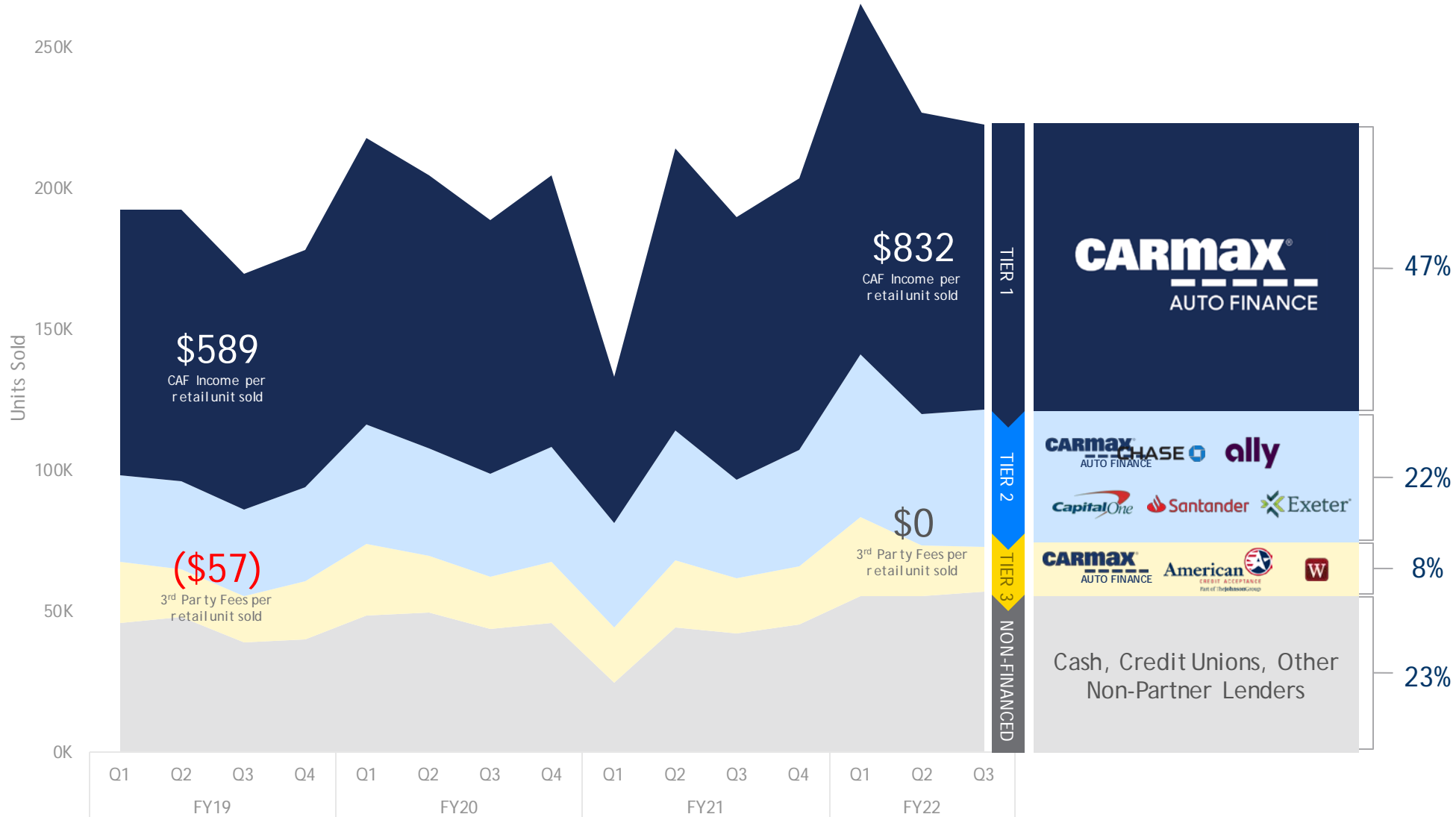


CarMax Lending Platform

Virtual Analyst Day
January 20, 2022

The Platform

Our Strength Lies in our Platform

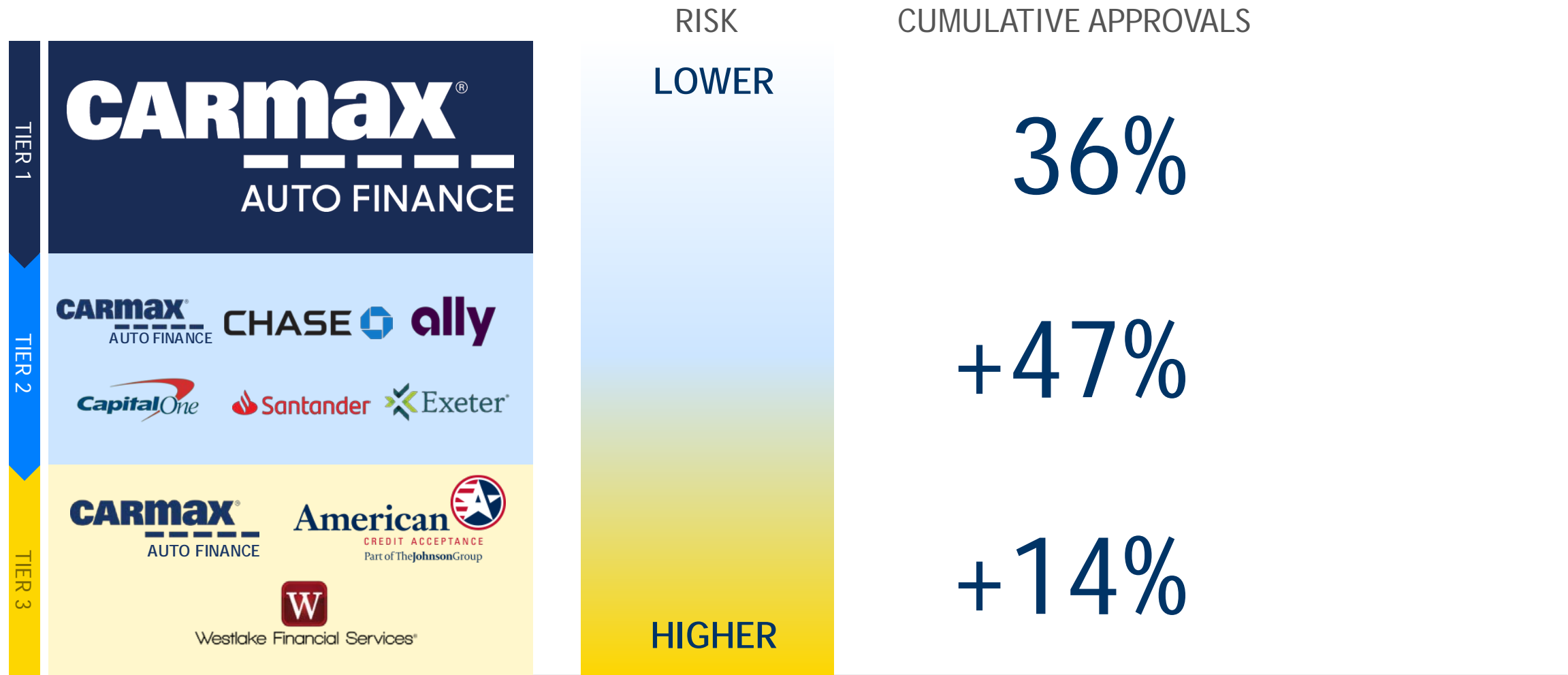


- **Robust roster of partners** provides sustainability and helps deliver the best customer experience
- **Originations** have grown substantially
- CarMax **testing** in Tier 2
- **Economics** have improved over time due to strong CAF performance, renegotiated fees, and favorable macroeconomic conditions

Financing penetration figures are from March 1, 2021 through November 30, 2021. The 47% represents CAF across all Tiers, while 22% & 8% represent Tier 2 & 3 without CAF.

CarMax Auto Finance Income per retail unit sold and Third-party finance fees per retail unit sold were calculated for March 1, 2018 through November 30, 2018 and March 1, 2021 through November 30, 2021.

