

Cars.com Inc.
Quarterly Financials & Key Operating Metrics

| Consolidated Statements of Income (Loss) | Full Year | | | Three Months Ended | | | | Full Year | Three Months Ended | | | |
|--|------------|--------------|--------------|--------------------|---------------|--------------------|-------------------|------------|--------------------|----------------|---------------|--------------------|
| | 2018 | 2019 | 2020 | March 31, 2021 | June 30, 2021 | September 30, 2021 | December 31, 2021 | | 2021 | March 31, 2022 | June 30, 2022 | September 30, 2022 |
| <i>(In thousands, except per share data)</i> | | | | | | | | | | | | |
| Revenue: ⁽¹⁾ | | | | | | | | | | | | |
| Dealer | \$ 457,651 | \$ 477,095 | \$ 463,018 | \$ 132,958 | \$ 136,866 | \$ 139,321 | \$ 140,778 | \$ 549,923 | \$ 140,416 | \$ 143,987 | \$ 145,395 | |
| OEM and National | 105,381 | 80,774 | 73,176 | 18,069 | 16,329 | 15,273 | 15,414 | 65,085 | 15,174 | 14,144 | 14,909 | |
| Other | 16,156 | 14,442 | 11,309 | 2,268 | 2,335 | 1,959 | 2,113 | 8,675 | 2,617 | 4,742 | 4,291 | |
| Retail | 579,188 | 572,311 | 547,503 | 153,295 | 155,530 | 156,553 | 158,305 | 623,683 | 158,207 | 162,873 | 164,595 | |
| Wholesale | 82,939 | 34,371 | — | — | — | — | — | — | — | — | — | |
| Total revenue | 662,127 | 606,682 | 547,503 | 153,295 | 155,530 | 156,553 | 158,305 | 623,683 | 158,207 | 162,873 | 164,595 | |
| Operating expenses: | | | | | | | | | | | | |
| Cost of revenue and operations | 90,433 | 99,549 | 101,536 | 27,831 | 28,219 | 28,928 | 29,222 | 114,200 | 27,752 | 29,504 | 28,828 | |
| Product and technology | 68,789 | 62,859 | 60,664 | 16,760 | 19,434 | 20,132 | 20,990 | 77,316 | 21,307 | 23,117 | 21,425 | |
| Marketing and sales | 226,740 | 217,432 | 183,448 | 53,211 | 51,309 | 51,948 | 51,867 | 208,335 | 57,094 | 54,655 | 53,615 | |
| General and administrative | 72,943 | 73,772 | 59,051 | 13,266 | 15,615 | 17,919 | 26,762 | 73,562 | 16,560 | 17,211 | 17,694 | |
| Affiliate revenue share | 15,488 | 20,790 | — | — | — | — | — | — | — | — | — | |
| Depreciation and amortization | 103,810 | 116,877 | 113,276 | 25,680 | 25,298 | 25,552 | 25,402 | 101,932 | 24,553 | 23,001 | 23,134 | |
| Goodwill and intangible asset impairment | — | 461,463 | 905,885 | — | — | — | — | — | — | — | — | |
| Total operating expenses | 578,203 | 1,052,742 | 1,434,830 | 136,748 | 139,875 | 144,479 | 154,243 | 575,345 | 147,266 | 147,488 | 144,696 | |
| Operating income (loss) | 83,924 | (446,060) | (887,327) | 16,547 | 15,655 | 12,074 | 4,062 | 48,338 | 10,941 | 15,385 | 19,899 | |
| Nonoperating expense: | | | | | | | | | | | | |
| Interest expense, net | (27,717) | (30,774) | (37,856) | (10,001) | (9,839) | (9,522) | (9,367) | (38,729) | (9,330) | (9,047) | (8,501) | |
| Other (expense) income, net | 722 | 1,555 | (11,226) | 38 | (39) | 19 | (144) | (126) | 208 | (54) | (13,387) | |
| Total nonoperating expense, net | (26,995) | (29,219) | (49,082) | (9,963) | (9,878) | (9,503) | (9,511) | (38,855) | (9,122) | (9,101) | (21,888) | |
| Income (loss) before income taxes | 56,929 | (475,279) | (936,409) | 6,584 | 5,777 | 2,571 | (5,449) | 9,483 | 1,819 | 6,284 | (1,989) | |
| Income tax expense (benefit) ⁽²⁾ | 18,120 | (29,955) | (147,303) | 1,306 | (189) | 140 | (2,565) | (1,308) | (2,521) | 739 | 952 | |
| Net income (loss) ⁽²⁾ | \$ 38,809 | \$ (445,324) | \$ (789,106) | \$ 5,278 | \$ 5,966 | \$ 2,431 | \$ (2,884) | \$ 10,791 | \$ 4,340 | \$ 5,545 | \$ (2,941) | |
| Weighted-average common shares outstanding: | | | | | | | | | | | | |
| Basic | 70,318 | 66,995 | 67,241 | 67,787 | 68,869 | 69,067 | 69,176 | 68,727 | 69,463 | 69,194 | 67,680 | |
| Diluted | 70,547 | 66,995 | 67,241 | 70,254 | 70,694 | 70,945 | 69,176 | 71,337 | 70,899 | 70,257 | 67,680 | |
| Earnings (loss) per share: | | | | | | | | | | | | |
| Basic ⁽²⁾ | \$ 0.55 | \$ (6.65) | \$ (11.74) | \$ 0.08 | \$ 0.09 | \$ 0.04 | \$ (0.04) | \$ 0.16 | \$ 0.06 | \$ 0.08 | \$ (0.04) | |
| Diluted ⁽²⁾ | 0.55 | (6.65) | (11.74) | 0.08 | 0.08 | 0.03 | (0.04) | 0.15 | 0.06 | 0.08 | (0.04) | |

