

*Third Quarter
2020*

PENSKE

Automotive

***Financial Results
& Update***

DISCLAIMER

Statements in this presentation may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s liquidity, growth plans 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, government imposed restrictions on our business in light of COVID-19 or otherwise, economic conditions generally, conditions in the credit markets, 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 the COVID-19 pandemic, Worldwide Light Vehicle Testing Protocol ("WLTP") and Real Driving Emissions ("RDE"), natural disasters, recall 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. ("SEC"). These forward-looking statements should be evaluated together with additional information about Penske Automotive Group's business, markets, conditions, and other uncertainties, which could affect Penske Automotive Group's future performance.

These risks and uncertainties are addressed in Penske Automotive Group's Form 10-K for the year ended December 31, 2019 and its other filings with the Securities and Exchange Commission ("SEC").

This presentation may include estimates regarding market and industry data. We do not make any representation as to the accuracy or completeness of such data and undertake no obligation to update such data after the date of this presentation. Unless otherwise indicated, information concerning the industries or markets in which we operate has been obtained from various sources including publicly available information, industry reports, publications, surveys, or trade and business organizations.

Certain amounts, percentages and other figures included in the presentation may be subject to rounding and may not sum.



OVERVIEW



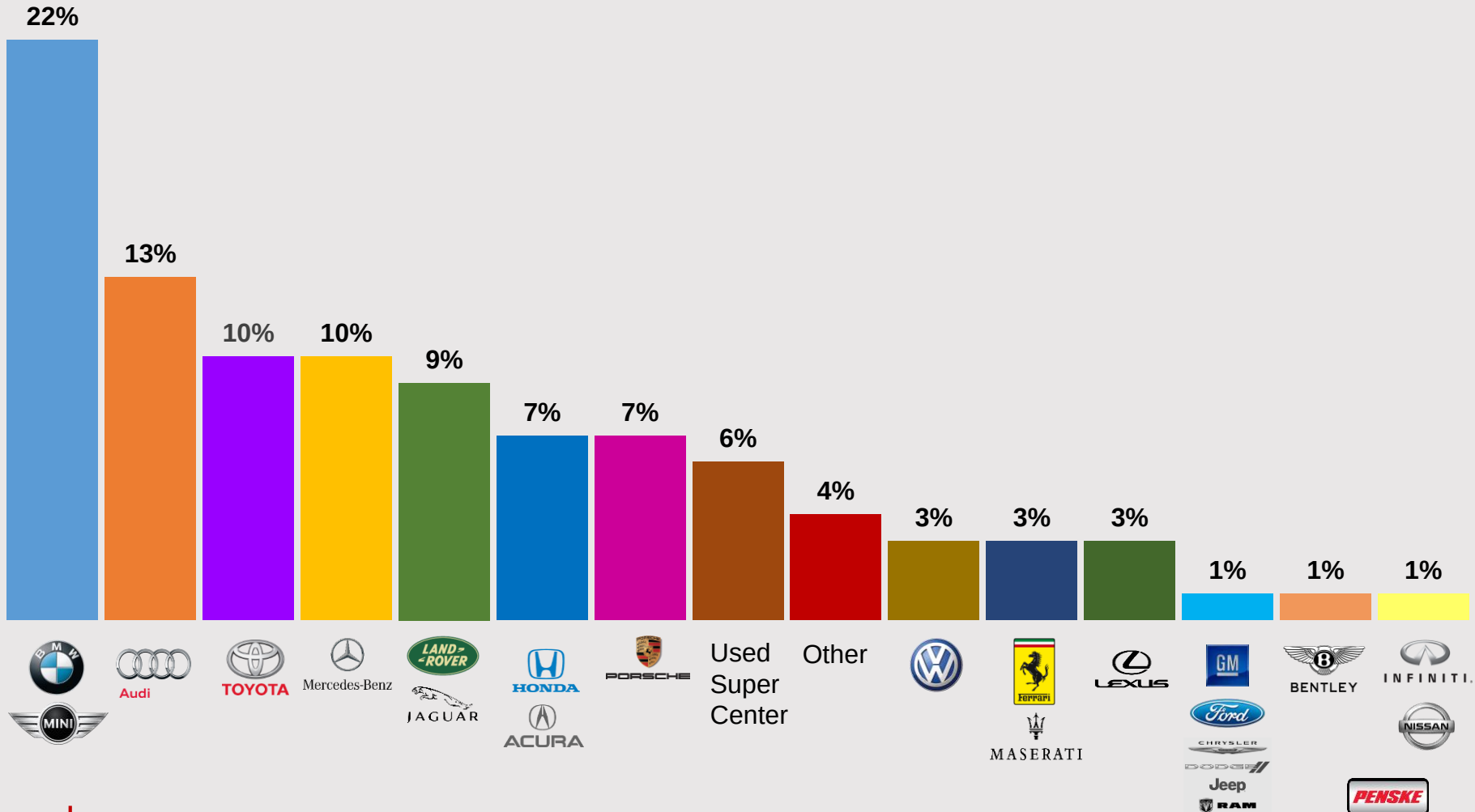
AT A GLANCE

- Operations across four continents and nine countries
- 262 retail automotive locations worldwide
 - 246 franchised automotive dealerships
 - 16 used vehicle SuperCenters
- 34 collision centers
- 25 North American commercial truck dealerships
- Own 28.9% of Penske Transportation Solutions
- Commercial truck and power systems distribution in Australia and New Zealand



WORLDWIDE BRAND MIX

- Premium – 71%
- Volume Non-U.S. – 22%
- U.S. – 1%
- SuperCenters – 6%



COST REDUCTION UPDATE

**Estimated Cost
Reduction of \$125
to \$150 Million
Expected on an
Annualized Basis**

- Reductions in travel, entertainment, marketing/advertising, vehicle maintenance and personnel costs
- Initially furloughed 54% of workforce
- Approximately 3% of work force remains on furlough
- Net headcount reduction of 3,700 to nearly 23,000 which represents approximately 14% of the workforce
- Long-term debt reduction expected to generate \$17 million in annual interest expense savings



