



FIRST QUARTER 2023 FINANCIAL RESULTS



DISCLAIMER

Statements in this presentation may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial performance and future plans. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others, those related to macro-economic, geo-political and industry conditions and events, including their impact on new and used vehicle sales, the availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, personal discretionary spending levels, interest rates, and unemployment rates; our ability to obtain vehicles and parts from our manufacturers, especially in light of supply chain disruptions due to natural disasters, the shortage of microchips or other components, the COVID-19 pandemic, the war in Ukraine, challenges in sourcing labor, or other disruptions; changes in the retail model either from direct sales by manufacturers, a transition to an agency model of sales, sales by online competitors, or from the expansion of electric vehicles; the continued effect of COVID-19 on the global economy, including our ability to react effectively to changing business conditions in light of the COVID-19 pandemic; the rate of inflation, including its impact on vehicle affordability; changes in interest rates and foreign currency exchange rates; our ability to consummate and integrate acquisitions; with respect to PTS, changes in the financial health of its customers, labor strikes or work stoppages by its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, changes in values of used trucks which affects PTS' profitability on truck sales and regulatory risks and related compliance costs; our ability to realize returns on our significant capital investment in new and upgraded dealership facilities; our ability to navigate a rapidly changing automotive and truck landscape; our ability to respond to new or enhanced regulations in both our domestic and international markets relating to automotive dealerships and vehicles sales, including those related to emissions standards, as well as changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks; the success of our distribution of commercial vehicles, engines, and power systems; natural disasters; recall initiatives or other disruptions that interrupt the supply of vehicles or parts to us; the outcome of legal and administrative matters, and other factors over which management has limited control. These forward-looking statements should be evaluated together with additional information about Penske Automotive Group's business, markets, conditions, risks and other uncertainties, which could affect Penske Automotive Group's future performance. The risks and uncertainties discussed above are not exhaustive and additional risk and uncertainties are addressed in Penske Automotive Group's Form 10-K for the year ended December 31, 2022, and its other filings with the Securities and Exchange Commission ("SEC"). This presentation speaks only as of its date, and Penske Automotive Group disclaims any duty to update the information herein.





Overview

Highlights

Performance Review

Acquisitions

Digital Marketing/Retailing

Sustainability

Non-GAAP

COMPANY OVERVIEW



A Diversified Transportation Services Company

Headquartered in Bloomfield Hills, MI USA

As of March 31, 2023 (unless notated)

