



Fourth Quarter & Full Year 2020 Earnings

February 25, 2021



Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the federal securities laws. All statements other than statements of historical facts are forward-looking statements. Forward-looking statements include information concerning the impact of the COVID-19 pandemic on our industry, our dealer customers and our results of operations, our business strategies, strategic alternatives, plans and objectives, market potential, outlook, trends, future financial performance, planned operational and product improvements, potential strategic transactions, liquidity, including expense reduction and draws from our revolving credit facility, and other matters and involve known and unknown risks that are difficult to predict. As a result, our actual financial results, performance, achievements, strategic actions or prospects may differ materially from those expressed or implied by these forward-looking statements. These statements often include words such as “believe,” “expect,” “project,” “anticipate,” “outlook,” “intend,” “strategy,” “plan,” “estimate,” “target,” “seek,” “will,” “may,” “would,” “should,” “could,” “forecasts,” “mission,” “strive,” “more,” “goal” or similar expressions. Forward-looking statements are based on our current expectations, beliefs, strategies, estimates, projections and assumptions, based on our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments, current developments regarding the COVID-19 pandemic and other factors we think are appropriate. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are expressed in good faith and we believe these judgments are reasonable. However, you should understand that these statements are not guarantees of strategic action, performance or results. Our actual results and strategic actions could differ materially from those expressed in the forward-looking statements. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. Comparisons of results between current and prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. Whether or not any such forward-looking statement is in fact achieved will depend on future events, some of which are beyond our control.

Forward-looking statements are subject to a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results and strategic actions to differ materially from those expressed in the forward-looking statements contained in this presentation. For a detailed discussion of many of these and other risks and uncertainties, see our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and our other filings with the Securities and Exchange Commission, available on our website at investor.cars.com or via EDGAR at www.sec.gov. All forward-looking statements contained in this presentation are qualified by these cautionary statements. You should evaluate all forward-looking statements made in this presentation in the context of these risks and uncertainties. The forward-looking statements contained in this presentation are based only on information currently available to us and speak only as of the date of this presentation. We undertake no obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

The forward-looking statements in this presentation are intended to be subject to the safe harbor protection provided by the federal securities laws.

Definitions: Non-GAAP Financial Measures

This presentation discusses Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Net Income per Diluted Share and Free Cash Flow. These financial measures are not prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). These financial measures are presented as supplemental measures of operating performance because we believe they provide meaningful information regarding our performance and provide a basis to compare operating results between periods. In addition, we use Adjusted EBITDA as a measure for determining incentive compensation targets. Adjusted EBITDA also is used as a performance measure under our credit agreement and includes adjustments such as the items defined below and other further adjustments, which are defined in the credit agreement. These non-GAAP financial measures are frequently used by our lenders, securities analysts, investors and other interested parties to evaluate companies in our industry.

Other companies may define or calculate these measures differently, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP financial measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. Definitions of these non-GAAP financial measures and reconciliations to the most directly comparable GAAP financial measures are presented in the tables below.

We define Adjusted EBITDA as net income (loss) before (1) interest expense, net, (2) income tax (benefit) expense, (3) depreciation, (4) amortization of intangible assets, (5) stock-based compensation expense, (6) unrealized mark-to-market adjustments related to derivative instruments, plus (7) certain other items, such as transaction-related costs, costs associated with the stockholder activist campaign, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets. Amortization of unfavorable contracts liability is not adjusted out of Adjusted EBITDA.

We define Adjusted Net Income as net income (loss) excluding the after-tax impact of (1) amortization of intangible assets, (2) stock-based compensation expense, (3) unrealized mark-to-market adjustments related to derivative instruments, and (4) certain other items, such as transaction-related costs, costs associated with the stockholder activist campaign, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets. Amortization of unfavorable contracts liability is not adjusted out of Adjusted Net Income.

Transaction-related costs are certain expense items resulting from actual or potential transactions such as business combinations, mergers, acquisitions, dispositions, spin-offs, financing transactions, and other strategic transactions, including, without limitation, (1) transaction-related bonuses and (2) expenses for advisors and representatives such as investment bankers, consultants, attorneys and accounting firms. Transaction-related costs may also include, without limitation, transition and integration costs such as retention bonuses and acquisition-related milestone payments to acquired employees, in addition to consulting, compensation and other incremental costs associated with integration projects.

We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internal-use software and website development costs.

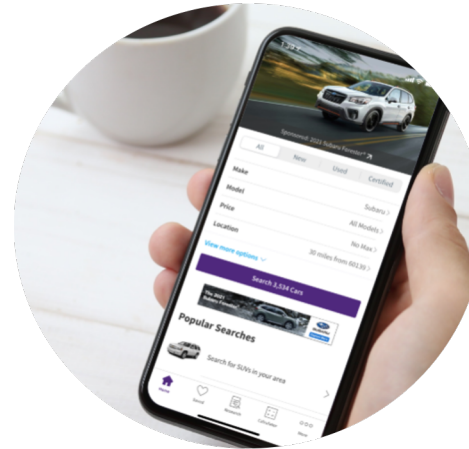
CARS Delivered Transformative Growth In 2020



Digital Solutions Adoption
Driving ARPD Growth



Dealer Growth
in 3 out of 4 Quarters



Record Visits
and Leads



Q4 Revenue and
Adj EBITDA Growth

Digital Acceleration in Auto

- Stay-at-home economy is not going away
- Increased dealer adoption of digital solutions
- Digital showroom is just as important as the physical showroom
- Car ownership on the rise



