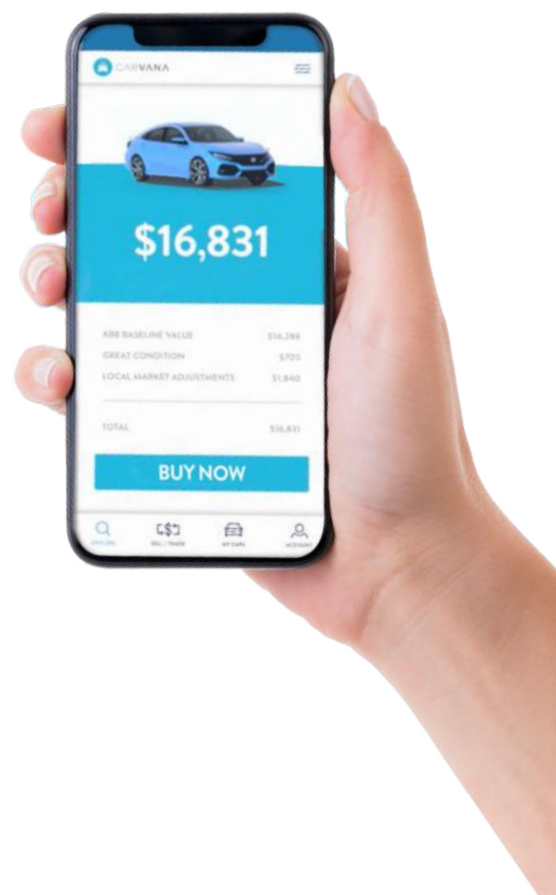


2020 THE YEAR OF THE ONLINE CAR BUYER

 **CARVANA** | Online Car Buyer Report



OVERVIEW

In 2020, we saw an acceleration of interest in online car buying. The COVID-19 pandemic brought unprecedented change at an unprecedented pace and its follow-on effects increased the adoption of e-commerce across retail verticals. Carvana was already experiencing rapid growth over the past eight years, and with the shift in consumer preferences, the company was propelled to bring even more people [The New Way to Buy a Car®](#) in 2020.



KEY INSIGHTS



Carvana is now the **second largest used auto retailer** in the country¹



In Q3, for the first time in Carvana history, **the company bought more cars from our customers** than we sold to them



Carvana is powering the trend of upcycling cars with the potential to **recirculate more than 600,000 vehicles**



Carvana saw an **increased adoption of EVs**

HOW CARVANA ACCELERATED ONLINE CAR BUYING

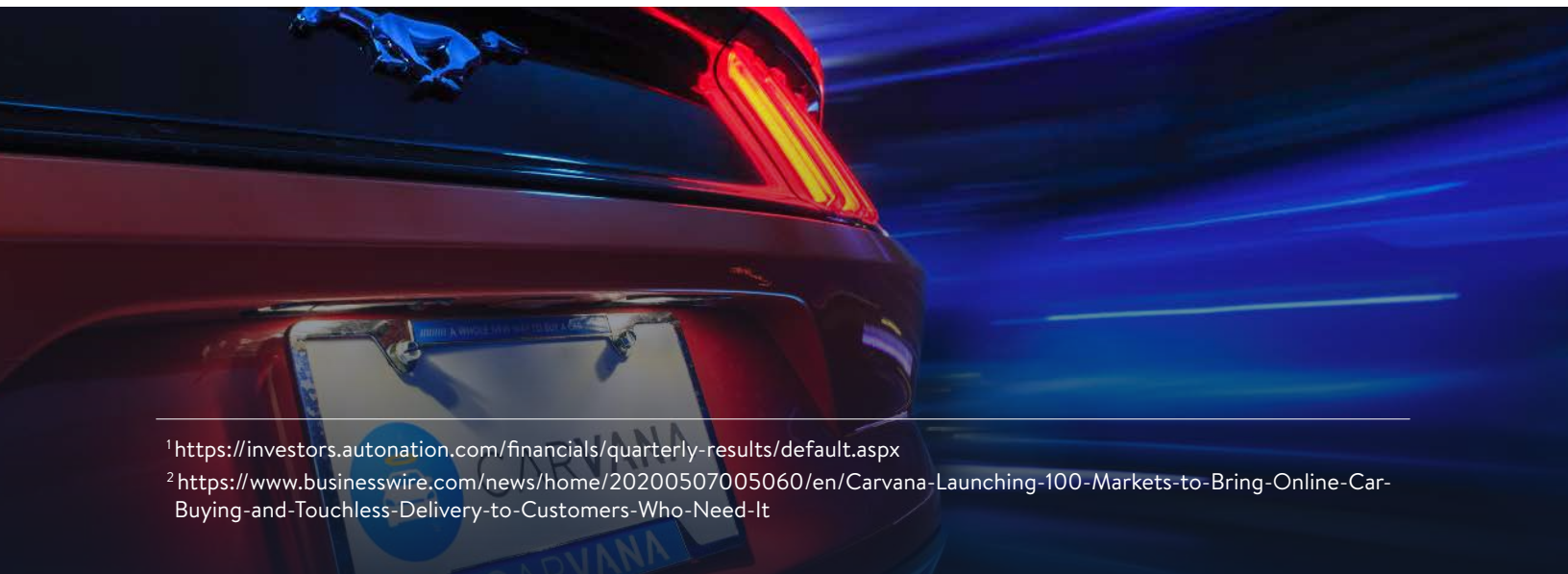
Carvana was positioned to help accelerate the adoption of online car buying.

