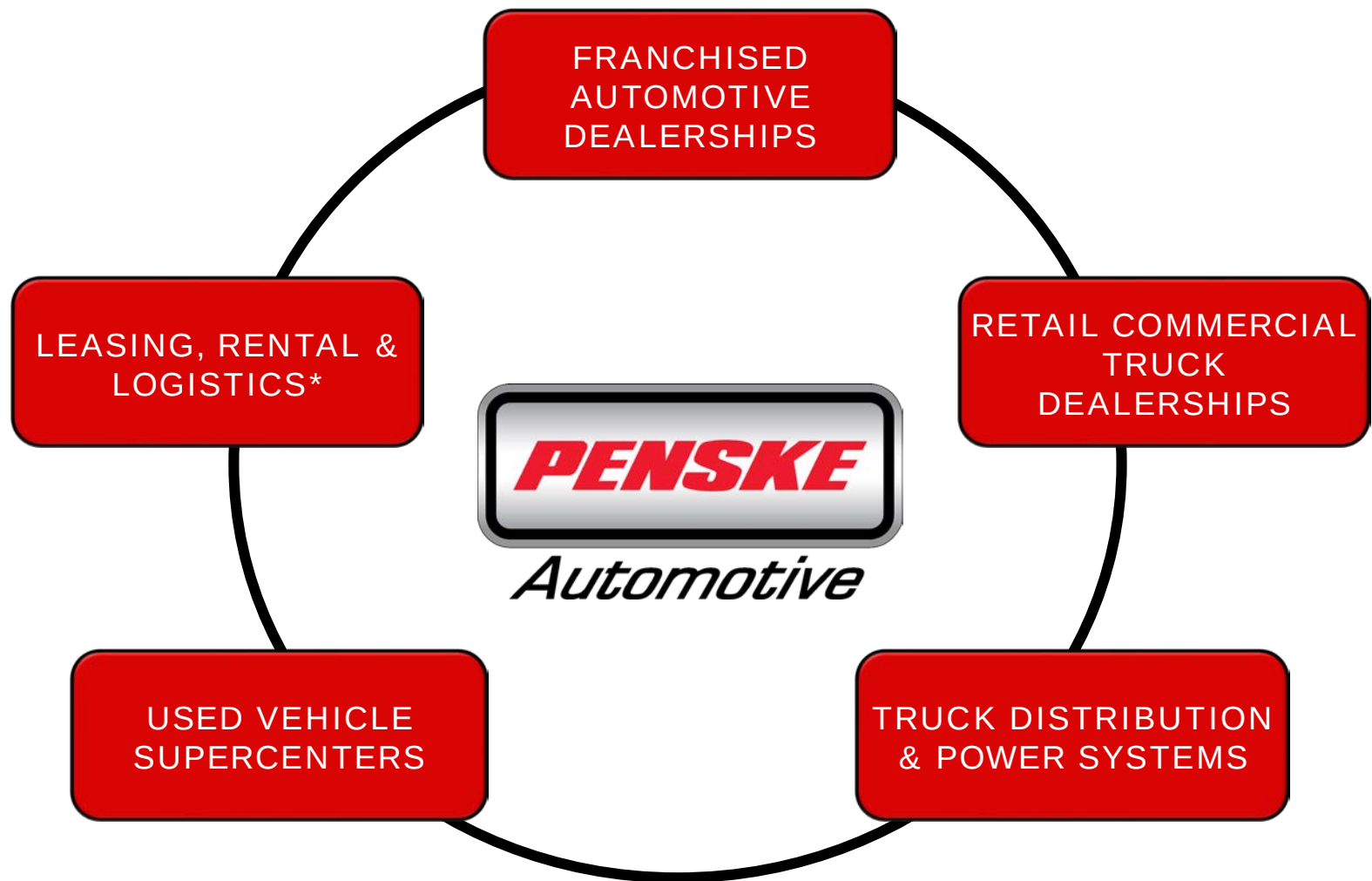


Third Quarter 2019 Financial Results & Update



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 or RDE, 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 October 29, 2019.

