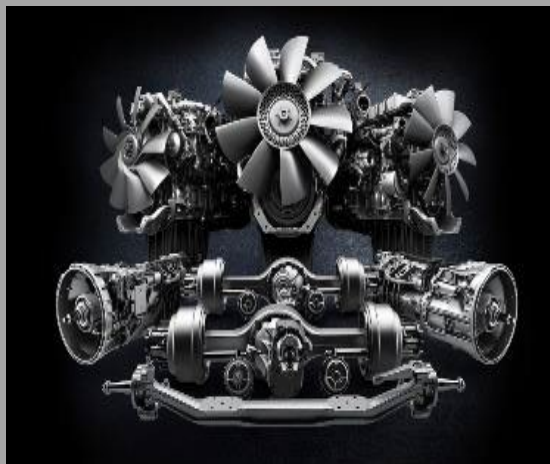




# First Quarter 2022 Financial Results



# DISCLAIMER

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Statements in this press release may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial performance, acquisitions, 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 and geo-political conditions generally, conditions in the credit markets, inflation, changes in interest rates and foreign currency exchange rates, 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 war in the Ukraine, 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, 2021, and its other filings with the Securities and Exchange Commission ("SEC"). This press release speaks only as of its date, and Penske Automotive Group disclaims any duty to update the information herein.



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Digital Marketing/Retailing

Non-GAAP



## OVERVIEW

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### 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
- Penske Transportation Solutions

# ABOUT PENSKE AUTOMOTIVE

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**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 our retail and commercial transportation businesses.

## 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 at every touchpoint, 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, rewarding achievement, and maintaining the highest standards of respect for each other



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# INVESTMENT HIGHLIGHTS

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- Diversified business mix provides multiple opportunities for growth
- Operate in the highly fragmented automotive and commercial truck retail industries
- Retail automotive segment focused on Premium/Luxury brands which generate more than 70% of automotive revenue
- One of the largest retail commercial truck dealers for Daimler Trucks N.A.
- 28.9% ownership of Penske Transportation Solutions provides equity income, cash dividends and cash tax savings
- Recurring parts and service operations represent over 40% of total company gross profit
- CarShop used vehicle operations provide growth opportunity
- Strong cash flow generation
- Offer largest cash dividend and yield in the retail automotive industry

# Q1 2022 HIGHLIGHTS

---

| (\$ in Millions, except Per Share Amount) | Q1 '22  | Q1 '21  | Chg   |
|-------------------------------------------|---------|---------|-------|
| Revenue                                   | \$6,975 | \$5,774 | +21%  |
| Same-Store Revenue                        | \$6,578 | \$5,760 | +14%  |
| Income from Cont. Ops Before Taxes        | \$498   | \$248   | +101% |
| Income from Cont. Ops                     | \$368   | \$183   | +102% |
| Earnings Per Share                        | \$4.76  | \$2.26  | +111% |

# Q1 2022 KEY TAKEAWAYS

---

## Retail Automotive

- Retailed 113,759 new & used units, +2.6%
- Same-store revenue +11.4%
- Same-Store Service & Parts Revenue +12.9%
- Same-store gross profit +26.9%
- Gross margin +200 bps to 17.4%
- Same-store variable vehicle gross profit +38.0% to \$6,026

## Commercial Trucks

- Retailed 4,692 new & used trucks, +56.1%; same-store units +25.9%
- Same-store gross profit +44.7%
- Fixed cost absorption of 130%
- EBT +112.7% to \$58.5 million
- Same-store revenue +46.8%
- Same-store service & parts revenue +25.7%

## Capital Allocation

- Completed acquisitions representing approx. \$665 million YTD (April 2022) in revenues
- Increased dividend (Jan '22) to \$0.47 per share
- Through April 26, 2022, repurchased 1.9 million shares for \$184.1 million

## CarShop Used Centers

- Retailed 19,523 used vehicles, +71.3%
- Same-store units retailed +54.2%
- Same-store revenue +89.3%
- Same-store average gross profit per unit retailed -0.4% to \$2,200

## Penske Transportation Solutions

- Generated +120.7% increase in earnings to \$118.5 million

## Profitability

- Most profitable quarter in company history
- Income from continuing operations +101.6% to \$367.9 million
- Earnings per share +110.6% to \$4.76

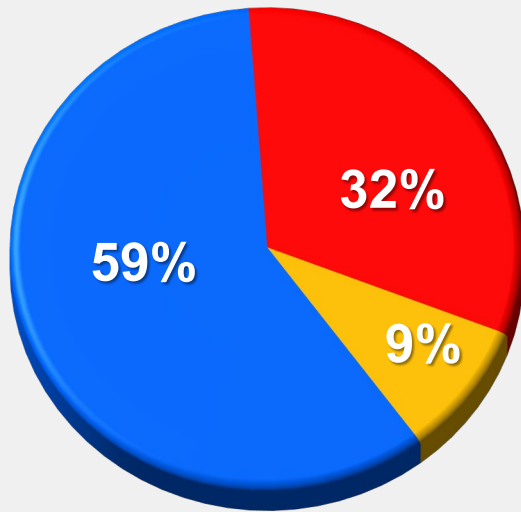
# EBT RETURN ON SALES

|         | Retail Automotive<br>(incl. CarShop)                                              | Commercial<br>Trucks (N. A.)                                                       | Commercial Trucks<br>& Power Systems<br>(Aus/NZ)                                    | Penske Automotive<br>Group                                                          |
|---------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|         |  |  |  |  |
| Q1 2022 | 5.1%                                                                              | 7.4%                                                                               | 7.0%                                                                                | 7.1%                                                                                |
| Q1 2021 | 3.1%                                                                              | 6.3%                                                                               | 4.6%                                                                                | 4.3%                                                                                |
| Q1 2020 | 0.9%                                                                              | 2.8%                                                                               | 2.9%                                                                                | 1.4%                                                                                |
| Q1 2019 | 1.7%                                                                              | 4.8%                                                                               | 5.1%                                                                                | 2.4%                                                                                |

