

Autobytel

NASDAQ: ABTL

LD Micro Conference
December 3, 2014



autobytel 

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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 on Slide 24 of this presentation. Autobytel's management believes that presenting 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 company's net operating loss (NOL) tax credits and recent acquisitions. 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.

To access the live audio webcast of this presentation, visit Autobytel's Investor Relations website at www.autobytel.com (click on Investor Relations and then click on Events & Presentations).

Autobytel At A Glance

➤ Founded:	January, 1995
➤ IPO:	March, 1999
➤ Headquarters:	Irvine, CA
➤ Employees:	147
➤ Traded:	Nasdaq: ABTL
➤ 52-week range:	\$7.90 - \$18.82
➤ Recent price:	\$10.53
➤ Market capitalization:	\$95.1 million
➤ 2014 September YTD revenue:	\$80.2 million
➤ 2013 revenue:	\$78.4 million
➤ Cash and cash equivalents:	\$22.3 million

Stock price and market capitalization as of 12/1/2014

Employees as of 10/31/2014

2013 revenue as of 12/31/2013

2014 September YTD revenue and Cash and cash equivalents as of 9/30/2014

Autobytel

Dedicated to Connecting Automotive Consumers and Dealers

Internet Automotive Lead Generation Pioneer

- Performance-based, ROI driven
- Among the highest quality leads in the industry



Trusted Partner to Car Buyers and Owners

- Research, review, interact, **request quotes**, pursue financing and insurance options, browse proprietary content
- Your Lifetime Automotive Advisor[®]



Trusted Partner to Dealers and Manufacturers

- High quality, organic lead generation
- Innovative, high value-added dealer products driving productivity
- Superior sales conversion to competitors and advertising alternatives
- 31 OEM partners
- 4,500 dealer relationships

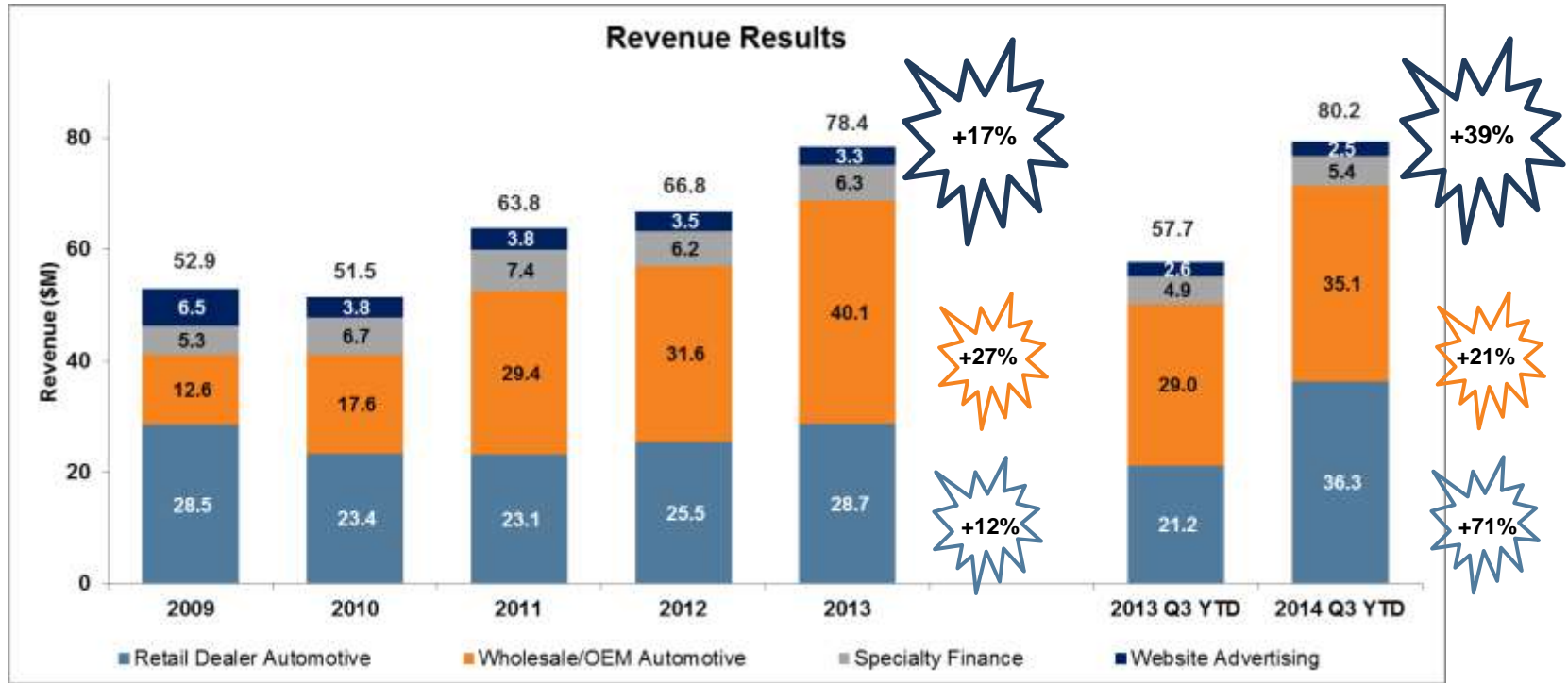


AutoUSA Acquisition

- Increased retail footprint initially by 1,400, or 38%; continue to maintain 26% increase with hundreds of incremental dealers
- Expected to contribute approximately \$16M in annual revenue after dealer churn and intercompany eliminations
- Attractive purchase price anticipated higher dealer churn
- Better than expected cost of revenue synergies; Gross margin returned to 40% much sooner than expected
- Removed 75% of \$6M in operating expenses
- New dealer products, including Payment Pro, gaining traction as result of larger dealer footprint
- Expanded direct relationship with an OEM; already increasing internally generated volume by 30% over Q2 2014

Significantly Enhanced Our Competitive and Growth Position

Revenue Results



Retail Dealer Automotive

- New/used lead requests
- All makes/models
- 4,500 retail dealerships

Wholesale / OEM Automotive

- New/used lead requests



Specialty Finance

- Credit challenged consumers
- Lender partners



Website Advertising

- Website display advertising
- Marketing analytics



Mobile

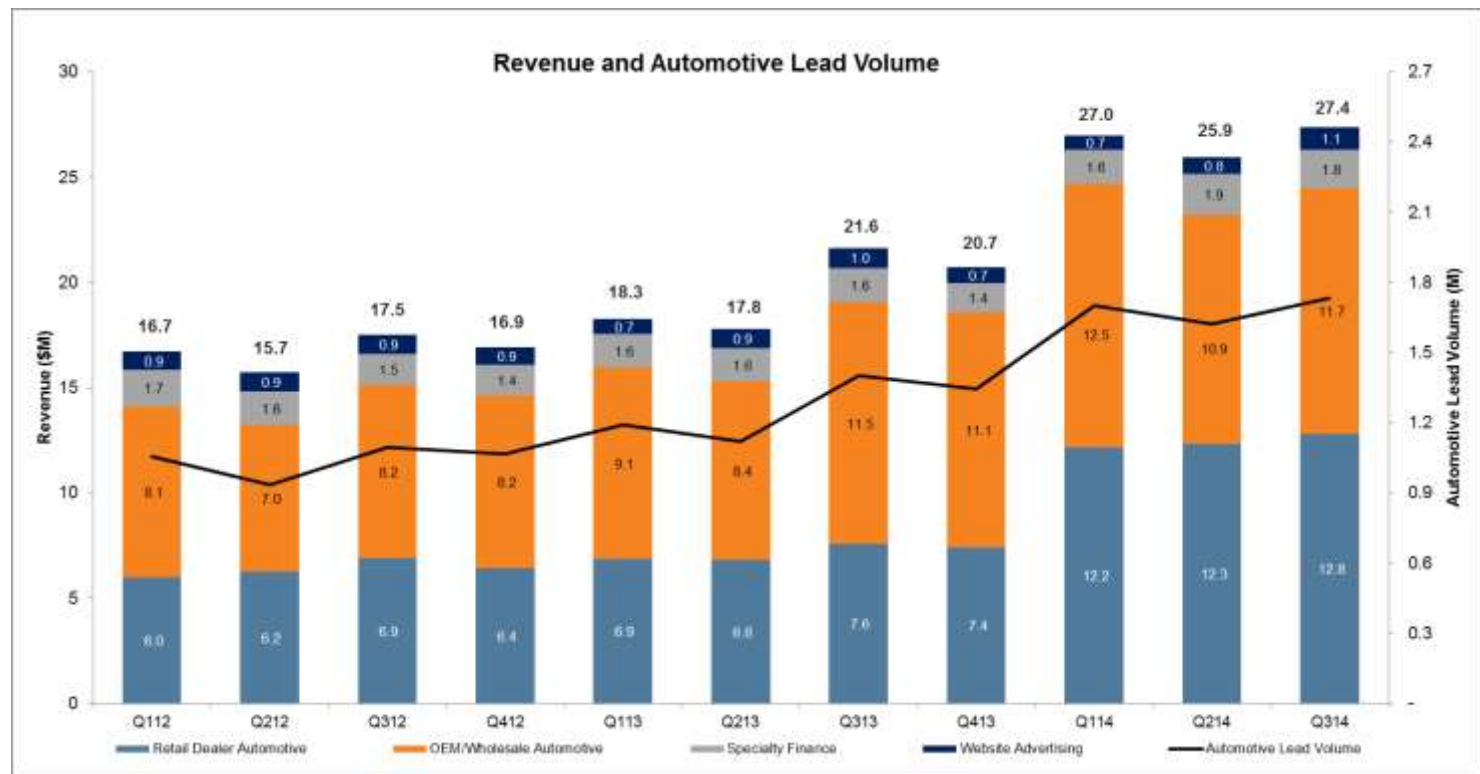
- Secure TextShield gateway
- Websites and applications