27,000+

Employees worldwide

4

continents

9

countries

\$27.8B

In FY22 revenue

335

automotive
franchised
dealerships

20

CarShop
Used vehicle
centers

39

commercial retail
truck locations

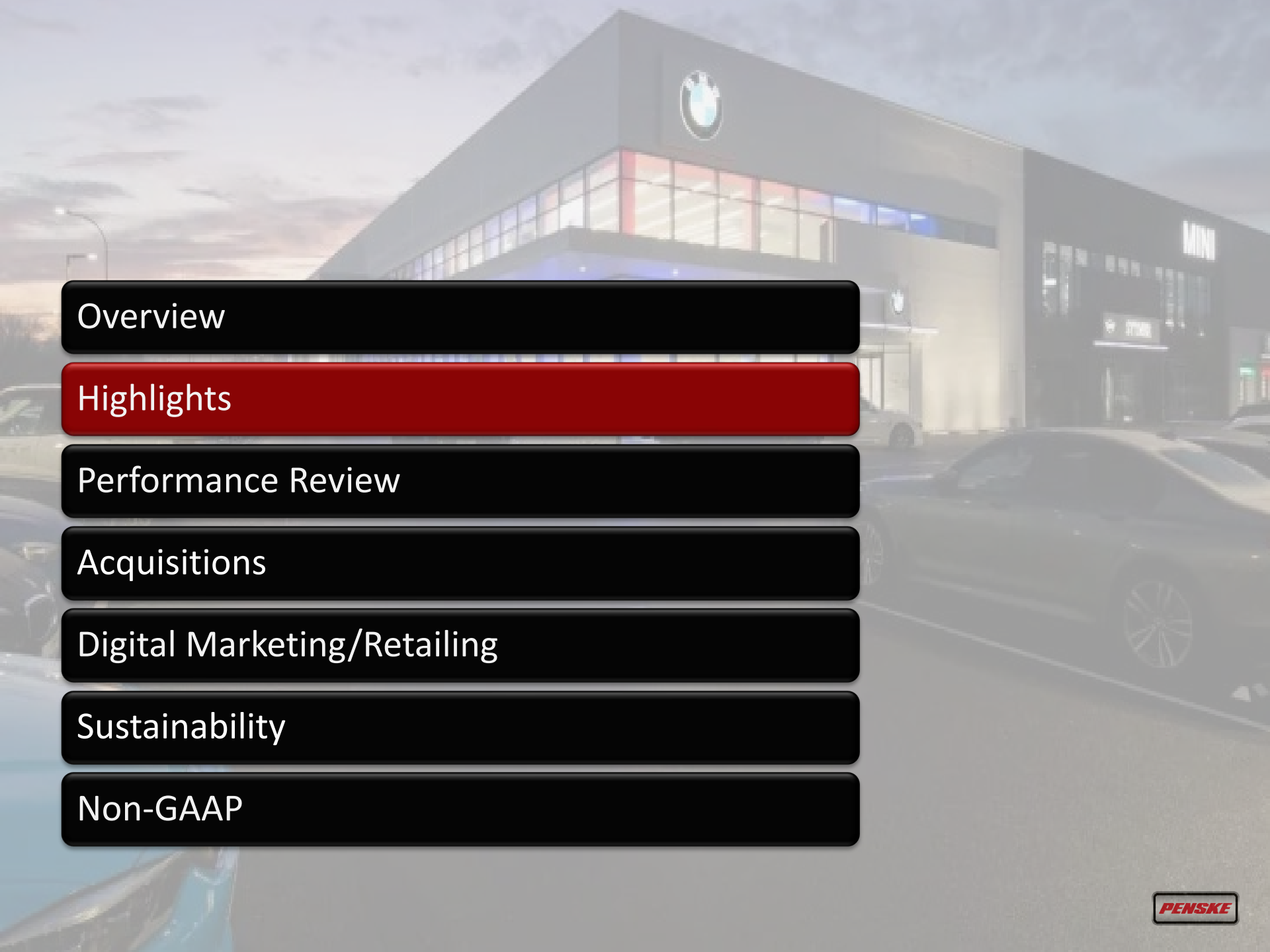
21

commercial vehicle,
power system & parts
distribution locations

INVESTMENT OVERVIEW

- Diversified business mix provides multiple opportunities for growth
- Operate in the highly fragmented automotive and commercial truck retail industries
- Retail automotive segment focused on Premium/Luxury brands which generate more than 70% of automotive revenue
- The largest retail commercial truck dealer for Daimler Trucks N.A.
- 28.9% ownership of Penske Transportation Solutions provides equity income, cash dividends and cash tax savings
- Recurring parts and service operations represent approximately 40% of total Company gross profit
- Strong cash flow generation
- Capital allocation focused on acquisitions, cash dividends, and securities repurchases



A photograph of a modern BMW dealership building at dusk. The building is a multi-story structure with large glass windows and a prominent BMW roundel logo on the upper corner. The interior lights are on, and the sky is a mix of blue and orange. In the foreground, there are several cars parked in a lot.

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Q1 2023 KEY TAKEAWAYS

(\$ in millions, except EPS)	Reported	Excl. F/X
Revenue	\$7,339	\$7,633
EBT	\$407	\$416
Net Income	\$298	\$306
Earnings Per Share	\$4.31	\$4.42

- Record first quarter revenue; increased 5%
- Excluding f/x, first quarter revenue increased 9%
- SG&A as a percent of gross profit was 67.5% and declined sequentially by 140 basis points
- SG&A to Gross is 1,040 bps lower than pre-pandemic level



Q1 2023 KEY HIGHLIGHTS

Retail Automotive

- Same-store total units retailed of 111,745, flat (excluding agency)
- Same-store revenue performance:

\$ in Millions	Reported	Excl. F/X
New Veh	\$2,647	<i>\$2,728</i>
Used Veh	\$2,216	<i>\$2,342</i>
F & I	\$200	<i>\$208</i>
Svc/Parts	\$643	<i>\$663</i>
Fleet/Whsl	<u>\$381</u>	<i><u>\$396</u></i>
Total	\$6,087	<i>\$6,337</i>

- Same-store variable vehicle gross profit (excluding agency) of \$5,483, -10%; excl F/X \$5,689, -6%

CarShop Used Centers

- Retailed 19,165 used vehicles, -2%

Same-Store	Reported	Chg	Excl F/X	Chg
Revenue	\$485 Mil	-1%	<i>\$525 Mil</i>	+7%
Var. Gr/Unit	\$2,064	-6%	<i>\$2,240</i>	+3%

Retail Commercial Trucks

- Retailed 5,172 new & used trucks, +10%; same-store units +7%
- Same-store revenue +10%
- Same-store service & parts revenue +11%
- Fixed cost absorption of 136%
- EBT \$57 million; -2%

Capital Allocation

- Increased dividend in January 2023 to \$0.61 per share from \$0.57, or +7%
- Share repurchases:
 - Q1 '23 0.9 million shares for \$110 million
 - Last 5 quarters repurchased 9.1 million shares for \$997 million

Company Profitability

(\$ in millions, except EPS)

Q1 2023	Reported	Excl. F/X
EBT	\$407	<i>\$416</i>
Net Income	\$298	<i>\$306</i>
EPS	\$4.31	<i>\$4.42</i>

Q1 2023 PERFORMANCE HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	Q1 '23	Q1 '22	Chg
Revenue <i>Excl F/X</i>	\$7,339 <i>\$7,633</i>	\$6,975	+5% <i>+9%</i>
Retail Auto Same-Store Revenue <i>Excl F/X</i>	\$6,087 <i>\$6,346</i>	\$5,972	+2% <i>+6%</i>
Inc. from Cont. Ops Before Taxes <i>Excl F/X</i>	\$407 <i>\$416</i>	\$498	-18% <i>-16%</i>
Income from Cont. Ops <i>Excl F/X</i>	\$298 <i>\$306</i>	\$368	-19% <i>-17%</i>
Earnings Per Share <i>Excl F/X</i>	\$4.31 <i>\$4.42</i>	\$4.76	-9% <i>-7%</i>

