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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-38233

CarGurus, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**04-3843478**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1001 Boylston Street, 16th Floor Boston, Massachusetts 02115
(Address of principal executive offices Zip Code)
(617) 354-0068
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock, par value $0.001 per share	**CARG**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**
Title of Each Class	*Trading Symbol*	*Name of Exchange on Which Registered*

Indicate by check mark:	**Yes**	**No**
• whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	☒	☐
• whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).	☒	☐
• whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.		

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Small reporting company	☐	Emerging growth company	☐

• If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.		☐
• whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	☐	☒

As of October 29, 2026, the registrant had 75,632,371 shares of Class A common stock, $0.001 par value per share, and 13,763,613 shares of Class B common stock, par value $0.001 per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or Quarterly Report, contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or similar expressions and the negatives of those terms. Forward-looking statements contained in this Quarterly Report include statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses, ability to generate cash flow, and ability to achieve and maintain future profitability;
- our growth strategies and our ability to effectively manage any growth;
- the value proposition of our product offerings for dealers and consumers;
- the ability of our platform and offerings to increase a dealer’s return on investment, create dealer efficiencies, maintain our marketplace scale, and reduce consumer friction;
- our evolution into a data- and intelligence-driven platform that supports dealers across their workflows and empowers consumers throughout their shopping journey;
- our ability to deliver quality leads at a high volume for our dealer customers and to provide the highest return on a dealer’s investment;
- our expectations for our digital retailing offerings and continued investments;
- our ability to maintain and acquire new customers;
- our ability to maintain and build our brand;
- our belief that our partnerships with automotive lending companies provide more transparency to car shoppers and deliver highly qualified car shopper leads to participating dealers;
- the impact of competition in our industry and innovation by our competitors;
- our ability to adapt to technological change and effectively enhance, innovate, and scale our platform and offerings;
- our ability to overcome challenges facing the automotive industry ecosystem, including inventory supply problems, global supply chain challenges, including disruptions to pre-existing supply chains and vendor relations, changes to trade policies or tariff regulations, financial market volatility and disruption, increased interest rates, inflationary concerns, and other macroeconomic issues, including uncertain or volatile economic conditions in the U.S. and abroad;
- our expectations regarding cash generation and the sufficiency of our cash to fund our operations;
- our expectations regarding the funding of our share repurchase programs;
- our expected returns on investments;
- our expectations regarding our deferred tax assets;
- the impact of changes in tax law and related guidance and regulations that may be implemented that could impact tax rates, our business, and our financial results;
- the impact of new or improved technologies, including artificial intelligence, on our business, operations, and strategy;

- our expectations regarding our expenses generally, including general and administrative, product, technology, and development, and sales and marketing expenses;
- the effects of any significant disruption to, or other performance or reliability issues with, our marketplace and offerings, including as a result of network outages, cybersecurity incidents, or other security breaches, technical difficulties, system failures, or other interruptions to our systems or those of our third-party providers;
- our ability to adequately protect our intellectual property;
- our ability to attract, hire, and retain necessary qualified employees to expand our operations;
- the impact of litigation and the potential impact of unasserted claims;
- our ability to realize benefits from our acquisitions and successfully implement the integration strategies in connection therewith;
- domestic and global economic conditions affecting us, our customers, or our dealers;
- our revolving credit facility;
- the impact of accounting pronouncements;
- our ability to stay abreast of, and effectively comply with, new or modified laws and regulations that currently apply or become applicable to our business and our beliefs regarding our compliance therewith; and
- the future trading prices of our Class A common stock.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report primarily on our current expectations and projections about future events and trends that we reasonably believe may affect our business, financial condition, operating results, and growth prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors that are described in this Quarterly Report. We have included important risk factors in the cautionary statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission, or SEC, on February 19, 2026, or Annual Report, particularly those discussed in Part I, Item 1A, “Risk Factors,” in our Annual Report, that could cause actual results or events to differ materially from the forward-looking statements that we make. Should one or more of these risks or other uncertainties materialize, or if underlying assumptions prove incorrect, actual outcomes may vary materially from those described or implied in the forward-looking statements. We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report. Further, our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, or joint ventures in which we may be involved, or investments we may make.

The forward-looking statements made in this Quarterly Report speak only as of the date of this Quarterly Report. We undertake no obligation to update any forward-looking statement made in this Quarterly Report to reflect events or circumstances after the date of this Quarterly Report or to reflect new information or the occurrence of unanticipated events, except as required by law.

NOTE REGARDING TRADEMARKS

CarGurus® and Autolist® are each a registered trademark of CarGurus, Inc. and PistonHeads® is a registered trademark of CarGurus Ireland Limited in the U.K. and the European Union. All other product names, trademarks, and registered trademarks are property of their respective owners. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this Quarterly Report.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

CarGurus, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	As of September 30, 2026	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 164,910	$ 190,518
Accounts receivable, net of allowance for doubtful accounts of $803 and $600, respectively	47,049	41,936
Prepaid expenses, prepaid income taxes, and other current assets	19,573	35,259
Deferred contract costs	14,845	15,235
Total current assets	246,377	282,948
Property and equipment, net	129,254	132,952
Intangible assets, net	2,500	3,253
Goodwill	27,881	28,397
Operating lease right-of-use assets	96,660	115,481
Deferred tax assets	68,199	81,201
Deferred contract costs, net of current portion	12,831	13,563
Other non-current assets	5,351	4,102
Total assets	$ 589,053	$ 661,897
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 31,353	$ 29,115
Accrued expenses, accrued income taxes, and other current liabilities	40,487	38,393
Deferred revenue	25,639	23,562
Operating lease liabilities	10,089	9,469
Total current liabilities	107,568	100,539
Operating lease liabilities	172,176	181,364
Deferred tax liabilities	—	442
Other non–current liabilities	6,073	5,354
Total liabilities	285,817	287,699
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, $0.001 par value per share; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Class A common stock, $0.001 par value per share; 500,000,000 shares authorized; 75,339,849 and 80,667,475 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	75	81
Class B common stock, $0.001 par value per share; 100,000,000 shares authorized; 13,763,613 and 14,216,250 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	14	14
Additional paid-in capital	13,720	10,297
Retained earnings	289,403	362,380
Accumulated other comprehensive income	24	1,426
Total stockholders' equity	303,236	374,198
Total liabilities and stockholders' equity	$ 589,053	$ 661,897

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

CarGurus, Inc.
Unaudited Condensed Consolidated Income Statements
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 258,366	$ 231,653	$ 752,892	$ 665,886
Cost of revenue[1][2]	21,288	16,946	60,095	46,966
Gross profit	237,078	214,707	692,797	618,920
Operating expenses				
Sales and marketing	99,242	87,039	294,361	253,295
Product, technology, and development	38,493	34,139	114,301	102,892
General and administrative	27,522	25,546	82,212	75,597
Impairments	—	—	19,651	499
Depreciation and amortization	3,889	3,868	11,279	11,319
Total operating expenses	169,146	150,592	521,804	443,602
Income from continuing operations	67,932	64,115	170,993	175,318
Other income, net				
Interest income	1,182	2,292	3,809	7,524
Other expense, net	(499)	(409)	(1,553)	(281)
Total other income, net	683	1,883	2,256	7,243
Income from continuing operations before income taxes	68,615	65,998	173,249	182,561
Provision for income taxes	15,826	14,057	39,039	39,557
Net income from continuing operations	52,789	51,941	134,210	143,004
Net loss from discontinued operations, net of tax benefits	—	(7,224)	—	(36,899)
Consolidated net income	$ 52,789	$ 44,717	$ 134,210	$ 106,105
Net income per share attributable to common stockholders (Note 11)				
Basic				
Continuing operations	$ 0.59	$ 0.53	$ 1.47	$ 1.43
Consolidated	$ 0.59	$ 0.46	$ 1.47	$ 1.06
Diluted				
Continuing operations	$ 0.59	$ 0.52	$ 1.46	$ 1.41
Consolidated	$ 0.59	$ 0.45	$ 1.46	$ 1.04
Weighted-average number of shares of common stock used in computing net income per share attributable to common stockholders				
Basic	89,104,650	98,170,081	91,078,917	100,033,516
Diluted	90,120,994	99,722,575	92,079,729	101,640,190

(1) For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, cost of revenue includes depreciation and amortization expense of $4.8 million, $2.5 million, $12.5 million, and $6.5 million, respectively.

(2) For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2025, there was no impairment recorded in cost of revenue. For the nine months ended September 30, 2026, cost of revenue includes impairment of $0.5 million.

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

CarGurus, Inc.
Unaudited Condensed Consolidated Statements of Comprehensive Income
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Consolidated net income	$ 52,789	$ 44,717	$ 134,210	$ 106,105
Other comprehensive (loss) income				
Foreign currency translation adjustment	(102)	20	(1,402)	3,937
Consolidated comprehensive income	$ 52,687	$ 44,737	$ 132,808	$ 110,042

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

CarGurus, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	Class A Common Stock		Class B Common Stock		Additional Paid–in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2025	80,667,475	$ 81	14,216,250	$ 14	$ 10,297	$ 362,380	$ 1,426	$ 374,198
Consolidated net income	—	—	—	—	—	32,228	—	32,228
Stock–based compensation expense	—	—	—	—	14,806	—	—	14,806
Issuance of common stock upon exercise of stock options	8,053	—	—	—	55	—	—	55
Issuance of common stock upon vesting of restricted stock units	519,758	—	—	—	—	—	—	—
Withholding taxes on net share settlements of restricted stock units	(179,965)	—	—	—	(6,566)	—	—	(6,566)
Repurchase of common stock	(5,341,712)	(5)	—	—	(11,816)	(164,793)	—	(176,614)
Foreign currency translation adjustment	—	—	—	—	—	—	(979)	(979)
Balance as of March 31, 2026	75,673,609	$ 76	14,216,250	$ 14	$ 6,776	$ 229,815	$ 447	$ 237,128
Consolidated net income	—	$ —	—	$ —	$ —	$ 49,193	$ —	$ 49,193
Stock–based compensation expense	—	—	—	—	14,743	—	—	14,743
Issuance of common stock upon vesting of restricted stock units	601,460	1	—	—	(1)	—	—	—
Withholding taxes on net share settlements of restricted stock units	(209,415)	—	—	—	(7,020)	—	—	(7,020)
Repurchase of common stock	(946,971)	(1)	—	—	(7,734)	(21,632)	—	(29,367)
Conversion of common stock	452,637	—	(452,637)	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	(321)	(321)
Balance as of June 30, 2026	75,571,320	$ 76	13,763,613	$ 14	$ 6,764	$ 257,376	$ 126	$ 264,356
Consolidated net income	—	$ —	—	$ —	$ —	$ 52,789	$ —	$ 52,789
Stock–based compensation expense	—	—	—	—	14,317	—	—	14,317
Issuance of common stock upon vesting of restricted stock units	570,194	—	—	—	—	—	—	—
Withholding taxes on net share settlements of restricted stock units	(209,163)	—	—	—	(7,362)	—	—	(7,362)
Repurchase of common stock	(592,502)	(1)	—	—	1	(20,762)	—	(20,762)
Foreign currency translation adjustment	—	—	—	—	—	—	(102)	(102)
Balance as of September 30, 2026	75,339,849	$ 75	13,763,613	$ 14	$ 13,720	$ 289,403	$ 24	$ 303,236

