



Q1-24 EARNINGS PRESENTATION



MAY_8_2024

FORWARD LOOKING STATEMENTS

Statements in this presentation regarding future performance and future expectations, beliefs, goals, plans or prospects include forward looking statements for purposes of federal and state securities laws, including statements regarding ACV's avenues for long term growth and total addressable market expansion, our financial guidance for the second quarter and full year of 2024, and operational and product strategy. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "intends" or "estimates" or similar expressions) should also be considered to be forward-looking statements. These forward-looking statements are subject to risk and uncertainties and involve factors that could cause actual results to differ materially from those expressed or implied from such statements. A discussion of the risks and uncertainties related to our business is contained in our Annual Report on Form 10-K, Forms 10-Q and other filings and reports that we may file from time to time with the Securities and Exchange Commission. Our remarks during today's discussion should be considered to incorporate this information by reference. We do not intend, and undertake no obligation, to update any forward-looking statements.

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

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

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



01

HIGHLIGHTS



George Chamoun

CHIEF EXECUTIVE OFFICER

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Q1-23

Q1-24

\$120M

Revenue

\$146M

16%

YoY Revenue
Growth

22%

152K

Marketplace
Units

175K

\$2.4B

GMV

\$2.3B

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.

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GROWTH

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Market Backdrop

New-vehicle retail sales were flat YoY, despite improving inventory levels and increased OEM incentives. Used-vehicle retail sales were also flat YoY, due to the lack of late-model inventory, and elevated prices and borrowing costs

“Trade-to-wholesale” mix declined YoY and remained well-below historical levels as dealers retained trades for retail inventory

Wholesale price depreciation was inline with normal seasonal patterns, while conversion rates, which declined modestly YoY, were also inline with seasonally strong Q1 historical levels



GROWTH

ACV Transportation

Attach rate in the mid-50% range with
~95K transports (+20% YoY)

94% lane coverage with AI-optimized
pricing

>300 bps of revenue margin expansion
YoY

> Launched Off-Platform transportation
services

~85%

AUTO
DISPATCHED



ACV Capital

Strong revenue growth

Continued RPU expansion

Managing risk



Figures reflect Q1-24 vs. Q1-23 results

03

INNOVATION

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Innovation for Growth

- Driving marketplace conversion
- ACV MAX relaunch
- Commercial platform and Remarketing Center integrations
- Dealer Self-Inspection for Private Marketplaces and Live Appraisal

ADVANCED SAVED SEARCH

VEHICLE MERCHANDISING

DEALER SELF-INSPECTION

Consumer Sourcing ClearCar

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

LESTER GLENN
AUTO GROUP

“ClearCar has enabled Lester Glenn to create a trustworthy car buying experience that is easy, consistent and transparent. It has unlocked a new revenue stream for consumer trade-ins at our dealerships. The condition-enhanced pricing engine empowers each of our nine stores to make informed decisions that ultimately benefit our bottom line.”