# Q1 2022 REVENUE & EBT

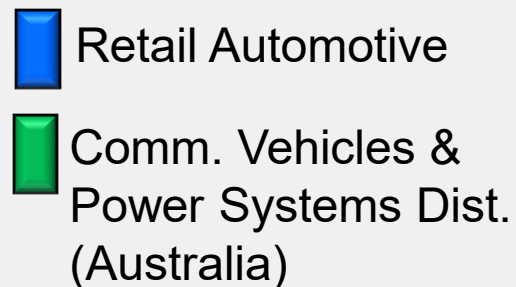
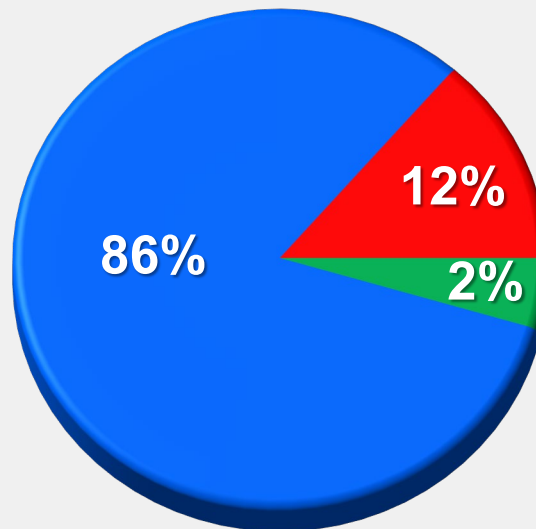
## Revenue

**\$7.0 Billion**



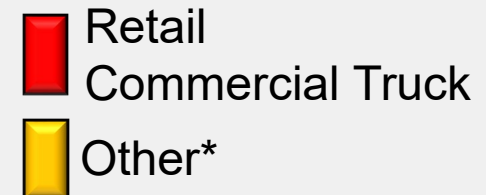
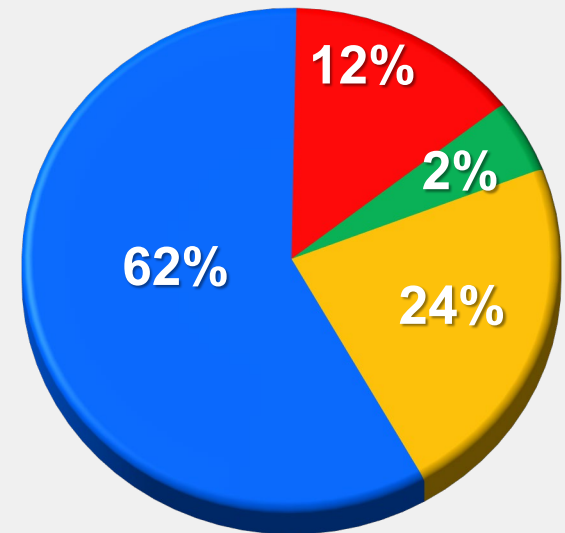
## Revenue

**\$7.0 Billion**



## Earnings Before Tax

**\$498 Million**

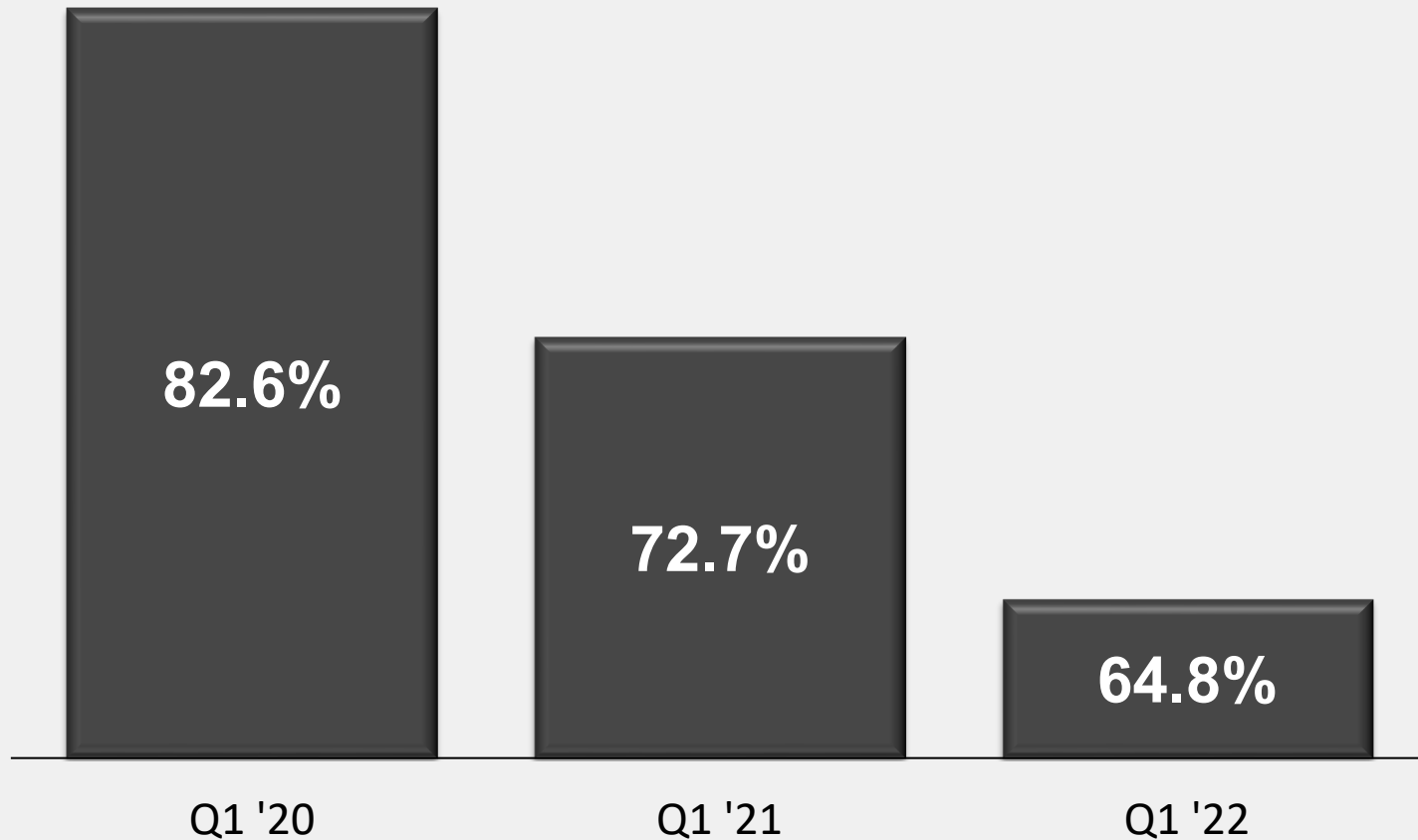


\*Other consists of non-automotive equity method investments which includes our investment in Penske Transportation Solutions

