

First Quarter 2019 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 impacts related to the outcome of the United Kingdom's planned departure from the European Union, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to limited vehicle availability due to WLTP, natural disasters, 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, 2018, 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 April 25, 2019.

Pillars of Diversification



FRANCHISED AUTOMOTIVE DEALERSHIPS

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



USED VEHICLE SUPERCENTERS

- **CarSense (U.S.)**
- **CarShop (U.K.)**



COMMERCIAL TRUCK DEALERSHIPS

- **Premier Truck Group**
 - **U.S.**
 - **Canada**



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 earnings using the equity method.



FIRST QUARTER 2019

Q1 2019 Highlights

- **Income from continuing operations of \$100.1 million and earnings per share of \$1.19**
- **Income from continuing operations and related earnings per share were negatively impacted by**
 - **\$7.6 million after taxes, or \$0.09 per share, from net restructuring charges and product availability issues related to Worldwide Light Vehicle Testing Protocol**
 - **Partially offset \$2.4 million after taxes, or \$0.03 per share, related to the favorable outcome of a litigation matter at Penske Truck leasing**
- **Record Q1 2019 commercial truck dealership unit sales, revenue and earnings before taxes**
- **Foreign currency reduced earnings per share by \$0.04**

Q1 2019 Key Takeaways

Retail Automotive

- **Retailed over 127,000 new and used automotive units**
- **Used to New ratio increased to 1.34 to 1**
- **Excluding foreign exchange, Same-Store Service & Parts revenue +5.6%**
- **Same-Store Service & Parts gross margin +70 basis points**

Commercial Trucks

- **+7.7% Same-Store Unit Growth**
- **+12.4% Same-Store Retail Revenue Growth**
- **Fixed Cost Absorption 117%**

Penske Truck Leasing

- **PTL investment generated \$25.8 million in Equity Earnings**

Capital Allocation

- **Increased the dividend for the 31st consecutive quarter**
- **Repurchased 1.3 million shares representing 1.5% of outstanding shares**
- **\$145.7 million remaining repurchase authorization**

1

2

3

*Refer to non-GAAP reconciliations in the Appendix to this presentation, page 23

Q1 2019 Performance Metrics

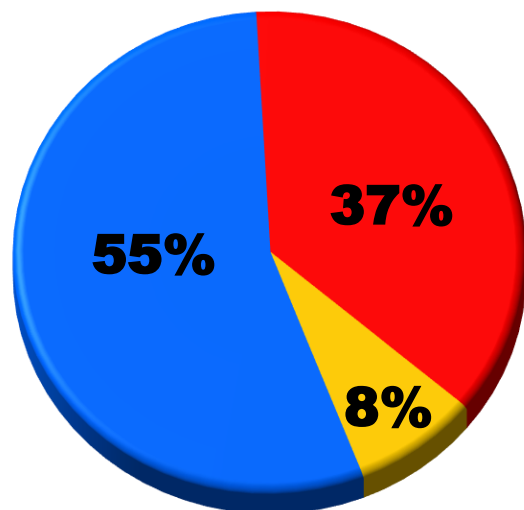
	ACTUAL	Ex. F/X
Same-Store Units		
New Vehicles	-8.5%	n/a
Used Vehicles	<u>+0.1%</u>	n/a
Total	-3.8%	n/a
Same-Store Retail Revenue		
New	-9.4%	-6.9%
Used	-0.5%	+3.4%
Finance & Insurance	-0.4%	+2.8%
Service & Parts	<u>+3.0%</u>	<u>+5.6%</u>
Total	-4.5%	-1.4%
Same-Store Gross Profit per Vehicle Retailed		
New	\$3,153	\$3,253
Used	\$1,301	\$1,347
Finance & Insurance	\$1,262	\$1,303
Same-Store Service & Parts Margin	59.2%, +70 bps	59.1%, +60 bps
EPS – Reported	\$1.19	\$1.23

Q1 Revenue & EBT

(3M YTD 2019)

