



Q3-23 EARNINGS PRESENTATION



NOV_6_2023

FORWARD LOOKING STATEMENTS

Statements in this presentation regarding future performance and future expectations, beliefs, goals, plans or prospects include forward looking statements for purposes of federal and state securities laws, including statements regarding ACV's avenues for long term growth and total addressable market expansion, our financial guidance for the fourth quarter and full year of 2023, and 2026 financial targets, and operational and product strategy. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions) should also be considered to be forward-looking statements. These forward-looking statements are subject to risk and uncertainties and involve factors that could cause actual results to differ materially from those expressed or implied from such statements. A discussion of the risks and uncertainties related to our business is contained in our Annual Report on Form 10-K, Forms 10-Q and other filings and reports that we may file from time to time with the Securities and Exchange Commission. Our remarks during today's discussion should be considered to incorporate this information by reference. We do not intend, and undertake no obligation, to update any forward-looking statements.

This presentation contains estimates and other statistical data made by independent parties and us relating to data about our industry. This involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. Please see the Appendix for a statement on risks and uncertainties.

INFORMATION ABOUT KEY OPERATING AND FINANCIAL METRICS AND NON-GAAP FINANCIAL MEASURES

This presentation refers to certain operating and financial metrics that are not calculated in accordance with U.S. generally accepted accounting principles or GAAP. These non-GAAP financial measures are in addition to, and not as a substitute or superior to, measures of financial performance in accordance with GAAP. Reconciliations of the non-GAAP measures, including Adjusted EBITDA to net income (loss) and non-GAAP operating expenses to GAAP operating expenses are included in the appendix to this presentation.



01

HIGHLIGHTS



George Chamoun
CHIEF EXECUTIVE OFFICER

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Q3-22

Q3-23

\$105M

Revenue

\$119M

15%

YoY Revenue
Growth

13%

133K

Marketplace
Units

150K

\$2.1B

GMV

\$2.1B

MAXIMIZING LONG-TERM SHAREHOLDER VALUE

GROWTH

Transforming the automotive market with the leading digitally native, data-driven platform, creating the most trusted and efficient marketplace in the industry.

INNOVATION

Leveraging technology to extend ACV's competitive moat and to create additional growth vectors with an expanding suite of innovative products and data services.

SCALE

Proven business model delivering growth at scale with attractive unit economics and long-term operating leverage.

02

GROWTH

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Market Backdrop

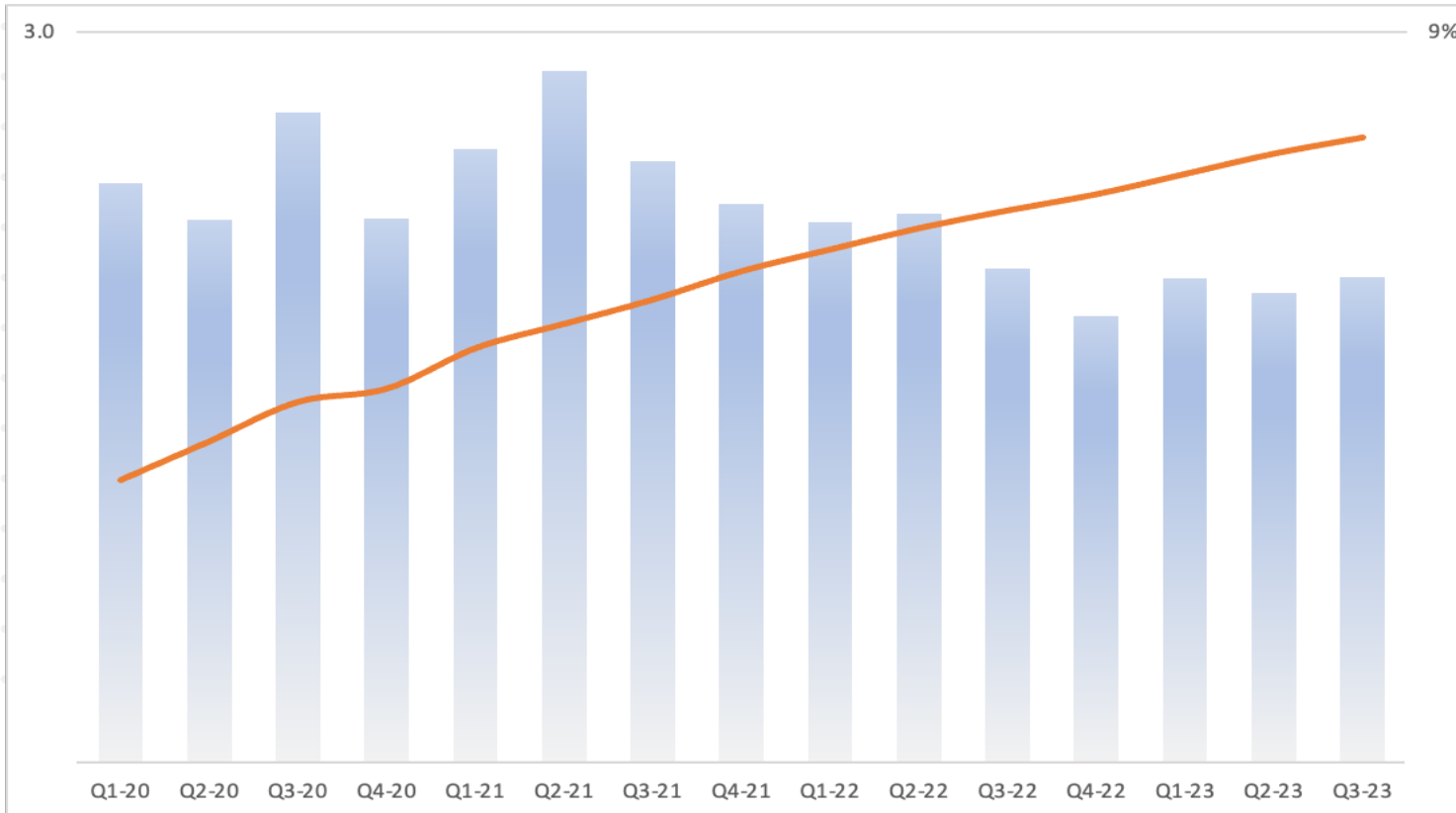
- New-vehicle production, inventory, and retail sales recovering from historical lows
- Used-vehicle retail sales increased modestly YoY, though volumes continue to be pressured from a lack of late-model inventory, and elevated prices and borrowing costs
- Dealers continue to retain a higher-than-normal percentage of trades for retail inventory
- Wholesale prices have depreciated at a modestly higher pace than historical trends, but have stabilized in recent months
- Industry conversion rates, after experiencing an early Q3 decline recovered to a more normalized levels in recent months



