



# Introduction to Carvana

July 2024



# 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, 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 2023 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.

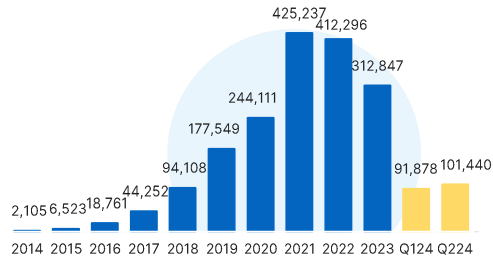
OUR MISSION IS  
TO CHANGE THE WAY  
PEOPLE BUY CARS.



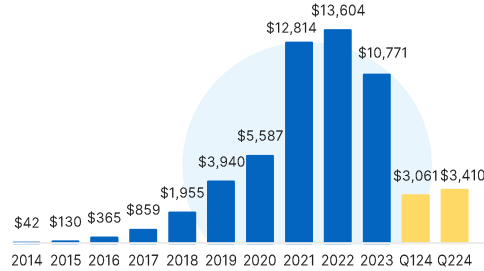
## KEY OPERATING METRICS

# SUCCESSFUL EXECUTION

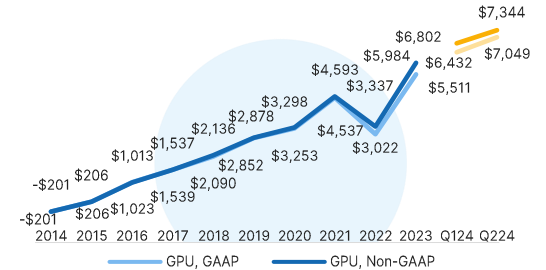
### RETAIL UNITS SOLD



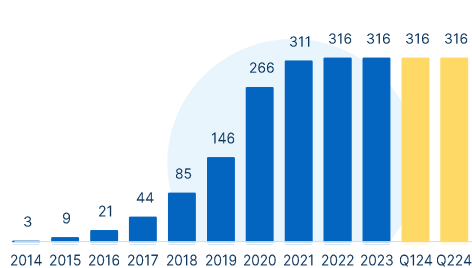
### TOTAL REVENUE (\$M)



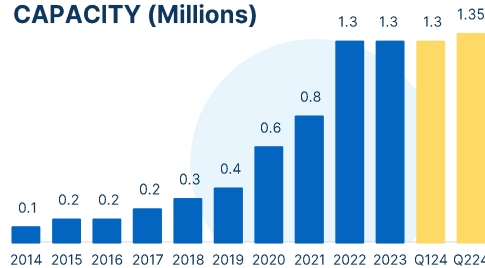
### GROSS PROFIT PER UNIT



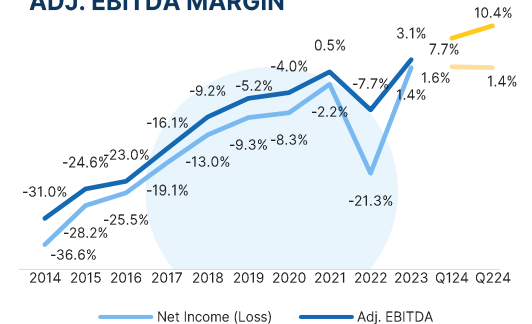
### TOTAL MARKETS AT YEAR END



### ANNUAL PRODUCTION FACILITY CAPACITY (Millions)



### 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

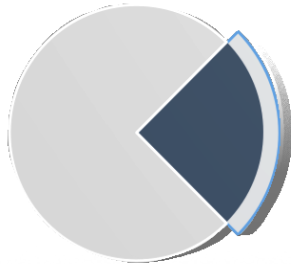
Robust financial model supports growth and margin expansion



