



# Introduction to Carvana

February 2025



# SAFE HARBOR

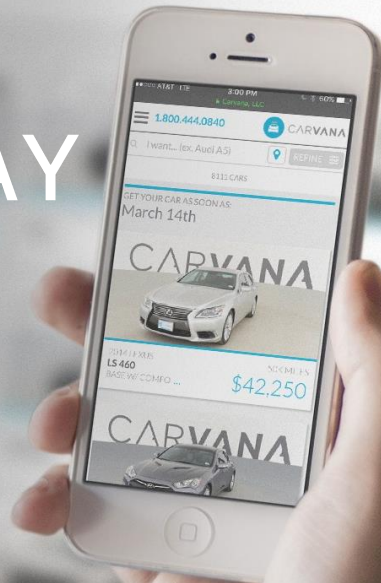
## **Forward-Looking Statements**

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, its financial condition, results of operations, plans, objectives, strategies, 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 our Annual Report on Form 10-K for 2024 and our Quarterly Reports on Form 10-Q. 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.

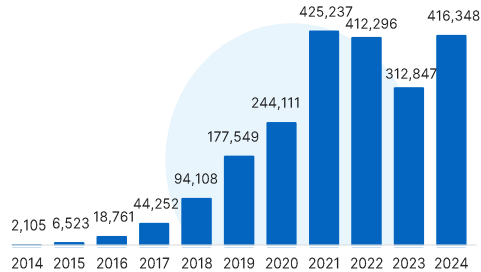
OUR MISSION IS  
TO CHANGE THE WAY  
PEOPLE BUY CARS.



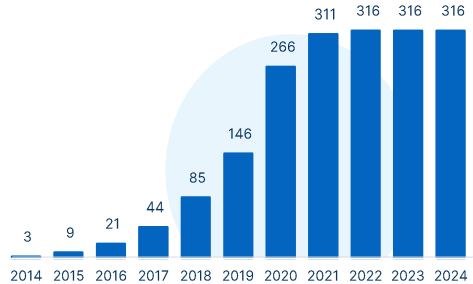
KEY OPERATING METRICS

# SUCCESSFUL EXECUTION

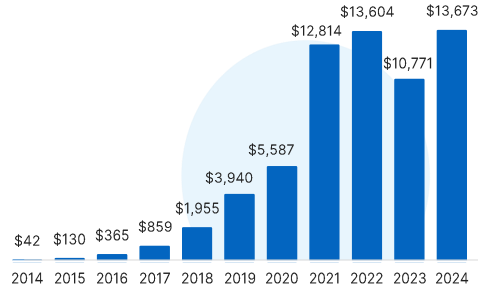
RETAIL UNITS SOLD



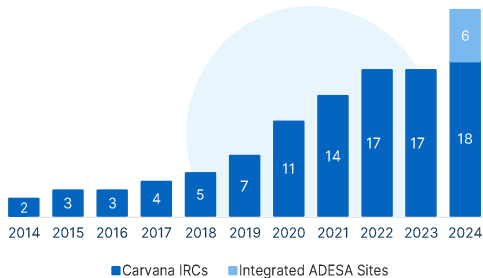
TOTAL MARKETS AT YEAR END



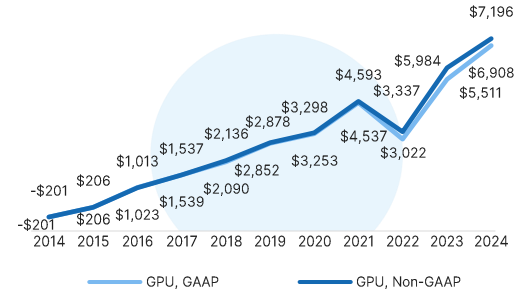
TOTAL REVENUE (\$M)



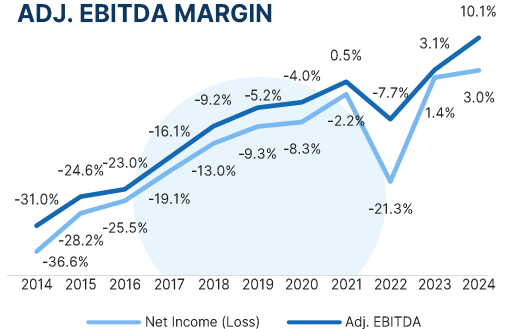
CARVANA IRC & INTEGRATED ADESA SITES



GROSS PROFIT PER UNIT



NET INCOME (LOSS) AND ADJ. EBITDA MARGIN



# KEY INVESTMENT HIGHLIGHTS

## MASSIVE, STABLE, 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

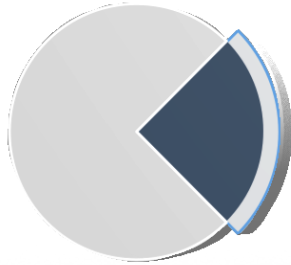
## ROBUST FINANCIAL MODEL

Robust financial model supports growth and margin expansion

MASSIVE, STABLE, FRAGMENTED MARKET

# INDUSTRY OVERVIEW

*Auto is...*



**\$1.2 Tn**

in 2022 U.S. Sales <sup>(1)</sup>

**22%**

of U.S. Retail Economy in 2022 <sup>(1)</sup>

*Massive*



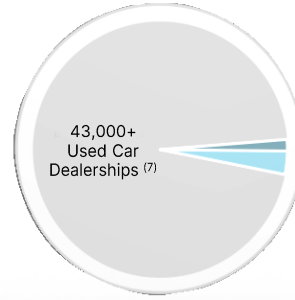
**\$840 Bn**

in 2019 U.S. Used Car Sales <sup>(2)</sup>

**2.0%**

2017 – 2022 CAGR <sup>(3)</sup>

*Fragmented*



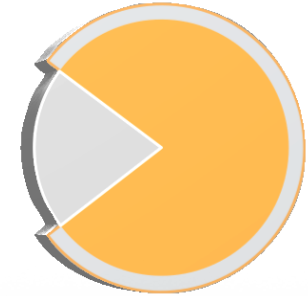
**2.3%**

U.S. Market Share of Largest Dealer Brand <sup>(4)</sup>

**11.1%**

Aggregate Market Share of Top 100 Used Auto Retailers <sup>(4)</sup>

*& Ripe for Disruption*



**81%**

Consumers Do Not Enjoy the Car Buying Process <sup>(5)</sup>

**9%**

Consumers Rated Car Salespeople Highly Trustworthy <sup>(6)</sup>

(1) NADA Data 2023 report  
(4) 2021 Automotive News Top 100 Dealership Groups

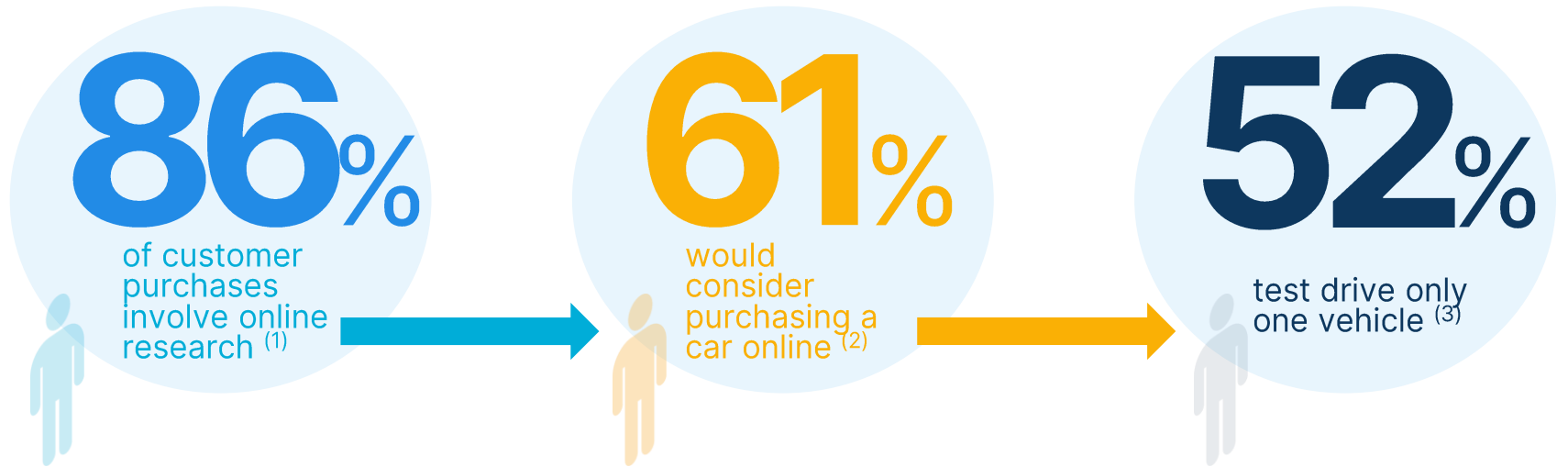
(2) Edmunds.com 2019 Used Vehicle Market report  
(5) DealerSocket 2016 Independent Dealership Action report – Represents North American consumers