Continued Market Share Gains

RETAIL DEALER WHOLESAL (M Units)

ACV MARKET SHARE



Q3-23 vs. Q3-22

13%

ACV Unit Growth YoY

(2%)

Dealer Wholesale Market YoY

15%

ACV Market Share Expansion YoY

GROWTH

ACV Transportation

Mid-50% attach rate with >80K transports - ~20% increase YoY

Cycle time improved ~20% vs. 2022

Expanded carrier coverage of AI-optimized pricing

High-teens revenue margin

80%+

AUTO
DISPATCHED

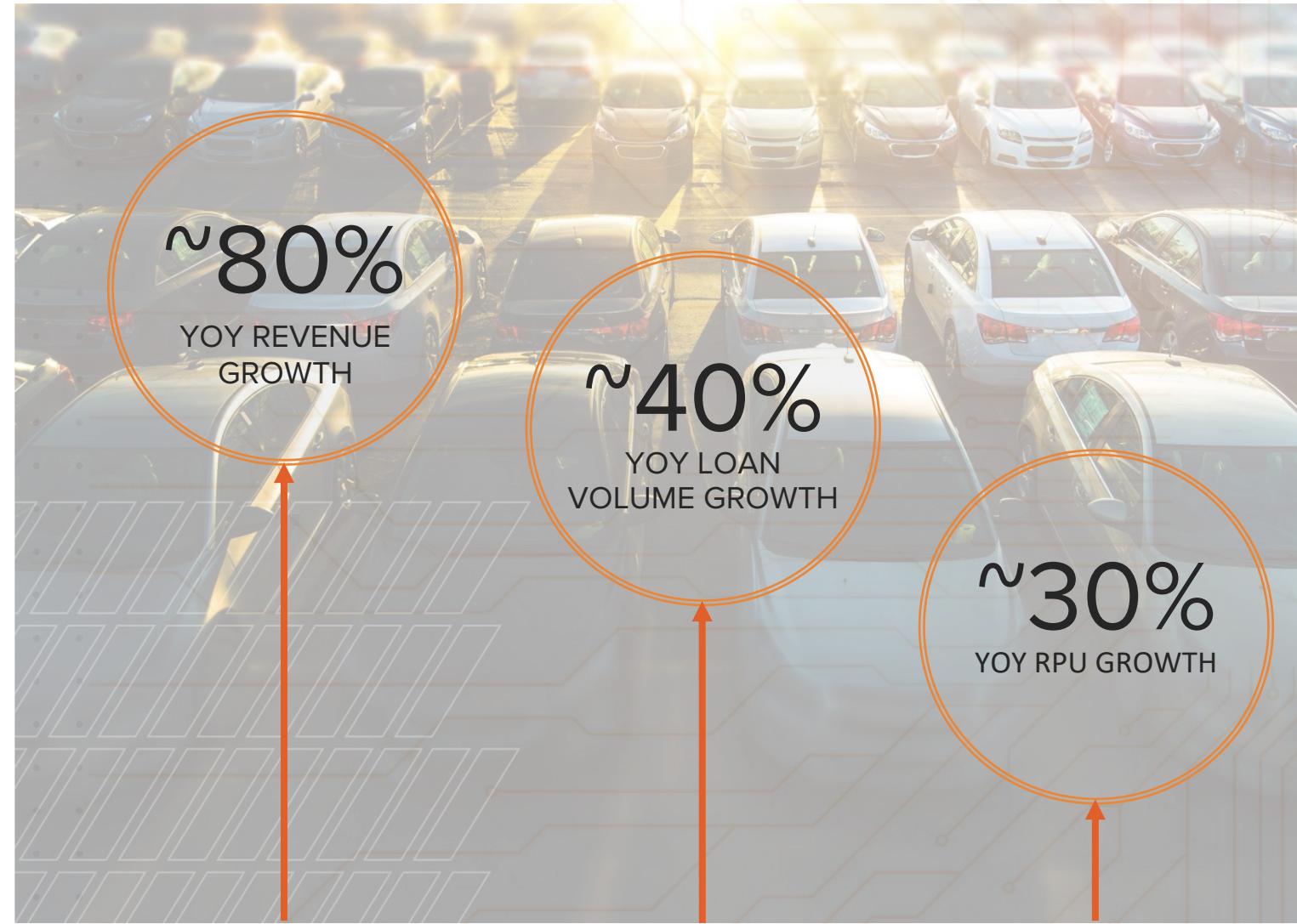


ACV Capital

Strong attach rate in the low double-digits

Continued rapid revenue growth

Expanded RPU and strong loan volume growth



03

INNOVATION

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Innovation for Growth

ClearCar

- Empowering dealer sourcing
- Transparency and accuracy
- Seamless deployment
- AI imaging and self-inspection
- TAM expansion

Changing the game with condition-enhanced pricing

Get your price in 60 Seconds
Share a few details about your vehicle and get a price right away.

