CarGurus’ Investor Day
May 25th, 2022
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: our transformation to a transaction-enabled platform; industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy; our ability to drive adoption of new and existing products and their benefits; 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 ability to innovate and invest in new growth initiatives and long-term growth objectives; synergies that can be created from our combined offerings, including with respect to product synergies, consumer experience, dealer value proposition, new products and revenue opportunities, and other business efficiencies; the potential growth, scaling and efficiency of CarOffer, as well as the value proposition of CarOffer’s business and expected transaction synergies; the potential growth and scaling of CarGurus Instant Max Cash Offer and our Digital Retail product opportunities; our future financial and business performance, including for the second quarter of 2022; our long-term financial targets; the impact of macro-level industry issues on our business and financial results; our belief that the presentation of non-GAAP financial measures and other business metrics is helpful to our investors; 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; global supply chain challenges, the semiconductor chip shortage, and other macroeconomic issues; 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, 2022 with the U.S. Securities and Exchange Commission ("SEC").

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 in the Appendix to this presentation and not to rely on any single financial measure to evaluate our business.

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Today’s agenda

1:00 PM  Welcome and Opening Remarks
   KIRNDEEP SINGH
   Vice President, Investor Relations

1:05 PM  Evolution to a Dynamic Transaction-Enabled Platform
   JASON TREVISAN
   Chief Executive Officer

1:30 PM  Dealer Value Proposition
   SAM ZALES
   President, Chief Operating Officer
   SPENCER SCOTT
   EVP, North American Sales and Service
   BRAD ROSENFELD
   EVP, Digital Retail Commercialization

2:30 PM  Break

2:45 PM  Consumer Value Proposition
   SAM ZALES
   President, Chief Operating Officer

3:00 PM  Platform Synergies
   TOM CAPUTO
   Chief Product Officer

3:15 PM  Consumer Marketing Strategy
   DAFNA SARNOFF
   Chief Marketing Officer

3:30 PM  Driving Long-Term Growth & Value
   SCOT FREDO
   Chief Financial Officer

3:55 PM  Closing Remarks
   JASON TREVISAN
   Chief Executive Officer

4:00 PM  Q&A Session

5:00 PM  Reception
We give people the power to reach their destination
Transformation to a Transaction-Enabled Platform

LED BY | Jason Trevisan
Chief Executive Officer
Executive summary

1. Transformed the business from a shopping marketplace to a transaction platform to serve market trends

2. Transaction platform captures full lifecycle customer needs:
   Dealers – source, market, sell
   Consumers – shop, finance, buy, sell

3. Standalone offerings are differentiated, synergies create market disruptive products

Results in an asset-light, profitable business with accelerated growth and truly unique business model moats
The automotive value chain is rapidly moving online

A digital platform that supports the value chain of automotive transactions will win the market

1. CarGurus estimates based upon third party and internal data sources
2. 2021 CarGurus Buyer Insight Report (October 2021)
We’ve transformed to meet the market ...

We’ve built a full lifecycle transaction platform on top of the world’s largest marketplace.

Largest Dealer Network\(^1\)  
30.9K  
Global Paying Dealers

Largest Consumer Audience\(^2\)  
100.7M  
Global Monthly Sessions

Transaction-Enabled Platform

1. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022.
2. Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Visits, Q1 2022, U.S., as of May 9, 2022. Note: CarGurus' Instant Max Cash Offer also referred to as "Instant Max Cash Offer", "Instant Max", or "IMCO" in this presentation.
...While creating full lifecycle solutions for dealers and consumers

Linking wholesale and retail transactions more tightly through shared data on a single platform will help dealers optimize margins.

98%
Digital Deal pilot dealers remain at CarGurus

1/3
CarOffer buyers using CarGurus IMV in their bidding logic

Consumers are eager to transact with confidence as we earn their trust through access to more inventory and price transparency.

20%
of Instant Max Cash Offer savers submit a lead

89
Instant Max Cash Offer NPS

Full lifecycle solutions are possible only through synergies between our Listings, Digital Wholesale, and Digital Retail capabilities.
...And created accelerating growth in multiple large TAMs

- DIGITAL RETAIL
  - TAM\(^1\): $1T
  - 2021 Rev\(^2\): NA
  - Mkt Share: NA
  - 2021 Growth\(^2\): NA

- INSTANT MAX CASH OFFER
  - TAM\(^1\): $400B
  - 2021 Rev: $89M
  - Mkt Share: <1%
  - 2021 Growth: NA

- D2D WHOLESALE
  - TAM\(^1\): $15B
  - 2021 Rev: $225M
  - Mkt Share: 2%
  - 2021 Growth: >1,000%

- MARKETPLACE
  - TAM\(^1\): $3B
  - 2021 Rev\(^2\): $637M
  - Mkt Share\(^3\): 21%
  - 2021 Growth\(^2\): 16%

We have constructed a portfolio of products into a platform with stability, stickiness, and long growth runways.

1. CarGurus estimates based upon third party and internal data sources.
3. Calculated as the total Marketplace revenue presented above divided by Marketplace TAM.
### Strong unit economics, consolidated profitability and growth

#### Key Stats

<table>
<thead>
<tr>
<th></th>
<th>2021 Revenue</th>
<th>2021 Non-GAAP Gross Margin&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Long-term Non-GAAP Gross Margin Target&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEALER-TO-DEALER WHOLESALE</strong></td>
<td>$225M</td>
<td>38%</td>
<td>40%-45%</td>
</tr>
<tr>
<td><strong>CARGURUS INSTANT MAX CASH OFFER</strong></td>
<td>$89M</td>
<td>4%</td>
<td>5%-6%</td>
</tr>
<tr>
<td><strong>MARKETPLACE</strong></td>
<td>$637M</td>
<td>93%</td>
<td>90%-93%</td>
</tr>
<tr>
<td><strong>DIGITAL RETAIL</strong></td>
<td>$250M</td>
<td>26%</td>
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**Proven economics, long term growth, and more synergistic benefits still yet to come**

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.
2. The assumptions that are built into the long-term targets above are based on recent market behaviors and industry conditions. Long-term targets exclude the effects of significant COVID-19 resurgences, including the reintroduction of lockdowns and/or a slowed pace of recovery, or other macro-level industry issues that result in dealers and consumers materially changing their recent market behaviors or that cause us to enact measures to assist dealers, such as offering fee reductions or waivers as we have done from time to time during the COVID-19 pandemic. Long-term targets also exclude any potential impact of foreign currency exchange gains or losses. CarGurus has not reconciled its long-term targets for non-GAAP gross margins to GAAP gross margins 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 the timing, amount, valuation and number of future employee equity awards, and therefore cannot be determined without unreasonable effort.
What you will hear today

• Longstanding dealer value proposition of ROI, scale and efficiency is now end-to-end helping dealer’s source, market and sell

• Leveraging trust and transparency position with consumers into full lifecycle – shop, finance, buy and sell

• Combining listings, digital retail, digital wholesale, and Instant Max creates new products never before possible in the market

• Broadened product offering creates marketing leverage and opportunity to establish a much broader and stickier brand position

• Business transformation and proven execution is resulting in a unique profile of profit, growth and capital efficiency
Source and Sell Wholesale
DEALER VALUE PROPOSITION

LED BY | Sam Zales
President & Chief Operating Officer
CarOffer instant trade solution disrupting the traditional auction model

1. Differentiated: CarOffer is fundamentally more efficient, sophisticated, and scalable than a traditional auction model.

2. TAM: There is a long runway of growth ahead; more dealers and more wholesale share per dealer.

3. Instant Max Cash Offer: Sets CarOffer apart from every other wholesale provider and creates the opportunity for a ubiquitous channel for fresh consumer trade-ins.
Remarkable high growth and profitable business

CAROFFER:
2.5 YEARS OLD

INSTANT MAX CASH OFFER:
8-MONTHS OLD

IN THAT TIME...
HAS OPERATED IN A
VOLATILE WHOLESALE
MARKET

Incentivized to grow profitability

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.
2. CarOffer non-GAAP Gross Profit compared to competitor Gross Profit (under GAAP or other applicable accounting standards) sourced from publicly available information for quarterly or annual periods ending March 31, 2021 to March 31, 2022.
3. CarOffer Adjusted EBITDA compared to competitor Adjusted EBITDA (as defined by each competitor) sourced from publicly available information for quarterly or annual periods ending March 31, 2021 to March 31, 2022.

Note: The figures presented for CarOffer's non-GAAP Gross Profit and Adjusted EBITDA above are not intended to align with how such terms are used in connection with call and put rights under the CarOffer Operating Agreement (as defined in CarGurus' Annual Report on Form 10-K for the year ended December 31, 2021), which in each case are calculated in accordance with the defined terms and subject to the adjustments set forth therein.
CarOffer platform: sustainably differentiated

**EFFICIENT AUTOMATIC INVENTORY OFFERS 24/7**
- Always on 24/7 matrix
- No geographic boundaries, nationwide transactions
- Capital-efficient inspections, transportation and payment

**ENHANCED SOPHISTICATION**
- 150,000+ active-matrix rules, trim/option matching
- Matrix intelligence

**SCALABLE**
- Integrated wholesale-retail indices
- Only consumer-to-dealer sourcing integration

When you're an independent dealer, your time is spent mostly sourcing vehicles...Every piece of inventory we purchase, we have to go find—and the key to that is CarGurus and CarOffer. Combining forces has given CarOffer the secret weapon, and that is they can use the Instant Market Value of CarGurus to help us dealers source vehicles. -Danny Archibald
Massive runway for growth

There is a long runway for growth ahead: More dealers, more wholesale share per dealer, and more products.

