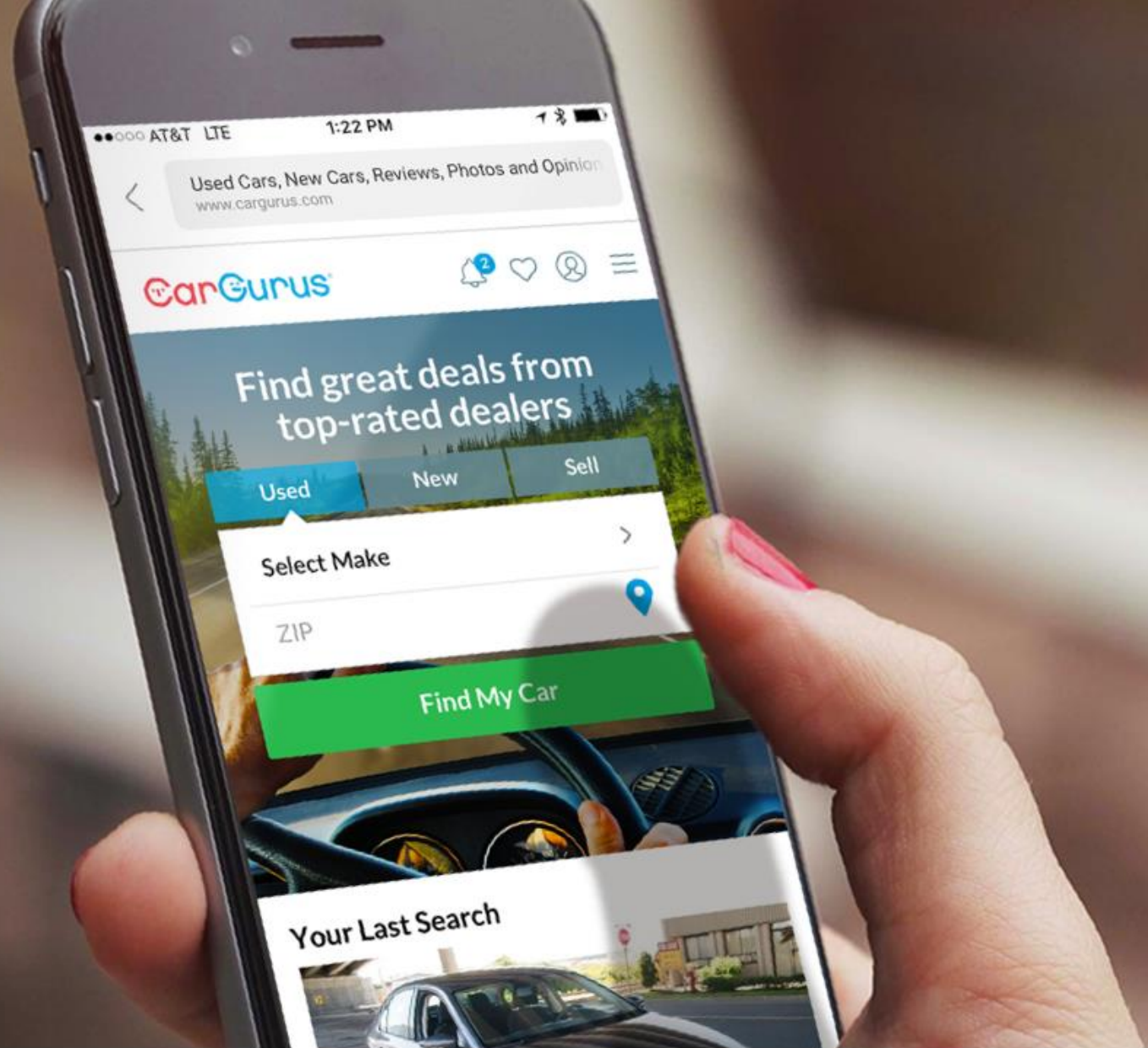


# Q3 2020 Business Update



# Cautionary Note Regarding Forward-Looking Statements

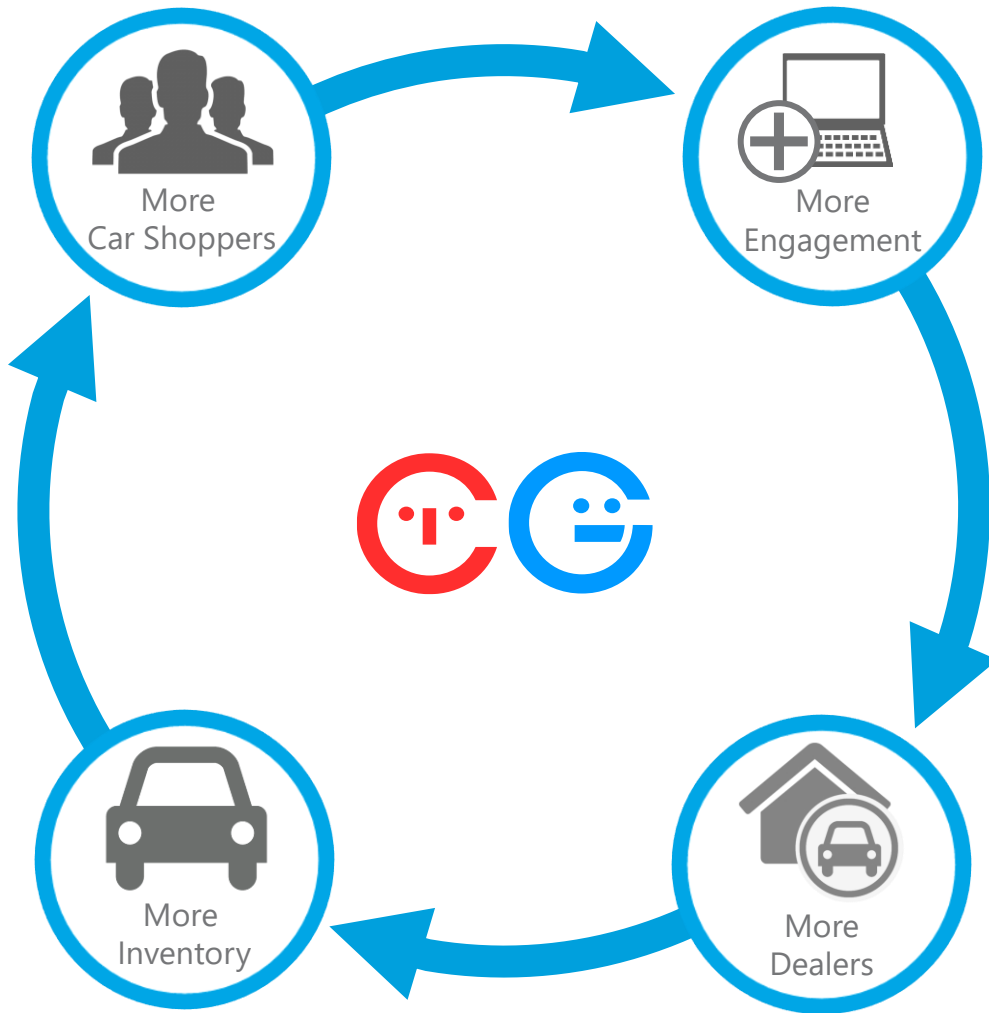
Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions may include “forward-looking statements.” We may, in some cases, use terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “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; the growth levers we expect to drive our business; our brand awareness efforts, including investments in audience and brand building; 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; addressable opportunities; our success in international markets; our future financial and business performance, including for the fourth quarter 2020 and full-year 2020, as well as other long-term financial targets; the impact of the COVID-19 pandemic on our business and financial results; 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 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, 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.

