

# Second Quarter 2019 Financial Highlights

TRUECar. August 8<sup>th</sup>, 2019



# SAFE HARBOR

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This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding our outlook for the third quarter and full year 2019, including expectations regarding future revenue and adjusted EBITDA, are forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may prove incorrect, any of which could cause our results to differ materially from those expressed or implied by such forward-looking statements and include, among others, those risks and uncertainties described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the Securities and Exchange Commission, or SEC, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed with the SEC and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 to be filed with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. All forward-looking statements in this presentation are based on information available to our management as of this date, and except as required by law, management assumes no obligation to update these forward-looking statements, which speak only as of the date of this presentation.

In addition to U.S. GAAP financial measures, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

# Q2 2019 HIGHLIGHTS

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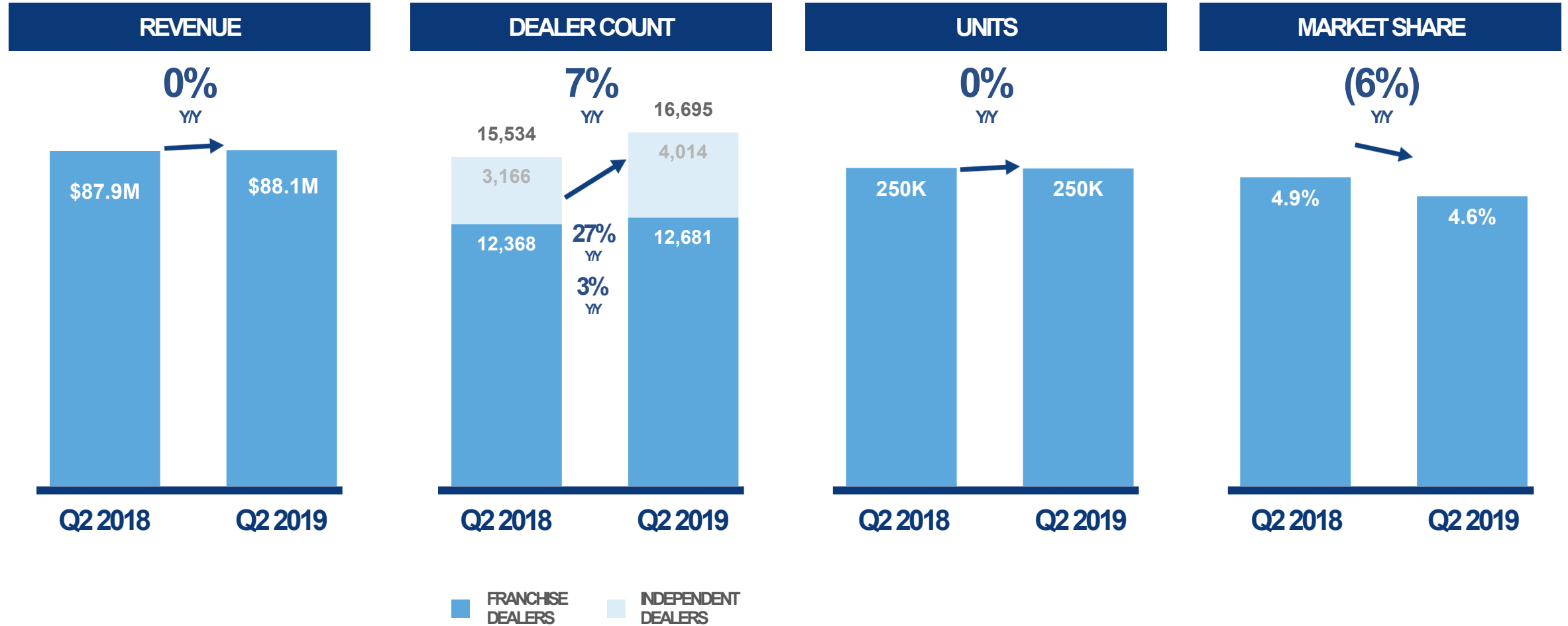
- Second quarter total revenue flat from a year ago at \$88.1 million
- Total dealer count of 16,695 dealers, up 7% year-over-year
  - Total franchise dealer count<sup>(1)</sup> of 12,681 dealers, up 3% year-over-year
  - Monthly franchise revenue per franchise dealer of \$1,744
  - Total independent dealer count of 4,014 dealers, up 27% year-over-year
  - Monthly independent revenue per independent dealer of \$838
- TrueCar users purchased 249,856 units from TrueCar Certified Dealers, flat year-over-year
- Adjusted EBITDA<sup>(2)</sup> of \$3.7 million, representing an Adjusted EBITDA margin<sup>(3)</sup> of 4.1%
- New Car Market Share of 4.6%, down 6% year-over-year

(1) Note that this number excludes Genesis franchises on our program due to Hyundai's transition of Genesis to a stand-alone brand. In order to facilitate period over period comparisons, we have continued to count each Hyundai franchise that also has a Genesis franchise as one franchise dealer rather than two.

