



Third Quarter 2022 Financial Results



On-Highway



Power Systems



Defense



Mining



DISCLAIMER

Statements in this presentation 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, those related to general economic and industry conditions, including the effect of COVID-19 on the global economy; the distribution rate, effectiveness, and acceptance of vaccines for COVID-19; our ability to react effectively to changing business conditions in light of the COVID-19 pandemic; the rate of inflation and its impact on vehicle affordability; changes in interest rates and foreign currency exchange rates; our ability to consummate and integrate acquisitions; the level of vehicle sales in the markets where we operate; our ability to obtain vehicles and parts from our manufacturers, especially in light of the COVID-19 pandemic and the war in Ukraine, including global shortages in microchip availability or other vehicle components; changes in the retail model either from direct sales by manufacturers, a transition to an agency model of sales, sales by online competitors, or from the expansion of electric vehicles; our ability to realize returns on our significant capital investment in new and upgraded dealership facilities; our ability to navigate a rapidly changing automotive and truck landscape; our ability to respond to new or enhanced regulations relating to automotive dealerships; the success of our distribution of commercial vehicles, engines, and power systems; natural disasters; recall initiatives 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, Form 10-Q for the quarterly periods ended March 31, 2022 and June 30, 2022, and its other filings with the Securities and Exchange Commission ("SEC"). This presentation speaks only as of its date, and Penske Automotive Group disclaims any duty to update the information herein.



Overview

Highlights

Performance Review

Acquisitions

Digital Marketing/Retailing

Non-GAAP



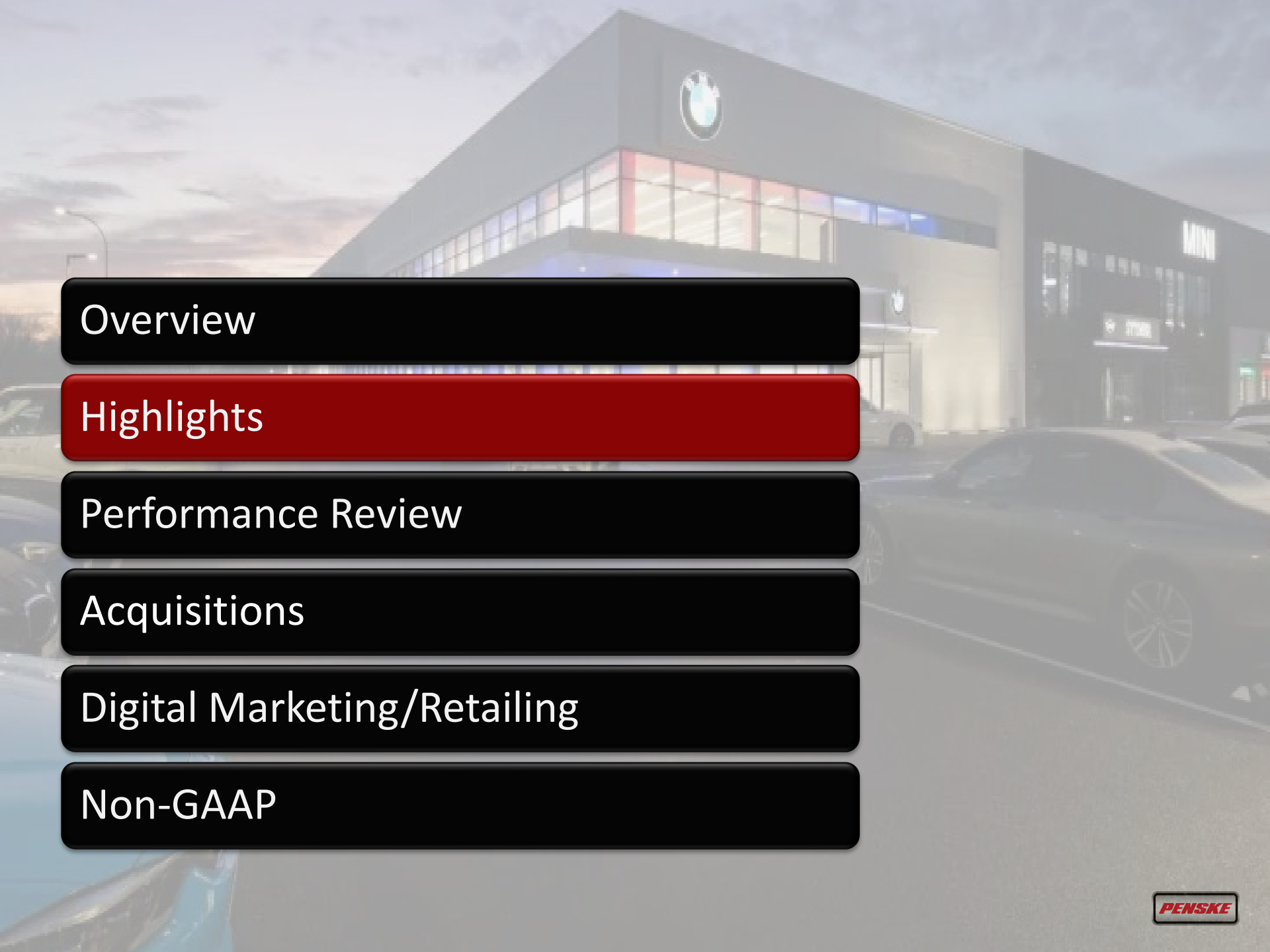
COMPANY OVERVIEW

A \$26 billion annual revenue diversified international transportation services company and one of the world's premier automotive and commercial truck retailers

- **Over 26,500 employees**
- **Operations across four continents and nine countries**
 - **Retail Automotive**
 - U.S., U.K., Germany, Italy, Spain, and Japan
 - **Stand-Alone Used Vehicles**
 - U.S. and U.K.
 - **Retail Commercial Trucks**
 - U.S. and Canada
 - **Commercial Vehicles, Power Systems & Parts Distribution**
 - Australia and New Zealand
 - **Penske Transportation Solutions**

INVESTMENT OVERVIEW

- 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 approximately 40% of total company gross profit
- Strong cash flow generation
- Capital allocation focused on acquisitions, cash dividends, and securities repurchases

A photograph of a modern BMW dealership building at dusk. The building is a multi-story structure with large glass windows and a prominent BMW roundel logo on the upper corner. The interior lights are on, and the sky is a mix of blue and orange. In the foreground, there are several cars parked, including a silver sedan and a dark-colored car. The overall scene is a professional presentation of the dealership.

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Q3 2022 KEY TAKEAWAYS

(\$ in millions, except EPS)	Reported	Excl. F/X
Revenue	\$6,921	\$7,270
EBT	\$467	\$481
Net Income	\$340	\$351
Earnings Per Share	\$4.61	\$4.75

- Repurchased 6.4 million shares of common stock for \$675 million year-to-date through October 25, 2022
- Year-to-date completed acquisitions and open points representing \$1.3 billion in 2022 annualized revenue
- Board of Directors approved a dividend increase in July 2022 to \$0.53 per share and an additional dividend increase in October 2022 to \$0.57 per share

Q3 2022 KEY HIGHLIGHTS

Retail Automotive

- Same-store total units retailed of 103,937, -9%
- Same-store revenue performance:

	<u>Reported</u>	<u>Excl. F/X</u>
New Veh	-1%	+4%
Used Veh	-8%	flat
F & I	-1%	+5%
Svc/Parts	+4%	+10%
Total	-3%	+4%

- Same-store variable vehicle gross profit +1% to \$5,830 excl F/X \$6,187, +7%

Retail Commercial Trucks

- Retailed 6,031 new & used trucks, +25%; same-store units +14%
- Same-store revenue +29%
- Same-store gross profit +7%
- Same-store service & parts revenue +23%
- Fixed cost absorption of 135%
- EBT +9% to \$53 million

Capital Allocation

- Completed acquisitions and open points representing approx. \$1.3 billion YTD (Sept 2022) in 2022 annualized revenue
- Increased dividend four times in 2022, from \$0.46 to \$0.57 per share
- Repurchased 6.4 million shares for \$675 million year-to-date through October 25, 2022
- Securities repurchase authority of \$268 million available as of October 25, 2022

