

Q4 & FY 2022 Business Update

February 28, 2023

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 grow our business profitably and efficiently; the growth levers we expect to drive our business; our brand awareness efforts; our investments in and 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; synergies that can be created from our combined offerings, including our ability to help dealers optimize margins; 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 first quarter of 2023; 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 our 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, increased inflation and interest rates, and other macroeconomic issues; the material weakness identified in our internal controls over financial reporting; changes in our key personnel; our ability to operate in compliance with applicable laws, as well as other risks and uncertainties as may be detailed from time to time in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and other reports we file with the Securities and Exchange Commission. These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of the date of this presentation, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, third-party studies, industry publications and reports, as well as other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Similarweb and, as applicable, third-party studies for data relating to comparisons with our competitors. Google Analytics, Similarweb 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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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?

How do I know if I'm getting the best financing?

What if this dealer is not near me?

Can I still test drive a car if I am buying online?

Have others liked working with this dealer?

Can I sell my car online for a great deal?

Can I complete some steps of the purchase online?

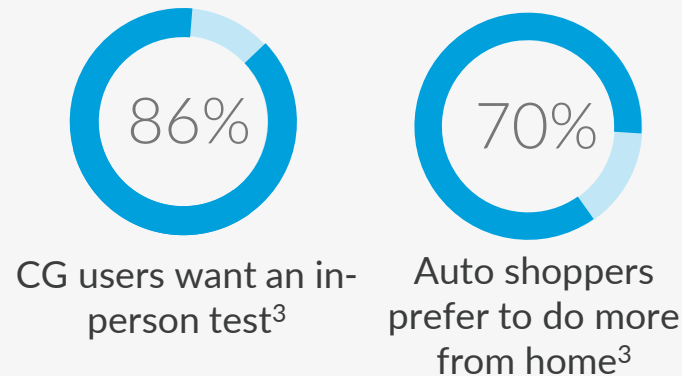
Am I getting a good deal?



We created a listings platform to meet their needs...But consumer and dealer needs continued to change...



Proprietary vehicle data
IMV price comparison
Dealer and deal ratings
Largest selection of inventory²



Largest selection of vehicles in the U.S.²

Price comparisons

Financing from a marketplace of lenders

Maximized offers from thousands of competing dealers

Flexibility to complete transaction in store or online

1. Source: [SimilarWeb](#): Traffic Report, Q4 2022, U.S.
2. 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 December 31, 2022
3. 2022 CarGurus Consumer Insight Report (October 2022)

So, we transformed to meet the market ...

We've built a full lifecycle transaction platform on top of the nation's largest marketplace



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 December 31, 2022

2. Source: SimilarWeb: Traffic Report, Q4 2022, U.S.
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 for dealers through shared data on a single platform will [help dealers optimize margins](#)

Consumers are eager to transact with confidence as we earn their trust through [access to more inventory and price transparency](#)



Full lifecycle solutions are possible only through synergies between our Listings, Digital Wholesale, and Digital Retail capabilities

...And accelerating growth in multiple large TAMs

INSTANT MAX CASH OFFER

TAM¹: \$400B

2022 Rev: \$676M

Mkt Share: <1%

D2D WHOLESALE

TAM¹: \$15B

2022 Rev: \$320M

Mkt Share: 2%

DEALER-TO-
DEALER
WHOLESALE

CARGURUS
INSTANT MAX
CASH OFFER

DIGITAL
RETAIL

DIGITAL RETAIL

TAM¹: \$1T

2022 Rev²: NA

Mkt Share: NA



CarGurus
FOUNDATIONAL LISTINGS BUSINESS

MARKETPLACE

TAM¹: \$3B

2022 Rev²: \$659M

Mkt Share³: 22%

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

Transaction-Enabled
Platform

1. CarGurus estimates based upon third party and internal data sources
2. Marketplace revenue is inclusive of Digital Retail revenue for FY 2022
3. Calculated as the total Marketplace revenue presented above divided by Marketplace TAM

The Combination of Listings, Digital Wholesale and Digital Retail Creates Powerful Synergies Unavailable Elsewhere



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
- **SALES TEAM COLLABORATION**
to bring dealers onto both platforms
- **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
- **EFFICIENCIES ON MARKETING SPEND**
due to higher CLV from multiple monetization pathways

Marketplace

CarGurus Listings marketplace is a platform of scale with a ready-to-purchase consumer audience

LARGEST CONSUMER AUDIENCE
OF ANY AUTOMOTIVE
MARKETPLACE IN THE U.S.¹

U.S. average monthly visitors¹

34.5M CarGurus®

27M+ Competitor 1

22M+ Competitor 2

8.8M+ Competitor 3

Attracting dealers through
industry leading consumer traffic

SHOPPERS ARE SERIOUS...

Visitors spend more total time
per month on CarGurus than
our leading competitors' sites¹

