

vroom

Investor Day

**Our Long-Term Roadmap and
Financial Goals**

May 2022



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 the expected timeline, our execution of and the expected benefits from our business realignment plan and cost-saving initiatives, our expectations regarding our business strategy and plans, including our ability to integrate and develop United Auto Credit Corporation into a captive finance operation, as well as our ability to scale our business, address operational challenges, expand reconditioning capacity, invest in logistics and improve our end-to-end customer experience, and statements regarding our future results of operations and financial position, including our ability to improve our unit economics, lower our operating expenses and our financial outlook including with respect to our liquidity, our profitability, changes to our leadership team, and our cash balances, for the fiscal year 2022, mid-term, and long-term. 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, 2021, as updated by our Quarterly report on Form 10-Q for the quarter ended March 31, 2022, each of 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.

Industry and Market Information

To the extent this presentation includes information concerning the industry and the markets in which the Company operates, including general observations, expectations, market position, market opportunity and market size, such information is based on management's knowledge and experience in the markets in which we operate, including publicly available information from independent industry analysts and publications, as well as the Company's own estimates. Our estimates are based on third-party sources, as well as internal research, which the Company believes to be reasonable, but which are inherently uncertain and imprecise. Accordingly, you are cautioned not to place undue reliance on such market and industry information.

Financial Presentation and Use of Non-GAAP Financial Measures

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Certain other amounts that appear in this presentation may not sum due to rounding.

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, and not a substitute or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures have limitations as analytical tools in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. Because of these limitations, these non-GAAP financial measures should be considered along with other operating and financial performance measures presented in accordance with U.S. GAAP. We have reconciled all non-GAAP financial measures with the most directly comparable U.S. GAAP financial measures.

today's speakers



Tom Shortt
CEO, Vroom



Bob Krakowiak
CFO, Vroom



Ravi Gandhi
Co-President &
CFO, United Auto
Credit Corp.



Rachel Mahoney
CMO, Vroom

agenda

welcome & forward guidance	Liam Harrington VP & FP&A Investor Relations
our vision	Tom Shortt CEO
introducing uacc	Ravi Gandhi Co-President & CFO UACC
2022	Bob Krakowiak CFO
key unit economic drivers	Tom Shortt CEO
build a well-oiled machine	Tom Shortt CEO & Ravi Gandhi Co-President & CFO UACC
break	5 minutes
build a well-oiled machine	Tom Shortt CEO & Rachel Mahoney CMO
our long-term roadmap	Tom Shortt CEO
break	5 minutes
q&a	Tom Shortt CEO & Bob Krakowiak CFO & Rachel Mahoney CMO & Ravi Gandhi Co-President & CFO UACC
closing statement	Liam Harrington VP & FP&A Investor Relations & Tom Shortt CEO

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our vision

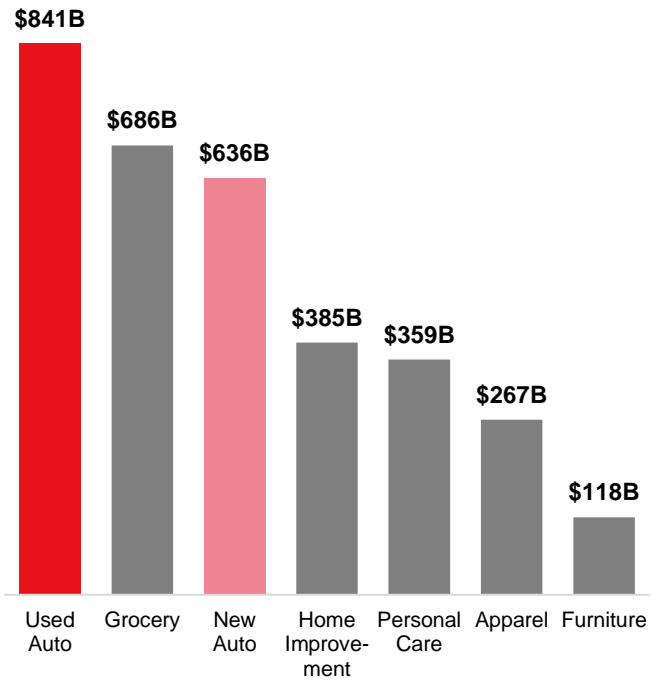
Build the world's premier platform to research,
discover, buy and sell vehicles



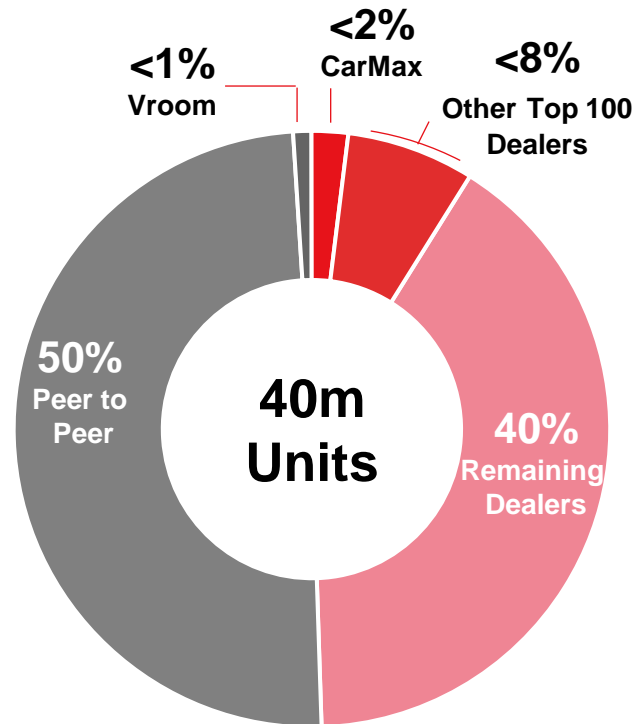
market overview

There is a significant market opportunity

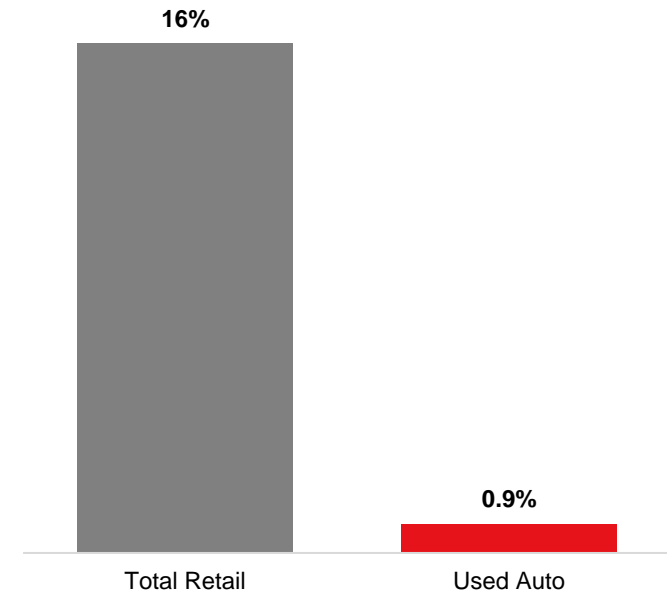
largest consumer product category



highly fragmented market



ecommerce penetration still early



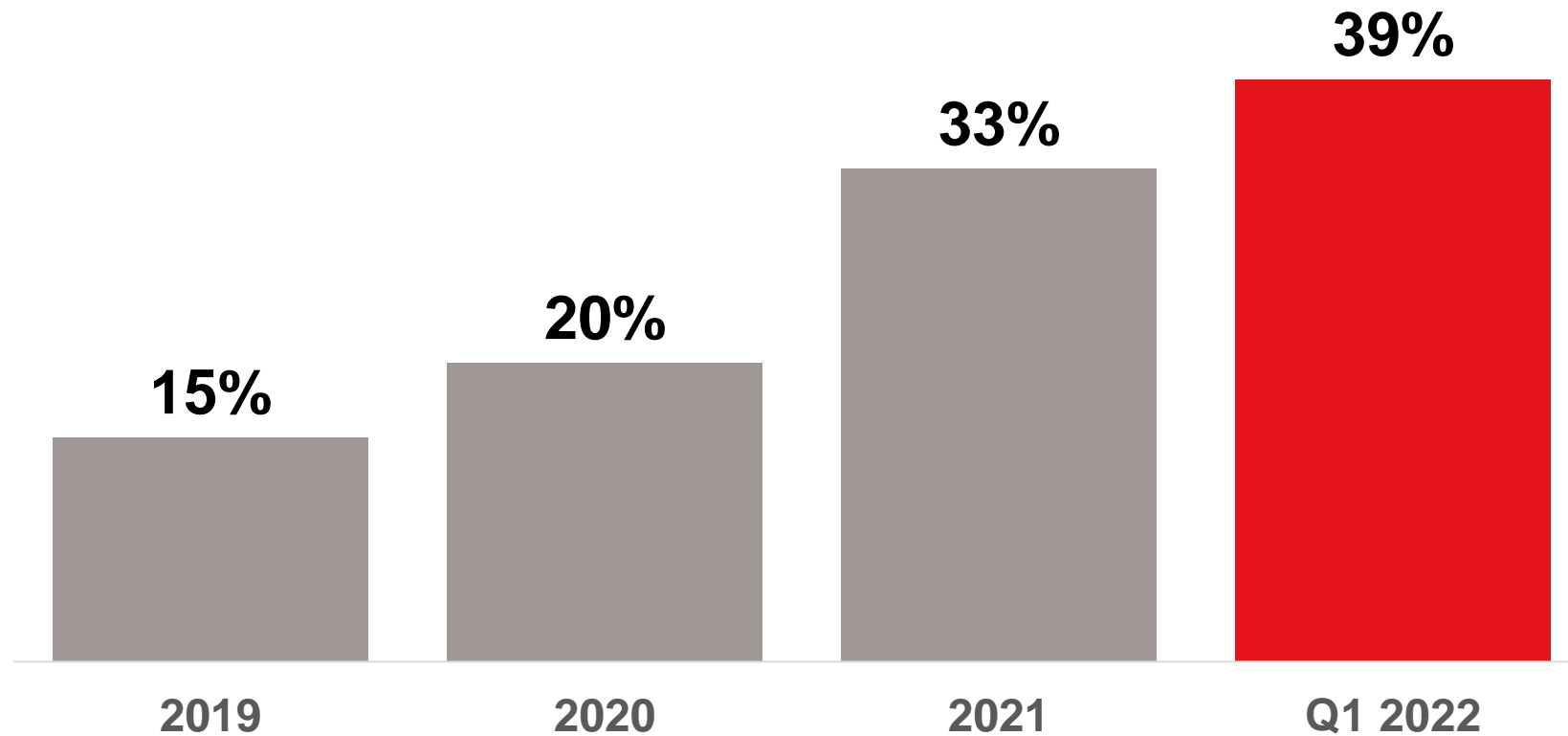
Source: Edmunds, US Census, Automotive News, Digital360. Data as of 2019, 2019, and 2020 respectively.

massive market with low ecommerce penetration

our brand

We've built a national brand

Vroom Aided Brand Awareness⁽¹⁾



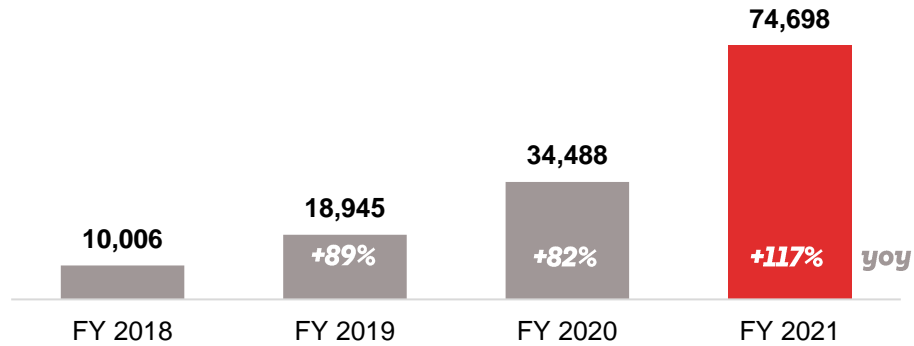
1. Aided brand awareness is based on the following survey question: "Including any of the companies you may have already mentioned, which of the companies that buy or sell used cars have you heard of. Select all that apply."

39% aided brand awareness

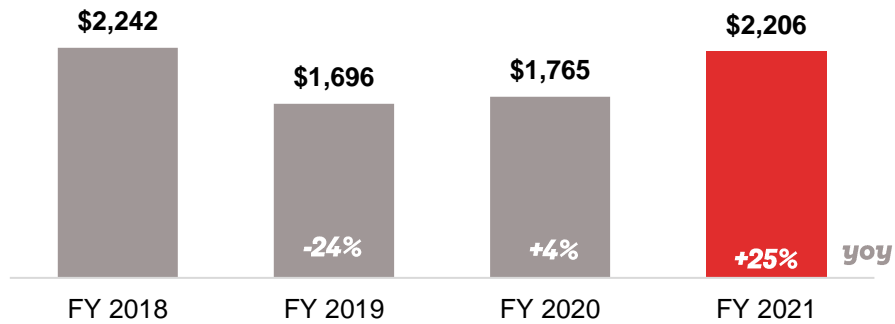
where we've been

We've been focused on driving growth

ecommerce units

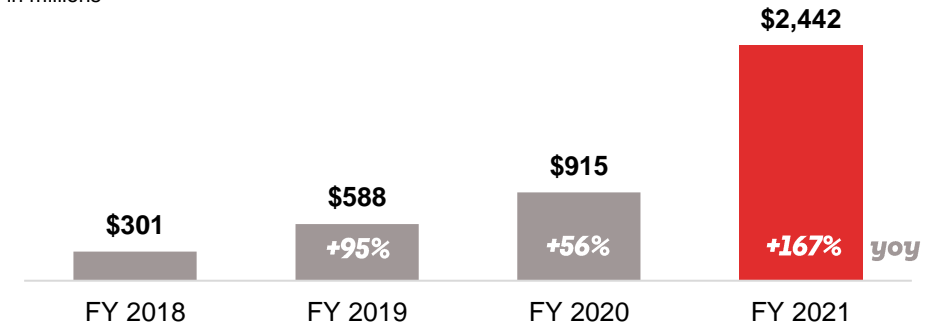


ecommerce gross profit per unit (gppu)

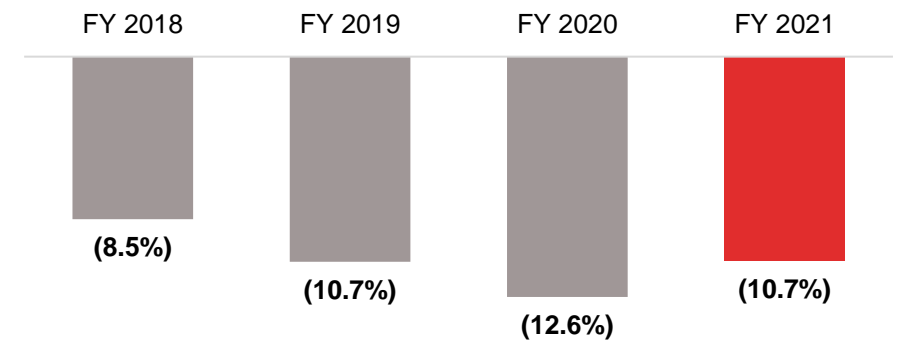


ecommerce revenues

\$ in millions



adjusted ebitda margin⁽¹⁾



1. Adjusted EBITDA margin is a non-GAAP measure. For a definition of Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix

we've prioritized growth over unit economics



we are choosing to slow down

We aim to improve the customer experience while we live within our means, prioritize profitability and liquidity, and drive unit economics

3 key objectives

- 1** Prioritize unit economics over growth
- 2** Significantly reduce operating expenses
- 3** Maximize liquidity

4 focused strategic initiatives



Build a well-oiled transaction machine



Build a well-oiled metal machine



Build a regional operating model



Build a captive finance offering

where we are going

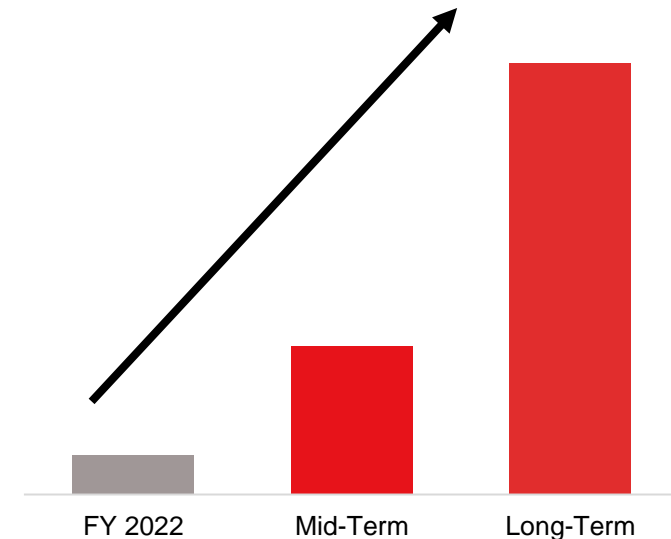
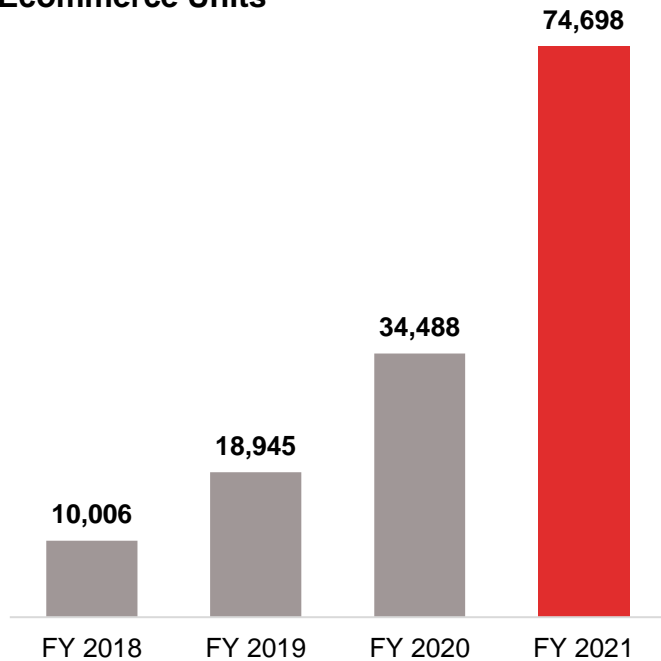
We have proven we can grow, we will now focus on building a well-oiled machine and then resume growth

proven growth

building a well oiled machine
(focused on unit economics)

resume growth⁽¹⁾





Ecommerce Units



(1) Illustrative.

key unit economic drivers

4 strategic initiatives designed to drive unit economic improvements across the P&L

	<i>financial lever</i>	<i>initiative</i>	<i>goal</i>
	EBITDA	Grow UACC third-party dealer business	Grow EBITDA
	Product GPPU	Originate and securitize Vroom loans through UACC	Improve product finance margin
Grow consumer value added products		Improve product margin	
	Vehicle GPPU	Optimize pricing through predictive data and regionalization	Improve vehicle margin
		Optimize assortment	Improve vehicle, product & finance margin
	GPPU & SG&A - Logistics	Synchronize end-to-end supply chain to increase velocity and optimize flow	Reduce miles and cost per mile
	Balance Sheet - Inventory		Improve inventory turns
	SG&A - Sales	Optimize sales channels by selective insourcing and digitization	Reduce transaction cost per unit
	SG&A - T&R	Streamline and digitize title and registration process	
	SG&A - Marketing	Improve marketing effectiveness	Reduce marketing cost per unit
	SG&A - Fixed	Grow fixed cost slower than revenue	Reduce fixed cost per unit

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introducing uacc



introducing uacc

Vision, knowledge, and experience to execute



Jim Vagim

CEO & Co-President



Ravi Gandhi

Co-President & CFO



25+ years average industry
experience

~14 years average
management tenure

500+ active FTE

4.4 Google rating
(2,000+ reviews)

uacc's well-oiled machine

UACC has a strong business model

robust management

- 10+ years of capital markets experience
- 8,500+ third-party dealers
- 100+ nationally based area managers

scalable economics

- \$500mm in loan origination
- \$2.8bn of securitized collateral

generates profit and liquidity

- \$65-\$75mm expected EBITDA in 2022⁽¹⁾
- Goal to grow EBITDA at 7% CAGR in the future

why it works

- Cycle-tested Management Team
- Extensive Financial Tech Platform
- Consumer-First Servicing Culture
- Successful Capital Markets Experience

1. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2022 guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, these costs and expenses that may be incurred in the future.

