UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 7, 2022

VROOM, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-39315	90-1112566
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

3600 W Sam Houston Pkwy S, Floor 4
Houston, Texas 77042
(Address of principal executive offices) (Zip Code)

(518) 535-9125
(Registrant’s telephone number, include area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	VRM	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On November 7, 2022, Vroom, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On November 8, 2022, members of the Company's management will hold an earnings conference call to discuss the Company's financial results for the quarter ended September 30, 2022, and the presentation furnished as Exhibit 99.2 to this Current Report on Form 8-K will accompany management's comments.

The information contained in Item 2.02, including Exhibit 99.1 hereto and in Item 7.01, including Exhibit 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits relating to Item 2.02 and Item 7.01 shall be deemed to be furnished, and not filed:

Exhibit No.	Description
99.1	Press Release dated November 7, 2022.
99.2	Earnings Conference Call Presentation for the Quarter Ended September 30, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		VROOM, INC.
Date: November 7, 2022	By:	/s/ Robert R. Krakowiak
		Robert R. Krakowiak
		Chief Financial Officer

Exhibit 99.1

Vroom Announces Record Ecommerce Gross Profit Per Unit of $4,206
Continued Progress on Long-Term Roadmap

NEW YORK – November 7, 2022 – Vroom, Inc. (Nasdaq:VRM), a leading ecommerce platform for buying and selling used vehicles, today announced financial results for the third quarter ended September 30, 2022.

HIGHLIGHTS OF THIRD QUARTER 2022 VERSUS SECOND QUARTER 2022

- Ecommerce gross profit per unit of $4,206, up 16%
- SG&A expenses decreased $18.3 million
- Net loss improved from $(115.1) million to $(51.1) million
- Adjusted EBITDA improved from $(85.6) million to $(73.3) million
- Adjusted EBITDA excluding non-recurring costs improved from $(77.3) million to $(57.5) million

Tom Shortt, Chief Executive Officer of Vroom, commented: "We continued to make progress on our three key objectives and four strategic initiatives as outlined during our Investor Day in May. We are intensely focused on improving the customer experience. For the month of October, 98% of our customers received their completed registrations before the expiration of their initial temporary tags. We will continue this focus as we work to achieve our goal of becoming best-in-class in titling and registration. We achieved Ecommerce gross profit per unit of $4,206, improved our Adjusted EBITDA excluding non-recurring costs to $(57.5) million and reduced our leverage by $56 million. I would like to thank all of our Vroommates, UACC Colleagues and third-party partners for their contributions in transforming our business and improving our customer experience."

Bob Krakowiak, Vroom's Chief Financial Officer, commented: "I am pleased with our financial and operational performance in the third quarter. We took several actions to maximize liquidity and strengthen our balance sheet, including unlocking $59 million of restricted cash, repurchasing a portion of our convertible notes and completing our second securitization since the acquisition of UACC. Based on our progress, we are forecasting year-end cash liquidity near the midpoint of our previous guidance of $450 to $565 million."

THIRD QUARTER 2022 FINANCIAL RESULTS

All financial comparisons are on a year-over-year basis unless otherwise noted.

Ecommerce Results

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Change	% Change	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Change	% Change
	(in thousands, except unit data and average days to sale)				(in thousands, except unit data and average days to sale)			
Ecommerce units sold	6,428	19,683	(13,255)	(67.3)%	35,134	53,455	(18,321)	(34.3)%
Ecommerce revenue:								
Vehicle revenue	$ 212,980	$ 677,170	$ (464,190)	(68.5)%	$ 1,173,727	$ 1,644,494	$ (470,767)	(28.6)%
Product revenue	12,461	24,508	(12,047)	(49.2)%	48,709	59,155	(10,446)	(17.7)%
Total ecommerce revenue	$ 225,441	$ 701,678	$ (476,237)	(67.9)%	$ 1,222,436	$ 1,703,649	$ (481,213)	(28.2)%
Ecommerce gross profit:								
Vehicle gross profit	$ 14,573	$ 25,875	$ (11,302)	(43.7)%	$ 46,153	$ 72,704	$ (26,551)	(36.5)%
Product gross profit	12,461	24,508	(12,047)	(49.2)%	48,709	59,155	(10,446)	(17.7)%
Total ecommerce gross profit	$ 27,034	$ 50,383	$ (23,349)	(46.3)%	$ 94,862	$ 131,859	$ (36,997)	(28.1)%
Average vehicle selling price per ecommerce unit	$ 33,133	$ 34,404	$ (1,271)	(3.7)%	$ 33,407	$ 30,764	$ 2,643	8.6%
Gross profit per ecommerce unit:								
Vehicle gross profit per ecommerce unit	$ 2,267	$ 1,315	$ 952	72.4%	$ 1,314	$ 1,360	$ (46)	(3.4)%
Product gross profit per ecommerce unit	1,939	1,245	694	55.7%	1,386	1,107	279	25.2%
Total gross profit per ecommerce unit	$ 4,206	$ 2,560	$ 1,646	64.3%	$ 2,700	$ 2,467	$ 233	9.4%
Ecommerce average days to sale	186	68	118	173.5%	118	73	45	61.6%

