

# Investor Presentation

Q1 Fiscal 2027

June 17, 2026

**CARmax**<sup>®</sup>  
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# SAFE HARBOR STATEMENT AND NON-GAAP MEASURES

We caution readers that the statements contained in this presentation that are not statements of historical fact, including statements about our future business plans, operations, challenges, opportunities or prospects, including without limitation any statements or factors regarding our recent leadership transition, Four-Pillar Strategy, operating capacity, sales, inventory, market share, financial and operational targets and goals, revenue, margins, expenses, liquidity, loan originations, capital expenditures, share repurchase plans, debt obligations or earnings, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by the use of words such as “anticipate,” “believe,” “commit,” “could,” “enable,” “encourage,” “estimate,” “expect,” “focus on,” “intend,” “may,” “on track,” “outlook,” “plan,” “position,” “predict,” “should,” “target,” “will” and other variations of these words or similar expressions, whether in the negative or affirmative. Such forward-looking statements are based upon management’s current knowledge, expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially from anticipated results.

Among the factors that could cause actual results and outcomes to differ materially from those contained in the forward-looking statements are the following: changes in the competitive landscape and/or our failure to successfully adjust to such changes; changes in general or regional U.S. economic conditions, including economic downturns, inflationary pressures, fluctuating interest rates, tariffs, the effect of trade policies or related uncertainties, and the potential impact of international events (including the conflict in the Middle East); changes in the availability or cost of capital and working capital financing, including changes related to the asset-backed securitization market; events that damage our reputation or harm the perception of the quality of our brand; significant changes in prices of new and used vehicles; a reduction in the availability of or access to sources of inventory or a failure to expeditiously liquidate inventory; the failure or inability to realize the expected benefits and objectives associated with our Four-Pillar Strategy; our inability to realize the benefits associated with our omni-channel platform or initiatives designed to leverage evolving technologies, including AI; factors related to geographic and sales growth, including the inability to effectively manage our growth; our inability to recruit, develop and retain associates and maintain positive associate relations; the loss of key associates from our store, regional or corporate management teams, the failure to effectively execute key executive succession plans, disruptions associated with leadership transitions, or a significant increase in labor costs; changes in economic conditions or other factors that result in greater credit losses for CAF’s portfolio of auto loans than anticipated; the failure or inability to realize the benefits associated with our strategic investments; changes in consumer credit availability provided by our third-party finance providers; changes in the availability of extended protection plan products from third-party providers; the performance of the third-party vendors we rely on for key components of our business; adverse conditions affecting one or more automotive manufacturers; the inaccuracy of estimates and assumptions used in the preparation of our financial statements, or the effect of new accounting requirements or changes to U.S. generally accepted accounting principles; the failure or inability to adequately protect our intellectual property; the occurrence of severe weather events; the failure or inability to meet our environmental goals or satisfy related disclosure requirements; factors related to the geographic concentration of our stores; security breaches or other events that result in the misappropriation, loss or other unauthorized disclosure of confidential customer, associate or corporate information; the failure of or inability to sufficiently enhance key information systems; factors related to the regulatory and legislative environment in which we operate; the effect of evolving regulations, disclosure requirements, standards and expectations relating to environmental, social and governance matters; the effect of various litigation matters; the volatility in the market price for our common stock; and the impact of any potential shareholder activism.

For more details on factors that could affect expectations, see our Annual Report on Form 10-K for the fiscal year ended February 28, 2026, and our quarterly or current reports as filed with or furnished to the U.S. Securities and Exchange Commission. Our filings are publicly available on our investor information home page at [investors.carmax.com](https://investors.carmax.com). Requests for information may also be made to the Investor Relations Department by email to [investor\\_relations@carmax.com](mailto:investor_relations@carmax.com) or by calling (804) 747-0422 x7865. We undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

This presentation includes non-GAAP financial measures. Reconciliations of these measures to the comparable GAAP measures are available in the appendix to this presentation.

