



Automobile Digital Disruption
NASDAQ: CARG

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Investment Thesis



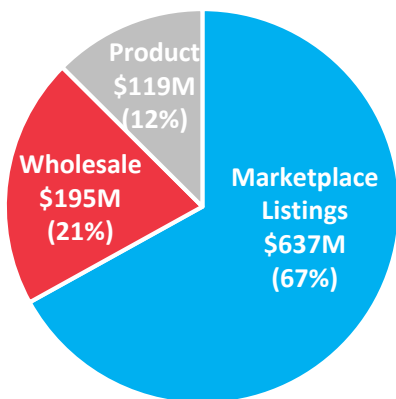
Long CarGurus (CARG): A 25% 5Y IRR Opportunity

CarGurus operates the largest online automotive marketplace by site visits and car inventory in the United States

Business Snapshot

- **Consumers** use CARG to identify and evaluate car prospects, purchase or sell vehicles, and finance transactions online
- **Dealers** use CARG to advertise and sell existing stock, or acquire new inventory, with nationwide reach
- Business Segments:
 1. **Marketplace Division:** Vehicle listings platform, providing tools for dealers to manage inventory and generate consumer leads
 2. **Wholesale Division (CarOffer):** Facilitates vehicle sales from Dealer-to-Dealer
 3. **Product Division (CarOffer):** Facilitates vehicle sales from Consumer-to-Dealer conducted via online auction

Revenue Breakdown (FY21)



Financial Overview ⁽¹⁾

Current Trading (USDm)

Share Price	35.34	52 Week (Low/High)	23.15-50.03
Market Capitalization	4,172.4	Enterprise Value	4,084.0
Gross Debt	70.7	Cash	321.9
Net Debt	(251.2)	Minority Interest	162.8

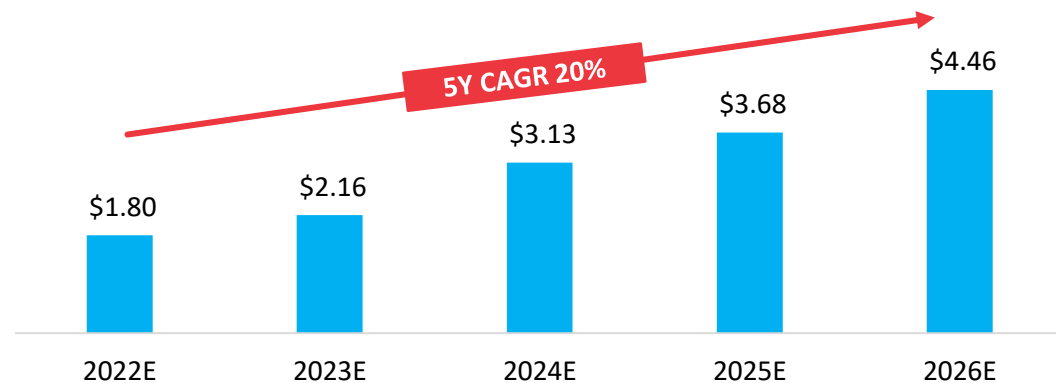
Trailing Multiples

Revenue (FY21)	951.4	EV/Revenue (FY21)	4.3x
EBITDA (FY21)	186.1	EV/EBITDA (FY21)	21.9x

Forward Multiples

Revenue (FY22)	1,884.3	EV/Revenue (FY22)	2.2x
EBITDA (FY22)	271.0	EV/EBITDA (FY22)	15.1x

EPS Growth



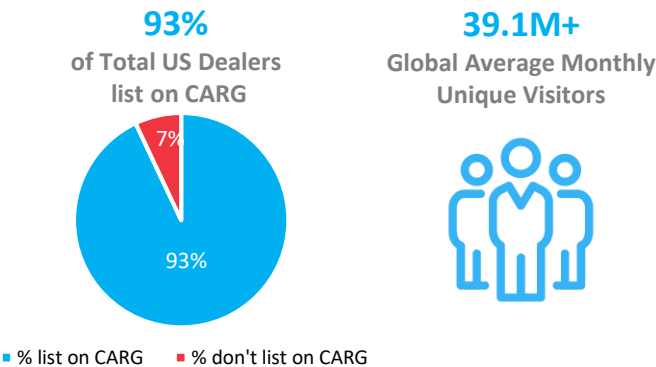
CarGurus has downside protection from its legacy marketplace business, and upside potential from their new Dealer-to-Dealer (Wholesale) and Dealer-to-Consumer (Product) businesses

Investment Thesis: Why Buy CARG Now?

CARG combines downside protection from a stable legacy business with growth potential into new markets

1 Brand Equity

The largest online automotive marketplace in the U.S.



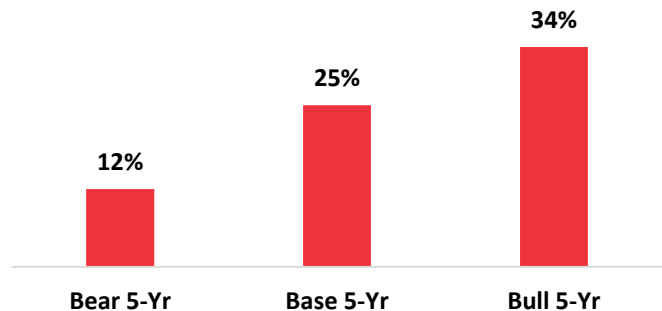
2 Network Effects

Driven by superior scale, vehicles listed on CARG sell **16% faster than Autotrader** and **22% faster than Cars.com**



3 Attractive Valuation

IRR metrics projections position CARG as an appealing investment opportunity



4 Market Expansion

Large, fragmented Total Addressable Markets (TAM) undergoing digital transformation, covering both wholesale and retail channels



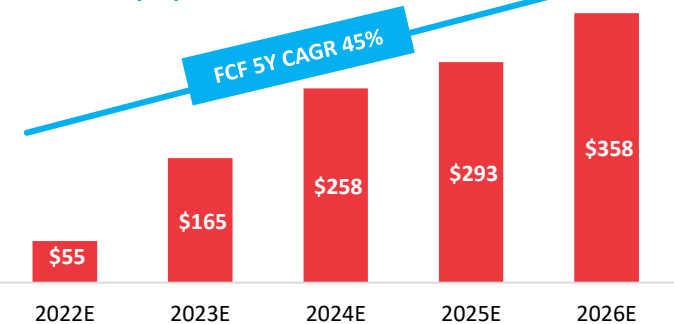
5 “Down-The-Funnel” Integration

CarOffer propels the business beyond lead-generation, positioning the business “down the funnel” to capture value at the point of sale



6 Growth Profile

Growing recurring revenues and operating leverage are projected to drive consistent Free Cash Flow growth at **45% CAGR (5Y)**

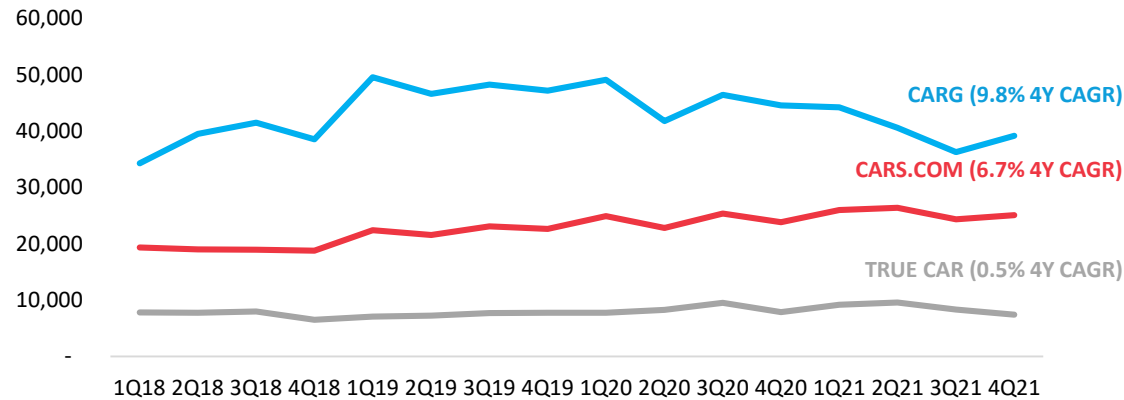


1 Brand Equity: Marketplace Dominance

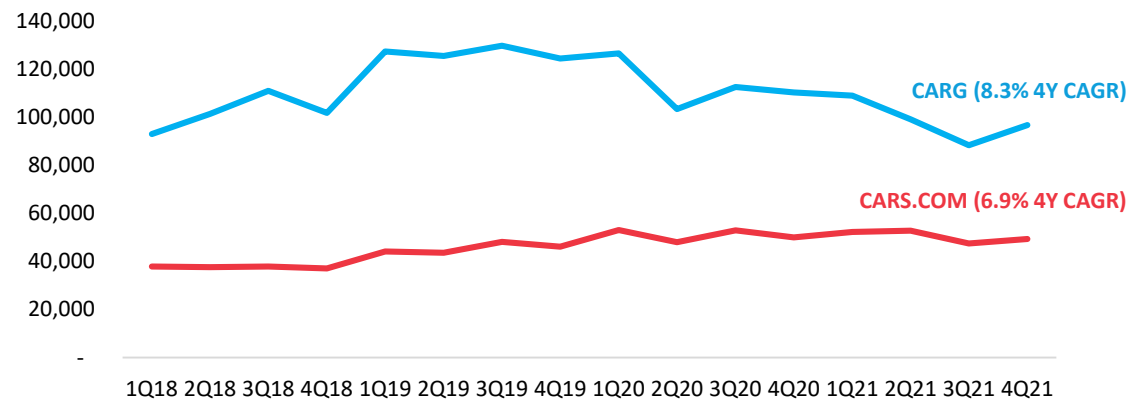
CarGurus generates more users, traffic, and converts more leads than sector peers

Consumers

Average Monthly Unique Visitors (000s) ⁽¹⁾

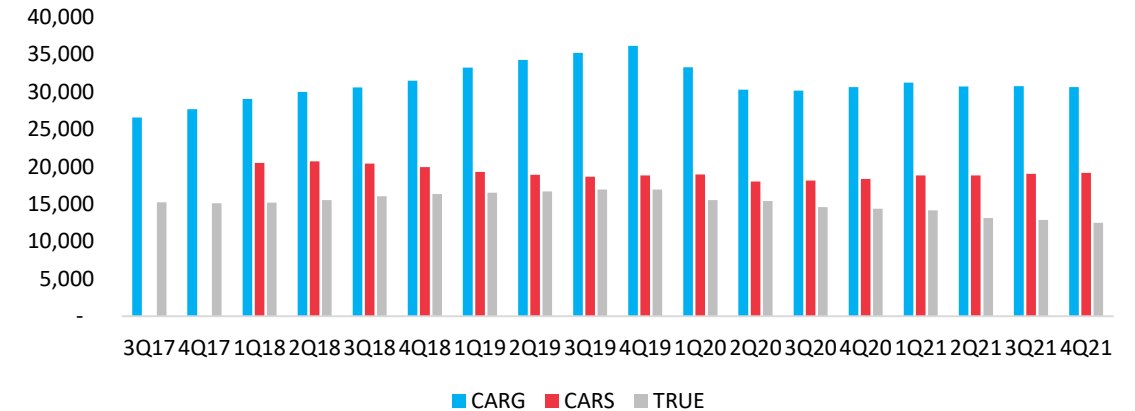


Traffic (000s) ^(1,2)

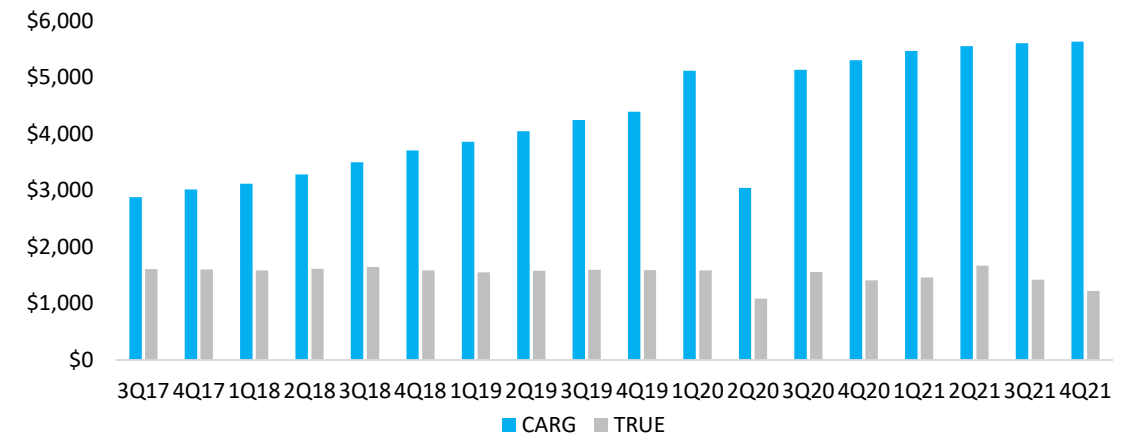


Dealers

Number of Paying Dealers



Subscription Revenue Per Dealer (Quarterly Average)



Notes: (1) CARS does not have FY17 metrics
(2) TRUE does not release traffic statistics
Sources: Company filings (CARG, CARS, TRUE)

2 Network Effects: Defensive Qualities Driven By Scale

Powerful network effects with engaged consumers and sticky dealers create a formidable business moat



- ✓ **Depth of buyer pool** – under Instant Max Car Offer (IMCO), dealers bid against each other in auction format to secure consumers' listed vehicles for sale (preferred to bilateral transaction)
- ✓ **Value maximization** – consumers benefit from competitive tension created by CARG's deep dealer network to achieve highest selling price
- ✓ **Predictive data analytics assisting customer decisions** – large historical data sets provides transparency on expected vehicle pricing and dealer ratings, assisting consumers with tools for purchase/sale decisions
- ✓ **Low barriers to adoption** – consumers not charged to access the platform

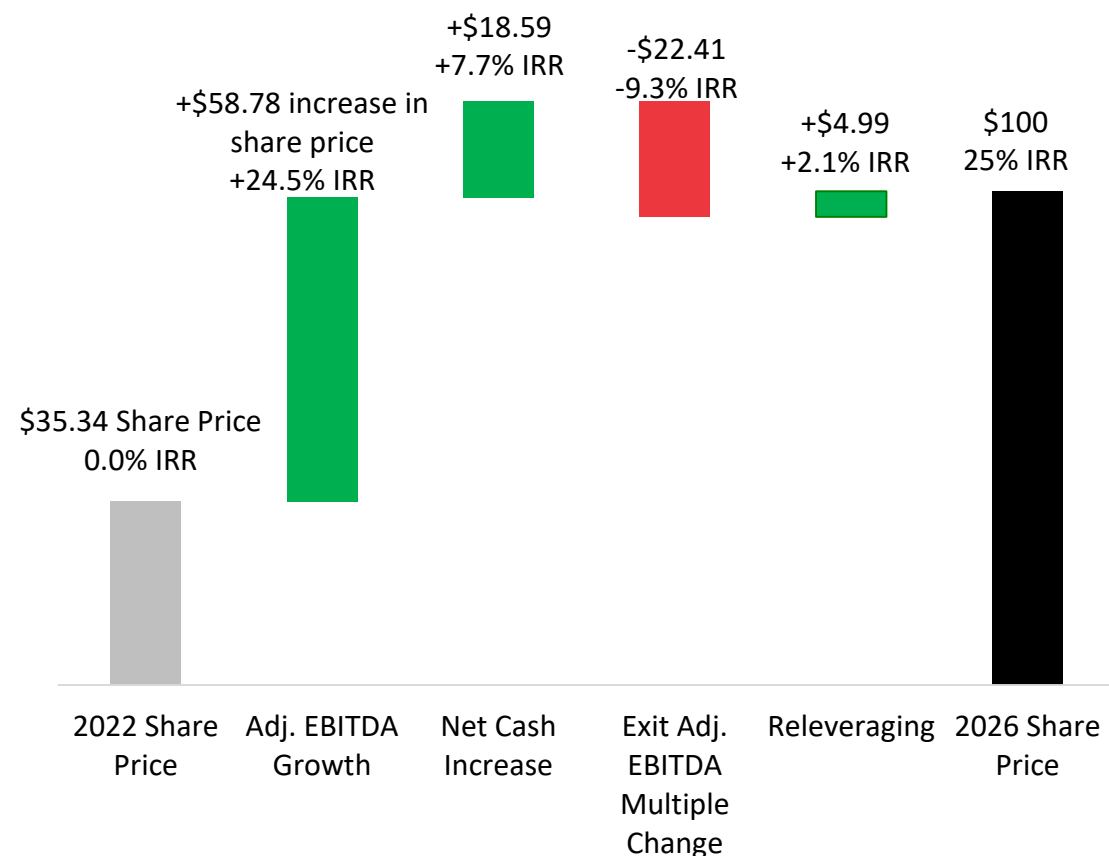
- ✓ **Improved lead generation** – facilitates access to both Dealer-to-Dealer (D2D) and Dealer-to-Consumer (D2C) transactions
- ✓ **Additional channel to source inventory or sell stock** – CarOffer positions dealers to better compete against digitally-native platforms
- ✓ **Low barriers to adoption** – for CarOffer, dealers face no upfront fees and only pay when they transact
- ✓ **Switching costs and user retention** – for CarGurus's core platform, dealer subscription fees represent a barrier to discourage use of competing platforms

