

**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): February 28, 2023

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

Delaware
(State or other jurisdiction
of incorporation or organization)

001-39315
(Commission
File Number)

90-1112566
(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 February 28, 2023, Vroom, Inc. (the “Company”) issued a press release announcing its financial results for the quarter and year ended December 31, 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 March 1, 2023, members of the Company’s management will hold an earnings conference call to discuss the Company’s financial results for the quarter and year ended December 31, 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 February 28, 2023.
99.2	Earnings Conference Call Presentation for the Quarter and Year Ended December 31, 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.

Date: February 28, 2023

VROOM, INC.

By: /s/ Robert R. Krakowiak

Robert R. Krakowiak

Chief Financial Officer

Vroom Announces Fourth Quarter and Full Year 2022 Results

Significant Sequential Cost Reductions and Continued Progress on Long-Term Roadmap

NEW YORK – February 28, 2023 – Vroom, Inc. (Nasdaq:VRM), a leading ecommerce platform for buying and selling used vehicles, today announced financial results for the fourth quarter and fiscal year ended December 31, 2022.

HIGHLIGHTS OF FOURTH QUARTER 2022 VERSUS THIRD QUARTER 2022

- Ecommerce gross profit per unit of \$1,233 as compared to \$4,206
- SG&A expenses of \$90.8 million as compared to \$134.6 million
- Net income of \$24.8 million as compared to net loss of \$(51.1) million
- Adjusted EBITDA of \$(70.9) million as compared to \$(73.3) million
- Adjusted EBITDA excluding securitization gain and non-recurring costs of \$(70.5) million as compared to \$(73.5) million

HIGHLIGHTS OF FISCAL YEAR 2022⁽¹⁾ VERSUS FISCAL YEAR 2021

- Ecommerce gross profit per unit of \$2,545 compared to \$2,206
- SG&A expenses of \$566.4 million compared to \$547.8 million
- Net loss of \$(451.9) million compared to \$(370.9) million
- Adjusted EBITDA of \$(337.2) million compared to \$(340.2) million
- Adjusted EBITDA excluding securitization gain and non-recurring costs of \$(357.4) million compared to \$(340.2) million

(1) Fiscal year 2022 includes UACC's results of operations starting on February 1, 2022.

Tom Shortt, Chief Executive Officer of Vroom, said, "In the fourth quarter we continued to make progress on our three key objectives and four strategic initiatives. We significantly reduced operating expenses quarter over quarter and continued to improve our operations and customer experience. We improved our titling process enabling us to end the year with 87% of units available for sale or pending sale versus 52% at the end of Q3, however it also increased the age of our inventory available for sale and inventory sold.

Gross profit per unit declined from \$4,206 in Q3 to \$1,233 in Q4 primarily due to three items. The decline quarter over quarter was impacted primarily by three items. First, the percentage of sales from aged units increased 5X from Q3 to Q4; 36% of our units sold during the 4th quarter were aged units we've held >270 days. Second, increased industry wide market depreciation. Third, higher inventory reserves primarily driven by recent electric unit OEM price decreases.

During 2022 we strategically slowed down the business while we improved our customer experience and processes across titling and registration, pricing, marketing, reconditioning and logistics, and began to insource our sales function from our primary third-party resource. During 2023, we expect to resume growth, sell through aged vehicles, improve variable cost per unit and reduce fixed costs."

Bob Krakowiak, Vroom's Chief Financial Officer, commented, "During the fourth quarter we further maximized liquidity and strengthened our balance sheet by repurchasing \$198 million of our convertible notes and unlocking \$70 million of cash-in-inventory and restricted cash. Combined with earlier note repurchases, we repurchased \$254 million of our convertible notes throughout 2022. During 2023, we will continue to pursue opportunities to enhance our liquidity."

FOURTH QUARTER 2022 FINANCIAL DISCUSSION

All financial comparisons for the fourth quarter are on a year-over-year basis unless otherwise noted.

Ecommerce Results

	Three Months Ended December 31,		Change	% Change	Year Ended December 31,		Change	% Change
	2022	2021			2022	2021		
	(in thousands, except unit data and average days to sale)				(in thousands, except unit data and average days to sale)			
Ecommerce units sold	4,144	21,243	(17,099)	(80.5)%	39,278	74,698	(35,420)	(47.4)%
Ecommerce revenue:								
Vehicle revenue	\$ 131,069	\$ 715,874	\$ (584,805)	(81.7)%	\$ 1,304,797	\$ 2,360,368	\$ (1,055,571)	(44.7)%
Product revenue	10,689	22,846	(12,157)	(53.2)%	59,398	82,001	(22,603)	(27.6)%
Total ecommerce revenue	\$ 141,758	\$ 738,720	\$ (596,962)	(80.8)%	\$ 1,364,195	\$ 2,442,369	\$ (1,078,174)	(44.1)%
Ecommerce gross profit:								
Vehicle gross profit	\$ (5,579)	\$ 10,042	\$ (15,621)	(155.6)%	\$ 40,575	\$ 82,745	\$ (42,170)	(51.0)%
Product gross profit	10,689	22,846	(12,157)	(53.2)%	59,398	82,001	(22,603)	(27.6)%
Total ecommerce gross profit	\$ 5,110	\$ 32,888	\$ (27,778)	(84.5)%	\$ 99,973	\$ 164,746	\$ (64,773)	(39.3)%
Average vehicle selling price per ecommerce unit	\$ 31,629	\$ 33,699	\$ (2,070)	(6.1)%	\$ 33,220	\$ 31,599	\$ 1,621	5.1%
Gross profit per ecommerce unit:								
Vehicle gross profit per ecommerce unit	\$ (1,346)	\$ 473	\$ (1,819)	(384.6)%	\$ 1,033	\$ 1,108	\$ (75)	(6.8)%
Product gross profit per ecommerce unit	2,579	1,075	1,504	139.9%	1,512	1,098	414	37.7%
Total gross profit per ecommerce unit	\$ 1,233	\$ 1,548	\$ (315)	(20.3)%	\$ 2,545	\$ 2,206	\$ 339	15.4%
Ecommerce average days to sale	244	76	168	221.1%	131	74	57	77.2%