1. CarGurus estimates based upon third party and internal data sources
Gaining more dealers and greater dealer wallet share

MORE DEALERS TO ENROLL¹...  
- CarOffer Enrolled Dealers  
- CarGurus U.S. Paying Dealers  
- CarGurus U.S. Freemium Dealers

...MEANWHILE AVG. TRANSACTIONS PER DEALER CONTINUE TO GROW¹

Avg. Monthly Transactions per Dealer - Indexed to Jan 2021

102% increase in avg. transactions per dealer¹ (buy or sell) in Q1 '22 versus prior year

Ample upside to gain market share

1. Please see the Appendix to the presentation for our definitions of CarOffer Enrolled Dealers, CarGurus U.S. Paying Dealers, CarGurus U.S. Freemium Dealers, and Average Transactions per Dealer
Instant Max Cash Offer: offering dealers the only direct to consumer channel at scale

Sell your car 100% online
Get the best offer instantly, sourced from thousands of dealers.

“Like most dealerships today, we are leaving no stone unturned when it comes to inventory acquisition strategies, and the CarGurus Instant Max Cash Offer feature has opened up a stream of access to consumer-owned vehicles,” said Imed Chahed, GM at McGee Pre-Owned Superstore.

Access to unique inventory is a differentiator for any wholesale platform
Announcing expansion into new states

Covering ~85% of the U.S. Population

3Q 2021
TX, FL, MA, GA, MI, PA, CT, RI

4Q 2021
AR, DE, IL, IN, IA, LA, MO, NE, NJ, TN, VA, DC, NY, MD, MN

1Q 2022
CA, NC, SC, OH, AZ

Today
NV, UT, NM, CO, WA
Creating a standardized Instant Max Cash Offer platform that can be leveraged across the automotive ecosystem

**DEALER WEBSITES**

Dealers get leads from their website with CarOffer-backed valuations via ConsumerLane

**CONSUMER-FACING WEBSITES**

Third party sites leveraging Instant Max Cash Offer, adding more liquidity to the CarOffer Matrix
Business philosophy

GROWTH

PROFITABILITY
Market

DEALER VALUE PROPOSITION

LED BY | Spencer Scott
Executive Vice President, North American Sales and Service
Continuing to gain market share with unmatched scale, performance, and innovation

1. CarGurus is a platform of scale, attracting the largest network of dealers and their inventory through its’ industry leading consumer traffic.

2. Built on the foundation of trust and transparency, our platform attracts high quality, ready to purchase consumers, driving outsized ROI for dealers.

3. Continuous innovation and flexible offerings allows dealers to meet consumer needs while allowing CarGurus to capture greater market share.
CarGurus Listings marketplace is a platform of scale with a ready-to-purchase consumer audience

LARGEST CONSUMER AUDIENCE

U.S. monthly unique visitors

31M+ CarGurus

27M+ Competitor 1

19M+ Competitor 2

7M+ Competitor 3

SHoppers are serious...

17 mins

Average minutes spent per visitor on CarGurus per month

1.8x & 2.0x

more times than two competitors

... and more likely to purchase

3.0x

more likely to be the last site consumers visit before they purchase

Attracting dealers through industry leading consumer traffic

1. Comscore Media Metrix\textsuperscript{®} Multi-Platform, Automotive - Information/Resources, Total Visits, Q1 2022, U.S. as of May 9, 2022
2. Represents monthly average for the three months ended March 31, 2022; see the Appendix to this presentation for this definition
3. Sourced from publicly available data, including filings with the SEC, for the three months ended March 31, 2022
4. Comscore Media Metrix\textsuperscript{®} Multi-Platform, Automotive - Information/Resources, Average Minutes, Q1 2022 U.S. as of May 9, 2022
5. 2021 CarGurus Buyer Insight Report (October 2021)
The combination of which delivers a strong ROI for dealers

**DEALERS SELL CARS FASTER ON CARGURUS**

16% & 22% faster than two competitors\(^1\)

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Providing dealers with the flexibility they need

**SUBSCRIPTION TIERS THAT BEST FIT DEALERS' NEEDS**

- **FREE (Restricted)**
  - List inventory for free
  - Capped leads

- **GOOD (Enhanced Subscription)**
  - Unlock unlimited leads
  - Dealership branding

- **BETTER (Featured)**
  - Top 3 vehicle placement
  - Increase connections

- **BEST (Featured Priority)**
  - Vehicle placement in #1 listings slot
  - Unmatched exposure

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Providing dealers with the flexibility to attract ready to purchase shoppers

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1. CarGurus internal data as of March 31, 2022. CarOffer is excluded from the dealer metrics presented.
Innovating to stay ahead of the curve & sell more efficiently

New Products Driving **Engagement, Insights, & Efficiency**

- **IMPROVE ENGAGEMENT**
  - Area Boost
  - CarGurus RPM®
  - Meet shopper demand
  - Expand market
  - Grow shopper connections

- **UNIQUE INSIGHTS**
  - Dealer Dashboard/App
  - Optimize inventory management
  - Pricing tool—VIN scan
  - Lead AI

- **INCREASE EFFICIENCY**
  - CarGurus Digital Deal
  - Prioritize best leads
  - Pre-qualify leads
  - Support trade-ins
...As a result, dealers are staying and using our products more

**KEEPING DEALERS...**

Indexed Annual Average of Monthly Retention

**... AND DRIVING UPSELL**

Premium Placement Listings share of MRR

The proportion of premium placement listings share of MRR increased from 33% to 47% since 2017

Gaining loyalty and traction as dealers unlock value through our products
Despite leading position, we have long runway for growth

A Unique Combination

Enhancing Dealer Relationships

- Scale
- ROI
- Innovation

Growing U.S. QARSD

<table>
<thead>
<tr>
<th>Quarter</th>
<th>QARSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q'20</td>
<td>$5,133</td>
</tr>
<tr>
<td>4Q'20</td>
<td>$5,304</td>
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<tr>
<td>1Q'21</td>
<td>$5,466</td>
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<tr>
<td>2Q'21</td>
<td>$5,550</td>
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<tr>
<td>3Q'21</td>
<td>$5,602</td>
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<td>4Q'21</td>
<td>$5,633</td>
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<tr>
<td>1Q'22</td>
<td>$5,713</td>
</tr>
</tbody>
</table>

Gain U.S. Market Share

- Path to 30K U.S. Paying Dealers
- 42% Unsold
- 58% Paying Dealers
- 22% Freemium Dealers
- 20% Not on CG

Ability to capture untapped market share through continuous ROI and innovation

1. Please see the Appendix to this presentation for our definition of QARSD
2. CarGurus internal estimates (2022)
Sell
DEALER VALUE PROPOSITION

LED BY | Brad Rosenfeld
Executive Vice President of Digital Retail Commercialization
Providing ROI and driving innovation for our dealers through digital retail offerings

1. Empowering dealers with the tools they need to compete in an increasingly digital landscape

2. Simplifying the digital retail process and helping dealers become more efficient operators

3. Helping dealers sell more cars by offering dealers flexibility to serve customers the way they want

Providing dealers with the capabilities to deliver a customized digital retail journey, driving more sales in an efficient way
Dealers are preparing for more online transaction capabilities

Shoppers want to do more....

60% of shoppers prefer to do more of the car-buying process from home¹

...and CarGurus customers want to do even more online.

80% of CarGurus users are open to buying online²

95% of CarGurus app users are open to buying online²

¹ 2021 CarGurus Buyer Insight Report (October 2021)
² CarGurus internal research (May 2022)
Our digital retail offerings are scaling and bringing value to dealers and consumers

Already Seeing the Results

415K+
Total Digitally Enabled Listings

78% Of households have access to more than 30K Area Boost listings

$1B In loans funded with pre-qual finance in 2021

37% Growth in Q1 year-over-year digital retail product revenue

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1. CarGurus internal data as of May 1, 2022
2. Total funded loans through CarGurus partner lenders, (January 2021 – December 2021)
3. CarGurus internal data of 1,500 Area Boost Dealers’ Area Boost Inventory (July 2021)
4. Calculated as the growth of Area Boost and consumer financing revenue for the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021
PROVIDE A MODERN SHOPPING EXPERIENCE
Streamlining the commerce process provides dealers with efficiency and ability to sell more

**DRIVING EFFICIENCY**

Consumers are

- **7X** more likely to make an appointment with a dealer through checkout\(^1\)
- **26%** Of consumer submit a credit application\(^2\)

**SELLING MORE CARS**

Digital Deal leads close

- **2X** more than standard email leads\(^3\)
- **60%** Of deposits lead to a sale\(^4\)

We help dealers and their sales team become more efficient operators and sell more vehicles by taking control of the digital retail journey

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1. CarGurus internal data, of 40k total leads submitted April 2021-March 2022
2. CarGurus internal data (May 2022)
3. CarGurus internal data, 8 CarGurus pilot dealers, April 2021-October 2021
4. CarGurus internal data, 11 pilot dealers, October 2021-March 2022
Allowing dealers to flexibly serve the consumer

CarGurus is reimagining a dealer-aligned way for consumers to transact — allowing both dealers and consumers the flexibility to choose their own journey.
Empowering dealers to compete with online retailers, while enabling transactional and subscription monetization.
15 Minute Break
Shop, Finance, Buy & Sell

CONSUMER VALUE PROPOSITION

LED BY | Sam Zales
President & Chief Operating Officer
Building upon our foundation to become lifecycle partners with consumers

1. History of trust and transparency wins the consumer audience in Listings, and will in transaction-enabled platform

2. Financing capabilities provide optimal multi-lender shopping experience

3. Instant Max Cash Offer offers consumers the best-selling experience

4. Winning Digital Retail with a competitively-advantaged value proposition
Consumers needed easy, trustworthy answers to their car shopping questions.

