

A scenic view of a winding road on a bridge over a forested valley. The road is paved and has a metal guardrail. A small car is driving on the road. The background shows a dense forest of green trees and distant mountains under a blue sky with white clouds.

**HAGERTY**<sup>®</sup>

# Hagerty Investor Deck

September 2024

## FORWARD LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES

This presentation contains statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts. These forward-looking statements reflect our current expectations and projections with respect to our expected future business and financial performance, including, among other things: (i) expected operating results, such as revenue growth and financial position; (ii) changes in the market for our products and services; (iii) our plans to expand market share, including planned investments and partnerships; (iv) anticipated business objectives; and (v) the strength of our business model. These statements may be preceded by, followed by, or include the words “anticipate,” “believe,” “envision,” “estimate,” “expect,” “forecast,” “future,” “goal,” “intend,” “likely,” “outlook,” “plan,” “potential,” “project,” “seek,” “target,” “can,” “could,” “may,” “should,” “would,” “will,” the negatives thereof and other words and terms of similar meaning. A number of factors could cause actual results or outcomes to differ materially from those indicated by these forward-looking statements. These factors include, among other things, our ability to: (i) compete effectively within our industry and attract and retain insurance policyholders and paid HDC members; (ii) maintain key strategic relationships with our insurance distribution and underwriting carrier partners; (iii) prevent, monitor and detect fraudulent activity; (iv) manage risks associated with disruptions, interruptions, outages or other issues with our technology platforms or our use of third-party services; (v) accelerate the adoption of our membership products as well as any new insurance programs and products we offer;

(vi) manage the cyclical nature of the insurance business, including through any periods of recession, economic downturn or inflation; (vii) address unexpected increases in the frequency or severity of claims; (viii) comply with the numerous laws and regulations applicable to our business, including state, federal, and foreign laws relating to insurance and rate increases, privacy, the internet and accounting matters; (ix) manage risks associated with being a controlled company; and (x) successfully defend any litigation, government inquiries and investigations. The forward-looking statements herein represent our judgment as of the date of this release and we disclaim any intent or obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise. This presentation should be read in conjunction with the information included in our filings with the SEC and press releases. Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods. In addition, this presentation contains certain “non-GAAP financial measures”. The non-GAAP measures are presented for supplemental informational purposes only. These financial measures are not recognized measures under GAAP and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Reconciliations to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided in the appendix to this presentation.