Results by Segment

	Three Months Ended September 30, 2022	2021[1]	Change	% Change	Nine Months Ended September 30, 2022	2021[1]	Change	% Change
	(in thousands, except unit data)				(in thousands, except unit data)			
Units:								
Ecommerce	6,428	19,683	(13,255)	(67.3)%	35,134	53,455	(18,321)	(34.3)%
Wholesale	3,128	9,760	(6,632)	(68.0)%	19,108	28,421	(9,313)	(32.8)%
All Other (2)	662	1,583	(921)	(58.2)%	3,408	3,358	50	1.5%
Total units	10,218	31,026	(20,808)	(67.1)%	57,650	85,234	(27,584)	(32.4)%
Revenue:								
Ecommerce	$ 225,441	$ 701,678	$ (476,237)	(67.9)%	$ 1,222,436	$ 1,703,649	$ (481,213)	(28.2)%
Wholesale	47,604	131,306	(83,702)	(63.7)%	270,489	377,438	(106,949)	(28.3)%
Retail Financing (3)	40,654	—	40,654	100.0%	120,005	—	120,005	100.0%
All Other (4)	27,098	63,772	(36,674)	(57.5)%	126,622	168,677	(42,055)	(24.9)%
Total revenue	$ 340,797	$ 896,756	$ (555,959)	(62.0)%	$ 1,739,552	$ 2,249,764	$ (510,212)	(22.7)%
Gross profit (loss):								
Ecommerce	$ 27,034	$ 50,383	$ (23,349)	(46.3)%	$ 94,862	$ 131,859	$ (36,997)	(28.1)%
Wholesale	(1,574)	2,103	(3,677)	(174.8)%	(6,260)	10,337	(16,597)	(160.6)%
Retail Financing (3)	35,954	—	35,954	100.0%	109,637	—	109,637	100.0%
All Other (4)	5,917	5,603	314	5.6%	17,089	15,197	1,892	12.4%
Total gross profit	$ 67,331	$ 58,089	$ 9,242	15.9%	$ 215,328	$ 157,393	$ 57,935	36.8%
Gross profit (loss) per unit (5):								
Ecommerce	$ 4,206	$ 2,560	$ 1,646	64.3%	$ 2,700	$ 2,467	$ 233	9.4%
Wholesale	$ (503)	$ 215	$ (718)	(334.0)%	$ (328)	$ 364	$ (692)	(190.1)%

(1) In the second quarter of 2022, we reevaluated our reporting segments based on relative revenue and gross profit and significance in our long term strategy. As a result of that analysis, we determined to no longer report TDA as a separate operating segment. As of June 30, 2022, we are organized into three reportable segments: Ecommerce, Wholesale, and Retail Financing. We reclassified TDA revenue and TDA gross profit from the TDA reportable segment to the "All Other" category to conform to current year presentation.
(2) All Other units consist of retail sales of used vehicles from TDA.
(3) The Retail Financing segment represents UACC's operations with its network of third-party dealership customers as of the closing of the UACC acquisition in February 2022.
(4) All Other revenues and gross profit consist of retail sales of used vehicles from TDA and fees earned on sales of value-added products associated with those vehicles sales and the CarStory business.
(5) Gross profit per unit metrics exclude the Retail Financing gross profit and All Other gross profit.

SG&A

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Change	% Change	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Change	% Change
	(in thousands)				(in thousands)			
Compensation & benefits	$ 55,694	$ 53,900	$ 1,794	3.3 %	$ 199,111	$ 145,580	$ 53,531	36.8 %
Marketing expense	14,945	35,214	(20,269)	(57.6)%	69,818	88,267	(18,449)	(20.9)%
Outbound logistics	4,945	22,717	(17,772)	(78.2)%	39,925	57,987	(18,062)	(31.1)%
Occupancy and related costs	6,041	4,635	1,406	30.3 %	17,408	12,599	4,809	38.2 %
Professional fees	6,459	7,694	(1,235)	(16.1)%	26,585	15,951	10,634	66.7 %
Software and IT costs	11,277	7,232	4,045	55.9 %	33,406	19,367	14,039	72.5 %
Other	35,282	17,326	17,956	103.6 %	89,374	41,731	47,643	114.2 %
Total selling, general & administrative expenses	$ 134,643	$ 148,718	$ (14,075)	(9.5)%	$ 475,627	$ 381,482	$ 94,145	24.7 %

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP financial measures are useful in evaluating our operating performance:

- EBITDA;
- Adjusted EBITDA;
- Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues;
- Adjusted EBITDA excluding securitization gain;
- Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues;
- Non-GAAP net loss;
- Non-GAAP net loss per share;
- Non-GAAP net loss excluding securitization gain; and
- Non-GAAP net loss per share excluding securitization gain.

These non-GAAP financial measures have limitations as analytical tools in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. Because of these limitations, these non-GAAP financial measures should be considered along with other operating and financial performance measures presented in accordance with U.S. GAAP. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. We have reconciled all non-GAAP financial measures with the most directly comparable U.S. GAAP financial measures.

EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues, Adjusted EBITDA excluding securitization gain, Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues, Non-GAAP net loss, Non-GAAP net loss per share, Non-GAAP net loss excluding securitization gain, and Non-GAAP net loss per share excluding securitization gain are supplemental performance measures that our management uses to assess our operating performance and the operating leverage in our business. Because each of these non-GAAP financial measures facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes.

EBITDA

We calculate EBITDA as net loss before interest expense, interest income, income tax expense and depreciation and amortization expense.

Adjusted EBITDA

We calculate Adjusted EBITDA as EBITDA adjusted to exclude realignment costs, acquisition related costs, change in fair value of finance receivables, gain on debt extinguishment, goodwill impairment charge and other costs, which relate to the write off of the upfront shares issued as part of the Rocket Auto agreement and previously recognized within "Other assets". Changes in fair value of finance receivables can fluctuate significantly from period to period and relate primarily to historical loans and debt which have been securitized, and acquired on February 1, 2022 from UACC. Our ongoing business model is to originate or purchase finance receivables with the intent to sell which we recognize at the lower of cost or fair value. Therefore, these historical finance receivables acquired, which are accounted for under the fair value option, will experience fluctuations in value from period to period. We believe it is appropriate to remove this temporary volatility from our Adjusted EBITDA results to better reflect our ongoing business model. Additionally, these historical finance receivables acquired from UACC are expected to run-off within approximately 12 months.

Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues

We calculate Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues as Adjusted EBITDA adjusted to exclude the non-recurring costs incurred to address operational and customer experience issues, including rental cars for our customers and legal settlements with customers and state DMVs. While we expect to continue to incur these costs over the next few quarterly periods, we do not expect these costs to continue to be incurred once our operational issues have been resolved.

Adjusted EBITDA excluding securitization gain

We calculate Adjusted EBITDA excluding securitization gain as Adjusted EBITDA adjusted to exclude the securitization gain from the sale of UACC's finance receivables, and believe that it provides a useful perspective on the underlying operating results and trends and a means to compare our period-over-period results.

Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues

We calculate Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues as Adjusted EBITDA adjusted to exclude the securitization gain from the sale of UACC’s finance receivables and the non-recurring costs incurred to address operational and customer experience issues.