(3) Technavio 2017 U.S. Used Car Market report  
(6) 2019 Gallup Poll

(7) Borrell Associates

MASSIVE, STABLE, FRAGMENTED MARKET

# DIGITAL ECONOMY IS TRANSFORMING CAR BUYING



(1) 2018 Auto Shopping in America Survey

(2) CarGurus 2020 Sentiment Survey

(3) AutoTrader 2016 Car Buyer Journey report

SUPERIOR CUSTOMER EXPERIENCE

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

## Best Experience

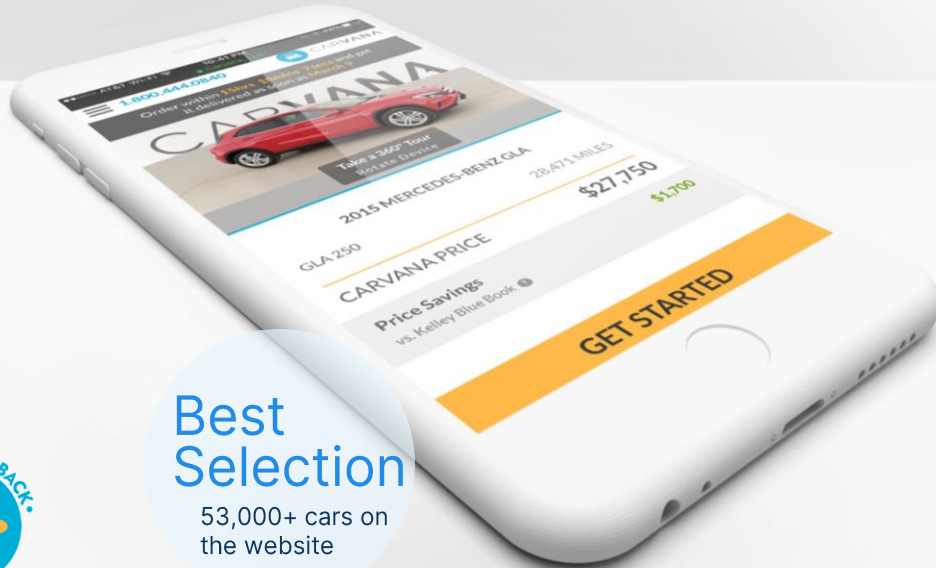
10 minutes – time in which purchase can be completed after vehicle selection

As soon as Same Day car deliveries in select markets



## Best Selection

53,000+ cars on the website



## Best Value

Lower prices than other brick-and-mortar dealers and never any doc or dealer fees

SUPERIOR CUSTOMER EXPERIENCE

# A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

## Vehicle Search & Discovery From Any Device

Intuitive vehicle search with 53,000+ vehicles on the website

## Trade or Sell – All Online

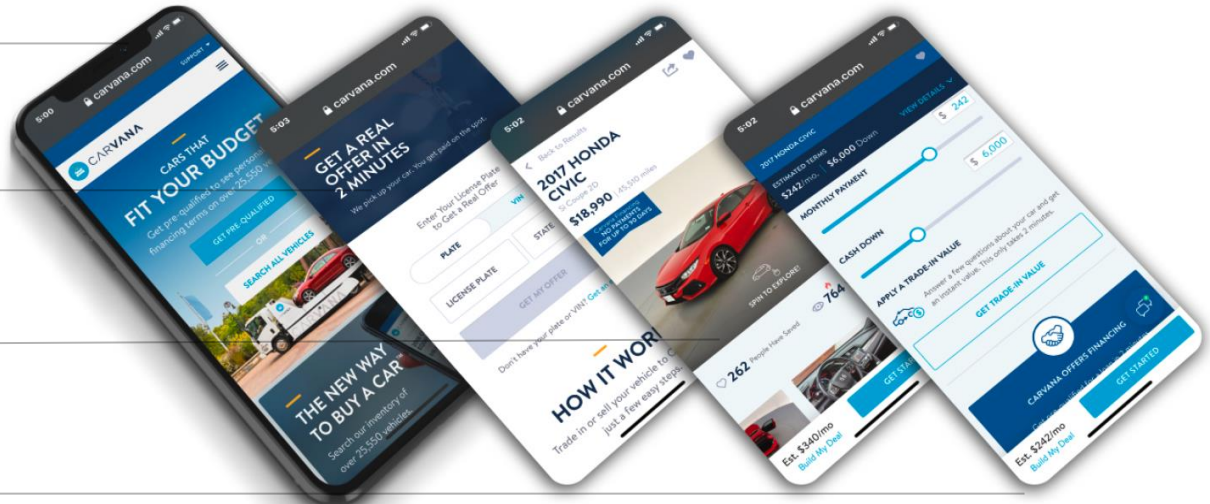
Nearly instantaneous, fully automated contingent trade-in offers

## 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:

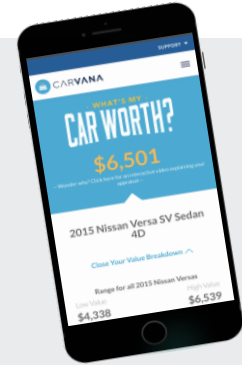
1. Input license plate or VIN
2. Enter vehicle details, and
3. Answer a few questions

## AUTOMATED

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

No haggling

Guaranteed for 7 days or 1,000 miles



## CONVENIENT

You schedule a time that's convenient for you to drop the vehicle off at a Carvana location or you can schedule a time to have the car picked up using our last-mile delivery network

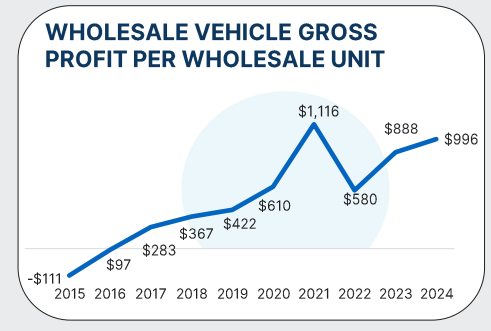
We'll review and hand you a check on the spot



