

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): August 8, 2024**

VROOM, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-39315
(Commission
File Number)

90-1112566
(I.R.S. Employer
Identification No.)

**3600 W Sam Houston Pkwy S, Floor 4
Houston, Texas 77042**

(Address of principal executive offices) (Zip Code)

(518) 535-9125

(Registrant's telephone number, include area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|--------------------------|--|
| Common Stock, \$0.001 par value per share | VRM | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 8, 2024, Vroom, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On August 8, 2024, the Company posted a corporate slide presentation with financial results for the quarter ended June 30, 2024 on its investor relations website, <https://ir.vroom.com/news-events/events-and-presentations>. The presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K will accompany management’s comments.

The information contained in Item 2.02, including Exhibits 99.1 hereto, and in Item 7.01, including Exhibit 99.2 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits relating to Item 2.02 and Item 7.01 shall be deemed to be furnished, and not filed:

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press Release dated August 8, 2024. |
| 99.2 | Earnings Presentation for the Quarter Ended June 30, 2024. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 8, 2024

VROOM, INC.

By: /s/ Agnieszka Zakowicz
Agnieszka Zakowicz
Chief Financial Officer



Vroom Announces Second Quarter 2024 Results

Continued Progress on Operational Initiatives and Improved Portfolio Performance at UACC

NEW YORK – August 8, 2024 – Vroom, Inc. (Nasdaq:VRM) today announced financial results for the second quarter ended June 30, 2024.

HIGHLIGHTS OF SECOND QUARTER 2024

- \$63.4 million cash and cash equivalents as of June 30, 2024
- \$34.0 million of liquidity available to UACC under the warehouse credit facilities
- \$(19.1) million net loss from continuing operations
- \$(7.5) million Adjusted EBITDA
- Successfully Completed UACC Securitization Transaction in April 2024

Tom Shortt, the Company's Chief Executive Officer, said "Overall, I am pleased with our second quarter 2024 results. We grew origination volume and our serviced loan portfolio year over year, while continuing to focus on portfolio performance. We currently expect originations since early 2023 to perform at pre-pandemic levels, and are beginning to see positive impacts of our prior decision to tighten credit, resulting in improvements in credit losses compared to the prior quarter. We are focused on improving processes and technology, digitization and automation, and reducing costs across the business."

SECOND QUARTER 2024 FINANCIAL DISCUSSION

All financial comparisons are on a year-over-year basis unless otherwise noted. The following financial information is unaudited.

