



THIRD QUARTER 2021 FINANCIAL RESULTS



DISCLAIMER

Statements in this presentation may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s liquidity, assessment of business conditions, expected future operating results and growth plans.

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 mandated 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, new rules in place after the recent Brexit accord between the European Union and the U.K. could slow parts originating in the U.K. or Europe for distribution to our dealerships, 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, the shortage of automotive semiconductor chips or other components, 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. 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, 2020 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.



ABOUT PENSKE AUTOMOTIVE

A diversified international transportation services company and one the world's premier automotive and commercial truck retailers

MISSION

Deliver excellence to our customers, value to our stakeholders, and opportunity to our team members everywhere we operate

VISION

Be the most profitable and growth-oriented retail and commercial transportation services company everywhere we operate

VALUES

Exceed: Provide a superior customer experience that exceeds expectations and establishes trust and loyalty through honesty, transparency, and accountability

Excel: Deliver long-term value for our stakeholders through continuous improvement, organic growth, strategic acquisitions and increasing profitability

Encourage: Provide opportunities for team members to succeed in our organization by cultivating talent and rewarding achievement



ACCOLADES



10+ Years Running

Top 2 in Automotive Retailing, Services
each year



Since 2018

Top 5 in Specialty Retail category
each year



35 Dealers in 2021

Including six of top 10 and 12 of top 25 in
overall rankings; top 3 places 7 of top 10
ranked for efforts to promote Diversity,
Equity & Inclusion

33 Dealers in 2019

Including the top 6 ranked stores



CarShop UK – Best Places to Work For 2021

CarShop US – Best Places to Work For 2019

CarShop – top 20 for work/life balance

Sytner – Best Retailer to Work For 2019



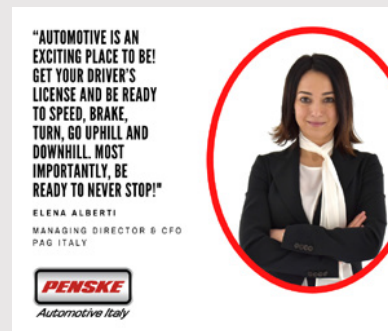
2018 Dealer Group of the
Year by Automotive
Management and Motor
Trader magazines

WOMEN AT THE WHEEL

- We foster a workplace that harnesses the power of diversity and supports the inclusion of new ideas to meet the many needs of our customers
- PAG is proud to have female leaders at every level of our organization
- On social media, we highlighted many of the women at PAG who are paving the way for the next generation of female leaders



Executive Vice President of Marketing, Tracy Cassidy, was named among Automotive News' 100 Leading Women in the North American Automotive Industry.



INVESTMENT HIGHLIGHTS

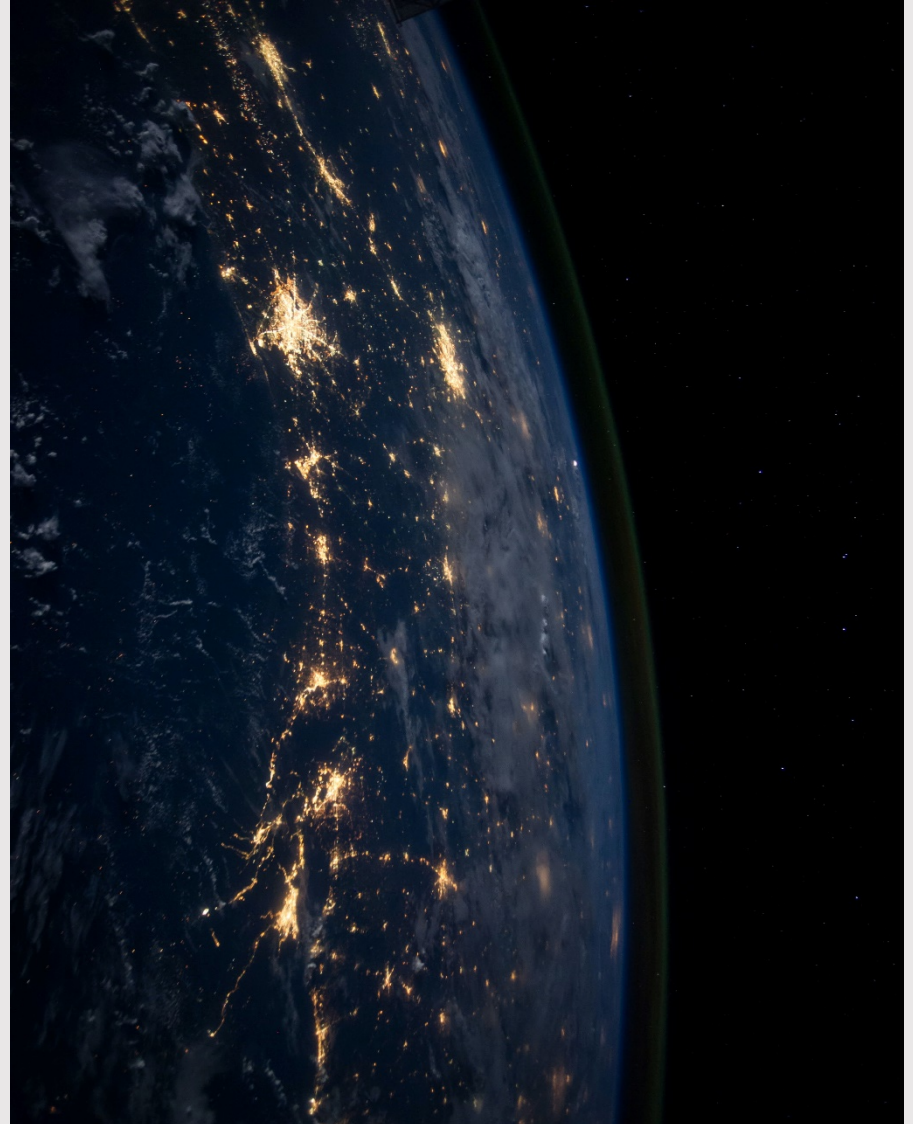


- Diversified portfolio and business mix provides multiple opportunities for growth
- Highly fragmented automotive and commercial truck retail industries provide multiple opportunities for expansion
- Retail automotive segment focused on Premium/Luxury brands which generate more than 70% of automotive revenue
- One of the largest retail dealers for Daimler Trucks North America
- Recurring parts and service operations represent over 36% of total company gross profit
- CarShop SuperCenter operations provide rapid growth opportunity
- Strong cash flow generation
- Offer largest cash dividend and yield in the retail automotive industry

