

Q3 2019 Business Update



Cautionary Note Regarding Forward-Looking Statements

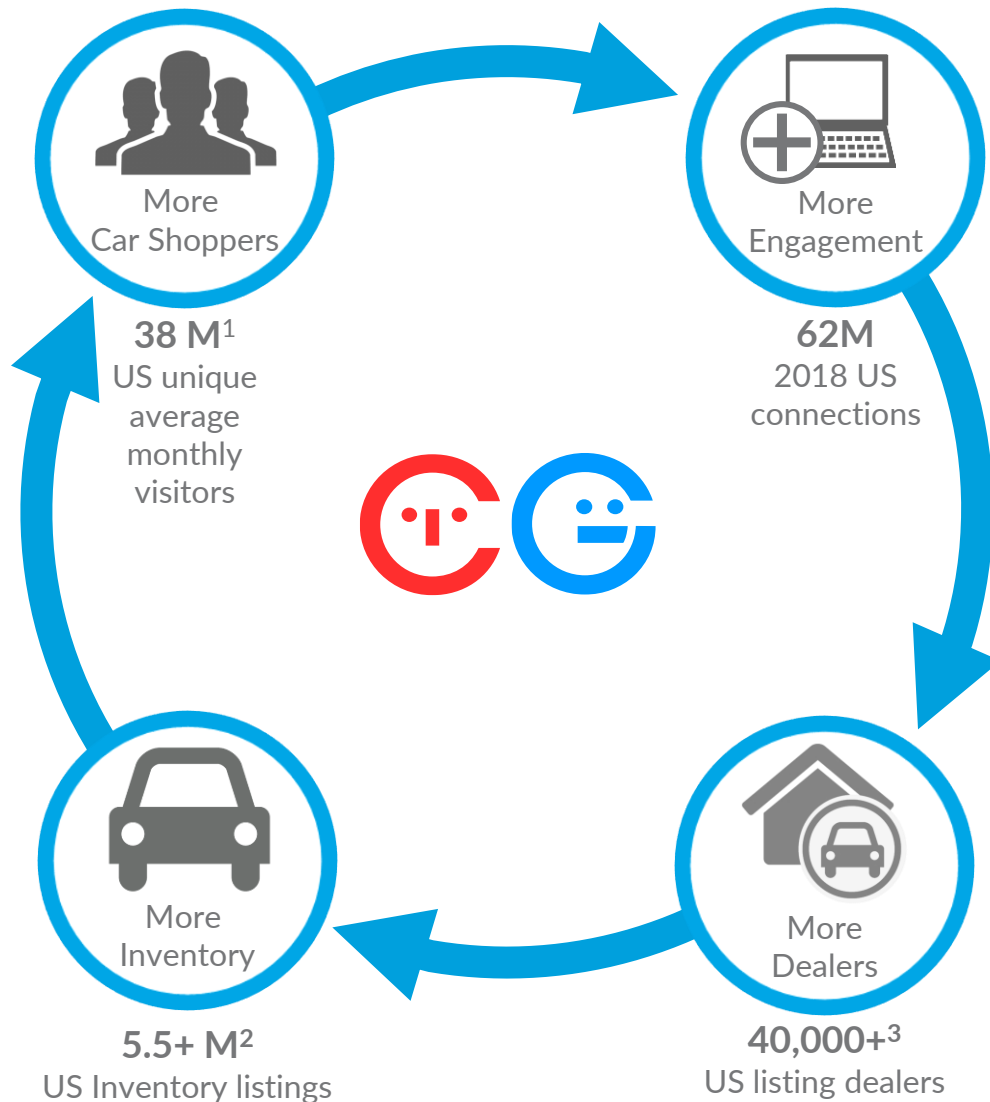
Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions may include “forward-looking statements.” We may, in some cases, use terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “likely,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, statements in this presentation regarding: industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy, including our ability to expand our global audience; the growth levers we expect to drive our business; our brand awareness efforts, including investments in audience and brand building across our U.S. and international businesses; our investments in and ability to drive adoption of new and existing products and their benefits, including revenue growth opportunities; the attractiveness and value proposition of our current offerings and other product opportunities, including with respect to our consumer finance offering, peer-to-peer marketplace, and RPM digital marketing suite; our ability to maintain existing and acquire new customers; addressable opportunities, including our expansion into international markets and our international growth strategy; our success in international markets; our future financial and business performance for the full-year 2019, as well as our other long-term financial targets; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to our rapid growth and ability to sustain our revenue growth rate, our relationships with dealers, new product development, competition in the markets in which we operate, market growth, our ability to expand effectively into new markets, our ability to realize benefits from our acquisition of PistonHeads and successfully implement the integration strategies in connection therewith, our sales and marketing strategies, our capital resources and operating performance, our ability to operate in compliance with applicable laws, as well as other risks and uncertainties that we have detailed in the “Risk Factors” section of our Quarterly Report on Form 10-Q, filed on November 5, 2019 with the U.S. Securities and Exchange Commission. These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of the date of this presentation and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, as well as industry publications and reports and other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Comscore for all data relating to comparisons with our competitors. Google Analytics and Comscore use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that the publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

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Global Trusted Marketplace, Powerful Network Effect



Unbiased
Transparency

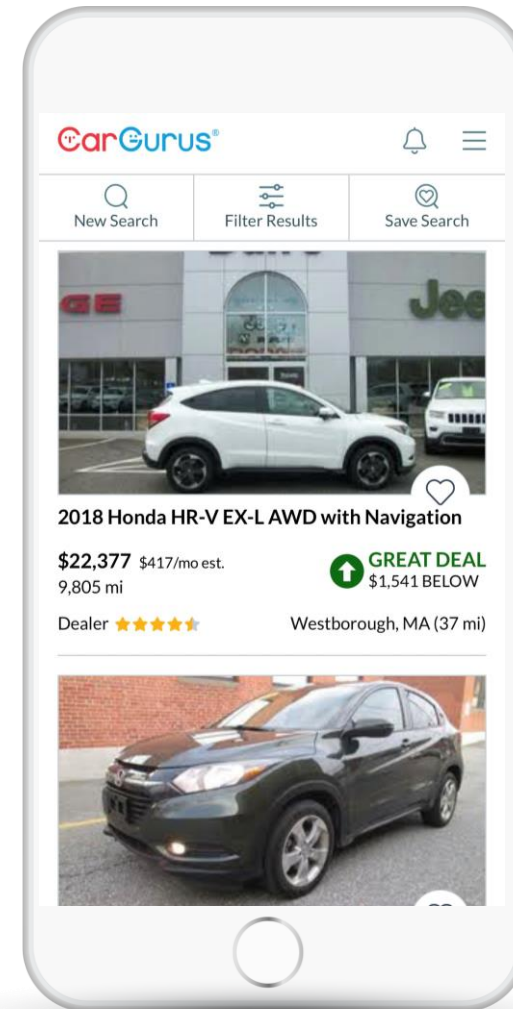
Price
Dealer Reputation
Vehicle Condition
Inventory Ranking

Marketplace

Dealers
and
Peer to Peer

Optimized for Consumer Relevance vs. Paid Inclusion

- How did Google disrupt Yahoo?
 - Relevance over economics
 - Algorithms provide best answers to consumer
- CarGurus ranks listings based on unbiased algorithms
 - Organic listings ranked by Deal Ratings
 - Instant Market Value considers make, model, trim, year, mileage, options and vehicle condition
 - Deal Rating incorporates Dealer Rating from CarGurus community



Our Freemium Marketplace Can't Be Replicated by Classified Models

LARGEST US AUTO INVENTORY OF 5.5M+ LISTINGS¹ FROM OVER 40,000 DEALERS¹



Car Information

- Vehicle History
- Time on Site²



Price Information

- Instant Market Value²
- Deal Rating²
- Price History



Dealer Information

- Qualified Dealer Reviews
- Dealer Ratings

BEST-DEAL-FIRST ORGANIC SEARCH RESULTS



88%
of users
are in-market³

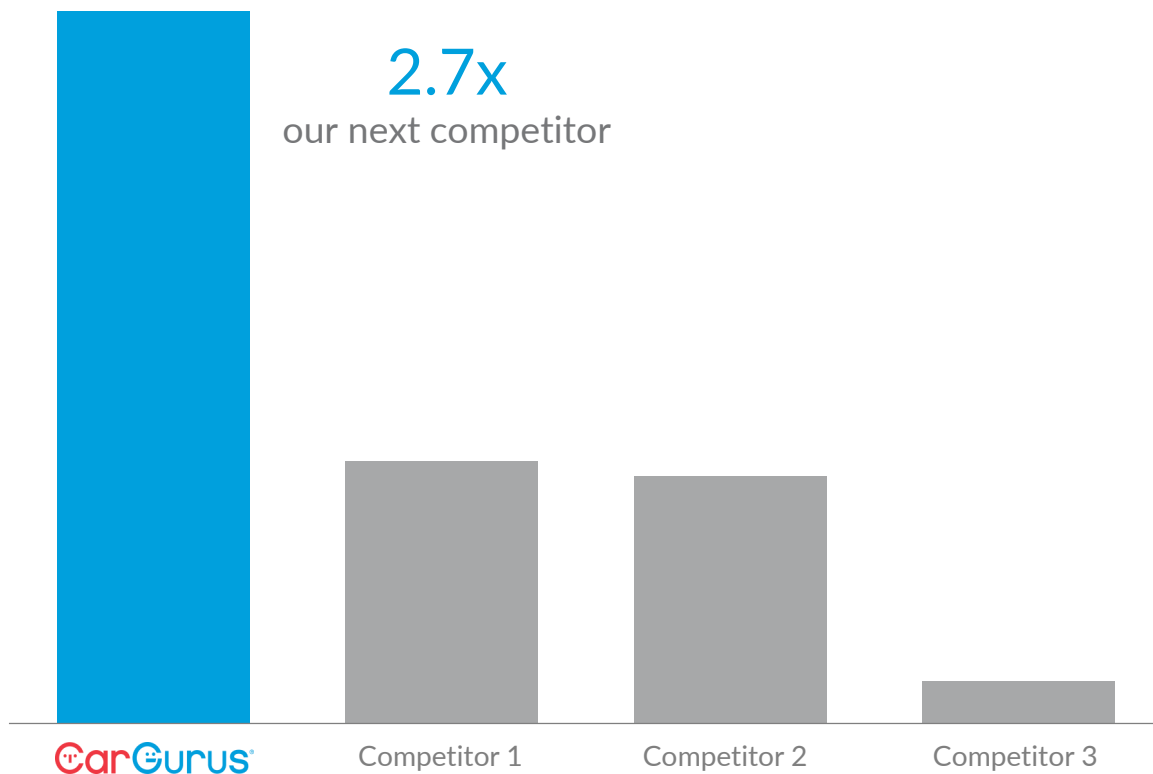
ENGAGED, INFORMED, READY-TO-BUY CONSUMERS

