



Q3'21 Earnings Presentation

Investor Relations
November 10, 2021



Forward Looking Statements

This presentation includes forward looking statements, including statements regarding ACV's avenues for long-term growth and total addressable market expansion, our financial guidance for the fourth quarter of 2021 and the full year of 2021, and operational and product strategy. These forward-looking statements are subject to risks and uncertainties and involve factors that could cause actual results to differ materially from those expressed or implied by 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 three months ended September 30, 2021 that will be filed with the SEC following this earnings call, and our remarks during today's discussion should be considered to incorporate this information by reference.

Information About Key Operating and Financial Metrics and Non-GAAP Financial Measures

This presentation refers to key operating and financial metrics and a reconciliation of Adjusted EBITDA to net loss for the quarter ended September 30, 2021. Discussion of our key operating and financial metrics, and non-GAAP financial measures are included in the appendix to this presentation.

Trusted Digital Marketplace for Wholesale Vehicles & Data Services

Q3'20

\$1.1B

GMV

118K

Marketplace Units

\$67M

Revenue

112%

YoY Revenue Growth

Q3'21

\$2.0B

GMV

141K

Marketplace Units

\$92M

Revenue

36%

YoY Revenue Growth

Long-Term Strategy



Marketplace Growth



TAM and Product Expansion



Operating Scale

Trusted Digital Marketplace for Wholesale Vehicles & Data Services



Marketplace Growth



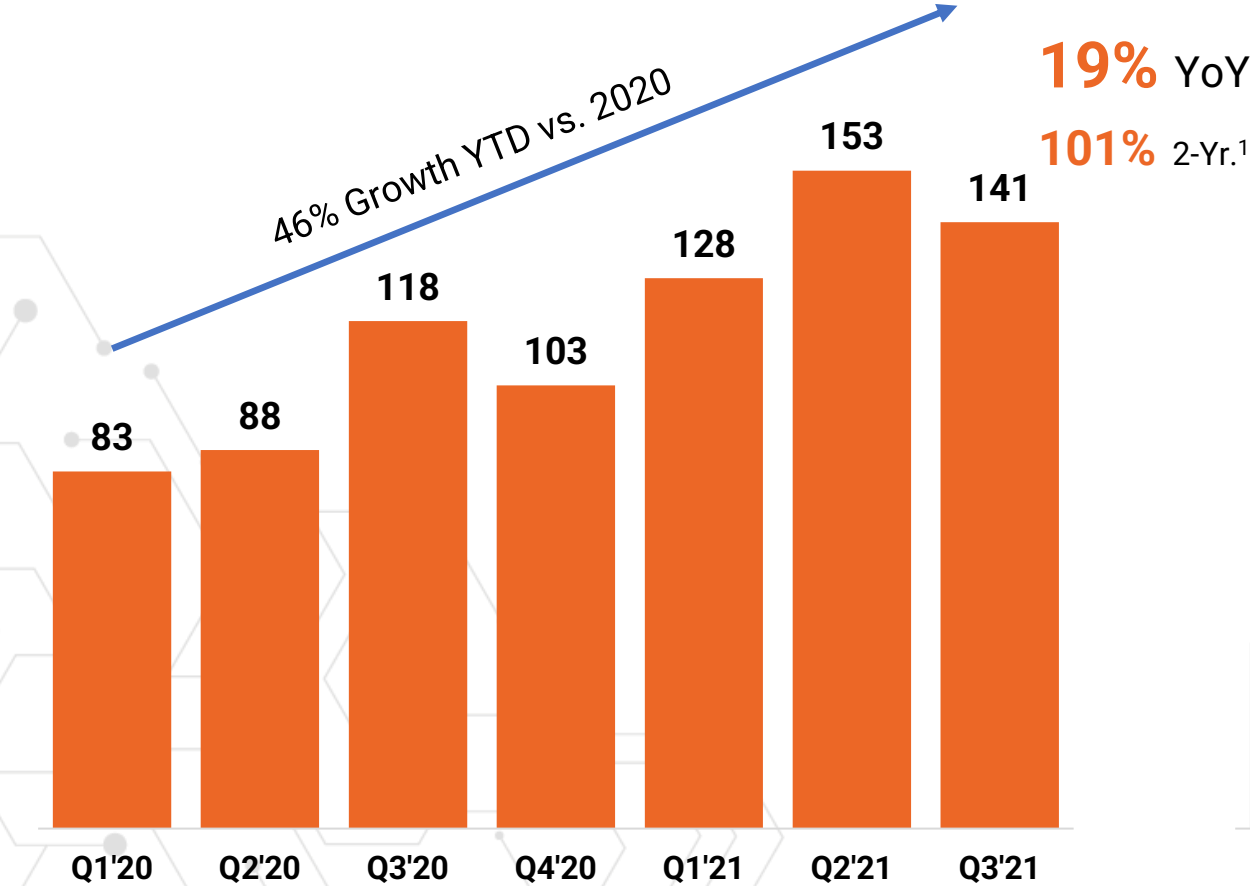
TAM and Product Expansion



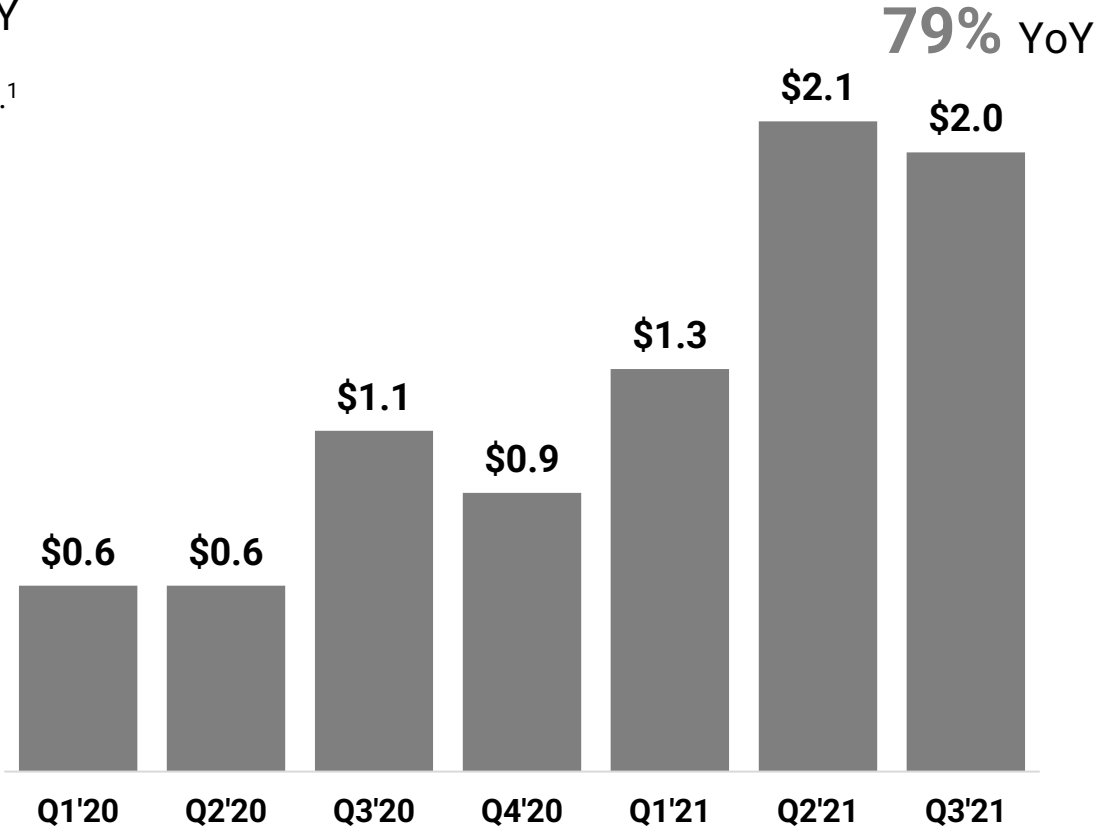
Operating Scale

Marketplace Adoption with Strong Vehicle Mix

Marketplace Units (000s)

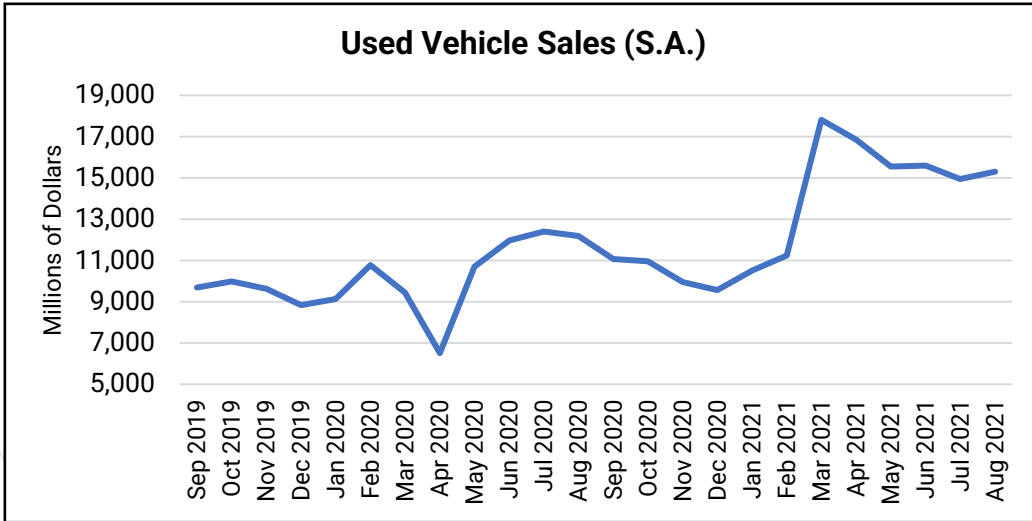


Marketplace GMV (\$B)