GLOBAL REACH

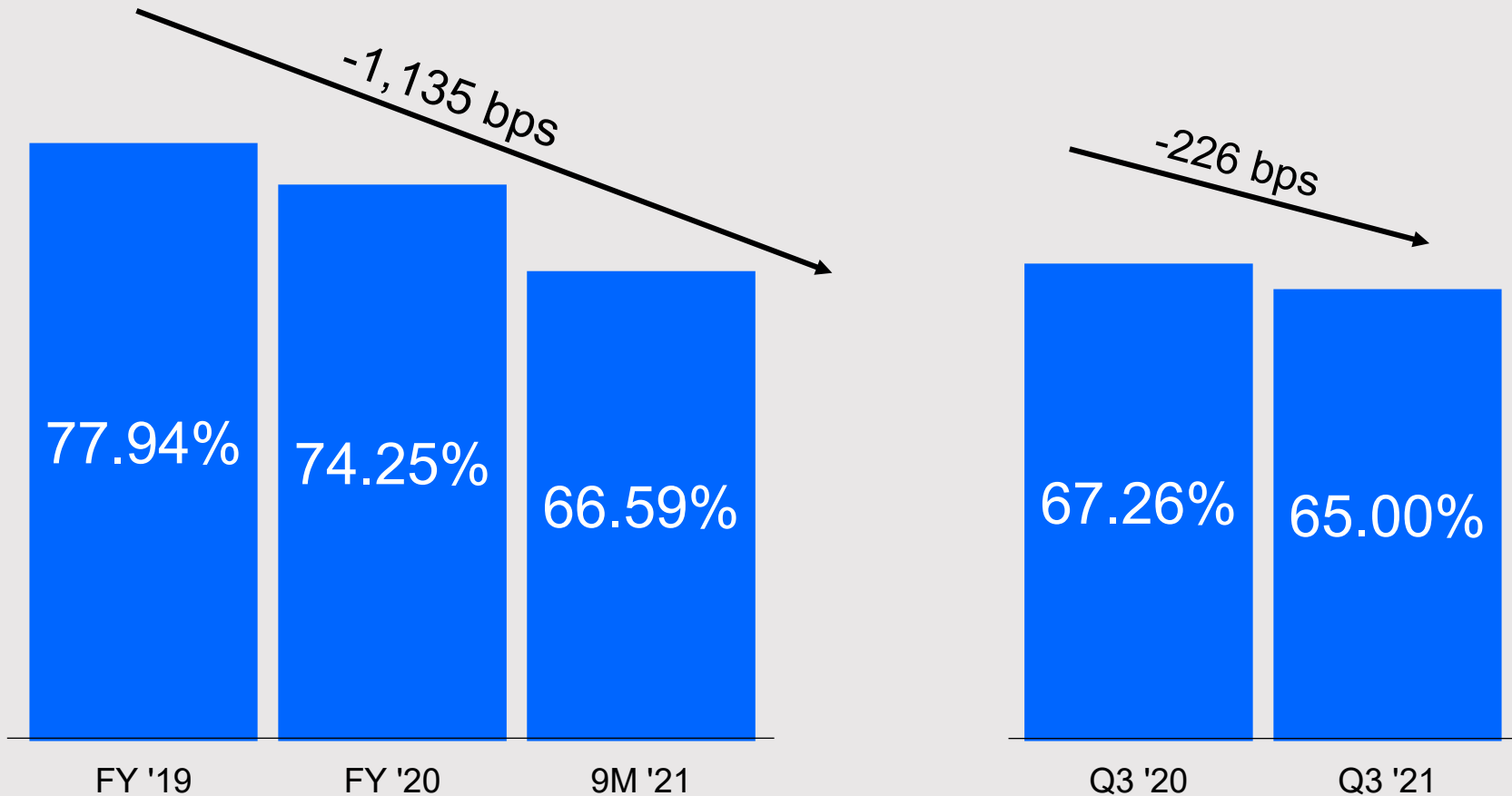
Operations across four continents and nine countries

- Retail Automotive
 - U.S., U.K., Germany, Italy, Spain, and Japan
- Used Vehicle SuperCenters
 - U.S. and U.K.
- Commercial Trucks
 - U.S. and Canada
- Commercial Vehicles, Power Systems & Parts Distribution
 - Australia and New Zealand
- 28.9% ownership of Penske Transportation Solutions



SG&A TO GROSS PROFIT

DROVE EXPENSE LEVERAGE OF 1,135 BPS SINCE 2019





THIRD QUARTER 2021 HIGHLIGHTS

THIRD QUARTER 2021 HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	Q3 '21	Q3 '20	Chg
Income from Cont Ops Before Taxes	\$476	\$312	+53%
Income from Cont Ops	\$355	\$247	+44%
Adjusted Income from Cont Ops	\$355	\$232	+53%
Earnings Per Share	\$4.46	\$3.07	+45%
Adjusted Earnings Per Share	\$4.46	\$2.90	+54%

Same-Store Revenue	Q3 '21	Q3 '20	Chg
New Vehicle	\$2,252	\$2,324	-3%
Used Vehicle	\$2,249	\$1,934	+16%
F&I	\$199	\$173	+15%
Service & Parts	\$549	\$514	+7%
Fleet & Wholesale	<u>\$294</u>	<u>\$254</u>	<u>+16%</u>
Total	\$5,543	\$5,199	+7%

Q3 2021 KEY TAKEAWAYS

Retail Automotive

- Retailed 114,823 units in Q3
- Same-store revenue increased 6.6%
- Same-store retail gross profit increased 18.4%
- Same-store gross margin increased 180 basis points to 18.0%
- Same-store vehicle variable gross profit increased 39% to \$5,769

1

Premier Truck Group

- Retailed 4,820 new and used commercial trucks during Q3
- Same-store revenue increased 2%
- Same-store gross profit increased 40%
- Fixed cost absorption of 130%
- EBT increased 106% to \$48.3M

Penske Transportation Solutions

- Investment generated an 83% increase in earnings to \$118.3M

2

Capital Allocation

- Increased dividend (Oct.20th) to \$0.46 per share
- Repurchased 2.0M shares during the third quarter and 2.5M shares year-to-date
- Improved debt to total capitalization to 27%
- Reduced leverage ratio to 0.9x* to 1

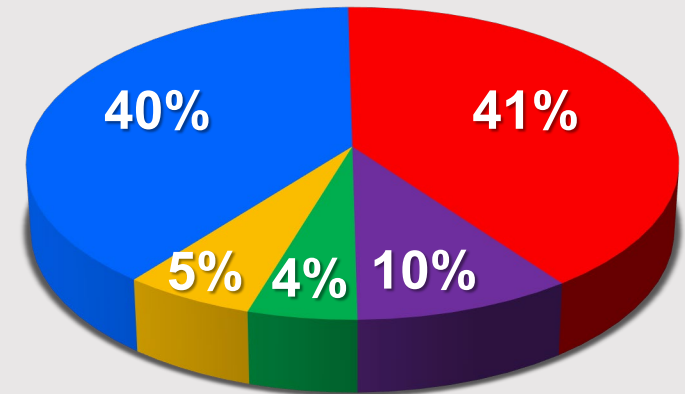
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* Refer to non-gaap reconciliation schedule on page 41

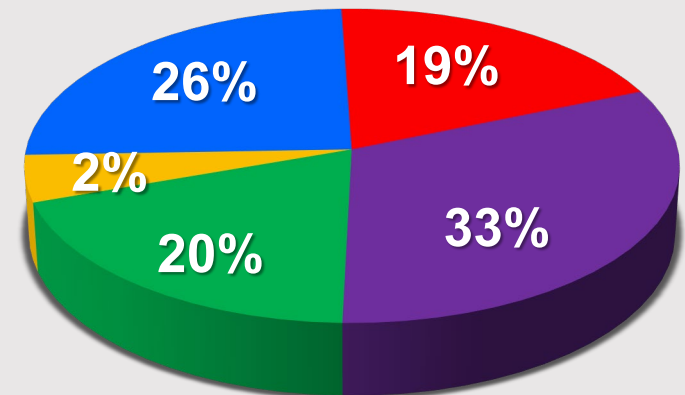
RETAIL AUTOMOTIVE OVERVIEW

- 326 retail automotive locations worldwide
- 304 franchise dealerships
- 22 CarShop locations
- 32 Collision Centers
- Diversified revenue stream drives profitability