Consumer Needs Accelerating Dealer Adoption of Digital Retailing

CARS capabilities enable dealers to connect digitally

Local home delivery of vehicles

69%

Online financing/purchasing

64%

Online estimates for trade-ins

54%

Online chat capabilities

40%

Virtual tours of vehicles

38%

Virtual test drives

31%

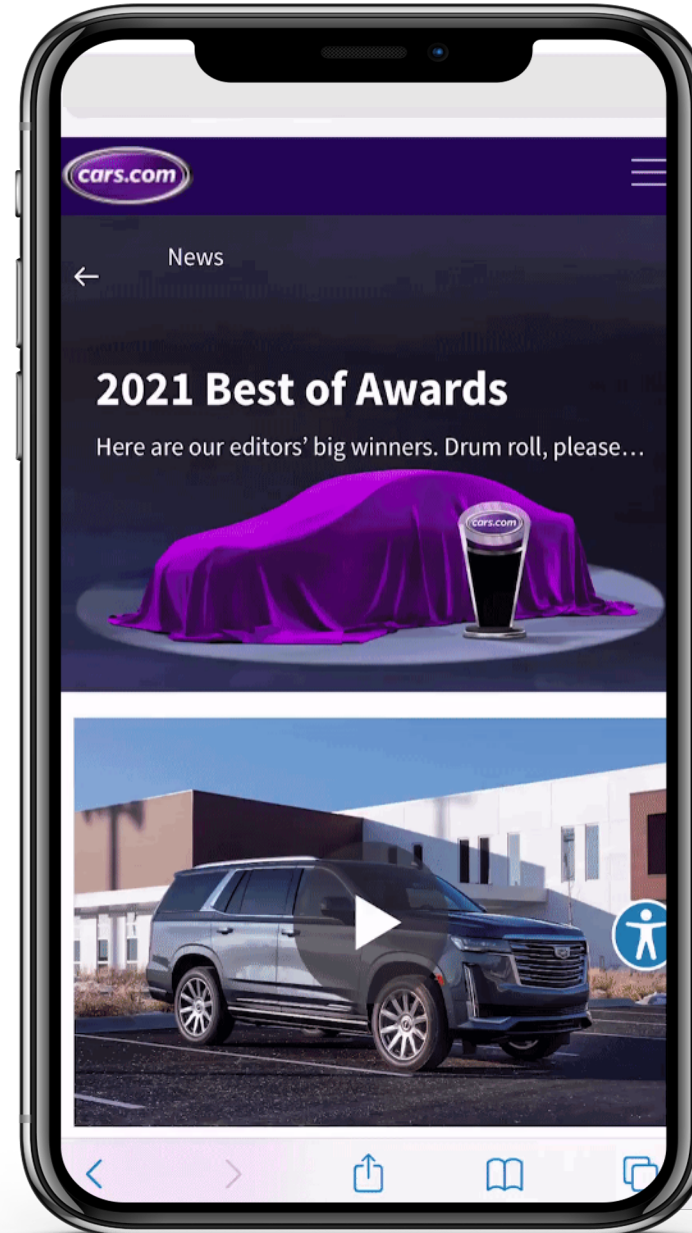
Virtual tour of dealership

17%

None of these

9%

Unique Original Content Only On Cars.com



Best Of Awards Touted by Winners



Feb. 11, 2021

"We're thrilled for Atlas to be named Family Car of the Year by Cars.com for the second year running. Awards like this...are proof that we're nailing it with this car."



