Q1 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; the ability of our offerings to support dealer customers impacted by the COVID-19 pandemic; our ability to maintain existing and acquire new customers; addressable opportunities; our success in international markets; our future financial and business performance, including long-term financial targets; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our 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 planned expense reduction efforts at the levels we expect, 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, a well as industry publications and reports and other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Comscore for data relating to comparisons with our competitors. Google Analytics and Comscore use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that the publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

In addition to the financial measures contained in this presentation that are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), this presentation includes certain non-GAAP financial measures and other business metrics. The presentation of non-GAAP financial information and other business metrics is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. While our non-GAAP financial measures and other business metrics are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measure included above it in the Appendix to this presentation and not to rely on any single financial measure to evaluate our business.

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Global Trusted Marketplace, Powerful Network Effect

- **More Car Shoppers**
  - 38 M¹ US unique average monthly visitors

- **More Engagement**
  - 65M 2019 US connections

- **More Inventory**
  - 5+ M² US Inventory listings

- **More Dealers**
  - 40,000+³ US listing dealers

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**Unbiased Transparency**
- Price
- Dealer Reputation
- Vehicle Condition
- Inventory Ranking

**Marketplace**
- Dealers
- and
- Peer to Peer

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¹ Google Analytics, Q1 2020
² As of 5/7/2020
³ As of 5/7/2020; CarGurus defines its active dealer network as consisting of all dealers based on a distinct associated inventory feed, to which CarGurus connected a user about a listing during the ninety-day period ending on the applicable measurement date.
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 OF 5M+ LISTINGS\(^1\) FROM OVER 40,000 DEALERS\(^1\)

Car Information
- Vehicle History
- Time on Site\(^2\)

Price Information
- Instant Market Value\(^2\)
- Deal Rating\(^2\)
- Price History

Dealer Information
- Qualified Dealer Reviews
- Dealer Ratings

BEST-DEAL-FIRST ORGANIC SEARCH RESULTS

ENGAGED, INFORMED, READY-TO-BUY CONSUMERS

92% of users are in-market\(^3\)

60% more likely to visit CG vs. other sites within week of purchase\(^4\)

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We are the #1 Online US Automotive Marketplace

(MILLIONS)

- **US Monthly Average Sessions**
- **US Monthly Average Visitors**


2. Source: Google Analytics; Data from Q1 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 March 31, 2020.
Consumer Value Proposition and Audience Makeup
Our Technology Drives Transparency for Consumers

UNSTRUCTURED CAR DATA FROM HUNDREDS OF SOURCES ACROSS THOUSANDS OF DEALERS

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

Both are a 2015 BMW 3-Series 328xi Coupe

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 (IMV)
Our Technology Drives Transparency for Consumers

Instant Market Value + User Dealer Ratings = Deal Rating

- **GREAT DEAL**: $2,688 BELOW CarGurus IMV of $28,142
- **GOOD DEAL**: $1,755 BELOW CarGurus IMV of $46,482
- **FAIR DEAL**: $921 BELOW CarGurus IMV of $33,910
- **HIGH PRICE**: $1,363 ABOVE CarGurus IMV of $15,232
- **OVERPRICED**: $3,947 ABOVE CarGurus IMV of $18,351
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\(^1\)
- 60% have a total household income of $75,000 or more\(^1\)
- 70% plan to purchase or lease a vehicle within the next three months\(^1\)

And, they’re visiting CarGurus right before making a purchase.

\[ % \text{ OF VISITS WITHIN A WEEK OF PURCHASE}^{1} \]

<table>
<thead>
<tr>
<th>CarGurus</th>
<th>37%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major US Automotive Marketplaces</td>
<td>27%</td>
</tr>
<tr>
<td>1.4x higher</td>
<td></td>
</tr>
</tbody>
</table>

\(^{1}\) 2018 CarGurus Buyer Insight Report (February 2019); Comparative set includes Autotrader, Cars.com, Edmunds, KBB, and TrueCar
Diverse Traffic Mix Limits Reliance on Any One Channel

