

Second Quarter 2019 Financial Results & Update



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Penske Automotive Group Overview

- A diversified transportation services company with estimated annual revenues in excess of \$24 billion
- Operations across four continents and nine countries
- 272 Retail automotive locations world-wide
 - 258 Automotive dealerships
 - 14 Stand-alone used vehicle SuperCenters
- 38 Collision centers
- 25 N.A. Commercial Truck Dealerships*
- Over 27,900 employees

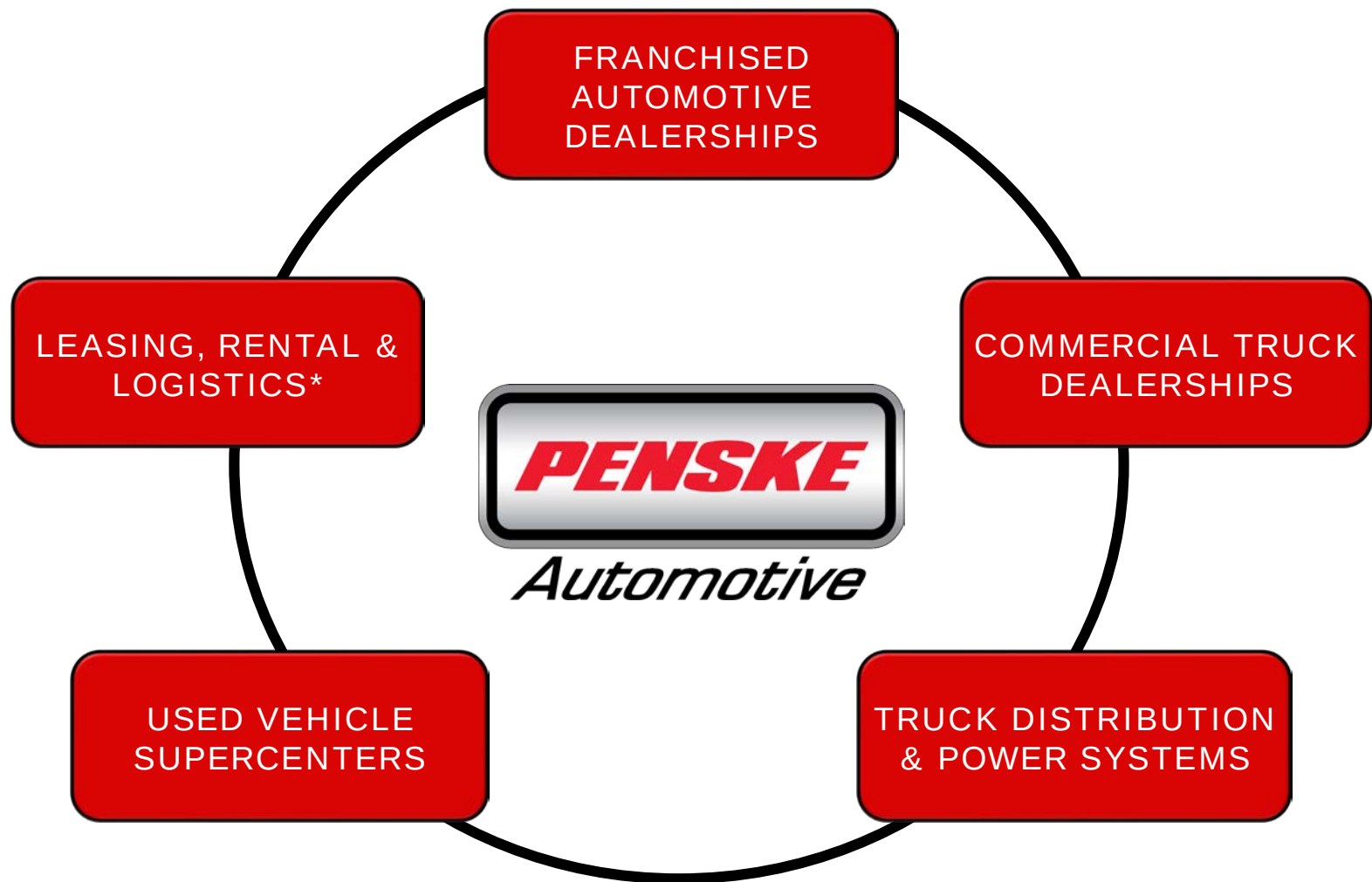


Mercedes-Benz of Chantilly, (Chantilly, VA)

*Includes Warner Truck Acquisition completed in July 2019



Diversification



* PAG maintains a 28.9% ownership interest in Penske Truck Leasing and records a share of earnings using the equity method.