- Where can I buy a car like this if it is not in my area?
- Can I sell my car for a fair price?
- What type of vehicle should I buy?
- What if this dealer is not near me?
- Can I still test drive a car if I am buying online?
- Can I sell my car online for a great deal?
- Can I complete some steps of the purchase online?
- Have others liked working with this dealer?
- How do I know if I’m getting the best financing?
- Am I getting a good deal?
SHOP: Our differentiated listings attracts the largest consumer audience

- Largest inventory & selection
- Proprietary IMV
- Unique dealer ratings
- Rigorous deal ratings
- Customer-focused sort order

#1 most visited automotive shopping site in the U.S.

### Primary Competition

<table>
<thead>
<tr>
<th></th>
<th>CarGurus</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td># of U.S. Dealers</td>
<td>33.6K³</td>
<td>19.5K⁴</td>
<td>23.8K⁵</td>
<td>12.4K⁴</td>
</tr>
<tr>
<td># of U.S. Vehicle Listings</td>
<td>2.7 million⁶</td>
<td>1.9 million⁵</td>
<td>2.2 million⁵</td>
<td>1.1 million⁵</td>
</tr>
<tr>
<td>% Good and Great Deal</td>
<td>30%⁶</td>
<td>60%⁷</td>
<td>67%⁷</td>
<td>N/A</td>
</tr>
</tbody>
</table>

2. Comscore Media Metrix® Multi-Platform, Automotive - Information/Resources, Total Visits, Q1 2022, U.S. as of May 9, 2022
3. Total CarGurus U.S. Paying and Freemium Dealers, as of March 31, 2022
4. Sourced from publicly available data, as of March 31, 2022
5. Based on YipitData estimates as of March 31, 2022
6. CarGurus internal data, as of March 31, 2022
Consumer needs changing: adapting to offer same trust and transparency

We became the #1 listings platform...

...But consumer needs continued to change...

...So we created an unmatched end-to-end transaction-enabled platform

Proprietary vehicle data
IMV price comparison
Dealer and deal ratings
Largest selection of inventory\(^1\)

- CG users are open to buying online, but want an in-person test\(^2\)
- Auto shoppers prefer to do more from home\(^2\)
- CG users prefer online financing\(^2\)
- CG users prefer online trade-in valuation\(^2\)

Largest selection of vehicles in the U.S.\(^1\)
Price comparisons
Financing from a marketplace of lenders
Maximized offers from thousands of competing dealers
Flexibility to complete transaction in store or online

---

1. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022
2. 2021 CarGurus Buyer Insight Report (October 2021)
Empowering consumers through their automotive journey

**SHOP**

**Marketplace**
- Provides trust and transparency for a consumer to find a vehicle of their choice

**Area Boost**
- Enables consumers to search for vehicles outside of their immediate region

**FINANCE**

**Financing Options**
- Option for soft or hard-pull financing from multiple lenders. Submit credit application to get real rates from real lenders and complete more of the paperwork at home

**BUY**

**Deposits**
- $500 deposit to reserve your purchase

**SELL**

**Instant Max Cash Offer**
- Provides the best deal from over thousands of dealers with ability to trade-in for new vehicle

<table>
<thead>
<tr>
<th>Marketplace</th>
<th>Area Boost</th>
<th>Financing Options</th>
<th>Deposits</th>
<th>Instant Max Cash Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides trust and transparency for a consumer to find a vehicle of their choice</td>
<td>Enables consumers to search for vehicles outside of their immediate region</td>
<td>Option for soft or hard-pull financing from multiple lenders. Submit credit application to get real rates from real lenders and complete more of the paperwork at home</td>
<td>$500 deposit to reserve your purchase</td>
<td>Provides the best deal from over thousands of dealers with ability to trade-in for new vehicle</td>
</tr>
</tbody>
</table>
FINANCE: Customize online before dealer visit…

Finance-In-Advance

Only Takes Minutes
Just enter a few basic details to instantly see your options

Personalized Real Rates
Know your real monthly payment before visiting the dealer

No Impact on Your Credit Score
Check out your options. Your credit won’t budge!

Allows consumers to shop by payment

Consumers are 64% more likely to purchase a vehicle after pre-qualifying¹

Hard-Pull Financing

44% QoQ increase in applications²

75% QoQ increase in Accepted Loans³

Hard-Pull provides more lenders options to consumers

Apply
Submit
Decide

Pulls from an expansive network of lenders to identify the optimal financing choice

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¹ CarGurus internal data [May 2022]
² Increase in hard-pull financing applications according to CarGurus internal data for the quarter ended March 31, 2022 compared to the quarter ended December 31, 2021
³ Increase in accepted loans according to CarGurus internal data for the quarter ended March 31, 2022 compared to the quarter ended December 31, 2021
BUY: The best way to buy a used vehicle

### Primary Competition

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<tr>
<th></th>
<th>CarGurus</th>
<th>Next 3 Largest Online Marketplaces&lt;sup&gt;1,2&lt;/sup&gt;</th>
<th>Online Retailers&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple financing options</td>
<td>✓</td>
<td>✗</td>
<td>✗ (PARTIAL)</td>
</tr>
<tr>
<td>Deliver to your home</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Option to test drive in person</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>Reserve your vehicle</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Largest selection of vehicles&lt;sup&gt;3&lt;/sup&gt;</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

Digital Deal + Area Boost + Listings Inventory = Greatest Selection

---

1. Based on amount of U.S. inventory according to YipitData as of March 31, 2022
2. CarGurus internal research (May 2022)
3. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022
SELL YOUR CAR
100% ONLINE
SELL: The best way to sell a used vehicle

- **MAXIMUM SALES PRICE**: Highest bid available from thousands of dealers within the CarOffer network
- **FAST**: Offer in under 2 minutes
- **TRUSTWORTHY**: Choice of payment, remote inspections and exceptional customer service
- **CONVENIENT PICK-UP OR DROP-OFF**: Self-service pick-up or vehicle drop-off

---

**INSTANT MAX CASH OFFER TRANSACTIONS**

- **3Q'21**: 0
- **4Q'21**: 1,000
- **1Q'22**: 2,000

**NPS**: 89

---

1. CarGurus internal data (May 2022); see the Appendix to this presentation for our definition of IMCO Transactions
### SELL: Instant Max Cash Offer providing the highest bids from thousands of dealers

<table>
<thead>
<tr>
<th>Win Rate %</th>
<th>CarGurus CarOffer</th>
<th>Big Box Retailer</th>
<th>Online Retailer #1</th>
<th>Online Retailer #2</th>
<th>Online Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$10K</td>
<td>#2</td>
<td>#1</td>
<td>#3</td>
<td>#4</td>
<td>N / A</td>
</tr>
<tr>
<td>$10K to $20K</td>
<td>#2</td>
<td>#1</td>
<td>#3</td>
<td>#4</td>
<td>N / A</td>
</tr>
<tr>
<td>$20K to $30K</td>
<td>#2</td>
<td>#1</td>
<td>#3</td>
<td>#4</td>
<td>N / A</td>
</tr>
<tr>
<td>$30K to $40K</td>
<td>#1</td>
<td>#2</td>
<td>#4</td>
<td>#3</td>
<td>N / A</td>
</tr>
<tr>
<td>$40K to $50K</td>
<td>#1</td>
<td>#2</td>
<td>#3</td>
<td>#2</td>
<td>N / A</td>
</tr>
<tr>
<td>$50K to $60K</td>
<td>#1</td>
<td>#4</td>
<td>#3</td>
<td>#2</td>
<td>N / A</td>
</tr>
<tr>
<td>$60K+</td>
<td>#1</td>
<td>#4</td>
<td>#2</td>
<td>#3</td>
<td>N / A</td>
</tr>
</tbody>
</table>

1. The positions within this chart represent a comparative analysis of consumer Win Rate %'s between CarGurus, a big box retailer competitor, two online retailer competitors, and an online marketplace competitor. The #1 position in the table denotes the highest win rate % percentage based upon CarGurus internal data (May 2022).
Creating a winning platform for consumers to utilize for every automotive decision

**SELECTION**
 Most inventory\(^1\)
 More lending options

**PRICE**
 IMV
 APRs
 Instant Max Cash Offer

**CONVENIENCE**
 Digital-to-in-store
 Delivery
 Pick-up or drop-off

**TRUST**
 Sort order
 Dealer and deal ratings
 Multi-vendor shopping

---

1. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of March 31, 2022
The Automotive Ecosystem Realized through Powerful Synergies

LED BY | Tom Caputo
Chief Product Officer
Customer and company benefits of a unified platform

Combining Listings, Digital Wholesale, Instant Max Cash Offer, and Digital Retail into a unified platform creates synergistic customer benefits

• Dealers win by leveraging data and a tight integration between wholesale and retail to optimize unit margins
• Consumers enjoy access to more inventory and better pricing intelligence to shop and buy smarter

Synergies from a unified platform give our business bundling opportunities and shared operational efficiencies
CarGurus now serves all aspects of the consumer lifecycle

- 50% of Instant Max customers also look at VDPs. ~20% submit a lead
- 60% of CG shoppers have a car to sell
- 26% of Digital Deal shoppers submit a credit application
- Digital Deal close rates 2X vs. standard email leads

Source: CarGurus internal data (May 2022)
All-in-one destination for consumers

What do consumers want from CarGurus?
Selection, Price, Convenience, Trust
Providing consumers with access to unique inventory while accelerating dealer turn times

Vehicles purchased by dealers on CarOffer could be automatically listed on CarGurus while still in transit to the buying dealer.

