



*Automotive*



# FIRST QUARTER 2024 FINANCIAL RESULTS

April 2024



# FORWARD-LOOKING STATEMENT DISCLAIMER

Statements in this presentation may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s financial performance and future plans. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others, our ability to successfully complete pending acquisitions and satisfy applicable closing conditions, our ability to successfully integrate acquired dealerships into our existing operations and obtain certain contemplated synergies, those related to macro-economic, geo-political and industry conditions and events, including their impact on new and used vehicle sales, the availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, demand for trucks to move freight with respect to PTS and PTG, personal discretionary spending levels, interest rates, and unemployment rates; our ability to obtain vehicles and parts from our manufacturers, especially in light of supply chain disruptions due to natural disasters, the shortage of vehicle components, the war in Ukraine, challenges in sourcing labor, or labor strikes or work stoppages, or other disruptions; 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; the effects of a pandemic on the global economy, including our ability to react effectively to changing business conditions in light of any pandemic; the rate of inflation, including its impact on vehicle affordability; changes in interest rates and foreign currency exchange rates; our ability to consummate, integrate and realize returns on our acquisitions; with respect to PTS, changes in the financial health of its customers, labor strikes or work stoppages by its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, changes in values of used trucks which affects PTS' profitability on truck sales and regulatory risks and related compliance costs; our ability to realize returns on our significant capital investments 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 in both our domestic and international markets relating to dealerships and vehicles sales, including those related to the sales process or emissions standards, as well as changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks; 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; 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, risks, and other uncertainties, which could affect Penske Automotive Group's future performance. The risks and uncertainties discussed above are not exhaustive and additional risk and uncertainties are addressed in Penske Automotive Group's Form 10-K for the year ended December 31, 2023, and its other filings with the Securities and Exchange Commission. This presentation speaks only as of its date, and Penske Automotive Group disclaims any duty to update the information herein.



# PAG OVERVIEW

## A Diversified Transportation Services Company

Headquartered in Bloomfield Hills, MI USA

For the Three Months Ended March 31, 2024:

**28,500**

employees worldwide

**4**

continents

**9**

countries

**126,864**

new & used units delivered

**\$7.4B**

revenue

**360**

automotive franchised  
dealerships

**18**

CarShop used vehicle  
centers

**43**

commercial retail truck  
locations

**21**

commercial vehicle, power  
system & parts distribution  
locations

# ACCOLADES AND AWARDS



- PAG – Best Retailer to Work For 2024
- CarShop UK – Best Places to Work For 2021
- CarShop US – Best Places to Work For 2019
- Sytner Group – Best Retailer To Work For 2019



## 44 Dealers in 2023

Including nine of top 10 and 13 of top 20 in overall rankings and the No. 1 ranked dealership. Additionally, PAG was recognized for efforts to promote Diversity, Equity & Inclusion

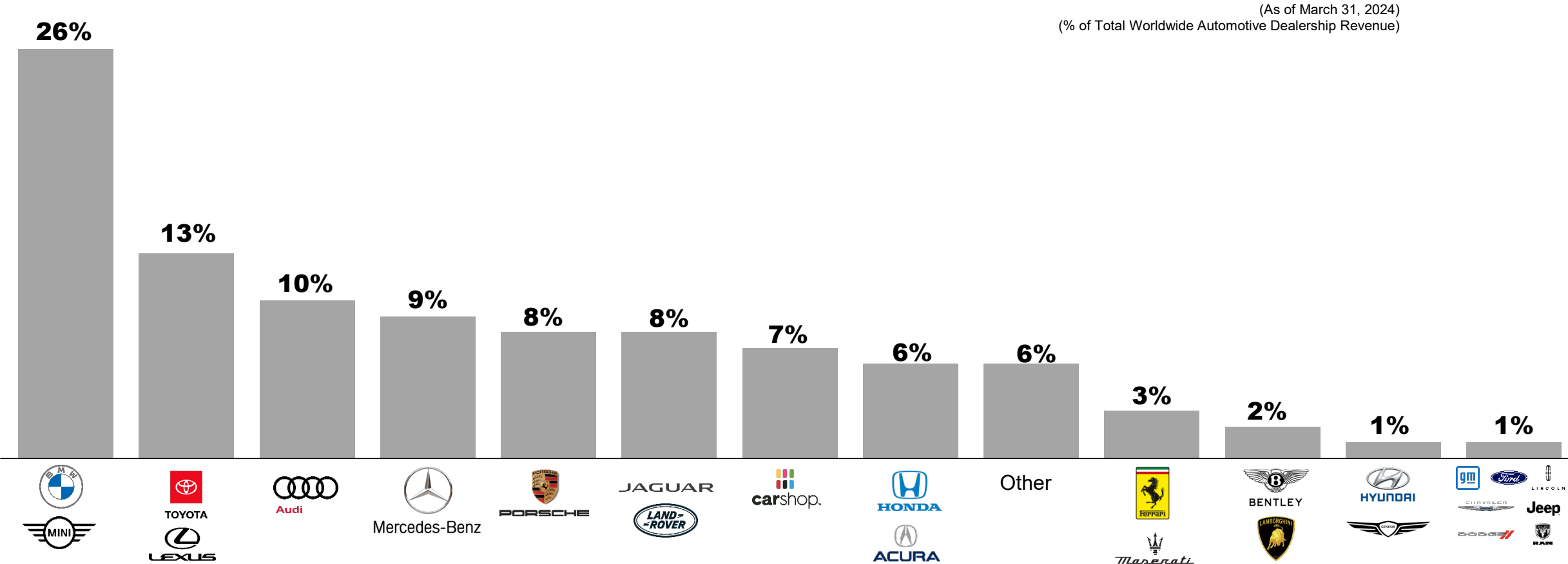
## 46 Dealers in 2022

Including seven of top 10 and 17 of top 25 in overall rankings and No. 1 in the small dealership group category. Additionally, 7 of top 10 ranked for efforts to promote Diversity, Equity & Inclusion

