

# Investor Presentation

Q3 Fiscal 2026

December 18, 2025

**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 succession matters, statements about our future business plans, operations, challenges, opportunities or prospects, including without limitation any statements or factors regarding expected 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,” “could,” “enable,” “estimate,” “expect,” “focused on,” “focus areas,” “intend,” “may,” “on track,” “outlook,” “plan,” “positioned,” “predict,” “should,” “target,” “will” and other 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 or the effect of trade policies, and the potential impact of international events; 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; 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, 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; and the volatility in the market price for our common stock.

For more details on factors that could affect expectations, see our Annual Report on Form 10-K for the fiscal year ended February 28, 2025, 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.

# Interim CarMax Leadership Structure

On November 6, 2025, CarMax announced David McCreight as Interim President & CEO and Thomas Folliard as Interim Executive Chair, effective December 1, 2025

**INTERIM PRESIDENT  
& CHIEF EXECUTIVE OFFICER**

**David McCreight**



Mr. McCreight's track record as a proven retail business leader and brand strategist credential him well to effectively serve as our Interim President & CEO

Mr. McCreight will oversee the Company's day-to-day operations and lead the management team in executing our strategic and financial priorities. He will also partner with Mr. Folliard to set the near- and long-term Company strategy

**INTERIM EXECUTIVE CHAIR**

**Tom Folliard**



Mr. Folliard's 30-year history with the Company, including as CEO from 2006 to 2016, uniquely positions him to guide the Company through this period of transition while the Board sources new leadership to drive CarMax's strategy forward

Mr. Folliard will continue to chair the CarMax Board. In addition, he will complement Mr. McCreight's leadership, as they set near- and long-term Company strategy and execute key initiatives to set the Company back on the path to future growth

## LEADERSHIP TRANSITION

- The Board recognized the need for leadership change and expeditiously took action
- The Board proactively stepped in and took on management functions as new leadership is determined
- Former Chief Executive Officer, Bill Nash, stepped down from his position and as a member of the Board effective December 1, 2025
- The Board is seeking a proven leader who can drive sales, maximize the benefits of our omni-channel experience, strengthen our brand, improve operations, and champion our culture
- The CarMax Board maintains a focus on effective oversight and is committed to holding management to a high standard of performance



# Quarterly Results



**CARmax**  
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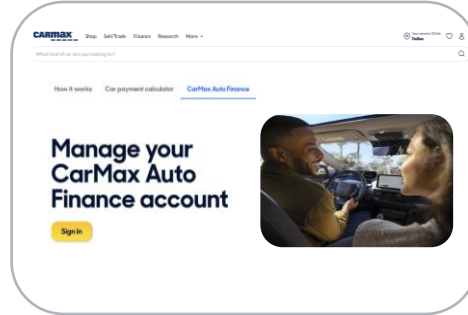


# Q3 2026 Key Takeaways



## Near-term focus areas

- Hiring permanent CEO
- Driving sales by lowering used unit margins and increasing marketing
- Emphasizing customer-centric decision making
- Shifting digital experience to prioritize selling
- Reducing SG&A and enhancing CAF and ancillary profitability
- Reigniting entrepreneurial culture to move faster



## Continued CAF Expansion

- Advancing full credit spectrum underwriting and funding model
- Successfully executed first sale of residual financial interest on non-prime ABS deal 2025-B, recognizing gain on sale income of \$27 million, along with an additional \$5 million of servicing fees in the quarter
- Loan loss provision and losses were in line with Q2 expectations

