

vroom

**second quarter 2024
earnings**

august 2024



disclaimer

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our expectations regarding United Auto Credit Corporation and CarStory, the impact from the UACC's 2024-1 securitization transaction, the expectation of originations since early 2023, and the impacts of credit tightening. These statements are based on management's current assumptions and are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For factors that could cause actual results to differ materially from the forward-looking statements in this presentation, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as updated by our Quarterly report on Form 10-Q for the quarter ended June 30, 2024, which is available on our Investor Relations website at ir.vroom.com and on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this presentation. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

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vroom overview

following the wind-down of our ecommerce operations, vroom's business is comprised of uacc and carstory. uacc is an indirect lender that offers vehicle financing to consumers through third-party dealers under the uacc brand, focusing primarily on the non-prime market. carstory is a leader in ai-powered analytics and digital services for automotive retail. in addition, vroom continues to own the technology, ip and digital assets that powered vroom's retail automotive ecommerce platform.



united auto credit business

Financing and Loan Servicing

- Acquired by Vroom in 2022
- Non-prime lending expertise
- Successful capital markets experience
- 9,500+ independent dealer network
- \$1B+ gross serviced portfolio
- \$629M in loan origination in 2022
- External finance and management portal for dealers
- Consumer payment integrations and auto-pay functionality
- Integrated with largest dealer management platform credit applications
- Automatic pricing programs for both independent and franchise dealerships
- 3rd generation proprietary pricing engine powered by big data models with machine learning
- 100+ nationwide sales team with strong dealer relationships
- Tangible book value at 6/30 ~\$154M

carstory business

Industry Leading Data, AI and Technology

- Acquired by Vroom in 2021
- 18+ years of automotive vehicle history
- Extensive patent portfolio, including 29 issued or allowed and 7 pending patents
- Website conversion expertise
- Data science and analytics
- AI and ML models for vehicle pricing, similarity and imaging processing
- Major financial institution customers, dealers and retail auto service providers
- Vehicle acquisition and pricing product suite for dealers
- Consumer mobile apps with full-featured marketplace and augmented reality shopping experience

vroom assets

Automotive eCommerce Platform

- eCommerce used vehicle platform
- Predictive price and P&L models
- Consumer and B2B Inventory acquisition
- Consumer shopping solution
- Self-service checkout
- Consumer transaction hub deal status, pending action items, delivery and registration tracking
- Delivery and logistics solution with integrated tools for seamless driveway experiences
- Patent-pending titling, registration and document platform
- Proprietary document processing pipeline for automated contracting
- Payment integrations for credit card, ACH, debit and wire transfer payments
- Internal sales-enablement platform to guide sales and support agents on financing terms and approval probabilities

second quarter results

2nd quarter key performance indicators

- \$63M Cash and Cash Equivalents⁽¹⁾
- \$825M UACC total Warehouse Capacity, \$270M outstanding borrowings, \$555M excess warehouse capacity
- \$34M of excess liquidity available to UACC under the warehouse lines (receivables that could be pledged to draw cash from warehouse lines)

uacc performance highlights

- Grew origination volume and gross serviced portfolio year over year
 - Sequential quarterly decline of serviced portfolio and origination volume driven by Q1 seasonality
- Origination metrics indicate continued migration toward higher quality credit
- Impacts of credit tightening in Q4-2022/Q1-2023 starting to show through as portfolio losses declined sequentially

2024-1 securitization transaction

- In April 2024, UACC sold approximately \$262.5 million of rated asset-backed securities in an auto loan securitization for proceeds of \$261.3 million
- UACC retained the non-investment grade securities and residual interest at close and subsequently sold \$37.5 million of non-investment grade securities for proceeds of \$35.9 million in May 2024

