

Section 1: 8-K (8-K)

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):

July 30, 2019

Penske Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-12297 (Commission File Number)	22-3086739 (I.R.S. Employer Identification No.)
2555 Telegraph Road, Bloomfield Hills, Michigan (Address of principal executive offices)		48302 (Zip Code)

Registrant's telephone number, including area code:

248-648-2500

Not Applicable

Former name or former address, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Voting Common Stock, par value \$0.0001 per share	PAG	New York Stock Exchange

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.

Item 2.02 Results of Operations and Financial Condition.

On July 30, 2019, we issued a press release announcing our second quarter 2019 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 July 30, 2019, we issued a press release announcing our second quarter 2019 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), our investor relations website (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)
- Penske Automotive’s Facebook page (www.facebook.com/penskecars)
- Penske Automotive’s Social website (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.



Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release.



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.

July 30, 2019

By: /s/ Shane M. Spradlin

Name: Shane M. Spradlin

Title: Executive Vice President



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

Section 2: EX-99.1 (EX-99.1)



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

FOR IMMEDIATE RELEASE



PENSKE AUTOMOTIVE REPORTS SECOND QUARTER 2019 RESULTS

U.K. Market Conditions and BREXIT Impact Second Quarter Results

Income From Continuing Operations of \$117.7 million and Related Earnings Per Share of \$1.42

Acquires Warner Truck Centers - Expected to Add \$1.1 Billion in Annualized Revenues

1.7 Million Shares Repurchased During Second Quarter

BLOOMFIELD HILLS, MI, July 30, 2019 – Penske Automotive Group, Inc. (NYSE:PAG), a diversified international transportation services company, today announced second quarter and six months 2019 results, and the acquisition of Warner Truck Centers, which is expected to add over \$1.1 billion in annualized revenues. For the three months ended June 30, 2019, the company reported income from continuing operations attributable to common shareholders of \$117.7 million, or \$1.42 per share, compared to \$134.6 million, or \$1.58 per share in the prior year.

Chairman Roger Penske said, “Our U.S. retail automotive, North American commercial truck dealership business, and investment in Penske Truck Leasing each performed very well during the second quarter. However, weak market conditions in the U.K. from BREXIT and the timing of customer deliveries in Australia impacted second quarter results. During the second quarter, new vehicle registrations in the U.K. market declined approximately 5%, including a nearly 7% decline in private/retail registrations, which significantly impacted our new vehicle sales volume. Additionally, an over-supply of used vehicles in the U.K. market negatively impacted used vehicle market values and our margins. As a result, the company’s second quarter results were negatively impacted by approximately 16 cents per share, including foreign exchange.” Penske continued, “As the U.K. continues to address Brexit we have implemented cost saving initiatives which are expected to help mitigate further weakness in the U.K. market.”



Commercial Truck Dealership Acquisition

In July 2019, the company's Premier Truck Group subsidiary acquired Warner Truck Centers (www.warnertc.com), a retailer of Freightliner and Western Star medium and heavy-duty commercial trucks located in Utah and Idaho.

Warner Truck Centers consist of six dealership locations, including a flagship operation in Salt Lake City, Utah. "This is an outstanding acquisition for our business and our customers, further solidifying our relationship with Daimler Trucks North America," said Premier Truck Group President Richard Shearing. "Warner Truck Centers operate within key transportation corridors across the central northern U.S. market, providing our business with additional scale and leverage opportunities through an expanded footprint now representing 25 dealerships."

Roger Penske, Penske Automotive Group Chair and CEO, said, "We welcome Warner Truck Centers to the Penske team. The acquisition of Warner Truck Centers nearly doubles our retail commercial truck dealership revenue and enhances the company's diversification while providing the opportunity for future growth and increased profitability."

Automotive Retail Second Quarter

- Same-Store Retail Unit Sales -4.4% to 125,951
 - New unit retail sales -9.0%, Used unit retail sales -0.5%
- Same-Store Retail Revenue -4.6%; Excluding Foreign Exchange -2.1%
 - New -8.3%; Excluding Foreign Exchange -6.2%
 - Used -1.9%; Excluding Foreign Exchange +1.2%
 - Finance & Insurance +2.3%; Excluding Foreign Exchange +5.0%
 - Service & Parts +1.0%; Excluding Foreign Exchange +3.1%
- Same-Store Average Gross Profit Per Unit
 - New \$3,133, +\$18/unit; Excluding Foreign Exchange \$3,216, +\$101/unit
 - Used \$1,406, -\$140/unit; Excluding Foreign Exchange \$1,445, -\$101/unit
 - Finance & Insurance \$1,302, +\$85/unit; Excluding Foreign Exchange \$1,336, +\$119/unit

For the six months ended June 30, 2019, the company reported income from continuing operations attributable to common shareholders of \$217.8 million, or \$2.60 per share, compared to \$242.6 million, or \$2.84 per share in the prior year. Foreign exchange rates negatively impacted earnings per share attributable to common shareholders by \$0.07.

Used Supercenter Operations

For the three months ended June 30, 2019, the used supercenters retailed 17,775 used units and generated \$312.1 million in revenue compared to retail unit sales of 18,832 and revenue of \$346.7 million in the same period last year. The second quarter unit decline is mainly attributable to market conditions and the decline in used vehicle market values in the U.K. For the six months ended June 30, 2019, the used supercenters retailed 35,815 used units and generated \$626.5 million in revenue compared to retail unit sales of 37,505 and revenue of \$677.8 million in the same period last year.