40%
more likely to be within a
week of purchase⁴

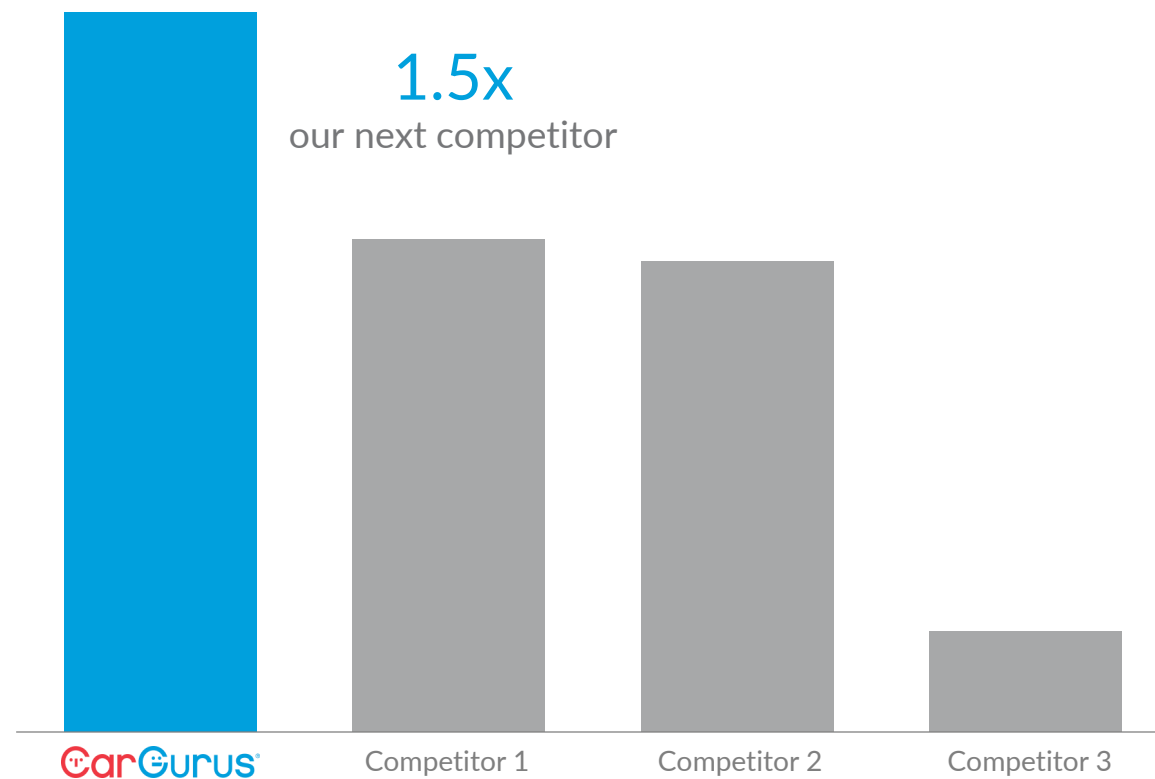
We are the #1 Online US Automotive Marketplace¹

THE LARGEST AUDIENCE OF CAR SHOPPERS IN THE US¹

TOTAL MONTHLY VISITS²



TOTAL MONTHLY UNIQUE VISITORS²



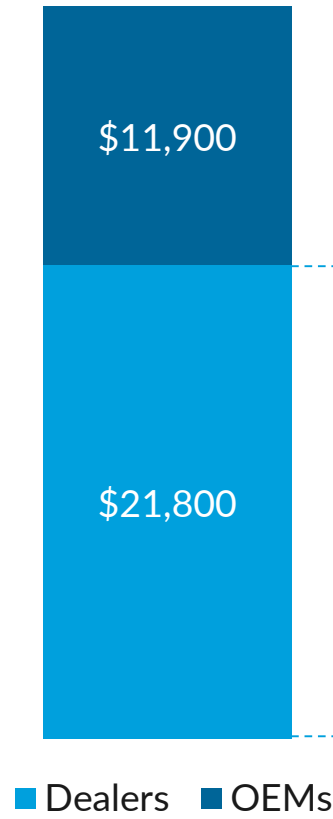
Market Opportunity and Value Proposition



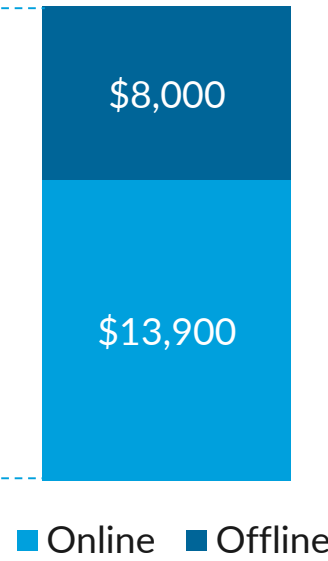
Building a Digital Marketing Suite to Serve Dealer Needs

(MILLIONS)