q2 2024 uacc performance highlights

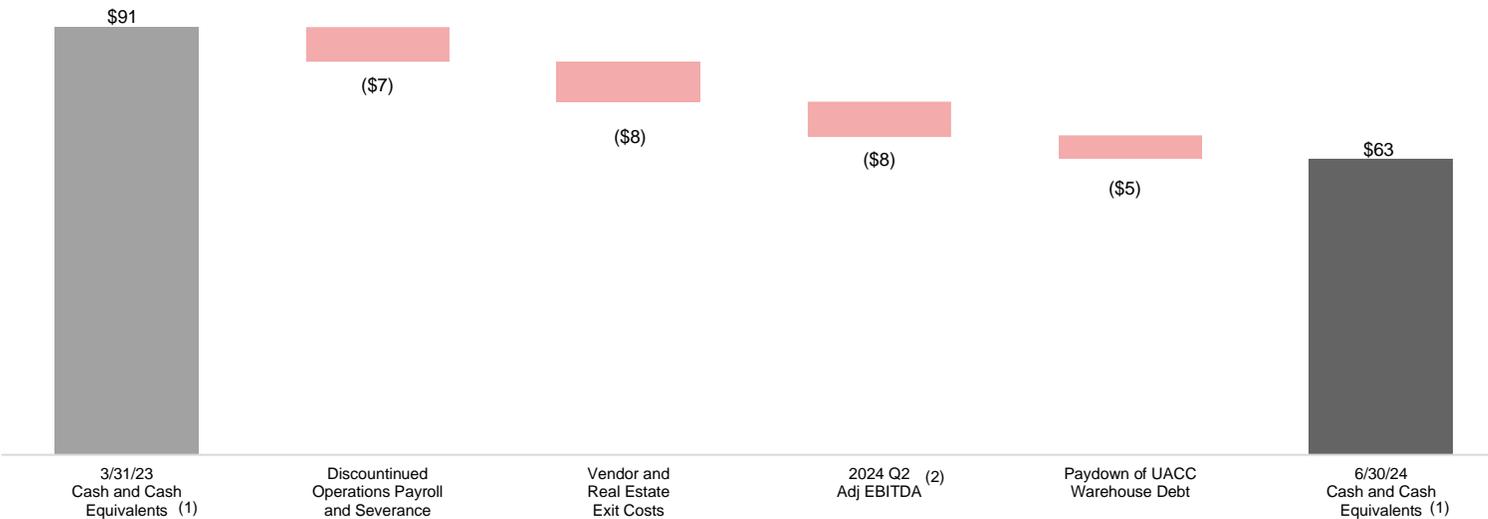
	second quarter 2023	first quarter 2024	second quarter 2024
gross serviced portfolio	\$1,025 million	\$1,106 million	\$1,094 million
gross serviced accounts	79,896	82,305	82,161
indirect origination volume ⁽²⁾	\$93 million	\$130 million	\$116 million

(1) Represents unrestricted cash and cash equivalents, excludes restricted cash, and warehouse availability. (2) Represents retail installment sale contracts originated through third-party dealers

\$63m of cash and cash equivalents⁽¹⁾ at second quarter end 2024

2nd quarter cash and cash equivalents

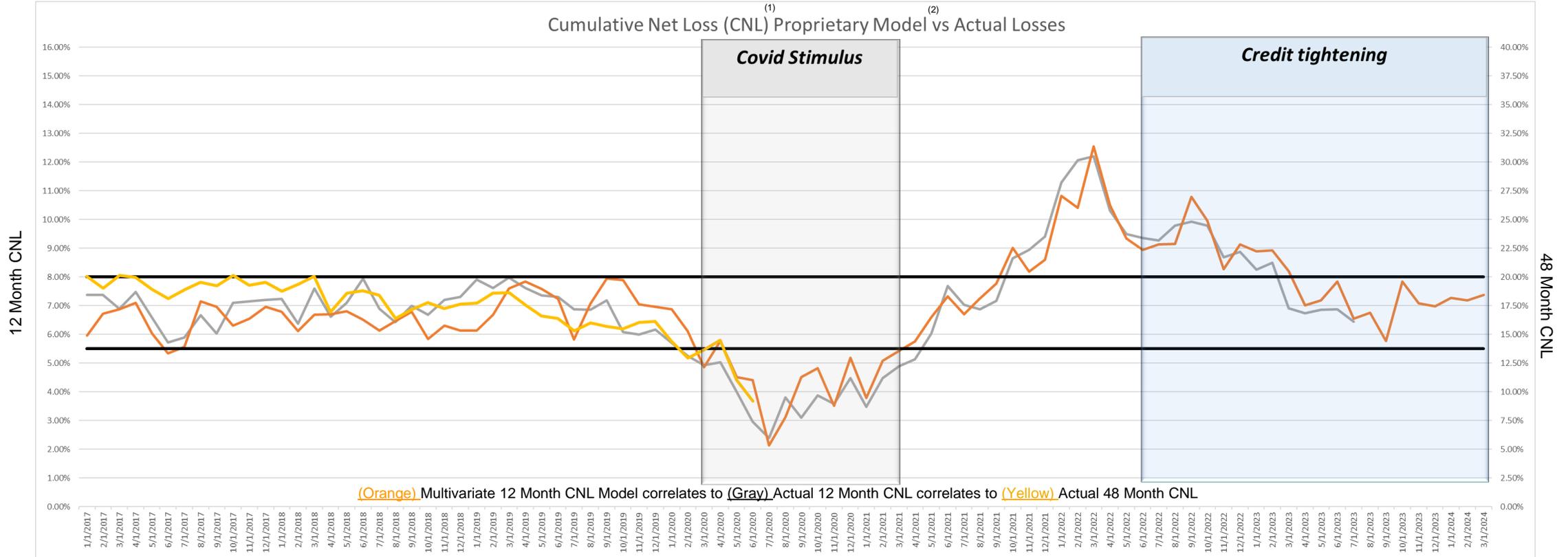
2nd quarter cash and cash equivalents⁽¹⁾



- **discontinued operations payroll and severance**
 - Payroll, benefits and severance for exited employees as a result of ecommerce wind-down
- **vendor and real estate exit costs**
 - Costs associated with early termination or modification of ecommerce contracts and leases
- **paydown of uacc warehouse debt**
 - Principal paydown of warehouse debt to reduce interest expense

(1) Represents unrestricted cash and cash equivalents. Excludes restricted cash and warehouse availability. (2) Adjusted EBITDA is a non-GAAP measure. For definitions and a reconciliation to the most comparable GAAP measure, please see the appendix.