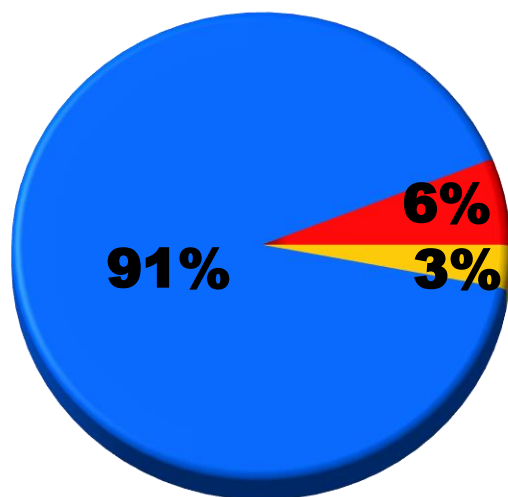
Revenue

\$5.6 Billion



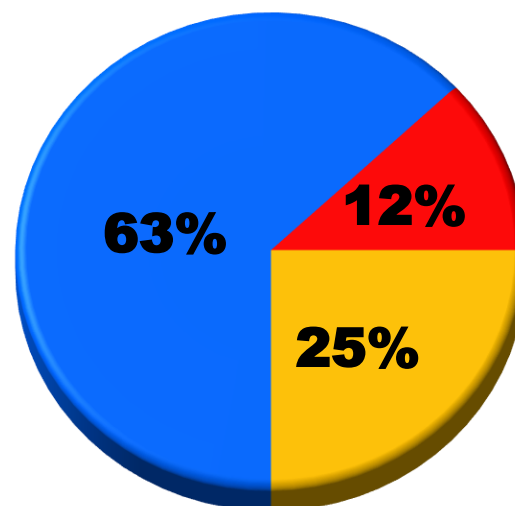
Revenue

\$5.6 Billion



Earnings Before Tax

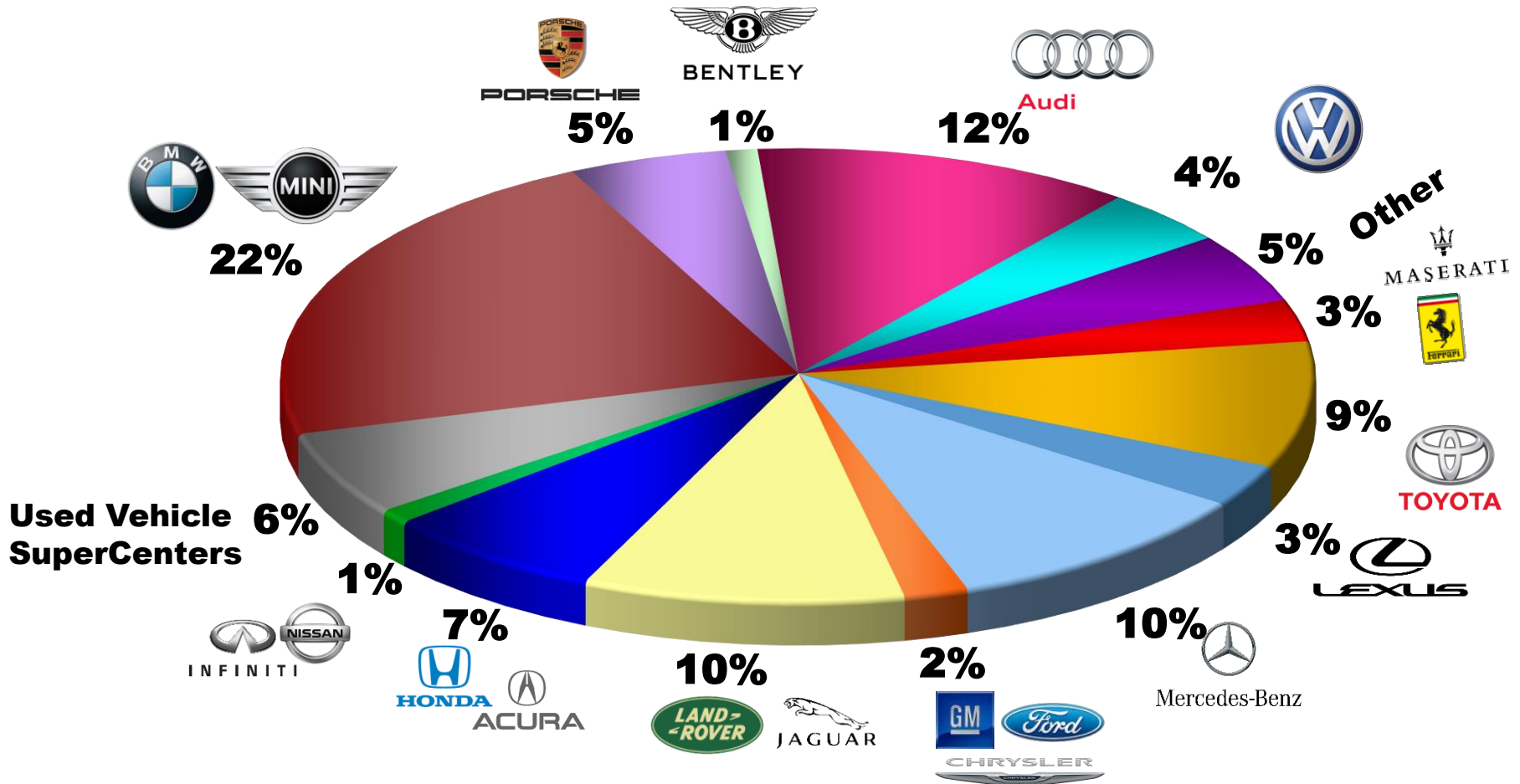
\$134 Million



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

Q1 YTD Retail Automotive Brand Mix

(% of Total Automotive Dealership Revenue for March YTD 2019)



- Premium – 70%
- Volume Non-U.S. – 22%

- Used Vehicle SuperCenters – 6%
- U.S. Big 3 – 2%



Confidential

APPENDIX

Appendix Table of Contents

	Page #
Used Vehicle SuperCenters	12
