



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

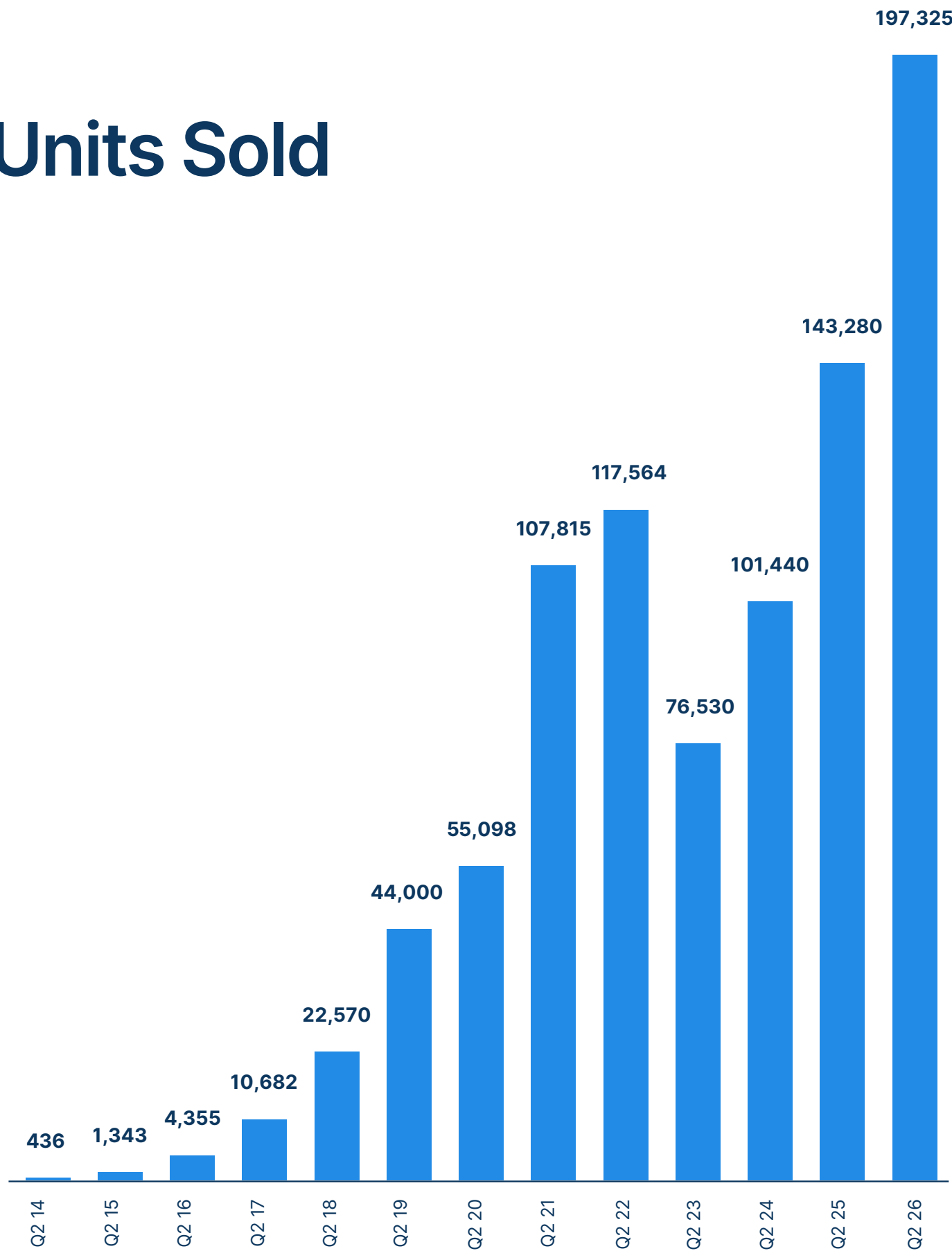
This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as Carvana's own estimates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



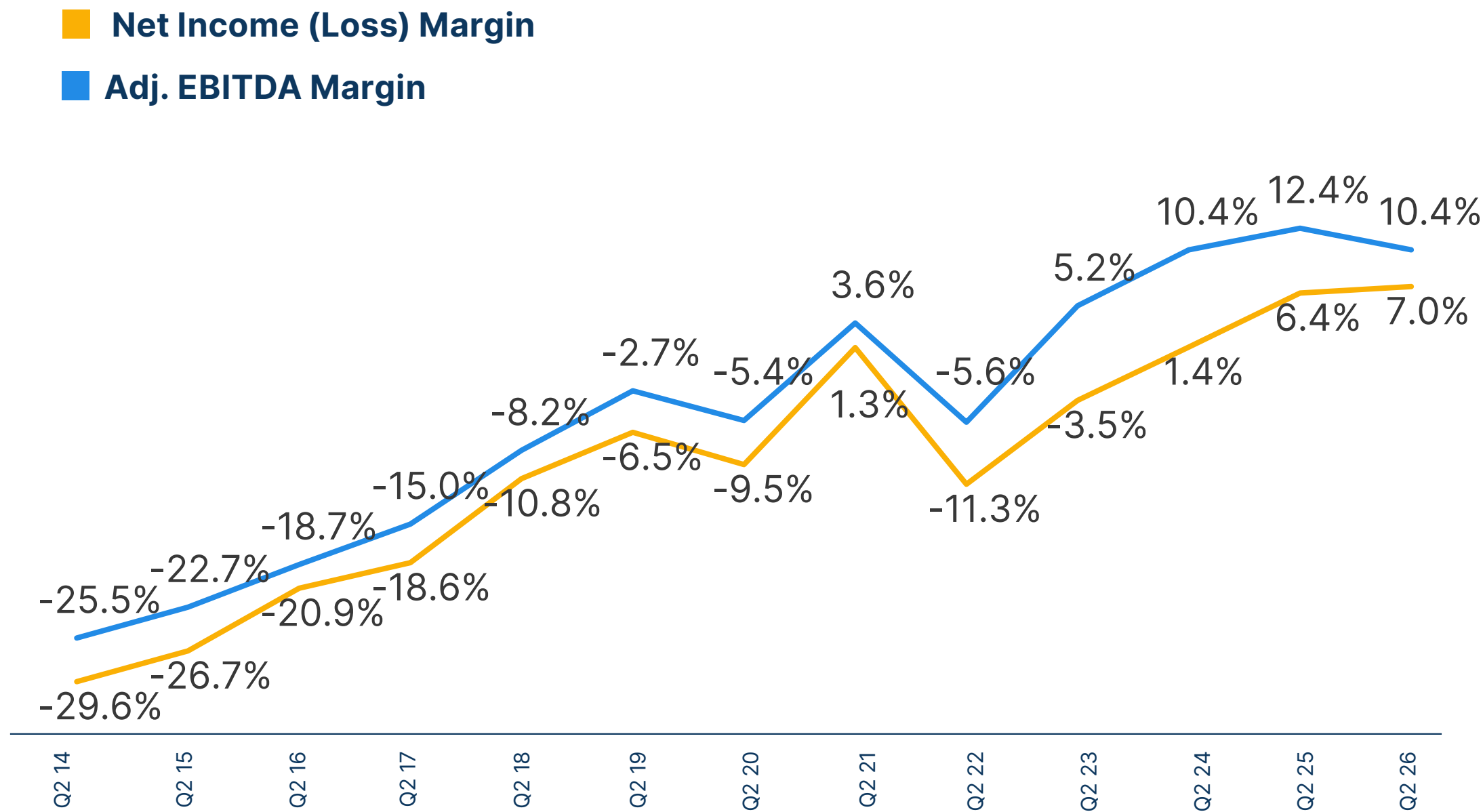
SUCCESSFUL EXECUTION

Retail Units Sold



Net income in Q1 2026 was negatively impacted by \$42 million associated with changes in the fair value of warrants.