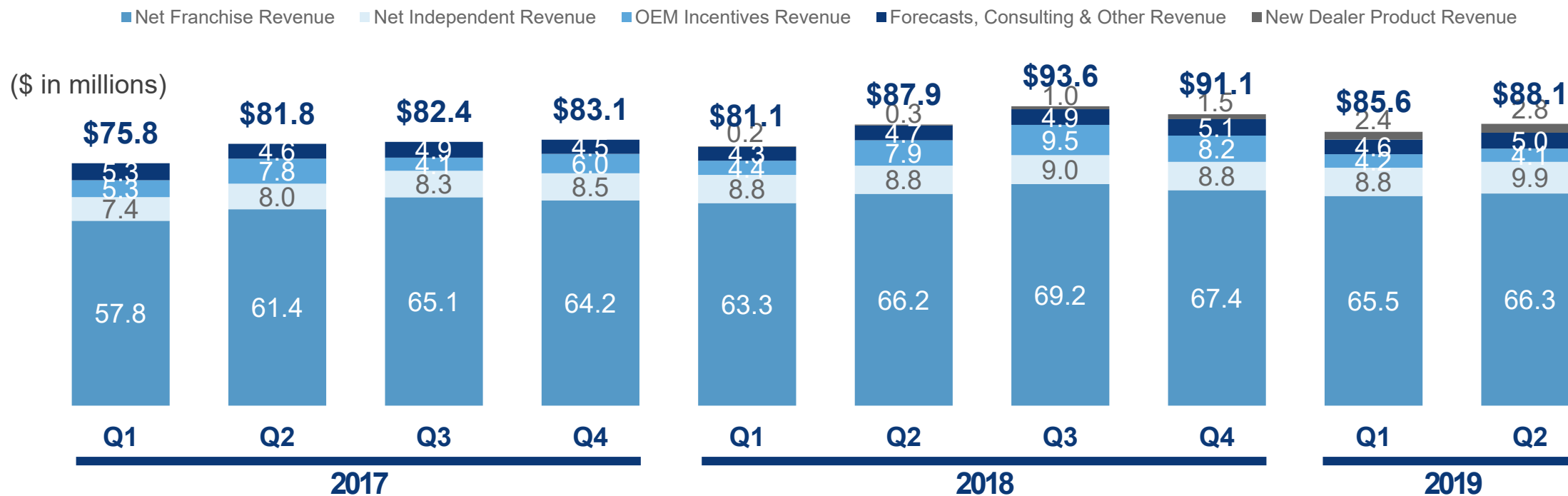
(2) See reconciliation of GAAP net loss to Adjusted EBITDA on page 17.

(3) Adjusted EBITDA margin is a Non-GAAP financial measure, calculated as Adjusted EBITDA divided by total revenue.

# Q2 2019 KEY HIGHLIGHTS



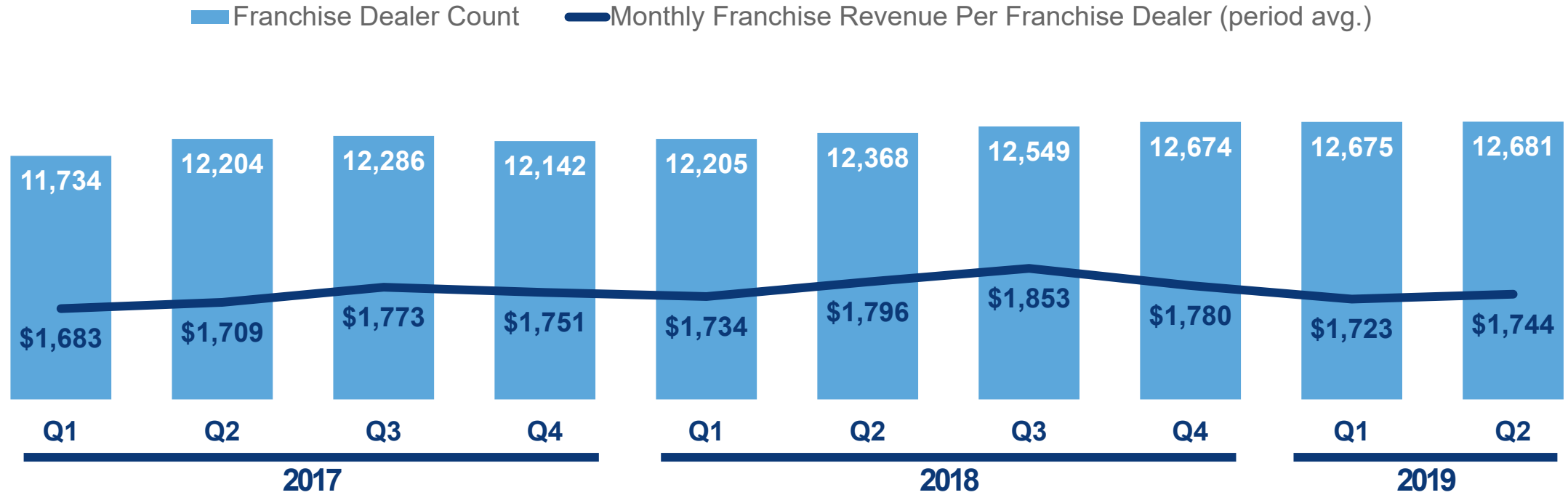
# REVENUE



<b>Total Revenue Y/Y:</b>	14%	10%	6%	0%
<b>Forecasts, Consulting &amp; Other Revenue Y/Y:</b>	(1%)	15%	6%	7%
<b>OEM Incentives Revenue Y/Y:</b>	129%	36%	(5%)	(48%)
<b>Net Independent Revenue Y/Y:</b>	9%	4%	1%	12%
<b>Net Franchise Revenue Y/Y:</b>	6%	5%	3%	0%

Note: New Dealer Product Revenue includes Trade, DealerScience, Reach, Sponsored Listings and DealerSync