## DATA-DRIVEN

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

\$996 Wholesale Vehicle GPU\*



SUPERIOR CUSTOMER EXPERIENCE

# CREATING DIFFERENTIATED FULFILLMENT EXPERIENCES



## Carvana Delivery

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



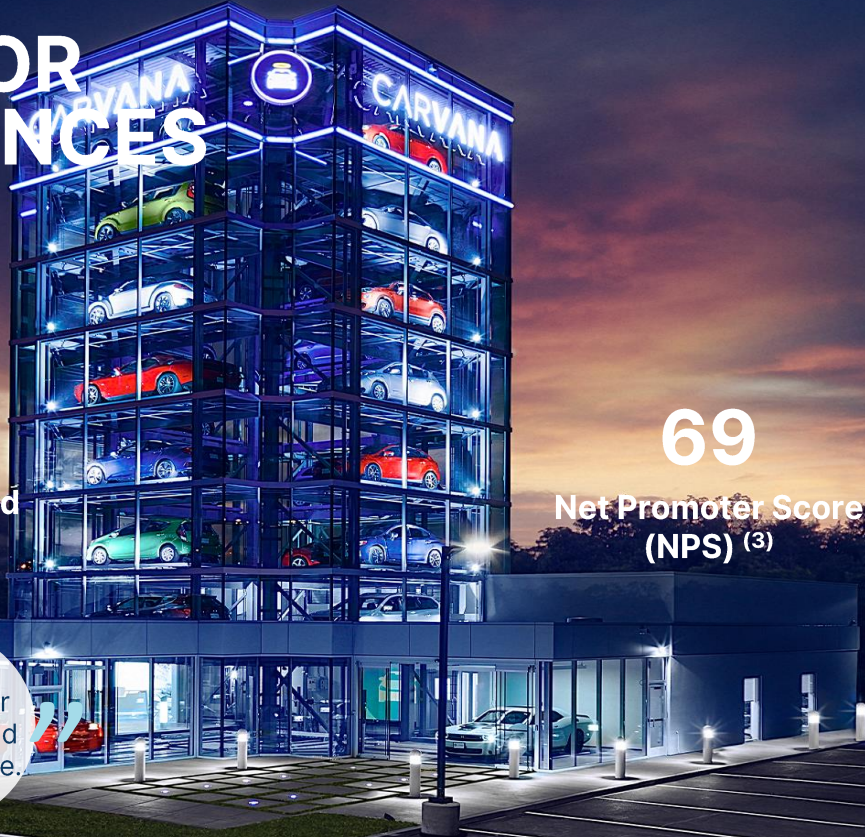
## Vending Machine

- Operation efficiencies combined with strong branding
- 39 vending machines currently operational <sup>(1)</sup>
- Creates a unique video of the experience for customers to share via social media

(1) As of February 19, 2025

SUPERIOR CUSTOMER EXPERIENCE

# DELIVERING SUPERIOR CUSTOMER EXPERIENCES



**4.7**  
★★★★★  
Rating <sup>(1)</sup>

**215,000+**  
Customer Reviews  
on Carvana.com <sup>(1)</sup>

**84%**  
Would Recommend  
To A Friend <sup>(2)</sup>

**69**  
Net Promoter Score  
(NPS) <sup>(3)</sup>

“Carvana will change the way cars are sold.”

“Carvana is the bomb!”

“I never thought car buying could be enjoyable.”

(1) As of December 31, 2024

(2) Through December 31, 2024, based on respondents to the question

(3) Survey performed by Bazaarvoice through December 31, 2024

GROWING UNITS & REVENUE

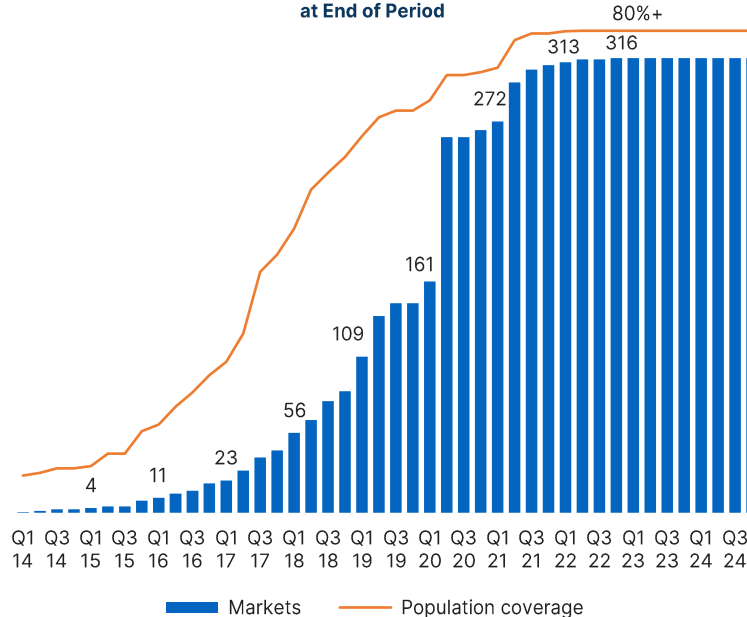
# PROVEN EXPANSION STRATEGY

## Repeatable Market Entry Playbook

- Active 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



VERTICAL INTEGRATION & FULFILLMENT

# SUPPORTED BY PROPRIETARY VEHICLE ACQUISITION ALGORITHM

## Vehicle Inventory Acquisition

### Auction & Other Sources

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

### Quality Screening

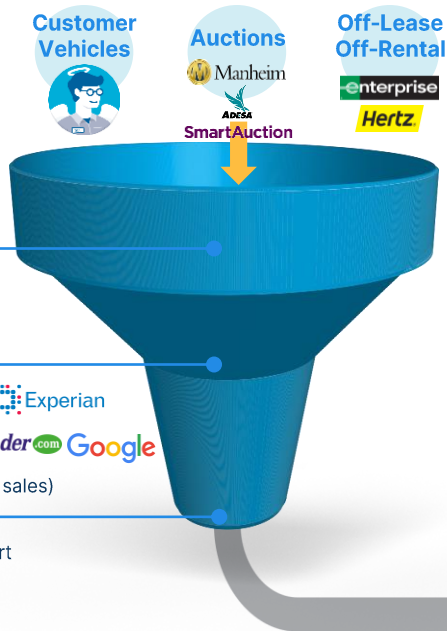
- Year, Mileage

### Apply Data

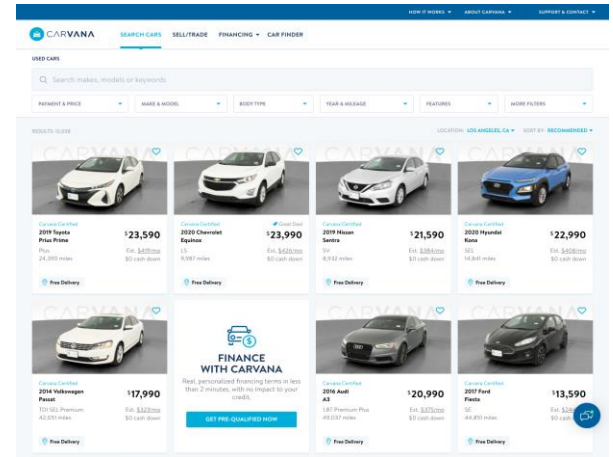
- Vehicle Reporting
- Market Data
- Carvana Data (clickstream, historical sales)

### Optimization

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



53,000+ cars on the website in all markets vs. 11-200 at typical dealers <sup>(1)</sup>



(1) 2019 NIADA Used Car Industry report based on 2018 data  
Note: 53,000+ total website units as of December 31, 2024

## VERTICAL INTEGRATION & FULFILLMENT

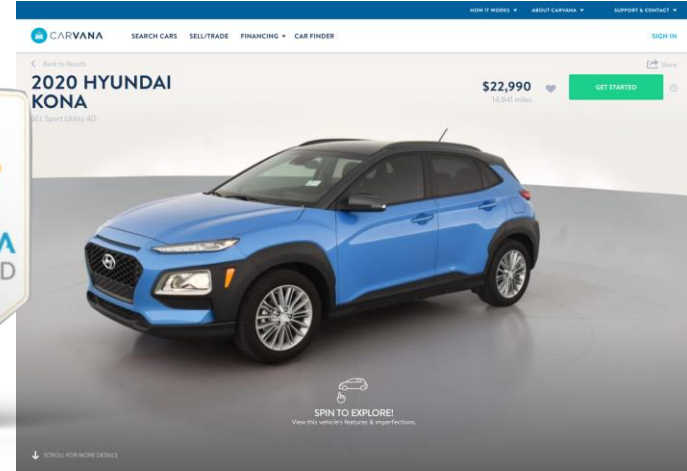
# IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDIZING

## Inspection and Reconditioning



- Ability to buy all car types and recondition them to a consistent car quality
- Annual capacity of over 1m units at full IRC utilization\*
- Robust processes and internal expertise to set up future IRCs as needed

