



Autobytel Q2 2016 Results Presentation

August 4, 2016

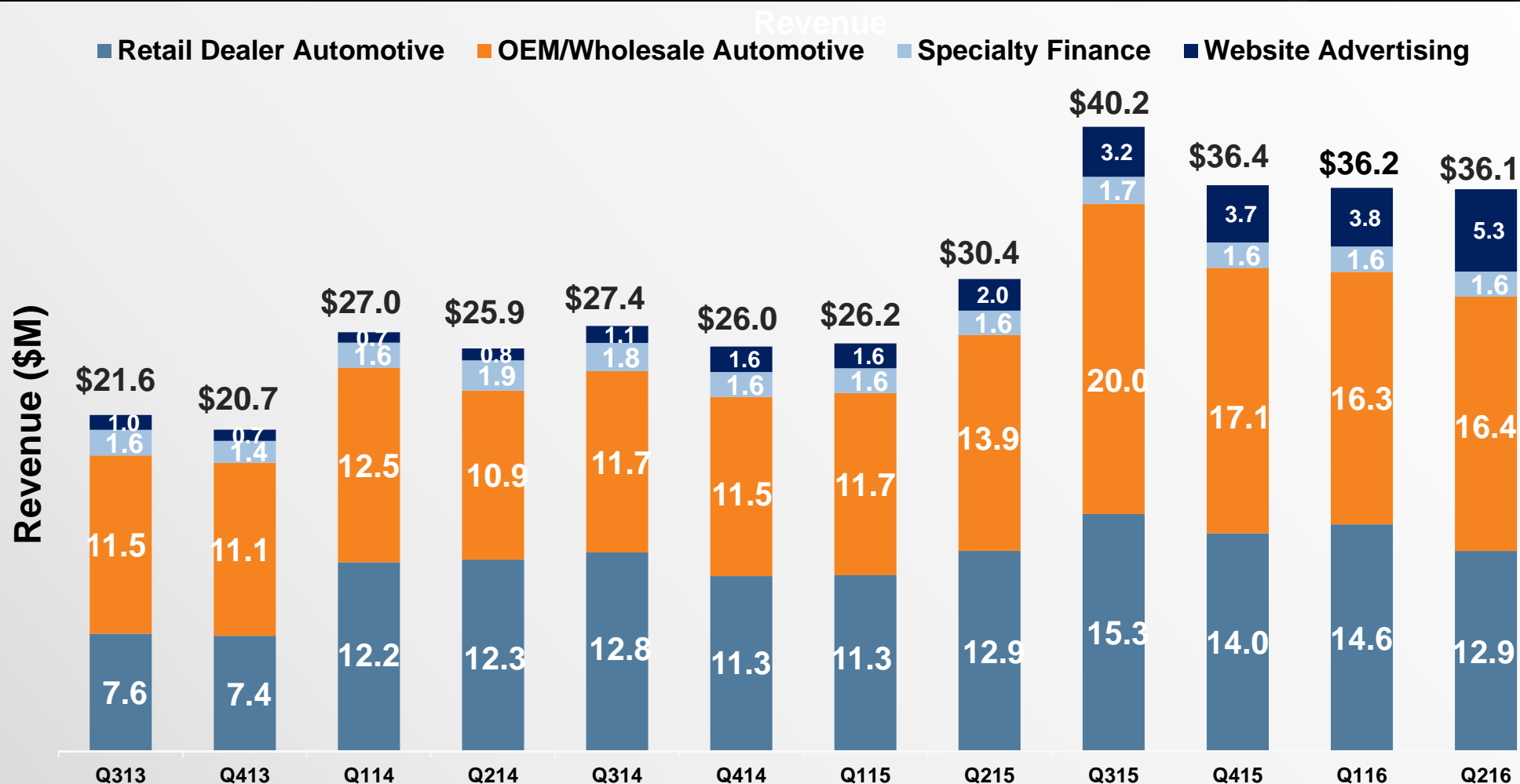
Safe Harbor Statement and Non-GAAP Disclosures

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. Words such as “anticipates,” “could,” “may,” “estimates,” “expects,” “projects,” “intends,” pending,” “plans,” “believes,” “will” and words of similar substance, or the negative of those words, used in connection with any discussion of future operations or financial performance identify forward-looking statements. In particular, statements regarding expectations and opportunities, new product expectations and capabilities, and our outlook regarding our performance and growth are forward-looking statements. These forward-looking statements, including, that (i) the company’s belief that its focus on lead quality, which has led to greater customer retention and higher ROI for the company’s customers, is a vital component to consistent growth over the long term; (ii) the company continues to expect the launch of its new click-enhanced product solution, along with the beta version of our brand new usedcars.com site, by the end of the 2016 third quarter; (iii) the company expects significant increases in lead volumes to a comprehensive OEM program in the future as the OEM expands its program with all of its dealers, and expects the benefit of higher volumes and cross-sell opportunities for this program to greatly outweigh the reduction in retail dealer count resulting from the transition to this program; (iv) the company expect to continue investing in its core leads business to capitalize on the record level demand from the company’s OEM and dealer customers; (v) the company continues to expect 2016 revenue to range between \$151 million and \$155 million, which represents an increase of approximately 13% to 16% from 2015; (vi) the company continues to expect non-GAAP diluted EPS to range between \$1.39 and \$1.43, representing an increase of approximately 14% to 17% from 2015; (vii) with several near-term catalysts ahead, as well as expected growth in its core leads business, the company intends to carry its momentum and deliver strong growth and profitability in the back half of 2016; and (viii) the company intends to continue providing dealers and OEMs with high-intent car buyers, regardless of the channel, to ultimately help the dealers and OEMs sell more cars and trucks, 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; disruptions in automobile production; changes in fuel prices; the economic impact of terrorist attacks, political revolutions or military actions; failure of our internet security measures; 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, 2015, and other filings with the Securities and Exchange Commission for a discussion of risks and uncertainties that could affect the business, operating results, or financial condition of Autobytel and the market price of the Company’s stock.

