



# 2023 ANALYST DAY



JUN\_01\_2023

# AGENDA

2023\_ANALYST\_DAY

JUN\_01\_2023

## STRATEGY

GEORGE CHAMOUN

## GROWTH

MIKE WATERMAN

CRAIG ANDERSON

## INNOVATION

VIKAS MEHTA

PHIL SCHNEIDER

ABOU LARAKI

JOHN COLES

## BREAK

15 MINS

## SCALE

BILL ZERELLA

## Q&A

GEORGE CHAMOUN

BILL ZERELLA





## 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 but not limited to statements regarding ACV's avenues for long term revenue growth and total addressable market expansion, operational and product strategy, cost efficiency and leverage, our financial guidance for full year of 2023, and 2026 financial targets. 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.

The inclusion of ACV's 2026 targets in this presentation should not be regarded as predictive of actual future events and such targets, which were based on numerous variables and assumptions that necessarily involve judgements, should not be relied upon as such or construed as financial guidance. The targets are in a future year, and thus, by their nature, the targets included becomes subject to greater uncertainty. Accordingly, there can be no assurance that the targets set forth herein will be realized and actual results may vary materially from the targets.

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.



## 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 too, 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

# STRATEGY



George Chamoun

CHIEF EXECUTIVE OFFICER

2023\_ANALYST\_DAY

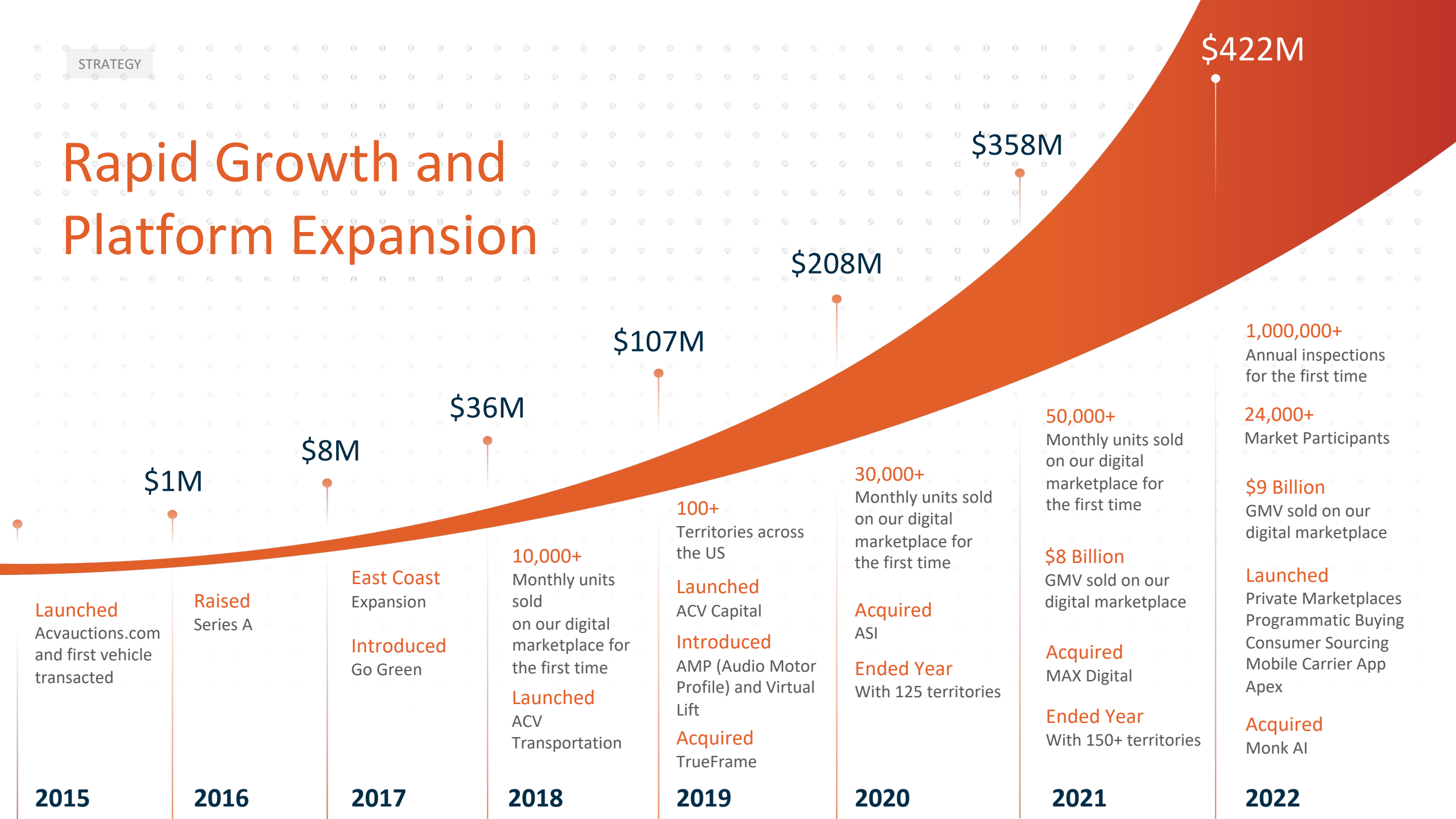
JUN\_01\_2023



# OUR MISSION

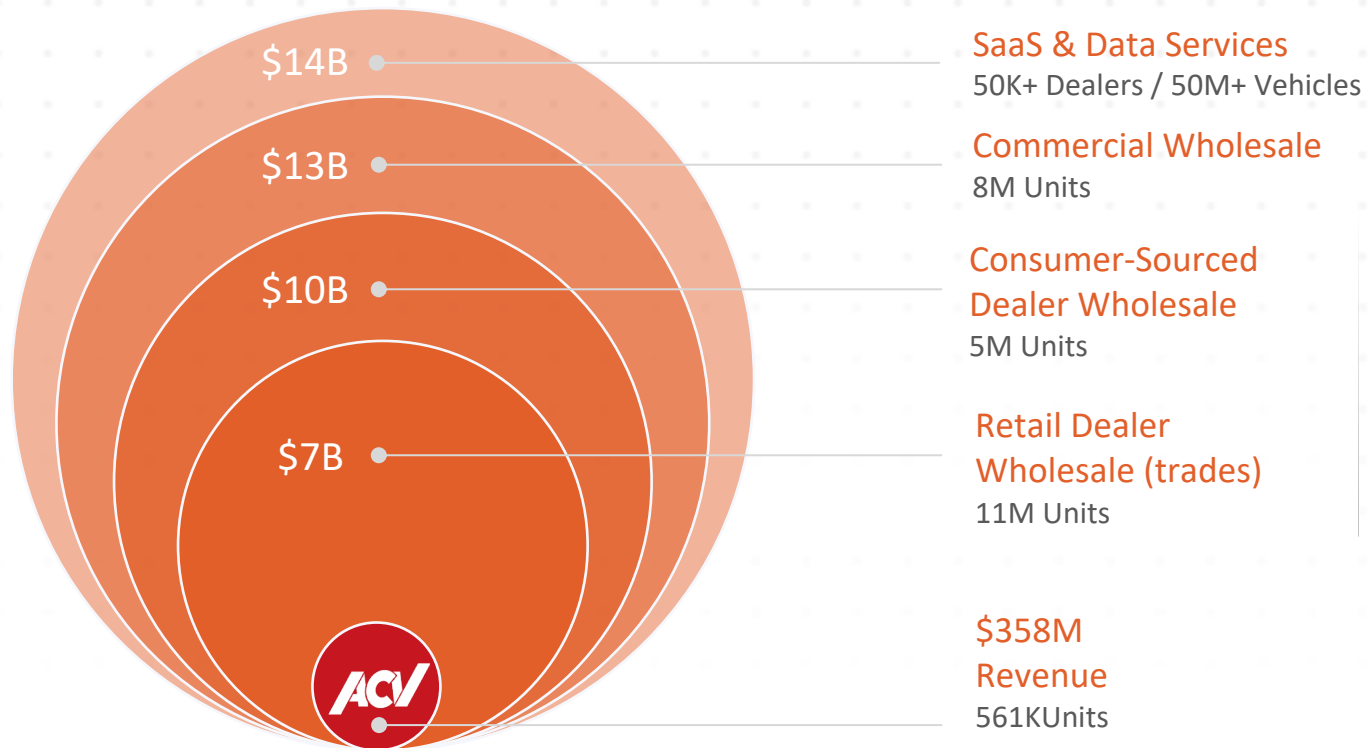
...to transform the automotive industry by building the most trusted and efficient digital marketplace and data solutions for sourcing, selling and managing used vehicles with transparency and comprehensive insights that were once unimaginable.

# Rapid Growth and Platform Expansion

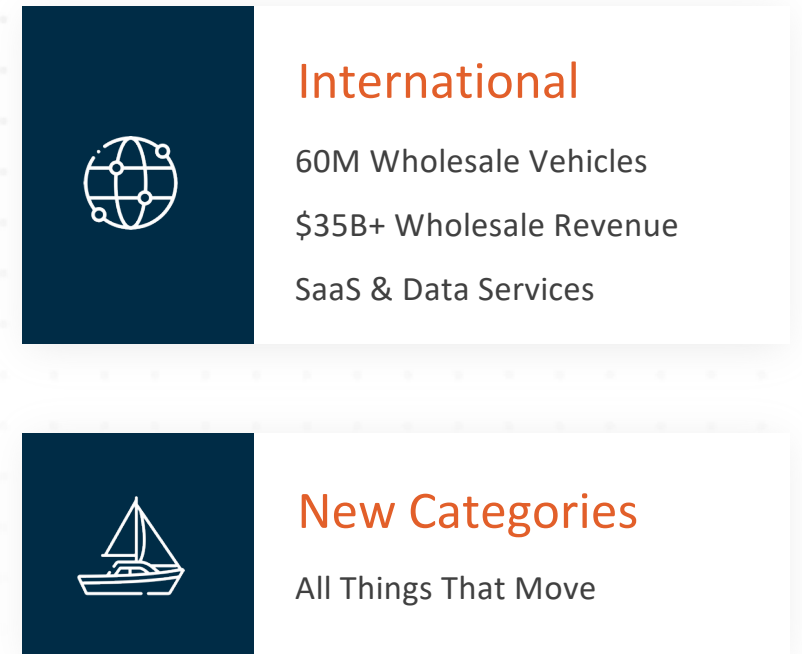


# Significant Untapped Opportunity

## Serviceable Opportunity (U.S.)



## Long-Term Opportunity



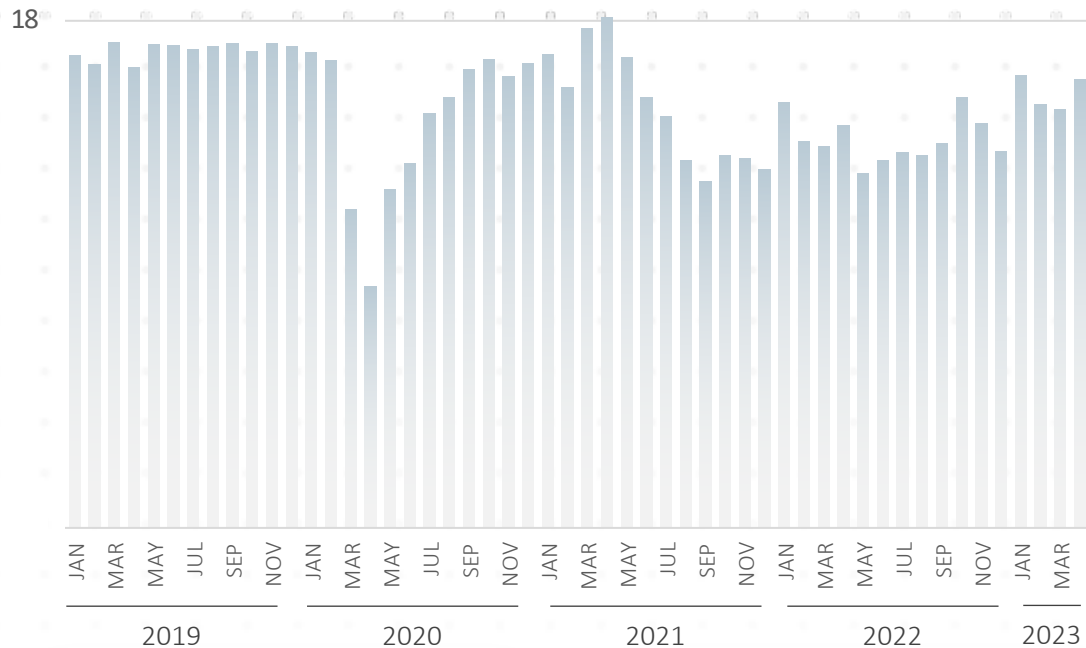


STRATEGY

# EMERGING MARKET RECOVERY

# Positive New-Vehicle Sales and Inventory Trends

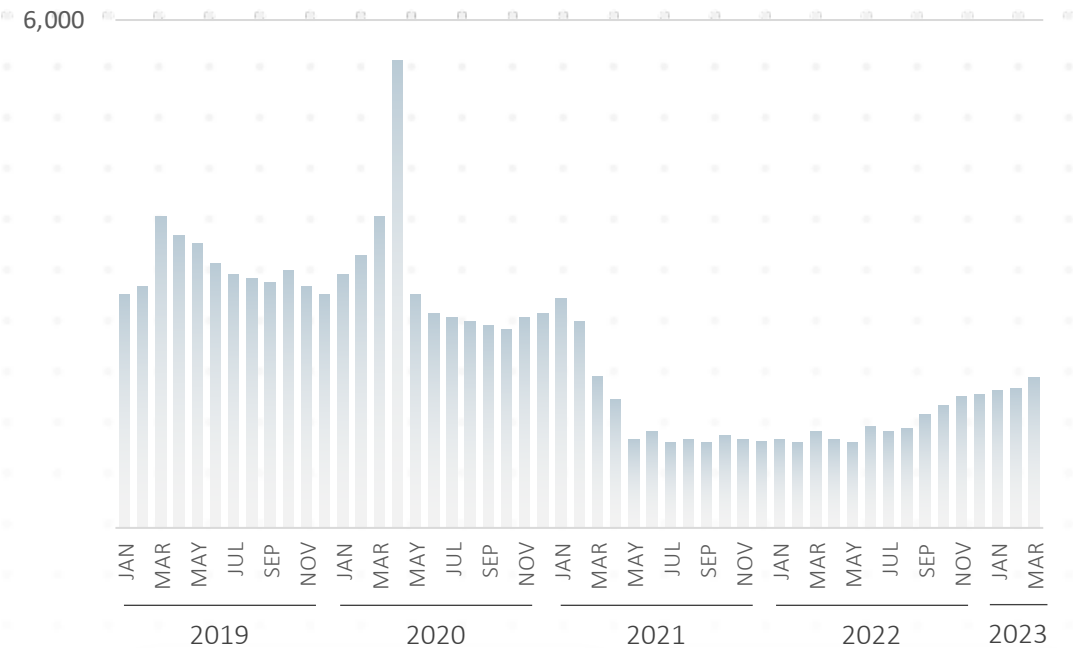
MONTHLY LIGHT VEHICLE SAAR (M)



New-vehicle trades are a critical input into wholesale market

April SAAR up 11% YoY. Incentives and attractive financing provide additional tailwinds

MONTHLY LIGHT VEHICLE INVENTORY ('000s)

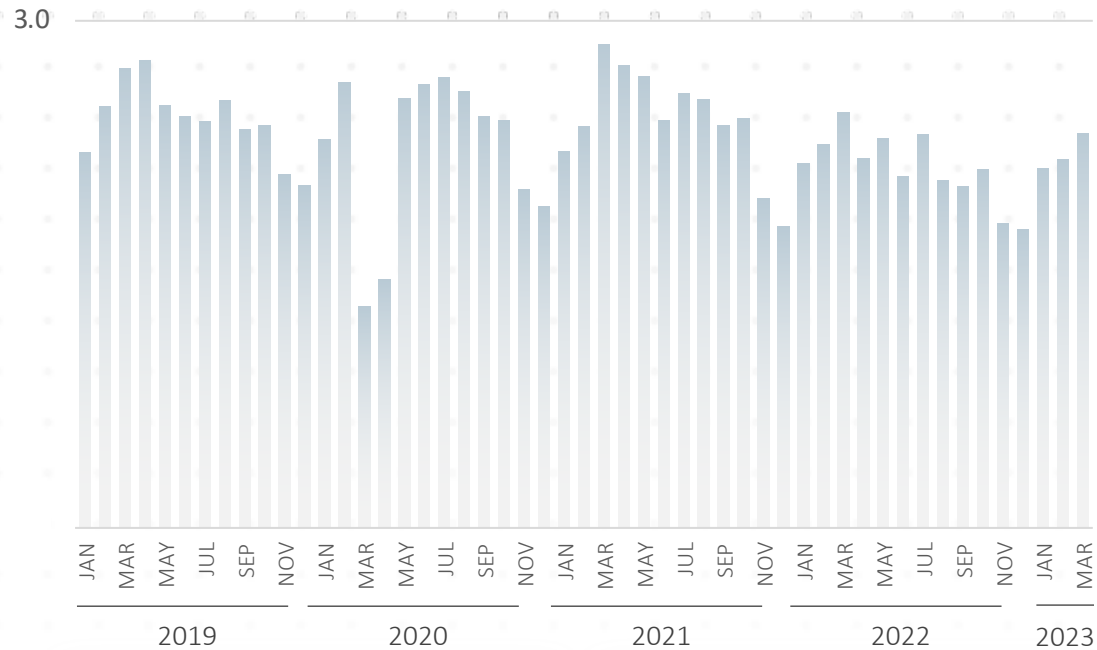


After bottoming in mid-2021 inventory has increased ~75% YoY

Inventory picture improving as supply chain issues ease

# Lean Used-Vehicle Inventory...But Edging Up

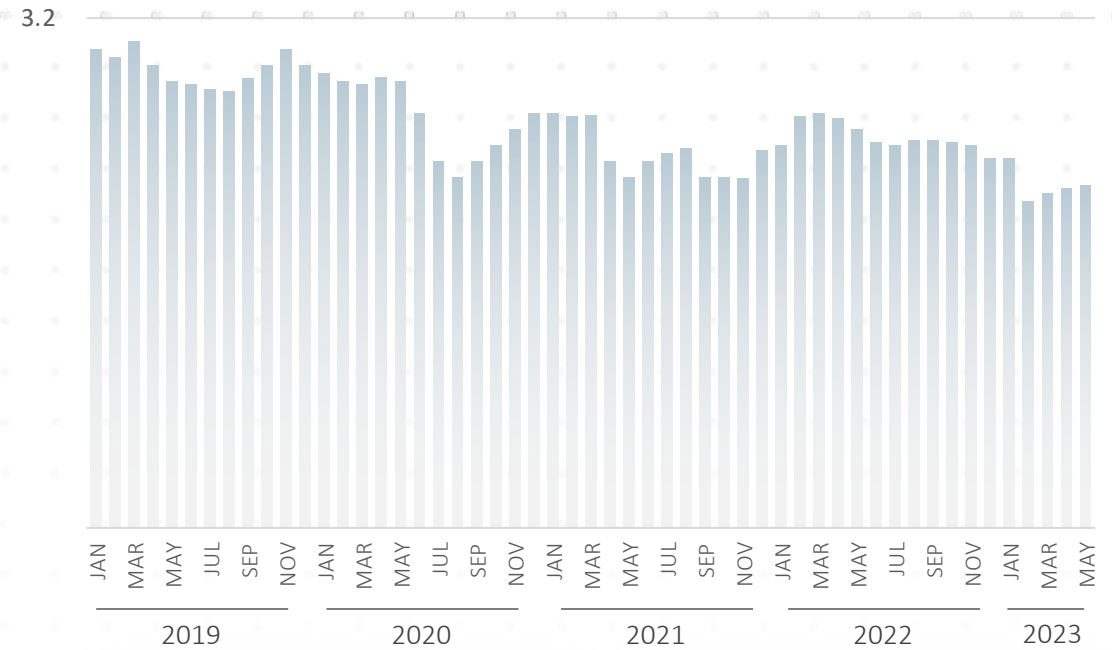
MONTHLY USED VEHICLE SALES (M)



2022 retail sales down 12% YoY, impacted by affordability headwinds

Sales improved in the seasonally strong Q1-23, but declined 3% YoY

MONTHLY USED VEHICLE INVENTORY (M)

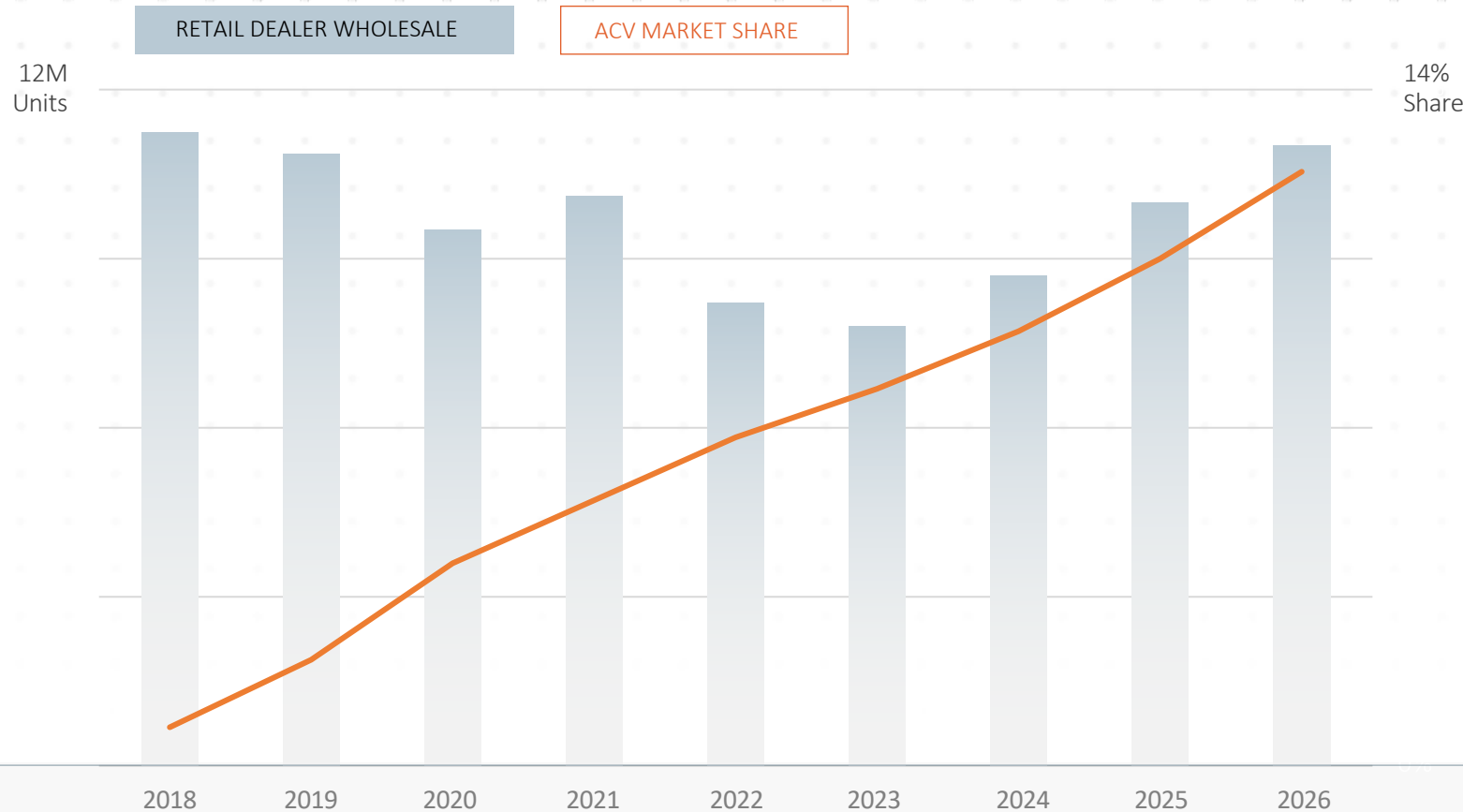


Q1-23 inventory 28% below 2019 levels, resulting from depressed new-vehicle sales

Dealers retailing a high % of trades, negatively impacting wholesale supply

# Expecting Market To Trough in 2023

## Gradual Recovery as Retail Volumes Increase and Inventory Normalizes



After bottoming in Q4-22 the wholesale market is turning the corner

We estimate wholesale volumes will decline ~5% in 2023, with YoY growth rates improving in the second half

