CARVANA

INTRODUCTION TO CARVANA



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 2025 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

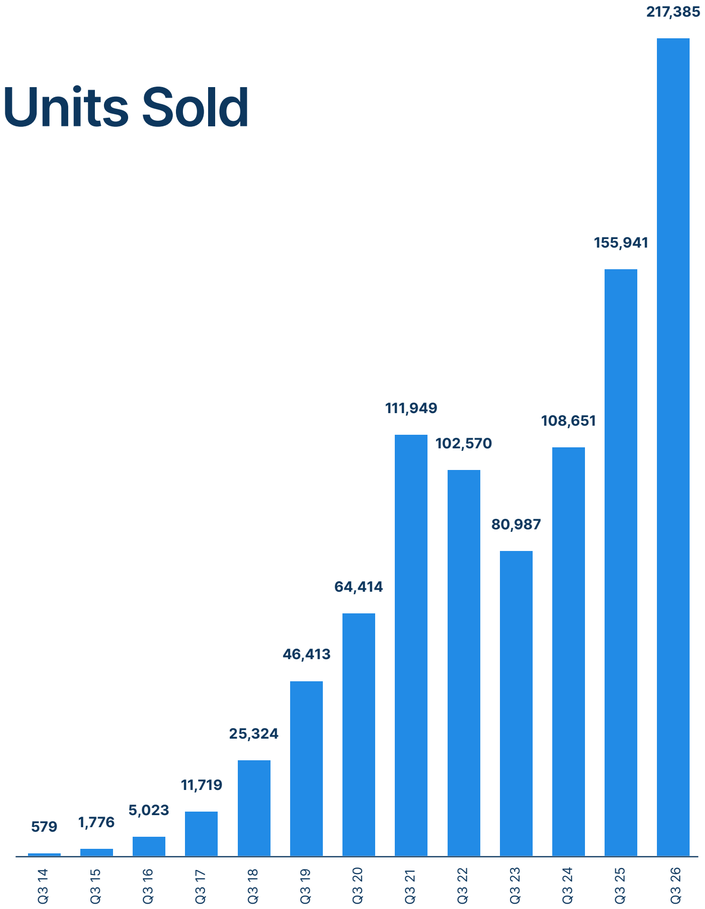
This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as Carvana's own estimates 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 AND SELL CARS

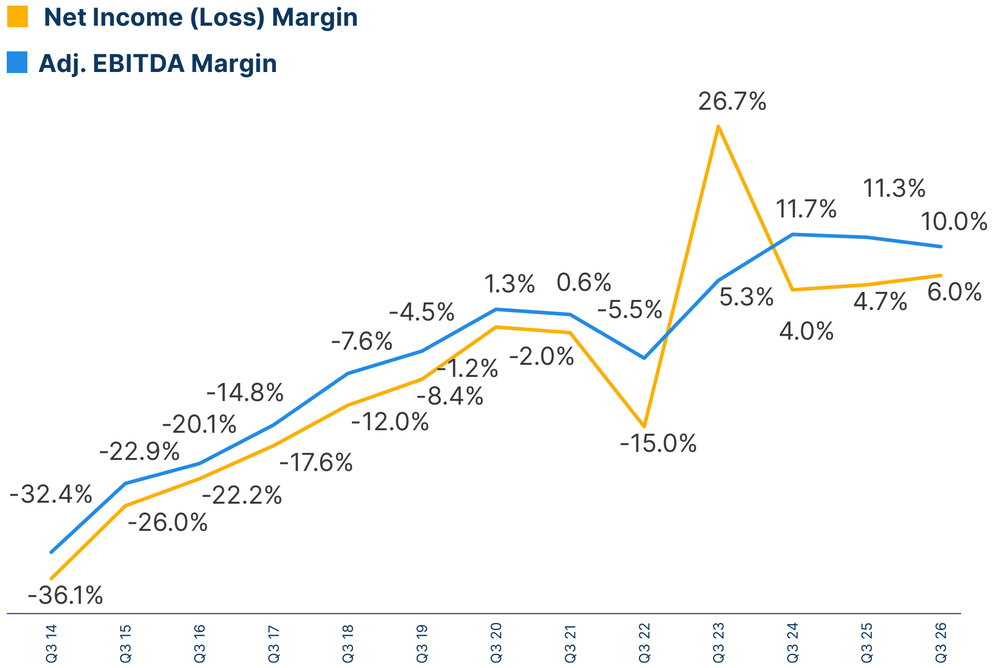


SUCCESSFUL EXECUTION

Retail Units Sold



Net Income (Loss) and Adjusted EBITDA Margin



Q3 2026 was negatively impacted by $53 million from Loss on debt extinguishment associated with the early redemption of our Senior Secured Notes due 2030

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



Scalable, Nationwide Infrastructure

Built-out infrastructure to sell over 1 million retail units annually with real estate to unlock an incremental 2 million retail units



Vertical Integration & Fulfillment

Purpose-built vertically integrated platform



Robust Financial Model

Robust financial model supports growth and margin



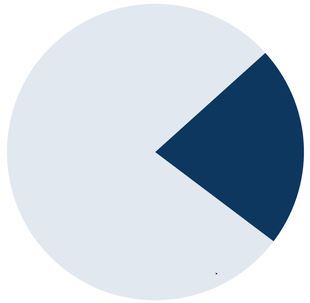
Key Investment Highlight #1

MASSIVE, STABLE, FRAGMENTED MARKET

Massive, Stable, Fragmented Market

INDUSTRY OVERVIEW

Auto is...



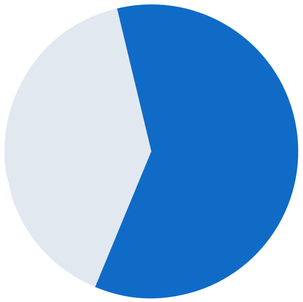
$1.2 Tn

in 2022 U.S. Sales [1]

22%

of U.S. Retail Economy in 2022 [1]

Massive



$840 Bn

in 2019 U.S. Used Car Sales [2]

2.0%

2017 - 2022 CAGR [3]

Fragmented



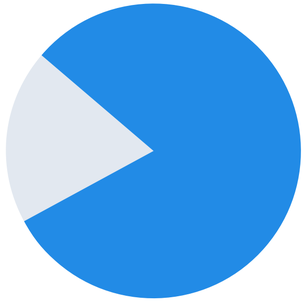
2.3%

U.S. Market Share of
Largest Dealer Brand [4]

11.1 %

Aggregate Market Share of Top 100
Used Auto Retailers [4]

& Ripe for Disruption



81%

Consumers Do Not Enjoy the
Car Buying Process [5]

9%

Consumers Rated Car Salespeople
Highly Trustworthy [6]

(1) NADA Data 2023 report
(2) Edmunds.com 2019 Used Vehicle Market report
(3) Technavio 2017 U.S. Used Car Market report
(4) 2021 Automotive News Top 100 Dealership Groups
(5) DealerSocket 2016 Independent Dealership Action report - Represents North American consumers
(6) Borrell Associates

Massive, Stable, Fragmented Market

DIGITAL ECONOMY IS TRANSFORMING CAR BUYING

86% of customer purchases involve online research [1]

61% would consider purchasing a car online [2]

52% test drive only one vehicle [3]

(1) 2018 Auto Shopping in America Survey
(2) CarGurus 2020 Sentiment Survey
(3) Auto Trader 2016 Car Buyer Journey report



Key Investment Highlight #2

SUPERIOR CUSTOMER EXPERIENCE





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
- **7 Day** Money Back Guarantee
- **As soon as Same Day** car deliveries in select markets