# Keepers of the Flame Video



**HAGERTY.**

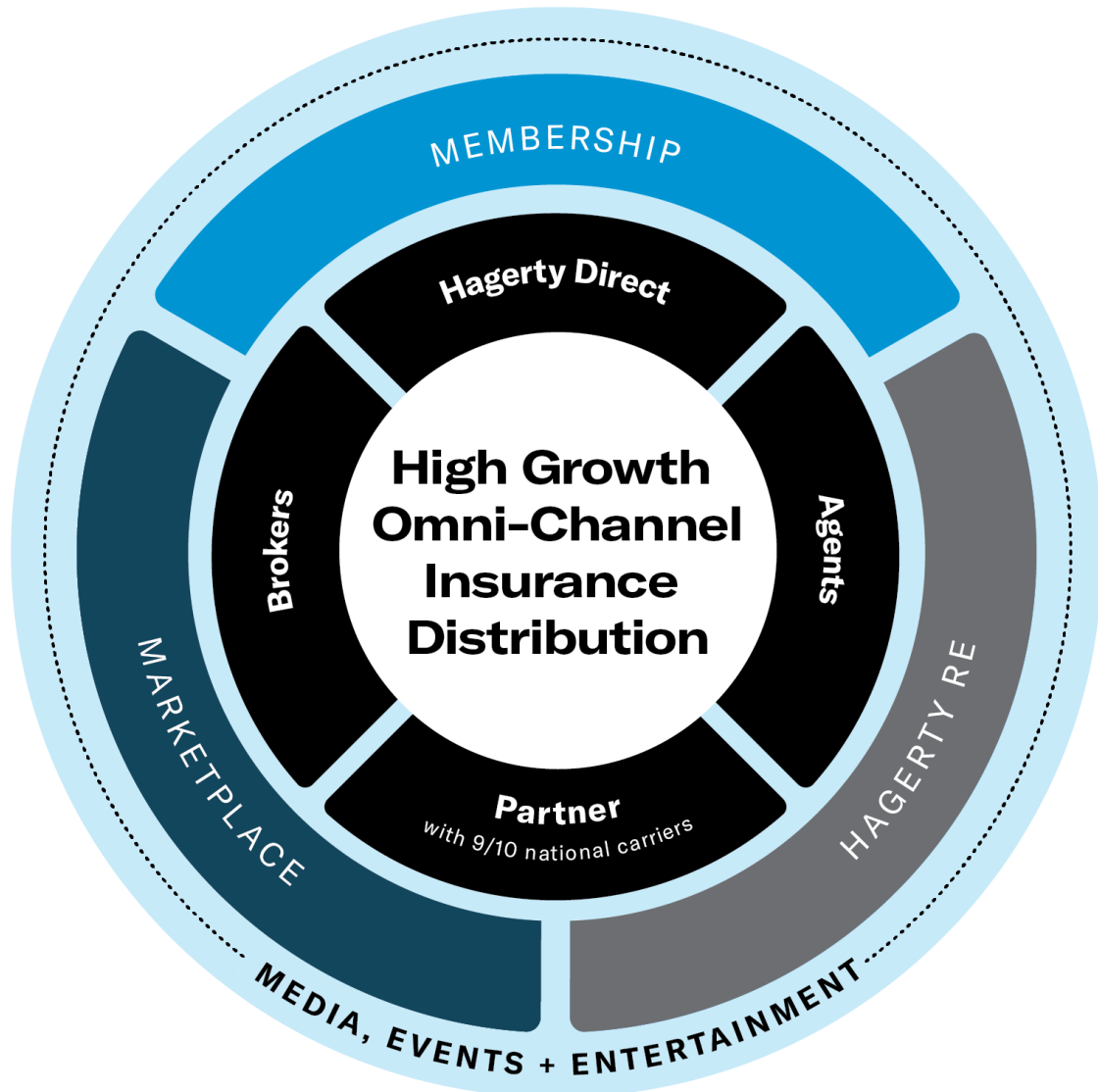


# Saving Driving and Fueling Car Culture for Future Generations

To meet that challenge, we are building an ecosystem of high value-added products, services and entertainment for car lovers that honors and catalyzes the passion for cars and driving.

McKEEL HAGERTY

# Hagerty: The Leading Brand for Auto Enthusiasts to Protect, Buy, Sell and Enjoy Their Special Cars



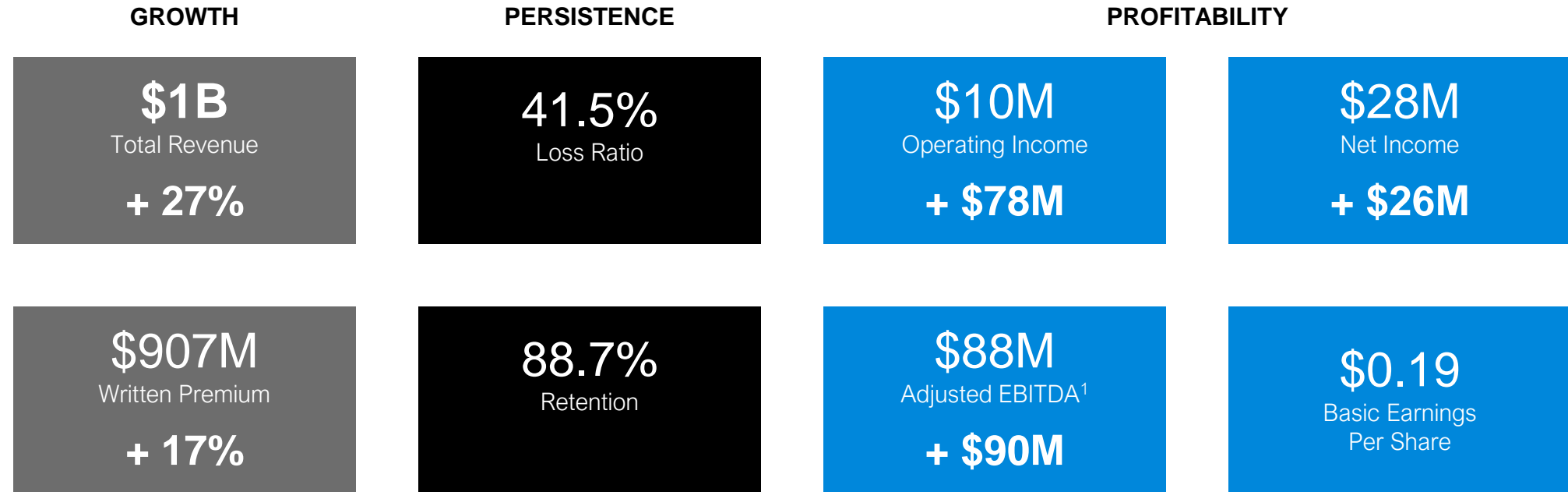
Protect – custom, specialized insurance for enthusiast vehicles

Buy & Sell – trusted marketplace for buying and selling classic and collector cars

Enjoy – affinity program with the world's largest automotive membership community and award-winning content & entertainment

# Began to Deliver Sustained Profit Growth in 2023

Top line growth plus margin expansion



**And a 960bps improvement in operating margin**

<sup>1</sup> See Appendix for additional information regarding this non-GAAP financial measure

