

NAVIGATE[®]

Virtual

by CarGurus[®]

WORKING TOGETHER: ADAPTING TO AN UNREAL YEAR

- Sam Zales, President and COO

Agenda

1. Partnering through adversity
2. Climbing back and looking ahead
3. Building the digital experience – now and what's next

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this and other presentations by CarGurus at Navigate® 2020, other matters discussed at Navigate 2020 and answers that may be given in response to questions at Navigate 2020 may include “forward-looking statements.” We may, in some cases, use terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, statements in this and other presentations regarding: industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy; the growth levers we expect to drive our business; our brand awareness efforts; our ability to grow the size and engagement of our consumer audience; our investments in and ability to drive adoption of new and existing products and their benefits, including revenue growth opportunities; the attractiveness and value proposition of our current offerings and other product opportunities; our ability to maintain existing and acquire new customers; our success in international markets; our future financial and business performance; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our growth and 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, natural disasters, epidemics or pandemics, like COVID-19 that has negatively impacted our business, our ability to realize cost savings and achieve other benefits for our business from our expense reduction efforts, 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 Securities and Exchange Commission. 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 (or other applicable) presentation at Navigate 2020 and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This and other presentations by CarGurus at Navigate 2020 also contain 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, 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 Comscore and, as applicable, third party studies for data relating to comparisons with our competitors. Google Analytics, Comscore 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.

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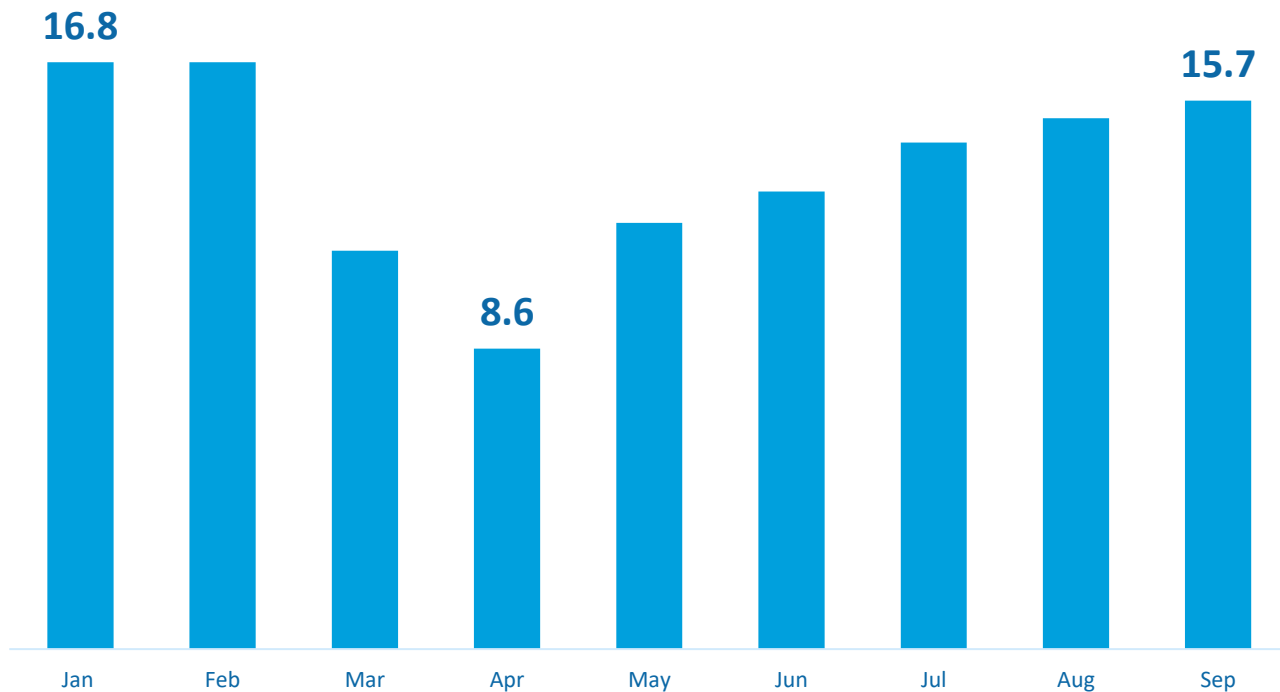
Resilience



"A strong sense of purpose—who we are, what we value, what defines us, and who we want to become in the most challenging times—drives us forward, even when we are feeling the most fatigued."

Gary Burnison
CEO
Korn Ferry

Total US vehicle sales 2020 (millions)



Trading Economics, October 2020

We're in this together

- Consumer demand
- Company staffing
- International markets
- Work from home

CarGurus lays off 13 percent of staff, citing coronavirus

By [Andy Rosen](#) Globe Staff, Updated April 16, 2020, 6:10 p.m.



CarGurus announced layoffs Thursday. HANDOUT

The online vehicle-shopping service CarGurus said Thursday that it is cutting 13 percent of its staff, in the latest reversal for a Massachusetts tech company amid the economic fallout of the COVID-19 pandemic.

We move **QUICKLY**

Auto Remarketing

The News Media of the Pre-Owned Industry

RETAIL	WHOLESALE	TECHNOLOGY	FINANCIAL	ANALYSIS	MAGAZINE
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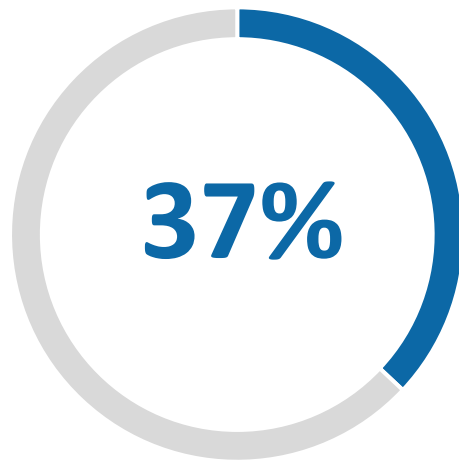
CarGurus details its COVID-19 dealer support actions



"If there was ever any validation that CarGurus is in an extraordinarily dominant position, your robust, aggressive, early decision to change your subscription prices caused a widespread ripple effect through the rest of the vendor community. Across not just digital marketing, but other services that are provided to dealers, you guys set the pace.... It saved us money beyond our relationships with you -- it was a wakeup call to a lot of your competitors. Great job."

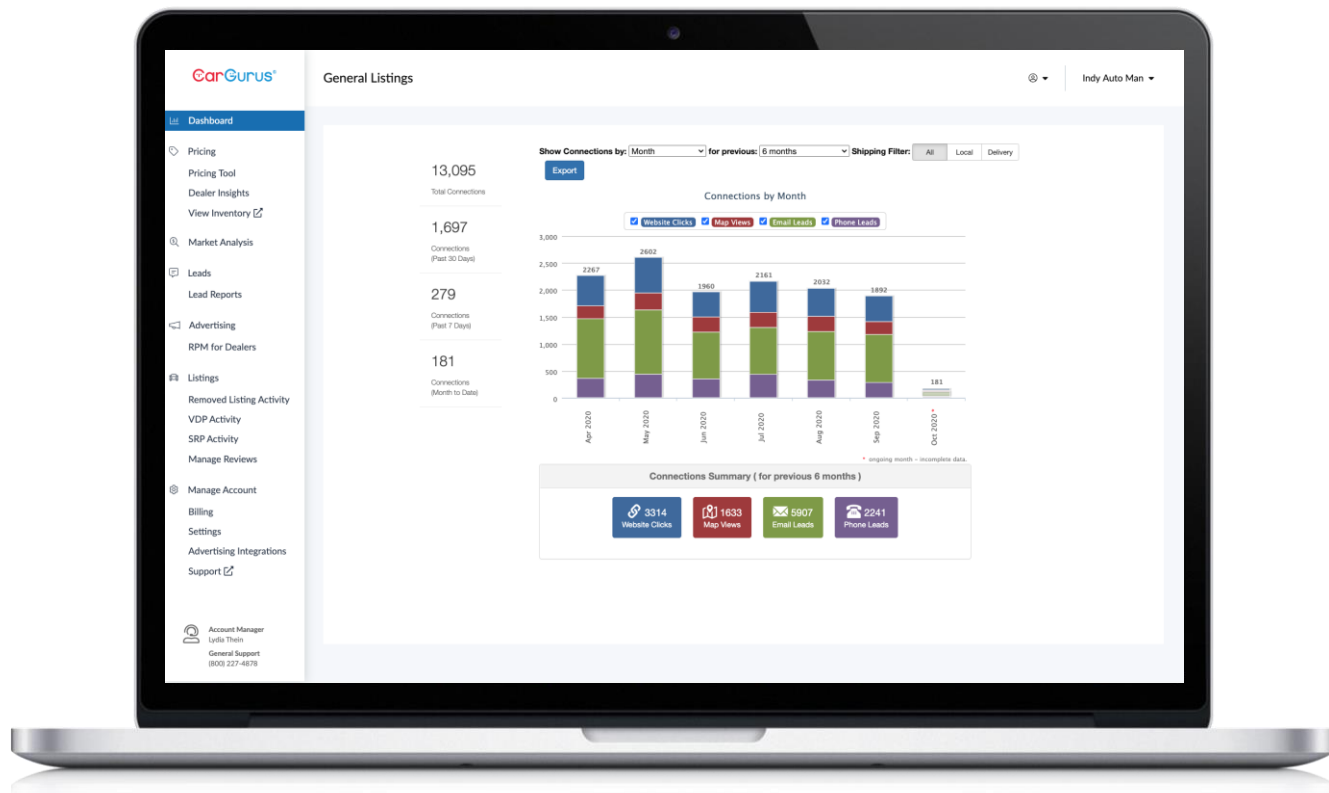
*Coleman Hoyt
President
Acton Chrysler Dodge Jeep Ram*

