



Fourth 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.

Statements in this press release may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial performance 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, the satisfaction of closing conditions or completion of planned acquisitions, changes in tariff rates, changes in the distribution model in our international operations via agency or other means, 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 \$26 billion diversified international transportation services company and one of 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

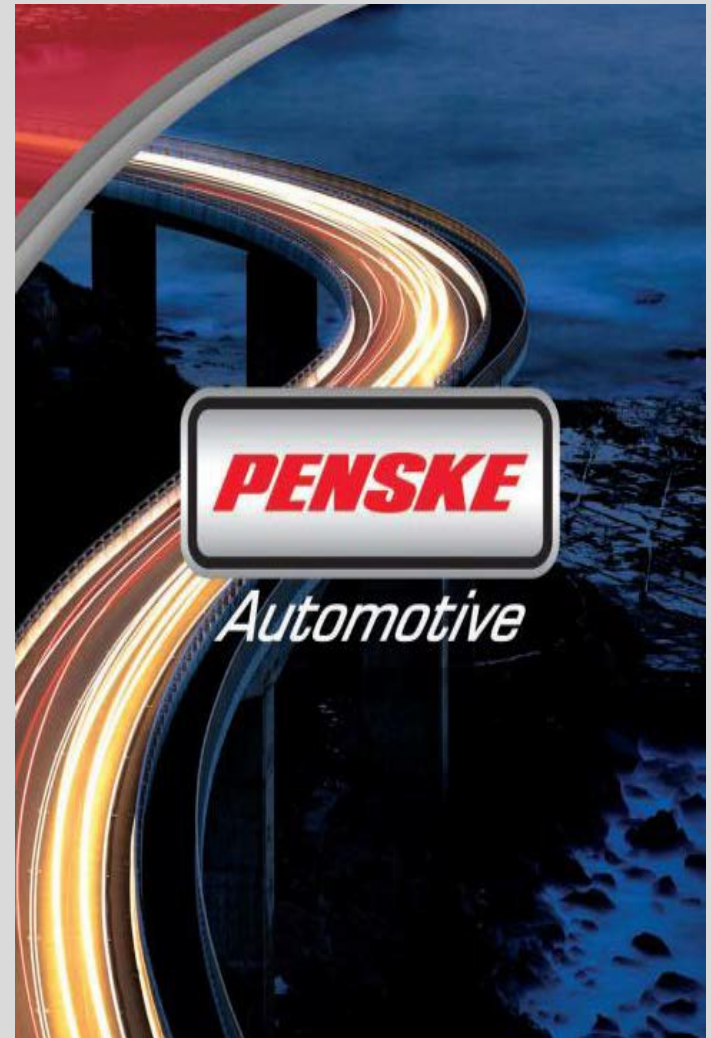
Be the most profitable and growth-oriented retail and commercial transportation services company everywhere we operate

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



INVESTMENT HIGHLIGHTS



- Diversified 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
- 28.9% ownership of Penske Transportation Solutions provides equity income, dividends and cash tax savings
- Recurring parts and service operations represent over 40% of total company gross profit
- CarShop used vehicle operations provide rapid growth opportunity
- Strong cash flow generation
- Offer largest cash dividend and yield in the retail automotive industry



FOURTH QUARTER 2021 KEY TAKEAWAYS

FOURTH QUARTER 2021 HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	Q4 '21	Q4 '20	Chg
Income from Cont. Ops Before Taxes	\$420.3	\$263.3	+60%
Adjusted Income from Cont. Ops Before Taxes*	\$431.7	\$257.5	+68%
Income from Cont. Ops	\$310.4	\$200.1	+55%
Adjusted Income from Cont. Ops*	\$320.5	\$199.9	+60%
Earnings Per Share	\$3.97	\$2.49	+59%
Adjusted Earnings Per Share*	\$4.10	\$2.49	+65%

* Refer to non-gaap reconciliation schedule on pages 37 and 38

Q4 2021 KEY TAKEAWAYS

Retail Automotive

- Same-store revenue +4.1%
- Same-store gross profit +25.6%
- Gross margin +320 bps to 18.7%
- Same-store variable vehicle gross profit +48.2% to \$6,550

Commercial Trucks

- Retailed 4,459 new & used trucks, +3.1%
- Same-store new & used truck sales declined 15.1%
- Same-store gross profit +29.4%
- Fixed cost absorption of 121.0%
- EBT +68.9% to \$44.8 million
- 12M YTD EBT +105.0% to \$160.3 million

Capital Allocation

- Completed acquisitions representing \$1.3 billion in revenues
- Increased dividend (Jan '22) to \$0.47 per share
- Repurchased 3.3 million shares for \$293.5 million, representing 4.2% of shares outstanding
- Total return to shareholder of \$436 million
- Reduced debt total capitalization ratio to 26%
- Improved non-vehicle debt to Adjusted EBITDA to 0.8x*

CarShop Used Centers

- Retailed 14,815 used vehicles, +24%
- Same-store units retailed +6.6%
- Same-store revenue +38.4%
- Same-store average gross profit per unit retailed +18.2% to \$2,750

Penske Transportation Solutions

- Generated a 61.6% increase in earnings to \$91.3 million
- 12M YTD investment generated a 122.4% increase in earnings to \$365.8 million

Profitability

- Income from continuing operations +55% to \$310.4 million
- Adjusted income from continuing operations +60% to \$320.5 million*
- Earnings per share +59% to \$3.97
- Adjusted earnings per share +65% to \$4.10*