Here's how we led the pack:

To keep our team members and customers safe, at the onset of the pandemic, **we implemented touchless delivery, and sanitized more than 180,000 vehicles** through 2020. From Q2 - Q4 we saw an increase of deliveries of more than 31 percent.

To meet the demand of more online car buyers, **we opened a record 100 additional markets² across 24 states in one day** to provide those who needed to purchase a vehicle to keep moving, with an entirely online car buying experience.

We supported urban commuters that typically relied heavily on public transportation and saw an uptick in deliveries in the Northeast region, for example, **by 177 percent from the year prior.**



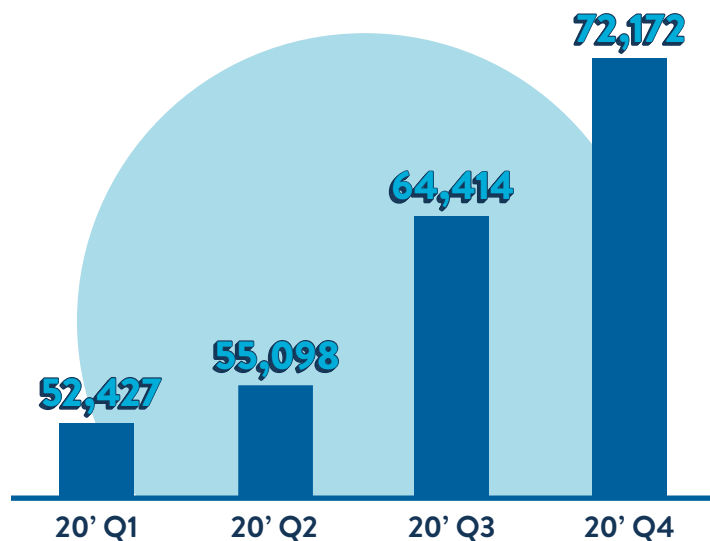
¹<https://investors.autonation.com/financials/quarterly-results/default.aspx>

²<https://www.businesswire.com/news/home/20200507005060/en/Carvana-Launching-100-Markets-to-Bring-Online-Car-Buying-and-Touchless-Delivery-to-Customers-Who-Need-It>

