

Third Quarter 2016

Financial Highlights

November 3, 2016

TRUECar.



SAFE HARBOR

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding TrueCar, Inc.'s ("TrueCar") outlook for the fourth quarter and full year 2016, future financial results, including expectations regarding future revenue and Adjusted EBITDA, planned operational improvements, business strategy, plans and objectives are forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions that may prove incorrect, any of which could cause TrueCar's results to differ materially from those expressed or implied by such forward-looking statements. Among the risks and uncertainties that could cause TrueCar's results to differ materially from those expressed or implied by such forward-looking statements include: the ability to improve our relationship with, and perception among, car dealerships and grow our network of Certified Dealers, on an overall basis, among dealers representing high volume brands and in important geographies; dependence upon affinity group marketing partners, especially USAA; compliance with U.S. federal and state laws and regulations directly or indirectly applicable to TrueCar's business; the ability to compete effectively in an increasingly competitive market and to grow and enhance TrueCar's brand; the ability to continue to innovate; the successful improvement of TrueCar's technology infrastructure; macro-economic issues that affect the automobile industry; the ability to attract, retain, and integrate qualified personnel, including recently hired members of management and the hiring of additional personnel in our technology and dealer teams; the ability to successfully resolve litigation to which TrueCar is subject and other risks and uncertainties described more fully under the heading "Risk Factors" in TrueCar's annual report on Form 10-K for the year ended December 31, 2015 and its subsequent quarterly report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") and its report on Form 10-Q for the quarter ended September 30, 2016 to be filed with the SEC. Moreover, TrueCar operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for TrueCar management to predict all risks, nor can management assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements TrueCar may make. All forward-looking statements in this presentation are based on information available to TrueCar's management as of the date hereof, and except as required by law, management assumes no obligation to update these forward-looking statements, which speak only as of the date hereof.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

Q3 2016 HIGHLIGHTS

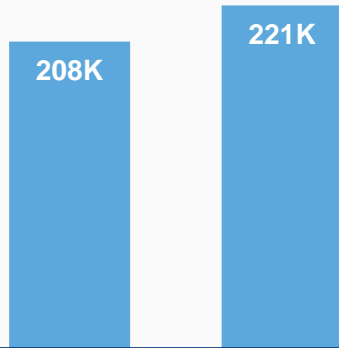
- Third quarter total revenue up 4% from a year ago to record \$75.1 million
- TrueCar users purchased a record 220,633 units from TrueCar Certified Dealers, up 6% year-over-year
- Total dealer count at an all-time high of 13,296 dealers, up 24% year-over-year
 - 10,759 franchise dealers, up 24% year-over-year
 - 2,537 independent dealers, up 26% year-over-year
- TrueCar acquisition cost per sale of \$180, down 8% year-over-year and flat sequentially
- Adjusted EBITDA of \$5.8 million representing 7.7% of revenue ⁽¹⁾

(1) See reconciliation of GAAP net loss to Adjusted EBITDA on page 16.