CarShop Used Centers

- Retailed 17,567 used vehicles, -5%

(\$ in millions, except Var. Gross)

<u>Same-Store</u>	<u>Reported</u>	<u>Chg</u>	<u>Excl F/X</u>	<u>Chg</u>
Revenue	\$380	-12%	\$425	-1%
Var. Gr/Unit	\$2,127	-21%	\$2,394	-11%

Penske Transportation Solutions

- Generated +15% increase in equity earnings to \$135.5 million from \$118.3 million
- Year-to-date through Sept 30, 2022 received \$173 million in cash distributions

Profitability

(\$ in millions, except EPS)

	<u>Reported</u>	<u>Excl. F/X</u>
EBT	\$467	\$481
Net Income	\$340	\$351
EPS	\$4.61	\$4.75

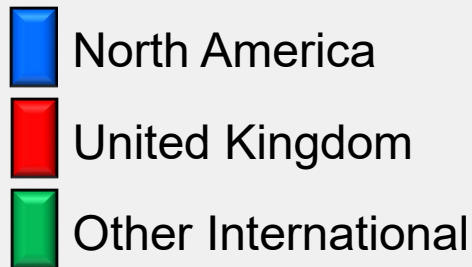
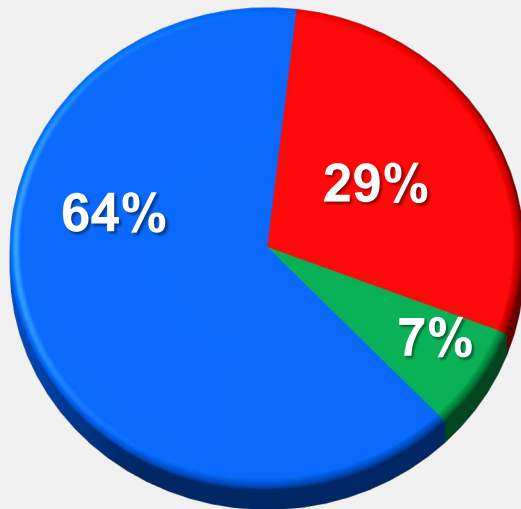
Q3 & 9M PERFORMANCE HIGHLIGHTS

(\$ in Millions, except Per Share Amount)	Q3 2022	Q3 2021	Chg	9M 2022	9M 2021	Chg
Revenue	\$6,921	\$6,497	+7%	\$20,800	\$19,259	+8%
<i>Excl F/X</i>	<i>\$7,270</i>		<i>+12%</i>	<i>\$21,432</i>		<i>+11%</i>
Retail Auto Same-Store Revenue	\$5,452	\$5,624	-3%	\$16,849	\$16,917	--
<i>Excl F/X</i>	<i>\$5,828</i>		<i>+4%</i>	<i>\$17,597</i>		<i>+4%</i>
Inc. from Cont. Ops Before Taxes	\$467	\$476	-2%	\$1,464	\$1,187	+23%
<i>Excl F/X</i>	<i>\$481</i>		<i>+1%</i>	<i>\$1,493</i>		<i>+26%</i>
Income from Cont. Ops	\$340	\$355	-4%	\$1,082	\$876	+24%
<i>Excl F/X</i>	<i>\$351</i>		<i>-1%</i>	<i>\$1,105</i>		<i>+26%</i>
Earnings Per Share	\$4.61	\$4.46	+3%	\$14.31	\$10.91	+31%
<i>Excl F/X</i>	<i>\$4.75</i>		<i>+7%</i>	<i>\$14.61</i>		<i>+34%</i>

Q3 2022 REVENUE & EBT

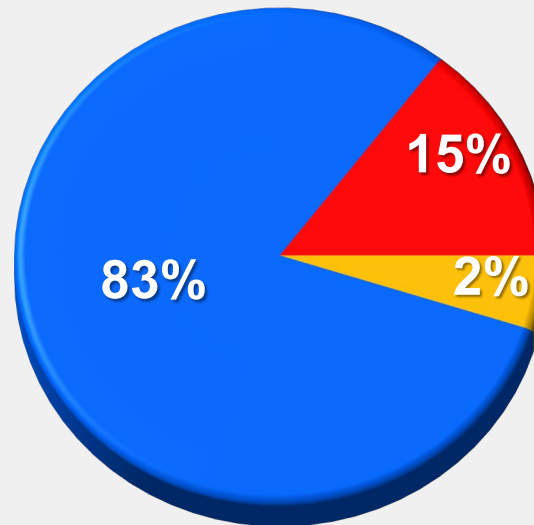
Global Revenue

\$6.9 Billion



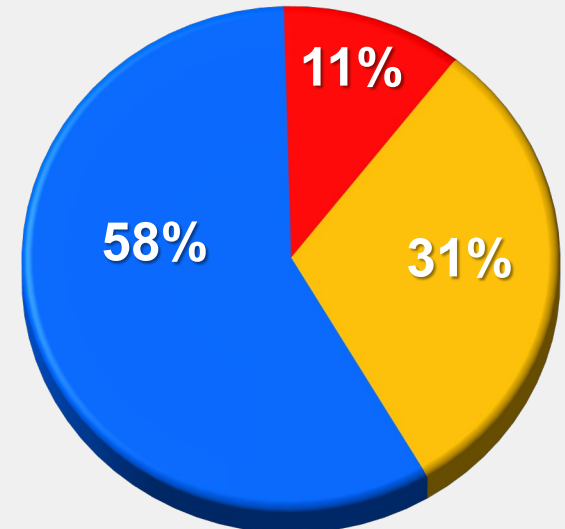
Segment Revenue

\$6.9 Billion



Segment Earnings Before Tax

\$467 Million



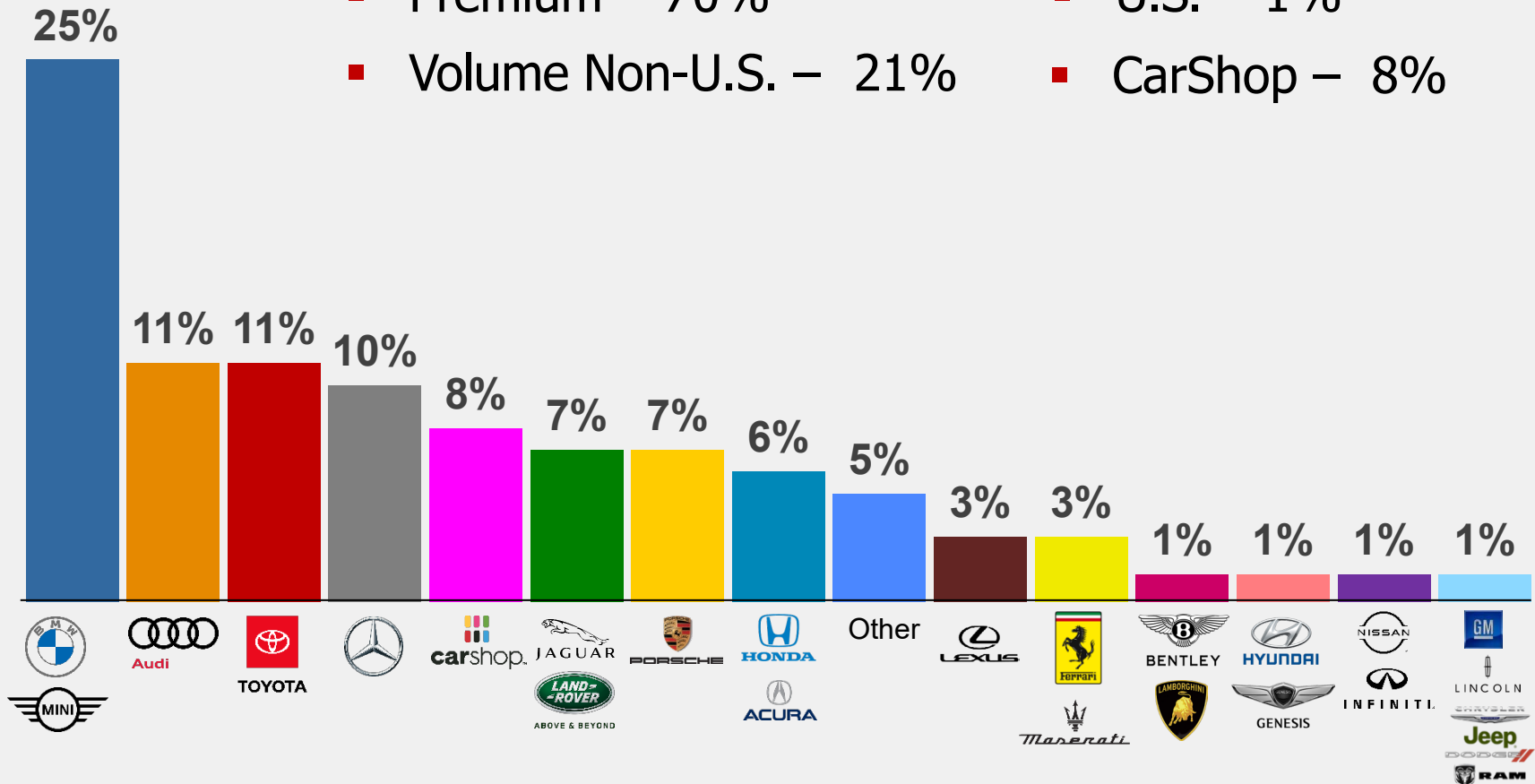
*Consists of non-automotive equity method investments which includes our investment in Penske Transportation Solutions and our commercial vehicle and power systems distribution operations

