

1Q 2011 Results



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New Cars

The decision to buy a new car can be intimidating. The prospect of performing a new car search can be exciting on one hand but frustrating on the other. With thousands of new cars on the market; how do you find the one that is the right fit for you? Autobytel.com will help guide your new car search by providing in-depth information along the way.



Search by Make / Model

Select One

Select One

Go

May 5, 2011

Safe Harbor Statement and Non-GAAP Disclosures

The statements made in the accompanying conference call or contained in this presentation that are not historical facts are forward-looking statements under the federal securities laws. These forward-looking statements, including, but not limited to the company's belief regarding achievement of positive cash flow or profitability for the second quarter of 2011, are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Actual outcomes and results may differ materially from what is expressed in, or implied by, these forward-looking statements. Autobytel undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Among the important factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements are changes in general economic conditions; the financial condition of automobile manufacturers and dealers; changes in fuel prices; the economic impact of terrorist attacks, political revolutions or military actions; dealer attrition; pressure on dealer fees; increased or unexpected competition; the failure of new products and services to meet expectations; failure to retain key employees or attract and integrate new employees; actual costs and expenses exceeding charges taken by Autobytel; changes in laws and regulations; costs of legal matters, including, defending lawsuits and undertaking investigations and related matters; and other matters disclosed in Autobytel's filings with the Securities and Exchange Commission. Investors are strongly encouraged to review the company's Annual Report on Form 10-K for the year ended December 31, 2010, and other filings with the Securities and Exchange Commission for a discussion of risks and uncertainties that could affect business, operating results, or financial condition of Autobytel and the market price of the company's stock. In addition, current year financial information could be subject to change as a result of subsequent events or the finalization of the company's financial statement close which culminates with the filing of the company's Annual Report on Form 10-K for the current year.

This presentation includes a discussion of "EBITDA," "Adjusted Operating Expenses," and "Cash Flow," which are non-GAAP financial measures. The Company defines EBITDA as net income before (i) interest income (expense); (ii) income tax provision (benefit); and (iii) depreciation and amortization. The Company defines Adjusted Operating Expenses as GAAP operating expenses adjusted for unusual, infrequent or non-recurring items. The Company defines non-GAAP Cash Flow as EBITDA plus non-cash stock compensation related to the Company's grant of stock options and other equity instruments. The Company believes these non-GAAP financial measures provide important supplemental information to management and investors. These non-GAAP financial measures reflect an additional way of viewing aspects of the Company's operations that, when viewed with the GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting the Company's business and results of operations. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items from the Company's non-GAAP measures should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

Financial Overview

	2010					2011
	Q1	Q2	Q3	Q4	FY	Q1
Revenue (\$M)	\$11.8	\$12.1	\$12.9	\$14.7	\$51.5	\$16.0
Gross Profit (\$M)	\$4.7	\$4.2	\$4.8	\$5.8	\$19.5	\$6.2
Gross Margin	40.2%	35.0%	36.8%	39.3%	37.8%	38.4%
Operating Expenses (\$M)	\$4.1	\$7.5	\$7.9	\$9.0	\$28.5	\$6.6
Adjusted Operating Expenses ¹ (\$M)	\$6.9	\$7.1	\$7.4	\$7.5	\$28.9	\$6.4
Net Income / (Loss) (\$M)	\$0.8	(\$3.0)	(\$3.1)	(\$3.3)	(\$8.6)	(\$0.6)
EBITDA ² (\$M)	\$1.1	(\$2.7)	(\$2.8)	(\$2.6)	(\$7.0)	\$0.1
Cash Flow ³ (\$M)	\$1.3	(\$2.3)	(\$2.6)	(\$2.3)	(\$5.9)	\$0.4
Cash ⁴ (\$M)	\$26.1	\$23.9	\$10.3	\$8.8	\$8.8	\$7.5
Closing Stock Price	\$1.05	\$1.14	\$0.87	\$0.86	\$0.86	\$1.41

Comments

- Fourth consecutive quarter of sequential revenue increases
- Gross profit increased 7% from the prior quarter and 32% Y-O-Y
- EBITDA and Cash Flow positive in Q1 2011

¹ See slide 8 for Adjusted Operating Expense reconciliation

² EBITDA is equal to Net Income plus Interest, Taxes, and Depreciation and Amortization; See slide 4 for reconciliation

³ Cash Flow is equal to EBITDA plus Non-Cash Stock Compensation; See slide 4 for reconciliation

