



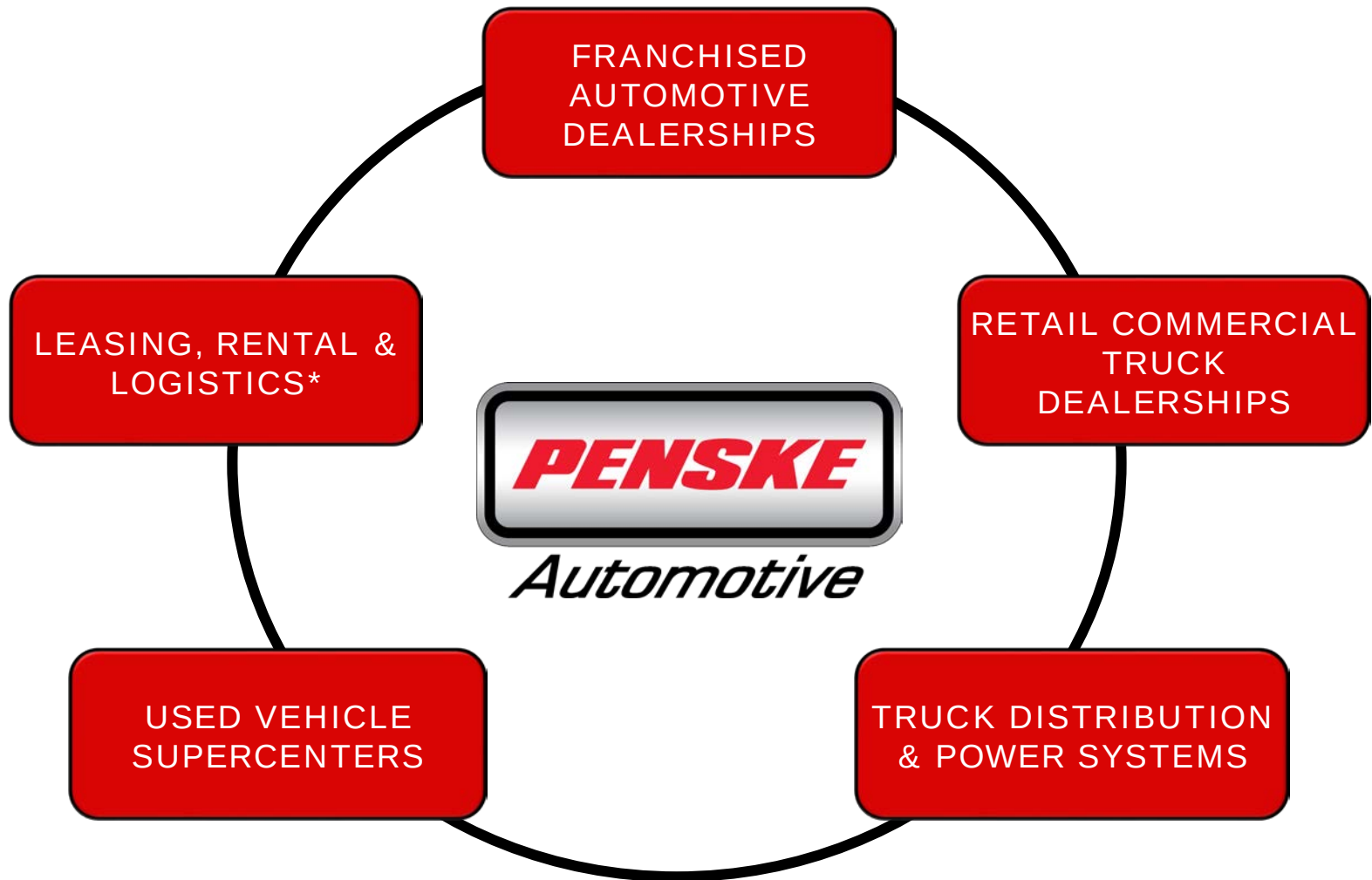
Second Quarter 2020



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, liquidity and assessment of business conditions in light of the Covid-19 pandemic. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others: the duration, severity and resolution of the Covid-19 pandemic, 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 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, 2019, 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 29, 2020.

Diversification



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



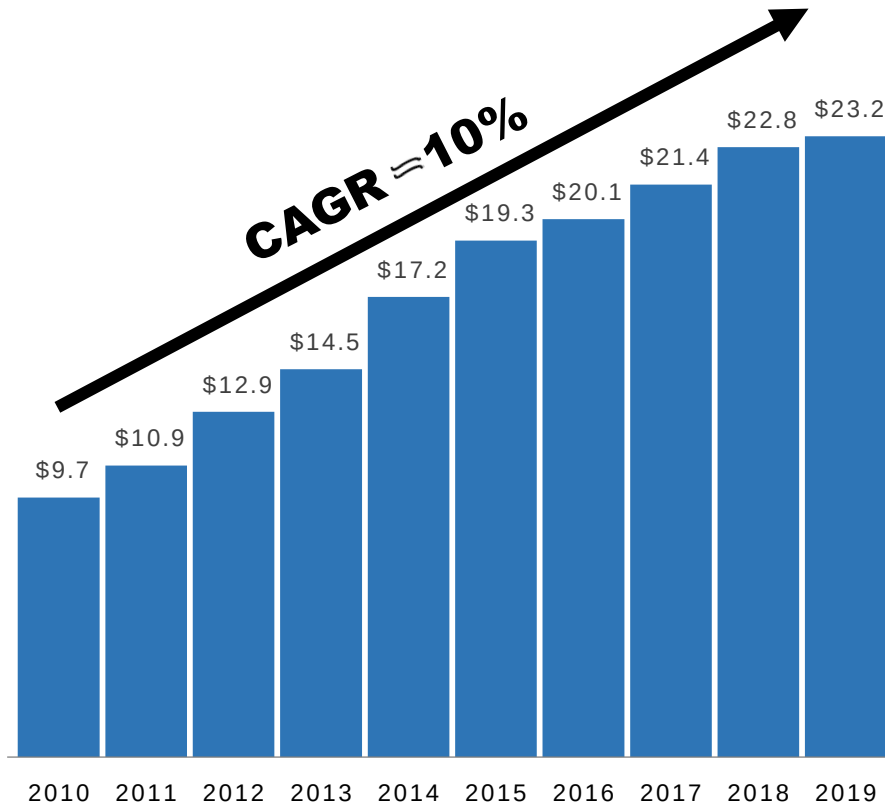
Penske Automotive Group Overview

- A diversified transportation services company with annual revenues in 2019 of \$23.2 billion
- 265 retail automotive locations world-wide
 - 249 automotive dealerships
 - 16 used vehicle SuperCenters
- 34 collision centers
- 25 N.A. commercial truck dealerships