# Introducing Our Strategy for Growth

*The Four Pillars are designed to place the customer at the center of everything we do, driving sustainable growth and strong operating performance over time*

**1**

## Great Offering

**Give customers every reason to choose CarMax**

Price competitively across demand cycles while growing saleable inventory and providing customers faster access to our vehicles

**2**

## Easy Experience

**Make it easy to do business with us through a seamless experience**

Better connect digital capabilities with in-store experiences to improve conversion and customer satisfaction

**3**

## Add Value on Each Transaction

**Grow profitability by maximizing value across all aspects of our business**

Grow long-term profitability across the CarMax Auto Finance (CAF) and Extended Protection Plan (EPP) businesses

**4**

## Run Lean

**Reimagine our cost structure to enable a great offering**

Lower reconditioning costs through technology and operational efficiency while continuing to deliver the high-quality vehicles customers expect from CarMax, enhance our logistics network, and continue to reduce SG&A

**Strategic Update:** CarMax plans to host a Strategic Update in late Fall to share additional detail on key initiatives and milestones underlying our Strategy for Growth

# Quarterly Results



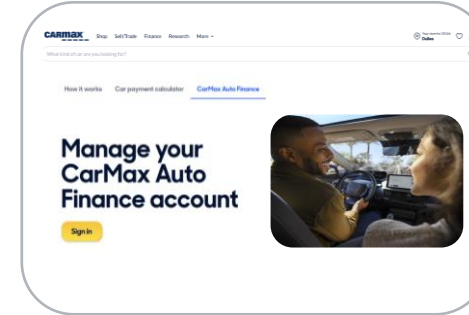
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# Q1 2027 Key Results



## Financial Performance

- Encouraged by performance trajectory, with clear improvements in year-over-year sales and earnings trends
- Retail unit sales increased slightly against the prior year tariff-supported quarter, driven by competitive prices, acquisition marketing, and early progress on our Strategy for Growth
- Wholesale unit sales increased 8.4% versus the prior year quarter
- SG&A expenses decreased 3.7%, leveraging SG&A per total unit by 6.8% or \$118; on track to achieve \$200 million SG&A savings target and we continue to drive for expense efficiencies
- EPS of \$1.31



## Continued CAF Expansion

- Advancing full credit spectrum underwriting and funding model
- Financed 43.3% of net retail units sold, up 150 basis points versus the prior year quarter
- CAF was the largest Tier 2 lender during the quarter
- Credit loss performance was in line with expectations

# Performance Summary

Q1 2027

## Unit Sales Change

**+0.0%**  
Retail Used

**+8.4%**  
Wholesale

**+3.3%**  
Total Units

**-0.8%**  
Comparable  
Store Used

## Vehicles Bought

**322K**

Decrease of 4.4% YoY

**-2.5%**  
From Consumers

**-15.4%**  
From Dealers

## Total Gross Profit

**\$854.4M**

Decrease of  
4.4% YoY

## SG&A Expense

**\$635.2M**

Decrease of 3.7% YoY

**\$1,619/total unit**

Decrease of \$118 or  
6.8% per total unit

## Net Earnings Per Diluted Share

**\$1.31**

Versus \$1.38 YoY

# CAF Performance

Q1 2027

CAF  
Income

**\$140.2M**

Decrease of 1.0% YoY

Total Interest  
Margin

**6.7%**

Increase of 20 bps YoY

Loan Loss  
Provision

**\$95.6M**

Decrease of 6.0% YoY

Units  
Financed

**43.3%**

Increase of 150 bps YoY

# Healthy Cash Flow and Strong Balance Sheet Enable Strategic Capital Deployment

## Consistent Capital Allocation Priorities

### 1. Maintain a Strong Balance Sheet

Target 1.50 to 2.00x net leverage ratio to enable operational flexibility

### 2. Grow The Core Business

Invest in lowering prices, digital capabilities, physical locations, pursue CAF's full credit spectrum expansion, and unlock operational efficiencies