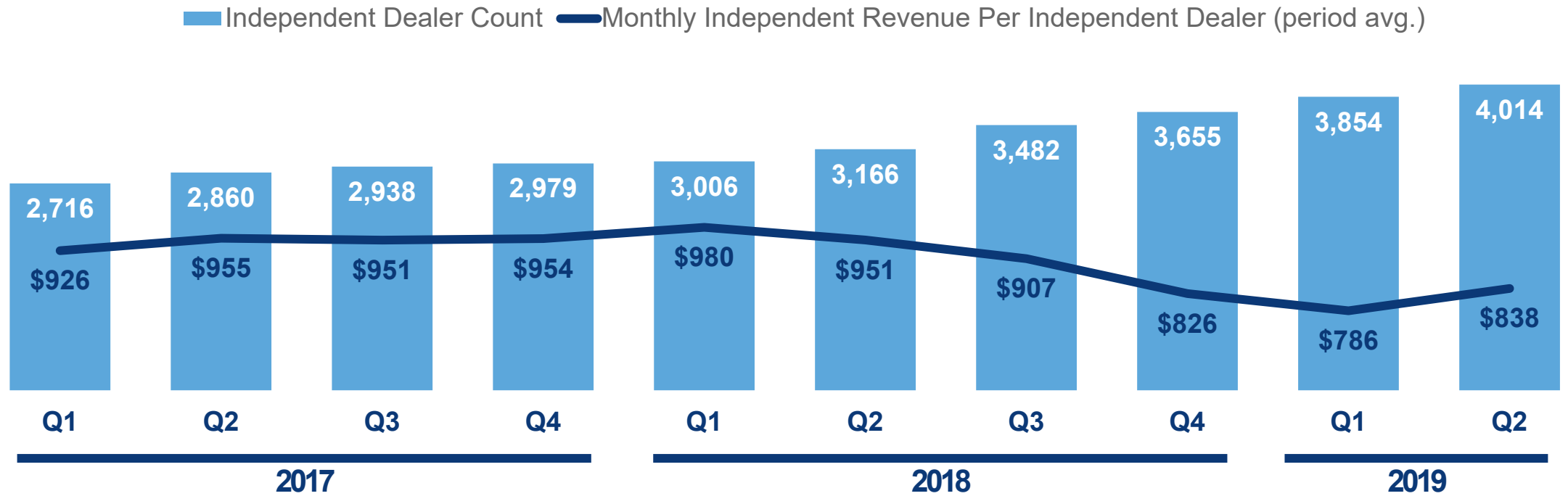
# FRANCHISE DEALER OVERVIEW



Note: Represents franchise dealer count only. This number excludes Genesis franchises on our program that were spun off from Hyundai. In order to facilitate period over period comparisons, we have continued to count each Hyundai franchise that also has a Genesis franchise as one franchise dealer rather than two.

<b>Franchise Dealer Count Y/Y:</b>	2%	4%	4%	3%
<b>Franchise Revenue / Dealer Y/Y:</b>	5%	2%	(1%)	(3%)
<b>Franchise Dealer Count Q/Q:</b>	1%	1%	0%	0%
<b>Franchise Revenue / Dealer Q/Q:</b>	3%	(4%)	(3%)	1%

# INDEPENDENT DEALER OVERVIEW

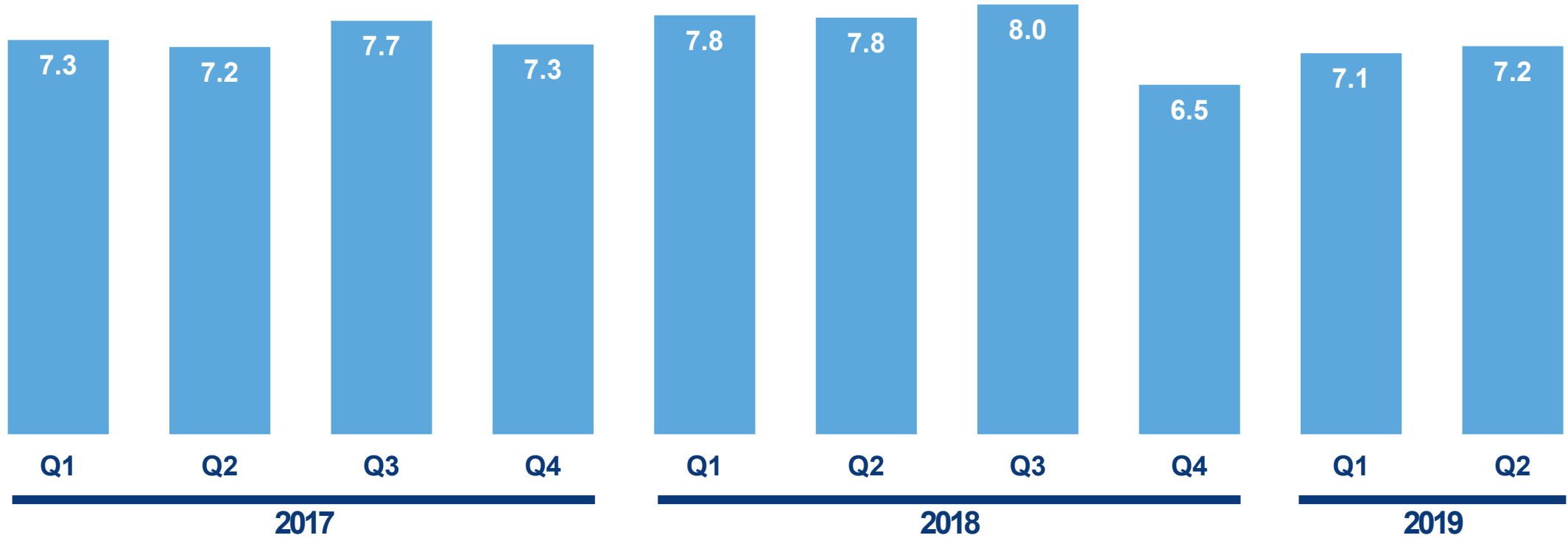


<i>Independent Dealer Count Y/Y:</i>	19%	23%	28%	27%
<i>Independent Revenue / Dealer Y/Y:</i>	(5%)	(13%)	(20%)	(12%)
<i>Independent Dealer Count Q/Q:</i>	10%	5%	5%	4%
<i>Independent Revenue / Dealer Q/Q:</i>	(5%)	(9%)	(5%)	7%

