

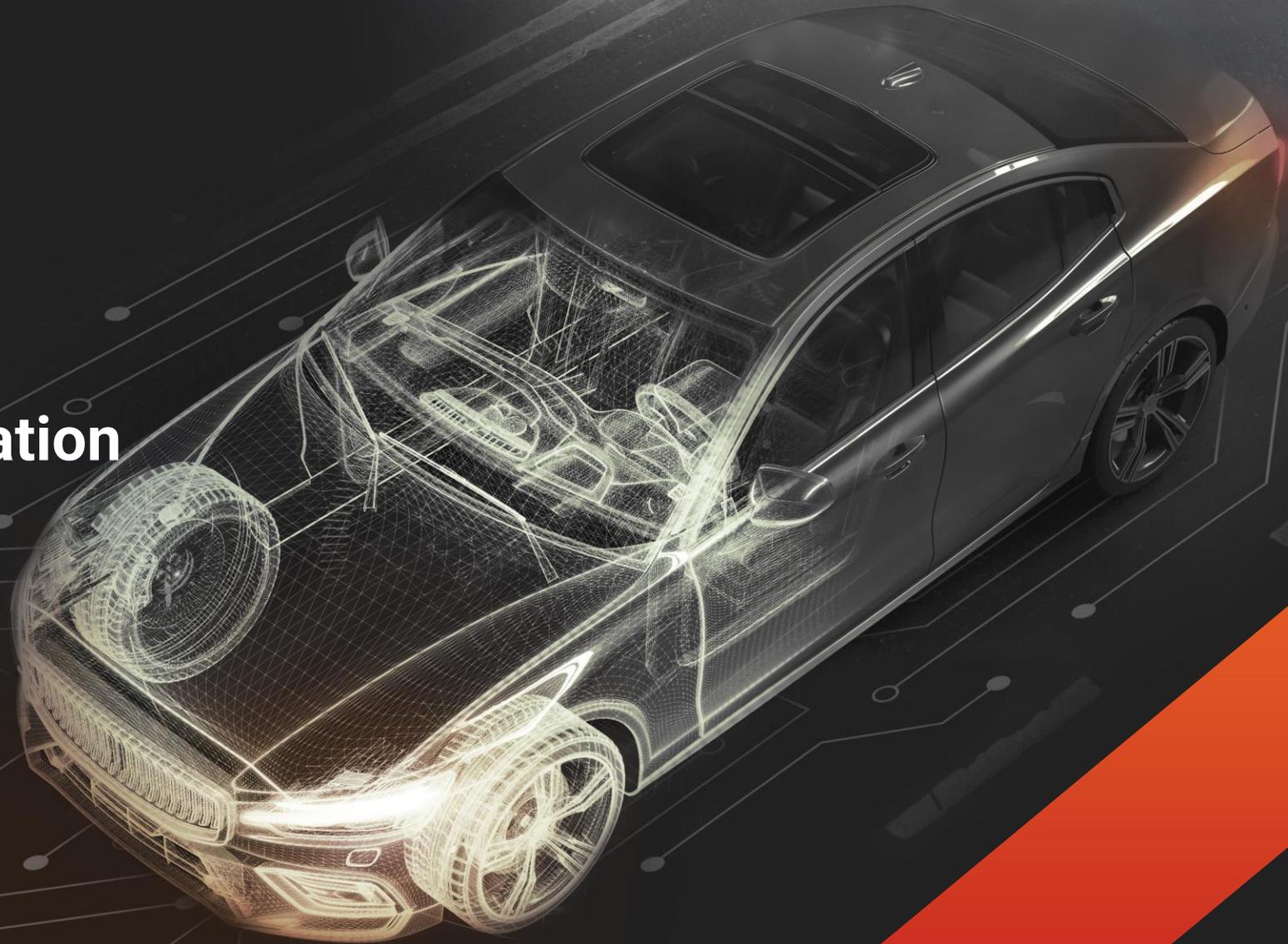


# Q2'21 Earnings Presentation

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Investor Relations  
August 11, 2021

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## **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 third 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 June 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 June 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