Revenue



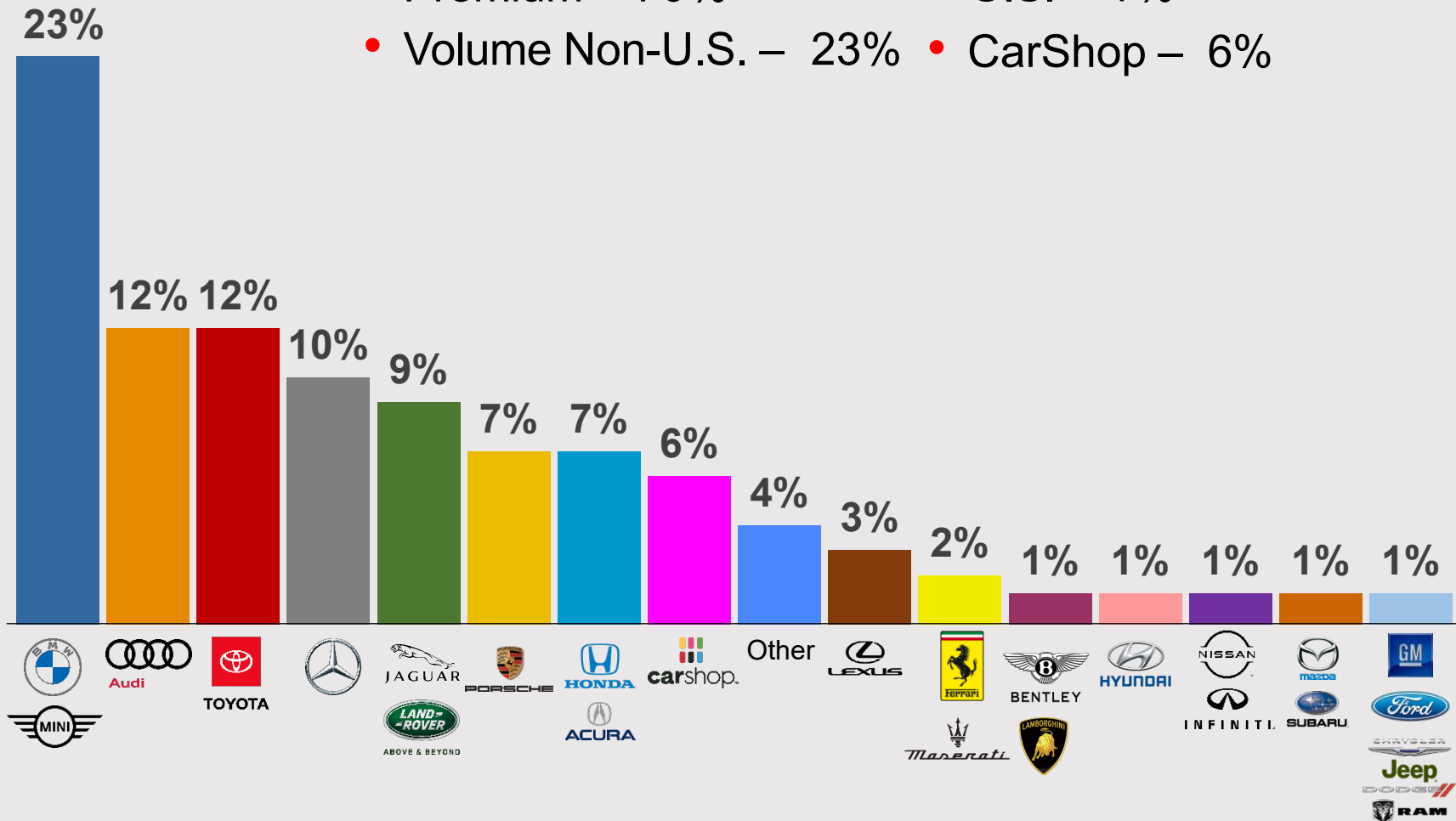
Gross Profit



WORLDWIDE AUTOMOTIVE BRAND MIX

(% of Total Automotive Dealership Revenue)
(YTD 2021)

- Premium – 70%
- U.S. – 1%
- Volume Non-U.S. – 23%
- CarShop – 6%

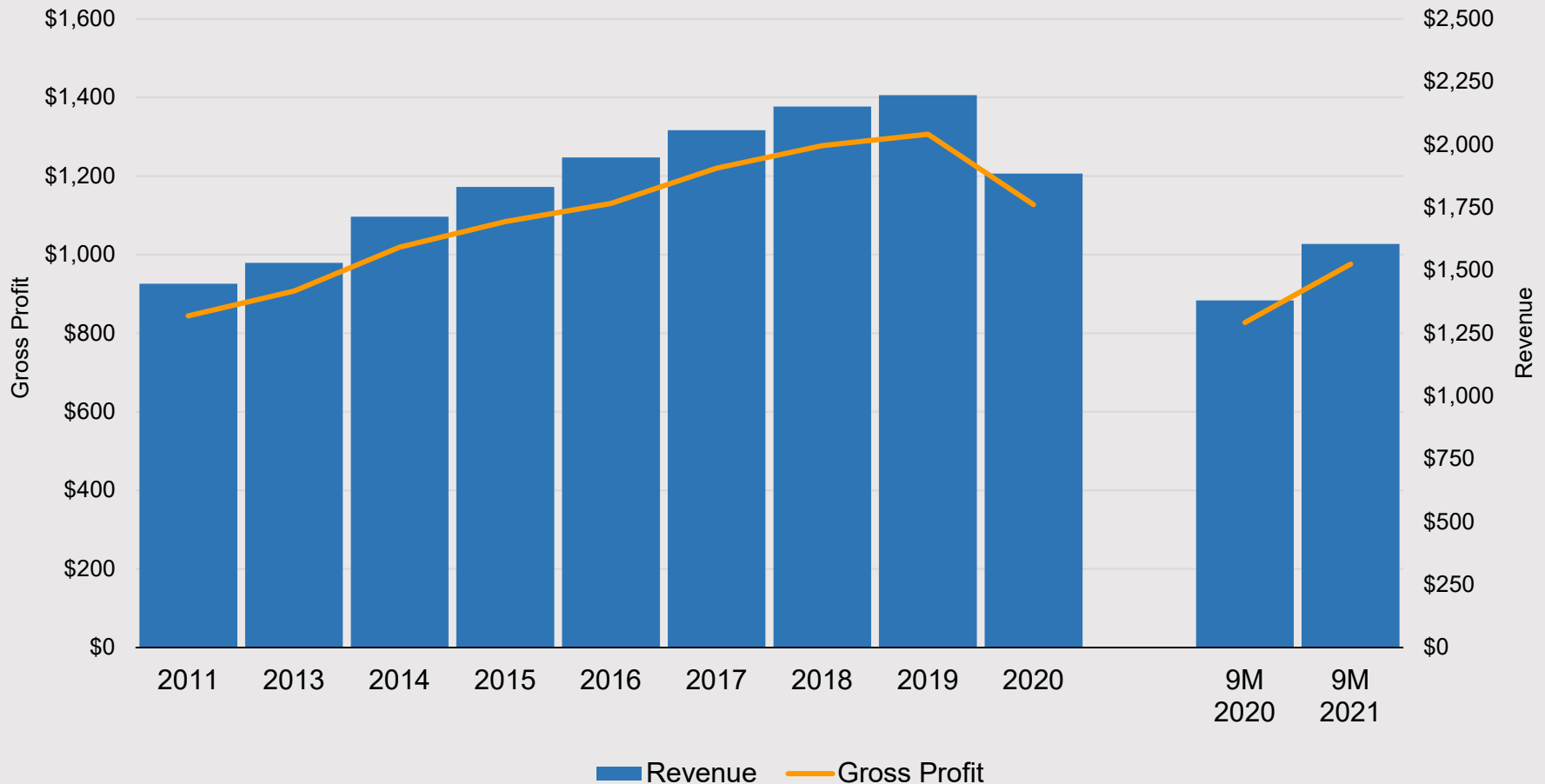


RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q3 '21	Q3 '20	Chg
Volume Metrics			
New Units (U.S. -3%; U.K. -33%)	44,107	51,736	-15%
Used Units (U.S. +12%; U.K. -11%)	<u>68,380</u>	<u>70,069</u>	<u>-2%</u>
Total (U.S. +4%; U.K. -18%)	112,487	121,805	-8%
Gross Per Unit			
New	\$5,914	\$3,695	+60%
Used	\$2,762	\$2,024	+36%
F&I	\$1,771	\$1,418	+25%
Variable Vehicle Gross/unit	\$5,769	\$4,152	+39%

RETAIL AUTOMOTIVE SERVICE & PARTS

RECOVERY UNDERWAY



PREMIER TRUCK GROUP



- One of the largest dealership groups for Daimler Trucks N.A.
- Retailed 4,820 new and used commercial trucks in Q3 2021
- Q3 2021 revenue increased 21% to \$717 million
- Service and parts gross profit provides 59% of total gross profit
- Return on sales of 6.7%

RETAIL TRUCK KEY METRICS

Same-Store	Q3 '21	Q3 '20	Chg
Volume Metrics			
New Units	3,078	3,196	-4%
Used Units	843	1,284	-34%
New Vehicle (Gross/Unit)	\$6,456	\$3,856	+67%
Used Vehicle (Gross/Unit)	\$18,161	\$626	+2,801%
F&I (Gross/Unit)	\$1,173	\$923	+27%

