

CarGurus Investor Day

June 11, 2019



Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions 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 presentation regarding: industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy, including our ability to expand our global audience; the growth levers we expect to drive our business; our brand awareness efforts, including investments in audience and brand building across our U.S. and international businesses; 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, including with respect to our consumer finance offering and peer-to-peer marketplace; our ability to grow our paying dealer base, including by converting non-paying dealers to paying dealers, and increase revenue per subscribing dealer; our ability to maintain existing and acquire new customers; our ability to achieve our 2019 strategic initiatives; addressable opportunities, including our expansion into international markets and our international growth strategy; our success in international markets; our ability to realize benefits from our acquisition of PistonHeads; our future financial and business performance for the second quarter 2019 and full-year 2019, as well as our other long-term financial targets; 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 rapid growth and ability to sustain our revenue growth rate, our relationships with dealers, new product development, competition in the markets in which we operate, market growth, our ability to expand effectively into new markets, our ability to realize benefits from our acquisition of PistonHeads and successfully implement the integration strategies in connection therewith, our sales and marketing strategies, our capital resources and operating performance, our ability to operate in compliance with applicable laws, as well as other risks and uncertainties that we have detailed in the “Risk Factors” section of our Quarterly Report on Form 10-Q, filed on May 9, 2019 with the U.S. 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 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, as well as industry publications and reports and 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 for all data relating to comparisons with our competitors. Google Analytics and Comscore use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These 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 the 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, 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 above it in the relevant presentation slide or the Appendix to this presentation, as applicable, and not to rely on any single financial measure to evaluate our business.

CarGurus® is a registered trademark of CarGurus, Inc. All other product names, trademarks and registered trademarks are property of their respective owners.

©2019 CarGurus, Inc. All Rights Reserved.

Today's Speakers

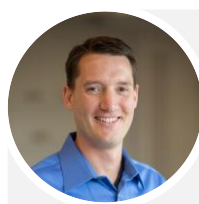


Langley Steinert

Founder, Chief Executive Officer



viaweb



Kyle Lomeli

Chief Technology Officer



Tom Caputo

Chief Product Officer



Microsoft

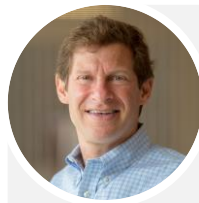


Sarah Welch

Chief Marketing Officer



tripadvisor



Sam Zales

President, Chief Operating Officer



BUYERZONE



Jason Trevisan

Chief Financial Officer and Treasurer



Technology
Expertise



Data Driven
Innovation



Financial
Discipline

Agenda

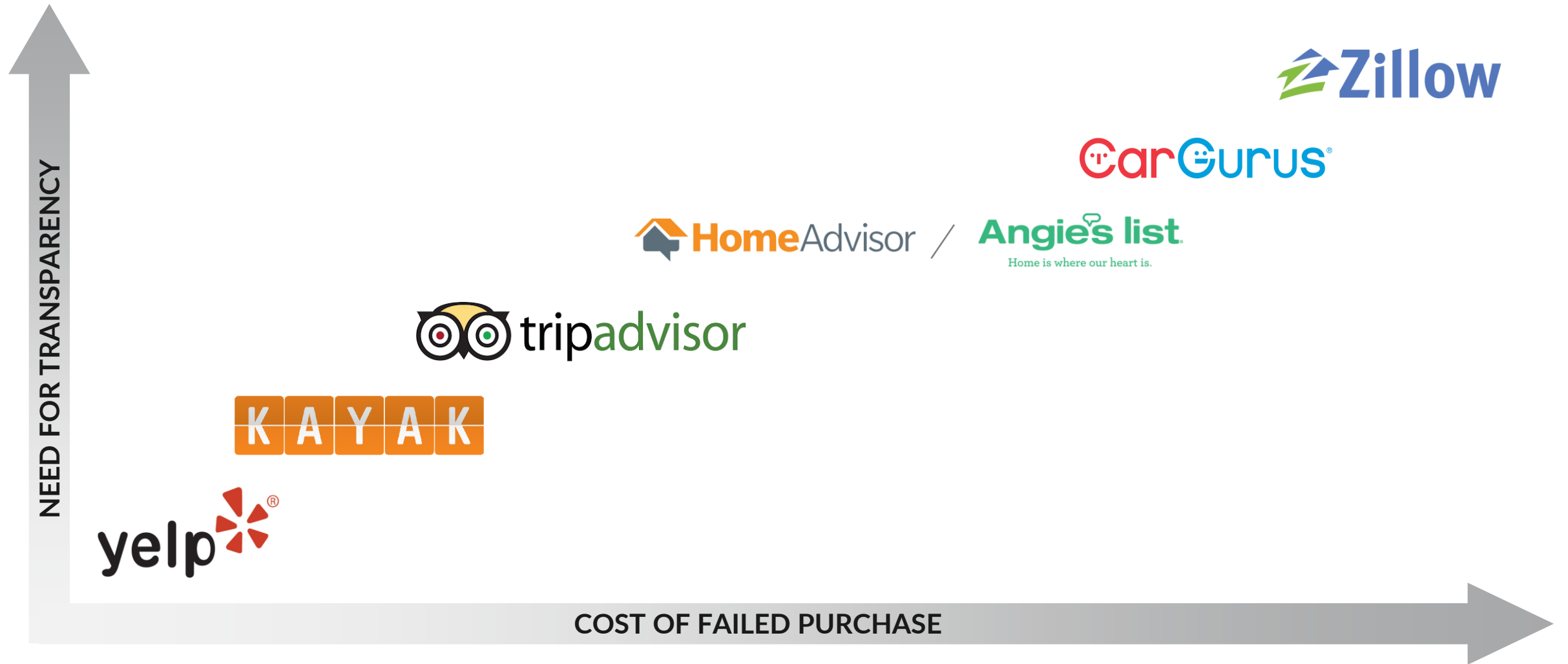
- **Langley Steinert, Founder and Chief Executive Officer**
 - Building the World's Most Trusted and Transparent Automotive Marketplace
- **Kyle Lomeli, Chief Technology Officer**
 - Technology and Data Drive CarGurus Forward
- **Tom Caputo, Chief Product Officer**
 - Product Innovation Sets CarGurus Apart
- **Sarah Welch, Chief Marketing Officer**
 - Building the Largest, Most Engaged Audience in Auto Shopping
 - Upside Opportunity from Brand Building
- **Break**
- **Sam Zales, President and Chief Operating Officer**
 - Delivering Superior ROI to Drive Dealer Spend
 - International Expansion
- **Jason Trevisan, Chief Financial Officer**
 - Pursuing Multiple Growth Opportunities Profitably
- **Q&A**

Building The World's Most Trusted and Transparent Automotive Marketplace

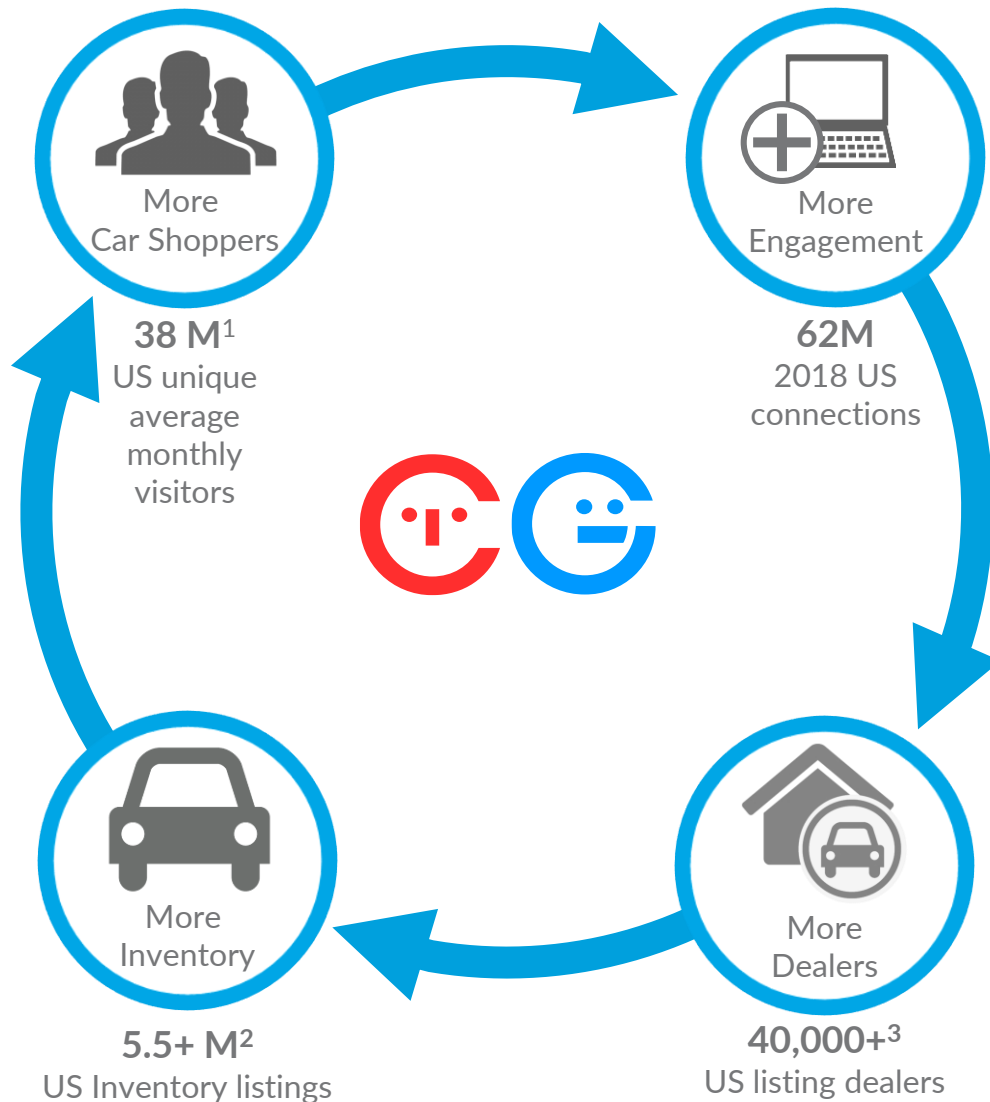
Langley Steinert
Founder and Chief Executive
Officer



Transparency in Considered Purchases



Global Trusted Marketplace, Powerful Network Effect



Unbiased
Transparency

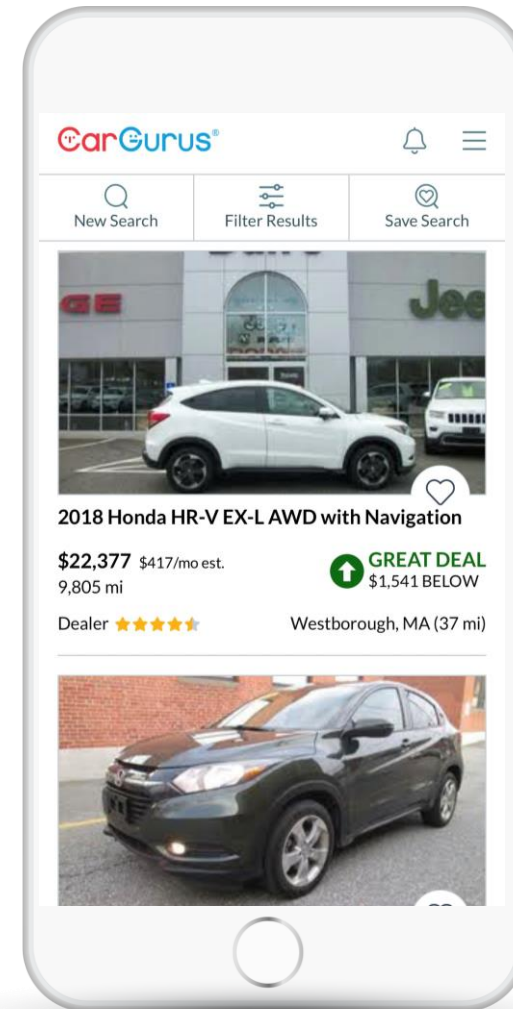
Price
Dealer Reputation
Vehicle Condition
Inventory Ranking

Marketplace

Dealers
and
Peer to Peer

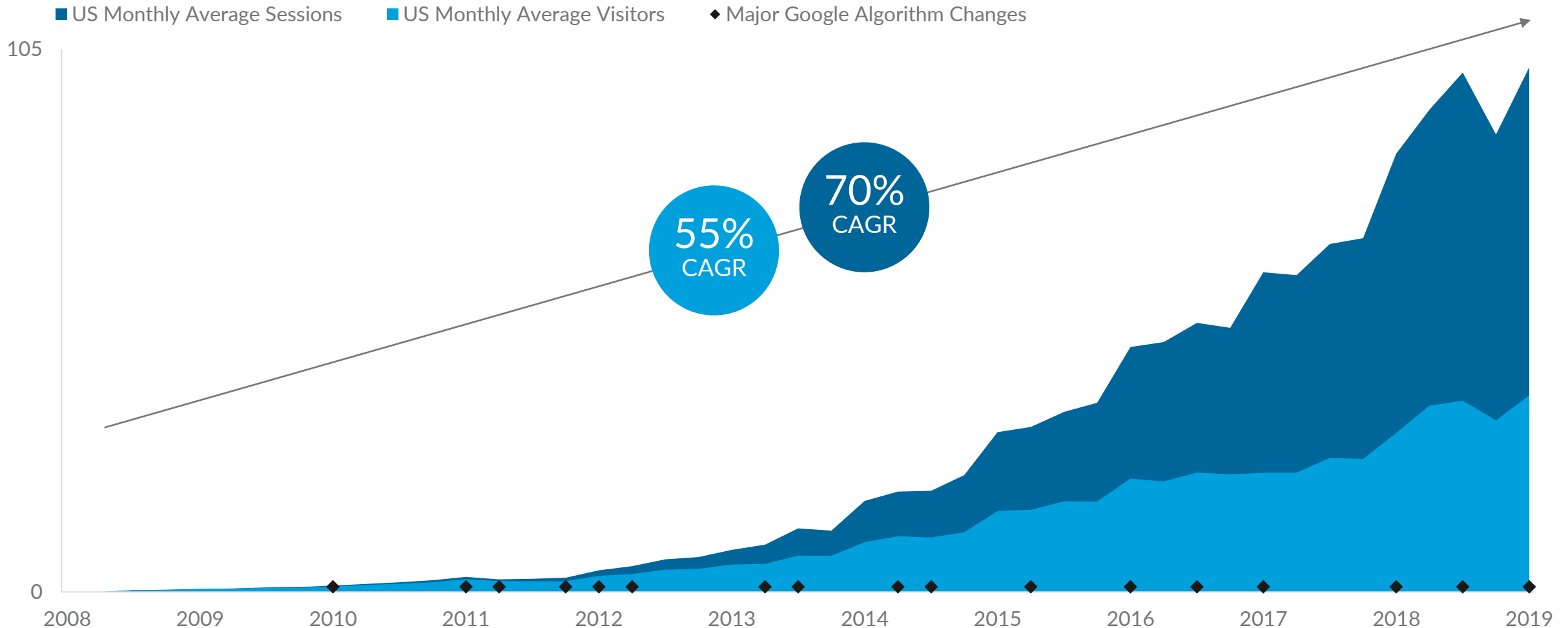
Optimized for Consumer Relevance vs. Paid Inclusion

- How did Google disrupt Yahoo?
 - Relevance over economics
 - Algorithms provide best answers to consumer
- CarGurus ranks listings based on unbiased algorithms
 - Organic listings ranked by Deal Ratings
 - Instant Market Value considers make, model, trim, year, mileage, options and vehicle condition
 - Deal Rating incorporates Dealer Rating from CarGurus community



From Upstart To Market Leading Audience in Under 10 Years

(MILLIONS)



Our Freemium Marketplace Can't Be Replicated by Classified Models

LARGEST US AUTO INVENTORY OF 5.5M+ LISTINGS¹ FROM OVER 40,000 DEALERS¹



Car Information

- Vehicle History
- Time on Site²



Price Information

- Instant Market Value²
- Deal Rating²
- Price History



Dealer Information

- Qualified Dealer Reviews
- Dealer Ratings

BEST-DEAL-FIRST ORGANIC SEARCH RESULTS¹

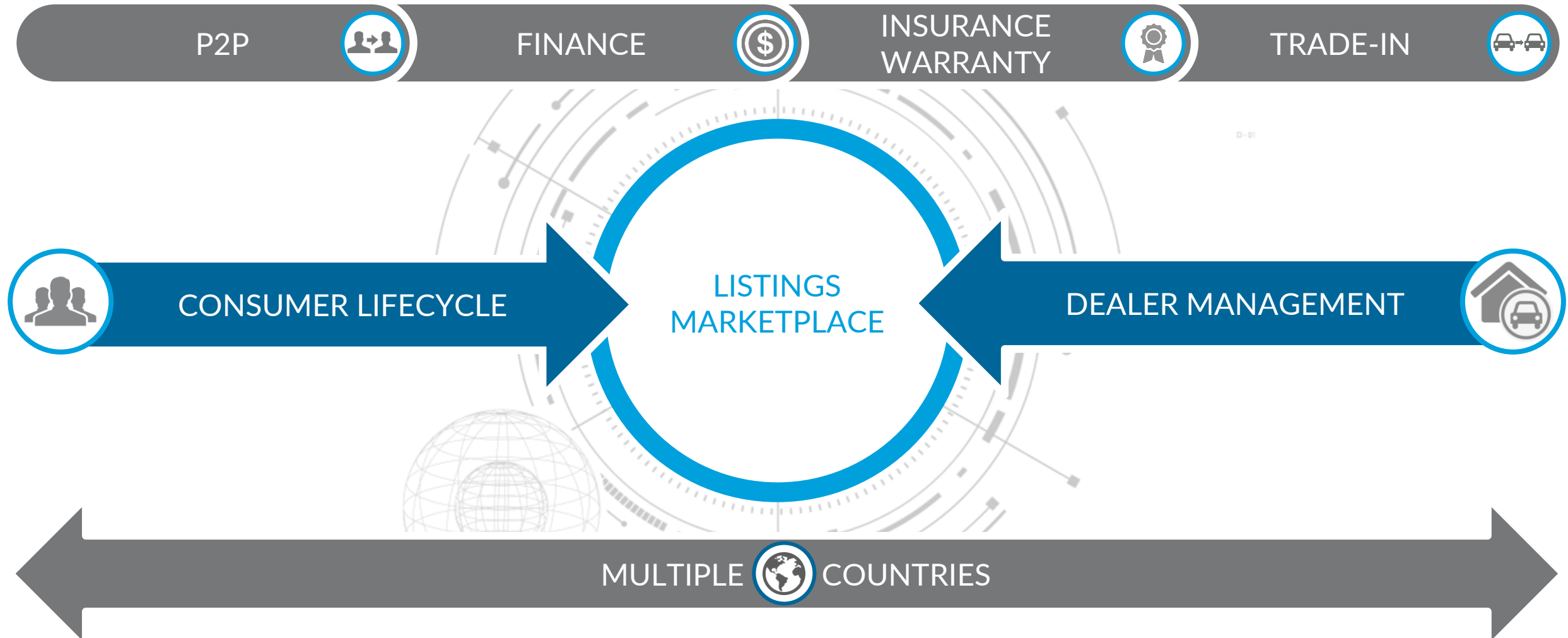


88%
of users
are in-market³

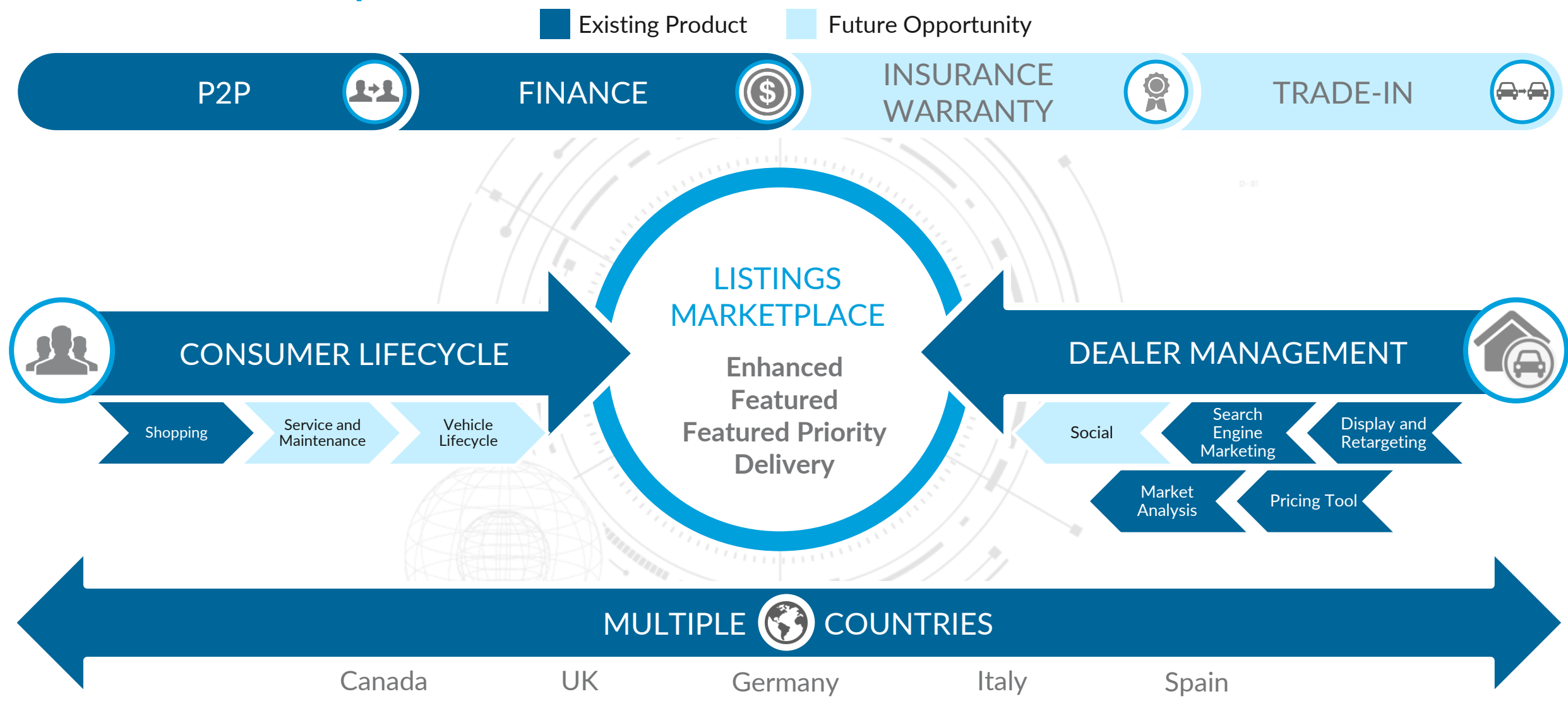
ENGAGED, INFORMED, READY-TO-BUY CONSUMERS

37%
expect to purchase car
in next week⁴

Potential Product Universe



We Have Rapidly Introduced Products and Tools on Both Sides of our Marketplace



Potential Product Universe Unlocks Large TAM

US NEW AND USED CAR RETAIL SALES: \$1.4T¹

P2P



FINANCE



INSURANCE
WARRANTY



TRADE-IN



\$6B
Total US Value²

\$3B
US Used Car Loan
Commissions³

CONSUMER LIFECYCLE

Increase Consumer
Retention
+
Reduce Cost of
Customer Acquisition

LISTINGS
MARKETPLACE

DEALER MANAGEMENT

\$13.9B
US Dealer
Digital
Marketing
Spend⁴

\$5.3B
US Dealer
Software
Spend⁵

\$3.3B
US OEM
Display Ad
Spend⁶

MULTIPLE  COUNTRIES

\$23B

International Total Automotive Advertising Spend⁷

2019 Strategic Initiatives

Company-Wide
Initiatives

Long-Term
Focused

Accretive to
Enterprise Value

Board-Vetted and
Approved

INITIATIVE



Grow Connections and Brand



Expand MRR



Scale International



Launch Consumer Finance Platform



Digitize Peer-to-Peer (P2P) Marketplace

Auto Financing Lacks Transparency and Efficiency

TIME SPENT AT DEALERSHIP¹

■ Negotiation and Financing ■ Everything Else



CAR SHOPPER SATISFACTION WITH DEALERSHIP PROCESS²

Process	Satisfaction Level
Test Drive	45%
Interaction with Sales Staff	37%
Price Transparency	29%
Financing	27%
Negotiation	25%

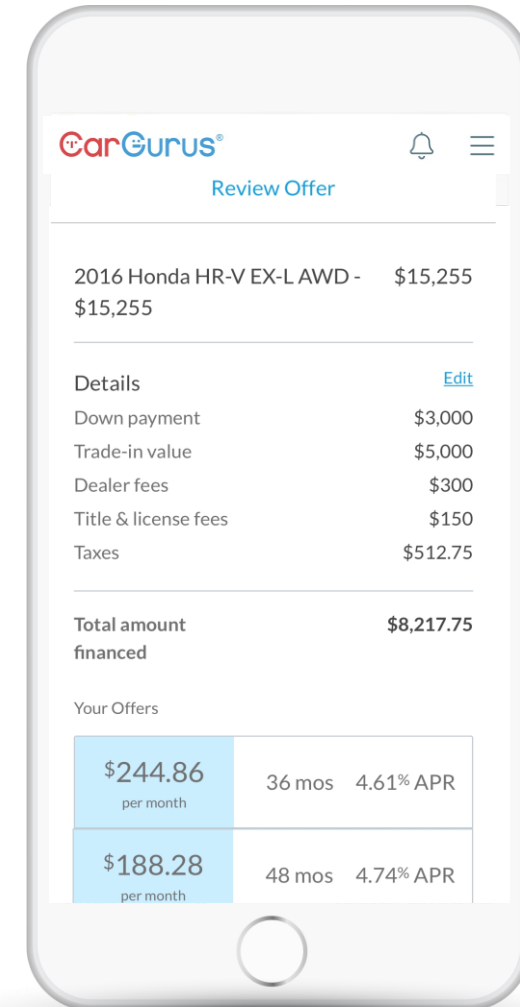
2019 Strategic Initiatives: Launch Consumer Financing

Integrated Loan
Pre-Qualification

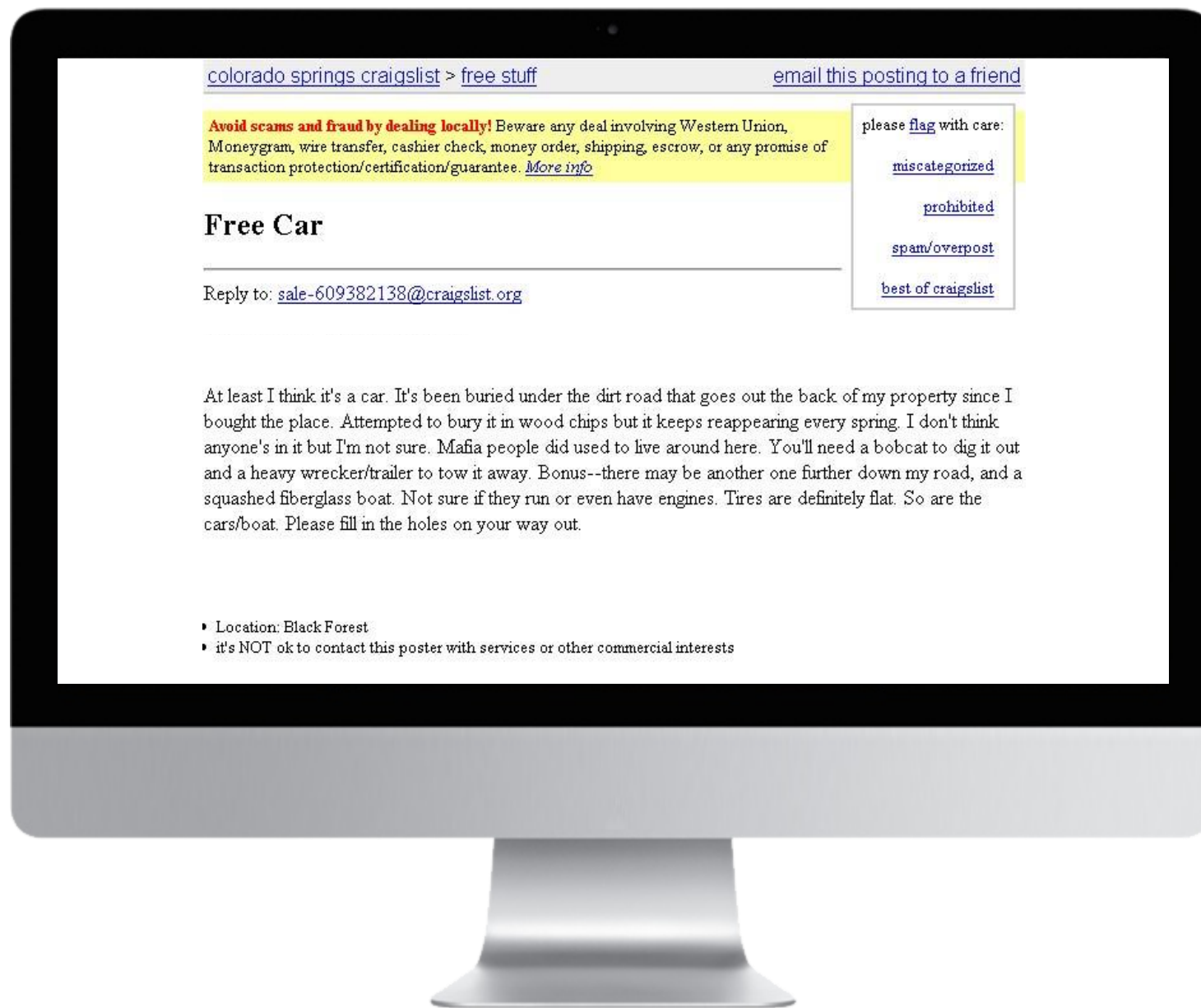
Consumer Gains Clarity on
Financing

Dealer Retains Ability to Offer Other Options
F&I Economics Not Impacted

Next Step Towards Robust
Digital Retailing



Peer-to-Peer Deserves an Innovative Solution



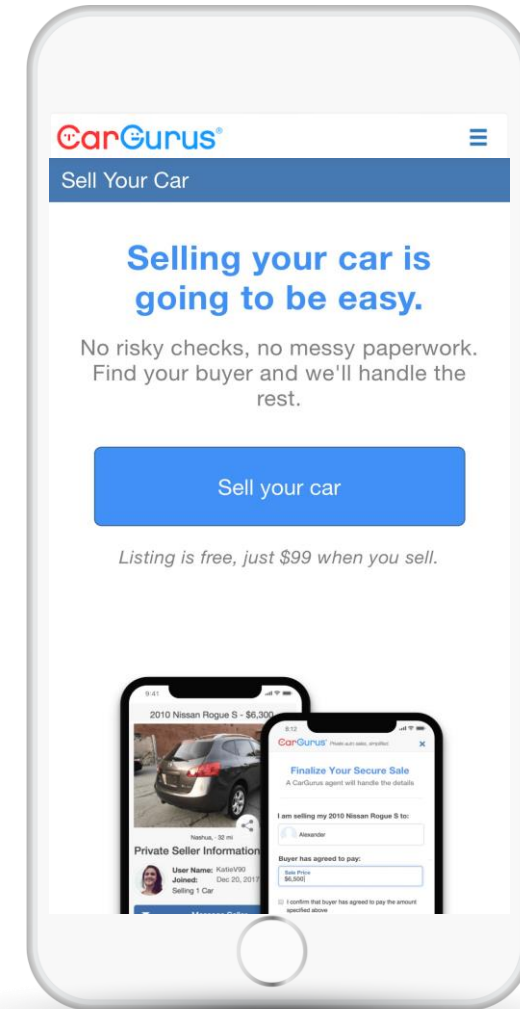
2019 Strategic Initiatives: Peer-to-Peer Marketplace

11M Cars Sold Peer-to-Peer
Annually in US¹

Giving Sellers Access to Large
Audience of Buyers

Focusing Efforts on
Digitized Experience

Secure, Safe,
Transparent Transactions



CarGurus Core Values

We are
Pioneering

We move
Quickly

We are
Transparent

We are
Collaborative

We are
Data-Driven

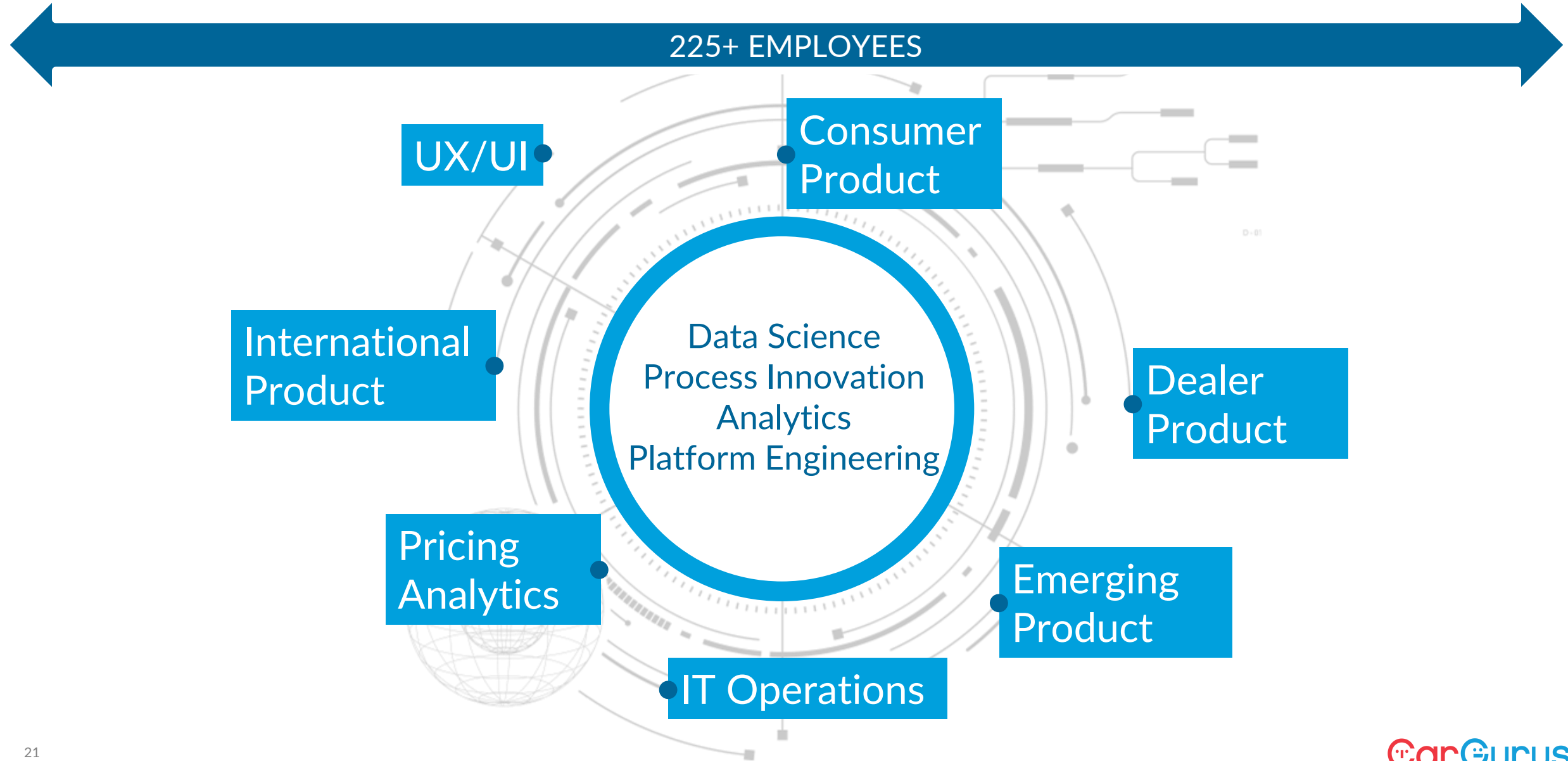
We have
Integrity

Technology and Data Drive CarGurus Forward

Kyle Lomeli
Chief Technology Officer



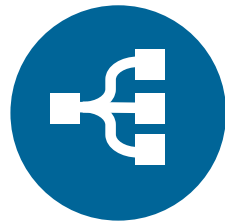
Our Product and Engineering Team Structure Enables Rapid Innovation



