



# CRCM INVESTOR PRESENTATION



August 2019

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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This presentation contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to information about the Company's 2019 priorities and profitability expectations. These forward-looking statements are made as of August 6, 2019 and were based on then-current expectations, estimates, forecasts and projections, as well as the beliefs and assumptions of management. Words such as "plan," "expect," "anticipate," "should," "believe," "hope," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "might," "could," "intend," "designed," variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the Company's control. The Company's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: our ability to grow our membership while leveraging our investment in sales and marketing, our success in converting non-paying members to paying members and extending the length of time that paying members continue to pay for our services, our ability to cross-sell new and existing products and services to our members and to develop new products and services that members consider valuable, our ability to protect our brand and maintain our reputation among our members, and other risks detailed in the Company's filings with the Securities and Exchange Commission. Past performance is not necessarily indicative of future results. The forward-looking statements included in this presentation represent the Company's views as of the date of August 6, 2019, and should not be relied upon as representing the Company's views as of any subsequent date. The Company anticipates that subsequent events and developments will cause its views to change. The Company has no intention nor undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



# Sheila Lirio Marcelo

FOUNDER, CHAIRWOMAN & CEO



# Care

Education

Financial Services

Home Services

Automotive

Travel Services

Entertainment



Care for family members - the most important decision in people's lives

## OUR MISSION

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Care.com launched in 2007 with the mission to connect families to great caregivers.

Today, Care.com is the world's largest online marketplace for finding and managing family care.

**34 MILLION MEMBERS\***

**20+ COUNTRIES\***

**1 MATCH MADE EVERY 3 MINUTES\*\***



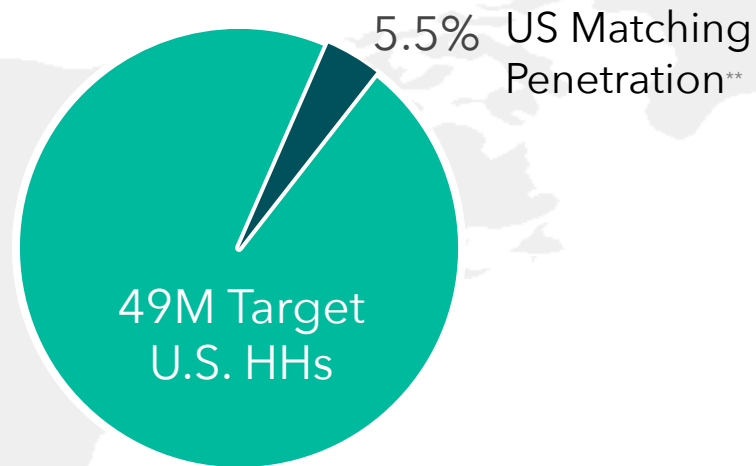
# COMPANY OVERVIEW

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<b>Market</b>	Massive fragmented market
<b>Leader</b>	Disruptive online marketplace
<b>Model</b>	Powerful economic model
<b>Network Effects</b>	Strong NPS and Word of Mouth
<b>Long Runway</b>	Multiple growth opportunities
<b>Financials</b>	Profitable growth

Enormous,  
fragmented  
market

WE'RE EARLY



\$336B spend on care in U.S.\*

\$9-10B total addressable spending  
US Matching & Payments\*\*\*

\*U.S. Census on HH data (2017), IBISWorld market research on annual spending (2018)

\*\*Care.com internal data as of December 2018 of families paying to date

\*\*\*\$9-10B total addressable market assumes approx. 3.0% take-rate on \$336B spend on care

# DISRUPTIVE SOLUTION TO A HUGE PROBLEM



**Newspapers**  
*No search or scale*



**Scale & Breadth**



**Agencies**  
*Expensive, limited selection*



**Accessible & Affordable**



**Referrals from friends**  
*Reluctance to share favorite caregivers; trust and quality anecdotal*



**Community Recommendations**



**Online Classifieds**  
*Lack of trust and quality*



**Trust & Quality**

## OUR VISION: FROM MICRO TO MACRO

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Improving the lives of families and caregivers by helping to build a global care infrastructure that helps companies and economies grow.



Provide peace at home by offering access to high quality child and senior care



Help companies improve productivity by providing care whenever their employees need it



Drive economic growth globally by increasing participation of women in the workforce

## OUR BUSINESS

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### **CONSUMER:**

*Families and Caregivers*

Help families find great care for their loved ones and help caregivers find valued jobs in the care industry.

### **BUSINESS TO BUSINESS:**

*Employers, Care Service Companies*

Help companies support their workforce with care benefits. Create a marketplace for care service companies like daycares and family care centers.

### **INTERNATIONAL: 20+ Countries\***

Provide offerings globally to enable more participation in the workforce.

