

# ReconRemarket

B2B Digital Platform

Jose Aguiar | (469) 996-9080 | [jose.aguiar@reconremarket.com](mailto:jose.aguiar@reconremarket.com)

# The Company

**ReconRemarket** — we provide digitally-enabled automotive **Reconditioning** and **Remarketing** service solutions that empower our customers to sell/buy autos with ease and confidence.

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# Founded to Provide

## **Digitally-enabled Service Solutions for The Wholesale Automotive Industry**

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### **We Seamlessly Combined Brick-and-Mortar Capabilities with Digital Age Technology . . .**

#### **Our Brick-and-Mortar Capabilities**

- We completely reimagined and reengineered — all traditional physical auto auction reconditioning processes, workflows and service offerings.
- We created an Industry first digitally-enabled, fully optimized and scalable recon production system that's faster, consistent in quality and always reliable.

#### **Our Digital Platform Capabilities**

- 100% online frictionless end-to-end customer service.
- We provide digital selling and buying services that are easy, convenient and fully transparent.
- We offer seamless access to a full range of advanced auto reconditioning and remarketing service solutions.

# An Opportunity Exists for an Innovative Reconditioning Centric Market Entrant

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## Why Now?

### The Wholesale Automotive Industry is in The Midst of a Digital Disruption . . .

- **Sales Channel Shift** — Sellers and buyers are shifting their sales channel preference from physical brick-and-mortar to digital auto auction marketplaces.
- **The Tipping Point** — In 2019, 50% of the 11.6M autos sold within the Industry were actually transacted online which since 2016 represents a 54% growth rate for online digital marketplaces.
- **Covid-19** — The 2020 Coronavirus has now further accelerated sellers and buyers digital adoption rate.
- **Performance Gap** — Industry competitors have failed to fully address and fulfill their customer's growing and changing digitally-driven service needs.

# The Problem

## Digitally-inclined Wholesale Automotive Customers Are Underserved

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### **Limited Online Marketplace Services**

Basic "Buy & Sell" service experience without being able to digitally source actionable auto reconditioning services.



### **Outdated Reconditioning Service Model**

Slow and inconsistent reconditioning services that impact seller/buyer digital selling speed and auto resell values.



### **"Black Hole" Service Experience**

Sellers are unable to digitally view and track their auto's reconditioning and remarketing processing journey.



### **Inadequate Digital Transaction Confidence**

Limited-scope and inaccurate auto inspection reports along with poor quality photos all leading to unwanted surprises.



### **Subpar Buyer Assurances**

Less than desirable limited-time and/or costly extended-time online post-sale buyer assurance programs.

# ReconRemarket's Value Proposition

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## The Solution



### **Speed-to-Market**

A fast and error-free reconditioning process with service results that will maximize automobile remarketing value in the wholesale and retail markets.



### **Reliable Quality Service**

A full range of consistent, timely and exceptional automobile reconditioning and remarketing service solutions.



### **The Best Experience**

A fully transparent, easy, convenient and personalized service experience that empowers digital selling and buying confidence.

# Value Proposition . . . the service solutions

## Digital Platform



**100% Online Marketplace**  
Daily Auto Auction Sales



**Point of Purchase Recon**  
Online Prepriced Services



**Virtualized Production View**  
Real-time Tracking & Alerts



**Online Auto Inventory Mgmt.**  
Easy Decision Making Process

## Recon



**3 Stage Process Photos**  
Arrival - Inspect - 360° Final



**Automobile Inspection**  
Detailed "200 Point" Report



**Auto Reconditioning**  
Wholesale & Retail Ready



**Resell Value Optimization**  
Smart Recon \$Investments

## Remarket



**Full Service Experience**  
Title, Funds & Transport



**Secured Storage Facility**  
GPS Geolocation Mapping



**Regulatory Compliance**  
Personal Identifiable Data



**ReconRemarket Certified**  
20/30 Day No Fee Buy Assurance

*"The service solutions . . . customers want."*

# Total Addressable Market

## KAR Global's Aug 2020 Report:

- North America's total addressable Wholesale Automotive Market: 16M Units

*Data Source: NYSE KAR Investor Relations*



### **Total Units: 16M Autos**

**Physical Mkt Segment: 10M Units**  
~5M Commercial Units; ~5M Dealer Units

**DLR-to-DLR Mkt Segment: 5M Units**

**Private Label Segment: 1M Units**

## Market Entry Point:

- Physical Market Segment
- Pursue Commercial Sellers:  
~5M Units / ~\$4.5B
- Pursue digital buyers of  
commercial sourced units