CARSHOP



- Operate 22 CarShop used vehicle locations
- Fully digital solution available through www.carshop.com
- Retailed 18,451 units in Q3 2021
 - U.S. +21%; U.K. -5%
- Same-store variable gross profit per unit +14% to \$2,700/unit
- Revenue increased 24% to \$438 million

GROWTH PLAN

- Opened 5 locations so far in 2021
- Expect to open 1 additional location by end of the year
- Goal through end of 2023:
 - 150,000 in unit sales
 - \$2.5 to \$3.0 billion in revenue
 - Income before taxes of approximately \$100 million



Q3 2021 CARSHOP PERFORMANCE

	Q3 '21	Q3 '20	Chg. %
Used Units Retailed	18,451	18,372	---
Revenue (in millions)	\$438	\$352	+24%
Avg. Transaction Price	\$19,820	\$15,776	+26%
Total Variable Gross/Unit	\$2,668	\$2,378	+12%

PENSKE AUSTRALIA



On-Highway



Power Systems



Defence



Mining

Distributor of heavy and medium duty trucks, buses and diesel/gas engines and power systems in Australia and New Zealand

- Western Star, MAN Truck and Bus, Dennis Eagle
- MTU, Detroit Diesel, Allison Transmission, Bergen Onsite Energy, Rolls Royce Power Systems
- Parts & service gross profit over 80% of total gross profit

(AUS\$)	Q3 2021	Q3 2020	Chg.
Revenue	\$199	\$173	+15%
EBT	\$13.5	\$11.7	+15%



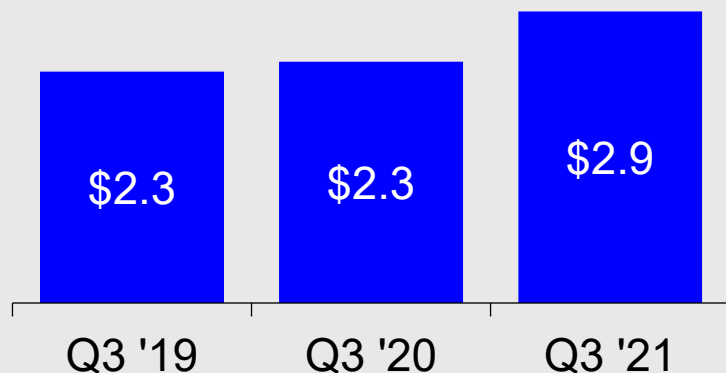
PENSKE TRANSPORTATION SOLUTIONS

- Over 350,000 vehicles on the road
- Q3 total revenue up 26% to \$2.9B
- Q3 income \$409M up 83%
- Return on sales +14%
- PAG recorded equity income of \$118 M in Q3 2021

PTS PERFORMANCE SUMMARY

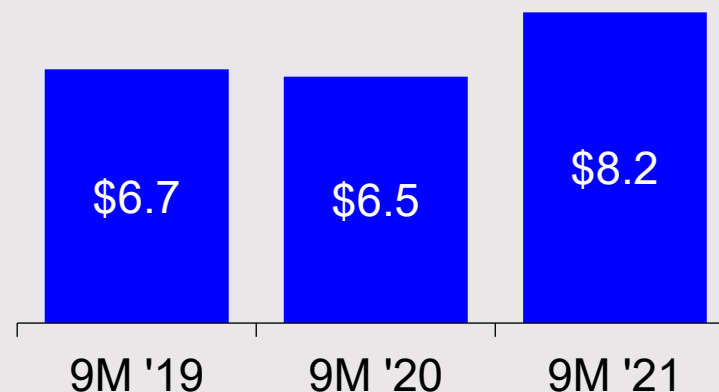
Q3 Total Revenue

(\$ in Billions)



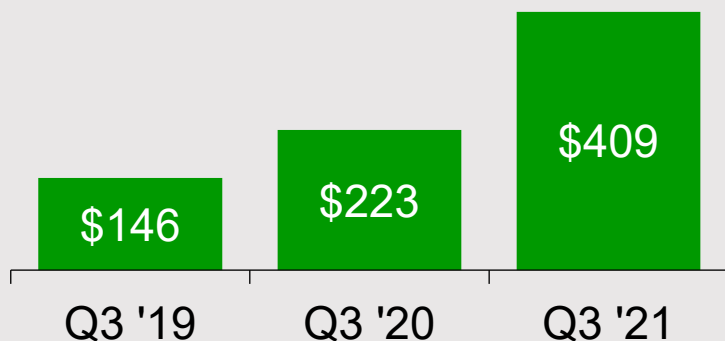
9M Total Revenue

(\$ in Billions)



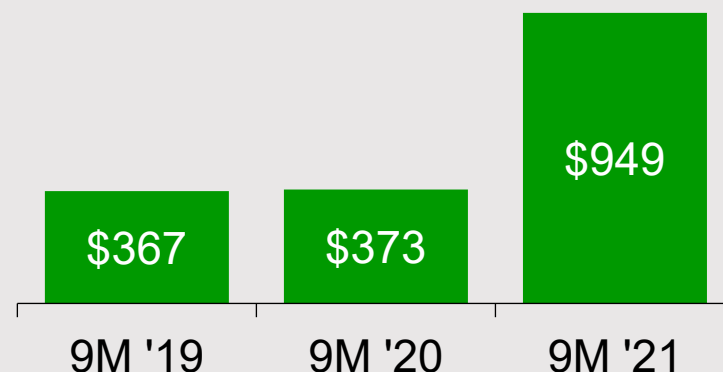
Q3 Income

(\$ in Millions)



9M Income

(\$ in Millions)



PTS EARNINGS CONTRIBUTION

(\$ in millions)





OMNI CHANNEL AND DIGITAL

OUR OMNICHANNEL MARKETING



MARKETING
*Focus on the
Customer*

PRODUCT
*Vehicles for Every
Need*



DATA ANALYTICS
Listen and Learn



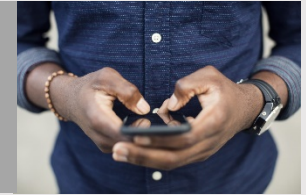
**CUSTOMER
SUPPORT**
*Count on Us,
Anytime*



**CUSTOMER
SATISFACTION**
Feedback Matters



FLEXIBLE BUYING
*Buy on Your Terms,
Online or In-Store*



SERVICE
*Keep Our Customers
on the Road*



**IN-STORE
EXPERIENCE**
The Personal Touch



**CUSTOMER
RELATIONSHIP
MANAGEMENT**
Strengthen the Bond



(Q3 2021)

LEADER IN ONLINE REPUTATION

OUTPERFORMING PEER GROUP ON GOOGLE

92% of all U.S. online searches are done through Google*

1,012

Lifetime Avg. Google
Reviews per Store

4.69

Q3 Avg. Google
Star Rating per Store

4.65

Lifetime Avg. Google
Star Rating per Store

- PAG stores received nearly 161K Google reviews in Q3
 - Stores averaged nearly 1,012 reviews (vs 950 in Q2)
 - Stores average lifetime rating rose to 4.65 (vs 4.63 in Q2)
 - 93% of the Google reviews for Q3 were positive
- PAG ranked first among U.S. public dealership groups in the 2021 Automotive Reputation Report published by Reptuation.com

*Source: gs.statcounter.com, July 2020 - September 2021

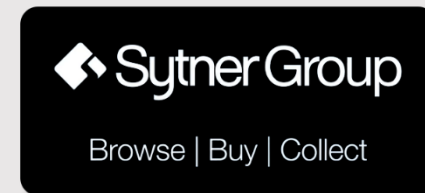
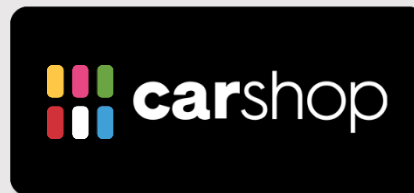
DIGITAL RETAILING

UNITED STATES

- Preferred Purchase – Franchise Stores
 - Available for all new and used vehicles
 - Flexible buying - In-store, online, or hybrid model
 - Transparent and streamlined
 - Self-directed experience
 - Low-pressure sales environment
 - Home delivery
- CarShop -100% online buying
 - Complete online buying capability
 - Digital signatures
 - Online notary system