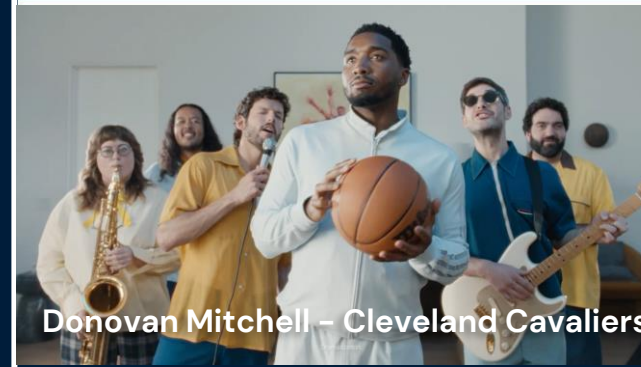
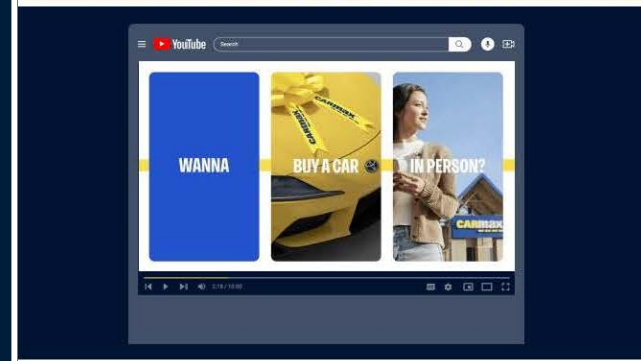
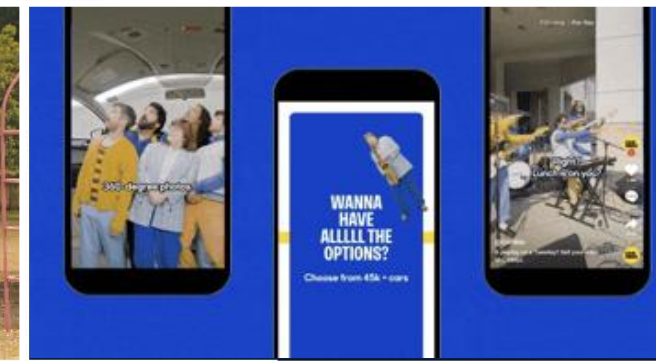


## Financial performance

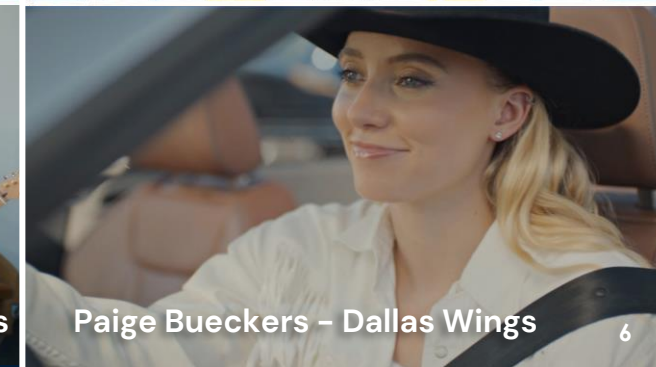
- Pressured retail sales performance across late-model inventory, partly offset by gains in older, higher mileage vehicles
- Retail GPU in line with historical averages, wholesale volume and GPU impacted by steep depreciation
- Strong CAF income contribution
- Repurchased \$201.6 million in shares of common stock

# Marketing Campaign Update

- **Sports campaign launch in Nov:** We expanded our "Wanna Drive?" platform into pro basketball, building on our successful sports partnerships with new collaborations featuring **Donovan Mitchell** and **Paige Bueckers** at the start of the NBA season
- **Strong ad engagement:** Above benchmarks for completed video views, engagement rates and click-thru rates
- **Improving ad testing:** Re-edited original ads based on testing feedback; new sports ads testing well: Paige Bueckers' ad is the highest scoring ad tested in the last year by Ace Metrix in the auto resell



Donovan Mitchell – Cleveland Cavaliers



Paige Bueckers – Dallas Wings

# Performance Summary

Q3 2026

## Unit Sales Change

**-8.0%**  
Retail Used

**-6.2%**  
Wholesale

**-9.0%**  
Comparable  
Store Used

## Net Earnings Per Diluted Share

**\$0.43 EPS**

Decrease of  
46.9% YoY

Includes \$0.08 of  
restructuring expenses

## Total Gross Profit

**\$590.0M**

Decrease of  
12.9% YoY

## Vehicles Bought

**238K**

Decrease of 11.7% YoY

**-12.1%**  
From Consumers

**-8.6%**  
From Dealers

## SG&A Expense

**\$581.4M**

Increase of  
1.0% YoY

**1,350 bps**  
Deleverage in SG&A as a  
% of Gross Profit

YTD 2026

**-1.1%**  
Retail Used

**-2.3%**  
Wholesale

**-2.1%**  
Comparable  
Store Used

**\$2.46 EPS**

Decrease of  
6.1% YoY

Includes \$0.08 of  
restructuring expenses

**\$2.20B**

Decrease of  
1.3% YoY

**867K**

Decrease of 1.8% YoY

**-3.4%**  
From Consumers

**+10.8%**  
From Dealers

**\$1.84B**

Increase of  
0.9% YoY

**190 bps**  
Deleverage in SG&A as a  
% of Gross Profit



# CAF Performance

Q3 2026

CAF  
Income

**\$174.7M**

Up 9.3% YoY

Total Interest  
Margin

**6.2%**

Unchanged YoY

Lower than year-to-date due to impact  
of Q3 non-prime residual sale

Loan Loss  
Provision

**\$73.4M**

Up 1.1% YoY

Units  
Financed

**42.6%**

Down 50 bps YoY

Expansion benefits offset by lower prime  
application volume and growth from  
third-party Tier 3 partners