The following table presents a reconciliation of the foregoing non-GAAP financial measures to net loss, which is the most directly comparable U.S. GAAP measure:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net loss	$ (51,127)	$ (98,122)	$ (476,675)	$ (241,118)
Adjusted to exclude the following:	—	—	—	—
Interest expense	9,704	7,028	28,617	14,720
Interest income	(5,104)	(2,930)	(12,991)	(7,288)
(Benefit) provision for income taxes	899	29	(22,085)	379
Depreciation and amortization	9,995	3,469	28,005	9,497
EBITDA	$ (35,633)	$ (90,526)	$ (455,129)	$ (223,810)
Realignment costs	$ 3,243	$ —	$ 12,772	$ —
Acquisition related costs	—	3,412	5,653	3,412
Change in fair value of finance receivables	(3,012)	—	4,455	—
Goodwill impairment charge	—	—	201,703	—
Gain on debt extinguishment	(37,917)	—	(37,917)	—
Other	—	—	2,127	—
Adjusted EBITDA	$ (73,319)	$ (87,114)	$ (266,336)	$ (220,398)
Non-recurring costs to address operational and customer experience issues	15,785	—	25,059	—
Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues	$ (57,534)	$ (87,114)	$ (241,277)	$ (220,398)
Securitization gain	(15,972)	—	(45,589)	—
Adjusted EBITDA excluding securitization gain	$ (89,291)	$ (87,114)	$ (311,925)	$ (220,398)
Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues	$ (73,506)	$ (87,114)	$ (286,866)	$ (220,398)

Non-GAAP net loss

We calculate Non-GAAP net loss as net loss adjusted to exclude realignment costs, acquisition related costs, change in fair value of finance receivables, goodwill impairment charge, gain on debt extinguishment, and other costs, which relate to the write off of the upfront shares issued as part of the Rocket Auto agreement and previously recognized within "Other assets".

Non-GAAP net loss per share

We calculate Non-GAAP net loss per share as Non-GAAP net loss divided by weighted average number of shares outstanding.

Non-GAAP net loss excluding securitization gain

We calculate Non-GAAP net loss excluding securitization gain as Non-GAAP net loss adjusted to exclude the securitization gain from the sale of UACC's finance receivables.

Non-GAAP net loss per share excluding securitization gain

We calculate Non-GAAP net loss per share excluding securitization gain as Non-GAAP net loss excluding securitization gain divided by weighted average number of shares outstanding.

The following table presents a reconciliation of the foregoing non-GAAP financial measures to net loss and net loss per share, which are the most directly comparable U.S. GAAP measures:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands, except share and per share amounts)			
Net loss	$ (51,127)	$ (98,122)	$ (476,675)	$ (241,118)
Net loss attributable to common stockholders	$ (51,127)	$ (98,122)	$ (476,675)	$ (241,118)
Add: Realignment costs	3,243	—	12,772	—
Add: Acquisition related costs	—	3,412	5,653	3,412
Add: Change in fair value of finance receivables	(3,012)	—	4,455	—
Add: Goodwill impairment charge	—	—	201,703	—
Subtract: Gain on debt extinguishment	(37,917)	—	(37,917)	—
Add: Other	—	—	2,127	—
Non-GAAP net loss	$ (88,813)	$ (94,710)	$ (287,882)	$ (237,706)
Subtract: Securitization gain	(15,972)	—	(45,589)	—
Non-GAAP net loss excluding securitization gain	$ (104,785)	$ (94,710)	$ (333,471)	$ (237,706)
	—	—	—	—
Weighted-average number of shares outstanding used to compute net loss per share, basic and diluted	138,118,679	136,766,015	137,817,839	136,256,901
Net loss per share, basic and diluted	$ (0.37)	$ (0.72)	$ (3.46)	$ (1.77)
Impact of realignment costs	0.02	—	0.09	—
Impact of acquisition related costs	—	0.02	0.04	0.03
Impact of change in fair value of finance receivables	(0.02)	—	0.03	—
Impact of goodwill impairment charge	—	—	1.46	—
Impact of gain on debt extinguishment	(0.27)	—	(0.28)	—
Impact of other	—	—	0.02	—
Non-GAAP net loss per share, basic and diluted	$ (0.64)	$ (0.70)	$ (2.10)	$ (1.74)
Impact of securitization gain	(0.12)	—	(0.33)	—
Non-GAAP net loss per share excluding securitization gain and non-recurring costs to address operational and customer experience issues, basic and diluted	$ (0.76)	$ (0.70)	$ (2.43)	$ (1.74)

THIRD QUARTER 2022 AS COMPARED TO SECOND QUARTER 2022

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Change	% Change
	(in thousands, except unit data)			
Total revenues	$ 340,797	$ 475,437	$ (134,640)	(28.3)%
Total gross profit	$ 67,331	$ 66,357	$ 974	1.5%
Ecommerce units sold	6,428	9,233	(2,805)	(30.4)%
Ecommerce revenue	$ 225,441	$ 321,632	$ (96,191)	(29.9)%
Ecommerce gross profit	$ 27,034	$ 33,509	$ (6,475)	(19.3)%
Vehicle gross profit per ecommerce unit	$ 2,267	$ 2,166	$ 101	4.7%
Product gross profit per ecommerce unit	1,939	1,463	476	32.5%
Total gross profit per ecommerce unit	$ 4,206	$ 3,629	$ 577	15.9%
Wholesale units sold	3,128	5,867	(2,739)	(46.7)%
Wholesale revenue	$ 47,604	$ 82,901	$ (35,297)	(42.6)%
Wholesale gross loss	$ (1,574)	$ (1,934)	$ 360	18.6%
Wholesale gross loss per unit	$ (503)	$ (330)	$ (173)	(52.4)%
Retail Financing revenue	$ 40,654	$ 32,121	$ 8,533	26.6%
Retail Financing gross profit	$ 35,954	$ 28,720	$ 7,234	25.2%
Total selling, general, and administrative expenses	$ 134,643	$ 152,990	$ (18,347)	(12.0)%