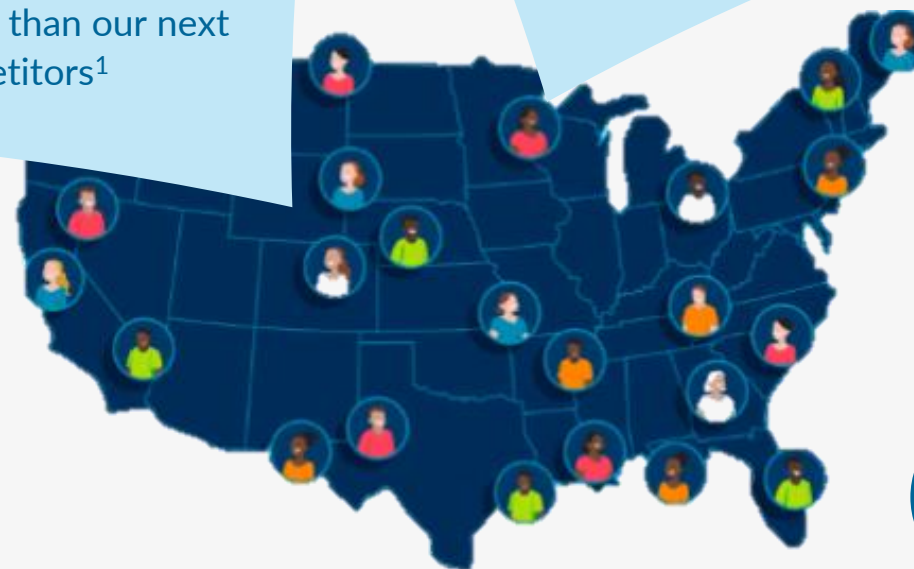
33% & 21%

...more time spent than our next
two competitors¹

... AND MORE
LIKELY TO PURCHASE

3.0x

more likely to be the
last site consumers
visit before
they purchase²



CarGurus®

1. Source: SimilarWeb: Traffic Report, Q4 2022, U.S.
2. 2021 CarGurus Consumer Insight Report (October 2021)

The combination of which delivers a strong ROI for dealers



**BUILT ON
TECHNOLOGY
TO DELIVER
TRANSPARENCY**



**WHERE THE
SHOPPERS ARE**



**DELIVERING
STRONG ROI**



**A TRUSTED
PARTNER TO
SUPPORT DEALER
NEEDS**

DEALERS SELL CARS FASTER ON CARGURUS

16% & 22% faster than two competitors¹

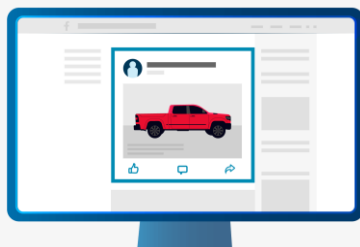


Innovating to stay ahead of the curve & sell more efficiently....

New Products Driving Engagement, Insights, & Efficiency



Area Boost



CarGurus RPM®

IMPROVE ENGAGEMENT

- ✓ Meet shopper demand
- ✓ Expand market
- ✓ Grow shopper connections



Dealer Dashboard/App

UNIQUE INSIGHTS

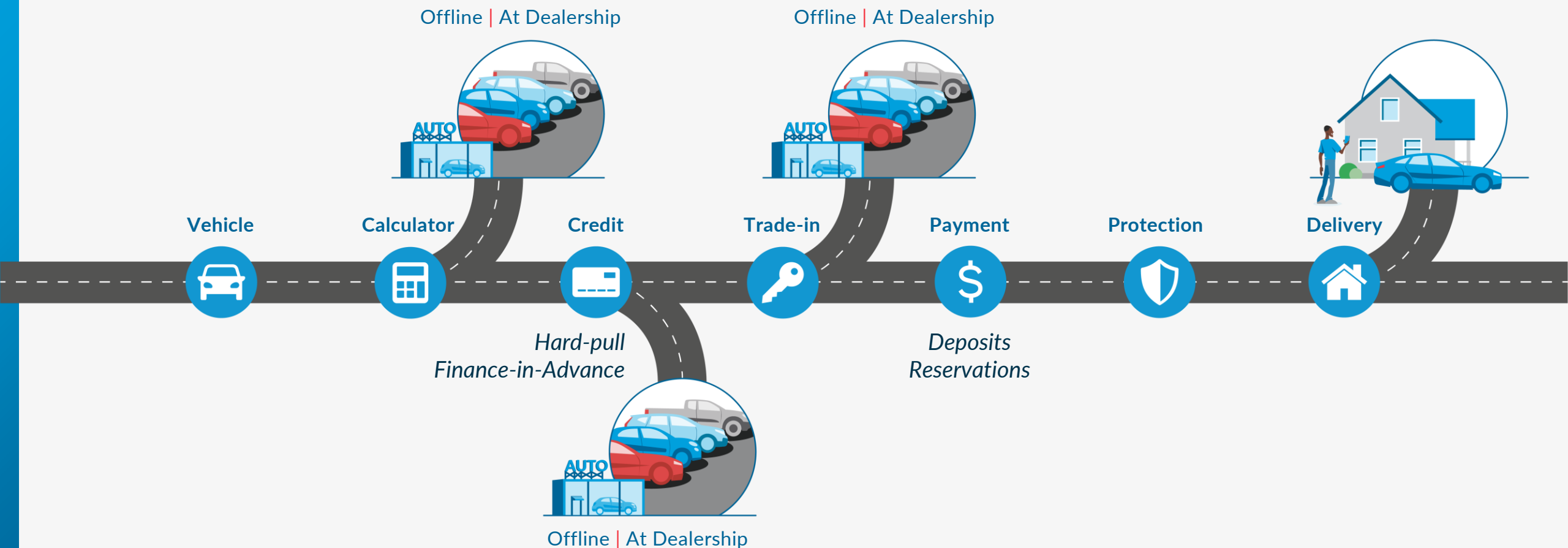
- ✓ Optimize inventory management
- ✓ Pricing tool—VIN scan
- ✓ Lead AI



INCREASE EFFICIENCY

- ✓ Prioritize best leads
- ✓ Pre-qualify leads
- ✓ Support trade-ins

....And allowing dealers to flexibly serve the consumer

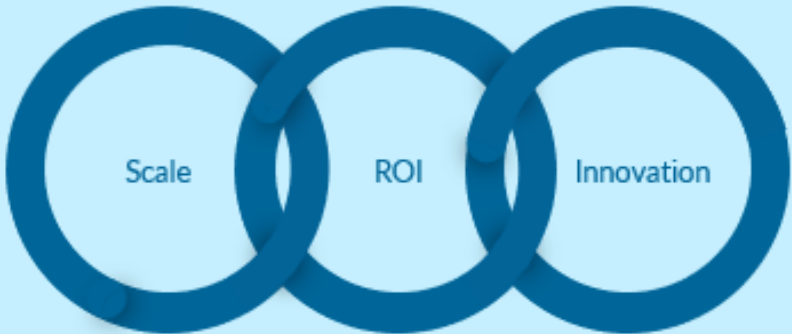


CarGurus is reimagining a dealer-aligned way for consumers to transact – allowing both dealers and consumers the flexibility to choose their own journey