Revenue and Earnings History

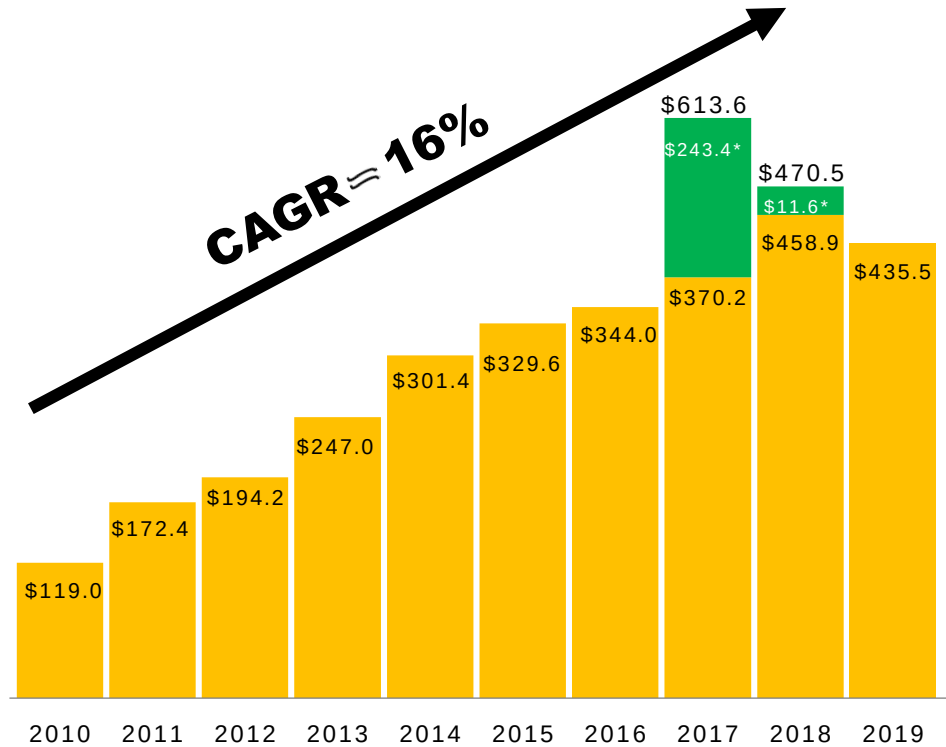
REVENUE

(\$ in Billions)



INCOME – CONT OPERATIONS

(\$ in Millions)



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

■ Tax Benefit*

CAGR = Compounded Annual Growth Rate



BUSINESS UPDATE and Q2 2020 REVIEW

Operations Highlights

- Net income of \$45 million and earnings per share of \$0.56 in the second quarter
- Sequential improvement from April – June in new and used units sold, Service/parts gross profit and earnings before taxes
- Generated free cash flow⁽¹⁾ of \$428 million for the six months ended June 30, 2020
- Reduced long-term debt by \$223 million from December 31, 2019
- Commercial truck fixed absorption of 135% in the second quarter and 128% for the six months ended June 30, 2020

(1) Refer to Non-GAAP Reconciliation

COVID - Actions

- Top priority - maintaining the health/safety of customers and employees
- Starting in late March, furloughed approximately 15,000 employees, or 57% of work force
 - Approximately 14% of work force remains furloughed
- Temporary pay reductions for employees not furloughed
- Expense reductions; deferrals of interest and rent payments
- Increased focus on e-commerce activities

COVID - Actions

- Solidified liquidity position
 - Reduced net CapEx by \$65 million in 1st half of 2020
 - Suspended 401K match representing \$3.8 million per quarter
 - Suspended shareholder dividend representing \$34 million per quarter
 - Increased availability on our U.S. Revolving Credit Agreement by \$100 million
 - Liquidity at June 30, 2020 was \$1.2 billion

Same-store Units and Service/Parts Gross

- Sequential improvement during the second quarter

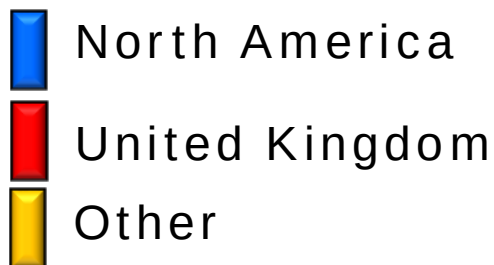
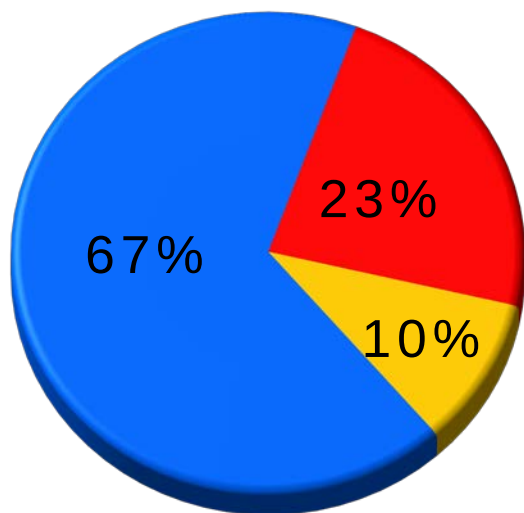
	April	May	June
New Units	(70%)	(48%)	(12%)
Used Units	(72%)	(51%)	+7%
Service/Parts Gross	(64%)	(46%)	Flat