# The Hagerty Affinity Ecosystem

More than just a great specialty insurance business

01

**Large and underpenetrated market opportunity**

Tapping underserved passion-led automotive enthusiast market

02

**High growth auto enthusiast insurance**

Established platform to drive scale and leverage data advantage

03

**Membership, Marketplace and Media ecosystem for car lovers**

Exceptional brand loyalty with multiple points of monetization

04

**Proven and resilient financial profile**

Track record of revenue and profit growth

05

**Investing in sustained revenue growth and margin expansion**

Reinvesting to scale the Hagerty ecosystem



Never

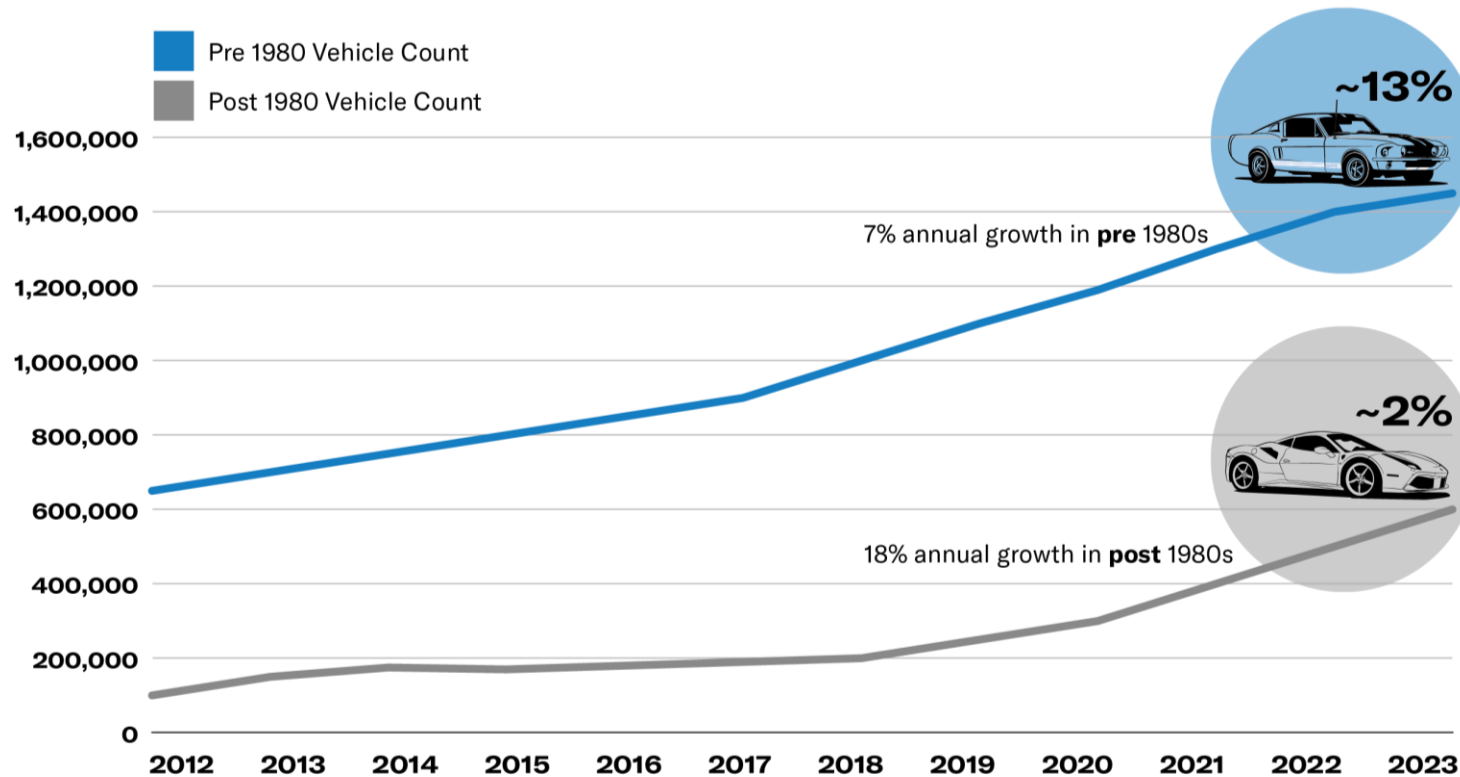
Stop

Driving

# An Expanding Opportunity as New Cohorts Become Collectible

Post 1980 vehicles growing rapidly and <2% penetration today

### Hagerty Penetration & US Auto Insured Vehicle Count



### Collectible Vehicles by Cohort

Type	Total Market (cars, mm)	Hagerty Penetration
Pre 1980 Vehicles	11.2	13.3%
Post 1980 Vehicles	35.2	1.7%
<b>Total</b>	<b>~46.3</b>	<b>4.5%</b>