Q3 FINANCIAL HIGHLIGHTS

UNITS

6%
YY
→

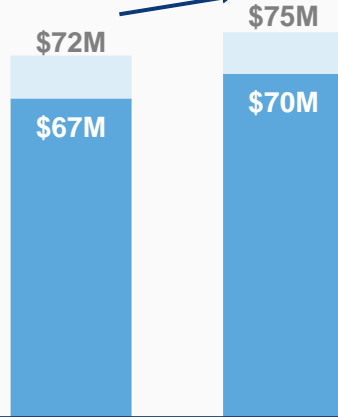


Q3 2015

Q3 2016

REVENUE

4%
YY
→



Q3 2015

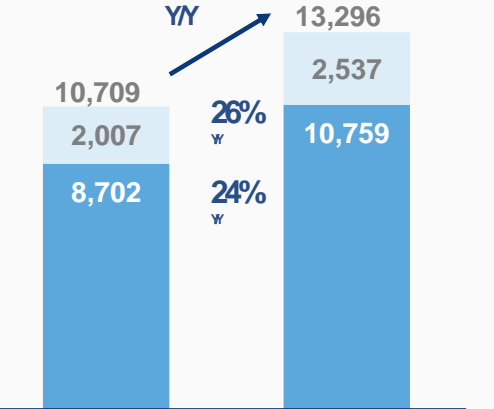
Q3 2016

TRANSACTION REVENUE

FORECASTS, CONSULTING AND OTHER REVENUE

DEALER COUNT

24%
YY
↗



Q3 2015

Q3 2016

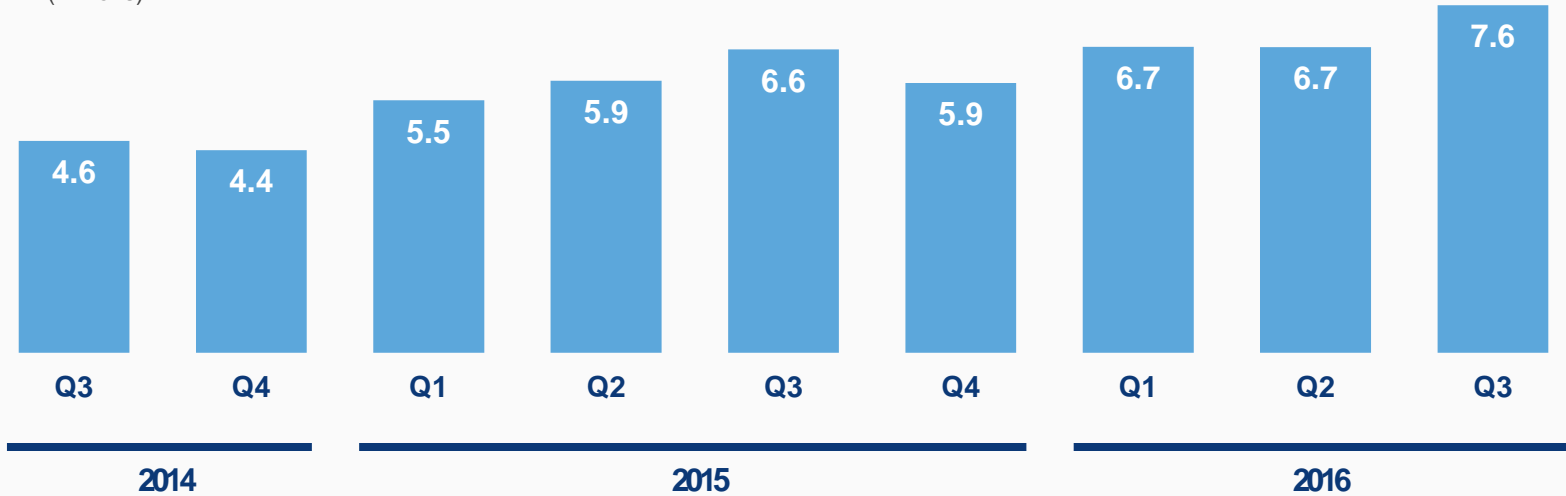
FRANCHISE DEALERS

INDEPENDENT DEALERS

TRAFFIC

AVERAGE MONTHLY UNIQUE VISITORS

(millions)



YY Growth:

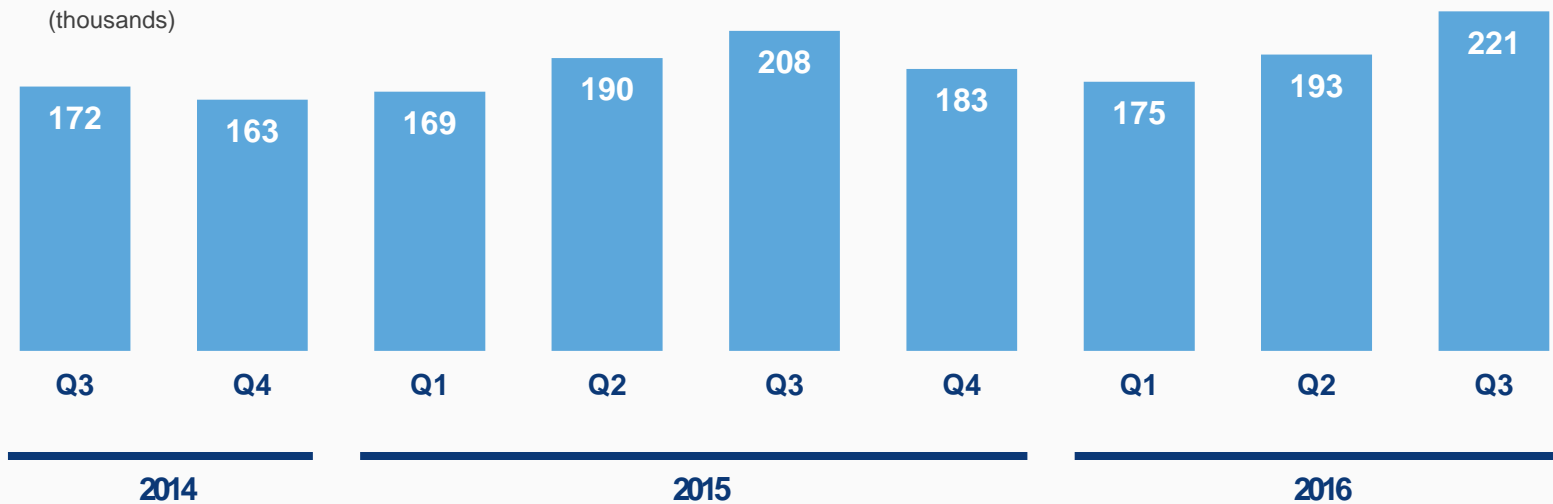
33%

21%

12%

15%

UNITS



YY Growth:

