KAR GLOBAL

Investor Update

// June 14, 2022

Forward-Looking Statements

This presentation includes forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In particular, statements made in this presentation that are not historical facts (including but not limited to expectations, estimates, assumptions and/or projections regarding our growth opportunities and strategies, addressable markets, industry volumes, industry outlook, competitive position, operational and product strategies, cost savings, projected growth, 2022 financial guidance and 2025 financial targets) may be forward-looking statements. Words such as “should,” “may,” “will,” “anticipate,” “expect,” “project,” “target,” “intend,” “plan,” “believe,” “seek,” “estimate,” “assume,” “could,” “continue” and similar expressions identify forward-looking statements. The forward-looking statements contained in this presentation are based on management’s current assumptions, expectations and/or beliefs, are not guarantees of future performance and are subject to substantial risks, uncertainties and changes that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, and those described from time to time in our reports filed with the Securities and Exchange Commission. Many of these risk factors are outside of our control, and as such, they involve risks which are not currently known that could cause actual results to differ materially from those discussed or implied herein. The forward-looking statements in this presentation are made as of the date on which they are made and we do not undertake to update any forward-looking statements.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA as presented herein are supplemental measures of our performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). These are not measurements of our financial performance under GAAP and should not be considered as substitutes for net income (loss) or any other performance measures derived in accordance with GAAP. Management believes that these measures provide investors additional meaningful methods to evaluate certain aspects of the company’s results period over period and for the other reasons set forth below.

EBITDA is defined as net income (loss), plus interest expense net of interest income, income tax provision (benefit), depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for the items of income and expense and expected incremental revenue and cost savings as described in our senior secured credit agreement covenant calculations. Management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA is appropriate to provide additional information to investors about one of the principal measures of performance used by our creditors. In addition, management uses EBITDA and Adjusted EBITDA to evaluate our performance.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of the results as reported under GAAP. These measures may not be comparable to similarly titled measures reported by other companies. Please see the last page of this presentation for the reconciliation of GAAP and non-GAAP measures.

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Transformation

How Does 2022 Divestiture Help Transform KAR?



Accelerates digital marketplace strategy



Simplifies business and enables faster, more nimble operations



Sharpens focus and investments on highest growth customer solutions



Enhances financial profile and enables higher margin, accelerated growth

The New KAR: A Simplified Business Model



2021 – 2025 Projected Growth



13%

Revenue CAGR[1]



$500M

Adjusted EBITDA (2025)



20%

Adjusted EBITDA CAGR[2]



>$700M

Cash generated from operations (2022-2025)

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

[2] Full year 2021 excludes realized investment gains

KAR GLOBAL: Positioned for Growth & Success



- #1 digital platform for off-lease remarketing
- Co-leader in growing digital dealer-to-dealer market
- Clear market share leader in Canadian wholesale
- A top floorplan business with expanding product roadmap
- Largest SaaS platform for processing repossessions
- Growing international footprint with large TAM
- Diverse talent with deep digital expertise and bench strength


Opportunity


Innovation


Growth


Opportunity

KAR GLOBAL℠

- OUR VISION IS TO BUILD -

The world's greatest digital marketplace for used vehicles

Opportunity for Growth: Medium & Long-Term Drivers



A large addressable market in North America and abroad

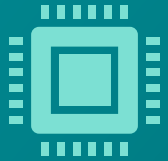


Increasing digital adoption across the industry



Deep digital talent with track record of innovation and growth

Opportunity for Growth: Near-Term Challenges Persist



Production shortages caused by supply chain disruption



Volume may be slower than originally anticipated



Economic uncertainty and inflation create additional risk

A Large Addressable Market Exists

~60M

Retail used (40M) and wholesale (20M) vehicle transactions annually

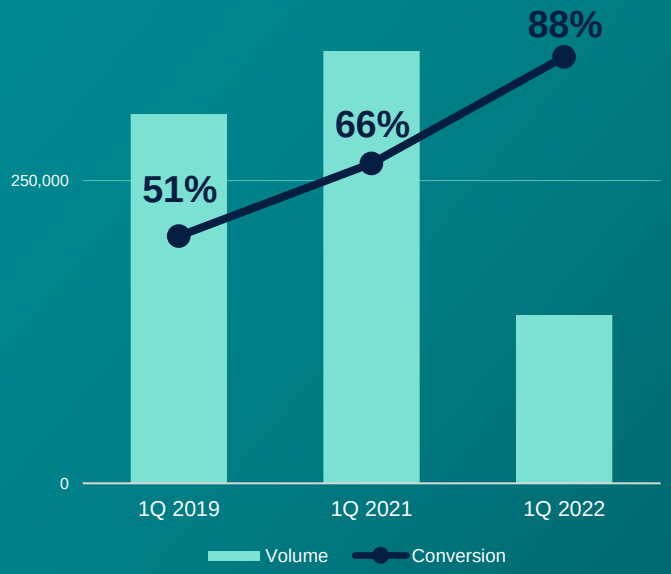
>100K

Industry marketplace participants: dealers and other commercial sellers and buyers