Our Technology Foundation Creates Powerful Moats



Rapid
Development and
Innovation



Making Sense of
**Large, Messy
Data Sets**

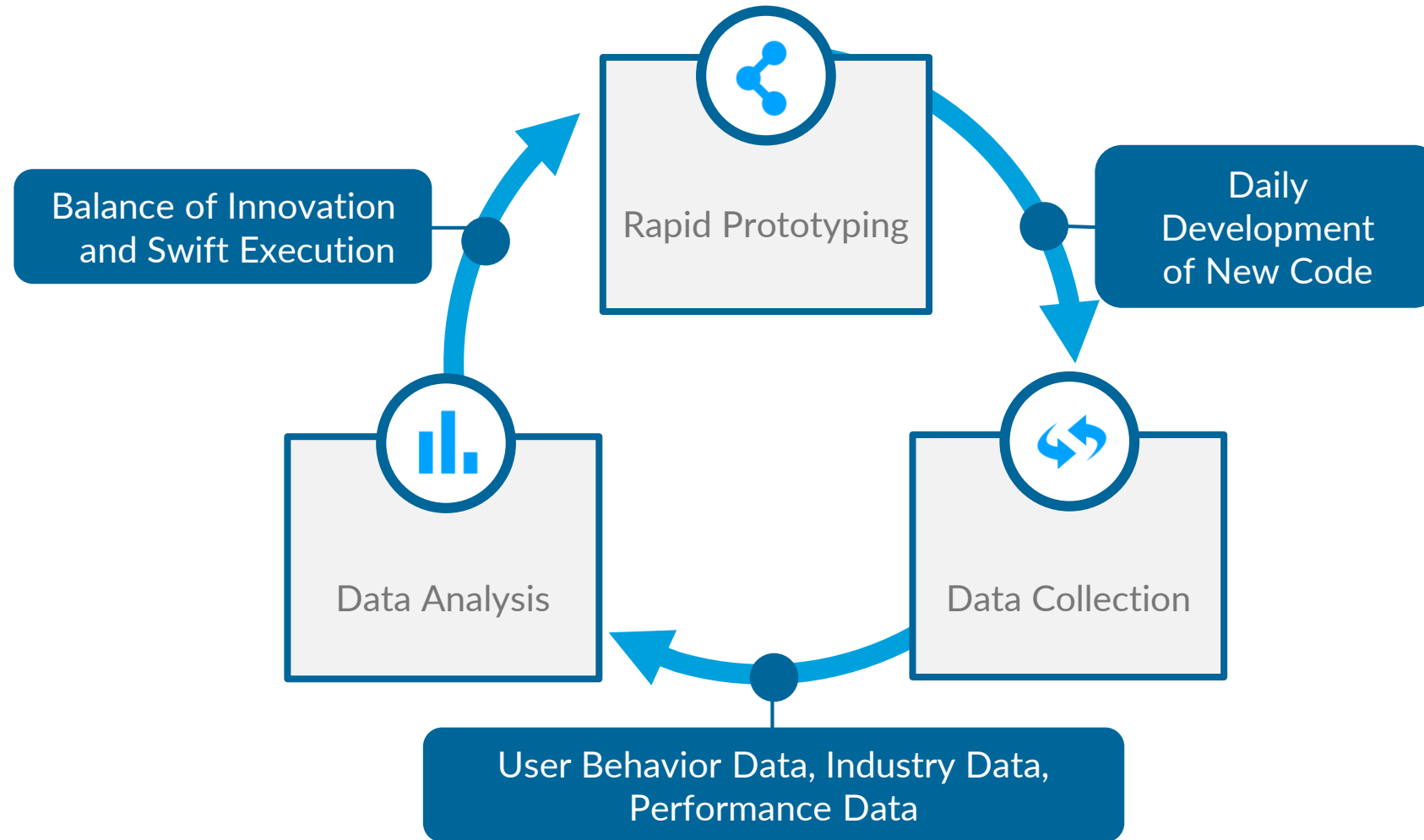


Data-Driven
Analytics

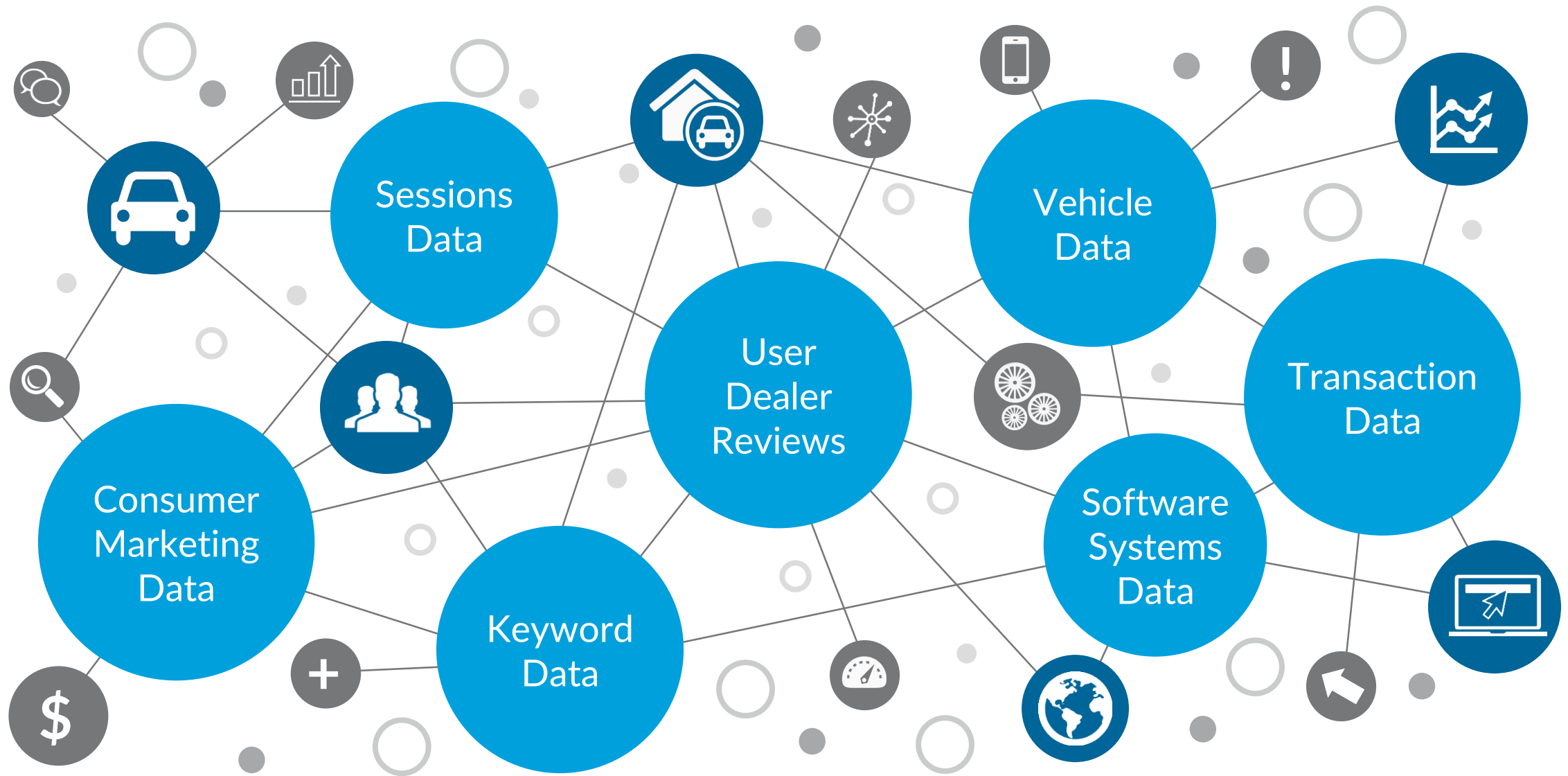


Flexible
Platform

We Develop, Test, and Deploy Products Efficiently



We Make Sense of Large, Disparate Datasets



Our Technology Drives Transparency for Consumers

UNSTRUCTURED CAR DATA FROM HUNDREDS OF SOURCES ACROSS THOUSANDS OF DEALERS



Make	BMW	BMW
Model	3-Series Coupe	328
Year	2011	2011
Trim	328	xi
Seller's Description	Comes with AWD, sun roof, and more!	2-door BMW with moon roof in excellent condition

Both are a 2011 BMW 3-Series 328xi Coupe

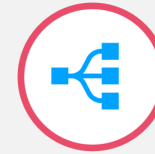
CarGurus

Proprietary Algorithm



52M

Used Car Data Points



20+ Ranking Signals

100+ Normalization Rules

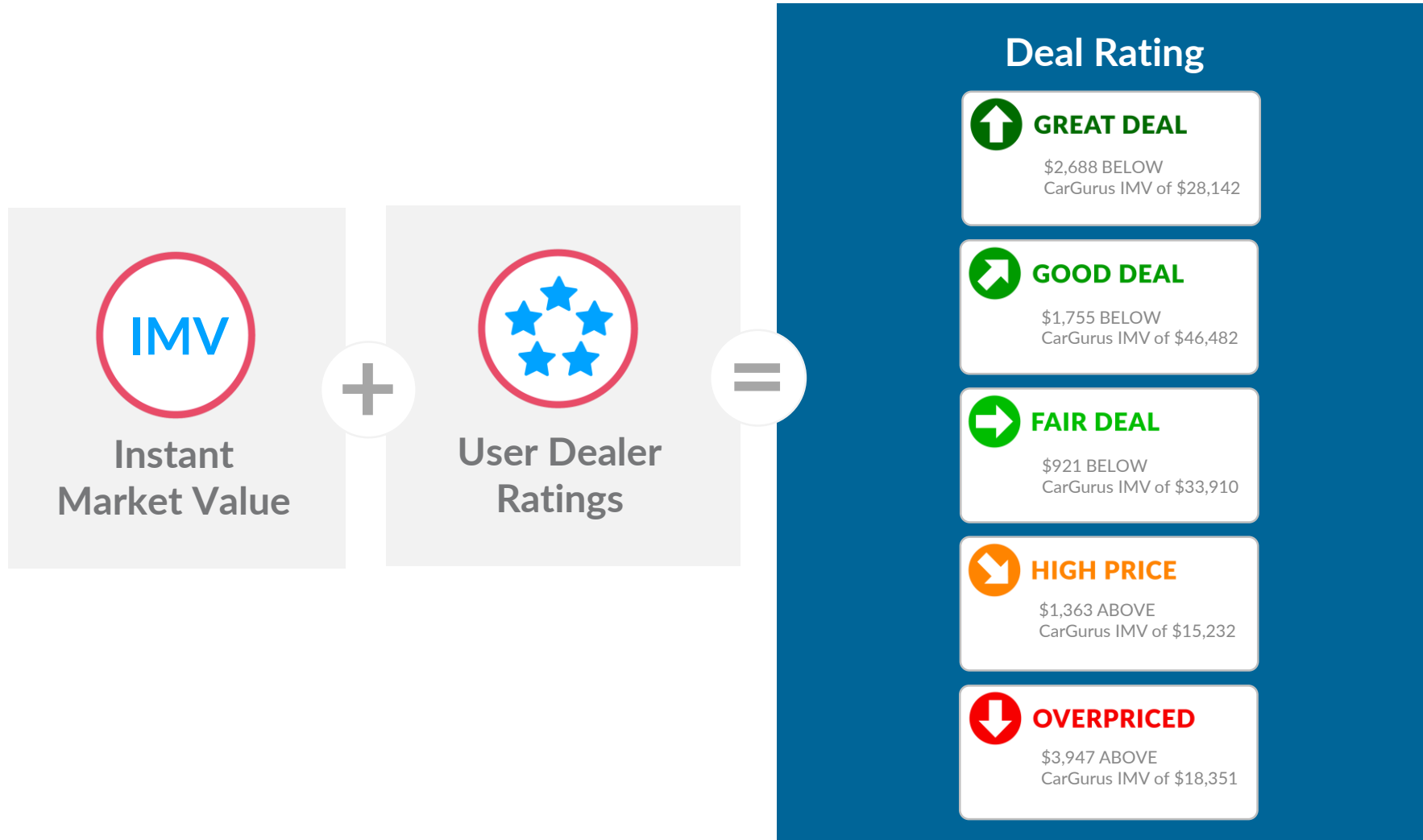


Analytics, Manual Penalties,
Bait & Switch Detection,
Non-standard Pricing, Photos



**Instant
Market Value**

Our Technology Drives Transparency for Consumers



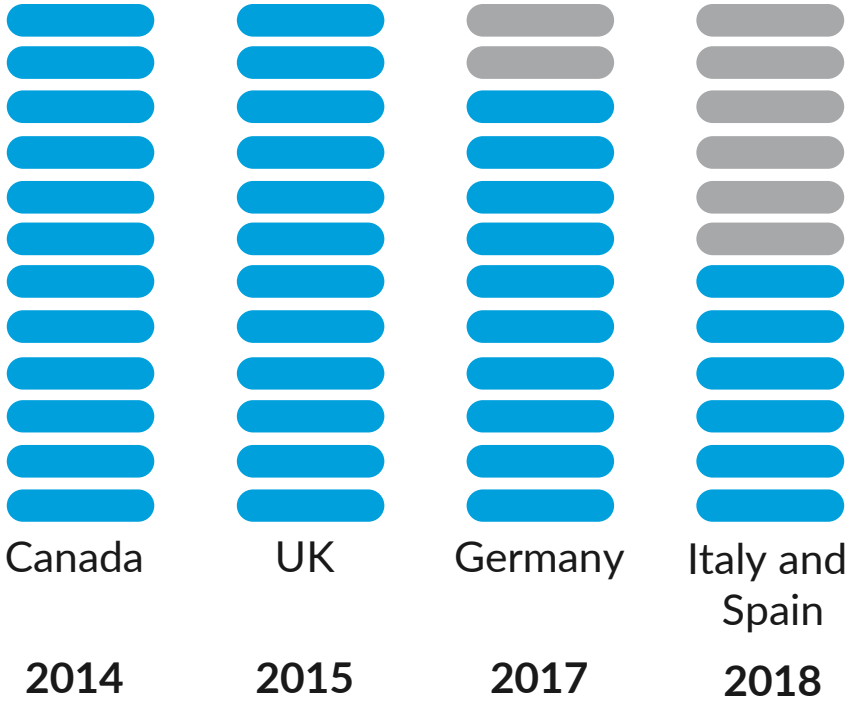
Our Technology Enables Rapid International Expansion

DATA AVAILABILITY AND INVENTORY ARE ESSENTIAL FOR A SUCCESSFUL MARKETPLACE LAUNCH

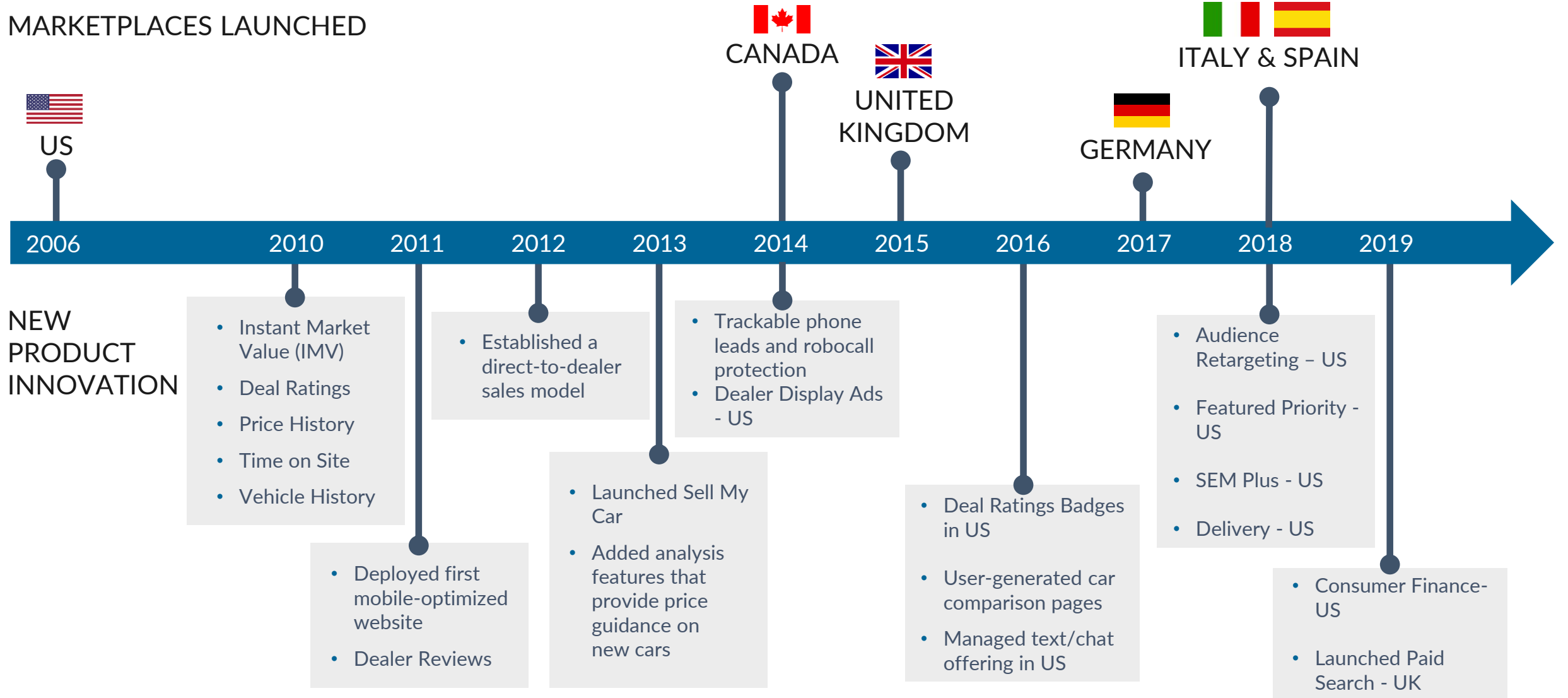
- Inventory
- Auto Data Availability
- Sizable Market
- Competitive Dynamics
- Legal/Compliance
- Marketing Spend
- Rep Availability/Languages

BUILDING A DYNAMIC TECHNOLOGY PLATFORM HAS ALLOWED US TO REDUCE OUR TIME TO MARKET

COUNTRY-LEVEL LAUNCH TIME (IN MONTHS)



Our Focus on Innovation Has Led to a Robust Product Set and Successful Launches in New Markets

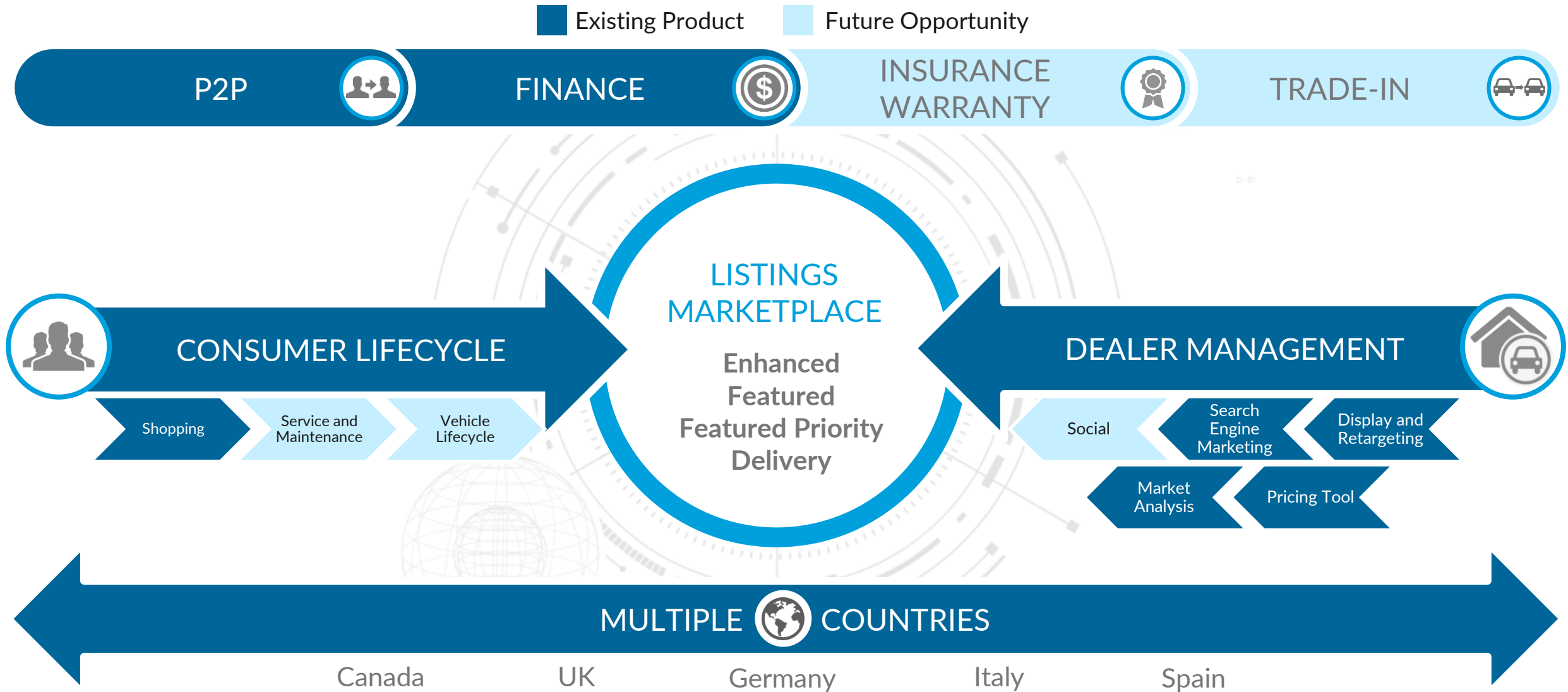


Product Innovation Sets CarGurus Apart

Tom Caputo
Chief Product Officer



We Have Rapidly Introduced Products and Tools on Both Sides of our Marketplace



Our Dealer Offerings



Basic
Listing



Paying
Dealers

Enhanced Listing
Featured Listing
Featured Priority
Delivery



Dealer
Dashboard

Performance Summary
Dealer Insights
User Review Management
Pricing Tool
Market Analysis



Dealer Digital
Marketing Suite

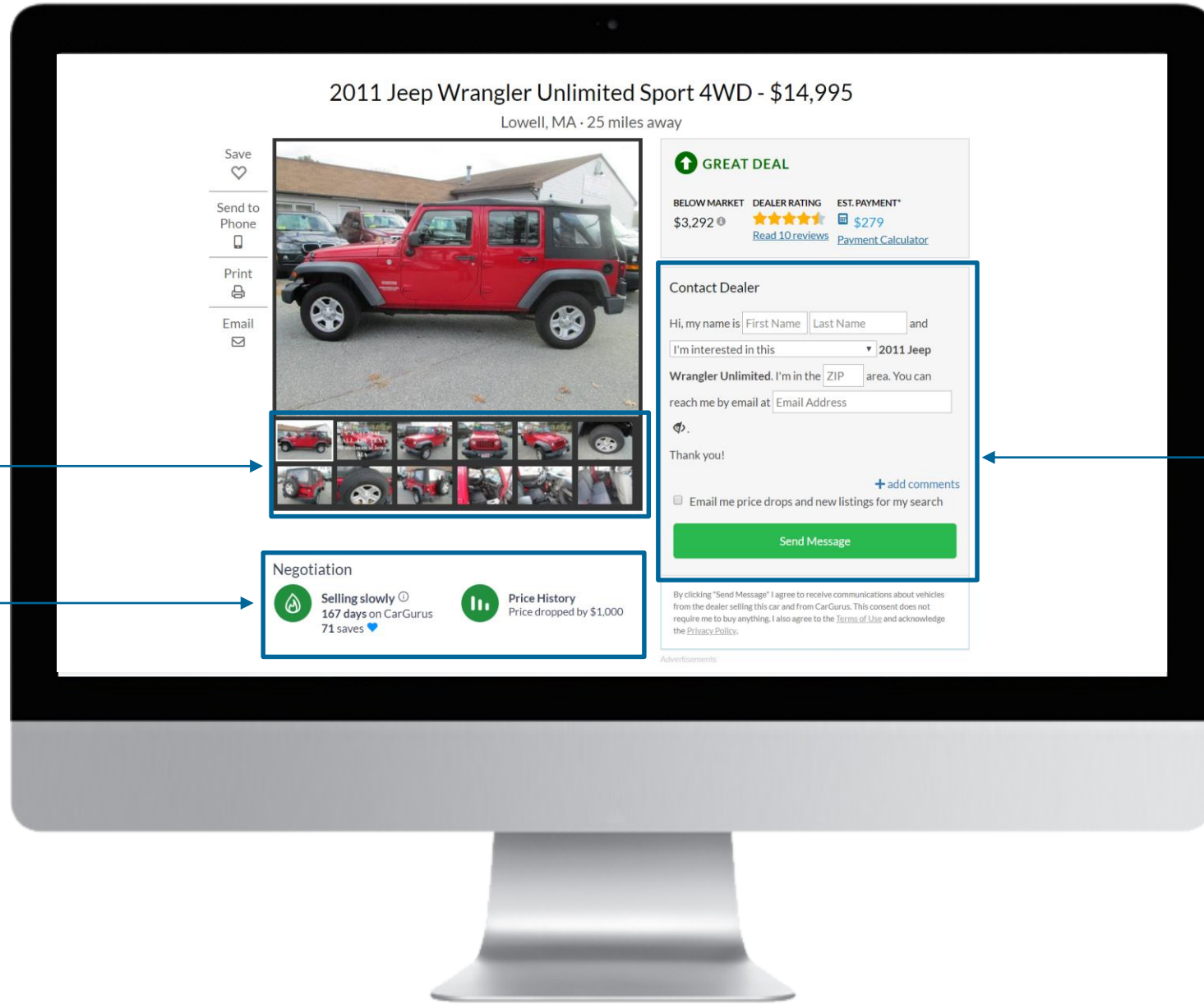
Dealer Display
Audience Retargeting
SEM Plus

Basic Listing

Only 12 Photos

No Dealer
Branding or
Contact Information

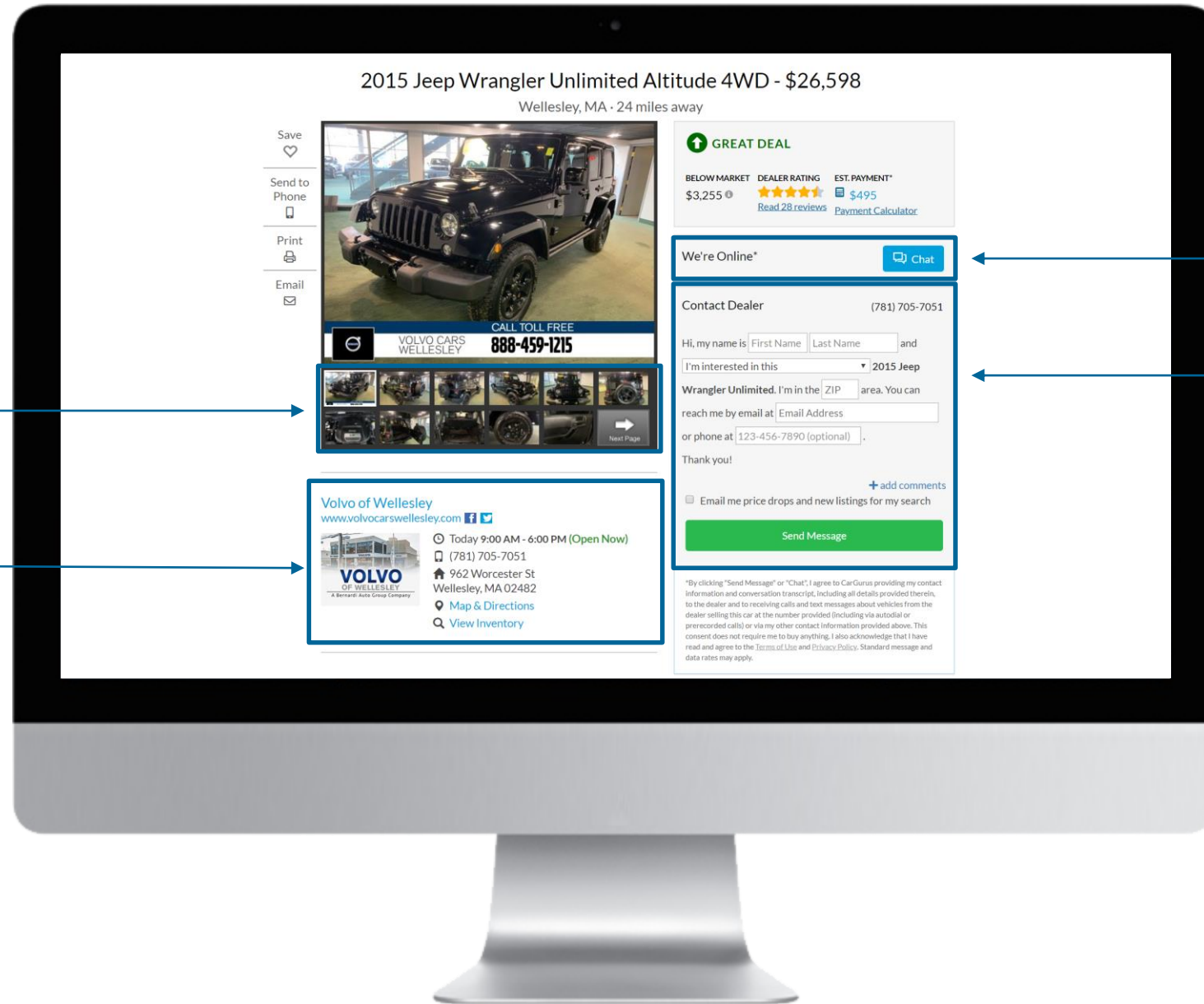
Anonymous
E-mail Leads



Enhanced Listing Unlocks a High-ROI Marketing Channel Opportunity

Up to 100 photos per listing, can include dealer branding

Full dealer location, website, and contact information

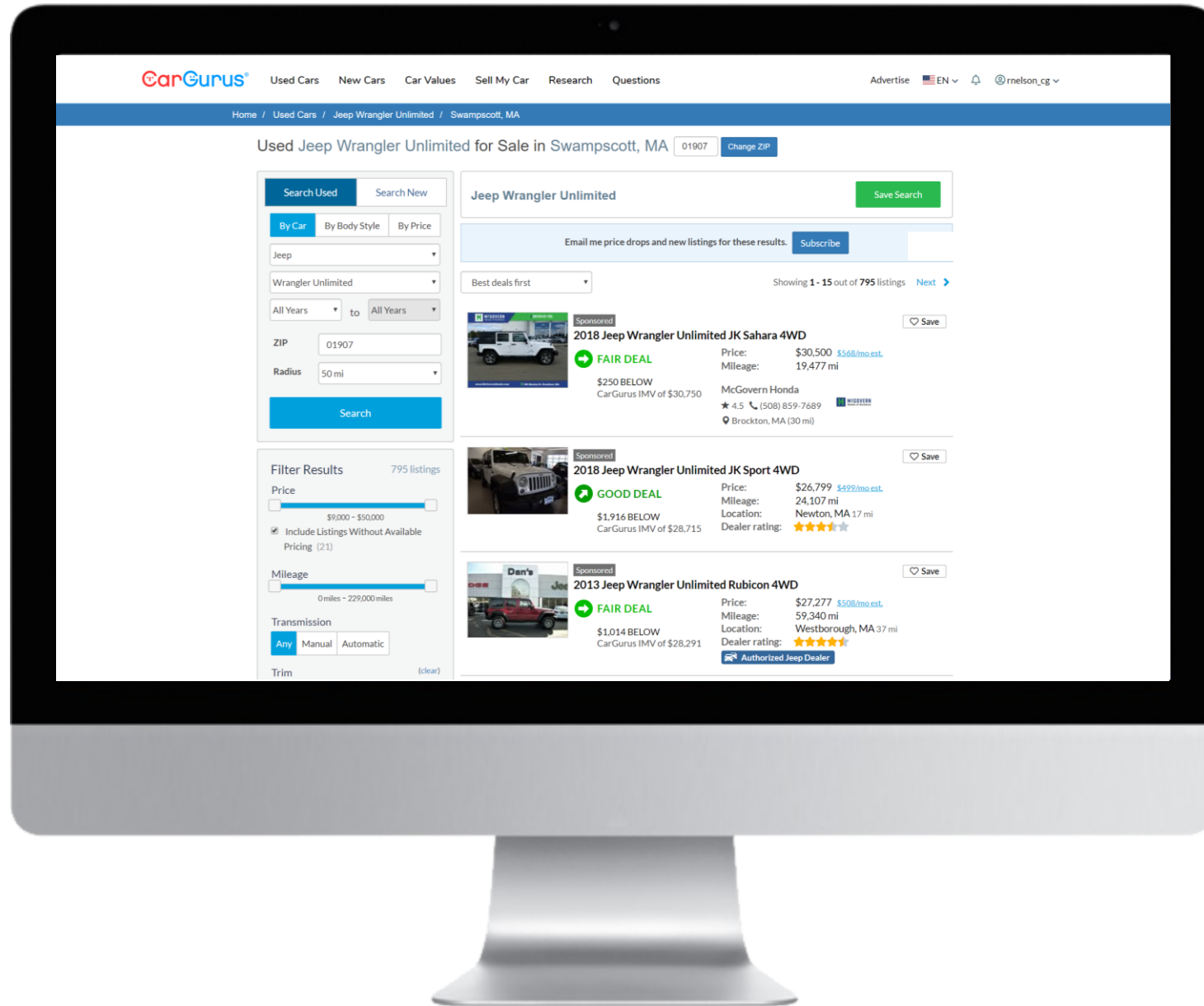


Text/Chat available

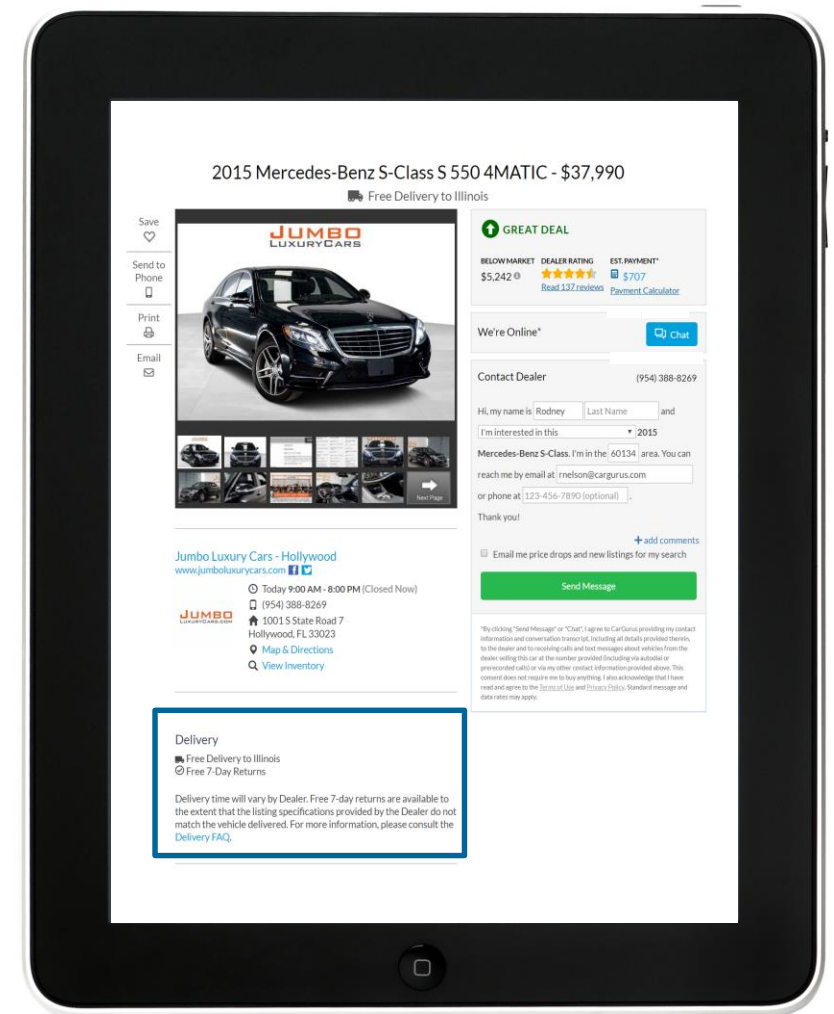
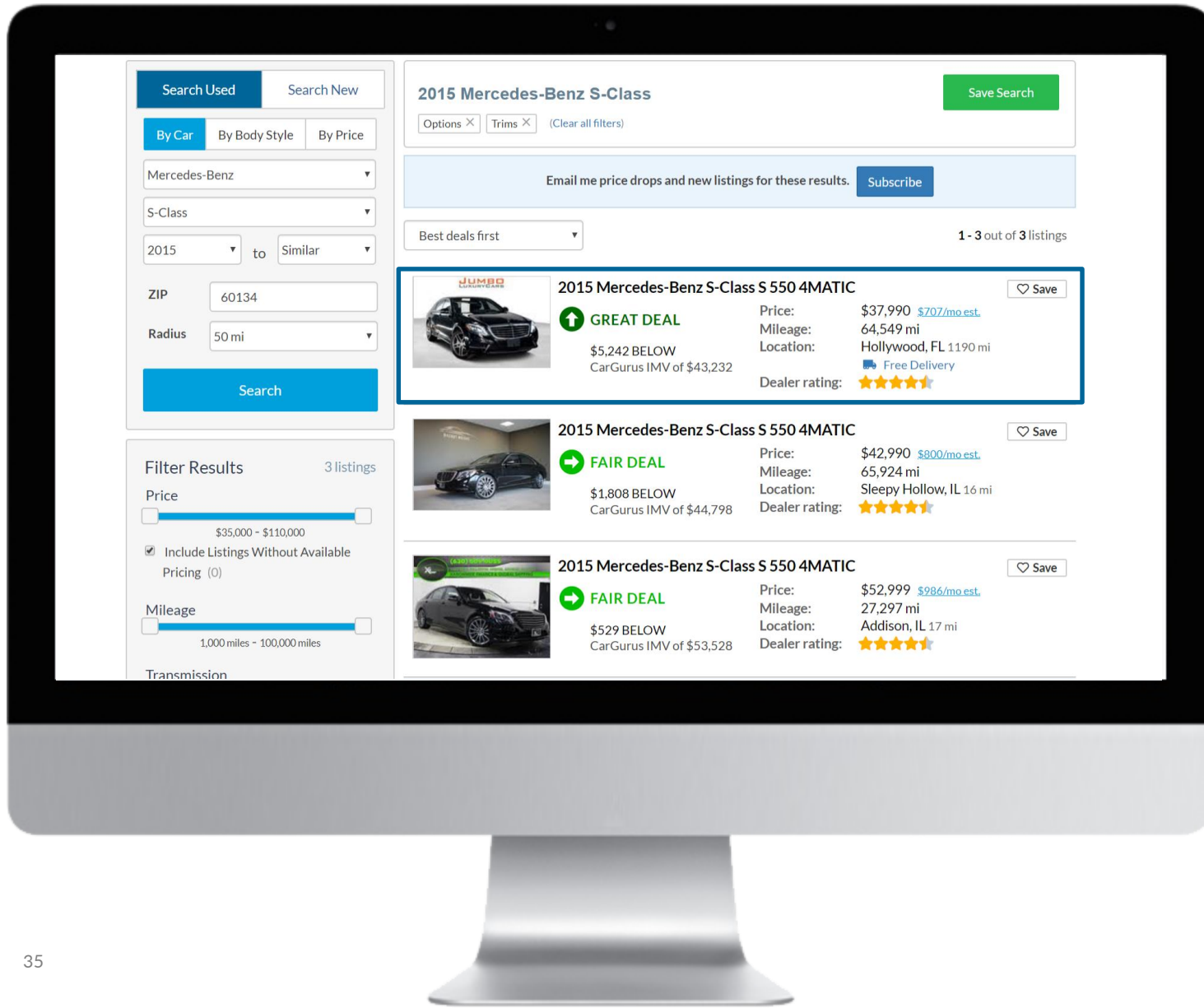
E-mail form sends contact information

Featured Listing Boosts Dealer Visibility while Maintaining Transparency

A limited number of Great, Good, and Fair deal vehicles that match the search criteria are placed above organic results



Delivery Unlocks More Shoppers for Dealers



Paying Dealers Get Access to Five Dealer Dashboard Tools that Improve Customer Acquisition

PERFORMANCE SUMMARY



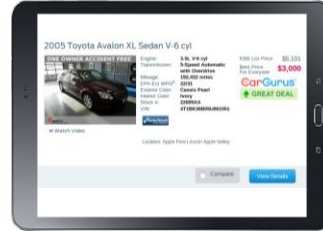
- Provides dealers with real-time and historical data analyzing the connections and consumer exposure received
- Enables dealers to analyze SRP/VDP views at a granular level to inform sales and merchandising decisions

DEALER INSIGHTS¹



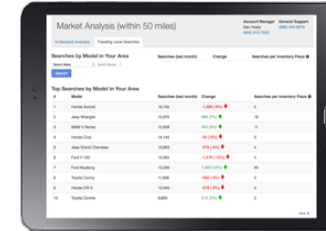
- Tool for dealers to better merchandise their inventory
- Provides pricing analysis of dealer's inventory, vehicles by deal category, and summary of vehicles' missing information such as price, photos or trim

USER REVIEW MANAGEMENT



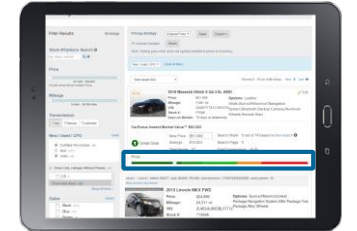
- Allows dealers to track and manage their dealership reviews from users
- Dealers can respond to users and publish positive reviews to social media platforms

MARKET ANALYSIS



- Informs dealers of local market trends in used cars
- Examples include most searched makes and models within a 50-mile radius of the dealership

PRICING TOOL

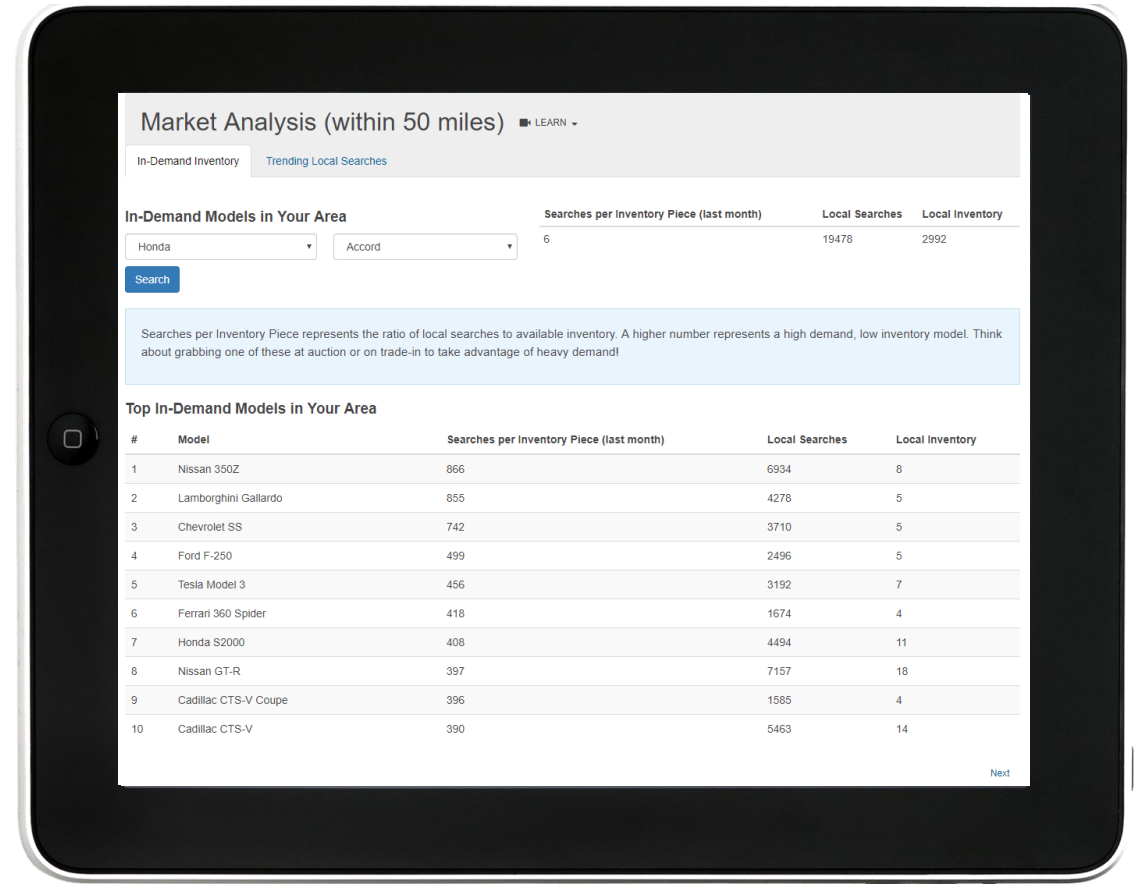


- Helps dealers evaluate the impact of pricing changes and resulting Deal Rating for each used vehicle in inventory
- Empowers dealers to make informed pricing decisions based on local data