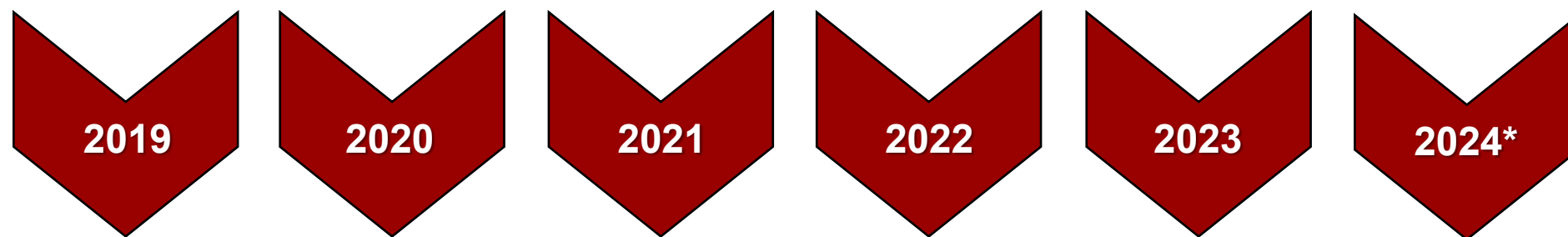
## 35 Dealers in 2021

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

# RETAIL AUTOMOTIVE BRAND MIX



# CAPITAL ALLOCATION HISTORY



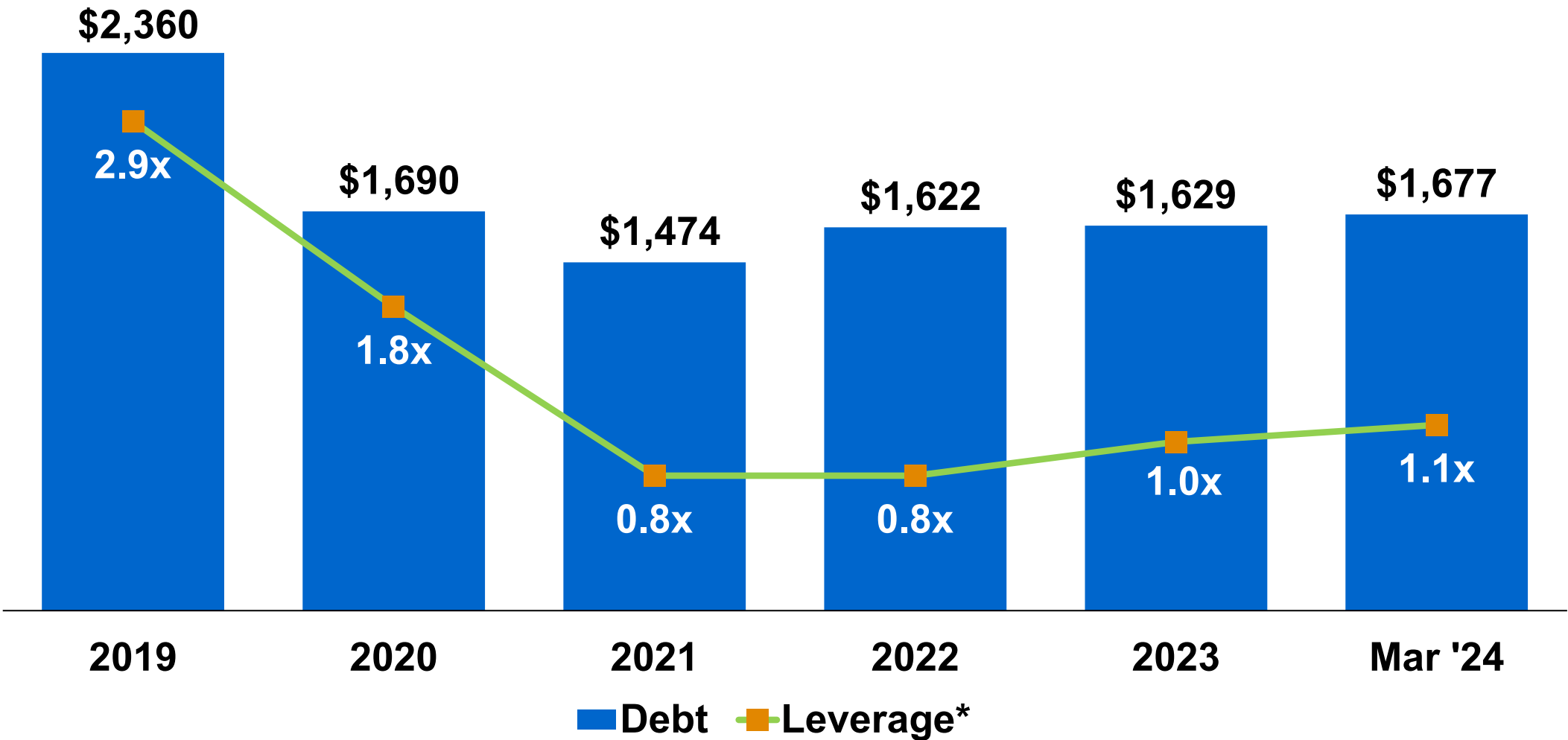
(In Millions)

<b>Dividends</b>	<b>\$131</b>	<b>\$68</b>	<b>\$143</b>	<b>\$154</b>	<b>\$189</b>	<b>\$59</b>
<b>Cap Ex</b>	<b>\$245</b>	<b>\$186</b>	<b>\$249</b>	<b>\$283</b>	<b>\$375</b>	<b>\$103</b>
<b>Share Repurchases</b>	<b>\$174</b>	<b>\$35</b>	<b>\$294</b>	<b>\$887</b>	<b>\$382</b>	<b>\$33</b>
<b>Acquisitions</b>	<b>\$327</b>	<b>---</b>	<b>\$432</b>	<b>\$393</b>	<b>\$215</b>	<b>\$244</b>

\*For the three months ended March 31, 2024

# HISTORICAL LONG-TERM DEBT AND LEVERAGE

(USD in Millions)