CARG's marketplace platform features powerful double-sided network effects – dealers are incentivized to pay subscriptions to access CARG's base of over 39m unique monthly users, who benefit from an increasing number of dealer listings and bids, stimulating dual sources of growth

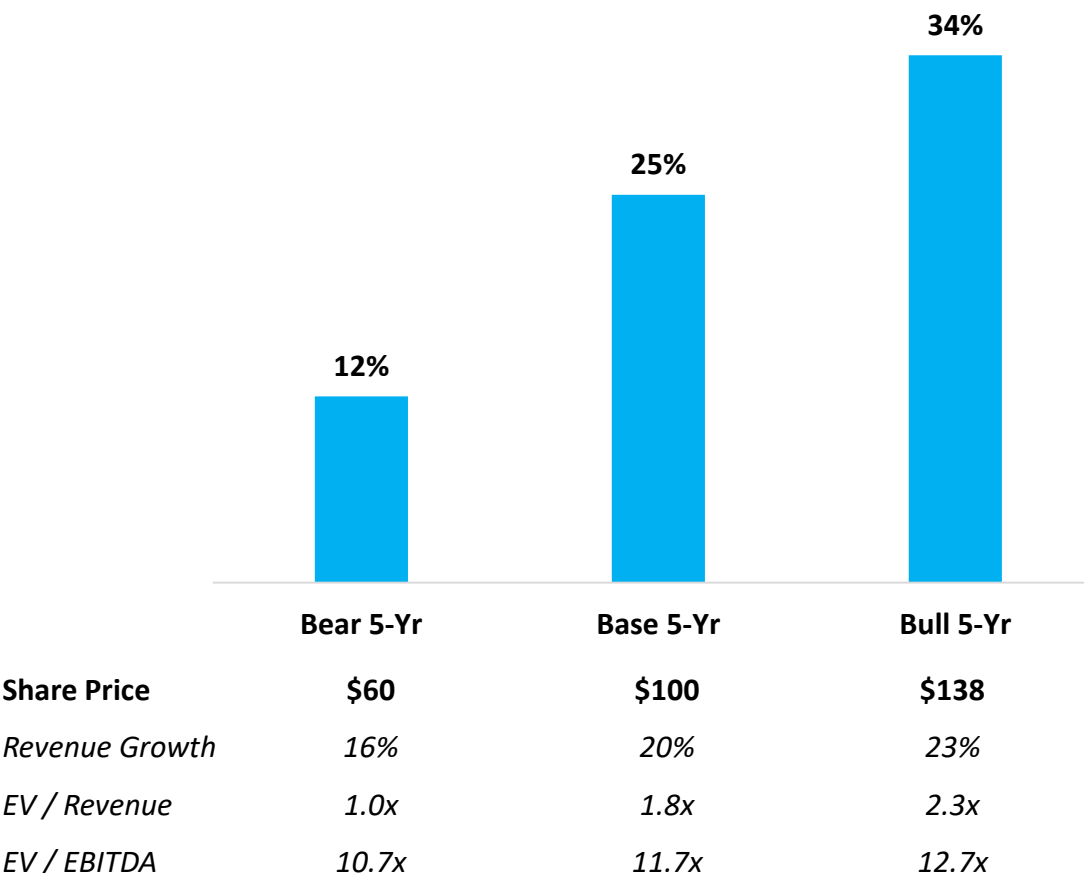
3 Attractive Valuation: A 25% 5Y IRR Opportunity

Compelling return metrics, led by top-line expansion across core markets and new products

IRR Bridge








IRR Targets – Case Comparison



3 Attractive Valuation: Sum-of-The-Parts (SOTP)

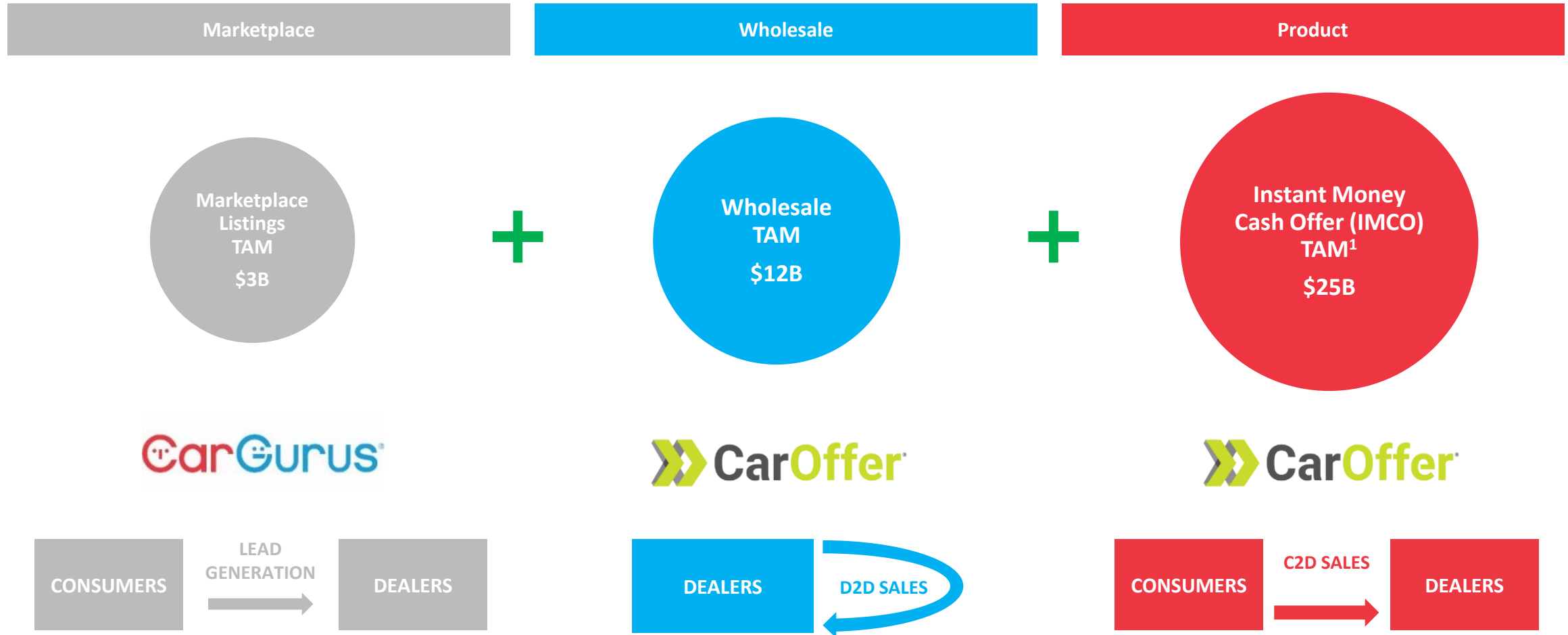
Market multiples for comparable competitors in each segment implies a stock price of \$58 (64% upside)

Marketplace			Wholesale			Product		
Valuation	(\$m)		Valuation	(\$m)		Valuation	(\$m)	
Revenue (2022E)	774		Revenue (2022E)	522		Revenue (2022E)	895	
Multiple: EV/Revenue	1.9x		Multiple: EV/Revenue	3.6x		Multiple: EV/Revenue	3.6x	
Segment Value	1,471		Segment Value	1,880		Segment Value	3,221	
Aggregate (SOTP)			Sensitivity Analysis					
Valuation	(\$m)		Projected Stock Price (SOTP)					
Enterprise Value (SOTP)	6,573							
(-) Gross Debt	71							
(+) Cash	232							
(+) Short-term Investments	90							
Equity Value	6,824							
Outstanding shares	118M							
Projected Stock Price	57.84							
Current Stock Price	35.34							
Upside (%)	64%							

Marketplace (EV/Revenue)						
	1.40x	1.65x	1.90x	2.15x	2.40x	
Wholesale & Product (EV/Revenue)	3.10x	\$48.55	\$50.19	\$51.83	\$53.47	\$55.11
	3.35x	\$51.55	\$53.19	\$54.83	\$56.47	\$58.11
	3.60x	\$54.55	\$56.19	\$57.84	\$59.48	\$61.12
	3.85x	\$57.56	\$59.20	\$60.84	\$62.48	\$64.12
	4.10x	\$60.56	\$62.20	\$63.84	\$65.48	\$67.12

4 Market Expansion: Growth into New Total Addressable Markets

CarOffer provides entry into significantly larger TAM opportunities with high growth prospects

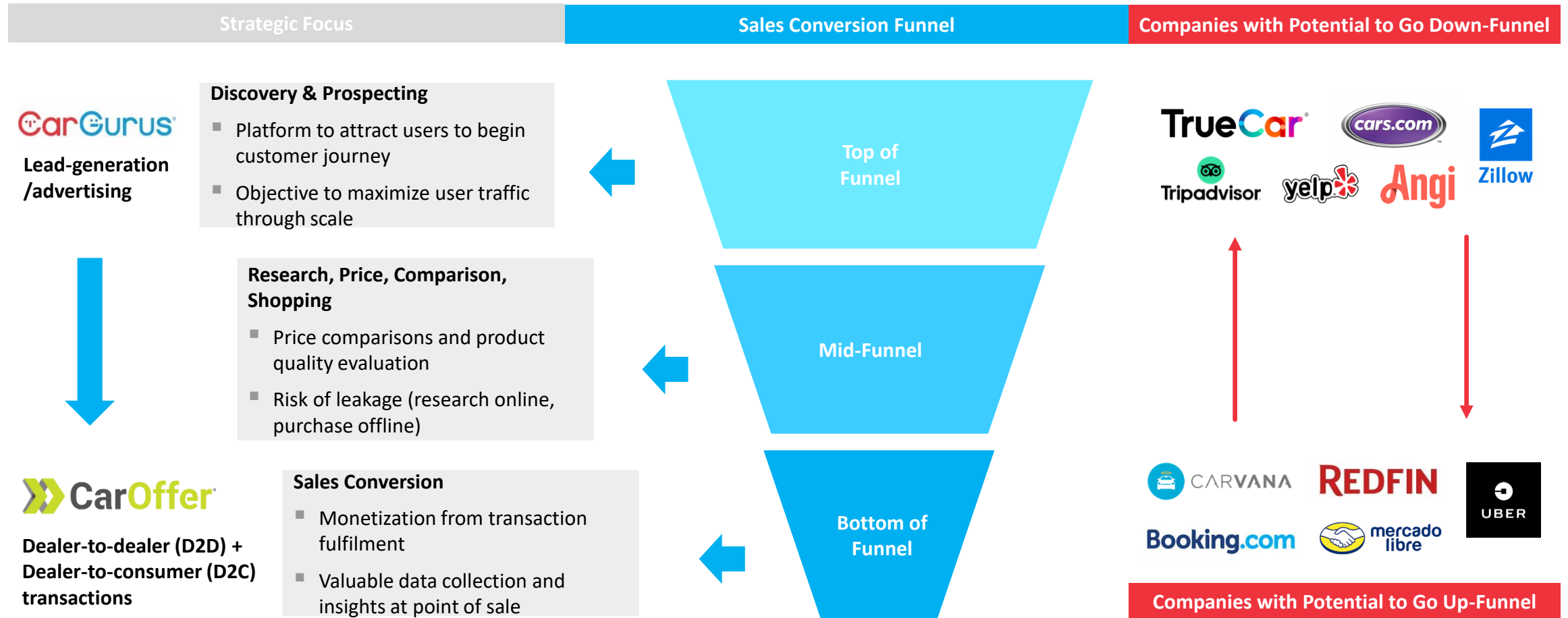


Notes: (1) Management guided \$450B TAM in IMCO and \$800B TAM in digital retail (excluded in this presentation) on a gross basis. Assuming 40M used vehicles sold per year according to Bureau of Transportation, if 50% of these vehicles in the long run are acquired through instant appraisal channels, IMCO revenue can reach \$25B including \$275 transaction fee, transportation and inspection fees. Management said that they were "in early innings launching pilots of Digital Retail components."

Sources: Investor relations meeting notes, Company filings

5 “Down The Funnel” Integration: Strengthening Dealer Value Proposition

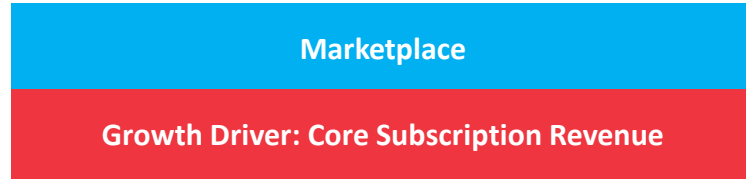
CarGurus no longer a solely top-of-funnel advertising/lead-gen business model



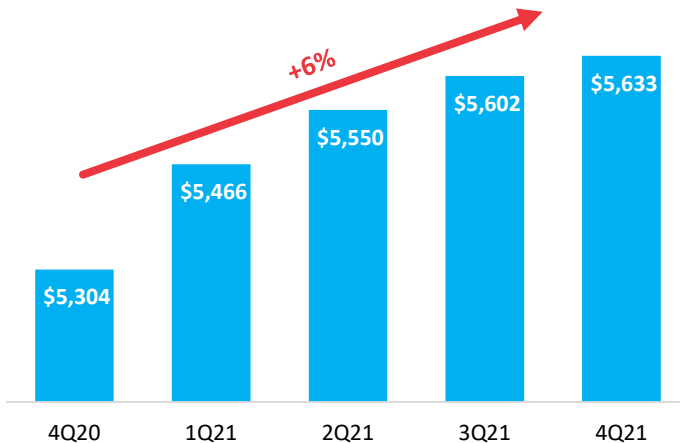
Moving “down the funnel” provides end-users with deeper involvement in the transaction process and strengthens value proposition to dealers with clearer value attribution beyond core lead generation. Through the acquisition of CarOffer, CARG complements its legacy lead generation business with a dealer-to-dealer marketplace, offering end-to-end digital capabilities and a path to transaction fulfilment for consumers and dealers.