Best Selection

87,000+ cars on Carvana.com

Best Value

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

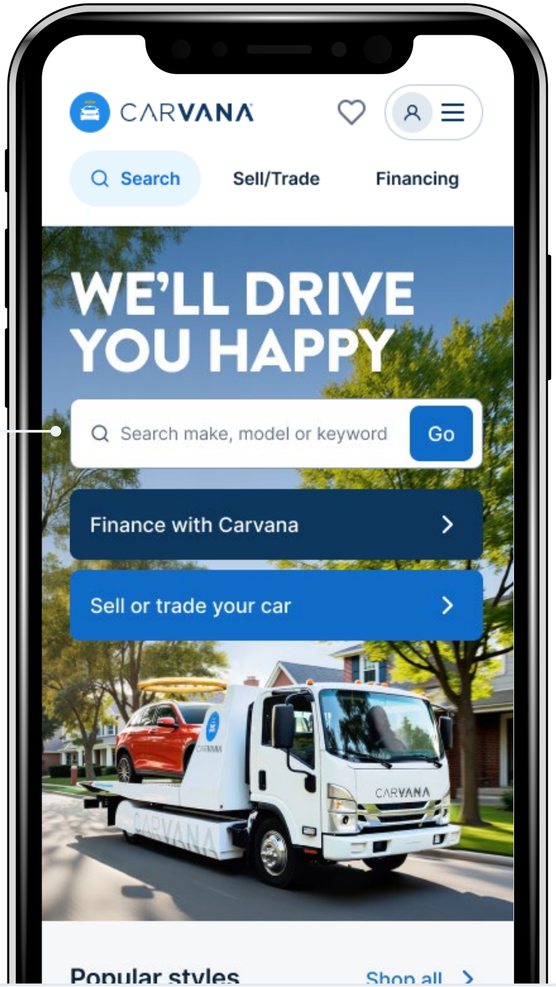
Note: 87,000+ total website units as of September 30, 2026

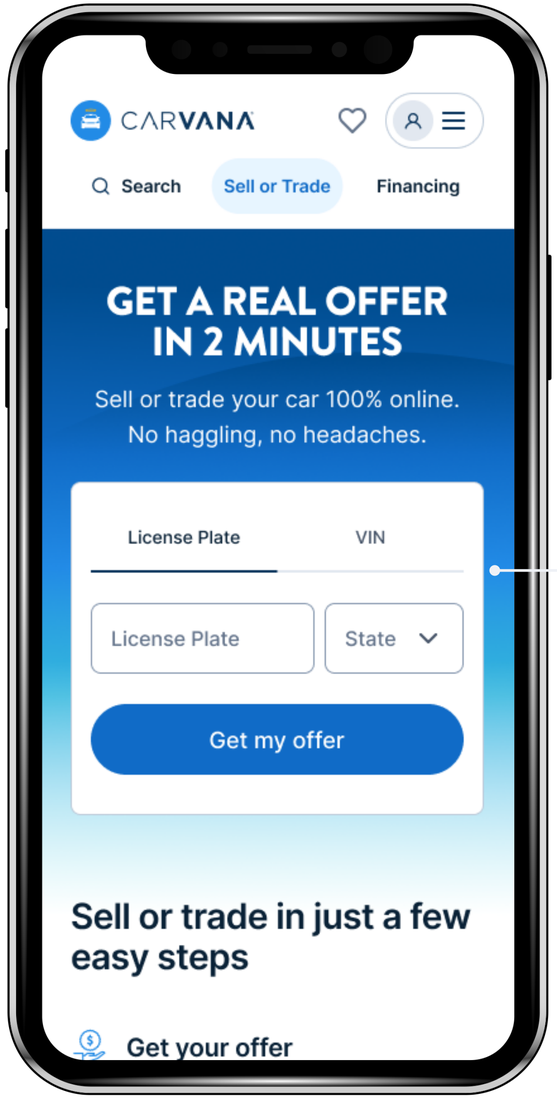
Superior Customer Experience

A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

Vehicle Search & Discovery From Any Device

Intuitive vehicle search with 87,000+ vehicles on Carvana.com





Trade or Sell - All Online

Nearly instantaneous, fully automated contingent trade-in offers

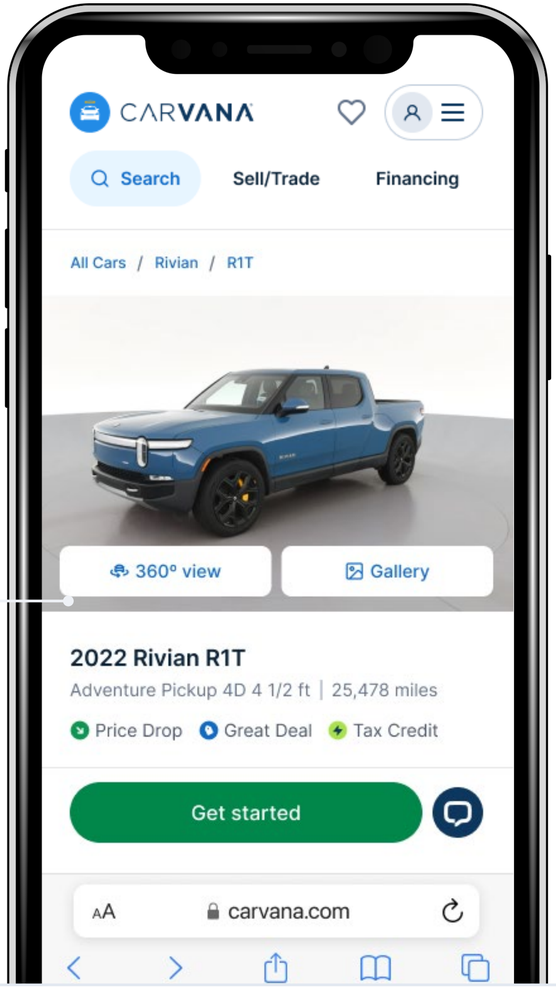
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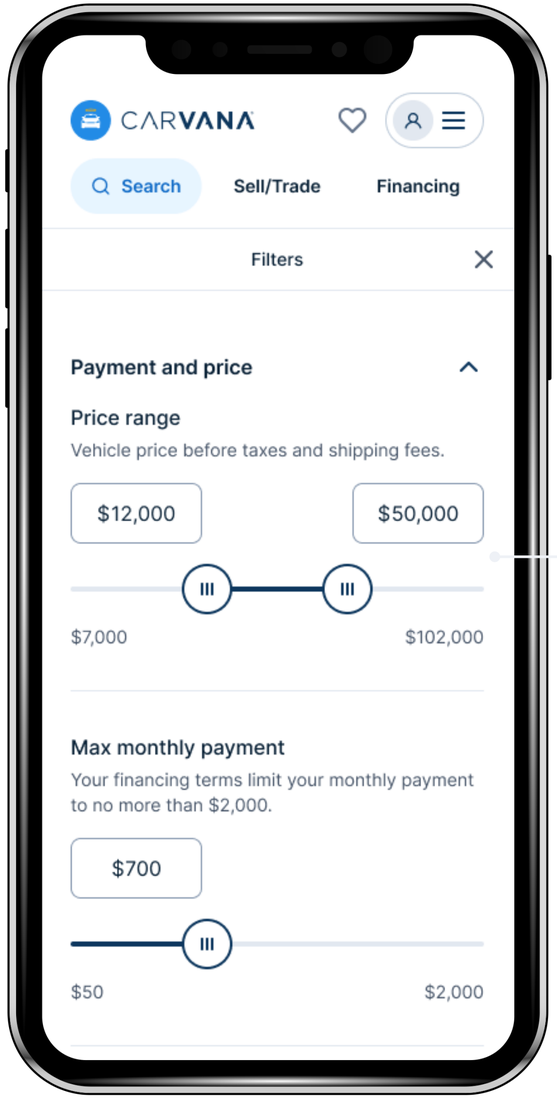
Superior Customer Experience

