

Second Quarter 2018 Financial Results & Update



Statements in this presentation may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial results, future sales, earnings potential, and liquidity. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others: economic conditions generally, conditions in the credit markets and changes in interest rates and foreign currency exchange rates, changes in tariff rates, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to natural disasters, such as the recent hurricanes, or other disruptions that interrupt the supply of vehicles or parts to us, changes in consumer credit availability, 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's business, markets, conditions and other uncertainties, which could affect Penske Automotive's future performance. These risks and uncertainties are addressed in Penske Automotive's Form 10-K for the year ended December 31, 2017, and its other filings with the Securities and Exchange Commission ("SEC"). This presentation speaks only as of its date, and Penske Automotive disclaims any duty to update the information herein. Refer to the company's latest earnings press release dated July 26, 2018.



Diversification



AUTOMOTIVE DEALERSHIPS

- U.S.
- U.K.
- Germany
- Italy
- Spain
- Japan



STAND-ALONE USED VEHICLE SUPERCENTERS

- CarSense (U.S.)
- CarShop (U.K.)
- The Car People (U.K.)



COMMERCIAL TRUCK RETAIL

- Premier Truck Group
 - USA
 - Canada



COMMERCIAL TRUCK DISTRIBUTION & POWER SYSTEMS

- Australia
- New Zealand
- The Pacific



TRANSPORTATION*

- Full-Service Truck Leasing
- Truck Rental
- Contract Maintenance
- Logistics
- Vehicle Services

* PAG maintains a 28.9% ownership interest and records a share of profits using the equity method.



Penske Automotive Group Overview

- A diversified transportation services company with estimated annual revenues in excess of \$22 billion
- Operations across four continents and nine countries
- 278 Retail automotive locations world-wide
 - 264 Automotive dealerships
 - 14 Stand-alone used vehicle SuperCenters
- 341 OEM franchises
- 38 Collision centers
- 21 N.A. Commercial Truck Dealerships
- Over 26,000 employees



The Car People, Manchester, U.K.



SECOND QUARTER 2018



Q2 2018 Overview

- Record second quarter retail unit sales, revenue, income from continuing operations and earnings per share
- Retailed 134,214 new and used automotive units, +3.1%
- Total Revenue +10.3% to \$5.9 billion
 - Same-store retail automotive revenue +8.8%
- Income from continuing operations of \$134.6 million +27.0%
- Earnings per share from continuing operations of \$1.58, +28.5%
- Excluding foreign exchange, income from continuing operations increased 24.1% to \$132.4 million and related earnings per share increased 26.0% to \$1.55



Q2 2018 Key Takeaways

Retail Automotive

- Same-store Retail Units +1.6%
- 8.8% Same-Store Revenue Growth
- Excluding foreign exchange, Same-Store Revenue Growth 5.8%
- Same-store Variable Gross Profit Per Unit retailed of \$3,562, +\$174/unit

1

Heavy-Duty Truck Retail

- 58.6% Same-store Unit Growth
- 45.5% Same-Store Revenue Growth
- Service & Parts approximately 69% of Gross Profit
- Fixed Cost Absorption 123.9% and 100% of Total Operating Expenses

2

Penske Truck Leasing

- PTL investment generated \$35 million in Equity Earnings
- Received cash distributions of \$25.4 million

3

PENSKE

Q2 2018 Key Performance Metrics

F/X = Foreign Exchange	ACTUAL	YOY Change	CHANGE Ex. F/X	
Income from Continuing Operations	\$134.6M	+27.0%	+24.1%	
EPS from Continuing Operations	\$1.58	+28.5%	+26.0%	
Same-Store Units				
New Vehicles	60,324	+0.1%	n/a	
Used Vehicles	<u>66,160</u>	<u>+3.1%</u>	<u>n/a</u>	
Total	126,484	+1.6%	n/a	
Same-Store Retail Revenue				
New Vehicles	\$2,518.9M	+7.3%	+4.6%	
Used Vehicles	\$1,790.5M	+11.7%	+8.1%	
Finance & Insurance	\$157.8M	+9.7%	+6.9%	
Service & Parts	<u>\$542.9M</u>	+6.0%	+3.7%	
Total	\$5,010.1M	+8.8%	+5.8%	
Same-Store SG&A to Same-Store Gross Profit	75.9%	+10 bps	--	
	Q2 '18	Q2 '17	CHANGE	CHANGE Ex. F/X
Same-Store Gross Profit Per Vehicle Retailed				
New Vehicles	\$3,127	\$3,095	+\$32	(\$58)
Used Vehicles	\$1,574	\$1,423	+\$151	+\$106
Finance & Insurance	<u>\$1,247</u>	<u>\$1,157</u>	<u>+\$90</u>	<u>+\$59</u>
Total Variable ⁽¹⁾	\$3,562	\$3,388	+\$174	+\$76