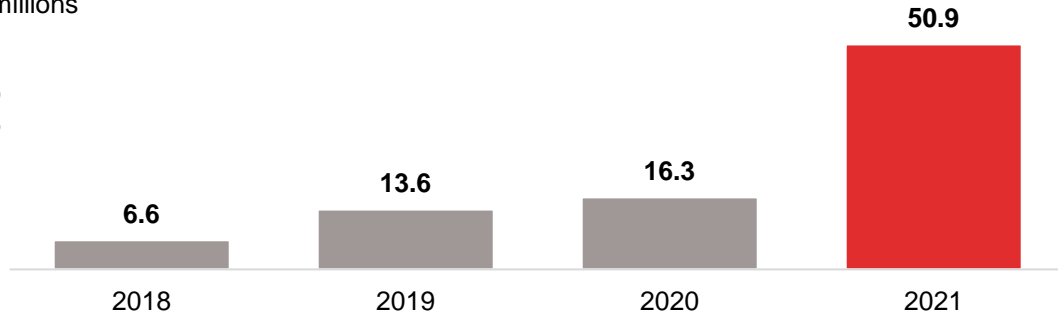
uacc's track record

UACC has a track record of strong financial performance

pre-tax net income

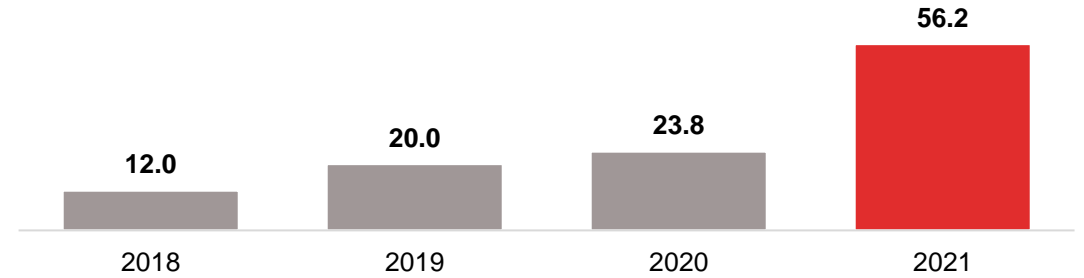
\$ in millions

Millions

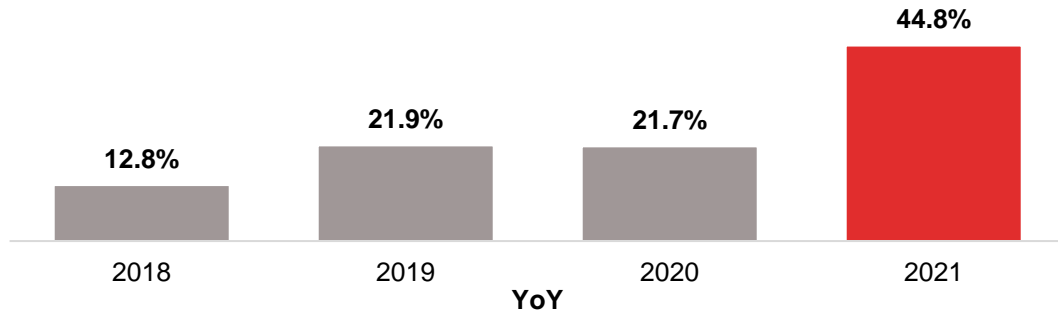


ebitda⁽¹⁾

\$ in millions

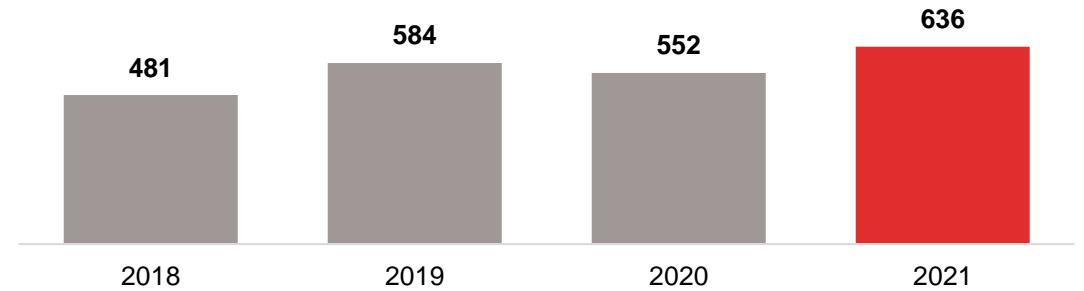


pre-tax roe⁽²⁾



serviced portfolio

Serviced portfolio at year-end (\$ in millions)

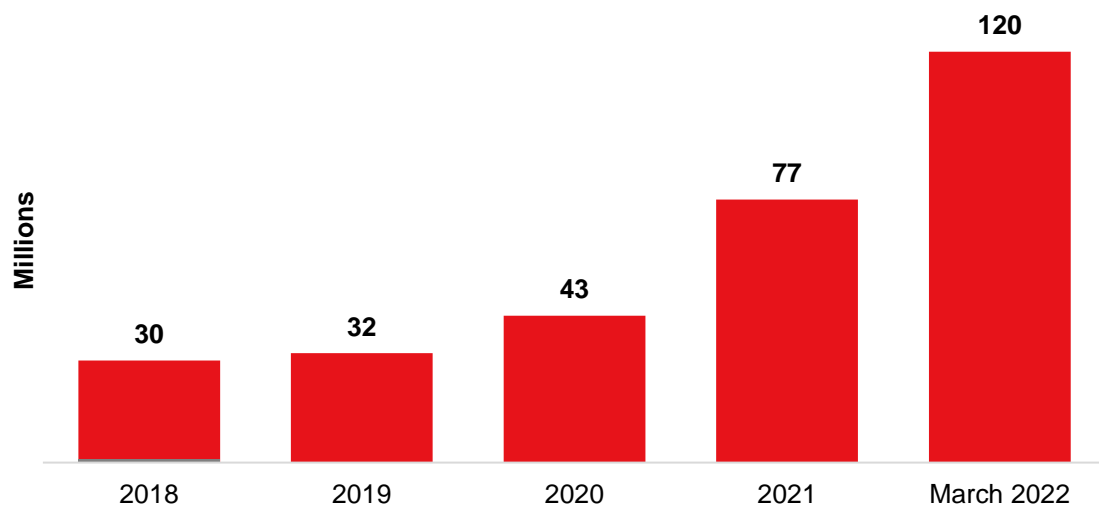


1. EBITDA is a non-GAAP measure. For a definition of EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix.
2. Pre-tax ROE is a non-GAAP measure. For a definition of pre-tax ROE and a reconciliation to the most comparable GAAP measure, please see the appendix.

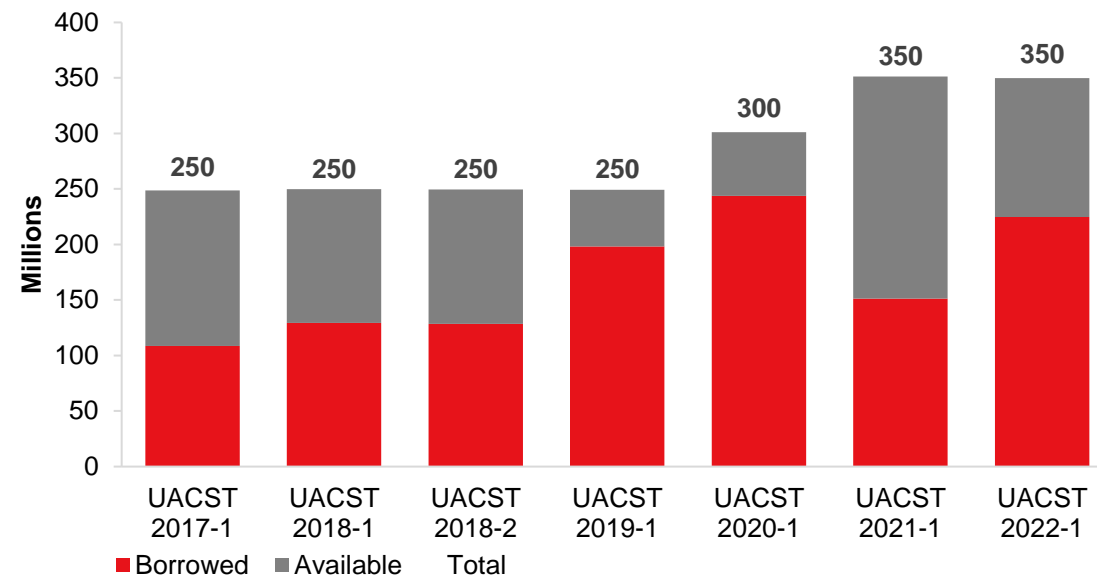
vacc liquidity⁽¹⁾

Driving strong liquidity and cash flow

available liquidity⁽¹⁾



warehouse availability prior to securitization



Extensive cash-flow & liquidity generation while maintaining flexibility

L/T committed bi-lateral warehouse facilities to ensure funding stability

Ability to deploy securitizations as well as flow sales to maintain capital flexibility

1. Liquidity is defined as cash availability if all eligible receivables are pledged to warehouse lines. Available liquidity is a non-GAAP measure. For a definition of available liquidity and a reconciliation to the most comparable GAAP measure, please see the appendix.

uacc operations

The combination of Vroom and UACC creates value for dealers and customers



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2022

1Q 2022 Recap



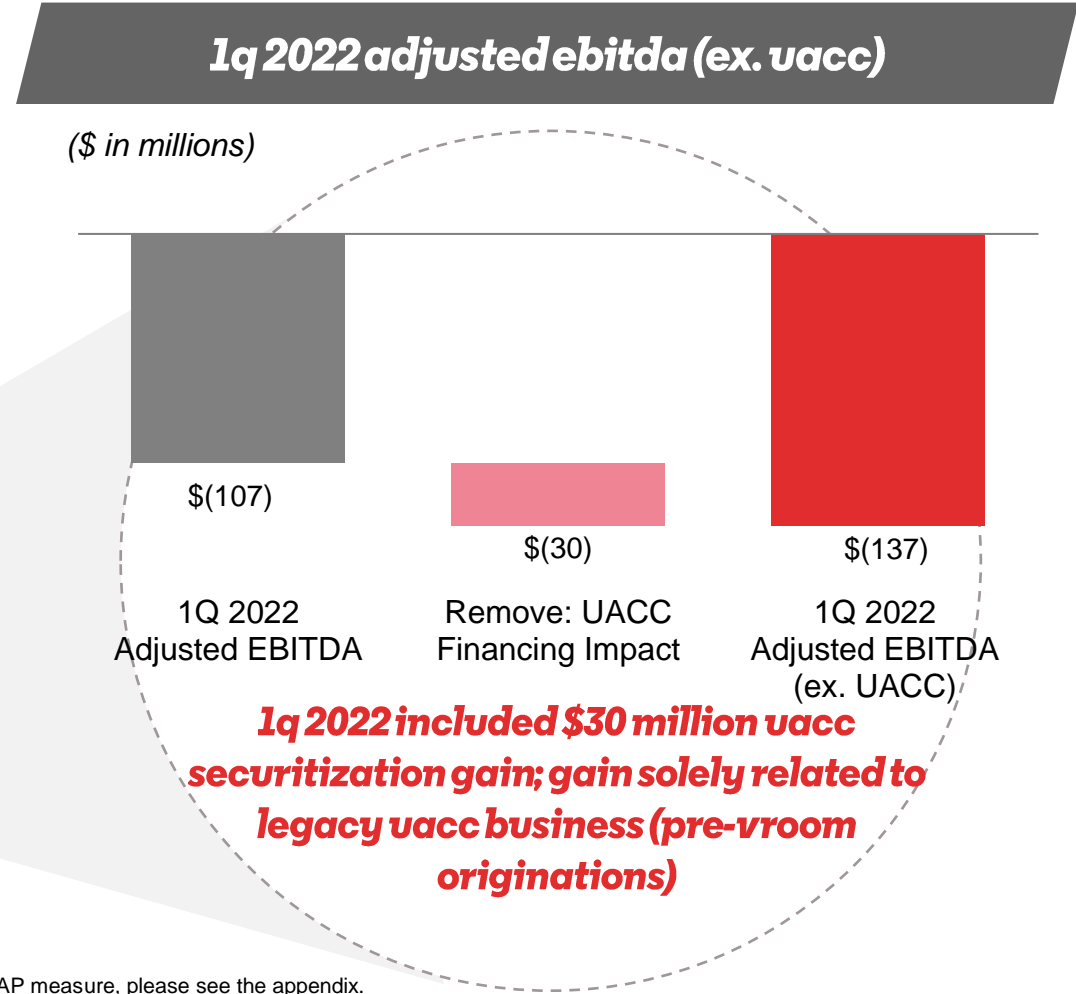
where we were at the end of 1q 2022

Beat 1Q 2022 guidance for all four key performance metrics

	1q 2022 actual results (incl. uacc)	
Total Revenues	\$924 million	✓
Ecommerce Units	19,473	✓
Ecommerce GPPU	\$1,763	✓
Adjusted EBITDA ⁽¹⁾	(\$107) million	✓
Net loss ⁽²⁾	(\$310 million)	

✓ **beat guidance**

- Adjusted EBITDA is a non-GAAP measure. For a definition of Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix.
- Guidance not provided for net loss. Includes a \$202 million non-cash impairment charge.

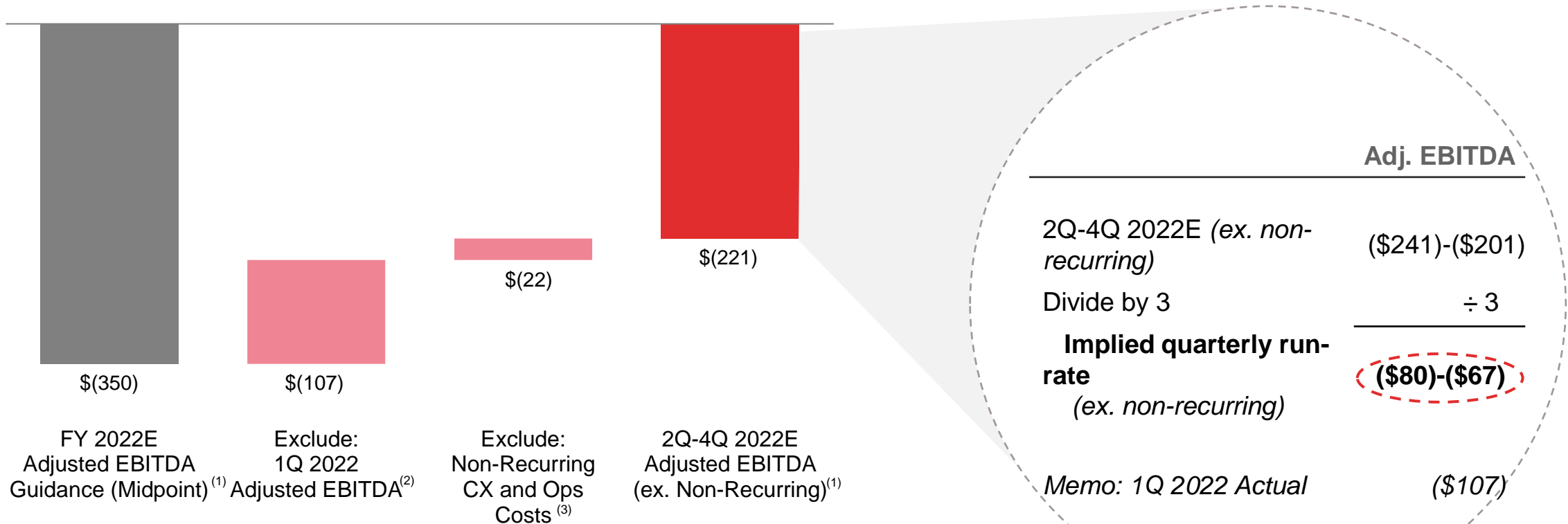


2q-4q 2022 adjusted ebitda quarterly run rate ⁽¹⁾⁽²⁾

Improved run-rate expected vs. 1Q, Implied run-rate of (\$80) to (\$67)

(\$ in millions)

implied quarterly adjusted ebitda run-rate



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2. Adjusted EBITDA is a non-GAAP measure. For a definition of Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix.
3. Reflects midpoint of previously outlined \$17-\$27 million of non-recurring costs to address operational and customer experience issues.

