



First Quarter 2018 Financial Results and Update

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FIRST QUARTER 2018

Q1 2018 Overview

- Record first quarter retail unit sales, revenue, income from continuing operations and earnings per share
- Retailed 132,490 new and used automotive units, +6.4%
- Total Revenue +13.1% to \$5.7 billion
 - Same-store retail automotive revenue +8.5%
- Income from continuing operations of \$108.0 million, +29.8%
- Earnings per share from continuing operations of \$1.26, +29.9%
- Excluding foreign exchange, income from continuing operations increased 23.4% to \$102.7 million and related earnings per share increased 23.7% to \$1.20

Q1 2018 Key Takeaways

Retail Automotive & PTL

- 92% of Consolidated PAG Revenues & 73% of Consolidated PAG EBT
- +8.5% Same-Store Revenue Growth
- Excluding foreign exchange, Same-Store Revenue Growth +2.7%

Penske Truck Leasing

- PTL investment generated \$16.0 million in income

1

Heavy-Duty Truck Retail

- 5% of Consolidated PAG Revenues & 8% of consolidated PAG EBT
- 37.7% Same-Store Revenue Growth
- Service & Parts represents 73% of Gross Profit
- Fixed cost absorption 120.7%
- Robust Class 8 Heavy Duty truck market expected to continue

2

Capital Allocation

- Increased dividend for the 27th consecutive quarter
- Repurchased 1.1 million shares for \$50 million
- Completed acquisitions representing \$350 million in estimated annualized revenue
- Generated \$58 million in cash from the sale of five dealerships

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Q1 2018 Key Performance Metrics

	<u>ACTUAL</u>	<u>CHANGE</u>	<u>CHANGE</u> <u>Ex. F/X</u>
Income from Continuing Operations	\$108.0	+29.8%	+23.4%
EPS from Continuing Operations	\$1.26	+29.9%	+23.7%
Same-Store Units			
New Vehicles	57,925	-1.6%	N/A
Used Vehicles	<u>53,315</u>	<u>+2.5%</u>	N/A
Total	111,240	+0.4%	N/A
Same-Store Retail Revenue			
New Vehicles	\$2,394.5	+6.7%	+1.1%
Used Vehicles	1,544.4	+11.4%	+4.8%
Finance & Insurance	137.7	+10.4%	+5.0%
Service & Parts	<u>523.3</u>	<u>+8.0%</u>	<u>+3.6%</u>
Total	\$4,599.9	+8.5%	+2.7%
Same-Store SG&A to Gross Profit	77.1%	-70 bps	-80 bps
	<u>Q1 '18</u>	<u>Q1 '17</u>	<u>CHANGE</u> <u>Ex. F/X</u>
Same-Store Gross Profit Per Vehicle			
New Vehicles	\$3,039	\$2,929	+\$110
Used Vehicles	\$1,607	\$1,550	+\$57
Finance & Insurance	<u>\$1,238</u>	<u>\$1,125</u>	<u>+\$113</u>
Total Variable ⁽¹⁾	\$3,590	\$3,407	+\$183

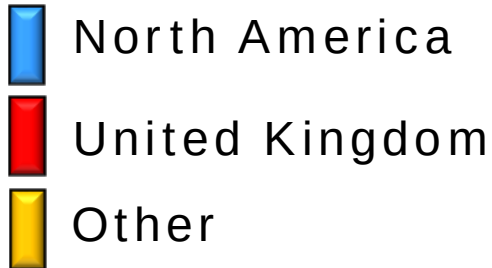
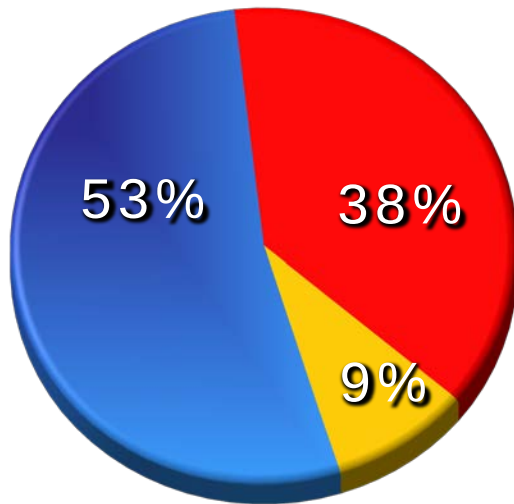
F/X = Foreign Exchange