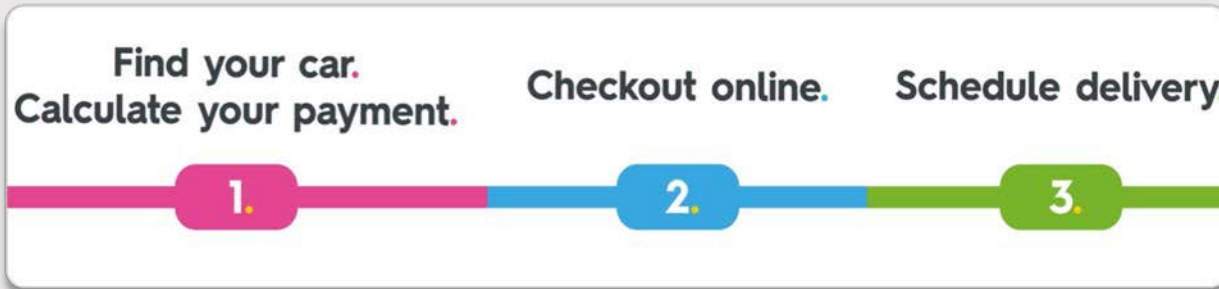
UNITED KINGDOM

- Browse – Buy – Collect
 - Flexible buying - In-store or online hybrid model
 - £99 Reservation
 - Buy Outright (Credit Card)
 - Instant Decision Finance Application
 - Multiple Finance Co. Integration
 - Digital Signature
- Available for all new and used vehicles



CARSHOP – 100% ONLINE BUYING

Intuitive digital platform developed by Penske and Cox Automotive



Transparent
personalized
payments across
entire inventory

No haggle pricing

Instant cash offer
on trade-in

Call, chat, text or
email support team

Digital signatures,
including
authoritative finance
contracts for over 15
lenders

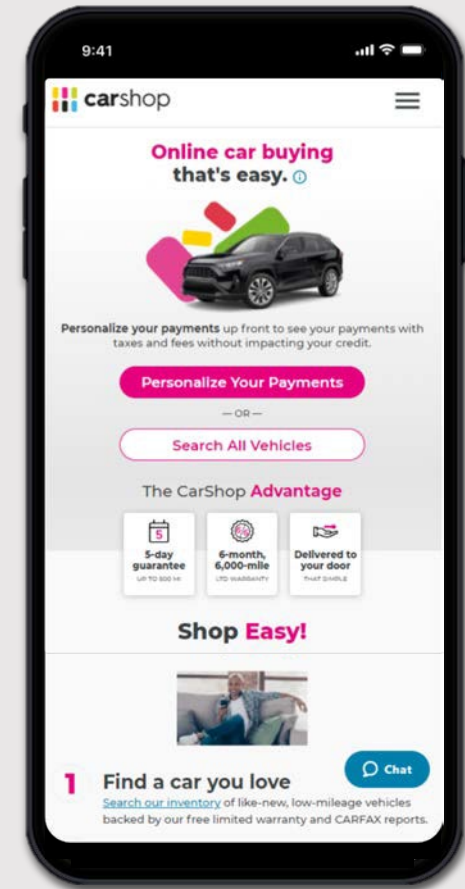
Cash payment option

Online notary
capability

Home delivery
available in
continental USA

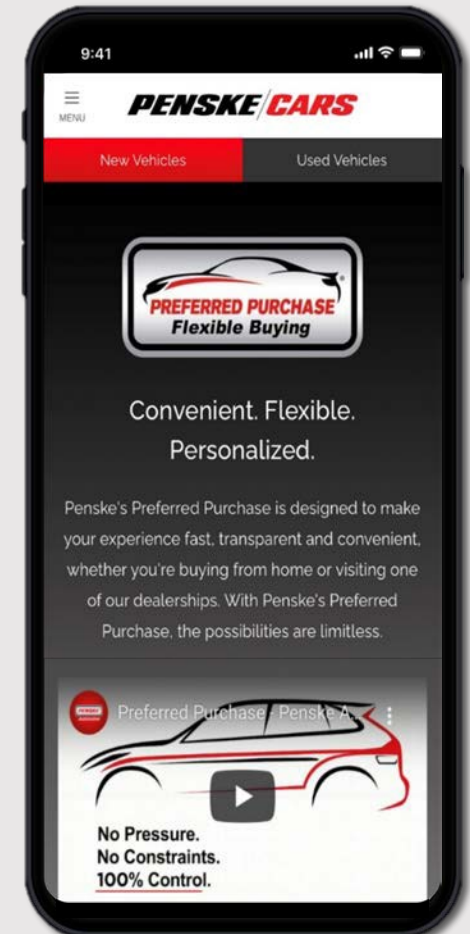
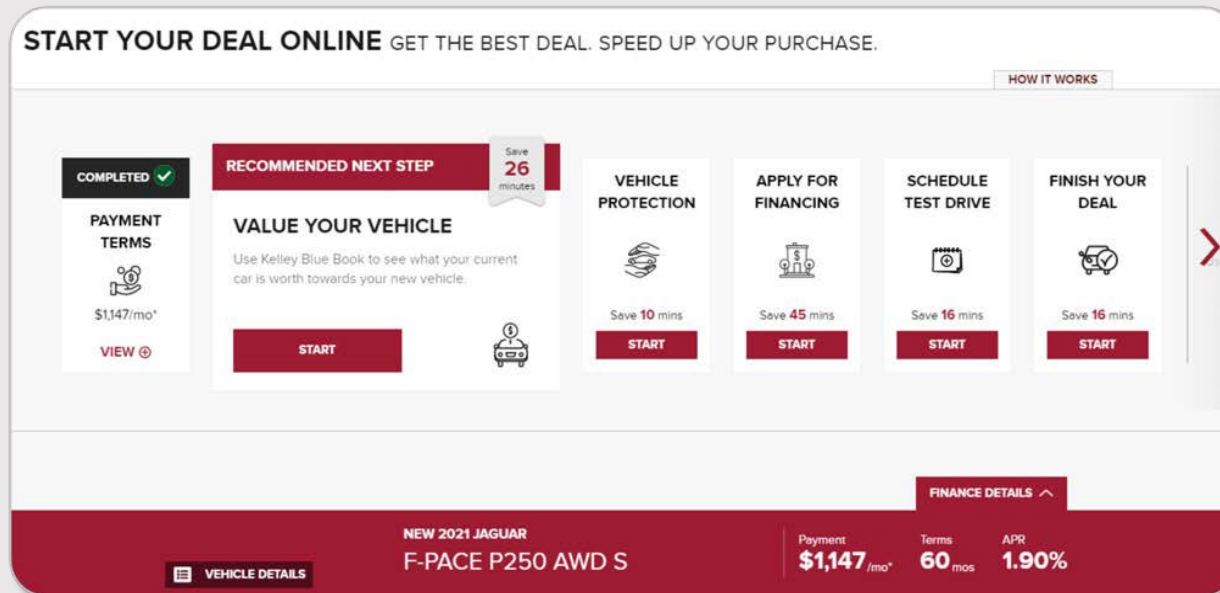
6 mo./6,000 mile
limited warranty