This presentation includes non-GAAP financial measures as defined by SEC Regulation G. Autobytel’s definitions of the non-GAAP financial measures used in this presentation and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures can be found in the appendix of this presentation. Autobytel’s management believes that these non-GAAP financial measures provide useful information to investors regarding the underlying business trends and performance of the Company’s ongoing operations and are better metrics for monitoring the Company’s performance given the effects of the Company’s net operating loss carryforwards, acquisitions and non-cash stock-based compensation. 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

- **Revenues increased 19%** to a Q2 record \$36.1 million
- **Advertising revenues increased 159%** to \$5.3 million
- **Click revenues increased 459%** to \$3.7 million
- **Net Income was \$0.4 million** or \$0.03 per diluted share, compared to \$0.9 million or \$0.08 per diluted share
- **Non-GAAP income was \$3.2 million** or \$0.24 per diluted share, compared to \$3.5 million or \$0.31 per diluted share

Quarterly Revenue

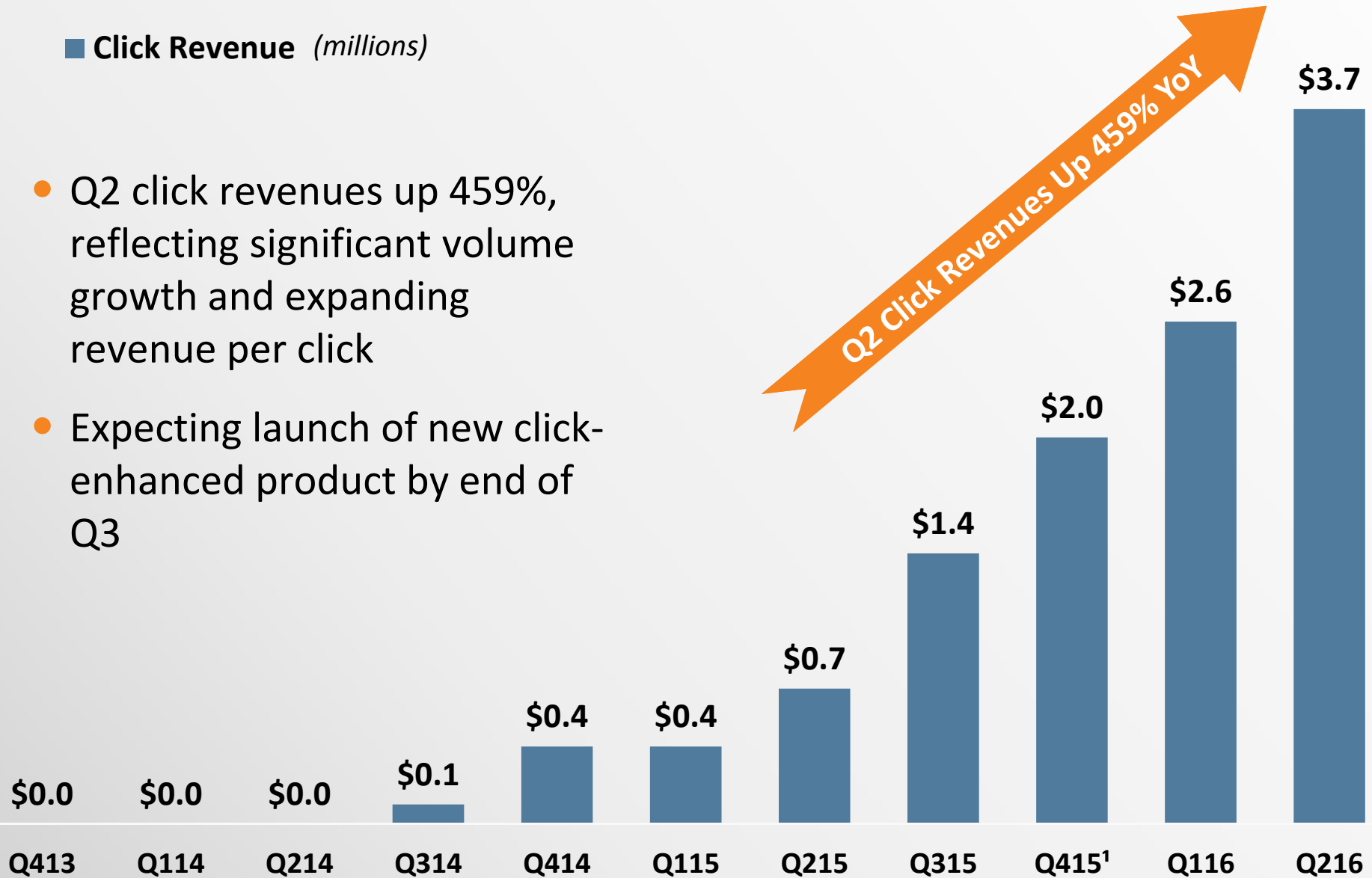


- **Retail:** Roughly flat YoY due to OEM program transition
- **Wholesale:** Up 18% YoY due to several OEMs significantly ramping their leads program, as well as benefit from the transition of 190 retail dealers to a comprehensive OEM wholesale program
- **Advertising:** Up 159% YoY due to increases in display and other advertising, as well as significant increase in click revenues

Click Business Continues to Accelerate

■ Click Revenue (millions)

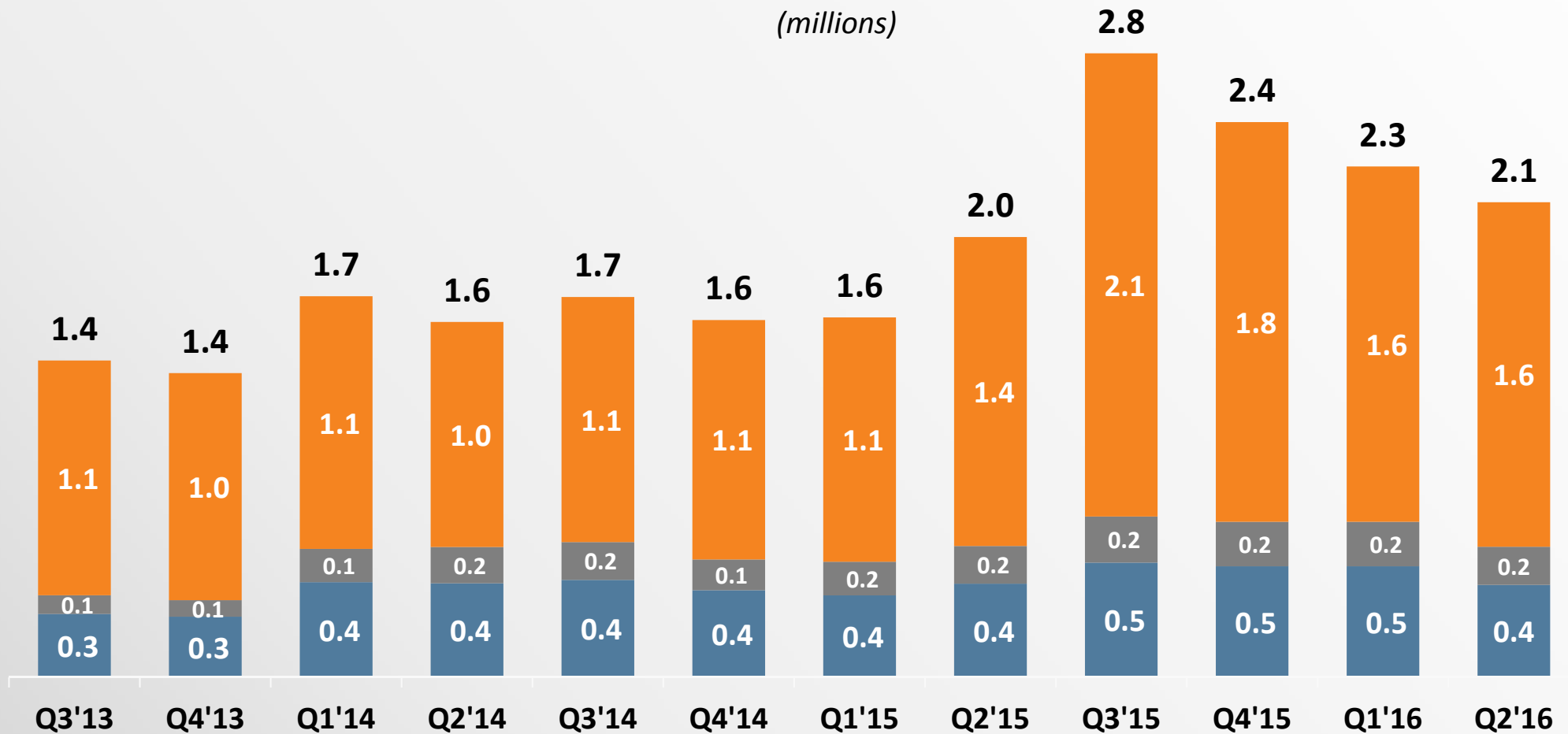
- Q2 click revenues up 459%, reflecting significant volume growth and expanding revenue per click
- Expecting launch of new click-enhanced product by end of Q3