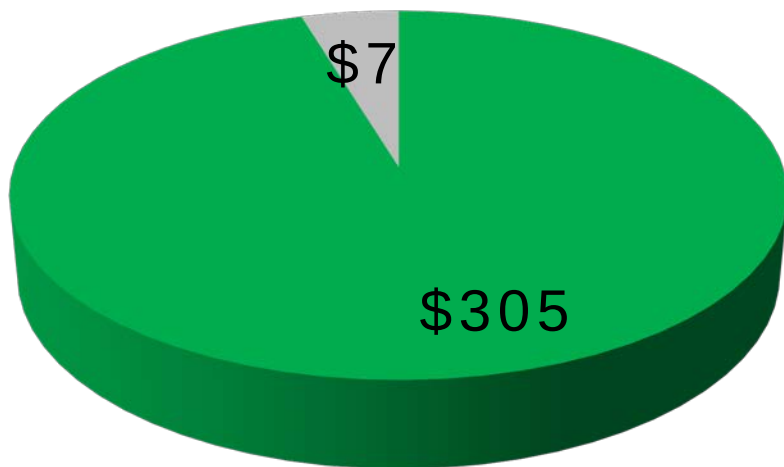


6M 2019 Cash Flow From Operations

(\$ in Millions)

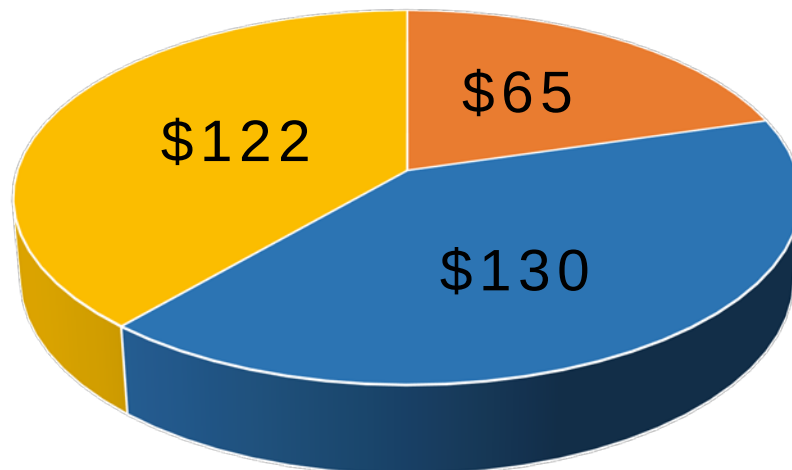
Debt Remained Flat With Year End

Cash Flow
From Operations



■ Cash From Operations ■ Non-Trade FloorPlan

Capital Allocation



■ Dividends ■ Share Repurchases ■ Cap Ex, Net

SECOND QUARTER 2019

Q2 2019 Key Takeaways

Retail Automotive

- Same-store variable gross profit +\$71/unit, excluding foreign exchange
- Same-store service and parts revenue +3.1%, excluding foreign exchange
 - Customer Pay Flat
 - Warranty +14.7%
- Service & Parts generated 42% of Gross Profit

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Commercial Trucks

- 23.2% Same-store Unit Growth
- 26.1% Same-store Revenue Growth
- Service & Parts generated 64% of Gross Profit
- In July, acquired Warner Truck Centers with estimated annualized revenue of \$1.1B
- Return on sales 4.4%
- Fixed coverage 119%

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Capital Allocation

- Increased dividend to \$0.40 per share
- Repurchased 1.7 million shares for \$76.2 million

Penske Truck Leasing

- Net earnings increased 9% to \$132M
- PAG share of PTL earnings increased \$3M to \$38M

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Q2 2019 Retail Automotive Key Metrics