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Change	% Change
	(in thousands)			
Net loss	$ (51,127)	$ (115,089)	$ 63,962	55.6%
Adjusted to exclude the following:				
Interest expense	9,704	9,533	171	1.8%
Interest income	(5,104)	(3,935)	(1,169)	29.7%
(Benefit) provision for income taxes	899	256	643	251.2%
Depreciation and amortization	9,995	10,115	(120)	(1.2)%
EBITDA	$ (35,633)	$ (99,120)	$ 63,487	64.1%
Realignment costs	$ 3,243	$ 9,529	$ (6,286)	(66.0)%
Change in fair value of finance receivables	(3,012)	1,846	(4,858)	(263.2)%
Gain on debt extinguishment	(37,917)	—	(37,917)	100.0%
Other	—	2,127	(2,127)	(100.0)%
Adjusted EBITDA	$ (73,319)	$ (85,618)	$ 12,299	14.4%
Non-recurring costs to address operational and customer experience issues	15,785	8,274	7,511	90.8%
Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues	$ (57,534)	$ (77,344)	$ 19,810	25.6%
Securitization gain	(15,972)	—	(15,972)	100.0%
Adjusted EBITDA excluding securitization gain	$ (89,291)	$ (85,618)	$ (3,673)	(4.3)%
Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues	$ (73,506)	$ (77,344)	$ 3,838	5.0%

Conference Call & Webcast Information

Vroom management will discuss these results and other information regarding the Company during a conference call and audio webcast Tuesday, November 8, 2022 at 8:30 a.m. ET.

To access the conference call, please register at this embedded link. Registered participants will be sent a unique PIN to access the call. A listen-only webcast will also be available via the same link and at ir.vroom.com. An archived webcast of the conference call will be accessible on the website within 48 hours of its completion.

About Vroom (Nasdaq: VRM)

Vroom is an innovative, end-to-end ecommerce platform that offers a better way to buy and a better way to sell used vehicles. The Company's scalable, data-driven technology brings all phases of the vehicle buying and selling process to consumers wherever they are and offers an extensive selection of vehicles, transparent pricing, competitive financing, and contact-free, at-home pick-up and delivery. For more information visit www.vroom.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding expected timelines, our execution of and the expected benefits from our business realignment plan and cost-saving initiatives, including our ability to improve our transaction processes and customer service experience, our expectations regarding our business strategy and plans, including our ongoing ability to integrate and develop United Auto Credit Corporation into a captive finance operation, and, for future results of operations and financial position, including our ability to improve our unit economics and our outlook for the full year ended December 31, 2022, including with respect to our liquidity. These statements are based on management's current assumptions and are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For factors that could cause actual results to differ materially from the forward-looking statements in this press release, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as updated by our Quarterly report on Form 10-Q for the quarter ended September 30, 2022, each of which is available on our Investor Relations website at ir.vroom.com and on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this press release. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Investor Relations:

Vroom
Liam Harrington
investors@vroom.com

Media Contact:

Current Global
Danny Finlay
dfinlay@currentglobal.com

VROOM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(unaudited)

	As of September 30, 2022	As of December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 509,660	$ 1,132,325
Restricted cash (including restricted cash of consolidated VIEs of $19.5 million and $0 million, respectively)	94,305	82,450
Accounts receivable, net of allowance of $26.7 million and $8.9 million, respectively	23,733	105,433
Finance receivables at fair value (including finance receivables of consolidated VIEs of $10.9 million and $0 million, respectively)	13,644	—
Finance receivables held for sale, net (including finance receivables of consolidated VIEs of $137.1 million and $0 million, respectively)	210,729	—
Inventory	437,828	726,384
Beneficial interests in securitizations	23,984	—
Prepaid expenses and other current assets	58,576	55,700
Total current assets	1,372,459	2,102,292
Finance receivables at fair value (including finance receivables of consolidated VIEs of $135.8 million and $0 million, respectively)	166,382	—
Property and equipment, net	50,520	37,042
Intangible assets, net	165,668	28,207
Goodwill	—	158,817
Operating lease right-of-use assets	24,392	15,359
Other assets	29,539	25,033
Total assets	$ 1,808,960	$ 2,366,750
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 36,800	$ 52,651
Accrued expenses	103,903	121,508
Vehicle floorplan	345,272	512,801
Warehouse credit facilities of consolidated VIEs	135,453	—
Current portion of securitization debt of consolidated VIEs at fair value	54,652	—
Deferred revenue	16,313	75,803
Operating lease liabilities, current	8,268	6,889
Other current liabilities	19,061	57,604
Total current liabilities	719,722	827,256
Long term debt, net of current portion (including securitization debt of consolidated VIEs of $40.8 million and $0 million at fair value, respectively)	607,790	610,618
Operating lease liabilities, excluding current portion	20,620	9,592
Other long-term liabilities	15,696	4,090
Total liabilities	1,363,828	1,451,556
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.001 par value; 500,000,000 shares authorized as of September 30, 2022 and December 31, 2021; 138,154,063 and 137,092,891 shares issued and outstanding as of September 30, 2022 and December 31, 2021, respectively	135	135
Additional paid-in-capital	2,070,454	2,063,841
Accumulated deficit	(1,625,457)	(1,148,782)
Total stockholders' equity	445,132	915,194
Total liabilities and stockholders' equity	$ 1,808,960	$ 2,366,750

VROOM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Retail vehicle, net	$ 234,353	$ 735,716	$ 1,283,263	$ 1,798,155
Wholesale vehicle	47,604	131,306	270,489	377,438
Product, net	13,181	26,544	51,954	64,422
Finance	40,654	—	120,005	—
Other	5,005	3,190	13,841	9,749
Total revenue	340,797	896,756	1,739,552	2,249,764
Cost of sales:				
Retail vehicle	218,726	708,071	1,234,138	1,720,974
Wholesale vehicle	49,178	129,203	276,749	367,101
Finance	4,699	—	10,368	—
Other	863	1,393	2,969	4,296
Total cost of sales	273,466	838,667	1,524,224	2,092,371
Total gross profit	67,331	58,089	215,328	157,393
Selling, general and administrative expenses	134,643	148,718	475,627	381,482
Depreciation and amortization	9,833	3,376	27,728	9,276
Impairment charges	1,017	—	206,127	—
Loss from operations	(78,162)	(94,005)	(494,154)	(233,365)
Gain on debt extinguishment	(37,917)	—	(37,917)	—
Interest expense	9,704	7,028	28,617	14,720
Interest income	(5,104)	(2,930)	(12,991)	(7,288)
Other loss (income), net	5,383	(10)	26,897	(58)
Loss before provision for income taxes	(50,228)	(98,093)	(498,760)	(240,739)
Provision (benefit) for income taxes	899	29	(22,085)	379
Net loss	$ (51,127)	$ (98,122)	$ (476,675)	$ (241,118)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.37)	$ (0.72)	$ (3.46)	$ (1.77)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	138,118,679	136,766,015	137,817,839	136,256,901