* Refer to non-gaap reconciliation schedule on pages 38 and 40

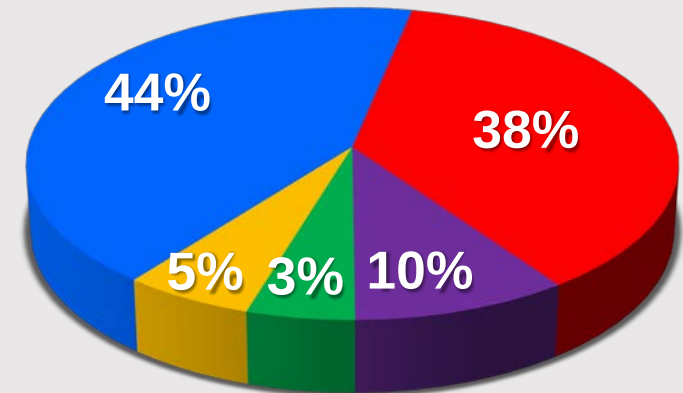


RETAIL AUTOMOTIVE

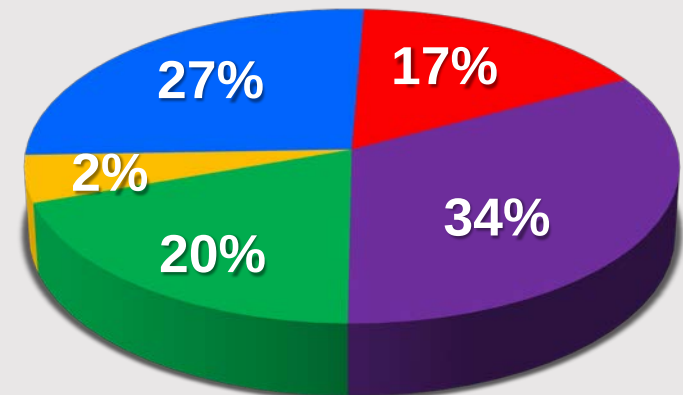
RETAIL AUTOMOTIVE OVERVIEW

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

Revenue



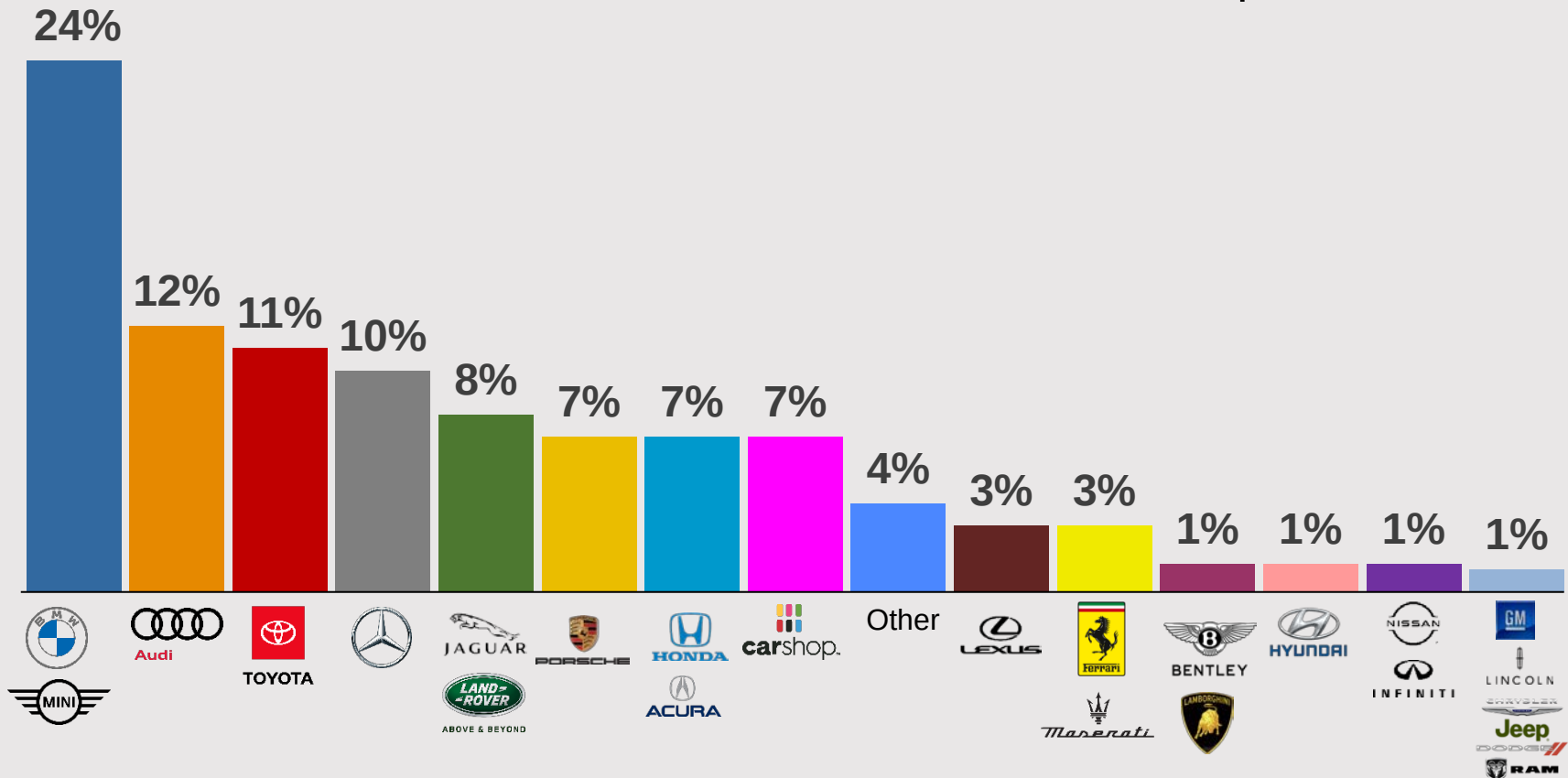
Gross Profit



2021 AUTOMOTIVE BRAND MIX

(% of Total Worldwide Automotive Dealership Revenue)

