

KAR Auction Services, Inc.
Corporate Update

First Quarter 2018

Forward-Looking Statements

This presentation includes forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward looking statements are subject to certain risks, trends, and uncertainties that could cause actual results to differ materially from those projected, expressed or implied by such forward-looking statements. Many of these risk factors are outside of the company's control, and as such, they involve risks which are not currently known to the company that could cause actual results to differ materially from forecasted results. Factors that could cause or contribute to such differences include those matters disclosed in the company's Securities and Exchange Commission filings. The forward-looking statements in this document are made as of the date hereof and the company does not undertake to update its forward-looking statements.

KAR AUCTION SERVICES

Key Investment Highlights

1. Unique Industry Fundamentals Generate Consistent Free Cash Flow
2. Strong and Visible Organic Growth
3. Leverage Technology and Data Analytics for Long Term Growth
4. Clear Shareholder Friendly Capital Allocation Framework

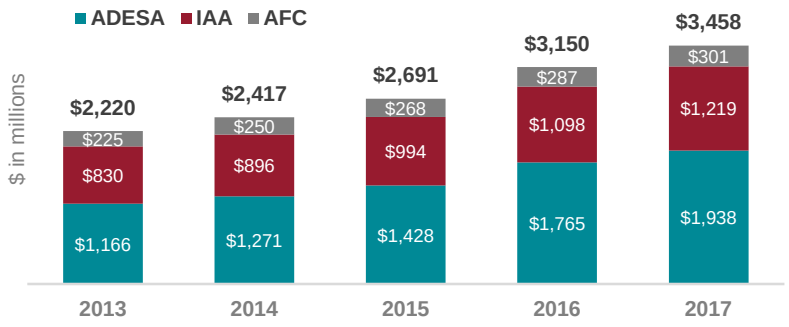


KAR AUCTION SERVICES

History of Profitable Growth

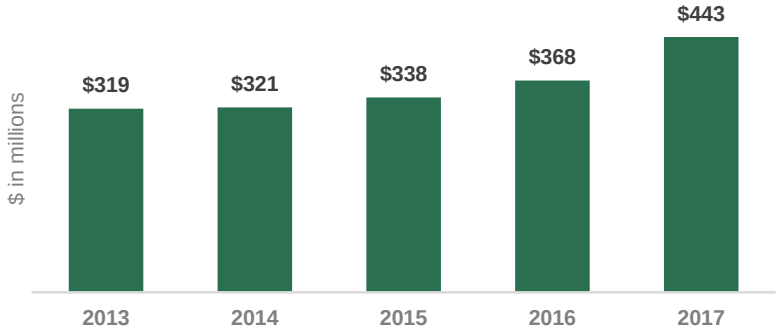
REVENUE

Visible and predictable top line growth



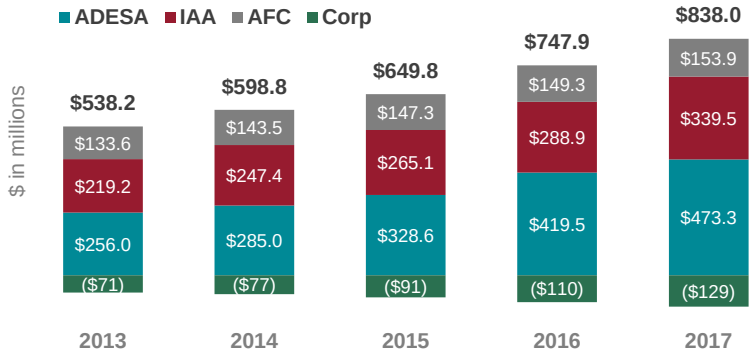
FREE CASH FLOW

History of free cash flow generation growth



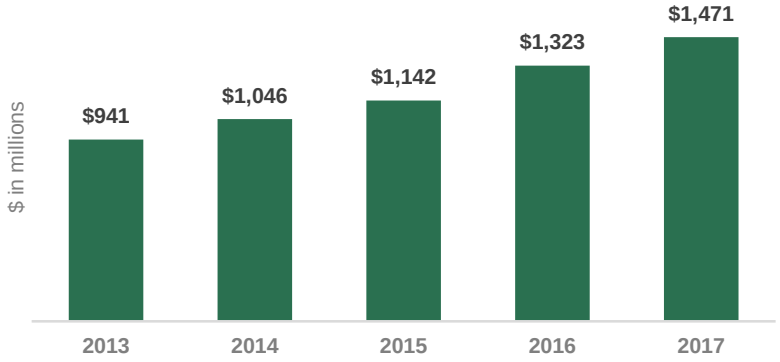
ADJUSTED EBITDA

Diversified segment mix



GROSS PROFIT

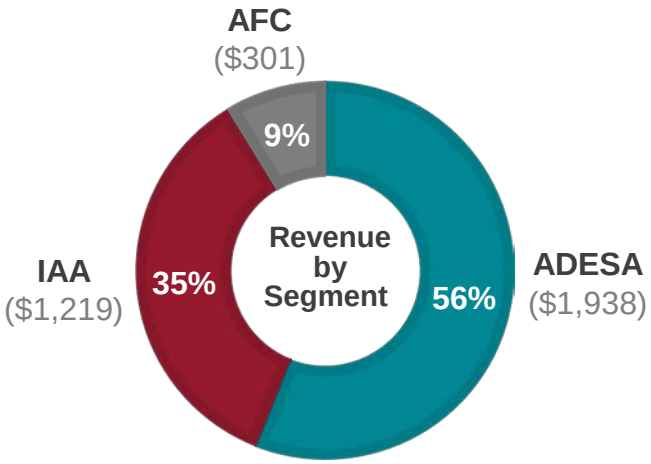
History of growing profitability

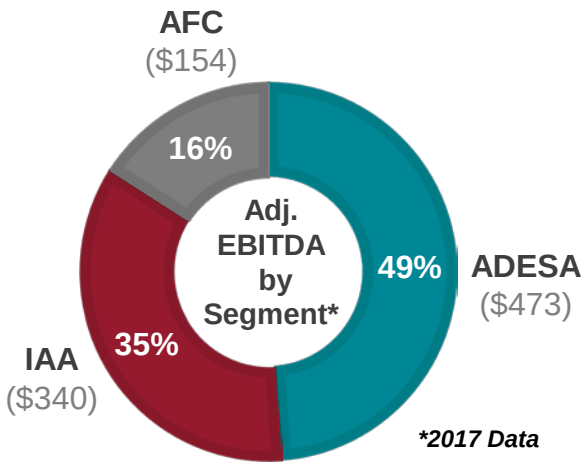


Multiple Businesses With Leading Market Positions

~5.5M
vehicles sold in 2017

Revenue	$3,458M
Adj. EBITDA	$838M
% margin	*24%*





** Excludes $129M Holding Company Costs*

Wholecar Auctions

Dealer and institutional vehicles (e.g., off-lease, repossessions)

- #2 North American market position
- 3.2M vehicles sold
- ~45% vehicles sold online
- 75 locations

Salvage Vehicle Auctions

Total loss vehicles (insurance companies, charities, etc)