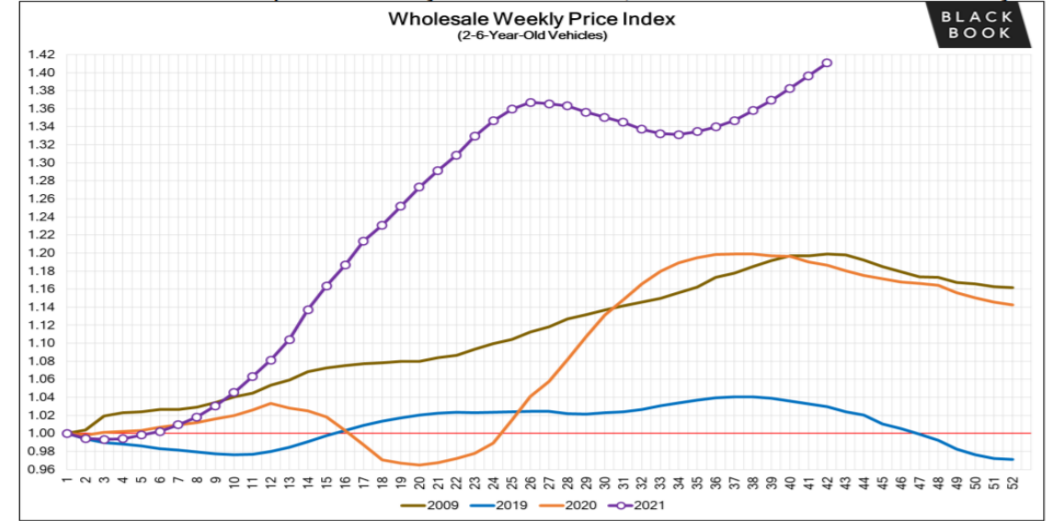


¹Q3'21 units sold vs. Q3'19 units sold

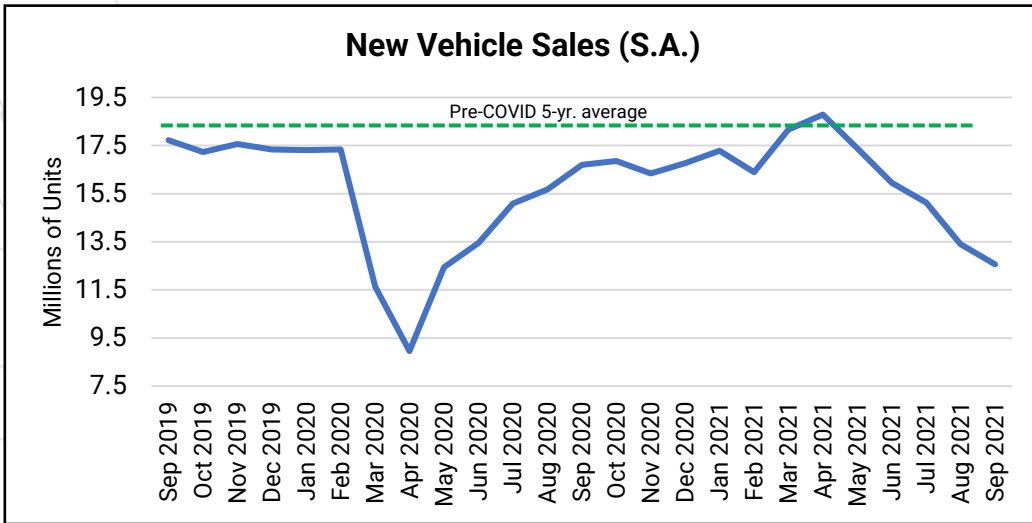
Strong Demand...Weak Supply



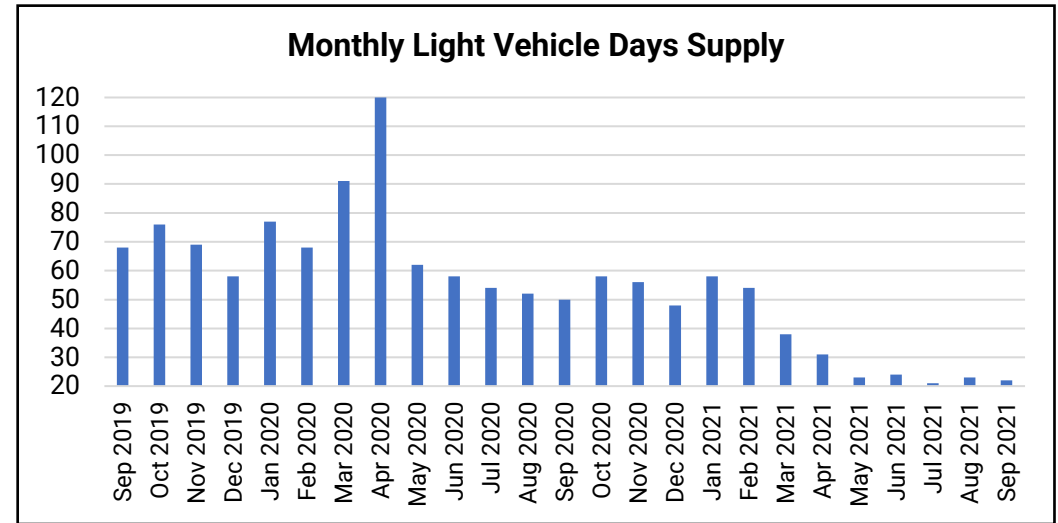
Source: Bureau of Economic Analysis



Source: Black Book



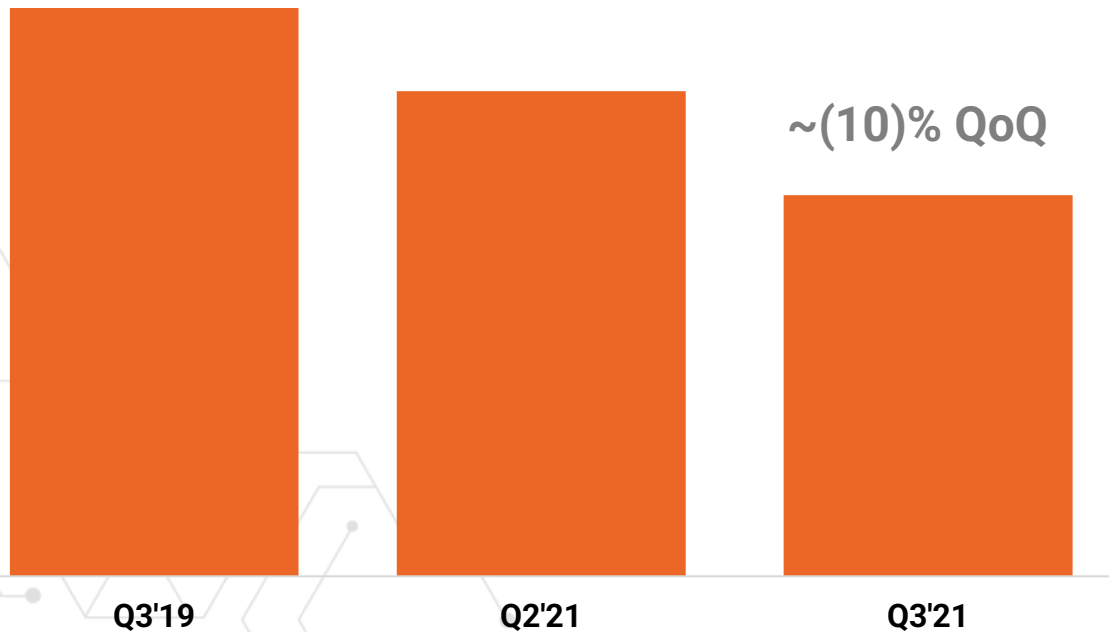
Source: Bureau of Economic Analysis



Source: Autodata

Temporary Softening In Wholesale Market