RETAIL AUTOMOTIVE BRAND MIX

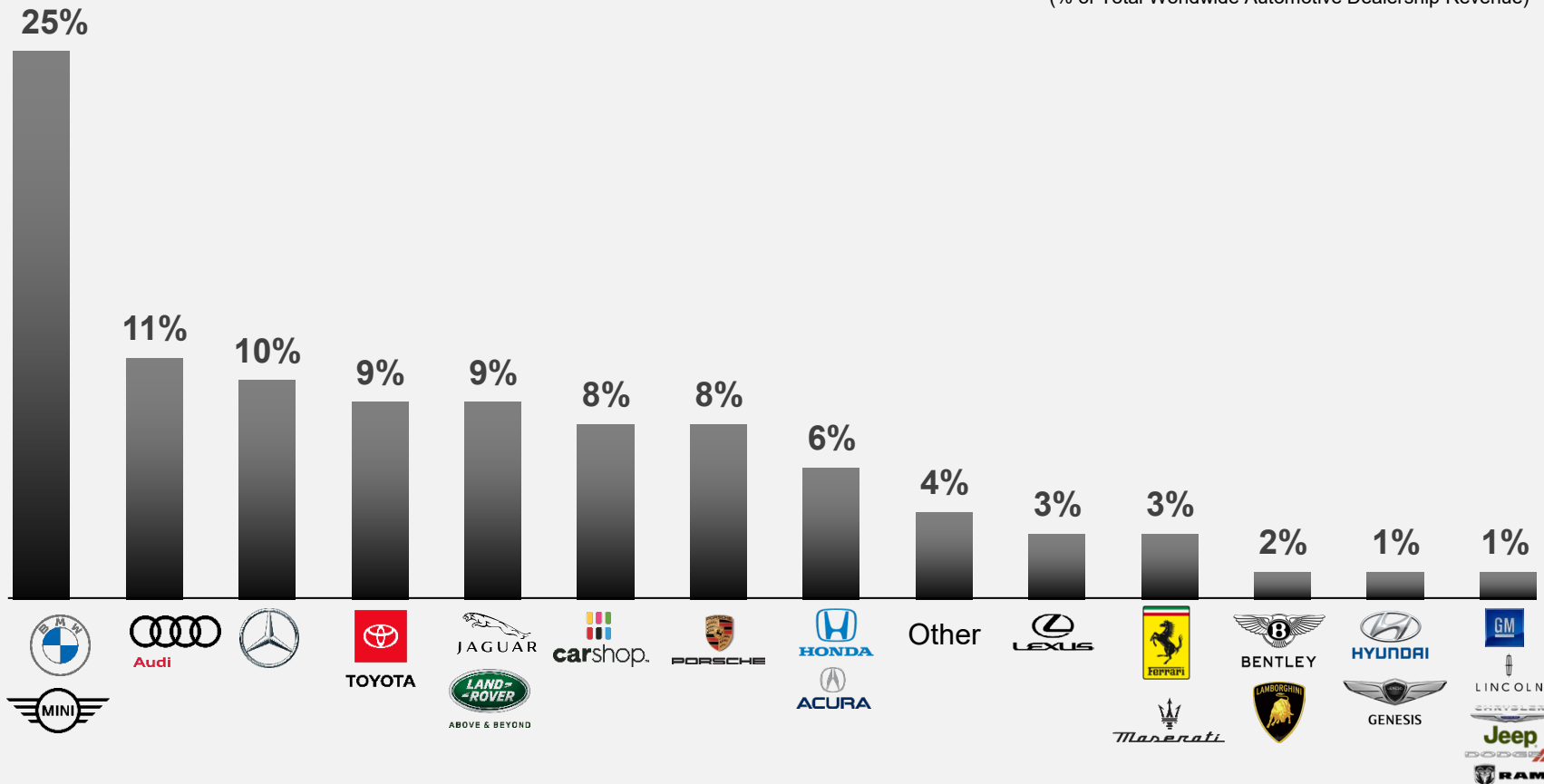
72%
Premium

19%
Volume Non-U.S.

1%
U.S.

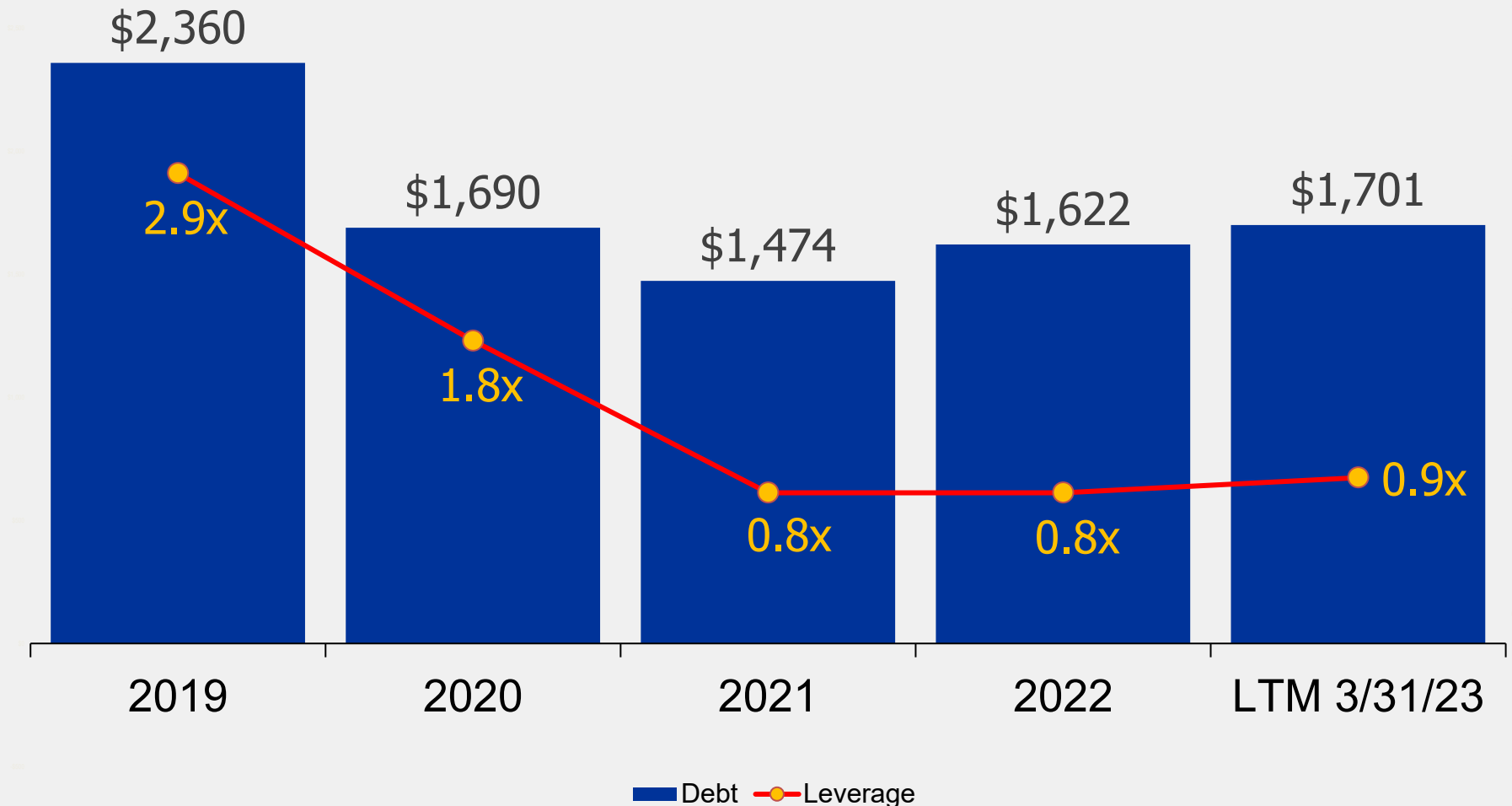
8%
CarShop

(YTD as of March 31, 2023)
(% of Total Worldwide Automotive Dealership Revenue)