MASSIVE, STABLE, FRAGMENTED MARKET

# INDUSTRY OVERVIEW

*Auto is...*



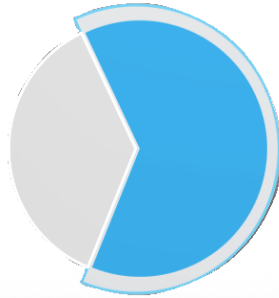
**\$1.2 Tn**

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

**22%**

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

*Massive*



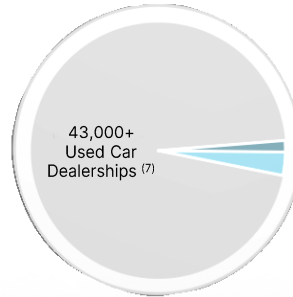
**\$840 Bn**

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

**2.0%**

2017 – 2022 CAGR <sup>(3)</sup>

*Fragmented*



43,000+  
Used Car  
Dealerships <sup>(7)</sup>

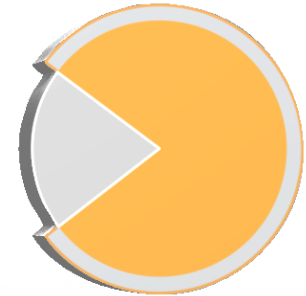
**2.3%**

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

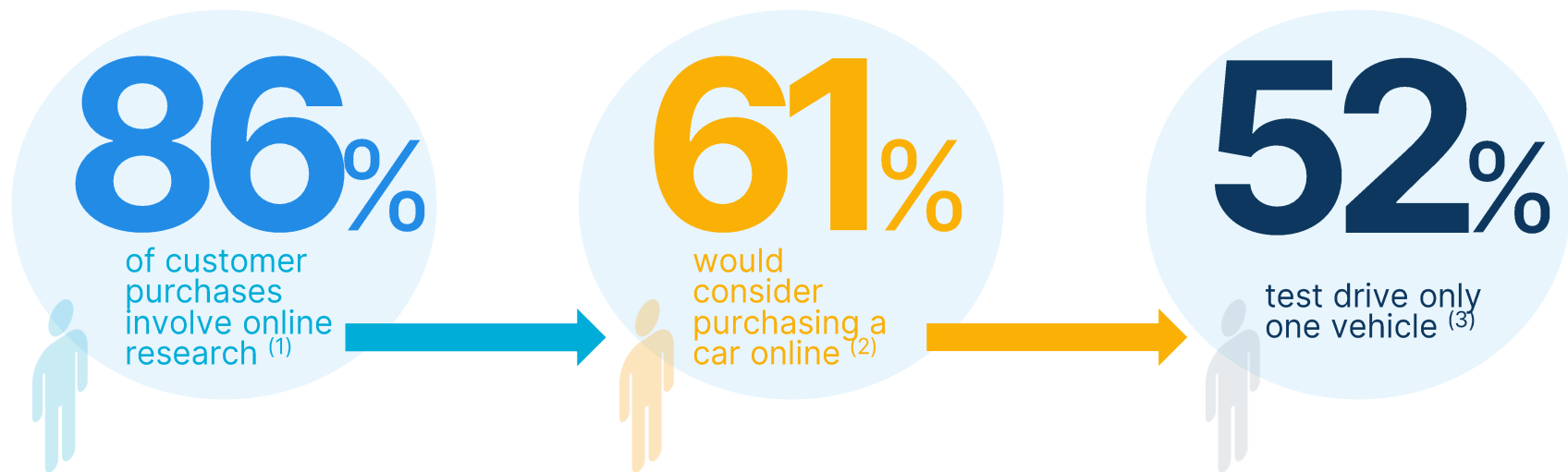
(2) Edmunds.com 2019 Used Vehicle Market report  
(5) DealerSocket 2016 Independent Dealership Action report – Represents North American consumers

(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



SUPERIOR CUSTOMER EXPERIENCE

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

## Best Experience

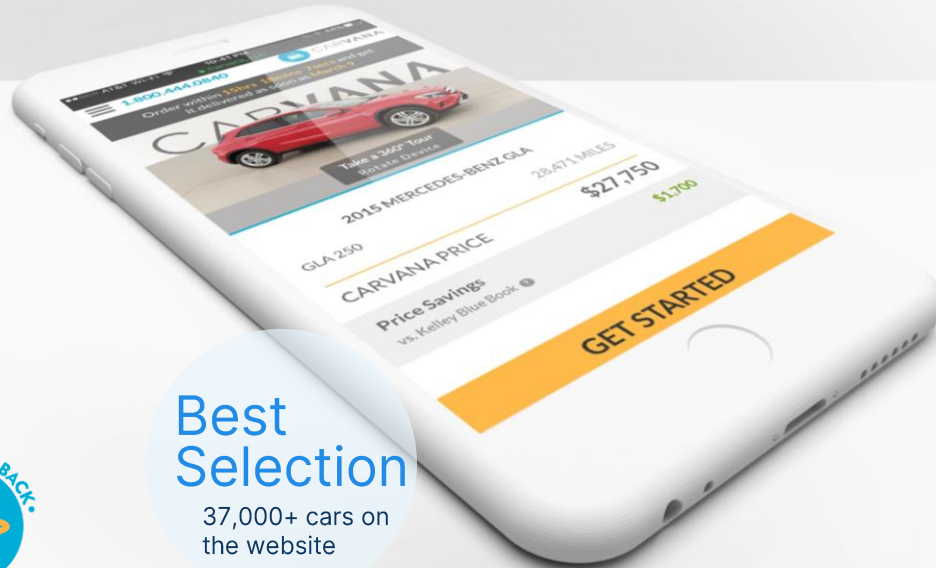
10 minutes – time in which purchase can be completed after vehicle selection

As soon as Same Day car deliveries in select markets



## Best Selection

37,000+ 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 37,000+ vehicles on the website