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|--------------------------------|-------------|-------------|------------------------------|--------------|-------------|
| | 2024 | 2023 | \$ Change | 2024 | 2023 | \$ Change |
| Interest income | \$ 51,862 | \$ 46,995 | \$ 4,867 | \$ 102,939 | \$ 81,363 | \$ 21,576 |
| Interest expense: | | | | | | |
| Warehouse credit facility | 6,986 | 3,658 | 3,328 | 16,457 | 6,757 | 9,700 |
| Securitization debt | 7,995 | 5,981 | 2,014 | 12,864 | 10,326 | 2,538 |
| Total interest expense | 14,981 | 9,639 | 5,342 | 29,321 | 17,083 | 12,238 |
| Net interest income | 36,881 | 37,356 | (475) | 73,618 | 64,280 | 9,338 |
| Realized and unrealized losses, net of recoveries | 18,729 | 23,187 | (4,458) | 49,548 | 38,915 | 10,633 |
| Net interest income after losses and recoveries | 18,152 | 14,169 | 3,983 | 24,070 | 25,365 | (1,295) |
| Noninterest income: | | | | | | |
| Servicing income | 1,587 | 2,551 | (964) | 3,606 | 5,405 | (1,799) |
| Warranties and GAP income (loss), net | 1,378 | 751 | 627 | (8,264) | 3,586 | (11,850) |
| CarStory revenue | 2,913 | 3,224 | (311) | 5,892 | 6,394 | (502) |
| Gain on debt extinguishment | — | 10,931 | (10,931) | — | 19,640 | (19,640) |
| Other income | 3,141 | 3,071 | 70 | 5,925 | 6,103 | (178) |
| Total noninterest income | 9,019 | 20,528 | (11,509) | 7,159 | 41,128 | (33,969) |
| Expenses: | | | | | | |
| Compensation and benefits | 27,176 | 21,341 | 5,835 | 51,286 | 44,562 | 6,724 |
| Professional fees | 1,488 | 2,444 | (956) | 4,831 | 7,417 | (2,586) |
| Software and IT costs | 4,036 | 4,804 | (768) | 8,658 | 10,050 | (1,392) |
| Depreciation and amortization | 7,232 | 7,190 | 42 | 14,858 | 14,422 | 436 |
| Interest expense on corporate debt | 1,549 | 1,527 | 22 | 2,940 | 2,867 | 73 |
| Impairment charges | — | — | — | 2,752 | — | 2,752 |
| Other expenses | 4,961 | 4,571 | 390 | 9,416 | 9,773 | (357) |
| Total expenses | 46,442 | 41,877 | 4,565 | 94,741 | 89,091 | 5,650 |
| Loss from continuing operations before provision for income taxes | (19,271) | (7,180) | (12,091) | (63,512) | (22,598) | (40,914) |
| (Benefit) provision for income taxes from continuing operations | (167) | 286 | (453) | 269 | 337 | (68) |
| Net loss from continuing operations | \$ (19,104) | \$ (7,466) | \$ (11,638) | \$ (63,781) | \$ (22,935) | \$ (40,846) |
| Net loss from discontinued operations | \$ (2,084) | \$ (58,573) | \$ 56,489 | \$ (25,025) | \$ (117,844) | \$ 92,819 |
| Net loss | \$ (21,188) | \$ (66,039) | \$ 44,851 | \$ (88,806) | \$ (140,779) | \$ 51,973 |

Results by Segment

UACC

| | Three Months Ended June 30, | | Change | % Change |
|---|--------------------------------|-----------|------------|------------|
| | 2024 | 2023 | | |
| | (in thousands) | | | |
| Interest income | \$ 52,389 | \$ 47,531 | \$ 4,858 | 10.2% |
| Interest expense: | | | | |
| Warehouse credit facility | 6,986 | 3,658 | 3,328 | 91.0% |
| Securitization debt | 7,995 | 5,981 | 2,014 | 33.7% |
| Total interest expense | 14,981 | 9,639 | 5,342 | 55.4% |
| Net interest income | 37,408 | 37,892 | (484) | (1.3)% |
| Realized and unrealized losses, net of recoveries | 19,582 | 20,386 | (804) | (3.9)% |
| Net interest income after losses and recoveries | 17,826 | 17,506 | 320 | 1.8% |
| Noninterest income: | | | | |
| Servicing income | 1,587 | 2,551 | (964) | (37.8)% |
| Warranties and GAP income, net | 1,640 | 1,478 | 162 | 11.0% |
| Other income | 2,098 | 977 | 1,121 | 114.7% |
| Total noninterest income | 5,325 | 5,006 | 319 | 6.4% |
| Expenses: | | | | |
| Compensation and benefits | 20,539 | 16,392 | 4,147 | 25.3% |
| Professional fees | 575 | 1,028 | (453) | (44.1)% |
| Software and IT costs | 2,605 | 2,974 | (369) | (12.4)% |
| Depreciation and amortization | 5,630 | 5,582 | 48 | 0.9% |
| Interest expense on corporate debt | 629 | 436 | 193 | 44.2% |
| Other expenses | 3,054 | 1,841 | 1,213 | 65.9% |
| Total expenses | 33,032 | 28,253 | 4,779 | 16.9% |
| Adjusted EBITDA | \$ (2,824) | \$ 291 | \$ (3,115) | (1,070.4)% |
| Interest income on cash and cash equivalents | \$ (560) | \$ (506) | (54) | 10.7% |
| Stock compensation expense | \$ 865 | \$ 519 | 346 | 66.8% |