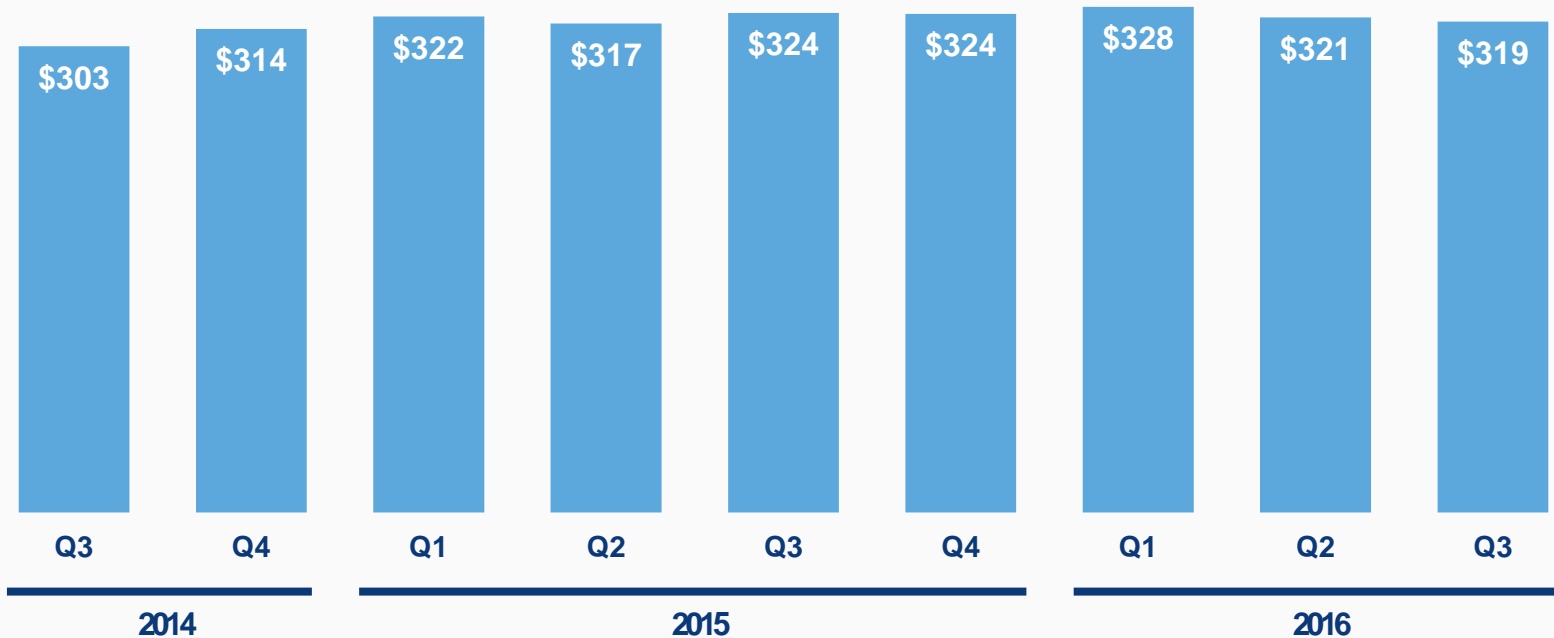
12%

4%

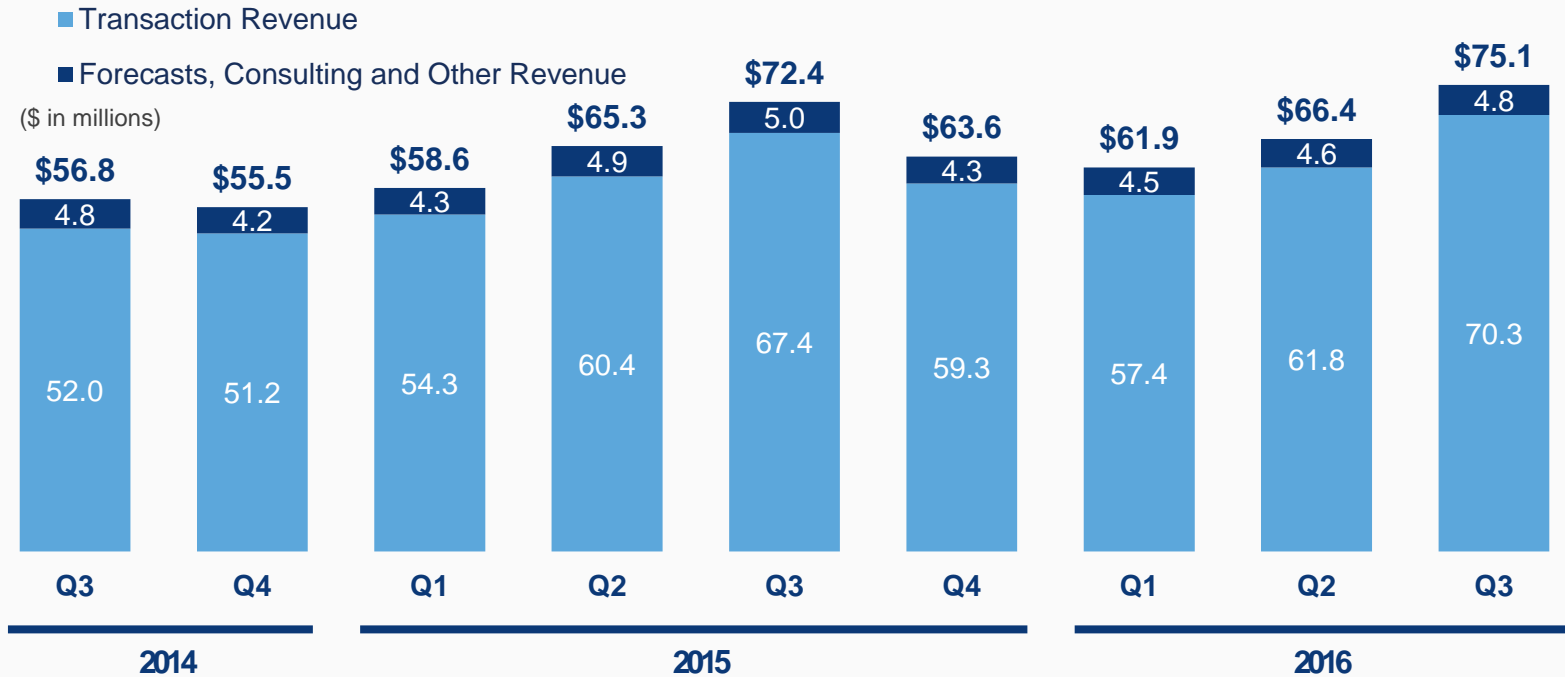
1%

6%