Dealer Dashboard: Market Analysis

Improve Pricing Strategy
with Local Market
Supply and Demand
Insight

Make Informed
Inventory Acquisition
Decisions

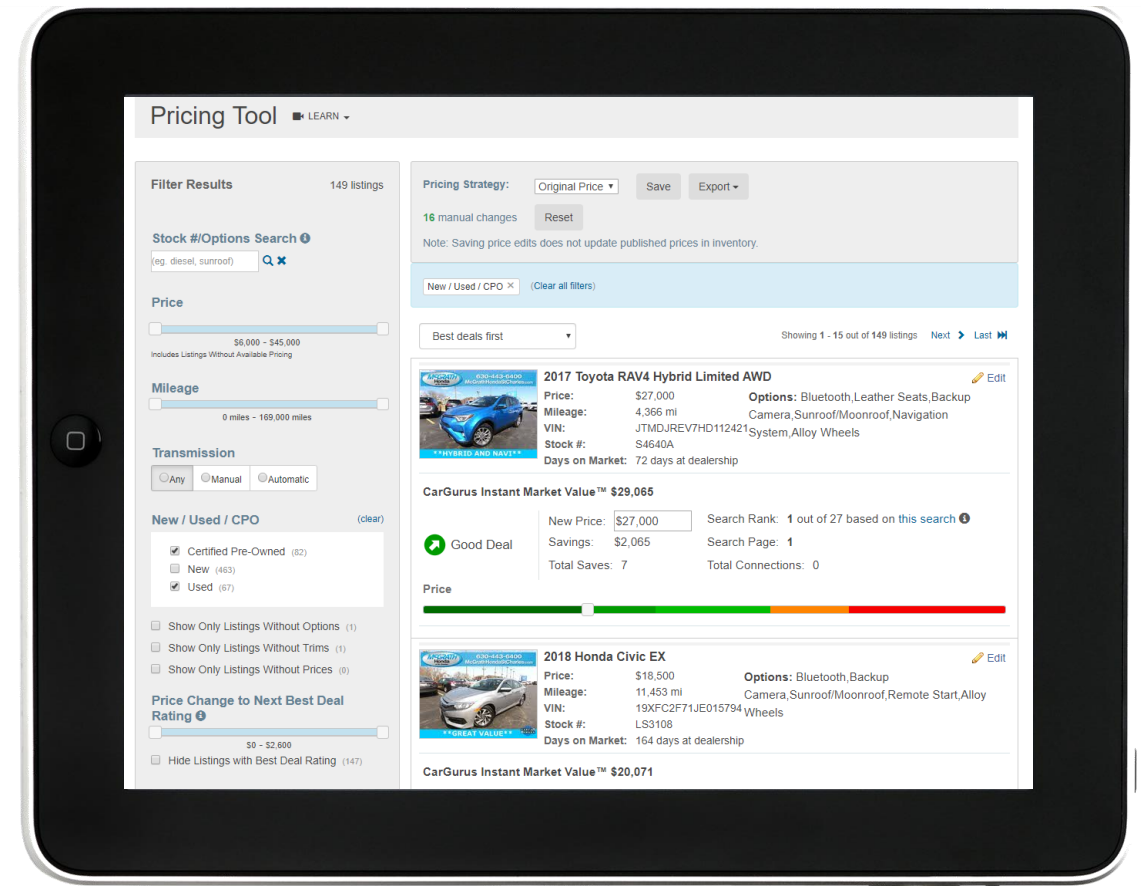


Dealer Dashboard: Pricing Tool

Proprietary
Pricing Tool

Dealers Control
Merchandising

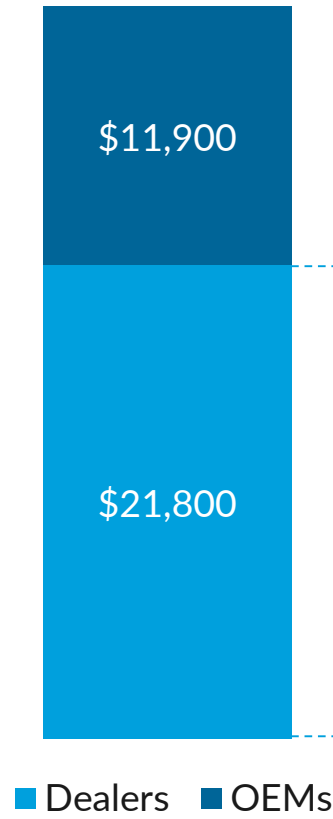
Identify Inventory Missing
Key Information



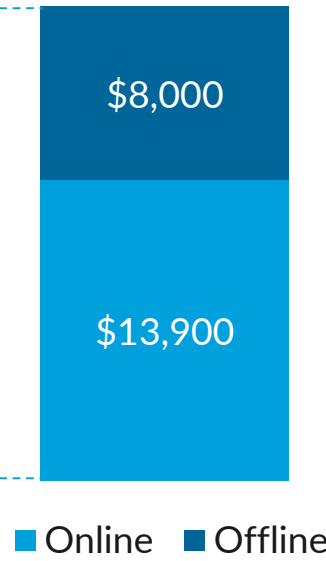
Building a Digital Marketing Suite to Serve Dealer Needs

(MILLIONS)

US AUTO MARKETING SPEND¹



DEALER MARKETING MIX¹



LONG GROWTH RUNWAY



————— \$390

■ 2018 CarGurus US Marketplace Revenue

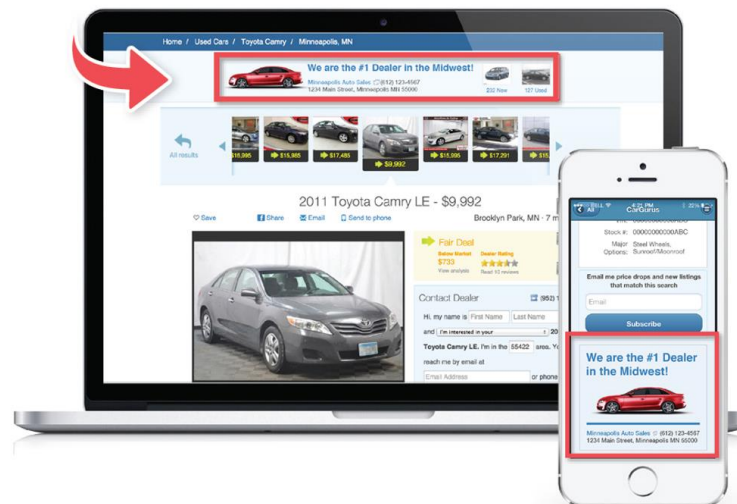
Dealer Display

Increased
Dealer Branding

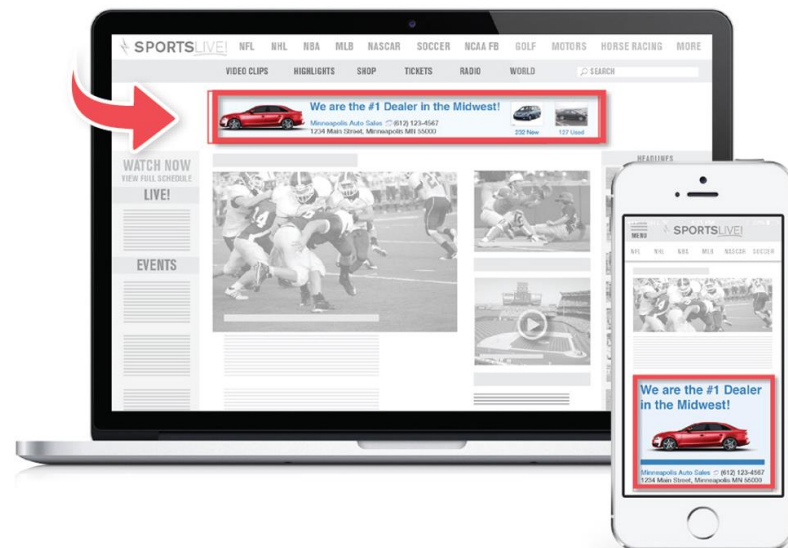
Consumers That Have
Viewed Inventory Are
Retargeted

Native Templates Drive
Better Engagement

Onsite: CarGurus VDPs



Offsite: Premium Websites



Audience Retargeting

Target More of
the CarGurus
Audience, Even
When They Leave
Our Marketplace

Leveraging CarGurus'
Technology



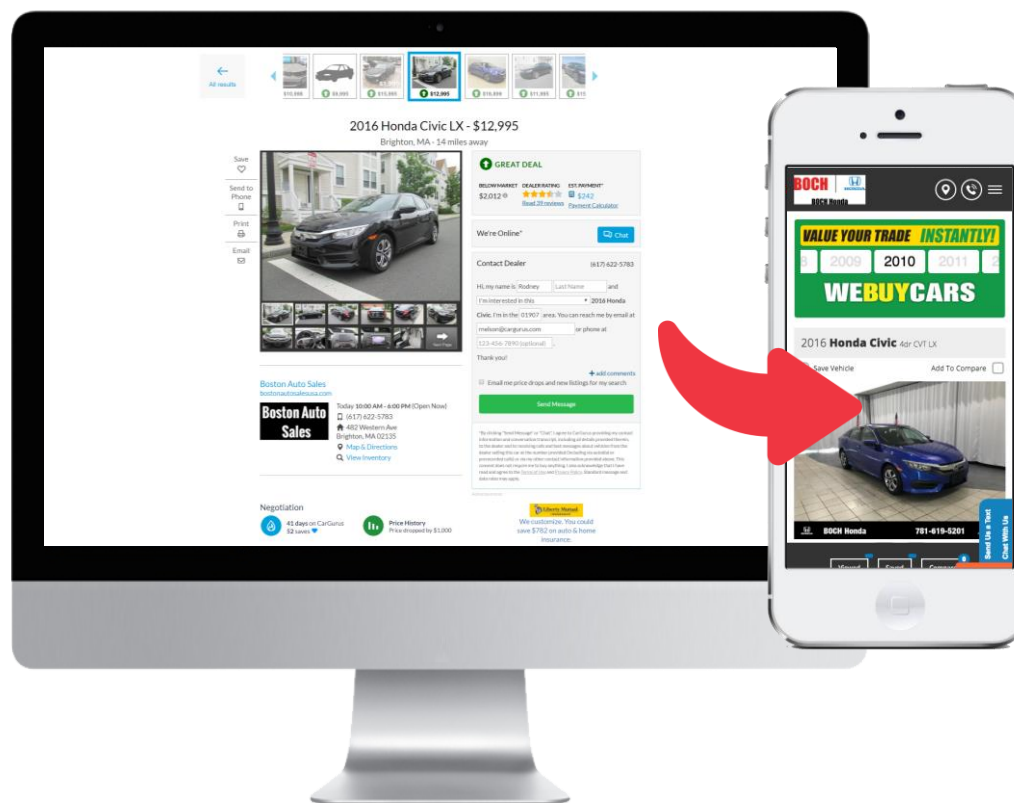
Reach in-market CarGurus shoppers who haven't yet connected with a dealership



Drive engaged shoppers directly to dealer's website with dynamic ads customized to dealer's available inventory



Maximize results through real-time optimization of ads and audience



Search Engine Marketing

Data-Driven

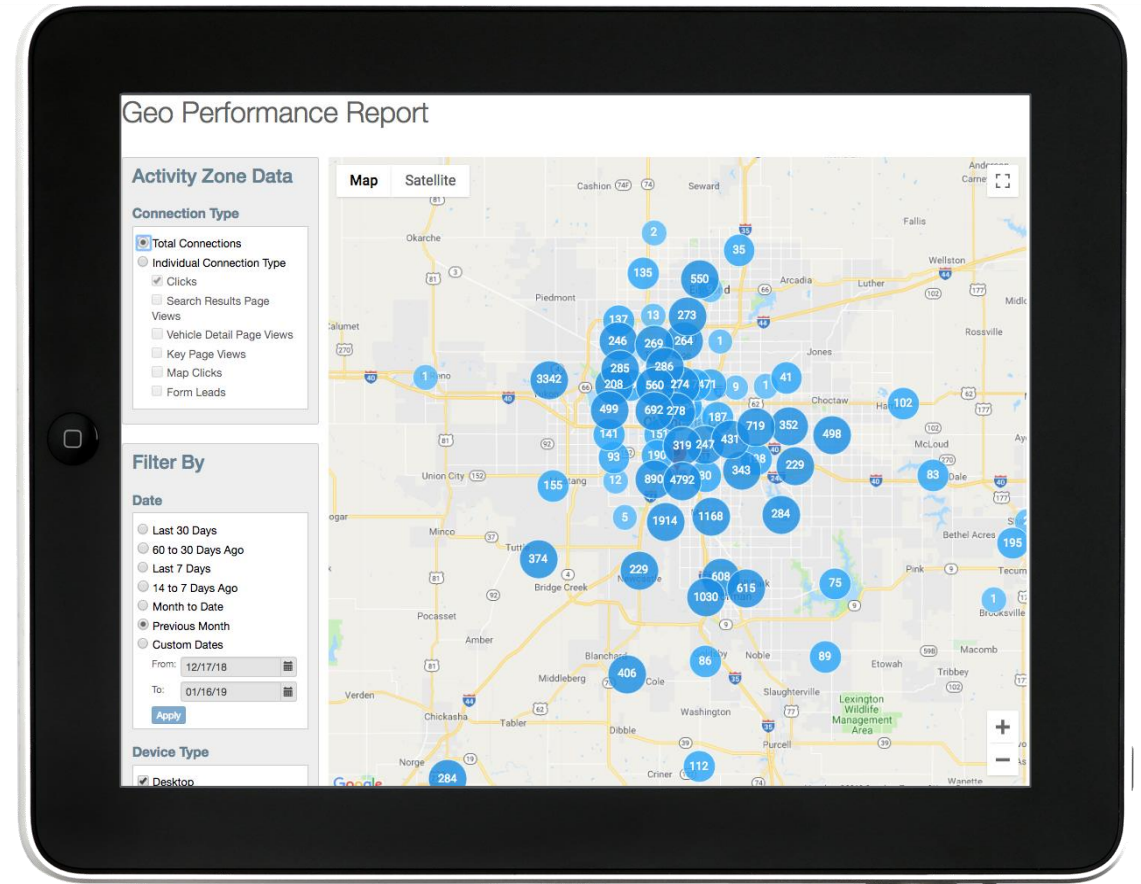
Search Engine Marketing

Focusing on the Long-Tail
for Down-Funnel

Traffic

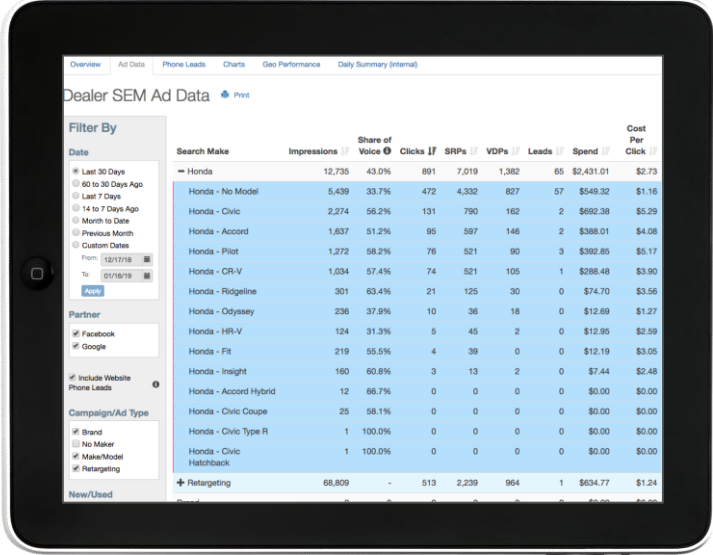
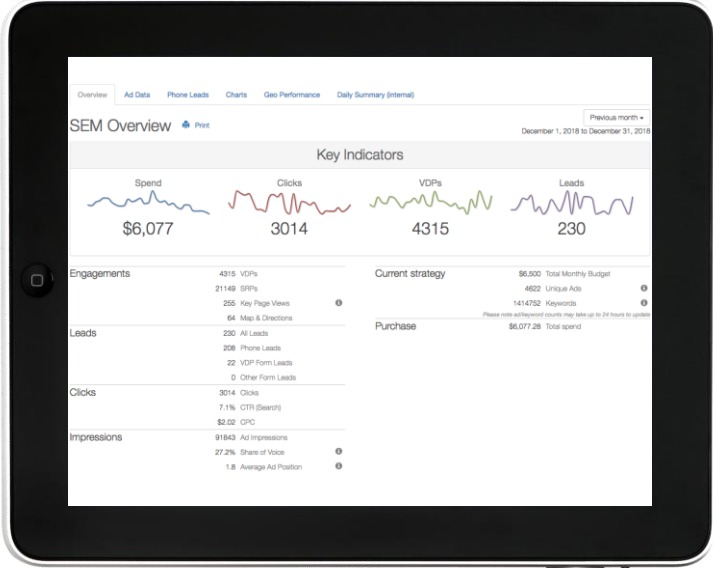
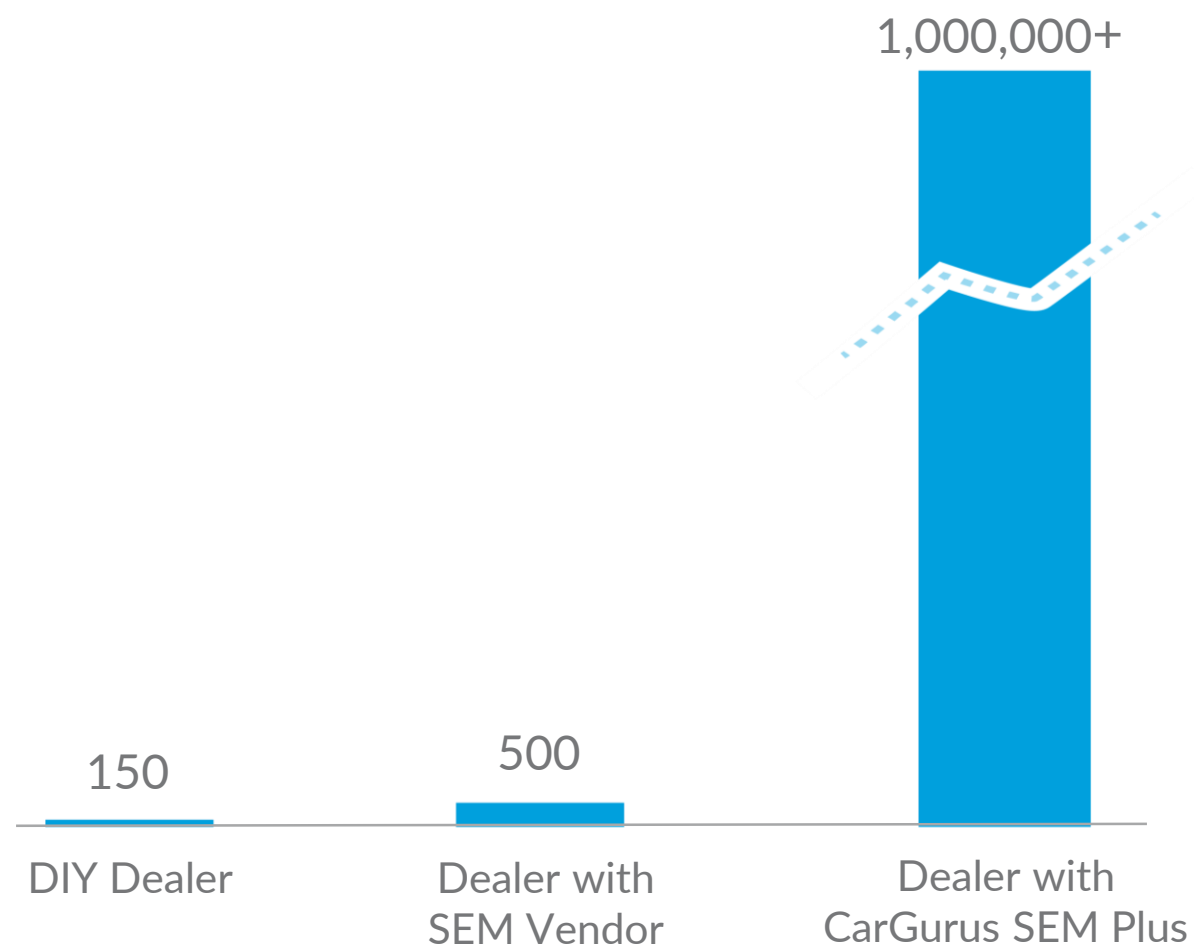
Leveraging CarGurus' Bidding

Strategies

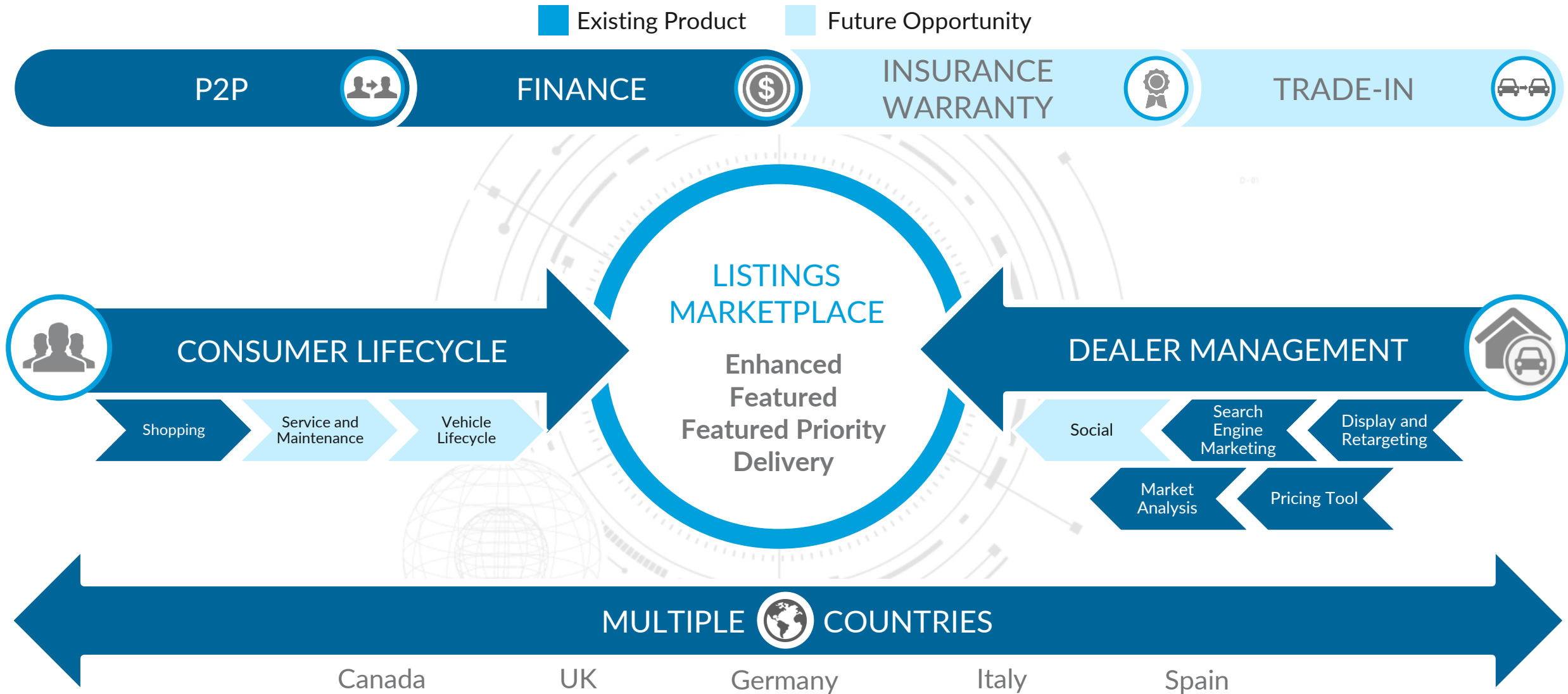


Our Search Engine Marketing Scale Creates a Strong Value Prop

NUMBER OF KEYWORDS



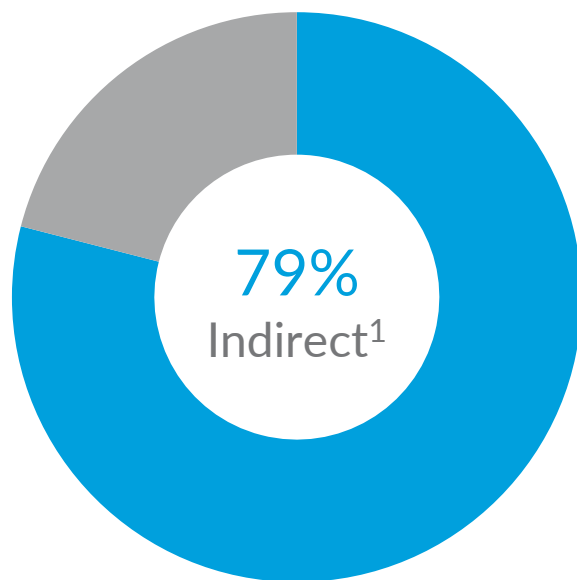
We are Productizing the Consumer Side of Our Marketplace



Bringing Transparency to Financing

SOURCE OF US AUTO LOAN ORIGINATIONS

■ Indirect ■ Direct



15+ Million
US Used Car
Loan
Originations²



\$200 Fee
per
Funded Loan³



\$3 Billion
Used Car
Loan
Commissions³

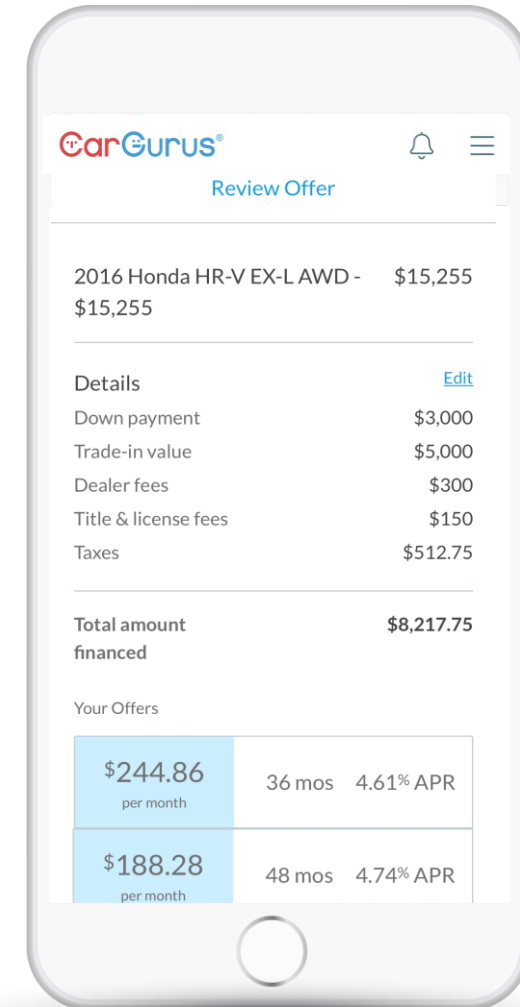
Launching Consumer Financing

Integrated Loan
Pre-Qualification

Consumer Gains Clarity on
Financing

Dealer Retains Ability to Offer Other Options
F&I Economics Not Impacted

Next Step Towards Robust
Digital Retailing



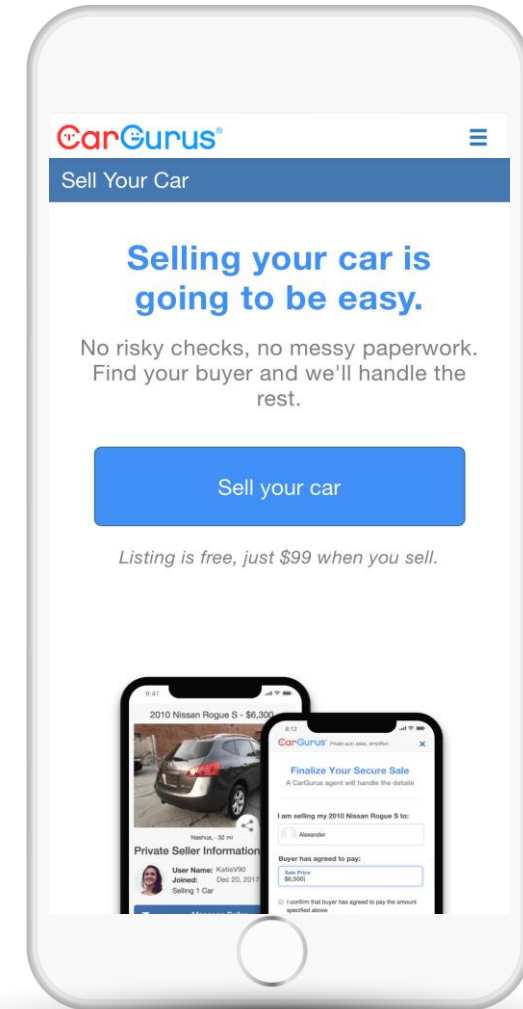
Modernizing the Peer-to-Peer Transaction

11M Cars Sold Peer-to-Peer
Annually in US¹

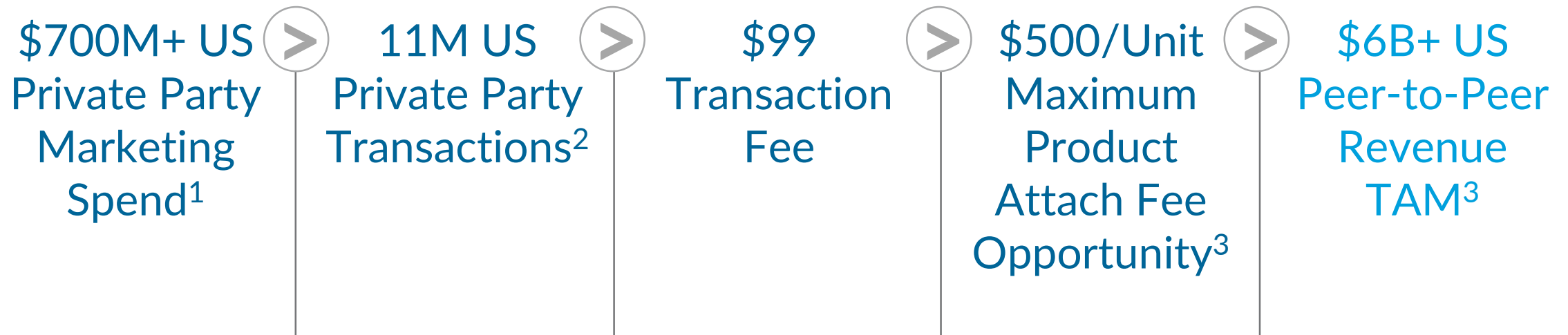
Giving Sellers Access to Large
Audience of Buyers

Focusing Efforts on
Digitized Experience

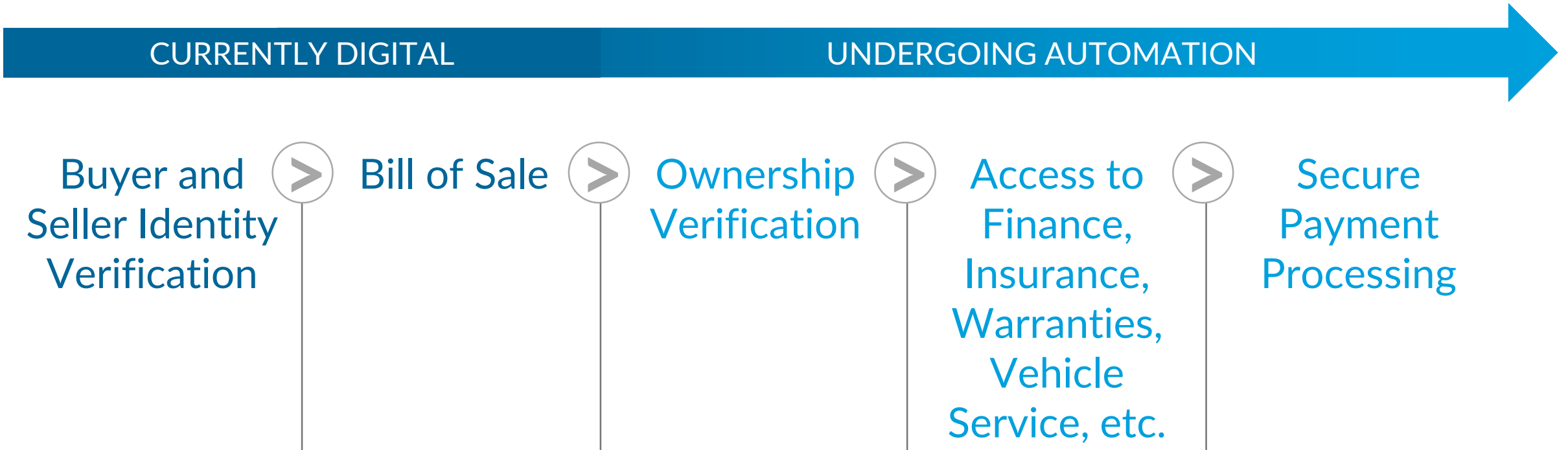
Secure, Safe,
Transparent Transactions



Peer-to-Peer Represents a Large Opportunity



Our Path to a Digital Peer-to-Peer Transaction



Building the Largest, Most Engaged Audience in Auto Shopping

Sarah Welch,
Chief Marketing Officer



We Attract Car Shoppers By Solving Their Toughest Problems



Most US
Inventory



Most US
Dealers



Price
Transparency



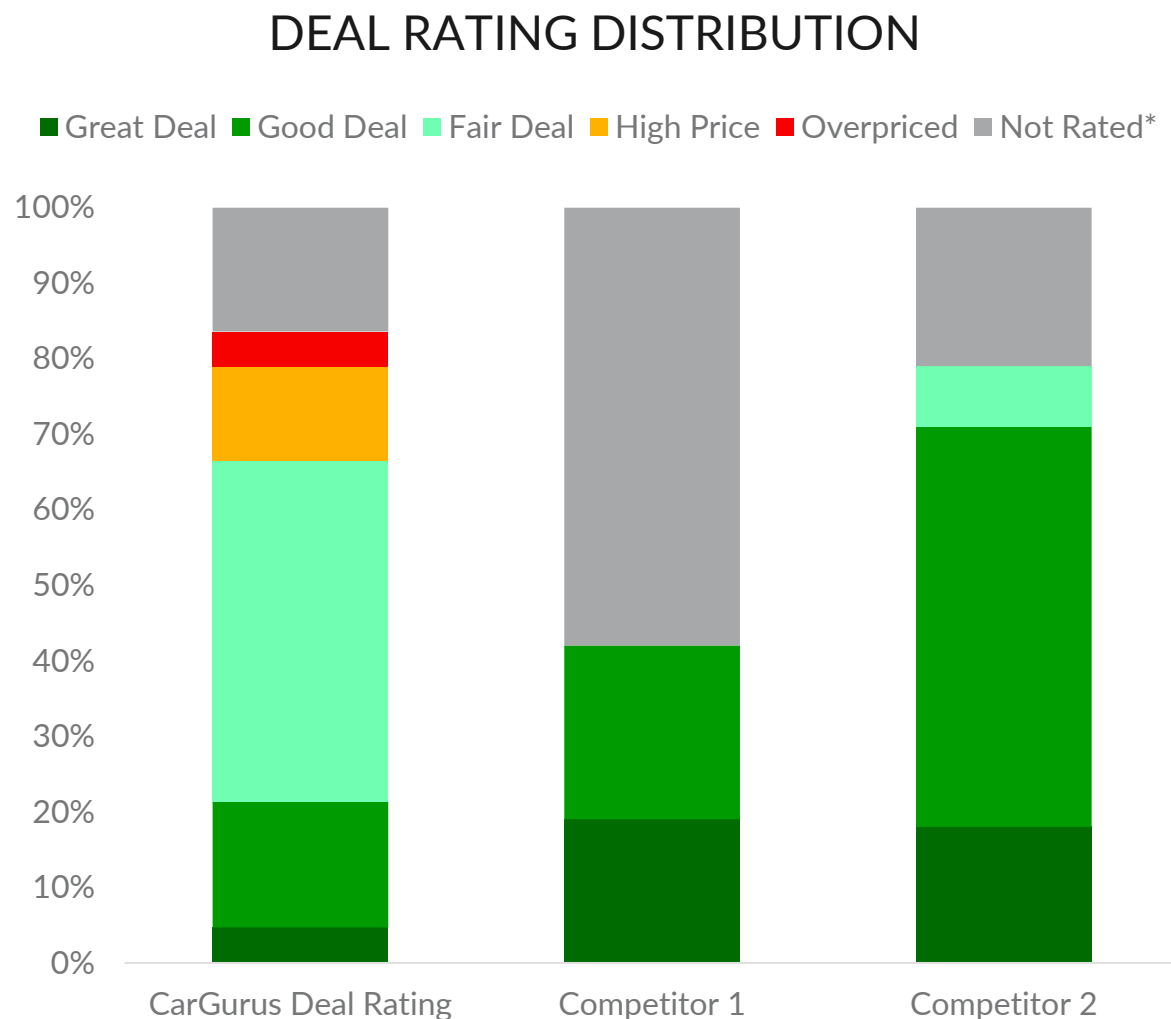
Best-Deal-
First

Search Results



Mobile-
Focused

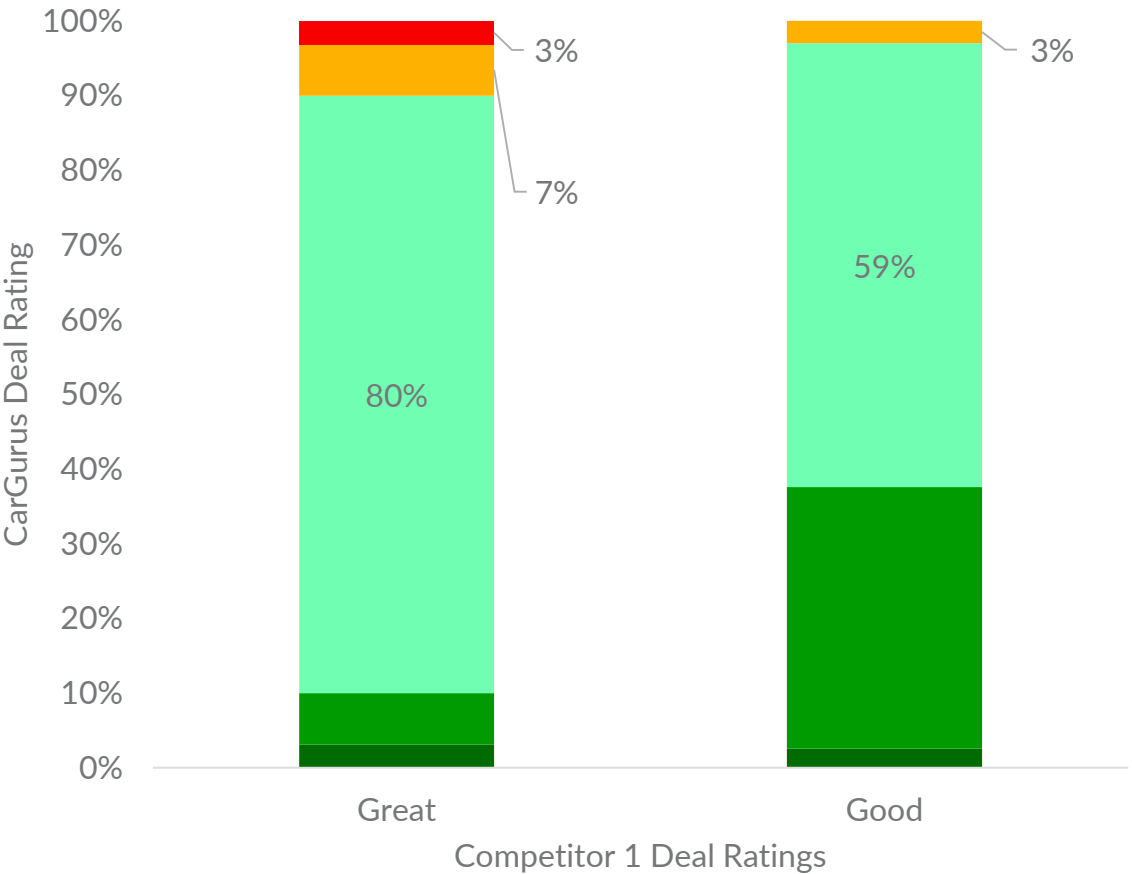
Our Deal Ratings are More Objectively Distributed



