



Second Quarter 2021



Financial Results & Update

DISCLAIMER

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

Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others: the duration, severity and resolution of the COVID-19 pandemic, government mandated restrictions on our business in light of COVID-19 or otherwise, economic conditions generally, conditions in the credit markets, changes in interest rates and foreign currency exchange rates, changes in tariff rates, new rules in place after the recent Brexit accord between the European Union and the U.K. could slow parts originating in the U.K. or Europe for distribution to our dealerships, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to limited vehicle availability due to the COVID-19 pandemic, the shortage of automotive semiconductor chips or other components, natural disasters, recall or other disruptions that interrupt the supply of vehicles or parts to us, changes in consumer credit availability, the outcome of legal and administrative matters, and other factors over which management has limited control. These forward-looking statements should be evaluated together with additional information about Penske Automotive Group's business, markets, conditions, and other uncertainties, which could affect Penske Automotive Group's future performance.

These risks and uncertainties are addressed in Penske Automotive Group's Form 10-K for the year ended December 31, 2020 and its other filings with the Securities and Exchange Commission ("SEC").

This presentation may include estimates regarding market and industry data. We do not make any representation as to the accuracy or completeness of such data and undertake no obligation to update such data after the date of this presentation. Unless otherwise indicated, information concerning the industries or markets in which we operate has been obtained from various sources including publicly available information, industry reports, publications, surveys, or trade and business organizations.

Certain amounts, percentages and other figures included in the presentation may be subject to rounding and may not sum.



ABOUT PENSKE AUTOMOTIVE

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

MISSION

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

VISION

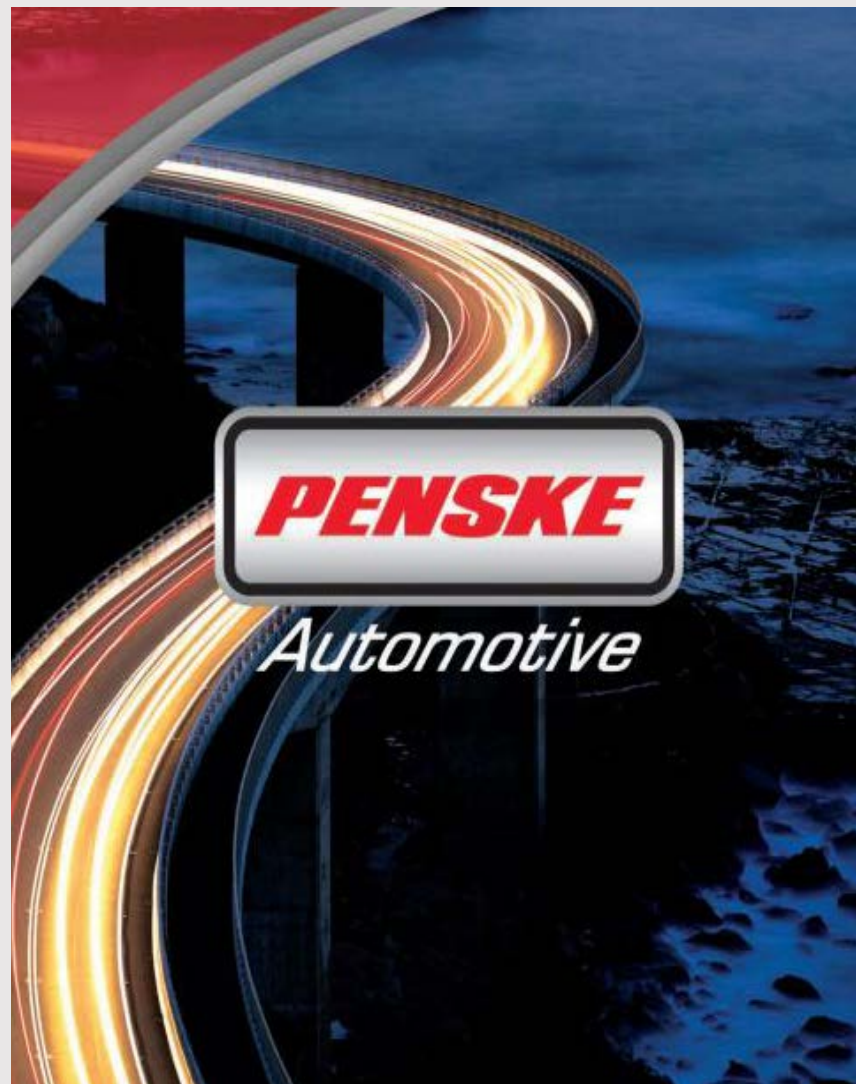
Be the most profitable and growth-oriented retail and commercial transportation services company everywhere we operate

VALUES

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

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

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



ACCOLADES



10+ Years Running

Top 2 in Automotive Retailing, Services
each year



Since 2018

Top 5 in Specialty Retail category
each year



33 Dealers in 2019

Including the top 6 ranked stores

35 Dealers in 2021



CarShop UK – Best Places to Work For 2021

CarShop US – Best Places to Work For 2019

CarShop US – Top CEO's 2019

Sytner – Best Retailer to Work For 2019



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

INVESTMENT HIGHLIGHTS

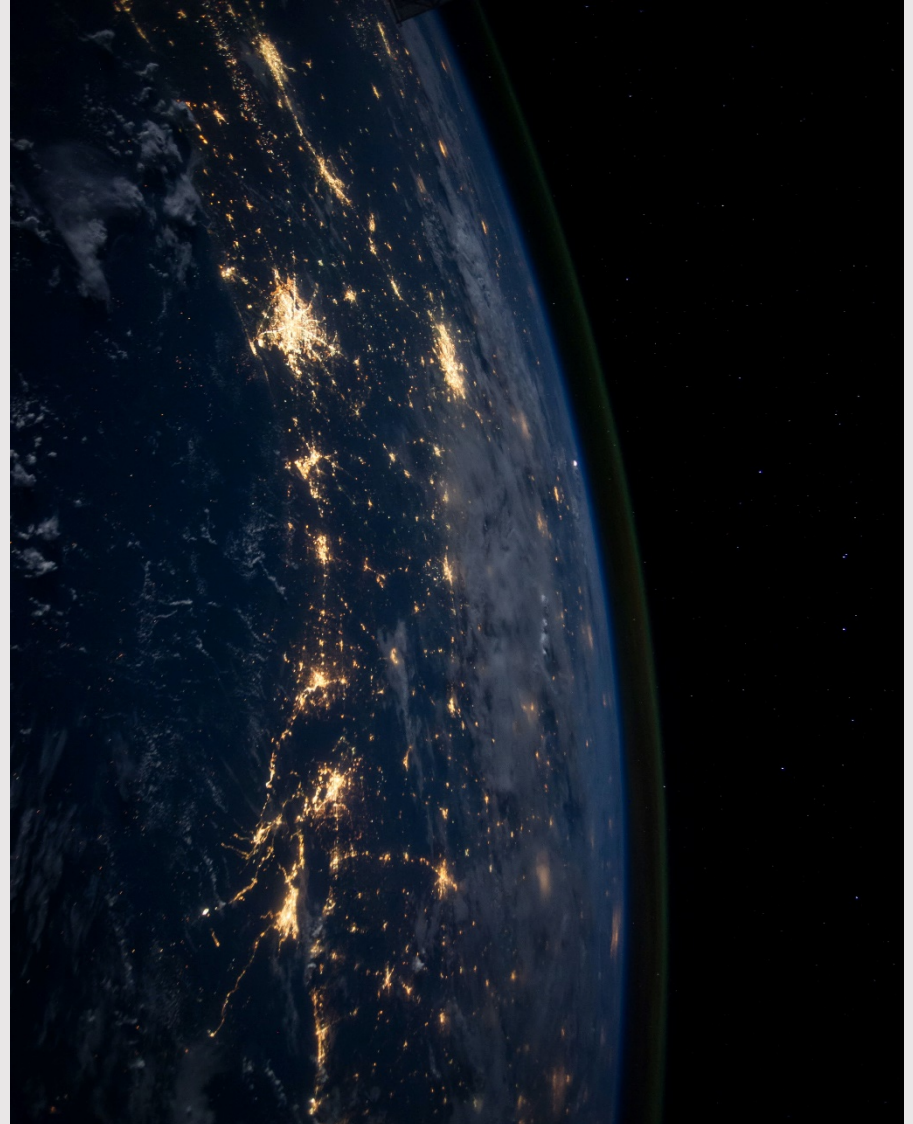


- Diversified portfolio and business mix provides multiple opportunities for growth
- Highly fragmented automotive and commercial truck retail industries provide multiple opportunities for expansion
- Retail automotive segment focused on Premium/Luxury brands which generate more than 70% of automotive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