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 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.

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# Global Trusted Marketplace, Powerful Network Effect



Unbiased  
**Transparency**

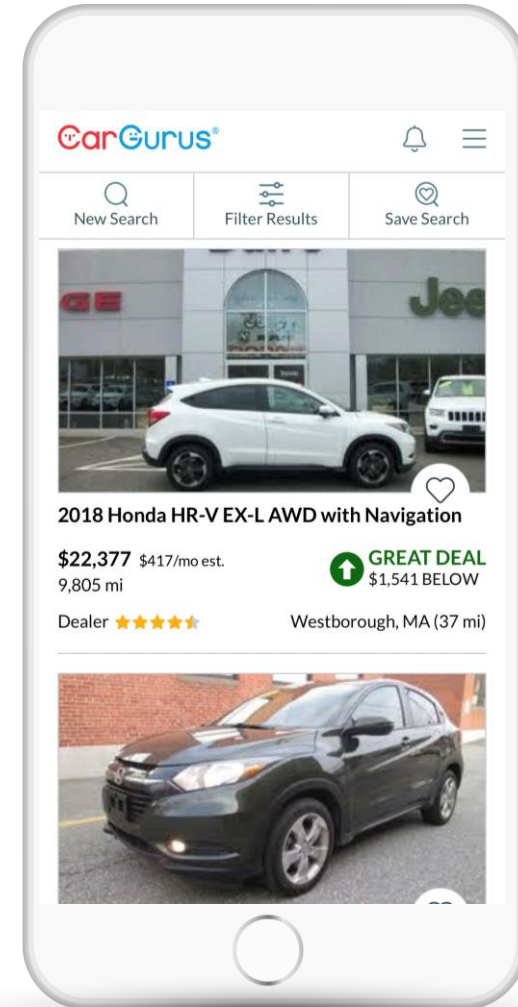
Price  
Dealer Reputation  
Vehicle Condition  
Inventory Ranking

**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



# Our Freemium Marketplace Can't Be Replicated by Classified Models

LARGEST US AUTO INVENTORY<sup>1</sup>



## Car Information

- Vehicle History
- Time on Site<sup>2</sup>



## Price Information

- Instant Market Value<sup>2</sup>
- Deal Rating<sup>2</sup>
- Price History



## Dealer Information

- Qualified Dealer Reviews
- Dealer Ratings

BEST-DEAL-FIRST ORGANIC SEARCH RESULTS



**92%**  
of users  
are in-market<sup>3</sup>

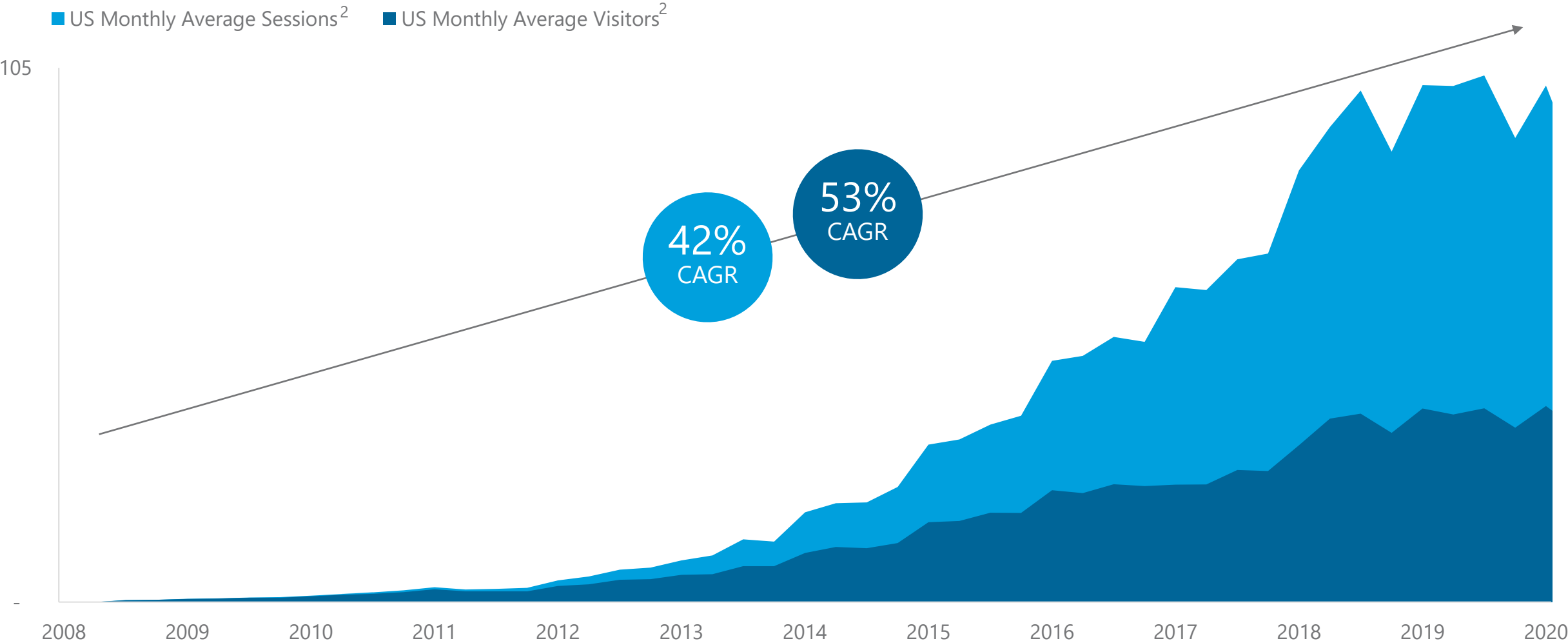
ENGAGED, INFORMED, READY-TO-BUY CONSUMERS

**60%**  
more likely to visit CG vs. other  
sites within week of purchase<sup>4</sup>

1. Compared to major online automotive marketplaces in the US, defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on publicly available information and the Comparative Analysis of US Vehicle Listing Platforms, Bates White Economic Consulting, June 2020 2. Unique among major US online auto marketplaces defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com. 3. Company survey of 1,000 US CarGurus users during Q4 2019. 4. 2019 CarGurus Buyer Insight Report (January 2020); Comparative set includes: Autotrader.com, Cars.com, Edmunds, KBB, and TrueCar.com.

