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## Section 1: 8-K (8-K)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

February 8, 2018

# Penske Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

|  |   |  |
|--|---|--|
| <u>Delaware</u><br>(State or other jurisdiction<br>of incorporation) | <u>1-12297</u><br>(Commission<br>File Number) | <u>22-3086739</u><br>(I.R.S. Employer<br>Identification No.) |
|--|---|--|

|  |                            |
|--|----------------------------|
| <u>2555 Telegraph Road, Bloomfield Hills,<br/>Michigan</u><br>(Address of principal executive offices) | <u>48302</u><br>(Zip Code) |
|--|----------------------------|

Registrant's telephone number, including area code:

248-648-2500

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On February 8, 2018, we issued a press release announcing our fourth quarter and full year 2017 financial results and other information. A copy of the press release is furnished as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure.**

The following information is furnished pursuant to Item 7.01 “Regulation FD Disclosure.”

On February 8, 2018, we issued a press release announcing our fourth quarter and full year 2017 financial results and other information. A copy of the press release is furnished as Exhibit 99.1.

**Item 8.01 Other Events.**

Investors and others should note that we announce material financial information using our company website ([www.penskeautomotive.com](http://www.penskeautomotive.com)), our investor relations website ([investors.penskeautomotive.com](http://investors.penskeautomotive.com)), SEC filings, press releases, public conference calls and webcasts. Information about Penske Automotive, its business, and its results of operations may also be announced by posts on the following social media channels:

- Penske Automotive’s Twitter feed ([www.twitter.com/penskecarscorp](http://www.twitter.com/penskecarscorp))
- Penske Automotive’s Facebook page ([www.facebook.com/penskecars](http://www.facebook.com/penskecars))
- Penske Automotive’s Website ([www.penskesocial.com](http://www.penskesocial.com))

The information that we post on these social media channels could be deemed to be material information. As a result, we encourage investors, the media, and others interested in Penske Automotive to review the information that we post on these social media channels. These channels may be updated from time to time on Penske Automotive’s investor relations website.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit 99.1 Press Release.

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## Exhibit Index

| <b>Exhibit<br/>No.</b> | <b>Description</b>             |
|------------------------|--------------------------------|
| 99.1                   | <a href="#">Press Release.</a> |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Penske Automotive Group, Inc.

February 8, 2018

By: /s/ Shane M. Spradlin

Name: Shane M. Spradlin

Title: Executive Vice President

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[\(Back To Top\)](#)

## Section 2: EX-99.1 (EX-99.1)



Penske Automotive Group, Inc.  
2555 Telegraph Road  
Bloomfield Hills, MI 48302-0954

**FOR IMMEDIATE RELEASE**



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### PENSKE AUTOMOTIVE REPORTS RECORD FOURTH QUARTER RESULTS

**Income From Continuing Operations of \$330.0 Million and Earnings Per Share of \$3.85, Including \$243.4 Million Benefit Related to U.S. Tax Reform**

**Adjusted Income From Continuing Operations Increases 11.9% to \$86.6 Million**

**Adjusted Earnings Per Share From Continuing Operations Increases 11.0% to \$1.01**

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**BLOOMFIELD HILLS, MI**, February 8, 2018 – Penske Automotive Group, Inc. (NYSE:PAG), an international transportation services company, today announced record fourth quarter results. For the three months ended December 31, 2017, total revenue increased 10.4% to \$5.4 billion, income from continuing operations attributable to common shareholders increased 300.0% to \$330.0 million, and related earnings per share increased 296.9% to \$3.85 when compared to the same period last year. Foreign exchange rates positively impacted earnings per share attributable to common shareholders by \$0.02. Fourth quarter 2017 income from continuing operations and related earnings per share include a benefit of \$243.4 million, or \$2.84 per share, related to U.S. tax reform. The benefit is derived from the one-time revaluation of the company's deferred tax liabilities, partially offset by taxes on the accumulated earnings of the company's international operations. In the future, the company expects to be able to repatriate its international earnings in a tax favorable manner. Fourth quarter 2016 income from continuing operations included a tax benefit of \$5.1 million, or \$0.06 per share, from the revaluation of a deferred tax liability. Excluding these benefits, fourth quarter 2017 adjusted income from continuing operations increased

11.9% to \$86.6 million, and related earnings per share increased 11.0% to \$1.01.

Commenting on the company's results, Penske Automotive Group Chairman Roger S. Penske said, "Our business produced another quarter of record performance, driven by the U.S. retail automotive operations along with a 180 basis point increase in service and parts gross margin, a robust commercial truck business, our growing stand-alone used vehicle supercenter operations, and our investment in Penske Truck Leasing."

Penske continued, “As we look forward to 2018, we remain excited about the growth prospects across our enterprise. Recently enacted tax reform positively impacts our business presenting us with even greater opportunities to pursue our strategic initiatives, invest in our employees, and improve shareholder value.”

For the twelve months ended December 31, 2017, total automotive retail unit volume increased 9.7% and total revenue increased 6.3% to \$21.4 billion. Income from continuing operations attributable to common shareholders increased 78.4% to \$613.5 million and related earnings per share increased 78.5% to \$7.14 when compared to the same period last year. Foreign exchange rates negatively impacted earnings per share attributable to common shareholders by \$0.08. As previously discussed, 2017 income from continuing operations and related earnings per share include a benefit of \$243.4 million, or \$2.83 per share, related to tax reform. In 2016, income from continuing operations included a tax benefit of \$5.1 million, or \$0.06 per share, from the revaluation of a deferred tax liability. Excluding these benefits, 2017 adjusted income from continuing operations increased 9.2% to \$370.1 million, and related earnings per share increased 9.7% to \$4.31.

### **Retail Automotive Highlights of the Fourth Quarter**

- Retail Unit Sales +7.0% to 119,935
- Same-Store Retail Unit Sales -2.7% to 106,522
- Same-Store Retail Revenue +2.6%
  - New +2.4%; Used +2.1%; Finance & Insurance +6.0%; Service and Parts +4.3%
- Average Gross Profit Per Unit
  - New \$3,153, +\$165/unit; Gross Margin 7.8%, -10 basis points
  - Used \$1,290, -\$182/unit; Gross Margin 4.9%, -60 basis points
  - Finance & Insurance \$1,211, +\$124/unit
  - Variable Gross Profit Per Unit \$3,455, +\$46/unit
- Service and Parts Gross Margin +180 basis points

### **Retail Commercial Truck Operations**

Penske Automotive Group operates twenty medium and heavy-duty truck dealership locations in the U.S. and Canada offering primarily the Freightliner and Western Star brands. For the three months ended December 31, 2017, the company’s operations retailed 2,294 units, generated \$308.2 million of revenue, and \$45.1 million of gross profit. Same-store revenue increased 39.0%. For the twelve months ended December 31, 2017, 7,456 units were retailed, generating \$1.05 billion of revenue, and \$165.8 million of gross profit. Same-store revenue declined 0.8% for the twelve months ended December 31, 2017.