Diversification

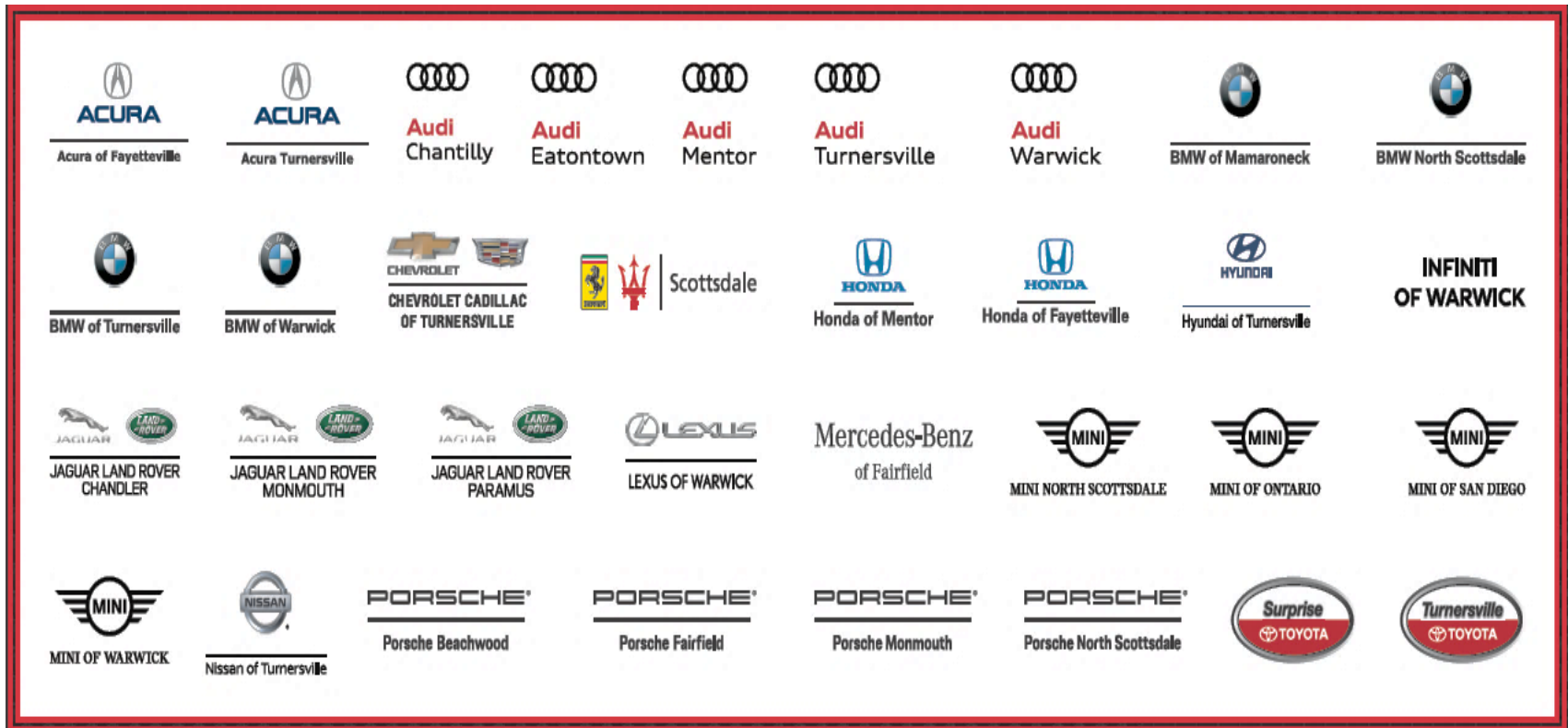


* PAG maintains a 28.9% ownership interest in Penske Truck Leasing and records a share of earnings using the equity method.



33 Dealerships Named “Best To Work”

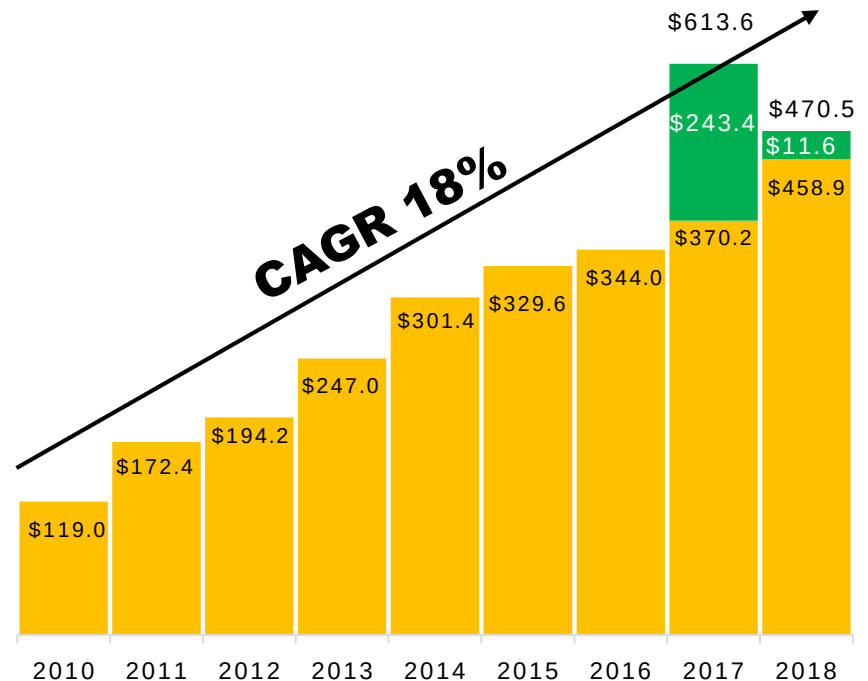
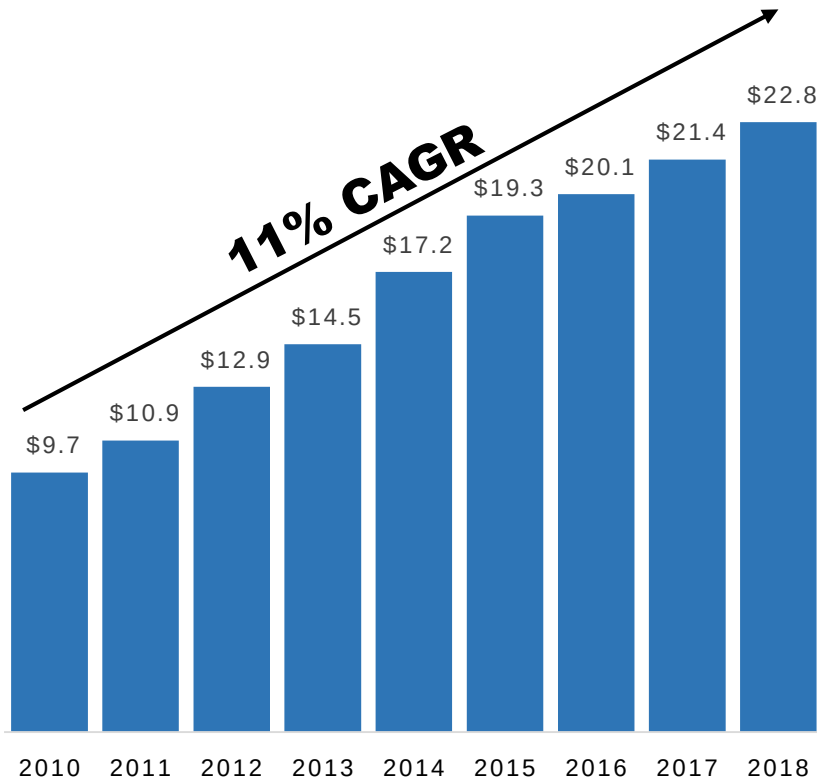
Audi Turnersville Named #1 Best To Work For