Scott Keogh,
President and CEO of
Volkswagen Group of America



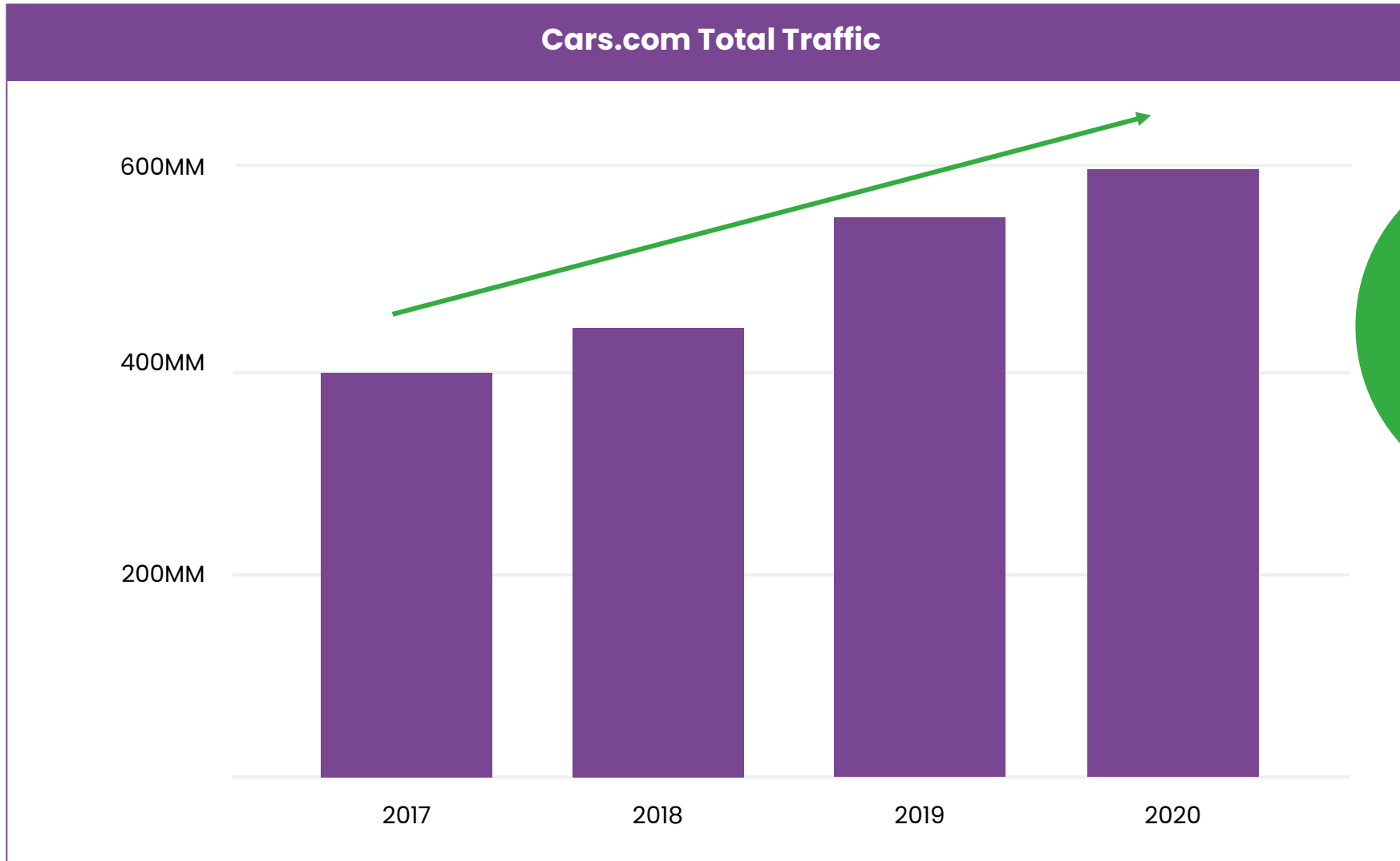
Feb. 18, 2021

Hyundai's Venue has been awarded the Best Value of 2021 award by Cars.com. The award addresses the needs of consumers facing a tough economic environment due to the global pandemic and the desire for personal transportation over mass transit.



Olabisi Boyle, Vice President,
Product Planning and Mobility
Strategy, Hyundai Motor North America