## **Penske Truck Leasing**

Penske Truck Leasing Co., L.P. (“PTL”) is a leading provider of full-service truck leasing, truck rental, contract maintenance and logistics services. During 2017, the company increased its ownership interests in PTL by 5.5%, bringing our total ownership interest in PTL to 28.9%. For the three months ended December 31, 2017, the company recorded \$34.7 million in earnings from this investment, an increase of 38.8%. For the twelve months ended December 31, 2017, the company recorded \$101.6 million in earnings from this investment, an increase of 64.9%. The company accounts for its ownership interest in PTL using the equity method of accounting.

## **Commercial Vehicle and Power Systems Distribution (Australia/New Zealand)**

The company’s engine distribution business in Australia has been chosen to provide the Australian Defense with engines for its new fleet of Offshore Patrol Vessels. Over the next several years, the company estimates this contract will generate approximately \$100 million in revenue. Additionally, the company will provide lifecycle support for these engines through its service and parts business over the next twenty plus years.

## **Acquisition of Used Vehicle SuperCenters**

As previously announced, in January 2018, the company expanded its stand-alone used vehicle supercenter business, acquiring one of the U.K.’s leading retailers of used vehicles called The Car People, which operates four large-scale retail locations in Northern England. The acquisition of these supercenters complement and strengthen the company’s existing stand-alone used vehicle supercenter operations in the U.K. The Car People sells approximately 18,000 vehicles annually and is expected to generate estimated annualized revenues of approximately \$300 million. On a combined basis, the U.S. and U.K. based supercenter operations are expected to retail more than 70,000 vehicles and generate approximately \$1 billion in annualized revenues.

## **Share Repurchases**

For the twelve months ended December 31, 2017, the company repurchased 302,000 shares for \$12.7 million, or an average of \$41.95 per share. As of December 31, 2017, the Company had remaining share repurchase authorization of approximately \$200.0 million.

## **Tax Reform**

As a result of U.S. tax reform, for 2018, the company estimates its consolidated effective tax rate will be in the range of 25%-26%. In anticipation of the expected tax savings, the company previously announced that it was enhancing its U.S. 401(k) savings plan by increasing company matching contributions from 1.5% to 2.5% of eligible contributions, representing an increase of 67%.

## **Conference Call**

Penske Automotive Group will host a conference call discussing financial results relating to the fourth quarter of 2017 on **Thursday, February 8, 2018, at 2:00 p.m. Eastern Standard Time**. To listen to the conference call, participants must dial **(800) 230-1074, [International, please dial (612) 234-9960]**. The call will also be simultaneously broadcast over the Internet through the Investor Relations section of the Penske Automotive Group website. Additionally, an investor presentation relating to the fourth quarter 2017 financial results has been posted to the company's website. To access the presentation or to listen to the company's webcast, please refer to [www.penskeautomotive.com](http://www.penskeautomotive.com).

## **About Penske Automotive**

Penske Automotive Group, Inc., (NYSE:PAG) headquartered in Bloomfield Hills, Michigan, is an international transportation services company that operates automotive and commercial truck dealerships principally in the United States, Canada, and Western Europe, and distributes commercial vehicles, diesel engines, gas engines, power systems and related parts and services principally in Australia and New Zealand. PAG employs more than 26,000 people worldwide, is a member of the Fortune 500, Russell 2000, and is ranked among the World's Most Admired Companies by Fortune Magazine. For additional information, visit the company's website at [www.penskeautomotive.com](http://www.penskeautomotive.com).

## **Non-GAAP Financial Measures**

This release contains certain non-GAAP financial measures as defined under SEC rules, such as adjusted income from continuing operations and related earnings per share, and earnings before interest, taxes, depreciation and amortization ("EBITDA"). The company has reconciled these measures to the most directly comparable GAAP measures in the release. The company believes that these widely accepted measures of operating profitability improve the transparency of the company's disclosures and provide a meaningful presentation of the company's results from its core business operations excluding the impact of items not related to the company's ongoing core business operations, and improve the period-to-period comparability of the company's results from its core business operations. These non-



GAAP financial measures are not substitutes for GAAP financial results, and should only be considered in conjunction with the company's financial information that is presented in accordance with GAAP.

### **Financial Estimates**

The financial estimates presented in this release are preliminary and may change. These estimates include calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent registered public accounting firm. There can be no assurance that the company's actual results will not differ from the estimates presented herein and such changes could be material. These estimates should not be viewed as a substitute for full financial statements prepared in accordance with GAAP and are not necessarily indicative of the results to be achieved for any future periods.

### **Caution Concerning Forward Looking Statements**

Statements in this press release may involve forward-looking statements, including forward-looking statements regarding Penske Automotive Group, Inc.'s future sales, earnings potential, estimated tax savings, and the ability to repatriate earnings. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others: changes in the rules affecting deferred tax assets and liabilities, the preliminary nature of the company forecasts, the terms of company financial agreements that may limit repatriation, economic conditions generally, conditions in the credit markets and changes in interest rates and foreign currency exchange rates, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to natural disasters such as the recent hurricanes, 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, 2016, 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.

*Find a vehicle:* <http://www.penskecars.com>

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**PENSKE AUTOMOTIVE GROUP, INC.**  
**Consolidated Condensed Statements of Income**  
(Amounts In Millions, Except Per Share Data)  
(Unaudited)