- Premium – 71%
- Volume Non-U.S. – 21%
- U.S. – 1%
- CarShop – 7%



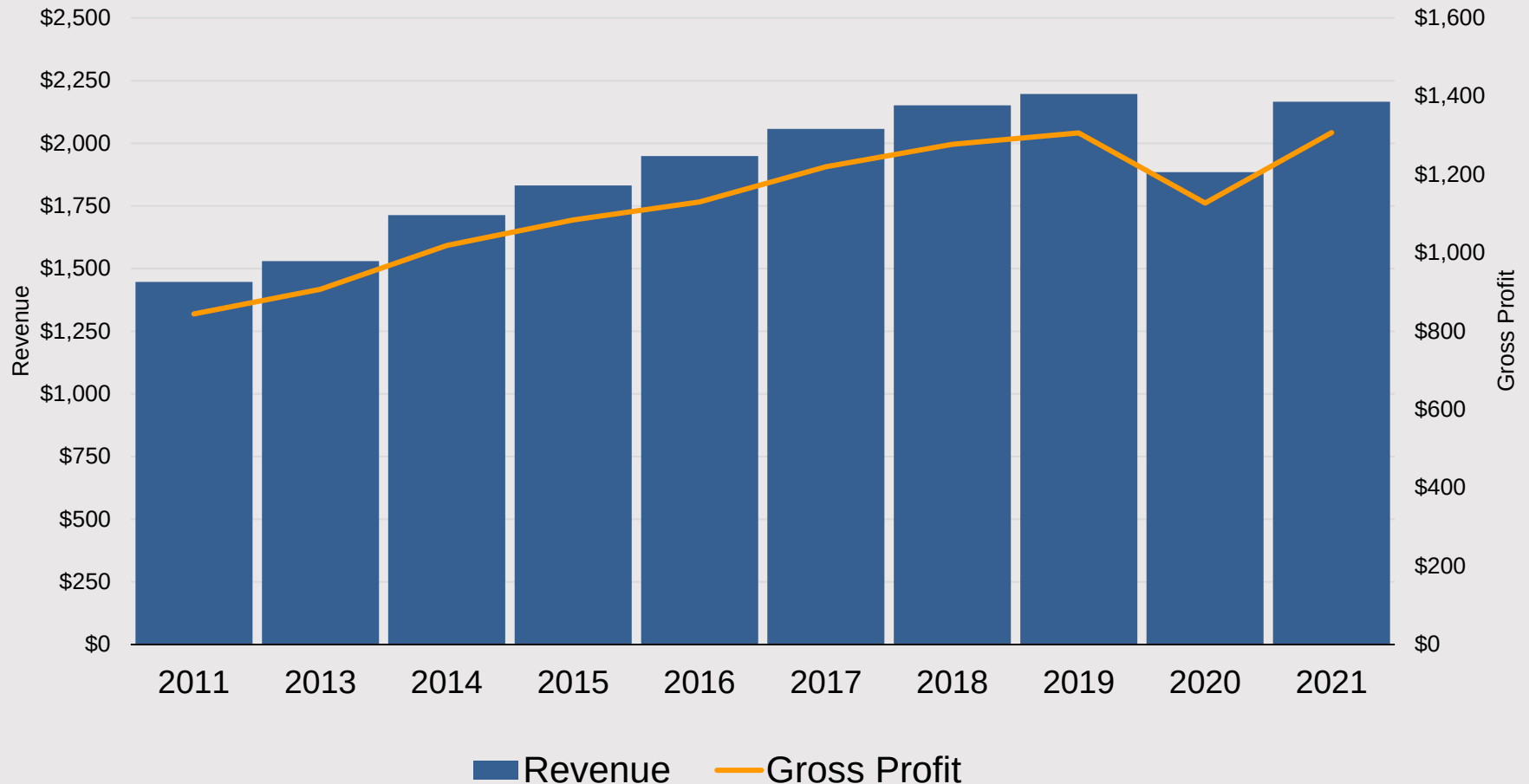
FRANCHISED DEALERSHIPS KEY METRICS

Same-Store	Q4 '21	Q4 '20	Chg
Volume Metrics			
New Units (U.S. -17%; U.K. -21%)	41,895	51,674	-19%
Used Units (U.S. +3%; U.K. Flat)	<u>55,921</u>	<u>56,395</u>	<u>-1%</u>
Total Units	97,816	108,069	-10%
Gross Per Unit			
New	\$6,832	\$4,150	+65%
Used	\$2,913	\$1,843	+58%
F&I	<u>\$1,959</u>	<u>\$1,474</u>	<u>+33%</u>
Variable Vehicle Gross/unit	\$6,550	\$4,420	+48%

SAME-STORE REVENUE – Q4

	Q4 '21	Q4 '20	Chg
New Vehicle	\$2,260	\$2,468	-8%
Used Vehicle	\$2,021	\$1,661	+22%
F&I	\$192	\$159	+21%
Service & Parts	\$547	\$499	+10%
Fleet & Wholesale	<u>\$252</u>	<u>\$278</u>	<u>-9%</u>
Total	\$5,272	\$5,065	+4%

RETAIL AUTOMOTIVE SERVICE & PARTS



CARSHOP

- Operate 23 locations across US/UK
- Opened 6 new locations in 2021
 - South Brunswick (US)
 - Scottsdale (US)
 - Express Leicester (UK)
 - Leighton Buzzard (UK)
 - Wolverhampton (UK)
 - Express Halifax (UK)
- Goal by the end of 2023:
 - \$2.5 to \$3.0 billion in revenue
 - Income before taxes of approximately \$100 million



CARSHOP KEY METRICS

	Q4 '21	Q4 '20	Chg. %
Used Units Retailed	14,815	11,923	+24%
Revenue (\$ in millions)	\$394	\$245	+61%
Avg. Transaction Price	\$21,953	\$16,754	+31%
Total Variable Gross/Unit	\$2,655	\$2,325	+14%



COMMERCIAL VEHICLES

PREMIER TRUCK GROUP

- One of the largest dealership groups for Daimler Trucks N.A.
- Retails new and used Freightliner and Western Star Trucks
- 37 locations across North America
- Service and parts gross profit provides 59% of total gross profit
- 6.5% return on sales
- Q4 fixed cost absorption 121%

