Cars.com Inc.
Quarterly Financials & Key Operating Metrics

Consolidated Statements of Income (Loss) *(In thousands, except per share data)*	Three Months Ended *(unaudited)*																	
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Full Year 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Full Year 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Full Year 2020	March 31, 2021	June 30, 2021	September 30, 2021
Revenue: *																		
Dealer	$ 101,478	$ 115,533	$ 119,510	$ 121,130	$ 457,651	$ 115,094	$ 111,190	$ 122,878	$ 127,933	$ 477,095	$ 125,361	$ 83,242	$ 123,955	$ 130,460	$ 463,018	$ 132,958	$ 136,866	$ 139,321
OEM and National	26,818	27,230	28,107	23,226	105,381	20,295	19,296	20,161	21,022	80,774	19,393	16,021	17,753	20,009	73,176	18,069	16,329	15,273
Other	4,047	4,095	4,010	4,004	16,156	3,949	3,624	3,642	3,227	14,442	3,340	2,746	2,684	2,539	11,309	2,268	2,335	1,959
Retail	132,343	146,858	151,627	148,360	579,188	139,338	134,110	146,681	152,182	572,311	148,094	102,009	144,392	153,008	547,503	153,295	155,530	156,553
Wholesale	27,614	21,654	17,685	15,986	82,939	14,860	14,097	5,409	5	34,371	—	—	—	—	—	—	—	—
Total revenue	159,957	168,512	169,312	164,346	662,127	154,198	148,207	152,090	152,187	606,682	148,094	102,009	144,392	153,008	547,503	153,295	155,530	156,553
Operating expenses:																		
Cost of revenue and operations	17,985	22,500	23,808	26,140	90,433	25,579	24,319	25,089	24,562	99,549	26,030	22,912	25,434	27,160	101,536	27,831	28,219	28,928
Product and technology	17,908	17,691	15,616	17,574	68,789	17,863	15,339	14,923	14,734	62,859	14,873	12,031	15,455	18,305	60,664	16,760	19,434	20,132
Marketing and sales	65,407	58,936	55,825	46,572	226,740	60,343	53,740	50,789	52,560	217,432	54,922	32,036	45,776	50,714	183,448	53,211	51,309	51,948
General and administrative	24,270	14,303	15,131	19,239	72,943	23,888	21,963	13,414	14,507	73,772	14,117	16,460	13,289	15,185	59,051	13,266	15,615	17,919
Affiliate revenue share	3,283	3,813	4,097	4,295	15,488	2,454	2,176	5,158	11,002	20,790	6,369	4,601	—	—	10,970	—	—	—
Depreciation and amortization	23,938	26,712	26,504	26,656	103,810	28,125	29,666	28,970	30,116	116,877	30,961	31,193	25,375	25,747	113,276	25,680	25,298	25,552
Goodwill and intangible asset impairment	—	—	—	—	—	—	—	461,463	—	461,463	905,885	—	—	—	905,885	—	—	—
Total operating expenses	152,791	143,955	140,981	140,476	578,203	158,252	147,203	599,806	147,481	1,052,742	1,053,157	119,233	125,329	137,111	1,434,830	136,748	139,875	144,479
Operating income (loss)	7,166	24,557	28,331	23,870	83,924	(4,054)	1,004	(447,716)	4,706	(446,060)	(905,063)	(17,224)	19,063	15,897	(887,327)	16,547	15,655	12,074
Nonoperating expense:																		
Interest expense, net	(5,957)	(7,343)	(7,005)	(7,412)	(27,717)	(7,566)	(7,711)	(7,712)	(7,785)	(30,774)	(7,526)	(7,924)	(10,779)	(11,627)	(37,856)	(10,001)	(9,839)	(9,522)
Other (expense) income, net	(16)	27	65	646	722	119	9	1,402	25	1,555	(9,501)	557	1,957	(4,239)	(11,226)	38	(39)	19
Total nonoperating expense, net	(5,973)	(7,316)	(6,940)	(6,766)	(26,995)	(7,447)	(7,702)	(6,310)	(7,760)	(29,219)	(17,027)	(7,367)	(8,822)	(15,866)	(49,082)	(9,963)	(9,878)	(9,503)
Income (loss) before income taxes	1,193	17,241	21,391	17,104	56,929	(11,501)	(6,698)	(454,026)	(3,054)	(475,279)	(922,090)	(24,591)	10,241	31	(936,409)	6,584	5,777	2,571
Income tax expense (benefit)	264	4,515	5,594	7,747	18,120	(2,470)	(672)	(27,869)	1,056	(29,955)	(134,656)	53	22,502	(7,188)	(119,289)	1,306	(189)	140
Net income (loss)	$ 929	$ 12,726	$ 15,797	$ 9,357	$ 38,809	$ (9,031)	$ (6,026)	$ (426,157)	$ (4,110)	$ (445,324)	$ (787,434)	$ (24,644)	$ (12,261)	$ 7,219	$ (817,120)	$ 5,278	$ 5,966	$ 2,431
Weighted-average common shares outstanding:																		
Basic	71,952	71,119	69,652	68,583	70,318	67,584	66,779	66,769	66,850	66,995	66,938	67,256	67,295	67,477	67,241	67,787	68,869	69,067
Diluted	72,122	71,330	70,029	68,856	70,547	67,584	66,779	66,769	66,850	66,995	66,938	67,256	67,295	70,312	67,241	70,254	70,694	70,945
Earnings (loss) per share:																		
Basic	$ 0.01	$ 0.18	$ 0.23	$ 0.14	$ 0.55	$ (0.13)	$ (0.09)	$ (6.38)	$ (0.06)	$ (6.65)	$ (11.76)	$ (0.37)	$ (0.18)	$ 0.11	$ (12.15)	$ 0.08	$ 0.09	$ 0.04
Diluted	0.01	0.18	0.23	0.14	0.55	(0.13)	(0.09)	(6.38)	(0.06)	(6.65)	(11.76)	(0.37)	(0.18)	0.10	(12.15)	0.08	0.08	0.03

