



Cars.com's Acquisition of Dealer Inspire and Launch Digital Marketing Deal Factsheet

The acquisition of Dealer Inspire and Launch Digital Marketing ("LDM") – innovative technology companies that provide digital solutions to automotive dealers.

Dealers will have access to even higher quality connections on Cars.com through the expanded offerings of Dealer Inspire with the following sophisticated solutions:

- *Conversations*SM, a powerful messaging platform with A.I. that creates a centralized hub for dealers to communicate with customers, improve quality and length of response time, and decrease operating costs.
- *Online Shopper*, an end-to-end digital retailing solution, empowering shoppers to compare a wide range of financial considerations as they complete their purchase. Integrated with *Conversations*SM, dealers can guide shoppers through the transaction, instantly collaborate on terms, and video chat for live, personalized vehicle tours.

In addition, this acquisition broadens the Company's suite of dealer solutions with the following innovative offerings:

- *Fuel*, an inventory advertising program that dynamically creates customized ads and keyword lists based on real-time inventory data and logic. The program includes predictive shopper intent, maximizing dollars on what shoppers are most likely to buy.
- Website platforms that are custom-designed and flexible, supporting highly personalized digital campaigns. Dealer Inspire websites are built with intelligent technology that is easy to customize and self-manage and supported with preeminent customer service.
- *LDM*, customized marketing and customer acquisition solutions.



Integrates rapidly growing digital dealer product suite



Broadens Cars.com's capabilities, deepens dealer connections and improves attribution



Combines complementary assets to create a unique, end-to-end car shopping experience



Accelerates growth, extends dealer solutions, targeting high-growth channels



Significant synergy opportunities and long-term growth support investment returns

Deal Terms and Financial Details

- The acquisition is expected to close in February 2018, subject to customary closing conditions.
- Under the terms of the acquisition agreement, Cars.com will pay \$165 million in cash at the close. There are additional incentives up to \$40 million for over-performance over a three-year period.
- In addition to benefitting from continuing Dealer Inspire's and LDM's rapid growth as noted above, the Company expects to sell between \$25 million and \$30 million of annual incremental revenue through its existing sales team, contributing at least \$10 million of annual incremental adjusted EBITDA by 2020. The acquisition is expected to be accretive to adjusted net income per share in 2018 and to GAAP EPS in 2019, reflecting intangible amortization.
- It will generate an additional \$6 million in annual interest expense, and \$155 million remains available on the revolving credit facility.

Contact IR@Cars.com for more details.

Forward-Looking Statements

This factsheet contains "forward-looking statements" within the meaning of the federal securities laws, including those statements under "Financial Objectives." All statements other than statements of historical facts are forward-looking statements. Forward-looking statements include information concerning our business strategies, plans and objectives, market potential, future financial performance, planned operational and product improvements, liquidity and other matters. These statements often include words such as "believe," "expect," "project," "anticipate," "intend," "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, estimates, projections and assumptions, based on our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we think are appropriate. These statements are expressed in good faith and we believe these judgments are reasonable. However, you should understand that these statements are not guarantees of performance or results. Our actual results could differ materially from those expressed in the forward-looking statements. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. 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 to differ materially from those expressed in the forward-looking statements contained in this factsheet. Such risks, uncertainties, and other important factors include, among others, risks related to our business, our separation from our parent company and our common stock. For a detailed discussion of many of these risks and uncertainties, see the section entitled "Risk Factors" in our Registration Statement on Form 10, which was filed with the Securities and Exchange Commission on May 4, 2017 (the "Registration Statement"). All forward-looking statements contained in this factsheet are qualified by these cautionary statements. The forward-looking statements contained in this factsheet speak only as of the date of this factsheet. 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. Comparisons of results between current and prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data. The forward-looking statements in this factsheet are intended to be subject to the safe harbor protection provided by the federal securities laws.