## Trade or Sell – All Online

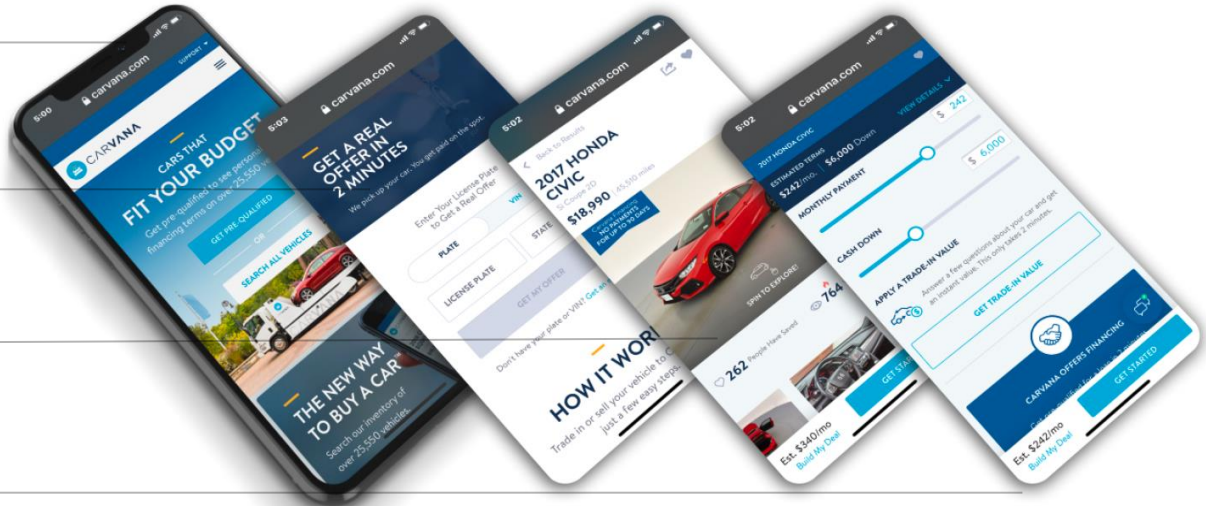
Nearly instantaneous, fully automated contingent trade-in offers