implied 2q-4q run-rate of \$(80) to \$(67)

net working capital as of 3/31/2022

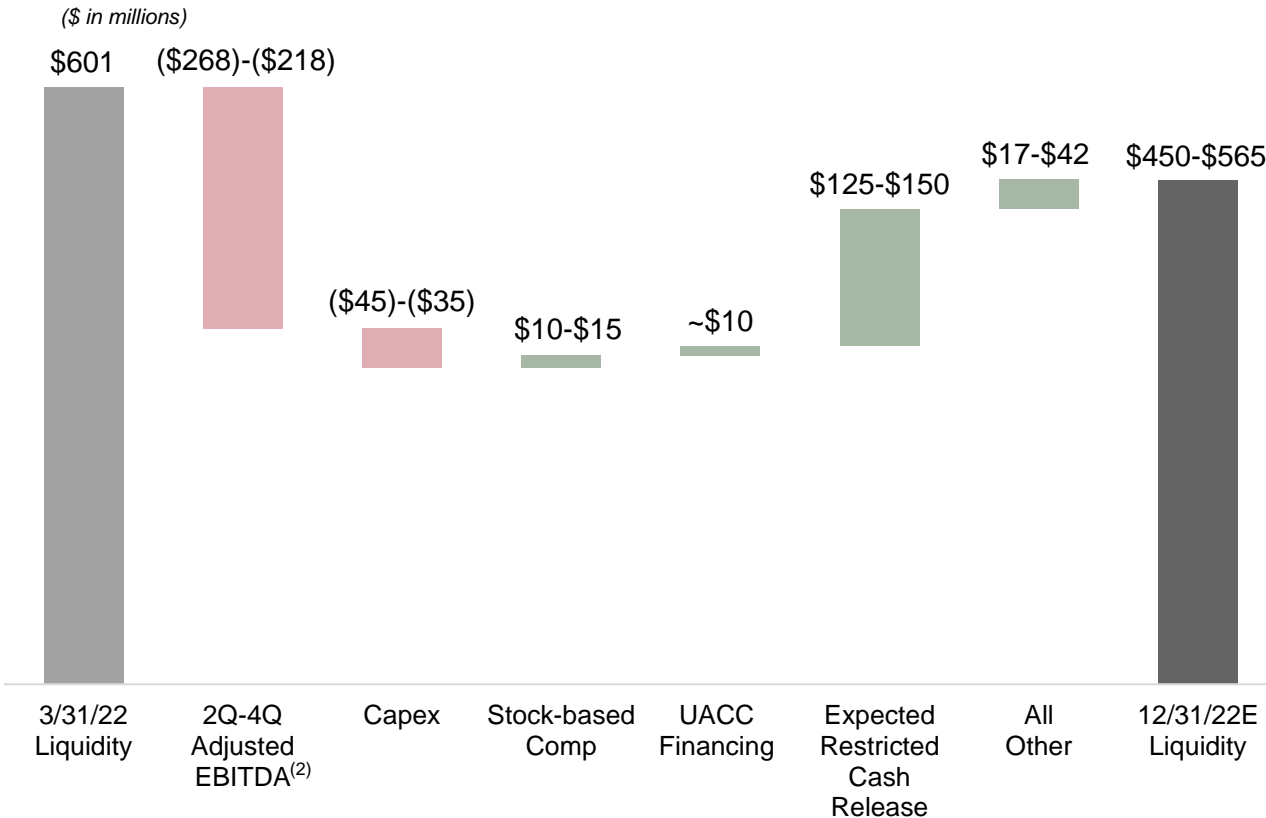
<i>net working capital</i>	<i>3/31/22</i>
Cash and cash equivalents	\$600.7
Restricted cash	196.8
AR	103.9
Inventory	741.4
Finance receivables	132.6
All other current assets	84.1
Current assets	\$1,859.4
AP	\$52.2
Accrued expenses	139.2
Floorplan	569.9
Securitization	138.9
All other current liabilities	117.1
Current liabilities	\$1,017.3
Net working capital	\$842.1

Note: \$ in millions

projected net working capital expected to benefit from lower volume realized later this year

forecasted year-end liquidity

Forecasting ~\$500 million in liquidity at year end ⁽¹⁾ ⁽²⁾



liquidity sources



\$450-\$565m in cash expected at 12/31/2022e

- Provides flexibility in near term and ability to drive future growth



\$700m floorplan until march 2023

- Potential to upsize and extend term to support future growth



other sources of liquidity

- Working capital efficiencies
- Future ABS and forward-flow transactions
- Ability to add modest leverage to UACC's balance sheet

1. Represents unrestricted cash and cash equivalents at midpoint of guidance. Excludes restricted cash and floorplan availability.

2. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2022 guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, these costs and expenses that may be incurred in the future.

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***key unit economic
drivers***



per unit economics

A subset of our historical financials in dollars and on a per unit basis

fy 2021 and q1 2022 financials

	dollars		per unit	
	fy 2021	q1 2022	fy 2021	q1 2022
Ecommerce vehicle gross profit	\$82,745	\$11,581	\$1,108	\$595
Ecommerce product gross profit	82,001	22,739	1,098	1,168
Total ecommerce gross profit	\$164,746	\$34,320	\$2,206	\$1,763
SG&A ⁽¹⁾	(547,823)	(182,341)	(7,334)	(9,364)
All other	42,832	11,005	573	565
Adjusted EBITDA ex. UACC securitization ⁽²⁾	(\$340,245)	(\$137,016)	(\$4,555)	(\$7,036)
UACC securitization	-	29,617	-	1,521
Adjusted EBITDA ⁽²⁾	(\$340,245)	(\$107,399)	(\$4,555)	(\$5,515)
Goodwill impairment charge	-	(201,703)	-	(10,358)
Other adjustments	(5,090)	(11,274)	(68)	(579)
Total EBITDA ⁽²⁾	(\$345,335)	(\$320,376)	(\$4,623)	(\$16,452)





Note: \$ in thousands excluding per unit data

1. 1Q 2022 SG&A of \$188 million adjusted for transaction costs of \$6 million.

2. EBITDA and Adjusted EBITDA are non-GAAP measures. For a definition of EBITDA and Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix.

key unit economic drivers

4 strategic initiatives designed to drive unit economic improvements across the P&L

	<i>financial lever</i>	<i>initiative</i>	<i>goal</i>
	EBITDA	Grow UACC third-party dealer business	Grow EBITDA
	Product GPPU	Originate and securitize Vroom loans through UACC	Improve product finance margin
Grow consumer value added products		Improve product margin	
	Vehicle GPPU	Optimize pricing through predictive data and regionalization	Improve vehicle margin
		Optimize assortment	Improve vehicle, product & finance margin
	GPPU & SG&A - Logistics	Synchronize end-to-end supply chain to increase velocity and optimize flow	Reduce miles and cost per mile
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	SG&A - Fixed	Grow fixed cost slower than revenue	Reduce fixed cost per unit

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***build a well-oiled metal
machine***

Ecommerce GPPU



carstory data and data science

Vroom's pricing algorithms are developed using 15+ years of CarStory data

data assets

CarStory brought to Vroom
15+ years of for-sale data:

- 230M+ VINs
- 2.8B photos
- 130M window stickers
- 1.7B listing IDs

data science models

Data science models for:

- Retail pricing
- Deposit probability
- Acquisition pricing
- Appraisal acceptance probability

optimized pricing

Predictive pricing for:

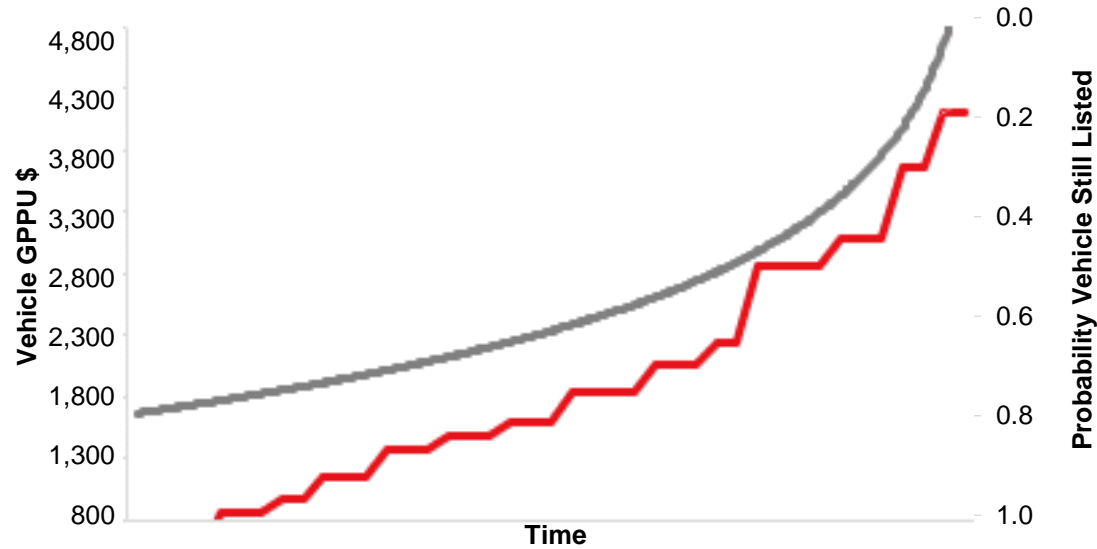
- Market
- Buying
- Selling
- VIN-level features

price optimization

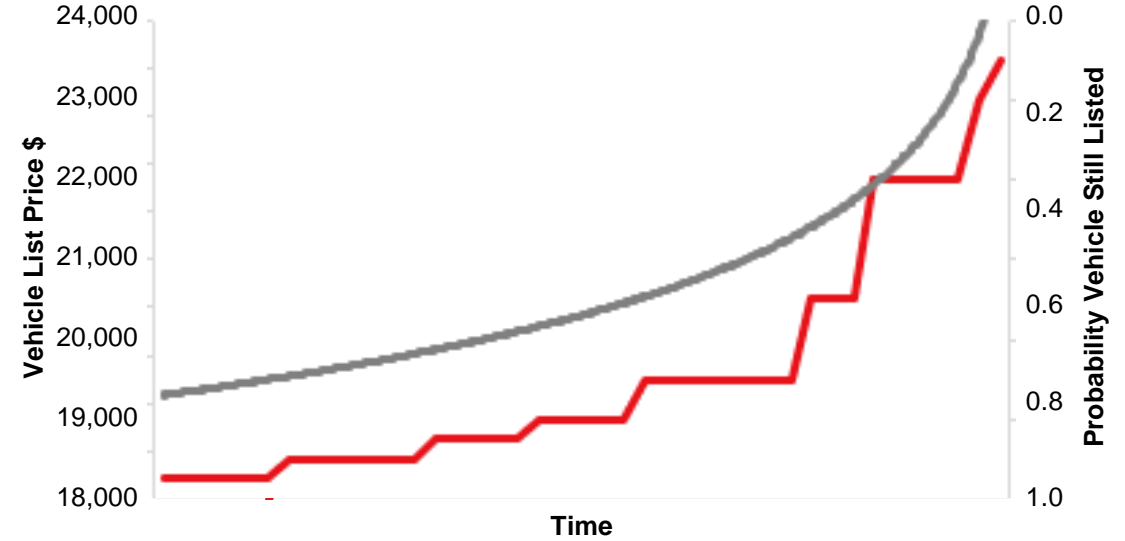
Opportunity to optimize pricing to improve vehicle GPPU while driving turns

specific year, make, model example

vehicle gppu and sale probability vs time



list price and sale probability vs time



List Price	\$19,000	\$20,000	\$20,500	\$22,000	\$23,000
Cost	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580
Vehicle GPPU	\$420	\$1,420	\$1,920	\$3,420	\$4,420
Time to Sale	Fastest	Shorter	Medium	Optimal	Longest

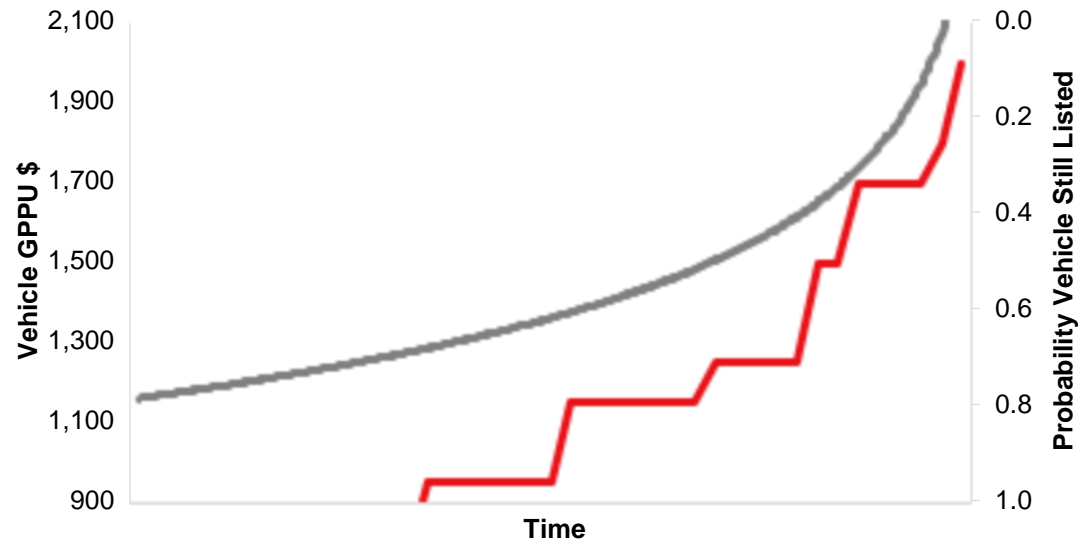
goal: improve vehicle gppu through pricing optimization

assortment optimization

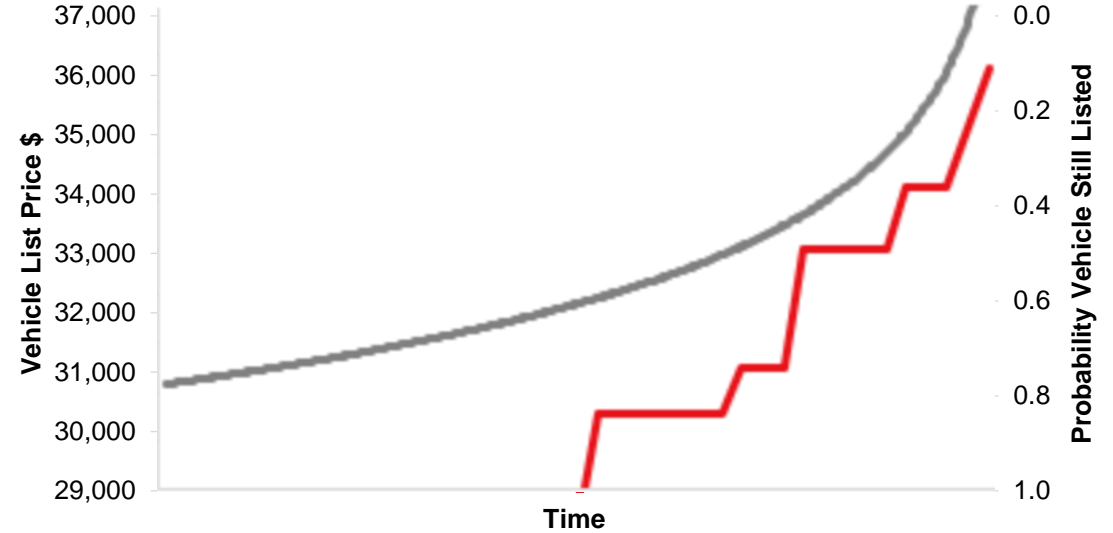
Opportunity to optimize assortment to improve vehicle GPPU while driving turns

another specific year, make, model example

vehicle gppu and sale probability vs time



list price and sale probability vs time

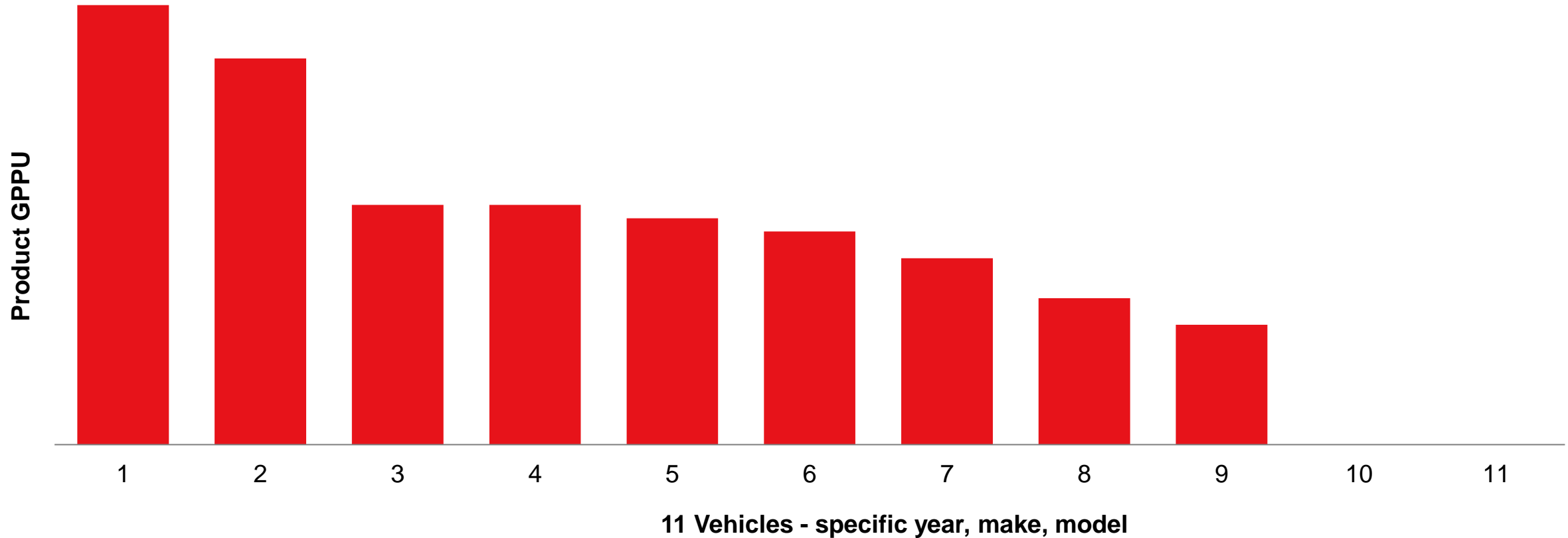


List Price	\$27,000	\$29,000	\$31,000	\$33,000	\$35,000
Cost	\$31,300	\$31,300	\$31,300	\$31,300	\$31,300
Vehicle GPPU	(\$4,300)	(\$2,300)	(\$300)	\$1,700	\$3,700
Time to Sale	Fastest	Shorter	Medium	Optimal	Longest

assortment optimization

Product GPPU varies by vehicle and is an input into assortment and pricing algorithms

example: vehicles sold at \$29,999 list price

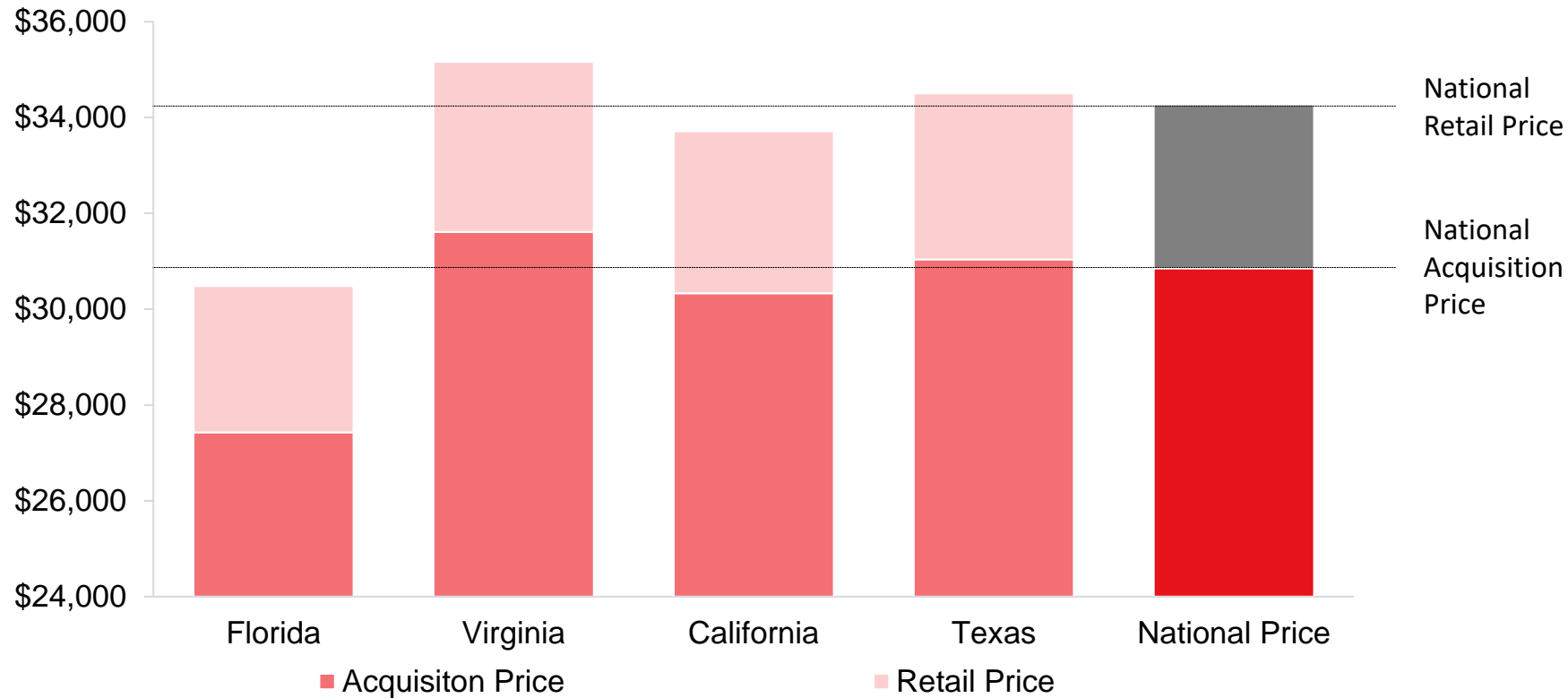


Illustrative.