SaleMove

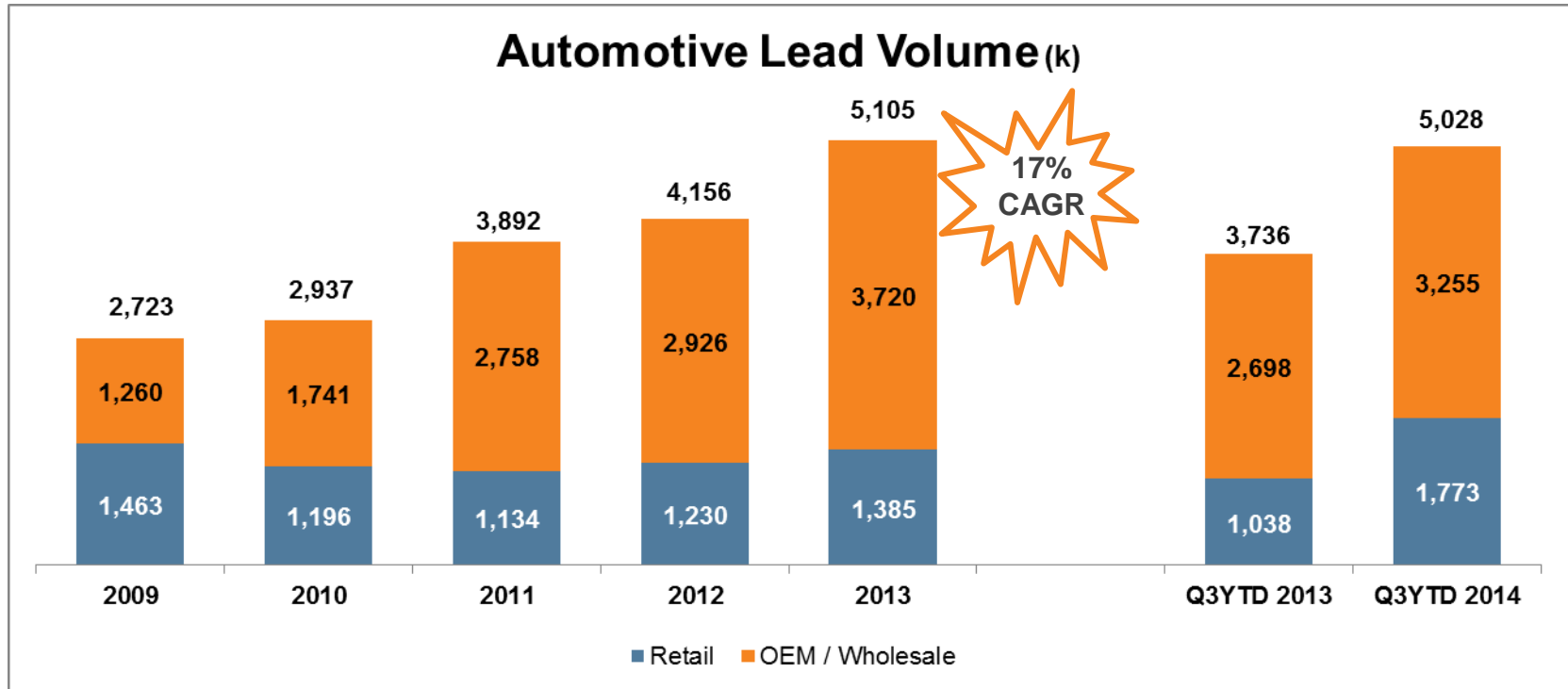
- "Guided tour" technology
- Redefining communication

Quarterly Revenue Results



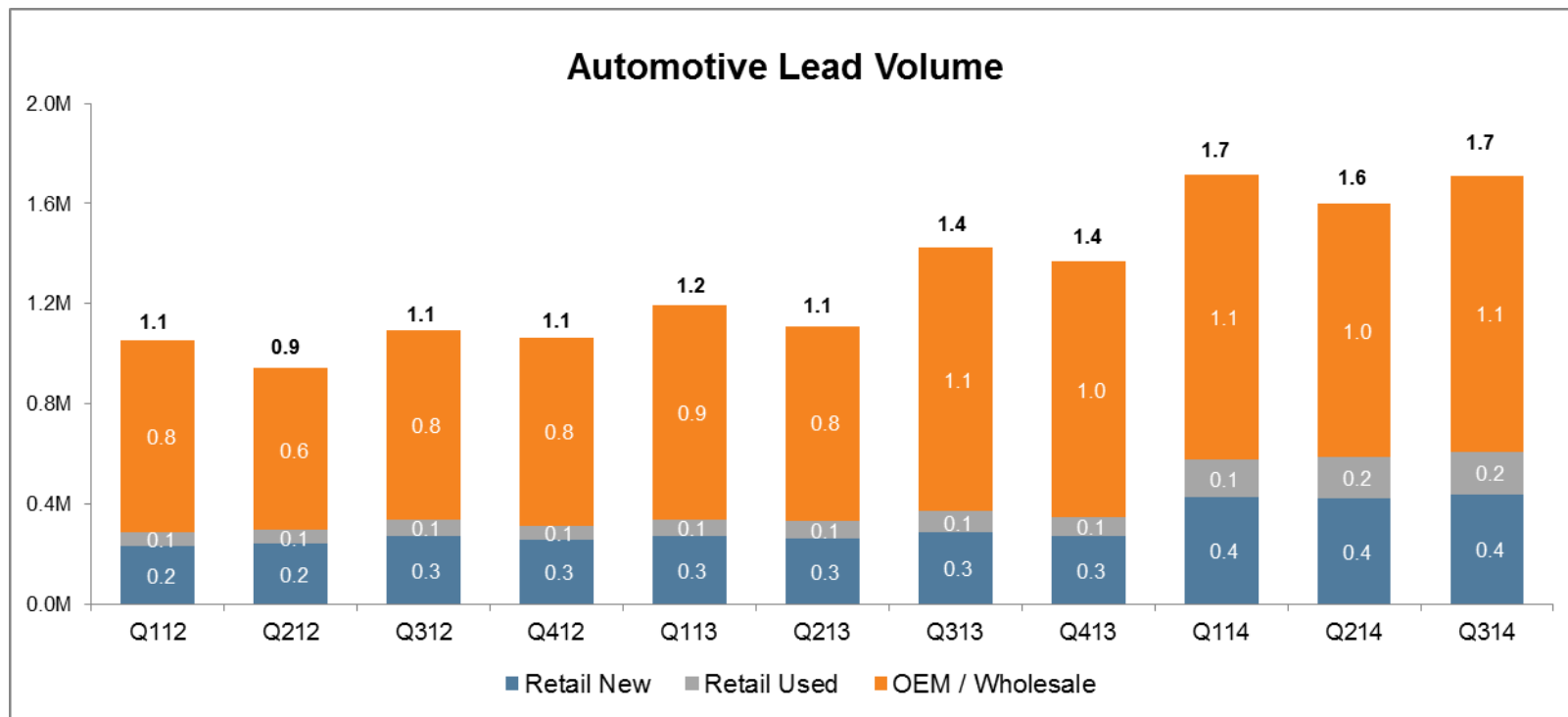
- Q3 automotive retail dealer revenue, which includes “other revenue,” increased 69% Y-O-Y as result of AutoUSA and Advanced Mobile acquisitions, coupled with strong internally generated lead supply
- Website advertising revenue increased 14% Y-O-Y due to stronger sales and higher page views
- Specialty finance revenue increased 10% primarily because of improved lead supply

