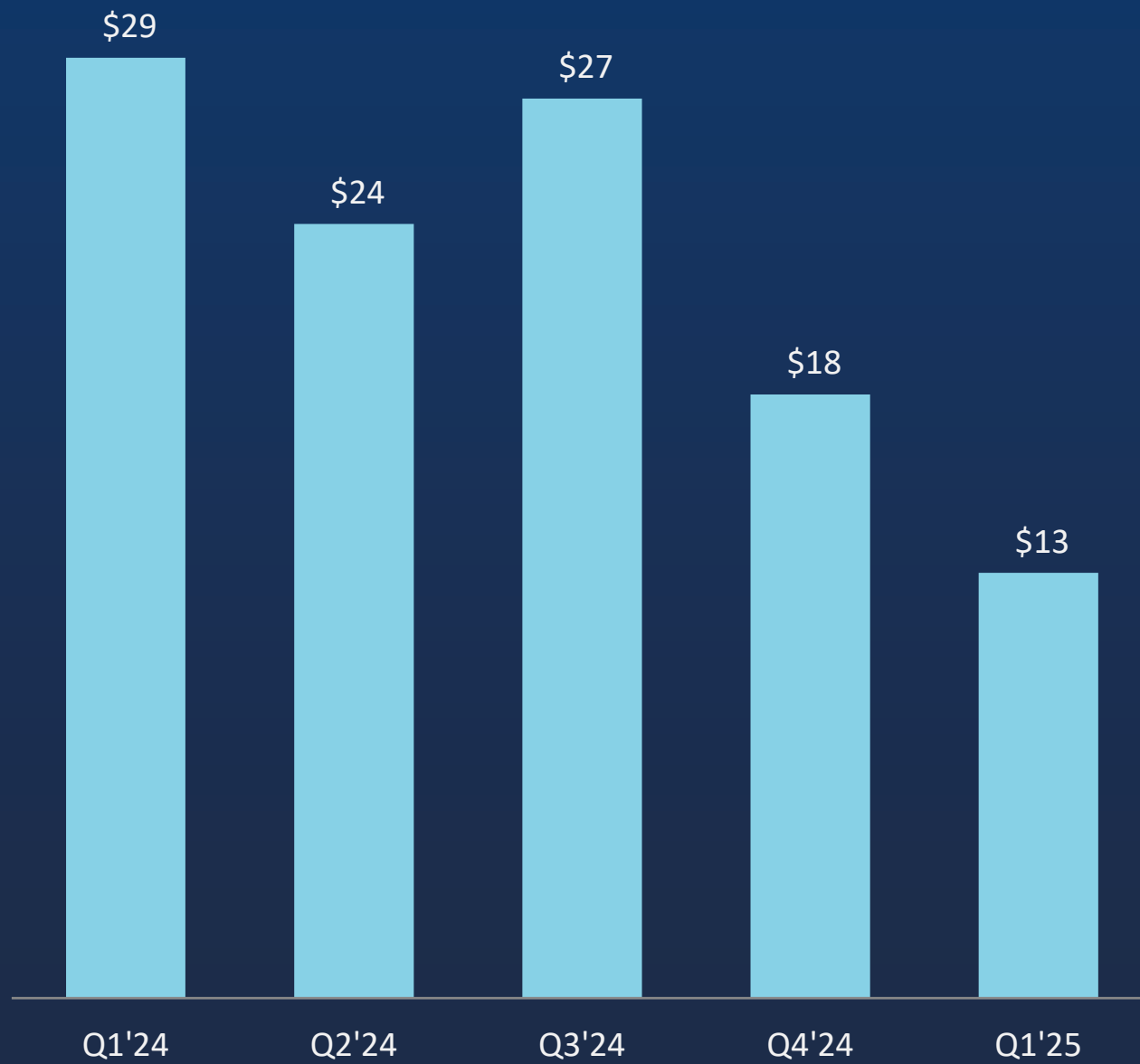


Adjusted EBITDA¹ (\$ millions)