	U.S.			INTL.		
	April	May	June	April	May	June
New Units	(53%)	(31%)	(12%)	(96%)	(77%)	(10%)
Used Units	(47%)	(21%)	(5%)	(95%)	(79%)	+17%
Service/Parts Gross	(52%)	(39%)	(2%)	(89%)	(62%)	+4%

Q2 2020 Revenue & EBT

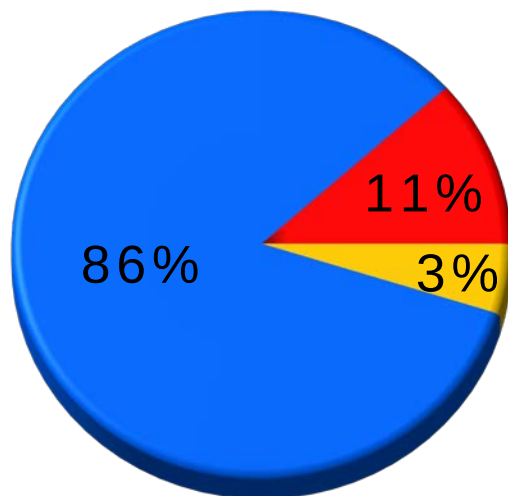
Revenue

\$3.7 Billion



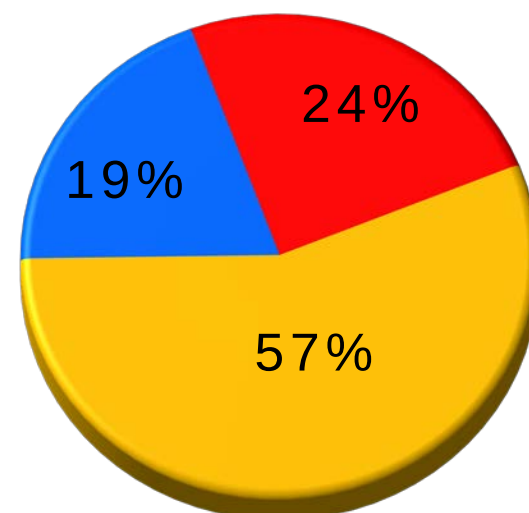
Revenue

\$3.7 Billion



Earnings Before Tax

\$61 Million



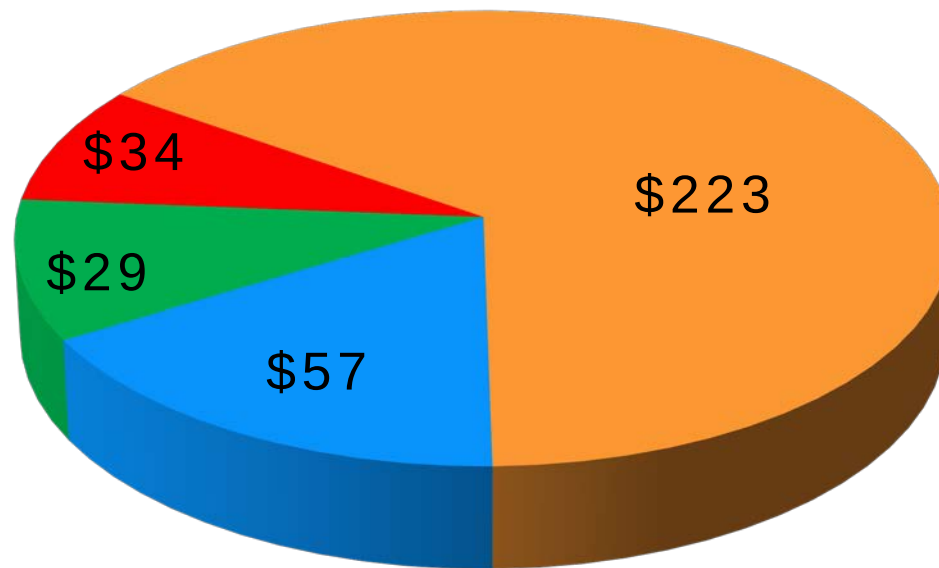
*Includes equity income from joint venture investments, including Penske Transportation Solutions

Capital Allocation

(\$ in Millions)

Generated \$428 Million in Free Cash Flow¹

Capital Allocation



■ Cap Ex, Net

■ Share Repurchases

■ Dividends

■ Debt Repayment

(1) Refer to Non-GAAP Reconciliation

Q2 2020 Same-Store Revenue

	U.S.	Intl	Total
April	(48.9%)	(93.9%)	(68.3%)
May	(27.3%)	(69.0%)	(44.9%)
June	<u>(5.5%)</u>	<u>+11.2%</u>	<u>+1.8%</u>
Q2 2020 Total	(27.4%)	(50.9%)	(-37.5%)

Q2 2020 Retail Automotive Key Metrics

Same-Store Metrics	Q2 '20	Q2 '19	Change
Volume Metrics			
New Units	30,687	53,614	-42.8%
Used Units	42,229	70,217	-39.9%
Used to New Ratio	1.38	1.31	+5.3%
Margin Metrics			
New Margin	7.7%	7.5%	+20 bps
Used Margin	4.8%	5.5%	-70 bps
Service & Parts Margin	58.3%	59.6%	-130 bps

(nm = not meaningful)

Q2 2020 Gross Profit Per Unit (Same-Store)

U.S.	Q2 '20	Q2 '19	Change
New Vehicle	\$3,266	\$2,907	+\$359
Used Vehicle	\$1,390	\$1,641	(\$251)
F&I	\$1,409	\$1,397	+\$12
Variable Gross ⁽¹⁾	\$3,692	\$3,673	+\$19