US AUTO MARKETING SPEND¹



DEALER MARKETING MIX¹



LONG GROWTH RUNWAY

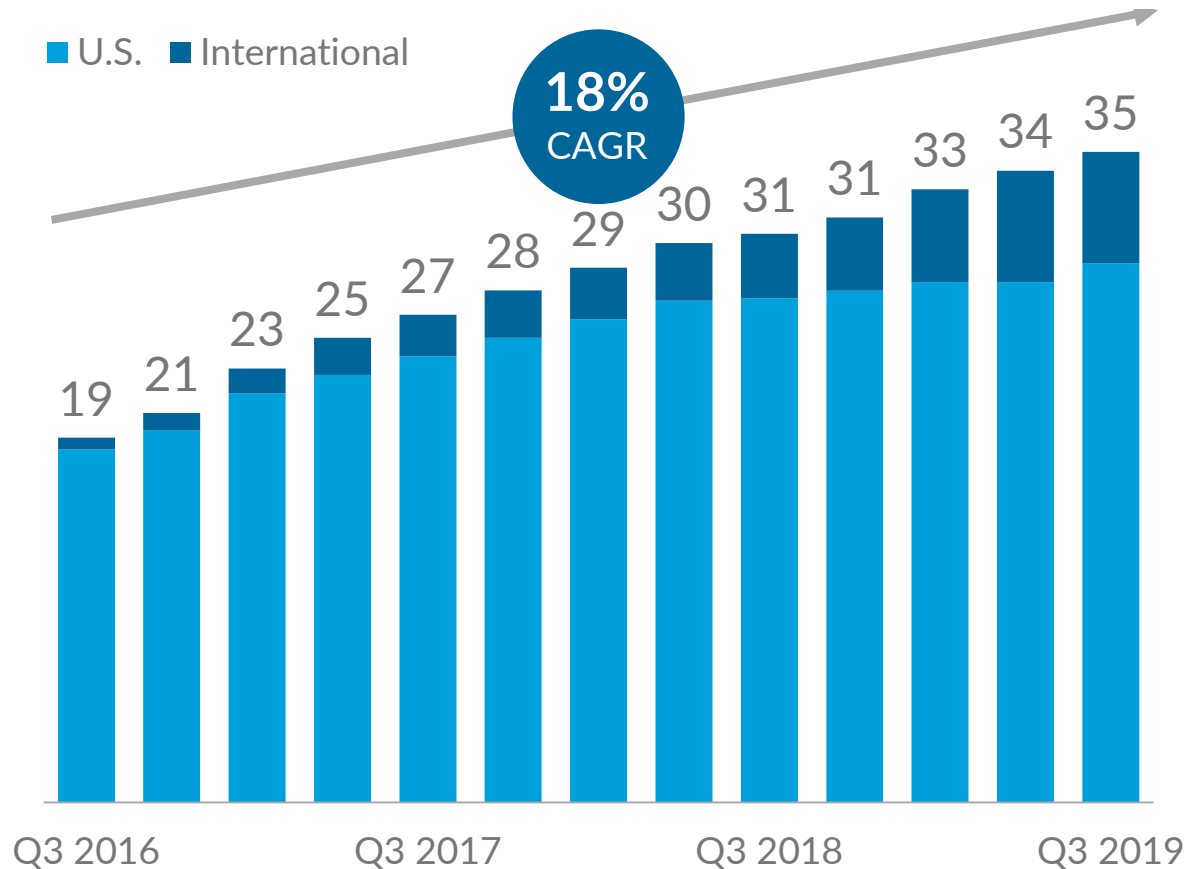


————— \$390

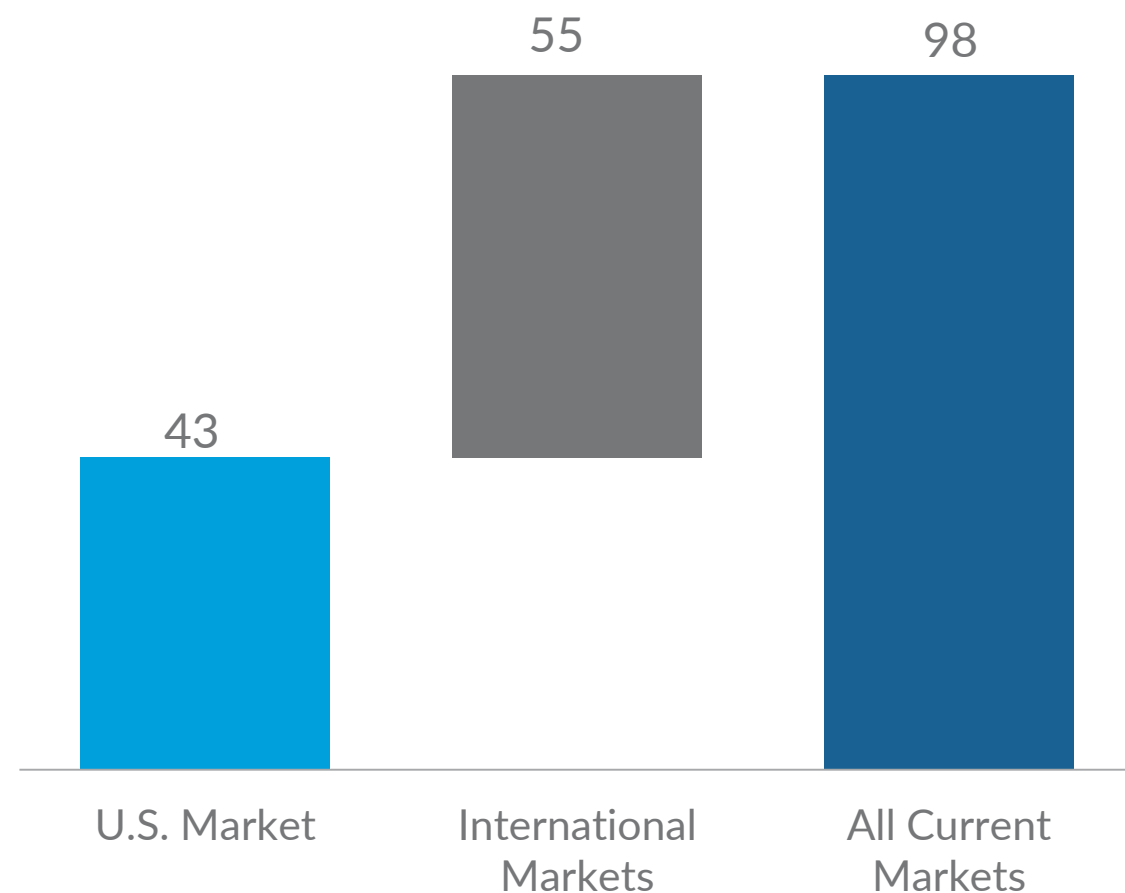
■ 2018 CarGurus US Marketplace Revenue

We Have a Large International Opportunity

TOTAL PAYING DEALERS (THOUSANDS)¹



LARGE DEALER ADDRESSABLE MARKET²



Our Technology Drives Transparency for Consumers

UNSTRUCTURED CAR DATA FROM HUNDREDS OF SOURCES ACROSS THOUSANDS OF DEALERS



Make	BMW	BMW
Model	3-Series Coupe	328
Year	2011	2011
Trim	328	xi
Seller's Description	Comes with AWD, sun roof, and more!	2-door BMW with moon roof in excellent condition

Both are a 2011 BMW 3-Series 328xi Coupe

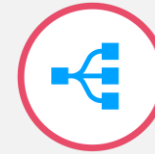
CarGurus

Proprietary Algorithm



52M

Used Car Data Points



20+ Ranking Signals

100+ Normalization Rules

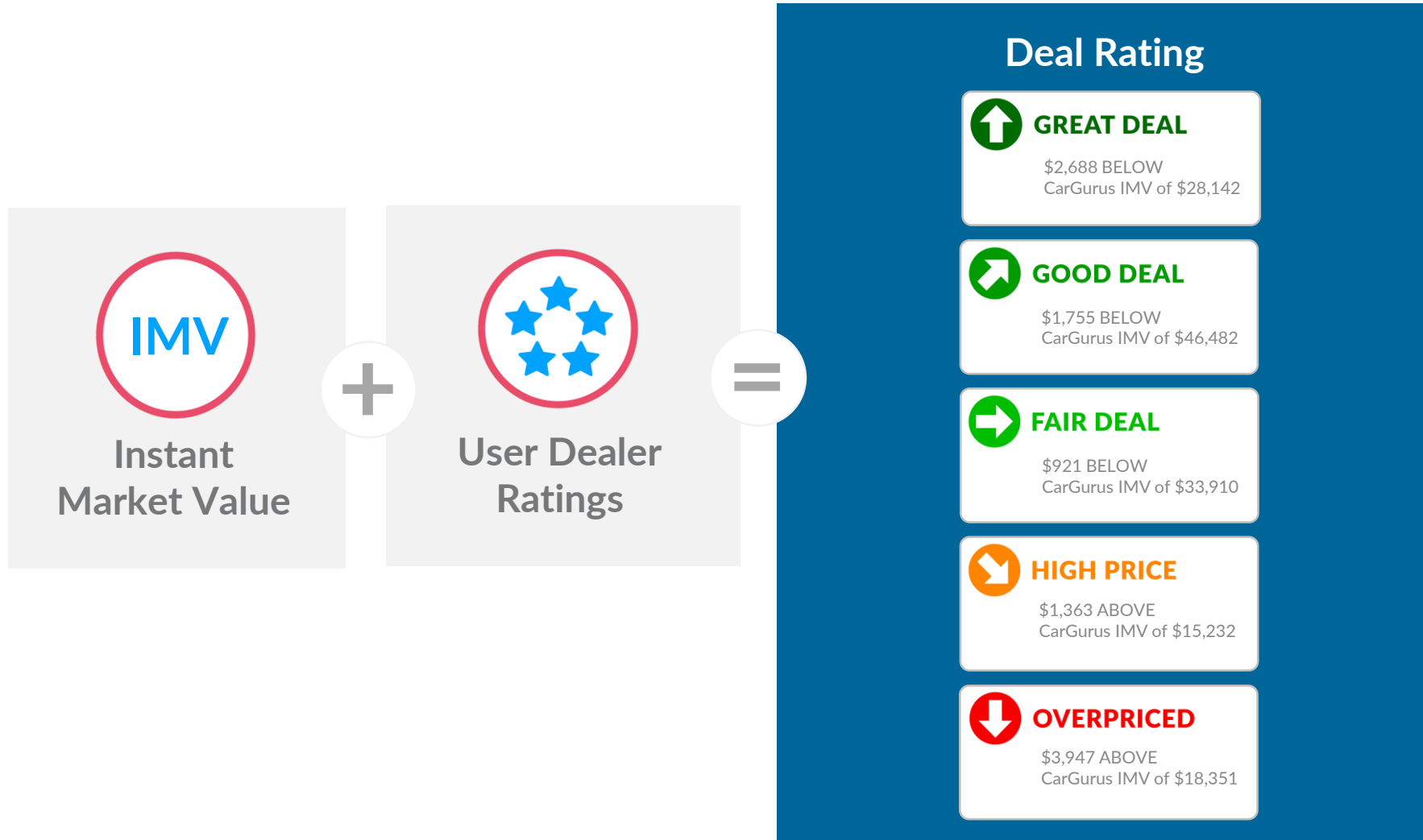


Analytics, Manual Penalties,
Bait & Switch Detection,
Non-standard Pricing, Photos



**Instant
Market Value**

Our Technology Drives Transparency for Consumers



Our Car Shopping Audience is Engaged and Ready to Purchase

CarGurus shoppers are decision makers and auto intenders who have the means to buy a new or used vehicle