1) Acquired AutoWeb October 1, 2015.

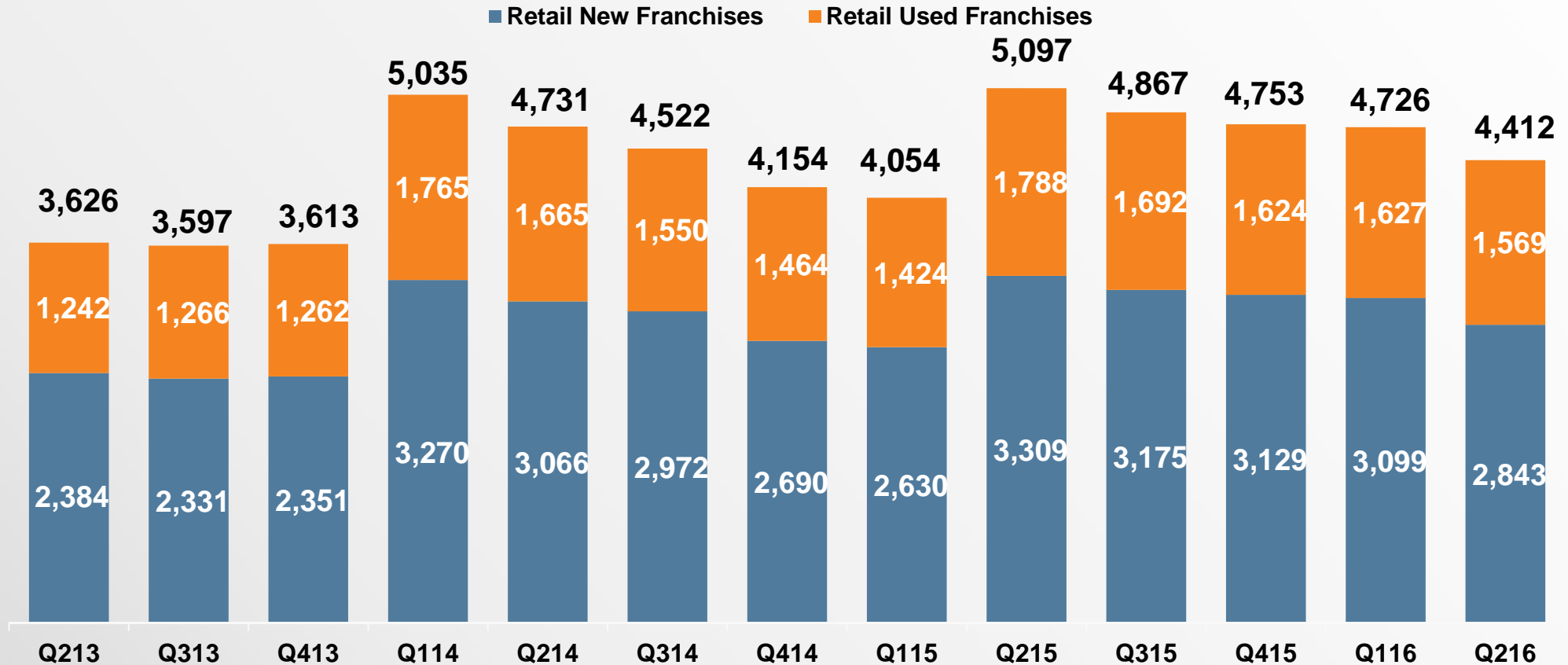
Lead Volume

■ Retail New ■ Retail Used ■ OEM / Wholesale
(millions)



- **Total lead volume** up 7% YoY due to Dealix acquisition and OEM/wholesale expansion; down sequentially due to lower quality Dealix lead-gen methodologies foregone in Q1
- **Retail new leads** down slightly YoY due to transition of lead volume for 190 retail dealers to a comprehensive OEM program
- **Retail used leads** up 1% YoY

Autobytel Footprint – Dealers



- Autobytel Q2 dealer count down 13% YoY due to expected dealer churn from Dealix over the course of 2015/2016
- 7% sequential decrease primarily driven by transition of 190 retail dealers to a comprehensive OEM wholesale program

Q2 Dealer Count Reflects Retail → OEM Program Transition

Financial Overview

	2015				2016		YoY Δ%
	Q1	Q2	Q3	Q4	Q1	Q2	Q2
Revenue (\$M)	\$26.2	\$30.4	\$40.2	\$36.4	\$36.2	\$36.1	19%
Gross Profit (\$M)	\$10.1	\$11.8	\$15.3	\$14.5	\$13.6	\$13.9	18%
Gross Margin	38.5%	38.7%	38.1%	39.7%	37.6%	38.5%	-20 bps
Operating Expenses (\$M)	\$8.9	\$10.1	\$12.0	\$12.9	\$14.5	\$13.0	29%
Operating Margin	4.5%	5.6%	8.3%	4.3%	-2.4%	2.6%	-300 bps
Net Income/(Loss) (\$M)	\$0.8	\$0.9	\$1.6	\$1.4	(\$0.7)	\$0.4	-51%
GAAP EPS Diluted	\$0.07	\$0.08	\$0.14	\$0.10	(\$0.06)	\$0.03	-59%
Non-GAAP Income (\$M) ¹	\$2.4	\$3.5	\$5.2	\$4.4	\$2.9	\$3.2	-9%
Non-GAAP EPS ²	\$0.21	\$0.31	\$0.45	\$0.33	\$0.22	\$0.24	-25%
Cash (\$M)	\$19.3	\$16.0	\$18.8	\$24.0	\$24.0	\$27.1	70%
Cash Flow From Operations (\$M)	(\$0.5)	\$3.0	\$5.1	\$4.6	\$1.6	\$4.6	54%
Closing Stock Price	\$14.77	\$15.99	\$16.77	\$22.56	\$17.36	\$13.87	-13%

The above financials are impacted by rounding to the nearest \$0.1M.