Retail Commercial Truck Dealerships	15
Penske Truck Leasing	18
Digital Initiatives	20
Non-GAAP Reconciliations	22

USED SUPERCENTERS

Used Vehicle SuperCenters

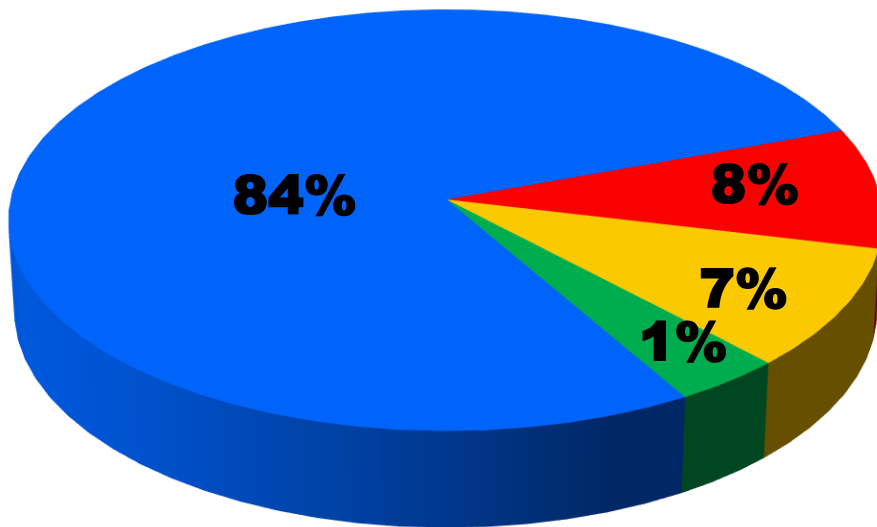
	3M 2019	3M 2018	Chg.	Excludes F/X
Used Units Retailed	18,040	18,673	-3.4%	-3.4%
Revenue (in millions)	\$314.4	\$331.1	-5.0%	-0.4%
Avg. Transaction Price	\$14,567	\$14,904	-2.3%	+2.5%
Gross Per Unit Retailed	\$842	\$1,148	-26.7%	-23.3%
F&I Per Unit Retailed	\$1,148	\$1,085	+5.8%	+11.4%
Total Variable Gross/Unit	\$1,990	\$2,233	-10.9%	-6.4%