We are **PIONEERING**




CarGurus dealers displaying contactless services (*globally*)

We are **TRANSPARENT**




We are **TRANSPARENT**

From

 5/4/2020

To

 6/4/2020








Filter

Category

Engagement

Lead Source

Q Great Deal, VIN, Stock #

Name	Email	Phone	Car	Category	Engagement	Date
		(870) 281-5788	 2015 Ford Taurus	Reengaged	 Hot lead	6/4/2020
Gregory Crichfield	gregory.crichfield.1957@gmail.com	(731) 413-4853	 2012 GMC Acadia	Reengaged	 Hot lead	6/4/2020
Seth Wood	sethw3@yahoo.com		 2019 Toyota 4Runner	Reengaged		6/3/2020
Christine -	Ccrent202@yahoo.com	(650) 716-8591	 2019 Mazda CX-5	New	 Warm lead	6/3/2020

ACTIVITY

6/3/2020:

Submitted a text lead
Visited your VDP (x6)

TOTAL CONNECTIONS:

1 text lead, 6 VDP visits

ZIP CODE:

38305

Great Deal

CarGurus Instant Market Value™ \$20,864

PRICE:

\$19,072

MILEAGE:

28,644

VIN:

[JM3KFACM8K1558856](#)

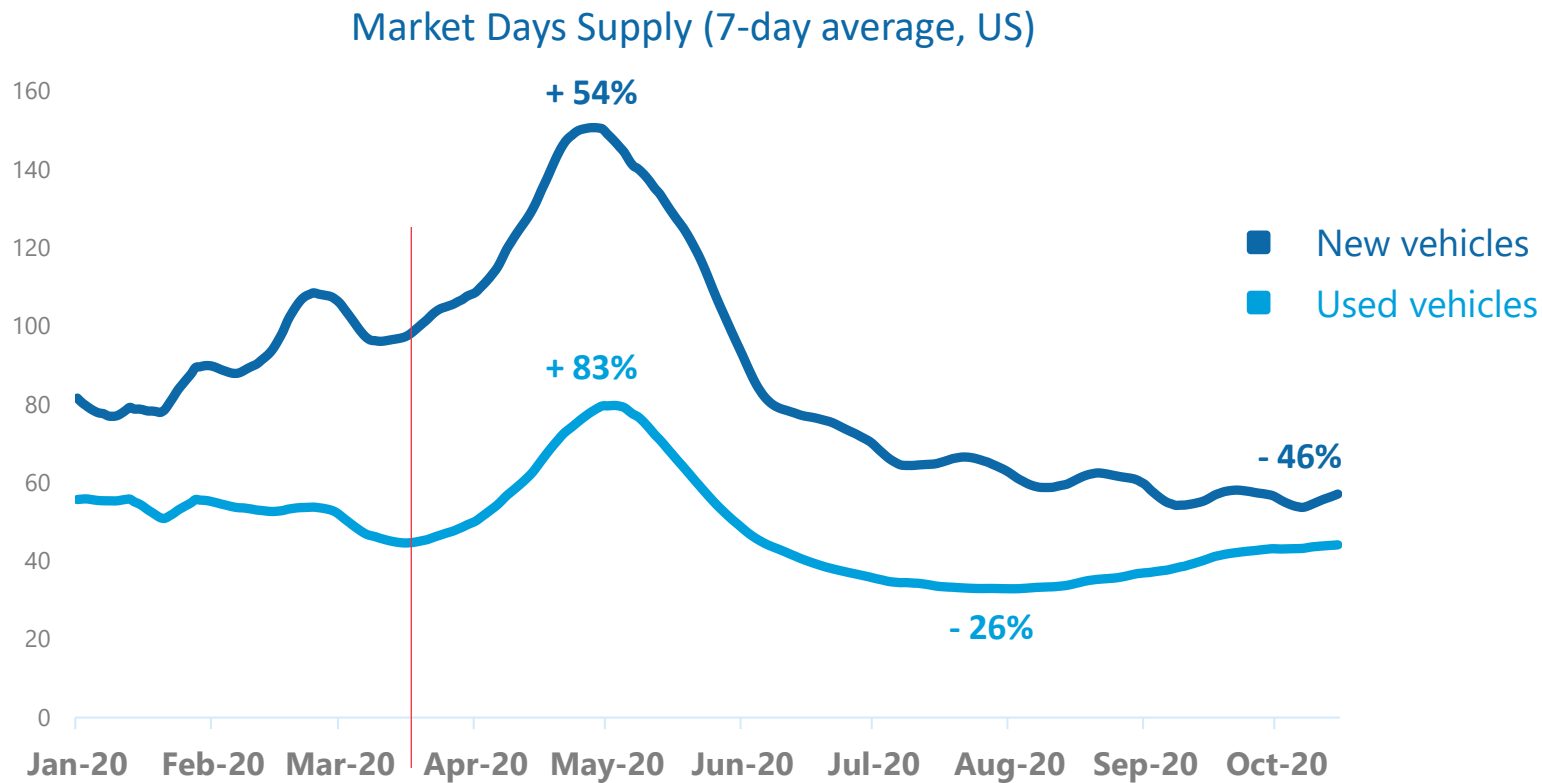
STOCK #:

P3188

DAYS ON MARKET:

71

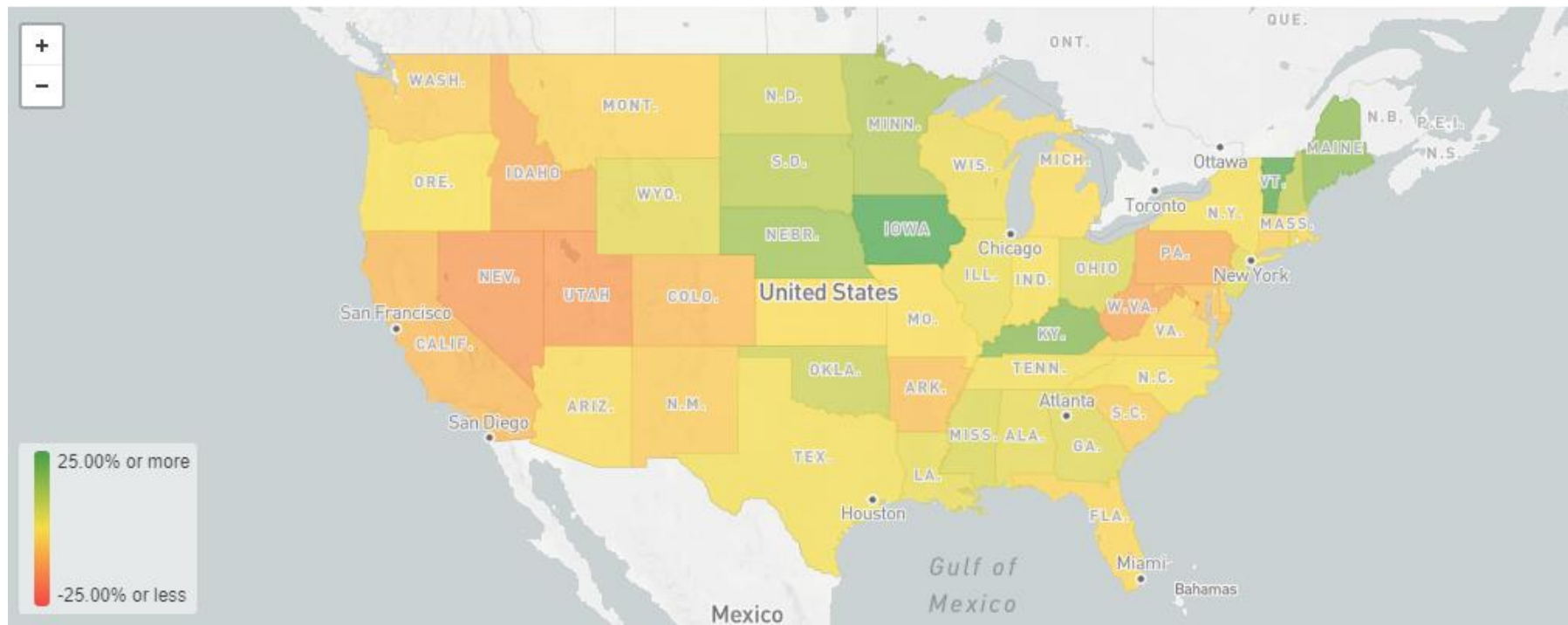
We are **TRANSPARENT**



CarGurus internal data

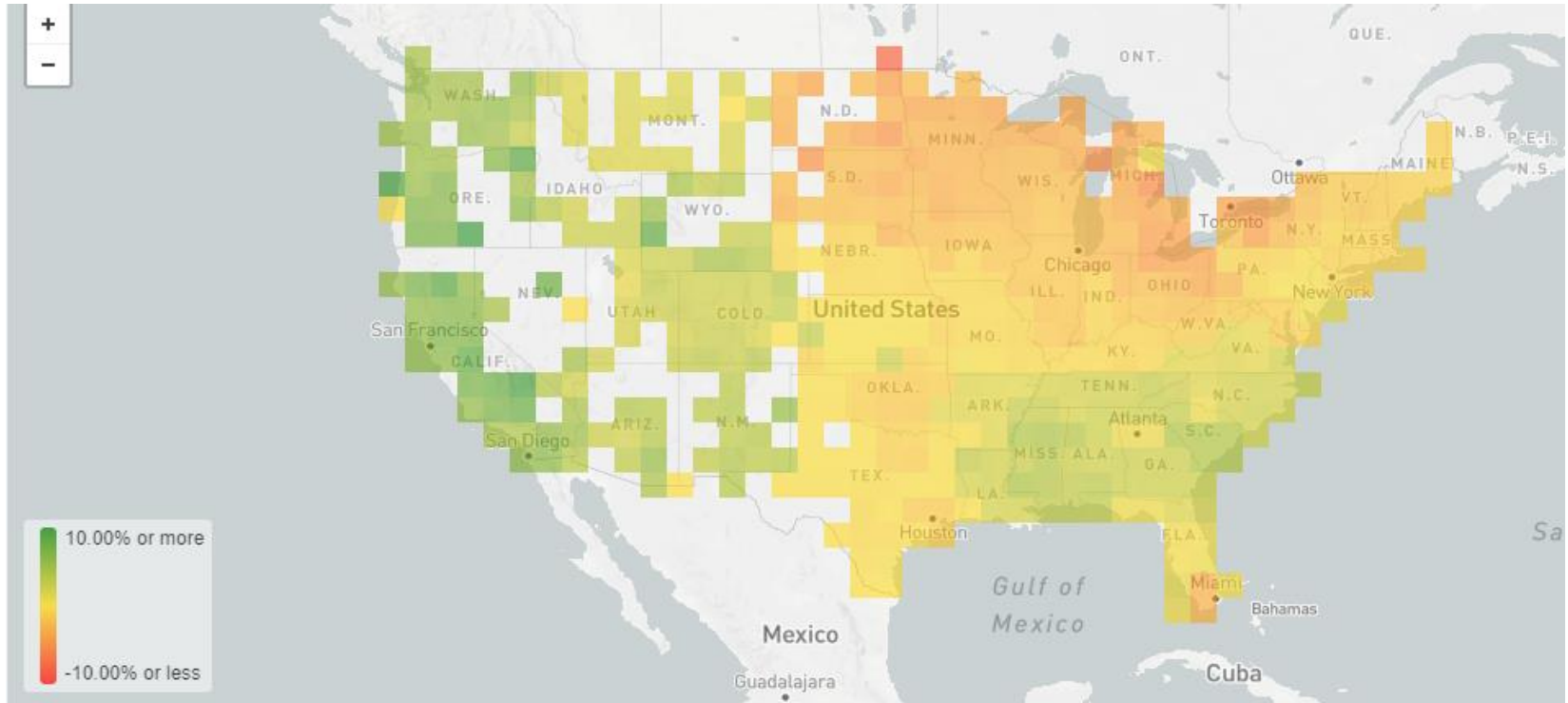
We are **TRANSPARENT**

3-month change in searches – Ford F-150s

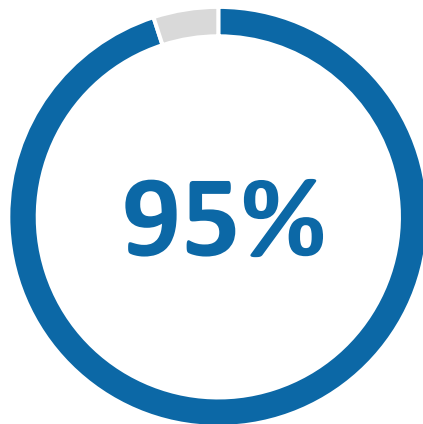


We are **TRANSPARENT**

Local market adjustments to IMV for Ford F-150s



We are **COLLABORATIVE**



Vehicles matched for precise
trim and options data

We are **COLLABORATIVE**

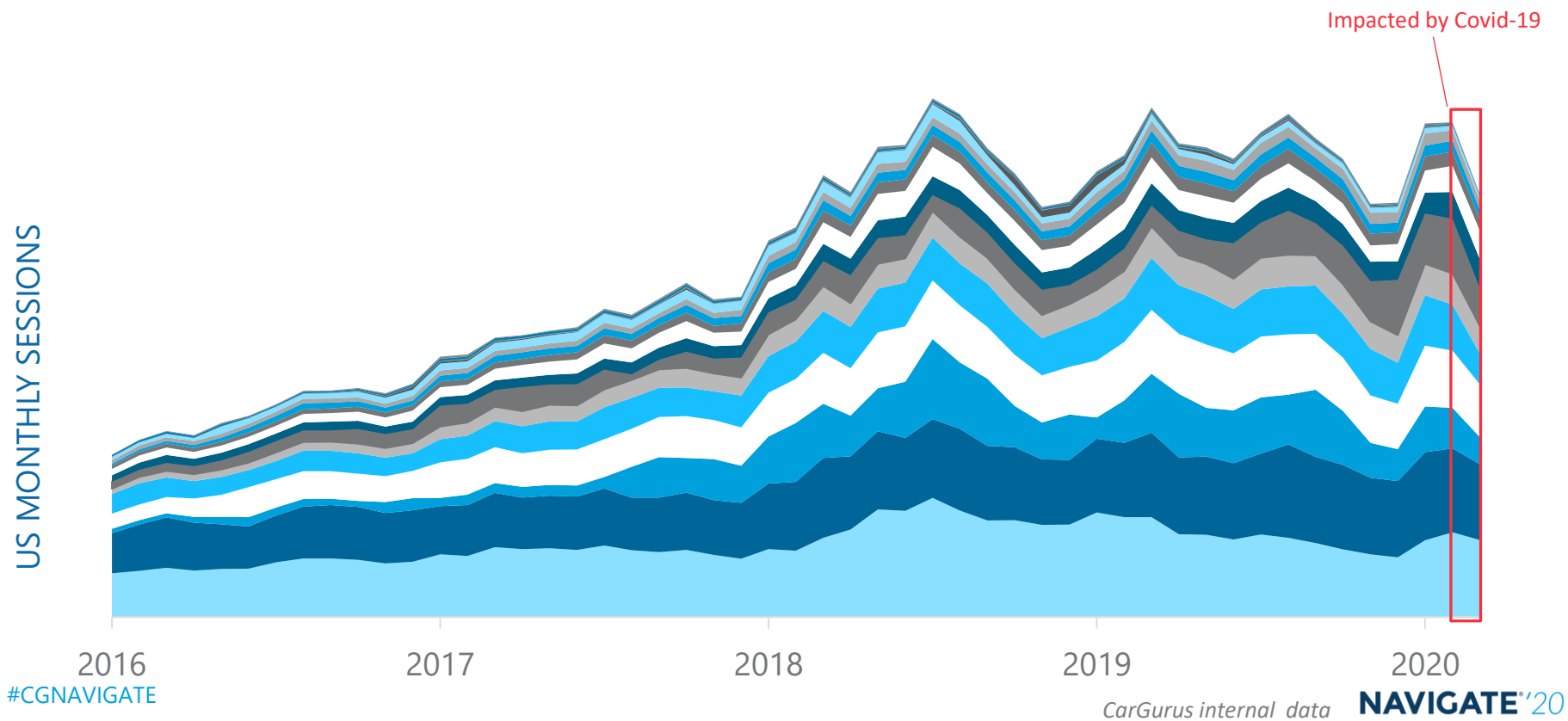
No Price Analysis



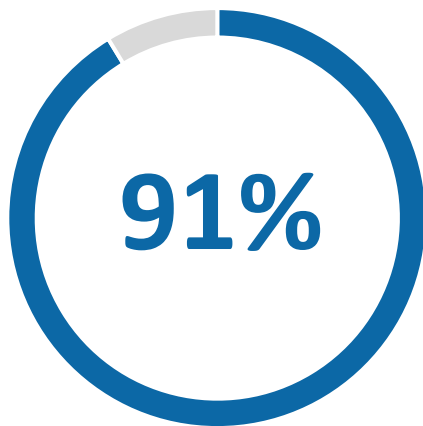
Prereg vehicles



We are **DATA-DRIVEN**



We are **DATA-DRIVEN**