We attract our audience from more than 15 sources

**US MONTHLY SESSIONS (MILLIONS)**

1. CarGurus Internal Data

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© 2020 CarGurus, Inc. All Rights Reserved. 1. CarGurus Internal Data
Dealer Business Overview
Large Domestic Paying Dealer Base, Growing International Opportunity

TOTAL PAYING DEALERS (THOUSANDS)$^1$

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2017</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>

LARGE DEALER ADDRESSABLE MARKET (THOUSANDS)$^2$

- U.S. Market: 43
- International Markets: 21
- All Current Markets: 64

1. Beginning in Q1 2019, includes paying dealers from PistonHeads. Beginning in Q1 2020, includes paying dealers from Autolist.
Our Dealer Offerings Unlock Digital Marketing Wallet Share

Restricted Listing

Paying Dealers
- Standard Listing
- Enhanced Listing
- Featured Listing
- Featured Priority Delivery

Dealer Dashboard
- Performance Summary
- Dealer Insights
- User Review Management
- Pricing Tool
- Market Analysis

RPM Marketing Suite
- Dealer Display
- Audience Retargeting
- SEM Plus
- Social Ads
Offerings to Support Dealers Impacted by COVID-19

• **Contactless Services**
  • Highlight socially distanced and virtual appointments, at-home test drives, home drop-off, and contactless purchase capabilities.

• **Delivery**
  • Expands a dealer's reach by highlighting Delivery capabilities.
  • Launched Delivery pilot programs in Canada and the UK.

• **Driving Difference**
  • Resource center for dealers to share best practices and strategize for months ahead.
  • Hosting virtual Dealer Councils to maintain dealer community engagement.

• **Suspended Listings**
  • Temporarily maintain inventory visibility for formerly-paying dealers so our leading audience can continue to express interest.
Introducing New Products to Unlock Large TAM

US NEW AND USED CAR RETAIL SALES: $1.4T

- **P2P**
  - $6B Total US Value
- **FINANCE**
  - $3B US Used Car Loan Commissions
- **INSURANCE WARRANTY**
- **TRADE-IN**

**CONSUMER LIFECYCLE**
- Increase Consumer Retention
- Reduce Cost of Customer Acquisition

**DEALER MANAGEMENT**
- $13.9B US Dealer Digital Marketing Spend
- $5.3B US Dealer Software Spend
- $3.3B US OEM Display Ad Spend

**MULTIPLE COUNTRIES**
- $23B International Total Automotive Advertising Spend

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2. Borrell (2018), Internal Estimates
3. Transunion (2018), Internal Estimates
5. Investment bank research (2019)
7. Investment bank research (2019): spend includes Canada, UK, Germany, Italy and Spain
Growing US AARSD\textsuperscript{1} Through Three Levers

- Grow Connection and Lead Volume
- Increase Adoption of New Products
- Unit Pricing and Product Packaging

\textsuperscript{1} Average annual revenue per subscribing dealer.
We Have Rapidly Grown Connection Volume and Increased US AARSD

OPTIMIZING FOR HIGH QUALITY LEADS (MILLIONS)

US Connections | US Leads

2017 | 2018 | 2019

12% CAGR | 22% CAGR

US AARSD

Q1 2018 | Q1 2019 | Q1 2020

$12,470 | $15,440 | $18,393

21% CAGR

1. Excludes revenue and dealers from the Autolist website as it was acquired on January 16, 2020, and therefore, data for the trailing 12-month revenue calculation is not available.
Scaling Our International Business

INTERNATIONAL AVERAGE MONTHLY UNIQUE USERS (MILLIONS)\(^1,2\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>1</td>
<td>7.4</td>
<td>9</td>
<td>10.7</td>
</tr>
</tbody>
</table>