THIRD QUARTER OVERVIEW

THIRD QUARTER 2020 KEY TAKEAWAYS

**Retail
Automotive
Segment Income
Increased 170%
in Q3 2020
Compared to Q3
2019**

	Actual	Adjusted ⁽¹⁾
Income from continuing ops	+112%	+99%
Earnings per share	+116%	+102%

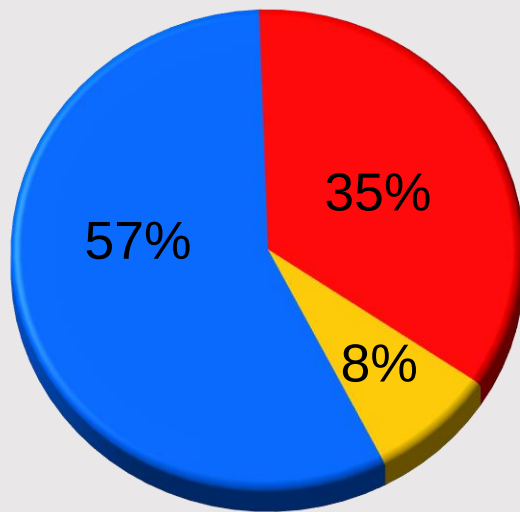
- All-Time Record Results
- Same-store retail automotive revenue +3.6%
- SG&A expenses as a percent of gross profit declined 1,010 basis points to 67.3%
- Operating income margin +200 basis points
- Income from Penske Transportation Solutions investment increased 53%
- Debt to total capitalization reduced to 42.7% from 45.6%

(1) Refer to Non-GAAP Reconciliation

Q3 2020 REVENUE & EBT

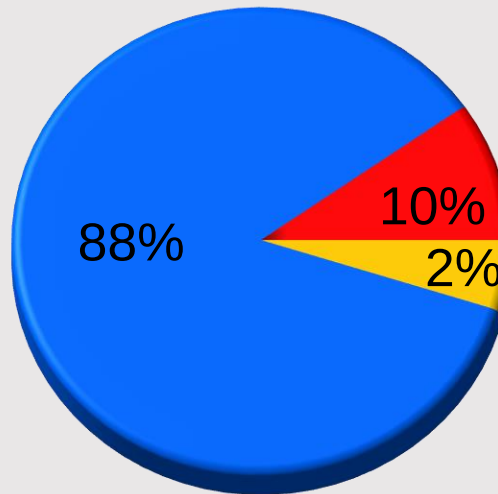
Revenue

\$6.0 Billion



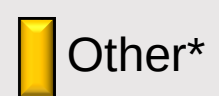
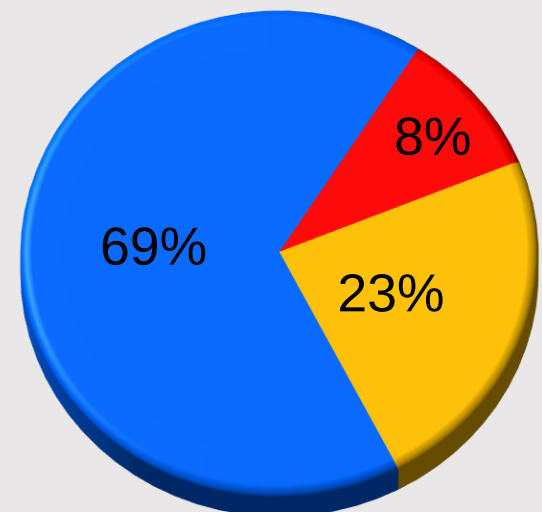
Revenue

\$6.0 Billion



Earnings Before Tax

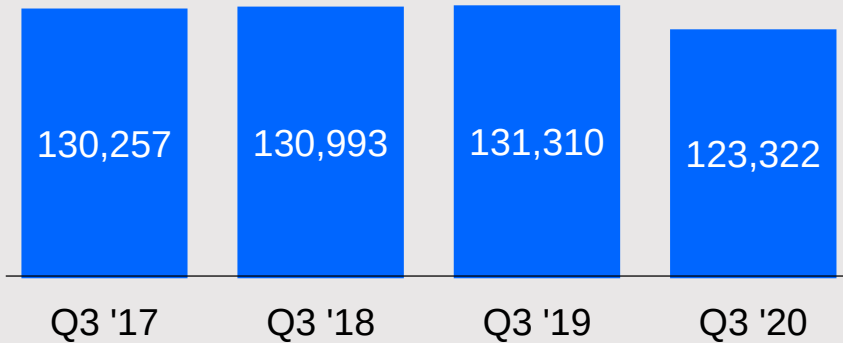
\$312 Million



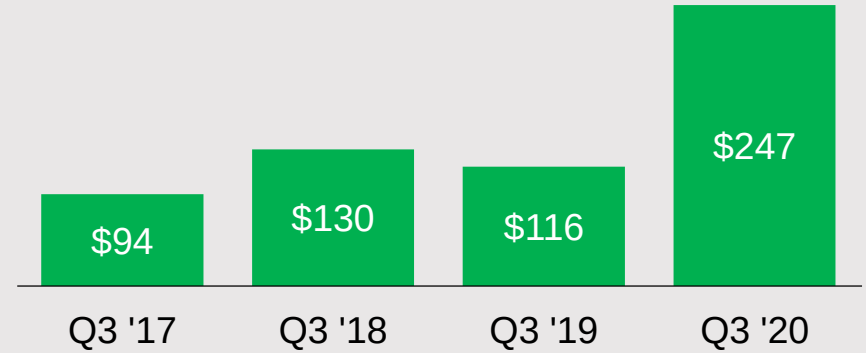
*Includes equity income from joint venture investments, including Penske Transportation Solutions