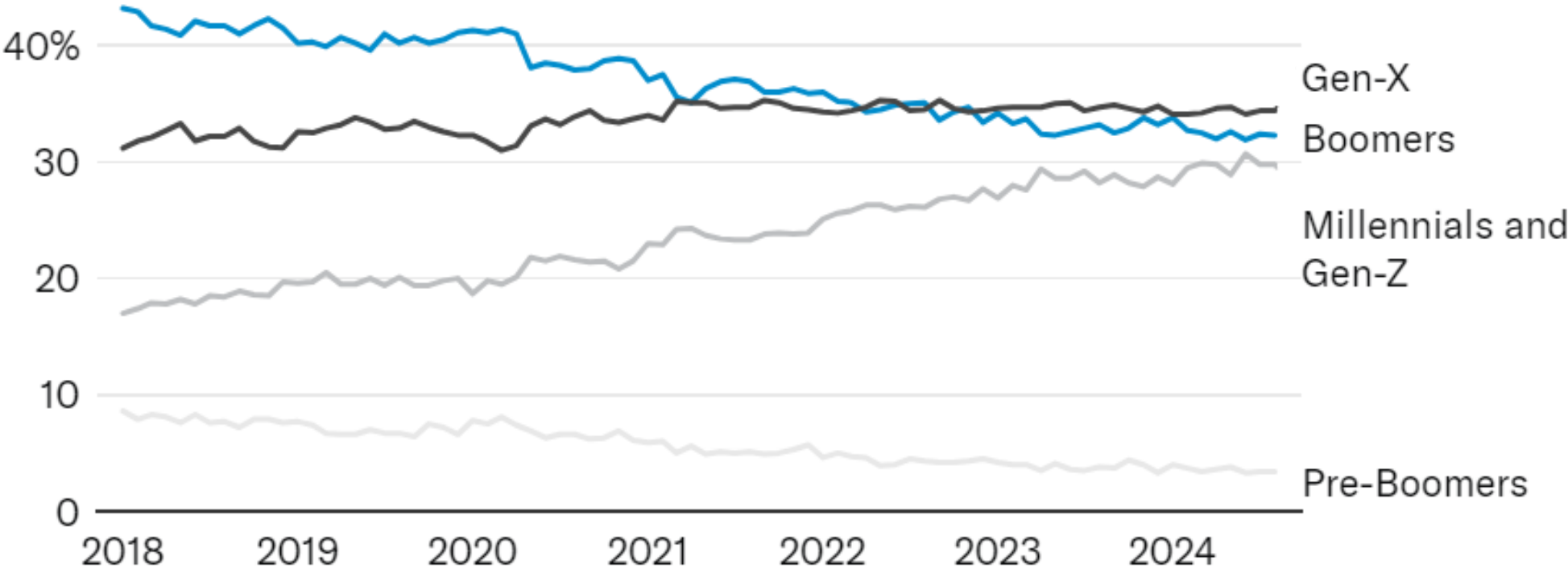


# 67M Auto Enthusiasts in the U.S. With New Generations of Car Lovers

## Hagerty Insurance Policy Quotes by Generation



Millennials and Gen-Z are the fastest growing groups, but Gen-X is near peak earning years. 64% of quotes were from Gen-X and younger over the past 12 months.



Through August 2024

# Unparalleled Specialty Insurance for Auto Enthusiasts

Data driven value proposition and unparalleled customer service for auto enthusiasts

## Guaranteed value

Compared to stated value with appreciation in car values equaling coverage

## Greater savings\*

On average 34% lower than a stated value policy

## Greater specificity, protection and customer service

Reflecting Hagerty's data advantage

## Added value services for car lovers

Roadside service, expert repair network, parts finder specialists and more



\* Based upon 2021 consumer data collected by Hagerty on single car quotes, with premiums \$5,000 and under, from daily driver auto insurance carriers.

# Excellence in Insurance is Just the Beginning

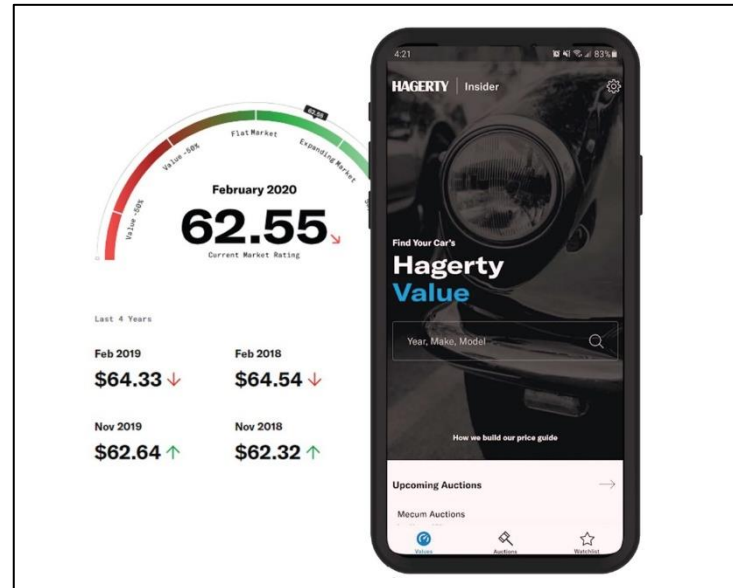
Hagerty's trusted brand status positions us to monetize our members' passion for cars

**Insurance is a mandated purchase for nearly every vehicle**



Most companies just focus on making the process easier and the premiums cheaper.

**We have designed a better product set using proprietary data**



Large, proprietary data sets provide segmentation and pricing advantage.

**Our products are genuinely appreciated by our members**



Customer retention of ~90% over the last decade.

# Hagerty Drivers Club Cultivates Loyalty and Engagement

Ecosystem of 1.5 million policy holders

Multiple Points of Engagement | Compelling Value Proposition | Strong Brand Loyalty



**Members enjoy ↓**

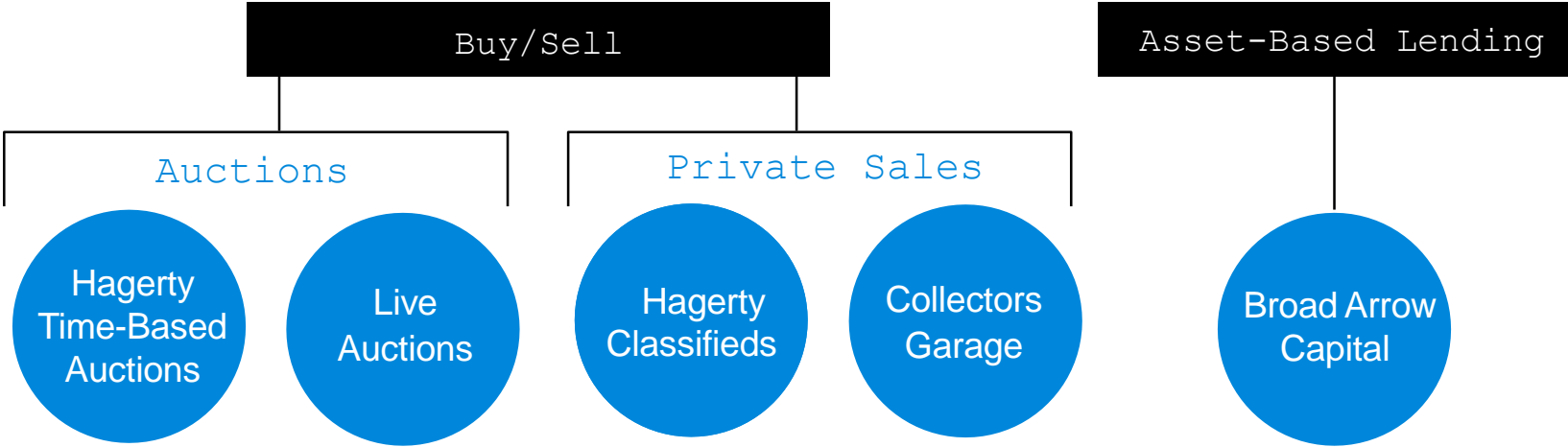
- Exclusive automotive offers
- Ask Hagerty
- Hagerty Valuation Tools®
- Hagerty Drivers Club magazine
- Events and experiences
- Hagerty Marketplace
- Emergency services
- Hagerty Insider
- And more!