CONSUMERS

Early access to new inventory only on CarGurus.com → selection + choice

DEALERS

Accelerated vehicle marketing by 3-10 days → shorter turn times + higher profits
We empower dealers to source, market and sell by linking wholesale and retail in ways no competitor can.

What do dealers want from CarGurus?
Incremental Sales, Data + Analytics

Source: CarGurus internal data (May 2022)
TODAY: Integrating wholesale and retail to improve dealer decision making

**Source**
with more information

**Market**
in new geographies

**Sell**
with more options and confidence

Dealers can bid in the CarOffer wholesale matrix based upon CarGurus’ IMV.

Area Boost allows dealers to reach relevant shoppers outside of their core market.

CarOffer's wholesale offers integrated into the CarGurus Pricing Tool for optimal retail vs. wholesale selling decision-making.
LONG-TERM: Optimizing dealer profits through powerful data and insights

**Source**
with more information

Sourcing Recommendations based on supply, demand and local market trends

**Market**
in new geographies

Nationwide Marketing Strategies to maximize value of inventory

**Sell**
with more options and confidence

Advanced Retail Pricing Recommendations

Complete Transactions

Unique data assets across CarGurus and CarOffer
Platform synergies benefit our business model in addition to our value proposition

Bundling to drive stickiness with consumers and dealers

- **INSTANT MAX CASH OFFER ACCESS** for CO + CG dealers

- **PRICING & PACKAGING INCENTIVES** for CO + CG dealers to transact more on CO and buy premium listings tiers

- **CONSUMER** with incentives and discounts for using IMCO + Digital Retail

Operational efficiencies

- **CONSOLIDATED CALL CENTER SUPPORT** to serve IMCO and Digital Retail

- **SCALABLE LOGISTICS NETWORK** enabling D2D, Instant Max Cash Offer, and potentially Digital Retail
CarGurus will provide consumers and dealers with an unmatched platform experience

By combining our foundational Listings business with Digital Retail, Wholesale and Instant Max Cash Offer, we create

✓ Unparalleled product synergies
✓ Unmatched consumer experience
✓ Unrivaled dealer value proposition
✓ New product, revenue opportunities
✓ Efficiencies for our business

More inventory, more car shoppers, more engagement, more transactions and more dealers
Consumer Marketing Strategy

LED BY | Dafna Sarnoff
Chief Marketing Officer
Our marketing approach leverages our existing assets and reflects our expansion into a transaction-enabled platform

1. Leveraging our large consumer audience that trusts and returns to us as we market a transaction-enabled platform

2. Realizing synergies and exploiting our economic advantages in cross-category marketing

3. Broadening our reach and telling our new story to drive greater awareness

| Create richer, longer-term relationships with consumers |
Drawing and re-engaging our customers with our site and our app at increasingly high levels

31M
MONTHLY VISITORS
LARGEST IN MARKET

50M
EMAIL DATABASE

3.5M
APP INSTALLS IN 2021
OUR FASTEST GROWING LEAD SOURCE

Our traffic leadership, products—that drive ongoing customer engagement, and owned channel assets, are a powerful foundation for our expansion and growth

1. Represents monthly average unique visitors in the U.S. for the three months ended March 31, 2022; see the Appendix to this presentation for this definition
2. Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Visits, Q1 2022, U.S. as of May 9, 2022
Already realizing the powerful effects of connected businesses

**ORGANIC TRAFFIC IS THE PRIMARY SOURCE OF INSTANT MAX LEADS**

**OF THOSE WHO SELL WITH US**

**20% SUBMIT A LEAD TO BUY**

As marketing efforts for one business draw traffic to the platform, consumers become customers of multiple products.

Source: CarGurus internal data (May 2022)
Reaching untapped new customers with upper funnel brand awareness campaigns

TODAY, <5% OF IN-MARKET CONSUMERS KNOW US AS A PLACE TO TRANSACT ONLINE!

FOCUS ON REACH

NEW INTEGRATED CAMPAIGNS

CHANNEL AND MEDIA OPTIMIZATION

Drive awareness of CarGurus as the digital destination for the full spectrum of consumer auto needs

1. CarGurus internal data (May 2022)
Strong foundation and expanding assets will drive future profitability and growth

✓ Organic traffic and owned channels are large and growing
✓ Economic efficiencies enable scaling
✓ Current success despite limited brand awareness
✓ New brand strategy to capture new growth segments

Planned marketing efforts will further boost long-term growth momentum, and benefit expanded portfolio of offerings
Financial Overview

LED BY | Scot Fredo
Chief Financial Officer
Providing value for our investors through our proven financial DNA

1. Financial profile with a strong track record of growth and proven profitability

2. Strategic capital deployment across our business, optimizing our significant free cash flow generation to unlock value for our businesses.

3. We have now complemented our strong profitable foundation with high growth platforms in large TAMs

4. Our capital efficient approach across our Marketplace, Instant Max Cash Offer, Dealer-to-Dealer and Digital Retail allows us to achieve growth and profitability
CarGurus: driving growth and profitability

✓ Strong track record of revenue growth in large total addressable markets

✓ Diversified customer base, high quality subscription and transactional revenue

✓ Proven operating leverage and profitability

✓ Attractive free cash flow generation

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures
2. Consolidated Adjusted EBITDA Margin
Understanding our external revenue presentation...

<table>
<thead>
<tr>
<th>MARKETPLACE</th>
<th>MARKETPLACE</th>
</tr>
</thead>
</table>
| • Listings Subscription Packages  
• RPM Digital Advertising Suite  
• OEM Advertising  
• Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots | • Listings Subscription Packages  
• RPM Digital Advertising Suite  
• OEM Advertising  
• Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots |

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>INSTANT MAX CASH OFFER</th>
</tr>
</thead>
</table>
| • Instant Max Cash Offer  
  • Cost of the vehicle including transportation  
  • Arbitration (possess ownership)\(^1\) | • Instant Max Cash Offer  
  • Cost of the vehicle including transportation  
  • All IMCO Arbitration  
  • All IMCO Transportation and Inspection |

<table>
<thead>
<tr>
<th>WHOLESALE</th>
<th>DEALER-TO-DEALER</th>
</tr>
</thead>
</table>
| • Dealer-to-Dealer Transactions  
• OfferGuard, 45-Day Guarantee  
• ConsumerLane  
• Arbitration (rematched to dealers)\(^1\)  
• Transportation (excluding landed dealer) and Inspection | • Dealer-to-Dealer Transactions  
• OfferGuard, 45-Day Guarantee  
• ConsumerLane  
• All D2D Arbitration  
• All D2D Transportation and Inspection |

---

1. Inclusive of both Dealer to Dealer and IMCO arbitrations.
Steady growth marketplace provides a profitable foundation

MARKETPLACE REVENUE & CONSOLIDATED ADJUSTED EBITDA MARGIN\(^1\)

- **U.S. Revenue**
- **International Revenue**
- **Consolidated Adjusted EBITDA Margin\(^1\)**

$ Millions

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$317</td>
<td>$454</td>
<td>$589</td>
<td>$551</td>
<td>$637</td>
</tr>
<tr>
<td>Intern.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA Margin</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>29%</td>
<td>28%</td>
</tr>
</tbody>
</table>

19% REVENUE CAGR 2017 - 2021

Pro Forma:\(^1\): $598

Highly profitable foundational marketplace business provides ample funding for new growth initiatives

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures
CarOffer: driving significant profitable wholesale revenue growth

D2D: High Growth, 30%+ Non-GAAP Gross Margins¹

IMCO: High Growth, controllable Single-Digit Non-GAAP Gross Margins¹

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.
CarOffer: efficient operations yield strong revenue and adjusted EBITDA results

High growth and profitable wholesale business

1. Please see the Appendix to this presentation for a reconciliation of this non-GAAP measure
How does the math work for a typical Dealer-to-Dealer and Instant Max Cash Offer transaction?

### DEALER-TO-DEALER

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$1,250</td>
</tr>
<tr>
<td><strong>Cost of Sale</strong></td>
<td>($800)</td>
</tr>
<tr>
<td><strong>Gross Profit per Unit</strong></td>
<td>$450</td>
</tr>
<tr>
<td><strong>Gross Profit Margin per Unit</strong></td>
<td>36.0%</td>
</tr>
</tbody>
</table>

**Revenue Includes:**
- Buying Dealer Fee $325
- Selling Dealer Fee $325
- Inspection $110
- Transportation *varies*

**Costs Include:**
- Transaction Processing & Data Costs
- Inspection
- Transportation

### INSTANT MAX CASH OFFER

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$27,000</td>
</tr>
<tr>
<td><strong>Cost of Sale</strong></td>
<td>($26,000)</td>
</tr>
<tr>
<td><strong>Gross Profit per Unit</strong></td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>Gross Profit Margin per Unit</strong></td>
<td>3.7%</td>
</tr>
</tbody>
</table>

**Revenue Includes:**
- Vehicle Sale Price *varies*
- Buying Dealer Fee $325
- Inspection $110
- Transportation *varies*

**Costs Include:**
- Consumer Vehicle Payout
- Transaction Processing
- Inspection
- Transportation

Note: The above is shown for illustrative purposes only; it does not represent an actual transaction and is not intended to be indicative of any future transaction.
While maintaining profitability, CarOffer is gaining significant scale quickly.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Transactions¹</th>
<th>GROSS MERCHANDISE SALES (GMS)² &amp; AVERAGE SALES PRICE (ASPs)³</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q'21</td>
<td>12,013</td>
<td>$227 - $5,000</td>
</tr>
<tr>
<td>2Q'21</td>
<td>36,920</td>
<td>$938 - $10,000</td>
</tr>
<tr>
<td>3Q'21</td>
<td>35,514</td>
<td>$880 - $15,000</td>
</tr>
<tr>
<td>4Q'21</td>
<td>68,092</td>
<td>$2,160 - $20,000</td>
</tr>
<tr>
<td>1Q'22</td>
<td>6,553</td>
<td>$2,000 - $25,000</td>
</tr>
</tbody>
</table>