### **Wholesale Market Sales**

**Physical Mkt Segment: ~\$8B**

Commercial Units: ~\$4.5B

Dealer Units: ~\$3.5B

*ReconRemarket Estimated Sales Data*



# Market Entry Strategy

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## **Leverage Our Digital Platform**

Our marketplace will allow us to acquire existing 100% online customers that are seeking a more accurate and fully transparent digital selling and buying service experience.



## **Leverage Our Reconditioning Service Solutions**

Our full range of reconditioning services will allow us to acquire existing sellers and buyers that are seeking more timely and advanced auto reconditioning services like — retail ready service.



## **Leverage Our Brick-and-Mortar Capabilities**

Our ability to store and recondition autos will allow us to develop strategic reconditioning service programs with digitally-inclined Commercial sellers and Dealer buyers.

# ReconRemarket vs The Competition

Customer Services	Physical Auction	ReconRemarket	100% Online
Physical Marketplace Sales Channel	✓		
Online Marketplace Sales Channel	✓	✓	✓
Standard Automobile Condition Report & Photo Imaging	✓	✓	✓
Storage, Title, Funds & Transportation Services	✓	✓	✓
Reconditioning: Wholesale Ready Service < 20 Days	✓	✓	
Reconditioning: Retail Ready Service < 7 Days		✓	
3 Stage Imaging: Arrival - Inspection - 360 Photo Booth		✓	
"Point of Purchase Recon" Actionable Prepriced Service Offers		✓	
Customer Production Portal: Virtual Real-time Tracking & Alerts		✓	
Comprehensive "200 Point" Automobile Inspection Report		✓	
Automobile Resell Value Optimization: Smart Recon \$Investments		✓	
ReconRemarket Certified: 20 & 30 Day No Fee Buyer Assurance		✓	

*"Our auto reconditioning service prowess will clearly differentiate us from the competition – while simultaneously forcing them to compete on that basis."*

# Operational Strategy

## Operational Know-how Coupled With The Right . . . People, Process & Technology

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### Recon Operations Playbook

- Lean Manufacturing Principles
- Production Methods
- Proprietary Technology
- Production Mgmt. Best Practices