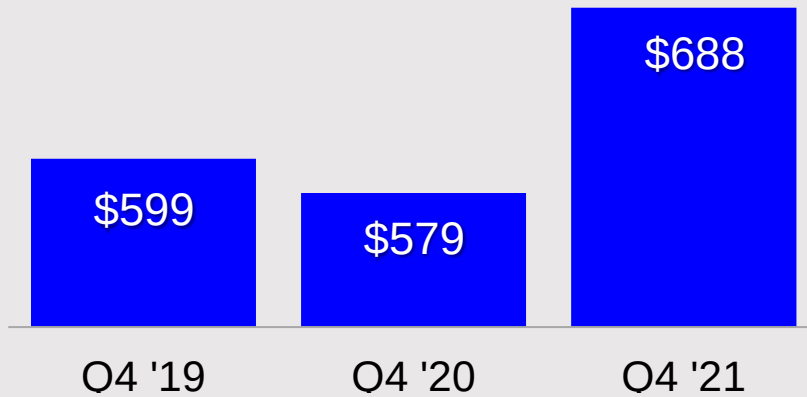


RETAIL TRUCK KEY METRICS

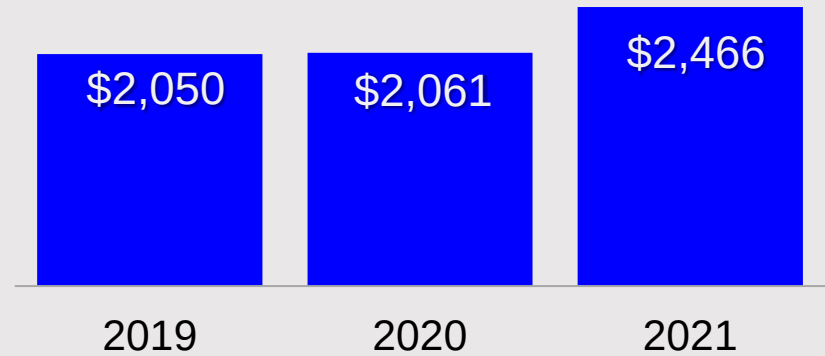
Same-Store	Q4 2021	Q4 2020	Chg.
Volume Metrics			
New Units	2,970	3,254	-9%
Used Units	704	1,071	-34%
Gross Per Unit			
New Vehicle	\$6,993	\$4,911	+42%
Used Vehicle	\$19,102	\$4,578	+317%
F&I	\$1,253	\$925	+35%

PTG PERFORMANCE SUMMARY

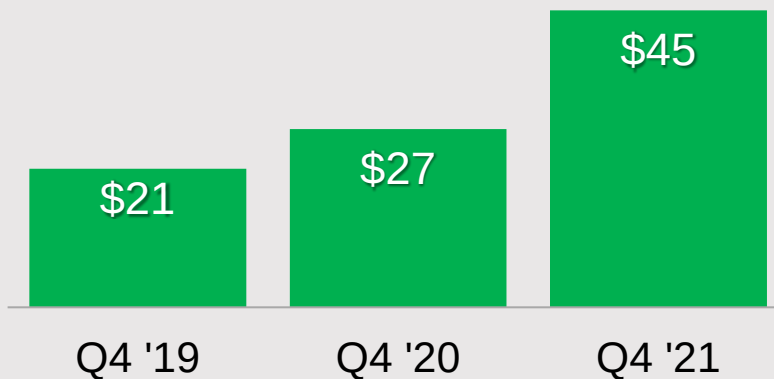
Q4 Revenue (\$ in Millions)



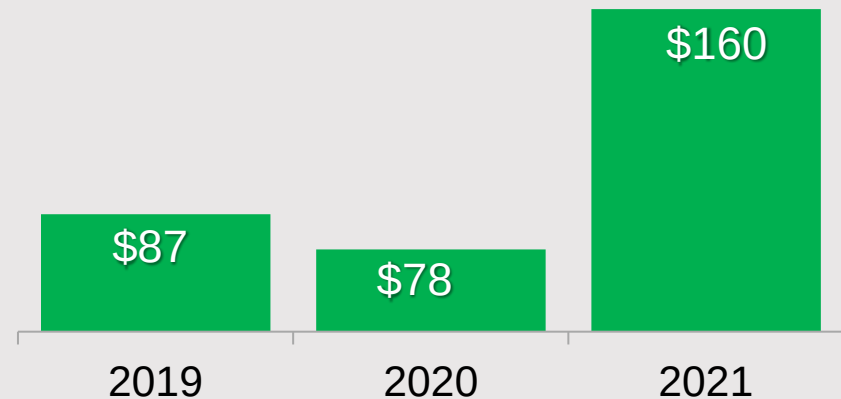
12M Revenue (\$ in Millions)



Q4 EBT (\$ in Millions)



12M EBT (\$ in Millions)



PENSKE AUSTRALIA



On-Highway



Power Systems



Defence



Mining

Distributor of heavy and medium duty trucks, buses and diesel/gas engines and power systems

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

(USD in millions)	Q4 2021	Q4 2020	Chg.
Revenue	\$134	\$132	+2%
EBT	\$11	\$5	+120%

(USD in millions)	12M 2021	12M 2020	Chg.
Revenue	\$576	\$454	+27%
EBT	\$35	\$22	+59%



PENSKE TRANSPORTATION SOLUTIONS

- Over 360,000 vehicles on the road
- Q4 total revenue up 25% to \$3.0B
- Q4 income \$316M up 62%
- Return on sales +10.7%
- PAG recorded equity income of \$91M in Q4 2021

PTS PERFORMANCE SUMMARY

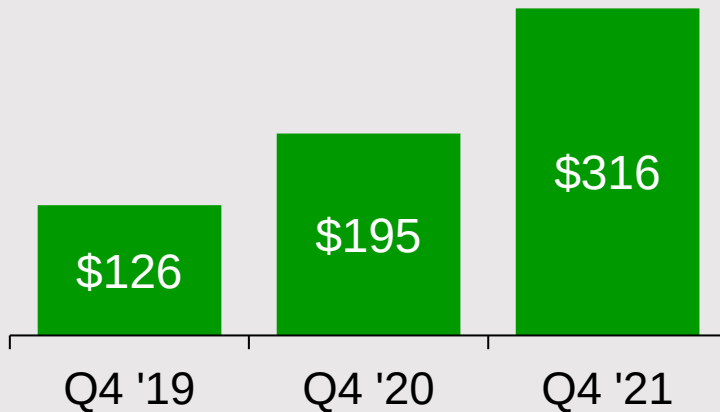
Q4 Total Revenue

(\$ in Billions)



