



Introduction to Carvana

November 2021



SAFE HARBOR

Forward-Looking Statements

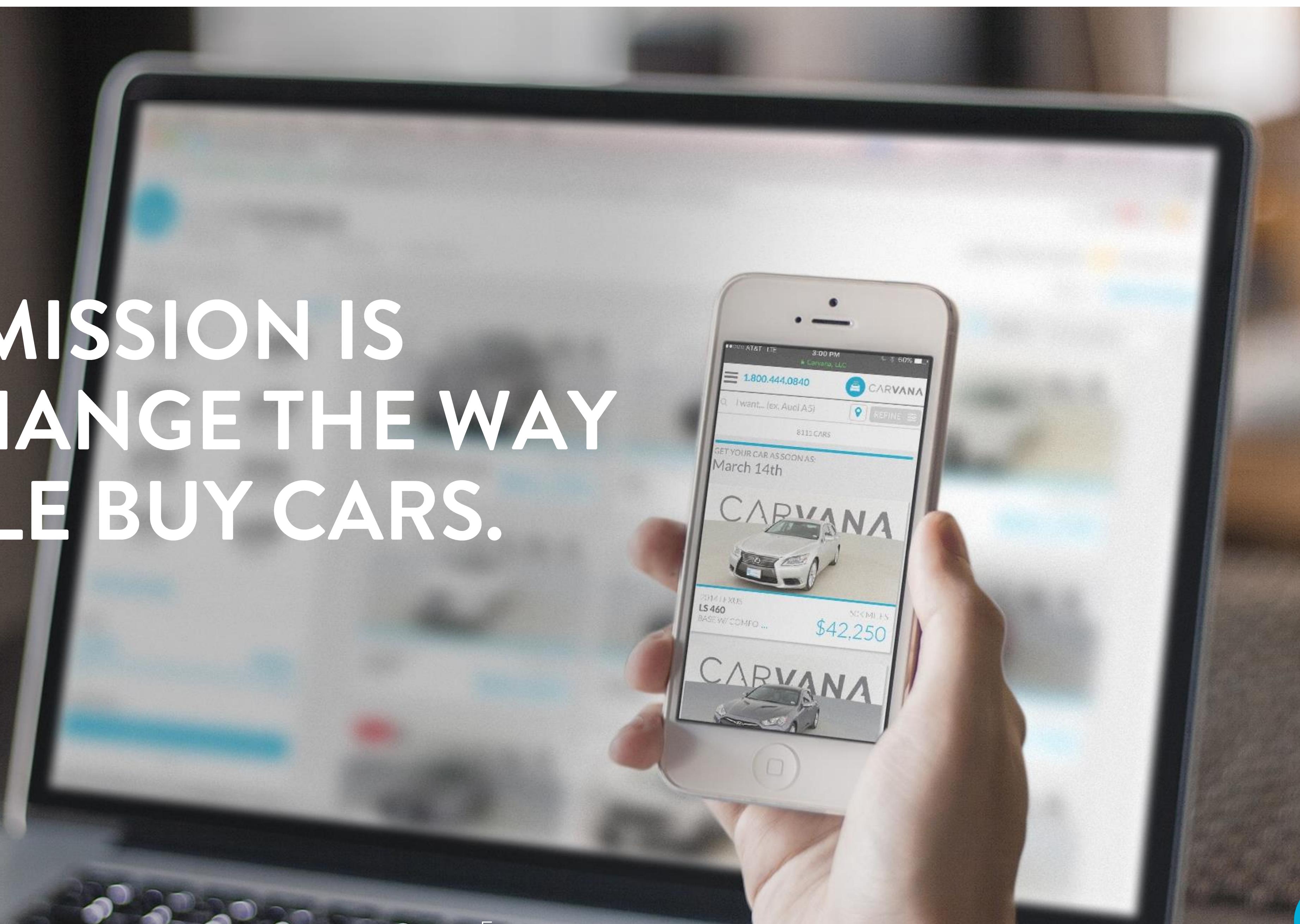
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Carvana's current expectations and projections with respect to, among other things, our financial condition, results of operations, plans, objectives, future performance, and business. These statements may be preceded by, followed by or include the words "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "outlook," "plan," "potential," "project," "projection," "seek," "can," "could," "may," "should," "would," "will," the negatives thereof and other words and terms of similar meaning.

Forward-looking statements include all statements that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Among these factors are risks related to the "Risk Factors" identified in Carvana's Annual Report on Form 10-K for 2020 and our Quarterly Report on Form 10-Q for the third quarter of 2021.

There is no assurance that any forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. Carvana does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise.

Market and Industry Data

This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as Carvana's own estimates and research. Carvana's estimates are derived from publicly available information released by third party sources, as well as data from its internal research, and are based on such data and the Company's knowledge of its industry, which the Company believes to be reasonable. The independent industry publications used in this presentation were not prepared on the Company's behalf. While the Company is not aware of any misstatements regarding any information in this presentation, forecasts, assumptions, expectations, beliefs, estimates and projects involve risk and uncertainties and are subject to change based on various factors.