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

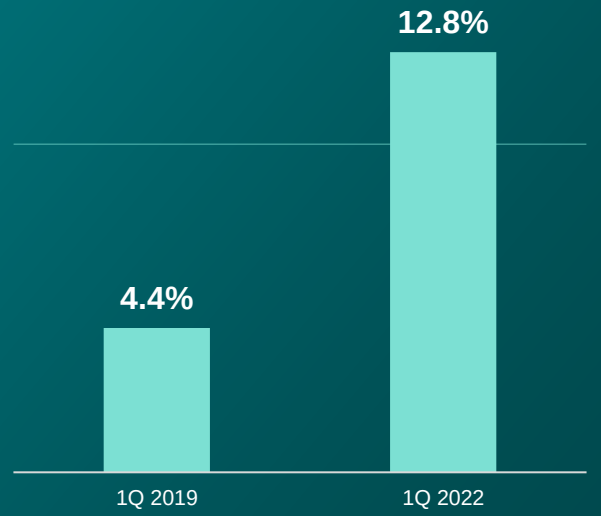
Digital Volume Continues to Grow

% of Lease Returns Sold Upstream*



*OPENLANE data; KAR analysis

Estimated North American Digital Dealer-to-Dealer as a % of Total Addressable Market**



**ACV, Eblock, KAR data; KAR analysis

Meaningful Opportunity for KAR's Digital Capabilities

Off-Lease → **2-4M**

Early adopter of digital; higher conversion rates

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

Meaningful Opportunity for KAR's Digital Capabilities

Off-Lease 2-4M

Dealer-to-Dealer ~10M

Largest wholesale segment; still in early stages of digital evolution

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

Current KAR Model Opportunity Segments

Off-Lease → **2-4M**

Dealer-to-Dealer → **~10M**

Current KAR model contemplates continued growth in volume, market share and revenue across these segments

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

Meaningful Opportunity for KAR's Digital Capabilities



Predominantly physical channel today, with opportunity for a more digital future

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

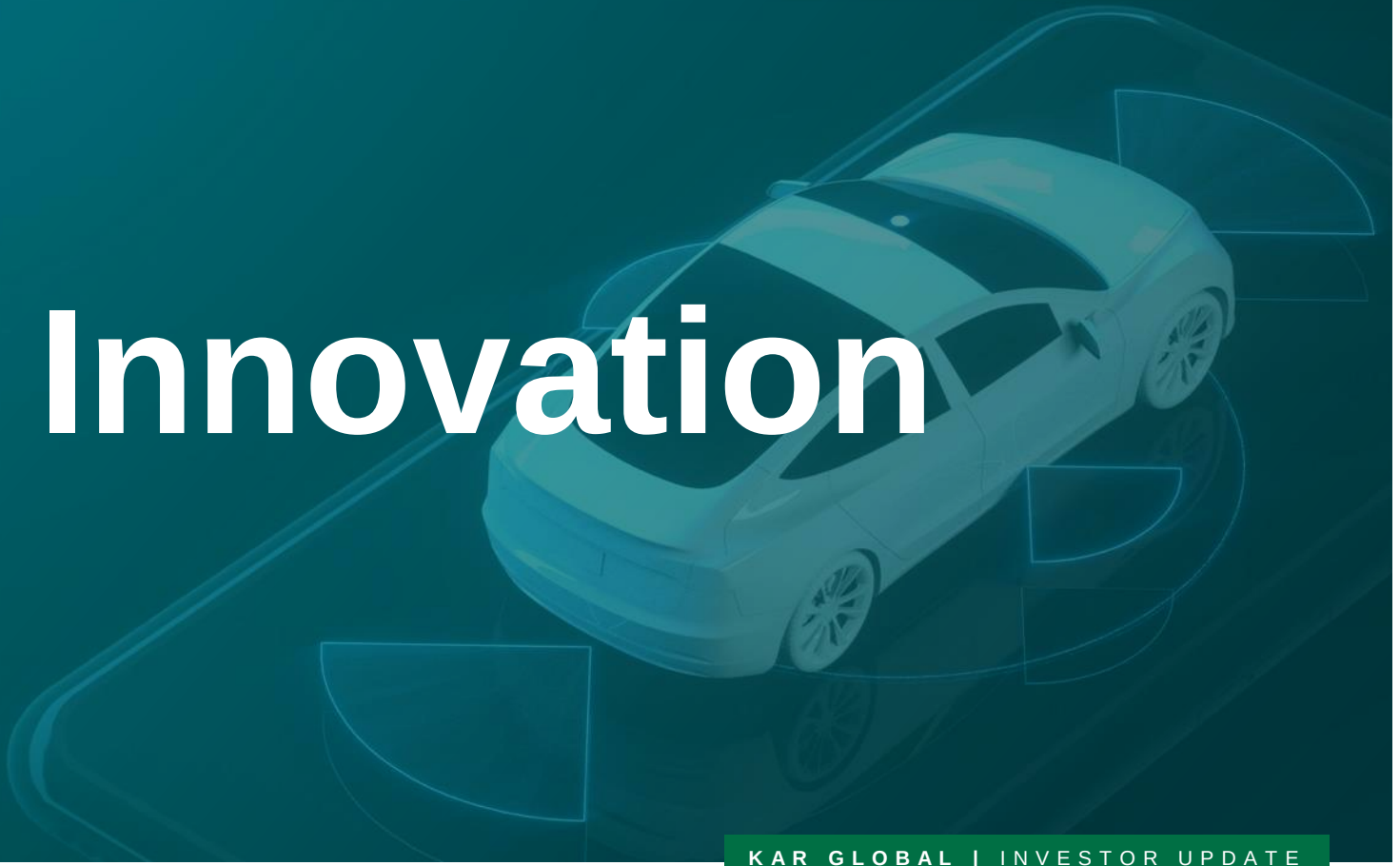
Meaningful Opportunity for KAR's Digital Capabilities