# We are the #1 Online US Automotive Marketplace<sup>1</sup>

(MILLIONS)



1. As measured by total visits. Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Audience, Q3 2020, U.S. (Competitive set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com).  
2. Source: Google Analytics; Data from 2020 includes sessions and users, as applicable, from the Autolist website from January 16, 2020 (the date of the closing of our acquisition of Autolist) to September 30, 2020.



# Consumer Value Proposition and Audience Makeup

# Our Technology Drives Transparency for Consumers

UNSTRUCTURED CAR DATA FROM HUNDREDS OF SOURCES  
ACROSS THOUSANDS OF DEALERS



<b>Make</b>	BMW	BMW
<b>Model</b>	3-Series Coupe	328
<b>Year</b>	2015	2015
<b>Trim</b>	328	xi
<b>Seller's Description</b>	Comes with AWD, sun roof, and more!	2-door BMW with moon roof in excellent condition

**Both are a 2015 BMW 3-Series 328xi Coupe**

**CarGurus**

Proprietary Algorithm



**52M**

Used Car Data Points



**20+** Ranking Signals  
**100+** Normalization Rules



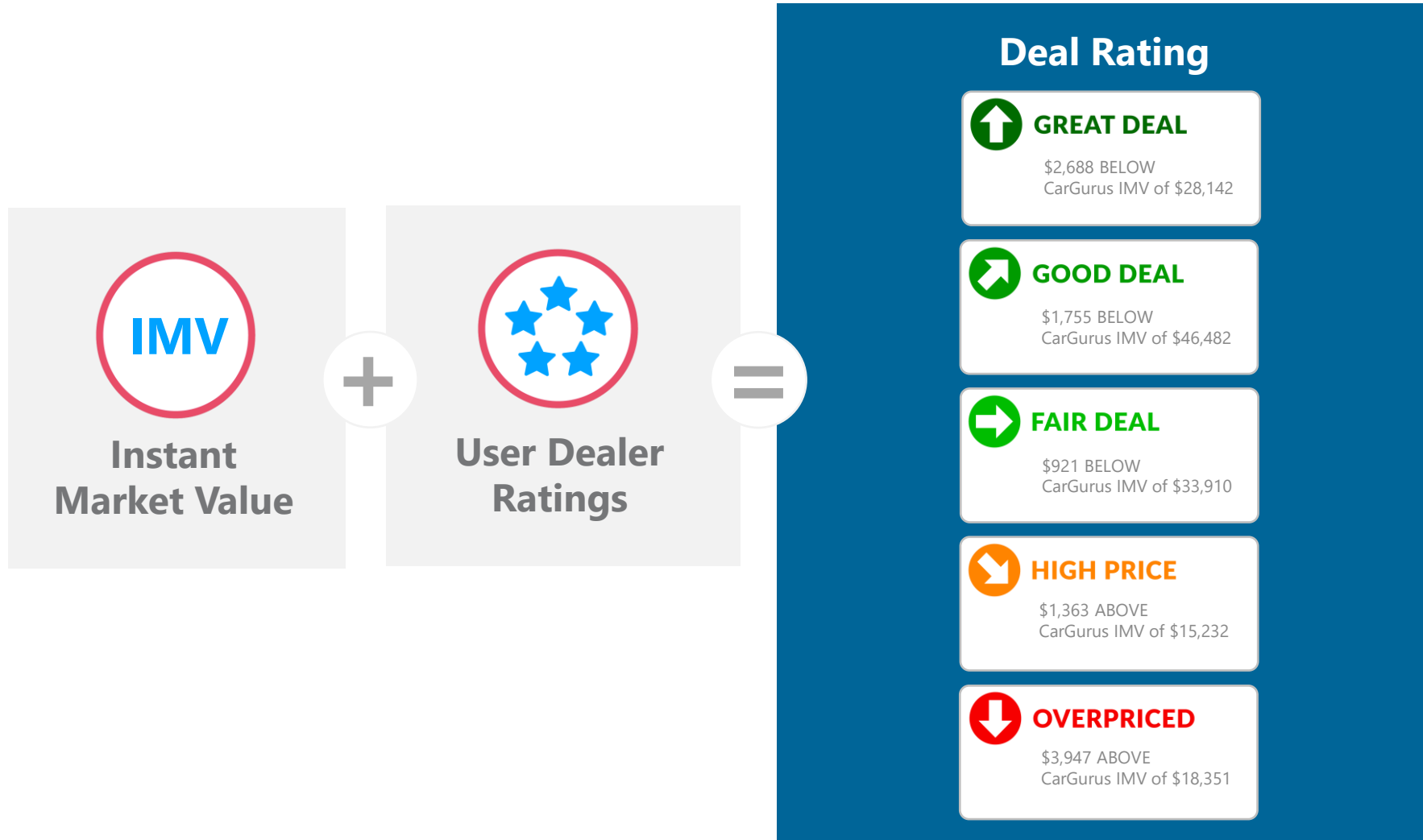
Analytics, Manual Penalties,  
Bait & Switch Detection, Non-  
standard Pricing, Photos



**Instant  
Market Value**



# Our Technology Drives Transparency for Consumers



# Our 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 household<sup>1</sup>

60%

have a total household income of \$75,000 or more<sup>1</sup>

70%

plan to purchase or lease a vehicle within the next three months<sup>1</sup>

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

% OF VISITS WITHIN A WEEK OF PURCHASE<sup>1</sup>

CarGurus

37%

1.4x  
higher

Major US Automotive Marketplaces

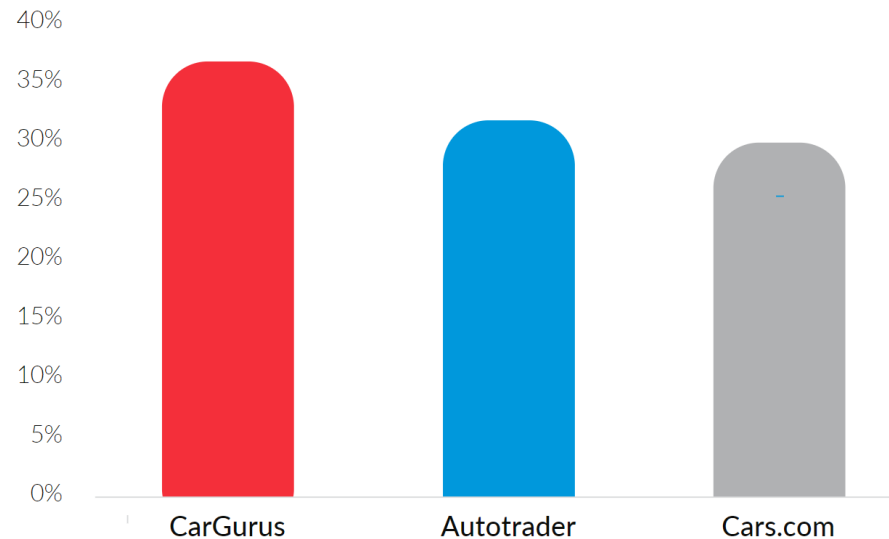
27%

# CarGurus Generates Faster Inventory Turnover than Other US Marketplaces<sup>1</sup>

A third-party study found that vehicles listed on CarGurus sell **16% faster than Autotrader** and **22% faster than Cars.com**.<sup>1</sup>