| | Six Months Ended June 30, | | Change | % Change |
|---|------------------------------|------------|------------|----------|
| | 2024 | 2023 | | |
| | (in thousands) | | | |
| Interest income | \$ 103,930 | \$ 82,830 | \$ 21,100 | 25.5% |
| Interest expense: | | | | |
| Warehouse credit facility | 16,457 | 6,757 | 9,700 | 143.6% |
| Securitization debt | 12,864 | 10,326 | 2,538 | 24.6% |
| Total interest expense | 29,321 | 17,083 | 12,238 | 71.6% |
| Net interest income | 74,609 | 65,747 | 8,862 | 13.5% |
| Realized and unrealized losses, net of recoveries | 47,343 | 32,658 | 14,685 | 45.0% |
| Net interest income after losses and recoveries | 27,266 | 33,089 | (5,823) | (17.6)% |
| Noninterest income: | | | | |
| Servicing income | 3,606 | 5,405 | (1,799) | (33.3)% |
| Warranties and GAP income, net | 3,250 | 3,681 | (431) | (11.7)% |
| Other income | 4,568 | 2,031 | 2,537 | 124.9% |
| Total noninterest income | 11,424 | 11,117 | 307 | 2.8% |
| Expenses: | | | | |
| Compensation and benefits | 39,327 | 34,928 | 4,399 | 12.6% |
| Professional fees | 1,451 | 3,569 | (2,118) | (59.3)% |
| Software and IT costs | 5,702 | 5,679 | 23 | 0.4% |
| Depreciation and amortization | 11,651 | 11,209 | 442 | 3.9% |
| Interest expense on corporate debt | 1,100 | 633 | 467 | 73.7% |
| Impairment charges | 2,752 | — | 2,752 | 100.0% |
| Other expenses | 5,577 | 4,261 | 1,316 | 30.9% |
| Total expenses | 67,561 | 60,279 | 7,282 | 12.1% |
| Adjusted EBITDA | \$ (12,970) | \$ (4,177) | \$ (8,793) | 210.5% |
| Interest income on cash and cash equivalents | \$ (1,128) | \$ (954) | (174) | 18.2% |
| Stock compensation expense | \$ 1,033 | \$ 1,008 | 24 | 2.4% |

CarStory

| | Three Months Ended June 30, | | Change | % Change |
|--|--------------------------------|----------|----------|----------|
| | 2024 | 2023 | | |
| (in thousands) | | | | |
| Noninterest income: | | | | |
| CarStory revenue | \$ 2,913 | \$ 3,224 | \$ (311) | (9.6)% |
| Other income | 190 | 93 | 97 | 104.3% |
| Total noninterest income | 3,103 | 3,317 | (214) | (6.5)% |
| Expenses: | | | | |
| Compensation and benefits | 2,461 | 2,420 | 41 | 1.7% |
| Professional fees | 80 | 113 | (33) | (29.3)% |
| Software and IT costs | 21 | 171 | (150) | (87.7)% |
| Depreciation and amortization | 1,602 | 1,608 | (6) | (0.4)% |
| Other expenses | 55 | 152 | (97) | (63.8)% |
| Total expenses | 4,219 | 4,464 | (245) | (5.5)% |
| Adjusted EBITDA | \$ 372 | \$ 634 | \$ (262) | (41.3)% |
| Interest income on cash and cash equivalents | \$ (190) | \$ (88) | (102) | 116.9% |
| Stock compensation expense | \$ 76 | \$ 261 | (185) | (71.0)% |

| | Six Months Ended June 30, | | Change | % Change |
|--|------------------------------|----------|----------|----------|
| | 2024 | 2023 | | |
| (in thousands) | | | | |
| Noninterest income: | | | | |
| CarStory revenue | \$ 5,892 | \$ 6,394 | \$ (502) | (7.9)% |
| Other income | 363 | 141 | 222 | 157.4% |
| Total noninterest income | 6,255 | 6,535 | (280) | (4.3)% |
| Expenses: | | | | |
| Compensation and benefits | 4,675 | 4,821 | (146) | (3.0)% |
| Professional fees | 202 | 290 | (88) | (30.4)% |
| Software and IT costs | 188 | 345 | (157) | (45.5)% |
| Depreciation and amortization | 3,207 | 3,213 | (6) | (0.2)% |
| Other expenses | 173 | 301 | (128) | (42.5)% |
| Total expenses | 8,444 | 8,969 | (525) | (5.9)% |
| Adjusted EBITDA | \$ 930 | \$ 1,201 | \$ (271) | (22.5)% |
| Interest income on cash and cash equivalents | \$ (363) | \$ (134) | (229) | 170.7% |
| Stock compensation expense | \$ 276 | \$ 556 | (281) | (50.4)% |