GLOBAL REACH

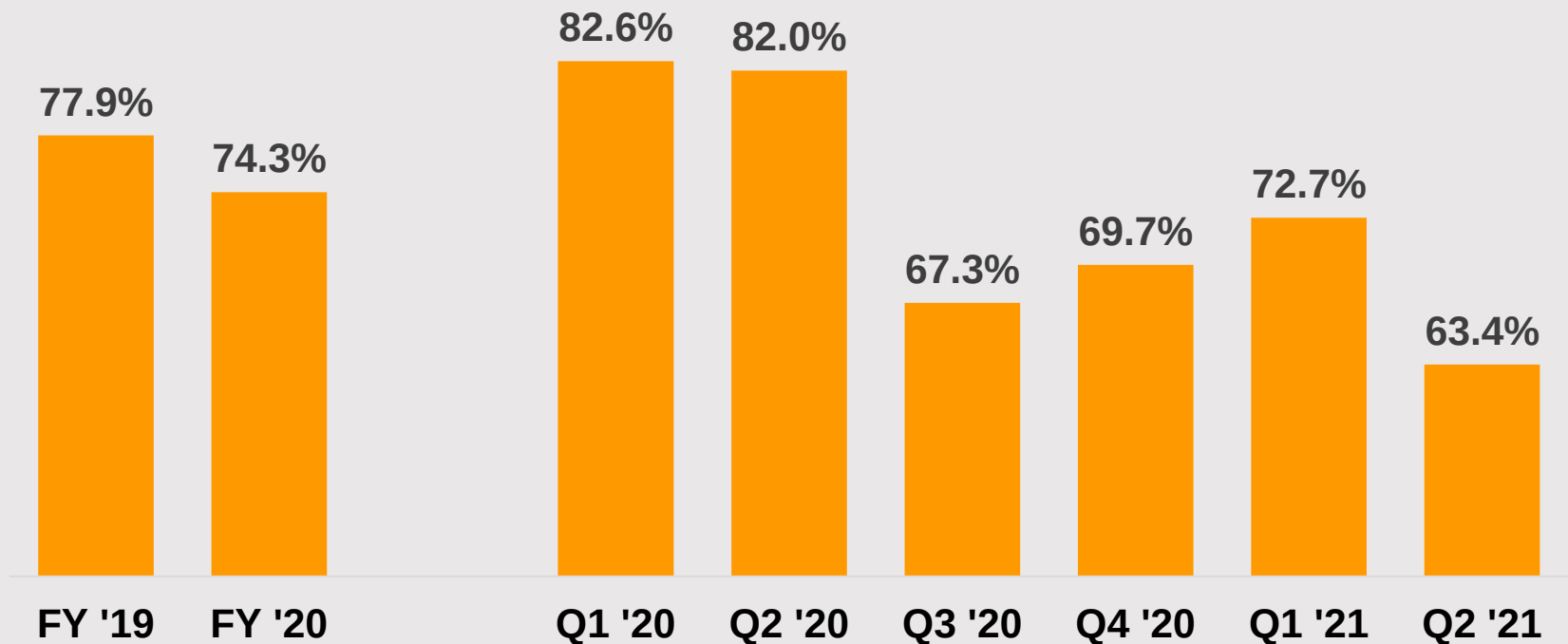
Operations across four continents and nine countries

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



SG&A TO GROSS PROFIT

Drove expense leverage of 1,860 basis points in Q2 2021





SECOND QUARTER 2021 HIGHLIGHTS

SECOND QUARTER 2021 HIGHLIGHTS

Reported

(\$ in Millions, except Per Share Amount)	Q2 '21	Q2 '20	Chg vs '20
Income from Cont Ops Before Taxes	\$463.7	\$61.2	+657.7%
Income from Cont Ops	\$338.8	\$45.0	+652.9%
Earnings Per Share	\$4.20	\$0.56	+650.0%

Adjusted*

(\$ in Millions, except Per Share Amount)	Q2 '21	Q2 '20	Chg vs '20
Income from Cont Ops Before Taxes	\$480.7	\$61.2	+685.5%
Income from Cont Ops	\$360.2	\$45.0	+700.4%
Earnings Per Share	\$4.47	\$0.56	+698.2%

* See non-gaap reconciliation schedules in this presentation

Q2 2021 KEY TAKEAWAYS

Retail Automotive

- Retailed over 132,000 new and used automotive units
- Same-Store Revenue increased 98%
- Same-Store Service & Parts revenue +60%
- Same-Store Service & Parts gross margin +30 basis points
- Vehicle Variable Gross Profit increased 46% to \$5,155

1

Premier Truck Group

- +34% Same-Store New Unit Growth
- +36% Same-Store Revenue Growth
- Fixed Cost Absorption 133%
- EBT increased 172% to \$39.7 million

Penske Transportation Solutions

- PTS investment generated a 243% increase in earnings to \$102.5 million

2

Capital Allocation

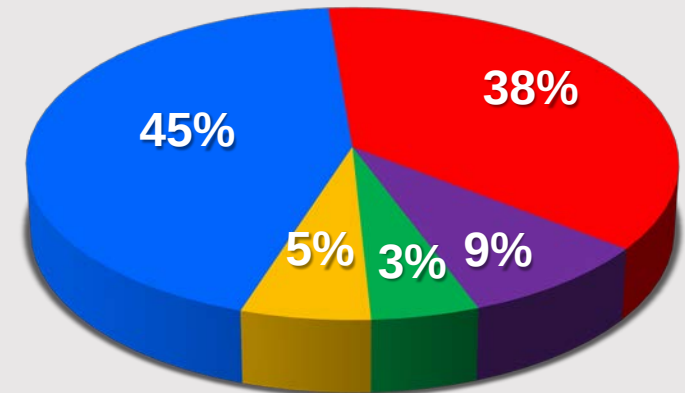
- Acquired \$600 million in annualized revenues
- Increased dividend (July 21st) to \$0.45 per share for a yield of 2.2%
- Repurchased 348,000 shares for \$28.1 million
- Improved Debt to Total Capitalization to 28.7%
- Improved leverage ratio to 1:1