Off-Lease	2-4M
Dealer-to-Dealer	~10M
Repossessions	~2M
Retail (Used)	~40M

Evolving segment with potential new wholesale intersections and opportunity

Source: VIO and Retail amounts: Experian, IHS, National Automobile Dealer's Association, DesRosiers Automotive Consultants and management estimates. Wholesale amounts: National Auto Auction Association and management estimates

Innovation



KAR GLOBAL℠

- OUR PURPOSE IS TO -

"Make wholesale easy so our customers can be more successful"

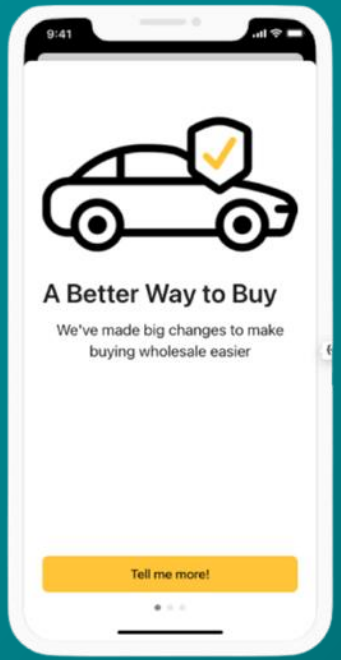
KAR's Digital Platforms Deliver Better Outcomes