VROOM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2022	**2021**
Operating activities		
Net loss	$ (476,675)	$ (241,118)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment charges	206,127	—
Gain on debt extinguishment	(37,917)	—
Depreciation and amortization	28,005	9,497
Amortization of debt issuance costs	3,777	1,784
Realized gains on securitization transactions	(45,589)	—
Deferred taxes	(23,855)	—
Losses on finance receivables and securitization debt, net	39,464	—
Stock-based compensation expense	6,613	9,754
Provision to record inventory at lower of cost or net realizable value	(5,033)	5,625
Other, net	4,717	4,874
Changes in operating assets and liabilities:		
Finance receivables, held for sale		
Originations of finance receivables held for sale	(483,167)	—
Principal payments received on finance receivables held for sale	38,297	—
Proceeds from sale of finance receivables held for sale, net	509,612	—
Other	(5,924)	—
Accounts receivable	63,252	(32,936)
Inventory	293,589	(183,731)
Prepaid expenses and other current assets	12,420	(39,356)
Other assets	(2,678)	(7,390)
Accounts payable	(22,183)	26,144
Accrued expenses	(27,020)	43,512
Deferred revenue	(59,490)	39,227
Other liabilities	(39,444)	38,655
Net cash used in operating activities	(23,102)	(325,459)
Investing activities		
Finance receivables at fair value		
Originations of finance receivables at fair value	(49,475)	—
Principal payments received on finance receivables at fair value	106,829	—
Proceeds from sale of finance receivables at fair value, net	43,262	—
Principal payments received on beneficial interests	5,571	—
Purchase of property and equipment	(19,968)	(18,786)
Acquisition of business, net of cash acquired of $47.9 million	(267,488)	(75,875)
Net cash used in investing activities	(181,269)	(94,661)
Financing activities		
Principal repayment under secured financing agreements	(176,909)	—
Proceeds from vehicle floorplan	1,286,000	1,901,457
Repayments of vehicle floorplan	(1,453,529)	(1,789,215)
Proceeds from warehouse credit facilities	419,000	—
Repayments of warehouse credit facilities	(460,566)	—
Other financing activities	(1,977)	—
Repayments of convertible senior notes	(18,458)	—
Proceeds from issuance of convertible senior notes	—	625,000
Issuance costs paid for convertible senior notes	—	(16,129)
Proceeds from exercise of stock options	—	5,085
Net cash (used in) provided by financing activities	(406,439)	726,198
Net (decrease) increase in cash, cash equivalents and restricted cash	(610,810)	306,078
Cash, cash equivalents and restricted cash at the beginning of period	1,214,775	1,090,039
Cash, cash equivalents and restricted cash at the end of period	$ 603,965	$ 1,396,117

VROOM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)
(unaudited)

Supplemental disclosure of cash flow information:				
Cash paid for interest	$	24,619	$	11,116
Cash paid for income taxes	$	2,062	$	329
Supplemental disclosure of non-cash investing and financing activities:				
Fair value of beneficial interests received in securitization transactions	$	30,082	$	—
Accrued property and equipment expenditures	$	538	$	1,652
Issuance of common stock for CarStory acquisition	$	—	$	38,811
Fair value of unvested stock options assumed for acquisition of business	$	—	$	1,017

Exhibit 99.2

vroom

Third Quarter 2022 Earnings

November 2022

disclaimer

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation, statements regarding the expected timeline, our execution of and the expected benefits from our business Realignment Plan and cost-saving initiatives, our expectations regarding our business strategy and plans, including our ongoing efforts to integrate and develop United Auto Credit Corporation into a captive finance operation, as well as our ability to scale our business, address operational challenges, expand reconditioning capacity, invest in logistics and improve our end-to-end customer experience, and statements regarding our future results of operations and financial position, including our ability to improve our unit economics, lower our operating expenses and our financial outlook including with respect to our liquidity, our profitability, and our cash balances, for the fiscal year 2022. These statements are based on management's current assumptions and are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For factors that could cause actual results to differ materially from the forward-looking statements in this presentation, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as updated by our Quarterly report on Form 10-Q for the quarter ended September 30, 2022, each of which is available on our Investor Relations website at ir.vroom.com and on the SEC website at www.sec.gov. All forward-looking statements reflect our beliefs and assumptions only as of the date of this presentation. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

Industry and Market Information

To the extent this presentation includes information concerning the industry and the markets in which the Company operates, including general observations, expectations, market position, market opportunity and market size, such information is based on management's knowledge and experience in the markets in which we operate, including publicly available information from independent industry analysts and publications, as well as the Company's own estimates. Our estimates are based on third-party sources, as well as internal research, which the Company believes to be reasonable, but which are inherently uncertain and imprecise. Accordingly, you are cautioned not to place undue reliance on such market and industry information.

Financial Presentation and Use of Non-GAAP Financial Measures

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Certain other amounts that appear in this presentation may not sum due to rounding.