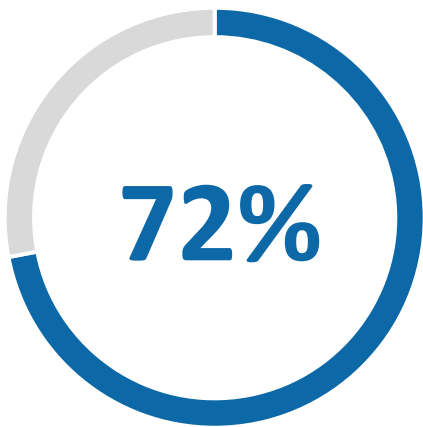


Of leads are going to paying customers

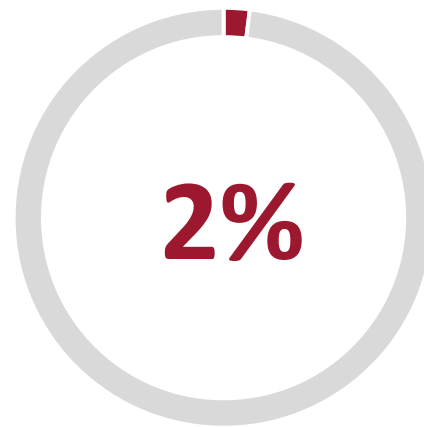
We have **INTEGRITY**

Your resilience
+
our partnership
=
**getting back to
growth**

Car purchasers slowed but not giving up



Of car shoppers reported **delays** in their purchasing plans, but only...



... reported **indefinite delays** in their purchasing plans:

Bringing buyers back

- New TV spots to highlight contactless options and deal ratings
- TV and digital video to drive brand awareness and leads

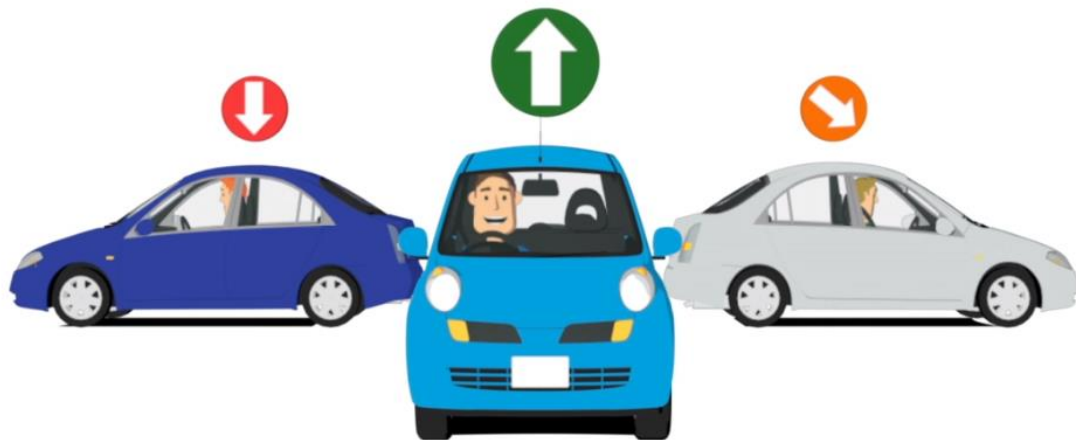
US



UK

CarEurus[®]