MONETIZATION

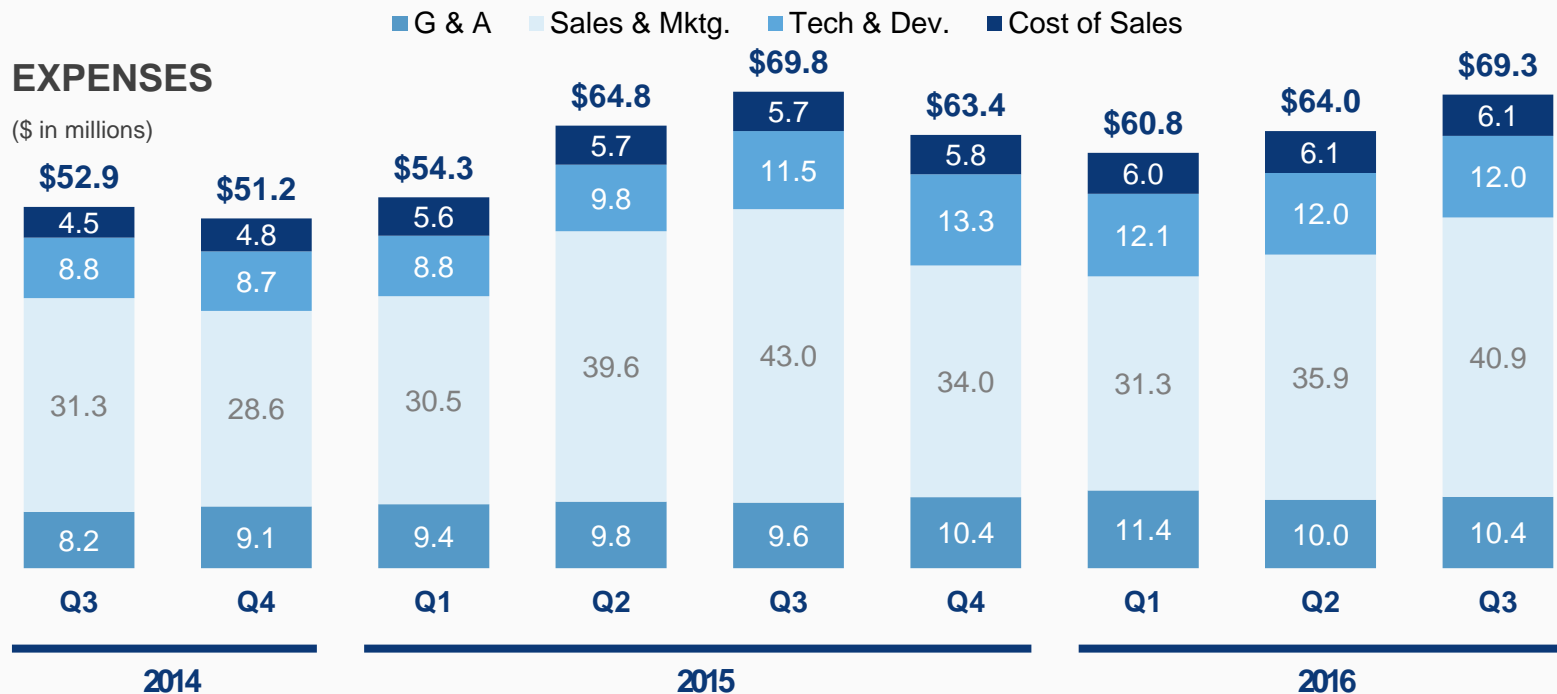


REVENUE



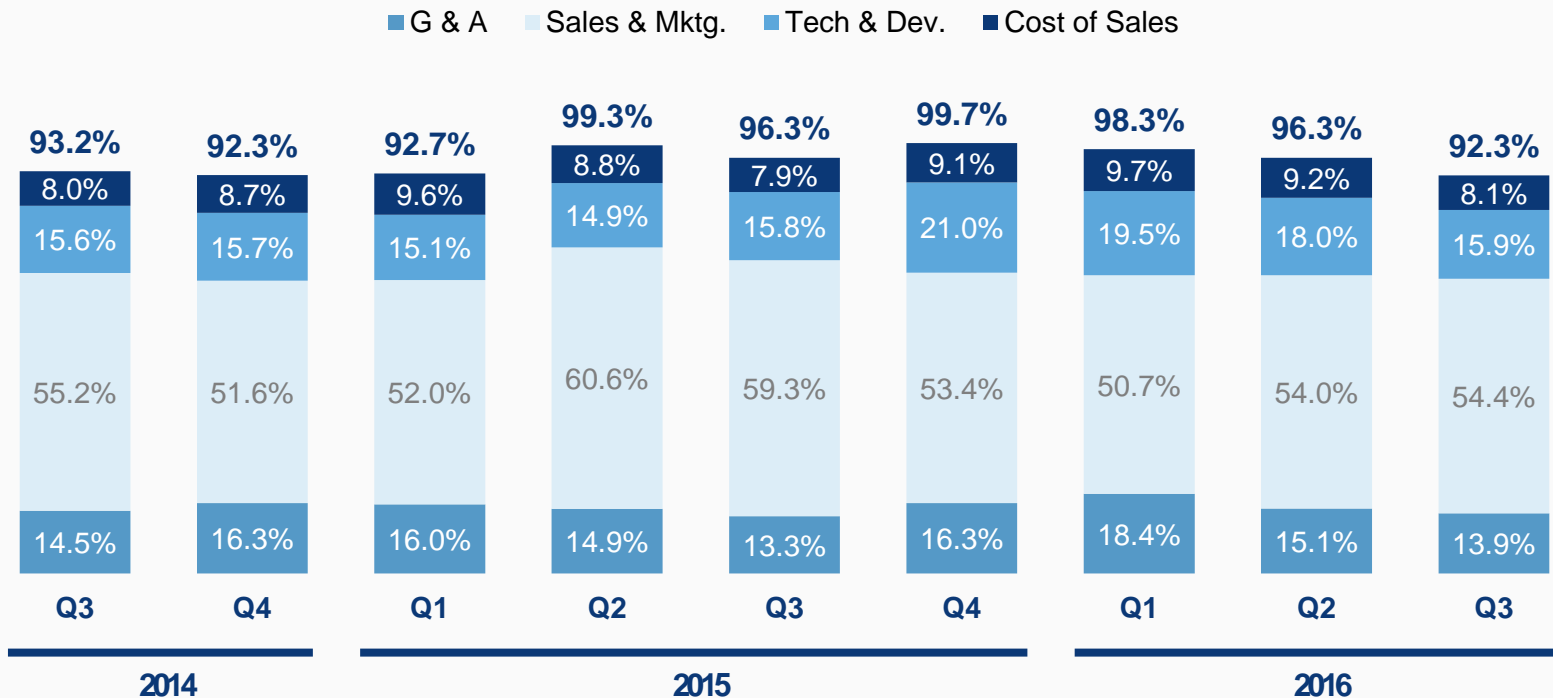
<i>Transaction Revenue Y/Y:</i>	16%	6%	2%	4%
<i>Total Revenue Y/Y:</i>	15%	6%	2%	4%