U.S. Franchise Dealer Wholesale Units



Source: Company data

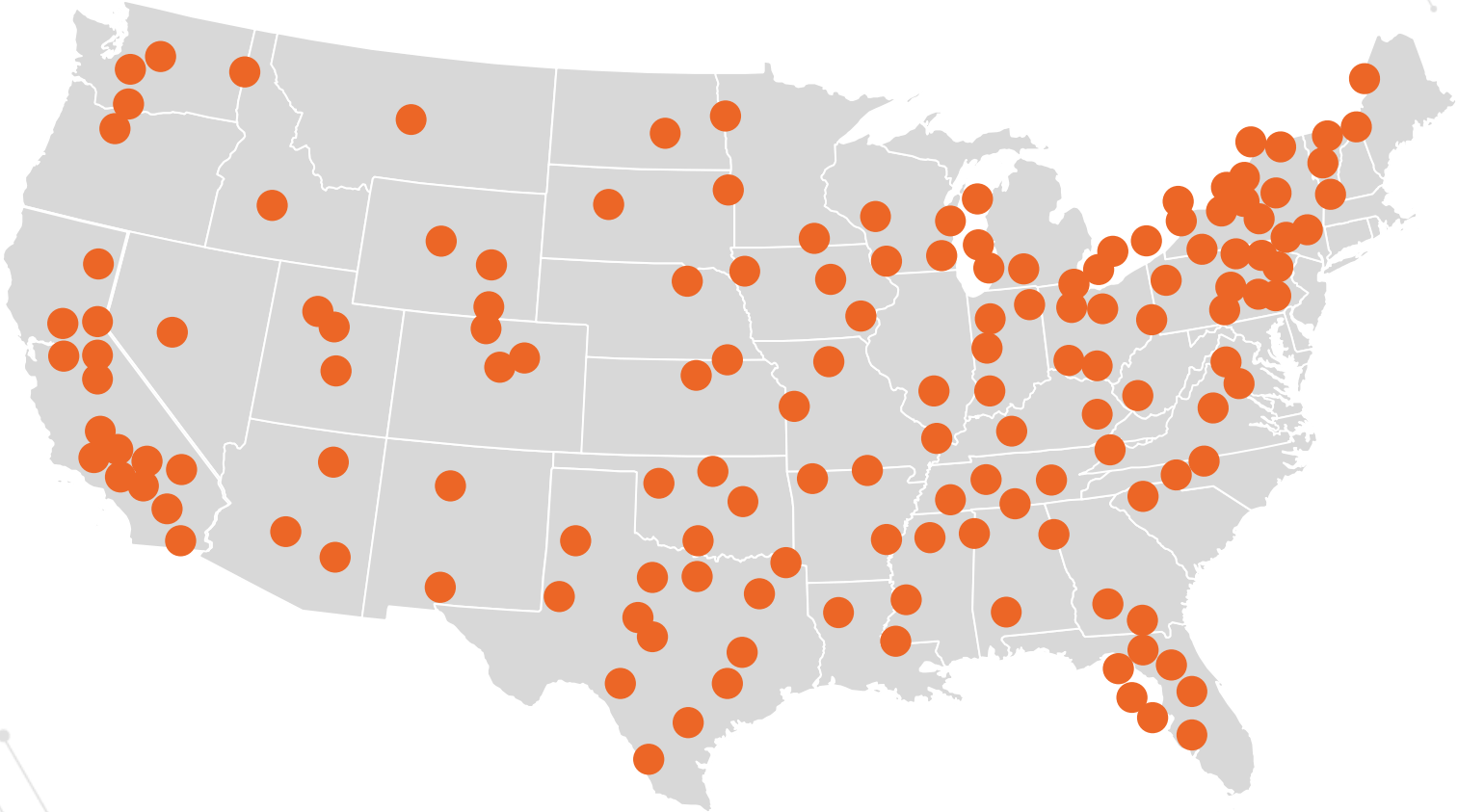
- Sample of ~1,000 franchise dealers
- Franchise wholesale market estimated to have contracted ~10% QoQ in Q3'21 and ~15% vs. Q3'19
- Listings/Dealer decreased 10% QoQ in Q3'21
- Assuming Listings/Dealer in Q3'21 were consistent with Q2'21, our unit volume would have been ~157K, or ~32% YoY growth