(1) Calculated by dividing the sum of new vehicle, used vehicle, and finance and insurance gross profit by total retail automotive unit sales

3M 2018 Revenue & EBT

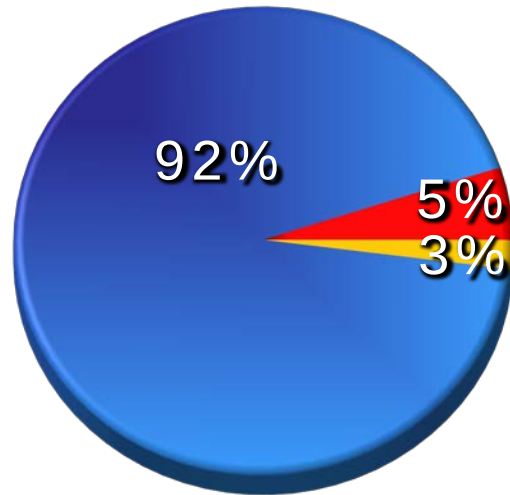
Revenue

\$5.7 Billion



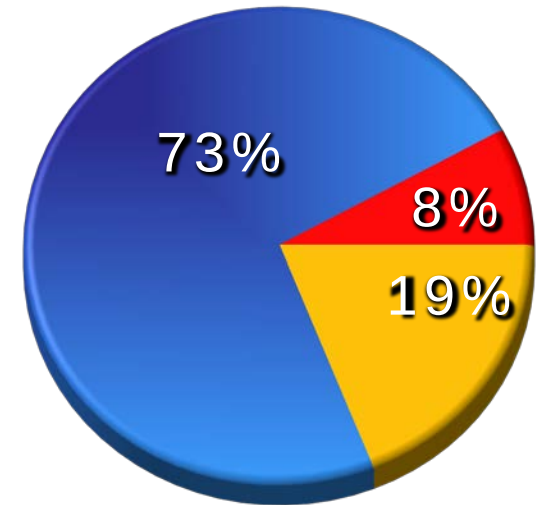
Revenue

\$5.7 Billion



Earnings Before Tax

\$144.3 Million



*Includes equity income from joint venture investments, including Penske Truck Leasing

APPENDIX

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Recent Acquisitions

Over \$300 Million in Estimated Annual Revenue

(\$ in millions)

	<u>Country</u>	<u>Revenue</u>
The Car People Used Vehicle SuperCenter*	U.K.	\$300
Mercedes-Benz and smart Bologna & Ferrara**	Italy	\$50