– Matthew Costanzo, Chief Strategy Officer

Changing the game with condition-enhanced pricing

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

PLATE VIN **MAKE & MODEL**

YEAR ▼

MAKE ▼

GET MY PRICE

Powered by ClearCar



Digital Pricing Engine

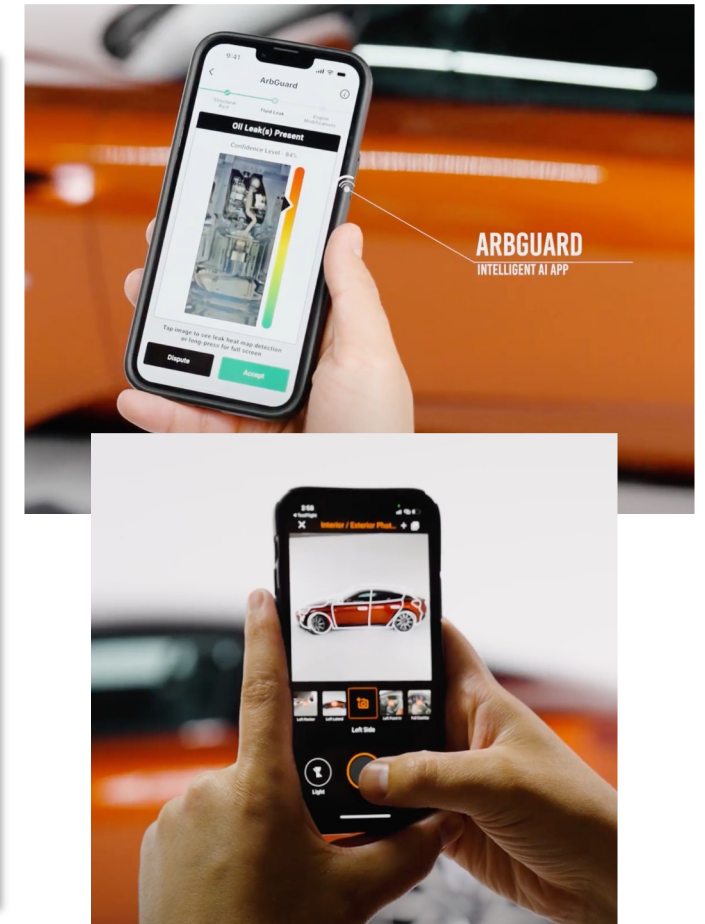
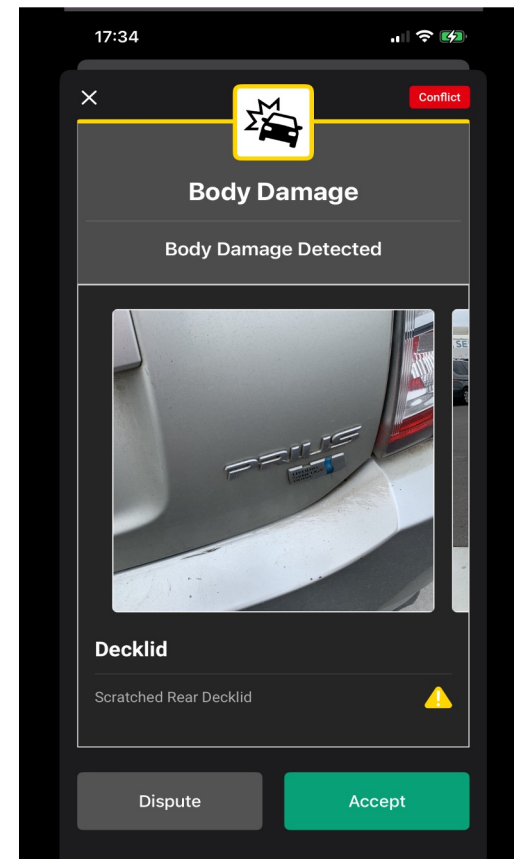
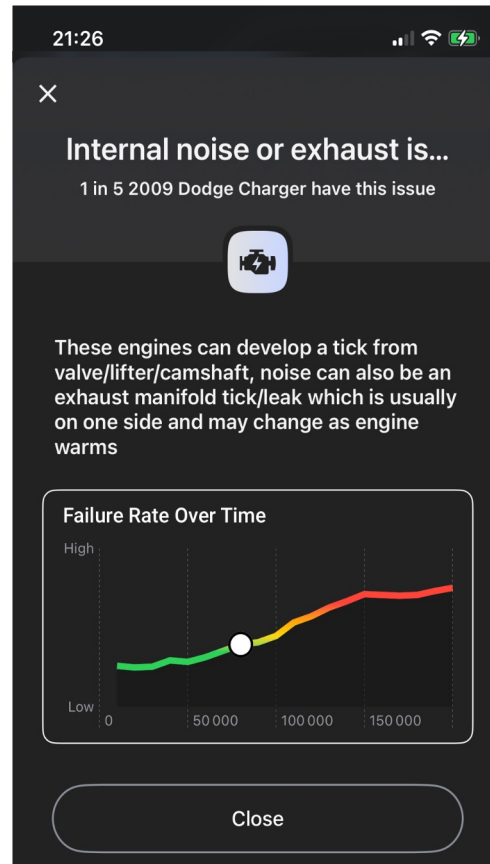
ClearCar Capture