NON-GAAP EXPENSES ¹



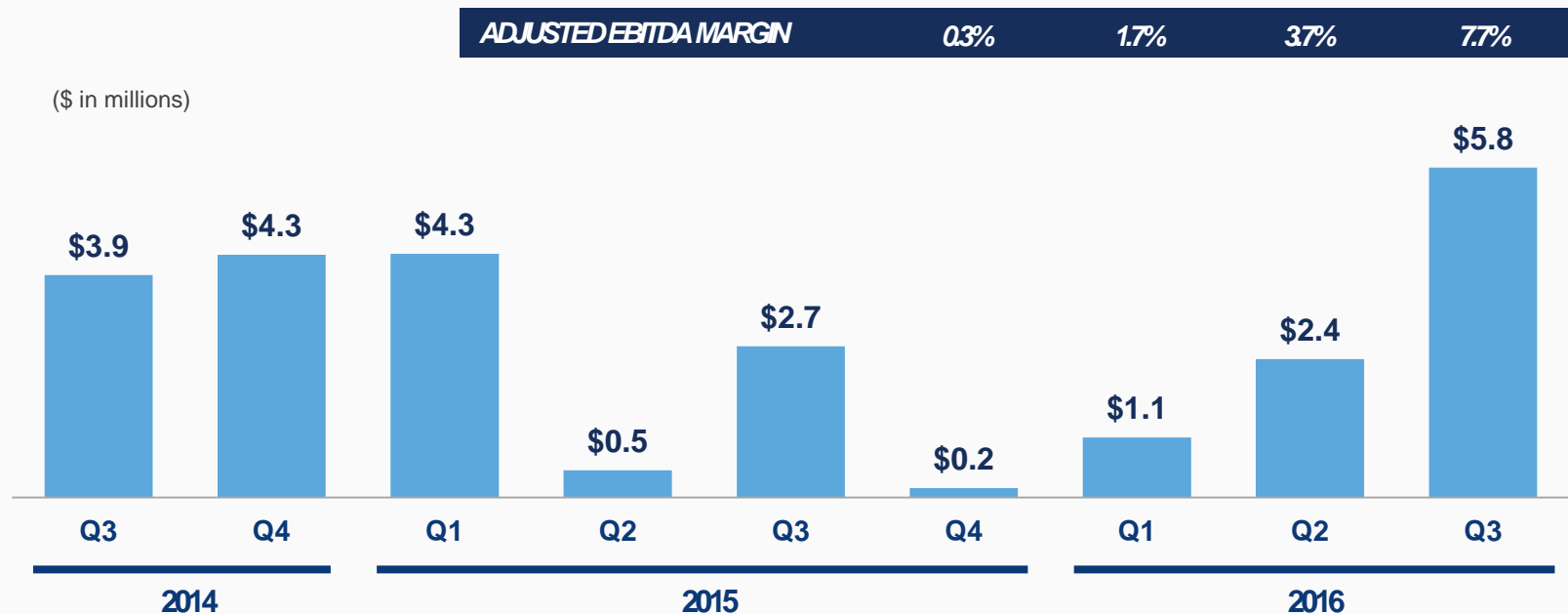
(1) See reconciliations of GAAP expenses to Non-GAAP expenses on page 17.