1) Non-GAAP Income is equal to net income plus amortization of acquired intangibles, non-cash stock compensation, income taxes, gain on investment, severance costs and acquisition related expenses, plus litigation settlements. See appendix for reconciliation.

2) Non-GAAP EPS is non-GAAP income divided by weighted average diluted shares outstanding. See appendix for reconciliation.

Total Revenue up 19% to a Q2 Record \$36.1 Million

Balance Sheet Supports Growth

- \$27.1 million cash
- \$15.4 million term loans, \$8.0 million revolving line of credit, \$1.0 million convertible note
- As of Dec 31, 2015, \$139.6 million net operating loss carryforwards
 - \$88.2 million federal; \$51.4 million state
 - Federal NOLs do not expire until 2021 and beyond

<i>Select Balance Sheet Items</i>		
<i>\$ Millions</i>	June 30, 2016	Dec 31, 2015
Cash & cash equivalents	\$27.1	\$24.0
Receivables	28.7	28.1
Net deferred tax assets	22.0	21.5
Total assets	155.6	153.6
Debt	24.4	27.0
Total liabilities	43.9	45.4
Total stockholders' equity	111.7	108.2

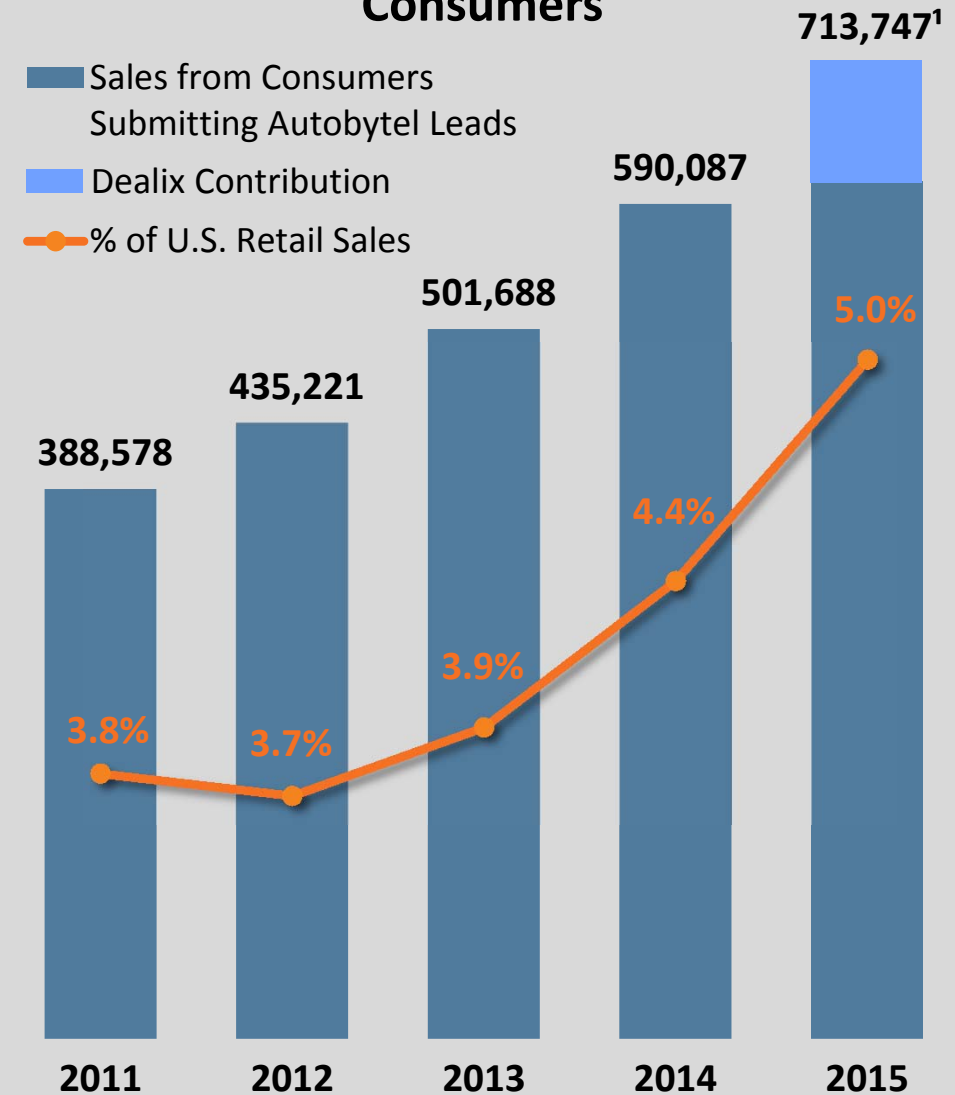
\$27.1 Million in Cash, \$139.6 Million in Net Operating Loss Carryforwards

Autobytel Leads Drive Car Sales

- Consumers submitting leads via Autobytel network accounted for 2.5 million+ new retail sales from 2011-2015
 - This represents an average of ~4% of all U.S. Light Vehicle New Retail Sales from 2011-2015
 - Increased to ~5% of U.S. LV New Retail Sales in 2015

1) Dealix contribution is a conservative Autobytel estimate that is yet to be confirmed by IHS data.

