

# First Quarter 2026 Earnings

May 7, 2026



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. These statements often use 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, experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments, and other factors we think are appropriate. Such forward-looking statements are based on estimates and assumptions that, while considered reasonable by Cars Commerce and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. While Cars Commerce and its management make such statements in good faith and believe such judgments are reasonable, you should understand that these statements are not guarantees of future strategic action, performance or results. Our actual results, performance, achievements, strategic actions or prospects could differ materially from those expressed or implied by these forward-looking statements. Given these uncertainties, you should not rely on forward-looking statements in making investment decisions. When we make comparisons of results between current and prior periods, we do not intend to express any future trends, or indications of future performance, unless expressed as such, and you should view such comparisons 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 press release. For a detailed discussion of many of these and other risks and uncertainties, see "Part I, Item 1A., Risk Factors" and "Part II, Item 7., Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission ("SEC") on February 26, 2026 and our other filings filed with the SEC and available on our website at [investor.cars.com](http://investor.cars.com) or via EDGAR at [www.sec.gov](http://www.sec.gov).

You should evaluate all forward-looking statements made in this press release in the context of these risks and uncertainties. The forward-looking statements contained in this press release are based only on information currently available to us and speak only as of the date of this press release. 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 report are intended to be subject to the safe harbor protection provided by the federal securities laws.

This presentation discusses Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income, Free Cash Flow and Adjusted Operating Expenses. 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 the Company believes they provide meaningful information regarding the Company's performance and provide a basis to compare operating results between periods. In addition, the Company uses Adjusted EBITDA as a measure for determining incentive compensation targets. Adjusted EBITDA also is used as a performance measure under the Company's 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 the Company's lenders, securities analysts, investors and other interested parties to evaluate companies in the Company's industry. For a reconciliation of the non-GAAP measures presented in this earnings release to their most directly comparable financial measure prepared in accordance with GAAP, see "Non-GAAP Reconciliations" below.

Other companies may define or calculate these measures differently, limiting their usefulness as comparative measures. Because of these limitations, 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 and cash transactions related to derivative instruments, (7) unrealized foreign currency exchange gains and losses, and (8) certain other items, such as transaction-related items, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets.

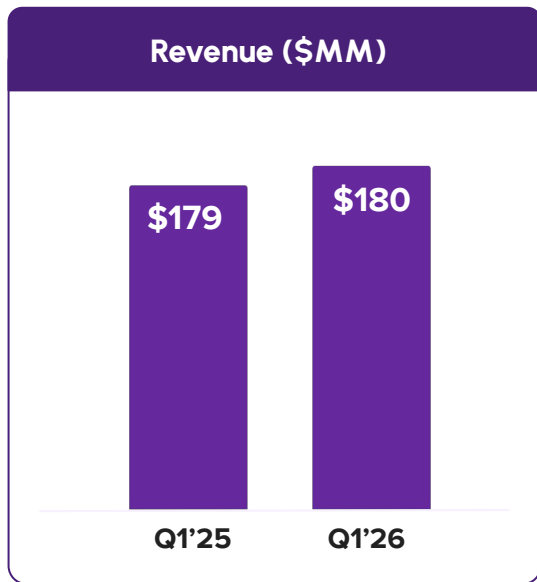
Transaction-related items result from actual or potential transactions such as business combinations, mergers, acquisitions, dispositions, spin-offs, financing transactions, and other strategic transactions, including, without limitation, (1) transaction-related bonuses and (2) expenses for advisors and representatives such as investment bankers, consultants, attorneys and accounting firms. Transaction-related items may also include, without limitation, transition and integration costs such as retention bonuses and acquisition-related milestone payments to acquired employees, consulting, compensation and other incremental costs associated with integration projects, fair value changes to contingent considerations and amortization of deferred revenue related to the AccuTrade acquisition.

