



# Q1-22 EARNINGS PRESENTATION



MAY\_11\_2022

## 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 second quarter and full year of 2022, 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 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.

## 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 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

Q1-22\_EARNINGS  
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Q1-21

Q1-22

\$69M	Revenue	\$103M
64%	YoY Revenue Growth	49%
\$1.3B	GMV	\$2.4B
128K	Marketplace Units	140K

# 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 Marketplace cohort dynamics, and long-term operating leverage.

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# GROWTH

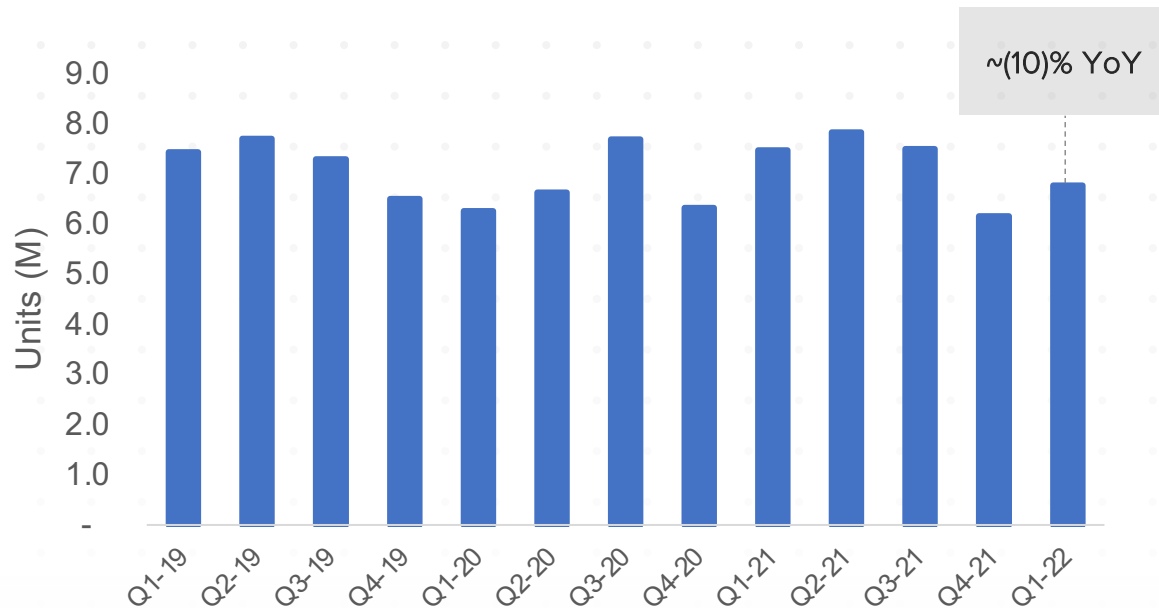
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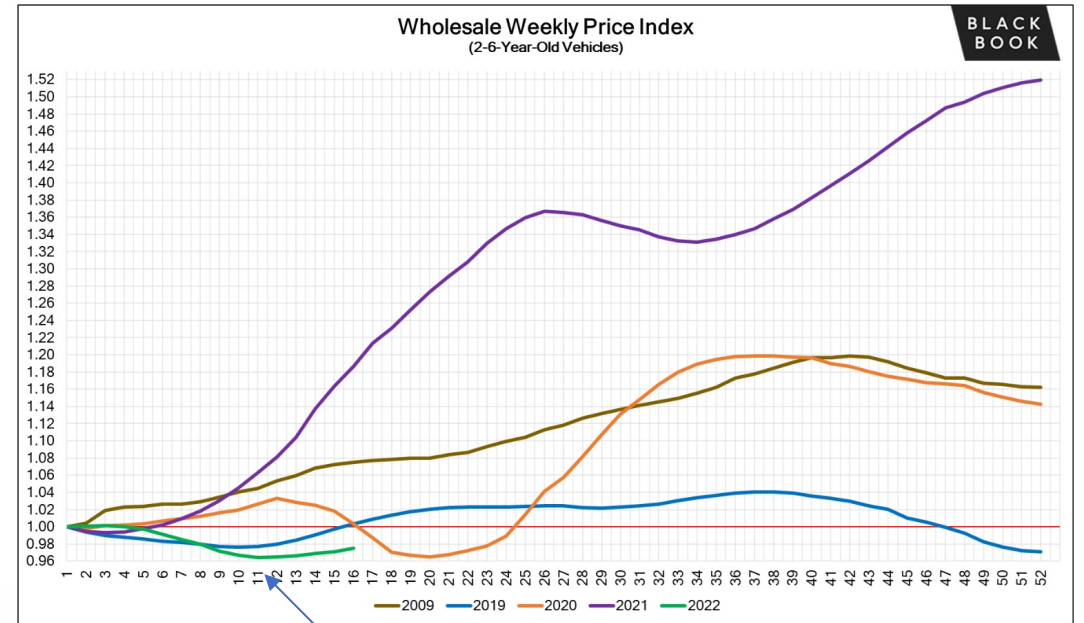
# Softening Demand and Seasonally Weak Prices