NON-GAAP EXPENSES ¹



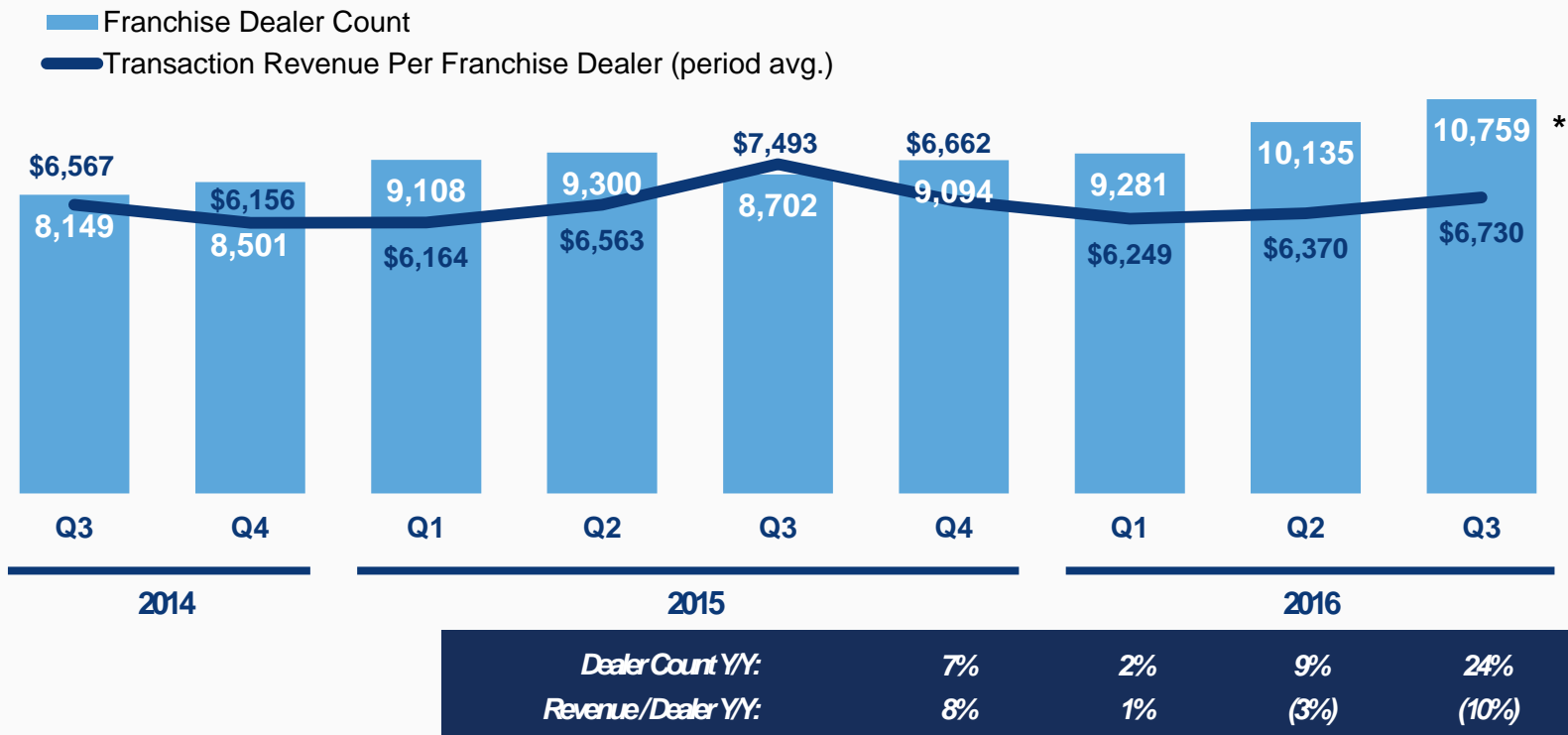
(1) See reconciliations of GAAP expenses to Non-GAAP expenses on page 17.

ADJUSTED EBITDA ¹



(1) See reconciliation of GAAP net loss to Adjusted EBITDA on page 16.

FRANCHISE DEALER COUNT



* Represents Franchise Dealer count only. Note that this number excludes 383 Genesis franchises on our program as of September 30, 2016 that were recently spun off from Hyundai. In order to facilitate period over period comparisons, we have continued to count each Hyundai franchise that also has a Genesis franchise as one franchise dealer rather than two. Non-Franchise Dealer count was 2,537 for the same period, bringing the network of TrueCar Certified Dealers to 13,296.

Q4 2016 OUTLOOK

	Low	High
Units	205K	210K
Revenue	\$70M	\$72M
Adjusted EBITDA ¹	\$2M	\$3M

(1) See reconciliation of GAAP net loss to Adjusted EBITDA on page 16.

2016 OUTLOOK

	Low	High
Units	793K	798K
Revenue	\$273.4M	\$275.4M
Adjusted EBITDA ¹	\$11.3M	\$12.3M

(1) See reconciliation of GAAP net loss to Adjusted EBITDA on page 16.

A dark blue-tinted photograph of a group of people inside a car. On the left, a man is leaning forward, looking towards the camera with a slight smile. In the center, the back of a woman's head and shoulders is visible. To her right, another woman is looking down, and a man's profile is partially visible on the far right. The word "APPENDIX" is overlaid in large, white, bold, sans-serif capital letters across the middle of the image.