3

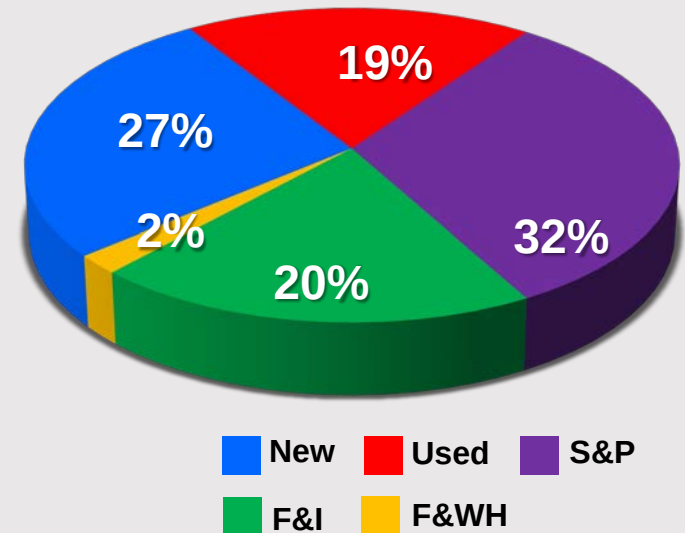
RETAIL AUTOMOTIVE OVERVIEW

- 323 retail automotive locations worldwide
- 304 franchise dealerships
- 19 CarShop SuperCenters
- 32 Collision Centers
- Diversified revenue stream drives profitability

Revenue



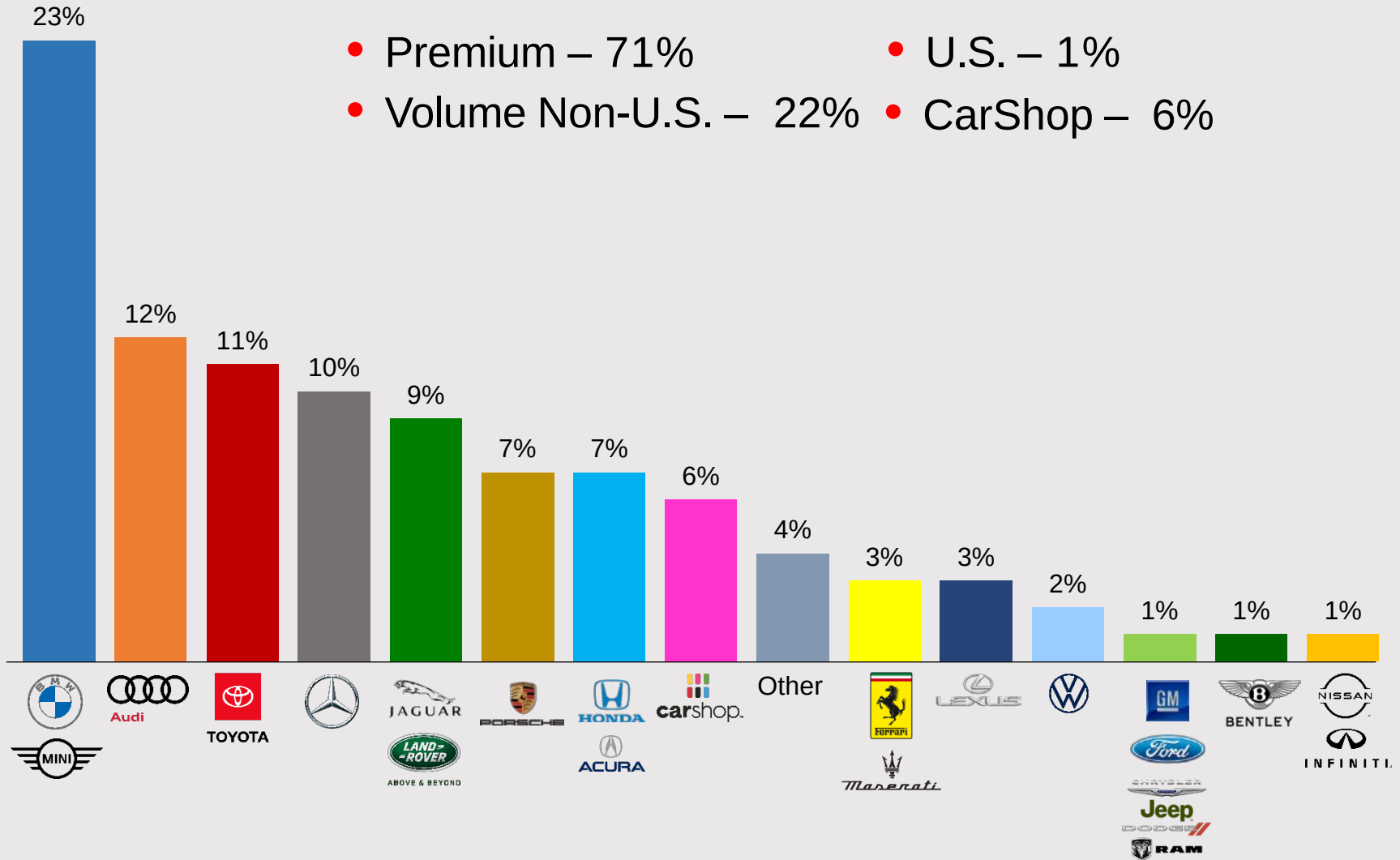
Gross Profit



WORLDWIDE AUTOMOTIVE BRAND MIX

(% of Total Automotive Dealership Revenue)
(6 Months 2021)