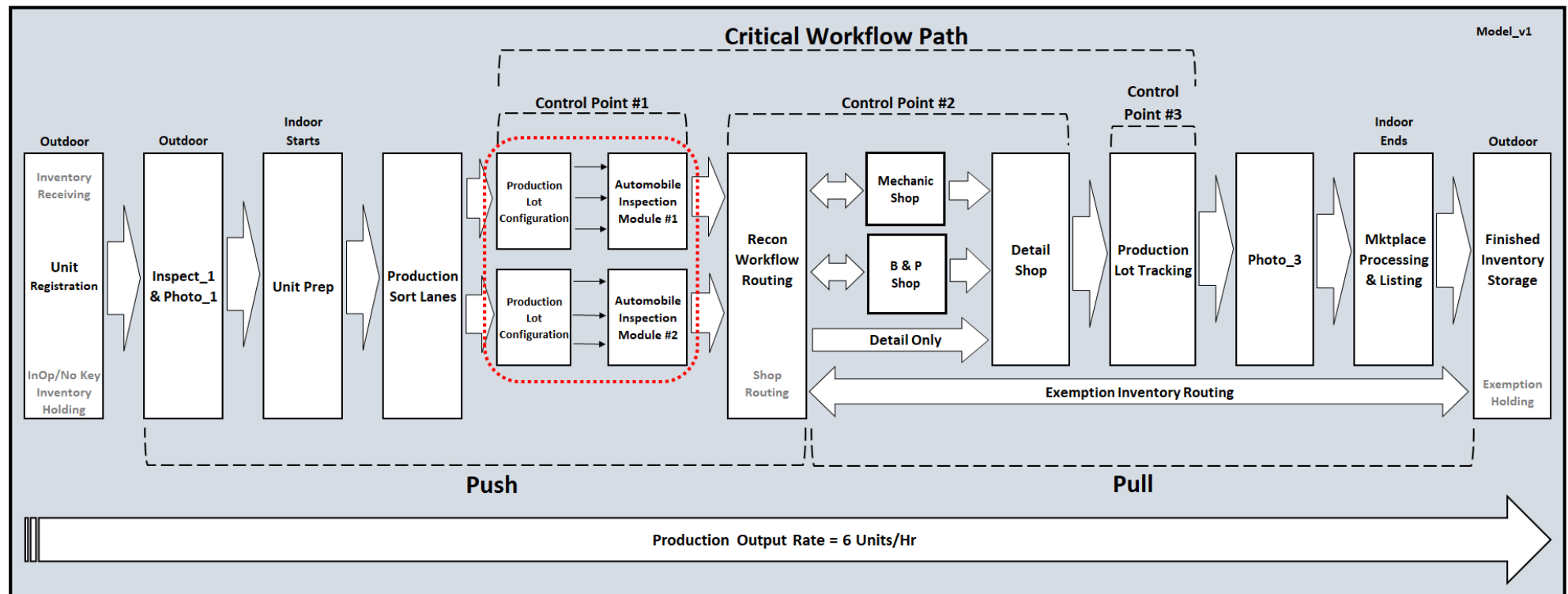
### Key Operational Goals

- Leverage technology that empowers the workforce to lead, own and manage their daily workplace activities.
- Combine all traditional reconditioning operational functions to form a cohesive, efficient and faster production model.
- Achieve our unit cost tracking, P&L performance and Return On Investment goals.

# Recon Production System

"Auto Reconditioning → reimagined and reengineered."