Corporate

| | Three Months Ended June 30, | | Change | % Change |
|---|--------------------------------|-------------|-------------|-----------|
| | 2024 | 2023 | | |
| | (in thousands) | | | |
| Interest income | \$ (527) | \$ (536) | \$ 9 | 1.7% |
| Realized and unrealized losses, net of recoveries | (853) | 2,801 | (3,654) | (130.4)% |
| Net interest income after losses and recoveries | 325 | (3,337) | 3,663 | 109.8% |
| Noninterest income: | | | | |
| Warranties and GAP loss, net | \$ (262) | \$ (727) | \$ 465 | 64.0% |
| Gain on debt extinguishment | — | 10,931 | (10,931) | (100.0)% |
| Other income | 853 | 2,001 | (1,148) | (57.4)% |
| Total noninterest income | 591 | 12,205 | (11,614) | (95.2)% |
| Expenses: | | | | |
| Compensation and benefits | 4,176 | 2,529 | 1,647 | 65.1% |
| Professional fees | 833 | 1,303 | (470) | (36.0)% |
| Software and IT costs | 1,410 | 1,659 | (249) | (15.0)% |
| Interest expense on corporate debt | 920 | 1,091 | (171) | (15.7)% |
| Other expenses | 1,852 | 2,578 | (726) | (28.2)% |
| Total expenses | 9,191 | 9,160 | 31 | 0.3% |
| Adjusted EBITDA | \$ (5,089) | \$ (11,244) | \$ 6,155 | 54.7% |
| Interest income on cash and cash equivalents | \$ (432) | \$ (2,000) | 1,568 | 78.4% |
| Stock compensation expense | \$ 1,505 | \$ 889 | 615 | 69.2% |
| | Six Months Ended June 30, | | Change | % Change |
| | 2024 | 2023 | | |
| | (in thousands) | | | |
| Interest income | \$ (991) | \$ (1,467) | \$ 476 | 32.5% |
| Realized and unrealized losses, net of recoveries | 2,205 | 6,257 | (4,052) | (64.8)% |
| Net interest income after losses and recoveries | (3,196) | (7,724) | 4,528 | 58.6% |
| Noninterest (loss) income: | | | | |
| Warranties and GAP loss, net | (11,514) | (95) | \$ (11,419) | 12,020.0% |
| Gain on debt extinguishment | — | 19,640 | (19,640) | (100.0)% |
| Other income | 994 | 3,931 | (2,937) | (74.7)% |
| Total noninterest (loss) income | (10,520) | 23,476 | (33,996) | (144.8)% |
| Expenses: | | | | |
| Compensation and benefits | 7,284 | 4,813 | 2,470 | 51.3% |
| Professional fees | 3,178 | 3,559 | (381) | (10.7)% |
| Software and IT costs | 2,768 | 4,025 | (1,258) | (31.2)% |
| Interest expense on corporate debt | 1,840 | 2,234 | (394) | (17.6)% |
| Other expenses | 3,666 | 5,211 | (1,546) | (29.7)% |
| Total expenses | 18,735 | 19,842 | (1,108) | (5.6)% |
| Adjusted EBITDA | \$ (27,654) | \$ (23,644) | \$ (4,010) | 17.0% |
| Interest income on cash and cash equivalents | \$ (695) | \$ (3,930) | 3,235 | 82.3% |
| Stock compensation expense | \$ 2,461 | \$ 1,783 | 678 | 38.0% |

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP financial measures are useful in evaluating our operating performance: EBITDA and Adjusted EBITDA. 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. The presentation of these non-GAAP financial measures 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. We have reconciled all non-GAAP financial measures with the most directly comparable U.S. GAAP financial measures.