Excludes F/X = Excludes Impact of Foreign Currency

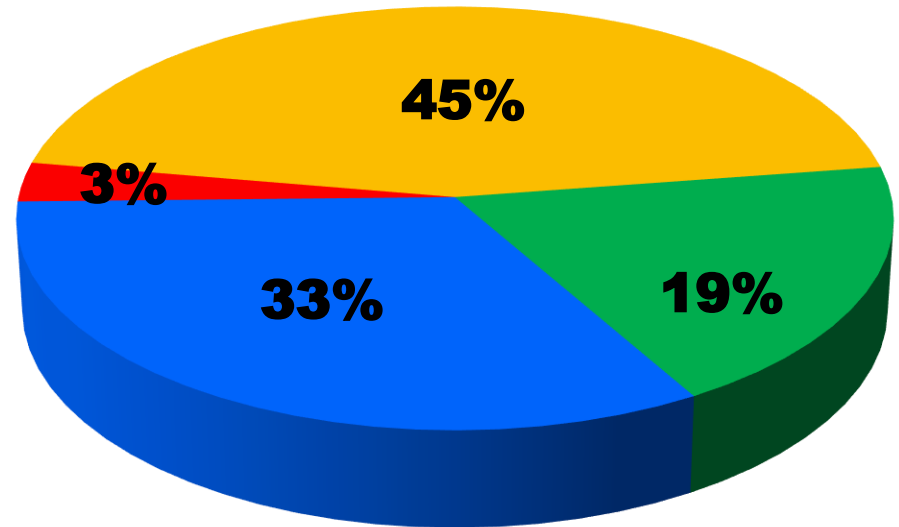
Supercenters Revenue & Gross

(3M YTD 2019)

Revenue



Gross Profit



■ **Used**

■ **Wholesale**

■ **S&P**

■ **F&I**

NORTH AMERICA RETAIL COMMERCIAL TRUCK DEALERSHIPS

Premier Truck Group

Truck Sales



Service



Parts



Body Shop



- **3M 2019 revenue of \$332.3 million, +13.6%; Same-store +12.4%**
- **3rd largest Dealership Group for Daimler Trucks N.A.**