1. Please refer to the Appendix to this presentation for our definition of Total Transactions.
2. Please refer to the Appendix to this presentation for our definition of Gross Merchandise Sales.
3. CarGurus internal data (March 2022) of Total Average Sale Prices of both D2D and IMCO transactions.
Significant free cash flow to support high growth initiatives

NON-GAAP FREE CASH FLOW EVOLUTION$^1$

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-GAAP Free Cash Flow (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>$12.8</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$18.3</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$44.2</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$55.9</td>
</tr>
<tr>
<td>FY 2020</td>
<td>$149.2</td>
</tr>
<tr>
<td>FY 2021</td>
<td>$154.4$^1</td>
</tr>
</tbody>
</table>

Pro Forma $84.4M

CarOffer Transaction$^2$
- $70M Cash
- $104M Stock
- Acquired 51% stake

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures.
2. Source: Note 4 to the consolidated financial statements included in the CarGurus, Inc. Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022.
Top three key investment areas

Hiring and Developing TALENT

- Headcount
  - 827 in 2020
  - 1,203 in 2021
  - Increase in 2022

Investing in Cutting-Edge TECHNOLOGY

- Technology Spend
  - $86M in 2020
  - $106M in 2021
  - Increase in 2022

Driving Growth and Awareness SALES & MARKETING

- Sales & Marketing Spend
  - $257M in 2020
  - $291M in 2021
  - Increase in 2022

Investments supporting long-term growth objectives
Capital efficient approach to reach our long-term targets

<table>
<thead>
<tr>
<th></th>
<th>FY 2021 Non-GAAP Gross Margins</th>
<th>1Q'22 Non-GAAP Gross Margins</th>
<th>Long-Term Non-GAAP Gross Margin Target</th>
<th>Long-Term Adjusted EBITDA Margin Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKETPLACE(^2)</td>
<td>93%</td>
<td>92%</td>
<td>90-93%</td>
<td>30-35%</td>
</tr>
<tr>
<td>INSTANT MAX CASH OFFER</td>
<td>4%</td>
<td>3%</td>
<td>5-6%</td>
<td>2-3%</td>
</tr>
<tr>
<td>DEALER-TO-DEALER</td>
<td>38%</td>
<td>30%</td>
<td>40-45%</td>
<td>20-25%</td>
</tr>
<tr>
<td>MARKETPLACE(^2)</td>
<td>93%</td>
<td>92%</td>
<td>90-93%</td>
<td>30-35%</td>
</tr>
<tr>
<td>PRODUCT</td>
<td>1%</td>
<td>(1%)</td>
<td>2-3%</td>
<td>1-2%</td>
</tr>
<tr>
<td>WHOOLESALE</td>
<td>45%</td>
<td>42%</td>
<td>45-50%</td>
<td>25-30%</td>
</tr>
<tr>
<td>CONSOLIDATED</td>
<td>71%</td>
<td>44%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures
2. Inclusive of Digital Retail
3. The assumptions that are built into the long-term targets above are based on recent market behaviors and industry conditions. Long-term targets exclude the effects of significant COVID-19 resurgence, including the reintroduction of lockdowns and/or a slowed pace of recovery, or other macro-level industry issues that result in dealers and consumers materially changing their recent market behaviors or that cause us to enact measures to assist dealers, such as offering fee reductions or waivers as we have done from time to time during the COVID-19 pandemic. Long-term targets also exclude any potential impact of foreign currency exchange gains or losses. CarGurus has not reconciled its long-term targets for: (i) non-GAAP gross margins to GAAP gross margins 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 the timing, amount, valuation and number of future employee equity awards, and therefore cannot be determined without unreasonable effort; or (ii) adjusted EBITDA to GAAP net income because stock-based compensation, amortization of intangible assets, acquisition-related expenses, depreciation expenses, non-intangible amortization, other income (net), and the provision for income taxes, 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, and therefore cannot be determined without unreasonable effort.

Margin: on consolidated basis expect margin compression as a result of Instant Max Cash Offer being accounted for on gross basis

Nominally, we continue to drive both revenue and gross profit dollar growth

Digital Retail: a significant opportunity and potential upside to current long-term margins and profitability
## Q2 Guidance: updated

<table>
<thead>
<tr>
<th></th>
<th>1Q'2022</th>
<th>2Q'2022 - Original Guidance (5/9/22)¹</th>
<th>2Q'2022 - Updated Guidance (5/25/22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$431</td>
<td>$480 - $510</td>
<td>$490 - $520</td>
</tr>
<tr>
<td>IMCO Revenue</td>
<td>$162</td>
<td>$219 - $239</td>
<td>$227 - $247</td>
</tr>
<tr>
<td>Non-GAAP Operating Income</td>
<td>$62</td>
<td>$44 - $52</td>
<td>$48 - $56</td>
</tr>
<tr>
<td>Consolidated Adjusted EBITDA</td>
<td>$66</td>
<td>N/A</td>
<td>$51.5 - $59.5</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>$0.36</td>
<td>$0.26 - $0.29</td>
<td>$0.27 - $0.30</td>
</tr>
</tbody>
</table>

¹ Prior guidance provided in CarGurus' first quarter 2022 earnings results call and/or in its earnings press release dated May 9, 2022, furnished as Exhibit 99.1 to CarGurus' Current Report on Form 8-K filed with the SEC on May 9, 2022. This prior guidance is updated with today’s presentation.

Note: The second quarter 2022 non-GAAP EPS calculation assumes 119.5 million diluted weighted-average common shares outstanding. This assumed number of shares outstanding excludes the potential dilution from CarGurus utilizing its equity as the sole form of consideration to purchase the remaining 49% interest in CarOffer, which is assumed for accounting purposes. As of March 31, 2022, there were 7.9 million potentially dilutive shares related to the potential future purchase of the remaining 49% interest in CarOffer, all of which have been excluded from the calculation of the second quarter 2022 non-GAAP EPS calculation as they were anti-dilutive as of such date.

The assumptions that are built into guidance for the second quarter 2022 regarding our pace of paid dealer acquisition, churn, and expansion activity for the relevant period are based on recent market behaviors and industry conditions. Guidance for the second quarter 2022 excludes the effects of significant COVID-19 resurgences, including the reintroduction of lockdowns and/or a slowed pace of recovery, or other macro-level industry issues that result in dealers and consumers materially changing their recent market behaviors or that cause us to enact measures to assist dealers, such as offering fee reductions or waivers as we have done from time to time during the COVID-19 pandemic. Guidance also excludes adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and any potential impact of foreign currency exchange gains or losses.

CarGurus has not reconciled its guidance for (i) non-GAAP operating income to GAAP operating income, (ii) consolidated adjusted EBITDA to GAAP consolidated net income, or (iii) non-GAAP EPS to GAAP EPS because the reconciling items between such GAAP and non-GAAP financial measures, which include, as applicable, stock-based compensation, amortization of intangible assets, acquisition-related expenses, depreciation expenses, non-intangible amortization, other income (net), the provision for income taxes, and adjustments to the carrying value of redeemable noncontrolling interests resulting from changes in the redemption value of such interests, 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 acquisition-related expenses, including adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and therefore cannot be determined without unreasonable effort.
Closing Remarks

LED BY  |  Jason Trevisan

Chief Executive Officer
Recap of the day

EVOLVING TO MEET NEEDS

• Dealers
  • Source efficiently
  • High ROI marketing
  • Compete digitally

• Consumers
  • Customizable, trusted, and transparent one-stop shop

REALIZING SYNERGIES

• Combining businesses to create unmatched marketplace experience
  • Listings
  • Digital Retail
  • Digital Wholesale
  • Instant Max Cash Offer
  • Gain marketing leverage through integrated campaigns

GROWING OUR TAM FROM STRONG FOUNDATION

• Historical performance and strong execution support buildout of full life cycle capabilities
  • Opportunity to expand into untapped TAM

We have created the only fully integrated transaction-enabled platform where platform synergies create customer and business model benefits
The resulting financial profile is compelling... and scarce

Sourced from CapIQ Public Data. We searched the following criteria as of May 12, 2022: The number of US Public Technology Companies (Tech & Comm Services). Of those companies, the number of companies who have a market capitalization of $3 billion or higher. Of those companies, the number of companies who had positive operating income for the year ended December 31, 2021. Of those companies, the number of companies that had greater than 40% of revenue growth comparing December 31, 2021 to December 31, 2020. Of those companies, the number of companies who have analyst consensus showing 40% growth in the next twelve months.
5 Minute Break
Question & Answer Panel
Question & Answer Panel

Jason Trevisan
Chief Executive Officer

Scot Fredo
Chief Financial Officer

Sam Zales
President & Chief Operating Officer

Dafna Sarnoff
Chief Marketing Officer

Tom Caputo
Chief Product Officer

Spencer Scott
EVP, North American Sales and Service

Brad Rosenfeld
EVP, Digital Retail Commercialization

Kirndeep Singh
VP, Head of Investor Relations
Thank You!
Appendix
Definitions

**CARGURUS PAYING DEALERS**

A dealer account with an active, paid marketplace subscription at the end of a defined period.