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



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First-Half 2018 Key Takeaways

Retail Automotive

- Same-store Retail Units +0.5%
- 7.3% Same-Store Revenue Growth
- Excluding foreign exchange, Same-Store Revenue Growth 2.9%
- Same-store Variable Gross Profit Per Unit Retail of \$3,616, +\$5.3%

Heavy-Duty Truck Retail

- 49.3% Same-store Unit Growth
- 41.5% Same-Store Revenue Growth
- Service & Parts approximately 71% of Gross Profit
- Fixed Cost Absorption 122% and 100% of Total Operating Expenses

Capital Allocation

- Repurchased 1.2 million shares for \$56 million
- Generated \$58 million in cash from sale of non-core dealerships
- Returned \$59 million in Dividends to shareholders
- Reduced debt to EBITDA ratio to 2.7x

Penske Truck Leasing

- Recorded \$51 million in Equity Earnings

1

2

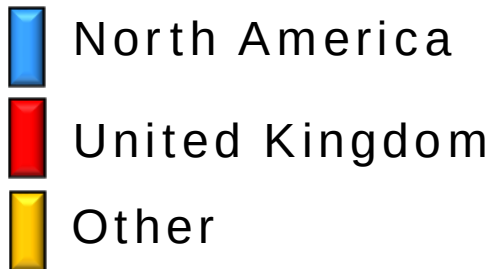
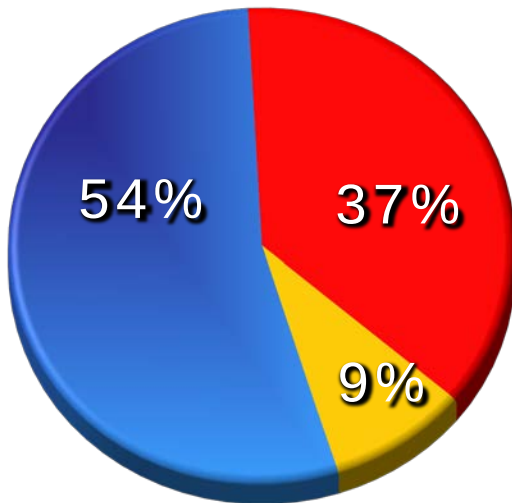
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6M 2018 Revenue & EBT