YTD 2026

**\$419.0M**

Down 0.8% YoY

**6.4%**

Up 20 bps YoY

**\$317.3M**

Up 19.1% YoY

**42.3%**

Down 50 bps YoY

Impacted by higher "No Finance" sales



# 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 physical locations, digital capabilities, pursue CAF's full credit spectrum expansion, and unlock operational efficiencies

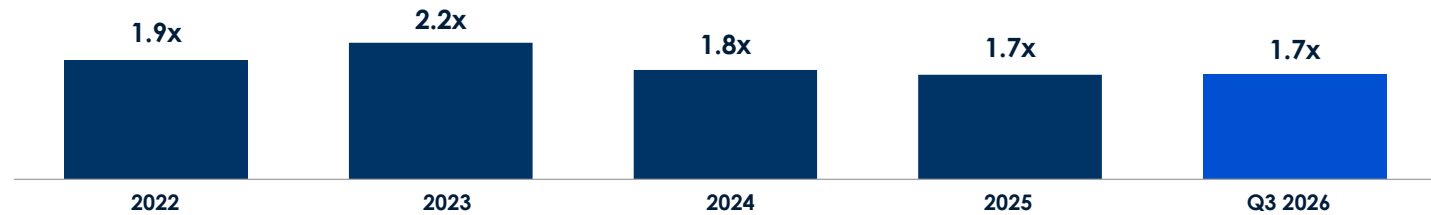
### 3. Inorganic Growth

Pursue accretive M&A and strategic external investments

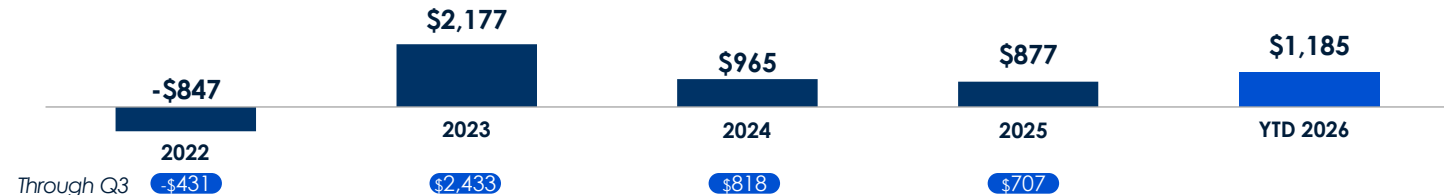
### 4. Return Capital to Shareholders

Execute share repurchase program

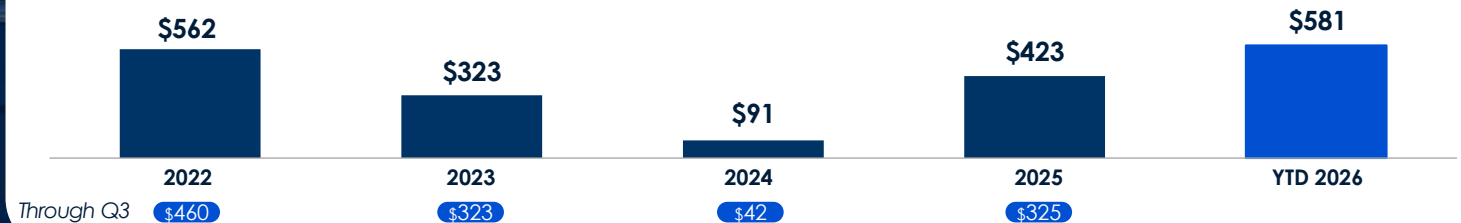
#### Strong Net Leverage Ratio Profile<sup>(1)</sup>



#### 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 debt covenants. 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> 2022 saw a ramp in inventory while 2023 saw a decrease in inventory