**CARGURUS FREEMIUM DEALERS**

A dealer account that is active with CarGurus’ Restricted listings at the end of a defined period, but does not have an active, paid marketplace subscription at the end of such defined period. Restricted listings do not display the name, address, website URL, or phone number of the relevant dealer and are subject to other limitations.

**CAROFFER ENROLLED DEALERS**

Defined as those for which CarOffer and the applicable dealer have signed an enrollment agreement to participate on the CarOffer platform and CarOffer has entered such dealer’s rooftops in its sales management system. Includes dealers that have signed an enrollment agreement but have not yet completed CarOffer’s onboarding process.

**CAROFFER DEALER-TO-DEALER TRANSACTIONS**

The number of vehicles sold through the CarOffer platform (other than those sold by consumers) during the specified time period, based on the date that CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. The number of transactions for reported periods is subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course.

**INSTANT MAX CASH OFFER TRANSACTIONS**

The number of vehicles sold by consumers through the CarOffer platform during the specified time period, based on the date that CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. The number of transactions for reported periods is subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course.

**CAROFFER TOTAL TRANSACTIONS**

The aggregate of CarOffer Dealer-to-Dealer Transactions and Instant Max Cash Offer Transactions during the specified time period. The number of transactions for reported periods is subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course.

**CAROFFER GROSS MERCHANDISE SALES (“GMS”)**

The aggregate sale price of all vehicles sold through the CarOffer platform during the specified time period, calculated as the sum of each vehicle’s selling price indicated in the CarOffer system of record based on the date on which CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. Excludes OfferGuard and Guaranteed Put-Bid contracts, as well as all fees relating to transportation, inspection, and arbitration. Amounts for reported periods are subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course. GMS is inclusive of both CarOffer Dealer-to-Dealer Transactions and Instant Max Cash Offer Transactions.
Definitions

**CAROFFER AVERAGE TRANSACTIONS PER DEALER (PURCHASES AND SALES)**

The number of CarOffer Total Transactions during the specified time period, divided by the total number of participating dealers in such time period. Participating dealers reflect dealers that purchased or sold at least one vehicle through the CarOffer platform during the specified time period, based on the date that CarOffer considers the vehicle as sold, which can vary depending on the nature of the transaction. The number of transactions for reported periods is subject to potential adjustment after the date hereof based on future arbitration claims that may occur in the ordinary course.

**QUARTERLY AVERAGE REVENUE PER SUBSCRIBING DEALER (“QARSD”)**

We define QARSD, which is measured at the end of a fiscal quarter, as the marketplace revenue primarily from subscriptions to our Listings packages and Real-time Performance Marketing digital advertising suite during that trailing quarter divided by the average number of paying dealers in that marketplace during the quarter. We calculate the average number of paying dealers for a period by adding the number of paying dealers at the end of such period and the end of the prior period and dividing by two.

**AVERAGE MONTHLY SESSIONS**

We define monthly sessions as the number of distinct visits to our websites (excluding CarOffer) that take place each month within a given time frame, as measured and defined by Google Analytics. We calculate average monthly sessions as the sum of the monthly sessions in a given period, divided by the number of months in that period. A session is defined as beginning with the first page view from a computer or mobile device and ending at the earliest of when a user closes their browser window, after 30 minutes of inactivity, or each night at midnight (i) Eastern Time for our United States and Canada websites, other than the Autolist website, (ii) Pacific Time for the Autolist website, and (iii) Greenwich Mean Time for our U.K. websites. A session can be made up of multiple page views and visitor actions, such as performing a search, visiting vehicle detail pages, and connecting with a dealer.

**AVERAGE MONTHLY UNIQUE USERS**

For each of our websites (excluding CarOffer), we define a monthly unique user (or visitor) as an individual who has visited any such website within a calendar month, based on data as measured by Google Analytics. We calculate average monthly unique users as the sum of the monthly unique users of each of our websites in a given period, divided by the number of months in that period. We count a unique user the first time a computer or mobile device with a unique device identifier accesses any of our websites during a calendar month. If an individual accesses a website using a different device within a given month, the first access by each such device is counted as a separate unique user. If an individual uses multiple browsers on a single device and/or clears their cookies and returns to our site within a calendar month, we count each such visit as a unique user.
### CarOffer Dealer-to-Dealer Business

<table>
<thead>
<tr>
<th></th>
<th>1Q 2021</th>
<th>2Q 2021</th>
<th>3Q 2021</th>
<th>4Q 2021</th>
<th>FY 2021</th>
<th>1Q 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Revenue</strong></td>
<td>$15.6</td>
<td>$57.3</td>
<td>$57.7</td>
<td>$94.3</td>
<td>$224.9</td>
<td>$105.5</td>
</tr>
<tr>
<td><strong>GAAP Cost of Revenue</strong></td>
<td>$13.1</td>
<td>$39.0</td>
<td>$42.5</td>
<td>$65.5</td>
<td>$160.1</td>
<td>$78.9</td>
</tr>
<tr>
<td><strong>GAAP Gross Profit</strong></td>
<td>$2.5</td>
<td>$18.3</td>
<td>$15.2</td>
<td>$28.8</td>
<td>$64.8</td>
<td>$26.6</td>
</tr>
</tbody>
</table>

**Impact of Amortization of Intangible Assets in Cost of Revenue**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$20.1</td>
<td>$20.1</td>
<td>$5.3</td>
<td></td>
</tr>
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</table>

**Impact of Stock-Based Compensation Expense in Cost of Revenue**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>$0.03</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.2</td>
<td>$0.08</td>
<td></td>
</tr>
</tbody>
</table>

**Non-GAAP Gross Profit**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.5</td>
<td>$18.3</td>
<td>$15.2</td>
<td>$49.0</td>
<td>$85.1</td>
<td>$32.0</td>
<td></td>
</tr>
</tbody>
</table>

**GAAP Gross Profit Margin**

|                  | 16%     | 32%     | 26%     | 31%     | 29%     | 25%     |

**Non-GAAP Gross Profit Margin**

|                  | 16%     | 32%     | 26%     | 52%     | 38%     | 30%     |

Note: Results for Q3'21 presented above are as previously disclosed by us; however, due to subsequent adjustments that we recorded in Q4'21 related to classifications within Revenue and Cost of Revenue, results by quarter presented above for 2021 may not tie to the FY'21 results presented above. We assessed the materiality of these adjustments on our historical financial statements, individually and in aggregate, and concluded the effect was not material for any of the relevant periods.

Note: We define non-GAAP Gross Profit Margin for our CarOffer dealer-to-dealer business as non-GAAP Gross Profit for such business divided by GAAP Revenue for such business. We define non-GAAP Gross Profit for our CarOffer dealer-to-dealer business as the difference between GAAP Revenue for such business and GAAP Cost of Revenue for such business adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Cost of Revenue for such business. We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer dealer-to-dealer business.

Note: Numbers may not tie due to rounding.
Reconciliations of Instant Max Cash Offer non-GAAP gross profit margin

<table>
<thead>
<tr>
<th>Instant Max Cash Offer Business</th>
<th>3Q 2021</th>
<th>4Q 2021</th>
<th>FY 2021</th>
<th>1Q 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP REVENUE</td>
<td>$5.0</td>
<td>$84.2</td>
<td>$89.2</td>
<td>$161.8</td>
</tr>
<tr>
<td>GAAP COST OF REVENUE</td>
<td>$4.75</td>
<td>$80.4</td>
<td>$85.2</td>
<td>$157.2</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT</td>
<td>$0.25</td>
<td>$3.8</td>
<td>$4.0</td>
<td>$4.6</td>
</tr>
<tr>
<td>IMPACT OF AMORTIZATION OF INTANGIBLE ASSETS IN COST OF REVENUE</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$0.04</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT</td>
<td>$0.25</td>
<td>$3.8</td>
<td>$4.0</td>
<td>$4.6</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT MARGIN</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT MARGIN</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: Results for Q3'21 presented above are as previously disclosed by us; however, due to subsequent adjustments that we recorded in Q4'21 related to classifications within Revenue and Cost of Revenue, results by quarter presented above for 2021 may not tie to the FY'21 results presented above. We assessed the materiality of these adjustments on our historical financial statements, individually and in aggregate, and concluded the effect was not material for any of the relevant periods.

Note: We define non-GAAP Gross Profit Margin for our Instant Max Cash Offer business as non-GAAP Gross Profit for such business divided by GAAP Revenue for such business. We define non-GAAP Gross Profit for our Instant Max Cash Offer business as the difference between GAAP Revenue for such business and GAAP Cost of Revenue for such business adjusted for the impact of Amortization of Intangible Assets in GAAP Cost of Revenue for such business. We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance and better understand our new Instant Max Cash Offer business through CarOffer.