## Real-Time, Personalized Financing

Majority of customers have chosen to finance with Carvana

## Seamless Transaction Technology

Buy a car without leaving your device



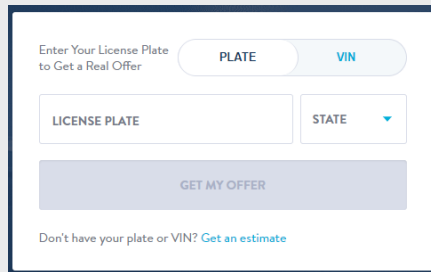
SUPERIOR CUSTOMER EXPERIENCE

# 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

\$953 Wholesale GPU\*

### WHOLESALE GROSS PROFIT PER WHOLESALE UNIT



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 July 31, 2024



SUPERIOR CUSTOMER EXPERIENCE

# DELIVERING SUPERIOR CUSTOMER EXPERIENCES

4.7

★★★★★  
Rating <sup>(1)</sup>

204,000+

Customer Reviews  
on Carvana.com <sup>(1)</sup>

85%

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

68

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 June 30, 2024

(2) Through June 30, 2024, based on respondents to the question

(3) Survey performed by Bazaarvoice through June 30, 2024

GROWING UNITS & REVENUE

# PROVEN EXPANSION STRATEGY

## Repeatable Market Entry Playbook

Active Team of  
Expansion Advocates

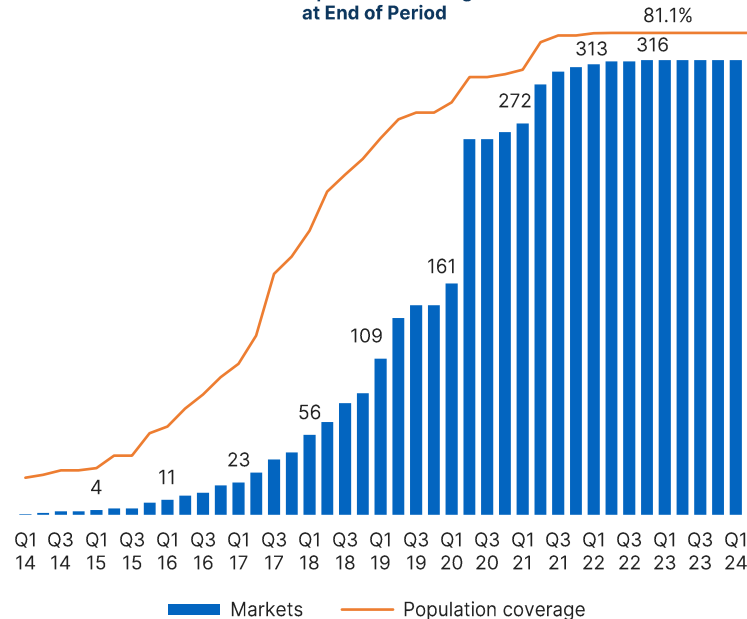
CapEx Light Market  
Launch

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

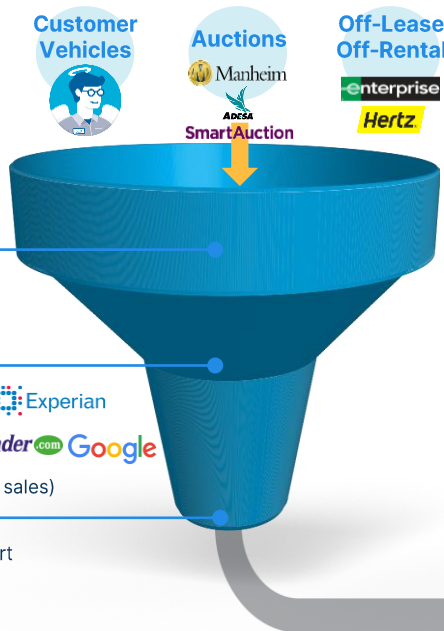
- Year, Mileage

### Apply Data

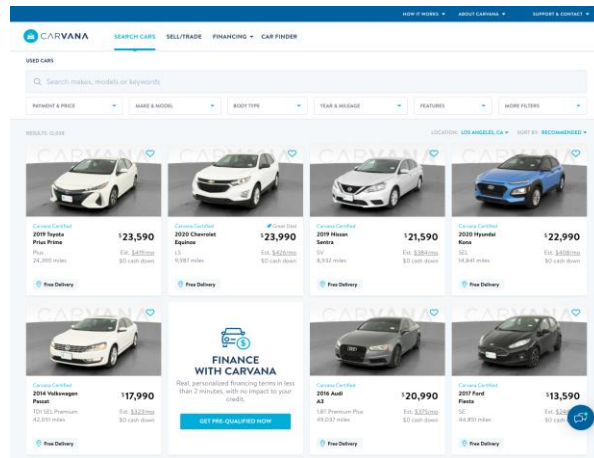
- Vehicle Reporting  
- Market Data   
- Carvana Data (clickstream, historical sales)

### Optimization

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



37,000+ 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: 37,000+ total website units as of June 30, 2024



## VERTICAL INTEGRATION & FULFILLMENT

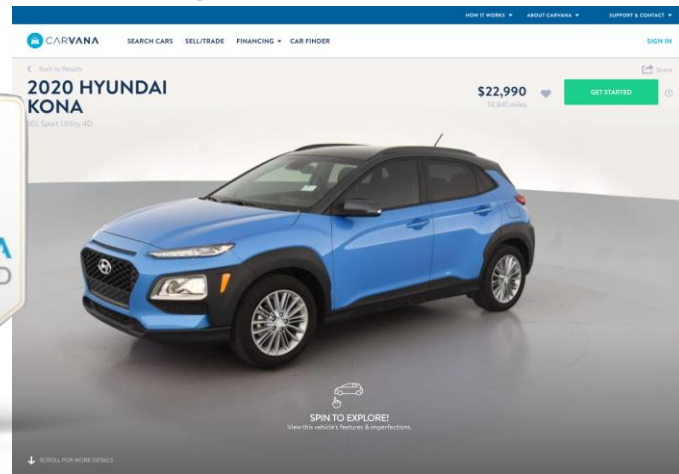
# IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDIZING

## Inspection and Reconditioning



- Ability to buy all car types and recondition them to a consistent car quality
- ~1.35m existing annual IRC capacity at full 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