# TRAFFIC

## AVERAGE MONTHLY UNIQUE VISITORS

(millions)

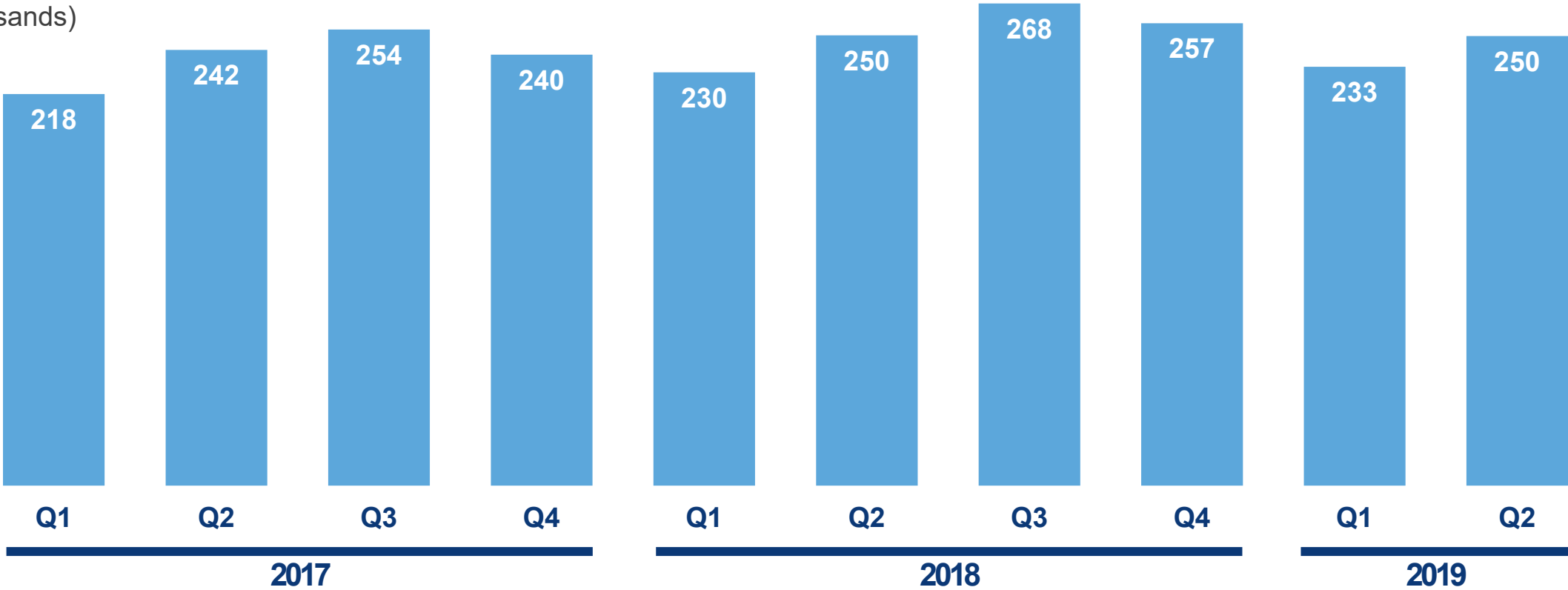


<b>Y/Y Growth:</b>	4%	(10%)	(9%)	(7%)
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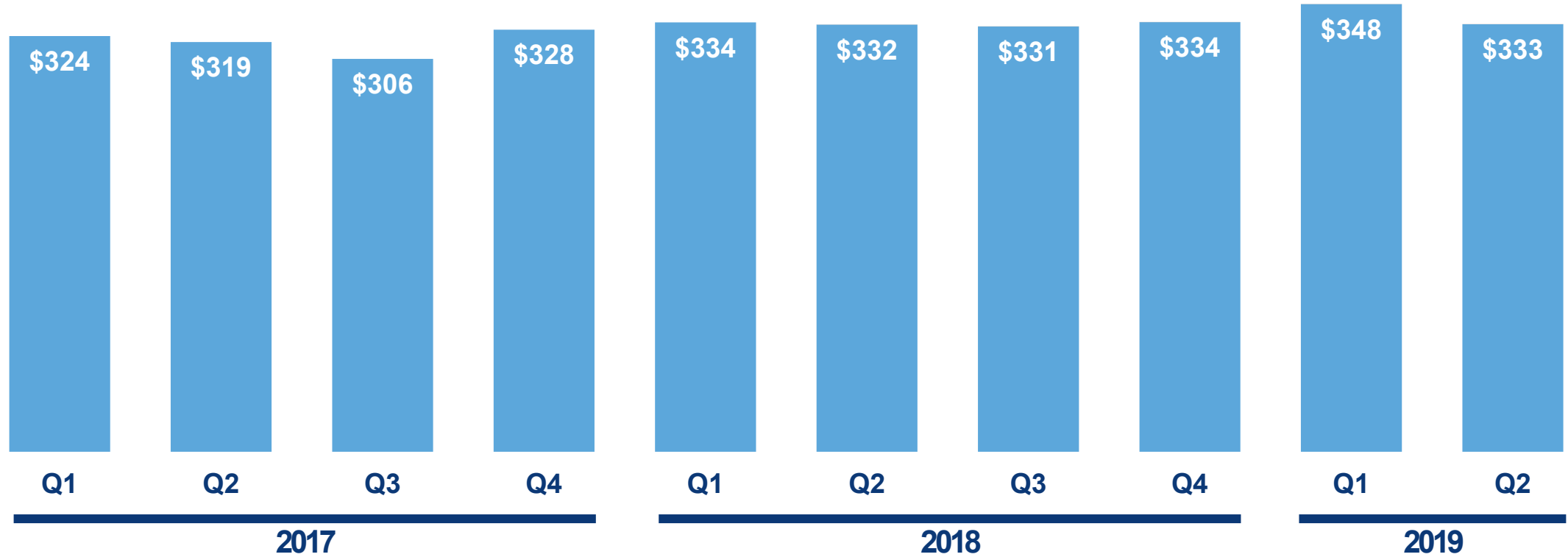
# UNITS