6 Growth Profile: Financial Levers

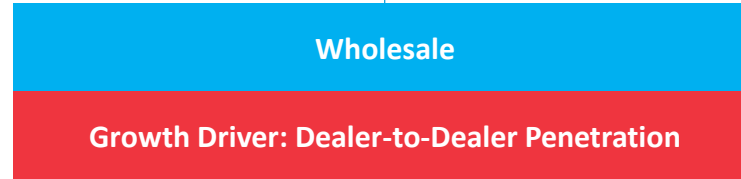
CARG is progressing multiple avenues for expansion across current users, adjacent markets and new products



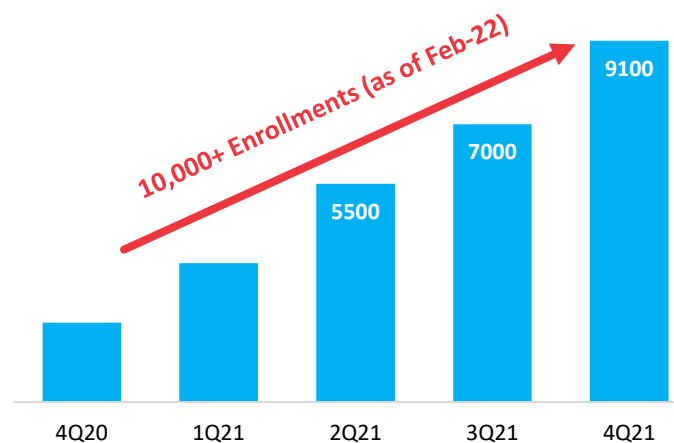
Growing Revenue Per Dealer (\$)¹



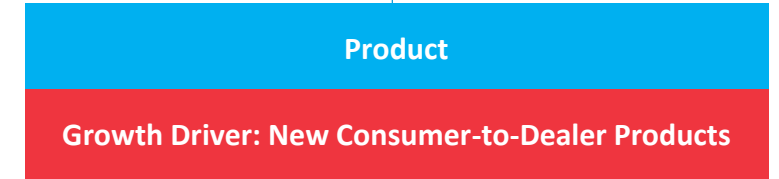
Monetizing existing user base of dealers, secured through contracted subscriptions



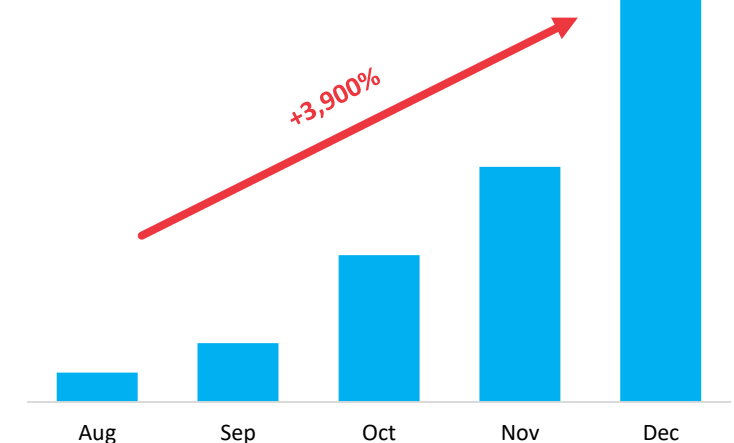
Rising Dealer Rooftop Enrollments (#)²



Push into new TAM of wholesale D2D transactions, with high-conviction to increase market share



Increasing Monthly Transactions (#)



Recent product launches (e.g. Instant Max Cash Offer) with strong uptake, improving C2D market positioning

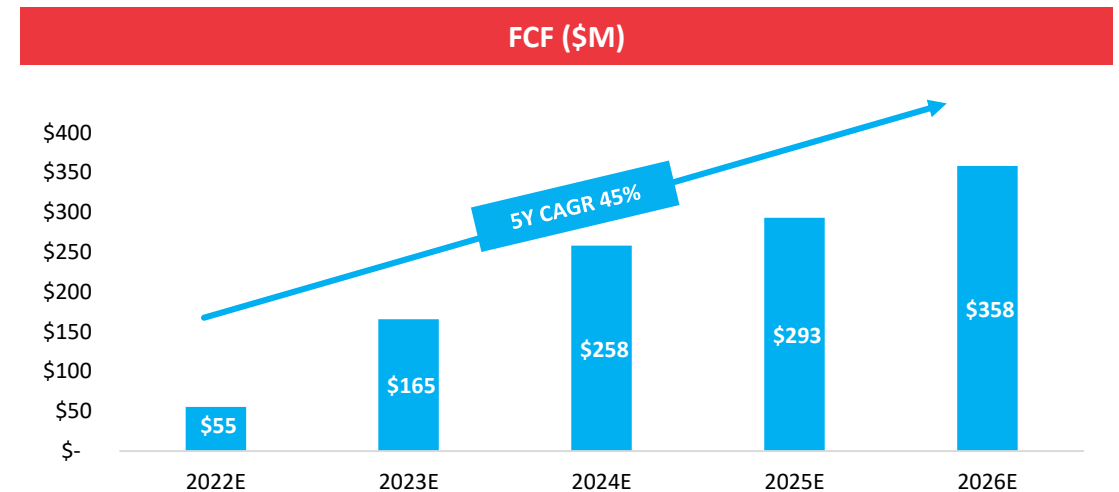
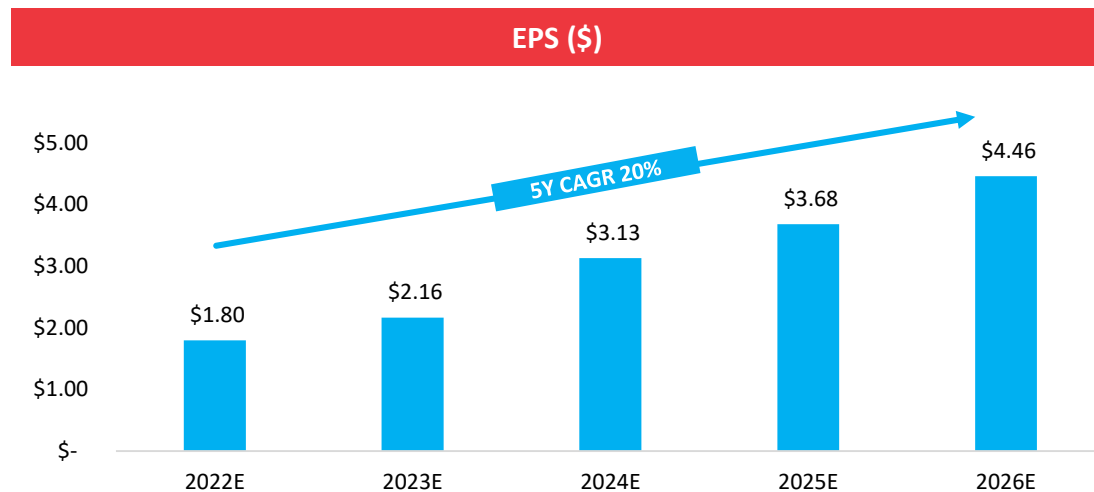
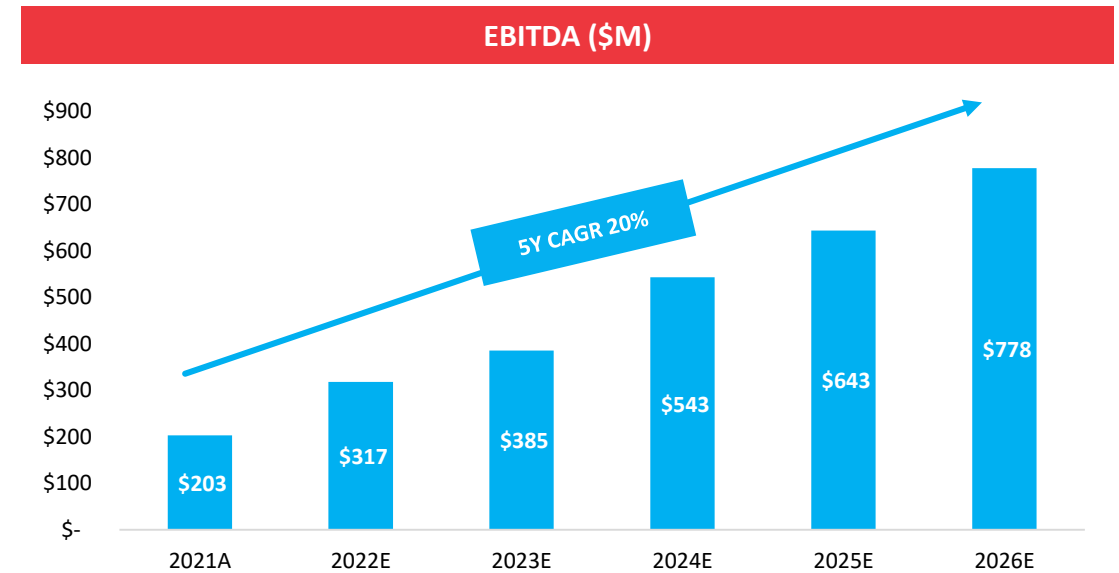
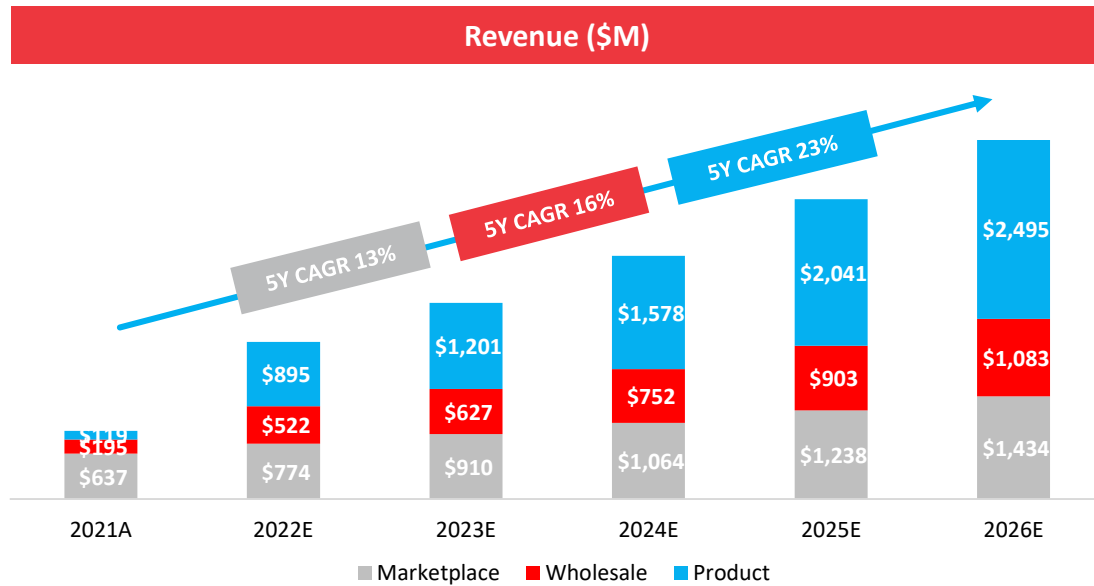
Note: (1) Quarterly Average Revenue per Subscribing Dealer (QARSD) for US marketplace subscription revenue

(2) Enrolled dealer rooftops on CarOffer platform

Sources: Company filings






6 Growth Profile: Financial Projections

We forecast material compounding growth, based on CARG's value-accretive strategic initiatives underway



Investment Disclosure: Risks & Mitigants

A high-quality business with wide business moat to mitigate potential risks

	Risk	Response
 Changes to Search Algorithms	Amendments to Google's algorithms may redirect organic internet traffic from CARG	<ul style="list-style-type: none"> ■ CARG's expansion "down the funnel" reduces its reliance on core-lead generation – the revenue stream most affected by changes to search and paid algorithms – and expands its exposure to e-commerce/transaction-related revenue streams ■ Premium brand awareness as the largest automotive shopping site in the US reduces dependence on search-led channels ■ Leadership team possess detailed knowledge of internet channels and methods to enhance adaptability, led by Founder Langley Steinert (former Chairman of TripAdvisor)
 Changes to Paid Algorithms	If Google chooses to enter similar markets, paid ads may be demoted below its own offerings	
 Dealer disintermediation (e.g. Carvana)	Disruptive business models reduces the role and commercial viability of dealerships	<ul style="list-style-type: none"> ■ Dealerships have demonstrated remarkable resilience, refuting predictions of their decline and defending their value-additive role and viability ■ CARG successfully navigated recent stress-tests in COVID-19 and car chip shortages without material declines in its dealer base – revenue per dealer actually grew, as the value of its platform in sourcing supply and connecting with buyers became more evident amid such events ■ Carvana relies on CARG (as well as AutoTrader.com and TrueCar.com) for generating leads to its listings – while its model will appeal to a subset of consumers preferring a digital-only transaction experience, the vast majority of the market continues to operate through dealerships, preferring to supplement improving digital convenience with in-person optionality
 Dealer closures or consolidations	Reduced number of dealers or lower dealer willingness to subscribe	
 ESG-transition reduces TAM	ESG factors such as decarbonization initiatives lower the number of vehicles in circulation, reducing the TAM	<ul style="list-style-type: none"> ■ Even if fewer private vehicle ownership declines which reduces the number of cars in circulation, the automotive sale/resale marketplace remains very highly fragmented – CARG has ample runway to grow from a low base through higher market share

Investment Summary

Downside protection from the core business with enormous growth potential from its D2D and D2C businesses



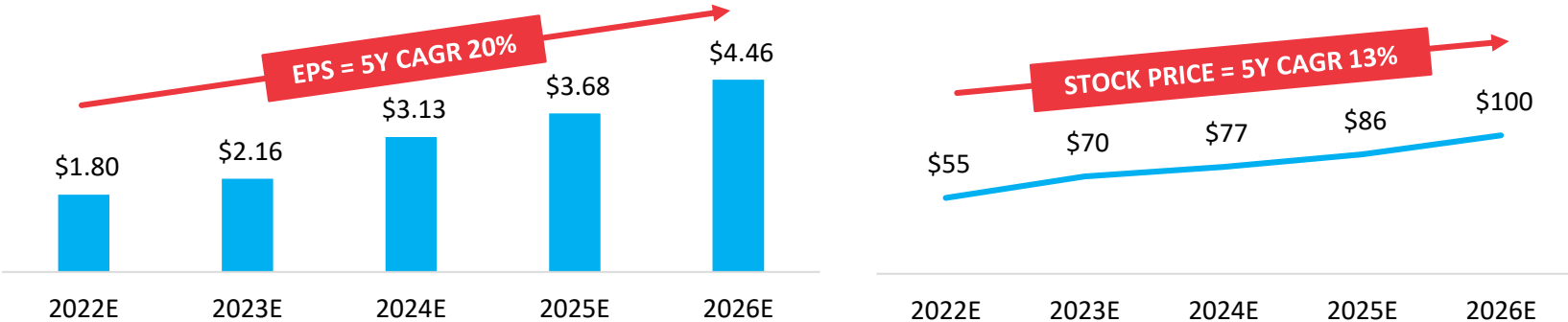
MARKET LEADERSHIP



TRANSFORMATIVE GROWTH



DISCOUNTED VALUATION



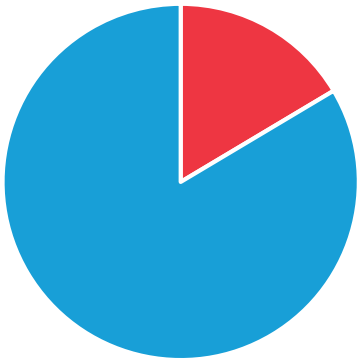
Industry Context



Market Opportunity

The automotive market is vast in scale, highly fragmented and undergoing digital disruption

SCALE



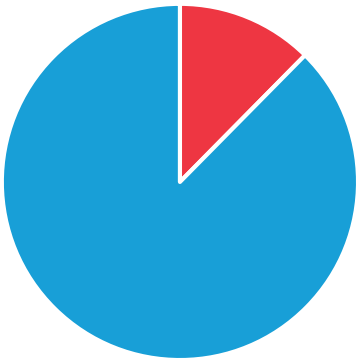
\$1.2 trillion

US sales in 2021

20%

of U.S. Retail Economy

FRAGMENTATION



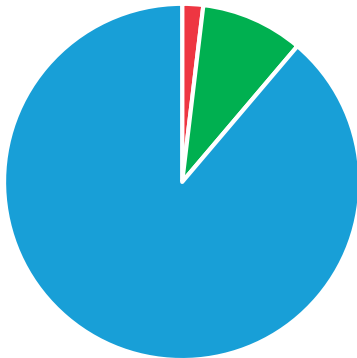
40.9 million

US used cars sold in 2021

289M

vehicles in the U.S.