PLATE VIN **MAKE & MODEL**

YEAR ▾

MAKE ▾

GET MY PRICE

Powered by **ClearCar**



Digital Pricing Engine

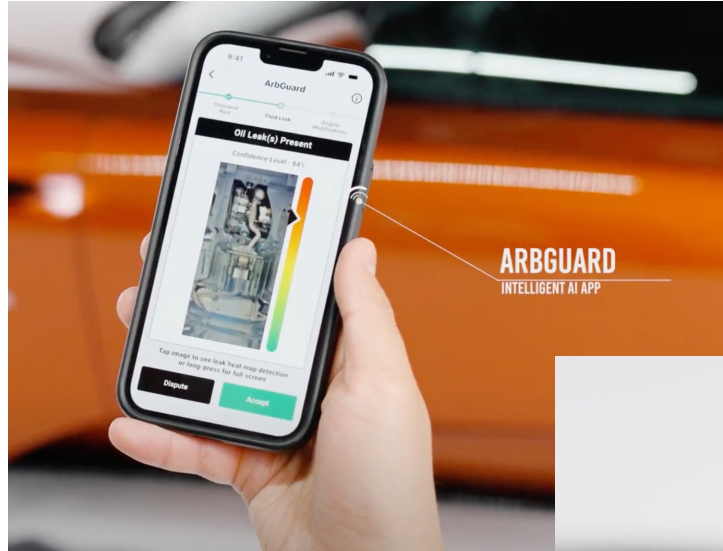
ClearCar Capture

Damage Detection

Innovation for Scale

Enhanced Inspection Platform Delivering Quality and Efficiency

- CoPilot
- ArbGuard
- Apex
- AI-powered imaging apps



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SCALE



Bill Zerella

CHIEF FINANCIAL OFFICER

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SCALE

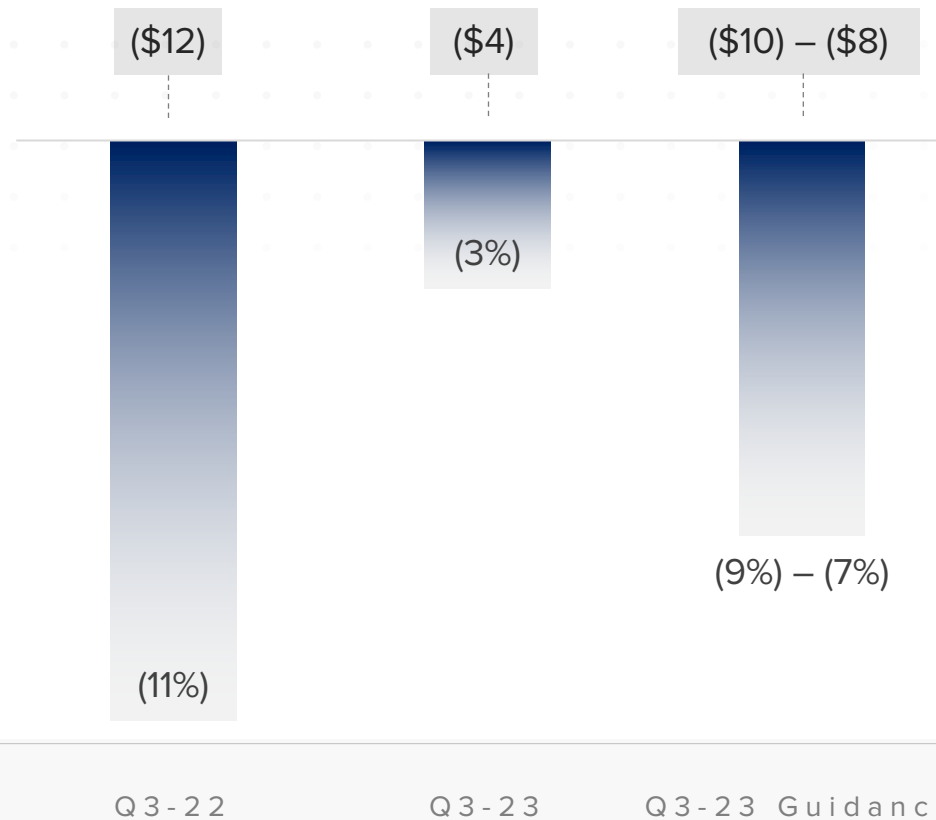
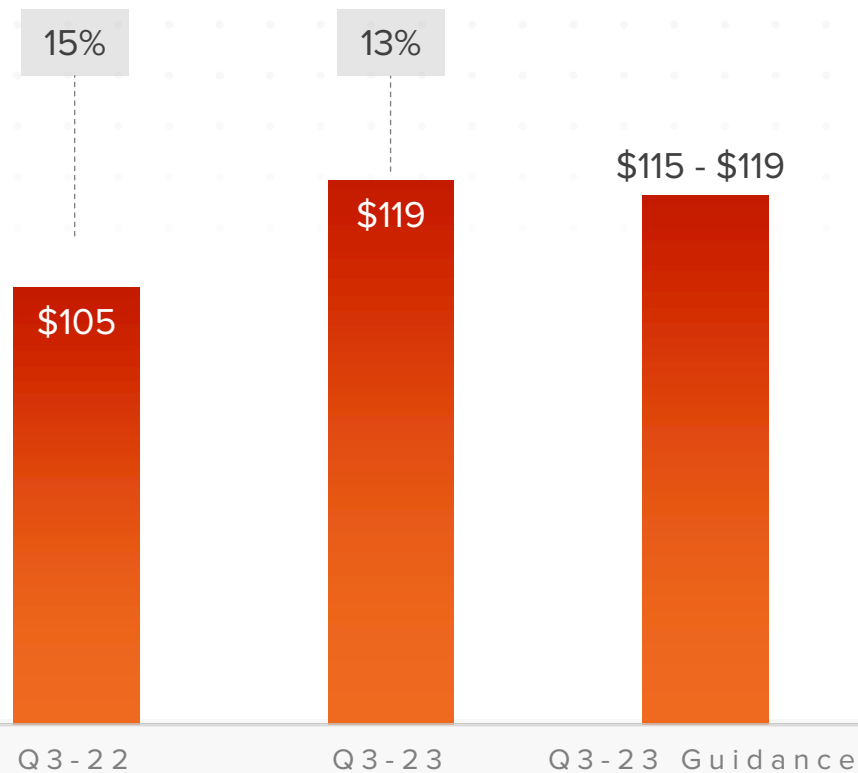
Strong Q3-23 Performance