Record Traffic in 2020, +8% YOY for Full Year

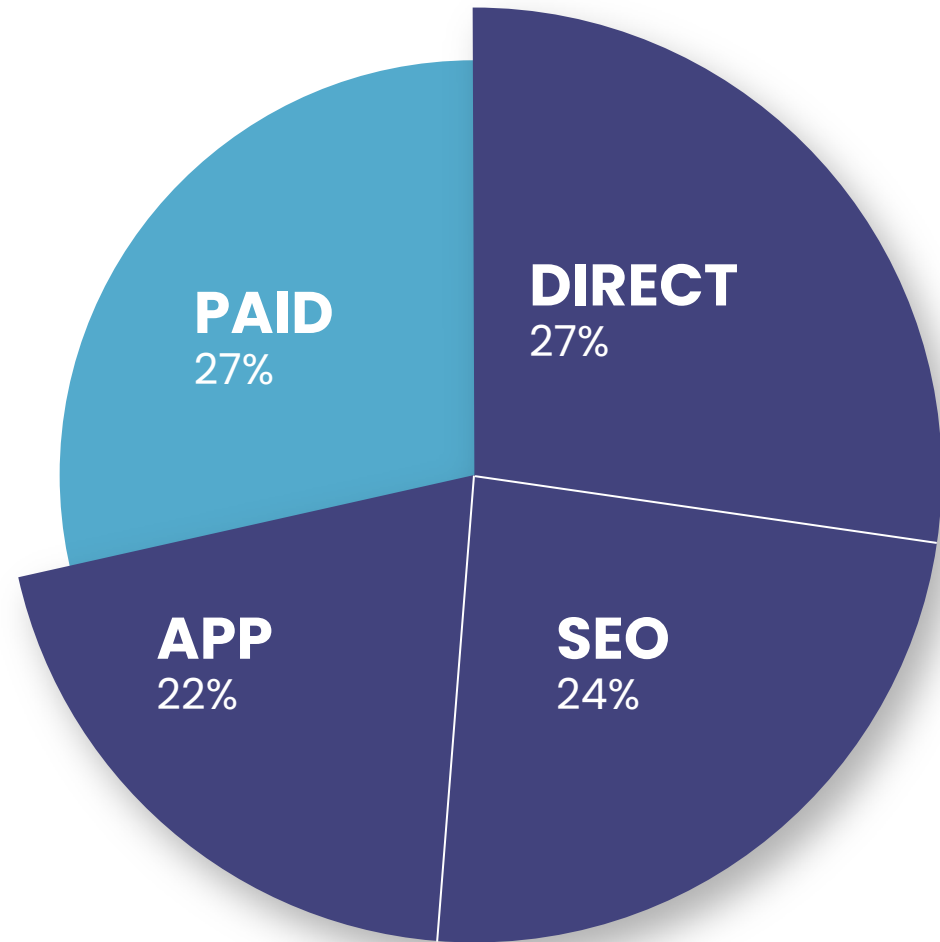


14%
CAGR

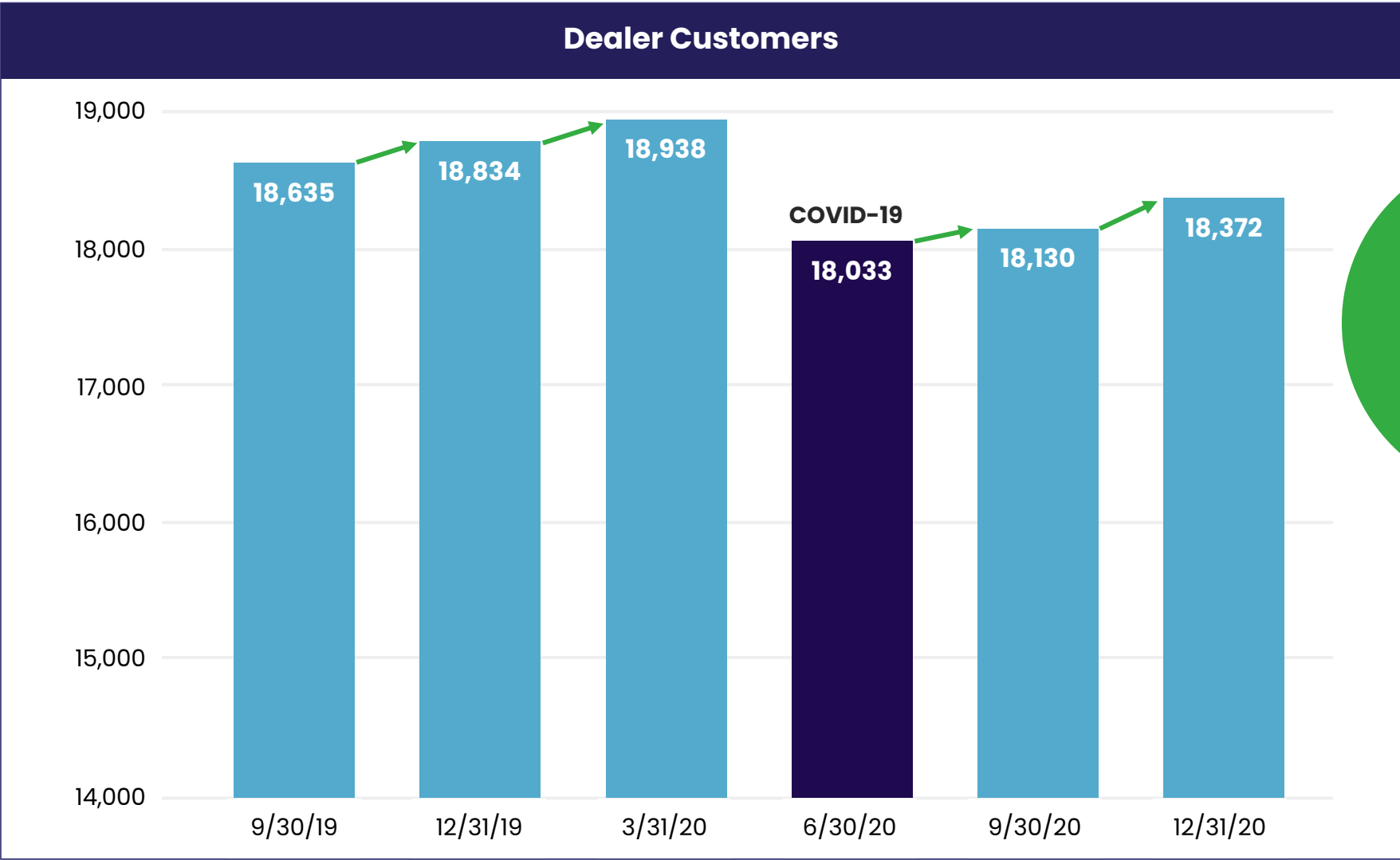
73% of CARS Traffic is Organic, +10% YOY in 2020

Q4 2020 CARS TRAFFIC BREAKDOWN

- Direct (27%)
- SEO (24%)
- Cars.com App (22%)
- Paid (27%)



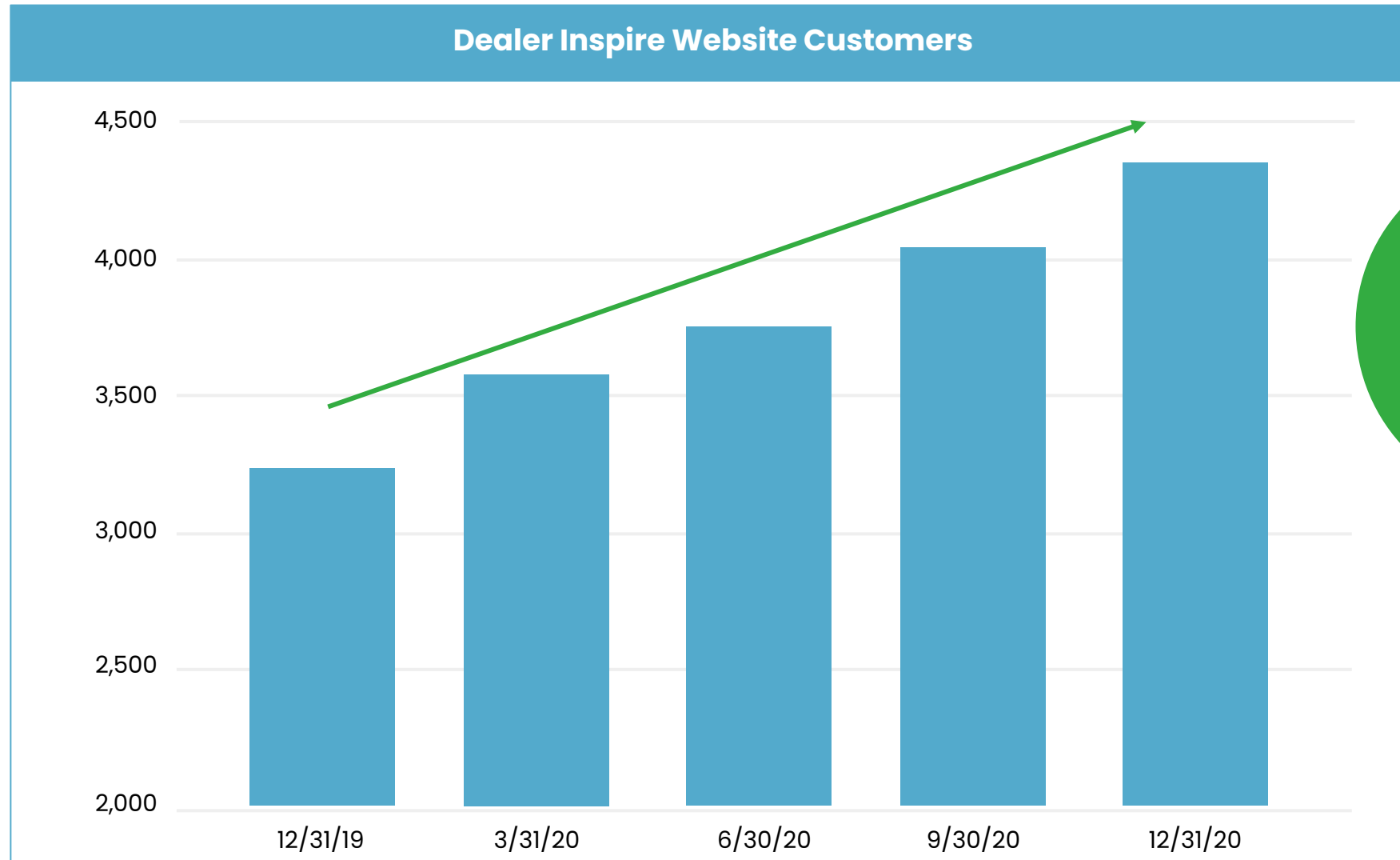
Dealer Customer Growth in 4 of the Last 5 Quarters