|   | <b>Three Months Ended<br/>December 31,</b> |                |                                 | <b>Twelve Months Ended<br/>December 31,</b> |                 |                                 |
|---|--|----------------|---------------------------------|---|-----------------|---------------------------------|
|   | <b>2017</b>                                | <b>2016</b>    | <b>Increase/<br/>(Decrease)</b> | <b>2017</b>                                 | <b>2016</b>     | <b>Increase/<br/>(Decrease)</b> |
| Revenue   | \$5,398.0                                  | \$4,887.8      | 10.4 %                          | \$ 21,386.9                                 | \$20,118.5      | 6.3 %                           |
| Cost of Sales   | 4,589.7                                    | 4,160.5        | 10.3 %                          | 18,164.4                                    | 17,151.9        | 5.9 %                           |
| Gross Profit  | \$ 808.3                                   | \$ 727.3       | 11.1 %                          | \$ 3,222.5                                  | \$ 2,966.6      | 8.6 %                           |
| SG&A Expenses   | 646.2                                      | 579.2          | 11.6 %                          | 2,516.0                                     | 2,302.0         | 9.3 %                           |
| Depreciation  | 25.1                                       | 22.9           | 9.6 %                           | 95.1  | 89.7            | 6.0 %                           |
| Operating Income  | \$ 137.0                                   | \$ 125.2       | 9.4 %                           | \$ 611.4                                    | \$ 574.9        | 6.3 %                           |
| Floor Plan Interest Expense                                   | (17.8)                                     | (13.1)         | 35.9 %                          | (63.4)                                      | (50.9)          | 24.6 %                          |
| Other Interest Expense  | (28.2)                                     | (23.6)         | 19.5 %                          | (107.4)                                     | (85.4)          | 25.8 %                          |
| Equity in Earnings of Affiliates                              | 36.7                                       | 26.4           | 39.0 %                          | 107.6                                       | 69.5            | 54.8 %                          |
| Income from Continuing Operations Before Income Taxes         | \$ 127.7                                   | \$ 114.9       | 11.1 %                          | \$ 548.2                                    | \$ 508.1        | 7.9 %                           |
| Income Taxes  | 200.8                                      | (32.3)         | (721.7)%                        | 64.8  | (160.7)         | (140.3)%                        |
| Income from Continuing Operations                             | \$ 328.5                                   | \$ 82.6        | 297.7 %                         | \$ 613.0                                    | \$ 347.4        | 76.5 %                          |
| Income (Loss) from Discontinued Operations, net of tax        | 0.1  | 0.1            | — %                             | (0.2)                                       | (1.0)           | (80.0)%                         |
| Net Income  | \$ 328.6                                   | \$ 82.7        | 297.3 %                         | \$ 612.8                                    | \$ 346.4        | 76.9 %                          |
| Less: (Loss) Income Attributable to Non-Controlling Interests | (1.5)                                      | 0.1            | nm                              | (0.5)                                       | 3.5             | (114.3)%                        |
| Net Income Attributable to Common Shareholders                | <u>\$ 330.1</u>                            | <u>\$ 82.6</u> | <u>299.6 %</u>                  | <u>\$ 613.3</u>                             | <u>\$ 342.9</u> | <u>78.9 %</u>                   |
| Amounts Attributable to Common Shareholders:                  |  |                |                                 |   |                 |                                 |
| Reported Income from Continuing Operations                    | \$ 328.5                                   | \$ 82.6        | 297.7 %                         | \$ 613.0                                    | \$ 347.4        | 76.5 %                          |
| Less: (Loss) Income Attributable to Non-Controlling Interests | (1.5)                                      | 0.1            | nm                              | (0.5)                                       | 3.5             | (114.3)%                        |
| Income from Continuing Operations, net of tax                 | \$ 330.0                                   | \$ 82.5        | 300.0 %                         | \$ 613.5                                    | \$ 343.9        | 78.4 %                          |
| Income (Loss) from Discontinued Operations, net of tax        | 0.1  | 0.1            | — %                             | (0.2)                                       | (1.0)           | (80.0)%                         |
| Net Income Attributable to Common Shareholders                | <u>\$ 330.1</u>                            | <u>\$ 82.6</u> | <u>299.6 %</u>                  | <u>\$ 613.3</u>                             | <u>\$ 342.9</u> | <u>78.9 %</u>                   |
| Income from Continuing Operations Per Share                   | <u>\$ 3.85</u>                             | <u>\$ 0.97</u> | <u>296.9 %</u>                  | <u>\$ 7.14</u>                              | <u>\$ 4.00</u>  | <u>78.5 %</u>                   |
| Income Per Share  | <u>\$ 3.85</u>                             | <u>\$ 0.97</u> | <u>296.9 %</u>                  | <u>\$ 7.14</u>                              | <u>\$ 3.99</u>  | <u>78.9 %</u>                   |
| Weighted Average Shares Outstanding                           | <u>85.8</u>                                | <u>85.2</u>    | <u>0.7 %</u>                    | <u>85.9</u>                                 | <u>86.0</u>     | <u>(0.1)%</u>                   |

nm – not meaningful

PENSKE AUTOMOTIVE GROUP, INC.  
Consolidated Condensed Balance Sheets  
(Amounts In Millions)  
(Unaudited)

|                                      | December 31,<br>2017 | December 31,<br>2016 |
|--------------------------------------|----------------------|----------------------|
| <b>Assets:</b>                       |                      |                      |
| Cash and Cash Equivalents            | \$ 45.7              | \$ 24.0              |
| Accounts Receivable, Net             | 954.9                | 879.0                |
| Inventories                          | 3,944.1              | 3,408.2              |
| Other Current Assets                 | 81.8                 | 73.9                 |
| Assets Held for Sale                 | —                    | 8.4                  |
| <b>Total Current Assets</b>          | <b>5,026.5</b>       | <b>4,393.5</b>       |
| Property and Equipment, Net          | 2,108.6              | 1,806.5              |
| Intangibles                          | 2,134.5              | 1,711.3              |
| Other Long-Term Assets               | 1,271.0              | 921.7                |
| <b>Total Assets</b>                  | <b>\$ 10,540.6</b>   | <b>\$ 8,833.0</b>    |
| <b>Liabilities and Equity:</b>       |                      |                      |
| Floor Plan Notes Payable             | \$ 2,343.2           | \$ 2,084.5           |
| Floor Plan Notes Payable – Non-Trade | 1,418.6              | 1,233.3              |
| Accounts Payable                     | 641.6                | 497.4                |
| Accrued Expenses                     | 523.5                | 360.0                |
| Current Portion Long-Term Debt       | 72.8                 | 48.3                 |
| Liabilities Held for Sale            | 0.7                  | 6.1                  |
| <b>Total Current Liabilities</b>     | <b>5,000.4</b>       | <b>4,229.6</b>       |
| Long-Term Debt                       | 2,090.4              | 1,828.8              |
| Other Long-Term Liabilities          | 1,021.8              | 995.1                |
| <b>Total Liabilities</b>             | <b>8,112.6</b>       | <b>7,053.5</b>       |
| Equity                               | 2,428.0              | 1,779.5              |
| <b>Total Liabilities and Equity</b>  | <b>\$ 10,540.6</b>   | <b>\$ 8,833.0</b>    |