The same study showed that for inventory listed by paying dealers on CarGurus, adding a second listings site like Cars.com or Autotrader barely moved the needle, reducing average days on market by **only 6%**.<sup>1</sup>

Percent of inventory turned over each month<sup>1</sup>



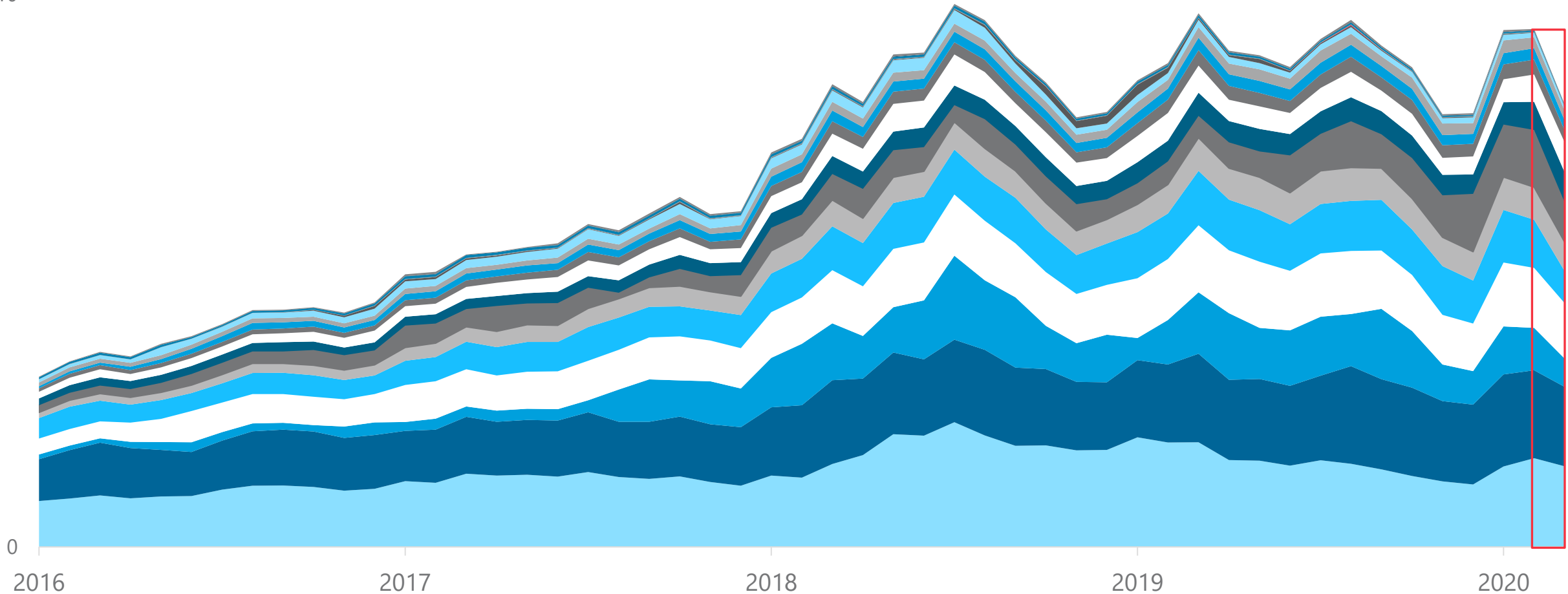
For a dealer with 50 cars in inventory, that advantage could mean an average of 5 to 7 extra cars sold every month<sup>2</sup>.

# Diverse Traffic Mix Limits Reliance on Any One Channel

US MONTHLY SESSIONS (MILLIONS)<sup>1</sup>

Impacted by COVID-19

110



# Dealer Business Overview

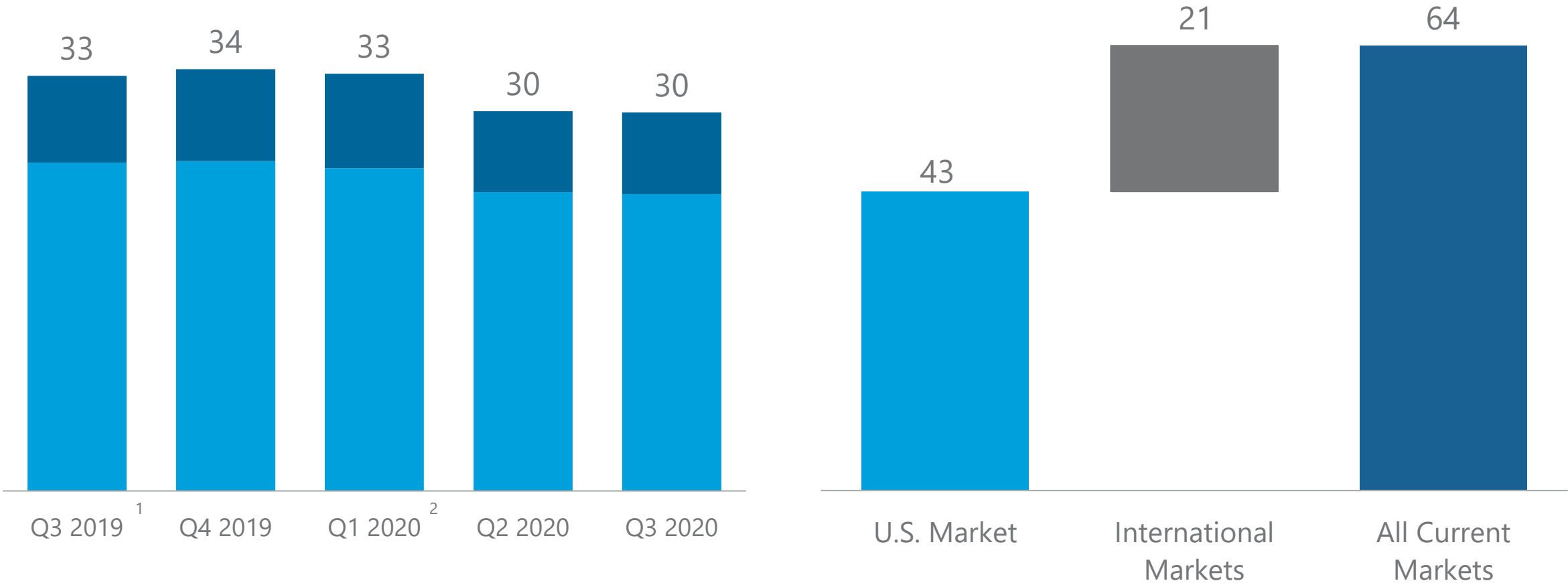


# Large Domestic Paying Dealer Base, Growing International Opportunity

TOTAL PAYING DEALERS (THOUSANDS)

LARGE DEALER ADDRESSABLE MARKET (THOUSANDS)<sup>3</sup>

■ U.S. ■ International



1. In our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, filed with the SEC on August 6, 2020, we announced that we had modified our method for calculating paying dealers to align our data with an enterprise system upgrade (the "Internal System Upgrade") and had replaced our Average Annual Revenue per Subscribing Dealer key metric with Quarterly Average Revenue per Subscribing Dealer ("QARSD"). As a result of the Internal System Upgrade, and to provide consistency in our year-to-year comparisons, we have recast our paying dealer calculation as of September 30, 2019 to reflect the updated calculation methodology. 2. Beginning in Q1 2020, includes paying dealers from Autolist. 3. Estimates from NADA (2019), NIADA (2019), Autobiz (2020).