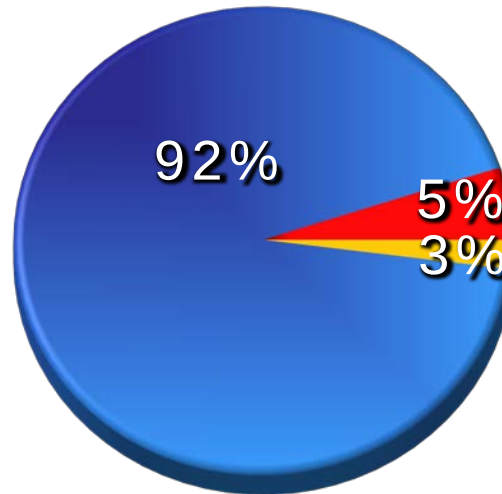
Revenue

\$11.7 Billion



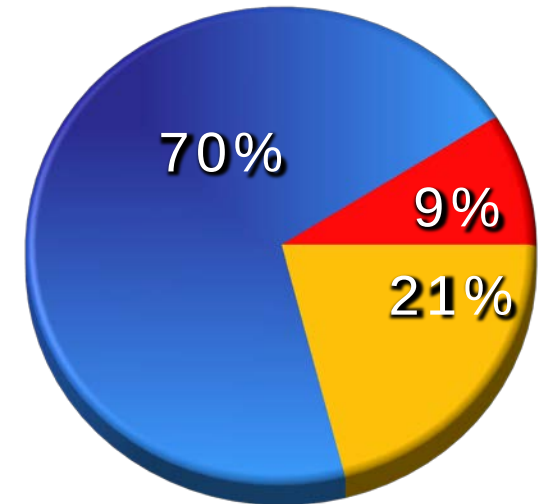
Revenue

\$11.7 Billion



Earnings Before Tax

\$320.5 Million



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



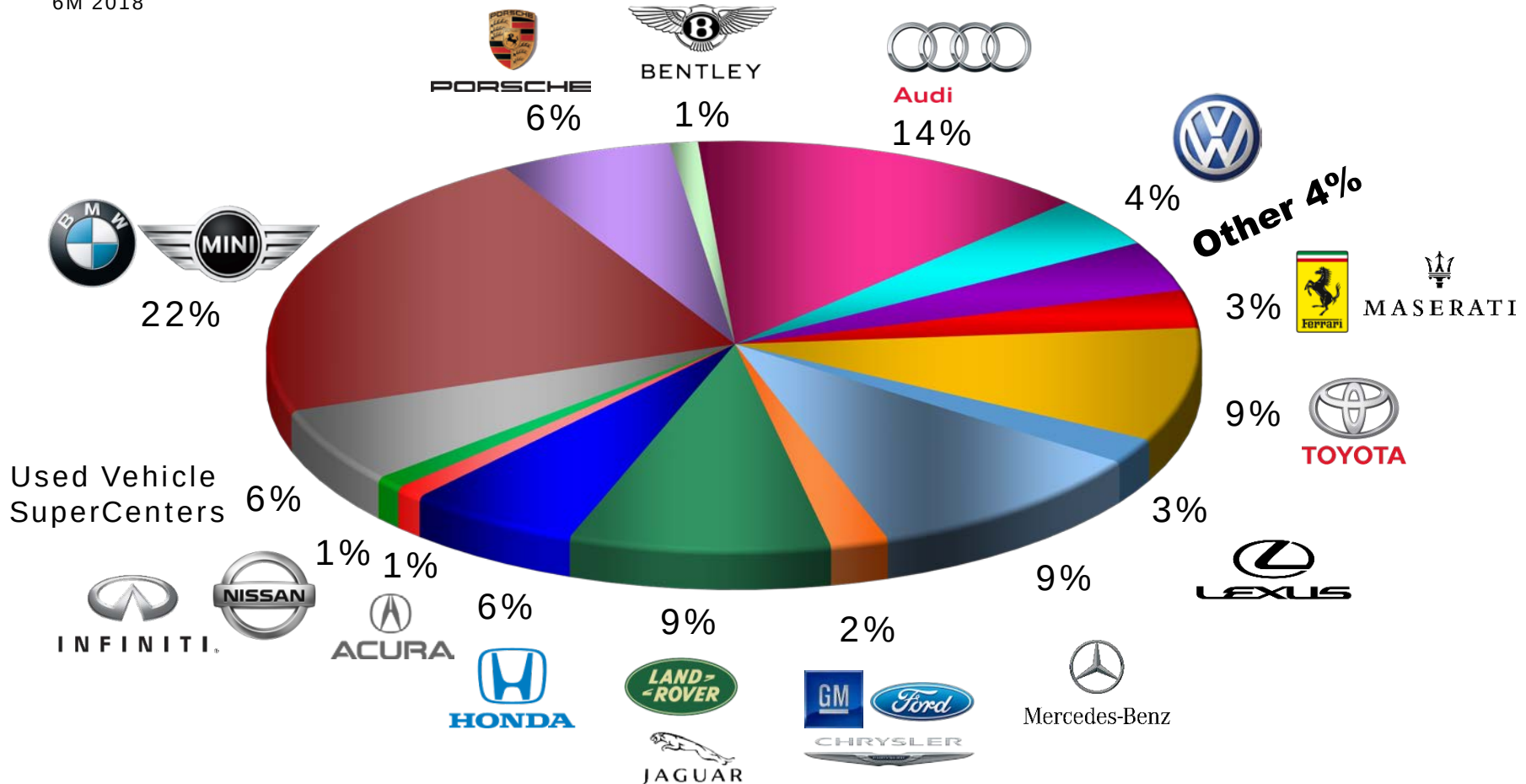
RETAIL AUTOMOTIVE



Best in Class Brand Mix

(% of Total Automotive Dealership Revenue)