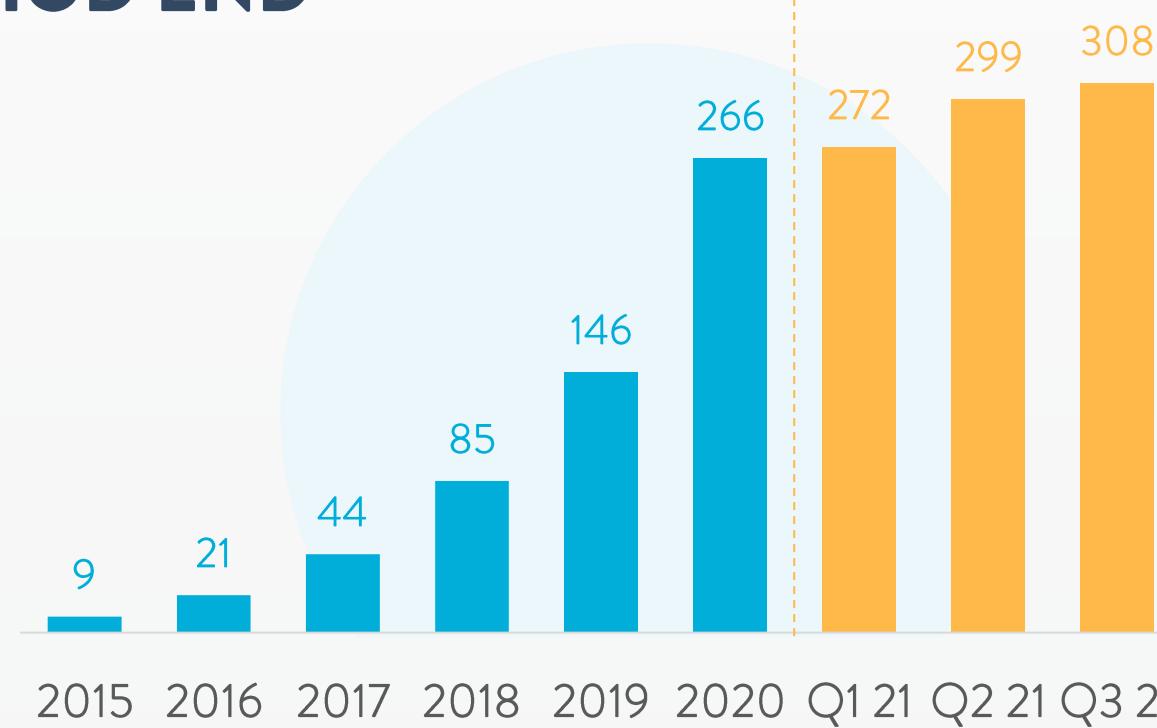
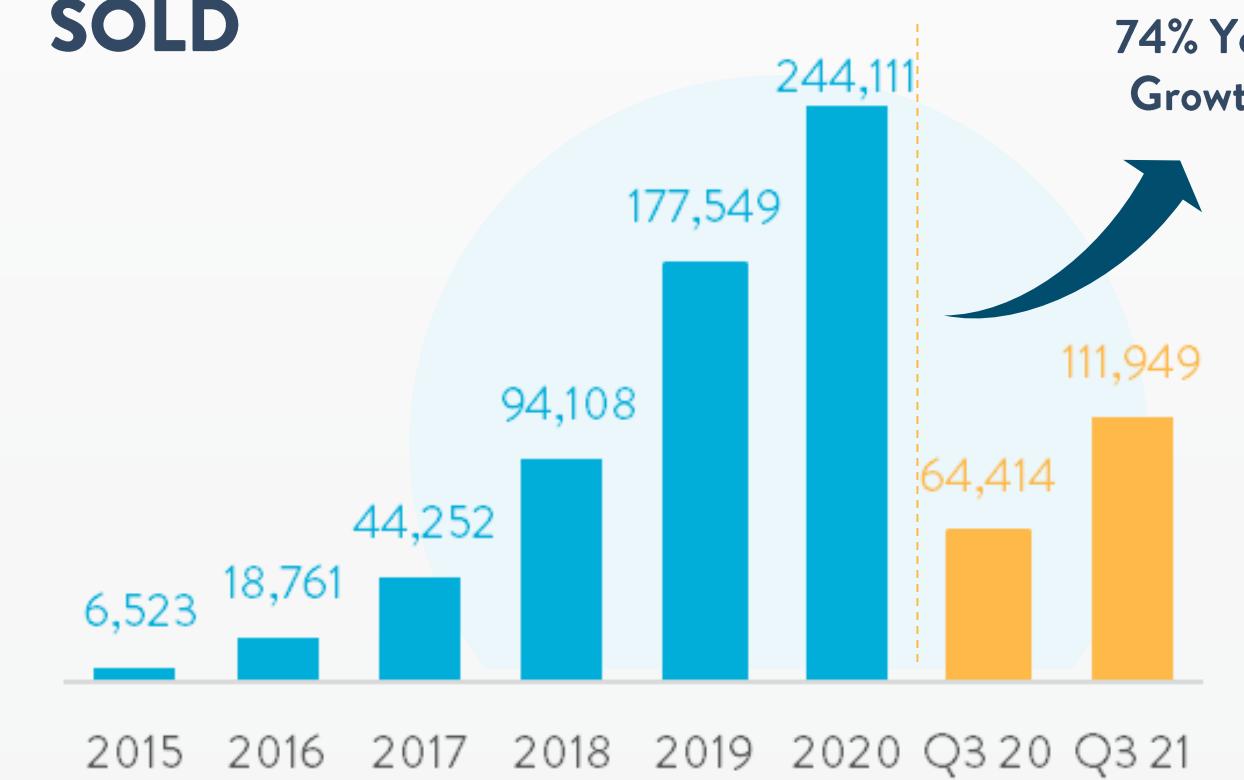
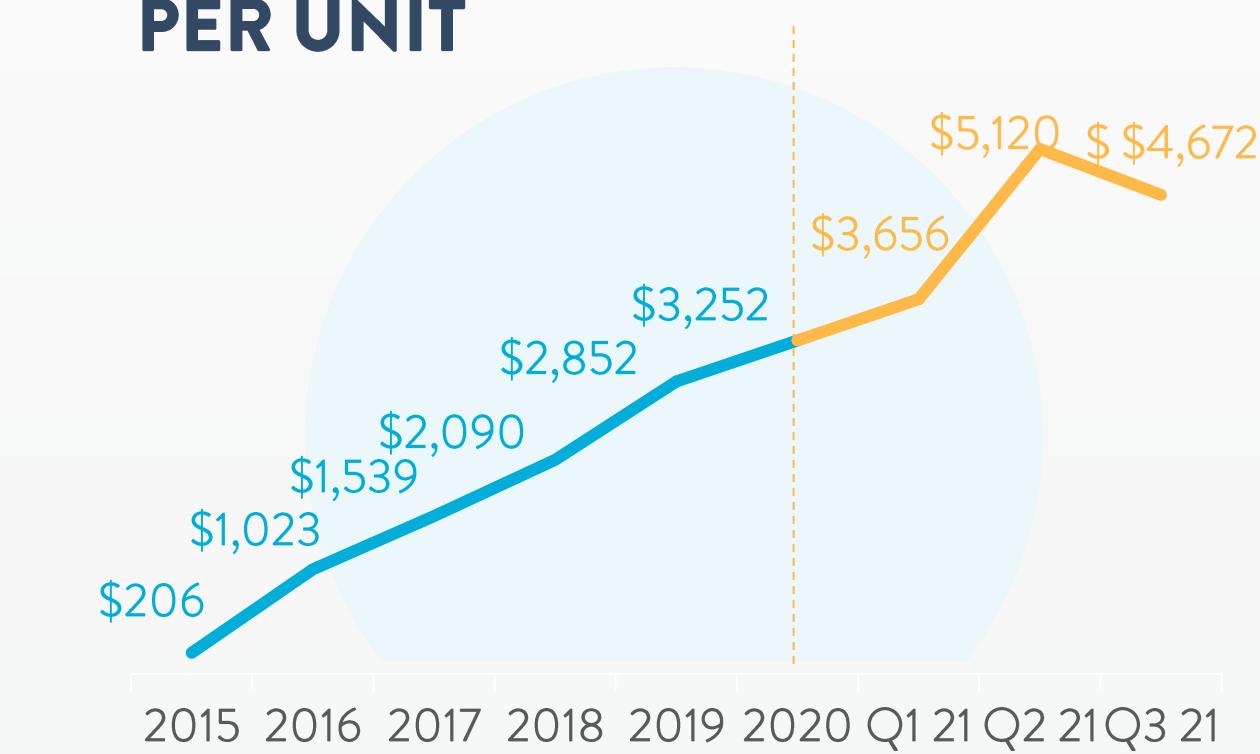
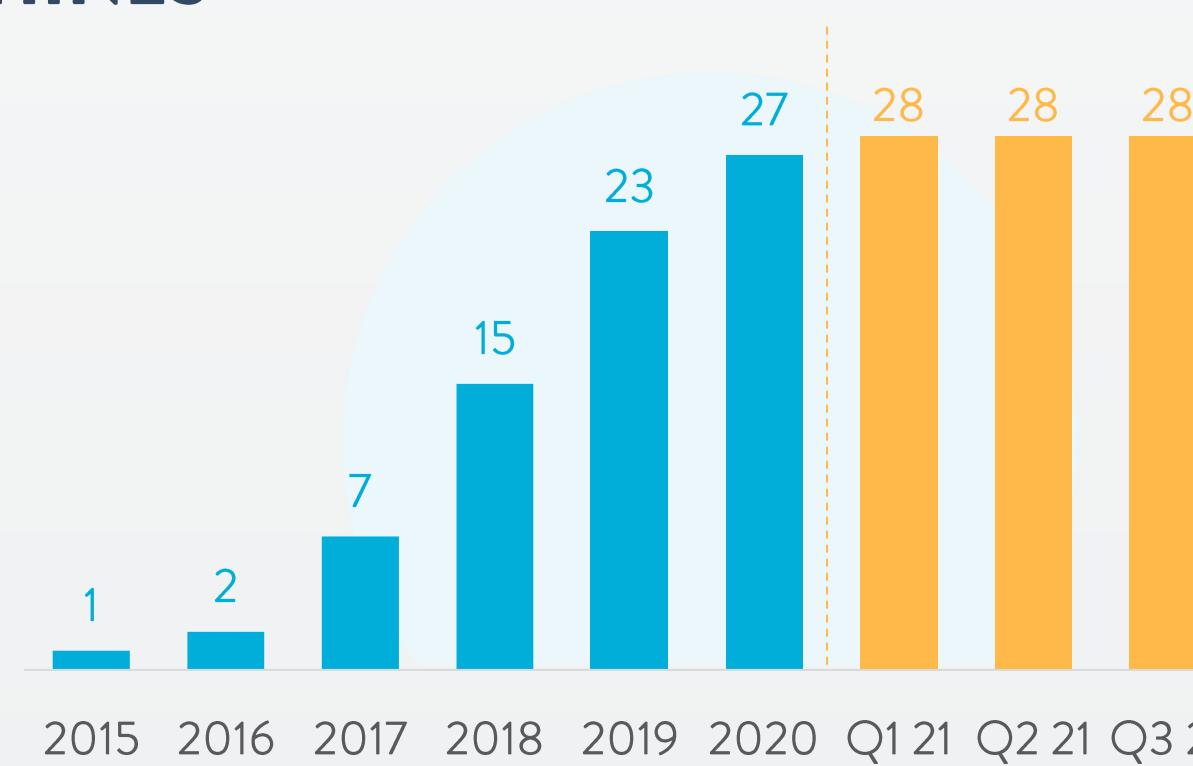
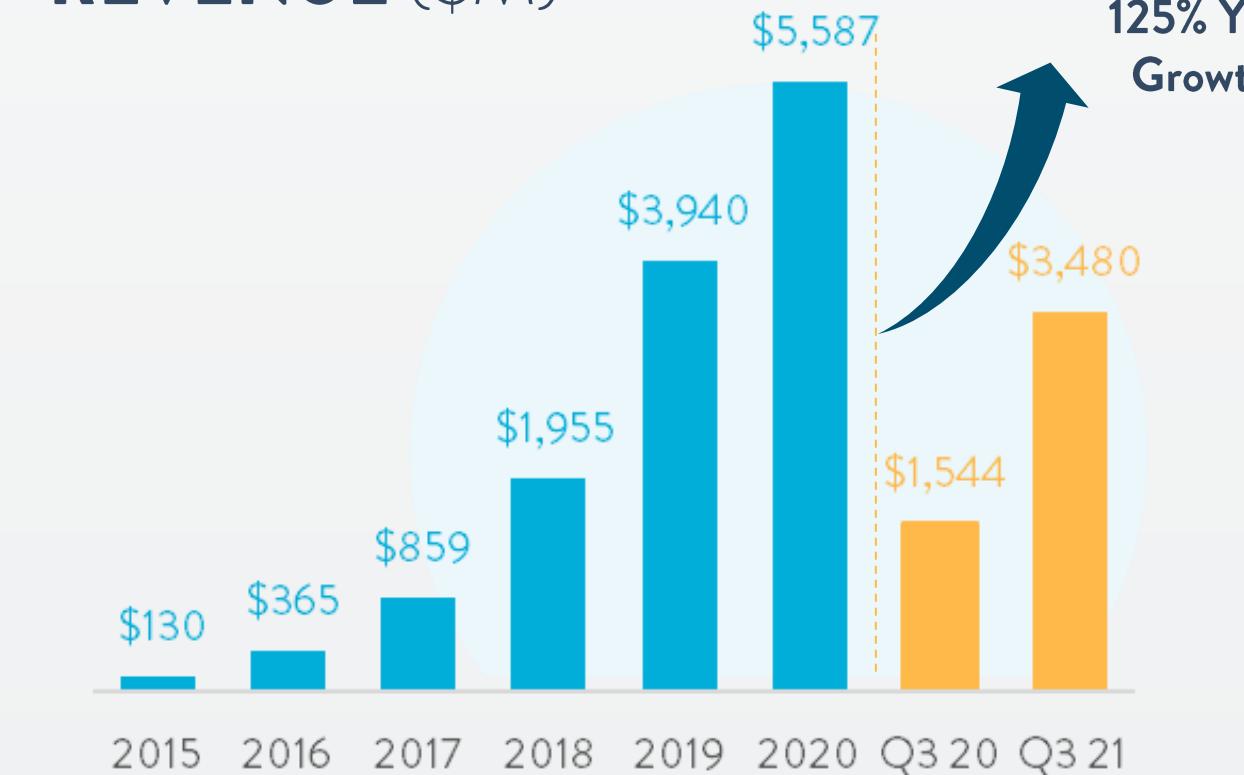
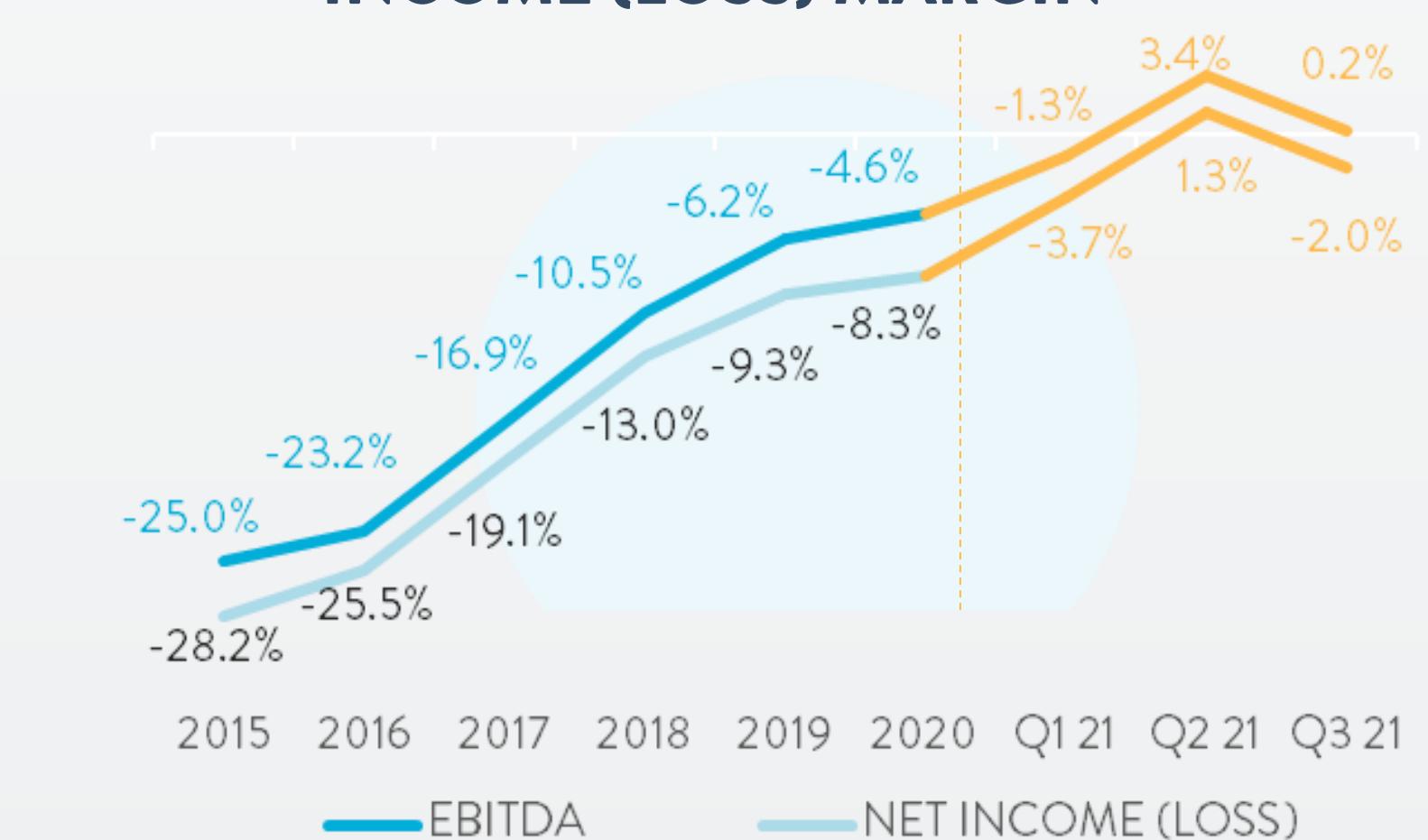


OUR MISSION IS
TO CHANGE THE WAY
PEOPLE BUY CARS.



KEY OPERATING METRICS

SUCCESSFUL EXECUTION

 TOTAL MARKETS
AT PERIOD END

 RETAIL UNITS
SOLD

 GROSS PROFIT
PER UNIT

 CAR VENDING
MACHINES

 TOTAL
REVENUE (\$M)

 EBITDA MARGIN* &
NET INCOME (LOSS) MARGIN


* Please refer to the appendix for the Non-GAAP Financial Reconciliation

KEY INVESTMENT HIGHLIGHTS

MASSIVE, FRAGMENTED MARKET

Exceptionally large and inefficient used car market

SUPERIOR CUSTOMER EXPERIENCE

Simple, seamless and differentiated used car buying experience

PROVEN GO-TO-MARKET STRATEGY

Demonstrated, capital-light market expansion playbook

VERTICAL INTEGRATION & FULFILLMENT

Purpose-built vertically integrated platform

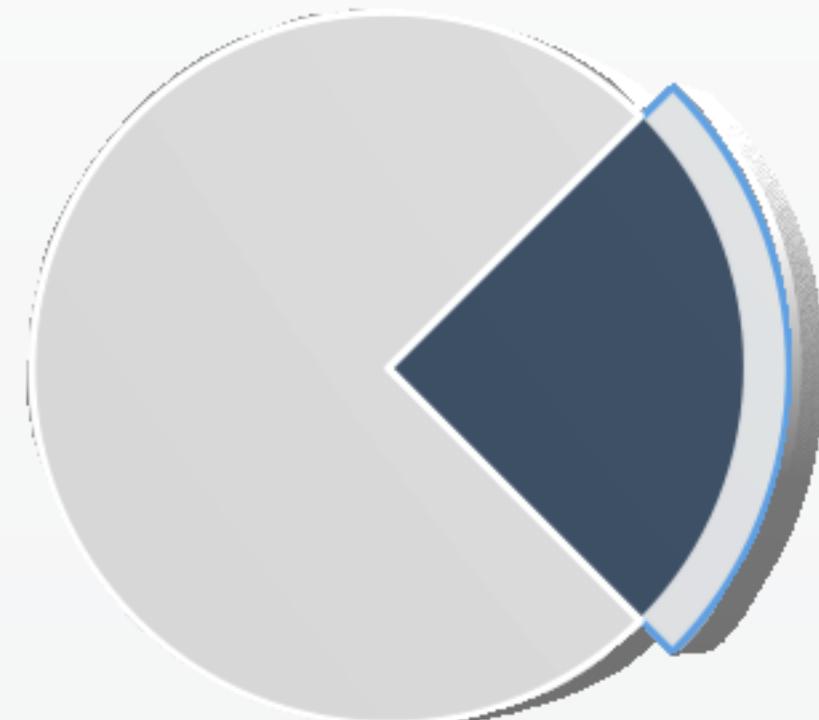
ROBUST FINANCIAL MODEL

Robust financial model supports growth and margin expansion

MASSIVE, FRAGMENTED MARKET

INDUSTRY OVERVIEW

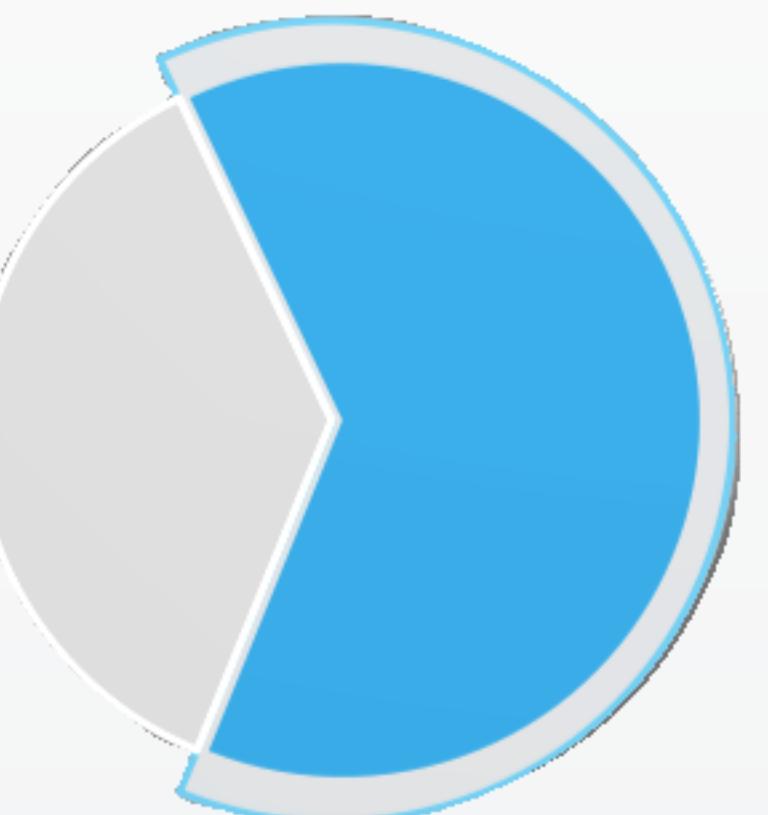
Auto is...