	Class A Common Stock		Class B Common Stock		Additional Paid–in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	89,002,571	$ 89	14,986,745	$ 15	$ 169,013	$ 375,119	$ (2,547)	$ 541,689
Consolidated net income	—	—	—	—	—	39,045	—	39,045
Stock–based compensation expense	—	—	—	—	14,538	—	—	14,538
Issuance of common stock upon exercise of stock options	16,426	—	—	—	394	—	—	394
Issuance of common stock upon vesting of restricted stock units	715,951	—	—	—	—	—	—	—
Withholding taxes on net share settlements of restricted stock units	(251,366)	—	—	—	(8,987)	—	—	(8,987)
Repurchase of common stock	(5,919,435)	(6)	—	—	(168,183)	(17,678)	—	(185,867)
Conversion of common stock	770,495	1	(770,495)	(1)	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—	—	1,238	1,238
Balance as of March 31, 2025	84,334,642	$ 84	14,216,250	$ 14	$ 6,775	$ 396,486	$ (1,309)	$ 402,050
Consolidated net income	—	$ —	—	$ —	$ —	$ 22,343	$ —	$ 22,343
Stock-based compensation expense	—	—	—	—	14,883	—	—	14,883
Issuance of common stock upon exercise of stock options	1,500	—	—	—	10	—	—	10
Issuance of common stock upon vesting of restricted stock units	630,591	1	—	—	(1)	—	—	—
Withholding taxes on net share settlements of restricted stock units	(216,786)	—	—	—	(6,343)	—	—	(6,343)
Repurchase of common stock	(11,004)	—	—	—	42	(187)	—	(145)
Foreign currency translation adjustment	—	—	—	—	—	—	2,679	2,679
Balance at June 30, 2025	84,738,943	$ 85	14,216,250	$ 14	$ 15,366	$ 418,642	$ 1,370	$ 435,477
Consolidated net income	—	$ —	—	$ —	$ —	$ 44,717	$ —	$ 44,717
Stock-based compensation expense	—	—	—	—	14,365	—	—	14,365
Issuance of common stock upon exercise of stock options	3,720	—	—	—	25	—	—	25
Issuance of common stock upon vesting of restricted stock units	623,078	—	—	—	—	—	—	—
Withholding taxes on net share settlements of restricted stock units	(223,102)	—	—	—	(7,526)	—	—	(7,526)
Repurchase of common stock	(3,233,649)	(3)	—	—	(15,454)	(96,172)	—	(111,629)
Foreign currency translation adjustment	—	—	—	—	—	—	20	20
Balance at September 30, 2025	81,908,990	$ 82	14,216,250	$ 14	$ 6,776	$ 367,187	$ 1,390	$ 375,449

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

CarGurus, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Operating Activities		
Consolidated net income	$ 134,210	$ 106,105
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	23,821	20,592
Currency loss (gain) on foreign denominated transactions	197	(446)
Other non-cash income, net	—	(101)
Deferred taxes	12,575	13,966
Provision for doubtful accounts	2,143	2,047
Stock-based compensation expense	39,633	38,552
Amortization of deferred financing costs	474	387
Amortization of deferred contract costs	14,510	11,986
Impairments	20,161	32,552
Changes in operating assets and liabilities		
Accounts receivable	(7,383)	3,404
Inventory	—	338
Prepaid expenses, prepaid income taxes, and other assets	14,790	(8,452)
Deferred contract costs	(13,489)	(13,707)
Accounts payable	1,948	4,227
Accrued expenses, accrued income taxes, and other liabilities	3,994	(6,058)
Deferred revenue	2,091	1,933
Lease obligations	(4,422)	4,838
Net cash provided by operating activities	245,253	212,163
Investing Activities		
Purchases of property and equipment	(1,949)	(5,185)
Capitalization of website development costs	(18,596)	(17,447)
Net cash used in investing activities	(20,545)	(22,632)
Financing Activities		
Proceeds from issuance of common stock upon exercise of stock options	55	429
Payment of withholding taxes on net share settlements of restricted stock units	(20,989)	(22,704)
Repurchases of common stock	(225,069)	(294,887)
Payment of excise tax for repurchase of common stock	(2,654)	(682)
Payment of deferred financing costs	(691)	—
Payment of finance lease obligations	(65)	(60)
Change in gross advance payments received from third-party transaction processor	—	(1,084)
Net cash used in financing activities	(249,413)	(318,988)
Impact of foreign currency on cash, cash equivalents, and restricted cash	(903)	2,083
Net decrease in cash, cash equivalents, and restricted cash	(25,608)	(127,374)
Cash, cash equivalents, and restricted cash at beginning of period	190,518	306,229
Cash, cash equivalents, and restricted cash at end of period	$ 164,910	$ 178,855
Supplemental disclosure of cash flow information		
Cash paid for income taxes, net of refunds	$ 7,066	$ 17,720
Cash paid for operating lease liabilities	$ 17,276	$ 14,453
Cash paid for interest	$ 460	$ 490
Supplemental noncash disclosure of cash flow information		
Unpaid purchases of property and equipment and capitalized website development costs	$ 862	$ 1,171
Capitalized stock-based compensation expense in website development and internal-use software costs	$ 4,019	$ 5,234
Unpaid repurchases of common stock	$ —	$ 454
Unpaid excise tax on repurchases of common stock	$ 1,674	$ 2,298
Obtaining a right-of-use asset in exchange for an operating lease liability	$ —	$ 1,139

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

CarGurus, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and Business Description

CarGurus, Inc. (the "Company" or "CarGurus") is a multinational automotive platform helping consumers and dealers confidently buy and sell vehicles. Founded in 2006 with a mission to bring more trust and transparency to car shopping, CarGurus is an automotive shopping site in the U.S. CarGurus' selection, trusted automotive insights, and data-driven products and solutions support each shopper's journey – from online research and shopping to in-dealership decisions – to empower them at every step. CarGurus provides dealers a personalized, predictive intelligence platform with software solutions that helps them run their businesses more efficiently and profitably at all stages of inventory acquisition and pricing, marketing, and conversion to sale.

The Company operates under the CarGurus brand in the U.S., Canada, and the U.K, with the U.S. representing its primary market. In addition, the Company operates the Autolist online marketplace in the U.S. and the PistonHeads online marketplace in the U.K. as independent brands.

The Company has subsidiaries in the U.S., Canada, Ireland, and the U.K.

CarOffer, LLC ("CarOffer") completed its wind-down and, for accounting purposes, was considered abandoned as of December 31, 2025. For further information, refer to Note 3 of the Unaudited Condensed Consolidated Financial Statements (as defined below).

Effective as of the fourth quarter of 2025 the Company revised its segment reporting from two reportable segments to one reportable segment, in connection with the wind-down of CarOffer and as a result of the Chief Operating Decision Maker ("CODM") managing the business, making operating decisions, and evaluating operating performance on a consolidated basis. For further segment reporting and geographic information, refer to Note 13 of the Unaudited Condensed Consolidated Financial Statements.

The Company is subject to a number of risks and uncertainties common to companies in its and similar industries and stages of development including but not limited to rapid technological changes, competition from substitute products and services from larger companies, management of international activities, protection of proprietary rights, litigation, and dependence on key individuals.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim condensed consolidated financial statements are unaudited (the "Unaudited Condensed Consolidated Financial Statements"). The Unaudited Condensed Consolidated Financial Statements and related disclosures have been prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

The Unaudited Condensed Consolidated Financial Statements have also been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The Unaudited Condensed Consolidated Financial Statements reflect all adjustments, consisting of only normal recurring adjustments, necessary for the fair presentation of the Company's financial statements for interim periods. These interim period results are not necessarily indicative of the results to be expected for any other interim period or the full year.

The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on February 19, 2026 (the "Annual Report").

The Company has presented the financial results of CarOffer as discontinued operations in the Unaudited Condensed Consolidated Financial Statements. No assets or liabilities were classified as discontinued operations as of September 30, 2026 or December 31, 2025. No results of operations were classified as discontinued operations for the three and nine months ended September 30, 2026. The Unaudited Condensed Consolidated Income Statement for the three and nine months ended September 30, 2025, was derived from the Unaudited Condensed Consolidated Income Statement of CarGurus, Inc. as of that date, adjusted for the reclassification of discontinued operations. The Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Stockholders' Equity, and the Unaudited Condensed Consolidated Statement of Cash Flows as of September 30, 2025, related to discontinued operations have not been separately reclassified and are included within each for the period referenced. Unless indicated otherwise, the information in these notes to the Unaudited Condensed Consolidated Financial Statements relates to the Company's continuing operations and does not include the results of discontinued operations. For further information on discontinued operations, refer to Note 3 of the Unaudited Condensed Consolidated Financial Statements.

Principles of Consolidation

The Unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Subsequent Event Considerations

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the Unaudited Condensed Consolidated Financial Statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. The Company has evaluated all subsequent events and determined that there are no material recognized or unrecognized subsequent events requiring disclosure, other than those described in Note 14 of the Unaudited Condensed Consolidated Financial Statements.

Use of Estimates

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made. Changes in estimates are recognized in the period in which they become known.

Critical estimates relied upon in preparing the Unaudited Condensed Consolidated Financial Statements include the capitalization and useful lives of product, technology, and development costs for website development, internal-use software, and hosting arrangements. Accordingly, the Company considers this to be its critical accounting estimate, and believes that of the Company's significant accounting policies, this involves the greatest degree of judgment and complexity.

Concentration of Credit Risk

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, and trade accounts receivable.

The Company maintains its cash and cash equivalents, principally with accredited financial institutions of high credit standing. Although the Company deposits its cash and cash equivalents with multiple financial institutions, its deposits with each such financial institution exceed governmental insured limits.

The Company routinely assesses the creditworthiness of its customers and does not require collateral. The Company generally has not experienced material losses related to receivables from individual customers or groups of customers as the losses were dispersed across a large number of customers. Due to this factor, no additional credit risk beyond amounts provided for collection losses was believed by management to be probable in the Company's trade accounts receivable.

As of September 30, 2026 and December 31, 2025, a payment processor for several hundred dealer accounts represented 10.1% and 10.8%, respectively, of net trade accounts receivable. The related trade accounts receivable balance included unbilled and billed receivables. The concentration was driven by the timing of payments pursuant to the agreement with the payment processor. The remainder of the trade accounts receivable was dispersed among more than 1,000 customers. Therefore, the Company does not believe there is significant credit risk with respect to trade accounts receivable.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, no customer accounted for more than 10% of total revenue.

As of September 30, 2026 and December 31, 2025, $15.7 million and $16.8 million, respectively, was included in accounts receivable, net representing unbilled accounts receivable relating primarily to both dealers and advertising customers invoiced in the period subsequent to services being rendered and revenue recognition adjustments for Company offered discounts given to dealers in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

Significant Accounting Policies

The Unaudited Condensed Consolidated Financial Statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the Unaudited Condensed Consolidated Financial Statements. As of September 30, 2026, there have been no material changes in the Company's significant accounting policies, which are detailed in the Annual Report.

Recent Accounting Pronouncements Not Yet Adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard-setting bodies and adopted by the Company on or prior to the specified effective date. Unless otherwise disclosed below, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption. As of September 30, 2026, there are no new accounting pronouncements that the Company is considering adopting, other than those described below.

In September 2025 the FASB issued ASU 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"), which clarifies and modernizes the guidance to reflect the evolution of software development from a sequential to an agile development method. ASU 2025-06 removes all references to project development stages to reflect this change in software development and requires capitalization of software costs to begin when management has authorized and committed to funding the project and it is probable the project will be completed and used to perform the intended function. ASU 2025-06 does not change what internal-use software costs can be capitalized or when such capitalization ceases. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. ASU 2025-06 may be adopted either prospectively, using a modified transition approach, or retrospectively. The Company is currently evaluating the impact of ASU 2025-06 on its future consolidated financial statements and related disclosures.

In November 2024 the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 is intended to provide more detailed expense information and requires additional disaggregated disclosures in the notes to the financial statements for categories of expenses that are included on the face of the income statement. ASU 2024-03 is effective for the fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. ASU 2024-03 may be applied either prospectively to financial statements issued for periods after the effective date of ASU 2024-03 or retrospectively to all prior periods presented in the consolidated financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its future consolidated financial statements and related disclosures.

3. Discontinued Operations

On August 6, 2025, the Company's Board of Directors (the "Board") determined, after considering all reasonably available options and a broader strategic reassessment, that it was in the best interests of the Company's stockholders to wind down CarOffer. The wind-down of CarOffer was completed and the business was considered abandoned for accounting purposes as of December 31, 2025. The assets, liabilities, and results of operations of CarOffer, excluding certain assets that have been repurposed for corporate use, have been presented as discontinued operations in accordance with ASC 205-20, *Discontinued Operations*, as the disposition represents a strategic shift that has a major effect on the Company's operations and financial results. CarOffer's operations were previously reported within the Digital Wholesale segment.