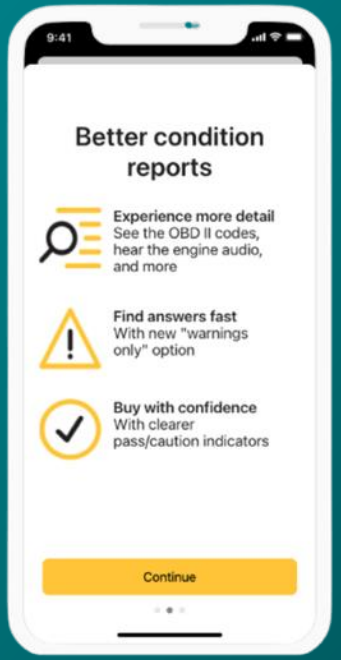
Digital Sales are Faster

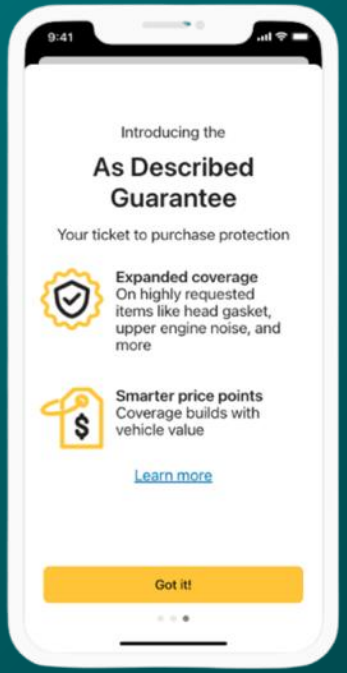
Digital Sales are More Profitable

*core inventory <$10,000

KAR is De-Risking Digital Transactions

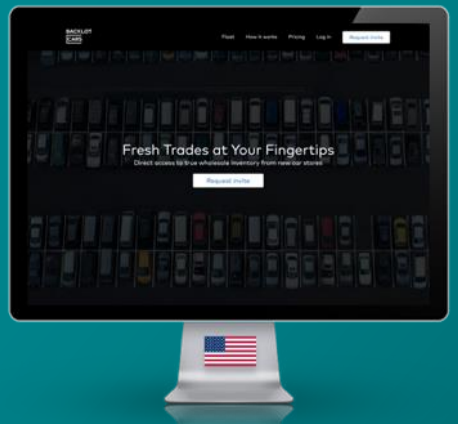






KAR is Consolidating Platforms to Simplify The Marketplace

2022



Combined BacklotCars and CARWAVE marketplace in US

2023

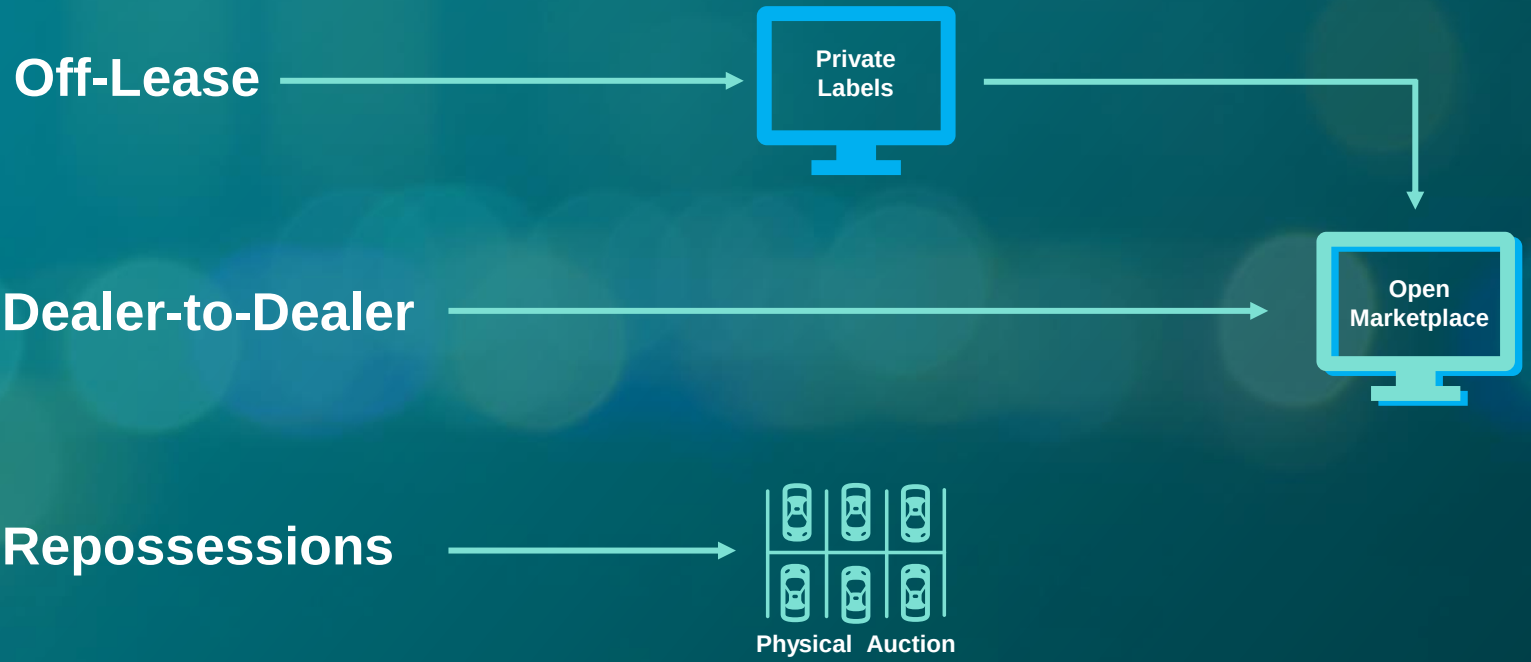