APPENDIX

RECONCILIATION TO ADJUSTED EBITDA (Unaudited)

(In thousands, except per share data)	3 Months Ended Sep 30, 2015	3 Months Ended Sep 30, 2016
<u>Reconciliation of Net Loss to Adjusted EBITDA:</u>		
Net loss	\$ (11,105)	\$ (7,436)
Interest income	(27)	(91)
Interest expense	159	645
Depreciation and amortization	4,477	6,035
Stock-based compensation	7,531	6,241
Warrant expense	(308)	13
Certain litigation costs ⁽¹⁾	1,180	193
Severance charges ⁽²⁾	571	-
Provision for income taxes	173	191
Adjusted EBITDA	<u>\$ 2,651</u>	<u>\$ 5,791</u>

(1) The excluded amounts relate to legal costs incurred in connection with a claim we filed against Sonic Automotive Holdings, Inc. (the "Sonic Litigation"), complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar, and securities and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. We do not believe significant trademark litigation like the Sonic Litigation is reflective of a trend in our underlying operations. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending resolution.

(2) We incurred severance costs for four executive-level employees who terminated in the third quarter of 2015. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net loss as we do not believe they are useful indicators of ongoing operating results.

RECONCILIATION TO NON-GAAP EXPENSES (Unaudited)

(In thousands, except per share data)	3 Months Ended Sep 30, 2015	3 Months Ended Sep 30, 2016
<u>Reconciliation of GAAP Expenses to Non-GAAP Expenses:</u>		
Cost of revenue, as reported	5,952	6,320
Stock-based compensation	217	256
Non-GAAP cost of revenue	<u>\$ 5,735</u>	<u>\$ 6,064</u>
Sales & Marketing, as reported	43,969	42,557
Stock-based compensation	1,131	1,655
Warrant expense	(308)	13
Severance charges ⁽¹⁾	185	-
Non-GAAP sales and marketing	<u>\$ 42,961</u>	<u>\$ 40,889</u>
Technology and development, as reported	12,340	13,153
Stock-based compensation	889	1,200
Non-GAAP technology and development	<u>\$ 11,451</u>	<u>\$ 11,953</u>
General and administrative, as reported	16,467	13,765
Stock-based compensation	5,294	3,130
Certain litigation costs ⁽²⁾	1,180	193
Severance charges ⁽¹⁾	386	-
Non-GAAP general and administrative	<u>\$ 9,607</u>	<u>\$ 10,442</u>

(1) We incurred severance costs for four executive-level employees who terminated in the third quarter of 2015. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net loss as we do not believe they are useful indicators of ongoing operating results.

(2) The excluded amounts relate to legal costs incurred in connection with a claim we filed against Sonic Automotive Holdings, Inc. (the "Sonic Litigation"), complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar, and securities and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. We do not believe significant trademark litigation like the Sonic Litigation is reflective of a trend in our underlying operations. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending resolution.

RECONCILIATION TO NON-GAAP NET LOSS (Unaudited)

(In thousands, except per share data)	3 Months Ended Sep 30, 2015	3 Months Ended Sep 30, 2016
Reconciliation of GAAP Net Loss to Non-GAAP Net Loss:		
Net loss, as reported	\$ (11,105)	\$ (7,436)
Stock-based compensation	7,531	6,241
Warrant expense	(308)	13
Certain litigation costs ⁽¹⁾	1,180	193
Severance charges ⁽²⁾	571	-
Non-GAAP net loss ⁽³⁾	<u>\$ (2,131)</u>	<u>\$ (989)</u>
Basic shares for non-GAAP EPS	82,417	84,822
Diluted shares for non-GAAP EPS	82,417	84,822
Non-GAAP net loss per share - basic	\$ (0.03)	\$ (0.01)
Non-GAAP net loss per share - diluted	\$ (0.03)	\$ (0.01)

- (1) The excluded amounts relate to legal costs incurred in connection with a claim we filed against Sonic Automotive Holdings, Inc. (the "Sonic Litigation"), complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar, and securities and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. We do not believe significant trademark litigation like the Sonic Litigation is reflective of a trend in our underlying operations. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending resolution.
- (2) We incurred severance costs for four executive-level employees who terminated in the third quarter of 2015. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net loss as we do not believe they are useful indicators of ongoing operating results.
- (3) There is no income tax impact related to the adjustments made to calculate Non-GAAP net loss because of our available net operating loss carryforwards and the full valuation allowance recorded against our net deferred tax assets at September 30, 2016 and September 30, 2015.