For the three and nine months ended September 30, 2025, major classes of discontinued operations included in the Unaudited Condensed Consolidated Income Statements were as follows:

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
	(dollars in thousands)	
Revenue	$ 7,043	$ 32,001
Cost of revenue	8,218	33,300
Gross profit	(1,175)	(1,299)
Operating expenses		
Sales and marketing	2,329	7,126
Product, technology, and development	2,177	4,044
General and administrative	2,917	6,708
Impairments	—	29,134
Depreciation and amortization	843	1,734
Total operating expenses	8,266	48,746
Loss from discontinued operations	(9,441)	(50,045)
Total other income, net	10	10
Loss from discontinued operations before income taxes	(9,431)	(50,035)
Benefit from income taxes	(2,207)	(13,136)
Net loss from discontinued operations, net of tax benefits	$ (7,224)	$ (36,899)
Net loss from discontinued operations per share (Note 11)		
Basic	$ (0.07)	$ (0.37)
Diluted[(1)]	$ (0.07)	$ (0.36)
Weighted-average number of shares of common stock used in computing net loss per share attributable to common stockholders		
Basic	98,170,081	100,033,516
Diluted	99,722,575	101,640,190

(1) Diluted earnings per share from discontinued operations is calculated using the net income from continuing operations to determine the denominator, in accordance with applicable guidance.

The Company has elected to present its Unaudited Condensed Consolidated Statement of Cash Flows on a consolidated basis, inclusive of discontinued operations activity in the table below. For the nine months ended September 30, 2025, the following table presents significant non-cash items and capital expenditures of the discontinued operations:

	Nine Months Ended September 30, 2025
	(dollars in thousands)
Depreciation and amortization	$ 2,819
Capitalized expenditures	$ (1,822)
Impairments[(1)]	$ 32,053
Stock–based compensation expense	$ 1,626

(1) During the nine months ended September 30, 2025, the Company recognized impairments related to CarOffer of $0.3 million, $0.8 million, $4.8 million, $6.6 million, and $19.6 million for capitalized hosting arrangements, capitalized internal-use software, capitalized website development costs, intangible assets, and goodwill, respectively.

As a result of the wind-down, the Company incurred total expenditures of $13.3 million, of which all cash expenditures were incurred during the second half of 2025 and were all paid as of December 31, 2025. Of this amount, the Company incurred and paid $5.4 million of one-time restructuring costs, including severance and other employee-related costs and contract termination charges, attributable to discontinued operations.

4. Revenue Recognition

The Company provides disaggregation of revenue by geographic region. Revenue by geographic region is disaggregated by (i) U.S. and (ii) International regions as disclosed in Note 13 of the Unaudited Condensed Consolidated Financial Statements. The Company believes these categories best depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

ASC 606 requires that the Company disclose the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of the relevant quarter end.

For contracts with an original expected duration greater than one year, the aggregate amount of the transaction price allocated to the performance obligations that were unsatisfied as of September 30, 2026, was approximately $52.6 million, the majority of which the Company expects to recognize over the next 12 months.

For contracts with an original expected duration of one year or less, the Company has applied the practical expedient available under ASC 606 to not disclose the amount of transaction price allocated to unsatisfied performance obligations as of September 30, 2026. For performance obligations not satisfied as of September 30, 2026, and to which this expedient applies, the nature of the performance obligations, the variable consideration, and any consideration from contracts with customers not included in the transaction price is consistent with performance obligations satisfied as of September 30, 2026.

For the three months ended September 30, 2026 and 2025, revenue recognized from amounts included in deferred revenue at the beginning of the period was $25.0 million and $23.3 million, respectively. For the nine months ended September 30, 2026 and 2025, revenue recognized from amounts included in deferred revenue at the beginning of the period was $23.6 million and $21.5 million, respectively.

5. Fair Value of Financial Instruments

As of September 30, 2026 and December 31, 2025, assets measured at fair value on a recurring basis consisted of the following:

	As of September 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	Total
	(dollars in thousands)			
Cash equivalents				
Mutual funds	$ 75,647	$ —	$ —	$ 75,647
Total	$ 75,647	$ —	$ —	$ 75,647

	As of December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	Total
	(dollars in thousands)			
Cash equivalents				
Mutual funds	$ 85,793	$ —	$ —	$ 85,793
Total	$ 85,793	$ —	$ —	$ 85,793

6. Property and Equipment, Net

As of September 30, 2026 and December 31, 2025, property and equipment, net consisted of the following:

	As of September 30, 2026	As of December 31, 2025
	(dollars in thousands)	
Capitalized equipment	$ 7,424	$ 7,445
Capitalized internal-use software	24,969	22,701
Capitalized website development	87,781	66,355
Furniture and fixtures	8,067	10,294
Leasehold improvements	77,587	86,127
	205,828	192,922
Less accumulated depreciation and amortization	(76,574)	(59,970)
Total	$ 129,254	$ 132,952

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, depreciation and amortization expense, excluding amortization of intangible assets, amortization of capitalized hosting arrangements, disposals, write-offs, and impairments, was $8.5 million, $6.1 million, $23.1 million, and $17.1 million, respectively.

During the nine months ended September 30, 2026, the Company impaired $1.0 million of capitalized website development costs, inclusive of $0.5 million recognized in cost of revenue and $0.5 million recognized in operating expense, in the Unaudited Condensed Consolidated Income Statements. These impairments were related to certain developed technology that the Company decided to cease investment.

During the nine months ended September 30, 2026, the Company impaired $4.5 million of leasehold improvements and furniture and fixtures. These impairments were related to the impairment of the 121 First Street lease. For further discussion of the lease impairment, refer to Note 9 of these Unaudited Condensed Consolidated Financial Statements.

7. Accrued Expenses, Accrued Income Taxes, and Other Current Liabilities

As of September 30, 2026 and December 31, 2025, accrued expenses, accrued income taxes, and other current liabilities consisted of the following:

	As of September 30, 2026	As of December 31, 2025
	(dollars in thousands)	
Accrued bonus	$ 7,244	$ 13,751
Accrued commissions	4,811	5,749
Accrued payroll[(1)]	7,188	3,236
Accrued income taxes[(1)]	6,415	2,145
Other accrued expenses and other current liabilities[(1)]	14,829	13,512
Total	$ 40,487	$ 38,393

(1) Accrued payroll, accrued income taxes, and other accrued expenses and other current liabilities as of December 31, 2025 have been reclassified to conform to current-period presentation.

8. Debt

As of September 30, 2026 and December 31, 2025, the Company had no long-term debt outstanding.

Revolving Credit Facility

On September 26, 2022, the Company entered into a Credit Agreement with PNC Bank, National Association, as administrative agent and collateral agent and an L/C Issuer (as defined in the Original Credit Agreement), and the other lenders, L/C Issuers, and parties thereto from time to time (the "Original Credit Agreement"). The Original Credit Agreement consisted of a revolving credit facility (the "2022 Revolver"), which allowed the Company to borrow up to $400.0 million, $50.0 million of which could be comprised of a letter of credit sub-facility (the "2022 Revolver Sub-facility"). The borrowing capacity under the Original Credit Agreement could be increased in accordance with the terms and subject to the adjustments as set forth in the Original Credit Agreement. Specifically, the borrowing capacity could be increased by an amount up to the greater of $250.0 million or 100% of Four Quarter Consolidated EBITDA (as defined in the Original Credit Agreement) if certain criteria were met and subject to certain restrictions. Any such increase required lender approval. Proceeds of any borrowings could be used for general corporate purposes.

On August 6, 2026, the Company entered into the First Amendment (the "Amendment") to the Original Credit Agreement (as amended by the Amendment, the "Amended Credit Agreement"), by and among the Company, PNC Bank, National Association, as administrative agent and collateral agent, and an L/C Issuer (as defined in the Amended Credit Agreement), and the other lenders, L/C Issuers and parties thereto from time to time.

The Amendment, among other things, (i) reduced the aggregate revolving commitments under the Original Credit Agreement from $400.0 million to $200.0 million (the "Amended Revolver"), (ii) extended the maturity date of the Amended Revolver from September 26, 2027 to August 6, 2031, (iii) increased the cap of the Cash-Capped Incremental Facility (as defined in the Amended Credit Agreement) to the greater of $380.0 million and 100% of the trailing Four Quarter Consolidated EBITDA (as defined in the Amended Credit Agreement), and (iv) added a new incurrence-based negative covenant that prohibits the Company from incurring certain indebtedness unless, after giving pro forma effect thereto, the Consolidated Total Gross Leverage Ratio (as defined in the Amended Credit Agreement) does not exceed 6.25:1.00. Except as expressly modified by the Amendment, the material terms of the Original Credit Agreement remain unchanged and continue in full force and effect.

The applicable interest rate is, at the Company's option, based on a number of different benchmark rates and applicable spreads, based on the ratio of the outstanding principal amount of the Company's secured indebtedness to the trailing Four Quarter Consolidated EBITDA (as defined in and determined under the Amended Credit Agreement, the "Consolidated Secured Net Leverage Ratio"). The Amended Credit Agreement also requires the Company to pay a commitment fee to the lenders with respect to the unutilized revolving commitments at a rate ranging from 0.125% to 0.175% per annum based on the Consolidated Secured Net Leverage Ratio, as determined on a quarterly basis.

The Amended Revolver is secured by a first priority lien on substantially all tangible and intangible property of the Company, as well as any future guarantors, and pledges of the equity of certain wholly-owned subsidiaries, in each case subject to certain exceptions, limitations, and exclusions from the collateral. The Amended Credit Agreement includes customary events of default and requires the Company to comply with customary affirmative and negative covenants, including a financial covenant requiring that the Company not exceed certain Consolidated Secured Net Leverage Ratio ranges at the end of each fiscal quarter. The Company was in compliance with all covenants as of September 30, 2026.

As of September 30, 2026, there were no borrowings and $9.4 million in letters of credit outstanding under the Amended Revolver associated with the Company's leases, which reduced the borrowing capacity under the Amended Revolver to $190.6 million. As of December 31, 2025, there were no borrowings and $9.4 million in letters of credit outstanding under the 2022 Revolver Sub-facility associated with the Company's leases, which reduced the borrowing capacity under the 2022 Revolver to $390.6 million.

During the three months ended September 30, 2026, the Company capitalized an additional $0.7 million of deferred financing costs related to the Amended Credit Agreement. These costs, as well as the remaining unamortized deferred financing costs related to the Original Credit Agreement, are being amortized over the term of the Amended Revolver, which matures on August 6, 2031. As of September 30, 2026 and December 31, 2025, deferred financing costs were $1.1 million and $0.9 million, respectively, recognized within other non-current assets in the Unaudited Condensed Consolidated Balance Sheets.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, amortization expense associated with deferred financing costs was immaterial.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, commitment fees under the Amended Revolver and the 2022 Revolver were immaterial.

9. Commitments and Contingencies

Contractual Obligations and Commitments

As of September 30, 2026, all of the Company's property and equipment, inclusive of capitalized website development and capitalized internal-use software, and capitalized hosting arrangements, have been purchased with cash with the exception of unpaid amounts as disclosed in the Unaudited Condensed Consolidated Statements of Cash Flows.

Leases

As of September 30, 2026, there were no material changes in the Company's leases from those disclosed in the Annual Report, other than those disclosed below.

121 First Street Lease Impairment

During the three months ended March 31, 2026, the Company identified a triggering event requiring an impairment test for the 121 First Street lease, which it intends to sublease, primarily due to lower anticipated rental recovery rates. The Company assessed the asset group for recoverability, and determined the asset group was not recoverable. Therefore, the Company estimated the fair value of the asset group to compare to the carrying value for impairment.

The Company estimated fair value using the discounted cash flow method, with key inputs including the selected market rental rates based upon similar office spaces, the discount rate, and other estimated costs. The fair value measurement was categorized as Level 3 within the fair value hierarchy as there were significant unobservable inputs utilized in the valuation technique. As the estimated fair value of the asset group was less than its carrying value, the Company recognized an impairment of the 121 First Street lease to reduce the carrying value to fair value.

For the nine months ended September 30, 2026, the Company recognized non-cash impairment charges of $14.7 million related to operating lease right-of-use asset and $4.5 million related to leasehold improvements and furniture and fixtures, which were recognized within impairment operating expenses in the Unaudited Condensed Consolidated Income Statements. For the three months ended September 30, 2026, no impairment charges related to the 121 First Street lease were recognized.

Letters of Credit

As of September 30, 2026, $9.4 million in letters of credit associated with the Company's leases were included under the Amended Revolver. As of December 31, 2025, $9.4 million in letters of credit associated with the Company's leases were included under the 2022 Revolver Sub-facility.