\$1.0 Tn

in 2018 U.S. Sales ⁽¹⁾

Massive



\$840 Bn

in 2019 U.S. Used Car Sales ⁽²⁾

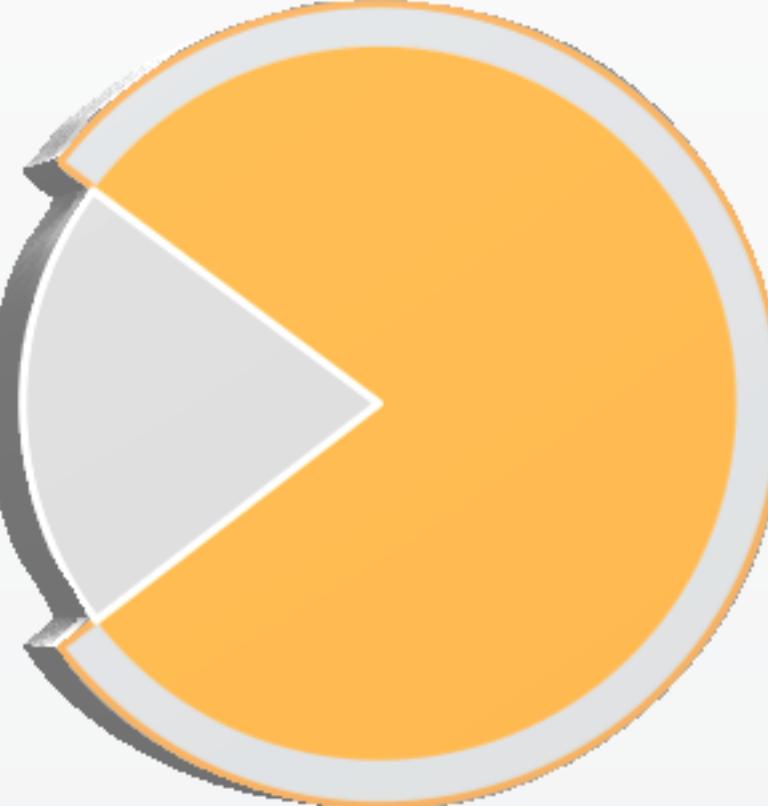
Fragmented



1.9%

U.S. Market Share of Largest Dealer Brand ⁽⁴⁾

& Ripe for Disruption



81%

Consumers Do Not Enjoy the Car Buying Process ⁽⁵⁾

20%

of U.S. Retail Economy ⁽¹⁾

2.0%

2017 – 2022 CAGR ⁽³⁾

9.3%

Aggregate Market Share of Top 100 Used Auto Retailers ⁽⁴⁾

9%

Consumers Rated Car Salespeople Highly Trustworthy ⁽⁶⁾

(1) NADA Data 2019 report

(2) Edmunds.com 2019 Used Vehicle Market report

(3) Technavio 2017 U.S. Used Car Market report

(4) 2019 Automotive News Top 100 Dealership Groups

(5) DealerSocket 2016 Independent Dealership Action report – Represents North American consumers

(6) 2019 Gallup Poll (7) Borrell Associates

MASSIVE, FRAGMENTED MARKET

DIGITAL ECONOMY IS TRANSFORMING CAR BUYING



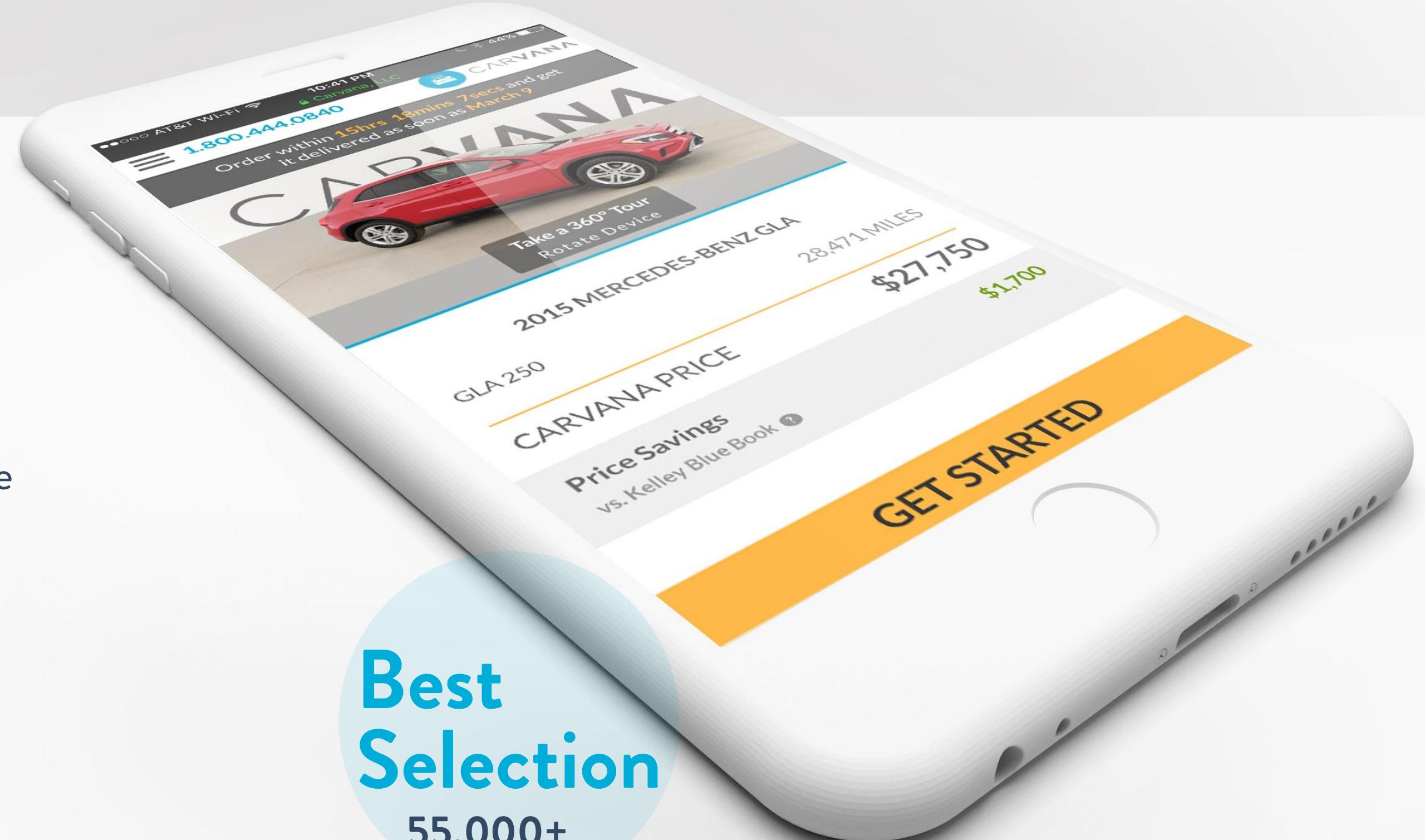
SUPERIOR CUSTOMER EXPERIENCE

CARVANA'S VISION IS FOCUSED ON PROVIDING OUR CUSTOMERS WITH:

Best Experience

10 minutes – time in which purchase can be completed after vehicle selection

As soon as **Next Day** car deliveries in select markets



Best Selection

55,000+
cars on the
website

Best Value

\$1k+ in average savings per vehicle compared to traditional dealers

SUPERIOR CUSTOMER EXPERIENCE

A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

Vehicle Search & Discovery From Any Device

Intuitive vehicle search with 55,000+ vehicles on the website

Trade or Sell – All Online

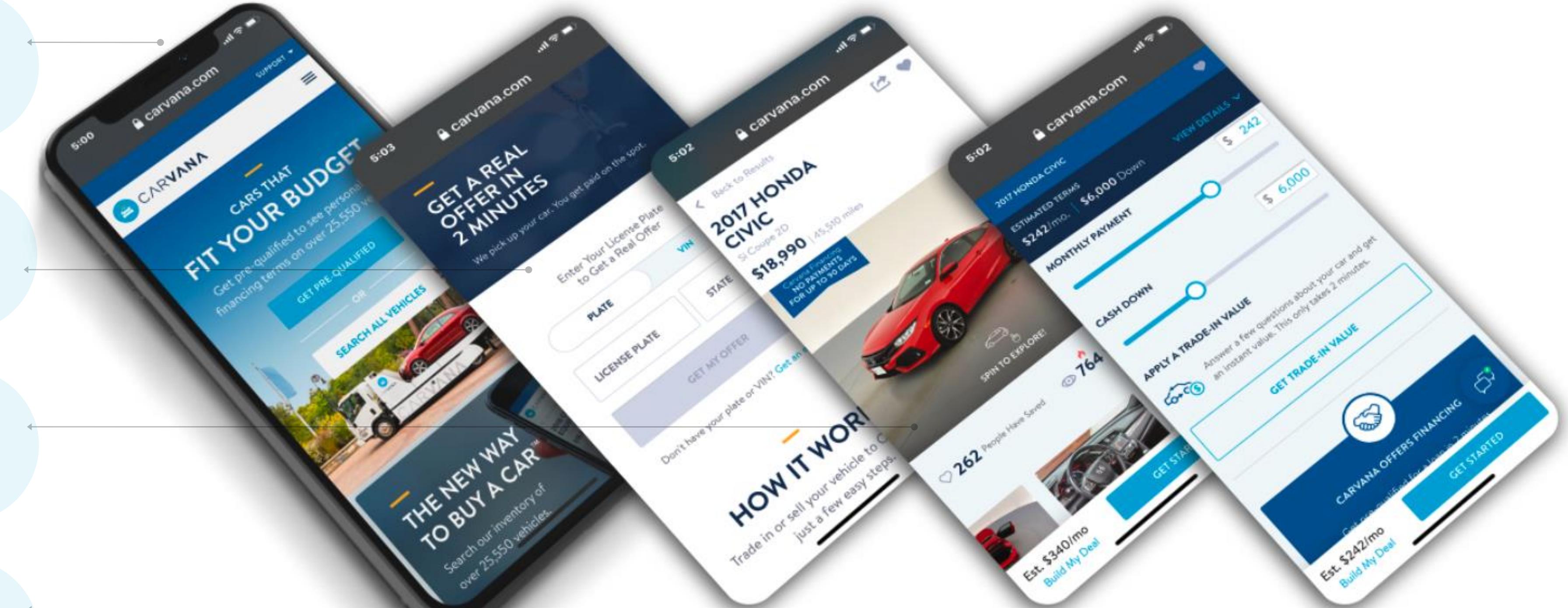
Nearly instantaneous, firm, fully automated trade-in offers

Real-Time, Personalized Financing

Majority of customers have chosen to finance with Carvana

Seamless Transaction Technology

Buy a car without leaving your device



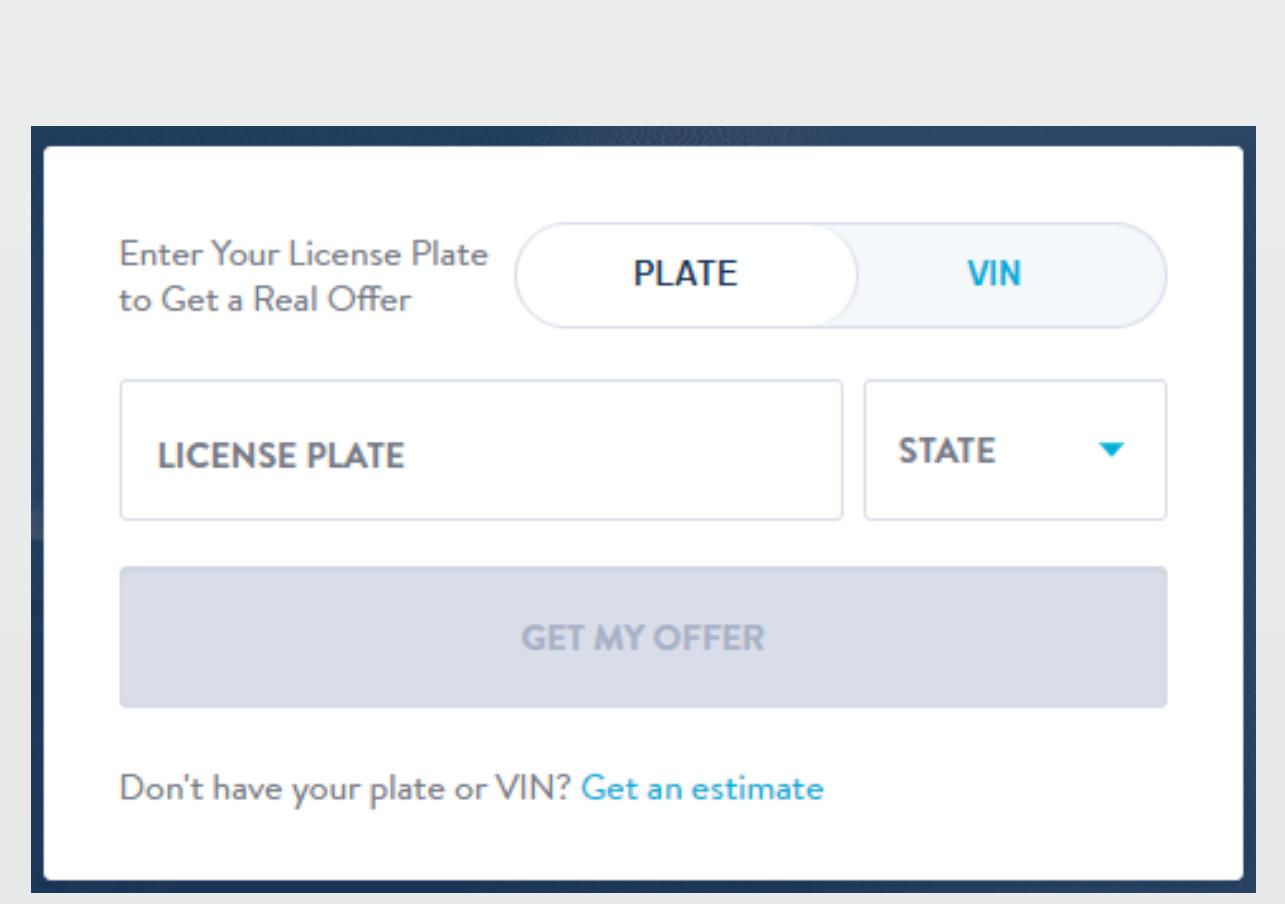
SUPERIOR CUSTOMER EXPERIENCE

A BETTER WAY TO SELL A CAR

SIMPLE

Three step process:

1. Input license plate or VIN
2. Enter vehicle details, and
3. Answer a few questions

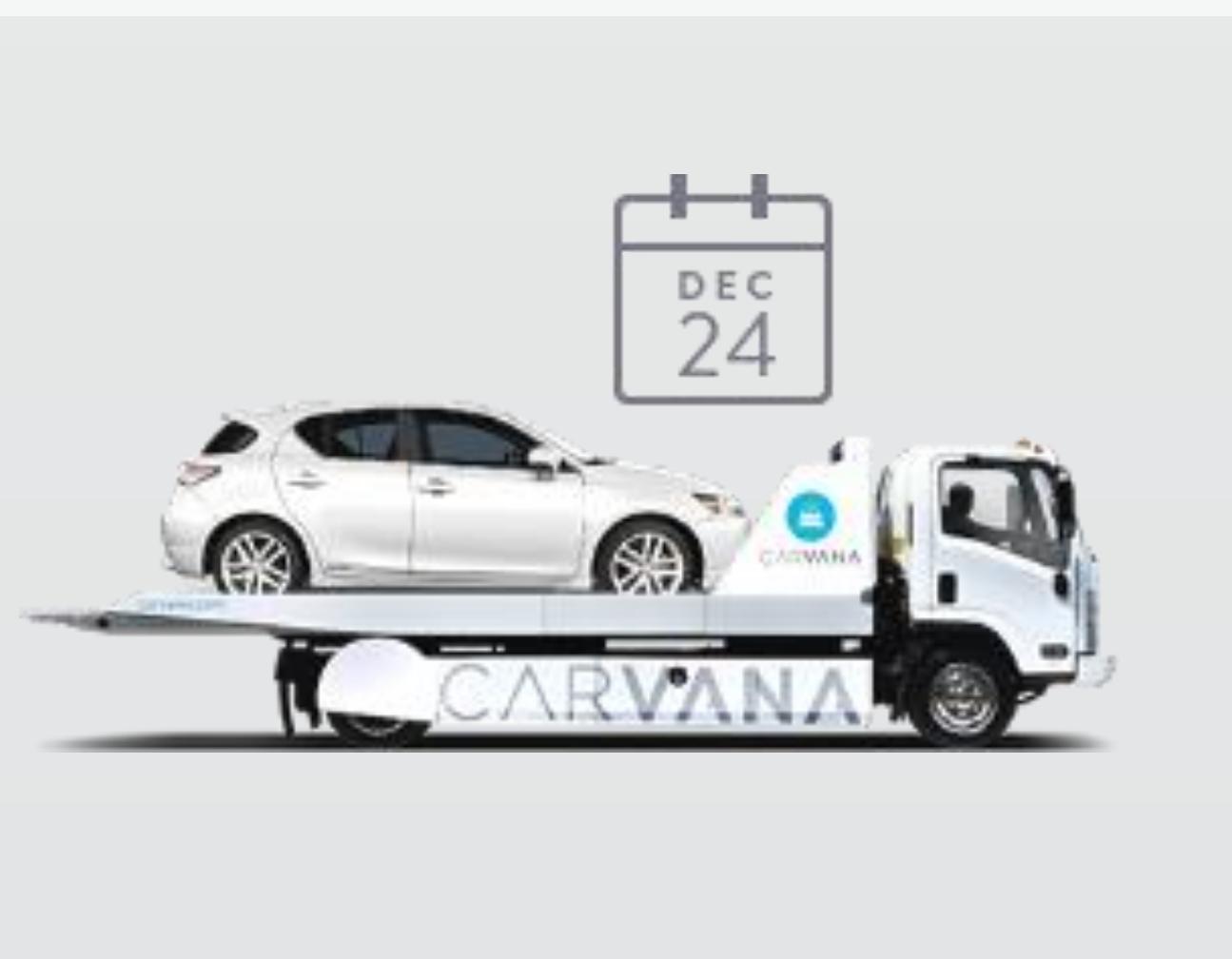


CONVENIENT

You schedule at time that's convenient for you

We pick up the car using our last-mile delivery network

We'll review and hand you a check on the spot

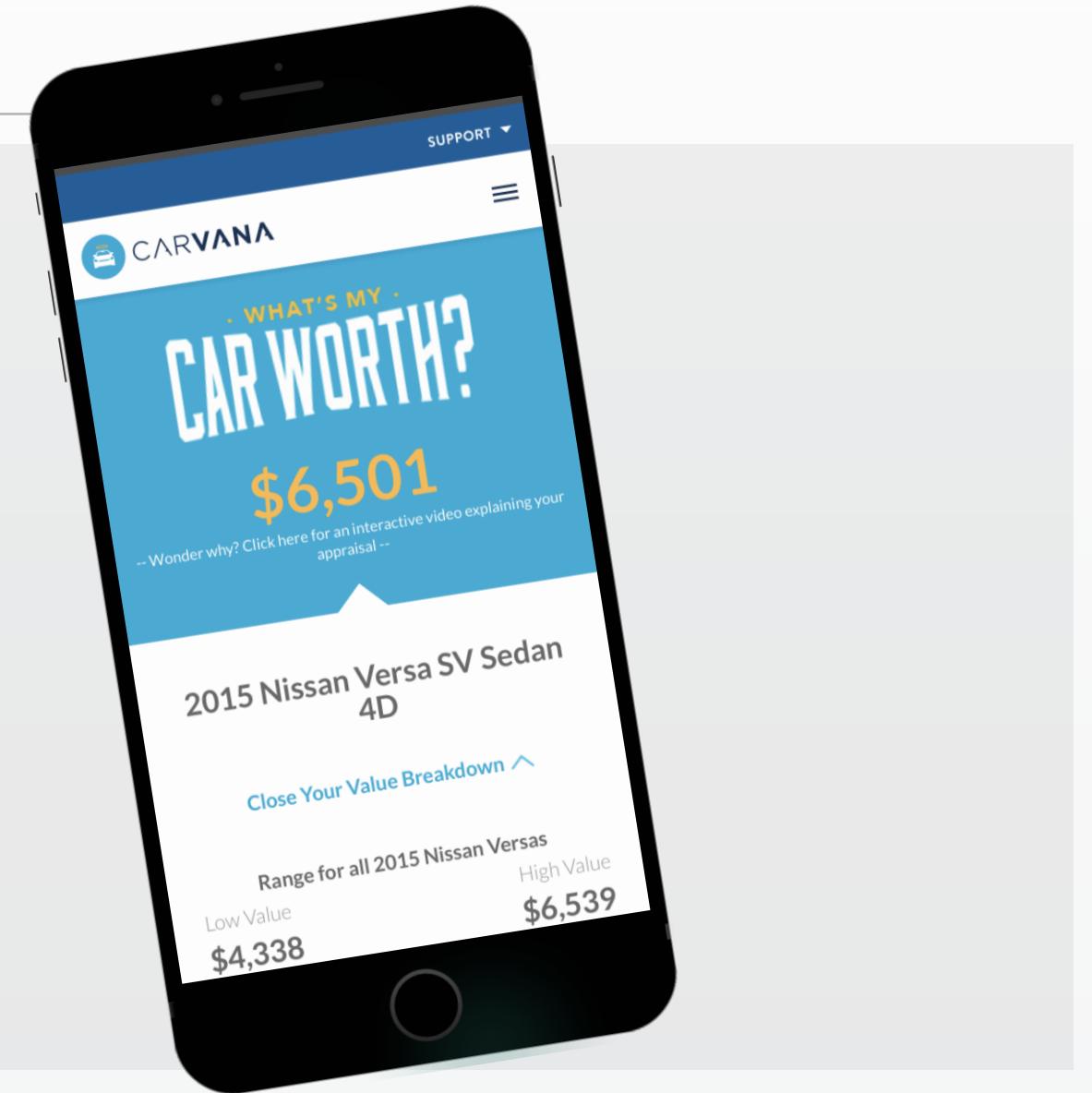


AUTOMATED

Our artificial intelligence algorithms determine a real-time offer for the customer

No Haggling

Guaranteed for 7 days or 1,000 miles

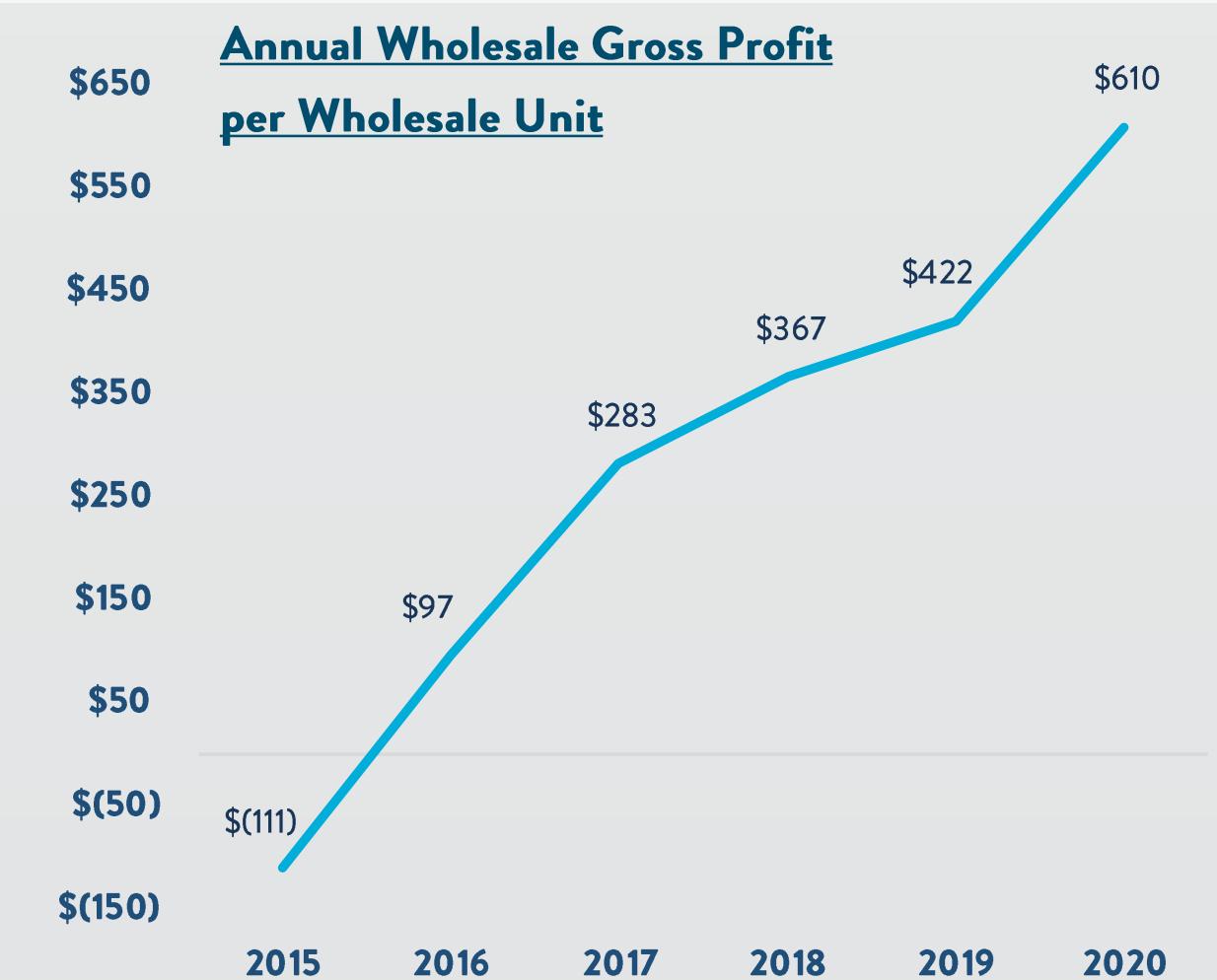


DATA-DRIVEN

Our vehicle data and valuation technology enables strong gross profit per unit

\$610 Wholesale GPU *

95% y-o-y growth in vehicles acquired from customers *



SUPERIOR CUSTOMER EXPERIENCE

CREATING DIFFERENTIATED FULFILLMENT EXPERIENCES



Carvana Delivery

- Scheduled appointments with delivery as soon as the next day in our markets
- Delivered by Carvana-uniformed employee in a branded, custom single or two car hauler, in our markets

Vending Machine

- Operational efficiencies combined with strong branding
- 30 vending machines currently operational ⁽¹⁾
- Creates a unique video of the experience for customers to share via social media



SUPERIOR CUSTOMER EXPERIENCE

DELIVERING SUPERIOR CUSTOMER EXPERIENCES

4.7

★★★★★
Rating ⁽¹⁾

122,000+

Customer Reviews
on Carvana.com ⁽¹⁾

96%

Would Recommend
To A Friend ⁽²⁾

84

Net Promoter Score
(NPS) ⁽³⁾

“ Carvana will
change the
way cars are sold.”

“ Carvana
is the bomb!”

“ I never
thought car
buying could
be enjoyable.”