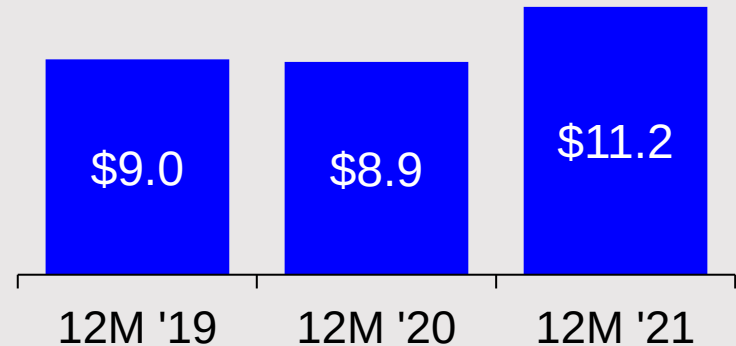
Q4 Income

(\$ in Millions)



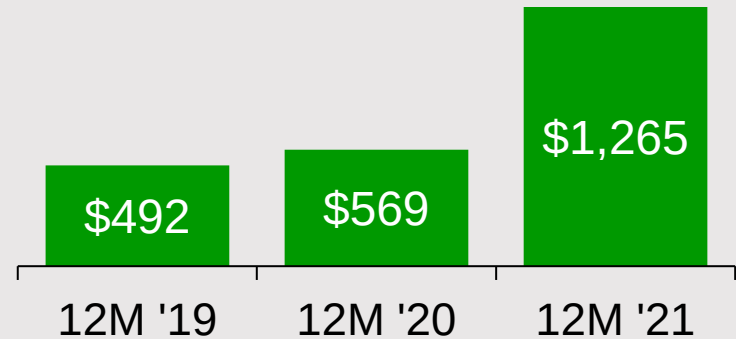
12M Total Revenue

(\$ in Billions)



12M Income

(\$ in Millions)



PTS EARNINGS CONTRIBUTION

(\$ in millions)





OMNICHANNEL AND DIGITAL

OUR OMNICHANNEL MARKETING



MARKETING
*Focus on the
Customer*

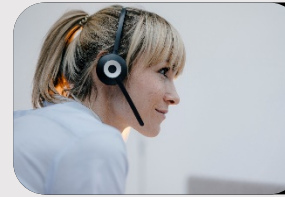
PRODUCT
*Vehicles for Every
Need*



DATA ANALYTICS
Listen and Learn



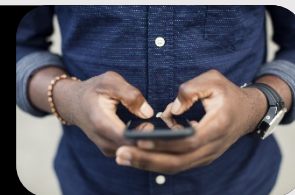
**CUSTOMER
SATISFACTION**
Feedback Matters



**IN-STORE
EXPERIENCE**
The Personal Touch



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



SERVICE
*Keep Our Customers
on the Road*



**CUSTOMER
RELATIONSHIP
MANAGEMENT**
At Every Milestone



(Q4 2021)

LEADER IN ONLINE REPUTATION

PAG continues to lead peer group on Google

88% of all U.S. online searches done through Google in 2021*

1,147

Lifetime Avg. Google Reviews per Store

4.75

Q4 Avg. Google Star Rating per Store

4.66

Lifetime Avg. Google Star Rating per Store

- 94% of the Q4 Google reviews were positive
- PAG ranked first among U.S. public dealership groups in the 2021 Automotive Reputation Report published by Reptuation.com

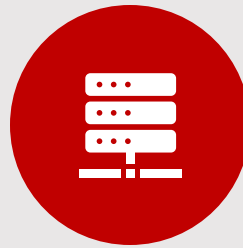
DIGITAL SALES & SERVICE

Evaluating, expanding and enhancing our digital toolbox to meet the ever-changing needs of our customers throughout their ownership cycle



SALES

- Buy Online / Preferred Purchase
- Trade/Sell
- Virtual Test Drive
- Vehicle Walkaround
- Co-Browsing
- Chat/Text
- Online Credit Application
- Remote Signing



SERVICE

- Online Service Scheduler
- Vehicle Service Status Video
- Collision Photo Estimating
- Chat Text
- Digital Approvals
- Remote Signing
- Pay Online



PERFORMANCE

- Data Analysis
- Quality Assurance
- Maximize ROI
- Personalization/Customization
- Understand Customer Needs
- Identify New Opportunities
- Investing in New Technologies

DIGITAL RETAILING



- Franchise Stores
- Available for all new and used vehicles
- Flexible buying: In-store, online, or hybrid model
- Includes programs from captive and preferred lenders
- 14% of customers use Preferred during their buying journey in Q4



- 100% Online buying capability
- Up-front, personalized payments across entire inventory
- 13 approved lending partners
- Digital signatures
- Online notary system
- Guaranteed trade-in valuation
- Home delivery



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



12M 2021 FINANCIAL REVIEW

12M 2021 HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	12M '21	12M '20	Chg vs '20
Revenue	\$25,555	\$20,444	+25%
Same-Store Revenue	\$24,875	\$20,238	+23%
Income from Cont. Ops Before Taxes	\$1,608	\$708	+127%
Adjusted Inc from Cont. Ops Before Taxes*	\$1,636	\$711	+130%
Income from Cont. Ops	\$1,187	\$543	+118%
Adjusted Income from Cont. Ops*	\$1,219	\$535	+128%
Earnings Per Share	\$14.88	\$6.74	+121%
Adjusted Earnings Per Share*	\$15.28	\$6.64	+130%