Tax Contingencies

The Company is subject to taxation in the U.S. and certain other jurisdictions in which it operates, which could include corporate income tax, sales and use tax, value added tax, excise tax, gross receipts tax, and property tax. State, local, and foreign jurisdictions have differing rules and regulations governing corporate income, sales, use, value added, and other taxes. These rules and regulations are complex and subject to varying interpretations that may change over time due to new court interpretations and newly enacted rules and regulations. As a result, the Company could face the possibility of tax assessments and audits, and its liability for these taxes and associated penalties could exceed its original estimates, which could be material.

Legal Matters

From time to time, the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business. The Company recognizes a liability when it believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Judgment is required to determine both the probability of having incurred a liability and the estimated amount of the liability. The Company is not presently subject to any pending or threatened litigation that it believes, if determined adversely to the Company, individually or taken together, would reasonably be expected to have a material adverse effect on its business or financial results. However, litigation is inherently unpredictable and the future outcome of legal proceedings and other contingencies may be unexpected or differ from the Company's estimated liabilities, which could have a material adverse effect on the Company's future financial results.

10. Stock-based Compensation and Common Stock Share Repurchases

Stock-based Compensation Expense

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, stock-based compensation expense, consisting primarily of restricted stock units, was recognized in the Unaudited Condensed Consolidated Income Statements as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)		(dollars in thousands)	
Cost of revenue	$ 55	$ 70	$ 171	$ 209
Sales and marketing expense	2,550	2,664	8,450	8,240
Product, technology, and development expense	5,337	5,240	16,373	16,209
General and administrative expense	5,061	4,052	14,639	12,268
Total stock-based compensation expense from continuing operations	13,003	12,026	39,633	36,926
Total stock-based compensation expense from discontinued operations	—	601	—	1,626
Total	$ 13,003	$ 12,627	$ 39,633	$ 38,552

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, consolidated stock-based compensation expense excluded $1.3 million, $1.7 million, $4.2 million, and $5.2 million, respectively, of capitalized website development costs, capitalized internal-use software costs, and capitalized hosting arrangements.

Common Stock Share Repurchase Programs

In February 2026 the Company announced that the Board authorized a program pursuant to which it may purchase up to $250.0 million of its Class A common stock (the "2026 Share Repurchase Program"). Share repurchases under the 2026 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The 2026 Share Repurchase Program does not obligate the Company to repurchase any minimum dollar amount or number of shares. The 2026 Share Repurchase Program has an expiration date of December 31, 2026, and prior to its expiration may be modified, suspended, or discontinued by the Board at any time without prior notice. All repurchased shares under the 2026 Share Repurchase Program will be retired. The Company has funded share repurchases and expects to continue to fund share repurchases under the 2026 Share Repurchase Program through cash on hand and cash generated from operations.

In November 2024 the Company announced that the Board authorized a program pursuant to which it may purchase up to $200.0 million of its Class A common stock (the "Original 2025 Share Repurchase Program"). In August 2025 the Company announced that the Board amended the Original 2025 Share Repurchase Program to increase the authorization by an additional $150.0 million, for a total authorization to purchase up to $350.0 million of its Class A common stock, and extended the expiration of the Original 2025 Share Repurchase Program from December 31, 2025 to July 31, 2026 (as amended, the "2025 Share Repurchase Program"). The 2025 Share Repurchase Program was completed in November 2025. All repurchased shares under the 2025 Share Repurchase Program were retired.

During the three months ended September 30, 2026, the Company repurchased and retired 592,502 shares of its Class A common stock for $20.8 million, exclusive of commissions and excise tax, at an average cost of $35.03 per share, under the 2026 Share Repurchase Program. During the nine months ended September 30, 2026, the Company repurchased and retired 6,881,185 shares of its Class A common stock for $225.0 million, exclusive of commissions and excise tax, at an average cost of $32.70 per share, under the 2026 Share Repurchase Program. As of September 30, 2026, the Company had remaining authorization to purchase up to $25.0 million of its Class A common stock under the 2026 Share Repurchase Program.

During the three months ended September 30, 2025, the Company repurchased and retired 3,233,649 shares of its Class A common stock for $110.7 million, exclusive of commissions and excise tax, at an average cost of $34.23 per share, under the 2025 Share Repurchase Program. During the nine months ended September 30, 2025, the Company repurchased and retired 9,164,088 shares of its Class A common stock for $295.2 million, exclusive of commissions and excise tax, at an average cost of $32.22 per share, under the 2025 Share Repurchase Program. The 2025 Share Repurchase Program was completed in November 2025.

11. Earnings Per Share

The Company has two classes of common stock authorized: Class A common stock and Class B common stock. The rights of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to ten votes per share. Each share of Class B common stock is convertible into one share of Class A common stock at the option of the holder at any time or automatically upon certain events described in the Company's fourth amended and restated certificate of incorporation, including upon either the death or voluntary termination of the Company's Executive Chair. The Company allocates undistributed earnings attributable to common stock between the common stock classes on a one-to-one basis when computing net income per share. As a result, basic and diluted net income per share of Class A common stock and per share of Class B common stock are equivalent.

During the three months ended September 30, 2026, no shares of Class B common stock were converted into Class A common stock. During the nine months ended September 30, 2026, 452,637 shares of Class B common stock were converted into Class A common stock. During the three months ended September 30, 2025, no shares of Class B common stock were converted into Class A common stock. During the nine months ended September 30, 2025 and year ended December 31, 2025, 770,495 shares of Class B common stock were converted into Class A common stock.

Consolidated basic net income per share (“Basic EPS”) is computed by dividing consolidated net income by the weighted-average number of common shares outstanding during the reporting period. The Company computes the weighted-average number of common shares outstanding during the reporting period using the total number of shares of Class A common stock and Class B common stock outstanding as of the last day of the previous year plus the weighted-average of any additional shares issued and outstanding during the reporting period, less the weighted-average of any shares repurchased during the period.

Consolidated diluted net income per share (“Diluted EPS”) gives effect to all potentially dilutive securities. Diluted EPS is computed by dividing consolidated net income by the weighted-average number of common shares outstanding during the reporting period using (i) the number of shares of common stock used in the Basic EPS calculation as indicated above, and (ii) if dilutive, the incremental weighted-average common stock that the Company would issue upon the exercise of stock options and the vesting of restricted stock units. The dilutive effect of these common stock equivalents is reflected in diluted earnings per share by application of the treasury stock method.

Continuing basic and diluted net income per share and discontinued basic and diluted net income per share are calculated using the same methodology as described above, as applicable. Diluted earnings per share from discontinued operations is calculated using net income from continuing operations to determine the denominator, in accordance with applicable guidance.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, a reconciliation of the numerator and denominator used in the calculation of continuing, discontinued, and consolidated basic and diluted net income (loss) per share was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)		(dollars in thousands)	
Numerator				
Net income from continuing operations	$ 52,789	$ 51,941	$ 134,210	$ 143,004
Net loss from discontinued operations	$ —	$ (7,224)	$ —	$ (36,899)
Consolidated net income	$ 52,789	$ 44,717	$ 134,210	$ 106,105
Denominator				
Weighted-average number of shares of common stock used in computing net income (loss) per share attributable to common stockholders — basic	89,104,650	98,170,081	91,078,917	100,033,516
Dilutive effect of share equivalents resulting from stock options	—	13,157	1,654	16,314
Dilutive effect of share equivalents resulting from unvested restricted stock units	1,016,344	1,539,337	999,158	1,590,360
Weighted-average number of shares of common stock used in computing net income (loss) per share attributable to common stockholders — diluted	90,120,994	99,722,575	92,079,729	101,640,190
Net income (loss) per share attributable to common stockholders				
Basic				
Continuing operations	$ 0.59	$ 0.53	$ 1.47	$ 1.43
Discontinued operations	$ —	$ (0.07)	$ —	$ (0.37)
Consolidated	$ 0.59	$ 0.46	$ 1.47	$ 1.06
Diluted				
Continuing operations	$ 0.59	$ 0.52	$ 1.46	$ 1.41
Discontinued operations	$ —	$ (0.07)	$ —	$ (0.36)
Consolidated	$ 0.59	$ 0.45	$ 1.46	$ 1.04

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, potentially dilutive common stock equivalents that have been excluded from the calculation of diluted weighted-average shares outstanding as their effect would have been anti-dilutive was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock options outstanding	360,751	360,751	360,751	360,751
Restricted stock units outstanding	147,925	36,165	179,377	82,588

12. Income Taxes

During the three months ended September 30, 2026 and 2025 and during the nine months ended September 30, 2026 and 2025, the Company recognized an income tax provision of $15.8 million, $14.1 million, $39.0 million, and $39.6 million, respectively, representing an effective tax rate of 23.1%, 21.3%, 22.5%, and 21.7%, respectively.

The effective tax rates for the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, were greater than the statutory tax rate of 21%, primarily due to state and local income taxes, partially offset by federal and state research and development tax credits and windfall tax benefits on share-based compensation.

13. Segment and Geographic Information

Beginning in the fourth quarter of 2025, in connection with the wind-down of CarOffer, the Company's chief executive officer, who acts as the CODM, began to manage the business, make operating decisions, and evaluate operating performance based on consolidated results. Accordingly, the change led to revisions to the nature and substance of information regularly provided to and used by the CODM, and served to align the Company's reported results with its ongoing growth strategy. As a result, beginning in the fourth quarter of 2025 the Company reports its financial results as a single reportable segment. Accordingly, the Company has recast prior year segment disclosures for comparability.

The Unaudited Condensed Consolidated Income Statements represent the Company's segment presentation and are presented in the same manner as the CODM reviews the Company's operating results in assessing performance and allocating resources. In evaluating performance, the CODM reviews revenue and income from operations. Income from operations is also used in the Company's annual budgeting and monthly forecasting process and is compared against budgeted and forecasted amounts to evaluate performance and make decisions for the allocation of capital and other resources.

The Company's significant segment expenses consist of cost of revenue and sales and marketing expense. Significant segment expenses are presented in the Unaudited Condensed Consolidated Income Statements. The Company's other segment items consist of product, technology, and development expense, general and administrative expense, impairment expense, and depreciation and amortization expense, which have been disclosed separately on the Unaudited Condensed Consolidated Income Statements to meet disclosure requirements.

Segment assets are reported on the Unaudited Condensed Consolidated Balance Sheets as total assets.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, revenue by geographical region was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)		(dollars in thousands)	
Revenue by Geographic Region				
U.S.	$ 232,490	$ 210,441	$ 678,751	$ 608,321
International	25,876	21,212	74,141	57,565
Total	$ 258,366	$ 231,653	$ 752,892	$ 665,886

14. Subsequent Event

2027 Share Repurchase Program

On November 5, 2026, the Company announced that the Board authorized a share repurchase program (the "2027 Share Repurchase Program"), pursuant to which the Company may, from time to time, purchase shares of its Class A common stock for an aggregate purchase price not to exceed $250.0 million. Share repurchases under the 2027 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The 2027 Share Repurchase Program does not obligate the Company to repurchase any minimum dollar amount or number of shares. The 2027 Share Repurchase Program has an effective date of November 4, 2026, and an expiration date of December 31, 2027, and prior to its expiration may be modified, suspended, or discontinued by the Board at any time without prior notice. All repurchased shares under the 2027 Share Repurchase Program will be retired. The Company expects to fund share repurchases under the 2027 Share Repurchase Program through cash on hand and cash generated from operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements, or the Unaudited Condensed Consolidated Financial Statements, and the related notes thereto, included elsewhere in this Quarterly Report, and our consolidated financial statements and the related notes and other financial information included in our Annual Report. Some of the information contained in this discussion and analysis or elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business and our performance and future success, includes forward-looking statements that involve risks and uncertainties. See "Special Note Regarding Forward-Looking Statements." For a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis you should review our Annual Report, including those cautionary statements set forth under Part I, Item 1A "Risk Factors." We qualify all of our forward-looking statements by such cautionary statements.

In this discussion, we use financial measures that are considered non-GAAP financial measures under SEC rules. These rules regarding non-GAAP financial measures require supplemental explanation and reconciliation, which are included elsewhere in this Quarterly Report. Investors should not consider non-GAAP financial measures in isolation from or in substitution for, financial information presented in compliance with U.S. generally accepted accounting principles, or GAAP.

The wind-down of CarOffer, LLC, or CarOffer, was completed and the business was considered abandoned for accounting purposes as of December 31, 2025. For further information on the wind-down of CarOffer and related impact on financial results, refer to Discontinued Operations below.