Q3 2020 KEY METRICS

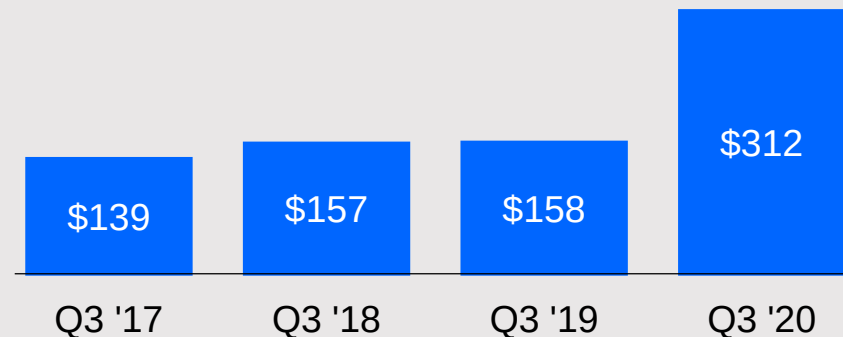
Q3 Total Units



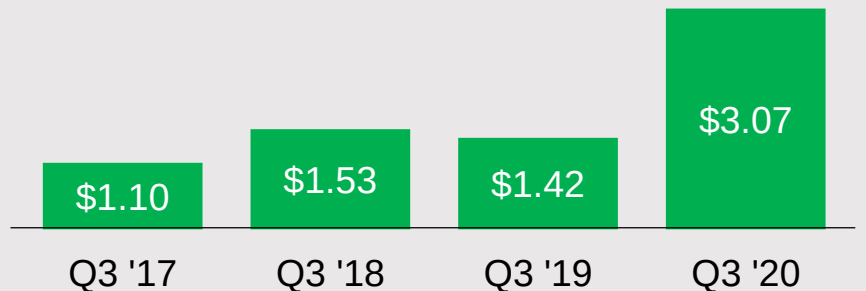
Q3 Income (\$ in Millions)



Q3 EBT (\$ in Millions)



Q3 EPS



SAME-STORE RETAIL AUTOMOTIVE

**Sequential
Improvement
from Q2 2020 to
Q3 2020
Compared to
Same Period
Last Year**

Same-Store	Q2 2020	Q3 2020
New Units	(43%)	(6%)
Used Units	(40%)	(4%)
Revenue	(38%)	+4%
Svc/Parts Gross	(38%)	+2%

RETAIL AUTOMOTIVE KEY METRICS

	Q3 '20	Q3 '19	Change
Volume Metrics			
New Units	52,502	55,752	(5.8%)
Used Units	69,766	72,336	(3.6%)
Used to New Ratio	1.33	1.30	+2.3%
Margins			
New Margin	8.2%	7.0%	+120 bps
Used Margin	7.3%	4.9%	+240 bps
Service & Parts Margin	61.7%	59.2%	+250 bps