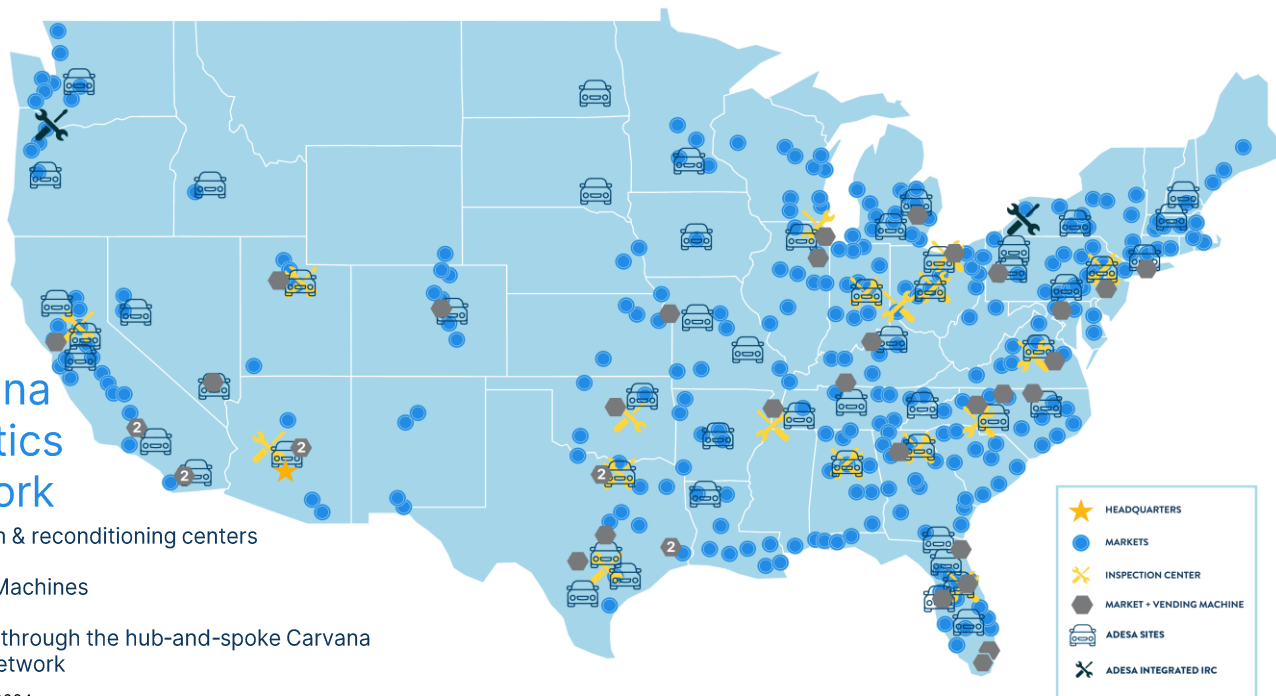
Enables vehicle cost arbitrage across geographies

Lower cost than using third-party shipping

## Carvana Logistics Network

- Inspection & reconditioning centers
- Hubs
- Vending Machines

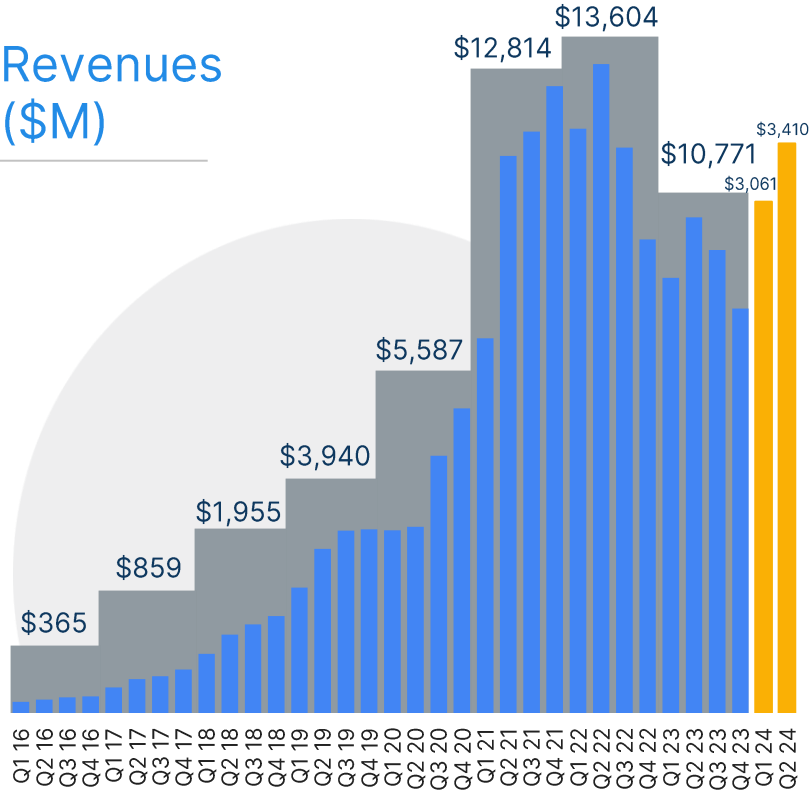
Connected through the hub-and-spoke Carvana Logistics Network



