

Carvana sells used cars it buys, reconditions and delivers itself, then earns more on each car from selling the customer's loan and add-on products. FY2025 (year ended Dec 31, 2025) revenue was \$20.32B (+49%) on 596,641 retail cars sold, with operating income of \$1.88B and net income of \$1.41B after a \$2.2B non-cash Tax Receivable Agreement charge. In H1 2026 revenue rose to \$13.81B (+52%) and operating income to \$1.26B.

KEY PARTNERS

- Car sellers, auctions, fleet operators and manufacturers supply inventory (FACT).
- Retail marketplace partners list cars that Carvana sells to customers (FACT).
- Financing partners and securitization investors buy the loans Carvana originates (FACT).
- **DriveTime (related party)** — leases, vehicle service contract administration, loan servicing (FACT).
- **Root, Inc.** — auto insurance sold on Carvana's site for commissions and Root Warrants (FACT).

KEY ACTIVITIES

- Buy cars from customers with an online instant offer, and from auctions and suppliers (FACT).
- Inspect and recondition at IRCs, including 16 former ADESA auction sites built out by Dec 31, 2025 (FACT).
- List cars with 360-degree photos on a site averaging 18.5M monthly unique visitors in 2025 (FACT).
- Originate customer loans, then sell or securitize them (FACT).
- Deliver with its own hub-and-spoke fleet and sell leftover cars wholesale (FACT).

KEY RESOURCES

- Over 75,000 cars listed on the site at Dec 31, 2025 in one nationally pooled inventory (FACT).
- **Reconditioning, hub and vending machine sites** — 5.3M owned and 5.9M leased interior square feet (FACT).
- 51 U.S. patents covering vending machines, photo, search and AI technology (FACT).
- Over 23,100 full-time and part-time employees at Dec 31, 2025 (FACT).
- \$2.33B cash at Dec 31, 2025 and about \$3.9B senior secured notes (FACT).

VALUE PROPOSITIONS

- **Wide selection** — over 75,000 cars on the site (FACT).
- Transparent pricing and a no-pressure online transaction (FACT, company's own description).
- Instant offer and pick-up when selling a car (FACT).
- Seven-day return policy (FACT).
- Customers rated Carvana 4.7 of 5.0 across over 245,000 surveys (FACT, company-reported).

CUSTOMER RELATIONSHIPS

- Self-service shopping, financing and trade-in online (FACT).
- Customer advocates handle post-sale coordination, exchanges and returns (FACT).
- Retail units are the main driver of referrals and repeat sales (FACT).
- Delivery or pick-up is the moment the online purchase becomes a car in hand (INFERENCE).
- Unique-visitor traffic grew to 21.6M a month in H1 2026 from 17.8M (FACT).

CHANNELS

- Carvana.com and the mobile app (FACT).
- National and local television, search, social media, referral, direct mail and out-of-home advertising (FACT).
- Home delivery and pick-up (FACT).
- Car vending machines (automated delivery towers) and hubs (FACT).
- Advertising expense \$363M in FY2025 vs \$229M in FY2024 (FACT).

CUSTOMER SEGMENTS

- Retail used-car buyers; about 37M used retail transactions in the U.S. in 2024 per Cox Automotive (SECONDARY).
- People selling or trading in a car (FACT).
- Dealers and other sellers on the wholesale marketplace: 1,006,551 units transacted in 2025 (FACT).
- Customers financing the purchase through Carvana (FACT).
- Customers buying service contracts, GAP waiver coverage or insurance (FACT).

COST STRUCTURE

- Cost of sales about \$16.13B in FY2025, or 79% of revenue (INFERENCE from revenue minus reported gross profit).
- **SG&A \$2.31B** — compensation \$830M, advertising \$363M, logistics \$162M, occupancy \$68M, other \$885M (FACT).
- Interest expense, net \$505M in FY2025, down from \$651M (FACT).
- Tax Receivable Agreement expense of \$2.2B in FY2025, non-cash and below operating income (FACT).
- **SG&A of about \$3,868 per retail unit (INFERENCE** — \$2,308M divided by 596,641 units).

REVENUE STREAMS

- Retail vehicle sales \$14.54B, +50%, on 596,641 units at \$24,365 each (FACT).
- Wholesale sales and revenues \$4.05B, +43%, including marketplace fees (FACT).
- **Other sales and revenues \$1.73B, +51%** — loan-sale gains about \$1.2B plus commissions (FACT).
- **Gross profit per retail unit \$7,026** — retail \$3,315, wholesale \$806, other \$2,905 (FACT).
- H1 2026 revenue \$13.81B vs \$9.07B (+52%) with 384,718 retail units (FACT).