Lead Volume



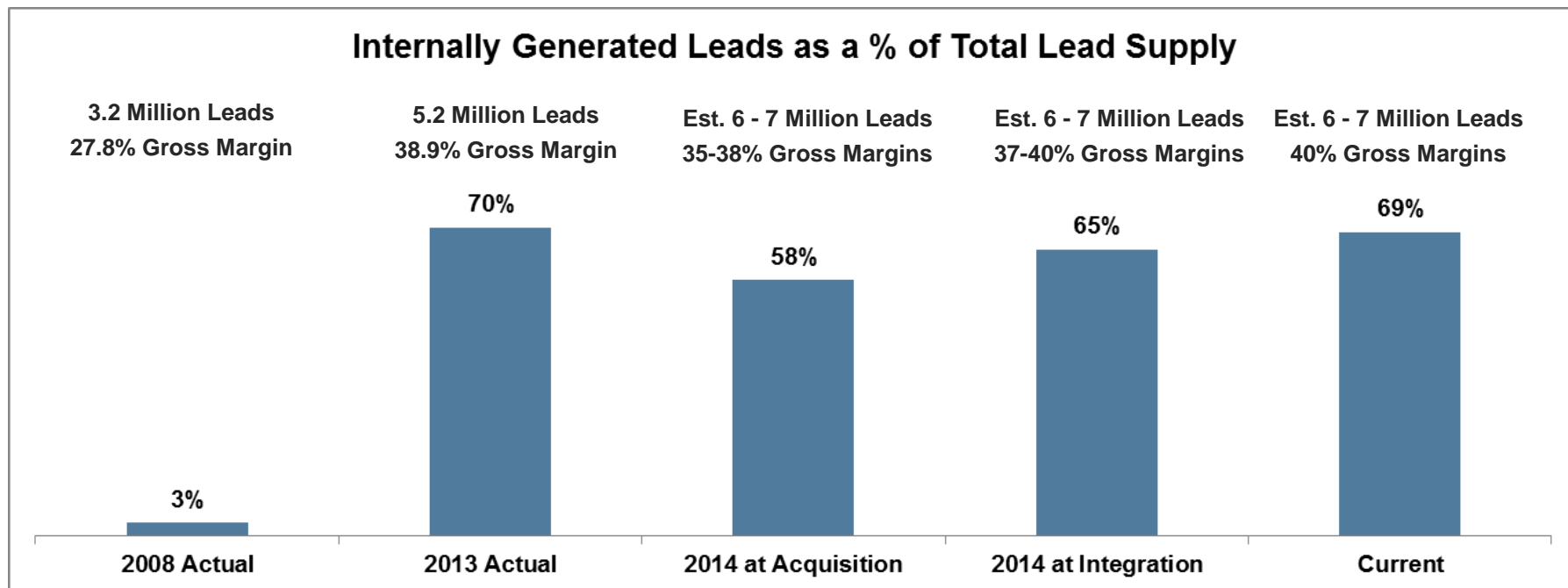
- Sustained investment in lead acquisition, combined with major OEM starting wholesale lead program with Autobytel as primary supplier, drove 23% growth in OEM/Wholesale lead volume over the prior year

Quarterly Lead Volume



- Total lead volume up 20% on strong retail supply, AutoUSA acquisition and strong demand from Retail Used
 - Q3 2014 Retail New Lead volume increased nearly 54% Y-O-Y
 - Q3 2014 Retail Used Lead volume increased over 100% Y-O-Y