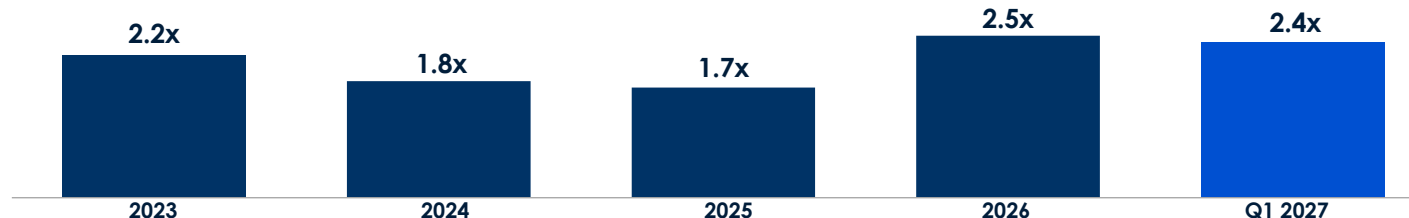
### 3. Inorganic Growth

Pursue accretive M&A and strategic external investments

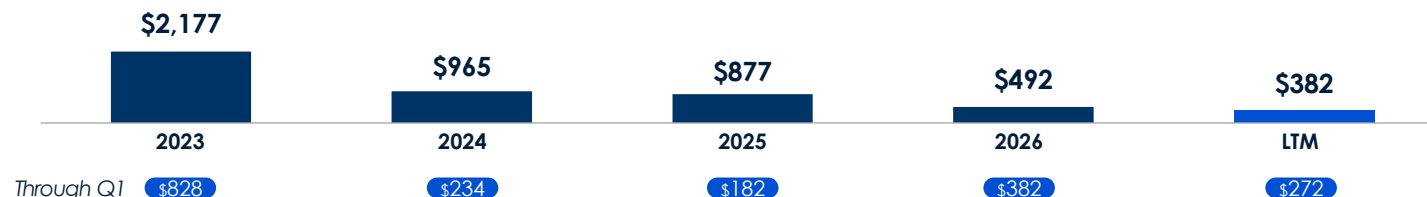
### 4. Return Excess Capital to Shareholders

Through share repurchase program; currently paused

#### Strong Net Leverage Ratio Profile<sup>(1)</sup>



#### Strong Adjusted Net Cash From Operating Activities<sup>(2),(3)</sup> (\$M)



#### Meaningful Capital Returned via Share Repurchases (\$M)



<sup>(1)</sup> Net leverage ratio is calculated as adjusted net debt divided by adjusted EBITDAR for the most recent twelve-month period, in accordance with our Credit Agreement. We consider net leverage ratio and its components to be non-GAAP measures. A reconciliation of these non-GAAP measures has been included in the appendix.

<sup>(2)</sup> Adjusted net cash from operating activities, a non-GAAP measure used by management to assess cash flows, incorporates the net issuances of (payments on) non-recourse notes that are used to fund auto loans held for investment and auto loans held for sale. We believe this metric is meaningful because it provides enhanced visibility into the cash generated from operations in consideration of the presentation differences between auto loans held for investment, auto loans held for sale and non-recourse notes payable on the consolidated statements of cash flows. Fluctuations in these amounts, which are generally related, can impact our operating and financing cash flows without affecting our overall liquidity, working capital or cash flows. A reconciliation of this non-GAAP measure has been included in the appendix.

<sup>(3)</sup> 2023 saw a decrease in inventory

# Business Overview



**CARmax**<sup>®</sup>  
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# CarMax is the nation's largest used car retailer with an **integrated business model**