# Our Dealer Offerings Unlock Digital Marketing Wallet Share



Restricted  
Listing



Paying  
Dealers

Standard Listing  
Enhanced Listing  
Featured Listing  
Featured Priority  
Area Boost



Dealer  
Dashboard

Performance Summary  
Dealer Insights  
User Review Management  
Pricing Tool  
Market Analysis



RPM Marketing  
Suite

Dealer Display  
Audience Retargeting  
Social Ads

# Growing US QARSD Through Three Levers

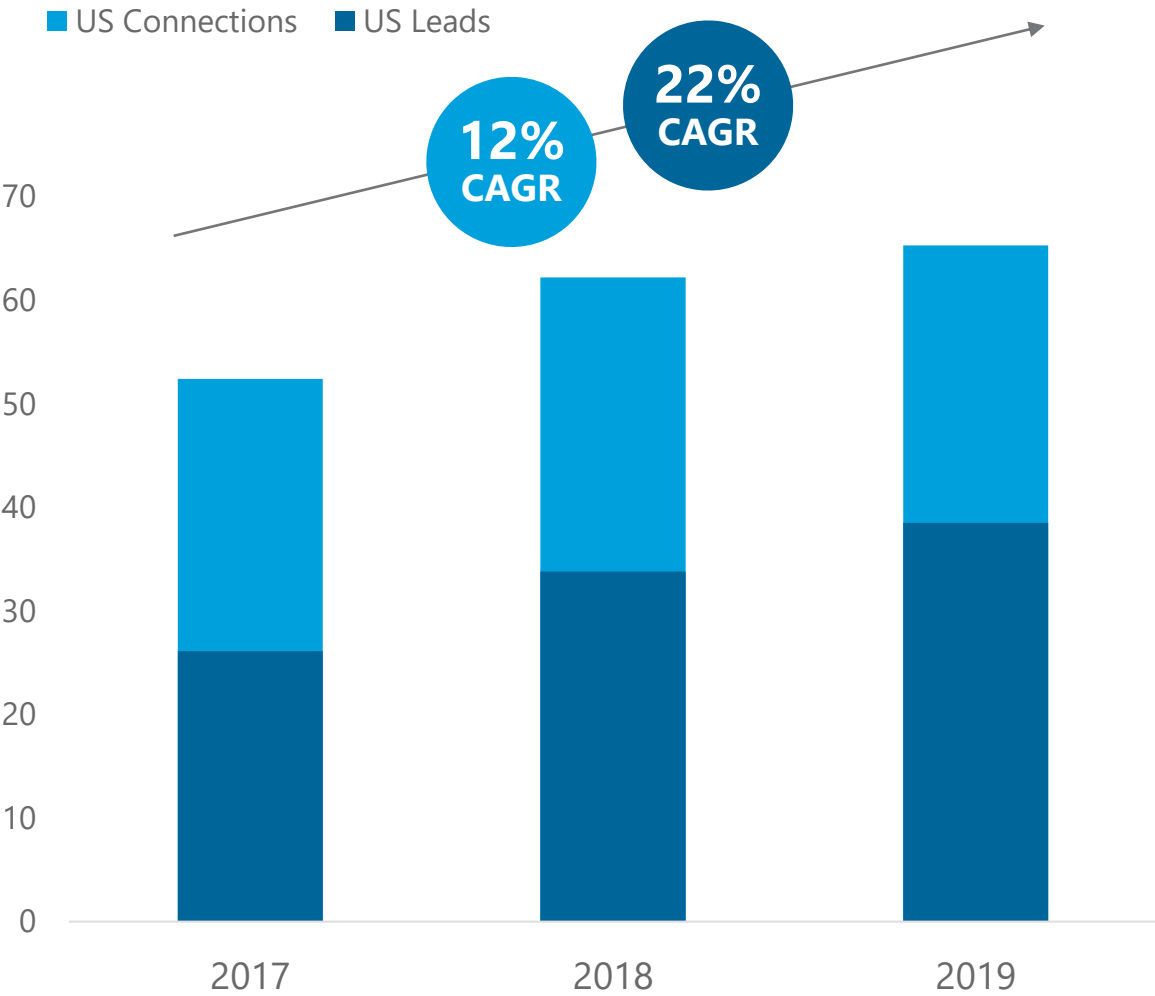
Grow  
Connection  
and Lead  
Volume

Increase  
Adoption  
of New  
Products

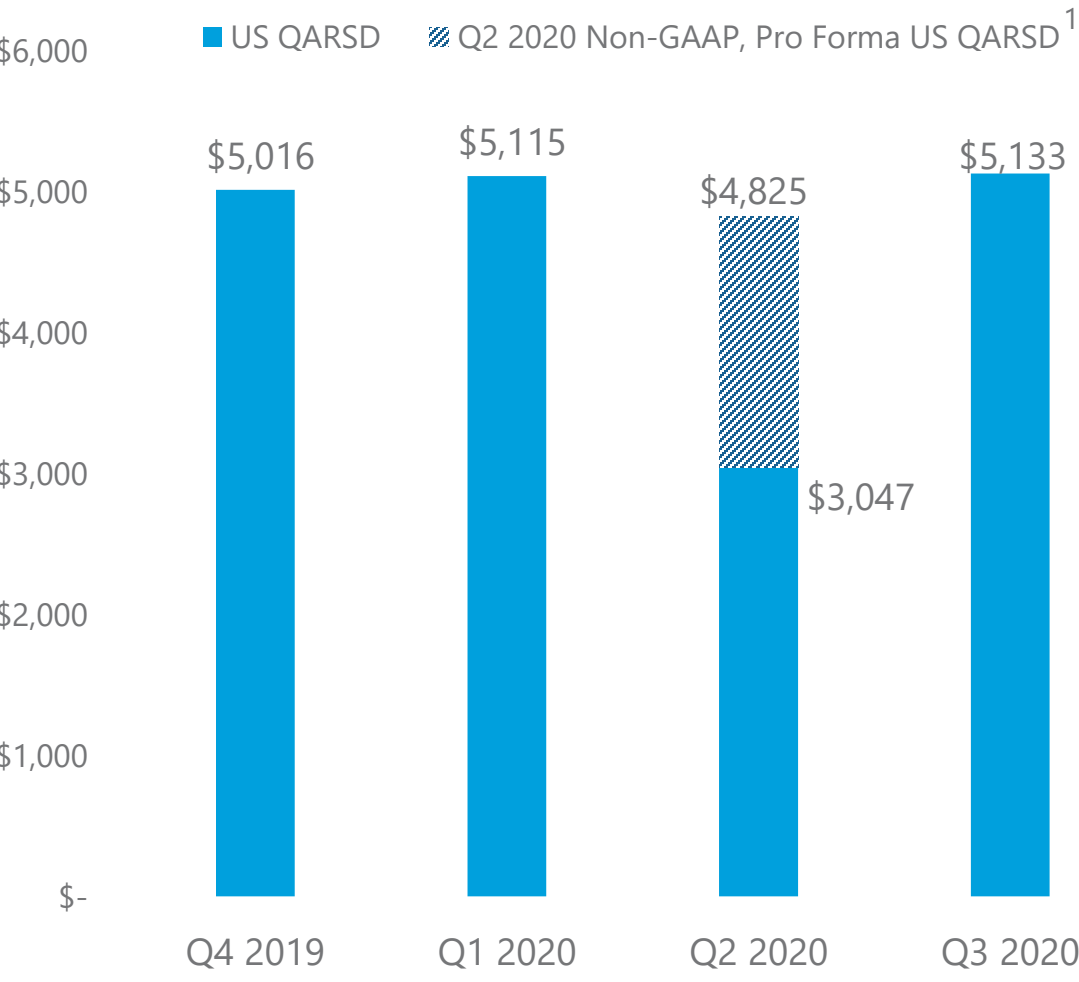
Unit  
Pricing and  
Product  
Packaging