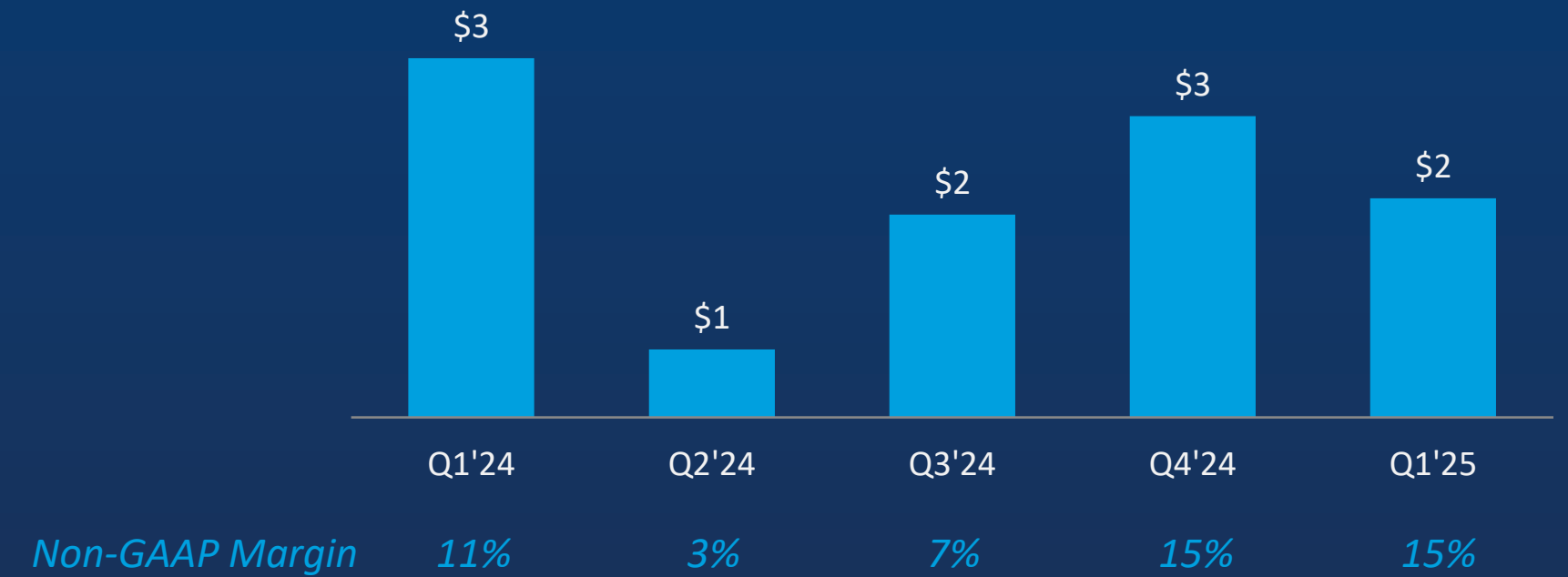


Digital Wholesale Q1 2025 Results

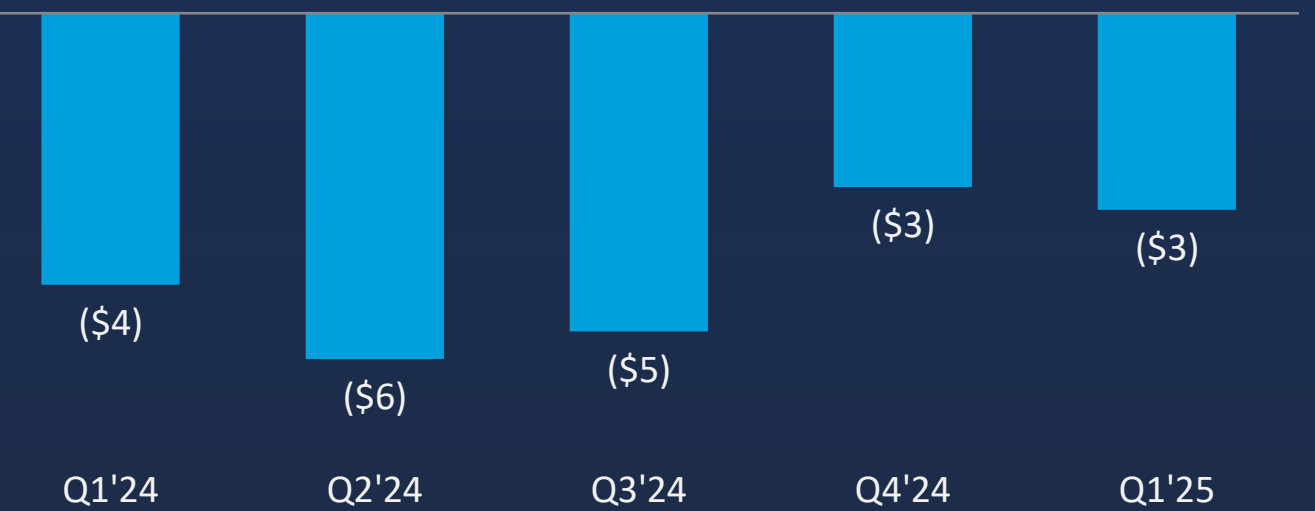
Revenue (\$ millions)