REVENUE (\$M)

% YOY GROWTH

ADJ. EBITDA (\$M)

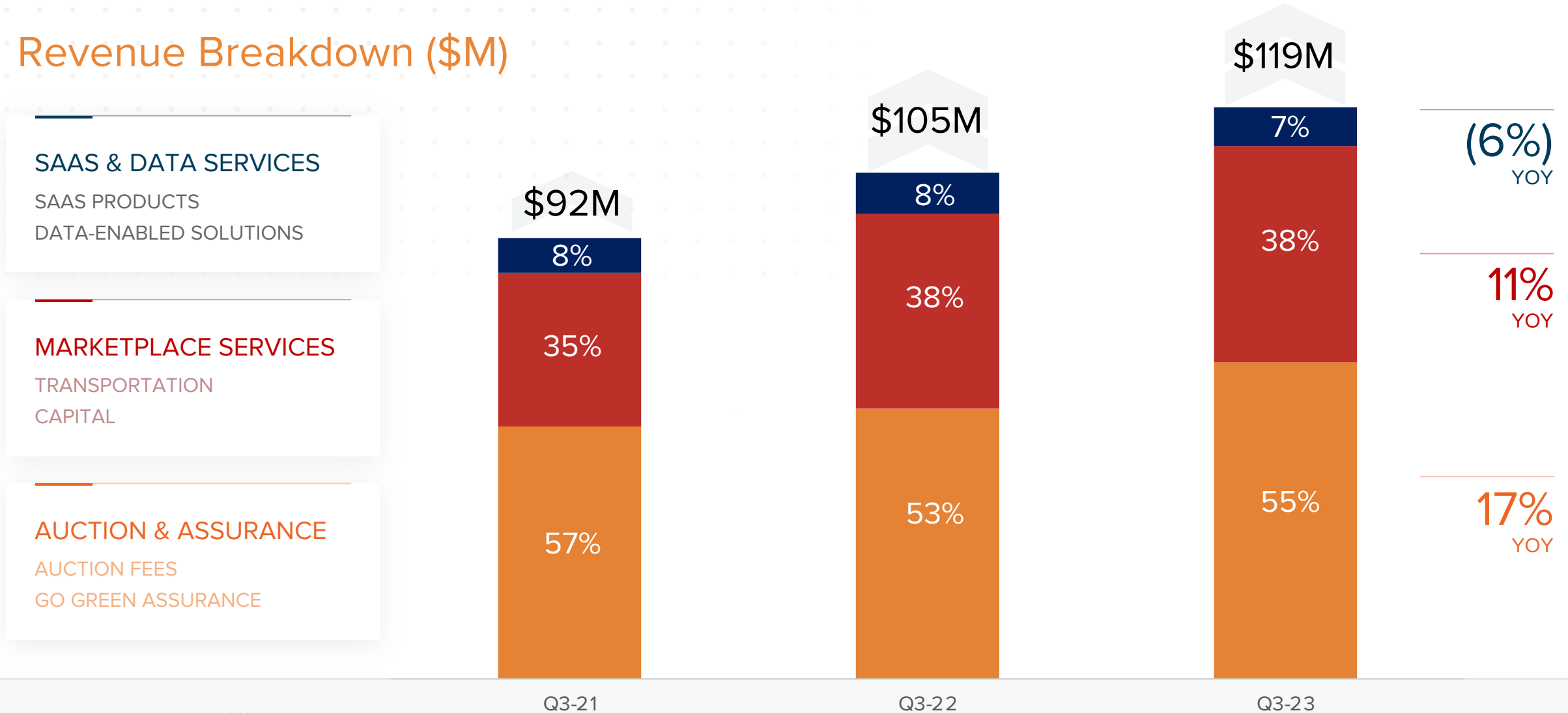
ADJ. EBITDA MARGIN



Note: Refer to the Appendix for information on the GAAP to non-GAAP reconciliations