# We Have Rapidly Grown Connection and Lead Volume to Support QARSD

OPTIMIZING FOR HIGH QUALITY LEADS (MILLIONS)



US QARSD



1. For the three months ended June 30, 2020, utilizing non-GAAP, pro forma U.S. marketplace subscription revenue for such quarter instead of GAAP U.S. marketplace subscription revenue, the U.S. QARSD would have been approximately \$4,825, which is a non-GAAP measure. Please see the Appendix to this presentation for a reconciliation of non-GAAP, pro forma U.S. marketplace subscription revenue to GAAP U.S. marketplace subscription revenue.

# Financial Overview



# CarGurus Financial Highlights

---

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

---

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

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Proven  
operating  
leverage and  
**profitability**

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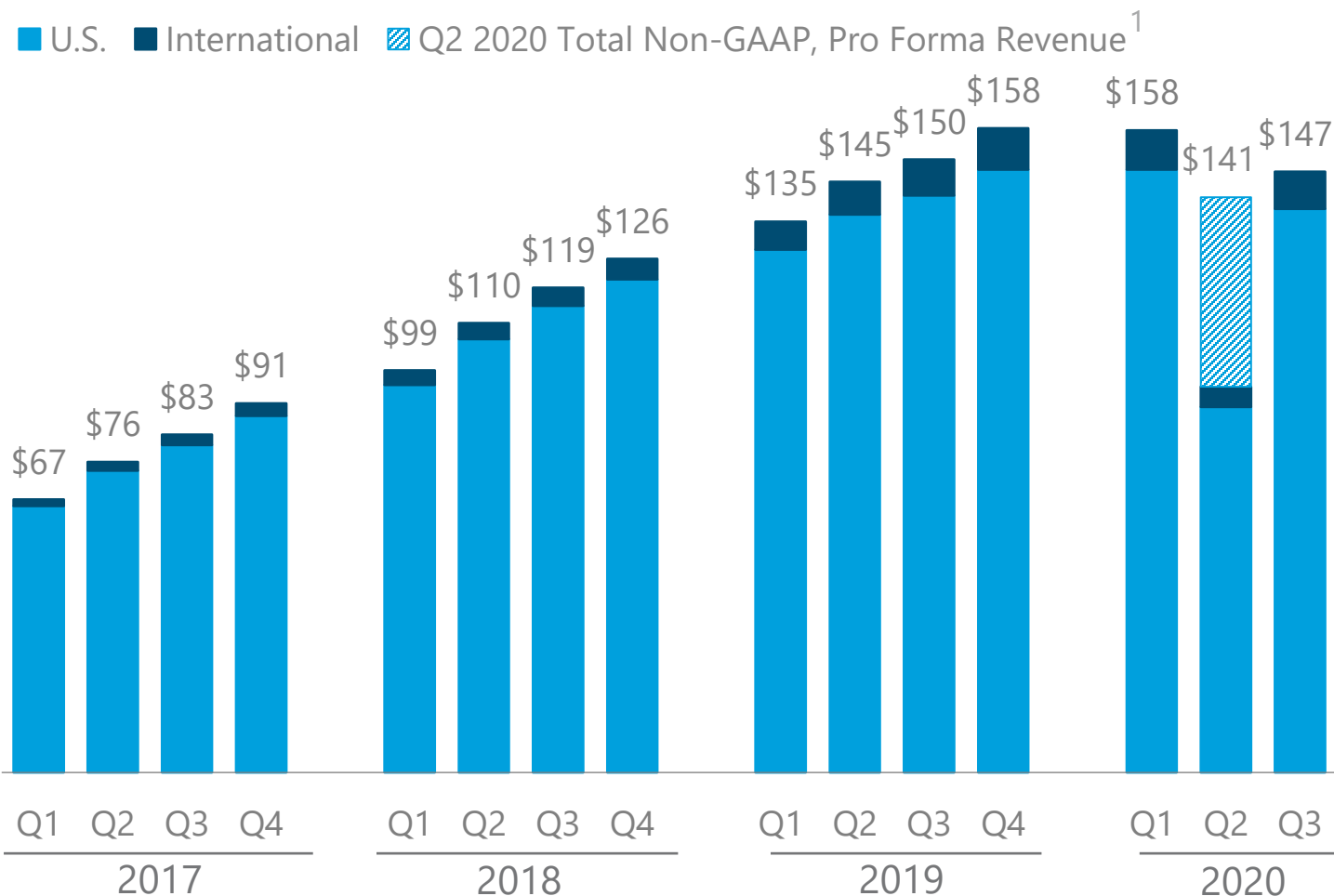
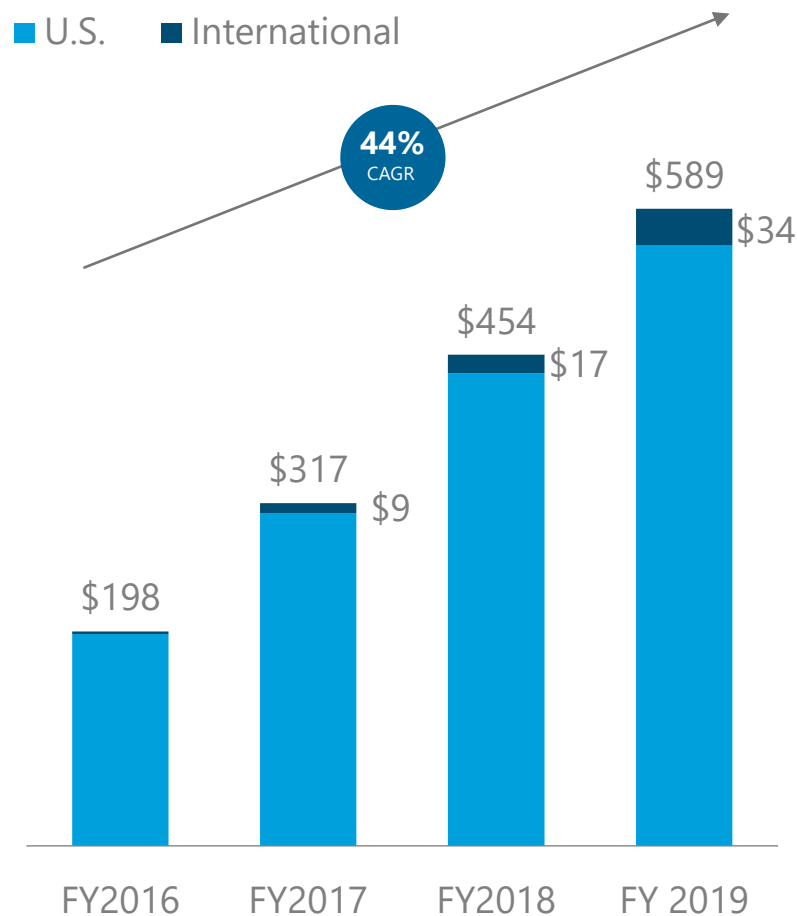
Attractive  
**free cash  
flow**  
generation

