

Cars.com Inc.
Quarterly Financials & Key Operating Metrics

Consolidated Statements of Income (Loss) <i>(In thousands, except per share data)</i>	Full Year				Three Months Ended <i>(unaudited)</i>				Three Months Ended <i>(unaudited)</i>				Full Year		Three Months Ended <i>(unaudited)</i>
	2018	2019	2020	2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Full Year 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Full Year 2023	March 31, 2024
Revenue: ⁽¹⁾															
Dealer	\$ 457,651	\$ 477,095	\$ 463,018	\$ 549,923	\$ 140,416	\$ 143,987	\$ 145,395	\$ 149,424	\$ 579,222	\$ 149,843	\$ 153,309	\$ 157,116	\$ 161,393	\$ 621,661	\$ 161,815
OEM and National	105,361	80,774	73,176	65,095	15,174	14,144	14,909	14,330	59,557	15,543	12,402	14,549	15,410	55,904	15,307
Other	16,156	14,442	11,309	9,875	2,617	4,742	4,291	4,447	16,097	2,662	2,465	2,668	2,803	11,618	3,054
Retail	579,188	572,311	547,503	623,893	158,207	162,873	164,595	168,201	653,876	167,066	168,176	174,333	179,606	689,183	180,176
Wholesale	82,939	34,371	—	—	—	—	—	—	—	—	—	—	—	—	—
Total revenue	662,127	606,682	547,503	623,893	158,207	162,873	164,595	168,201	653,876	167,066	168,176	174,333	179,606	689,183	180,176
Revenue YoY % Growth	N/A	(8%)	(10%)	14%	3%	5%	5%	6%	5%	6%	3%	6%	7%	5%	8%
Operating expenses:															
Cost of revenue and operations	90,433	99,549	101,536	114,200	27,752	29,504	28,828	28,875	114,959	29,795	30,415	31,077	30,918	122,205	29,962
Product and technology	68,789	62,859	60,664	77,316	21,307	23,117	21,425	23,166	89,015	24,101	24,956	25,297	25,230	99,584	28,085
Marketing and sales	226,740	217,432	183,448	208,335	57,094	54,655	53,615	56,515	221,879	58,297	58,153	60,186	58,835	235,471	59,163
General and administrative	72,943	73,772	59,051	73,562	16,560	17,211	17,694	16,128	67,593	18,304	17,649	17,785	23,069	76,807	22,857
Affiliate revenue share	15,488	20,790	10,970	—	—	—	—	—	—	—	—	—	—	—	—
Depreciation and amortization	103,810	116,877	113,276	101,932	24,553	23,001	23,134	23,706	94,394	24,042	24,669	25,670	26,619	101,000	27,365
Goodwill and intangible asset impairment	—	461,463	905,885	—	—	—	—	—	—	—	—	—	—	—	—
Total operating expenses	578,203	1,052,742	1,434,930	575,345	147,266	147,488	144,696	148,380	587,840	154,539	155,842	160,015	164,671	635,087	167,432
Operating income (loss)	83,924	(446,060)	(887,327)	48,338	10,941	15,385	19,899	19,811	66,036	12,529	12,334	14,318	14,935	54,116	12,744
Nonoperating expense:															
Interest expense, net	(27,717)	(30,774)	(37,856)	(38,729)	(9,330)	(9,047)	(8,501)	(8,442)	(35,320)	(8,244)	(8,150)	(7,777)	(8,254)	(32,425)	(8,321)
Other (expense), income, net	722	1,555	(11,226)	(1,126)	208	(54)	(13,387)	5,093	(8,140)	8,239	(3,133)	(3,902)	(4,790)	(3,586)	(3,603)
Total nonoperating expense, net	(26,995)	(29,219)	(49,082)	(38,855)	(9,122)	(9,101)	(21,888)	(3,349)	(43,460)	(5)	(11,283)	(11,679)	(13,044)	(36,011)	(11,924)
Income (loss) before income taxes	56,929	(475,279)	(936,409)	9,483	1,819	6,284	(1,989)	16,462	22,576	12,524	1,051	2,639	1,891	18,105	820
Income tax expense (benefit) ⁽²⁾	18,120	(29,955)	(147,303)	(1,308)	(2,521)	739	952	6,200	5,370	1,045	(93,075)	(1,852)	(6,455)	(100,337)	36
Net income (loss) ⁽³⁾	\$ 38,809	\$ (445,324)	\$ (789,106)	\$ 10,791	\$ 4,340	\$ 5,545	\$ (2,941)	\$ 10,262	\$ 17,206	\$ 11,479	\$ 94,126	\$ 4,491	\$ 8,346	\$ 118,442	\$ 784
Weighted-average common shares outstanding:															
Basic	70,318	66,995	67,241	68,727	69,463	69,194	67,680	66,546	68,215	66,530	66,762	66,773	66,510	66,742	66,318
Diluted	70,547	66,995	67,241	71,337	70,899	70,257	67,680	68,513	69,649	67,747	68,493	68,508	68,326	68,227	67,291
Earnings (loss) per share:															
Basic ⁽²⁾	\$ 0.55	\$ (6.65)	\$ (11.74)	\$ 0.16	\$ 0.06	\$ 0.08	\$ (0.04)	\$ 0.15	\$ 0.25	\$ 0.17	\$ 1.41	\$ 0.07	\$ 0.13	\$ 1.77	\$ 0.01
Diluted ⁽²⁾	0.55	(6.65)	(11.74)	0.15	0.06	0.08	(0.04)	0.15	0.25	0.17	1.37	0.07	0.12	1.74	0.01