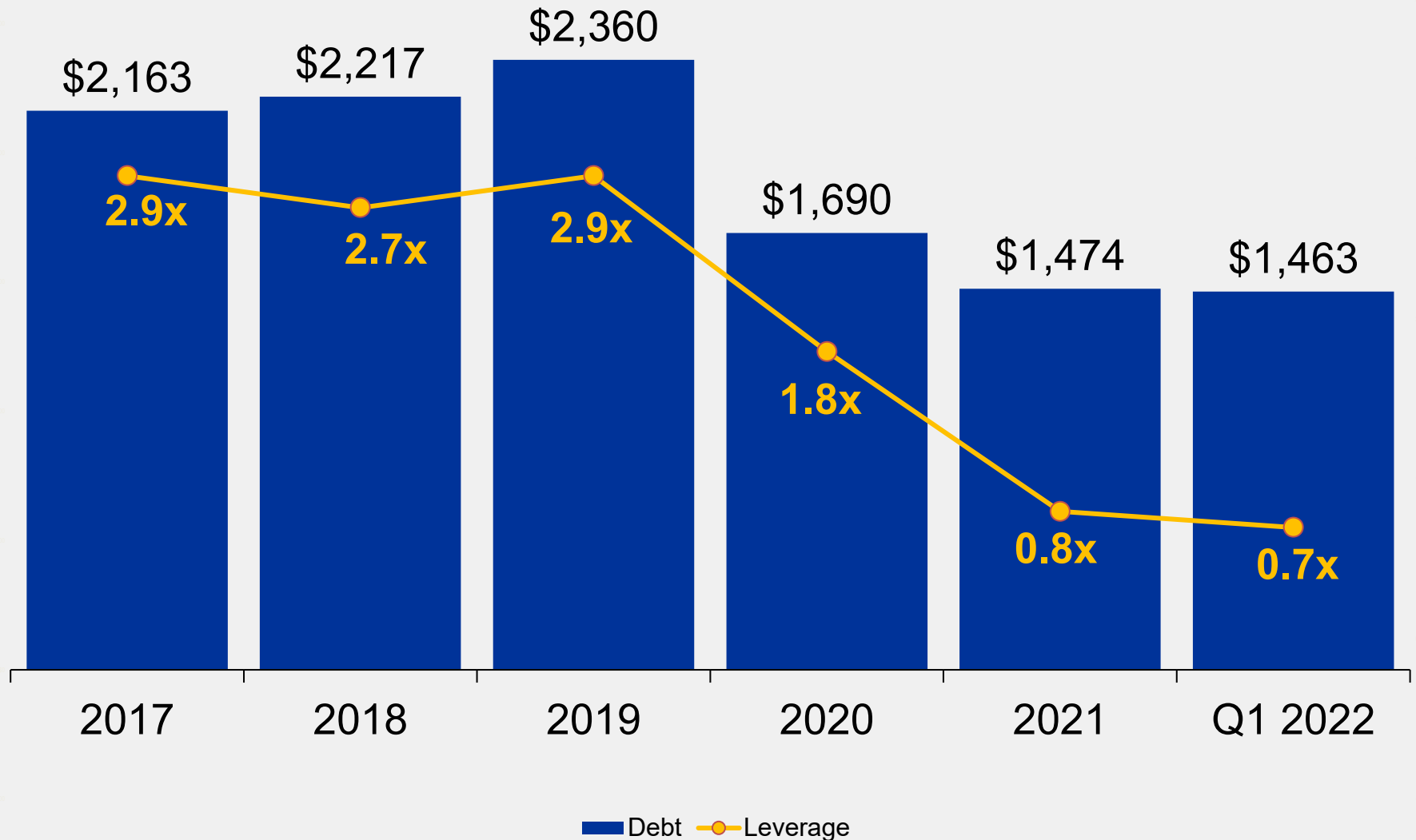
# SG&A TO GROSS PROFIT

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**EXPENSE LEVERAGE IMPROVEMENT OF 1,780 BPS**



# LONG TERM DEBT AND LEVERAGE



Refer to non-gaap reconciliation schedule on pages 36, 37 and 38



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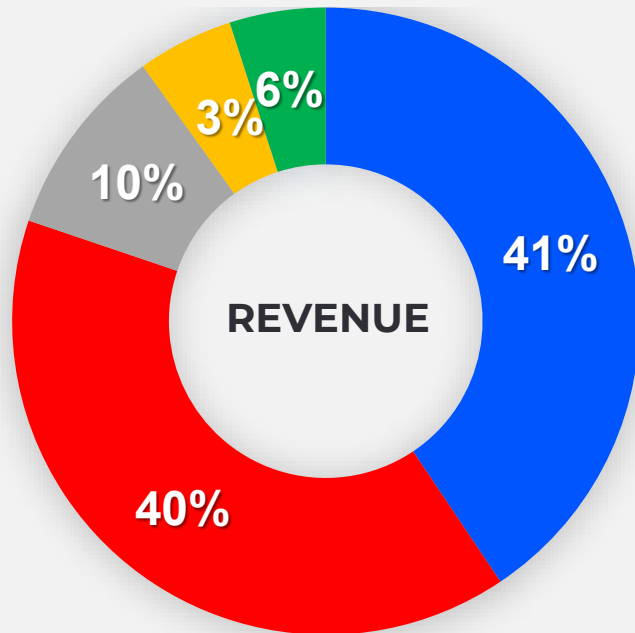
Digital Marketing/Retailing

Non-GAAP

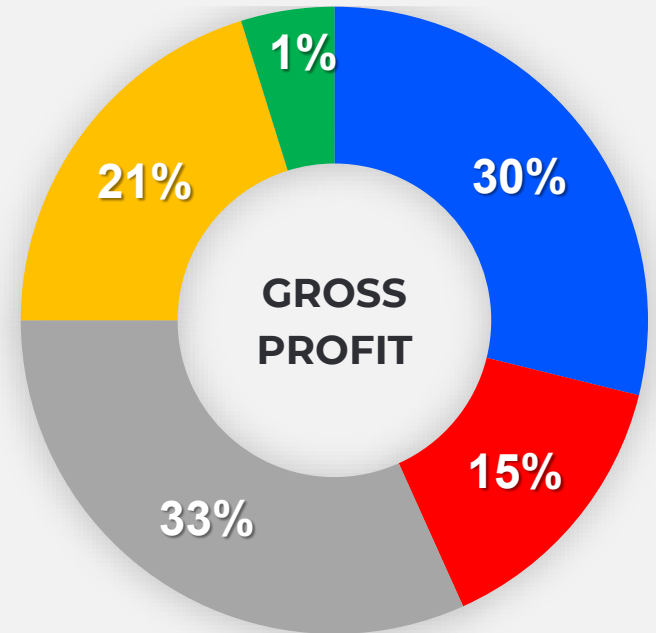
# RETAIL AUTOMOTIVE REVENUE

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## Diversified Revenue Stream Drives Profitability