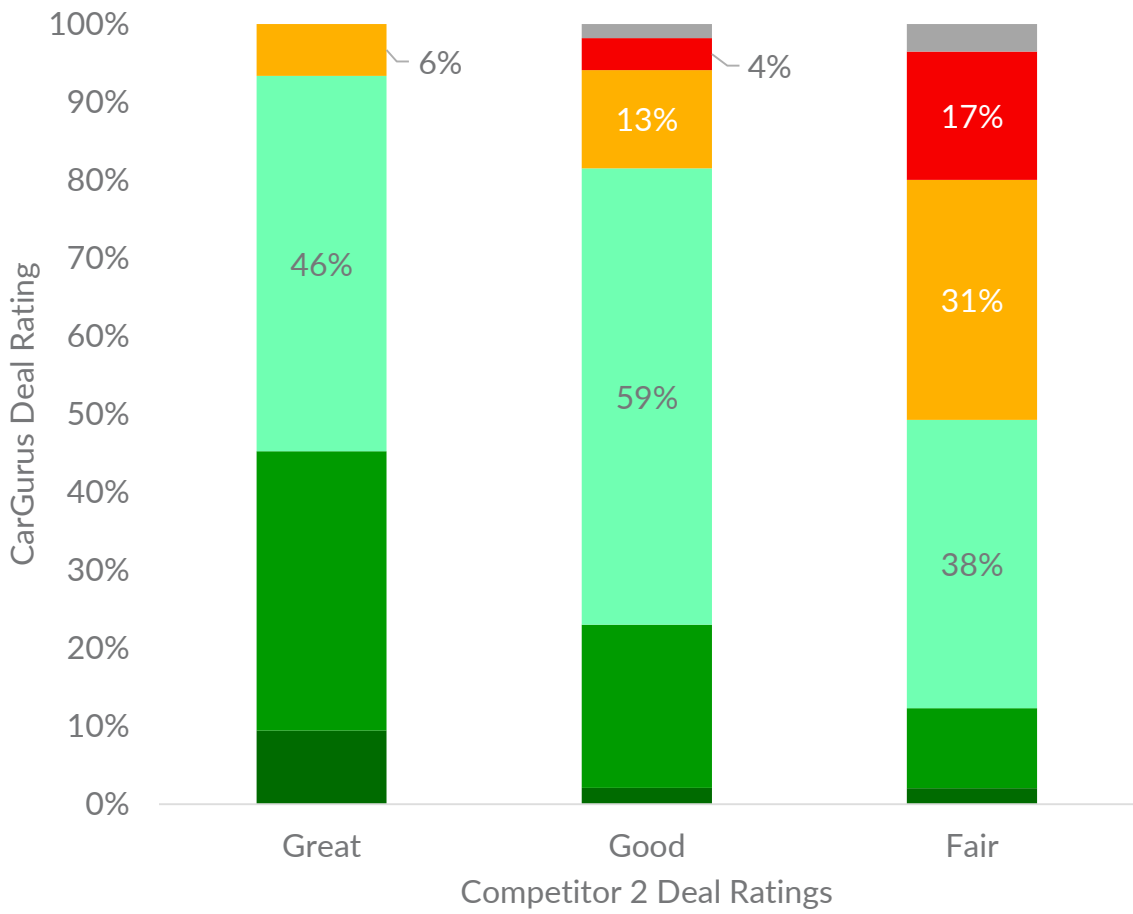
Our Deal Ratings are More Objectively Distributed

DEAL RATING OVERLAP

Great Deal Good Deal Fair Deal High Price Overpriced Not Rated



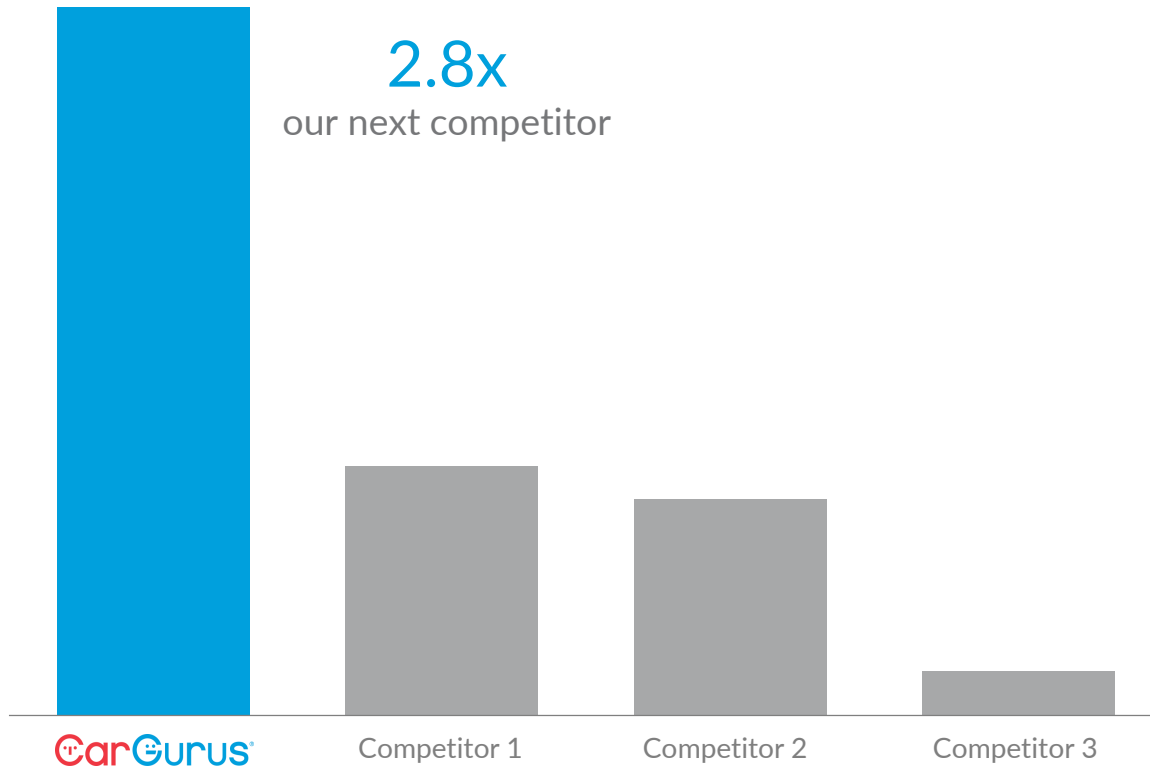
Great Deal Good Deal Fair Deal High Price Overpriced Not Rated



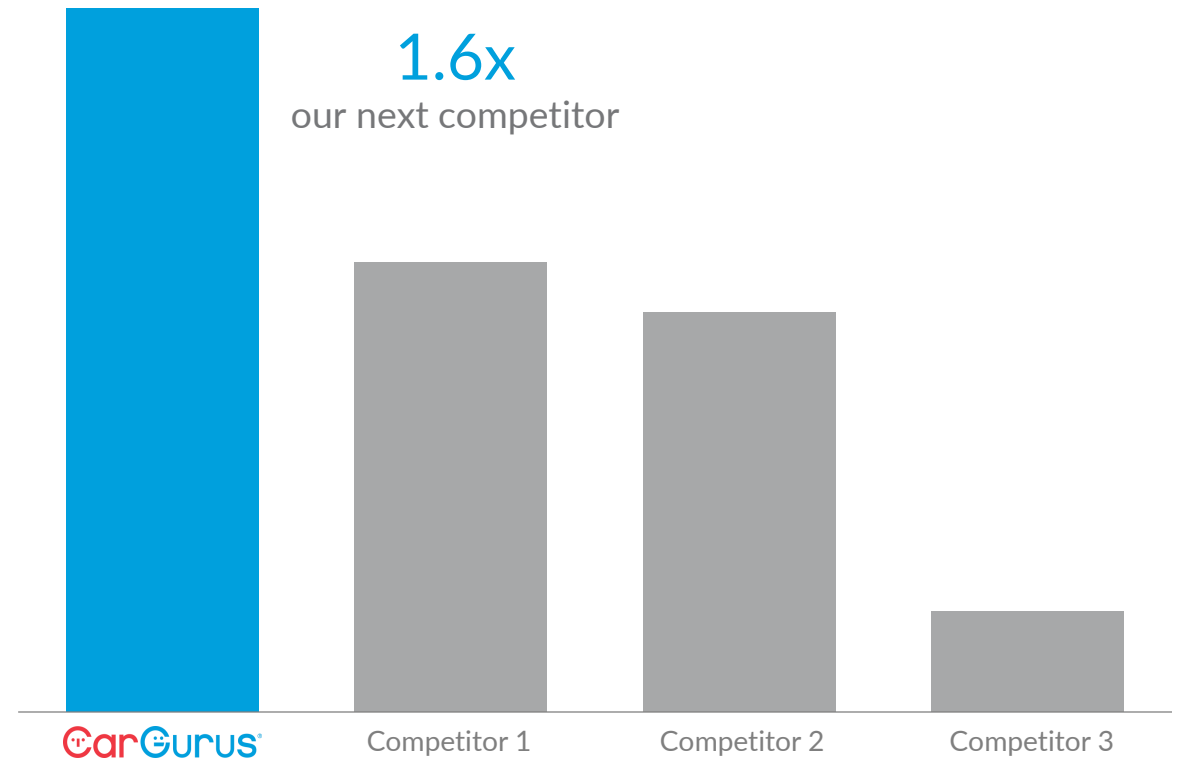
We are the #1 Online US Automotive Marketplace¹

THE LARGEST AND MOST ENGAGED AUDIENCE OF CAR SHOPPERS IN THE US¹

TOTAL MONTHLY VISITS²



TOTAL MONTHLY UNIQUE VISITORS²

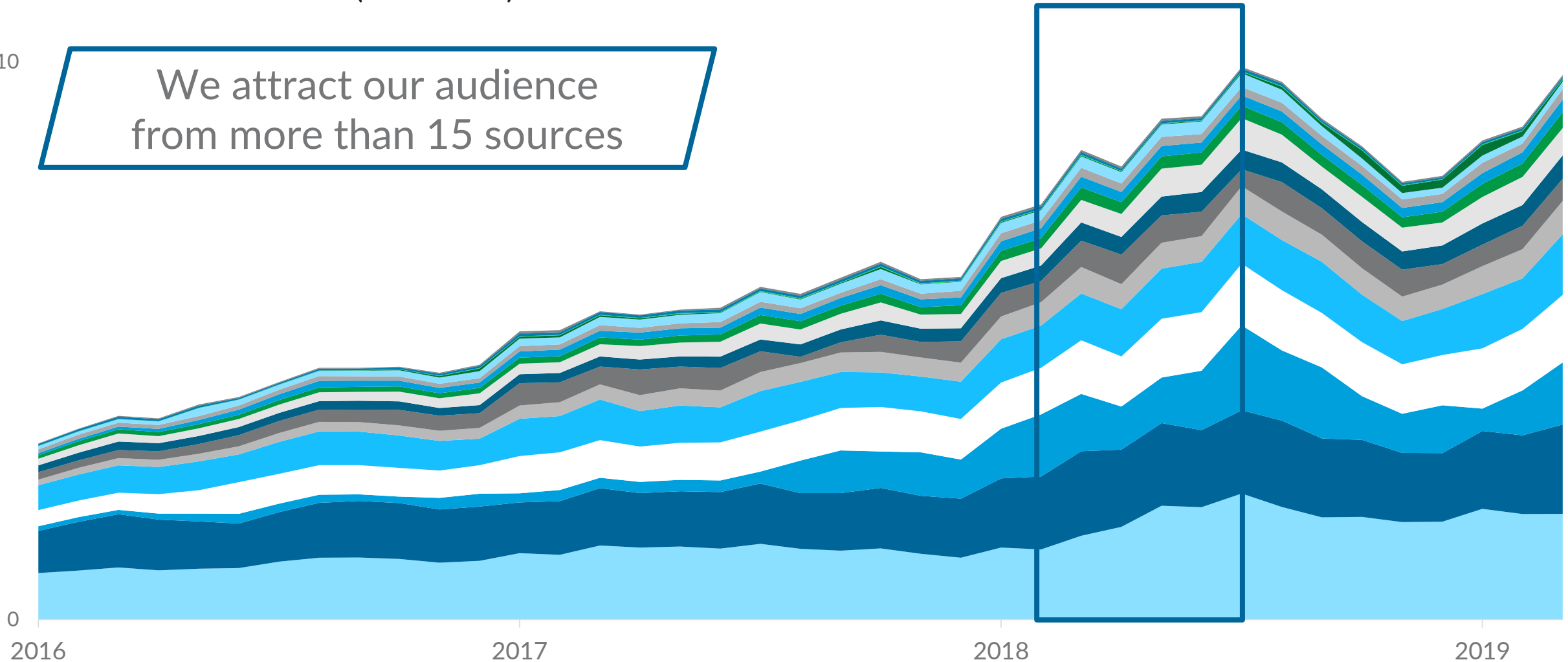


Diverse Traffic Mix Limits Reliance on Any One Channel

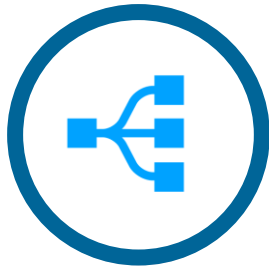
US MONTHLY SESSIONS (MILLIONS)¹

We attract our audience
from more than 15 sources

110

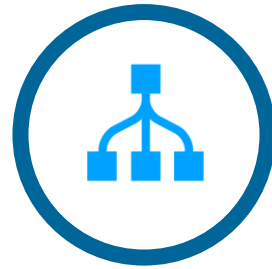


Diverse Traffic Funnel Expands Our Reach



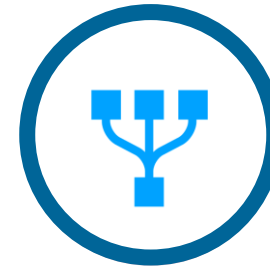
Algorithmic Traffic Acquisition

Branded Paid Search
Unbranded Paid Search
Display/Retargeting
Social Media Ads



Direct Traffic

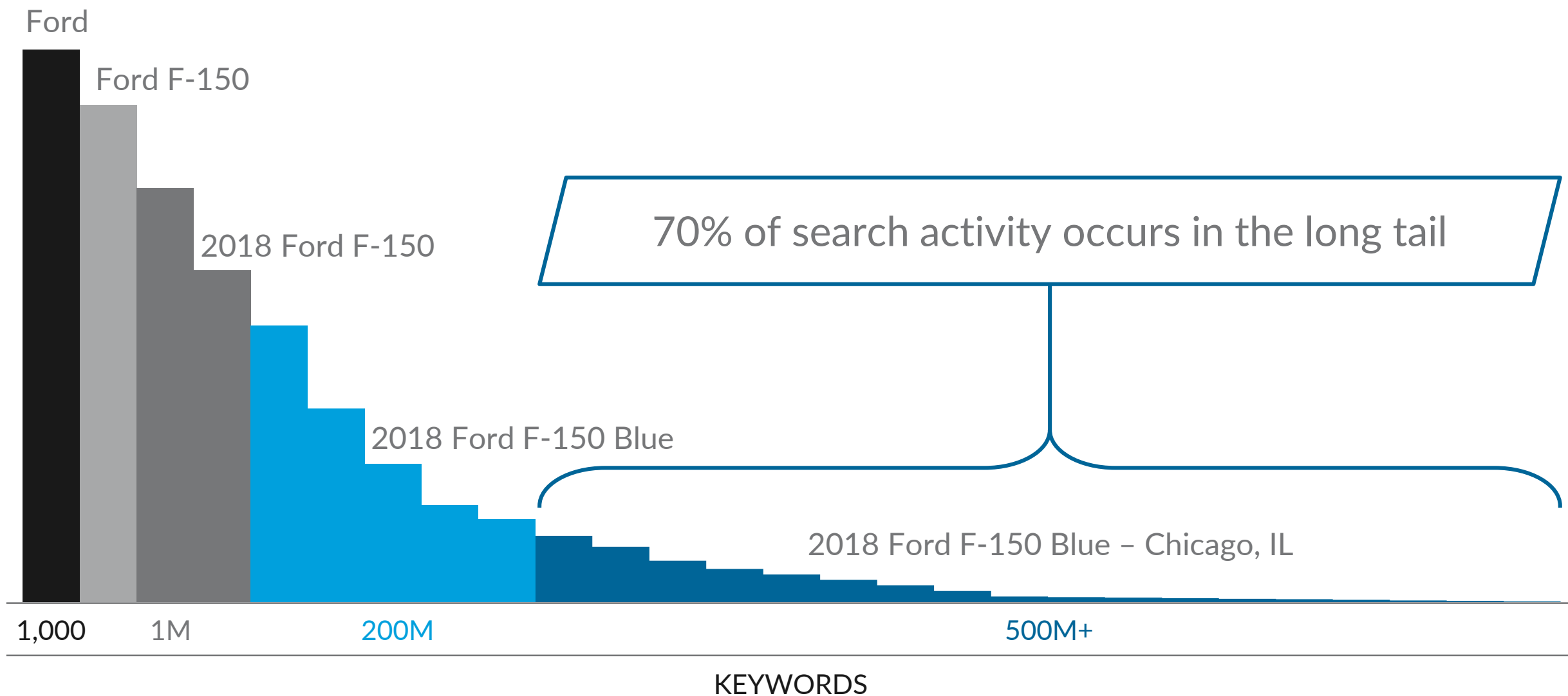
Android/iOS App
Direct Navigation
E-mail
TV Campaigns



Organic Traffic

Branded
Organic Search
Unbranded
Organic Search

Our Search Strategies Focus on the Long Tail



Focusing on Long-Tail Terms Yields a Down-Funnel Audience



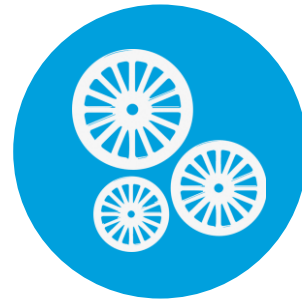
Honda
Accord

X



Black

X



Touring

X



2015

X



Springfield

X

10 more terms

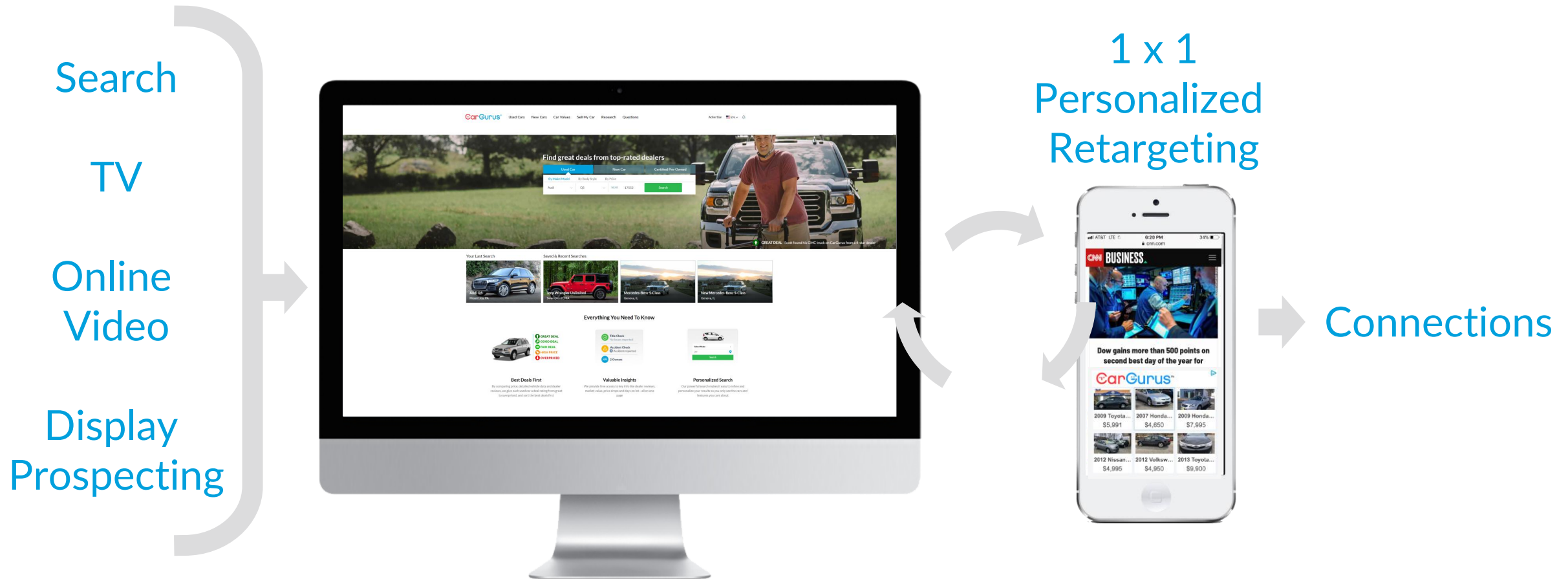
= 33,000 combinations

Consumer-Centric Model Pays Dividends in Keyword Bidding

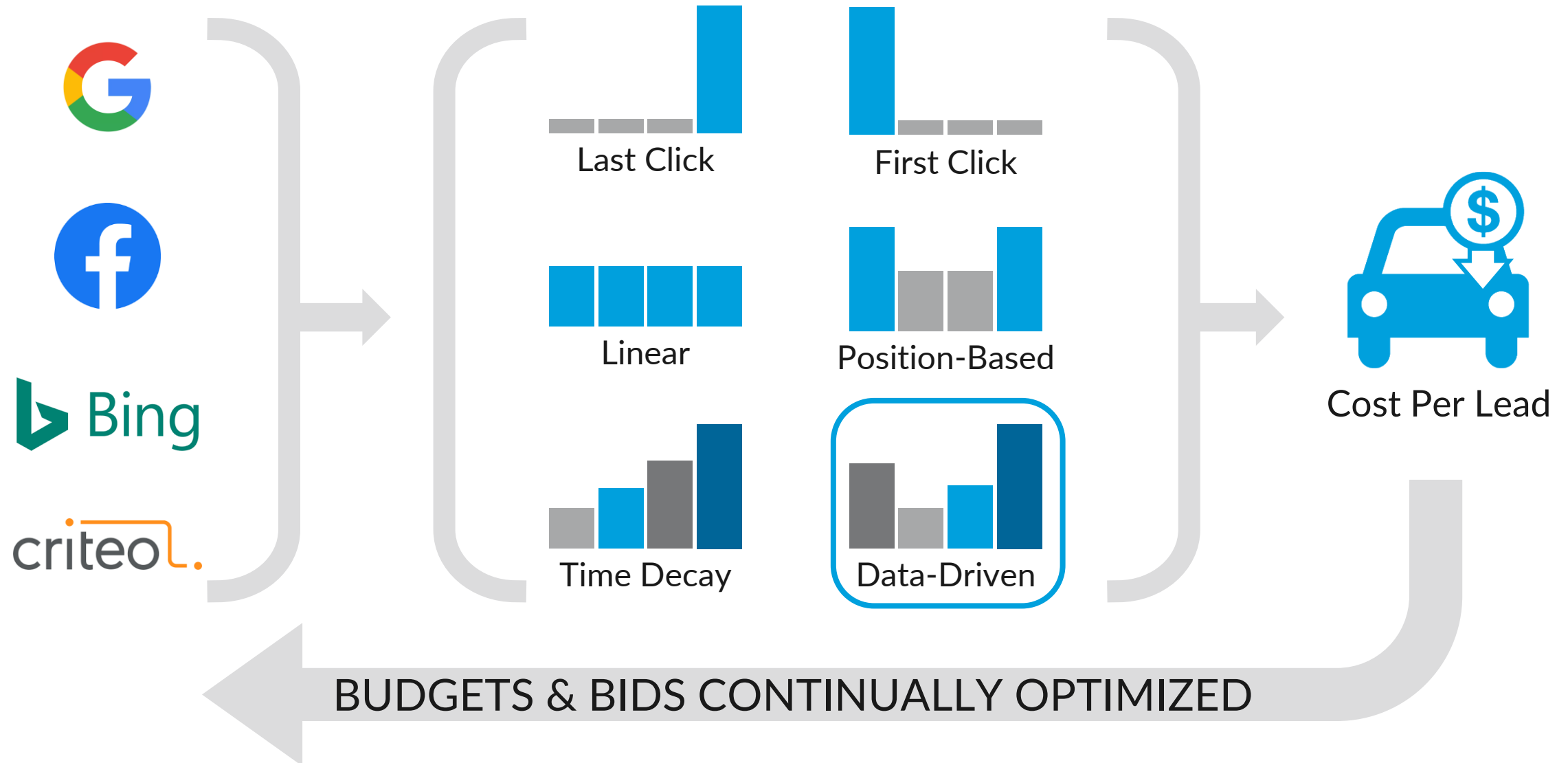
	Quality Score	Max Cost Per Click Bid	QS*Max CPC = Adj. Bid	Ad Slot on Page	Actual CPC
CarGurus	9	\$0.30	\$2.70	1	\$0.28
Bidder #2	6	\$0.40	\$2.40	2	\$0.34
Bidder #3	4	\$0.50	\$2.00	3	\$0.46
Bidder #4	2	\$0.90	\$1.80	4	0.81
Bidder #5	2	\$0.80	\$1.60	Not Displayed	Not Displayed

$$\frac{\text{Adjusted Bid of the Ad in the Next Highest Slot}}{\text{Quality Score of the Slot Being Priced}} + \$0.01 = \text{Actual CPC}$$

Dynamic Marketing Drives Down-Funnel Engagement

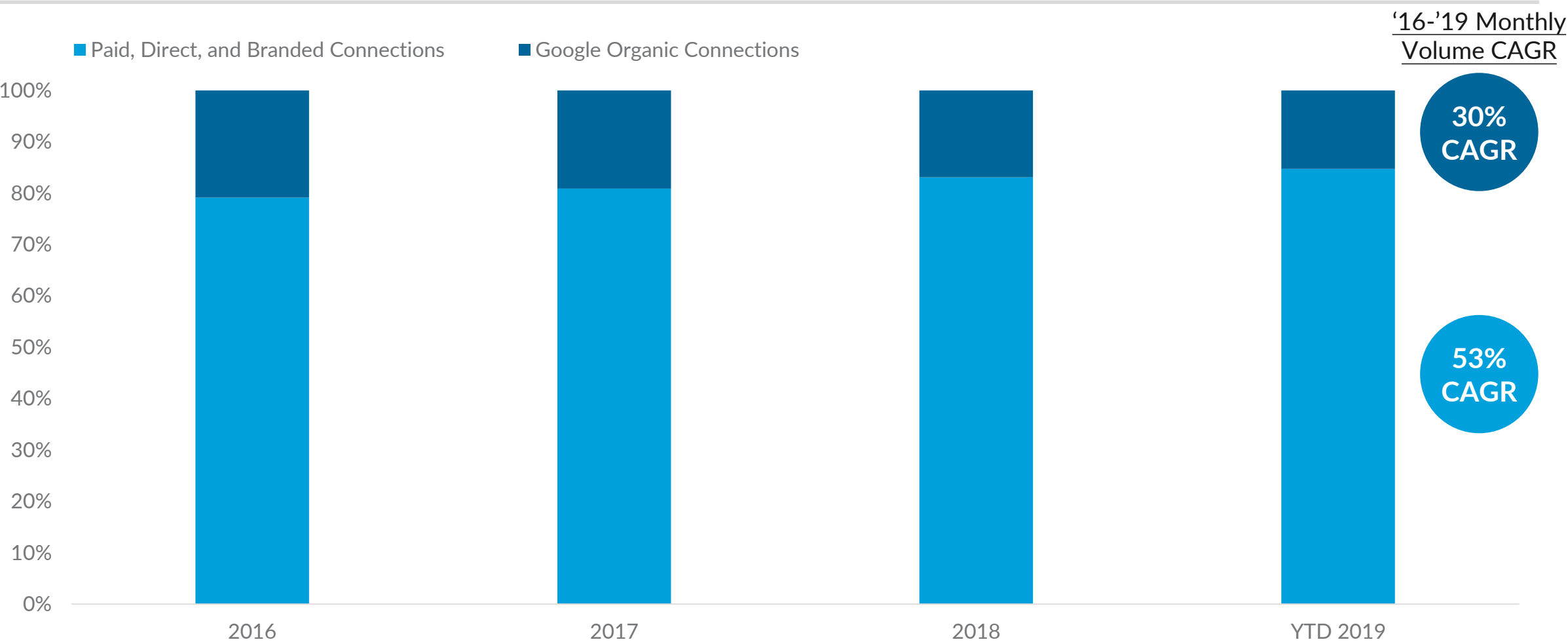


Data-Driven Attribution & Bidding Maximizes Efficiency



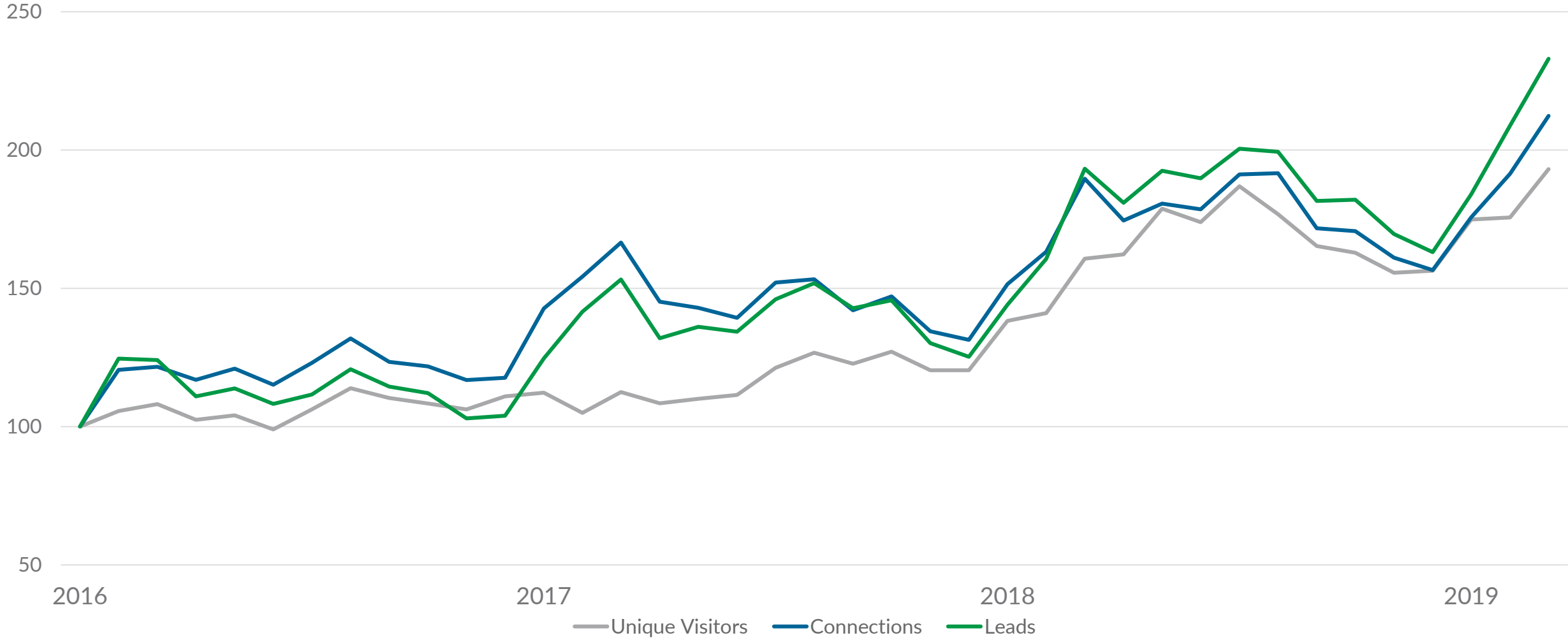
Connection Conversion is Driven by ATA, Direct, and Branded Traffic

US CONNECTIONS



We Focus on Driving Quality Connections and Leads for Dealers

INDEXED US MONTHLY VISITORS¹, CONNECTIONS, LEADS



Our Car Shopping Audience is Engaged and Ready to Purchase

CarGurus shoppers are decision makers and auto intenders who have the means to buy a new or used vehicle

74%

are the sole head of household¹

60%

have a total household income of \$75,000 or more¹

70%

plan to purchase or lease a vehicle within the next three months¹

And, they're visiting CarGurus right before making a purchase

% OF PURCHASES WITHIN A WEEK¹

CarGurus

37%

1.4x
higher

Major US Automotive Marketplaces

27%

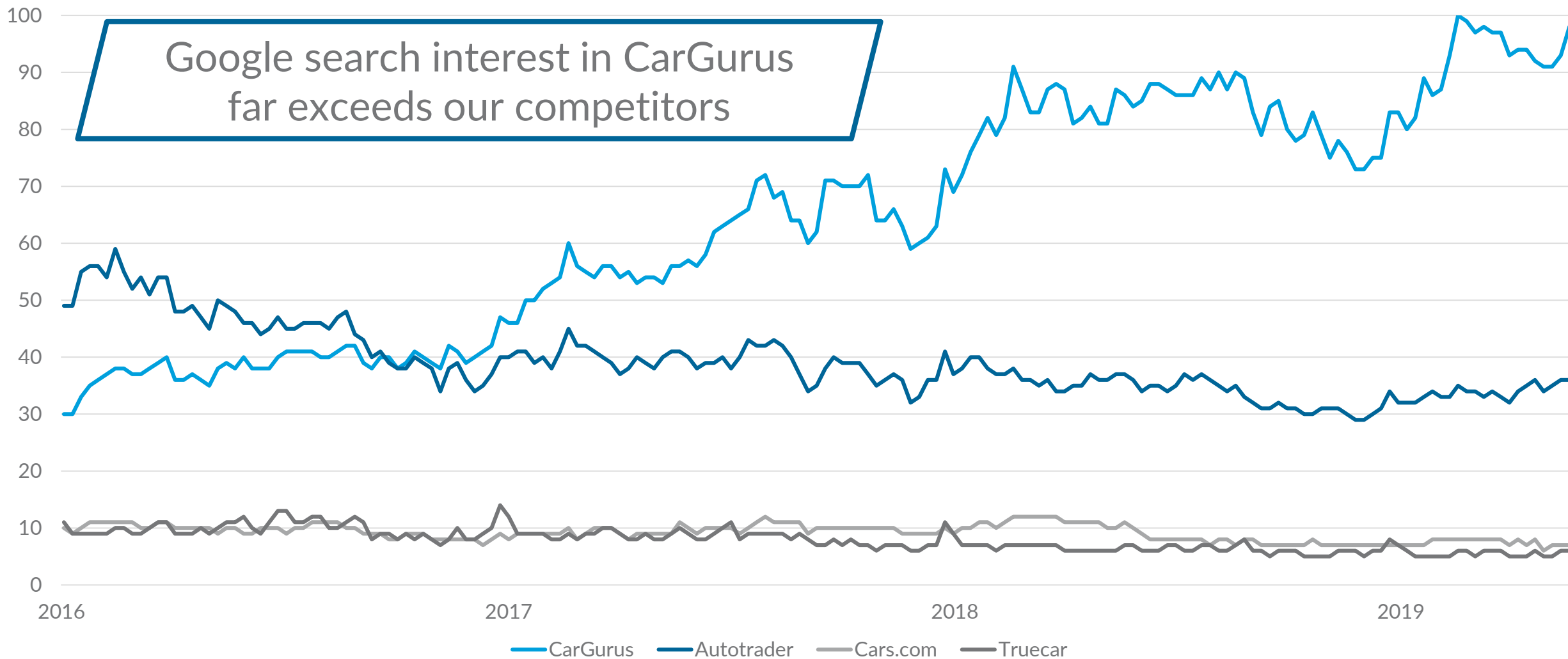
Upside Opportunity from Brand Building

Sarah Welch
Chief Marketing Officer



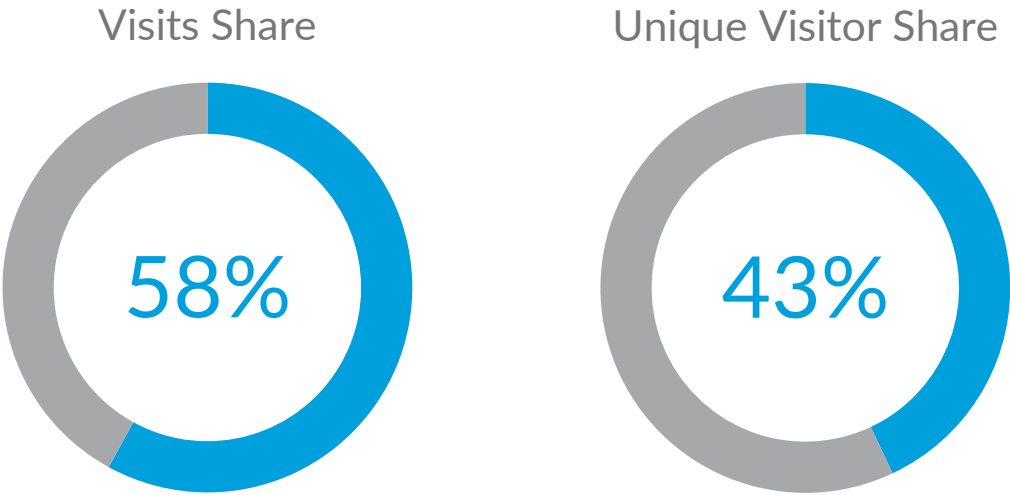
CarGurus is Top of Mind for Consumers

Google search interest in CarGurus
far exceeds our competitors

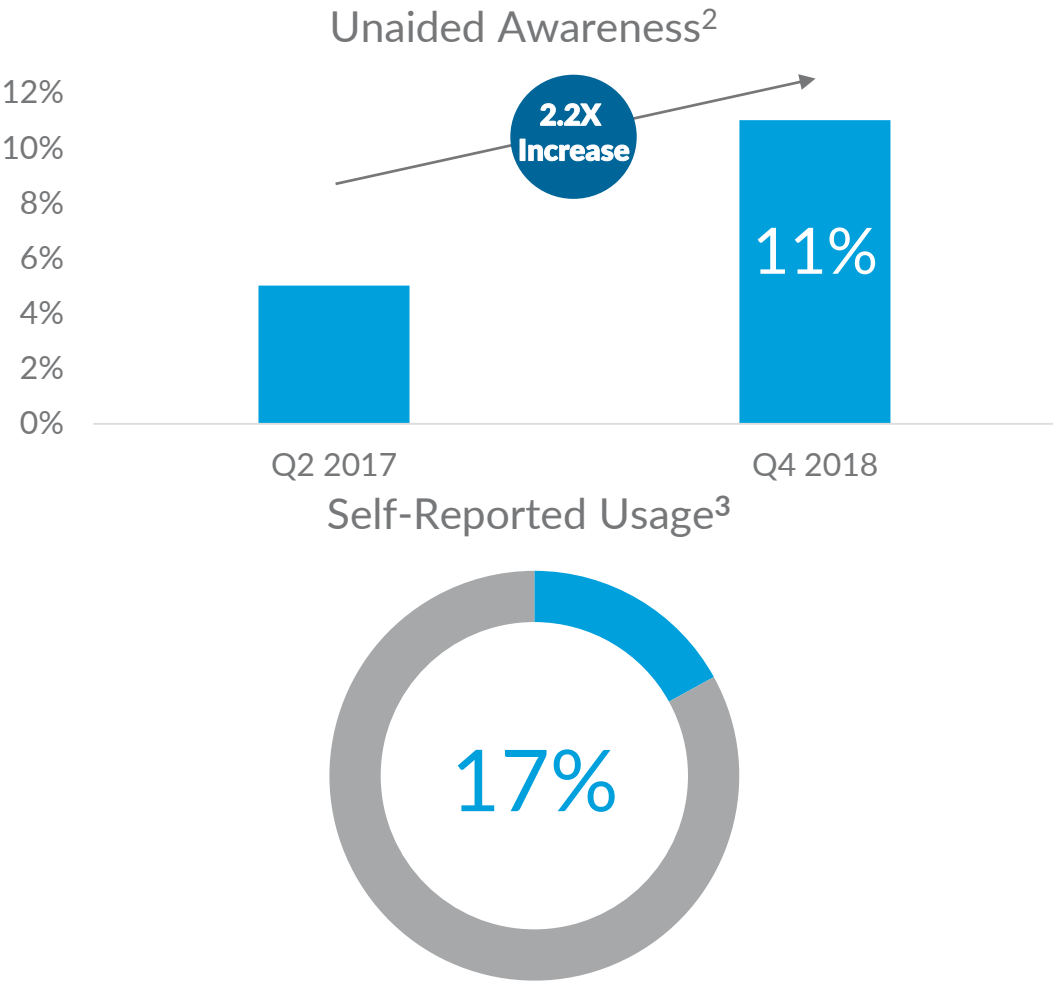


We Have the Largest Audience, but We Still Have Room to Grow

THE LARGEST, MOST ENGAGED US AUDIENCE¹



INVESTING TO INCREASE BRAND AWARENESS



67 1. As measured by presented metrics. Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Q1 2019, U.S. (Competitive set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com) 2. CarGurus Brand Tracker survey, June 2017 and December 2018 3. CarGurus Brand Tracker survey, December 2018