\*Refer to non-gaap reconciliation section beginning on page 36





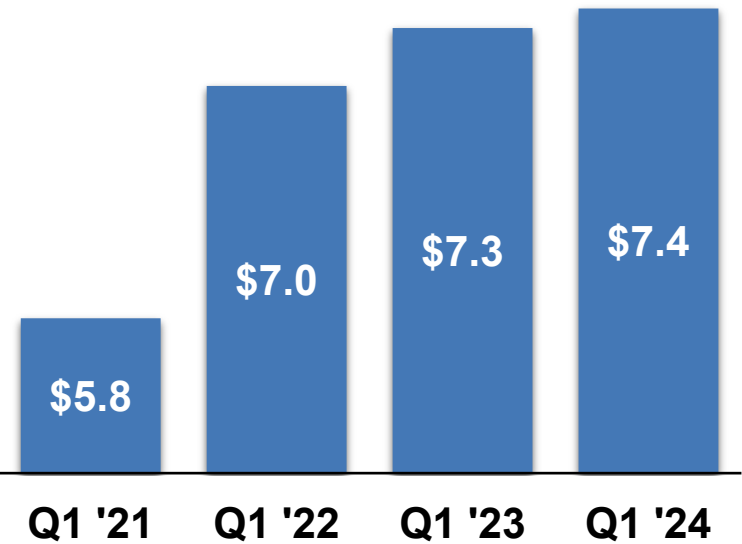
# Q1 2024 REVIEW



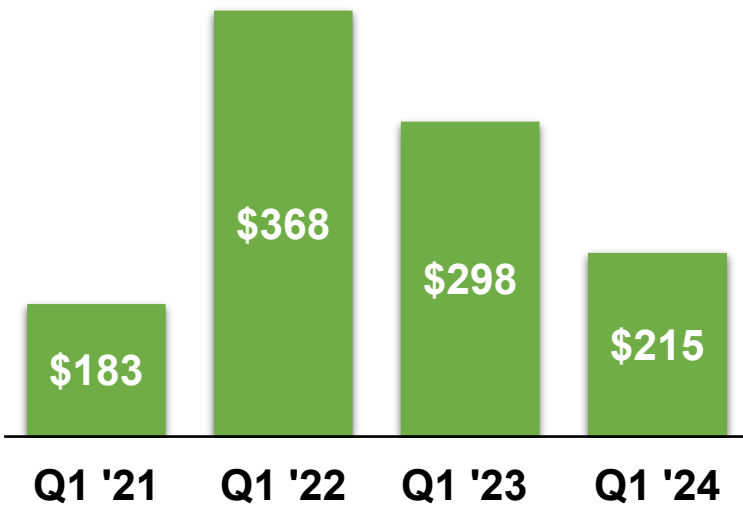


# PAG Q1 PERFORMANCE SUMMARY

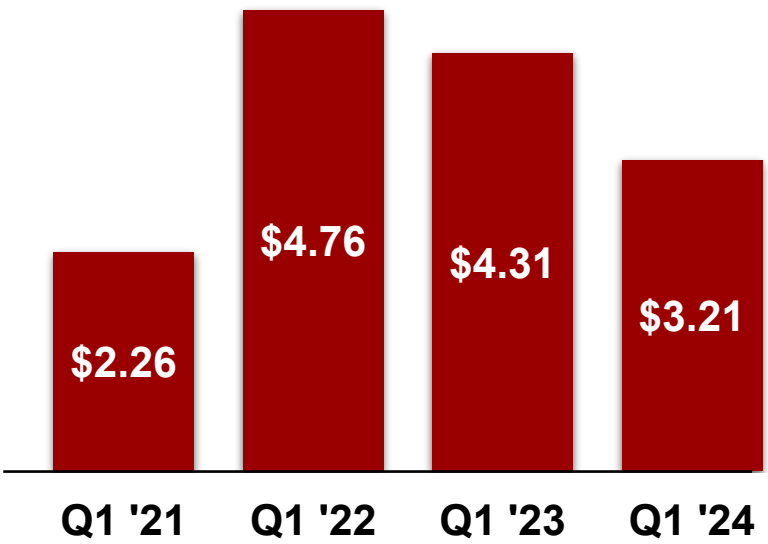
**Total Revenue**  
(\$ in Billions)



**Net Income Attributable to  
Common Stockholders**  
(\$ in Millions)



**Income Per Share**



# KEY HIGHLIGHTS – Q1

## Retail Automotive (2024 vs 2023)

- Total same-store units delivered (incl. Agency) increased 1% to 122,060
- Same-store retail automotive revenue performance

	Reported	Excl. F/X
New Vehicle	-1%	-3%
Used Vehicle	-1%	-4%
F & I	-2%	-4%
Service/Parts	+5%	+4%
Fleet/Wholesale	<u>-3%</u>	<u>-4%</u>
Total	-1%	-2%

- Same-store variable vehicle gross profit (excl. agency) of \$4,975 down \$521/unit, or -9.5%
- Variable vehicle gross profit (excl. agency) of \$4,978, down \$463/unit, or -8.5%

Note: Refer to page 40 for an overview of the Agency model

## Retail Commercial Trucks (2024 vs 2023)

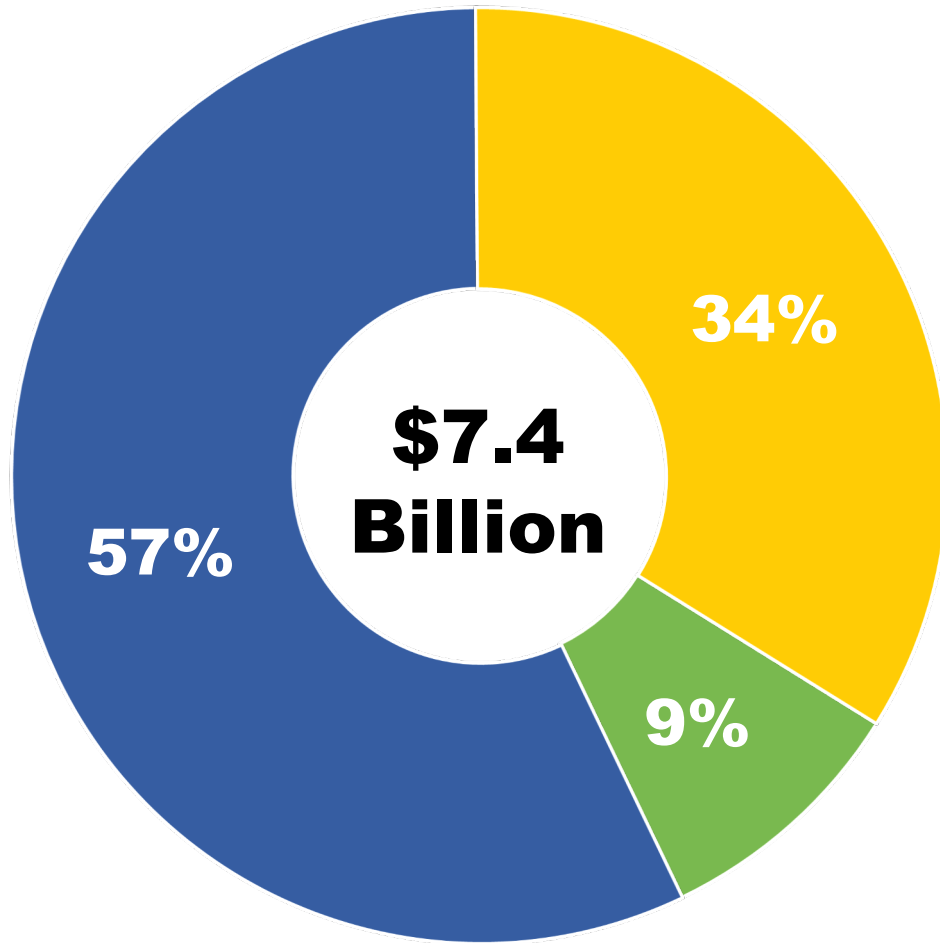
- Retailed 4,540 new & used trucks, -12%; same-store units -15%
- Same-store revenue -15%; same-store gross profit -6%
- Same-store fixed cost absorption of 130%
- Record fourth quarter EBT of \$51 million

## Capital Allocation

- Increased dividend 10% in January 2024 to \$0.87
- In January 2024, completed the acquisition of Rybrook Group in the U.K. representing \$1 billion in estimated annualized revenue
- April 2024, announced agreement to acquire two Porsche dealerships in Melbourne, Australia

## Penske Transportation Solutions

- PAG equity income from PTS investment:
  - \$32.5 million for three months ended March 31, 2024