Proudly sponsors The Simpsons on Channel 4

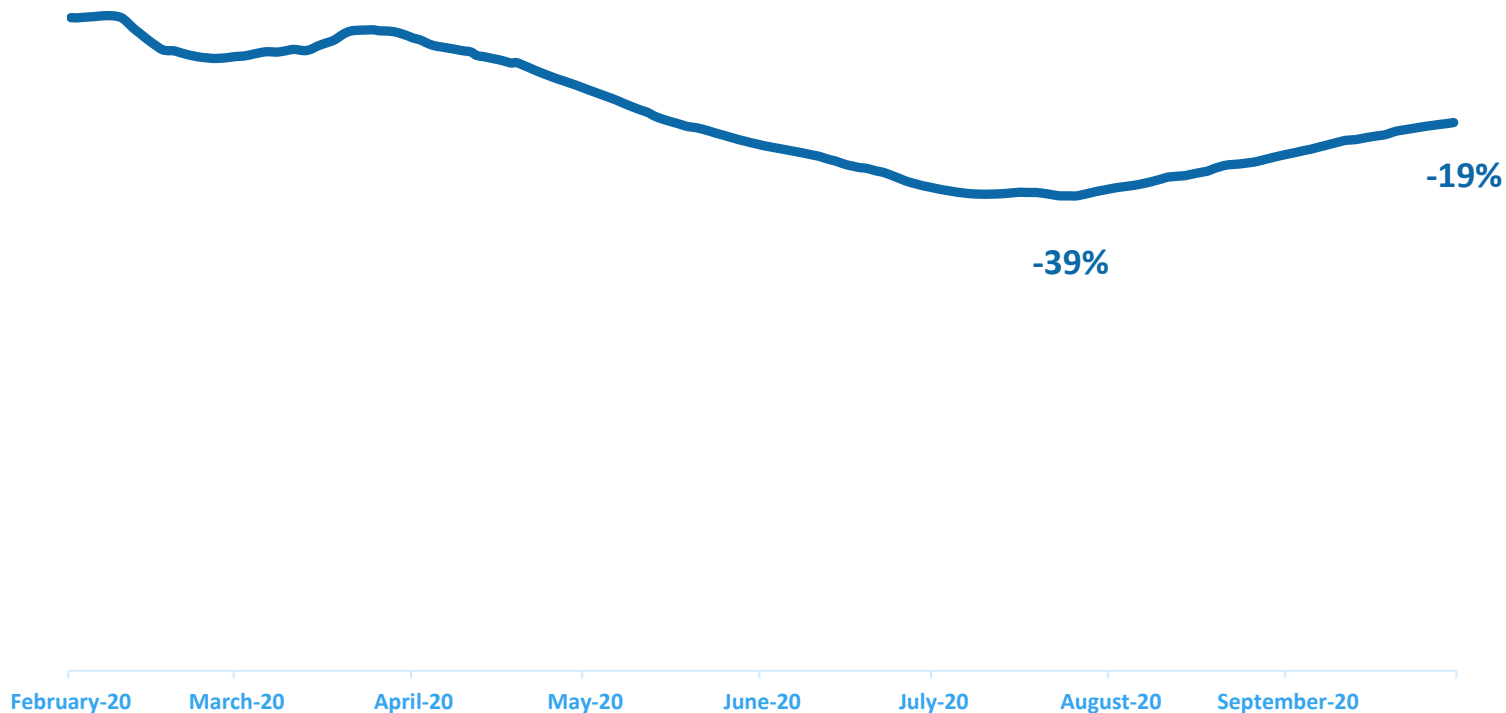


Canada



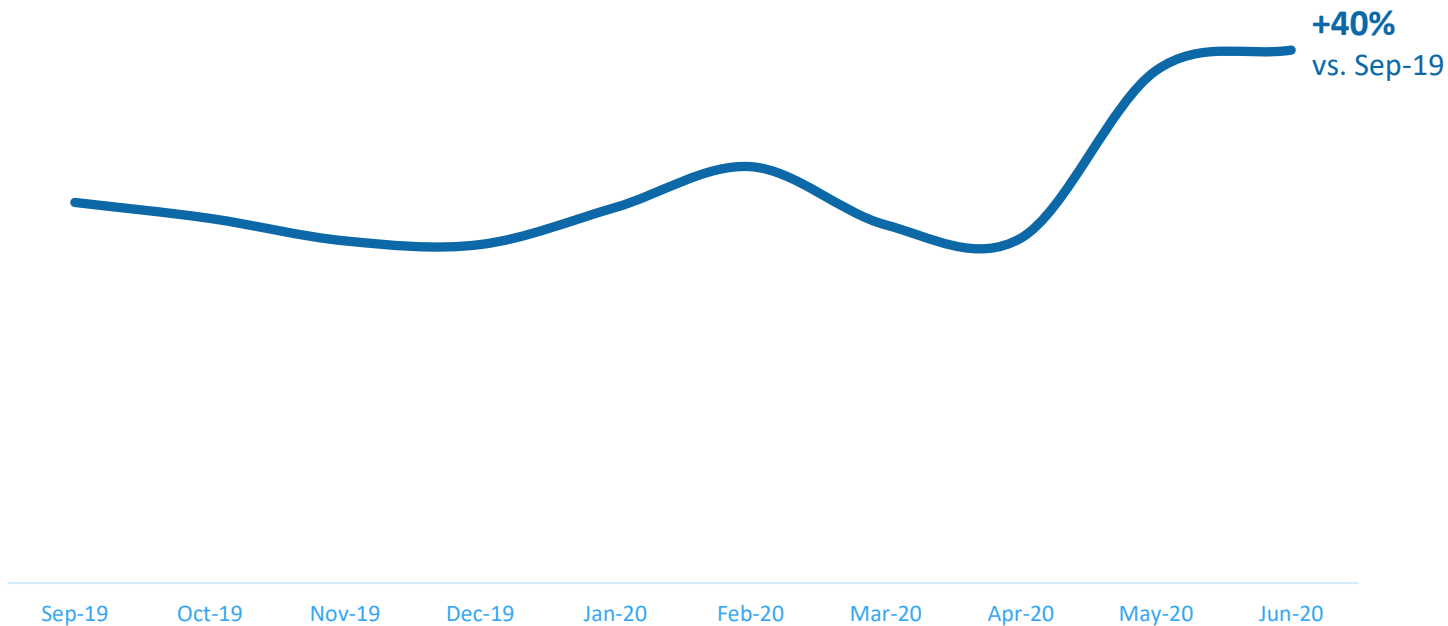
Inventory coming back

US Dealer inventory on CarGurus



Leads coming back

US Leads per Paying Dealer



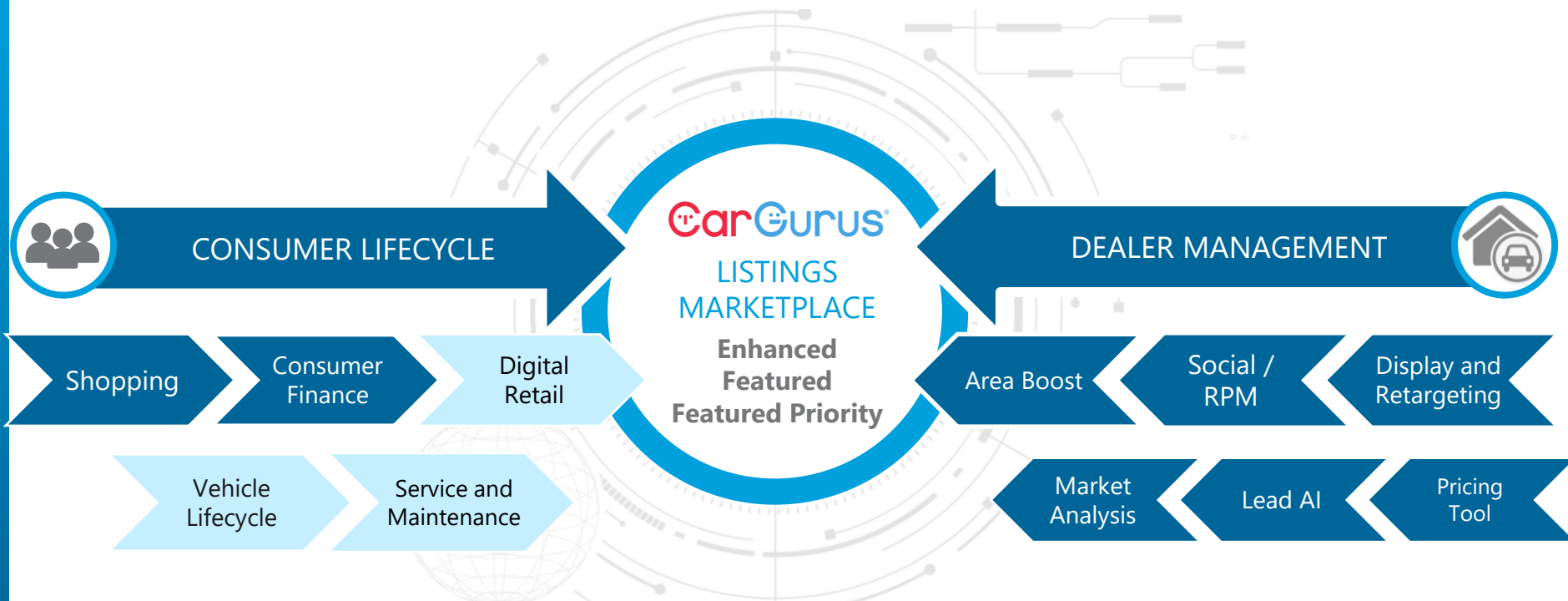
Thinking beyond the short term

- Together, we've adapted
- Our leadership, technology, and values will let us continue to be a high-ROI partner
- Consumers are adapting, too, accelerating the shift to digital retail

DEALER PRODUCTS OVERVIEW

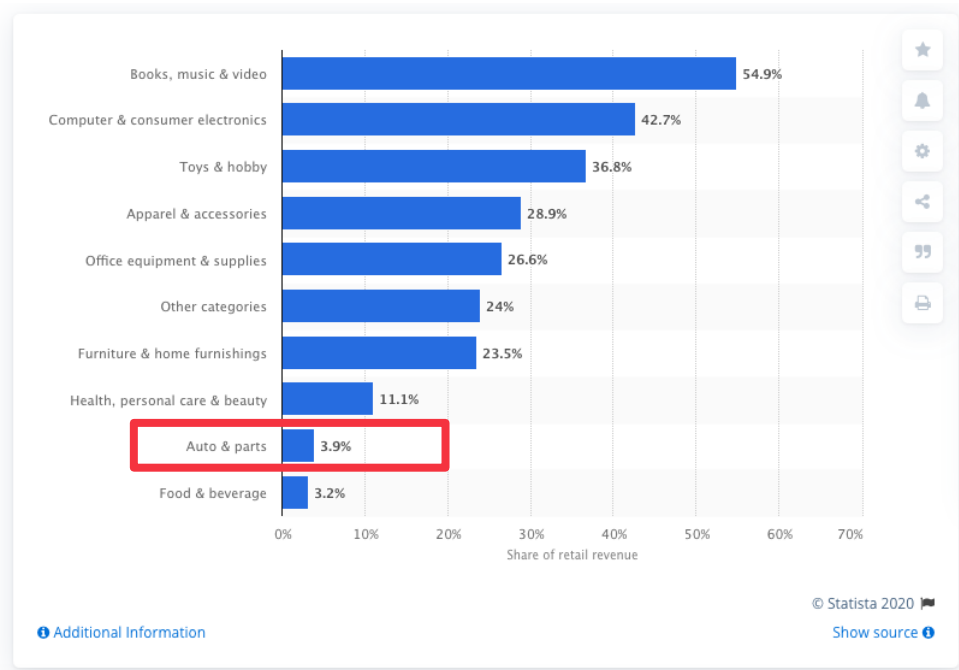
Tom Caputo, CPO

Serving customers on both sides of the CarGurus marketplace



Pre-Covid: little penetration for digital retail, some openness

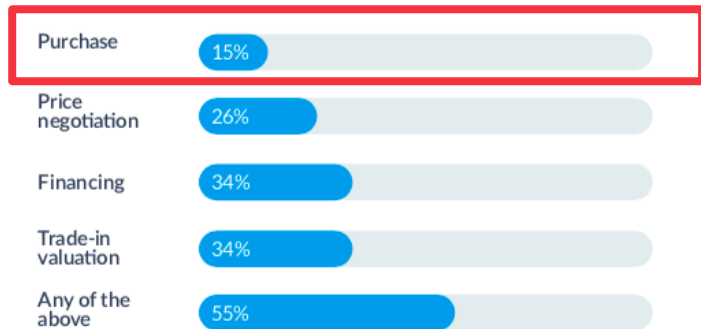
E-commerce share of total retail revenue in the United States as of February 2020, by product category



Source: Statista.com "Online Share of Total US Retail Revenue Projections"