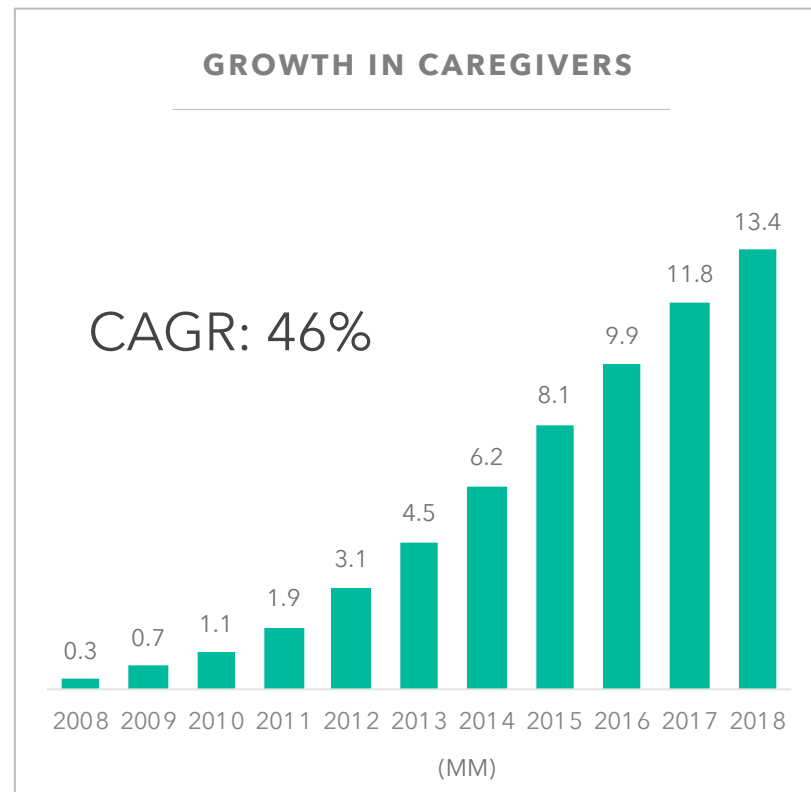
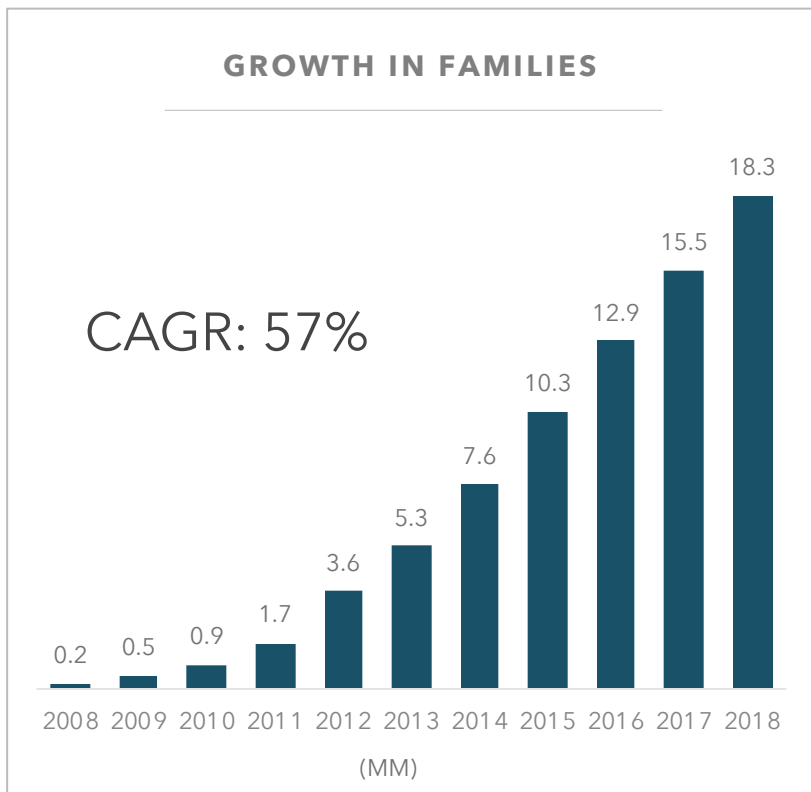


# LEADER IN "WINNER TAKE ALL" BUSINESS

**More families**  
attract more caregivers



**More caregivers**  
attract more families



# BREADTH OF COVERAGE

THE LEADING ONLINE CARE MARKETPLACE IN THE U.S.