## Retail Used Vehicle Sales



Source: NADA

## Wholesale Prices

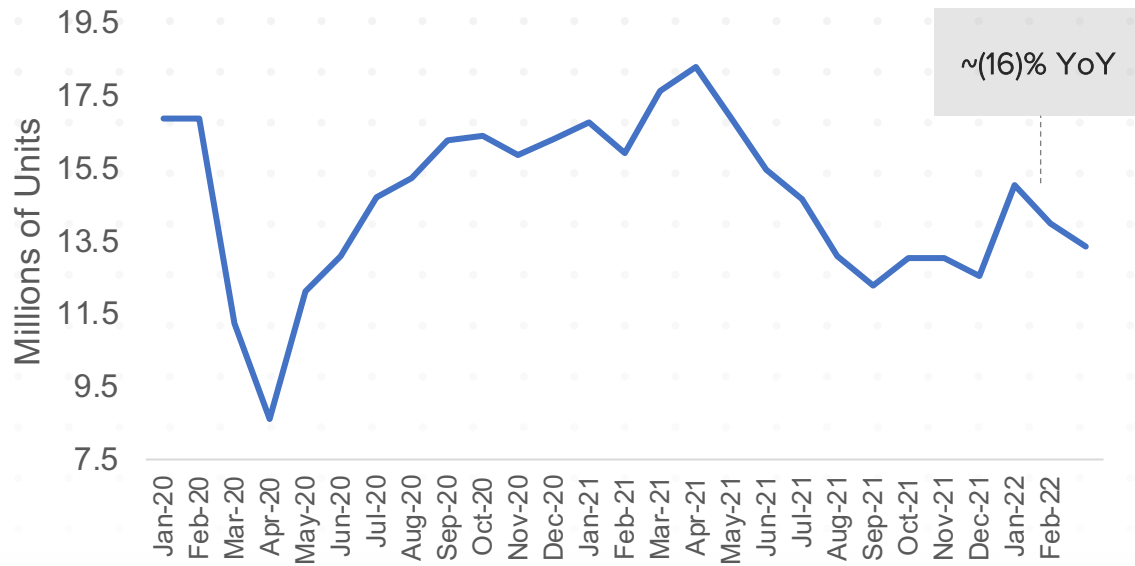


Source: Black Book

Q1-22 price deflation

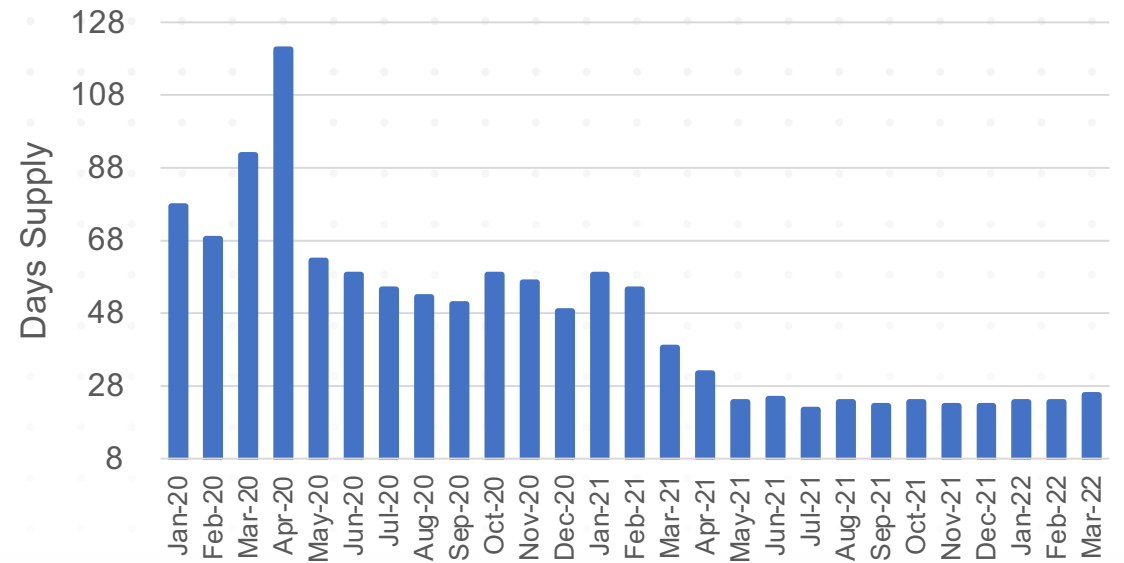
# Supply Remains Constrained

## New Vehicle Sales (S.A.)



Source: Bureau of Economic Analysis

## Monthly Light Vehicle Days Supply



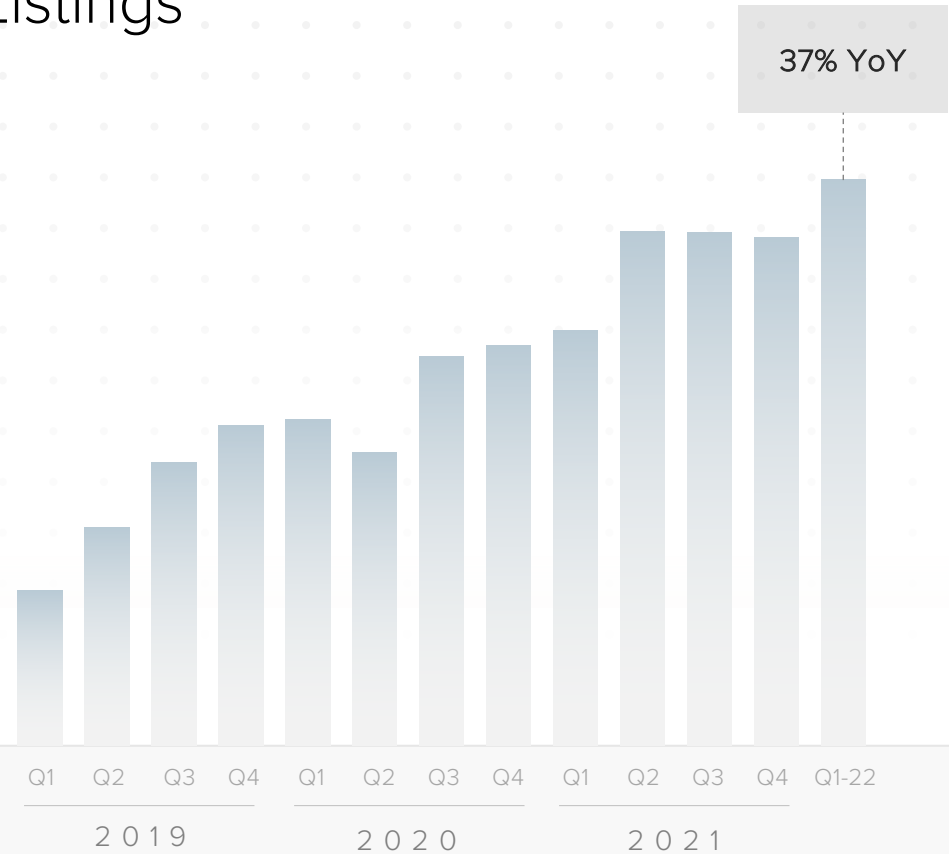
Source: Autodata



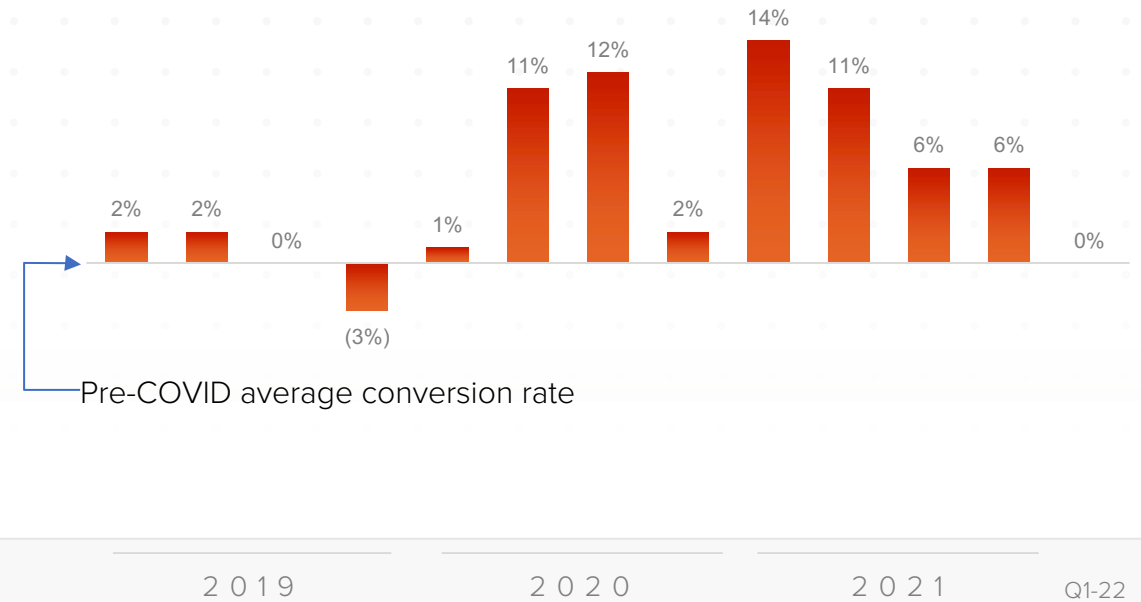
# Strong Underlying Growth Drivers

The YoY change in conversion rate in Q1-22 was a 30K+ unit headwind

Listings

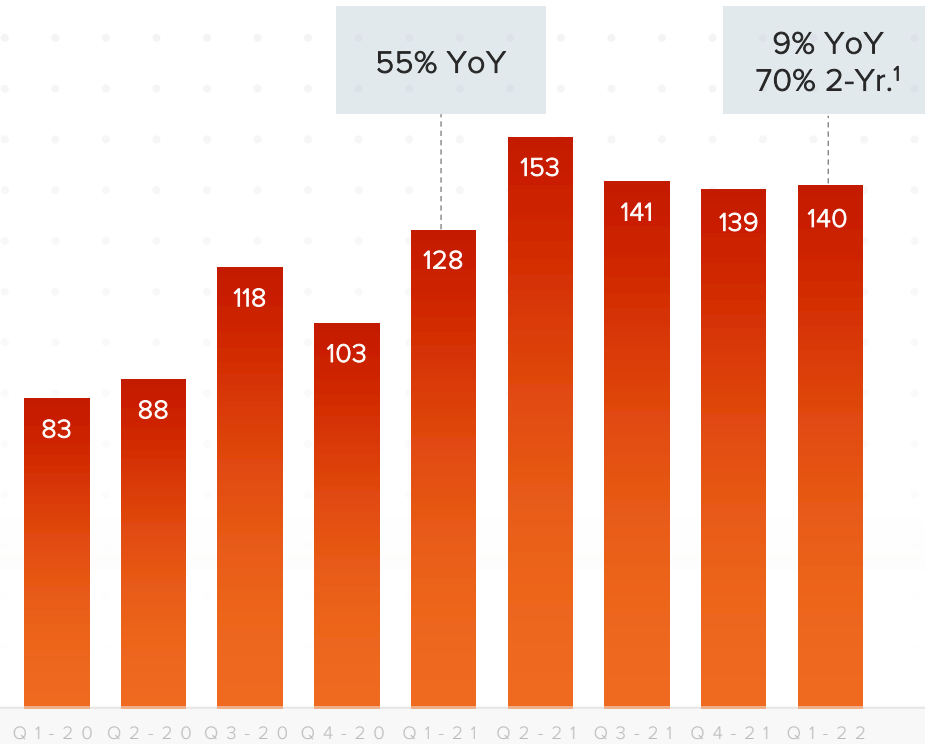


Conversion Rate Variance

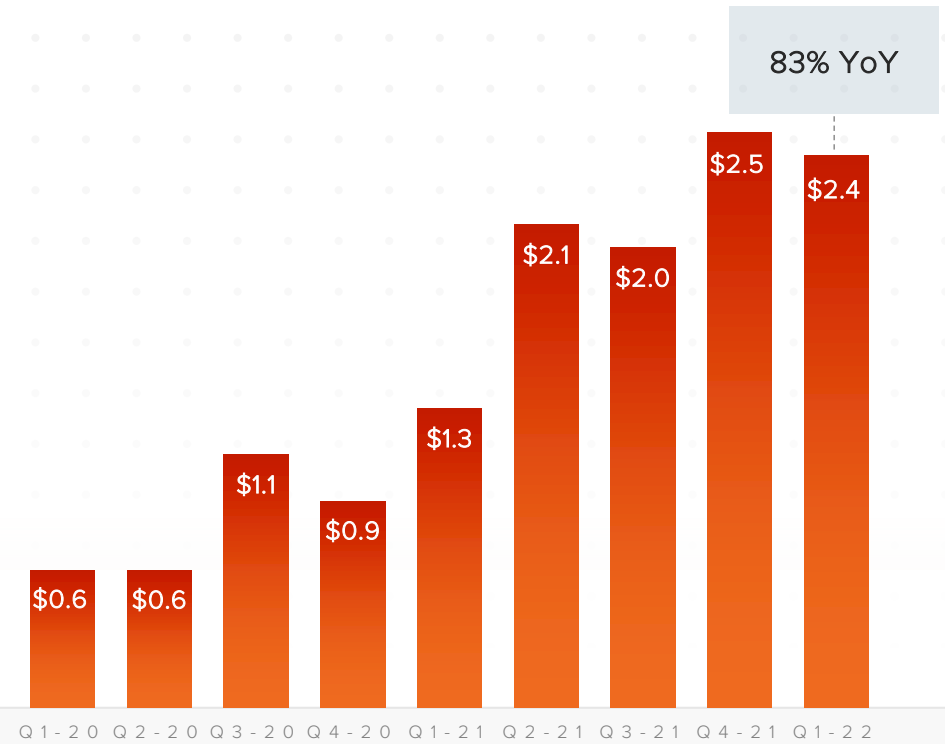


# Delivering Growth with Strong Vehicle Mix

## Marketplace Units (000s)

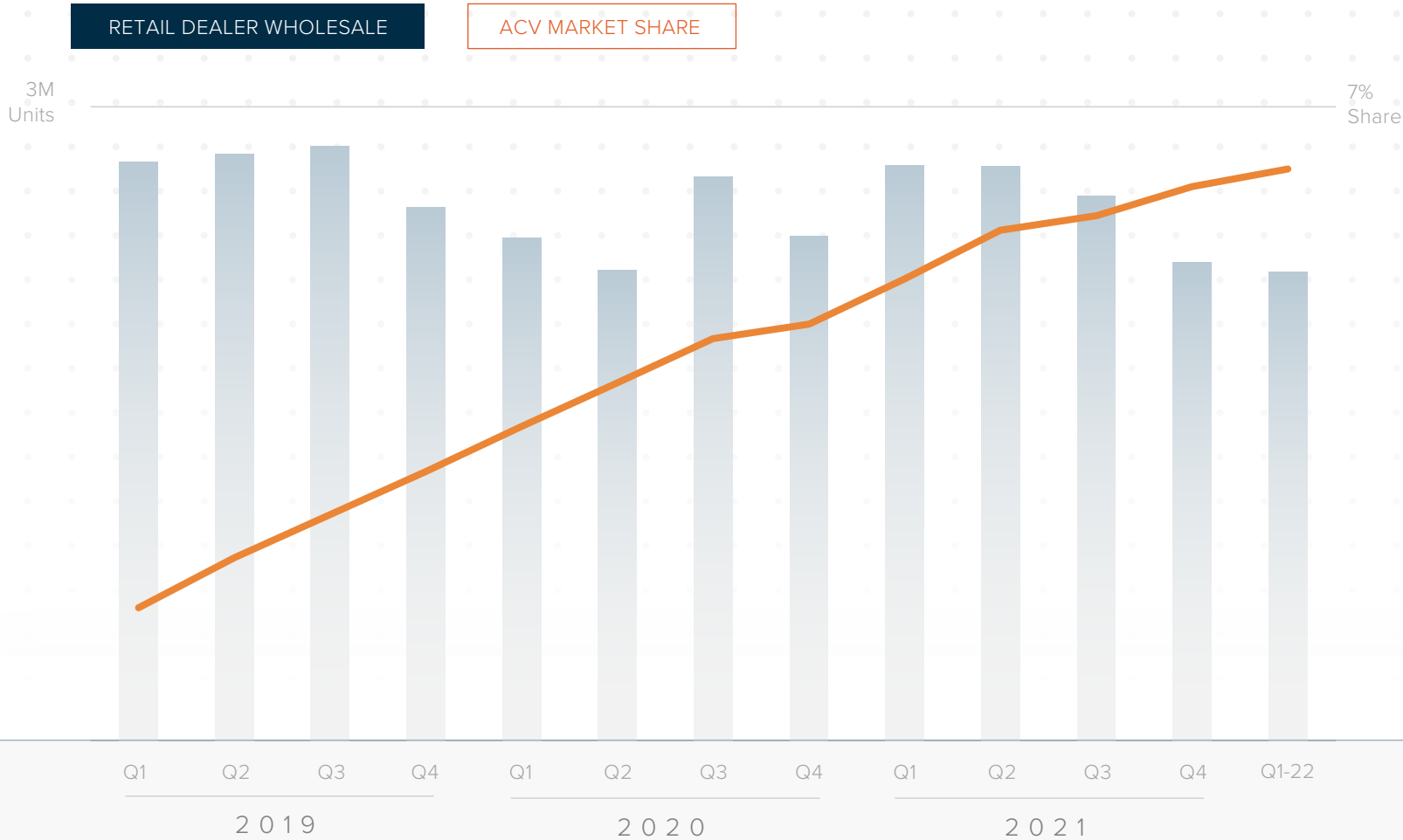


## Marketplace GMV (\$B)



<sup>1</sup> Q1-22 units sold vs. Q1'20 units sold

# Continued Market Share Gains



**9%** Q1-22 ACV Unit Growth YoY

**(18%)** Dealer Wholesale TAM

**27%** ACV Market Share Expansion

# Transportation

>50% Attach Rate

45% Transport growth

>3,000 Carrier Partners

Mobile Carrier App launch

50%+

AUTO / SELF  
DISPATCHED



# ACV Capital

>2x YoY increased attach rate

~140% YoY loan volume growth