	Q2 '19	Q2 '18	Change
Volume Metrics <u>Same-Store</u>			
New Units	54,540	59,938	-9.0%
Used Retail Units	71,411	71,804	-0.5%
Used to New Ratio	1.31	1.20	+9.3%
Margin Metrics <u>Same-Store</u>			
New Margin	7.5%	7.5%	flat
Used Margin	5.5%	5.9%	-40 bps
Fixed Margin	59.6%	60.0%	-40 bps

	Q2 '19	Q2 '18	Change	Excl F/X
Gross Per Unit <u>Same-Store</u>				
New Vehicle	\$3,133	\$3,115	+\$18	+\$101
Used Vehicle	\$1,406	\$1,546	-\$140	-\$101
F&I	\$1,302	\$1,217	+\$85	+\$119
Variable Gross ⁽¹⁾	\$3,456	\$3,477	-\$21	+\$71

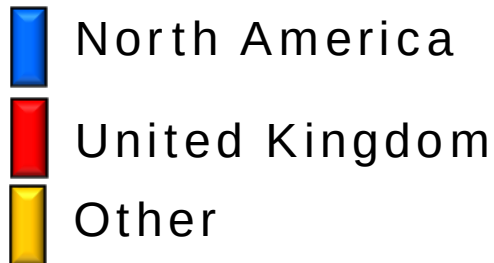
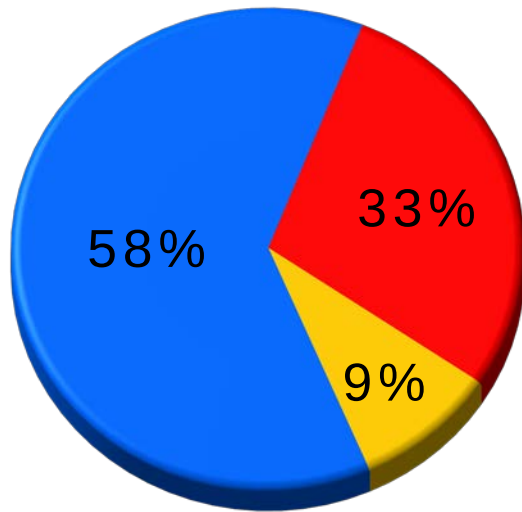
(1) Variable Gross: new vehicle gross profit, used retail gross profit, and F&I gross profit divided by new and used retail unit sales



Q2 Revenue & EBT

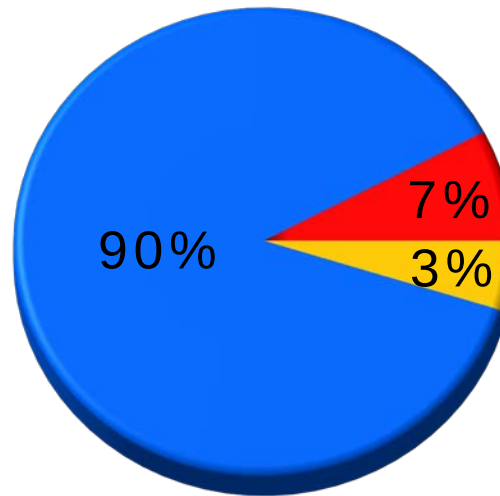
Revenue

\$5.8 Billion



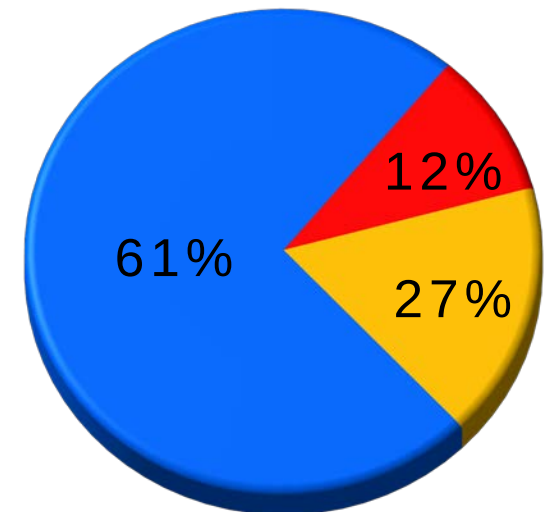
Revenue

\$5.8 Billion



Earnings Before Tax

\$160 Million



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



Q2 Service & Parts Gross Profit

Service & Parts Generated 45% of Total Gross Profit

	Service/Parts Gross Profit
Retail Automotive	\$328.3
Retail Commercial Truck	\$37.3
Australia/New Zealand	<u>\$25.4</u>
Total Service & Parts Gross	\$391.0
Total Gross Profit	\$867.8
Service & Parts (as a % of Total Gross Profit)	45.1%