GROWING UNITS & REVENUE

PROVEN EXPANSION STRATEGY

Repeatable Market Entry Playbook

Activate Team of Expansion Advocates

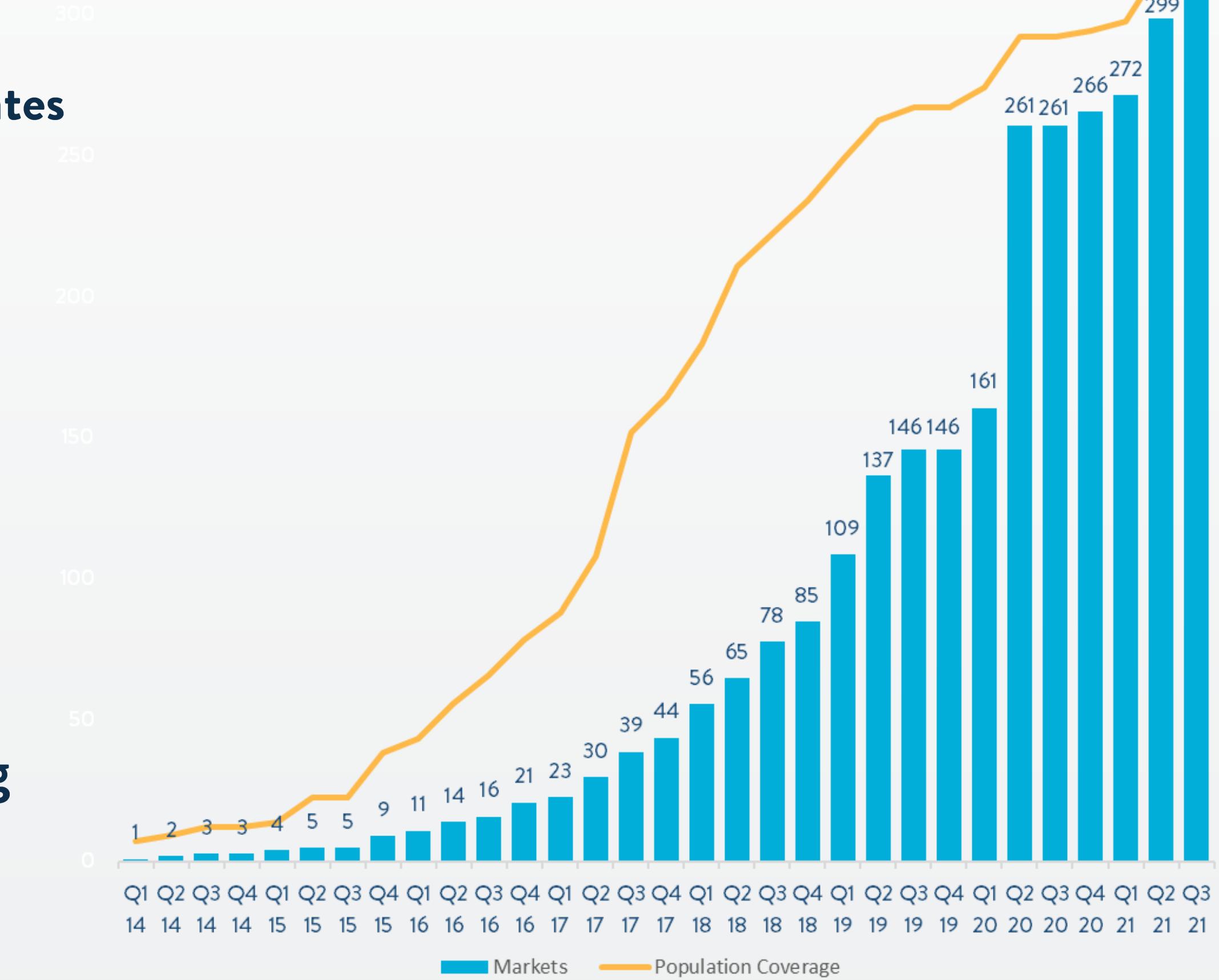
CapEx Light Market Launch

Connect to Logistics Network

Turn on Marketing Program

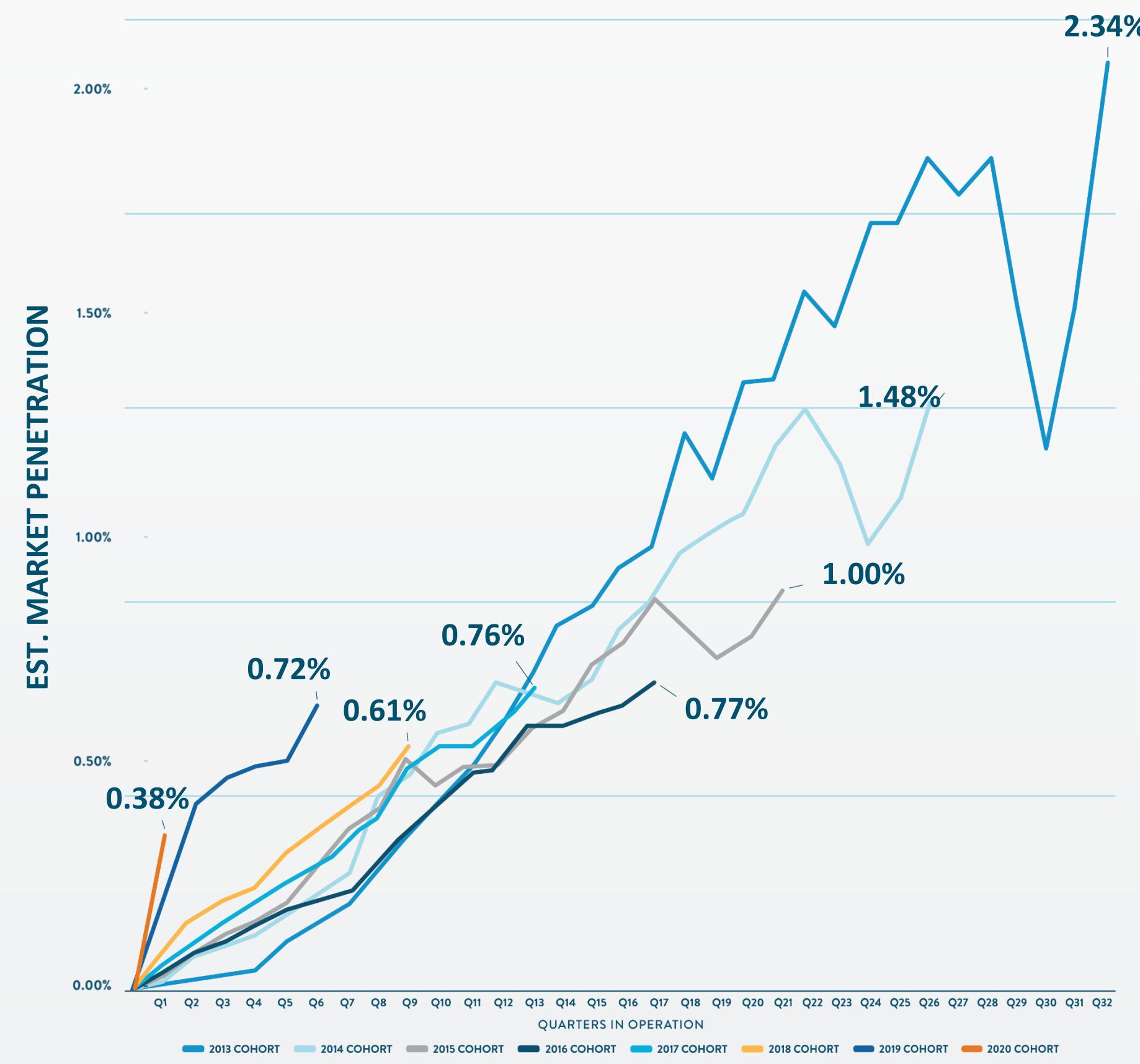
Enabling Rapid Expansion of Operating Markets

Carvana U.S. Population Coverage & Markets at End of Period



Proven by Success in Our Markets

MARKET PENETRATION BY COHORT (1)



VERTICAL INTEGRATION & FULFILLMENT

SUPPORTED BY PROPRIETARY VEHICLE ACQUISITION ALGORITHM

Vehicle Inventory Acquisition

Auctions & Other Sources

- Manheim, Adesa, Smart Auction
- Enterprise, Hertz
- Customers

Quality Screening

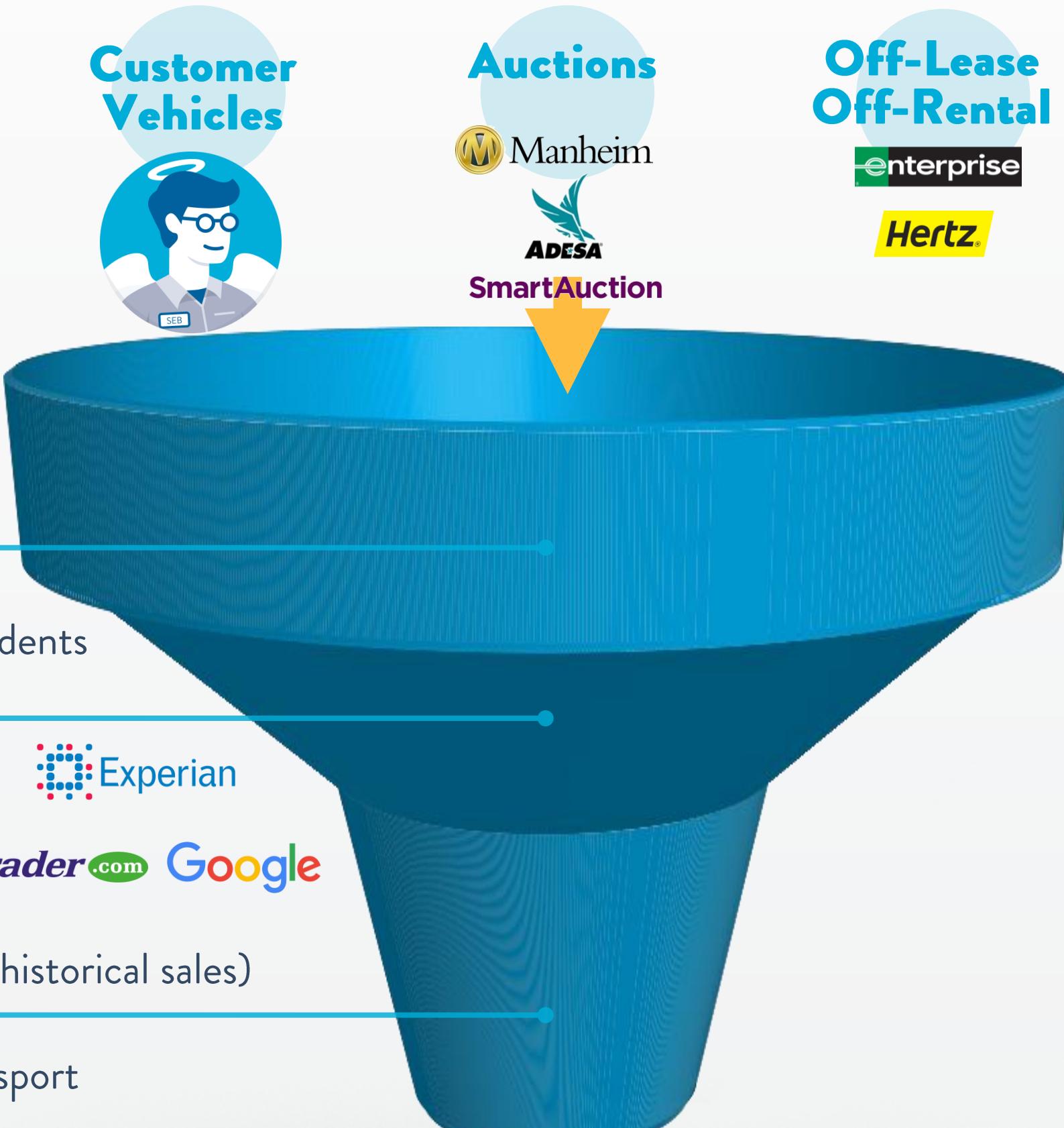
- Year, Mileage, No Reported Accidents

Apply Data

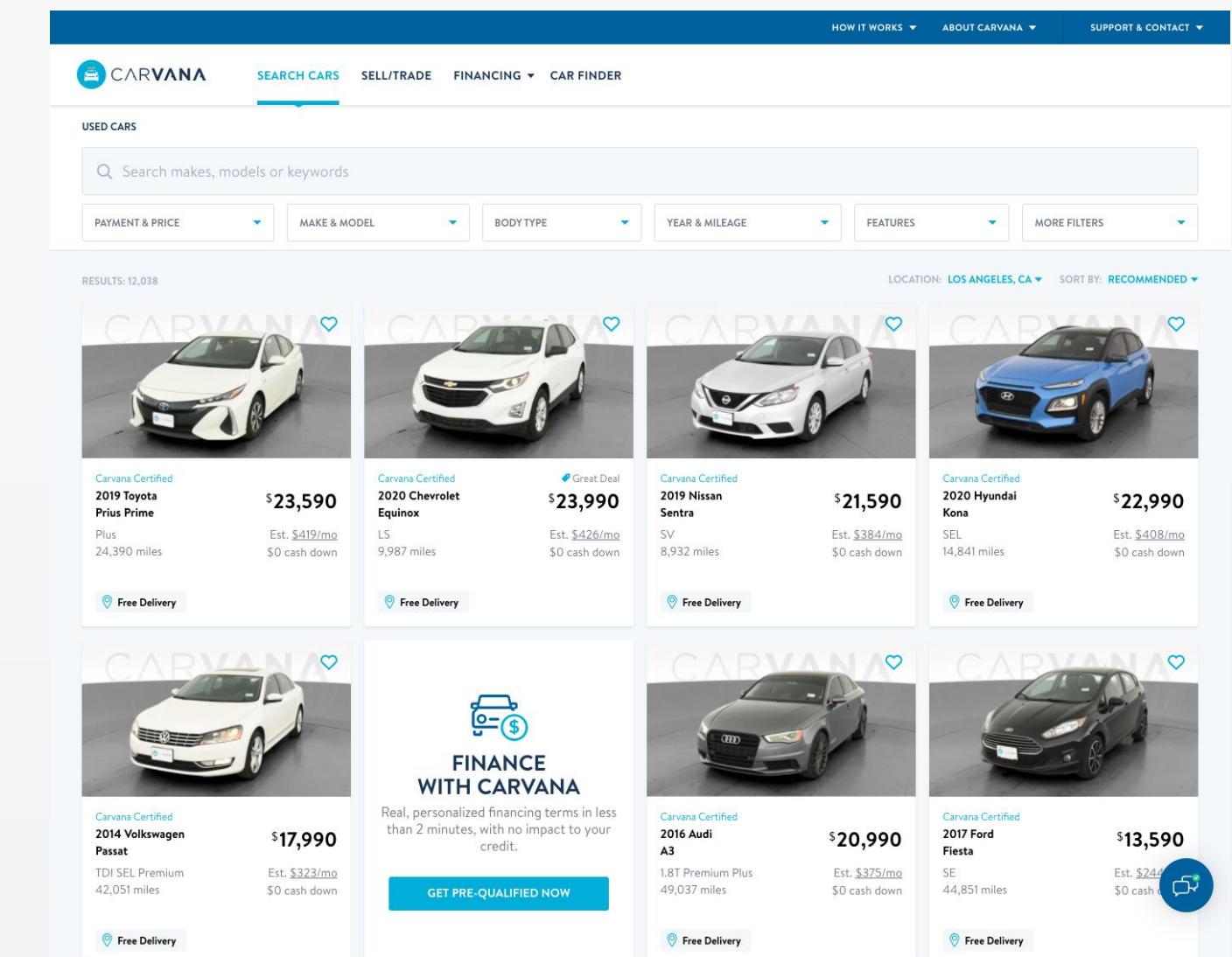
- Vehicle reporting  
- Market data   
- Carvana data (clickstream, historical sales)