LONG TERM DEBT AND LEVERAGE

(USD in Millions)



Refer to non-gaap reconciliation schedules on pages 34-36

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Acquisitions

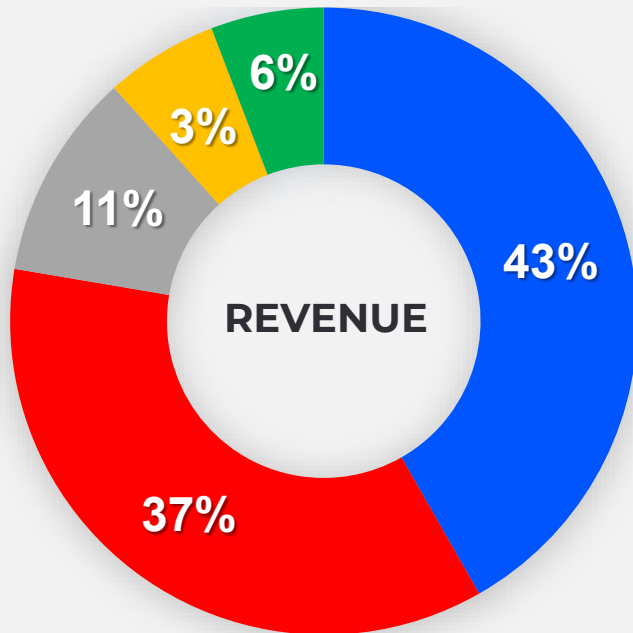
Digital Marketing/Retailing

Sustainability

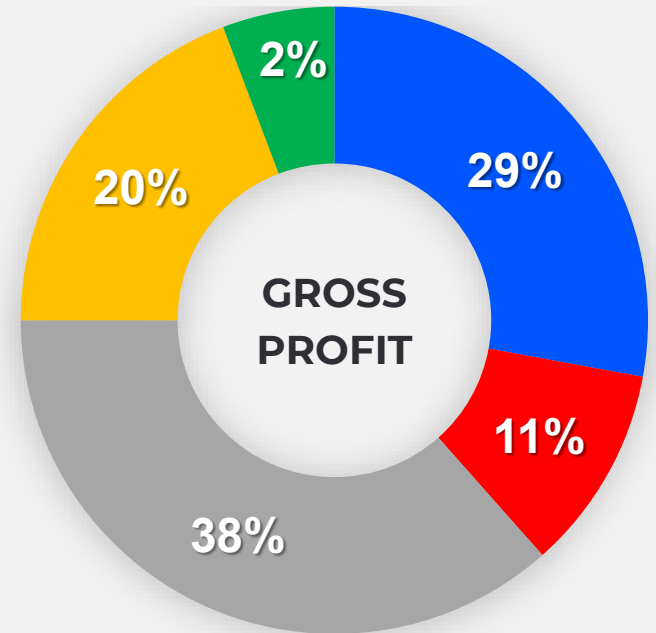
Non-GAAP

RETAIL AUTOMOTIVE REVENUE

Diversified Revenue Stream Drives Profitability



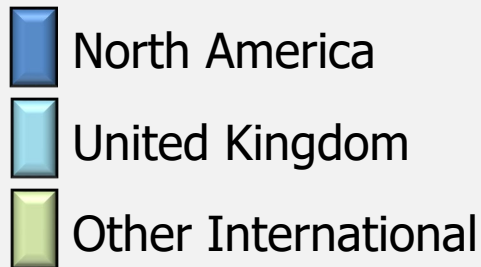
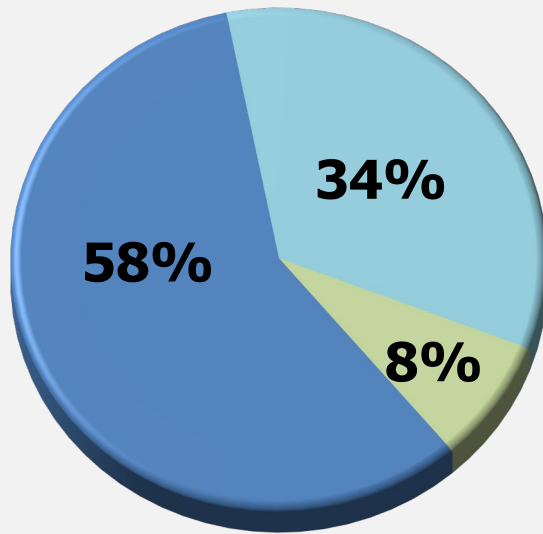
- New
- Used
- S&P
- F&I
- F&WH



Q1 2023 REVENUE & EBT

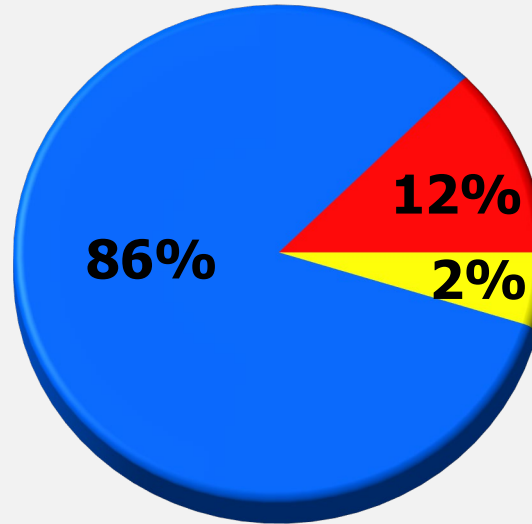
Global Revenue

\$7.3 Billion



Segment Revenue

\$7.3 Billion

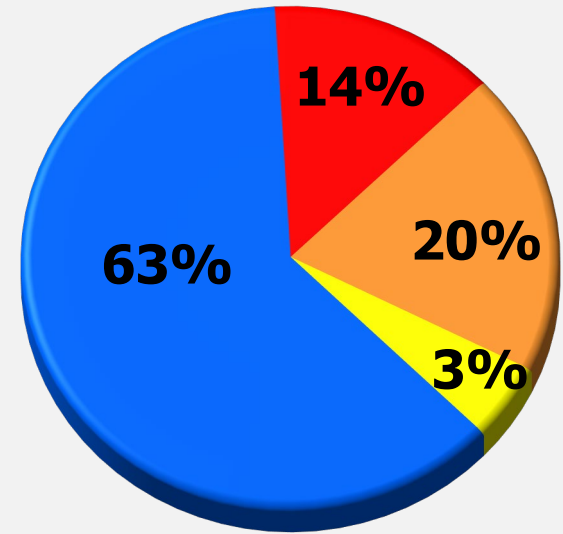


*Consists of non-automotive equity method investments which includes our investment in Penske Transportation Solutions