# 11.9M

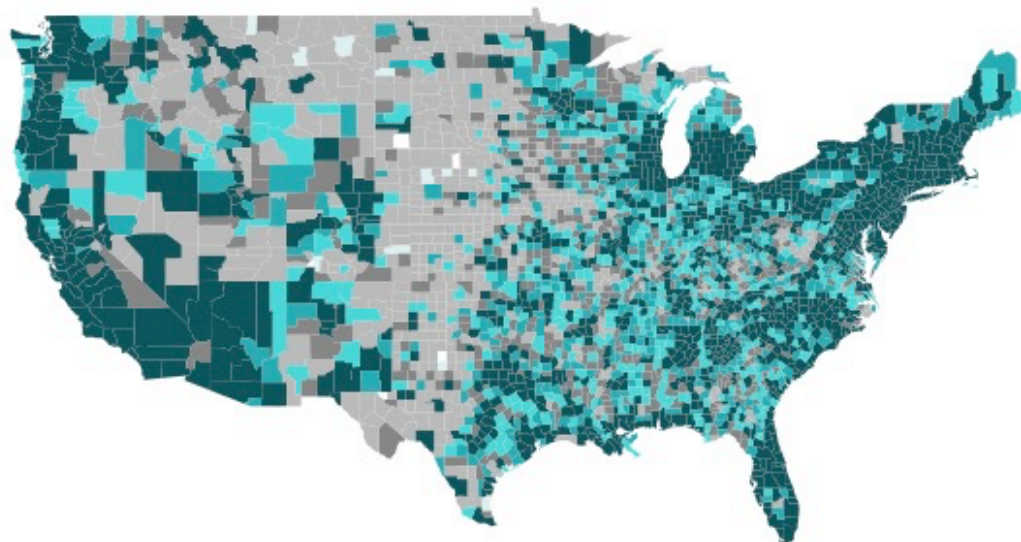
U.S. Caregivers

# 92%

Coverage of U.S. ZIP codes

# 5,000+

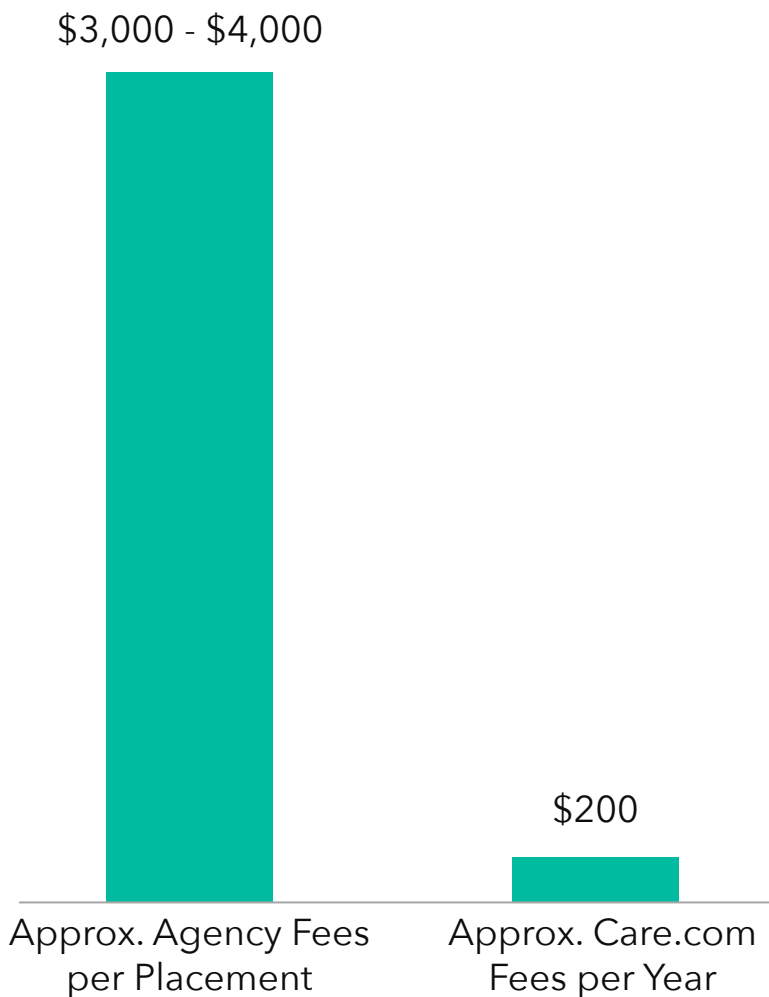
Caregivers w/in 10 miles of 98% of ZIP codes of top 20 metro areas



Caregiver Density



# AFFORDABLE FOR MASS MARKET



## OUR MEMBERS

28%

Below U.S. median  
HH income\*

69%

Dual-income or single  
parent families\*\*

54%

Seek part-time care\*\*\*

\*Based on U.S. Census Bureau and Care.com internal data

\*\*Based on 2017 Current Population Survey (CPS) Annual Social and Economic (ASEC) Supplement

\*\*\*Care.com internal data from January - December 2018

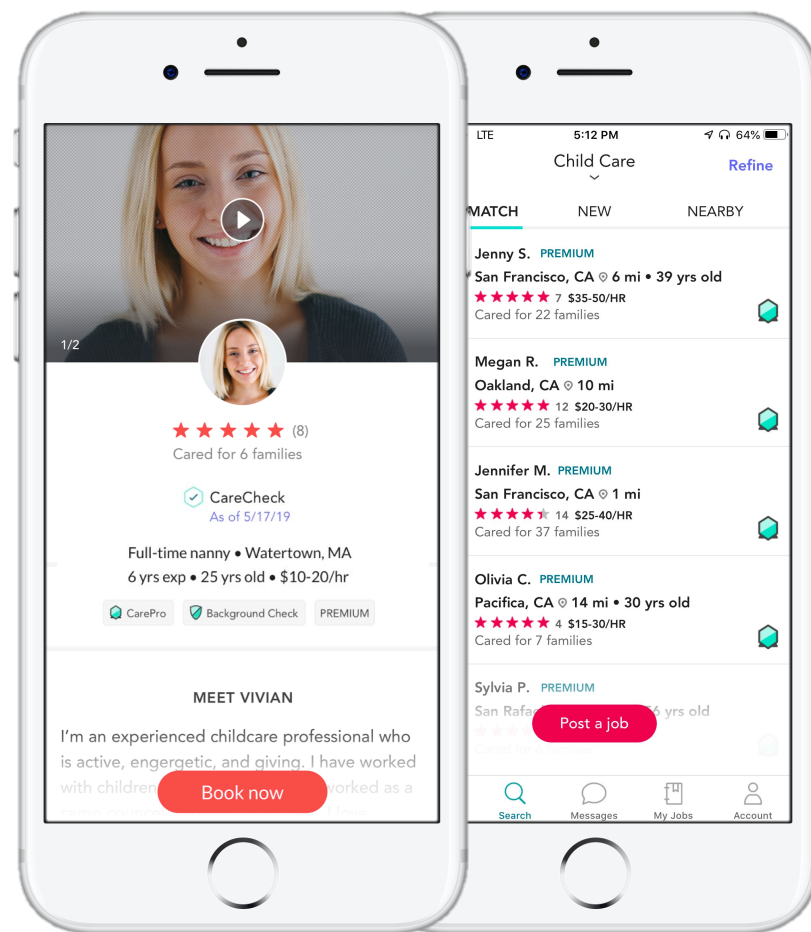
# SAFETY AND CYBERSECURITY

A key priority of 2019 is enhancing our Safety and Cybersecurity Programs.

We're investing more in these areas by adding to our dedicated teams, implementing a range of new, innovative technologies, expanding our education initiatives, and establishing a committee of our Board of Directors focused on these areas.