**Buy. Sell. Dream. Drive.**

# Marketplace can Leverage Hagerty's Size, Scale and Trusted Brand Status

Over 300,000 vehicles (\$14B) bought and sold across Hagerty's insurance book in 2023



Leverage Hagerty Valuation Tools, membership, and media content assets to build a comprehensive, trust-based suite of transactional offerings to drive data, revenue and engagement



# Hagerty Media & Entertainment

Multiple, high touch contact points create more engaged customers than TV advertising alone

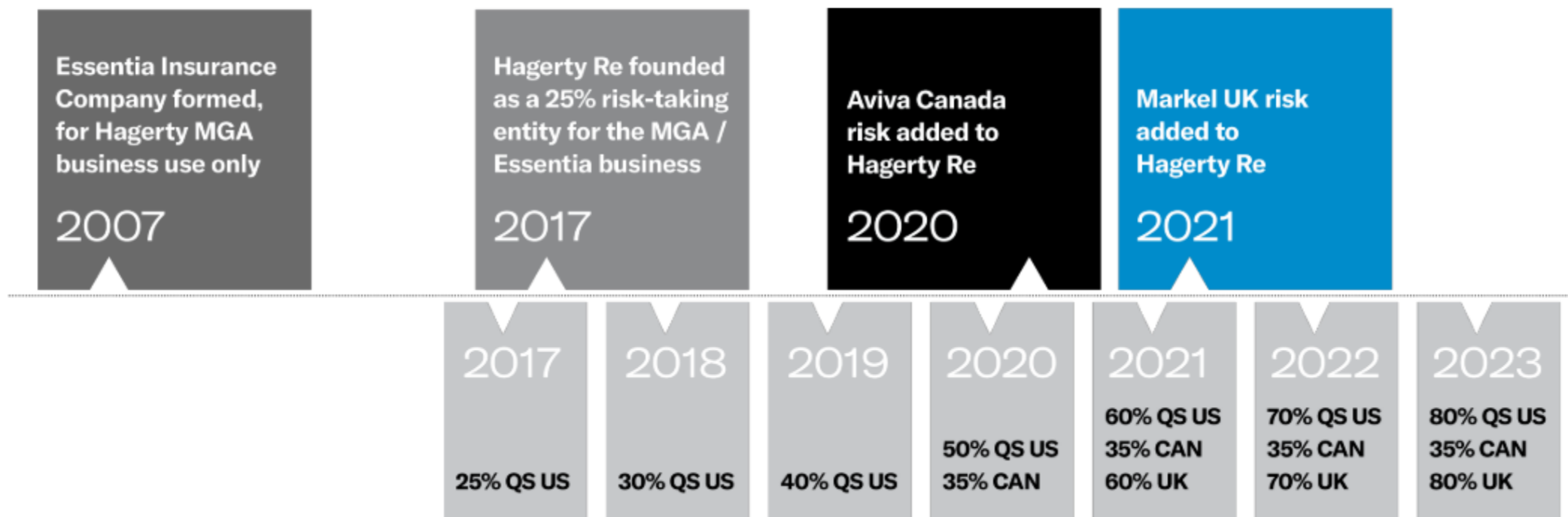
<p>Media</p> <p><b>479M</b></p> <p>lifetime views</p>	<p>Events</p> <p><b>2,500</b></p> <p>attended annually</p>
<p>Print</p> <p><b>Largest</b></p> <p>automotive magazine by audited circulation</p>	<p>Social Media</p> <p><b>4.7M</b></p> <p>followers on Hagerty channels</p>