Net Income (Loss) and Adjusted EBITDA Margin



KEY INVESTMENT HIGHLIGHTS



Massive, Stable, Fragmented Market

Exceptionally large and inefficient used car market



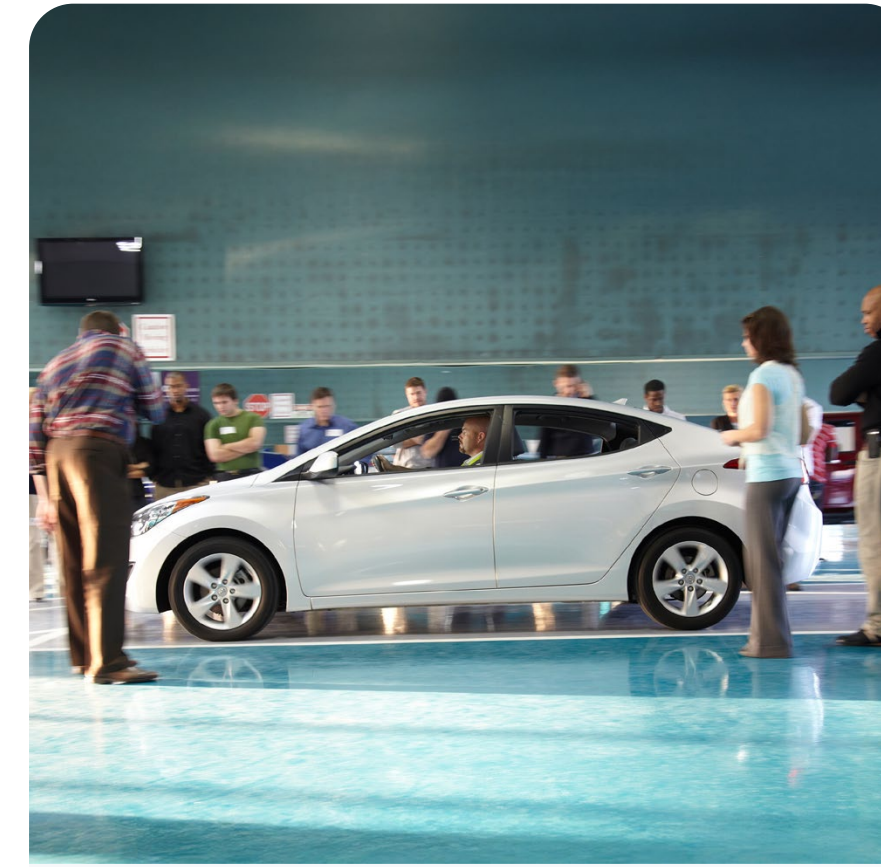
Superior Customer Experience

Simple, seamless and differentiated used car buying experience



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



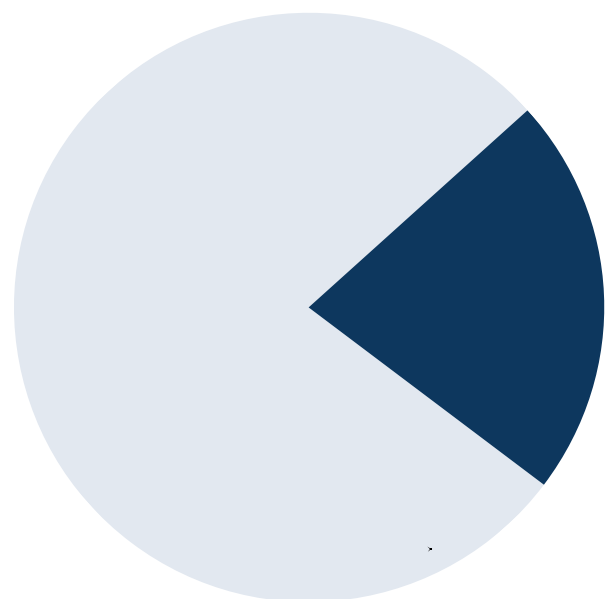
Key Investment Highlight #1

MASSIVE, STABLE, FRAGMENTED MARKET

Massive, Stable, Fragmented Market

INDUSTRY OVERVIEW

Auto is...