Diversified Revenue Streams

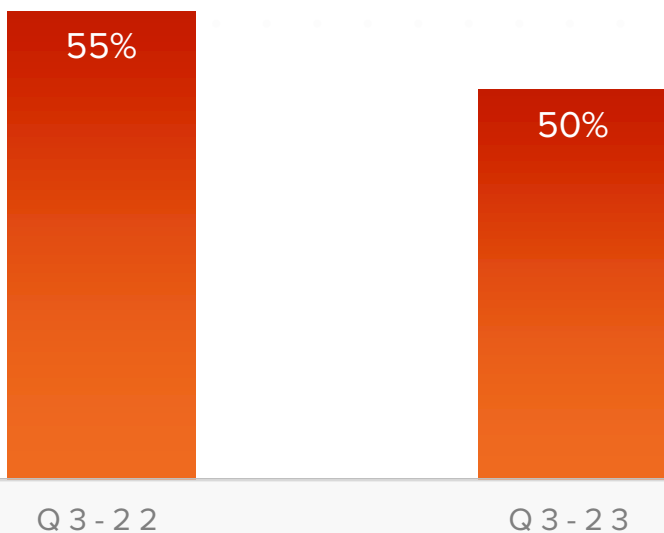
Revenue Breakdown (\$M)



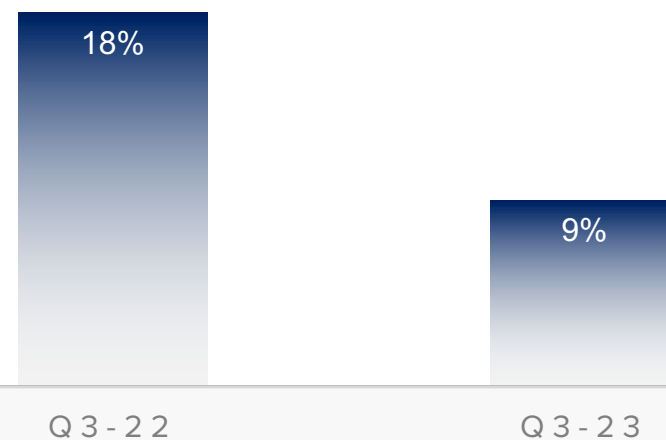
Note: Percentages may not sum to 100% due to rounding

Delivering Margin Improvement and Managing OpEx

NON-GAAP COST OF REVENUE
% OF REVENUE

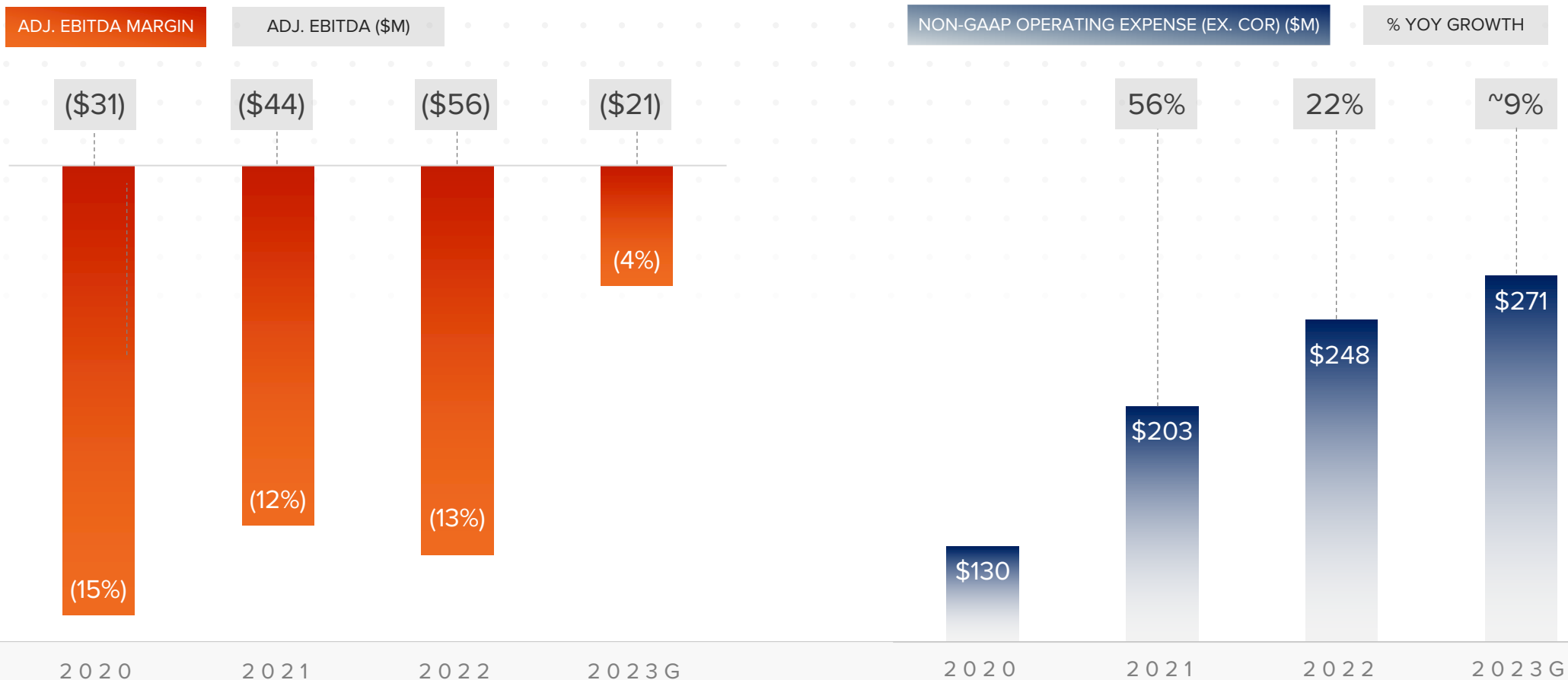


NON-GAAP OPERATING EXPENSE (EX. COR)
YOY GROWTH



Note: Refer to the Appendix for information on the GAAP to non-GAAP reconciliations