PENSKE AUTOMOTIVE GROUP, INC.  
Consolidated Operations  
Selected Data  
(Unaudited)

|   | Three Months Ended<br>December 31, |                   | Twelve Months Ended<br>December 31, |                    |
|---|------------------------------------|-------------------|-------------------------------------|--------------------|
|   | 2017                               | 2016              | 2017                                | 2016               |
| <b>Geographic Revenue Mix:</b>                        |                                    |                   |                                     |                    |
| North America   | 61.0 %                             | 62.9 %            | 59.2 %                              | 60.3 %             |
| U.K.  | 30.3 %                             | 28.8 %            | 33.0 %                              | 32.4 %             |
| Other International                                   | 8.7 %                              | 8.3 %             | 7.8 %                               | 7.3 %              |
| Total   | <u>100.0 %</u>                     | <u>100.0 %</u>    | <u>100.0 %</u>                      | <u>100.0 %</u>     |
| <b>Revenue: (Amounts in Millions)</b>                 |                                    |                   |                                     |                    |
| Retail Automotive                                     | \$ 4,941.8                         | \$ 4,551.4        | \$ 19,824.3                         | \$ 18,673.2        |
| Retail Commercial Trucks                              | 308.2                              | 218.4             | 1,048.0                             | 1,000.7            |
| Commercial Vehicles Australia/Power Systems and Other | 148.0                              | 118.0             | 514.6                               | 444.6              |
| Total   | <u>\$ 5,398.0</u>                  | <u>\$ 4,887.8</u> | <u>\$ 21,386.9</u>                  | <u>\$ 20,118.5</u> |
| <b>Gross Profit: (Amounts in Millions)</b>            |                                    |                   |                                     |                    |
| Retail Automotive                                     | \$ 726.3                           | \$ 663.1          | \$ 2,924.8                          | \$ 2,704.8         |
| Retail Commercial Trucks                              | 45.1                               | 33.2              | 165.8                               | 142.9              |
| Commercial Vehicles Australia/Power Systems and Other | 36.9                               | 31.0              | 131.9                               | 118.9              |
| Total   | <u>\$ 808.3</u>                    | <u>\$ 727.3</u>   | <u>\$ 3,222.5</u>                   | <u>\$ 2,966.6</u>  |
| <b>Gross Margin:</b>                                  |                                    |                   |                                     |                    |
| Retail Automotive                                     | 14.7 %                             | 14.6 %            | 14.8 %                              | 14.5 %             |
| Retail Commercial Trucks                              | 14.6 %                             | 15.2 %            | 15.8 %                              | 14.3 %             |
| Commercial Vehicles Australia/Power Systems and Other | 24.9 %                             | 26.3 %            | 25.6 %                              | 26.7 %             |
| Total   | <u>15.0 %</u>                      | <u>14.9 %</u>     | <u>15.1 %</u>                       | <u>14.7 %</u>      |

|   | Three Months Ended<br>December 31, |        |                         | Twelve Months Ended<br>December 31, |        |                         |
|---|------------------------------------|--------|-------------------------|-------------------------------------|--------|-------------------------|
|   | 2017                               | 2016   | Increase/<br>(Decrease) | 2017                                | 2016   | Increase/<br>(Decrease) |
| <b>Operating Items as a Percentage of Revenue:</b>            |                                    |        |                         |                                     |        |                         |
| Gross Profit  | 15.0 %                             | 14.9 % | 10 bps                  | 15.1 %                              | 14.7 % | 40 bps                  |
| Selling, General and Administrative Expenses                  | 12.0 %                             | 11.8 % | 20 bps                  | 11.8 %                              | 11.4 % | 40 bps                  |
| Operating Income  | 2.5 %                              | 2.6 %  | (10)bps                 | 2.9 %                               | 2.9 %  | — bps                   |
| Inc. From Cont. Ops. Before Inc. Taxes                        | 2.4 %                              | 2.4 %  | — bps                   | 2.6 %                               | 2.5 %  | 10 bps                  |
| <b>Operating Items as a Percentage of Total Gross Profit:</b> |                                    |        |                         |                                     |        |                         |
| Selling, General and Administrative Expenses                  | 79.9 %                             | 79.6 % | 30 bps                  | 78.1 %                              | 77.6 % | 50 bps                  |
| Operating Income  | 16.9 %                             | 17.2 % | (30)bps                 | 19.0 %                              | 19.4 % | (40)bps                 |

|                              | Three Months Ended<br>December 31, |         |                         | Twelve Months Ended<br>December 31, |         |                         |
|------------------------------|------------------------------------|---------|-------------------------|-------------------------------------|---------|-------------------------|
|                              | 2017                               | 2016    | Increase/<br>(Decrease) | 2017                                | 2016    | Increase/<br>(Decrease) |
| <b>(Amounts in Millions)</b> |                                    |         |                         |                                     |         |                         |
| EBITDA*                      | \$181.0                            | \$161.4 | 12.1 %                  | \$750.7                             | \$683.2 | 9.9 %                   |
| Floorplan Credits            | \$ 11.1                            | \$ 10.2 | 8.8 %                   | \$ 40.4                             | \$ 39.5 | 2.3 %                   |
| Rent Expense                 | \$ 57.3                            | \$ 52.3 | 9.6 %                   | \$225.4                             | \$206.6 | 9.1 %                   |

\* See the following Non-GAAP reconciliation table.