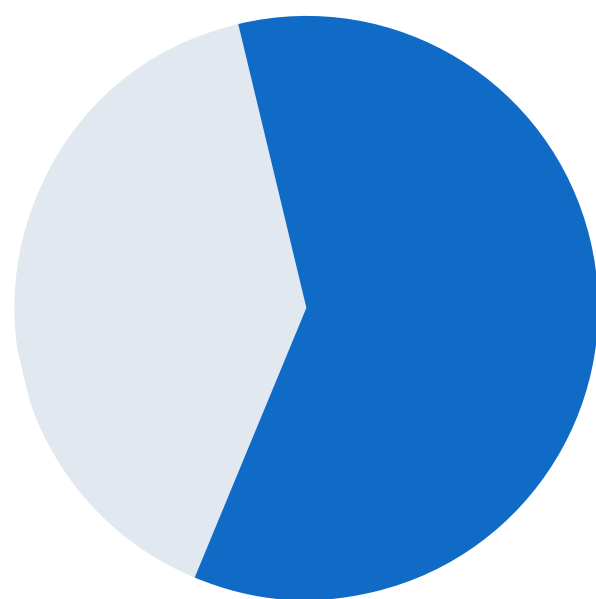
\$1.2 Tn

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



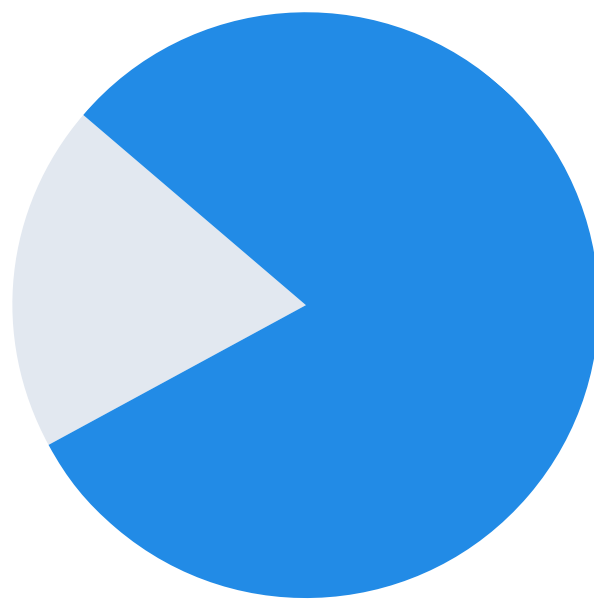
2.3%

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

77,000+ cars on Carvana.com

Best Value

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

Note: 77,000+ total website units as of June 30, 2026

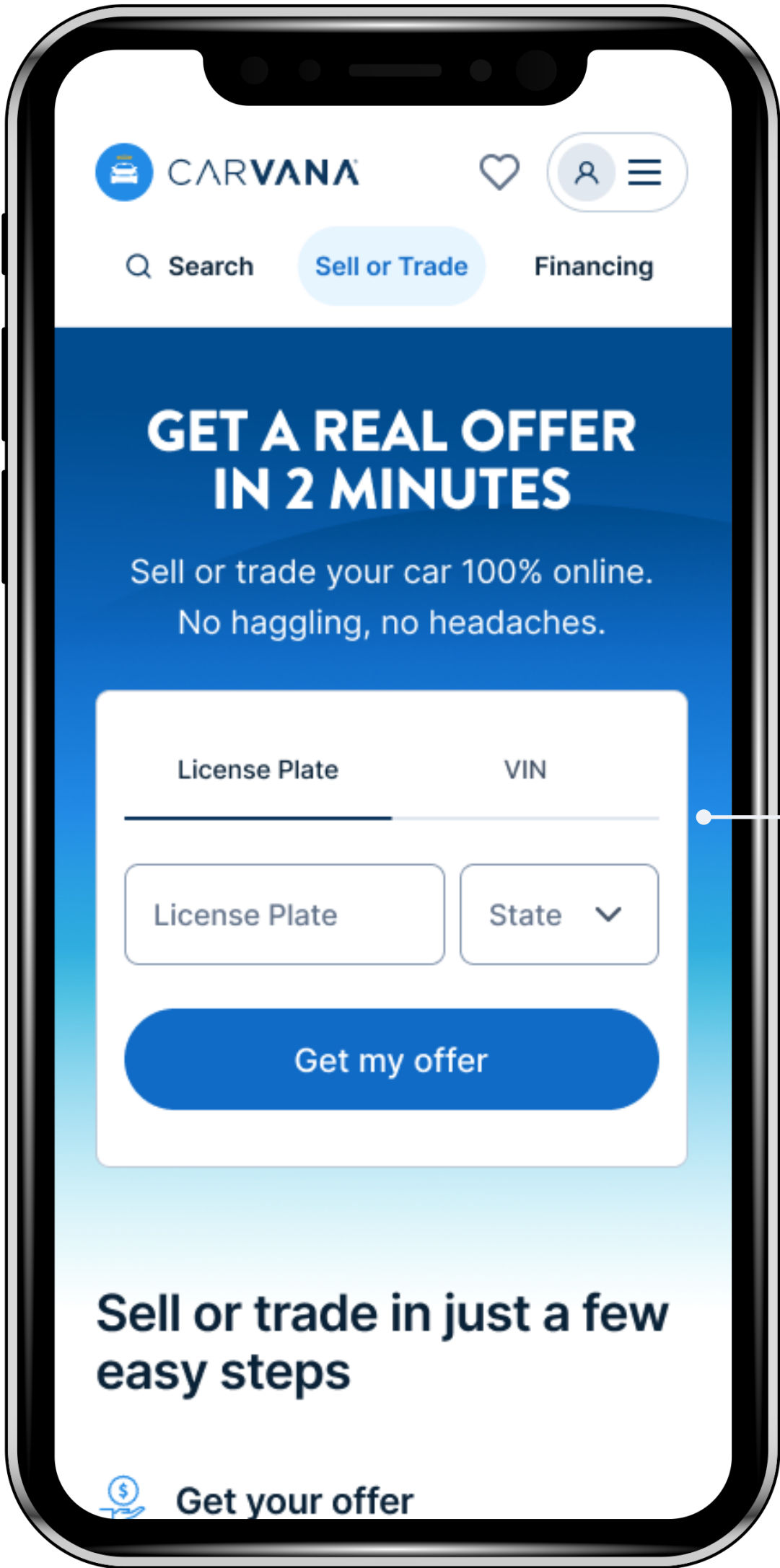
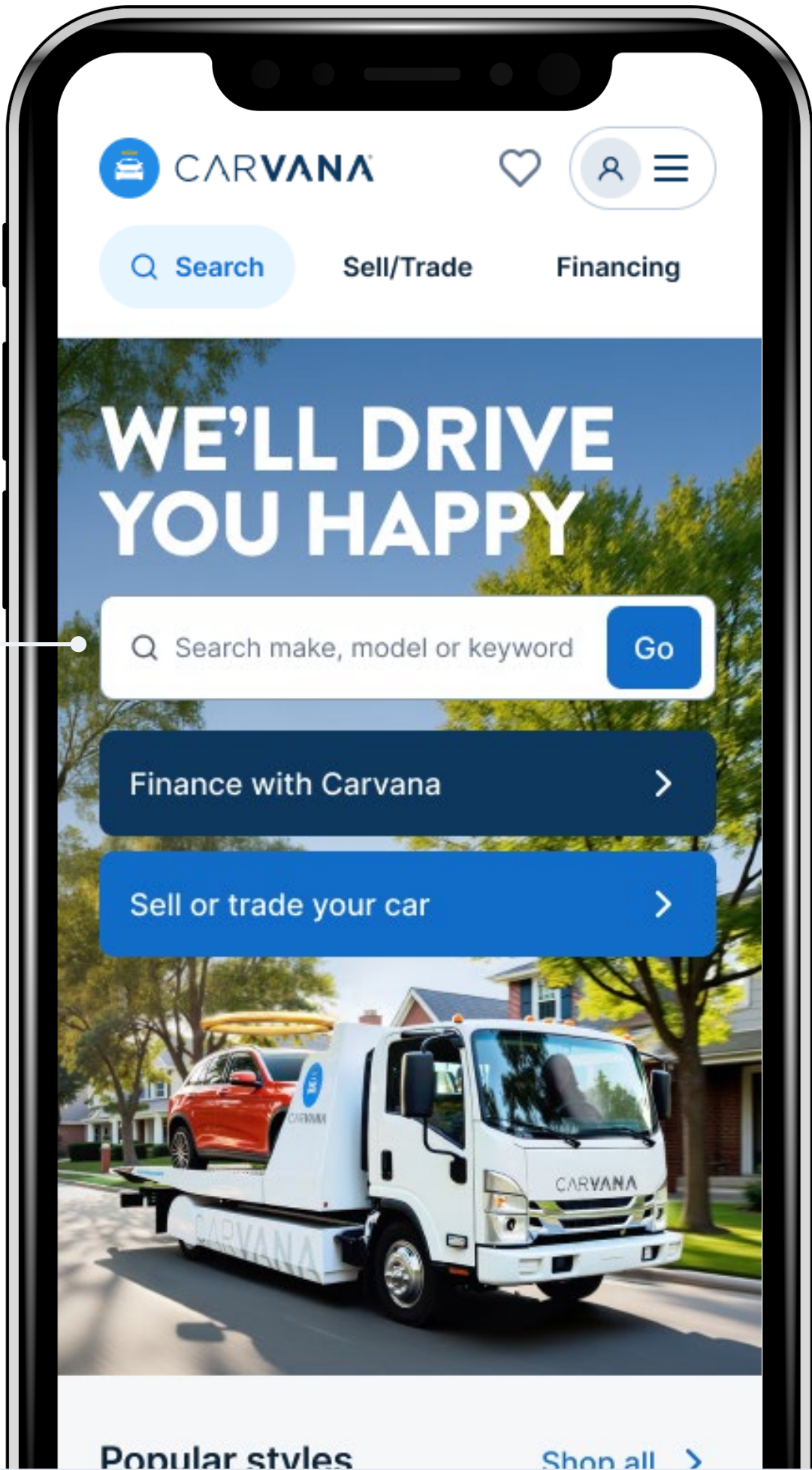
Superior Customer Experience

A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

Vehicle Search & Discovery From Any Device

Intuitive vehicle search with 77,000+ vehicles on Carvana.com

Note: 77,000+ total website units as of June 30, 2026



Trade or Sell - All Online

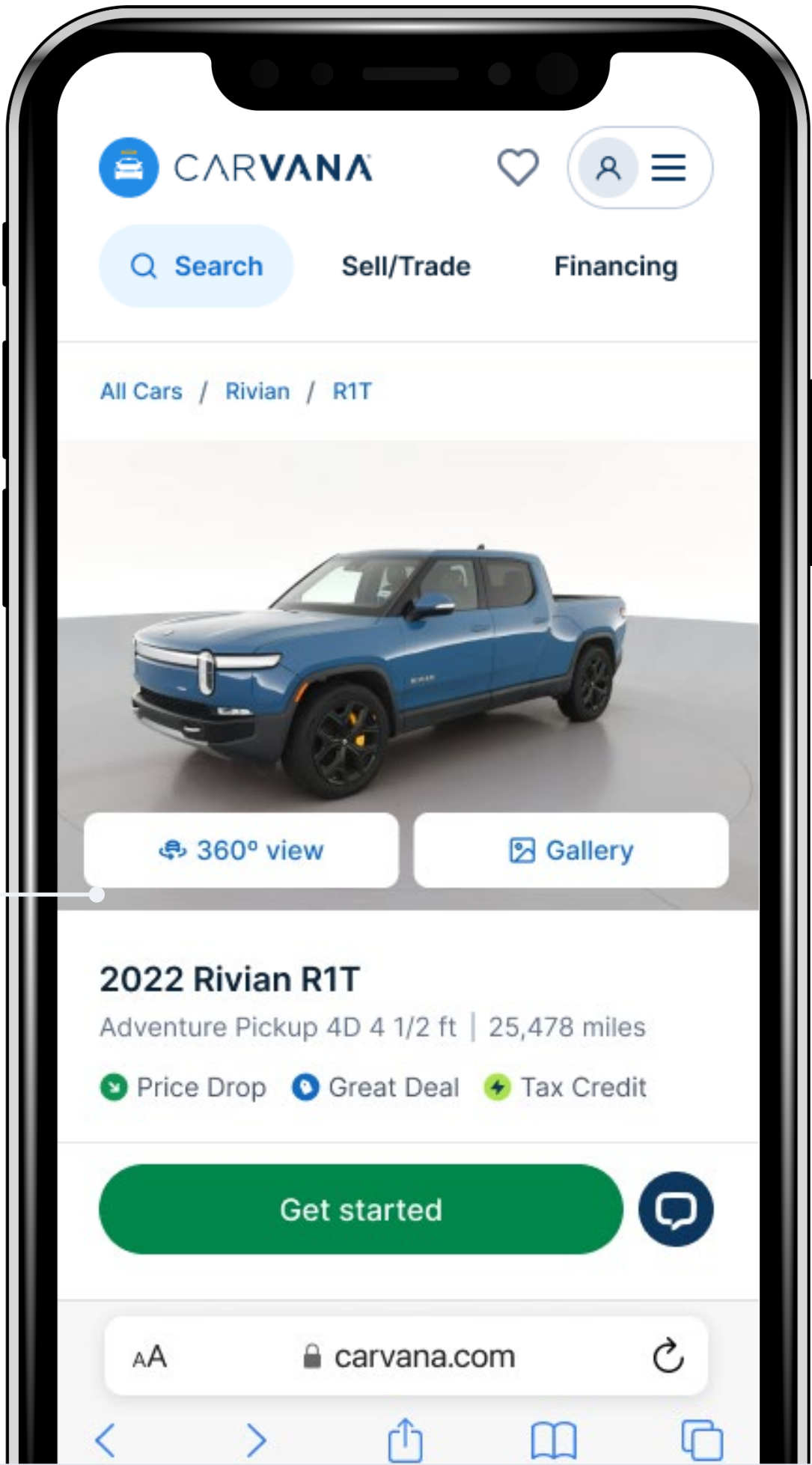
Nearly instantaneous, fully automated contingent trade-in offers