Expecting a gradual market recovery in 2024, normalizing by 2026 at ~11M units

Consistent share gains expected to result in ~12% market share in 2026

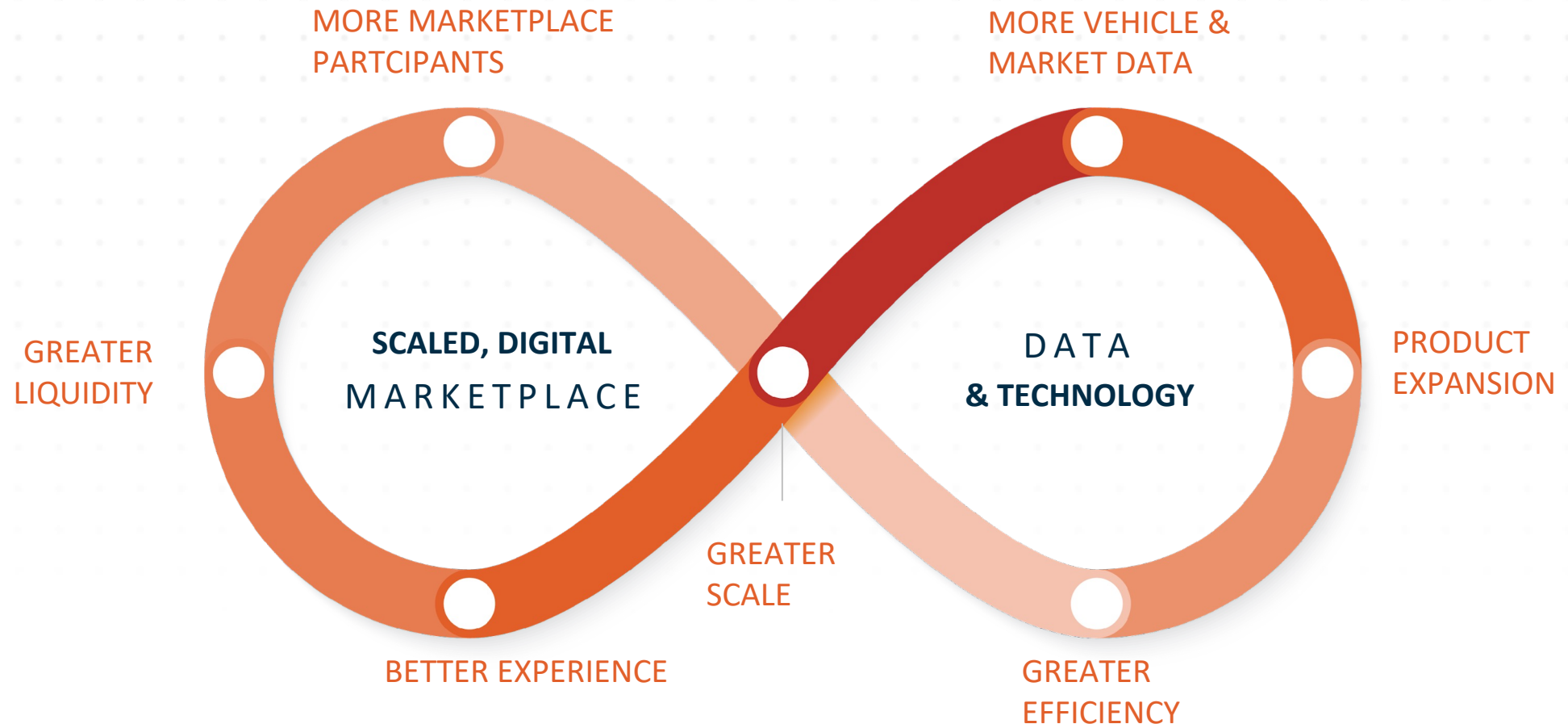
STRATEGY

HOW WE WIN



# Self-Reinforcing Network Effects

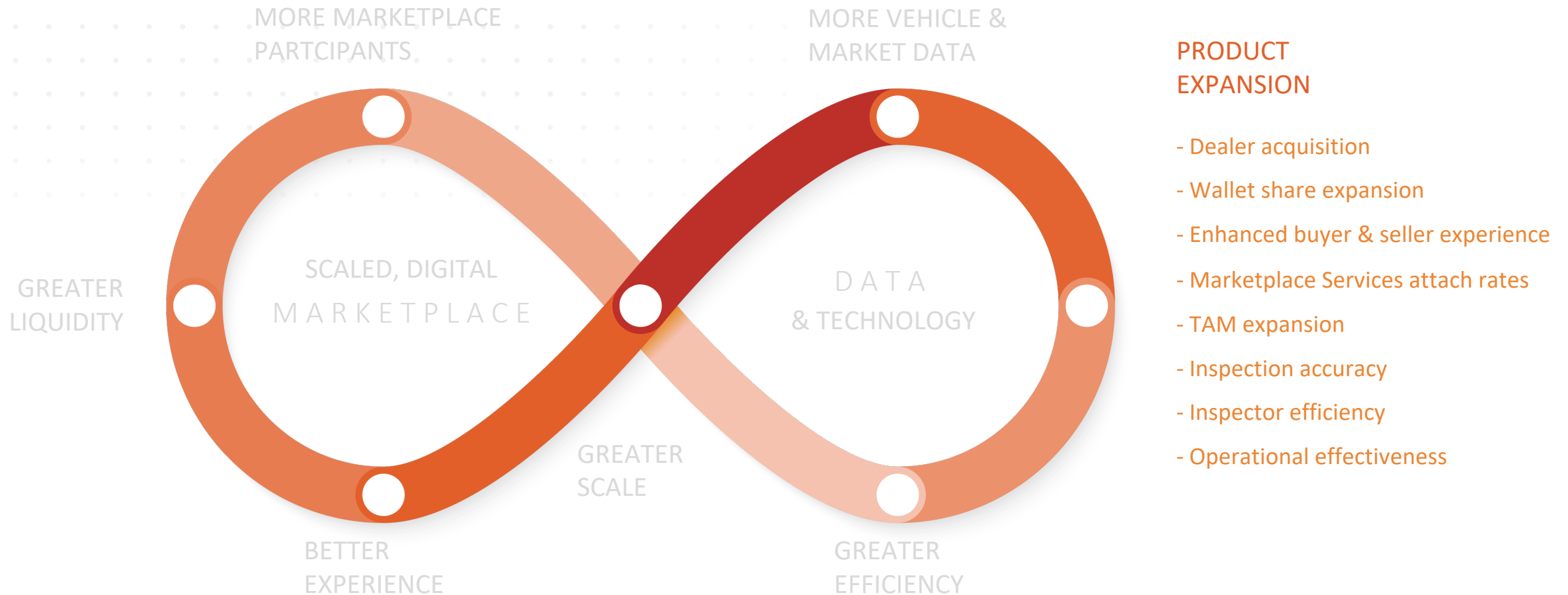
Driving Greater Scale, Efficiency, and Liquidity





# Self-Reinforcing Network Effects

Driving Greater Scale, Efficiency, and Liquidity



# 2026 Financial Targets



\$1.3B

REVENUE

\$325M

ADJ. EBITDA

25%

ADJ. EBITDA  
MARGIN

Note: Targets do not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation. ACV is not providing a reconciliation of certain forward-looking, non-GAAP financial information because ACV is unable to provide this reconciliation without unreasonable effort due to information regarding the relevant adjustments not being ascertainable or accessible. Such information could be material to future results.