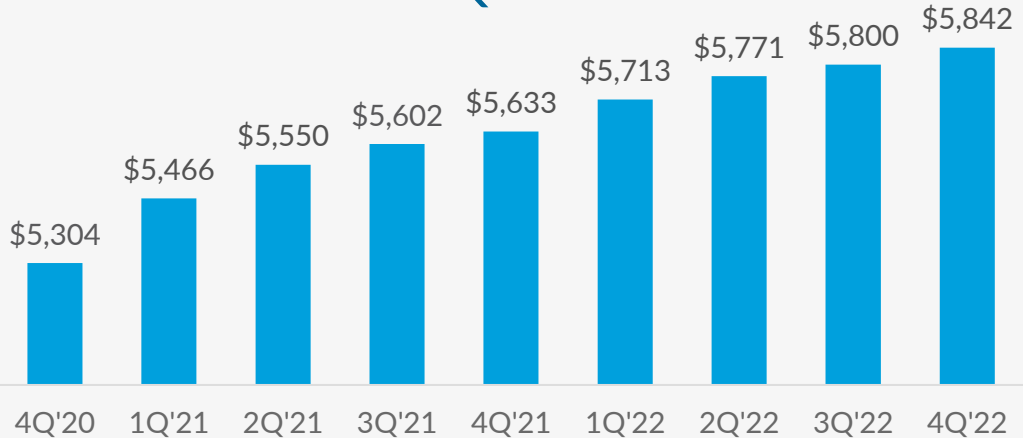
Resulting in our leading position

A Unique Combination

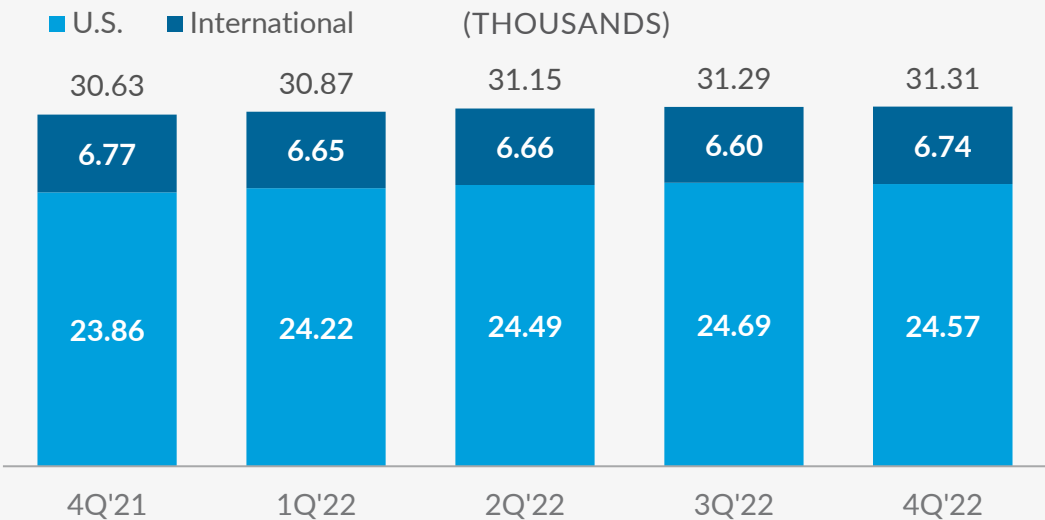


- Largest inventory & selection²
- Largest dealer network²
- Proprietary IMV
 - Unique dealer ratings
 - Rigorous deal ratings
 - Customer-focused sort order