Non-GAAP Reconciliations <i>(unaudited and in thousands)</i>	Full Year				Three Months Ended <i>(unaudited)</i>				Three Months Ended <i>(unaudited)</i>				Full Year		Three Months Ended <i>(unaudited)</i>
	2018	2019	2020	2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Full Year 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Full Year 2023	March 31, 2024
Reconciliation of Net income (loss) to Adjusted EBITDA															
Net income (loss) ⁽²⁾	\$ 38,809	\$ (445,324)	\$ (789,106)	\$ 10,791	\$ 4,340	\$ 5,545	\$ (2,941)	\$ 10,262	\$ 17,206	\$ 11,479	\$ 94,126	\$ 4,491	\$ 8,346	\$ 118,442	\$ 784
Interest expense, net	27,717	30,774	37,856	38,729	9,330	9,047	8,501	8,442	35,320	8,244	8,150	7,777	8,254	32,425	8,321
Income tax expense (benefit) ⁽²⁾	18,120	(29,955)	(147,303)	(1,308)	(2,521)	739	952	6,200	5,370	1,045	(93,075)	(1,852)	(6,455)	(100,337)	36
Depreciation and amortization	103,810	116,877	113,276	101,932	24,553	23,001	23,134	23,706	94,394	24,042	24,669	25,670	26,619	101,000	27,365
Goodwill and intangible asset impairment	—	461,463	905,885	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation, including related payroll tax expense	9,423	7,736	15,450	22,195	5,417	6,581	5,778	5,390	22,966	6,952	7,720	7,611	7,844	30,127	7,950
Non-operating foreign exchange (income) expense	—	—	—	—	—	—	—	—	—	—	—	—	(2,072)	(2,072)	—
Write-off of long-lived assets and other	968	706	9,700	1,387	(45)	15	100	929	999	135	308	389	1,027	—	—
Severance, retransition and other exit costs	5,771	10,588	7,919	3,528	392	1,419	1,558	960	4,329	1,217	661	470	1,226	3,574	—
Transaction-related items	13,182	5,582	2,205	11,948	556	(1,043)	13,001	(6,370)	6,144	(8,777)	3,203	5,019	11,253	10,698	7,169
Costs associated with the stockholder activist campaign	9,806	8,825	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-operating foreign exchange expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,048
Adjusted EBITDA ⁽³⁾	\$ 227,606	\$ 167,272	\$ 155,882	\$ 189,202	\$ 42,022	\$ 45,304	\$ 49,883	\$ 49,519	\$ 186,728	\$ 44,337	\$ 45,649	\$ 49,494	\$ 55,404	\$ 194,884	\$ 52,673
Adj. EBITDA as a % of revenue	34%	28%	28%	30%	27%	28%	30%	29%	29%	27%	27%	28%	31%	28%	29%