74%

are the sole head of household¹

60%

have a total household income of \$75,000 or more¹

70%

plan to purchase or lease a vehicle within the next three months¹

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

% OF VISITS WITHIN A WEEK OF PURCHASE¹

CarGurus

Major US Automotive Marketplaces

37%

27%

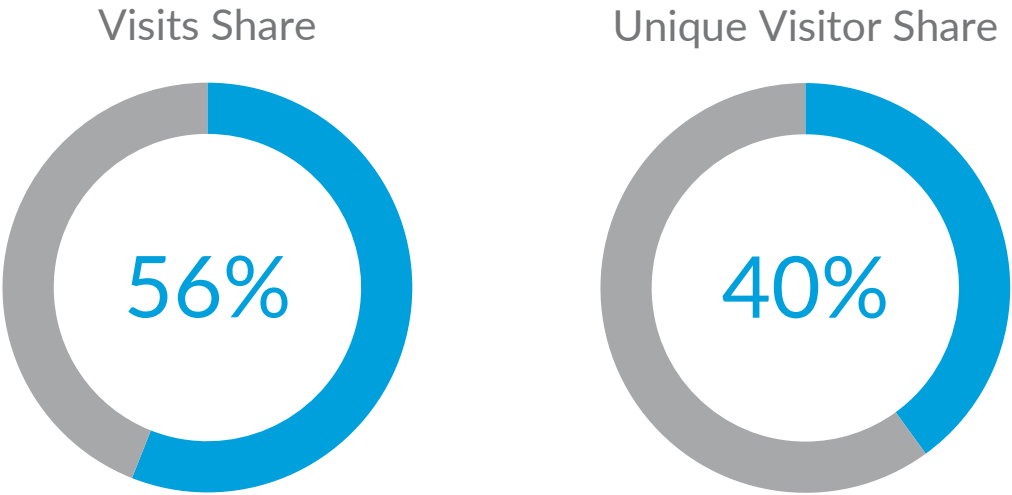
1.4x
higher

Growth Opportunities

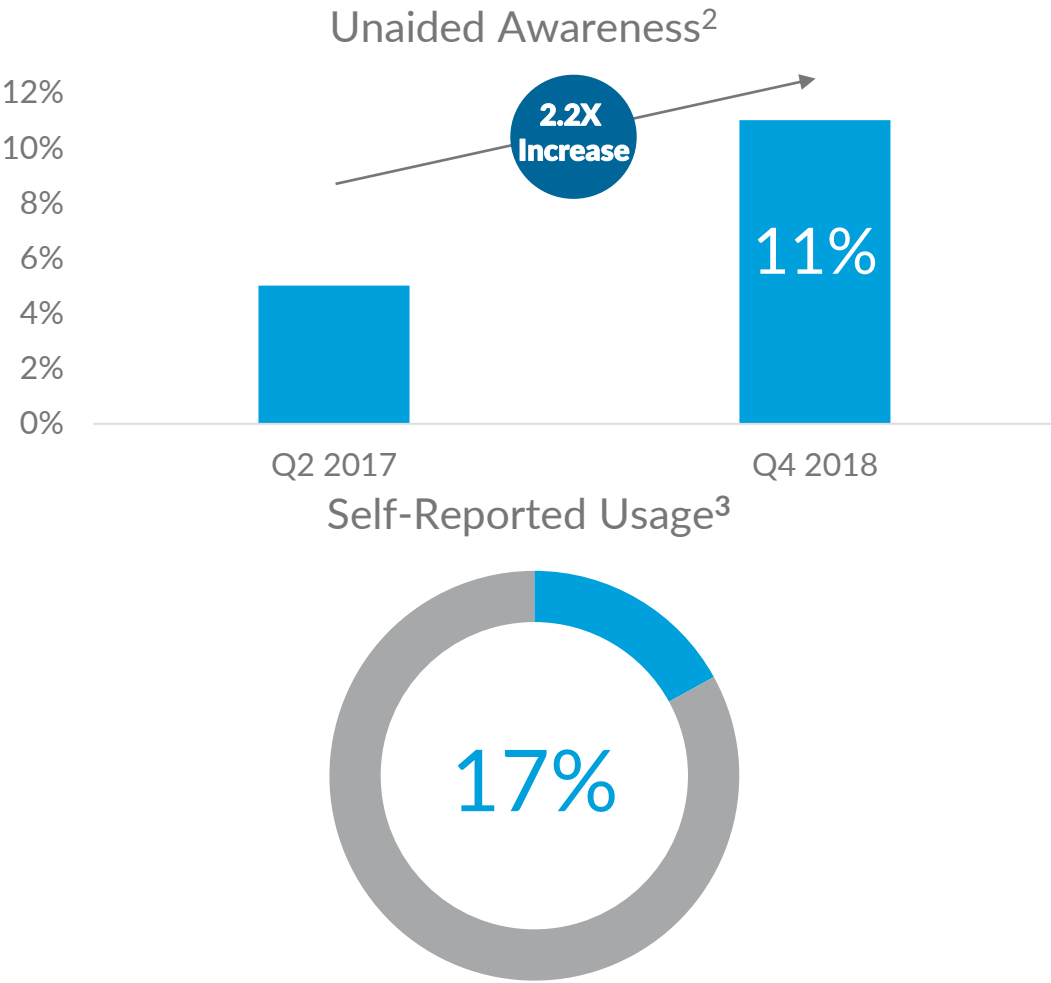


We Have the Largest US Audience, but We Still Have Room to Grow

THE LARGEST US AUDIENCE¹



INVESTING TO INCREASE BRAND AWARENESS

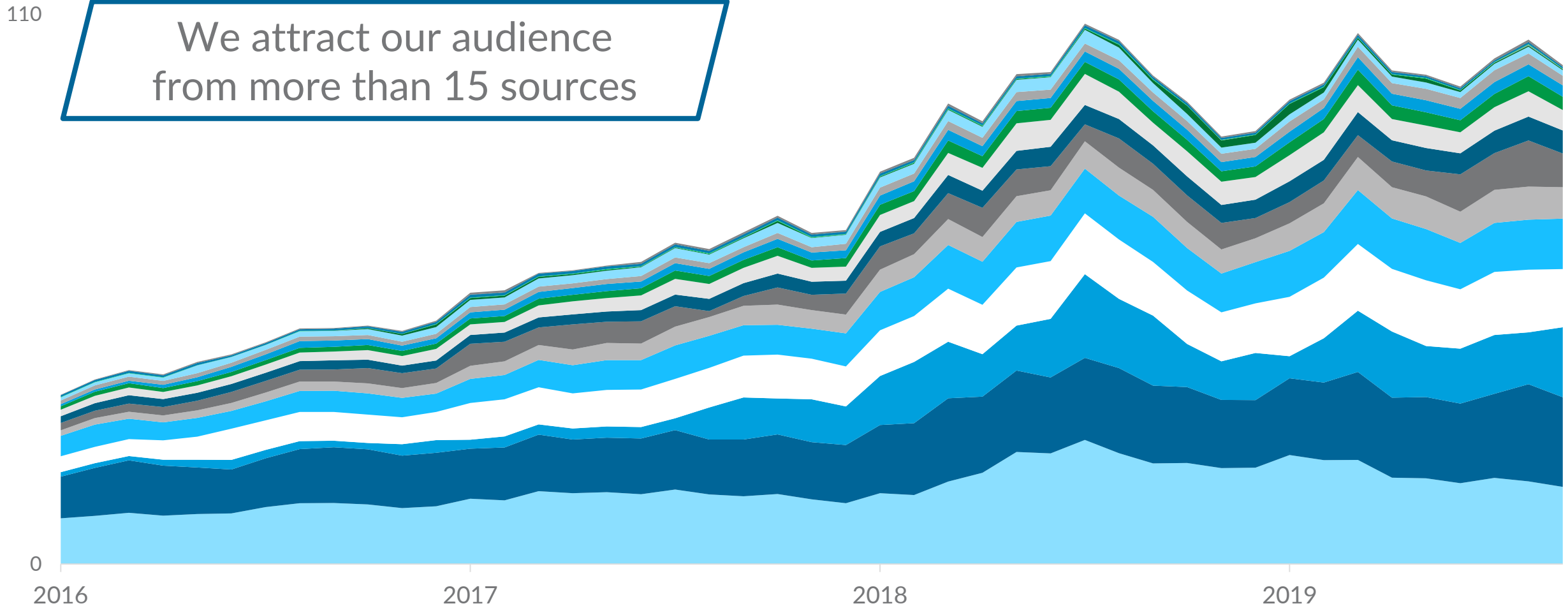


14 1. As measured by presented metrics. Source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Q3 2019, U.S. (Comparative set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com) 2. CarGurus Brand Tracker survey, June 2017 and December 2018 3. CarGurus Brand Tracker survey, December 2018

Diverse Traffic Mix Limits Reliance on Any One Channel

US MONTHLY SESSIONS (MILLIONS)¹

We attract our audience
from more than 15 sources



Our Dealer Offerings Unlock Digital Marketing Wallet Share



Basic
Listing



Paying
Dealers

Enhanced Listing
Featured Listing
Featured Priority
Delivery



Dealer
Dashboard

Performance Summary
Dealer Insights
User Review Management
Pricing Tool
Market Analysis