U.S. QARSD¹



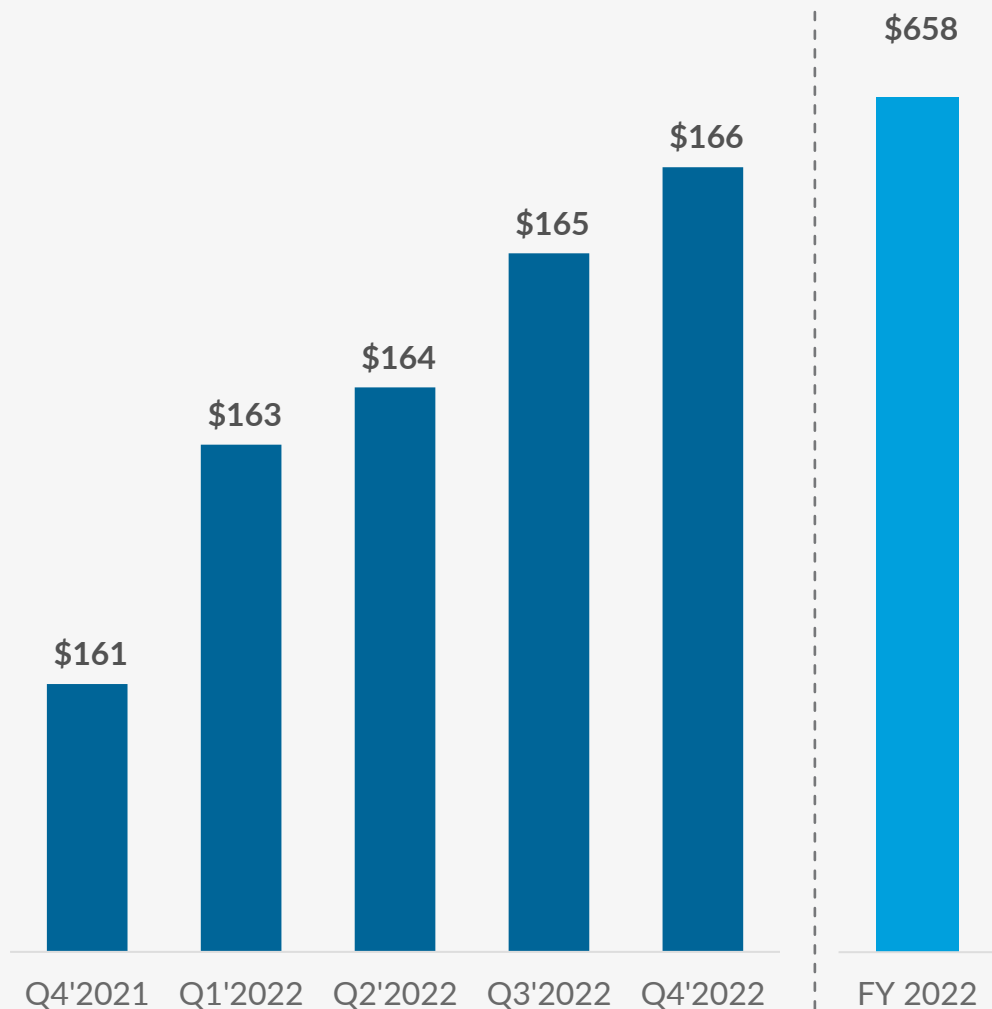
Paying Dealers¹



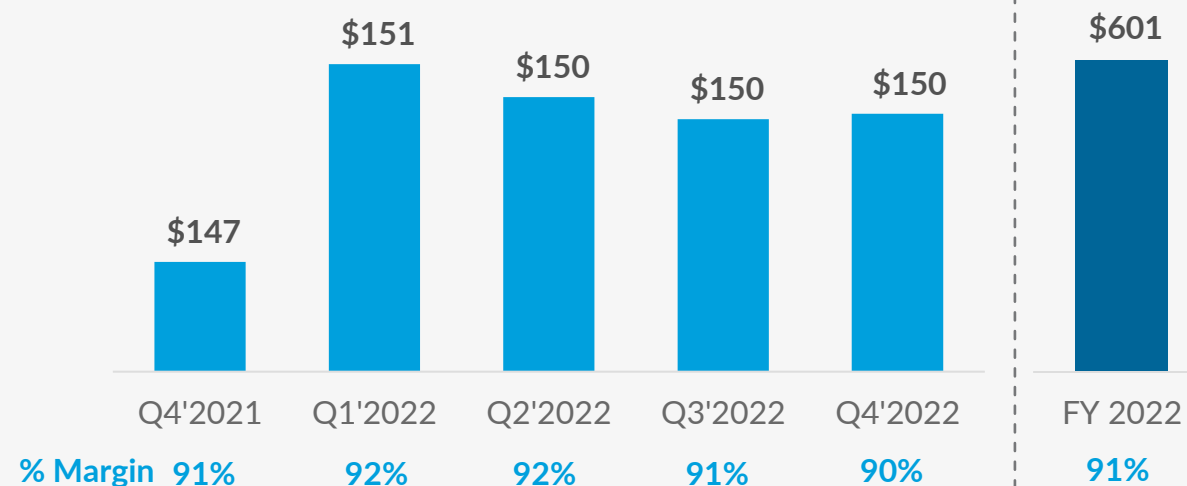
1. As defined in our Annual Report on Form 10-K as of December 31, 2022 filed on February 28, 2023
2. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of December 31, 2022

Marketplace (U.S. Segment & Other) Select Financials

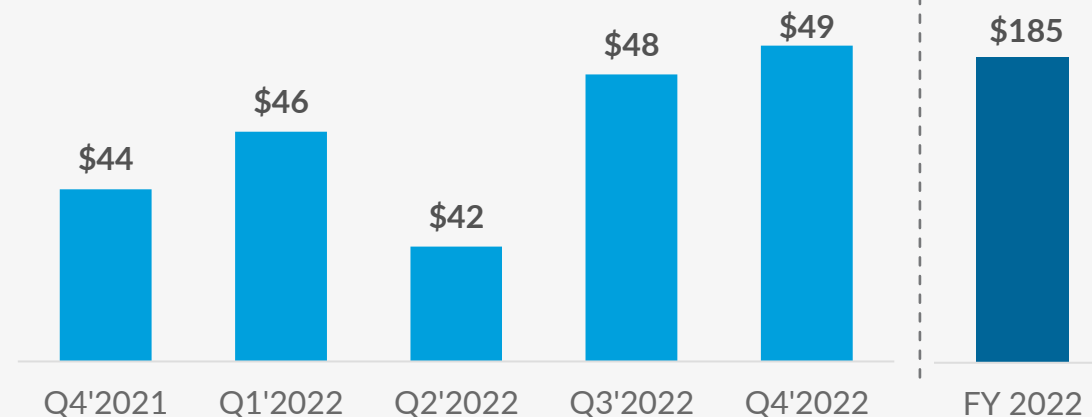
REVENUE (\$ MILLIONS)



GAAP GROSS PROFIT (\$ MILLIONS)



ADJUSTED EBITDA (\$ MILLIONS)¹



1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures

Digital Wholesale

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

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.

Get your offer →

License plate

VIN

License plate

State

Enter your license plate

MA



Get Started



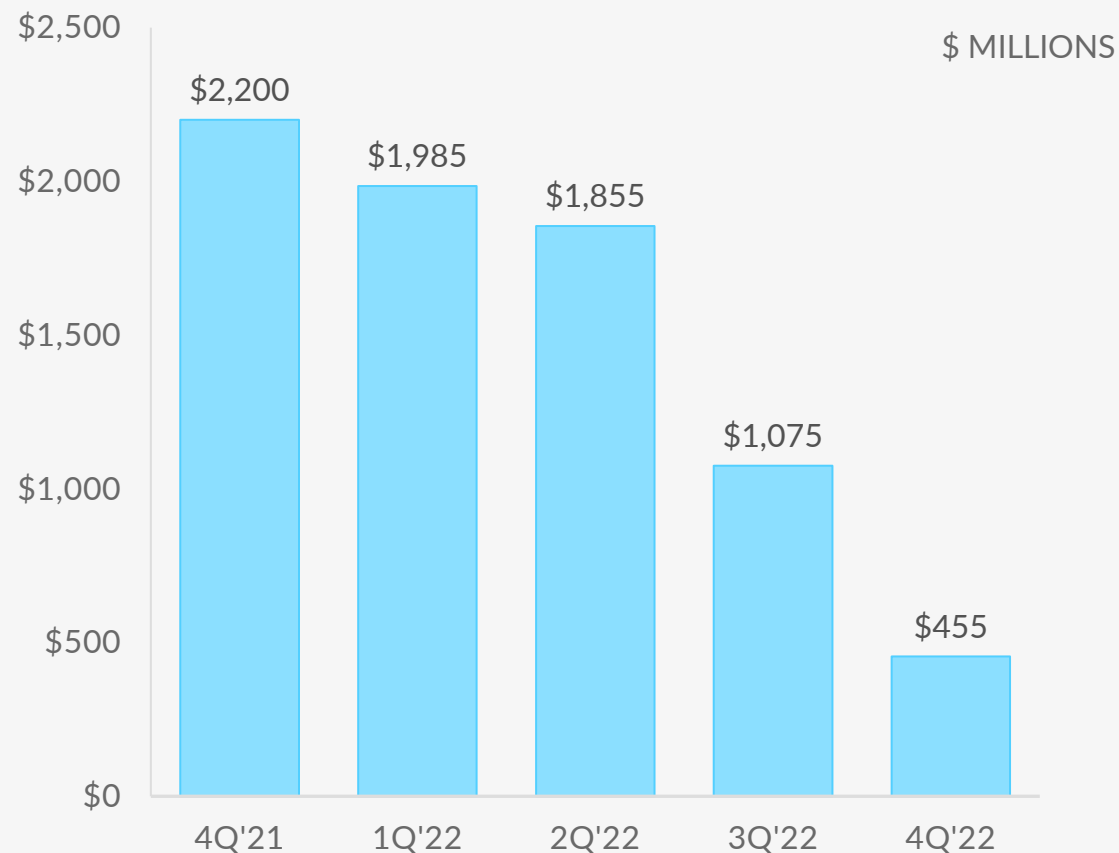
Access to unique inventory is a differentiator for any wholesale platform