Balancing Growth and Investments



Note: 2023 refers to the midpoint of guidance

Refer to the Appendix for more information on the GAAP to non-GAAP reconciliations

2020 Total non-GAAP Operating Expense (Ex. COR) also excludes \$5.7M of stock-based compensation, \$3.0M of intangible amortization, and \$3.1M of contingent gains

2021 Total non-GAAP Operating Expense (Ex. COR) also excludes \$23.7M of stock-based compensation and \$4.0M of intangible amortization

2022 Total non-GAAP Operating Expense (Ex. COR) also excludes \$39.3M of stock-based compensation, \$4.9M of intangible amortization, \$1.6M of contingent losses, and \$1.0M of other

Strong Capital Position and Cash Flow

(\$M) As of September 30, 2023

Cash, Cash Equivalents and Marketable Securities	\$450 (Includes ~\$162M of auction float)
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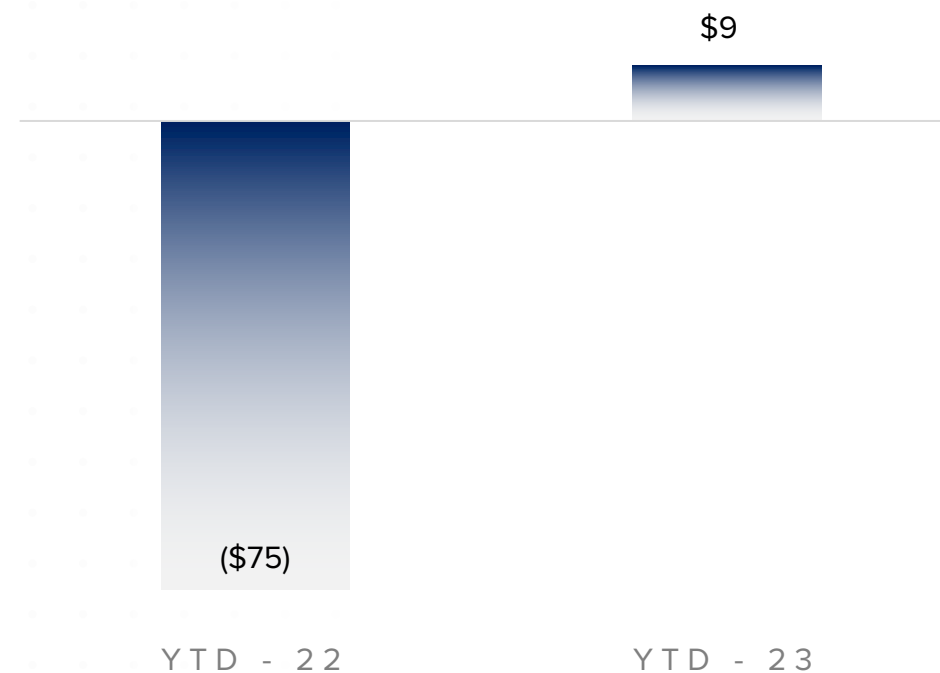
ACV Capital Receivables	\$106
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Long Term Debt	\$105
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Total Assets	\$959
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Total Liabilities	\$492
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OPERATING CASH FLOW (\$M)



Guidance

	Q4-23	2023
(dollars in millions)		
Revenue	\$116 to \$120	\$479 to \$483
YoY Growth	18% to 23%	14% to 15%
GAAP Net Income (Loss)	(\$24) to (\$26)	(\$75) to (\$77)
Non-GAAP Net Income (Loss) ⁽¹⁾	(\$8) to (\$10)	(\$17) to (\$19)
Adjusted EBITDA	(\$7) to (\$9)	(\$20) to (\$22)
Adjusted EBITDA %	(6%) to (8%)	(4%) to (5%)

Assumptions

Vehicle supply remains lower than historical levels near-term, then improves as production and inventory continue to recover

Conversion rates and wholesale price depreciation follow normal seasonal patterns

- (1) Q4-23 non-GAAP net income (loss) guidance excludes approximately \$15 million of stock-based compensation and approximately \$2 million of intangible amortization. 2023 non-GAAP net income (loss) excludes approximately \$51 million of stock-based compensation and approximately \$6 million of intangible amortization.
- (2) Refer to the Appendix for additional information on GAAP to non-GAAP reconciliations

SCALE

2026 Financial Targets

\$1.3B

REVENUE

\$325M

ADJ. EBITDA

25%

ADJ. EBITDA
MARGIN

Wrap Up

01



Executing on Growth Strategy
Despite Challenging Markets

02



Expanding Footprint and Gaining
Share with Proven Playbook

03



Delivering on Product Roadmap
and Expanding Addressable Market

04



Driving Profitable Growth Through
Scalable Business Model

05



Building World Class Team with
People-First Culture

05

Q&A

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06

APPENDIX

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GAAP Net Income (Loss) to Non-GAAP Net Income (Loss) to Adjusted EBITDA Reconciliations