Dealer Digital
Marketing Suite

Dealer Display
Audience Retargeting
SEM Plus
Social Ads

Introducing New Products to Unlock Large TAM

US NEW AND USED CAR RETAIL SALES: \$1.4T¹

P2P



FINANCE



INSURANCE
WARRANTY



TRADE-IN



\$6B

Total US Value²

\$3B

US Used Car Loan
Commissions³

CONSUMER LIFECYCLE

Increase Consumer
Retention
+
Reduce Cost of
Customer Acquisition

LISTINGS
MARKETPLACE

DEALER MANAGEMENT

\$13.9B
US Dealer
Digital
Marketing
Spend⁴

\$5.3B
US Dealer
Software
Spend⁵

\$3.3B
US OEM
Display Ad
Spend⁶

MULTIPLE  COUNTRIES

\$23B

International Total Automotive Advertising Spend⁷

Growing US AARSD¹ Through Three Levers

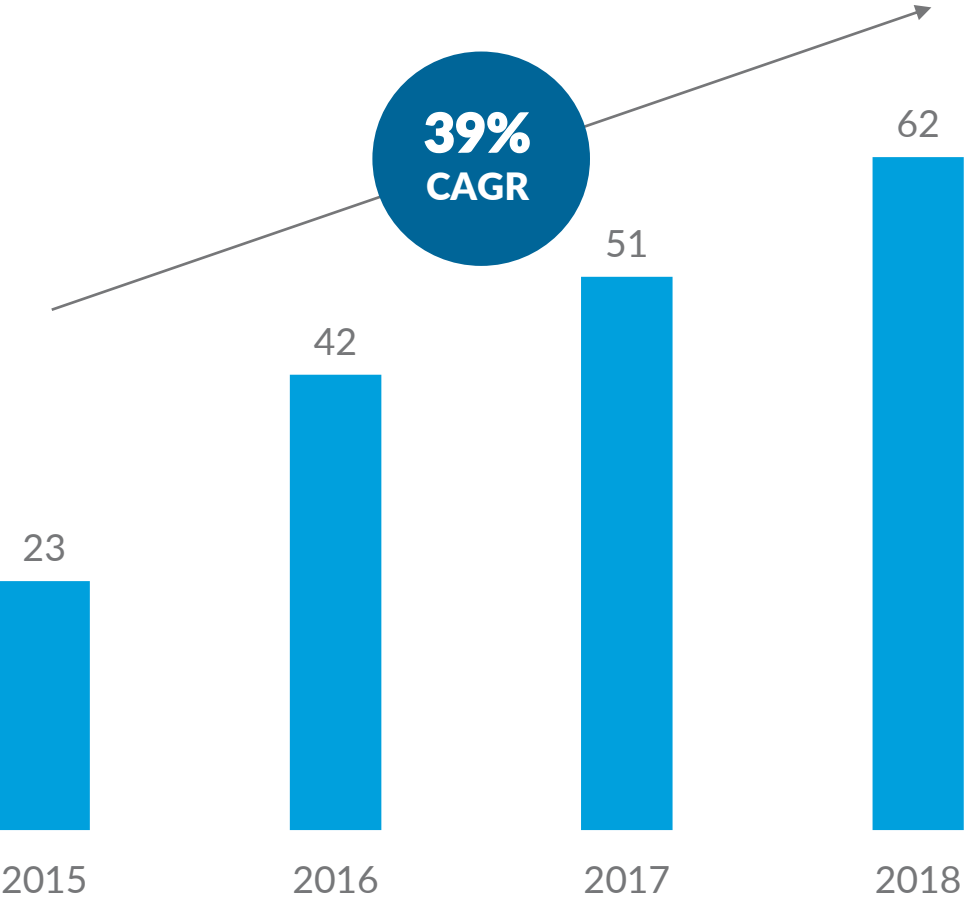
Grow
Connection
and Lead
Volume

Increase
Adoption
of New
Products

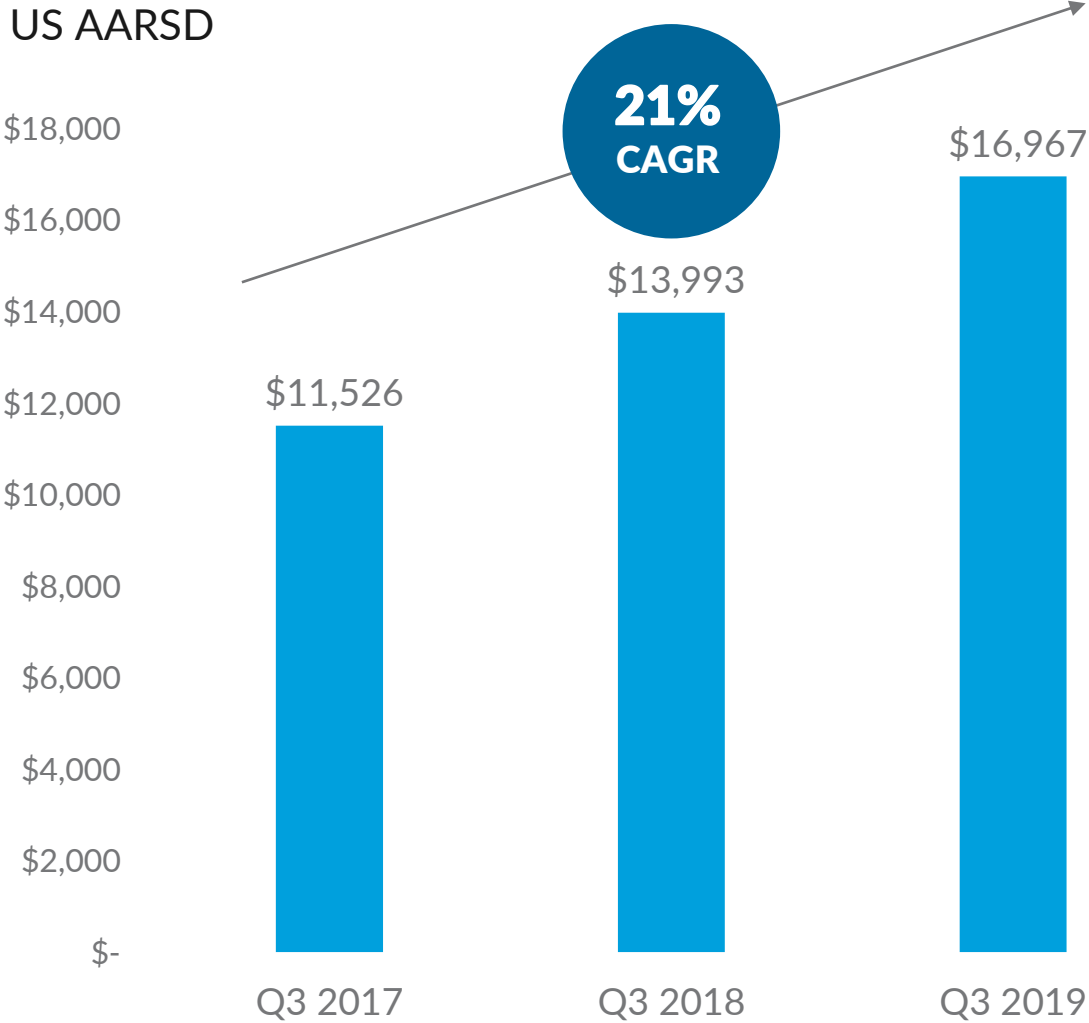
Unit
Pricing and
Product
Packaging

We Have Rapidly Grown Connection Volume and Increased US AARSD

ANNUAL US CONNECTIONS (MILLIONS)



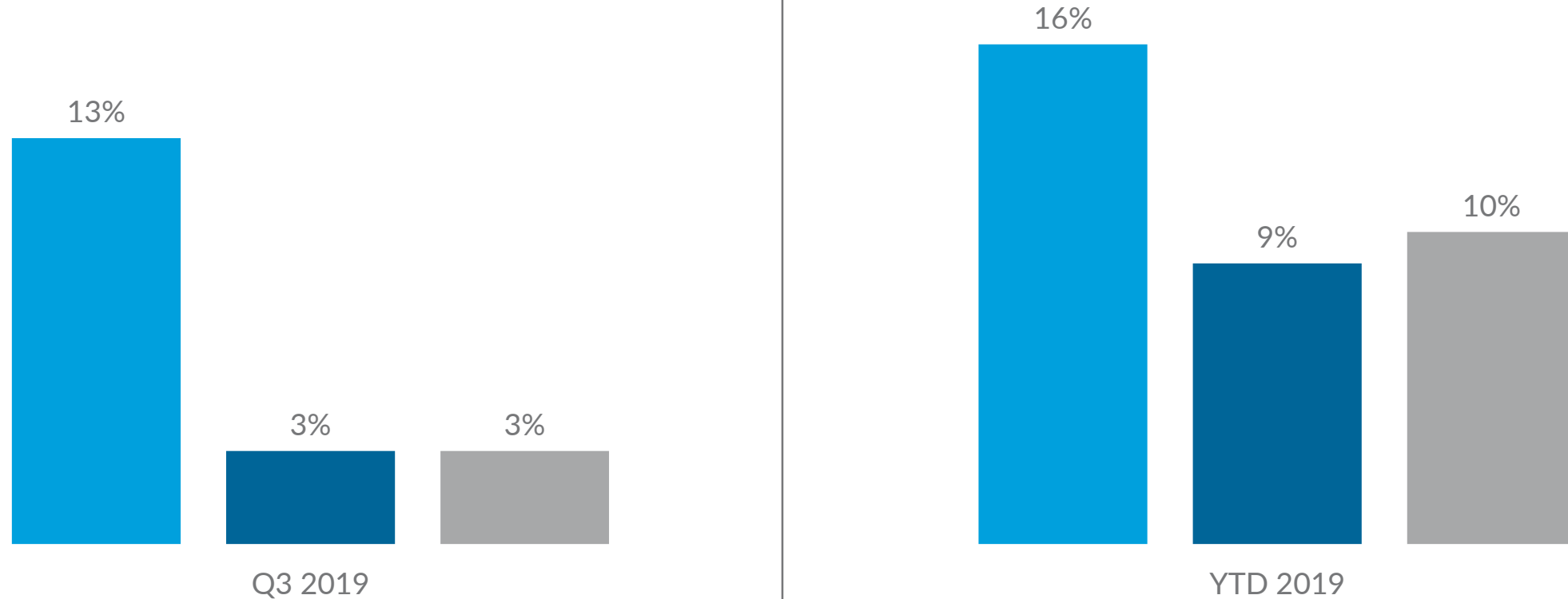
US AARSD



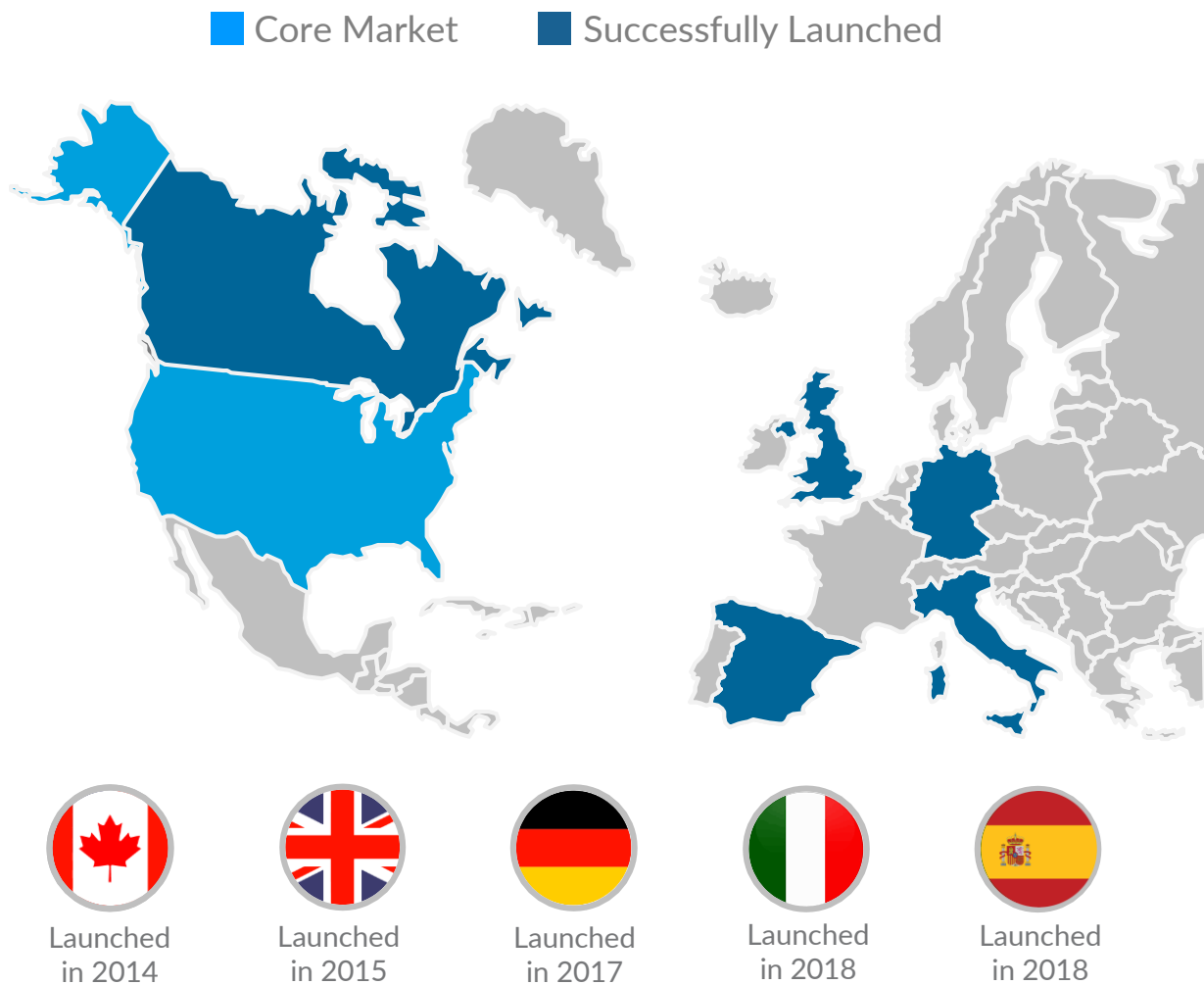
We Have Grown Lead Volume Faster Than Traffic