Internally Generated Leads



2009
Re-Launched Internal
Generation Efforts

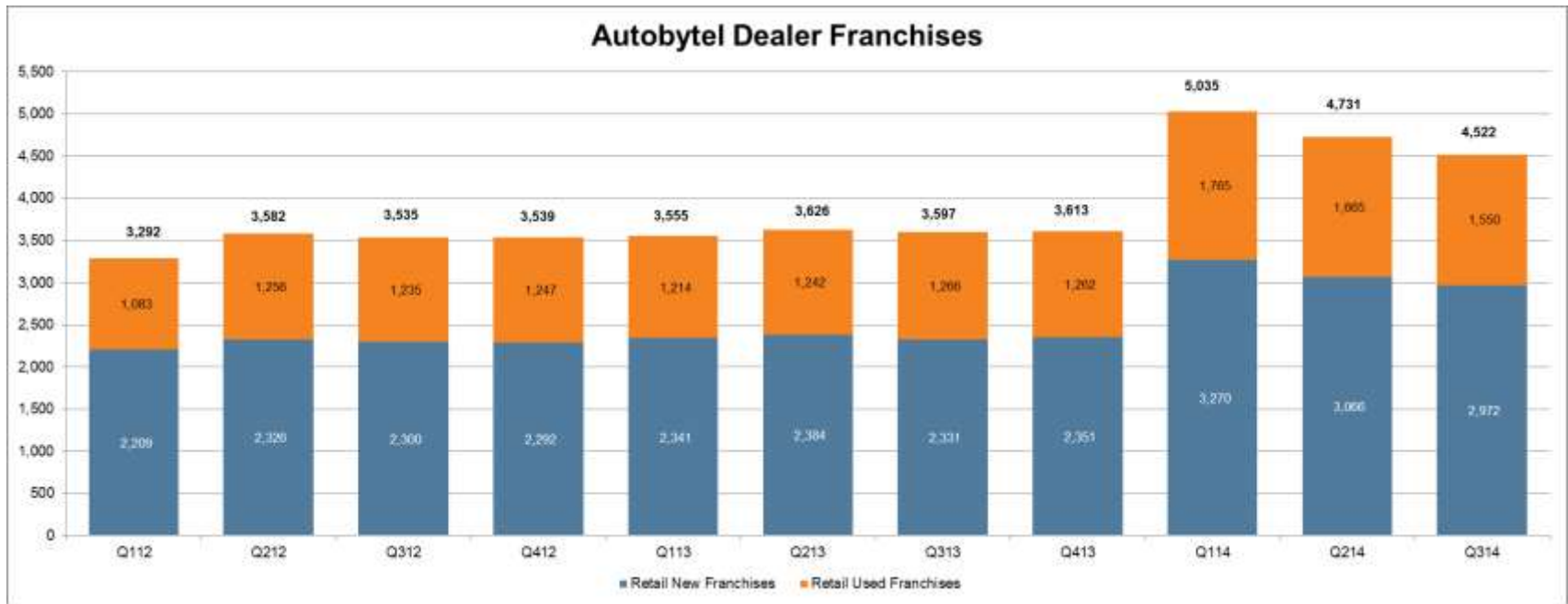
2010
Acquired
CyberVentures

January 2014
Acquired AutoUSA

May 2014
Integrated AutoUSA

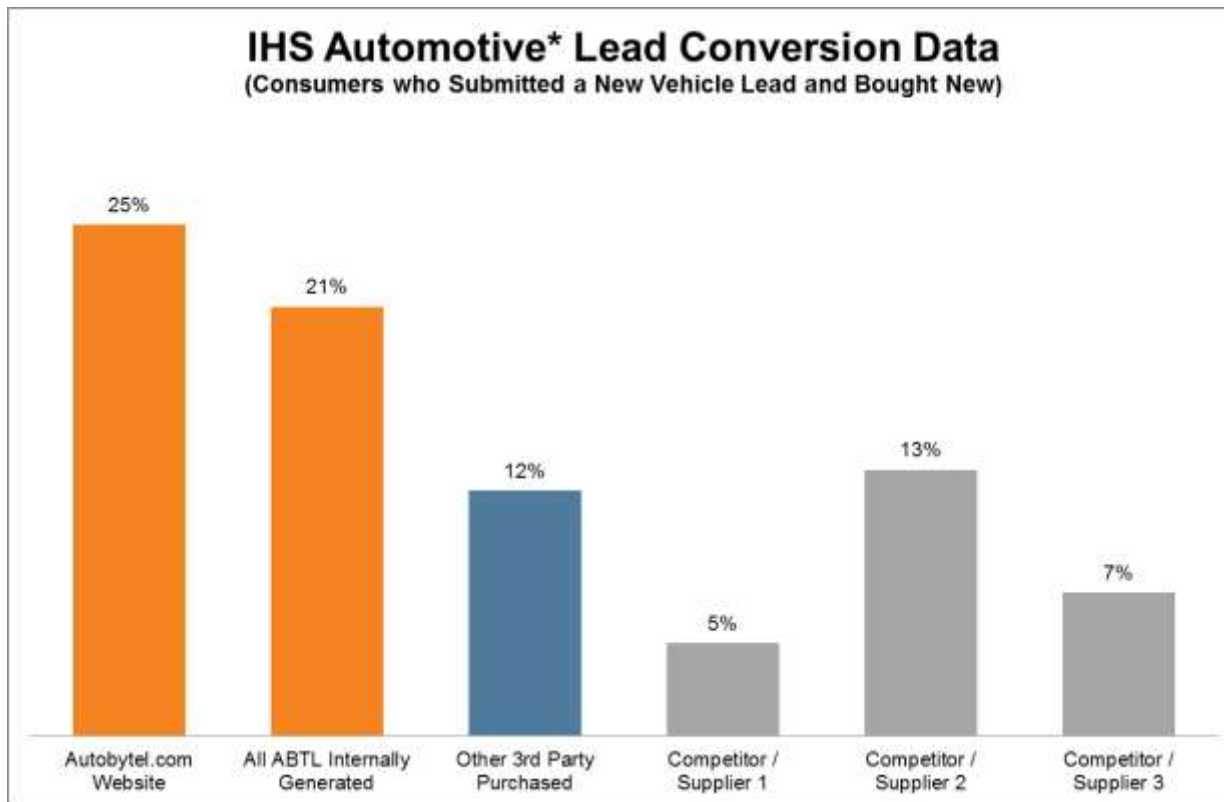
Autobytel Internally Generated Leads Returned to the 70% Range

Dealer Count



- Autobytel dealer count up 26% over Q3 2013, as a result of AutoUSA acquisition; Retail new franchises up over 28% and retail used up 22%
- Historically, AutoUSA churn was double that of Autobytel; Dealer count was expected to fluctuate as AutoUSA dealer franchises integrated into the Autobytel retention process

Close Rate Detail

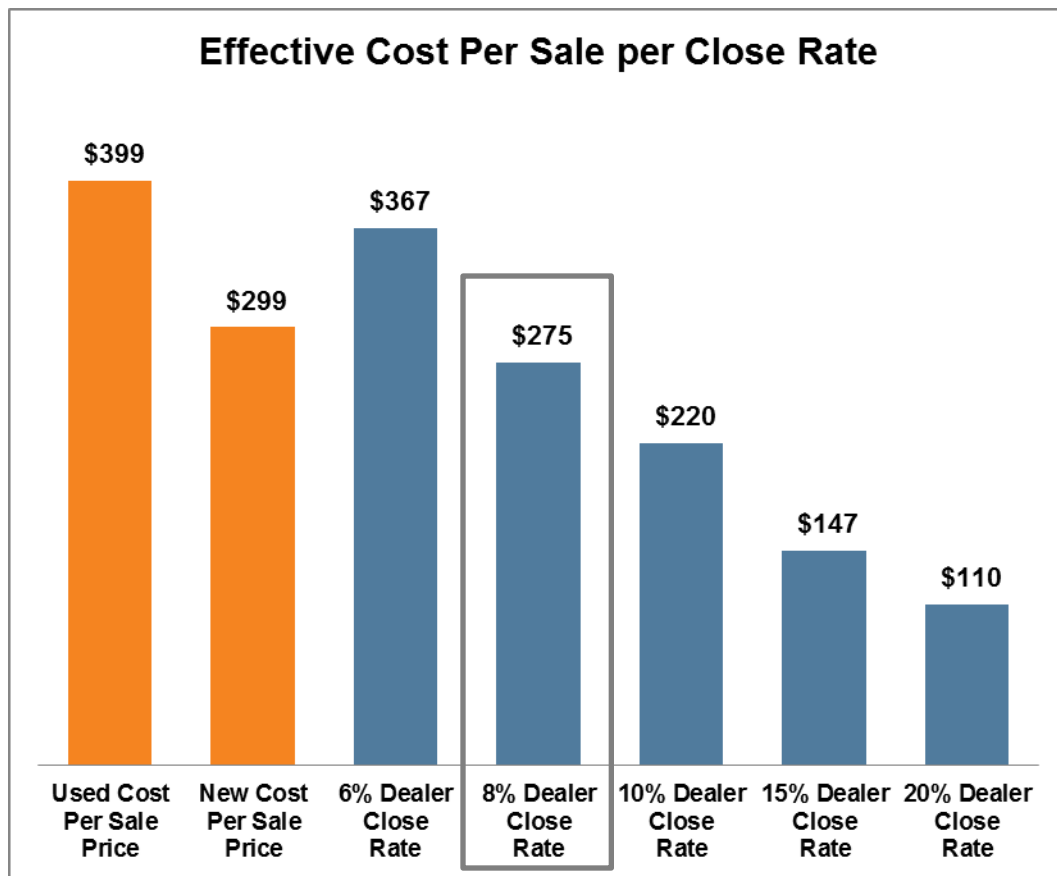


*IHS acquired R.L. Polk in 2013. Close rates are calculated using a 3 month rolling average of 90 day close rates

- Internally generated Autobytel leads close significantly higher than other 3rd party leads purchased by Autobytel
- Approximately 69% of total Autobytel lead volume is internally generated
- “All ABTL Internally Generated” includes leads from autobytel.com as well as leads generated from SEM campaigns and our other sites
- “Other 3rd Party Purchased” includes all 3rd party leads purchased by Autobytel

Autobytel Internally Generated Leads Buy Rate is 3x Estimated Industry Average of 6-8%