We define Adjusted Net Income as GAAP net income (loss) excluding, net of their related tax effects: (1) amortization of intangible assets, (2) stock-based compensation expense, (3) unrealized mark-to-market adjustments and cash transactions related to derivative instruments, (4) unrealized foreign currency exchange gains and losses, and (5) certain other items, such as transaction-related costs, severance, transformation and other exit costs and write-off and impairments of goodwill, intangible assets and other long-lived assets.

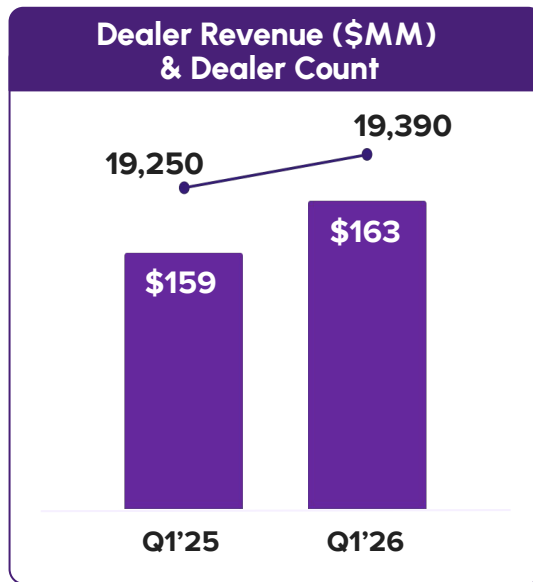
We define Free Cash Flow as net cash provided by operating activities less capital expenditures, including purchases of property and equipment and capitalization of internally developed technology.

We define Adjusted Operating Expenses as total operating expenses adjusted to exclude stock-based compensation, write-off and impairments of goodwill, intangible assets, long-lived assets, severance, transformation and other exit costs and transaction-related items.

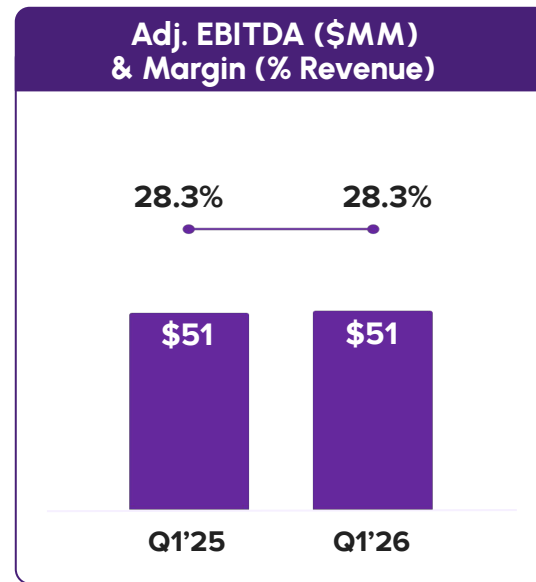
# Continued Revenue and Dealer Count Growth YoY