**Consists of our commercial vehicle and power systems distribution operations

Segment Earnings Before Tax

\$406.9 Million



Q1 2023 RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q1 '23	Q1 '22	Chg
VOLUME METRICS			
New Units*	46,200	45,246	+2%
Used Units	<u>65,545</u>	<u>67,029</u>	<u>-2%</u>
Total	111,745	112,275	flat
Agency Units	5,874	--	--
Total Units	117,619	112,275	+5%
GROSS PER UNIT*			
New <i>Excl F/X</i>	\$6,383 <i>\$6,670</i>	\$6,866	-7%
Used <i>Excl F/X</i>	\$1,821 <i>\$1,908</i>	\$2,303	-21%
F&I <i>Excl F/X</i>	\$1,776 <i>\$1,865</i>	\$1,922	-8%
Var. Vehicle Gross <i>Excl F/X</i>	\$5,594 <i>\$5,742</i>	\$6,064	-8%

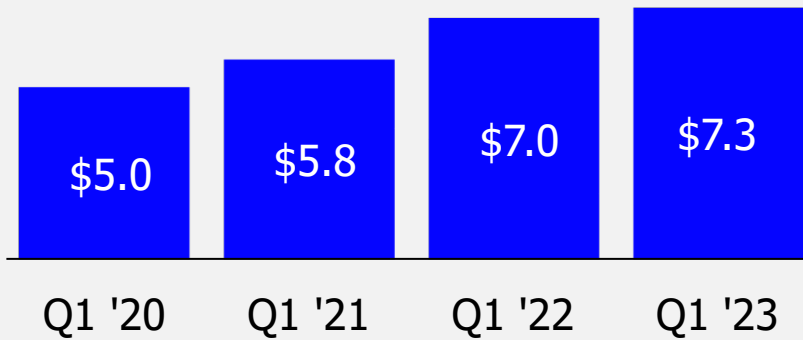
* Excluding agency

RETAIL AUTOMOTIVE SAME-STORE REVENUE

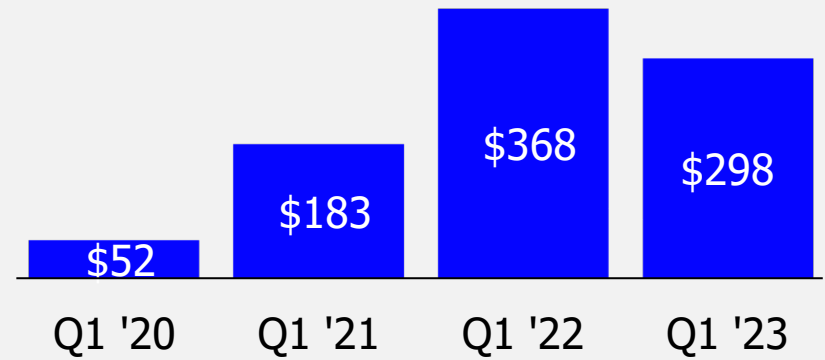
(\$ in Millions)	Q1 '23	Q1 '22	CHG	Q1 '23 Excl F/X	Q1 '22 Excl F/X	CHG
New Vehicle	\$2,647	\$2,435	+9%	<i>\$2,736</i>	<i>\$2,435</i>	<i>+12%</i>
Used Vehicle	\$2,216	\$2,388	-7%	<i>\$2,342</i>	<i>\$2,388</i>	<i>-2%</i>
F&I	\$200	\$216	-7%	<i>\$208</i>	<i>\$216</i>	<i>-3%</i>
Service & Parts	\$643	\$583	+10%	<i>\$663</i>	<i>\$583</i>	<i>+14%</i>
Fleet & Wholesale	<u>\$381</u>	<u>\$350</u>	<u>+9%</u>	<i><u>\$396</u></i>	<i><u>\$350</u></i>	<i><u>+13%</u></i>
TOTAL	\$6,087	\$5,972	+2%	<i>\$6,346</i>	<i>\$5,972</i>	<i>+6%</i>

PAG PERFORMANCE SUMMARY – Q1

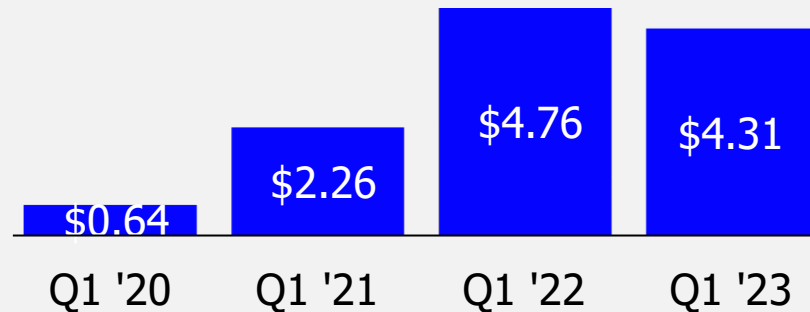
TOTAL REVENUE (\$ in Billions)



INCOME FROM CONT. OPERATIONS (\$ in Millions)



EARNINGS PER SHARE



CARSHOP USED VEHICLE CENTERS



- Operate used vehicle centers across U.S./U.K.
- One price; no haggle approach
- In-store or 100% on-line