DISRUPTION

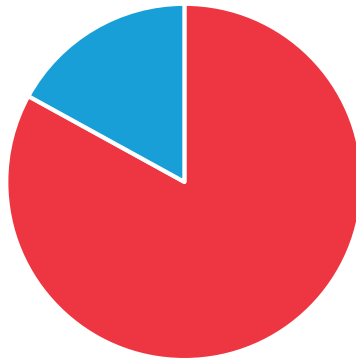


1.9%

US market share of largest
dealer brand

9.3%

Aggregate market share of top
100 used auto retailers



83%

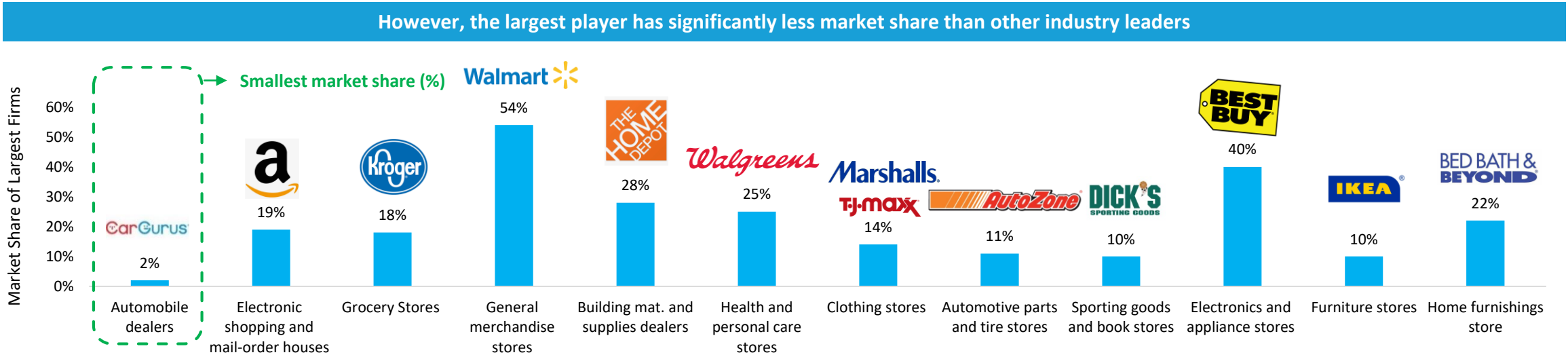
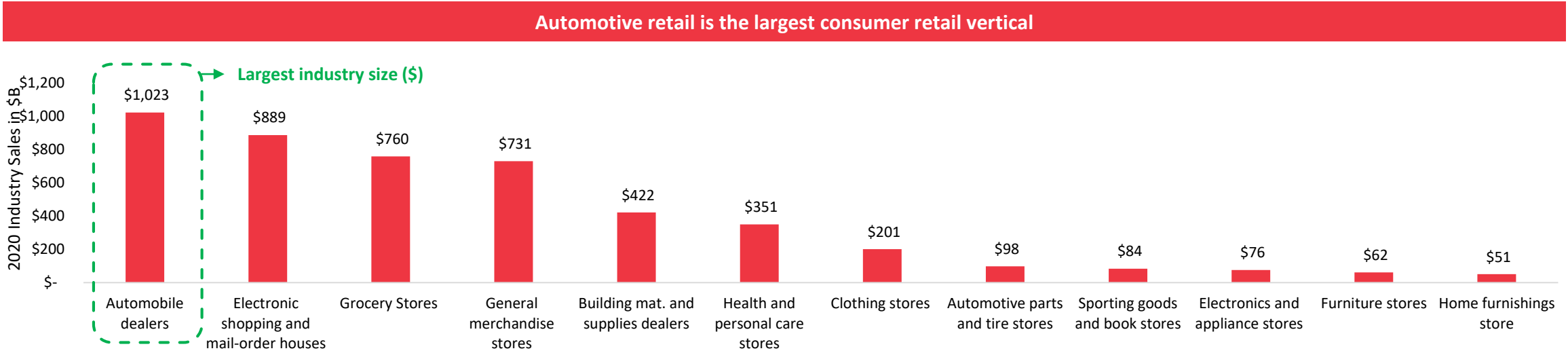
Prefer to do more of the car-
buying process from home

79%

of dealerships don't offer
real-time inventory online















Market Share Penetration

The online automotive market is highly fragmented, with significant space for CARG to grow market share

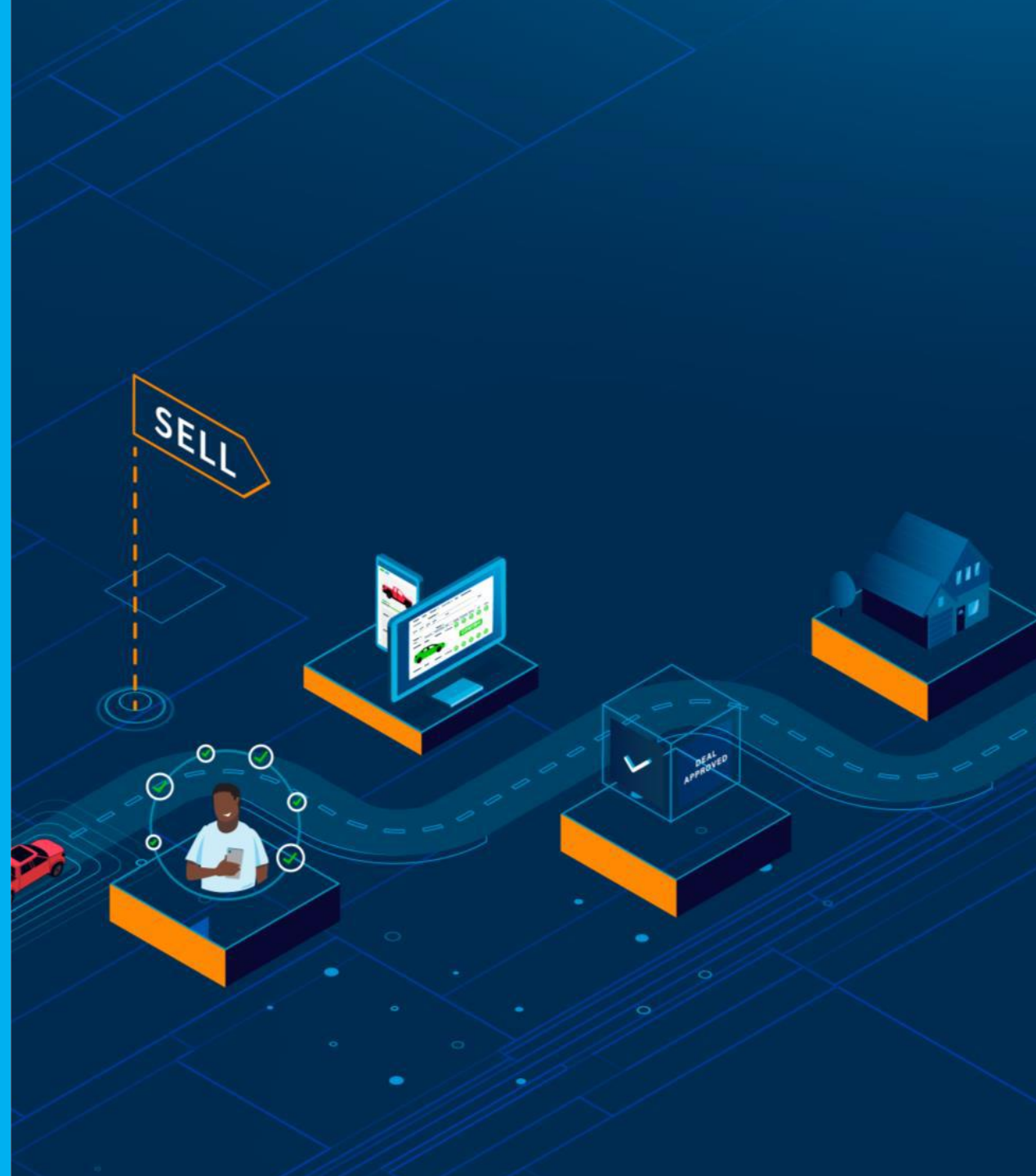


Competitor Positioning

CARG operates in retail and wholesale markets, differentiating itself through enhanced scale and diversification

Competitor	Core Operations	CARG's Competitive Edge	
	Cars.com operates a digital marketplace, connecting car shoppers with sellers. The company showcases dealer inventory as well as stock from automotive manufacturers (OEMs). Cars.com serves 19,179 dealer customers in 50 states, including franchise and independent dealers.	22% faster to turn over vehicle listings for dealers	
	Auto Trader Group operates a digital automotive marketplace in the United Kingdom. Products are marketed to retailers, home traders, and logistics firms. It offers vehicle advertisement on its websites for private sellers, as well as insurance and loan financing products to consumers.	16% faster to turn over vehicle listings for dealers	
	TrueCar enables users to obtain market-based pricing data on new and used cars, and to connect with its network of TrueCar certified dealers. Through TrueCar Trade, it offers consumers information on the value of their trade-in vehicles, and provides a guaranteed trade-in price before entering a dealership.	~13,000 more paying dealers as clients	
	ACV Auctions operates a digital marketplace that connects buyers and sellers for the online auction of wholesale vehicles. It also provides data services that offer insights into the condition and value of used vehicles, as well as customer financing services.	More diversified portfolio (Marketplace + Wholesale)	
	Carvana operates an e-commerce platform for buying and selling used cars in the US. The company's platform allows customers to research and identify a vehicle, inspect it using company's 360-degree vehicle imaging technology, obtain financing and warranty, purchase the vehicle and schedule delivery.	~20M more monthly unique visitors	
	CarMax is a retailer of used vehicles in the US, also offering extended protection plans to customers at the point of sale. The company also provides reconditioning and vehicle repair services, as well as financing alternatives for retail customers through its CarMax Auto Finance.	~12M more monthly unique visitors	
	Vroom operates as an e-commerce retailer for used cars in the US. It assists users with buying, selling, transporting, reconditioning, pricing, financing and delivering vehicles. The company was formerly known as Auto America.	~25x more unique visitors each month	

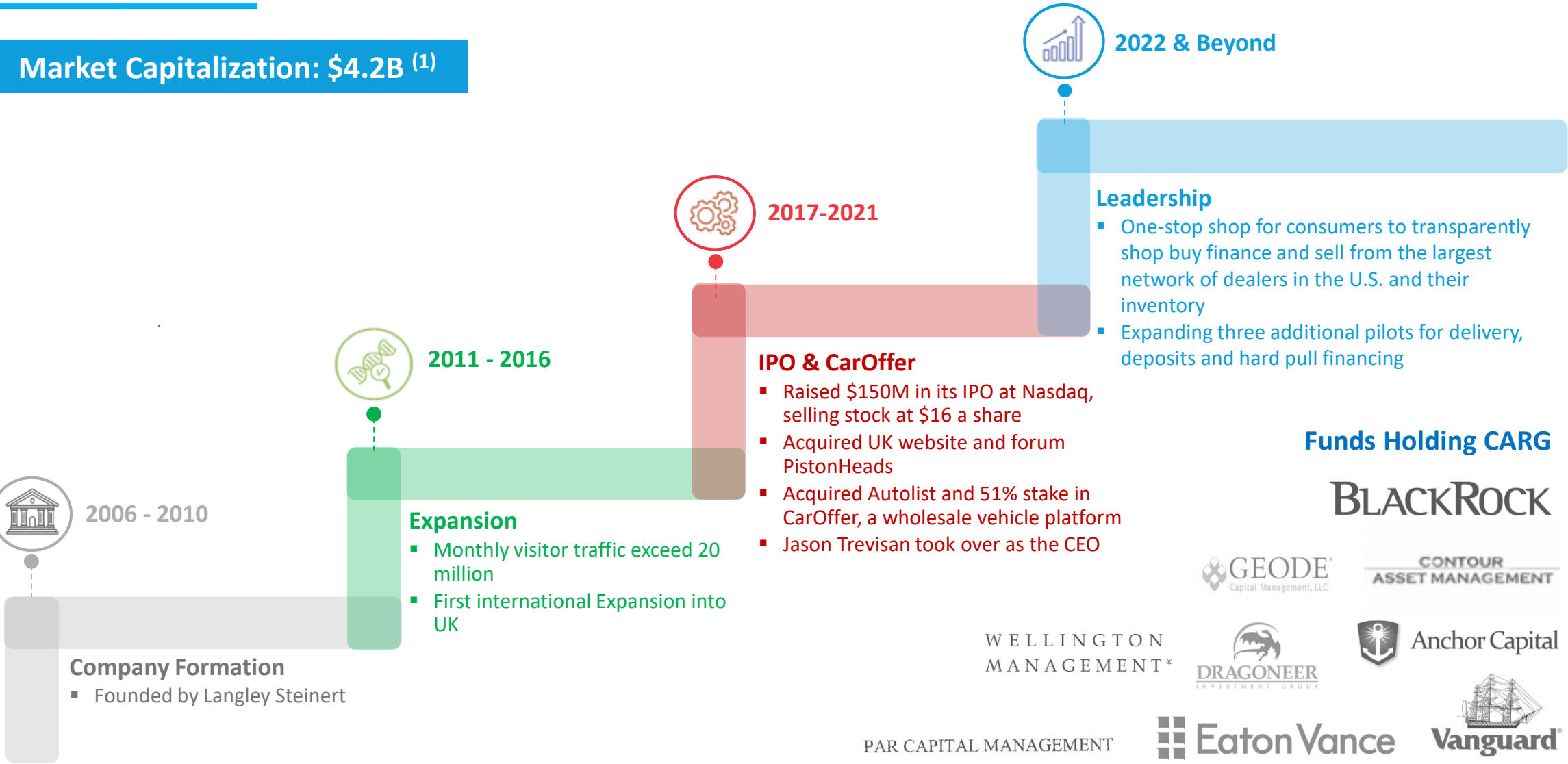
Business Overview



CarGurus Has Achieved Remarkable Progress In Less Than Two Decades

CarGurus gives the people the power to reach their destination

Market Capitalization: \$4.2B ⁽¹⁾



Revenue Streams By Division

CARG's multi-pillar offering spans consumer (retail) and dealer (wholesale) transactions

Marketplace

(USD\$m)	FY19(A)	FY20(A)	FY21(A)
Revenue	589	551	637
COGS	(36)	(43)	(48)
Gross Profit (\$)	553	509	589
Gross Profit (%)	94%	92%	93%

Wholesale

(USD\$m)	FY19(A)	FY20(A)	FY21(A)
Revenue	n/a	n/a	195
COGS	n/a	n/a	(128)
Gross Profit (\$)	n/a	n/a	67
Gross Profit (%)	n/a	n/a	35%

Product

(USD\$m)	FY19(A)	FY20(A)	FY21(A)
Revenue	n/a	n/a	119
COGS	n/a	n/a	(119)
Gross Profit (\$)	n/a	n/a	1
Gross Profit (%)	n/a	n/a	1%

Consumer Purchases

Revenue Streams

- Listings Subscription Packages
- RPM Digital Advertising Suite (on-site advertising, audience retargeting, social ads)
- Area Boost Product
- OEM Advertising
- Finance Partnerships

Dealer-to-Dealer Sales

Revenue Streams

- Buy and Sell Fees
- Transportation and Inspection Services
- OfferGuard & 45-Day Guarantee Bid Services
- Arbitration (for Dealer-to-Dealer Transactions)⁽¹⁾
- ConsumerLane
- Buy Center Transactions

Consumer-to-Dealer Sales

Revenue Streams

- Instant Max Cash Offer (IMCO)
- Margin (on Vehicle Price)
- Buy Fees
- Transportation and Inspection Services
- Arbitration (for Consumer-to-Dealer Transactions)⁽²⁾

Note: (1) Occurs where vehicles are subsequently rematched to dealers

(2) Occurs where CarOffer owns vehicles prior to sale at auction

Sources: Company filings

Model Drivers By Division

CARG's billing model complements recurring subscription revenues with transaction fees

MARKETPLACE Revenue

Subscribing Dealers (#)

Driver	FY21(A)
- Domestic (US)	23,860
- International	6,770
Total	30,630

×

Average Quarterly Revenue per Dealer (\$)

Driver	FY21(A)
- Domestic (US)	\$5,633
- International	\$1,546
Total	\$4,731

+

Advertising Revenue ⁽¹⁾

Driver	FY21(A)
Ad Revenue per dealer (implied)	\$20,795

WHOLESALE Revenue

Dealer Rooftops (#)

Driver	FY21(E)
Dealer Rooftops	~9,100

×

Average # Transactions (Annual Units)

Driver	FY21(E)
# Transactions	~50

×

Average Revenue per Transaction (\$)

Driver	FY21(E)
Buyer Fee	\$275
Seller Fee	\$275
Other (Arbitration, Transportation & Logistics Charges)	~\$320
Avg Revenue per Transaction	~\$870