RETAIL AUTOMOTIVE GROSS PER UNIT

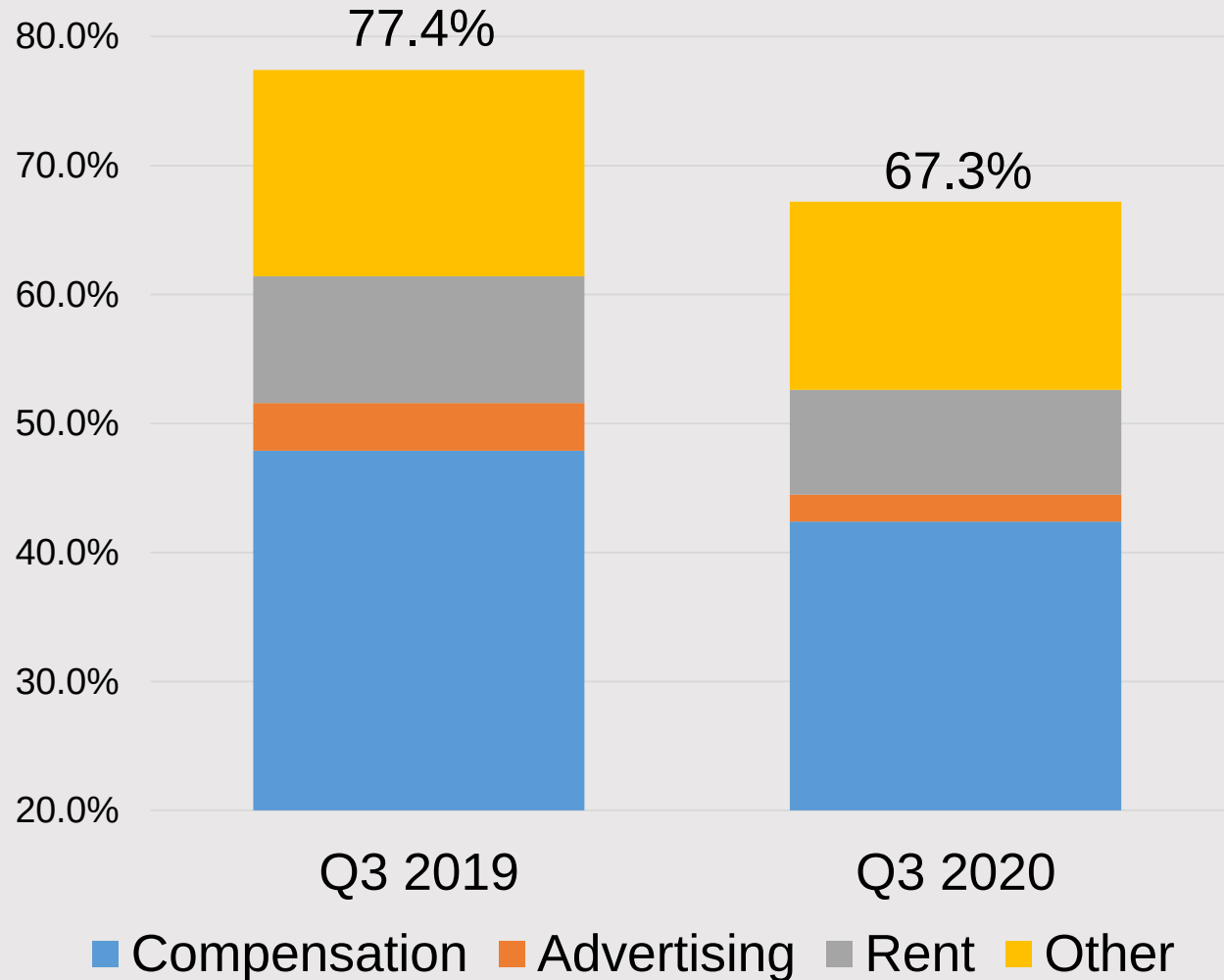
Q3 2020 Same-Store

Total	Q3 '20	Q3 '19	Change	Excl F/X
New Vehicle	\$3,670	\$2,881	+\$789	+\$727
Used Vehicle	\$2,040	\$1,224	+\$816	+\$768
F&I	\$1,416	\$1,277	+\$139	+\$111
Variable Gross ⁽¹⁾	\$4,156	\$3,221	+\$935	+\$852

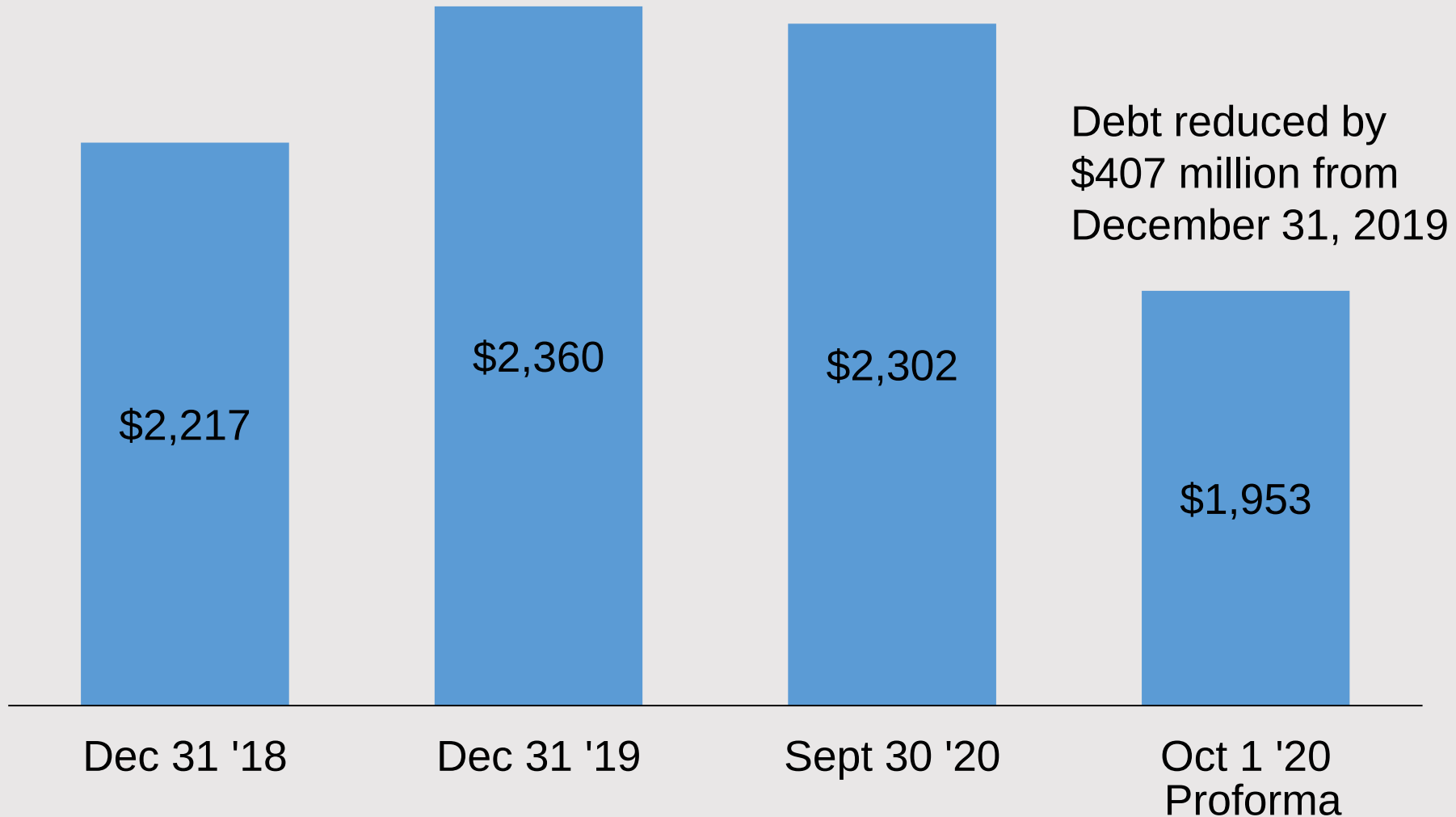
(1) Variable Gross: new vehicle gross profit, used retail gross profit, and F&I gross profit divided by new and used retail unit sales

SG&A EXPENSES AS A % OF GROSS PROFIT

SG&A expenses
improved by
1,010 basis
points



LONG TERM DEBT REDUCTION





USED SUPERCENTERS

- Operate 16 SuperCenters
- Q3 average unit sales per SuperCenter approximately 1,100
- Q3 average earnings before taxes per SuperCenter approximately \$1 million
- Q3 return on sales 4.5%
- Expect to increase footprint approx. 40% by the end of 2022
- Forecast unit sales to be 80,000 in 2021 and 100,000 in 2022
- Nearly 12,000 vehicles online
- No haggle pricing