- Premium – 71%
- U.S. – 1%
- Volume Non-U.S. – 22%
- CarShop – 6%



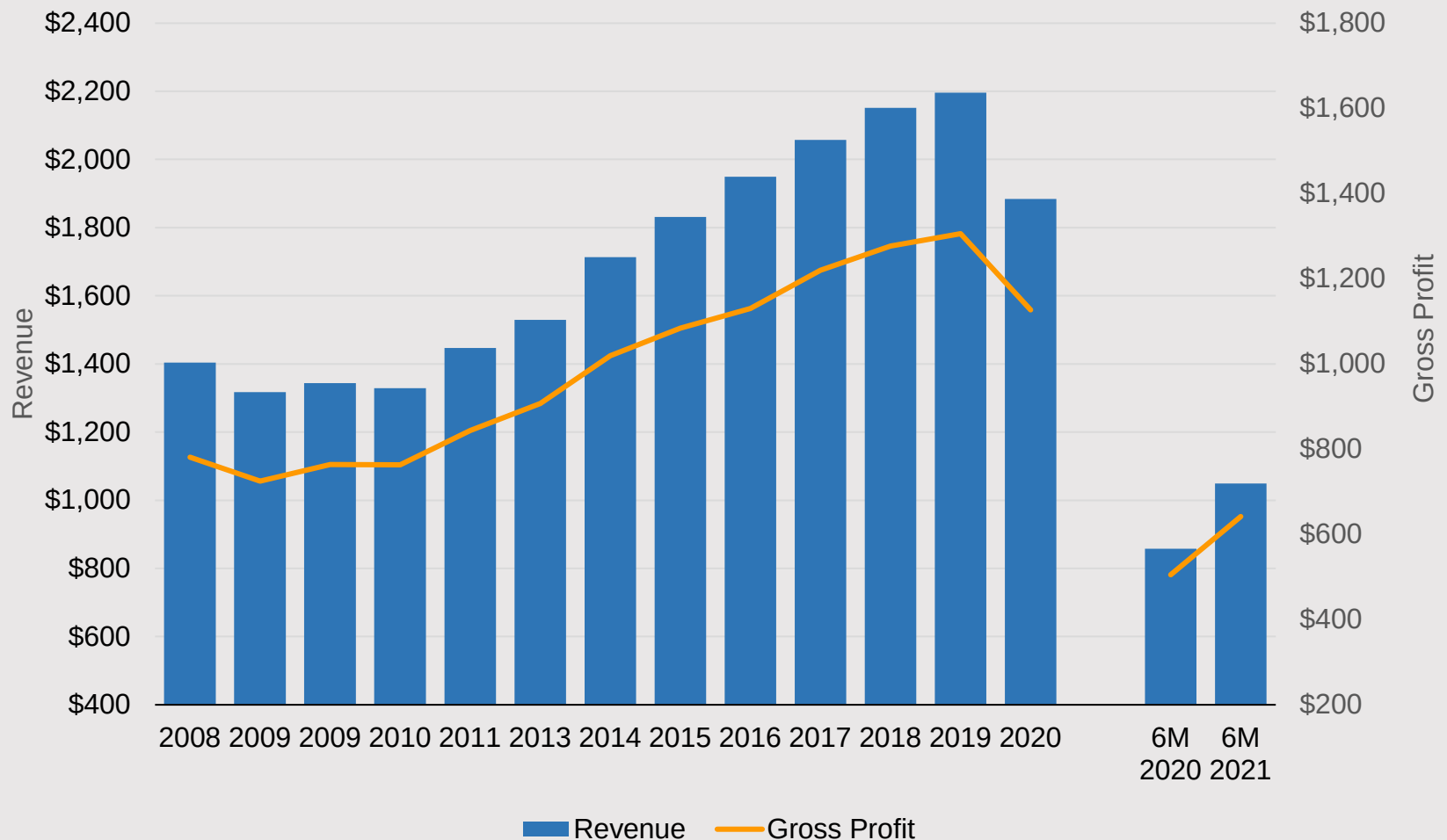
RETAIL AUTOMOTIVE KEY METRICS

Same-Store	Q2 '21	Q2 '20	Chg
Volume Metrics			
New Units (U.S. +78.8%; U.K. +156.2%)	57,622	30,088	+91.5%
Used Units (U.S. +42.1%; U.K. +142.8%)	<u>73,270</u>	<u>41,952</u>	<u>+74.7%</u>
Total (U.S. +59.5%; U.K. +146.6%)	130,892	72,040	+81.7%
Gross Per Unit			
New	\$4,770	\$3,499	+36.3%
Used	\$2,618	\$1,322	+98.0%
F&I	\$1,604	\$1,330	+20.6%
Variable Vehicle Gross/unit	\$5,169	\$3,562	+45.1%

RETAIL AUTOMOTIVE REVENUE

Same-Store (\$ in Millions)	Q2 '21	Q2 '20	Chg
New Vehicle	\$2,797.2	\$1,365.3	+104.9%
Used Vehicle	\$2,295.6	\$1,151.3	+99.4%
F&I	\$209.9	\$95.8	+119.1%
Service & Parts	\$543.5	\$340.0	+59.9%
Fleet & Wholesale	<u>\$298.6</u>	<u>\$159.0</u>	<u>+87.8%</u>
Total	\$6,144.8	\$3,111.4	+97.5%

RETAIL AUTOMOTIVE SERVICE & PARTS



OVERVIEW



- Largest Dealership Group for Daimler Trucks N.A.
- Retailed over 4,100 new and used commercial trucks in Q2 2021
- 6M 2021 Revenue of \$1.1 billion
- Service and Parts gross profit provides 65% of total gross profit
- Return on sales of 6.3% for 6M 2021
- Completed the acquisition of Kansas City Freightliner in April, 2021

RETAIL TRUCK KEY METRICS

Same-Store	Q2 '21	Q2 '20	Chg
Volume Metrics			
New Units	2,770	2,063	+34.3%
Used Units	803	773	+3.9%
Gross Per Unit			
New Vehicle	\$6,462	\$4,640	+39.3%
Used Vehicle	\$12,147	(\$3,110)	+490.6%
F&I	\$1,792	\$1,634	+9.7%



CARSHOP USED SUPERCENTERS

- Operate 19 CarShop used vehicle SuperCenters
- Fully digital solution available through www.carshop.com
- Retailed 18,742 units in Q2
 - U.S. +113%
 - U.K. +219%
- Same-Store Variable Gross Profit per Unit +19% to \$2,734/unit

GROWTH PLAN GOAL



- Expected to open six locations in 2021
 - Opened 2 location in first half of 2021
 - Expect to open 4 locations in second half of 2021
- Our goal is to increase the number of locations to 40 by the end of 2023 with:
 - 150,000 in unit sales
 - \$2.5 to \$3.0 billion in revenue
 - Income before taxes of approximately \$100 million

Q2 2021 CARSHOP PERFORMANCE

	Q2 '21	Q2 '20	Chg. %
Used Units Retailed	18,742	6,600	+184%
Revenue (in millions)	\$408	\$133	+208%
Avg. Transaction Price	\$18,533	\$16,546	+12%
Total Variable Gross/Unit	\$2,701	\$2,307	+17%
Variable Margin	14.6%	13.9%	+70 bps



PENSKE AUSTRALIA

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

- Western Star, MAN Truck and Bus, Dennis Eagle
- MTU, Detroit Diesel, Allison Transmission, Bergen Onsite Energy, Rolls Royce Power Systems
- Parts & service gross profit represents approximately 70% to 75% of total gross profit

(\$ in millions)	Q2 2021	Q2 2020	Chg.
Revenue	\$165	\$98	+68.4%
EBT	\$8.5	\$4.9	+73.5%

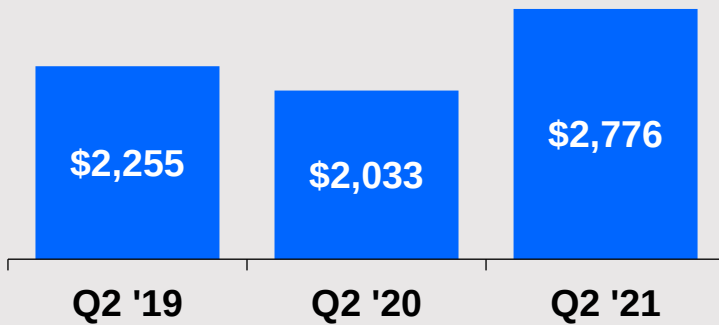


PENSKE TRANSPORTATION SOLUTIONS

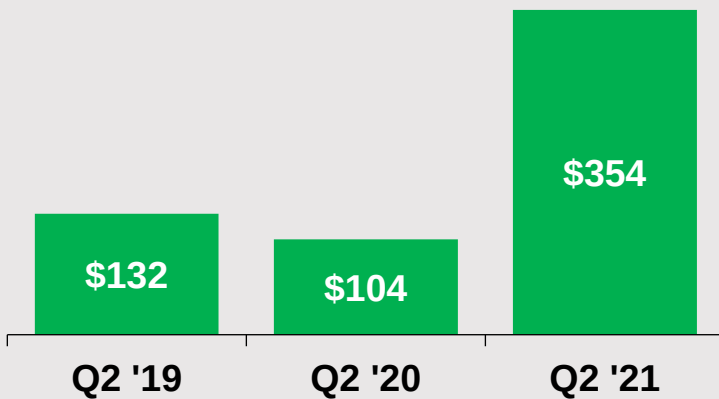
- Over 330,000 vehicles on the road
- Q2 2021 revenue of \$2.3B
- Q2 2021 income of \$358M, or 15.4% return on sales
- PAG recorded equity income of \$102.5M in Q2 2021, +243%

PTS PERFORMANCE SUMMARY

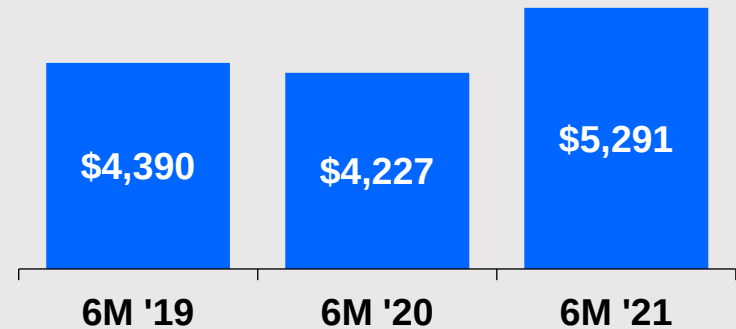
Q2 Total Revenue (\$ in Billions)