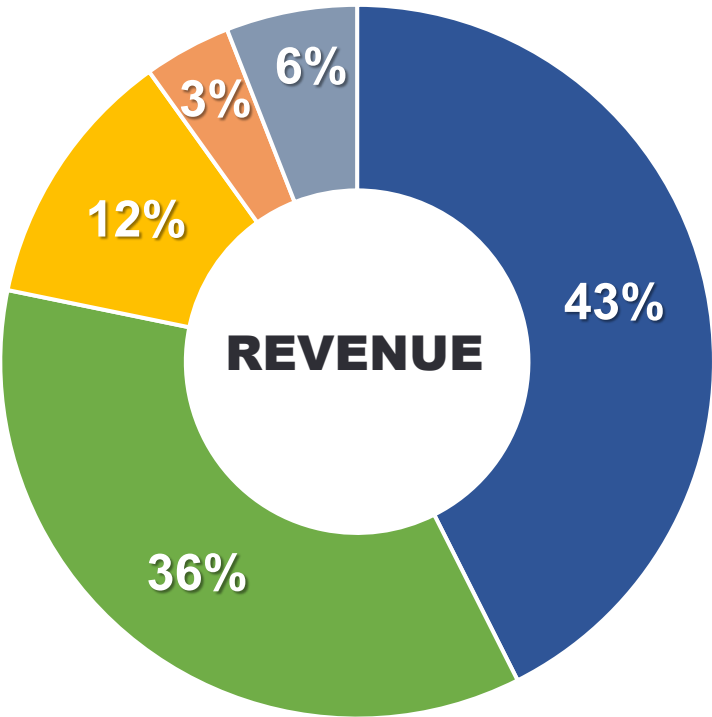


- North America
- United Kingdom
- Other International

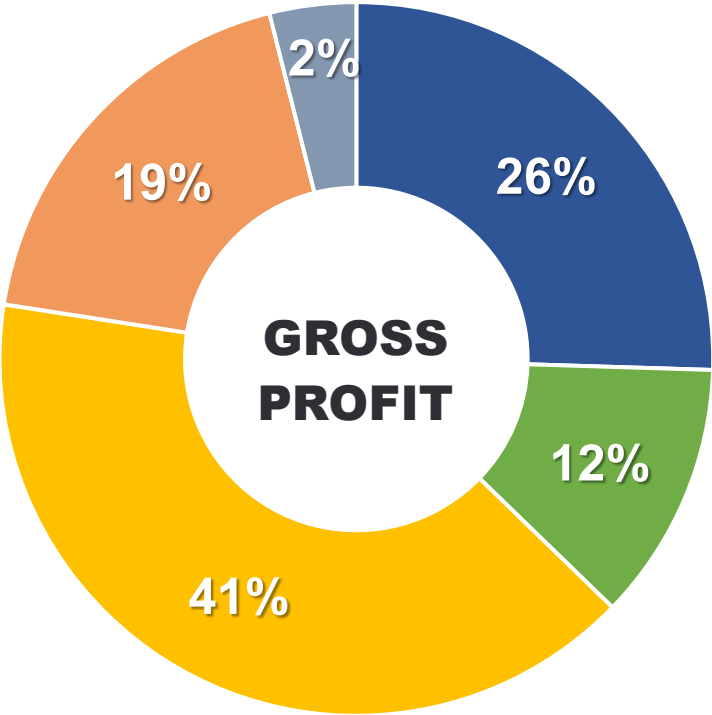
## Q1 2024 GLOBAL REVENUE



(For the three months ended March 31, 2024)



- New Vehicles
- Service & Parts
- Fleet & Wholesale



- Used Vehicles
- Finance & Insurance

# RETAIL AUTO REVENUE STREAMS DRIVE PROFITABILITY

# PERFORMANCE HIGHLIGHTS – Q1

(\$ in Millions)	Q1 '24	Q1 '23	Chg
Revenue	\$7,448	\$7,339	+2%
<i>Excl F/X</i>	<i>\$7,350</i>		<i>flat</i>
Retail Auto Same-Store Revenue	\$6,218	\$6,262	-1%
<i>Excl F/X</i>	<i>\$6,123</i>		<i>-2%</i>
Inc. from Cont. Ops Before Taxes	\$295	\$407	-28%
<i>Excl F/X</i>	<i>\$293</i>		<i>-28%</i>
Income from Cont. Ops	\$215	\$298	-28%
<i>Excl F/X</i>	<i>\$214</i>		<i>-28%</i>
Earnings Per Share	\$3.21	\$4.31	-26%
<i>Excl F/X</i>	<i>\$3.19</i>		<i>-26%</i>

# RETAIL AUTOMOTIVE





# RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q1 '24	Q1 '23	Chg
<b>VOLUME METRICS</b>			
New Units*	46,807	47,566	-2%
Used Units	66,725	66,578	---
Agency Units	<u>8,528</u>	<u>6,893</u>	<u>+24%</u>
Total Units	122,060	121,037	+1%
<b>GROSS PER UNIT*</b>			
New	\$5,195	\$6,326	-18%
Used	\$1,833	\$1,834	---
F&I	\$1,756	\$1,790	-2%
Var. Vehicle Gross	\$4,975	\$5,496	-9%

\*Excluding agency; refer to page 40 for an overview of the agency model

# RETAIL AUTOMOTIVE SAME-STORE REVENUE

(\$ in Millions)	Q1 '24	Q1 '23	Chg	Q1 '24 Excl F/X	Q1 '23 Excl F/X	Chg
New Vehicle	\$2,688	\$2,719	-1%	\$2,657	\$2,719	-2%
Used Vehicle	\$2,238	\$2,270	-1%	\$2,189	\$2,270	-4%
Finance & Insurance	\$202	\$206	-2%	\$199	\$206	-3%
Service & Parts	\$714	\$680	+5%	\$706	\$680	+4%
Fleet & Wholesale	<u>\$376</u>	<u>\$387</u>	<u>-3%</u>	<u>\$372</u>	<u>\$387</u>	<u>-4%</u>
Total	\$6,218	\$6,262	-1%	\$6,123	\$6,262	-2%

# **CARSHOP USED VEHICLES**





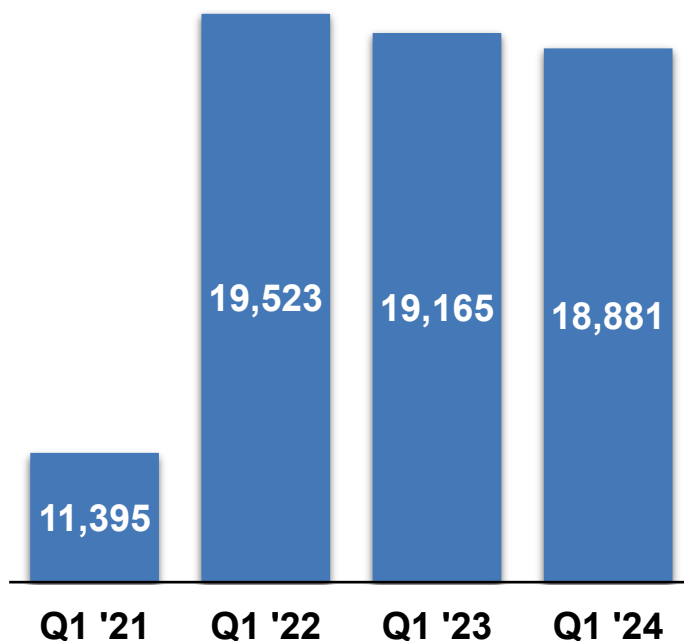
- Operate 18 used vehicle centers across U.S./U.K.
- One price; no haggle approach
- In-store or 100% on-line
- Sequential improvement of variable gross profit from Q4 2023 to Q1 2024 of \$180/unit or +9%

	Q1 '24	Q1 '23	Chg
Units	18,881	19,165	-2%
Revenue (\$ in Millions)	\$456	\$489	-7%
Avg. Trans. Price	\$20,462	\$20,879	-2%
Var. Gross/Unit	\$2,118	\$2,054	+3%