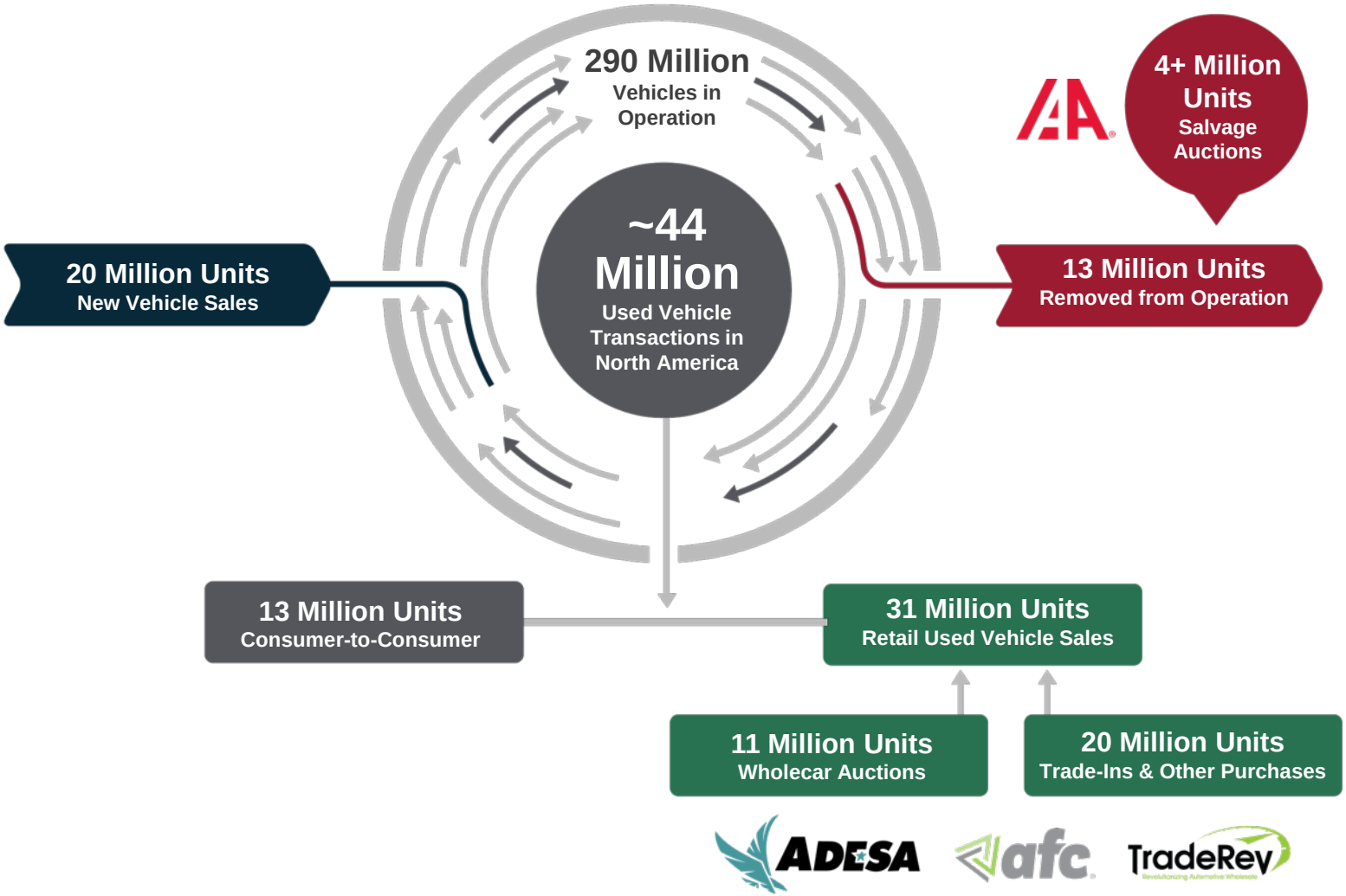
- Co-leader North American market position
- 2.4M vehicles sold
- ~60% vehicles sold online
- 170+ locations

Vehicle Floorplan Financing

Independent dealer vehicle inventory (floorplan) finance

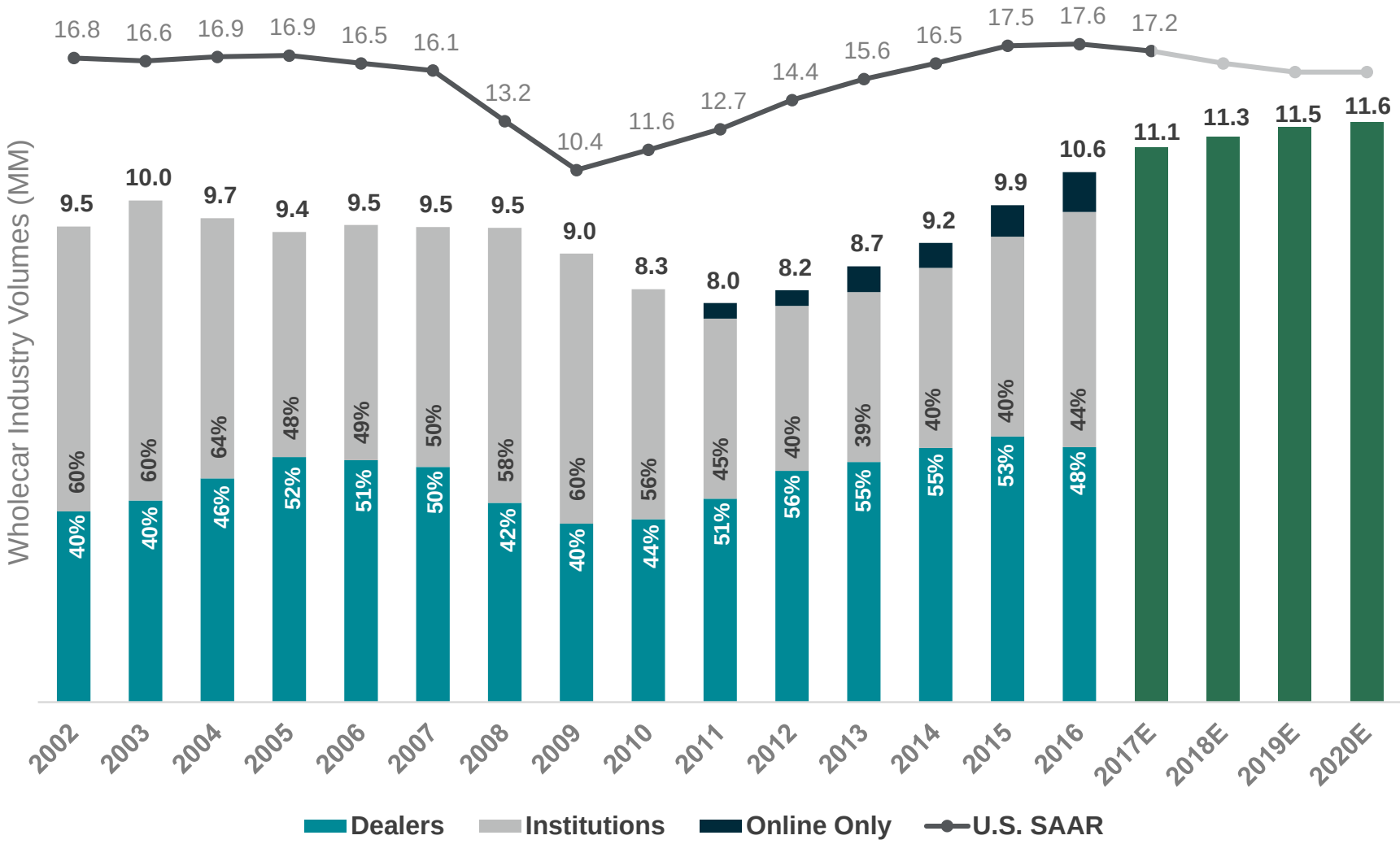
- #2 North American market position
- 1.7M loan transaction units
- ~65 day short-term secured
- 120+ locations