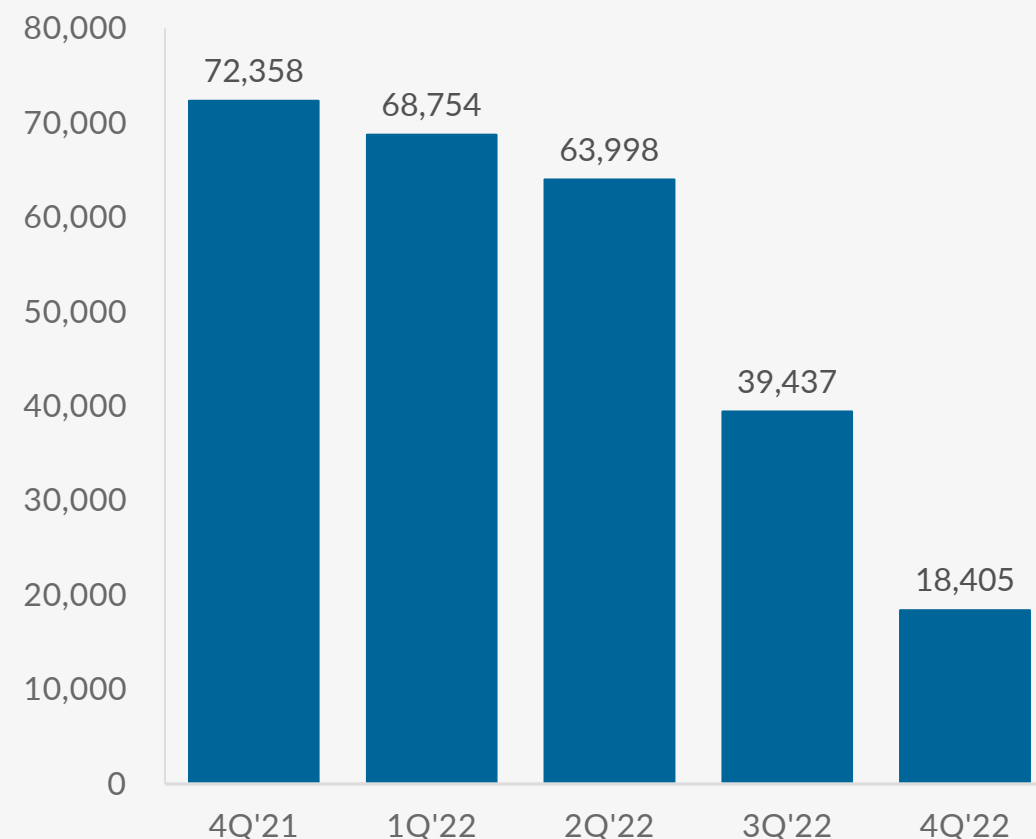
“Like most dealerships today, we are leaving no stone unturned when it comes to inventory acquisition strategies, and the CarGurus Instant Max Cash Offer feature has opened up a stream of access to consumer-owned vehicles,” said Imed Chahed, GM at McGee Pre-Owned Superstore.