Q3 2020 SuperCenter Performance

	Q3 '20	Q3 '19	Chg.	Chg. %
Used Units Retailed	18,372	19,728	(1,356)	(6.9%)
Revenue (in millions)	\$352.5	\$327.6	+\$24.9	+7.6%
Avg. Transaction Price	\$15,776	\$14,121	+\$1,655	+11.7%
Total Variable Gross/Unit	\$2,378	\$1,760	+\$618	+35.1%
Variable Margin	15.1%	12.5%	+20.8%	+260 bps
Earnings Before Taxes	\$16.0	\$4.8	+\$11.2	+233.3%



RETAIL COMMERCIAL TRUCKS

PREMIER TRUCK GROUP OVERVIEW

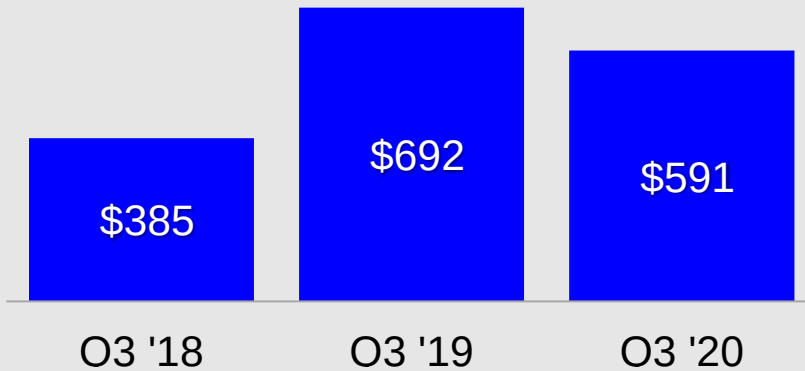


- Represents 10% of PAG Revenue; 8% of PAG Earnings Before Taxes
- Largest Dealership Group for Daimler Trucks N.A. representing 25 dealerships
- Retails over 14,000¹ new and used commercial truck
- Revenue of \$2.0¹ billion
- Service and Parts gross profit provides over 72% of total gross profit
- Fixed cost absorption Q3 2020 137%
- Return on sales of 3.9% in Q3 2020

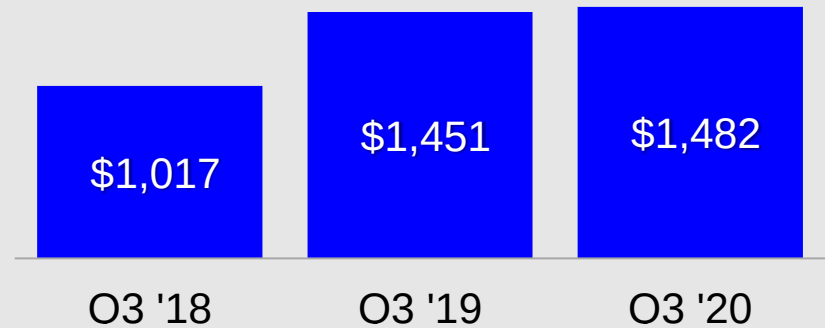
¹9M 2020 annualized

PTG PERFORMANCE SUMMARY

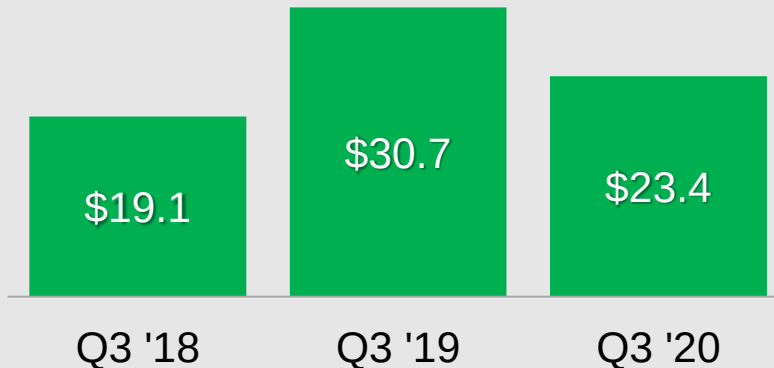
Q3 Revenue (\$ in Billions)



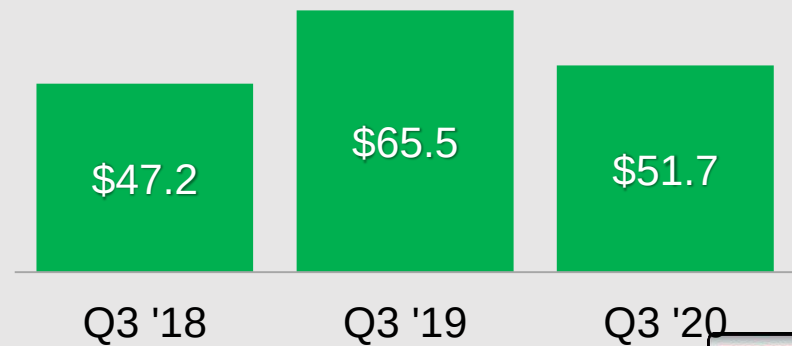
9M Revenue (\$ in Billions)



Q3 EBT (\$ in Millions)



9M EBT (\$ in Millions)



RETAIL TRUCK KEY METRICS

	Q3 2020	Q3 2019	Chg.	Same-Store Chg.
Volume Metrics				
New Units	3,196	4,154	(23%)	(16%)
Used Units	1,284	578	+122%	+110%
Gross Per Unit				
New Vehicle	\$3,856	\$5,244	(27%)	(9%)
Used Vehicle	\$626	\$5,684	(89%)	(52%)
F&I	\$923	\$658	+40%	+24%