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, and not a substitute or superior to, measures of financial performance prepared in accordance with GAAP. These non-GAAP financial measures have limitations as analytical tools in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. Because of these limitations, these non-GAAP financial measures should be considered along with other operating and financial performance measures presented in accordance with U.S. GAAP. We have reconciled all non-GAAP financial measures with the most directly comparable U.S. GAAP financial measures in the Appendix to this presentation.

we are focused on our objectives and strategic initiatives

we aim to improve the customer experience while we live within our means, prioritize profitability and liquidity, and drive unit economics

3 key objectives

1. Prioritize unit economics over growth
2. Significantly reduce operating expenses
3. Maximize liquidity

4 focused strategic initiatives

- Build a well-oiled transaction machine
- Build a well-oiled metal machine
- Build a regional operating model
- Build a captive finance offering

4 strategic initiatives expected to build a profitable business model

third quarter highlights

key performance indicators

- $20M improvement in Adjusted EBITDA ex. non-recurring costs, a 26% sequential improvement[1]
- $4,206 Ecommerce Gross Profit Per Unit (GPPU)
- $21M sequential reduction in Adjusted SG&A driven by lower variable and fixed costs[2]
- $16M gain on UACC securitization
- $59M sequential reduction in restricted cash primarily driven by improvements in titling and registration

progress on key objectives and strategic initiatives

- 98% of customers received their registration before the expiration of their initial temporary tag in October
- Transitioning Stafford reconditioning center to the TDA service center location
- Long-term roadmap planned to slowly insource sales over time; unexpected staff reductions at our third-party sales partner mid-quarter resulted in accelerated insourcing of the sales function; we expect to be fully staffed in 1Q 2023
- Continued focus on reducing variable and fixed costs
- $56M repurchase of convertible notes for $18M[3]

3q 2022 performance highlights

	second quarter	third quarter
total revenue	$475.4 million	$340.8 million
ecommerce units	9,233	6,428
ecommerce gppu	$3,629	$4,206
adjusted ebitda [1]	($85.6) million	($73.3) million
adjusted ebitda ex. non-recurring costs [1]	($77.3) million	($57.5) million
adjusted ebitda ex. securitization gain & non-recurring costs [1]	($77.3) million	($73.5) million
net loss[4]	($115.1) million	($51.1) million

previously issued fy 2022 guidance [5]

	guidance	current outlook
ecommerce units	45,000 - 55,000	Expect below range
adjusted ebitda [1] [5]	($375) - ($325) million	Expect better than mid-point
year-end liquidity [6]	$450 - $565 million	Expect near mid-point

(1) Adjusted EBITDA, Adjusted EBITDA excluding non-recurring costs, and Adjusted EBITDA excluding securitization gain and non-recurring costs are non-GAAP measures. For definitions and a reconciliation to the most comparable GAAP measure, please see the appendix. (2) Adjusted SG&A is a non-GAAP measure. For a definition and reconciliation to the most comparable GAAP measure, please see the appendix. (3) $56M in aggregate principal amount net of deferred issuance costs. (4) Third quarter net loss includes a $38M gain on debt extinguishment. (5) A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2022 guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, these costs and expenses that may be incurred in the future. (6) Represents unrestricted cash and cash equivalents, excludes restricted cash and floorplan availability.

execution on long-term roadmap on track

third quarter operational highlights

operational progress on our 4 strategic initiatives

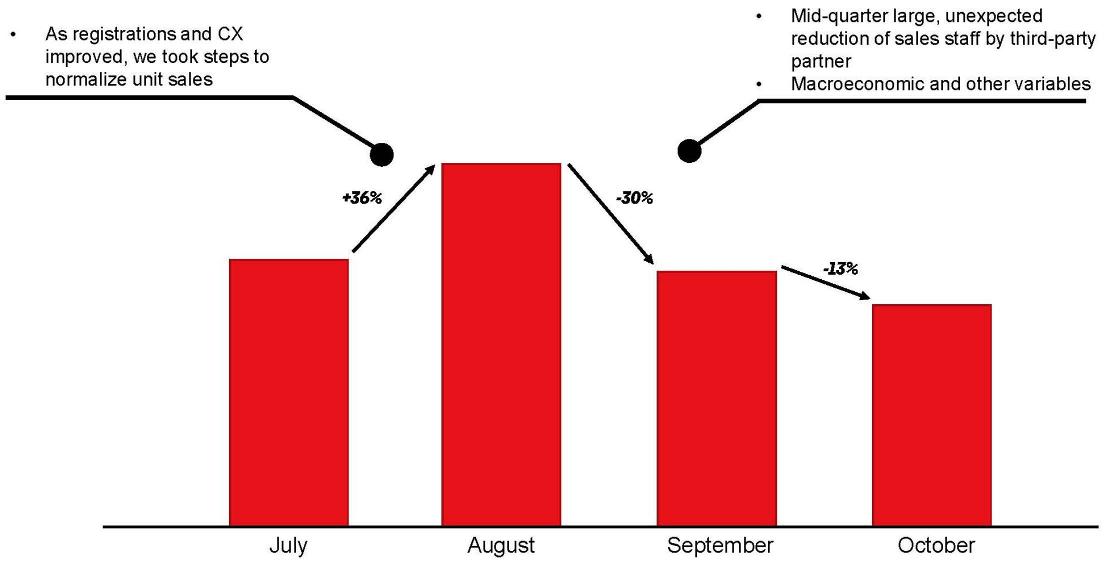
financial lever	initiative	2q to 3q progress
Product GPPU	Originate and securitize Vroom loans through UACC	• $4,206 Ecommerce GPPU • Continued improvements to pricing model • Development of captive financing on plan
Vehicle GPPU	Optimize pricing through predictive data and regionalization	
	Optimize assortment	
GPPU & SG&A - Logistics[1]	Synchronize end-to-end supply chain to increase velocity and optimize flow	• ~$5M reduction in all-in logistics costs[2] • Improved Vroom-operated linehaul and last mile service • Transitioning Stafford reconditioning center to the TDA service center location
Balance Sheet - Inventory		• As we continue to improve the titling process we expect this to increase the number of vehicles we list for sale and reduce the number of vehicles listed as coming soon. We expect this to improve our inventory turns
SG&A - Sales[1]	Optimize sales channels by selective insourcing and digitization	• Unexpected staff reductions at our third-party sales partner accelerated insourcing our sales function. $1.3M reduction in selling costs[3] • Significant improvement in registration process. 98% of customers received their registration before the expiration of their initial temporary tag in October • Continued improvement in titling of vehicles not listed for sale. As we receive titles of aged vehicles we expect pressure on 4Q GPPU • ~$5.9M reduction in titling, registration and support costs[4]
SG&A – Titling, Registration & Support[1]	Streamline and digitize title and registration process	
SG&A - Marketing[1]	Improve marketing effectiveness	• ~$4M reduction in marketing costs • Continued focus on marketing ROI
SG&A - Fixed[1]	Grow fixed cost slower than revenue	• ~$4M decrease in fixed costs[5] • We continue to focus on fixed cost reduction

(1) Constitutes a component of Adjusted SG&A which is a non-GAAP measure. For a definition and reconciliation to the most comparable GAAP measure, please see the appendix. (2) All-in logistics costs include compensation and benefits related to operating our proprietary logistics network in addition to fuel, tolls, and maintenance expenses related to operating our proprietary logistics network and third-party transportation fees. (3) Primarily reflects third-party and owned compensation costs related to sales operations. (4) Titling, registration, & support costs include compensation & benefits related to these functions as well as third-party support costs and associated processing fees. Excludes non-recurring costs. (5) Fixed costs reflect costs across compensation & benefits, occupancy, other SG&A, and professional fee expenses. Fixed costs exclude non-recurring costs, realignment costs, and SG&A related to UACC operations.