⁴ Cash decreased in Q3 2010 primarily as a result of the acquisition of Cyber Ventures / Autotropolis (\$9M) and a strategic investment in Driverside (\$1M)

EBITDA and Cash Flow

	2010					2011
	Q1	Q2	Q3	Q4	FY	Q1
Net Income (\$M)	\$0.8	(\$3.0)	(\$3.1)	(\$3.3)	(\$8.6)	(\$0.6)
Net Interest (\$M)	(\$0.0)	(\$0.0)	(\$0.0)	\$0.1	\$0.0	\$0.1
Depreciation & Amortization (\$M)	\$0.3	\$0.3	\$0.2	\$0.5	\$1.4	\$0.5
Taxes (\$M)	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2	\$0.1
EBITDA ¹ (\$M)	\$1.1	(\$2.7)	(\$2.8)	(\$2.6)	(\$7.0)	\$0.1

	2010					2011
	Q1	Q2	Q3	Q4	FY	Q1
EBITDA ¹ (\$M)	\$1.1	(\$2.7)	(\$2.8)	(\$2.6)	(\$7.0)	\$0.1
Non-Cash Stock Compensation	\$0.2	\$0.3	\$0.2	\$0.3	\$1.1	\$0.2
Cash Flow ² (\$M)	\$1.3	(\$2.3)	(\$2.6)	(\$2.3)	(\$5.9)	\$0.4

Comment

- EBITDA and Cash Flow are positive for the first time since the downturn in the automotive industry, excluding the \$2.7M patent settlement payment in the first quarters of '09 and '10, and the \$1.3M escrow payment in the second quarter of '09

¹ EBITDA is equal to Net Income plus Interest, Taxes, and Depreciation and Amortization

² Cash Flow is equal to EBITDA plus Non-Cash Stock Compensation

³ Above financials are impacted by rounding to the nearest \$0.1M

Auto Industry Impact - Japan

Events

- March 11, 2011 – Magnitude 9.0 earthquake hits Japan
- April 19, 2011 – J.D. Power holds its forecast for 2011 stating “lost volume in the near-term is expected to be made up by the end of the year. However, there remains a relatively low level of risk of a downward revision.”
- April 25, 2011 – IHS trims US LV Sales to 12.9M from 13.3M, and suggests that 15% of Japanese production will be completely lost
- April 26, 2011 – AutoNation reduces its outlook for US LV Sales from 12.8M to mid 12M
- May 4, 2011 – J.D. Power is quoted “uncertainty about gas prices and stockpiles is increasing the risk that the industry may not reach the expected 13M for US LV Sales”

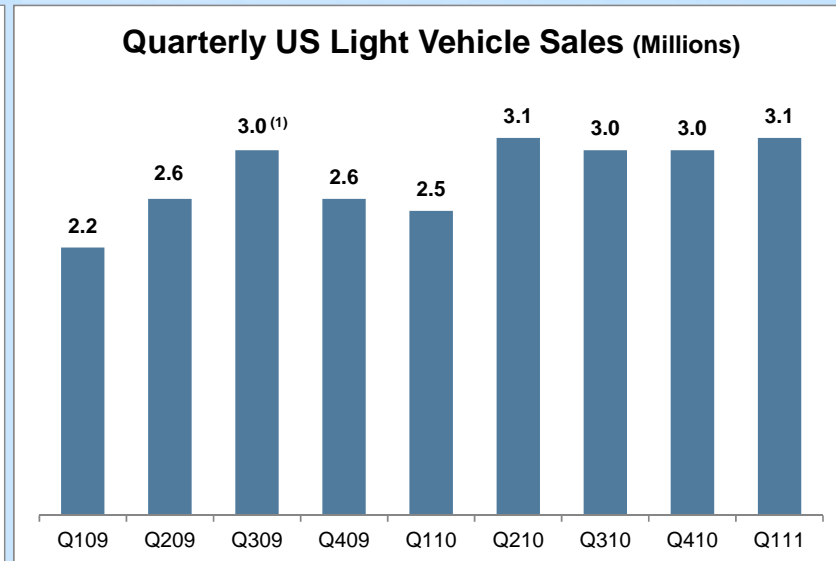
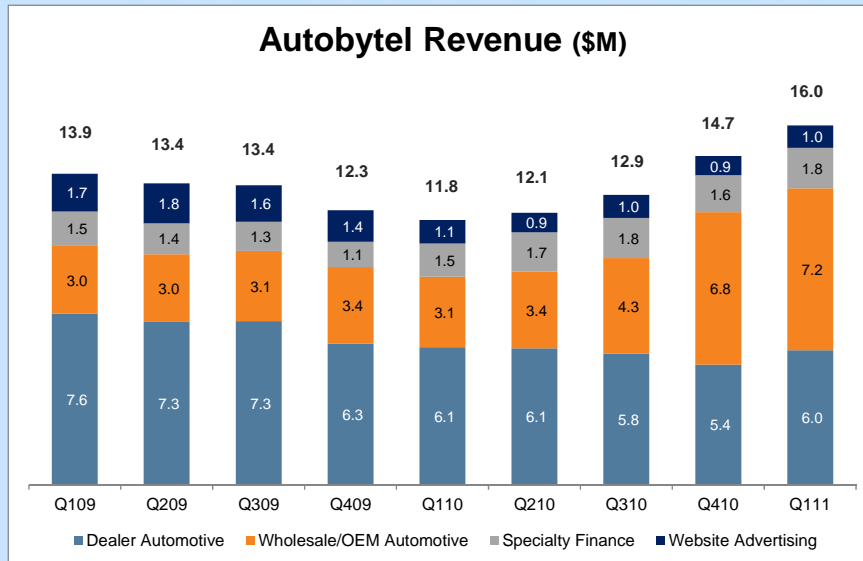
Impact