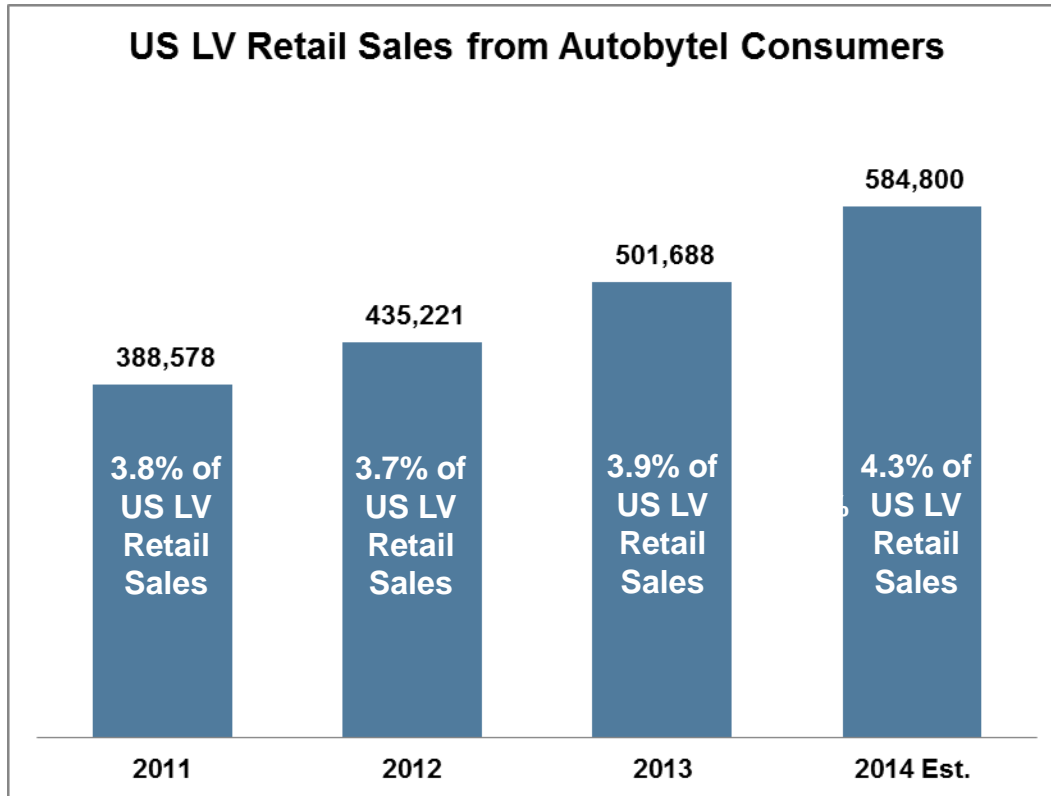
Cost per Lead ROI Model



- Autobyte's cost per lead model brings favorable ROIs to dealers due to Autobyte's high conversion rates
- For example, if a dealer purchases 100 leads at \$22.00 per lead from Autobyte, and sells 8 vehicles, the dealer's cost-per-sale would equate to \$275, while the cost-per-sale to the dealer from some of our competitors is between \$299 - \$399
- The higher the conversion rate, the greater the price disparity

Purchasing Leads From Autobyte Generates a Favorable ROI

Autobytel Consumers Purchase Vehicles

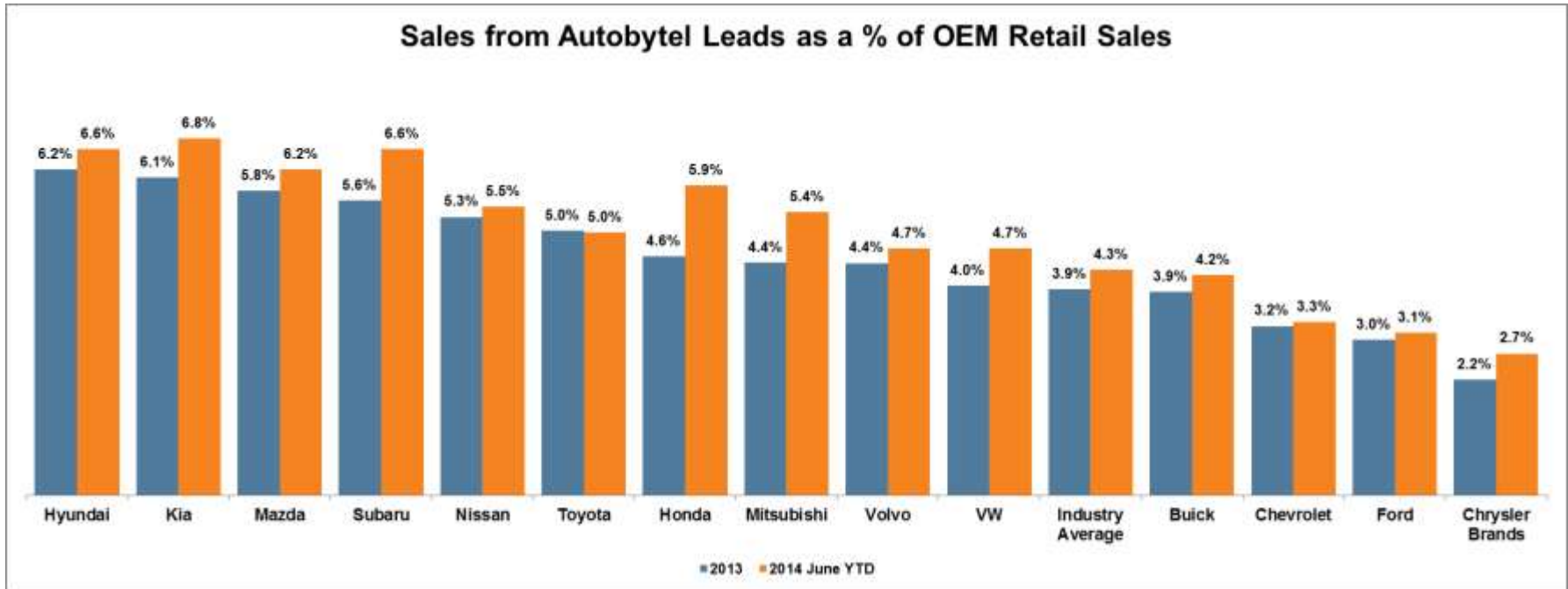


2014 Estimate based on actual % of US LV Retail Sales for the first six months of 2014 multiplied by JD. Power forecasted US LV Retail Sales for 2014

- IHS Automotive conducted annual studies analyzing Autobytel's 2011, 2012, 2013 and 2014 June YTD leads compared with US Light Vehicle Retail Sales
- Consumers submitting leads through the Autobytel network accounted for over 1.6M new retail sales, or approximately ~4% of all US Light Vehicle Retail Sales, for each of the three and a half years analyzed
- From 2011 through June 2014, consumers submitting leads through the Autobytel network accounted for approximately 3.3 million new and used car sales

Autobytel Consumers Accounted for ~4% of Annual US LV Retail Sales

Retail Sales % by OEM



- Approximately 4% of all retail new car sales in the U.S. in 2013 and June YTD 2014 were from consumers who submitted a lead through the Autobytel network
- Broken down by brand, several OEMs saw Autobytel consumers accounting for 5-7% of their total sales

Quality Third Party Leads Essential to OEMs and Dealerships



Autobyte Mobile Websites

Award winning mobile sites convert traffic into real time leads

Autobyte TextShield

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



Autobyte Apps

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



Autobyte Text Message 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 advertising and dealership websites



Autobyte Send2Phone

Enables consumers to send tactical mobile landing pages to their cell phones via SMS. These efficient mobile sites can focus on vehicle listing detail dealership information or product detail

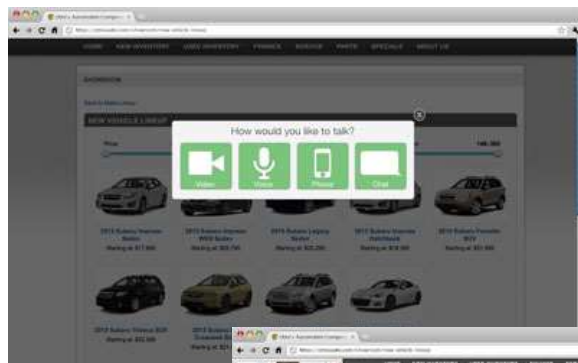
TextShield Gateway is the
Centerpiece of the complete
Mobile Suite

**Autobyte's Suite of Products and Services
Enables Dealers to Reach the Mobile Consumer**

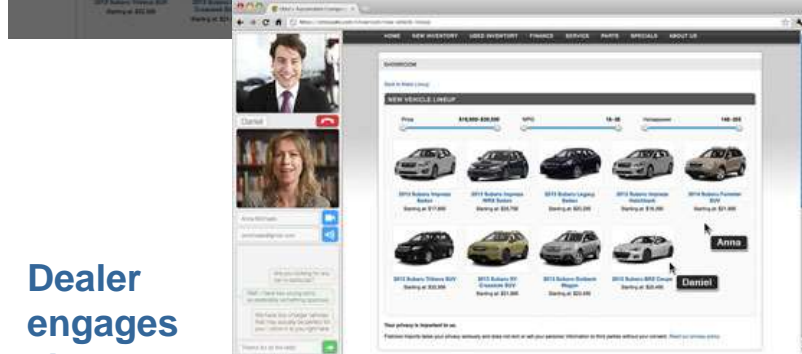
SaleMove “Guided Tour”