regional vs. national pricing

Pricing standard deviation >\$500 across top 60 DMAs

a specific year, make, model example



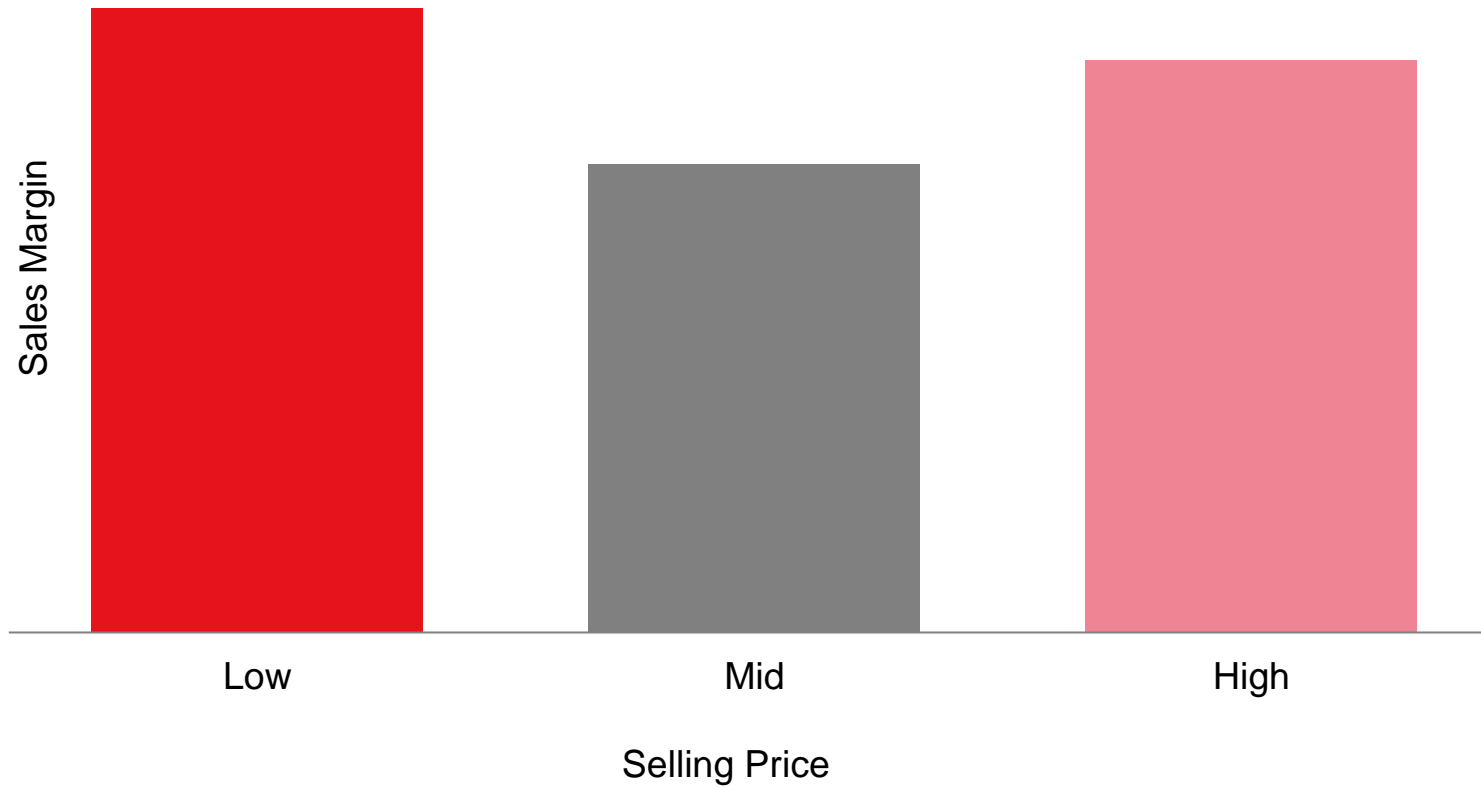
- **In high-priced markets**
 - Cannot acquire unit at target margin
 - Limits ability to source regionally
- **In low-priced markets**
 - Overpay for acquisition
 - Retail price is too high to sell locally
 - Vehicle is shipped out of market to sell

Illustrative.

goal: improve vehicle gppu through price optimization

assortment optimization

Sales margins vary by vehicle price points⁽¹⁾



Illustrative.

1. Sales margin is defined as sales price less acquisition price.

key unit economic drivers

Ecommerce vehicle GPPU improvement goals

p&i item	improvement goals		levers
	mid-term	long-term	
Ecommerce vehicle GPPU	\$1,100	\$1,200 - \$1,300	Pricing and assortment optimization
Product GPPU			
Total GPPU Improvement Goal	\$1,100	\$1,200 - \$1,300	
Logistics			
Selling, titling & registration			
Marketing			
Fixed			
Total SG&A Reduction Goal			

all metrics denominated in ecommerce units



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***build our captive
finance offering***

Product GPPU

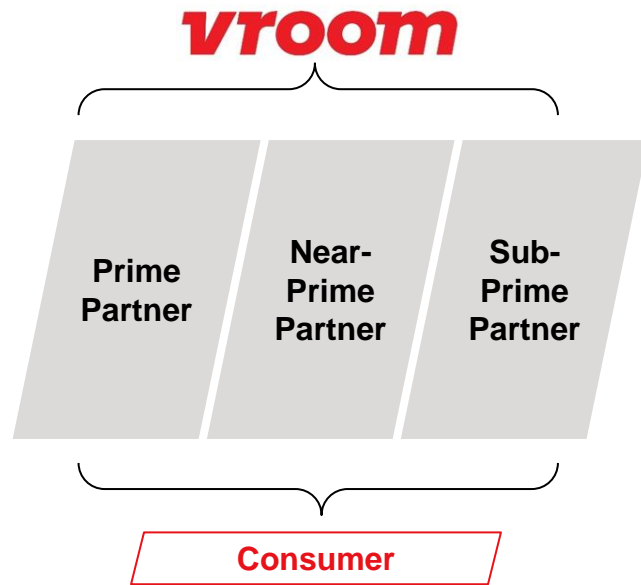


financing channels

We are moving from indirect to captive lending and intend to utilize forward flow and securitization transactions for financing flexibility

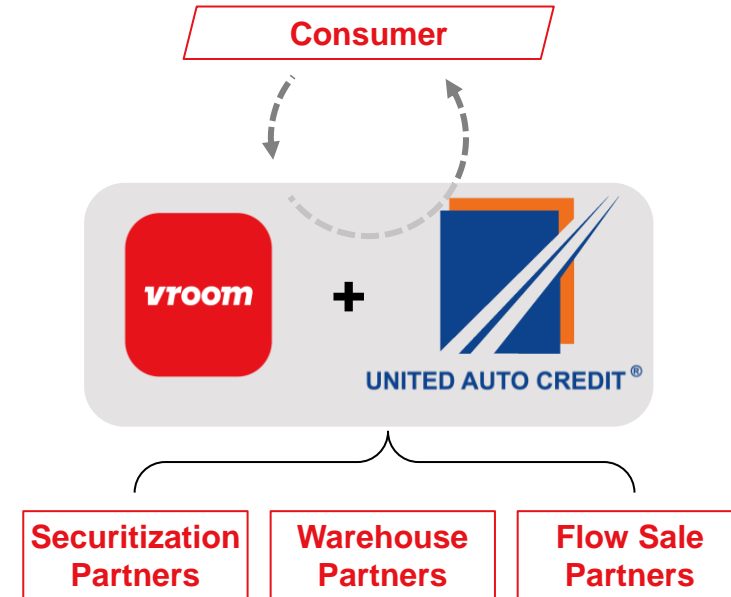
2018-2021: indirect

- Partial control
- Semi-customized



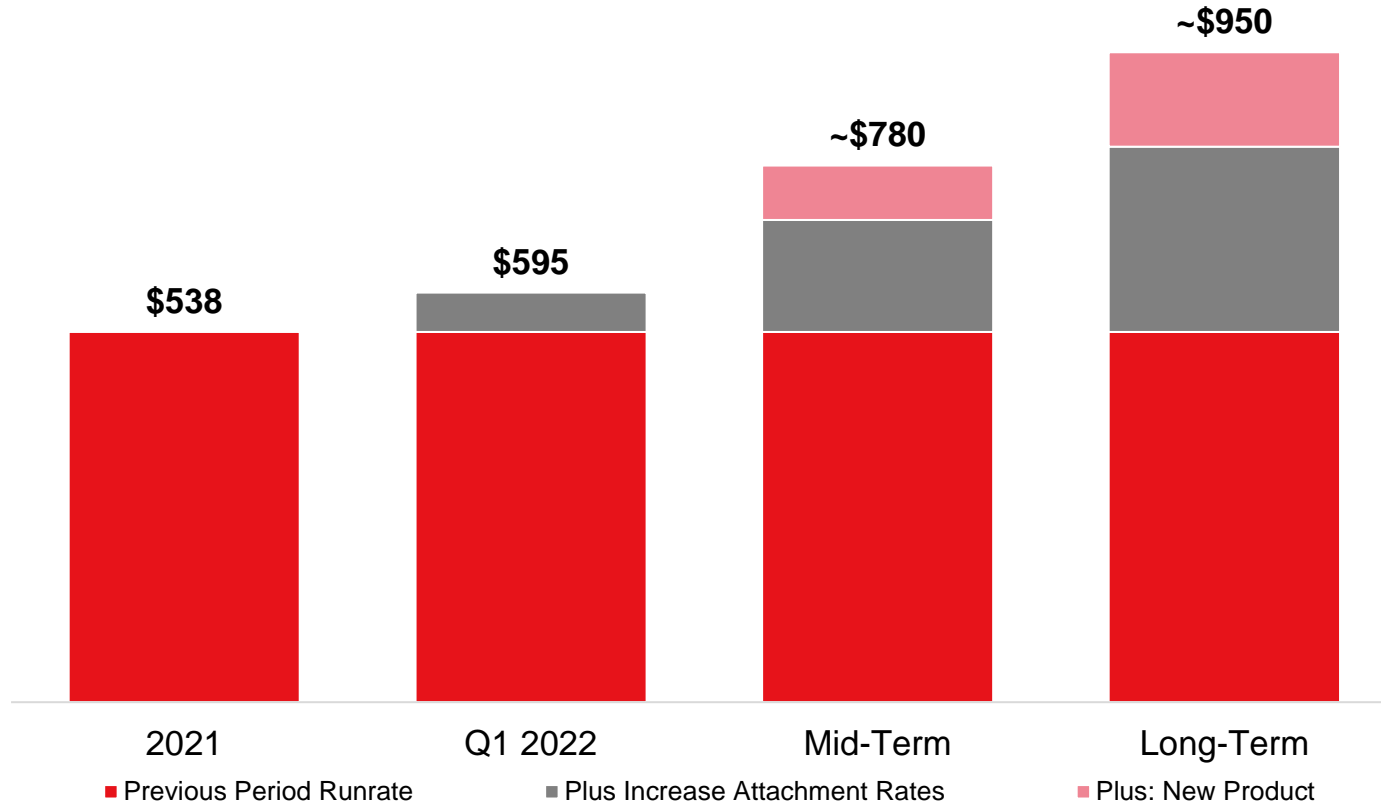
2022: vroom financial services

- Full control & flexible
- Superior economics
- Full credit spectrum



value-added products

We have opportunity to increase our attach rate of existing products and add additional value-added products



Optimize attach rates and profit on current product portfolio

- Warranty
- GAP
- Everyday bundle

Expand portfolio with new products

- Maintenance
- Insurance

key unit economic drivers

Product GPPU improvements goals

p&i item	improvement goals		levers
	mid-term	long-term	
Ecommerce Vehicle GPPU	\$1,100	\$1,200 - \$1,300	<i>Pricing and assortment optimization</i>
Product GPPU	\$700	\$1,200 - \$1,300	<i>UACC, new value-added products and increase attach rates</i>
Total GPPU Improvement Goal	\$1,800	\$2,400 - \$2,600	
Logistics			
Selling, titling & registration			
Marketing			
Fixed			
Total SG&A Reduction Goal			

all metrics denominated in ecommerce units

goal: up to \$1,300 product gppu improvement

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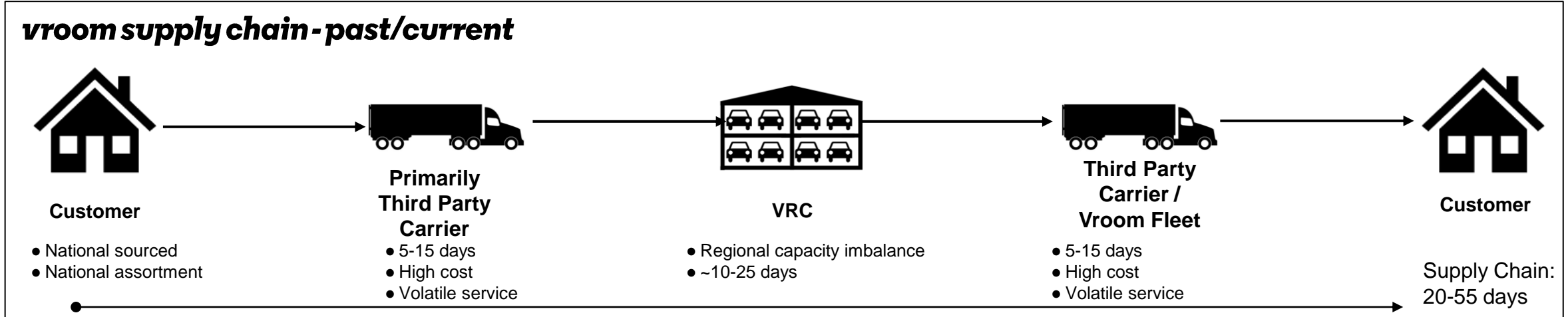
***build a well-oiled metal
machine***

SG&A and Logistics



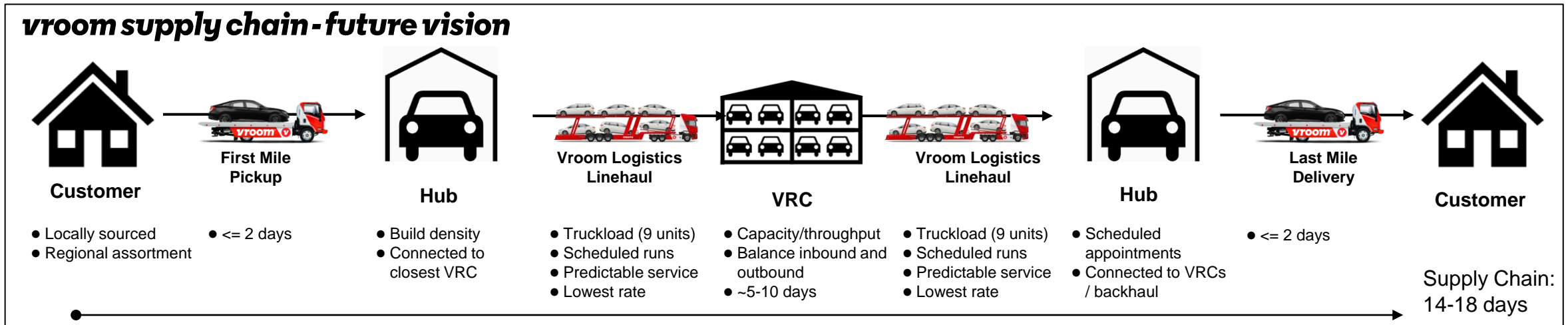
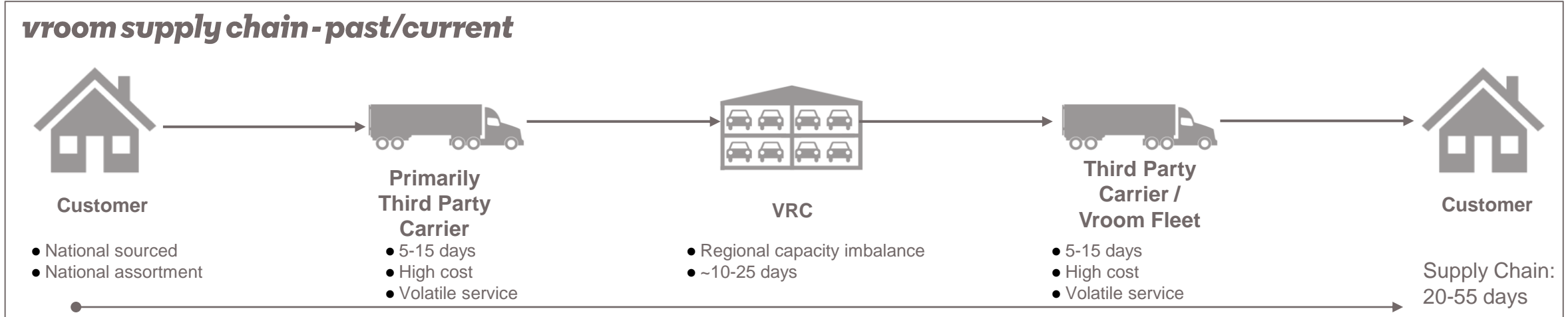
supply chain optimization

