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CARVANA
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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, our 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 Carvana's Annual Report on Form 10-K for 2021 and Form 10-Q for the first quarter of 2022.

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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.

Non-GAAP Measures

To supplement the financial measures prepared and presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), we also include non-GAAP measures in this presentation. None of these 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. A reconciliation of each of these non-GAAP measures to the most directly comparable GAAP financial measures can be found at the end of this presentation.

Carvana's Essential Questions

Since our founding in 2012 we have needed to answer several essential questions to create a path to success:

1. Do people want to buy cars online at all?
2. Will it require such a discount that it won't work economically?
3. Can we monetize the rest of the transaction in a way that enables high quality unit economics?
4. Can we execute and build to a scale that makes the fixed cost for variable cost trade-offs work?
5. Can we drive down variable costs per unit to a level that supports profitability and our long-term model?

Carvana's Financial Objectives

Since our IPO in 2017, we have focused on three financial objectives:

1. Grow retail units and revenue
2. Increase total gross profit per unit (GPU)
3. Demonstrate operating leverage

We have made significant progress on the first two objectives, while making progress, albeit more slowly, on the third as we have invested in rapid growth and GPU gains.

Our Current Priorities

In light of the current industry, macroeconomic, and financial market environment, we are elevating SG&A leverage, profitability, and positive free cash flow as priorities for managing the business. Our financial objectives currently are twofold:

1. Rapidly reduce SG&A expense per retail unit sold while taking care to minimize constraints on growth or impacts to customer experience. For reasons we discuss later in these slides, we currently view SG&A expense per retail unit sold as our highest priority and intend to lower it in both the near term and midterm while continuing to grow on the path toward our long-term goals.

2. Generate positive free cash flow through a combination of retail units, GPU, SG&A expense efficiencies, and management of capital expenditures to achieve self-funding without requiring additional equity or debt capital.

Total Liquidity Resources and Core Free Cash Flow

Unless otherwise noted, all references to GPU, SG&A, EBITDA, and Adjusted EBITDA are for Carvana only and exclude ADESA operations.

Following the ADESA U.S. ("ADESA") transactions, we had ~$4.9 billion in pro forma total liquidity resources, including ~$3 billion in cash and revolving availability, and ~$1.9 billion in unpledged real estate and other assets.*

	March 31, 2022 ($m)	ADESA Acquisition & Financing Transactions ($m)	March 31, 2022 + ADESA Acquisition & Financing Transactions ($m)
Cash and revolving availability	$730	+$2,230	$2,960
Unpledged real estate*	$824	+$939	$1,763
Unpledged other assets	$153	-	$153
Total liquidity resources	$1,707	+$3,169	$4,876

*Based on the company's cost basis or third-party real estate appraisals where available.

We define core free cash flow as Adjusted EBITDA ex SBC less capital expenditures less interest expense.

- Core Free Cash Flow(1)
  - = Retail Units *(Total GPU – **SG&A ex D&A ex SBC per unit**) – capital expenditures – interest

(1) Our definition of core free cash flow does not include changes in net working capital. We expect the sum of changes in net working capital to be a neutral or positive source of cash in the near term. In addition, we have historically financed a large portion of our changes in net working capital with matched sources of asset-based financing, including floor plan financing and beneficial interests financing.

*For additional information on total liquidity resources, please see our Form 10-Q.

Bridge to Positive Core Free Cash Flow

The GPU and SG&A per unit amounts in the table below refer to Carvana only and do not include gross profit or SG&A from ADESA in the numerator.

We currently believe SG&A per unit is the most important driver of free cash flow. In what follows, we show a range of scenarios that demonstrate the level of SG&A per retail unit ex D&A and SBC that we plan to target to generate positive free cash flow.

The table below shows the level of SG&A per retail unit sold ex D&A and SBC that generates positive core free cash flow under a range of retail unit and total GPU scenarios.(1) We intend to use various levers to manage to these levels of per unit SG&A.

	Annual retail units sold					
Total GPU	500,000	600,000	700,000	800,000	900,000	1,000,000
$3,750	$2,550	$2,750	$2,893	$3,000	$3,083	$3,150
$4,000	$2,800	$3,000	$3,143	$3,250	$3,333	$3,400
$4,250	$3,050	$3,250	$3,393	$3,500	$3,583	$3,650
$4,500	$3,300	$3,500	$3,643	$3,750	$3,833	$3,900
$4,750	$3,550	$3,750	$3,893	$4,000	$4,083	$4,150
$5,000	$3,800	$4,000	$4,143	$4,250	$4,333	$4,400

All cells show SG&A per retail unit sold ex D&A and SBC that generates positive core free cash flow in a given scenario.