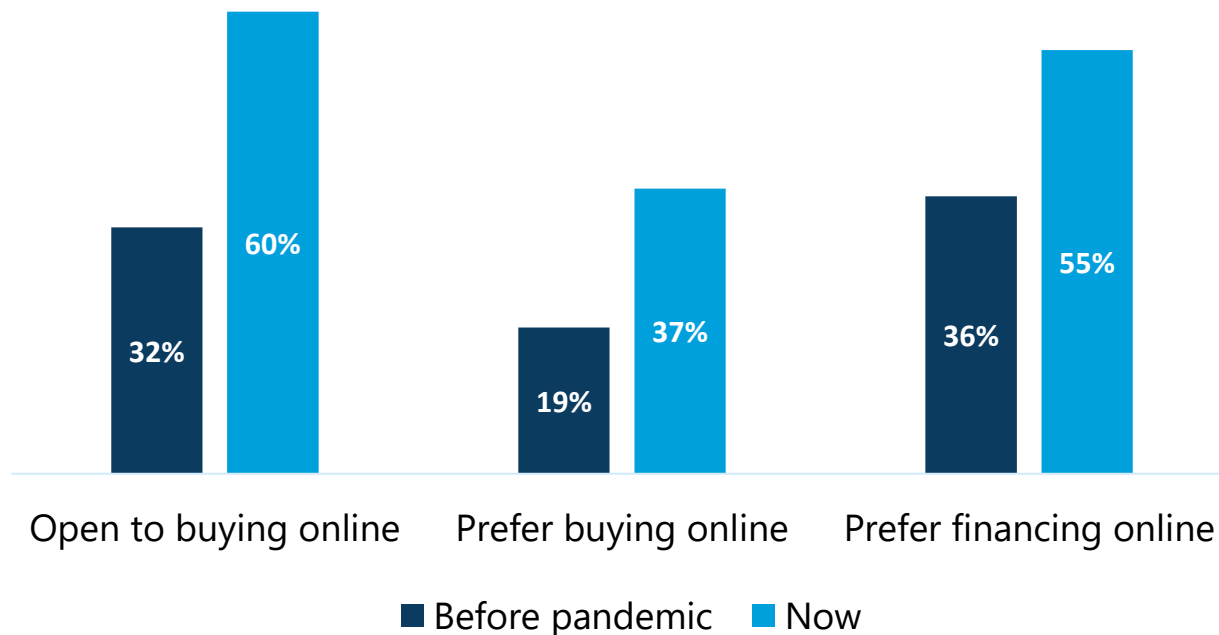
% of consumers that prefer to purchase online

Which steps of the dealer visit would you prefer handling online?



Source: 2019 CarGurus Path to Purchase Study

Post-Covid: shoppers are more open to, and more likely to prefer, digital retail

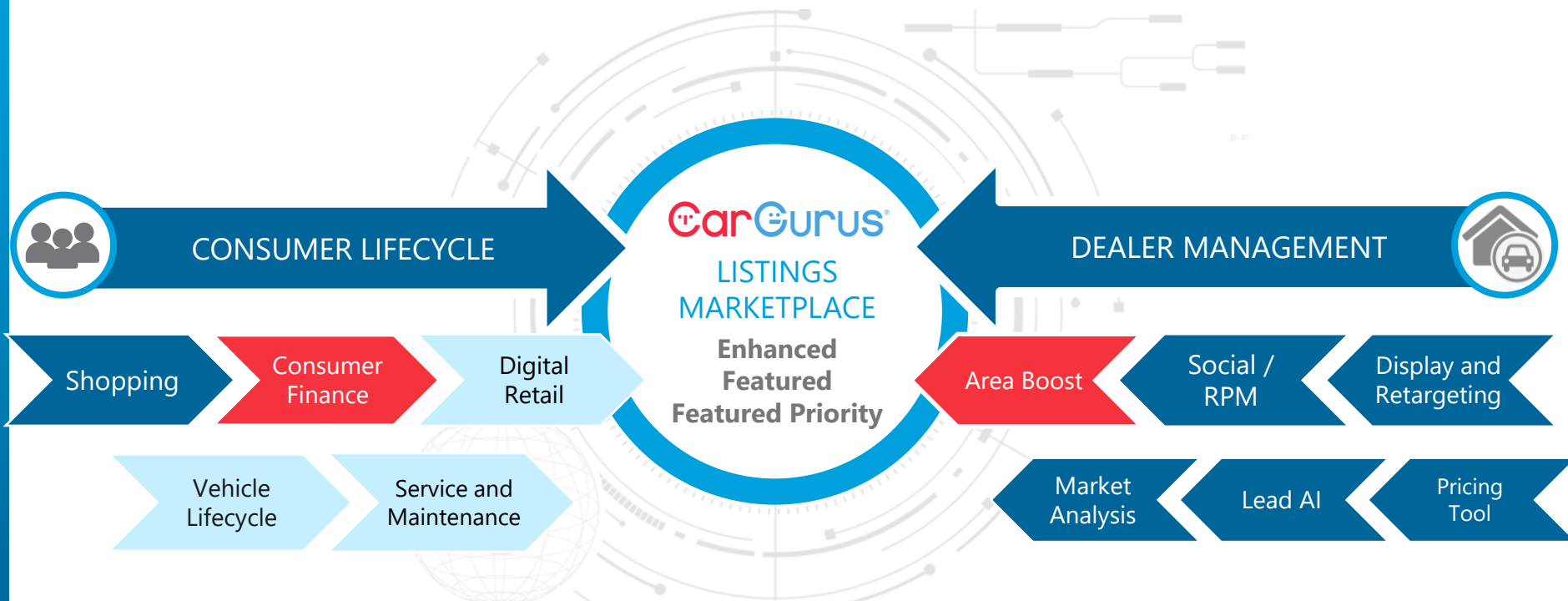


CarGurus 2020 COVID-19 Consumer Sentiment Study
Base: Total Market (n=722)

#CGNAVIGATE

NAVIGATE'20

Serving customers on both sides of the CarGurus marketplace



Area Boost connects dealers with more customers



2016 BMW 3 Series 2.0 320i SE Saloon 4d (16 reg)

£11,980 £387/mo est.
22,897 mi


 **GREAT DEAL**
£1,586 BELOW

Dealer ★★★★★

London, Enfield (52 mi)

 999 9999 9999

 Request information

 Free delivery



2013 BMW 3 Series 2.0 320i xDrive M Sport Saloon 4d Auto (13 reg)

£13,996 £452/mo est.
34,000 mi

 **FAIR DEAL**
£182 ABOVE

Dealer ★★★★★

Croydon (54 mi)

 999 9999 9999

 Request information

 Includes £247 delivery

Area Boost acceleration

- **56% YoY** Area Boost customer growth¹
- Searches that result in delivery leads increased 100% in the past year²
- Over **3M leads and 5M connections** in September³
- Launched in UK and Canada
- Dealers on Area Boost **see more VDPs**:⁴



40%

US

37%

CA

35%

UK

1 – US, September 2019 to September 2020, 2 – US, February 2019 to August 2020, 3 – US, September 2020, 4 – Data from pilot dealers

Don't take our word for it




Area Boost

Expand your reach by showing your deliverable listings to shoppers outside your local market




Seamless consumer financing pre-qualifications drive deep-funnel shoppers



Pre-Qualification Certificate

Congratulations, Dan Barnes!

2014 Jeep Grand Cherokee Limited 4WD



VIN: 1C4RJFBGXEC162497
Advertised price: **\$18,000**
Mileage: 90325

North End Motors

390 Turnpike St
Canton MA 02021
3398889595

Your Offer Details

Down Payment	\$3,000
Trade-in value	\$1,500
Trade-in owed	\$0
Total down	\$4,500
Dealer fees	\$695
Title & license fees	\$135
Taxes due	\$1,074.69
Total due	\$15,404.69

Your Pre-Qualified Rates

Payment ▲	APR	Term	Lender
\$462.73/mo	5.15%	36mo	Capital One
\$355.81/mo	5.15%	48mo	Capital One
\$291.77/mo	5.15%	60mo	Capital One
\$465.44/mo	5.39%	36mo	Westlake

- Uses your lenders
- You keep your F&I profit
- Delivered to your CRM/email



Westlake Financial®



New: Route One integration for consumer finance leads

ABC Mazda (FP9UL)
Login Info

Notifications:

News/Info Deals ▾ New App ▾ Contracts ▾ Credit Reports & Customers ▾ Compliance ▾ SecureDocOne ▾ Payoff Quote ▾

Vehicle Values ▾ Menu F&I Connection Rates & Forms Reports ▾ Admin ▾

Search for Pre-Approval

FS: CarGurus ▾

Last Name:

☒ Approval #: or

- Simplify the consumer experience
- Simplify your experience
- Coming to all Route One customers Q4 2020

APPLICANT(CO-APPLICANT) ▾	FS ▾	STATUS DATE ▾	VEHICLE INFORMATION	ACTIONS
Smith, John	CarGurus	10/22/2020		<input type="button" value="Copy Application"/>