(thousands)



Y/Y Growth:	6%	7%	1%	0%
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# MONETIZATION

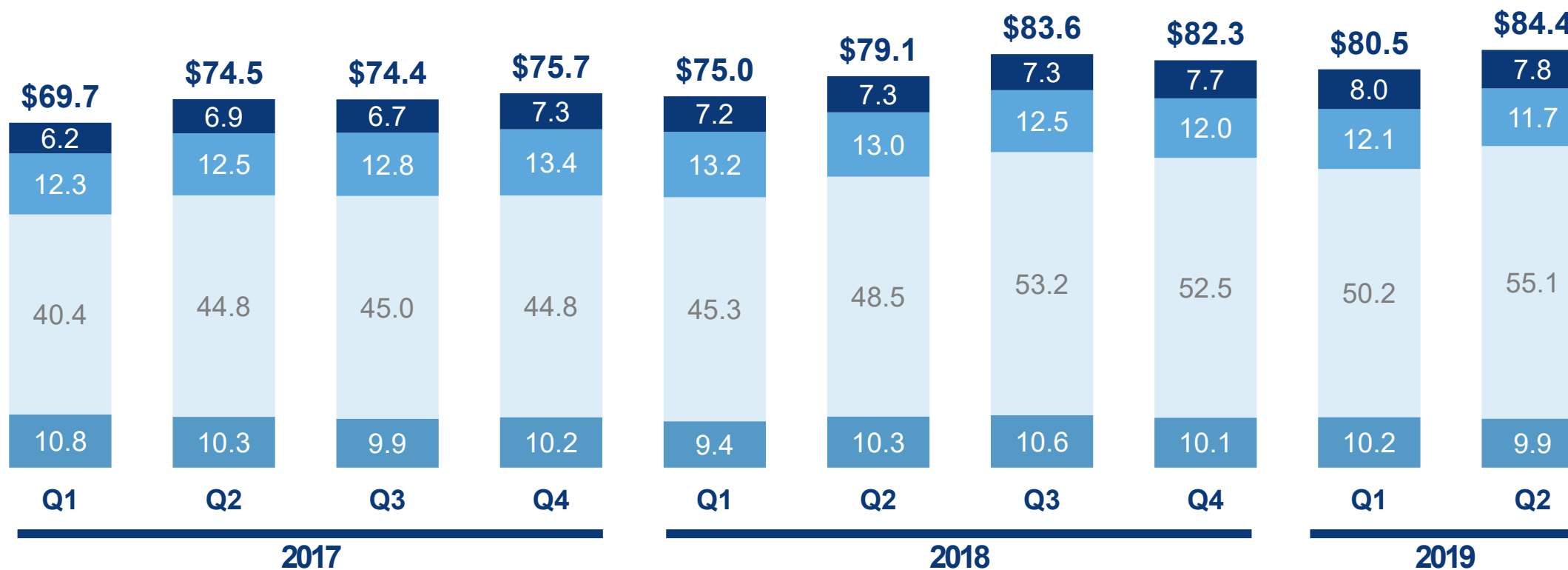


# NON-GAAP EXPENSES (1)

## EXPENSES

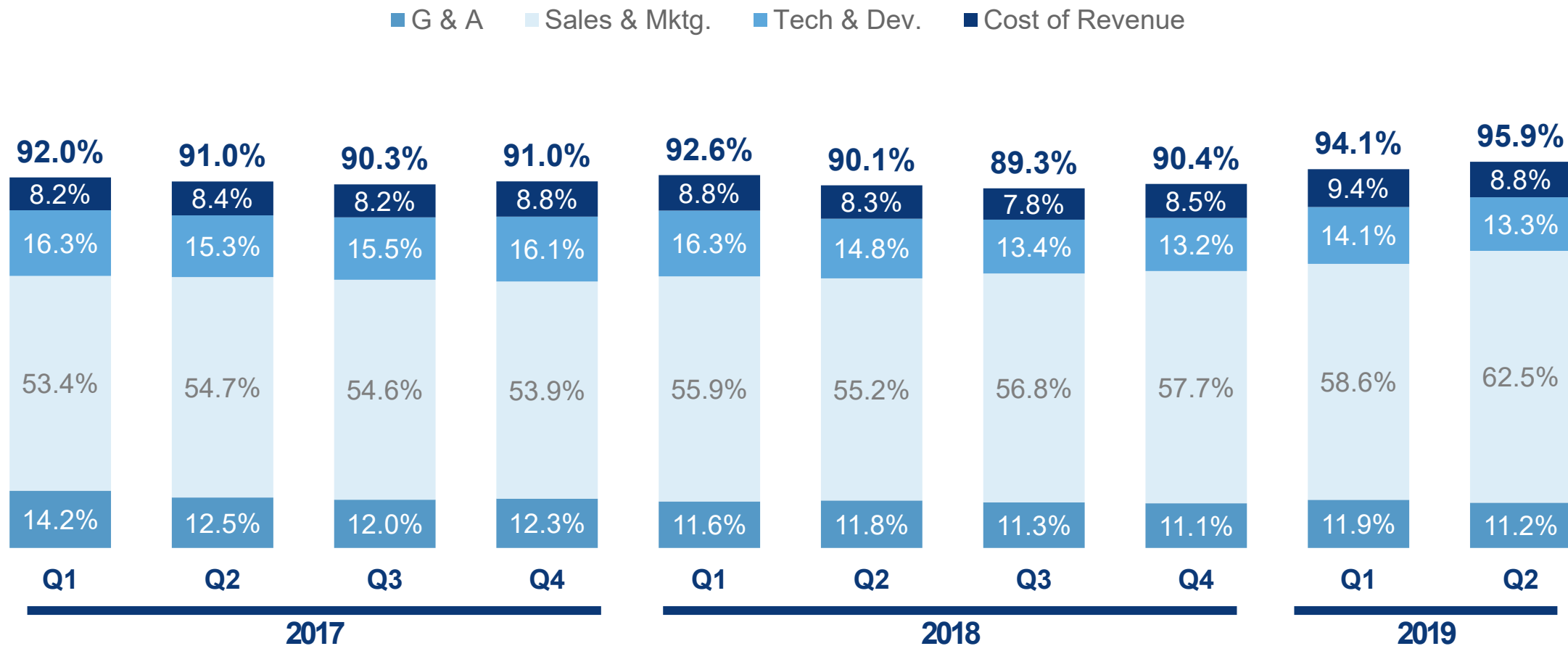
(\$ in millions)