Results by Segment

	Three Months Ended December 31,		Change	% Change	Year Ended December 31,		Change	% Change
	2022	2021 ⁽¹⁾			2022	2021 ⁽¹⁾		
	(in thousands, except unit data)				(in thousands, except unit data)			
Units:								
Ecommerce	4,144	21,243	(17,099)	(80.5)%	39,278	74,698	(35,420)	(47.4)%
Wholesale	1,768	8,742	(6,974)	(79.8)%	20,876	37,163	(16,287)	(43.8)%
All Other ⁽²⁾	350	2,105	(1,755)	(83.4)%	3,758	7,212	(3,454)	(47.9)%
Total units	6,262	32,090	(25,828)	(80.5)%	63,912	119,073	(55,161)	(46.3)%
Revenue:								
Ecommerce	\$ 141,758	\$ 738,720	\$ (596,962)	(80.8)%	\$ 1,364,195	\$ 2,442,369	\$ (1,078,174)	(44.1)%
Wholesale	23,039	121,543	(98,504)	(81.0)%	293,528	498,981	(205,453)	(41.2)%
Retail Financing	32,537	—	32,537	100.0%	152,542	—	152,542	100.0%
All Other ⁽⁴⁾	12,015	74,228	(62,213)	(83.8)%	138,636	242,905	(104,269)	(42.9)%
Total revenue	\$ 209,349	\$ 934,491	\$ (725,142)	(77.6)%	\$ 1,948,901	\$ 3,184,255	\$ (1,235,354)	(38.8)%
Gross profit (loss):								
Ecommerce	\$ 5,110	\$ 32,888	\$ (27,778)	(84.5)%	\$ 99,973	\$ 164,746	\$ (64,773)	(39.3)%
Wholesale	(4,359)	7,783	(12,142)	(156.0)%	(10,620)	18,120	(28,740)	(158.6)%
Retail Financing	28,744	—	28,744	100.0%	138,381	—	138,381	100.0%
All Other ⁽⁴⁾	(36)	4,035	(4,071)	(100.9)%	17,053	19,233	(2,180)	(11.3)%
Total gross profit	\$ 29,459	\$ 44,706	\$ (15,247)	(34.1)%	\$ 244,787	\$ 202,099	\$ 42,688	21.1%
Gross profit (loss) per unit ⁽⁵⁾:								
Ecommerce	\$ 1,233	\$ 1,548	\$ (315)	(20.3)%	\$ 2,545	\$ 2,206	\$ 339	15.4%
Wholesale	\$ (2,465)	\$ 890	\$ (3,355)	(377.0)%	\$ (509)	\$ 488	\$ (997)	(204.3)%

- (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.

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	Change	% Change	2022	2021	Change	% Change
	(in thousands)				(in thousands)			
Compensation & benefits	\$ 52,043	\$ 59,332	\$ (7,289)	(12.3)%	\$ 251,153	\$ 204,913	\$ 46,240	22.6%
Marketing expense	9,852	37,214	(27,362)	(73.5)%	79,670	125,481	(45,811)	(36.5)%
Outbound logistics	(902)	27,800	(28,702)	(103.2)%	39,023	85,788	(46,765)	(54.5)%
Occupancy and related costs	5,955	4,849	1,106	22.8%	23,363	17,448	5,915	33.9%
Professional fees	6,870	8,435	(1,565)	(18.6)%	33,455	24,386	9,069	37.2%
Software and IT costs	11,164	8,383	2,781	33.2%	44,570	27,749	16,821	60.6%
Other	5,778	20,328	(14,550)	(71.6)%	95,153	62,058	33,095	53.3%
Total selling, general & administrative expenses	<u>\$ 90,760</u>	<u>\$ 166,341</u>	<u>\$ (75,581)</u>	<u>(45.4)%</u>	<u>\$ 566,387</u>	<u>\$ 547,823</u>	<u>\$ 18,564</u>	<u>3.4%</u>

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;

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, and Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues 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, goodwill impairment charge, gain on debt extinguishment, acceleration of non-cash stock-based compensation, and other costs, which primarily relate to the impairment of long-lived 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 December 31,		Year Ended December 31,	
	2022	2021	2022	2021
	(in thousands)		(in thousands)	
Net income (loss)	\$ 24,765	\$ (129,792)	\$ (451,910)	\$ (370,911)
Adjusted to exclude the following:				
Interest expense	12,076	7,228	40,693	21,948
Interest income	(6,372)	(3,053)	(19,363)	(10,341)
Provision (benefit) for income taxes	2,405	375	(19,680)	754
Depreciation and amortization	10,702	3,718	38,707	13,215
EBITDA	<u>\$ 43,576</u>	<u>\$ (121,524)</u>	<u>\$ (411,553)</u>	<u>\$ (345,335)</u>
Realignment costs	\$ 2,253	\$ —	\$ 15,025	\$ —
Acquisition related costs	—	1,678	5,653	5,090
Change in fair value of finance receivables	3,917	—	8,372	—
Goodwill impairment charge	—	—	201,703	—
Gain on debt extinguishment	(126,767)	—	(164,684)	—
Acceleration of non-cash stock-based compensation	2,439	—	2,439	—
Other	3,679	—	5,806	—
Adjusted EBITDA	<u>\$ (70,903)</u>	<u>\$ (119,846)</u>	<u>\$ (337,239)</u>	<u>\$ (340,245)</u>
Non-recurring costs to address operational and customer experience issues	374	—	25,433	—
Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues	<u>\$ (70,529)</u>	<u>\$ (119,846)</u>	<u>\$ (311,806)</u>	<u>\$ (340,245)</u>
Securitization gain	—	—	(45,589)	—
Adjusted EBITDA excluding securitization gain	<u>\$ (70,903)</u>	<u>\$ (119,846)</u>	<u>\$ (382,828)</u>	<u>\$ (340,245)</u>
Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues	<u>\$ (70,529)</u>	<u>\$ (119,846)</u>	<u>\$ (357,395)</u>	<u>\$ (340,245)</u>