Q2'20

**\$0.6B+**

GMV

**88K+**

Marketplace Units

**\$45M**

Revenue

**103%**

YoY Revenue Growth

Q2'21

**\$2.1B**

GMV

**153K+**

Marketplace Units

**\$97M**

Revenue

**117%**

YoY Revenue Growth

Long-Term Strategy



**Marketplace Growth**



**TAM and Product Expansion**



**Operating Scale**

# Trusted Digital Marketplace for Wholesale Vehicles & Data Services



**Marketplace Growth**



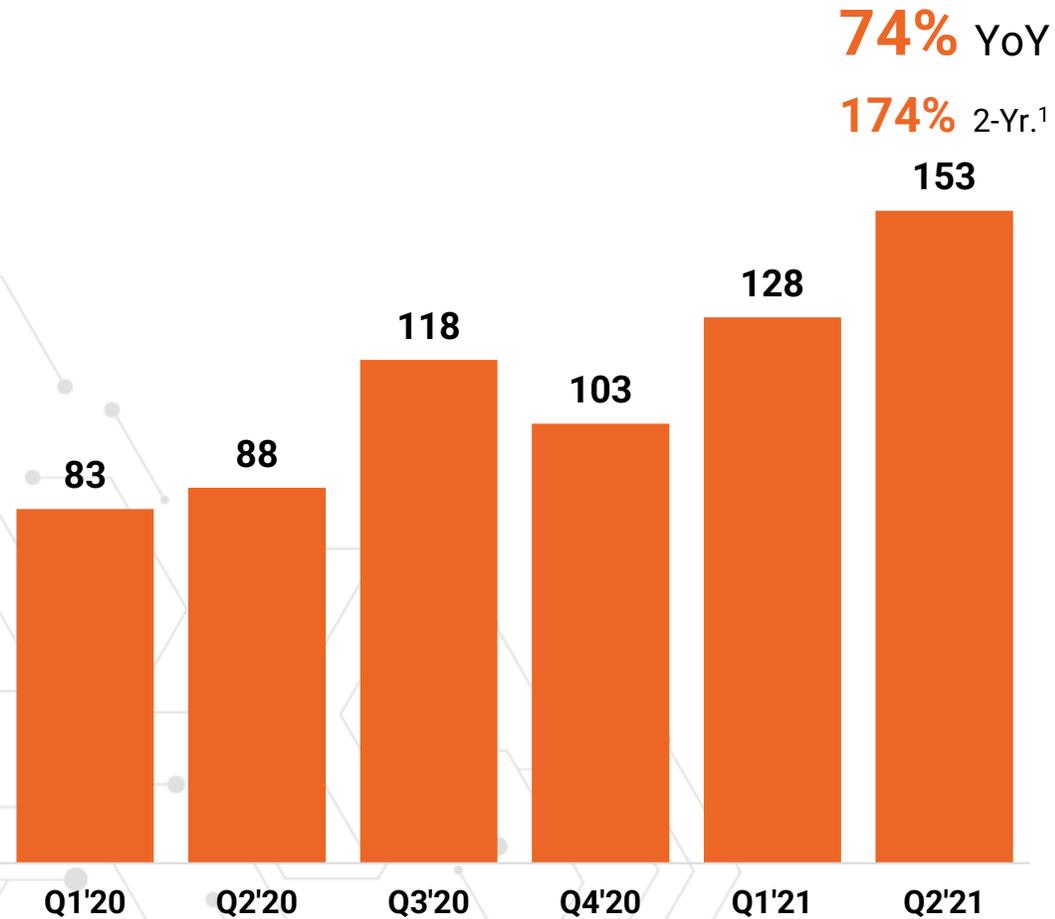
TAM and Product Expansion



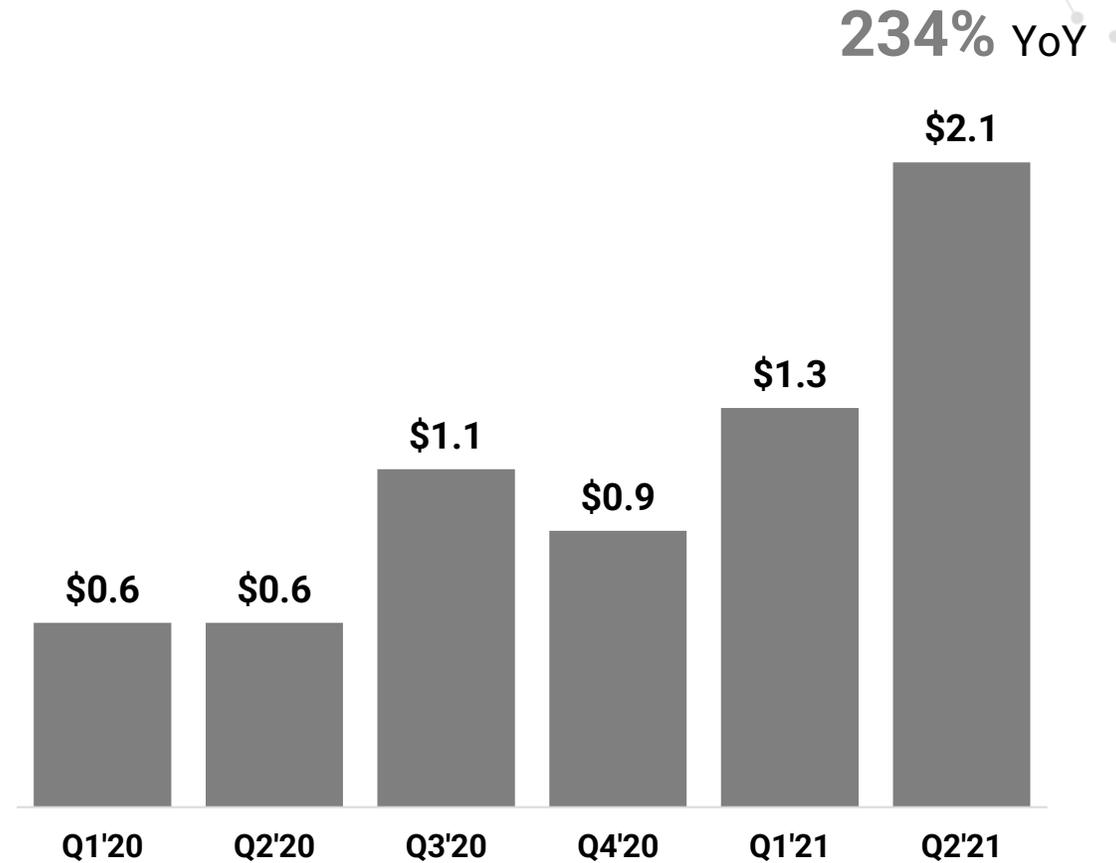
Operating Scale

# Gaining Share While Moving Up Market

Marketplace Units (000s)