EBITDA and Adjusted EBITDA are supplemental performance measures that our management 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

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 related to the 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 from continuing operations, which is the most directly comparable U.S. GAAP measure:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|--------------------|------------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (in thousands) | | (in thousands) | |
| Net loss from continuing operations | \$ (19,104) | \$ (7,466) | \$ (63,781) | \$ (22,935) |
| Adjusted to exclude the following: | | | | |
| Interest expense on corporate debt | 1,549 | 1,527 | 2,940 | 2,867 |
| Interest income on cash and cash equivalents | (1,182) | (2,594) | (2,187) | (5,019) |
| Provision for income taxes | (167) | 286 | 269 | 337 |
| Depreciation and amortization | 7,232 | 7,190 | 14,858 | 14,422 |
| EBITDA | <u>\$ (11,672)</u> | <u>\$ (1,057)</u> | <u>\$ (47,901)</u> | <u>\$ (10,328)</u> |
| Stock compensation expense | 2,446 | 1,669 | \$ 3,770 | \$ 3,348 |
| Severance | 1,685 | — | \$ 1,685 | — |
| Gain on debt extinguishment | — | (10,931) | — | (19,640) |
| Impairment charges | — | — | 2,752 | — |
| Adjusted EBITDA | <u>\$ (7,541)</u> | <u>\$ (10,319)</u> | <u>\$ (39,694)</u> | <u>\$ (26,620)</u> |

About Vroom (Nasdaq: VRM)

Vroom owns and operates United Auto Credit Corporation (UACC), a leading indirect automotive lender serving the independent and franchise dealer market nationwide, and CarStory, a leader in AI-powered analytics and digital services for automotive retail. During fiscal 2023, Vroom also operated an end-to-end ecommerce platform to buy and sell used vehicles. Pursuant to its previously announced Value Maximization Plan, Vroom discontinued its ecommerce operations and used vehicle dealership business.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding cost-savings and their expected benefits, our expectations regarding UACC's business, including with respect to originations and the impact of credit tightening, future results of operations and financial position, including profitability and our available liquidity under the warehouse credit facilities, and the timing of any of the foregoing. 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 press release, 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 press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Investor Relations:

Vroom
Jon Sandison
investors@vroom.com

VROOM, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(unaudited)

| | As of June 30, 2024 | As of December 31, 2023 |
|--|---------------------------|-------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 63,393 | \$ 135,585 |
| Restricted cash (including restricted cash of consolidated VIEs of \$47.3 million and \$49.1 million, respectively) | 48,205 | 73,234 |
| Finance receivables at fair value (including finance receivables of consolidated VIEs of \$429.3 million and \$341.4 million, respectively) | 466,905 | 348,670 |
| Finance receivables held for sale, net (including finance receivables of consolidated VIEs of \$399.3 million and \$457.2 million, respectively) | 413,670 | 503,546 |
| Interest receivable (including interest receivables of consolidated VIEs of \$13.9 million and \$13.7 million, respectively) | 14,973 | 14,484 |
| Property and equipment, net | 2,219 | 4,982 |
| Intangible assets, net | 118,381 | 131,892 |
| Operating lease right-of-use assets | 8,918 | 7,063 |
| Other assets (including other assets of consolidated VIEs of \$9.6 million and \$13.3 million, respectively) | 33,908 | 59,429 |
| Assets from discontinued operations | 10,137 | 196,537 |
| Total assets | \$ 1,180,709 | \$ 1,475,422 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Warehouse credit facilities of consolidated VIEs | \$ 270,784 | \$ 421,268 |
| Long-term debt (including securitization debt of consolidated VIEs of \$272.4 million at amortized cost and \$199.8 million at fair value as of June 30, 2024 and \$314.1 million at fair value as of December 31, 2023) | 794,734 | 626,583 |
| Operating lease liabilities | 11,587 | 10,459 |
| Other liabilities (including other liabilities of consolidated VIEs of \$16.0 million and \$14.3 million, respectively) | 51,581 | 61,321 |
| Liabilities from discontinued operations | 8,881 | 228,120 |
| Total liabilities | 1,137,567 | 1,347,751 |
| Commitments and contingencies (Note 11) | | |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value; 500,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 1,806,777 and 1,791,286 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively | 2 | 2 |
| Additional paid-in-capital | 2,092,657 | 2,088,381 |
| Accumulated deficit | (2,049,517) | (1,960,712) |
| Total stockholders' equity | 43,142 | 127,671 |
| Total liabilities and stockholders' equity | \$ 1,180,709 | \$ 1,475,422 |