INTERNATIONAL PAYING DEALERS\(^2\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2</td>
<td>10.7</td>
<td>7.434</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Google Analytics 2. Beginning in Q1 2019, includes the impact of PistonHeads.
Financial Overview
CarGurus Financial Highlights

Strong track record of revenue growth in large total addressable market

High quality revenue: recurring, high retention, and diversified

Proven operating leverage and profitability

Attractive free cash flow generation

Scalable model for replication in Canada and the UK
Significant Revenue Scale

($) MILLIONS

- U.S.
- International

FY2016: $198
FY2017: $317
FY2018: $454
FY2019: $589

CAGR: 44%

Q1: $67
Q2: $76
Q3: $83
Q4: $91
FY 2017

Q1: $99
Q2: $110
Q3: $119
Q4: $126
FY 2018

Q1: $135
Q2: $145
Q3: $150
Q4: $158
FY 2019

Q1: $158
FY 2020

YoY Growth: 17%

2019 guidance
Profitable US Business Driving Investments in International

**US GAAP OPERATING INCOME ($ MILLIONS)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$42</td>
<td>$58</td>
<td>$74</td>
</tr>
<tr>
<td>% Margin</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$17</td>
<td>$20</td>
</tr>
<tr>
<td>% Margin</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**INT’L GAAP OPERATING INCOME ($ MILLIONS)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$(26)</td>
<td>$(35)</td>
<td>$(40)</td>
</tr>
<tr>
<td>% Margin</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$(10)</td>
<td>$(8)</td>
</tr>
<tr>
<td>% Margin</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**CONSOLIDATED GAAP OPERATING INCOME**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$15</td>
<td>$23</td>
<td>$34</td>
</tr>
<tr>
<td>% Margin</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$7</td>
<td>$12</td>
</tr>
<tr>
<td>% Margin</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>
### Long-Term Target Model Progression Since IPO

<table>
<thead>
<tr>
<th>Percent of Revenue</th>
<th>2017</th>
<th>2018(^1)</th>
<th>2019(^1)</th>
<th>Q1 2020(^1)</th>
<th>Long-Term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Margin</strong></td>
<td>94%</td>
<td>95%</td>
<td>94%</td>
<td>93%</td>
<td>93% – 95%</td>
</tr>
<tr>
<td><strong>Sales &amp; Marketing %</strong></td>
<td>74%</td>
<td>69%</td>
<td>66%</td>
<td>59%</td>
<td>43% – 47%</td>
</tr>
<tr>
<td><strong>Product, Technology, Development %</strong></td>
<td>7%</td>
<td>11%</td>
<td>12%</td>
<td>15%</td>
<td>9% – 11%</td>
</tr>
<tr>
<td><strong>G&amp;A %</strong></td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
<td>5% – 6%</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization %</strong></td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1% – 2%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA(^2) Margin</strong></td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>18%</td>
<td>32% – 34%</td>
</tr>
<tr>
<td><strong>GAAP Operating Margin</strong></td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>8%</td>
<td>29% – 31%</td>
</tr>
<tr>
<td><strong>U.S. Segment GAAP Operating Margin</strong></td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

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 Net Income to Adjusted EBITDA

<table>
<thead>
<tr>
<th>($ MILLIONS)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>$13.2</td>
<td>$65.2</td>
<td>$42.1</td>
<td>$12.7</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>3.8</td>
<td>5.0</td>
<td>7.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Stock-based Compensation Expense</td>
<td>5.0</td>
<td>20.8</td>
<td>34.3</td>
<td>11.7</td>
</tr>
<tr>
<td>Acquisition-related Expenses</td>
<td>-</td>
<td>0.6</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>Other Income, Net</td>
<td>(0.6)</td>
<td>(2.3)</td>
<td>(4.4)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Provision for/(Benefit from) Income Taxes</td>
<td>2.6</td>
<td>(39.7)</td>
<td>(3.4)</td>
<td>0.1</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$24.1</td>
<td>$49.7</td>
<td>$77.0</td>
<td>$27.6</td>
</tr>
</tbody>
</table>

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