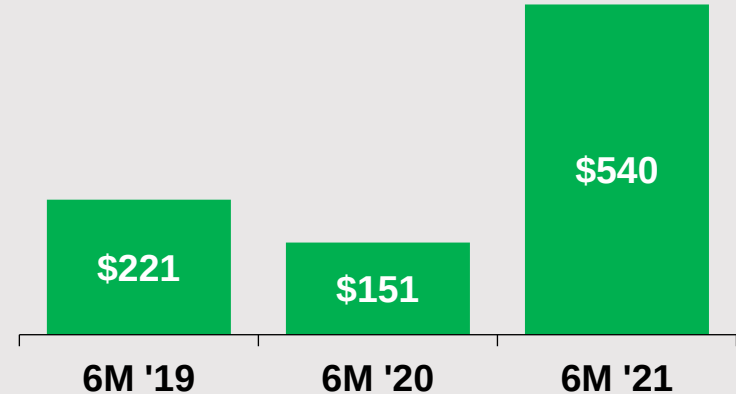
Q2 Income (\$ in Millions)



6M Total Revenue (\$ in Billions)



6M Income (\$ in Millions)



PTS CONTRIBUTION TO PAG EARNINGS

(\$ in millions)





OMNI CHANNEL AND DIGITAL

OMNI-CHANNEL CUSTOMER EXPERIENCE



LEADER IN ONLINE REPUTATION

(Q2 2021)

OUTPERFORMING PEER GROUP ON GOOGLE

88.44% of all U.S. online searches are done through Google*

950

Q2 Avg. Google
Reviews per Store

4.76

Q2 Avg. Google
Star Rating per Store

4.65

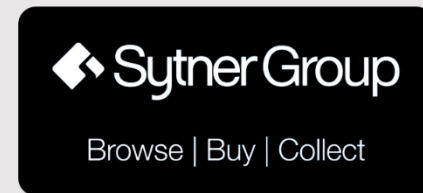
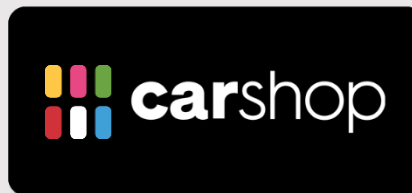
Lifetime Avg. Google
Star Rating per Store

*Source: gs.statcounter.com, June 2020-June 2021

DIGITAL RETAILING

UNITED STATES

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

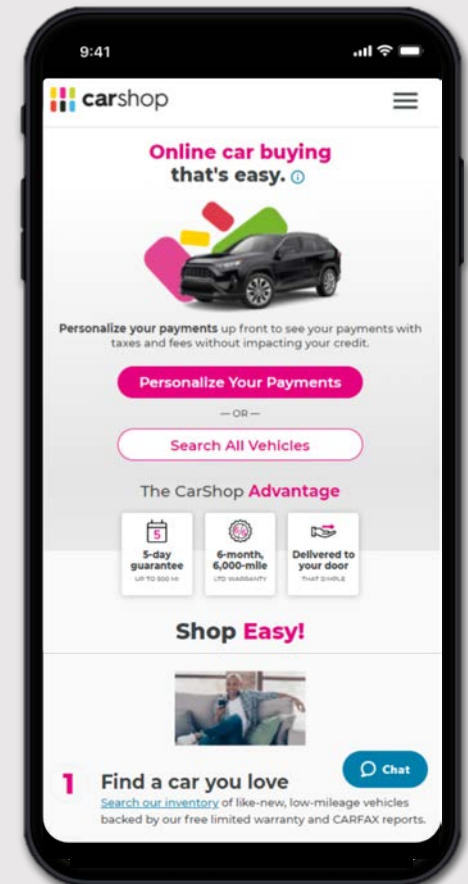
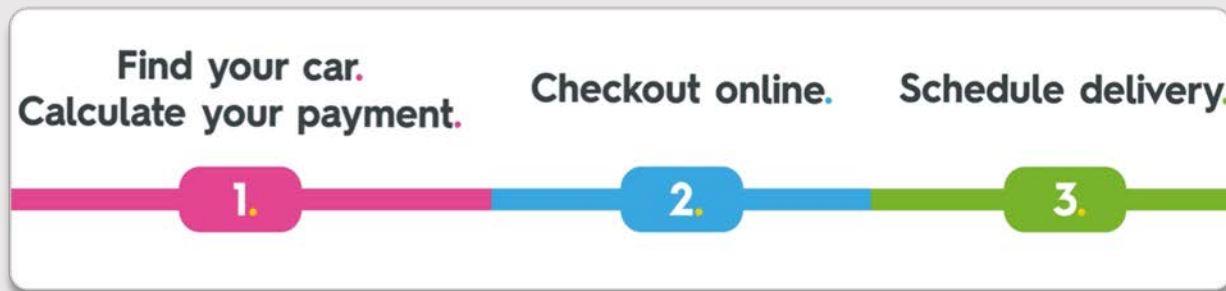


UNITED KINGDOM

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

CARSHOP – 100% ONLINE BUYING

- Digital platform developed by industry leading partnership between Penske and Cox Automotive
- 3 easy steps to complete online
- Payments customized to each individual across entire inventory
- Digital signatures on all paperwork including authoritative finance contracts for over 15 lenders
- Online notary capability



PREFERRED PURCHASE

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

START YOUR DEAL ONLINE GET THE BEST DEAL. SPEED UP YOUR PURCHASE.

HOW IT WORKS

COMPLETED ✓

PAYMENT TERMS

Use Kelley Blue Book to see what your current car is worth towards your new vehicle.

START

VIEW ⓘ

RECOMMENDED NEXT STEP Save 26 minutes

VALUE YOUR VEHICLE

Use Kelley Blue Book to see what your current car is worth towards your new vehicle.