Brand Building Evolves Over Time



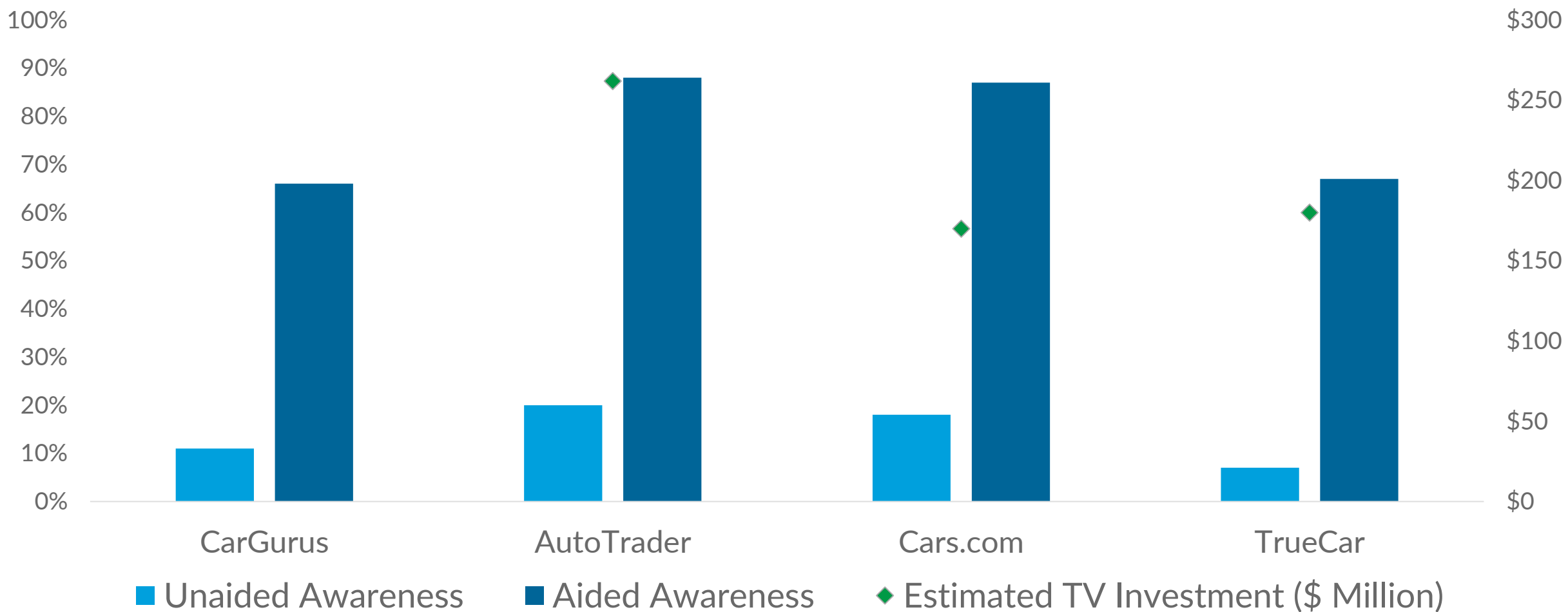
Awareness

Familiarity

Preference
and
Loyalty

Playing Catch Up on Brand

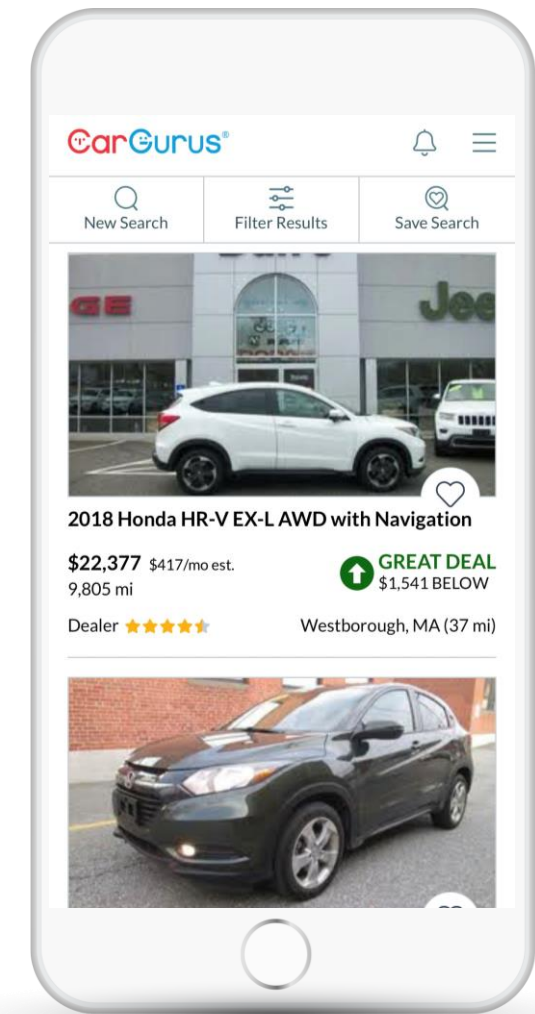
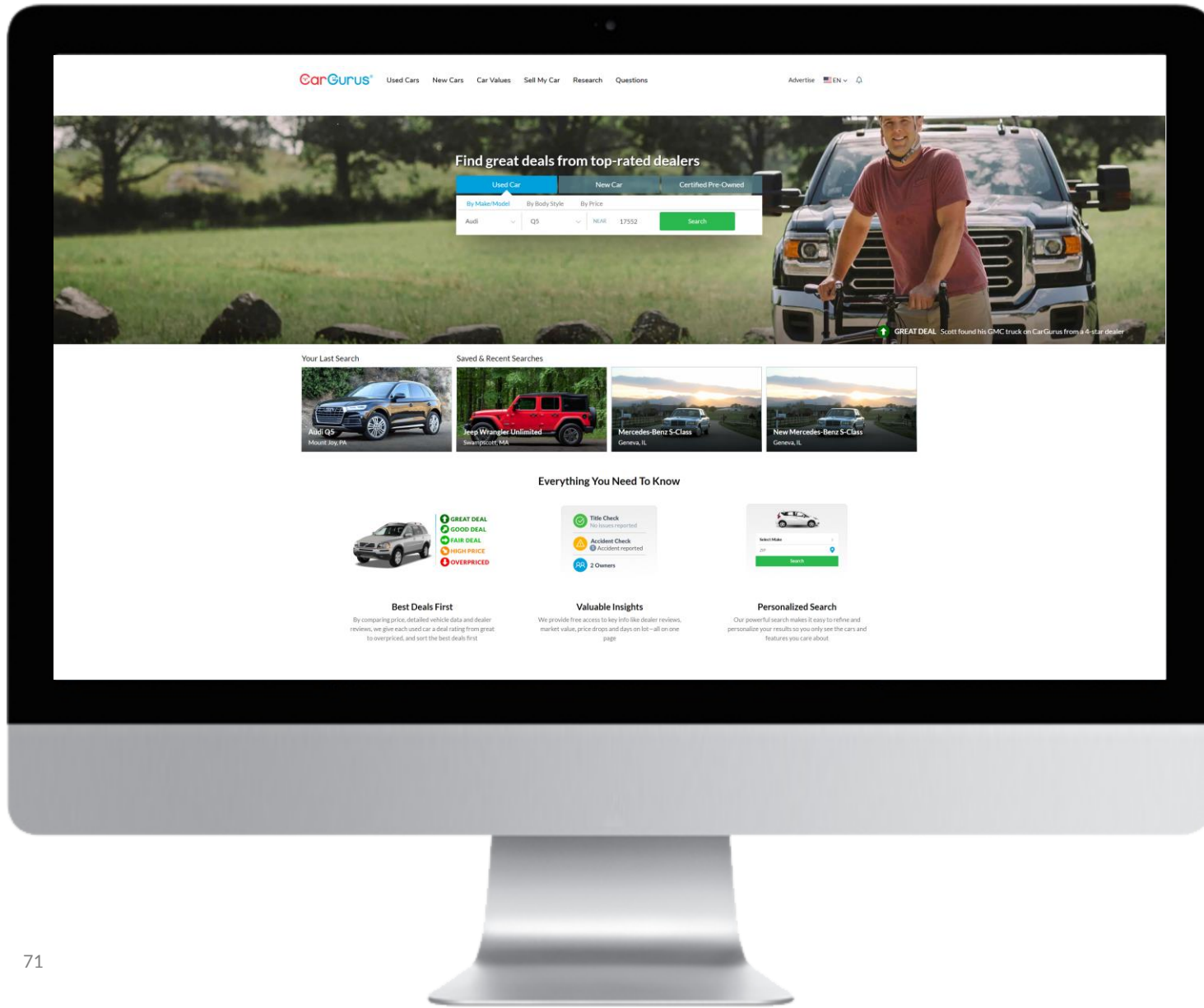
BRAND AWARENESS AND ESTIMATED TV SPEND (MILLIONS, 2013 – PRESENT)¹



Investing Thoughtfully in TV



User Experience is a Critical Driver of Brand



Conclusion

Three blue circles are arranged horizontally across the middle of the slide. Each circle contains white text. The first circle on the left contains the text 'Largest, Most Engaged Audience'. The middle circle contains 'Sophisticated Traffic Acquisition at Scale'. The third circle on the right contains 'Meaningful Brand Upside'.

Largest,
Most
Engaged
Audience

Sophisticated
Traffic
Acquisition
at Scale

Meaningful
Brand Upside

Delivering Superior ROI to Drive Dealer Spend

Sam Zales
President and COO



CarGurus Helps Solve the Customer Acquisition Challenge

WHY DEALERS CHOOSE US

Unmatched
US
Audience
Scale








ATA-
Driven
Platform



Superior
Return on
Investment
at Scale

Basic vs. Enhanced vs. Featured Listing Illustrative Connections Example

	BASIC LISTING	ENHANCED LISTING	FEATURED LISTING
 Email	100 (anonymized)	70	85
 Phone	✗	60	75
 Managed Text / Chat	✗	15	25
 URL Clicks	✗	70	90
 Maps / Direction Clicks	✗	70	90
Walk-In Traffic	✗	✓	✓
Brand Exposure	✗	✓	✓
ESTIMATED CARS SOLD VIA CONNECTIONS	1-2	12+	18+
ESTIMATED GROSS PROFIT VIA CONNECTIONS	\$2,000-\$4,000	\$24,000+	\$36,000+

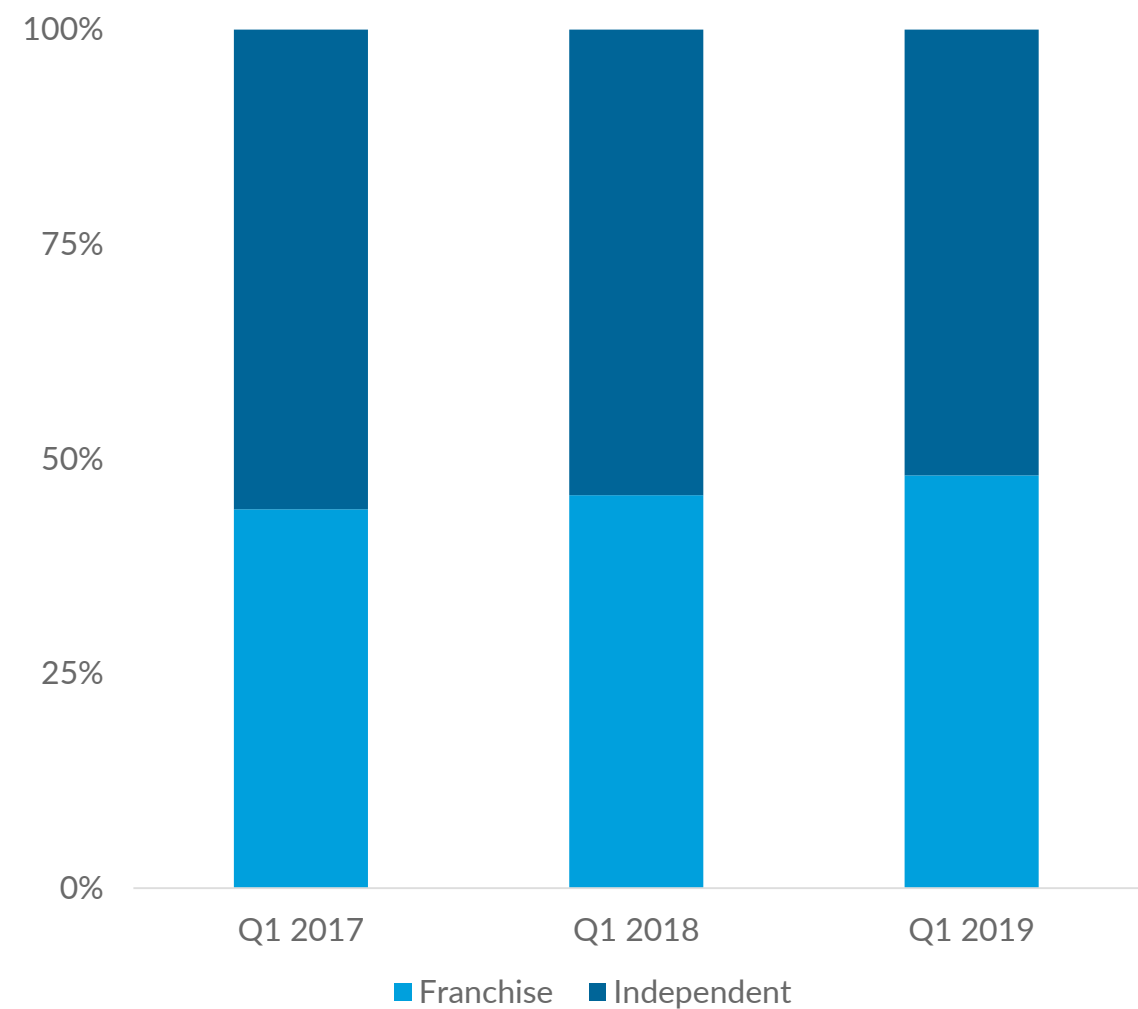
Our Large Audience and Strong Value Prop Has Attracted Over 33,000 Global Paying Dealers



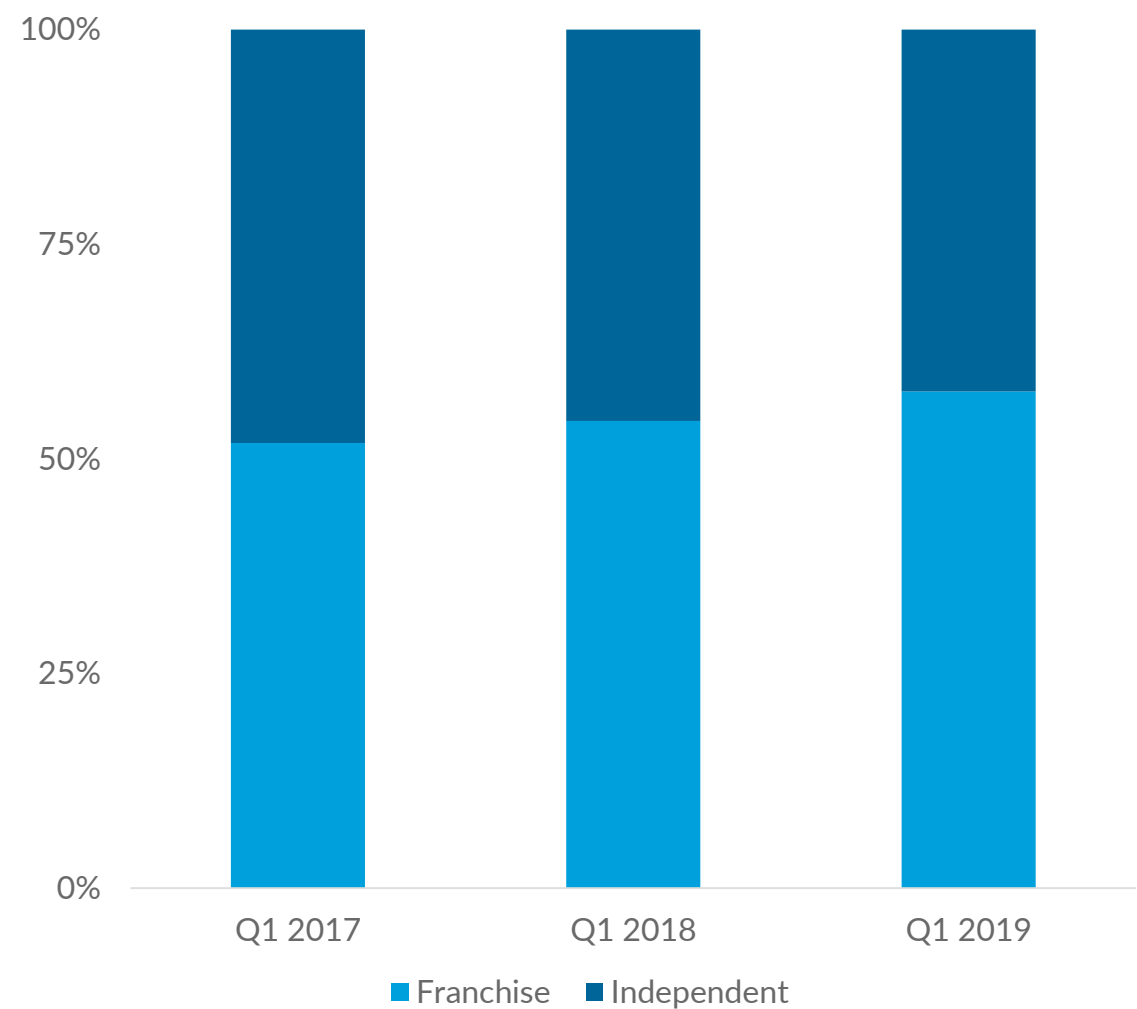
76 1. Beginning in Q1 2019, international paying dealers includes the impact of PistonHeads.

We Effectively Serve All Dealer Types

PAYING DEALER MIX BY DEALER TYPE



MRR BY DEALER TYPE



CarGurus' Approach to Attribution



More ROI Transparency

ROI Calculator
Eyes on Our Data



CarGurus Influence On Sales

Direct Closed Sales
Third-Party Case Studies



Walk-In Impact

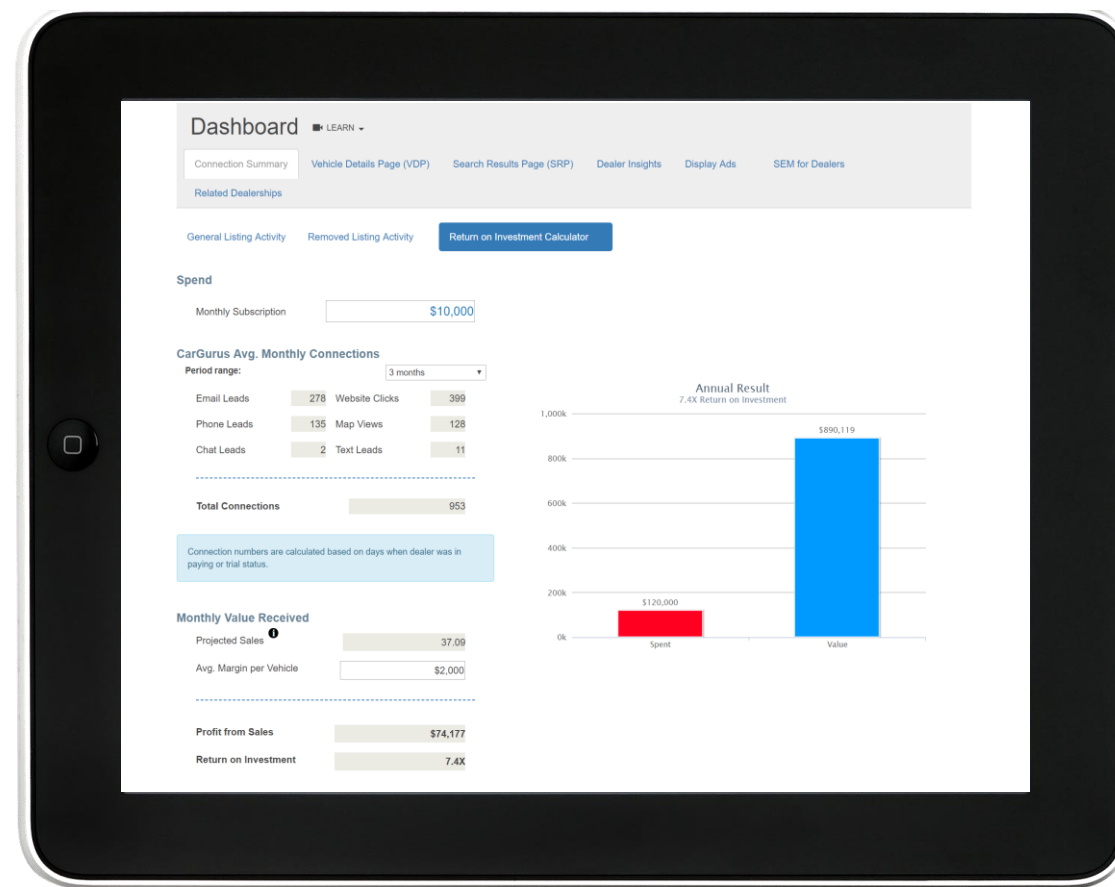
SRP and VDP Influence
on Sales
Number of Store Visits
Influenced

The ROI Calculator

Closing Rates
Informed by
Closed Sales Data

ROI-Based
Marketing

Increasingly
Precise



Dealers Generate Significant ROI from the CarGurus Platform

UNDERSTANDING DEALER'S ROI

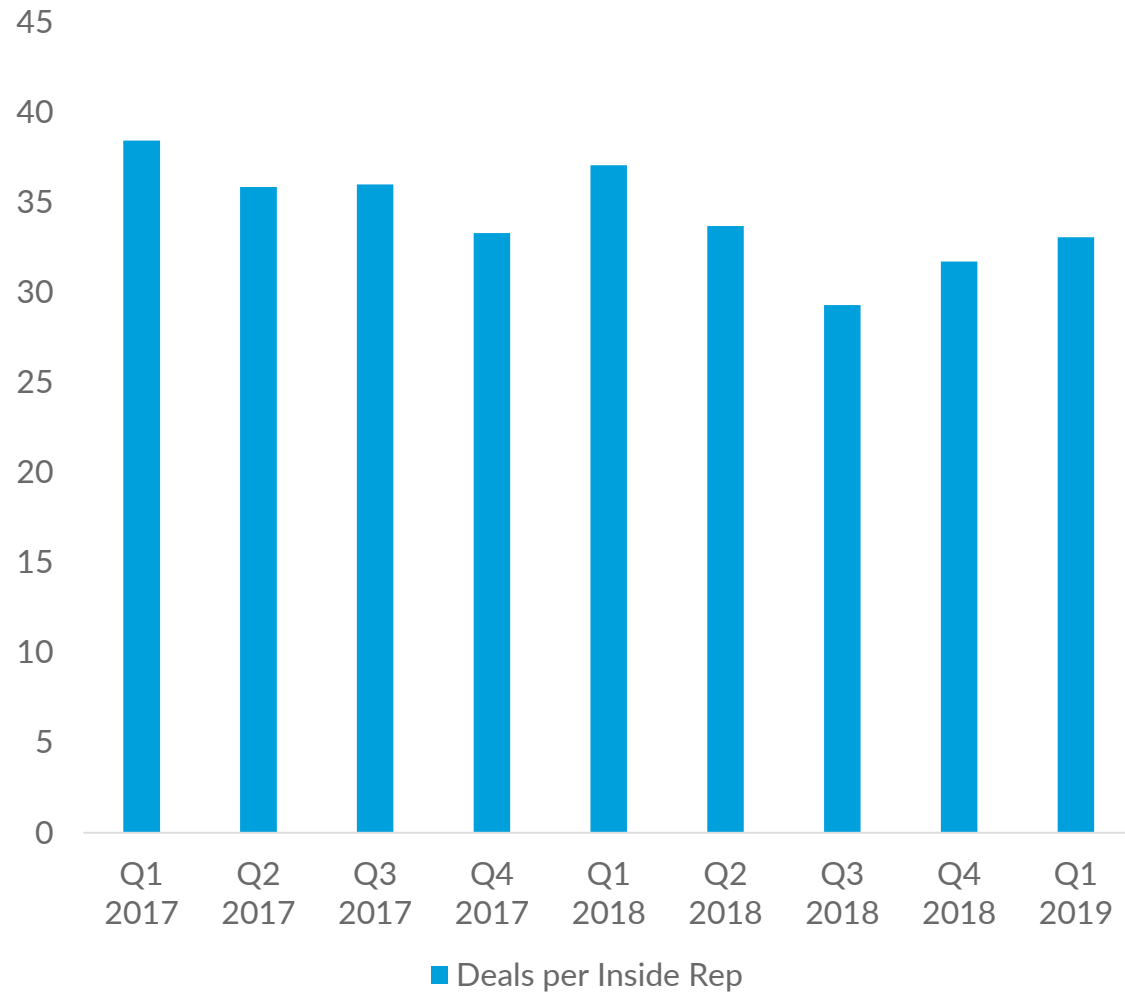
$$\text{ROI} = \frac{\text{Connections} \times \text{Close Rate} \times \text{Gross Profit (per car sold)}}{\text{Cost of CarGurus Program}}$$

Illustrative
Example

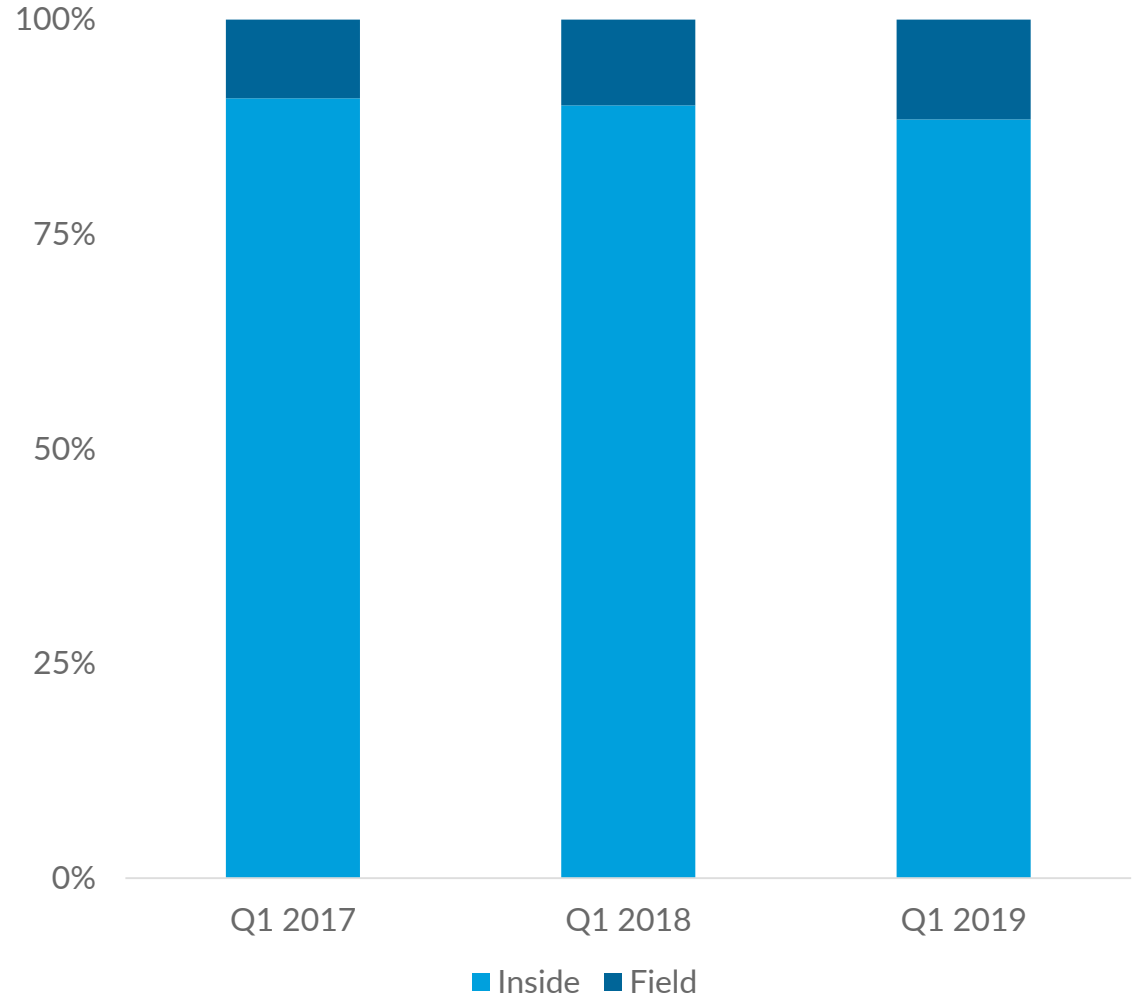
$$\frac{100 \times 10\% \times \$2,000}{\$2,000/\text{mo.}} = 10.0\text{X ROI}$$

Efficient and Consistent Inside Sales Model with Opportunistic Field Presence

DEALS PER SALES REPRESENTATIVE



MIX OF SALES HEADCOUNT



Effective Customer Relationship Management Drives Retention and Growth



Contract Signed

- Handoff from Sales to begin formal onboarding process



Dealer Onboarding (MONTHS 1-3)

- Optimize dealer engagement with program
- Dealer Dashboard training
- At least two performance reviews in first 90 days to proactively address any issues

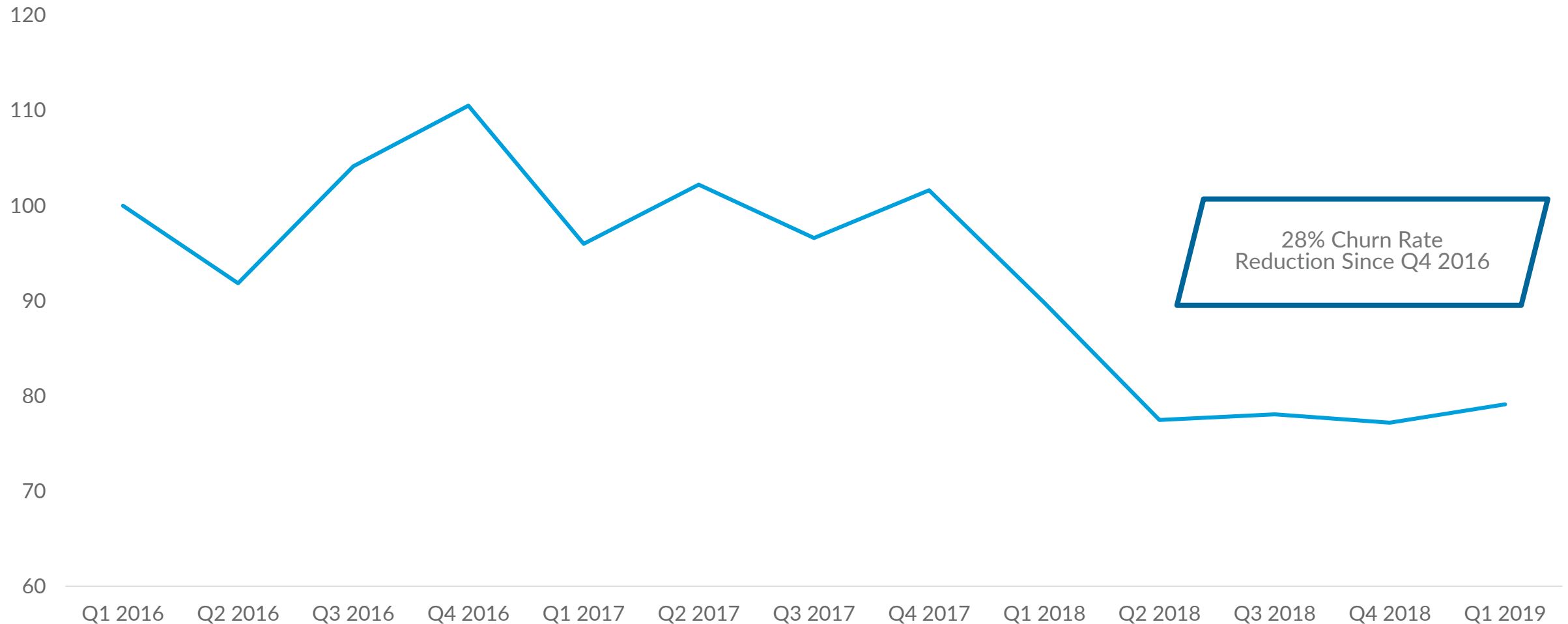


Dealer Account Management (MONTHS 4+)

- Designated single point of contact for remainder of customer lifecycle
- 1+ proactive touchpoint every 30 days
- Utilize Dealer Health Score to mitigate churn

Effective Customer Relationship Management and High-ROI Platform Drives Dealer Retention

INDEXED US LISTINGS MRR CHURN RATE



Expansion Opportunities Increasing with New Products and Packaging

Renewal

- MRR increase on annual renewal cycle

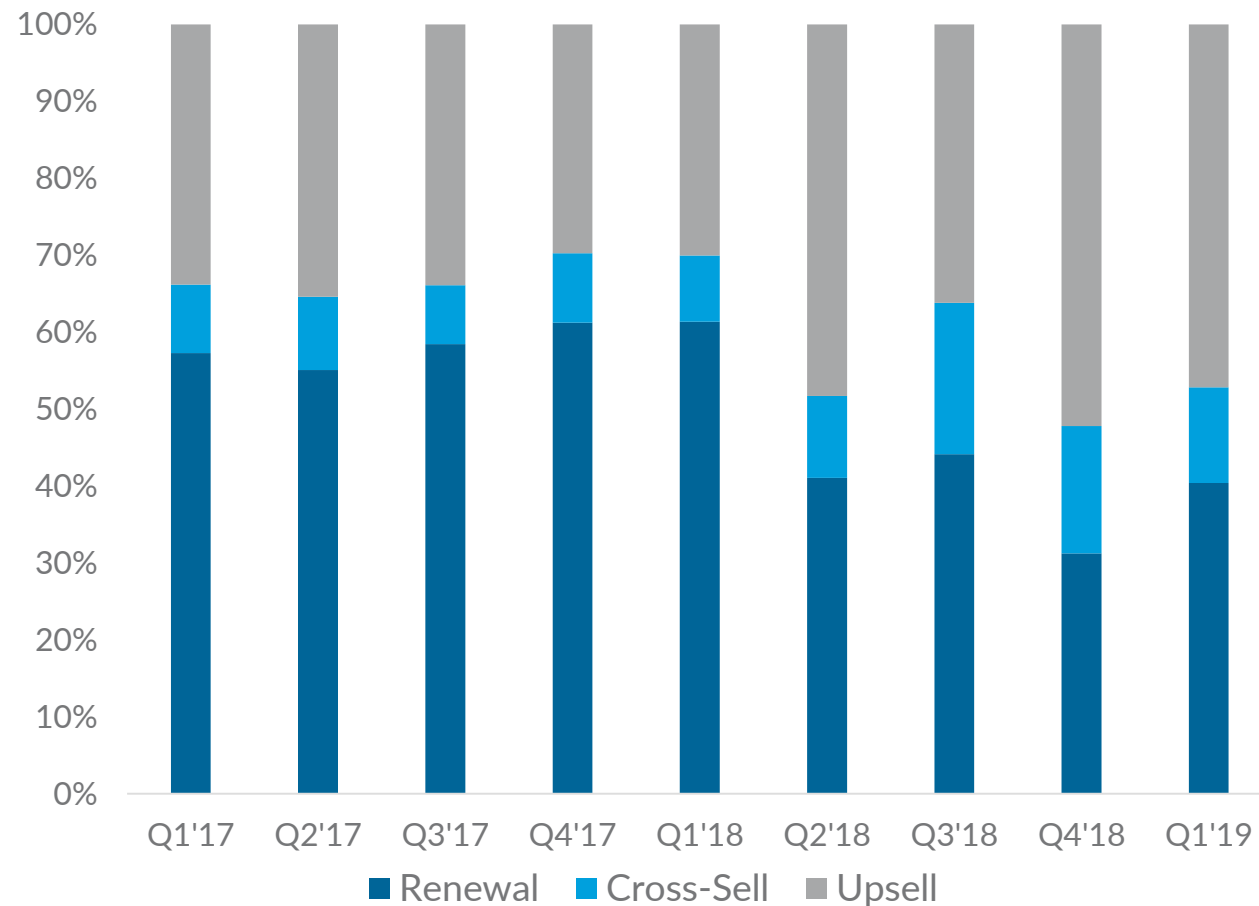
Cross-Sell

- Additional stores in paying dealer groups
- New products

Upsell

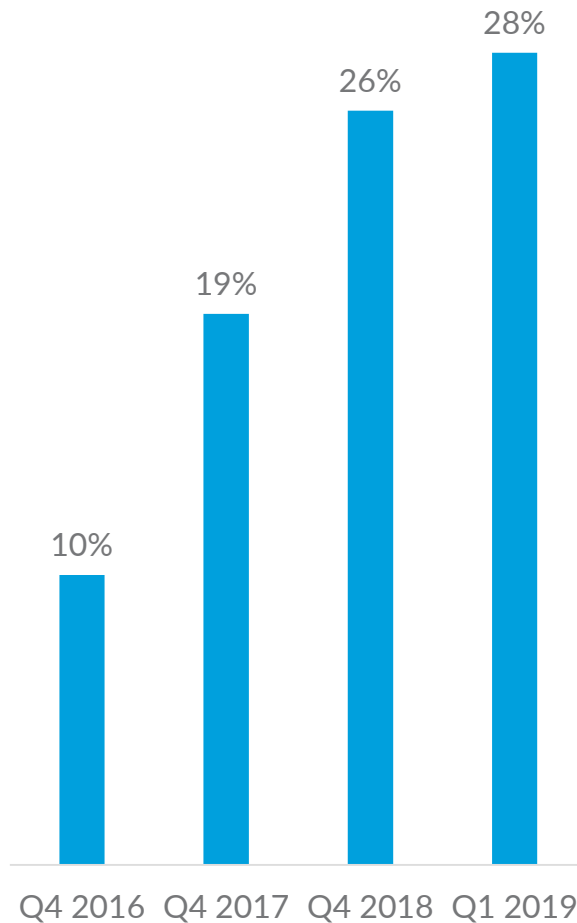
- Higher-level listings package
- Increase in dealer inventory