A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

Seamless Transaction Technology

Buy a car without leaving your device





Real-Time, Personalized Financing

Majority of customers have chosen to finance with Carvana

Note: 87,000+ total website units as of September 30, 2026

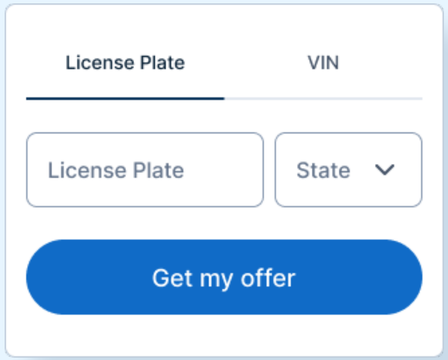
Superior Customer Experience

A BETTER WAY TO SELL A CAR

Simple

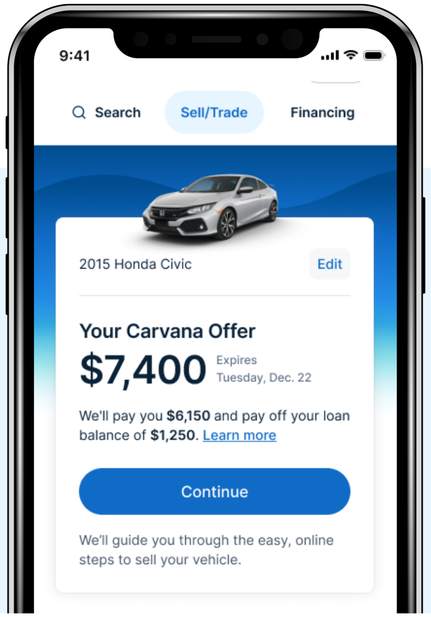
Three step process:

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.

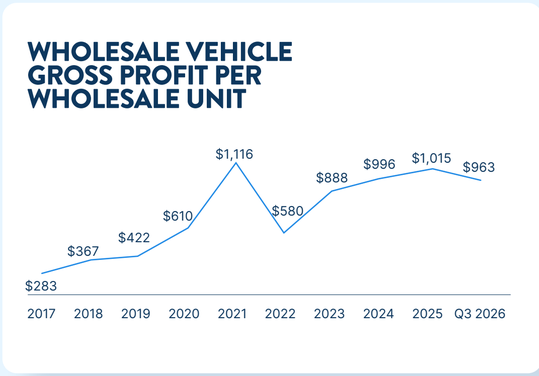
We'll review and hand you a check on the spot.



Data-Driven

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

$963 Wholesale Vehicle GPU [1]



(1) As of Q2 2026

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



Carvana Car Vending Machines

- Operation efficiencies combined with strong branding
- 39 car vending machines currently operational [(1)]
- Creates a unique experience for customers to share via social media

(1) As of September 30, 2026

Superior Customer Experience

DELIVERING SUPERIOR CUSTOMER EXPERIENCES

4.6
★★★★★
Average customer rating

290,000+[1]
Customer reviews on carvana.com

84%
would recommend to a friend

What our customers are saying:

> **No one has ever made me feel so right about a decision, comfortable and thrilled to be getting my new car.** Made a point to get their names because they were so outstanding. Love my new car and he made it that much more fulfilling and gratifying. Thank you again everyone!
>
> ★★★★★ Via carvana.com | June 2026

> This is one of the few companies I've done business with that are true to their word. They picked up the previous vehicle and delivered the new choice seamlessly. No issues whatsoever — **kudos to a company that stands behind their process.** You're appreciated!
>
> ★★★★★ Via carvana.com | June 2026

(1) As of September 30, 2026

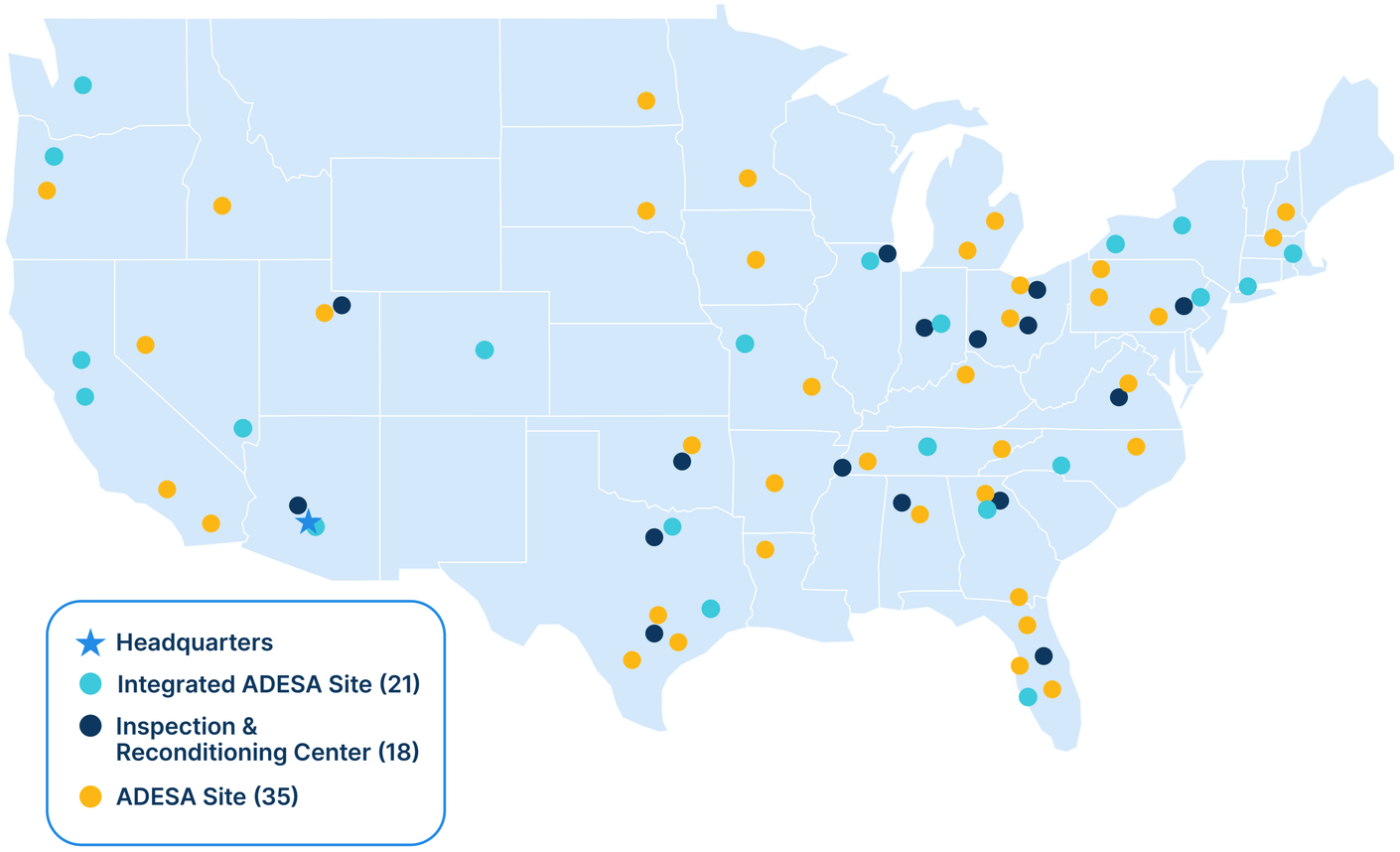
Key Investment Highlight #3

SCALABLE, NATIONWIDE INFRASTRUCTURE



CARVANA | ADESA

SCALABLE, NATIONWIDE INFRASTRUCTURE



- Acquired ADESA U.S. in Q2 2022, adding 56 locations nationwide.
- Expanding Carvana reconditioning at ADESA sites enables 2 million more annual retail units, adding to over 1 million units annually from 18 IRCs. (1)
- Integrated Carvana reconditioning into 21 ADESA sites over the last two years, **bringing total inventory pools at the end of Q3 2026 to 39 (up ~20% year-over-year).**
- Enhanced reconditioning at ADESA sites will further increase production, inventory, and support growth toward 3 million retail units sold.