COMMERCIAL TRUCK REVENUE & GROSS MIX

**72% of Gross
Profit From
Service & Parts**

	Revenue	Gross Profit
New	63.7%	16.8%
Used	10.8%	1.1%
F&I	0.7%	5.6%
S&P	20.7%	72.4%
Other	<u>4.1%</u>	<u>4.1%</u>
Total	100.0%	100.0%



PENSKE TRANSPORTATION SOLUTIONS





PENSKE TRANSPORTATION SOLUTIONS OVERVIEW

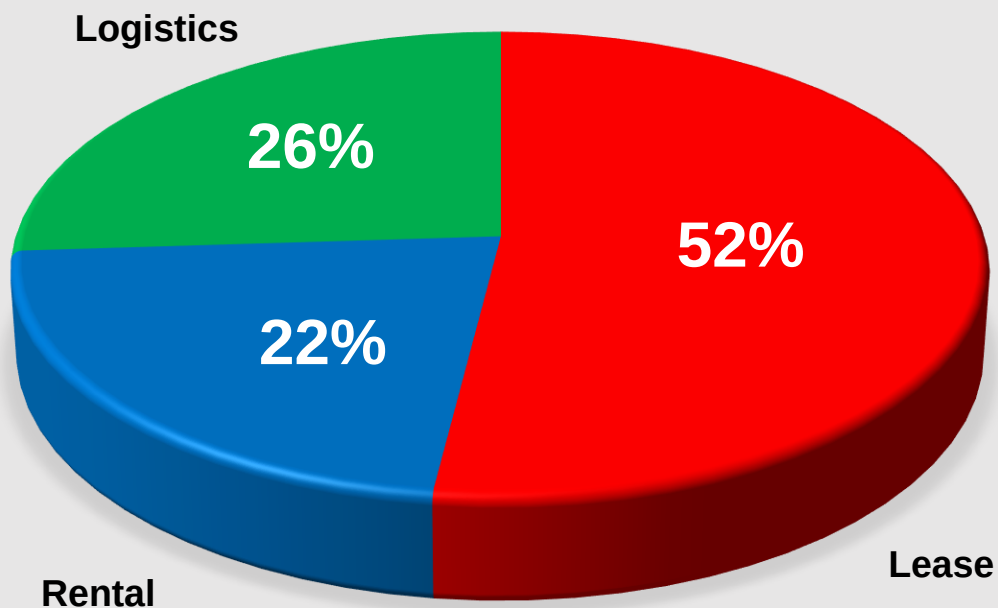
- \$15.6 billion total assets
- \$8.8 billion in annual revenue¹
- 9 month 2020 YTD income of \$373 million
- Over 321,000 vehicles on the road
- Recorded equity income of \$64.5 million in Q3 2020, +53%

¹Last 12 months ended September 30, 2020

PENSKE TRANSPORTATION SOLUTIONS

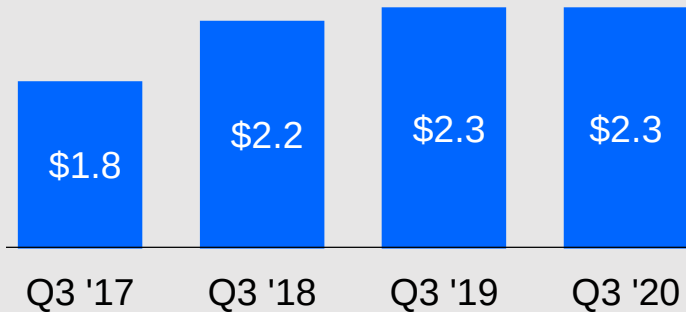
Operating Revenue

For the Nine Months Ended September 30, 2020

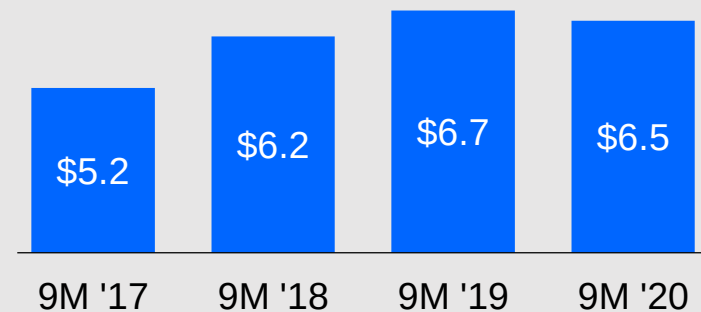


PTS PERFORMANCE SUMMARY

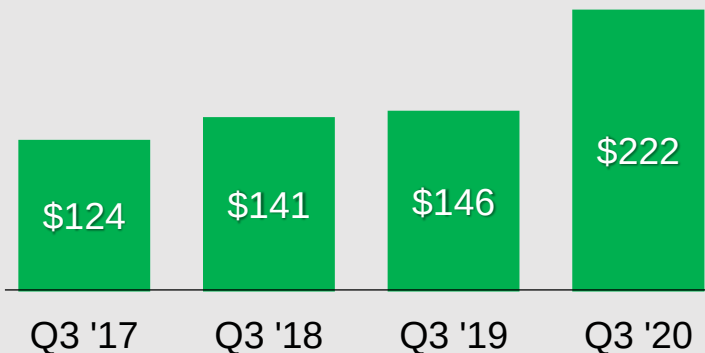
Q3 Revenue (\$ in Billions)



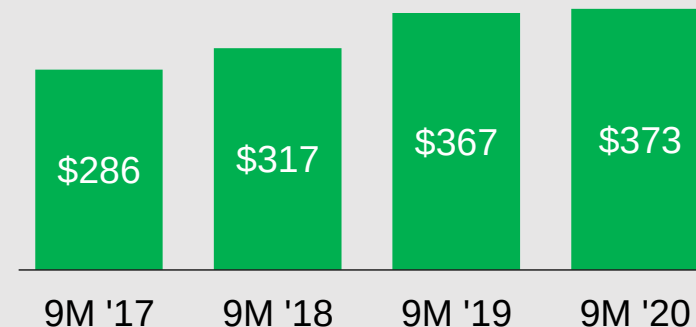
9M Revenue (\$ in Billions)



Q3 Income (\$ in Millions)



9M Income (\$ in Millions)





MULTI-CHANNEL MARKETING AND DIGITAL FOCUS

MULTI-CHANNEL MARKETING

DATA ANALYTICS

We Listen and Learn

Comprehensive data analysis and reporting generates actions to enhance ROI and increase engagement.