VROOM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------|------------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest income | \$ 51,862 | \$ 46,995 | \$ 102,939 | \$ 81,363 |
| Interest expense: | | | | |
| Warehouse credit facility | 6,986 | 3,658 | 16,457 | 6,757 |
| Securitization debt | 7,995 | 5,981 | 12,864 | 10,326 |
| Total interest expense | 14,981 | 9,639 | 29,321 | 17,083 |
| Net interest income | 36,881 | 37,356 | 73,618 | 64,280 |
| Realized and unrealized losses, net of recoveries | 18,729 | 23,187 | 49,548 | 38,915 |
| Net interest income after losses and recoveries | 18,152 | 14,169 | 24,070 | 25,365 |
| Noninterest income: | | | | |
| Servicing income | 1,587 | 2,551 | 3,606 | 5,405 |
| Warranties and GAP income (loss), net | 1,378 | 751 | (8,264) | 3,586 |
| CarStory revenue | 2,913 | 3,224 | 5,892 | 6,394 |
| Gain on debt extinguishment | — | 10,931 | — | 19,640 |
| Other income | 3,141 | 3,071 | 5,925 | 6,103 |
| Total noninterest income | 9,019 | 20,528 | 7,159 | 41,128 |
| Expenses: | | | | |
| Compensation and benefits | 27,176 | 21,341 | 51,286 | 44,562 |
| Professional fees | 1,488 | 2,444 | 4,831 | 7,417 |
| Software and IT costs | 4,036 | 4,804 | 8,658 | 10,050 |
| Depreciation and amortization | 7,232 | 7,190 | 14,858 | 14,422 |
| Interest expense on corporate debt | 1,549 | 1,527 | 2,940 | 2,867 |
| Impairment charges | — | — | 2,752 | — |
| Other expenses | 4,961 | 4,571 | 9,416 | 9,773 |
| Total expenses | 46,442 | 41,877 | 94,741 | 89,091 |
| Loss from continuing operations before provision for income taxes | (19,271) | (7,180) | (63,512) | (22,598) |
| (Benefit) provision for income taxes from continuing operations | (167) | 286 | 269 | 337 |
| Net loss from continuing operations | \$ (19,104) | \$ (7,466) | \$ (63,781) | \$ (22,935) |
| Net loss from discontinued operations | \$ (2,084) | \$ (58,573) | \$ (25,025) | \$ (117,844) |
| Net loss | \$ (21,188) | \$ (66,039) | \$ (88,806) | \$ (140,779) |
| Net loss per share attributable to common stockholders, continuing operations, basic and diluted | \$ (10.61) | \$ (4.29) | \$ (35.49) | \$ (13.22) |
| Net loss per share attributable to common stockholders, discontinued operations, basic and diluted | \$ (1.16) | \$ (33.68) | \$ (13.92) | \$ (67.90) |
| Total net loss per share attributable to common stockholders, basic and diluted | \$ (11.77) | \$ (37.97) | \$ (49.41) | \$ (81.12) |
| Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted | 1,800,486 | 1,739,336 | 1,797,394 | 1,735,486 |