- GM, Ford, and Chrysler are positioned to take share, particularly in small, fuel efficient vehicles
- Hyundai Kia plants are already producing near capacity, allowing limited ability to take share
- Toyota and Honda will not see production return to normal levels until the end of 2011
- 15% of the lost volume in Japan will not be replaced, 55% will be replaced in 2011 and 30% in 2012

Japan impact appears to be a temporary setback in the ongoing automotive recovery, with the Detroit 3 positioned to gain share

Sources: *Automotive News, IHS, J.D. Power and Associates*

Revenue Results

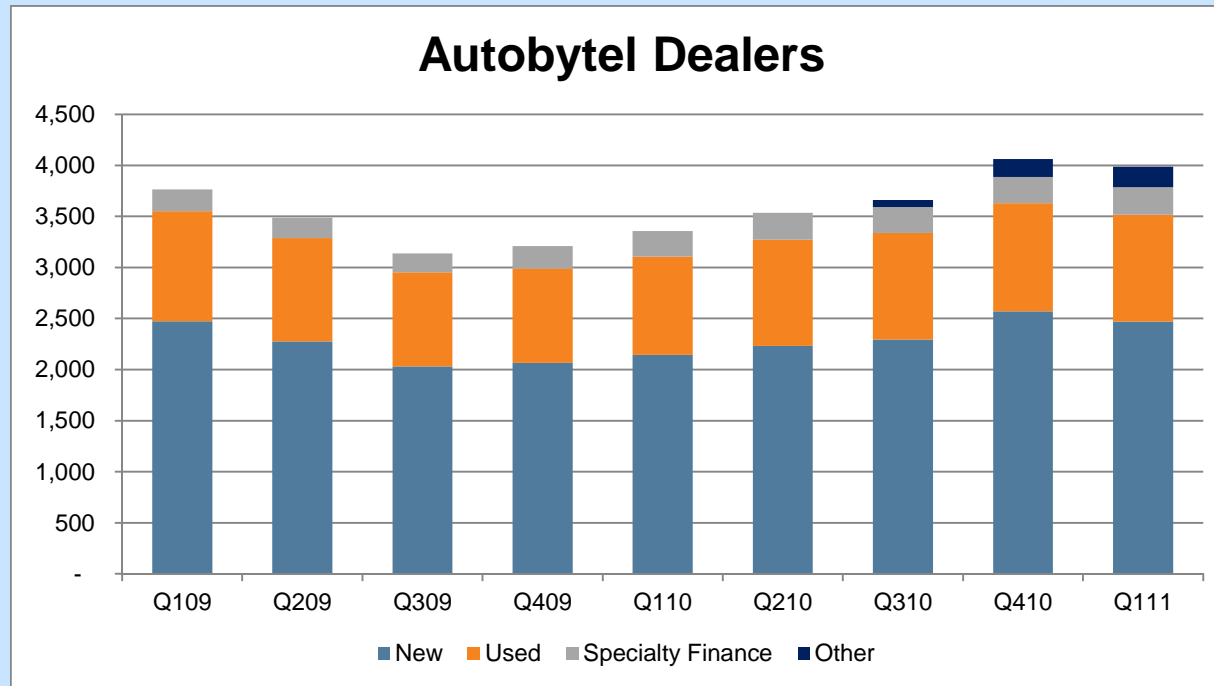


Source: Automotive News
 (1) Cash for Clunkers Program occurred in Q3 2009

Comments

- OEM and other wholesale purchase request revenue continues to grow, up 130% Y-O-Y and 6% sequentially
- Dealer revenue up 10% over the prior quarter and down slightly Y-O-Y
- Specialty finance purchase request revenue up 20% Y-O-Y and 13% sequentially (seasonality)

Dealer Base

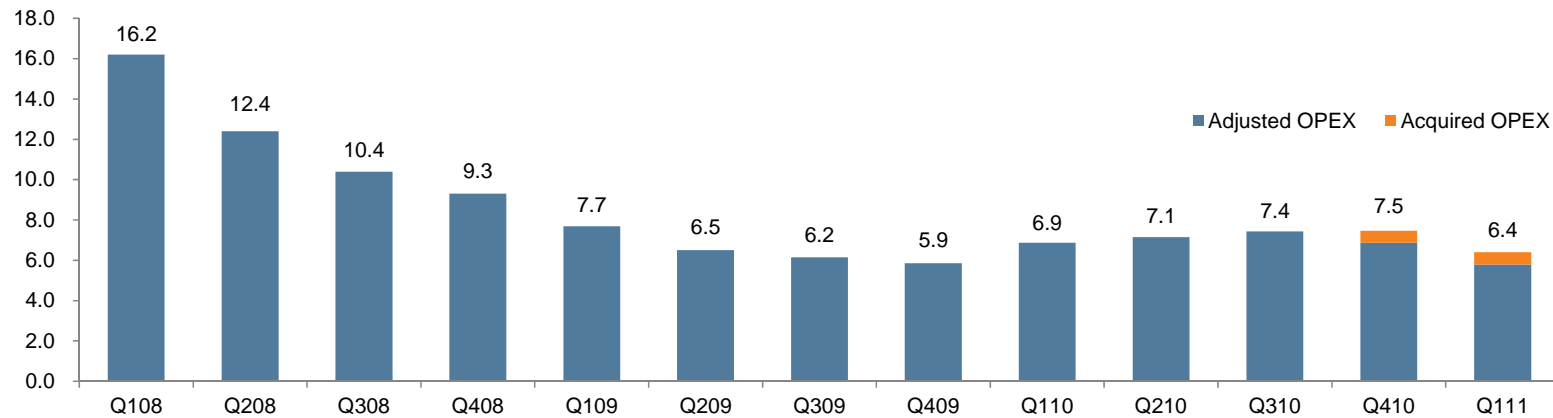


Comments

- Retail New and Used franchises were up 13% Y-O-Y as a result of organic growth and the acquisition, however were down vs. the prior quarter due to attrition during the acquisition integration process, and a focus on building and retaining dealers in areas where we have significant purchase request availability
- Dealers participating in other revenue products grew >15% sequentially

Operating Expenses

Adjusted Operating Expenses (\$M)



GAAP Reconciliation

(\$ in millions)	2010					2011
	Q1	Q2	Q3	Q4	FY	Q1
GAAP Operating Expenses	\$4.1	\$7.5	\$7.9	\$9.0	\$28.5	\$6.6
Patent Settlement ¹	2.8	0.0	0.1	0.1	2.9	0.1
Severance ²		(0.4)	(0.1)	(1.0)	(1.4)	0.0
Acquisition Costs ³			(0.4)	(0.3)	(0.7)	0.0
Acquisition Amortization ⁴			(0.1)	(0.3)	(0.4)	(0.3)
Adjusted OPEX	\$6.9	\$7.1	\$7.4	\$7.5	\$28.9	\$6.4