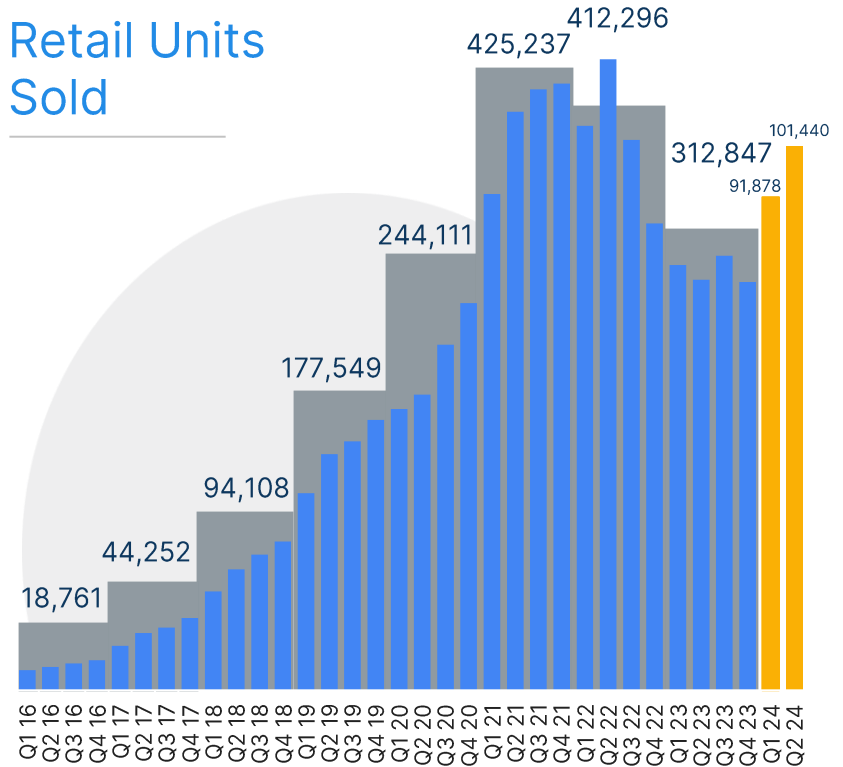
GROWING UNITS & REVENUE

# RAPID SECULAR GROWTH

Revenues  
(\$M)



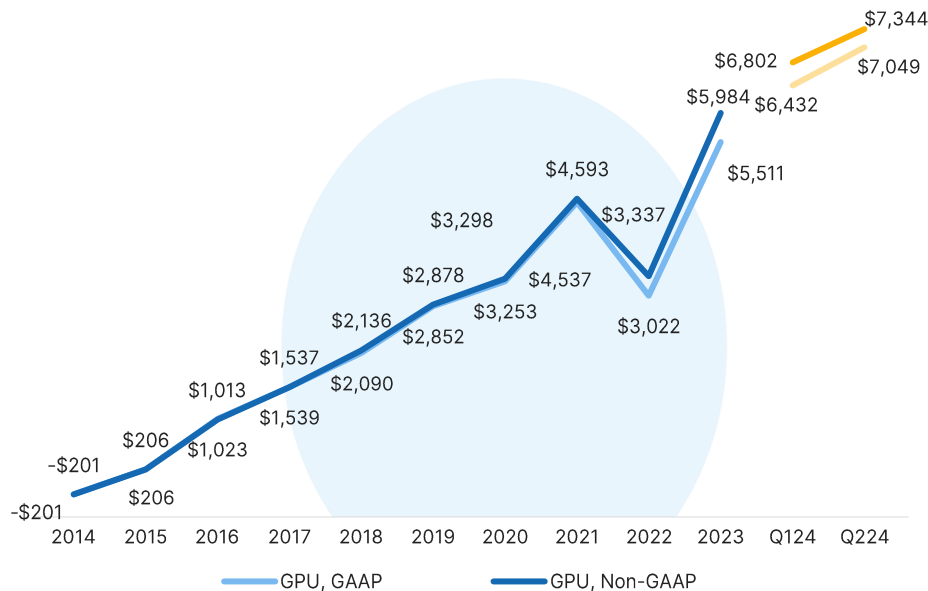
Retail Units  
Sold



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

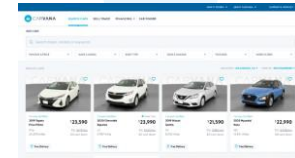


National Consumer  
Focused Brand



Leading Fulfillment  
Experience

Retail Marketplace











Physical  
Wholesale Auction



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</b> to <b>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	Q2 2024	Long Term Target
<b>YoY Revenue Growth</b>	<b>180%</b>	<b>135%</b>	<b>128%</b>	<b>101%</b>	<b>42%</b>	<b>129%</b>	<b>6%</b>	<b>-21%</b>	<b>15%</b>	-
<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>
<b>Advertising</b>	<b>7.4%</b>	<b>6.5%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>3.7%</b>	<b>3.6%</b>	<b>2.1%</b>	<b>1.6%</b>	<b>1.0 - 1.5%</b>
<b>SG&amp;A ex. Advertising and D&amp;A</b>	<b>21.1%</b>	<b>18.2%</b>	<b>14.9%</b>	<b>13.7%</b>	<b>13.7%</b>	<b>11.3%</b>	<b>15.0%</b>	<b>12.9%</b>	<b>10.5%</b>	<b>4.5 - 5.5%</b>
<b>D&amp;A</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.0%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.2%</b>	<b>0.5 - 1.0%</b>
<b>SG&amp;A Total as % of Revenue</b>	<b>29.8%</b>	<b>26.0%</b>	<b>21.7%</b>	<b>20.0%</b>	<b>20.2%</b>	<b>15.9%</b>	<b>20.1%</b>	<b>16.7%</b>	<b>13.3%</b>	<b>6 - 8%</b>
<b>Net Income (loss) margin</b>	<b>-25.5%</b>	<b>-19.1%</b>	<b>-13.0%</b>	<b>-9.3%</b>	<b>-8.3%</b>	<b>-2.2%</b>	<b>-21.3%</b>	<b>1.4%<sup>1</sup></b>	<b>1.4%</b>	-
<b>Adjusted EBITDA Margin<sup>2</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>10.4%</b>	-
<b>EBITDA Margin<sup>3</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. Adjusted EBITDA is defined as net income (loss) plus income tax provision, interest expense, other operating (income) expense, net, other (income) expense, 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 costs, 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 Q2 2024 supplemental financial tables posted on our investor relations website.
3. EBITDA Margin is calculated as net income (loss) plus income tax provision, interest expense, and depreciation and amortization expense, divided by revenues.