~50% YoY revenue-per-loan growth

ACV Capital Portal launch

The screenshot displays the ACV Capital portal interface. At the top, there is a navigation bar with links for Marketplace, Buying, Selling, My ACV, Market Report, and ACV Capital. The user is identified as Michael Smith from Magnacar Auto Corp. The main section is titled "Account Details" for "ABC Dealership Buffalo". It shows a credit balance of \$150,000, with \$105,000 used and \$45,000 available. The last payment was on 12 June 2021, and the current payment due is \$20,000 on 12 June 2021. Below this, there is a table of "Open Invoices" with columns for Auctions ID, Year, Make, Model/Trim/Color, Floor Date, Floor Plan, Maturity Date/Payment Due, and Current Balance. The table lists five invoices with their respective details and "PAY NOW" buttons. At the bottom, there are social media icons for LinkedIn, Instagram, Facebook, and Twitter, along with app store download buttons for the App Store and Google Play. The footer includes support, legal, and terms of service links, and a copyright notice for 2021 ACV Auctions, Inc.

ACV Auctions Marketplace Buying Selling My ACV Market Report ACV Capital Michael Smith Magnacar Auto Corp

## Account Details

ABC Dealership Buffalo

Credit Balance Payment Have Questions/Feedback? ▾

Credit Limit	Used Credit	Available Credit	Last Payment: 12 June 2021	Payment Due: 2 Days
<b>\$150,000</b>	<b>\$105,000</b>	<b>\$45,000</b>	<b>\$25,000</b> ▾	<b>\$20,000</b> ▾

### Open Invoices

Auctions ID	Year	Make	Model/Trim/Color	Floor Date	Floor Plan	Maturity Date/ Payment Due	Current Balance
2860160	2011	Ford	Explorer XLT Blue VIN:8Z411439	10 Sept 2021	45 Days	25 Oct 2021 ● 2 Days	<b>\$20,000</b> <a href="#">PAY NOW</a>
2860147	2013	Lexus	LS 430 Silver VIN:4T893032	10 July 2021	60+30 Days	25 Sept 2021 ○ 15 Days	<b>\$20,000</b> <a href="#">PAY NOW</a>
2850250	2015	Jeep	Grand Cherokee SRT8 Red VIN:9V493289	20 June 2021	30 Days	30 Aug 2021 ○ 40 Days	<b>\$7,000</b> <a href="#">PAY NOW</a>
2840680	2017	Ford	Edge SE Black VIN:0G113456	15 May 2021	60+30 Days	30 July 2021 ○ 50 Days	<b>\$10,000</b> <a href="#">PAY NOW</a>
2840710	2019	Lexus	IC 300 White VIN:7S225066	10 May 2021	45 Days	25 July 2021 ○ 60 Days	<b>\$15,000</b> <a href="#">PAY NOW</a>

Rows per page 5 1-5 of 35 < >

ACV Auctions

Support · Dealer documents · Legal · Terms of Service · Privacy Policy / Notice of collection