| Non-GAAP Reconciliations | Full Year | | | Three Months Ended | | | | Full Year | Three Months Ended | | | |
|--|------------|--------------|--------------|--------------------|---------------|--------------------|-------------------|------------|--------------------|----------------|---------------|--------------------|
| <i>(unaudited and in thousands)</i> | 2018 | 2019 | 2020 | March 31, 2021 | June 30, 2021 | September 30, 2021 | December 31, 2021 | | 2021 | March 31, 2022 | June 30, 2022 | September 30, 2022 |
| Reconciliation of Net income (loss) to Adjusted EBITDA | | | | | | | | | | | | |
| Net income (loss) ⁽²⁾ | \$ 38,809 | \$ (445,324) | \$ (789,106) | \$ 5,278 | \$ 5,966 | \$ 2,431 | \$ (2,884) | \$ 10,791 | \$ 4,340 | \$ 5,545 | \$ (2,941) | |
| Interest expense, net | 27,717 | 30,774 | 37,856 | 10,001 | 9,839 | 9,522 | 9,367 | 38,729 | 9,330 | 9,047 | 8,501 | |
| Income tax expense (benefit) ⁽²⁾ | 18,120 | (29,955) | (147,303) | 1,306 | (189) | 140 | (2,565) | (1,308) | (2,521) | 739 | 952 | |
| Depreciation and amortization | 103,810 | 116,877 | 113,276 | 25,680 | 25,298 | 25,552 | 25,402 | 101,932 | 24,553 | 23,001 | 23,134 | |
| Goodwill and intangible asset impairment | — | 461,463 | 905,885 | — | — | — | — | — | — | — | — | |
| Stock-based compensation | 9,423 | 7,736 | 15,450 | 5,108 | 6,029 | 5,623 | 5,435 | 22,195 | 5,417 | 6,581 | 5,578 | |
| Write-off of long-lived assets and other | 968 | 706 | 9,700 | (15) | 94 | 809 | 499 | 1,387 | (45) | 15 | 100 | |
| Severance, transformation and other exit costs | 5,771 | 10,588 | 7,919 | 780 | 927 | 1,073 | 748 | 3,528 | 392 | 1,419 | 1,558 | |
| Transaction-related items | 13,182 | 5,582 | 2,205 | — | 512 | 622 | 10,814 | 11,948 | 556 | (1,043) | 13,001 | |
| Costs associated with the stockholder activist campaign | 9,806 | 8,825 | — | — | — | — | — | — | — | — | — | |
| Adjusted EBITDA ⁽³⁾ | \$ 227,606 | \$ 167,272 | \$ 155,882 | \$ 48,138 | \$ 48,476 | \$ 45,772 | \$ 46,816 | \$ 189,202 | \$ 42,022 | \$ 45,304 | \$ 49,883 | |
| Reconciliation of Net cash provided by operating activities to Free cash flow | | | | | | | | | | | | |
| Net cash provided by operating activities | \$ 163,548 | \$ 101,484 | \$ 138,616 | \$ 50,362 | \$ 29,257 | \$ 36,607 | \$ 21,777 | \$ 138,003 | \$ 30,358 | \$ 11,922 | \$ 49,011 | |
| Purchase of property and equipment | (14,233) | (21,257) | (16,712) | (6,219) | (6,876) | (4,784) | (1,313) | (19,192) | (4,008) | (4,547) | (5,844) | |
| Free cash flow | \$ 149,315 | \$ 80,227 | \$ 121,904 | \$ 44,143 | \$ 22,381 | \$ 31,823 | \$ 20,464 | \$ 118,811 | \$ 26,350 | \$ 7,375 | \$ 43,167 | |