COMPETITIVE ADVANTAGES

# SIGNIFICANT GROWTH OPPORTUNITIES



## 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

**85%**

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

**81.1%**

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%**

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

**1.9M**

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



# APPENDIX

# NON-GAAP MEASURES

To supplement the consolidated financial measures, which are prepared and presented in accordance with GAAP, we also refer to the following non-GAAP measures in this presentation: Adjusted EBITDA, Adjusted EBITDA margin and Total gross profit per retail unit, Non-GAAP.

Adjusted EBITDA is defined as net income (loss) plus income tax provision, interest expense, other operating (income) expense, net, other (income) expense, net, depreciation and amortization expense, goodwill impairment, share-based compensation expense, 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 is defined as GAAP gross profit 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 is Gross profit, non-GAAP divided by 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.

None of these Non-GAAP metrics 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.

(dollars in millions, except per unit amounts)	For the Years Ended December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net income (loss)	\$ (15)	\$ (37)	\$ (93)	\$ (164)	\$ (255)	\$ (365)	\$ (462)	\$ (287)	\$ (2,894)	\$ 150
Income tax provision	—	—	—	—	—	—	—	1	1	25
Interest expense	—	1	4	8	25	81	131	176	486	632
Other operating expense, net	—	—	—	1	1	3	10	9	14	8
Other (income) expense, net	—	—	—	—	—	1	(11)	(3)	56	(9)
Depreciation and amortization expense in cost of sales	—	—	—	—	—	—	10	24	114	169
Depreciation and amortization expense in SG&A expenses	2	3	4	11	24	41	74	105	200	183
Share-based compensation expense in cost of sales	—	—	—	—	4	5	1	—	16	—
Share-based compensation expense in SG&A expenses	—	1	1	6	21	30	25	39	69	73
Goodwill impairment	—	—	—	—	—	—	—	—	847	—
Root warrant revenue	—	—	—	—	—	—	—	—	(7)	(21)
Gain on debt extinguishment	—	—	—	—	—	—	—	—	—	(878)
Restructuring expense <sup>(1)</sup>	—	—	—	—	—	—	—	—	57	7
Adjusted EBITDA	\$ (13)	\$ (32)	\$ (84)	\$ (138)	\$ (180)	\$ (204)	\$ (222)	\$ 64	\$ (1,041)	\$ 339
Total revenues	\$ 42	\$ 130	\$ 365	\$ 859	\$ 1,955	\$ 3,940	\$ 5,587	\$ 12,814	\$ 13,604	\$ 10,771
Net income (loss) margin	(36.6)%	(28.2)%	(25.5)%	(19.1)%	(13.0)%	(9.3)%	(8.3)%	(2.2)%	(21.3)%	1.4 %
Adjusted EBITDA margin	(31.0)%	(24.6)%	(23.0)%	(16.1)%	(9.2)%	(5.2)%	(4.0)%	0.5 %	(7.7)%	3.1 %
Gross profit	\$ —	\$ 1	\$ 19	\$ 68	\$ 197	\$ 506	\$ 794	\$ 1,929	\$ 1,246	\$ 1,724
Depreciation and amortization expense in cost of sales	—	—	—	—	—	—	10	24	114	169
Share-based compensation expense in cost of sales	—	—	—	—	4	5	1	—	16	—
Root warrant revenue	—	—	—	—	—	—	—	—	(7)	(21)
Restructuring expense in cost of sales <sup>(1)</sup>	—	—	—	—	—	—	—	—	7	—
Gross profit, non-GAAP	\$ —	\$ 1	\$ 19	\$ 68	\$ 201	\$ 511	\$ 805	\$ 1,953	\$ 1,376	\$ 1,872
Retail vehicle unit sales	2,105	6,523	18,761	44,252	94,108	177,549	244,111	425,237	412,296	312,847
Total gross profit per retail unit	\$ (201)	\$ 206	\$ 1,023	\$ 1,539	\$ 2,090	\$ 2,852	\$ 3,253	\$ 4,537	\$ 3,022	\$ 5,511
Total gross profit per retail unit, non-GAAP	\$ (201)	\$ 206	\$ 1,013	\$ 1,537	\$ 2,136	\$ 2,878	\$ 3,298	\$ 4,593	\$ 3,337	\$ 5,984
SG&A expenses	\$ 15	\$ 37	\$ 109	\$ 223	\$ 425	\$ 787	\$ 1,126	\$ 2,033	\$ 2,736	\$ 1,796
Depreciation and amortization expense in SG&A	2	3	4	11	24	41	74	105	200	183
Share-based compensation expense in SG&A	—	1	1	6	21	30	25	39	69	73
Restructuring expense in SG&A expenses <sup>(1)</sup>	—	—	—	—	—	—	—	—	50	7
SG&A expenses, non-GAAP	\$ 13	\$ 33	\$ 104	\$ 206	\$ 380	\$ 716	\$ 1,027	\$ 1,889	\$ 2,417	\$ 1,533
Retail vehicle unit sales	2,105	6,523	18,761	44,252	94,108	177,549	244,111	425,237	412,296	312,847
Total SG&A expenses per retail unit	\$ 6,976	\$ 5,623	\$ 5,810	\$ 5,039	\$ 4,516	\$ 4,433	\$ 4,613	\$ 4,781	\$ 6,636	\$ 5,741
Total SG&A expenses per retail unit, non-GAAP	\$ 6,166	\$ 5,119	\$ 5,543	\$ 4,655	\$ 4,038	\$ 4,033	\$ 4,207	\$ 4,442	\$ 5,862	\$ 4,900