**14.0 Million**  
Used Cars Sold  
(Cumulative)



**8.9 Million**  
Wholesale Cars Sold  
(Cumulative) Top 10  
Operator of Wholesale  
Vehicle Auctions



**Top 10**  
Financer of  
Used Cars



**16.0 Million**  
Cars Bought From  
Consumers (Cumulative)



**22 Years**  
in a row on the Fortune 100  
Best Companies to Work  
For® List



**60,000**  
Cars Online



**42 Million**  
Average Monthly  
Web Visits



**84%**  
Retail Sales Supported  
by Digital Capabilities



**256**  
Stores in 42 States

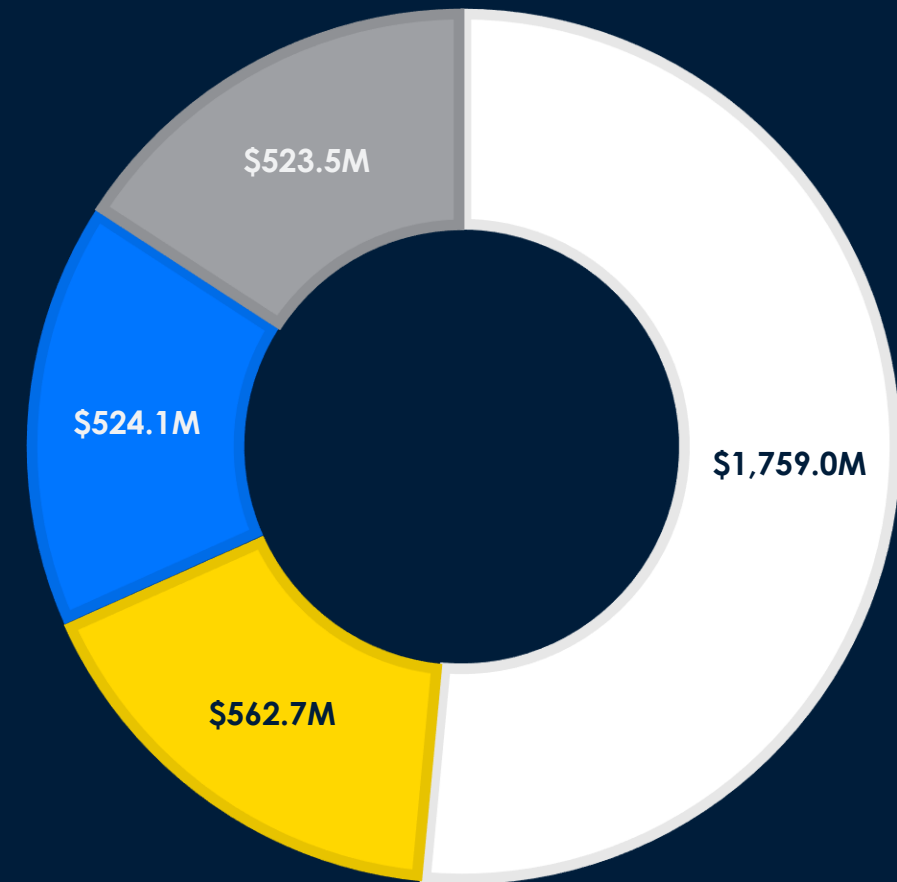


**Edmunds #1**  
as the most mentioned source  
for automotive insights in  
online news media

# Integrated Earnings Streams

Profitable business with integrated earnings streams

- Retail<sup>(1)</sup>
- CarMax Auto Finance<sup>(2)</sup>
- Wholesale<sup>(1)</sup>
- Other<sup>(1)</sup> - primarily Extended Protection Plans



<sup>(1)</sup> Retail, Wholesale and Other represent FY26 gross profit totals

<sup>(2)</sup> Represents CAF's FY26 contribution

# CarMax Auto Finance

## TOP 10 FINANCER OF USED CARS

- CarMax Auto Finance (CAF) is seamlessly integrated into the CarMax experience and offers CarMax customers a variety of financing options.
- Well-established ABS issuer with **more than \$90B in issuance since 1999**. Introduced a new non-prime ABS program in FY25 to support future growth.
- Originated nearly **\$8 billion** in auto loans during fiscal 2026, adding to our **\$16 billion portfolio**.
- Full credit spectrum lender focused on **expanding** non-prime funding program and targeting **initial goal of increasing CAF penetration** from 43% currently **to 50%**.





# Appendix



# QUARTERLY RESULTS

<i>(In thousands except per share data)</i>	Q1 FY27	Q1 FY26	Change
<b>Sales &amp; Operating Revenues:</b>			
Used	\$ 6,391,332	\$6,103,440	4.7%
Wholesale	1,427,635	1,252,738	14.0%
Other	194,552	190,363	2.2%
<b>Net Sales &amp; Operating Revenues</b>	8,013,519	7,546,541	6.2%
<b>Cost of Sales:</b>			
Used	5,889,979	5,549,257	6.1%
Wholesale	1,258,144	1,096,167	14.8%
Other	10,982	7,494	46.5%
<b>Total Cost of Sales</b>	7,159,105	6,652,918	7.6%
<b>Gross Profit</b>	854,414	893,623	-4.4%
<b>CarMax Auto Finance Income</b>	140,241	141,650	-1.0%
Selling, general and administrative expenses	635,175	659,643	-3.7%
Depreciation and amortization	69,213	65,739	5.3%
Interest expense	33,811	27,070	24.9%
Other income	(2,101)	(309)	579.9%
Earnings before income taxes	258,557	283,130	-8.7%
Income tax provision	72,930	72,749	0.2%
<b>Net earnings</b>	\$ 185,627	\$ 210,381	-11.8%
<b>Diluted net earnings per share</b>	\$ 1.31	\$ 1.38	-5.1%