International	Q2 '20	Q2 '19	Change
New Vehicle	\$4,025	\$3,618	+\$407
Used Vehicle	\$1,199	\$1,234	(\$35)
F&I	\$1,166	\$1,223	(\$57)
Variable Gross ⁽¹⁾	\$3,259	\$3,299	(\$40)

Total	Q2 '20	Q2 '19	Change
New Vehicle	\$3,462	\$3,176	+\$286
Used Vehicle	\$1,313	\$1,426	(\$113)
F&I	\$1,325	\$1,316	+\$9
Variable Gross ⁽¹⁾	\$3,541	\$3,500	+\$41

(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 2020 Results – Continuing Operations

(\$ in Millions, except per share amounts)	Q2 2020	Q2 2019	Chg. %
Revenue	\$3,651	\$5,759	(37%)
Gross Profit	\$553	\$868	(36%)
Gross Margin %	15.1%	15.1%	---
SG&A as % of GP	82.0%	77.1%	+490bps
Operating Income	\$71	\$172	(59%)
Earnings Before Taxes	\$61	\$160	(62%)
Income from Cont. Oper.	\$45	\$118	(62%)
Earnings Per Share	\$0.56	\$1.42	(61%)

USED SUPERCENTERS

Used Vehicle SuperCenters

- Operate 16 SuperCenter locations
 - U.S. – CarSense (6)
 - U.K. – CarShop (10)
- 4 sites under development
- 2019 Unit Sales 70,948
- 2019 Revenue \$1.25 Billion



Used Vehicle SuperCenters

	Q2 '20	Q2 '19	Chg %
Used Units Retailed	6,600	17,775	(63%)
Revenue (in Millions)	\$133	\$312	(57%)
Avg. Transaction Price	\$16,546	\$14,797	+11.8%
Total Variable Gross/Unit	\$2,307	\$2,158	+6.9%
Vehicle Margin	13.9%	14.6%	-70 bps

COMMERCIAL TRUCKS

Premier Truck Group

Truck Sales



Service



Parts



Body Shop



- Largest Dealership Group for Daimler Trucks N.A.



SELEC**TRUCKS**



DETROIT DIESEL



- New and used retail sales; service and parts operations
- Revenue of \$2.1B in 2019
- 25 Dealerships in North America
 - Georgia, Oklahoma, Tennessee, Texas, Utah, Idaho,
 - Canada



Q2 2020 Retail Truck Key Metrics

	Q2 '20	Q2 '19	Chg.	Same-Store Chg.
Volume Metrics				
New Units	2,063	2,647	(22%)	(52%)
Used Units	773	441	+75%	+14%
Gross Per Unit				
New Vehicle	\$4,640	\$4,461	+4%	+5%
Used Vehicle	(\$3,731)	\$6,575	(157%)	(164%)
F&I	\$1,134	\$926	+22%	+50%

Retail Commercial Truck Revenue & Gross

Q2 2020

82% of Gross Profit From Service & Parts

Service Absorption	Revenue	Gross Profit
New	59.0%	15.9%
Used	9.2%	(4.8%)
F&I	0.8%	5.3%
S&P	28.0%	81.7%
Other	<u>3.0%</u>	<u>1.9%</u>
Total	100.0%	100.0%

PENSKE TRANSPORTATION SOLUTIONS

Penske Transportation Solutions Overview

Full-Service
Leasing



Contract
Maintenance



Truck
Rental



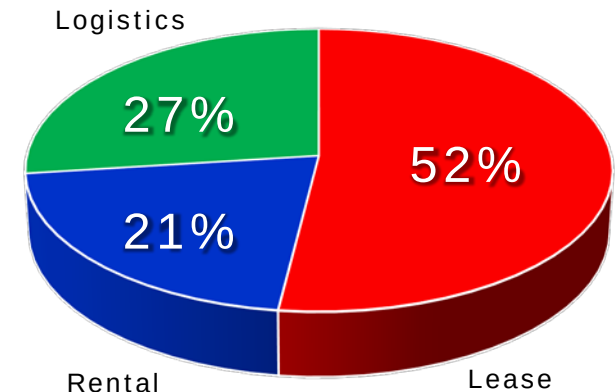
Logistics
Services



- \$15.5 billion total assets
- \$8.8 billion in annual revenue¹
- Over 320,000 vehicles on the road

Operating Revenue

For the Six Months Ended June 30, 2020

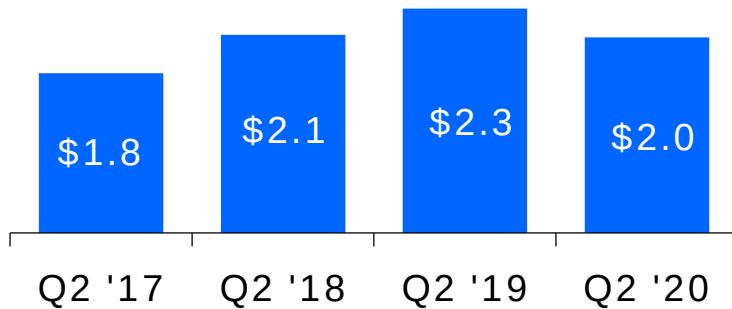


¹Last 12 months ended June 30, 2020

PTS Performance Summary

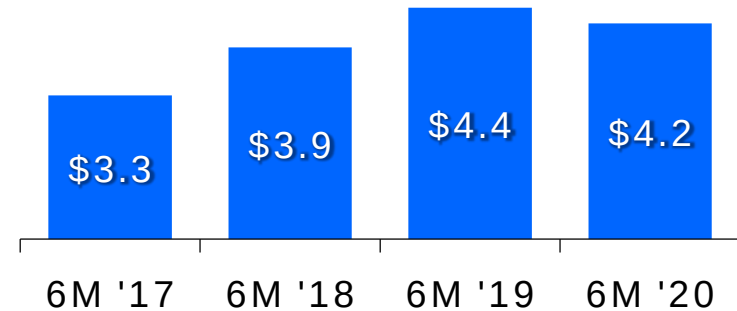
Q2 Total Revenue

(\$ in Billions)