RETAIL AUTOMOTIVE BRAND MIX

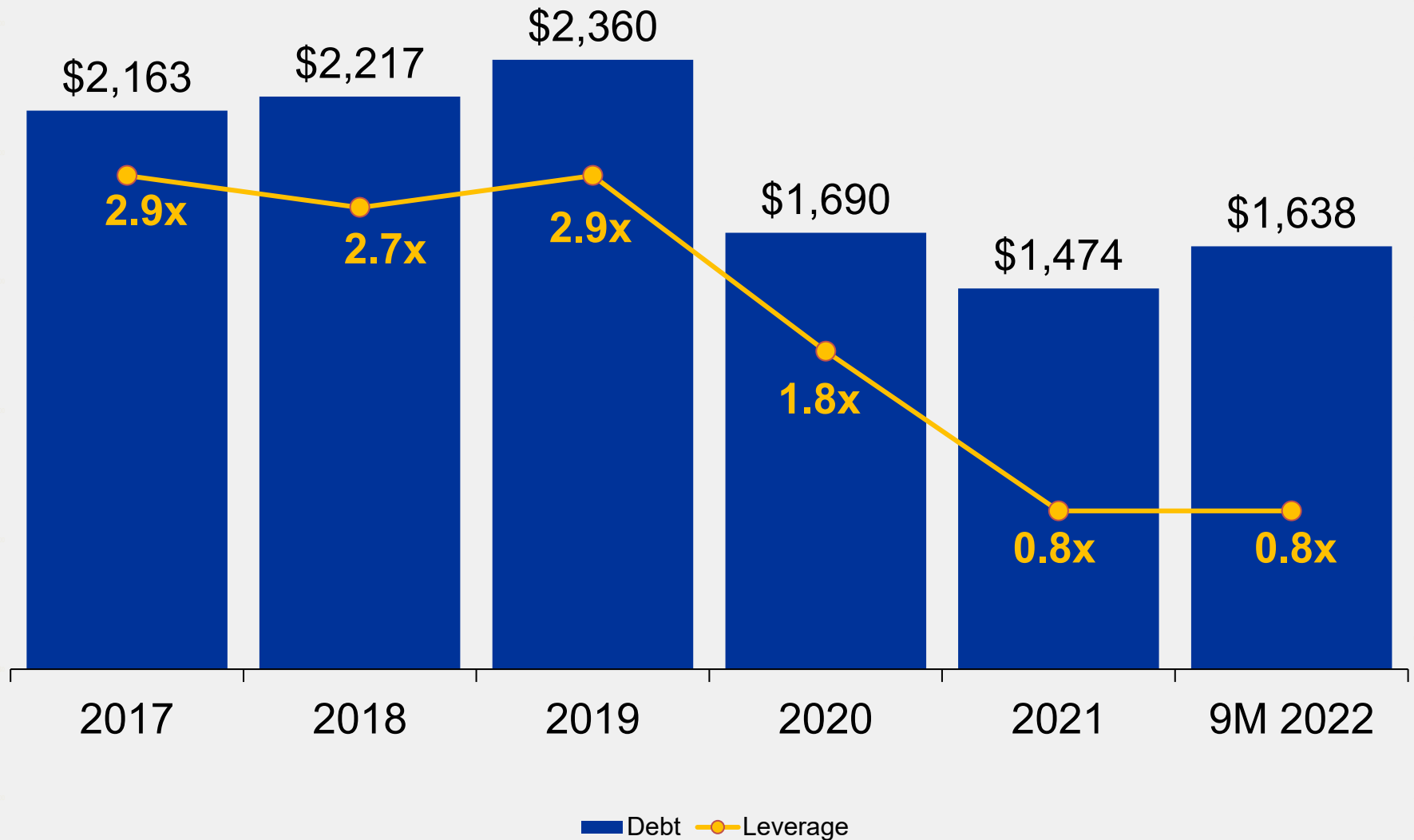
(9M YTD 2022)

(% of Total Worldwide Automotive Dealership Revenue)

- Premium – 70%
- Volume Non-U.S. – 21%
- U.S. – 1%
- CarShop – 8%



LONG TERM DEBT AND LEVERAGE



Refer to non-gaap reconciliation schedule on pages 40-44

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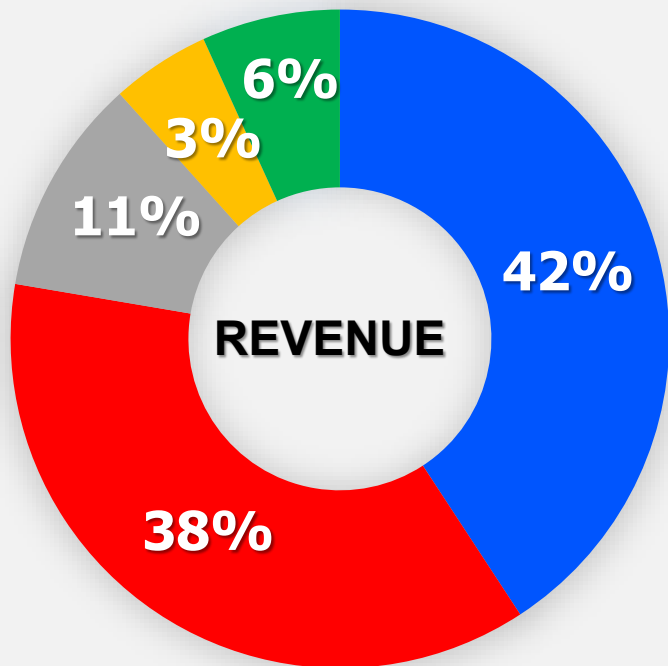
Acquisitions