■ G & A   ■ Sales & Mktg.   ■ Tech & Dev.   ■ Cost of Revenue



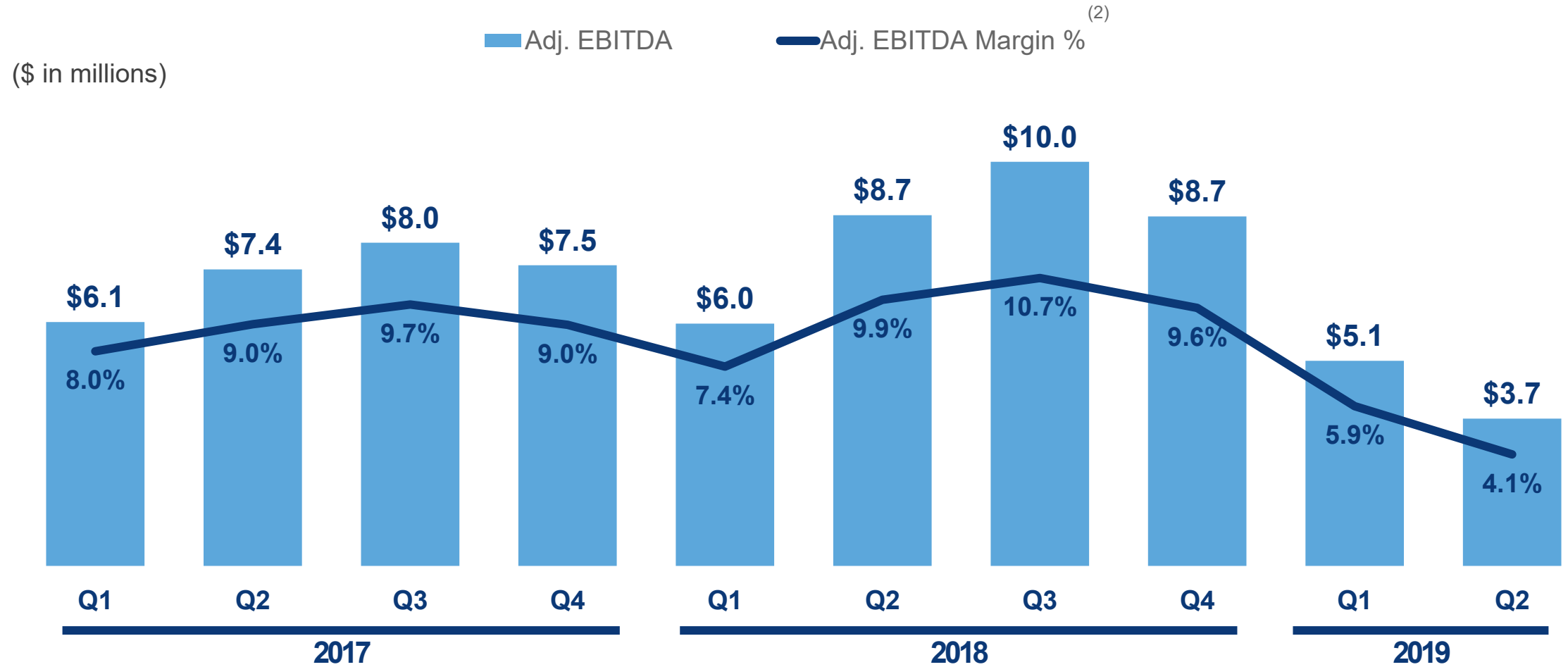
(1) See the reconciliation of GAAP expenses to Non-GAAP expenses on page 18.

# NON-GAAP EXPENSES AS A PERCENTAGE OF REVENUE (1)



(1) See the reconciliation of GAAP expenses to Non-GAAP expenses on page 18.

# ADJUSTED EBITDA (1)



(1) See the reconciliation of GAAP net loss to Adjusted EBITDA on page 17.

(2) Adjusted EBITDA margin is a Non-GAAP financial measure, calculated as Adjusted EBITDA divided by total revenue.