Revenue +1% YoY



Dealer Revenue +2% YoY  
Dealer Count +140 Customers YoY



Adj. EBITDA +1% YoY  
Adj. EBITDA Margin Stable YoY

# Making Progress on 2026 Initiatives

## PRODUCT DEVELOPMENT



Cars.com MCP integration for agentic AI platforms



Dealer App mobile assistant improves dealership efficiency



Carson shopping assistant added conversational capabilities

## COST AND PROCESSES



Cost reduction program initiated in April 2025



FY27 annualized cost savings expected to be \$25 - \$30 million

## ORGANIZATION



Approximately 11% reduction in full time roles announced in April



~20% of eliminated roles are within management and executive layers



Eliminated product-based silos within sales organization

**Revenue and Adjusted EBITDA growth, and increased share repurchase target, driving value creation**

# Building an Interconnected Marketplace



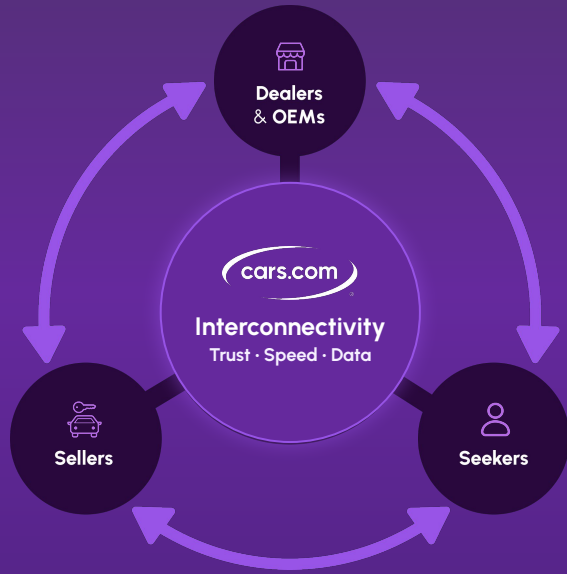
April cost reduction program



Process and organizational changes underway

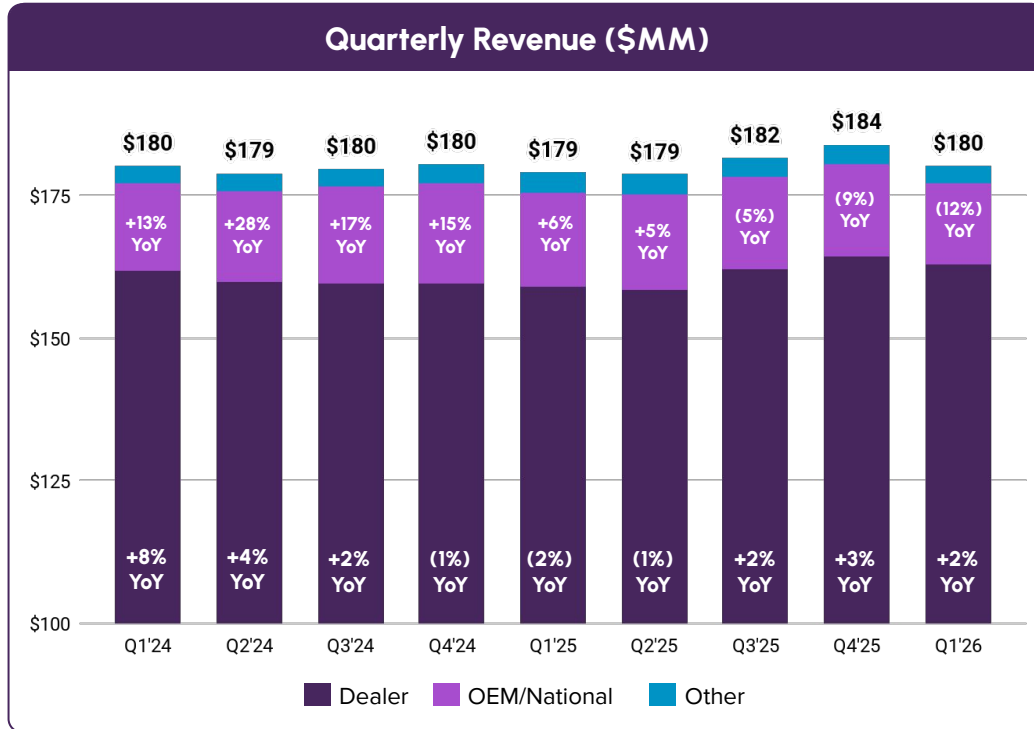


Accelerating product innovation



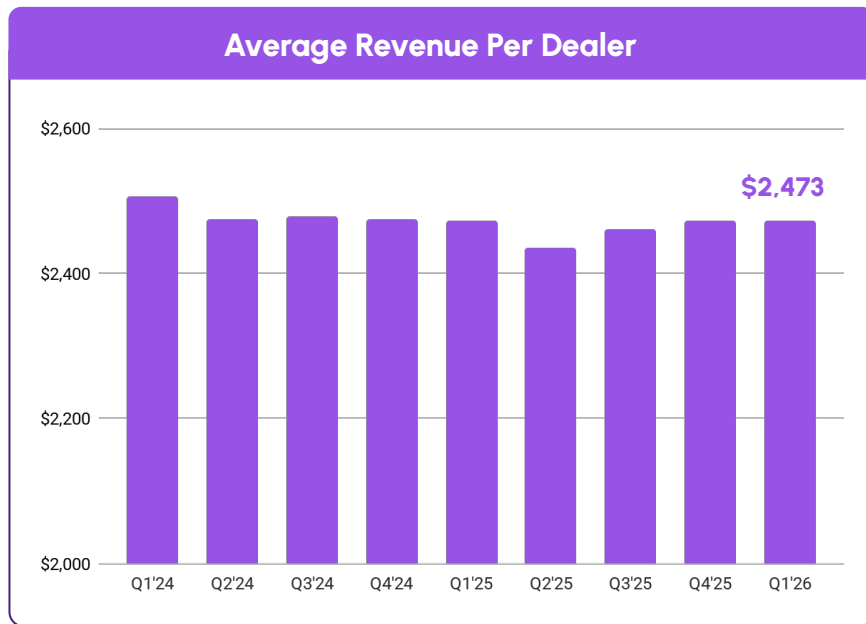
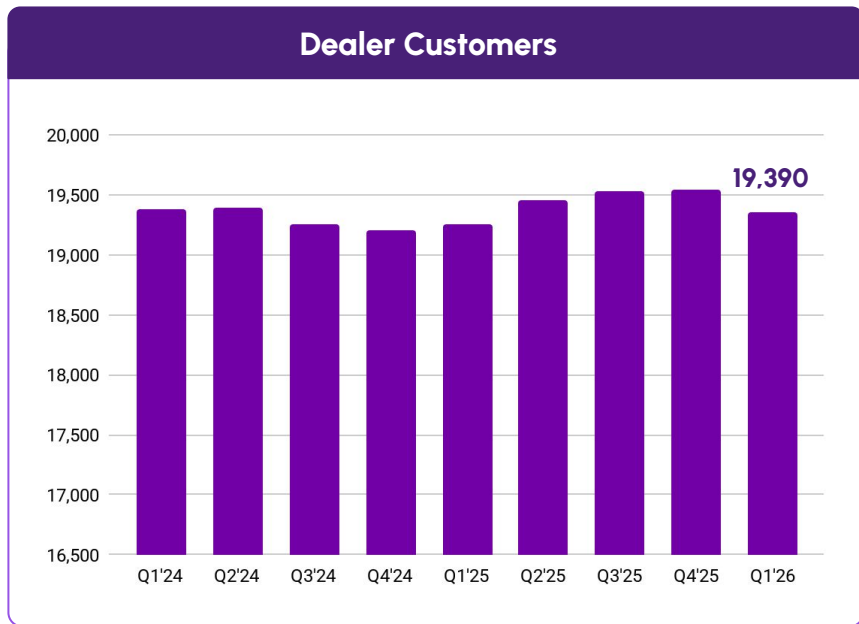
Laying a strong foundation in 2026 to support long-term growth strategy

# Revenue Growth In Line with Guidance Range



- Q1 revenue of \$180.2MM grew +1% YoY, in line with guidance of flat to 1% YoY growth
- Dealer revenue was up +2% YoY, driven by improved Marketplace and website value delivery and Marketplace dealer count growth
- OEM & National revenue was down (12%) YoY, reflecting ongoing changes in OEM advertising spend