Digital Wholesale: GMS & Transactions

GROSS MERCHANDISE SALES (GMS)¹



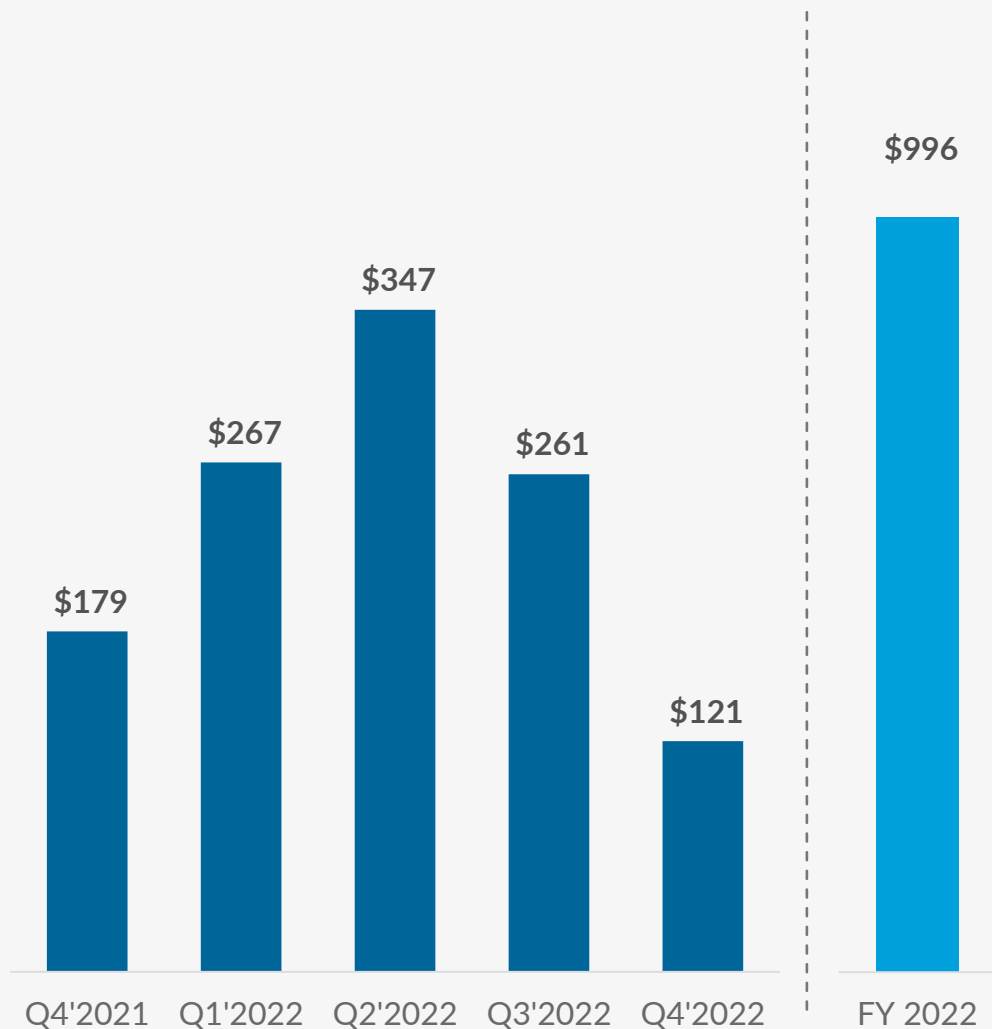
Total Transactions²



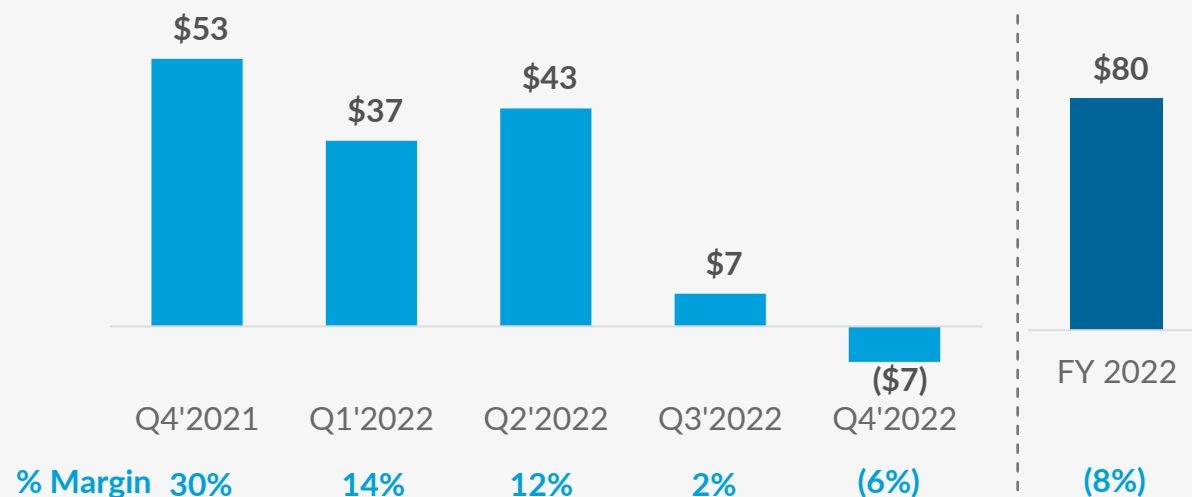
1. We define Gross Merchandise Sales (GMS) as the aggregate recorded vehicle cost remitted to the selling entity, excluding all fees and other charges associated with the Transactions, as separately defined, within the applicable period. We do not believe GMS is a KPI because the selling price of the vehicle is not material to assessing the health of and forecasting volume on our platform. GMS figures are rounded down to the closest \$5 million increment.
2. We define Transactions within the Digital Wholesale segment as the number of vehicles processed from car dealers, consumers, and other marketplaces through the CarOffer website within the applicable period. Transactions consists of each unique vehicle (based on vehicle identification number) that reaches "sold and invoiced" status on the CarOffer website within the applicable period, including vehicles sold to car dealers, vehicles sold at third-party auctions, vehicles ultimately sold to a different buyer, and vehicles that are returned to their owners without completion of a sale transaction. We exclude vehicles processed within CarOffer's intra-group trading solution (Group Trade) from the definition of Transactions, and we only count any unique vehicle once even if it reaches sold status multiple times.
3. In prior periods, we calculated CarOffer Total Transactions as each unique vehicle that reached a particular "final destination" rather than our current methodology for calculating Transactions of counting each unique vehicle that reached "sold and invoiced" status. Under the prior period methodology, the count for a given period could change due to an adjustment in transaction status in a subsequent period. We believe the current methodology for calculating Transactions provides a more consistent and re-creatable measure. Relatedly, our prior period GMS calculations used underlying CarOffer Total Transaction counts based on the "final destination" methodology. We also calculated our prior period GMS as the aggregate recorded vehicle cost "paid to seller". Our current GMS calculation is based on the updated Transactions methodology and is calculated as the aggregate recorded vehicle cost remitted to the selling entity, which we believe results in a more consistent and re-creatable measure.

Digital Wholesale Select Financials

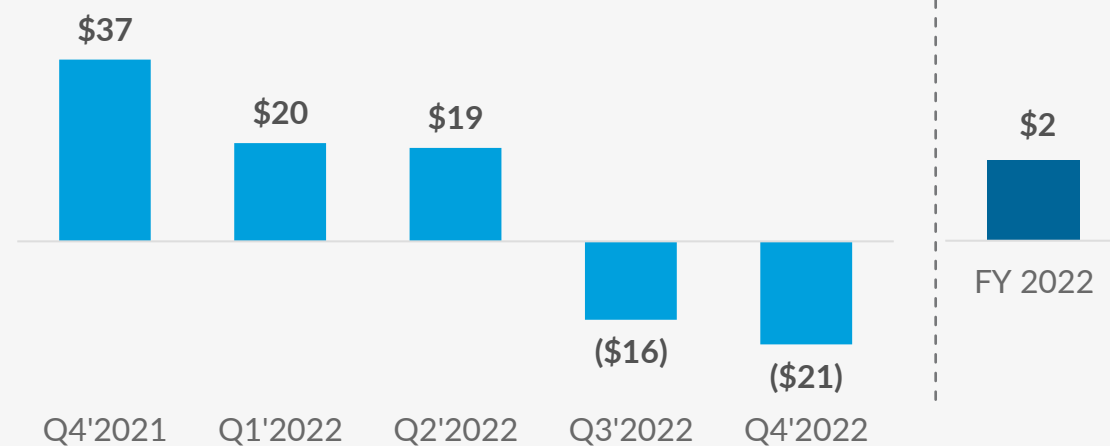
REVENUE (\$ MILLIONS)



NON-GAAP GROSS PROFIT (\$ MILLIONS)¹



ADJUSTED EBITDA (\$ MILLIONS)¹



1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures

Note: The figures presented for 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 our Annual Report on Form 10-K as of December 31, 2022 filed on February 28, 2023 for the year ended December 31, 2022), which in each case are calculated in accordance with the defined terms and subject to the adjustments set forth therein.