Digital Marketing/Retailing

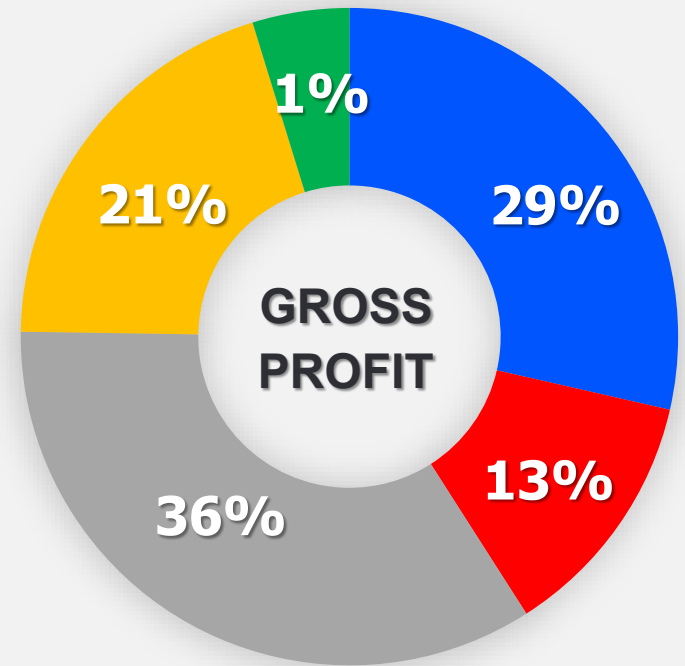
Non-GAAP

RETAIL AUTOMOTIVE REVENUE

Diversified Revenue Stream Drives Profitability



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



SEQUENTIAL RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q3 '22 Exc. F/X
VOLUME METRICS						
New Units	44,372	41,985	43,804	42,980	41,542	--
Used Units	<u>70,047</u>	<u>55,921</u>	<u>65,414</u>	<u>66,479</u>	<u>62,395</u>	--
Total Units	114,419	97,816	109,218	109,459	103,937	--
GROSS PER UNIT						
New	\$5,948	\$6,832	\$6,770	\$6,851	\$6,730	<i>\$7,094</i>
Used	\$2,752	\$2,913	\$2,300	\$2,235	\$2,028	<i>\$2,187</i>
F&I	<u>\$1,768</u>	<u>\$1,959</u>	<u>\$1,932</u>	<u>\$1,951</u>	<u>\$1,922</u>	<i>\$2,039</i>
Var. VehicleGross/Unit	\$5,760	\$6,550	\$6,026	\$5,999	\$5,830	<i>\$6,187</i>

Q3 & 9M RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q3 '22	Q3 '21	Chg	9M '22	9M '21	Chg
VOLUME METRICS						
New Units	41,452	44,372	-6%	127,950	152,051	-16%
Used Units	<u>62,395</u>	<u>70,047</u>	<u>-11%</u>	<u>193,597</u>	<u>203,791</u>	<u>-5%</u>
Total Units	103,937	114,419	-9%	321,547	355,842	-10%
GROSS PER UNIT						
New <i>Excl F/X</i>	\$6,730 <i>\$7,094</i>	\$5,948	+13% <i>+19%</i>	\$6,761 <i>\$6,998</i>	\$4,868	+39% <i>+44%</i>
Used <i>Excl F/X</i>	\$2,028 <i>\$2,187</i>	\$2,752	-26% <i>-21%</i>	\$2,187 <i>\$2,291</i>	\$2,415	-9% <i>-5%</i>
F&I <i>Excl F/X</i>	<u>\$1,922</u> <i>\$2,039</i>	<u>\$1,768</u>	<u>+9%</u> <i>+15%</i>	<u>\$1,934</u> <i>\$2,009</i>	<u>\$1,629</u>	<u>+19%</u> <i>+23%</i>
Var. Vehicle Gross <i>Excl F/X</i>	\$5,830 <i>\$6,187</i>	\$5,760	+1% <i>+7%</i>	\$5,941 <i>\$6,173</i>	\$5,092	+17% <i>+21%</i>

RETAIL AUTOMOTIVE SAME-STORE REVENUE

	Q3 '22	Q3 '21	CHG	Excl F/X	9M '22	9M '21	CHG	Excl F/X
New Vehicle	\$2,246	\$2,275	-1%	+4%	\$6,860	\$7,464	-8%	-5%
Used Vehicle	\$2,113	\$2,294	-8%	--	\$6,692	\$6,380	+5%	+11%
F&I	\$200	\$202	-1%	+5%	\$622	\$580	+7%	+11%
Service & Parts	\$577	\$554	+4%	+10%	\$1,704	\$1,594	+7%	+11%
Fleet & Wholesale	<u>\$316</u>	<u>\$299</u>	<u>+6%</u>	<u>+13%</u>	<u>\$971</u>	<u>\$900</u>	<u>+8%</u>	<u>+13%</u>
TOTAL	\$5,452	\$5,624	-3%	+4%	\$16,849	\$16,917	--	+4%



STAND ALONE USED

- 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		
	Q3 '22	Q3 '21	Chg	Q3 '22	Q3 '21	Chg
Units	17,567	18,451	-5%	16,415	18,112	-9%
Revenue (\$ in Millions)	\$406	\$438	-7%	\$380	\$431	-12%
Avg Trans Price	\$19,230	\$19,820	-3%	\$19,193	\$19,839	-3%
Variable Gross/Unit	\$2,082	\$2,668	-22%	\$2,127	\$2,686	-21%



PREMIER TRUCK GROUP

- One of the largest dealership groups for Daimler Trucks N.A.
- Retails new and used Freightliner and Western Star Trucks
- 39 locations across North America
- Service and parts gross profit provides 68% of total gross profit in Q3 2022
- 5.2% return on sales in Q3
- Q3 fixed cost absorption 135%

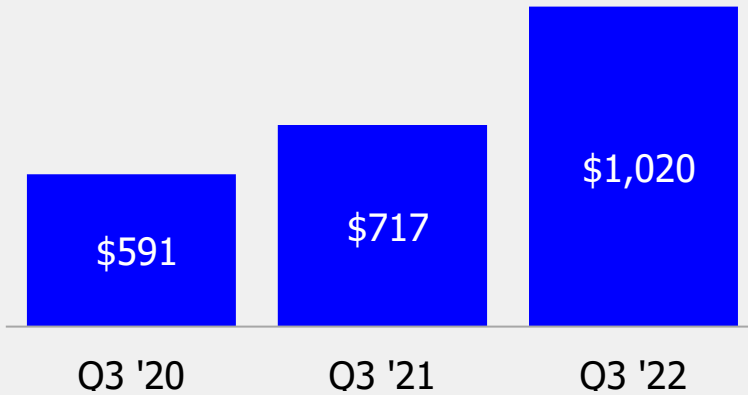
Q3 & 9M 2022 RETAIL COMMERCIAL TRUCK KEY METRICS

Same-Store	Q3 '22	Q3 '21	CHG	9M '22	9M '21	CHG
VOLUME METRICS						
New Units	4,881	3,892	+25%	10,018	8,013	+25%
Used Units	<u>592</u>	<u>928</u>	<u>-36%</u>	<u>1,679</u>	<u>2,487</u>	-33%
TOTAL	5,473	4,820	+14%	11,697	10,500	+11%
GROSS PER UNIT						
New	\$6,485	\$5,700	+14%	\$7,369	\$6,493	+14%
Used	-\$7,638	\$17,762	-143%	\$7,813	\$12,392	-37%
F&I	\$903	\$1,006	-10%	\$1,164	\$1,094	+6%

PTG PERFORMANCE SUMMARY

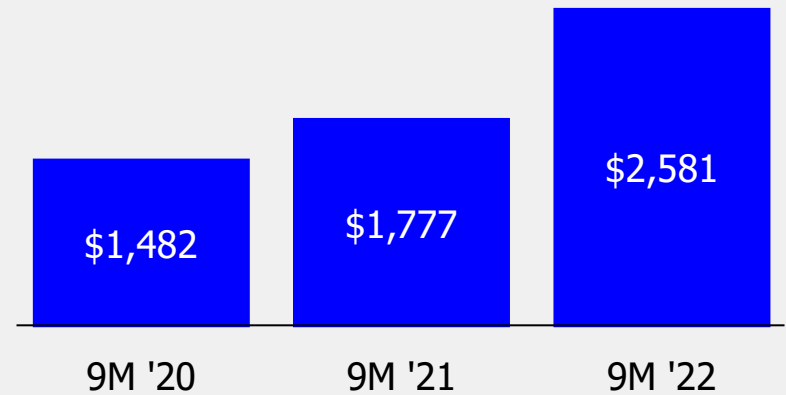
Q3 Total Revenue

(\$ in Millions)