---

**Scalable**  
model for  
replication in  
Canada and the  
UK

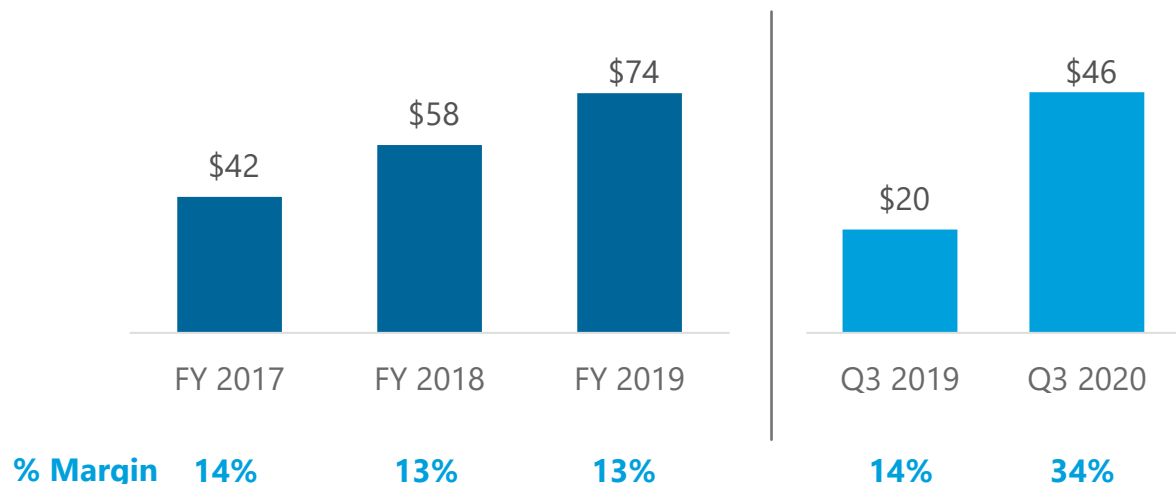
# Significant Revenue Scale

(\$ MILLIONS)

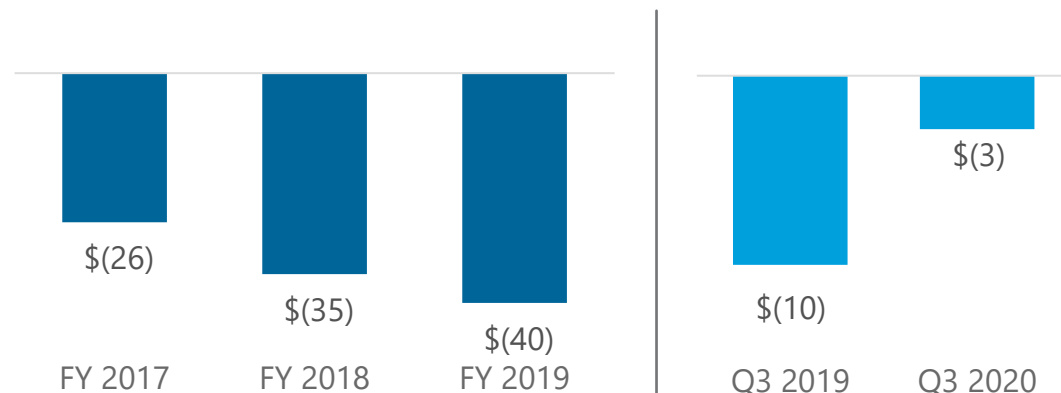


# Profitable US Business Driving Investments in International

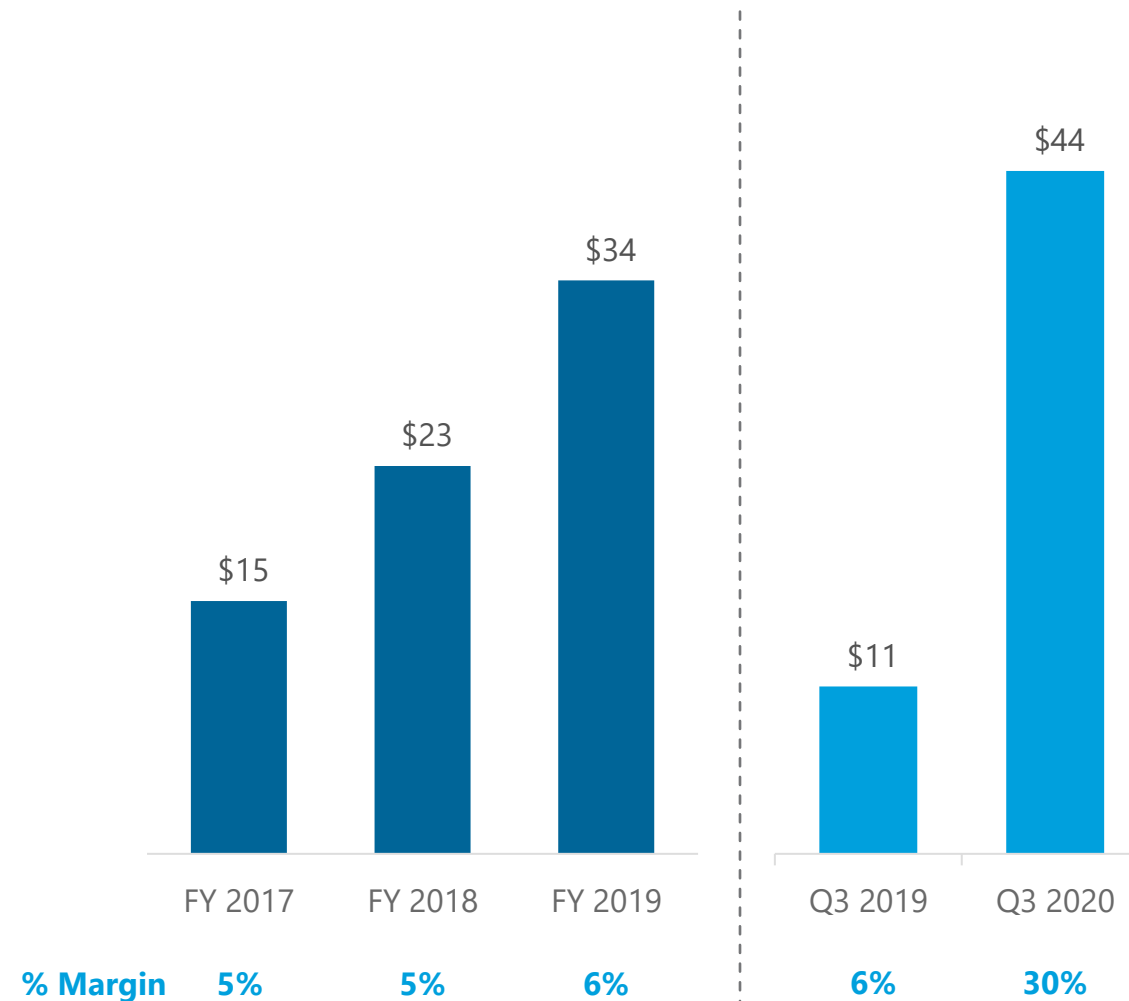
US GAAP OPERATING INCOME (\$ MILLIONS)