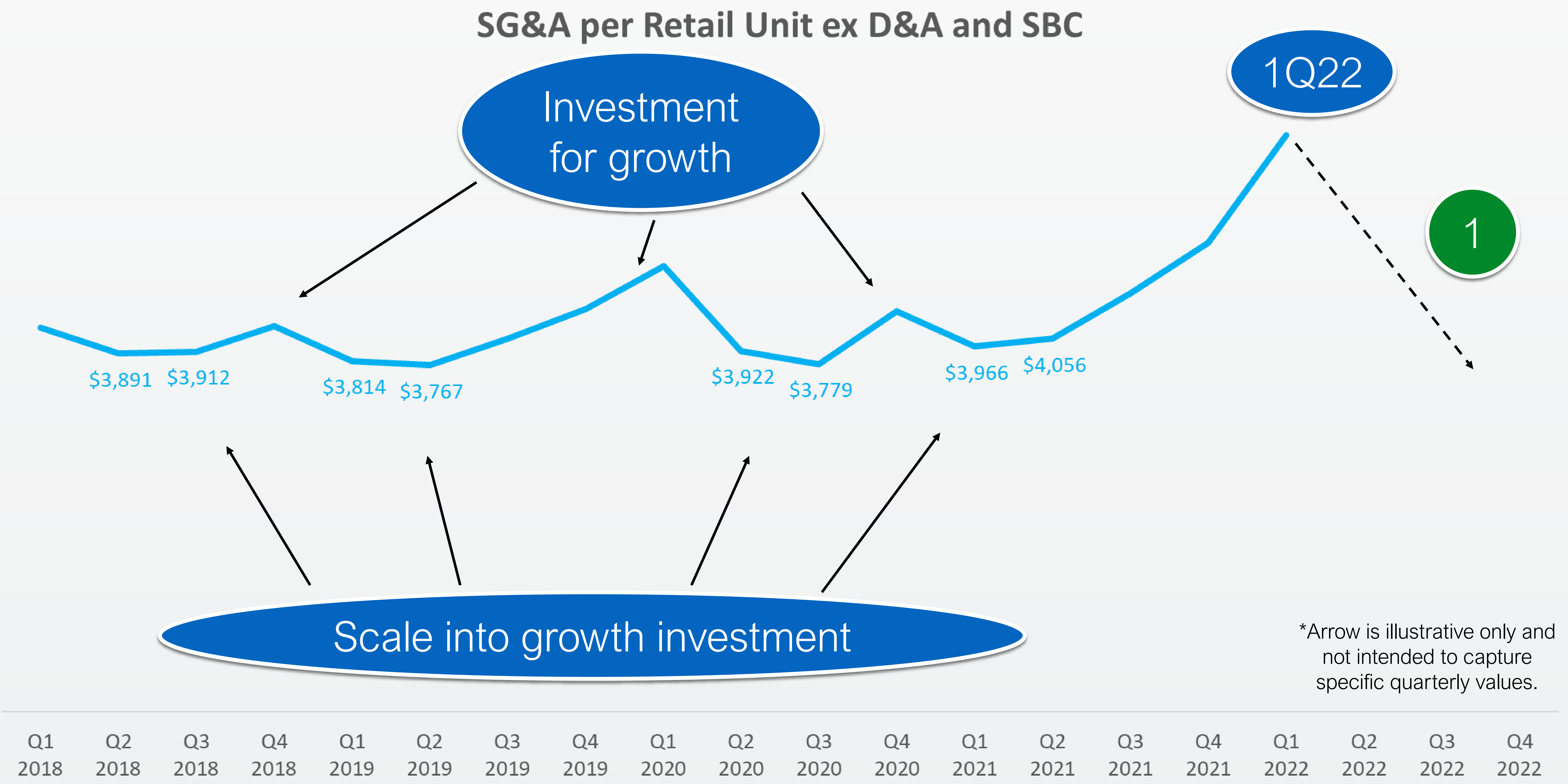
Cells shaded in blue reflect per unit amounts that we have already achieved within $20 at the company level.