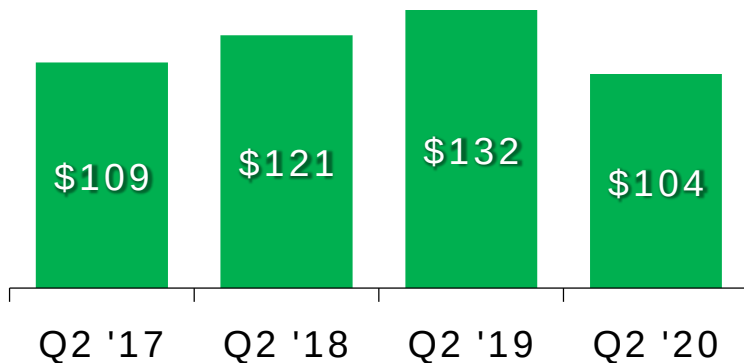
6M Total Revenue

(\$ in Billions)



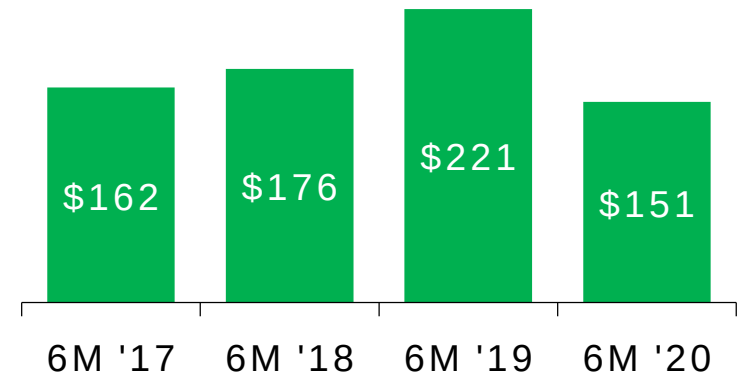
Q2 Income

(\$ in Millions)



6M Income

(\$ in Millions)

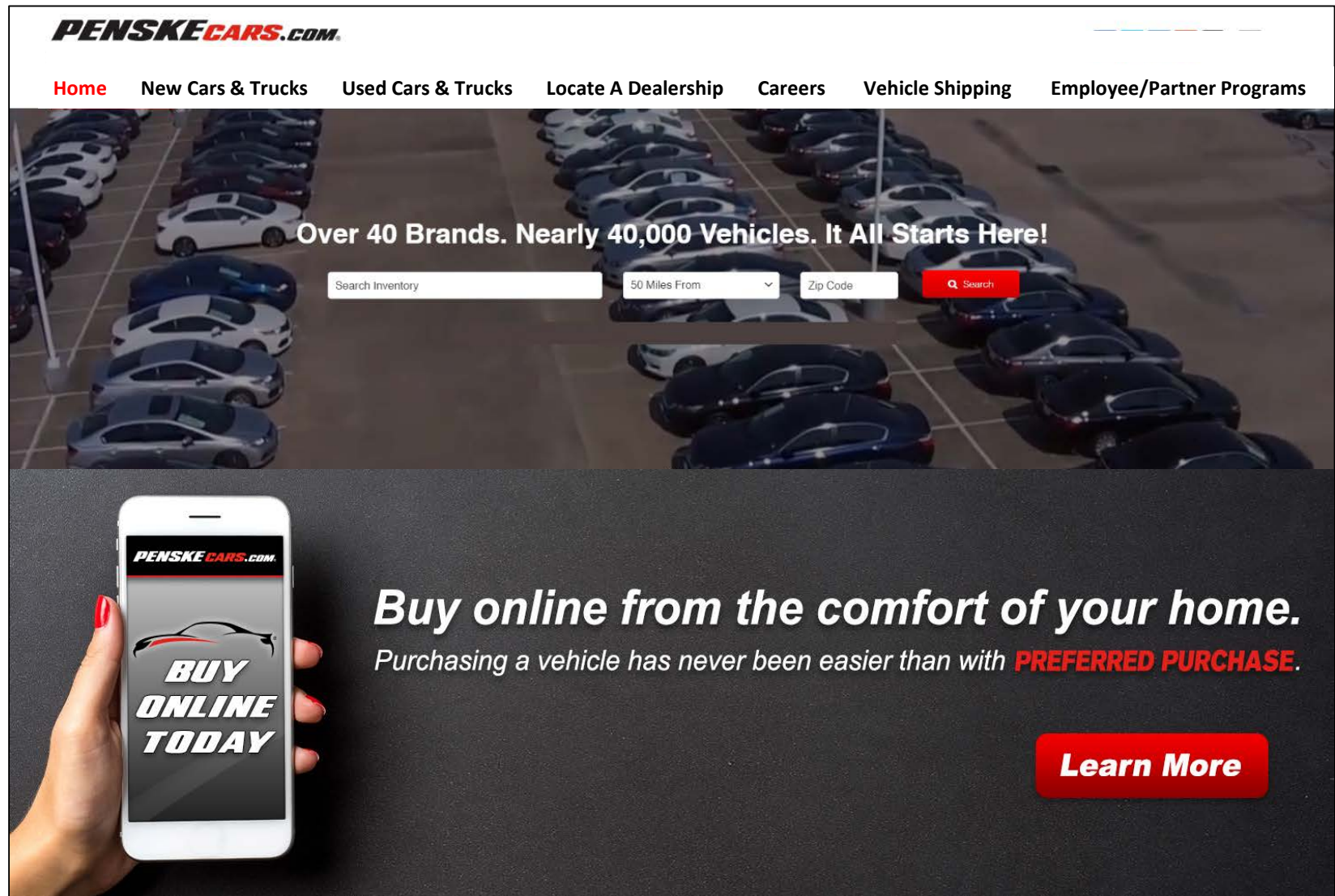


DIGITAL INITIATIVES

Digital/Omni-Channel Initiatives

- 42,000 vehicles on-line through digital channels
- 58% of U.S. unit sales were from digital initiatives in the second quarter 2020
 - Preferred Purchase sales increased more than 40% when compared to Q1 2020
- “Click and Collect” vehicle buying in the U.K. accounted for 5,000 units in Q2, or 25% of all vehicles delivered in Q2
- Adapted sales processes to facilitate video messaging, curbside/home delivery, pick-up and drop off service and remote F&I using docuPAD[®]