FOURTH QUARTER 2022 AS COMPARED TO THIRD QUARTER 2022

	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Change	% Change
(in thousands, except unit data)				
Total revenues	\$ 209,349	\$ 340,797	\$ (131,448)	(38.6)%
Total gross profit	\$ 29,459	\$ 67,331	\$ (37,872)	(56.2)%
Ecommerce units sold	4,144	6,428	(2,284)	(35.5)%
Ecommerce revenue	\$ 141,758	\$ 225,441	\$ (83,683)	(37.1)%
Ecommerce gross profit	\$ 5,110	\$ 27,034	\$ (21,924)	(81.1)%
Vehicle gross (loss) profit per ecommerce unit	\$ (1,346)	\$ 2,267	\$ (3,613)	(159.4)%
Product gross profit per ecommerce unit	2,579	1,939	640	33.0%
Total gross profit per ecommerce unit	\$ 1,233	\$ 4,206	\$ (2,973)	(70.7)%
Wholesale units sold	1,768	3,128	(1,360)	(43.5)%
Wholesale revenue	\$ 23,039	\$ 47,604	\$ (24,565)	(51.6)%
Wholesale gross loss	\$ (4,359)	\$ (1,574)	\$ (2,785)	176.9%
Wholesale gross loss per unit	\$ (2,465)	\$ (503)	\$ (1,962)	(390.1)%
Retail Financing revenue	\$ 32,537	\$ 40,654	\$ (8,117)	(20.0)%
Retail Financing gross profit	\$ 28,744	\$ 35,954	\$ (7,210)	(20.1)%
Total selling, general, and administrative expenses	\$ 90,760	\$ 134,643	\$ (43,883)	(32.6)%

	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Change	% Change
(in thousands)				
Net income (loss)	\$ 24,765	\$ (51,127)	\$ 75,892	148.4%
Adjusted to exclude the following:				
Interest expense	12,076	9,704	2,372	24.4%
Interest income	(6,372)	(5,104)	(1,268)	24.8%
Provision for income taxes	2,405	899	1,506	167.5%
Depreciation and amortization	10,702	9,995	707	7.1%
EBITDA	\$ 43,576	\$ (35,633)	\$ 79,209	222.3%
Realignment costs	\$ 2,253	\$ 3,243	\$ (990)	(30.5)%
Change in fair value of finance receivables	3,917	(3,012)	6,929	230.0%
Gain on debt extinguishment	(126,767)	(37,917)	(88,850)	234.3%
Acceleration of non-cash stock-based compensation	2,439	—	2,439	100.0%
Other	3,679	—	3,679	100.0%
Adjusted EBITDA	\$ (70,903)	\$ (73,319)	\$ 2,416	3.3%
Non-recurring costs to address operational and customer experience issues	374	15,785	(15,411)	(97.6)%
Adjusted EBITDA excluding non-recurring costs to address operational and customer experience issues	\$ (70,529)	\$ (57,534)	\$ (12,995)	(22.6)%
Securitization gain	—	(15,972)	15,972	100.0%
Adjusted EBITDA excluding securitization gain	\$ (70,529)	\$ (89,291)	\$ 18,388	20.6%
Adjusted EBITDA excluding securitization gain and non-recurring costs to address operational and customer experience issues	\$ (70,529)	\$ (73,506)	\$ 2,977	4.0%

Financial Outlook

For the full year 2023, we expect the following results:

- Adjusted EBITDA⁽¹⁾ of \$(250.0) to \$(200.0) million
- Year-end cash and cash equivalents of \$150.0 to \$200.0 million

(1) A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for the full year 2023 Financial Outlook is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, the costs and expenses that may be incurred in the future. We have provided a reconciliation of GAAP to non-GAAP financial measures for the fourth quarter and full year 2022 in the reconciliation table in the Non-GAAP Financial Measures section above.

The foregoing estimates are forward-looking statements that reflect the Company's expectations as of February 28, 2023 and are subject to substantial uncertainty. See "Forward-Looking Statements" below.

Conference Call & Webcast Information

Vroom management will discuss these results and other information regarding the Company during a conference call and audio webcast Wednesday, March 1, 2023 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 with respect to, our execution of and the expected benefits from our long term roadmap and cost-saving initiatives; our ability to improve our transaction processes and customer experience; our plans to sell through aged vehicles, improve variable cost per unit and reduce fixed costs; our future growth, our business strategy and our plans, including our ongoing ability to integrate and develop United Auto Credit Corporation into a captive finance operation; our future results of operations and financial position, including our ability to improve our unit economics and our outlook for the full year 2023, including with respect to our liquidity and our plans to enhance 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, 2022, 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:

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

	As of December 31,	
	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 398,915	\$ 1,132,325
Restricted cash (including restricted cash of consolidated VIEs of \$24.7 million and \$0 million, respectively)	73,095	82,450
Accounts receivable, net of allowance of \$21.5 million and \$8.9 million, respectively	13,967	105,433
Finance receivables at fair value (including finance receivables of consolidated VIEs of \$11.5 million and \$0 million, respectively)	12,939	—
Finance receivables held for sale, net (including finance receivables of consolidated VIEs of \$305.9 million and \$0 million, respectively)	321,626	—
Inventory	320,648	726,384
Beneficial interests in securitizations	20,592	—
Prepaid expenses and other current assets	58,327	55,700
Total current assets	1,220,109	2,102,292
Finance receivables at fair value (including finance receivables of consolidated VIEs of \$119.6 million and \$0 million, respectively)	140,235	—
Property and equipment, net	50,201	37,042
Intangible assets, net	158,910	28,207
Goodwill	—	158,817
Operating lease right-of-use assets	23,568	15,359
Other assets	26,004	25,033
Total assets	\$ 1,619,027	\$ 2,366,750
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 34,702	\$ 52,651
Accrued expenses	76,795	121,508
Vehicle floorplan	276,988	512,801
Warehouse credit facilities of consolidated VIEs	229,518	—
Current portion of securitization debt of consolidated VIEs at fair value	47,239	—
Deferred revenue	10,655	75,803
Operating lease liabilities, current	9,730	6,889
Other current liabilities	17,693	57,604
Total current liabilities	703,320	827,256
Long term debt, net of current portion (including securitization debt of consolidated VIEs of \$32.6 million and \$0 million at fair value, respectively)	402,154	610,618
Operating lease liabilities, excluding current portion	20,129	9,592
Other long-term liabilities	18,183	4,090
Total liabilities	1,143,786	1,451,556
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Common stock, \$0.001 par value; 500,000,000 shares authorized as of December 31, 2022 and 2021; 138,201,903 and 137,092,891 shares issued and outstanding as of December 31, 2022 and 2021, respectively	135	135
Additional paid-in-capital	2,075,798	2,063,841
Accumulated deficit	(1,600,692)	(1,148,782)
Total stockholders' equity	475,241	915,194
Total liabilities and stockholders' equity	\$ 1,619,027	\$ 2,366,750

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

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Retail vehicle, net	\$ 142,579	\$ 785,262	\$ 1,425,842	\$ 2,583,417
Wholesale vehicle	23,039	121,543	293,528	498,981
Product, net	10,793	24,402	62,747	88,824
Finance	32,537	—	152,542	—
Other	401	3,284	14,242	13,033
Total revenue	209,349	934,491	1,948,901	3,184,255
Cost of sales:				
Retail vehicle	147,867	774,613	1,382,005	2,495,587
Wholesale vehicle	27,399	113,760	304,148	480,861
Finance	3,793	—	14,161	—
Other	831	1,413	3,800	5,708
Total cost of sales	179,890	889,786	1,704,114	2,982,156
Total gross profit	29,459	44,705	244,787	202,099
Selling, general and administrative expenses	90,760	166,341	566,387	547,823
Depreciation and amortization	10,562	3,614	38,290	12,891
Impairment charges	5,746	—	211,873	—
Loss from operations	(77,609)	(125,250)	(571,763)	(358,615)
Gain on debt extinguishment	(126,767)	—	(164,684)	—
Interest expense	12,076	7,228	40,693	21,948
Interest income	(6,372)	(3,053)	(19,363)	(10,341)
Other loss (income), net	16,284	(7)	43,181	(65)
Income (loss) before provision for income taxes	27,170	(129,418)	(471,590)	(370,157)
Provision (benefit) for income taxes	2,405	375	(19,680)	754
Net income (loss)	\$ 24,765	\$ (129,793)	\$ (451,910)	\$ (370,911)
Net income (loss) per share attributable to common stockholders, basic	\$ 0.18	\$ (0.95)	\$ (3.28)	\$ (2.72)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic	138,176,258	136,948,461	137,907,444	136,429,791
Net income (loss) per share attributable to common stockholders, diluted	\$ 0.18	\$ (0.95)	\$ (3.28)	\$ (2.72)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, diluted	146,577,839	136,948,461	137,907,444	136,429,791

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

	Year Ended December 31,	
	2022	2021
Operating activities		
Net loss	\$ (451,910)	\$ (370,911)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment charges	211,873	—
Gain on debt extinguishment	(164,684)	—
Depreciation and amortization	38,707	13,215
Amortization of debt issuance costs	4,809	2,872
Realized gains on securitization transactions	(45,589)	—
Deferred taxes	(23,855)	—
Losses on finance receivables and securitization debt, net	66,839	—
Stock-based compensation expense	11,957	13,409
Provision to record inventory at lower of cost or net realizable value	1,812	9,471
Provision for bad debt	13,406	9,416
Provision to record finance receivables held for sale at lower of cost or fair value	6,541	—
Amortization of unearned discounts on finance receivables at fair value	(14,593)	—
Other, net	(7,512)	203
Changes in operating assets and liabilities:		
<i>Finance receivables, held for sale</i>		
Originations of finance receivables held for sale	(625,575)	—
Principal payments received on finance receivables held for sale	64,521	—
Proceeds from sale of finance receivables held for sale, net	509,612	—
Other	(7,701)	—
Accounts receivable	78,060	(53,206)
Inventory	403,924	(312,208)
Prepaid expenses and other current assets	4,146	(32,452)
Other assets	(2,546)	(9,172)
Accounts payable	(24,281)	19,321
Accrued expenses	(53,553)	61,170
Deferred revenue	(65,148)	50,943
Other liabilities	(38,325)	29,241
Net cash used in operating activities	(109,065)	(568,688)
Investing activities		
Finance receivables at fair value		
Purchases of finance receivables at fair value	(56,484)	—
Principal payments received on finance receivables at fair value	132,391	—
Proceeds from sale of finance receivables at fair value, net	43,262	—
Principal payments received on beneficial interests	8,341	—
Purchase of property and equipment	(24,234)	(28,413)
Acquisition of business, net of cash acquired of \$47.9 million	(267,488)	(75,875)
Net cash used in investing activities	(164,212)	(104,288)
Financing activities		
Principal repayment under secured financing agreements	(192,839)	—
Proceeds from vehicle floorplan	1,403,042	2,713,350
Repayments of vehicle floorplan	(1,638,855)	(2,529,780)
Proceeds from warehouse credit facilities	520,800	—
Repayments of warehouse credit facilities	(467,216)	—
Repayments of convertible senior notes	(90,208)	—
Proceeds from issuance of convertible senior notes	—	625,000
Issuance costs paid for convertible senior notes	—	(16,129)
Proceeds from exercise of stock options	—	5,766
Other financing activities	(4,212)	(495)
Net cash (used in) provided by financing activities	(469,488)	797,712
Net (decrease) increase in cash, cash equivalents and restricted cash	(742,765)	124,736
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	\$ 472,010	\$ 1,214,775