(1) Our scenario assumptions include (i) (~$600m) annual interest expense, (ii) (~$100m) annual maintenance and priority growth capex, and (iii) ~+$100m of average ADESA physical auction Adjusted EBITDA. We are providing annualized estimates of these line items rounded to the nearest hundred million. Actual values may vary positively or negatively in any given period due to a variety of external or internal factors. We do not plan to update these rounded annualized estimates on an ongoing basis.

Historical SG&A per Unit Trends

Unless otherwise noted, all references to GPU, SG&A, EBITDA, and Adjusted EBITDA are for Carvana only and exclude ADESA operations.

We expect to significantly lever SG&A per retail unit sold over the coming quarters, with a stretch goal of $4,000 SG&A per retail unit sold ex D&A and SBC in Q4 2022.



1 We have numerous levers to better align expenses with sales volume. For example:

- In May 2022, we reduced our workforce primarily in operational groups to better match staffing levels with sales volume.
- In addition, we expect normal attrition, scheduling optimization, and in-sourcing in operational groups to lead to further alignment between staffing and volume.
- We expect advertising spend to decline in absolute terms in Q2 on higher sales volumes moving beyond our Super Bowl and tax season advertising in Q1.
- We also plan to reduce dollar spend in other areas where we see opportunities for efficiencies or savings.

Near-Term SG&A per Retail Unit Targets

Unless otherwise noted, all references to GPU, SG&A, EBITDA, and Adjusted EBITDA are for Carvana only and exclude ADESA operations.

In the near-term, we expect the following trajectory on SG&A per retail unit sold:

- We expect sequential reductions in SG&A per retail unit sold in Q2, Q3, and Q4, with a Q4 stretch goal of $4,000 SG&A per retail unit sold excluding D&A and SBC.
- From there, we expect to reach new records on SG&A per retail unit sold on our path toward our midterm goal and then toward our long-term goal.
- In addition, as discussed in our Q1 2022 shareholder letter, we are already seeing positive trends on Total GPU in Q2 and expect to see a meaningful improvement in Total GPU in Q2 vs. Q1.

We expect our focus on profitable growth, SG&A leverage, and a return to >$4,000 total GPU to lead to significant positive EBITDA for the full year 2023.*

*This outlook is intended to reiterate and expand upon the outlook in our Q1 2022 shareholder letter, which pointed to a return to >$4k GPU and positive EBITDA a few quarters after Q2 2022 through Q4 2022 taken in aggregate.

Midterm SG&A per Retail Unit Target

Unless otherwise noted, all references to GPU, SG&A, EBITDA, and Adjusted EBITDA are for Carvana only and exclude ADESA operations.

Similar to our midterm goal of $3,000 GPU in 2017, we are setting **a midterm goal of $3,000 SG&A per retail unit sold**, or $2,750 SG&A per retail unit sold ex D&A and SBC. From there, we expect to proceed to our long-term goal.

	FY 2021	Q2 2021	Best Quarter by Component*	$3,000 Midterm Goal
Compensation and Benefits	$1,569	$1,373	$1,231	~$950
Advertising	$1,126	$1,104	$1,011	~$800
Market Occupancy	$165	$139	$107	~$100
Logistics	$348	$315	$281	~$200
Other (Sum)	$1,573	$1,428	$1,261	~$950
Total SG&A	$4,780	$4,359	$3,891	$3,000
Depreciation and amortization	$249	$223	$202	~$200
Stock-based compensation	$91	$83	$83	~$50
SG&A ex D&A and SBC	$4,440	$4,053	$3,606	$2,750

*Best quarter shows our best realized quarter since Q1 2019 for each of our SG&A components excluding the CEO's gift and benefits from one-time items, with three subcomponents for other SG&A (see later slides for details in the full operating update deck available at investors.carvana.com/events-and-presentations). Numbers may not foot due to rounding.

Key Leverage Drivers

There are four key drivers of our leverage on SG&A per unit over the near, mid, and long-term:

- **Balance expenses with current sales volumes**
- **Internal Benchmarking**
- **Scale**
- **Process Automation and Efficiency Improvement**