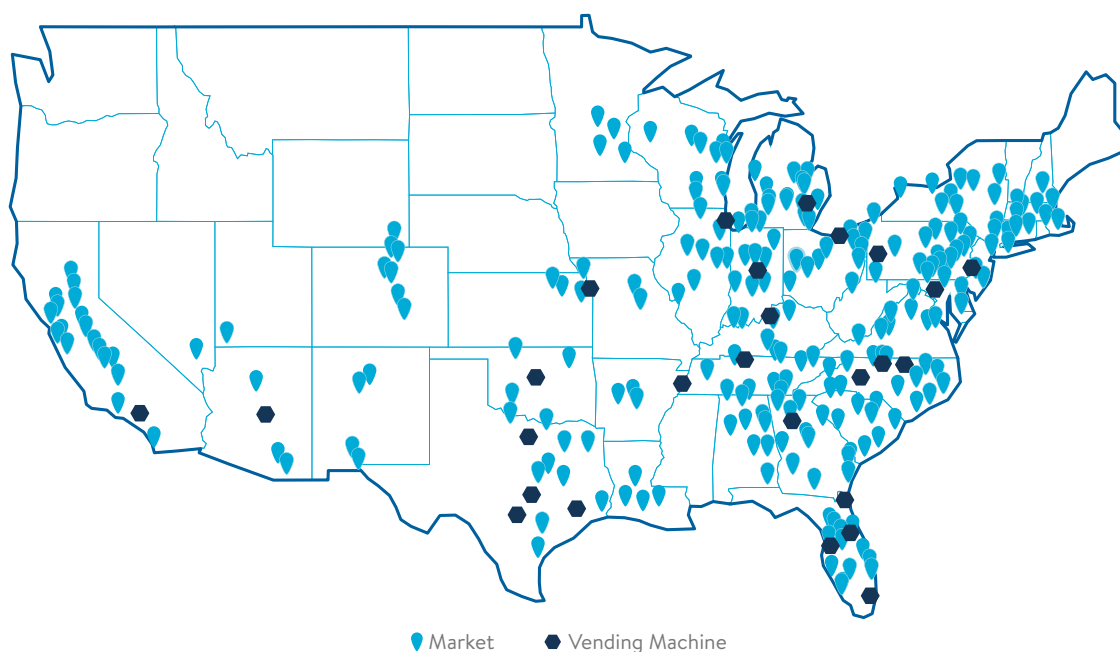
➤ CARVANA 2020 GROWTH RATE AND EXPANSION

When the pandemic hit, automakers saw a significant decrease in sales due to closures.³ Carvana's sales saw a slight decline and began to rebound in late April, and continued to improve with sales growth of approximately 40 percent year-over-year later in Q2.

We saw a **37 percent increase** in Retail Units Sold in 2020.



At the close of 2020, we were operating 27 vending machines and serving 266 markets covering 73.7 percent of the population. We experienced an **82 percent YoY increase in total markets**.



³ <https://www.cnbc.com/2020/05/21/the-coronavirus-pandemic-has-upended-auto-sales-and-buying-a-car-will-never-be-the-same.html>

🕒 WE KNOW THAT MORE AND MORE PEOPLE ARE BUYING CARS ONLINE

In 2020, **Carvana sold more than 244,000 cars online**, an increase of 37 percent YoY. That is the equivalent of selling 1 car every 2.2 minutes. In the two minutes it takes to brush your teeth, we've already sold another car!

