

March 25, 2026

To our valued shareholders,

In 2015, we passed 100 people inside Carvana and decided it was time to start to proactively manage our culture systematically.

The first step was the founding team sitting together around a whiteboard and writing out the key ideas that had helped us come up with Carvana and that were shaping what it was becoming.

One of the ideas we started with that day was the idea of “making the pie bigger.” This isn’t a novel idea, but I think it’s often the foundation of great companies and the most productive form of idealism.

Every group of people is limited by the amount of time and energy they have. We can only do so much, and this means many things. Time is pretty inflexible, so it means we need to surround ourselves with high-energy people. It means we need to create an environment that enables efficient collaboration. It means we need to build a culture and a mission that is energizing. And it means we need to prioritize aggressively.

“Making the pie bigger” is a useful frame for general prioritization, and we believe it leads to greater value creation that compounds over time, but it often results in lower immediate payoff, which is what makes it so hard to consistently do. Like many forms of value creation, this means it often comes down to a consistent set of beliefs and the discipline to keep taking the path that makes the pie the biggest.

In our investor relations jargon, we often call this concept “fundamental gains,” which is probably a term you feel like we use too much. There is a good chance that’s true, but repetition is the right error when discipline is the goal.

In the last 13 years, we are proud of all the fundamental pie that we’ve made. We have the highest customer satisfaction in our industry. We give our customers the largest selection. We give them the fastest and simplest experiences. And they are rewarding us with the fastest growth in the industry. That’s a lot of pie for our customers.

We are now a team of about 25,000 people. We’ve fought battles together. We’ve enjoyed good times. We’ve suffered hard times. We’ve watched the people around us build families and careers. And we’ve had fun along the way. At least most of the time. That’s a lot of Carvana team pie.

In 2025, we achieved about 2x the Adjusted EBITDA margins of the rest of our industry and we grew at over 40%. And our future is even more exciting: we have positive feedback in our business, we have the most scalable business model in our industry, and we have a stack of technology, process, people, and infrastructure that is extremely difficult to replicate. Investor pie.

But we're still cooking (don't worry, this metaphor will end soon). In the last year, we added 20,000 cars of selection to our inventory, we reduced customer interest rates on car loans by ~1%, we sped up delivery times by over a day, we reduced both frequency and duration of delivery delays by over 10% each, and we reduced the shipping fees that customers pay for cars outside their free shipping radius. All that happened at the same time that we increased Adjusted EBITDA margin by nearly 100 basis points.

That's a lot of incremental value to create in just one year. A fun way to think about the power of that progress is to think about Carvana from a year ago having to compete with Carvana from today.

Carvana of today is the most formidable version of Carvana yet.

We are clearly positioned to achieve our goal of selling 3 million cars per year at a 13.5% Adjusted EBITDA margin by 2030 to 2035, and we believe the biggest obstacle standing between us and our goal is disciplined execution.

And this will continue to be difficult. Our stack of technology, process, people, and infrastructure carries meaning that is both good and bad. The negative part is that we can't just turn on servers to match demand. We have to manage people, execute processes, move things, and make physical investments to enable our growth. And the good part is that nobody else can just turn on servers to catch up to us either. Overall, that's a trade that we will take.

But Carvana of today includes a culture of making the pie bigger and that bodes well for Carvana of tomorrow.

In the last year, we made tremendous progress that we are extremely proud of, but we are nowhere near done improving the Carvana machine, and we have a lot of building to do. Both things continue to energize us.

The march continues,

A handwritten signature in blue ink, appearing to be the name 'Ernie', written in a cursive style.

Ernie