| Key Operating Metrics | Full Year | | | Three Months Ended | | | | Full Year | Three Months Ended | | |
|---|-------------|-------------|-------------|--------------------|---------------|--------------------|-------------------|-------------|--------------------|----------------|---------------|
| <i>(unaudited)</i> | 2018 | 2019 | 2020 | March 31, 2021 | June 30, 2021 | September 30, 2021 | December 31, 2021 | | 2021 | March 31, 2022 | June 30, 2022 |
| Traffic | 445,282,000 | 553,660,000 | 599,807,000 | 156,604,000 | 158,438,000 | 142,418,000 | 134,039,000 | 591,499,000 | 148,491,000 | 148,010,000 | 150,449,000 |
| Average Monthly Unique Visitors | 18,778,000 | 22,629,000 | 23,822,000 | 25,957,000 | 26,391,000 | 24,341,000 | 23,566,000 | 25,064,000 | 26,562,000 | 27,079,000 | 27,309,000 |
| Dealer Customers (at period end) ⁽⁴⁾ | 19,921 | 18,834 | 18,372 | 18,823 | 18,845 | 19,029 | 19,179 | 19,179 | 19,500 | 19,517 | 19,585 |
| Monthly Average Revenue Per Dealer ⁽⁵⁾ | \$ 2,098 | \$ 2,179 | \$ 1,995 | \$ 2,268 | \$ 2,299 | \$ 2,332 | \$ 2,333 | \$ 2,309 | \$ 2,291 | \$ 2,326 | \$ 2,334 |

⁽¹⁾ Revenue categories were renamed to align with the Company's customer types beginning in Q1 2021. Dealer revenue was previously referred to as "Direct" revenue and the OEM and National revenue was previously referred to as "National advertising" revenue. No reclassifications were made between revenue categories. This change was due to the expiration of the affiliate contracts in 2019 resulting in the Wholesale/Retail distinction to be no longer relevant in the current periods.

⁽²⁾ During the three months ended March 31, 2022, the Company identified a \$30.8 million overstatement of the valuation allowance recorded against deferred tax assets that originated in 2020. As a result, these financial line items for the Full Year 2020, Q4 2021, and Full Year 2021 have been updated. See further discussion within the Company's Form 10-Q for the period ended March 31, 2022.

⁽³⁾ There was no unfavorable contract liability amortization during 2020 and 2021 as it was fully amortized as of September 30, 2019. Prior to September 30, 2019, amortization of unfavorable contracts liability is not adjusted out of Adjusted EBITDA.

⁽⁴⁾ Beginning June 30, 2022, this key operating metric includes Accu-Trade; however, no prior period has been recast as it would be impracticable to do so.

⁽⁵⁾ Beginning the three months ended June 30, 2022, Accu-Trade is included in our ARPD metric, which had an immaterial impact on ARPD; however, no prior period has been recast as it would be impracticable to do so.