**PENSKE AUTOMOTIVE GROUP, INC.**  
Retail Automotive Operations  
Selected Data  
(Unaudited)

|  | <b>Three Months Ended<br/>December 31,</b> |                   | <b>Twelve Months Ended<br/>December 31,</b> |                    |
|--|--|-------------------|---|--------------------|
|  | <b>2017</b>                                | <b>2016</b>       | <b>2017</b>                                 | <b>2016</b>        |
| <b>Retail Automotive Units:</b>                              |  |                   |   |                    |
| New Retail   | 61,397                                     | 62,786            | 248,774                                     | 249,695            |
| Used Retail  | 58,538                                     | 49,343            | 252,922                                     | 207,556            |
| Total  | <u>119,935</u>                             | <u>112,129</u>    | <u>501,696</u>                              | <u>457,251</u>     |
| <b>Retail Automotive Revenue: (Amounts in Millions)</b>      |  |                   |   |                    |
| New Vehicles   | \$ 2,488.6                                 | \$ 2,368.7        | \$ 9,678.5                                  | \$ 9,547.1         |
| Used Vehicles  | 1,536.2                                    | 1,332.2           | 6,386.8                                     | 5,663.7            |
| Finance and Insurance, Net                                   | 145.2                                      | 121.9             | 581.8                                       | 495.0              |
| Service and Parts  | 517.4                                      | 482.1             | 2,057.5                                     | 1,948.6            |
| Fleet and Wholesale  | 254.4                                      | 246.5             | 1,119.7                                     | 1,018.8            |
| Total Revenue  | <u>\$ 4,941.8</u>                          | <u>\$ 4,551.4</u> | <u>\$ 19,824.3</u>                          | <u>\$ 18,673.2</u> |
| <b>Retail Automotive Gross Profit: (Amounts in Millions)</b> |  |                   |   |                    |
| New Vehicles   | \$ 193.6                                   | \$ 187.6          | \$ 746.2                                    | \$ 733.8           |
| Used Vehicles  | 75.6                                       | 72.7              | 358.0                                       | 330.5              |
| Finance and Insurance, Net                                   | 145.2                                      | 121.9             | 581.8                                       | 495.0              |
| Service and Parts  | 308.3                                      | 278.7             | 1,219.7                                     | 1,129.7            |
| Fleet and Wholesale  | 3.6  | 2.2               | 19.1  | 15.8               |
| Total Gross Profit   | <u>\$ 726.3</u>                            | <u>\$ 663.1</u>   | <u>\$ 2,924.8</u>                           | <u>\$ 2,704.8</u>  |
| <b>Retail Automotive Revenue Per Vehicle Retained:</b>       |  |                   |   |                    |
| New Vehicles   | \$ 40,533                                  | \$ 37,726         | \$ 38,905                                   | \$ 38,235          |
| Used Vehicles  | 26,242                                     | 26,999            | 25,252                                      | 27,287             |
| <b>Retail Automotive Gross Profit Per Vehicle Retained:</b>  |  |                   |   |                    |
| New Vehicles   | \$ 3,153                                   | \$ 2,988          | \$ 2,999                                    | \$ 2,939           |
| Used Vehicles  | 1,290                                      | 1,472             | 1,415                                       | 1,592              |
| Finance & Insurance  | 1,211                                      | 1,087             | 1,160                                       | 1,082              |
| <b>Retail Automotive Gross Margin:</b>                       |  |                   |   |                    |
| New Vehicles   | 7.8 %                                      | 7.9 %             | 7.7 %                                       | 7.7 %              |
| Used Vehicles  | 4.9 %                                      | 5.5 %             | 5.6 %                                       | 5.8 %              |
| Service and Parts  | 59.6 %                                     | 57.8 %            | 59.3 %                                      | 58.0 %             |
| Fleet and Wholesale  | 1.4 %                                      | 0.9 %             | 1.7 %                                       | 1.6 %              |
| Total Gross Margin   | <u>14.7 %</u>                              | <u>14.6 %</u>     | <u>14.8 %</u>                               | <u>14.5 %</u>      |
| <b>Retail Automotive Revenue Mix Percentages:</b>            |  |                   |   |                    |
| New Vehicles   | 50.4 %                                     | 52.0 %            | 48.8 %                                      | 51.1 %             |
| Used Vehicles  | 31.1 %                                     | 29.3 %            | 32.2 %                                      | 30.3 %             |
| Finance and Insurance, Net                                   | 2.9 %                                      | 2.7 %             | 2.9 %                                       | 2.7 %              |
| Service and Parts  | 10.5 %                                     | 10.6 %            | 10.4 %                                      | 10.4 %             |
| Fleet and Wholesale  | 5.1 %                                      | 5.4 %             | 5.7 %                                       | 5.5 %              |
| Total  | <u>100.0 %</u>                             | <u>100.0 %</u>    | <u>100.0 %</u>                              | <u>100.0 %</u>     |
| <b>Retail Automotive Gross Profit Mix Percentages:</b>       |  |                   |   |                    |
| New Vehicles   | 26.7 %                                     | 28.3 %            | 25.5 %                                      | 27.1 %             |
| Used Vehicles  | 10.4 %                                     | 11.0 %            | 12.2 %                                      | 12.2 %             |
| Finance and Insurance, Net                                   | 20.0 %                                     | 18.4 %            | 19.9 %                                      | 18.3 %             |
| Service and Parts  | 42.4 %                                     | 42.0 %            | 41.7 %                                      | 41.8 %             |
| Fleet and Wholesale  | 0.5 %                                      | 0.3 %             | 0.7 %                                       | 0.6 %              |
| Total  | <u>100.0 %</u>                             | <u>100.0 %</u>    | <u>100.0 %</u>                              | <u>100.0 %</u>     |

PENSKE AUTOMOTIVE GROUP, INC.  
Retail Automotive Operations  
Selected Data  
(Unaudited)

|   | <u>Three Months Ended</u><br><u>December 31,</u> |              | <u>Twelve Months Ended</u><br><u>December 31,</u> |              |
|---|--|--------------|---|--------------|
|   | <u>2017</u>                                      | <u>2016</u>  | <u>2017</u>                                       | <u>2016</u>  |
| <b>Retail Automotive Revenue Mix:</b>                 |  |              |   |              |
| <b>Premium:</b>                                       |  |              |   |              |
| BMW / MINI  | 23 %   | 25 %         | 23 %  | 25 %         |
| Audi  | 15 %   | 14 %         | 14 %  | 14 %         |
| Mercedes-Benz   | 10 %   | 10 %         | 10 %  | 10 %         |
| Land Rover / Jaguar                                   | 8 %  | 7 %          | 8 %   | 7 %          |
| Porsche   | 6 %  | 6 %          | 6 %   | 6 %          |
| Lexus   | 3 %  | 4 %          | 3 %   | 4 %          |
| Ferrari / Maserati                                    | 3 %  | 3 %          | 3 %   | 3 %          |
| Acura   | 1 %  | 1 %          | 1 %   | 1 %          |
| Bentley   | 1 %  | 1 %          | 1 %   | 1 %          |
| Others  | 1 %  | 1 %          | 1 %   | 1 %          |
| Total Premium   | <u>71 %</u>                                      | <u>72 %</u>  | <u>70 %</u>                                       | <u>72 %</u>  |
| <b>Volume Non-U.S.:</b>                               |  |              |   |              |
| Toyota  | 10 %   | 11 %         | 10 %  | 11 %         |
| Honda   | 7 %  | 7 %          | 7 %   | 7 %          |
| Volkswagen  | 3 %  | 3 %          | 3 %   | 3 %          |
| Nissan  | 1 %  | 1 %          | 1 %   | 1 %          |
| Others  | 2 %  | 2 %          | 2 %   | 2 %          |
| Total Volume Non-U.S.                                 | <u>23 %</u>                                      | <u>24 %</u>  | <u>23 %</u>                                       | <u>24 %</u>  |
| <b>U.S.:</b>  |  |              |   |              |
| General Motors / Chrysler / Ford                      | 2 %  | 4 %          | 3 %   | 4 %          |
| <b>Stand-Alone Used</b>                               | <u>4 %</u>                                       | <u>— %</u>   | <u>4 %</u>  | <u>— %</u>   |
| Total   | <u>100 %</u>                                     | <u>100 %</u> | <u>100 %</u>                                      | <u>100 %</u> |
| <b>Retail Automotive Geographic Revenue Mix:</b>      |  |              |   |              |
| U.S.  | 60 %   | 63 %         | 59 %  | 59 %         |
| U.K.  | 33 %   | 31 %         | 35 %  | 35 %         |
| Other International                                   | 7 %  | 6 %          | 6 %   | 6 %          |
| Total   | <u>100 %</u>                                     | <u>100 %</u> | <u>100 %</u>                                      | <u>100 %</u> |
| <b>Retail Automotive Geographic Gross Profit Mix:</b> |  |              |   |              |
| U.S.  | 65 %   | 66 %         | 63 %  | 63 %         |
| U.K.  | 29 %   | 28 %         | 32 %  | 31 %         |
| Other International                                   | 6 %  | 6 %          | 5 %   | 6 %          |
| Total   | <u>100 %</u>                                     | <u>100 %</u> | <u>100 %</u>                                      | <u>100 %</u> |