INT'L GAAP OPERATING INCOME (\$ MILLIONS)



CONSOLIDATED GAAP OPERATING INCOME



# Fourth Quarter and Full-Year 2020 Outlook<sup>1</sup>

	4Q20 <sup>2</sup>	FY 2020 <sup>3</sup>
Revenue	\$146.1M - \$149.1M	\$546M - \$549M
Non-GAAP Operating Income	\$38.7M - \$40.7M	\$143.5M - \$145.5M
Non-GAAP Earnings Per Share	\$0.26 - \$0.28	\$1.01 - \$1.03

1. Guidance provided by CarGurus in its earnings press release dated November 5, 2020, furnished as Exhibit 99.1 to CarGurus' Current Report on Form 8-K filed with the SEC on November 5, 2020.

2. The fourth quarter 2020 non-GAAP earnings per share calculation assumes 114.2 million diluted weighted-average common shares outstanding.

3. The full-year non-GAAP earnings per share calculation assumes 114.1 million diluted weighted-average common shares outstanding.

Guidance for the fourth quarter and full-year 2020 excludes the effects of significant COVID-19 resurgences, including the reintroduction of lockdowns and/or a slowed pace of recovery, that result in dealers and consumers materially changing their recent market behaviors or that cause CarGurus to enact measures to assist dealers, such as by offering billings relief. Guidance assumes that CarGurus' pace of paid dealer acquisition, churn, and expansion activity for the remainder of the year will be in line with recent market behaviors. Guidance does not include any potential impact of foreign currency exchange gains or losses.

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, amortization of intangible assets, acquisition-related expenses, and restructuring expenses, 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 uncertainty relating to the timing, frequency and effect of acquisitions as well as restructuring and the significance of the resulting acquisition-related or restructuring expenses, and therefore cannot be determined without unreasonable effort.

# Long-Term Target Model Progression Since IPO

Percent of Revenue	2017	2018 <sup>1</sup>	2019 <sup>1</sup>	Q3 2020	Long-Term Target
Gross Margin	94%	95%	94%	93%	93% – 95%
Sales & Marketing %	74%	69%	66%	38%	43% – 47%
Product, Technology, Development %	7%	11%	12%	14%	9% – 11%
G&A %	7%	9%	9%	10%	5% – 6%
Depreciation & Amortization %	1%	1%	1%	1%	1% – 2%
Adjusted EBITDA <sup>2</sup> Margin	8%	11%	13%	39%	32% – 34%
GAAP Operating Margin	5%	5%	6%	30%	29% – 31%
U.S. Segment GAAP Operating Margin	14%	13%	13%	34%	

1. Reflects adoption and impact of Accounting Standards Certification Topic 606, *Revenue from Contracts with Customers*.

2. Please see the Appendix to this presentation for a reconciliation of this non-GAAP measure.



## Appendix: Reconciliation of Q2 2020 Revenue to Non-GAAP, Pro Forma Revenue

(\$ MILLIONS)	Q2 2020
Total GAAP Revenue	\$94.7
GAAP US Marketplace Subscription Revenue	\$75.5
Impact of Fee Reductions	\$44.0
<b>Non-GAAP US Marketplace Subscription Revenue</b>	<b>\$119.5</b>
GAAP Int'l Marketplace Subscription Revenue	\$4.5
Impact of Fee Reductions	\$2.7
<b>Non-GAAP Int'l Marketplace Subscription Revenue</b>	<b>\$7.2</b>
<b>Total Non-GAAP, Pro-Forma Marketplace Subscription Revenue</b>	<b>\$126.7</b>
GAAP Total Advertising and Other Revenue	\$14.8
<b>Total Non-GAAP, Pro Forma Revenue</b>	<b>\$141.5</b>

Note: We define total non-GAAP, pro forma revenue as the sum of (i) non-GAAP, pro forma marketplace subscription revenue and (ii) GAAP advertising and other revenue. We define non-GAAP, pro forma marketplace subscription revenue as GAAP marketplace subscription revenue, adjusted to exclude the impact of fee reductions and which assumes that we had no incremental churn other than realized in the relevant quarter, such that all reported paying dealers retained their subscriptions at their full subscription level. We believe these non-GAAP financial measures provide useful information that will allow investors to compare our period-to-period revenue trends.

# Appendix: Reconciliation of Net Income to Adjusted EBITDA

(\$ MILLIONS)	2017	2018	2019	Q3 2020
Net Income	\$13.2	\$65.2	\$42.1	\$32.6
Depreciation and Amortization	3.8	5.0	7.8	2.4
Stock-based Compensation Expense	5.0	20.8	34.3	11.0
Acquisition-related Expenses	-	0.6	0.5	-
Restructuring Expenses	-	-	-	-
Other Income, Net	(0.6)	(2.3)	(4.4)	(0.2)
Provision for/(Benefit from) Income Taxes	2.6	(39.7)	(3.4)	11.2
Adjusted EBITDA	\$24.1	\$49.7	\$77.0	\$57.0

Note: We define Adjusted EBITDA as GAAP net income, adjusted to exclude: depreciation and amortization, stock-based compensation expense, acquisition-related expenses, restructuring expenses, other income, net, and the provision for (benefit from) income taxes. 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.