U.S. LV New Retail Sales by Autobytel Consumers



Autobytel Consumers Accounted for ~5% of Annual US LV New Retail Sales

High Buy Rates with Validated Attribution

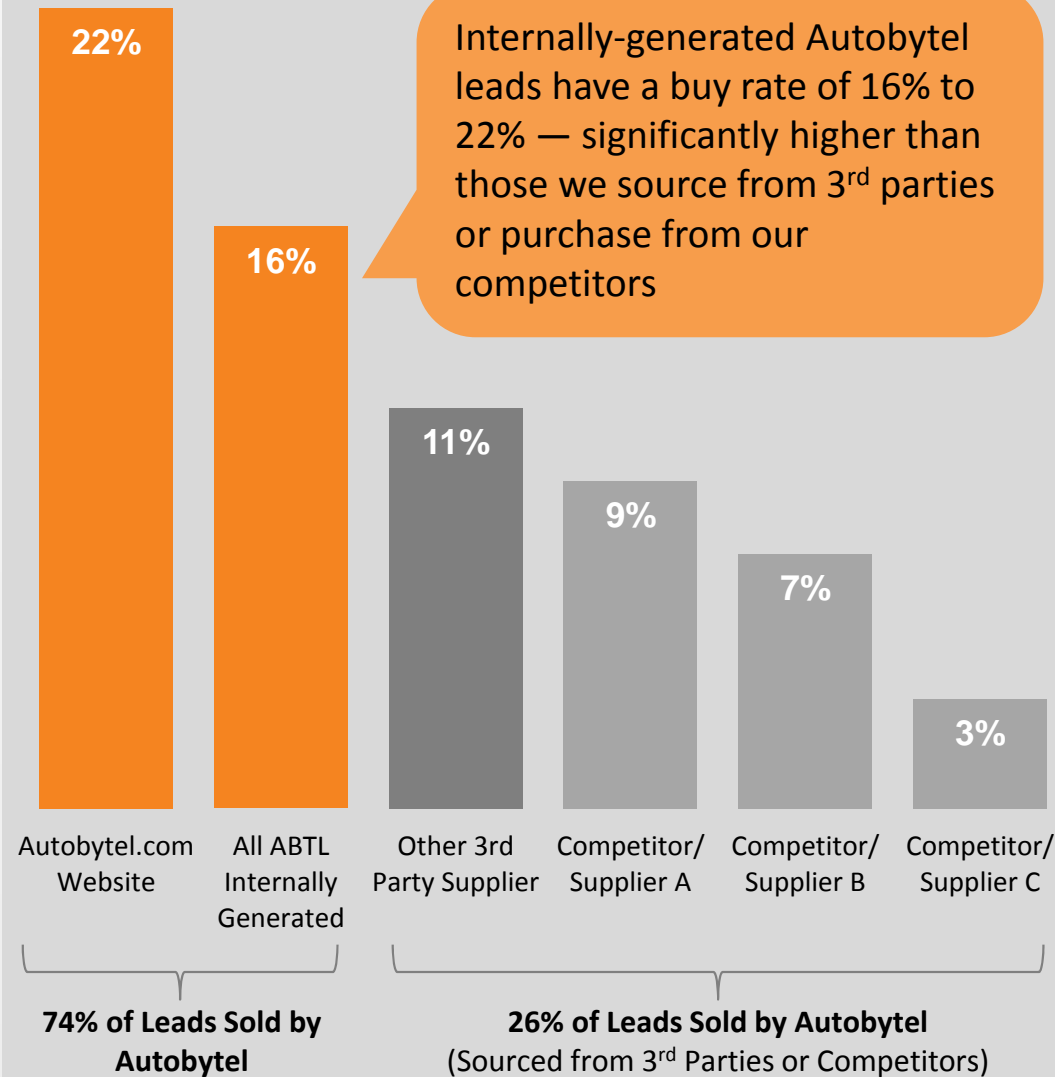
- We provide buy rates, derived from IHS Automotive data¹, that estimate how many consumers who submitted leads through the Autobytel network convert to purchases, or how many leads were lost to other dealers.
- Most competitors rely only on feedback from dealers/manufacturers with minimal attribution.
- Buy rate information provides the ability to drive pricing with dealers, as well as incremental lead volume.
- Internally generated leads (~74%) often have **40-50% higher gross margins** than those sourced from competitors.

1) Autobytel contracts with IHS Automotive, a leading provider of market insights and measurement solutions driven by Polk Data, to statistically measure the performance of leads submitted through the Autobytel Network.

2) Buy rates are calculated using a three-month rolling average of 90 day close rates.

IHS Automotive Lead Conversion Data²

(Consumers who Submitted a New Vehicle Lead & Bought New)