# 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.

# Customer Video

02

# GROWTH



**Mike Waterman**

CHIEF SALES OFFICER



**Craig Anderson**

CHIEF CORPORATE  
DEVELOPMENT & STRATEGY  
OFFICER

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JUN\_01\_2023



## GROWTH

# Our Go-to-Market

## DIRECT SALES: CREATING SUPPLY

## FRANCHISE 17K

## MAJOR ACCOUNTS

INDEPENDENT 38K

## VEHICLE CONDITION INSPECTORS (VCI's)

## INSIDE SALES: SUPPORTING DEMAND





GROWTH

# Our Land and Expand Model



**TERRITORY  
EXPANSION**



**REGIONAL  
PENETRATION**



**WALLET SHARE**

GROWTH

# Our Land and Expand Model



**TERRITORY  
EXPANSION**



**REGIONAL  
PENETRATION**

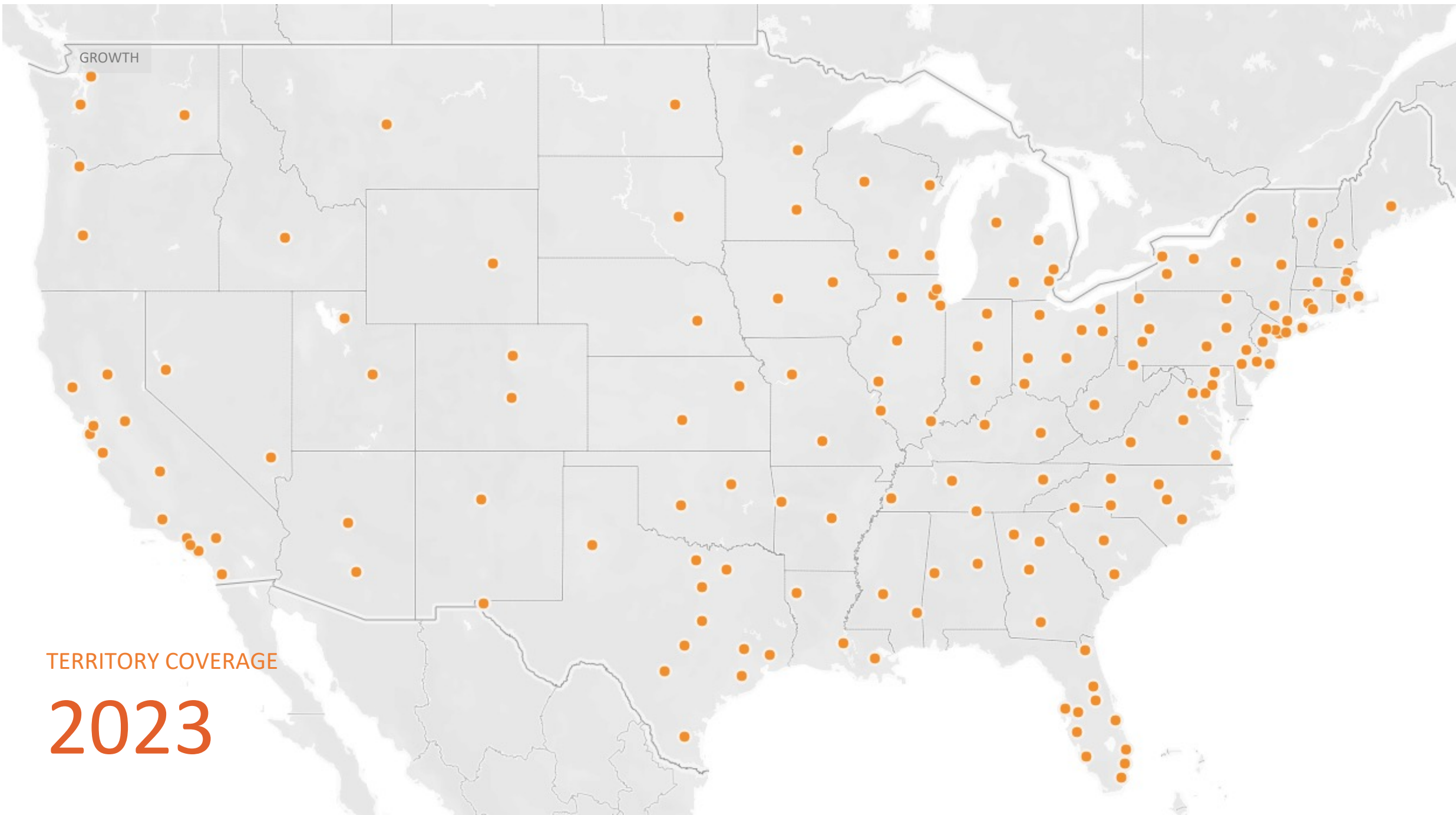


**WALLET SHARE**

GROWTH

TERRITORY COVERAGE

2023



GROWTH

# Our Land and Expand Model



**TERRITORY  
EXPANSION**



**REGIONAL  
PENETRATION**



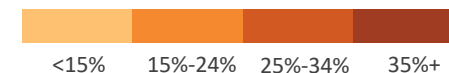
**WALLET SHARE**

GROWTH

REGIONAL  
PENETRATION

Q1-20

% OF  
FRANCHISE  
ROOFTOPS



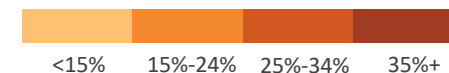


GROWTH

REGIONAL  
PENETRATION

Q1-21

% OF  
FRANCHISE  
ROOFTOPS



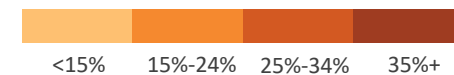


GROWTH

REGIONAL  
PENETRATION

Q1-22

% OF  
FRANCHISE  
ROOFTOPS

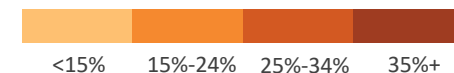


GROWTH

REGIONAL  
PENETRATION

Q1-23

% OF  
FRANCHISE  
ROOFTOPS



GROWTH

# Our Land and Expand Model



**TERRITORY  
EXPANSION**



**REGIONAL  
PENETRATION**

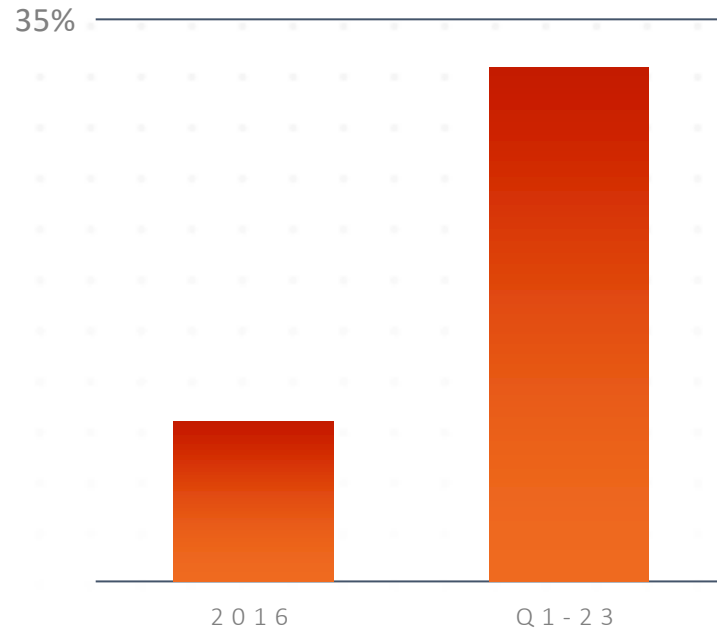


**WALLET SHARE**

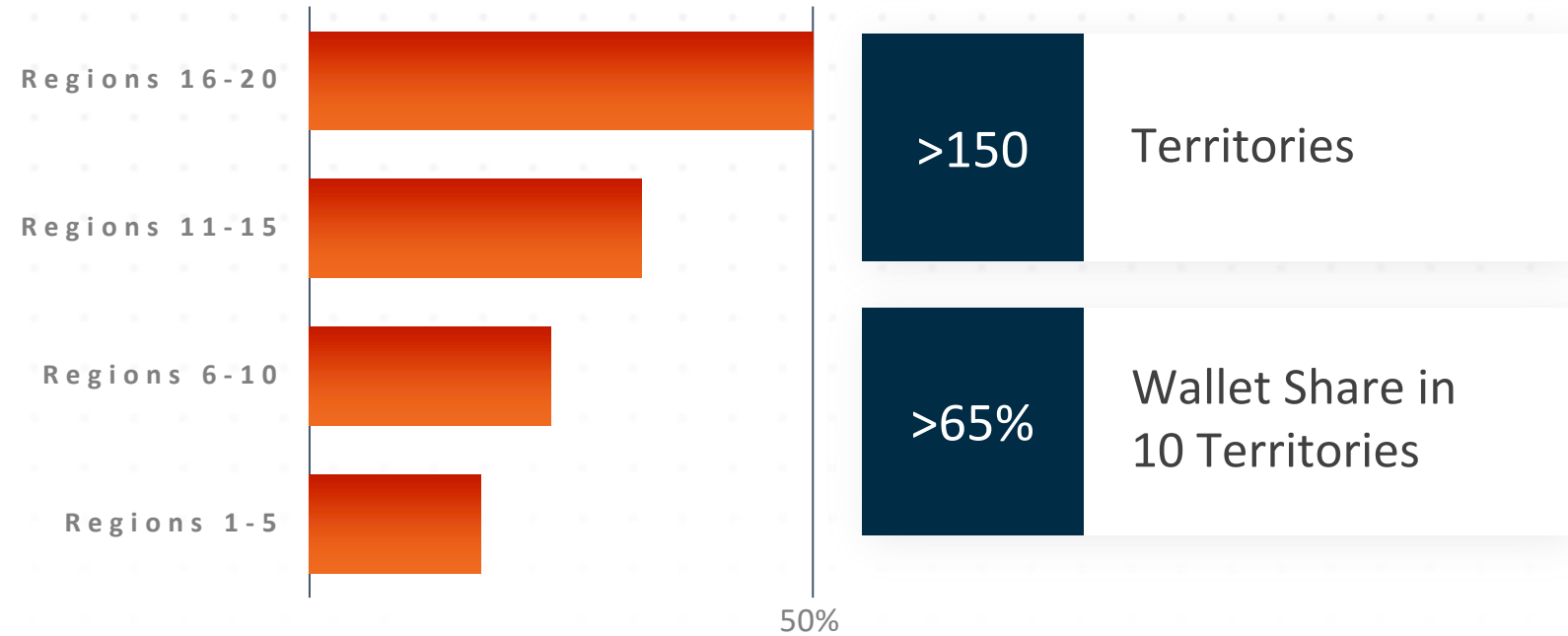
GROWTH

# Wallet Share Expansion

## U.S. Franchise Dealer Wallet Share



## Q1-23 Regional Wallet Share



GROWTH

# Market Share



**REGIONAL  
PENETRATION**

**X**



**WALLET SHARE**

**=**



**MARKET SHARE**

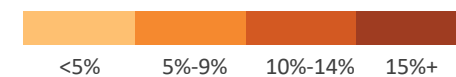


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FRANCHISE  
MARKET SHARE

Q1-23

% OF  
FRANCHISE  
MARKET SHARE



GROWTH



10%  
MARKET SHARE

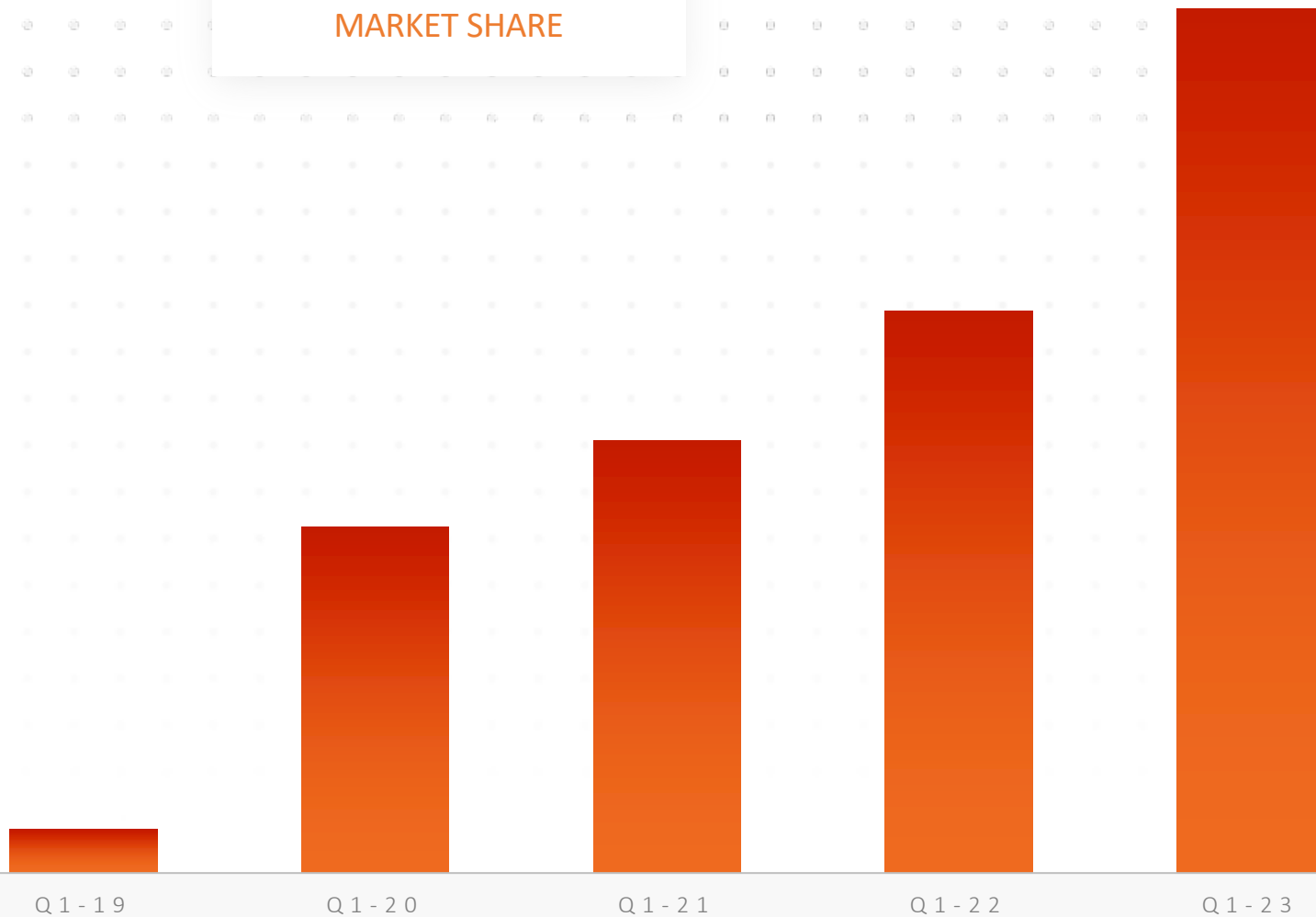
# Pasadena

27%

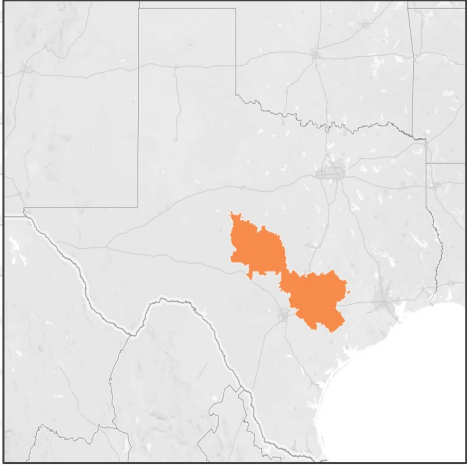
Franchise  
Rooftop Penetration

37%

Franchise  
Wallet Share



GROWTH



23%  
MARKET SHARE

# Austin South

35%

Franchise  
Rooftop Penetration

66%

Franchise  
Wallet Share



Q 1 - 18

Q 1 - 19

Q 1 - 20

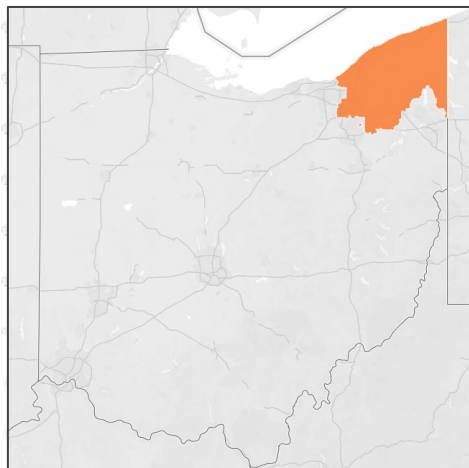
Q 1 - 21

Q 1 - 22

Q 1 - 23



GROWTH



23%  
MARKET SHARE

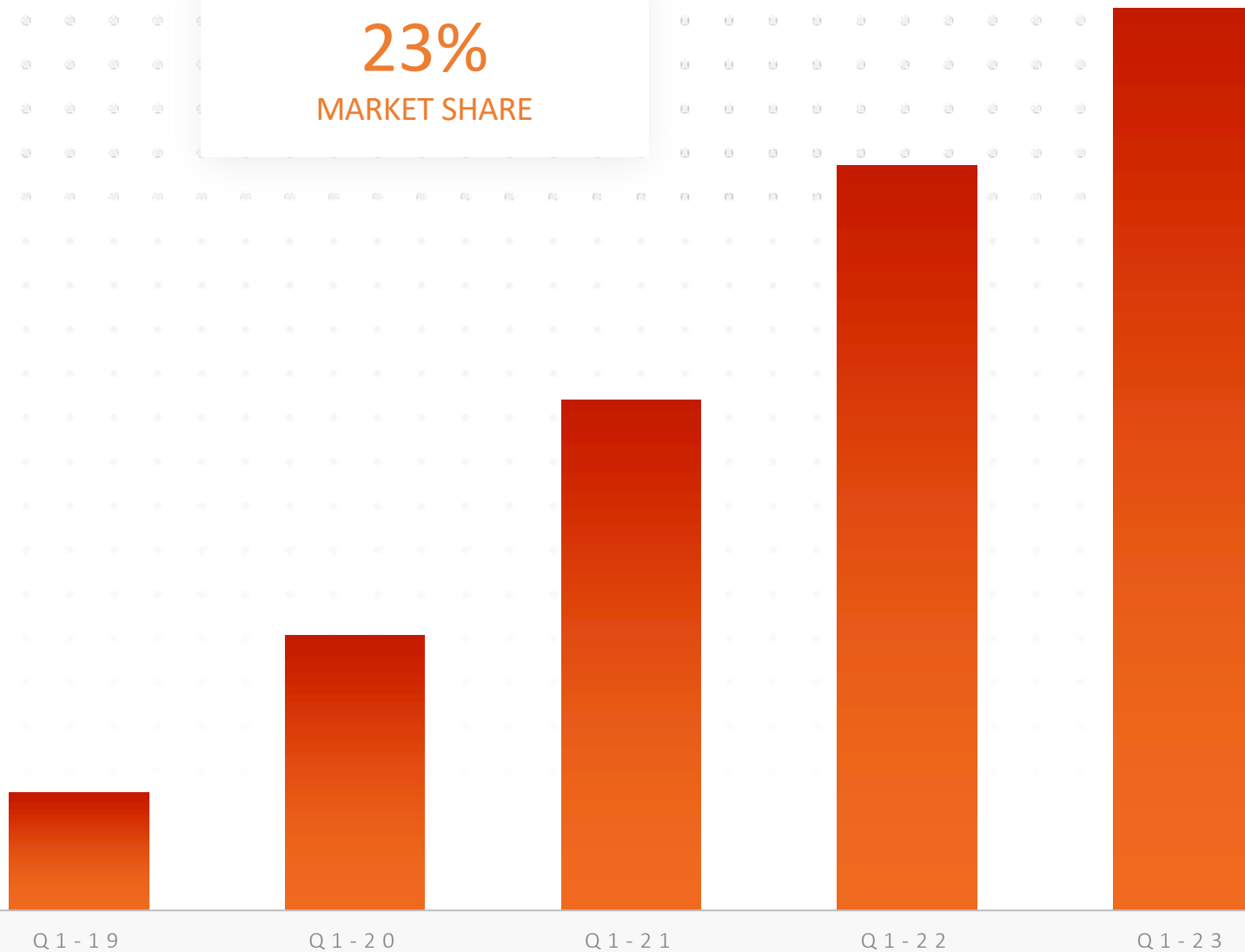
## Cleveland East

70%

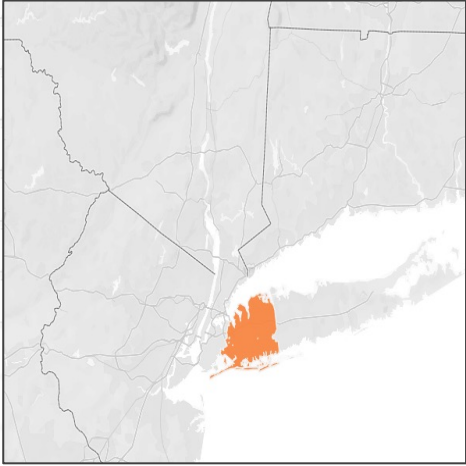
Franchise  
Rooftop Penetration

33%

Franchise  
Wallet Share



GROWTH



22%  
MARKET SHARE

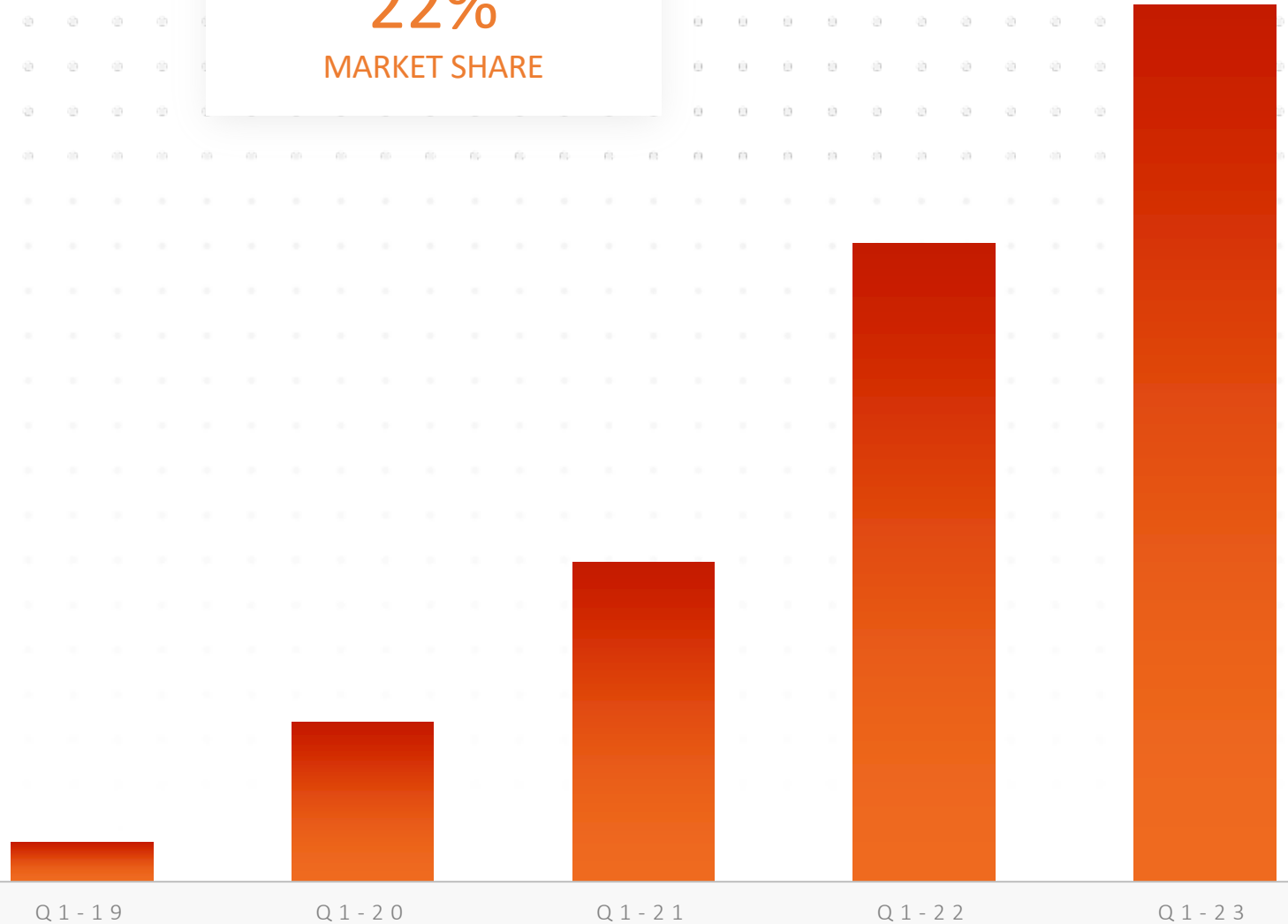
# Long Island West

50%

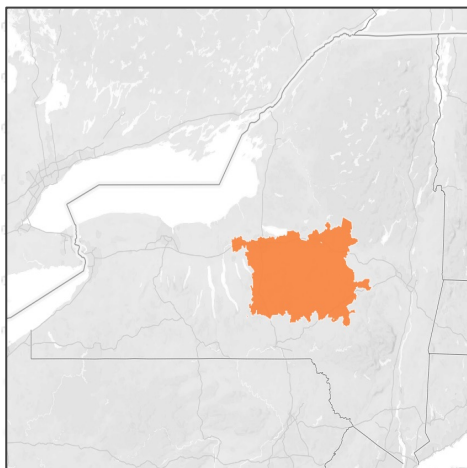
Franchise  
Rooftop Penetration

44%

Franchise  
Wallet Share



GROWTH



## Central NY

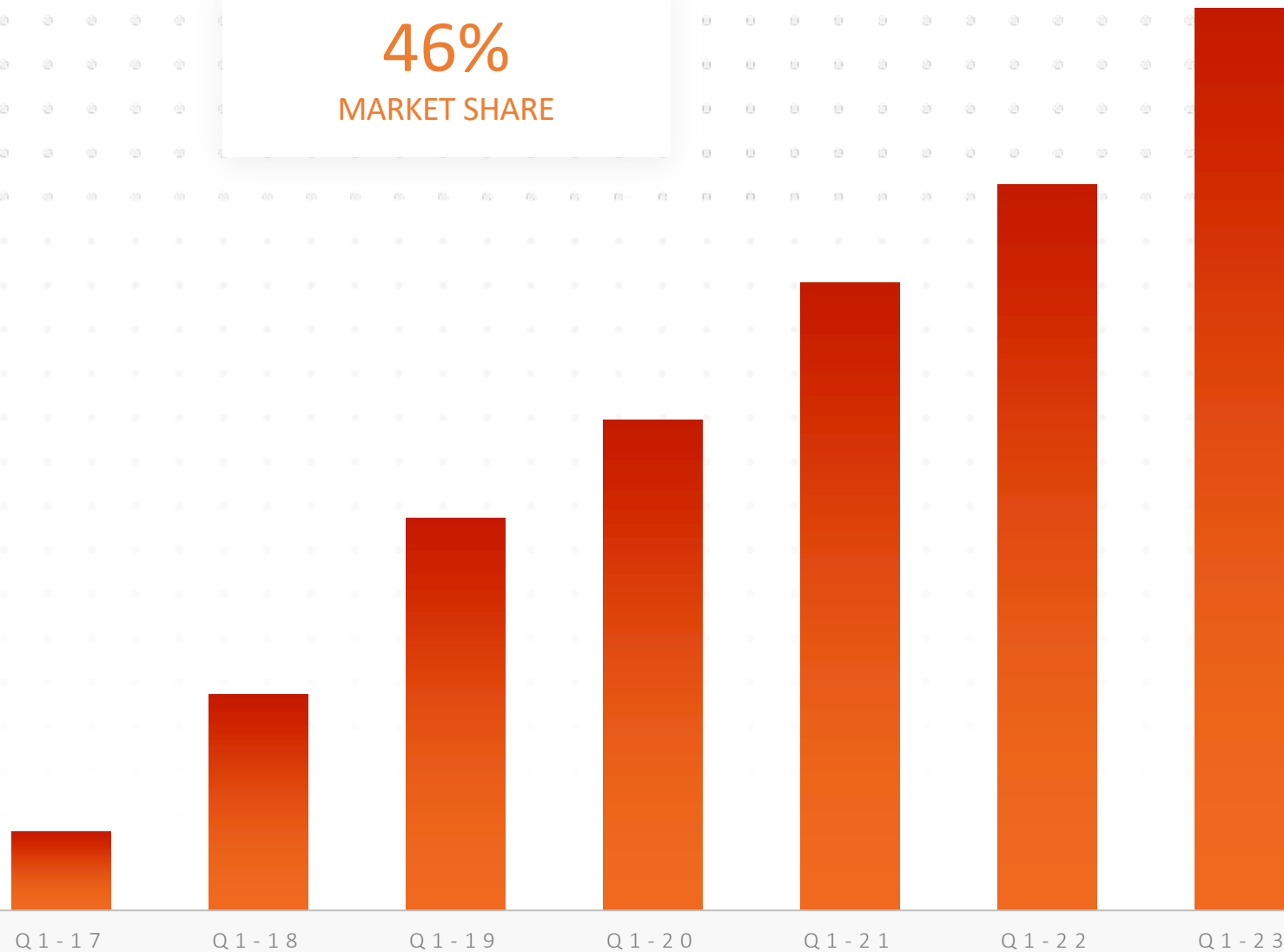
46%  
MARKET SHARE

85%

Franchise  
Rooftop Penetration

54%

Franchise  
Wallet Share

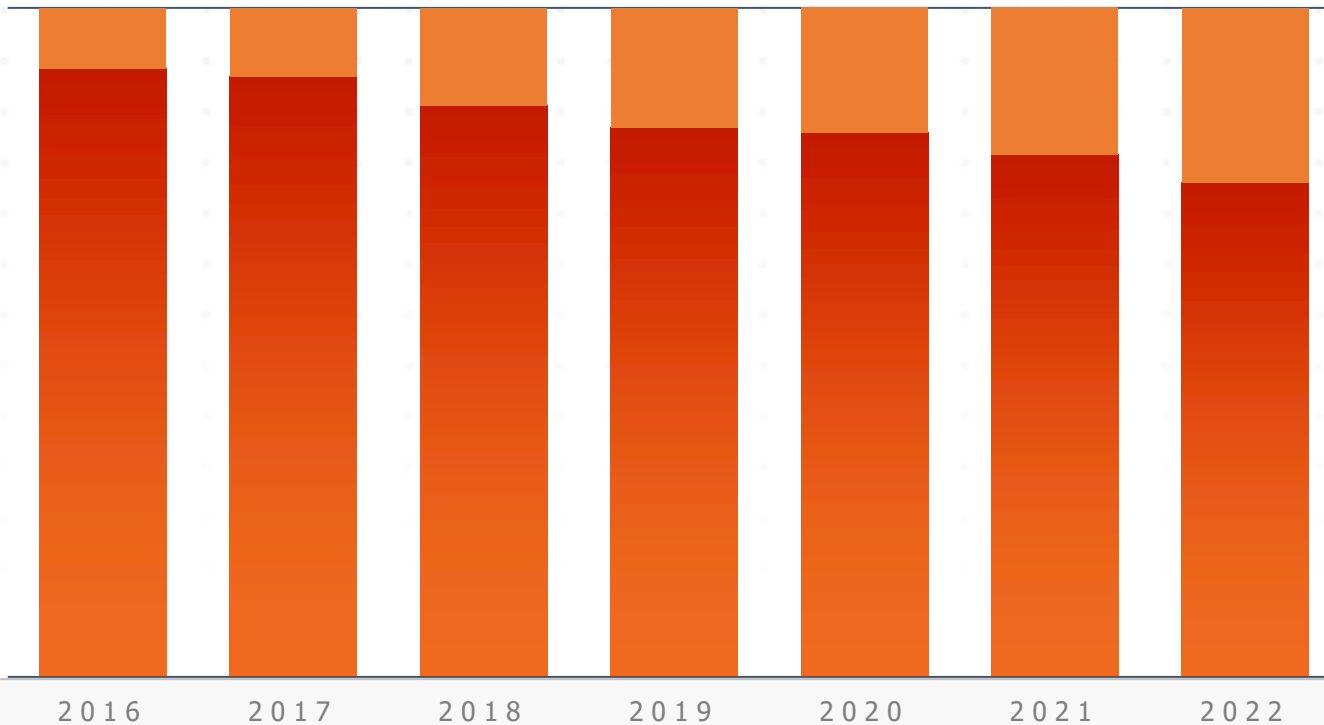


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# Broadening Buyer Base

## Buyer Mix

■ Independent ■ Franchise



14K+

Buyers

70%+

Buyer CAGR  
(’16 to ’22)

25%+

Franchise Buyer Mix

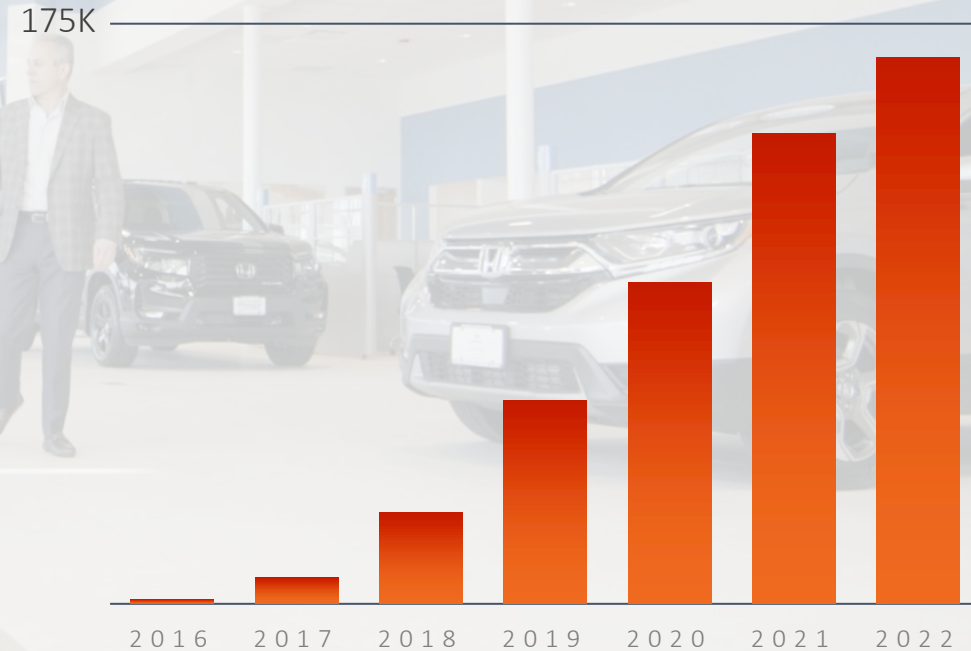
# Major Accounts... A Key Growth Driver

## Units Sold

Major Account dealer groups own ~35% of franchise rooftops in the U.S.

Major Account rooftop penetration has doubled since 2020 to over 40%

Growth fueled by ACV's broad suite of solutions like Private Marketplaces, MAX Digital and Consumer Sourcing tools



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# ClearCar

## Industry's Most Advanced Condition-Enhanced Pricing Report

Pricing engine evaluates consumer's baseline declaration of condition

Additive inspection solutions include ACV's AI technology and other services

Report links pricing engine data with inspection insights to provide transparency into price with precision

Attractive TAM expansion drives wholesale units

**Windy**  
AUTO BMW

Get Your Price in Minutes  
Tell us a little about your car and get your offer. No waiting!

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

PLATE VIN MAKE & MODEL  
LICENSE PLATE STATE

GET MY PRICE

Powered by ClearCar

**ClearCar**

**Inspection**

Date 25 MAY, 2023  
Client  
License plate L83PESC  
ID

VIN Fuel level Tire usage  
Model C 350 Fuel type Covering presence  
Make Mercedes Mileage Interior dirtiness  
Vehicle type Exterior dirtiness

**Damage report**

Bumper Back

Localization Damage type Severity

Scratch Low





ClearCar Video



02

# GROWTH



**Craig Anderson**

CHIEF CORPORATE DEVELOPMENT  
& STRATEGY OFFICER



**Mike Waterman**

CHIEF SALES OFFICER

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# Our Commercial Opportunity

We will serve every segment of the Commercial market

01



Commercial market recovering post-pandemic but still well below normal volume

02



Our Marketplace is ready to serve all Commercial segments

03



We are preparing to accelerate our share gains with an updated plan

04



Commercial remarketers will benefit from a better way to inspect, price and sell their used vehicles

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# US Commercial Market is Recovering

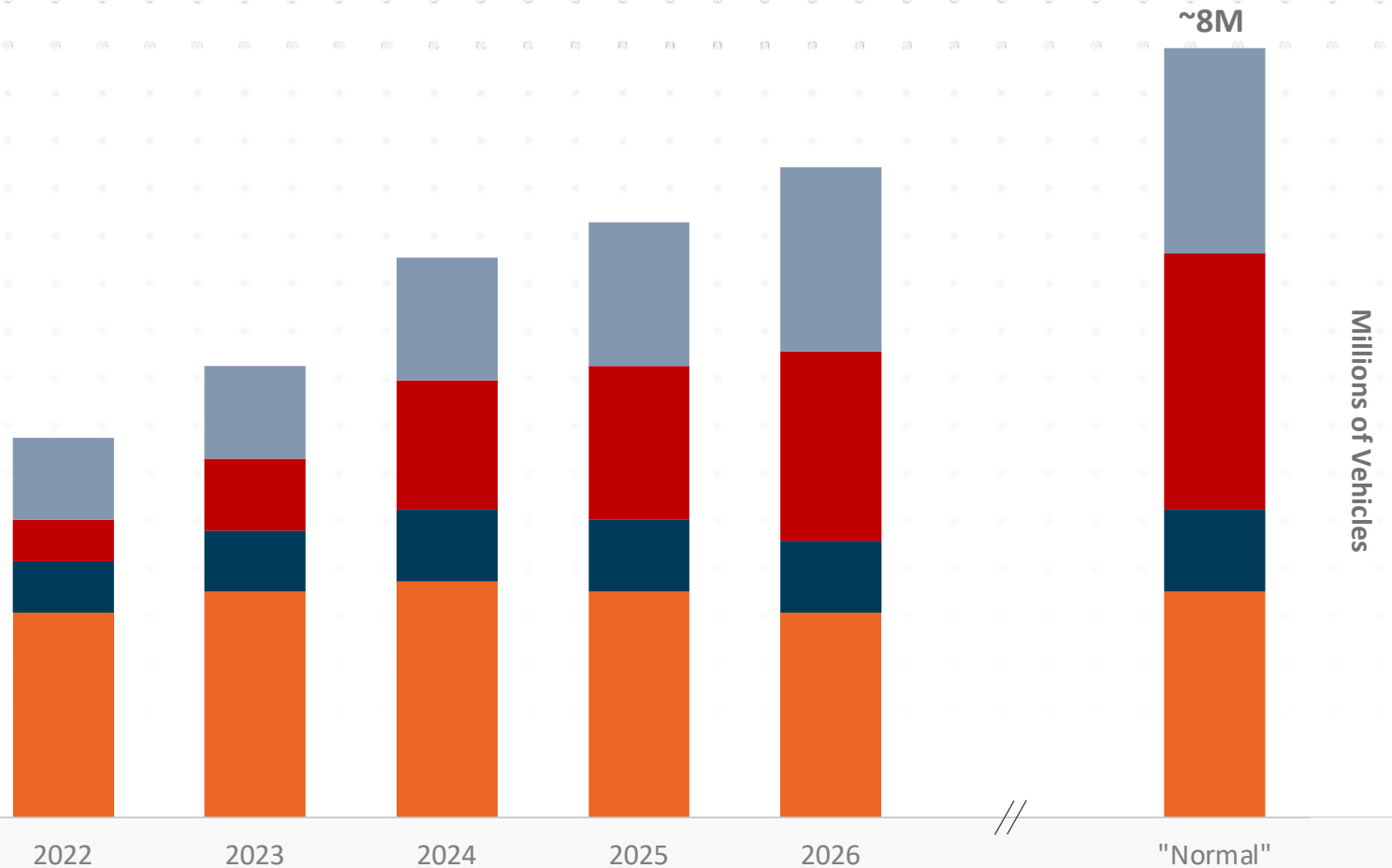
## TAM Outlook

OFF-RENTAL

OFF-LEASE

FLEET

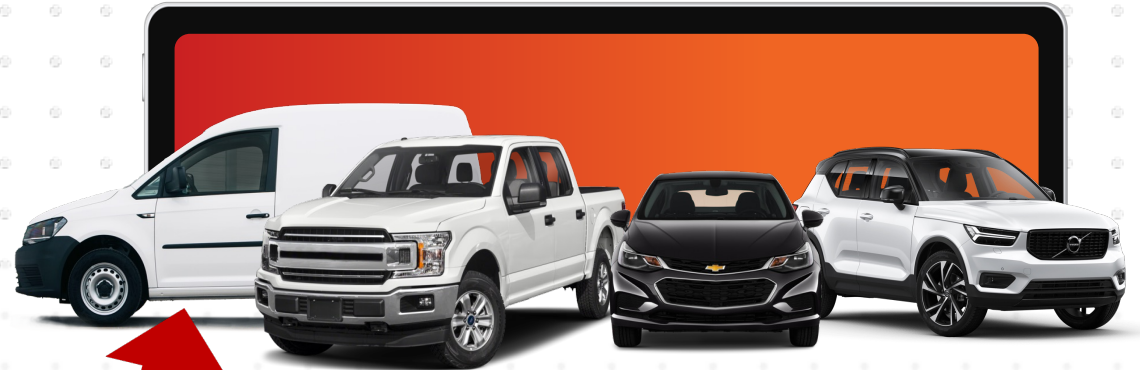
REPO



GROWTH

# Commercial Wholesale

## Digital and Land



**Most Commercial Vehicles are Sold Digitally**

**We Expect Digital Penetration to Increase**

OFF-RENTAL

OFF-LEASE

FLEET

REPO

**SUPPLY**

- ▶ Primarily sold direct or on digital marketplaces
- ▶ Some vehicles go to third-party facilities

- ▶ Require land for storage and reconditioning
- ▶ Sold on digital marketplaces & at physical auctions

**DEMAND**

- ▶ Digital brings regional, national and international demand to marketplaces and auctions

# Case Studies

## Top 3 Rental Car Company

### Digital Only

- ▶ ACV inspection at retail and airport locations
- ▶ Vehicles list on ACV Marketplace every day
- ▶ Auction and “Buy Now” listing formats
- ▶ Average distance to buyer is over 400 miles
- ▶ Significant QoQ growth

## Remarketing Center

### Digital + Land

- ▶ ACV acquired small physical auction in Oklahoma City
- ▶ Storage and reconditioning facilities to support growth
- ▶ Relationships with dozens of commercial consignors
- ▶ Accretive valuation and strong UE