PREFERRED PURCHASE

Buying on Your Terms:

Online and In-Store

A pressure-free and flexible way to personalize payments, value a trade, and secure a deal, all from home.

CUSTOMER SATISFACTION

Feedback Matters

From surveys to online reviews, we contact every customer after a sale or closed repair order to focus on continuous improvement.

CUSTOMER SUPPORT

Count on Us, Anytime

We provide real-time, direct sales and service assistance via chat, text, email or phone, across all devices.

SERVICE

Keeping Our Customers on the Road

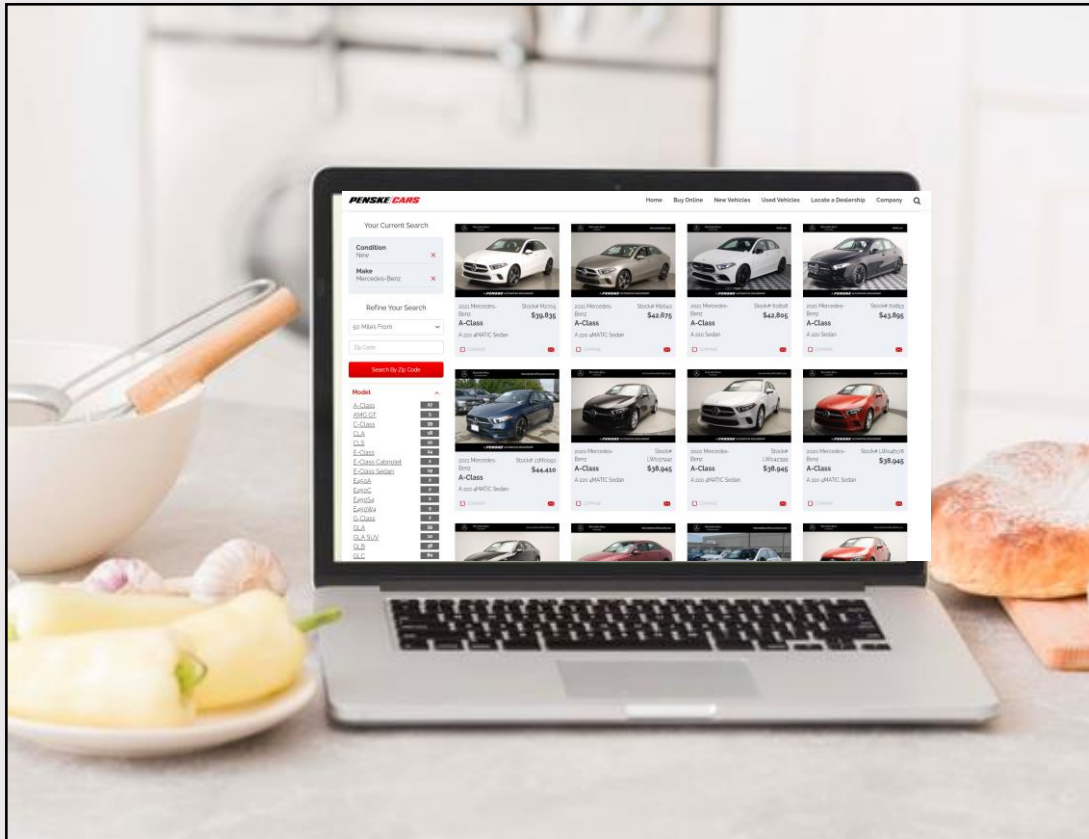
Online scheduling and secure online payment offer customers a touchless and convenient solution for their service needs.

CUSTOMER RELATIONSHIP MANAGEMENT

Strengthening the Bond Over Time

We maintain communication with customers with sales and service communications relevant to each ownership experience.

**Personalization.
Customization.
Connection.**



DIGITAL RETAILING

- 42,000 vehicles online through digital channels
- Digital initiatives accounted for 52% of U.S. unit sales in Q2 2020
- Preferred Purchase vehicle buying in the U.S.
- “Buy Online” in the U.K. – 1,000 transactions year to date

ONLINE BUYING IN 5 EASY STEPS



Convenient. Flexible. Personalized.

Penske's Preferred Purchase is designed to make your experience fast, transparent and convenient, whether you're buying from home or visiting one of our dealerships. With Penske's Preferred Purchase, the possibilities are limitless.



Buy Online

Search New

Search Used



Personalize Your Payment

With Preferred Purchase, you can view all current lender programs and manufacturer incentives and customize your monthly payment to fit your budget.



Choose Your Protection Options

Protect your investment with great options like extended warranties, road hazard insurance, and guaranteed insurance values for your car in the event of a total loss.



Apply For Credit

Save time at the store by applying for credit online. Our streamlined application allows you to do everything at one time so you can focus on other important things in your life.



Secure Your Certificate

Programs and incentives can change at any moment. Lock in your pricing and vehicle by agreeing to the terms online.

