



Carvana Provides Updates on Operating Plan and Capital Structure at Growth Conference

PHOENIX (June 6, 2024) — Carvana Co. (NYSE: CVNA), the leading e-commerce platform for buying and selling used cars, presented today at the William Blair 44th Annual Growth Stock Conference, sharing progress and updates, including:

Operating Plan

One year ago, Carvana launched an internal plan that identified opportunities to strengthen unit economics over a 12-month period. This effort drove progress across every team, resulting in:

- **Efficiency-driven growth.** Despite continued focus on profitability initiatives and unit economics, Carvana grew retail units by 16% YoY in Q1, driven in part by improvements in conversion and customer experience.
- **Substantial YoY improvements in unit economics.** In Q1, non-GAAP GPU increased 42%, non-GAAP SG&A per unit decreased 17%, and Adjusted EBITDA Margin increased 860 bps.
- **Industry-leading Adjusted EBITDA margin.** In Q1, Carvana delivered its best financial results in company history, driving industry-leading 7.7% Adjusted EBITDA margin and reaching its goal of becoming the most profitable auto retailer for the first time by this measure.
- **Significant cash flow progress.** Adjusted EBITDA in Q1 was \$235 million while capital expenditures and non-PIK interest expense was only \$48 million.
- **Further momentum in Q2.** The company reiterated its expectation of a sequential increase in its YoY growth rate in retail units and a sequential increase in Adjusted EBITDA in Q2.

Carvana is now rolling out its next 12-month plan, including setting new, ambitious targets for each of its teams with the goal of driving additional material gains across every component of the business.

Capital Structure

Carvana's strong Adjusted EBITDA provides significant financial flexibility that allows the company to de-lever over time. The company previously announced its intention to pay cash interest on 2028 and 2030 Senior Secured Notes for interest payments beginning in 2025. In Q2, Carvana repurchased \$250 million (or ~24%) of 2028 Senior Secured Notes and raised \$350 million of equity capital through its at-the-market (ATM) program.

Carvana expects these combined actions to lead to ~\$55 million of interest expense savings in 2026 and \$620 million less debt outstanding at year-end 2026. Beyond these steps, the company plans to continue to reduce leverage over time.

Carvana's full presentation can be found by accessing the events and presentations page of the company's [Investor Relations](#) website.

Forward-Looking Statements.

This press release 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 and future performance. 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, including expectations regarding forecasted results and financial and operational goals. 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 larger automotive ecosystem, including consumer demand, global supply chain challenges, and other macroeconomic issues; our substantial indebtedness; our history of losses and ability to maintain profitability in the future; the seasonal and other fluctuations in our quarterly operating results; the highly competitive industry in which we participate; the changes in prices of new and used vehicles; and the other risks identified under the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended December 31, 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.

Use of Non-GAAP Financial Measures

To supplement the consolidated financial measures, which are prepared and presented in accordance with GAAP, we also refer to the following Non-GAAP measures in this press release: Adjusted EBITDA, Adjusted EBITDA Margin, Gross Profit, non-GAAP, Total gross profit per retail unit, non-GAAP, SG&A Expenses, non-GAAP, and Total SG&A expenses per retail unit, non-GAAP.

Adjusted EBITDA is defined as net income (loss) plus income tax provision (benefit), interest expense, other operating expense (income), net, other expense (income), net, depreciation and amortization expense in cost of sales and SG&A, goodwill impairment, share-based compensation expense in cost of sales and SG&A, and restructuring expense in cost of sales and SG&A expenses, minus revenue related to our Root Warrants and gain on debt extinguishment.

Gross profit, non-GAAP is defined as GAAP gross profit 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 is Gross profit, 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, share-based 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 believe that this metric is useful to us and to our investors because it excludes 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.

(dollars in millions, except per unit amounts)	For the Three Months Ended	
	Mar 31, 2023	Mar 31, 2024
Net income (loss)	\$ (286)	\$ 49
Income tax benefit	(2)	(1)
Other income, net	(3)	(87)
Interest expense	159	173
Operating income (loss)	(132)	134
Other operating expense, net	1	1
Depreciation and amortization expense in cost of sales	44	39
Depreciation and amortization expense in SG&A expenses	49	43
Share-based compensation expense in SG&A expenses	15	23
Root warrant revenue	(5)	(5)
Restructuring expense	4	-
Adjusted EBITDA	\$ (24)	\$ 235
Total revenues	\$ 2,606	\$ 3,061
Net income (loss) margin ¹	-11.0%	1.6%
Adjusted EBITDA margin	-0.9%	7.7%
Gross profit	\$ 341	\$ 591
Depreciation and amortization expense in cost of sales	44	39
Root warrant revenue	(5)	(5)
Gross profit, non-GAAP	\$ 380	\$ 625
Retail vehicle unit sales	79,240	91,878
Total gross profit per retail unit ²	\$ 4,303	\$ 6,432
Total gross profit per retail unit, non-GAAP	\$ 4,796	\$ 6,802
SG&A expenses	\$ 472	\$ 456
Depreciation and amortization expense in SG&A expenses	49	43
Share-based compensation expense in SG&A expenses	15	23
Restructuring expense in SG&A expenses	4	-
SG&A expenses, non-GAAP	\$ 404	\$ 390
Retail vehicle unit sales	79,240	91,878
Total SG&A expenses per retail unit ³	\$ 5,957	\$ 4,963
Total SG&A expenses per retail unit, non-GAAP	\$ 5,098	\$ 4,245

¹ In Q1 2024, Net income (loss) margin increased by 1,260 bps YoY

² In Q1 2024, GPU increased 49% YoY

³ In Q1 2024, SG&A per unit decreased 17% YoY

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About Carvana

Carvana's mission is to change the way people buy and sell cars. Over the past decade, Carvana has revolutionized automotive retail and delighted millions of customers with an offering that is fun, fast, and fair. With Carvana, customers can choose from tens of thousands of vehicles, get financing, trade-in, and complete a purchase entirely online with the convenience of home delivery or local pick up in over 300 U.S. markets. Carvana's vertically integrated platform is powered by its passionate team, unique national infrastructure, and purpose-built technology. Carvana is a Fortune 500 company and is proud to be recognized by Forbes as one of America's Best Employers.

For more information, please visit www.carvana.com.

CONTACT:**Investors**

Mike McKeever

Investors@carvana.com

Media

press@carvana.com