+242

Dealer
Customers
Q4 vs. Q3

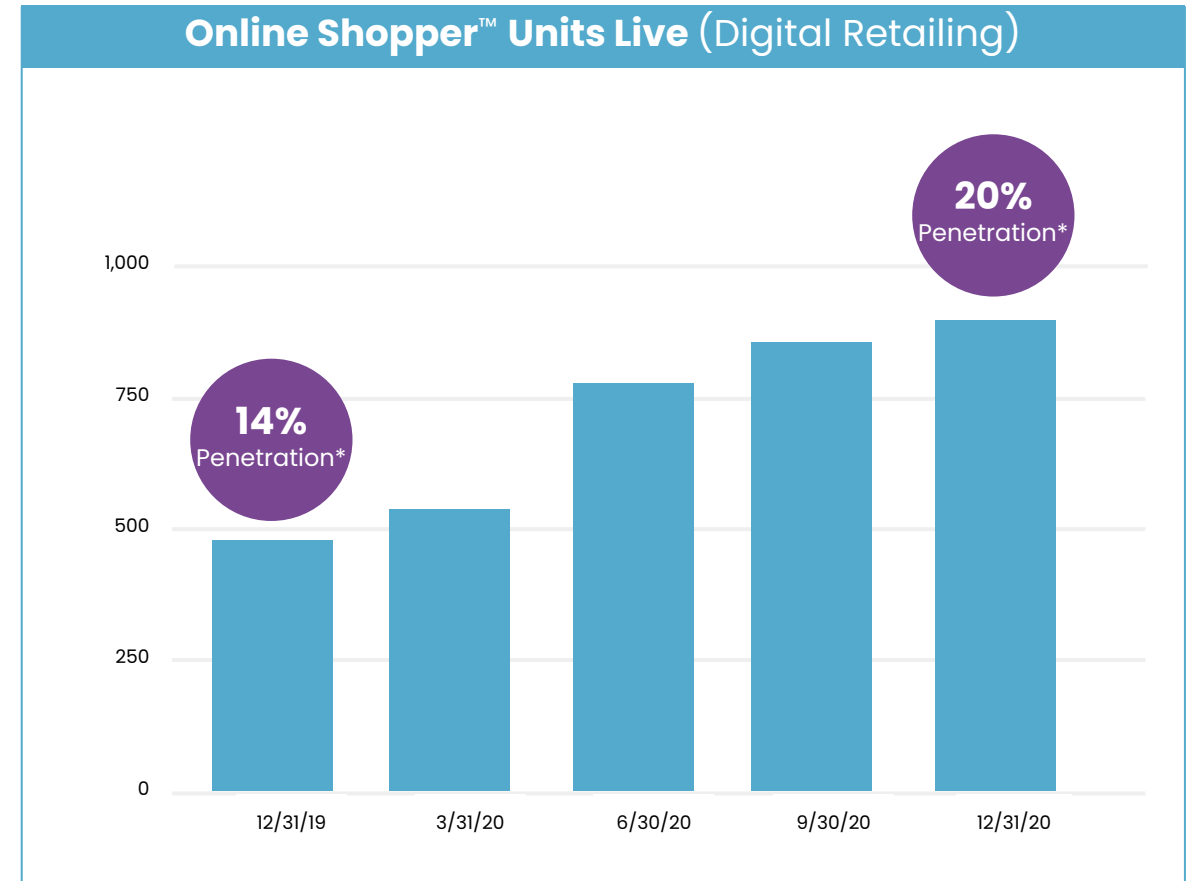
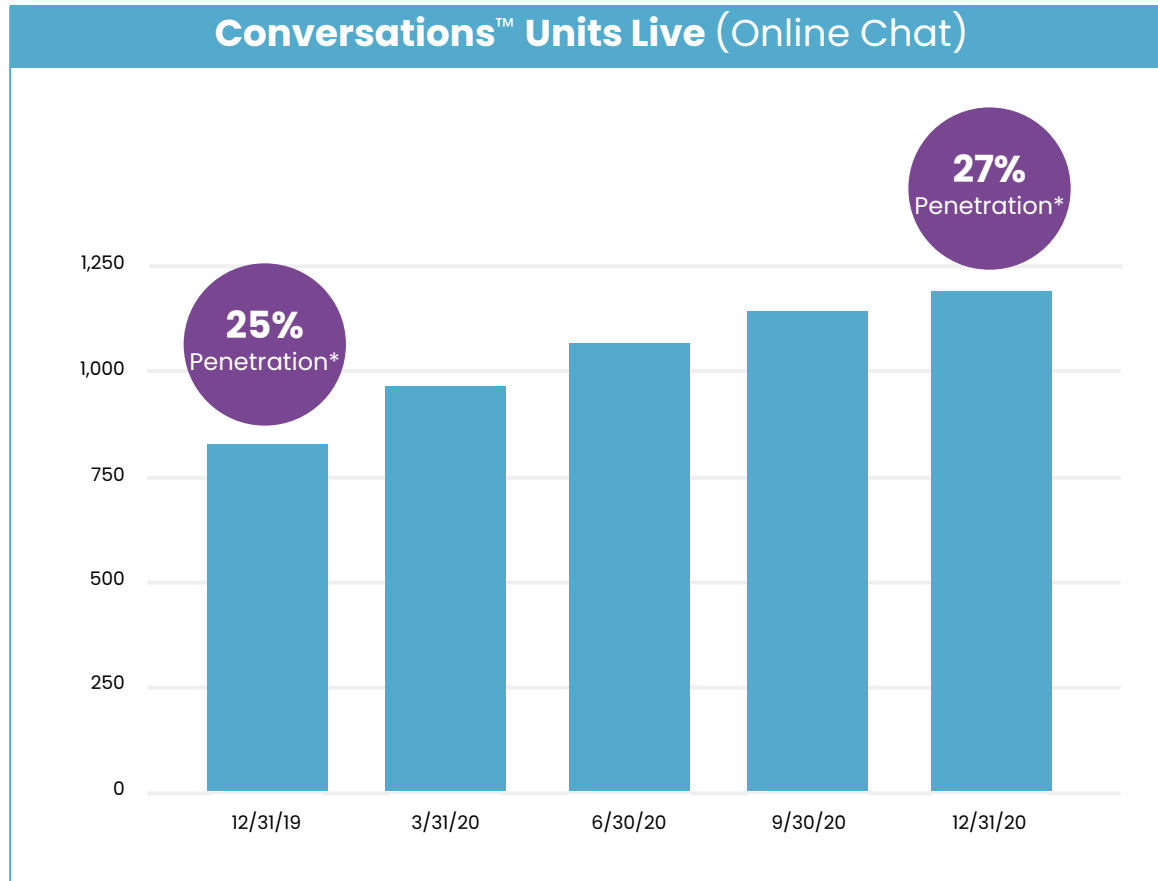
Website Customers Reach 4,400