APPENDIX

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RETAIL COMMERCIAL TRUCK DEALERSHIPS

Q2 2019 Retail Truck Key Metrics

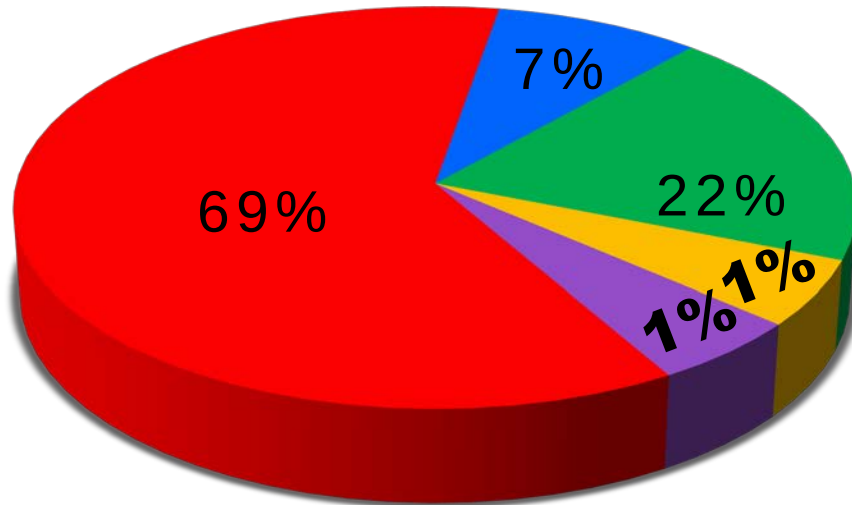
	Q2 '19	Q2 '18	Chg	Chg %
Volume Metrics <u>Same-Store</u>				
New Units	2,647	2,021	+626	+31.0%
Used Retail Units	441	486	(45)	(9.3%)
Gross Per Unit <u>Same-Store</u>				
New Vehicle	\$4,461	\$4,673	(\$212)	(4.5%)
Used Vehicle	\$6,575	\$6,469	+\$106	+1.6%
F&I	\$926	\$1,301	(\$375)	(28.8%)