## Q4 Fiscal 2026 Preliminary Outlook

We expect the following actions will result in improved sales performance trends:

- **Improve price competitiveness:** we anticipate lowering retail used unit margins in the fourth quarter
- **Increase marketing spend:** we expect marketing spend on a total unit basis to be up year-over-year in the fourth quarter, though to a lesser degree than during the third quarter, with a focus on investing in acquisition to drive buys and sales





# Business Overview



**CARMAX**  
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# CarMax is the nation's largest used car retailer with an **integrated business model**



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



**8.7 Million**  
Wholesale Cars Sold  
(Cumulative) Top 5 Operator  
of Wholesale Vehicle  
Auctions



**Top 10**  
Financer of  
Used Cars



**15.5 Million**  
Cars Bought From  
Customers (Cumulative)



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



**50,000**  
Cars Online



**35 Million**  
Average Monthly  
Web Visits



**81%**  
Retail Sales Supported  
by Digital Capabilities



**250+**  
Stores in 42 States



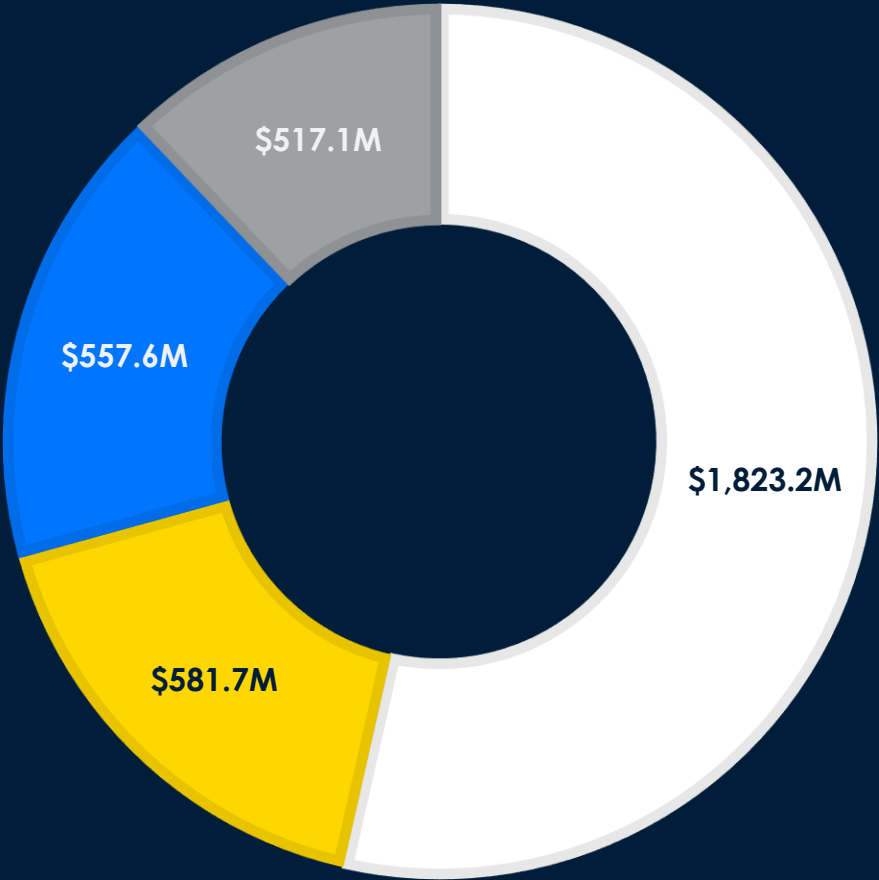
**Edmunds #1**  
as the most mentioned  
source for automotive  
insights in media



# 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 FY25 gross profit totals  
<sup>(2)</sup> Represents CAF's FY25 contribution