- New
- Used
- S&P
- F&I
- F&WH

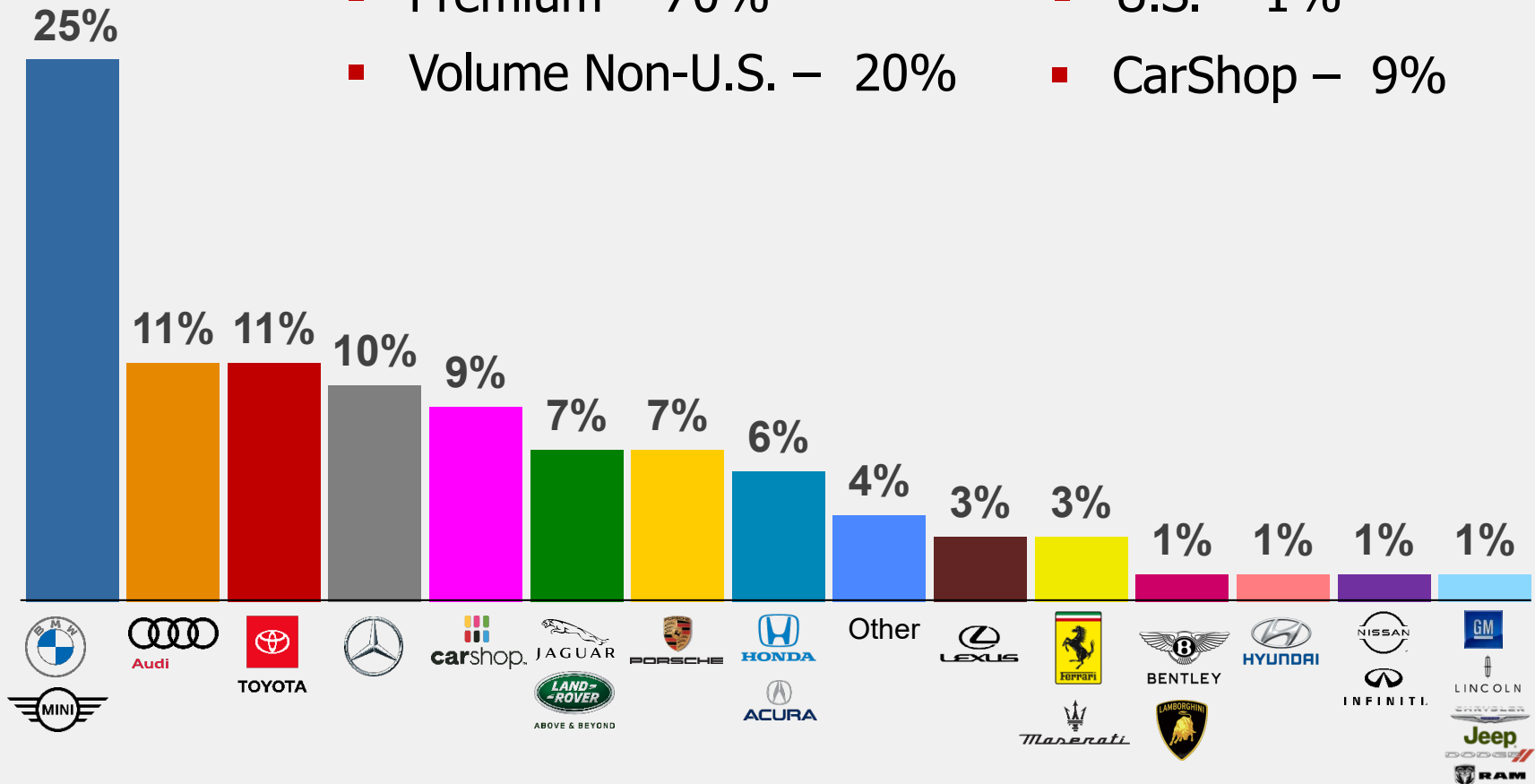


# RETAIL AUTOMOTIVE BRAND MIX

(YTD 2022)

(% of Total Worldwide Automotive Dealership Revenue)

- Premium – 70%
- Volume Non-U.S. – 20%
- U.S. – 1%
- CarShop – 9%



# RETAIL AUTOMOTIVE KEY METRICS

| Same-Store                       | Q1 '22         | Q1 '21         | Chg         |
|----------------------------------|----------------|----------------|-------------|
| Volume Metrics                   |                |                |             |
| New Units (U.S. -13%; U.K. -13%) | 43,804         | 50,322         | -13%        |
| Used Units (U.S. -9%; U.K. +33%) | <u>65,414</u>  | <u>60,347</u>  | <u>+8%</u>  |
| Total Units                      | 109,218        | 110,669        | -1%         |
| Gross Per Unit                   |                |                |             |
| New                              | \$6,770        | \$4,063        | +67%        |
| Used                             | \$2,300        | \$1,810        | +27%        |
| F&I                              | <u>\$1,932</u> | <u>\$1,521</u> | <u>+27%</u> |
| Variable Vehicle Gross/unit      | \$6,026        | \$4,355        | +38%        |

# RETAIL AUTOMOTIVE SAME-STORE REVENUE

---

|                   | Q1 '22        | Q1 '21        | Chg        |
|-------------------|---------------|---------------|------------|
| New Vehicle       | \$2,342       | \$2,415       | -3%        |
| Used Vehicle      | \$2,333       | \$1,804       | +29%       |
| F&I               | \$ 211        | \$ 168        | +26%       |
| Service & Parts   | \$ 567        | \$ 502        | +13%       |
| Fleet & Wholesale | <u>\$ 333</u> | <u>\$ 305</u> | <u>+9%</u> |
| Total             | \$5,786       | \$5,194       | +11%       |