+1,200

Website
Customers
YoY

Growing Solutions at a **Faster Rate**



* Penetration rates calculated as units/website customers

FUEL: Fast Growing Solution; ARPD & Revenue Opportunity

Regional Hyundai FUEL Campaign Currently in Market

HYUNDAI | Regional Hyundai

2021 Hyundai Sonata SE
FOR JUST \$199/MO
FOR 36 MONTHS
\$2,799 DUE AT SIGNING

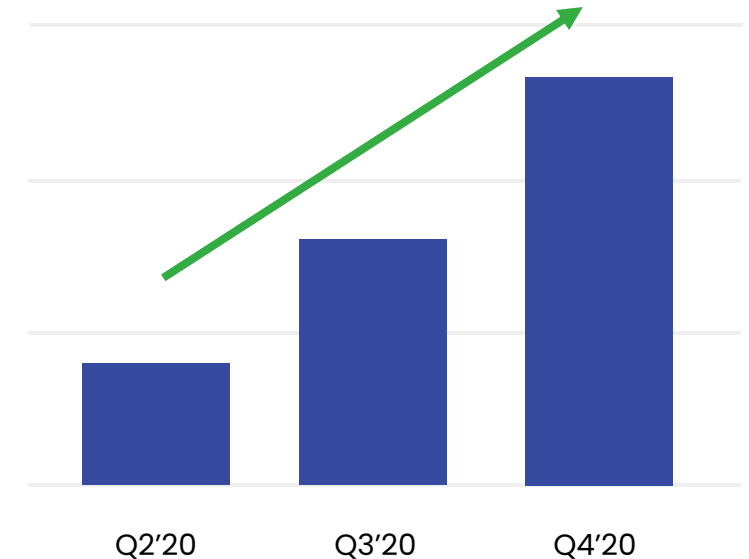
\$199 per month for 36 months. \$2,799 due at signing.
10k miles per year. See dealership for complete details. Ends 2/28/2021

Owner Assurance | America's Best Warranty
10-Year/100,000-Mile
Powertrain Limited Warranty

If I was told I had
to cancel every
marketing tool I have
and only keep one,
FUEL would be it.