Nationwide Coverage by Year-End

Tracking to 2021
target of

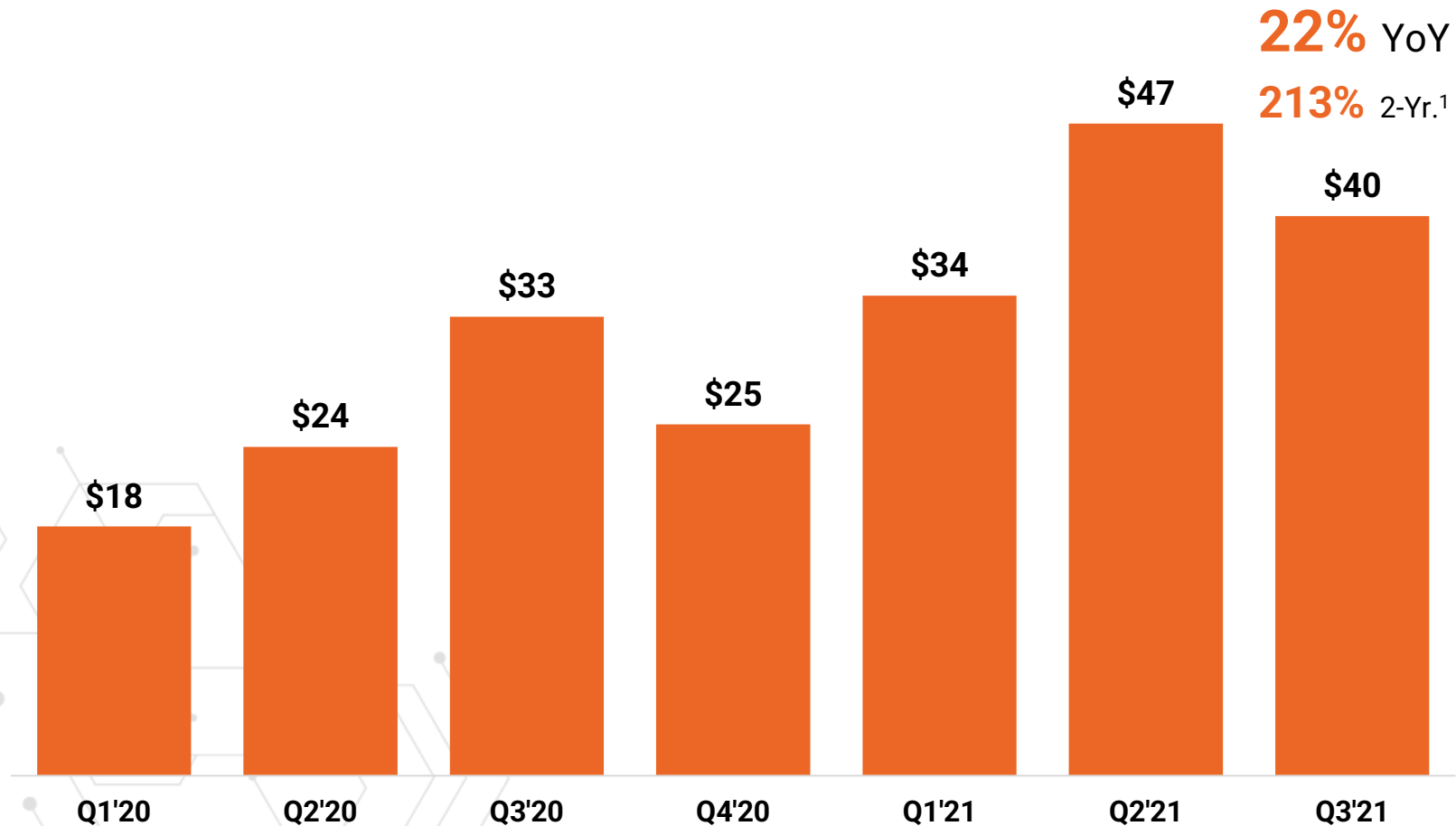
160

TERRITORIES



Solid Auction Marketplace Revenue Growth

Auction Marketplace Revenue (\$M)



¹Q3'21 Auction Marketplace Revenue vs. Q3'19 Auction Marketplace Revenue

Consumer Sourcing Going Mainstream

- Real-time competitive offers for consumers - *powered by the ACV Marketplace*
- >110% unit growth YTD vs. 2020
- High single-digit % of Q3'21 units sold
- Live Appraisal sales in 48 states in 2021



BMW of Bridgeport



Sullivan Brothers Nissan
Live. Love. Drive.

Trusted Digital Marketplace for Wholesale Vehicles & Data Services



Marketplace Growth



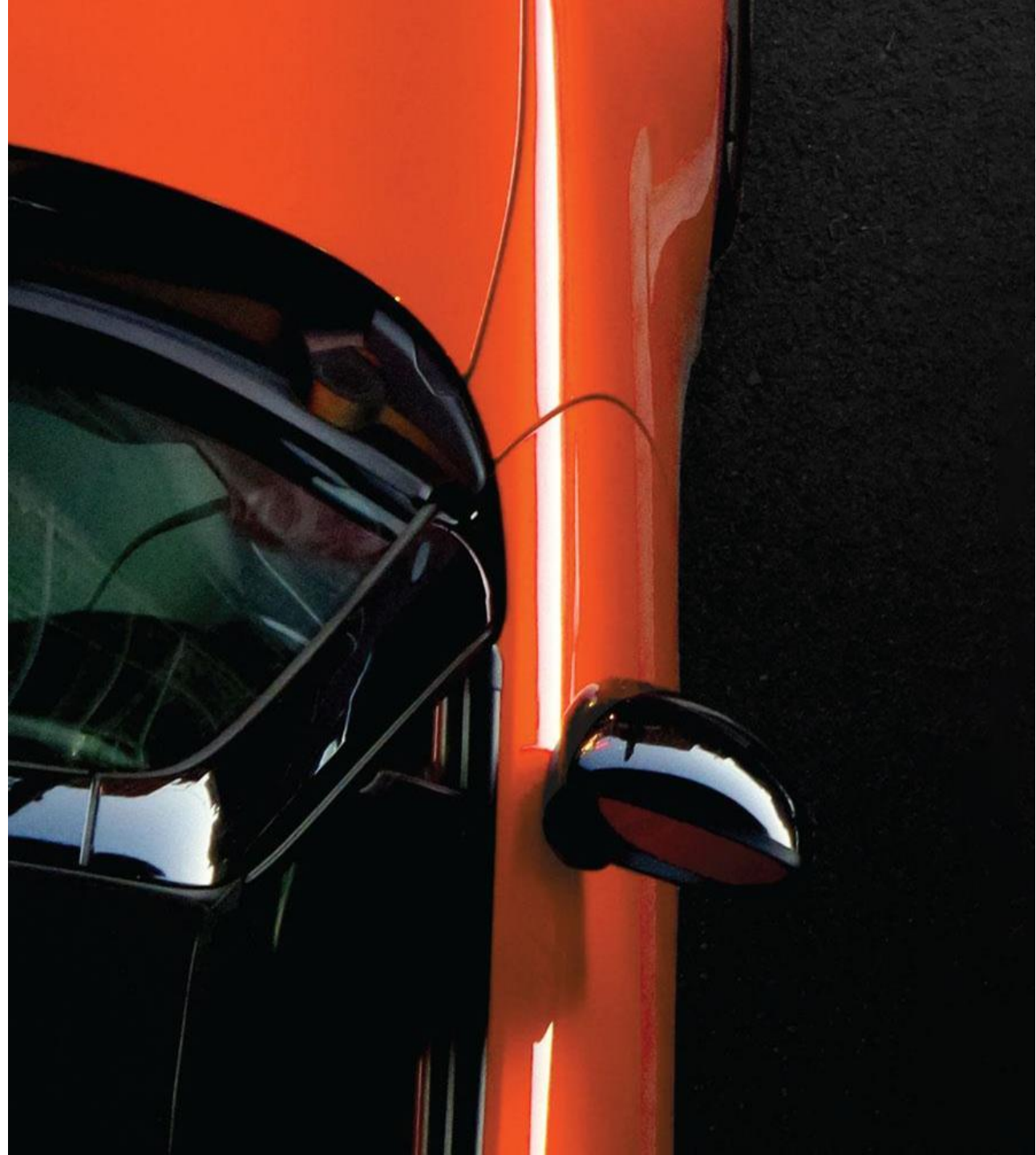
TAM and Product Expansion



Operating Scale

ACV Private Marketplaces

- Launched June 2021
- Private auction platform leveraging ACV's leading marketplace technology
- Enables dealers to optimize trades and aged inventory for both profit and speed
- Creates downstream supply for ACV's open marketplace
- Live with >20 dealer groups