Combined ADESA.ca and TradeRev marketplace in Canada

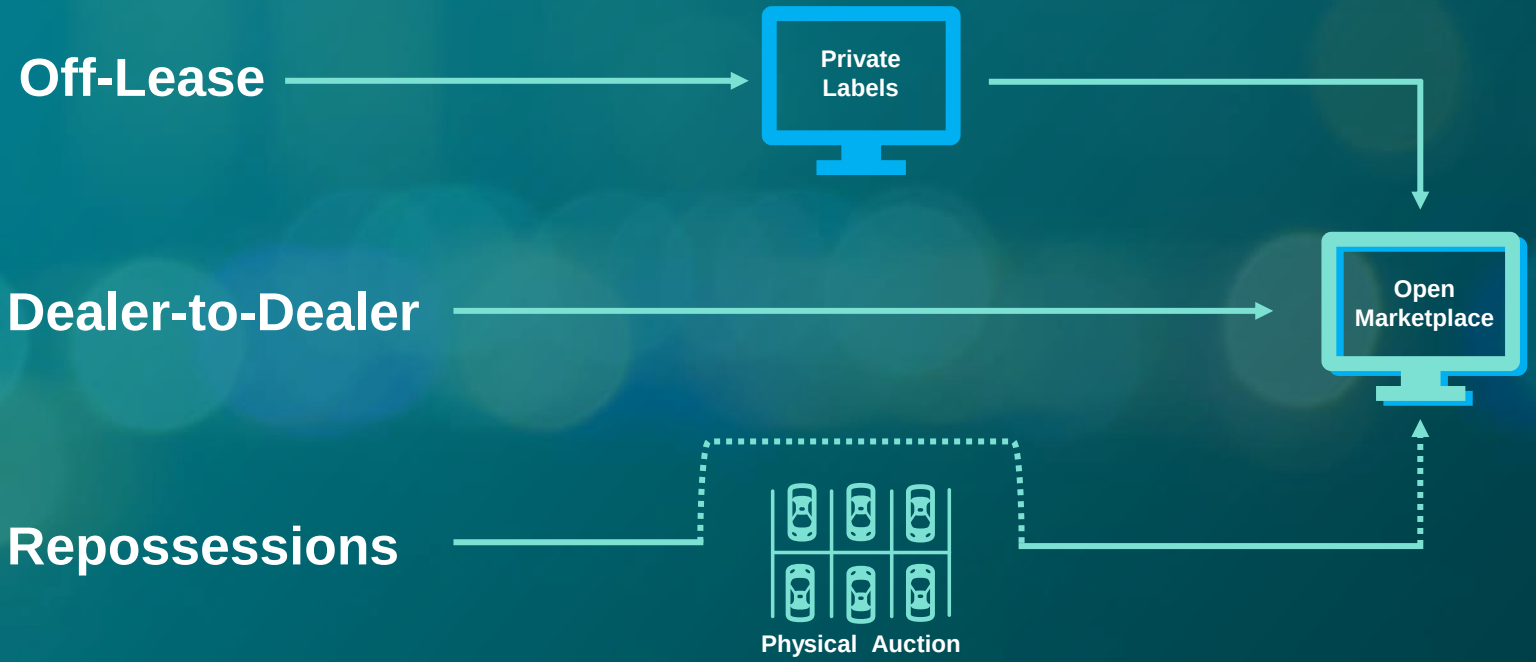
KAR is Enabling the Network Effect



KAR is Enabling the Network Effect



KAR is Enabling the Network Effect



KAR is Helping Dealers Compete in a Digital Retail World

Trade-in at Home

Suite of dealer tools to assist with lead gen, pricing and trade-in remarketing