Non-GAAP Gross Profit¹ (\$ millions)



Adjusted EBITDA¹ (\$ millions)



Second Quarter 2025 Outlook

	Q2'25
Total Revenue	\$222.0 million to \$242.0 million
Marketplace Revenue	\$219.5 million to \$224.5 million
Non-GAAP Adjusted EBITDA	\$71.5 million to \$79.5 million
Non-GAAP Earnings Per Share	\$0.52 to \$0.58

The second quarter 2025 non-GAAP earnings per share calculation assumes 100.0 million diluted weighted-average common shares outstanding.

The assumptions that are built into guidance for the second quarter 2025 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 second quarter 2025 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 future foreign currency exchange gains or losses. CarGurus may incur charges, realize gains or losses, or experience other events or circumstances in 2025 that could cause any of these assumptions to change and/or actual results to vary from this guidance.

CarGurus has not reconciled its guidance of non-GAAP adjusted EBITDA to GAAP net income or non-GAAP earnings per share to GAAP earnings per share because reconciling items between such GAAP and non-GAAP financial measures, which include, as applicable, stock-based compensation, amortization of intangible assets, depreciation expenses, non-intangible amortization, transaction-related expenses, other income, net, the provision for 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 March 31, 2025, filed with the SEC on May 8, 2025.

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

(\$ thousands)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
GAAP U.S. Marketplace Segment Revenue	\$ 172,988	\$ 180,052	\$ 187,253	\$ 193,395	\$ 195,228
GAAP Other Revenue	14,231	15,115	16,766	16,799	17,007
GAAP Marketplace Revenue	\$ 187,219	\$ 195,167	\$ 204,019	\$ 210,194	\$ 212,235
GAAP U.S. Marketplace Segment Cost of Revenue	13,437	12,058	11,984	12,599	12,880
GAAP Other Cost of Revenue	948	1,087	1,537	1,300	1,368
GAAP Marketplace Cost of Revenue	14,385	13,145	13,521	13,899	14,248
GAAP Marketplace Gross Profit	\$ 172,834	\$ 182,022	\$ 190,498	\$ 196,295	\$ 197,987
Impact of Stock-Based Compensation Expense in GAAP Marketplace Cost of Revenue	75	45	63	72	67
Non-GAAP Marketplace Gross Profit ^{1,2}	\$ 172,909	\$ 182,067	\$ 190,561	\$ 196,367	\$ 198,054
GAAP Marketplace Gross Profit Margin ³	92%	93%	93%	93%	93%
Non-GAAP Marketplace Gross Profit Margin ⁴	92%	93%	93%	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 the applicable earnings release due to rounding.
3. We define GAAP Marketplace Gross Profit Margin as GAAP Marketplace Gross Profit divided by GAAP Marketplace Revenue.
4. 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)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
GAAP Wholesale Revenue	\$ 16,125	\$ 13,119	\$ 12,107	\$ 9,850	\$ 7,747
GAAP Product Revenue	12,452	10,406	15,232	8,494	5,176
GAAP Digital Wholesale Revenue	\$ 28,577	\$ 23,525	\$ 27,339	\$ 18,344	\$ 12,923
GAAP Wholesale Cost of Revenue	14,224	12,633	20,415	7,068	6,170
GAAP Product Cost of Revenue	12,226	10,470	14,871	8,582	5,033
GAAP Digital Wholesale Cost of Revenue	26,450	23,103	35,286	15,650	11,203
GAAP Digital Wholesale Gross Profit (Loss)	\$ 2,127	\$ 422	\$ (7,947)	\$ 2,694	\$ 1,720
Impact of Stock-Based Compensation Expense in Digital Wholesale Cost of Revenue	156	14	33	33	(7)
Impact of Amortization of Intangible Assets in Digital Wholesale Cost of Revenue	875	-	-	-	-
Impact of Transaction-Related Expense in Digital Wholesale Cost of Revenue	92	-	-	-	269
Impact of Impairment in Digital Wholesale Cost of Revenue	-	180	9,750	-	-
Non-GAAP Digital Wholesale Gross Profit ^{1,2}	\$ 3,250	\$ 616	\$ 1,836	\$ 2,727	\$ 1,982
GAAP Digital Wholesale Gross Profit (Loss) Margin ³	7%	2%	(29)%	15%	13%
Non-GAAP Digital Wholesale Gross Profit Margin ⁴	11%	3%	7%	15%	15%