6M 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

	Q2 2018 Total	Q2 2017 Total	Chg.	6M 2018	6M 2017	Chg.
Used Units Retailed	18,832	11,125	69.3%	37,505	19,326	94.1%
<i>Same-Store</i>	<i>12,269</i>	<i>11,125</i>	<i>10.3%</i>			
Revenue (in millions)	\$346.7	\$192.8	79.8%	\$677.8	\$335.9	101.8%
<i>Same-Store</i>	<i>\$243.8</i>	<i>\$192.8</i>	<i>26.5%</i>			
Avg. Transaction Price	\$15,304	\$14,344	6.7%	\$15,105	\$14,356	5.2%
<i>Same-Store</i>	<i>\$16,192</i>	<i>\$14,344</i>	<i>12.9%</i>			
Gross Per Unit Retailed	\$1,179	\$1,177	0.2%	\$1,164	\$1,264	(7.9%)
<i>Same-Store</i>	<i>\$1,211</i>	<i>\$1,177</i>	<i>2.9%</i>			
F&I Per Unit Retailed	\$1,087	\$1,202	(9.6%)	\$1,086	\$1,178	(7.8%)
<i>Same-Store</i>	<i>\$1,358</i>	<i>\$1,202</i>	<i>13.0%</i>			
Total Variable Gross/Unit	\$2,266	\$2,379	(4.8%)	\$2,249	\$2,442	(7.9%)
<i>Same-Store</i>	<i>\$2,569</i>	<i>\$2,379</i>	<i>8.0%</i>			

Note:

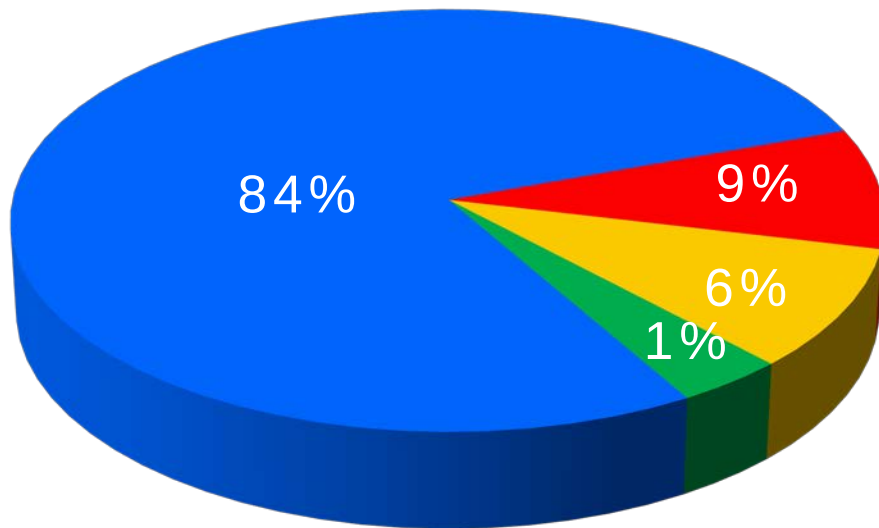
- Results are shown for CarSense, CarShop and Car People stand-alone used vehicle supercenters.
- Q2 Same-store results reflect only CarSense and CarShop as both acquisitions were completed in Q1 2017.
- The Car People was acquired in Q1 2018



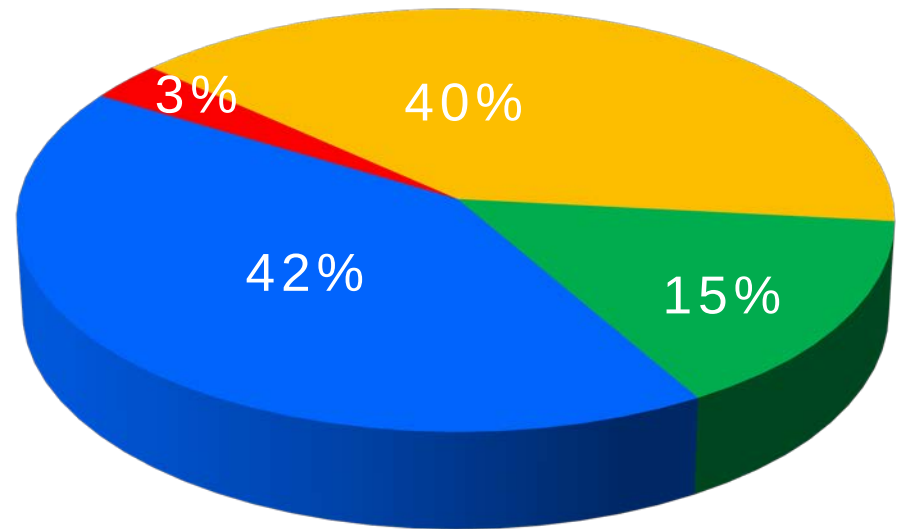
Stand-Alone Supercenters Revenue & Gross