## KEY INVESTMENTS:

- Enhanced member screening
- Information and identity verification
- 3<sup>rd</sup> party background check options for purchase
- Member reviews
- Ongoing monitoring, including the use of data science and machine learning
- Education on safety and cyber threats



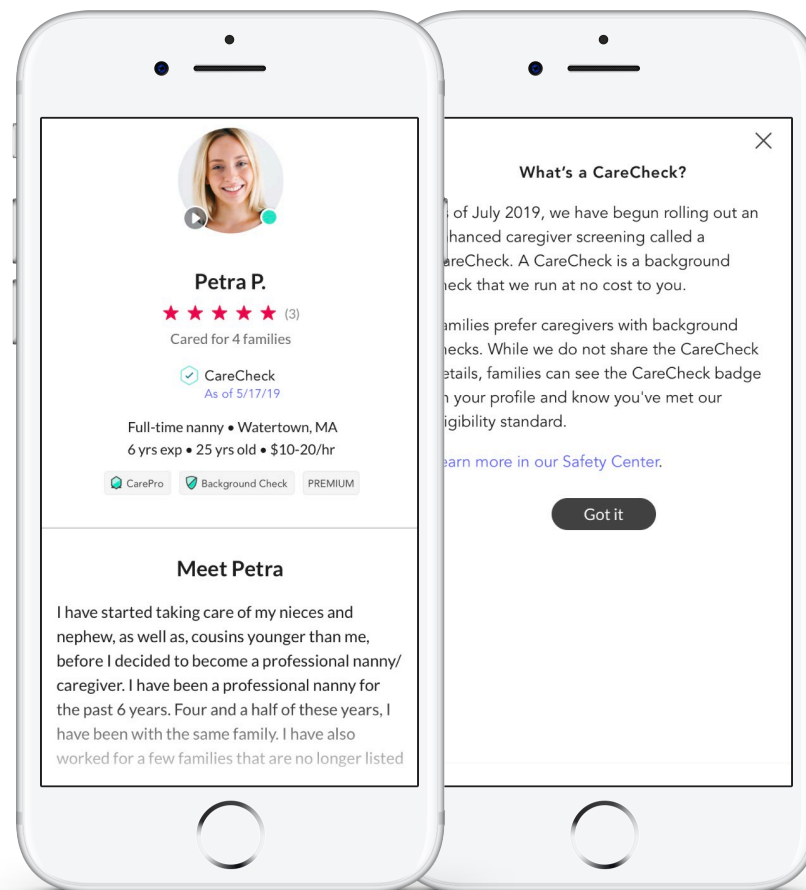
## INVESTING IN SAFETY

Building on our longstanding commitment to families, Care.com is rolling out expansive safety enhancements during 2019 on our U.S. consumer digital platform.

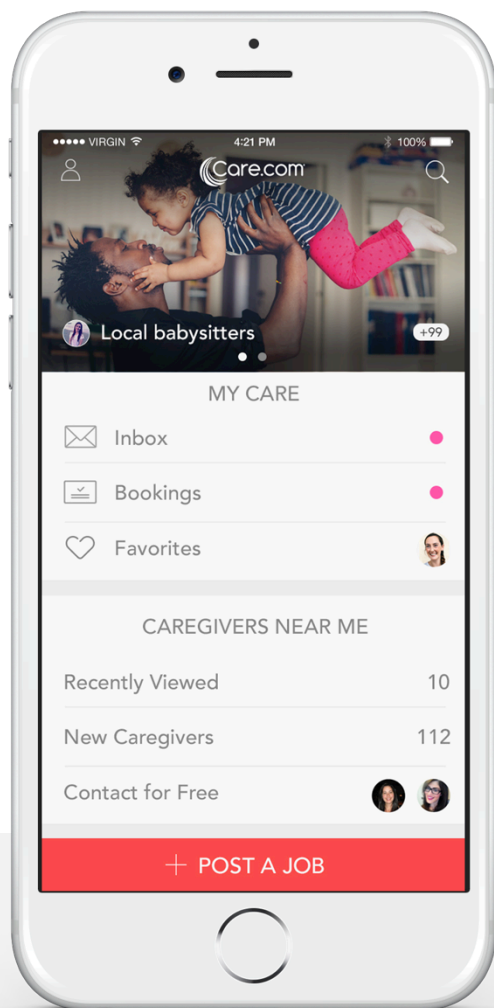
These enhancements include:

- Social Security Number verification process for caregivers
- In-depth background checks of caregivers
- Identity verification pilot

In addition, we have appointed former Homeland Security and State Department Inspector General Clark K. Ervin to our Board of Directors.