# Case Studies

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# Commercial Wholesale

## Wrap Up

01



We are actively unlocking Commercial TAM

02



Our core strengths in Marketplaces and Data Services are our differentiators

03



We will operate a small footprint of locations across the country

04



Key enabling technologies are in production with more to come



03

# INNOVATION



Vikas Mehta

CHIEF OPERATING OFFICER

2023\_ANALYST\_DAY

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# Context & Landscape

01



Platform Enabling ACV Ecosystem Growth

02



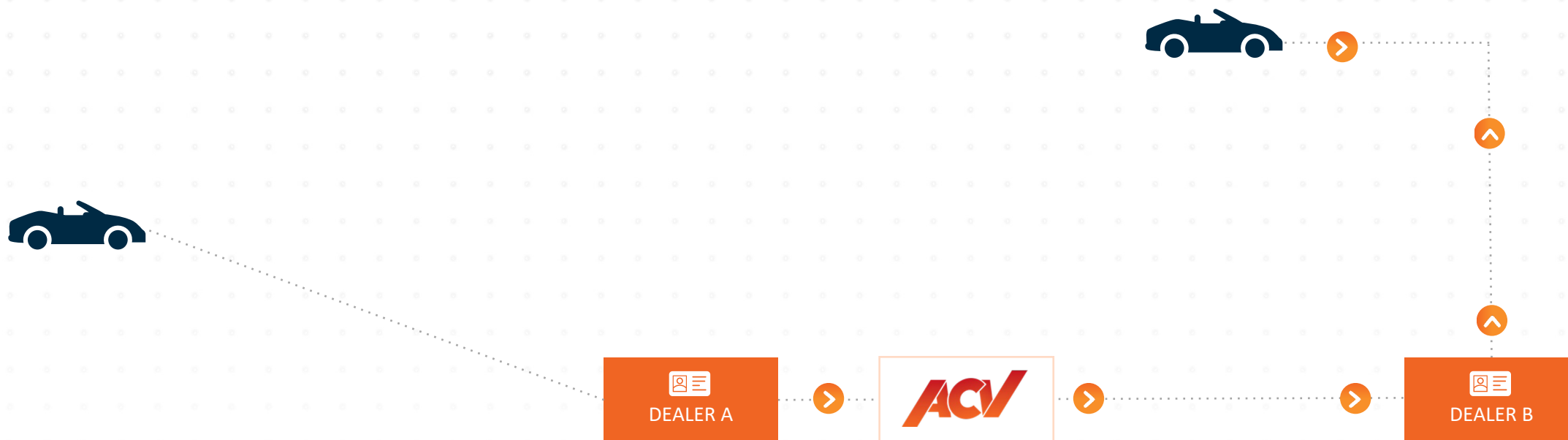
Highlights & Current Focus Areas

03

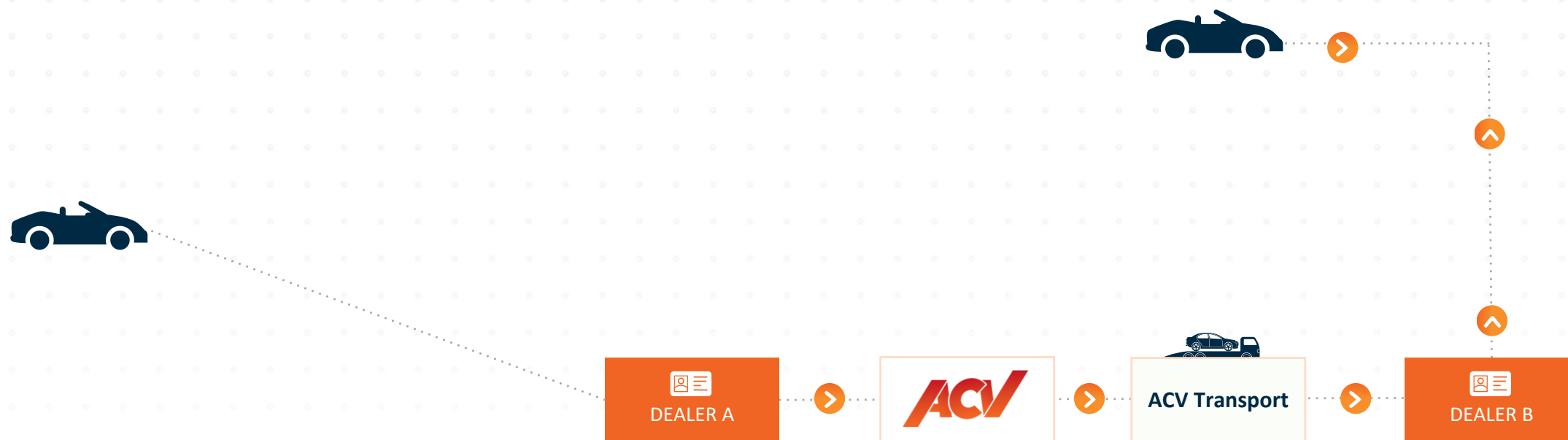


Next-gen Tech & Data

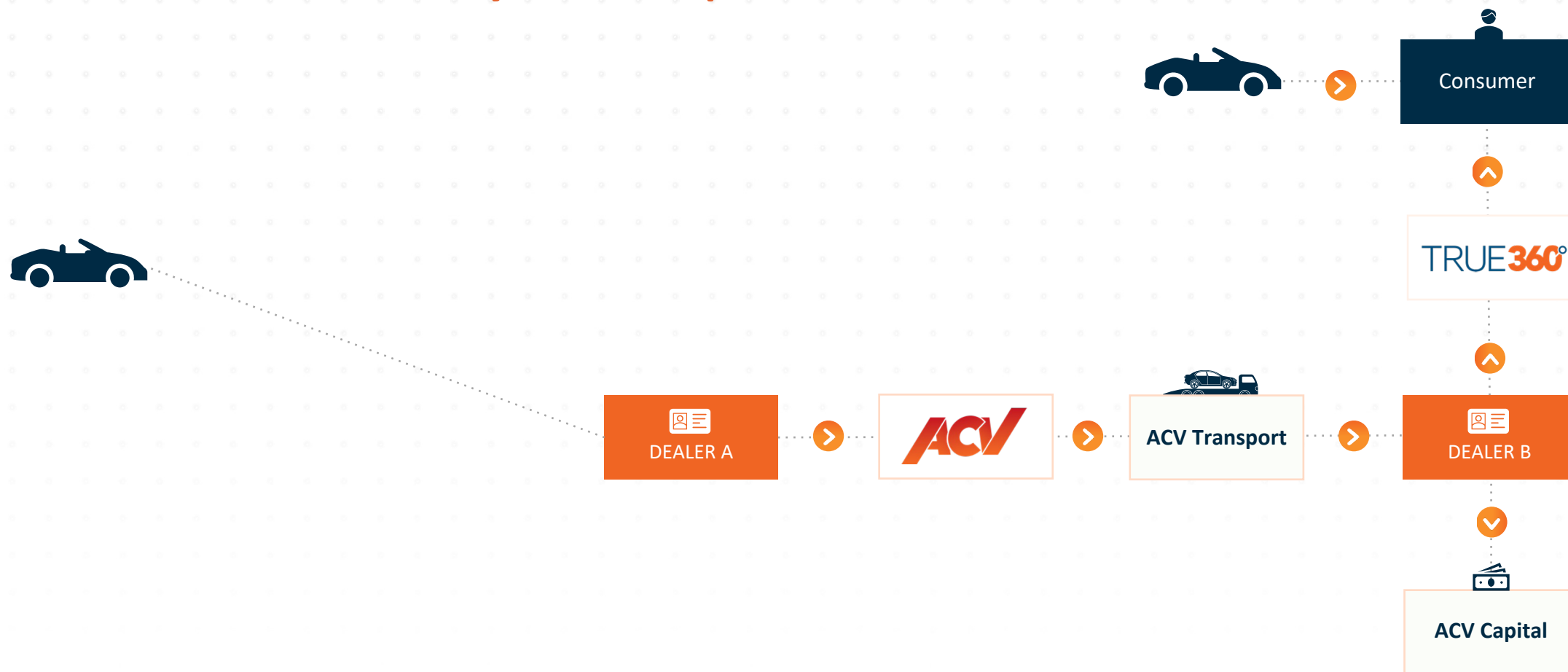
# ACV D2D Ecosystem | 2015



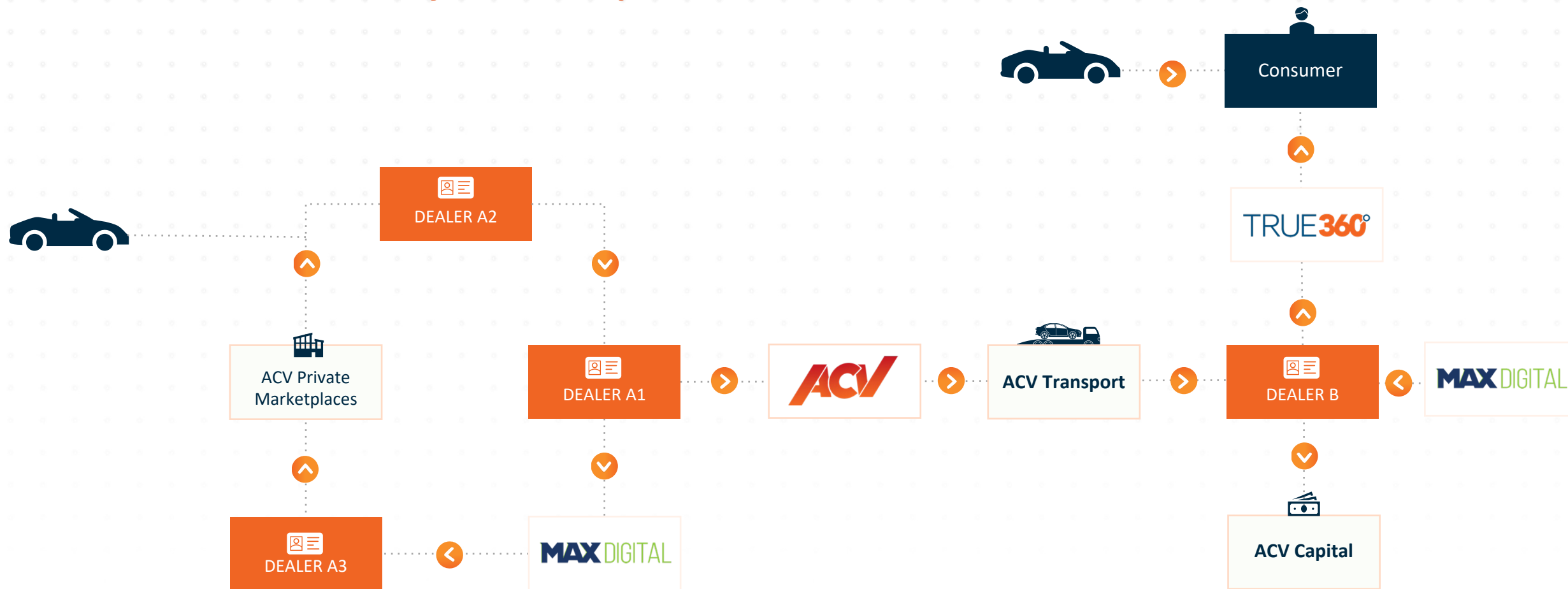
# ACV D2D Ecosystem | 2018



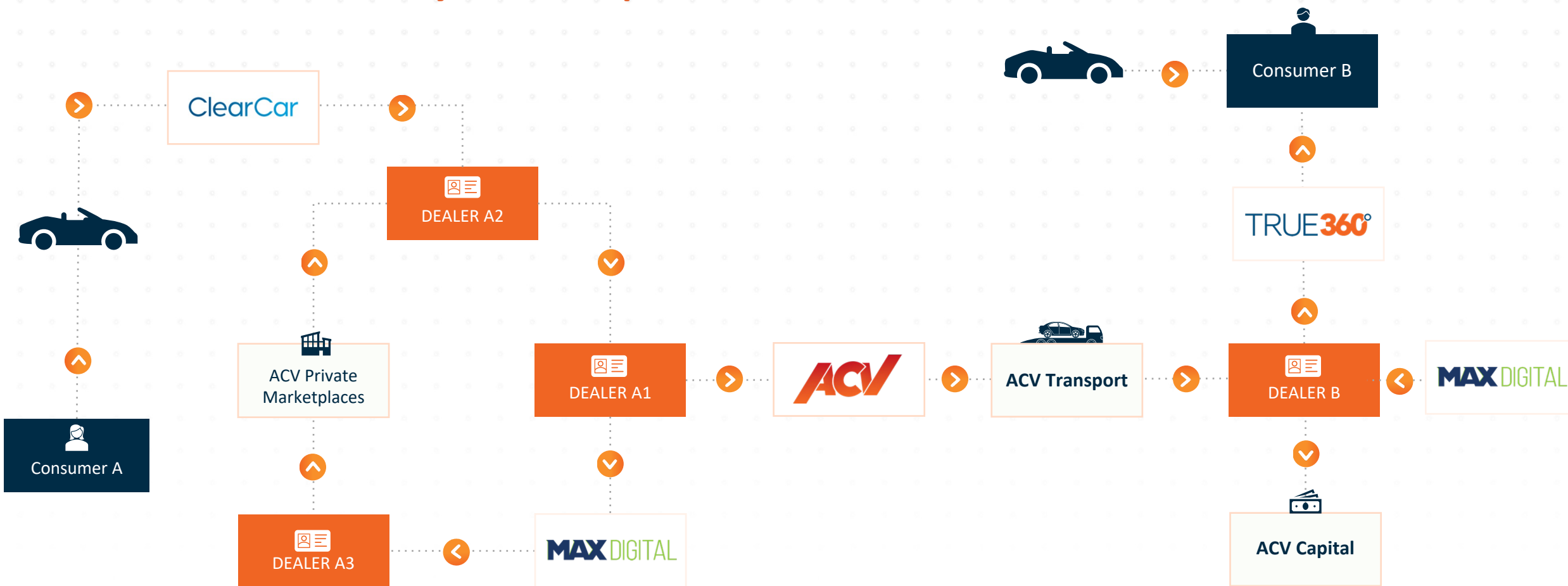
# ACV D2D Ecosystem | 2019



# ACV D2D Ecosystem | 2021

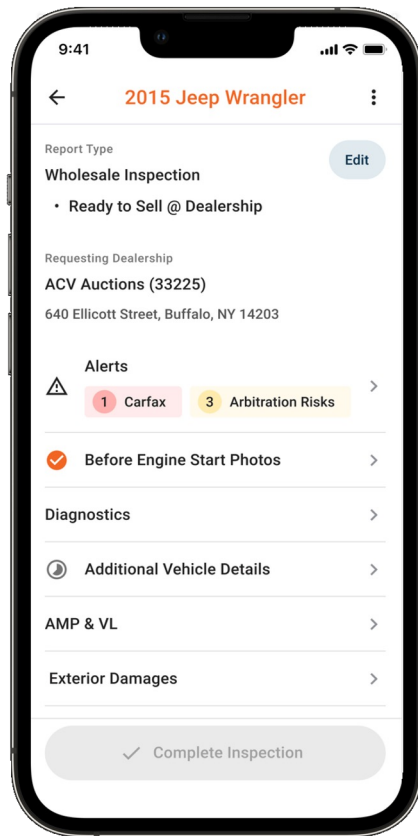
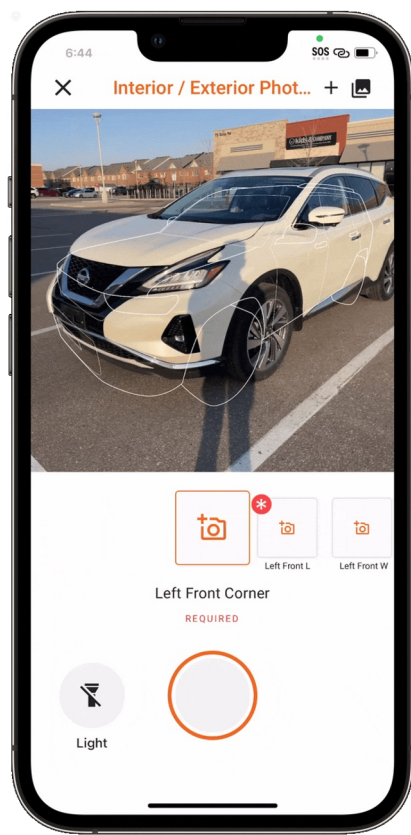


# ACV D2D Ecosystem | 2023





# Enhanced Inspection Platform



250+

Data Points Captured  
per Inspection

10%+

Reduction in  
Transmission-Related  
Arbitration

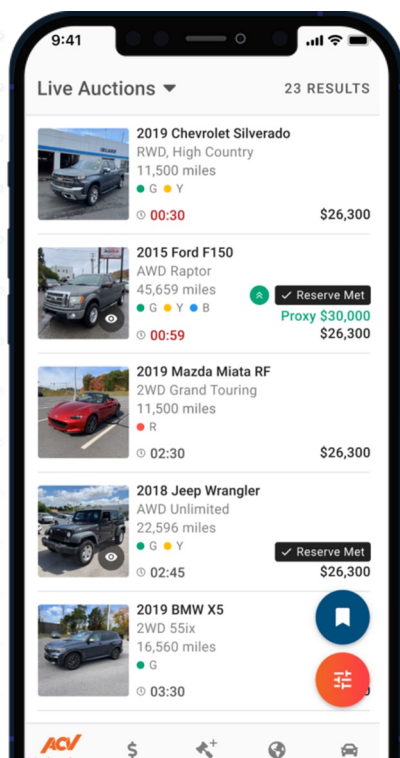
20M+

Images Captured  
Annually

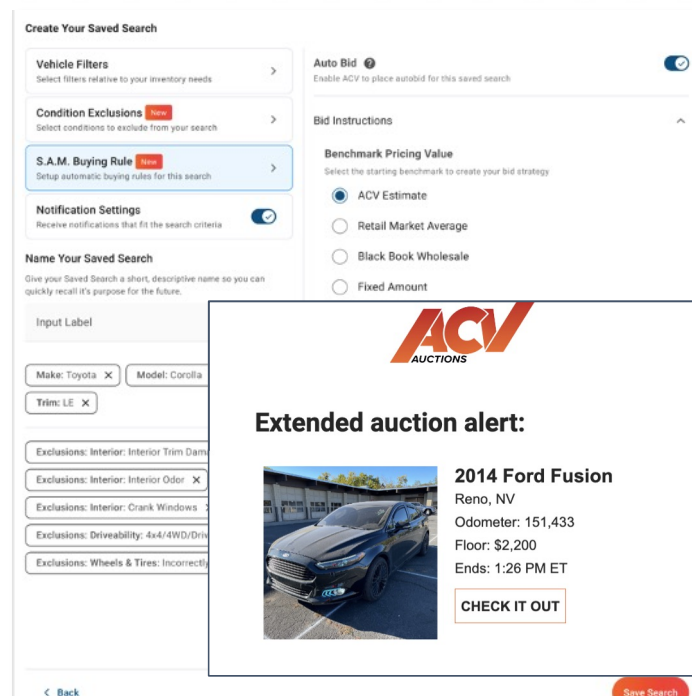
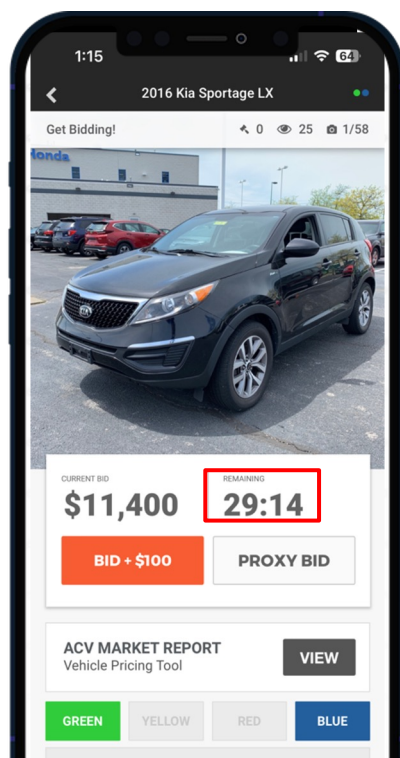
1MM+

Inspections Completed  
(2022)

# Marketplace Enhancements Driving Conversion



Improved UX & Auction Formats

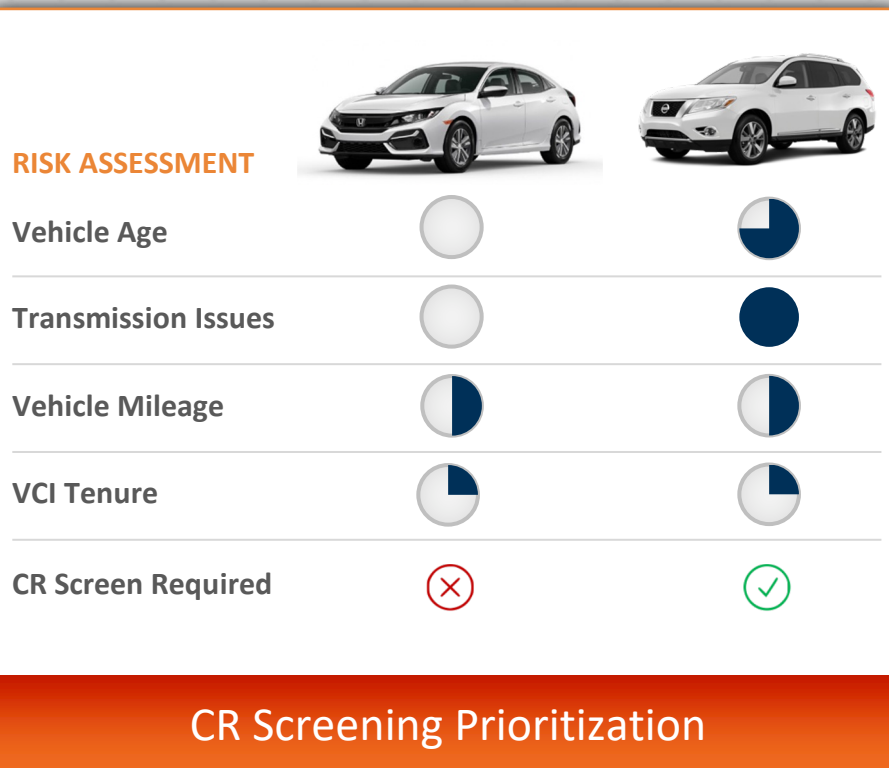
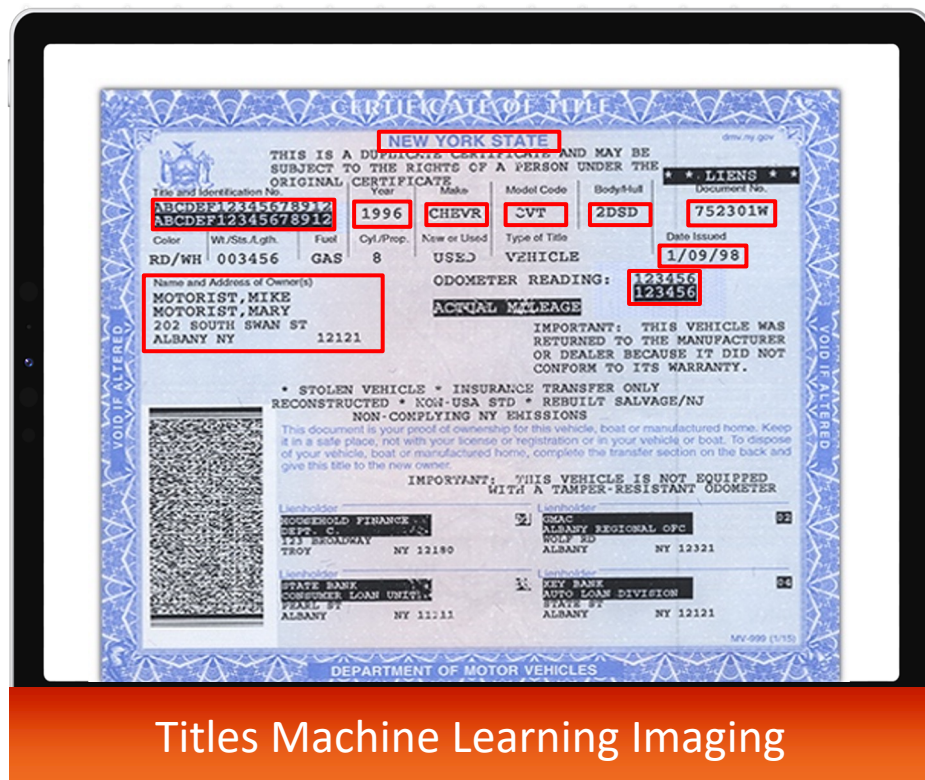


Inventory Matching

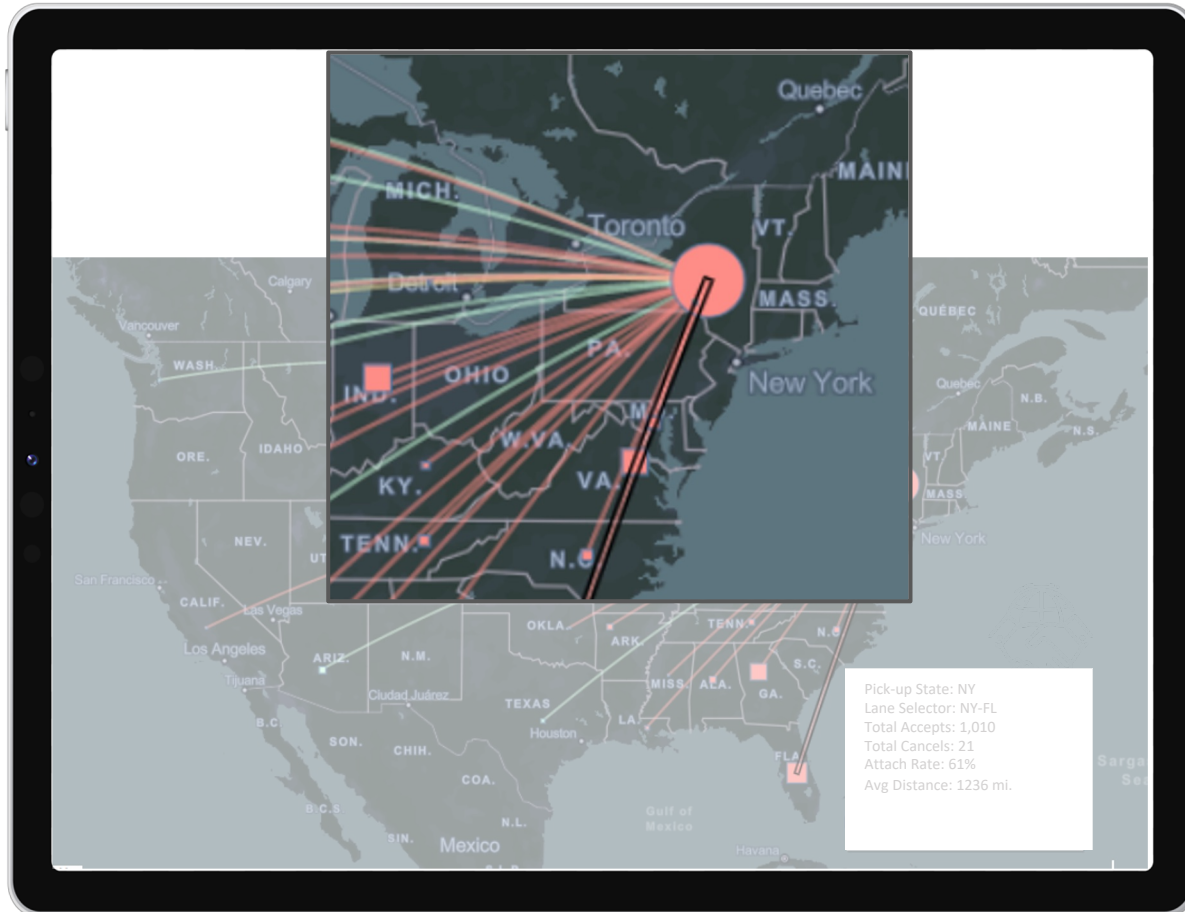
~5%+  
Conversion Rate  
Improvement (YoY)

80K+  
Incremental Bids  
from match/offers  
platform in Q1'23

# Scaling Ops with Tech



# Data Driving ACV Transport



Optimized Lane Pricing

Checkout Recommendations

Network Optimization

Revenue Growth & Margin Expansion

50%+  
Attach Rates

80%+  
Auto-Dispatch  
Volume

# ACV Capital Growth Enabled by Tech

2019



**Floorplan**

Supports buying on ACV

2021



**ACCELERATE**

Fuels liquidity for Sellers

2024



+ ClearCar

Funding mechanism for C2D



# Tech & Data Evolving the Automotive Industry

1.2b  
events



64m  
auction bids



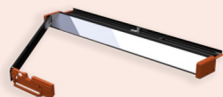
2m  
transactions



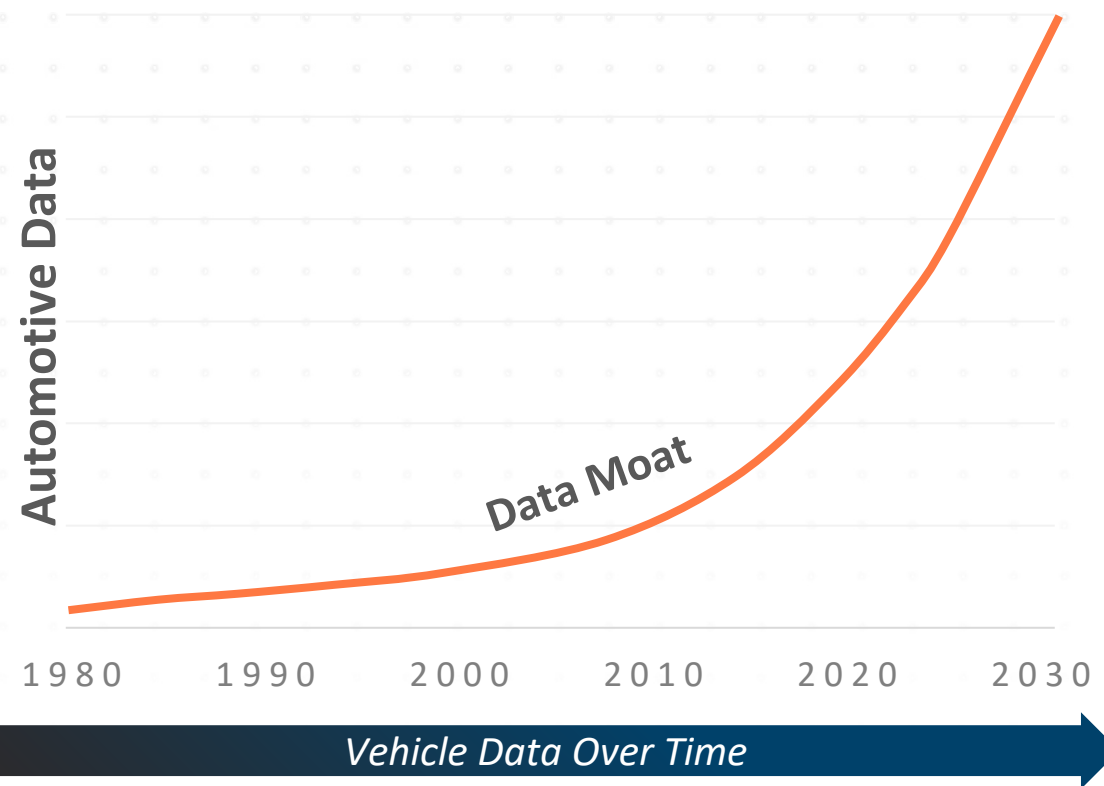
2.3m AMP  
recordings



1.6m Virtual  
Lift images



1.3m ACV  
Estimates



INNOVATION

# AUTOMOTIVE INTELLIGENCE

NEXT-GEN INSPECTION

DATA FUELING VALUE





# The Digital Vehicle

## An Intersection of AI & Technology

### 1 APEX

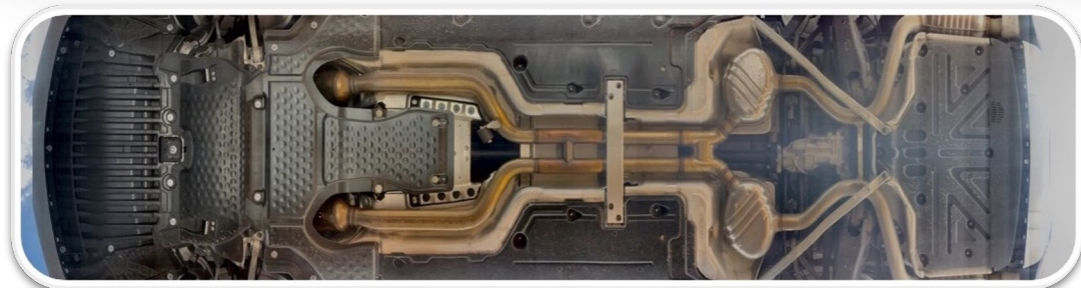
The latest in vehicle inspection technology pairing real time sensor data with ACV's data intelligence.