PRODUCT Revenue

Monthly Unique Users

Driver	FY21(A)
- Domestic (US)	31,646
- International	7,495
Total	39,141

×

Conversion Rate

Driver	FY21(E)
Avg Conversion Rate	~1.0%

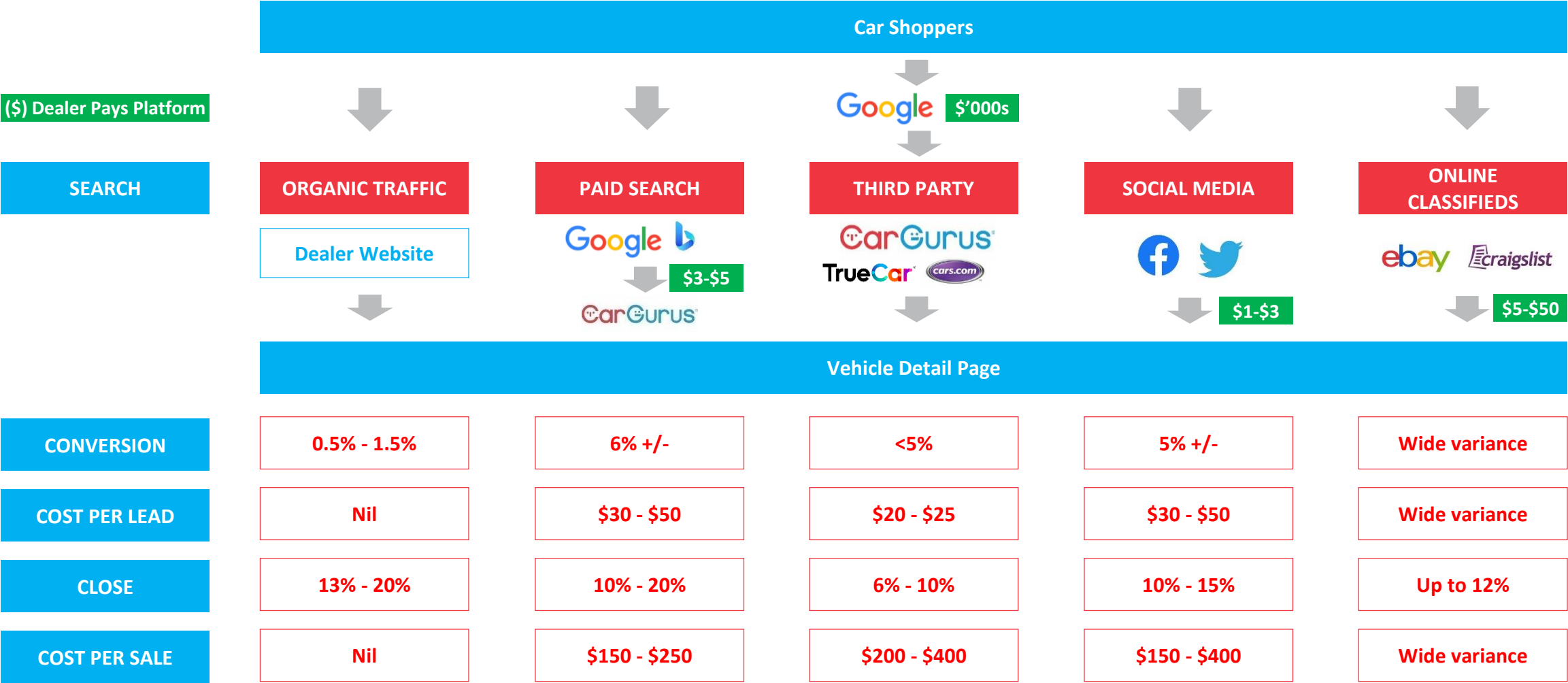
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Net Revenue per Transaction

Driver	FY21(E)
Buyer Fee	\$275
Margin (Spread)	~\$450
Avg Net Revenue per Transaction	~\$726

Customer Acquisition – Lead Generation Economics For Dealers By Digital Channel

CARG provides dealers with access to in-market consumers at compelling unit economics



CarGurus Listings Product Portfolio

CarGurus is differentiated in empowering consumers with unbiased and algorithm-based assessments of vehicle pricing

	Standard	Enhanced	Featured	Featured Priority
VDP Dealership Branding Including 100 photos per vehicle	✓	✓	✓	✓
Managed Chat/Text Messaging experts promptly respond to your customers 24/7		✓	✓	✓
Dealer Branding Page Expand your dealership branding on CarGurus		✓	✓	✓
Increased SRP exposure Listings rotate through top spots on search results pages			✓	✓
Access to SRP top spot Branded listing in #1 spot on search results				✓
CarGurus Area Boost Reach shoppers outside of your local market and show deliverable inventory		Optional	Optional	Optional
CarGurus RPM Drive engaged shoppers to your website through multiple channels to extend your audience reach		Optional	Optional	Optional
CarGurus Highlight Access sponsored slots starting at the top of the second SRP and every ten listings on mobile			Optional	Optional

Optional

Financials & Valuation



Discounted Cash Flows (DCF): Base Case

The DCF analysis implies a stock price of ~\$52 (48% upside)

Free Cash Flow Projections

(\$000s)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Cumulative
Revenue	2,191,654	2,737,293	3,394,000	4,182,070	5,011,924	5,971,080	7,077,446	8,351,349	9,815,917	11,497,531	
EBITDA	317,471	384,914	542,936	643,223	777,710	940,350	1,134,835	1,324,254	1,541,380	1,789,453	
NOPAT	262,583	316,361	457,937	538,487	652,192	790,810	957,587	1,115,103	1,295,551	1,501,509	
D&A	54,888	68,553	84,999	104,736	125,519	149,540	177,247	209,151	245,830	287,944	
Change in Net Working Capital (NWC)	(74,017)	13,133	16,627	16,165	20,680	24,321	22,726	25,212	27,821	30,542	
Capital Expenditure	(135,109)	(168,746)	(209,230)	(257,812)	(308,970)	(368,100)	(436,304)	(514,836)	(605,122)	(708,789)	
Unlevered Free Cash Flows (FCF)	55,381	165,469	258,052	293,024	357,958	437,190	528,294	609,903	702,963	808,556	4,216,788
PV of Unlevered FCF	37,602	136,762	191,114	194,457	212,857	232,950	252,234	260,931	269,484	277,745	2,066,137

DCF

Valuation	(\$m)	Valuation	(\$m)
WACC	11.6%	Equity value	6,189
Growth rate	4.0%	Outstanding shares	118M
FCF (2032)	840	Projected Stock Price	52.45
Residual Value	11,064	Current Stock Price	35.34
		Upside %	48%
PV of Residual Value	3,801		
PV of FCF (2022-31)	2,066		
Enterprise Value	5,867		

Sensitivity Analysis

Projected Stock Price (DCF)

		Growth Rate (%)				
		2.0%	3.0%	4.0%	5.0%	6.0%
WACC (%)	9.6%	\$51.83	\$56.51	\$63.25	\$72.91	\$89.54
	10.6%	\$48.15	\$52.14	\$57.33	\$64.37	\$74.48
	11.6%	\$45.25	\$48.43	\$52.45	\$57.68	\$64.79
	12.6%	\$42.89	\$45.49	\$48.70	\$52.76	\$58.04
	13.6%	\$40.93	\$43.13	\$45.74	\$48.98	\$53.07

Assumptions: Case Comparison

Assumptions

BASE CASE

- **Subscription:** Status quo
- **Advertising:** 10% long-term growth rate
- **Wholesale:** 20% dealer rooftop YoY growth with an average of 50 transactions per rooftop every year
- **Product:** Conversion rate gradually increases to 5% in 10 years
- **Exit Multiple (EV/EBITDA):** 11.7x

BULL CASE

- **Subscription:** 2% incremental growth
- **Advertising:** 15% long-term growth rate
- **Wholesale:** 20% dealer rooftop YoY growth with an average of 55 transactions per rooftop every year
- **Product:** Conversion rate gradually increases to 6% in 10 years
- **Exit Multiple (EV/EBITDA):** 12.7x

BEAR CASE

- **Subscription:** -6% growth profile from the base case
- **Advertising:** 5% long-term growth rate
- **Wholesale:** 15% dealer rooftop YoY growth with an average of 45 transactions per rooftop every year
- **Product:** Conversion rate gradually increases to 3% in 10 years
- **Exit Multiple (EV/EBITDA):** 10.7x

Outputs

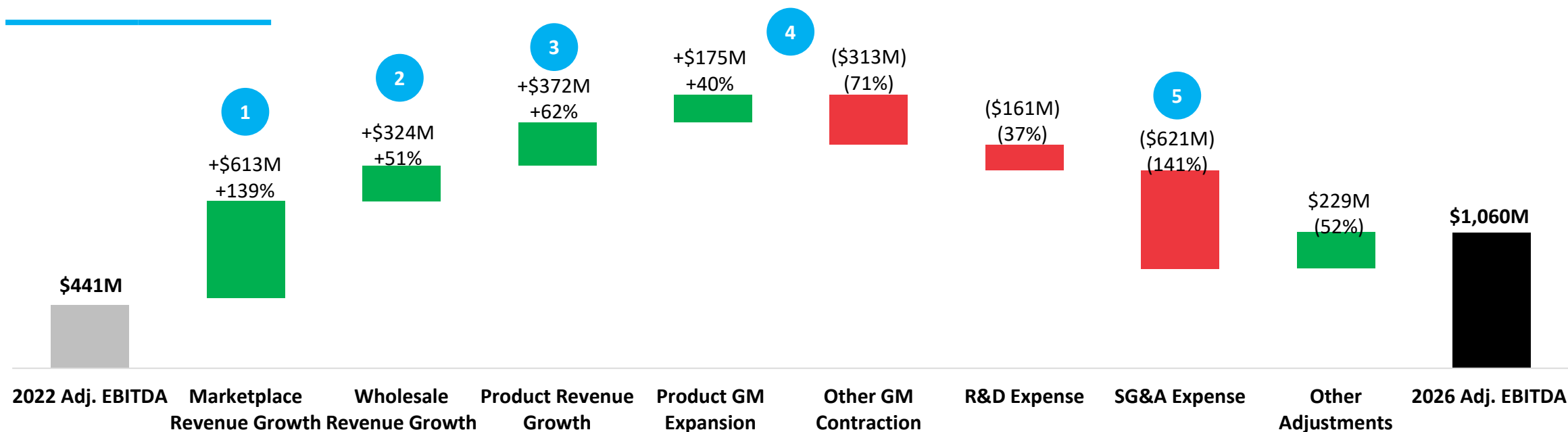
	BASE	BULL	BEAR
Revenue Growth	22.2%	26.2%	18.1%
EPS Growth	24.6%	26.4%	11.2%
EPS (2026E)	\$4.46	\$5.64	\$2.91
2026 Stock Price (Projected)	\$100	\$138	\$60
Exit Multiple (EV/EBITDA)	11.7x	12.7x	10.7x
IRR (5Y)	25%	34%	12%

Discounted Cash Flow (DCF) Projections: Base Case

Free Cash Flow Projections

(\$000s)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	2,191,654	2,737,293	3,394,000	4,182,070	5,011,924	5,971,080	7,077,446	8,351,349	9,815,917	11,497,531
<i>% Growth</i>	<i>130.4%</i>	<i>24.9%</i>	<i>24.0%</i>	<i>23.2%</i>	<i>19.8%</i>	<i>19.1%</i>	<i>18.5%</i>	<i>18.0%</i>	<i>17.5%</i>	<i>17.1%</i>
EBITDA	317,471	384,914	542,936	643,223	777,710	940,350	1,134,835	1,324,254	1,541,380	1,789,453
<i>% Margin</i>	<i>14.5%</i>	<i>14.1%</i>	<i>16.0%</i>	<i>15.4%</i>	<i>15.5%</i>	<i>15.7%</i>	<i>16.0%</i>	<i>15.9%</i>	<i>15.7%</i>	<i>15.6%</i>
EBIT	262,583	316,361	457,937	538,487	652,192	790,810	957,587	1,115,103	1,295,551	1,501,509
<i>% Margin</i>	<i>12.0%</i>	<i>11.6%</i>	<i>13.5%</i>	<i>12.9%</i>	<i>13.0%</i>	<i>13.2%</i>	<i>13.5%</i>	<i>13.4%</i>	<i>13.2%</i>	<i>13.1%</i>
NOPAT	209,619	252,529	365,656	429,935	520,729	631,428	764,624	890,376	1,034,435	1,198,858
D&A	54,888	68,553	84,999	104,736	125,519	149,540	177,247	209,151	245,830	287,944
Change in Net Working Capital (NWC)	(74,017)	13,133	16,627	16,165	20,680	24,321	22,726	25,212	27,821	30,542
Capital Expenditure	(135,109)	(168,746)	(209,230)	(257,812)	(308,970)	(368,100)	(436,304)	(514,836)	(605,122)	(708,789)
Unlevered Free Cash Flows (FCF)	55,381	165,469	258,052	293,024	357,958	437,190	528,294	609,903	702,963	808,556
Discount period (full year)	0.74	1.74	2.74	3.74	4.74	5.74	6.74	7.74	8.74	9.74
<i>Discount factor (full year)</i>	<i>0.92</i>	<i>0.83</i>	<i>0.74</i>	<i>0.66</i>	<i>0.59</i>	<i>0.53</i>	<i>0.48</i>	<i>0.43</i>	<i>0.38</i>	<i>0.34</i>
PV of Unlevered FCF	37,602	136,762	191,114	194,457	212,857	232,950	252,234	260,931	269,484	277,745

Value Creation: EBITDA Bridge



- 1 The high-margin marketplace revenue remains a cash cow while the auto inventory normalizes and dealers return to the subscription platform. CarGurus' legacy business attracts 2x the traffic at Carvana
- 2 An automated wholesale platform, growing at 16% 5Y CAGR, continues to drive 20% dealer rooftop YoY growth with an average of 50 transactions per rooftop
- 3 Management estimated that they had \$5BN live bids on vehicle inventory, covering 350k-400k vehicles with the IMCO. Product revenue is estimated to increase at 5Y CAGR 23%. The big dealer groups are already on the platform: AutoNation, Sonic, Group 1, Asbury, Penske Lithia, etc.
- 4 Gross margin for the product revenue segment will remain low at single digits, thus contracting the overall gross margins. However, consistent gross profit growth is still likely to reward the company valuation
- 5 CarGurus continues to spend 2x its competitors in sales and marketing and dominates in the SEM. Its ability to generate consistent cash flow and create a high barrier of entry for any other platform has yet to be priced in the market

Income Statement: Base Case

We project CARG will compound EBITDA at a CAGR of 25% between 2022-26E

(\$000s)	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	CAGR (2022-26)
Marketplace Revenue	588,916	551,451	636,942	774,497	909,941	1,063,974	1,238,117	1,433,816	17%
Wholesale Revenue	-	-	195,127	522,353	626,824	752,188	902,626	1,083,151	20%
Product Revenue	-	-	119,304	894,804	1,200,529	1,577,838	2,041,328	2,494,956	29%
Total Revenue	588,916	551,451	951,373	2,191,654	2,737,293	3,394,000	4,182,070	5,011,924	23%
Marketplace COGS	36,300	42,706	47,689	54,215	63,696	74,478	86,668	100,367	17%
Wholesale COGS	-	-	127,679	313,412	376,094	451,313	541,576	649,891	20%
Product COGS	-	-	118,647	805,324	1,050,463	1,341,162	1,714,715	2,070,814	27%
Total COGS	36,300	42,706	294,015	1,172,950	1,490,253	1,866,953	2,342,959	2,821,071	25%
Marketplace GP	552,616	508,745	589,253	720,282	846,245	989,496	1,151,448	1,333,449	17%
Wholesale GP	-	-	67,448	208,941	250,729	300,875	361,050	433,260	20%
Product GP	-	-	657	89,480	150,066	236,676	326,612	424,143	48%
Total Gross Profit	552,616	508,745	657,358	1,018,703	1,247,041	1,527,047	1,839,111	2,190,852	21%
Selling, General & Admin.	444,278	319,145	388,252	591,746	725,383	848,500	1,028,789	1,212,886	20%
Research and Development	69,462	85,726	106,423	164,374	205,297	220,610	271,835	325,775	19%
Total Operating Expenses	513,740	404,871	494,675	756,121	930,680	1,069,110	1,300,624	1,538,661	19%
D&A	7,817	10,191	40,476	54,888	68,553	84,999	104,736	125,519	
EBITDA	46,693	114,065	203,159	317,471	384,914	542,936	643,223	777,710	25%
% Margin	8%	21%	21%	14%	14%	16%	15%	16%	
Taxes (@20%)	7,775	20,775	32,537	52,964	63,832	92,281	108,552	131,462	
NOPAT	31,101	83,099	130,146	209,619	252,529	365,656	429,935	520,729	26%

Projections: Case Comparison

BULL CASE	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E
Total Revenue	588,916	551,451	951,373	2,288,305	2,968,495	3,808,925	4,843,593	5,980,332
% Growth	29.7%	-6.4%	72.5%	140.5%	29.7%	28.3%	27.2%	23.5%
EBITDA	46,693	114,065	203,159	375,367	458,469	650,044	788,775	975,719
% Growth	56.0%	108.3%	52.2%	84.8%	22.1%	41.8%	21.3%	23.7%
BASE CASE	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E
Total Revenue	588,916	551,451	951,373	2,191,654	2,737,293	3,394,000	4,182,070	5,011,924
% Growth	29.7%	-6.4%	72.5%	130.4%	24.9%	24.0%	23.2%	19.8%
EBITDA	46,693	114,065	203,159	317,471	384,914	542,936	643,223	777,710
% Growth	56.0%	108.3%	52.2%	56.3%	21.2%	41.1%	18.5%	20.9%
BEAR CASE	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E
Total Revenue	588,916	551,451	951,373	1,617,686	1,939,036	2,315,546	2,756,204	3,209,457
% Growth	29.7%	-6.4%	72.5%	70.0%	19.9%	19.4%	19.0%	16.4%
EBITDA	46,693	114,065	203,159	315,257	342,976	424,245	458,458	505,690
% Growth	56.0%	108.3%	52.2%	55.2%	8.8	23.7%	8.1%	10.3%