*Completed January 2018

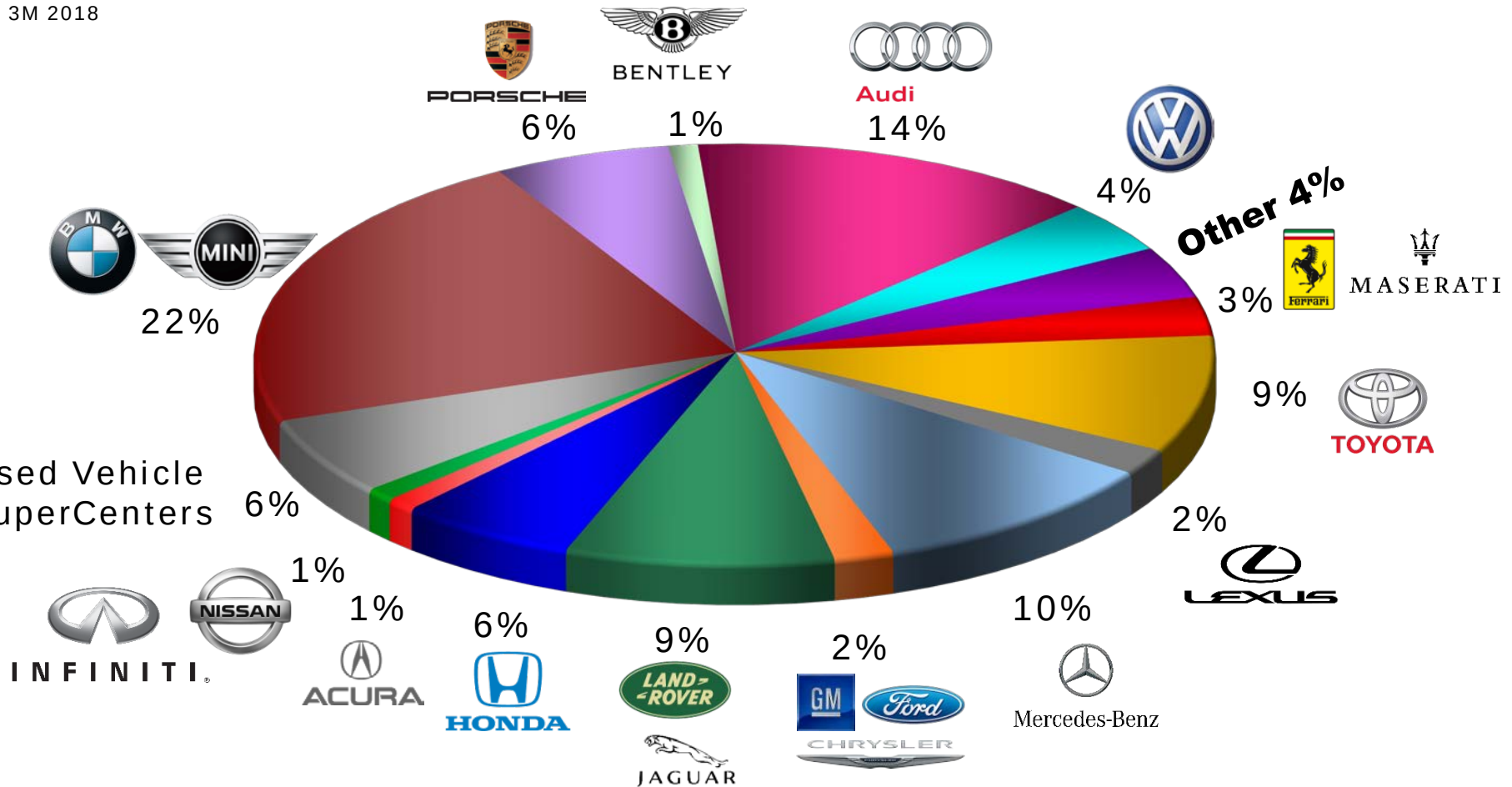
**Completed February 2018

RETAIL AUTOMOTIVE

Best in Class Brand Mix

(% of Total Automotive Dealership Revenue)

3M 2018



- Premium – 70%
- Volume Non-U.S. – 22%
- Used Vehicle SuperCenters – 6%
- U.S. Big 3 – 2%