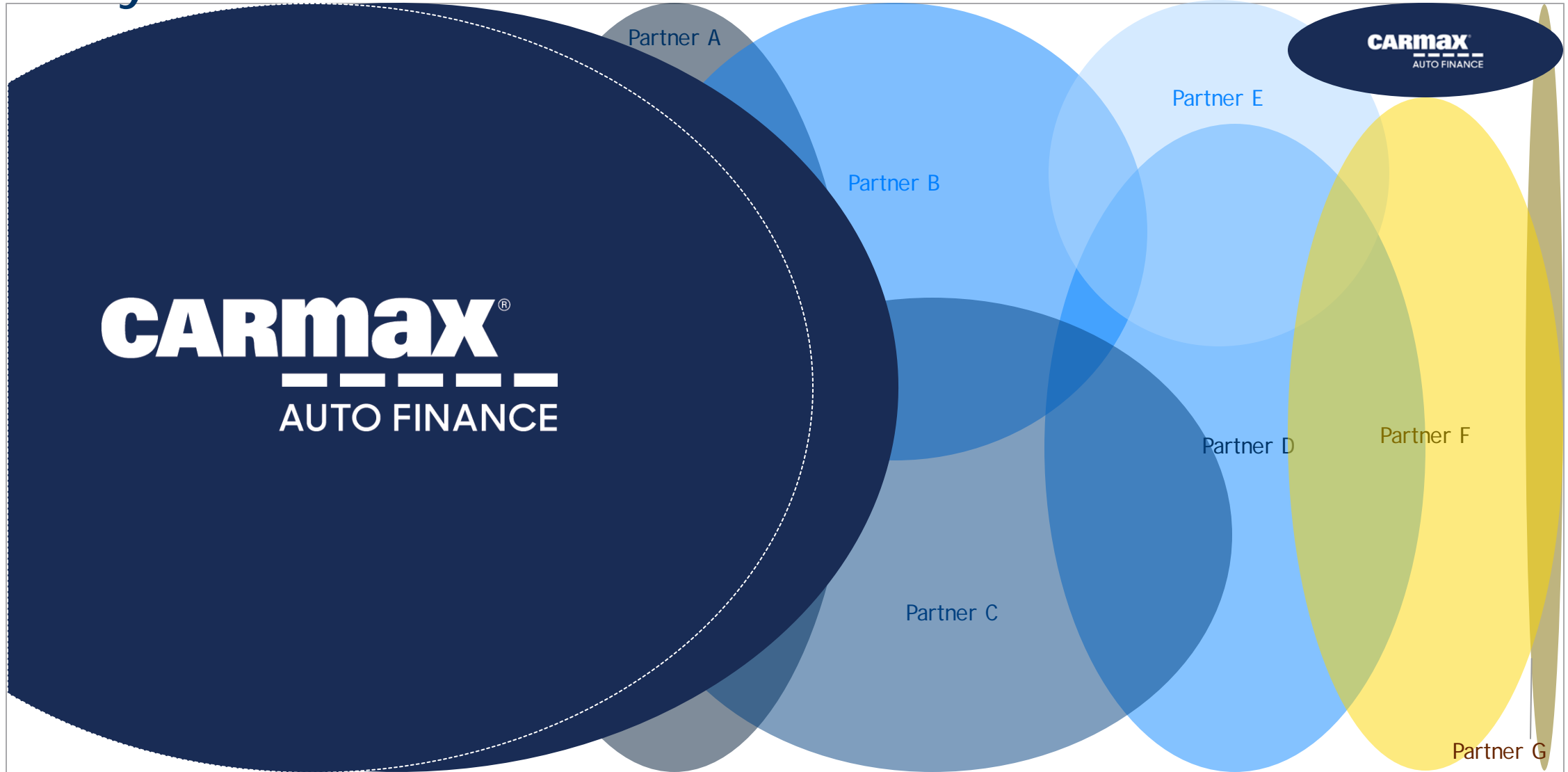
Platform Enables Approvals for Nearly All Customers



Total Approval Rates are from March 1, 2019 through December 31, 2021 and includes applications received online, in CECs, and in store.