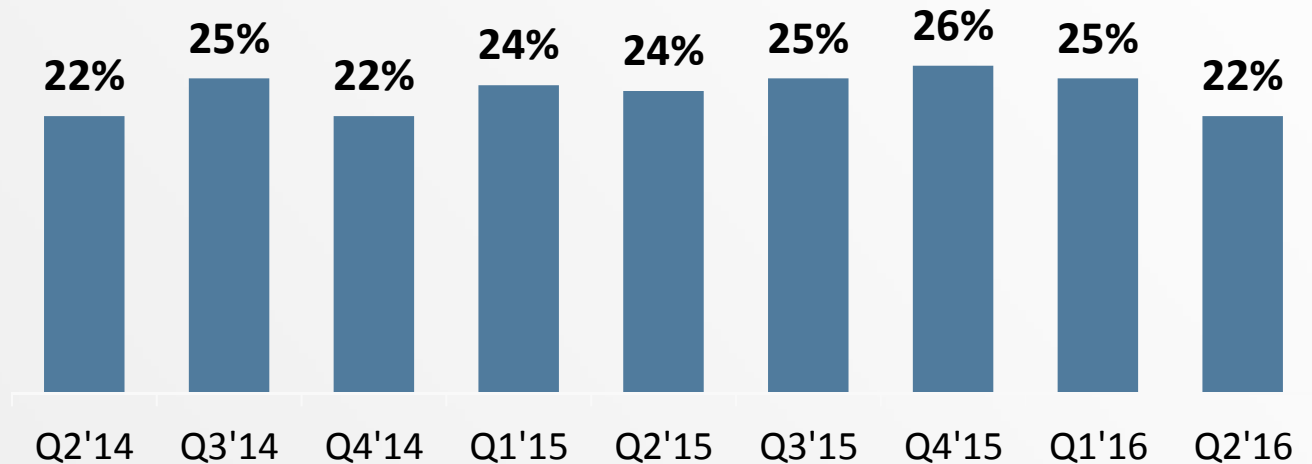


Autobytel Internally-Generated Lead Buy Rate is 3x Industry Average of ~6-8%

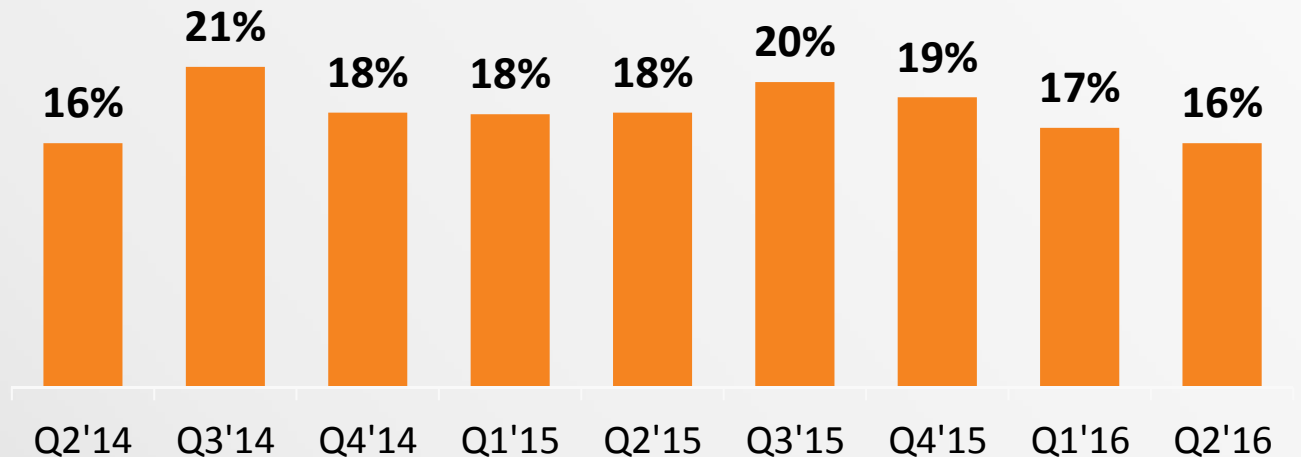
Average Buy Rate¹

- We have a proven track record of providing high quality leads
- Autobytel's leading edge SEM practice featured in several Google White Papers
- We have consistently maintained these high buy rates since Q1 2011
 - Autobytel.com avg. buy rate = 24%
 - All internally generated avg. buy rate = 18%

■ IHS Buy Rates - Autobytel.com



■ IHS Buy Rates - All Internally Generated Autobytel



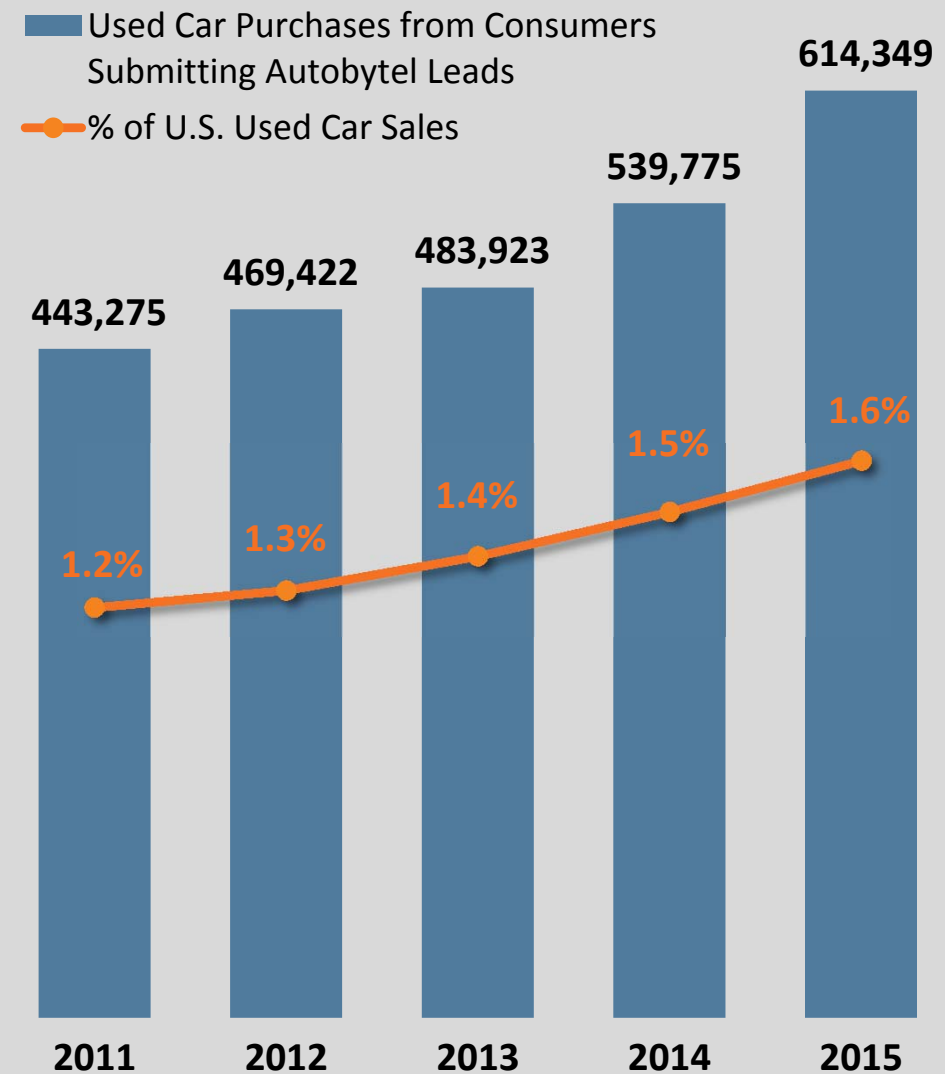
1) Only Q1-Q2 2016 include estimated contribution from Dealix.

Autobytel Used Car Leads is Growing Rapidly



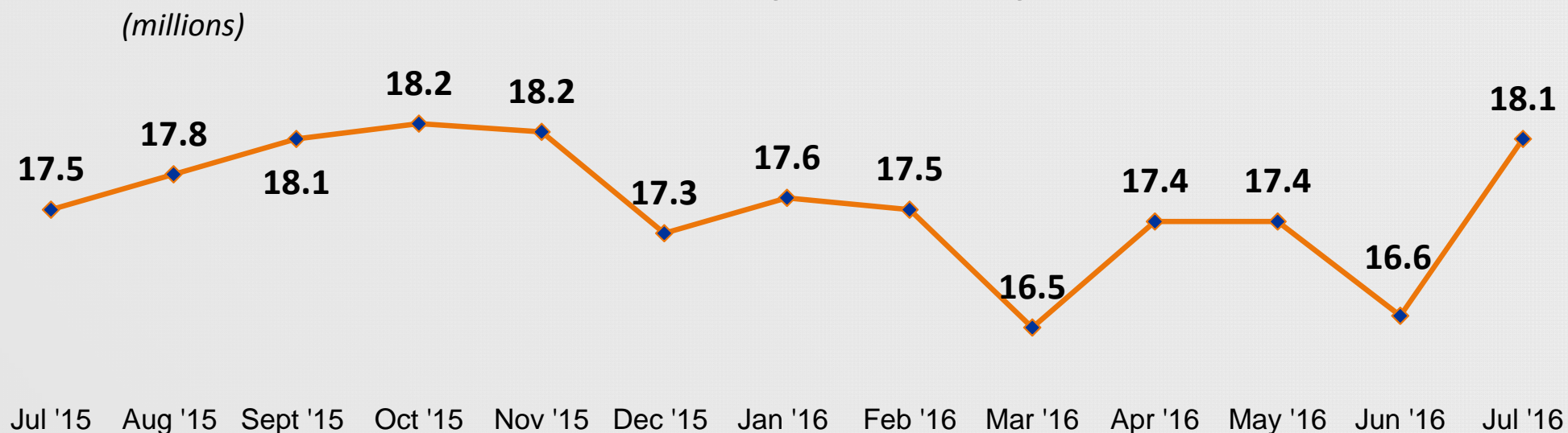
- Consumers submitting leads via Autobytel network accounted for 2.5 million+ used car sales from 2011-2015
- **Consistent growth despite minimal investment in the used car business from 2011-2014**