This section of this Quarterly Report discusses 2026 and 2025 items and period-to-period comparisons between 2026 and 2025. The period-to-period comparison of financial results is not necessarily indicative of future results.

Company Overview

CarGurus is a multinational automotive platform helping consumers and dealers confidently buy and sell vehicles. Founded in 2006 with a mission to bring more trust and transparency to car shopping, CarGurus is the No. 1 visited automotive shopping site in the U.S.[1] with the largest selection of inventory and network of dealers[2]. CarGurus' selection, trusted automotive insights, and data-driven products and solutions support each shopper's journey – from online research and shopping to in-dealership decisions – to empower them at every step. CarGurus provides dealers a personalized, predictive intelligence platform with software solutions that helps them run their businesses more efficiently and profitably at all stages of inventory acquisition and pricing, marketing, and conversion to sale.

We have subsidiaries in the U.S., Canada, Ireland, and the U.K. and we operate the following marketplaces:

U.S., U.K., and Canada	U.S.	U.K.
CarGurus	AUTOLIST	PISTONHEADS

[1] *Similarweb: Traffic Insights (Cars.com, Autotrader.com, TrueCar.com, CARFAX.com Listings (defined as CARFAX.com Total Visits minus Vehicle History Reports)), Q3 2026, U.S.*
[2] *Compared to Autotrader.com, Cars.com, TrueCar.com, and CARFAX.com (Joreca as of September 30, 2026)*

Discontinued Operations

On August 6, 2025, our Board of Directors determined, after considering all reasonably available options and a broader strategic reassessment, that it was in the best interests of our stockholders to wind down CarOffer.

The wind-down of CarOffer was completed and the business was considered abandoned for accounting purposes as of December 31, 2025. We have presented the financial results of CarOffer as discontinued operations in the Unaudited Condensed Consolidated Financial Statements. No assets or liabilities were classified as discontinued operations as of September 30, 2026 or December 31, 2025. No results of operations were classified as discontinued operations for the three and nine months ended September 30, 2026. The Unaudited Condensed Consolidated Income Statement for the three and nine months ended September 30, 2025, was derived from the Unaudited Condensed Consolidated Income Statement of CarGurus, Inc. as of that date, adjusted for the reclassification of discontinued operations. The Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Stockholders' Equity, and the Unaudited Condensed Consolidated Statement of Cash Flows as of September 30, 2025, related to discontinued operations have not been separately reclassified and are included within each for the period referenced.

As a result of the wind-down, we incurred total expenditures of $13.3 million, of which all cash expenditures were incurred during the second half of 2025 and were all paid as of December 31, 2025.

For further information, refer to Note 3 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Reportable Segments

Beginning in the fourth quarter of 2025, in connection with the wind-down of CarOffer, our chief executive officer, who acts as the Chief Operating Decision Maker, or CODM, began to manage our business, make operating decisions, and evaluate operating performance based on consolidated results. Accordingly, the change led to revisions to the nature and substance of information regularly provided to and used by the CODM, and served to align our reported results with our ongoing growth strategy. As a result, beginning in the fourth quarter of 2025 we report our financial results as a single reportable segment. For further segment reporting and geographic information, refer to Note 13 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Revenue and Financial Overview

We derive our revenue primarily from (i) dealer subscription fees, (ii) advertising from auto manufacturers and other brand advertisers, and (iii) partnerships with financing services companies.

For the three months ended September 30, 2026, we generated revenue of $258.4 million, a 12% increase from $231.7 million of revenue for the three months ended September 30, 2025. For the three months ended September 30, 2026, we generated net income from continuing operations of $52.8 million and Adjusted EBITDA from continuing operations, a non-GAAP financial measure, of $89.7 million, compared to net income from continuing operations of $51.9 million and Adjusted EBITDA from continuing operations of $82.4 million for the three months ended September 30, 2025.

For the nine months ended September 30, 2026, we generated revenue of $752.9 million, a 13% increase from $665.9 million of revenue for the nine months ended September 30, 2025. For the nine months ended September 30, 2026, we generated net income from continuing operations of $134.2 million and Adjusted EBITDA from continuing operations of $254.6 million, compared to net income from continuing operations of $143.0 million and Adjusted EBITDA from continuing operations of $230.5 million for the nine months ended September 30, 2025.

See below for more information regarding our use and reconciliation of Adjusted EBITDA from continuing operations and other non-GAAP financial measures.

Key Business Metrics

We regularly review a number of metrics, including the key metrics listed below, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections, and make operating and strategic decisions. We believe it is important to evaluate these metrics, as applicable, for the U.S. and International geographic regions. The International region derives revenue from customers outside of the U.S. International markets perform differently from the U.S. market due to a variety of factors, including our operating history in each market, our rate of investment, market size, market maturity, competition, and other dynamics unique to each country.

Monthly Unique Users

For each of our websites, we define a monthly unique user as an individual who has visited any such website and taken a Visitor Action (as defined below) within a calendar month, based on data as measured by Google Analytics 4, or GA4. We calculate average monthly unique users as the sum of the monthly unique users of each of our websites in a defined 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 or application during a calendar month and takes an action on such website or in such application, such as performing a search, visiting vehicle detail pages, and connecting with a dealer, which we refer to as a Visitor Action. If an individual accesses a website or application using a different device within a given month, the first Visitor Action taken 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 website or application and takes a Visitor Action within a calendar month, each such Visitor Action is counted as a separate unique user. We eliminate any duplicate unique users that may arise when users visit a webview within our native application.

We are subject to evolving privacy laws governing cookies and tracking technologies. For example, in the U.K. informed consent is required for the placement of certain cookies or similar tracking technologies on an individual's device. Consent is tightly defined and includes a prohibition on pre-checked consents and a requirement to obtain separate consents for each type of cookie or similar technology. As a result of privacy regulations that require user consent for tracking technologies, such as those within the U.K., our ability to identify and measure our average monthly unique users is more limited, which could result in an undercount of actual average monthly unique users. Conversely, interactions with our websites generated by bots and other automated mechanisms may inflate GA4 data, which could lead to an overcount of average monthly unique users.

We view our average monthly unique users as a key indicator of the quality of our user experience, the effectiveness of our advertising and traffic acquisition, and the strength of our brand awareness. Measuring unique users is important to us and we believe it provides useful information to our investors because our revenue depends, in part, on our ability to provide dealers with connections to our users and exposure to our audience. We define connections as interactions between consumers and dealers on our marketplace through phone calls, email, managed text and chat, and clicks to access the dealer's website or map directions to the dealership.

Average Monthly Unique Users	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 [1]	2025	2026 [1]	2025
	(in thousands)		(in thousands)	
U.S.	36,939	38,249	37,124	35,773
International	9,091	10,175	8,882	10,347
Total	46,030	48,424	46,006	46,120

(1) Beginning January 1, 2026, in compliance with U.K. privacy laws, all of our U.K. based websites get consent from users to collect their information via cookies and other technologies to track our average monthly unique users.

Monthly Sessions

We define monthly sessions as the number of distinct visits to our websites that include a Visitor Action that take place each month within a given time frame, as measured and defined by GA4. We calculate average monthly sessions as the sum of the monthly sessions in a defined period, divided by the number of months in that period. A session is defined as beginning with the first Visitor Action from a computer or mobile device and ending at the earliest of when a user closes their browser window or after 30 minutes of inactivity. We eliminate any duplicate monthly sessions that may arise when users visit a webview within our native application.

We are subject to evolving privacy laws governing cookies and tracking technologies. For example, in the U.K. informed consent is required for the placement of certain cookies or similar tracking technologies on an individual's device. Consent is tightly defined and includes a prohibition on pre-checked consents and a requirement to obtain separate consents for each type of cookie or similar technology. As a result of privacy regulations that require user consent for tracking technologies, such as those within the U.K., our ability to identify and measure our average monthly sessions is more limited, which could result in an undercount of actual average monthly sessions. Conversely, interactions with our websites generated by bots and other automated mechanisms may inflate GA4 data, which could lead to an overcount of average monthly sessions.

We believe that measuring the volume of sessions in a time period, when considered in conjunction with the number of unique users in that time period, is an important indicator to us of consumer satisfaction and engagement with our marketplace, and we believe it provides useful information to our investors because the more satisfied and engaged consumers we have, the more valuable our service is to dealers.

Average Monthly Sessions	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 [1]	2025	2026 [1]	2025
	(in thousands)		(in thousands)	
U.S.	89,083	89,032	90,162	86,450
International	19,491	20,513	19,215	21,344
Total	108,574	109,545	109,377	107,794

(1) Beginning January 1, 2026, in compliance with U.K. privacy laws, all of our U.K. based websites get consent from users to collect their information via cookies and other technologies to track our average monthly sessions.

Number of Paying Dealers

We define a paying dealer as a dealer account with an active, paid subscription at the end of a defined period. The number of paying dealers we have is important to us and we believe it provides valuable information to investors because it is indicative of the value proposition of our products, as well as our sales and marketing success and opportunity, including our ability to retain paying dealers and develop new dealer relationships.

Number of Paying Dealers	As of September 30,	
	2026	2025
U.S.	26,402	25,743
International	8,299	7,930
Total	34,701	33,673

Quarterly Average Revenue per Subscribing Dealer (QARSD)

We define QARSD, which is measured at the end of a fiscal quarter, as the revenue primarily from subscription products during that trailing quarter divided by the average number of paying dealers 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. This information is important to us, and we believe it provides useful information to investors, because we believe that our ability to grow QARSD is an indicator of the value proposition of our products and the return on investment, or ROI, that our paying dealers realize from our products. In addition, increases in QARSD, which we believe reflect the value of exposure to our engaged audience in relation to subscription cost, are driven in part by our ability to grow the volume of connections to our users and the quality of those connections, which result in increased opportunity to upsell package levels and cross-sell additional products to our paying dealers.

	Three Months Ended September 30,	
Quarterly Average Revenue per Subscribing Dealer (QARSD)	2026	2025
U.S.	$ 8,308	$ 7,742
International	$ 2,715	$ 2,375
Consolidated	$ 6,955	$ 6,492

Adjusted EBITDA from Continuing Operations

To provide investors with additional information regarding our financial results, we have presented within this Quarterly Report Adjusted EBITDA from continuing operations, which is a non-GAAP financial measure. This non-GAAP financial measure is not based on any standardized methodology prescribed by GAAP, and is not necessarily comparable to any similarly titled measures presented by other companies.

We define Adjusted EBITDA from continuing operations as net income from continuing operations, adjusted to exclude: depreciation and amortization, stock-based compensation expense, transaction-related expenses, impairments, other income, net, and provision for income taxes.

We use Adjusted EBITDA from continuing operations within this Quarterly Report 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. We believe Adjusted EBITDA from continuing operations helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude. Accordingly, we believe that Adjusted EBITDA from continuing operations provides useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects, and allowing for greater transparency with respect to key financial metrics used by our management in its financial and operational decision-making.

Our Adjusted EBITDA from continuing operations is not prepared in accordance with GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA from continuing operations rather than net income from continuing operations, which is the most directly comparable GAAP financial measure. Some of these limitations are that Adjusted EBITDA from continuing operations excludes:

- depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future;
- stock-based compensation expense, which will be, for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- transaction-related expenses incurred by us during a reporting period, which are inclusive of certain transaction and integration costs associated with acquisitions that have been completed as of the filing date of our annual or quarterly report (as applicable) relating to such period;

- impairments, which include non-cash expenses associated with the impairments of operating right of use assets and certain other assets, which may have to be replaced in the future;
- other income, net, which consists primarily of interest income earned on our cash and cash equivalents, and foreign exchange gains and losses; and
- the provision for income taxes.

In addition, other companies, including companies in our industry, may calculate Adjusted EBITDA from continuing operations differently, which reduces its usefulness as a comparative measure. Because of these limitations, we consider, and you should consider, Adjusted EBITDA from continuing operations together with other operating and financial performance measures presented in accordance with GAAP.

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, the following table presents a reconciliation of net income from continuing operations, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA from continuing operations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)		(dollars in thousands)	
Reconciliation of Adjusted EBITDA from continuing operations				
Net income from continuing operations	$ 52,789	$ 51,941	$ 134,210	$ 143,004
Depreciation and amortization	8,722	6,308	23,821	17,773
Stock-based compensation expense	13,003	12,026	39,633	36,926
Transaction-related expenses	—	(2)	—	5
Impairments	—	—	20,161	499
Other income, net	(683)	(1,883)	(2,256)	(7,243)
Provision for income taxes	15,826	14,057	39,039	39,557
Adjusted EBITDA from continuing operations	$ 89,657	$ 82,447	$ 254,608	$ 230,521

Components of Unaudited Condensed Consolidated Income Statements

Revenue

We derive our revenue primarily from (i) dealer subscription fees, (ii) advertising from auto manufacturers and other brand advertisers, and (iii) partnerships with financing services companies.