6M YTD 2018

Revenue



Gross Profit



■ Used ■ Wholesale ■ S&P ■ F&I



eCOMMERCE



- Over 33% of PAG's U.S. vehicle sales attributed to internet/digital initiatives
 - Dealer sites, Penskecars.com
- Preferred Purchase through dealer websites and PenskeCars.com allows customers to choose how they prefer to buy/lease a vehicle
 - Conversion rate is 3x that of a normal lead
 - Receive a trade-in valuation subject to inspection
 - Apply for financing
 - Arrange for pick-up or home delivery
- Certain U.K. stand alone used supercenters allows customers to conveniently reserve a vehicle on-line



NORTH AMERICA RETAIL COMMERCIAL TRUCK DEALERSHIPS

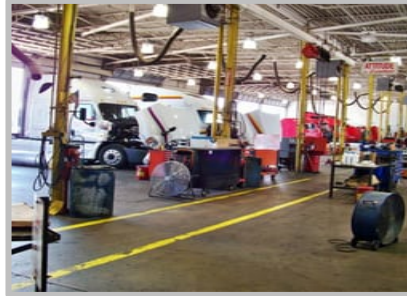


N. America Commercial Truck Dealerships

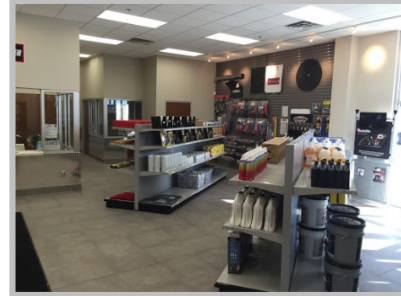
Truck Sales



Service



Parts



Body Shop



- Over \$1.2B of expected annual operating revenue
- 3rd largest Dealership Group for Daimler Trucks N.A.



SELEC**TRUCKS**



DETROIT DIESEL



- New and used retail sales; service and parts operations
- 21 locations in Georgia, Oklahoma, Tennessee, Texas and Canada



N. America Commercial Truck Operations

(\$ in Millions)	Q2 '18	Q2 '17	% Chg	6M '18	6M '17	% Chg
Retail Commercial Units:						
New Retail	2,018	1,174	+71.9%	3,672	2,300	+59.7%
Used Retail	<u>486</u>	<u>385</u>	<u>+26.2%</u>	<u>937</u>	<u>766</u>	<u>+22.3%</u>
Total	2,504	1,559	+60.6%	4,609	3,066	+50.3%
Retail Revenue:						
New Vehicles	\$210.7	\$116.5	+80.9%	\$381.1	\$227.2	+67.7%
Used Vehicles	27.3	23.2	+17.7%	53.8	42.2	+27.5%
F&I, Net	3.6	2.3	+56.5%	6.8	4.5	+51.1%
Service and Parts	92.2	83.3	+10.7%	182.6	161.3	+13.2%
Wholesale	<u>5.0</u>	<u>3.2</u>	<u>+56.3%</u>	<u>6.9</u>	<u>5.0</u>	<u>+38.0%</u>
Total Revenue	\$338.8	\$ 228.5	+48.3%	\$631.2	\$440.2	+43.4%
Retail Gross Profit:						
New Vehicles	\$9.5	\$5.0	+90.0%	\$16.2	\$9.5	+70.5%
Used Vehicles	3.1	2.5	+24.0%	5.8	3.5	+65.7%
F&I, Net	3.6	2.3	+56.5%	6.8	4.5	+51.1%
Service and Parts	35.9	30.3	+18.5%	69.9	59.1	+18.3%
Wholesale	<u>0.3</u>	<u>(0.1)</u>	<u>nm</u>	<u>0.3</u>	<u>(\$0.2)</u>	<u>nm</u>
Total Gross Profit	\$52.4	\$40.0	+31.0%	\$99.0	\$76.4	+29.6%
Retail Gross Margin:						
New Vehicles	4.5%	4.3%	+20 bps	4.3%	4.2%	+10 bps
Used Vehicles	11.4%	10.8%	+60 bps	10.8%	8.3%	+250 bps
Service and Parts	<u>38.9%</u>	<u>36.4%</u>	<u>+250 bps</u>	<u>38.3%</u>	<u>36.6%</u>	<u>+170 bps</u>
Total Gross Margin	15.5%	17.5%	(200 bps)	15.7%	17.4%	(170 bps)