Optimization

- Expected pricing, recon, and transport
- Fit with existing inventory



55,000+ cars on the website in all markets vs. 11-200 at typical dealers ⁽¹⁾



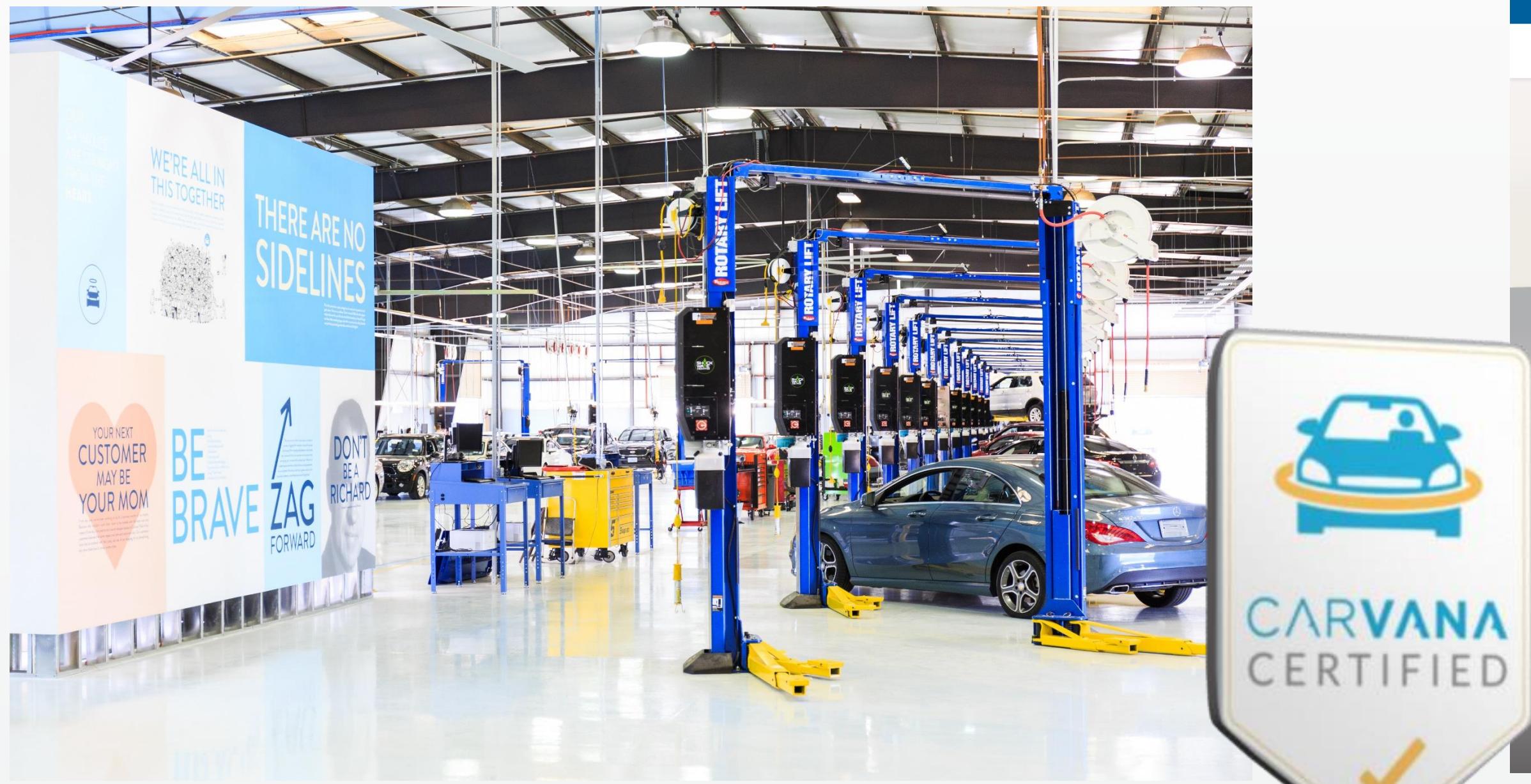
(1) 2019 NIADA Used Car Industry report based on 2018 data

Note: 55,000+ total website units as of September 30, 2021

VERTICAL INTEGRATION & FULFILLMENT

IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDIZING

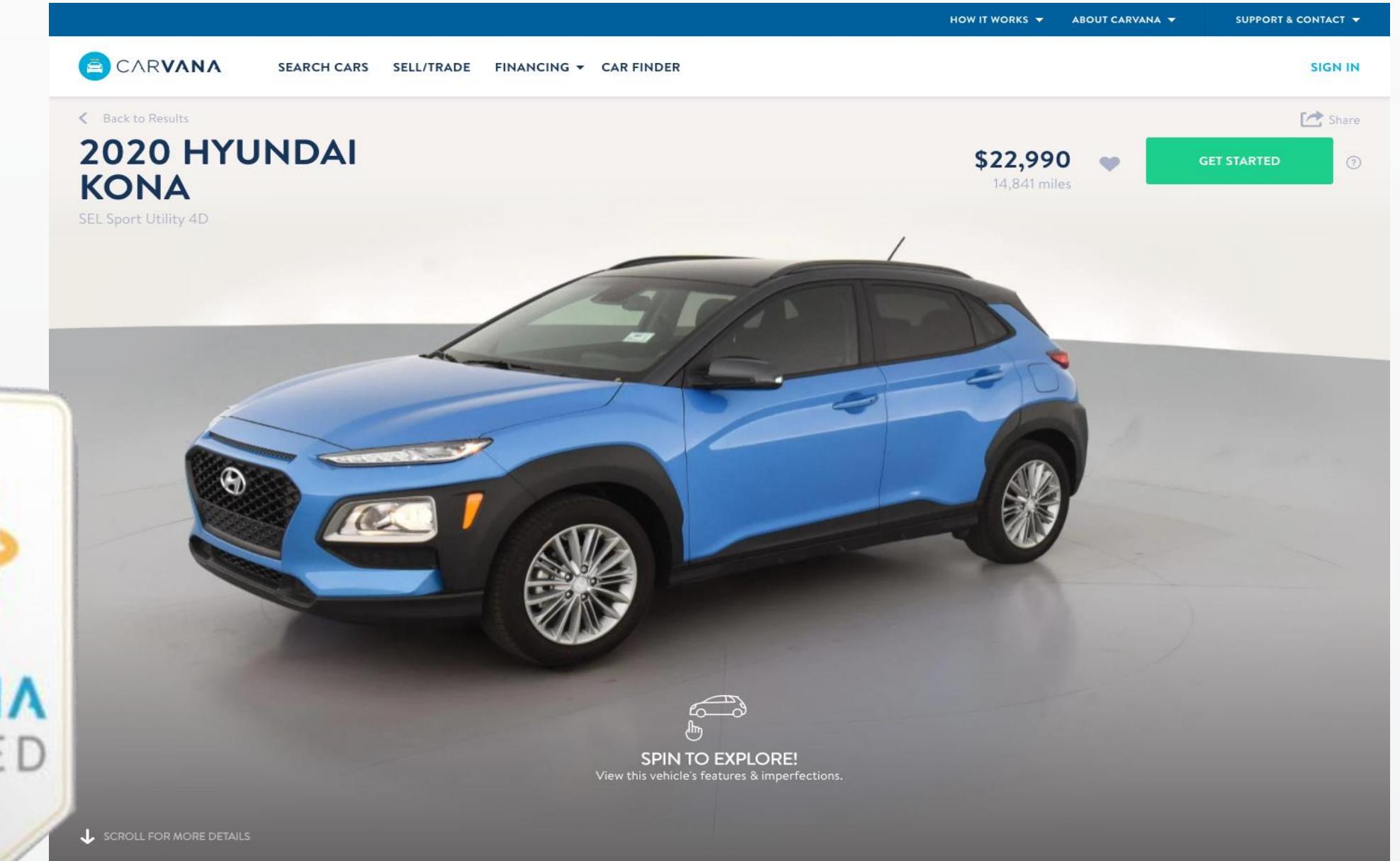
Inspection and Reconditioning



- Ability to **buy all car types** and **recondition** them to a **consistent car quality**
- ~750k existing annual IRC capacity at full utilization*
- **Robust processes and internal expertise** to set up future IRCs as needed

*Based on 13 IRCs in operation as of November 4, 2021

Photography and Annotation



- **360-degree, interactive** exterior and interior virtual tour of each vehicle
- **Patented imaging technology**
- Transparency to the customer through annotation of material defects