(1) As of September 30, 2026

Key Investment Highlight #4

VERTICAL INTEGRATION & FULFILLMENT



Vertical Integration & Fulfillment

SUPPORTED BY PROPRIETARY VEHICLE ACQUISITION ALGORITHM

Vehicle Inventory Acquisition

Customer Vehicles | **Auctions** ADESA | **Off-Lease Off-Rental**

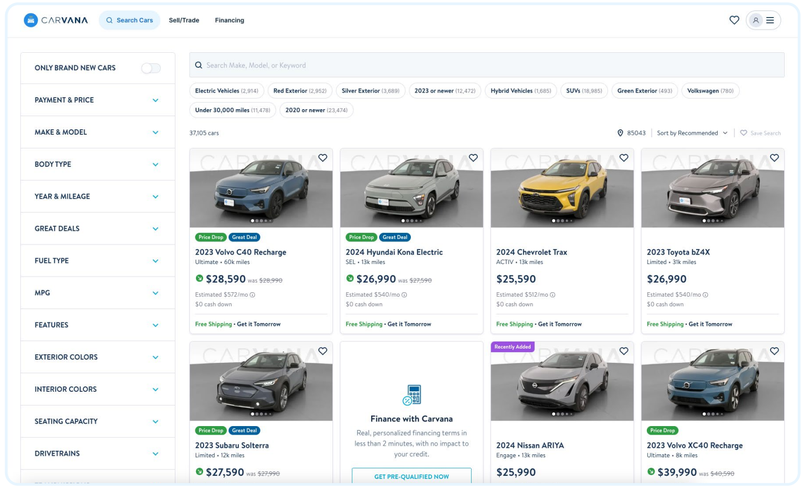
Auctions & Other sources
- Manheim, ADESA, Smart Auction ADESA
- Enterprise, Hertz enterprise Hertz
- Customers

Quality Screening
- Year, Mileage
- CR Grade

Apply Data
- Vehicle Reporting CARFAX experian
- Market Data Kelley Blue Book THE TRUSTED RESOURCE Google Autotrader
- Carvana Data (clickstream, historical sales)

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

97,000+ cars on Carvana.com in all markets
vs. 11-200 at typical dealers (1)



(1) 2019 NIADA Used Car Industry report based on 2018 data
Note: 87,000+ total website units as of September 30, 2026

Vertical Integration & Fulfillment

IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDISING



Inspection and Reconditioning

- Ability to buy all car types and recondition them to a consistent car quality
- Annual capacity of ~1.5M units at full IRC utilization [1]
- Robust processes and internal expertise to set up future IRCs as needed

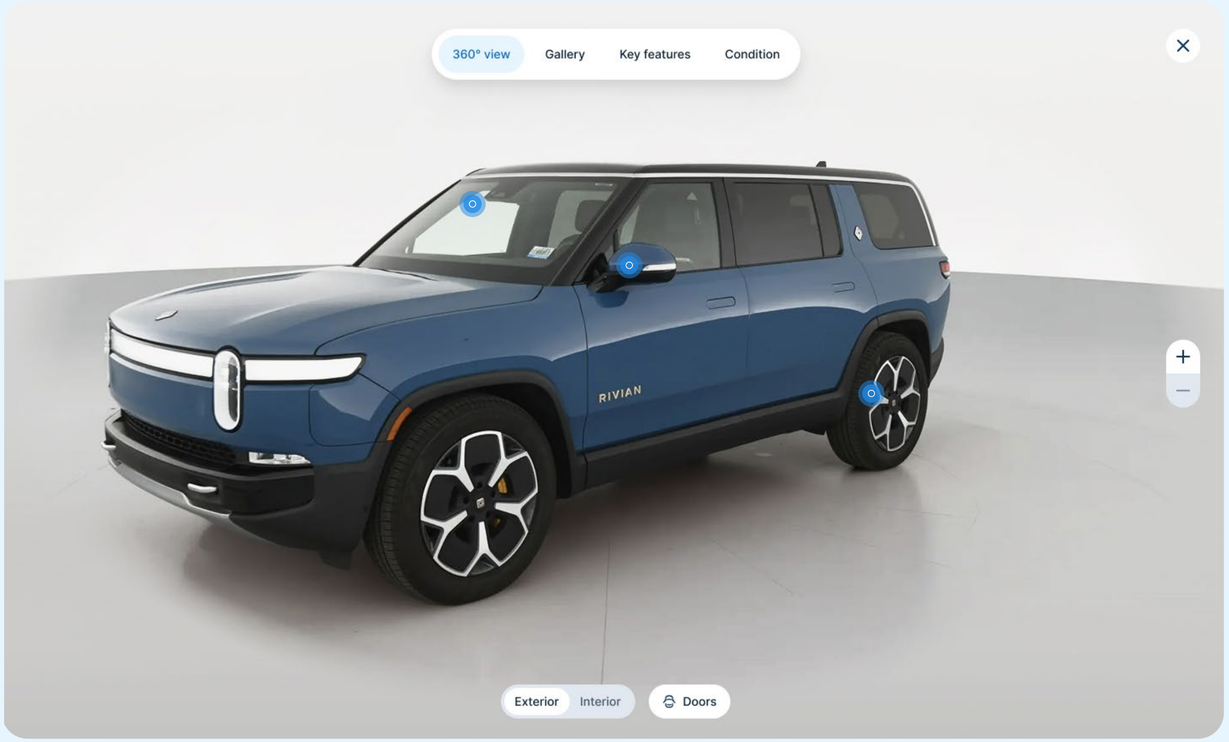
Carvana Certified

All our Carvana Certified vehicles undergo a 150-point inspection, and have no reported accidents, fire, frame, or flood damage according to CARFAX™ and AutoCheck®.