# Q3 2019 OUTLOOK

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	Low	High
<b>Revenue</b>	\$87.0M	\$89.0M
<b>Adjusted EBITDA <sup>(1)</sup></b>	\$1.0M	\$3.0M

<sup>(1)</sup> We are unable to provide reconciliations of forward-looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability in amount and timing of stock-based compensation, certain transaction expenses and certain litigation costs, which are reconciling items between GAAP net (loss) income and Adjusted EBITDA and could significantly impact GAAP results.

# 2019 OUTLOOK

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	Low	High
<b>Revenue</b>	\$345.0M	\$350.0M
<b>Adjusted EBITDA <sup>(1)</sup></b>	\$10.0M	\$14.0M

<sup>(1)</sup> We are unable to provide reconciliations of forward-looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability in amount and timing of stock-based compensation, certain transaction expenses and certain litigation costs, which are reconciling items between GAAP net (loss) income and Adjusted EBITDA and could significantly impact GAAP results.

# APPENDIX





# RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY 2017	3 Months Ended				FY 2018	3 Months Ended	
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,
	2017					2018				2018	2019	
<b>Reconciliation of Net Loss to Adjusted EBITDA:</b>												
Net loss	\$ (6,795)	\$ (8,060)	\$ (9,519)	\$ (8,475)	\$ (32,849)	\$ (9,055)	\$ (6,622)	\$ (6,251)	\$ (6,393)	\$ (28,321)	\$ (14,365)	\$ (24,060)
Interest income	(133)	(249)	(402)	(476)	(1,260)	(604)	(750)	(888)	(1,072)	(3,314)	(1,001)	(966)
Interest expense	649	652	654	655	2,610	661	662	662	664	2,649	-	-
Depreciation and amortization	6,084	5,668	5,765	4,955	22,472	5,175	5,641	5,992	5,869	22,677	6,415	6,767
Stock-based compensation <sup>(1)</sup>	5,907	6,846	9,908	9,580	32,241	9,097	8,972	10,247	8,903	37,219	8,635	15,556
Share of net loss of equity method investment	-	-	-	-	-	-	-	-	-	-	-	273
Warrant expense	-	-	-	-	-	-	-	-	-	-	-	-
Certain litigation costs <sup>(2)</sup>	350	2,299	1,491	3,827	7,967	799	862	335	161	2,157	928	351
Executive departure costs <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	4,681
Restructuring charges <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-	3,280	-
Transaction costs <sup>(5)</sup>	-	-	-	-	-	-	-	-	620	620	1,094	832
Change in the fair value of contingent consideration	-	-	-	-	-	-	-	-	-	-	-	150
Lease exit costs <sup>(6)</sup>	(133)	-	-	-	(133)	-	-	-	-	-	-	-
Provision for / (benefit from) income taxes	121	201	121	(2,607)	(2,164)	(61)	(35)	(72)	(9)	(177)	101	69
<b>Adjusted EBITDA</b>	<b>\$ 6,050</b>	<b>\$ 7,357</b>	<b>\$ 8,018</b>	<b>\$ 7,459</b>	<b>\$ 28,884</b>	<b>\$ 6,012</b>	<b>\$ 8,730</b>	<b>\$ 10,025</b>	<b>\$ 8,743</b>	<b>\$ 33,510</b>	<b>\$ 5,087</b>	<b>\$ 3,653</b>

(1) The excluded amounts include stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer of \$4.6 million in the second quarter of 2019, as well as related recruiting fees of \$0.1 million for the search for a new chief executive officer. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results. We expect to incur an additional \$0.4 million in executive recruiting fees in the second half of 2019.

(4) The excluded amounts represent charges associated with a restructuring plan initiated and completed in the first quarter of 2019 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of comprehensive loss. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

(6) The excluded amounts represent updates to the initial estimate of our lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