### 2 VIRTUAL LIFT

Undercarriage scanning tool with enhanced computer vision capabilities for automated undercarriage inspections.

### 3 CONDITION IQ

A.I. Assisted Inspections and Risk Profiling

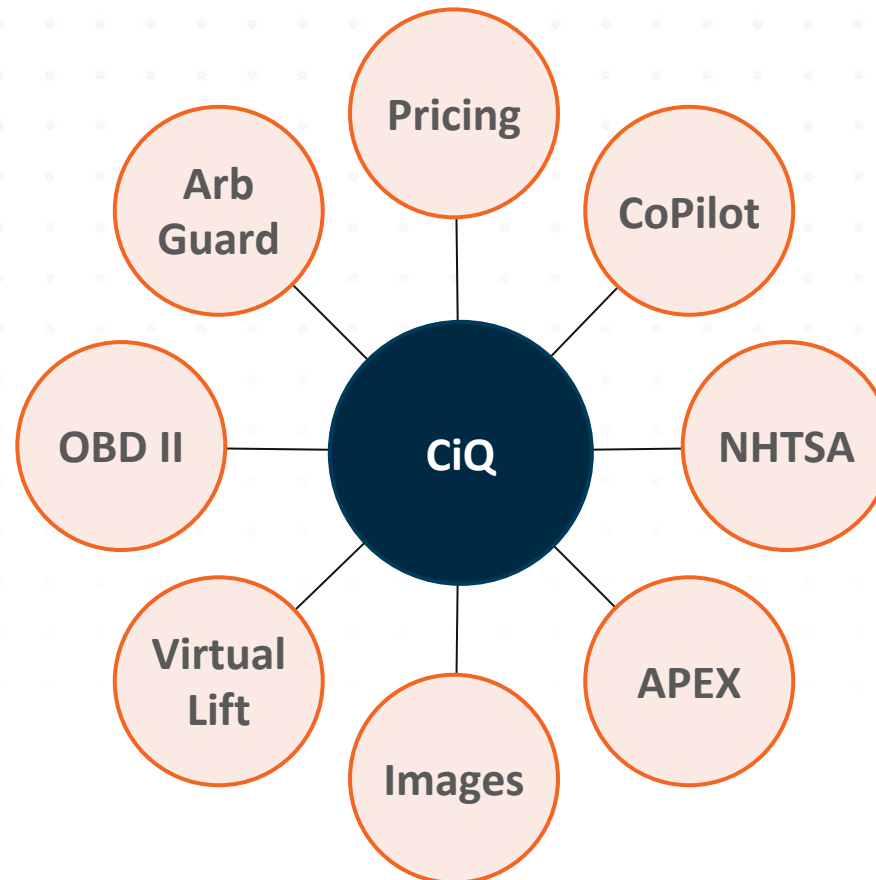


# Leveraging Innovation for Scale



# Condition IQ: Current State

ML Models Predict What Damages are Present



INNOVATION



67402F2A01280



# 1967 Ford Mustang Shelby GT500

67402F2A01280

## VIN Decode

**Engine:** 428 PI  
**Mileage:** 20,244 miles  
**Transmission:** Manual  
**Drivetrain:** RWD  
**Fuel Type:** Gas

## Vehicle Risks



Structural  
Announcements

1 in 4

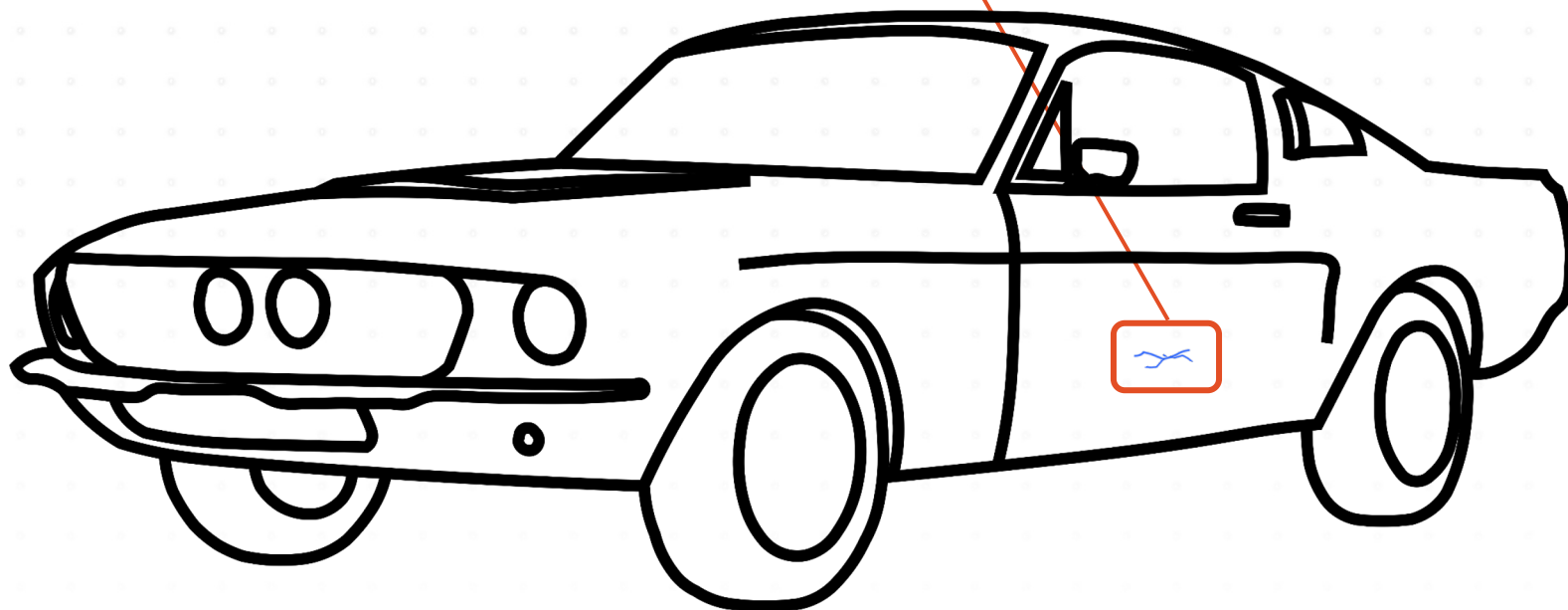


Vehicle Trim





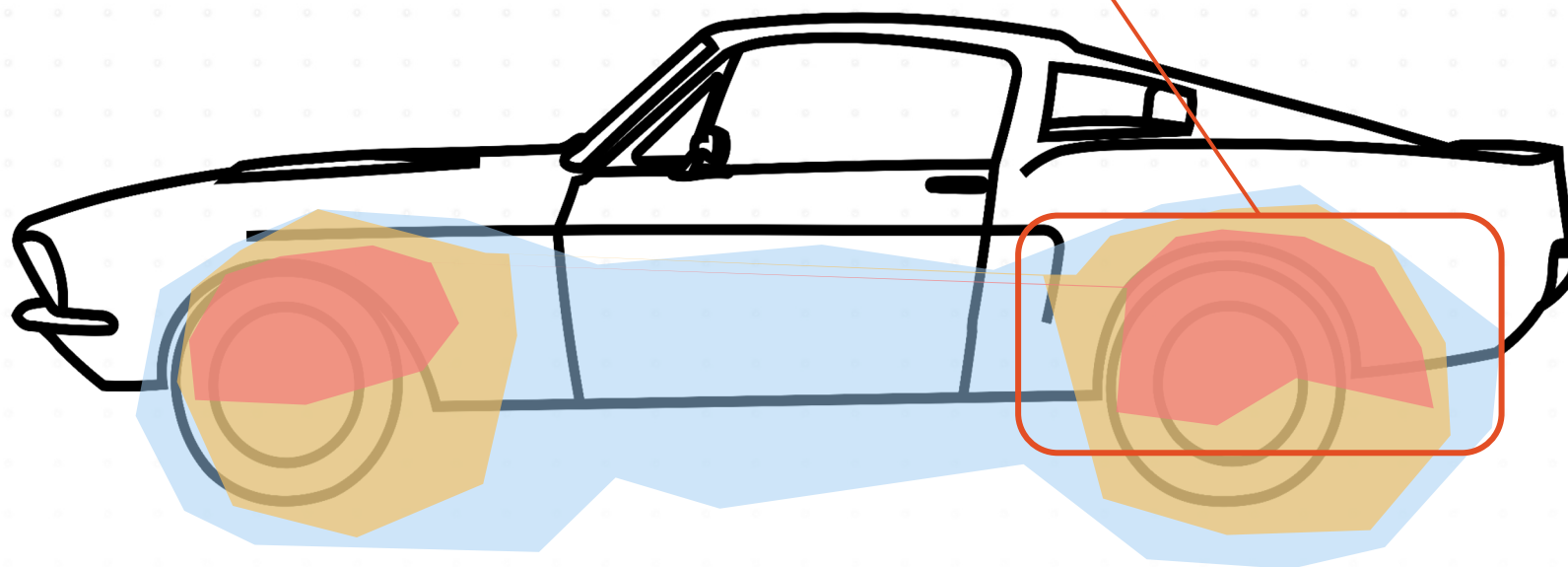
Image damage detection using  
AI wireframing technology







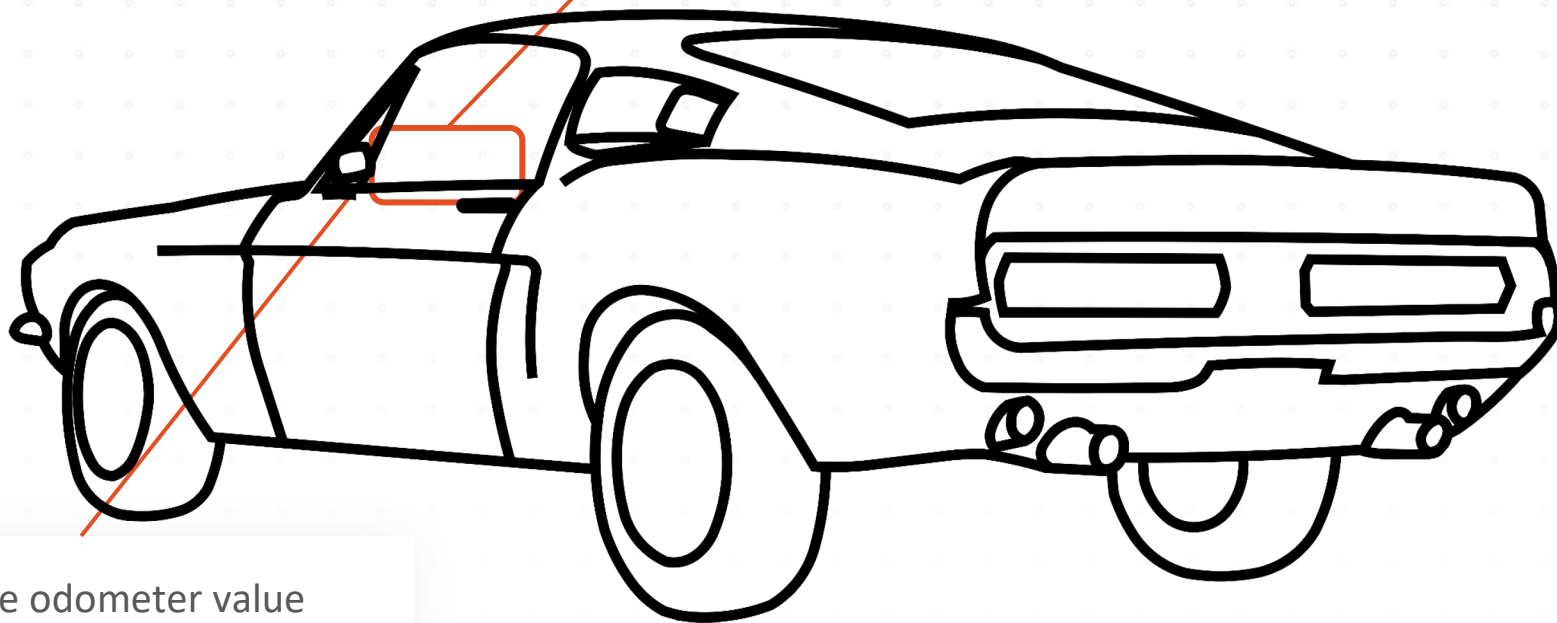
The altered ride height algorithm detects both raised and lowered suspensions







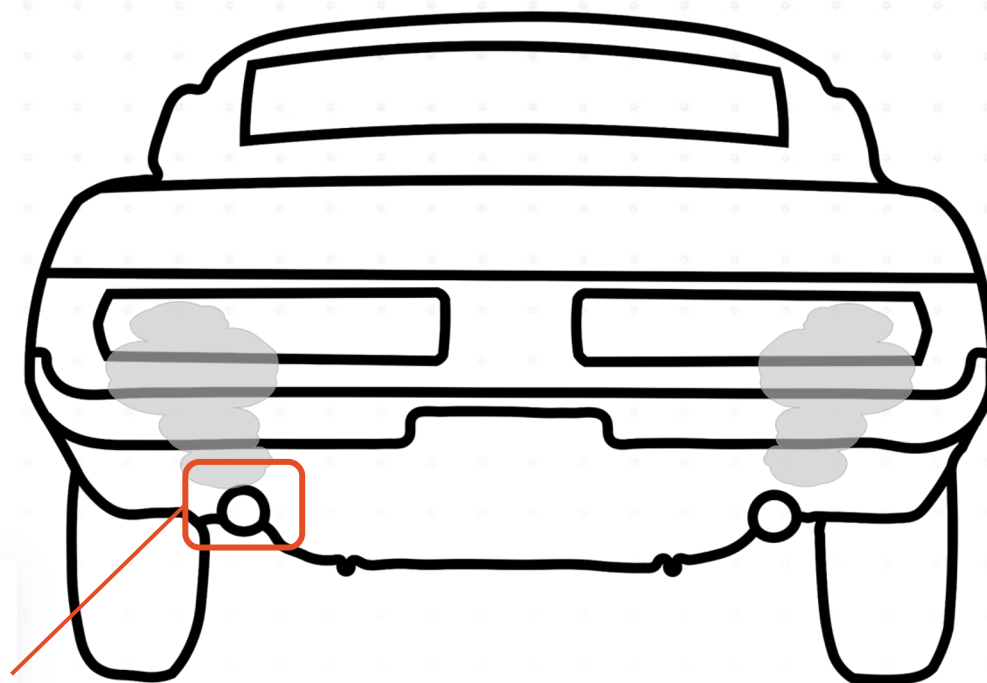
Detect dashboard warning lights to better disclose vehicle state



Predict vehicle odometer value from an image and confirm it has been reported correctly in the CR

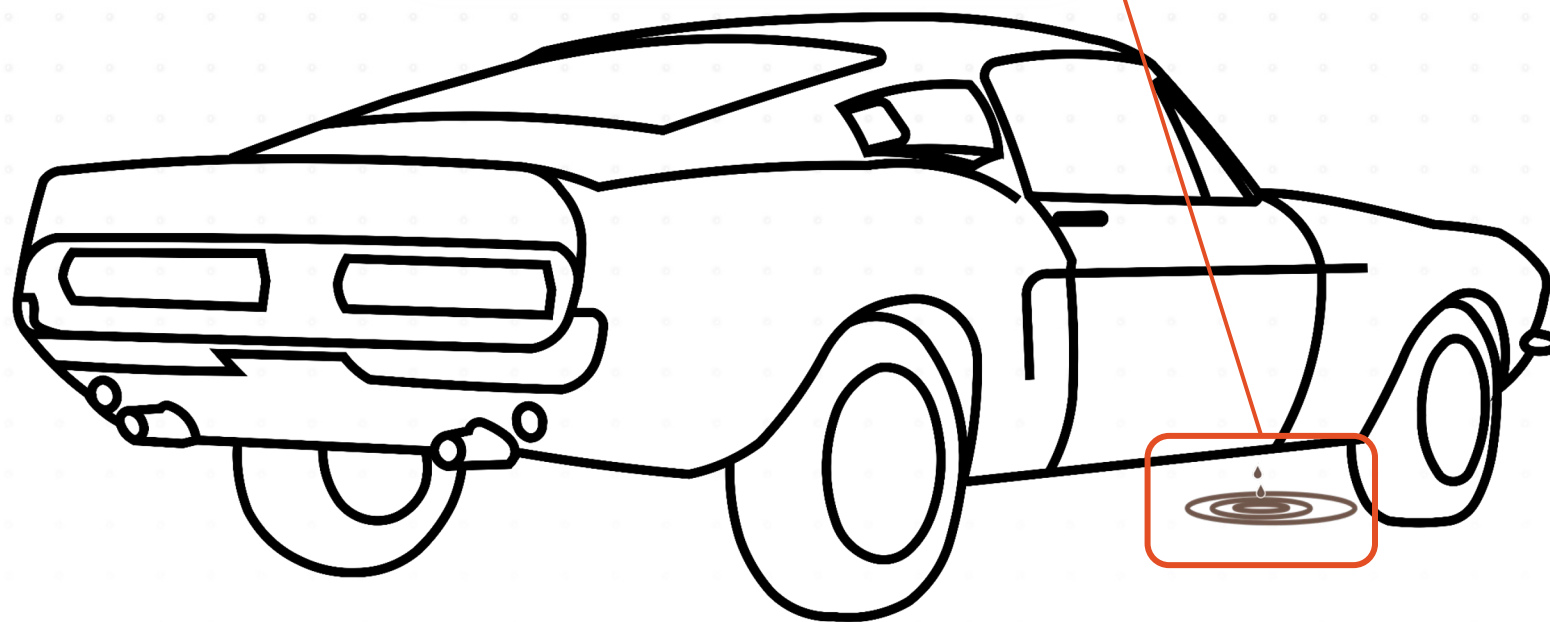


Detects emissions modifications  
using a known good library of  
Virtual Lift images for comparison



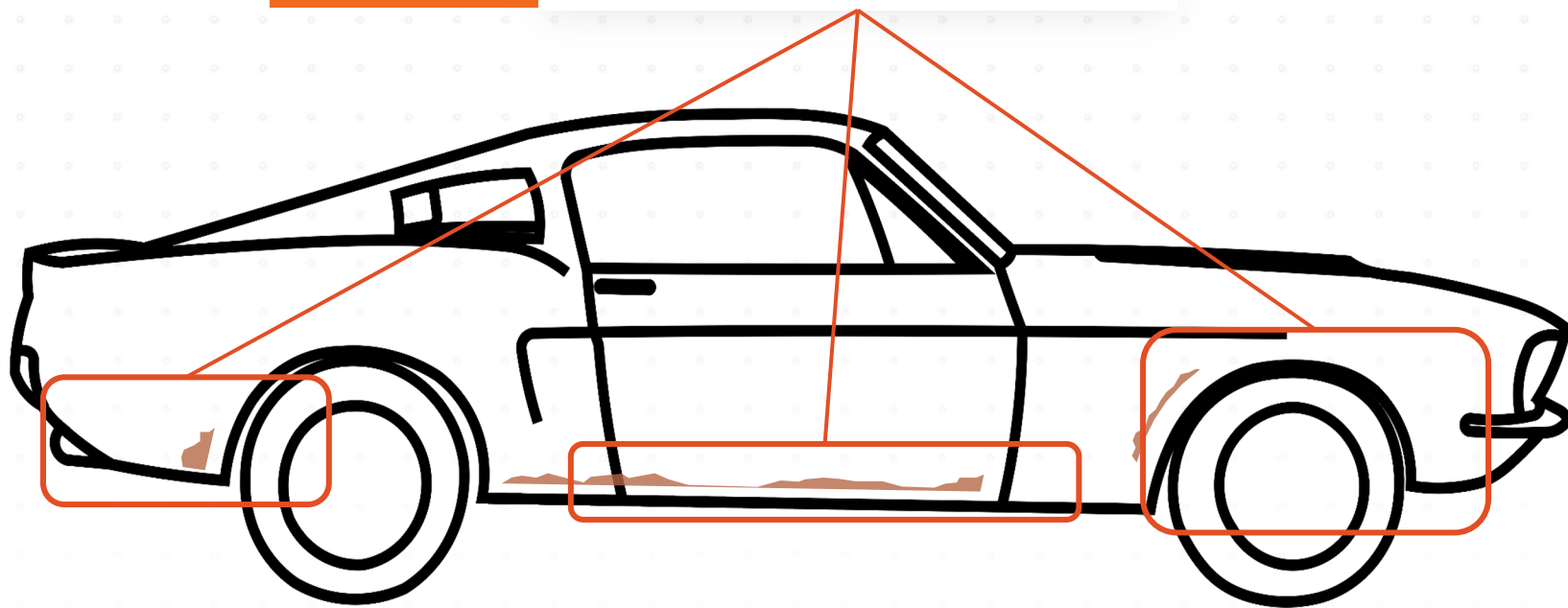


Use a gradient overlay on the Virtual Lift image to detect the presence of fluid leaks



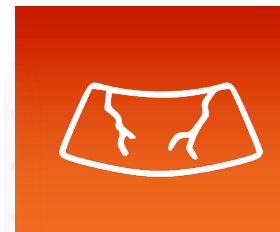


Analyze the density of rust in all frame-related photos and a comparative known good database

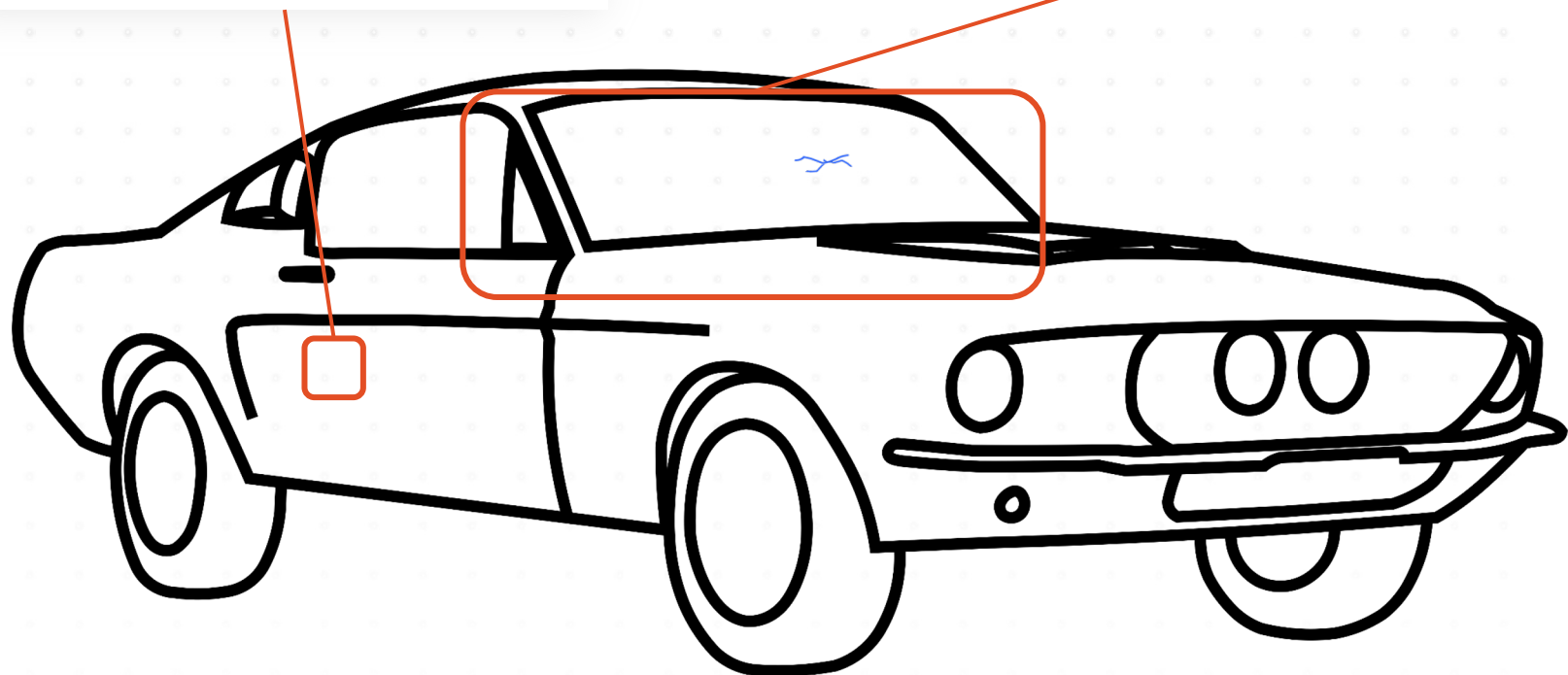




Determine if any paint work has been performed by analyzing the ratio of high and low PMR values