**PENSKE AUTOMOTIVE GROUP, INC.**  
Retail Automotive Operations  
Same-Store  
Selected Data  
(Unaudited)

|   | <b>Three Months Ended</b> |                   | <b>Twelve Months Ended</b> |                    |
|---|---------------------------|-------------------|----------------------------|--------------------|
|   | <b>December 31,</b>       |                   | <b>December 31,</b>        |                    |
|   | <b>2017</b>               | <b>2016</b>       | <b>2017</b>                | <b>2016</b>        |
| <b>Retail Automotive Same-Store Units:</b>                              |                           |                   |                            |                    |
| New Retail  | 58,807                    | 60,838            | 231,458                    | 241,680            |
| Used Retail   | 47,715                    | 48,613            | 201,283                    | 202,463            |
| Total   | <u>106,522</u>            | <u>109,451</u>    | <u>432,741</u>             | <u>444,143</u>     |
| <b>Retail Automotive Same-Store Revenue: (Amounts in Millions)</b>      |                           |                   |                            |                    |
| New Vehicles  | \$ 2,354.8                | \$ 2,298.8        | \$ 8,980.1                 | \$ 9,272.5         |
| Used Vehicles   | 1,344.9                   | 1,317.8           | 5,502.7                    | 5,536.3            |
| Finance and Insurance, Net  | 127.5                     | 120.3             | 508.3                      | 484.5              |
| Service and Parts   | 495.6                     | 475.0             | 1,950.5                    | 1,919.0            |
| Fleet and Wholesale   | 219.2                     | 229.6             | 952.3                      | 980.2              |
| Total Revenue   | <u>\$ 4,542.0</u>         | <u>\$ 4,441.5</u> | <u>\$ 17,893.9</u>         | <u>\$ 18,192.5</u> |
| <b>Retail Automotive Same-Store Gross Profit: (Amounts in Millions)</b> |                           |                   |                            |                    |
| New Vehicles  | \$ 181.8                  | \$ 182.1          | \$ 685.5                   | \$ 710.3           |
| Used Vehicles   | 64.6                      | 71.3              | 297.2                      | 324.1              |
| Finance and Insurance, Net  | 127.5                     | 120.3             | 508.3                      | 484.5              |
| Service and Parts   | 292.6                     | 275.4             | 1,148.1                    | 1,112.1            |
| Fleet and Wholesale   | 1.7                       | 1.7               | 15.5                       | 15.2               |
| Total Gross Profit  | <u>\$ 668.2</u>           | <u>\$ 650.8</u>   | <u>\$ 2,654.6</u>          | <u>\$ 2,646.2</u>  |
| <b>Retail Automotive Same-Store Revenue Per Vehicle Retailed:</b>       |                           |                   |                            |                    |
| New Vehicles  | \$ 40,043                 | \$ 37,786         | \$ 38,798                  | \$ 38,367          |
| Used Vehicles   | 28,186                    | 27,108            | 27,338                     | 27,345             |
| <b>Retail Automotive Same-Store Gross Profit Per Vehicle Retailed:</b>  |                           |                   |                            |                    |
| New Vehicles  | \$ 3,091                  | \$ 2,993          | \$ 2,962                   | \$ 2,939           |
| Used Vehicles   | 1,353                     | 1,467             | 1,476                      | 1,601              |
| Finance & Insurance   | 1,197                     | 1,099             | 1,175                      | 1,091              |
| <b>Retail Automotive Same-Store Gross Margin:</b>                       |                           |                   |                            |                    |
| New Vehicles  | 7.7 %                     | 7.9 %             | 7.6 %                      | 7.7 %              |
| Used Vehicles   | 4.8 %                     | 5.4 %             | 5.4 %                      | 5.9 %              |
| Service and Parts   | 59.0 %                    | 58.0 %            | 58.9 %                     | 58.0 %             |
| Fleet and Wholesale   | 0.8 %                     | 0.7 %             | 1.6 %                      | 1.6 %              |
| Total Gross Margin  | <u>14.7 %</u>             | <u>14.7 %</u>     | <u>14.8 %</u>              | <u>14.5 %</u>      |
| <b>Retail Automotive Revenue Mix Percentages:</b>                       |                           |                   |                            |                    |
| New Vehicles  | 51.8 %                    | 51.8 %            | 50.2 %                     | 51.0 %             |
| Used Vehicles   | 29.6 %                    | 29.7 %            | 30.8 %                     | 30.4 %             |
| Finance and Insurance, Net  | 2.8 %                     | 2.7 %             | 2.8 %                      | 2.7 %              |
| Service and Parts   | 10.9 %                    | 10.7 %            | 10.9 %                     | 10.5 %             |
| Fleet and Wholesale   | 4.9 %                     | 5.1 %             | 5.3 %                      | 5.4 %              |
| Total   | <u>100.0 %</u>            | <u>100.0 %</u>    | <u>100.0 %</u>             | <u>100.0 %</u>     |
| <b>Retail Automotive Gross Profit Mix Percentages:</b>                  |                           |                   |                            |                    |
| New Vehicles  | 27.2 %                    | 28.0 %            | 25.8 %                     | 26.8 %             |
| Used Vehicles   | 9.7 %                     | 11.0 %            | 11.2 %                     | 12.2 %             |
| Finance and Insurance, Net  | 19.1 %                    | 18.5 %            | 19.1 %                     | 18.3 %             |
| Service and Parts   | 43.8 %                    | 42.3 %            | 43.2 %                     | 42.0 %             |
| Fleet and Wholesale   | 0.2 %                     | 0.2 %             | 0.7 %                      | 0.7 %              |
| Total   | <u>100.0 %</u>            | <u>100.0 %</u>    | <u>100.0 %</u>             | <u>100.0 %</u>     |