Retail Commercial Truck Revenue & Gross

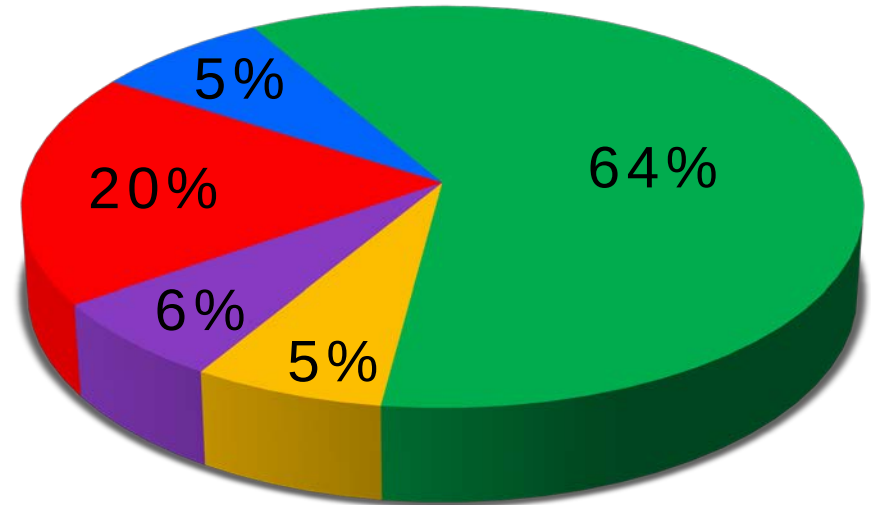
Q2 2019

64% of Gross Profit From Service & Parts

Revenue



Gross Profit

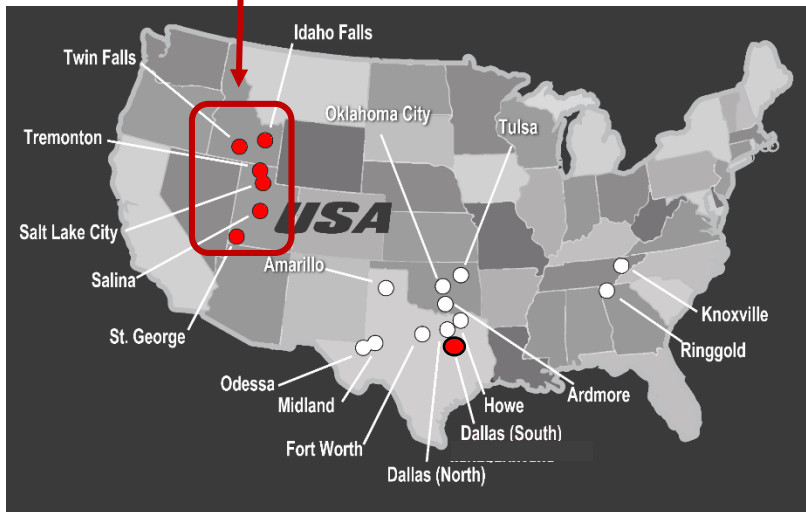


■ New ■ Used ■ S&P ■ F&I ■ Other

Warner Truck Centers Overview

- 8 operating locations - 6 dealerships and 2 customer support facilities in Utah and Idaho
- 6,000 new trucks, 2,500 used trucks annually
- \$1.1B in estimated annualized revenue

Warner Truck Group Locations



● **CORPORATE HEADQUARTERS**



USED SUPERCENTERS

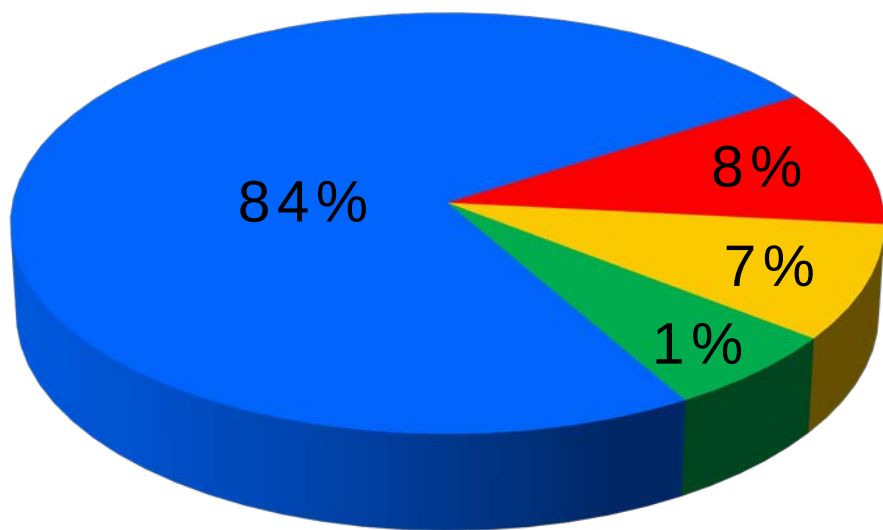
Used Vehicle SuperCenters

	Q2 '19	Q2 '18	Chg.	Chg. %
Used Units Retailed	17,775	18,832	(1,057)	(5.6%)
Revenue (in millions)	\$312.1	\$346.7	(\$34.6)	(10.0%)
Avg. Transaction Price	\$14,797	\$15,304	(\$507)	(3.3%)
Total Variable Gross/Unit	\$2,158	\$2,266	(\$108)	(4.8%)
Margin	14.6%	14.8%	n/a	-20 bps

SuperCenters Revenue & Gross

(Q2 YTD 2019)