* Refer to non-gaap reconciliation schedule on pages 37 and 38

FULL YEAR 2021 KEY TAKEAWAYS

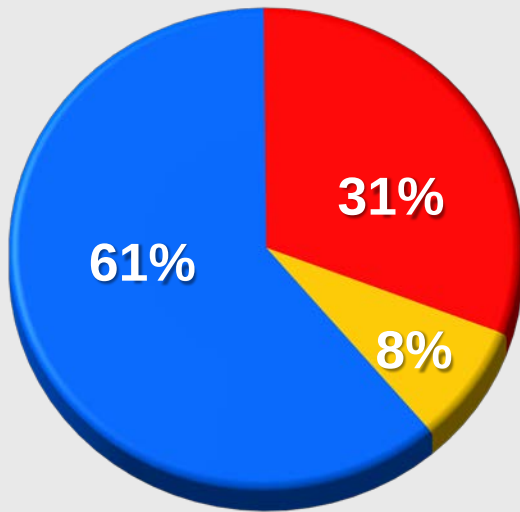
- All-time record revenue, earnings before taxes and net income
- Retailed 460,000 new and used vehicles and 16,400 commercial trucks
- Acquired Dealership/Open Points of \$1.2 billion in annualized revenues
 - Mercedes-Benz of S. Charlotte; Kansas City Freightliner; Nicole Group Japan; McCoy Freightliner (Portland); BMW Bloomfield Hills; Porsche Chantilly
- Opened 6 additional CarShop locations
- Reduced debt to total capitalization to 26%; improved leverage ratio to 0.8x to 1*
- Repurchased \$294 million (3.3 million shares) of PAG common stock
- Issued inaugural corporate responsibility/sustainability report
- 35 PAG dealerships named Best to Work For by Automotive News (2021)

* Refer to non-gaap reconciliation schedule on page 40

12M REVENUE & EBT

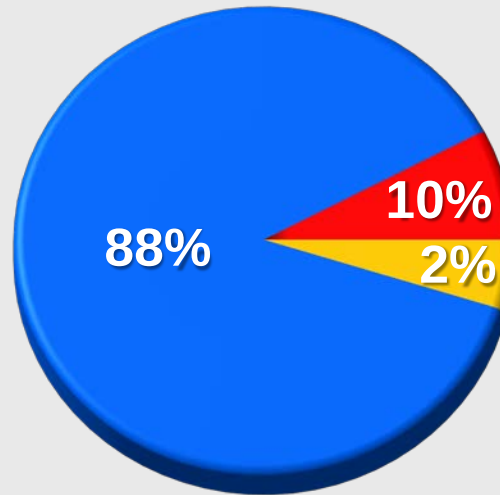
Revenue

\$25.6 Billion



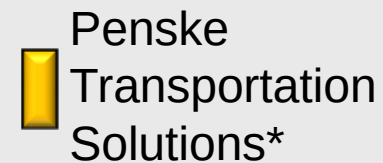
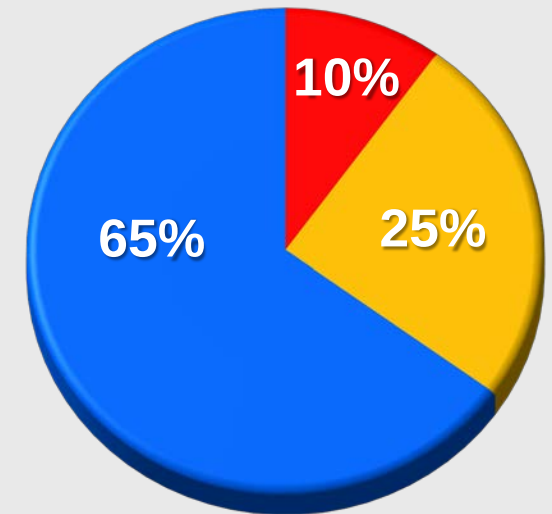
Revenue