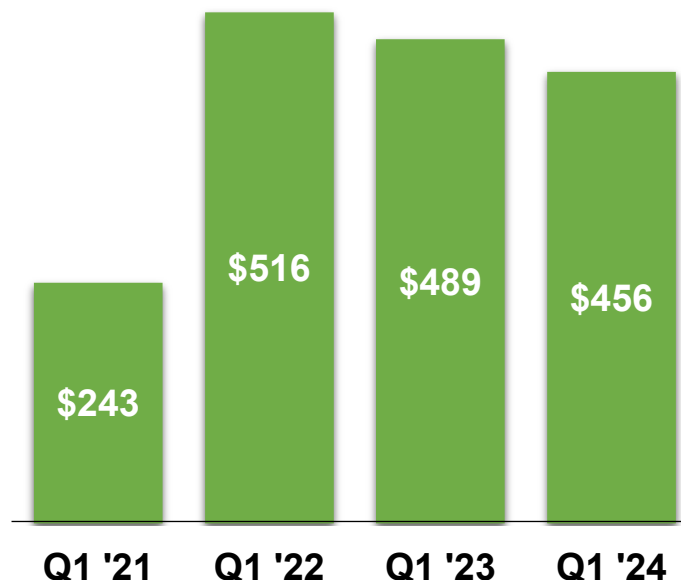


# PERFORMANCE SUMMARY

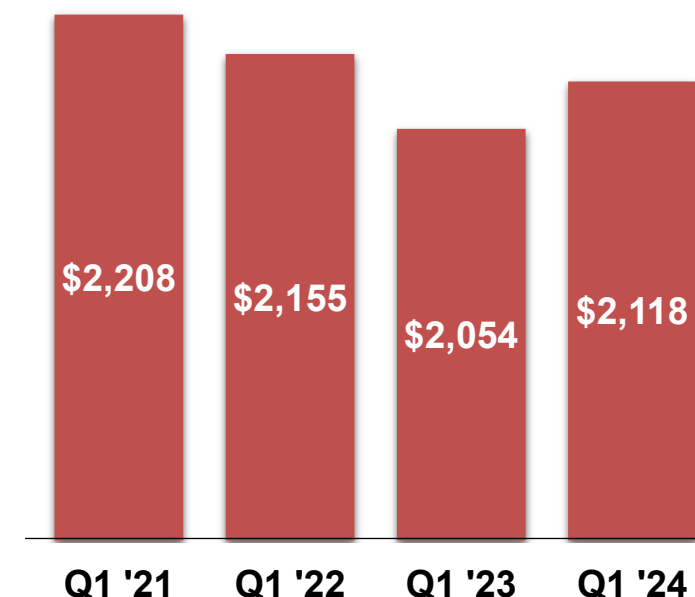
## Q1 Units



## Q1 Revenue (in Millions)



## Q1 Gross/Unit



# PREMIER TRUCK GROUP



**Amarillo, Texas Facility**  
Opened January 2024



- One of the largest dealership groups for Daimler Trucks N.A.
- Retails new and used Freightliner and Western Star Trucks
- 43 locations across North America
- Added tenth (10<sup>th</sup>) SelecTruck used vehicle location in Amarillo, Texas (April, 2024)
- Retailed 4,540 new and used units in Q1 2024
  - New -23%; Used +60%
- Same-store new truck gross profit per unit increased 34% to \$9,651/unit
- Same-store used truck gross profit per unit declined 53% to \$3,884/unit
- EBT of \$51 million in Q1 2024
- Same-store fixed cost absorption of 130% in Q1 2024

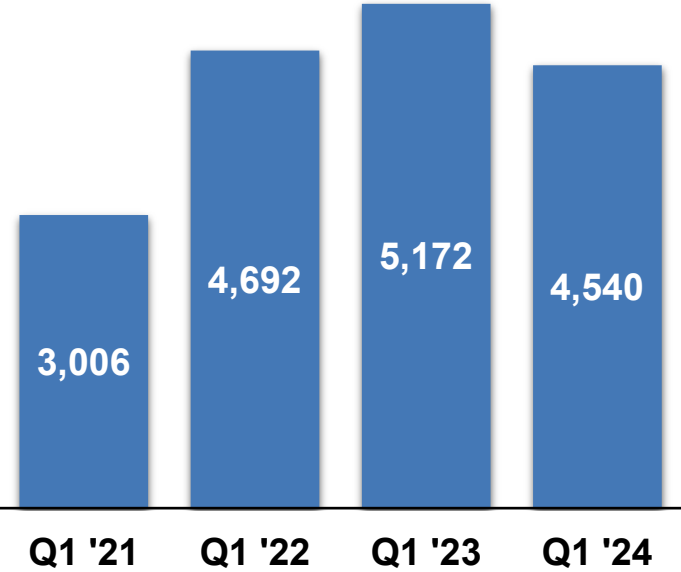


# RETAIL COMMERCIAL TRUCK KEY METRICS

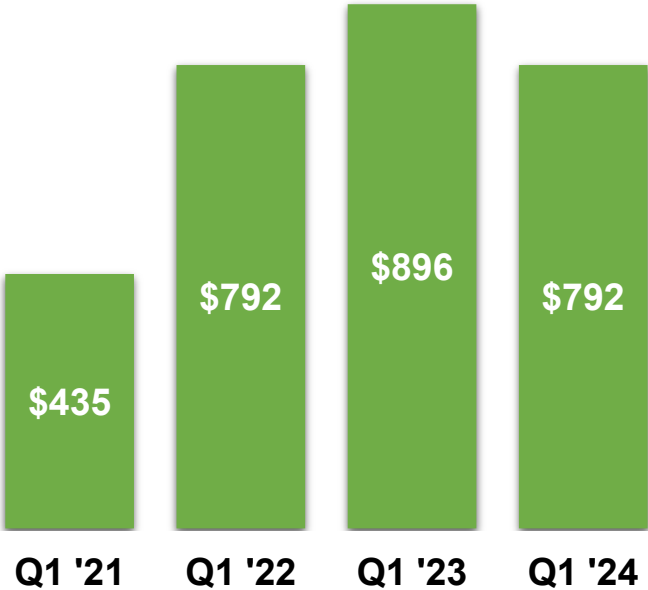
Same-Store	Q1 '24	Q1 '23	Chg
<b>VOLUME METRICS</b>			
New Units	3,362	4,517	-26%
Used Units	<u>1,024</u>	<u>655</u>	<u>+56%</u>
Total Units	4,386	5,172	-15%
<b>GROSS PER UNIT</b>			
New	\$9,651	\$7,190	+34%
Used	\$3,884	\$8,195	-53%
F&I	\$1,134	\$961	+18%

# RETAIL COMMERCIAL TRUCK PERFORMANCE

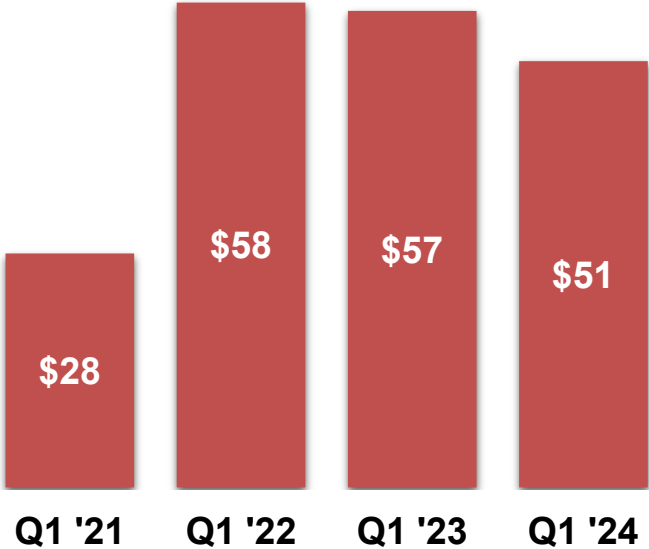
Q1 Units



Q1 Revenue (in Millions)



Q1 Income (\$ in Millions)



**PENSKE  
AUSTRALIA &  
NEW ZEALAND**





# PENSKE AUSTRALIA/NEW ZEALAND



- Exclusive importer and distributor of certain heavy/medium-duty trucks, buses and refuse collection vehicles – Western Star, MAN, Dennis Eagle
- Distributor of diesel/gas engines and power systems – MTU, Detroit Diesel, Allison Transmission, and Bergen engines
- Parts & service gross profit approximately 75% of total gross profit
- Serves on-highway truck, mining, construction, agriculture, marine, oil & gas, and energy solutions market segments