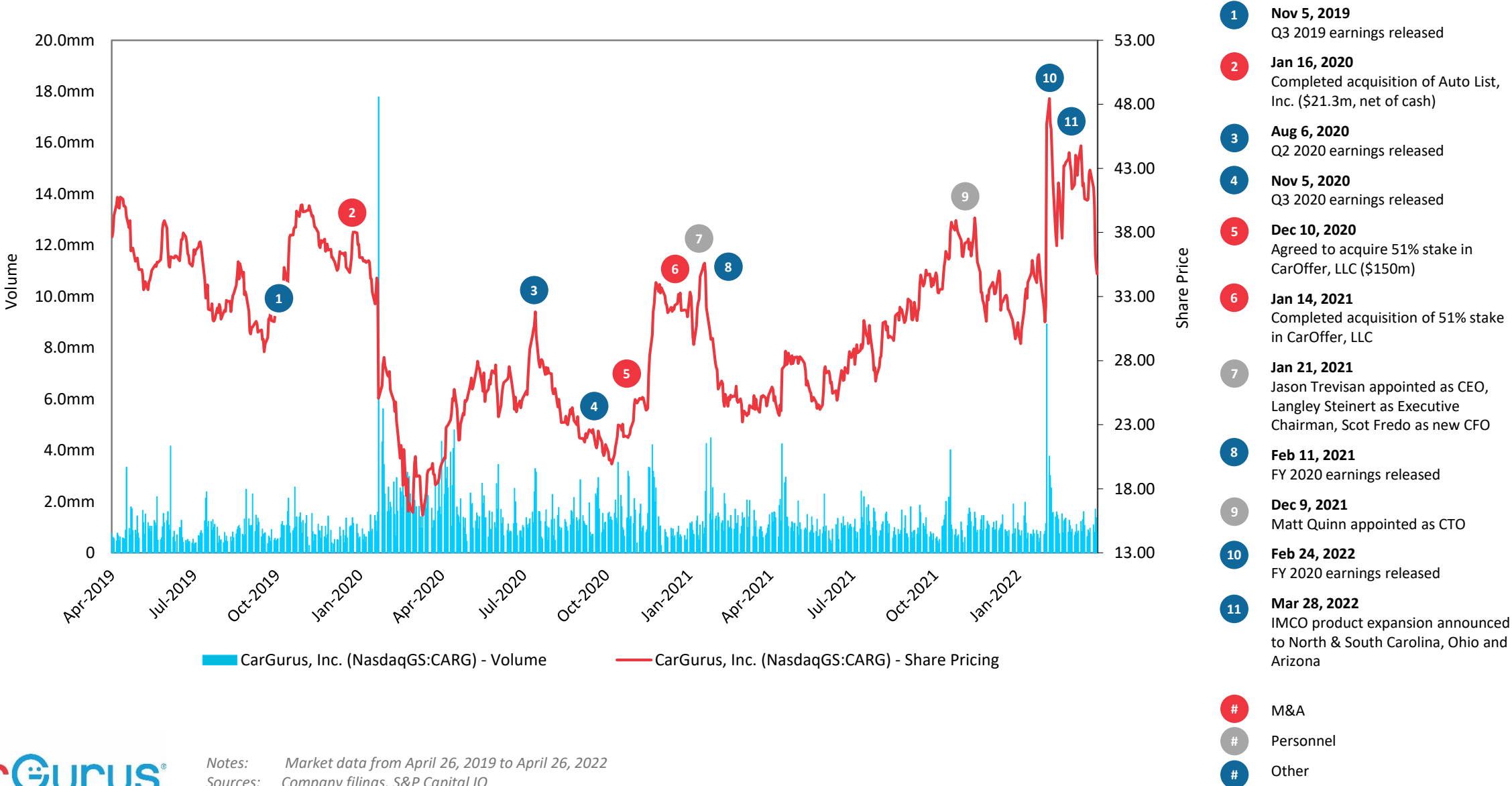
Projection Comparison: Base Case vs Consensus

Our Revenue, EBITDA and EPS estimates are above consensus

(\$000s)	2022E	2023E	2024E	2025E	2026E	2027E
Total Net Revenue	2,191,654	2,737,293	3,394,000	4,182,070	5,011,924	5,971,080
Consensus	1,887,000	2,508,000	3,097,000			
Operating Profit	262,583	316,361	457,937	538,487	652,192	790,810
EBITDA	317,471	384,914	542,936	643,223	777,710	940,350
<i>EBITDA Margin</i>	<i>14.5%</i>	<i>14.1%</i>	<i>16.0%</i>	<i>15.4%</i>	<i>15.5%</i>	<i>15.7%</i>
Consensus	271,636	308,000	500,667			
Net Income	211,858	255,326	369,124	434,208	525,850	637,529
EPS	1.80	2.16	3.13	3.68	4.46	5.40
Consensus	1.65	1.99	3.02			

Share Price Annotated

CARG's stock price has appreciated +36% over the last twelve months



Comparable Company Analysis

Automotive and digital marketplaces

Company	Market Cap (m)	EV (m)	EV / Revenue			EV / EBITDA			P / E			CAGR ('20-'22)		EBITDA margin		
			2021	2022	2023	2021	2022	2023	2021	2022	2023	Revenue	EBITDA	2021	2022	2023
CarGurus	4,172	4,084	4.3x	2.2x	1.6x	21.9x	15.1x	13.1x	n/m	22.4x	20.6x	85%	61%	20%	14%	12%

Automotive Services

Auto Trader	5,833	5,835	15.3x	13.1x	12.3x	22.1x	18.4x	16.9x	28.3x	23.3x	21.6x	24%	31%	69%	71%	72%
ACV Auctions	2,211	1,635	4.6x	3.6x	2.7x	n/m	n/m	n/m	n/m	n/m	n/m	49%	26%	n/a	n/a	n/a
Cars.com	795	1,257	2.0x	1.9x	1.8x	8.3x	6.7x	6.0x	n/m	6.5x	5.9x	10%	20%	24%	28%	29%
Carvana	7,453	13,515	1.1x	0.8x	0.6x	n/m	n/m	n/m	n/m	n/m	n/m	70%	80%	0%	n/a	n/a
CarMax	14,196	33,524	1.1x	1.0x	1.0x	19.6x	20.3x	19.9x	13.5x	14.6x	14.3x	28%	14%	6%	5%	5%
TrueCar	329	116	0.5x	0.6x	0.5x	n/m	n/m	n/m	n/m	n/m	n/m	(16%)	n/m	n/a	n/a	n/a
Vroom	228	235	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	71%	62%	n/a	n/a	n/a
Average			4.1x	3.5x	3.1x	16.6x	15.1x	14.3x	20.9x	14.8x	13.9x	34%	39%	25%	35%	36%
Median			1.5x	1.5x	1.4x	19.6x	18.4x	16.9x	20.9x	14.6x	14.3x	28%	29%	15%	28%	29%

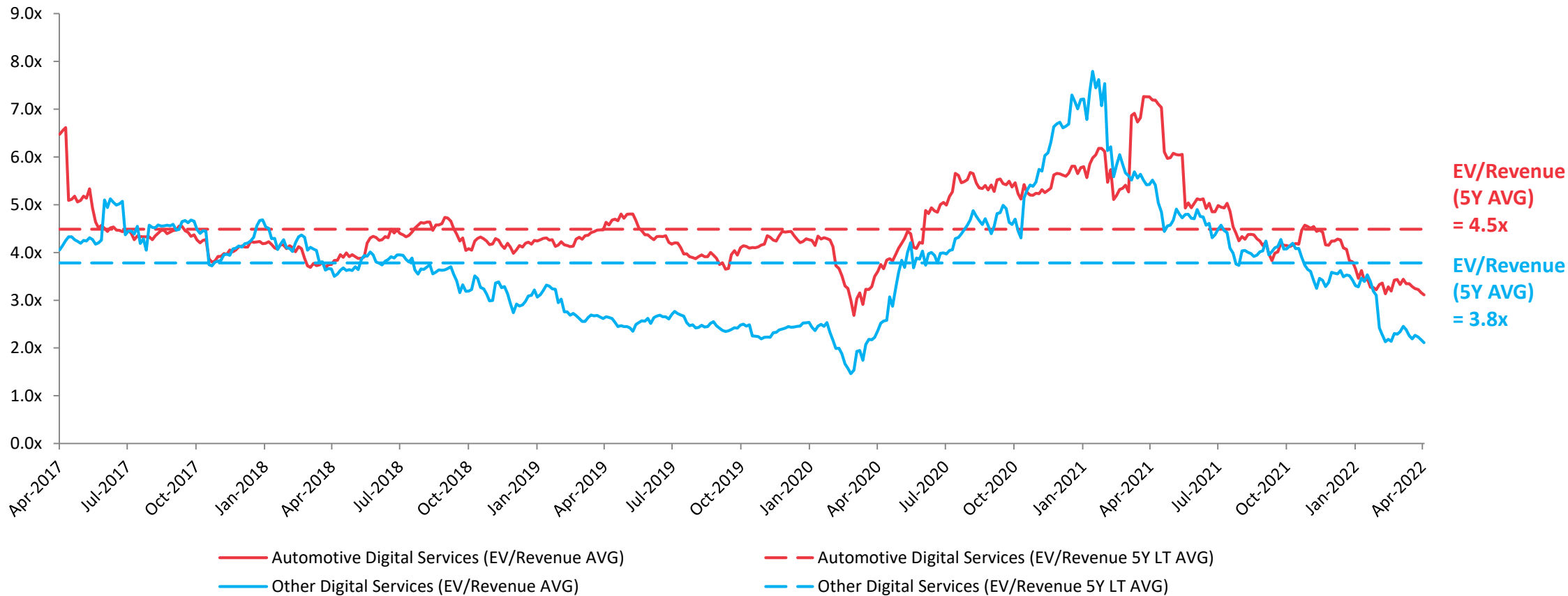
Digital Services

Booking	88,316	85,734	7.8x	5.3x	4.5x	28.0x	17.6x	13.5x	n/m	23.9x	17.5x	54%	141%	28%	30%	34%
Tripadvisor	3,459	3,689	4.1x	2.8x	2.3x	n/m	13.1x	8.4x	n/m	28.6x	14.9x	49%	n/m	n/a	21%	27%
Expedia	27,815	32,977	3.8x	2.8x	2.4x	n/m	12.7x	10.3x	n/m	23.4x	17.1x	51%	n/m	6%	22%	23%
Zillow	9,927	11,812	1.4x	1.9x	4.4x	n/m	15.0x	11.3x	n/m	21.5x	14.1x	38%	150%	n/a	12%	39%
Redfin	1,299	2,253	1.2x	0.8x	0.7x	n/m	n/m	n/m	n/m	n/m	n/m	74%	n/m	n/a	n/a	0%
Trivago	753	516	1.3x	0.8x	0.6x	36.4x	8.0x	5.0x	n/m	15.3x	10.6x	54%	n/m	4%	10%	13%
eXp World	2,151	2,048	0.5x	0.4x	0.3x	n/m	15.2x	9.3x	28.4x	25.1x	13.2x	73%	95%	1%	3%	3%
Average			2.9x	2.1x	2.2x	32.2x	13.6x	9.6x	28.4x	23.0x	14.6x	56%	128%	10%	16%	20%
Median			1.4x	1.9x	2.3x	32.2x	14.0x	9.8x	28.4x	23.6x	14.5x	54%	141%	5%	17%	23%

Comparable Trading Companies

Through-the-cycle multiples

EV/Revenue (1Y Forward)



























Notes: Market data from April 26, 2017 to April 26, 2022
Automotive Digital Marketplace segment consists of: ACV Auctions, Carvana, CarMax, Vroom, TrueCar, Cars.com and Auto Trader
Other Digital Marketplace segment consists of: Booking, Expedia, Tripadvisor, Trivago, Redfin, Zillow and eXp World
Sources: S&P Capital IQ

Appendix



Stable Leadership Team

Management has over 44 years of combined experience at the company

							
Jason Trevisan <i>Chief Executive Officer</i>	Langley Steinert <i>Executive Chairman & Founder</i>	Sam Zales <i>President & Chief Operating Officer</i>	Scot Fredo <i>Chief Financial Officer</i>	Matt Quinn <i>Chief Technology Officer</i>	Tom Caputo <i>Chief Product Officer</i>	Dafna Sarnoff <i>Chief Marketing Officer</i>	Andrea Eldridge <i>Chief People Officer</i>
7+ Years with Company	16+ Years with Company	8+ Years with Company	6+ Years with Company	<1 Year with Company	5+ Years with Company	1+ Year with Company	2+ Years with Company
							
							

Key Executive Officers

Name	Position	Year Appointed	Biography
Langley Steinert	Founder/Executive Chairman	2006	Founded Cargurus in 2016. Co-founded TripAdvisor and ApartmentAdvisor. Previously held management roles at Viaweb, Papyrus, and Lotus Development Corp.
Jason Trevisan	Chief Executive Officer	2021	Was Chief Financial Officer at Cargurus prior to the CEO appointment. Previously served as General Partner at Polaris Partners for twelve years.
Sam Zales	Chief Operating Officer	2014	Previously held executive management roles at ZoomInfo, Clicksquared, and Buyerzone.com.
Scot Fredo	Chief Financial Officer	2021	Was Senior Vice President of Financial Planning and Analysis at Cargurus prior to the CFO appointment. Previously led financial strategy and operations at HubSpot.
Matt Quinn	Chief Technology Officer	2022	Previously led large development teams at Vistaprint, Amazon (Fire Phone), and Audible (the site lead at Boston Office).
Tom Caputo	Chief Product Officer	2017	Previously served as Chief Product Officer at Fiksu. Was Group Product Manager at Microsoft.
Dafna Sarnoff	Chief Marketing Officer	2021	Previously led Marketing for Aura, Intersection, and Yodle. Also held various leadership roles at American Express.

Board Of Directors

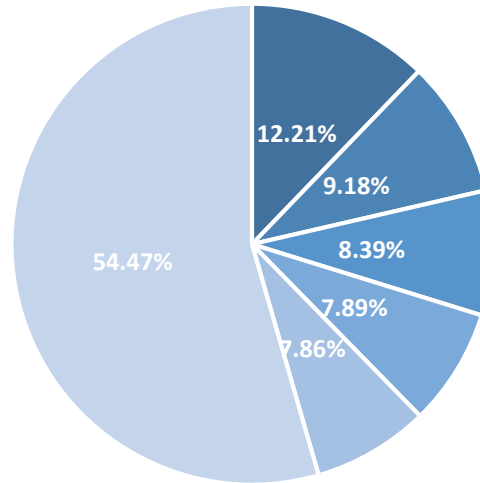
Name	Position	Year Appointed	Biography
Langley Steinert	Chairman	2017	Founder & Chairman of Cargurus, Co-founder of TripAdvisor and Apartment Advisor
Stephen Kaufer	Director	2007	Co-Founder, President and Chief Executive Officer of TripAdvisor
Ian Smith	Director	2007	Managing Director of Allen & Company
Greg M Schwartz	Director	2018	Served as Chief Business Officer and Chief Revenue Officer at Zillow
Steven Conine	Director	2018	Co-Founder and Co-Chairman of Wayfair
Lori A Hickok	Director	2018	Served as Chief Financial and Development Officer at Scripps Network Interactive
Jason Trevisan	Director	2021	Chief Executive Officer of Cargurus
Yvonne Hao	Director	2021	Managing Director and Co-Founder of Cover Hill Partners

Ownership Structure

CARG's features adequate liquidity (~76% free float) and is held by a diversified investor base

Top 5 Holders

- E. Langley Steinert
- Wellington Management Group LLP
- Vanguard Group Inc.
- Manulife Asset Management
- Dragoneer Investment Group LLC
- Others



Free Float

Holder	Stock Held (#)	Shares Outstanding (%)
Employees / Insiders	16,377,312	13.9%
Family Trusts	820,398	0.7%
Dragoneer Investment Group, LLC (PE/VC)	9,283,746	7.9%
Remaining Untraded Stock (Class B)	1,848,286	1.6%
Shares Excluded from Free Float	28,329,742	24.0%
Free Float	89,735,456	76.0%
Total	118,065,198	100.0%