STAND-ALONE USED VEHICLE SUPERCENTERS

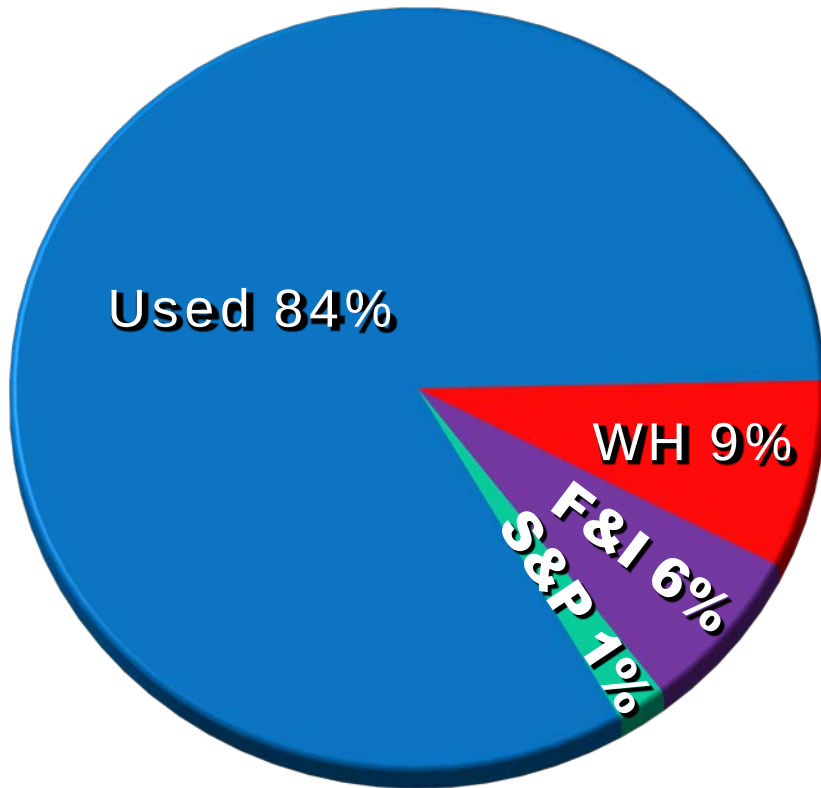
Used Vehicle SuperCenters

	Q1 2018 <u>Total</u>	Q1 2017 <u>Total</u>
Used Units Retailed	18,673	8,201
Revenue (in millions)	\$331.1	\$143.1
Avg. Transaction Price	\$14,904	\$14,372
Gross Per Unit Retailed	\$1,148	\$1,382
F&I Per Unit Retailed	\$1,085	\$1,147
Total Variable Gross Per Unit	\$2,233	\$2,529

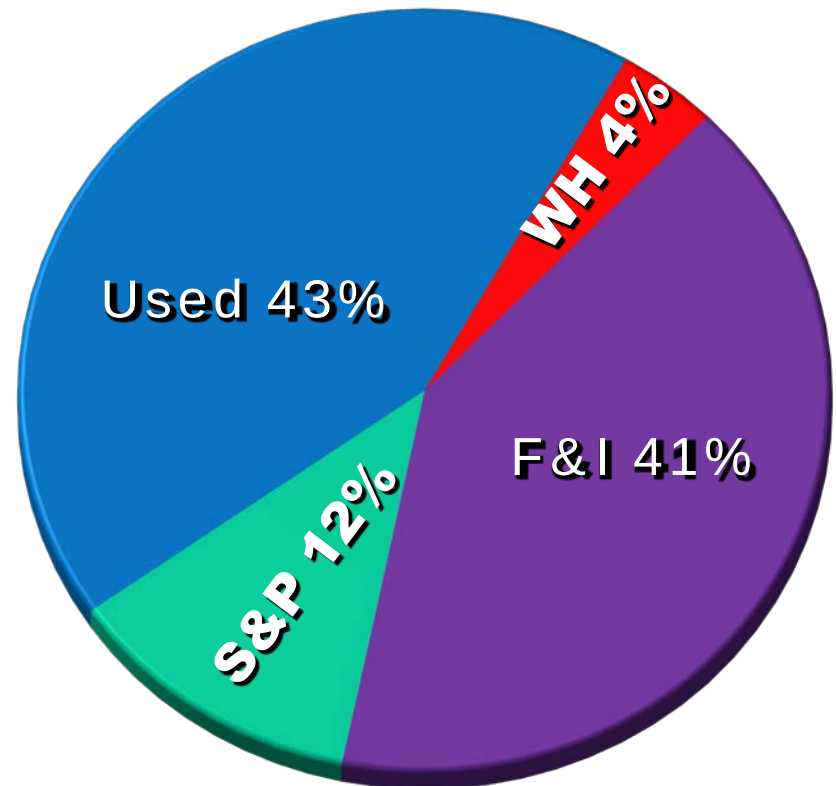
Stand-Alone Used Vehicle SuperCenters

3M 2018

Revenue
Mix



Gross Profit
Contribution



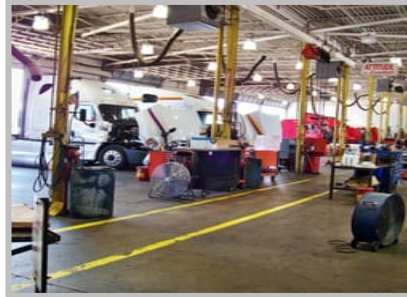
NORTH AMERICAN RETAIL COMMERCIAL TRUCK DEALERSHIPS

Premier Truck Group

Truck Sales



Service



Parts



Body Shop



- \$1.0B of annual operating revenue
- 3rd largest Dealership Group for Daimler Trucks N.A.