Customer View



Customer selects communication

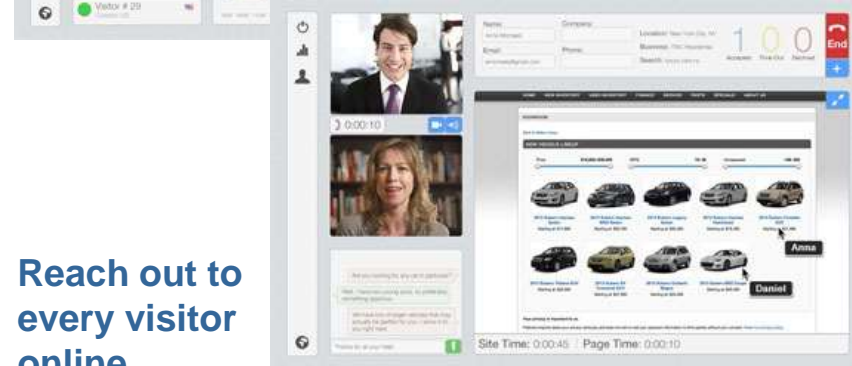


Dealer engages video chat

Dealer View



See your virtual showroom in real-time



Reach out to every visitor online

Redefining How Customers Interact With Dealers

Payment Pro

Shop by payment via desktop or mobile

The screenshot shows a desktop view of a car dealership website. At the top, there is a navigation bar with links: home, inventory, specials, research, video, finance, service & parts, body shop, directions & hours, and dealer info. Below this is a search bar with the text "YOU SEARCHED FOR" and "Inventory Type: Pre-Owned". A "START NEW SEARCH" button is visible. To the right, the main heading is "Dave Benson Chevrolet Used Vehicles" with "1684 Vehicles Found". Below this is a search filter section with "Search used inventory at Dave Benson Chevrolet", a "Per Page" dropdown set to 20, and a "Sort by" dropdown set to "Make / Model". A "COMPARE VEHICLES" button is also present. The main content area features a vehicle listing for a "2009 Acura MDX 3.7L". The listing includes a photo of the car, a "CARFAX" logo, and a "DRIVE IT NOW" badge. The "Internet Price" is listed as "\$26,995". A "Dave Benson Auto Mail" badge shows a payment of "\$441/mo" with a "Pre-Qualify Instantly!" button. A "VIEW DETAILS" button is at the bottom of the listing. On the left side, there are "REFINE YOUR SEARCH" filters for "Years" (ranging from 2015 to 1974) and "Makes" (listing Acura, Audi, BMW, and Buick).

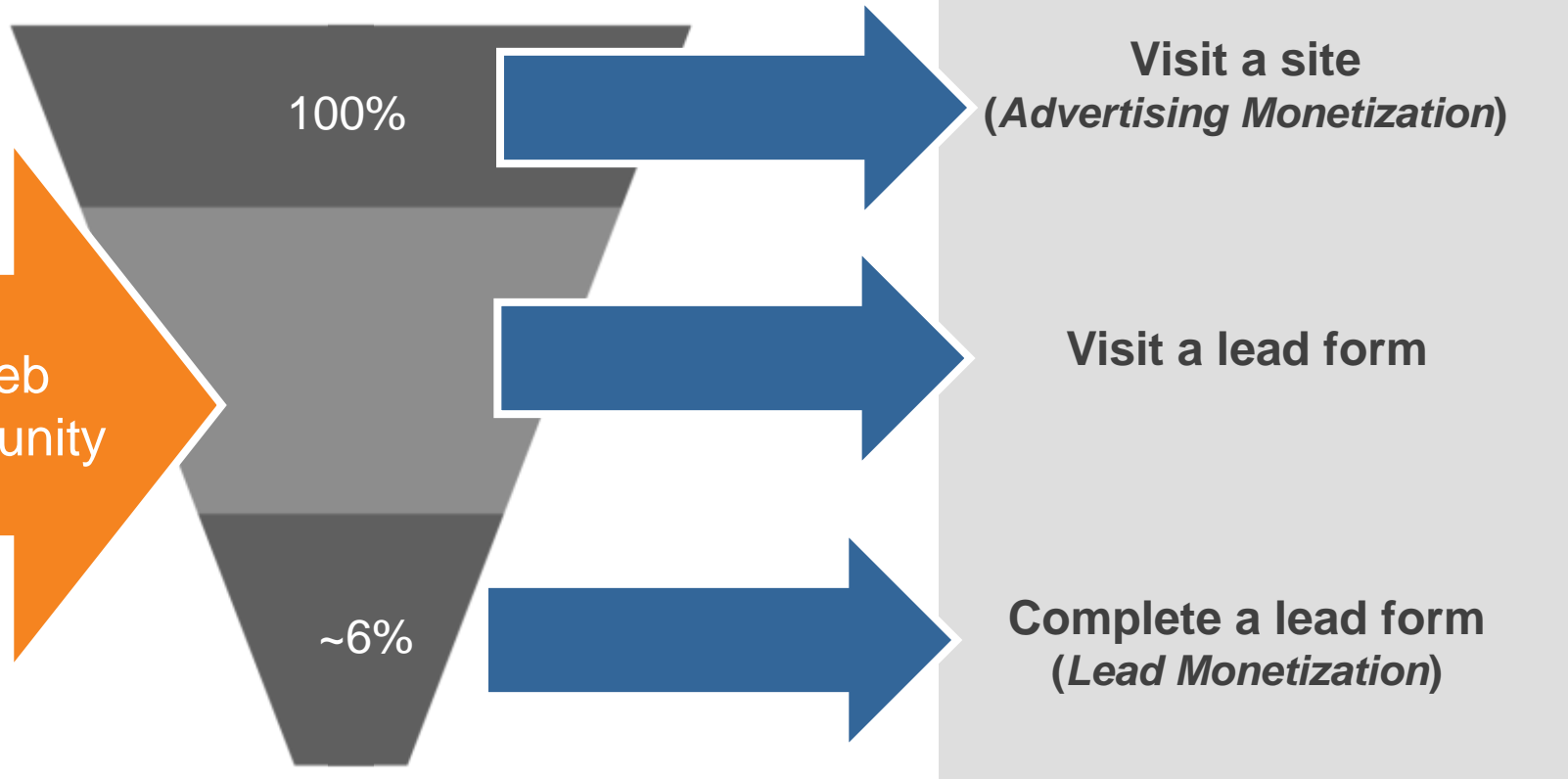
The screenshot shows a mobile app interface on a Motorola phone. The screen is divided into two main sections: "Step 1: Get Pre-qualified" and "Step 2: View Offers". Under "Step 2: View Offers", there is a grid of payment options. The top option is highlighted in yellow and shows "\$393/mo" for "78 months". Below this, it says "Tax & license not included." and a "More details" button. Other options include "\$418/mo" for 72 months, "\$426/mo" for 75 months, "\$450/mo" for 66 months, "\$470/mo" for 63 months, "\$492/mo" for 60 months, "\$559/mo" for 60 months, and "\$606/mo" for 48 months. Below the grid is an "Offer Price" section with a slider set to 26995 and a "Down Payment" section with a slider set to 0. At the bottom, there is a copyright notice "© 2012 - DriveItNow®" and a "View full site" link. The phone's status bar at the top shows the time as 10:51 and various icons for signal, battery, and connectivity.