# MOBILE: ACCESS AND CONVENIENCE



69%

Of all unique visitors to Care.com on mobile platforms in Q2 2019\*

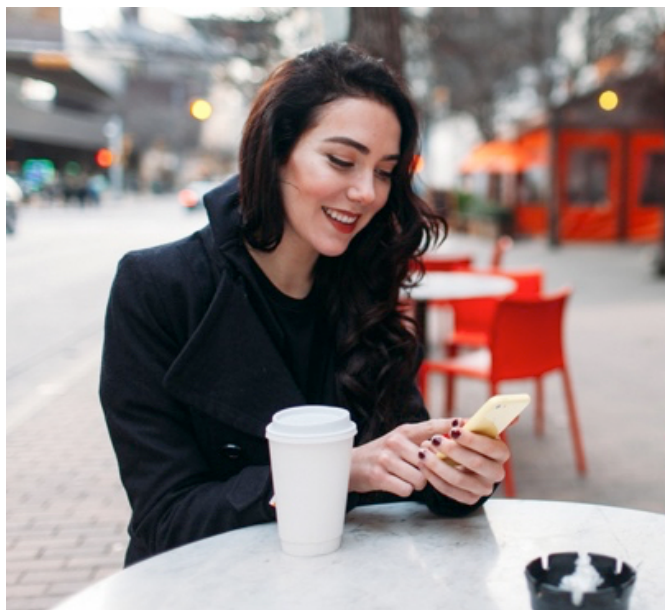
6.4M

Average unique mobile visitors per month in Q2 2019\*

4+ STARS

Rating on Apple and Android app stores\*\*

# FULL SUITE OF PAYMENTS PRODUCTS



## CONVENIENCE PAYMENTS

Support multiple transactional use cases

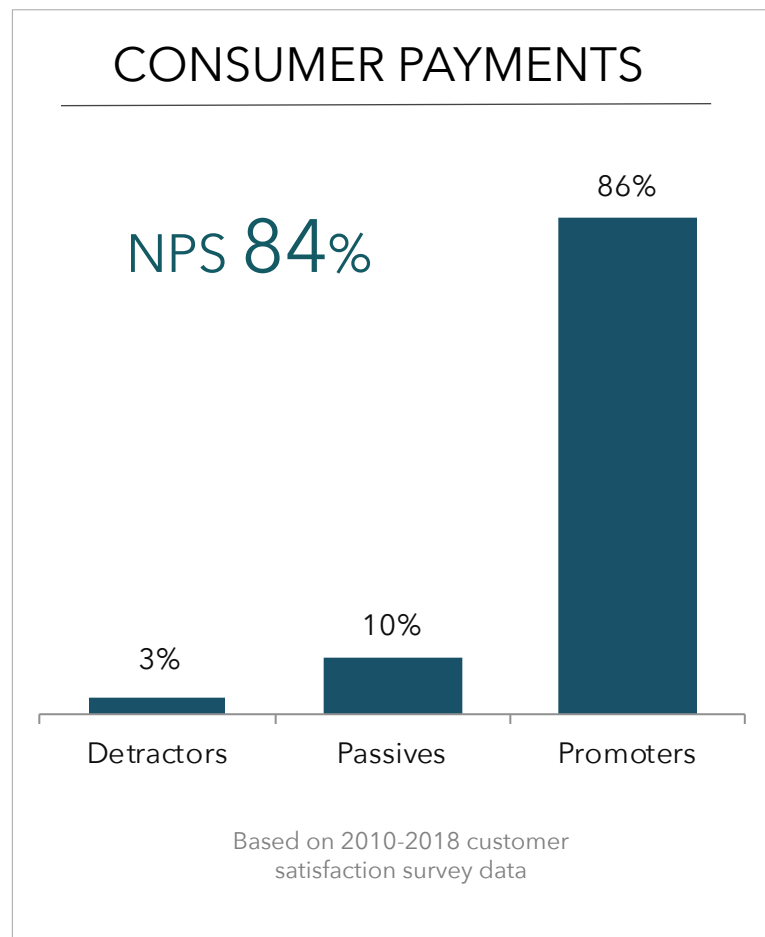
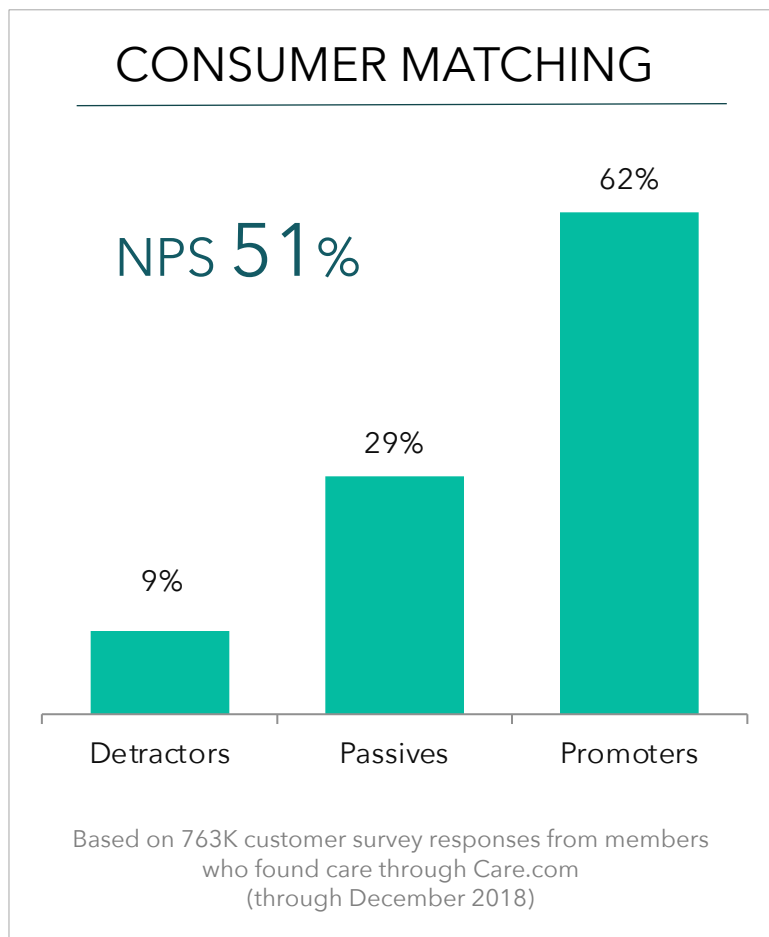


