OPENLANE

Second Quarter 2024 Earnings Slides

// August 7, 2024



Forward-Looking Statements

Certain statements contained in this presentation include, and OPENLANE may make related oral, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements made that are not historical facts (including but not limited to expectations, estimates, assumptions, projections and/or financial guidance) may be forward-looking statements. Words such as "should," "may," "will," "would," "anticipate," "expect," "project," "intend," "contemplate," "plan," "believe," "seek," "estimate," "assume," "can," "could," "continue," "outlook," "target" and similar expressions identify forward-looking statements. Such statements 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 OPENLANE's Form 10-K for the year ended December 31, 2023 and in OPENLANE's other filings and 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 are made as of the date of this presentation. OPENLANE undertakes no obligation to update any forward-looking statements.

2024 Guidance

Reflects Newly Enacted Canadian DST

(In millions, except per share amounts) (Unaudited)	2024 GUIDANCE Low	2024 GUIDANCE High
Income from continuing operations	**$65**	**$80**
Add back:		
Income taxes	38	47
Interest expense, net of interest income	147	145
Depreciation and amortization	100	98
EBITDA	$350	$370
Total addbacks/(deductions), net	(65)	(65)
Adjusted EBITDA	**$285**	**$305**
Income from continuing operations per share – diluted *	**$0.14**	**$0.24**
Income from continuing operations	$65	$80
Total adjustments, net	46	46
Operating adjusted net income from continuing operations	$111	$126
Operating adjusted net income from continuing operations per share – diluted	**$0.77**	**$0.87**
Weighted average diluted shares – including assumed conversion of preferred shares	145	145

* The company uses the two-class method of calculating income (loss) from continuing operations per diluted share. Under the two-class method, income from continuing operations is adjusted for dividends and undistributed earnings (losses) to the holders of the Series A Preferred Stock, and the weighted average diluted shares do not assume conversion of the preferred shares to common shares.

Second Quarter & Year-to-Date Results



OPENLANE Q2 & YTD 2024 Highlights*

($ in millions, except per share amounts)

OPENLANE	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Total operating revenues from continuing operations	$431.8	$416.9	$848.1	$837.5
Gross profit**	$185.9	$194.3	$388.3	$390.7
*% of revenue***	*43.1%*	*46.6%*	*45.8%*	*46.7%*
SG&A	$106.0	$111.2	$214.7	$219.2
Other (income) expense, net***	$0.2	($21.3)	$0.7	($14.2)
EBITDA	$79.4	($148.8)	$172.2	($68.4)
Adjusted EBITDA	$71.4	$83.8	$146.2	$142.7
Income (loss) from continuing operations	$10.7	($193.8)	$29.2	($181.1)
Income (loss) from continuing operations per share – diluted	$ -	($1.87)	$0.05	($1.86)
Weighted average diluted shares	108.6	109.6	109.4	109.4
Operating adjusted net income from continuing operations per share – diluted	$0.19	$0.25	$0.38	$0.38
Weighted average diluted shares – including assumed conversion of preferred shares	144.4	145.3	145.1	145.2
Effective tax rate	41.2%	9.1%	38.4%	6.2%
Capital expenditures	$13.0	$14.9	$25.9	$26.9

* For a more complete explanation of these changes, see the MD&A in the company's supplemental financial information and Form 10-Q, both for the three and six months ended June 30, 2024.
** Exclusive of depreciation and amortization.
*** The first quarter of 2023 included an $11 million charge related to an investment in an early-stage automotive company. The second quarter of 2023 included the receipt of a $20 million early termination payment.



Marketplace Q2 & YTD 2024 Highlights*

($ in millions, except volumes)

Marketplace	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Auction fees	$108.7	$103.3	$218.6	$203.2
Service revenue	$147.1	$155.7	$297.3	$321.3
Purchased vehicle sales	$80.2	$60.4	$138.4	$115.9
Total Marketplace revenue from continuing operations	$336.0	$319.4	$654.3	$640.4
Gross profit**	$106.9	$113.3	$228.1	$226.5
% of revenue, excluding purchased vehicles**	*41.8%*	*43.8%*	*44.2%*	*43.2%*
SG&A	$94.0	$98.5	$188.8	$194.1
Other (income) expense, net***	$0.2	($21.0)	$0.7	($14.0)
EBITDA	$12.4	($217.4)	$37.9	($207.7)
Adjusted EBITDA	$32.7	$43.5	$67.8	$57.8
% of revenue	*9.7%*	*13.6%*	*10.4%*	*9.0%*
Commercial vehicles sold	217,000	180,000	439,000	347,000
Dealer consignment vehicles sold	151,000	164,000	301,000	327,000
Total vehicles sold	368,000	344,000	740,000	674,000

* For a more complete explanation of these changes, see the MD&A in the company's supplemental financial information and Form 10-Q, both for the three and six months ended June 30, 2024.
** Exclusive of depreciation and amortization.
*** The first quarter of 2023 included an $11 million charge related to an investment in an early-stage automotive company. The second quarter of 2023 included the receipt of a $20 million early termination payment.