(in millions of US \$)	Q1 '24	Q1 '23	CHG
Revenue	\$178	\$144	+24%
EBT	\$13.5	\$12.2	+11%

# **PENSKE TRANSPORTATION SOLUTIONS**





# PENSKE TRANSPORTATION SOLUTIONS (PTS)

## Penske Truck Leasing



Truck  
Rental

Full-Service  
Leasing

Contract  
Maintenance

Used  
Trucks

## Penske Logistics



Dedicated  
Contract  
Carriage

Distribution  
Center  
Management

Freight  
Management  
& Brokerage

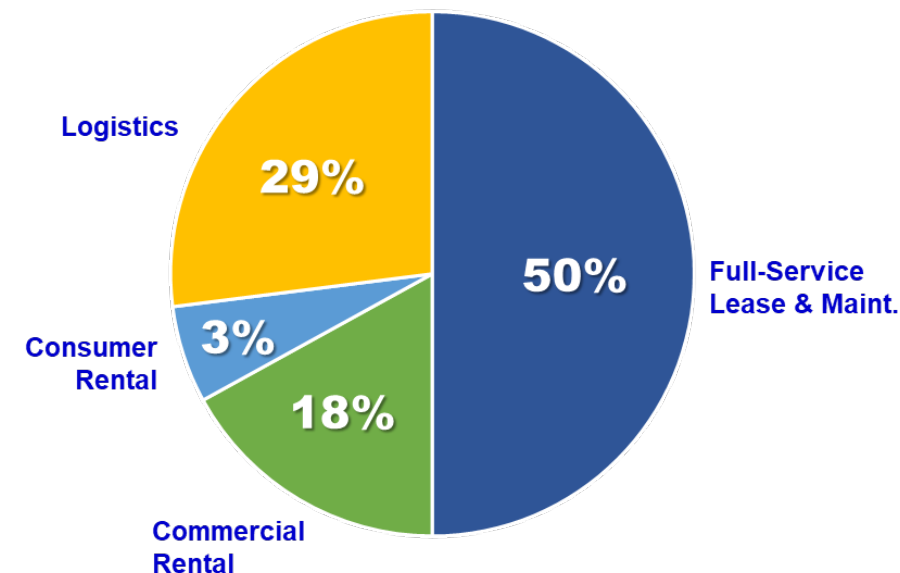
Professional  
Services

# PTS HIGHLIGHTS

- Managed fleet of over 442,000 trucks, tractors and trailers
- Q1 2024 Highlights:
  - Operating revenue of \$2.7 billion, up 3%
  - Net income of \$112 million, down 60%
  - Return on sales 4%
- Lower equity earnings from PTS were primarily due to lower commercial rental utilization, lower consumer rental revenue, higher interest rates and average debt balances, and lower gains from the sale of revenue earning vehicles partially offset by improved operating results in full-service leasing and distribution center management when compared to the same period in 2023.
- PAG recorded equity income from PTS investment of \$33 million for the three months ended March 31, 2024

## OPERATING REVENUE

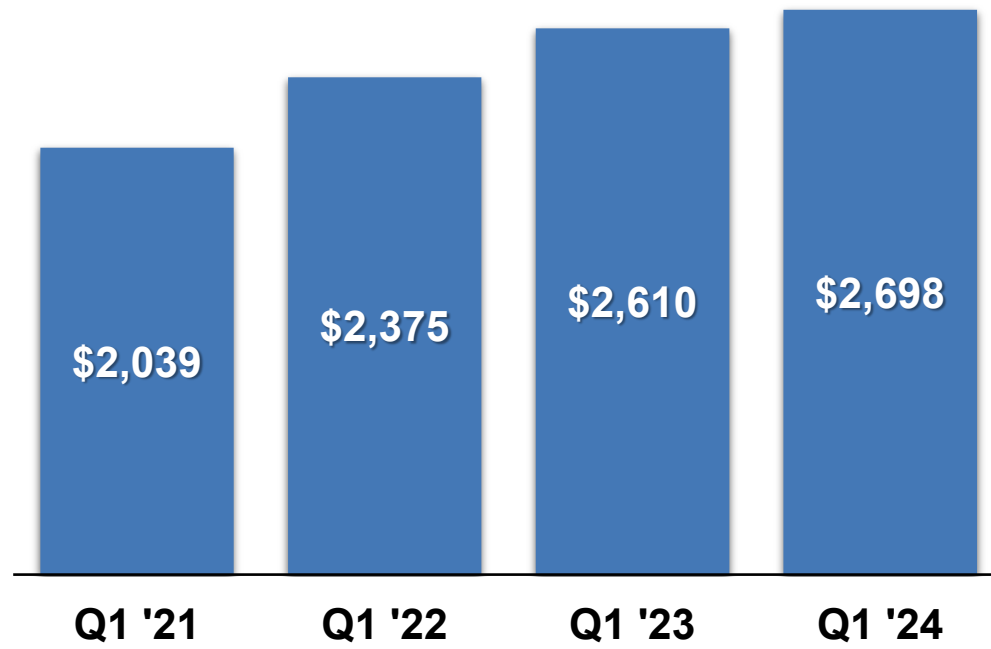
(For the three months ended March 31, 2024)