Superior Customer Experience

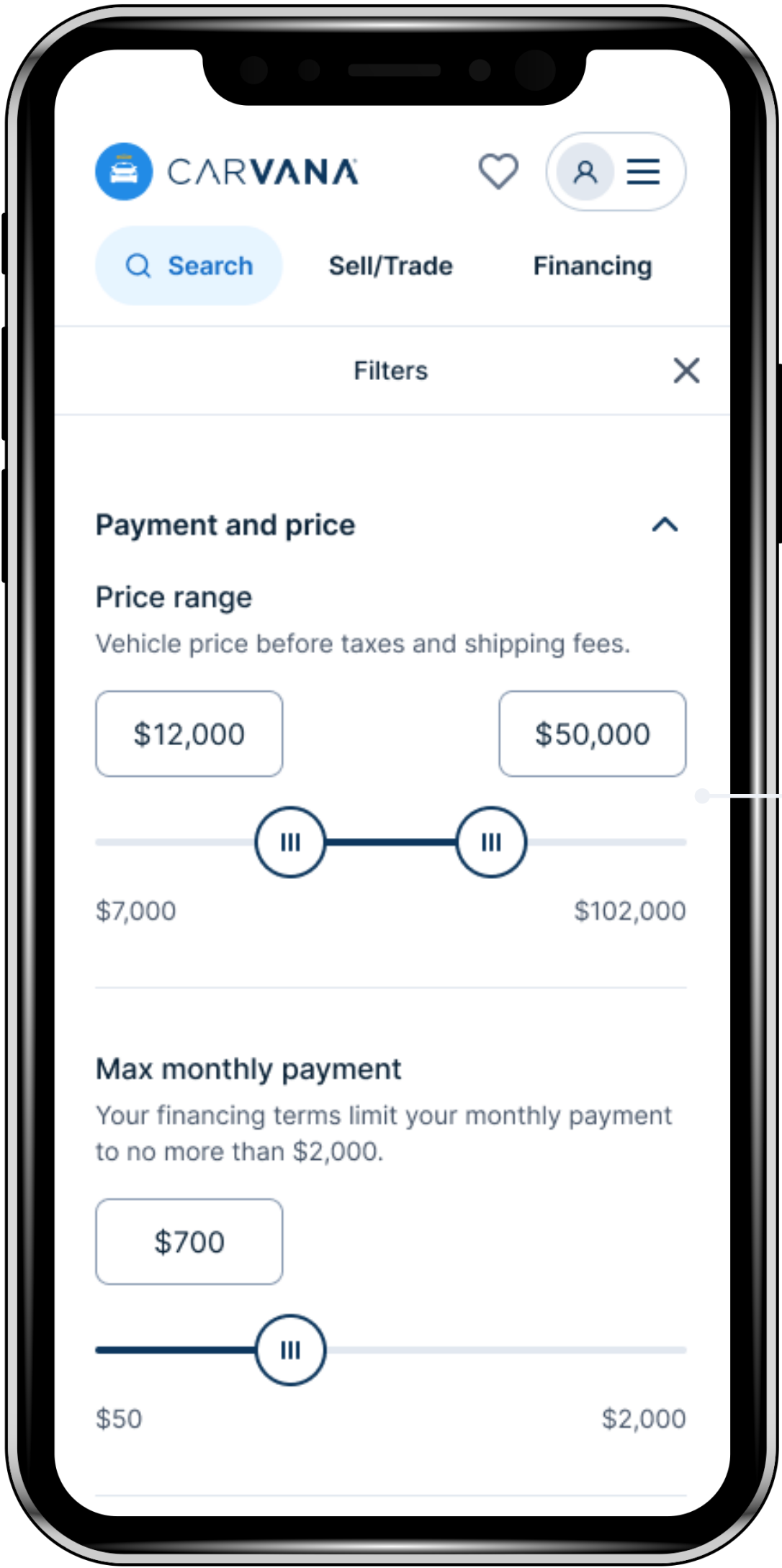
A SIMPLE AND SEAMLESS CAR BUYING EXPERIENCE

Seamless Transaction Technology

Buy a car without leaving your device



Note: 77,000+ total website units as of June 30, 2026



Real-Time, Personalized Financing

Majority of customers have chosen to finance with Carvana

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

License Plate

VIN

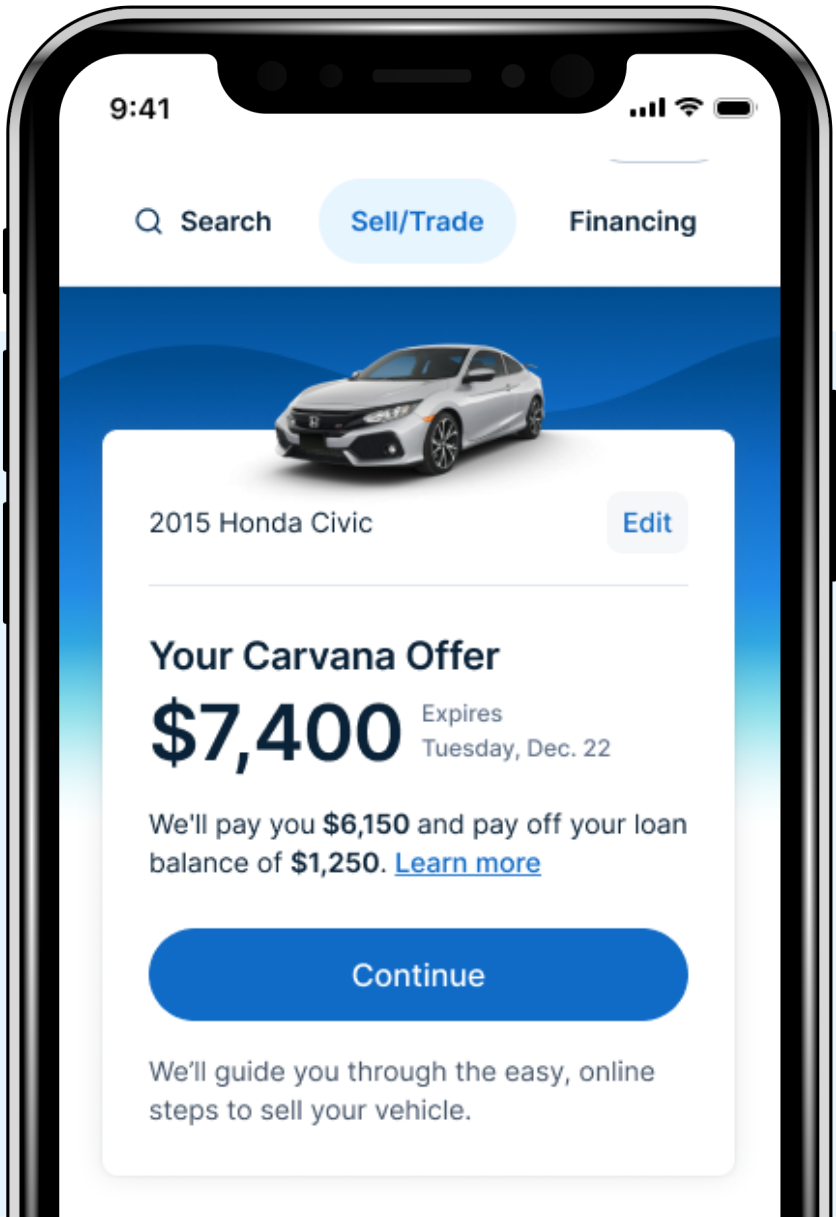
License Plate

State ▼

Get my offer

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.