# CARSHOP

- Operate stand-alone used vehicle centers across U.S./U.K.
- One price; no haggle approach
- In-store or 100% on-line

|                     | TOTAL    |          |       | SAME-STORE |          |      |
|---------------------|----------|----------|-------|------------|----------|------|
|                     | Q1 '22   | Q1 '21   | Chg   | Q1 '22     | Q1 '21   | Chg  |
| Units               | 19,523   | 11,395   | +71%  | 17,543     | 11,395   | +54% |
| Revenue             | \$516    | \$243    | +113% | \$459      | \$243    | +89% |
| Avg Trans Price     | \$21,700 | \$17,657 | +23%  | \$21,468   | \$17,657 | +22% |
| Variable Gross/Unit | \$2,155  | \$2,208  | -2%   | \$2,200    | \$2,208  | --   |



## PREMIER TRUCK GROUP

---

- One of the largest dealership groups for Daimler Trucks N.A.
- Retails new and used Freightliner and Western Star Trucks
- 41 locations across North America
- Service and parts gross profit provides 59% of total gross profit
- 7.4% return on sales
- Q1 fixed cost absorption 130%

# RETAIL COMMERCIAL TRUCK KEY METRICS

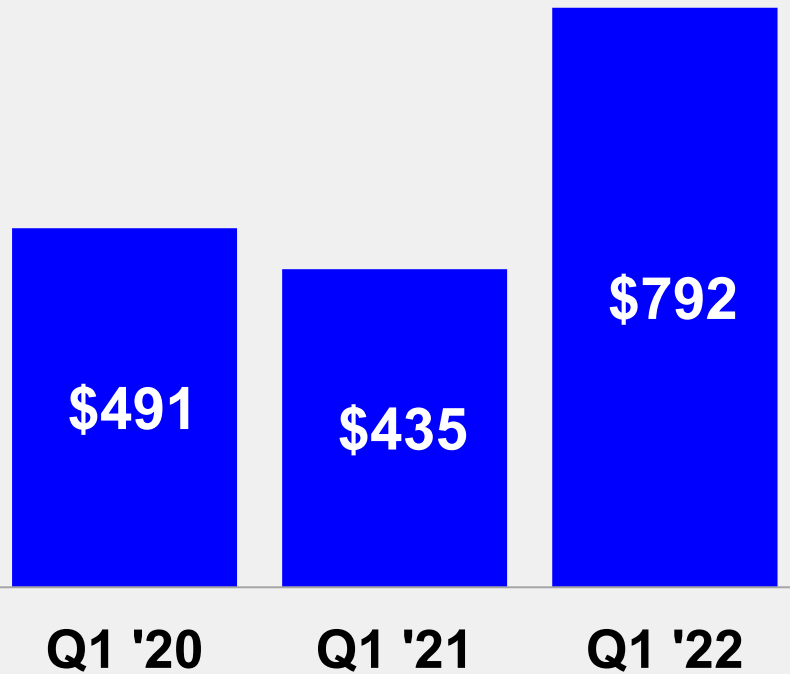
| Same-Store     | Q1 '22   | Q1 '21  | Chg   |
|----------------|----------|---------|-------|
| Volume Metrics |          |         |       |
| New Units      | 3,134    | 2,165   | +45%  |
| Used Units     | 651      | 841     | -23%  |
| Gross Per Unit |          |         |       |
| New Vehicle    | \$ 7,784 | \$6,585 | +18%  |
| Used Vehicle   | \$19,263 | \$7,674 | +151% |
| F&I            | \$ 1,452 | \$1,047 | +39%  |

# PTG PERFORMANCE SUMMARY

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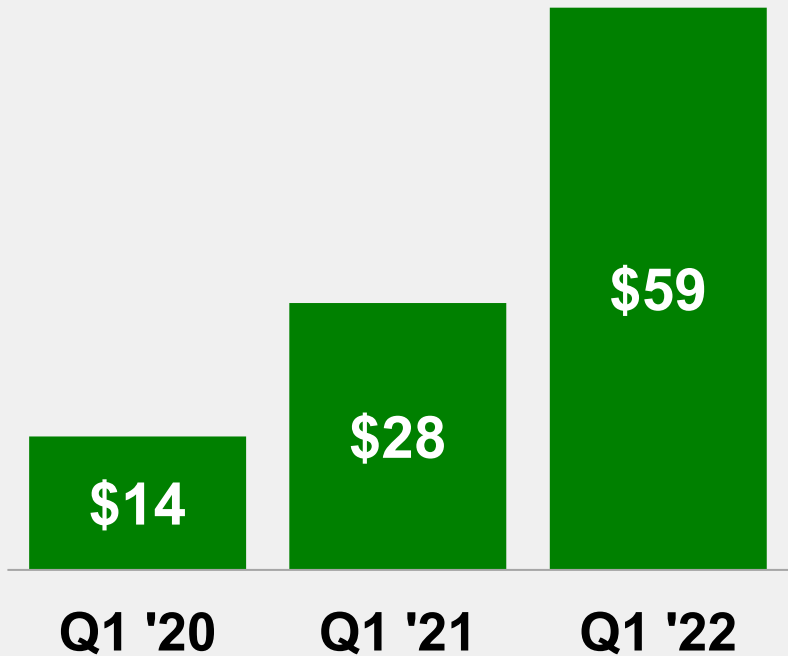
## Revenue

(\$ in Millions)



## Earnings Before Taxes

(\$ in Millions)





## PENSKE AUSTRALIA

Exclusive distributor of certain heavy/medium-duty trucks, buses, and refuse collection vehicles; distributor of diesel/gas engines and power systems across Australia, New Zealand and portion of the Pacific

- Western Star, MAN, Dennis Eagle
- MTU, Detroit Diesel, Allison Transmission, and Bergin engines
- Parts & service gross profit over 80% of total gross profit

| (USD in millions) | Q1<br>2022 | Q1<br>2021 | Chg. |
|-------------------|------------|------------|------|
| Revenue           | \$154      | \$132      | +16% |
| EBT               | \$10.5     | \$6.0      | +75% |