# ADJUSTED NET LEVERAGE METRICS – NON-GAAP

<i>(In thousands)</i>	As of February 28 or 29				As of May 31
	2023	2024	2025	2026	2026
Total debt	\$ 18,382,111	\$ 18,783,149	\$ 18,707,207	\$ 18,051,313	\$ 18,161,025
Less: Non-recourse notes payable	(16,360,092)	(16,866,972)	(17,119,758)	(15,827,609)	(16,082,391)
Add: Finance lease liability	183,923	219,636	204,231	192,327	189,581
Add: Term loan unamortized debt issuance costs	506	368	228	729	691
Total funded debt	2,206,448	2,136,181	1,791,908	2,416,760	2,268,906
Less: Unrestricted cash <sup>(1)</sup>	(299,758)	(559,142)	(231,960)	(107,826)	(117,223)
Add: 6x rent expense <sup>(2) (5)</sup>	620,886	625,296	647,982	720,815	719,224
Adjusted net debt	\$ 2,527,576	\$ 2,202,335	\$ 2,207,930	\$ 3,029,749	\$ 2,870,907

<i>(In thousands except ratio)</i>	Twelve months ended February 28 or 29				Twelve months ended May 31
	2023	2024	2025	2026	2026
Net earnings	\$ 484,762	\$ 479,204	\$ 500,556	\$ 247,290	\$ 222,536
Add: Interest expense	120,398	124,750	107,941	110,394	117,135
Add: Income tax provision	152,043	162,392	168,804	136,143	136,324
Add: Depreciation and amortization <sup>(3)</sup>	245,056	239,455	272,801	312,620	325,568
Add: Share-based compensation expense, excluding ESPP	85,592	119,720	134,709	99,018	93,983
Add: Net other <sup>(4)</sup>	(32,522)	11,806	10,093	147,664	147,129
Adjusted EBITDA	1,055,329	1,137,327	1,194,904	1,053,129	1,042,675
Add: Rent expense <sup>(2)</sup>	103,481	104,216	107,997	136,010	133,674
Adjusted EBITDAR	\$ 1,158,810	\$ 1,241,543	\$ 1,302,901	\$ 1,189,139	\$ 1,176,349
Net leverage ratio	2.2	1.8	1.7	2.5	2.4

<sup>(1)</sup> Unrestricted cash represents cash and cash equivalents in excess of \$15 million.

<sup>(2)</sup> Rent expense includes operating lease cost as well as expense related to certain non-lease components, such as executory costs and maintenance.

<sup>(3)</sup> Includes amounts classified within depreciation and amortization, cost of sales and CAF income on the consolidated statements of earnings as well as software as a service amortization and amortization from AOCI related to retirement plans and cash flow hedges.

<sup>(4)</sup> Includes the removal of income tax credits as well as the net impact of non-cash items on net earnings. Non-cash items primarily include fair value changes on our undesignated hedges, fair value changes on our investments in equity securities and impairment charges.

<sup>(5)</sup> Rent expense for purposes of calculating adjusted net debt does not apply a multiple to the expense related to the lease abandonment recorded in fiscal 2026.

# ADJUSTED CASH FLOW METRICS – NON-GAAP

<i>(In millions)</i>	Year ended February 28 or 29				Twelve months ended May 31
	2023	2024	2025	2026	2026
Net cash provided by operating activities	\$ 1,283.3	\$ 458.6	\$ 624.4	\$ 1,783.8	\$ 1,501.9
Add: Net issuances of (payments on) non-recourse notes payable <sup>(1)</sup>	893.3	506.9	252.8	(1,292.1)	(1,119.8)
Adjusted net cash provided by operating activities	\$ 2,176.6	\$ 965.5	\$ 877.2	\$ 491.7	\$ 382.1

<i>(In millions)</i>	Three months ended May 31				
	2022	2023	2024	2025	2026
Net cash provided by (used in) operating activities	\$ 531.0	\$ (185.3)	\$ (117.7)	\$ 299.5	\$ 17.6
Add: Net issuances of non-recourse notes payable <sup>(1)</sup>	297.4	419.7	299.6	82.5	254.8
Adjusted net cash provided by operating activities	\$ 828.4	\$ 234.4	\$ 181.9	\$ 382.0	\$ 272.4

<sup>(1)</sup> Calculated using the gross issuances less payments on non-recourse notes payable as disclosed on the consolidated statements of cash flows.