SELEC**TRUCKS**



DETROIT DIESEL

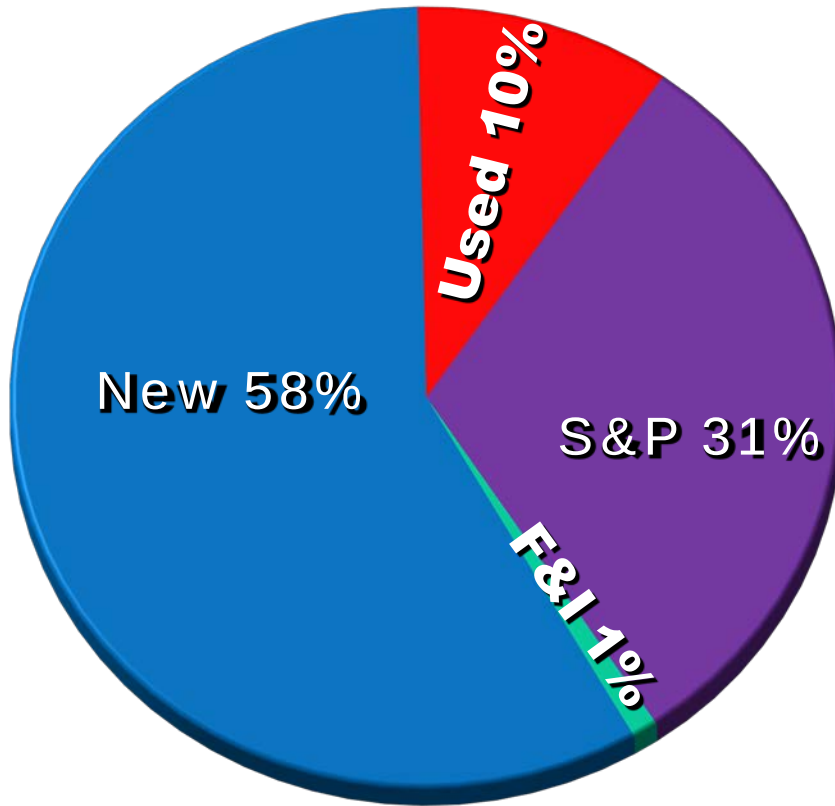


- Heavy and medium duty truck dealership group
- New and used retail sales; service and parts operations similar to auto dealerships
- 20 locations in Georgia, Oklahoma, Tennessee, Texas and Canada

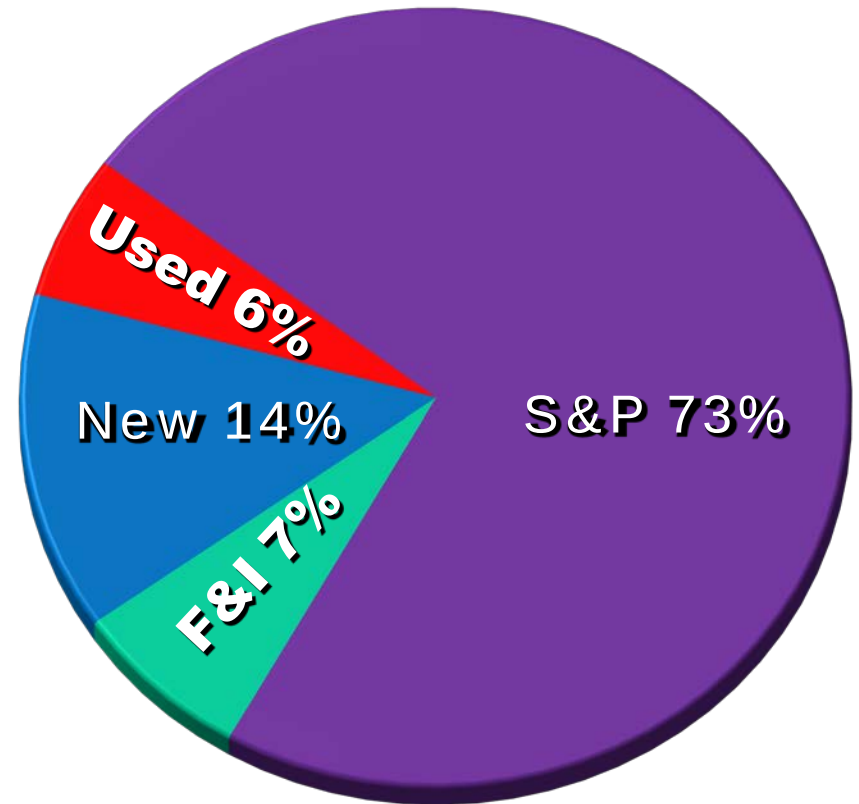
N. American Commercial Truck Dealership Metrics