5 day/500 mile
return guarantee



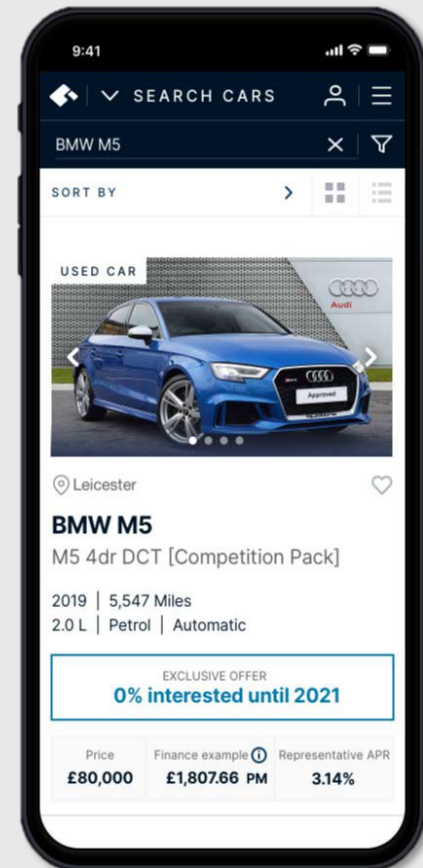
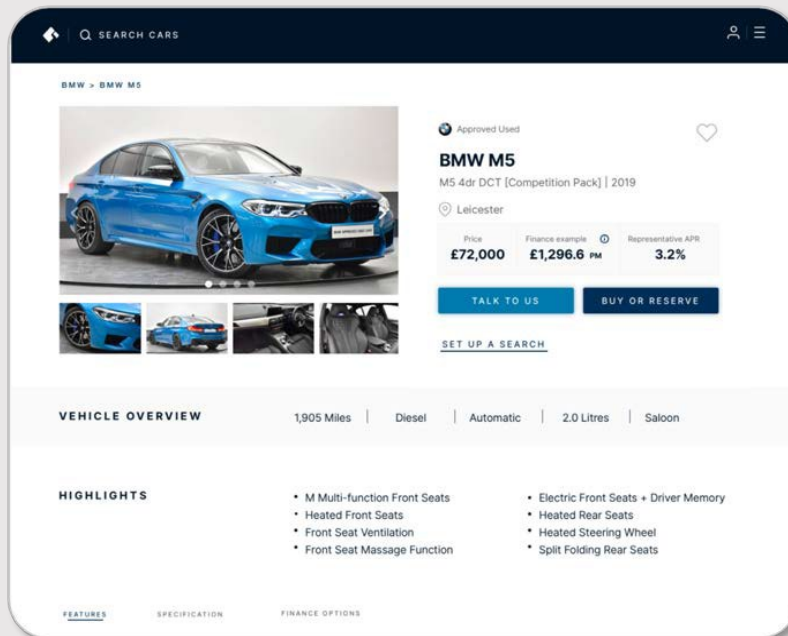
PREFERRED PURCHASE

- Flexible, convenient car buying
- Available on PenskeCars.com and U.S. PAG dealership websites
- Includes programs from captive and preferred lenders
- 14% of customers use Preferred during their buying journey



U.K. DIGITAL RETAILING

- Intuitive mobile and desktop design
- Flexible buying - In-store or online hybrid model
- £99 Reservation
- Multiple Finance Co. Integration
- Buy Outright (Credit Card)





9M 2021 FINANCIAL REVIEW

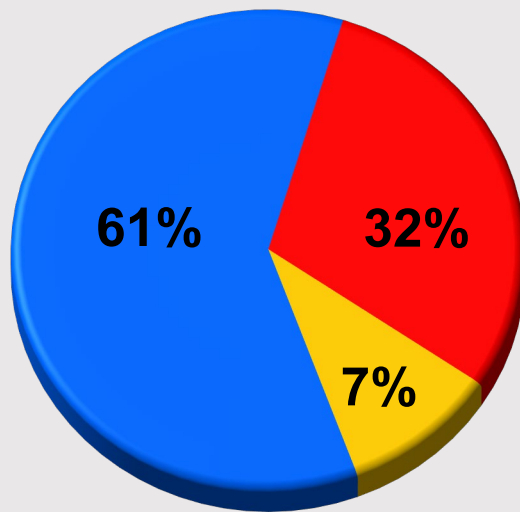
9M 2021 HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	9M '21	9M '20	Chg vs '20
Revenue	\$19,259	\$14,632	+32%
Income from Cont Ops Before Taxes	\$1,187	\$444	+167%
Income from Cont Ops	\$876	\$343	+155%
Adjusted Income from Cont Ops	\$898	\$329	+173%
Earnings Per Share	\$10.91	\$4.27	+155%
Adjusted Earnings Per Share	\$11.18	\$4.10	+173%

9M 2021 REVENUE & EBT

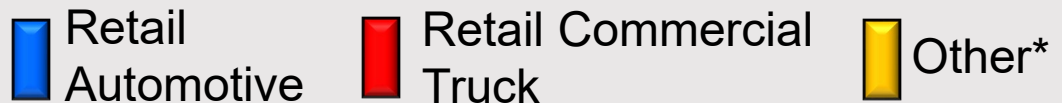
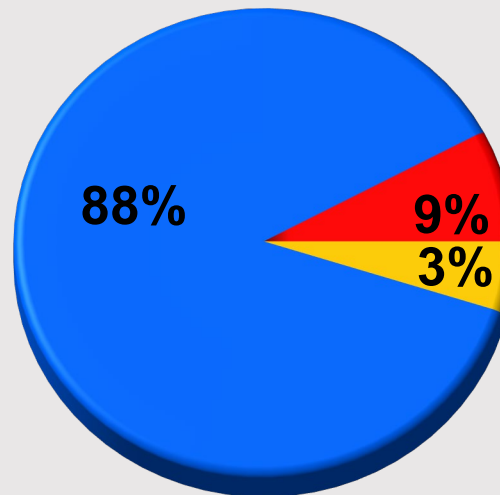
Revenue