Revenue



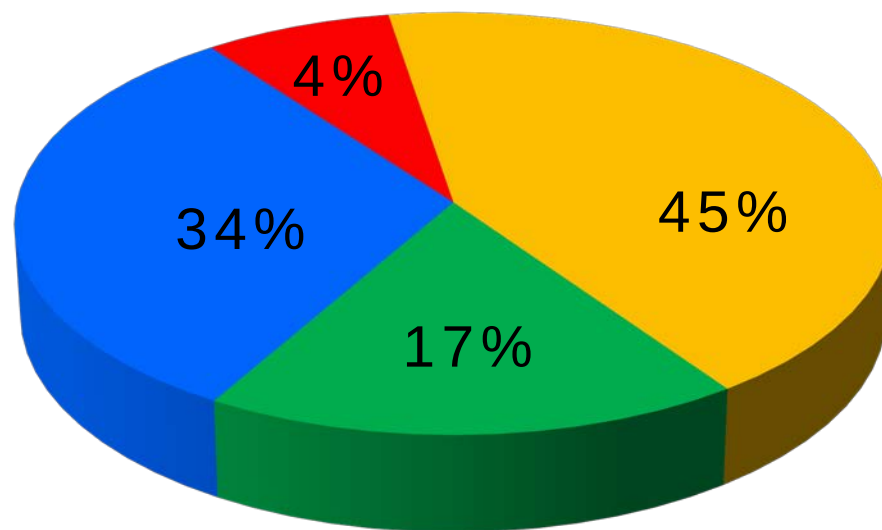
■ Used

■ Wholesale

■ S&P

■ F&I

Gross Profit



PENSKE TRUCK LEASING

Penske Truck Leasing Overview

Full-Service
Leasing



Contract
Maintenance



Truck
Rental

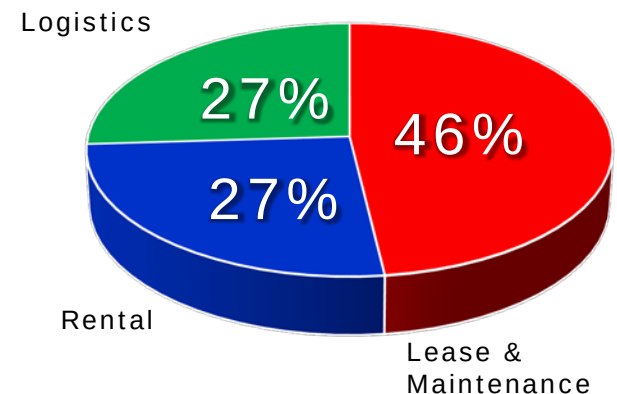


Logistics
Services



- \$15.7 billion total assets
- \$8.8 billion in estimated total annual revenue
- Over 300,000 vehicles on the road
- PAG recorded equity income of \$38.0 million in Q2 2019
- Trailing twelve months cash received of \$74.6 million