## Photography and Annotation

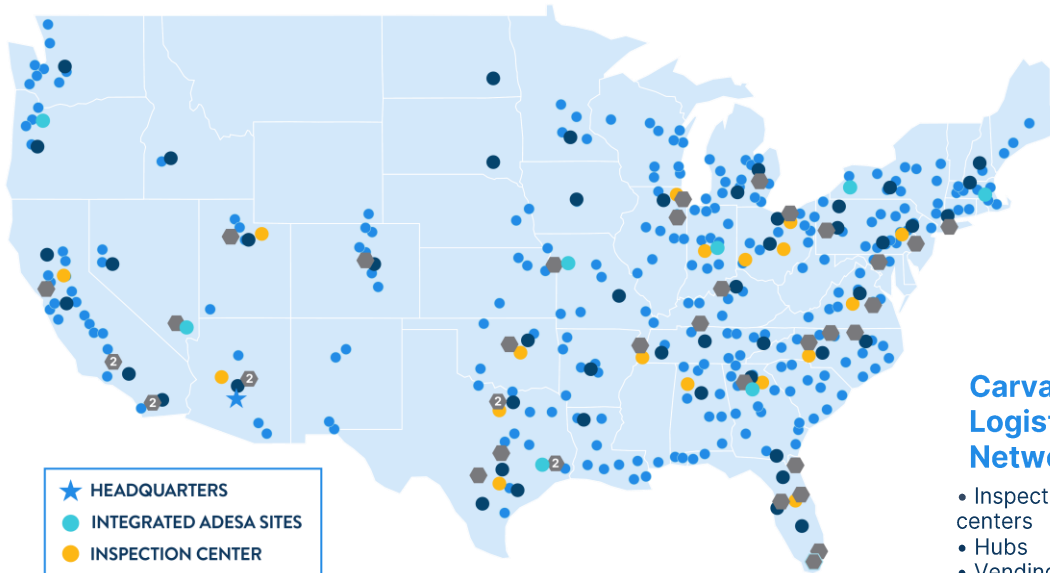


- 360-degree, interactive exterior and interior virtual tour of each vehicle
- Patented imaging technology
- Transparency to the customer through annotation of material defects

VERTICAL INTEGRATION & FULFILLMENT

# BACKED BY IN-HOUSE LOGISTICS NETWORK

## CARVANA MARKETS, VENDING MACHINES, IRCs, AND ADESA SITES



### 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

### Carvana Logistics Network

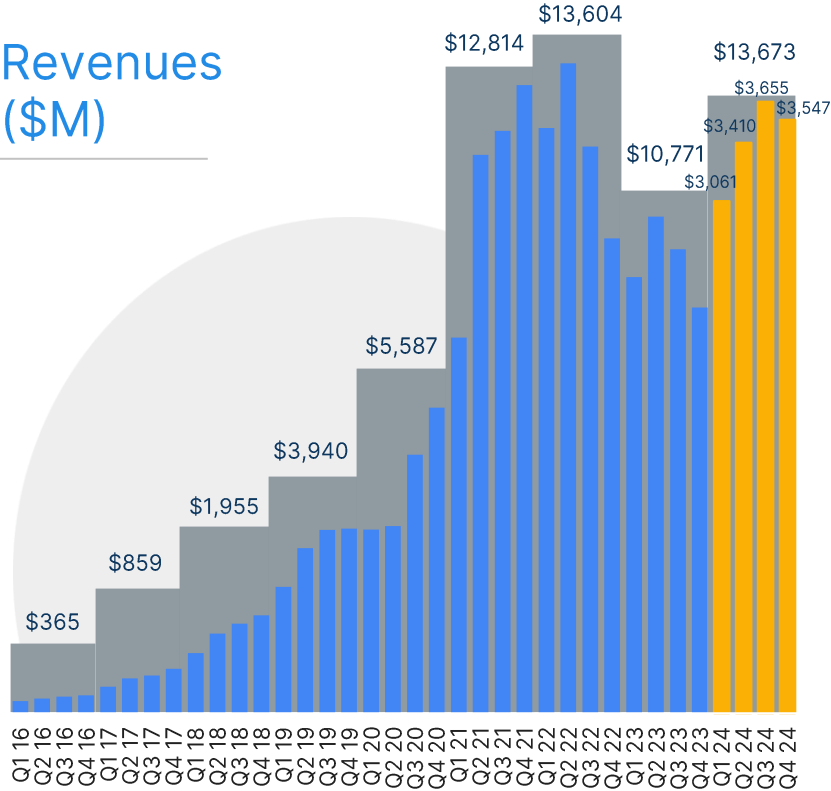
- Inspection & reconditioning centers
- Hubs
- Vending Machines

Connected through the hub-and-spoke Carvana Logistics Network

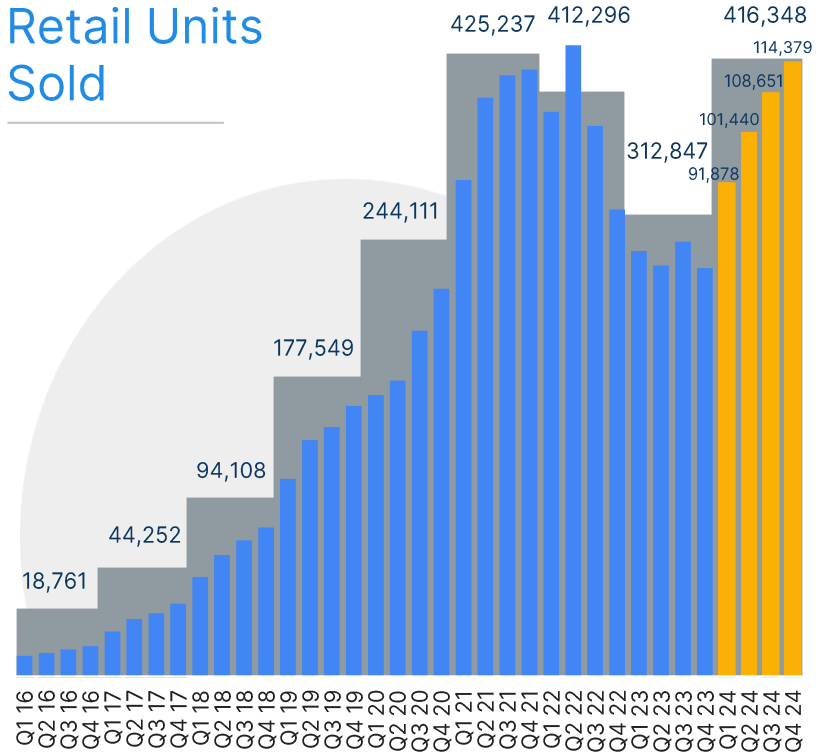
GROWING UNITS & REVENUE

# RAPID SECULAR GROWTH

Revenues (\$M)



