KAR AUCTION SERVICES, INC.

Corporate Overview

// August 2022

KAR GLOBAL℠

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, 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 Reports on Form 10-Q for the quarters ended March 21, 2022 and June 30, 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.

RemainCo: KAR Global at a Glance



North American Digital Marketplaces

Leader in Commercial Off-Premise Digital Marketplace

Leader in Dealer Off-Premise Digital Marketplace

Leader in Canadian Wholesale Marketplace



AFC

Leader in floorplan financing for independent used car dealers



International

Leading digital wholesale platform with operations throughout the UK and Europe

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

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

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

KAR Global: Anchor Digital Platforms & Capabilities



Off-Lease

Most advanced private label platform supporting 80% of North America's off-lease inventory



Dealer

Flexible, fast-growing dealer-to-dealer digital platforms in US and Canada



Repo and Logistics Platforms

PAR and RDN provide technology platforms supporting over 90% of US repossession volume, and CarsArrive moves over 3 million used vehicles per year

Enabling Capabilities:

- Floorplan financing
- Transport & logistics
- Inspection
- Pricing & analytics

+ Canada, UK & Europe presence

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

Managing Cost While Accelerating Growth



Go-to-Market

Leverage and focus portfolio capabilities

Brands



Service Operations

Improve cost-to-serve and customer experience

Processes



Technology

Optimize investment for business growth

Platforms



SG&A

Contain SG&A as volumes return and business grows

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Appendix

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

Non-GAAP Reconciliations

The 2025 projection for Adjusted EBITDA is a forward-looking non-GAAP financial measure. We have not reconciled this non-GAAP financial measure 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

Leverage

June 30, 2022 *(US$ in millions)*

	Balance
Term Loan B-6 (Adjusted LIBOR + 2.25%)	$-
Revolving Credit Facility (Adjusted LIBOR + 1.75%)	-
Senior Notes (Fixed 5.125%)	$950
Finance Leases & Other	$15
Total	$965
Less: Available Cash*	($800)
Net Debt	$165
Senior Secured Net Leverage Ratio	(2.5)
Total Net Debt Ratio	0.5

Corporate Credit Ratings: S&P B, Moodys B2

* As defined in the Credit Agreement