	Q1 '23	Q1 '22	Chg
Units	19,165	19,253	-2%
Revenue (\$ in Millions)	\$489	\$516	-5%
Avg. Trans. Price	\$20,879	\$21,700	-4%
Var. Gross/Unit	\$2,053	\$2,155	-5%

PREMIER TRUCK GROUP

- Largest dealership group for Daimler Trucks N.A.
- Retails new and used Freightliner and Western Star Trucks
- 39 locations across North America
- Service and parts gross profit provides 67% of total gross profit in Q1 2023
- 6.3% return on sales in Q1
- Q1 fixed cost absorption 136%

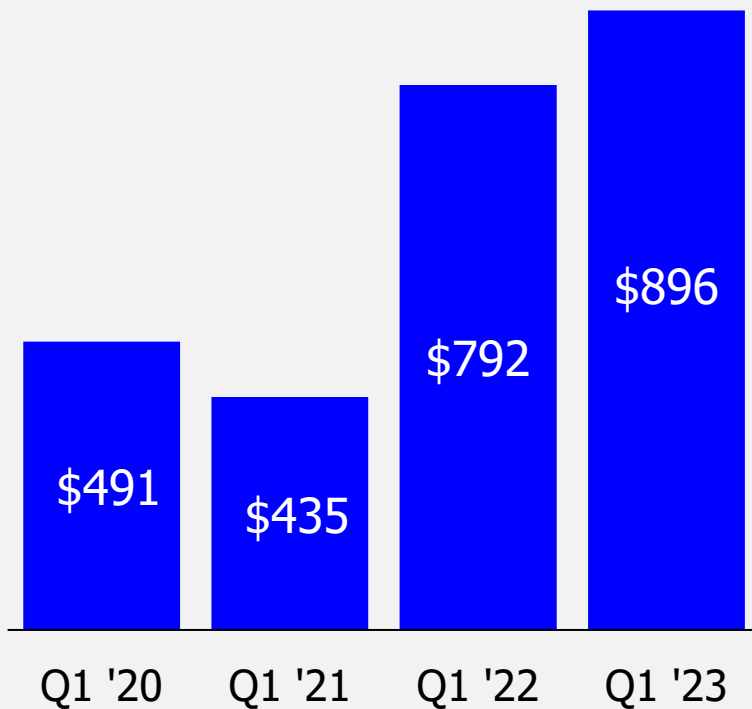


RETAIL COMMERCIAL TRUCK KEY METRICS – Q1

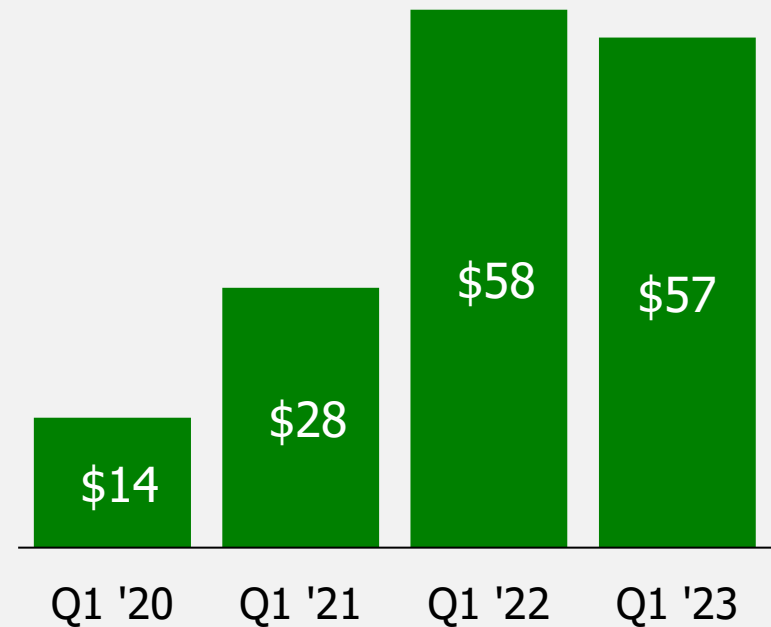
Same-Store	Q1 '23	Q1 '22	CHG
VOLUME METRICS			
New Units	4,332	3,822	+13%
Used Units	<u>642</u>	<u>831</u>	<u>-23%</u>
TOTAL	4,974	4,653	+7%
GROSS PER UNIT			
New	\$7,187	\$7,501	-4%
Used	\$8,157	\$19,011	-57%
F&I	\$976	\$1,364	-28%

PTG PERFORMANCE SUMMARY

TOTAL REVENUE (\$ in Millions)



INCOME (\$ in Millions)



PENSKE AUSTRALIA

Exclusive importer and distributor of certain heavy/medium-duty trucks, buses and refuse collection vehicles; distributor of diesel/gas engines and power systems across Australia, New Zealand and portions of the Pacific

- Western Star, MAN, Dennis Eagle
- MTU, Detroit Diesel, Allison Transmission, and Bergen engines
- Parts & service gross profit over 80% of total gross profit

(in millions of US \$)	Q1 '23	Q1 '22	CHG
Revenue	\$144	\$154	-6%
EBT	\$12.2	\$10.7	+14%