\$19.3 Billion



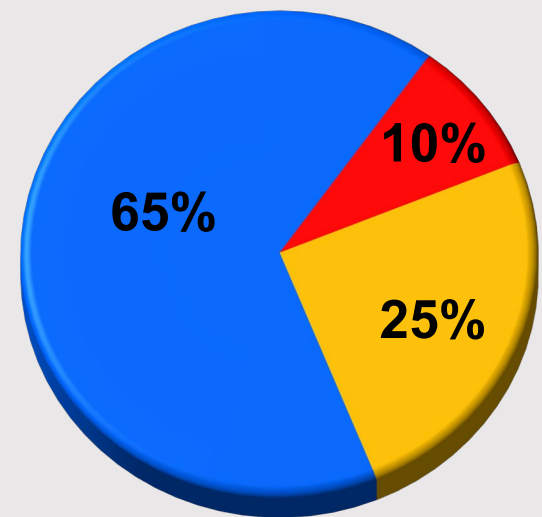
Revenue

\$19.3 Billion



Earnings Before Tax

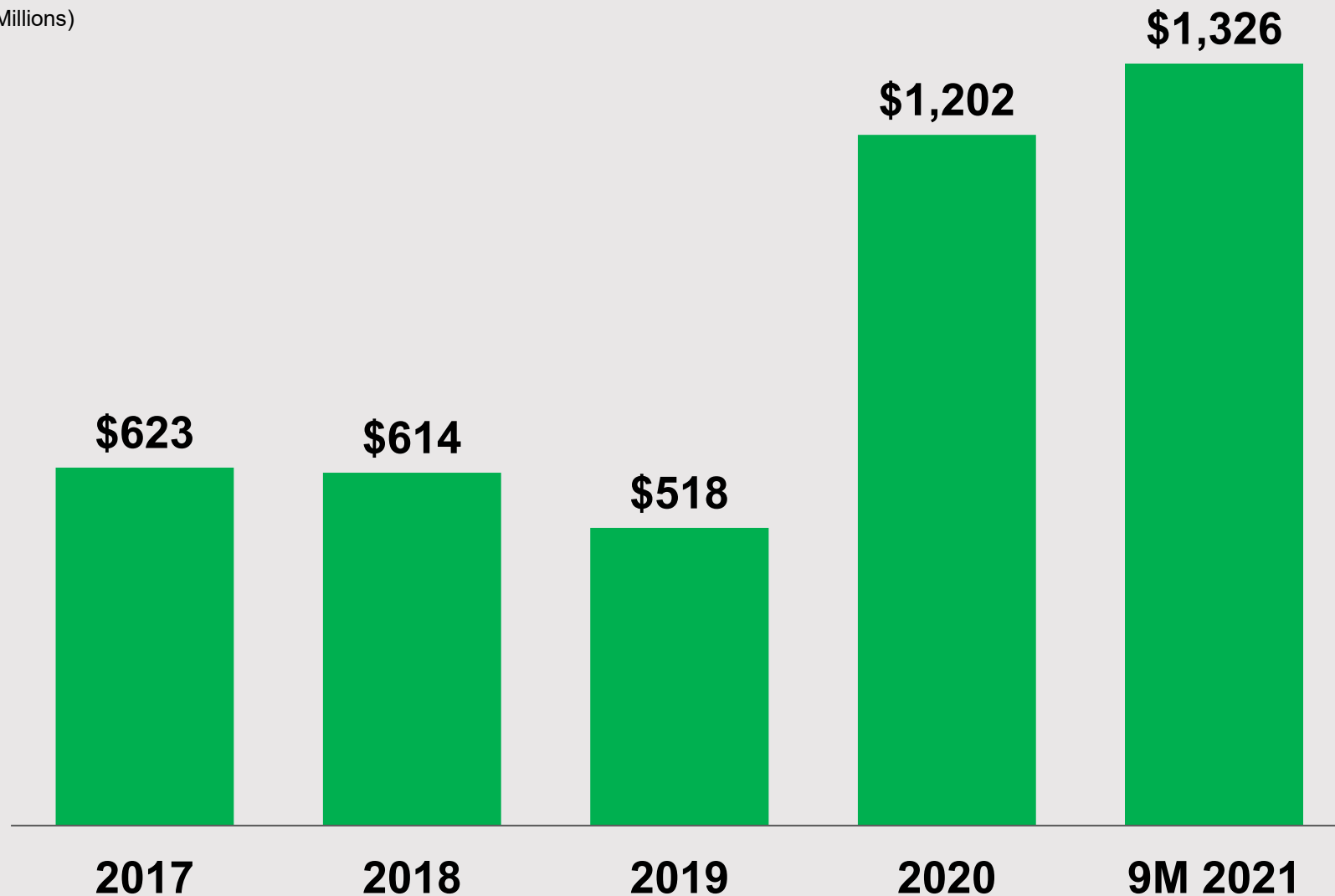
\$1.2 Billion



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

CASH FLOW FROM OPERATIONS

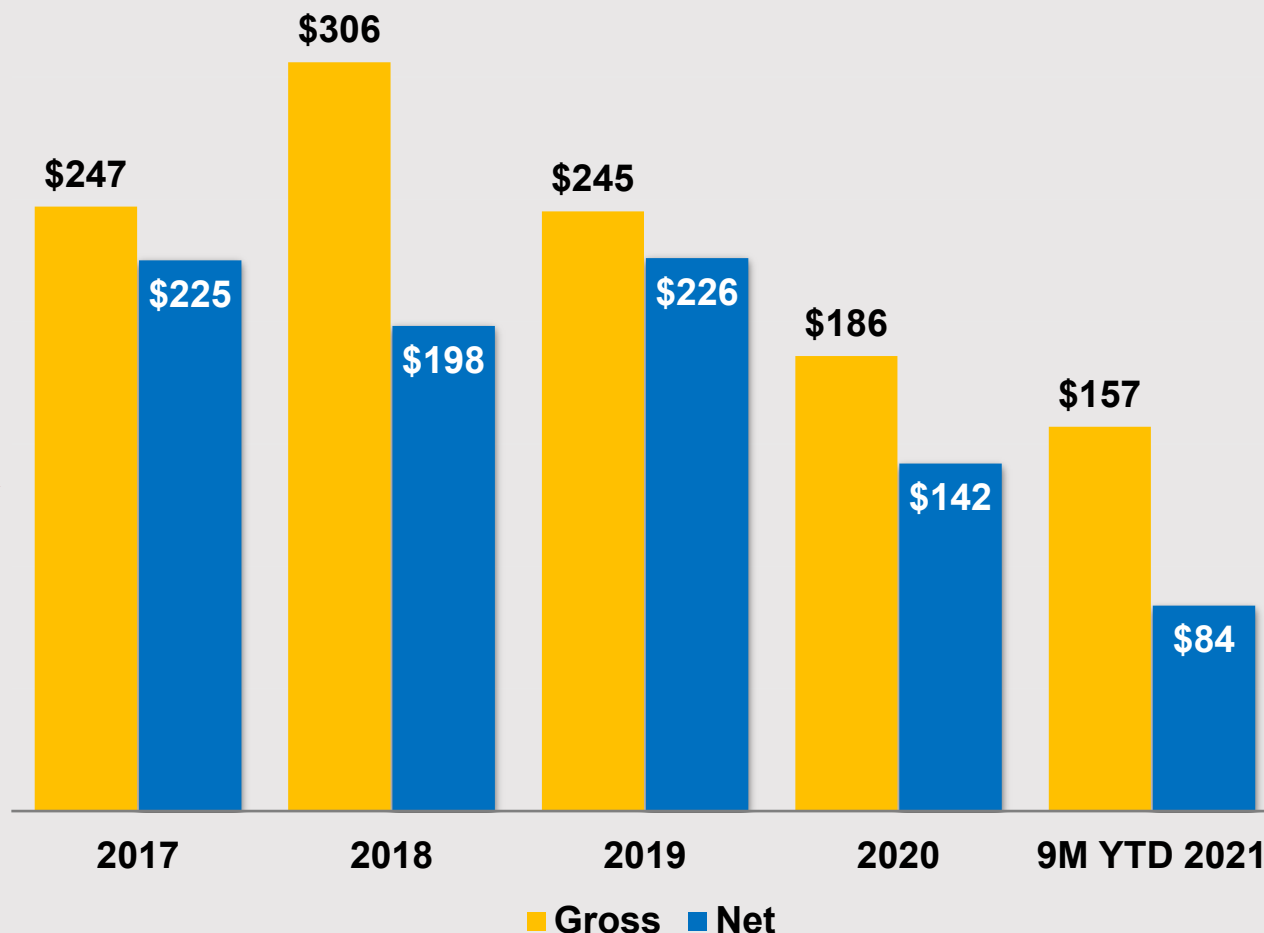
(\$ In Millions)



NET CAPEX

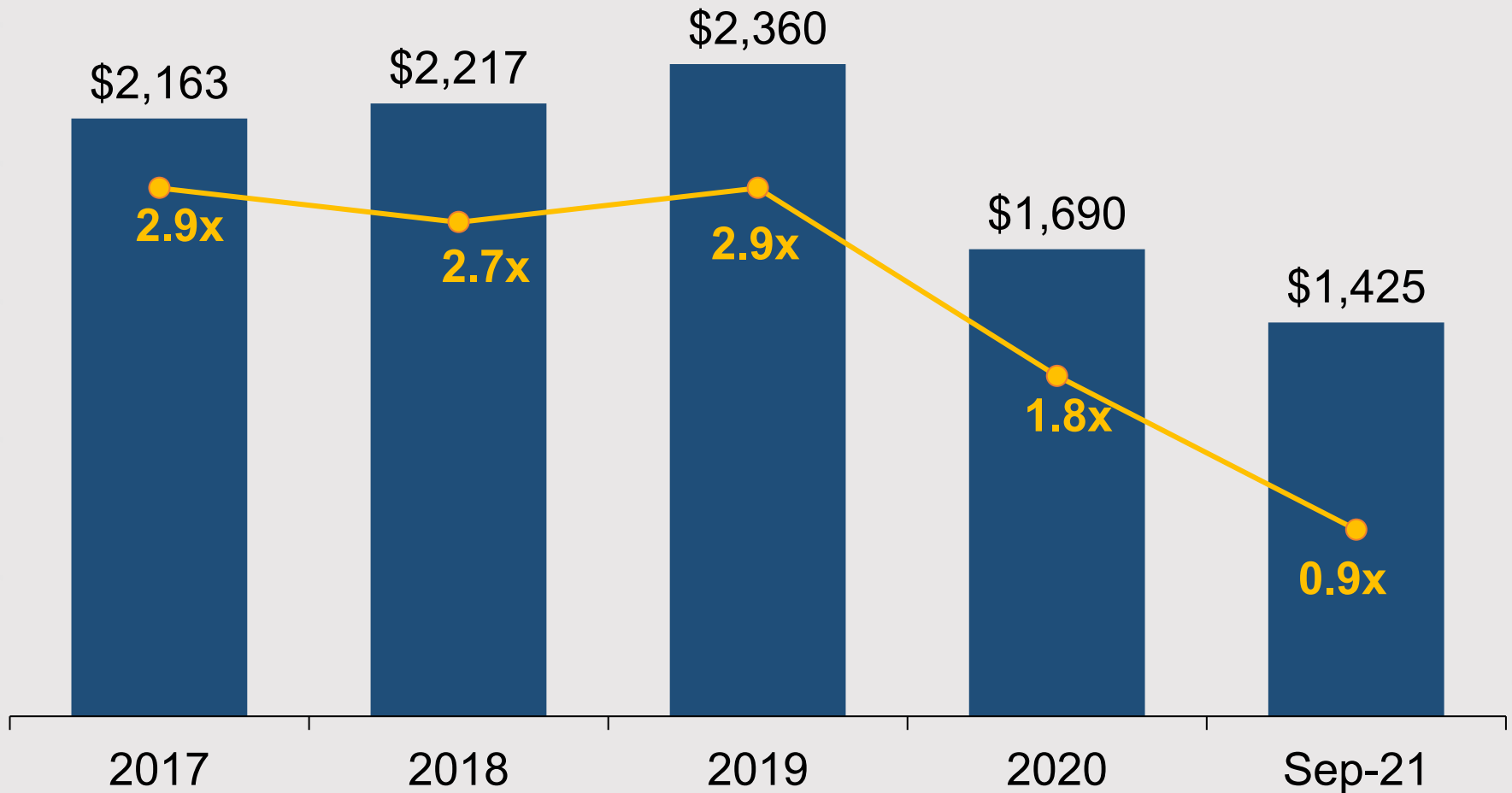
(\$ In Millions)