VERTICAL INTEGRATION & FULFILLMENT

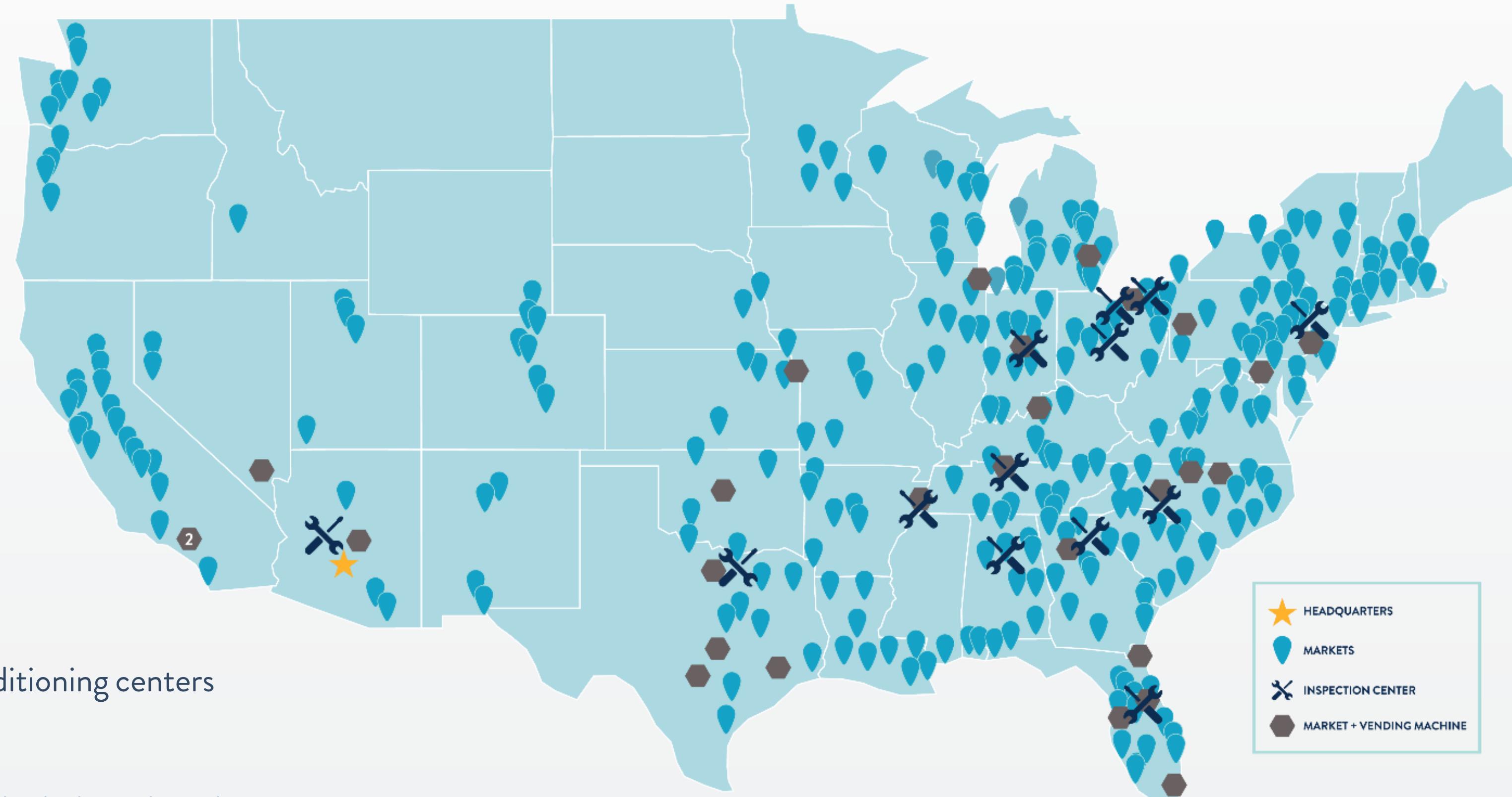
BACKED BY IN-HOUSE LOGISTICS NETWORK

CARVANA MARKETS, VENDING MACHINES, AND IRCs

Carvana Logistics Network

- Inspection & reconditioning centers
- Hubs
- Vending machines

Connected through the hub-and-spoke
Carvana Logistics Network



Premium Fulfillment Capabilities

Control over delivery times enables seamless customer experience

Speed of delivery drives conversion

Centralized inventory powers broad selection

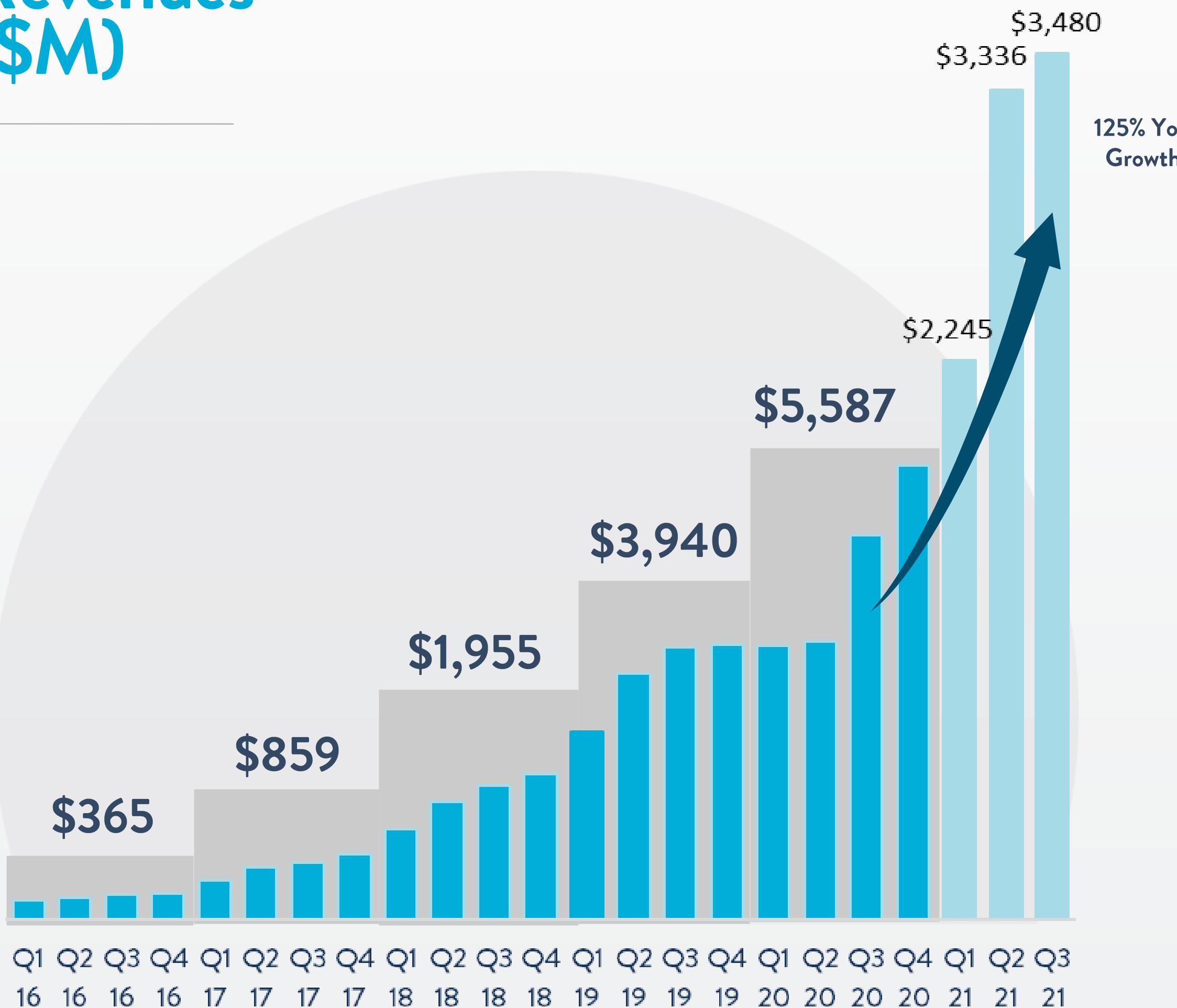
Enables vehicle cost arbitrage across geographies

Lower cost than using third party shipping

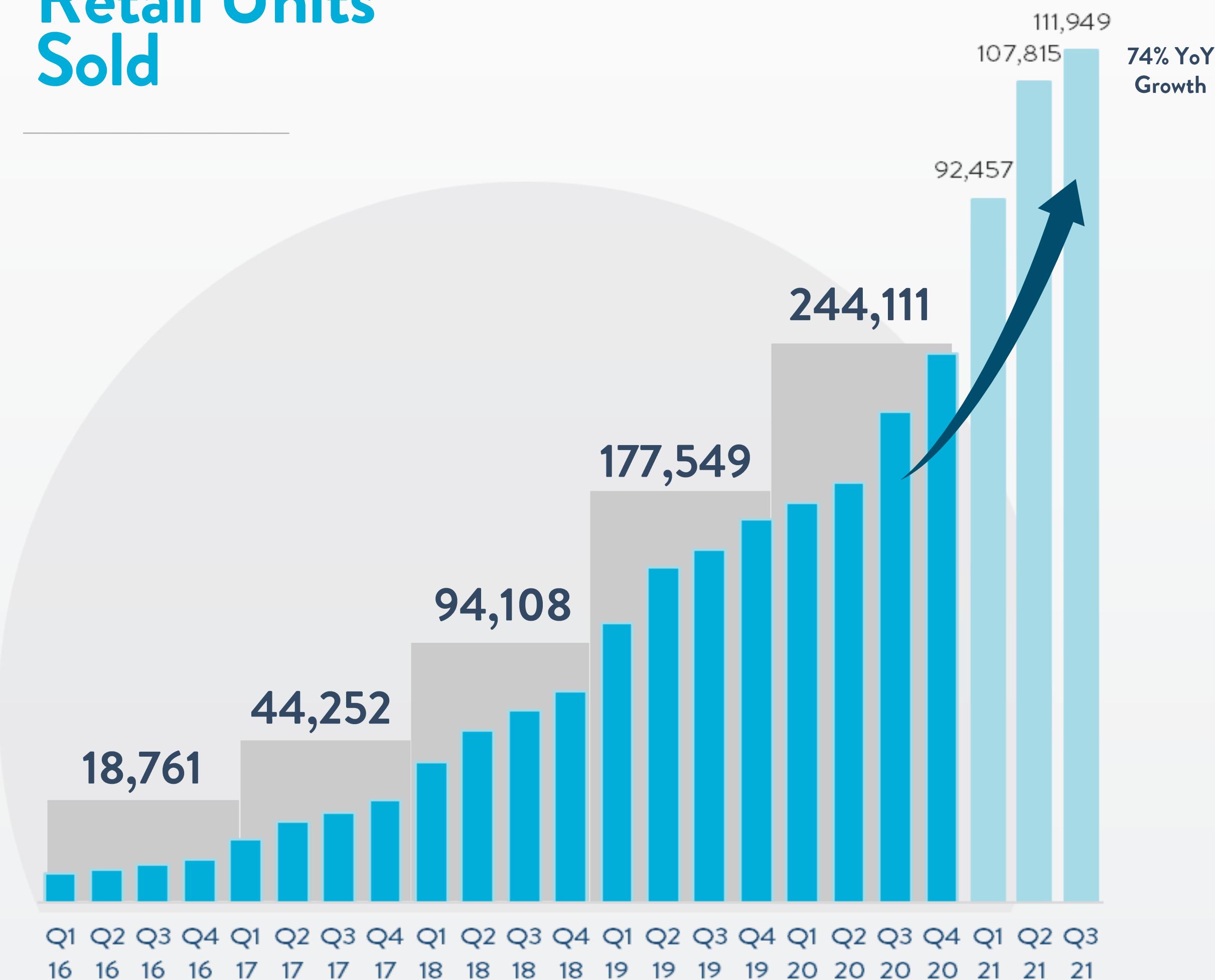
GROWING UNITS & REVENUE

RAPID SECULAR GROWTH

Revenues (\$M)



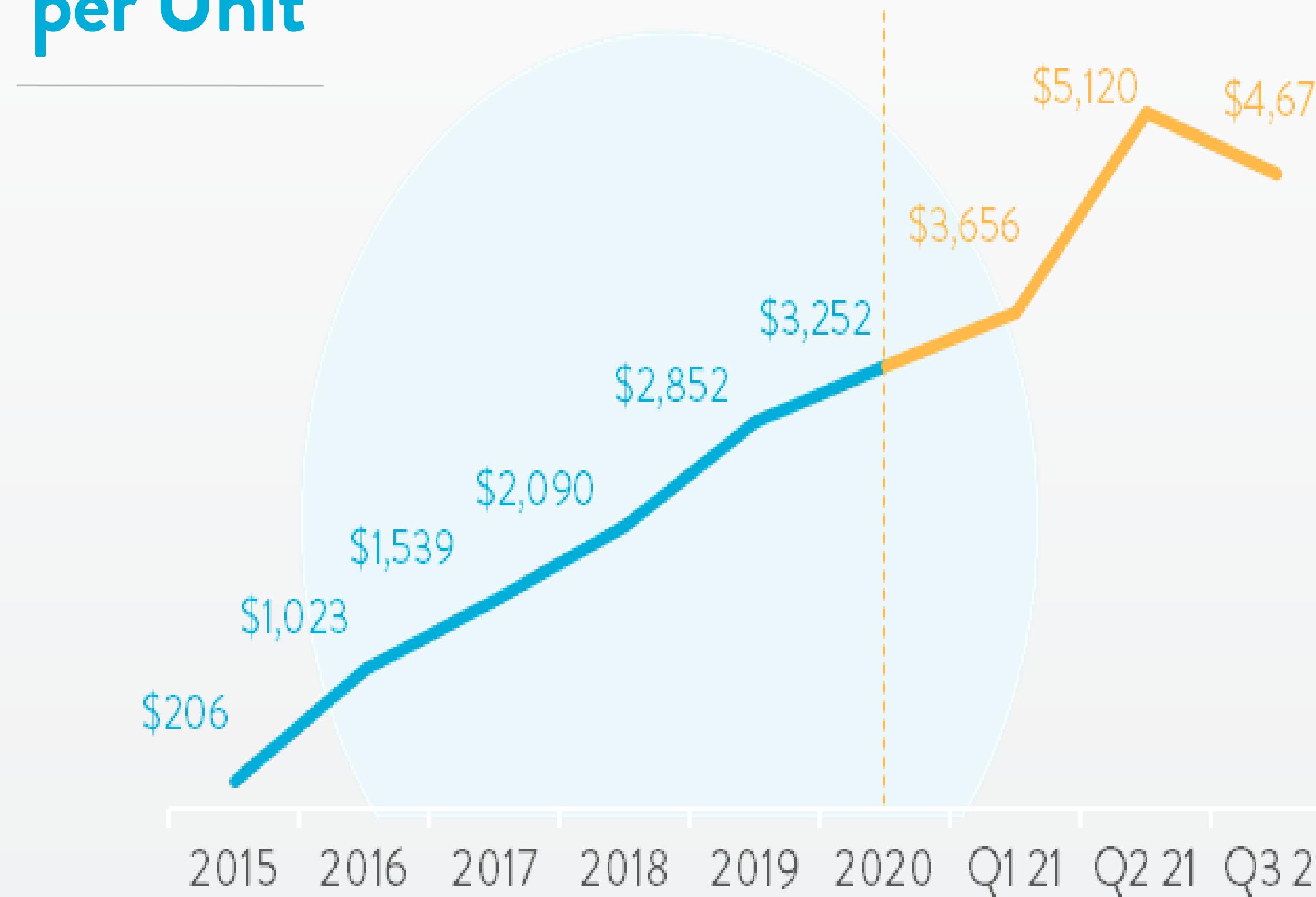
Retail Units Sold



EXPANDING GPU & OPERATING MARGINS

GROWTH LEVERAGING UNIT ECONOMICS

Gross Profit per Unit



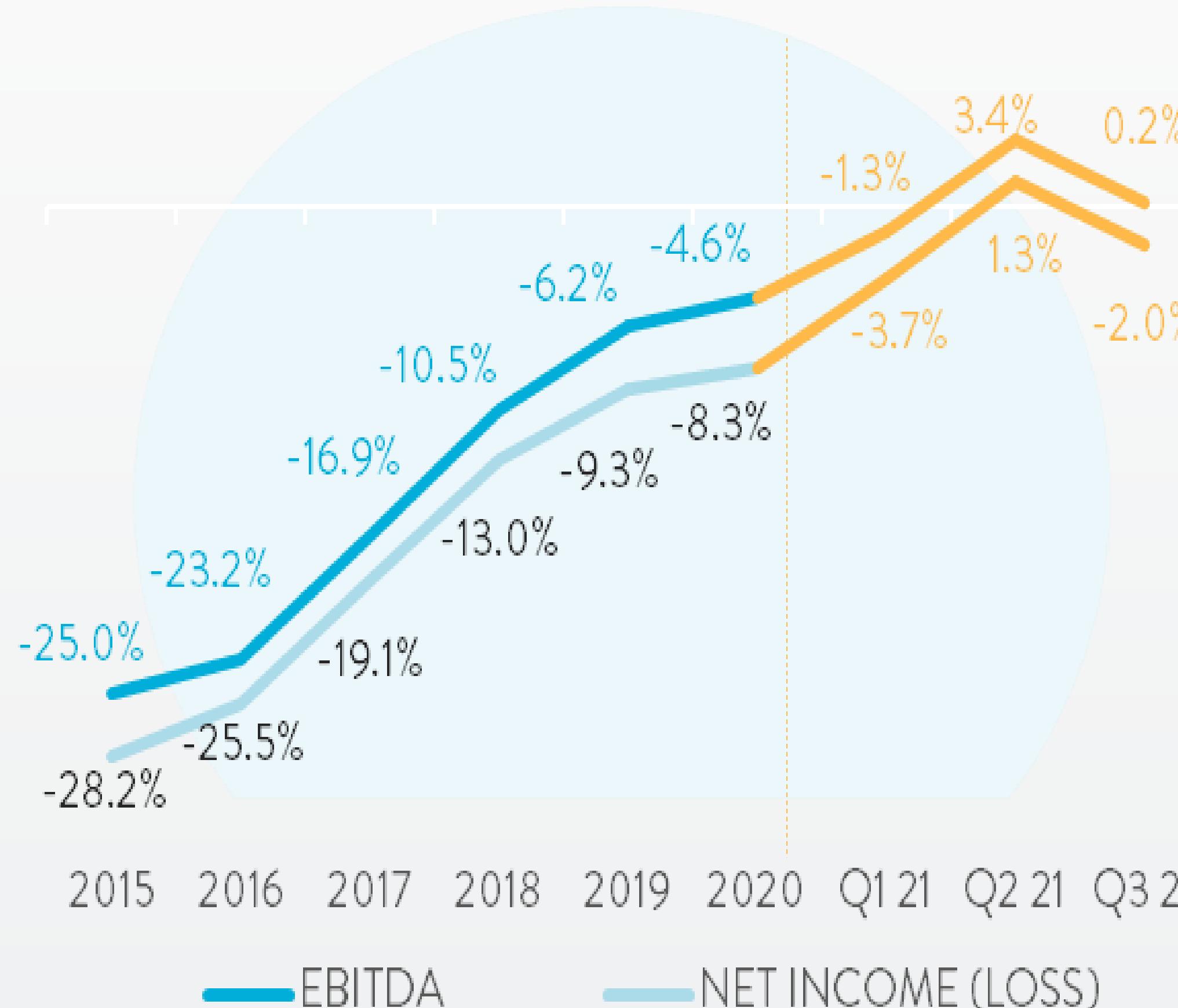
Key Drivers of Gross Profit Expansion

-  Scale provides cost of sales efficiencies
-  Increase retail cars sourced from customers
-  Increase wholesale cars sold
-  Increase conversion of existing products
-  Lower cost of funds on financing
-  Addition of new products and services
-  Reduce average days to sale