Buy Online

A promotional banner for Penske Cars. The top section features the website's navigation bar with links: Home, New Cars & Trucks, Used Cars & Trucks, Locate A Dealership, Careers, Vehicle Shipping, and Employee/Partner Programs. Below the navigation bar is a large image of a parking lot filled with cars. Overlaid on this image is the text "Over 40 Brands. Nearly 40,000 Vehicles. It All Starts Here!" and a search bar with fields for "Search Inventory", "50 Miles From" (with a dropdown arrow), "Zip Code", and a red "Search" button. The bottom section of the banner has a dark background. On the left, a hand holds a white smartphone displaying the Penske Cars website with the text "BUY ONLINE TODAY". To the right of the phone, the text reads "Buy online from the comfort of your home. Purchasing a vehicle has never been easier than with **PREFERRED PURCHASE.**" Below this text is a red button with the text "Learn More".

PENSKECARS.COM

[Home](#) [New Cars & Trucks](#) [Used Cars & Trucks](#) [Locate A Dealership](#) [Careers](#) [Vehicle Shipping](#) [Employee/Partner Programs](#)

Over 40 Brands. Nearly 40,000 Vehicles. It All Starts Here!

Search Inventory 50 Miles From Zip Code [Search](#)

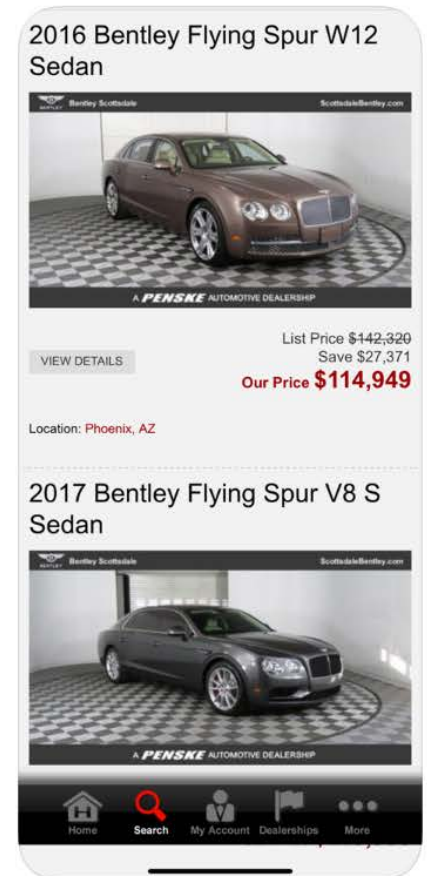
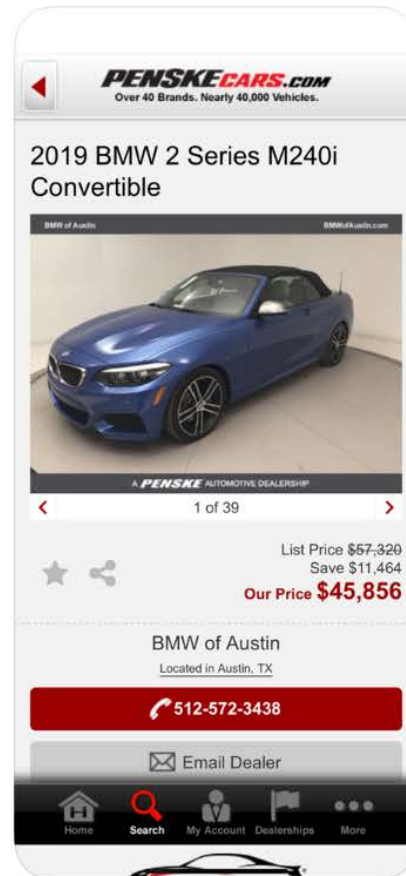
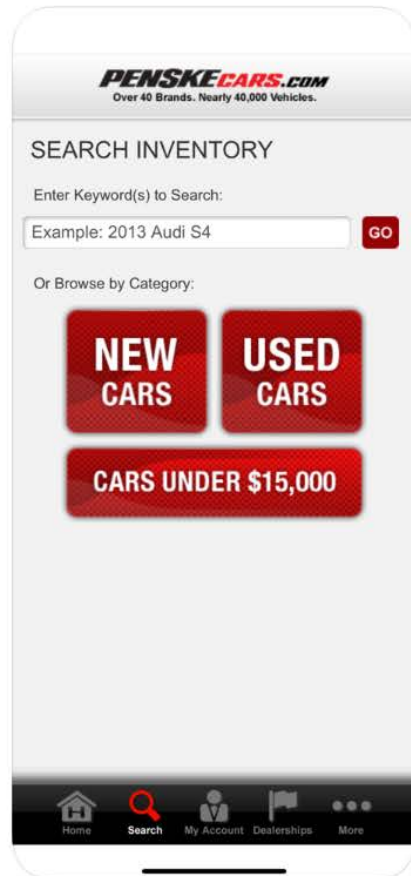
PENSKECARS.COM

**BUY
ONLINE
TODAY**

Buy online from the comfort of your home.
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[Learn More](#)