(1) Based on 18 IRCs in operation and integrated ADESA sites as of September 30, 2026

Vertical Integration & Fulfillment

IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDISING



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

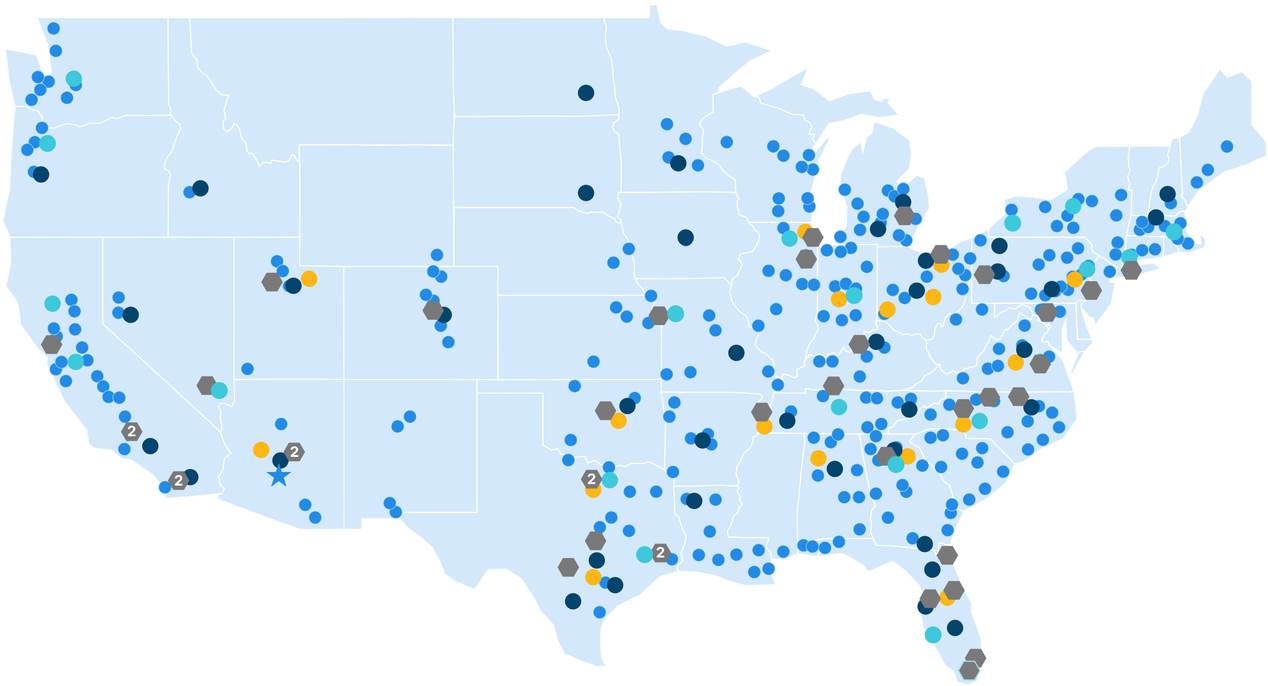
Vertical Integration & Fulfillment

BACKED BY IN-HOUSE LOGISTICS NETWORK

Carvana Markets, Car Vending Machines, IRCs, and ADESA Sites

Connected through the hub-and spoke Carvana Logistics Network.

- Headquarters
- Integrated ADESA Sites
- Inspection Center
- ADESA Site
- Markets
- Car Vending Machines



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

Note: As of EOM 2Q (September 30, 2026)