Marketplace GMV (\$B)

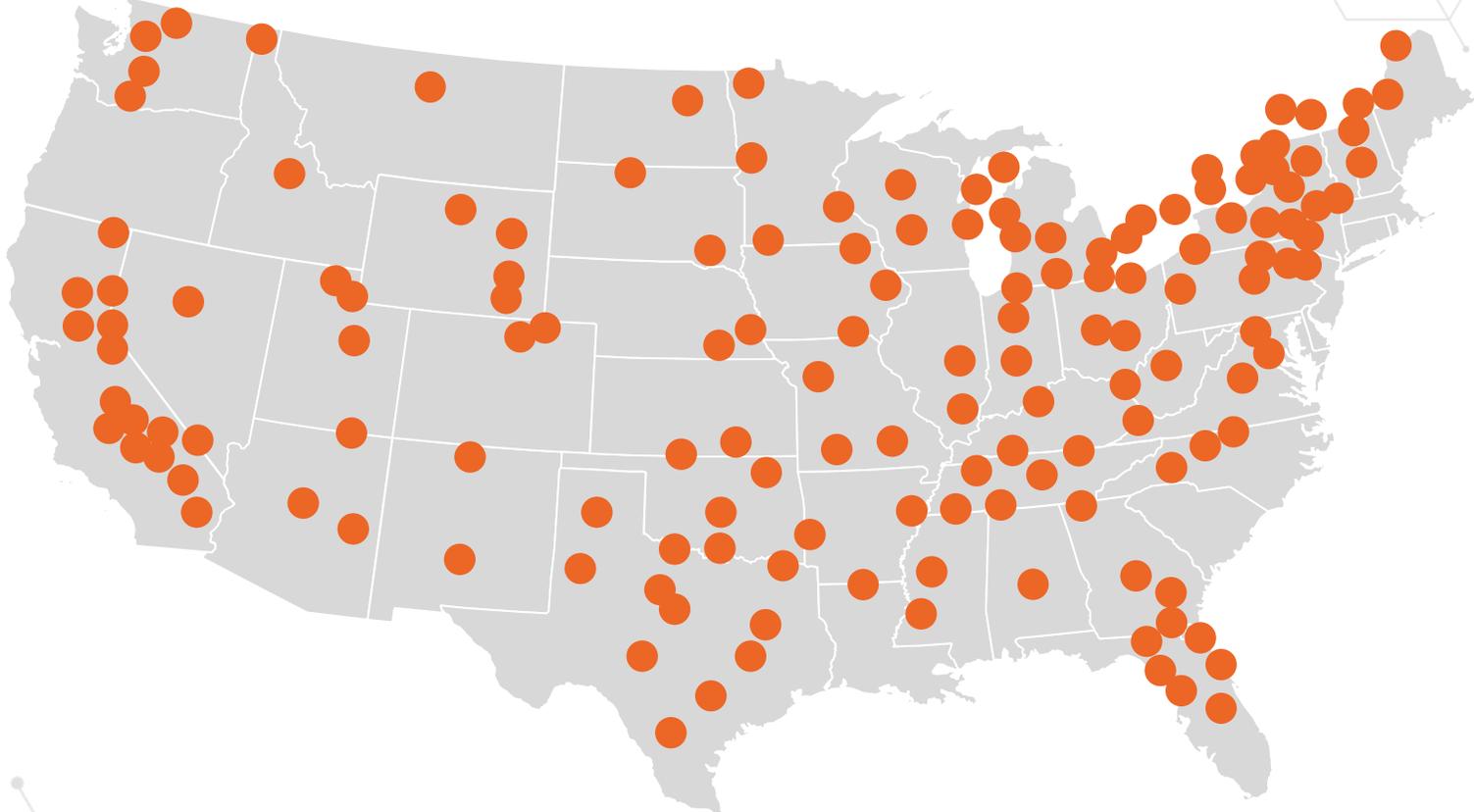


# Expanding Our National Footprint

Tracking to 2021  
target of

**160**

TERRITORIES



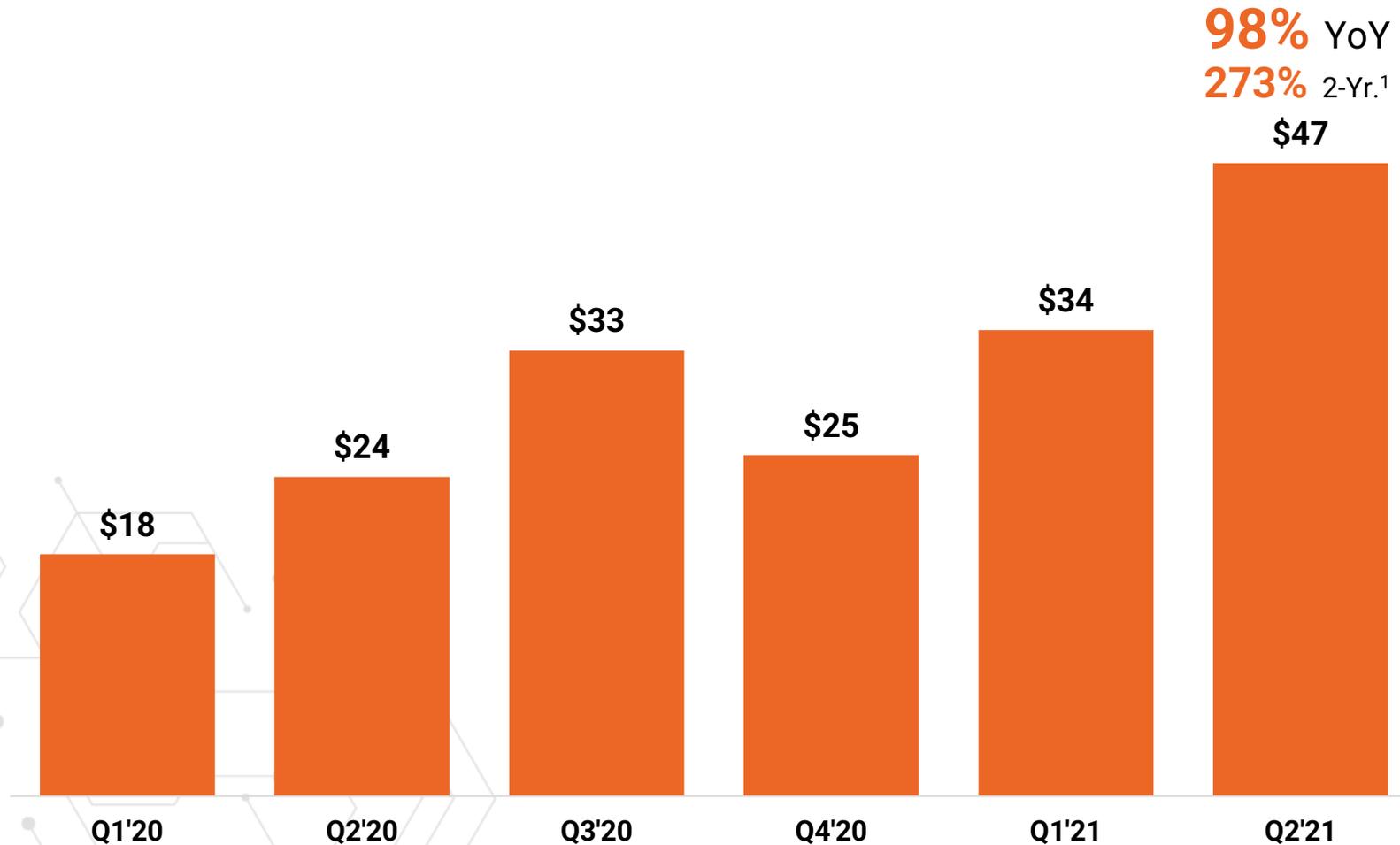
# Inspection Team Size and Scale

- Largest dedicated inspection team – 3x growth since 2019
- Utilization up mid-teens % YoY
- Technology investments enabling scale
- Supporting strong growth and efficiency



# Strong Auction Marketplace Revenue Growth

## Auction Marketplace Revenue (\$M)



<sup>1</sup>Q2'21 units sold vs. Q2'19 units sold

# Consumer Sourcing with Live Appraisal

- Pioneered consumer sourcing
- Low-risk channel for dealers
- Real-time competitive offers for consumers -  
*powered by the ACV Marketplace*
- >150% YoY unit growth in Q2'21
- High single-digit % of Q2'21 units sold