Revenue and Earnings History

REVENUE

INCOME



■ Tax Benefit*

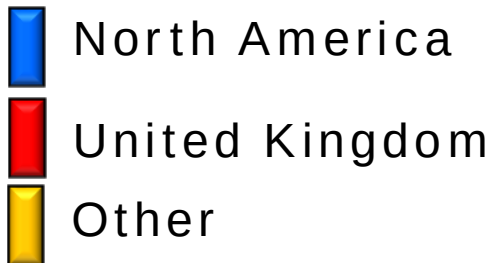
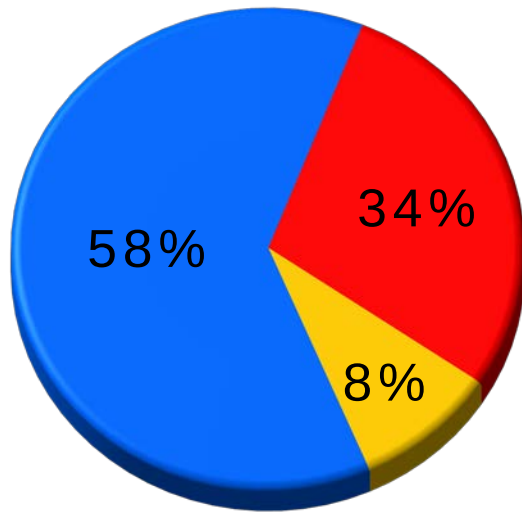
*Tax benefit of the 2017 U.S. Tax Cuts and Jobs Act



9M Revenue & EBT

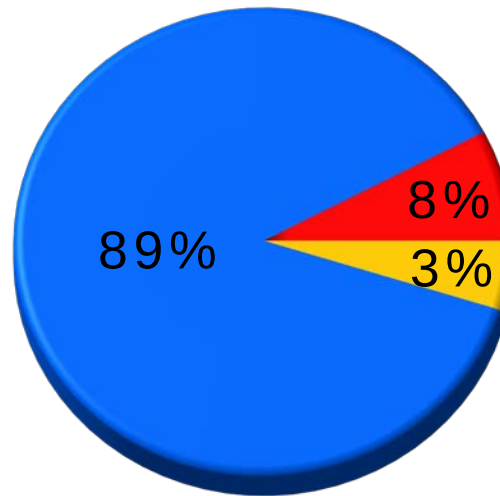
Revenue

\$17.3 Billion



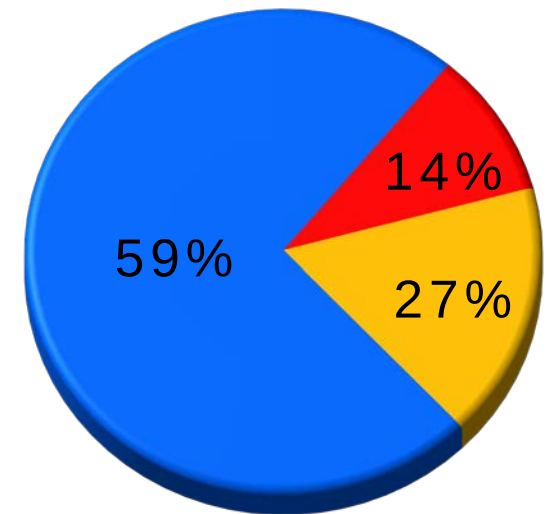
Revenue

\$17.3 Billion



Earnings Before Tax

\$452 Million



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



9M Service & Parts Gross Profit

Service & Parts Generated 45.8% of Total Gross Profit

(\$ in Millions)

Service/Parts
Gross Profit

Retail Automotive \$981.4

Retail Commercial Truck \$128.6

Australia/New Zealand \$76.1

Total Service & Parts Gross \$1,186.1

Total Gross Profit \$2,589.0

Service & Parts (as a % of Total Gross Profit) 45.8%



9M 2019 Cash Flow From Operations

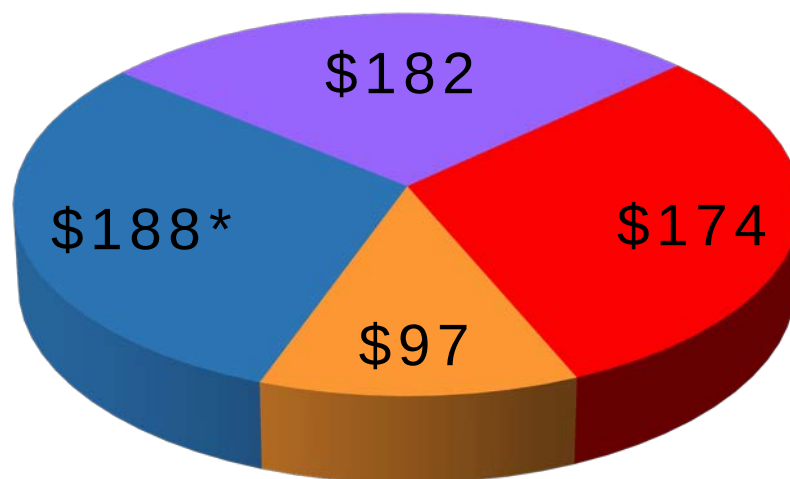
(\$ in Millions)