CARVANA'S TOP 5 MOST PURCHASED BRANDS

1.  **CHEVROLET**

2.  **FORD**

3.  **TOYOTA**

4.  **NISSAN**

5.  **HONDA**



CARVANA'S TOP 5 VEHICLES PURCHASED

HONDA CIVIC

CHEVROLET EQUINOX

FORD F-150

HONDA ACCORD

NISSAN ROGUE

CARVANA'S FASTEST SELLING CARS

From listing on site to locked for purchase

2018 VOLKSWAGEN JETTA



1 MINUTE

2017 LEXUS RX 350



3 MINUTES

2018 HYUNDAI SANTA FE SPORT



4 MINUTES

2012 AUDI A6

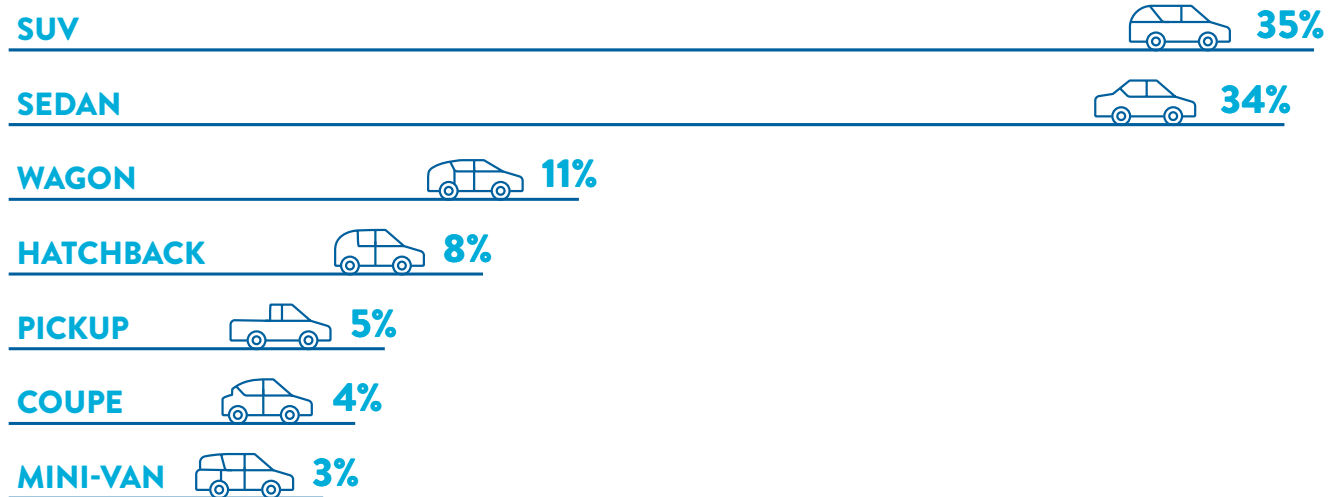


5 MINUTES



CARVANA'S MOST POPULAR BODY STYLE

In 2019, sedans accounted for 41 percent of our total sales. In 2020, SUVs closed the gap accounting for **35 percent of total sales**, just barely inching forward.



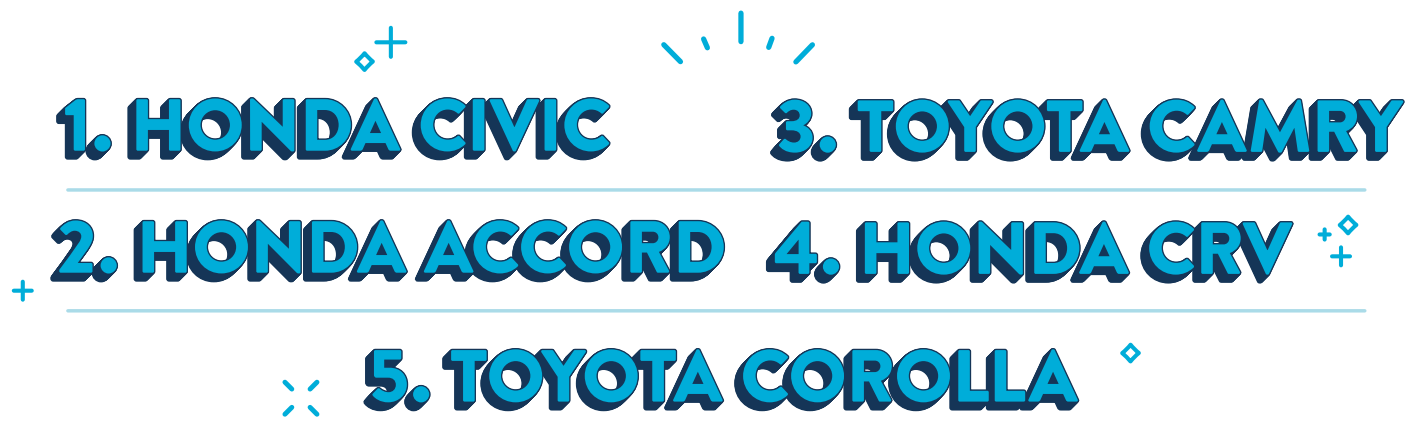
CONSUMERS ARE SELLING MORE CARS ONLINE

Many people looked for ways to also sell their car safely without coming into contact with others, and opted to sell their car online. For the first time ever, **Carvana purchased more cars from customers than it sold** in Q3 2020. And since Q3 2018 - that same time period two years earlier - we have increased the amount of cars we bought from customers by eightfold.