Unique Industry With Large Total Addressable Market



Source: National Auto Auction Association, R.L. Polk & Co., National Automobile Dealer's Association, DesRosiers Automotive Consultants and Management estimates

North American Wholecar Auction Industry Lags SAAR Which Provides Visibility



Consignment Revenue Model Provides Strong Free Cash Flow and Margins

Wholecar Sellers

- Dealers
- OEMs and their Captive Finance Arms
- Commercial Fleets
- Financial Institutions
- Rental Car Companies

Salvage Vehicle Sellers

- Insurance Companies
- Charities
- Used Vehicle Dealers
- Financial Institutions

Value-Added Services

ADESA

Revenue:
~$600 / vehicle(3)

AA

Revenue:
~$500 / vehicle(1)

Wholecar Buyers

- Franchised Dealers
- Independent Dealers
- Wholesale Dealers

afc

Revenue:
~$160 / LTU(2)

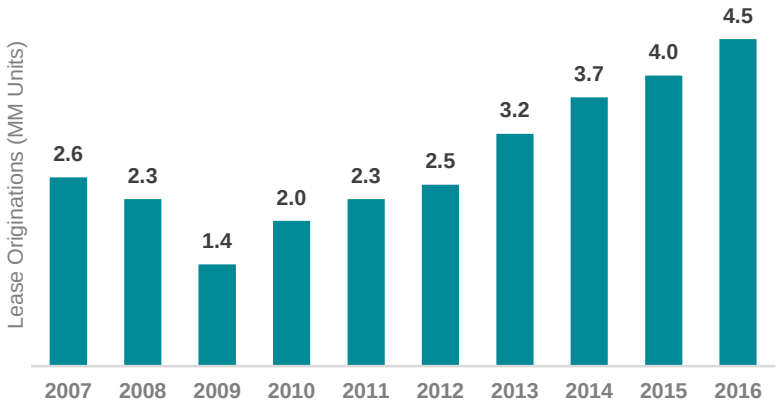
Salvage Vehicle Buyers

- Dismantlers
- Rebuilders & Resellers
- Recyclers
- International Buyers

RPU as of 12/31/17
(1) Excludes HBC Vehicle Services revenue
(2) Excludes "Other Service" revenue
(3) Total including physical and online only

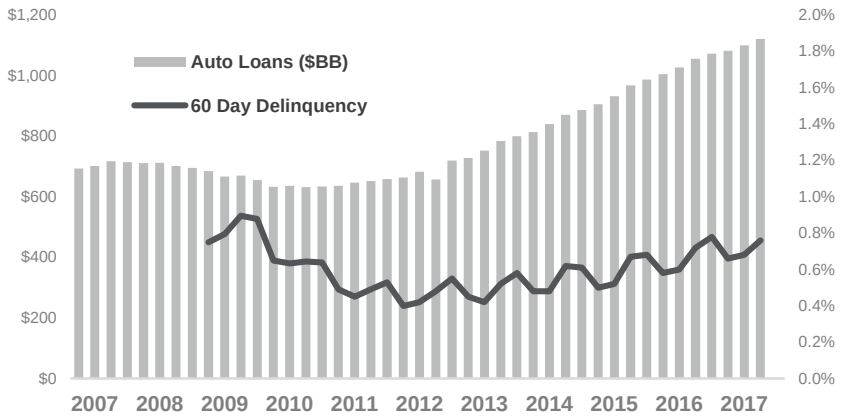
Wholecar Market Fundamentals Support Visible ADESA Organic Growth