U.S. Used Car Sales by Autobytel Consumers



Autobytel Consumers Accounted for ~2% of 2015 Used Car Sales

U.S. SAAR – July 2015 to July 2016



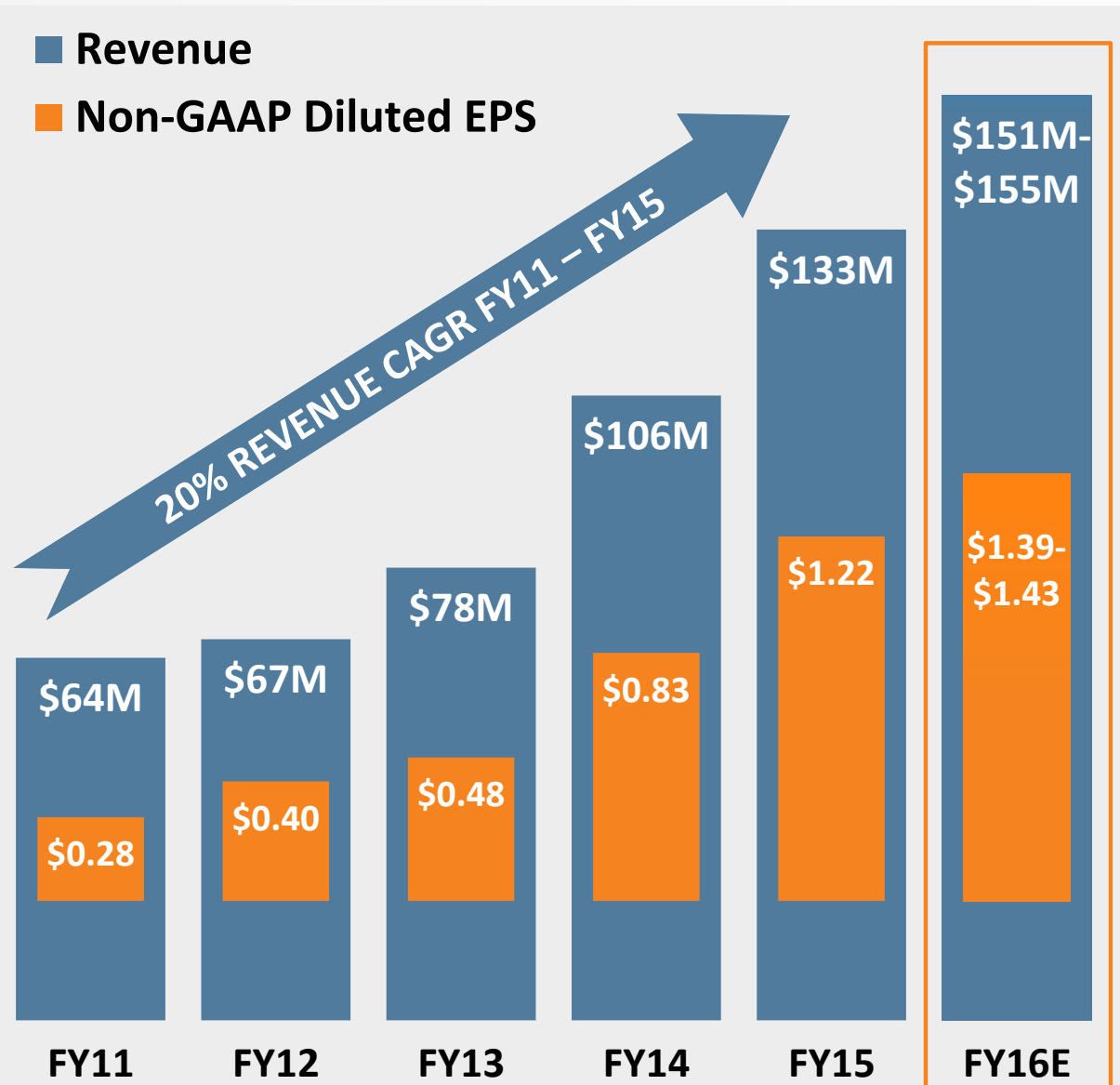
- July 2016 SAAR for total sales:
 - 18.1 million units
 - **Up 3% YoY**
- July 2016 projected SAAR for retail sales:
 - 14.8 million units
 - **Up 3% YoY**

1) J.D Power/LMC Automotive

2016 Outlook¹

	Low	High
Revenue	\$151.0	\$155.0
<i>Growth</i>	<i>13%</i>	<i>16%</i>
Non-GAAP Diluted EPS²	\$1.39	\$1.43
<i>Growth</i>	<i>14%</i>	<i>17%</i>

- Strong guidance remains unchanged



1) Guidance updated and effective only on August 4, 2016.

2) Non-GAAP EPS is defined as net income, plus amortization of acquired intangibles, non-cash stock compensation, income taxes, gain on investment, severance costs and acquisition related expenses, plus litigation settlements, divided by weighted average diluted shares outstanding. The company has not provided a reconciliation of its 2016 non-GAAP diluted EPS guidance to the most directly comparable GAAP financial measure because the effect, timing and potential significance of the effects of tax considerations, primarily related to the company's net operating loss carryforwards, are out of the company's control and/or cannot be reasonably predicted. Consequently, a reconciliation to the corresponding GAAP financial measure is not available without unreasonable effort.

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About Autobytel Inc.

Autobytel Inc. provides high quality consumer leads and associated marketing services to automotive dealers and manufacturers throughout the United States. The company also provides consumers with robust and original online automotive content to help them make informed car-buying decisions.

The company pioneered the automotive Internet in 1995 with its flagship website www.autobytel.com, and has since helped tens of millions of automotive consumers research vehicles; connected thousands of dealers nationwide with motivated car buyers; and has helped every major automaker market its brand online. Investors and other interested parties can receive Autobytel news alerts and special event invitations by accessing the online registration form at investor.autobytel.com/alerts.cfm.