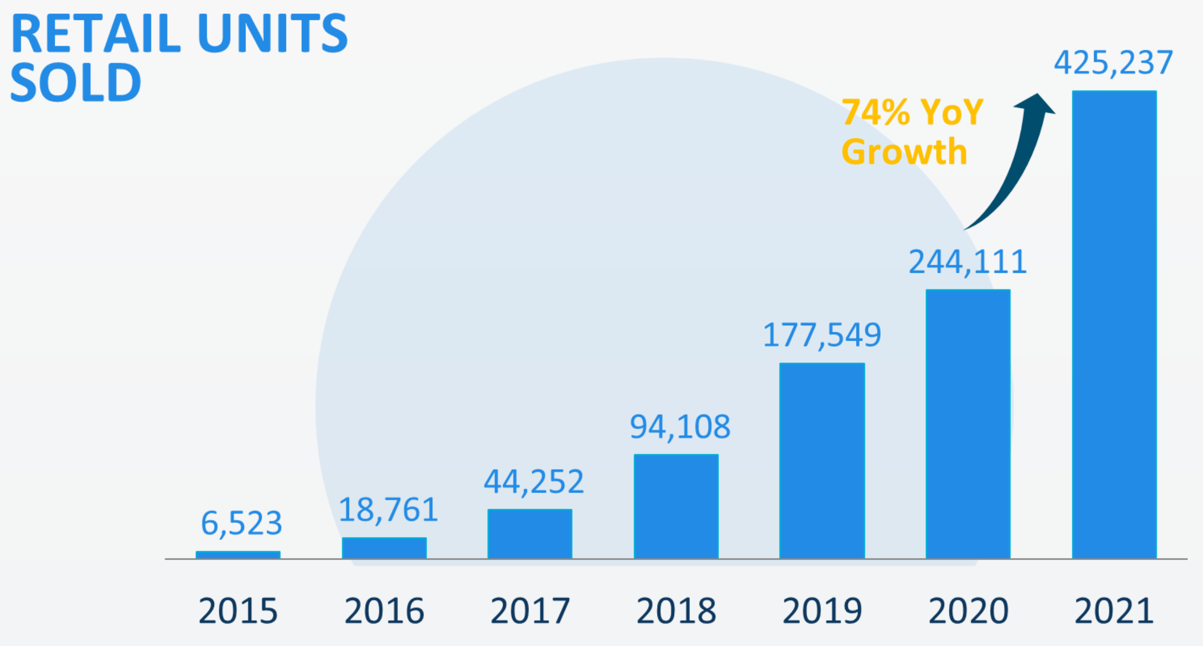
Internal Benchmarking Example

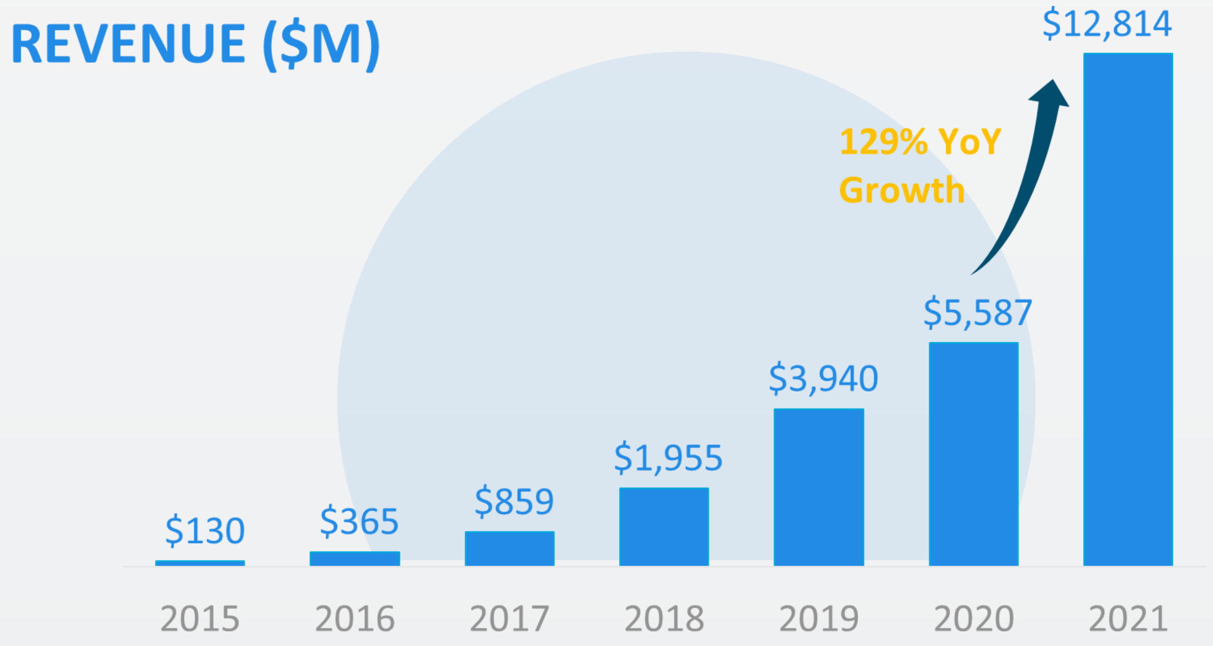
Due to our rapid growth and youth as a company, we currently see considerable dispersion in controllable performance metrics across locations and groups within departments. We estimate that managing all locations and groups to the level of our stronger proven internal benchmarks is worth $200-300 of compensation & benefits expense per retail unit sold. Examples include:

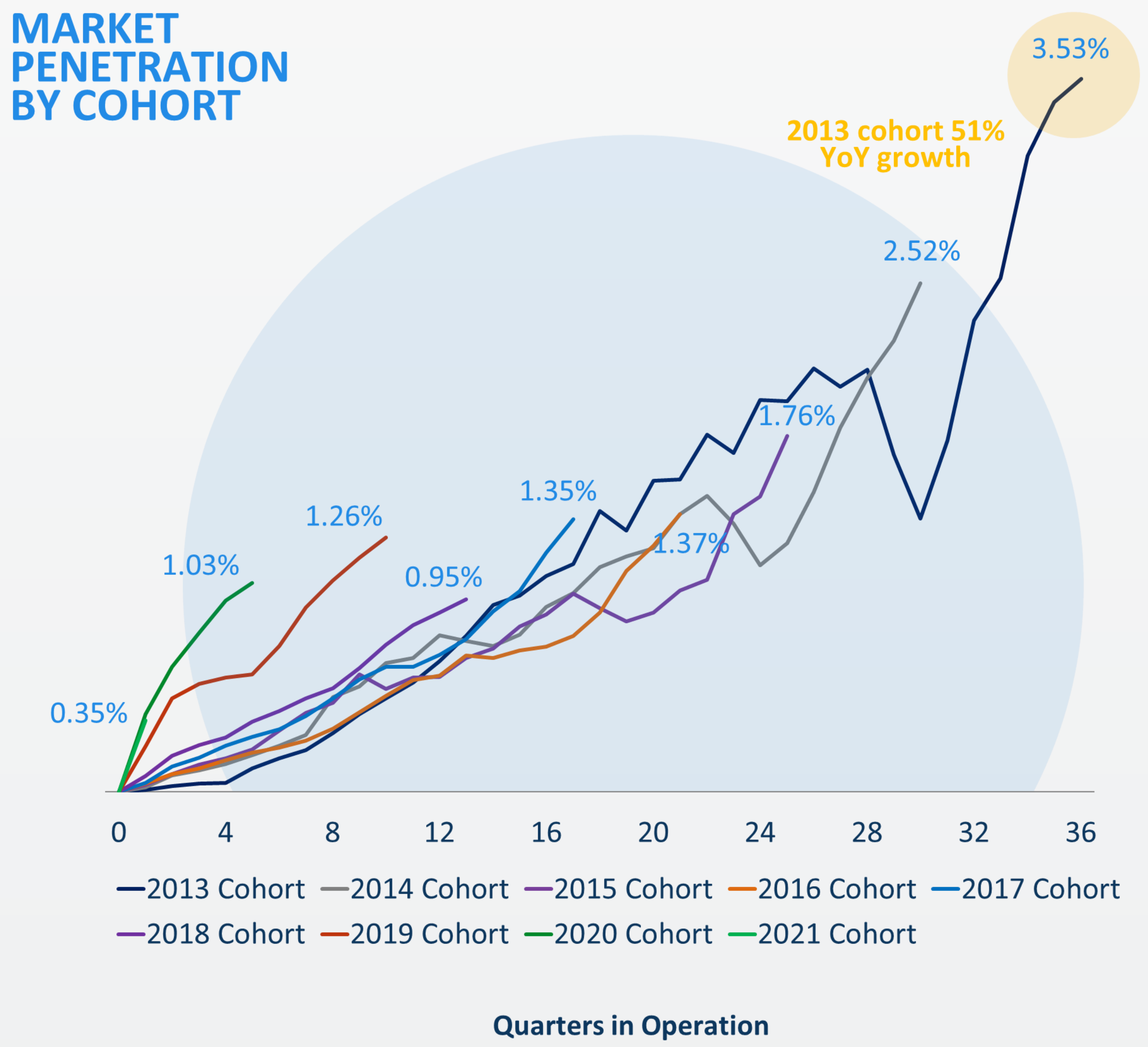
- ~50% lower rescheduling rate metrics vs. company average in our top quartile of logistics hub locations vs. company average
- ~40% higher efficiency in our top quartile of customer advocates vs. company average
- ~30% lower cost per unit in our top quartile of market hub locations vs. company average, after controlling for market specific factors such as cost of living
- ~25% lower cost per truck mile vs. company average in our top quartile of logistics hub locations vs. company average