# Stable Dealer Count and ARPD

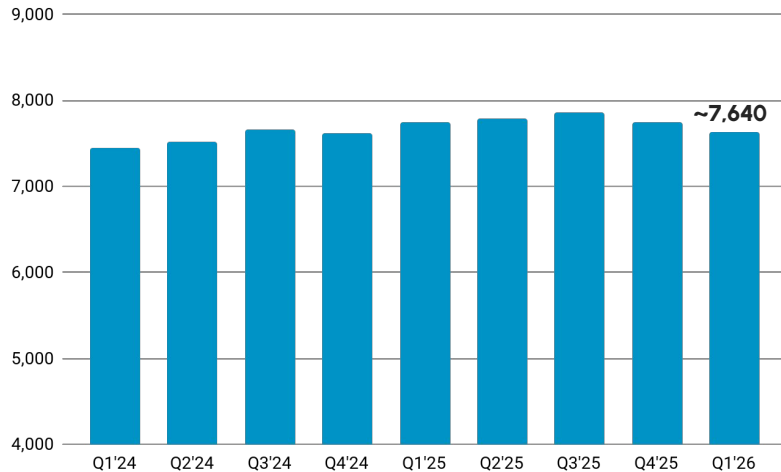


YoY growth based on Marketplace growth  
QoQ performance primarily reflects lower Solutions  
subscriptions

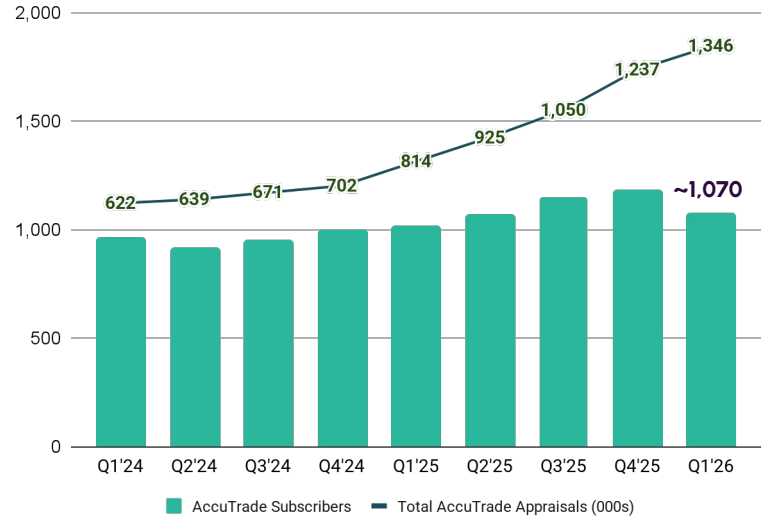
ARPD was roughly flat QoQ and YoY with positive  
Marketplace and Solutions contribution offset by  
softer media attach rates