Programmatic Buying In Flight

- Automated bidding and buying
- Driven by data from ACV's industry-leading conditions reports
- "Buying API" live today
- ACV programmatic user experience in beta and launching in Q4
- Low single-digit % of Q3'21 units



Expanding Our Digital Capabilities

MAX DIGITAL

- Leading provider of SaaS-based automotive data and merchandising solutions
- Provide dealers with unparalleled data and capabilities to source and sell wholesale or retail vehicles
- Tools include pricing guidance, merchandising, and inventory management



Value-Added Services Gaining Traction



- ~3,000 carrier partners
- Q3'21 attach rate ~50%
- Transports increased >70% YoY
- Winning in the market with fast cycle times and broad reach

"Your transport service is incredible! I bought a vehicle at 3pm and it was delivered at 9:30am the next morning." – Robert Orr, Four Rings Auto



- Attach rate in the mid-single digits; wallet share growth
- ~30% QoQ loan volume growth
- Revenue per loan up >15% YTD benefitting from new ACV Capital offerings

"ACV Capital makes buying and flooring convenient and simple - I like having only one operating system to deal with. For any issues, the ACV Capital team is easy to work with and gets all issues resolved and handled." – Ali Shrouf, Pro Auto Link

Trusted Digital Marketplace for Wholesale Vehicles & Data Services



Marketplace Growth



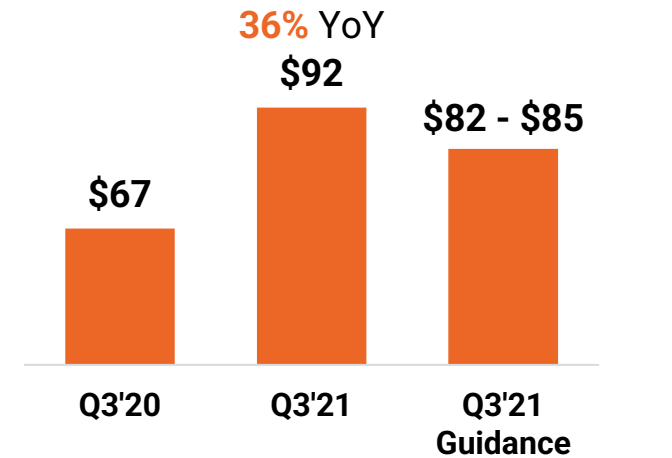
TAM and Product Expansion



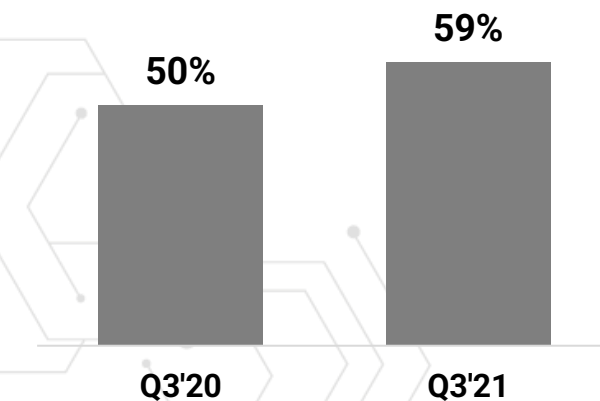
Operating Scale

Strong Q3'21 Performance

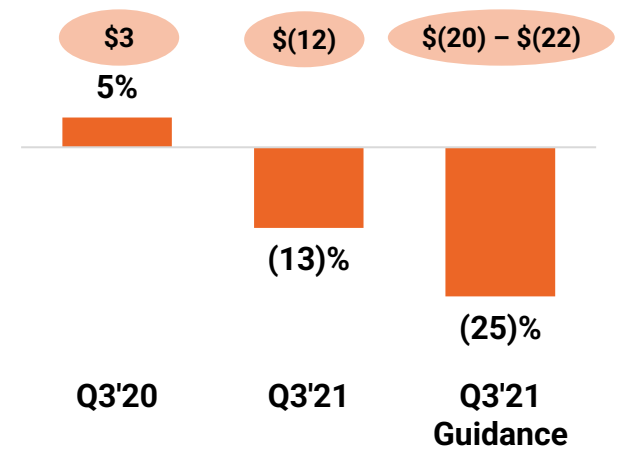
Revenue (\$M)



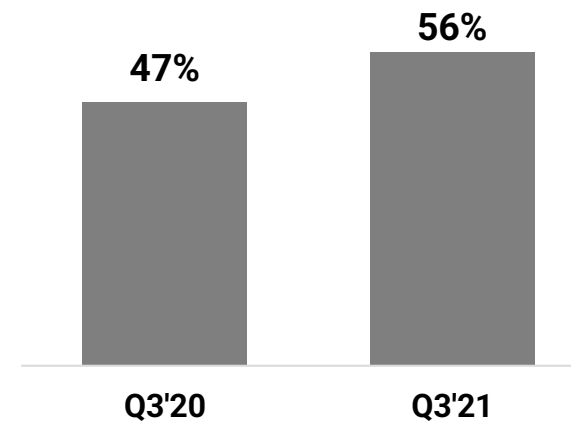
Cost of Revenue²



Adjusted EBITDA¹



Total Operating Cost (ex. COR)³



¹Adjusted EBITDA as % of Revenue; See appendix for Adjusted EBITDA reconciliation

²Non-GAAP Cost of Revenue as % of Revenue; See appendix for Non-GAAP Operating Cost reconciliation

³Non-GAAP Total Operating Cost (ex. Cost of Revenue) as % of Revenue; See appendix for Non-GAAP Operating Cost reconciliation