Our current supply chain is slow and high cost



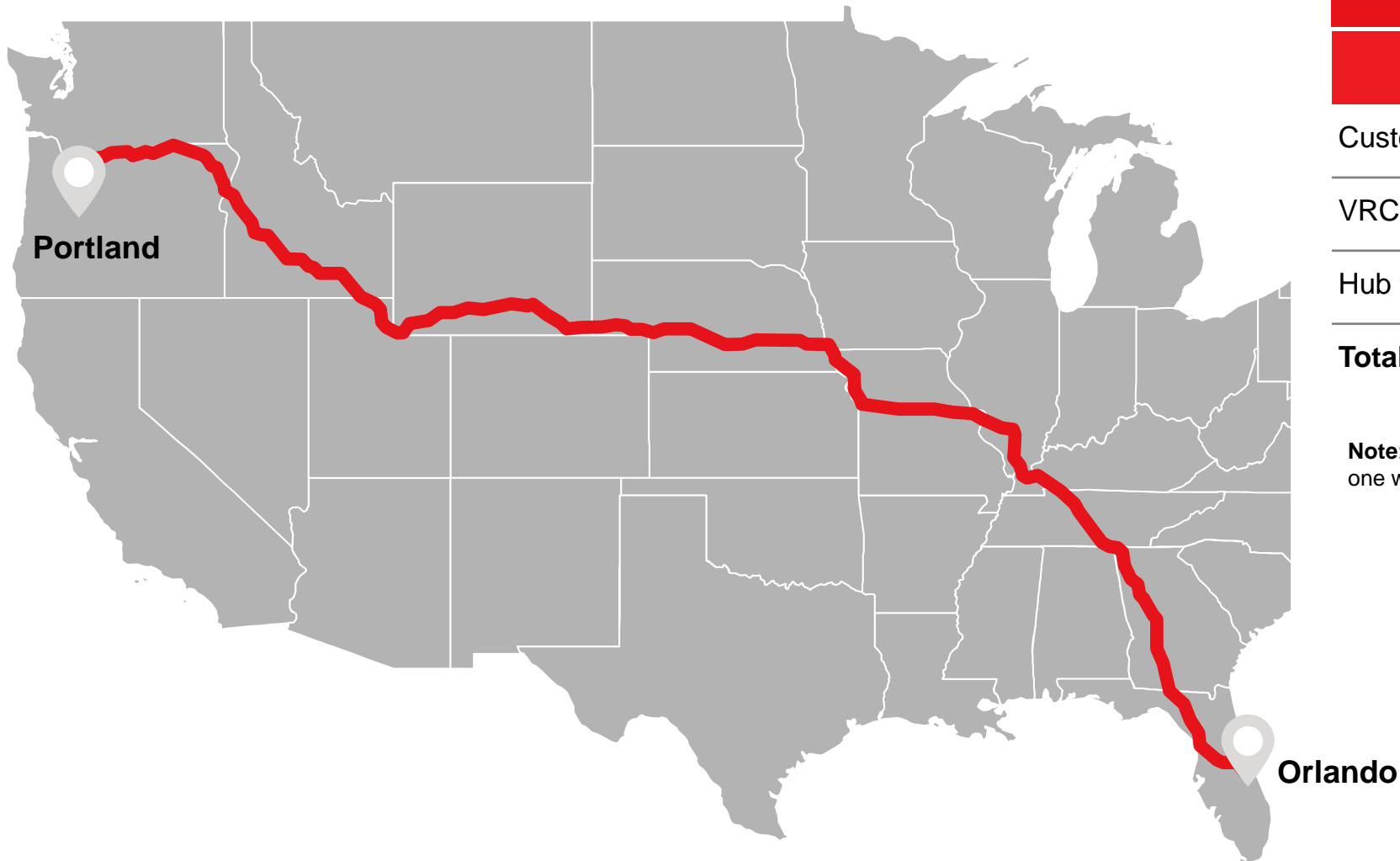
supply chain optimization

We expect our future supply chain to be fast and lower cost



logistics cost example

We sell vehicles nationally



example

segment	miles	cost\$	carrier
Customer to VRC	81	\$283	Vroom
VRC to Hub	3,000	\$2,035	3P
Hub to Customer	115	\$300	Vroom
Total	3,196	\$2,618	

Note: mileage shown from Customer to VRC and Hub to Customer are one way; Vroom cost based on round-trip mileage.

logistics network

We sell vehicles up and down the coasts



example			
segment	miles	cost\$	carrier
Customer to VRC	148	\$301	3P
VRC to Hub	980	\$1,041	3P
Hub to Customer	52	\$195	Vroom
Total	1,180	\$1,537	

Note: mileage shown from Customer to VRC and Hub to Customer are one way; Vroom cost based on round-trip mileage.

logistics cost example

We sell vehicles regionally



example			
segment	miles	cost\$	carrier
Customer to VRC	67	\$150	3P
VRC to Hub	446	\$191	Vroom
Hub to Customer	44	\$132	Vroom
Total	557	\$473	

Note: mileage shown from Customer to VRC and Hub to Customer are one way; Vroom cost based on round-trip mileage.

logistics cost example

We sell vehicles locally

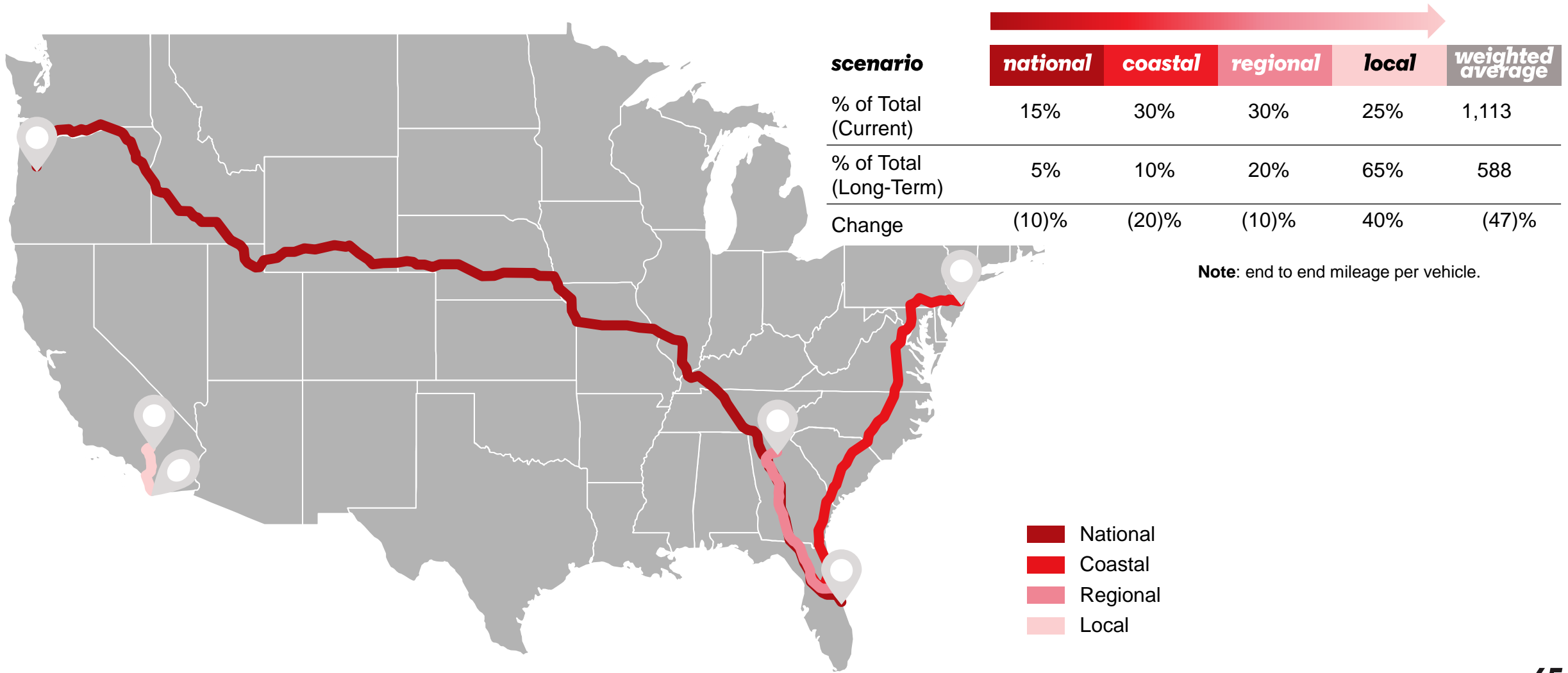


example			
segment	miles	cost\$	carrier
Customer to VRC	45	\$115	3P
VRC to Hub	66	\$191	3P
Hub to Customer	17	\$85	Vroom
Total	127	\$391	

Note: mileage shown from Customer to VRC and Hub to Customer are one way; Vroom cost based on round-trip mileage.

mix of logistics cost examples

Driving mix towards regional and local deliveries improves unit economics



goal: reduce miles per unit and cost per mile

variable shipping fee

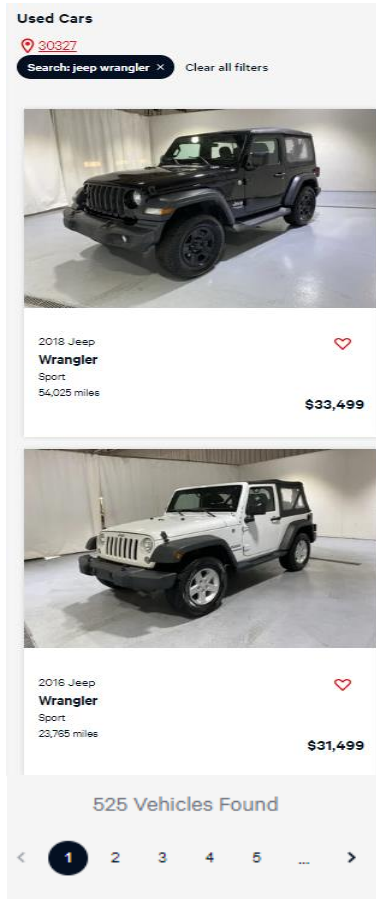
Recently implemented variable shipping fee based on distance to offset logistics costs

search results

Used Cars

30327

Search: jeep wrangler × Clear all filters



2018 Jeep Wrangler Sport 54,025 miles \$33,499

2018 Jeep Wrangler Sport 23,765 miles \$31,499

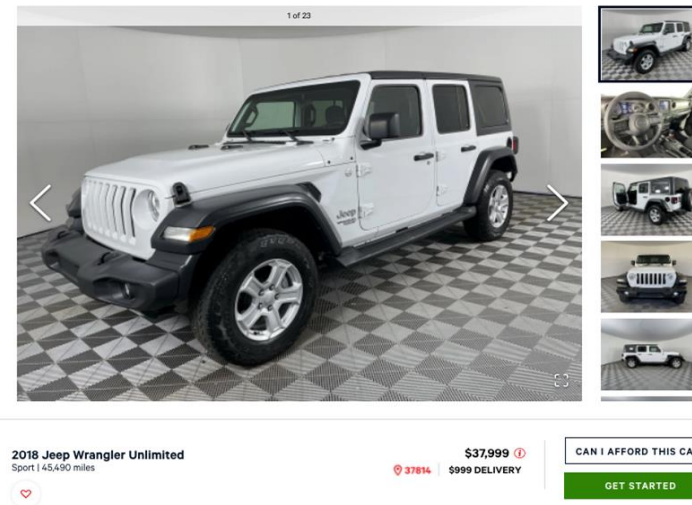
525 Vehicles Found

1 2 3 4 5 ... >



detail page views

1 of 23



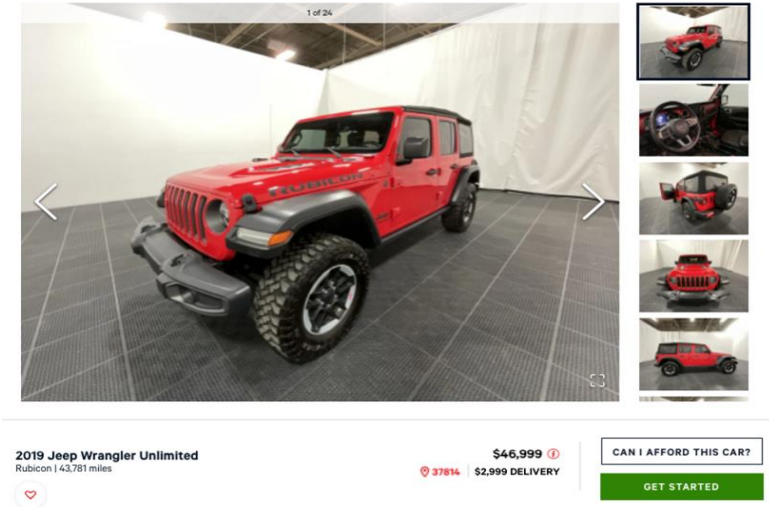
2018 Jeep Wrangler Unlimited Sport | 45,490 miles

37814 | \$37,999 | \$999 DELIVERY

CAN I AFFORD THIS CAR? GET STARTED

Coastal
Search Page 8 - \$999

1 of 26



2019 Jeep Wrangler Unlimited Rubicon | 43,781 miles

37814 | \$46,999 | \$2,999 DELIVERY

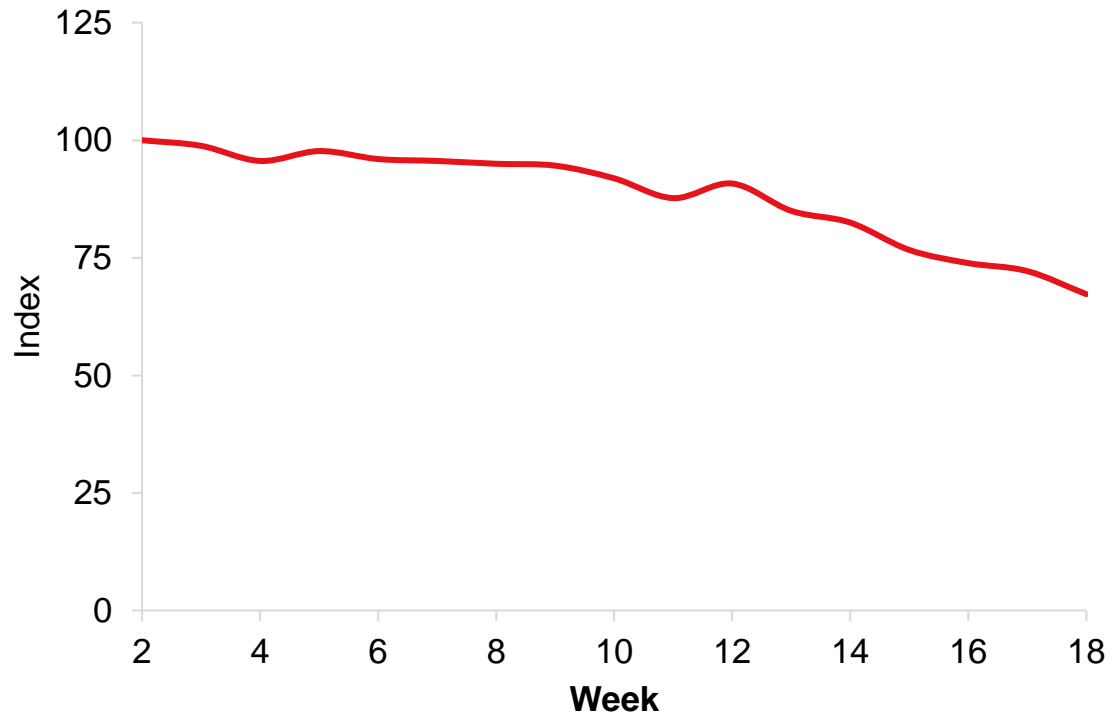
CAN I AFFORD THIS CAR? GET STARTED

National
Search Page 12 - \$2,999

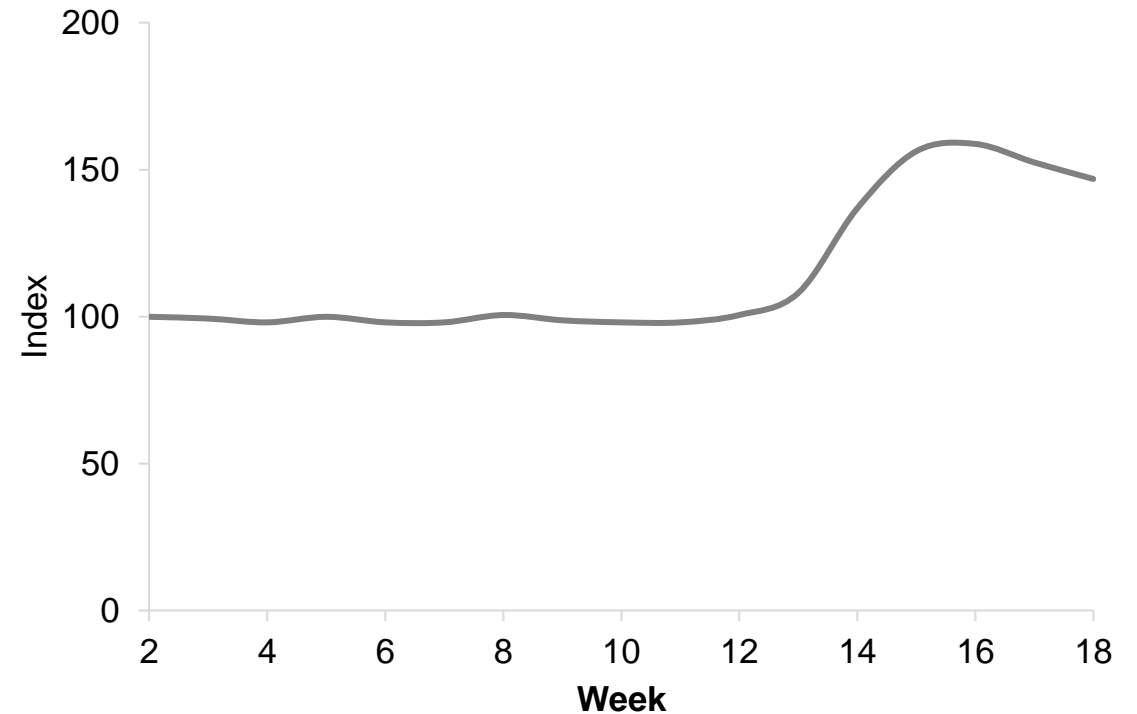
variable shipping fee

Variable shipping fee reduces mileage and improves GPPU while providing customers choice

estimated cost to deliver (indexed to 1/1/22)



estimated customer delivery fee (indexed to 1/1/22)



lower miles and reduced logistics costs drive improved unit economics

vroom linehaul

Vroom linehauls drive unit economics

linehaul mileage	vehicles per truckload (tl)			sample 3 rd party (per unit)	~savings vs 3 rd party (@ 8 per tl)
	4	8	9		
200	\$150	\$75	\$67	\$336	78%
400	\$300	\$150	\$133	\$472	68%
600	\$450	\$225	\$200	\$608	63%
800	\$600	\$300	\$267	\$744	60%
1,000	\$750	\$375	\$333	\$880	57%
1,200	\$900	\$450	\$400	\$1,016	56%
1,400	\$1,050	\$525	\$467	\$1,152	54%
1,600	\$1,200	\$600	\$533	\$1,288	53%
1,800	\$1,350	\$675	\$600	\$1,424	53%
2,000	\$1,500	\$750	\$667	\$1,560	52%

vroom logistics 9-car hauler enables lower cost per unit



goal: 52% to 78% cost reduction with 88% full linehaul trucks



vroom fleet

Example



segment	miles	cost \$	3p linehaul \$	savings
Customer to VRC	67	\$150	\$150	0%
VRC to Hub	446	\$191	\$695	72%
Hub to Customer	44	\$132	\$132	0%
Total	557	\$473	\$977	52%