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# INNOVATION

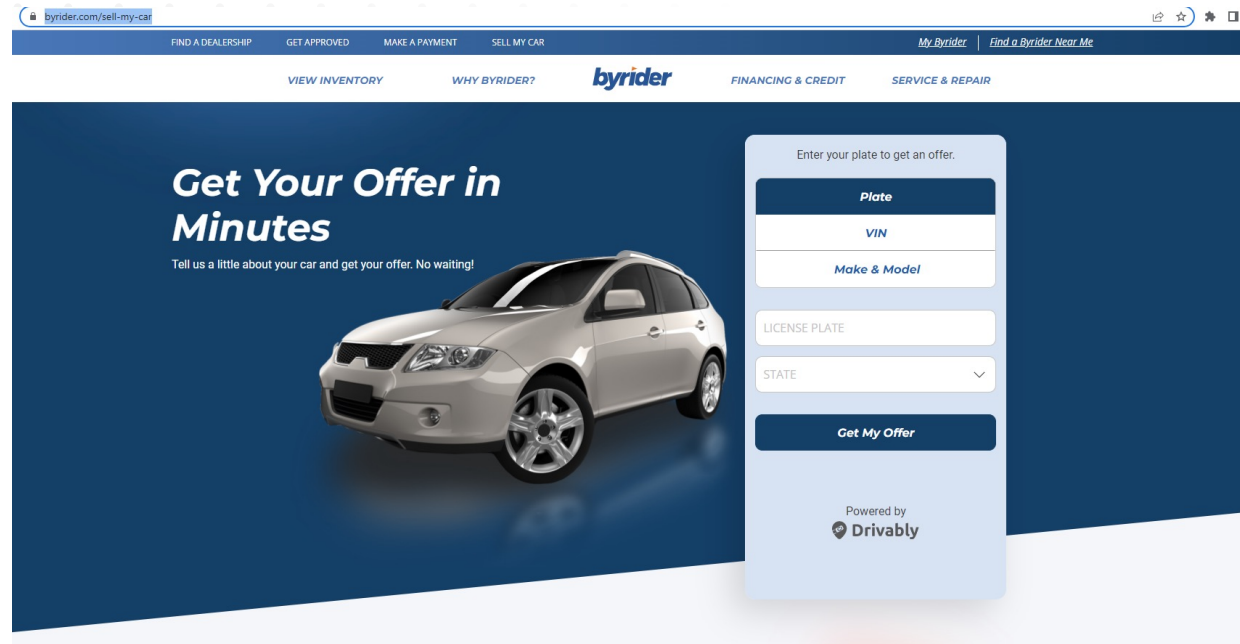
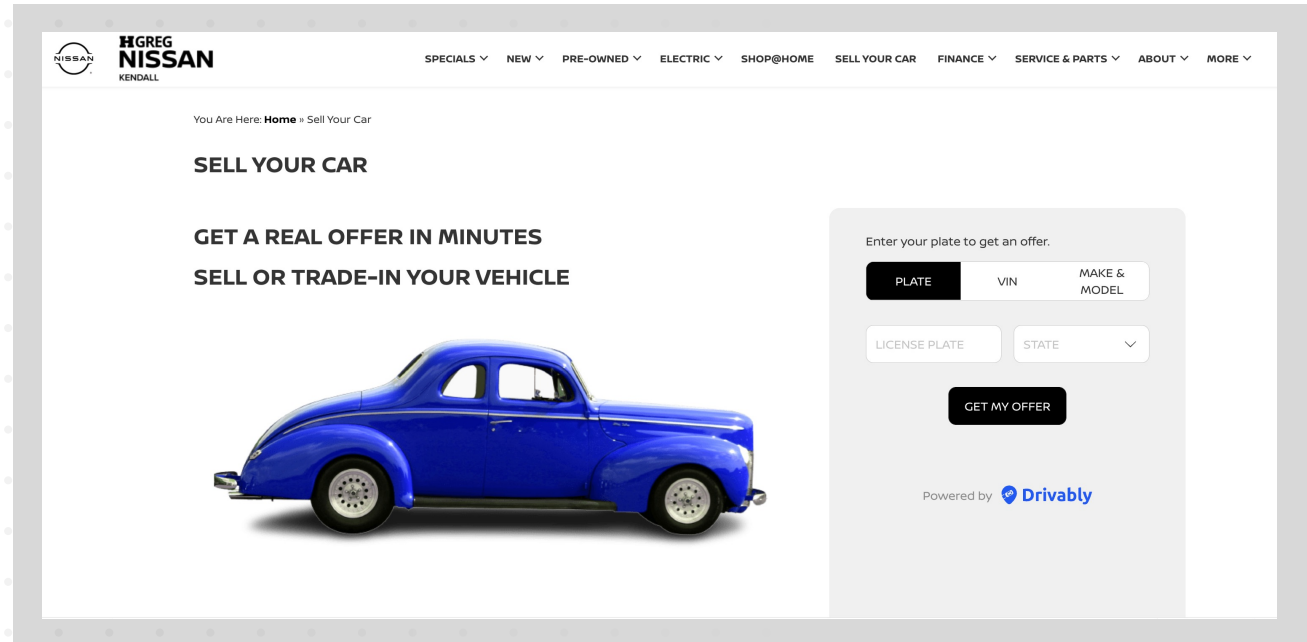
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# Consumer Sourcing

## Live Appraisal





## DATA

- 
- SALES + MARKET ANALYTICS
  - CONSUMER DEMAND
  - AUCTION & INSPECTION
  - WHOLESALE + RETAIL



## PLATFORM SERVICES

- 
- APPRAISALS
  - MERCHANDISING
  - RETAILING
  - MARKETPLACE



## ENHANCED INTELLIGENCE & EXPANDED OFFERINGS

- 
- DECISIONING
  - DISPOSITION
  - ACQUISITION



# Smart Acquisition Manager

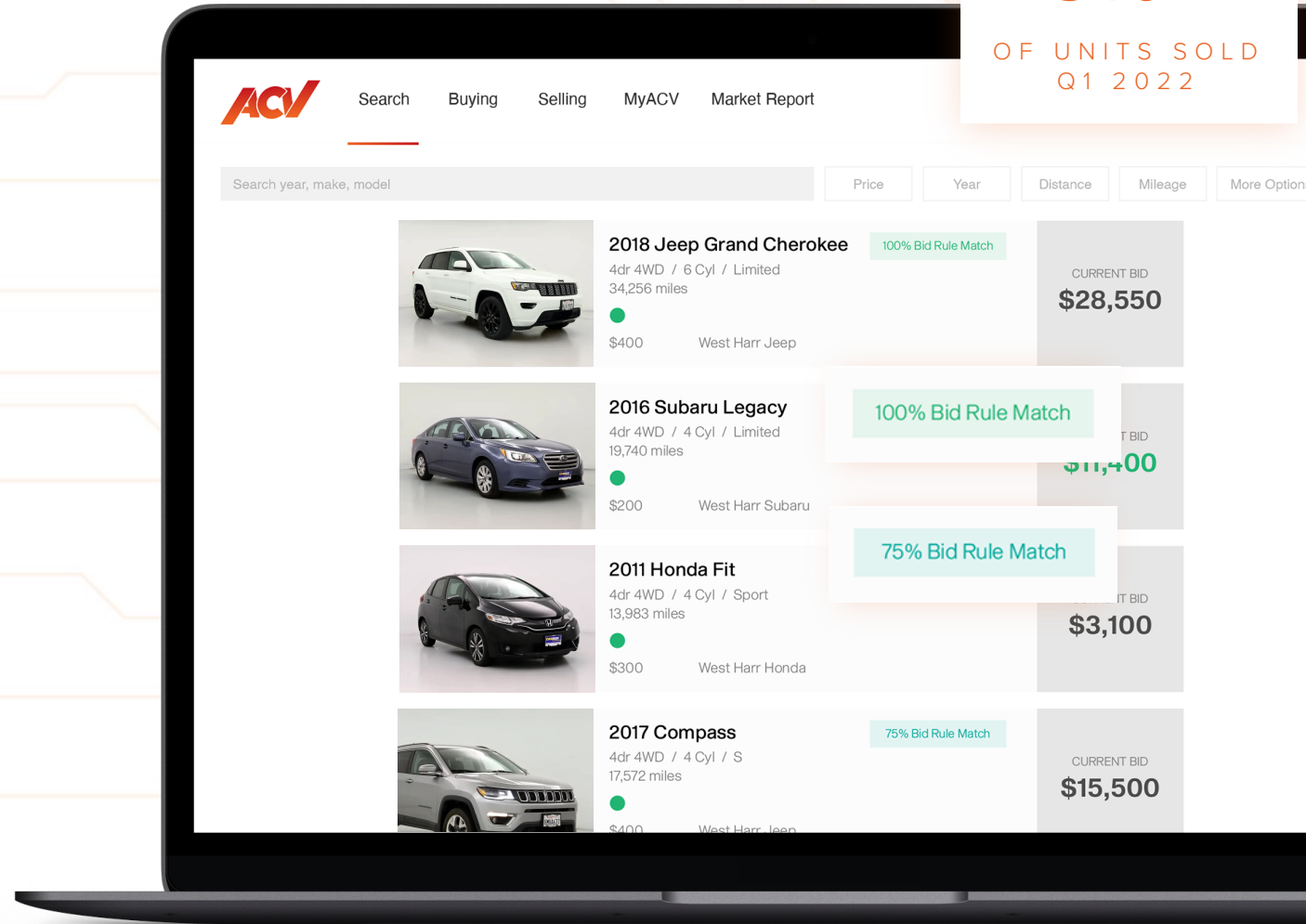
Tailored buyer recommendations

Relevant & engaging notifications

Intelligent and auto-bidding for buyers with customized business rules

Persistent demand supports marketplace

5%+  
OF UNITS SOLD  
Q1 2022



04

# SCALE



Bill Zerella

CHIEF FINANCIAL OFFICER

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SCALE

# Solid Q1-22 Performance

REVENUE (\$M)