PaymentPro is a 3rd party product sold through a reseller agreement

Prequalified Consumers from Dealer Websites

Autobytel / AutoWeb Partnership

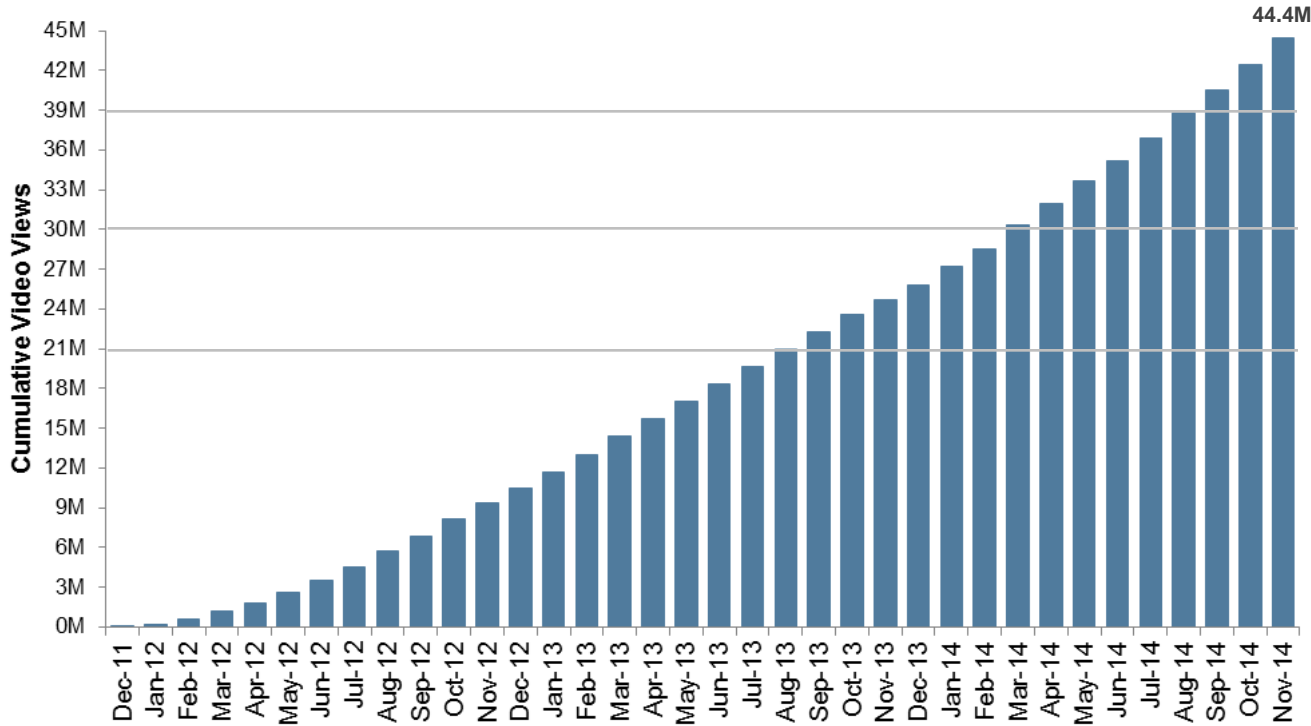
% OF TRAFFIC EXAMPLE



Redefining How Customers Interact With Dealers

Autobytel YouTube Channel

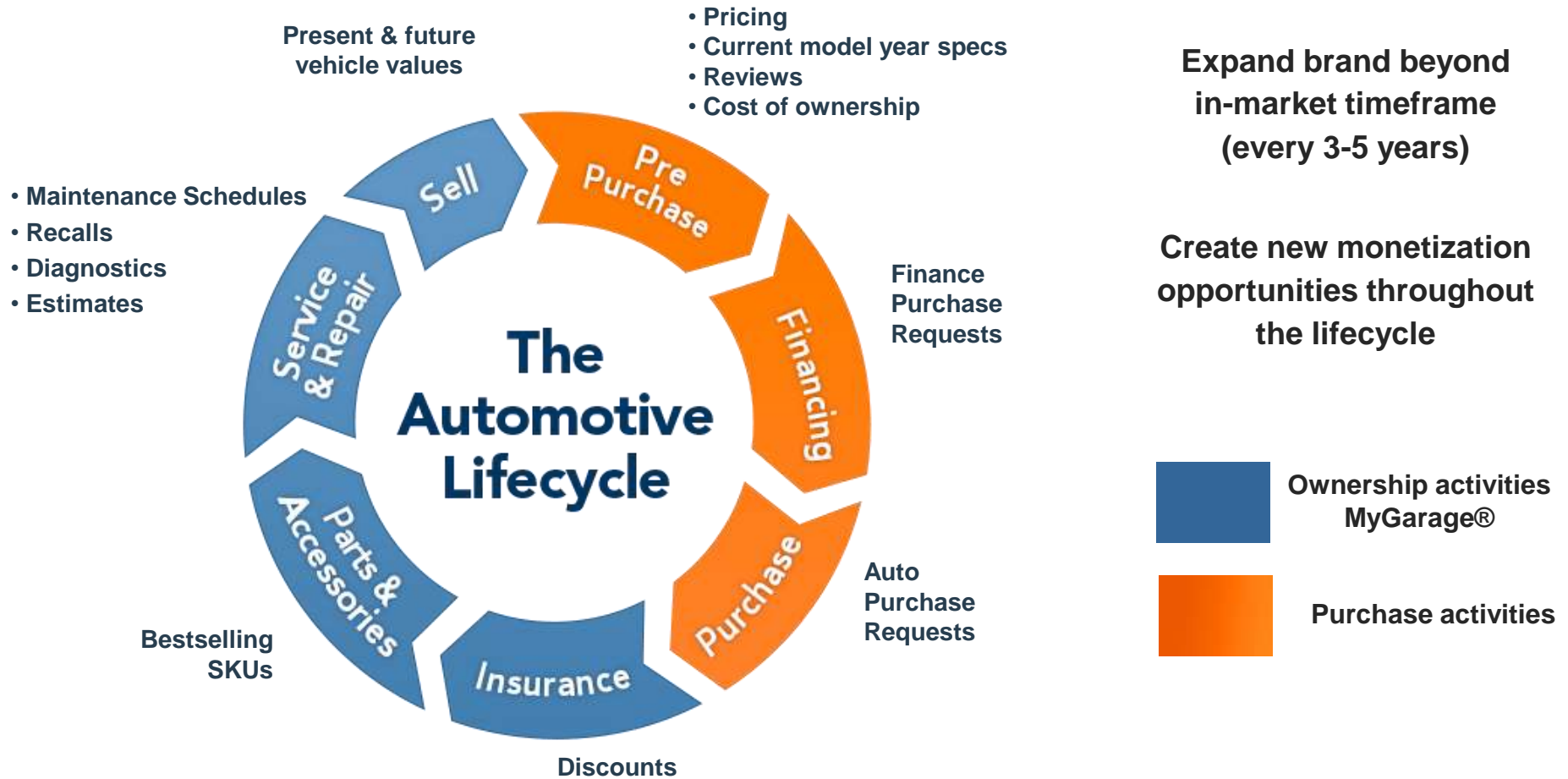
Autobytel YouTube Cumulative Video Views














- Autobytel YouTube channel boasts over one thousand proprietary videos and 44M video views
- YouTube content provides consumers with rich information and a robust branded experience linking back to the autobytel.com website

Autobytel YouTube Channel Provides Unique Branding

Touching Consumers Throughout The Automotive Lifecycle



Competitive Landscape

	New Car	Used Car	Advertising	Specialty Finance
	✓	✓	✓	✓
	✓	✓	✓	
	✓	✓	✓	✓
	✓	✓		
	✓	✓		
	✓	✓	✓	
	✓	✓	✓	
	✓	✓	✓	
		✓		
	✓	✓	✓	✓
				✓
				✓

Financial Overview

	2013				2014			YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2013	2014
Revenue (\$M)	\$18.3	\$17.8	\$21.6	\$20.7	\$27.0	\$25.9	\$27.4	\$57.7	\$80.2
Gross Profit (\$M)	\$6.6	\$7.0	\$8.8	\$8.1	\$10.1	\$10.3	\$11.0	\$22.4	\$31.4
Gross Margin	36.1%	39.1%	40.7%	39.1%	37.4%	39.8%	40.2%	38.8%	39.1%
Operating Expenses (\$M)	\$6.6	\$6.4	\$7.4	\$7.2	\$9.3	\$8.9	\$9.0	\$20.4	\$27.2
Operating Margin	0.0%	3.2%	6.4%	4.3%	2.8%	5.6%	7.3%	3.4%	5.2%
Net Income (\$M)	\$0.3	\$0.4	\$1.3	\$36.1 ³	\$0.4	\$0.8	\$1.1	\$2.0	\$2.3
GAAP EPS Diluted	\$0.04	\$0.04	\$0.13	\$3.26 ³	\$0.04	\$0.08	\$0.11	\$0.21	\$0.22
Non-GAAP Income (\$M)¹	\$0.9	\$0.9	\$2.1	\$1.2	\$2.1	\$2.1	\$2.5	\$3.8	\$6.8
Non-GAAP EPS²	\$0.09	\$0.10	\$0.20	\$0.11	\$0.21	\$0.19	\$0.23	\$0.37	\$0.60
Cash (\$M)	\$14.7	\$15.8	\$17.4	\$18.9	\$19.3	\$20.5	\$22.3	\$17.4	\$22.3
Cash Flow From Operations (\$M)	(\$0.4)	\$1.3	\$1.8	\$1.6	\$0.9	\$1.9	\$2.8	\$2.7	\$5.6
Closing Stock Price	\$4.34	\$4.77	\$7.17	\$15.13	\$12.43	\$13.11	\$8.59	\$7.17	\$8.59

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, taxes, and acquisition related expenses, plus litigation settlements. See slide 24 for reconciliation.