**PENSKE AUTOMOTIVE GROUP, INC.**  
Retail Commercial Truck Operations  
Selected Data  
(Unaudited)

|  | <b>Three Months<br/>Ended<br/>December 31,</b> |                 | <b>Twelve Months<br/>Ended<br/>December 31,</b> |                   |
|--|--|-----------------|---|-------------------|
|  | <b>2017</b>                                    | <b>2016</b>     | <b>2017</b>                                     | <b>2016</b>       |
| <b>Retail Commercial Truck Units:</b>                              |  |                 |   |                   |
| New Retail   | 1,892  | 1,302           | 5,824   | 6,079             |
| Used Retail  | 402  | 260             | 1,632   | 1,031             |
| Total Units  | <u>2,294</u>                                   | <u>1,562</u>    | <u>7,456</u>                                    | <u>7,110</u>      |
| <b>Retail Commercial Truck Revenue: (Amounts in Millions)</b>      |  |                 |   |                   |
| New Vehicles   | \$ 201.7                                       | \$ 128.0        | \$ 613.2  | \$ 625.5          |
| Used Vehicles  | 21.5   | 13.2            | 89.4  | 51.8              |
| Finance and Insurance, Net   | 2.3  | 1.8             | 8.9   | 7.3               |
| Service and Parts  | 81.0   | 73.8            | 325.6   | 306.0             |
| Lease, Rental & Wholesale  | 1.7  | 1.6             | 10.9  | 10.1              |
| Total Revenue  | <u>\$ 308.2</u>                                | <u>\$ 218.4</u> | <u>\$ 1,048.0</u>                               | <u>\$ 1,000.7</u> |
| <b>Retail Commercial Truck Gross Profit: (Amounts in Millions)</b> |  |                 |   |                   |
| New Vehicles   | \$ 9.7   | \$ 4.4          | \$ 27.1   | \$ 23.1           |
| Used Vehicles  | 2.6  | (0.4)           | 8.7   | (1.7)             |
| Finance and Insurance, Net   | 2.3  | 1.8             | 8.9   | 7.3               |
| Service and Parts  | 30.6   | 27.5            | 121.4   | 113.2             |
| Lease, Rental & Wholesale  | (0.1)  | (0.1)           | (0.3)   | 1.0               |
| Total Gross Profit   | <u>\$ 45.1</u>                                 | <u>\$ 33.2</u>  | <u>\$ 165.8</u>                                 | <u>\$ 142.9</u>   |
| <b>Retail Commercial Truck Revenue Per Vehicle Retailed:</b>       |  |                 |   |                   |
| New Vehicles   | \$106,648                                      | \$98,292        | \$105,286                                       | \$102,892         |
| Used Vehicles  | 53,739   | 51,121          | 54,808  | 50,276            |
| <b>Retail Commercial Truck Gross Profit Per Vehicle Retailed:</b>  |  |                 |   |                   |
| New Vehicles   | \$ 5,009                                       | \$ 3,451        | \$ 4,615  | \$ 3,808          |
| Used Vehicles  | 6,558  | (1,463)         | 5,317   | (1,626)           |
| Finance and Insurance  | 1,025  | 1,124           | 1,198   | 1,021             |
| <b>Retail Commercial Truck Gross Margin:</b>                       |  |                 |   |                   |
| New Vehicles   | 4.8 %  | 3.4 %           | 4.4 %   | 3.7 %             |
| Used Vehicles  | 12.1 %   | (3.0)%          | 9.7 %   | (3.3)%            |
| Service and Parts  | 37.8 %   | 37.3 %          | 37.3 %  | 37.0 %            |
| Lease, Rental & Wholesale  | (5.9)%   | (6.3)%          | (2.8)%  | 9.9 %             |
| Total Gross Margin   | <u>14.6 %</u>                                  | <u>15.2 %</u>   | <u>15.8 %</u>                                   | <u>14.3 %</u>     |

PENSKE AUTOMOTIVE GROUP, INC.  
Retail Commercial Truck Operations  
Same-Store  
Selected Data  
(Unaudited)