Lease Origination Growth = Off-Lease Growth



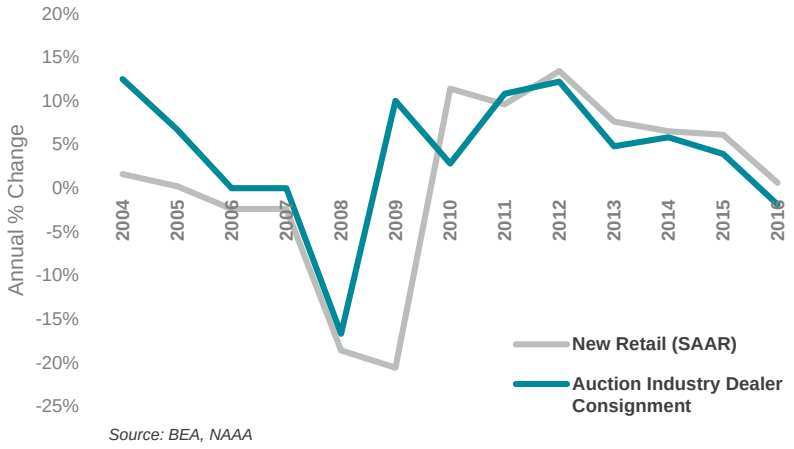
Source: Edmunds

Increasing Auto Loans = Repo Volume Growth



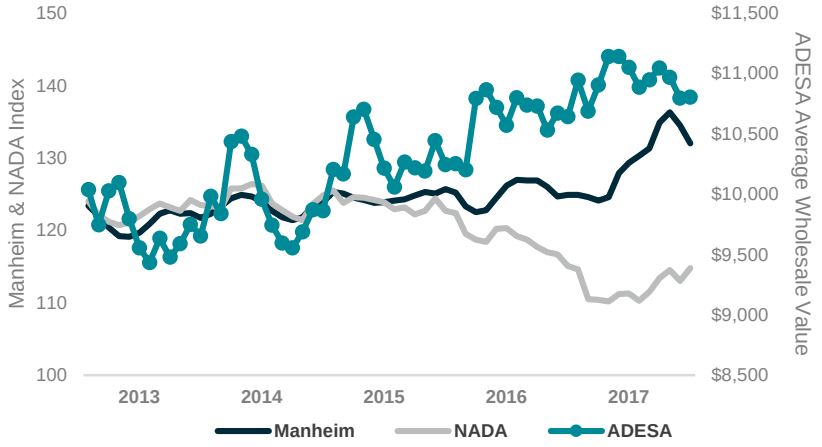
Source: Experian

Off-Lease Growth Displaces Dealer Consignment



Source: BEA, NAAA

Increasing Used Vehicle Values = RPU Growth

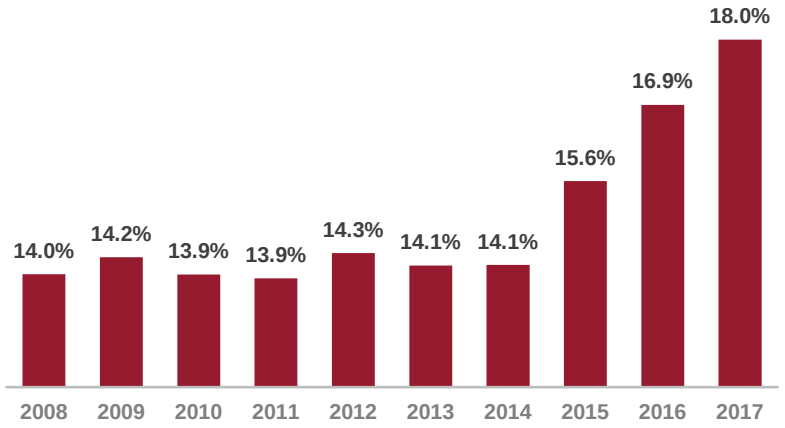


Salvage Market Fundamentals Support Visible IAA Organic Growth

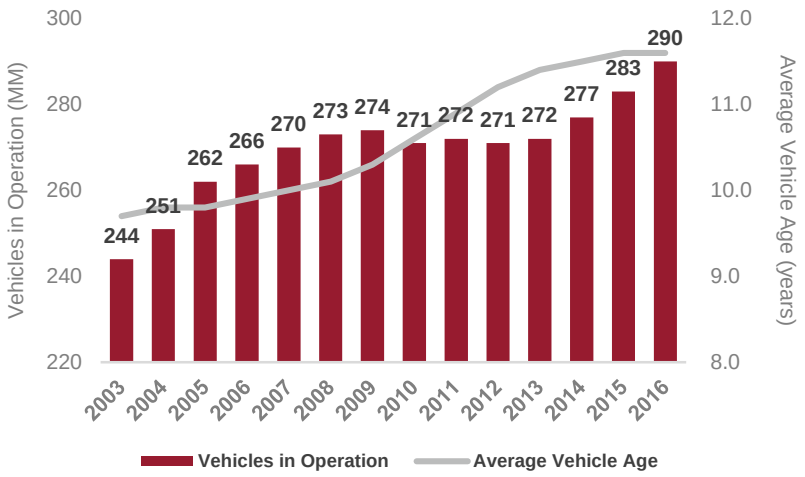
Positive Industry Drivers

- Accident frequency benefits from rising miles driven, an aging vehicle fleet, and increasing driver distractions
- Accident severity increasing due to vehicle complexity and technology content leading to more total losses
- Increase in non-insurance supply

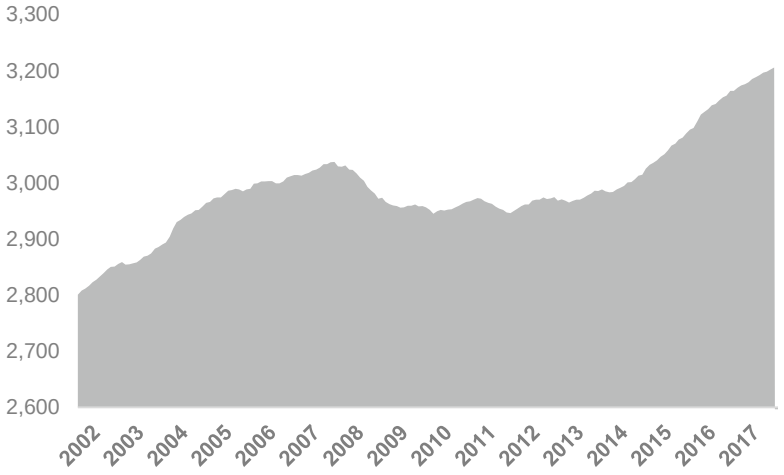
Increasing Total Loss % of Total Claims



Growing & Aging North American Car Parc



Increasing Miles Driven (LTM BB)

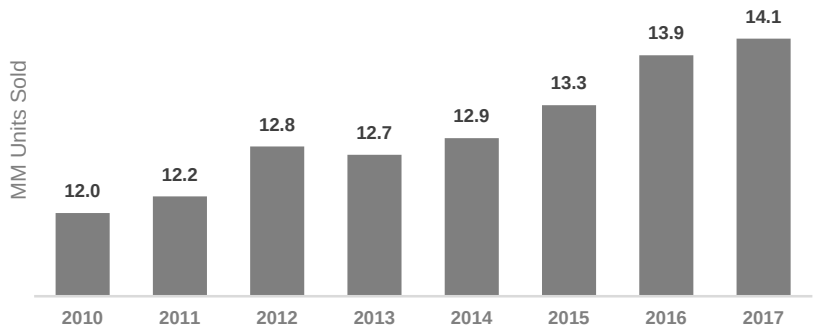


AFC Short-Term Floorplan Financing Provides Complementary Service to Buyers

Unique Vehicle Floorplan Lender

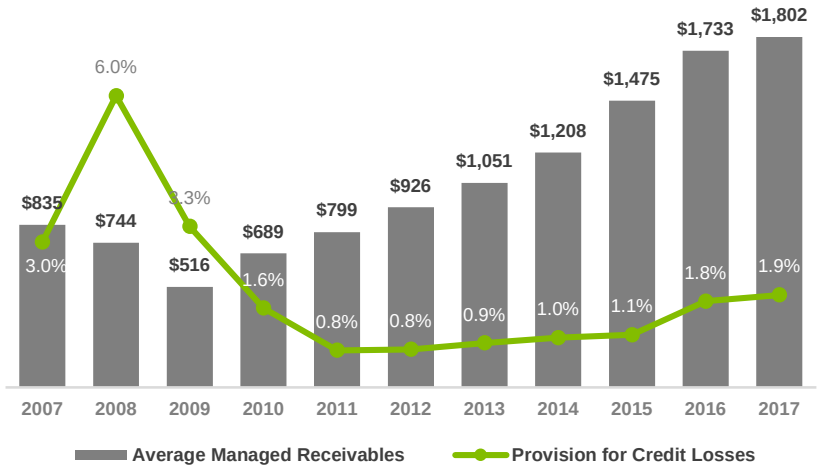
- Short-term (~65 day) secured financing to independent used car dealers
- Provides liquidity to auctions
- Portfolio managed through disciplined underwriting and consistent credit standards
- Utilizes risk based pricing model
- Significant risk mitigation processes (local presence, lot checks, credit pulls, etc.)
- Securitization provides liquidity
  - AFC funding in place through Jan 2020
  - US$1,500 million and C$125 million committed liquidity

Independent Dealer Used Vehicle Retail Sales



Source: NADA

Average Managed Receivables & Net Provision for Credit Losses



Strong and Visible Organic Growth

Expected Environmental Trends

ADESA

Growth in off-lease and repo auction industry volumes

~ 60/40 commercial vs. dealer consignment seller mix …

… should drive increases in revenue per vehicle sold

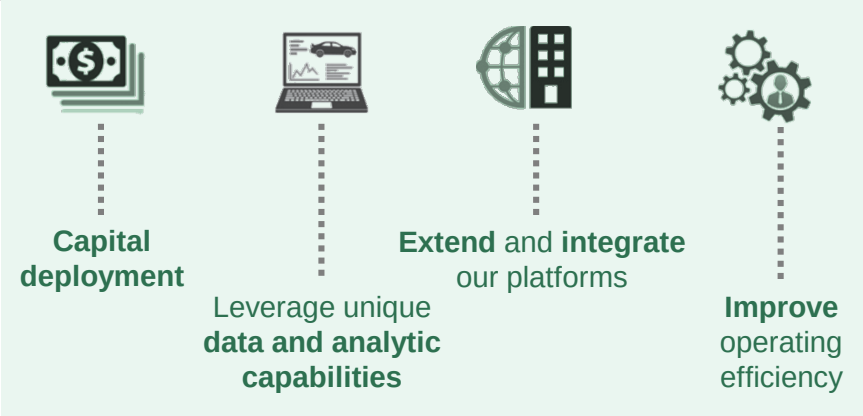
AA

5%-7% annual growth in salvage auction industry volumes

afc

Conservative floorplan finance portfolio management

Strategic Priorities



Capital Allocation Priorities:

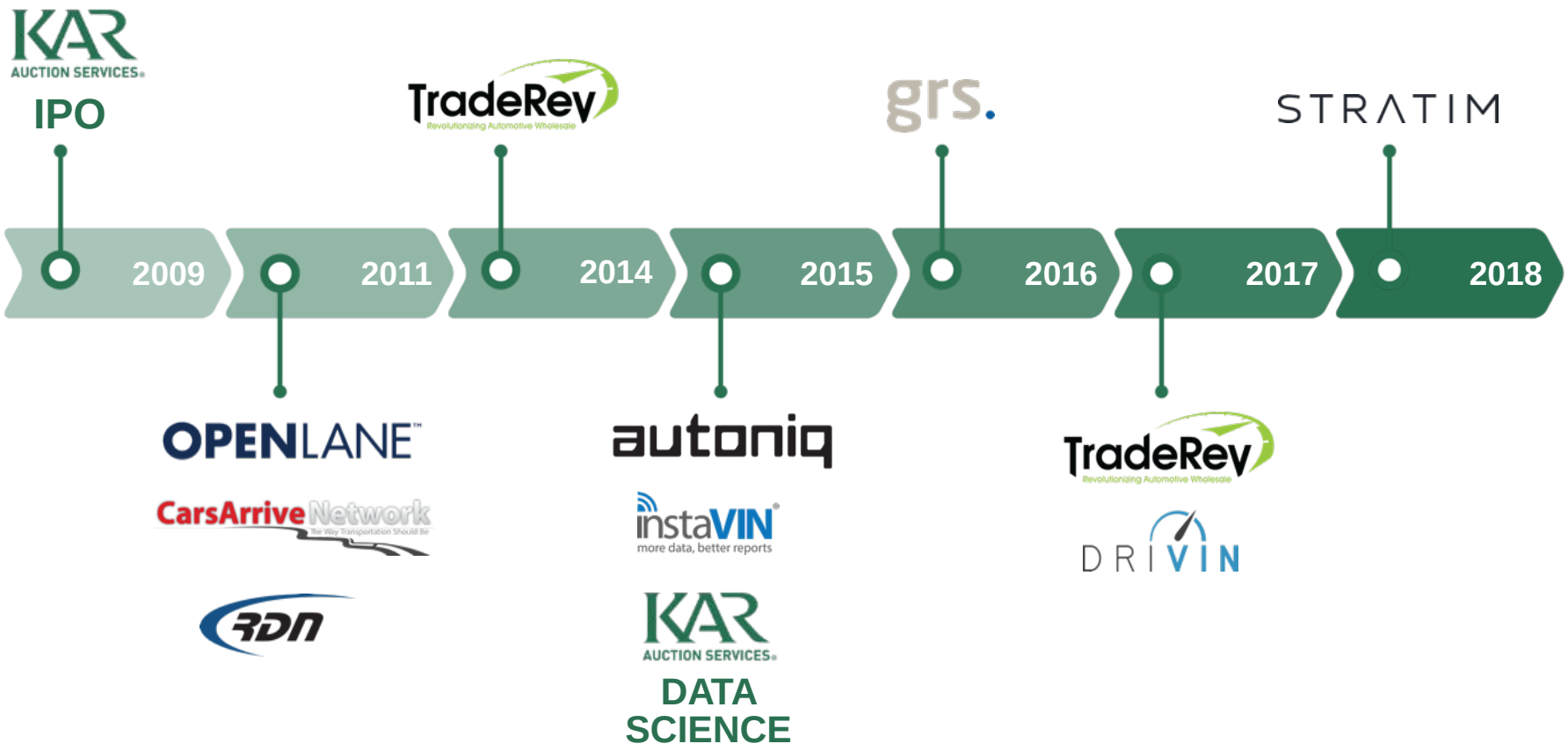
1. **Dividend** (45% - 50% FCF)
2. **Acquisitions** & Strategic Investments
3. Share repurchases

Target consolidated leverage 3x Net Debt / Adjusted EBITDA

2018 Free Cash Flow ($MM):

Adj EBITDA	$895 - $925
Less:	
Cash Interest	($130)
Capex	($185)
Cash Tax	($125)
FCF	$455 - $485

Leverage Technology and Data Analytics For Long Term Growth



Shareholder Value Creation Strategy Creates Long-Term Growth Opportunities

Customer Focus

- Extend Digital Footprint
- Leverage Unique Data and Analytic Capabilities
- Expand Portfolio of Services and Geographic Presence

Operational Excellence

- Leverage Technology
- Standardize and Centralize Processes
- Control SG&A

Capital Allocation

- Quarterly Dividend
- Acquisitions & Strategic Investments
- Return to Shareholders

Clear Shareholder Friendly Capital Allocation Framework

PRIORITIES	Capex	Dividends	Strategic Investments	Share Repurchases
	• Historically ~18% - 20% of Adjusted EBITDA, plus strategic investments	• 45% - 50% of FCF • Highlights consistency & strength of free cash flow	• Acquisitions that leverage wholecar auction cyclical recovery (indep auctions) • Complementary technology • New geographies	• Tool for managing cash and leverage
2015	**$135M Spent**	**$152M Paid**	**$118M Acquisitions**	**$228M Repurchased**
	• Technology $63M • Physical $56M • Chicago Greenfield $16M	• $1.08 per share paid	• Pittsburgh (Indep Auction) • DataScan (Veh Inspections) • Autoniq (Price Guide Aggregator) • MobileTrac (Veh History) • HBC (UK Salvage)	• $300M two year authorization approved in October 2014 • 6.2M shares repurchased
2016	**$155M Spent**	**$157M Paid**	**$432M Acquisitions**	**$80M Repurchased**
	• Technology $77M • Physical $51M • Chicago Greenfield $27M	• $1.14 per share paid	• Brashers (8 Ind Auctions) • Orlando (Indep Auction) • GRS (UK Online Auctions) • Flint (Indep Auction)	• $500M three year authorization approved in October 2016 • 1.9M shares repurchased
2017	**$152M Spent**	**$175M Paid**	**$73M Acquisitions**	**$150M Repurchased**
	• Technology $90M • Physical $62M	• $1.28 per share paid	• DRIVIN (Data Analytics) • DAS (Transportation) • TradeRev (Online Sales) • POIS (Total Loss Solutions)	• 3.3M shares repurchased • $270M Authorization Remaining

December 31, 2017 Leverage
(US$ in millions)