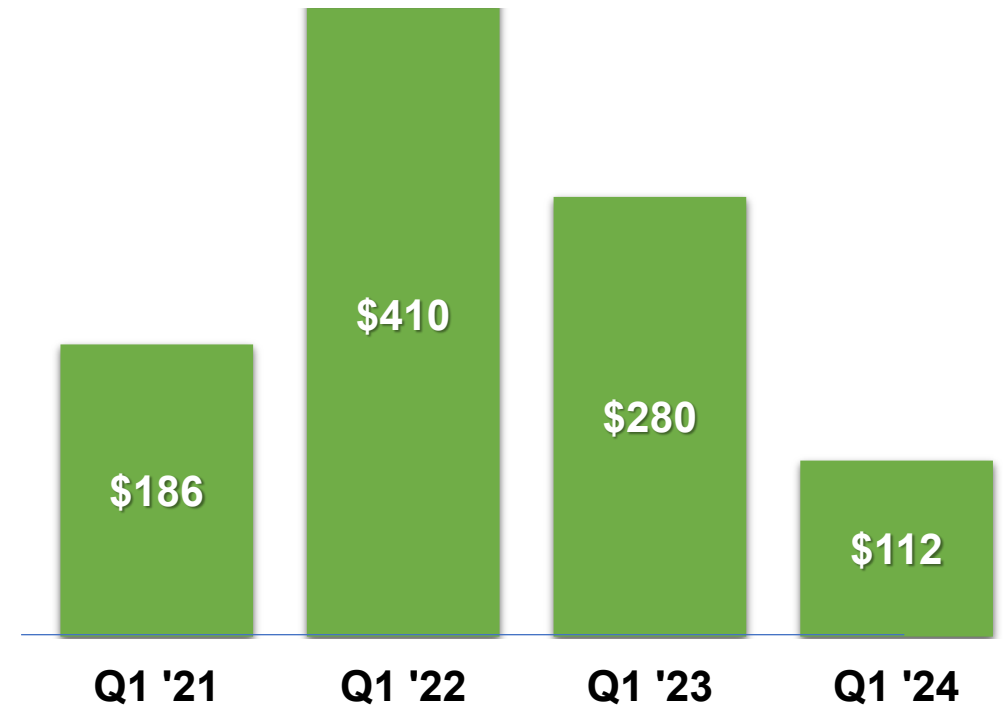


# PTS PERFORMANCE SUMMARY

## Operating Revenue (\$ in Millions)



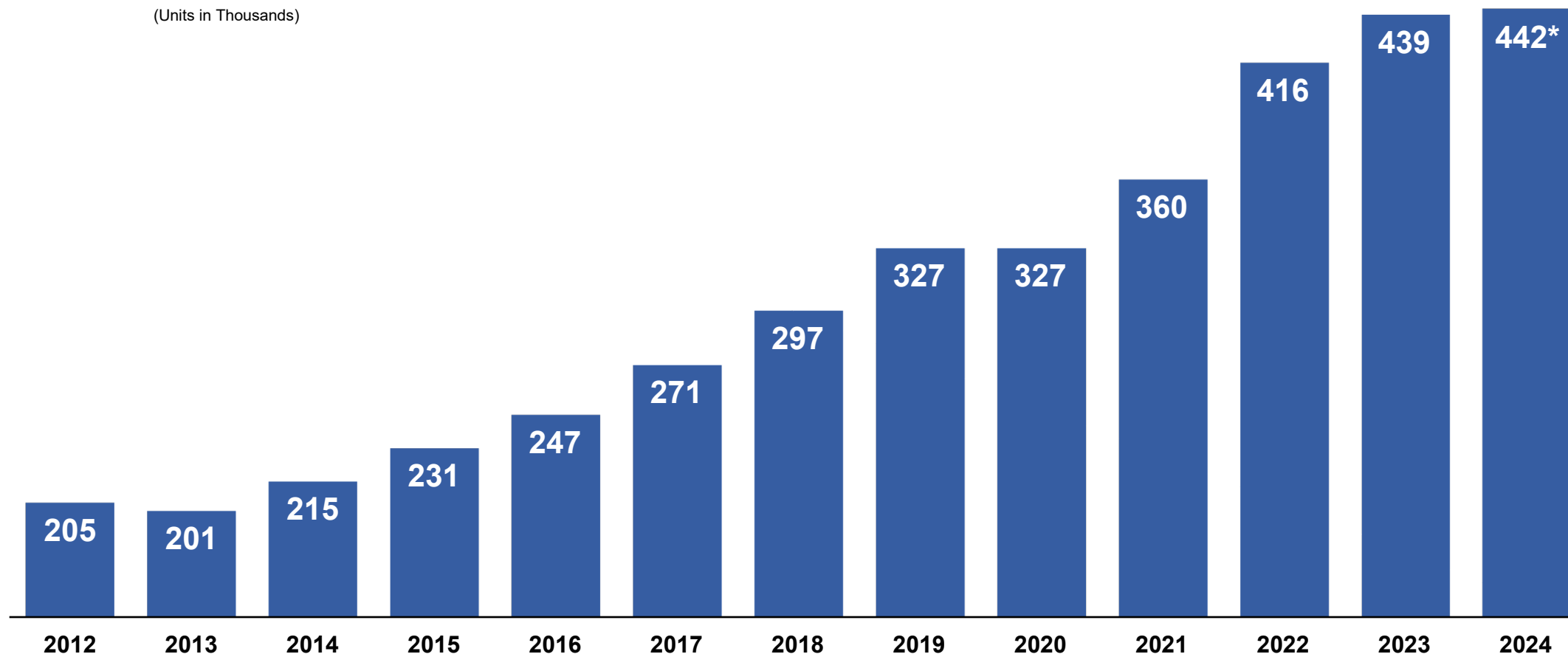
## Net Income (\$ in Millions)



# PTS FLEET GROWTH

Managed fleet consists of trucks, tractors and trailers under lease, rental and/or maintenance contracts

(Units in Thousands)



(\*As of March 31, 2024)

# OMNI CHANNEL & DIGITAL



# SPECTRUM OF RETAIL OPERATIONS

Customers control the purchase process and have the ability to flow across in-store and online options



## End-to-End Platform

*CarShop USA*

A fully integrated end-to-end digital transaction system to execute online orders



## OEM Programs

OEM powered solutions for brand integration

Benefit from OEM marketing

Leading technology

Enables "Buy online" from OEM sites

Integration with captive finance

Consistency around brand experience



## Digital Retailing

Enabling customers to shop how they choose

Start online, finish in-store

*Browse-Buy-Connect (UK)*

Reserve for £99, customer chooses pick-up location

Buy online via fully integrated finance app or by card



## In-Store

In-person transaction at the dealership

Work directly with trained industry professionals

Offers superior customer experience

100% Online

100% In-Store



# DIGITAL RETAILING TO MODERN RETAILING

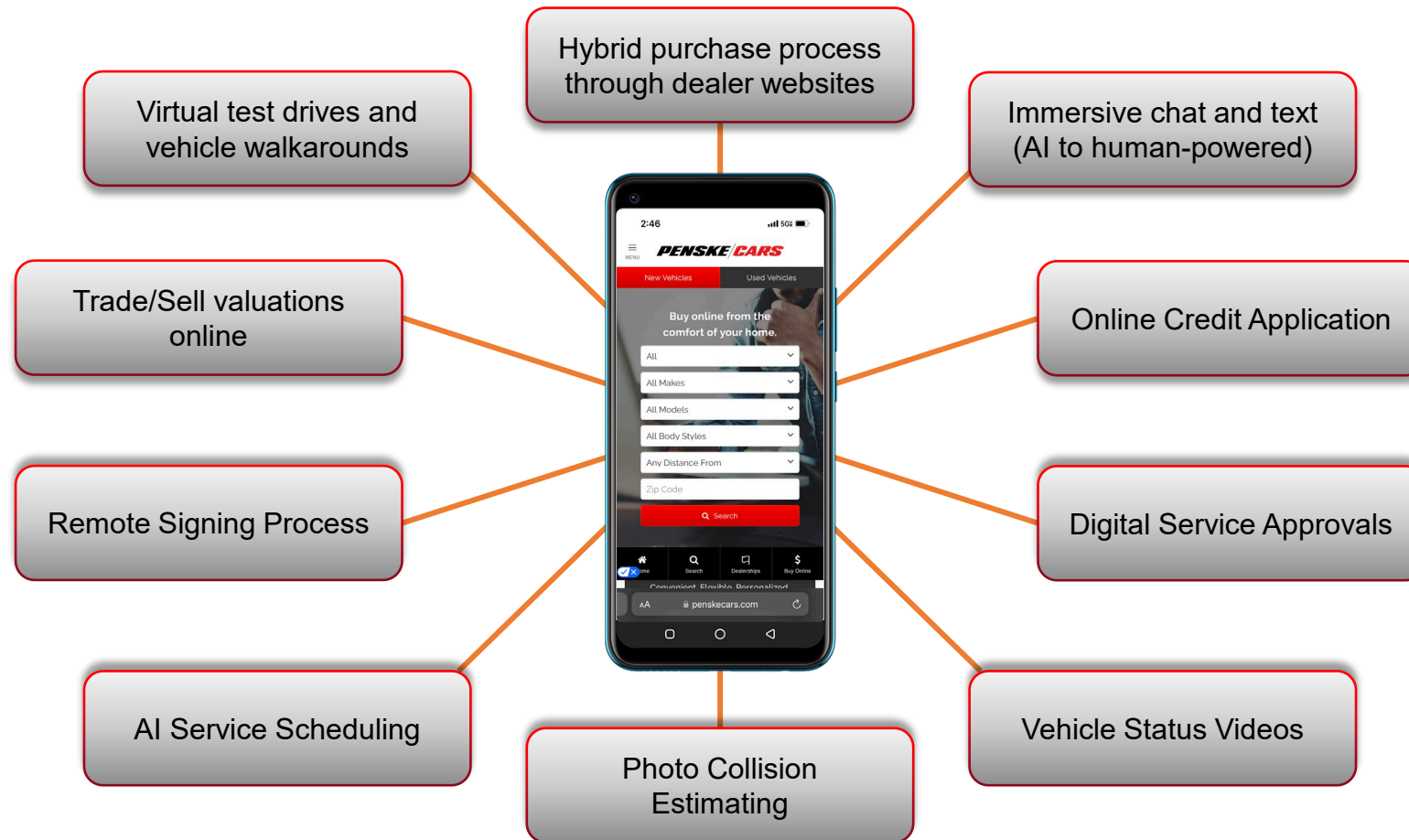
- Evolved from a web tool to an integrated digital engagement platform
- Parallel technology to flow from online to in-store
  - Data follows customer from web to showroom
  - Leverage the same system if the customer starts in store
  - Working deal alongside of customer builds trust
  - Smooth omnichannel experience
- OEM programs
  - Added additional structure and capabilities
- PAG strategy
  - Continue to utilize OEM programs
  - Continue to leverage end-to-end solution at CarShop
  - Leverage tools that integrate the online/in-store platform