CONTRIBUTORS TO EXPANSION MRR



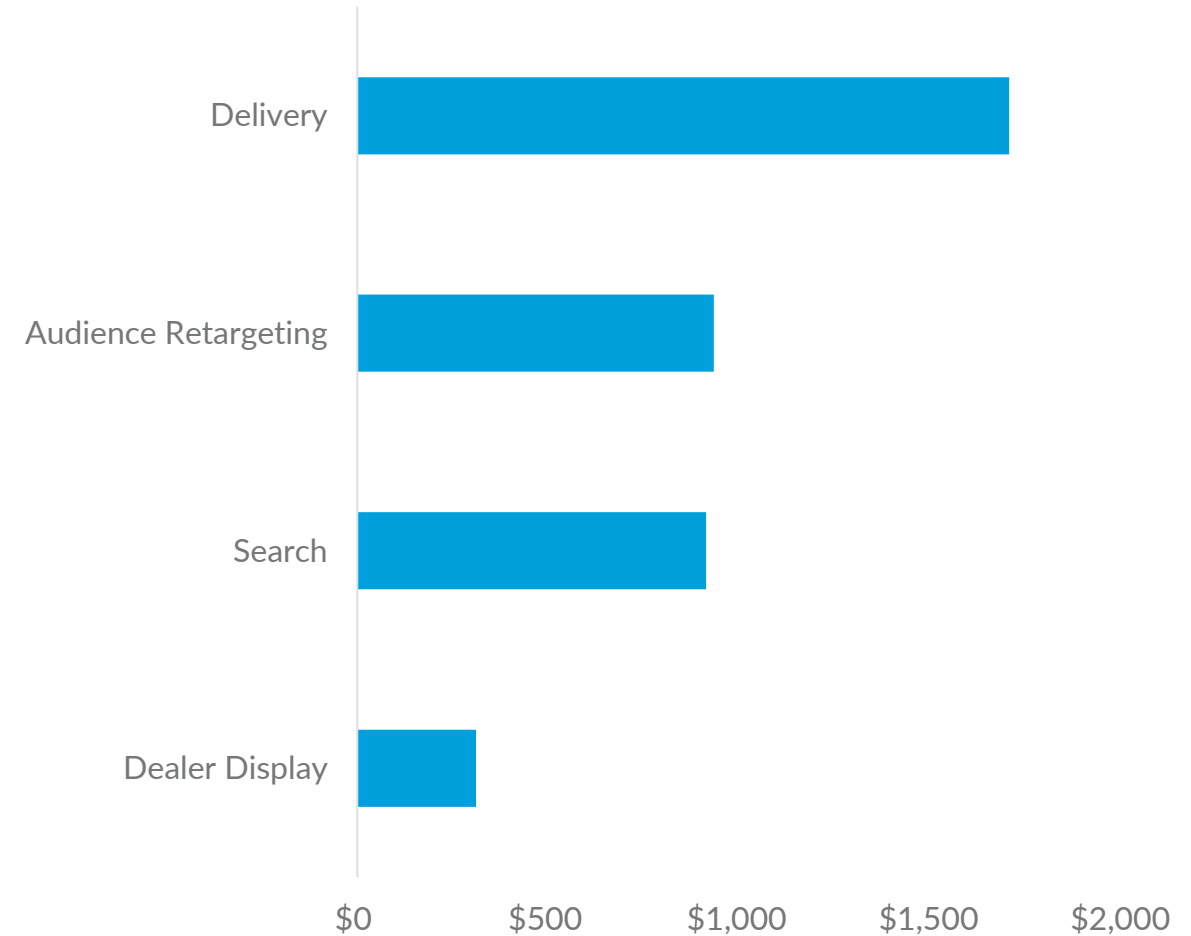
New Products Taking Hold and Driving Revenue Growth

US MULTI-PRODUCT ATTACH INCREASING¹

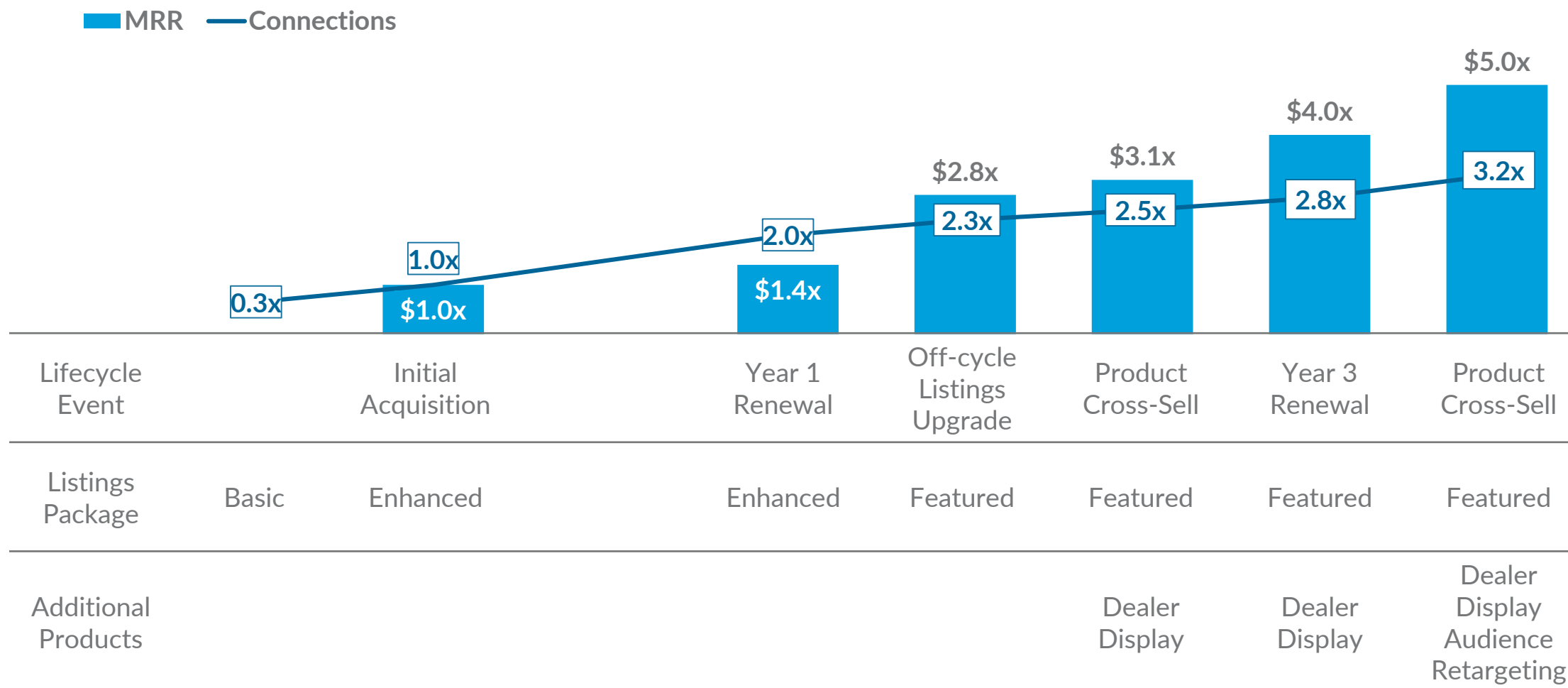


500+
US Dealers
Subscribing to
3 or more Products

US AVERAGE ORDER SIZE BY PRODUCT²



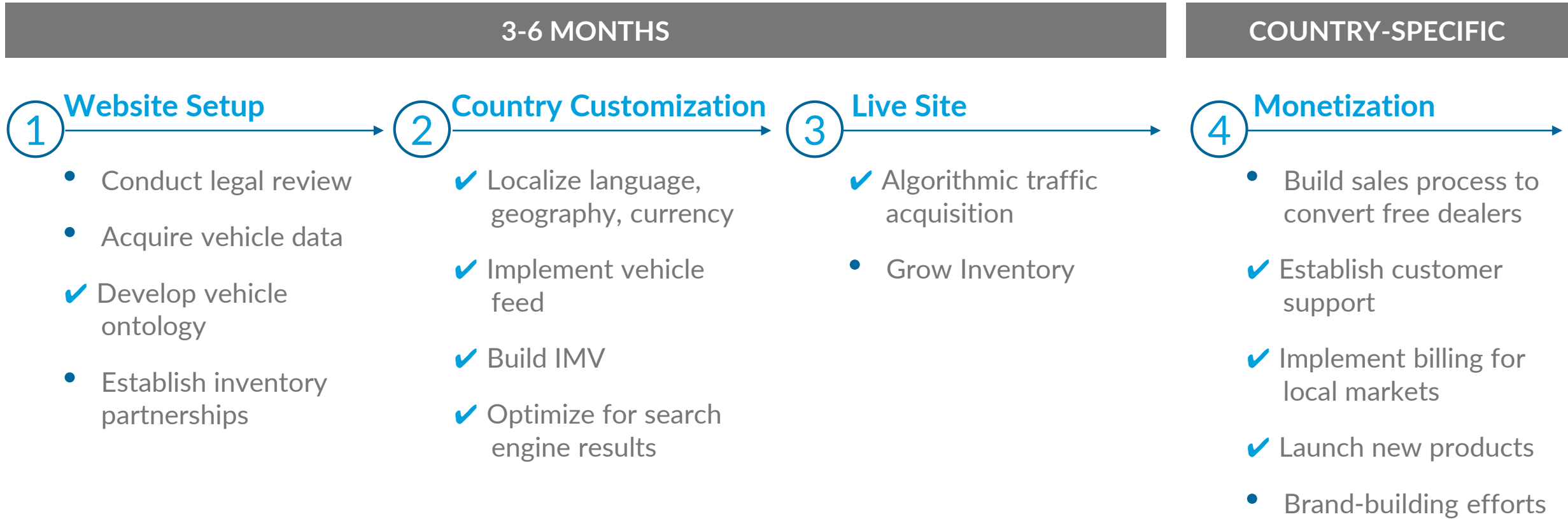
Dealer Customer Illustration



International Expansion



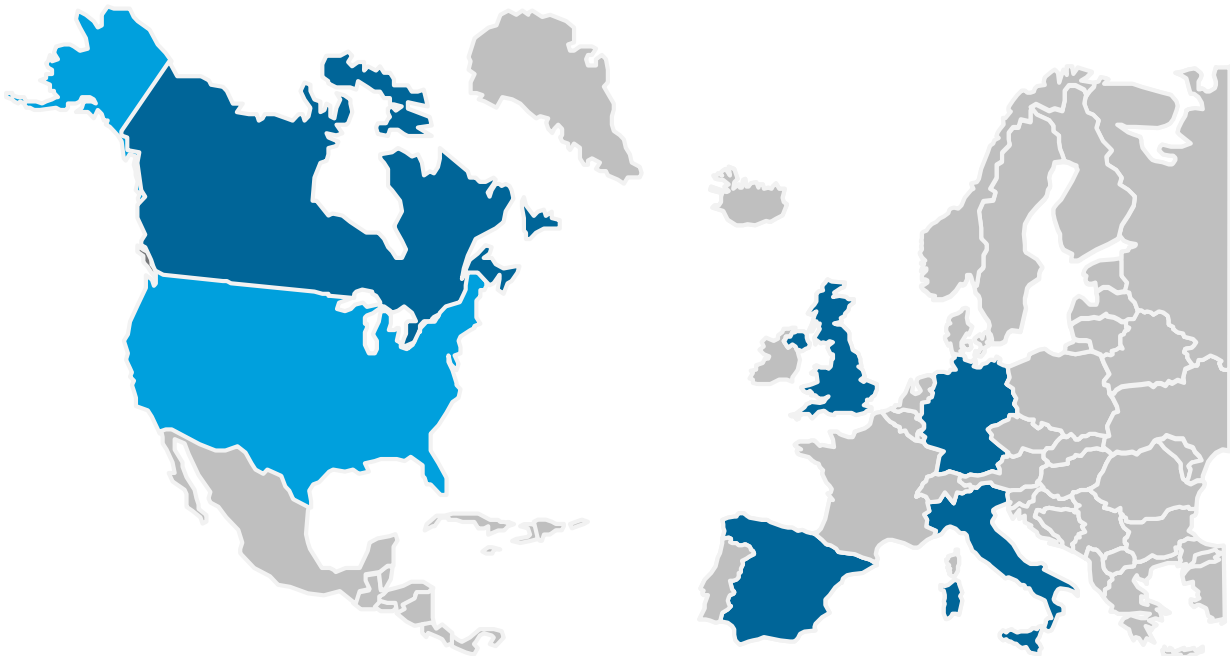
International Market Launch Process: Platform Built for Rapid Expansion



✓ Internationalized Platform: allows rapid scale of multiple market development concurrently

Scaling Our International Business

Core Market Successfully Launched



Launched
in 2014



Launched
in 2015



Launched
in 2017



Launched
in 2018



Launched
in 2018

International Competitor	Enterprise Value (USD)
Auto Trader UK	\$7.5 Billion ¹
Schibsted	\$6.8 Billion ¹
Scout24	\$6.2 Billion ¹
TRADER Corporation	\$1.1 Billion ²

Scaling Our International Business

■ Core Market ■ Successfully Launched



Launched
in 2014



Launched
in 2015



Launched
in 2017

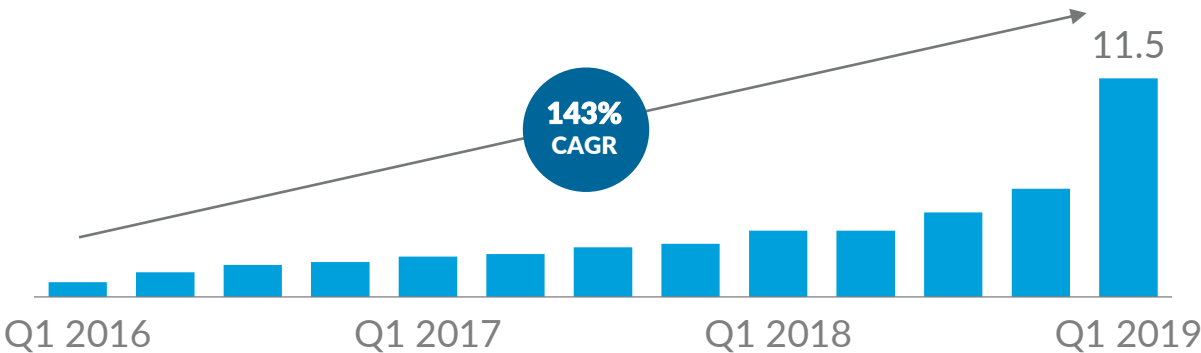


Launched
in 2018

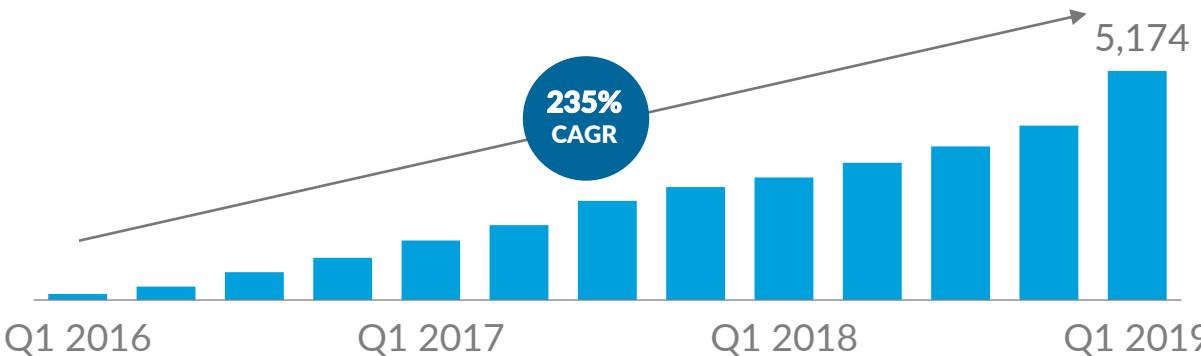


Launched
in 2018

INTERNATIONAL AVERAGE MONTHLY UNIQUE USERS (MILLIONS)¹

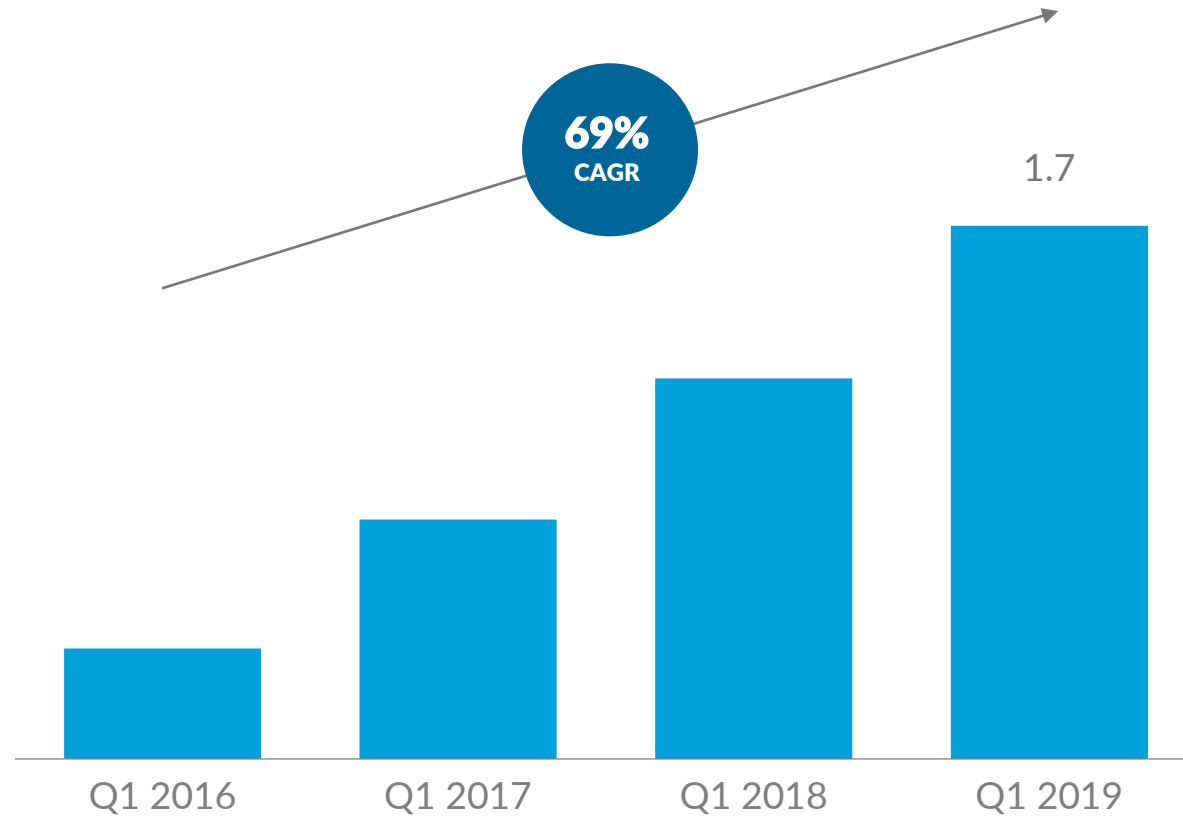


INTERNATIONAL PAYING DEALERS²

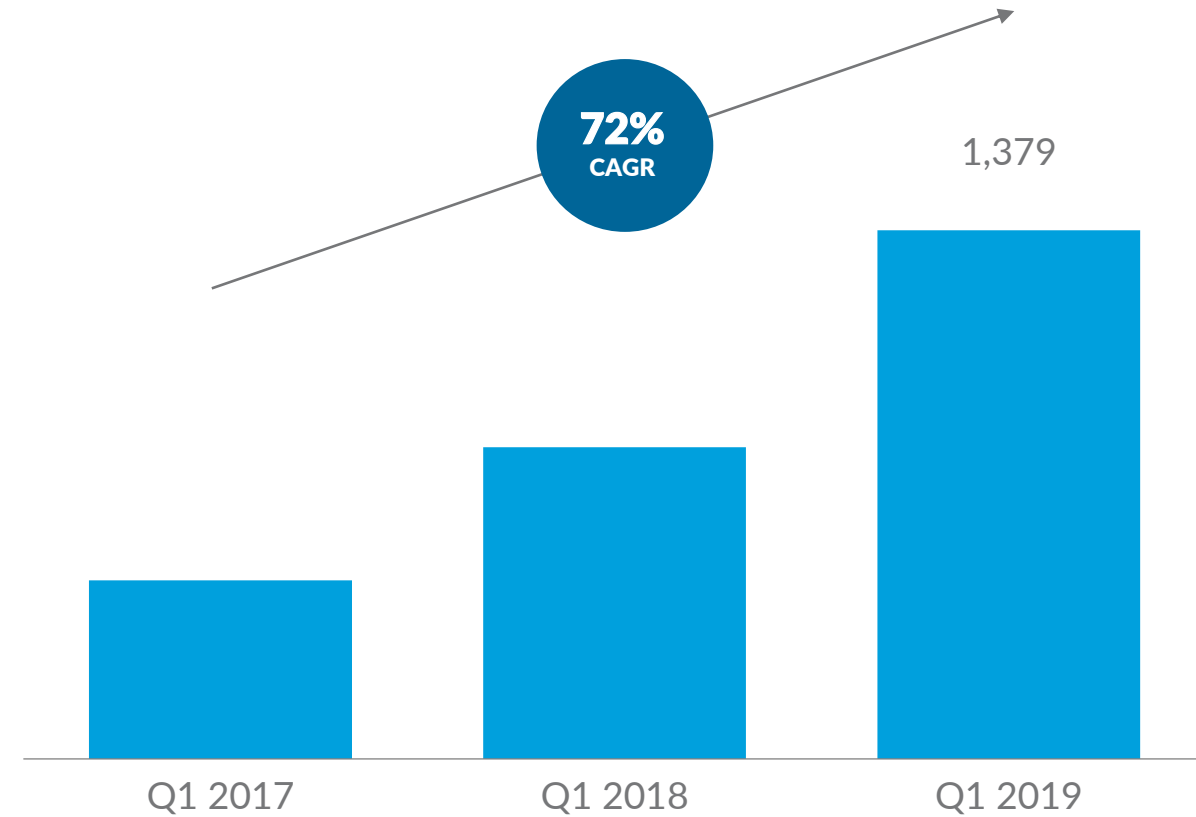


Advanced Market Progress: Canada

CANADA AVERAGE MONTHLY UNIQUE USERS (MILLIONS)¹

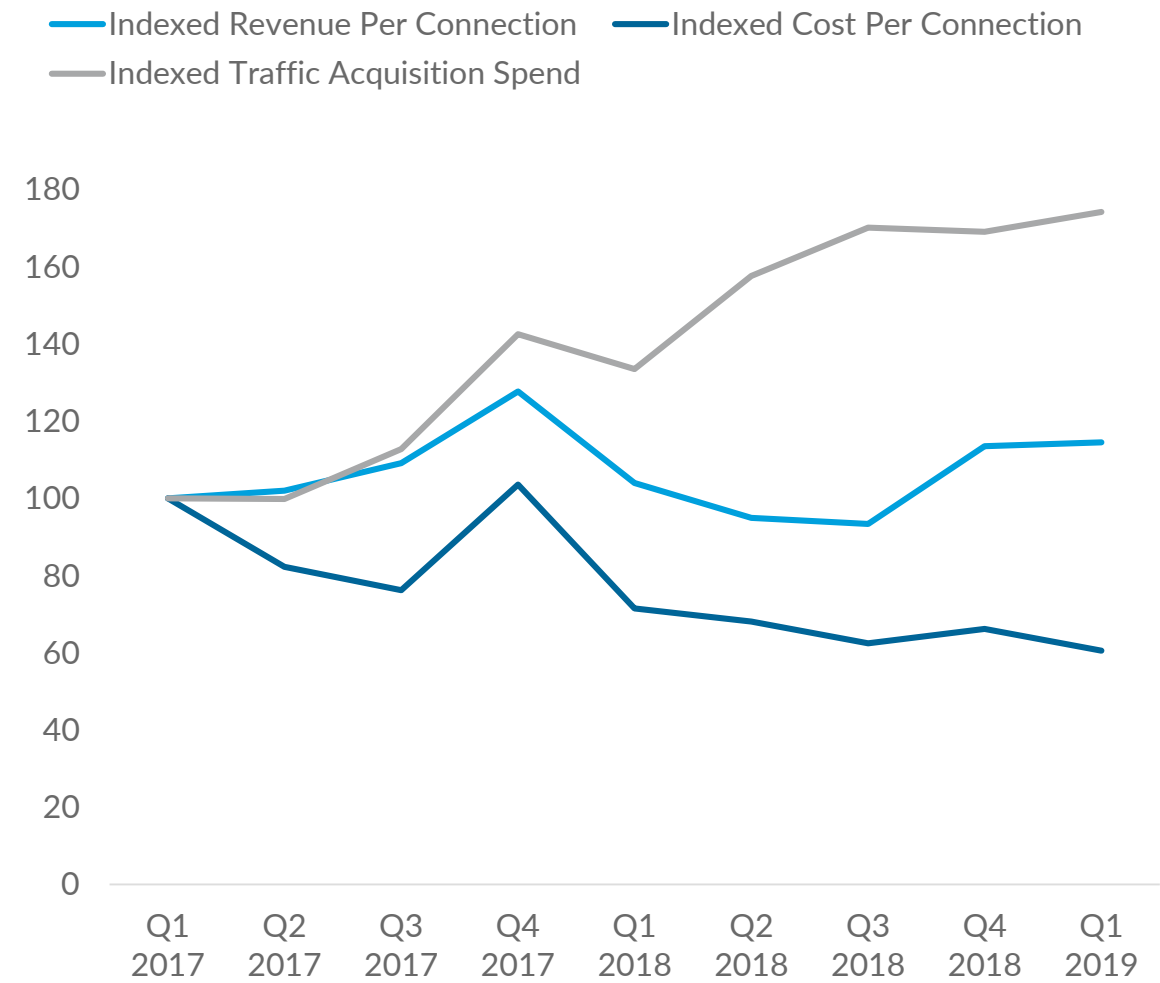


CANADA PAYING DEALERS

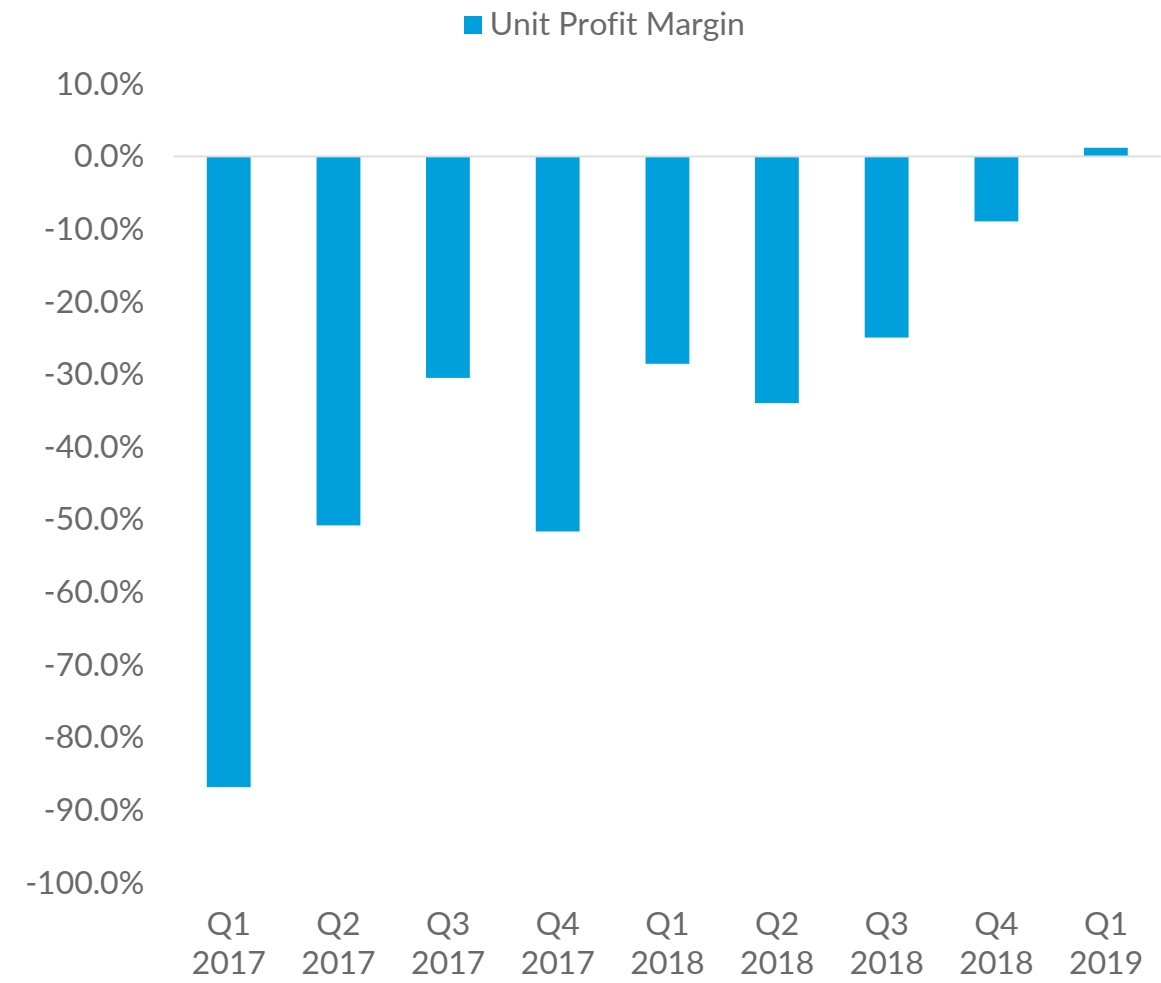


Advanced Market Progress: Canada

UNIT ECONOMICS STRENGTHENING

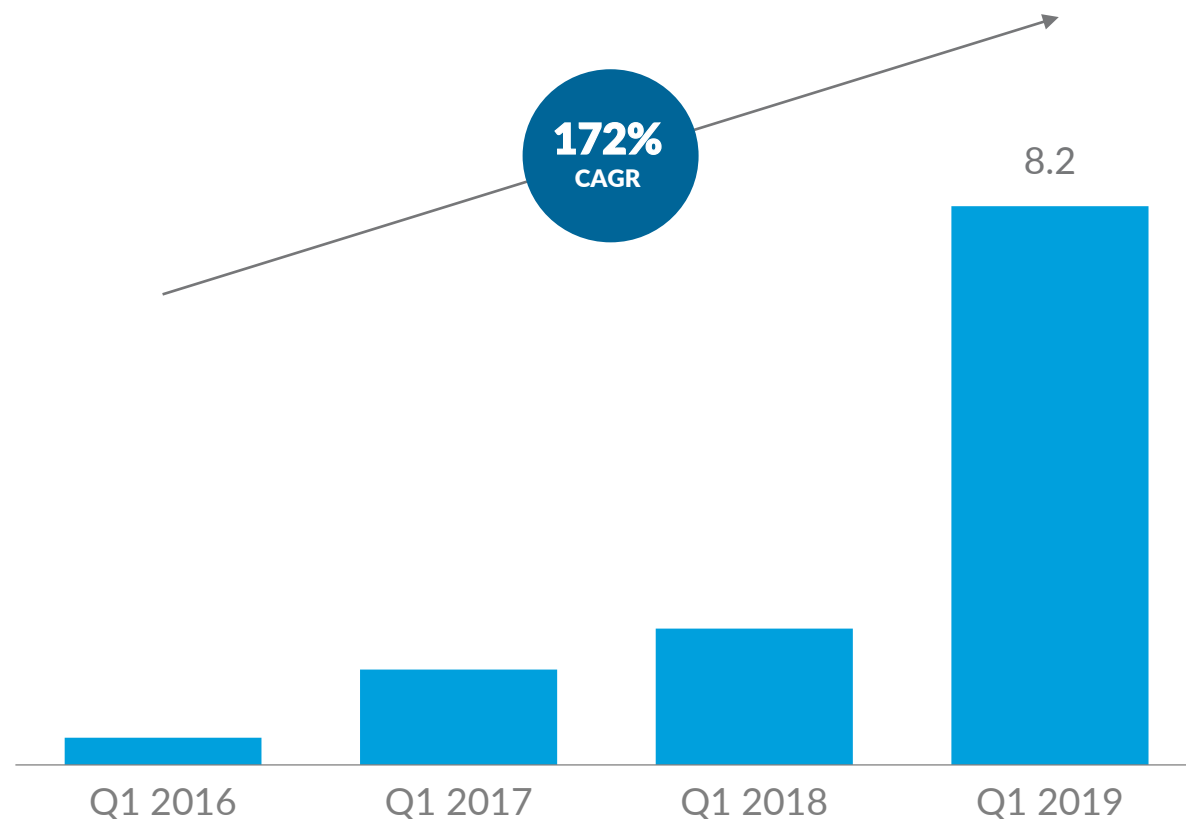


PROGRESS TOWARDS PROFITABILITY

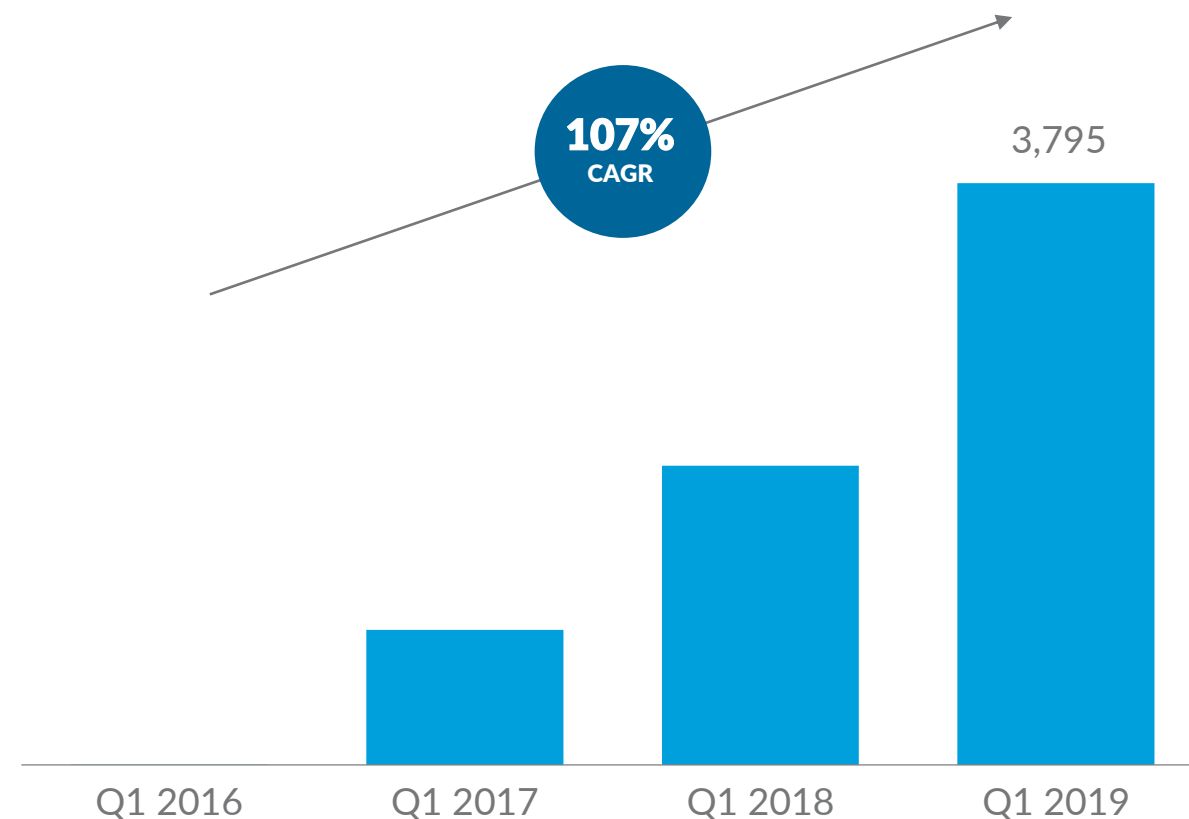


Advanced Market Progress: United Kingdom

UK AVERAGE MONTHLY UNIQUE USERS
(MILLIONS)¹

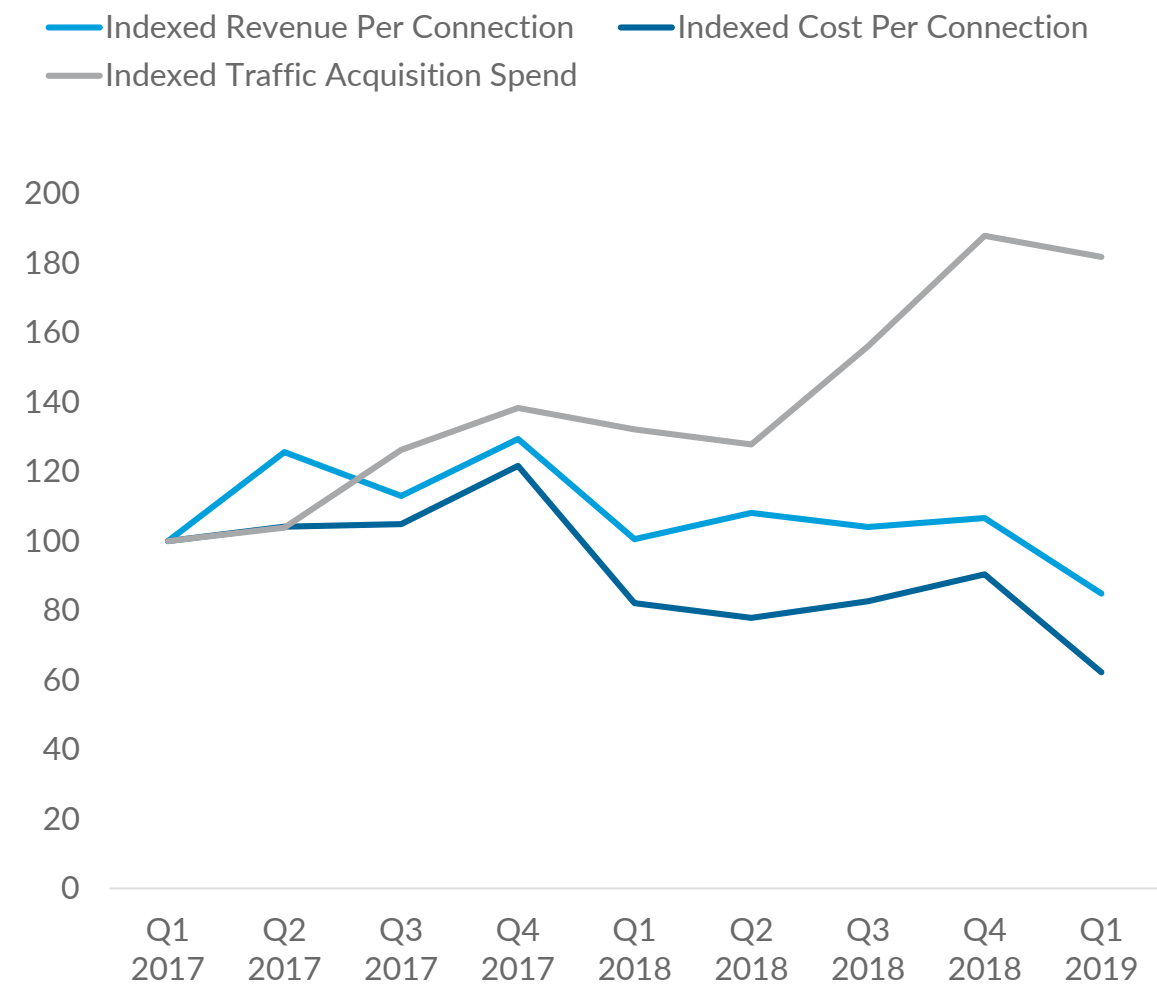


UK PAYING DEALERS²

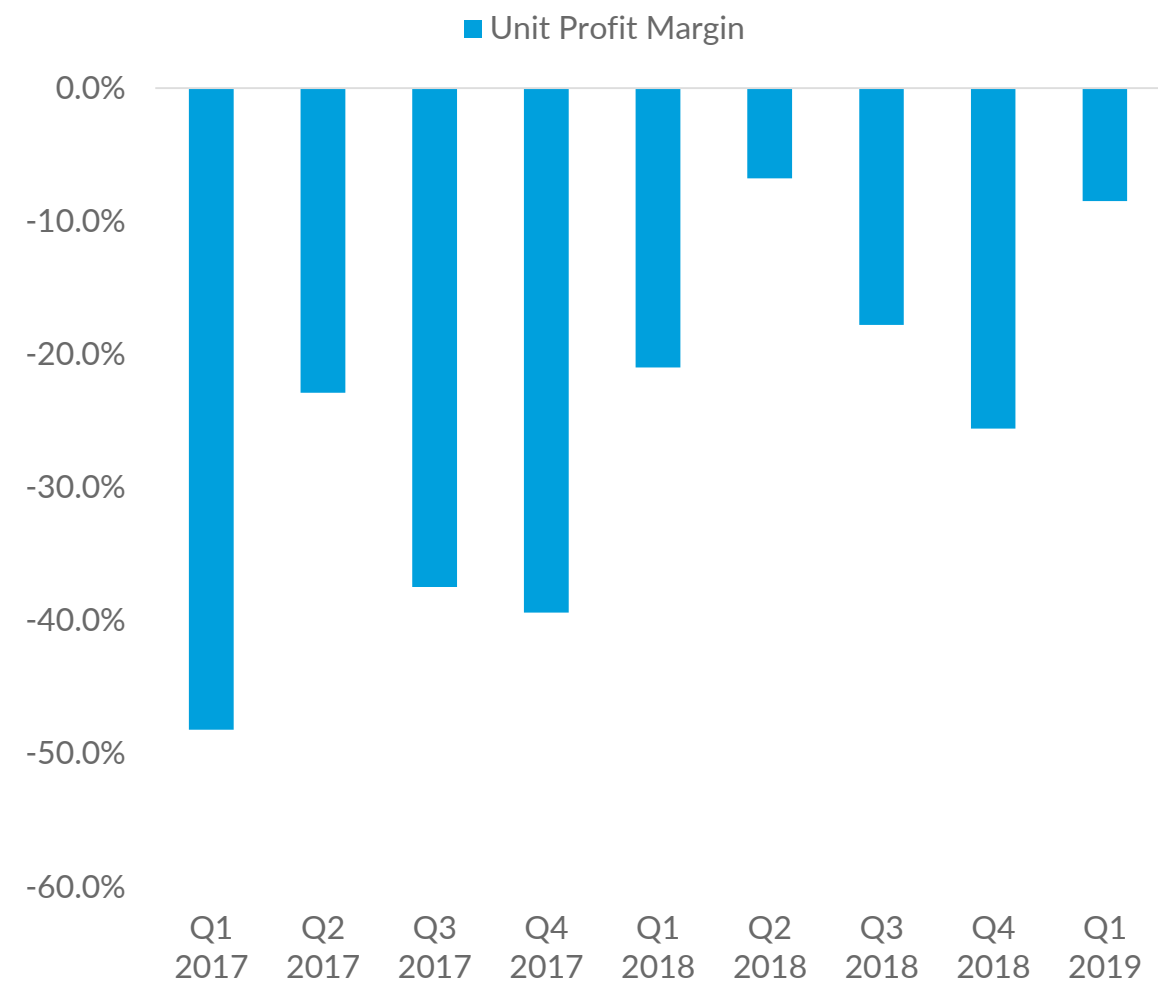


Advanced Market Progress: United Kingdom

UNIT ECONOMICS STRENGTHENING¹



PROGRESS TOWARDS PROFITABILITY¹



CarGurus and PistonHeads Create a Compelling Platform



- Passionate community of 5M+ unique visitors¹
- Iconic brand among car enthusiasts
- Performance car focus
- Favorable perception among dealers