Cash Flow From Operations



■ Cash From Operations

Capital Allocation



■ Acquisitions ■ Cap Ex, Net
■ Share Repurchases ■ Dividends

*Net of seller's floorplan notes

Q3 2019 FINANCIAL REVIEW

Third Quarter 2019 Highlights

- Record third quarter revenue of \$6.0 billion, +5.5%
- Selling, General & Administrative (SG&A) expenses as a percentage of Gross Profit declined 30 basis points
- Earnings before tax of \$158.4, up 0.8%
- Earnings per share of \$1.42, up 1.4% when compared to adjusted earnings per share of \$1.40* in third quarter last year

*Refer to Non-GAAP Reconciliation section of this presentation



Q3 2019 Key Takeaways

Franchised Retail Automotive

- Same-store service and parts revenue 6.2%, excluding foreign exchange
- Customer Pay +4.6%
- Warranty +10.6%
- Service & Parts generated 43% of Gross Profit

Commercial Trucks & Penske Truck Leasing

- 5.5% Same-store Revenue Growth
- Service & Parts generated 68% of Gross Profit
- Fixed cost coverage 127%
- Net earnings increased 62% to \$30.7M
- PAG share of PTL earnings increased \$1.5M to \$42.2M

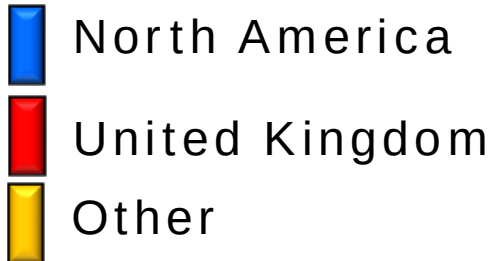
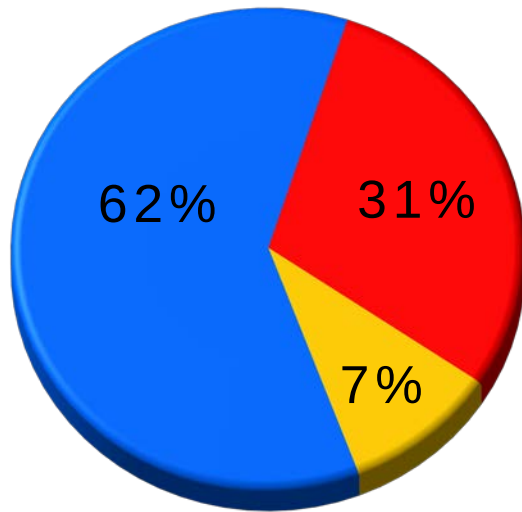
Capital Allocation

- Increased dividend to \$0.41 per share
- Repurchased 1.0M shares for \$43.6M
- Acquired Warner Truck Centers adding an estimated \$1.1B in annualized revenue

Q3 Revenue & EBT

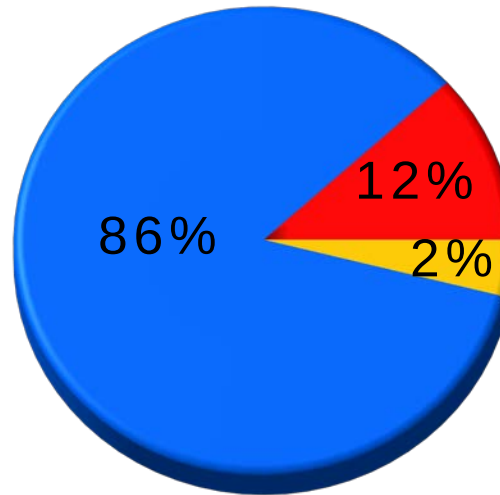
Revenue

\$6.0 Billion



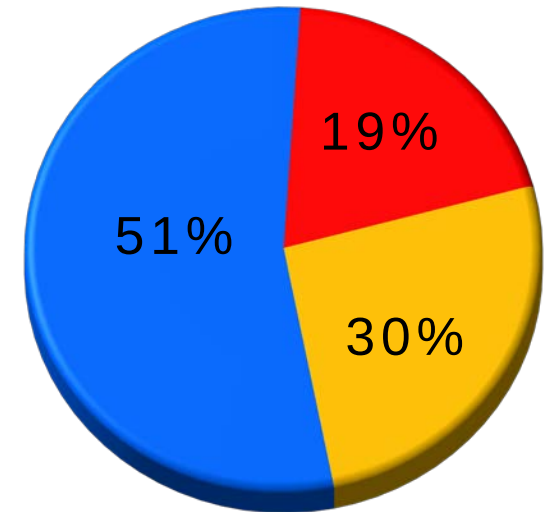
Revenue

\$6.0 Billion



Earnings Before Tax

\$158 Million



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



Q3 2019 Results – Continuing Operations

Continuing Operations		Change	
	Q3 2019	\$	%
Revenue	\$5,967.6	+\$309	+5.5%
SG&A Expenses	\$672.8	\$10.0	+1.5%
SG&A as % of GP	77.4%	77.7%	(30 Bps)
Operating Income	\$169.4	+\$5.5	+3.4%
Earnings Before Taxes	\$158.4	+\$1.3	+0.8%