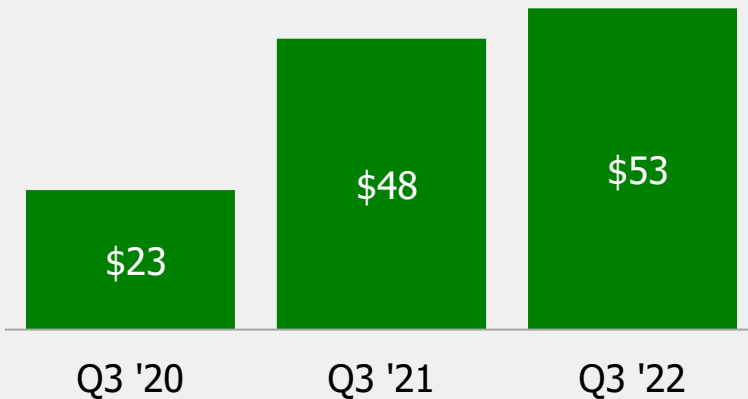
9M Total Revenue

(\$ in Millions)



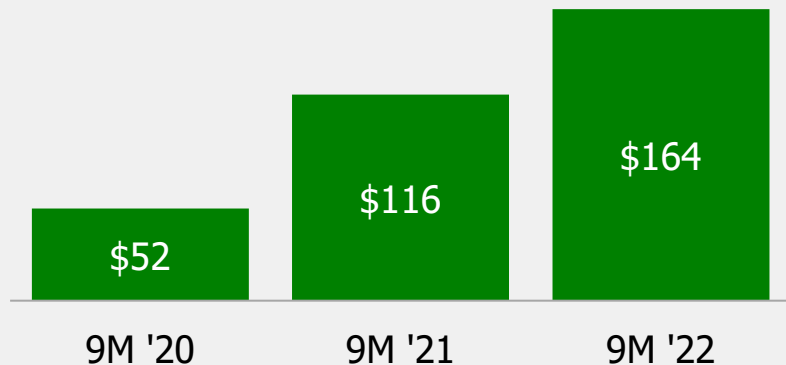
Q3 Earnings Before Taxes

(\$ in Millions)



9M Earnings Before Taxes

(\$ in Millions)



PENSKE AUSTRALIA

Exclusive importer and 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 portions of the Pacific

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



On-Highway



Power Systems



Defense



Mining

(in millions of US \$)	Q3 '22	Q3 '21	Chg	9M'22	9M '21	Chg
Revenue	\$143.4	\$145.1	(1.2%)	\$438.2	\$441.9	(0.8%)
EBT	\$9.6	\$9.8	(2.0%)	\$28.9	\$24.2	+19.4%



PENSKE TRANSPORTATION SOLUTIONS

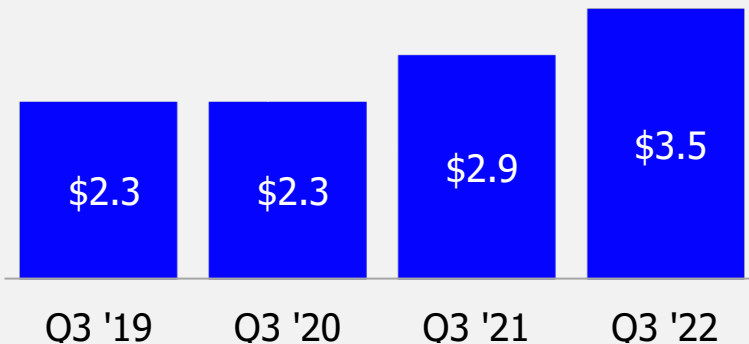
- Fleet of over 400,000 trucks, tractors and trailers
- Over 850 electric light, medium and heavy-duty vehicles in service test fleet or on order
- Q3 total revenue +19% to \$3.5 billion
- Record Q3 net income of \$468 million, +15%
- Return on sales 14%
- PAG recorded equity income from PTS investment of \$135.5 million in Q3 2022, +15%



PTS PERFORMANCE SUMMARY

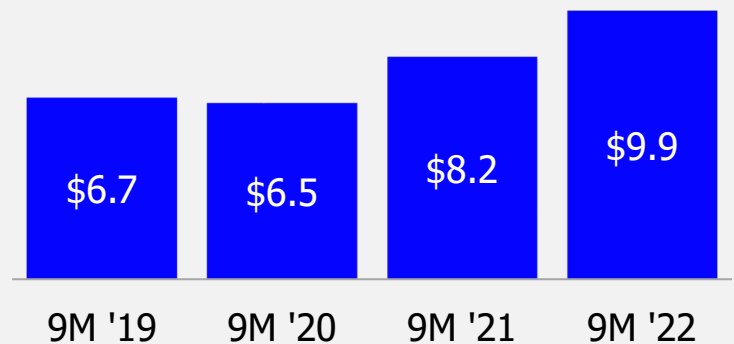
Q3 Total Revenue

(\$ in Billions)



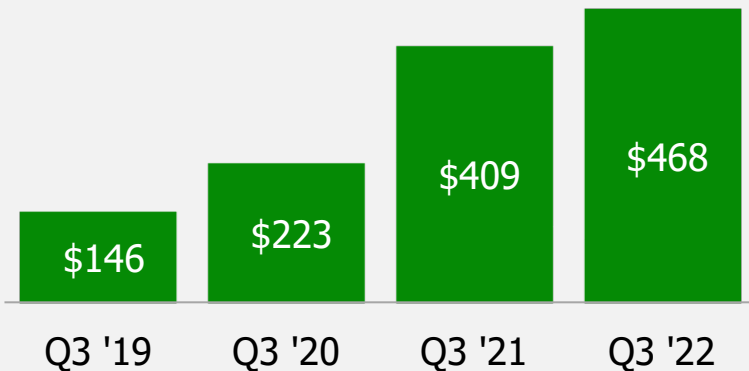
9M Total Revenue

(\$ in Billions)



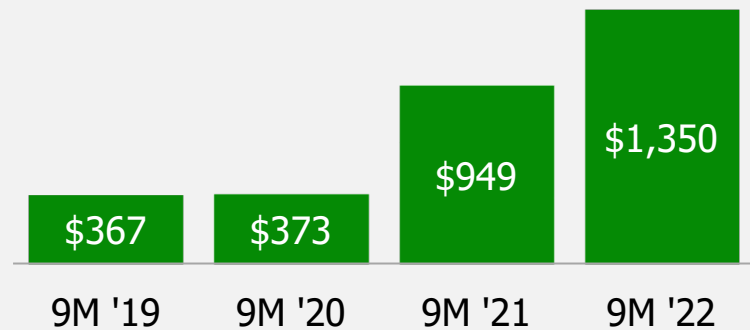
Q3 Income

(\$ in Millions)