Use a gradient overlay on the windshield image to detect the presence of cracks or chips





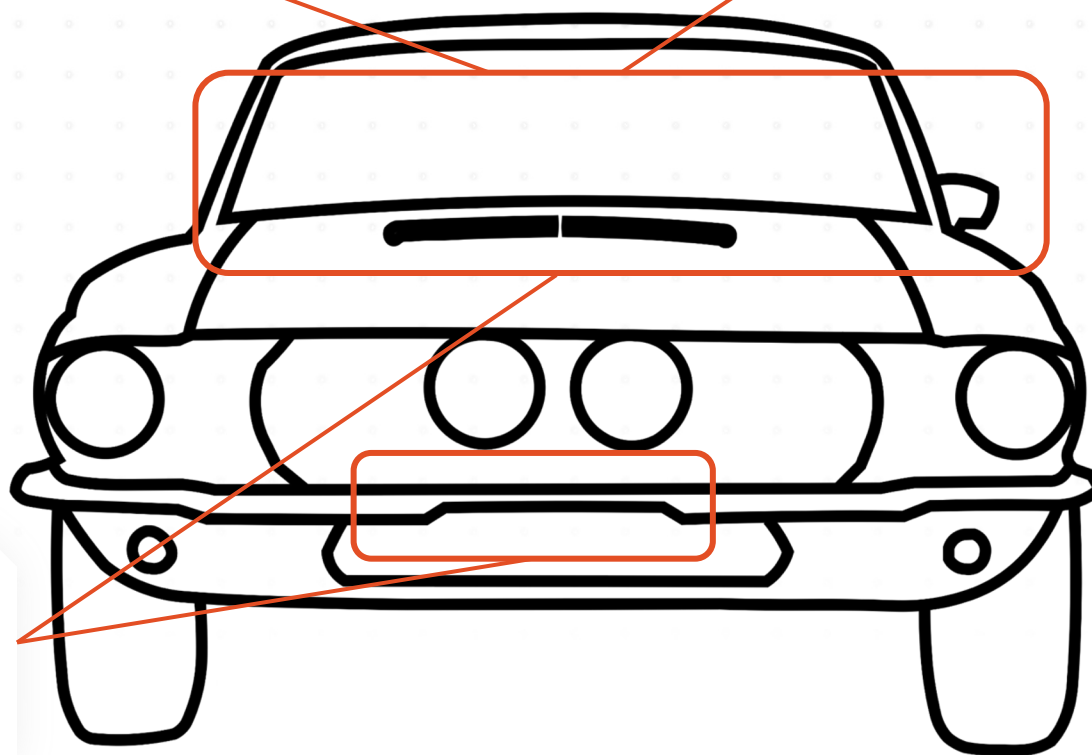
Analyze the APEX audio file for audible engine faults including knocks and startup rattle



Use a gradient overlay on the engine bay image to detect abnormalities in component configuration

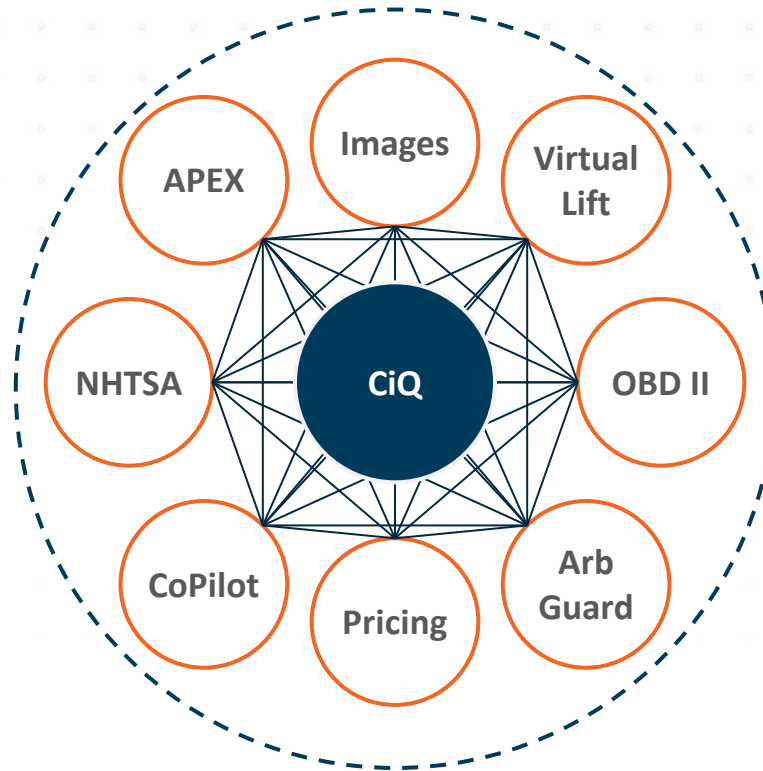


Analyze the APEX audio file for whining sounds and transmission noise



# Condition IQ: Model Fusion

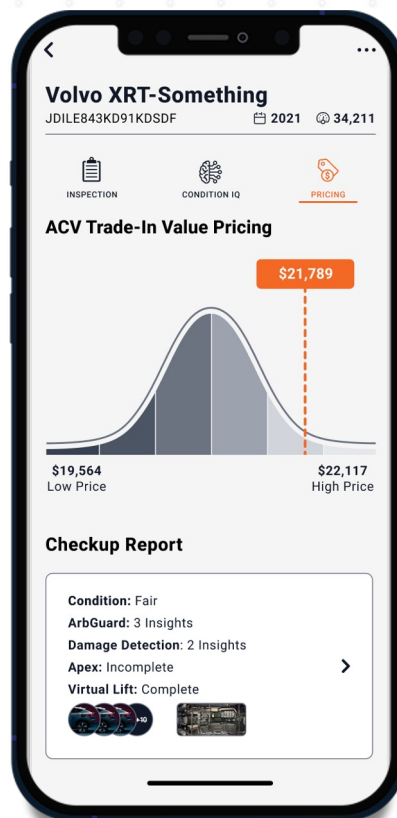
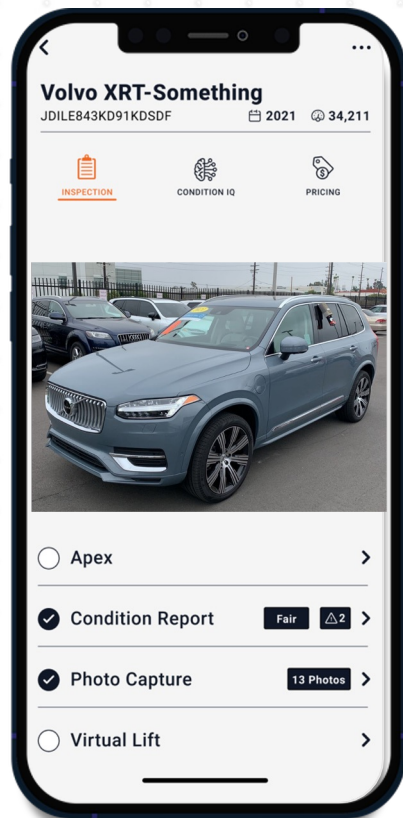
Blend Models Into One Holistic Vehicle Condition Machine Learning Model





# Putting ACV Tech in the Hands of Our Dealers

Standardized, Scalable, Trainable, Repeatable



Dealers leverage AI toolbox and ACV hardware to upskill workforce for self-inspection

Benefits accrue to dealer partners and ACV as we increase our data moat

New business models an opportunity to drive incremental growth

INNOVATION

AUTOMOTIVE INTELLIGENCE

NEXT-GEN INSPECTION

DATA FUELING VALUE



# Monk in a Nutshell

## How Monk Works



Raw image



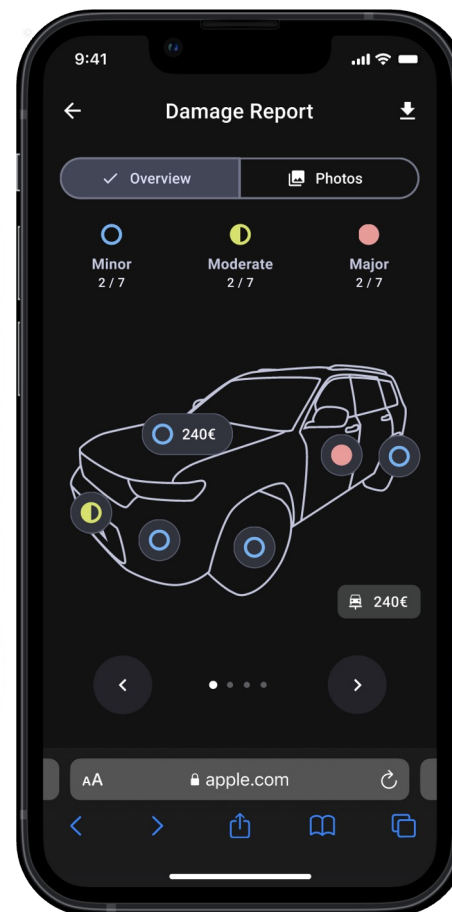
Compliance check

Part segmentation

Damage detection

Repair decisions

Reconditioning costs



Report

25

AI-focused All-Stars



Université  
de Montréal

Berkeley  
UNIVERSITY OF CALIFORNIA

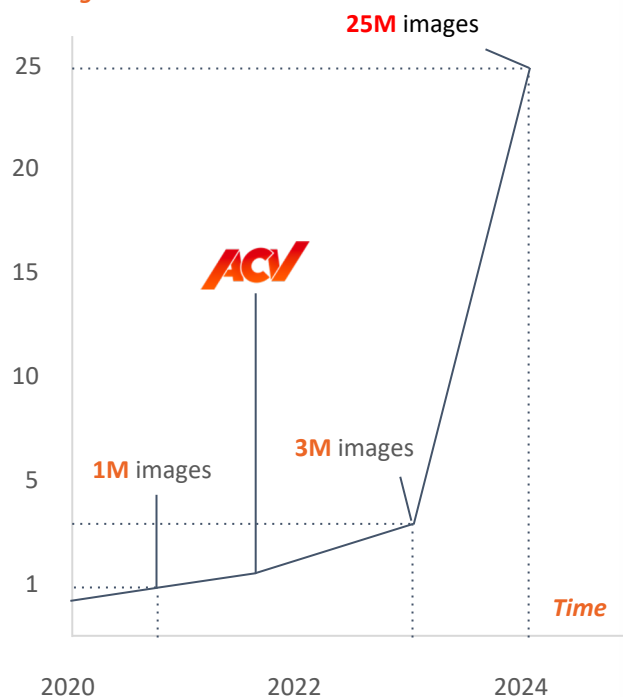


# Collaboration Drives Unique Inspection & AI Platform

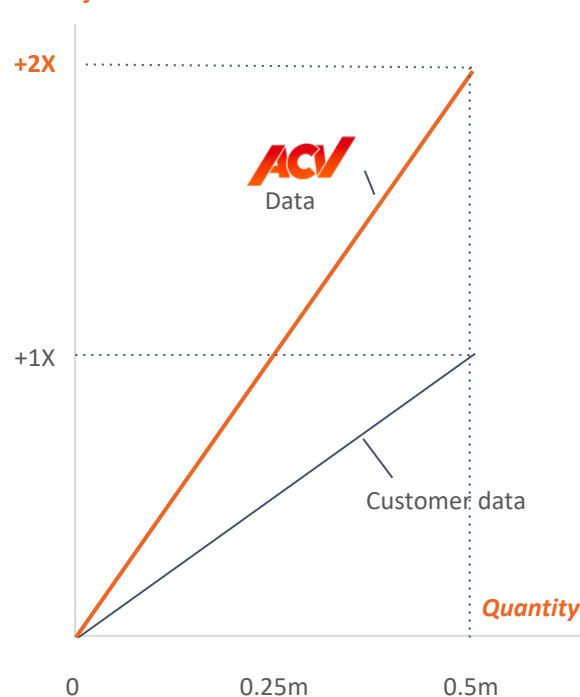
Integrated ACV Inspection Data with Monk's Platform  
Accelerates Learning







Image Volumes



AI Performance Gains



 DATA QUANTITY	<b>+1M</b> Images per year	<b>+20M</b> Images per year
 DATA QUALITY	<b>Low</b> Data points per image	<b>Very High</b> Level of data qualification
 DATA EXCLUSIVITY	<b>Client data</b> Partners datasets	<b>Yes</b> To ACV proprietary data
 CONTINUOUS LEARNING POTENTIAL	<b>Poor</b> With remote labelers	<b>Very High</b> With highly qualified human force on field, proprietary inspection tools and smooth integration

# AI & Self Inspect Creating Value

## Toyota Financial Services Partnership



Leveraging AI-powered inspection technology at the end of leasing contracts

Scanned images analyzed with computer vision then evaluated with TFS pricing matrices

TFS benefits from increased accuracy, transparency and efficiency through self inspection



# Next-gen AI Inspection & Data

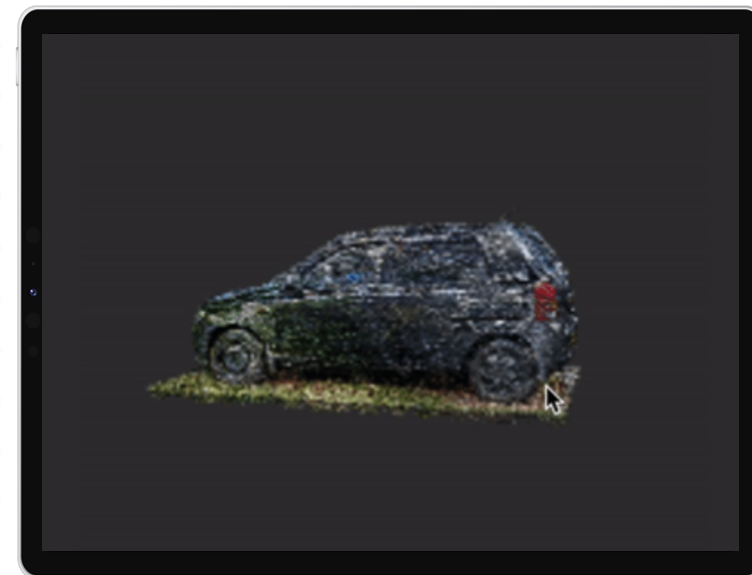
Data, Imaging, & AI Helping Dealers and Commercial Partners Understand Their Assets



AI-guided video inspection of in/outside the vehicle with unique combination of **Monk & Generative AI**



Comprehensive Inspection with AI



**Recon pricing** that factors in the repair location and vehicle brand/model

INNOVATION

AUTOMOTIVE INTELLIGENCE

NEXT-GEN INSPECTION

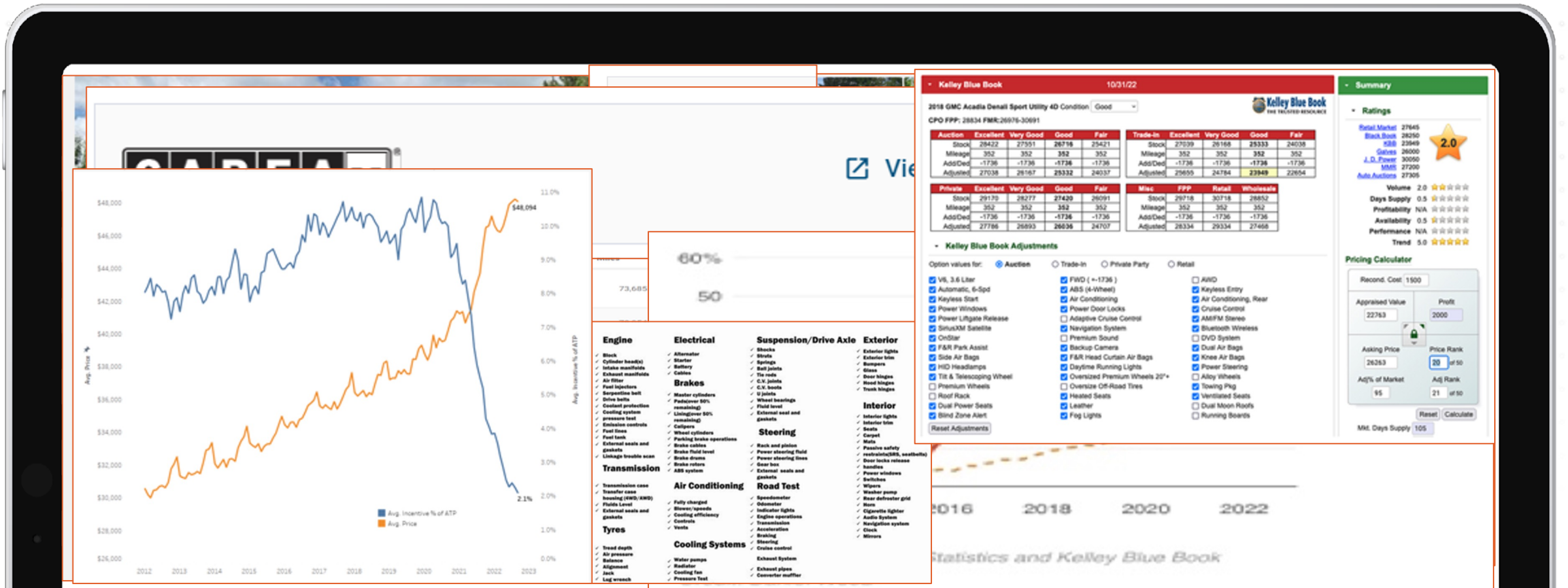
DATA FUELING VALUE





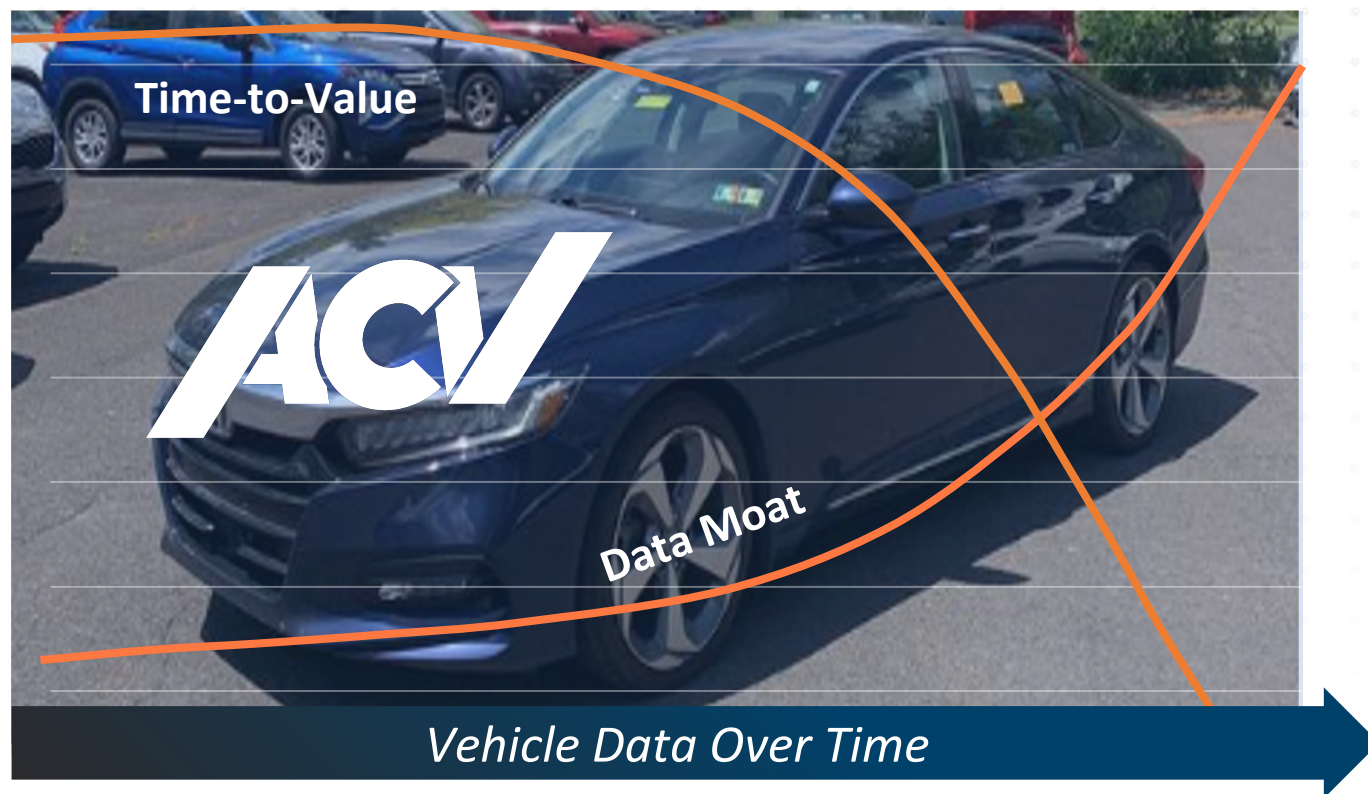
# Data Confusion

## More Data for Dealers Than Ever Before



# Data Confusion to Decision Clarity

Data Driving Time-to-Value on Every Car



Reduce Customer Acquisition Cost


Move Wholesale Faster

Acquire Inventory Quickly

More Inventory Turns

# Trusted Vehicle Pricing

Industry Leading Pricing in a Changing Market



“For the last year we have been leaning on ACV's pricing engine instead of [other price books]. It has led to more consistent results during the last year of volatility.”