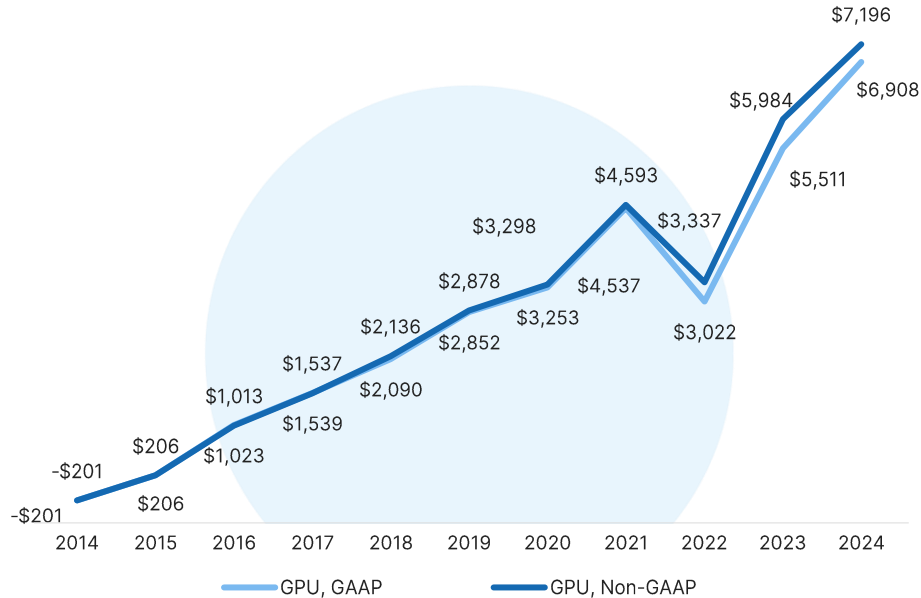
Retail Units Sold



EXPANDING GPU & OPERATING METRICS

# 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

COMPETITIVE ADVANTAGES

# INTEGRATION CREATES COMPETITIVE ADVANTAGES

Large-scale  
Reconditioning



Internal  
Logistics Network



Proprietary  
Financing Platform

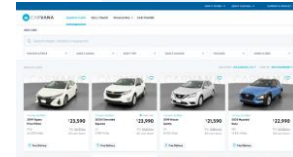


National Consumer  
Focused Brand



Leading Fulfillment  
Experience









Retail Marketplace











Fully Transactable  
E-Commerce Experience











# OUR PURPOSE-BUILT, E-COMMERCE MODEL IS HIGHLY DIFFERENTIATED FROM THE TRADITIONAL BRICK-AND-MORTAR MODEL

	 <b>CARVANA E-COMMERCE MODEL</b>	 <b>TRADITIONAL BRICK-AND-MORTAR MODEL</b>
<b>Vehicle Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> vehicle acquisition strategy</li> <li>-Selection optimized for single <b>large scale</b> inventory</li> <li>-<b>Seamless</b> online transaction with home pickup option for consumer-sourced vehicles</li> </ul>	<ul style="list-style-type: none"> <li>-<b>Local</b> vehicle acquisition strategy</li> <li>-Selection optimized for many individual <b>small scale</b> dealership lots</li> <li>-<b>In-person</b> negotiation for customer-sourced vehicles</li> </ul>
<b>Reconditioning</b> 	<ul style="list-style-type: none"> <li>-<b>Large scale</b> inspection and reconditioning centers with manufacturing processes backed by proprietary software</li> <li>-<b>in-sourcing</b> of most key reconditioning functions</li> </ul>	<ul style="list-style-type: none"> <li>-<b>Small scale</b> reconditioning shops, limiting fixed cost leverage, labor efficiency, or volume discount opportunities</li> <li>-Some functions <b>outsourced</b> to third-party providers</li> </ul>
<b>Fulfillment</b> 	<ul style="list-style-type: none"> <li>-<b>National first-party</b> fulfillment network optimized by proprietary self-developed technology</li> <li>-<b>Purpose-built</b> home delivery service in more than 300 markets</li> </ul>	<ul style="list-style-type: none"> <li>-<b>Outsourced to regional</b> trucking companies of variable efficiency, quality, and timeliness</li> </ul>
<b>Customer Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> advertising</li> <li>-<b>Large scale</b> brand building drives long term gains in awareness</li> <li>-<b>Low friction</b> to visit Carvana.com website from desktop or mobile</li> </ul>	<ul style="list-style-type: none"> <li>-<b>Local</b> advertising</li> <li>-<b>Small scale</b> leads to reliance on third-party listings sites to generate leads</li> <li>-<b>Higher friction</b> to visit a physical lot</li> </ul>
<b>Financing</b> 	<ul style="list-style-type: none"> <li>-<b>In-house</b> lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers</li> <li>-Competitive cost of funds due to <b>large scale</b> platform with multiple monetization strategies</li> </ul>	<ul style="list-style-type: none"> <li>-Financing <b>outsourced</b> to third parties, leading to higher costs and outsourced profit margin</li> <li>-Third-party lenders face higher costs, imperfect information about the customer and vehicle, and risk of adverse selection</li> </ul>
<b>Cost Structure</b> 	<ul style="list-style-type: none"> <li>-Higher upfront technology and infrastructure investment, but lower costs <b>at scale</b></li> </ul>	<ul style="list-style-type: none"> <li>-<b>Small scale</b>, site level hierarchy including high cost F&amp;I and sales labor</li> <li>-<b>Outsourced</b> technology turns fixed costs into variable costs</li> </ul>









# LEADING TO A MORE CUSTOMER-CENTRIC OFFERING

	 <b>CARVANA E-COMMERCE MODEL</b>		 <b>CUSTOMER OFFERING BENEFITS</b>
<b>Vehicle Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> vehicle acquisition strategy</li> <li>-Selection optimized for single <b>large scale</b> inventory</li> <li>-<b>Seamless</b> online transaction with home pickup option for consumer-sourced vehicles</li> </ul>	➔	<ul style="list-style-type: none"> <li>-Best possible <b>selection</b> due to centralized, large, and diverse inventory pools connected through first-party logistics network</li> <li>-Access to a national market allows Carvana to adjust pricing based on broader market trends rather than local supply and demand fluctuations</li> </ul>
<b>Reconditioning</b> 	<ul style="list-style-type: none"> <li>-<b>Large scale</b> inspection and reconditioning centers with manufacturing processes backed by proprietary software</li> <li>-<b>In-sourcing</b> of most key reconditioning functions</li> </ul>	➔	<ul style="list-style-type: none"> <li>-Universal standards result in consistently high <b>quality</b> vehicles</li> <li>-150-point inspection provides <b>transparency</b> and peace of mind</li> <li>-Stand behind <b>quality</b> with 7-day return policy</li> </ul>
<b>Fulfillment</b> 	<ul style="list-style-type: none"> <li>-<b>National first-party</b> fulfillment network optimized by proprietary self-developed technology</li> <li>-<b>Purpose-built</b> home delivery service in more than 300 markets</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Convenient</b>, fast and reliable home delivery</li> <li>-Expands available <b>selection</b> through ability to move cars quickly and cost effectively nationwide</li> </ul>
<b>Customer Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> advertising</li> <li>-<b>Large scale</b> brand building drives long term gains in awareness</li> <li>-<b>Low friction</b> to visit Carvana.com website from desktop or mobile</li> </ul>	➔	<ul style="list-style-type: none"> <li>-A <b>self-guided</b>, intuitive and easy-to-navigate website design ensures that users can effortlessly browse, buy, or sell vehicles from any device</li> <li>-Uniform experience in all geographic locations</li> </ul>
<b>Financing</b> 	<ul style="list-style-type: none"> <li>-<b>In-house</b> lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers</li> <li>-Competitive cost of funds due to <b>large scale</b> platform with multiple monetization strategies</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Self-guided, convenient</b> process gives customers ability to shop based on budget, down payment, and monthly payment</li> <li>-Nearly instantaneous financing terms on every vehicle in inventory increases <b>transparency</b> and control</li> </ul>
<b>Cost Structure</b> 	<ul style="list-style-type: none"> <li>-Higher upfront technology and infrastructure investment, but lower costs <b>at scale</b></li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Savings</b> can be passed on to the customer through lower prices</li> <li>-Technology investment creates new tools to enhance customer experience</li> </ul>