4 strategic initiatives designed to build a profitable business model

ecommerce unit trends(1)

in july as registrations and our customer experience (cx) improved we took steps to normalize unit sales; mid-quarter our third-party sales partner significantly reduced sales staff



(1) Ecommerce unit sales before return reserves.

accelerated insourcing of our sales function; we expect to be fully staffed in 1q 2023

vroom

Third Quarter 2022

Financial Update

third quarter financial summary

cost reductions; securitization gain, higher gppu drive sequential adjusted ebitda improvement

3q 2022 performance highlights

	second quarter	third quarter
total revenue	$475.4 million	$340.8 million
ecommerce units	9,233	6,428
ecommerce gppu	$3,629	$4,206
adjusted ebitda [(1)]	($85.6) million	($73.3) million
adjusted ebitda ex. non-recurring costs [(1)]	($77.3) million	($57.5) million
adjusted ebitda ex. securitization gain & non-recurring costs [(1)]	($77.3) million	($73.5) million
net loss [(2)]	($115.1) million	($51.1) million

3q 2022 performance vs 2q 2022

28% decrease in total revenue, 30% decrease in ecommerce units

- Ongoing focus on operational improvement over sales volume
- Ecommerce units also impacted by a reduction in third-party sales resources and macroeconomic conditions

$4,206 ecommerce gppu, up 16%

- Realized further pricing optimization
- Higher per unit profit from UACC-based financing

$20m improvement in adjusted ebitda ex. non-recurring costs[(1)]

- Decreased operating costs due to ongoing benefit of strategic initiatives and lower unit volume, as well as a $16M securitization gain
- Excludes $16M of non-recurring costs to address operational and customer experience issues, consisting primarily of $12M in rental car expenses

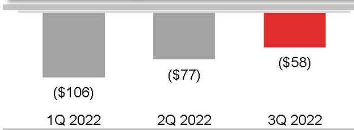
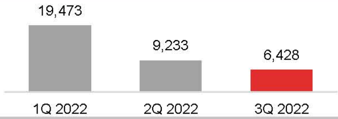
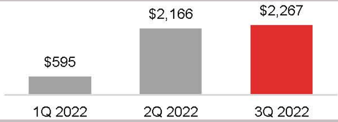
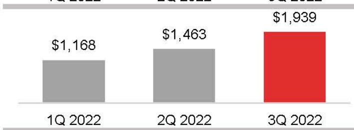
$64m improvement in net loss

- Improved loss from operations as well as a $38M gain on debt extinguishment due to repurchase of convertible notes

(1) Adjusted EBITDA, Adjusted EBITDA excluding non-recurring costs, and Adjusted EBITDA excluding securitization gain and non-recurring costs are non-GAAP measures. For definitions and a reconciliation to the most comparable GAAP measure, please see the appendix.
(2) Third quarter net loss includes a $38M gain on debt extinguishment.

$20m improvement in adjusted ebitda ex. non-recurring costs [(1)]

third quarter financial highlights

	sequential trends	3q 2022 performance vs 2q 2022
adjusted ebitda ex. non-recurring costs ($m)(1)		**$20m improvement in adjusted ebitda ex. non-recurring costs(1)** • Driven by higher GPPU, reduced operating costs, and a $16M securitization gain • Excludes $16M of non-recurring costs to address operational and customer experience issues, consisting primarily of $12M in rental car expenses
ecommerce units		**30% decrease in ecommerce units** • Ongoing focus on operational improvement over volume as well as reduced third-party sales resources, macroeconomic and other factors
ecommerce vgppu(2)		**5% increase in vehicle gppu** • Expanded sales margin due to further pricing optimization
ecommerce pgppu(3)		**33% increase in product gppu** • Increased UACC-originated and serviced financing
ecommerce gppu		**16% increase in ecommerce gppu** • Realized further pricing optimization; higher per unit profit from UACC-based financing

(1) Adjusted EBITDA excluding non-recurring costs is a non-GAAP measure. For a definition and a reconciliation to the most comparable GAAP measure, please see the appendix.
(2) Vehicle gross profit per unit. (3) Product gross profit per unit.

$4,206 ecommerce gppu

third quarter adjusted ebitda ex. non-recurring costs(1)

commentary

- Lower unit volume partially offset by higher Ecom GPPU
- $16M gain on securitization
- $9M decrease in Non-Ecommerce GP primarily driven by lower interest income from third-party dealership finance receivables due to timing of securitization
- $10M reduction in Compensation & Benefits driven by focus on cost reductions
- $9M reduction in Marketing, Outbound Logistics, and other costs primarily due to lower unit volume and strategic initiatives

(1) Adjusted EBITDA excluding non-recurring costs is a non-GAAP measure. For a definition and a reconciliation to the most comparable GAAP measure, please see the appendix.
(2) Excludes $2.2M of realignment costs.