# PENSKE TRANSPORTATION SOLUTIONS

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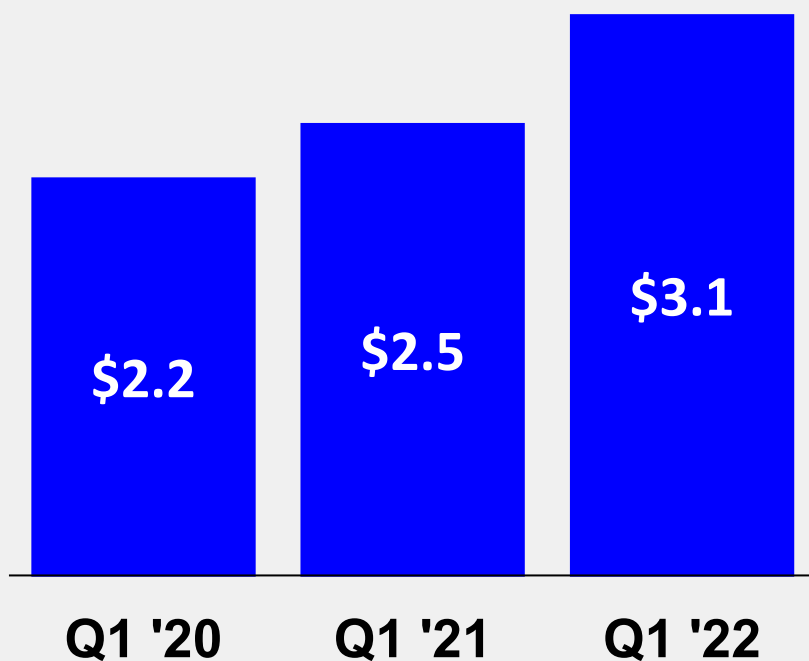
- 373,000 vehicles on the road
- Over 850 electric light, medium and heavy-duty vehicles in service test fleet or on order
- More than 3,000 locations worldwide
- Q1 total revenue up 22% to \$3.1 Bil
- Q1 income \$410 million, up 121%
- Return on sales 13.4%
- PAG recorded equity income of \$118.5 million in Q1 2022

# PTS PERFORMANCE SUMMARY

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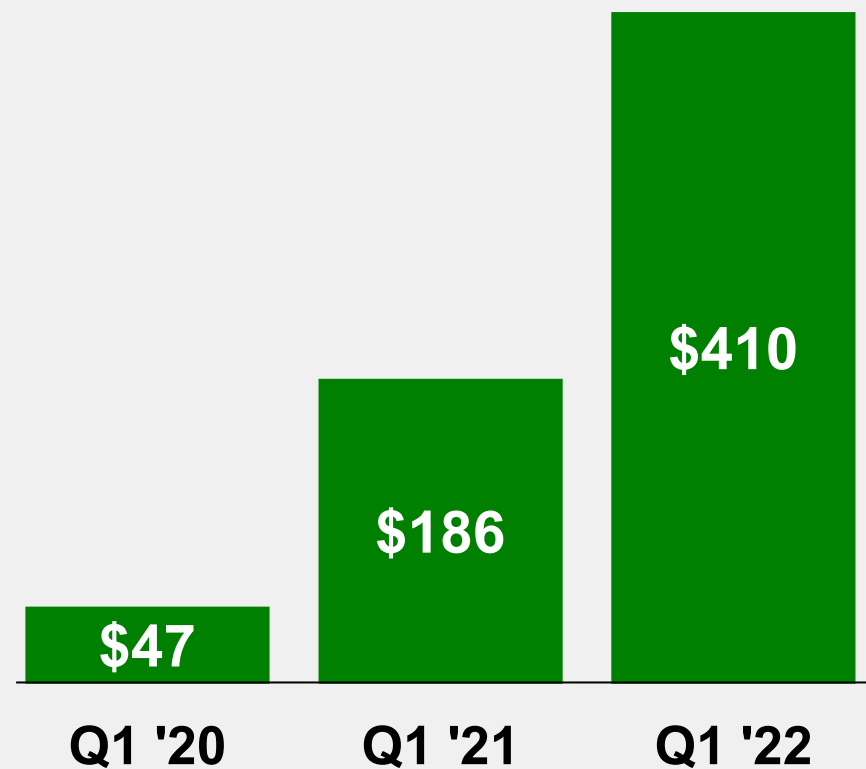
## Revenue

(\$ in Billions)