Q3 2019 Same-Store Retail Revenue

Franchised Retail Automotive Dealerships

	Reported	Excl. F/x
New Vehicles	(0.2%)	+1.8%
Used Vehicles	---	+3.0%
Finance & Insurance	+5.0%	+7.6%
Service & Parts	<u>+4.3%</u>	<u>+6.2%</u>
Total	+0.5%	+2.9%

Warranty +10.6%

Customer Pay +4.6%

Q3 2019 Retail Automotive Key Metrics

Same-Store Metrics	Q3 '19	Q3 '18	Change
Volume Metrics			
New Units	56,573	57,819	(2.2%)
Used Retail Units	73,261	70,881	+3.4%
Used to New Ratio	1.30	1.26	---
Margin Metrics			
New Margin	7.0%	7.7%	-70 Bps
Used Margin	4.9%	5.8%	-90 Bps
Service & Parts Margin	59.1%	59.8%	-70 Bps

Q3 2019 Gross Profit (Same-Store)

U.S.	Q3 '19	Q3 '18	Change	Excl F/X
New Vehicle	\$2,694	\$2,629	+\$65	NA
Used Vehicle	\$1,581	\$1,612	(\$31)	NA
F&I	\$1,395	\$1,290	+\$105	NA
Variable Gross ⁽¹⁾	\$3,556	\$3,438	+\$118	NA

International	Q3 '19	Q3 '18	Change	Excl F/X
New Vehicle	\$3,078	\$3,710	(\$632)	(\$464)
Used Vehicle	\$905	\$1,353	(\$448)	(\$397)
F&I	\$1,119	\$1,129	(\$10)	+59
Variable Gross ⁽¹⁾	\$2,769	\$3,335	(\$566)	(\$211)

Total	Q3 '19	Q3 '18	Change	Excl F/X
New Vehicle	\$2,839	\$3,045	(\$206)	(\$143)
Used Vehicle	\$1,204	\$1,469	(\$265)	(\$237)
F&I	\$1,262	\$1,213	+\$49	+\$80
Variable Gross ⁽¹⁾	\$3,179	\$3,390	(\$211)	(\$137)

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



USED SUPERCENTERS

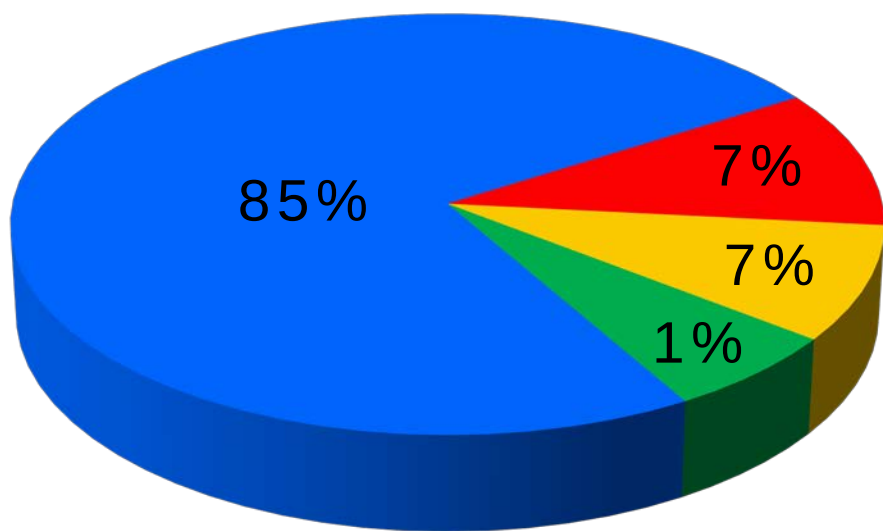
Used Vehicle SuperCenters

	Q3 '19	Q3 '18	Chg.	Chg. %
Used Units Retailed	19,728	18,568	1,160	+6.2%
Revenue (in millions)	\$327.6	\$329.7	(\$2.1)	(0.6%)
Avg. Transaction Price	\$14,121	\$14,800	(\$679)	(4.6%)
Total Variable Gross/Unit	\$1,760	\$2,046	(\$286)	(14.0%)
• U.S.	\$2,995	\$2,875	+\$120	+4.2%
• U.K.	\$1,449	\$1,837	(\$388)	(21.1%)
Margin	12.5%	13.8%	-130 Bps	(9.4%)

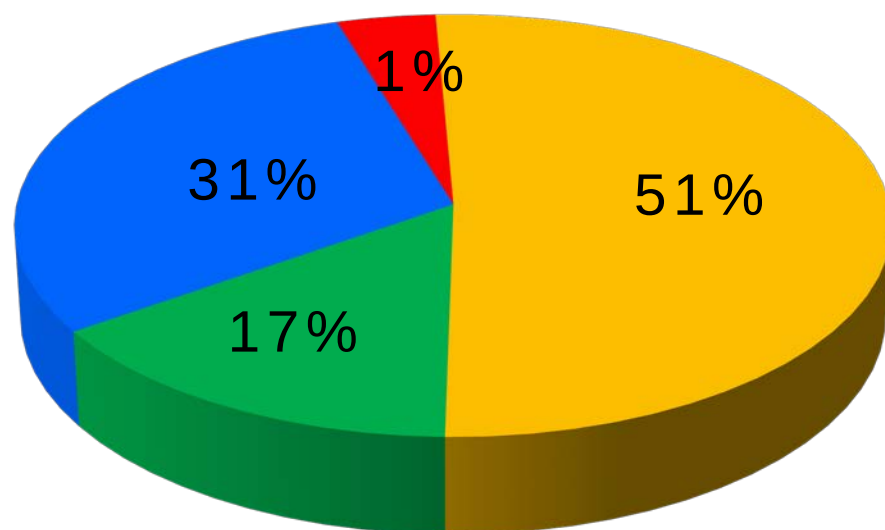
Used Vehicle SuperCenters Revenue & Gross