PENSKE TRANSPORTATION SOLUTIONS OVERVIEW

Penske Truck Leasing



Truck
Rental

Full-Service
Leasing

Contract
Maintenance

Used
Trucks

Penske Logistics Services



Dedicated
Contract
Carriage

Distribution
Center
Management

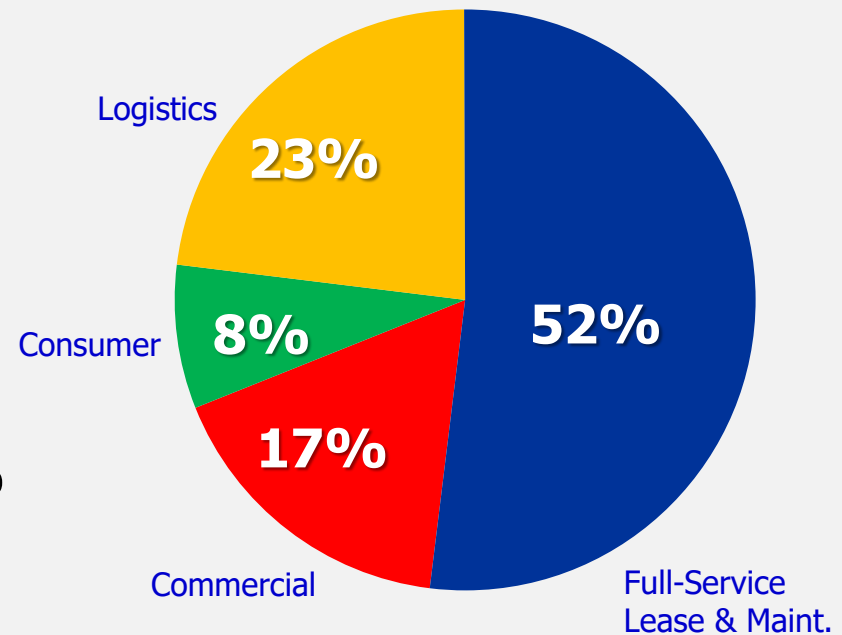
Freight
Management
& Brokerage

Professional
Services

PENSKE TRANSPORTATION SOLUTIONS (PTS) HIGHLIGHTS

- Managed fleet of over 419,000 trucks, tractors and trailers
 - Fleet goal of 500,000 by 2025
- Q1 2023 Highlights:
 - Revenue of \$3.3 billion, +6%
 - Net income of \$280 million, -32 %
 - Return on sales 8.5%
- PAG recorded equity income from PTS investment of \$81 million in Q1 2023

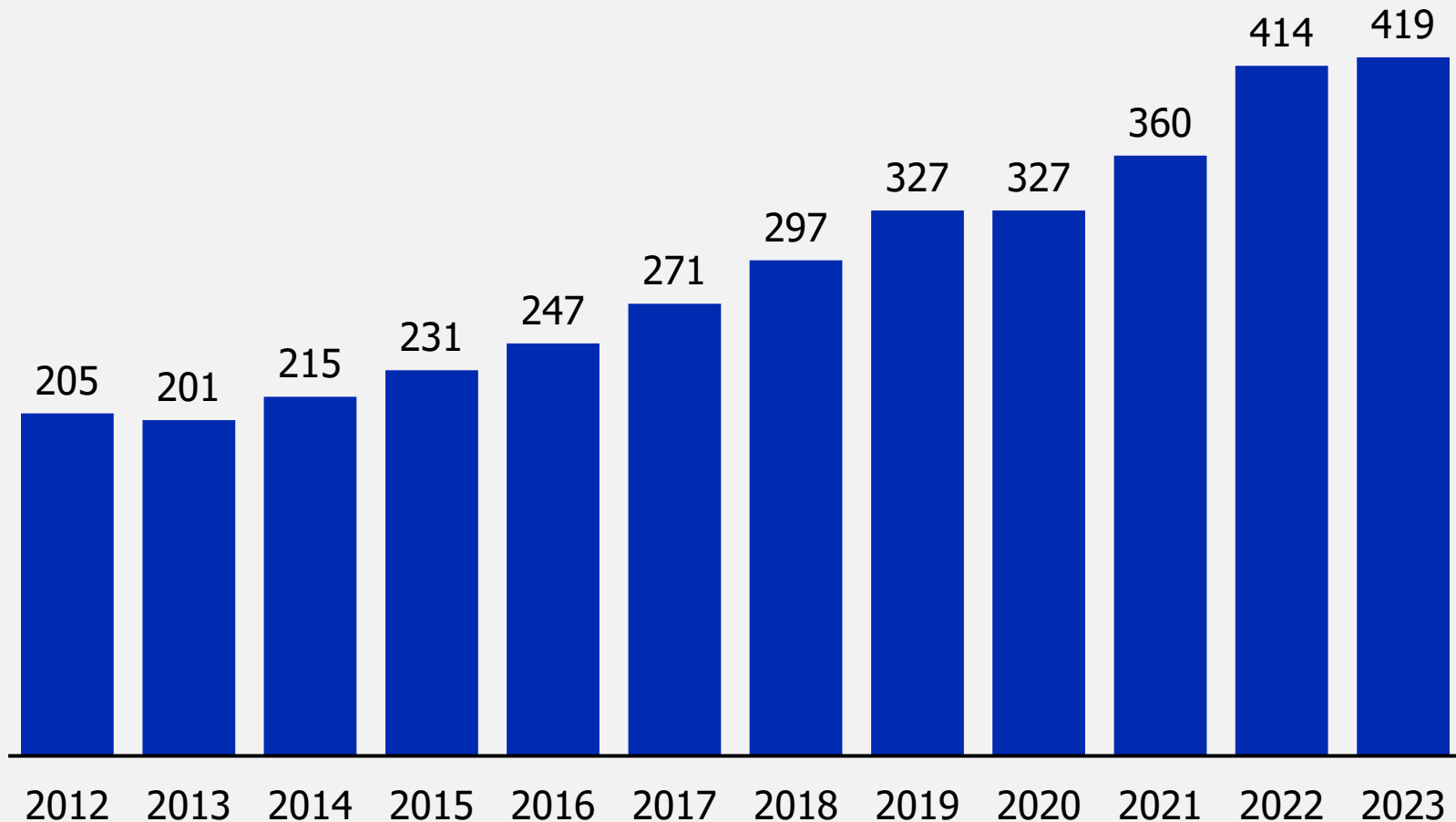
OPERATING REVENUE



PTS FLEET GROWTH

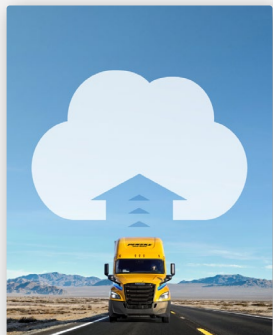
(Units in Thousands)

Managed fleet consists of trucks, tractors and trailers under lease, rental and/or maintenance contracts



PTS STRATEGIC OPPORTUNITIES

An **expert voice** in transportation & logistics



Data & Digital



Alternative Energy



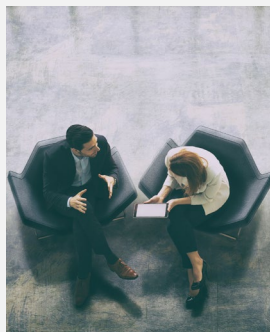
Autonomy



Clean Transportation



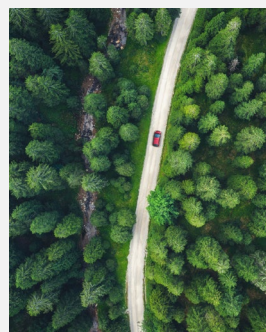
Complexity



Resilience



Visibility



Sustainability

The **provider of choice** for care and use of vehicles.