Diehl Automotive Group, Pittsburgh, PA

**99.8%**

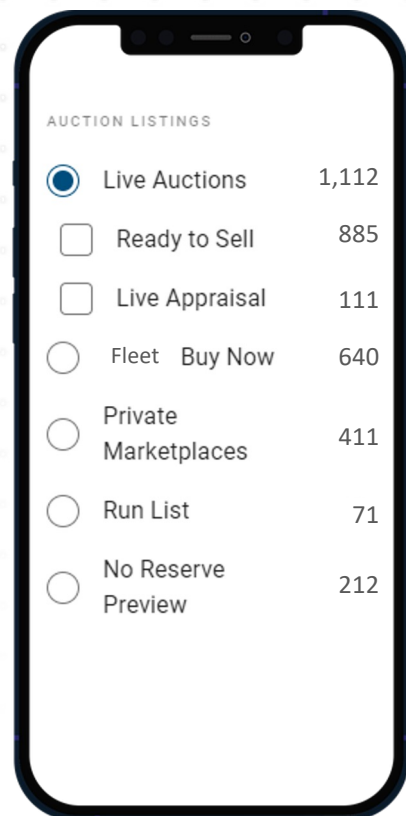
Wholesale Vehicle  
Coverage

**~2.5X**

Conversion of vehicles  
floored at or below  
ACV Estimate

# Marketplace Growth to Profit Clarity

Data Turning National Supply into Local Profit



**DEALER NEEDS**

---

**VEHICLE HISTORY**

---

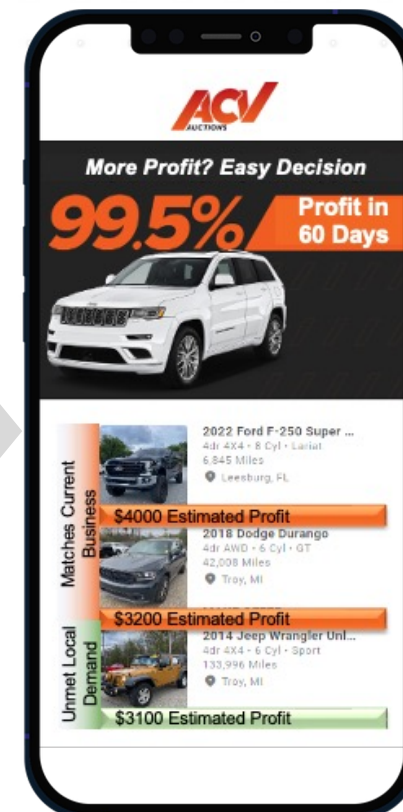
**RETAIL DEMAND**

---

**CONSUMER BEHAVIOR**

---

**GUIDED BY VALUE**





# Easy Decisions for Dealers

Time-to-Value at Every Step of the Remarketing Life-Cycle

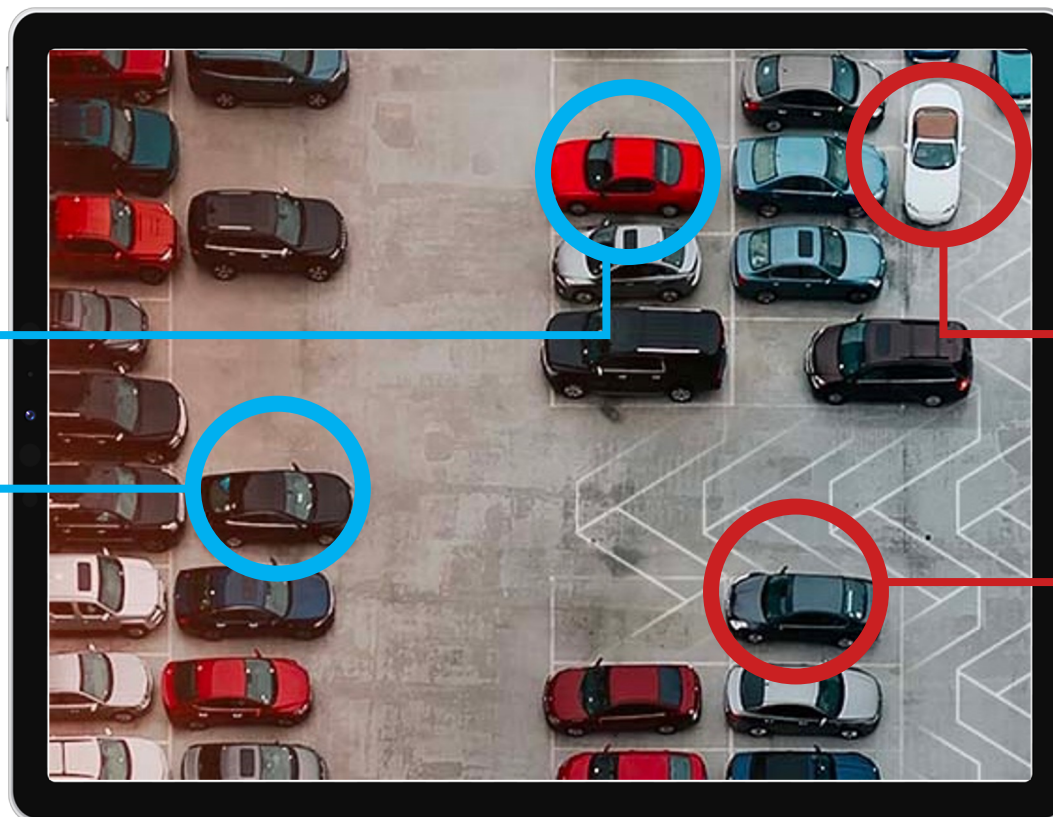
## Dealer A

### CAR 1: Wholesale

Trade-in to Wholesale  
Est. Profit \$800

### CAR 2: Retail

Trade-in to Recon  
Est. Profit \$3,200



## Dealer B

### CAR 1: Retail

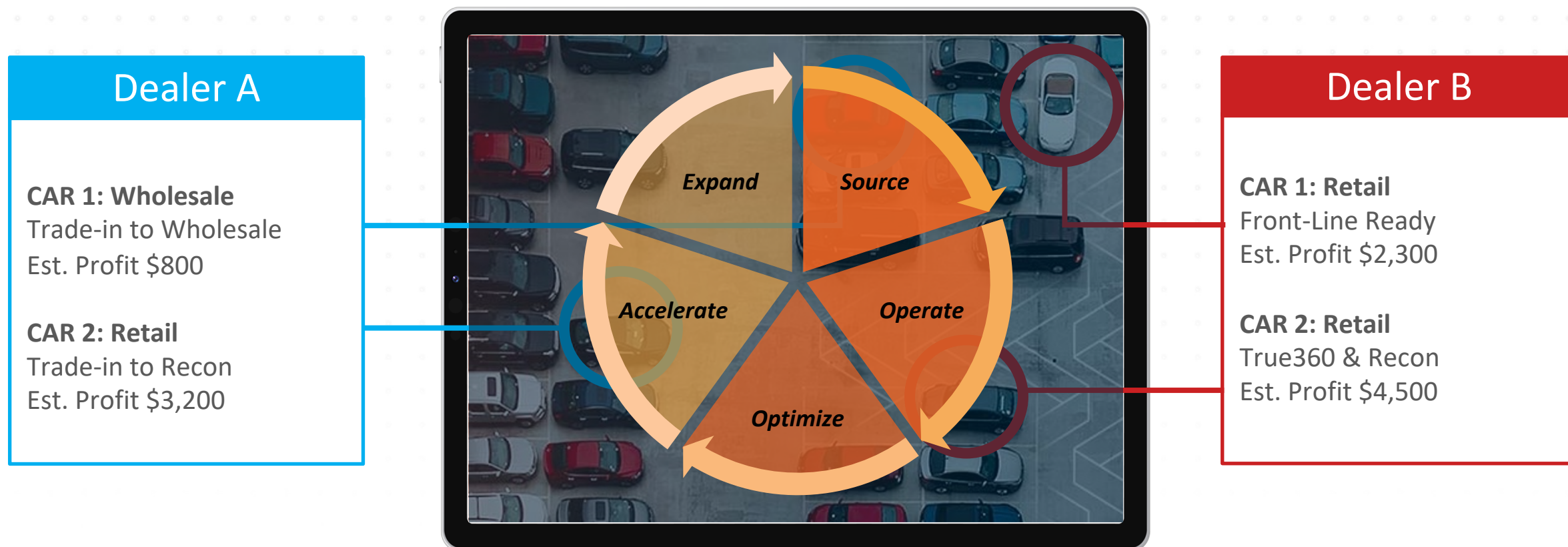
Front-Line Ready  
Est. Profit \$2,300

### CAR 2: Retail

True360 & Recon  
Est. Profit \$4,500

# Easy Decisions for Dealers

Time-to-Value at Every Step of the Remarketing Life-Cycle



# - 15 MINUTE BREAK

2023\_ANALYST\_DAY

JUN\_01\_2023





04

# SCALE



Bill Zerella

CHIEF FINANCIAL OFFICER

2023\_ANALYST\_DAY

JUN\_01\_2023



SCALE

# Key Financial Highlights

01



Path to 2026 Financial Targets

02



Growth at Scale

03



Proven Business Model

04



Strong Capital Position

SCALE

## PATH TO 2026 TARGETS

GROWTH AT SCALE

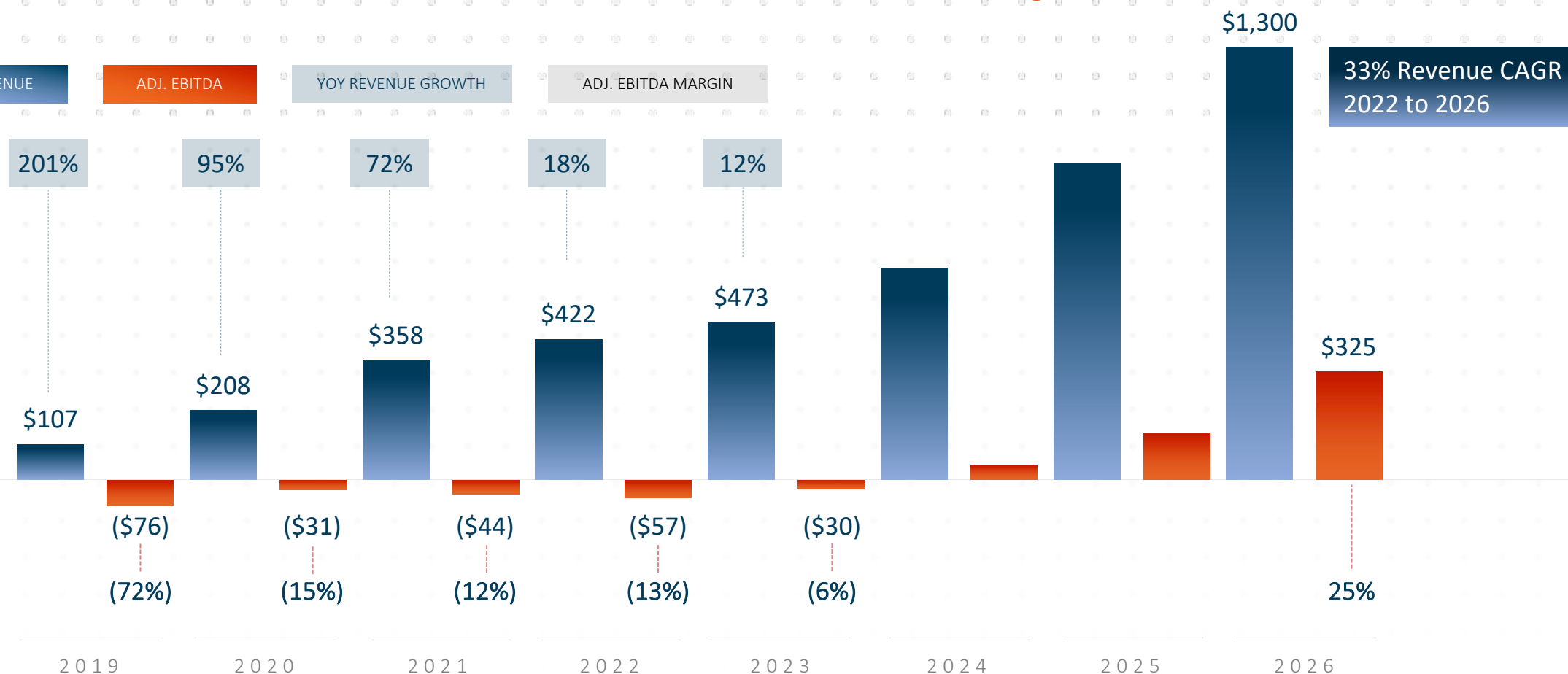
PROVEN BUSINESS MODEL

STRONG CAPITAL POSITION



SCALE

# Path to \$1.3B Revenue and \$325M Adj. EBITDA



Note: Refer to the Appendix for information on the GAAP to non-GAAP reconciliations. Targets do not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation. ACV is not providing a reconciliation of certain forward-looking, non-GAAP financial information because ACV is unable to provide this reconciliation without unreasonable effort due to information regarding the relevant adjustments not being ascertainable or accessible. Such information could be material to future results. 2023 figures represent the midpoint of guidance.

SCALE

PATH TO 2026 TARGETS

GROWTH AT SCALE

PROVEN BUSINESS MODEL

STRONG CAPITAL POSITION



SCALE

# Diversified Revenue Streams

## Revenue Breakdown (\$M)

### SAAS & DATA SERVICES

SAAS PRODUCTS

DATA-ENABLED SOLUTIONS

### MARKETPLACE SERVICES

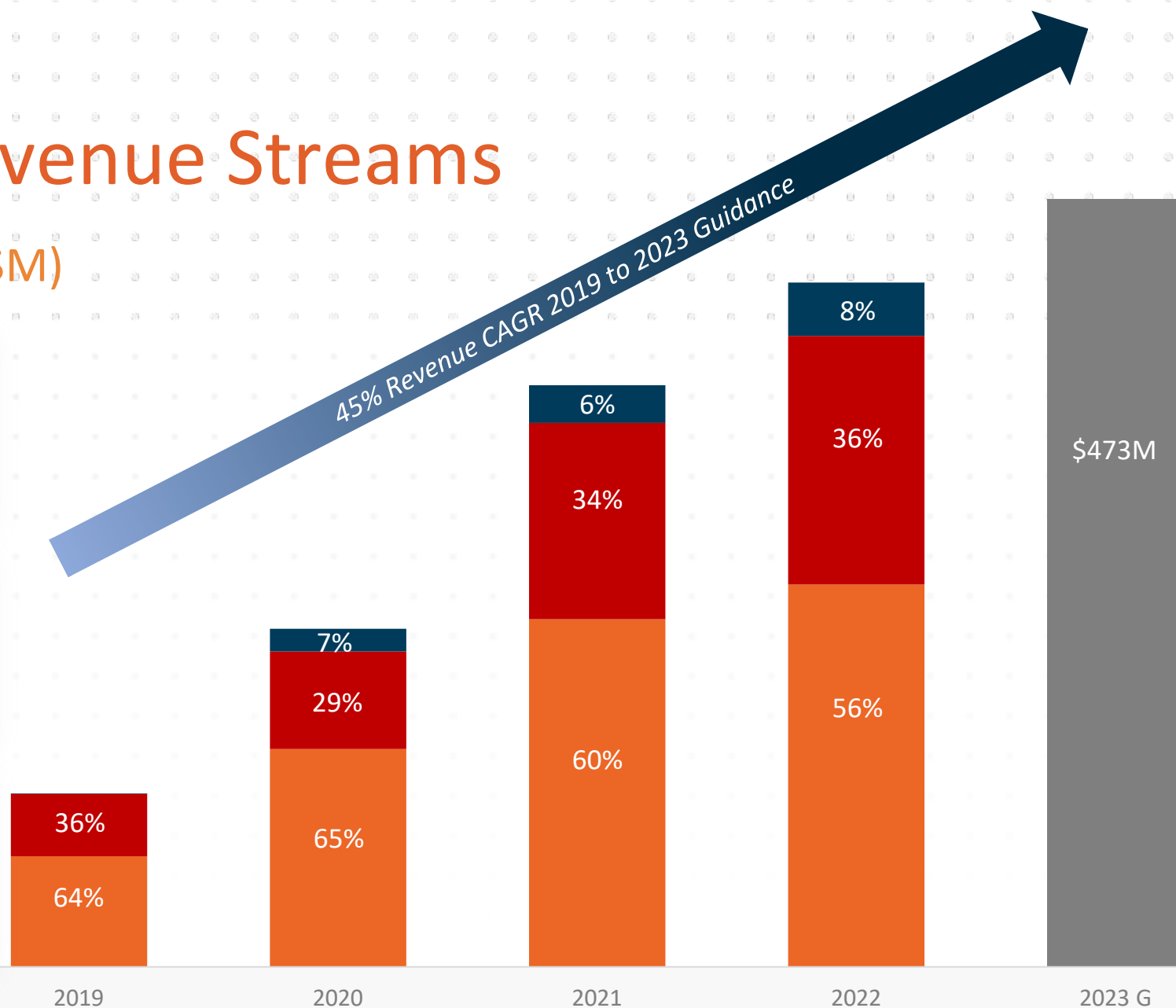
TRANSPORTATION

CAPITAL

### AUCTION & ASSURANCE

AUCTION FEES

GO GREEN ASSURANCE



'21-22 YoY

42%  
YOY

26%  
YOY

10%  
YOY

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

SCALE

# Auction and Assurance Revenue

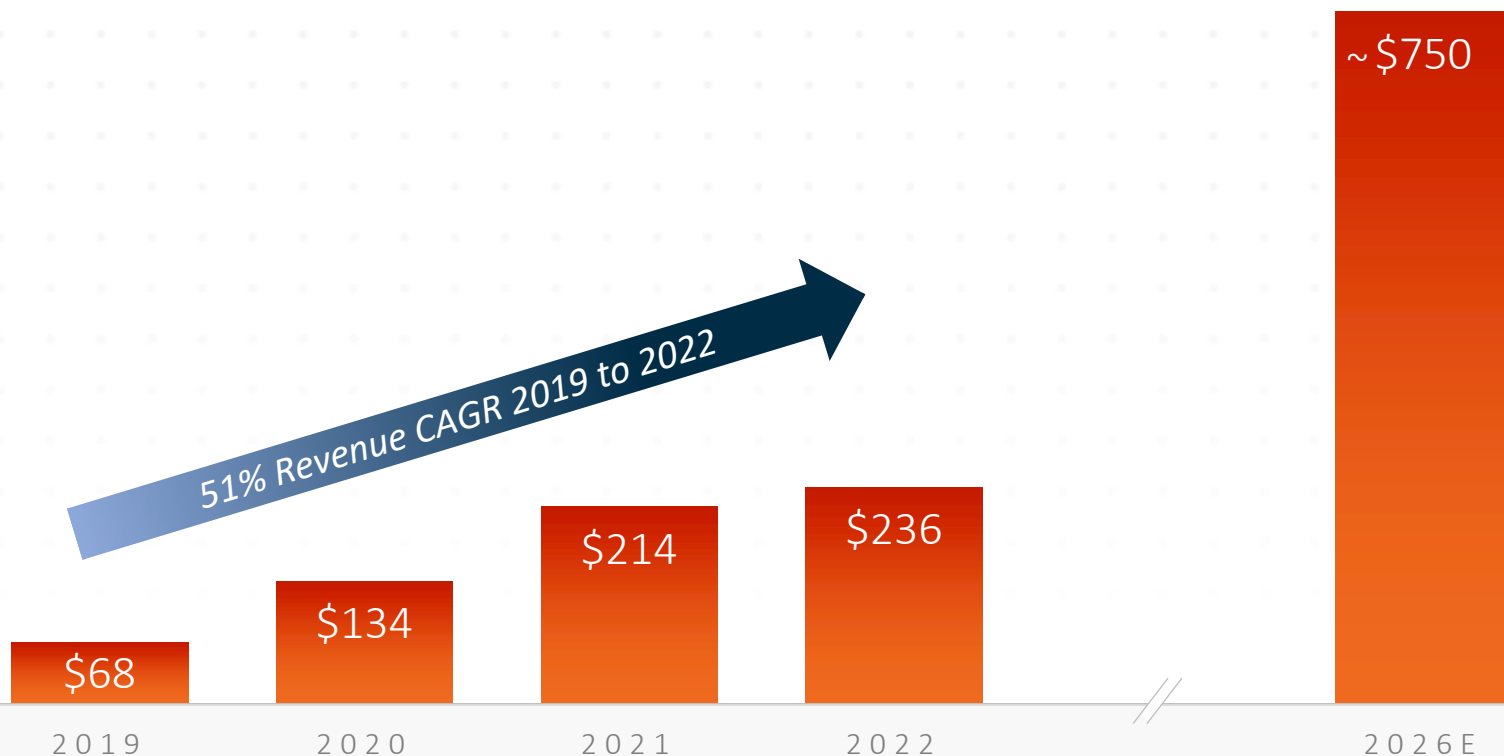
Growth Driven by Market Share Gains, RPU and TAM expansion

AUCTION & ASSURANCE REVENUE (\$M)

2026 target assumes ~1.5M units with Commercial and C2D together comprising ~10% of the mix. Implies Dealer wholesale unit CAGR of ~28%

Assumes ~12% share of normalized Dealer wholesale market in 2026

2022–2026 revenue CAGR of ~34% driven by unit growth and RPU expansion





SCALE

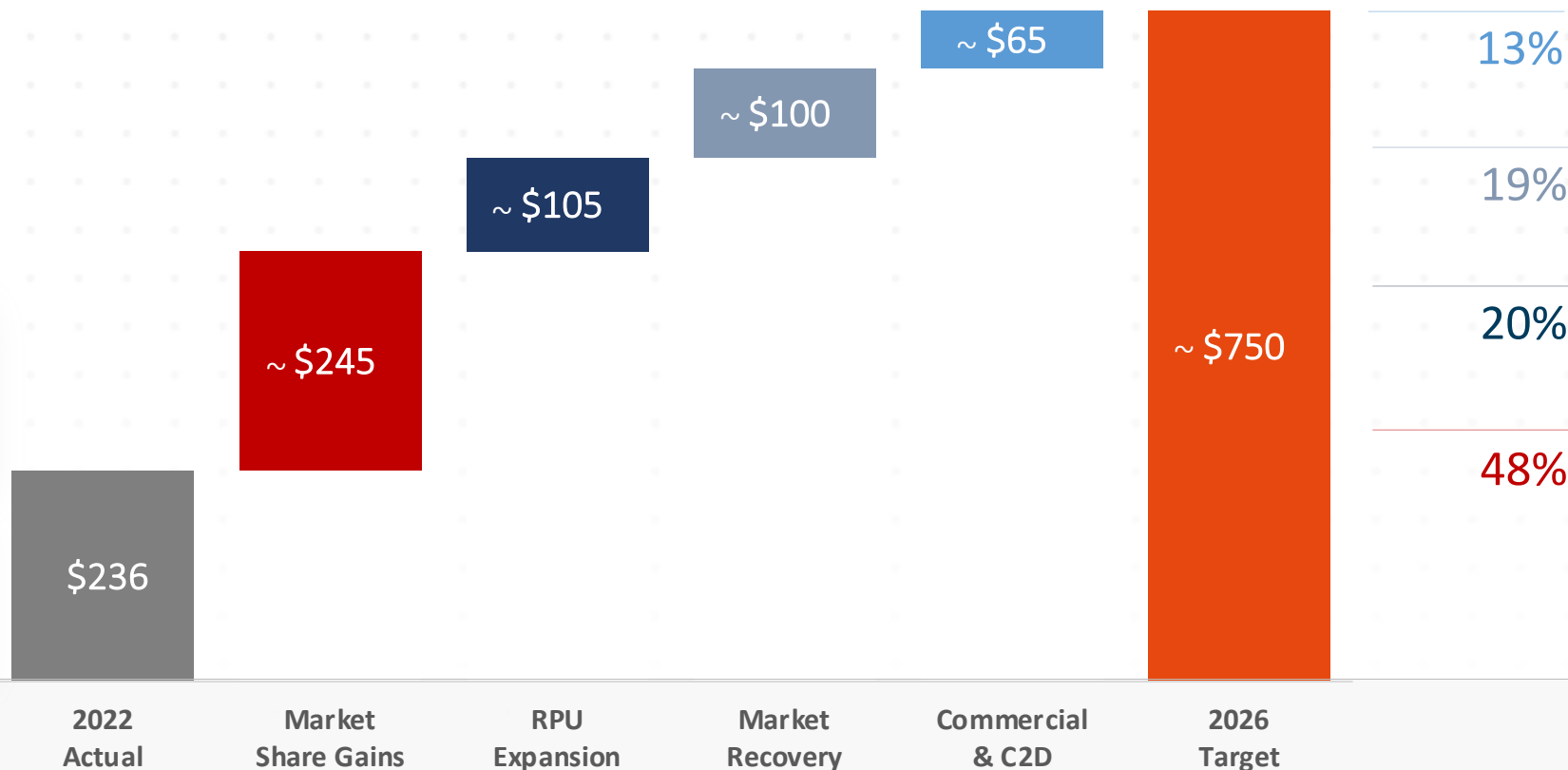
# Auction and Assurance Revenue

## Revenue Breakdown (\$M)

Mix of  
incremental  
revenue

Assumes Dealer wholesale market  
share gains of ~17% YoY -  
consistent with recent performance

Gradual RPU expansion leveraging  
pricing power



SCALE

# Marketplace Services Revenue

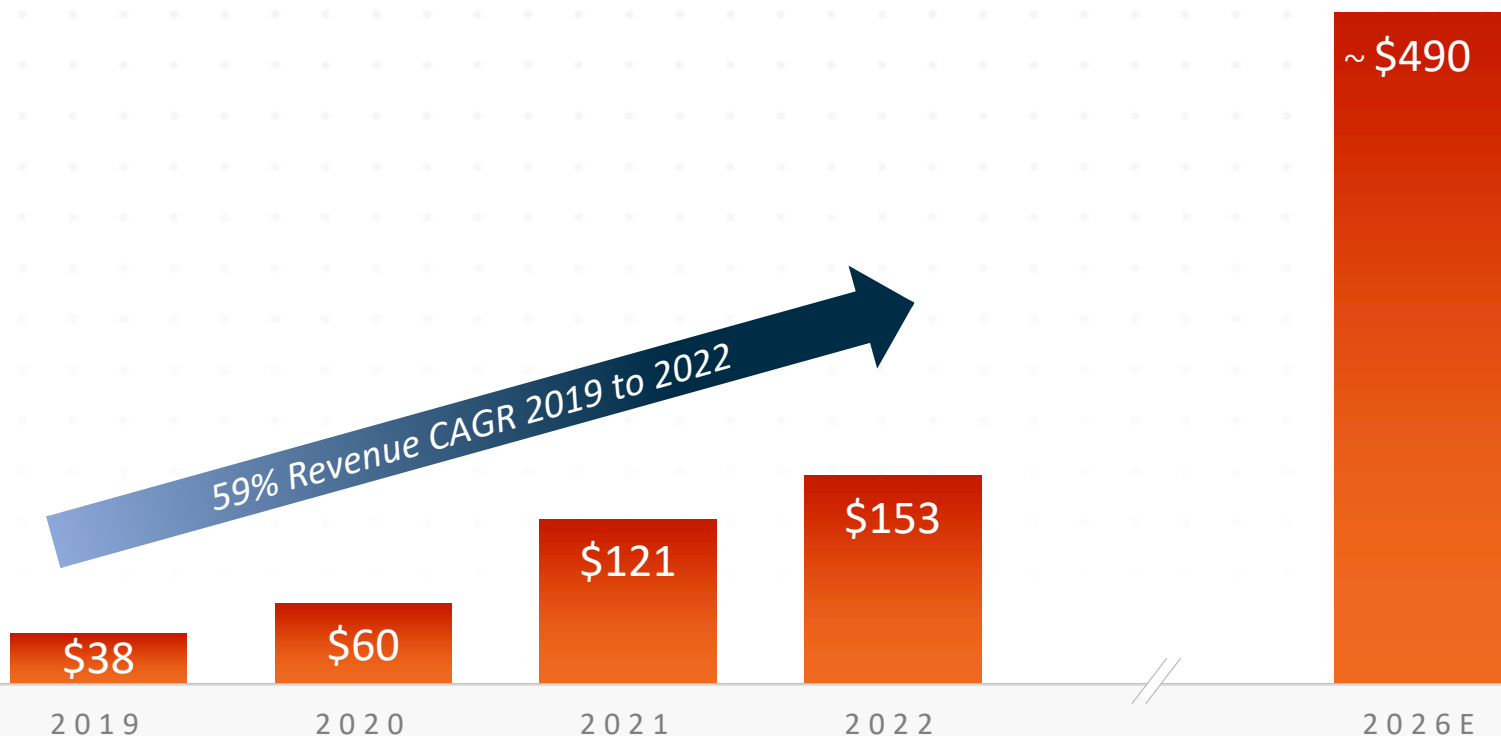
## Growth Driven by Strong Attach Rates

MARKETPLACE SERVICES REVENUE (\$M)