Dealer Subscription Revenue

We offer multiple types of Listings packages to our dealers for our CarGurus platform (availability varies on our marketplaces): Restricted Listings, which is free; and various levels of Listings packages, each of which require a paid subscription under a monthly, quarterly, semiannual, or annual subscription basis.

Our dealer Listings subscription packages generally auto-renew on a monthly basis and are cancellable by dealers with 30 days' advance notice prior to the commencement of the applicable renewal term. Subscription pricing is determined based on a dealer's inventory size, region, and our assessment of the connections and ROI the platform will provide them and is subject to discounts and/or fee reductions that we may offer from time to time. We also offer all dealers on the platform access to our Dealer Dashboard, which includes a performance summary, dealer insights features, and user review management platform. Only dealers subscribing to a paid Listings package receive access to certain additional features.

We also offer dealers subscribing to certain of our Listings packages additional exposure and lead enhancements, such as Audience Targeting. Through Audience Targeting, dealers can buy advertising that appears on other sites on the internet and/or on high-converting social media platforms. Such advertisements can be targeted by the user's geography, search history, CarGurus website activity, and a number of other factors, allowing dealers to increase their visibility with in-market consumers and drive qualified traffic for dealers.

We also offer dealers subscribing to certain of our Listings packages other subscription products such as Digital Deal, which allows shoppers to complete much of the vehicle-purchase process online through the Dealers' Listings page and gives dealers higher quality leads through upfront consumer-provided information.

We also offer dealers subscribing to certain of our Listings packages other subscription products such as Sell My Car, which allows dealers to pay for leads to receive direct access to shoppers actively looking to sell their vehicles. Dealers can acquire inventory from shoppers who are looking to sell directly through the CarGurus Sell My Car page.

Advertising Revenue

We offer non-dealer advertising to auto manufacturers and other brand advertisers sold on a cost-per-thousand impressions basis. An impression is an advertisement loaded on a web page. We also have advertising sold on a cost-per-click basis. Pricing is primarily based on advertisement size and position on our websites and mobile applications. Auto manufacturers and other brand advertisers can execute advertising campaigns that are targeted across a wide variety of parameters, including demographic groups, behavioral characteristics, and, for automotive campaigns, specific auto brands, categories such as Certified Pre-Owned, and segments such as hybrid vehicles. We do not provide minimum impression guarantees or other types of minimum guarantees in our contracts with customers. Advertising is also sold indirectly through revenue-sharing arrangements with advertising exchange partners.

Financing Revenue

We also derive revenue from partnerships with certain financing services companies pursuant to which we enable eligible consumers on our CarGurus U.S. website to pre-qualify for financing on cars from dealerships that offer financing through such companies. We primarily generate revenue from these partnerships based on the number of funded loans from consumers who pre-qualify with our lending partners through our site.

Cost of Revenue

Cost of revenue includes expenses related to supporting and hosting service offerings. These expenses include personnel and related expenses for our customer support team, including salaries, benefits, incentive compensation, and stock-based compensation; third-party service provider expenses such as advertising, data, and hosting expenses; amortization of developed technology; amortization and impairment of capitalized website development; amortization of capitalized hosting arrangements; and allocated overhead expenses.

We allocate overhead expenses, such as rent and facility expenses, software expense, and employee benefit expense, to all departments based on headcount. As such, general overhead expenses are reflected in cost of revenue and each operating expense category.

Operating Expenses

Sales and Marketing

Sales and marketing expense consists primarily of employee-related expenses for our sales and marketing team, including salaries, benefits, incentive compensation, commissions, and stock-based compensation; expenses associated with consumer marketing, such as traffic acquisition, brand building, and public relations activities; expenses associated with dealer marketing, such as content marketing, customer and promotional events, and industry events; software subscription expenses; professional service expenses; amortization of capitalized hosting arrangements; and allocated overhead expenses, which include certain of these costs as well as other shared costs. A portion of our commissions that are related to obtaining a new contract are capitalized and amortized over the estimated benefit period of customer relationships. Other than commissions amortization, all other sales and marketing expenses are expensed as incurred. We expect sales and marketing expense to fluctuate from quarter to quarter due to seasonality and as we respond to changes in the macroeconomic and competitive landscapes affecting our existing dealers, consumer audience, and brand awareness.

Product, Technology, and Development

Product, technology, and development expense consists primarily of employee-related expenses for our research and development team, including salaries, benefits, incentive compensation, and stock-based compensation; software subscription expenses; professional service expenses; and allocated overhead expenses, which include certain of these costs as well as other shared costs. Other than website development, internal-use software, and hosting arrangement expenses, research and development expenses are expensed as incurred. We expect product, technology, and development expense to increase from quarter to quarter as we invest in additional engineering resources to develop innovative new solutions and make improvements to our existing platform.

General and Administrative

General and administrative expense consists primarily of employee-related expenses for our executive, finance, legal, people and talent, and administrative teams, including salaries, benefits, incentive compensation, and stock-based compensation; professional service expenses; software subscription expenses; general corporate expenses; and allocated overhead expenses, which include certain of these costs as well as other shared costs. General and administrative expense is expensed as incurred. We expect general and administrative expense to remain relatively flat for the remainder of the year and to increase in future periods as we continue to scale our business.

Impairment

During the three months ended March 31, 2026, we identified a triggering event requiring an impairment test for the 121 First Street lease, which we intend to sublease, primarily due to lower anticipated rental rates. We performed an updated fair value analysis of the lease and subsequently recognized non-cash impairment charges. For the nine months ended September 30, 2026, we recognized non-cash impairment charges of $14.7 million related to operating lease right-of-use asset and $4.5 million related to leasehold improvements and furniture and fixtures, which were recognized within impairment operating expenses in the Unaudited Condensed Consolidated Income Statements. For the three months ended September 30, 2026, no impairment charges related to the 121 First Street lease were recognized. For further discussion of the lease impairment, refer to Note 9 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Depreciation and Amortization

Depreciation and amortization expense consists of depreciation on property and equipment and amortization of intangible assets and internal-use software.

Other Income, Net

Other income, net consists primarily of interest income earned on our cash and cash equivalents and foreign exchange gains and losses.

Provision for Income Taxes

The provision for income taxes consists of federal and state income taxes in the U.S. and taxes in foreign jurisdictions in which we operate. For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, a provision for income taxes was recognized as a result of the consolidated taxable income position.

Results of Operations

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, the Unaudited Condensed Consolidated Income Statements were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(dollars in thousands)		(dollars in thousands)	
Revenue	$ 258,366	$ 231,653	$ 752,892	$ 665,886
Cost of revenue	21,288	16,946	60,095	46,966
Gross profit	237,078	214,707	692,797	618,920
Operating expenses				
Sales and marketing	99,242	87,039	294,361	253,295
Product, technology, and development	38,493	34,139	114,301	102,892
General and administrative	27,522	25,546	82,212	75,597
Impairments	—	—	19,651	499
Depreciation and amortization	3,889	3,868	11,279	11,319
Total operating expenses	169,146	150,592	521,804	443,602
Income from continuing operations	67,932	64,115	170,993	175,318
Other income, net				
Interest income	1,182	2,292	3,809	7,524
Other expense, net	(499)	(409)	(1,553)	(281)
Total other income, net	683	1,883	2,256	7,243
Income from continuing operations before income taxes	68,615	65,998	173,249	182,561
Provision for income taxes	15,826	14,057	39,039	39,557
Net income from continuing operations	52,789	51,941	134,210	143,004
Net loss from discontinued operations, net of tax benefits	—	(7,224)	—	(36,899)
Consolidated net income	$ 52,789	$ 44,717	$ 134,210	$ 106,105

For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, the Unaudited Condensed Consolidated Income Statements as a percentage of total revenue were as follows (amounts in the table below may not sum due to rounding):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	100%	100%	100%	100%
Cost of revenue	8	7	8	7
Gross profit	92	93	92	93
Operating expenses				
Sales and marketing	38	38	39	38
Product, technology, and development	15	15	15	15
General and administrative	11	11	11	11
Impairments	—	—	3	0
Depreciation and amortization	2	2	1	2
Total operating expenses	65	65	69	67
Income from continuing operations	26	28	23	26
Other income, net				
Interest income	0	1	1	1
Other expense, net	(0)	(0)	(0)	(0)
Total other income, net	0	1	0	1
Income from continuing operations before income taxes	27	28	23	27
Provision for income taxes	6	6	5	6
Net income from continuing operations	20	22	18	21
Net loss from discontinued operations, net of tax benefits	—	(3)	—	(6)
Consolidated net income	20%	19%	18%	16%

For the three months ended September 30, 2026 and 2025

Revenue

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Revenue	$ 258,366	$ 231,653	$ 26,713	12%
Percentage of total revenue	100%	100%		

Revenue increased $26.7 million, or 12%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase was due primarily to an increase in dealer subscription revenue as a result of broader adoption of add-on products, subscription tier upgrades, and signing on new dealers at market rates.

Cost of Revenue

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Cost of Revenue	$ 21,288	$ 16,946	$ 4,342	26%
Percentage of total revenue	8%	7%		

Cost of revenue increased $4.3 million, or 26%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025, and represented 8% of total revenue for the three months ended September 30, 2026, compared to 7% of total revenue for the three months ended September 30, 2025. The increase was due primarily to a $2.4 million increase in amortization driven by new capitalized website development projects and a $1.3 million increase in data center and hosting costs due to higher overall usage.

Operating Expenses

Sales and Marketing Expense

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 99,242	$ 87,039	$ 12,203	14%
Percentage of total revenue	38%	38%		

Sales and marketing expense increased $12.2 million, or 14%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase was due primarily to a $9.6 million increase in marketing and advertising expense for our performance marketing vendors and brand awareness campaigns and a $3.3 million increase in employee-related expenses driven by an increase in payroll-related expense resulting from headcount and merit increases and an increase in commissions expense.

Product, Technology, and Development Expense

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Product, technology, and development	$ 38,493	$ 34,139	$ 4,354	13%
Percentage of total revenue	15%	15%		

Product, technology, and development expense increased $4.4 million, or 13%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase was due primarily to a $2.6 million increase in employee-related expenses driven by an increase in payroll-related expense resulting from headcount and merit increases, and a $1.3 million increase in software expenses.

General and Administrative Expense

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
General and administrative	$ 27,522	$ 25,546	$ 1,976	8%
Percentage of total revenue	11%	11%		

General and administrative expense increased $2.0 million, or 8%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase was due primarily to a $1.9 million increase in employee-related expenses driven by an increase in stock-based compensation expense due to the net impact of new grants, completed vesting of existing awards, and forfeitures from employee departures and an increase in payroll-related expense as a result of headcount and merit increases.

Depreciation and Amortization Expense

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Depreciation and amortization	$ 3,889	$ 3,868	$ 21	1%
Percentage of total revenue	2%	2%		

Depreciation and amortization expense remained relatively flat in the three months ended September 30, 2026, compared to the three months ended September 30, 2025.

Other Income, net

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Other income, net				
Interest income	$ 1,182	$ 2,292	$ (1,110)	(48)%
Other expense, net	(499)	(409)	(90)	(22)%
Total other income, net	$ 683	$ 1,883	$ (1,200)	(64)%
Percentage of total revenue				
Interest income	0%	1%		
Other expense, net	(0)	(0)		
Total other income, net	0%	1%		

Total other income, net decreased $1.2 million, or 64%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The $1.1 million decrease in interest income was due primarily to lower average cash balances.

Provision for Income Taxes

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Provision for income taxes	$ 15,826	$ 14,057	$ 1,769	13%
Percentage of total revenue	6%	6%		

Provision for income taxes increased $1.8 million, or 13%, in the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The increase was due primarily to increased profitability.

For the nine months ended September 30, 2026 and 2025

Revenue

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Revenue	$ 752,892	$ 665,886	$ 87,006	13%
Percentage of total revenue	100%	100%		

Revenue increased $87.0 million, or 13%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was due primarily to an increase in dealer subscription revenue as a result of subscription tier upgrades, broader adoption of add-on products, and signing on new dealers at market rates.