Every Lender Finds Their Own Niche

TIER 1 - CAF
TIER 2 - FINANCE PARTNERS & CAF
TIER 3 - FINANCE PARTNERS & CAF



FICO®
Bands:

750+

750 - 700

700 - 650

650 - 600

600 - 550

550 - 500

<500

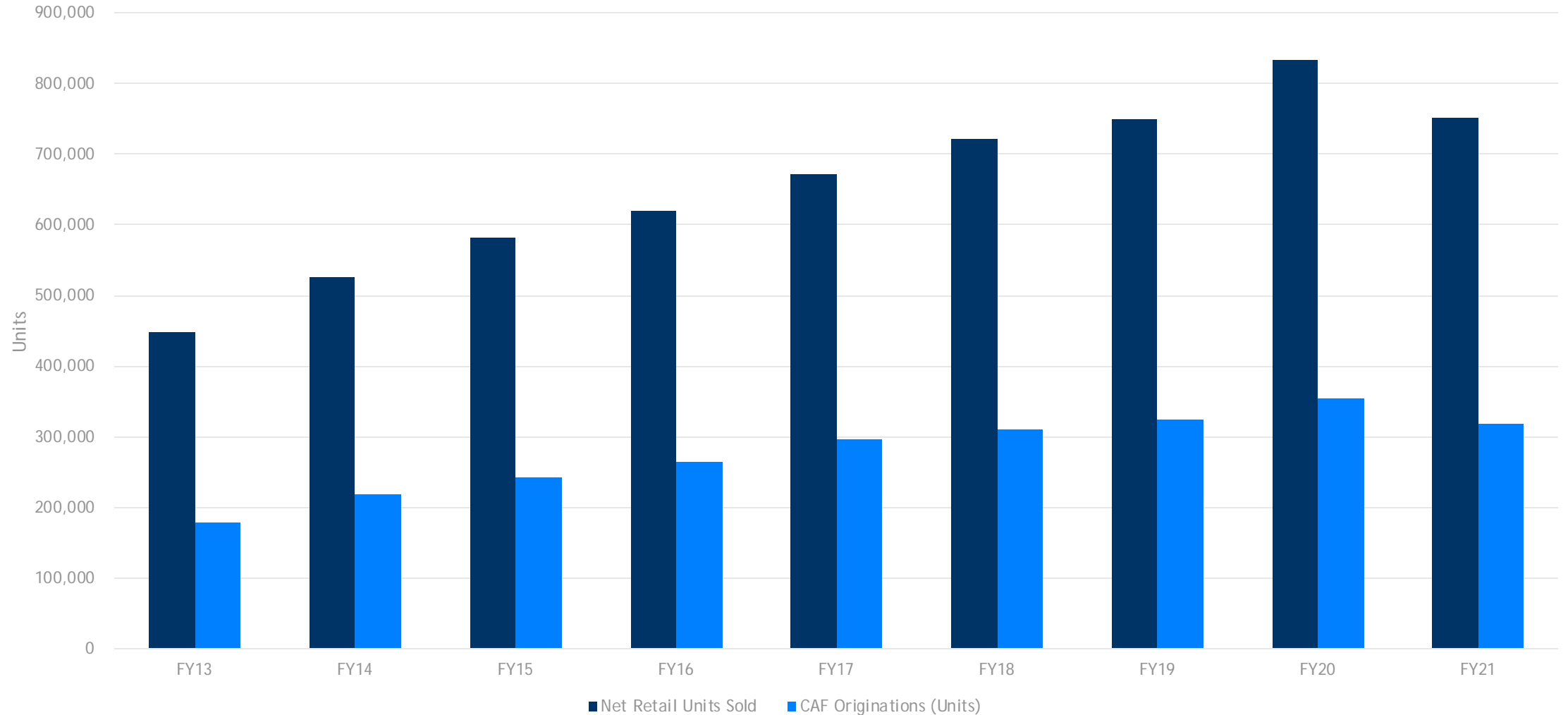
CarMax Auto Finance

CAF Across All Tiers

% of App Volume

TIER 1	100%	<ul style="list-style-type: none">CAF's core originations20+ years of underwriting experienceExclusive
TIER 2	Test	<ul style="list-style-type: none">CAF currently testing in Tier 2Can be either exclusive and/or head-to-headMust balance economics, funding, customer experience & partnerships
TIER 3	10% Target	<ul style="list-style-type: none">CAF has been in Tier 3 since 2014Doubled app volume in early FY22Exclusive volume split with other main partner

CAF's Originations Aligns with CarMax Sales



Represents CAF Originations in both Tier 1 and Tier 3 as of FYE February 28, 2021.