Reconciliation of Net income to Adjusted Net income	Full Year				Three Months Ended <i>(unaudited)</i>				Three Months Ended <i>(unaudited)</i>				Full Year		Three Months Ended <i>(unaudited)</i>
	2018	2019	2020	2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Full Year 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Full Year 2023	March 31, 2024
Net income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 11,479	\$ —	\$ —	\$ —	\$ —	\$ 784
Stock-based compensation, including related payroll tax expense	—	—	—	—	—	—	—	—	—	6,952	—	—	—	—	7,950
Amortization of intangible assets	—	—	—	—	—	—	—	—	—	19,158	—	—	—	—	21,005
Transaction-related items	—	—	—	—	—	—	—	—	—	(8,777)	—	—	—	—	6,143
Non-operating foreign exchange expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,048
Other one-time items	—	—	—	—	—	—	—	—	—	1,352	—	—	—	—	1,026
Adjusted income tax valuation allowance	—	—	—	—	—	—	—	—	—	714	—	—	—	—	—
Income tax impact of adjustments	—	—	—	—	—	—	—	—	—	(4,671)	—	—	—	—	(9,293)
Adjusted Net Income ⁽⁷⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26,207	\$ —	\$ —	\$ —	\$ —	\$ 28,663
Adjusted net income per share, diluted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.39	\$ —	\$ —	\$ —	\$ —	\$ 0.43
Weighted-average common shares outstanding, diluted	—	—	—	—	—	—	—	—	—	67,747	—	—	—	—	67,291

Reconciliation of Net cash provided by operating activities to Free cash flow	Full Year				Three Months Ended <i>(unaudited)</i>				Three Months Ended <i>(unaudited)</i>				Full Year		Three Months Ended <i>(unaudited)</i>
	2018	2019	2020	2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Full Year 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Full Year 2023	March 31, 2024
Net cash provided by operating activities	\$ 163,548	\$ 101,484	\$ 138,616	\$ 138,003	\$ 30,358	\$ 11,922	\$ 49,011	\$ 37,220	\$ 128,511	\$ 28,141	\$ 28,041	\$ 35,398	\$ 45,140	\$ 136,720	\$ 33,468
Capitalization of internally developed technology ⁽⁸⁾	(14,233)	(21,257)	(16,712)	(19,192)	(4,008)	(4,547)	(5,844)	(5,315)	(19,714)	(5,172)	(4,889)	(4,777)	(4,764)	(19,602)	(5,305)
Purchase of property and equipment	—	—	—	—	—	—	—	—	—	(199)	(309)	(229)	(543)	(1,280)	(708)
Free cash flow	\$ 149,315	\$ 80,227	\$ 121,904	\$ 118,811	\$ 26,350	\$ 7,375	\$ 43,167	\$ 31,905	\$ 108,797	\$ 22,770	\$ 22,843	\$ 30,392	\$ 39,833	\$ 115,838	\$ 27,455

Key Operating Metrics <i>(unaudited)</i>	Full Year				Three Months Ended <i>(unaudited)</i>				Three Months Ended <i>(unaudited)</i>				Full Year		Three Months Ended <i>(unaudited)</i>
	2018	2019	2020	2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	Full Year 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	Full Year 2023	March 31, 2024
Traffic ⁽⁹⁾	445,292,000	553,660,000	599,807,000	591,499,000	148,491,000	148,010,000	150,449,000	140,439,000	587,388,000	164,782,000	155,957,000	151,379,000	142,679,000	614,798,000	171,438,000
Average Monthly Unique Visitors	19,778,000	22,629,000	23,822,000	25,064,000	26,562,000	27,079,000	27,309,000	24,649,000	26,400,000	28,478,000	26,940,000	25,980,000	24,276,000	26,421,000	28,332,000
Dealer Customers (at period end) ⁽⁴⁾	19,921	18,834	18,372	19,179	19,500	19,517	19,585	19,506	19,506	19,196	18,785	18,715	19,504	19,504	19,381
Monthly Average Revenue Per Dealer ⁽⁵⁾	\$ 2,098	\$ 2,179	\$ 1,995	\$ 2,309	\$ 2,291	\$ 2,326	\$ 2,334	\$ 2,361	\$ 2,329	\$ 2,386	\$ 2,472	\$ 2,548	\$ 2,523	\$ 2,486	\$ 2,505

⁽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 202