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Case Study: Carvana Taps Institutional Market

Updated as of 3Q 2026



CARVANA

Case Study: Carvana Taps Institutional Loan Market to Repay Bonds

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$1.7bn 7yr Senior Secured Term Loan B

- On 8/12/26, Carvana Co. (NYSE: CVNA) priced a **$1.7bn 7yr Senior Secured Term Loan B at SOFR + 225bps and 99.75**; launched at $1.0bn with talk of S+225–250 at 99.0–99.5, the loan was upsized by $660mm and priced at the high end
- Proceeds and cash on hand redeem in full the $1.7bn of 9.00% Cash / PIK Senior Secured Notes due 2030 (issued at $1.5bn in Sep-23; the balance includes PIK accretion), with $1.0bn redeemed 8/15/26 and the balance 8/22/26
- Carvana expects the refinancing to cut cash interest by ~$45mm annually
- The retired notes came out of the Sep-23 distressed exchange that recapitalized Carvana – this replaces that structure's near-dated tranche at ~275bps lower cash cost
- The loan was marketed with 2Q26 TTM Adj. EBITDA of $2.6bn and net debt of $2.6bn, or 1.0x net leverage
- Carvana is now rated BB- by S&P and Fitch (facility BB / BB+) and B2 by Moody's, up from CCC+ / Caa3 after the 2023 exchange
- **The facility amortizes 0.25% quarterly, carries no financial covenant, and is callable at par subject to a 1.00% soft call for six months**
- $2.3bn of 9.00% Senior Secured Notes due 2031 remain outstanding as the next refinancing candidate

Final Terms	Term Loan B
Pricing Date	August 12, 2026
Borrower	Carvana Co. (NYSE: CVNA)
Corporate Ratings	BB- / B2 / BB-
Facility Ratings	BB / n.a. / BB+
Issue	Senior Secured Term Loan B
Amount	$1,660mm
Maturity *Tenor*	**August 2033** *7yr*
Amortization *Call Protection*	**0.25% quarterly** *Par; 1% soft call 6mo*
Pricing *Issue Price* *Yield*	**Term SOFR + 225 bps** *99.75* *5.93%*

Ratings: S&P / Moody's / Fitch. S&P and Fitch per Bloomberg Law (8/11/26); Moody's B2 CFR as of Oct-25

Sources: CVNA Form 8-K dated 8/14/26; pricing press release dated 8/12/26; Form 10-Q for the quarter ended 6/30/26; Bloomberg Law (8/11/26)