We've purchased more than 350,000 cars total to date, and 203,000 of those were purchased in 2020; that's almost **60 percent of the total purchased cars** in the company's history.

TOP 5 VEHICLES CARVANA BOUGHT FROM CUSTOMERS

Honda and Toyota are brands customers are keen to sell us with their popular sedans topping the list.



🕒 USED IS THE NEW GREEN AND IT'S MOVING ONLINE - CARVANA IS POWERING THE TREND OF UPCYCLING CARS

Spending hours haggling at the dealership is in the rearview mirror. Now, as more consumers embrace used vehicle ownership as one way to minimize their reliance on new manufacturing and the environmental impacts that go with it, they are also finding they can shop online, buy or sell their car in minutes and schedule delivery or pick up from the comfort of home.

Carvana puts roughly \$1,000 of parts and labor into all the vehicles we recondition. Meaning in 2020, **we invested more than \$240 million** to ensure customers could go the “greener” route and buy used instead of relying on new, and doing their part to keep environmental impacts down.

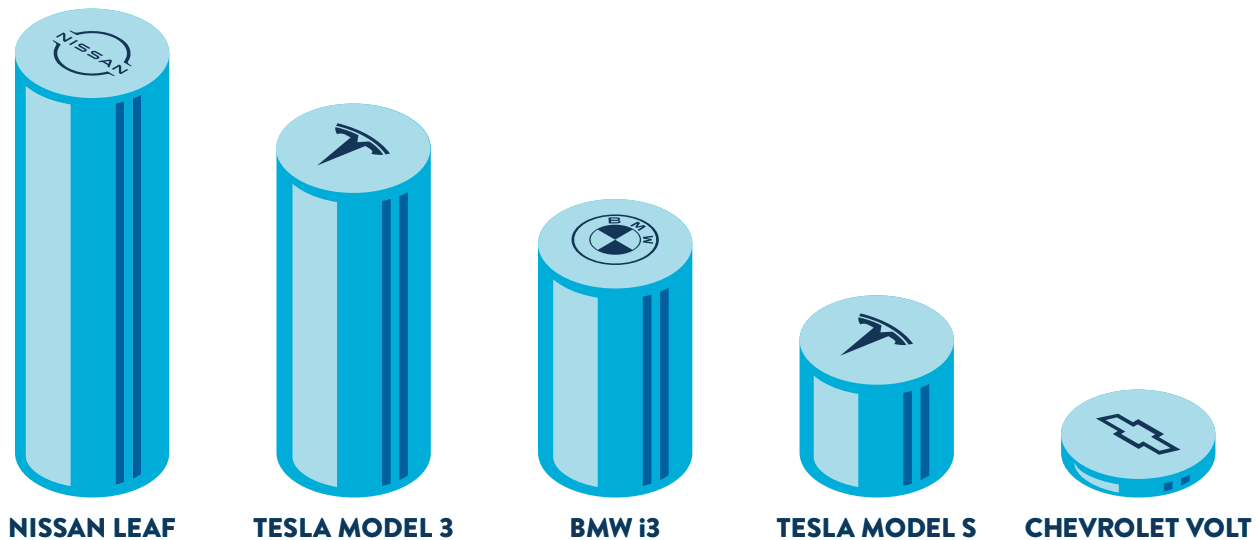
And we want to do more. Carvana has the capacity at its inspection centers to recondition 617,000 vehicles. That means **617,000 vehicles have the potential to be recirculated and back on roads**, instead of adding that many new vehicles to the roads and the carbon emissions that go with them.