Damage Detection

Innovation for Scale

Enhanced Inspection Platform Delivering Quality and Efficiency

- CoPilot 2.0
- ArbGuard 2.0



04

SCALE



Bill Zerella

CHIEF FINANCIAL OFFICER

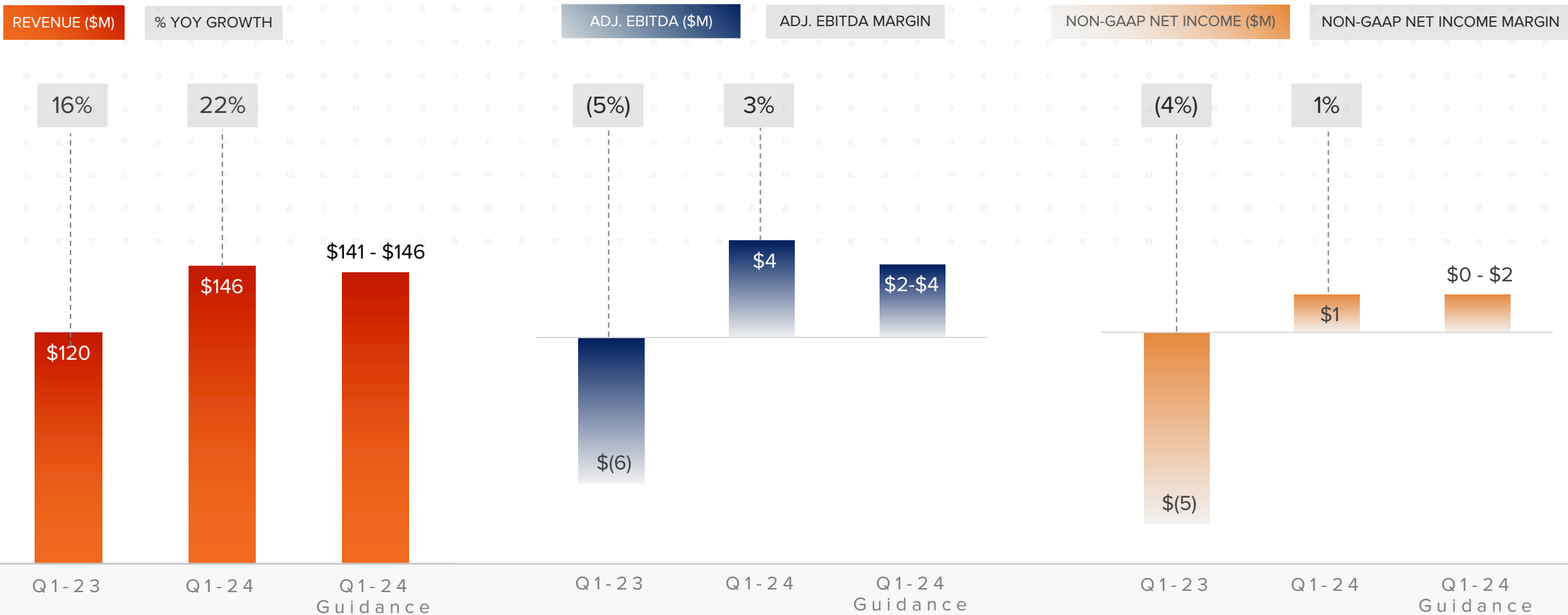
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SCALE

Solid Q1-24 Performance



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

Diversified Revenue Streams

Revenue Breakdown (\$M)