\$25.6 Billion



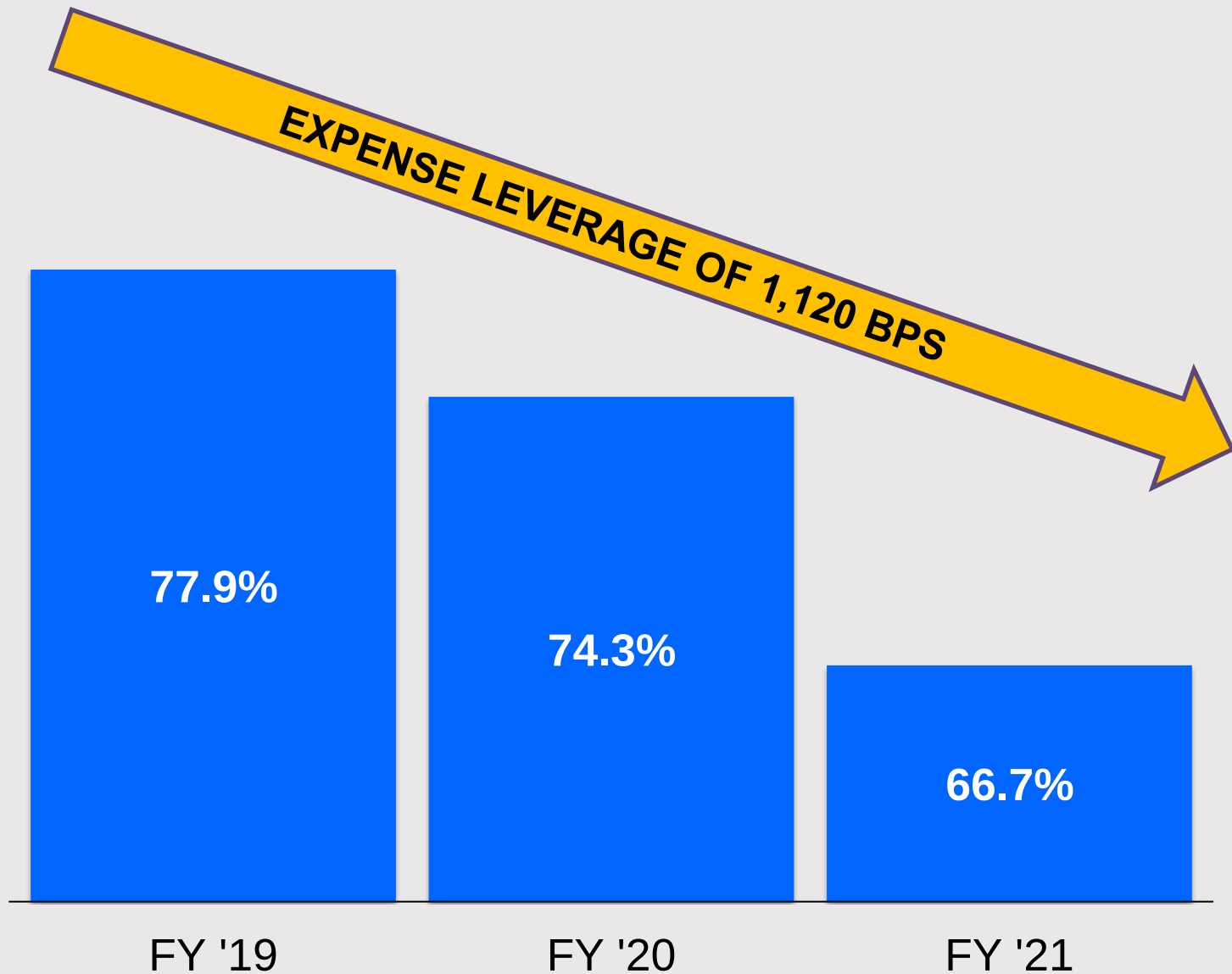
Earnings Before Tax

\$1.6 Billion



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

SG&A TO GROSS PROFIT

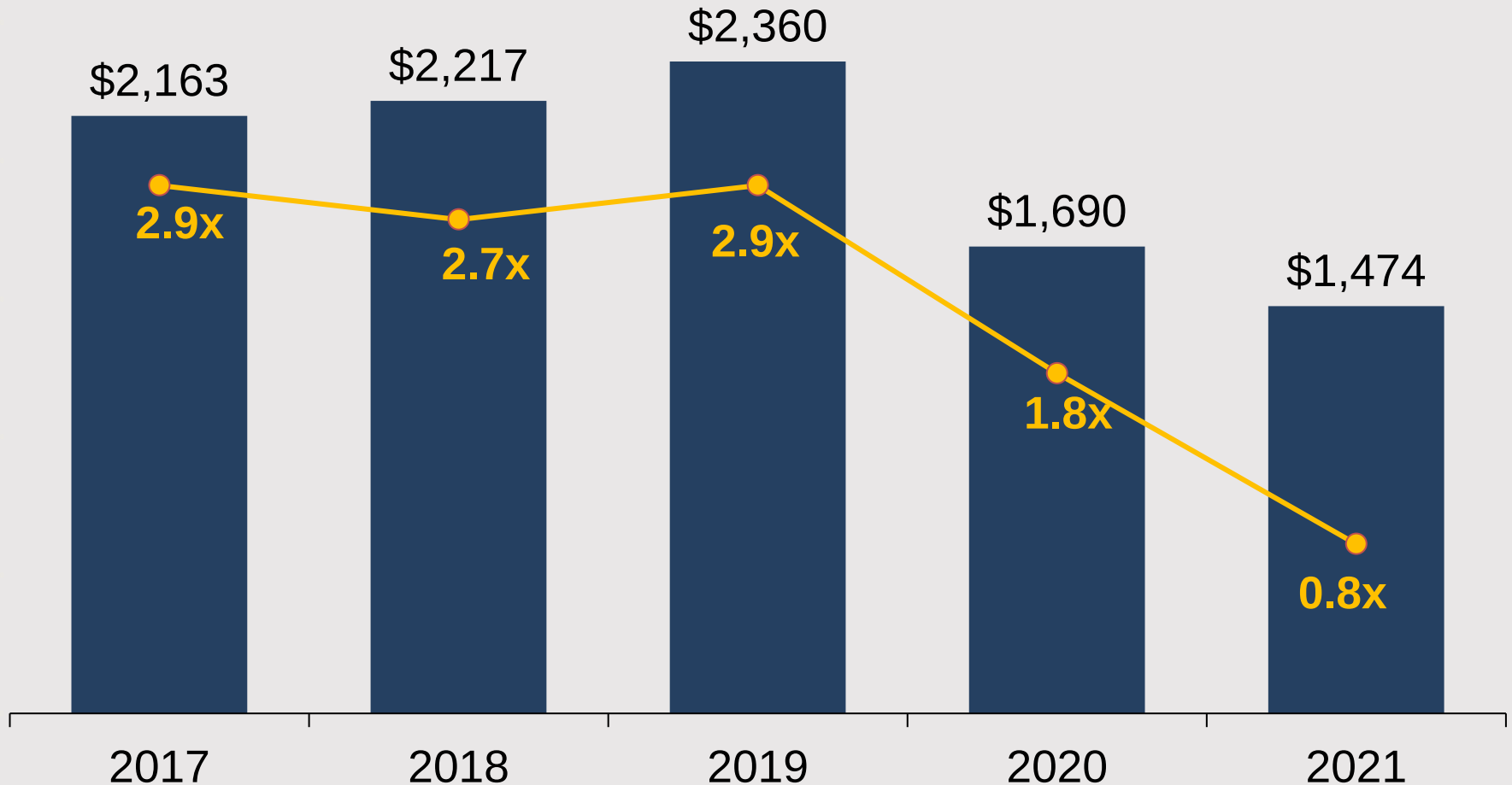


CASH FLOW FROM OPERATIONS

(\$ In Millions)



LONG TERM DEBT AND LEVERAGE



Refer to non-gaap reconciliation schedule on pages 40 and 41

■ Debt —●— Leverage



NON-GAAP RECONCILIATIONS

INCOME FROM CONTINUING OPERATIONS BEFORE TAXES

The following tables reconcile reported income from continuing operations before taxes to adjusted income from continuing operations before taxes for the three months and twelve months ended December 31, 2021 and 2020:

(\$ in Millions, except per share amounts)	Q4 '21	Q4 '20	% Chg	12M '21	12M '20	% Chg
Income From Continuing Operations Before Taxes	\$420.3	\$263.3	+60%	\$1,607.7	\$707.6	127%
Net gain on dealership sales	---	(\$12.7)	nm	---	(\$5.2)	nm
Loss on investment from revaluation ⁽¹⁾	\$11.4	---	nm	\$11.4	---	nm
Debt redemption costs ⁽²⁾	---	<u>\$6.9</u>	<u>nm</u>	<u>\$17.0</u>	<u>\$8.6</u>	<u>nm</u>
Adj. Income From Continuing Operations Before Taxes	\$431.7	\$257.5	+68%	\$1,636.1	\$711.0	130%