# Trusted Digital Marketplace for Wholesale Vehicles & Data Services



Marketplace Growth



**TAM and Product Expansion**



Operating Scale

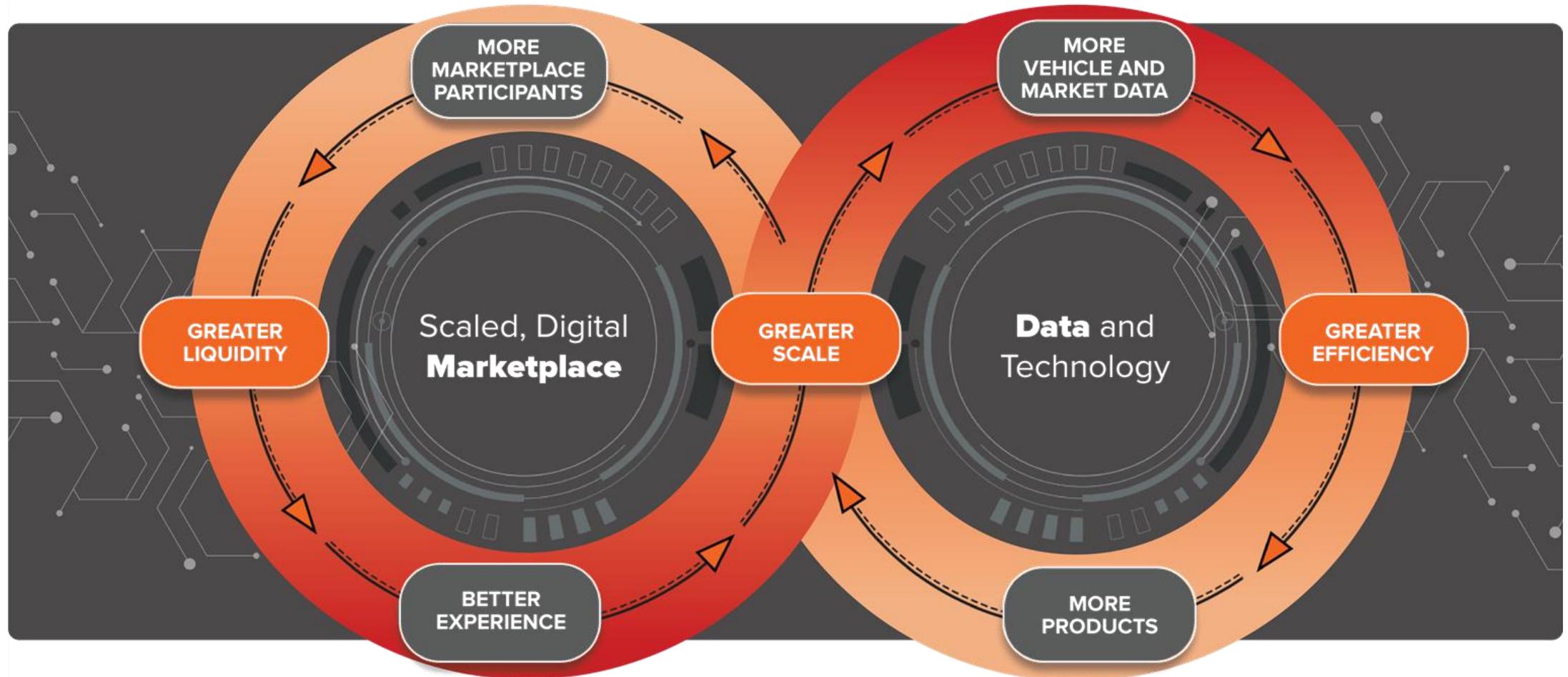
# Programmatic Buying

- Automated bidding and buying
- Driven by data from ACV's industry-leading conditions reports
- "Buying API" offering live today
- "Buying Matrix" offering in beta with Q4'21 commercial launch



# Self-Reinforcing Network Effects

Driving Greater Scale, Efficiency, and Liquidity



# 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



- >3,200 carrier partners
- Q2'21 attach rate ~45%; ~70K transports
- Winning in the market with fast cycle times and broad reach



- Attach rate approaching mid-single digits; wallet share growth
- >30% QoQ loan volume growth
- Revenue per loan benefitting from new ACV Capital offerings

# Trusted Digital Marketplace for Wholesale Vehicles & Data Services



Marketplace Growth



TAM and Product Expansion



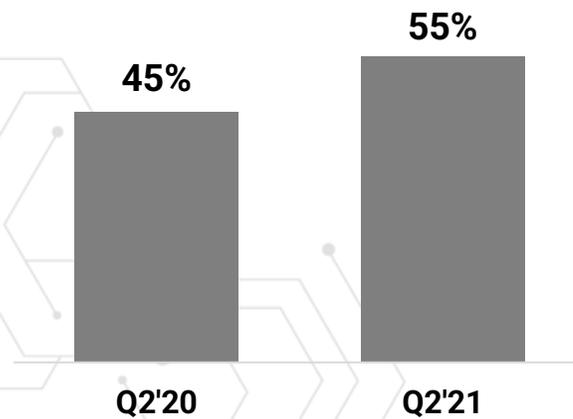
**Operating Scale**

# Strong Q2'21 Performance

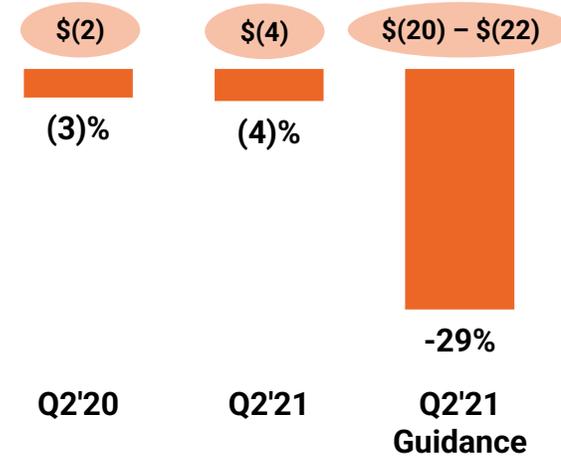
## Revenue (\$M)