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

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 34,907	\$ 15,964
Cash paid for income taxes	\$ 2,409	\$ 403

Supplemental disclosure of non-cash investing and financing activities:

Fair value of beneficial interests received in securitization transactions	\$ 30,082	\$ —
Issuance of common stock for CarStory acquisition	\$ —	\$ 38,811
Fair value of unvested stock options assumed for acquisition of business	\$ —	\$ 1,017

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Fourth Quarter 2022 Earnings

February 2023



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 long-term roadmap and cost-saving initiatives, including our ability to improve our transaction processes and customer service experience, increase and optimize our internal sales force, sell through aged vehicles, improve variable cost per unit, such as logistics costs and marketing costs, and reduce fixed costs, 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 our intention to return to growth, for future results of operations and financial position, including our ability to improve our unit economics and our outlook for the full year 2023, 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 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, 2022 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

during 2022 we improved the customer experience, improved our processes, and reduced our debt.

during 2023 we intend to resume growth, sell through aged inventory, improve variable costs per unit, continue to reduce fixed costs and convert balance sheet items into cash while living within our means

3 key objectives

- 1** Prioritize unit economics *and* growth
- 2** Improve Costs *per unit*
- 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

3



fourth quarter highlights and 2022 full year results

4th quarter key performance indicators

- (\$70.9)M of Adjusted EBITDA⁽¹⁾ within range of prior outlook. Net income of \$25M
- (\$70.5)M of Adjusted EBITDA excluding securitization gain and non-recurring costs⁽¹⁾, a \$65M / 48% improvement vs first quarter results
- \$1,233 Ecommerce Gross Profit Per Unit (GPPU)
 - ~\$6M negative impact of LCM markdowns, including ~\$4M related to electric vehicle OEM price decreases
 - ~\$4M negative impact of sales of aged units; 36% of units sold in 4Q were >270 days as we moved through earlier titling delays
- \$31M sequential reduction in Adjusted SG&A⁽²⁾ driven by lower variable and fixed costs
- \$21M sequential reduction in restricted cash primarily driven by improvements in titling & registration

4th quarter progress on key objectives and strategic initiatives

- 87% of units were available for sale or pending sale versus 52% at the end of 3Q 2022
- Exited primary third-party sales partner as of 1/31/23, continue to ramp sales force in 2023
- Continued focus on reducing variable and fixed costs
- Unlocked ~\$70M of cash in inventory and restricted cash
- \$198M repurchase of convertible notes for \$72M⁽³⁾

4q 2022 performance highlights		
	third quarter	fourth quarter
total revenue	\$340.8 million	\$209.3 million
ecommerce units	6,428	4,144
ecommerce gppu	\$4,206	\$1,233
adjusted ebitda ⁽¹⁾	(\$73.3) million	(\$70.9) million
adjusted ebitda ex. non-recurring costs ⁽²⁾	(\$57.5) million	(\$70.5) million
adjusted ebitda ex. securitization gain & non-recurring costs ⁽²⁾	(\$73.5) million	(\$70.5) million
net profit (loss) ⁽⁴⁾	(\$51.1) million	\$24.8 million

fy 2022 vs previously issued guidance			
	guidance	prior outlook	actuals
ecommerce units	45,000 - 55,000	Expect below range	39,278
adjusted ebitda ⁽¹⁾⁽⁵⁾	(\$375) - (\$325) million	Expect better than mid-point	(\$337) million
year-end liquidity ⁽⁶⁾	\$450 - \$565 million	Expect near mid-point	-\$489 million excluding convertible note repurchases of \$90 million -\$399 million reported including \$90 million note repurchase

(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) \$198M in aggregate principal amount net of deferred issuance costs. (4) Third quarter net loss includes a \$38M gain on debt extinguishment. Fourth quarter net income includes a \$127M 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.