Owner and operator of  
**The Amelia and Greenwich Concours d'Elegance**

<sup>1</sup> As of November 2022

# Evolution to Capture Commissions Plus Underwriting Profits

Working closely with our partner Market for over a decade

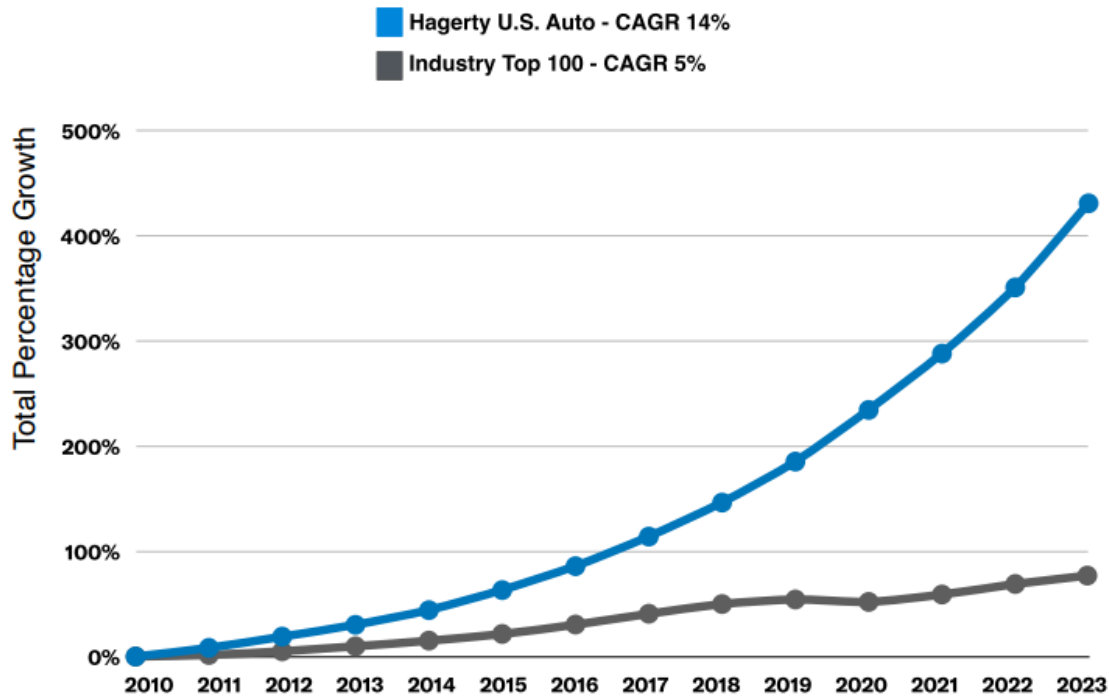


Steady progression in quota share (QS) from Market's Essentia platform since 2017 to current 80% level  
Market acquired 25% of Hagerty in 2019

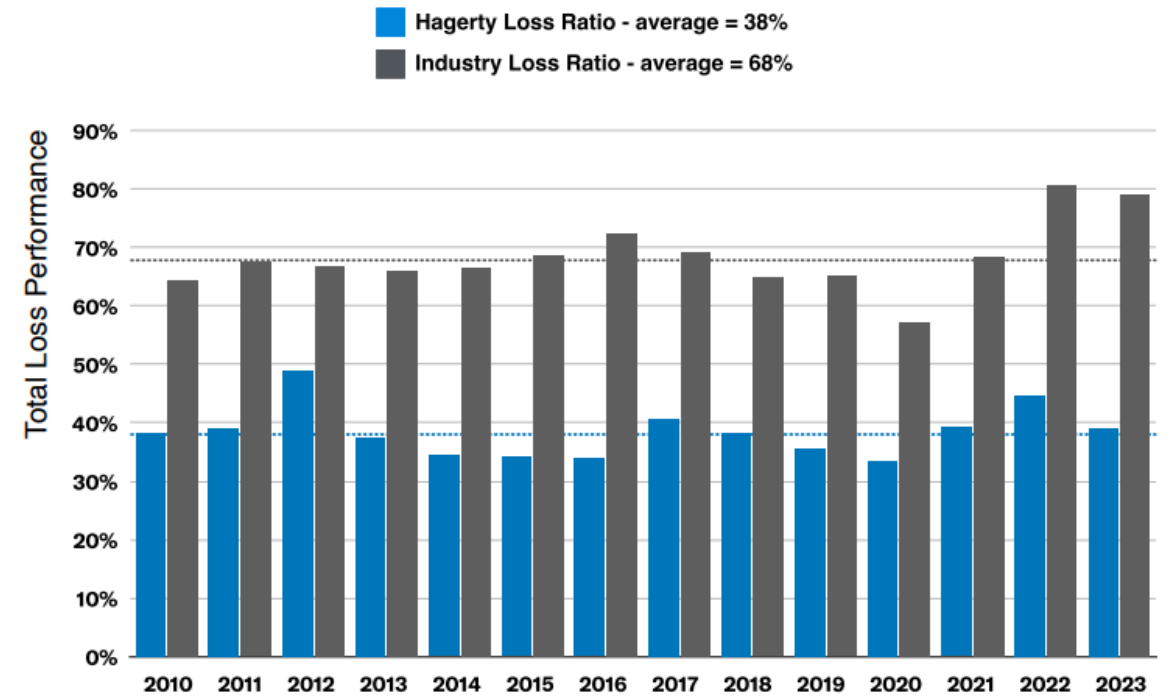
# Decades of Underwriting Drive Predictably Low Loss Ratios

Hagerty MGA delivers consistent, high quality, commission growth powered by written premium

