



# Introduction to CarMax

April 2020

# Forward-Looking **Statements**

This presentation contains forward-looking statements, which are subject to risks and uncertainties. Additional discussion of factors that could cause actual results to differ materially from management's projections and estimates is contained in the CarMax, Inc. SEC filings, including its Form 10-K, for the year ended February 29, 2020. The company disclaims any intent or obligation to update its forward-looking statements.

# Diversified Business Model

## Customer Evolution & Omni-Channel



# We are the nation's **largest used automotive retailer** <sup>(1)</sup>

## **Nationwide presence:**

- 216 stores (102 Production)
- ≈830K annual retail sales
- ≈2M cars transported

## **Significant customer base:**

- Millions of in-store customer interactions
- ≈25M monthly web visits
- >16% YoY digital growth



*(1) All listed data is as of February 29, 2020 or for the fiscal year then ended*

# We run **3<sup>rd</sup> largest wholesale auction** in the country <sup>(1)</sup>



## **\$2.5B in Revenue**

- 74 auction locations nationwide
- ≈470K units sold

## **Efficient & economical**

- ≈95% weekly sell-through rate
- \$454M gross profit

## **Highly synergistic with retail business**

- Provides real-time market insights
- Feeds acquisition model

*(1) All listed data is as of February 29, 2020 or for the fiscal year then ended*

# CAF is a significant auto retail lender <sup>(1)</sup>

## \$13B+ in managed receivables

- ≈350K CAF originations
- Consistent 2-2.5% cumulative loss rate
- Contributed \$456M in profit

## Highly synergistic with retail business

- Retail growth supports origination growth
- Finance innovation can fuel retail sales

The image shows two views of the CARMAX Pre-Qualify interface. The top view is a desktop browser window, and the bottom view is a mobile phone screen. Both screens display the same form for calculating a budget. The desktop version has a larger font and more space, while the mobile version is optimized for a smaller screen. The form includes a header with the CARMAX logo and a 'Get Pre-Qualified' button. Below that, it says 'Stress-free financing. Apply in less than 10 minutes.' followed by an image of a woman meditating. The main section is titled 'Let's calculate a budget that works for you.\*' and contains several input fields: 'Select Your Credit Score' (Fair (580-669 FICO® Score)), 'Down Payment' (\$2,000), 'Term' (72 months), 'Vehicle Price' (\$7,998), and 'Monthly Payment' (\$135). At the bottom, it shows a summary: 'Plus Tax, Title & Fees (Est.) + \$900', 'Total \$8,898', 'Minus Down Payment -\$2,000', and 'Finance Amount \$6,898'. The mobile screen also shows 'Step 1 of 6' at the bottom.

Pre-Qualify SECURE

Get financing terms from home.  
Apply in less than 10 minutes.

Let's calculate a budget that works for you.\*

Select Your Credit Score  
Fair (580-669 FICO® Score)

Down Payment \$ 2,000 Term 72 months

Vehicle Price \$ 7,998 Monthly Payment \$ 135

Plus Tax, Title & Fees (Est.) + \$900

Total \$8,898

Minus Down Payment -\$2,000

**Finance Amount \$6,898**

CARMAX

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Total \$8,898

Minus Down Payment -\$2,000

**Finance Amount \$6,898**

Step 1 of 6

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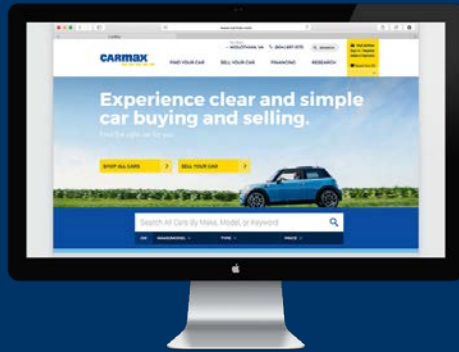
# Diversified Business Model

## Customer Evolution & Omni-Channel



**CARmax**

# In today's world, there are **3 types of customers**



Customers who want to complete the **entire transaction online**



Customers who want flexibility to **shop on their terms** both online & in-store



Customers who prefer to **shop up-close** and complete the transaction in-store

**Our investments in omni-channel will allow us to effectively serve all 3 of these customer sets**



# We are evolving to meet customers on their terms