# Industry-Leading Omni-Channel Experience

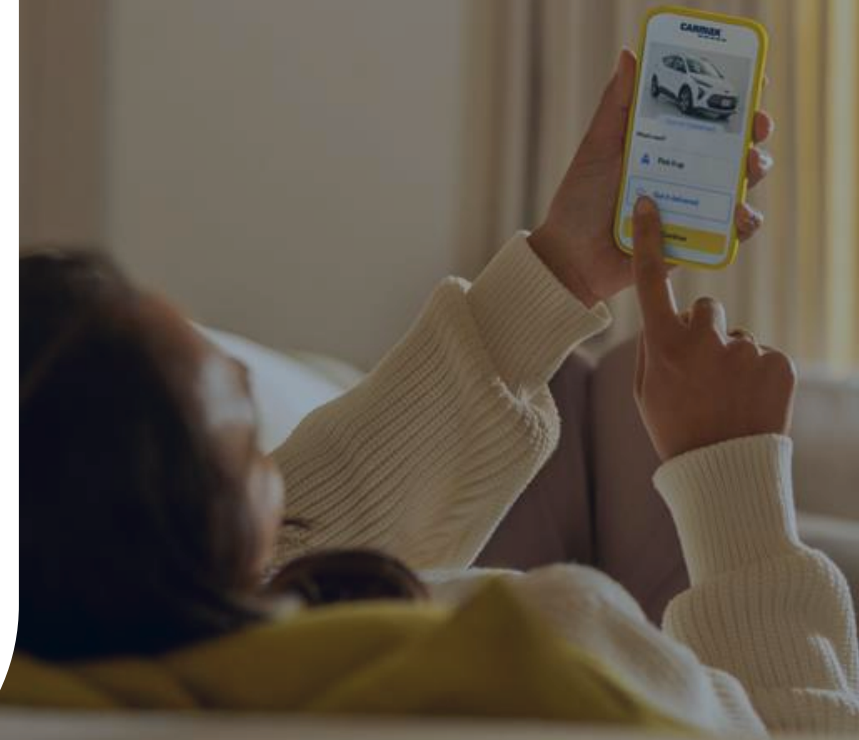
**CarMax offers a truly personalized experience with the option for customers to do as much, or as little, online and in-store as they want.**

The only nationwide retailer to offer an integrated, simple, seamless, and personalized experience to meet the largest and growing segment of used car buyers.

According to Cox Automotive research, as well as our own, the majority of customers shopping for used cars intend to transact via an omni-channel experience. CarMax leads through integrated capabilities:

- Enabling seamless “lane changing” between digital and physical
- Visibility to nationwide inventory and pricing
- Offering digital tools like Instant Offer and Finance Based Shopping

**Digital capabilities supported 81% of retail unit sales and our purchaser net promoter score (NPS) is at an all-time high since rolling out our digital capabilities nationwide.**



**Providing unique customer experience across large total addressable market, enables long runway for profitable growth.**



# CarMax Auto Finance

## TOP 10 FINANCER OF USED CARS

- CarMax Auto Finance (CAF) is seamlessly integrated into the CarMax experience and CAF 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 more than **\$8 billion** in auto loans during fiscal 2025, adding to our **nearly \$18 billion portfolio**.
- Full credit spectrum lender focused on **expanding** non-prime funding program and targeting **initial goal of increasing CAF penetration** from 42% currently **to 50%**.





# Appendix





# QUARTERLY RESULTS

(In thousands except per share data)

	Q3 FY26	Q3 FY25	Change	YTD FY26	YTD FY25	Change
<b>Sales &amp; Operating Revenues:</b>						
Used	\$ 4,548,197	\$ 4,888,858	-7.0%	\$ 15,922,349	\$ 16,243,415	-2.0%
Wholesale	1,095,119	1,168,639	-6.3%	3,497,425	3,579,543	-2.3%
Other	150,630	165,874	-9.2%	515,397	527,339	-2.3%
<b>Net Sales &amp; Operating Revenues</b>	<b>5,793,946</b>	<b>6,223,371</b>	<b>-6.9%</b>	<b>19,935,171</b>	<b>20,350,297</b>	<b>-2.0%</b>
<b>Cost of Sales:</b>						
Used	4,169,250	4,464,016	-6.6%	14,546,602	14,844,310	-2.0%
Wholesale	980,366	1,030,564	-4.9%	3,088,781	3,146,465	-1.8%
Other	54,282	51,145	6.1%	98,451	129,514	-24.0%
<b>Total Cost of Sales</b>	<b>5,203,898</b>	<b>5,545,725</b>	<b>-6.2%</b>	<b>17,733,834</b>	<b>18,120,289</b>	<b>-2.1%</b>
<b>Gross Profit</b>	<b>590,048</b>	<b>677,646</b>	<b>-12.9%</b>	<b>2,201,337</b>	<b>2,230,008</b>	<b>-1.3%</b>
<b>CarMax Auto Finance Income</b>	<b>174,738</b>	<b>159,885</b>	<b>9.3%</b>	<b>419,026</b>	<b>422,435</b>	<b>-0.8%</b>
Selling, general and administrative expenses	581,368	575,764	1.0%	1,842,104	1,824,904	0.9%
Depreciation and amortization	68,943	64,507	6.9%	201,967	190,277	6.1%
Interest expense	26,120	25,418	2.8%	81,643	83,801	-2.6%
Other income	(4,468)	(5,370)	-16.8%	(535)	(2,505)	-78.6%
Earnings before income taxes	83,887	166,472	-49.6%	494,114	550,956	-10.3%
Income tax provision	21,672	41,031	-47.2%	126,140	140,266	-10.1%
<b>Net earnings</b>	<b>\$ 62,215</b>	<b>\$ 125,441</b>	<b>-50.4%</b>	<b>\$ 367,974</b>	<b>\$ 410,690</b>	<b>-10.4%</b>
<b>Diluted net earnings per share</b>	<b>\$ 0.43</b>	<b>\$ 0.81</b>	<b>-46.9%</b>	<b>\$ 2.46</b>	<b>\$ 2.62</b>	<b>-6.1%</b>