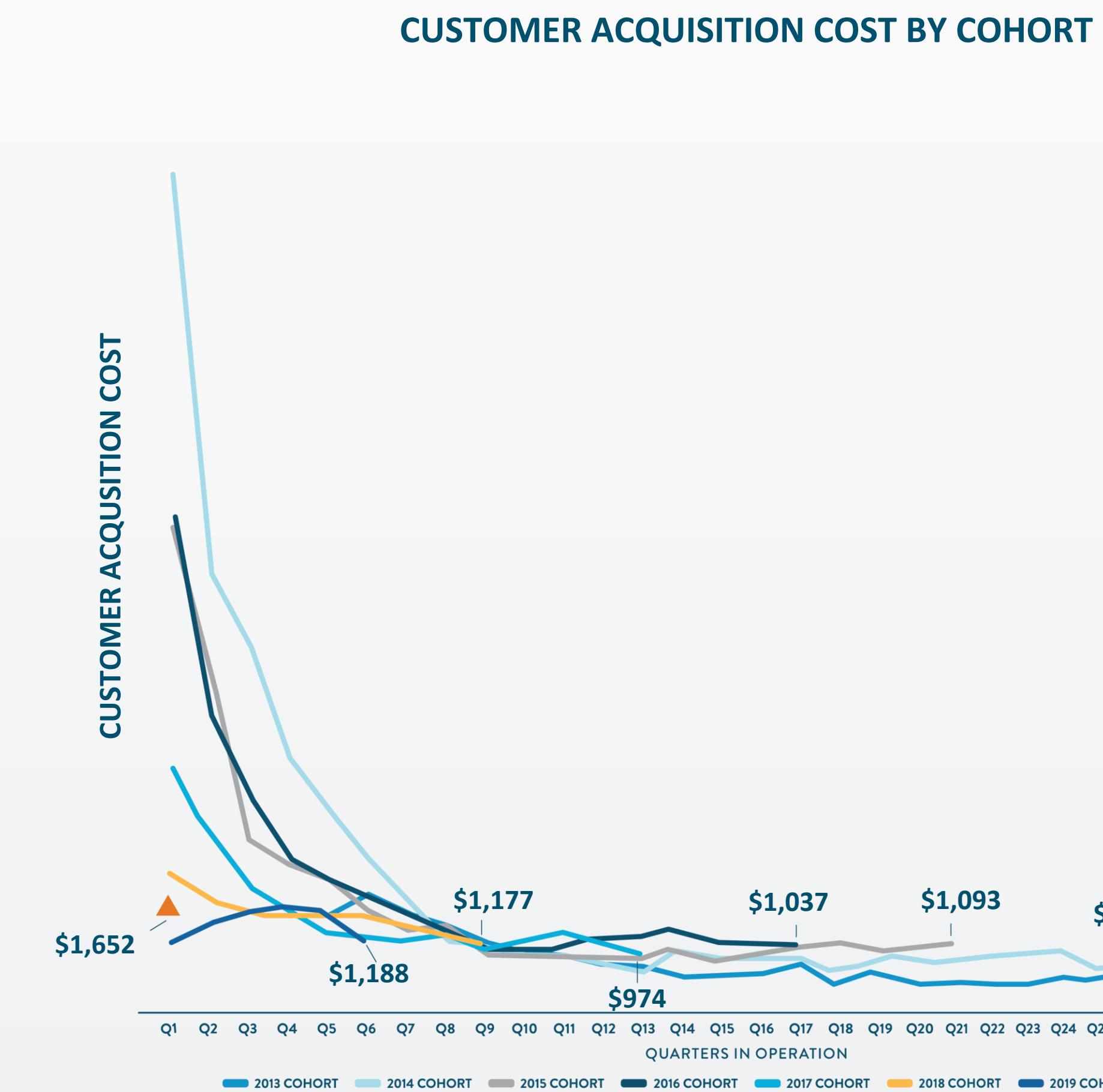
EXPANDING GPU & OPERATING MARGINS

GROWTH SHOWING OPERATING LEVERAGE

EBITDA MARGIN* & NET INCOME (LOSS) MARGIN



ADVERTISING EXPENSE PER UNIT SOLD ⁽¹⁾



COMPETITIVE ADVANTAGES

INTEGRATION CREATES COMPETITIVE ADVANTAGES

LARGE SCALE RECONDITIONING



NATIONAL CONSUMER FOCUSED BRAND



FULLY TRANSACTIONAL E-COMMERCE EXPERIENCE



INTERNAL LOGISTICS NETWORK



LEADING FULFILLMENT EXPERIENCE

PROPRIETARY FINANCING PLATFORM



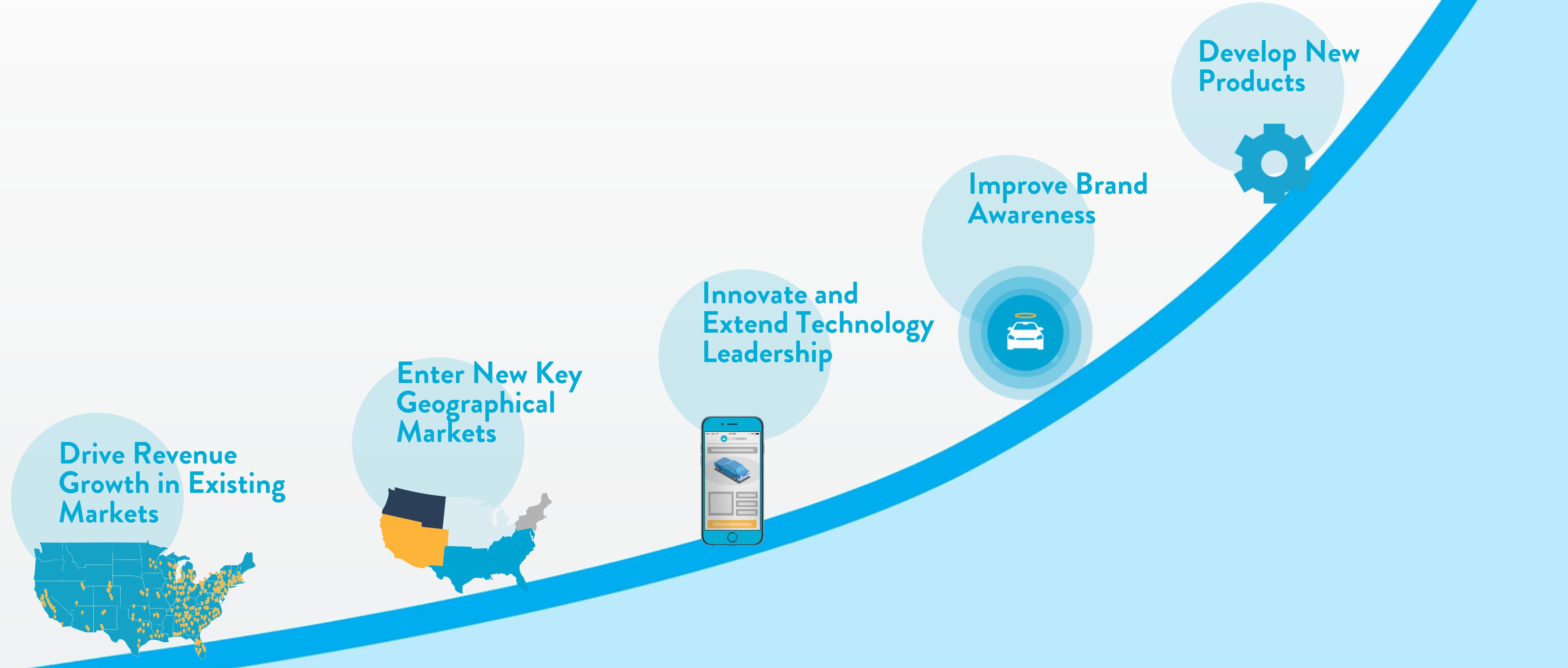
COMPETITIVE ADVANTAGES

PROGRESS TOWARDS OUR FINANCIAL OBJECTIVES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q3 2021	Long Term Target
YoY Revenue Growth	180%	135%	128%	101%	42%	125%	–
Gross Margin	5.3%	7.9%	10.1%	12.9%	14.2%	15.0%	15 – 19%
Advertising	7.4%	6.5%	5.7%	5.2%	5.1%	3.6%	1.0 – 1.5%
SG&A ex. Advertising and D&A	21.1%	18.2%	14.9%	13.7%	13.7%	11.3%	4.5 – 5.5%
D&A	1.3%	1.3%	1.2%	1.0%	1.3%	0.7%	0.5 – 1.0%
<i>SG&A Total as % of Revenue</i>	29.8%	26.0%	21.7%	20.0%	20.2%	15.7%	6 – 8%
EBITDA Margin	(23.2%)	(16.9%)	(10.5%)	(6.2%)	(4.6%)	0.2%	8 – 13.5%

COMPETITIVE ADVANTAGES

SIGNIFICANT GROWTH OPPORTUNITIES



KEY INVESTMENT HIGHLIGHTS

MASSIVE, FRAGMENTED MARKET

Exceptionally large and inefficient used car market

\$840B

2019 U.S.
Used Car Sales ⁽¹⁾

1.9%

Largest dealer brand
market share in US ⁽⁶⁾

SUPERIOR CUSTOMER EXPERIENCE

Simple, seamless and differentiated used car buying experience

96%

Customers who
would recommend
to friend ⁽⁵⁾

4.7/5.0

Average Customer
Rating ⁽⁴⁾

PROVEN GO-TO-MARKET STRATEGY

Demonstrated, capital-light market expansion playbook

80.6%

U.S. Population
Coverage ⁽³⁾

2.34%

Market Penetration
in Atlanta ⁽²⁾

VERTICAL INTEGRATION & FULFILLMENT

Purpose-built vertically integrated platform

13

Existing
IRCs ⁽³⁾

28

Existing Vending
Machines ⁽³⁾

ROBUST FINANCIAL MODEL

Robust financial model supports growth and margin expansion

42%

2020 YoY
Revenue Growth ⁽²⁾

899K

Retail Units Sold
Since Inception ⁽⁴⁾

APPENDIX

Non-GAAP Measures

To supplement the financial measures prepared and presented in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), we also include non-GAAP measures in this presentation. None of these should be considered as a substitute for other measures of financial performance reported in accordance with GAAP. In addition, the Company’s definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies. A reconciliation of each of these non-GAAP measures to the most directly comparable GAAP financial measure can be found at the end of this presentation.

Non-GAAP Financial Reconciliation

	Three Months Ended				
	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021
	(dollars in millions)				
Net (loss) income	\$ (18)	\$ (154)	\$ (82)	\$ 45	\$ (68)
Depreciation and amortization expense	19	22	22	24	26
Interest expense	20	62	30	43	48
EBITDA ⁽¹⁾	\$ 21	\$ (70)	\$ (30)	\$ 112	\$ 6
Total revenues	\$ 1,544	\$ 1,827	\$ 2,245	\$ 3,336	\$ 3,480
Net (loss) income margin	(1.1)%	(8.5)%	(3.7)%	1.3 %	(2.0)%
EBITDA Margin	1.4 %	(3.9)%	(1.3)%	3.4 %	0.2 %

(1) We incurred less than \$1 million of income tax provision for each period presented.

Non-GAAP Financial Reconciliation

	Years Ended December 31,						
	2014	2015	2016	2017	2018	2019	2020
(dollars in millions)							
Net loss	\$ (15)	\$ (37)	\$ (93)	\$ (164)	\$ (255)	\$ (365)	\$ (462)
Depreciation and amortization expense	2	3	5	11	24	41	74
Interest expense	—	1	3	8	25	81	131
EBITDA ⁽¹⁾	<u>\$ (13)</u>	<u>\$ (33)</u>	<u>\$ (85)</u>	<u>\$ (145)</u>	<u>\$ (206)</u>	<u>\$ (243)</u>	<u>\$ (257)</u>
Total revenues	\$ 42	\$ 130	\$ 365	\$ 859	\$ 1,955	\$ 3,940	\$ 5,587
Net loss margin	<u>(36.6)%</u>	<u>(28.2)%</u>	<u>(25.5)%</u>	<u>(19.1)%</u>	<u>(13.0)%</u>	<u>(9.3)%</u>	<u>(8.3)%</u>
EBITDA Margin	<u>(32.2)%</u>	<u>(25.0)%</u>	<u>(23.2)%</u>	<u>(16.9)%</u>	<u>(10.5)%</u>	<u>(6.2)%</u>	<u>(4.6)%</u>

⁽¹⁾ We incurred \$0 million for each of the years ended 2014 through 2019, and less than \$1 million for 2020 of income tax provision.