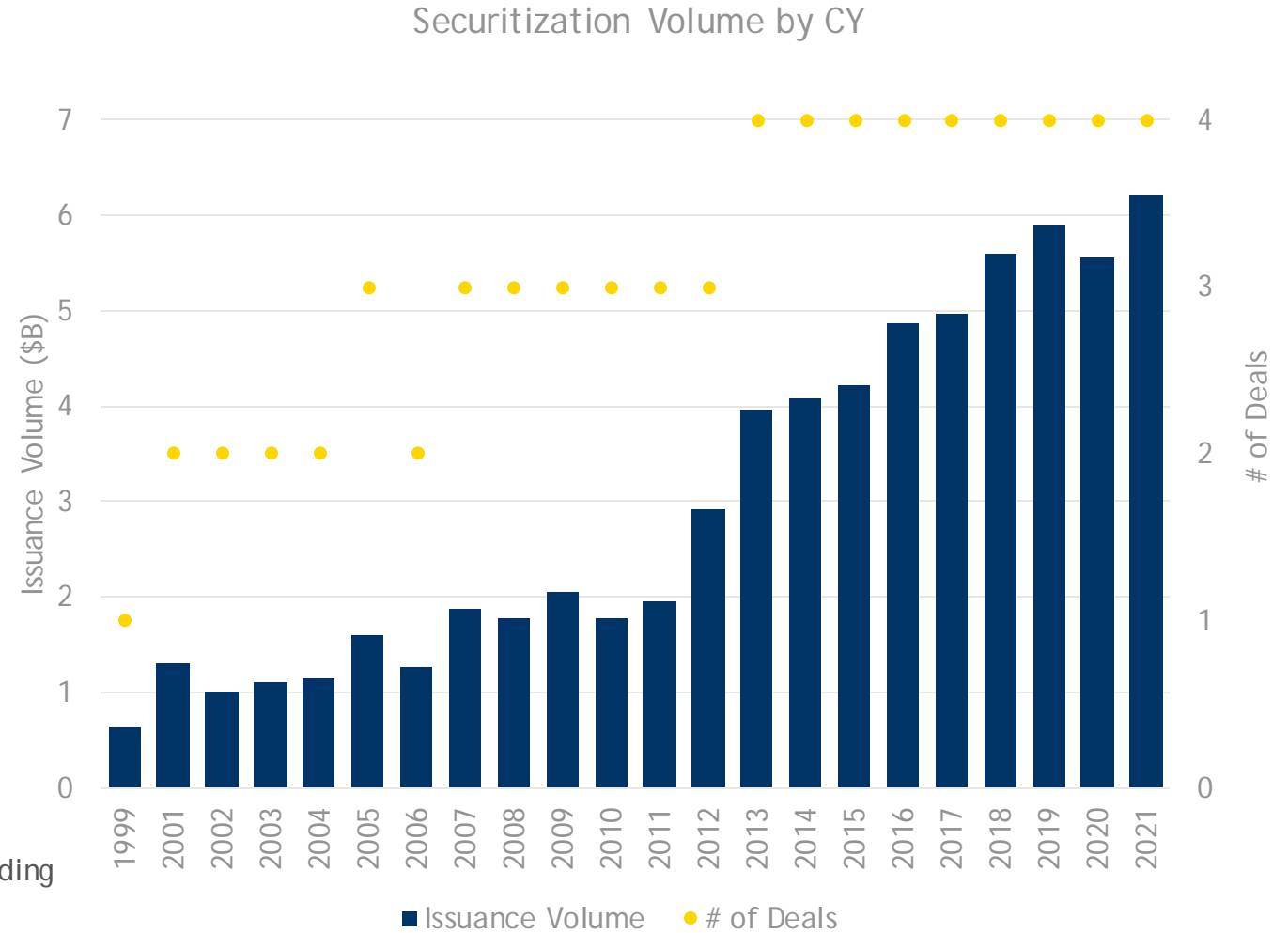
CAF's ABS Program has Scaled as Needed

1999 first ABS transaction

66 total transactions since inception

\$64B total issuance

\$10B+ public ABS notes outstanding



Through 2021-4 transaction that closed September 22nd, 2021

"ABS" stands for Asset Backed Securitization.