Finance Q2 & YTD 2024 Highlights*

($ in millions, except for revenue per loan transaction)

Finance	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Interest income	$59.5	$61.9	$120.5	$122.5
Fee income	$45.9	$44.1	$94.4	$91.7
Other revenue	$2.4	$3.7	$4.5	$7.1
Provision for credit losses	($12.0)	($12.2)	($25.6)	($24.2)
Total Finance revenue	$95.8	$97.5	$193.8	$197.1
Gross profit**	$79.0	$81.0	$160.2	$164.2
*% of revenue***	*82.5%*	*83.1%*	*82.7%*	*83.3%*
SG&A	$12.0	$12.7	$25.9	$25.1
Other (income) expense, net	$ -	($0.3)	$ -	($0.2)
EBITDA	$67.0	$68.6	$134.3	$139.3
Adjusted EBITDA	$38.7	$40.3	$78.4	$84.9
Loan transactions	415,000	402,000	837,000	822,000
Revenue per loan transaction	$231	$243	$232	$240
Provision for credit losses % of finance receivables	2.1%	2.0%	2.2%	2.0%
Managed receivables	$2,239.1	$2,418.3	$2,239.1	$2,418.3
Obligations collateralized by finance receivables	$1,573.6	$1,717.4	$1,573.6	$1,717.4

* For a more complete explanation of these changes, see the MD&A in the company's supplemental financial information and Form 10-Q, both for the three and six months ended June 30, 2024.
** Exclusive of depreciation and amortization.

June 30, 2024 Leverage
(US$ in millions)

	Balance	Maturity
Revolving Credit Facility (Adjusted Term SOFR + 2.25%)	$28	2028
Canadian Revolving Credit Facility (Adjusted Term CORRA +2.50%)	29	2028
Senior Notes (Fixed 5.125%)	210	2025
Other	15	
Total	282	
Less: Cash and cash equivalents	61	
Net Debt	221	

Net Debt Ratio [1] **0.8**

Corporate Credit Ratings: S&P B, Moodys B1

[1] When calculating the corporate net debt to Adjusted EBITDA leverage ratio, we use the balance sheet "Cash and cash equivalents" amount instead of available cash as defined by our credit agreement.

Historical Data



Marketplace Metrics

(Volumes in thousands)	2Q24	1Q24	2023	4Q23	3Q23	2Q23	1Q23	2022
Revenue[1] ($M)	$336.0	$318.3	$1,251.7	$294.7	$316.6	$319.4	$321.0	$1,143.5
Commercial vehicles sold	217	222	710	183	180	180	167	661
Dealer consignment vehicles sold	151	150	621	135	159	164	163	636
Total vehicles sold	368	372	1,331	318	339	344	330	1,297
Gross profit percentage[1]	31.8%	38.1%	36.0%	36.0%	37.0%	35.5%	35.3%	32.6%
Gross profit percentage, excluding purchased vehicles	41.8%	46.6%	44.3%	45.3%	45.8%	43.8%	42.6%	38.8%
Income (loss) from continuing operations ($M)	($16.1)	($12.9)	($277.5)	($17.7)	($19.3)	($219.4)	($21.1)	($105.7)
Adjusted EBITDA ($M)	$32.7	$35.1	$108.3	$23.7	$26.8	$43.5	$14.3	$29.4
Gross Merchandise Value ($B)	$6.8	$7.0	$24.1	$5.7	$6.0	$6.4	$6.0	$23.2