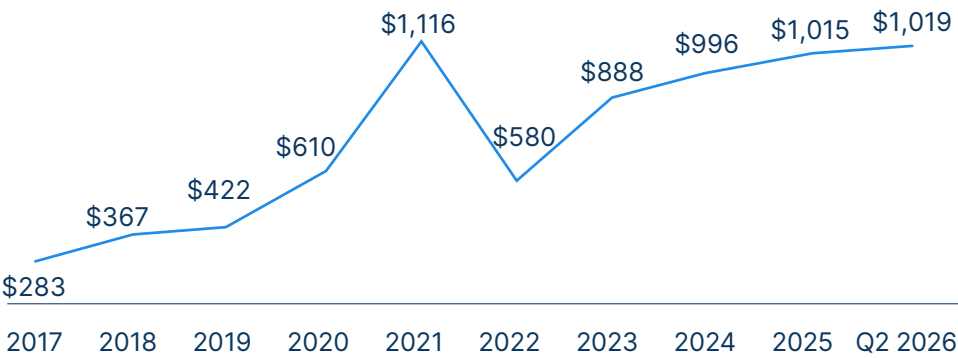


Data-Driven

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

\$1,019 Wholesale Vehicle GPU ⁽¹⁾

WHOLESALE VEHICLE GROSS PROFIT PER WHOLESALE UNIT



(1) As of Q2 2026

Superior Customer Experience

CREATING DIFFERENTIATED FULFILLMENT EXPERIENCES

(1) As of June 30, 2026



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

Superior Customer Experience

DELIVERING SUPERIOR CUSTOMER EXPERIENCES



4.6
★★★★★
Average customer rating

278,000+⁽¹⁾
Customer reviews on carvana.com

84%
would recommend to a friend

What our customers are saying:

“
Great Experience. Such a simple, fast, and easy experience. Will use them again in the future. They eliminated all the headaches of going to a dealership, and wasting hours of dealing with a sales person. Already recommended to everyone I know. Thanks again.

★★★★★ Via carvana.com | December 2025

“
The easiest auto purchase ever! Simple, well outlined process without surprises - so much smoother than my last auto purchase. Staff was polite, gracious & thorough. Will definitely recommend Carvana to family & friends.

★★★★★ Via carvana.com | December 2025

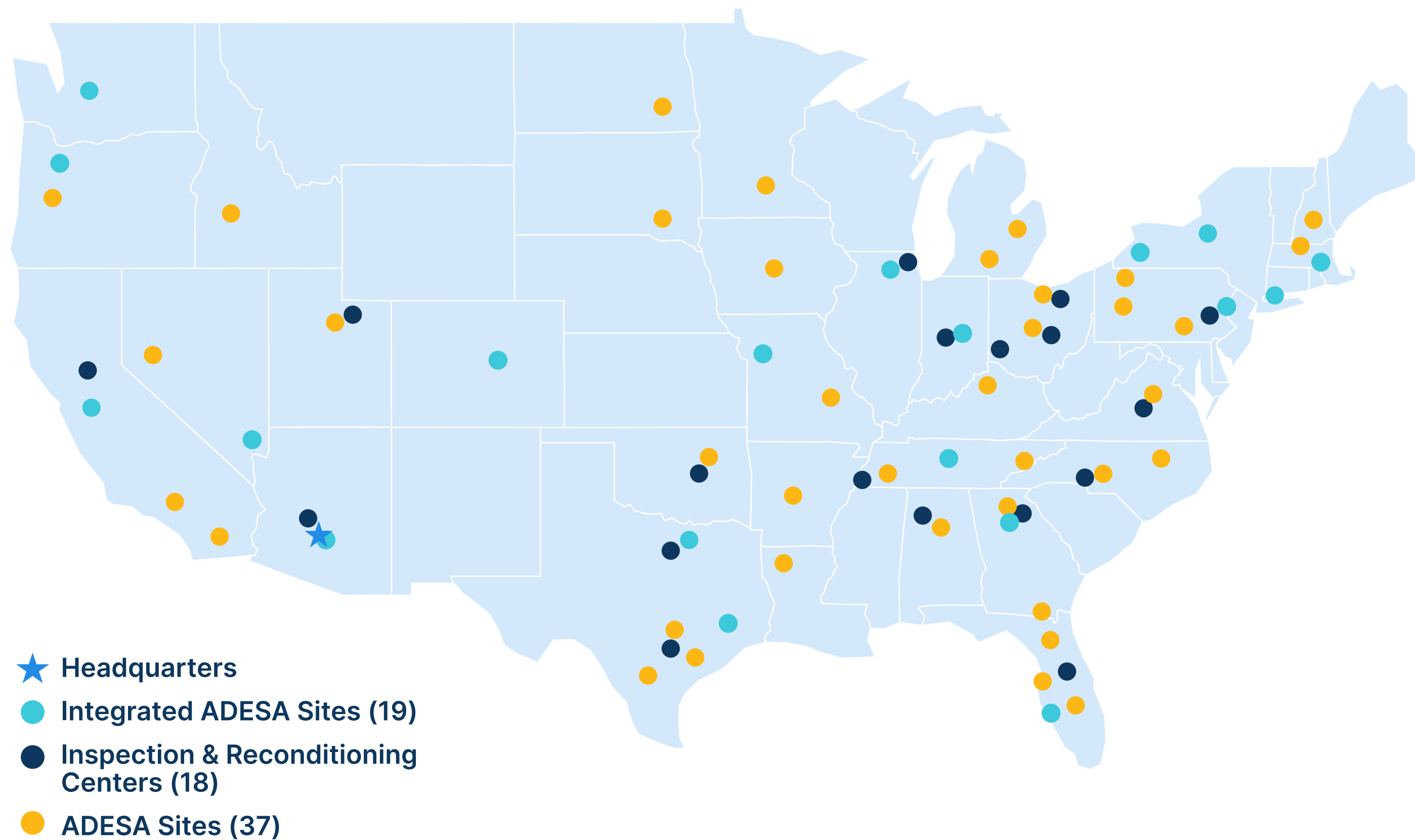
(1) As of June 30, 2026

Key Investment Highlight #3

SCALABLE, NATIONWIDE INFRASTRUCTURE



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 19 ADESA sites in 2026 YTD, **increasing inventory pools to 37 (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 June 30, 2026

Key Investment Highlight #4

VERTICAL INTEGRATION & FULFILLMENT



SUPPORTED BY PROPRIETARY VEHICLE ACQUISITION ALGORITHM

Vehicle Inventory Acquisition



(1) 2019 NIADA Used Car Industry report based on 2018 data
Note: 77,000+ total website units as of June 30, 2026

IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDISING



Inspection and Reconditioning

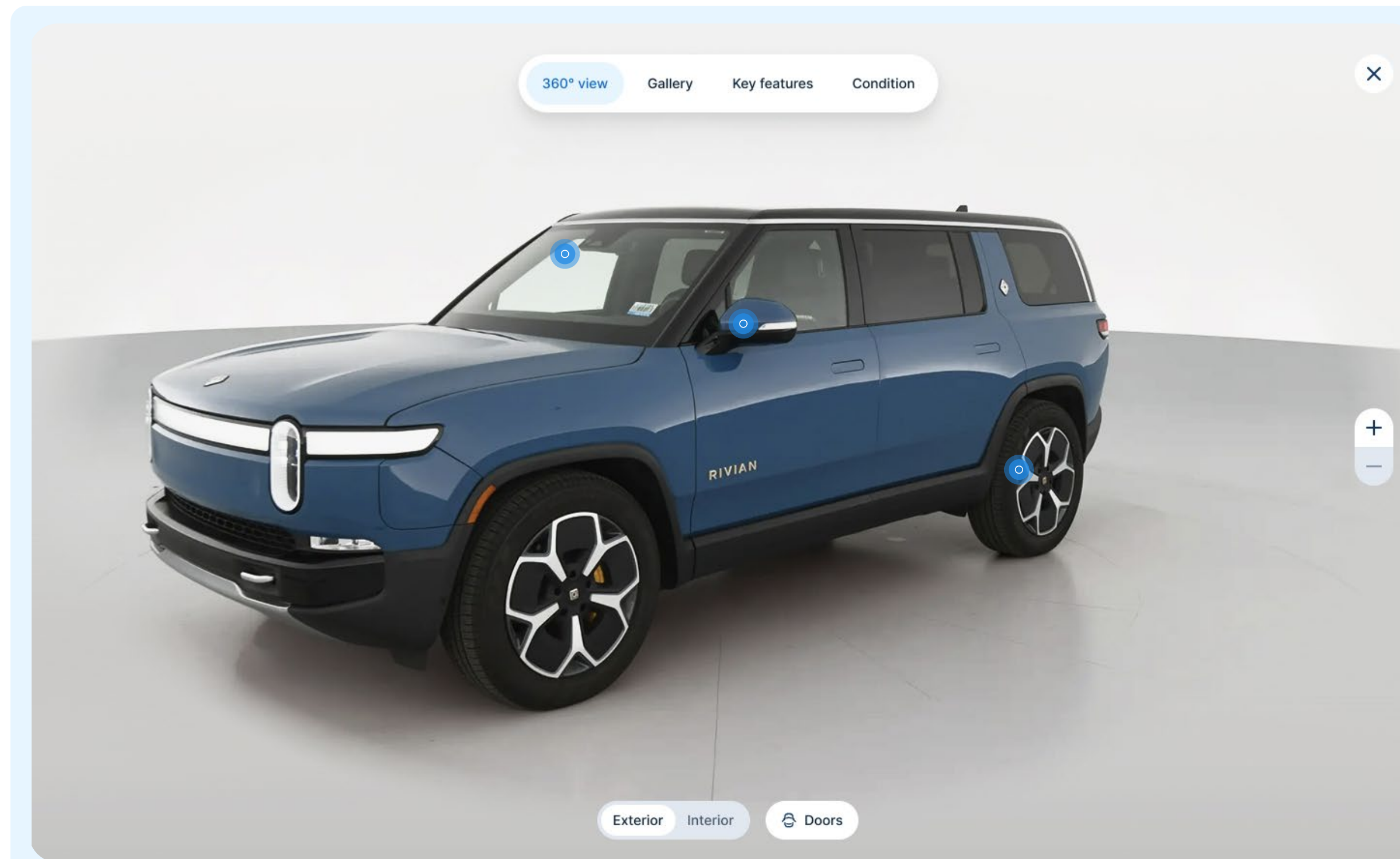
- ✓ Ability to buy all car types and recondition them to a consistent car quality
- ✓ Annual capacity of ~1.5M units at full IRC utilization ⁽¹⁾
- ✓ Robust processes and internal expertise to set up future IRCs as needed