## FULL PAYROLL & TAX SERVICE

Nanny Premium and Mobile client experience

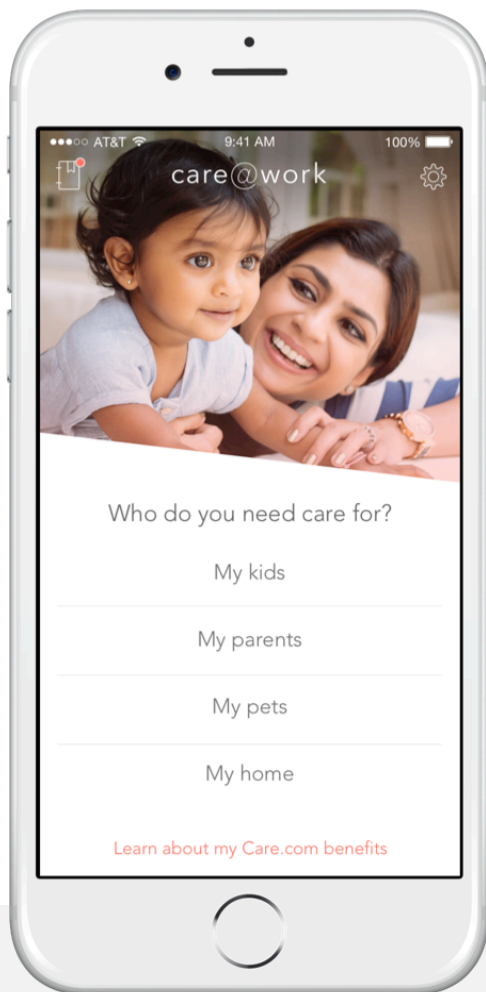
# HIGH NET PROMOTER SCORE

Likely to recommend service to a friend?



US customers only

# CARE@WORK



# 100%<sup>+</sup>

Revenue Retention  
2018

# 34%

Revenue Growth  
2018

“Care.com is a one-stop shop for families. LinkedIn employees use the service successfully to address a range of needs”

PAT WADORS, VICE PRESIDENT OF TALENT



# OUR 2019 INVESTMENT PRIORITIES

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- Safety and cybersecurity enhancements
- Senior care marketing: vertical diversification
- Care@Work
- Operational excellence

## KEY FINANCIAL HIGHLIGHTS

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Strong revenue growth

Compelling unit economics

Leveraging operating expenses and S&M spend

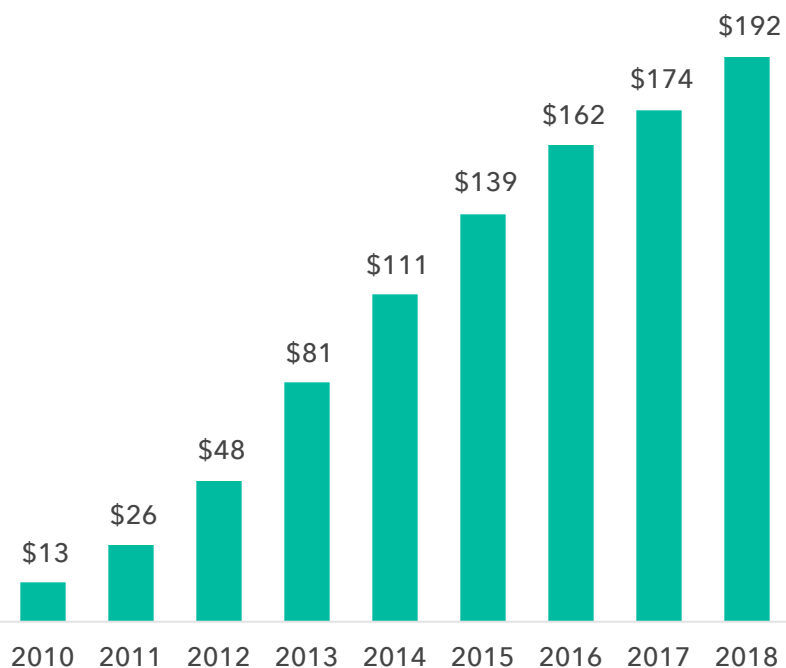
Profitable expectation of sustained profitability\*

\*Based on current projections of adjusted EBITDA

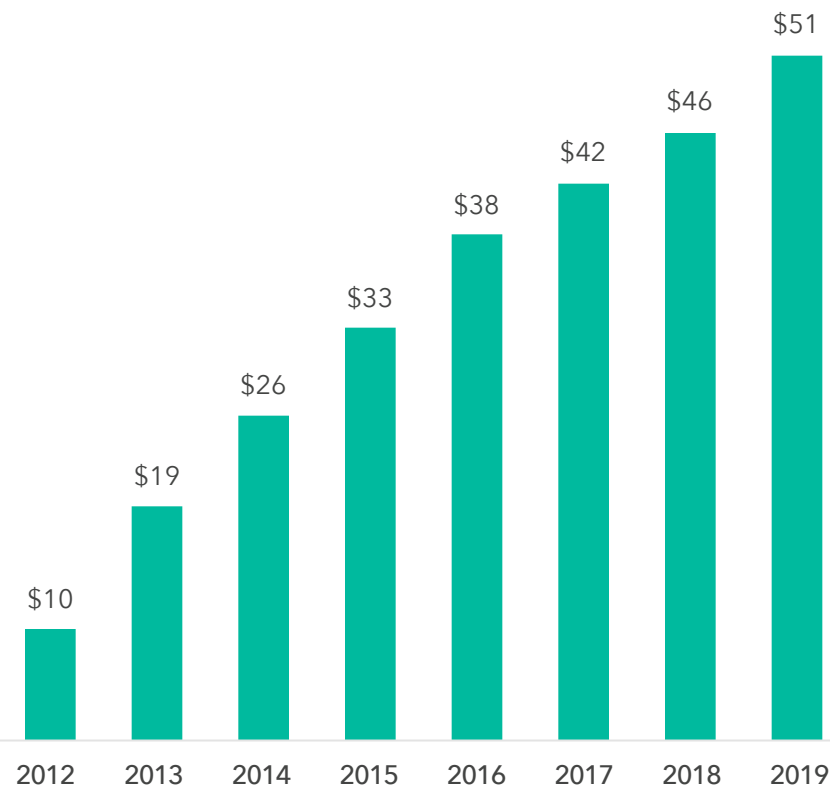
# STRONG REVENUE GROWTH

Total Company Revenue (\$M)