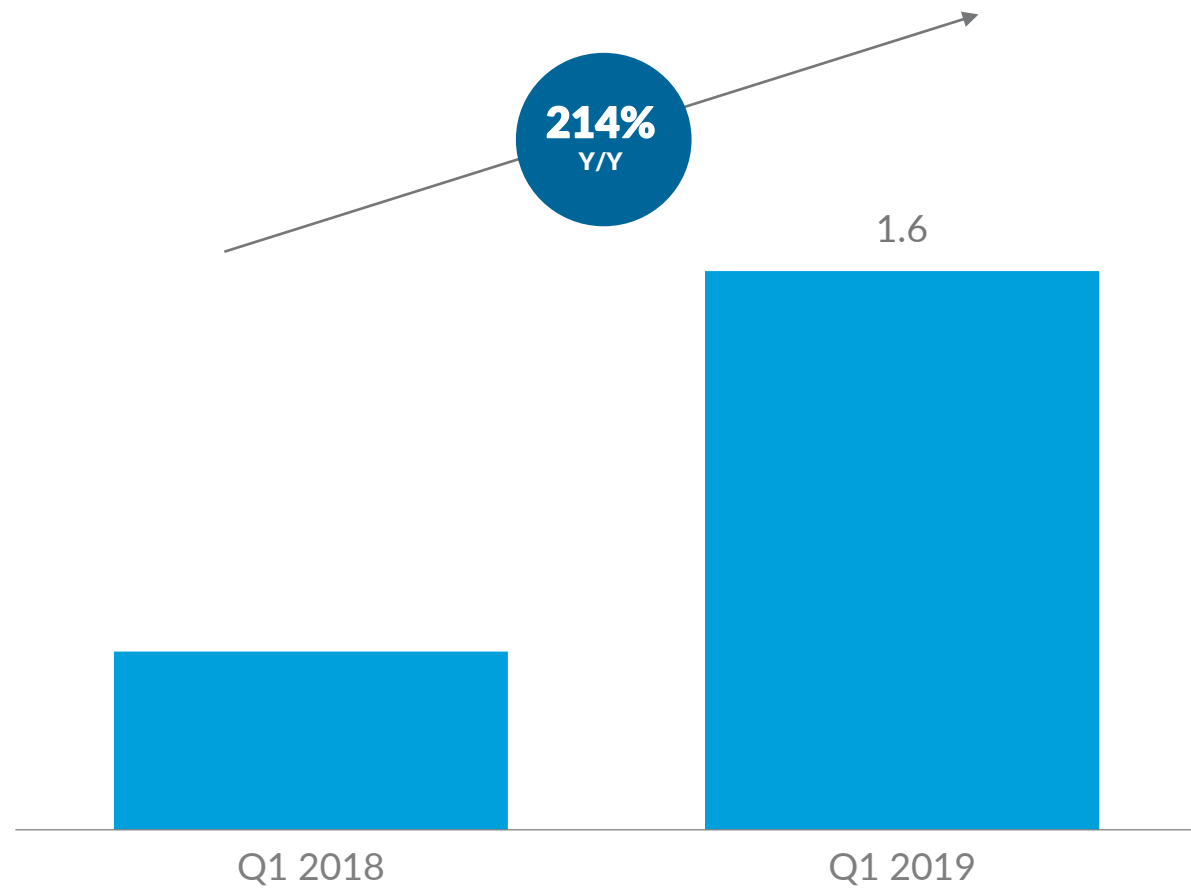
- Rapidly growing platform
- Viable alternative for dealers
- Compelling platform for consumers
- Complementary capabilities in London, Dublin and Boston



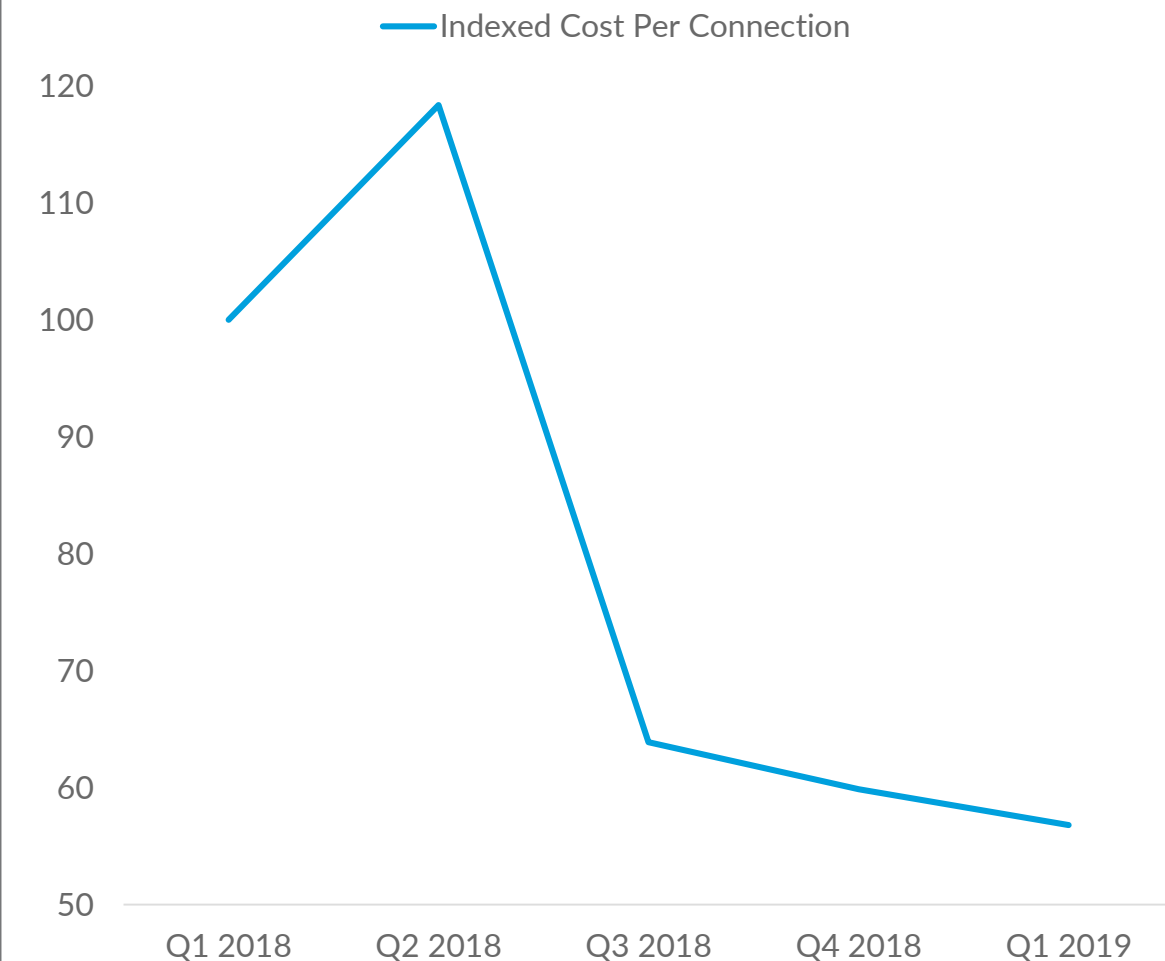
- Market leading tech platform
- Disruptive freemium model
- Search Engine Marketing (SEM) expertise
- Fastest growing UK automotive shopping site²
- Investing in brand

Emerging Market Progress: Germany, Italy, and Spain

AVERAGE MONTHLY UNIQUE VISITORS (MILLIONS)¹



UNIT ECONOMICS STRENGTHENING²



Pursuing Multiple Growth Opportunities Profitably

Jason Trevisan
Chief Financial Officer



CarGurus Financial Highlights

Strong track
record of
**revenue
growth**
in large total
addressable
market

**High
quality**
revenue:
recurring, high
retention, and
diversified

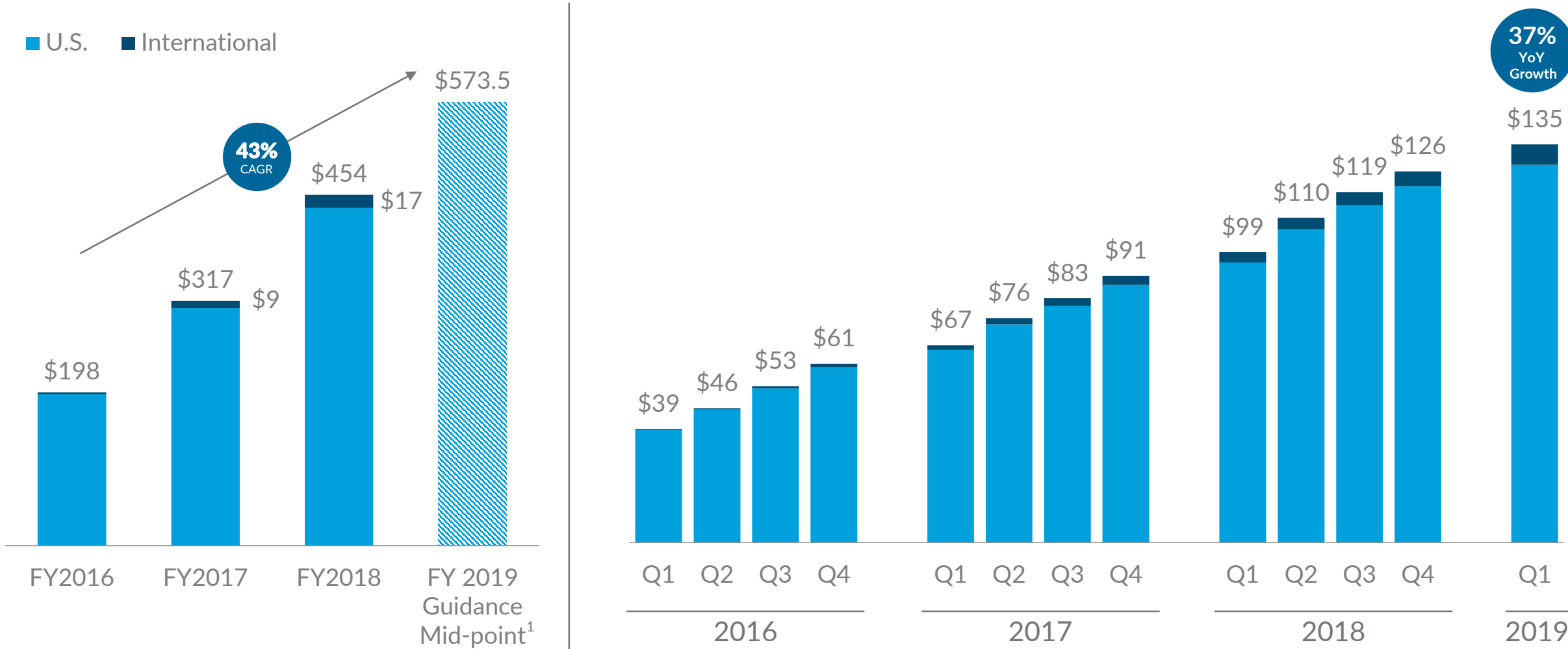
Proven
operating
leverage and
profitability

Attractive
**free cash
flow**
generation

Scalable
model for
replication in
international
markets

Significant Revenue Scale and Momentum

(\$ MILLIONS)

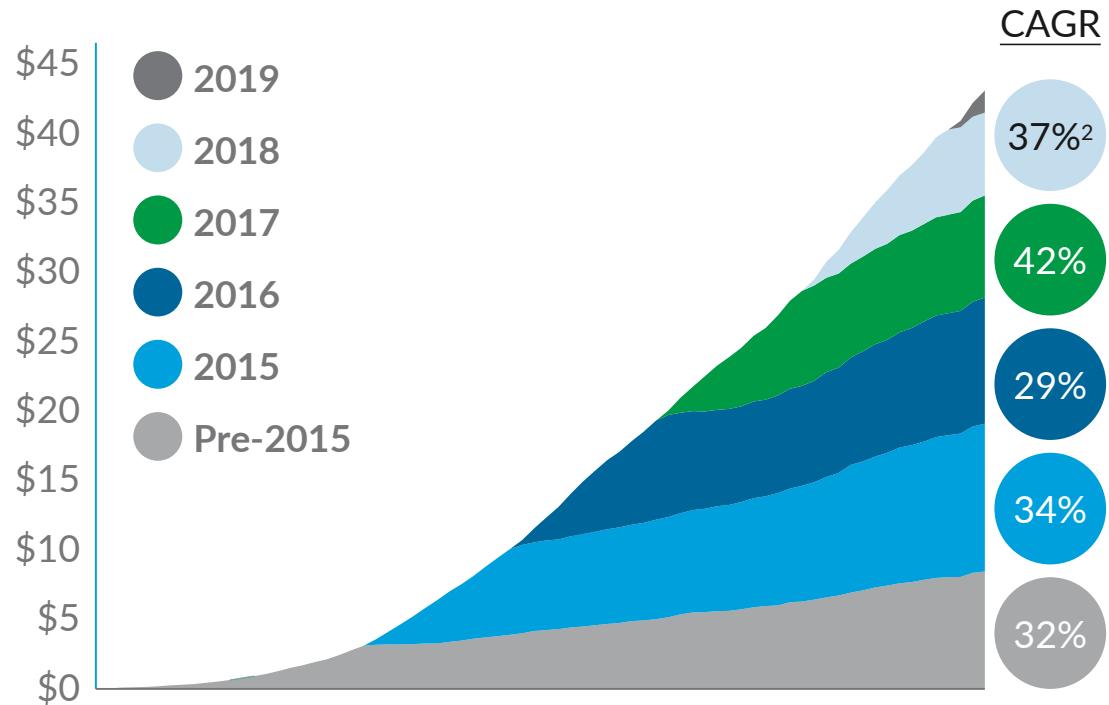


99 1. CarGurus full year 2019 revenue guidance as stated in its earnings press release dated May 9, 2019.

High Quality Revenue: Recurring and Diversified

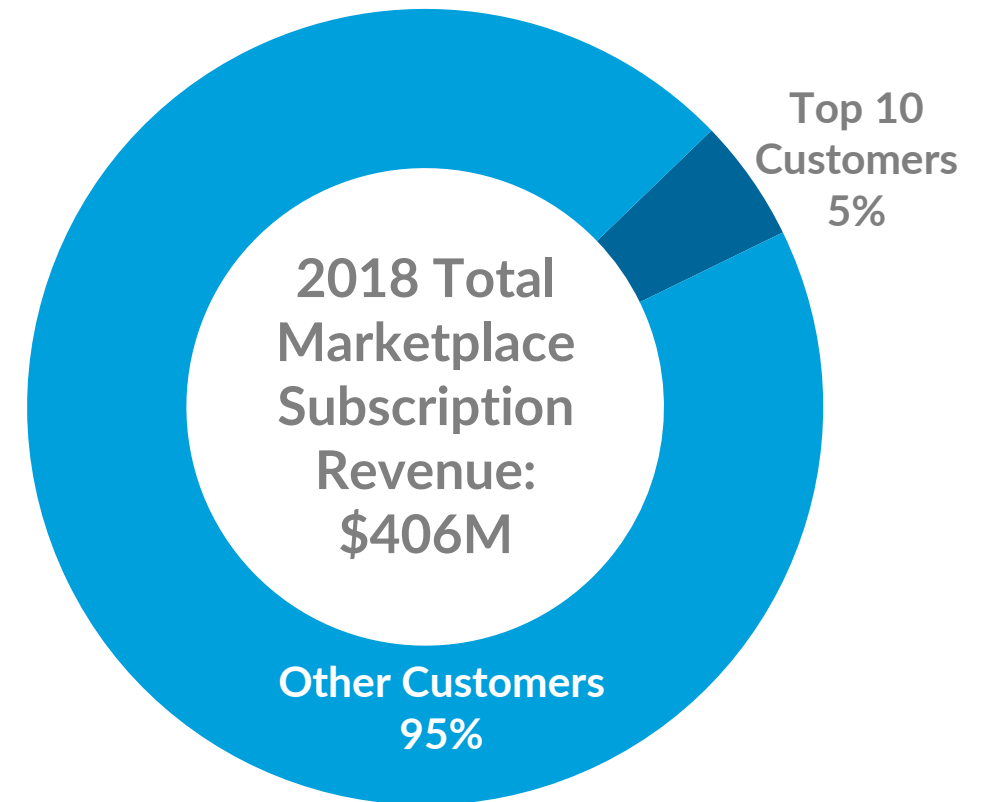
HIGH RETENTION

U.S. MONTHLY MARKETPLACE SUBSCRIPTION REVENUE
BY COHORT¹
(\$ MILLIONS)



CUSTOMER MIX

DIVERSIFIED MARKETPLACE SUBSCRIPTION REVENUE



Near-Term Focus on Growing US AARSD¹ Through Three Levers

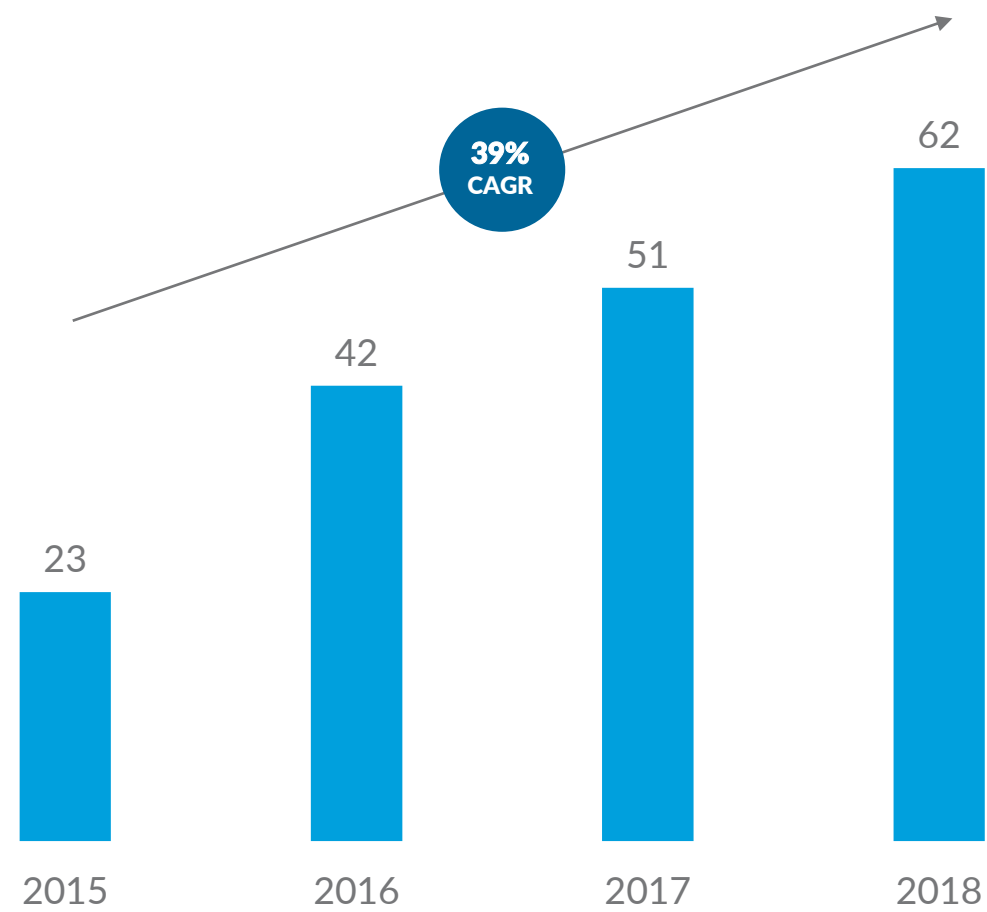
Grow
Connection
and Lead
Volume

Increase
Adoption
of New
Products

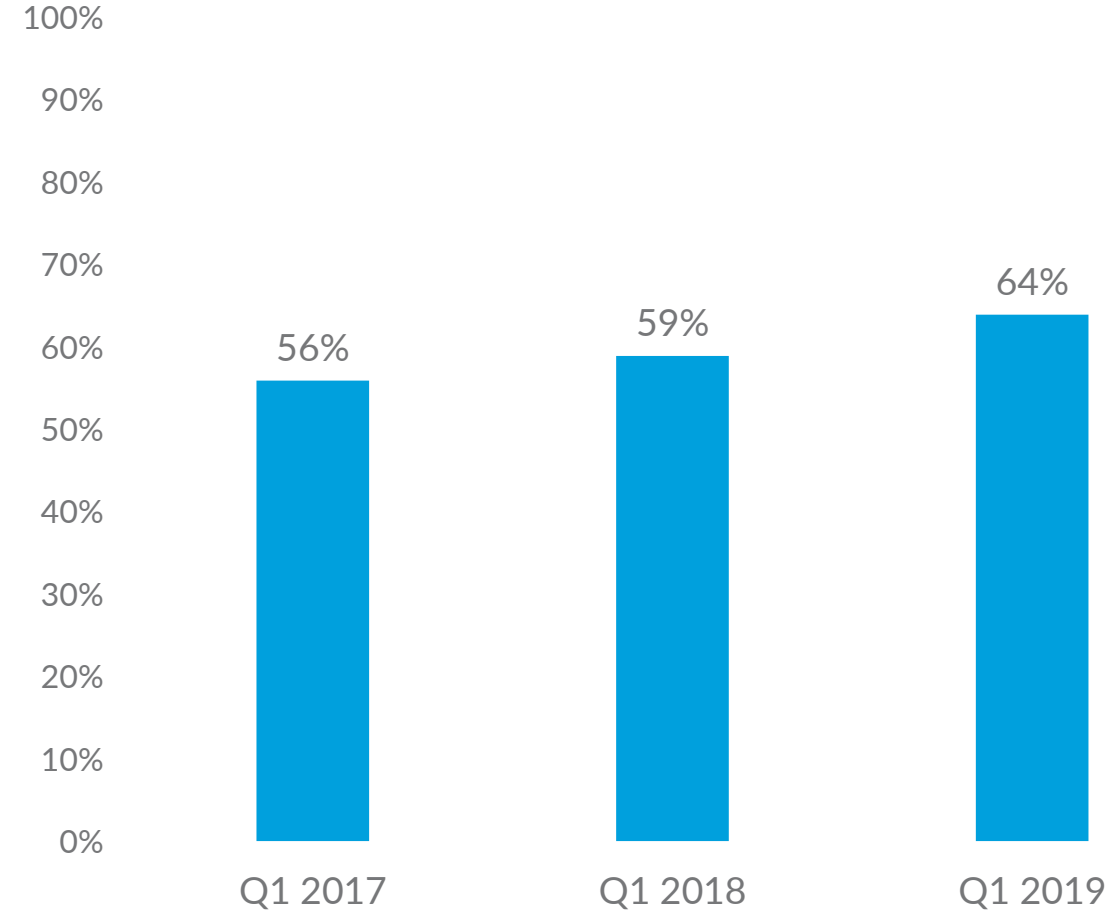
Unit
Pricing and
Product
Packaging

We Have Rapidly Grown Connection Volume and Improved Lead Conversion

ANNUAL US CONNECTIONS (MILLIONS)

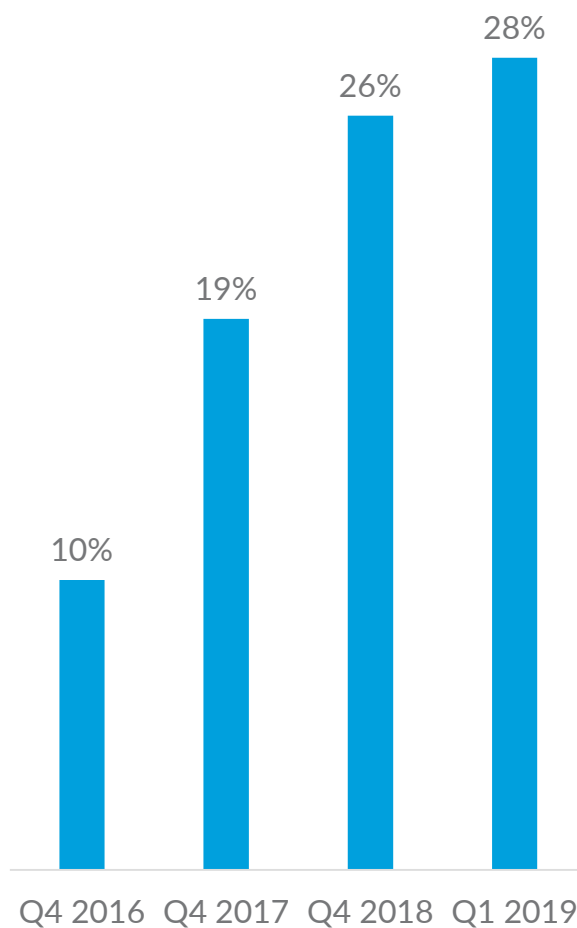


LEADS AS A PERCENTAGE OF CONNECTIONS



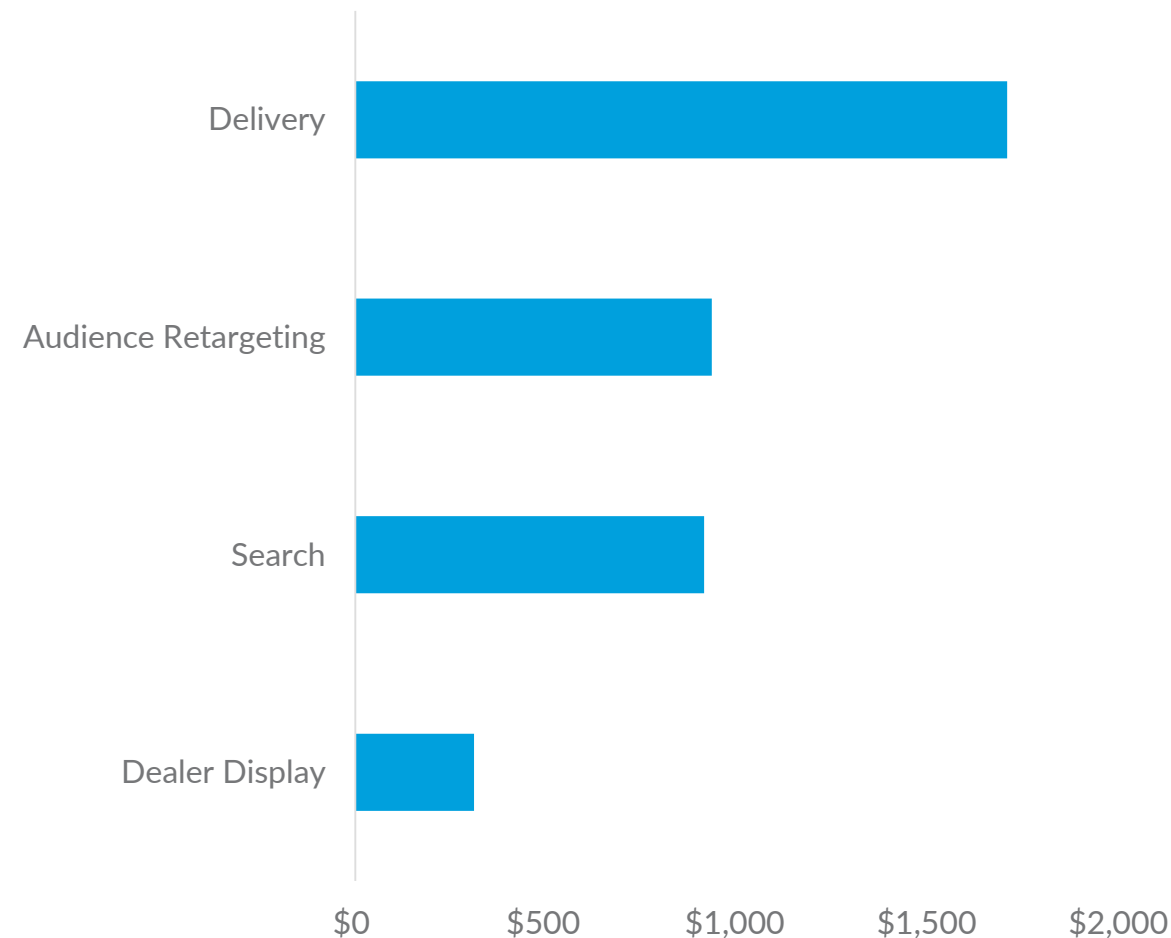
New Products Taking Hold and Driving Revenue Growth

US MULTI-PRODUCT ATTACH INCREASING¹



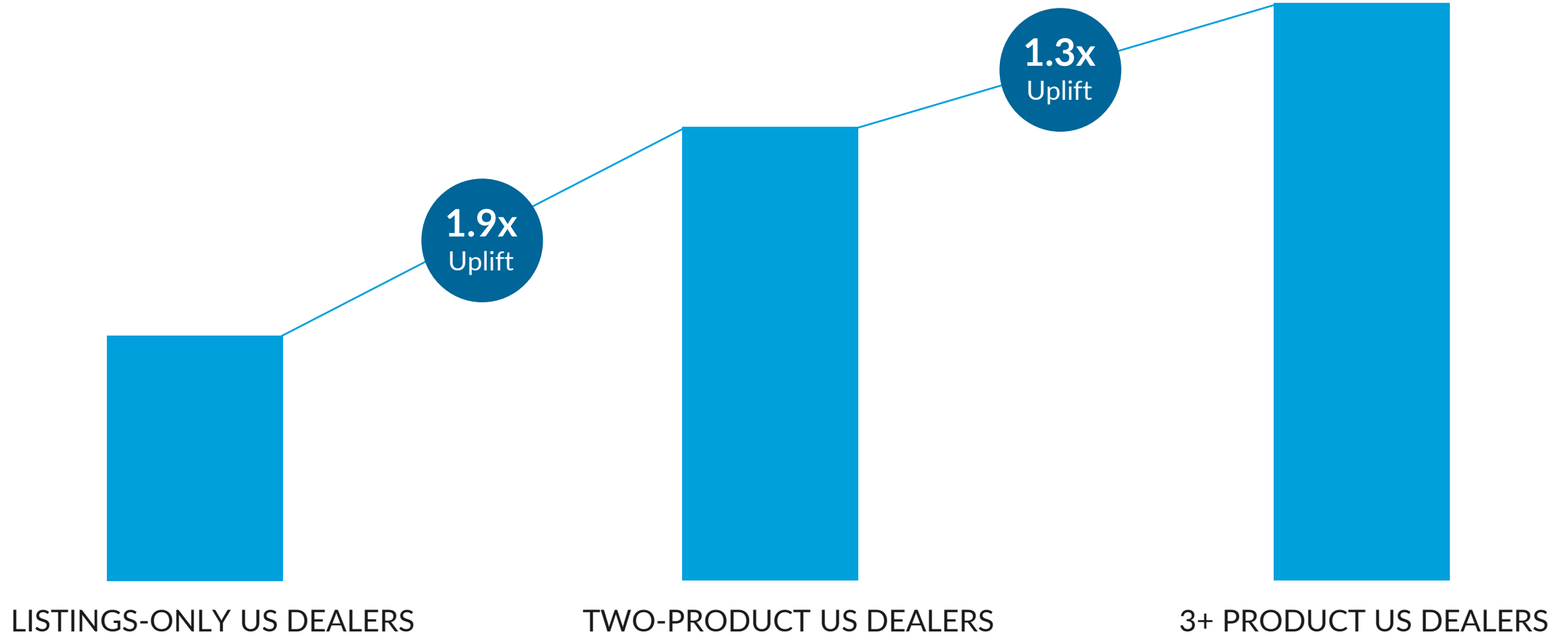
500+
US Dealers
Subscribing to
3 or more Products

US AVERAGE ORDER SIZE BY PRODUCT²

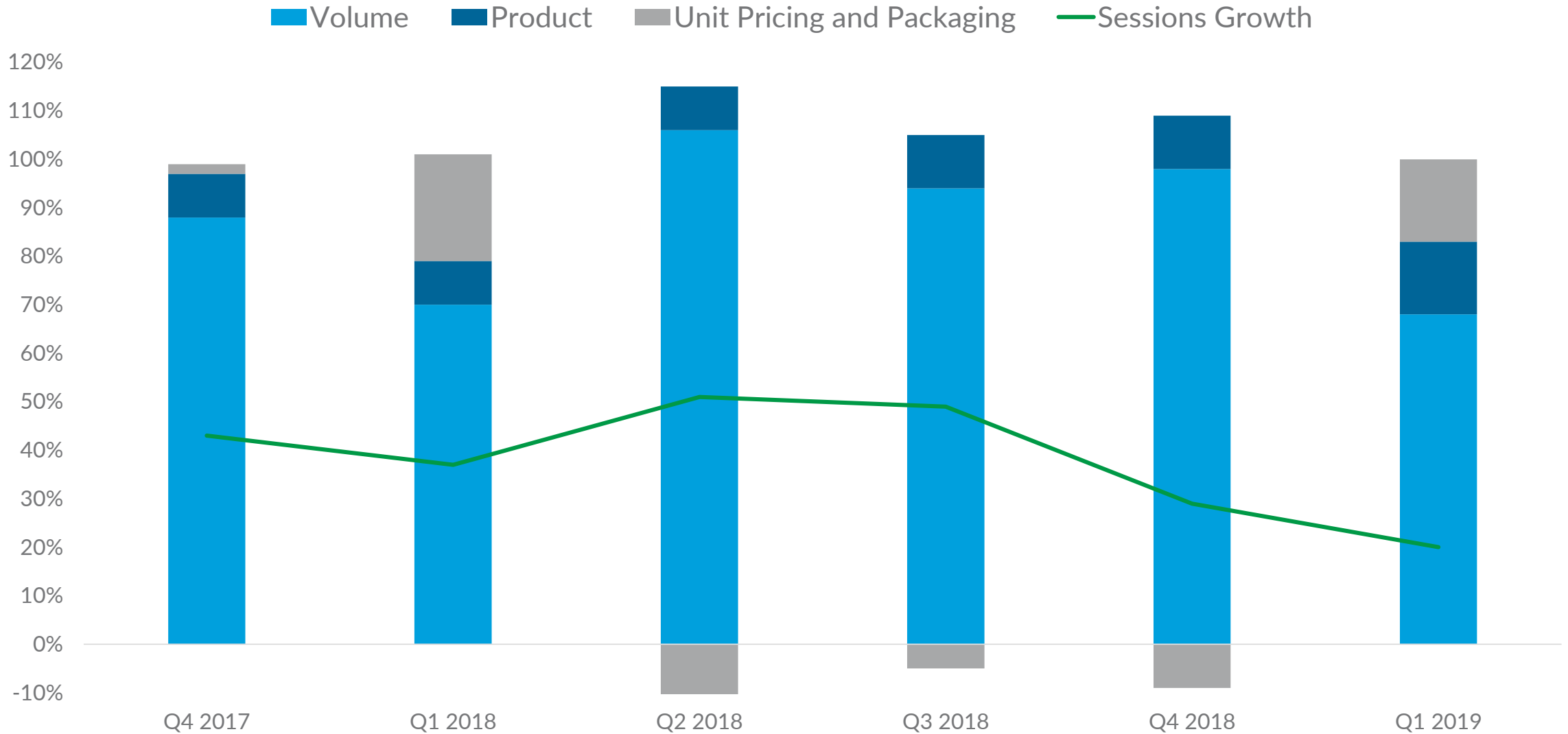


Multi-Product Customers Creating MRR Lift

(MONTHLY RECURRING REVENUE)