4

execution of long-term roadmap on track



fourth quarter operational highlights

operational progress on our 4 strategic initiatives

	financial lever	initiative	3q to 4q
	Product GPPU	Originate and securitize Vroom loans through UACC	<ul style="list-style-type: none"> • \$1,233 Ecommerce GPPU • ~\$6M of LCM markdown, including ~\$4M related to electric vehicle OEM price decreases • ~\$4M negative impact of aged vehicles (>270 days) • Continued improvements to pricing model • Development of captive financing on plan, Product GPPU up ~\$600
	Vehicle GPPU	Optimize pricing through predictive data and regionalization Optimize assortment	
	SG&A - Logistics ⁽¹⁾	Synchronize end-to-end supply chain to increase velocity and optimize flow	<ul style="list-style-type: none"> • ~\$6M reduction in all-in logistics costs⁽²⁾ • Improved Vroom-operated linehaul and last mile service; increased owned pickups at logistics hubs
	Balance Sheet - Inventory		
	SG&A - Sales ⁽¹⁾	Optimize sales channels by selective insourcing and digitization	<ul style="list-style-type: none"> • 87% of units were available for sale or pending sale versus 52% at the end of 3Q 2022 • Fully transitioned from primary third-party sales provider as of 1/31/23; continued ramping of sales force in 2023 • Continued improvement in titling of vehicles not listed for sale, 36% of units sold in 4Q were aged vehicles putting pressure on GPPU • We expect ~50% of units sold in the first half of 2023 to be from aged vehicles (>270 days), putting significant pressure on GPPU in 1H-2023 • ~\$13M improvement in AR reserve due to process improvements • ~\$6M reduction in titling, registration and support costs⁽³⁾
	SG&A - Titling, Registration & Support ⁽¹⁾	Streamline and digitize title and registration process	
	SG&A - Marketing ⁽¹⁾	Improve marketing effectiveness	<ul style="list-style-type: none"> • ~\$5M reduction in marketing costs, continued focus on marketing ROI
	SG&A - Fixed ⁽¹⁾	Grow fixed cost slower than revenue	
			<ul style="list-style-type: none"> • ~\$2M decrease in fixed costs⁽⁴⁾ • ~\$27M of expected annualized variable and fixed cost reductions implemented in January 2023 • Continued 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) 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. (4) 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.

5

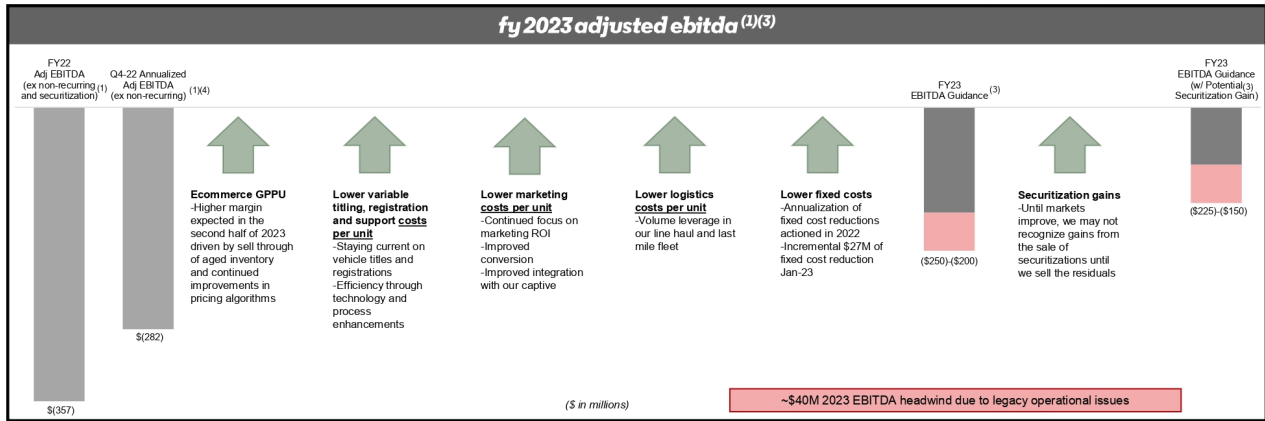
4 strategic initiatives intended to build a profitable business model



fy2023 guidance

4 strategic initiatives intended to improve financial results

fy 2023 guidance		
	fy2022	2023 guidance
adjusted ebitda (1)(5)	(\$337) million	(\$200) - (\$250) million
year-end cash and cash equivalents (2)	\$399 million	\$150 - \$200 million



(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) Represents unrestricted cash and cash equivalents. Excludes restricted cash and floorplan availability. (3) A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2023 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. These estimates are forward-looking statements that reflect the Company's expectations as of February 28, 2023 and are subject to substantial uncertainty. See "Forward-Looking Statements" on Slide 2 (4) Represents Q4 2022 EBITDA x4 and does not give variability from quarter to quarter

sell through aged inventory, reduce variable costs per unit, reduce fixed cost and grow



vroom

Fourth Quarter 2022

Financial Update



4th quarter financial summary

continued progress on long term roadmap despite short term headwinds

4q 2022 performance highlights

	third quarter	fourth quarter
total revenue	\$340.8 million	\$209.3 million
ecommerce units	6,428	4,144
ecommerce gppu	\$4,206	\$1,233
adjusted ebitda ⁽¹⁾	(\$73.3) million	(\$70.9) million
adjusted ebitda ex. non-recurring costs ⁽²⁾	(\$57.5) million	(\$70.5) million
adjusted ebitda ex. securitization gain & non-recurring costs ⁽²⁾	(\$73.5) million	(\$70.5) million
net profit (loss) ⁽²⁾	(\$51.1) million	\$24.8 million

net long-term debt ⁽³⁾



(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. Fourth quarter net income includes a \$127M gain on debt extinguishment. (3) Represents long term debt (including current portion) of \$790 million and \$450 million net of cash and cash equivalents of \$533 million and \$399 million as of 6/30/2022 and 12/31/2022, respectively.