***Now a framework around which vehicles are sold regardless of how the customer engages***



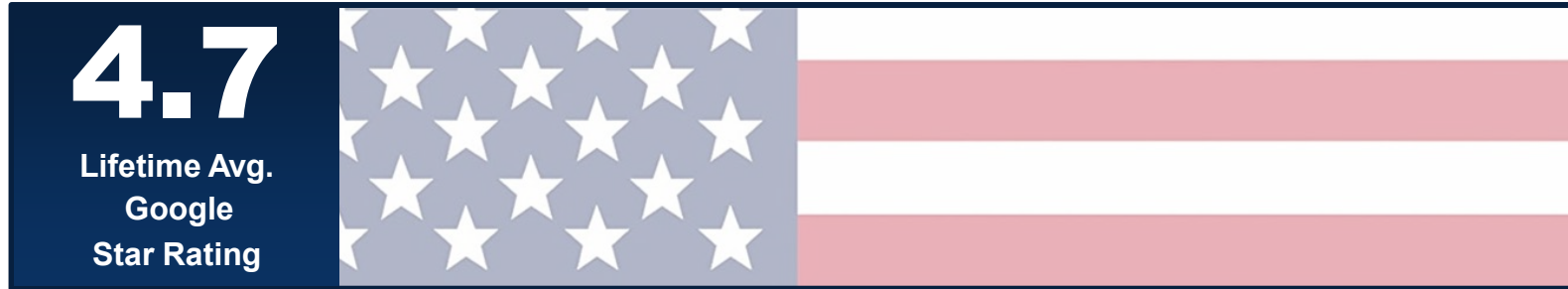
# **DIGITIZING SALES AND SERVICE**

**We provide a variety of digital tools to enhance our customer's sales and service experience in all areas of operation**



# LEADERS IN ONLINE REPUTATION: LIFETIME RATING

## PENSKE AUTOMOTIVE GROUP



## SYTNER GROUP



## CARSHOP



# **NON-GAAP RECONCILIATIONS**





# EBITDA & ADJ. EBITDA RECONCILIATION

The following tables reconcile reported net income to earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and adjusted EBITDA for the three months ended March 31, 2024 and 2023

(\$ in Millions)	Three Months Ended March 31,		Change 2024 vs 2023	
	2024	2023	\$	%
Net Income	\$216.2	\$299.6	(\$83.4)	-28%
Add: Depreciation	\$37.8	\$33.9	\$3.9	+12%
Other Interest Exp	\$21.3	\$20.8	\$0.5	+2%
Income Taxes	<u>\$78.6</u>	<u>\$107.3</u>	<u>(\$28.7)</u>	<u>-27%</u>
EBITDA	\$353.9	\$461.6	(\$107.7)	-23%

# EBITDA & LEVERAGE RATIO RECONCILIATION

(\$ in Millions)	Nine Months Ended December 31, 2023	Three Months Ended March 31, 2024	Trailing Twelve Months Ended March 31, 2024
Net Income	\$759.0	\$216.2	\$975.2
Add: Depreciation	\$107.1	\$37.8	\$144.9
Add: Other Interest	\$71.8	\$21.3	\$93.1
Add: Income Taxes	<u>\$253.6</u>	<u>\$78.6</u>	<u>\$332.2</u>
EBITDA	\$1,191.5	\$353.9	\$1,545.4
Add: Impairment Charge <sup>(1)</sup>	<u>\$40.7</u>	<u>---</u>	<u>\$40.7</u>
Adjusted EBITDA	\$1,232.2	\$353.9	\$1,586.1
Total Non-Vehicle Long-Term Debt			\$1,677.2
Leverage Ratio			1.1x

<sup>(1)</sup> Impairment charges relate to our used vehicle dealerships international reporting unit

# EBITDA, ADJ. EBITDA & LEVERAGE RATIO RECONCILIATION

The following table reconciles EBITDA, Adj. EBITDA and Leverage Ratio as of December 31, 2023, 2022, 2021, 2020 and 2019

(\$ in Millions)	12M '23	12M '22	12M '21	12M '20	12M '19
Net Income	\$1,058.6	\$1,386.2	\$1,192.7	\$545.3	\$435.1
Add: Depreciation	\$141.0	\$127.3	\$121.5	\$115.5	\$109.6
Add: Other Interest	\$92.6	\$70.4	\$68.6	\$111.0	\$124.2
Add: Income Taxes	\$360.9	\$473.0	\$416.3	\$162.7	\$156.7
Add: (Income) From Disc. Ops	---	---	<u>(\$1.3)</u>	<u>(\$0.4)</u>	<u>(\$0.3)</u>
EBITDA	\$1,653.1	\$2,056.9	\$1,797.8	\$934.1	\$825.3
Less: Net gain on dealership sales	---	---	---	(\$5.2)	---
Add: Impairment Charges <sup>(1)</sup>	\$40.7	---	---	---	---
Add: Loss on investment from revaluation <sup>(2)</sup>	---	---	\$11.4	---	---
Add: Debt redemption costs <sup>(3)</sup>	---	---	<u>\$17.0</u>	<u>\$8.6</u>	---
Adjusted EBITDA	\$1,693.8	\$2,056.9	\$1,826.2	\$937.5	\$825.3
Total Non-Vehicle Long-Term Debt	\$1,629.2	\$1,622	\$1,474	\$1,690	\$2,360
Leverage Ratio	1.0x	0.8x	0.8x	1.8x	2.9x

(1) Impairment charges relate to our used vehicle dealerships international reporting unit

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

(3) 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

Beginning in 2023, we transitioned some of our dealerships in the U.K. and Europe to an agency model under which these dealerships receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue (as opposed to previously recording all of the vehicle sale price as new revenue) with no corresponding cost of sale. We continue to provide new vehicle customer service under the agency model, and the agency model at this time has not changed our used vehicle sales operations or service and parts operations, although the long-term impact of the agency model at these dealerships as well as other agency models proposed by our manufacturer partners is uncertain.

# AGENCY





*Automotive*