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

(dollars in millions)	For the Three Months Ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Net income (loss)	\$ (105)	\$ 741	\$ (200)	\$ 49	\$ 48
Income tax provision (benefit)	—	29	(2)	(1)	1
Interest expense	155	153	165	173	173
Other expense (income), net	(8)	3	(1)	(87)	35
Loss (gain) on debt extinguishment	—	(878)	—	—	2
Operating income (loss)	\$ 42	\$ 48	\$ (38)	\$ 134	\$ 259
Other operating expense, net	5	1	1	1	1
Depreciation and amortization expense in cost of sales	44	42	39	39	35
Depreciation and amortization expense in SG&A expenses	46	45	43	43	41
Share-based compensation expense in SG&A expenses	20	18	20	23	24
Root warrant revenue	(5)	(6)	(5)	(5)	(5)
Restructuring expense	3	—	—	—	—
Adjusted EBITDA	\$ 155	\$ 148	\$ 60	\$ 235	\$ 355
Total revenues	\$ 2,968	\$ 2,773	\$ 2,424	\$ 3,061	\$ 3,410
Net income (loss) margin	(3.5)%	26.7 %	(8.3)%	1.6 %	1.4 %
Adjusted EBITDA margin	5.2 %	5.3 %	2.5 %	7.7 %	10.4 %

(dollars in millions, except per unit amounts)	For the Three Months Ended				
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
Gross profit	\$ 499	\$ 482	\$ 402	\$ 591	\$ 715
Depreciation and amortization expense in cost of sales	44	42	39	39	35
Root warrant revenue	(5)	(6)	(5)	(5)	(5)
Gross profit, non-GAAP	<u>\$ 538</u>	<u>\$ 518</u>	<u>\$ 436</u>	<u>\$ 625</u>	<u>\$ 745</u>
Retail vehicle unit sales	76,530	80,987	76,090	91,878	101,440
Total gross profit per retail unit	<u>\$ 6,520</u>	<u>\$ 5,952</u>	<u>\$ 5,283</u>	<u>\$ 6,432</u>	<u>\$ 7,049</u>
Total gross profit per retail unit, non-GAAP	<u>\$ 7,030</u>	<u>\$ 6,396</u>	<u>\$ 5,730</u>	<u>\$ 6,802</u>	<u>\$ 7,344</u>
SG&A expenses	\$ 452	\$ 433	\$ 439	\$ 456	\$ 455
Depreciation and amortization expense in SG&A expenses	46	45	43	43	41
Share-based compensation expense in SG&A expenses	20	18	20	23	24
Restructuring expense in SG&A expenses	3	—	—	—	—
SG&A expenses, non-GAAP	<u>\$ 383</u>	<u>\$ 370</u>	<u>\$ 376</u>	<u>\$ 390</u>	<u>\$ 390</u>
Retail vehicle unit sales	76,530	80,987	76,090	91,878	101,440
Total SG&A expenses per retail unit	<u>\$ 5,906</u>	<u>\$ 5,347</u>	<u>\$ 5,769</u>	<u>\$ 4,963</u>	<u>\$ 4,485</u>
Total SG&A expenses per retail unit, non-GAAP	<u>\$ 5,005</u>	<u>\$ 4,569</u>	<u>\$ 4,942</u>	<u>\$ 4,245</u>	<u>\$ 3,845</u>