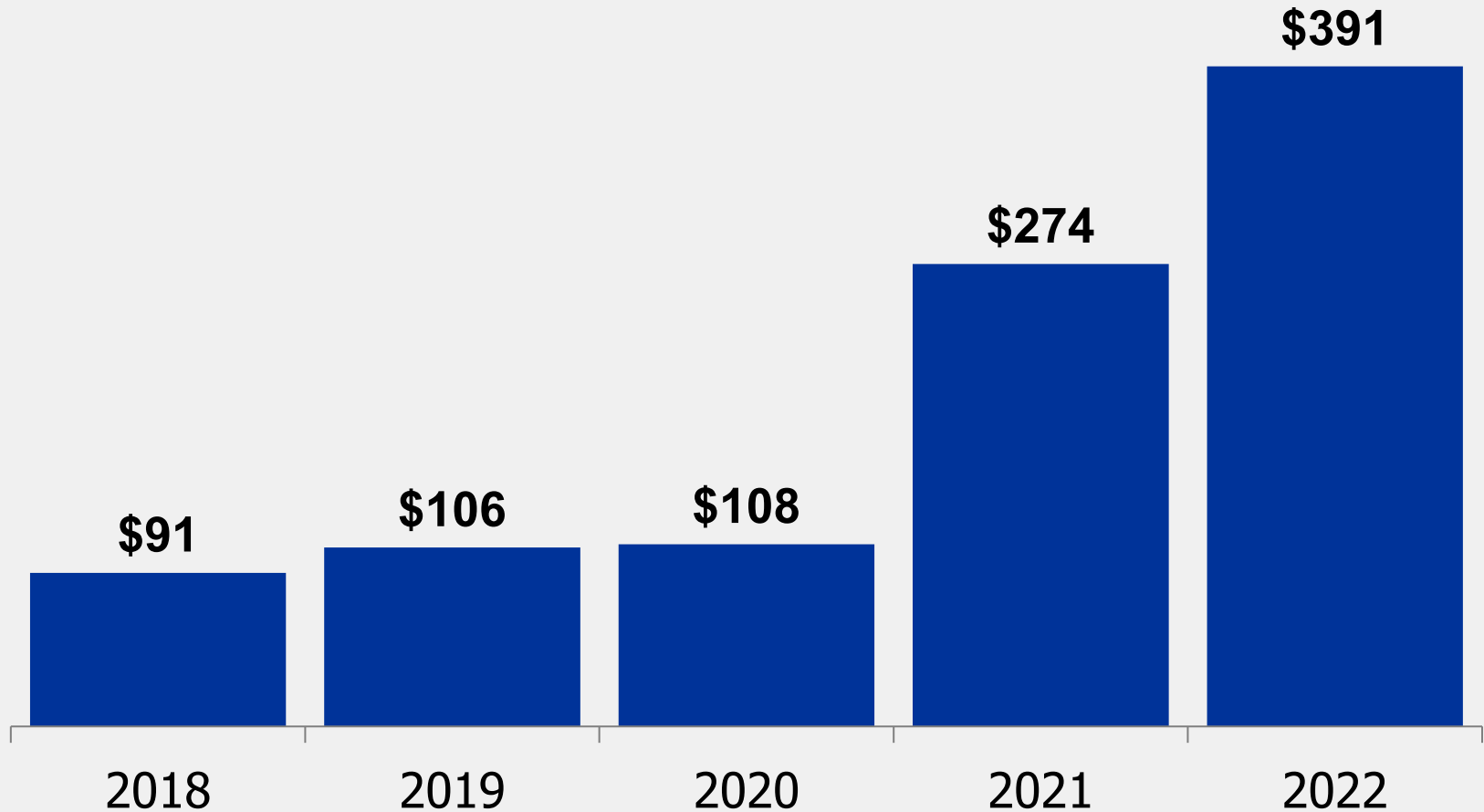
9M Income

(\$ in Millions)



PTS EARNINGS CONTRIBUTION – 9M YTD SEPTEMBER 2022

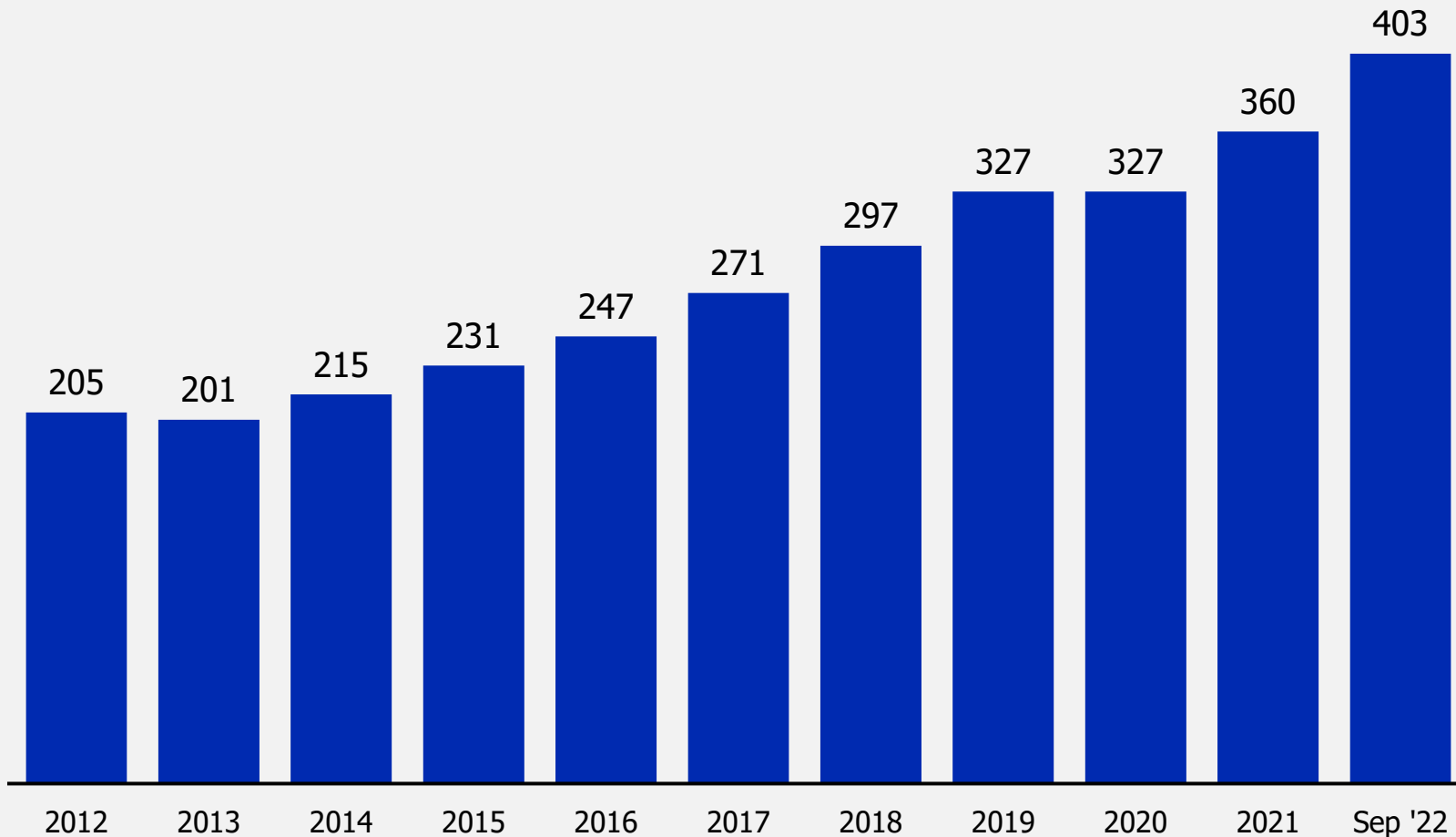
(\$ in millions)



PTS FLEET GROWTH

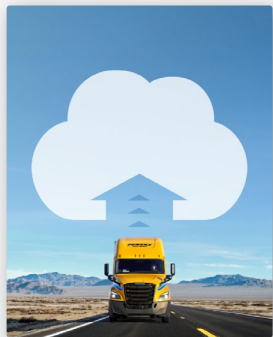
(Units in Thousands)

Fleet consists of trucks, tractors and trailers



PTS STRATEGIC OPPORTUNITIES

An **expert voice** in transportation & logistics



Data & Digital



Alternative Energy



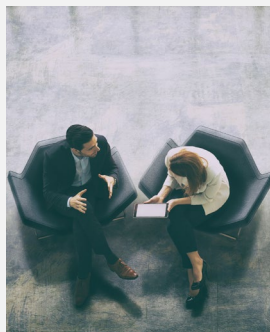
Autonomy



Clean Transportation



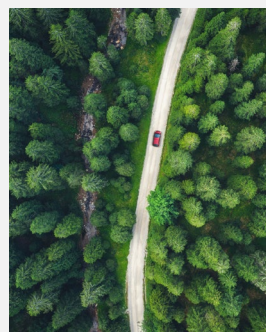
Complexity



Resilience



Visibility



Sustainability

The **provider of choice** for care and use of vehicles.