# Solutions Subscriptions Declined Modestly in Q1

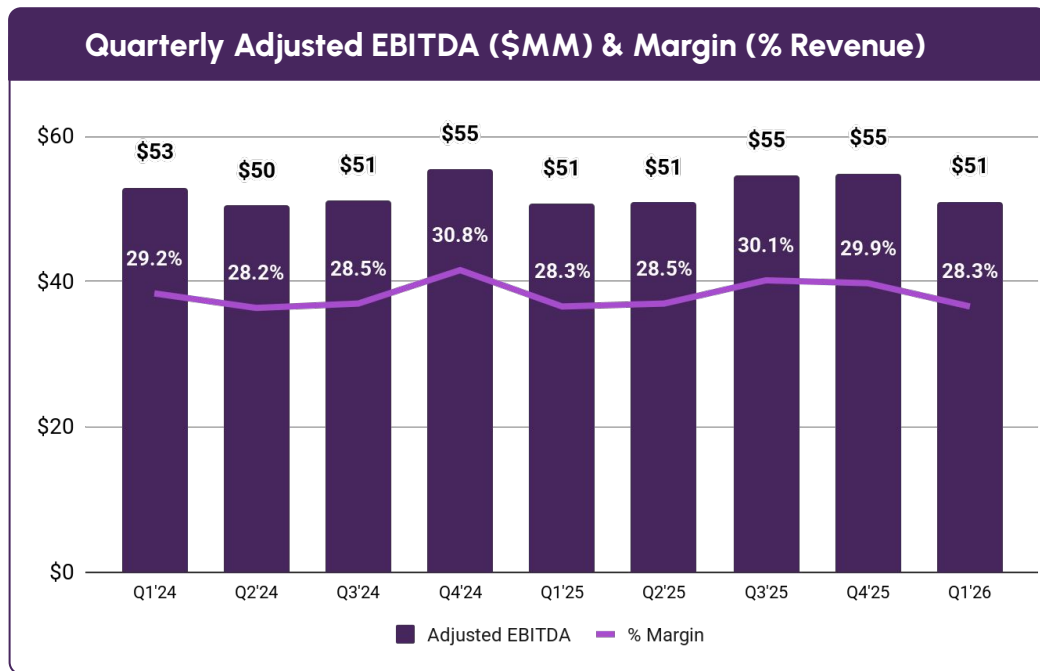
## Website Customers



## AccuTrade Connected Subscriptions & Appraisals

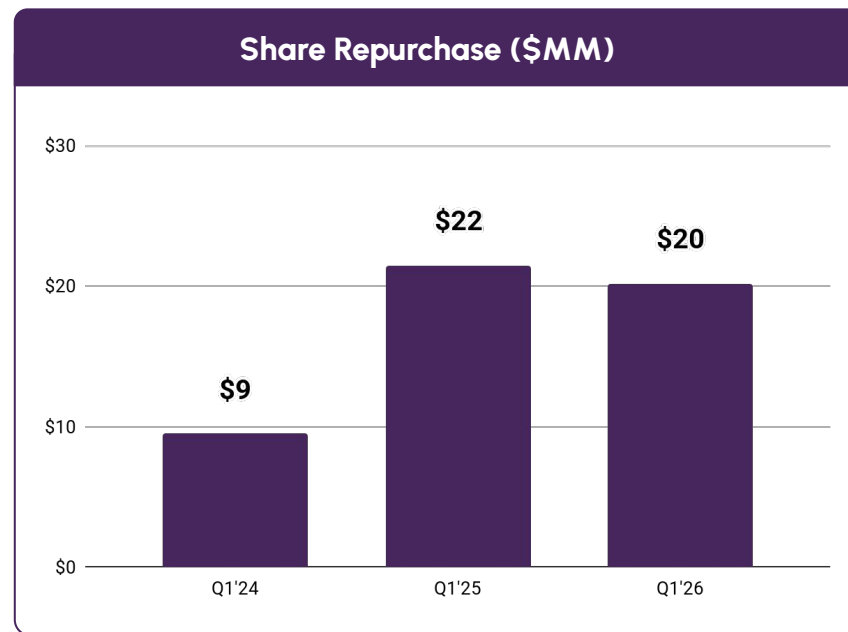
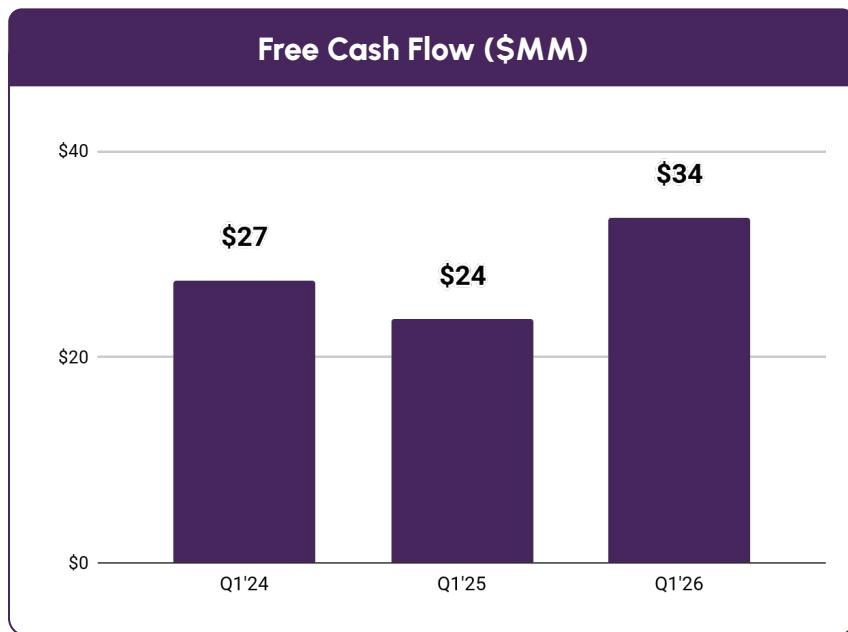