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 June 30, 2026

IN-HOUSE INSPECTION, RECONDITIONING & MERCHANDISING



Photography and Annotation

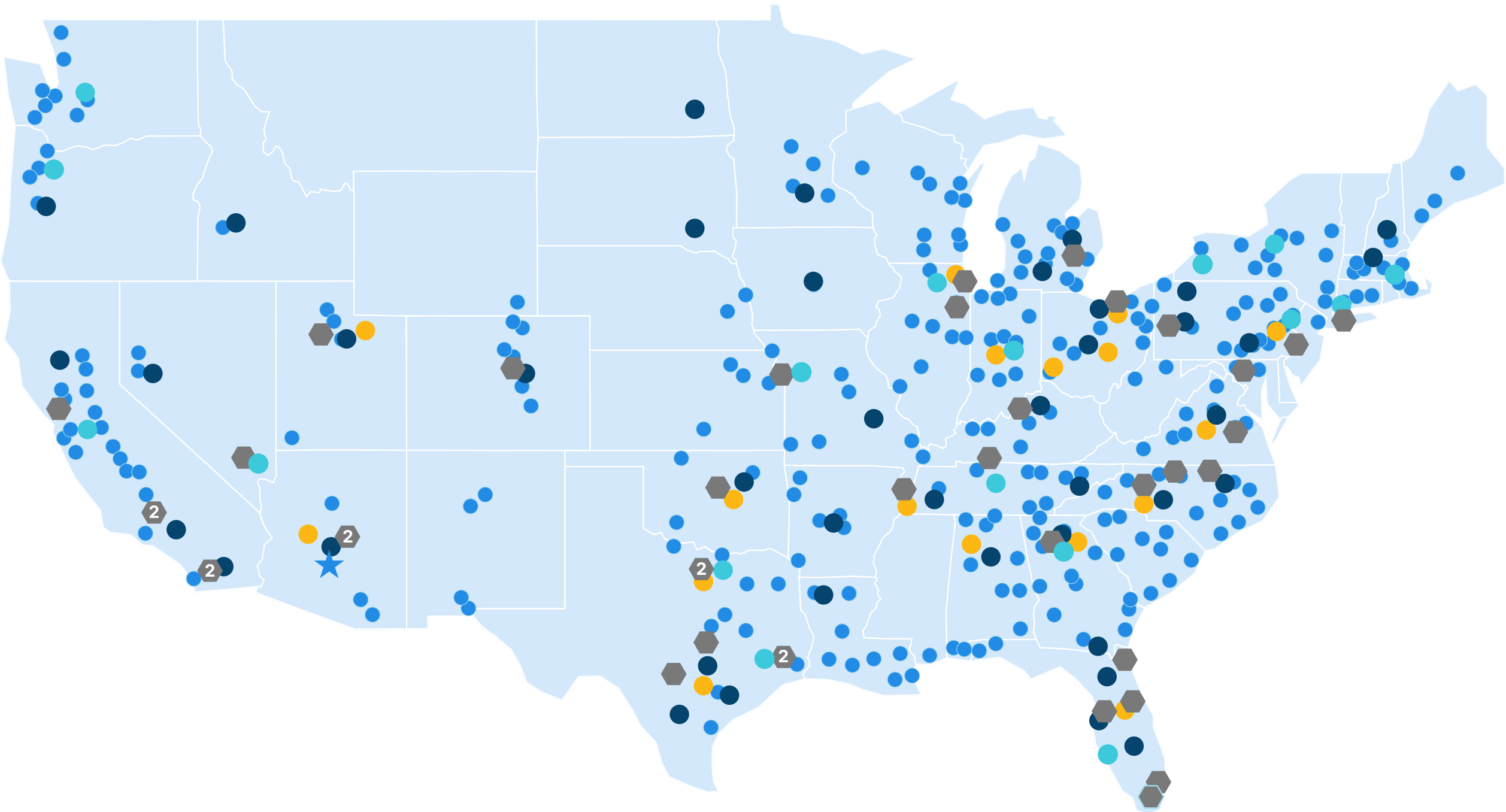
- ✓ 360-degree, interactive exterior and interior virtual tour of each vehicle
- ✓ Patented imaging technology
- ✓ Transparency to the customer through annotation of material defects