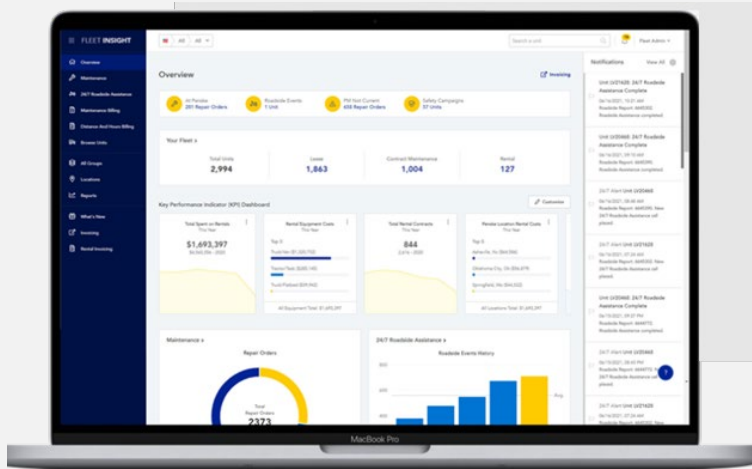
The **provider of choice** for management of supply chains.

PTS CONNECTED DATA & DIGITAL LEADERSHIP

- Unique Market Position
- Industry's Leading Data Platform
- Data into Useful Digital Tools
- Remote Diagnostics
- Vehicle Recovery
- Proactive/Predictive Diagnostics

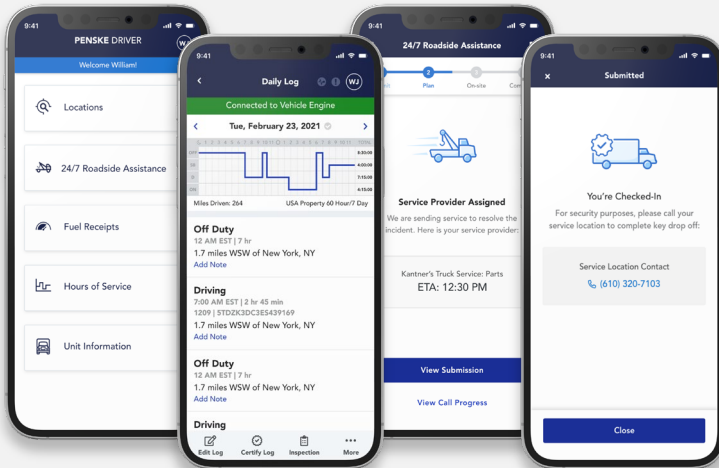


PTS CUSTOMER APPLICATIONS & TOOLS



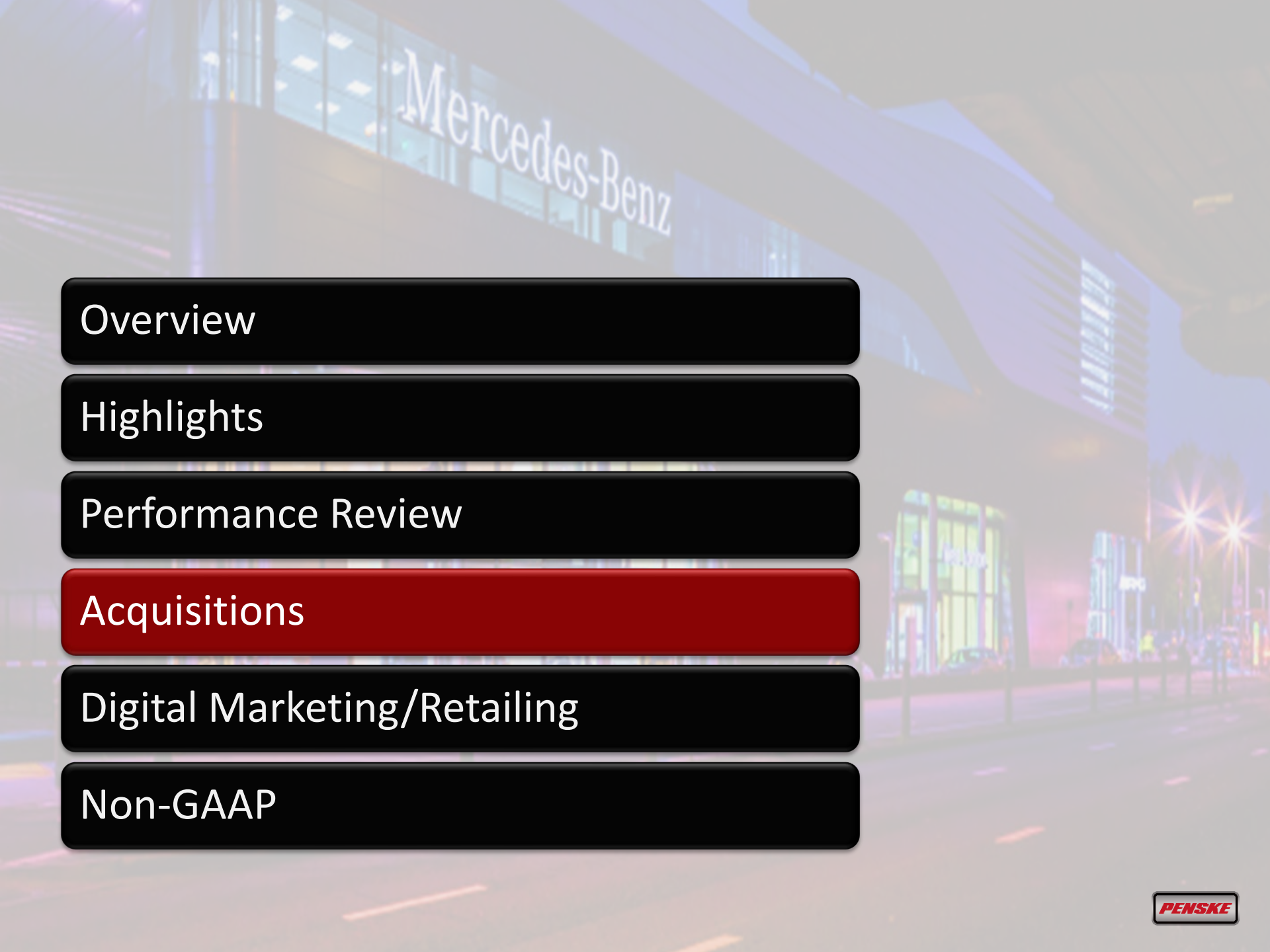
Penske Driver™

- Meets ELD mandate for rental drivers
- 16,700+ unique monthly users



Fleet Insight™

- Fleet data in real-time and all in one place
- 13,500+ unique monthly users

A blurred background image of a modern building at night, with the 'Mercedes-Benz' logo visible on its facade. The building has large glass windows and is illuminated by city lights.

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ACQUISITIONS

- \$1.3 billion in annualized revenue, including
 - Acquired 17 retail automotive franchises consisting of 13 franchises in the U.K. and four franchises in the U.S.; representing \$995 million in annualized revenue which includes approximately \$550 million in annualized revenue expected through 2022 related to the recently completed Mercedes-Benz dealership acquisitions in the U.K.
 - Opened two retail automotive franchises (open points) in the U.S. with expected annualized revenue of \$150 million
 - Acquired four retail commercial truck dealerships in Ontario, Canada; representing \$150 million in annualized revenue



BMW/MINI Escondido



Honda Leander



Audi North Orange County



Hyundai Noblesville



BMW/MINI S.E. London



Genesis Noblesville



Team Truck Centers, Ontario Canada



Mercedes-Benz North London





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GLOBAL REPUTATION FOCUS

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

**U.S. FRANCHISE
LOCATIONS**

4.7

Lifetime Avg. Google
Star Rating

**UNITED
KINGDOM**

4.4

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	9M 2022
U.S. Franchised	89%
U.K. Franchised	88%
CarShop U.S.	72%
CarShop U.K.	38%



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
- Leading technology
- 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)

- 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)

- 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

THINKING ABOUT BUYING AN EV OR HYBRID VEHICLE?