Key Investment Highlight #5

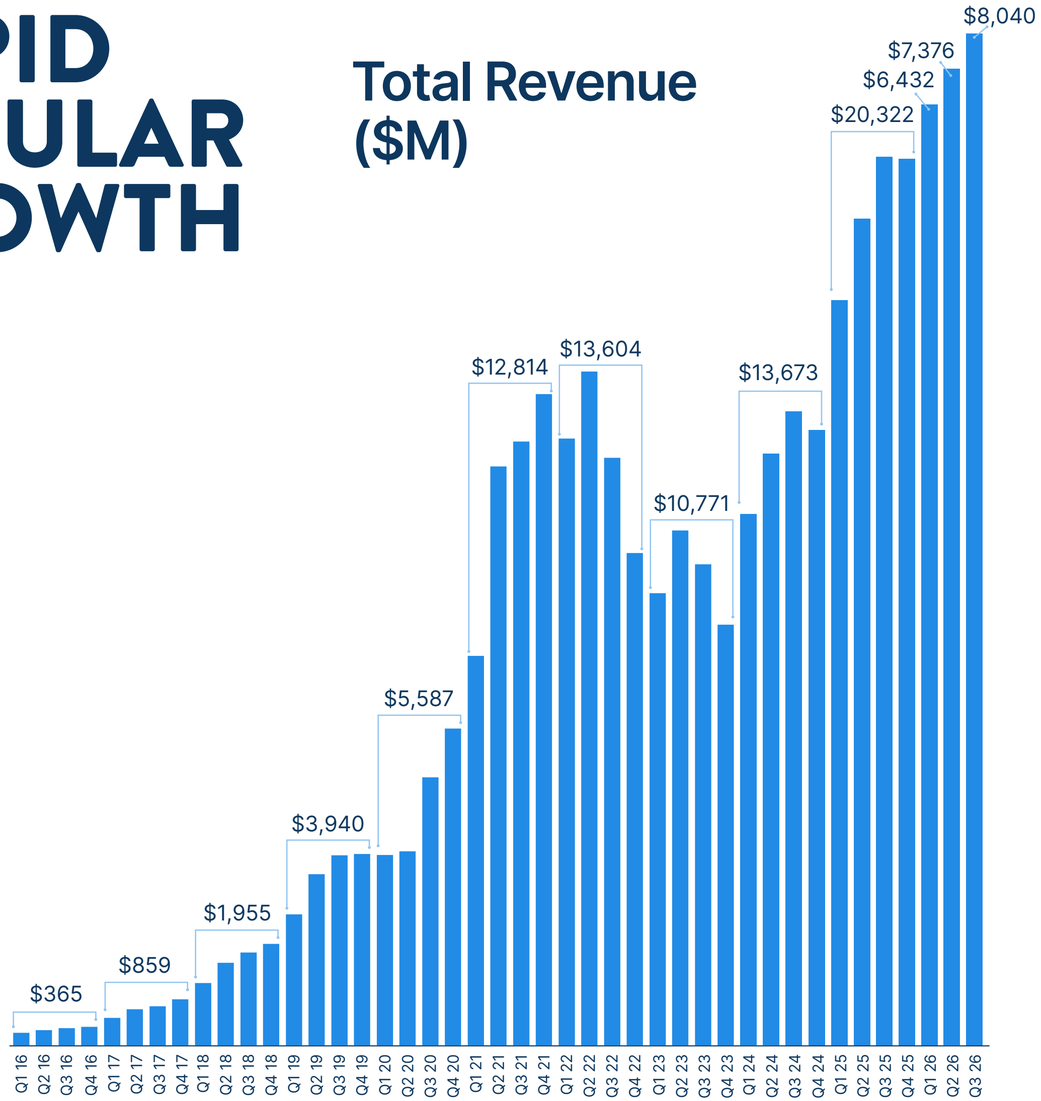
ROBUST FINANCIAL MODEL



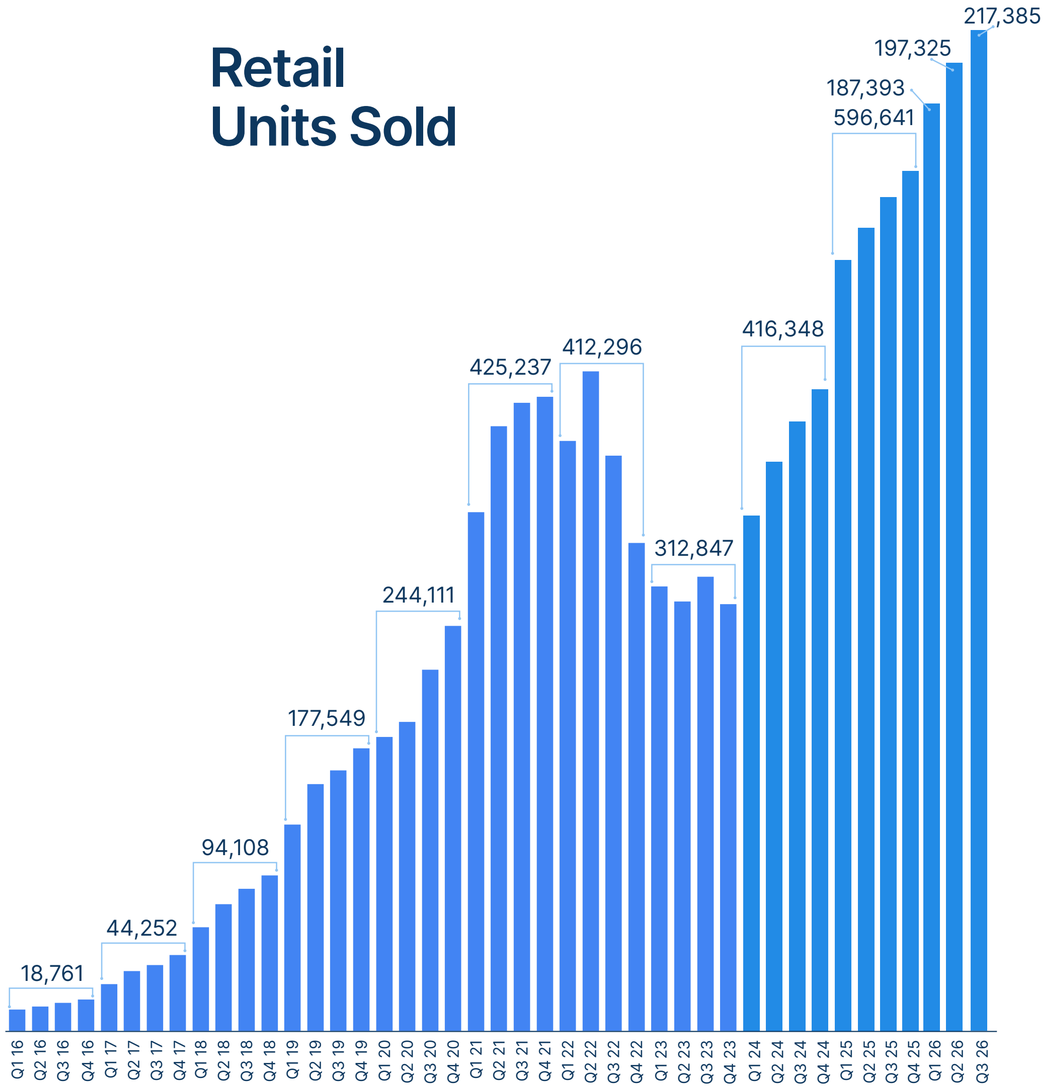
Growing Units & Revenue

RAPID SECULAR GROWTH

Total Revenue ($M)



Retail Units Sold



Competitive Advantages

INTEGRATION CREATES COMPETITIVE ADVANTAGES

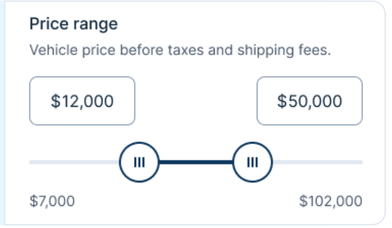
Large-scale Reconditioning



First-party Nationwide Logistics Network



Proprietary Financing Platform



National Consumer Focused Brand

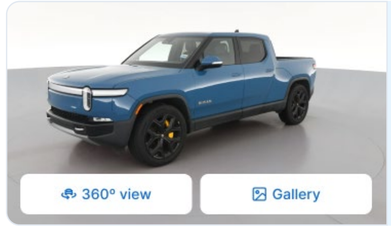




Physical Wholesale Auction

ADESA CLEAR

ADESA Clear unlocks seamless digital auction offering for wholesale auto buyers across the country.



Fully Transactable E-Commerce Experience



Leading Fulfillment Experience

Competitive Advantages

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

	Carvana E-Commerce Model		Traditional Brick and Mortar Model
Vehicle Acquisition	• **National** vehicle acquisition strategy • Selection optimized for single **large scale** inventory • **Seamless** online transaction with home pickup option for consumer-sourced vehicles	**vs.**	• **Local** vehicle acquisition strategy • Selection optimized for many individual small scale dealership lots • **In-person** negotiation for customer-sourced vehicles
Reconditioning	• **Large scale** inspection and reconditioning centers with manufacturing processes backed by proprietary software • **In-sourcing** of most key reconditioning functions	**vs.**	• **Small scale** reconditioning shops, limiting fixed cost leverage, labor efficiency, or volume discount opportunities • Some functions **outsourced** to third-party providers
Fulfillment	• **National first-party** fulfillment network optimized by proprietary self-developed technology • **Purpose-built** home delivery service in more than 300 markets	**vs.**	• **Outsourced** to **regional** trucking companies of variable efficiency, quality, and timeliness
Customer Acquisition	• **National** advertising • **Large scale** brand building drives long term gains in awareness • **Low friction** to visit Carvana.com website from desktop or mobile	**vs.**	• **Local** advertising • **Small scale** leads to reliance on third-party listings sites to generate leads • **Higher friction** to visit a physical lot
Financing	• **In-house** lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers • Competitive cost of funds due to **large scale** platform with multiple monetization strategies	**vs.**	• Financing **outsourced** to third parties, leading to higher costs and outsourced profit margin • Third-party lenders face higher costs, imperfect information about the customer and vehicle, and risk of adverse selection
Cost Structure	• Higher upfront technology and infrastructure investment, but lower costs **at scale**	**vs.**	• **Small scale**, site level hierarchy including high cost F&I and sales labor • **Outsourced** technology turns fixed costs into variable costs

Competitive Advantages

LEADING TO A MORE CUSTOMER-CENTRIC OFFERING

	Carvana E-Commerce Model		Customer Offering Benefits
Vehicle Acquisition	• **National** vehicle acquisition strategy • Selection optimized for single **large scale** inventory • **Seamless** online transaction with home pickup option for consumer-sourced vehicles	→	• Best possible **selection** due to centralized, large, and diverse inventory pools connected through first-party logistics network • Access to a national market allows Carvana to adjust pricing based on broader market trends rather than local supply and demand fluctuations
Reconditioning	• **Large scale** inspection and reconditioning centers with manufacturing processes backed by proprietary software • **In-sourcing** of most key reconditioning functions	→	• Universal standards result in consistently high **quality** vehicles • 150-point inspection provides **transparency** and peace of mind • Stand behind **quality** with 7-day return policy
Fulfillment	• **National first-party** fulfillment network optimized by proprietary self-developed technology • **Purpose-built** home delivery service in more than 300 markets	→	• **Convenient**, fast and reliable home delivery • Expands available **selection** through ability to move cars quickly and cost effectively nationwide
Customer Acquisition	• **National** advertising • **Large scale** brand building drives long term gains in awareness • **Low friction** to visit Carvana.com website from desktop or mobile	→	• A **self-guided**, intuitive and easy-to-navigate website design ensures that users can effortlessly browse, buy, or sell vehicles from any device • Uniform experience in all geographic locations
Financing	• **In-house** lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers • Competitive cost of funds due to **large scale** platform with multiple monetization strategies	→	• **Self-guided, convenient** process gives customers ability to shop based on budget, down payment, and monthly payment • Nearly instantaneous financing terms on every vehicle in inventory increases **transparency** and control
Cost Structure	• Higher upfront technology and infrastructure investment, but lower costs **at scale**	→	• **Savings** can be passed on to the customer through lower prices • Technology investment creates new tools to enhance customer experience