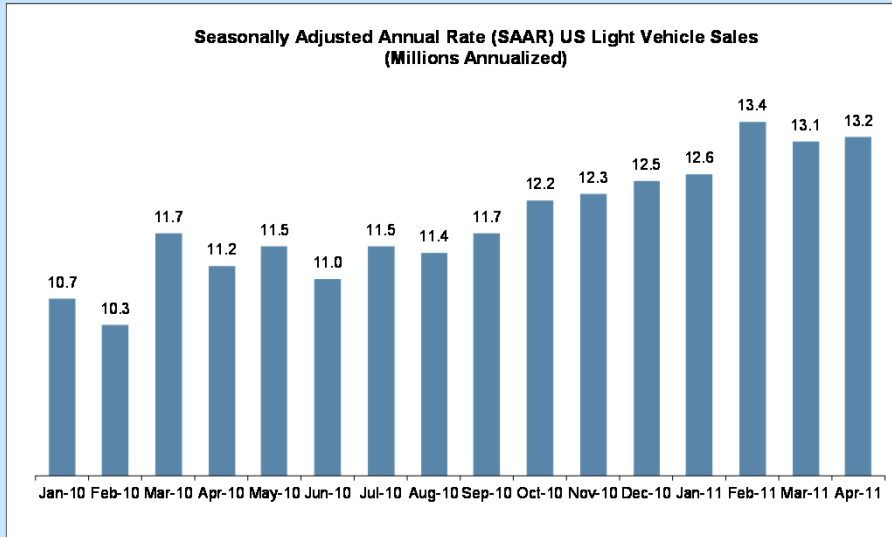
¹ Includes all patent settlements

² Severance includes associated accelerated stock compensation of \$(0.1) and \$(0.1) for Q210 and Q410, respectively

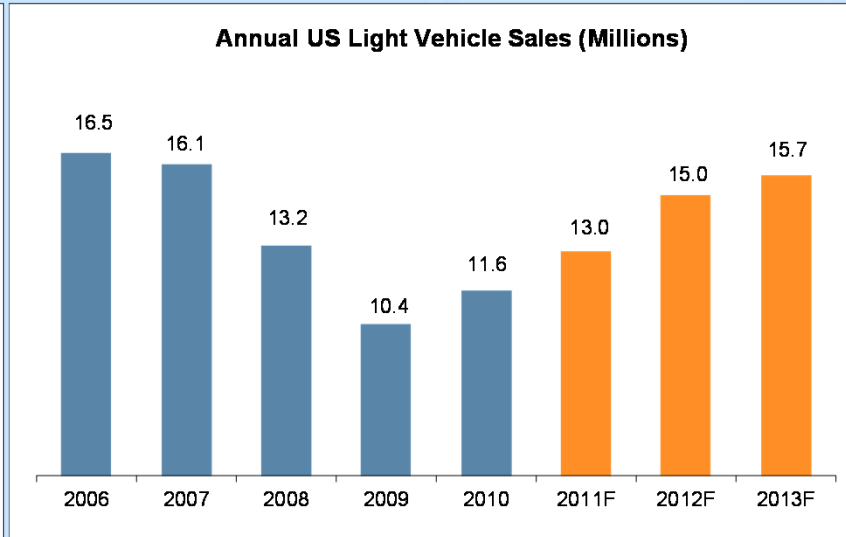
³ Acquisition costs consist of professional fees associated with the acquisition of Cyber Ventures and Autotropolis during 2010

⁴ Acquisition amortization relates to acquired intangible assets from Cyber Ventures and Autotropolis during 2010