Vehicle Flow Path

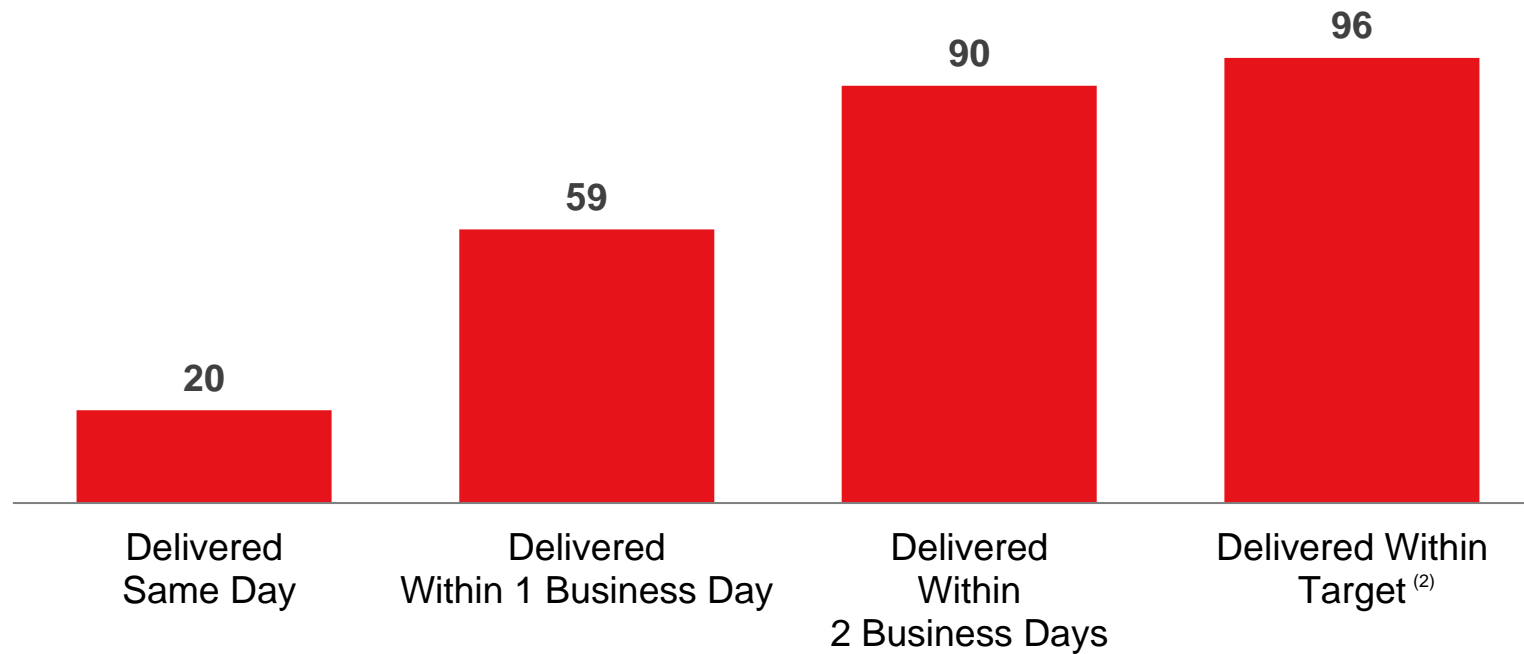
- Purchased in Auburn, GA
- Reconditioned in Atlanta
- Transported via Vroom Logistics to Orlando Hub (7 cars)
- Delivered in Titusville, FL by Vroom Orlando (last mile) Hub

regional operating model pilot

Building a regional operating model dramatically improves the customer experience

pilot results⁽¹⁾

percentage of pilot customers

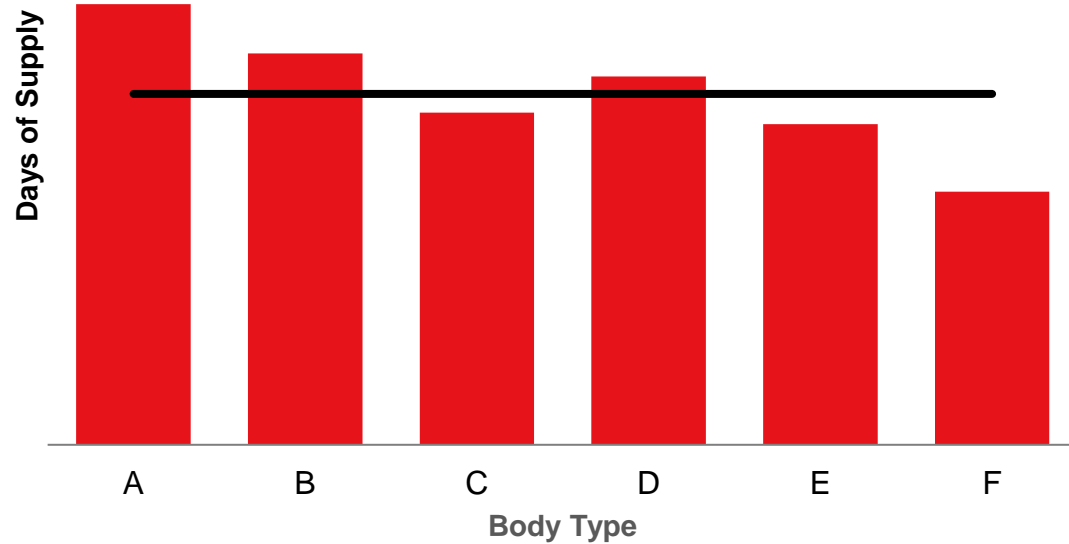


- 1. Represents a small pilot in a limited geography.
- 2. Target is defined as 2 day delivery or greater if requested by customer.

markdowns

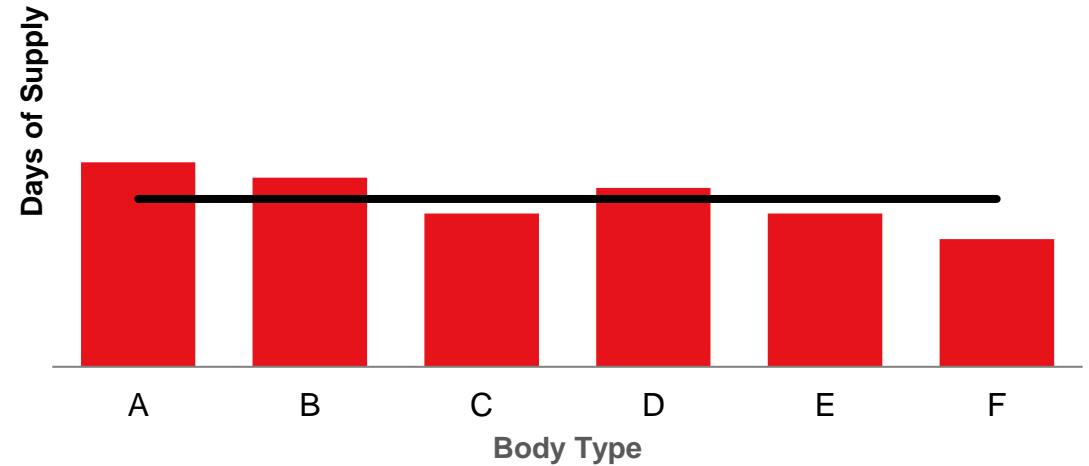
Building a well-oiled metal machine is expected to improve the speed of the supply chain and reduce markdowns

current



— Average markdown

goal

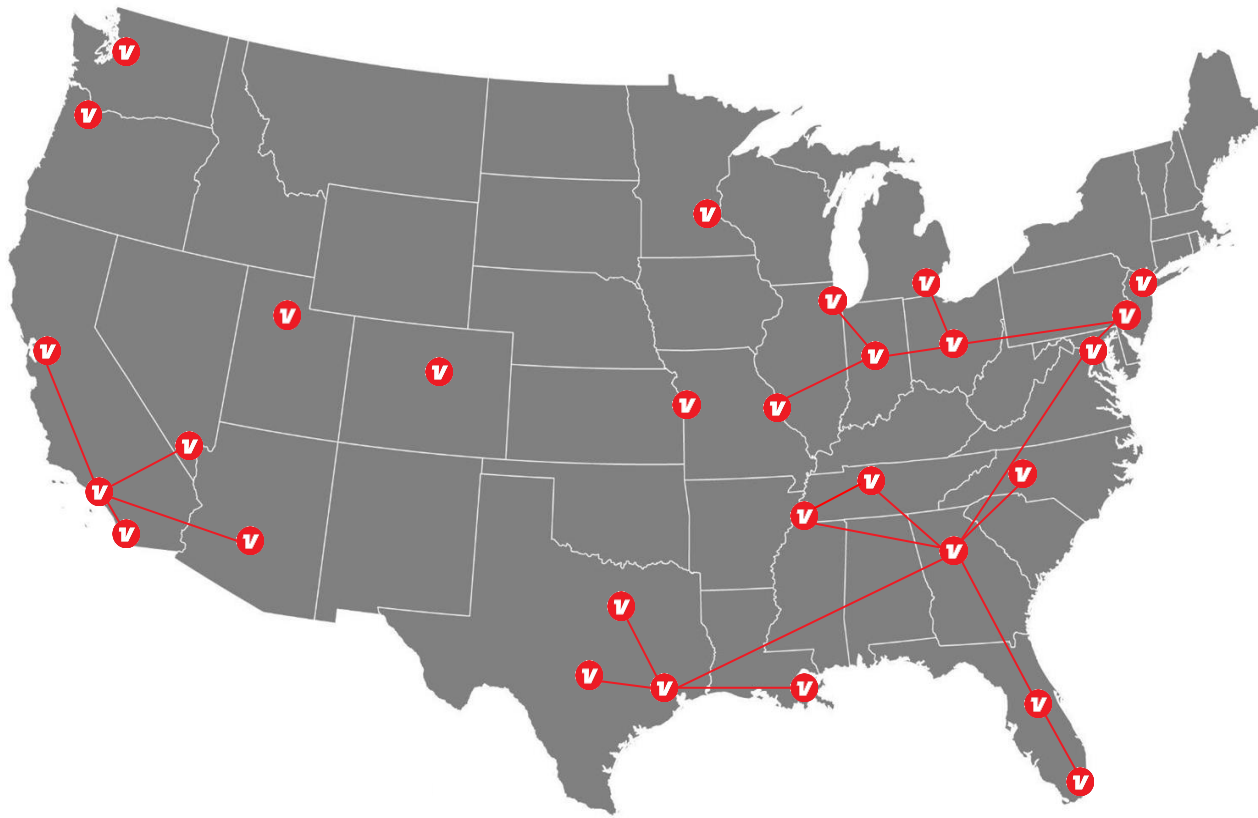


Both graphs on this page are for illustrative purposes only.

goal: drive unit economics through inventory velocity

logistics network

Hubs positioned close to population



V Vroom Hub

<i>distance</i>	<i>% continental us population covered</i>
25 miles	24%
50 miles	46%
75 miles	56%
100 miles	65%
200 miles	90%

As of May 2022.

90% of the population within 200 miles

key unit economic drivers

SG&A – Logistics improvement goals

p&i/item	improvement goals		levers
	mid-term	long-term	
Ecommerce Vehicle GPPU	\$1,100	\$1,200 - \$1,300	<i>Pricing and assortment optimization</i>
Product GPPU	\$700	\$1,200 - \$1,300	<i>UACC, new value-added products and increase attach rates</i>
Total GPPU Improvement Goal	\$1,800	\$2,400 - \$2,600	
Logistics	\$800	\$1,000 - \$1,300	<i>Reduce miles & cost-per-mile, improve inventory turns</i>
Selling, titling & registration			
Marketing			
Fixed			
Total SG&A Reduction Goal	\$800	\$1,000 - \$1,300	

All metrics denominated in ecommerce units

vroom

***build a well-oiled
transaction machine***

SG&A - Selling, Titling & Registration



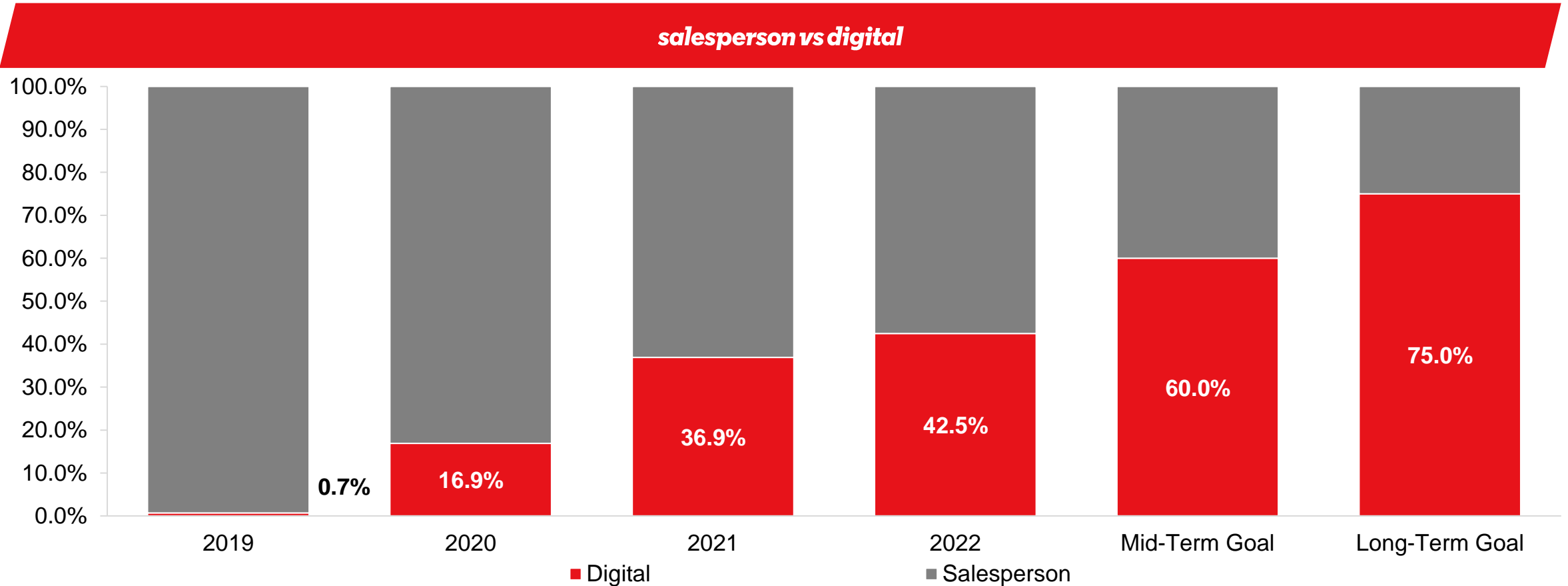
selling costs

Optimize our sales channels

- Continue to partner with our onshore outsourcing channel
- Grow our nearshore outsourcing channel
- Expand our internal sales channel

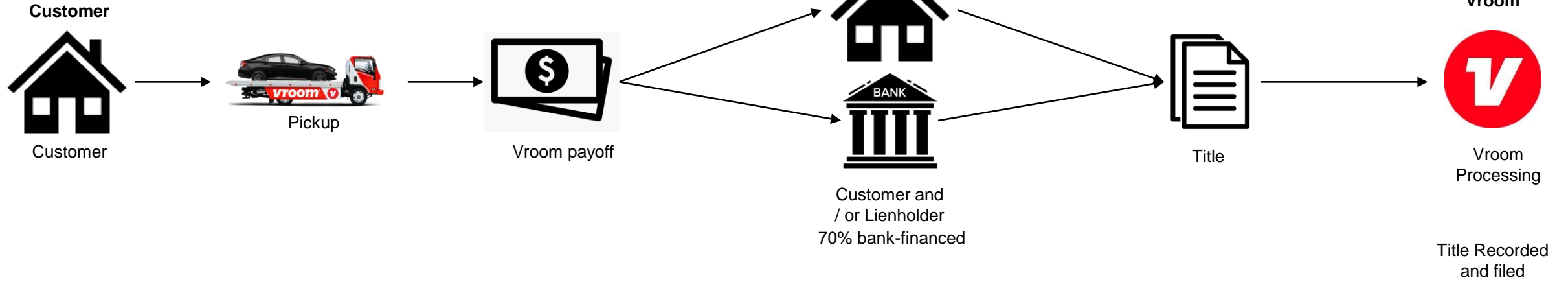
grow digital transaction volume

Vroom.com enhancements drive self-service -- driving unit economics

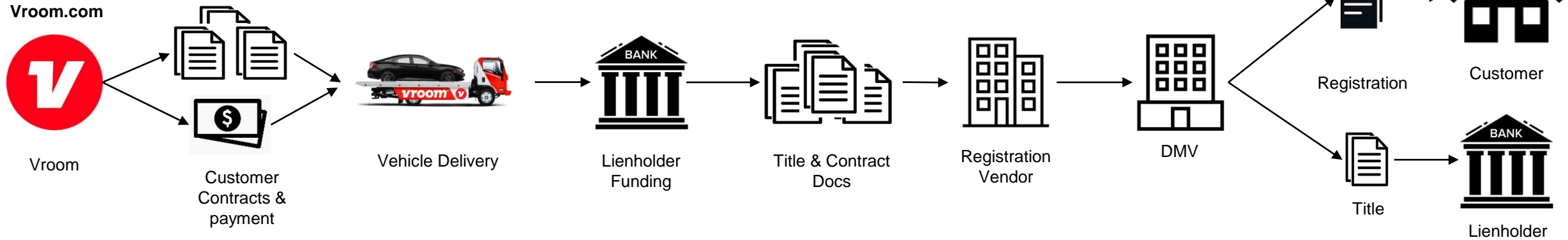


title & registration process

Customer Selling Vehicle



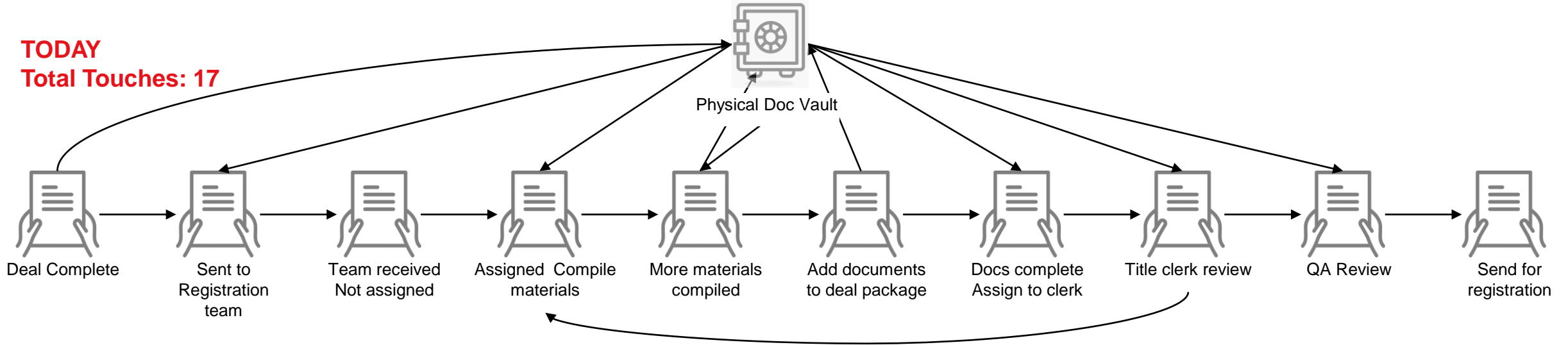
Customer Buying Vehicle



registration process

Our current registration process is “high touch,” inefficient and high cost at our current scale