|   | Three Months<br>Ended<br>December 31, |                 | Twelve Months<br>Ended<br>December 31, |                 |
|---|---------------------------------------|-----------------|--|-----------------|
|   | 2017                                  | 2016            | 2017                                   | 2016            |
| <b>Retail Commercial Truck Same-Store Units:</b>                              |                                       |                 |  |                 |
| New Retail  | 1,851                                 | 1,299           | 4,781                                  | 5,245           |
| Used Retail   | 402                                   | 258             | 1,426                                  | 993             |
| Total Units   | <u>2,253</u>                          | <u>1,557</u>    | <u>6,207</u>                           | <u>6,238</u>    |
| <b>Retail Commercial Truck Same-Store Revenue: (Amounts in Millions)</b>      |                                       |                 |  |                 |
| New Vehicles  | \$ 197.3                              | \$ 127.6        | \$ 491.7                               | \$ 534.6        |
| Used Vehicles   | 21.6                                  | 13.2            | 79.9                                   | 50.2            |
| Finance and Insurance, Net  | 2.3                                   | 1.8             | 8.0                                    | 6.7             |
| Service and Parts   | 80.3                                  | 73.8            | 283.3                                  | 279.0           |
| Lease, Rental & Wholesale   | 1.3                                   | 1.5             | 10.4                                   | 9.8             |
| Total Revenue   | <u>\$ 302.8</u>                       | <u>\$ 217.9</u> | <u>\$ 873.3</u>                        | <u>\$ 880.3</u> |
| <b>Retail Commercial Truck Same-Store Gross Profit: (Amounts in Millions)</b> |                                       |                 |  |                 |
| New Vehicles  | \$ 9.2                                | \$ 4.5          | \$ 22.1                                | \$ 20.7         |
| Used Vehicles   | 2.6                                   | (0.4)           | 8.2                                    | (1.8)           |
| Finance and Insurance, Net  | 2.3                                   | 1.8             | 8.0                                    | 6.7             |
| Service and Parts   | 30.1                                  | 27.4            | 107.3                                  | 104.6           |
| Lease, Rental & Wholesale   | —                                     | (0.1)           | (0.3)                                  | 1.0             |
| Total Gross Profit  | <u>\$ 44.2</u>                        | <u>\$ 33.2</u>  | <u>\$ 145.3</u>                        | <u>\$ 131.2</u> |
| <b>Retail Commercial Truck Same-Store Revenue Per Vehicle Retailed:</b>       |                                       |                 |  |                 |
| New Vehicles  | \$106,569                             | \$98,246        | \$102,851                              | \$101,920       |
| Used Vehicles   | 53,659                                | 51,104          | 56,031                                 | 50,581          |
| <b>Retail Commercial Truck Same-Store Gross Profit Per Vehicle Retailed:</b>  |                                       |                 |  |                 |
| New Vehicles  | \$ 4,993                              | \$ 3,434        | \$ 4,625                               | \$ 3,946        |
| Used Vehicles   | 6,475                                 | (1,481)         | 5,732                                  | (1,842)         |
| Finance and Insurance   | 1,006                                 | 1,126           | 1,292                                  | 1,066           |
| <b>Retail Commercial Truck Same-Store Gross Margin:</b>                       |                                       |                 |  |                 |
| New Vehicles  | 4.7 %                                 | 3.5 %           | 4.5 %                                  | 3.9 %           |
| Used Vehicles   | 12.0 %                                | (3.0)%          | 10.3 %                                 | (3.6)%          |
| Service and Parts   | 37.5 %                                | 37.1 %          | 37.9 %                                 | 37.5 %          |
| Lease, Rental & Wholesale   | — %                                   | (6.7)%          | (2.9)%                                 | 10.2 %          |
| Total Gross Margin  | <u>14.6 %</u>                         | <u>15.2 %</u>   | <u>16.6 %</u>                          | <u>14.9 %</u>   |

PENSKE AUTOMOTIVE GROUP, INC.  
Consolidated Non-GAAP Reconciliations  
(Unaudited)

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 twelve months ended December 31, 2017 and 2016:

Income from Continuing Operations:

| (Amounts in Millions)                      | <u>Three Months Ended<br/>December 31,</u> |             |                                 | <u>Twelve Months Ended<br/>December 31,</u> |             |                                 |
|--|--|-------------|---------------------------------|---|-------------|---------------------------------|
|  | <u>2017</u>                                | <u>2016</u> | <u>Increase/<br/>(Decrease)</u> | <u>2017</u>                                 | <u>2016</u> | <u>Increase/<br/>(Decrease)</u> |
|  |  |             |                                 |   |             |                                 |
| Income from Continuing Operations          | \$ 330.0                                   | \$82.5      | 300.0 %                         | \$ 613.5                                    | \$343.9     | 78.4 %                          |
| Less: Income tax benefit (1)               | (243.4)                                    | (5.1)       | nm                              | (243.4)                                     | (5.1)       | nm                              |
| Adjusted Income from Continuing Operations | \$ 86.6                                    | \$77.4      | 11.9 %                          | \$ 370.1                                    | \$338.8     | 9.2 %                           |

Earnings Per Share:

|  | <u>Three Months Ended<br/>December 31,</u> |             |                                 | <u>Twelve Months Ended<br/>December 31,</u> |             |                                 |
|--|--|-------------|---------------------------------|---|-------------|---------------------------------|
|  | <u>2017</u>                                | <u>2016</u> | <u>Increase/<br/>(Decrease)</u> | <u>2017</u>                                 | <u>2016</u> | <u>Increase/<br/>(Decrease)</u> |
|  |  |             |                                 |   |             |                                 |
| Earnings Per Share from Continuing Operations          | \$ 3.85                                    | \$ 0.97     | 296.9 %                         | \$ 7.14                                     | \$ 4.00     | 78.5 %                          |
| Less: Income tax benefit (1)                           | (2.84)                                     | (0.06)      | nm                              | (2.83)                                      | (0.06)      | nm                              |
| Adjusted Earnings Per Share from Continuing Operations | \$ 1.01                                    | \$ 0.91     | 11.0 %                          | \$ 4.31                                     | \$ 3.93 (2) | 9.7 %                           |

<sup>(1)</sup> Amount for 2017 represents the income tax benefit from the enactment of the U.S. Tax Cuts and Jobs Act. Amount for 2016 represents an income tax benefit from the revaluation of a deferred tax liability on our Premier Truck Group investment.

<sup>(2)</sup> Earnings per share amounts may not sum due to rounding.

The following table reconciles reported net income to earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the three and twelve months ended December 31, 2017 and 2016:

| (Amounts in Millions)                                  | <u>Three Months Ended<br/>December 31,</u> |                |                                 | <u>Twelve Months Ended<br/>December 31,</u> |                |                                 |
|--|--|----------------|---------------------------------|---|----------------|---------------------------------|
|  | <u>2017</u>                                | <u>2016</u>    | <u>Increase/<br/>(Decrease)</u> | <u>2017</u>                                 | <u>2016</u>    | <u>Increase/<br/>(Decrease)</u> |
|  |  |                |                                 |   |                |                                 |
| Net Income   | \$ 328.6                                   | \$ 82.7        | 297.3 %                         | \$612.8                                     | \$346.4        | 76.9 %                          |
| Add: Depreciation                                      | 25.1                                       | 22.9           | 9.6 %                           | 95.1  | 89.7           | 6.0 %                           |
| Other Interest Expense                                 | 28.2                                       | 23.6           | 19.5 %                          | 107.4                                       | 85.4           | 25.8 %                          |
| Income Taxes   | (200.8)                                    | 32.3           | (721.7)%                        | (64.8)                                      | 160.7          | (140.3)%                        |
| (Income) Loss from Discontinued Operations, net of tax | (0.1)                                      | (0.1)          | — %                             | 0.2   | 1.0            | (80.0)%                         |
| EBITDA   | <u>\$ 181.0</u>                            | <u>\$161.4</u> | <u>12.1 %</u>                   | <u>\$750.7</u>                              | <u>\$683.2</u> | <u>9.9 %</u>                    |

nm – not meaningful

# # # # #