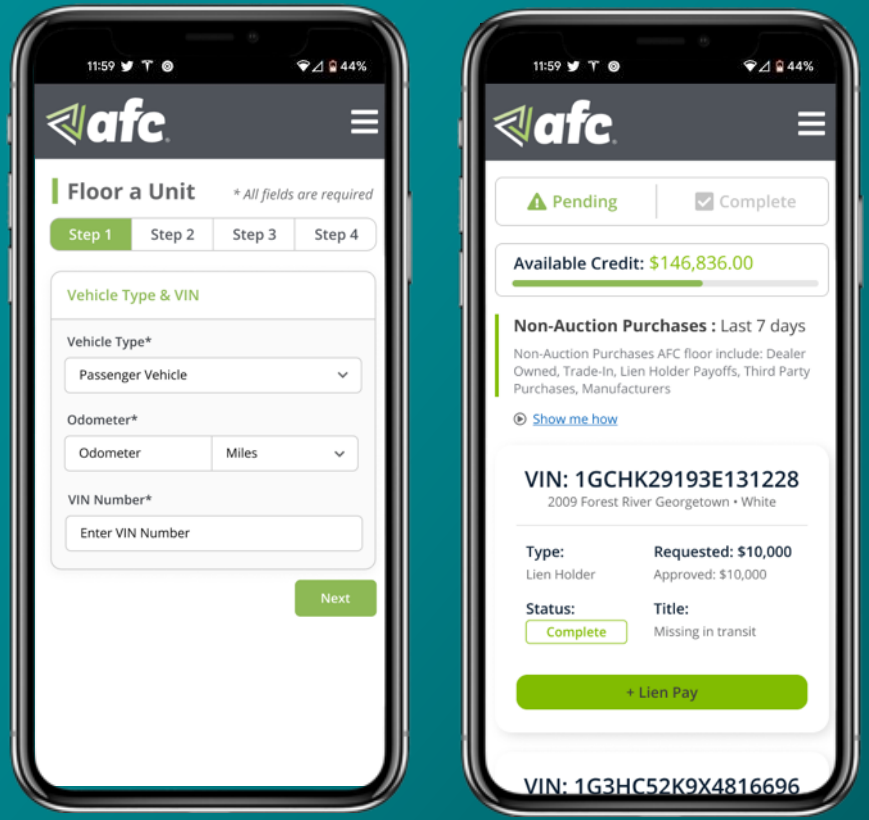


Guaranteed Offer

Ongoing partnership providing pricing and trade-in remarketing solutions



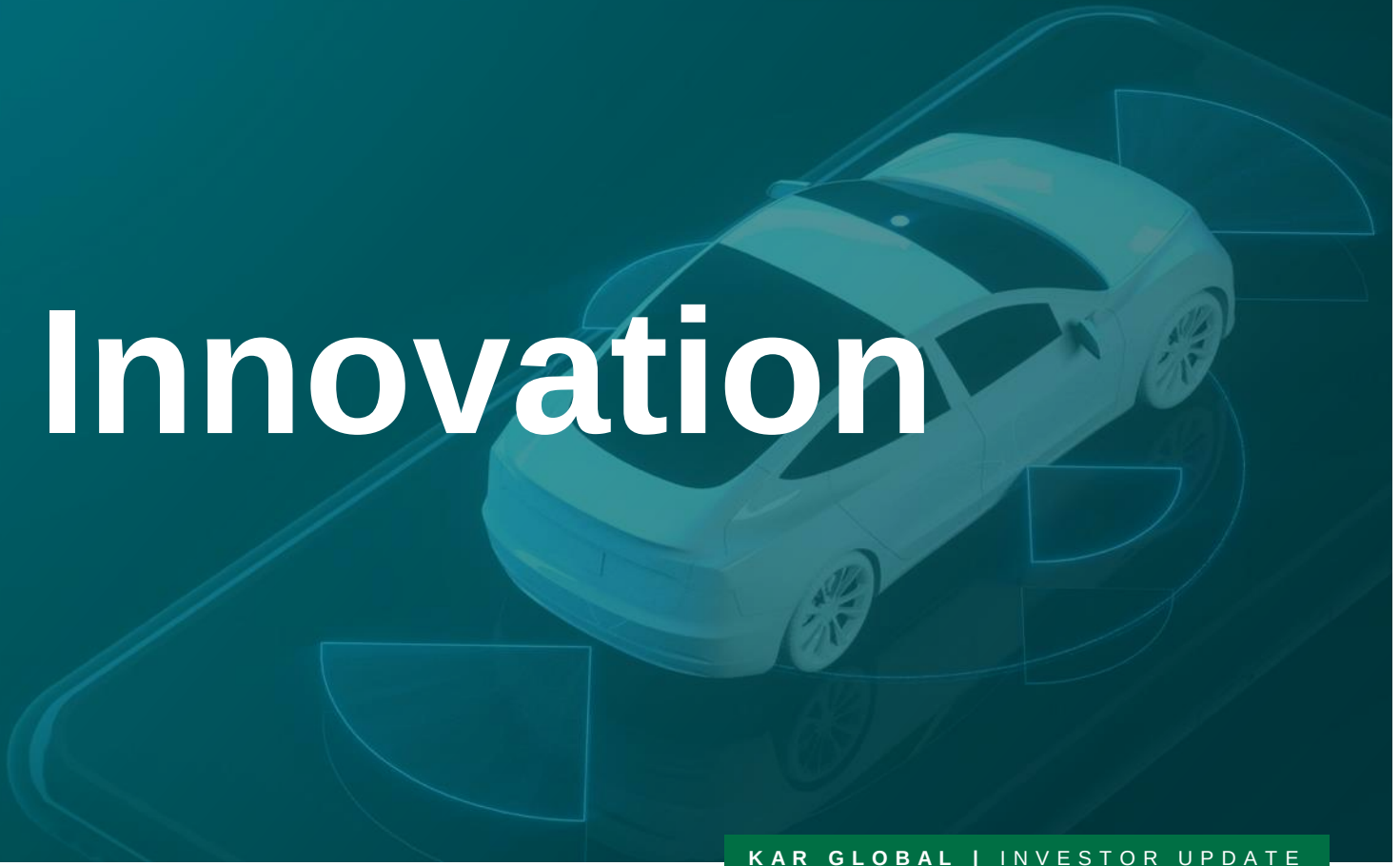
KAR is Helping Dealers Compete in a Digital World



AFC "Lien Pay" Program

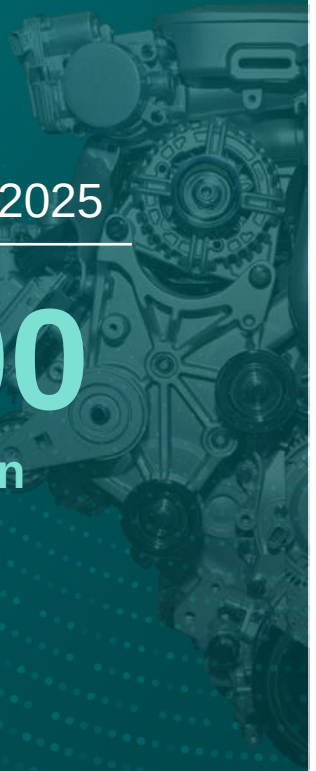
Fee-generating product that helps dealers source inventory direct from consumers or through trade-ins, and close retail deals