[1] Includes purchased vehicle sales

Finance Metrics

($ in millions, except for revenue per loan transaction; LTUs in thousands)	2Q24	1Q24	2023	4Q23	3Q23	2Q23	1Q23	2022
Interest income	$59.5	$61.0	$248.4	$62.9	$63.0	$61.9	$60.6	$202.8
Fee income	$45.9	$48.5	$183.3	$46.0	$45.6	$44.1	$47.6	$171.9
Other revenue	$2.4	$2.1	$12.3	$2.5	$2.7	$3.7	$3.4	$11.0
Provision for credit losses	($12.0)	($13.6)	($50.6)	($14.8)	($11.6)	($12.2)	($12.0)	($9.8)
Total Finance revenue	$95.8	$98.0	$393.4	$96.6	$99.7	$97.5	$99.6	$375.9
Loan Transaction Units (LTU)	415	422	1,625	397	406	402	420	1,562
Revenue per Loan Transaction	$231	$232	$242	$243	$246	$243	$237	$241
Income (loss) from continuing operations	$26.8	$31.4	$122.7	$31.3	$32.0	$25.6	$33.8	$134.3
Adjusted EBITDA	$38.7	$39.7	$163.7	$38.1	$40.7	$40.3	$44.6	$201.8
Ending Managed Finance Receivables	$2,239.1	$2,313.7	$2,305.0	$2,305.0	$2,379.1	$2,418.3	$2,406.4	$2,416.6
Ending Obligations Collateralized by Finance Receivables	$1,573.6	$1,597.2	$1,631.9	$1,631.9	$1,695.3	$1,717.4	$1,638.2	$1,677.6

APPENDIX



Non-GAAP Financial Measures

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 the company's 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 the company's creditors. In addition, management uses EBITDA and Adjusted EBITDA to evaluate the company's performance.

Depreciation expense for property and equipment and amortization expense of capitalized internally developed software costs relate to ongoing capital expenditures; however, amortization expense associated with acquired intangible assets, such as customer relationships, software, tradenames and non-compete agreements are not representative of ongoing capital expenditures but have a continuing effect on our reported results. Non-GAAP financial measures of operating adjusted net income (loss) and operating adjusted net income (loss) per share, in the opinion of the company, provide comparability to other companies that may not have incurred these types of non-cash expenses or that report a similar measure. In addition, net income (loss) and net income (loss) per share have been adjusted for certain other charges, as seen in the following reconciliation.

EBITDA, Adjusted EBITDA, operating adjusted net income (loss) and operating adjusted net income (loss) per share 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.

Q2 2024 Adjusted EBITDA Reconciliation

($ in millions)

	Three Months ended June 30, 2024		
	Marketplace	Finance	Consolidated
Income (loss) from continuing operations	**($16.1)**	**$26.8**	**$10.7**
Add back:			
Income taxes	(1.2)	8.7	7.5
Interest expense, net of interest income	5.2	31.9	37.1
Depreciation and amortization	21.1	3.0	24.1
Intercompany interest	3.4	(3.4)	-
EBITDA	**$12.4**	**$67.0**	**$79.4**
Non-cash stock-based compensation	3.6	0.1	3.7
Acquisition related costs	0.2	-	0.2
Securitization interest	-	(29.2)	(29.2)
Severance	5.4	0.6	6.0
Foreign currency (gains)/losses	0.5	-	0.5
Professional fees related to business improvement efforts	0.6	0.1	0.7
Impact for newly enacted Canadian DST related to prior years	10.0	-	10.0
Other	-	0.1	0.1
Total addbacks/(deductions)	20.3	(28.3)	(8.0)
Adjusted EBITDA	**$32.7**	**$38.7**	**$71.4**
Revenue	$336.0	$95.8	$431.8
Adjusted EBITDA % margin	9.7%	40.4%	16.5%

Q2 2023 Adjusted EBITDA Reconciliation

($ in millions)

	Three Months ended June 30, 2023		
	Marketplace	Finance	Consolidated
Income (loss) from continuing operations	**($219.4)**	**$25.6**	**($193.8)**
Add back:			
Income taxes	(36.0)	16.7	(19.3)
Interest expense, net of interest income	5.4	32.1	37.5
Depreciation and amortization	24.5	2.3	26.8
Intercompany interest	8.1	(8.1)	-
EBITDA	**($217.4)**	**$68.6**	**($148.8)**
Non-cash stock-based compensation	4.3	1.2	5.5
Loss on extinguishment of debt	1.1	-	1.1
Acquisition related costs	0.3	-	0.3
Securitization interest	-	(29.6)	(29.6)
Severance	0.9	0.1	1.0
Foreign currency (gains)/losses	0.5	(0.2)	0.3
Goodwill and other intangibles impairment	250.8	-	250.8
Contingent consideration adjustment	1.3	-	1.3
Net change in unrealized (gains) losses on investment securities	-	(0.2)	(0.2)
Professional fees related to business improvement efforts	1.7	0.4	2.1
Total addbacks/(deductions)	260.9	(28.3)	232.6
Adjusted EBITDA	**$43.5**	**$40.3**	**$83.8**
Revenue	$319.4	$97.5	$416.9
Adjusted EBITDA % margin	13.6%	41.3%	20.1%



YTD 2024 Adjusted EBITDA Reconciliation

($ in millions)