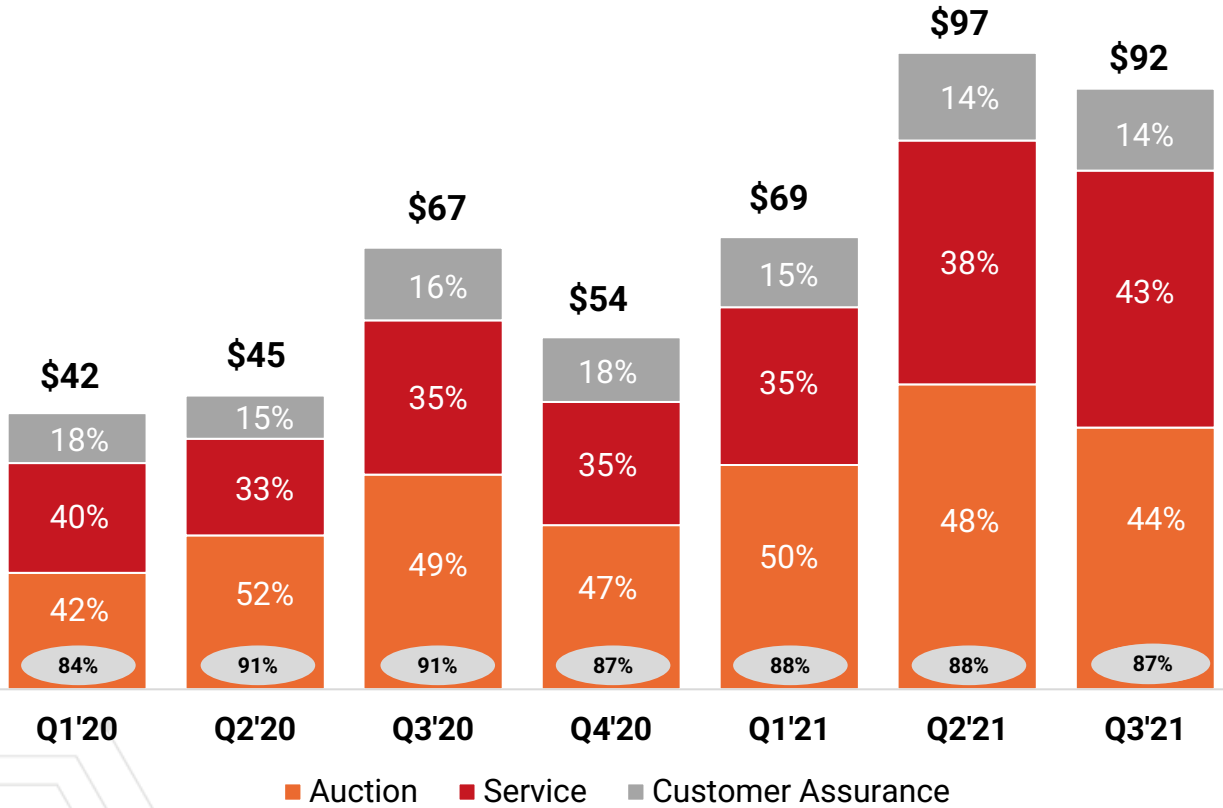
Diversified Revenue Streams

Revenue Breakdown (\$M)