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

Non-GAAP Reconciliations *(unaudited and in thousands)*	Three Months Ended																	
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Full Year 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Full Year 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Full Year 2020	March 31, 2021	June 30, 2021	September 30, 2021
Reconciliation of Net income (loss) to Adjusted EBITDA																		
Net income (loss)	$ 929	$ 12,726	$ 15,797	$ 9,357	$ 38,809	$ (9,031)	$ (6,026)	$ (426,157)	$ (4,110)	$ (445,324)	$ (787,434)	$ (24,644)	$ (12,261)	$ 7,219	$ (817,120)	$ 5,278	$ 5,966	$ 2,431
Interest expense, net	5,957	7,343	7,005	7,412	27,717	7,566	7,711	7,712	7,785	30,774	7,526	7,924	10,779	11,627	37,856	10,001	9,839	9,522
Income tax expense (benefit)	264	4,515	5,594	7,747	18,120	(2,470)	(672)	(27,869)	1,056	(29,955)	(134,656)	53	22,502	(7,188)	(119,289)	1,306	(189)	140
Depreciation and amortization	23,938	26,712	26,504	26,656	103,810	28,125	29,666	28,970	30,116	116,877	30,961	31,193	25,375	25,747	113,276	25,680	25,298	25,552
Goodwill and intangible asset impairment	—	—	—	—	—	—	—	461,463	—	461,463	905,885	—	—	—	905,885	—	—	—
Stock-based compensation	1,600	2,876	3,019	1,928	9,423	3,099	3,465	(1,160)	2,332	7,736	1,911	4,376	4,189	4,974	15,450	5,108	6,029	5,623
Write-off of long-lived assets and other	(40)	401	330	277	968	111	529	(111)	177	706	9,483	(463)	(1,922)	2,602	9,700	(15)	94	809
Severance, transformation and other exit costs	507	590	175	4,499	5,771	6,453	1,058	2,114	963	10,588	1,404	4,764	289	1,462	7,919	780	927	1,073
Transaction-related costs	10,107	1,026	897	1,152	13,182	2,044	2,579	—	959	5,582	97	20	59	2,029	2,205	—	512	622
Costs associated with the stockholder activist campaign	3,785	1,112	2,869	2,040	9,806	2,695	5,225	905	—	8,825	—	—	—	—	—	—	—	—
Adjusted EBITDA*	$ 47,047	$ 57,301	$ 62,190	$ 61,068	$ 227,606	$ 38,592	$ 43,535	$ 45,867	$ 39,278	$ 167,272	$ 35,177	$ 23,223	$ 49,010	$ 48,472	$ 155,882	$ 48,138	$ 48,476	$ 45,772

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

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

Net cash provided by operating activities	$ 26,661	$ 43,963	$ 50,457	$ 42,467	$ 163,548	$ 38,389	$ 12,366	$ 29,795	$ 20,934	$ 101,484	$ 28,892	$ 28,737	$ 39,237	$ 41,750	$ 138,616	$ 50,362	$ 29,257	$ 36,607
Purchase of property and equipment	(2,513)	(3,904)	(3,549)	(4,267)	(14,233)	(3,363)	(5,991)	(6,055)	(5,848)	(21,257)	(5,755)	(2,970)	(3,878)	(4,109)	(16,712)	(6,219)	(6,876)	(4,784)
Free cash flow	$ 24,148	$ 40,059	$ 46,908	$ 38,200	$ 149,315	$ 35,026	$ 6,375	$ 23,740	$ 15,086	$ 80,227	$ 23,137	$ 25,767	$ 35,359	$ 37,641	$ 121,904	$ 44,143	$ 22,381	$ 31,823

Key Operating Metrics *(unaudited)*	Three Months Ended																	
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Full Year 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Full Year 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Full Year 2020	March 31, 2021	June 30, 2021	September 30, 2021
Traffic	113,416,000	112,954,000	113,751,000	105,161,000	445,282,000	132,474,000	130,626,000	144,378,000	146,183,000	553,660,000	158,921,000	143,972,000	158,791,000	138,122,000	599,807,000	156,604,000	158,438,000	142,418,000
Average Monthly Unique Visitors	19,352,000	19,007,000	18,926,000	17,828,000	18,778,000	22,408,000	21,559,000	23,080,000	23,471,000	22,629,000	24,929,000	22,810,000	25,349,000	22,200,000	23,822,000	25,957,000	26,391,000	24,341,000
Dealer Customers (at period end)	20,474	20,720	20,407	19,921	19,921	19,300	18,891	18,635	18,834	18,834	18,938	18,033	18,130	18,372	18,372	18,823	18,845	19,029
Monthly Average Revenue Per Dealer	$ 2,036	$ 2,100	$ 2,116	$ 2,139	$ 2,098	$ 2,225	$ 2,163	$ 2,174	$ 2,136	$ 2,179	$ 2,092	$ 1,442	$ 2,183	$ 2,264	$ 1,995	$ 2,268	$ 2,299	$ 2,332