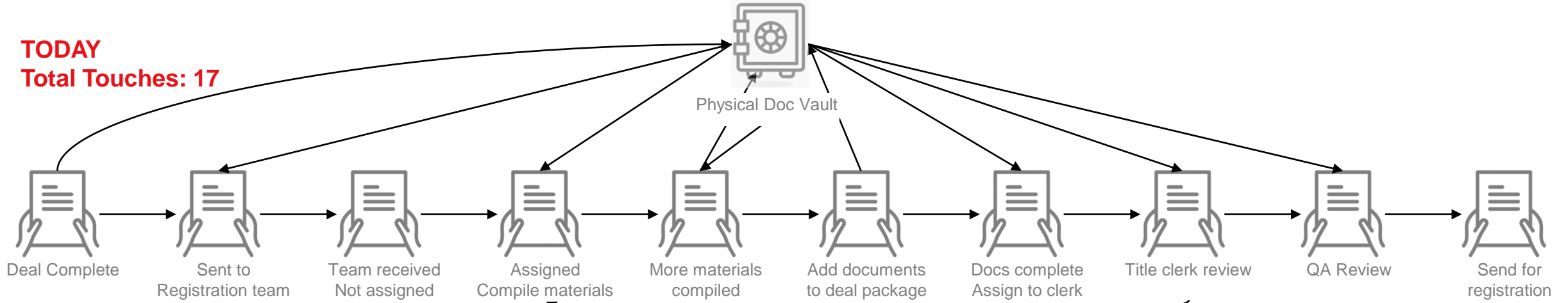
TODAY
Total Touches: 17



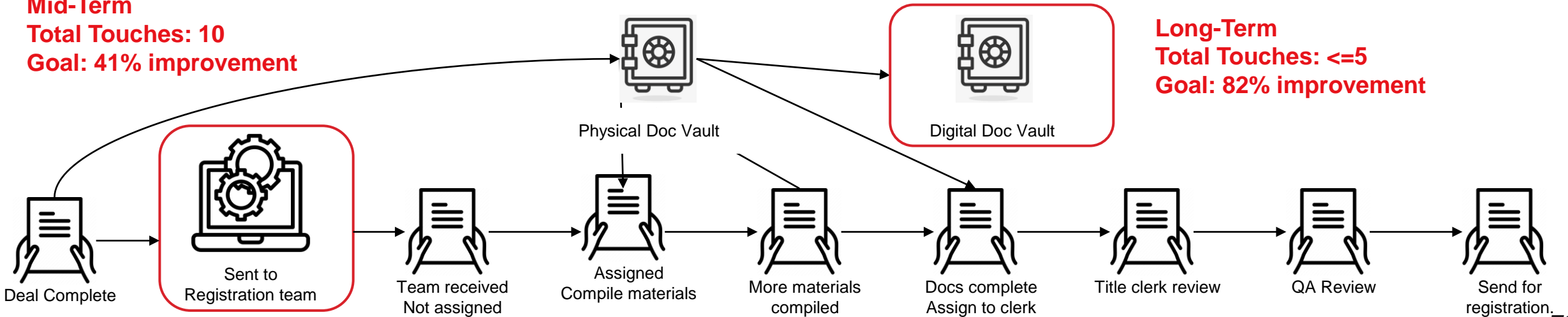
registration process

We've made short-term improvements and believe Mid-Term we can reduce touches by 40% and our goal in the long-term is to reduce touches by 80%

TODAY
Total Touches: 17



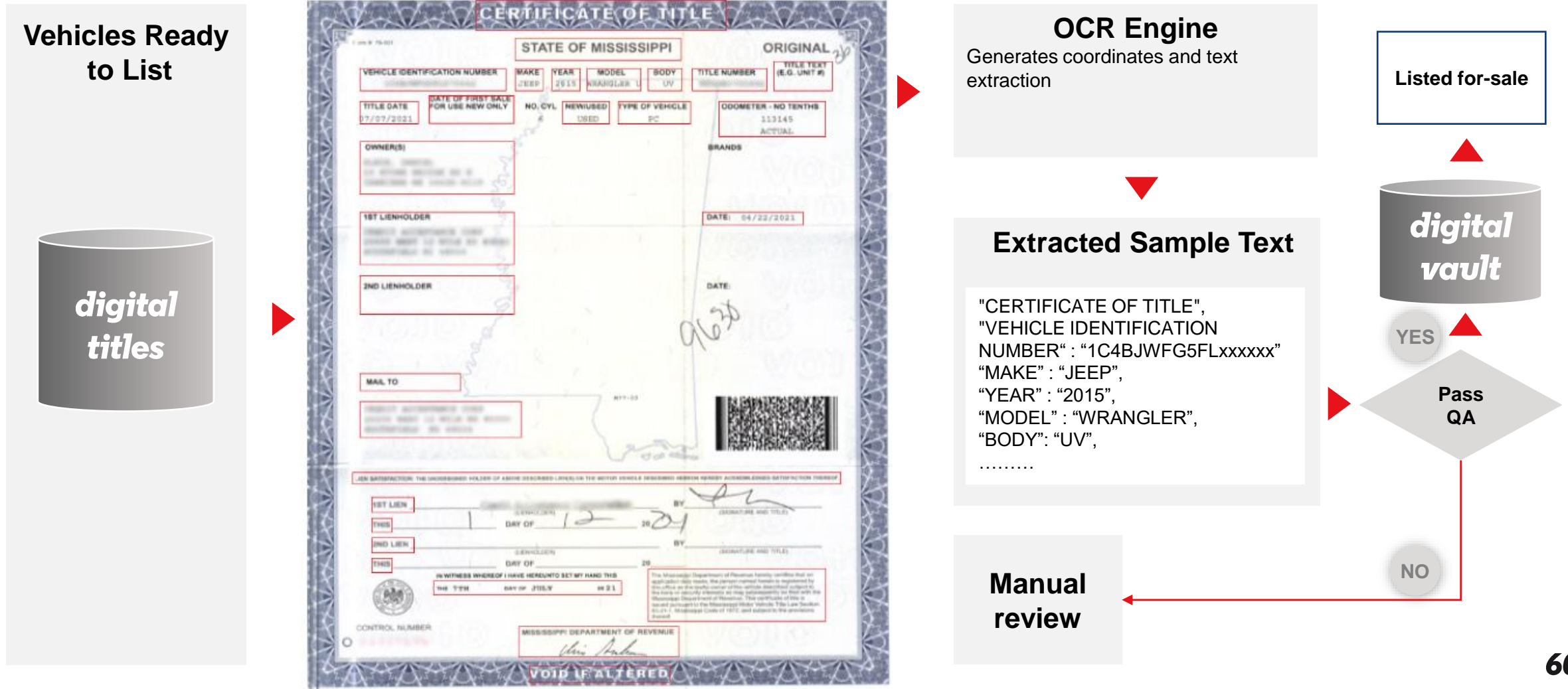
Mid-Term
Total Touches: 10
Goal: 41% improvement



Long-Term
Total Touches: <=5
Goal: 82% improvement

registration process

We recently implemented our **Digital Title Vault**



digital title vault designed to ensure all for-sale vehicles have quality-assured titles



key unit economic drivers

SG&A - Selling, titling & registration improvement goals

p&i item	improvement goals		levers
	mid-term	long-term	
Ecommerce Vehicle GPPU	\$1,100	\$1,200 - \$1,300	<i>Pricing and assortment optimization</i>
Product GPPU	\$700	\$1,200 - \$1,300	<i>UACC, new value-added products and increase attach rates</i>
Total GPPU Improvement Goal	\$1,800	\$2,400 - \$2,600	
Logistics	\$800	\$1,000 - \$1,300	<i>Reduce miles & cost-per-mile, improve inventory turns</i>
Selling, titling & registration	\$1,300	\$1,500 - \$1,700	<i>Insource, digitize</i>
Marketing			
Fixed			
Total SG&A Reduction Goal	\$2,100	\$2,500 - \$3,000	

All metrics denominated in ecommerce units

vroom

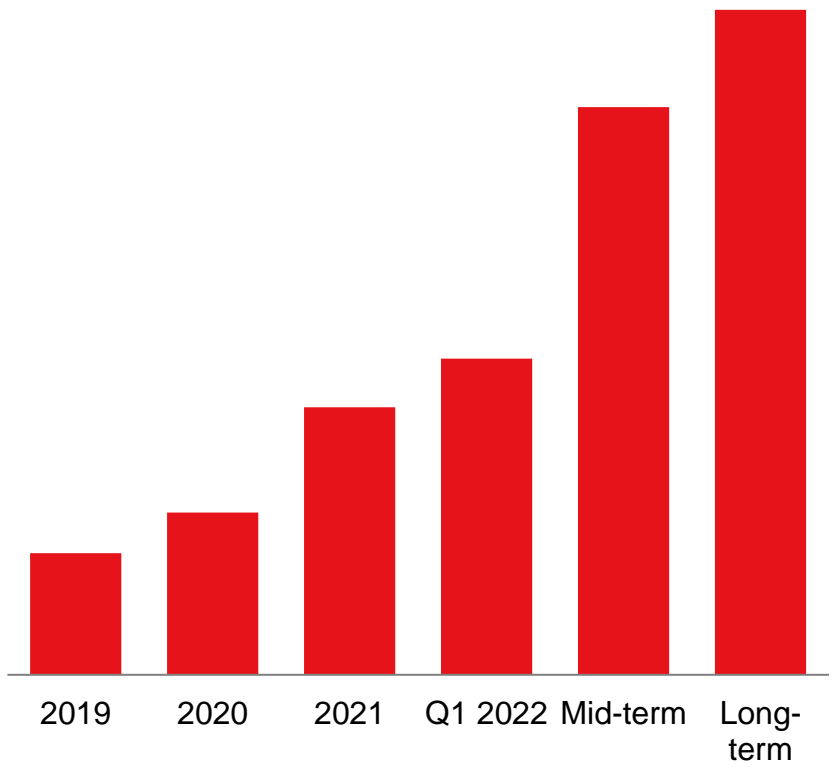
sg&a - marketing



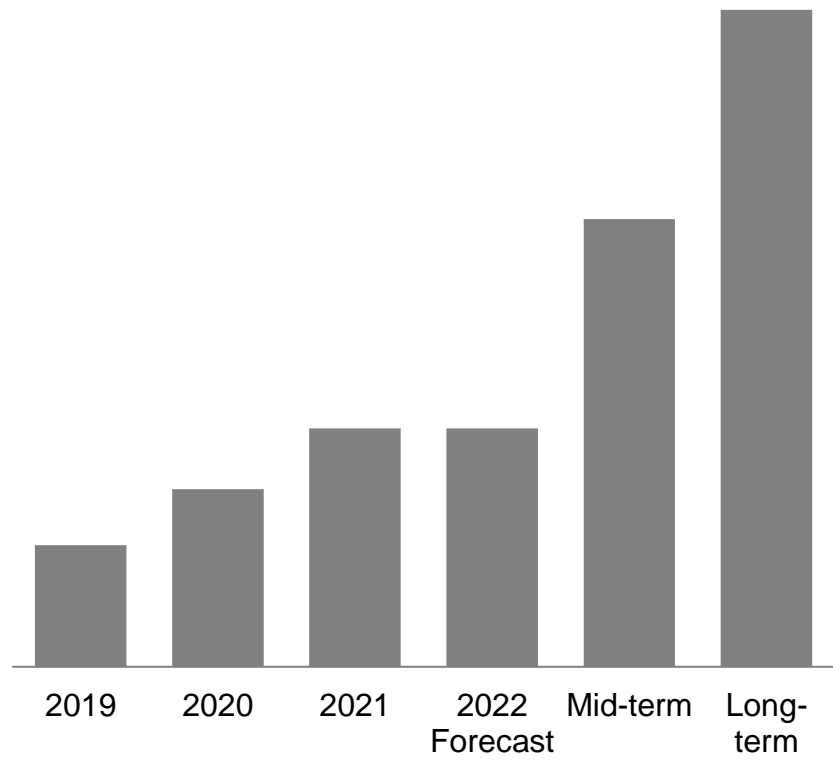
vroom.com traffic

Build brand awareness, grow organic search traffic and optimize paid media campaigns to improve direct traffic

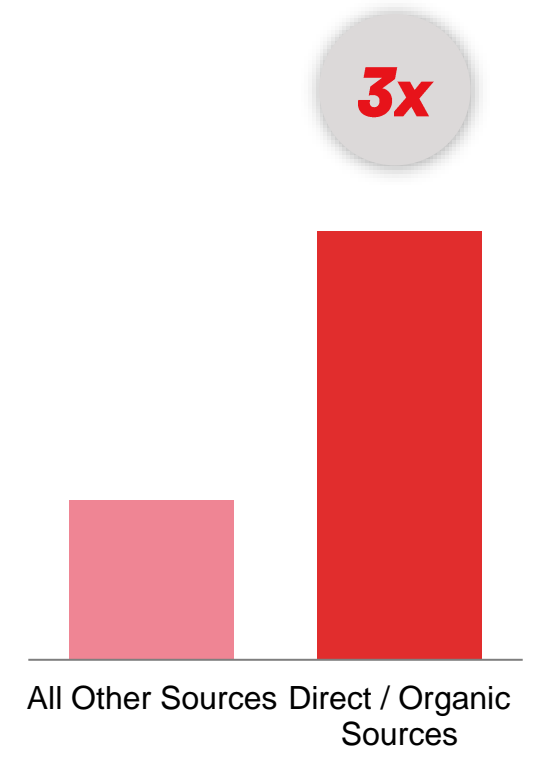
aided brand awareness



direct website traffic



lead conversion to sale rate, fy 2021



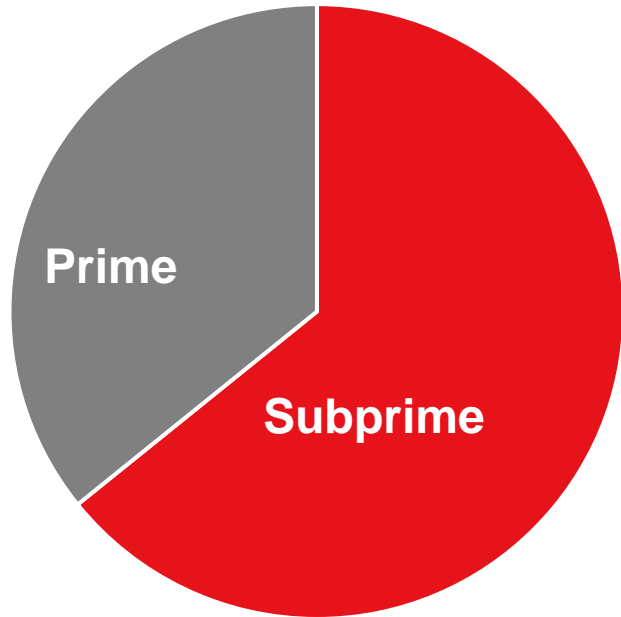
goal: increase high-converting direct and organic traffic



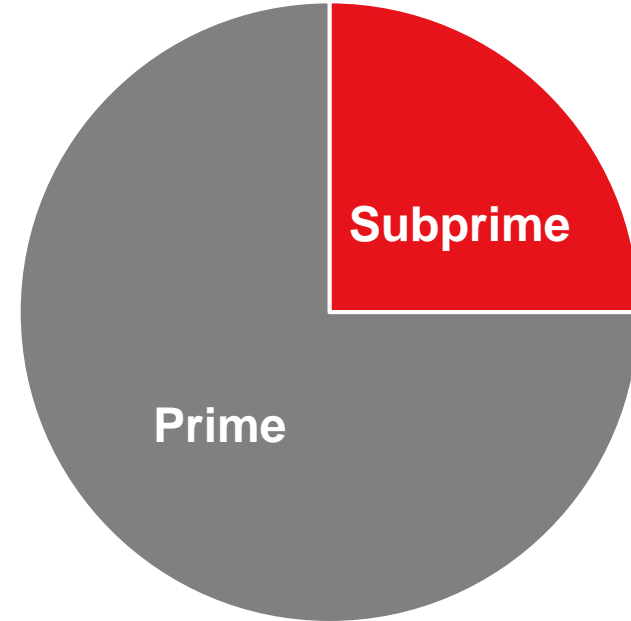
lead conversion

The integration of UACC and its subprime expertise enables opportunity to increase conversion

fy 2021 credit application mix



fy 2021 sales mix



vroom.com conversion

Vroom.com's top-of-funnel traffic allows for rapid A/B testing to increase digital conversion

start purchase (control) vs **get started** (variant) is example of opportunity for rapid improvements

The image displays two side-by-side screenshots of a car listing on the vroom.com website, illustrating an A/B test. Both listings are for a 2019 Lexus NX 300 with 29,377 miles, priced at \$33,499 with a \$1,199 delivery fee and an estimated monthly payment of \$605.76. The control version (left) features a red 'START PURCHASE' button, while the variant version (right) features a green 'GET STARTED' button. A hand cursor is shown clicking the 'GET STARTED' button. A callout bubble on the right indicates a +13% increase in clicks for the variant.