Note: Numbers may not tie due to rounding.
Reconciliations of total CarOffer non-GAAP gross profit and non-GAAP gross profit margin

<table>
<thead>
<tr>
<th>Total CarOffer Business</th>
<th>1Q 2021</th>
<th>2Q 2021</th>
<th>3Q 2021</th>
<th>4Q 2021</th>
<th>FY 2021</th>
<th>1Q 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP REVENUE</td>
<td>$15.6</td>
<td>$57.3</td>
<td>$62.7</td>
<td>$178.5</td>
<td>$314.1</td>
<td>$267.3</td>
</tr>
<tr>
<td>GAAP COST OF REVENUE</td>
<td>$13.1</td>
<td>$39.0</td>
<td>$48.1</td>
<td>$145.8</td>
<td>$245.9</td>
<td>$236.1</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT</td>
<td>$2.5</td>
<td>$18.3</td>
<td>$14.6</td>
<td>$32.7</td>
<td>$68.2</td>
<td>$31.2</td>
</tr>
<tr>
<td>IMPACT OF AMORTIZATION OF INTANGIBLE ASSETS IN COST OF REVENUE</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$20.1</td>
<td>$20.1</td>
<td>$5.34</td>
</tr>
<tr>
<td>IMPACT OF STOCK-BASED COMPENSATION EXPENSE IN COST OF REVENUE</td>
<td>$0.03</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.06</td>
<td>$0.2</td>
<td>$0.08</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT</td>
<td>$2.5</td>
<td>$18.3</td>
<td>$14.7</td>
<td>$52.9</td>
<td>$88.5</td>
<td>$36.6</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT MARGIN</td>
<td>16%</td>
<td>32%</td>
<td>23%</td>
<td>18%</td>
<td>22%</td>
<td>12%</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT MARGIN</td>
<td>16%</td>
<td>32%</td>
<td>23%</td>
<td>30%</td>
<td>28%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Note: Results for Q3’21 presented above are as previously disclosed by us; however, due to subsequent adjustments that we recorded in Q4’21 related to classifications within Revenue and Cost of Revenue, results by quarter presented above for 2021 may not tie to the FY’21 results presented above. We assessed the materiality of these adjustments on our historical financial statements, individually and in aggregate, and concluded the effect was not material for any of the relevant periods.

Note: We define CarOffer’s non-GAAP Gross Profit Margin as CarOffer’s non-GAAP Gross Profit divided by CarOffer’s GAAP Revenue. We define CarOffer’s non-GAAP Gross Profit as the difference between CarOffer’s GAAP Revenue and CarOffer’s GAAP Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock Based Compensation Expense in CarOffer’s GAAP Cost of Revenue. We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.

Note: Numbers may not tie due to rounding.
## Reconciliations of full-year 2021 marketplace, wholesale, product, & consolidated non-GAAP gross profit margins

<table>
<thead>
<tr>
<th></th>
<th>FY 2021 Marketplace</th>
<th>FY 2021 Wholesale</th>
<th>FY 2021 Product</th>
<th>FY 2021 Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP REVENUE</strong></td>
<td>$636.9</td>
<td>$195.1</td>
<td>$119.3</td>
<td>$951.4</td>
</tr>
<tr>
<td><strong>GAAP COST OF REVENUE</strong></td>
<td>$47.7</td>
<td>$127.7</td>
<td>$118.6</td>
<td>$294.0</td>
</tr>
<tr>
<td><strong>GAAP GROSS PROFIT</strong></td>
<td>$589.2</td>
<td>$67.4</td>
<td>$0.7</td>
<td>$657.4</td>
</tr>
<tr>
<td><strong>IMPACT OF AMORTIZATION OF INTANGIBLE ASSETS IN COST OF REVENUE</strong></td>
<td>$0.7</td>
<td>$20.1</td>
<td>$-</td>
<td>$20.8</td>
</tr>
<tr>
<td><strong>IMPACT OF STOCK-BASED COMPENSATION EXPENSE IN COST OF REVENUE</strong></td>
<td>$0.2</td>
<td>$0.2</td>
<td>$-</td>
<td>$0.4</td>
</tr>
<tr>
<td><strong>NON-GAAP GROSS PROFIT</strong></td>
<td>$590.1</td>
<td>$87.7</td>
<td>$0.7</td>
<td>$678.6</td>
</tr>
<tr>
<td><strong>GAAP GROSS PROFIT MARGIN</strong></td>
<td>93%</td>
<td>35%</td>
<td>1%</td>
<td>69%</td>
</tr>
<tr>
<td><strong>NON-GAAP GROSS PROFIT MARGIN</strong></td>
<td>93%</td>
<td>45%</td>
<td>1%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Note: We define non-GAAP Gross Profit Margin for each of our Marketplace, Wholesale, Product, and Consolidated businesses as (for the applicable business) non-GAAP Gross Profit divided by GAAP Revenue. We define non-GAAP Gross Profit for the applicable business as the difference between (for the applicable business) GAAP Revenue and GAAP Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Cost of Revenue, each as attributable to the applicable business. We believe each of these non-GAAP financial measures provides useful information about our operating results, including with respect to our new CarOffer business, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making.

Note: Numbers may not tie due to rounding.
Reconciliations of 1Q 2022 marketplace, wholesale, product, & consolidated non-GAAP gross profit margins

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>1Q 2022 Marketplace</th>
<th>1Q 2022 Wholesale</th>
<th>1Q 2022 Product</th>
<th>1Q 2022 Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP REVENUE</td>
<td>$163.3</td>
<td>$91.0</td>
<td>$176.3</td>
<td>$430.6</td>
</tr>
<tr>
<td>GAAP COST OF REVENUE</td>
<td>$12.2</td>
<td>$58.2</td>
<td>$178.3</td>
<td>$248.7</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT</td>
<td>$151.1</td>
<td>$32.8</td>
<td>($2.0)</td>
<td>$181.9</td>
</tr>
<tr>
<td>IMPACT OF AMORTIZATION OF INTANGIBLE ASSETS IN COST OF REVENUE</td>
<td>$0.1</td>
<td>$5.3</td>
<td>$-</td>
<td>$5.3</td>
</tr>
<tr>
<td>IMPACT OF STOCK-BASED COMPENSATION EXPENSE IN COST OF REVENUE</td>
<td>$0.03</td>
<td>$0.07</td>
<td>$-</td>
<td>$0.1</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT</td>
<td>$151.2</td>
<td>$38.2</td>
<td>($2.0)</td>
<td>$187.4</td>
</tr>
<tr>
<td>GAAP GROSS PROFIT MARGIN</td>
<td>93%</td>
<td>36%</td>
<td>(1%)</td>
<td>42%</td>
</tr>
<tr>
<td>NON-GAAP GROSS PROFIT MARGIN</td>
<td>92%</td>
<td>42%</td>
<td>(1%)</td>
<td>44%</td>
</tr>
</tbody>
</table>

Note: We define non-GAAP Gross Profit Margin for each of our Marketplace, Wholesale, Product, and Consolidated businesses as (for the applicable business) non-GAAP Gross Profit divided by GAAP Revenue. We define non-GAAP Gross Profit for the applicable business as the difference between (for the applicable business) GAAP Revenue and GAAP Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Cost of Revenue, each as attributable to the applicable business. We believe each of these non-GAAP financial measures provides useful information about our operating results, including with respect to our new CarOffer business, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making.

Note: Numbers may not tie due to rounding.
Reconciliations of consolidated adjusted EBITDA, adjusted EBITDA, consolidated adjusted EBITDA margin, and adjusted EBITDA margin

($ millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>1Q'22</th>
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<tbody>
<tr>
<td>CONSOLIDATED NET INCOME</td>
<td>$13.2</td>
<td>$65.2</td>
<td>$42.1</td>
<td>$77.6</td>
<td>$110.4</td>
<td>$18.8</td>
</tr>
<tr>
<td>DEPRECIATION AND AMORTIZATION</td>
<td>$3.8</td>
<td>$5.0</td>
<td>$7.8</td>
<td>$10.2</td>
<td>$40.5</td>
<td>$11.2</td>
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<tr>
<td>IMPAIRMENT OF LONG-LIVED ASSETS</td>
<td>-</td>
<td>-</td>
<td>$34.3</td>
<td>$1.2</td>
<td>$3.1</td>
<td>-</td>
</tr>
<tr>
<td>STOCK-BASED COMPENSATION</td>
<td>$5.0</td>
<td>$20.8</td>
<td>$0.5</td>
<td>$45.3</td>
<td>$77.7</td>
<td>$27.8</td>
</tr>
<tr>
<td>ACQUISITION-RELATED EXPENSES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$2.9</td>
<td>$0.7</td>
<td>-</td>
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<tr>
<td>RESTRUCTURING EXPENSES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OTHER (INCOME), EXPENSE</td>
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<td>($2.3)</td>
<td>($4.4)</td>
<td>($1.4)</td>
<td>($1.1)</td>
<td>$0.1</td>
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<td>PROVISION FOR (BENEFIT FROM) INCOME TAXES</td>
<td>$2.6</td>
<td>($39.7)</td>
<td>($3.4)</td>
<td>$21.6</td>
<td>$39.0</td>
<td>$7.7</td>
</tr>
<tr>
<td>CONSOLIDATED ADJUSTED EBITDA</td>
<td>$24.1</td>
<td>$49.0</td>
<td>$76.9</td>
<td>$160.8</td>
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<td>$65.6</td>
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<tr>
<td>NET INCOME ATTRIBUTABLE TO REDEEMABLE NONCONTROLLING INTEREST</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>($20.8)</td>
<td>($7.7)</td>
</tr>
<tr>
<td>ADJUSTED EBITDA</td>
<td>$24.1</td>
<td>$49.0</td>
<td>$76.9</td>
<td>$160.8</td>
<td>$249.5</td>
<td>$57.9</td>
</tr>
<tr>
<td>CONSOLIDATED ADJUSTED EBITDA MARGIN</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>29%</td>
<td>28%</td>
<td>15%</td>
</tr>
<tr>
<td>ADJUSTED EBITDA MARGIN</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>29%</td>
<td>26%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Note: We define Consolidated Adjusted EBITDA as consolidated net income, adjusted to exclude: depreciation and amortization, impairment of long-lived assets, stock-based compensation expense, acquisition-related expenses, restructuring expenses, other (income) expense net, and the provision for (benefit from) income taxes. We define Adjusted EBITDA as Consolidated Adjusted EBITDA adjusted to exclude net income attributable to redeemable noncontrolling interests, adjusted for all prior limitations to Consolidated Adjusted EBITDA as previously described. We define Consolidated Adjusted EBITDA Margin as Consolidated Adjusted EBITDA divided by consolidated revenue. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by consolidated revenue. We have presented Consolidated Adjusted EBITDA and Adjusted EBITDA (and associated margins) because they are key measures 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 each of Consolidated Adjusted EBITDA and Adjusted EBITDA (and associated margins) can produce a useful measure for period-to-period comparisons of our business.