START

VEHICLE PROTECTION

Save 10 mins

START

APPLY FOR FINANCING

Save 45 mins

START

SCHEDULE TEST DRIVE

Save 16 mins

START

FINISH YOUR DEAL

Save 16 mins

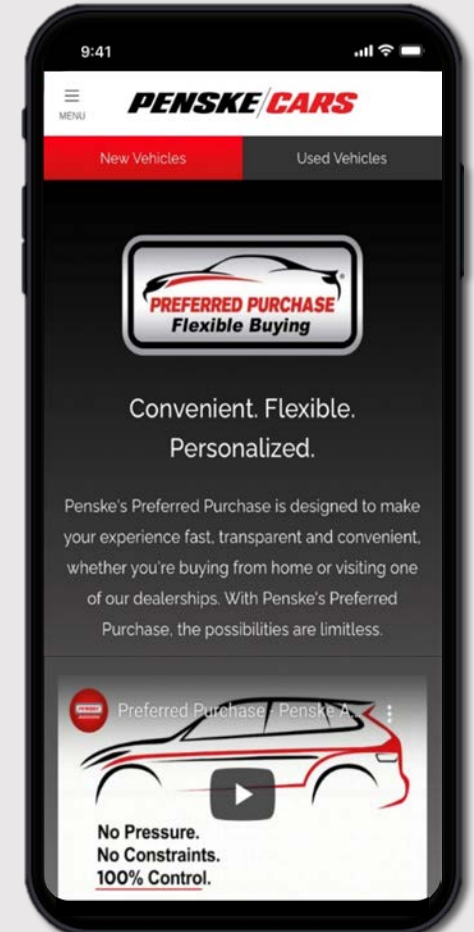
START

FINANCE DETAILS ^

VEHICLE DETAILS

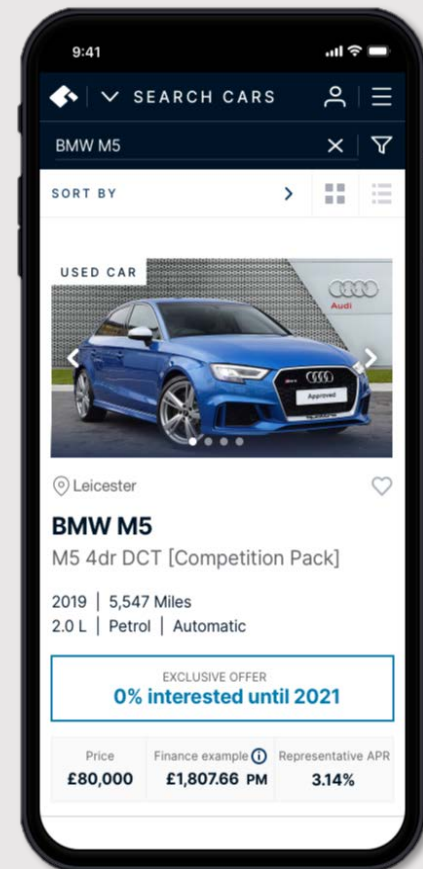
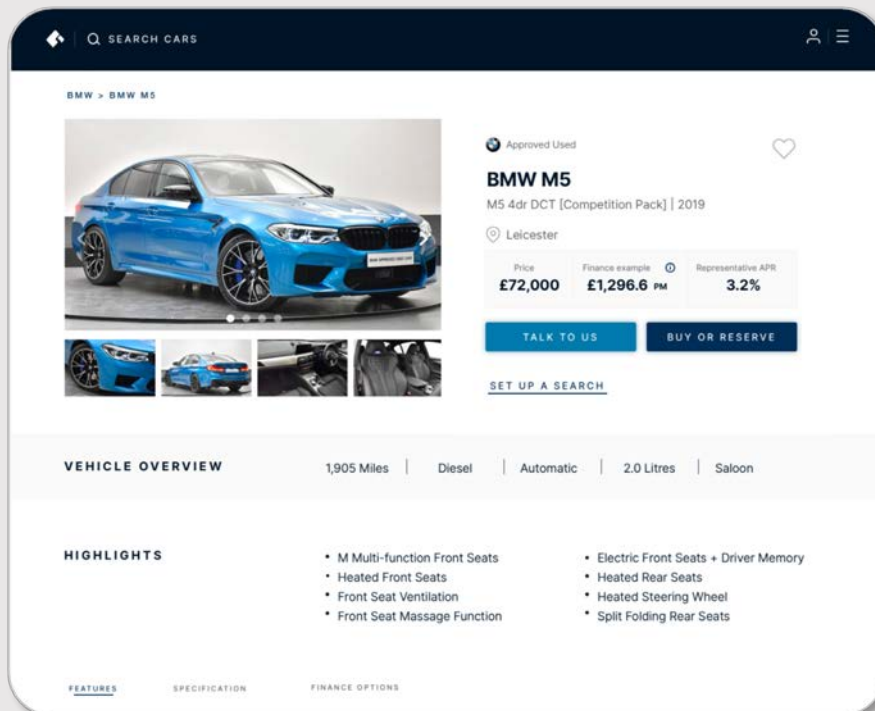
NEW 2021 JAGUAR
F-PACE P250 AWD S

Payment **\$1,147**/mo*
Terms **60** mos
APR **1.90%**



U.K. DIGITAL RETAILING

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





6M 2021 FINANCIAL REVIEW

6M 2021 HIGHLIGHTS

Reported

(\$ in Millions, except Per Share Amount)	6M '21	6M '20	Chg vs '20
Revenue	\$12,761.3	\$8,660.2	+47.4%
Income from Cont Ops Before Taxes	\$711.3	\$132.7	+436.0%
Income from Cont Ops	\$521.3	\$96.6	+439.6%
Earnings Per Share	\$6.46	\$1.20	+438.3%

Adjusted

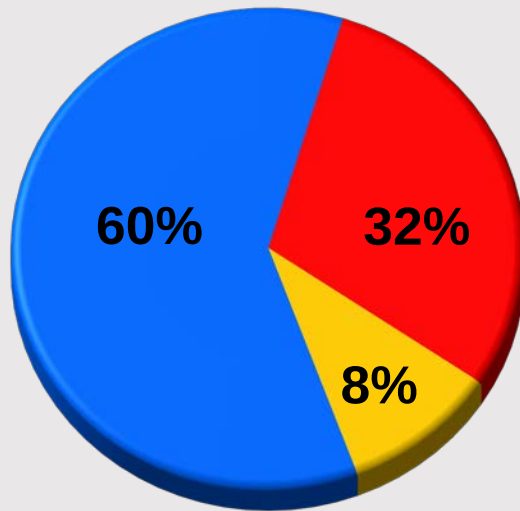
(\$ in Millions, except Per Share Amount)	6M '21	6M '20	Chg vs '20
Income from Cont Ops Before Taxes	\$728.3	\$132.7	+448.8%
Income from Cont Ops	\$542.7	\$96.6	+461.8%
Earnings Per Share	\$6.73	\$1.20	+460.8%

* See non-gaap reconciliation schedules in this presentation

6M 2021 REVENUE & EBT

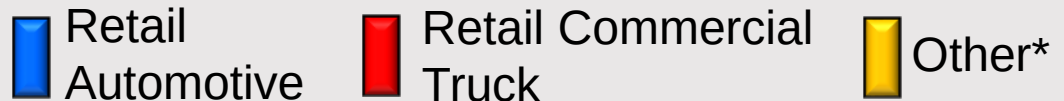
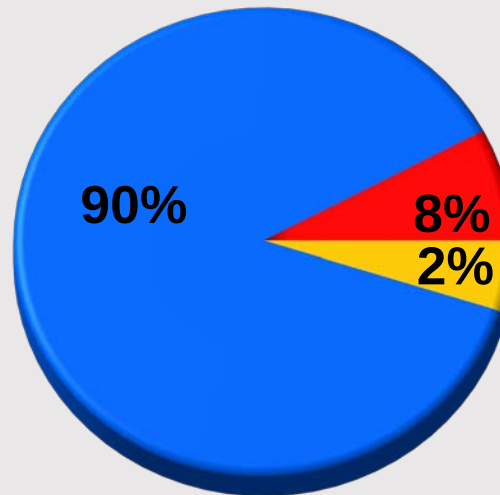
Revenue