% YOY GROWTH

ADJ. EBITDA MARGIN

ADJ. EBITDA (\$M)

64%

49%

\$100 - \$102

\$69

\$103

\$(12)

\$(18)

\$(18) - \$(17)

(18%)

(17%)

(18%) - (17%)

Q1-21

Q1-22

Q1-22  
Guidance

Q1-21

Q1-22

Q1-22  
Guidance

Note: Refer to the adjusted EBITDA and adjusted EBITDA margin reconciliation in the appendix

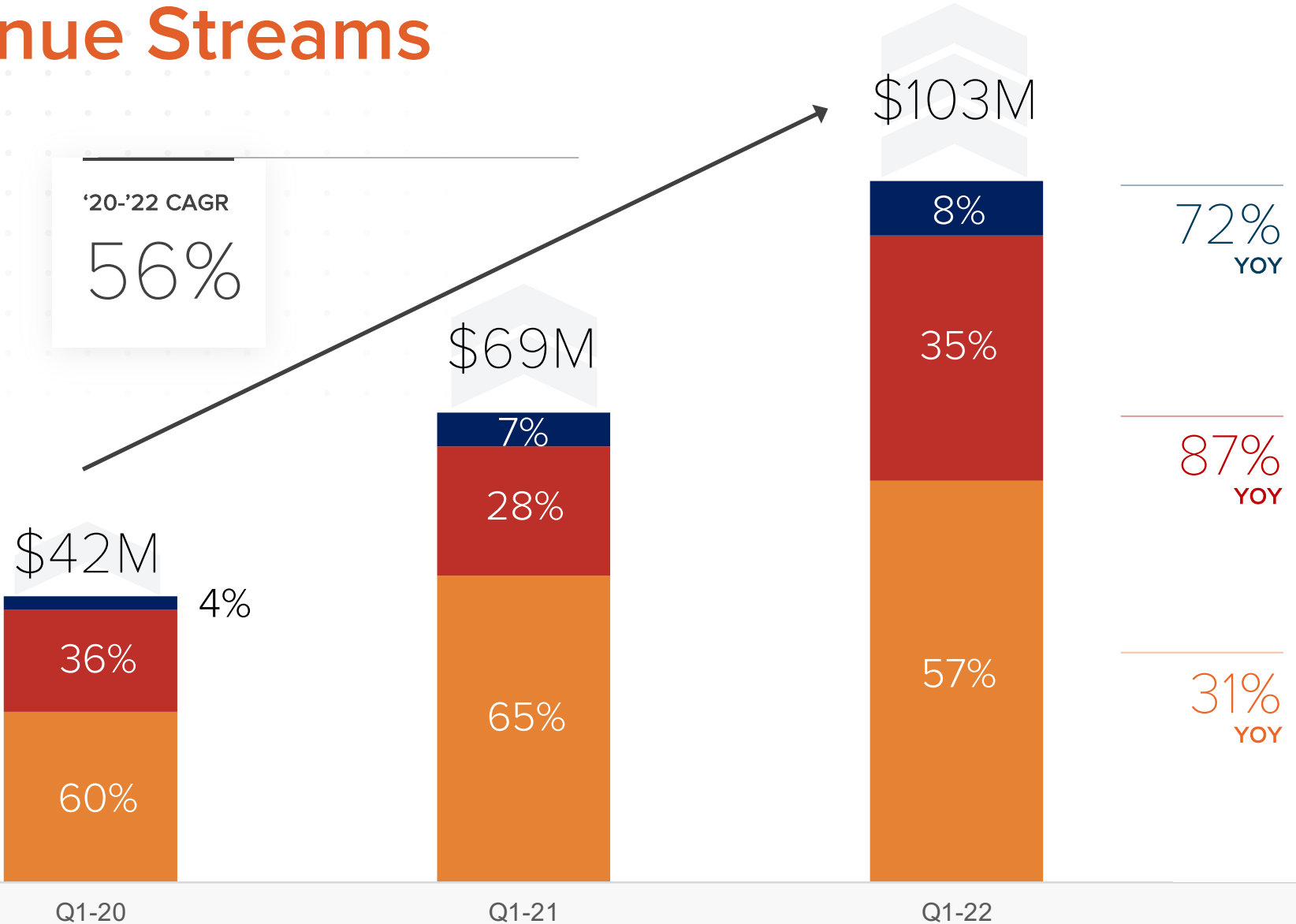
# Diversified Revenue Streams

## Revenue Breakdown (\$M)

**SAAS & DATA SERVICES**  
 SAAS PRODUCTS  
 DATA-ENABLED SOLUTIONS

**MARKETPLACE SERVICES**  
 TRANSPORTATION  
 CAPITAL

**AUCTION & ASSURANCE**  
 AUCTION FEES  
 GO GREEN ASSURANCE

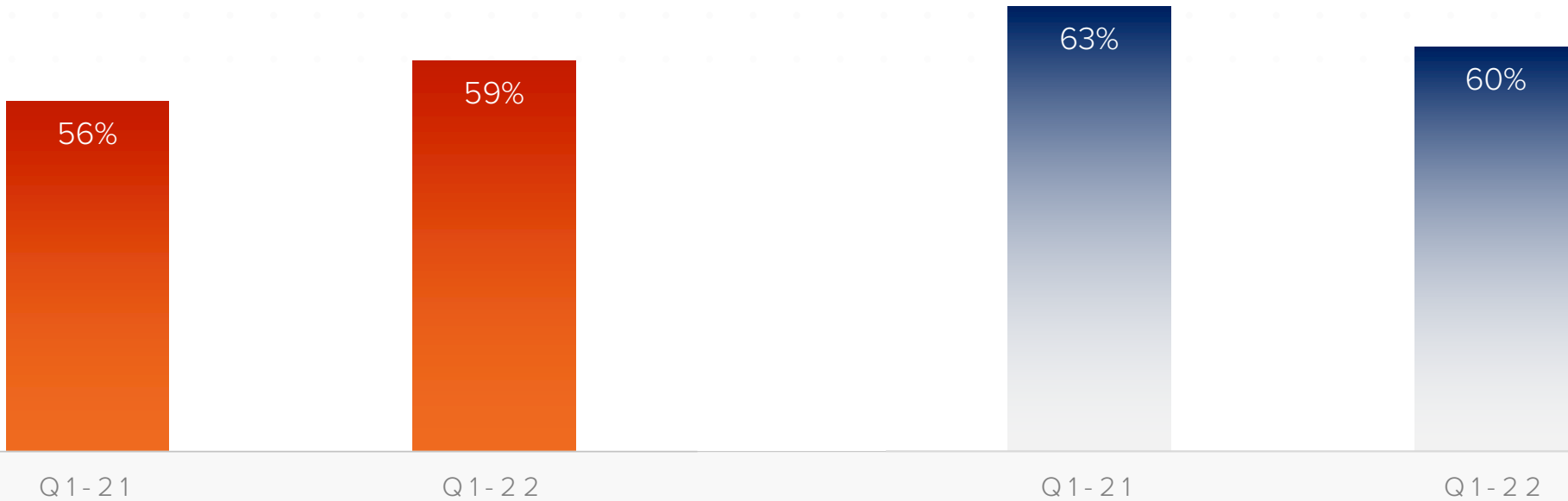


SCALE

# Operating Leverage Offsets Near-term Cost of Revenue Pressures

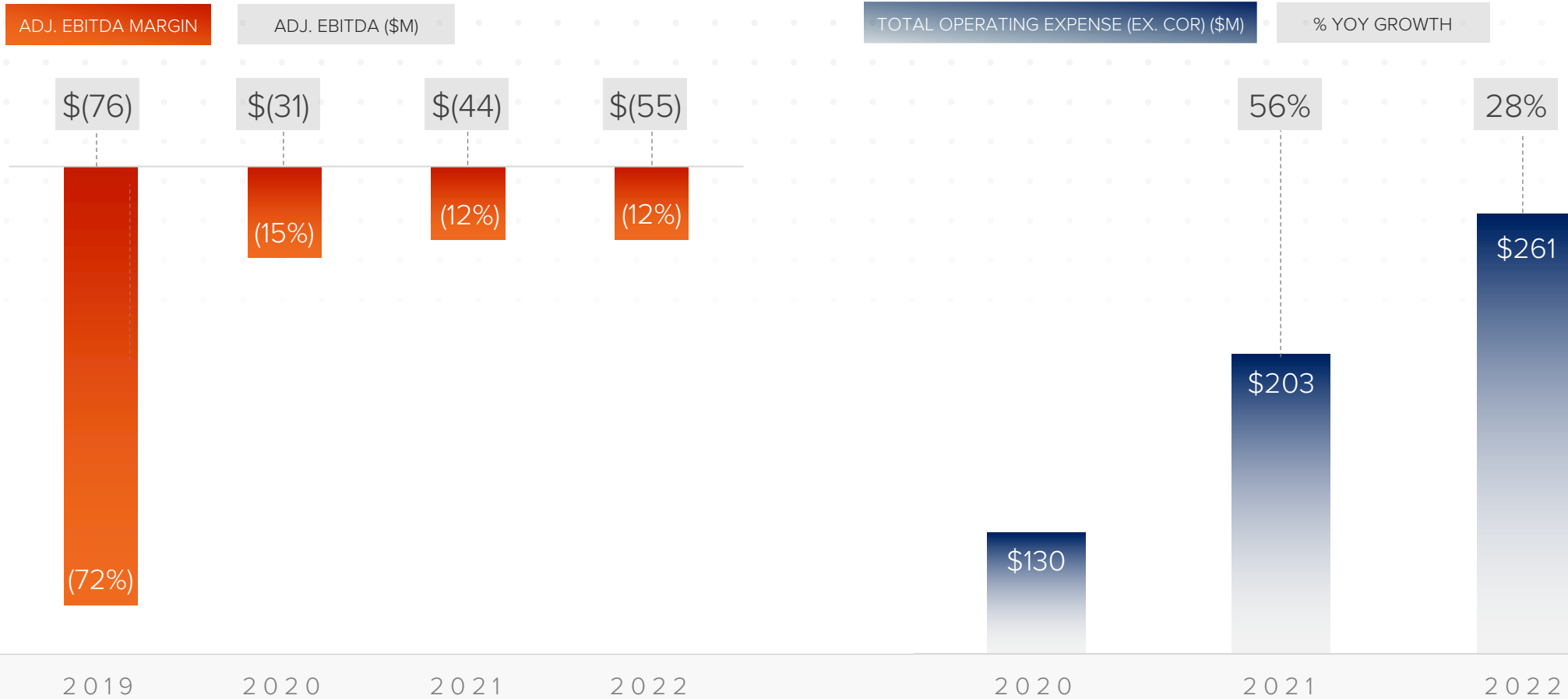
COST OF REVENUE % OF REVENUE

TOTAL OPERATING COST (EX. COR) % OF REVENUE



Note: Refer to the GAAP to non-GAAP operating cost reconciliation in the appendix

# Balancing Growth and Investments



Note: Refer to the adjusted EBITDA and adjusted EBITDA margin reconciliation in the appendix