US LEADS¹ VS. UNIQUE VISITOR² VS. SESSIONS² Y/Y GROWTH

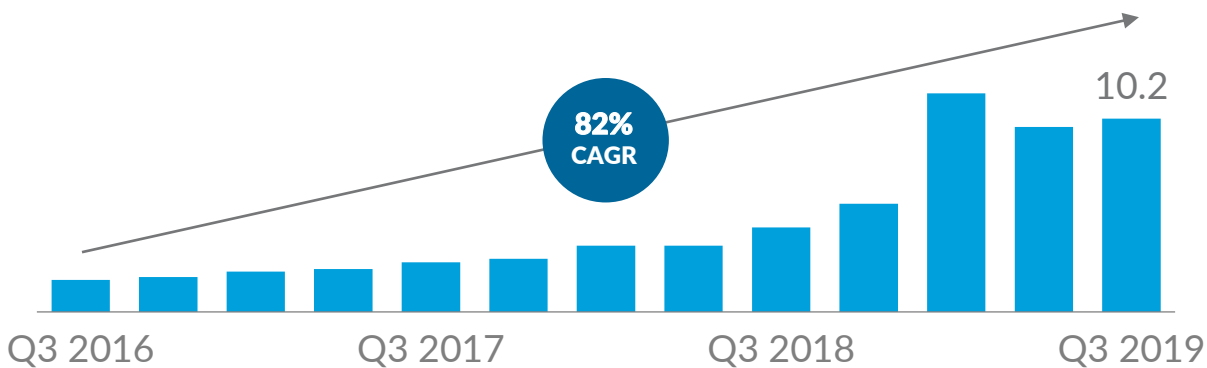
■ Leads
■ Unique Visitors
■ Sessions



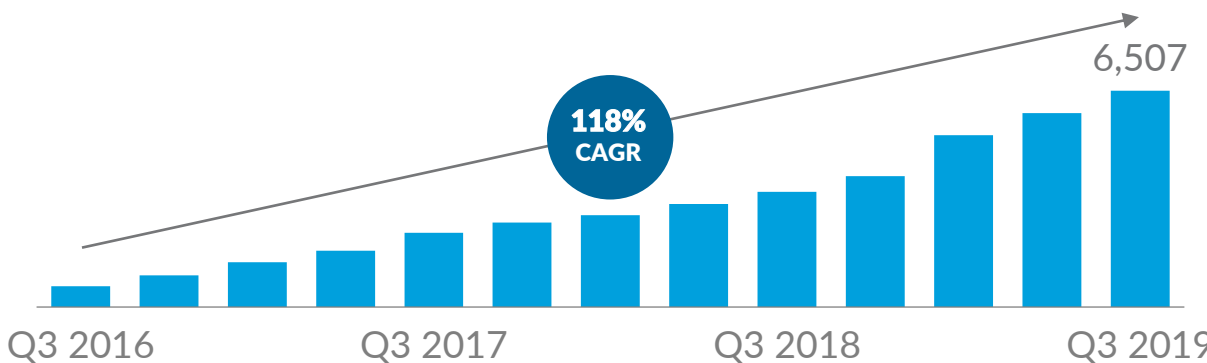
Scaling Our International Business



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



INTERNATIONAL PAYING DEALERS²



Financial Overview



CarGurus Financial Highlights

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

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

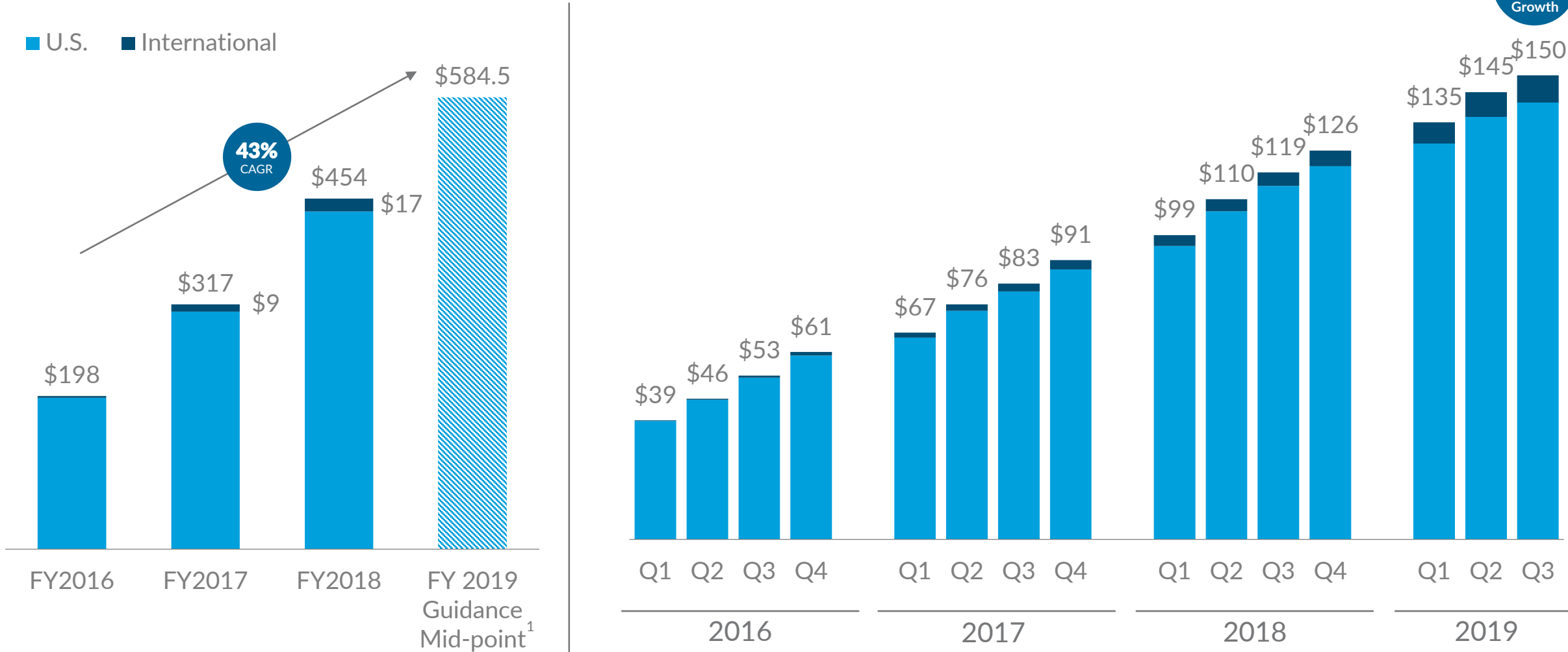
Proven
operating
leverage and
profitability

Attractive
**free cash
flow**
generation

Scalable
model for
replication in
international
markets

Significant Revenue Scale and Momentum

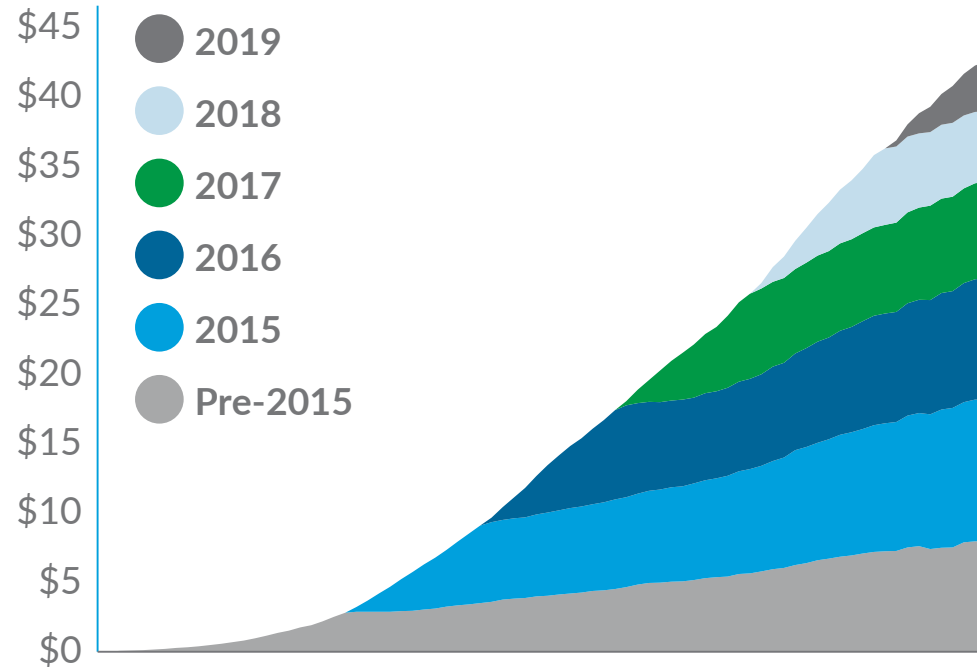
(\$ MILLIONS)