Element	Control (Left)	Variant (Right)
Image	360° view of a white car	360° view of a white car
Deal Label	Great Deal	Great Deal
Vehicle Info	2019 Lexus NX 300 300 29,377 miles	2019 Lexus NX 300 300 29,377 miles
Price	\$33,499	\$33,499
Delivery	\$1,199 DELIVERY	\$1,199 DELIVERY
Payment	ESTIMATED \$605.76/MO	ESTIMATED \$605.76/MO
Call to Action	START PURCHASE (Red)	GET STARTED (Green)

goal: drive conversion through site improvements



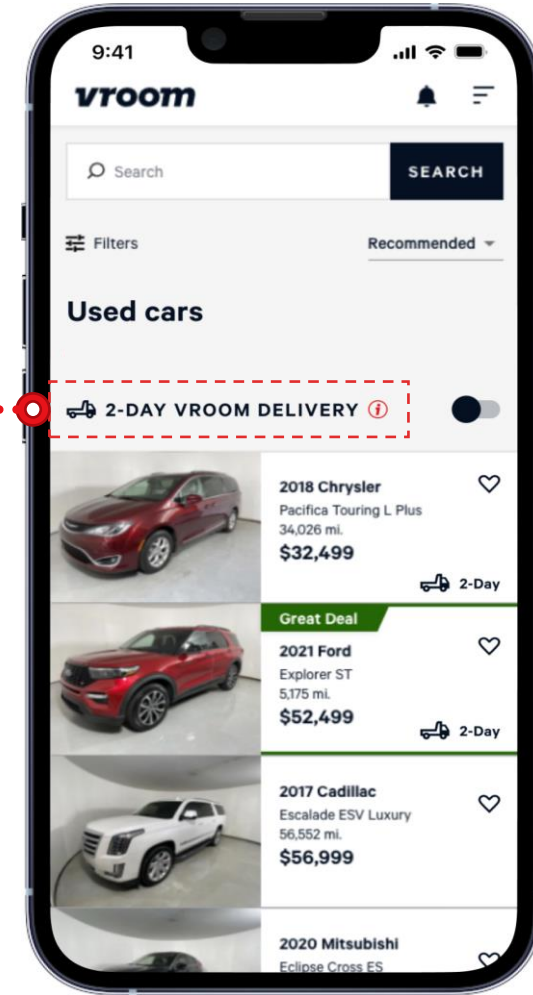
vroom.com conversion

Our regional operating model enables faster delivery, supporting higher conversion

regional operating model



Faster delivery provides the opportunity to drive sales conversion

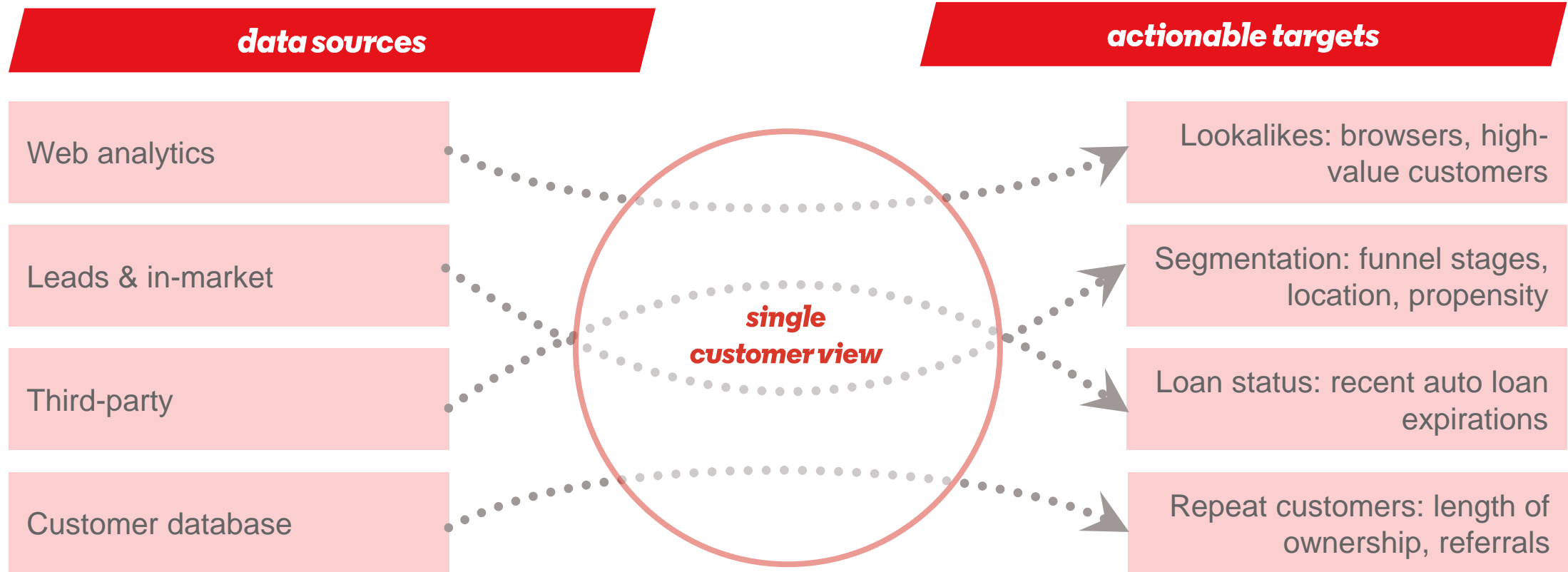


Represents a small pilot in a limited geography.

goal: drive conversion by marketing faster delivery

customer relationship management (crm)

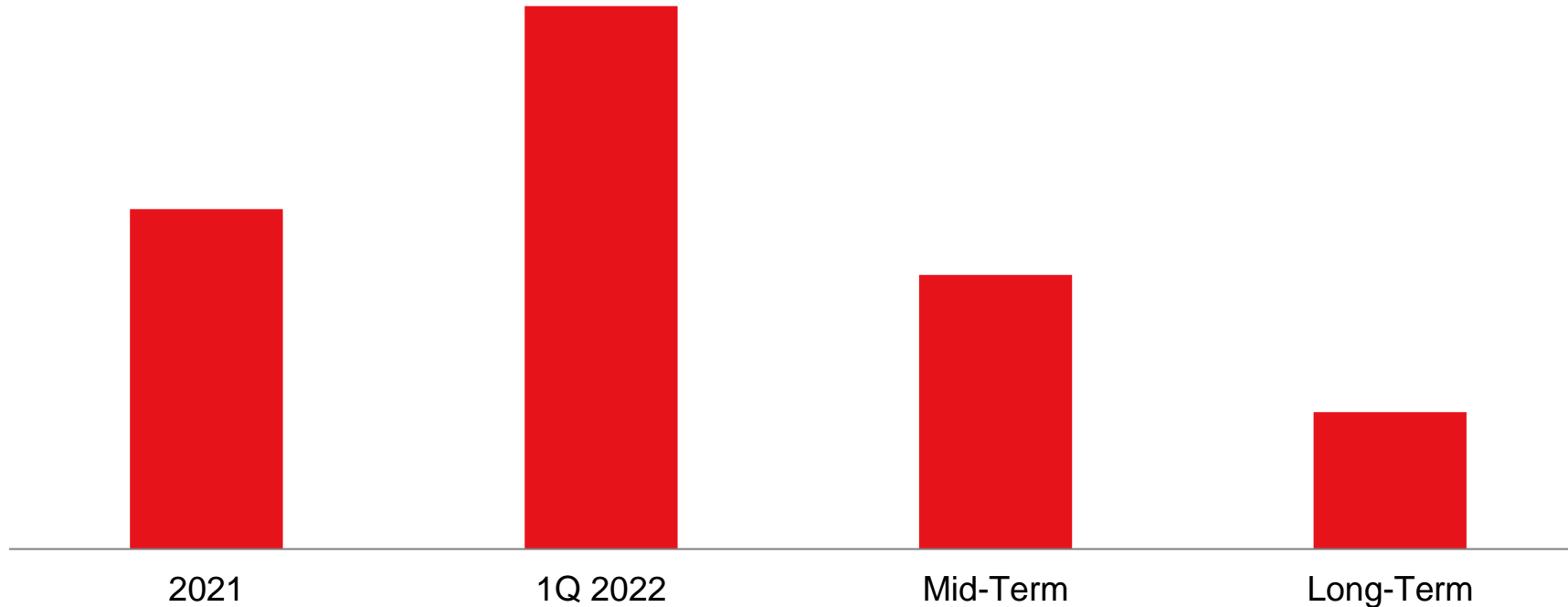
Build robust CRM to drive incremental transactions with minimal additional spend



marketing efficiency

Strengthen our brand and traffic, increase conversion, and leverage customer analytics to drive marketing effectiveness

total marketing cost per unit



key unit economic drivers

SG&A – Marketing improvement goals

p&i/item	improvement goals		levers
	mid-term	long-term	
Ecommerce Vehicle GPPU	\$1,100	\$1,200 - \$1,300	<i>Pricing and assortment optimization</i>
Product GPPU	\$700	\$1,200 - \$1,300	<i>UACC, new value-added products and increase attach rates</i>
Total GPPU Improvement Goal	\$1,800	\$2,400 - \$2,600	
Logistics	\$800	\$1,000 - \$1,300	<i>Reduce miles & cost-per-mile, improve inventory turns</i>
Selling, titling & registration	\$1,300	\$1,500 - \$1,700	<i>Insource, digitize</i>
Marketing	\$700	\$800 - \$1,100	<i>Efficiency mix shift</i>
Fixed			
Total SG&A Reduction Goal	\$2,800	\$3,300 - \$4,100	

All metrics denominated in Ecommerce Units





vroom

***our long-term
roadmap***



key unit economic drivers

4 strategic initiatives designed to drive unit economic improvements across the P&L

	<i>financial lever</i>	<i>initiative</i>	<i>expected financial result</i>
	EBITDA	Grow UACC third-party dealer business	Grow EBITDA
	Product GPPU	Originate and securitize Vroom loans through UACC	Improve product finance margin
Grow consumer value added products		Improve product margin	
	Vehicle GPPU	Optimize pricing through predictive data and regionalization	Improve vehicle margin
		Optimize assortment	Improve vehicle, product & finance margin
	GPPU & SG&A - Logistics	Synchronize end-to-end supply chain to increase velocity and optimize flow	Reduce miles and cost per mile
	Balance Sheet - Inventory		Improve inventory turns
	SG&A - Sales	Optimize sales channels by selective insourcing and digitization	Reduce transaction cost per unit
	SG&A - T&R	Streamline and digitize title and registration process	
	SG&A - Marketing	Improve marketing effectiveness, ROI, and drive conversion	Reduce marketing cost per unit
	SG&A - Fixed	Grow fixed cost slower than revenue	Reduce fixed cost per unit

key unit economic driver goals

We believe our 4 strategic initiatives can improve unit economics beginning in 2022 and annually as we drive towards our long-term goals

p&l item	improvement goals		levers
	mid-term	long-term	
Ecommerce Vehicle GPPU	\$1,100	\$1,200 - \$1,300	<i>Pricing and assortment optimization</i>
Product GPPU	\$700	\$1,200 - \$1,300	<i>UACC, new value-added products and increase attach rates</i>
Total GPPU Improvement Goal	\$1,800	\$2,400 - \$2,600	
Logistics	\$800	\$1,000 - \$1,300	<i>Reduce miles & cost-per-mile, improve inventory turns</i>
Selling, titling & registration	\$1,300	\$1,500 - \$1,700	<i>Insource, digitize</i>
Marketing	\$700	\$800 - \$1,100	<i>Efficiency mix shift</i>
Fixed	\$1,300	\$1,800 - \$2,500	<i>Grow fixed costs at lower rate than sales growth</i>
Total SG&A Reduction Goal	\$4,100	\$5,100 - \$6,600	

All metrics denominated in Ecommerce Units

mid to long-term financial goals

4 strategic initiatives intended to build a profitable business model

estimated impact on p&l

	per unit actuals	
	fy 2021	q1 2022
Ecommerce vehicle gross profit	\$1,108	\$595
Ecommerce product gross profit	1,098	1,168
Total ecommerce gross profit	\$2,206	\$1,763
SG&A ⁽¹⁾	(7,334)	(9,364)
All other	573	565
Adjusted EBITDA ex. UACC securitization ⁽²⁾	(\$4,555)	(\$7,036)
UACC securitization	-	1,521
Adjusted EBITDA ⁽²⁾	(\$4,555)	(\$5,515)
Adjusted EBITDA margin	-11%	-12%

+

	per unit improvement goals from q1 2022		
	mid-term	long-term	
		low	high
	\$1,100	\$1,200	\$1,300
	700	1,200	1,300
	\$1,800	\$2,400	\$2,600
	4,100	5,100	6,600
	613	573	454
	\$6,513	\$8,073	\$9,654
	(997)	(1,245)	(1,450)
	\$5,516	\$6,828	\$8,204
	-	-	-

=

	per unit future goal		
	mid-term	long-term	
		low	high
	\$1,695	\$1,795	\$1,895
	1,868	2,368	2,468
	\$3,563	\$4,163	\$4,363
	(5,264)	(4,264)	(2,764)
	1,178	1,138	1,019
	(\$523)	\$1,037	\$2,618
	524	276	71
	\$1	\$1,313	\$2,689
	0%	5%	10%

Note: \$ in thousands excluding per unit data

1. 1Q 2022 SG&A of \$188 million adjusted for transaction costs of \$6 million.

2. EBITDA and Adjusted EBITDA are non-GAAP measures. For a definition of EBITDA and Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix.

goal: long-term target of 5-10% ebitda margin

vroom

q&a



vroom

appendix



non-gaap reconciliations – adjusted ebitda

We calculate EBITDA as net loss before interest expense, interest income, income tax expense and depreciation and amortization expense and we calculate Adjusted EBITDA as EBITDA adjusted to exclude acquisition related costs, change in fair value of finance receivables, goodwill impairment charges, the one-time, IPO related acceleration of non-cash stock-based compensation expense, and the one-time, IPO related non-cash revaluation of a preferred stock warrant. EBITDA and Adjusted EBITDA are supplemental performance measures that our management team uses to assess our operating performance and the operating leverage in our business. Because EBITDA and Adjusted EBITDA facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes. EBITDA and Adjusted EBITDA are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. 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 March 31,		Year Ended December 31,		
	2022	2021	2020	2019	2018
	(in thousands)				
Net loss	\$ (310,459)	\$ (370,911)	\$ (202,799)	\$ (142,978)	\$ (85,178)
Adjusted to exclude the following:					
Interest expense	9,380	21,948	9,656	14,596	8,513
Interest income	(3,952)	(10,341)	(5,896)	(5,607)	(3,135)
(Benefit) provision for income taxes	(23,240)	754	84	168	229
Depreciation and amortization expense	7,895	13,215	4,654	6,157	6,932
EBITDA	\$ (320,376)	\$ (345,335)	\$ (194,301)	\$ (127,664)	\$ (72,639)
Acquisition related costs	5,653	5,090	2,080	—	—
Change in fair value of finance receivables	5,621	—	—	—	—
Goodwill impairment charge	201,703	—	—	—	—
One-time IPO related acceleration of non-cash stock-based	—	—	1,262	—	—
One-time IPO related non-cash revaluation of preferred stock warrant	—	—	20,470	—	—
Adjusted EBITDA	\$ (107,399)	\$ (340,245)	\$ (170,489)	\$ (127,664)	\$ (72,639)

non-gaap reconciliations – adjusted ebitda margin

We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by total revenue. The computation of Adjusted EBITDA Margin is as follows:

	Three Months Ended March 31,		Year Ended December 31,		
	2022	2021	2020	2019	2018
	(in thousands)				
Adjusted EBITDA	\$ (107,399)	\$ (340,245)	\$ (170,489)	\$ (127,664)	\$ (72,639)
Revenue	923,775	3,184,255	1,357,700	1,191,821	855,429
Adjusted EBITDA Margin	-11.6%	-10.7%	-12.6%	-10.7%	-8.5%

pre-tax roe (uacc)

UACC Pre-tax Return on Equity (“Pre-Tax ROE”) is a non-GAAP measure that is derived from amounts included in UACC consolidated GAAP financial statements. We calculate Pre-Tax ROE as income before provision for income tax divided by equity. We believe that UACC Pre-Tax ROE is a useful measure to both management and investors as it provides an indication of the economic return on the UACC investment over time. Pre-tax ROE is not a measure of financial performance under U.S. GAAP and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. The computation of pre-tax ROE is as follows:

	Year Ended			
	2021	2020	2019	2018
	(in thousands)			
UACC net income	\$ 38,464	\$ 12,625	\$ 10,530	\$ 4,741
UACC Provision for income taxes	12,445	3,706	3,094	1,895
UACC income before provision for income tax	\$ 50,910	\$ 16,332	\$ 13,624	\$ 6,636
UACC Total stockholders’ equity	113,662	75,198	62,279	51,748
UACC Pre-tax ROE	44.8%	21.7%	21.9%	12.8%

available liquidity (uacc)

We calculate UACC's available liquidity as cash and cash equivalents (excluding restricted cash) less cash in transit plus cash that can be drawn down on from our warehouse credit facilities by pledging eligible finance receivables. We believe reporting available liquidity provides investors with a measure of capacity of funds to support the UACC business and lending activities. UACC available liquidity is reconciled to UACC's cash and cash equivalents which is the most directly comparable U.S. GAAP financial measure. Available liquidity is not a measure of financial performance under U.S. GAAP and is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. The computation of available liquidity is as follows:

	Three Months Ended		Year Ended		
	March 31,		December 31,		
	2022	2021	2020	2019	2018
	(in thousands)				
UACC Cash and cash equivalent	\$ 10,736	\$ 3,556	\$ 4,039	\$ 4,495	\$ 4,369
Cash in transit from (to) UACC	1,866	(698)	(2,265)	(3,465)	(1,997)
Unencumbered finance receivables	107,599	74,191	41,196	30,972	27,440
UACC available liquidity	<u>\$ 120,201</u>	<u>\$ 77,048</u>	<u>\$ 42,969</u>	<u>\$ 32,002</u>	<u>\$ 29,812</u>

ebitda (uacc)

We calculate UACC EBITDA as net loss before interest expense, interest income, income tax expense and depreciation and amortization expense. UACC EBITDA is a supplemental performance measure that our management uses to assess our operating performance and the operating leverage in our business. Because UACC EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes. UACC EBITDA is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. The following table presents a reconciliation of UACC EBITDA to UACC net income, which is the most directly comparable U.S. GAAP measure:

	Year Ended			
	2021	2020	2019	2018
UACC net income	\$ 38,464	\$ 12,625	\$ 10,530	\$ 4,741
Adjusted to exclude the following:				
Interest expense	3,658	6,225	6,020	4,627
Interest income	(8)	(137)	(868)	(621)
Provision for income taxes	12,445	3,706	3,094	1,895
Depreciation and amortization expense	1,687	1,367	1,247	1,330
EBITDA	<u>\$ 56,246</u>	<u>\$ 23,786</u>	<u>\$ 20,023</u>	<u>\$ 11,972</u>