Objective #1: Grow Retail Units and Revenue

In our brief history, we have had great success with growth. In just 8 years, we became the second largest seller of used vehicles in the U.S. and one of the fastest growing technology companies in history through our nationwide expansion and consistent market share gains.







Objective #2: Increase Total GPU

We have also had great success increasing total GPU to meet or exceed our midterm and long-term goals, leading to 8 straight years of total GPU gains to over $4,500 in 2021.

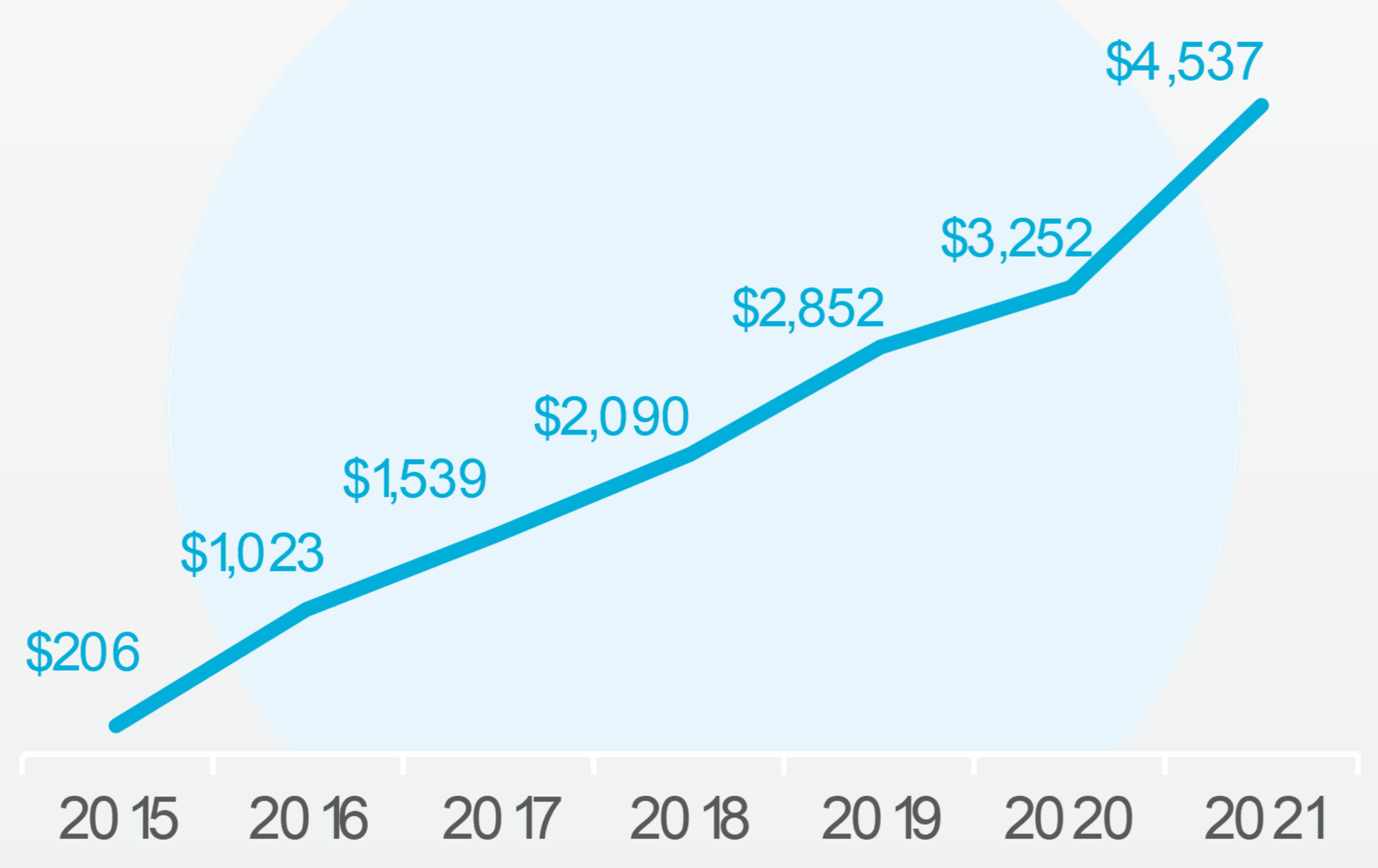
Midterm Goal (Jun. 2017)