3M 2018

Revenue



Gross Profit



N. American Commercial Truck Operations

	Three Months Ended March 31,		2018 vs. 2017	
	2018	2017	Change	% Change
Retail Commercial Truck Units:				
New Retail	1,654	1,126	528	46.9 %
Used Retail	451	381	70	18.4 %
Total	2,105	1,507	598	39.7 %
Retail Commercial Truck Revenue: (Amounts in Millions)				
New Vehicles	\$ 170.4	\$ 110.7	\$ 59.7	53.9 %
Used Vehicles	26.5	19.0	7.5	39.5 %
Finance and Insurance, Net	3.2	2.1	1.1	52.4 %
Service and Parts	90.4	78.0	12.4	15.9 %
Wholesale	1.9	1.9	—	— %
Total Revenue	\$ 292.4	\$ 211.7	\$ 80.7	38.1 %
Retail Commercial Truck Gross Profit: (Amounts in Millions)				
New Vehicles	\$ 6.7	\$ 4.5	\$ 2.2	48.9 %
Used Vehicles	2.7	1.0	1.7	170.0 %
Finance and Insurance, Net	3.2	2.1	1.1	52.4 %
Service and Parts	34.0	28.8	5.2	18.1 %
Wholesale	—	—	—	nm
Total Gross Profit	\$ 46.6	\$ 36.4	\$ 10.2	28.0 %
Retail Commercial Truck Revenue Per Vehicle Retailed:				
New Vehicles	\$ 103,041	\$ 98,271	\$ 4,770	4.9 %
Used Vehicles	58,708	49,845	8,863	17.8 %
Retail Commercial Truck Gross Profit Per Vehicle Retailed:				
New Vehicles	\$ 4,069	\$ 3,981	\$ 88	2.2 %
Used Vehicles	5,829	2,589	3,240	125.1 %
Finance and Insurance	1,520	1,426	94	6.6 %
Total Variable Gross Profit Per Vehicle (1)	5,986	5,043	943	18.7 %
Retail Commercial Truck Gross Margin:				
New Vehicles	3.9 %	4.1 %	(0.2)%	(4.9)%
Used Vehicles	10.2 %	5.3 %	4.9 %	92.5 %
Service and Parts	37.6 %	36.9 %	0.7 %	1.9 %
Total Gross Margin	15.9 %	17.2 %	(1.3)%	(7.6)%

(1) Calculated by dividing the sum of new vehicle, used vehicle, and finance and insurance gross profit by total retail commercial truck unit sales.

nm – not meaningful

PENSKE TRUCK LEASING

Penske Truck Leasing Overview

Full-Service Leasing



Contract Maintenance



Truck Rental

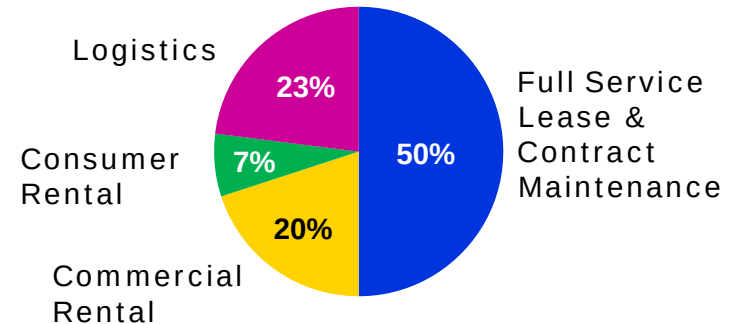


Logistics Services



- Founded in 1969
- \$13.3B of total assets¹
- \$6.0B of operating revenue²
- ~271,000 vehicles³
- ~32,400 associates¹
- ~2,970 locations⁴

Operating Revenue Distribution



Leading provider of Full-Service Truck Leasing, Truck Rental, Contract Maintenance and Logistics Services