12 and 48 month cumulative net loss model



- **in late 2022 and early 2023, we implemented changes to our credit program, tightening credit, which has returned our delinquencies and expected portfolio performance on those vintages to pre-pandemic levels**
- **originations from mid-2021 to mid-2022 generally are concentrated in off-balance sheet securitizations in which we sold residual certificates, reducing the credit risk to uacc earnings**

(1) Cumulative net loss is the aggregate realized loss (net of recoveries) over a portfolio's lifetime. (2) This metric, including the ratios, is based on management's proprietary assumptions and formulas and is subject to change from time to time as management continues to evaluate the business.

impact of credit changes in line with expectations



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Appendix



segment financials

	Q2 2024				Q1 2024			
	UACC	CarStory	Corporate	Total	UACC	CarStory	Corporate	Total
Interest income	\$ 52,389	\$ —	\$ (527)	\$ 51,862	\$ 51,541	\$ —	\$ (464)	\$ 51,077
Interest expense:								
Warehouse credit facility	6,986	—	—	6,986	9,471	—	—	9,471
Securitization debt	7,995	—	—	7,995	4,869	—	—	4,869
Total interest expense	14,981	—	—	14,981	14,340	—	—	14,340
Net interest income	37,408	—	(527)	36,881	37,201	—	(464)	36,737
Realized and unrealized losses, net of recoveries	19,582	—	(853)	18,729	27,761	—	3,058	30,819
Net interest income after losses and recoveries	17,826	—	325	18,152	9,439	—	(3,521)	5,918
Noninterest (loss) income:								
Servicing income	1,587	—	—	1,587	2,019	—	—	2,019
Warranties and GAP income, net	1,640	—	(262)	1,378	1,610	—	(11,252)	(9,642)
CarStory revenue	—	2,913	—	2,913	—	2,979	—	2,979
Gain on debt extinguishment	—	—	—	—	—	—	—	—
Other income	2,098	190	853	3,141	2,470	173	141	2,784
Total noninterest (loss) income	5,325	3,103	591	9,019	6,099	3,152	(11,111)	(1,860)
Expenses:								
Compensation and benefits	20,539	2,461	4,176	27,176	18,788	2,214	3,109	24,110
Professional fees	575	80	833	1,488	876	122	2,345	3,343
Software and IT costs	2,605	21	1,410	4,036	3,097	167	1,358	4,622
Depreciation and amortization	5,630	1,602	—	7,232	6,021	1,605	—	7,626
Interest expense on corporate debt	629	—	920	1,549	471	—	920	1,391
Impairment charges	—	—	—	—	2,752	—	—	2,752
Other expenses	3,054	55	1,852	4,961	2,523	118	1,813	4,454
Total expenses	33,032	4,219	9,191	46,442	34,529	4,225	9,544	48,298
Adjusted EBITDA ⁽¹⁾	\$ (2,824)	\$ 372	\$ (5,089)	\$ (7,541)	\$ (10,147)	\$ 559	\$ (22,564)	\$ (32,152)

(1) Adjusted EBITDA is a non-GAAP measure. For definitions and a reconciliation to the most comparable GAAP measure, please see the appendix.

reconciliation of non-gaap financial measures

EBITDA and Adjusted EBITDA

We calculate EBITDA as net loss before interest expense on corporate debt, interest income on cash and cash equivalents, income tax expense and depreciation and amortization expense. We calculate Adjusted EBITDA as EBITDA adjusted to exclude stock compensation expense, severance expense for continuing operations, gain on debt extinguishment and long-lived asset impairment charges. The following table presents a reconciliation of EBITDA and Adjusted EBITDA to net loss, which is the most directly comparable U.S. GAAP measure:

	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024
Net loss from continuing operations	\$ (19,104)	\$ (44,676)
Adjusted to exclude the following:		
Interest expense on corporate debt	1,549	1,391
Interest income on cash and cash equivalents	(1,182)	(1,005)
Provision for income taxes	(167)	436
Depreciation and amortization	7,232	7,626
EBITDA	<u>\$ (11,672)</u>	<u>\$ (36,228)</u>
Stock compensation expense	\$ 2,446	\$ 1,324
Severance	1,685	—
Impairment charges	—	2,752
Adjusted EBITDA	<u>\$ (7,541)</u>	<u>\$ (32,152)</u>