1-1 of 1 Pre Approved Deals Page 1

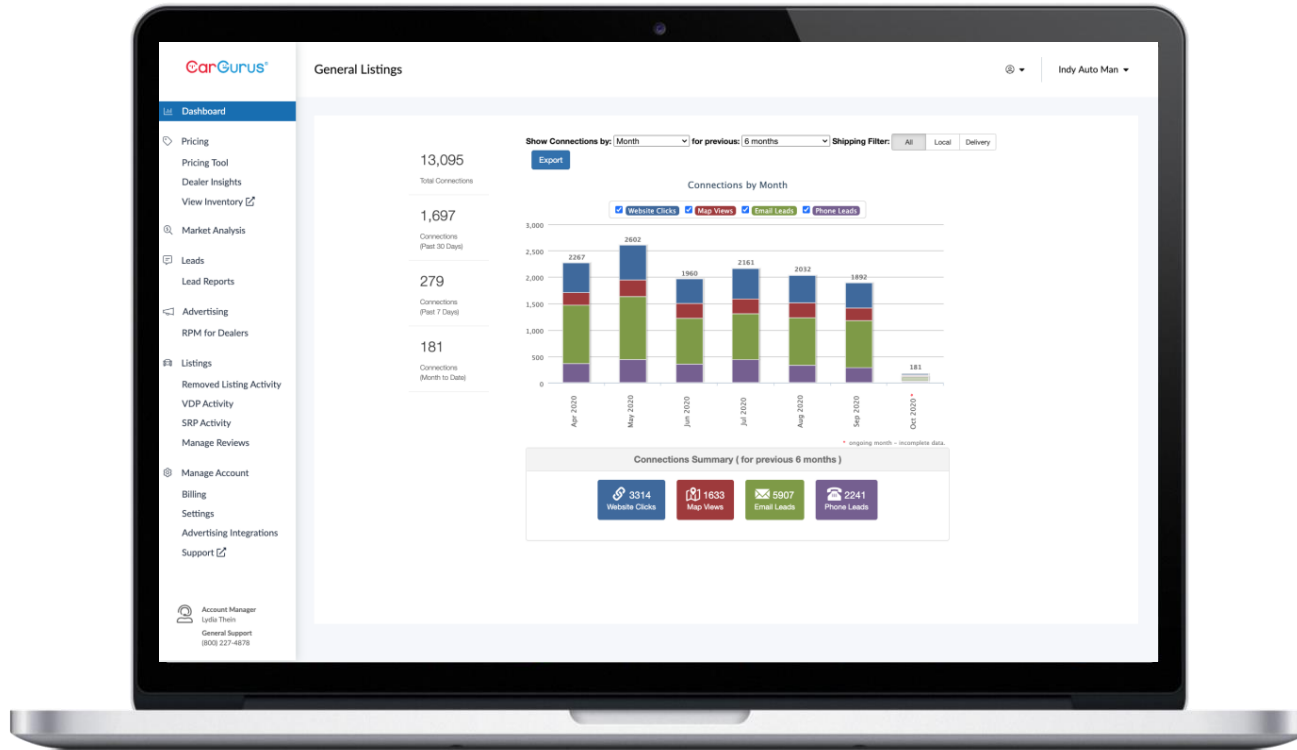


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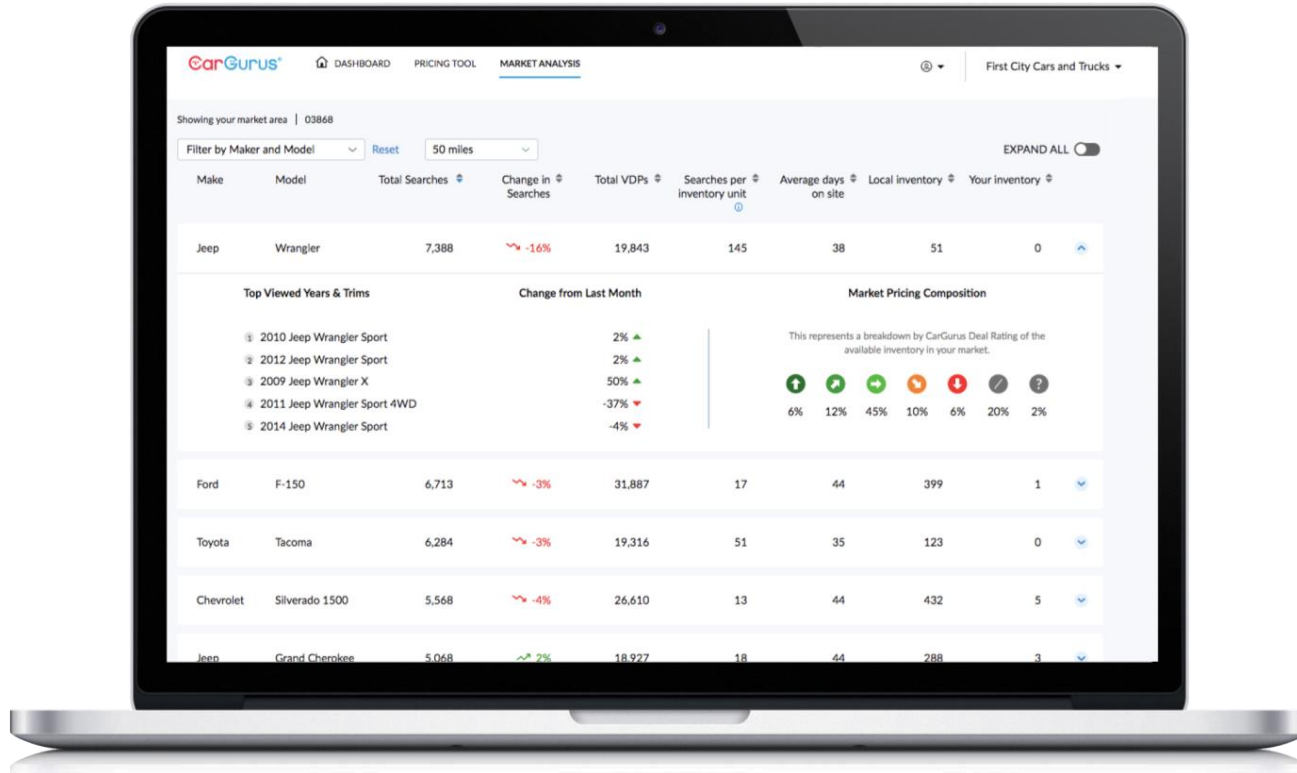
Continuing to innovate around digital retail



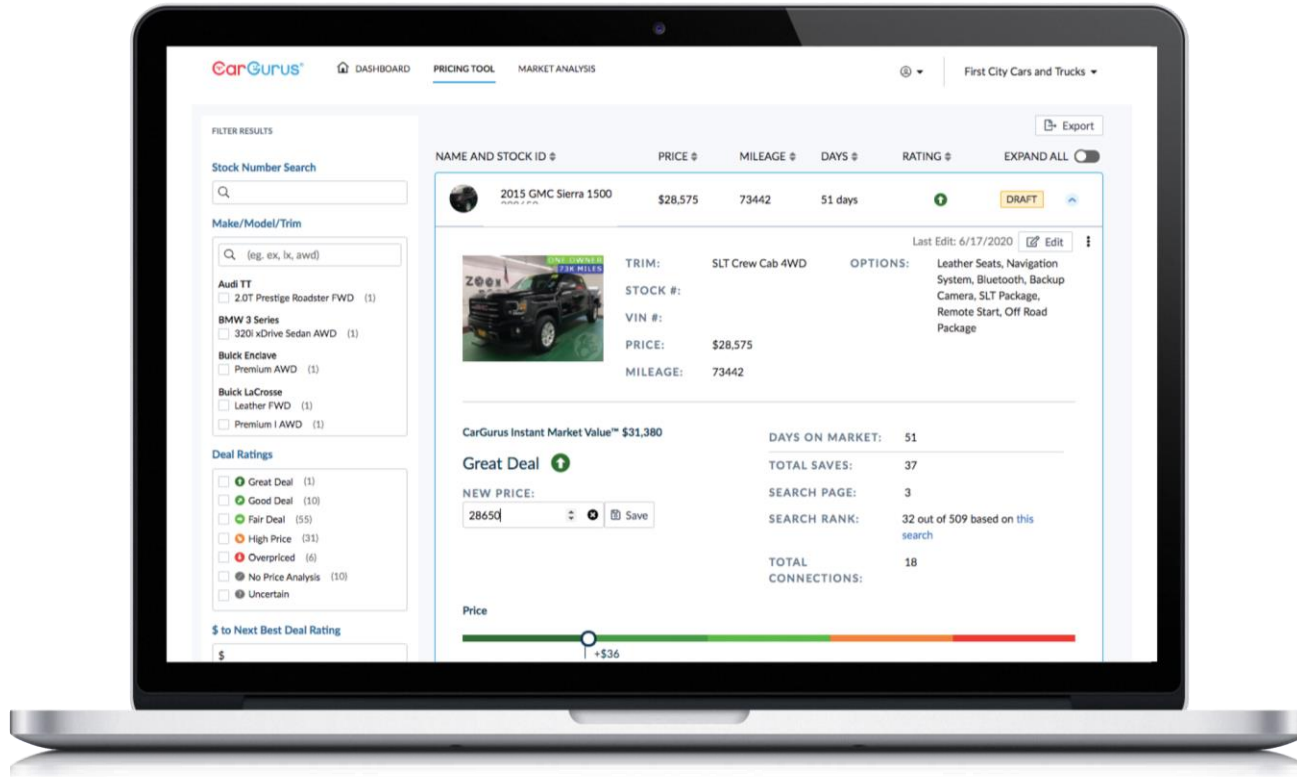
Updated: the CarGurus tools you use the most