8

4q 2022 performance vs 3q 2022

39% decrease in total revenue, 36% decrease in ecommerce units sold

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

\$1,233 ecommerce gppu, down 71%

- 5x increase in percent of sales from aged vehicles, driven by titling improvements increasing the number of aged units available for sale
- Acceleration of general market depreciation on vehicles along with recent electric vehicle OEM price decreases
- Partially offset by higher per unit profit from UACC-based financing

\$3m sequential increase in adjusted ebitda ex. securitization gain and non-recurring costs ⁽¹⁾

- Driven by reduced operating costs, partially offset by lower units and GPPU headwinds

\$76m improvement in net profit ⁽²⁾

- Primarily \$127M gain on debt extinguishment due to repurchase of convertible notes, partially offset by lower gross profit on reduced revenue

\$3m improvement in adjusted ebitda ex. securitization gain & non-recurring costs ⁽¹⁾



4th quarter financial highlights

	sequential trends			4q 2022 performance vs 3q 2022
adjusted ebitda ex. securitization gain & non-recurring costs (\$m)⁽¹⁾				\$3m increase in adjusted ebitda ex. securitization gain and non-recurring costs⁽¹⁾ <ul style="list-style-type: none"> Driven by reduced operating costs, partially offset by lower units and GPPU headwinds
ecommerce units				36% decrease in ecommerce units <ul style="list-style-type: none"> Ongoing focus on operational improvement over volume as well as reduced third-party sales resources, macroeconomic and other factors
ecommerce vgppu⁽²⁾				\$3,613 (159%) decrease in vehicle gppu <ul style="list-style-type: none"> Reduced sales margin due to impact of aged units (~\$4M) as we improved our titling processes, resulting in more aged vehicles available for sale Lower of cost or market adjustment of ~\$6M, including ~\$4M of electric vehicle OEM price reductions
ecommerce pppu⁽³⁾				\$640 (33%) increase in product gppu <ul style="list-style-type: none"> Increased UACC-originated and serviced financing on lower unit volume
ecommerce gppu				\$2,973 (71%) decrease in ecommerce gppu <ul style="list-style-type: none"> ~\$4M impact of selling through aged units >270 days ~\$6M impact of LCM markdowns, including ~\$4M of electric vehicle OEM price reductions

(1) Adjusted EBITDA excluding securitization gain & 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.

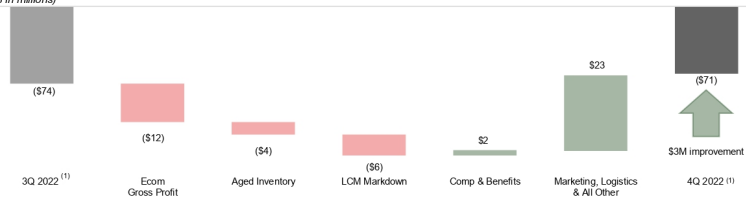
\$3m improvement in adjusted ebitda ex. securitization gain & non-recurring costs⁽¹⁾



4th quarter performance drivers

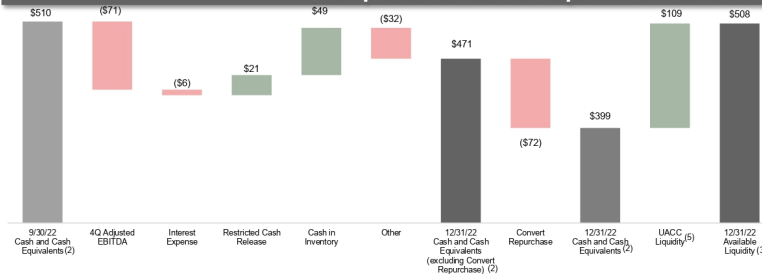
4th quarter adjusted ebitda ex. securitization gain and non-recurring costs⁽¹⁾

(\$ in millions)



- **ecommerce gross profit**
 - Lower unit volume and negative impact of aged units, market depreciation and electric vehicle price reductions
- **\$2m reduction in compensation & benefits**
 - Driven by focus on cost reductions
- **\$23m reduction in marketing, logistics & other**
 - Lower unit volume and strategic initiatives

4th quarter cash and cash equivalents⁽²⁾ and available liquidity⁽³⁾



- **\$21m sequential reduction in restricted cash**
 - Primarily driven by improved transaction processing, including titling & registration
- **\$49m sequential reduction in cash in inventory**
 - Reduced inventory and improved transaction processing, including titling & registration
- **\$198m repurchase of convertible notes for \$72m⁽⁴⁾**
 - Decreased leverage

(1) Adjusted EBITDA excluding securitization gain 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) Represents unrestricted cash and cash equivalents. Excludes restricted cash and floorplan availability. (3) Represents unrestricted cash, cash equivalents and warehouse availability (4) \$198M in aggregate principal amount net of deferred issuance costs. (5) Represents cash and cash equivalents and warehouse availability

10

\$3m improvement in adjusted ebitda ex. securitization gain and non-recurring costs⁽¹⁾



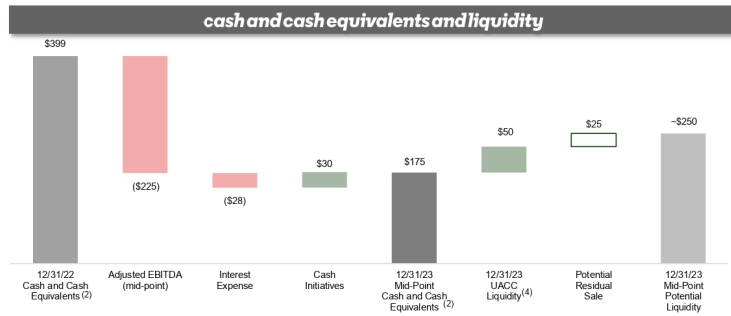
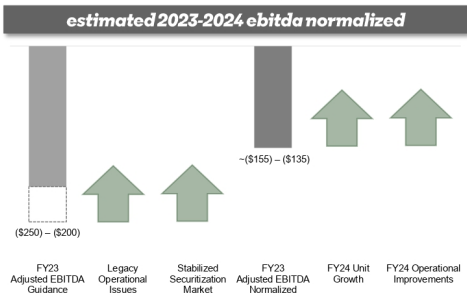
fy2023 outlook

key performance drivers

- Improve ecommerce GPPU by selling through aged inventory and continued improvement on pricing algorithm
- Improve marketing spend efficiency through conversion
- Reduce support and transaction expenses through process improvements and technology enhancements
- Continue to assess the business to reduce our fixed cost structure
 - Reduction in force completed in January (~20% of Vroom headcount) resulting in ~\$27M of annualized cost savings

cadence of earnings and cash utilization

- Anticipate GPPU headwind as we continue to sell through aged inventory in 1H
- Expect to continue to reduce operating loss each quarter as we improve our processes
- Higher first quarter cash in inventory due to aged inventory, expect to recover as inventory aging normalizes through the year