Penske Cars App



CarSense Home Delivery

CarSense

Shop

Trade/Sell

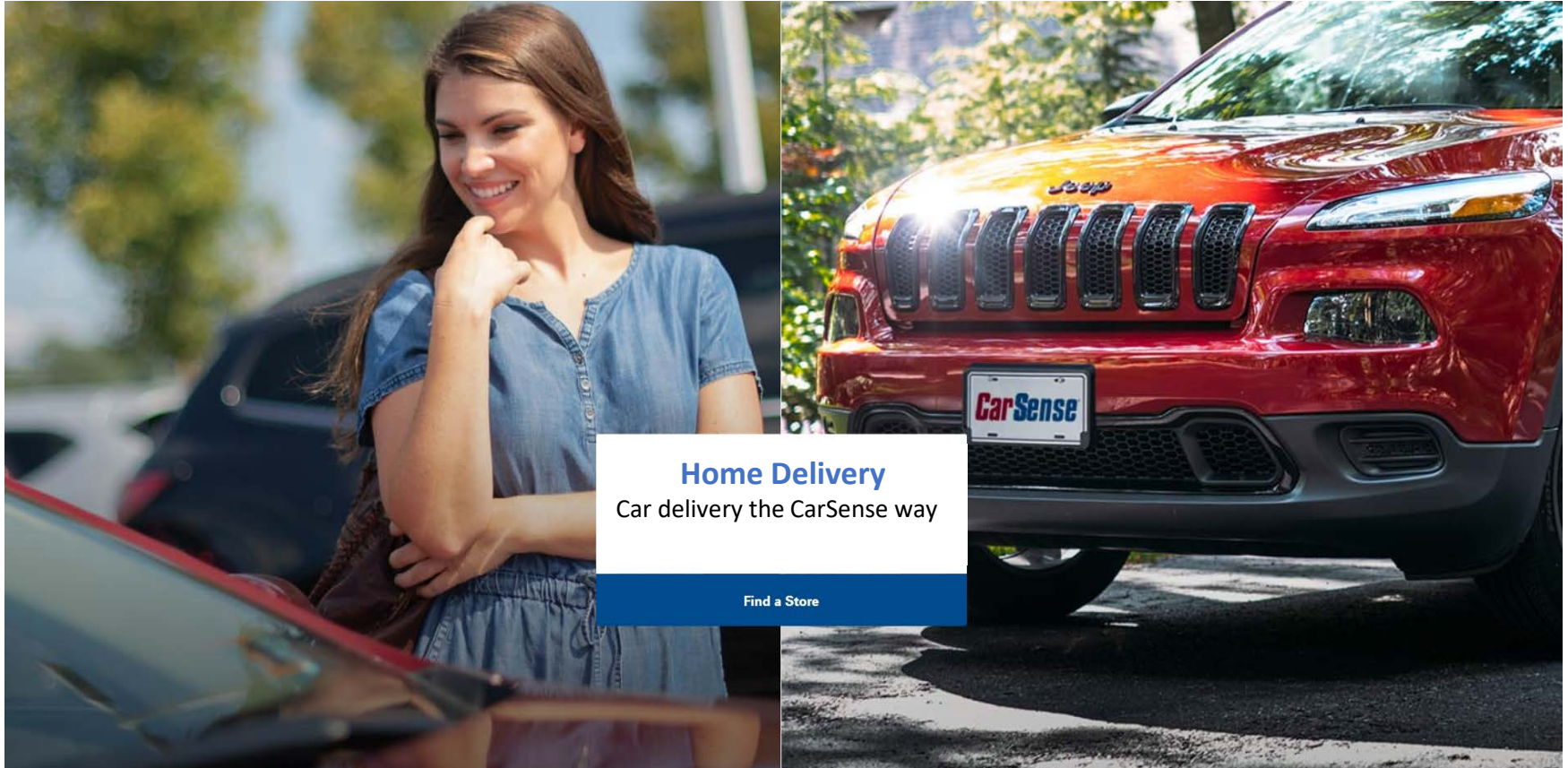
Finance

About

Careers

Service

Stores



U.K. DIGITAL

Sytner (U.K.) Click and Collect

The screenshot shows the Sytner Group website's 'Click and Collect' page. The browser address bar displays 'sytner.co.uk/click-and-collect/'. The top navigation bar includes links for COVID-19, ABOUT US, CUSTOMER SERVICE, NEWS, FINANCE, and SAVED VEHICLES (0). A secondary navigation bar features the Sytner Group logo, a home icon, and links for CLICK & COLLECT (highlighted), USED CAR SEARCH, NEW CARS, ELECTRIC CARS, SERVICING & PARTS, OFFERS, BUSINESS USERS, SELL YOUR CAR, and OUR LOCATIONS. Social media icons for Facebook, Twitter, YouTube, LinkedIn, and Instagram are also present. The main content area has a light blue background with the heading 'Click and Collect at Sytner Group'. Below this, a text block states: 'We are pleased to announce that Sytner customers can now benefit from our new Click and Collect option. Search our range of over 11,000 cars and use our Buy Online facility to part-exchange, apply for finance and reserve a car, all completely online. Or, if you would prefer, our remote sales teams are ready to help guide you through the process over the phone. You can then collect your new vehicle quickly and safely from your local dealership.' This is followed by the heading 'Find your Perfect Car' and the text 'Browse through our selection of over 11,000 vehicles and find your next car.' A 'Search Now' button is centered below the text.

sytner.co.uk/click-and-collect/

COVID-19 ABOUT US CUSTOMER SERVICE NEWS FINANCE SAVED VEHICLES 0

Sytner Group

CLICK & COLLECT USED CAR SEARCH NEW CARS ELECTRIC CARS SERVICING & PARTS OFFERS BUSINESS USERS SELL YOUR CAR OUR LOCATIONS

Click and Collect at Sytner Group

We are pleased to announce that Sytner customers can now benefit from our new Click and Collect option. Search our range of over 11,000 cars and use our Buy Online facility to part-exchange, apply for finance and reserve a car, all completely online.

Or, if you would prefer, our remote sales teams are ready to help guide you through the process over the phone. You can then collect your new vehicle quickly and safely from your local dealership.