Auto Industry Sales



Source: Automotive News



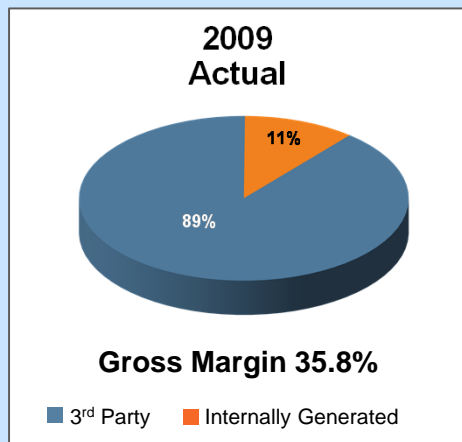
Source: J.D. Power and Associates

Comments

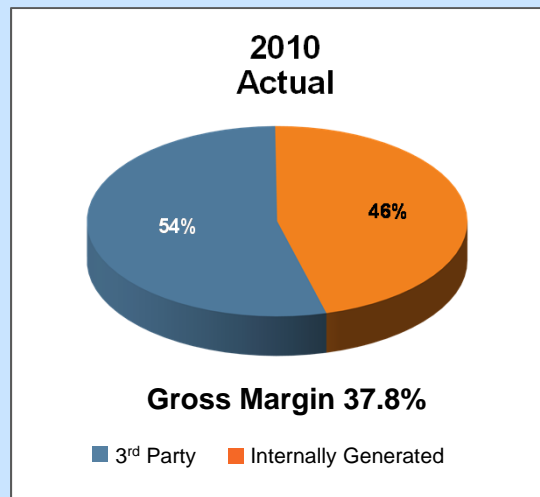
- The automotive market is beginning to show signs of steady growth
- SAAR averaging about 13M in the first 4 months of 2011
- 2011 US light vehicle sales were projected to be up 12% to 13M as of February 2011
- Impact from Japan earthquake and tsunami are still unknown, however there is speculation that US LV sales will be impacted