# RECONCILIATION OF GAAP EXPENSES TO NON-GAAP EXPENSES (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY	3 Months Ended				FY	3 Months Ended	
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,		2018	Mar 31,
	2017				2017	2018				2018	2019	
<b>Reconciliation of GAAP Expenses to Non-GAAP Expenses:</b>												
Cost of revenue, as reported	6,392	7,130	7,088	7,617	28,227	7,452	7,752	7,737	8,213	31,154	8,936	8,332
Stock-based compensation	203	233	339	330	1,105	298	443	469	516	1,726	499	553
Restructuring charges <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	395	-
<b>Non-GAAP cost of revenue</b>	<b>\$ 6,189</b>	<b>\$ 6,897</b>	<b>\$ 6,749</b>	<b>\$ 7,287</b>	<b>\$ 27,122</b>	<b>\$ 7,154</b>	<b>\$ 7,309</b>	<b>\$ 7,268</b>	<b>\$ 7,697</b>	<b>\$ 29,428</b>	<b>\$ 8,042</b>	<b>\$ 7,779</b>
Sales and marketing, as reported	42,182	46,933	48,383	47,899	185,397	48,418	52,014	57,031	55,952	213,415	54,738	60,233
Stock-based compensation <sup>(1)</sup>	1,745	2,160	3,358	3,090	10,353	3,127	3,543	3,852	3,428	13,950	3,472	4,716
Warrant expense	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring charges <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	1,116	-
Executive departure costs <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	434
<b>Non-GAAP sales and marketing</b>	<b>\$ 40,437</b>	<b>\$ 44,773</b>	<b>\$ 45,025</b>	<b>\$ 44,809</b>	<b>\$ 175,044</b>	<b>\$ 45,291</b>	<b>\$ 48,471</b>	<b>\$ 53,179</b>	<b>\$ 52,524</b>	<b>\$ 199,465</b>	<b>\$ 50,150</b>	<b>\$ 55,083</b>
Technology and development, as reported	13,629	14,131	15,357	15,953	59,070	15,594	15,694	15,345	14,715	61,348	15,654	16,045
Stock-based compensation <sup>(1)</sup>	1,298	1,600	2,598	2,564	8,060	2,353	2,698	2,829	2,709	10,589	1,946	3,463
Restructuring charges <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	1,629	-
Executive departure costs <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	911
<b>Non-GAAP technology and development</b>	<b>\$ 12,331</b>	<b>\$ 12,531</b>	<b>\$ 12,759</b>	<b>\$ 13,389</b>	<b>\$ 51,010</b>	<b>\$ 13,241</b>	<b>\$ 12,996</b>	<b>\$ 12,516</b>	<b>\$ 12,006</b>	<b>\$ 50,759</b>	<b>\$ 12,079</b>	<b>\$ 11,671</b>
General and administrative, as reported	13,628	15,413	14,993	17,612	61,646	13,481	13,494	14,030	13,135	54,140	15,104	21,382
Stock-based compensation <sup>(1)</sup>	2,661	2,853	3,613	3,596	12,723	3,319	2,288	3,097	2,250	10,954	2,718	6,824
Restructuring charges <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	140	-
Executive departure costs <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	3,336
Certain litigation costs <sup>(4)</sup>	350	2,299	1,491	3,827	7,967	799	862	335	161	2,157	928	351
Lease exit costs <sup>(5)</sup>	(133)	-	-	-	(133)	-	-	-	-	-	-	-
Transaction costs <sup>(6)</sup>	-	-	-	-	-	-	-	-	620	620	1,094	832
Change in the fair value of contingent consideration	-	-	-	-	-	-	-	-	-	-	-	150
<b>Non-GAAP general and administrative</b>	<b>\$ 10,750</b>	<b>\$ 10,261</b>	<b>\$ 9,889</b>	<b>\$ 10,189</b>	<b>\$ 41,089</b>	<b>\$ 9,363</b>	<b>\$ 10,344</b>	<b>\$ 10,598</b>	<b>\$ 10,104</b>	<b>\$ 40,409</b>	<b>\$ 10,224</b>	<b>\$ 9,889</b>

(1) The excluded amounts include stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts represent charges associated with a restructuring plan initiated and completed in the first quarter of 2019 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer of \$4.6 million in the second quarter of 2019, as well as related recruiting fees of \$0.1 million for the search for a new chief executive officer. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results. We expect to incur an additional \$0.4 million in executive recruiting fees in the second half of 2019.

(4) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(5) The excluded amounts represent updates to the initial estimate of our lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

(6) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of comprehensive loss. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

# RECONCILIATION OF NET LOSS TO NON-GAAP NET (LOSS) INCOME (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY 2017	3 Months Ended				FY 2018	3 Months Ended	
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,
	2017					2018				2019		
<b>Reconciliation of GAAP Net Loss to Non-GAAP Net (Loss) Income :</b>												
Net loss, as reported	\$ (6,795)	\$ (8,060)	\$ (9,519)	\$ (8,475)	\$ (32,849)	\$ (9,055)	\$ (6,622)	\$ (6,251)	\$ (6,393)	\$ (28,321)	\$ (14,365)	\$ (24,060)
Stock-based compensation <sup>(1)</sup>	5,907	6,846	9,908	9,580	32,241	9,097	8,972	10,247	8,903	37,219	8,635	15,556
Loss from equity method investment	-	-	-	-	-	-	-	-	-	-	-	273
Warrant expense	-	-	-	-	-	-	-	-	-	-	-	-
Certain litigation costs <sup>(2)</sup>	350	2,299	1,491	3,827	7,967	799	862	335	161	2,157	928	351
Executive departure costs <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	4,681
Restructuring charges <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-	3,280	-
Transaction costs <sup>(5)</sup>	-	-	-	-	-	-	-	-	620	620	1,094	832
Change in the fair value of contingent consideration	-	-	-	-	-	-	-	-	-	-	-	150
Lease exit costs <sup>(6)</sup>	(133)	-	-	-	(133)	-	-	-	-	-	-	-
<b>Non-GAAP net (loss) income <sup>(7)</sup></b>	<b>\$ (671)</b>	<b>\$ 1,085</b>	<b>\$ 1,880</b>	<b>\$ 4,932</b>	<b>\$ 7,226</b>	<b>\$ 841</b>	<b>\$ 3,212</b>	<b>\$ 4,331</b>	<b>\$ 3,291</b>	<b>\$ 11,675</b>	<b>\$ (428)</b>	<b>\$ (2,217)</b>
Basic shares for non-GAAP EPS	86,783	93,745	98,665	100,081	94,865	100,571	101,150	102,765	104,065	102,149	104,788	105,485
Diluted shares for non-GAAP EPS	86,783	103,265	105,751	103,645	99,923	100,301	102,771	105,747	105,945	104,378	104,788	105,485
Non-GAAP net (loss) income per share - basic	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.08	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.11	\$ (0.00)	\$ (0.02)
Non-GAAP net (loss) income per share - diluted	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.07	\$ 0.01	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.11	\$ (0.00)	\$ (0.02)

(1) Includes stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer of \$4.6 million in the second quarter of 2019, as well as related recruiting fees of \$0.1 million for the search for a new chief executive officer. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results. We expect to incur an additional \$0.4 million in executive recruiting fees in the second half of 2019.

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(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of comprehensive loss. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

(6) The excluded amounts represent updates to the initial estimate of our lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

(7) There is no income tax impact related to the adjustments made to calculate Non-GAAP net (loss) income because of our available net operating loss carryforwards and the full valuation allowance recorded against our net deferred tax assets for all periods shown.