The **provider of choice** for management of supply chains.

The background of the slide features a blurred image of a person's hand holding a smartphone. Overlaid on this image are several digital graphics: a network of white dots connected by thin lines, a circular icon of a credit card, a circular icon of a globe, and a circular icon of a magnifying glass. The main content is a vertical list of seven items, each in a dark bar, with the fifth item highlighted in red.

Overview

Highlights

Performance Review

Acquisitions

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SPECTRUM OF RETAIL OPTIONS

100% Online

100% In-Store



End-to-End Platform

CarShop USA

Integrated end-to-end platform



OEM Programs

OEM powered solutions for brand integration

Benefit from OEM marketing

Leading technology

Enables "Buy online" from OEM sites

Integration with captive finance

Consistency around brand experience



Digital Retailing

Enabling customers to shop how they choose

Preferred Purchase (US)
Flexible buying – Buy online, in-store, or hybrid

Browse-Buy-Connect (UK)
Reserve for £99, customer chooses pick-up location

Buy online via fully integrated finance app or by card



In-Store

In-person transaction at the dealership

Work directly with trained industry professionals

Offers superior customer experience

DIGITIZING SALES AND SERVICE



GROWING SELF-SERVICE ENGAGEMENT

Q4 2022 vs. Q1 2023

Service Automation

Digital assistant to answer and appoint inbound service calls

29%

growth in AI
booked appts.

Q1 '23 vs. Q1 '22

Online Service Appointments Booked

14%

Growth

Q1 '23 vs. Q1 '22

Online Service Payments

8%

Growth

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OPERATING SUSTAINABLY

We regularly examine our operations, seeking opportunities to reduce our carbon footprint and push ourselves to operate more efficiently and use resources responsibly.



Embracing energy
efficiency

Modern building standards
Leveraging partnerships (Shell)
Renewable energy sources



Offering electric
vehicles

Encourage use and sales of EVs
Increasing EV service opportunities
Installing charging stations



Eliminating Pollution
and waste

Recycling of hazardous waste, tires, etc.
Paperless processes
Water reclamation

An aerial view of a Toyota dealership building with a large American flag on the left and a 'TOYOTA' logo on the roof. The building has 'PALM BEACH' written on its facade. Several cars are parked in the lot in front of the building.

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EBITDA RECONCILIATION

The following tables reconcile reported net income to earnings before interest, taxes, depreciation, and amortization ("EBITDA") for the three months ended March 31, 2023 and 2022

(\$ in Millions)	Three Months Ended March 31,		Change 2023 vs 2022	
	2023	2022	\$	%
Net Income	\$299.6	\$369.5	-\$69.9	-19%
Add: Depreciation	\$33.9	\$31.9	+\$2.0	+6%
Other Interest Expense	\$20.8	\$16.5	+\$4.3	+26%
Income Taxes	<u>\$107.3</u>	<u>\$128.1</u>	<u>-\$20.8</u>	-16%
EBITDA	\$461.6	\$546.0	-\$84.4	-15%

EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA and the leverage ratio for the trailing twelve months ended March 31, 2023

(\$ in Millions)	Nine Months Ended December 31, 2022	Three Months Ended March 31, 2023	Trailing Twelve Months Ended March 31, 2023
Net Income	\$1,016.7	\$299.6	\$1,316.3
Add: Depreciation	\$95.4	\$33.9	\$129.3
Add: Other Interest	\$53.9	\$20.8	\$74.7
Add: Income Taxes	<u>\$344.9</u>	<u>\$107.3</u>	<u>\$452.2</u>
EBITDA	\$1,510.9	\$461.6	\$1,972.5
Total Non-Vehicle Long-Term Debt			\$1,701.3
Leverage Ratio			0.9x

EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, Adj. EBITDA and Leverage Ratio as of December 31, 2022, 2021, 2020 and 2019

(\$ in Millions)	12M '22	12M '21	12M '20	12M '19
Net Income	\$1,386.2	\$1,192.7	\$545.3	\$435.1
Add: Depreciation	\$127.3	\$121.5	\$115.5	\$109.6
Add: Other Interest	\$70.4	\$68.6	\$111.0	\$124.2
Add: Income Taxes	\$473.0	\$416.3	\$162.7	\$156.7
Add: (Income)/Loss From Disc. Ops	--	(\$1.3)	(\$0.4)	(\$0.3)
EBITDA	\$2,056.9	\$1,797.8	\$934.1	\$825.3
Less: Net gain on dealership sales	--	---	(\$5.2)	---
Add: Loss on investment from revaluation ⁽¹⁾	--	\$11.4	---	---
Add: Debt redemption costs ⁽²⁾	--	\$17.0	\$8.6	--
Adjusted EBITDA	\$2,056.9	\$1,826.2	\$937.5	\$825.3
Total Non-Vehicle Long-Term Debt	\$1,622	\$1,474	\$1,689	\$2,360
Leverage Ratio	0.8x	0.8x	1.8x	2.9x

(1) Loss on investment for the revaluation of the Nicole Group

(2) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021

AGENCY

Beginning in 2023, we transitioned certain brands in the U.K. to an agency model under which these dealerships receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model do not count as new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue (as opposed to previously recording all of the vehicle sale price as new revenue) with no corresponding cost of sale. We continue to provide new vehicle customer service at these dealerships, and the agency model is not expected to structurally change our used vehicle sales operations or service and parts operations, although the impact of the agency model at these dealerships as well as other agency models proposed by our manufacturer partners is uncertain.

PENSKE

Automotive