**FY Revenue, 2010-2018**

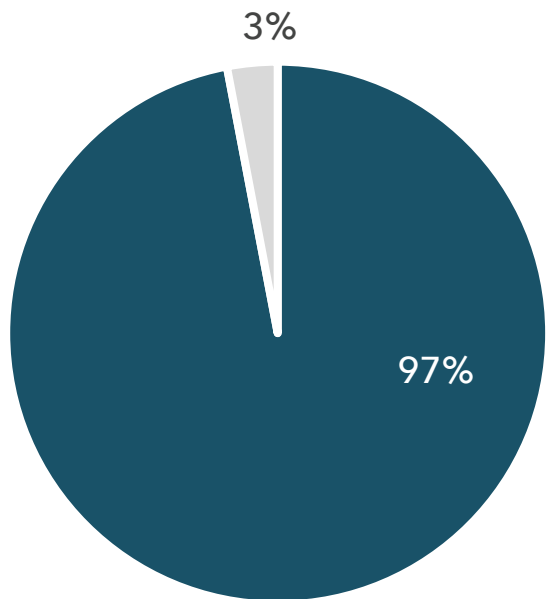


**Q2 Revenue, 2012-2019**

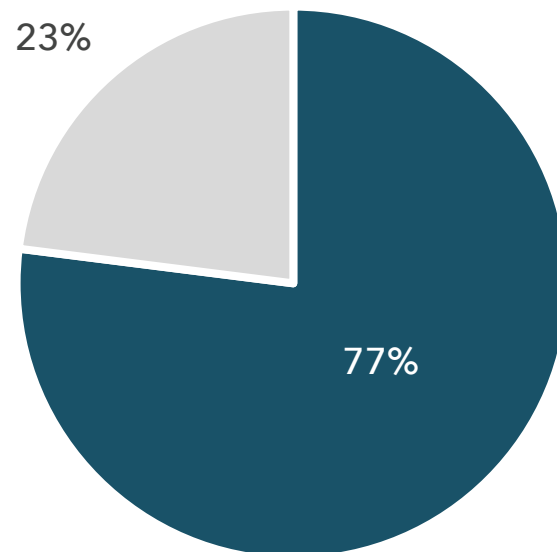


Note: 2016 includes the impact of the 53<sup>rd</sup> week.

# REVENUE MIX



**2011** | \$26M



**2018** | \$192M

■ US Consumer (Matching + Payments)

■ Other (Care@Work, Marketplace, International)

# POWERFUL CONSUMER BUSINESS MODEL

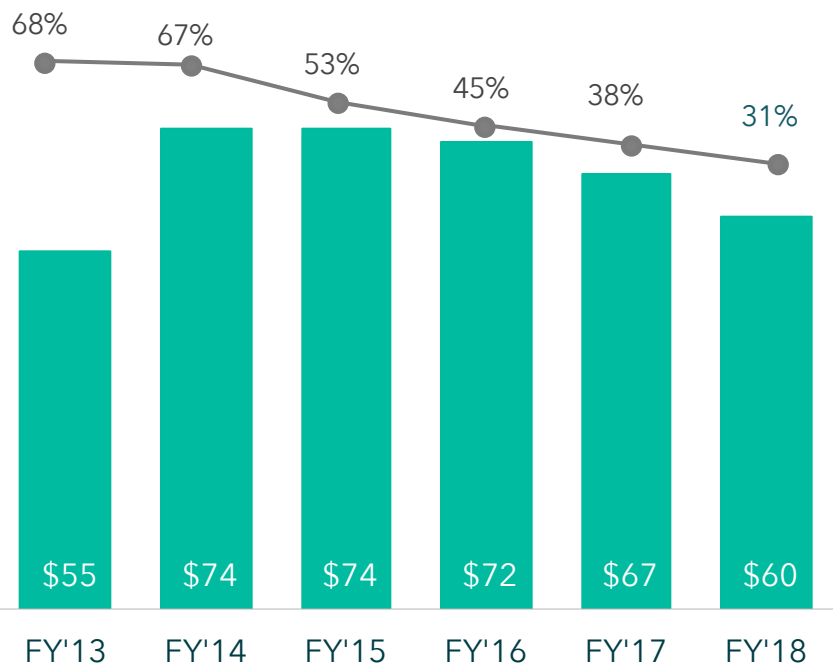
US Consumer (Matching + Payments) - First Half FY2019