2020 Total Operating Expense (Ex. COR) excludes \$5.7M of stock-based compensation and \$3.0M of intangible amortization

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

2022 Total Operating Expense (Ex. COR) excludes ~\$45.0M of stock-based compensation and ~\$5.0M of intangible amortization

SCALE

# Key Balance Sheet Items

(\$M)

As of March 31, 2022

Cash, Cash Equivalents and Marketable Securities

\$564

(Includes ~\$152M of auction float)

ACV Capital Receivables

\$63

Long Term Debt (ACV Capital related)

\$61

Total Assets

\$1,019

Total Liabilities

\$486

# Guidance

	Q2'22	2022
<b>Revenue (\$M)</b>	<b>\$109 to \$112</b>	<b>\$452 to \$460</b>
YoY Growth	12% to 15%	26% to 28%
2-Year Growth	143% to 149%	117% to 121%
<b>Adjusted EBITDA Loss (\$M)</b>	<b>\$16 to \$17</b>	<b>\$53 to \$57</b>
Adjusted EBITDA Loss %	14% to 15%	12% to 13%
<b>GAAP Net Loss (\$M)</b>	<b>\$30 to \$31</b>	<b>\$116 to \$120</b>
Non-GAAP Net Loss (\$M)	\$18 to \$19	\$66 to \$70