🕒 CARVANA SAW AN INCREASE IN ADOPTION OF EVs

As EVs are poised to have a record 2021⁴, we saw a **24 percent increase in purchases of EVs** YoY. Two of the top five selling EVs were Teslas.

CARVANA'S TOP 5 MOST PURCHASED EVs IN 2020



We may deliver a Tesla **as soon as the next day**, compared to weeks that customers may need to wait for a new one



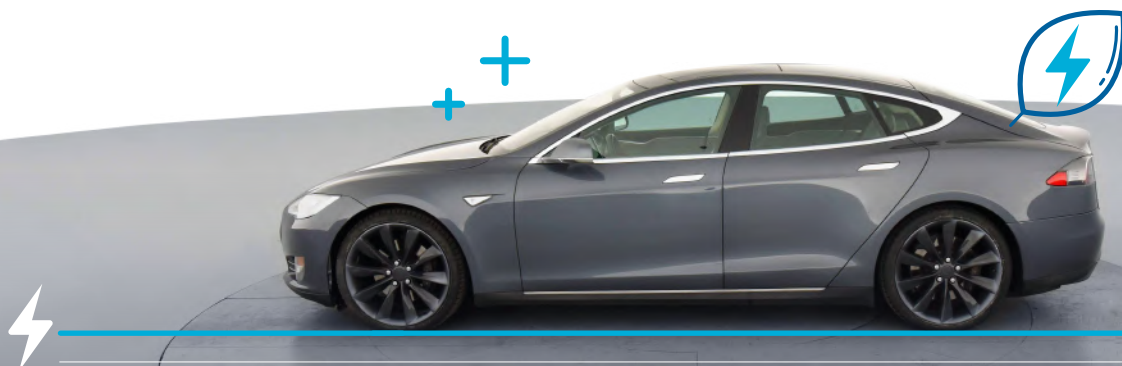
On average, **Teslas on our site were sold within 37 days of acquisition**, compared to the average of 70 days for other vehicles



The most popular Tesla model purchased from Carvana is the **Model 3**



70 percent of the Teslas we sold were acquired from customers



⁴ <https://www.techrepublic.com/article/report-71-jump-in-electric-vehicle-purchases-projected-for-2021/>

🔗 INDUSTRY EXPERTS WEIGH IN

With the trend toward online car buying, customers have never been happier

Auto Remarketing
January 25, 2021



“According to our data, car buyers have never been happier,” notes Cox Automotive Vice President of Research & Market Intelligence Isabelle Helms. “Consumers have long asked for a process that is more efficient and requires less time at the dealership. With more steps moving online, that’s exactly what they are getting. And it is not just consumers who are benefitting. Dealers, too, are seeing the advantages of a more efficient streamlined purchasing process.”

The Internet Comes Calling for Car Salesmen

Bloomberg
October 25, 2020

“My experience, it turns out, is not an anomaly. A trio of automotive web stores -- Carvana Corp., Shift Technologies Inc., and Vroom -- have the accelerator pinned, as COVID lockdown played into business models that are socially distanced by design. Take a look at the charts in our deep-dive on the space. In the next few years, analysts expect 8 percent to 20 percent of vehicles to be bought via computer or phone.”

The Pandemic Has Pushed Car Buying Online. It’s Expected to Stick

Wall Street Journal
June 20, 2020

“After some sales success, many in the industry expect the online push to continue. As dealerships reopen across the country, many are rethinking how they staff locations, including cutting traditional sales roles and shifting more employees into digital operations, managers and owners say.”

Becoming a car owner in middle age, abruptly

Associated Press
October 17, 2020

“It is my first car -- ever. I happen to be 50 years old. The pandemic has altered so much in America in ways great and small. In the very small department, it has given a middle-aged man gray in his beard a teenager’s rite of passage.”



METHODOLOGY

Carvana specific research findings were determined based on an internal analysis of vehicle transactions and website traffic from January 1, 2020 through December 31 2020.

Disclaimer: Any product names, logos, brands, and other trademarks or images featured or referred to in this article are the property of their respective trademark holders. These trademark holders are not affiliated with Carvana. These trademark holders do not sponsor or endorse Carvana or any of its products or comments.