Shareholdings

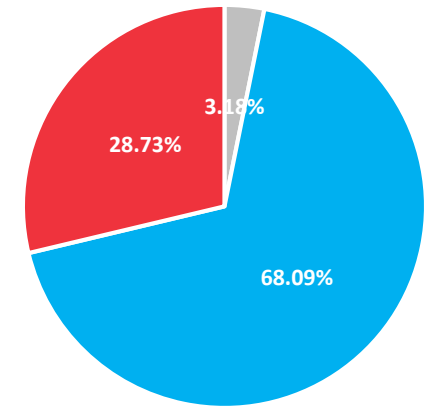
Holder	Stock Held (#)	Shares Outstanding (%)
Steinert, E. Langley (Founder & Executive Chairman)	14,413,633	12.2%
Wellington Management Group LLP	10,834,185	9.2%
The Vanguard Group, Inc.	9,908,089	8.4%
Manulife Asset Management	9,312,802	7.9%
Dragoneer Investment Group, LLC	9,283,746	7.9%
BlackRock, Inc. (NYSE:BLK)	6,100,334	5.2%
Contour Asset Management LLC	4,815,767	4.1%
Morgan Stanley	3,956,228	3.4%
FMR LLC	2,580,093	2.2%
Anchor Capital Advisors LLC	2,440,219	2.1%
Eaton Vance Management	2,349,124	2.0%
ArrowMark Colorado Holdings, LLC	2,135,928	1.8%
Norges Bank Investment Management	1,996,910	1.7%
PAR Capital Management, Inc.	1,990,000	1.7%
State Street Global Advisors, Inc.	1,891,359	1.6%
Geode Capital Management, LLC	1,582,858	1.3%
Nomura Holdings Inc, Securities & Investment Arm	1,455,488	1.2%
Hermes Investment Management Limited	1,373,738	1.2%
Scopus Asset Management, L.P.	1,325,000	1.1%
Dimensional Fund Advisors LP	1,232,768	1.0%
Top 20 Shareholders	90,978,269	77.1%
Other	27,086,929	22.9%
Total	118,065,198	100.0%

Management Incentives

Executive Compensation

	FY	Salary	Bonus	Total Annual Cash Compensation	Total Annual Non-Cash Compensation (Stock Awards)	Total Compensation Received/Earned
E. Langley Steinert (Executive Chairman)	2016	279,675	250,000	529,675	0	\$ -
	2017	325,000	325,000	650,000	0	\$ -
	2018	325,000	0	810,225	1,882,989	\$ 1,882,989
	2019	50,000	NA	57,325	2,622,786	\$ 2,622,786
	2020	10,000	NA	10,000	2,291,672	\$ 2,291,672
Samuel Zales (COO & President)	2016	335,610	300,000	635,610	0	\$ 635,610
	2017	370,000	250,000	622,500	0	\$ 622,500
	2018	380,000	0	741,000	1,614,000	\$ 7,076,797
	2019	380,000	NA	638,334	5,468,762	\$ 9,006,321
	2020	437,500	NA	876,149	3,437,525	\$ 4,624,501
Jason M. Trevisan (CEO)	2016	305,100	175,000	480,100	0	\$ 480,100
	2017	350,000	180,000	532,500	0	\$ 532,500
	2018	360,000	0	613,000	1,614,000	\$ 18,061,759
	2019	380,000	NA	645,659	5,245,571	\$ 5,260,378
	2020	382,813	NA	723,706	2,673,612	\$ 1,717,233
Thomas Caputo (Chief Product Officer)	2016	NA	NA	NA	NA	NA
	2017	242,959	175,000	420,459	1,096,920	\$ 420,459
	2018	NA	NA	NA	NA	NA
	2019	NA	NA	NA	NA	NA
	2020	275,625	NA	456,945	4,392,374	\$ 2,283,524

Equity Awards

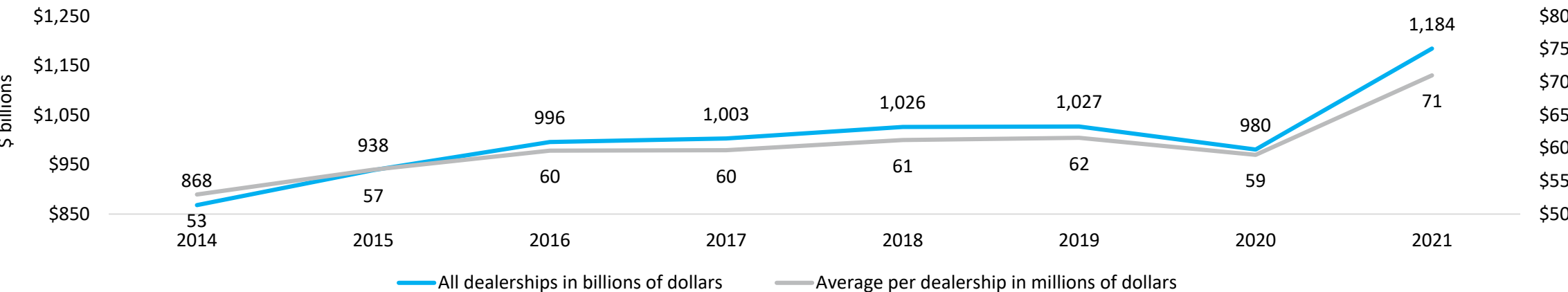


- Options
- Restricted Stock Units
- CO Incentive Units and Subject Units

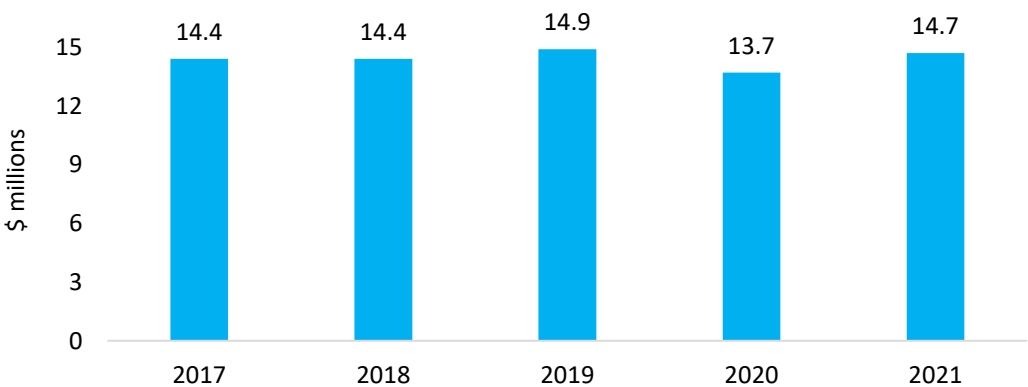
Car Dealerships Are Here To Stay

Total light-vehicle dealership sales consistently grows at a 5Y CAGR 3.4%, topping \$1.18 trillion in FY21

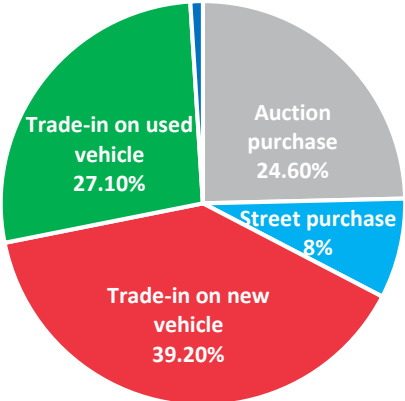
Total Sales of US Dealers



Used-Vehicle Sales by Dealers, by Year



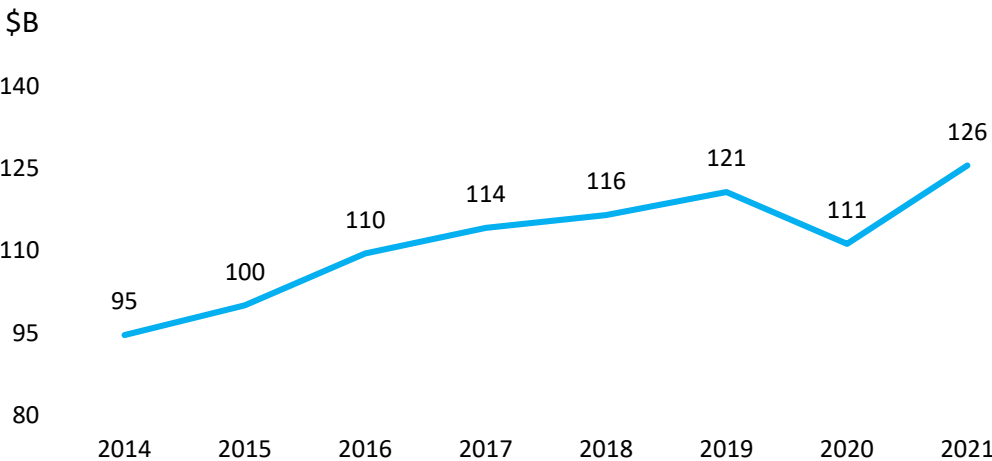
Sources of Used Vehicles Retailed by Dealers, 2021



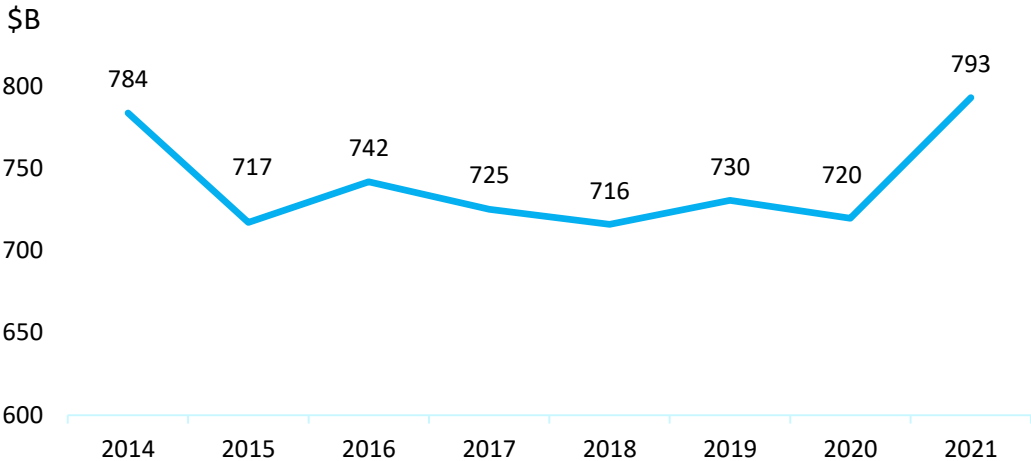
Car Dealerships Are Here To Stay

Dealers wrote more than 271M repair orders with service revenue quickly reaching a historic high

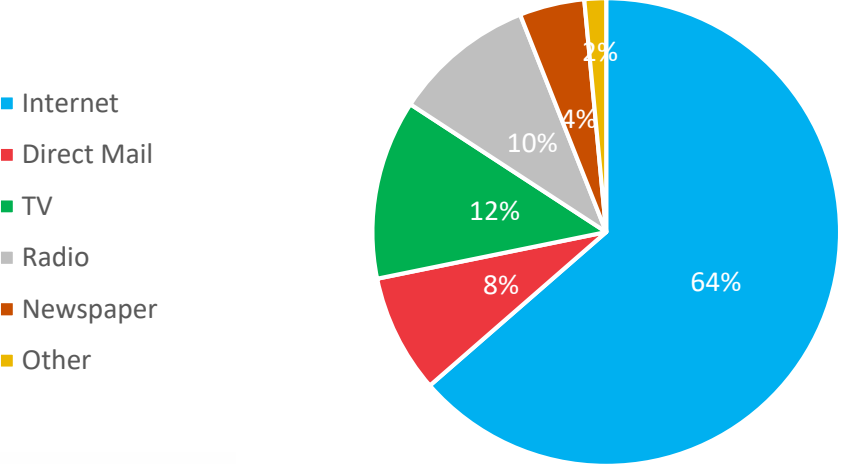
Dealerships' Total Service and Parts Sales



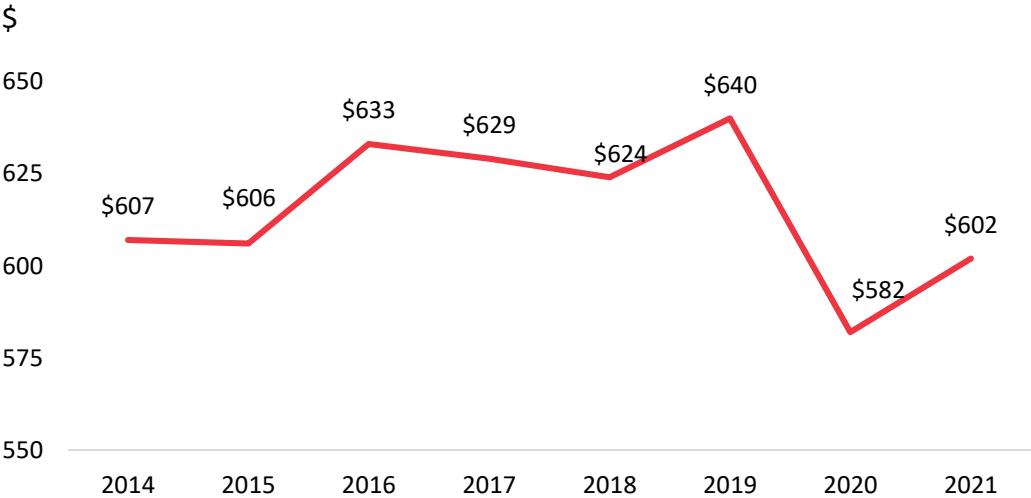
Body Shop Sales per Repair Order,



Total Dealership Advertising Expenditures (\$8.19B) by Medium (FY21)



Average Dealership Advertising per New Unit Sold



Electronic Vehicles (EV) Is An Opportunity Not A Threat

America's dealers are all-in on EVs, accounting one-third of all BEV sales in FY21

EV AS AN THREAT?

Dealers' front lines lack the expertise to adequately inform EV buyers?

Many dealerships are woefully underprepared to meet the growing number of consumers considering an electric car.

Service Revenue Drop?

Auto dealers will likely experience a decrease in aftersales parts revenue, since EVs tend to have fewer mechanical parts that break down.

Dealer profit pools to shift dramatically as EV sales increase?

Dealers will sell a greater number of EVs in coming years, which will have significant implications for their profits from both front-end business and back-end operations.

EV AS AN OPPORTUNITY

- Dealers can continue to digitize the sales journey and offer a seamless, omnichannel experience that touches on not only the EV itself but also the broader ownership experience, such as charging and service. They can enhance the customer experience by including EV-specific elements within the showroom (for example, the fast-charging experience) and provide an end-to-end offering for customers that makes EV ownership as simple as possible (for instance, selling preferred installation services for at-home charging equipment)
- To capture growing customer demand, dealers could adjust vehicle inventory to include a greater number of new and used electric vehicles. To further optimize inventory, they might employ data and analytics to achieve the most competitive inventory at the trim level. For example, by tracking broader marketing inventory and trends, dealers can optimize their inventory to focus on high-demand and high-margin vehicles and trim levels. In addition, by offering comprehensive subscription models as an affordable entry into EVs—for instance, an extended test-drive phase or a short-term ownership solution such as a month-by-month lease—dealerships could reduce cost barriers to EV ownership.
- For service and reconditioning centers to service a growing number of EVs effectively, auto dealers will need to establish new point-of-sale processes, train technicians and other service personnel to manage high-voltage systems safely, and invest in the special tools and equipment needed to service electric powertrains. Consequently, auto dealerships will likely face a need for increased investments in EV aftersales readiness given the new tools, capabilities, and learning curve. Some OEMs have already adjusted their dealer contracts to reflect the shift toward electric-vehicle sales by setting dedicated targets requesting defined charging infrastructure and stipulating additional processes in areas such as battery maintenance and handling.