	Six Months ended June 30, 2024		
	Marketplace	Finance	Consolidated
Income (loss) from continuing operations	**($29.0)**	**$58.2**	**$29.2**
Add back:			
Income taxes	(1.0)	19.2	18.2
Interest expense, net of interest income	11.9	64.5	76.4
Depreciation and amortization	42.7	5.7	48.4
Intercompany interest	13.3	(13.3)	-
EBITDA	**$37.9**	**$134.3**	**$172.2**
Non-cash stock-based compensation	8.8	1.9	10.7
Acquisition related costs	0.5	-	0.5
Securitization interest	-	(59.1)	(59.1)
Severance	6.8	0.9	7.7
Foreign currency (gains)/losses	2.5	-	2.5
Professional fees related to business improvement efforts	1.2	0.3	1.5
Impact for newly enacted Canadian DST related to prior years	10.0	-	10.0
Other	0.1	0.1	0.2
Total addbacks/(deductions)	29.9	(55.9)	(26.0)
Adjusted EBITDA	**$67.8**	**$78.4**	**$146.2**
Revenue	$654.3	$193.8	$848.1
Adjusted EBITDA % margin	10.4%	40.5%	17.2%

YTD 2023 Adjusted EBITDA Reconciliation

($ in millions)

	Six Months ended June 30, 2023		
	Marketplace	Finance	Consolidated
Income (loss) from continuing operations	**($240.5)**	**$59.4**	**($181.1)**
Add back:			
Income taxes	(39.9)	27.9	(12.0)
Interest expense, net of interest income	12.5	62.4	74.9
Depreciation and amortization	45.7	4.1	49.8
Intercompany interest	14.5	(14.5)	-
EBITDA	**($207.7)**	**$139.3**	**($68.4)**
Non-cash stock-based compensation	7.0	2.3	9.3
Loss on extinguishment of debt	1.1	-	1.1
Acquisition related costs	0.6	-	0.6
Securitization interest	-	(57.4)	(57.4)
Severance	1.4	0.1	1.5
Foreign currency (gains)/losses	0.4	-	0.4
Goodwill and other intangibles impairment	250.8	-	250.8
Contingent consideration adjustment	1.3	-	1.3
Net change in unrealized (gains) losses on investment securities	-	(0.1)	(0.1)
Professional fees related to business improvement efforts	2.3	0.5	2.8
Other	0.6	0.2	0.8
Total addbacks/(deductions)	265.5	(54.4)	211.1
Adjusted EBITDA	**$57.8**	**$84.9**	**$142.7**
Revenue	$640.4	$197.1	$837.5
Adjusted EBITDA % margin	9.0%	43.1%	17.0%

Operating Adjusted Net Income per Share Reconciliation

($ in millions, except per share amounts), (Unaudited)

	Three Months ended June 30,		Six Months ended June 30,	
	2024	2023	2024	2023
Net income (loss) from continuing operations [1]	**$10.7**	**($193.8)**	**$29.2**	**($181.1)**
Acquired amortization expense	9.1	9.8	18.4	17.2
Impact for newly enacted Canadian DST related to prior years	10.0	-	10.0	-
Loss on extinguishment of debt	-	1.1	-	1.1
Contingent consideration adjustment	-	1.3	-	1.3
Goodwill and other intangibles impairment	-	250.8	-	250.8
Income taxes [2]	(2.1)	(32.4)	(2.5)	(34.2)
Operating adjusted net income from continuing operations	**$27.7**	**$36.8**	**$55.1**	**$55.1**
Operating adjusted net income from discontinued operations	**$ -**	**$ -**	**$ -**	**$ -**
Operating adjusted net income	**$27.7**	**$36.8**	**$55.1**	**$55.1**
Operating adjusted net income from continuing operations per share – diluted	$0.19	$0.25	$0.38	$0.38
Operating adjusted net income from discontinued operations per share – diluted	-	-	-	-
Operating adjusted net income per share – diluted	**$0.19**	**$0.25**	**$0.38**	**$0.38**
Weighted average diluted shares - including assumed conversion of preferred shares	144.4	145.3	145.1	145.2

(1) The Series A Preferred Stock dividends and undistributed earnings allocated to participating securities have not been included in the calculation of operating adjusted net income and operating adjusted net income per diluted share.

(2) For the three and six months ended June 30, 2024 and 2023, each tax deductible item was booked to the applicable statutory rate. The deferred tax benefits of $52.5 million and $6.5 million associated with the goodwill and tradename impairments in the second quarter of 2023, respectively, resulted in the U.S. being in a net deferred tax asset position. Due to the three year cumulative loss related to U.S. operations, we currently have a $41.1 million valuation allowance against the U.S. net deferred tax asset.