# AND BETTER UNIT ECONOMICS, DRIVEN BY OUR NATIONAL INVENTORY, VERTICAL INTEGRATION, AND SCALE

	 <b>CARVANA E-COMMERCE MODEL</b>		 <b>UNIT ECONOMICS BENEFITS</b>
<b>Vehicle Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> vehicle acquisition strategy</li> <li>-Selection optimized for single <b>large scale</b> inventory</li> <li>-<b>Seamless</b> online transaction with home pickup option for consumer-sourced vehicles</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Inventory model</b> benefits from regional price discrepancies and broad demand for long-tail of used vehicles</li> <li>-Customer-sourcing allows better margin on retail cars acquired from consumers vs. other channels and enables wholesale gross profit</li> </ul>
<b>Reconditioning</b> 	<ul style="list-style-type: none"> <li>-<b>Large scale</b> inspection and reconditioning centers with manufacturing processes backed by proprietary software</li> <li>-<b>In-sourcing</b> of most key reconditioning functions</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Scale</b> allows higher capacity utilization, discounts in parts procurement, and lower per unit overhead costs</li> <li>-<b>Vertical integration</b> lowers costs, internalizes third-party profit margins, reduces reconditioning timelines</li> </ul>
<b>Fulfillment</b> 	<ul style="list-style-type: none"> <li>-<b>National first-party</b> fulfillment network optimized by proprietary self-developed technology</li> <li>-<b>Purpose-built</b> home delivery service in more than 300 markets</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>National</b> logistics network makes inventory available to customers nationwide and enables additional revenue streams</li> <li>-<b>Vertical integration</b> lowers costs, internalizes third-party profit margins, and reduces transport timelines</li> </ul>
<b>Customer Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> advertising</li> <li>-<b>Large scale</b> brand building drives long term gains in awareness</li> <li>-<b>Low friction</b> to visit Carvana.com website from desktop or mobile</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Scaled</b> national advertising leads to lower costs than local advertising</li> <li>-Model benefits from secular trend towards e-commerce over time</li> </ul>
<b>Financing</b> 	<ul style="list-style-type: none"> <li>-<b>In-house</b> lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers</li> <li>-Competitive cost of funds due to <b>large scale</b> platform with multiple monetization strategies</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Vertical integration</b> lowers costs, internalizes third-party profit margins, improves quality of customer and vehicle information, eliminates adverse selection, and allows for optimization of terms across entire inventory</li> <li>-<b>Scale</b> improves funding efficiency</li> </ul>
<b>Cost Structure</b> 	<ul style="list-style-type: none"> <li>-Higher upfront technology and infrastructure investment, but lower costs <b>at scale</b></li> </ul>	➔	<ul style="list-style-type: none"> <li>-Customer self service and AI eliminates high cost functions and manual tasks</li> <li>-<b>Centralization</b> of support functions allows for higher capacity utilization</li> </ul>

# ALL BACKED BY PROPRIETARY CUSTOM-BUILT TECHNOLOGY

	 <b>CARVANA E-COMMERCE MODEL</b>		 <b>PROPRIETARY TECHNOLOGY SYSTEMS</b>
<b>Vehicle Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> vehicle acquisition strategy</li> <li>-Selection optimized for single <b>large scale</b> inventory</li> <li>-<b>Seamless</b> online transaction with home pickup option for consumer-sourced vehicles</li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>AI</b> purchasing algorithm informed by realized and expressed consumer demand providing near <b>instantaneous</b> offers</li> <li>-Customers can appraise, schedule pick-up, and sell car in minutes on their mobile device</li> </ul>
<b>Reconditioning</b> 	<ul style="list-style-type: none"> <li>-<b>Large scale</b> inspection and reconditioning centers with manufacturing processes backed by proprietary software</li> <li>-<b>In-sourcing</b> of most key reconditioning functions</li> </ul>	➔	<ul style="list-style-type: none"> <li>-CARLI system <b>automates</b> integration of systemized standards for process flow, reconditioning standards, and parts procurement</li> <li>-Patented imaging technology provides interactive interior and exterior virtual tour of vehicle</li> </ul>
<b>Fulfillment</b> 	<ul style="list-style-type: none"> <li>-<b>National first-party</b> fulfillment network optimized by proprietary self-developed technology</li> <li>-<b>Purpose-built</b> home delivery service in more than 300 markets</li> </ul>	➔	<ul style="list-style-type: none"> <li>-Centralized scheduler <b>optimizes</b> network, hauler and labor utilization</li> <li>-Systems that standardize vehicle receiving, storing, staging and loading at all network locations</li> </ul>
<b>Customer Acquisition</b> 	<ul style="list-style-type: none"> <li>-<b>National</b> advertising</li> <li>-<b>Large scale</b> brand building drives long term gains in awareness</li> <li>-<b>Low friction</b> to visit Carvana.com website from desktop or mobile</li> </ul>	➔	<ul style="list-style-type: none"> <li>-Robust testing of marketing spend over the last 10+ years</li> <li>-Products that nurture customers over time</li> <li>-<b>AI</b> to reduce transaction friction</li> </ul>
<b>Financing</b> 	<ul style="list-style-type: none"> <li>-<b>In-house</b> lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers</li> <li>-Competitive cost of funds due to <b>large scale</b> platform with multiple monetization strategies</li> </ul>	➔	<ul style="list-style-type: none"> <li>-Scorecard trained on data from 10+ years and over \$30B of loan originations</li> <li>-Digital financing interface provides terms and ability to sort by budget in a fraction of a second</li> <li>-<b>AI</b> automates key underwriting tasks</li> </ul>
<b>Cost Structure</b> 	<ul style="list-style-type: none"> <li>-Higher upfront technology and infrastructure investment, but lower costs <b>at scale</b></li> </ul>	➔	<ul style="list-style-type: none"> <li>-<b>Integrated</b> systems for customer service, title and registration, digital communication, and other functions to create a streamlined experience</li> <li>-High volume of data and technology focus enable <b>AI</b> leadership</li> </ul>

## COMPETITIVE ADVANTAGES

# PROGRESS TOWARDS OUR FINANCIAL OBJECTIVES

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Long Term Target
<i>YoY Revenue Growth</i>	180%	135%	128%	101%	42%	129%	6%	-21%	27%	-
<b>Gross Profit</b>	<b>5.3%</b>	<b>7.9%</b>	<b>10.1%</b>	<b>12.9%</b>	<b>14.2%</b>	<b>15.1%</b>	<b>9.2%</b>	<b>16.0%</b>	<b>21.0%</b>	<b>15 - 19%</b>
<i>Advertising</i>	7.4%	6.5%	5.7%	5.2%	5.1%	3.7%	3.6%	2.1%	1.7%	1.0 - 1.5%
<i>SG&amp;A ex. Advertising and D&amp;A</i>	21.1%	18.2%	14.9%	13.7%	13.7%	11.3%	15.0%	12.9%	10.8%	4.5 - 5.5%
<i>D&amp;A</i>	1.3%	1.3%	1.2%	1.0%	1.3%	1.0%	1.5%	1.7%	1.2%	0.5 - 1.0%
<i>SG&amp;A Total as % of Revenue</i>	29.8%	26.0%	21.7%	20.0%	20.2%	15.9%	20.1%	16.7%	13.7%	6 - 8%
<i>Net Income (loss) margin</i>	-25.5%	-19.1%	-13.0%	-9.3%	-8.3%	-2.2%	-21.3%	1.4% <sup>1</sup>	3.0% <sup>2</sup>	-
<b>Adjusted EBITDA Margin<sup>3</sup></b>	<b>-23.0%</b>	<b>-16.1%</b>	<b>-9.2%</b>	<b>-5.2%</b>	<b>-4.0%</b>	<b>0.5%</b>	<b>-7.7%</b>	<b>3.1%</b>	<b>10.1%</b>	<b>-</b>
<b>EBITDA Margin<sup>4</sup></b>										<b>8 - 13.5%</b>

1. Net Income margin in FY 2023 benefited from a one-time gain on debt extinguishment of ~\$878 million.

2. Net income margin in FY 2024 benefited from ~\$115 million associated with positive changes in the fair value of our warrants to acquire Root common stock.

3. Adjusted EBITDA is defined as net income (loss) plus income tax (benefit) provision, interest expense, other operating expense, net, other expense (income), net, depreciation and amortization expense in cost of sales and SG&A expenses, goodwill impairment, share-based compensation expense in cost of sales and SG&A expenses, loss on debt extinguishment, and restructuring expense in cost of sales and SG&A expenses, minus revenue related to our Root warrants and gain on debt extinguishment. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues. For additional information on Adjusted EBITDA and other Non-GAAP financial metrics referenced in this letter, please see the financial tables at the end of this letter and our Q4 2024 supplemental financial tables posted on our investor relations website.

4. EBITDA margin is calculated as net income (loss) plus income tax (benefit) provision, interest expense, and depreciation and amortization expense, divided by revenues.