Innovation




Growth

ADJUSTED EBITDA



Full Year 2021[2]

$238

Million

Projected 2022

$265

Million

Projected 2025

$500

Million

[2] Full year 2021 excludes realized investment gains

2021 – 2025 Projected Growth



13%

Revenue CAGR [1]

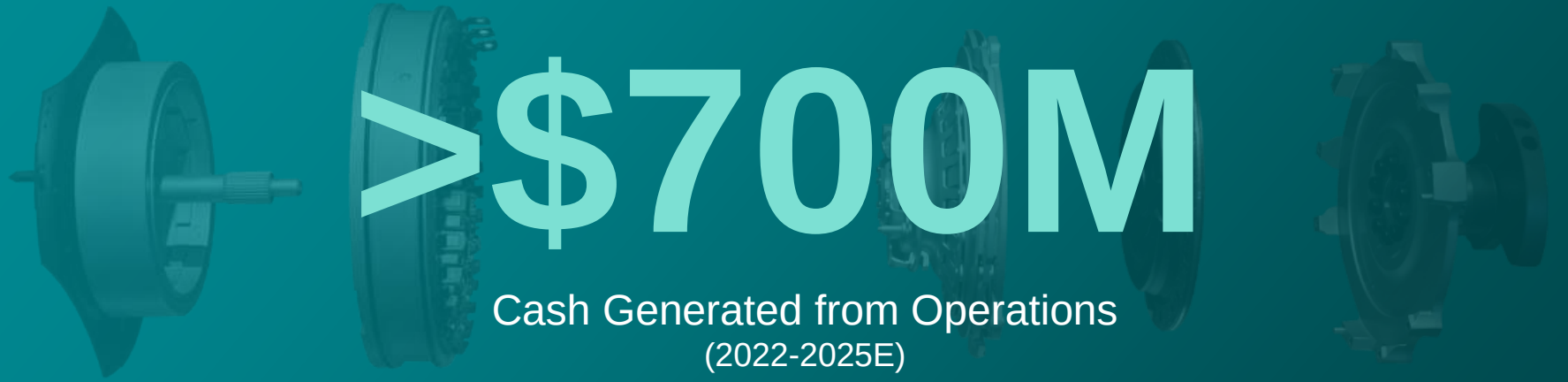


20%

Adjusted EBITDA CAGR [2]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

[2] Full year 2021 excludes realized investment gains



>$700M

Cash Generated from Operations
(2022-2025E)

Financial Model Highlights



High-growth digital marketplace business



Lower cost operating model



Growth & improved profitability



Attractive cash flows

Financial Model Highlights



High-growth digital marketplace business



Lower cost operating model



Growth & improved profitability



Attractive cash flows

Marketplace Business: **Off-lease**



The top industry platform supporting ~80% of North America's off-lease inventory

$101M

2021 Revenue[1]

94%

2021 Gross Profit % of Revenue[1]

13%

2021-2025E Revenue CAGR[1]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

Marketplace Business: **Digital Dealer-to-Dealer**



A leader in the fast-growing digital dealer-to-dealer segment

$229M

2021 Revenue[1]

48%

2021 Gross Profit % of Revenue[1]

30%

2021-2025E Revenue CAGR[1]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

Marketplace Business: **ADESA Canada**



The clear leader in the Canadian wholesale marketplace

$195M

2021 Revenue[1]

63%

2021 Gross Profit % of Revenue[1]

3%

2021-2025E Revenue CAGR[1]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

Marketplace Business: **Services**



Comprehensive service offerings that support our marketplaces and deliver an easier customer experience

$336M

2021 Revenue[1]

15%

2021 Gross Profit % of Revenue[1]

7%

2021-2025E Revenue CAGR[1]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

Marketplace Business: **International - Europe**



Growing UK &
EU digital footprint with
large addressable market

$79M

2021 Revenue[1]

60%

2021 Gross Profit % of Revenue[1]

7%

2021-2025E Revenue CAGR[1]

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

Summary of Marketplace Business Growth



14%

Revenue CAGR[1]
(2021-2025E)



34%

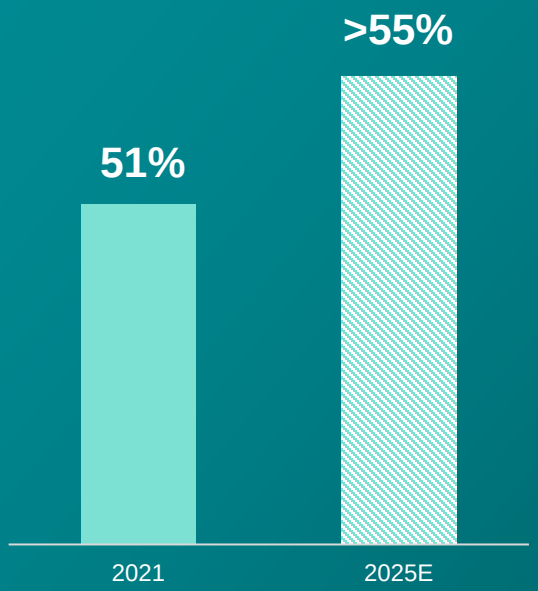
Adjusted EBITDA CAGR[2]
(2021-2025E)