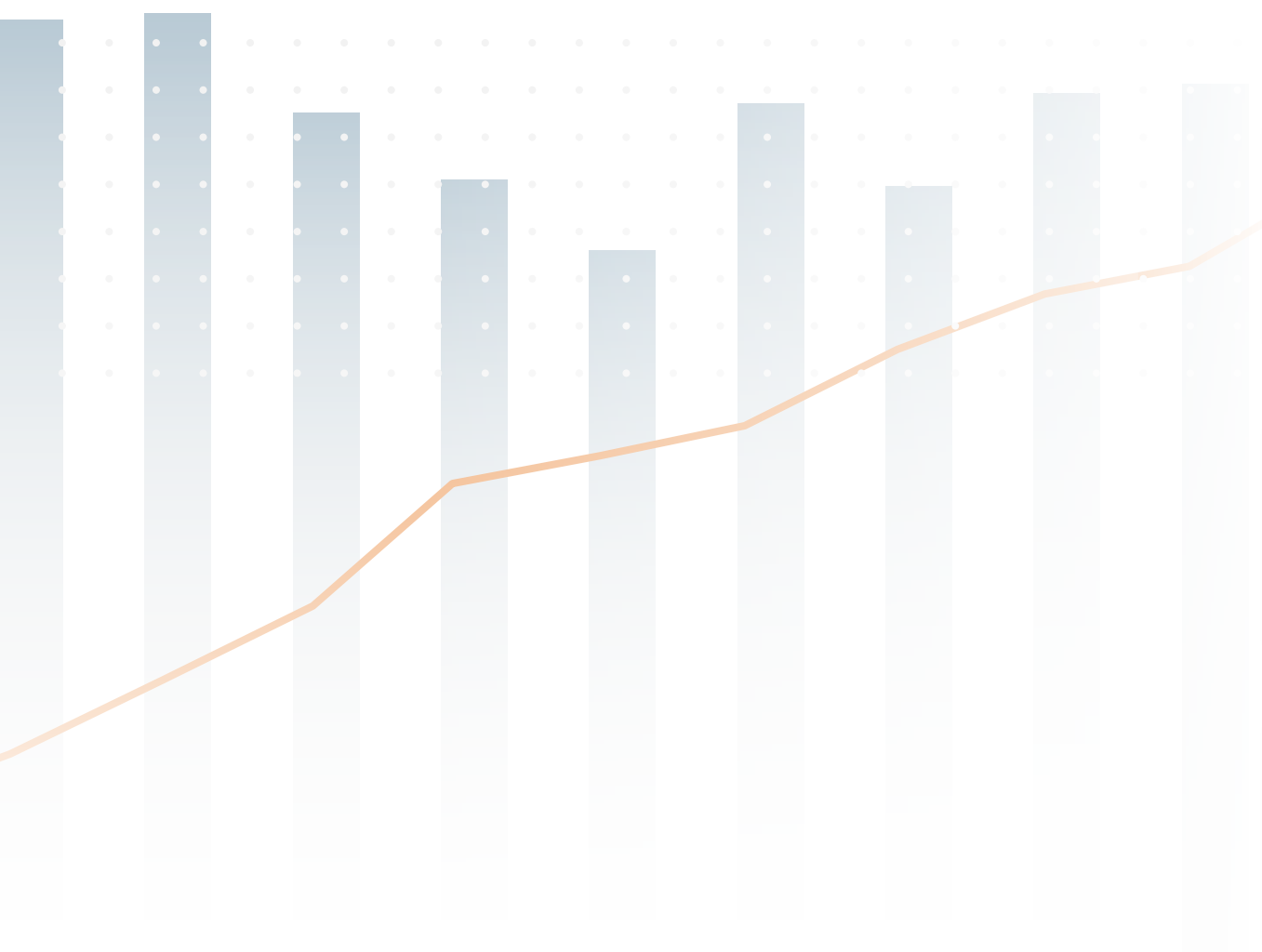
Used vehicle supply and demand trends remain difficult to predict, however we believe there are multiple paths to achieve our 2022 revenue guidance.

Non-GAAP operating expense, excluding cost of revenue, is expected to grow approximately 28% year over year in 2022.



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 Expanded our 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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# Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

(\$M)	Quarter Ended March 31, 2021	Quarter Ended March 31, 2022
Net Loss	(\$17.4)	(\$29.5)
Depreciation and Amortization	1.9	2.5
Stock-based Compensation	2.9	7.9
Interest (Income) Expense, Net	0.2	0.2
Provision for Income Taxes	0.1	0.2
Other (Income) Expense, Net	-	0.7
Adjusted EBITDA	(12.4)	(18.0)
Total Revenue	69.1	\$103.1
Adjusted EBITDA Margin	(18%)	(17%)

# Adjusted EBITDA and Adjusted EBITDA Margin Reconciliation

(\$M)	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021
Net Loss	(\$77.2)	(\$41.0)	(\$78.2)
Depreciation and Amortization	1.8	7.2	8.8
Stock-based Compensation	1.0	5.7	23.7
Interest (Income) Expense, Net	(2.1)	(0.1)	0.7
Provision for Income Taxes	-	0.5	0.7
Other (Income) Expense, Net	-	(3.1)	0.2
Adjusted EBITDA	(76.4)	(30.8)	(44.1)
Total Revenue	106.8	\$208.4	358.4
Adjusted EBITDA Margin	(72%)	(15%)	(12%)

Note: All data as of and for the year ended December 31.

# Operating Cost Reconciliation

(\$M)	Quarter Ended March 31, 2021	Quarter Ended March 31, 2022
<b>GAAP Marketplace &amp; Service Cost of Revenue</b>	<b>\$29.5</b>	<b>\$47.3</b>
Marketplace & Service Stock Based Compensation	\$0.1	\$0.1
Non-GAAP Marketplace Cost of Revenue	\$29.4	\$47.1
<b>GAAP Customer Assurance Cost of Revenue</b>	<b>\$9.4</b>	<b>\$13.6</b>
Non-GAAP Customer Assurance Cost of Revenue	\$9.4	\$13.6
<b>GAAP Operations &amp; Technology</b>	<b>\$21.6</b>	<b>\$32.8</b>
Operations & Technology Stock Based Compensation	\$0.4	\$2.1
Non-GAAP Marketplace & Inspection Ops	\$15.8	\$20.9
Non-GAAP Technology & Development	\$5.4	\$9.8
<b>GAAP Selling General &amp; Administrative</b>	<b>\$24.0</b>	<b>\$36.1</b>
Selling General & Administrative Stock Based Compensation	\$2.4	\$5.7
Contingent Gains (Losses)	-	\$0.2
Non-GAAP Sales & Marketing	\$13.2	\$19.3
Non-GAAP General & Administrative	\$8.4	\$10.9
<b>GAAP Depreciation &amp; Amortization</b>	<b>\$1.8</b>	<b>\$2.3</b>
Intangible Amortization	0.8	\$1.2
Non-GAAP Depreciation & Amortization	\$0.9	\$1.1

## INFORMATION ABOUT NON-GAAP FINANCIAL MEASURES

We supplement our financial results with non-GAAP financial measures: Adjusted EBITDA, non-GAAP cost of revenue and non-GAAP operating cost.

### **Non-GAAP Financial Measures**

We use certain non-GAAP financial measures that are not required by, or presented in accordance with GAAP. We believe that these non-GAAP financial measures, 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 these non-GAAP financial measures 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 calculate Adjusted EBITDA, non-GAAP cost of revenue and non-GAAP total operating cost (excluding cost of revenue) as their respective GAAP measures, adjusted as applicable to exclude: (1) depreciation and amortization; (2) provision for income taxes; (3) stock-based compensation expense; (4) interest (income) expense; (5) other (income) expense, net ; (6) intangible amortization; and (7) contingent gains and (losses).

These non-GAAP financial measures are presented for supplemental informational purposes only, have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, our use of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies because they may not calculate these non-GAAP financial measures in the same manner, limiting their respective usefulness as comparative measures. Because of these limitations, when evaluating our performance, you should consider these non-GAAP financial measures alongside other financial measures, including our results stated in accordance with GAAP.





## 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. 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 digital 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 exclude 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 Marketplace Participants and increased our share of wholesale transactions from existing customers.



## FORWARD LOOKING STATEMENTS

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) our ability to acquire new customers and successfully retain existing customers; (6) our ability to effectively develop and expand our sales and marketing capabilities; (7) breaches in our security measures, unauthorized access to our platform, our data, or our customers' or other users' personal data; (8) risk of interruptions or performance problems associated with our products and platform capabilities; (9) our ability to adapt and respond to rapidly changing technology or customer needs; (10) our ability to compete effectively with existing competitors and new market entrants; (11) 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; (12) our ability to successfully integrate technologies, operations, and employees of acquired businesses; (13) general market, political, economic, and business conditions; and (14) the impact that the ongoing COVID-19 pandemic and any related economic downturn could have on our or our customers' businesses, financial condition and results of operations.

These 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 Annual Report on Form 10-K for the year ended December 31, 2021 and filed with the SEC on February 23, 2022, and other reports we may file with the SEC from time to time. 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.