COMPETITIVE ADVANTAGES

# SIGNIFICANT GROWTH OPPORTUNITIES

Drive Revenue Growth in Existing Markets



Enter New Key Geographical Markets



Innovate and Extend Technology Leadership



Improve Brand Awareness



Develop New Products



COMPETITIVE ADVANTAGES

# KEY INVESTMENT HIGHLIGHTS

## MASSIVE, STABLE, FRAGMENTED MARKET

Exceptionally large and inefficient used car market

**\$840B**

2019 U.S Used Car Sales <sup>(1)</sup>

**2.3%**

Largest dealer brand market share in the US <sup>(6)</sup>

## SUPERIOR CUSTOMER EXPERIENCE

Simple, seamless and differentiated used car buying experience

**84%**

Customers who would recommend to a friend <sup>(5)</sup>

**4.7/5.0**

Average Customer Rating <sup>(4)</sup>

## PROVEN GO-TO-MARKET STRATEGY

Demonstrated, capital-light market expansion playbook

**80%+**

U.S. Population Coverage <sup>(4)</sup>

**2nd**

Largest used car dealer in the US <sup>(2)</sup>

## VERTICAL INTEGRATION & FULFILLMENT

Purpose-built vertically integrated platform

**18**

Existing Carvana IRCs <sup>(3)</sup>

**39**

Existing Vending Machines <sup>(3)</sup>

## ROBUST FINANCIAL MODEL

Robust financial model supports growth and margin expansion

**18.6%**

Five Year Unit CAGR <sup>(2)</sup>

**2.2M**

Retail Units Sold Since Inception <sup>(4)</sup>

# APPENDIX

# NON-GAAP MEASURES

***Adjusted EBITDA; Adjusted EBITDA margin; Gross profit, non-GAAP; Retail gross profit, non-GAAP; Wholesale gross profit, non-GAAP; Wholesale vehicle gross profit, non-GAAP; Wholesale marketplace gross profit, non-GAAP; Other gross profit, non-GAAP; Total gross profit per retail unit, non-GAAP; Retail gross profit per retail unit, non-GAAP; Wholesale gross profit per retail unit, non-GAAP; Wholesale vehicle gross profit per retail unit, non-GAAP; Wholesale marketplace gross profit per retail unit, non-GAAP; Other gross profit per retail unit, non-GAAP; SG&A expenses, non-GAAP; and Total SG&A expenses per retail unit, non-GAAP***

The above measures are supplemental measures of operating performance that do not represent and should not be considered an alternative to net income (loss), gross profit, or SG&A expenses, as determined by GAAP.

Adjusted EBITDA is defined as net income (loss) plus income tax (benefit) provision, interest expense, other operating expense, net, other (income) expense, net, depreciation and amortization expense in cost of sales and SG&A expenses, share-based compensation expense in cost of sales and SG&A expenses, goodwill impairment, loss on debt extinguishment, and restructuring expense, minus revenue related to our Root Warrants and gain on debt extinguishment. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

Gross profit, non-GAAP, Retail gross profit, non-GAAP, Wholesale gross profit, non-GAAP, Wholesale vehicle gross profit, non-GAAP, Wholesale marketplace gross profit, non-GAAP, and Other gross profit, non-GAAP are defined as the respective GAAP gross profits plus depreciation and amortization expense in cost of sales, share-based compensation expense in cost of sales, and restructuring expense in cost of sales, minus revenue related to our Root Warrants. Total gross profit per retail unit, non-GAAP, Retail gross profit per retail unit, non-GAAP, Wholesale gross profit per retail unit, non-GAAP, Wholesale vehicle gross profit per retail unit, non-GAAP, Wholesale marketplace gross profit per retail unit, non-GAAP, and Other gross profit per retail unit, non-GAAP are the respective gross profits, non-GAAP divided by retail vehicle unit sales. SG&A expenses, non-GAAP is defined as GAAP SG&A expenses minus depreciation and amortization expense in SG&A expenses, share-based compensation expense in SG&A expenses, and restructuring expense in SG&A expenses. Total SG&A expenses per retail unit, non-GAAP is SG&A expenses, non-GAAP divided by retail vehicle unit sales.

We use these non-GAAP measures to measure the operating performance of our business as a whole and relative to our total revenues and retail vehicle unit sales. We believe that these metrics are useful measures to us and to our investors because they exclude certain financial, capital structure, and non-cash items that we do not believe directly reflect our core operations and may not be indicative of our recurring operations, in part because they may vary widely across time and within our industry independent of the performance of our core operations. We believe that excluding these items enables us to more effectively evaluate our performance period-over-period and relative to our competitors. These non-GAAP measures may not be comparable to similarly titled measures provided by other companies due to potential differences in methods of calculations.

A reconciliation of Adjusted EBITDA to net income (loss), Gross profit, non-GAAP to gross profit, Retail gross profit, non-GAAP to retail gross profit, Wholesale gross profit, non-GAAP to wholesale gross profit, Wholesale vehicle gross profit, non-GAAP to wholesale vehicle gross profit, Wholesale marketplace gross profit, non-GAAP to wholesale marketplace gross profit, Other gross profit, non-GAAP to other gross profit, and SG&A expenses, non-GAAP to SG&A expenses, which are the most directly comparable GAAP measures, and calculations of Adjusted EBITDA margin, Total gross profit per retail unit, non-GAAP, Retail gross profit per retail unit, non-GAAP, Wholesale gross profit per retail unit, non-GAAP, Wholesale vehicle gross profit per retail unit, non-GAAP, Wholesale marketplace gross profit per retail unit, non-GAAP, Other gross profit per retail unit, non-GAAP, and Total SG&A expenses per retail unit, non-GAAP is as follows:

(dollars in millions)	Three Months Ended				Years Ended		
	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024
Net income (loss)	\$ (200)	\$ 49	\$ 48	\$ 148	\$ 159	\$ 150	\$ 404
Income tax (benefit) provision	(2)	(1)	1	(1)	(3)	25	(4)
Interest expense	165	173	173	157	148	632	651
Other (income) expense, net	(1)	(87)	35	29	(50)	(9)	(73)
Loss (Gain) on debt extinguishment	—	—	2	4	6	(878)	12
Operating income (loss)	\$ (38)	\$ 134	\$ 259	\$ 337	\$ 260	\$ (80)	\$ 990
Other operating expense, net	1	1	1	1	9	8	12
Depreciation and amortization expense in cost of sales	39	39	35	33	33	169	140
Depreciation and amortization expense in SG&A expenses	43	43	41	40	41	183	165
Share-based compensation expense in cost of sales	—	—	—	1	—	—	1
Share-based compensation expense in SG&A expenses	20	23	24	23	21	73	91
Root warrant revenue	(5)	(5)	(5)	(6)	(5)	(21)	(21)
Restructuring	—	—	—	—	—	7	—
Adjusted EBITDA	\$ 60	\$ 235	\$ 355	\$ 429	\$ 359	\$ 339	\$ 1,378
Total revenues	\$ 2,424	\$ 3,061	\$ 3,410	\$ 3,655	\$ 3,547	\$ 10,771	\$ 13,673
Net income (loss) margin	(8.3)%	1.6 %	1.4 %	4.0 %	4.5 %	1.4 %	3.0 %
Adjusted EBITDA margin	2.5 %	7.7 %	10.4 %	11.7 %	10.1 %	3.1 %	10.1 %

(dollars in millions, except per unit amounts)	Three Months Ended				Years Ended		
	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024
Gross profit	\$ 402	\$ 591	\$ 715	\$ 807	\$ 763	\$ 1,724	\$ 2,876
Depreciation and amortization expense in cost of sales	39	39	35	33	33	169	140
Share-based compensation expense in cost of sales	—	—	—	1	—	—	1
Root warrant revenue	(5)	(5)	(5)	(6)	(5)	(21)	(21)
Gross profit, non-GAAP	\$ 436	\$ 625	\$ 745	\$ 835	\$ 791	\$ 1,872	\$ 2,996
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379	312,847	416,348
Total gross profit per retail unit	\$ 5,283	\$ 6,432	\$ 7,049	\$ 7,427	\$ 6,671	\$ 5,511	\$ 6,908
Total gross profit per retail unit, non-GAAP	\$ 5,730	\$ 6,802	\$ 7,344	\$ 7,685	\$ 6,916	\$ 5,984	\$ 7,196
SG&A expenses	\$ 439	\$ 456	\$ 455	\$ 469	\$ 494	\$ 1,796	\$ 1,874
Depreciation and amortization expense in SG&A expenses	43	43	41	40	41	183	165
Share-based compensation expense in SG&A expenses	20	23	24	23	21	73	91
Restructuring	—	—	—	—	—	7	—
SG&A expenses, non-GAAP	\$ 376	\$ 390	\$ 390	\$ 406	\$ 432	\$ 1,533	\$ 1,618
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379	312,847	416,348
Total SG&A expenses per retail unit	\$ 5,769	\$ 4,963	\$ 4,485	\$ 4,317	\$ 4,319	\$ 5,741	\$ 4,501
Total SG&A expenses per retail unit, non-GAAP	\$ 4,942	\$ 4,245	\$ 3,845	\$ 3,737	\$ 3,777	\$ 4,900	\$ 3,886