nm = not meaningful



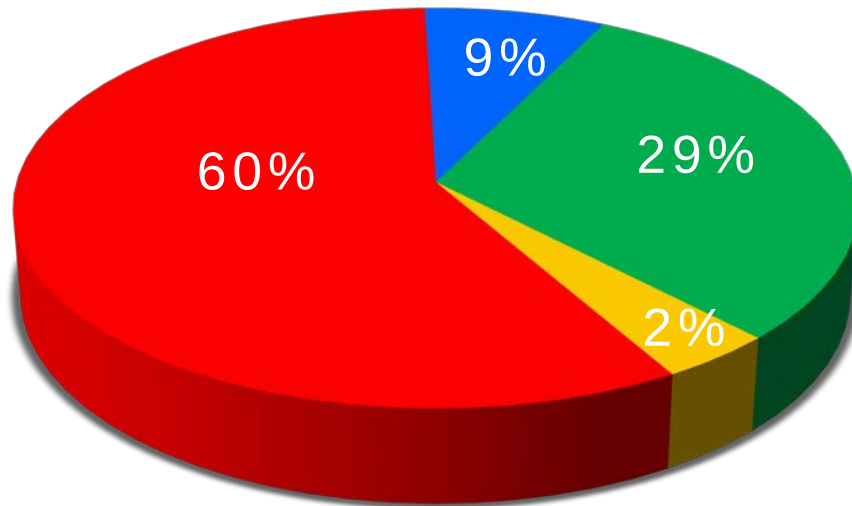
Premier Truck Metrics

6M YTD 2018

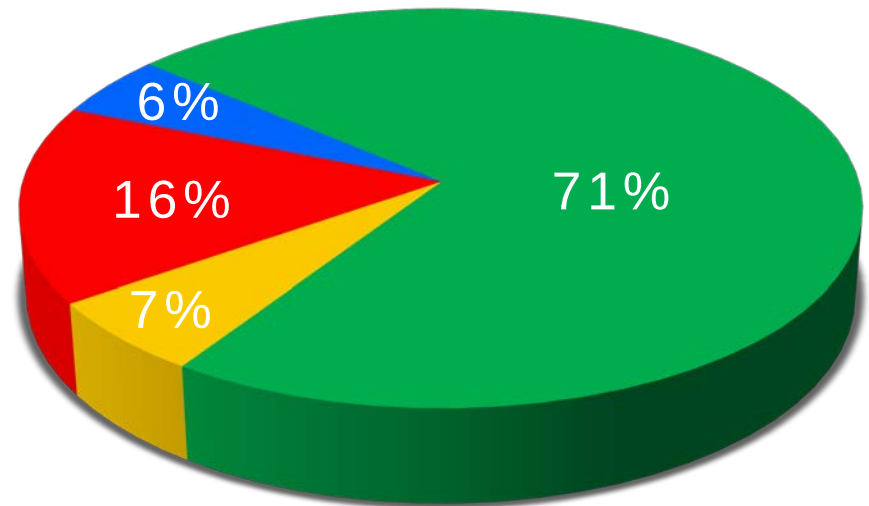
Service & Parts Drives Profitability

122% Fixed Absorption

Revenue



Gross Profit



■ New ■ Used ■ S&P ■ F&I



PENSKE TRUCK LEASING



Penske Truck Leasing Overview

Full-Service
Leasing



Contract
Maintenance



Truck
Rental

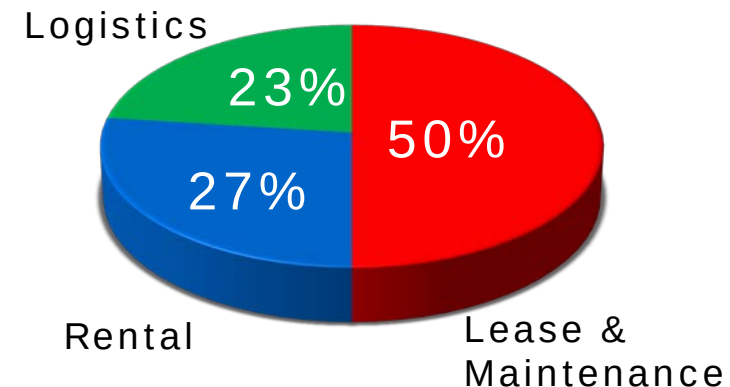


Logistics
Services



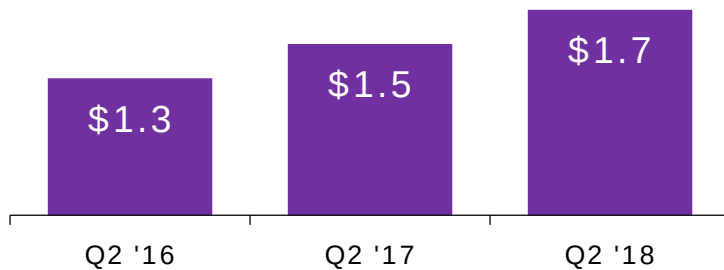
- \$13.8 billion total assets
- Annual revenue over \$6.0 billion
- Over 280,000 vehicles on the road

Revenue



PTL Performance Summary

Q2 Operating Revenue +13.3%