Cost of Revenue

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Cost of Revenue	$ 60,095	$ 46,966	$ 13,129	28%
Percentage of total revenue	8%	7%		

Cost of revenue increased $13.1 million, or 28%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, and represented 8% of total revenue for the nine months ended September 30, 2026, compared to 7% of total revenue for the nine months ended September 30, 2025. The increase was due primarily to a $6.1 million increase in amortization driven by new capitalized website development projects, a $3.8 million increase in data center and hosting costs due to higher overall usage, a $1.5 million increase in spend related to provisioning advertising campaigns on external websites, and a $1.5 million increase in licensed content for listings.

Operating Expenses

Sales and Marketing Expense

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 294,361	$ 253,295	$ 41,066	16%
Percentage of total revenue	39%	38%		

Sales and marketing expense increased $41.1 million, or 16%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was due primarily to a $27.3 million increase in advertising and marketing expense for our performance marketing vendors and brand awareness campaigns and an $11.9 million increase in employee-related expenses driven by an increase in payroll-related expense resulting from headcount and merit increases and an increase in commissions expense.

Product, Technology, and Development Expense

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Product, technology, and development	$ 114,301	$ 102,892	$ 11,409	11%
Percentage of total revenue	15%	15%		

Product, technology, and development expense increased $11.4 million, or 11%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was due primarily to a $6.2 million increase in employee-related expenses driven by an increase in payroll-related expense resulting from headcount and merit increases, a $3.2 million increase in professional services expense driven by an increase in contractor and consulting expense, and a $2.8 million increase in software expenses.

General and Administrative Expense

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
General and administrative	$ 82,212	$ 75,597	$ 6,615	9%
Percentage of total revenue	11%	11%		

General and administrative expense increased $6.6 million, or 9%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was due primarily to a $4.9 million increase in employee-related expenses driven by an increase in payroll-related expense as a result of headcount and merit increases and an increase in stock-based compensation expense due to the net impact of new grants, completed vesting of existing awards, and forfeitures from employee departures. The increase was also due in part to a $1.9 million increase in professional service expenses.

Impairment Expense

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Impairments	$ 19,651	$ 499	$ 19,152	3,838%
Percentage of total revenue	3%	0%		

Impairment expense increased $19.2 million in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The increase was due primarily to the impairment of the 121 First Street lease during the nine months ended September 30, 2026. For further discussion of the lease impairment, refer to Note 9 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Depreciation and Amortization Expense

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Depreciation and amortization	$ 11,279	$ 11,319	$ (40)	(0)%
Percentage of total revenue	1%	2%		

Depreciation and amortization expense remained relatively flat in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025.

Other Income, net

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Other income, net				
Interest income	$ 3,809	$ 7,524	$ (3,715)	(49)%
Other expense, net	(1,553)	(281)	(1,272)	(453)%
Total other income, net	$ 2,256	$ 7,243	$ (4,987)	(69)%
Percentage of total revenue				
Interest income	1%	1%		
Other expense, net	(0)	(0)		
Total other income, net	0%	1%		

Total other income, net decreased $5.0 million, or 69%, in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The $3.7 million decrease in interest income was due primarily to lower average cash balances.

Provision for Income Taxes

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Provision for income taxes	$ 39,039	$ 39,557	$ (518)	(1)%
Percentage of total revenue	5%	6%		

Provision for income taxes remained relatively flat in the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025.

Liquidity and Capital Resources

Cash, Cash Equivalents, and Borrowing Capacity

As of September 30, 2026 and December 31, 2025, our principal sources of liquidity were cash and cash equivalents of $164.9 million and $190.5 million, respectively. As of September 30, 2026, our borrowing capacity under the Amended Revolver (as defined below) was $190.6 million. As of December 31, 2025, our borrowing capacity under the 2022 Revolver (as defined below) was $390.6 million.

Sources and Uses of Cash

The cash flows related to discontinued operations for the nine months ended September 30, 2025, have not been separated. Accordingly, the Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025, and the following discussions include the results of continuing and discontinued operations. For additional information on discontinued operations, including significant non-cash items and capital expenditures of discontinued operations, refer to Note 3 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

During the nine months ended September 30, 2026 and 2025, our cash flows from operating, investing, and financing activities, as reflected in the Unaudited Condensed Consolidated Statements of Cash Flows, were as follows:

	Nine Months Ended September 30,	
	2026	2025
	(dollars in thousands)	
Net cash provided by operating activities	$ 245,253	$ 212,163
Net cash used in investing activities	(20,545)	(22,632)
Net cash used in financing activities	(249,413)	(318,988)
Impact of foreign currency on cash	(903)	2,083
Net decrease in cash, cash equivalents, and restricted cash	$ (25,608)	$ (127,374)

Our operations have been financed primarily from operating activities. During the nine months ended September 30, 2026 and 2025, we generated cash from operating activities of $245.3 million and $212.2 million, respectively.

On September 26, 2022, we entered into a Credit Agreement with PNC Bank, National Association, as administrative agent and collateral agent and an L/C Issuer (as defined in the Original Credit Agreement), and the other lenders, L/C Issuers, and parties thereto from time to time, or the Original Credit Agreement. The Original Credit Agreement consisted of a revolving credit facility, or the 2022 Revolver, which allowed us to borrow up to $400.0 million, $50.0 million of which could be comprised of a letter of credit sub-facility, or 2022 Revolver Sub-facility. The borrowing capacity under the Original Credit Agreement could be increased in accordance with the terms and subject to the adjustments as set forth in the Original Credit Agreement. Specifically, the borrowing capacity could be increased by an amount up to the greater of $250.0 million or 100% of Four Quarter Consolidated EBITDA (as defined in the Original Credit Agreement) if certain criteria were met and subject to certain restrictions. Any such increase required lender approval. Proceeds of any borrowings could be used for general corporate purposes.

On August 6, 2026, the Company entered into the First Amendment, or the Amendment, to the Original Credit Agreement (as amended by the Amendment, the Amended Credit Agreement), by and among the Company, PNC Bank, National Association, as administrative agent and collateral agent, and an L/C Issuer (as defined in the Amended Credit Agreement), and the other lenders, L/C Issuers and parties thereto from time to time.

The Amendment, among other things, (i) reduced the aggregate revolving commitments under the Original Credit Agreement from $400.0 million to $200.0 million, or the Amended Revolver, (ii) extended the maturity date of the Amended Revolver from September 26, 2027 to August 6, 2031, (iii) increased the cap of the Cash-Capped Incremental Facility (as defined in the Amended Credit Agreement) to the greater of $380.0 million and 100% of the trailing Four Quarter Consolidated EBITDA (as defined in the Amended Credit Agreement), and (iv) added a new incurrence-based negative covenant that prohibits the Company from incurring certain indebtedness unless, after giving pro forma effect thereto, the Consolidated Total Gross Leverage Ratio (as defined in the Amended Credit Agreement) does not exceed 6.25:1.00. Except as expressly modified by the Amendment, the material terms of the Original Credit Agreement remain unchanged and continue in full force and effect.

As of September 30, 2026, there were no borrowings and $9.4 million in letters of credit outstanding under the Amended Revolver associated with our leases, which reduced the borrowing capacity under the Amended Revolver to $190.6 million. As of December 31, 2025, there were no borrowings and $9.4 million in letters of credit outstanding under the 2022 Revolver Sub-facility associated with our leases, which reduced the borrowing capacity under the 2022 Revolver to $390.6 million.

We believe that our existing sources of liquidity, including access to the Amended Revolver, will be sufficient to fund our operations for at least the next 12 months from the date of the filing of this Quarterly Report. Our future capital requirements will depend on many factors, including our revenue; expenses associated with our sales and marketing activities and the support of our product, technology, and development efforts; activity under the 2026 Share Repurchase Program (as defined below) and the 2027 Share Repurchase Program (as defined below); and our investments in international markets. Cash from operations could also be affected by various risks and uncertainties, including but not limited to macroeconomic effects and other risks detailed more specifically in the “Risk Factors” section in Part I, Item 1A in our Annual Report.

In February 2026 we announced that our Board of Directors authorized a program pursuant to which we may purchase up to $250.0 million of our Class A common stock, or the 2026 Share Repurchase Program. Share repurchases under the 2026 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The 2026 Share Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares. The 2026 Share Repurchase Program has an expiration date of December 31, 2026, and prior to its expiration may be modified, suspended, or discontinued by our Board of Directors at any time without prior notice. All repurchased shares under the 2026 Share Repurchase Program will be retired. We have funded share repurchases and expect to continue to fund share repurchases under the 2026 Share Repurchase Program through cash on hand and cash generated from operations.

During the three months ended September 30, 2026, we repurchased and retired 592,502 shares of our Class A common stock for $20.8 million, exclusive of commissions and excise tax, at an average cost of $35.03 per share, under the 2026 Share Repurchase Program. During the nine months ended September 30, 2026, we repurchased and retired 6,881,185 shares of our Class A common stock for $225.0 million, exclusive of commissions and excise tax, at an average cost of $32.70 per share, under the 2026 Share Repurchase Program. As of September 30, 2026, we had remaining authorization to purchase up to $25.0 million of our Class A common stock under the 2026 Share Repurchase Program.

In November 2024 we announced that our Board of Directors authorized a share repurchase program, or the Original 2025 Share Repurchase Program, pursuant to which we could purchase up to $200.0 million of our Class A common stock. In August 2025 we announced that our Board of Directors amended the Original 2025 Share Repurchase Program to increase the authorization by an additional $150.0 million, for a total authorization to purchase up to $350.0 million of our Class A common stock, and extended the expiration of the Original 2025 Share Repurchase Program from December 31, 2025 to July 31, 2026, or as amended, the 2025 Share Repurchase Program. The 2025 Share Repurchase Program was completed in November 2025. All repurchased shares under the 2025 Share Repurchase Program were retired.

During the three months ended September 30, 2025, we repurchased and retired 3,233,649 shares of our Class A common stock for $110.7 million, exclusive of commissions and excise tax, at an average cost of $34.23 per share under the 2025 Share Repurchase Program. During the nine months ended September 30, 2025, we repurchased and retired 9,164,088 shares of our Class A common stock for $295.2 million, exclusive of commissions and excise tax, at an average cost of $32.22 per share under the 2025 Share Repurchase Program.

On November 5, 2026, we announced that our Board of Directors authorized a program pursuant to which we may purchase up to $250.0 million of our Class A common stock, or the 2027 Share Repurchase Program. Share repurchases under the 2027 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act. The 2027 Share Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares. The 2027 Share Repurchase Program has an effective date of November 4, 2026, and an expiration date of December 31, 2027, and prior to its expiration may be modified, suspended, or discontinued by our Board of Directors at any time without prior notice. All repurchased shares under the 2027 Share Repurchase Program will be retired. We expect to fund share repurchases under the 2027 Share Repurchase Program through cash on hand and cash generated from operations.

To the extent that our operating income, existing cash, cash equivalents, and our borrowing capacity under the Amended Revolver are insufficient to fund our future activities, we may need to raise additional funds through a public or private equity or debt financing. Additional funds may not be available on terms favorable to us, or at all. See "*Risk Factors—Risks Related to Our Operations—We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. If we are unable to generate sufficient cash flows or if capital is not available to us, our business, operating results, financial condition, and prospects could be adversely affected."* in Part I, Item 1A in our Annual Report.

Operating Activities

Net cash provided by operating activities of $245.3 million during the nine months ended September 30, 2026, was due primarily to consolidated net income of $134.2 million, adjusted for $39.6 million of stock-based compensation expense for equity awards to employees, $23.8 million of depreciation and amortization expense, $20.2 million of impairment primarily related to the 121 First Street lease impairment, $14.5 million of amortization of deferred contract costs and $12.6 million of deferred taxes. Net cash provided by operating activities was also due to a $14.8 million decrease in prepaid expenses, prepaid income taxes, and other assets primarily due to a decrease in prepaid income taxes. Net cash provided by operating activities was offset in part by a $13.5 million increase in deferred contract costs due to commission capitalization and a $7.4 million increase in accounts receivable due to the timing of payments.