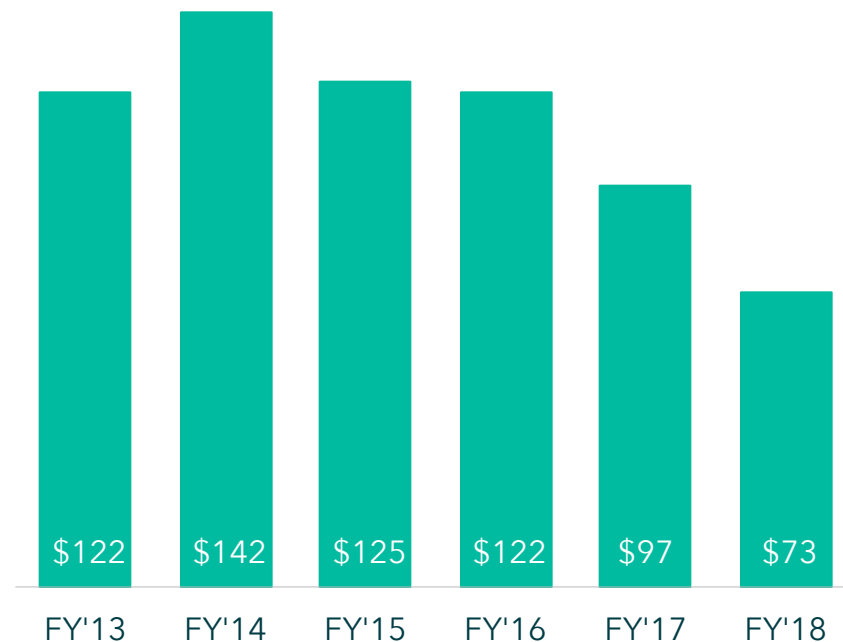
# LEVERAGING SALES & MARKETING

SALES AND MARKETING (\$M)\*

% of Revenue



CUSTOMER ACQUISITION COST (CAC)\*\*



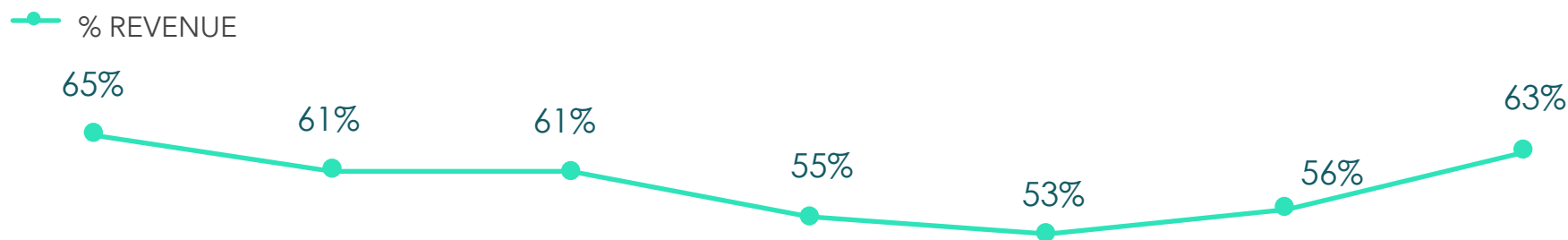
■ Percent of Revenue

■ Marketing Spend

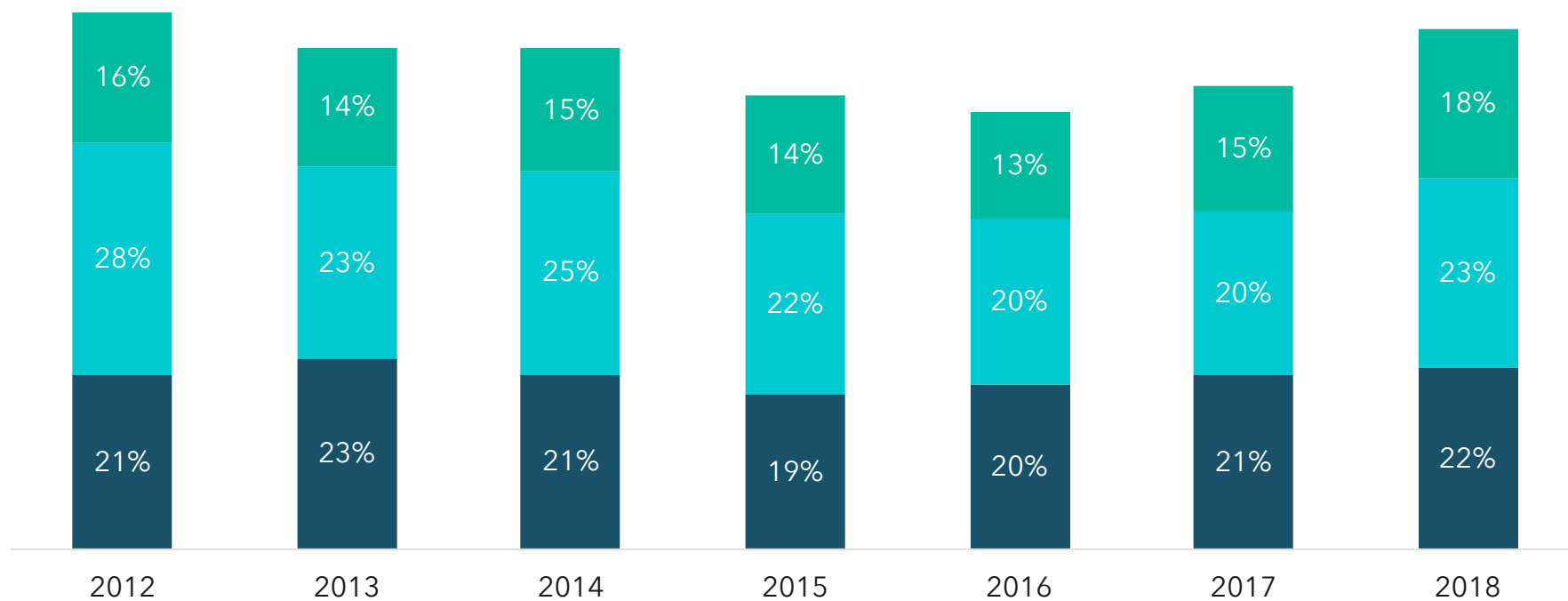
\*Excludes impact of Citrus Lane

\*\*Excludes Re-Users

# OPERATING EXPENSE LEVERAGE



(\$M) ■ COR ■ G&A ■ R&D



# HIGHLIGHTS

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## CLEAR LEADER

Dominant leader in large and fragmented care services market

## STRONG MODEL

Proven business model with compelling unit economics. Profitable growth.\*

## TRUSTED BRAND

Significant brand leadership and trusted platform for growth

## LONG RUNWAY

Still low penetration of addressable market; both vertical and horizontal growth opportunity

## FAVORABLE TRENDS

Strong demographic tailwinds

## MOTIVATED TEAM

Experienced, passionate management

\*Based on current projections of adjusted EBITDA

Thank you