(\$ in Billions)



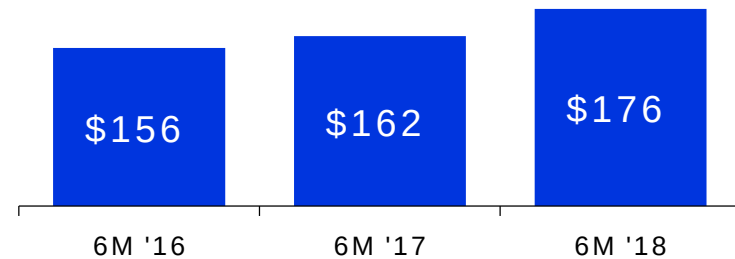
6M YTD Operating Revenue +14.5%
(\$ in Billions)



Q2 Net Income +11.0%
(\$ in Millions)



6M YTD Net Income +8.6%
(\$ in Millions)



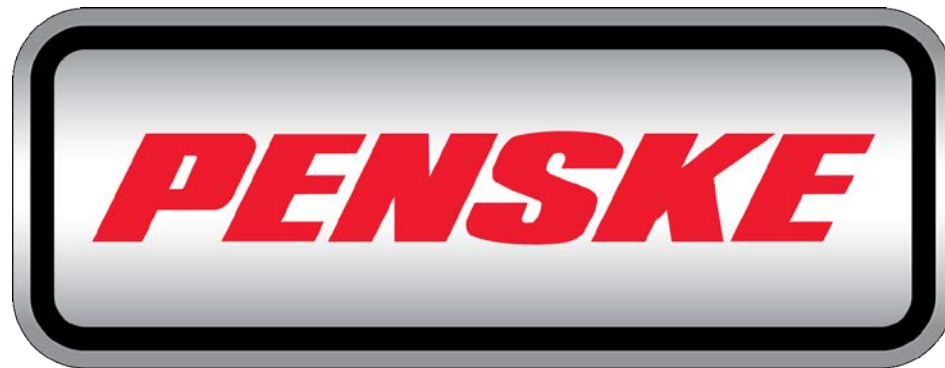
NON-GAAP RECONCILIATIONS

EBITDA Reconciliation

(\$ in Millions)

	Q2 '18	Q2 '17	6M '18	6M '17
Net Income	\$135.2	\$106.9	\$243.0	\$189.9
Depreciation	\$25.7	\$23.3	\$51.3	\$45.7
Other Interest	\$28.6	\$26.4	\$58.4	\$51.4
Income Taxes	\$41.0	\$50.2	\$77.6	\$91.3
(Income)/Loss from Disc. Ops.	<u>--</u>	<u>(\$0.2)</u>	<u>(\$0.1)</u>	<u>\$0.4</u>
EBITDA	\$230.5	\$206.6	\$430.2	\$378.7





Automotive