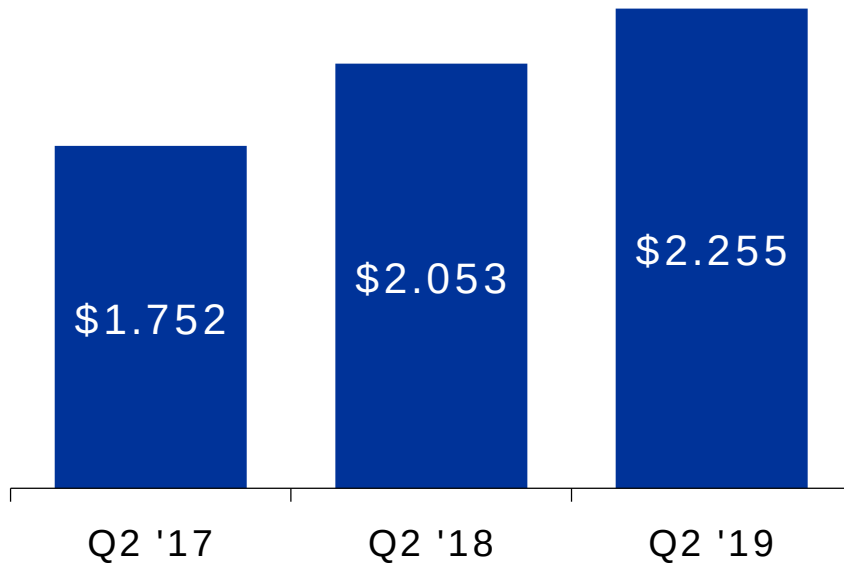
Operating Revenue



PTL Performance Summary

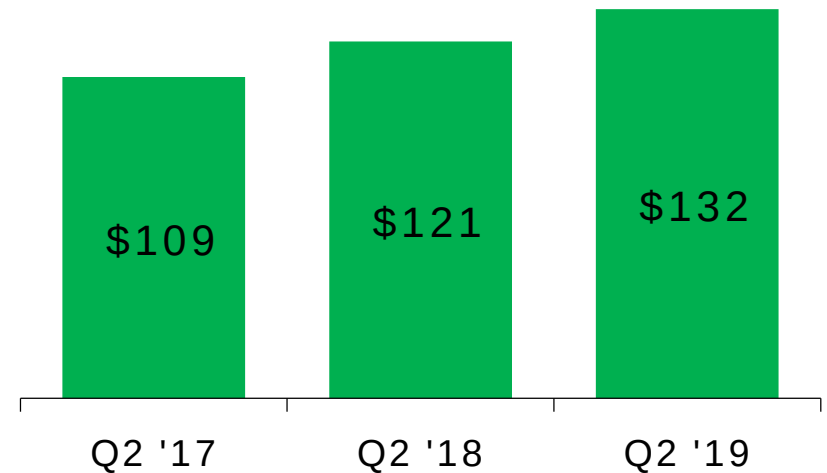
Q2 Total Revenue

(\$ in Billions)



Q2 Net Income

(\$ in Millions)



DIGITAL INITIATIVES

Digital/Omni-Channel Initiatives

- 59,000 new and used vehicles online via websites and social channels
- Provide, chat, text, mobile, desktop opportunity, including service appointment scheduling, online payments and vehicle purchase through Preferred Purchase
 - 33% of U.S. unit sales are from digital sources
 - On-line buying through Preferred Purchase closing rate over 20%
 - Online service appointments up 11% in Q2 2019
 - Online service/parts payments up 68% in Q2 2019

Digital/Omni-Channel Initiatives

- Installing docuPAD® in U.S. dealerships
 - Digital customer engagement in the F&I office through menu presentation and document processing
 - Electronic documents
- In the process of launching (occurring in multiple stages) a new e-commerce platform in the U.K.

Best Dealerships to Work For

33 Dealerships Names Best To Work For in 2019

 ACURA Acura of Fayetteville	 ACURA Acura Turnersville	 Audi Chantilly	 Audi Eatontown	 Audi Mentor	 Audi Turnersville	 Audi Warwick	 BMW BMW of Mamaroneck	 BMW BMW North Scottsdale
 BMW BMW of Turnersville	 BMW BMW of Warwick	 CHEVROLET CADILLAC OF TURNERSVILLE	 SCOTTSDALE	 HONDA Honda of Mentor	 HONDA Honda of Fayetteville	 HYUNDAI Hyundai of Turnersville	INFINITI OF WARWICK	
 JAGUAR LAND ROVER CHANDLER	 JAGUAR LAND ROVER MONMOUTH	 JAGUAR LAND ROVER PARAMUS	 LEXUS LEXUS OF WARWICK	Mercedes-Benz of Fairfield		 MINI MINI NORTH SCOTTSDALE	 MINI MINI OF ONTARIO	 MINI MINI OF SAN DIEGO
 MINI MINI OF WARWICK	 NISSAN Nissan of Turnersville	 PORSCHE Porsche Beachwood	 PORSCHE Porsche Fairfield	 PORSCHE Porsche Monmouth	 PORSCHE Porsche North Scottsdale	 Surprise TOYOTA	 Turnersville TOYOTA	

NON-GAAP RECONCILIATIONS

EBITDA Reconciliation

(\$ in Millions)

	Q2 '19	Q2 '18	6M '19	6M '18
Net Income	\$118.5	\$135.2	\$217.7	\$243.0
Depreciation	\$27.1	\$25.7	\$53.5	\$51.3
Other Interest	\$30.4	\$28.6	\$60.3	\$58.4
Income Taxes	\$41.5	\$41.0	\$76.2	\$77.6
(Income)/Loss from Disc. Ops.	<u>(\$0.1)</u>	<u>--</u>	<u>(\$0.2)</u>	<u>(\$0.1)</u>
EBITDA	\$217.4	\$230.5	\$407.5	\$430.2



Automotive