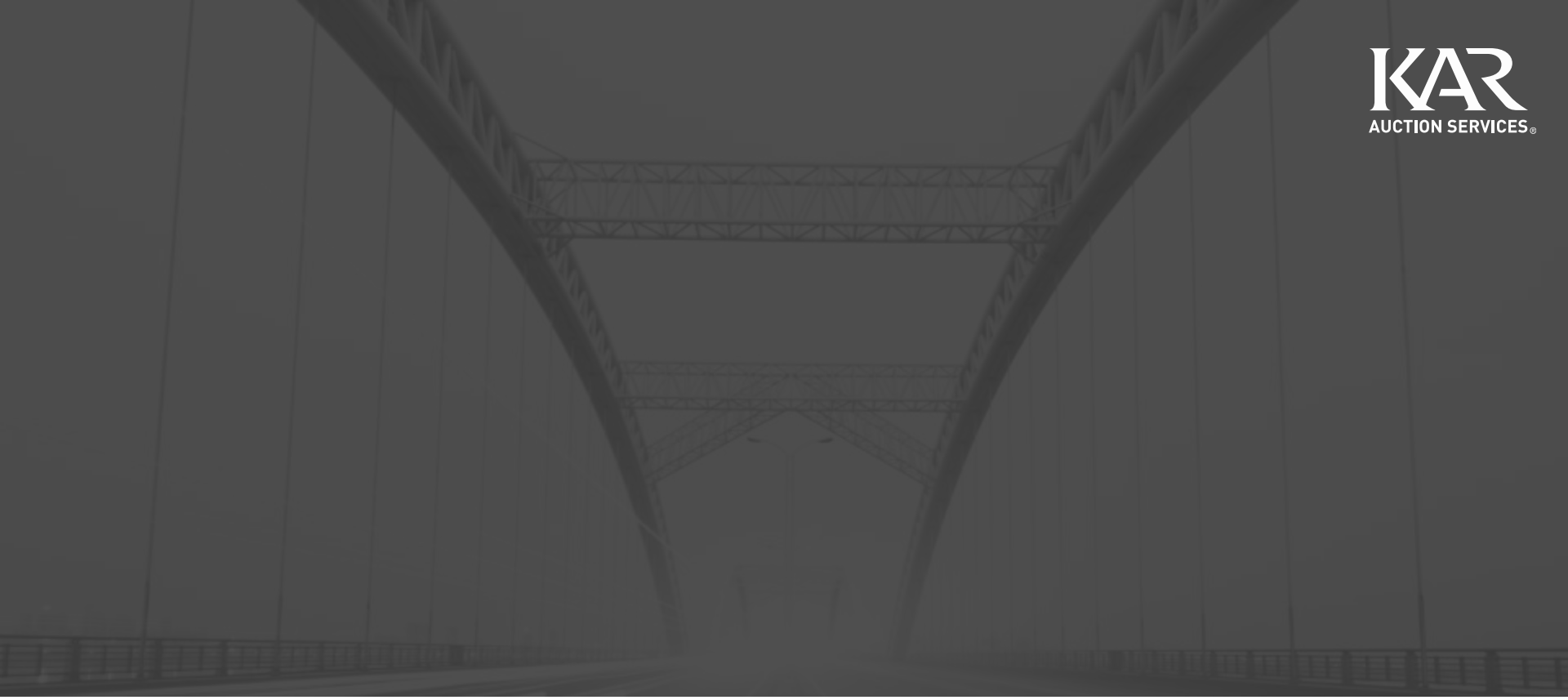
	Balance	Maturity
Term Loan B-4 (Adjusted LIBOR + 2.25%)	$711	2021
Term Loan B-5 (Adjusted LIBOR + 2.50%)	1,042	2023
Revolving Credit Facility (Adjusted LIBOR + 2.00%)	0	2021
Senior Notes (Fixed 5.125%)	950	2025
Capital Leases	55	
Total	2,758	
Less: Available Cash	(204)	
Net Debt	$2,554	

Net Debt / Adjusted EBITDA (Target 3x)	**3.0**

Corporate Credit Ratings: S&P BB-, Moodys B1

LIBOR Interest Rate Caps

$800M notional amt	Expire 9/30/19	2.00% LIBOR cap
$400M notional amt	Expire 3/31/19	2.00% LIBOR cap



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. Free cash flow is defined as Adjusted EBITDA less cash interest expense on corporate debt (Credit Facility), capital expenditures and cash taxes related to the calendar year. 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, Adjusted EBITDA and free cash flow 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 noncompete 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 and operating adjusted net income 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 and net income per share have been adjusted for certain other charges, as seen in the following reconciliation.

EBITDA, Adjusted EBITDA, free cash flow, operating adjusted net income and operating adjusted net income 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.

2008 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2008				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$52.5**	**$9.2**	**($151.3)**	**($126.6)**	**($216.2)**
Add back:					
Income taxes	33.7	6.3	10.2	(81.6)	(31.4)
Interest expense, net of interest income	–	0.2	–	213.2	213.4
Depreciation and amortization	93.2	61.6	25.3	2.7	182.8
Intercompany interest	35.5	38.4	(0.7)	(73.2)	–
EBITDA	**$214.9**	**$115.7**	**($116.5)**	**($65.5)**	**$148.6**
Adjustments per the Credit Agreement	50.2	17.5	166.9	10.3	244.9
Adjusted EBITDA	**$265.1**	**$133.2**	**$50.4**	**($55.2)**	**$393.5**

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2009 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2009				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$94.4**	**$25.8**	**$19.1**	**($116.1)**	**$23.2**
Add back:					
Income taxes	56.0	16.2	8.4	(69.5)	11.1
Interest expense, net of interest income	0.5	1.4	–	170.3	172.2
Depreciation and amortization	88.4	58.3	24.7	1.0	172.4
Intercompany interest	25.6	35.7	(6.8)	(54.5)	–
EBITDA	**$264.9**	**$137.4**	**$45.4**	**($68.8)**	**$378.9**
Adjustments per the Credit Agreement	21.4	9.2	3.8	12.6	47.0
Adjusted EBITDA	**$286.3**	**$146.6**	**$49.2**	**($56.2)**	**$425.9**

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2010 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2010				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$80.1**	**$44.7**	**$38.4**	**($93.6)**	**$69.6**
Add back:					
Income taxes	43.6	26.7	21.1	(64.2)	27.2
Interest expense, net of interest income	0.9	2.3	7.2	130.9	141.3
Depreciation and amortization	86.9	58.9	25.0	0.5	171.3
Intercompany interest	36.7	37.8	(11.7)	(62.8)	–
EBITDA	**$248.2**	**$170.4**	**$80.0**	**($89.2)**	**$409.4**
Adjustments per the Credit Agreement	21.6	15.6	(0.4)	29.0	65.8
Adjusted EBITDA	**$269.8**	**$186.0**	**$79.6**	**($60.2)**	**$475.2**

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2011 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2011				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$55.8**	**$65.5**	**$57.2**	**($106.3)**	**$72.2**
Add back:					
Income taxes	17.9	36.1	29.6	(65.8)	17.8
Interest expense, net of interest income	0.7	2.1	12.0	128.0	142.8
Depreciation and amortization	88.1	65.8	24.7	1.2	179.8
Intercompany interest	46.9	37.8	(14.4)	(70.3)	–
EBITDA	**$209.4**	**$207.3**	**$109.1**	**($113.2)**	**$412.6**
Adjustments per the Credit Agreement	22.8	4.4	(7.2)	54.6	74.6
Adjusted EBITDA	**$232.2**	**$211.7**	**$101.9**	**($58.6)**	**$487.2**

