



2023 RBC Capital Markets Global Technology, Internet, Media and Telecommunications Conference

November 14, 2023

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 2022 and Quarterly Reports on Form 10-Q for the second and third quarters of 2023. 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.

History of Carvana

1

2013 - 2021: The Growth Phase

- Disrupted a \$1T highly fragmented industry by offering a simple and seamless car buying experience.
- Customer proposition includes best experience, best selection and best value.
- Grew at 170% CAGR over 8 year period leading to one of the fastest companies to reach the Fortune 500 with only Amazon and Google making it to the list faster.
- Became the 2nd largest used car retailer in the U.S. – offering home delivery to 81% of the population.

2

2022: Challenges

- Unforeseen macroeconomic and industry dynamics including snarled automotive supply chains and historically rapidly rising interest rates.
- We entered 2022 overbuilt for an industry negatively impacted by affordability issues as the year progressed.
- Shifted priorities away from growth and began re-positioning the business for profitability at lower volumes.

3

2023: Profitability Focus

- Have cut over \$1.2B of annualized SG&A expense resulting in a leaner, more efficient Carvana.
- Q1: Achieved best ever first quarter GPU and Adjusted EBITDA margin.
- Q2: Set all-time company records for best ever total GPU and Adj. EBITDA, completing Step 1 of our 3-step plan.
- Q3: Focused on Step 2 of our 3-step plan and achieved best ever third quarter GPU and Adjusted EBITDA margin.
- Q4: Remain in Step 2, with focus on driving fundamental operational efficiency across the business.

2023: Getting Back on Trend

Continued focus on more profitable transactions, operational efficiencies, and cost reductions have driven dramatic improvements throughout our 2023 financial results.

GROSS PROFIT PER UNIT



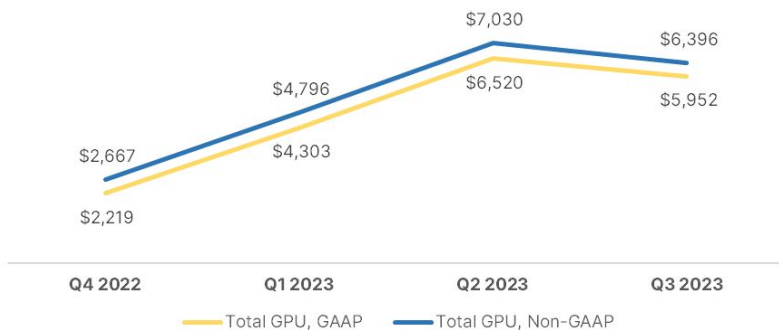
ADJ. EBITDA MARGIN



A Profitable Online Business Model

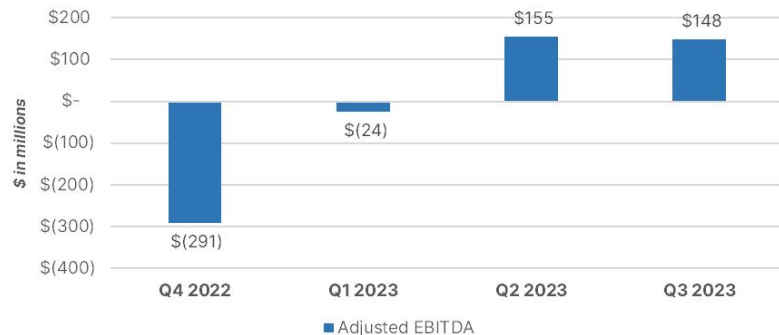
The results of the last two quarters (Q2 and Q3) have clearly demonstrated the profitability of our vertically-integrated, online business model.

Fundamental Improvements in Unit Profitability



GAAP and Non-GAAP Total GPU in Q2 and Q3 increased by **over \$4,000 and \$3,000**, respectively, vs Q4 2022 as we have realized **sustainable improvements to unit profitability**.

Significant Adjusted EBITDA Generation



Adjusted EBITDA of more than \$300M in last two quarters combined (incl. ~\$110M in non-recurring benefits), despite (a) carrying the costs of an **infrastructure capable of supporting 3x retail unit growth**, and (b) a difficult used vehicle environment.

Driving Significant Unit Economics Gains

Our focus on driving fundamental operating efficiency in Step 2 is generating significant unit economics gains.

Retail Non-Vehicle Cost of Sales vs FY 2021



Our focus on efficiency has reduced non-vehicle retail cost of sales by over \$600 per retail unit in the last two quarters, and we see opportunities for further gains from here.

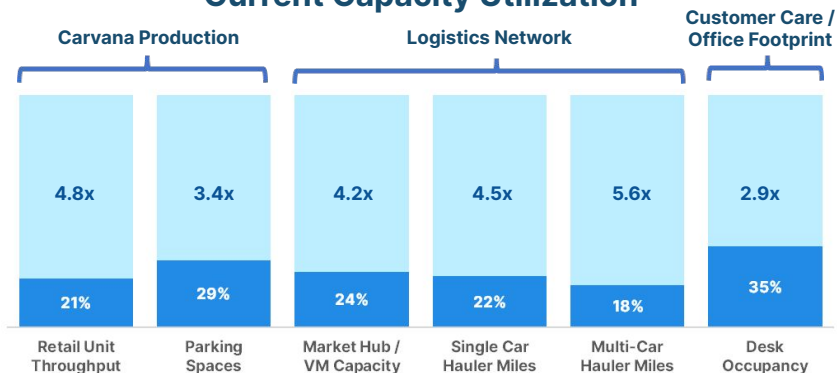
Operations Expenses per Unit



We have also reduced **operations expenses per retail unit** by **~\$400** in the last two quarters as we focus on operating efficiency in Step 2 of our three-step plan.