High Quality Revenue: Recurring and Diversified

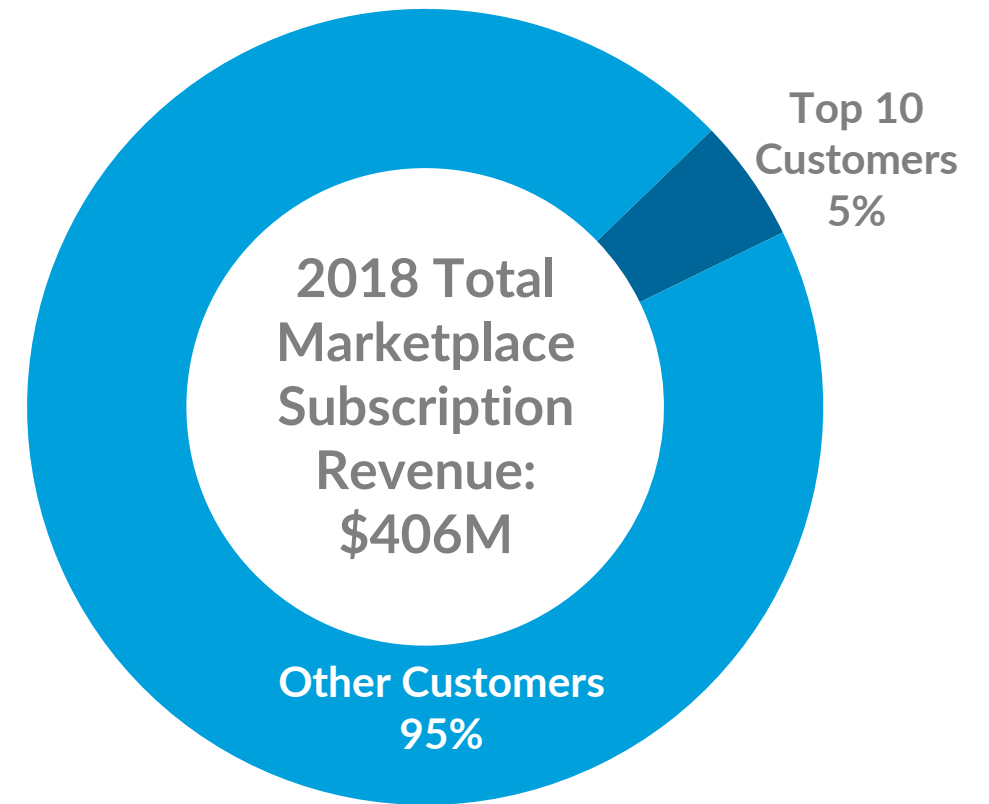
HIGH RETENTION

U.S. MONTHLY MARKETPLACE SUBSCRIPTION REVENUE
BY COHORT¹
(\$ MILLIONS)