VROOM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|-------------------|
| | 2024 | 2023 |
| Operating activities | | |
| Net loss from continuing operations | \$ (63,781) | \$ (22,935) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Impairment charges | 2,752 | — |
| Profit share receivable | 11,405 | — |
| Gain on debt extinguishment | — | (19,640) |
| Depreciation and amortization | 14,858 | 14,422 |
| Amortization of debt issuance costs | 2,021 | 1,623 |
| Losses on finance receivables and securitization debt, net | 69,430 | 42,532 |
| Stock-based compensation expense | 3,937 | 3,348 |
| Provision to record finance receivables held for sale at lower of cost or fair value | (4,434) | 1,651 |
| Amortization of unearned discounts on finance receivables at fair value | (9,772) | (13,414) |
| Other, net | (2,845) | (6,755) |
| Changes in operating assets and liabilities: | | |
| <i>Finance receivables, held for sale</i> | | |
| Originations of finance receivables, held for sale | (231,639) | (274,707) |
| Principal payments received on finance receivables, held for sale | 85,905 | 42,862 |
| Other | 790 | 505 |
| Interest receivable | (489) | (5,028) |
| Other assets | 5,605 | 7,161 |
| Other liabilities | (9,740) | (11,488) |
| Net cash used in operating activities from continuing operations | (125,997) | (239,863) |
| Net cash provided by operating activities from discontinued operations | 82,820 | 7,738 |
| Net cash used in operating activities | (43,177) | (232,125) |
| Investing activities | | |
| <i>Finance receivables, held for investment at fair value</i> | | |
| Purchases of finance receivables, held for investment at fair value | — | (3,392) |
| Principal payments received on finance receivables, held for investment at fair value | 65,523 | 91,892 |
| Consolidation of VIEs | — | 11,409 |
| Principal payments received on beneficial interests | 1,421 | 3,306 |
| Purchase of property and equipment | (926) | (1,249) |
| Net cash provided by investing activities from continuing operations | 66,018 | 101,966 |
| Net cash provided by (used in) investing activities from discontinued operations | 10,834 | (7,272) |
| Net cash provided by investing activities | 76,852 | 94,694 |
| Financing activities | | |
| Proceeds from borrowings under secured financing agreements, net of issuance costs | 296,569 | 261,991 |
| Principal repayment under secured financing agreements | (135,017) | (103,980) |
| Proceeds from financing of beneficial interests in securitizations | 15,821 | 24,506 |
| Principal repayments of financing of beneficial interests in securitizations | (6,281) | (2,304) |
| Proceeds from warehouse credit facilities | 193,400 | 211,400 |
| Repayments of warehouse credit facilities | (343,884) | (263,216) |
| Repurchases of convertible senior notes | — | (13,194) |
| Other financing activities | (326) | (1,043) |
| Net cash provided by financing activities from continuing operations | 20,282 | 114,160 |
| Net cash used in financing activities from discontinued operations | (151,178) | (144,508) |
| Net cash used in financing activities | (130,896) | (30,348) |
| Net decrease in cash, cash equivalents and restricted cash | (97,221) | (167,779) |
| Cash, cash equivalents and restricted cash at the beginning of period | 208,819 | 472,010 |
| Cash, cash equivalents and restricted cash at the end of period | \$ 111,598 | \$ 304,231 |

VROOM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)
(unaudited)

Supplemental disclosure of cash flow information:

| | | |
|---|-----------|------------|
| Cash paid for interest | \$ 29,321 | \$ 16,301 |
| Cash paid for income taxes | \$ 373 | \$ 3,682 |
| Supplemental disclosure of non-cash investing and financing activities: | | |
| Finance receivables from consolidation of 2022-2 securitization transaction | \$ — | \$ 180,706 |
| Elimination of beneficial interest from the consolidation of 2022-2 securitization transaction | \$ — | \$ 9,811 |
| Securitization debt from consolidation of 2022-2 securitization transaction | \$ — | \$ 186,386 |
| Reclassification of finance receivables held for sale to finance receivables at fair value, net | \$ — | \$ 248,081 |

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 the 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.

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.