(dollars in millions, except per unit amounts)	Three Months Ended				
	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024
Retail gross profit	\$ 214	\$ 283	\$ 347	\$ 380	\$ 369
Depreciation and amortization expense in cost of sales	12	12	12	12	12
Share-based compensation expense in cost of sales	—	—	—	1	—
Retail gross profit, non-GAAP	\$ 226	\$ 295	\$ 359	\$ 393	\$ 381
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379
Retail gross profit per retail unit	\$ 2,812	\$ 3,080	\$ 3,421	\$ 3,497	\$ 3,226
Retail gross profit per retail unit, non-GAAP	\$ 2,970	\$ 3,211	\$ 3,539	\$ 3,617	\$ 3,331
Wholesale gross profit	\$ 40	\$ 79	\$ 89	\$ 101	\$ 77
Depreciation and amortization expense in cost of sales	27	27	23	21	21
Wholesale gross profit, non-GAAP	\$ 67	\$ 106	\$ 112	\$ 122	\$ 98
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379
Wholesale gross profit per retail unit	\$ 526	\$ 860	\$ 878	\$ 930	\$ 674
Wholesale gross profit per retail unit, non-GAAP	\$ 881	\$ 1,153	\$ 1,104	\$ 1,123	\$ 857
Wholesale vehicle gross profit	\$ 28	\$ 46	\$ 48	\$ 61	\$ 44
Depreciation and amortization expense in cost of sales	2	2	1	1	2
Wholesale vehicle gross profit, non-GAAP	\$ 30	\$ 48	\$ 49	\$ 62	\$ 46
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379
Wholesale vehicle gross profit per retail unit	\$ 368	\$ 501	\$ 474	\$ 562	\$ 385
Wholesale vehicle gross profit per retail unit, non-GAAP	\$ 394	\$ 522	\$ 483	\$ 571	\$ 402
Wholesale marketplace gross profit	\$ 12	\$ 33	\$ 41	\$ 40	\$ 33
Depreciation and amortization expense in cost of sales	25	25	22	20	19
Wholesale marketplace gross profit, non-GAAP	\$ 37	\$ 58	\$ 63	\$ 60	\$ 52
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379
Wholesale marketplace gross profit per retail unit	\$ 158	\$ 359	\$ 404	\$ 368	\$ 289
Wholesale marketplace gross profit per retail unit, non-GAAP	\$ 487	\$ 631	\$ 621	\$ 552	\$ 455
Other gross profit	\$ 148	\$ 229	\$ 279	\$ 326	\$ 317
Root warrant revenue	(5)	(5)	(5)	(6)	(5)
Other gross profit, non-GAAP	\$ 143	\$ 224	\$ 274	\$ 320	\$ 312
Retail vehicle unit sales	76,090	91,878	101,440	108,651	114,379
Other gross profit per retail unit	\$ 1,945	\$ 2,492	\$ 2,750	\$ 3,000	\$ 2,771
Other gross profit per retail unit, non-GAAP	\$ 1,879	\$ 2,438	\$ 2,701	\$ 2,945	\$ 2,728

## Years Ended December 31,

(dollars in millions, except per unit amounts)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net loss	\$ (15)	\$ (37)	\$ (93)	\$ (164)	\$ (255)	\$ (365)	\$ (462)	\$ (287)	\$ (2,894)	\$ 150	\$ 404
Income tax provision	—	—	—	—	—	—	—	1	1	25	(4)
Interest expense	—	1	4	8	25	81	131	176	486	632	651
Other operating expense, net	—	—	—	1	1	3	10	9	14	8	12
Other expense (income), net	—	—	—	—	—	1	(11)	(3)	56	(9)	(73)
Depreciation and amortization expense in cost of sales	—	—	—	—	—	—	10	24	114	169	140
Depreciation and amortization expense in SG&A expenses	2	3	4	11	24	41	74	105	200	183	165
Share-based compensation expense in cost of sales	—	—	—	—	4	5	1	—	16	—	1
Share-based compensation expense in SG&A expenses	—	1	1	6	21	30	25	39	69	73	91
Goodwill impairment	—	—	—	—	—	—	—	—	847	—	—
Root warrant revenue	—	—	—	—	—	—	—	—	(7)	(21)	(21)
Loss (Gain) on debt extinguishment	—	—	—	—	—	—	—	—	—	(878)	12
Restructuring <sup>(1)</sup>	—	—	—	—	—	—	—	—	57	7	—
Adjusted EBITDA	<u>\$ (13)</u>	<u>\$ (32)</u>	<u>\$ (84)</u>	<u>\$ (138)</u>	<u>\$ (180)</u>	<u>\$ (204)</u>	<u>\$ (222)</u>	<u>\$ 64</u>	<u>\$ (1,041)</u>	<u>\$ 339</u>	<u>\$ 1,378</u>
Total revenues	\$ 42	\$ 130	\$ 365	\$ 859	\$ 1,955	\$ 3,940	\$ 5,587	\$ 12,814	\$ 13,604	\$ 10,771	\$ 13,673
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>	<u>(2.2)%</u>	<u>(21.3)%</u>	<u>1.4 %</u>	<u>3.0 %</u>
Adjusted EBITDA margin	<u>(31.0)%</u>	<u>(24.6)%</u>	<u>(23.0)%</u>	<u>(16.1)%</u>	<u>(9.2)%</u>	<u>(5.2)%</u>	<u>(4.0)%</u>	<u>0.5 %</u>	<u>(7.7)%</u>	<u>3.1 %</u>	<u>10.1 %</u>
Gross profit	\$ —	\$ 1	\$ 19	\$ 68	\$ 197	\$ 506	\$ 794	\$ 1,929	\$ 1,246	\$ 1,724	\$ 2,876
Depreciation and amortization expense in cost of sales	—	—	—	—	—	—	10	24	114	169	140
Share-based compensation expense in cost of sales	—	—	—	—	4	5	1	—	16	—	1
Root warrant revenue	—	—	—	—	—	—	—	—	(7)	(21)	(21)
Restructuring <sup>(1)</sup>	—	—	—	—	—	—	—	—	7	—	—
Gross profit, non-GAAP	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 19</u>	<u>\$ 68</u>	<u>\$ 201</u>	<u>\$ 511</u>	<u>\$ 805</u>	<u>\$ 1,953</u>	<u>\$ 1,376</u>	<u>\$ 1,872</u>	<u>\$ 2,996</u>
Retail vehicle unit sales	2,105	6,523	18,761	44,252	94,108	177,549	244,111	425,237	412,296	312,847	416,348
Total gross profit per retail unit	<u>\$ (201)</u>	<u>\$ 206</u>	<u>\$ 1,023</u>	<u>\$ 1,539</u>	<u>\$ 2,090</u>	<u>\$ 2,852</u>	<u>\$ 3,253</u>	<u>\$ 4,537</u>	<u>\$ 3,022</u>	<u>\$ 5,511</u>	<u>\$ 6,908</u>
Total gross profit per retail unit, non-GAAP	<u>\$ (201)</u>	<u>\$ 206</u>	<u>\$ 1,013</u>	<u>\$ 1,537</u>	<u>\$ 2,136</u>	<u>\$ 2,878</u>	<u>\$ 3,298</u>	<u>\$ 4,593</u>	<u>\$ 3,337</u>	<u>\$ 5,984</u>	<u>\$ 7,196</u>

(1) Restructuring includes costs related to our May 2022 and (1) November 2022 reductions in force, as well as lease termination and other restructuring expenses.