# Adj EBITDA Margin Exceeded Expectations by +130 bps



- Operating expenses declined (5%) YoY
- Adjusted operating expenses were down (6%) YoY, benefiting from lower depreciation and amortization and marketing expenditures
- Adjusted EBITDA of \$51 million was up +1% YoY
- Adjusted EBITDA margin of 28.3% outperformed guidance range of 26% - 27%

# Cash Flow Generation Remains Strong



Repurchased 3.8 million shares for \$32.9 million year-to-date through April 30, 2026

~60% of Free Cash Flow deployed for share repurchases in Q1

FY26 share repurchase target was raised to \$90MM, or ~50% higher than original \$60MM+ target

# Outlook

## Q2 2026 OUTLOOK

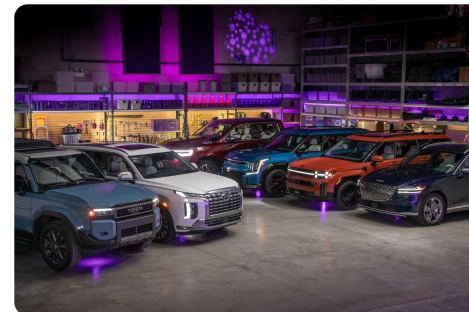
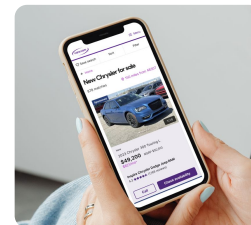
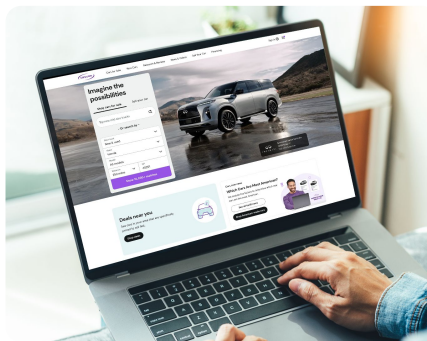
- Revenue: Flat to 2% YoY growth
- Adjusted EBITDA margin: 28% to 29%

## REAFFIRM FULL YEAR 2026 OUTLOOK

- Revenue: Flat to 2% YoY growth
- Adjusted EBITDA margin: 29% to 30%

## 2026 SHARE REPURCHASE TARGET

- Reaffirming \$90 million target, which was previously raised on April 9, 2026



# Q&A

NON-GAAP RECONCILIATIONS

# Appendix

# Quarterly Key Operating Metrics

	Q1 2026	Q1 2025
<b>AVERAGE MONTHLY UNIQUE VISITORS<sup>1</sup></b>	25.8 MM	29.0 MM
<b>TRAFFIC (VISITS)<sup>1</sup></b>	159.6 MM	170.1 MM
<b>DEALER CUSTOMERS<sup>2</sup></b>	19,390	19,250
<b>MONTHLY ARPD<sup>3</sup></b>	\$2,473	\$2,473

1. UVs and Traffic are measured via RudderStack. These metrics do not include traffic to Dealer Inspire, D2C Media, or DealerClub websites.