Reconciliation GAAP Net Income (Loss) to Non-GAAP Net Income (Loss)	2019	2020	2021	Q1-22	Q2-22	Q3-22	Q4-22	2022	Q1-23	Q2-23	Q3-23
GAAP Net Income (Loss)	(\$77.2)	(\$41.0)	(\$78.2)	(\$29.5)	(\$24.5)	(\$23.7)	(\$24.5)	(\$102.2)	(\$18.2)	(\$15.6)	(\$18.2)
Non-GAAP Adjustments:											
Contingent Gain (Loss)	0.0	3.1	0.0	0.2	0.0	0.0	(1.8)	(\$1.6)	0.0	0.0	0.0
Stock Based Compensation	(1.0)	(5.7)	23.7	7.9	8.4	9.6	13.4	39.3	11.5	11.9	12.9
Intangible Amortization from Acquisitions	(0.1)	(3.0)	4.0	1.2	1.3	1.2	1.2	4.9	1.2	1.3	1.3
Capitalized Stock Based Compensation Amortization					0.2	0.1	0.2	0.6	0.3	0.2	0.5
Acquisition-related expenses	0.0	0.0	0.0					0.0	0.2	0.3	0.1
Other	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	0.0	0.0	0.4
Non-GAAP Net Income (Loss)	(\$76.1)	(\$35.4)	(\$50.5)	(\$20.1)	(\$14.7)	(\$12.3)	(\$11.4)	(\$58.5)	(\$5.0)	(\$1.8)	(\$3.1)
Reconciliation Non-GAAP Net Income (Loss) to Adj. EBITDA	2019	2020	2021	Q1-22	Q2-22	Q3-22	Q4-22	2022	Q1-23	Q2-23	Q3-23
Non-GAAP Net Income (Loss)	(\$76.1)	(\$35.4)	(\$50.5)	(\$20.1)	(\$14.7)	(\$12.3)	(\$11.4)	(\$58.5)	(\$5.0)	(\$1.8)	(\$3.1)
Add Back:											
Depreciation & Amortization	1.7	4.3	4.7	1.3	1.1	1.8	1.8	\$6.0	1.9	2.4	3.3
Interest Expense	0.0	0.6	0.8	0.2	0.2	0.2	0.3	\$0.9	0.3	0.5	0.4
Interest Income	(2.1)	(0.7)	(0.1)	0.0	(0.6)	(1.9)	(2.5)	(\$5.0)	(3.3)	(4.7)	(4.5)
Other (Income) Expense, Net	0.0	0.0	0.2	0.4	(0.3)	0.0	(0.1)	\$0.1	0.1	0.1	0.2
Taxes	0.0	0.5	0.7	0.2	0.2	0.3	(0.6)	\$0.1	0.3	0.1	0.0
Adj. EBITDA	(\$76.4)	(\$30.8)	(\$44.1)	(\$18.0)	(\$14.1)	(\$11.8)	(\$12.5)	(\$56.4)	(\$5.6)	(\$3.5)	(\$3.7)
Revenue from Income Statement	\$106.8	\$208.4	\$358.4	\$103.1	\$115.1	\$105.4	\$98.0	\$421.5	\$119.6	\$124.2	\$119.0
Adj. EBITDA as a % of Revenue	(72%)	(15%)	(12%)	(17%)	(12%)	(11%)	(13%)	(13%)	(5%)	(3%)	(3%)

Certain items may not total due to rounding

GAAP to Non-GAAP Operating Cost Reconciliation

Reconciliation GAAP Operating Expense to Non-GAAP Operating Expense	Actual Q3-22	Actual Q3-23
GAAP Cost of Revenue	\$58.5	\$60.4
Non-GAAP Adjustments:		
Marketplace & Service Cost of Revenue SBC	(\$0.2)	(\$0.3)
Non-GAAP Cost of Revenue	\$58.3	\$60.1
GAAP Total Operating Cost (exc. COR)	\$72.0	\$80.9
Non-GAAP Adjustments:		
Stock Based Compensation	(\$9.4)	(\$12.6)
Intangible Amortization	(\$1.2)	(\$1.3)
Amortization of Capitalized SBC	(\$0.1)	(\$0.5)
Acquisition-related costs	\$0.0	(\$0.1)
Contingent Gains Loss	\$0.0	\$0.0
Other	(\$0.5)	(\$0.4)
Non-GAAP OpEx (exc. COR)	\$60.8	\$66.1

INFORMATION ABOUT NON-GAAP FINANCIAL MEASURES

ACV provides supplemental non-GAAP financial measures to its financial results. We use these non-GAAP financial measures, and we believe that they assist our investors to make period-to-period comparisons of our operating performance because they provide a view of our operating results without items that are not, in our view, indicative of our operating results. These non-GAAP financial measures should not be construed as an alternative to GAAP results as the items excluded from the non-GAAP financial measures often have a material impact on our operating results, certain of those items are recurring, and others often recur. Management uses, and investors should consider, our non-GAAP financial measures only in conjunction with our GAAP results.

Adjusted EBITDA is a financial measure that is not presented in accordance with GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes.