Customer Assurance
Go Green Assurance
Other Price Guarantee Products

Service
Transportation
Capital
Data Services

Auction Marketplace

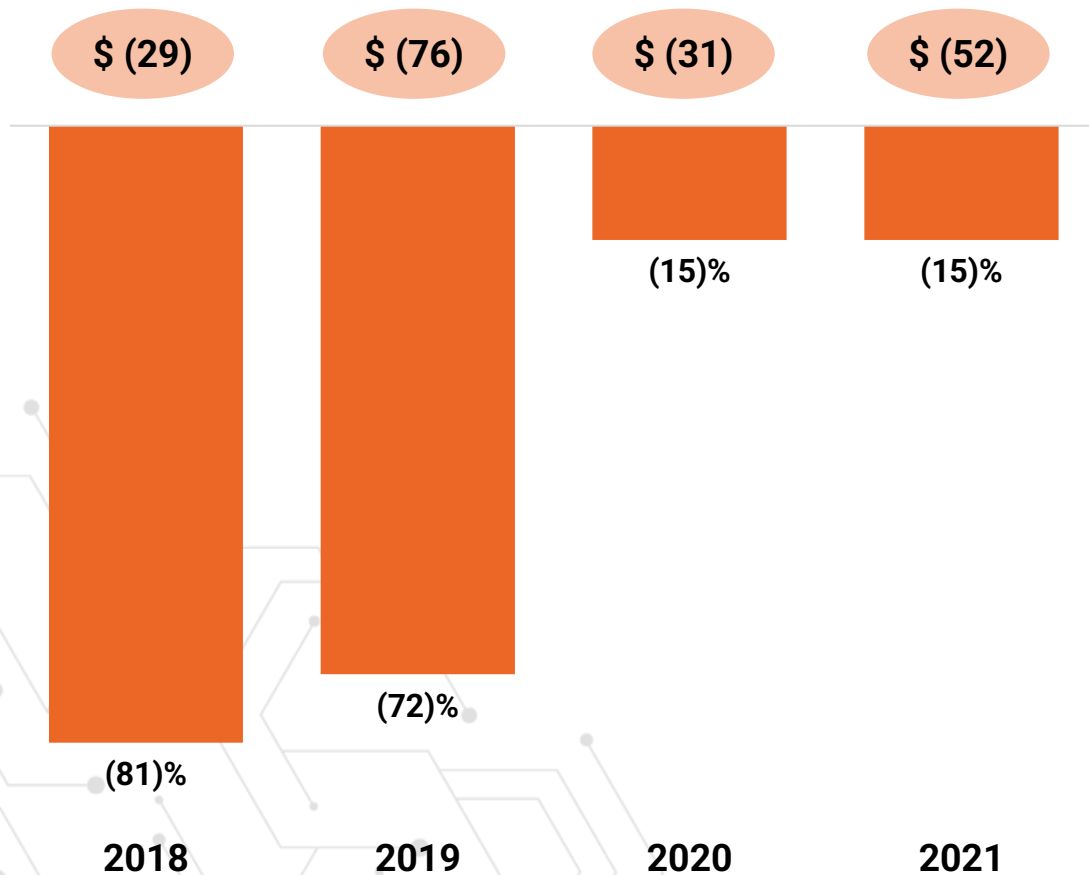


Note: Percentages may not sum to 100% due to rounding

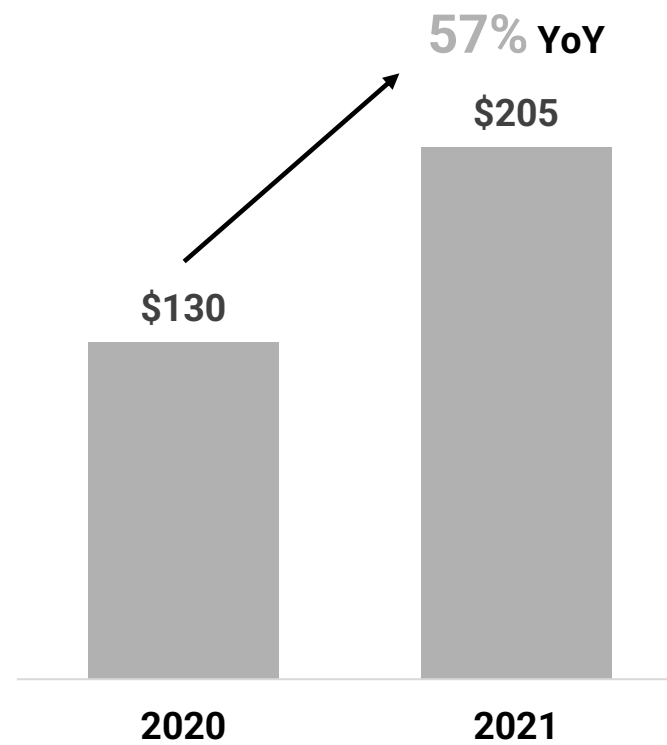
(Auction Marketplace Revenue – Auction Marketplace Cost of Revenue) as a % of Auction Marketplace Revenue

Demonstrated Operating Leverage

Adj. EBITDA Margin



Total Operating Expense (Ex. COR)



Note: Refer to the adjusted EBITDA and adjusted EBITDA margin reconciliation in the appendix
2021 values represent the mid point of our revised 2021 guidance

Guidance

(\$M)	Q4'21	Revised 2021	Previous 2021
Total Revenue	\$83 to 86 <i>54% to 60% YoY</i> <i>135% to 144% 2-Yr.</i>	\$341 to \$344 <i>64% to 65% YoY</i> <i>219% to 222% 2-Yr.</i>	\$332 to \$338 <i>59% to 62%</i> <i>211% to 216%</i>
Adjusted EBITDA Loss	\$22 to \$26	\$51 to \$54	\$62 to \$65

- Strong used-vehicle demand expected to continue through the balance of 2021, creating a positive backdrop for vehicle values in the market.
- Automotive supply chain challenges will likely continue to constrain new vehicle sales, and associated trade-in volumes, which in turn may pressure wholesale vehicle supplies in the near term.
- Total operating expenses, excluding cost of revenue, are expected to grow approximately 57% year over year in 2021.

Strong Balance Sheet

(\$M)

As of September 30, 2021

Cash and Cash Equivalents	\$602M (Includes ~\$153M of auction float)
ACV Capital Revolving Credit Facility	\$0.5M
Other Debt	\$0
Total Assets	\$980M
Total Liabilities	\$404M

Summary



Strong Execution Despite Challenging Market Factors



Gaining Share, Attracting New Dealers and Growing Wallet Share



Executing on Market Expansion and Product Road Map



Proven Business Model with Scalable Growth and Operating Leverage



Q&A



Appendix



Information About Non-GAAP Financial Measure and Key Operating and Financial Metrics

We supplement our financial results with non-GAAP financial measures: Adjusted EBITDA, non-GAAP cost of revenue and non-GAAP total operating cost (excluding cost of revenue); and key operating and financial metrics: Marketplace Units and Marketplace GMV.

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 performance. Our key operating and financial metrics may be calculated in a manner different than similar business metrics used by other companies. Management intends to report Marketplace Participants, which is defined as dealers or commercial partners with a unique customer ID that have transacted at least once in the last 12 months as either a buyer or seller on our digital marketplace, on an annual basis.

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. Because our definition of Marketplace Units does not include vehicles inspected but not sold on our digital marketplace, GMV does not represent revenue earned by us.

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.

Adjusted EBITDA Reconciliation

<i>(in thousands)</i>	September 30,		Year Ended December 31,		
	2020	2021	2018	2019	2020
Net Income (Loss)	\$3,159	(\$24,803)	(\$35,774)	(\$77,216)	(\$41,021)
Depreciation and Amortization	2,025	2,493	271	1,839	7,244
Stock-based Compensation	343	9,787	7,219	998	5,705
Interest (Income) Expense	90	92	(362)	(2,093)	(115)
Provision for Income Taxes	286	61	11	27	489
Other (Income) Expense, Net	(2,587)	(10)	-	23	(3,054)
Adjusted EBITDA	\$3,316	(\$12,380)	(\$28,635)	(\$76,422)	(\$30,752)
Total Revenue	\$67,460	\$91,798	\$35,536	\$106,847	\$208,357
Adjusted EBITDA Margin	5%	(13%)	(81%)	(72%)	(15%)

Note: Quarterly reconciliation as of and for the end of the quarterly period noted, annual data as of and for the year ended December 31

Operating Cost Reconciliation

<i>(in thousands)</i>	September 30,	September 30,
	2020	2021
Cost of Revenue	\$33,829	\$53,918
Stock-based compensation	\$3	\$107
Non-GAAP Cost of Revenue	\$33,826	\$53,811
Total Operating Cost (Excluding Cost of Revenue)	\$30,096	\$62,530
Stock-based Compensation	\$340	\$9,681
Intangible Amortization	\$818	\$1,223
Contingent gains (Loss)	(2,600)	-
Non-GAAP Total Operating Cost (Excluding Cost of Revenue)	\$31,538	\$51,626

Note: Quarterly reconciliation as of and for the end of the quarterly period noted

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 avenues for long-term growth and total addressable market expansion, our financial guidance for the fourth quarter of 2021 and the full year of 2021, our expansion into new territories, and operational and product strategy. 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) 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) general market, political, economic, and business conditions; and (13) 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 Quarterly Report for the quarter ended June 30, 2021 filed with the SEC on August 11, 2021. Additional information will be made available in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 and 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.