\$12.8 Billion



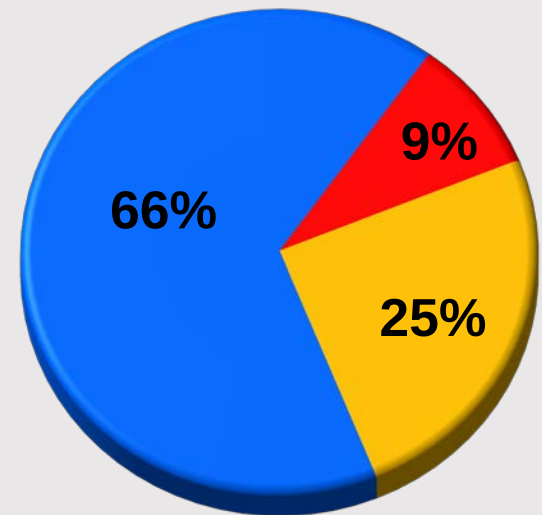
Revenue

\$12.8 Billion



Earnings Before Tax

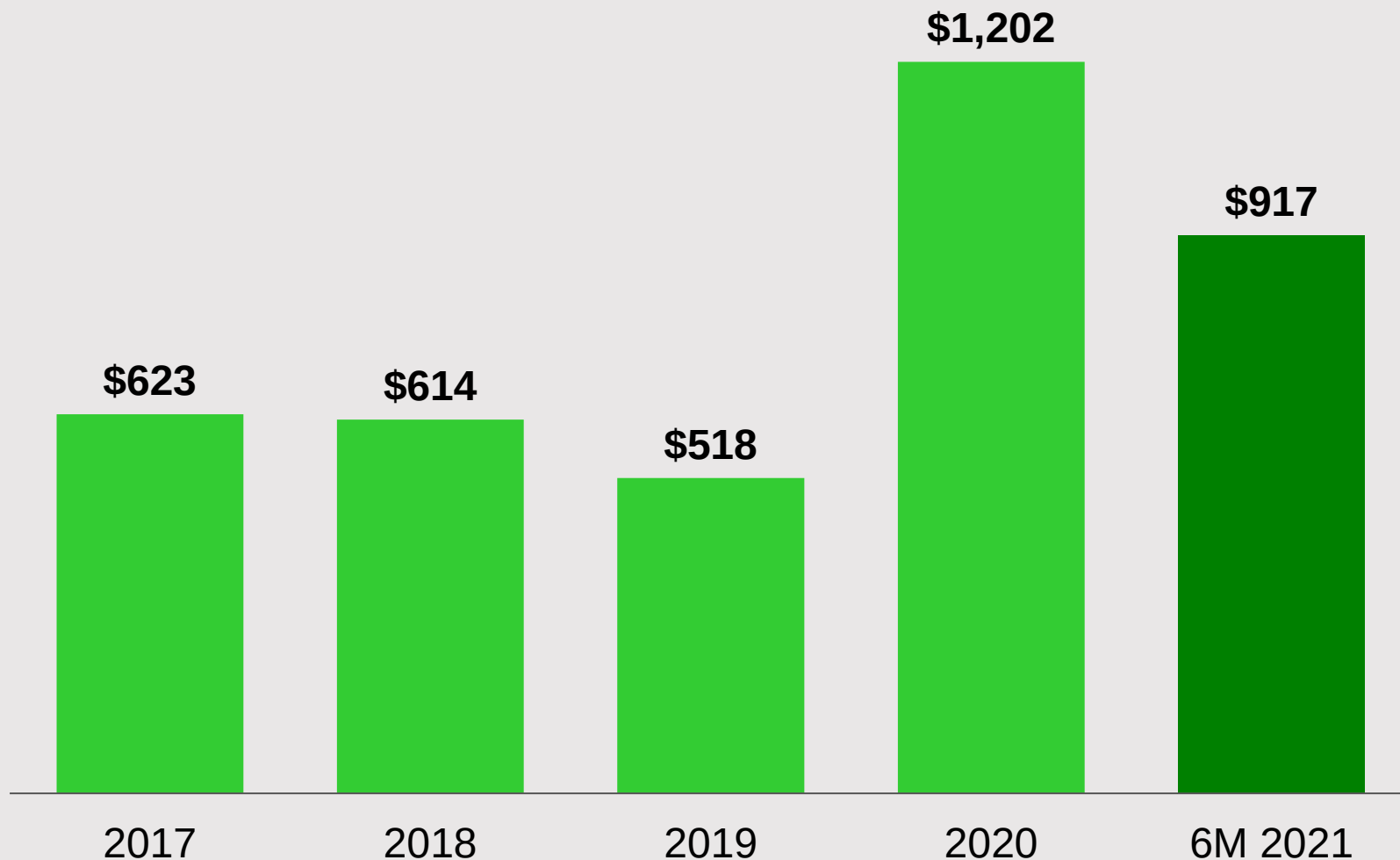
\$711 Million



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

CASH FLOW FROM OPERATIONS

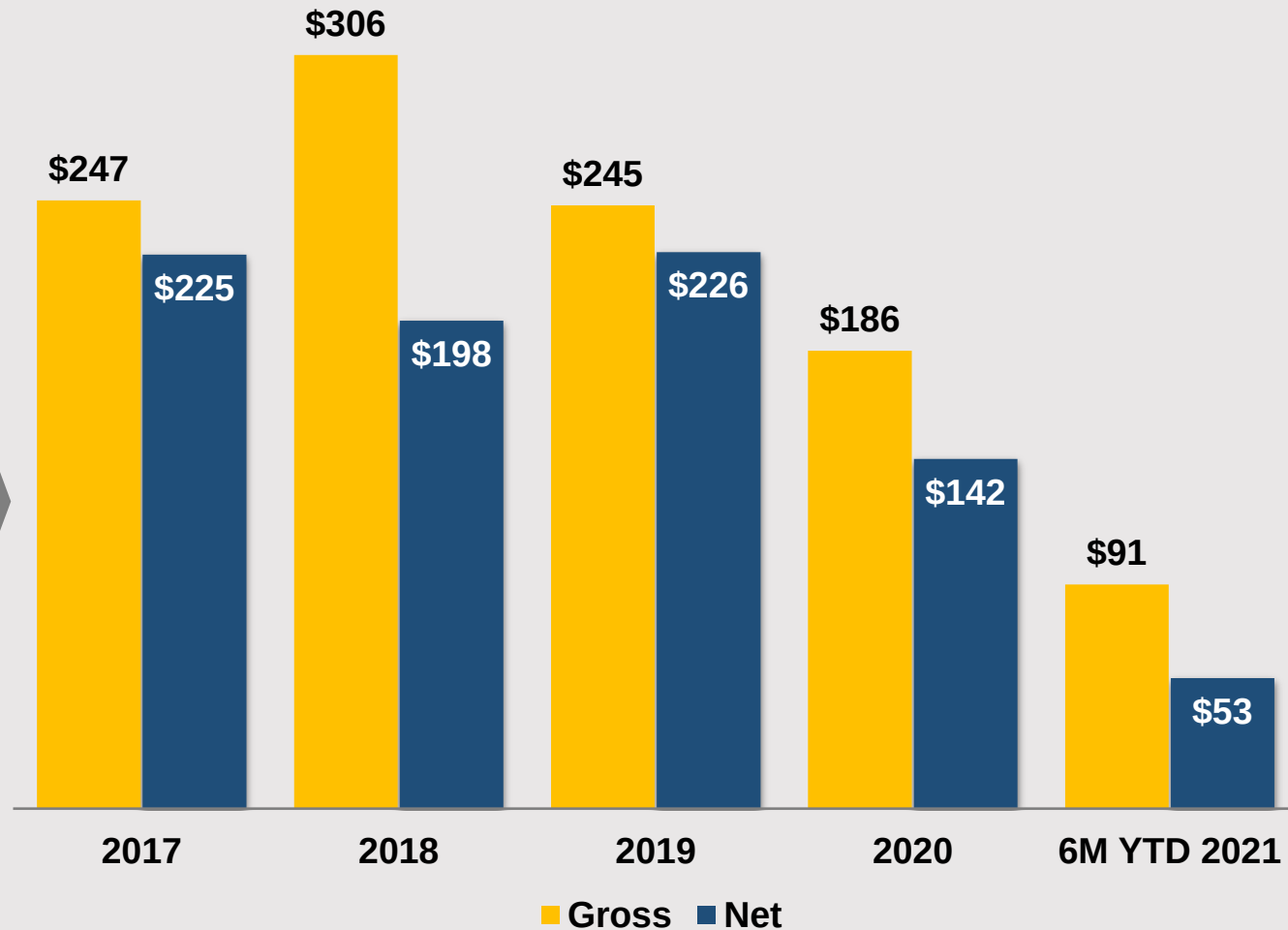
(\$ In Millions)