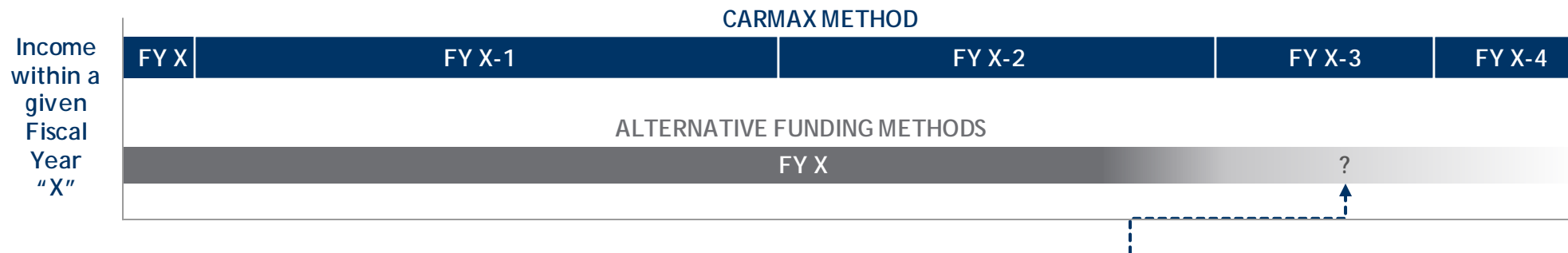
CAF Recognizes Income Over Time

How is income earned over time?



Annual Income Generated From Different Vintages within a Year
Diversifies the Earnings Contribution & Optimizes Economics

How does this translate?



Alternative approaches such as gain on sale, whole loan sale, etc. would likely achieve less lifetime economics than CarMax method depending on the arrangement

The graphs above are strictly illustrative and do not reflect CAF's actual financials.

CAF P&L

(in millions)

	FY19	FY20	FY21
Interest Income	\$973	\$1,104	\$1,142
Interest Expense	\$(289)	\$(358)	\$(314)
Net Interest Before Losses	\$684	\$746	\$828
Provision for Losses	\$(154)	\$(186)	\$(161)
Net Interest Margin	\$530	\$560	\$667
Total Expenses	\$(91)	\$(104)	\$(102)
Total Contribution	\$439	\$456	\$563
Average Receivable	\$12,150	\$13,105	\$13,463

Loss Reserve Examples

	Perfect Forecast	Increasing Loss Scenario	Decreasing Loss Scenario
(A) Starting Loss Reserve	\$400M	\$400M	\$400M
(B) Anticipated Loss	\$40M	\$40M	\$40M
(C) Actual Loss	\$40M	\$50M	\$35M
(D) Excess Loss (C - B)	\$0M	\$10M	\$(5M)
(E) Remaining Reserve (A - C)	\$360M	\$350M	\$365M
(F) Loss Expectation Adjustment	\$0M	ADD \$10M + \$20M (Increase for Unfavorable Actuals + Worsening Future Outlook)	REDUCE \$5M + \$15M (Reduce for Favorable Actuals + Improved Future Outlook)
(G) Reserve for New Originations (H * I)	\$50M	\$60M	\$40M
(H) New Receivables	\$500M	\$500M	\$500M
(I) Expected Loss Rate	10%	12%	8%
(J) Required Provision (G +/- F)	\$50M	\$90M	\$20M
(K) Final Reserve (E + J)	\$410M	\$440M	\$385M

Loss reserve figures from table above are strictly illustrative for the above example and do not reflect CAF's actual financials.