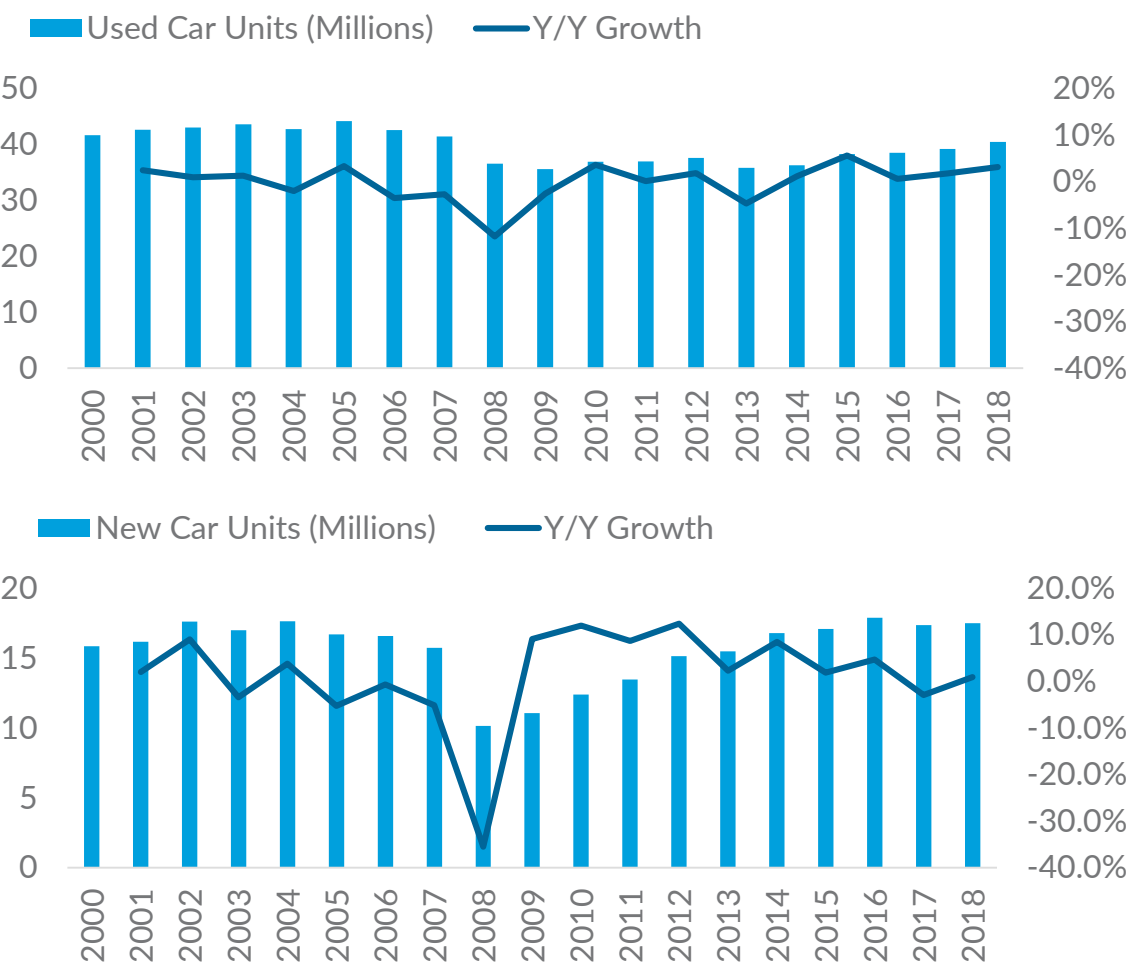
CUSTOMER MIX

DIVERSIFIED MARKETPLACE SUBSCRIPTION REVENUE

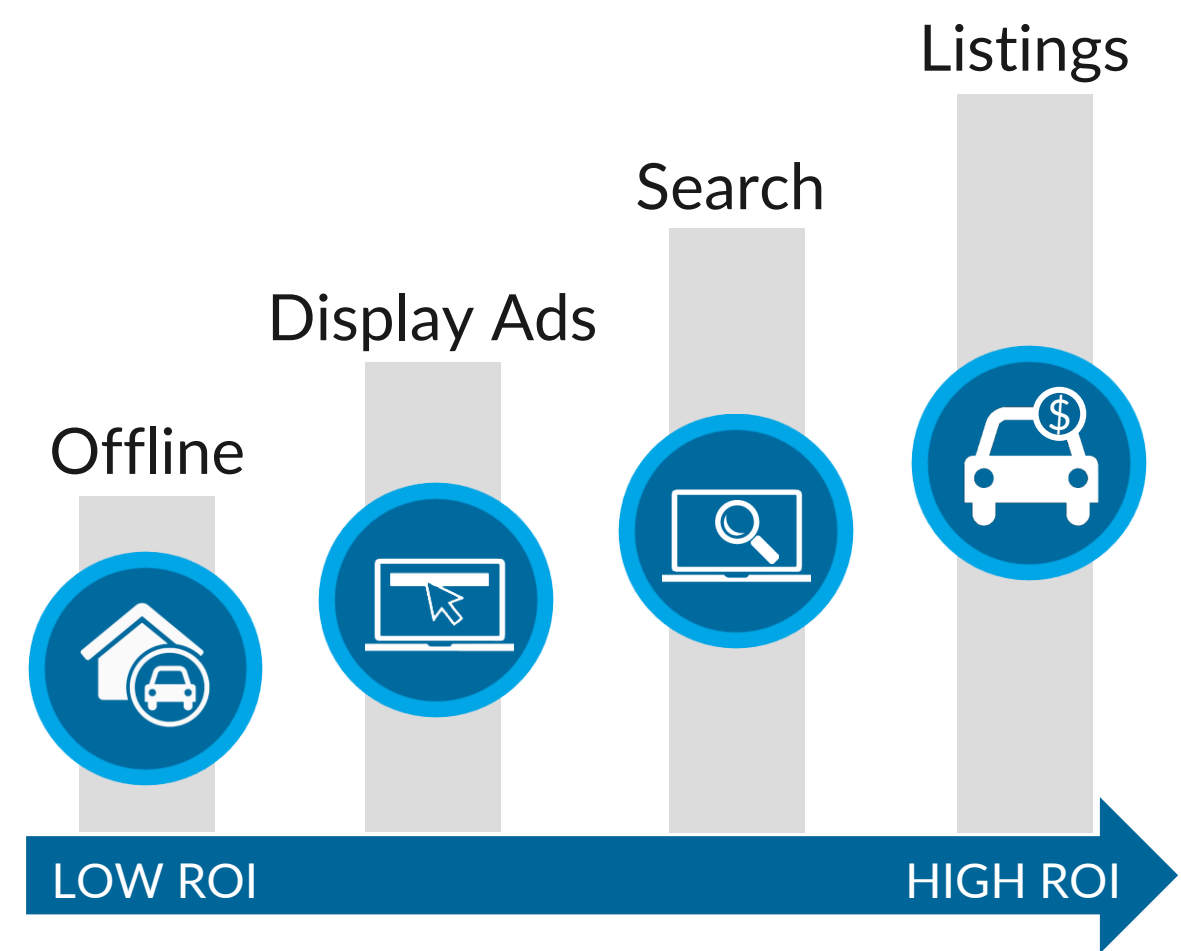


Our Recurring Revenue Stream is Insulated From Auto Market Cyclicalty

USED CAR SALES ARE MORE DURABLE THROUGH A MARKET CYCLE¹



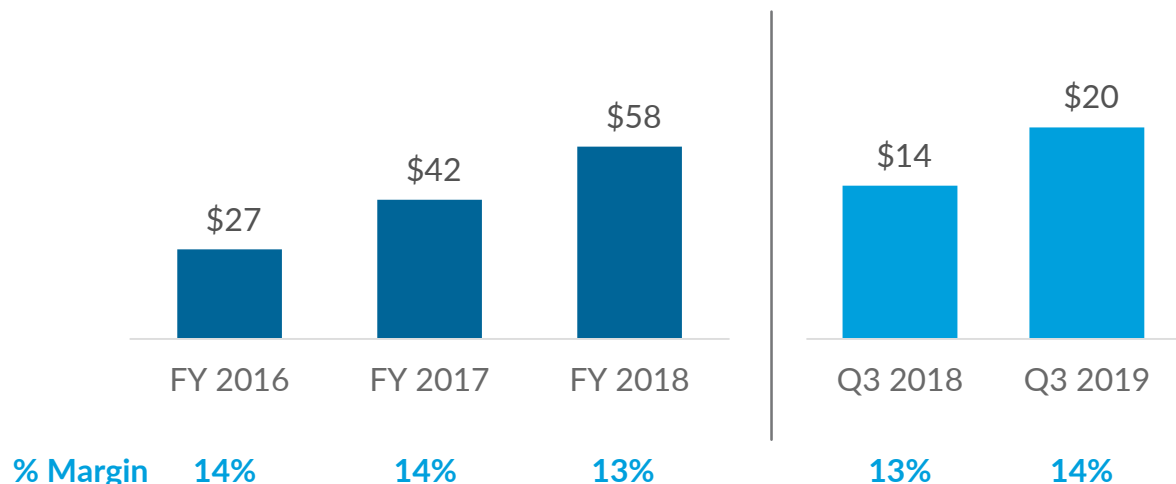
LISTINGS PROVIDE SUPERIOR DEALER ROI



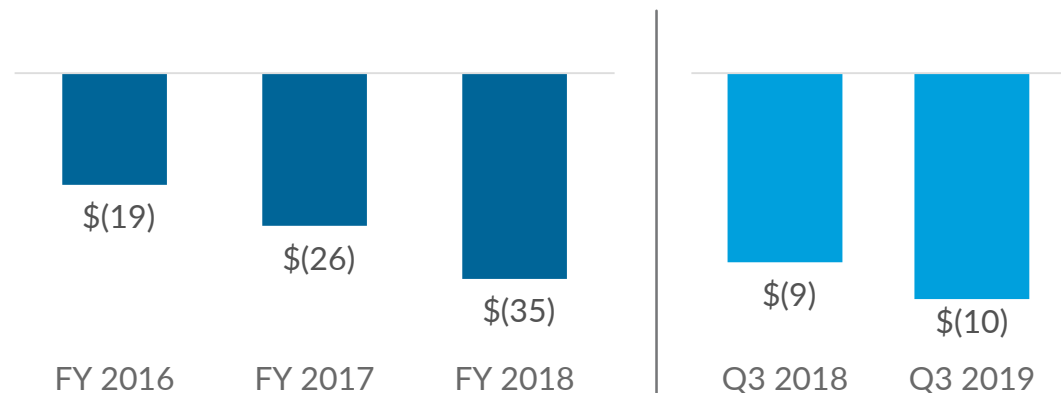
1. BEA (2018), Edmunds (2017), Mannheim (2018).

Profitable US Business Driving Investments in International

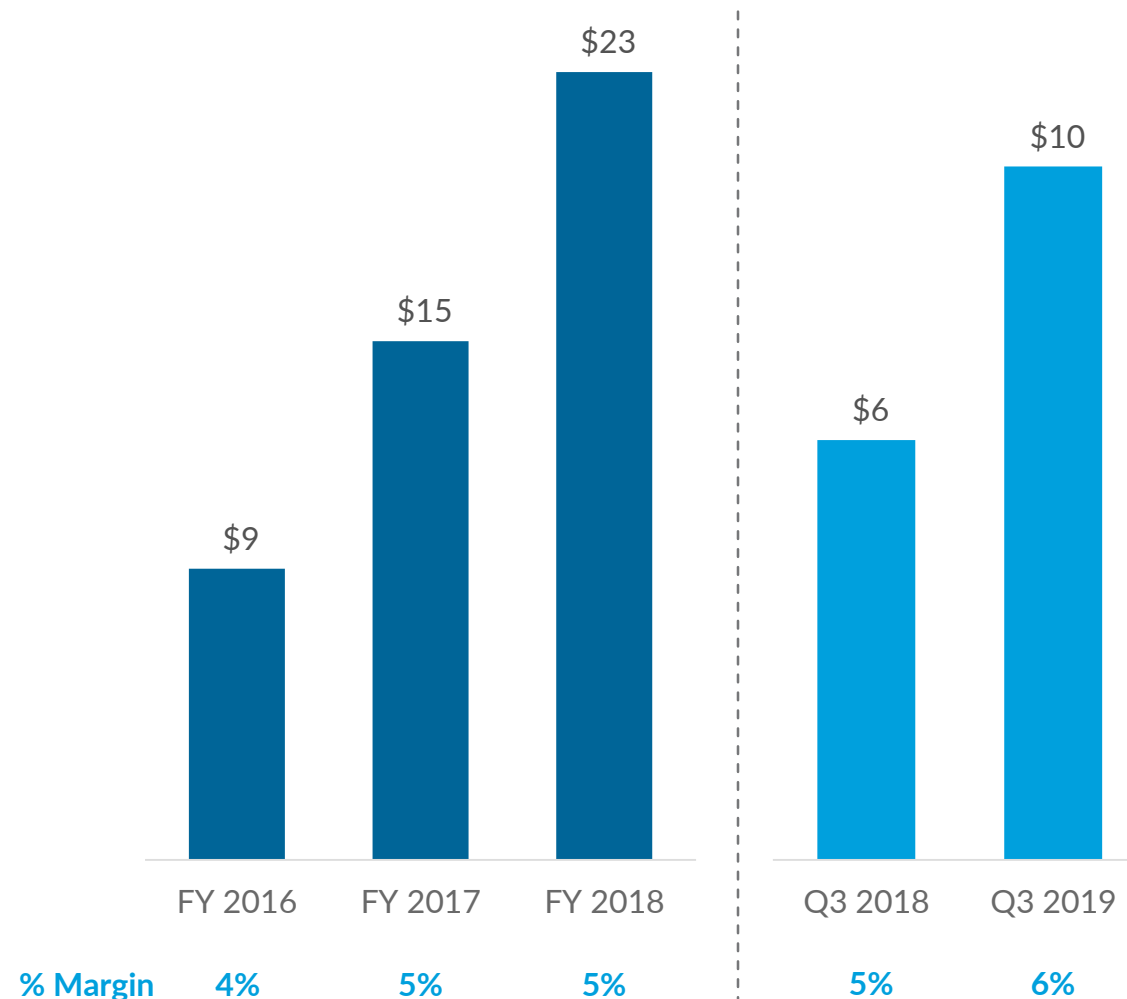
US GAAP OPERATING INCOME (\$ MILLIONS)



INT'L GAAP OPERATING INCOME (\$ MILLIONS)



CONSOLIDATED GAAP OPERATING INCOME



Long-Term Target Model Progression Since IPO

Percent of Revenue	2016	2017	2018 ¹	Q3 2019 ¹	Long-Term Target
Gross Margin	95%	94%	95%	94%	93% – 95%
Sales & Marketing %	78%	75%	69%	67%	43% – 47%
Product, Technology, Development %	6%	7%	11%	12%	9% – 11%
G&A %	6%	7%	9%	8%	5% – 6%
Depreciation & Amortization %	1%	1%	1%	1%	1% – 2%
Adjusted EBITDA ² Margin	6%	8%	11%	14%	32% – 34%
GAAP Operating Margin	4%	5%	5%	6%	29% – 31%
U.S. Segment GAAP Operating Margin	14%	14%	13%	14%	

1. Reflects adoption and impact of Accounting Standards Certification Topic 606, *Revenue from Contracts with Customers*. 2. The presentation of this non-GAAP financial metric is not meant to be considered in isolation or as a substitute for the directly comparable financial measure prepared in accordance with GAAP. While our non-GAAP financial measures and other business metrics are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of this non-GAAP financial measure to the comparable GAAP financial measure included above it in the Appendix to this presentation and not to rely on any single financial measure to evaluate our business.

Appendix: Reconciliation of Net Income to Adjusted EBITDA

(\$ MILLIONS)	2016	2017	2018	Q3 2019
Net Income	\$6.5	\$13.2	\$65.2	\$10.4
Depreciation and Amortization	2.1	3.8	5.0	2.1
Stock-based Compensation Expense	0.3	5.0	20.8	8.8
Other Income, Net	(0.4)	(0.6)	(2.3)	(1.0)
Provision for/(Benefit from) Income Taxes	2.4	2.6	(39.7)	0.3
Adjusted EBITDA	\$11.0	\$24.1	\$49.0	\$20.6

Note: We define Adjusted EBITDA as GAAP net income, adjusted to exclude: depreciation and amortization, stock-based compensation expense, other income, net, the (benefit from) provision for income taxes, and certain one-time, non-recurring items, if and when applicable. We have presented Adjusted EBITDA because it is a key measure used by our management and board of directors to understand and evaluate our operating performance, generate future operating plans, and make strategic decisions regarding the allocation of capital. In particular, we believe that the exclusion of certain items in calculating Adjusted EBITDA can produce a useful measure for period-to-period comparisons of our business.