Note: Numbers may not tie due to rounding.
## Reconciliation of 1Q’22 non-GAAP operating income and non-GAAP operating margin

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>1Q’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP OPERATING INCOME</td>
<td>$26.7</td>
</tr>
<tr>
<td>AMORTIZATION OF INTANGIBLE ASSETS</td>
<td>$7.7</td>
</tr>
<tr>
<td>STOCK-BASED COMPENSATION</td>
<td>$27.8</td>
</tr>
<tr>
<td>ACQUISITION-RELATED EXPENSES</td>
<td>$-</td>
</tr>
<tr>
<td>NON-GAAP OPERATING INCOME</td>
<td>$62.2</td>
</tr>
<tr>
<td>GAAP OPERATING MARGIN</td>
<td>6%</td>
</tr>
<tr>
<td>NON-GAAP OPERATING MARGIN</td>
<td>14%</td>
</tr>
</tbody>
</table>

Note: We define Non-GAAP Operating Income as GAAP Operating Income, adjusted to exclude: amortization of intangible assets, stock-based compensation expense, and acquisition-related expenses. We define Non-GAAP Operating Margin as Non-GAAP Operating Income divided by consolidated revenue. We have presented Non-GAAP Operating Income and Non-GAAP Operating Margin because they are key measures 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 each of Non-GAAP Operating Income and Non-GAAP Operating Margin can produce a useful measure for period-to-period comparisons of our business.

Note: Numbers may not tie due to rounding.
# Reconciliation of 1Q’22 non-GAAP net income and non-GAAP diluted EPS

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>1Q’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP CONSOLIDATED NET INCOME</td>
<td>$18.8</td>
</tr>
<tr>
<td>STOCK-BASED COMPENSATION EXPENSE, NET OF TAX&lt;sup&gt;1&lt;/sup&gt;</td>
<td>$22.0</td>
</tr>
<tr>
<td>CHANGE IN TAX PROVISION FROM STOCK-BASED COMPENSATION EXPENSE&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$0.3</td>
</tr>
<tr>
<td>AMORTIZATION OF INTANGIBLE ASSETS</td>
<td>$7.7</td>
</tr>
<tr>
<td>NON-GAAP CONSOLIDATED NET INCOME</td>
<td>$48.8</td>
</tr>
<tr>
<td>NET (INCOME) ATTRIBUTABLE TO REDEEMABLE NONCONTROLLING INTEREST</td>
<td>($5.9)</td>
</tr>
<tr>
<td>NON-GAAP NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</td>
<td>$42.9</td>
</tr>
<tr>
<td>NON-GAAP NET INCOME PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS:</td>
<td></td>
</tr>
<tr>
<td>DILUTED SHARES</td>
<td>118.0</td>
</tr>
<tr>
<td>NON-GAAP DILUTED EPS</td>
<td>$0.36</td>
</tr>
</tbody>
</table>

1. This adjustment reflects the tax effect of differences between tax deductions related to stock compensation and the corresponding financial statement.
2. The stock-based compensation amounts reflected in the table above are tax effected at the U.S. federal statutory tax rate of 21%.

Note: We define Non-GAAP Consolidated Net Income as GAAP Consolidated Net Income adjusted for the impacts of Amortization of Intangible Assets, Stock-Based Compensation Expense, net of tax, and the Change in Tax Provision from Stock-Based Compensation Expense. We define Non-GAAP Net Income Attributable to Common Stockholders as Non-GAAP Consolidated Net Income adjusted to exclude net income attributable to redeemable noncontrolling interests. We define Non-GAAP Diluted EPS as Non-GAAP Net Income Attributable to Common Stockholders divided by GAAP-diluted common shares. We believe that these non-GAAP financial measures provide useful information about our operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to metrics used by our management in its financial and operational decision-making.
## Reconciliation of CarOffer adjusted EBITDA

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>1Q'21</th>
<th>2Q'21</th>
<th>3Q'21</th>
<th>4Q'21</th>
<th>FY 2021</th>
<th>1Q'22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP CAROFFER NET (LOSS) INCOME</strong>¹</td>
<td>($7.5)</td>
<td>($1.7)</td>
<td>$0.2</td>
<td>$11.9</td>
<td>$2.9</td>
<td>($2.8)</td>
</tr>
<tr>
<td><strong>IMPACT OF CAROFFER DEPRECIATION AND AMORTIZATION</strong></td>
<td>$6.1</td>
<td>$7.3</td>
<td>$7.4</td>
<td>$7.6</td>
<td>$28.4</td>
<td>$7.6</td>
</tr>
<tr>
<td><strong>IMPACT OF CAROFFER STOCK-BASED COMPENSATION</strong></td>
<td>$1.2</td>
<td>$7.1</td>
<td>$1.0</td>
<td>$12.6</td>
<td>$21.9</td>
<td>$14.1</td>
</tr>
<tr>
<td><strong>IMPACT OF OTHER EXPENSE (INCOME)</strong></td>
<td>$0.03</td>
<td>($0.1)</td>
<td>($0.08)</td>
<td>$1.0</td>
<td>$0.9</td>
<td>$1.1</td>
</tr>
<tr>
<td><strong>IMPACT OF PROVISION FOR INCOME TAXES</strong></td>
<td>$-</td>
<td>$-</td>
<td>$0.3</td>
<td>$0.2</td>
<td>$0.5</td>
<td>$0.2</td>
</tr>
<tr>
<td><strong>CAROFFER ADJUSTED EBITDA</strong></td>
<td>($0.2)</td>
<td>$12.6</td>
<td>$8.8</td>
<td>$33.3</td>
<td>$54.5</td>
<td>$20.2</td>
</tr>
</tbody>
</table>

¹. Net (Loss) Income attributable to CarOffer on a standalone basis does not include certain operating expenses incurred by the core CarGurus business.

Note: We define CarOffer Adjusted EBITDA, a non-GAAP measure, as GAAP CarOffer Net (loss) income, adjusted to exclude: CarOffer Depreciation & Amortization; CarOffer Stock-Based Compensation Expense; CarOffer Other Expense (Income), net; and CarOffer Provision for Income Taxes. We believe the presentation of CarOffer Adjusted EBITDA provides useful information that will allow investors to evaluate our operating performance and better understand our new CarOffer business.

Note: Numbers may not tie due to rounding.
Reconciliation of free cash flow and pro forma free cash flow

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES</td>
<td>$20.0</td>
<td>$25.7</td>
<td>$51.7</td>
<td>$70.1</td>
<td>$156.7</td>
<td>$98.3</td>
</tr>
<tr>
<td>PURCHASES OF PROPERTY AND EQUIPMENT</td>
<td>($5.8)</td>
<td>($5.2)</td>
<td>($6.0)</td>
<td>($11.2)</td>
<td>($2.9)</td>
<td>($7.7)</td>
</tr>
<tr>
<td>CAPITALIZATION OF WEBSITE DEVELOPMENT COSTS</td>
<td>($1.4)</td>
<td>($2.2)</td>
<td>($1.5)</td>
<td>($3.0)</td>
<td>($4.6)</td>
<td>($6.2)</td>
</tr>
<tr>
<td>FREE CASH FLOW</td>
<td>$12.8</td>
<td>$18.3</td>
<td>$44.2</td>
<td>$55.9</td>
<td>$149.2</td>
<td>$84.4</td>
</tr>
<tr>
<td>CASH PAID FOR CAROFFER ACQUISITION</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$70.0</td>
</tr>
<tr>
<td>PRO FORMA FREE CASH FLOW</td>
<td>$12.8</td>
<td>$18.3</td>
<td>$44.2</td>
<td>$55.9</td>
<td>$149.2</td>
<td>$154.4</td>
</tr>
</tbody>
</table>

Note: We define Free Cash Flow, a non-GAAP measure, as cash flow from operations, adjusted to include purchases of property and equipment and capitalization of website development costs. We define Pro Forma Free Cash Flow, a non-GAAP measure, as the sum of Free Cash Flow and cash paid for our acquisition of a 51% interest in CarOffer in January 2021. We have presented Free Cash Flow because it is a measure of our financial performance that represents the cash that we are able to generate after expenditures required to maintain or expand our asset base. We believe Pro Forma Free Cash Flow also provides useful information that will allow investors to compare our period-to-period Free Cash Flow trends.

Note: Numbers may not tie due to rounding.
Reconciliation of FY 2020 revenue to non-GAAP, pro forma revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL GAAP REVENUE</td>
<td>$551.5</td>
</tr>
<tr>
<td>IMPACT OF FEE REDUCTIONS ON U.S. MARKETPLACE</td>
<td>$44.0</td>
</tr>
<tr>
<td>IMPACT OF FEE REDUCTIONS ON INT’L MARKETPLACE</td>
<td>$2.7</td>
</tr>
<tr>
<td>TOTAL NON-GAAP PRO FORMA REVENUE</td>
<td>$598.2</td>
</tr>
</tbody>
</table>

Note: We define total FY 2020 non-GAAP, pro forma revenue as total FY 2020 GAAP revenue, adjusted to exclude the impact of fee reductions provided during the second quarter of 2020 and which assumes that we had no incremental churn other than realized in such quarter, such that all reported paying dealers retained their subscriptions at their full subscription level. We believe this non-GAAP financial measure provides useful information that will allow investors to compare our period-to-period revenue trends.