SELECTRUCKS****



DETROIT DIESEL



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

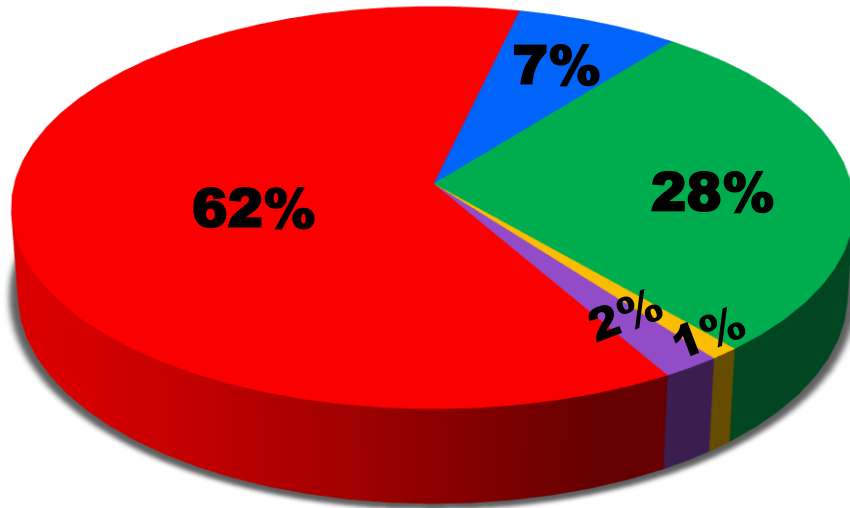


Premier Truck Revenue & Gross

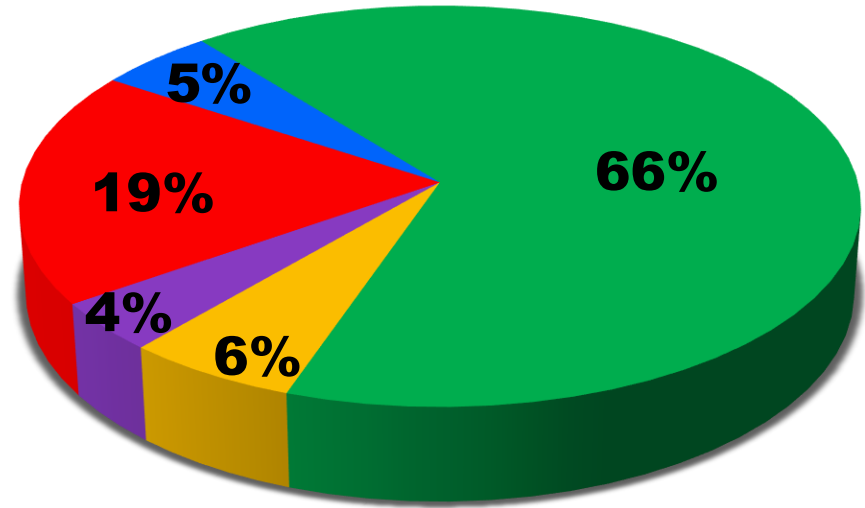
3M YTD 2019

66% of Gross Profit From Service & Parts

Revenue



Gross Profit



■ New ■ Used ■ S&P ■ F&I ■ Other

PENSKE TRUCK LEASING

Penske Truck Leasing Overview

Full-Service Leasing



Contract Maintenance



Truck Rental

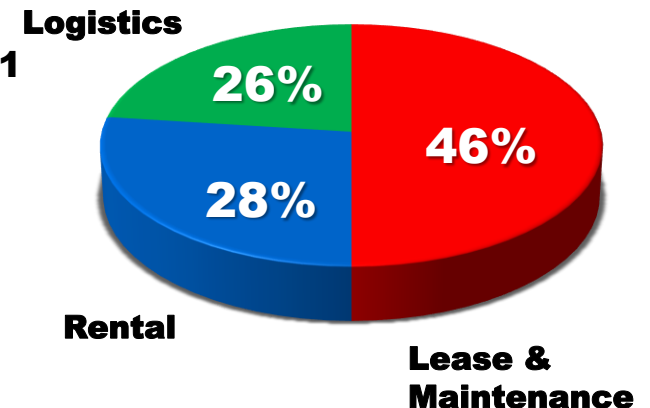


Logistics Services



- **\$15.3 billion total assets**
- **\$8.6 billion in total annual revenue¹**
- **Over 300,000 vehicles on the road**
- **PAG recorded equity income of \$25.8 million**

Operating Revenue¹



¹Last 12 months ended March 31, 2019

DIGITAL INITIATIVES

Digital Initiatives

- **62,000 new and used vehicles online**
- **34% of U.S. unit sales are from digital sources**
- **Online service appointments increased nearly 30% year over year**
- **Online service and parts payments increased nearly 40% year over year**
- **Installing docuPAD® in U.S. dealerships**
 - **Interactive tool to engage customers digitally through menu presentation and document processing**
- **Launching Digital Dealership in the U.S. Used Vehicle SuperCenters and for used vehicles at U.K. franchised dealerships, providing customers with the option to purchase a vehicle online**

NON-GAAP RECONCILIATIONS

EBITDA Reconciliation

(\$ in Millions)	Three Mos. Ended March 31,	
	2019	2018
Net Income	\$99.2	\$107.8
Depreciation	\$26.4	\$25.6
Other Interest	\$29.9	\$29.8
Income Taxes	\$34.7	\$36.6
(Inc.)/Loss from Disc. Ops.	<u>(\$0.1)</u>	<u>(\$0.1)</u>
EBITDA	\$190.1	\$199.7