Autobytel Internally-Generated Purchase Requests

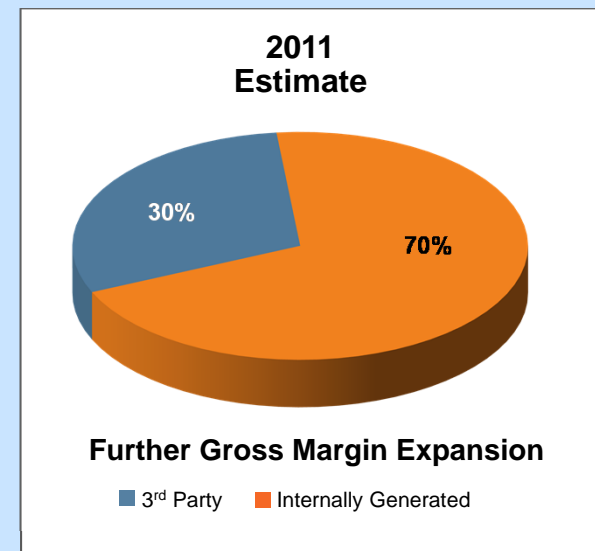
**2.7 Million Total
Purchase Requests**



**2.9 Million Total
Purchase Requests**



**4.0 Million Total
Purchase Requests**

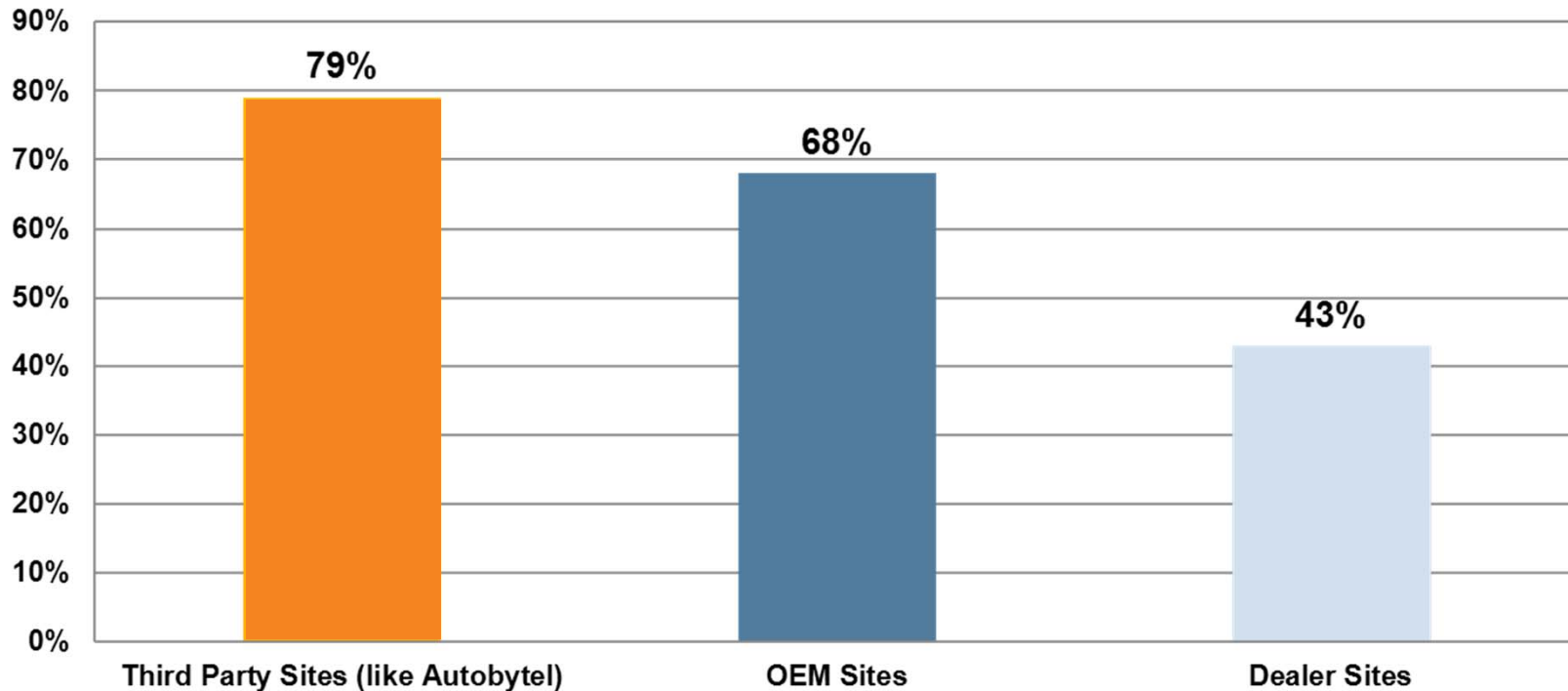


Comments

- Major competitors in consumer purchase request distribution acquire substantially all of their purchase requests from third parties
- Combination of internal purchase request generation and strong distribution creates significant competitive advantage for Autobytel and drives higher gross margins

Third Party Internet Sites Outperform