Competitive Advantages

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

	Carvana E-Commerce Model		Unit Economics Benefits
Vehicle Acquisition	• **National** vehicle acquisition strategy • Selection optimized for single large scale inventory • **Seamless** online transaction with home pickup option for consumer-sourced vehicles	→	• **Inventory model** benefits from regional price discrepancies and broad demand for long-tail of used vehicles • Customer-sourcing allows better margin on retail cars acquired from consumers vs. other channels and enables wholesale gross profit
Reconditioning	• **Large scale** inspection and reconditioning centers with manufacturing processes backed by proprietary software • **In-sourcing** of most key reconditioning functions	→	• **Scale** allows higher capacity utilization, discounts in parts procurement, and lower per unit overhead costs • **Vertical integration** lowers costs, internalizes third-party profit margins, reduces reconditioning timelines
Fulfillment	• **National first-party** fulfillment network optimized by proprietary self-developed technology • **Purpose-built** home delivery service in more than 300 markets	→	• **National** logistics network makes inventory available to customers nationwide and enables additional revenue streams • **Vertical integration** lowers costs, internalizes third-party profit margins, and reduces transport timelines
Customer Acquisition	• **National** advertising • **Large scale** brand building drives long term gains in awareness • **Low friction** to visit Carvana.com website from desktop or mobile	→	• **Scaled** national advertising leads to lower costs than local advertising • Model benefits from secular trend towards e-commerce over time
Financing	• **In-house** lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers • Competitive cost of funds due to **large scale** platform with multiple monetization strategies	→	• **Vertical integration** 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 • **Scale** improves funding efficiency
Cost Structure	• Higher upfront technology and infrastructure investment, but lower costs **at scale**	→	• Customer self service and AI eliminates high cost functions and manual tasks • **Centralization** of support functions allows for higher capacity utilization

Competitive Advantages

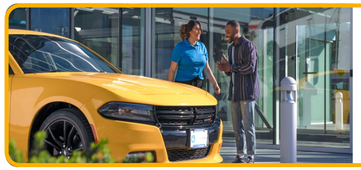
ALL BACKED BY PROPRIETARY CUSTOM-BUILT TECHNOLOGY

	Carvana E-Commerce Model		Proprietary Technology Systems
Vehicle Acquisition	• **National** vehicle acquisition strategy • Selection optimized for single large scale inventory • **Seamless** online transaction with home pickup option for consumer-sourced vehicles	→	• **AI** purchasing algorithm informed by realized and expressed consumer demand providing near **instantaneous** offers • Customers can appraise, schedule pick-up, and sell car in minutes on their mobile device
Reconditioning	• **Large scale** inspection and reconditioning centers with manufacturing processes backed by proprietary software • **In-sourcing** of most key reconditioning functions	→	• CARLI system **automates** integration of systemized standards for process flow, reconditioning standards, and parts procurement • Patented imaging technology provides interactive interior and exterior virtual tour of vehicle
Fulfillment	• **National first-party** fulfillment network optimized by proprietary self-developed technology • **Purpose-built** home delivery service in more than 300 markets	→	• Centralized scheduler **optimizes** network, hauler and labor utilization • Systems that standardize vehicle receiving, storing, staging and loading at all network locations
Customer Acquisition	• **National** advertising • **Large scale** brand building drives long term gains in awareness • **Low friction** to visit Carvana.com website from desktop or mobile	→	• Robust testing of marketing spend over the last 10+ years • Products that nurture customers over time • **AI** to reduce transaction friction
Financing	• **In-house** lending platform provides automated terms, proprietary credit scoring and centralized underwriting for all customers • Competitive cost of funds due to **large scale** platform with multiple monetization strategies	→	• Scorecard trained on data from 10+ years and over $30B of loan originations • Digital financing interface provides terms and ability to sort by budget in a fraction of a second • **AI** automates key underwriting tasks
Cost Structure	• Higher upfront technology and infrastructure investment, but lower costs **at scale**	→	• **Integrated** systems for customer service, title and registration, digital communication, and other functions to create a streamlined experience • High volume of data and technology focus enable **AI** leadership

Competitive Advantages

PROGRESS TOWARDS OUR LONG TERM FINANCIAL GOALS

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Q3 2026	LONG TERM TARGET
YoY Revenue Growth	135%	128%	101%	42%	129%	6%	-21%	27%	49%	42%	–
Gross Profit	7.9%	10.1%	12.9%	14.2%	15.1%	9.2%	16.0%	21.0%	20.6%	19.0%	15.0-19.0%
Advertising	6.5%	5.7%	5.2%	5.1%	3.7%	3.6%	2.1%	1.7%	1.8%	1.9%	1.0 - 1.5%
SG&A ex. Advertising and D&A	18.2%	14.9%	13.7%	13.7%	11.3%	15.0%	12.9%	10.8%	8.8%	7.6%	4.5 - 5.5%
D&A	1.3%	1.2%	1.0%	1.3%	1.0%	1.5%	1.7%	1.2%	0.8%	0.5%	0.5 - 1.0%
SG&A Total as % of Revenue	26.0%	21.7%	20.0%	20.2%	15.9%	20.1%	16.7%	13.7%	11.4%	10.0%	6.0 - 8.0%
Net Income (loss) margin	-19.1%	-13.0%	-9.3%	-8.3%	-2.2%	-21.3%	1.4%(1)	3.0%(2)	9.3%(3)	6.0%(4)	–
Adjusted EBITDA Margin(5)	-16.1%	-9.2%	-5.2%	-4.0%	0.5%	-7.7%	3.1%	10.1%	11.0%	10.0%	–
EBITDA Margin(6)											8.0 - 13.5%



In Q2 2025 we set a new mid-term management objective:

Sell 3 million retail units per year at an Adjusted EBITDA margin of 13.5% within 5 to 10 years.

(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) Net income in FY 2025 was positively impacted by ~$685 million associated with the release of our valuation allowance against our deferred tax assets and recording of the full tax receivable agreement liability. Additionally, Net income for FY 2025 was negatively impacted by ~$64 million associated with changes in the fair value of our warrants to acquire Root common stock.
(4) Q3 2026 was negatively impacted by $53 million from Loss on debt extinguishment associated with the early redemption of our Senior Secured Notes due 2030.
(5) Adjusted EBITDA is defined as net income plus income tax provision (benefit), interest expense, net, other operating expense, net, other 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, and loss on debt extinguishment, minus revenue related to our Warrants.
(6) 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