We define Adjusted EBITDA as net loss, adjusted to exclude: depreciation and amortization; stock-based compensation expense; interest (income) expense; provision for income taxes; other (income) expense, net; and other one-time non-recurring items of a material nature, when applicable, such as acquisition-related and restructuring expenses.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations include that (1) it does not properly reflect capital commitments to be paid in the future; (2) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures; (3) it does not consider the impact of stock-based compensation expense, (4) it does not reflect other non-operating income and expenses, including interest income and expense, (5) it does not consider the impact of any contingent consideration liability valuation adjustments, (6) it does not reflect tax payments that may represent a reduction in cash available to us, and (7) it does not reflect other one-time, non-recurring items of a material nature, when applicable, such as acquisition-related and restructuring expenses. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure.



INFORMATION ABOUT NON-GAAP FINANCIAL MEASURES (CON'T)

Non-GAAP net income (loss), a financial measure that is not presented in accordance with GAAP, provides investors with additional useful information to measure operating performance and current and future liquidity when taken together with our financial results presented in accordance with GAAP. By providing this information, we believe management and the users of the financial statements are better able to understand the financial results of what we consider to be our organic, continuing operations.

We define non-GAAP net income (loss) as net income (loss), adjusted to exclude: stock-based compensation expense, amortization of acquired intangible assets, and other one-time, non-recurring items of a material nature, when applicable, such as acquisition-related and restructuring expenses.

In the calculation of non-GAAP net income (loss), we exclude stock-based compensation expense because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact our non-cash expense. We believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between our operating results from period to period.

We exclude amortization of acquired intangible assets from the calculation of non-GAAP net income (loss). We believe that excluding the impact of amortization of acquired intangible assets allows for more meaningful comparisons between operating results from period to period as the underlying intangible assets are valued at the time of acquisition and are amortized over several years after the acquisition.

We exclude contingent consideration liability valuation adjustments associated with the purchase consideration of transactions accounted for as business combinations. We also exclude certain other one-time, non-recurring items of a material nature, when applicable, such as acquisition-related and restructuring expenses, because we do not consider such amounts to be part of our ongoing operations nor are they comparable to prior period nor predictive of future results.

Non-GAAP net income (loss) is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of these limitations include that: (1) it does not consider the impact of stock-based compensation expense; (2) although amortization is a non-cash charge, the underlying assets may need to be replaced and non-GAAP net income (loss) does not reflect these capital expenditures; (3) it does not consider the impact of any contingent consideration liability valuation adjustments; and (4) it does not consider the impact of other one-time charges, such as acquisition-related and restructuring expenses, which could be material to the results of our operations. In addition, our use of non-GAAP net income (loss) may not be comparable to similarly titled measures of other companies because they may not calculate non-GAAP net income (loss) in the same manner, limiting its usefulness as a comparative measure.



KEY OPERATING AND FINANCIAL METRICS

We regularly monitor the following operating and financial metrics in order to measure our current performance and estimate our future performance. Our key operating and financial metrics may be calculated in a manner different than similar business metrics used by other companies.

Marketplace GMV - Marketplace GMV is primarily driven by the volume and dollar value of Marketplace Units transacted on our digital marketplace. We believe that Marketplace GMV acts as an indicator of the success of our marketplace, signaling satisfaction of dealers and buyers on our marketplace, and the health, scale, and growth of our business. We define Marketplace GMV as the total dollar value of vehicles transacted through our digital marketplace within the applicable period, excluding any auction and ancillary fees.

Marketplace Units - Marketplace Units is a key indicator of our potential for growth in Marketplace GMV and revenue. It demonstrates the overall engagement of our customers on the ACV platform, the vibrancy of our digital marketplace and our market share of wholesale transactions in the United States. We define Marketplace Units as the number of vehicles transacted on our marketplace within the applicable period. Marketplace Units transacted includes any vehicle that successfully reaches sold status, even if the auction is subsequently unwound, meaning the buyer or seller does not complete the transaction. These instances have been immaterial to date. Marketplace Units excludes vehicles that were inspected by ACV, but not sold on our digital marketplace. Marketplace Units have increased over time as we have expanded our territory coverage, added new dealer partners and increased our share of wholesale transactions from existing customers.



FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements concerning our financial guidance for the fourth quarter of 2023 and the full year of 2023. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. You should not rely on forward-looking statements as predictions of future events.

The forward-looking statements contained in this presentation are based on ACV’s current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties and changes in circumstances that may cause ACV’s actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement. These risks and uncertainties include, but are not limited to: (1) our history of operating losses; (2) our limited operating history; (3) our ability to effectively manage our growth; (4) our ability to grow the number of participants on our platform; (5) general market, political, economic, and business conditions; (6) our ability to acquire new customers and successfully retain existing customers; (7) our ability to effectively develop and expand our sales and marketing capabilities; (8) breaches in our security measures, unauthorized access to our platform, our data, or our customers’ or other users’ personal data; (9) risk of interruptions or performance problems associated with our products and platform capabilities; (10) our ability to adapt and respond to rapidly changing technology or customer needs; (11) our ability to compete effectively with existing competitors and new market entrants; (12) our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States and other jurisdictions where we elect to do business; (13) the impact that economic conditions could have on our or our customers’ businesses, financial condition and results of operations; and (14) the impact of such economic conditions in the wholesale dealer market included in our guidance for the third quarter of 2023 and full year 2023, and the related impact on the performance of our marketplace and our operating expenses, stock-based compensation expense and intangible amortization. These and other risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission (“SEC”), including in the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2022, filed with the SEC on March 1, 2023 and quarterly reports on Form 10-Q. Additional information will be made available in other filings and reports that we may file from time to time with the SEC. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