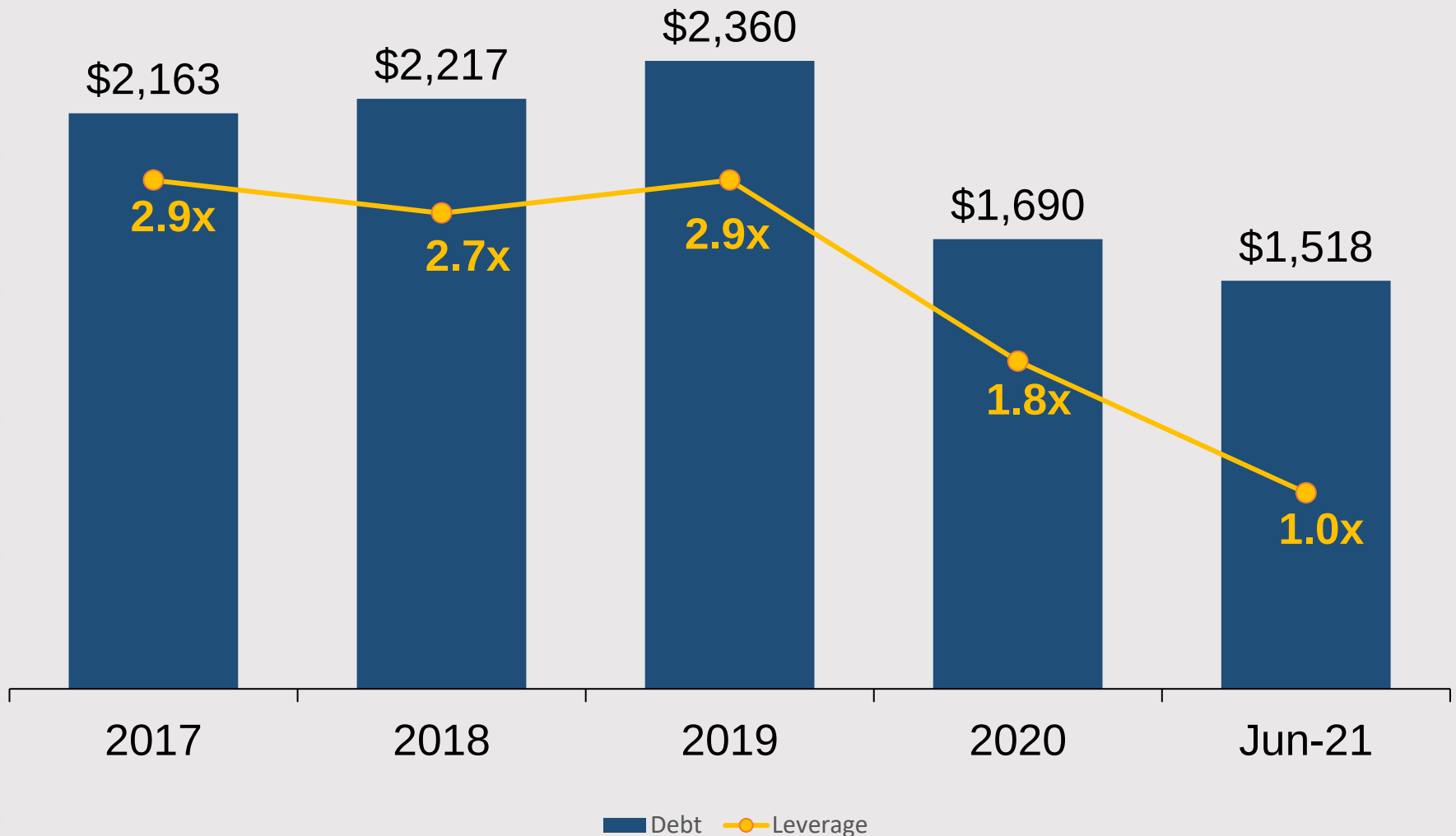
NET CAPEX

(\$ In Millions)

Net Capital Expenditures for 6M 2021 were **\$53 million**



LONG TERM DEBT AND LEVERAGE





NON-GAAP RECONCILIATIONS

INCOME FROM CONTINUING OPERATION 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 six months ended June 30, 2021 and 2020:

Income From Continuing Operations Before Taxes

(\$ in Millions)	Q2 '21	Q2 '20	% Chg	6M '21	6M '21	% Chg
Income from Cont. Ops. Before Taxes	\$463.7	\$61.2	657.7%	\$711.3	\$132.7	436.0%
Loss on Debt Extinguishment ⁽¹⁾	<u>17.0</u>	---	<u>nm</u>	<u>17.0</u>	---	<u>nm</u>
Adj. Income from Cont. Ops. Before Taxes	\$480.7	\$61.2	685.5%	\$728.3	\$132.7	448.8%

(1) Relates to a net loss on the extinguishment of our \$500 million in aggregate principal amount of 5.50% Senior Subordinated Notes due 2026

nm = not meaningful

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 six months ended June 30, 2021 and 2020:

Income From Continuing Operations (\$ in Millions)

	Q2 '21	Q2 '20	% Chg	6M '21	6M '21	% Chg
Income from Cont. Ops.	\$338.8	\$45.0	652.9%	\$521.3	\$96.6	439.6%
U.K. Tax Legislation Changes ⁽¹⁾	8.8	---	nm	8.8	---	Nm
Loss on Debt Extinguishment ⁽²⁾	<u>12.6</u>	---	<u>nm</u>	<u>12.6</u>	---	<u>Nm</u>
Adj. Income from Cont. Ops.	\$360.2	\$45.0	700.4%	\$542.7	\$96.6	461.8%

Earnings Per Share (\$ in Millions, except per share amounts)

	Q2 '21	Q2 '20	% Chg	6M '21	6M '20	% Chg
Income from Cont. Ops.	\$4.20	\$0.56	650.0%	\$6.46	\$1.20	438.3%
U.K. Tax Legislation Changes ⁽¹⁾	0.11	---	nm	0.11	---	nm
Loss on Debt Extinguishment ⁽²⁾	<u>0.16</u>	---	<u>nm</u>	<u>0.16</u>	---	<u>nm</u>
Adj. Income from Cont. Ops.	\$4.47	\$0.56	698.2%	\$6.73	\$1.20	460.8%

(1) Relates to the revaluation of U.K. deferred tax assets and liabilities due to an increase in the U.K. corporate tax rate from 19% to 25%, effective April 1, 2023

(2) Relates to a net loss on the extinguishment of our \$500 million in aggregate principal amount of 5.50% senior subordinated notes due 2026
nm = not meaningful

EBITDA AND ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)

	Q2 '21	Q2 '20	% Chg	6M '21	6M '20	% Chg
Net Income	\$340.4	\$44.8	659.8%	\$523.5	96.3	443.6%
Depreciation	30.2	27.9	8.2%	59.5	56.4	5.5%
Other Interest	19.7	28.4	(30.6%)	37.6	60.1	(37.4%)
Income Taxes	123.4	16.5	647.9%	187.9	36.6	413.4%
(Income)/Loss from Disc. Ops.	<u>(0.1)</u>	<u>(0.1)</u>	---	<u>(0.1)</u>	<u>(0.2)</u>	<u>+50.0%</u>
EBITDA	\$513.6	\$117.5	337.1%	\$808.4	\$249.2	224.4%
Add: Loss on Debt Extinguishment ⁽²⁾	<u>17.0</u>	---	nm	<u>17.0</u>	---	nm
Adjusted EBITDA	\$530.6	\$117.5	351.6%	\$825.4	\$249.2	231.2%

(2) Relates to a net loss on the extinguishment of our \$500 million in aggregate principal amount of 5.50% senior subordinated notes due 2026
nm = not meaningful



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