(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) Represents unrestricted cash and cash equivalents. Excludes restricted cash, warehouse and floorplan availability. (3) A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2023 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. These estimates are forward-looking statements that reflect the Company's expectations as of February 28, 2023 and are subject to substantial uncertainty. See "Forward-Looking Statements" on Slide 2 (4) Represents cash and cash equivalents and warehouse availability

execution on long-term roadmap on track



summary

during 2022 we improved the customer experience, improved our processes, and reduced our debt

2022 highlights

- Developed our Long-Term Roadmap focused on 4 strategic initiatives expected to build a profitable business model
- Completed the acquisition of UACC to build out captive financing
 - Completed two securitizations with Gain on Sale
- Achieved record GPPU of \$4,206 in Q3-2022
 - Transformed pricing algorithms, implemented variable shipping fees, and improved our acquisition model
- Substantially improved our Titling and Registration processes
- Transitioned from our primary third-party sales provider as of January 2023
- Reduced headcount by ~50%⁽¹⁾ (excluding UACC and CarStory)
- Strengthened our balance sheet by repurchasing \$254 million of convertible notes and unlocked \$179 million of cash-in-inventory and restricted cash
- Built a platform to grow the business in 2023 and beyond
 - Improved processes across registration, titling, support, marketing, sales, reconditioning, and logistics

2023 outlook

- GPPU pressure in 1H-23 as we sell through aged inventory now that titles are current, expect to normalize to Q2/Q3 2022 levels in 2H-23
- Higher losses at UACC due to increasing delinquency and default rates
- Continue to focus on converting balance sheet items into cash
- Expect unit volumes to ramp through the year as we resume growth and grow our internal sales force
- Expect per unit economics to improve sequentially⁽²⁾
 - Reduced marketing cost per unit through conversion initiatives
 - Reduced selling cost per unit
 - Reduced titling, registration and support cost per unit
 - Reduced logistics costs per unit
 - Continue to reduce fixed cost structure

(1) As of 1/31/23 (2) A reconciliation of non-GAAP guidance measures to corresponding GAAP measures for 2023 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. These estimates are forward-looking statements that reflect the Company's expectations as of February 28, 2023 and are subject to substantial uncertainty. See "Forward-Looking Statements" on Slide 2

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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 gain on debt extinguishment, acceleration of non-cash stock-based compensation and other costs, which primarily relate to the impairment of long-lived 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 December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Twelve Months Ended December 31, 2022
	(in thousands)				
Net profit (loss)	\$ 24,765	\$ (51,127)	\$ (115,089)	\$ (310,459)	\$ (451,910)
Adjusted to exclude the following:					
Interest expense	12,076	9,704	9,533	9,380	40,693
Interest income	(6,372)	(5,104)	(3,935)	(3,952)	(19,363)
Provision for income taxes	2,405	899	256	(23,240)	(19,680)
Depreciation and amortization	10,702	9,995	10,115	7,895	38,707
EBITDA	\$ 43,576	\$ (35,633)	\$ (99,120)	\$ (320,376)	\$ (411,553)
Realignment costs	\$ 2,253	\$ 3,243	\$ 9,529	\$ —	\$ 15,025
Acquisition related costs	—	—	—	5,653	5,653
Change in fair value of finance receivables	3,917	(3,012)	1,846	5,621	8,372
Goodwill impairment charge	—	—	—	201,703	201,703
Gain on debt extinguishment	(126,767)	(37,917)	—	—	(164,684)
Acceleration of non-cash stock-based compensation	2,439	—	—	—	2,439
Other	3,679	—	2,127	—	5,806
Adjusted EBITDA	\$ (70,903)	\$ (73,319)	\$ (85,618)	\$ (107,399)	\$ (337,239)
Non-recurring costs to address operational and customer experience issues	374	15,785	8,274	1,000	25,433
Adjusted EBITDA excluding non-recurring costs to address operational and customer	\$ (70,529)	\$ (57,534)	\$ (77,344)	\$ (106,399)	\$ (311,806)
Securitization gain	—	(15,972)	—	(29,617)	(45,589)
Adjusted EBITDA excluding securitization gain	\$ (70,529)	\$ (89,291)	\$ (85,618)	\$ (137,016)	\$ (382,828)
Adjusted EBITDA excluding securitization gain and non-recurring costs to address	\$ (70,529)	\$ (73,506)	\$ (77,344)	\$ (136,016)	\$ (357,395)

reconciliation of non-gaap financial measures (continued)

Adjusted SG&A

We calculate adjusted selling, general & administrative expenses as selling, general & administrative expenses adjusted to exclude realignment costs, acquisition related costs, acceleration of non-cash stock-based compensation, acceleration of non-cash stock-based compensation, 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 December 31, 2022	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	\$ 90,760	\$ 134,643	\$ 152,990	\$ 187,994
Adjusted to exclude the following:				
Realignment costs	187	2,226	6,122	—
Acquisition related costs	—	—	—	5,653
Acceleration of non-cash stock-based compensation	2,439	—	—	—
Non-recurring costs to address operational and customer experience issues	1,867	15,785	8,274	1,000
UACC selling, general & administrative expenses	19,108	18,012	16,646	10,557
Other	—	—	2,127	—
Adjusted selling, general & administrative expenses	\$ 67,159	\$ 98,620	\$ 119,821	\$ 170,784

thank you