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2012 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2012				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$38.4**	**$56.5**	**$64.1**	**($67.0)**	**$92.0**
Add back:					
Income taxes	14.5	33.7	46.0	(34.6)	59.6
Interest expense, net of interest income	0.8	1.4	15.0	101.9	119.1
Depreciation and amortization	96.9	68.1	23.3	1.9	190.2
Intercompany interest	54.3	37.8	(17.8)	(74.3)	–
EBITDA	**$204.9**	**$197.5**	**$130.6**	**($72.1)**	**$460.9**
Adjustments per the Credit Agreement	26.2	8.9	(10.4)	14.6	39.3
Adjusted EBITDA	**$231.1**	**$206.4**	**$120.2**	**($57.5)**	**$500.2**
Cash interest on corporate debt					(95.8)
Capital expenditures					(102.0)
Cash taxes related to calendar year					(61.0)
Free Cash Flow					**$241.4**

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2013 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2013				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$50.2**	**$56.6**	**$76.1**	**($115.2)**	**$67.7**
Add back:					
Income taxes	40.1	32.8	40.2	(31.6)	81.5
Interest expense, net of interest income	0.6	0.8	16.7	86.2	104.3
Depreciation and amortization	87.9	73.8	27.6	5.1	194.4
Intercompany interest	52.5	37.8	(19.9)	(70.4)	–
EBITDA	**$231.3**	**$201.8**	**$140.7**	**($125.9)**	**$447.9**
Adjustments per the Credit Agreement	24.7	3.9	(7.1)	55.3	76.8
Superstorm Sandy	–	13.5	–	–	13.5
Adjusted EBITDA	**$256.0**	**$219.2**	**$133.6**	**($70.6)**	**$538.2**
Cash interest on corporate debt					(75.9)
Capital expenditures					(96.6)
Cash taxes related to calendar year					(47.0)
Free Cash Flow					**$318.7**

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2014 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2014				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$86.4**	**$79.7**	**$76.6**	**($73.4)**	**$169.3**
Add back:					
Income taxes	43.2	48.4	48.6	(44.5)	95.7
Interest expense, net of interest income	0.6	0.2	18.7	66.4	85.9
Depreciation and amortization	80.2	76.2	30.4	9.8	196.6
Intercompany interest	50.6	37.7	(22.7)	(65.6)	–
EBITDA	**$261.0**	**$242.2**	**$151.6**	**($107.3)**	**$547.5**
Adjustments per the Credit Agreement	24.0	5.2	(8.1)	30.2	51.3
Adjusted EBITDA	**$285.0**	**$247.4**	**$143.5**	**($77.1)**	**$598.8**
Cash interest on corporate debt					(61.1)
Capital expenditures					(101.0)
Cash taxes related to calendar year					(116.0)
Free Cash Flow					**$320.7**

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2015 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2015				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$109.2**	**$92.8**	**$83.2**	**($70.6)**	**$214.6**
Add back:					
Income taxes	62.3	52.4	51.3	(40.1)	125.9
Interest expense, net of interest income	0.1	–	24.1	66.6	90.8
Depreciation and amortization	86.2	80.8	30.8	15.0	212.8
Intercompany interest	49.7	37.7	(25.3)	(62.1)	–
EBITDA	**$307.5**	**$263.7**	**$164.1**	**($91.2)**	**$644.1**
Intercompany charges	7.9	0.7	–	(8.6)	–
Non-cash stock-based compensation	3.8	1.1	1.3	6.5	12.7
Acquisition related costs	2.7	0.1	0.2	1.8	4.8
Securitization interest	–	–	(18.7)	–	(18.7)
Minority interest	0.8	(1.4)	–	–	(0.6)
(Gain)/Loss on asset sales	3.6	(0.1)	–	–	3.5
Other	2.3	1.0	0.4	0.3	4.0
Total addbacks	21.1	1.4	(16.8)	–	5.7
Adjusted EBITDA	**$328.6**	**$265.1**	**$147.3**	**($91.2)**	**$649.8**
Cash interest on corporate debt					(61.3)
Capital expenditures					(134.7)
Cash taxes related to calendar year					(116.0)
Free Cash Flow					**$337.8**

KAR AUCTION SERVICES

2016 Adjusted EBITDA Reconciliation

($ in millions)

	Year ended December 31, 2016				
	ADESA	**IAA**	**AFC**	**Corporate**	**Consolidated**
Net income (loss)	**$156.9**	**$101.1**	**$88.4**	**($124.0)**	**$222.4**
Add back:					
Income taxes	92.7	59.3	54.0	(73.1)	132.9
Interest expense, net of interest income	(0.3)	–	34.1	104.6	138.4
Depreciation and amortization	100.0	87.9	31.1	21.6	240.6
Intercompany interest	41.7	37.8	(33.8)	(45.7)	–
EBITDA	**$391.0**	**$286.1**	**$173.8**	**($116.6)**	**$734.3**
Intercompany charges	10.9	0.3	–	(11.2)	–
Non-cash stock-based compensation	4.6	2.6	1.8	10.1	19.1
Loss on extinguishment of debt	–	–	1.4	4.0	5.4
Acquisition related costs	4.9	0.2	0.1	3.4	8.6
Securitization interest	–	–	(28.0)	–	(28.0)
Minority interest	3.8	–	–	–	3.8
(Gain)/Loss on asset sales	1.6	0.2	–	0.6	2.4
Severance	1.7	0.1	0.1	–	1.9
Other	1.0	(0.6)	0.1	(0.1)	0.4
Total addbacks	28.5	2.8	(24.5)	6.8	13.6
Adjusted EBITDA	**$419.5**	**$288.9**	**$149.3**	**($109.8)**	**$747.9**
Cash interest on corporate debt					(97.1)
Capital expenditures					(155.1)
Cash taxes related to calendar year					(128.0)
Free Cash Flow					**$367.7**

KAR AUCTION SERVICES

2017 Adjusted EBITDA Reconciliation

($ in millions)	Year ended December 31, 2017				
	ADESA	IAA	AFC	Corporate	Consolidated
Net income (loss)	**$260.9**	**$166.0**	**$103.9**	**($168.8)**	**$362.0**
Add back:					
Income taxes	52.9	38.0	26.6	(81.5)	36.0
Interest expense, net of interest income	–	–	43.6	119.0	162.6
Depreciation and amortization	113.1	93.1	31.3	27.1	264.6
Intercompany interest	35.8	37.8	(20.2)	(53.4)	–
EBITDA	**$462.7**	**$334.9**	**$185.2**	**($157.6)**	**$825.2**
Intercompany charges	11.6	–	–	(11.6)	–
Non-cash stock-based compensation	7.3	3.9	2.6	11.4	25.2
Loss on extinguishment of debt	–	–	–	27.5	27.5
Acquisition related costs	5.2	–	–	1.6	6.8
Securitization interest	–	–	(34.9)	–	(34.9)
Minority interest	4.4	–	–	–	4.4
Gain on previously held equity interest	(21.6)	–	–	–	(21.6)
Severance	2.3	0.3	0.3	–	2.9
Other	1.4	0.4	0.7	–	2.5
Total addbacks	10.6	4.6	(31.3)	28.9	12.8
Adjusted EBITDA	**$473.3**	**$339.5**	**$153.9**	**($128.7)**	**$838.0**
Cash interest on corporate debt					(110.9)
Capital expenditures					(152.2)
Cash taxes related to calendar year					(131.8)
Free Cash Flow					**$443.1**