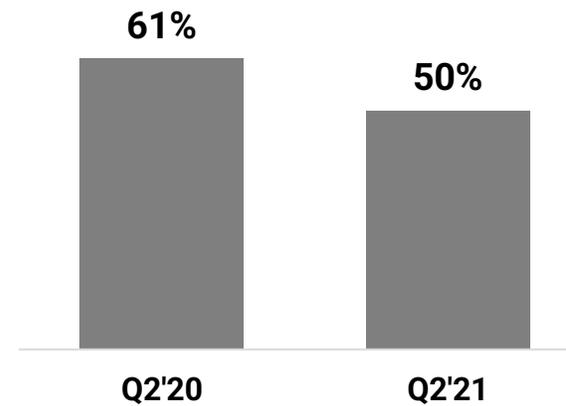
## Cost of Revenue<sup>2</sup>



## Adjusted EBITDA<sup>1</sup>



## Total Operating Cost (ex. COR)<sup>3</sup>



<sup>1</sup>Adjusted EBITDA as % of Revenue; See appendix for Adjusted EBITDA reconciliation

<sup>2</sup>Non-GAAP Cost of Revenue as % of Revenue; See appendix for Non-GAAP Operating Cost reconciliation

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

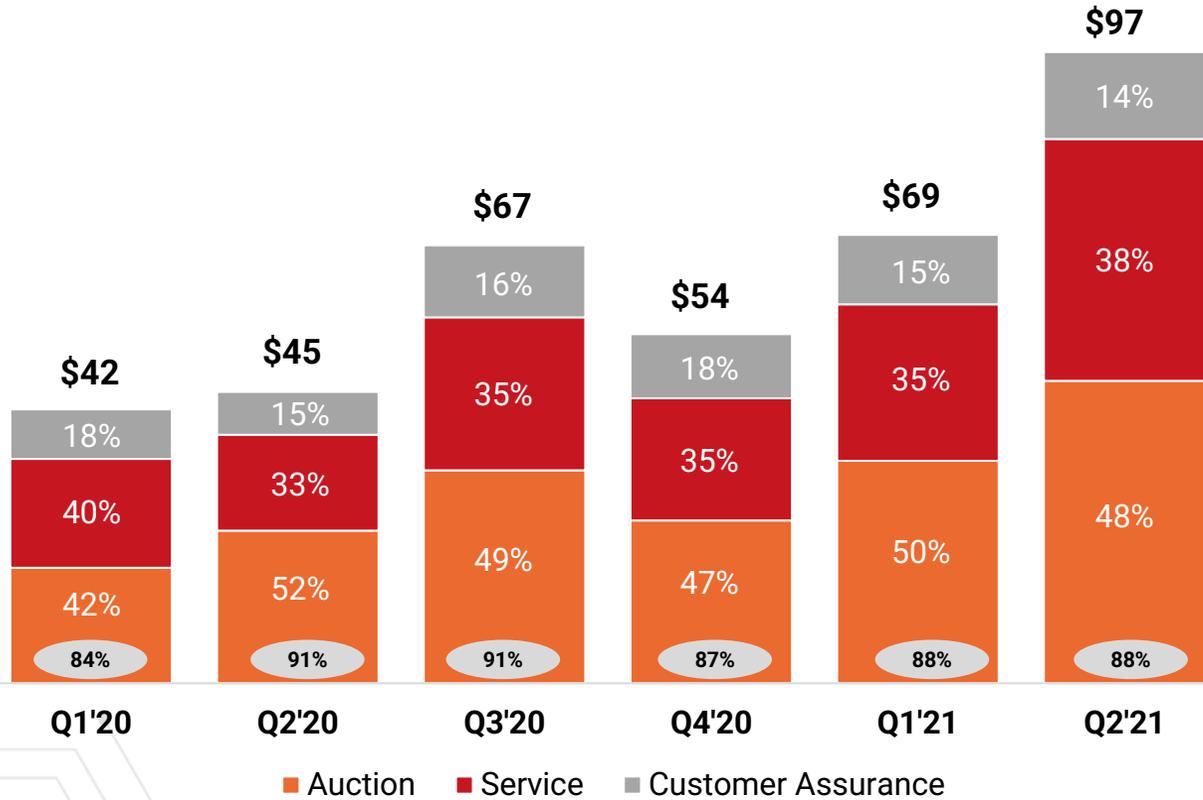
# Diversified Revenue Streams

## Revenue Breakdown (\$M)

**Auction Marketplace**

**Service**  
 Transportation  
 Capital  
 Data Services – True360

**Customer Assurance**  
 Go Green Assurance  
 Other Price Guarantee Products



104% YoY

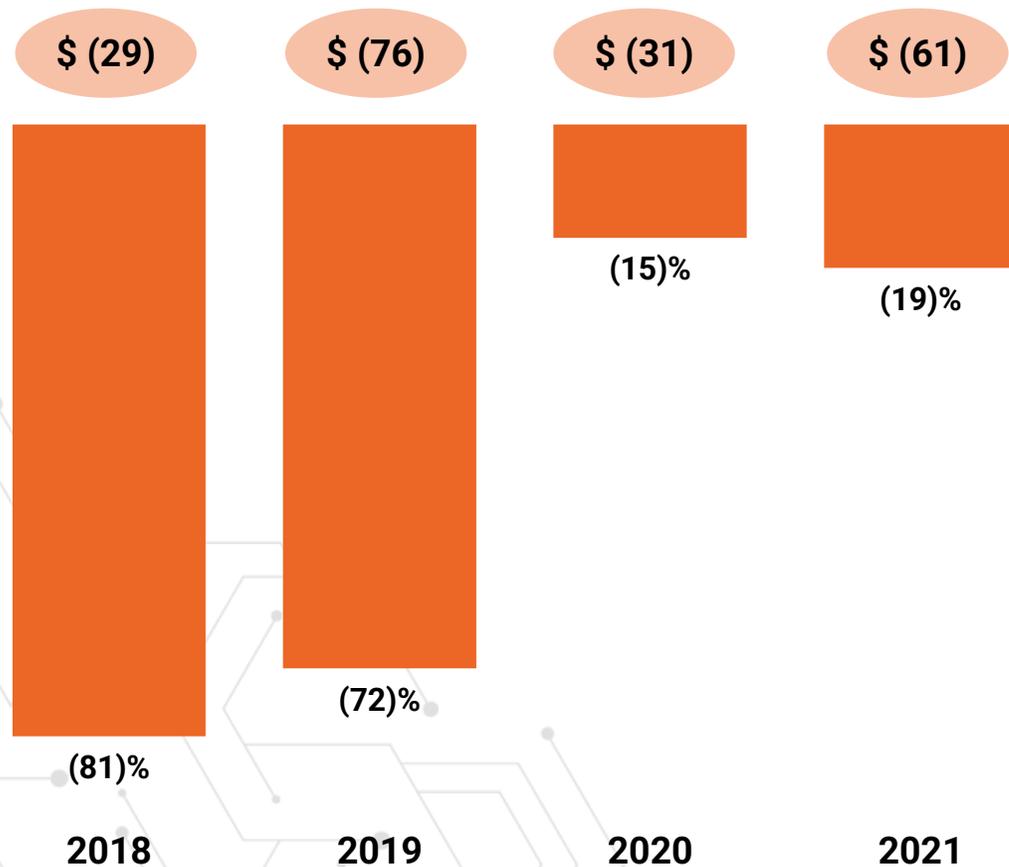
152% YoY

98% YoY

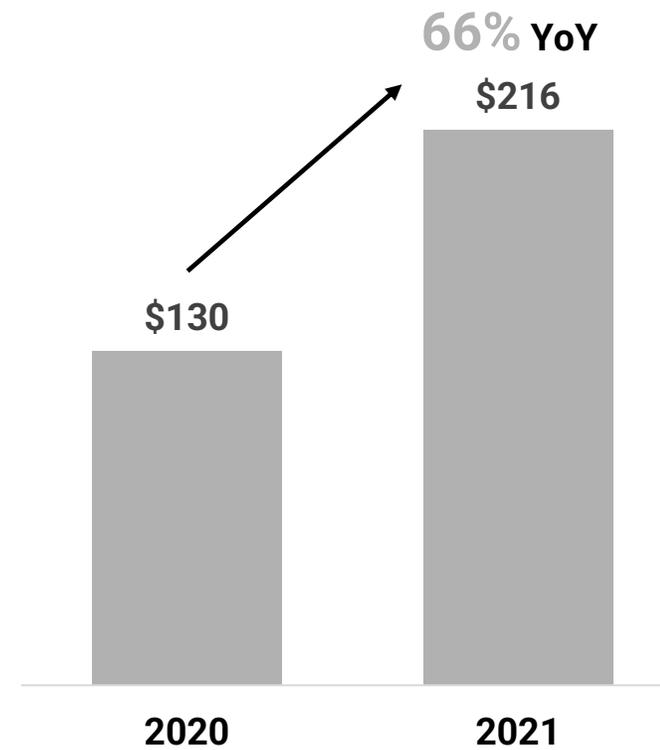
(Auction Marketplace Revenue – Auction Marketplace Cost of Revenue) as a % of Auction Marketplace Revenue

# 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)	Q3'21	Revised 2021	Previous 2021
<b>Total Revenue</b>	<b>\$82 to 85</b> <i>22% to 26% YoY</i> <i>158% to 167% 2-Yr.</i>	<b>\$332 to \$338</b> <i>59% to 62% YoY</i> <i>211% to 216% 2-Yr.</i>	<b>\$307 to \$313</b> <i>47% to 50%</i> <i>187% to 193%</i>
<b>Adjusted EBITDA Loss</b>	<b>\$20 to \$22</b>	<b>\$62 to \$65</b>	<b>\$79 to \$82</b>

- Favorable market conditions continue to normalize in the second half of 2021
- 2021 full-year operating expenses, excluding cost of revenue, grow approximately 66% year over year

# Strong Balance Sheet

(\$M)

As of June 30, 2021

<b>Cash and Cash Equivalents</b>	<b>\$664M</b> (Includes ~\$124M of auction float)
<b>ACV Capital Revolving Credit Facility</b>	<b>\$0.5M</b>
<b>Other Debt</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$989M</b>
<b>Total Liabilities</b>	<b>\$397M</b>