(Q3 2019)

Revenue



Gross Profit



■ Used

■ Wholesale

■ F&I

■ S&P

COMMERCIAL TRUCKS

Q3 2019 Retail Truck Key Metrics

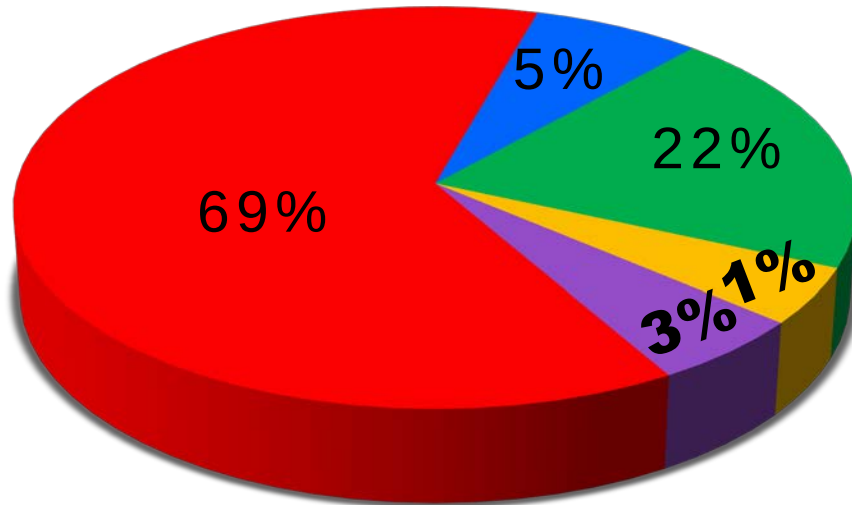
	Q3 '19	Q3 '18	Chg	Chg %
Volume Metrics				
New Retail Units	4,154	2,431	+1,723	+70.9%
Used Retail Units	578	579	(1)	(0.2%)
Gross Per Unit				
New Vehicle	\$5,244	\$4,952	+\$292	+5.9%
Used Vehicle	\$5,684	\$6,986	(\$1,302)	(18.6%)
F&I	\$658	\$948	(\$290)	(30.6%)

Retail Commercial Truck Revenue & Gross

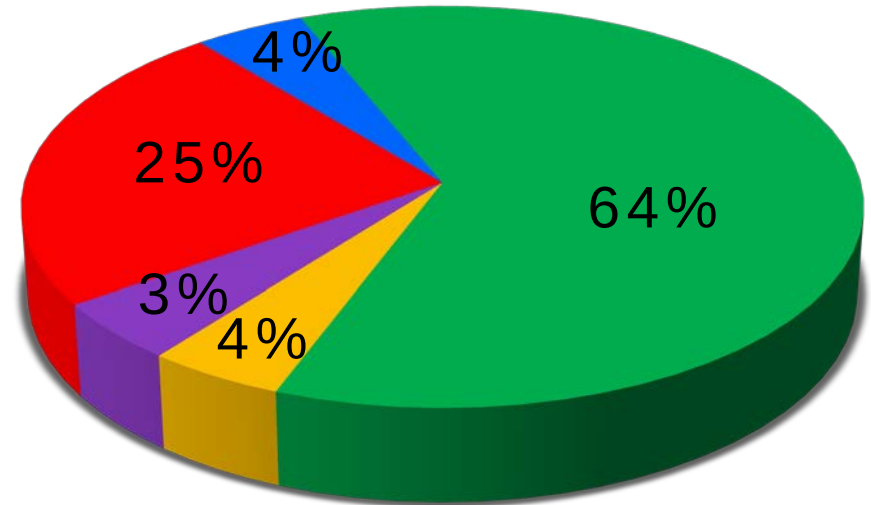
Q3 2019

64% of Gross Profit From Service & Parts

Revenue



Gross Profit



■ New ■ Used ■ S&P ■ F&I ■ Other

PENSKE TRANSPORTATION SOLUTIONS

Penske Transportation Solutions Overview

Full-Service
Leasing



Contract
Maintenance



Truck
Rental

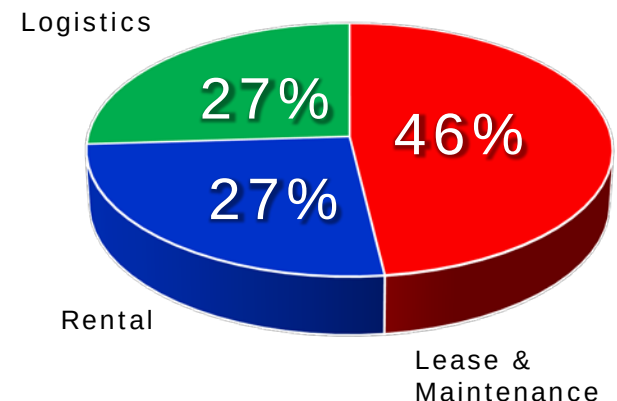


Logistics
Services



- \$15.9 billion total assets
- \$8.8 billion in estimated total annual revenue
- Over 327,000 vehicles on the road
- PAG recorded equity income of \$42.2 million in Q3 2019
- Trailing twelve months cash received of \$85 million