SAAS & DATA SERVICES

SAAS PRODUCTS

DATA-ENABLED SOLUTIONS

MARKETPLACE SERVICES

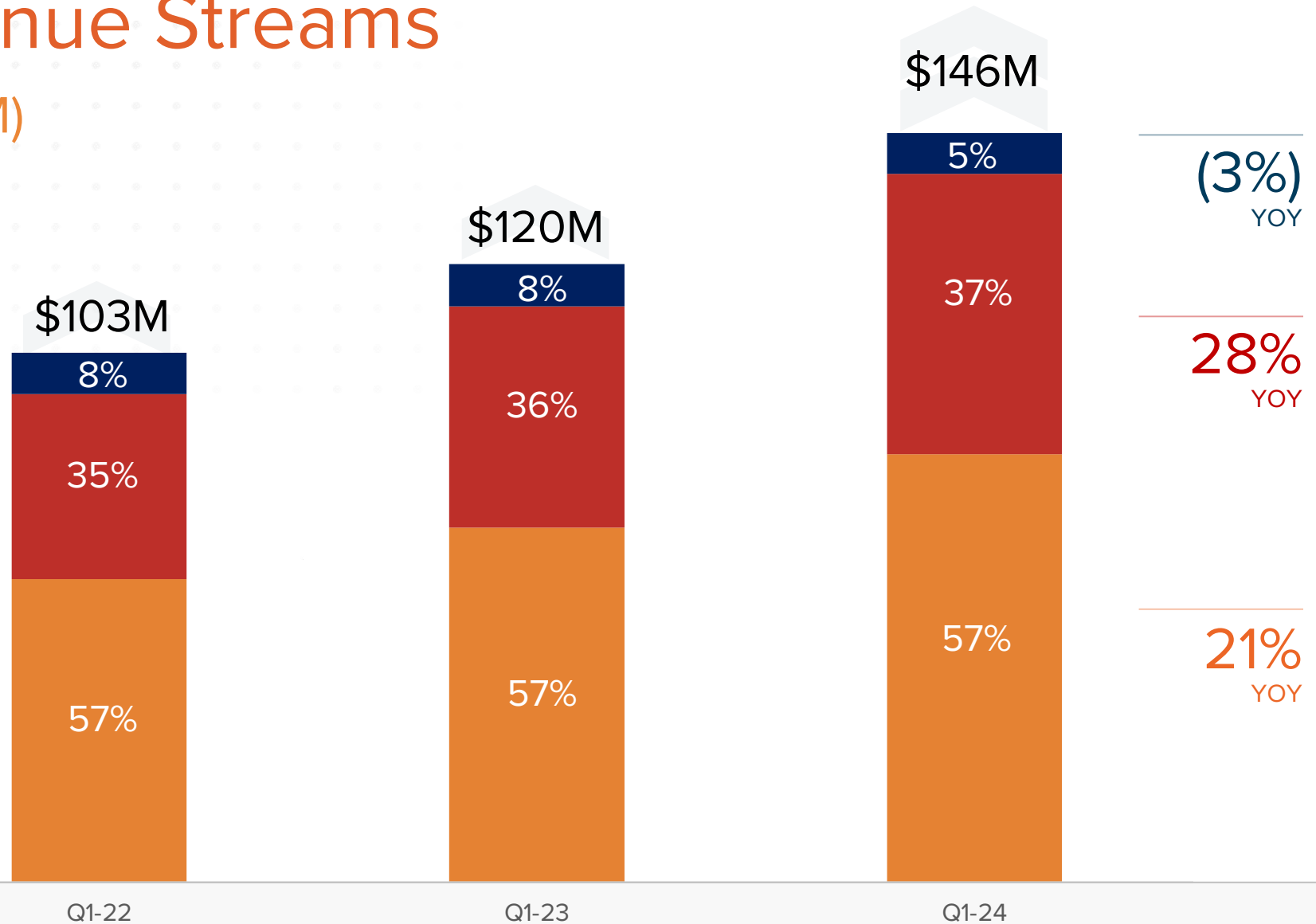
TRANSPORTATION

CAPITAL

AUCTION & ASSURANCE

AUCTION FEES

GO GREEN ASSURANCE



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

Delivering Margin Improvement and Managing OpEx

NON-GAAP COST OF REVENUE
% OF REVENUE

50%

47%

Q 1 - 2 3

Q 1 - 2 4

NON-GAAP OPERATING EXPENSE (EX. COR)
% OF REVENUE

57%

54%

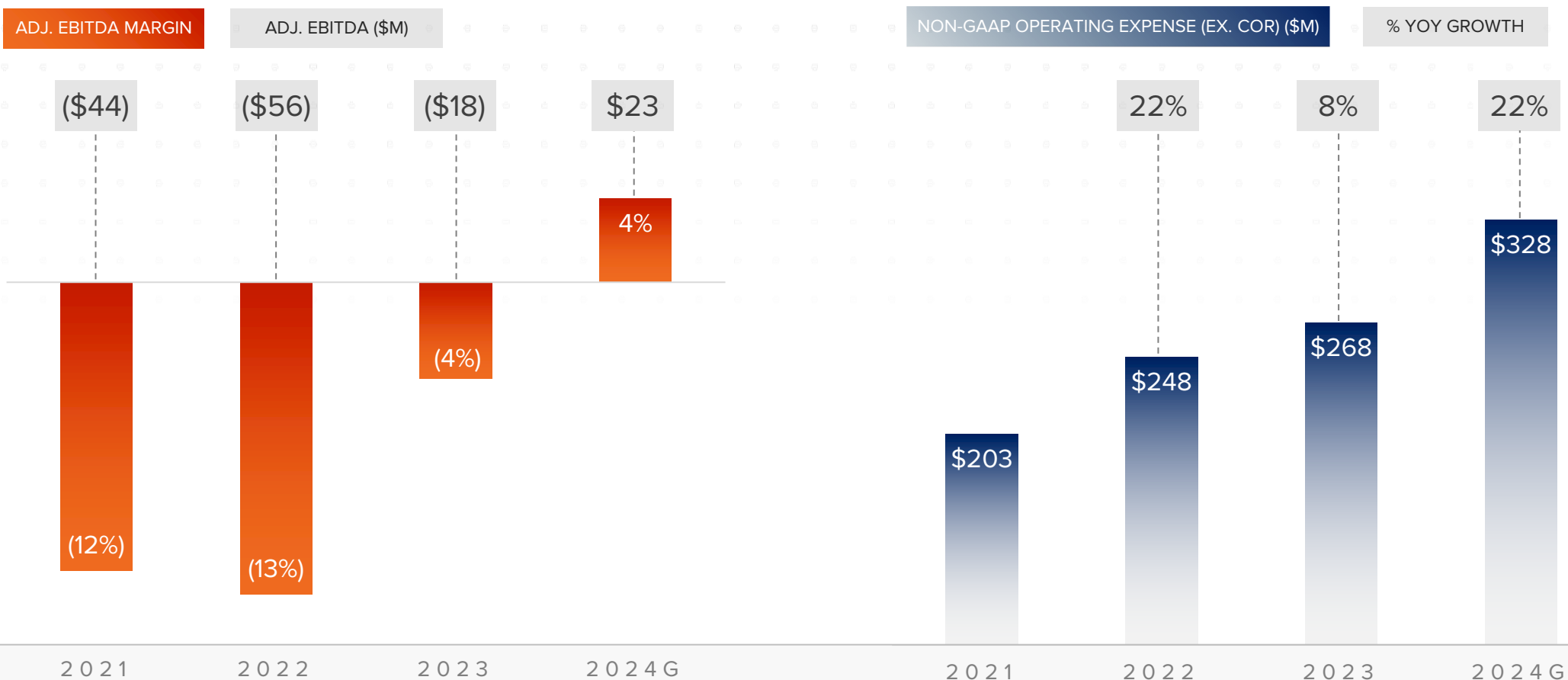
Q 1 - 2 3

Q 1 - 2 4