Now is an exciting time for electric and hybrid vehicles, and the appeal of owning one continues to grow each day. Vehicle cost, selection and charging options are continually improving. Whether you are currently in the market for an alternative fuel vehicle or simply want to learn more about them, we have collected the resources to get you started. And, when you're ready to purchase, our extensive inventory of EVs and hybrids awaits you.

[Shop Electric & Hybrid Vehicles](#)

WHAT YOU NEED TO KNOW ABOUT ELECTRIC VEHICLES



CHARGING YOUR EV

Before jumping into the driver's seat of an EV, let's review some of the charging basics.



BENEFITS OF AN EV OVER GAS POWER

A sporty ride with instant torque and zero emissions. Learn more about the benefits of EVs.



OWNERSHIP EXPERIENCE

Feel confident that you're asking the right questions and selecting the right EV for you.



EV MYTHS BUSTED

The anxiety of being stranded during a road trip? We bust this myth and other EV rumors.

Thinking about buying an electric vehicle?

Check out our helpful resources about EV and hybrid ownership.

[Get Started](#)

HYBRID/ELECTRIC FOCUS

- Educate consumers on hybrid/EV and drive business
- Added feature page and videos on PenskeCars.com
 - EV ownership tips
 - Potential incentives
 - Dynamic charging station map
 - Inventory links throughout page
- Featured shopping inventory button on home page
- Link on Penske Automotive's ESG section

An aerial view of a Toyota dealership building with a large American flag on the left and a 'TOYOTA' logo on the roof. The building has 'PALM BEACH' written on its side. Several cars are parked in the lot in front of the building.

Overview

Highlights

Performance Review

Acquisitions

Digital Marketing/Retailing

Non-GAAP

CONSOLIDATED NON-GAAP RECONCILIATIONS

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 and nine months ended September 30, 2022 and 2021

(\$ in millions, except per share amounts)

	Q3 '22	Q3 '21	% Chg	9M '22	9M '21	% Chg
Income from Cont. Ops	\$340.1	\$354.8	(4.1%)	\$1,082.0	\$876.1	+23.5%
Tax Legislation Changes ⁽¹⁾	--	--	nm	--	\$8.8	nm
Debt redemption costs ⁽²⁾	--	--	nm	--	\$12.6	nm
Adj. Income From Cont. Ops	\$340.1	\$354.8	(4.1%)	\$1,082.0	\$897.5	+20.6%

	Q3 '22	Q3 '21	% Chg	9M '22	9M '21	% Chg
Earnings Per Share from Cont. Ops	\$4.61	\$4.46	+3.4%	\$14.31	\$10.91	+31.2%
Tax Legislation Changes ⁽¹⁾	--	--	nm	--	\$0.11	nm
Debt redemption costs ⁽²⁾	--	--	nm	--	\$0.16	nm
Adj. EPS from Cont. Ops	\$4.61	\$4.46	+3.4%	\$14.31	\$11.18	+28.0%

The following table reconciles income from continuing operations before taxes (EBT) to adjusted income from continuing operations before taxes (EBT) for the three and nine months ended September 30, 2022 and 2021

	Q3 '22	Q3 '21	% Chg	9M '22	9M '21	% Chg
Income From Cont. Ops Before Taxes	\$467.2	\$476.1	(1.9%)	\$1,464.4	\$1,187.4	+23.3%
Debt redemption costs ⁽²⁾	--	--	nm	--	\$17.0	nm
Adj. Income From Cont. Ops Before Taxes	\$467.2	\$476.1	(1.9%)	\$1,464.4	\$1,204.4	+21.6%

(1) 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

(2) Related to expenses in connection with the redemption of our 5.5% senior subordinated notes due 2026 in 2021

EBITDA AND ADJUSTED EBITDA RECONCILIATION

The following tables reconcile reported net income to earnings before interest, taxes, depreciation, and amortization ("EBITDA") and adjusted EBITDA for the three and nine months ended September 30, 2022 and 2021

(\$ in Millions)	Three Months Ended September 30,		2022 vs 2021	
	2022	2021	Change	% Change
Net Income	\$ 341.5	\$ 356.3	\$ (14.8)	(4.2)%
Add: Depreciation	31.5	30.2	1.3	4.3%
Other Interest Expense	17.9	16.2	1.7	10.5%
Income Taxes	125.7	120.1	5.6	4.7%
Income from Disc Operations (net of tax)	--	(0.3)	0.3	nm
EBITDA	\$ 516.6	\$ 522.5	\$ (5.9)	(1.1)%
Add: Debt redemption costs ⁽¹⁾	--	--	--	nm
Adjusted EBITDA	\$ 516.6	\$ 522.5	\$ (5.9)	(1.1)%

(\$ in Millions)	Nine Months Ended September 30,		2022 vs 2021	
	2022	2021	Change	% Change
Net Income	\$ 1,086.9	\$ 879.8	\$ 207.1	23.5%
Add: Depreciation	95.1	89.7	5.4	6.0%
Other Interest Expense	51.4	53.8	(2.4)	(4.5)%
Income Taxes	377.5	308.0	69.5	22.6%
Income from Disc Operations (net of tax)	--	(0.4)	0.4	nm
EBITDA	\$ 1,610.9	\$ 1,330.9	\$ 280.0	21.0%
Add: Debt redemption costs ⁽¹⁾	--	17.0	(17.0)	nm
Adjusted EBITDA	\$ 1,610.9	\$ 1,347.9	\$ 263.0	19.5%

nm = not meaningful

(1) Related to a \$17 million expense in connection with the redemption of our 5.5% senior subordinated notes due 2026

EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, adj EBITDA and the leverage ratio as of September 30, 2022 and December 31, 2021

(\$ in Millions)	Three Months Ended Dec. 31, 2021	Nine Months Ended Sept. 30, 2022	Trailing Twelve Months Ended Sept. 30, 2022	Twelve Months Ended Dec. 31, 2021
Net Income	\$ 312.9	\$ 1,086.9	\$ 1,399.8	\$ 1,192.7
Add: Depreciation	31.8	95.1	126.9	121.5
Other Interest Exp	14.8	51.4	66.2	68.6
Income Taxes	108.3	377.5	485.8	416.3
Inc. from Discontinued Ops (net of tax)	(0.9)	--	(0.9)	(1.3)
EBITDA	\$ 466.9	\$ 1,610.9	\$ 2,077.8	\$ 1,797.8
Add: Loss on Investment for Revaluation ⁽¹⁾	11.4	--	11.4	11.4
Add: Debt redemption costs ⁽²⁾	--	--	--	17.0
Adjusted EBITDA	\$ 478.3	\$ 1,610.9	\$ 2,089.2	\$ 1,826.2
Total Non-Vehicle LT Debt			\$ 1,638.0	\$ 1,474.0
Leverage Ratio			0.8x	0.8x

(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

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 ⁽¹⁾	\$ 11.4	---	---
Add: Debt redemption costs ⁽²⁾	\$ 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 in 2020 and our \$300 million 5.375% senior subordinated notes due 2024 in 2020

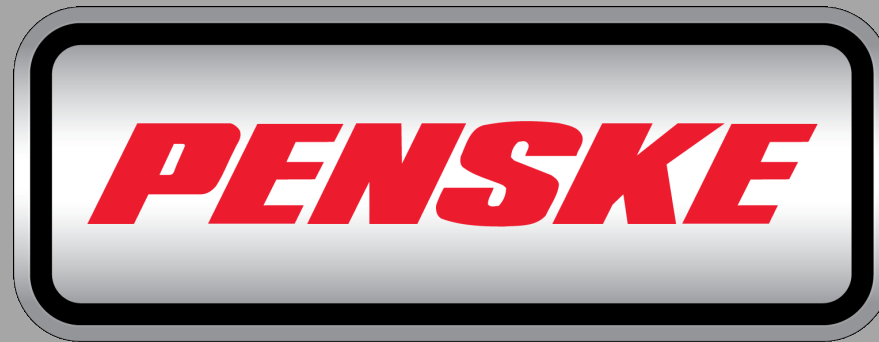
EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

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 ⁽¹⁾	(\$22.7)	---
Add: Valuation adjustments ⁽²⁾	<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