2. Non-GAAP EPS is non-GAAP income divided by weighted average diluted shares outstanding. See slide 24 for reconciliation.

3. Q4 2013 net income and GAAP EPS diluted were effected by a one-time tax reversal. The figures for the period excluding the one-time tax treatment would have been \$0.7M and \$0.06, respectively.

Growth in Revenue, Cash Flow and Non-GAAP EPS

Adjusted EBITDA and Non-GAAP EPS

	2013				2014			YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2013	2014
Net Income (\$M)	\$0.3	\$0.4	\$1.3	\$36.1	\$0.4	\$0.8	\$1.1	\$2.0	\$2.3
Net Interest (\$M)	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.5
Depreciation & Amortization (\$M)	\$0.5	\$0.5	\$0.5	\$0.3	\$0.5	\$0.5	\$0.6	\$1.5	\$1.6
Taxes (\$M)	\$0.1	\$0.1	\$0.1	(\$35.4)	\$0.2	\$0.5	\$0.7	\$0.3	\$1.4
EBITDA (\$M)	\$1.0	\$1.1	\$2.0	\$1.2	\$1.3	\$2.0	\$2.6	\$4.0	\$5.9
Non-Cash Stock Compensation (\$M)	\$0.2	\$0.2	\$0.2	\$0.1	\$0.3	\$0.4	\$0.4	\$0.6	\$1.0
Acquisition Expenses (\$M)	\$0.0	\$0.0	\$0.3	\$0.2	\$1.0	\$0.1	\$0.0	\$0.3	\$1.1
Adjusted EBITDA (\$M)	\$1.2	\$1.3	\$2.4	\$1.6	\$2.6	\$2.5	\$2.9	\$4.8	\$8.0
Weighted Average Diluted Shares (k)	9,076	9,133	10,586	11,105	10,282	11,271	11,099	10,310	11,255
Adjusted EBITDA Diluted EPS	\$0.13	\$0.14	\$0.23	\$0.14	\$0.25	\$0.22	\$0.27	\$0.47	\$0.71

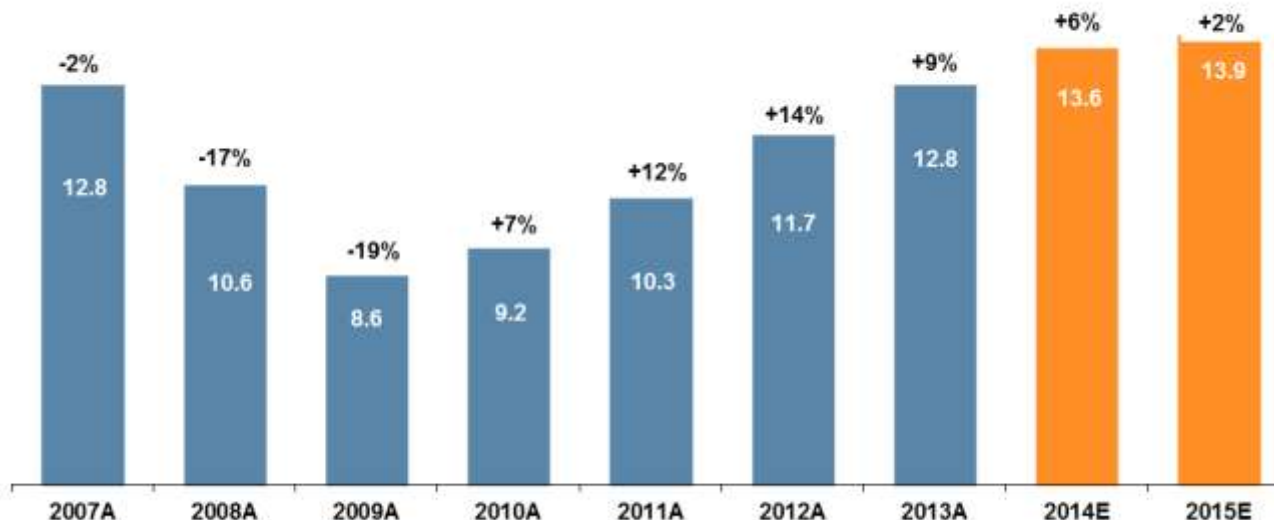
	2013				2014			YTD	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	2013	2014
Net Income (\$M)	\$0.3	\$0.4	\$1.3	\$36.1	\$0.4	\$0.8	\$1.1	\$2.0	\$2.3
Amortization of Acquired Intangibles (\$M)	\$0.3	\$0.3	\$0.3	\$0.2	\$0.3	\$0.4	\$0.4	\$1.0	\$1.1
Non-Cash Stock Compensation (\$M)	\$0.2	\$0.2	\$0.2	\$0.1	\$0.3	\$0.4	\$0.4	\$0.6	\$1.0
Taxes (\$M)	\$0.1	\$0.1	\$0.1	(\$35.4)	\$0.2	\$0.5	\$0.7	\$0.3	\$1.4
Litigation Settlements (\$M)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.0)	(\$0.0)	(\$0.2)	(\$0.1)
Acquisition Expenses (\$M)	\$0.0	\$0.0	\$0.3	\$0.2	\$1.0	\$0.1	\$0.0	\$0.3	\$1.1
Non-GAAP Income (\$M)	\$0.9	\$0.9	\$2.1	\$1.2	\$2.1	\$2.1	\$2.5	\$3.8	\$6.8
Weighted Average Diluted Shares (k)	9,076	9,133	10,586	11,105	10,282	11,271	11,099	10,310	11,255
Non-GAAP EPS	\$0.09	\$0.10	\$0.20	\$0.11	\$0.21	\$0.19	\$0.23	\$0.37	\$0.60

Increased Q3 YTD Non-GAAP EPS by \$0.23, or 62% Y-O-Y

1. EBITDA is equal to Net Income before Interest, Taxes, and Depreciation and Amortization
2. Adjusted EBITDA is equal to Net Income before Interest, Taxes, and Depreciation and Amortization plus Non-Cash Stock Compensation and Acquisition related expenses
3. Adjusted EBITDA Per Diluted Share is Adjusted EBITDA divided by weighted average diluted shares outstanding

J.D. Power Retail Auto Sales Forecast

US Light Vehicle Retail Sales History and Forecast (Millions)



- For the month of November 2014, US Light Vehicle Retail SAAR was projected to come in around 13.5M, up from 13.4M in October 2014; November 2014 Retail US Light Vehicle sales were projected to be 1.1M units, up 1% over prior year
- As of November 2014, J.D. Power 2014 Retail US Light Vehicle Sales Forecast held at 13.6M, while the 2015 Forecast increased from 13.8M to 13.9M units

Autobytel Set to Exceed Industry Growth

Investment Opportunity

- Strong automotive digital advertising growth
- Autobytel is a leader in the automotive online marketplace
- Superior product performance among peer group
 - 70% of leads generated internally
 - Average Autobytel internally generated leads close at 21%
 - Close rate at 3x estimated industry average (validated by IHS Automotive)
- Largest combined retail and wholesale distribution network in U.S.
- Trusted name and long-standing relationships with OEMs, dealers and dealer groups
- Proven management team has successfully reengineered the company, delivering revenue, EBITDA, and net income results
- Acquisition of, and investment in, consolidation and new mobile and lead generation technologies (AutoUSA, Advanced Mobile, SaleMove, and AutoWeb)

Thank You