2022-2026 CAGR of ~34%

Assumes ACV Transport attach rates inline with current range of 50%-55% in 2026

Assumes ACV Capital attach rates of ~25% in 2026



SCALE

# SaaS and Data Services Revenue

## Growth Driven by Reacceleration of MAX Digital

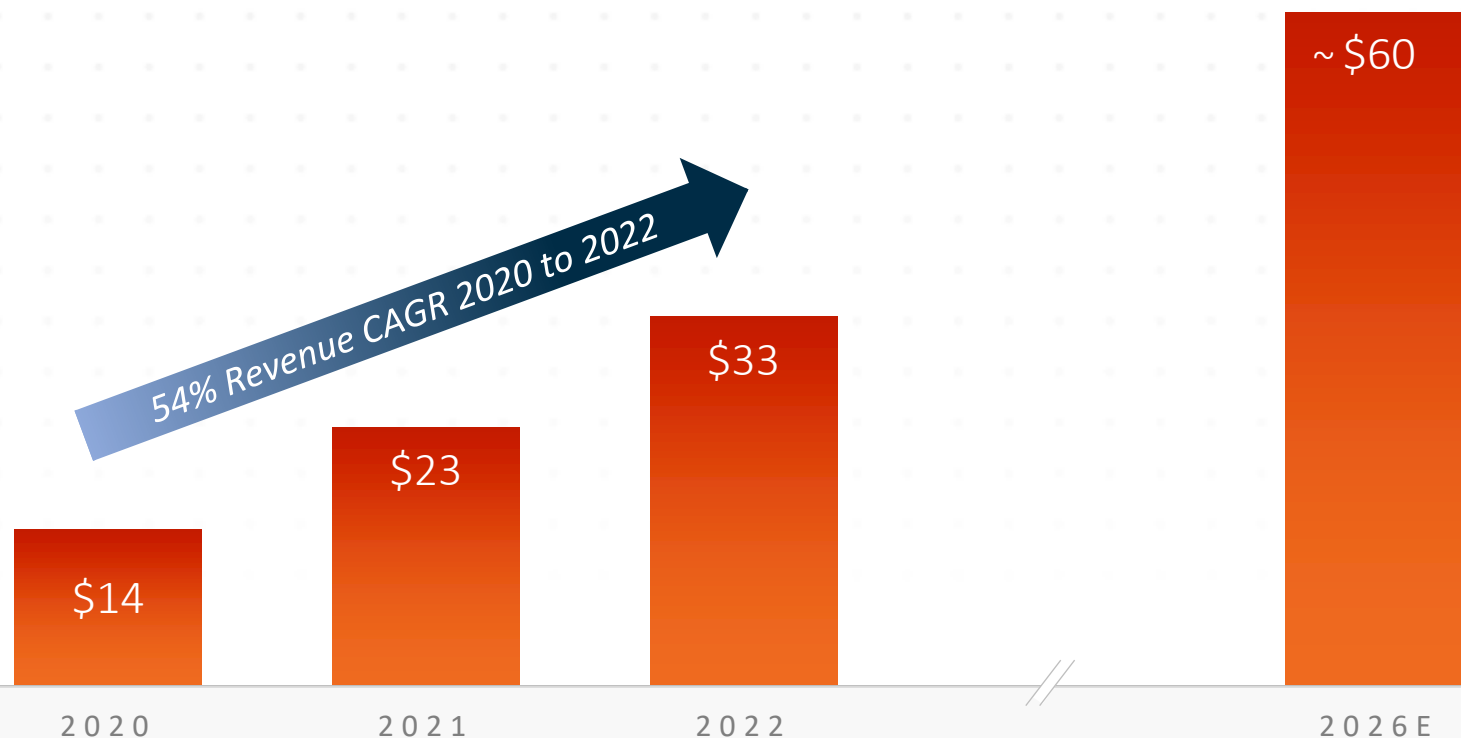
SAAS & DATA SERVICES REVENUE (\$M)

2022-2026 CAGR of ~16%

Customer acquisition strategies to include bundling to drive Dealer wholesale transactions

MAX Digital growth poised to accelerate following platform and capability investments

Modest recovery of standalone inspection services



SCALE

PATH TO 2026 TARGETS

GROWTH AT SCALE

PROVEN BUSINESS MODEL

STRONG CAPITAL POSITION



SCALE

# Key Drivers of Cost of Revenue Leverage

	AUCTION & ASSURANCE		MARKETPLACE SERVICES		SAAS & DATA SERVICES	CONSOLIDATED
	AUCTION	GO GREEN	TRANSPORTATION	CAPITAL	SAAS / DATA-ENABLED SOLUTIONS	
Non-GAAP Cost of Revenue as a % of Revenue						
2022A	35%		87%		67%	56%
2026 Target	20% - 25%		65% to 70%		35% to 40%	40%
Key Drivers						
<b>Scaling and Maturing of Territories</b> Greater network density & liquidity drives promotional & operational efficiency	✓		✓			✓
<b>Increasing Quality &amp; Efficiency of Inspections</b> Vehicle condition inspectors efficiency / optimization	✓				✓	✓
<b>Business Model Optimization</b> Pricing, Lane, and Network Optimization			✓			✓
<b>Revenue Mix Shift</b> Increasing portion of ACV Capital and SaaS / Data Services			✓		✓	✓

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

SCALE

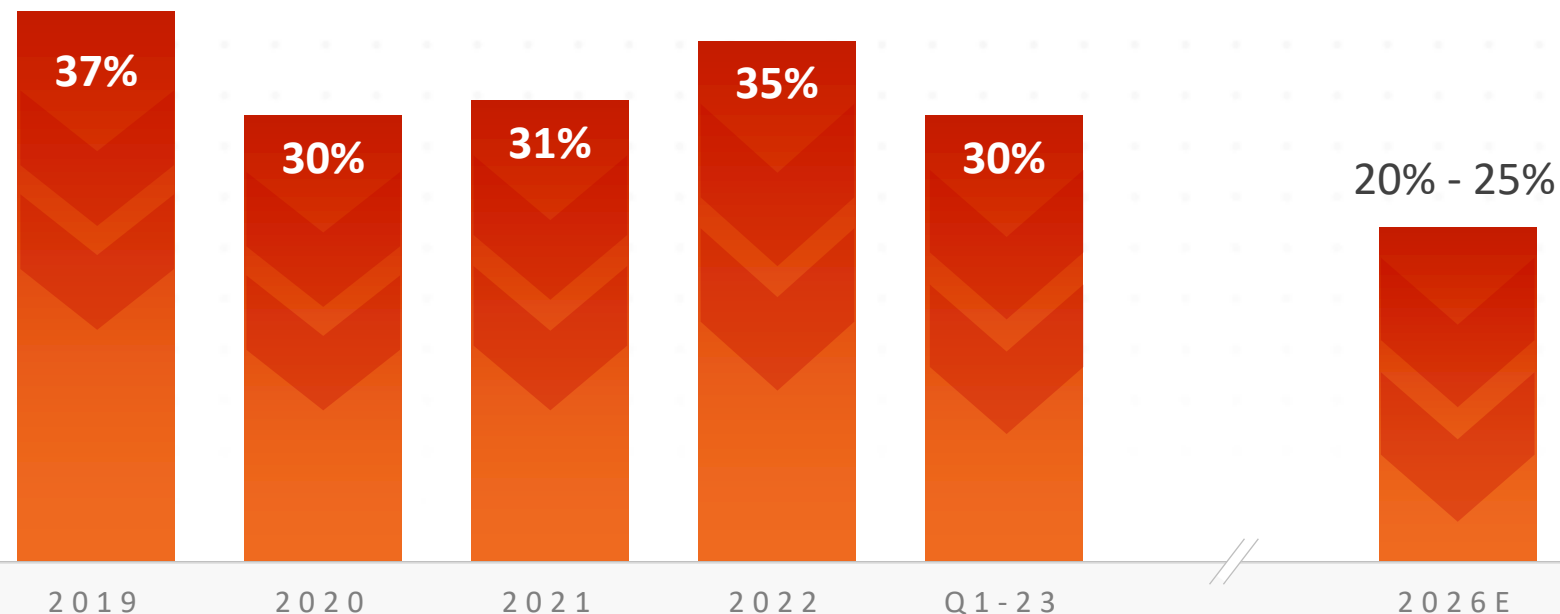
# Gradual Leverage in Auction and Assurance Cost of Revenue

Non-GAAP Auction and Assurance Cost of Revenue (% of Revenue)

COR improvement driven ~70% by RPU expansion and ~30% lower arbitration and other costs

RPU growth outpaces unit costs with sustained pricing power

Technology investments drive steady improvement in arbitration experience



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

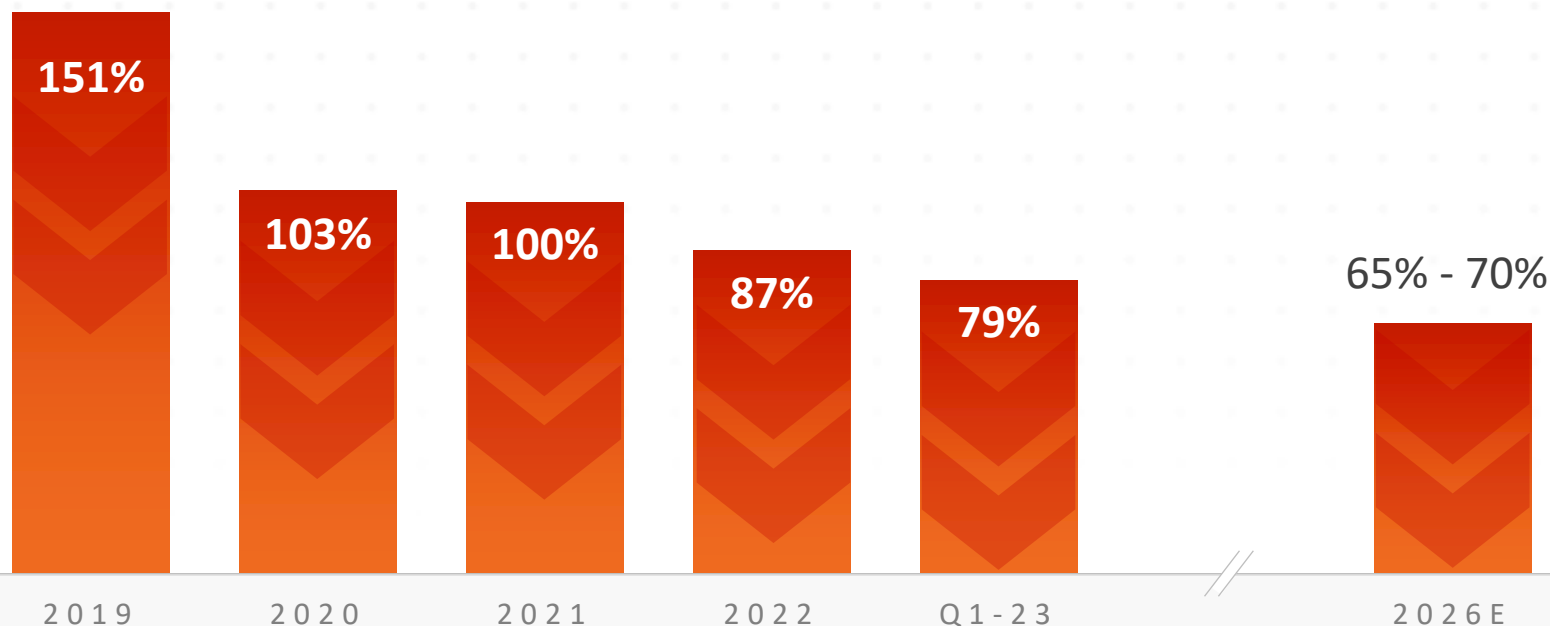
SCALE

# Marketplace Services Cost of Revenue Improvements

## Non-GAAP Marketplace Services Cost of Revenue (% of Revenue)

Capital revenue mix increases ~3x  
from 6% in 2022 to ~18% by 2026

Pricing, lane and network optimization  
driving Transport revenue margin into  
the high-teens %.



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



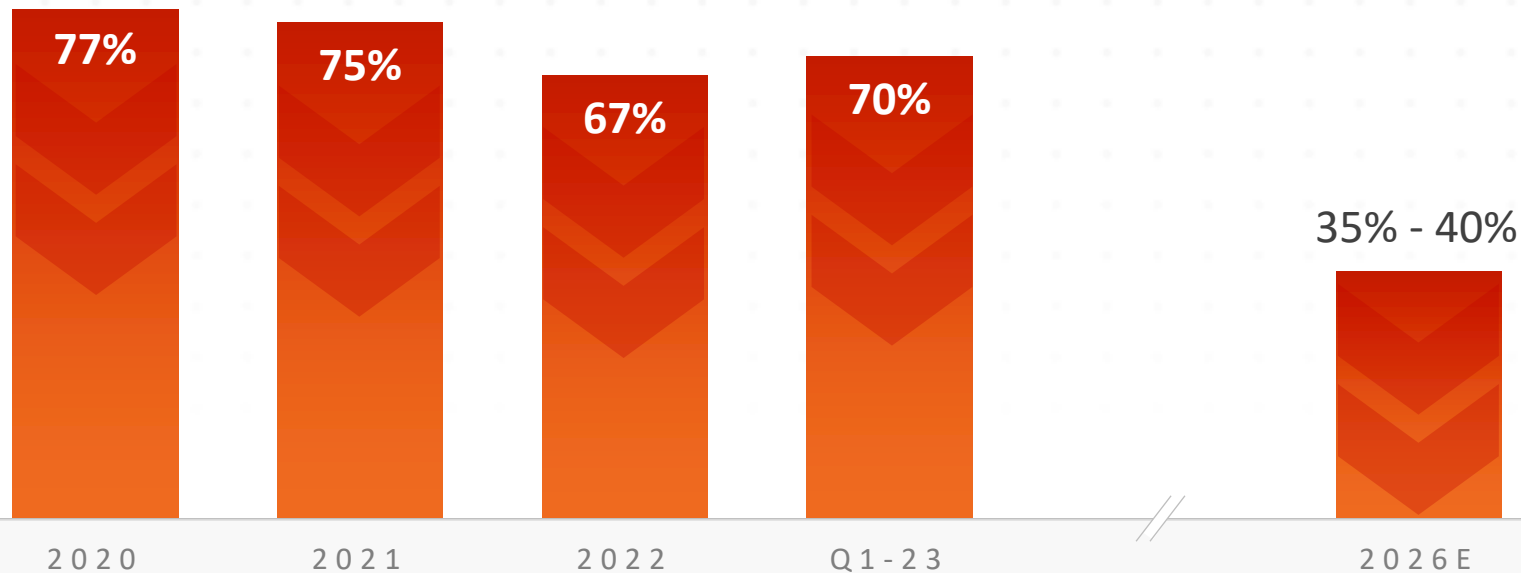
SCALE

# SaaS and Data Services Cost of Revenue Improvements

Non-GAAP SaaS and Data Services Cost of Revenue (% of Revenue)

Higher mix of high-margin SaaS revenue a primary driver of improvement

Increasing quality and efficiency of inspection services



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

SCALE

# Overview of Operating Expenses

ONGOING PUBLIC PRESENTATION

ONE-TIME DISCLOSURE

DEFINITION

## OPERATIONS & TECHNOLOGY

### Marketplace Inspections & Operations

Wholesale auction inspections, personnel costs related to payments, title processing, and transportation processing

### Technology & Development

Product and engineering and other general technology expenses

## SELLING, GENERAL & ADMINISTRATIVE

### Sales & Marketing

Sales, Advertising & Marketing

### General & Administrative

Costs related to accounting, finance, legal, marketing, human resources, executive, and other administrative activities

SCALE

# Efficiencies in Inspections and Ops

## Non-GAAP Marketplace Inspections and Operations (% of Revenue)

Current fixed/variable ratio of 15%/85%

\$29M

\$48M

\$69M

\$85M

~\$180M

Leverage from increased territory network density

27%

23%

19%

20%

18%

Improved inspection efficiency from new technology-enabled tools

Continued workforce optimization leveraging data and technology

~14%

2019

2020

2021

2022

Q1 - 23

2026 E

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

SCALE

# Continued Investment in Technology & Innovation

## Non-GAAP Technology & Development (% of Revenue)

Current fixed/variable ratio of 75%/25%

\$11M

\$16M

\$28M

\$42M

~\$80M

We have extended our competitive moat with significant tech investments over the past two years

Future investments expected to be ~25% variable, aided by leveraging off-shore engineering resources

10%

8%

8%

10%

10%

~6%

2019

2020

2021

2022

Q1-23

2026 E

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

SCALE

# Increasing Sales & Marketing Leverage

## Non-GAAP Sales & Marketing (% of Revenue)

Current fixed/variable ratio of 80%/20%

\$46M

\$41M

\$60M

\$71M

~ \$115M

Near-term sales and marketing growth investments to drive increased penetration in the wholesale market

Increase in absolute \$ amounts to serve a wider breadth of customer segments

Increasing brand awareness and market share expected to drive marketing leverage over time

43%

20%

17%

17%

17%

~ 9%

2019

2020

2021

2022

Q1 - 23

2026 E

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

SCALE

# G&A Expenses

## Non-GAAP General & Administrative (% of Revenue)

Current fixed/variable ratio of 70%/30%

\$16M

\$22M

\$42M

\$45M

~\$85M

15%

10%

12%

11%

10%

~ 6%

Increase in G&A related to public company costs, buildout of Finance team, back-office systems and infrastructure

Expect to see leverage over long-term through scale

2019

2020

2021

2022

Q1 - 23

2026 E

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

SCALE

# Continued Improvement in Adjusted EBITDA

## Adjusted EBITDA (% of Revenue)

Adj. EBITDA (\$M)

(\$76)

(\$31)

(\$44)

(\$56)

(\$30)

\$325

25%

Track record of margin expansion and OpEx leverage supports 25% Adjusted EBITDA margin target as we scale

Expecting to exit 2023 at Adjusted EBITDA break-even

(72%)

(15%)

(12%)

(13%)

(6%)

2019

2020

2021

2022

2023 G

2026 E

Note: Refer to the Appendix for information on the GAAP to non-GAAP reconciliations. Targets do not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation. ACV is not providing a reconciliation of certain forward-looking, non-GAAP financial information because ACV is unable to provide this reconciliation without unreasonable effort due to information regarding the relevant adjustments not being ascertainable or accessible. Such information could be material to future results. 2023 figures represent the midpoint of guidance.



SCALE

# Proven Business Model with Margin Expansion

## Strong Adjusted EBITDA Margins at Territory and Regional Levels

### Regional Total Annual Revenue (\$M)

Continued margin expansion and OpEx leverage support a 25% Adjusted EBITDA margin in 2026

Targeting ~50% of Regions to be Adjusted EBITDA break-even or higher in 2023

3 Regions expected to achieve 15% to 25% Adjusted EBITDA margins in 2023

25 Territories with double-digit Adjusted EBITDA margins today; 3 Territories > 25%

**Break-even  
Adjusted EBITDA**

**15% Adjusted  
EBITDA Margin**

**25% Adjusted  
EBITDA Margin**

~ \$25

~ \$50

~ \$65

Note: U.S. market comprised of 20 Regions each with 7 to 8 Territories

SCALE

# Long Term Target Model

	2021	2022	Q1-23	2026E	LONG-TERM TARGET
REVENUE	\$358M	\$422M	\$120M	\$1,300M	1.7-2B
AS A % OF REVENUE					
COST OF REVENUE	57%	56%	50%	40%	~40%
MARKETPLACE INSPECTIONS & OPERATIONS	19%	20%	18%	14%	~12%
TECHNOLOGY & DEVELOPMENT	8%	10%	10%	6%	~6%
SALES & MARKETING	17%	17%	17%	9%	~7%
GENERAL AND ADMINISTRATIVE	12%	11%	10%	6%	~5%
ADJ. EBITDA	(12%)	(13%)	(5%)	25%	~30%

Note: Refer to the Appendix for information on the GAAP to non-GAAP reconciliations. Targets do not equate to guidance but rather is a reasonable objective based on the company's strategic plans and third-party available information as of the date of this presentation. ACV is not providing a reconciliation of certain forward-looking, non-GAAP financial information because ACV is unable to provide this reconciliation without unreasonable effort due to information regarding the relevant adjustments not being ascertainable or accessible. Such information could be material to future results.

SCALE

PATH TO 2026 TARGETS

GROWTH AT SCALE

PROVEN BUSINESS MODEL

STRONG CAPITAL POSITION



SCALE

# Key Balance Sheet Items

(\$M)

As of March 31, 2023

Cash and Cash Equivalents

\$526

(Includes ~\$188M of auction float)

ACV Capital Receivables

\$104

Long Term Debt (ACV Capital related)

\$96

Total Assets

\$995

Total Liabilities

\$514

# 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

# Mission-Driven Culture & Proven Team



**Kate Clegg**  
Chief Marketing  
Officer



**Leanne Fitzgerald**  
Chief Legal  
Officer



**Sallie Reid**  
Chief People  
Officer



**Vikas Mehta**  
Chief Operating  
Officer



**Mike Waterman**  
Chief Sales  
Officer



**Craig Anderson**  
Chief Corp Dev & Strategy  
Officer



**Bill Zerella**  
Chief Financial  
Officer

05

# Q&A

2023\_ANALYST\_DAY

JUN\_01\_2023





06

# APPENDIX

# GAAP to Non-GAAP Cost of Revenue Reconciliation

Reconciliation GAAP Cost of Revenue to Non-GAAP Cost of Revenue	2019	2020	2021	2022	Q1-23
GAAP Auctions Cost of Revenue	\$8.2	\$11.1	\$21.0	\$29.1	\$8.3
GAAP Assurance Cost of Revenue	\$16.8	\$29.5	\$45.3	\$52.7	\$12.1
Non-GAAP Adjustments:					
Stock Based Compensation	\$0.0	(\$0.1)	(\$0.1)	(\$0.4)	(\$0.1)
<b>Non-GAAP Auction and Assurance Cost of Revenue</b>	<b>\$25.0</b>	<b>\$40.6</b>	<b>\$66.2</b>	<b>\$81.3</b>	<b>\$20.3</b>
GAAP Marketplace Services Cost of Revenue	\$57.7	\$61.7	\$121.0	\$132.7	\$33.5
Non-GAAP Adjustments:					
Stock Based Compensation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Non-GAAP Marketplace Services Cost of Revenue</b>	<b>\$57.7</b>	<b>\$61.7</b>	<b>\$121.0</b>	<b>\$132.7</b>	<b>\$33.5</b>
GAAP SaaS & Data Services Cost of Revenue	\$0.1	\$10.7	\$17.4	\$22.3	\$5.8
Non-GAAP Adjustments:					
Stock Based Compensation	\$0.0	\$0.0	(\$0.2)	(\$0.3)	(\$0.1)
<b>Non-GAAP SaaS &amp; Data Services Cost of Revenue</b>	<b>\$0.1</b>	<b>\$10.7</b>	<b>\$17.3</b>	<b>\$22.0</b>	<b>\$5.7</b>

# GAAP to Non-GAAP Operating Cost Reconciliation

Reconciliation GAAP Operating Expenses to Non-GAAP Operating Expenses	2019	2020	2021	2022	Q1-23
GAAP Marketplace Inspections and Operations Costs	\$28.8	\$48.6	\$70.1	\$87.7	\$22.4
Non-GAAP Adjustments:					
Stock Based Compensation	(\$0.2)	(\$0.9)	(\$1.4)	(\$2.5)	(\$0.7)
Other	\$0.0	\$0.0	\$0.0	(\$0.2)	\$0.0
<b>Non-GAAP Marketplace Inspections and Operations Costs</b>	<b>\$28.7</b>	<b>\$47.8</b>	<b>\$68.8</b>	<b>\$85.0</b>	<b>\$21.7</b>
GAAP Technology & Development Costs	\$10.8	\$16.4	\$30.9	\$48.8	\$13.3
Non-GAAP Adjustments:					
Stock Based Compensation	\$0.0	\$0.0	(\$2.6)	(\$6.8)	(\$1.7)
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Non-GAAP Technology &amp; Development Costs</b>	<b>\$10.8</b>	<b>\$16.4</b>	<b>\$28.3</b>	<b>\$42.0</b>	<b>\$11.6</b>
GAAP Sales & Marketing Costs	\$46.3	\$42.0	\$65.1	\$76.4	\$21.4
Non-GAAP Adjustments:					
Stock Based Compensation	(\$0.2)	(\$0.7)	(\$5.3)	(\$5.3)	(\$1.3)
Other	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.0
<b>Non-GAAP Sales &amp; Marketing Costs</b>	<b>\$46.1</b>	<b>\$41.4</b>	<b>\$59.8</b>	<b>\$71.0</b>	<b>\$20.1</b>
GAAP G&A Costs	\$16.2	\$22.8	\$56.1	\$67.1	\$20.3
Non-GAAP Adjustments:					
Stock Based Compensation	(\$0.6)	(\$4.1)	(\$14.1)	(\$24.0)	(\$7.6)
Other	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.0
Acquisition-related costs	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.2)
Contingent Gains Loss	\$0.0	\$3.1	\$0.0	\$1.6	\$0.0
<b>Non-GAAP G&amp;A Costs</b>	<b>\$15.5</b>	<b>\$21.8</b>	<b>\$42.0</b>	<b>\$44.5</b>	<b>\$12.5</b>
GAAP Depreciation & Amortization	\$1.2	\$6.1	\$8.3	\$11.0	\$3.3
Non-GAAP Adjustments:					
Intangible Amortization	\$0.0	(\$3.0)	(\$4.0)	(\$4.9)	(\$1.2)
Amortization of Capitalized SBC	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.3)
<b>Non-GAAP Depreciation &amp; Amortization</b>	<b>\$1.2</b>	<b>\$3.1</b>	<b>\$4.3</b>	<b>\$5.6</b>	<b>\$1.9</b>

# 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)	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual Q1-23	Guidance Mid-point FY 2023
GAAP Net Income (Loss)	(\$77.2)	(\$41.0)	(\$78.2)	(\$102.2)	(\$18.2)	(\$89.5)
Non-GAAP Adjustments:						
Contingent Gain (Loss)	0.0	3.1	0.0	(\$1.6)	\$0.0	\$0.2
Stock Based Compensation	(1.0)	(5.7)	23.7	39.3	11.5	55.1
Intangible Amortization from Acquisitions	(0.1)	(3.0)	4.0	4.9	1.2	4.2
Capitalized Stock Based Compensation Amortization				0.6	0.3	0.3
Acquisition-related expenses	0.0	0.0	0.0	0.0	0.2	0.2
Other	0.0	0.0	0.0	0.5	0.0	0.0
<b>Non-GAAP Net Income (Loss)</b>	<b>(\$76.1)</b>	<b>(\$35.4)</b>	<b>(\$50.5)</b>	<b>(\$58.5)</b>	<b>(\$5.0)</b>	<b>(\$29.5)</b>

Reconciliation Non-GAAP Net Income (Loss) to Adjusted EBITDA	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual Q1-23	Guidance Mid-point FY 2023
Non-GAAP Net Income (Loss)	(\$76.1)	(\$35.4)	(\$50.5)	(\$58.5)	(\$5.0)	(\$29.5)
Add Back:						
Depreciation & Amortization	1.7	4.3	4.7	\$6.0	\$1.9	\$10.5
Interest Expense	0.0	0.6	0.8	\$0.9	\$0.3	\$1.4
Interest Income	(2.1)	(0.7)	(0.1)	(\$5.0)	(\$3.3)	(\$12.3)
Other (Income) Expense, Net	0.0	0.0	0.2	\$0.1	\$0.1	\$0.0
Taxes	0.0	0.5	0.7	\$0.1	\$0.3	\$0.4
<b>Adjusted EBITDA</b>	<b>(\$76.4)</b>	<b>(\$30.8)</b>	<b>(\$44.1)</b>	<b>(\$56.4)</b>	<b>(\$5.6)</b>	<b>(\$29.5)</b>

Revenue from Income Statement	\$106.8	\$208.4	\$358.4	\$421.5	\$119.6	\$473.0
Adjusted EBITDA as a % of Revenue	(72%)	(15%)	(12%)	(13%)	(5%)	(6%)

Certain items may not total due to rounding

## 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.