(percent of Internet users viewing automotive sites)



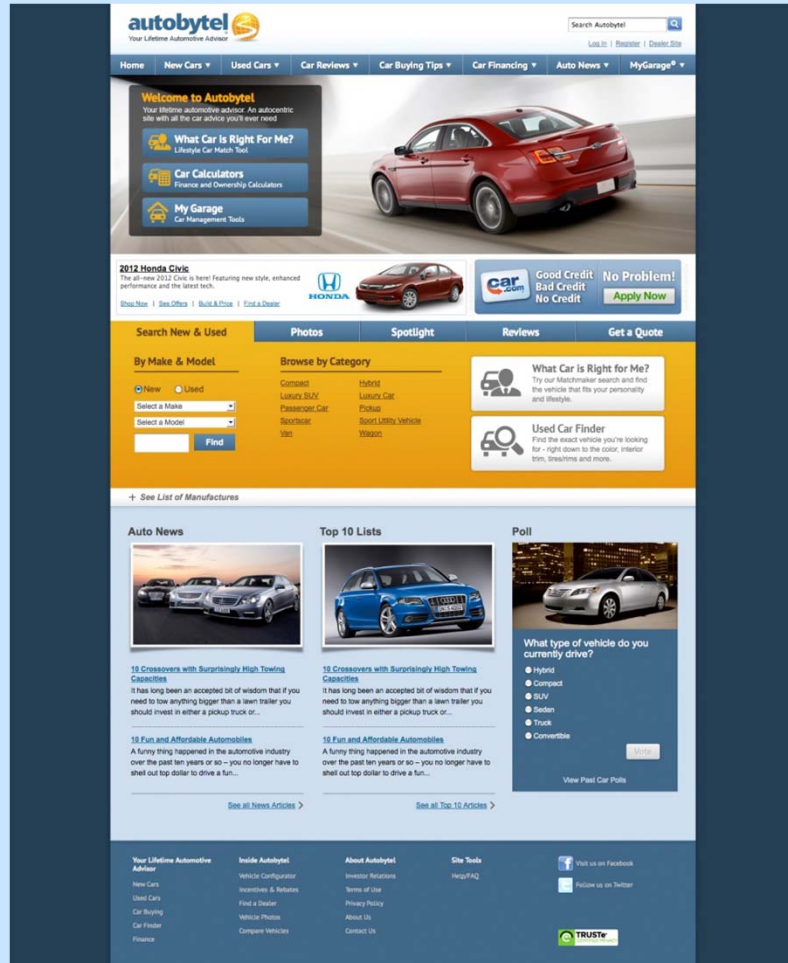
Comments

Source: J.D. Power and Associates, October 2010.

- Third party sites, like Autobytel.com, provide objective and credible information to the automotive consumer
- During the six months prior to purchase, consumers visit third party sites most often

autobytel 
Your Lifetime Automotive Advisor™

Website Redesign



- Dynamic new redesign (June 2011)
- Unique consumer proposition “Your Lifetime Automotive Advisor”
- Distinctive consumer content, engagement and social dialogue

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