Stavros Padazopoulos
General Manager | Regional
Hyundai, Broken Arrow,
Oklahoma

FUEL Revenue





Swift Recovery from COVID-19 of US Auto Market Driven by Consumer Demand

- December SAAR 16.3M, 4th best for absolute sales
- 2020 used-car sales totaled 37.2M, down 6.6% YOY
- Average new-car price reached \$40K in Q4 2020
- Average franchise dealer gross profit up triple digits on new cars, double digits on used cars in Q4
- OEM incentive spending down 7.4% YOY in Q4

DEI: A core strength and at the heart of the Company

- CARS + NAMAD Partnership
- KPIs Tied to Diversity, Equity, and Inclusion
- Expanding Policies & Disclosures

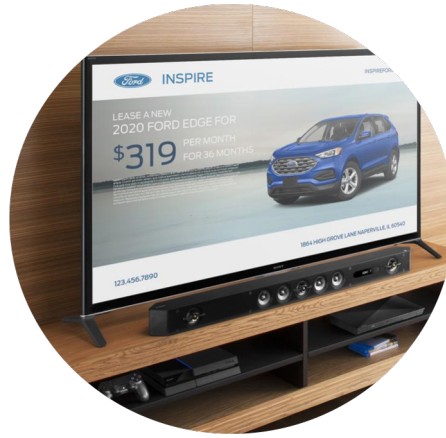


CARS Outlook

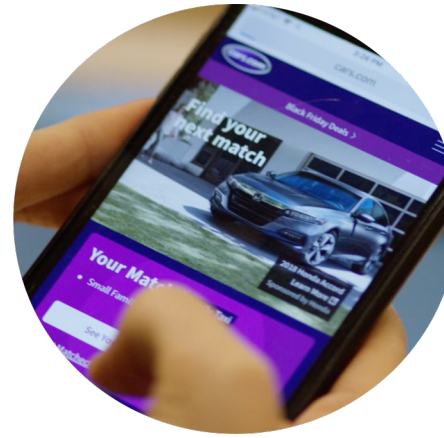
Momentum Expected Through 2021



Deep Customer Relationships



Compelling Product Portfolio Fueling ARPD Growth



Massive In-Market Audience Driven by Strong Brand



Strong Financial Position

Q4 Financial Highlights

(\$ in millions, except per share data)

	Q4 2020	Q4 2019
REVENUE	\$153.0	\$152.2
TOTAL OPERATING EXPENSES	\$137.1	\$147.5
NET INCOME (LOSS)	\$7.2	(\$4.1)
INCOME (LOSS) PER DILUTED SHARE	\$0.10	(\$0.06)
ADJUSTED NET INCOME	\$6.0	\$42.2
ADJUSTED NET INCOME PER DILUTED SHARE	\$0.09	\$0.63
ADJUSTED EBITDA	\$48.5	\$39.3
ADJUSTED EBITDA AS A % OF REVENUE	32%	26%

Reconciliations of Non-GAAP financial measures to the relevant GAAP measures can be found in the appendix of this presentation.

Q4 Key Operating Metrics

	Q4 2020	Q4 2019
AVERAGE MONTHLY UNIQUE VISITORS	22.2MM	23.5MM
TRAFFIC (VISITS)	138.1MM	146.2MM
MOBILE TRAFFIC ¹	74%	74%
MONTHLY ARPD ²	\$2,264	\$2,136
DEALER CUSTOMERS	18,372	18,834

1. Mobile traffic includes mobile browser, mobile app and tablet.

2. ARPD includes revenue from dealer websites and related digital solutions.

Full Year Financial Highlights

(\$ in millions, except per share data)

	2020	2019
REVENUE	\$547.5	\$606.7
TOTAL OPERATING EXPENSES	\$1,434.8	\$1,052.7
NET LOSS	(\$817.1)	(\$445.3)
LOSS PER DILUTED SHARE	(\$12.15)	(\$6.65)
ADJUSTED NET INCOME	\$70.3	\$104.2
ADJUSTED NET INCOME PER DILUTED SHARE	\$1.02	\$1.55
ADJUSTED EBITDA	\$155.9	\$167.3
ADJUSTED EBITDA AS A % OF REVENUE	28%	28%

Reconciliations of Non-GAAP financial measures to the relevant GAAP measures can be found in the appendix of this presentation.

December 31 Balance Sheet, Cash Flow & Capitalization

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	\$138.6MM	\$101.5MM
FREE CASH FLOW	\$121.9MM	\$80.2MM
CASH	\$67.7MM	\$13.5MM
DEBT	\$597.5MM	\$648.1MM
TOTAL LIQUIDITY ¹	\$297.7MM	\$203.5MM
NET LEVERAGE	3.4x	3.8x
SHARES OUTSTANDING ²	67.4MM	
ENTERPRISE VALUE ³	1.4B	

1. Includes cash plus availability under revolving credit facility.

2. Shares outstanding as of February 18, 2021.

3. Using the closing share price of \$13.02 on February 22, 2021.

Reconciliations of Non-GAAP financials measures to the relevant GAAP measures can be found in the appendix of this presentation.