Excess Capacity Supports Multiples of Current Retail Unit Volume

Current Capacity Utilization



- In 2021 and early 2022, we invested significantly across the business for future growth by building our nationwide footprint and logistics network.
- Based on our current infrastructure utilization, **we believe we can achieve 3x+ retail units sold growth through our existing infrastructure.**

Overhead Expenses per Retail Unit



- As utilization increases, we believe that our current overhead expense base will experience meaningful leverage.
- **We view this as a \$1,000+ SG&A overhead expense per unit opportunity over time.**

Non-GAAP Financial Measures

To supplement our consolidated financial measures, which are prepared and presented in accordance with GAAP, we also refer to the following non-GAAP measures in this presentation: Non-GAAP GPU and Adjusted EBITDA.

Non-GAAP Gross Profit is defined as GAAP Gross Profit plus depreciation and amortization in cost of sales, share-based compensation including the CEO Milestone Gift in cost of sales, and restructuring costs, minus revenue related to our Root warrants. Non-GAAP GPU is Non-GAAP Gross Profit divided by retail vehicle unit sales.

Adjusted EBITDA is defined as net income (loss) plus income tax expense, interest expense, other (income) expense, net, depreciation and amortization in cost of sales and SG&A expense, goodwill impairment, share-based compensation including the CEO Milestone Gift in cost of sales and SG&A expense, and restructuring costs, minus revenue related to our Root warrants and gain on debt extinguishment. Following the ADESA Acquisition, we are also excluding depreciation and amortization in cost of sales, which has historically been only a small component of cost of sales. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of total revenues.

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.

Non-GAAP Financial Measures

(dollars in millions, except per unit amounts)	For the Years Ended December 31,									For the Three Months Ended			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023
Net income (loss)	\$ (15)	\$ (37)	\$ (93)	\$ (164)	\$ (255)	\$ (365)	\$ (462)	\$ (287)	\$ (2,894)	\$ (1,441)	\$ (286)	\$ (105)	\$ 741
Income tax (benefit) provision	-	-	-	-	-	-	-	1	1	-	(2)	-	29
Interest expense	-	1	4	8	25	81	131	176	486	153	159	155	153
Other (income) expense, net	-	-	-	1	1	4	(1)	6	70	2	(2)	(3)	4
Gain on debt extinguishment	-	-	-	-	-	-	-	-	-	-	-	-	(878)
Depreciation and amortization expense in cost of sales	-	-	-	-	-	-	10	24	114	43	44	44	42
Depreciation and amortization expense in SG&A	2	3	4	11	24	41	74	105	200	57	49	46	45
Goodwill impairment	-	-	-	-	-	-	-	-	847	847	-	-	-
Share-based compensation expense in cost of sales	-	-	-	-	4	5	1	-	16	-	-	-	-
Share-based compensation expense in SG&A	-	1	1	6	21	30	25	39	69	12	15	20	18
Root warrant revenue	-	-	-	-	-	-	-	-	(7)	(7)	(5)	(5)	(6)
Restructuring	-	-	-	-	-	-	-	-	57	43	4	3	-
Adjusted EBITDA	\$ (13)	\$ (32)	\$ (84)	\$ (138)	\$ (180)	\$ (204)	\$ (222)	\$ 64	\$ (1,041)	\$ (291)	\$ (24)	\$ 155	\$ 148
Total revenues	\$ 42	\$ 130	\$ 365	\$ 859	\$ 1,955	\$ 3,940	\$ 5,587	\$ 12,814	\$ 13,604	\$ 2,837	\$ 2,606	\$ 2,968	\$ 2,773
Net income (loss) margin	-36.6%	-28.2%	-25.5%	-19.1%	-13.0%	-9.3%	-8.3%	-2.2%	-21.3%	-50.8%	-11.0%	-3.5%	26.7%
Adjusted EBITDA margin	-31.0%	-24.6%	-23.0%	-16.1%	-9.2%	-5.2%	-4.0%	0.5%	-7.7%	-10.3%	-0.9%	5.2%	5.3%
Gross profit	\$ -	\$ 1	\$ 19	\$ 68	\$ 197	\$ 506	\$ 794	\$ 1,929	\$ 1,246	\$ 193	\$ 341	\$ 499	\$ 482
Depreciation and amortization expense in cost of sales	-	-	-	-	-	-	10	24	114	43	44	44	42
Share-based compensation expense in cost of sales	-	-	-	-	4	5	1	-	16	-	-	-	-
Root warrant revenue	-	-	-	-	-	-	-	-	(7)	(7)	(5)	(5)	(6)
Restructuring	-	-	-	-	-	-	-	-	7	3	-	-	-
Gross profit, non-GAAP	\$ -	\$ 1	\$ 19	\$ 68	\$ 201	\$ 511	\$ 805	\$ 1,953	\$ 1,376	\$ 232	\$ 380	\$ 538	\$ 518
Retail vehicle unit sales	2,105	6,523	18,761	44,252	94,108	177,549	244,111	425,237	412,296	86,977	79,240	76,530	80,987
Total gross profit per retail unit	\$ (201)	\$ 206	\$ 1,023	\$ 1,539	\$ 2,090	\$ 2,852	\$ 3,253	\$ 4,537	\$ 3,022	\$ 2,219	\$ 4,303	\$ 6,520	\$ 5,952
Total gross profit per retail unit, non-GAAP	\$ (201)	\$ 206	\$ 1,013	\$ 1,537	\$ 2,136	\$ 2,878	\$ 3,298	\$ 4,593	\$ 3,337	\$ 2,667	\$ 4,796	\$ 7,030	\$ 6,396