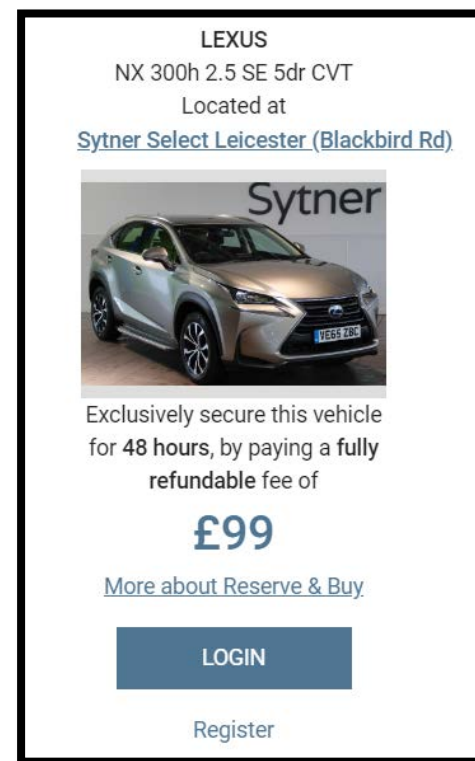
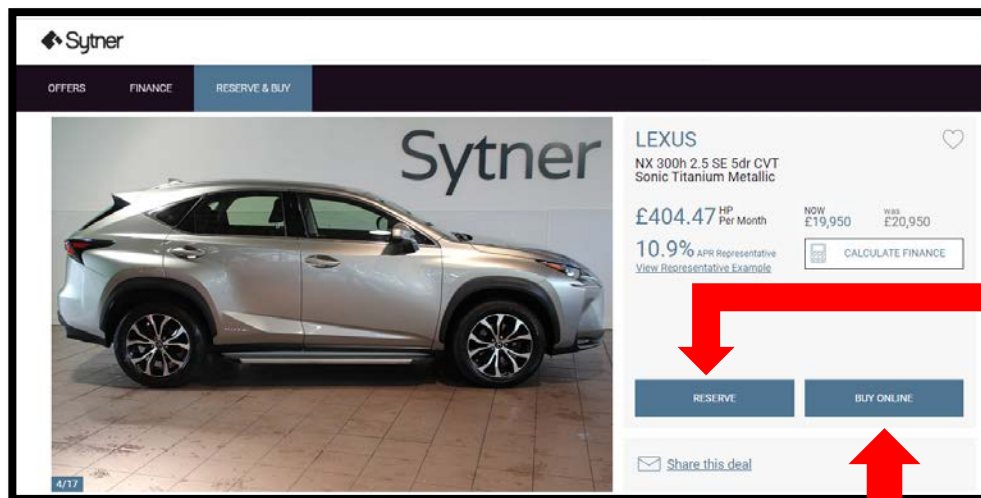
Find your Perfect Car

Browse through our selection of over 11,000 vehicles and find your next car.

Search Now

Sytner (U.K.) Reserve or Purchase

buyonline@sytner.co.uk



Tailor My Finance

DO YOU HAVE A CAR TO PART EXCHANGE?
Get an instant valuation to add to your deposit

VALUE MY CAR

DEPOSIT AMOUNT

£6,600

£0 £13,200

REPAYMENT PERIOD (months)

48

12 24 36 48 60

MILES PER YEAR

10,000

6,000 15,000 24,000

PCP What is PCP?

Blackhorse Finance Representative Example

Duration of Agreement	49 Months
Vehicle Supply Price	£33,000.00
48 Monthly Payments	£452.67
Customer Deposit	£6,600.00
Amount of Credit	£26,400.00
Optional Final Payment	£13,249.00
Purchase Fee	£10.00
Total Amount Payable	£41,577.16
Representative APR	10.9%
APR Interest Rate (per annum)	10.89% fixed
Mileage	10,000 miles per annum
Excess Mileage	12 pence per mile

APPLY FOR PCP FINANCE

NON-GAAP RECONCILIATIONS

EBITDA Reconciliation

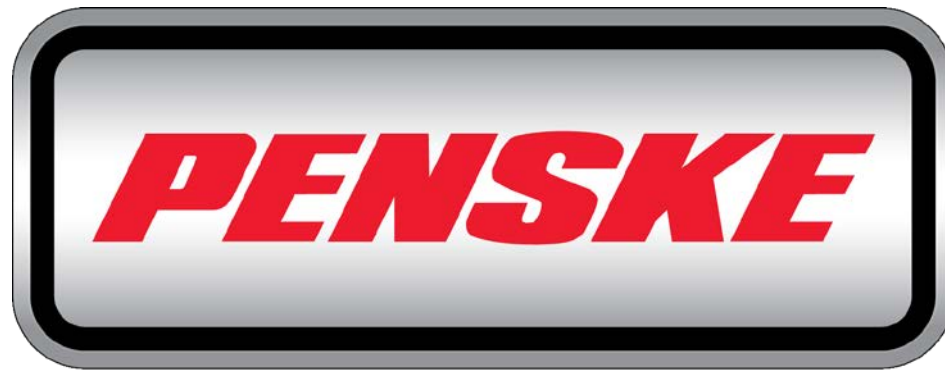
(\$ in Millions)

	Q2 '20	Q2 '19	6M '20	6M '19
Net Income	\$44.8	\$118.5	\$96.3	\$217.7
Depreciation	\$27.9	\$27.1	\$56.4	\$53.5
Other Interest	\$28.4	\$30.4	\$60.1	\$60.3
Income Taxes	\$16.5	\$41.5	\$36.6	\$76.2
(Inc)/Loss from Disc. Ops.	<u>(\$0.1)</u>	<u>(\$0.1)</u>	<u>(\$0.2)</u>	<u>(\$0.2)</u>
EBITDA	\$117.5	\$217.4	\$249.2	\$407.5

Free Cash Flow Reconciliation

The following table reconciles net cash provided by continuing operating activities to free cash flow for the six months ended June 30, 2020

(\$ In Millions)	
Net cash provided by continuing operating activities	\$784.4
Add: Proceeds from sale of dealerships	\$10.3
Add: Proceeds from sale of equipment & improvements	\$19.8
Less: Net repayments of floor plan notes payable (non-trade)	(\$309.9)
Less: Purchase of equipment & improvements (capital expenditures)	<u>(\$76.8)</u>
Free Cash Flow	\$427.8



Automotive