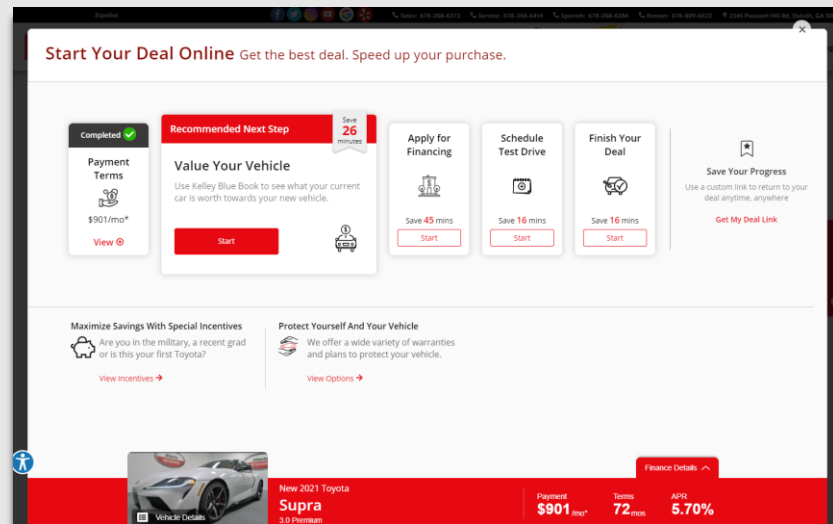
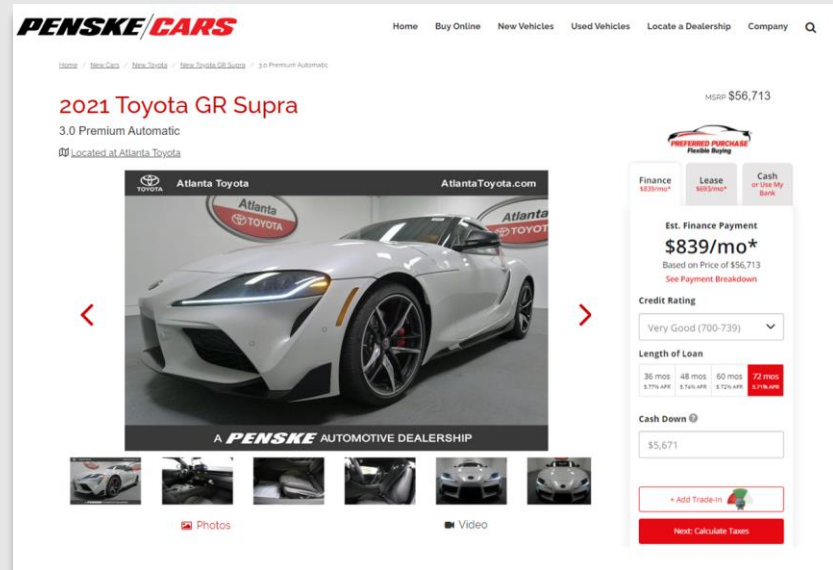


Schedule Your Test Drive

We know that most customers still want to test drive their vehicle prior to purchase – and rightly so! Schedule a convenient time for you and we will have the vehicle waiting up front.

CUSTOMIZE YOUR JOURNEY

- Preferred Purchase is “Flexible Car Buying”
- Tool offers a customized buying journey – flexibility drives engagement and conversion
- Complete each step in any order, at your leisure, directly from the site
- Personalize payments, value a trade, apply for credit, explore protection options and arrange for a test drive or home delivery



buyonline@sytner.co.uk

Sytner

Search: "ferrari 458" buyonline@sytner.co.uk

OFFERS FINANCE RESERVE & BUY



Sytner

LEXUS
NX 300h 2.5 SE 5dr CVT
Sonic Titanium Metallic

£404.47^{HP} Per Month
10.9% APR Representative
[View Representative Example](#)

NOW £19,950 WAS £20,950
[CALCULATE FINANCE](#)

RESERVE BUY ONLINE

[Share this deal](#)

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

£0 £6,600 £13,200

REPAYMENT PERIOD (months)

12 24 36 48 60

MILES PER YEAR

6,000 10,000 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

LEXUS
NX 300h 2.5 SE 5dr CVT
Located at
[Sytner Select Leicester \(Blackbird Rd\)](#)



Exclusively secure this vehicle
for 48 hours, by paying a fully
refundable fee of

£99

[More about Reserve & Buy](#)

LOGIN

Register



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, 2020 and 2019:

Income From Continuing Operations

	Q3 '20	Q3 '19	% Chg	9M '20	9M '19	% Chg
Income from Cont. Ops.	\$246.5	\$116.1	+112.3%	\$343.1	\$333.9	+2.8%
Less: Income Tax Benefit ⁽¹⁾	<u>(\$15.4)</u>	---	nm	<u>(\$15.4)</u>	---	nm
Adj. Income from Cont. Ops.	\$231.1	\$116.1	+99.1%	\$327.7	\$333.9	(1.9%)

Earnings Per Share

	Q3 '20	Q3 '19	% Chg	9M '20	9M '19	% Chg
Income from Cont. Ops.	\$3.07	\$1.42	+116.2%	\$4.27	\$4.02	+6.2%
Less: Income Tax Benefit ⁽¹⁾	<u>(\$0.19)</u>	---	nm	<u>(\$0.19)</u>	---	nm
Adj. Income from Cont. Ops.	\$2.87	\$1.42	+102.1%	\$4.08	\$4.02	+1.5%

(1) Income tax benefit from various U.S. and foreign tax legislation changes.

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

nm = not meaningful

EBITDA RECONCILIATION

(\$ in Millions)	Q3 '20	Q3 '19	9M '20	9M '19
Net Income	\$247.6	\$116.1	\$343.9	\$333.8
Depreciation	\$29.0	\$27.5	\$85.4	\$81.0
Other Interest	\$30.8	\$32.9	\$90.9	\$93.2
Income Taxes	\$64.1	\$42.4	\$100.7	\$118.6
(Income)/Loss from Disc. Ops.	<u>(\$0.1)</u>	<u>(\$0.1)</u>	<u>(\$0.3)</u>	<u>(\$0.3)</u>
EBITDA	\$371.4	\$218.8	\$620.6	\$626.3



Automotive

www.penskeautomotive.com

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