- On our first earnings call in June 2017, we set a midterm goal of $3,000 total GPU. We had just completed a quarter with $1,169 total GPU, but we had a detailed plan to drive future GPU gains. In Q2 2019, we achieved $3,000 total GPU in a quarter for the first time before proceeding to our long-term model range.

Long-Term Goal (Nov. 2018)

- On our first analyst day presentation in November 2018, we set a long-term gross margin range of 15 to 19%. In Q3 2020, we achieved 15% gross margin in a quarter for the first time. We also achieved 15% gross margin for the full year 2021.

Gross Profit per Unit

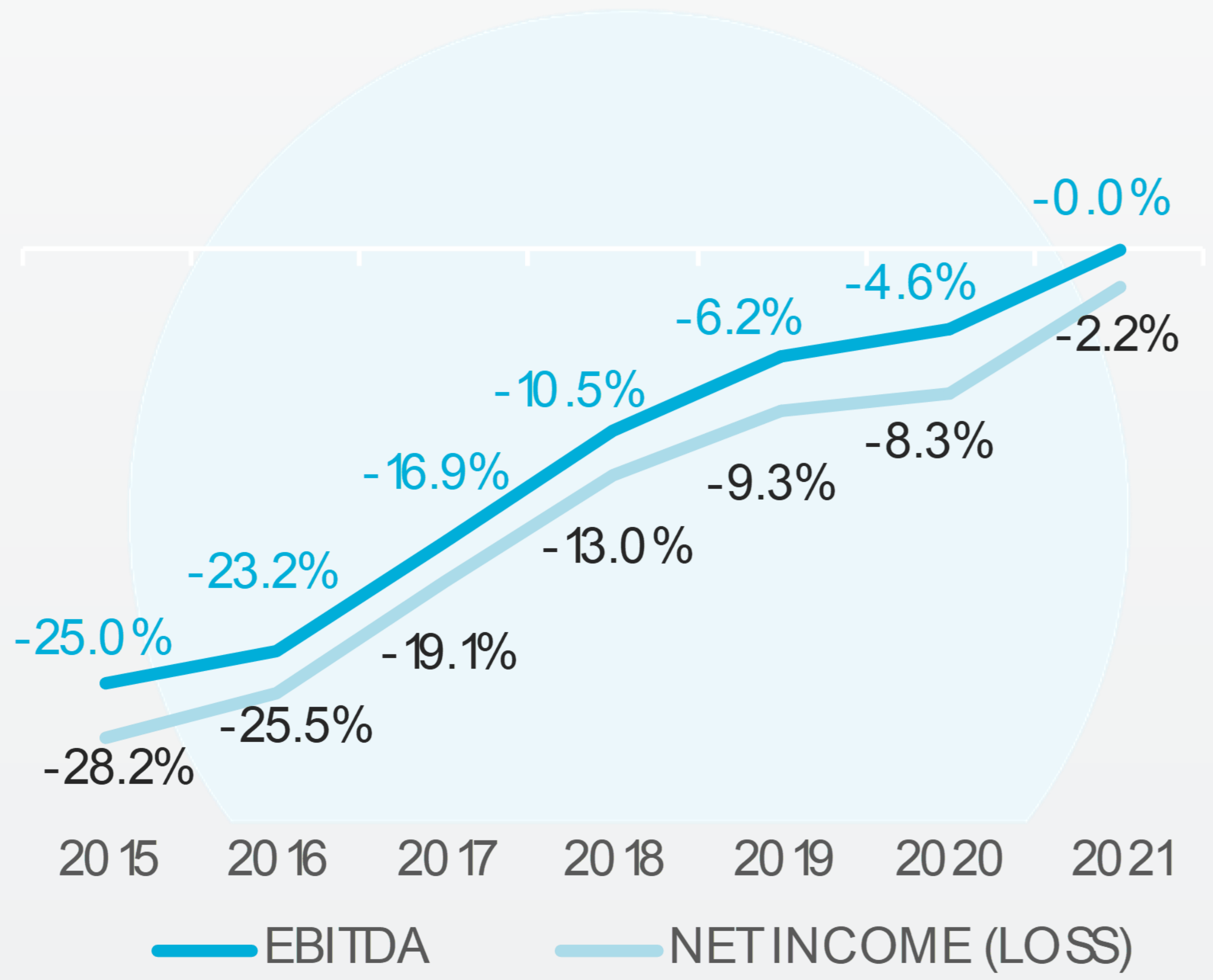


SUCCESSFUL EXECUTION ON PRIORITIES

Objective #3: Demonstrate Operating Leverage

We have demonstrated significant progress on net profit margins, driven by retail unit growth, increasing GPU, and SG&A leverage. However, our gains in SG&A leverage have been smaller than our gains in retail units and GPU, making SG&A our biggest opportunity.

EBITDA MARGIN [1] & NET INCOME (LOSS) MARGIN



(1) Please reference GAAP Reconciliation in Appendix

PROFITABLE UNIT ECONOMICS IN OLDER COHORTS*

- 5 of our 9 cohorts had positive EBITDA margin
- Our 2 oldest cohorts achieved EBITDA margin greater than 4%

Older cohorts have higher EBITDA margins than newer cohorts primarily due to lower SG&A expense as a percent of revenue.

* For the full year 2021

Focal Points and Drivers in the Near-Term

There are three key areas that will determine the trajectory of our results in the near-term:

- **Macroeconomic Environment and Auto Affordability**
- **Operational Effectiveness**
  - Addressing issues in logistics and operations broadly
  - Integrating ADESA
- **Internal Company Transition in Focus**
  - Reduction in force creates operational inefficiencies in the short term
  - Project Catapult kickoff sprint to pivot organizational priorities

Execution

Q&A

Appendix

Non-GAAP Measures