Multiple Levers are Contributing to US AARSD¹ Growth



Expansion Opportunities Increasing with New Products and Packaging

Renewal

- MRR increase on annual renewal cycle

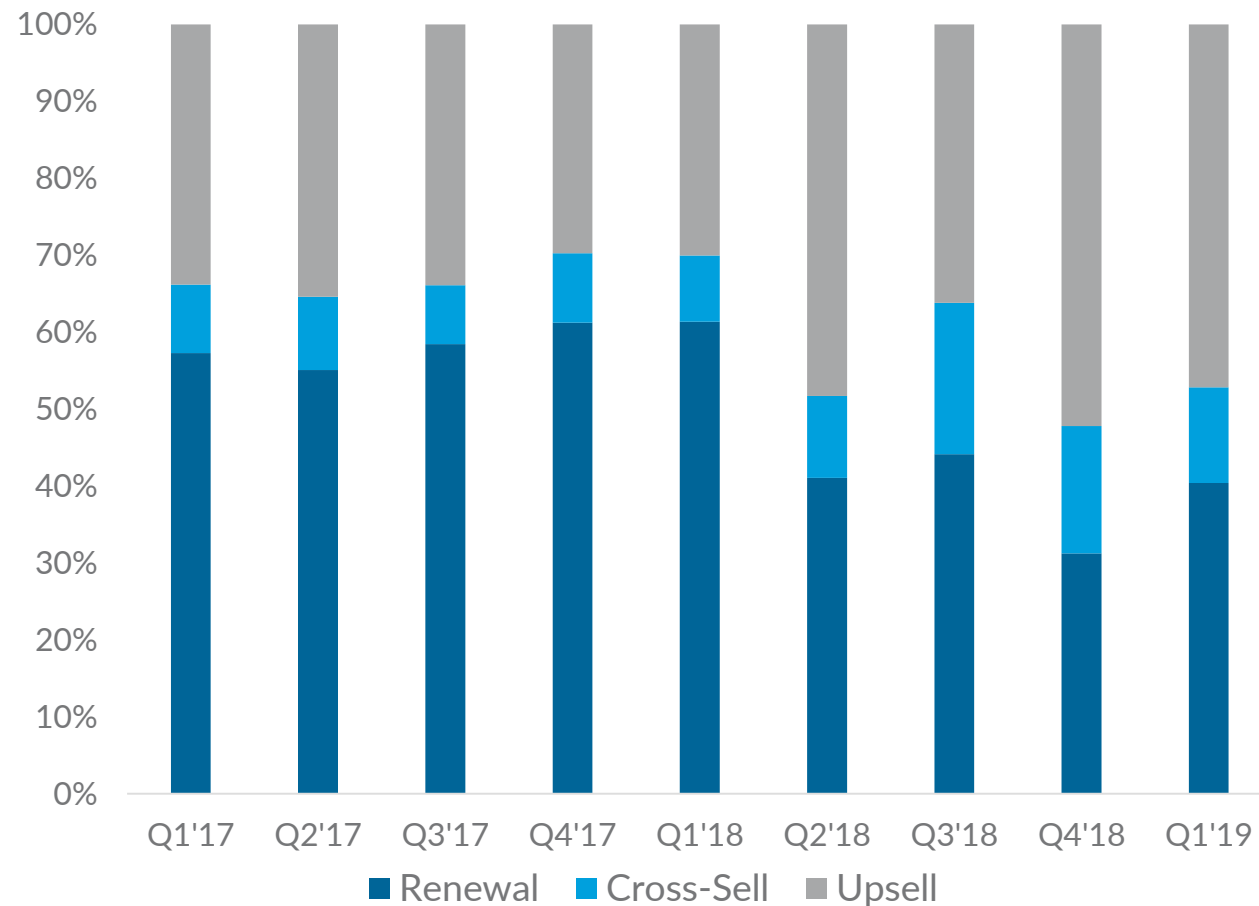
Cross-Sell

- Additional stores in paying dealer groups
- New products

Upsell

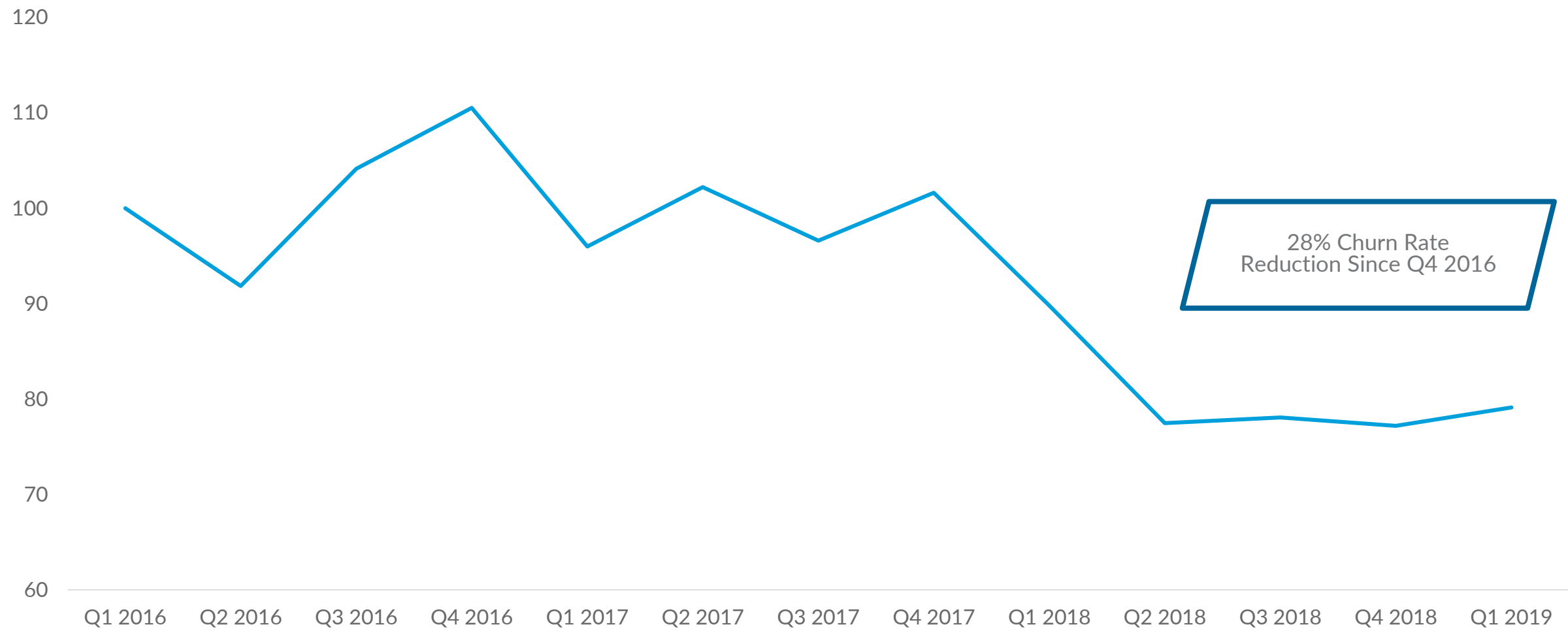
- Higher-level listings package
- Increase in dealer inventory

CONTRIBUTORS TO EXPANSION MRR



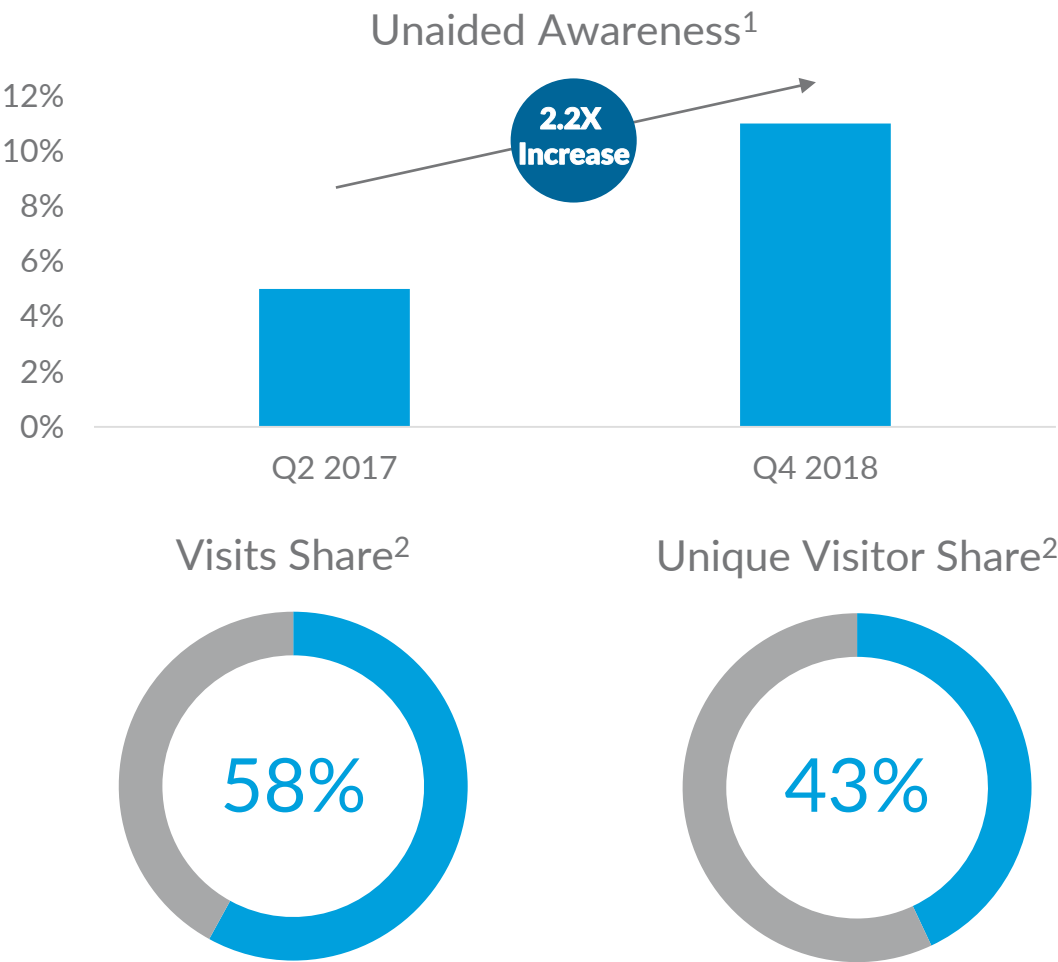
Our Dealer Value Proposition is Reducing Churn

INDEXED US LISTINGS MRR CHURN

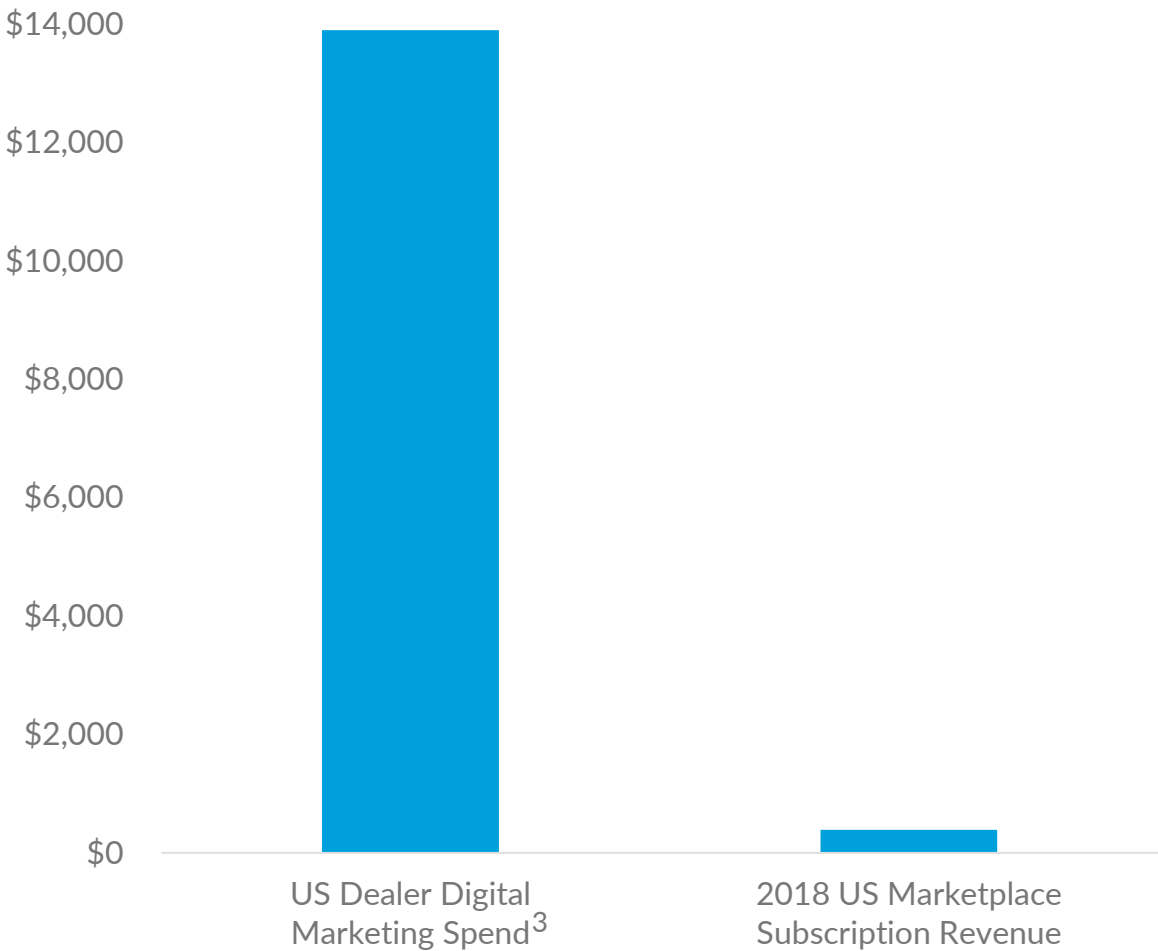


Despite High Account Penetration, Our Core Business Has Long Growth Runway

ROOM TO GROW AUDIENCE

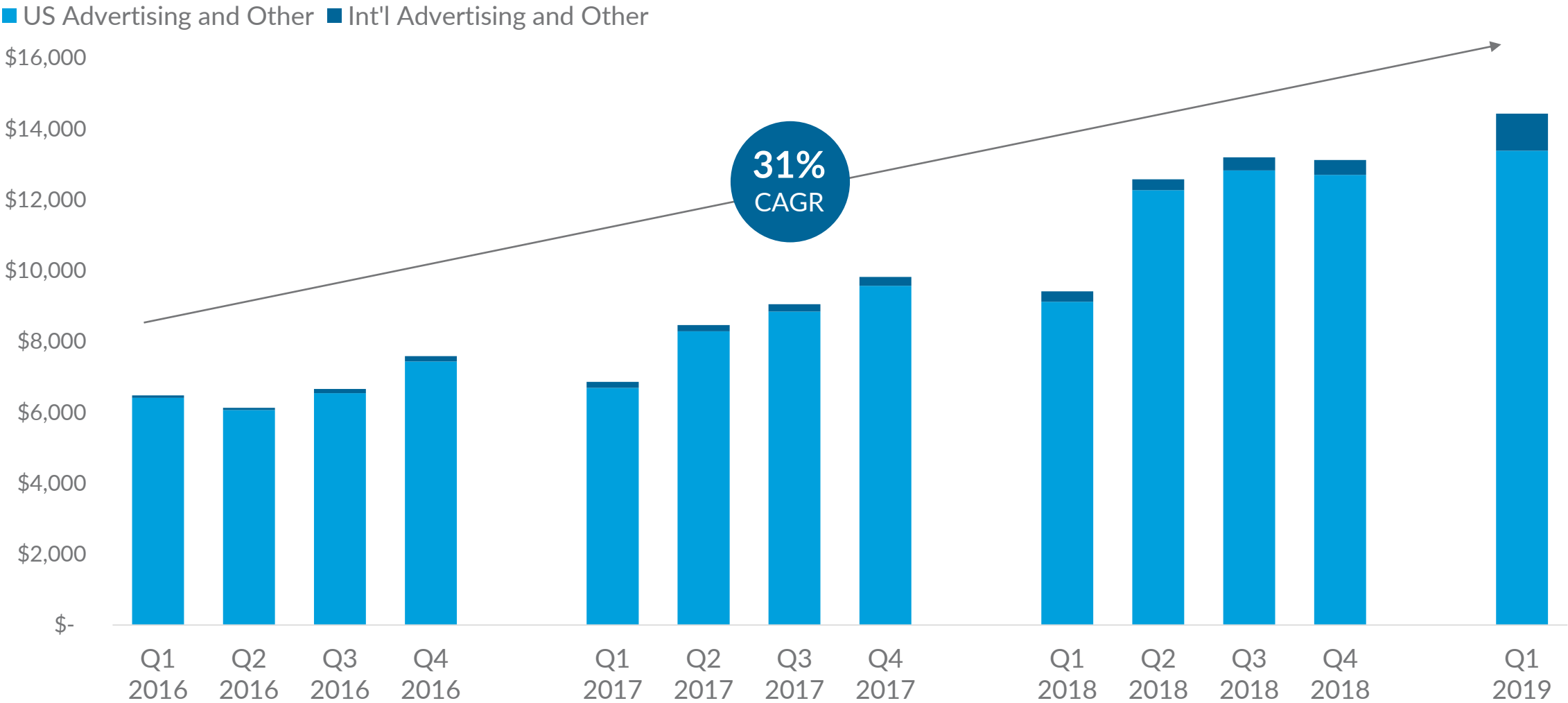


INCREASING DEALER WALLET SHARE (MILLIONS)



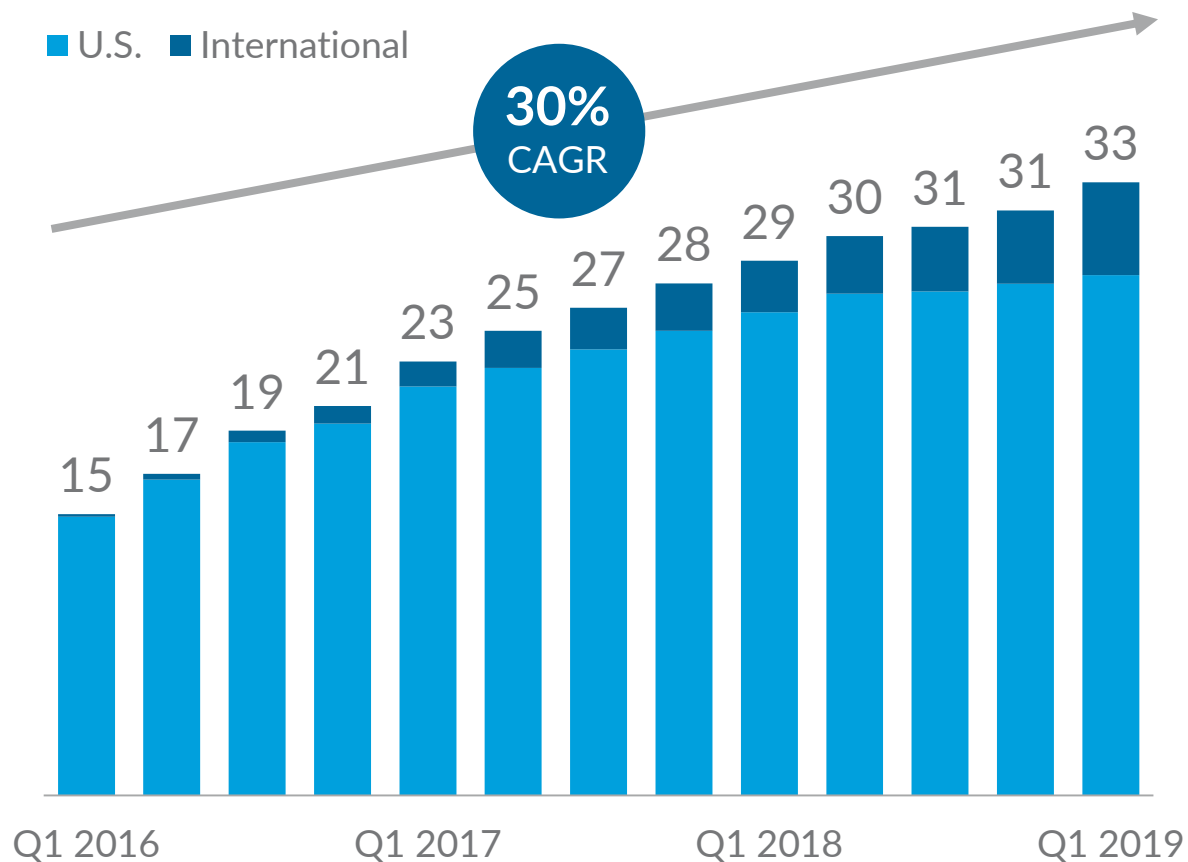
108 1. CarGurus Brand Tracker survey, June 2017 and December 2018 2. Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Q1 2019, U.S. (Competitive set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com) 3. Borrell (2018)

Advertising Business Scaling with Our Audience

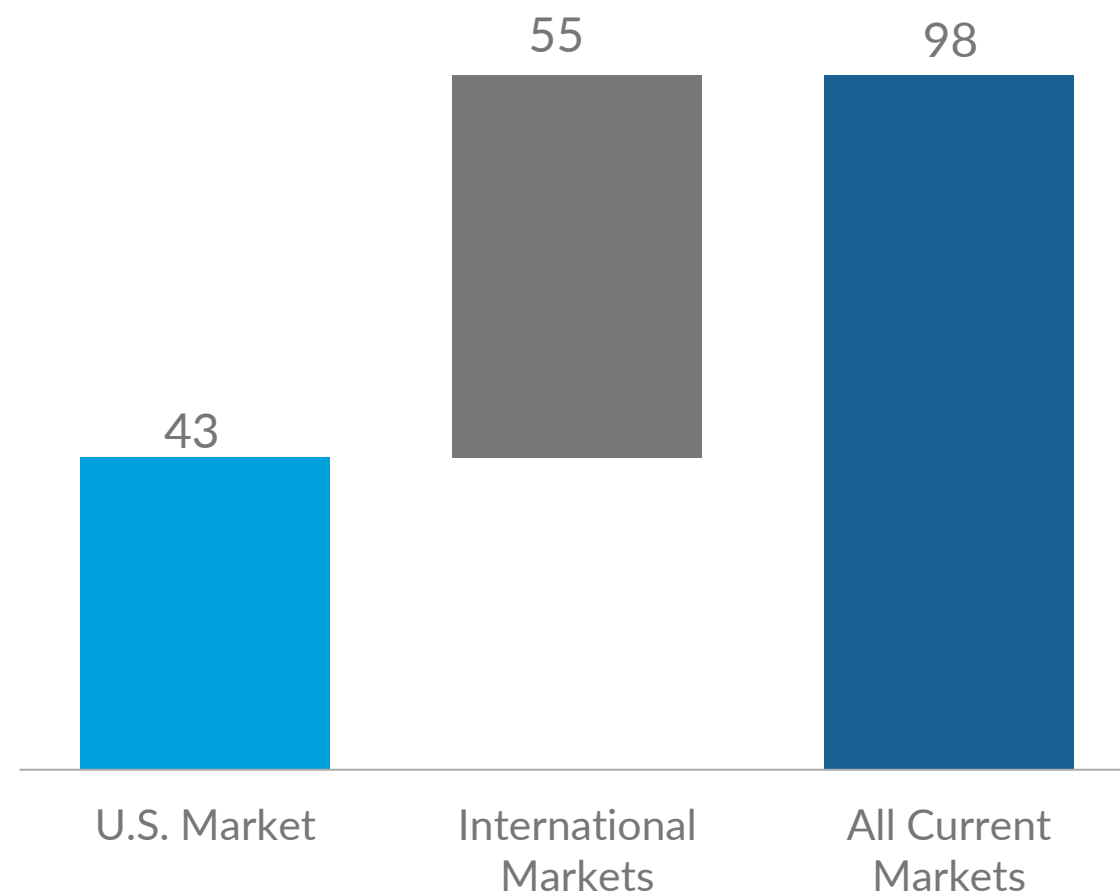


We Have a Large International Opportunity

TOTAL PAYING DEALERS (THOUSANDS)¹



LARGE DEALER ADDRESSABLE MARKET²



Potential Product Universe Unlocks Large TAM

US NEW AND USED CAR RETAIL SALES: \$1.4T¹

P2P



FINANCE



INSURANCE
WARRANTY



TRADE-IN



\$6B

Total US Value²

\$3B

US Used Car Loan
Commissions³

CONSUMER LIFECYCLE

Increase Consumer
Retention
+
Reduce Cost of
Customer Acquisition

LISTINGS
MARKETPLACE

DEALER MANAGEMENT

\$13.9B
US Dealer
Digital
Marketing
Spend⁴

\$5.3B
US Dealer
Software
Spend⁵

\$3.3B
US OEM
Display Ad
Spend⁶

MULTIPLE  COUNTRIES

\$23B

International Total Automotive Advertising Spend⁷

Strong Financial Position to Support Long-Term Growth

Select Balance Sheet Accounts

As of 3/31/2019
(\$, Thousands)

Assets

Cash and Cash Equivalents	29,939
Investment	108,500
Accounts Receivable	15,111
Property and Equipment	26,550
Goodwill	15,582
Restricted Cash	2,668
Total Assets	331,927

Liabilities

Accounts Payable	35,253
Deferred Revenue	8,942
Operating Lease Liabilities	60,442
Total Liabilities	120,918

Total Stockholders' Equity

211,009

Select Cash Flow Statement Accounts

TTM as of 3/31/2019
(\$, Thousands)

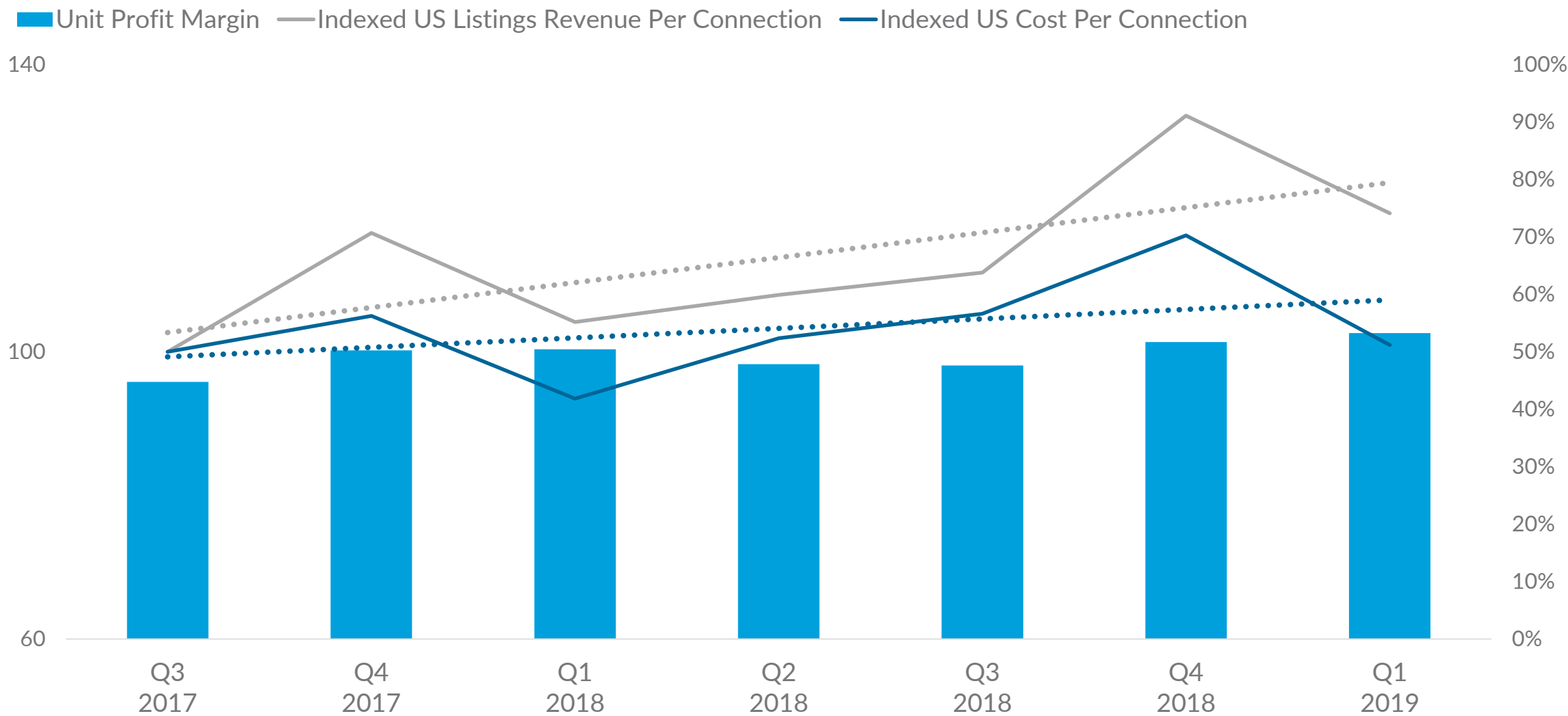
Cash from Operating Activities

Net Income	72,259
Depreciation and Amortization	5,419
Stock-Based Compensation Expense	24,662
Total GAAP Cash from Operating Activities	55,034

Cash from Investing Activities

Purchase of Property and Equipment	(11,222)
Capitalization of Website Development Costs	(1,752)
Total Non-GAAP Free Cash Flow¹	42,060

US Audience Unit Economics Support Future Margin Expansion

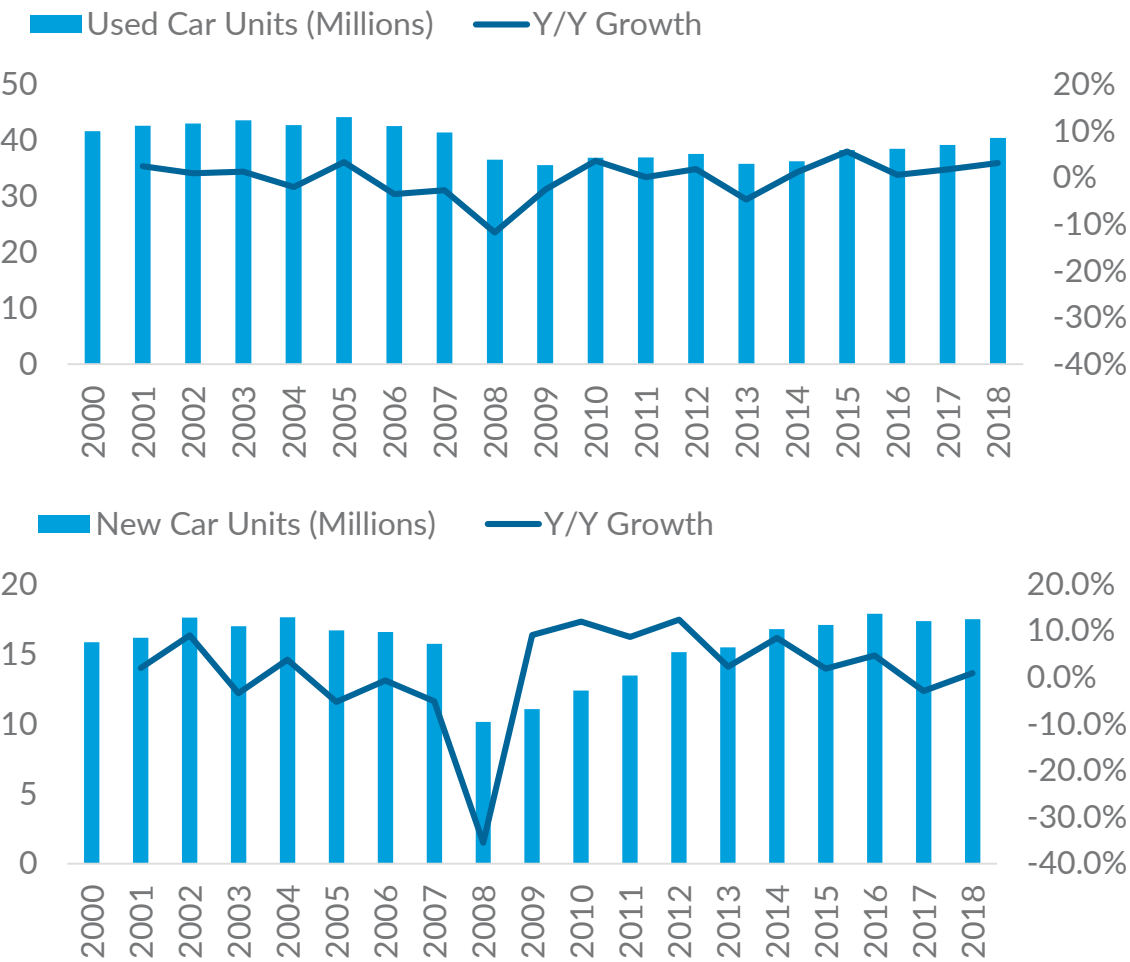


Long-Term Target Model Progression Since IPO

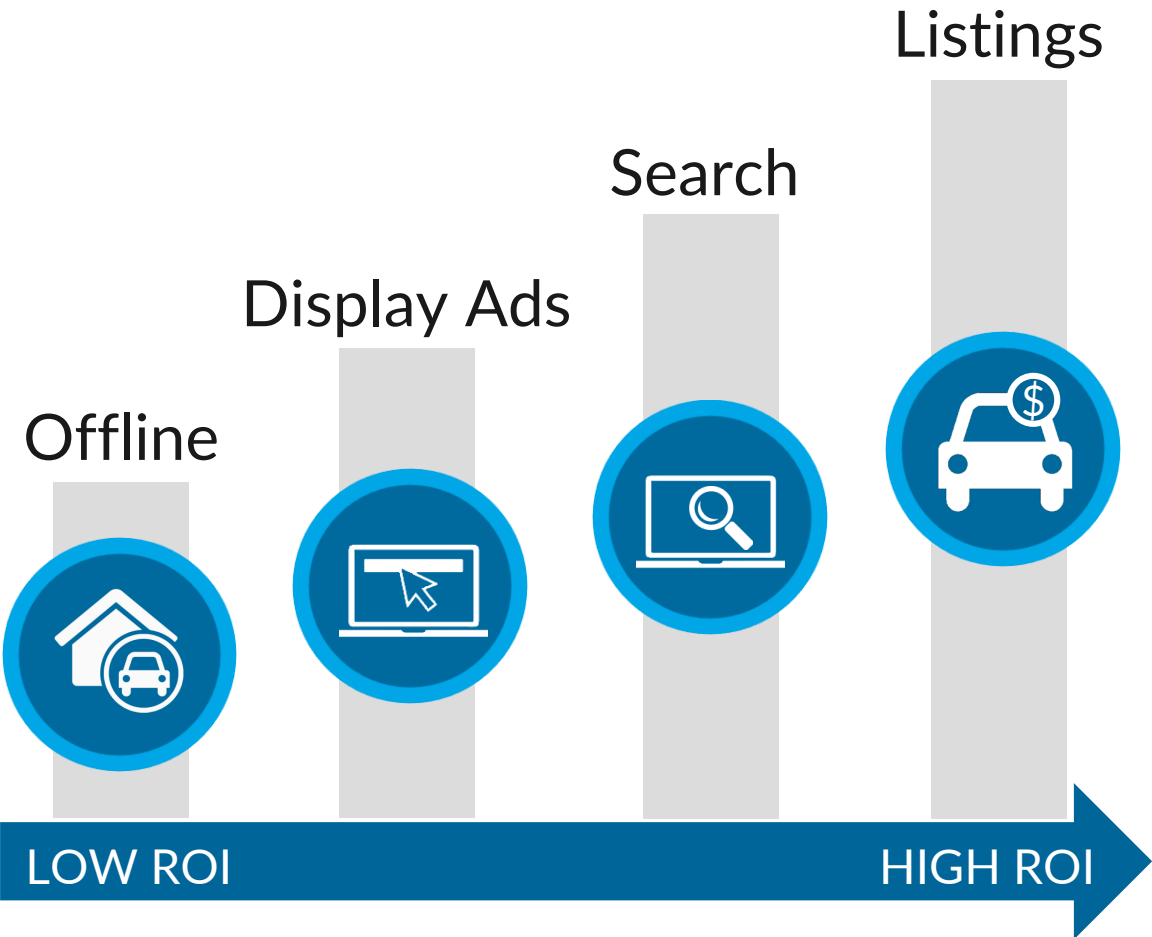
Percent of Revenue	2016	2017	2018 ¹	Q1 2019 ¹	Long-Term Target
Gross Margin	95%	94%	95%	94%	93% – 95%
Sales & Marketing %	78%	74%	69%	67%	43% – 47%
Product, Technology, Development %	6%	7%	11%	12%	9% – 11%
G&A %	6%	7%	9%	9%	5% – 6%
Depreciation & Amortization %	1%	1%	1%	1%	1% – 2%
Adjusted EBITDA ² Margin	6%	8%	11%	12%	32% – 34%
GAAP Operating Margin	4%	5%	5%	5%	29% – 31%
U.S. Segment GAAP Operating Margin	14%	14%	13%	14%	

Our Recurring Revenue Stream is Insulated From Auto Market Cyclicalty

USED CAR SALES ARE MORE DURABLE THROUGH A MARKET CYCLE¹



LISTINGS PROVIDE SUPERIOR DEALER ROI



Reaffirming 2Q19 and FY 2019 Guidance¹

	2Q19 ²	FY 2019 ³
Revenue	\$138M - \$141M	\$569M - \$578M
Non-GAAP Operating Income	\$8M - \$10M	\$50M - \$56M
Non-GAAP Earnings Per Share	\$0.06 - \$0.08	\$0.39 - \$0.43

1. Guidance provided by CarGurus in the Company's earnings press release dated May 9, 2019, furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on May 9, 2019.

2. The second quarter 2019 non-GAAP earnings per share calculation assumes 114.0 million diluted weighted-average common shares outstanding. Guidance does not include any potential impact of foreign currency exchange gains or losses.

3. The full-year non-GAAP earnings per share calculation assumes 114.5 million diluted weighted-average common shares outstanding. Guidance does not include any potential impact of foreign currency exchange gains or losses.

Note: CarGurus has not reconciled its non-GAAP operating income guidance to GAAP operating income, or its non-GAAP EPS guidance to GAAP EPS, because stock-based compensation and amortization of intangible assets, the reconciling items between such GAAP and non-GAAP financial measures, cannot be reasonably predicted due to, as applicable, the timing, amount, valuation and number of future employee equity awards, and the occurrence of acquisitions and therefore cannot be determined without unreasonable effort.

Q&A

CarCurus®



Appendix: Reconciliation of Net Income to Adjusted EBITDA

(\$ MILLIONS)	2016	2017	2018	Q1 2019
Net Income	\$6.5	\$13.2	\$65.2	\$12.6
Depreciation and Amortization	2.1	3.8	5.0	1.6
Stock-based Compensation Expense	0.3	5.0	20.8	7.7
Other Expense, Net	(0.4)	(0.6)	(2.3)	(1.6)
(Benefit from)/Provision for Income Taxes	2.4	2.6	(39.7)	(3.5)
Adjusted EBITDA	\$11.0	\$24.1	\$49.0	\$16.7

Note: We define Adjusted EBITDA as GAAP net income, adjusted to exclude: depreciation and amortization, stock-based compensation expense, other income, net, the (benefit from) provision for income taxes, and certain one-time, non-recurring items, if and when applicable. We have presented Adjusted EBITDA because it is a key measure used by our management and board of directors to understand and evaluate our operating performance, generate future operating plans, and make strategic decisions regarding the allocation of capital. In particular, we believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business.