Net Capital Expenditures for 9M 2021 were \$84 million



Net capital expenditures exclude \$55 million in proceeds from sale leasebacks and \$18 million in land purchases for future expansion

LONG TERM DEBT AND LEVERAGE



Refer to non-gaap reconciliation schedule on pages 41 and 42



NON-GAAP RECONCILIATIONS

INCOME/EPS FROM CONTINUING OPERATIONS

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, 2021 and 2020:

Income From Continuing Operations

(\$ in Millions, except per share amounts)	Q3 '21	Q3 '20	% Chg	9M '21	9M '20	% Chg
Income from Cont Ops	\$354.8	\$246.5	+43.9%	\$876.1	\$343.1	+155.3%
Tax legislation changes ^{(1) (2)}	--	(\$15.4)	nm	\$8.8	(\$15.4)	nm
Debt redemption costs ⁽³⁾	=	<u>\$1.3</u>	<u>nm</u>	<u>\$12.6</u>	<u>\$1.3</u>	<u>nm</u>
Adj. Income from Cont Ops	\$354.8	\$232.4 ⁽⁴⁾	+52.7%	\$897.5	\$329.0 ⁽⁴⁾	+172.8%

Earnings Per Share

(\$ in Millions, except per share amounts)	Q3 '21	Q3 '20	% Chg	9M '21	9M '20	% Chg
Income from Cont Ops	\$4.46	\$3.07	+45.3%	\$10.91	\$4.27	+155.5%
Tax legislation changes ^{(1) (2)}	--	(\$0.19)	nm	\$0.11	(\$0.19)	nm
Debt redemption costs ⁽³⁾	=	<u>\$0.02</u>	<u>nm</u>	<u>\$0.16</u>	<u>\$0.02</u>	<u>nm</u>
Adj. Income from Cont Ops	\$4.46	\$2.90	+53.8%	\$11.18	\$4.10 ⁽⁴⁾	+172.7%

(1) For the three and nine months ended September 30, 2020, related to a net income tax benefit of \$15.4 million, or \$0.19 per share, from various U.S. and foreign tax legislation changes

(2) For the nine months ended September 30, 2021, represents a revaluation of our U.K. deferred tax assets and liabilities due to an increase in the U.K. corporate tax rate from 19% currently to 25%, effective April 1, 2023

(3) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 and the redemption of our 5.75% senior subordinated notes due 2022

(4) May not sum due to rounding. nm = not meaningful

EBITDA AND ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)	Q3 '21	Q3 '20	% Chg	9M '21	9M '20	% Chg
Net Income	\$356.3	\$247.6	+44%	\$879.8	\$343.9	+156%
Depreciation	\$30.2	\$29.0	+4%	\$89.7	\$85.4	+5%
Other Interest	\$16.2	\$29.1	(44%)	\$53.8	\$89.2	(40%)
Income Taxes	\$120.1	\$64.1	+87%	\$308.0	\$100.7	+206%
(Income)/Loss from Disc Ops	<u>(\$0.3)</u>	<u>(0.1)</u>	<u>nm</u>	<u>(\$0.4)</u>	<u>(\$0.3)</u>	<u>nm</u>
EBITDA	\$522.5	\$369.7	+41%	\$1,330.9	\$618.9	+115%
Add: Loss on Debt Extinguishment	=	<u>\$1.7⁽¹⁾</u>	<u>nm</u>	<u>\$17.0⁽²⁾</u>	<u>\$1.7⁽¹⁾</u>	<u>nm</u>
Adjusted EBITDA	\$522.5	\$371.4	+41%	\$1,347.9	\$620.6	+117%

(1) Related to a \$1.7 million expense in connection with the redemption of our \$550 million of 5.75% Senior Subordinated Notes due 2022

(2) Related to a \$17.0 million expense in connection with the redemption of our \$500 million of 5.50% Senior Subordinated Notes due 2026

nm = not meaningful

EBITDA RECONCILIATION

The following table reconciles the leverage ratio as of September 30, 2021 and December 31, 2020

(\$ in Millions)	Three Months Ended December 31, 2020	Nine Months Ended September 30, 2021	Trailing Twelve Months Ended September 30, 2021	Trailing Twelve Months Ended December 31, 2020
Net Income	\$ 201.4	\$ 879.8	\$ 1,081.2	\$ 545.3
Add: Depreciation	30.1	89.7	119.8	115.5
Other Interest Expense	28.7	53.8	82.5	119.6
Income Taxes	62.0	308.0	370.0	162.7
Income from Disc Ops, net of tax	(0.1)	(0.4)	(0.5)	(0.4)
EBITDA	\$ 322.1	\$ 1,330.9	\$ 1,653.0	\$ 942.7
Total Non-Vehicle Long-Term Debt			\$ 1,424.6	\$ 1,689.6
Leverage Ratio			0.9x	1.8x

EBITDA AND ADJUSTED EBITDA RECONCILIATION

The following table reconciles the leverage ratio as of December 31, 2017, 2018 and 2019

(\$ in Millions)	12M '17	12M '18	12M '19
Net Income	\$612.8	\$470.3	\$435.1
Depreciation	\$95.1	\$103.7	\$109.6
Other Interest	\$107.4	\$114.7	\$124.2
Income Taxes ⁽¹⁾	(\$64.8)	\$134.3	\$156.7
(Income)/Loss from Disc. Ops.	<u>\$0.2</u>	<u>(\$0.5)</u>	<u>(\$0.3)</u>
EBITDA	\$750.7	\$822.5	\$825.3
Less: Gain on Sale ⁽²⁾	---	(\$22.7)	---
Add: Valuation adjustments ⁽³⁾	---	<u>\$18.7</u>	---
Adjusted EBITDA	<u>\$750.7</u>	<u>\$818.5</u>	<u>\$825.3</u>
Total Non-Vehicle Long-Term Debt	<u>\$2,163</u>	<u>\$2,217</u>	<u>\$2,360</u>
Leverage Ratio	<u>2.9x</u>	<u>2.7x</u>	<u>2.9x</u>

(1) Amount for 2018 includes a tax benefit of \$11.6 million for the final reconciliation of the income tax benefit related to the enactment of the 2017 U.S. Tax Cuts and Jobs Act. Amount for 2017 includes a tax benefit of \$243.4 million for the initial income tax benefit from the enactment of the 2017 U.S. Tax Cuts and Jobs Act

(2) Relates to the net gain on the sale of various dealerships.

(3) Valuation adjustments on certain franchised dealerships



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