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

SCALE

Balancing Growth and Investments



Note: 2024 refers to the midpoint of guidance

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

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

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

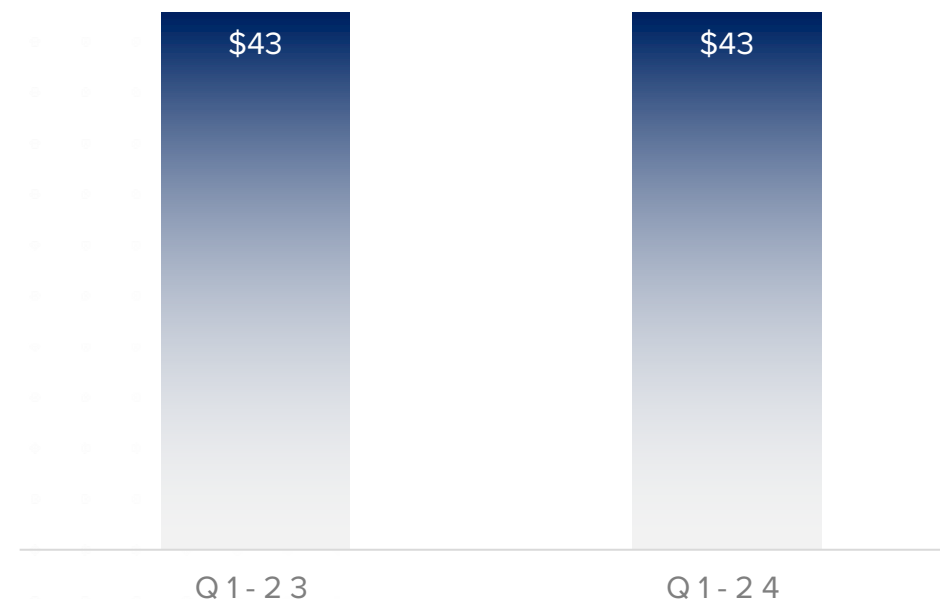
2023 Total non-GAAP Operating Expense (Ex. COR) also excludes \$49.7M of stock-based compensation, \$5.5M of intangible amortization, and \$2.3M of other