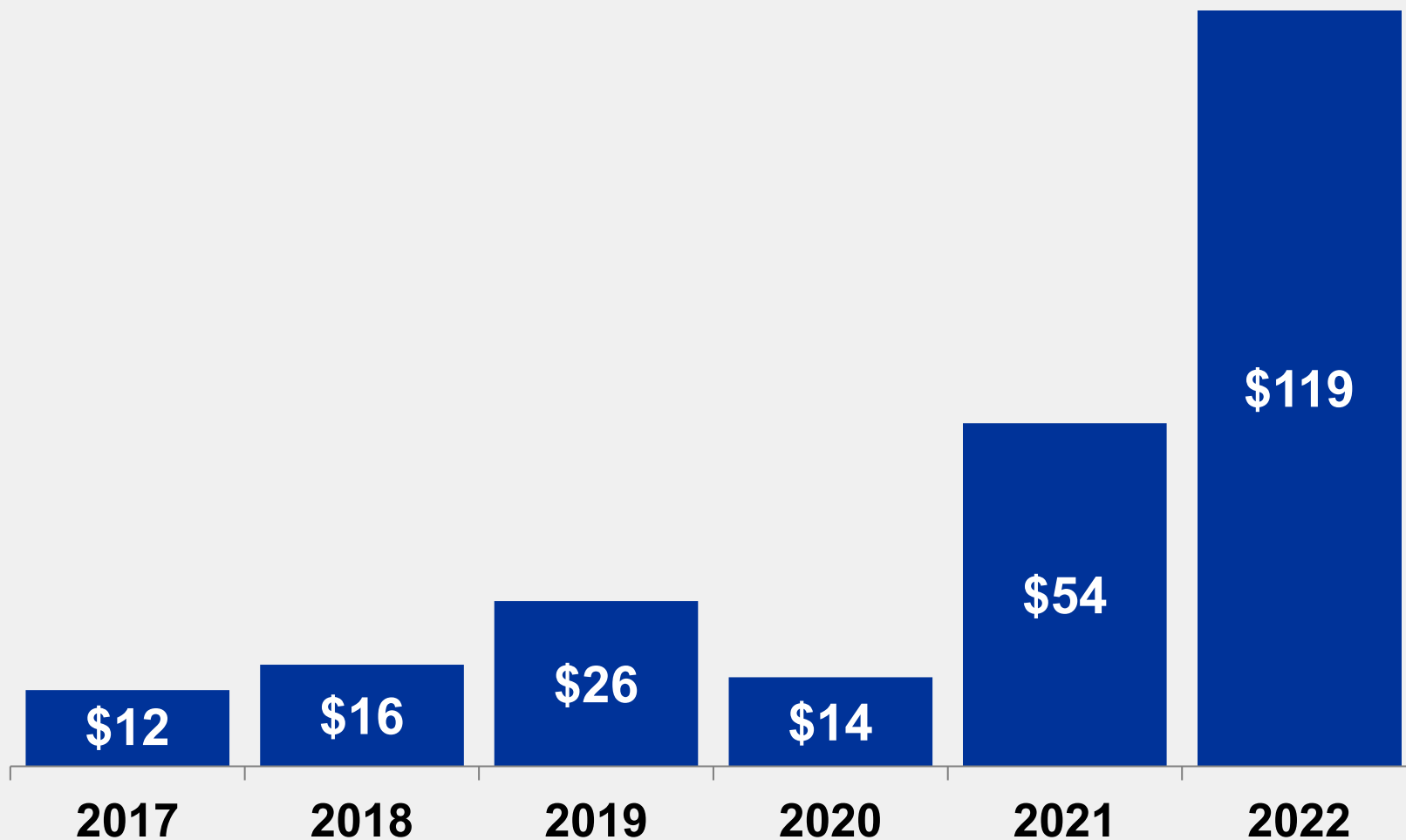
## Earnings Before Taxes

(\$ in Millions)



# PTS EARNINGS CONTRIBUTION – Q1

(\$ in millions)





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# MODERNIZING THE CUSTOMER JOURNEY

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## Digitization and Automation Improves the Overall Experience, Drives Satisfaction and Loyalty



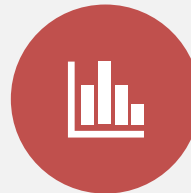
### CUSTOMER ACQUISITION

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



### CUSTOMER RETENTION

- CRM Communication
- Online Service Scheduler
- Vehicle Service Status Video
- Collision Photo Estimating
- Digital Approvals
- Remote Signing
- Pay Online



### OPTIMIZE EXPERIENCE

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

# GLOBAL REPUTATION FOCUS

---

**TOP-DOWN FOCUS ON EXCELLENT CUSTOMER SERVICE  
DRIVES POSITIVE REPUTATION SCORES**

**U.S. FRANCHISE  
LOCATIONS**

**4.6**

Lifetime Avg. Google  
Star Rating

**UNITED KINGDOM**

**4.8**

Lifetime Avg. Google  
Star Rating

**CARSHOP GLOBAL**

**4.7**

Lifetime Avg. Google  
Star Rating

# VEHICLE SOURCING

## Trade/Sell Opportunities

- Vehicle evaluation tools available on every dealer website
- Trade-ins, lease returns, off-street purchases directly from consumers



| Self-Sourced    | Q1 2022 |
|-----------------|---------|
| U.S. Franchised | 85%     |
| U.K. Franchised | 80%     |
| CarShop U.S.    | 66%     |
| CarShop U.K.    | 39%     |



# U.S. DIGITAL RETAILING

---

## Preferred Purchase

- Current platform on our franchise websites where an OEM solution is not yet offered
- Offers a hybrid model so customers can shop however they choose

## OEM Programs

- Benefit from OEM marketing
- Technology is current
- Enables “Buy Online” from OEM sites
- Integration with the captive finance
- Consistency around the brand experience to support the customer journey

## CarShop End-to-End Platform

- Invested in building a fully integrated, end-to-end digital transaction system to execute online orders with Cox Automotive

# **BROWSE – BUY – CONNECT (U.K.)**

---

## **Buy & Reserve Online ([www.sytner.co.uk](http://www.sytner.co.uk))**

- Reserve for £99 allowing customer to choose pick-up dealership
- Buy Online via fully integrated finance application or by card
- Omni-channel approach enabling customers to shop how they choose

## **CarShop Platform ([www.carshop.co.uk](http://www.carshop.co.uk))**

- Investment/optimization continues into existing platform to support improved customer experience

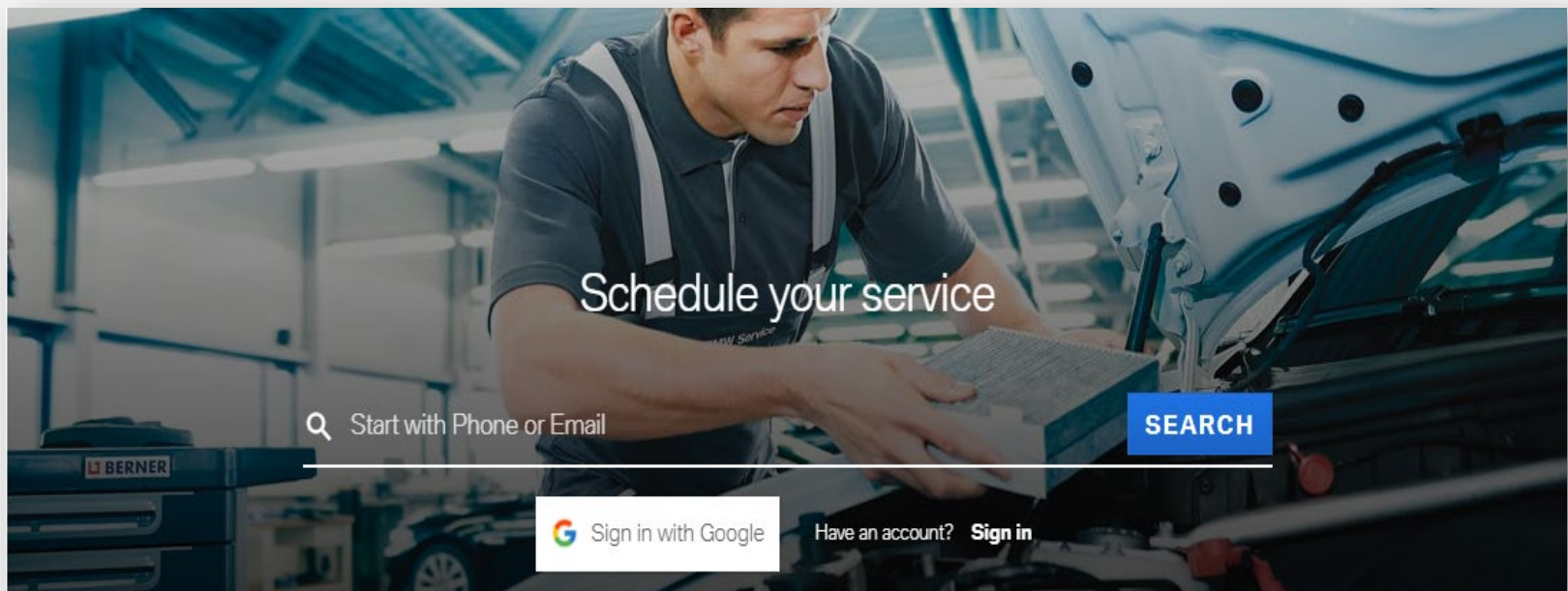
## **Online Features/Tools**

- Hold for £99 with transfer between stores optional
- Buy Online via finance with instant approval or by card
- Guaranteed trade-in valuation
- No risk due to OEM program/mandates

# ONLINE SERVICE APPOINTMENTS

---

- 441,000 online/BDC appointments scheduled in Q1 2022
- 18% increase from Q1 2021



An aerial view of a Toyota dealership building with a large American flag on the left and a parking lot with several cars in the foreground. The building has 'TOYOTA' and 'PALM BEACH' signage.