2021: An Expected Growth Year for CARS

Q1

- Dealer Customer Growth
- Revenue Growth
- EBITDA Margins of 27% to 30%

2021

- Capex: \$25 million
- Interest Expense: \$40 million

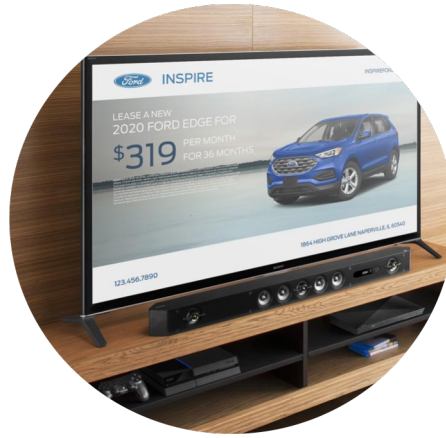


CARS Outlook

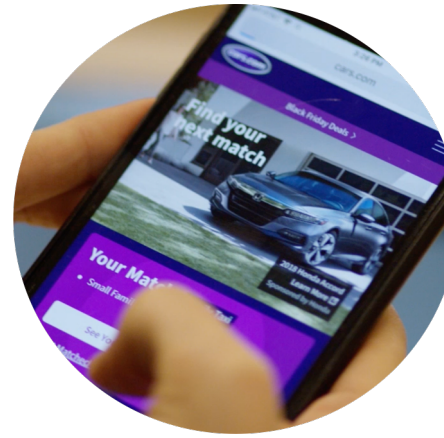
Momentum Expected Through 2021



Deep Customer Relationships



Compelling Product Portfolio Fueling ARPD Growth



Massive In-Market Audience Driven by Strong Brand



Strong Financial Position

Q&A



Appendix



Non-GAAP Reconciliations

(unaudited and in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Reconciliation of Net income (loss) to Adjusted EBITDA				
Net income (loss)	\$ 7,219	\$ (4,110)	\$ (817,120)	\$ (445,324)
Interest expense, net	11,627	7,785	37,856	30,774
Income tax (benefit) expense	(7,188)	1,056	(119,289)	(29,955)
Depreciation and amortization	25,747	30,116	113,276	116,877
Goodwill and intangible asset impairment	—	—	905,885	461,463
Stock-based compensation	4,974	2,332	15,450	7,736
Write-off of long-lived assets and other	2,602	177	9,700	706
Severance, transformation and other exit costs	1,462	963	7,919	10,588
Transaction-related costs	2,029	959	2,205	5,582
Costs associated with the stockholder activist campaign	—	—	—	8,825
Adjusted EBITDA*	\$ 48,472	\$ 39,278	\$ 155,882	\$ 167,272

Reconciliation of Net income (loss) to Adjusted net income

Net income (loss)	\$ 7,219	\$ (4,110)	\$ (817,120)	\$ (445,324)
Amortization of intangible assets	21,889	25,277	94,333	98,611
Goodwill and intangible asset impairment, net of tax	—	—	677,051	431,225
Stock-based compensation	4,974	2,332	15,450	7,736
Write-off of long-lived assets and other	2,602	177	9,700	706
Severance, transformation and other exit costs	1,462	963	7,919	10,588
Transaction-related costs	2,029	959	2,205	5,582
Costs associated with the stockholder activist campaign	—	—	—	8,825
Valuation allowance	(6,389)	—	121,659	—
Tax impact of adjustments	(27,754)	16,570	(40,871)	(13,757)
Adjusted net income*	\$ 6,032	\$ 42,168	\$ 70,326	\$ 104,192
Adjusted net income per share, diluted	\$ 0.09	\$ 0.63	\$ 1.02	\$ 1.55
Weighted-average common shares outstanding, diluted**	70,312	67,153	69,049	67,335

Reconciliation of Net cash provided by operating activities to Free cash flow

Net cash provided by operating activities	\$ 41,750	\$ 20,934	\$ 138,616	\$ 101,484
Purchase of property and equipment	(4,109)	(5,848)	(16,712)	(21,257)
Free cash flow	\$ 37,641	\$ 15,086	\$ 121,904	\$ 80,227

* There was no unfavorable contract liability amortization during 2020 as it was fully amortized as of September 30, 2019. Additionally for 2019, amortization of unfavorable contracts liability is not adjusted out of Adjusted EBITDA or Adjusted net income.

** Weighted-average common shares outstanding, diluted, includes shares excluded from GAAP loss per share due to the net loss position for the year ended December 31, 2020 and the three months and year ended December 31, 2019.

Definitions: Key Metrics

Traffic (Visits). Traffic is fundamental to our business. Traffic to the CARS network of websites and mobile apps provides value to our advertisers in terms of audience, awareness, consideration and conversion. In addition to tracking traffic volume and sources, we monitor activity on our properties, allowing us to innovate and refine our consumer-facing offerings. Traffic is defined as the number of visits to CARS desktop and mobile properties (responsive sites and mobile apps), measured using Adobe Analytics. Traffic does not include traffic to Dealer Inspire websites. Traffic provides an indication of our consumer reach. Although our consumer reach does not directly result in revenue, we believe our ability to reach in-market car shoppers is attractive to our dealer customers and national advertisers.

Average Monthly Unique Visitors ("UVs"). Growth in unique visitors and consumer traffic to our network of websites and mobile apps increases the number of impressions, clicks, leads and other events we can monetize to generate revenue. We define UVs in a given month as the number of distinct visitors that engage with our platform during that month. Visitors are identified when a user first visits an individual CARS property on an individual device/browser combination or installs one of our mobile apps on an individual device. If a visitor accesses more than one of our web properties or apps or uses more than one device or browser, each of those unique property/browser/app/device combinations counts towards the number of UVs. UVs do not include Dealer Inspire UVs. We measure UVs using Adobe Analytics.

Dealer Customers. Dealer Customers represent dealerships using our products as of the end of each reporting period. Each physical or virtual dealership location is counted separately, whether it is a single-location proprietorship or part of a large consolidated dealer group. Multi-franchise dealerships at a single location are counted as one dealer.

Average Revenue Per Dealer ("ARPD"). We believe that our ability to grow ARPD is an indicator of the value proposition of our products. We define ARPD as Direct retail revenue during the period divided by the monthly average number of direct Dealer Customers during the same period.