### HAGERTY U.S. AUTO PREMIUM GROWTH VS. INDUSTRY TOP 100



### HAGERTY U.S. AUTO LOSS PERFORMANCE VS. INDUSTRY TOP 100



## Multi-dimensional first-party data advantage

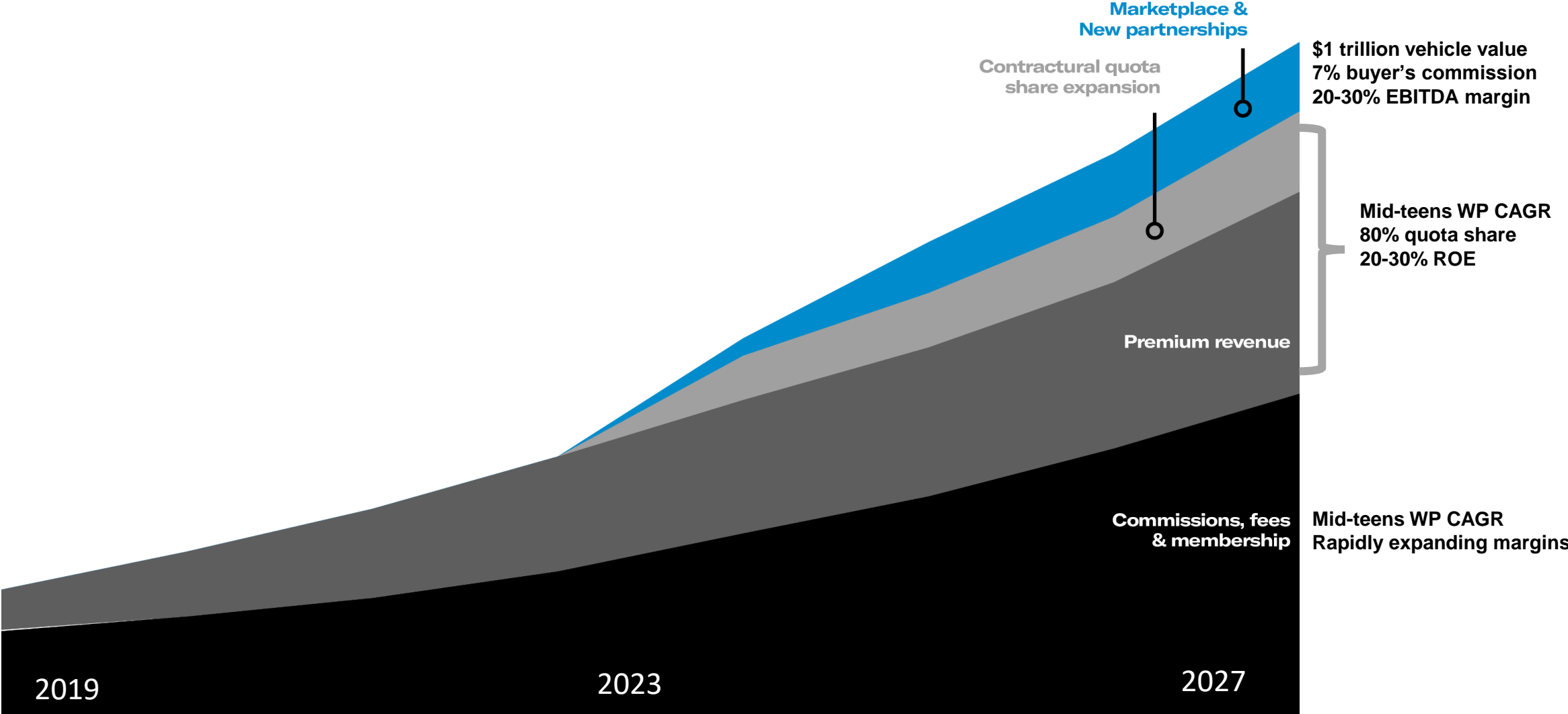
- Superior value proposition and innovative partnerships
- Decades of claims data with 40,000 distinct makes/models in Hagerty Valuation Tools
- Engaging, seamless member experience and cross-selling
- Effective pricing of risk to maintain low loss ratios



# Durable High Growth Insurance Distribution

## Plus Incremental Profit Potential from Marketplace, Membership and Underwriting

Targeting 30% EBITDA Flowthrough from 2022-2024



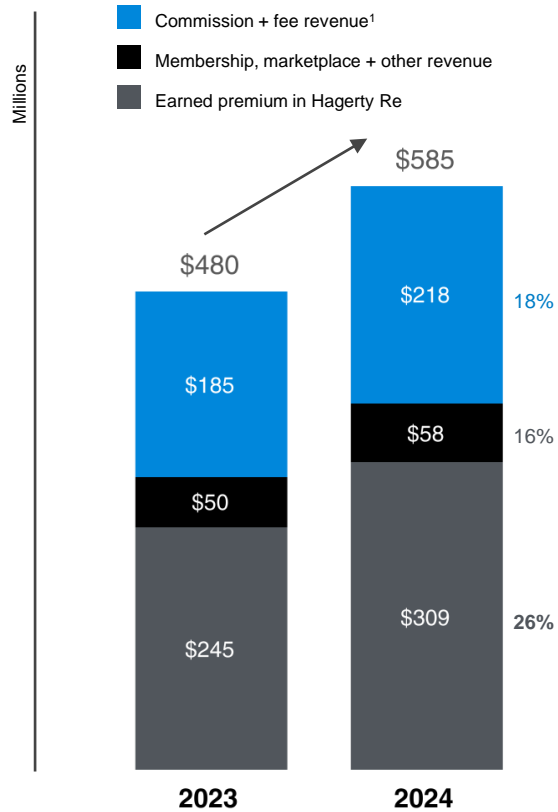
• WP = written premiums, and mid teens MGA+ margin target based on historic margins for the MGA pre-ramped investment  
• Hagerty Re's 11% margins calculated as earned premiums minus ceding commission (48%) and loss ratio (41%)