# ADJUSTED NET LEVERAGE METRICS – NON-GAAP

(In thousands)	As of February 28 or 29				As of November 30
	2022	2023	2024	2025	2025
Total debt	\$18,734,417	\$18,382,111	\$18,783,149	\$18,707,207	\$ 17,353,935
Less: Non-recourse notes payable	(15,466,799)	(16,360,092)	(16,866,972)	(17,119,758)	(15,967,068)
Add: Finance lease liability	155,469	183,923	219,636	204,231	197,586
Add: Term loan unamortized debt issuance costs	648	506	368	228	767
Total funded debt	3,423,735	2,206,448	2,136,181	1,791,908	1,585,220
Less: Unrestricted cash <sup>(1)</sup>	(87,716)	(299,758)	(559,142)	(231,960)	(189,938)
Add: 6x rent expense <sup>(2)</sup>	505,266	620,886	625,296	647,982	691,674
Adjusted net debt	\$ 3,841,285	\$ 2,527,576	\$ 2,202,335	\$ 2,207,930	\$ 2,086,956

(In thousands except ratio)	Twelve months ended February 28 or 29				Twelve months ended November 30
	2022	2023	2024	2025	2025
Net earnings	\$ 1,151,297	\$ 484,762	\$ 479,204	\$ 500,556	\$ 457,840
Add: Interest expense	94,095	120,398	124,750	107,941	105,782
Add: Income tax provision	341,049	152,043	162,392	168,804	154,678
Add: Depreciation and amortization <sup>(3)</sup>	253,745	245,056	239,455	272,801	296,551
Add: Share-based compensation expense, excluding ESPP	109,197	85,592	119,720	134,709	114,949
Add: Net other <sup>(4)</sup>	(43,052)	(32,522)	11,806	10,093	3,619
Adjusted EBITDA	1,906,331	1,055,329	1,137,327	1,194,904	1,133,419
Add: Rent expense <sup>(2)</sup>	84,211	103,481	104,216	107,997	115,279
Adjusted EBITDAR	\$ 1,990,542	\$ 1,158,810	\$ 1,241,543	\$ 1,302,901	\$ 1,248,698
Net leverage ratio	1.9	2.2	1.8	1.7	1.7

<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.

# ADJUSTED CASH FLOW METRICS – NON-GAAP

(In millions)	Year ended February 28 or 29			
	2022	2023	2024	2025
Net cash (used in) provided by operating activities	\$ (2,549.5)	\$ 1,283.3	\$ 458.6	\$ 624.4
Add: Net issuances of non-recourse notes payable <sup>(1)</sup>	1,702.0	893.3	506.9	252.8
Adjusted net cash (used in) provided by operating activities	\$ (847.5)	\$ 2,176.6	\$ 965.5	\$ 877.2

(In millions)	Nine months ended November 30				
	2021	2022	2023	2024	2025
Net cash (used in) provided by operating activities	\$ (2,082.6)	\$ 1,662.1	\$ 149.0	\$ 478.1	\$ 2,338.1
Add: Net issuances of (payments on) non-recourse notes payable <sup>(1)</sup>	1,651.6	770.6	669.3	229.3	(1,152.7)
Adjusted net cash (used in) provided by operating activities	\$ (431.0)	\$ 2,432.7	\$ 818.3	\$ 707.4	\$ 1,185.4

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