Changing Consumer Behavior Favorable To CarGurus

CarGurus is ~3x more likely to be the final auto-shopping site buyers visit prior to purchase

2 dealers visited, on average

70% more likely to prefer online trade in valuation

42% of shoppers visited only one dealer before buying

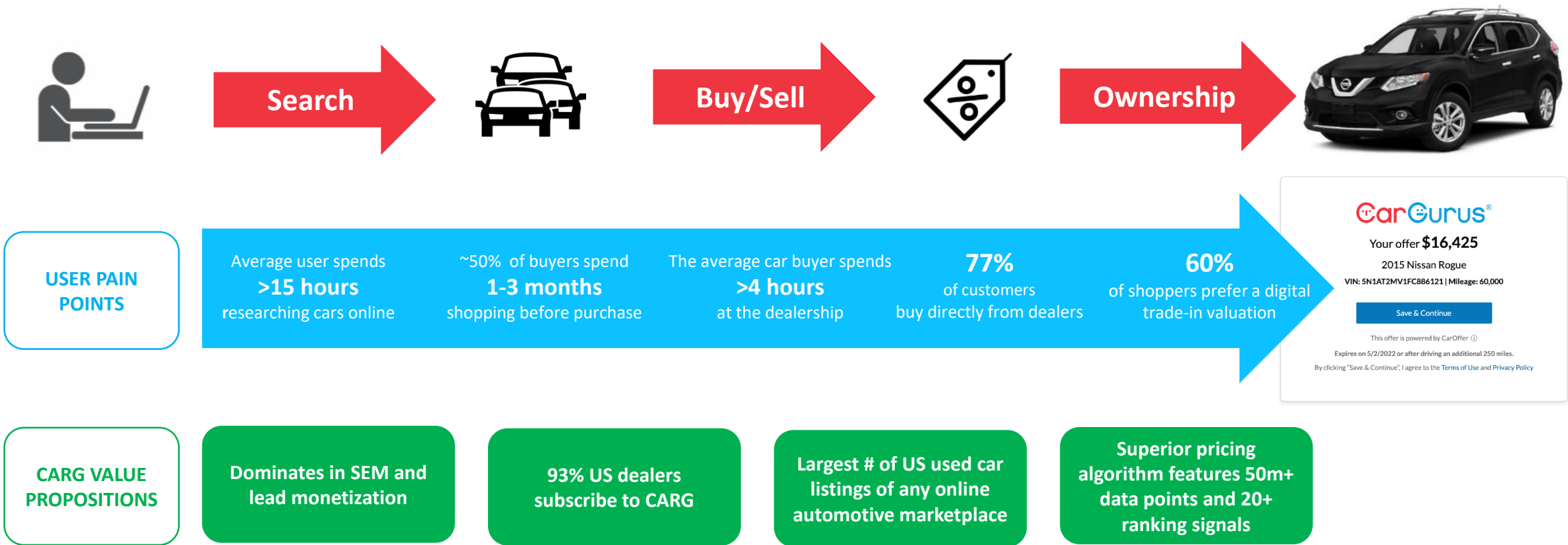
22% more likely to prefer online financing

80% are open to buying online, but most still prefer an in person test drive



User Experience: CarGurus' Value Propositions

CarGurus has addressed the consumer concerns in the car purchase journey



User Experience: Comparison of Competitor Interfaces

Example of a 2015 Nissan Rogue (VIN:KNMAT2MV9FP529878) at the same dealership near campus across platforms



2015 Nissan Rogue SV AWD - \$14,554
Bronx, NY • 7 mi away



City World Hyundai

www.cityworldhyundai.com



Open now Closes at 8:00 PM
(929) 421-7950
3350 Boston Road
Bronx, NY 10469
Map & directions
View inventory

Vehicle details

74,933 miles
2 owners
Continuously Variable
All-Wheel Drive



Used

2015 Nissan Rogue SV

74,933 mi.

\$14,554 \$1,241 price drop

Good Deal Home Delivery Virtual Appointments

Deal Gauge™
Powered by Cars.com

We compared this car with similar 2015 Nissan Rogues based on price, mileage, features, condition, and several other factors.

\$14,554

This is a good deal.

Avg. market price range

Call

Check availability



2015 Nissan Rogue

Used • SV AWD

Estimated Price

\$14,554

Great Price

\$298 (2.1%) below avg. list price

Est. Monthly Payment

\$241/mo View & Edit

Mileage

74,933

Bronx, NY

Upfront Price Available

No accidents, 2 owners

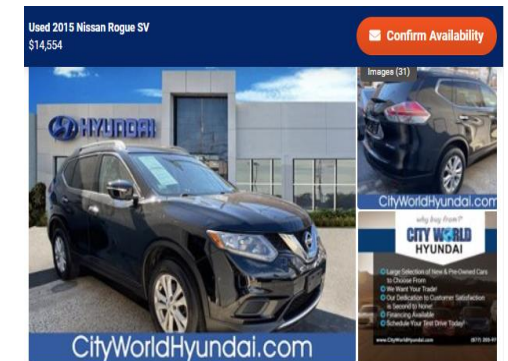
Minimal Options

Check Availability

Get Your TruePrice

Check Availability

Get Your TruePrice



GREAT PRICE

\$14,554

Share Save

What makes this a great price?

Confirm Availability

74,933 miles

Super Black Exterior

Almond Interior

2.5L 4-Cylinder Gas Engine

Continuously Variable Automatic Transmission

All wheel drive

25 City / 31 Highway

User Experience: Unbiased Car Pricing Assessments

CarGurus seeks to differentiate itself through accurate algorithm-based assessments of vehicle pricing

Used Nissan Rogue for Sale in New York, NY 10027 [Update Zip](#) ⓘ

Search Used Search New

By Car By Body Style By Price

Nissan

Rogue

ZIP 10027

Search

Filter Results 127 listings

Price \$9,000 - \$23,000

☒ Include Listings Without Available Pricing

Mileage Any

Years Min 2015 to Max 2015

Distance from me Radius 100 mi

Nissan Rogue

Body Style X Choose how to shop X Year X (Clear all filters)


Save Search

Email me price drops and new listings for these results. Email Email me


By clicking "Email me," you agree to our [Privacy Policy](#) and [Terms of Use](#).

Lowest price first


First Previous 16 - 30 of 127 results Next page >




2015 Nissan Rogue SV AWD
\$13,676 • \$252/mo est.*
107,434 mi
Watertown, CT (69 mi)
(959) 500-6475
GOOD DEAL
\$1,482 below market
Request Info




2015 Nissan Rogue S AWD
\$13,695 • \$253/mo est.*
95,475 mi
Branford, CT (66 mi)
(203) 900-7031
GREAT DEAL
\$1,555 below market
Request Info




2015 Nissan Rogue SV AWD
\$13,795 • \$254/mo est.*
116,445 mi
Paterson, NJ (12 mi)
(973) 397-5098
GOOD DEAL
\$324 below market
Request Info



2015 Nissan Rogue SV AWD



2015 Nissan Rogue SV AWD



Great deals delivered to your driveway

Shop home delivery to see more deals

- CARG calculates Instant Market Value (IMV) by applying more than 20 ranking signals and more than 100 normalization rules to tens of millions of data points
- CARG ranks its search results for consumer used vehicle queries based on these Deal Ratings and does not favor/prioritize listings from its paying advertisers (somewhat analogous to Google's PageRank algorithm for determining the sort order of its organic search results)
- By contrast, some other competing auto marketplaces that solely list vehicles from paying dealers may be less inclined to make harsh pricing assessments of their paying customers

User Experience: Ratings Grids

Comparison of Competitor Offerings

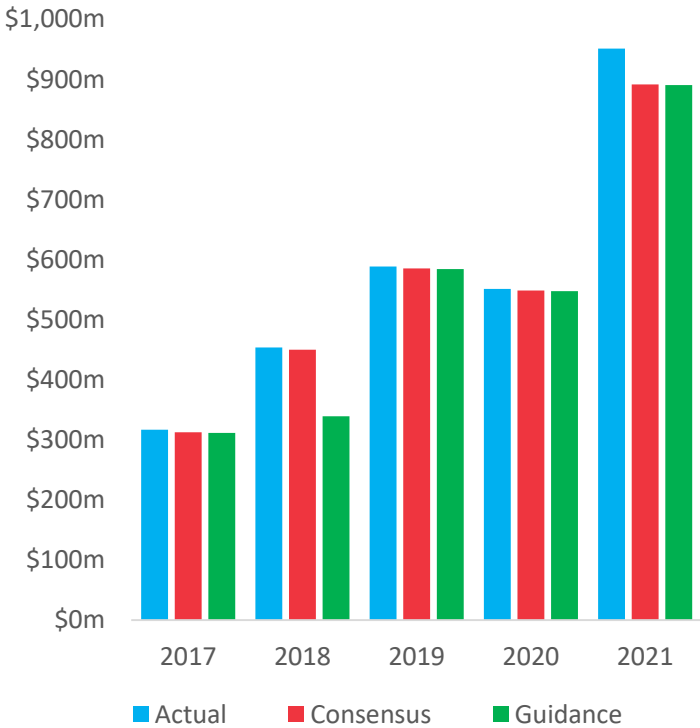


Used Cars				
# Deal Ratings (Used Cars)	5	4	4	1
Tiers	Great Deal Good Deal Fair Deal High Price Overpriced	Great Deal Good Deal Fair Deal Well-Equipped	Exceptional Price Great Price Good Price Above Market	KBB Fair Market Range
New Cars				
# Deal Ratings (New Cars)	3	n/a	4	n/a
Tiers	Great Price Good Price Fair Price	Shows Average Price	Exceptional Price Great Price Good Price Above Market	None
All Cars				
Search Results Sortable by Rating	✓	✓	✓	✗
Shows Days on Site	✓	✓	✗	✗
Shows Price Change History	✓	✗	✗	✗

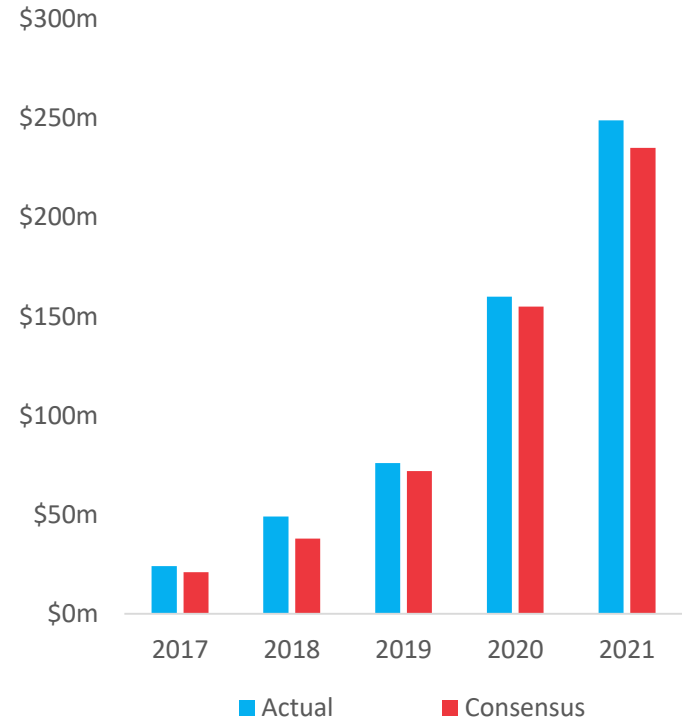
Consensus Estimates

CARG has demonstrated a track record of consistently beating consensus estimate forecasts

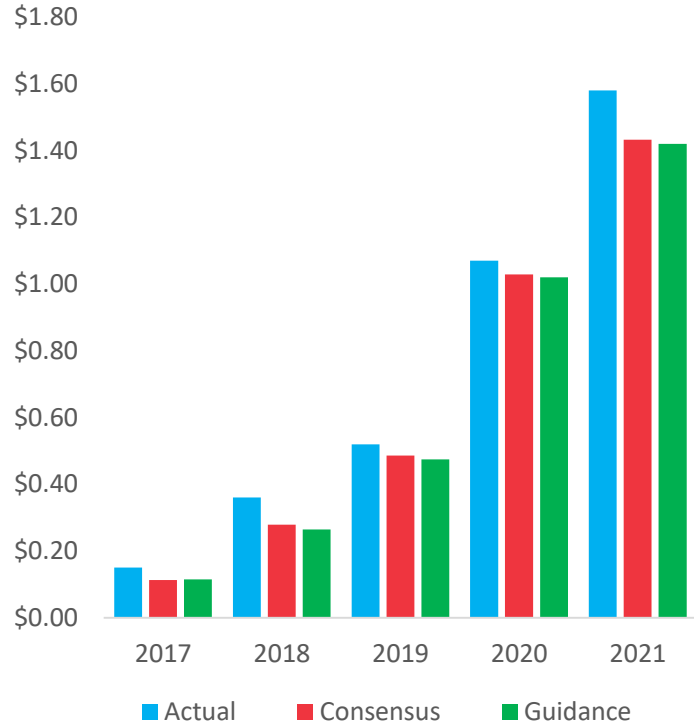
Revenue (\$m)



EBITDA (\$m)

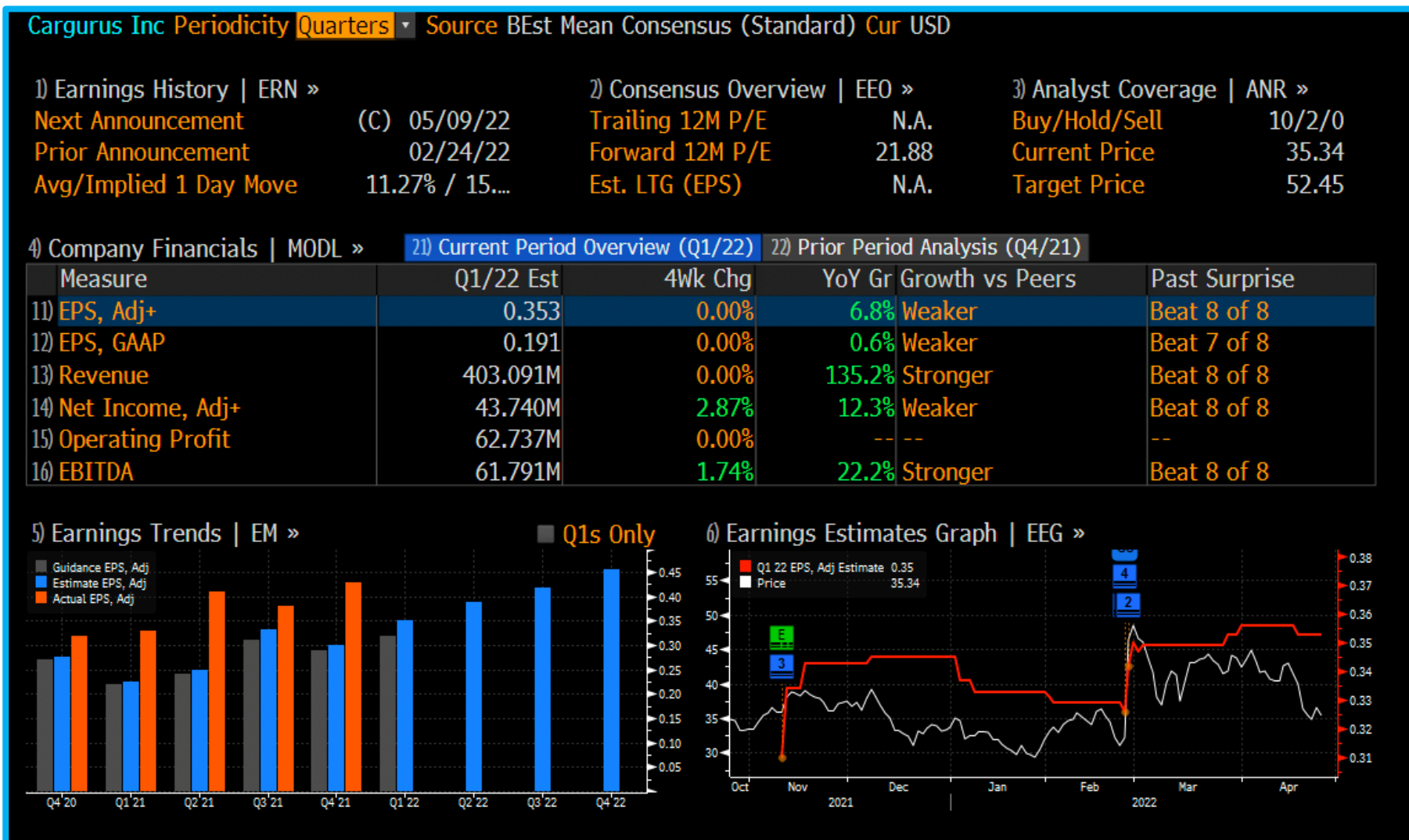


EPS



Consensus Estimates (cont.)

CARG has demonstrated a track record of consistently beating consensus estimate forecasts



Research Sources & Expert Quotes

Primary and Secondary references

Company Sources

- CarGurus SEC Filings
- CarGurus Earnings Transcripts
- CarGurus Company Website
- CarGurus Investor Relations (correspondence)

Secondary Sources

- Sell-side Broker Research – CarGurus
- Sell-side Broker Research – Competitors
- Competitor SEC Filings
- Tegus Call Transcripts
- Industry Reports
- S&P Capital IQ
- Bloomberg

Expert Calls

- Former Senior Vice President of Business Development - CarGurus
"One of the biggest objectives of CarOffer is to penetrate into the wholesale vehicle acquisition marketplace."
- Former Sales Operations Manager Offshore Vendor Management - CarGurus
"The SEO algorithm CarGurus uses to ensure users are engaged even when they're not on Cargurus.com is unmatched"
- Former Senior Manager, Pricing and Packaging Strategy - CarGurus
"The biggest barrier to entry for other competitors is CarGurus' lead-generating SEM and traffic. No other platform has been able to replicate it. Whatever car you search, wherever you are, CarGurus remains the #1 result."

Team 12



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