# APPENDIX

# YTD Q2 2024 Revenue and Earnings Analysis

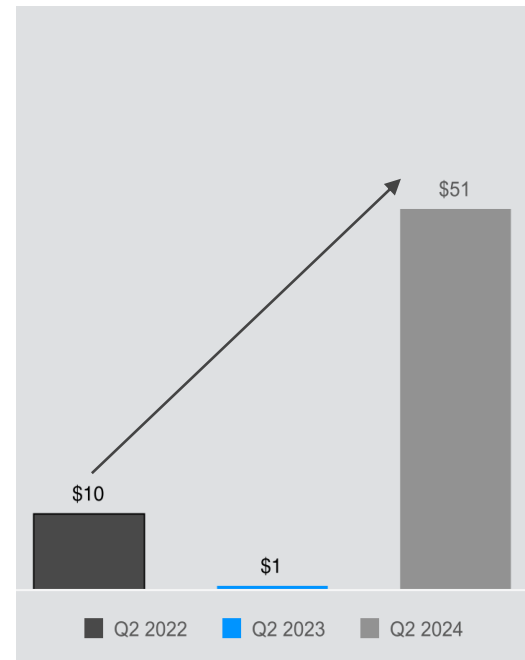
Delivering Sustained Margin Expansion and Profit Growth

## 1H24 Total Revenue +22%

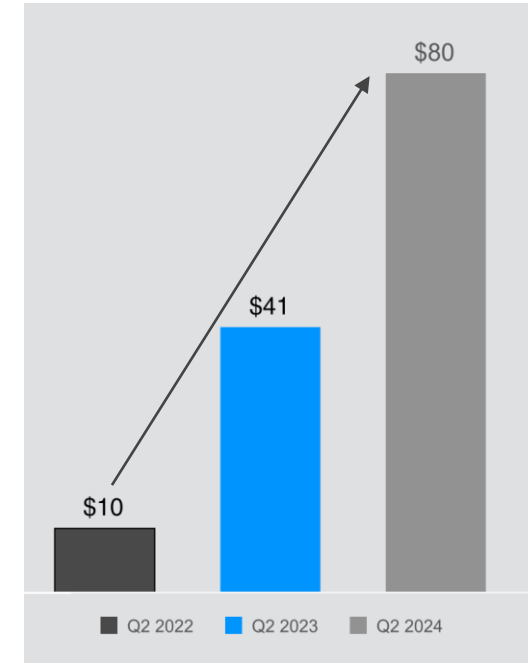


## 1H24 Net Income +393% and Adjusted EBITDA +696% vs 1H22

### Net Income



### Adjusted EBITDA<sup>2</sup>



<sup>1</sup> Includes base commissions, payment plan fees and contingent underwriting commissions

<sup>2</sup> See Appendix for additional information regarding this non-GAAP financial measure

# RECONCILIATION OF NON-GAAP METRICS

## Net Income to Adjusted EBITDA

IN THOUSANDS	Q2 2023	Q3 2023 - Q1 2024	Q2 2024	TTM
<b>Net income</b>	<b>\$15,539</b>	<b>\$35,864</b>	<b>\$42,657</b>	<b>\$78,521</b>
Interest and other (income) expense <sup>1</sup>	(3,770)	(20,648)	(12,342)	(32,990)
Income tax expense	3,730	14,324	5,811	20,135
Depreciation and amortization	10,397	32,229	10,014	42,243
<b>EBITDA</b>	<b>25,896</b>	<b>61,769</b>	<b>46,140</b>	<b>107,909</b>
Restructuring, impairment and related charges, net	2,849	428	—	428
Change in fair value of warrant liabilities	1,754	(7,672)	1,941	(5,731)
Share-based compensation expense	4,018	14,338	4,383	18,721
Gain related to divestiture	—	4,013	(87)	3,926
Other unusual items <sup>2</sup>	(150)	1,541	736	2,277
<b>Adjusted EBITDA</b>	<b>\$34,367</b>	<b>\$74,417</b>	<b>\$53,113</b>	<b>\$127,530</b>

<sup>1</sup> Excludes interest expense related to the BAC Credit Facility, which is recorded within "Sales expense" on the Condensed Consolidated Statements of Operations.

<sup>2</sup> Other unusual items includes \$0.7 million of professional fees associated with the exchange offer related to our warrants for the three and six months ended June 30, 2024 and a net legal settlement recovery for the three and six months ended June 30, 2023.

### Adjusted EBITDA

We define Adjusted EBITDA as consolidated Net income, excluding interest and other income (expense), income tax expense, and depreciation and amortization, further adjusted to exclude (i) changes in the fair value of our warrant liabilities; (ii) share-based compensation expense; and when applicable, (iii) restructuring, impairment and related charges, net; (iv) gains, losses and impairments related to divestitures; and (v) certain other unusual items.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management uses Adjusted EBITDA as a measure of the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations.

By providing this non-GAAP financial measure, together with a reconciliation to Net income, which is the most comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. However, Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for Net income or other financial statement data presented in our Condensed Consolidated Financial Statements as indicators of financial performance. Our definition of Adjusted EBITDA may be different than similarly titled measures used by other companies in our industry, which could reduce the usefulness of this non-GAAP financial measure when comparing our performance to that of other companies.