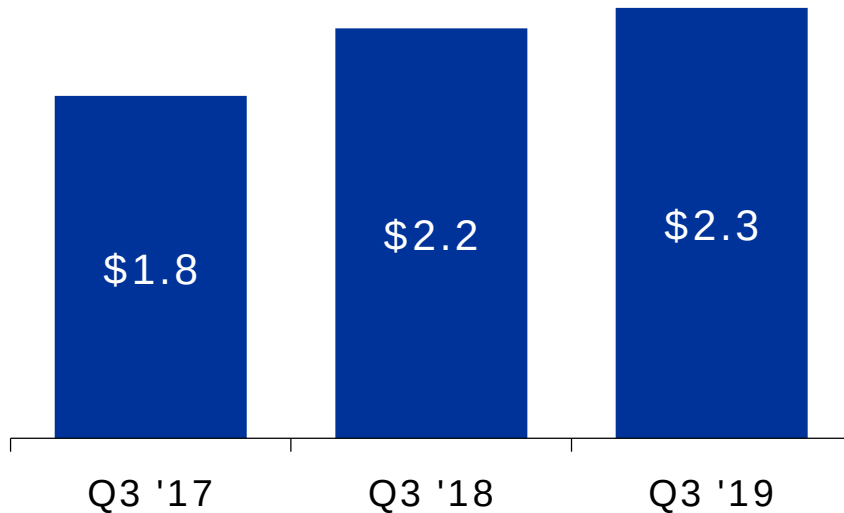
Operating Revenue



PTL Performance Summary

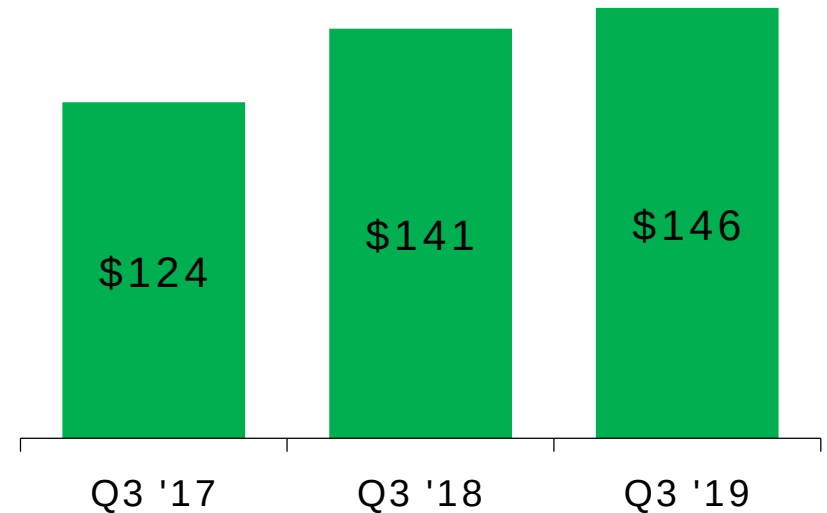
Q3 Total Revenue

(\$ in Billions)



Q3 Net Income

(\$ in Millions)



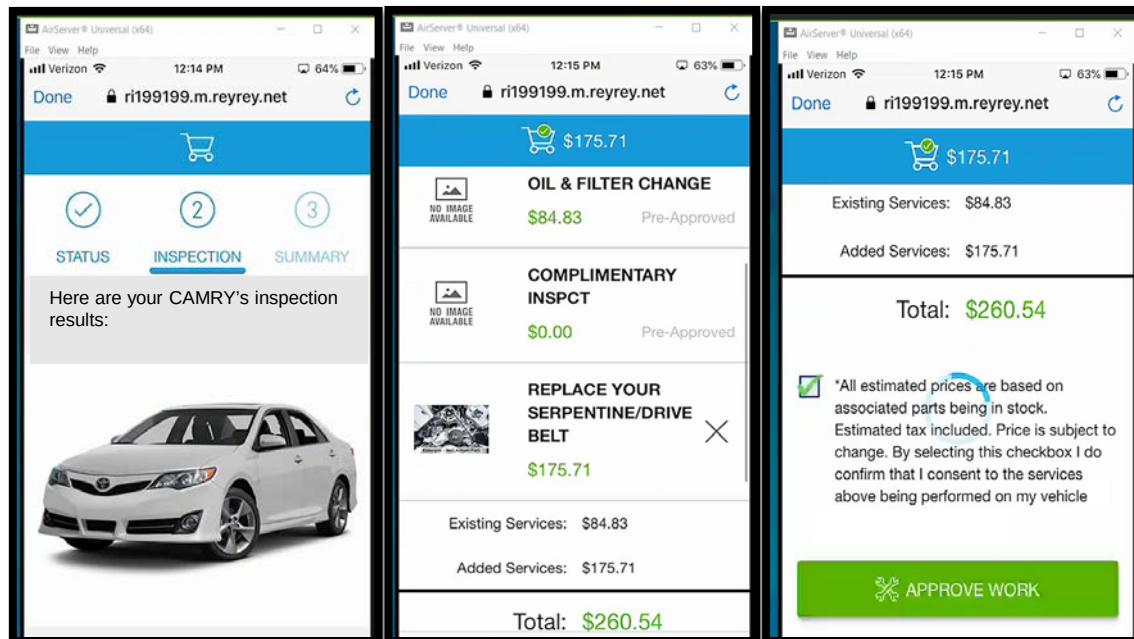
DIGITAL INITIATIVES

Digital/Omni-Channel Initiatives

- 58,000 new and used vehicles available online via websites and social channels
- Provide, chat, text, mobile, desktop opportunity, including service appointment scheduling, online payments and vehicle purchase through Preferred Purchase
 - 37% of U.S. unit sales are from digital sources
 - Online buying through Preferred Purchase closing rate over 20%