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



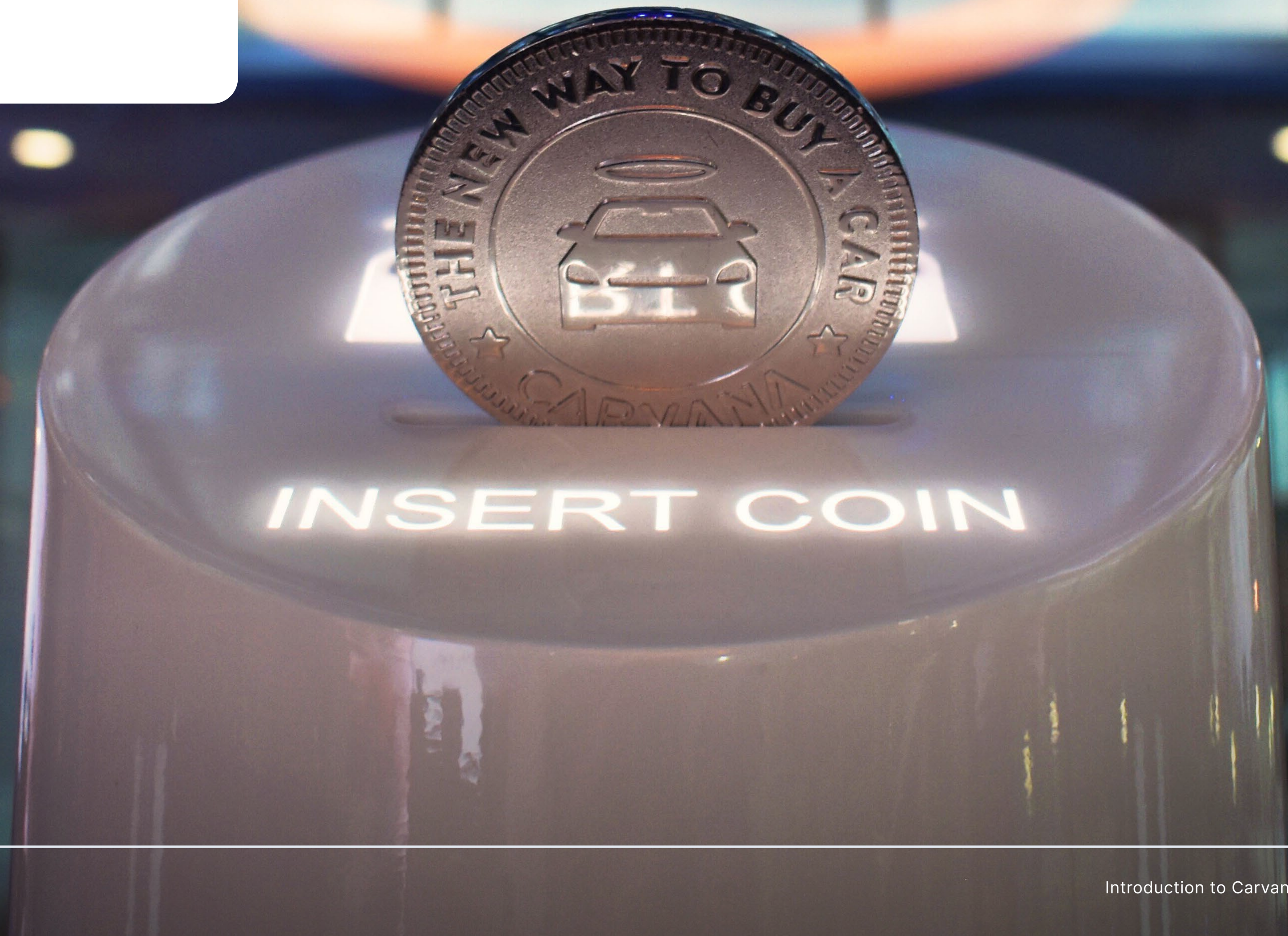
Premium Fulfillment Capabilities

- 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 (June 30, 2026)

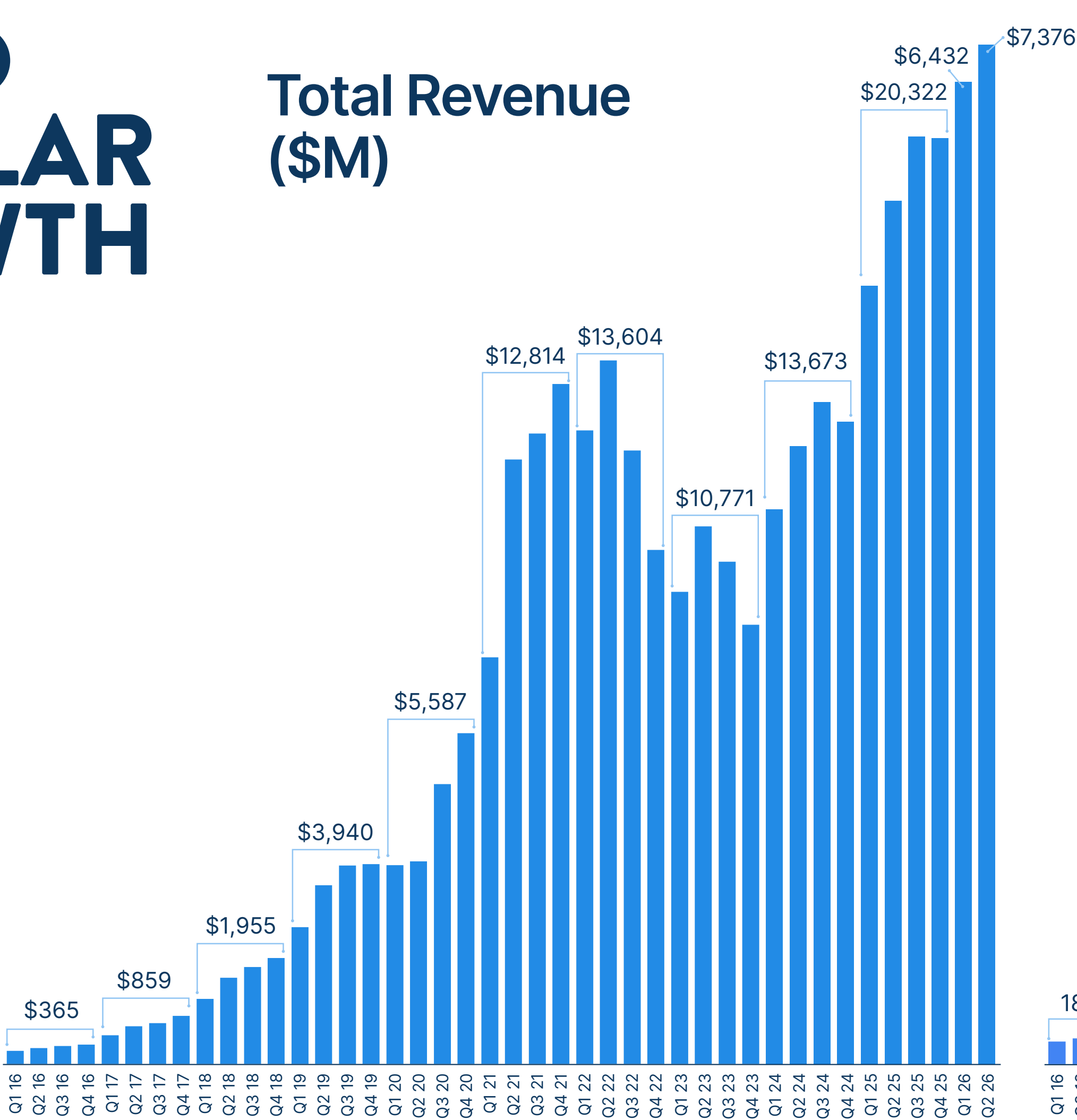
Key Investment Highlight #5

ROBUST FINANCIAL MODEL

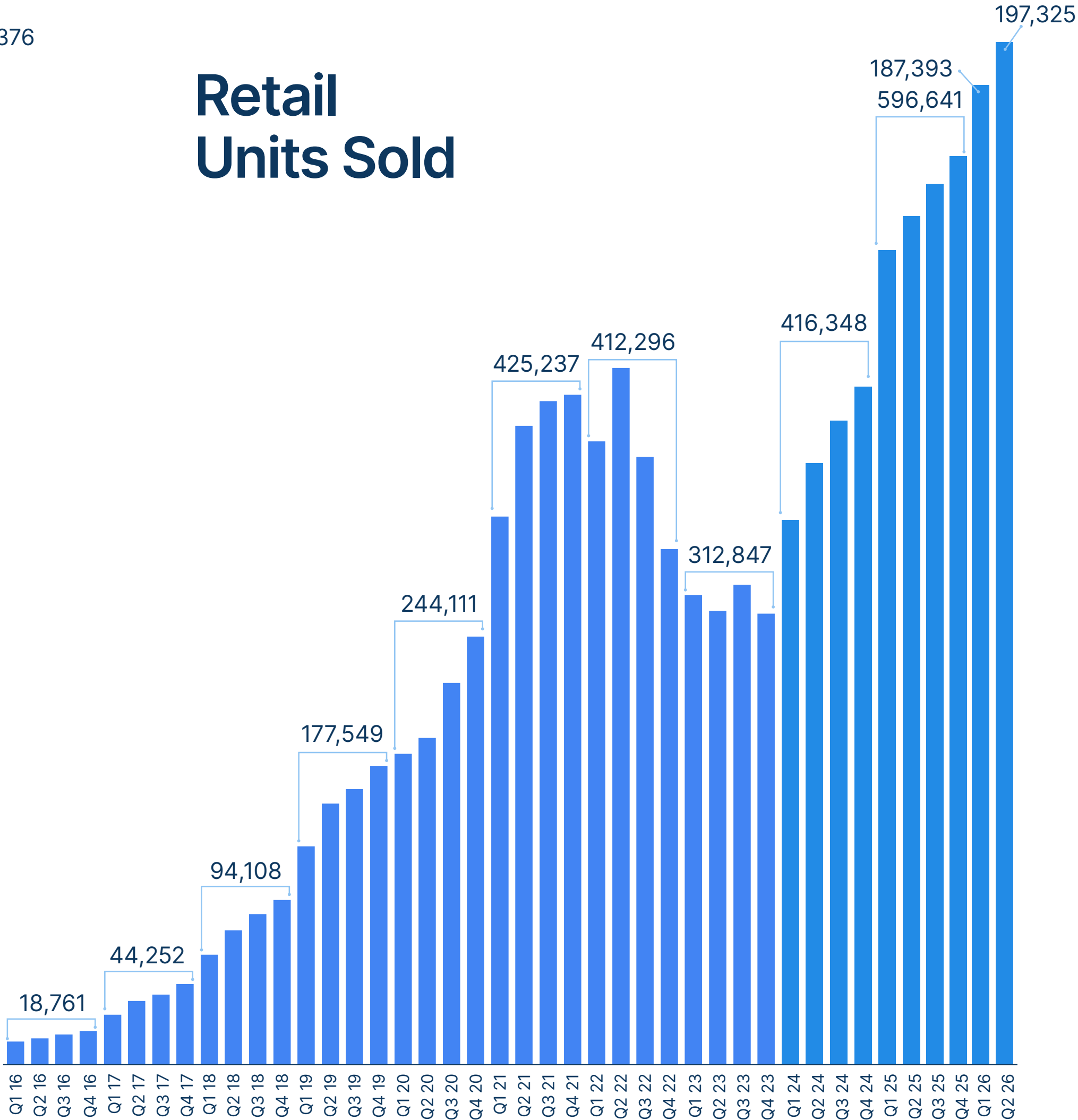


RAPID SECULAR GROWTH

Total Revenue
(\$M)