To supplement the financial measures prepared and presented in accordance with U.S. Generally accepted accounting principles (“gaap”),we also include non-gaap measures in this presentation, including EBITDA and EBITDA Margin. EBITDA and EBITDA Margin are supplemental measures of operating performance that do not represent and should not be considered an alternative to net loss or cash flow from operations, as determined by GAAP. EBITDA is defined as net loss before interest expense, income tax expense, and depreciation and amortization expense. EBITDA Margin is EBITDA as a percentage of total revenues. We use EBITDA to measure the operating performance of our business and EBITDA Margin to measure our operating performance relative to our total revenues. We believe that EBITDA and EBITDA Margin are useful measures to us and to our investors because they exclude certain financial and capital structure 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 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. A reconciliation of each of these non-gaap measures to the most directly comparable gaap financial measure can be found at the end of this presentation.

Non-GAAP Financial Reconciliation

(dollars in millions)	2015	2016	2017	2018	2019	2020	2021
	Years Ended December 31,						
Net loss	$ (37)	$ (93)	$ (164)	$ (255)	$ (365)	$ (462)	$ (287)
Depreciation and amortization expense	3	5	12	24	41	74	105
Interest expense	1	3	7	25	81	131	176
Income tax provision	—	—	—	—	—	—	1
EBITDA	$ (33)	$ (85)	$ (145)	$ (206)	$ (243)	$ (257)	$ (5)
Total revenues	$ 130	$ 365	$ 859	$ 1,955	$ 3,940	$ 5,587	$ 12,814
Net loss margin	(28.2)%	(25.5)%	(19.1)%	(13.0)%	(9.3)%	(8.3)%	(2.2)%
EBITDA Margin	(25.0)%	(23.2)%	(16.9)%	(10.5)%	(6.2)%	(4.6)%	(0.0)%
EBITDA	$ (33)	$ (85)	$ (145)	$ (206)	$ (243)	$ (257)	$ (5)
Other expense (income), net	—	—	1	1	4	(1)	6
CEO Milestone Gift in cost of sales	—	—	—	4	5	1	—
CEO Milestone Gift in SG&A	—	—	—	8	8	—	—
Adjusted EBITDA	(33)	(85)	(144)	(193)	(226)	(257)	1
Total revenues	$ 130	$ 365	$ 859	$ 1,955	$ 3,940	$ 5,587	$ 12,814
Adjusted EBITDA Margin	(25.0)%	(23.2)%	(16.8)%	(9.9)%	(5.7)%	(4.6)%	0.0 %