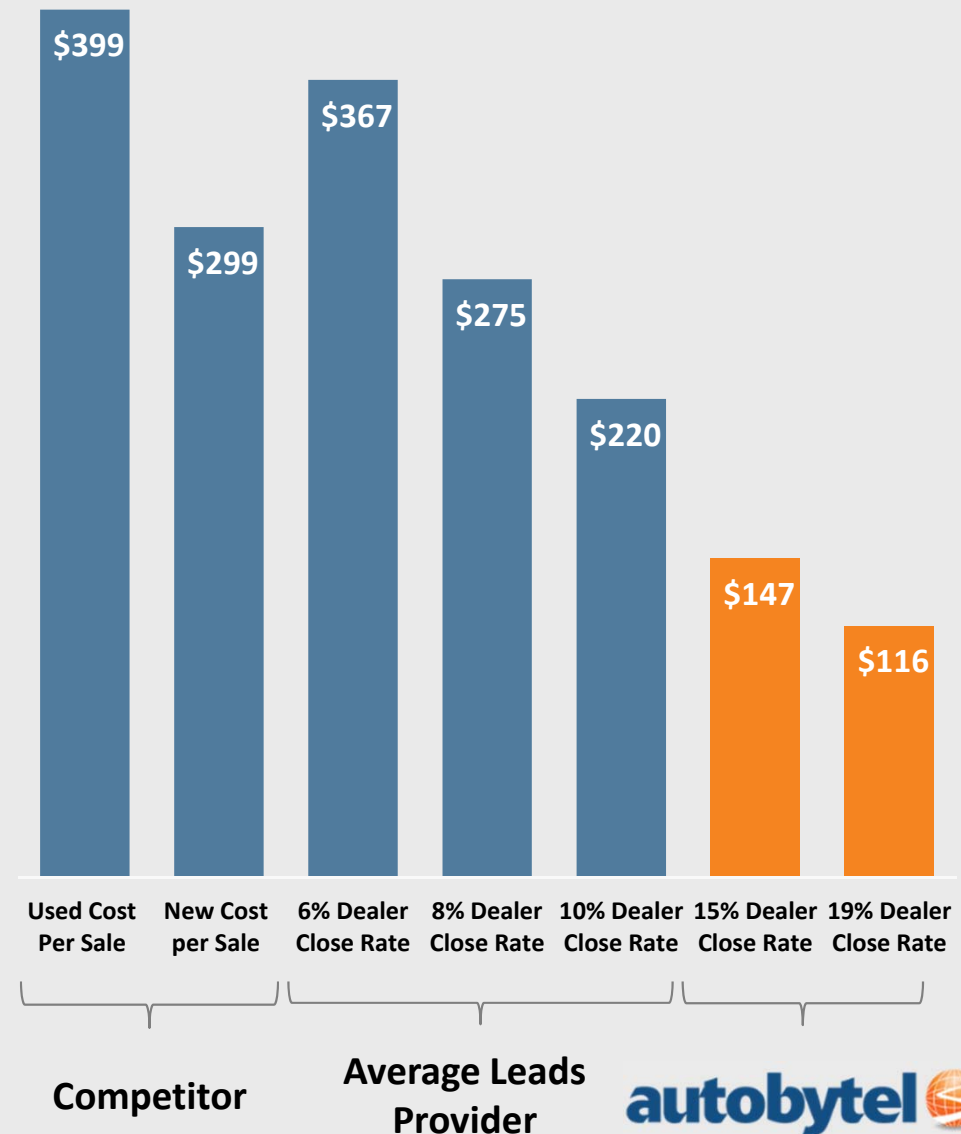
Appendix

- *High ROI for Dealers*
- *Reconciliation Table*
- *Mobile Products*
- *Ancillary Products & Investments*

High ROI for Dealers

- Given Autobytel's high conversion rates, our cost per lead model provides a favorable ROI for dealers
- The higher the conversion rate, the greater the price disparity
- Historical average close rate in auto industry is 6-8%
 - Autobytel estimated buy rate is 17-25%**
- Autobytel cost to dealer represents about half of all dealers' normal marketing expense **at \$608¹**

Average Dealer Cost Per Sale²



1) National Automobile Dealer Association (NADA), 2014.

2) Calculated with an average cost of \$22 per lead.

Non-GAAP Income & EPS Reconciliation

	2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Income/(Loss) (\$M)	\$0.8	\$0.9	\$1.6	\$1.4	(\$0.7)	\$0.4
Amortization of Acquired Intangibles (\$M)	\$0.4	\$0.5	\$0.7	\$1.4	\$1.4	\$1.4
Non-Cash Stock Compensation (\$M)	\$0.7	\$0.6	\$0.7	\$0.7	\$1.4	\$0.9
Income Taxes (\$M)	\$0.3	\$0.6	\$1.5	\$1.0	(\$0.4)	\$0.3
Litigation Settlements (\$M)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0
Gain on Investment (\$M)	\$0.0	\$0.0	\$0.0	(\$0.6)	\$0.0	\$0.0
Acquisition / Severance Expenses (\$M)	\$0.3	\$0.9	\$0.7	\$0.5	\$1.3	\$0.1
Non-GAAP Income (\$M)¹	\$2.4	\$3.5	\$5.2	\$4.4	\$2.9	\$3.2
Weighted Average Diluted Shares (k)	11,097	11,057	11,540	13,397	13,346	13,295
Non-GAAP EPS²	\$0.21	\$0.31	\$0.45	\$0.33	\$0.22	\$0.24

The above financials are impacted by rounding to the nearest \$0.1M.

1) Non-GAAP Income is equal to net income plus amortization of acquired intangibles, non-cash stock compensation, income taxes, gain on investment, severance costs and acquisition related expenses, plus litigation settlements.

2) Non-GAAP EPS is non-GAAP income divided by weighted average diluted shares outstanding.



Suite of Mobile Products & Services

Text CBAUTO
TO 50123
To speak to
a Sales Rep



Text Marketing

Autobyte Mobile is a leader in providing texting services to dealerships. Text message marketing can be used on window stickers, showroom displays, billboards, print, TV, radio, and dealership websites.



Mobile Websites

Award winning mobile sites convert traffic into real time leads.



TextShield®

Enables 2-way text conversations in a centralized and controlled environment.

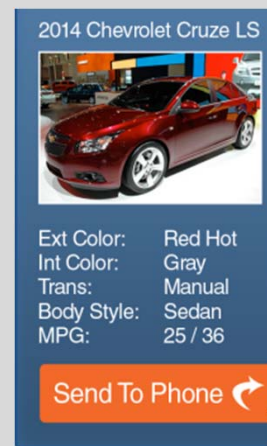


TextShield Gateway is the
Centerpiece of Our
Complete Mobile Suite



Apps

Features and functionality allow dealerships to stay engaged with customers by having them download a Dealer Branded App.



Send2Phone

Enables consumers to send tactical mobile landing pages to their cell phones via SMS.



- SaleMove technology allows dealers to interact with consumers in real-time through whichever method they choose (i.e. live video, phone, text-based chat, etc.).
- Invested in GoMoto: An interactive digital solution for dealer showrooms/service centers
- Designed to drive customer engagement and increase conversion
- Enables consumers to shop by payment with their PC or mobile device
- Provides dealers with pre-qualified customers