Consolidated Financial Overview

CarGurus financial highlights

1

- Strong track record of **revenue growth** in large total addressable markets

2

- End-to-end transaction-enabled marketplace allows for **platform diversity**

3

- Proven operating leverage and **profitability**

4

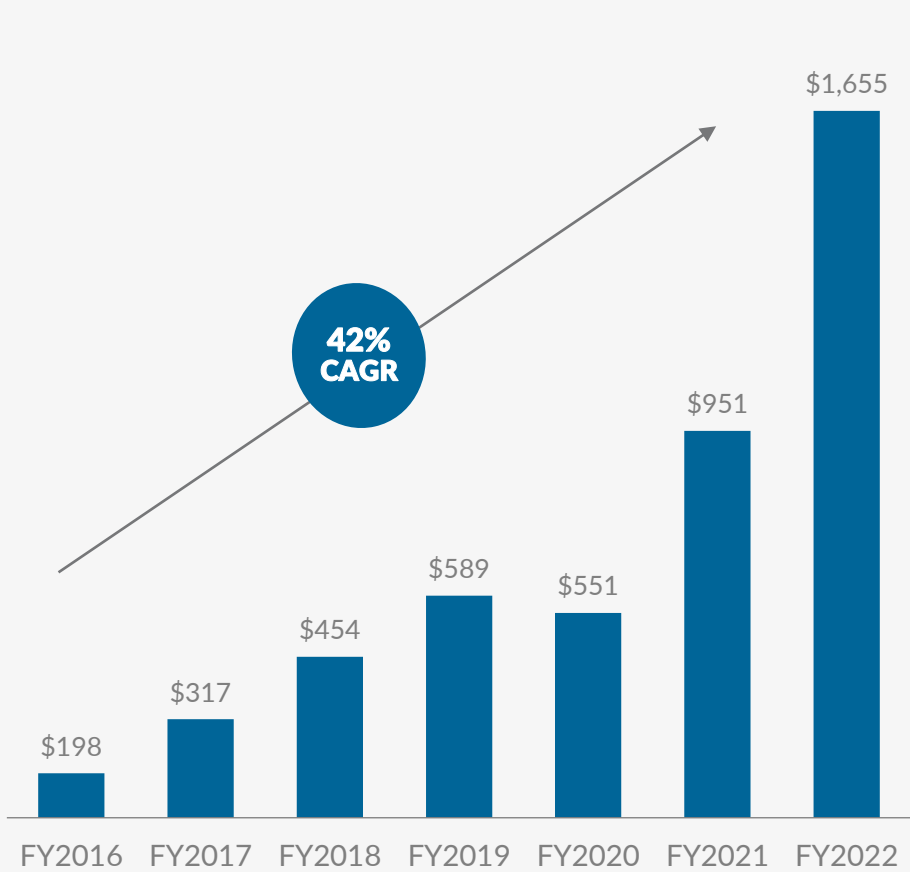
- Attractive **free cash flow** generation

5

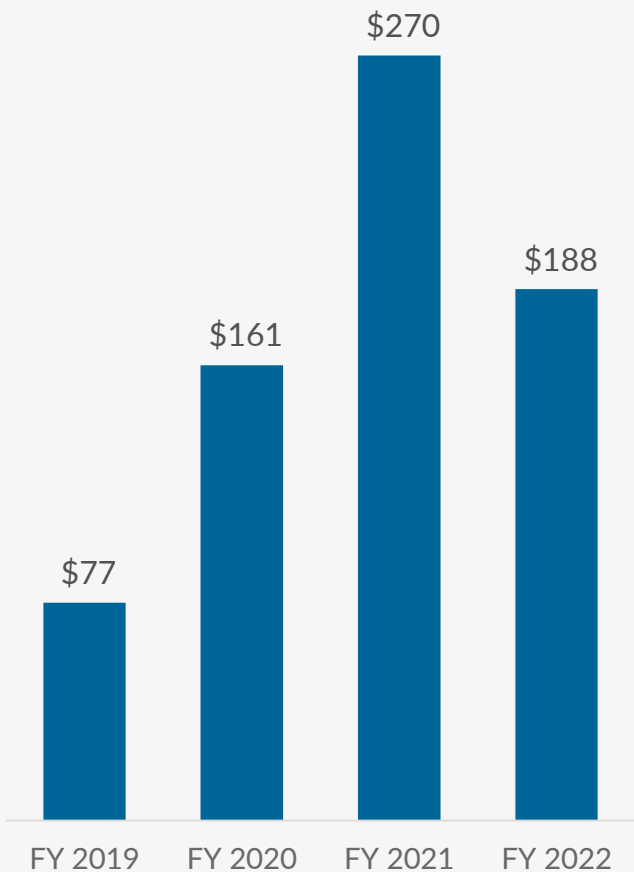
- **High quality revenue:** diversified customer base, transactional & subscription revenue

Financial Performance

CONSOLIDATED REVENUE (\$ MILLIONS)



CONSOLIDATED ADJUSTED EBITDA (\$ MILLIONS)



First Quarter 2023 Outlook

	1Q 2023
Total Revenue	\$195M - \$215M
Product Revenue	\$21M - \$31M
Non-GAAP Consolidated Adj. EBITDA	\$19M - \$27M
Non-GAAP Earnings Per Share	\$0.17 - \$0.19

The first quarter 2023 non-GAAP EPS calculation assumes 116.5 million diluted weighted-average common shares outstanding. This estimated 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.

The assumptions that are built into guidance for the first quarter of 2023 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 first quarter 2023 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 of non-GAAP consolidated adjusted EBITDA to GAAP consolidated net income or non-GAAP consolidated EPS to GAAP consolidated EPS because the reconciling items between such GAAP and non-GAAP financial measures, which include, as applicable, stock-based compensation, amortization of intangible assets, impairment of long-lived assets, acquisition-related expenses, depreciation expenses, non-intangible amortization, other income (net), the provision for income taxes, income tax effects, 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.

Appendix

Understanding our external presentation...

Income Statement Presentation

MARKETPLACE

- Listings Subscription Packages
- RPM Digital Advertising Suite, Highlight
- OEM Advertising
- Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots

PRODUCT

Q4'22 REVENUE: \$97M

- Instant Max Cash Offer
 - Cost of the vehicle including transportation
- Sales Allowance - Product
- Arbitration (possess ownership)¹
 - IMCO Extended Arbitration Fees
 - IMCO Concessions/Goodwill

WHOLESALE

Q4'22 REVENUE: \$24M

- D2D Transactions
- Vehicles Purchased Through Other Marketplaces
- Sales Allowance - Wholesale
- OfferGuard, 45-Day Guarantee
- ConsumerLane, Seller Assurance², PremiumXchange, Arbitration (rematched to dealers)¹
 - D2D Extended Arbitration Fees & D2D Concessions/Goodwill
- Transportation (excluding landed dealer) and Inspection for D2D and IMCO

Business Unit Presentation

MARKETPLACE

- Listings Subscription Packages
- RPM Digital Advertising Suite, Highlight
- OEM Advertising
- Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots

INSTANT MAX CASH OFFER

Q4'22 REVENUE: \$74M

- Instant Max Cash Offer
 - Cost of the vehicle + buy fees
- Sales Allowance - IMCO
- IMCO OfferGuard
- All IMCO Arbitration
 - IMCO Extended Arbitration Fees
 - IMCO Concessions/Goodwill
- All IMCO Transportation and Inspection

DEALER-TO-DEALER

Q4'22 REVENUE: \$47M

- D2D Transactions
- Vehicles Purchased Through Other Marketplaces
- Sales Allowance - D2D
- D2D OfferGuard, 45-Day Guarantee
- ConsumerLane, Seller Assurance², PremiumXchange
- All D2D Arbitration
 - D2D Extended Arbitration Fees
 - D2D Concessions/Goodwill
- All D2D Transportation and Inspection

Reconciliations of non-GAAP Digital Wholesale Gross Profit and non-GAAP Digital Wholesale Gross Profit Margin