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

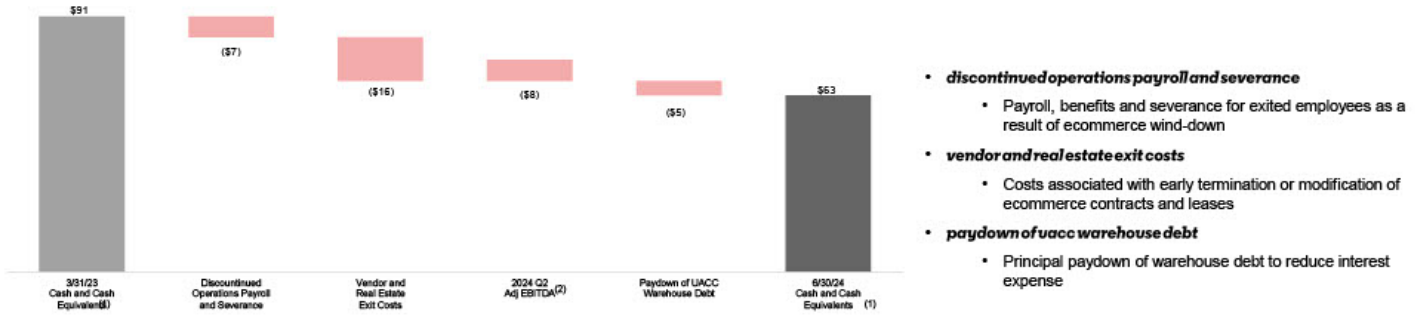
4

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



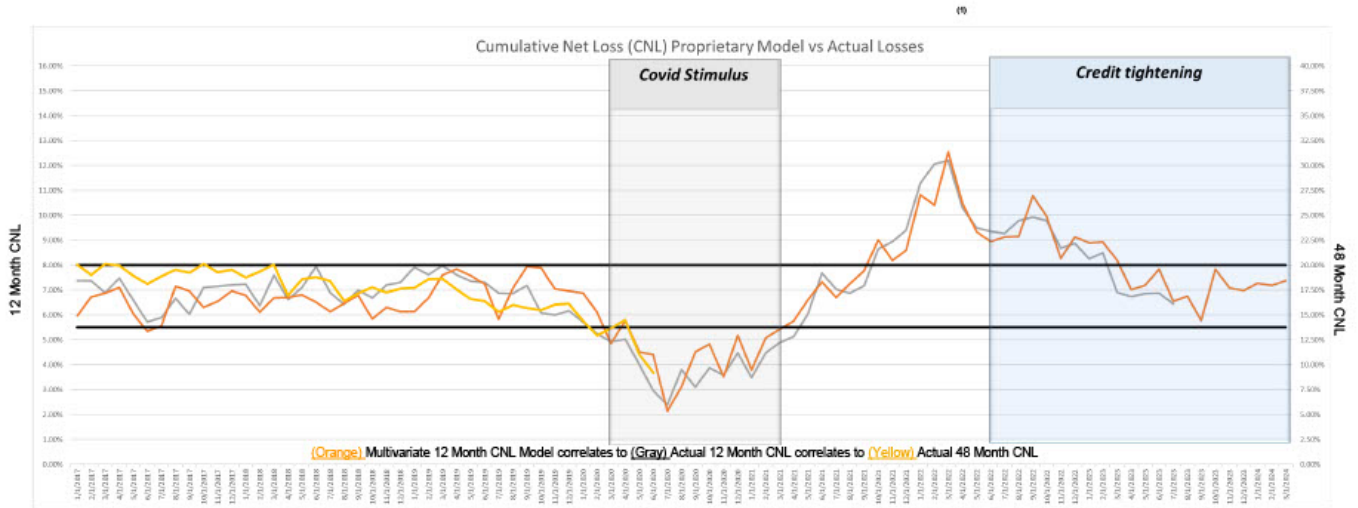
2nd quarter cash and cash equivalents

2nd quarter cash and cash equivalents⁽¹⁾



(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.

vroom

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 | 4,178 | 27,178 | 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 | 2,805 | 21 | 1,410 | 4,036 | 3,087 | 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 | 829 | — | 920 | 1,549 | 471 | — | 920 | 1,391 |
| Impairment charges | — | — | — | — | 2,752 | — | — | 2,752 |
| Other expenses | 3,054 | 55 | 1,652 | 4,961 | 2,523 | 118 | 1,813 | 4,454 |
| Total expenses | 33,032 | 4,219 | 9,191 | 46,442 | 34,529 | 4,226 | 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 | \$ (11,672) | \$ (36,228) |
| Stock compensation expense | \$ 2,446 | \$ 1,324 |
| Severance | 1,685 | — |
| Impairment charges | — | 2,752 |
| Adjusted EBITDA | \$ (7,541) | \$ (32,152) |