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# EBITDA RECONCILIATION

The following table reconciles EBITDA for the three months ended March 31, 2022 and 2021

| (\$ in Millions) | Q1 '22         | Q1 '21         | % Chg         |
|------------------|----------------|----------------|---------------|
| Net Income       | \$369.5        | \$183.1        | +101.8%       |
| Depreciation     | \$ 31.9        | \$ 29.3        | +8.9%         |
| Other Interest   | \$ 16.5        | \$ 17.9        | (7.8%)        |
| Income Taxes     | <u>\$128.1</u> | <u>\$ 64.5</u> | <u>+98.6%</u> |
| EBITDA           | \$546.0        | \$294.8        | +85.2%        |

# EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, adj EBITDA and the leverage ratio for the trailing twelve months ended March 31, 2022

| (\$ in Millions)                                   | Nine<br>Months Ended<br>December 31, 2021 | Three<br>Months Ended<br>March 31, 2022 | Trailing Twelve<br>Months Ended<br>March 31, 2022 |
|----------------------------------------------------|-------------------------------------------|-----------------------------------------|---------------------------------------------------|
| Net Income                                         | \$1,009.6                                 | \$ 369.5                                | \$1,379.1                                         |
| Add: Depreciation                                  | \$ 92.2                                   | \$ 31.9                                 | \$ 124.1                                          |
| Add: Other Interest                                | \$ 50.7                                   | \$16.5                                  | \$ 67.2                                           |
| Add: Income Taxes                                  | \$ 351.8                                  | \$ 128.1                                | \$ 479.9                                          |
| Add: Income From Disc Ops (net of tax)             | (\$1.3)                                   | ---                                     | (\$1.3)                                           |
| EBITDA                                             | \$1,503.0                                 | \$ 546.0                                | \$2,049.0                                         |
| Add: Loss on Investment Revaluation <sup>(1)</sup> | \$ 11.4                                   | ---                                     | \$ 11.4                                           |
| Add: Debt redemption costs <sup>(2)</sup>          | \$ 17.0                                   | ---                                     | \$ 17.0                                           |
| Adjusted EBITDA                                    | \$1,531.4                                 | \$ 546.0                                | \$2,077.4                                         |
| Total Non-Vehicle Long-Term Debt                   |                                           |                                         | \$1,463.3                                         |
| Leverage Ratio                                     |                                           |                                         | 0.7x                                              |

(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, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, Adj. EBITDA and 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   |
| Add: Depreciation                                       | \$ 121.5   | \$ 115.5   | \$ 109.6   |
| Add: Other Interest                                     | \$ 68.6    | \$ 11.0    | \$ 124.2   |
| Add: Income Taxes                                       | \$ 416.3   | \$ 162.7   | \$ 156.7   |
| Add: (Income)/Loss From Disc. Ops                       | ___(\$1.3) | ___(\$0.4) | ___(\$0.3) |
| EBITDA                                                  | \$1,797.8  | \$ 934.1   | \$ 825.3   |
| Less: Net gain on dealership sales                      | ---        | (\$5.2)    | ---        |
| Add: Loss on investment from revaluation <sup>(1)</sup> | \$ 11.4    | ---        | ---        |
| Add: Debt redemption costs <sup>(2)</sup>               | \$ 17.0    | \$ 8.6     | ---        |
| Adjusted EBITDA                                         | \$1,826.2  | \$ 937.5   | \$ 825.3   |
| Total Non-Vehicle Long-Term Debt                        | \$1,474.0  | \$1,690.0  | \$2,360.0  |
| 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

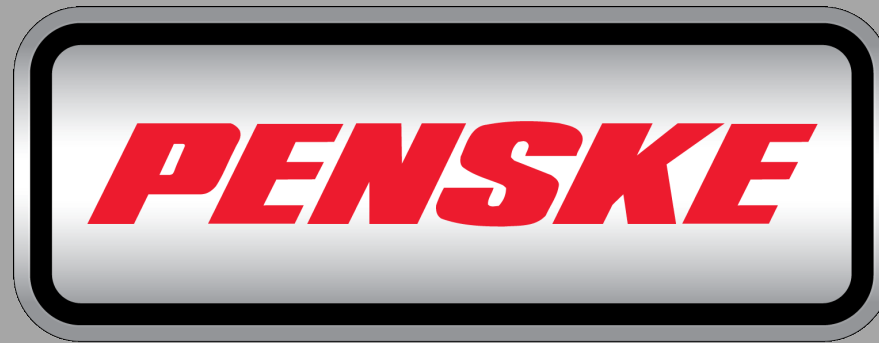
# EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, Adj. EBITDA, and Leverage Ratio as of December 31, 2018 and 2017

| (\$ in Millions)                          | 12M '18        | 12M '17       |
|-------------------------------------------|----------------|---------------|
| Net Income                                | \$ 470.3       | \$ 612.8      |
| Depreciation                              | \$ 103.7       | \$ 95.1       |
| Other Interest                            | \$ 114.7       | \$ 107.4      |
| Income Taxes                              | \$ 134.3       | (\$64.8)      |
| (Income)/Loss from Disc. Ops.             | <u>(\$0.5)</u> | <u>\$ 0.2</u> |
| EBITDA                                    | \$ 22.5        | \$ 750.7      |
| Less: Gain on Sale <sup>(1)</sup>         | (\$22.7)       | ---           |
| Add: Valuation adjustments <sup>(2)</sup> | <u>\$ 18.7</u> | <u>---</u>    |
| Adjusted EBITDA                           | \$ 818.5       | \$ 750.7      |
| Total Non-Vehicle Long-Term Debt          | \$2,217.0      | \$2,163.0     |
| Leverage Ratio                            | 2.7x           | 2.9x          |

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

(2) Valuation adjustments on certain franchised dealerships



*Automotive*