1. 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, Amortization of Intangible Assets, Transaction-Related Expenses, and Impairment in GAAP Digital Wholesale Cost of Revenue.
2. Non-GAAP Marketplace Gross Profit plus Non-GAAP Digital Wholesale Gross Profit may not equal Non-GAAP Gross Profit in the applicable earnings release due to rounding.
3. We define GAAP Digital Wholesale Gross Profit (Loss) Margin as GAAP Digital Wholesale Gross Profit (Loss) divided by GAAP Digital Wholesale Revenue.
4. 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)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
U.S. Marketplace Segment Income from Operations	\$ 34,217	\$ 42,043	\$ 50,410	\$ 56,068	\$ 49,781
Other Income from Operations	2,407	2,531	2,341	2,710	1,753
GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations	\$ 36,624	\$ 44,574	\$ 52,751	\$ 58,778	\$ 51,534
Impact of Depreciation and Amortization	3,200	2,227	2,892	5,652	5,646
Impact of Stock-Based Compensation Expense	14,989	14,434	14,476	14,830	12,354
Impact of Transaction-Related Expenses	58	14	7	-	2
Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA ^{1 2}	\$ 54,871	\$ 61,249	\$ 70,126	\$ 79,260	\$ 69,536
GAAP Marketplace Operating Income Margin ³	20%	23%	26%	28%	24%
Non-GAAP Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA Margin ⁴	29%	31%	34%	38%	33%

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 Adjusted EBITDA due to rounding.

3. We define GAAP Marketplace Operating Income Margin as GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations divided by GAAP Marketplace Revenue.

4. 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)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
GAAP Digital Wholesale Loss from Operations	\$ (10,340)	\$ (138,158)	\$ (25,317)	\$ (5,500)	\$ (5,779)
Impact of Depreciation and Amortization	4,281	3,436	2,286	1,386	908
Impact of Impairment	-	127,655	16,776	-	-
Impact of Stock-Based Compensation Expense	833	1,123	979	828	546
Impact of Transaction-Related Expenses	753	250	32	421	1,085
Non-GAAP Digital Wholesale Adjusted EBITDA ^{1 2}	\$ (4,473)	\$ (5,694)	\$ (5,244)	\$ (2,865)	\$ (3,240)

1. We define Non-GAAP Digital Wholesale Adjusted EBITDA as GAAP Digital Wholesale Loss from Operations, adjusted to exclude: Depreciation and Amortization; Impairment; 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 Adjusted EBITDA due to rounding.

Non-GAAP Adjusted EBITDA Reconciliation

(\$ thousands)	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
GAAP Net Income (Loss)	\$ 21,301	\$ (68,721)	\$ 22,511	\$ 45,881	\$ 39,045
Impact of Depreciation and Amortization	7,481	5,663	5,178	7,038	6,554
Impact of Impairment	-	127,655	16,776	-	-
Impact of Stock-Based Compensation Expense	15,822	15,557	15,455	15,658	12,900
Impact of Transaction-Related Expenses	811	265	39	421	1,087
Impact of Other Income, Net	(3,401)	(3,161)	(2,623)	(2,060)	(2,796)
Impact of Provision for (Benefit from) Income Taxes	8,384	(21,702)	7,546	9,457	9,506
Non-GAAP Adjusted EBITDA ^{1 2}	\$ 50,398	\$ 55,556	\$ 64,882	\$ 76,395	\$ 66,296
Net Income (Loss) Margin ³	10%	-31%	10%	20%	17%
Non-GAAP Adjusted EBITDA Margin ⁴	23%	25%	28%	33%	29%

1. We define Non-GAAP Adjusted EBITDA as GAAP Net Income (Loss), adjusted to exclude: Depreciation and Amortization; Impairment; Stock-Based Compensation Expense; Transaction-Related Expenses; Other Income, Net; and Provision for (Benefit from) Income Taxes.

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

3. We define Net Income (Loss) Margin as GAAP Net Income (Loss) divided by GAAP Consolidated Revenue.

4. We define Non-GAAP Adjusted EBITDA Margin as Non-GAAP Adjusted EBITDA divided by GAAP Consolidated Revenue.