Digital/Omni-Channel Initiatives

- Real-time status updates & online approvals
- Online service appointments up 19% in Q3 2019
- Online service/parts payments up 73% in Q3 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 provided to customer
- In the process of launching (occurring in multiple stages) a new e-commerce platform in the U.K. which will provide the ability of completing a vehicle purchase 100% online

NON-GAAP RECONCILIATIONS

Income/EPS from Continuing Operations

(\$ in Millions, except per share amounts)

The following tables reconcile reported income from continuing operations and earnings per share to adjusted income from continuing operations and adjusted earnings per share for the three months and nine months ended September 30, 2019 and 2018:

Income From Continuing Operations

	Q3 '19	Q3 '18	% Chg	9M '19	9M '18	% Chg
Income from Cont. Ops.	\$116.1	\$130.1	(10.8%)	\$333.9	\$372.7	(10.4%)
Less: Income Tax Benefit ⁽¹⁾	---	(11.6)	nm	---	(11.6)	nm
Adj. Income from Cont. Ops.	\$116.1	\$118.5	(2.0%)	\$333.9	\$361.1	(7.5%)

Earnings Per Share

	Q3 '19	Q3 '18	% Chg	9M '19	9M '18	% Chg
Income from Cont. Ops.	\$1.42	\$1.53	(7.2%)	\$4.02	\$4.37	(8.0%)
Less: Income Tax Benefit ⁽¹⁾	---	(0.14)	nm	---	(0.14)	nm
Adj. Income from Cont. Ops.	\$1.42	\$1.40 ⁽²⁾	1.4%	\$4.02	\$4.23	(5.0%)

(1) This benefit relates to the final reconciliation of the income tax benefit related to the enactment of the 2017 U.S. Tax Cuts and Jobs Act.

(2) Earnings per share amounts may not sum due to rounding.

nm = not meaningful



EBITDA Reconciliation

(\$ in Millions)

	Q3 '19	Q3 '18	9M '19	9M '18
Net Income	\$116.1	\$130.1	\$333.8	\$373.1
Depreciation	\$27.5	\$25.9	\$81.0	\$77.2
Other Interest	\$32.9	\$28.3	\$93.2	\$86.7
Income Taxes	\$42.4	\$27.1	\$118.6	\$104.7
(Income)/Loss from Disc. Ops.	<u>(\$0.1)</u>	<u>(\$0.1)</u>	<u>(\$0.3)</u>	<u>(\$0.2)</u>
EBITDA	\$218.8	\$211.3	\$626.3	\$641.5

Consolidated Non-GAAP Reconciliations

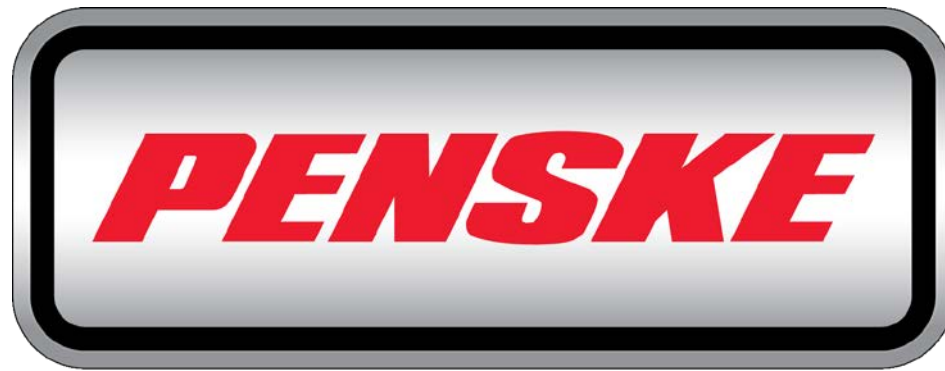
The following tables reconcile reported income tax expense for the three and nine months ended September 30, 2019 and 2018:

	Three Months Ended September 30,		2019 vs. 2018	
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Tax Expense	\$42.4	\$27.1	+\$15.3	56.5%
Add: Income Tax Benefit ⁽¹⁾	---	<u>\$11.6</u>	<u>(\$11.6)</u>	nm
Adjusted Income Tax Expense	\$42.4	\$38.7	\$3.7	9.6%
Effective Tax Rate	26.8%	17.3%	+950 bps	nm
Adjusted Effective Tax Rate	26.8%	24.6%	+220 bps	nm

	Nine Months Ended September 30,		2019 vs. 2018	
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Tax Expense	\$118.6	\$104.7	+\$13.9	13.3%
Add: Income Tax Benefit ⁽¹⁾	---	<u>\$11.6</u>	<u>(\$11.6)</u>	nm
Adjusted Income Tax Expense	\$118.6	\$116.3	\$2.3	2.0%
Effective Tax Rate	26.2%	21.9%	+430 bps	nm
Adjusted Effective Tax Rate	26.2%	24.4%	+180 bps	nm

⁽¹⁾ This benefit relates to the final reconciliation of the income tax benefit related to the enactment of the 2017 U.S. Tax Cuts and Jobs Act.

nm = not meaningful



Automotive