PROVEN FUNDAMENTAL GROWTH DRIVERS

Growth Driver #1: **Continuously Improving the Customer Experience**

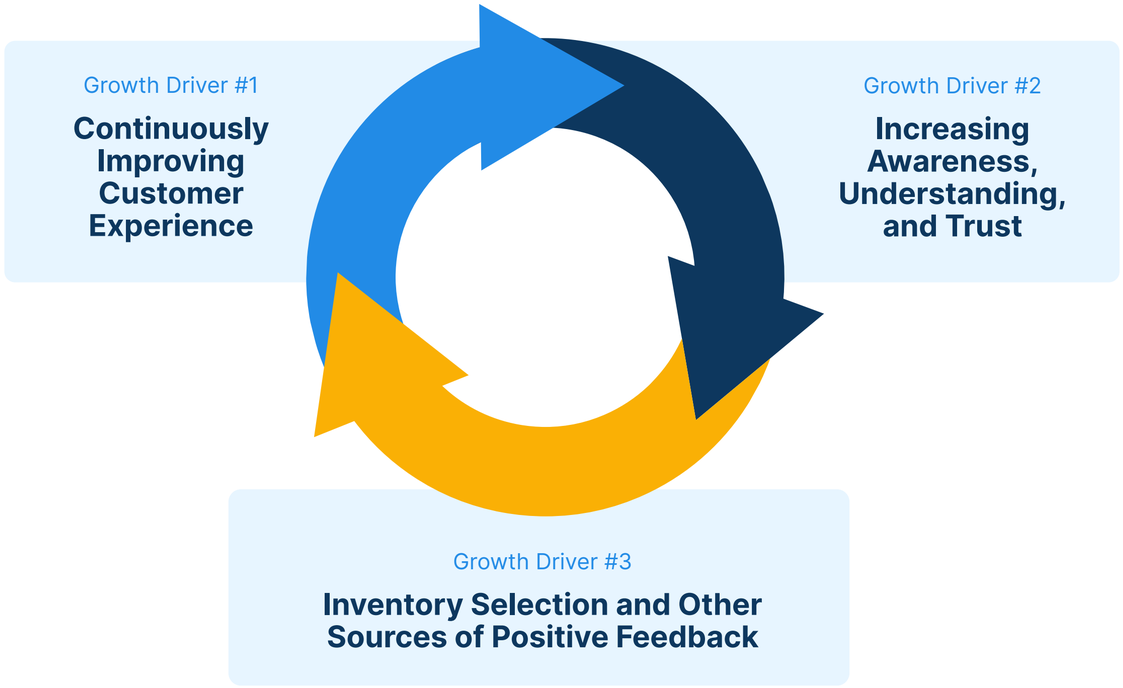
- Ongoing efficiency initiatives enable faster delivery, intuitive merchandising, and streamlined self-service tools.
- Continued focus on simplifying transactions and identifying new opportunities to further differentiate our customer offering.

Growth Driver #2: **Increase Awareness, Understanding, and Trust**

- Building brand awareness and trust through advertising, word of mouth, and delivering exceptional experiences.
- Educating consumers about the benefits of online used vehicle sales to drive adoption and confidence.

Growth Driver #3: **Selection and Other Drivers of Positive Feedback**

- Expanding inventory and logistics network increases selection, delivery speed, and reduces costs.
- Enhanced customer offering creates a positive feedback loop, supporting further investment in experience and brand growth.



Competitive Advantages

KEY INVESTMENT HIGHLIGHTS



Massive, Stable, Fragmented Market

Exceptionally large and inefficient used car market

$840B
2019 U.S Used Car Sales (1)

2.3%
Largest dealer brand market share in the US (3)



Superior Customer Experience

Simple, seamless and differentiated used car buying experience

84%
Customers who would recommend to a friend (2)

4.6/5.0
Average Customer Rating (2)



Scalable, Nationwide Infrastructure

Built-out infrastructure to sell 1.5 million retail units annually

80%+
U.S. Population Coverage (2)

2nd
Largest used car dealer in the U.S. (2)



Vertical Integration & Fulfillment

Purpose-built vertically integrated platform

18
Existing Carvana IRCs (2)

39
Existing Car Vending Machines (2)



Robust Financial Model

Robust financial model supports growth and margin

14.2%
Five Year Unit CAGR (2)

3.4M
Retail Units Sold Since Inception (2)

(1) Edmunds.com 2019 Used Vehicle Market report
(2) Metrics as of September 30, 2026
(3) 2021 Automotive News Top 100 Dealership Groups

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, sharebased 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, nonGAAP 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:

NON-GAAP MEASURES

	Three Months Ended September 30,												
(dollars in millions)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Net income (loss)	$ (4)	$ (8)	$ (23)	$ (41)	$ (64)	$ (93)	$ (18)	$ (68)	$ (508)	$ 741	$ 148	$ 263	$ 483
Income tax provision	-	-	-	-	-	-	-	-	-	29	(1)	(4)	69
Interest expense, net	-	-	1	1	6	21	20	48	153	153	157	125	98
Other operating expense, net	-	-	-	1	-	1	2	3	2	1	1	1	2
Other expense (income), net	-	-	-	-	-	-	(11)	(6)	56	3	29	154	11
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-	(878)	4	14	53
Depreciation and amortization expense in cost of sales	-	-	-	-	-	-	2	6	36	42	33	27	25
Depreciation and amortization expense in SG&A expenses	-	1	1	3	6	11	19	26	57	45	40	38	39
Share-based compensation expense in cost of sales	-	-	-	-	1	1	-	-	2	-	1	-	1
Share-based compensation expense in SG&A expenses	-	-	1	2	10	9	6	11	16	18	23	24	24
Warrant revenue	-	-	-	-	-	-	-	-	-	(6)	(6)	(5)	(5)
Adjusted EBITDA	$ (4)	$ (7)	$ (20)	$ (34)	$ (41)	$ (50)	$ 20	$ 20	$ (186)	$ 148	$ 429	$ 637	$ 800
Total revenues	$ 12	$ 36	$ 99	$ 225	$ 535	$ 1,095	$ 1,544	$ 3,480	$ 3,386	$ 2,773	$ 3,655	$ 5,647	$ 8,040
Net income (loss) margin	-36.1%	-26.0%	-22.2%	-17.6%	-12.0%	-8.4%	-1.2%	-2.0%	-15.0%	26.7%	4.0%	4.7%	6.0%
Adjusted EBITDA margin	-32.4%	-22.9%	-20.1%	-14.8%	-7.6%	-4.5%	1.3%	0.6%	-5.5%	5.3%	11.7%	11.3%	10.0%

NON-GAAP MEASURES

(dollars in millions)	Years Ended December 31, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net income (loss)	$ (93)	$ (164)	$ (255)	$ (365)	$ (462)	$ (287)	$ (2,894)	$ 150	$ 404	$ 1,895
Income tax (benefit) provision	-	-	-	-	-	1	1	25	(4)	(2,785)
Interest expense, net	4	8	25	81	131	176	486	632	651	505
Other operating expense, net	-	1	1	3	10	9	14	8	12	3
Other expense (income), net	-	-	-	1	(11)	(3)	56	(9)	(73)	2,250
Loss (Gain) on debt extinguishment	-	-	-	-	-	-	-	(878)	12	16
Goodwill impairment	-	-	-	-	-	-	847	-	-	-
Depreciation and amortization expense in cost of sales	-	-	-	-	10	24	114	169	140	111
Depreciation and amortization expense in SG&A expenses	4	11	24	41	74	105	200	183	165	164
Share-based compensation expense in cost of sales	-	-	4	5	1	-	16	-	1	3
Share-based compensation expense in SG&A expenses	1	6	21	30	25	39	69	73	91	96
Warrant revenue	-	-	-	-	-	-	(7)	(21)	(21)	(21)
Restructuring expense	-	-	-	-	-	-	57	7	-	-
Adjusted EBITDA	$ (84)	$ (138)	$ (180)	$ (204)	$ (222)	$ 64	$ (1,041)	$ 339	$ 1,378	$ 2,237
Total revenues	$ 365	$ 859	$ 1,955	$ 3,940	$ 5,587	$ 12,814	$ 13,604	$ 10,771	$ 13,673	$ 20,322
Net income (loss) margin	-25.5%	-19.1%	-13.0%	-9.3%	-8.3%	-2.2%	-21.3%	1.4%	3.0%	9.3%
Adjusted EBITDA margin	-23.0%	-16.1%	-9.2%	-5.2%	-4.0%	0.5%	-7.7%	3.1%	10.1%	11.0%