2024 Total non-GAAP Operating Expense (Ex. COR) also excludes ~\$70M of stock-based compensation and ~\$7M of intangible amortization

Strong Capital Position and Cash Flow

(\$M)	As of March 31, 2024
Cash, Cash Equivalents and Marketable Securities	\$341 (Includes ~\$172M of auction float)
ACV Capital Receivables	\$121
Long Term Debt	\$125
Total Assets	\$1,045
Total Liabilities	\$586

OPERATING CASH FLOW (\$M)



Q1-24 Operating Cash Flow, net of change in Marketplace Float was \$5 million vs. break-even in Q1-23

Guidance

(dollars in millions)

	Q2-24	2024
Revenue	\$154 to \$158	\$610 to \$625
YoY Growth	24% to 27%	27% to 30%
GAAP Net Income (Loss)	(\$19) to (\$17)	(\$85) to (\$80)
Non-GAAP Net Income ⁽¹⁾	\$2 to \$4	\$3 to \$8
Adjusted EBITDA	\$6 to \$8	\$20 to \$25
Adjusted EBITDA %	4% to 5%	3% to 4%

Assumptions

Dealer wholesale volumes expected to improve modestly in the back-half of 2024

Conversion rates and wholesale price depreciation expected to follow normal seasonal patterns

Revenue growth expected to outpace Non-GAAP OpEx growth (ex. COR and D&A) by approximately 10 percentage points

- (1) Q2-24 non-GAAP net income guidance excludes approximately \$18 million of stock-based compensation and approximately \$3 million of intangible amortization. 2024 non-GAAP net income excludes approximately \$70 million of stock-based compensation and approximately \$10 million of intangible amortization.
- (2) D&A is expected to be approximately \$25 million in 2024
- (3) Refer to the Appendix for additional information on GAAP to non-GAAP reconciliations

SCALE

Mid-term Target Model

\$1.3B

REVENUE

\$325M

ADJ. EBITDA

25%

ADJ. EBITDA
MARGIN

Wrap Up

01



Executing on Growth Strategy and
Gaining Share

02



Expanding Addressable Market

03



Delivering on Product Roadmap
and Expanding Competitive Moat

04



Driving Profitable Growth Through
Scalable Business Model

05



Building World Class Team with
People-First Culture

05

Q&A

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06

APPENDIX

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

Reconciliation GAAP Net Income (Loss) to Non-GAAP Net Income (Loss)	2021	2022	Q1-23	Q2-23	Q3-23	Q4-23	2023	Q1-24
GAAP Net Income (Loss)	(\$78.2)	(\$102.2)	(\$18.2)	(\$15.6)	(\$18.2)	(\$23.2)	(\$75.2)	(\$20.5)
Non-GAAP Adjustments:								
Contingent Gain (Loss)	0.0	(\$1.6)	0.0	0.0	0.0	0.0	0.0	0.0
Stock Based Compensation	23.7	39.3	11.5	11.9	12.9	13.3	49.6	14.8
Intangible Amortization from Acquisitions	4.0	4.9	1.2	1.3	1.3	1.7	5.5	2.2
Capitalized Stock Based Compensation Amortization	0.0	0.6	0.3	0.2	0.5	0.8	1.8	0.9
Acquisition-related expenses	0.0	0.0	0.2	0.3	0.1	0.6	1.2	2.1
Litigation-related costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
Other	0.0	0.5	0.0	0.0	0.4	0.7	1.1	0.0
Non-GAAP Net Income (Loss)	(\$50.5)	(\$58.5)	(\$5.0)	(\$1.8)	(\$3.1)	(\$6.0)	(\$16.0)	\$1.2
Reconciliation Non-GAAP Net Income (Loss) to Adj. EBITDA	2021	2022	Q1-23	Q2-23	Q3-23	Q4-23	2023	Q1-24
Non-GAAP Net Income (Loss)	(\$50.5)	(\$58.5)	(\$5.0)	(\$1.8)	(\$3.1)	(\$6.0)	(\$16.0)	\$1.2
Add Back:								
Depreciation & Amortization	4.7	\$6.0	1.9	2.4	3.3	4.3	11.9	4.7
Interest Expense	0.8	\$0.9	0.3	0.5	0.4	0.4	1.6	0.5
Interest Income	(0.1)	(\$5.0)	(3.3)	(4.7)	(4.5)	(4.0)	(16.5)	(3.0)
Other (Income) Expense, Net	0.2	\$0.1	0.1	0.1	0.2	(0.2)	0.2	0.4
Taxes	0.7	\$0.1	0.3	0.1	0.0	0.1	0.5	0.4
Adj. EBITDA	(\$44.1)	(\$56.4)	(\$5.6)	(\$3.5)	(\$3.7)	(\$5.4)	(\$18.2)	\$4.3
Revenue from Income Statement	\$358.4	\$421.5	\$119.6	\$124.2	\$119.0	\$118.4	\$481.2	\$145.7
Adj. EBITDA as a % of Revenue	(12%)	(13%)	(5%)	(3%)	(3%)	(5%)	(4%)	3%