## ReconRemarket Production Facility (Phase I: Model\_v1 Flowchart)



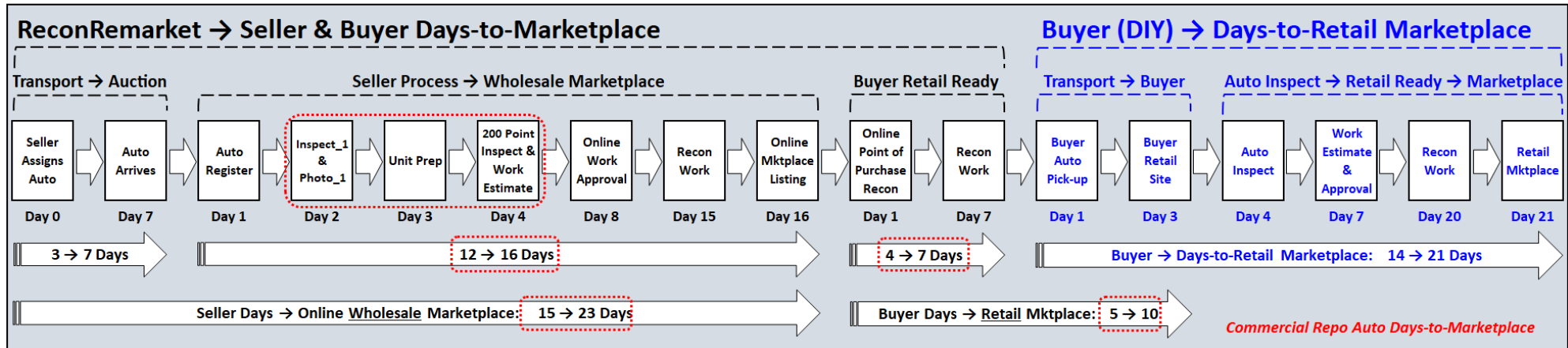
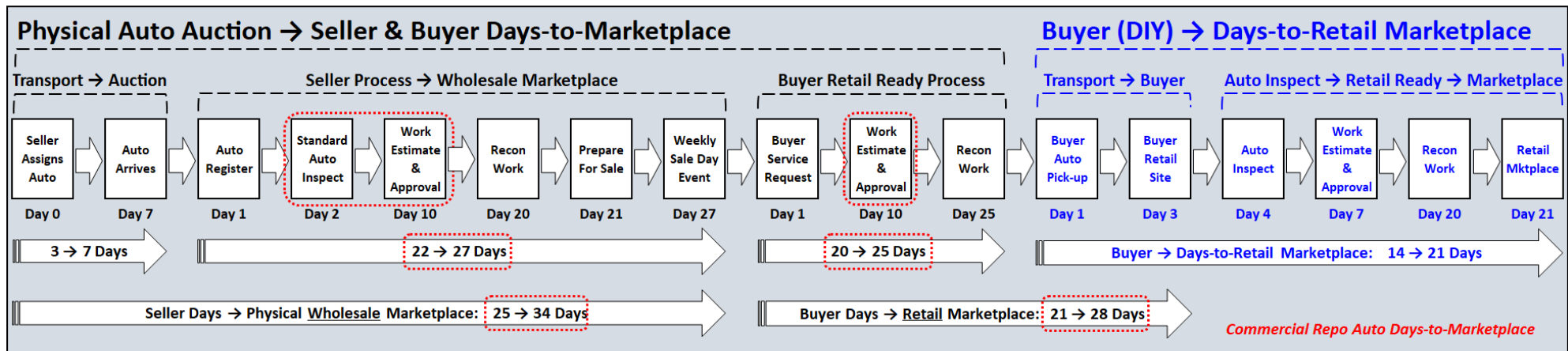
**Note:** (i) The facility's floorplan design and production output rate are predicated on Control Point #1's total processing output – each Auto Inspect Module has a processing capacity of 3 Units/Hour. (ii) The facility's end-to-end workflow stream is optimally sized and configured to meet the total processing output of Control Point #1. (iii) The physical floorplan design is also optimally designed to meet any physical land and/or brick-and-mortar limitations. (iv) The production facility can be efficiently scaled-up to meet expected production output demands @ multiples of 3 Units/Hour – Model\_v1 is the minimum efficient scale design.

"A proactive technology enabled production system – and not a reactive manually driven process."

# Days-to-Marketplace

"Wholesale & Retail Market Sellers want → Speed-to-Market"

## ReconRemarket vs Physical Auto Auction → Days-to-Marketplace



**Note:** Days-to-Marketplace as shown only apply to Financial Institution repossessed type autos which are typically the most challenging units to be reconditioned and processed. Days-to-Marketplace for (i) Financial Institution off-lease; (ii) Fleet lease; and (iii) OEM Factory units will vary; however those units are normally considered easier to process and they will therefore have a faster path to market.

# Growth Strategy

## Hub-and-Spoke Model . . . An Efficient Path Towards a National Growth Plan

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### **Hub — ReconRemarket Facilities**

Appropriately scaled recon facilities will act as centralized processing Hubs in all major U.S. Metropolitan Markets.

### **Spoke — Sales Regions**

Contiguous U.S. Counties that are within a ~4 hour driving distance from each recon facility (Hub) will act as customer sales regions (Spokes). Regions will be defined according to their geographic distance from each recon Hub.

### **Auto Transportation & Logistics**

Upon achieving a critical mass of recon Hubs within contiguous U.S. Counties — an in-house transportation and logistics solution will be added to effectively and efficiently better serve ReconRemarket's customer base.

# Want More Information?

## **Contact:**

Jose Aguiar | Founder

(469) 996-9080

jose.aguiar@reconremarket.com

www.reconremarket.com

## **Additional Information Available Upon Request:**

ReconRemarket's Business Plan

- Business Overview
- Marketing
- Operations
- Financial Information
- Excel Financial Model