2. Dealer Customers does not include DealerClub active users.

3. ARPD is defined as Dealer revenue, excluding digital advertising services and DealerClub, during the period divided by the monthly average number of Dealer Customers during the same period.

# Non-GAAP Reconciliations

(UNAUDITED AND IN THOUSANDS)

## Reconciliation of Net income to Adjusted EBITDA

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 4,978	\$ (2,013)
Interest expense, net	7,231	7,668
Income tax expense	3,738	780
Depreciation and amortization	16,718	27,039
Stock-based compensation, including related payroll tax	8,815	8,703
Transaction-related and other one-time items	8,854	8,519
Non-operating foreign exchange loss	686	25
Adjusted EBITDA	<u>\$ 51,020</u>	<u>\$ 50,721</u>

# Non-GAAP Reconciliations

(UNAUDITED AND IN THOUSANDS)

## Reconciliation of Net income (loss) to Adjusted Net income

	Three Months Ended March 31,	
	2026	2025
Net income (loss)	\$ 4,978	\$ (2,013)
Stock-based compensation, including related payroll tax	8,815	8,703
Amortization of intangible assets	10,543	17,378
Transaction-related items	6	2,930
Non-operating foreign exchange loss	686	25
Other one-time items	8,848	5,589
Income tax impact of adjustments	(7,225)	(8,656)
Adjusted net income	<u>\$ 26,651</u>	<u>\$ 23,956</u>
Adjusted net income per share, diluted	\$ 0.45	\$ 0.37
Weighted-average common shares outstanding, diluted*	59,594	65,137

\* Weighted-average common shares outstanding, diluted, includes shares excluded from GAAP loss per share due to the net loss position for the three months ended March 31, 2025.

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

	Three Months Ended March 31,	
	2026	2025
Net cash provided by operating activities	\$ 39,808	\$ 29,455
Capitalization of internally developed technology	(6,000)	(4,984)
Purchase of property and equipment	(262)	(811)
Free cash flow	<u>\$ 33,546</u>	<u>\$ 23,660</u>

# Non-GAAP Reconciliations

(UNAUDITED AND IN THOUSANDS)

## Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended March 31, 2026:

	As Reported	Adjustments <sup>(1)</sup>	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 31,741	\$ (931)	\$ (242)	\$ 30,568
Product and technology	31,495	(3,351)	(2,474)	25,670
Marketing and sales	61,818	(2,140)	(2,303)	57,375
General and administrative	21,818	(2,432)	(3,796)	15,590
Depreciation and amortization	16,718	—	—	16,718
Total operating expenses	\$ 163,590	\$ (8,854)	\$ (8,815)	\$ 145,921
Total nonoperating expense, net	\$ (7,917)	\$ 686	\$ —	\$ (7,231)

<sup>(1)</sup> Includes severance, unrealized gains and losses on foreign currency denominated transactions, write-off of long-lived assets and transformation and other exit costs.

## Reconciliation of Operating expenses to Adjusted operating expenses for the Three Months Ended March 31, 2025:

	As Reported <sup>(1)</sup>	Adjustments <sup>(1)(2)</sup>	Stock-Based Compensation	As Adjusted
Cost of revenue and operations	\$ 31,483	\$ (544)	\$ (178)	\$ 30,761
Product and technology	30,617	(2,139)	(2,513)	25,965
Marketing and sales	62,540	(2,356)	(2,187)	57,997
General and administrative	20,885	(3,480)	(3,825)	13,580
Depreciation and amortization	27,039	—	—	27,039
Total operating expenses	\$ 172,564	\$ (8,519)	\$ (8,703)	\$ 155,342
Total nonoperating expense, net	\$ (7,693)	\$ 25	\$ -	\$ (7,668)

<sup>(1)</sup> Certain prior year balances have been reclassified to conform to the current year presentation.

<sup>(2)</sup> Includes severance, transaction-related items, write-off of long-lived assets, unrealized gains and losses on foreign currency denominated transactions and transformation and other exit costs.