Certain items may not total due to rounding

GAAP to Non-GAAP Operating Cost Reconciliation

Reconciliation GAAP Operating Expense to Non-GAAP Operating Expense	Actual Q1-23	Actual Q1-24
GAAP Cost of Revenue	\$59.7	\$68.5
Non-GAAP Adjustments:		
Marketplace & Service Cost of Revenue SBC	(0.2)	(0.3)
Marketplace & Service Cost of Revenue Other	-	-
Non-GAAP Cost of Revenue	\$59.5	\$68.3
GAAP Total Operating Cost (exc. COR)	\$80.7	\$99.7
Non-GAAP Adjustments:		
Stock Based Compensation	(11.3)	(14.6)
Intangible Amortization	(1.2)	(2.2)
Amortization of Capitalized SBC	(0.3)	(0.9)
Acquisition-related costs	(0.2)	(2.1)
Contingent Gains Loss	-	-
Other	-	(1.6)
Non-GAAP OpEx (exc. COR)	\$67.8	\$78.3

GAAP to Non-GAAP Net Income Guidance Reconciliation

Reconciliation GAAP Net Income Guidance to Non-GAAP Net Income Guidance	Guidance Q2-24	Guidance 2024
GAAP Net Income (loss)	(\$19) - (\$17)	(\$85) - (\$80)
Non-GAAP Adjustments:		
Stock Based Compensation	18	70
Intangible Amortization	3	10
Amortization of Capitalized SBC	1	4
Acquisition-related costs	-	2
Other	-	2
Non-GAAP Net Income (Loss)	\$2 - \$4	\$3 - \$8

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; and other one-time non-recurring items 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, 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, 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, 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 marketplace platform. 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 marketplace platform 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 marketplace platform, the vibrancy of our marketplace platform and our market share of wholesale transactions in the United States. We define Marketplace Units as the number of vehicles transacted on our marketplace platform 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 marketplace. Marketplace Units have increased over time as we have expanded our territory coverage, added new dealer partners and increased our share of wholesale transactions from existing customers.



FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements concerning our financial guidance for the second quarter of 2024 and the full year of 2024. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. You should not rely on forward-looking statements as predictions of future events.

The forward-looking statements contained in this presentation are based on ACV’s current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties and changes in circumstances that may cause ACV’s actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement. These risks and uncertainties include, but are not limited to: (1) our history of operating losses; (2) our limited operating history; (3) our ability to effectively manage our growth; (4) our ability to grow the number of participants on our platform; (5) general market, political, economic, and business conditions; (6) our ability to acquire new customers and successfully retain existing customers; (7) our ability to effectively develop and expand our sales and marketing capabilities; (8) breaches in our security measures, unauthorized access to our platform, our data, or our customers’ or other users’ personal data; (9) risk of interruptions or performance problems associated with our products and platform capabilities; (10) our ability to adapt and respond to rapidly changing technology or customer needs; (11) our ability to compete effectively with existing competitors and new market entrants; (12) our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States and other jurisdictions where we elect to do business; (13) the impact that economic conditions could have on our or our customers’ businesses, financial condition and results of operations; and (14) the impact of such economic conditions in the wholesale dealer market included in our guidance for the third quarter of 2023 and full year 2023, and the related impact on the performance of our marketplace and our operating expenses, stock-based compensation expense and intangible amortization. These and other risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission (“SEC”), including in the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2023, filed with the SEC on February 21, 2024. Additional information will be made available in other filings and reports that we may file from time to time with the SEC. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