$20m improvement in adjusted ebitda ex. non-recurring costs (1)

third quarter liquidity update

maintaining midpoint of liquidity guidance after deploying $18m to repurchase convertible notes[1]

balance sheet update

- ***$59m sequential reduction in restricted cash***
  - Primarily driven by improved transaction processing, including titling & registration
- ***$21m sequential reduction in cash in inventory***
  - Reduced inventory and improved transaction processing, including titling & registration
- ***$56m repurchase of convertible notes for $18m[2]***
  - Decreased leverage
- ***extended floorplan agreement***
  - Now extends through March 2024

securitization / uacc update

- ***$16m securitization gain despite more challenging market conditions***
  - $285M of financing receivables sold
- ***transition to fully captive lending remains on track; origination volumes consistent with expectations***

(1) Liquidity represents unrestricted cash and cash equivalents, excludes restricted cash and floorplan availability.
(2) $56M in aggregate principal amount net of deferred issuance costs.

continue to prioritize maximizing liquidity

liquidity update

ended third quarter with $510m in liquidity (1)

(1) Liquidity represents unrestricted cash and cash equivalents. Excludes restricted cash and floorplan availability.
(2) Adjusted EBITDA is a non-GAAP measure. For a definition of Adjusted EBITDA and a reconciliation to the most comparable GAAP measure, please see the appendix. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2022 guidance is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, these costs and expenses that may be incurred in the future.

forecasting year-end liquidity in the range of $450m-$565m

summary

continued focus on improving the customer experience while we live within our means, prioritize profitability and liquidity, and drive unit economics

- 98% of customers received their registration before the expiration of their initial temporary tag in october
- $20m sequential improvement in adjusted ebitda ex. non-recurring costs [(1)]
- $4,206 ecommerce gppu
- $21m sequential reduction in adjusted sg&a[(2)]
- $59m sequential reduction in restricted cash primarily driven by titling & registration process improvements
- $56m repurchase of convertible notes for $18m[(3)]
- $450-$565m in forecasted year-end liquidity [(4)]

(1) Adjusted EBITDA excluding non-recurring costs is a non-GAAP measure. For a definition and a reconciliation to the most comparable GAAP measure, please see the appendix.
(2) Adjusted SG&A is a non-GAAP measure. For a definition and reconciliation to the most comparable GAAP measure, please see the appendix.
(3) $56M in aggregate principal amount net of deferred issuance costs.
(4) Represents unrestricted cash and cash equivalents. Excludes restricted cash and floorplan availability.

vroom

Appendix

reconciliation of non-gaap financial measures

EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues, Adjusted EBITDA excluding securitization gain and Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues

We calculate EBITDA as net loss before interest expense, interest income, income tax expense and depreciation and amortization expense and we calculate Adjusted EBITDA as EBITDA adjusted to exclude realignment costs, acquisition related costs, change in fair value of finance receivables, goodwill impairment charge and other costs, which relate to the write off of the upfront shares issued as part of the Rocket Auto agreement and previously recognized within "Other assets". Changes in fair value of finance receivables can fluctuate significantly from period to period and relate primarily to historical loans and debt which have been securitized, and acquired on February 1, 2022 from UACC. Our ongoing business model is to originate or purchase finance receivables with the intent to sell which we recognize at the lower of cost or fair value. Therefore, these historical finance receivables acquired, which are accounted for under the fair value option, will experience fluctuations in value from period to period. We believe it is appropriate to remove this temporary volatility from our Adjusted EBITDA results to better reflect our ongoing business model. Additionally, these historical finance receivables acquired from UACC are expected to run-off within approximately 12 months. We calculate Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues as Adjusted EBITDA adjusted to exclude the non-recurring costs incurred to address operational and customer experience issues, including rental cars for our customers and legal settlements with customers and state DMVs. While we expect to continue to incur these costs over the next few quarterly periods, we do not expect these costs to continue to be incurred once our operational issues have been resolved. We calculate Adjusted EBITDA excluding securitization gain as Adjusted EBITDA adjusted to exclude the securitization gain from the sale of UACC's finance receivables, and believe that it provides a useful perspective on the underlying operating results and trends and a means to compare our period-over-period results. We calculate Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues as Adjusted EBITDA adjusted to exclude the securitization gain from the sale of UACC's finance receivables and the non-recurring costs incurred to address operational and customer experience issues. The following table presents a reconciliation of EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding securitization gain, and Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues to net loss, which is the most directly comparable U.S. GAAP measure:

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022
		(in thousands)	
Net loss	$ (51,127)	$ (115,089)	$ (310,459)
Adjusted to exclude the following:			
Interest expense	9,704	9,533	9,380
Interest income	(5,104)	(3,935)	(3,952)
(Benefit) provision for income taxes	899	256	(23,240)
Depreciation and amortization	9,995	10,115	7,895
EBITDA	$ (35,633)	$ (99,120)	$ (320,376)
Realignment costs	$ 3,243	$ 9,529	$ —
Acquisition related costs	—	—	5,653
Change in fair value of finance receivables	(3,012)	1,846	5,621
Goodwill impairment charge	—	—	201,703
Gain on debt extinguishment	(37,917)	—	—
Other	—	2,127	—
Adjusted EBITDA	$ (73,319)	$ (85,618)	$ (107,399)
Non-recurring costs to address operational and customer experience issues	$ 15,785	$ 8,274	$ 1,000
Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues	$ (57,534)	$ (77,344)	$ (106,399)
Securitization gain	$ (15,972)	—	$ (29,617)
Adjusted EBITDA excluding securitization gain	$ (89,291)	$ (85,618)	$ (137,016)
Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues	$ (73,506)	$ (77,344)	$ (136,016)

reconciliation of non-gaap financial measures (cont'd)

Adjusted selling, general & administrative expenses

We calculate adjusted selling, general & administrative expenses as selling, general & administrative expenses adjusted to exclude realignment costs, acquisition related costs, non-recurring costs to address operational and customer experience issues, UACC selling, general & administrative expenses and other costs, which relate to the write off of the upfront shares issued as part of the Rocket Auto agreement and previously recognized within "Other assets". The following table presents a reconciliation of adjusted selling, general & administrative expenses to selling, general & administrative expenses, which is the most directly comparable U.S. GAAP measure:

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022
		(in thousands)	
Total selling, general & administrative expenses	$ 134,643	$ 152,990	$ 187,994
Adjusted to exclude the following:			
Realignment costs	2,226	6,122	—
Acquisition related costs	—	—	5,653
Non-recurring costs to address operational and customer experience issues	15,785	8,274	1,000
UACC selling, general & administrative expenses	18,012	16,646	10,557
Other	—	2,127	—
Adjusted selling, general & administrative expenses	$ 98,620	$ 119,821	$ 170,784

thank you