Net cash provided by operating activities of $212.2 million during the nine months ended September 30, 2025, was due primarily to consolidated net income of $106.1 million, adjusted for $38.6 million of stock-based compensation expense for equity awards to employees, $32.6 million of impairment related to CarOffer, $20.6 million of depreciation and amortization expense, $14.0 million of deferred taxes, and $12.0 million of amortization of deferred contract costs. Net cash provided by operating activities was also due to a $4.8 million increase in lease obligations primarily due to rent expense exceeding rent payments and the timing of tenant improvement allowance receipts. Net cash provided by operating activities was offset in part by a $13.7 million increase in deferred contract costs due to commission capitalization and an $8.5 million increase in prepaid expenses, prepaid income taxes, and other assets primarily due to the impact of the One Big Beautiful Bill Act.

Investing Activities

Net cash used in investing activities of $20.5 million during the nine months ended September 30, 2026, was due to $18.6 million in capitalized website development costs primarily related to continued investment in our product offerings and $1.9 million in purchases of property and equipment primarily related to additions in capitalized internal-use software.

Net cash used in investing activities of $22.6 million during the nine months ended September 30, 2025, was due to $17.4 million in capitalized website development costs primarily related to continued investments in our product offerings and $5.2 million in purchases of property and equipment primarily related to additions in capitalized internal-use software.

Financing Activities

Net cash used in financing activities of $249.4 million during the nine months ended September 30, 2026, was due primarily to $225.1 million in repurchases of our Class A common stock under the 2026 Share Repurchase Program and $21.0 million in payments of withholding taxes on net share settlements of restricted stock units.

Net cash used in financing activities of $319.0 million during the nine months ended September 30, 2025, was due primarily to $294.9 million in repurchases of our Class A common stock under the 2025 Share Repurchase Program and $22.7 million in payment of withholding taxes on net share settlements of restricted stock units.

Contractual Obligations and Known Future Cash Requirements

As of September 30, 2026, there were no material changes in our contractual obligations and commitments from those disclosed in our Annual Report, other than those appearing in the notes to the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report, which are hereby incorporated by reference.

Seasonality

Across the retail automotive industry, consumer activity tends to be highest in the spring and summer months, aligning with tax refund season and increased discretionary spending, as well as the rollout of new vehicle models. This seasonality in vehicle purchasing behavior can influence dealer advertising budgets and inventory levels, which, in turn, could impact demand for our products and services.

Historically, our operating results have been more influenced by macroeconomic conditions that impact the volume of vehicle sales, such as slower growth or recession, higher interest rates, unemployment, inflation, consumer confidence in the economy, consumer debt levels, labor disruptions, work stoppages, or strikes, geopolitical conflicts, foreign currency exchange rate fluctuations, and other matters that influence consumer spending and preferences, than by consistent seasonal patterns.

To date, our operating results have not been materially impacted by the general seasonality of the automotive industry. However, as our platform and offerings continue to scale, including our growing suite of software and data products for consumers and dealers, we may become more susceptible to seasonal trends that affect vehicle transactions, consumer engagement, or dealer marketing behavior.

Accordingly, revenue and cost of revenue related to volume will fluctuate on a quarterly basis. Typical seasonality trends may not be observed in periods where other external factors, such as changes in international trade policies, tariffs, higher interest rates, and other macroeconomic issues, more significantly impact the industry.

Off-Balance Sheet Arrangements

As of September 30, 2026 and December 31, 2025, we did not have any off-balance sheet arrangements or material leases that are less than 12 months in duration, that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Critical Accounting Estimates

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period.

Although we regularly assess these estimates, actual results could differ materially from these estimates. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made. Changes in estimates are recognized in the period in which they become known.

Critical estimates relied upon in preparing the Unaudited Condensed Consolidated Financial Statements include the capitalization and useful lives of product, technology, and development costs for website development, internal-use software, and hosting arrangements. Accordingly, we consider this to be our critical accounting estimate and believe that of our significant accounting policies, this involves the greatest degree of judgment and complexity.

For a detailed explanation of the judgments made in these areas, refer to Note 2 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report.

Recently Issued Accounting Pronouncements

Information concerning recently issued accounting pronouncements can be found in Note 2 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Market risk represents the risk of loss that may affect our financial position due to adverse changes in financial market prices and rates. We are exposed to market risks as described below.

Interest Rate Risk

As of September 30, 2026, our exposure to market risk associated with changes in interest rates related primarily to the Amended Revolver, which allows us to borrow up to $200.0 million. The applicable interest rate is, at our option, based on a number of different benchmark rates and applicable spreads, as determined by the Consolidated Secured Net Leverage Ratio (as defined in Note 8 of the Unaudited Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report). A fluctuation in interest rates does not have an impact on interest expense unless the Amended Revolver is drawn upon. Such impact would also be dependent on the amount of the draw. As of September 30, 2026, there were no borrowings and $9.4 million in letters of credit outstanding under the Amended Revolver associated with our leases, which reduced the borrowing capacity under the Amended Revolver to $190.6 million. As of December 31, 2025, there were no borrowings and $9.4 million in letters of credit outstanding under the 2022 Revolver Sub-facility associated with our leases, which reduced the borrowing capacity under the 2022 Revolver to $390.6 million.

As of September 30, 2026 and December 31, 2025, we had cash and cash equivalents of $164.9 million and $190.5 million, respectively, which consisted of cash on deposit with banks and money market funds.

Such interest-earning instruments carry a degree of interest rate risk. For the three months ended September 30, 2026 and 2025 and for the nine months ended September 30, 2026 and 2025, fluctuations resulting from changes in the interest rate environment in interest income have not been material to our business, financial condition, or results of operations. Given recent changes in the interest rate environment and in an effort to ensure liquidity, we expect variable returns from our cash equivalents for the foreseeable future.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. As circumstances change, we will continue to reassess our approach to managing these risks.

Inflation Risk

As of and for the three and nine months ended September 30, 2026 and 2025, we did not believe that inflation had a material effect on our business, financial condition, or results of operations. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, operating results, and financial condition. Additionally, inflationary pressures could negatively impact vehicle purchasing behavior, which could have an adverse impact on our financial results.

Foreign Currency Exchange Risk

As of and for the three and nine months ended September 30, 2026 and 2025, we had foreign currency exposures in the British pound, the Euro, and the Canadian dollar, but fluctuations resulting from exchange rates between these foreign currencies and the U.S. dollar have not been material to our business, financial condition, or results of operations. However, fluctuations in exchange rates in the future may have a material impact on our business, financial condition, or results of operations. We have not used any financial instruments to manage our foreign currency exchange risk exposure. As circumstances change, we will continue to reassess our approach to managing these risks.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently subject to any pending or threatened litigation that we believe, if determined adversely to us, would individually, or taken together, reasonably be expected to have a material adverse effect on our business or financial results.

Item 1A. Risk Factors.

Careful consideration should be given to the factors discussed in Part I, Item 1A, “Risk Factors,” in our Annual Report, which could materially affect our business, financial condition, or future results, in addition to the information set forth in this Quarterly Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities

The following table summarizes information about our purchases of our Class A common stock for each of the months during the three months ended September 30, 2026:

Period	Total Number of Shares of Common Stock Purchased	Weighted Average Price Paid per Share of Common Stock[1]	Total Number of Shares of Common Stock Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number (or Approximate Dollar Value) of Shares of Common Stock that May Yet be Purchased Under the Plans or Programs (in thousands)[2]
July 1, 2026 through July 31, 2026	592,502	$ 35.03	592,502	$ 25,001
August 1, 2026 through August 31, 2026	—	$ —	—	$ 25,001
September 1, 2026 through September 30, 2026	—	$ —	—	$ 25,001
Total	592,502	$ 35.03	592,502	$ 25,001

(1) The weighted average price paid per share of our Class A common stock does not include cost of commissions.

(2) In February 2026 we announced that our Board of Directors authorized the 2026 Share Repurchase Program pursuant to which we may purchase up to $250.0 million of our Class A common stock. Share repurchases under the 2026 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act. The 2026 Share Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares. The 2026 Share Repurchase Program has an expiration date of December 31, 2026, and prior to its expiration may be modified, suspended, or discontinued by our Board of Directors at any time without prior notice. All repurchased shares under the 2026 Share Repurchase Program will be retired. We have funded share repurchases and expect to continue to fund share repurchases under the 2026 Share Repurchase Program through cash on hand and cash generated from operations. On November 5, 2026, we announced that our Board of Directors authorized the 2027 Share Repurchase Program, pursuant to which we may purchase up to $250.0 million of our Class A common stock. Share repurchases under the 2027 Share Repurchase Program may be made through a variety of methods, including but not limited to open market purchases, privately negotiated transactions, and transactions that may be effected pursuant to one or more plans under Rule 10b5-1 and/or Rule 10b-18 of the Exchange Act. The 2027 Share Repurchase Program does not obligate us to repurchase any minimum dollar amount or number of shares. The 2027 Share Repurchase Program has an effective date of November 4, 2026, and an expiration date of December 31, 2027, and prior to its expiration may be modified, suspended, or discontinued by our Board of Directors at any time without prior notice. All repurchased shares under the 2027 Share Repurchase Program will be retired. We expect to fund share repurchases under the 2027 Share Repurchase Program through cash on hand and cash generated from operations.

Item 5. Other Information

Rule 10b5-1 Plan Trading Arrangements

During the three months ended September 30, 2026, the following officers adopted a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act and our policies on insider trading:

Name & Title	Date Adopted	Aggregate Number of Shares of Class A Common Stock to be Purchased or Sold Pursuant to Trading Arrangement	Expiration Date[1]
Jennifer Hanson, Chief People Officer	September 11, 2026	Up to 45,571 shares to be sold[2]	April 7, 2028
Jason Trevisan, Chief Executive Officer	September 15, 2026	100,000 shares to be sold	September 1, 2027

(1) The Rule 10b5-1 trading arrangement permits transactions through and including the earlier to occur of (a) the completion of all sales or (b) the date listed in the table. The arrangement also provides for automatic expiration in the event of liquidation, dissolution, bankruptcy, insolvency, or death of the adopting person.

(2) The Rule 10b5-1 trading arrangement includes the sale of up to 24,343 shares to be received upon future vesting of certain outstanding equity awards, net of any shares withheld by us to satisfy applicable taxes. The number of shares to be withheld, and thus the exact number of shares to be sold pursuant to Ms. Hanson's Rule 10b5-1 trading arrangement, can only be determined upon the occurrence of the future vesting events. For purposes of this disclosure, we have reported the gross number of shares to be received upon the future vesting of such equity awards, before subtracting any shares to be withheld by us to satisfy applicable taxes in connection with such future vesting events.

On March 2, 2026, Javier Zamora, our then General Counsel and Corporate Secretary, adopted a "Rule 10b5-1 trading arrangement" that was intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act and our policies on insider trading, or the Zamora Plan. Pursuant to the Zamora Plan, up to 54,453 shares of our Class A common stock were to be sold, including shares obtained from the vesting of restricted stock units (subject to reduction for any shares withheld to satisfy tax withholding obligations), and had an expiration date of February 16, 2027. On September 28, 2026, Mr. Zamora terminated the Zamora Plan.

Other than those disclosed above, none of our directors or officers adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," in each case as defined in Item 408 of Regulation S-K.

Item 6. Exhibits.

The exhibits listed below are filed, furnished, or incorporated by reference into this Quarterly Report.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Filing Date	Exhibit Number	
10.1	First Amendment, dated as of August 6, 2026, to the Credit Agreement, dated September 26, 2022, by and among the Registrant, as borrower, PNC Bank, National Association, as administrative agent, collateral agent, and an L/C Issuer, and the other lenders, L/C Issuers and other parties party thereto.	8-K	001-38233	August 6, 2026	10.1	
10.2#	Offer Letter between the Registrant and Matthew Mandel, dated August 28, 2026.	8-K	001-38233	September 3, 2026	10.1	
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)					X

# Indicates a management contract or compensatory plan.

* The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report and will not be deemed “filed” for purposes of Section 18 of the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CarGurus, Inc.

Date: November 5, 2026

By: /s/ Matthew Mandel
Matthew Mandel
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jason Trevisan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CarGurus, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: /s/ Jason Trevisan
Jason Trevisan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Mandel, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CarGurus, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: /s/ Matthew Mandel
Matthew Mandel
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of CarGurus, Inc. (the "Company") for the period ending September 30, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Jason Trevisan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2026

By: /s/ Jason Trevisan
Jason Trevisan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of CarGurus, Inc. (the "Company") for the period ending September 30, 2026, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Mandel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2026

By: /s/ Matthew Mandel
Matthew Mandel
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)