# Summary



**Very Strong Q2 Results with 117% YoY Revenue Growth**



**Continuing to Gain Share, Attract New Dealers and Grow Wallet Share**



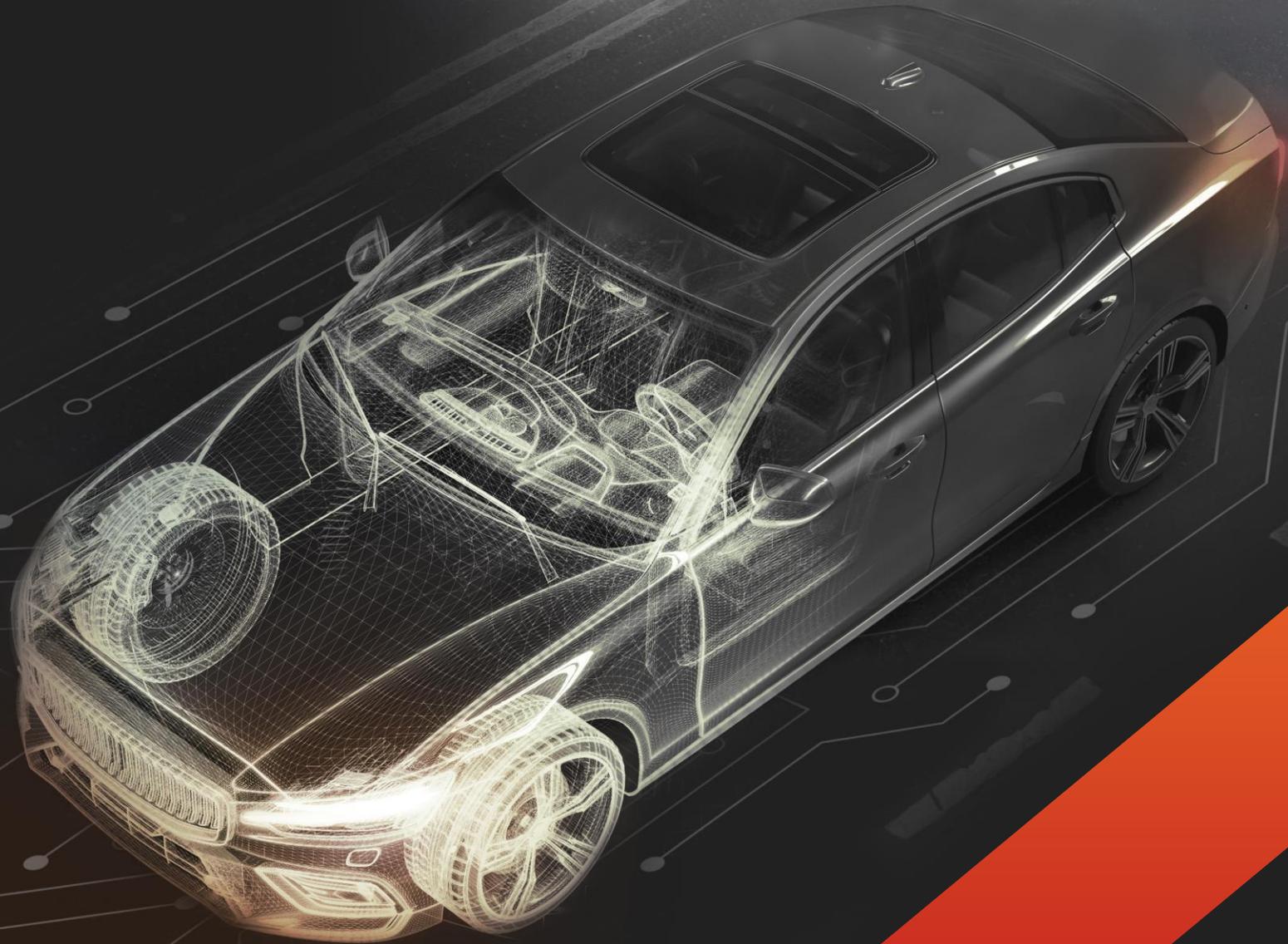
**Executing on Market Expansion and Product Road Map**



**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 expense; (5) interest income; (6) change in fair value of contingent consideration; and (7) net litigation settlement gain.

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>			Year Ended December 31,		
	June 30, 2020	June 30, 2021	2018	2019	2020
Net Loss	(\$4,396)	(\$9,692)	(\$35,774)	(\$77,216)	(\$41,021)
Depreciation and Amortization	1,733	1,837	271	1,839	7,244
Stock-based Compensation	1,033	3,763	7,219	998	5,705
Interest (Income) Expense	39	206	(362)	(2,093)	(115)
Provision for Income Taxes	48	156	11	27	489
Other (Income) Expense, Net	21	43	-	23	(3,054)
Adjusted EBITDA	(\$1,522)	(\$3,687)	(\$28,635)	(\$76,422)	(\$30,752)
Total Revenue	\$44,897	\$97,374	\$35,536	\$106,847	\$208,357
Adjusted EBITDA Margin	(3%)	(4%)	(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>	June 30, 2020	June 30, 2021
Cost of Revenue	\$19,977	\$53,917
Stock-based compensation	\$3	\$48
Non-GAAP Cost of Revenue	\$19,974	\$53,869
Total Operating Cost (Excluding Cost of Revenue)	\$29,229	\$52,787
Stock-based Compensation	\$1,030	\$3,715
Intangible Amortization	\$762	\$774
Non-GAAP Total Operating Cost (Excluding Cost of Revenue)	\$27,437	\$48,298

# 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 third quarter of 2021 and the full year of 2021 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 filed with the SEC on May 13, 2021. Additional information will be made available in our Quarterly Report on Form 10-Q for the quarter ended June 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.