(\$ millions)	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022
GAAP WHOLESALE REVENUE	\$82.6	\$91.0	\$75.9	\$47.0	\$23.7
GAAP PRODUCT REVENUE	96.0	176.3	271.4	214.1	96.8
GAAP DIGITAL WHOLESALE REVENUE	\$178.6	\$267.3	\$347.3	\$261.1	\$120.5
GAAP WHOLESALE COST OF REVENUE ¹	52.3	57.7	45.9	41.1	29.1
GAAP PRODUCT COST OF REVENUE	93.6	178.3	263.6	218.9	104.1
GAAP DIGITAL WHOLESALE COST OF REVENUE	\$145.9	\$236.0	\$309.5	\$260.0	\$133.2
GAAP DIGITAL WHOLESALE GROSS MARGIN	32.7	31.3	37.8	1.1	(12.7)
IMPACT OF AMORTIZATION OF INTANGIBLE ASSETS IN DIGITAL WHOLESALE COST OF REVENUE	20.1	5.3	5.3	5.3	5.3
IMPACT OF STOCK-BASED COMPENSATION EXPENSE IN DIGITAL WHOLESALE COST OF REVENUE	0.06	0.07	0.0	0.1	0.0
NON-GAAP DIGITAL WHOLESALE GROSS PROFIT	\$52.9	\$36.7	\$43.1	\$6.5	(\$7.4)
GAAP DIGITAL WHOLESALE GROSS PROFIT MARGIN	18%	12%	11%	0%	(11%)
NON-GAAP DIGITAL WHOLESALE GROSS PROFIT MARGIN	30%	14%	12%	2%	(6%)

1. We have updated previously disclosed GAAP Wholesale Cost of Revenue to excludes \$0.01 million, \$0.5 million, \$0.6 million, \$0.7 million and \$0.9 million, respectively, of cost of revenue expenses incurred by U.S. Marketplace for each of the periods represented to align with the presentation of Digital Wholesale segment wholesale cost of revenue.

Note:

We define Non-GAAP Digital Wholesale Gross Profit as the difference between GAAP Digital Wholesale Revenue and GAAP Digital Wholesale Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Digital Wholesale Cost of Revenue.

We define Non-GAAP Digital Wholesale Gross Profit Margin as Non-GAAP Digital Wholesale Gross Profit divided by GAAP Digital Wholesale Revenue.

We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance.

Reconciliations of Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA

(\$ millions)	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
U.S. MARKETPLACE SEGMENT INCOME FROM OPERATIONS	\$30.4	\$29.4	\$27.7	\$33.9	\$34.8
OTHER LOSS FROM OPERATIONS	(3.1)	(1.1)	(2.2)	(2.4)	(2.5)
GAAP MARKETPLACE (U.S. MARKETPLACE SEGMENT & OTHER) INCOME FROM OPERATIONS	\$27.3	\$28.3	\$25.5	\$31.5	\$32.3
IMPACT OF DEPRECIATION AND AMORTIZATION	3.4	3.6	3.6	3.5	4.0
IMPACT OF IMPAIRMENTS OF LONG-LIVED ASSETS	0.8	-	-	-	-
IMPACT OF STOCK-BASED COMPENSATION	12.0	13.8	13.0	13.4	12.7
MARKETPLACE (U.S. MARKETPLACE SEGMENT & OTHER) ADJUSTED EBITDA	\$43.5	\$45.7	\$42.1	\$48.4	\$49.0

Note:

We define Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA, a non-GAAP measure, as GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; and Stock-Based Compensation Expense; We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance.

Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.

Reconciliations of Digital Wholesale Adjusted EBITDA

(\$ millions)	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
GAAP DIGITAL WHOLESALE INCOME FROM OPERATIONS	\$16.7	(\$1.6)	(\$2.0)	(\$2.9)	(\$2.6)
IMPACT OF DEPRECIATION AND AMORTIZATION	7.6	7.6	7.7	7.7	7.7
IMPACT OF IMPAIRMENTS OF LONG-LIVED ASSETS	-	-	-	-	0.2
IMPACT OF STOCK-BASED COMPENSATION	12.6	14.1	13.4	(20.4)	(26.3)
DIGITAL WHOLESALE ADJUSTED EBITDA	\$36.9	\$20.1	\$19.1	(\$15.6)	(\$21.0)

Note:

As discussed in our Annual Report on Form 10-K as of December 31, 2022 filed on February 28, 2023, we have revised our segment reporting to include the Digital Wholesale segment. To reflect this change, we are now presenting Digital Wholesale Adjusted EBITDA in this Investor Deck rather than Wholesale/Product Adjusted EBITDA. As such, amounts presented here will not agree to Wholesale/Product Adjusted EBITDA numbers disclosed in prior Investor Decks. The variance between Digital Wholesale Adjusted EBITDA and Wholesale/Product Adjusted EBITDA is due to certain costs incurred by CarGurus on behalf of CarOffer that are reflected in Wholesale/Product Adjusted EBITDA.

We define Digital Wholesale Adjusted EBITDA, a non-GAAP measure, as GAAP Digital Wholesale Income from Operations, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; and Stock-Based Compensation Expense; We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance.

Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.

Reconciliations of Consolidated Adjusted EBITDA

(\$ millions)	FY 2019	FY 2020	FY 2021	FY 2022
GAAP CONSOLIDATED NET INCOME	\$42.1	\$77.6	\$110.4	\$79.0
IMPACT OF DEPRECIATION AND AMORTIZATION	7.8	10.2	40.5	45.3
IMPACT OF IMPAIRMENTS OF LONG-LIVED ASSETS	-	1.2	3.1	0.2
IMPACT OF STOCK-BASED COMPENSATION	34.3	45.3	77.7	33.7
IMPACT OF ACQUISITION-RELATED EXPENSES	0.5	2.9	0.7	-
IMPACT OF RESTRUCTURING EXPENSES	-	3.5	-	-
IMPACT OF OTHER INCOME, NET	(4.4)	(1.4)	(1.1)	(2.9)
IMPACT OF (BENEFIT FROM) PROVISION FOR INCOME TAXES	(3.4)	21.6	39.0	32.4
CONSOLIDATED ADJUSTED EBITDA	\$76.9	\$160.9	\$270.3	\$187.7

Note:

We define Consolidated Adjusted EBITDA, a non-GAAP measure, as GAAP Consolidated Net Income, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; Stock-Based Compensation Expense; Acquisition-related Expenses; Restructuring Expenses; Other Income, Net and (Benefit From) Provision For Income Taxes.

We believe each of these non-GAAP financial measures provides useful information that will allow investors to evaluate our operating performance.

Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.