KAR AUCTION SERVICES

ADESA Metrics - Annual

	2017	2016	2015	2014	2013
Revenue[2]	$1,937.5	$1,765.3	$1,427.8	$1,271.0	$1,165.5
Total Volume	3,180	2,885	2,465	2,198	2,055
Online Only Volume	938	743	592	495	407
Total Online Volume %	45%	42%	40%	38%	35%
Physical Conversion % (N.A.)	60.4%	58.0%	58.3%	58.2%	56.9%
Dealer Consignment Mix % (Physical)	45%	48%	50%	51%	51%
Physical RPU[1]	$775	$753	$701	$685	$649
Online RPU[1]	$113	$110	$102	$104	$119
Gross Margin[2]	42.0%	41.3%	41.4%	41.3%	41.9%
Adjusted EBITDA	$473.3	$419.5	$328.6	$285.0	$256.0
Adjusted EBITDA Margin %[2]	24.4%	23.8%	23.0%	22.4%	22.0%

(1) Excluding acquired vehicles
(2) Includes purchased vehicles

KAR AUCTION SERVICES

ADESA Metrics – Quarter

	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Revenue[2]	$473.2	$477.1	$489.2	$498.0	$442.3	$457.4	$450.8	$414.8
Total Volume	744	788	830	818	700	732	750	703
Online Only Volume	237	241	245	215	177	180	198	188
Total Online Volume %	48%	45%	45%	42%	41%	40%	41%	43%
Physical Conversion % (N.A.)	57.3%	61.3%	61.1%	61.8%	54.9%	57.2%	59.1%	61.0%
Dealer Consignment Mix % (Physical)	44%	47%	46%	44%	45%	50%	49%	47%
Physical RPU[1]	$822	$781	$748	$755	$773	$758	$742	$737
Online RPU[1]	$122	$112	$105	$111	$115	$108	$109	$110
Gross Margin[2]	40.5%	42.9%	43.0%	41.6%	39.1%	41.1%	42.5%	42.5%

(1) Excluding acquired vehicles
(2) Includes purchased vehicles

KAR AUCTION SERVICES

Used Vehicle Value Indices – Quarterly 2017

YoY Index Change	Age	1Q17	2Q17	3Q17	4Q17	YTD17
Industry	All	+4.1%	+3.7%	+1.9%	+2.3%	+3.0%
JCP/NADA	0-8 yrs	-4.7%	-4.5%	-2.6%	-0.1%	-3.0%
Black Book	2-6 yrs	-5.9%	-5.1%	-3.5%	-0.8%	-3.9%
RVI	2-5 yrs	-6.1%	-5.6%	-2.7%	+0.1%	-3.3%

- Increased industry (commercial) volumes drove average industry transaction wholesale prices higher (ADESA)
- Revenue per unit sold increased as a result of increased commercial mix (ADESA)
- Declining used car values increase likelihood of total losses (IAA)

KAR AUCTION SERVICES

IAA Metrics - Annual

	2017	2016	2015	2014	2013
Revenue	$1,219.2	$1,098.0	$994.4	$895.9	$830.0
Total Volume	2,369	2,184	1,970	1,732	1,616
Inventory Growth (North America)	3%	25%	14%	20%	-3%
Purchased Vehicle Mix %	5%	7%	7%	6%	7%
Gross Profit	$441.1	$390.0	$360.8	$340.2	$284.1
Gross Margin (IAA)	36.2%	35.5%	36.3%	38.0%	34.2%
Gross Margin (N.A.)	36.9%	36.7%	37.0%	38.0%	34.2%
Adjusted EBITDA	$339.5	$288.9	$265.1	$247.4	$219.2
Adjusted EBITDA Margin %	27.8%	26.3%	26.7%	27.6%	26.4%

KAR AUCTION SERVICES

IAA Metrics - Quarter

	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Revenue	$335.4	$287.7	$298.7	$297.4	$302.6	$261.0	$264.8	$269.6
Total Volume	635	562	580	592	610	516	523	534
Inventory Growth (North America)	3%	12%	9%	17%	25%	22%	11%	4%
Purchased Vehicle Mix %	4%	5%	5%	5%	6%	7%	6%	7%
Gross Profit	$112.7	$102.9	$117.2	$108.3	$103.9	$92.5	$97.5	$96.1
Gross Margin (IAA)	33.6%	35.8%	39.2%	36.4%	34.3%	35.4%	36.8%	35.6%
Gross Margin (North America)	33.9%	36.3%	40.2%	37.4%	35.1%	36.6%	38.4%	37.1%

KAR AUCTION SERVICES

AFC Metrics - Annual

	2017	2016	2015	2014	2013
Revenue	$301.3	$286.8	$268.4	$250.1	$224.7
Loan Transaction Units (LTU)	1,688	1,718	1,607	1,445	1,355
Revenue per Loan Transaction, Excluding “Other Service Revenue”	$159	$148	$150	$155	$157
Adjusted EBITDA	$153.9	$149.3	$147.3	$143.5	$133.6
Ending Managed Finance Receivables	$1,912.6	$1,792.2	$1,641.0	$1,371.1	$1,107.6
Ending Obligations Collateralized by Finance Receivables	$1,358.1	$1,280.3	$1,189.0	$859.3	$763.3
% Vehicles Purchased at Auction	85%	83%	84%	84%	83%
Active Dealers	12,400	12,200	11,300	10,100	9,300
Vehicles per active dealer	15	15	16	16	14
Average Credit Line	$250,000	$260,000	$230,000	$219,000	$185,000
Avg Value Outstanding per Vehicle	$9,900	$9,500	$9,100	$8,630	$8,360
Average Managed Receivables	$1,802.2	$1,732.5	$1,474.9	$1,208.4	$1,051.4
Provision for Credit Losses	$33.9	$30.7	$16.0	$12.3	$9.6
% of Managed Receivables	1.88%	1.77%	1.08%	1.02%	0.91%

KAR AUCTION SERVICES

AFC Metrics - Quarter

	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Revenue	$81.8	$78.2	$70.1	$71.2	$68.8	$71.2	$72.9	$73.9
Loan Transaction Units (LTU)	414	402	416	456	417	426	422	454
Revenue per Loan Transaction, Excluding “Other Service Revenue”	$178	$174	$148	$138	$145	$148	$154	$146
Ending Managed Finance Receivables	$1,912.6	$1,809.2	$1,736.5	$1,760.7	$1,792.2	$1,785.4	$1,738.6	$1,705.5
Ending Obligations Collateralized by Finance Receivables	$1,358.1	$1,259.3	$1,224.9	$1,241.8	$1,280.3	$1,275.1	$1,231.2	$1,202.9
Average Managed Receivables	$1,860.9	$1,772.9	$1,748.6	$1,776.5	$1,788.8	$1,762.0	$1,722.1	$1,673.3
Provision for Credit Losses	$6.4	$5.0	$11.4	$11.1	$11.7	$8.0	$5.5	$5.5
% of Managed Receivables	1.4%	1.1%	2.6%	2.5%	2.6%	1.8%	1.3%	1.3%