1) As of March 31, 2018

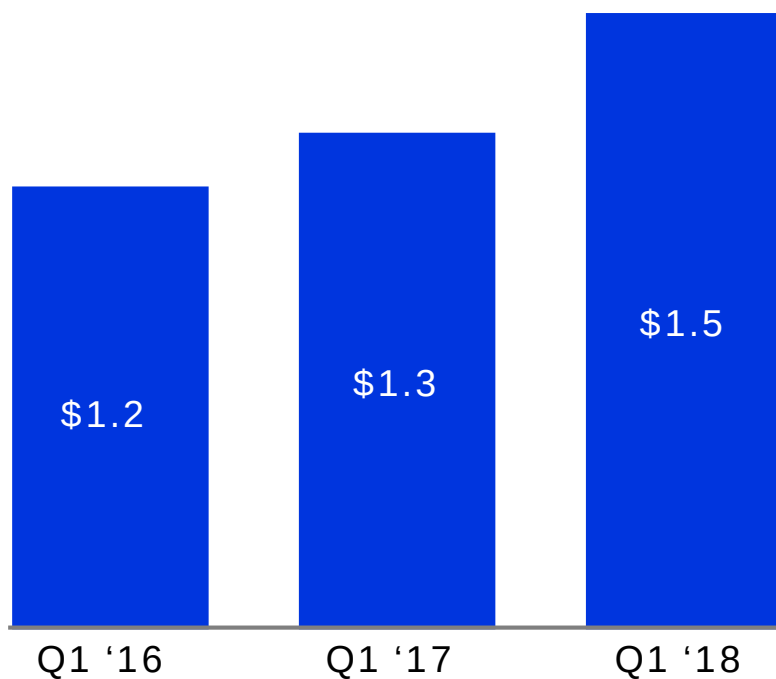
2) LTM ended March 31, 2018

3) Includes ~7,900 vehicles covered by Penske Fleet Management, our third-party maintenance referral service as of March 31, 2018

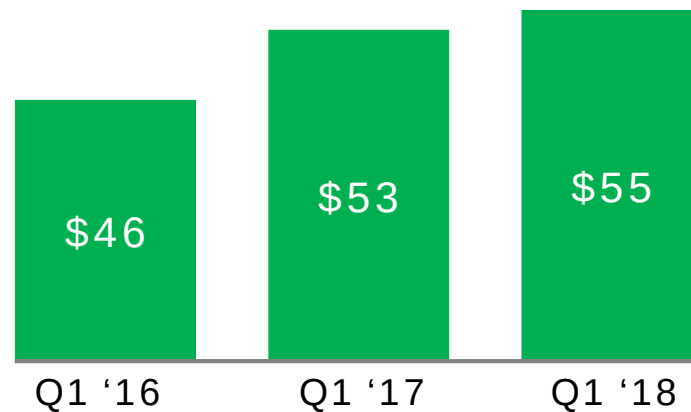
4) Includes ~1,850 truck rental agent locations as of March 31, 2018

PTL Performance Summary

Operating Revenue +15%
(\$ in Billions)



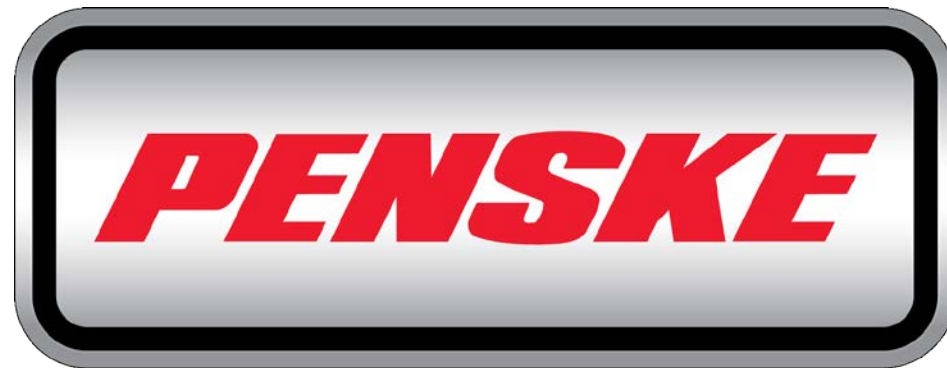
Net Income +4%
(\$ in Millions)



NON-GAAP RECONCILIATIONS

EBITDA Reconciliation

	<u>Q1 '18</u>	<u>Q1 '17</u>	<u>12M '17</u>
Net Income	\$107.8	\$83.0	\$612.8
Depreciation	25.6	22.4	95.1
Other Interest	29.8	25.0	107.4
Income Taxes	36.6	41.1	(64.8)
(Income)/Loss from Disc. Ops.	<u>(0.1)</u>	<u>0.6</u>	<u>0.2</u>
EBITDA	\$199.7	\$172.1	\$750.7



Automotive