Retail
Units Sold



INTEGRATION CREATES 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

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

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

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

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	Q2 2026	LONG TERM TARGET
YoY Revenue Growth	135%	128%	101%	42%	129%	6%	-21%	27%	49%	52%	–
Gross Profit	7.9%	10.1%	12.9%	14.2%	15.1%	9.2%	16.0%	21.0%	20.6%	18.8%	15.0-19.0%
Advertising	6.5%	5.7%	5.2%	5.1%	3.7%	3.6%	2.1%	1.7%	1.8%	1.6%	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%	7.3%	4.5 - 5.5%
D&A	1.3%	1.2%	1.0%	1.3%	1.0%	1.5%	1.7%	1.2%	0.8%	0.6%	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%	9.5%	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% ⁽⁵⁾	7.0%	–
Adjusted EBITDA Margin ⁽³⁾	-16.1%	-9.2%	-5.2%	-4.0%	0.5%	-7.7%	3.1%	10.1%	11.0%	10.4%	–
EBITDA Margin ⁽⁴⁾											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 benefitted 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 (minus) income tax (benefit) provision, interest expense, net, other operating expense, net, other expense (income), 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, and loss (gain) on debt extinguishment, minus revenue related to our Warrants. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.
(4) EBITDA margin is calculated as net income (loss) plus income tax (benefit) provision, interest expense, and depreciation and amortization expense, divided by revenues.
(5) 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.

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.



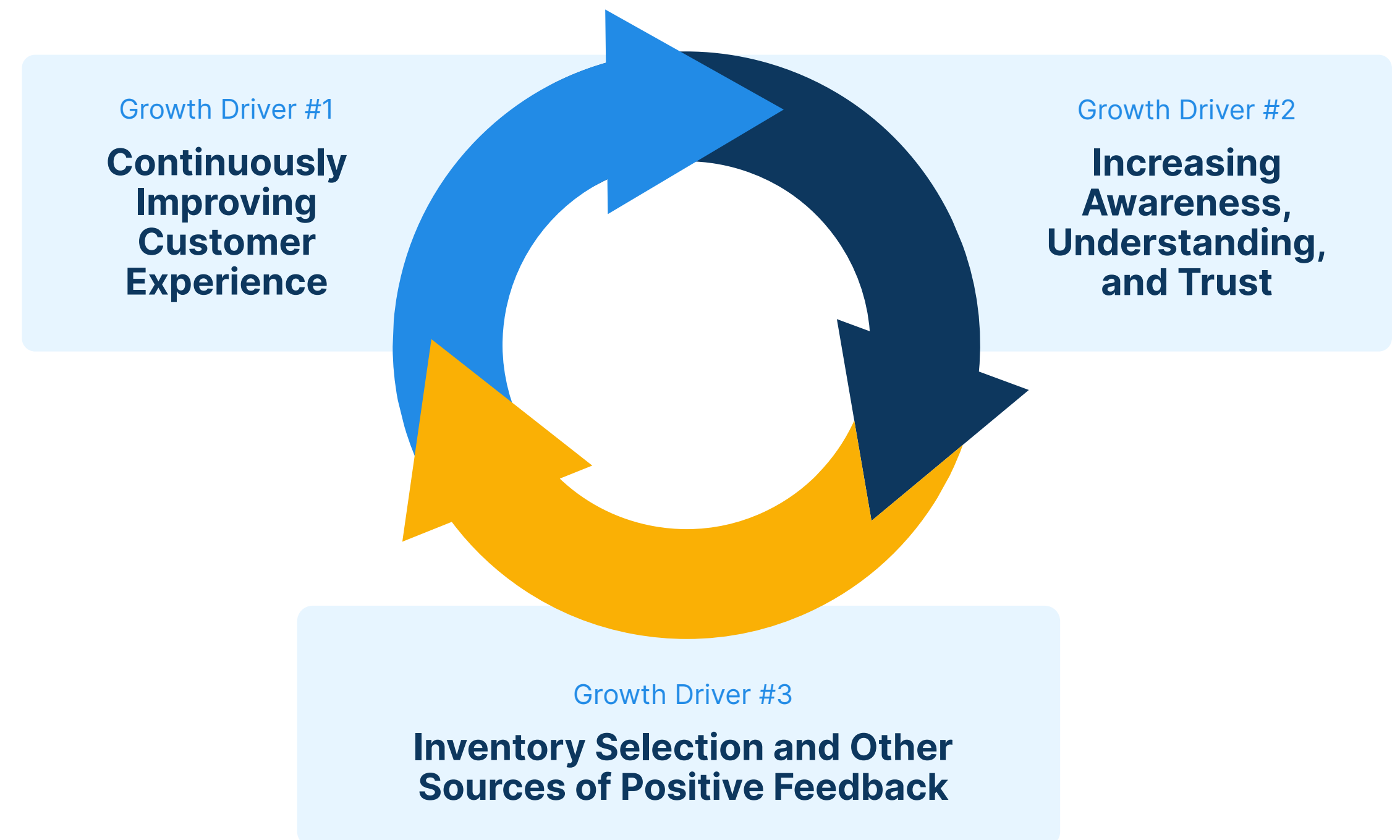
Growth Driver #2: Increase Awareness, Understanding, and Trust

- ✓ 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.



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

15.2%
Five Year Unit CAGR ⁽²⁾

3.1M
Retail Units Sold Since Inception ⁽²⁾

(1) Edmunds.com 2019 Used Vehicle Market report
(2) Metrics as of June 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 March 31,												
(dollars in millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net income (loss)	\$ (2)	\$ (7)	\$ (17)	\$ (38)	\$ (55)	\$ (81)	\$ (184)	\$ (82)	\$ (506)	\$ (286)	\$ 49	\$ 373	\$ 405
Income tax provision (benefit)	-	-	-	-	-	-	-	-	-	(2)	(1)	2	36
Interest expense, net	-	-	1	2	3	16	29	30	64	159	173	139	99
Other operating expense, net	-	-	-	-	1	-	1	2	1	1	1	-	-
Other expense (income), net	-	-	-	-	-	-	16	(9)	12	(3)	(87)	(122)	41
Loss on debt extinguishment	-	-	-	-	-	-	-	-	-	-	-	2	-
Depreciation and amortization expense in cost of sales	-	-	-	-	-	-	2	5	8	44	39	31	28
Depreciation and amortization expense in SG&A expenses	1	-	-	1	6	7	16	22	37	49	43	42	41
Share-based compensation expense in cost of sales	-	-	-	-	-	1	1	-	8	-	-	1	1
Share-based compensation expense in SG&A expenses	-	1	-	-	1	5	6	8	28	15	23	25	26
Warrant revenue	-	-	-	-	-	-	-	-	-	(5)	(5)	(5)	(5)
Restructuring expense	-	-	-	-	-	-	-	-	-	4	-	-	-
Adjusted EBITDA	\$ (1)	\$ (6)	\$ (16)	\$ (35)	\$ (44)	\$ (52)	\$ (113)	\$ (24)	\$ (348)	\$ (24)	\$ 235	\$ 488	\$ 672
Total revenues	\$ 7	\$ 23	\$ 73	\$ 160	\$ 360	\$ 756	\$ 1,098	\$ 2,245	\$ 3,497	\$ 2,606	\$ 3,061	\$ 4,232	\$ 6,432
Net income (loss) margin	-33.2%	-28.7%	-23.7%	-24.1%	-14.6%	-10.9%	-16.8%	-3.7%	-14.5%	-11.0%	1.6%	8.8%	6.3%
Adjusted EBITDA margin	-27.9%	-24.3%	-21.5%	-21.3%	-11.9%	-6.7%	-10.3%	-1.1%	-10.0%	-0.9%	7.7%	11.5%	10.4%

NON-GAAP MEASURES

	Years Ended December 31,									
(dollars in millions)	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%