Updated: the CarGurus tools you use the most




Updated: the CarGurus tools you use the most




New: Lead AI

From

 5/4/2020

To

 6/4/2020








Filter

Q Great Deal, VIN, Stock #

Category

Engagement

Lead Source

Name	Email	Phone	Car	Category	Engagement	Date
		(870) 281-5788	 2015 Ford Taurus	Reengaged	 Hot lead	6/4/2020
Gregory Crichfield	gregory.crichfield.1957@gmail.com	(731) 413-4853	 2012 GMC Acadia	Reengaged	 Hot lead	6/4/2020
Seth Wood	sethw3@yahoo.com		 2019 Toyota 4Runner	Reengaged		6/3/2020
Christine -	Ccrent202@yahoo.com	(650) 716-8591	 2019 Mazda CX-5	New	 Warm lead	6/3/2020

ACTIVITY

6/3/2020:

Submitted a text lead
Visited your VDP (x6)

TOTAL CONNECTIONS:

1 text lead, 6 VDP visits

ZIP CODE:

38305

Great Deal

CarGurus Instant Market Value™ \$20,864

PRICE:

\$19,072

MILEAGE:

28,644

VIN:

[JM3KFACM8K1558856](#)

STOCK #:

P3188

DAYS ON MARKET:

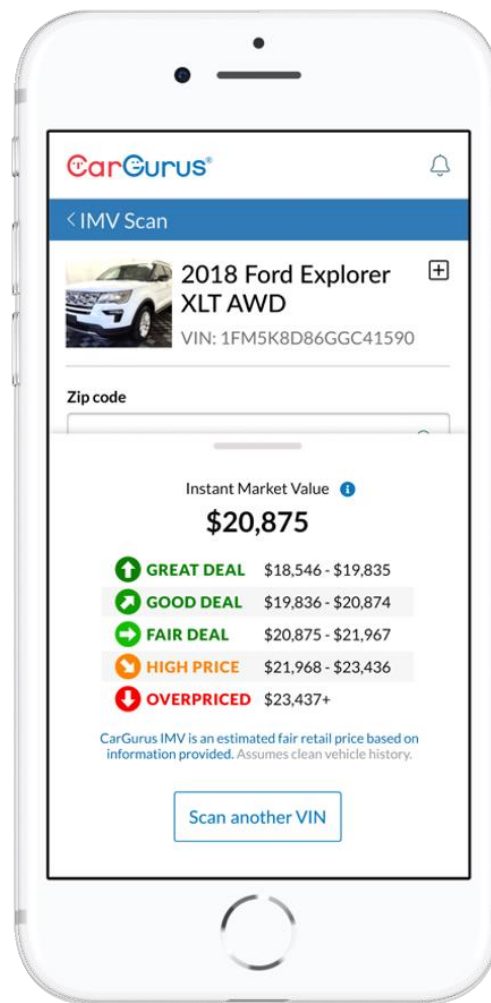
71

Improved: RPM Digital Marketing



New: IMV Scan

Coming soon!

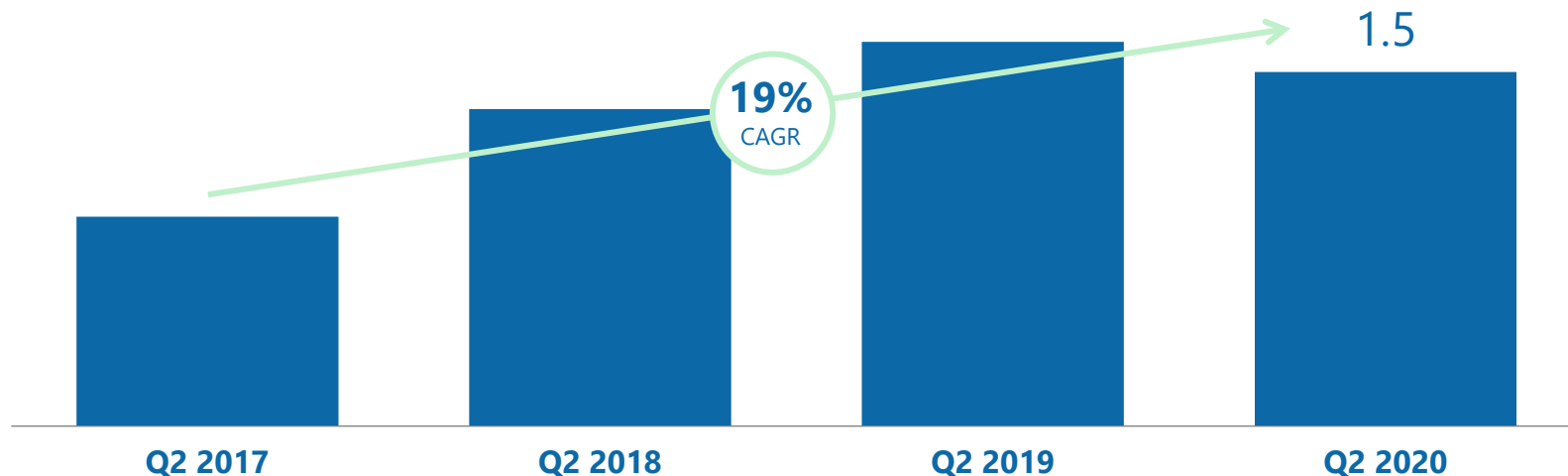


THANK YOU

APPENDIX

We are seeing advanced market progress

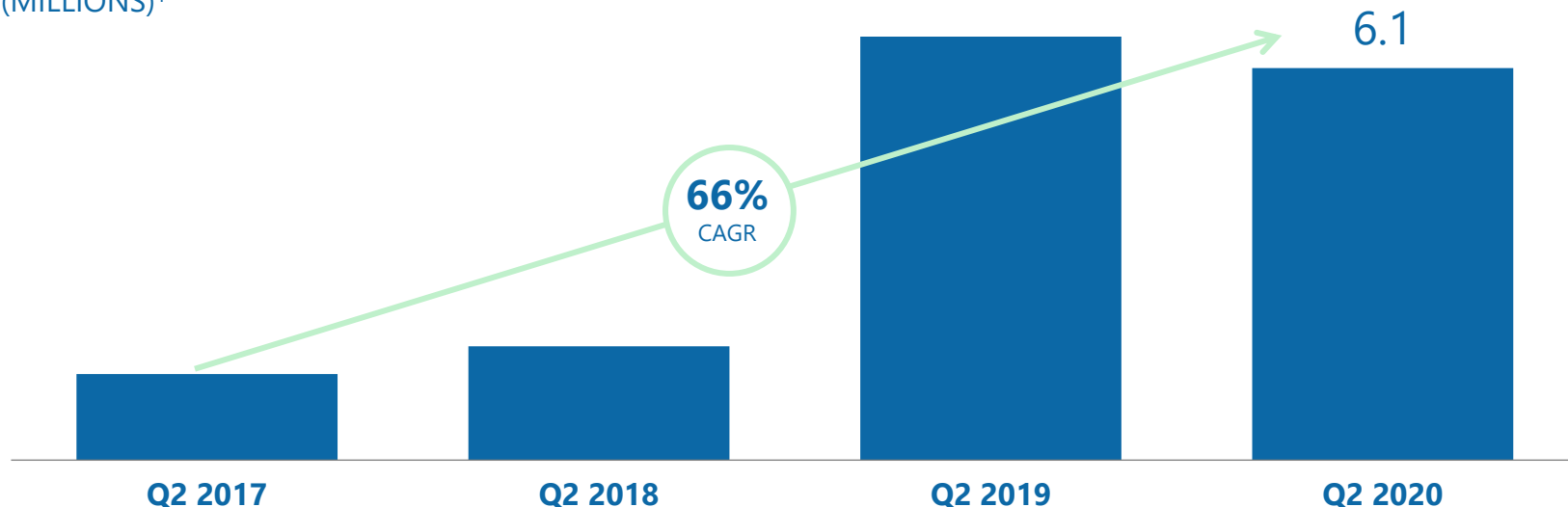
CANADA AVERAGE MONTHLY UNIQUE USERS
(MILLIONS)¹



[1] Google Analytics

We are seeing advanced market progress

**UNITED KINGDOM AVERAGE MONTHLY UNIQUE USERS
(MILLIONS)¹**



[1] Google Analytics; as of Q1 2019, includes average monthly unique visitors from PistonHeads.