[1] Revenue excludes purchased vehicles; margins calculated on total revenue less purchased vehicle revenue

[2] Full year 2021 excludes realized investment gains

Floorplan Business Growth Drivers: 2021-2025

Projected % Fee Based AFC Revenue



Anticipated 2025 Trends

- Potential risk profile increase, but expected below pre-pandemic levels
- Risk offset through increased loan transaction volume
- Continued digitization and automation of operations
- New products & services drive growth and profitability

Summary of Floorplan Business Growth



$289M

Revenue
(2021)



11%

Revenue CAGR
(2021-2025E)



5%

Adjusted EBITDA CAGR
(2021-2025E)

Financial Model Highlights



High-growth digital marketplace business



Lower cost operating model



Growth & improved profitability



Attractive cash flows

Reducing & Reallocating Costs to Accelerate Growth

Current Year

$30M

Reduction in Run-Rate SG&A by EOY 2022

Future Years

Ongoing focus in key areas:

- Sizing organization for market conditions & growth
- Allocating resources to strategic growth initiatives
- Platform consolidation
- Global shared services

Financial Model Highlights



High-growth digital marketplace business



Lower cost operating model



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Attractive cash flows

Financial Summary: 2021 to 2025E

($ Millions)	2021	2025E
Auction Fees & Service Revenues	$941	~$1,550
Floorplan Business Revenues	$289	~$450
Purchase Vehicle Revenues	$221	~$300
Total Revenue	$1,451	~$2,300
Gross Profit	$658	~$1,050
SG&A	$421	
D&A	$110	
Operating Profit	$127	~$475
Adjusted EBITDA (excl. realized gains)	$238	~$500

Financial Model Highlights



High-growth digital marketplace business



Lower cost operating model



Growth & improved profitability



Attractive cash flows

Managing Capital for Growth and Shareholder Value

>$700M

Cash generated from operations
(2022-2025E)

Capital Allocation Priorities

- Organic investment in core businesses
- Investment in strategic growth
- Return capital to shareholders
  - $78 million of KAR stock repurchased since the close of the transaction
- Note: *substantial reduction in debt service*

2021-2025 Key Growth Drivers



Off-Lease

Cyclical recovery drives revenue increases



Dealer-to-Dealer

Capture share through ongoing shift to digital



Cost Management

Continuous focus and prioritization to support growth

KAR: Investment Highlights



Leader in digital marketplaces for wholesale used cars



Large, expanding TAM with meaningful opportunities for growth



Clear strategy to accelerate innovation and growth



Projected 20% earnings growth CAGR



Cash flow positive with ability to invest and deliver stockholder value

Q&A

KAR GLOBAL

// June 14, 2022

Non-GAAP Reconciliations

The 2022 and 2025 projections for Adjusted EBITDA are forward-looking non-GAAP financial measures. We have not reconciled these non-GAAP financial measures to the most directly comparable GAAP measure of net income (loss) due to the inherent difficulty and impracticability of predicting certain amounts required by GAAP with a reasonable degree of accuracy. Accordingly, a reconciliation is not available without unreasonable effort.

The following table reconciles EBITDA and Adjusted EBITDA to net income for the period presented

(in millions), (unaudited)	2021
Net income	$66
Less: Income from discontinued operations	67
Income (loss) from continuing operations	(1)
Add back:	
Income taxes	15
Interest expense, net of interest income	125
Depreciation and amortization	110
EBITDA	249
Total addbacks, net	21
Adjusted EBITDA*	$270

*Includes $32 million of investment gains realized in 2021; excluding this amount, Adjusted EBITDA was $238 million

Proforma Net Debt

March 31, 2022 *(US$ in millions)*

	Actual Balance	Proforma Adjustments	Proforma Balance
ADESA US Physical Auctions Sale Proceeds (Net of Taxes and Fees)		$1,650	
Term Loan B-6 (Adjusted LIBOR + 2.25%)	$926	($926)	$0
Revolving Credit Facility (Adjusted LIBOR + 1.75%)	$101	($101)	$0
Senior Notes (Fixed 5.125%)	$950	$0	$950
Finance Leases & Other	$20	$0	$20
Total	$1,997		$970
Less: Available Cash*	($137)	($623)	($760)
Net Debt	$1,860		$210

Corporate Credit Ratings: S&P B, Moodys B2

* As defined in the Credit Agreement