(1) Loss on investment for the revaluation of the Nicole Group

(2) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021, and the redemption of our 5.75% senior subordinated notes due 2022 and our \$300 million 5.375% senior subordinated notes due 2024 in 2020

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 twelve months ended December 31, 2021 and 2020:

Income From Continuing Operations

(\$ in Millions, except per share amounts)	Q4 '21	Q4 '20	% Chg	12M '21	12M '20	% Chg
Income from Cont. Ops	\$310.4	\$200.1	+55%	\$1,186.5	\$543.2	+118%
Tax legislation changes ^{(1) (2)}	\$1.0	\$4.0	nm	\$10.8	(\$11.4)	nm
Net gain on dealership sales	---	(\$9.4)	nm	---	(\$3.3)	nm
Loss on investment from revaluation ⁽³⁾	\$9.1	---	nm	\$9.1	---	nm
Debt redemption costs ⁽⁴⁾	---	\$5.1	nm	\$12.6	\$6.4	nm
Adj. Income from Cont Ops	\$320.5	\$199.9 ⁽⁵⁾	+60%	\$1,219.0	\$534.9	+128%

Earnings Per Share

(\$ in Millions, except per share amounts)	Q4 '21	Q4 '20	% Chg	12M '21	12M '20	% Chg
Income from Continuing Operations	\$3.97	\$2.49	+59%	\$14.88	\$6.74	+121%
Tax legislation changes ^{(1) (2)}	\$0.01	\$0.05	nm	\$0.13	(\$0.14)	nm
Net gain on dealership sales	---	(\$0.12)	nm	---	(\$0.04)	nm
Loss on investment from revaluation ⁽³⁾	\$0.12	---	nm	\$0.11	---	nm
Debt redemption costs ⁽⁴⁾	---	\$0.06	nm	\$0.16	\$0.08	nm
Adj. Income from Continuing Operations	\$4.10	\$2.49 ⁽⁵⁾	+65%	\$15.28	\$6.64	+130%

(1) For the three and twelve months ended December 31, 2020, related to a net income tax (expense) benefit of (\$4.0) million and \$11.4 million, or (\$0.05) per share and \$0.14 per share, respectively, from various U.S. and foreign tax legislation changes

(2) For the three and twelve months ended December 31, 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) Loss on investment for the revaluation of the Nicole Group

(4) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021 and the redemption of our 5.75% senior subordinated notes due 2022 and our \$300 million 5.375% senior subordinated notes due 2024 in 2020

(5) May not sum due to rounding

EBITDA AND ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)	Q4 '21	Q4 '20	% Chg	12M '21	12M '20	% Chg
Net Income	\$312.9	\$201.4	+55%	\$1,192.7	\$545.3	+119%
Depreciation	\$31.8	\$30.1	+6%	\$121.5	\$115.5	+5%
Other Interest	\$14.8	\$21.8	(32%)	\$68.6	\$111.0	(38%)
Income Taxes	\$108.3	\$62.0	+75%	\$416.3	\$162.7	+156%
(Income)/Loss from Disc Ops	<u>(\$0.9)</u>	<u>(\$0.1)</u>	<u>nm</u>	<u>(\$1.3)</u>	<u>(\$0.4)</u>	<u>nm</u>
EBITDA	\$466.9	\$315.2	+48%	\$1,797.8	\$934.1	+92%
Less: Net gain on dealership sales	---	(\$12.7)	nm	---	(\$5.2)	nm
Add: Loss on investment from revaluation ⁽¹⁾	\$11.4	---	nm	\$11.4	---	nm
Add: Debt redemption costs ⁽²⁾	---	<u>\$6.9</u>	<u>nm</u>	<u>\$17.0</u>	<u>\$8.6</u>	<u>nm</u>
Adjusted EBITDA	\$478.3	\$309.4	+55%	\$1,826.2	\$937.5	+95%

(1) Loss on investment for the revaluation of the Nicole Group

(2) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021 and the redemption of our 5.75% senior subordinated notes due 2022 and our \$300 million 5.375% senior subordinated notes due 2024 in 2020

EBITDA AND ADJUSTED EBITDA RECONCILIATION

The following table reconciles the leverage ratio as of December 31, 2021, 2020 and 2019

(\$ in Millions)	12M '21	12M '20	12M '19
Net Income	\$1,192.7	\$545.3	\$435.1
Depreciation	\$121.5	\$115.5	\$109.6
Other Interest	\$68.6	\$111.0	\$124.2
Income Taxes	\$416.3	\$162.7	\$156.7
(Income)/Loss from Disc. Ops.	<u>(\$1.3)</u>	<u>(\$0.4)</u>	<u>(\$0.3)</u>
EBITDA	\$1,797.8	\$934.1	\$825.3
Less: Net gain on dealership sales	---	(\$5.2)	---
Add: Loss on investment from revaluation ⁽¹⁾	\$11.4	---	---
Add: Debt redemption costs ⁽²⁾	<u>\$17.0</u>	<u>\$8.6</u>	<u>---</u>
Adjusted EBITDA	\$1,826.2	\$937.5	\$825.3
Total Non-Vehicle Long-Term Debt	\$1,474	\$1,690	\$2,360
Leverage Ratio	0.8x	1.8x	2.9x

(1) Loss on investment for the revaluation of the Nicole Group

(2) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021 and the redemption of our 5.75% senior subordinated notes due 2022 and our \$300 million 5.375% senior subordinated notes due 2024 in 2020

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	(\$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 ⁽¹⁾	---	(\$22.7)	---
Add: Valuation adjustments ⁽²⁾	<u>---</u>	<u>\$18.7</u>	<u>---</u>
Adjusted EBITDA	\$750.7	\$818.5	\$825.3
Total Non-Vehicle Long-Term Debt	\$2,163	\$2,217	\$2,360
Leverage Ratio	2.9x	2.7x	2.9x

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

(2) Valuation adjustments on certain franchised dealerships



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