Retail Commercial Truck Operations

For the three months ended June 30, 2019, total medium and heavy-duty units retailed increased 23.2%, and revenue increased 26.0% to \$426.8 million. For the six months ended June 30, 2019, total medium and heavy-duty truck units retailed increased 16.9% and revenue increased 20.3% to \$759.1 million. Same-store revenue increased 26.1% and 19.7% for the three and six months ended June 30, 2019, respectively.

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. The company accounts for its ownership interest in PTL using the equity method of accounting. For the three and six months ended June 30, 2019, the company recorded \$38.0 million and \$63.8 million in earnings from this investment compared to \$35.0 million and \$51.0 million for the same periods last year, respectively.

Dividend and Share Repurchases

On July 17, 2019, the company announced that its Board of Directors increased the dividend to its common stock shareholders to \$0.40 per share, the 33rd consecutive increase in the quarterly dividend.

During the three months ended June 30, 2019, the company repurchased 1,706,866 shares for \$76.2 million, or an average of \$44.66 per share. For the six months ended June 30, 2019, the company repurchased 2,965,214 shares for \$130.6 million, or an average of \$44.03 per share. As of June 30, 2019, the company had a remaining share repurchase authorization of approximately \$74.4 million.

Conference Call

Penske Automotive Group will host a conference call discussing financial results relating to the second quarter of 2019 on **Tuesday, July 30, 2019, at 2:00 p.m. Eastern Daylight Time**. To listen to the conference call, participants must dial **(800) 230-1085 – [International, please dial (612) 288-0329]**. The call will also be simultaneously broadcast over the Internet through the Investor’s section of the Penske Automotive Group website. Additionally, an investor presentation relating to the second quarter 2019

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.

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 27,000 people worldwide and is a member of the Fortune 500, Russell 1000, and Russell 3000 indexes, 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.

Non-GAAP Financial Measures

This release contains certain non-GAAP financial measures as defined under SEC rules, such as 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.

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 product availability, future sales and earnings potential. Actual results may vary materially because of risks and uncertainties that are difficult to predict. These risks and uncertainties include, among others: economic conditions generally, conditions in the credit markets, changes in interest rates and foreign currency exchange rates, changes in tariff rates, adverse impacts related to the outcome of the United Kingdom's potential departure from the European Union, adverse conditions affecting a particular manufacturer, including the adverse impact to the vehicle and parts supply chain due to limited vehicle availability due to WLTP, 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, 2018, 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)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Revenue	\$ 5,755.8	\$ 5,940.3	(3.1)%	\$11,320.2	\$11,687.2	(3.1)%
Cost of Sales	4,888.0	5,050.5	(3.2)%	9,600.9	9,933.0	(3.3)%
Gross Profit	\$ 867.8	\$ 889.8	(2.5)%	\$ 1,719.3	\$ 1,754.2	(2.0)%
SG&A Expenses	668.9	675.4	(1.0)%	1,335.3	1,338.5	(0.2)%
Depreciation	27.1	25.7	5.4 %	53.5	51.3	4.3 %
Operating Income	\$ 171.8	\$ 188.7	(9.0)%	\$ 330.5	\$ 364.4	(9.3)%
Floor Plan Interest Expense	(21.0)	(19.9)	5.5 %	(42.8)	(38.8)	10.3 %
Other Interest Expense	(30.4)	(28.6)	6.3 %	(60.3)	(58.4)	3.3 %
Equity in Earnings of Affiliates	39.5	36.0	9.7 %	66.3	53.3	24.4 %
Income from Continuing Operations Before Income Taxes	\$ 159.9	\$ 176.2	(9.3)%	\$ 293.7	\$ 320.5	(8.4)%
Income Taxes	(41.5)	(41.0)	1.2 %	(76.2)	(77.6)	(1.8)%
Income from Continuing Operations	\$ 118.4	\$ 135.2	(12.4)%	\$ 217.5	\$ 242.9	(10.5)%
Income from Discontinued Operations, net of tax	0.1	—	nm	0.2	0.1	nm
Net Income	\$ 118.5	\$ 135.2	(12.4)%	\$ 217.7	\$ 243.0	(10.4)%
Less: Income (Loss) Attributable to Non-Controlling Interests	0.7	0.6	nm	(0.3)	0.3	nm
Net Income Attributable to Common Shareholders	\$ 117.8	\$ 134.6	(12.5)%	\$ 218.0	\$ 242.7	(10.2)%
Amounts Attributable to Common Shareholders:						
Reported Income from Continuing Operations	\$ 118.4	\$ 135.2	(12.4)%	\$ 217.5	\$ 242.9	(10.5)%
Less: Income (Loss) Attributable to Non-Controlling Interests	0.7	0.6	nm	(0.3)	0.3	nm
Income from Continuing Operations, net of tax	\$ 117.7	\$ 134.6	(12.6)%	\$ 217.8	\$ 242.6	(10.2)%
Income from Discontinued Operations, net of tax	0.1	—	nm	0.2	0.1	nm
Net Income Attributable to Common Shareholders	\$ 117.8	\$ 134.6	(12.5)%	\$ 218.0	\$ 242.7	(10.2)%
Income from Continuing Operations Per Share	\$ 1.42	\$ 1.58	(10.1)%	\$ 2.60	\$ 2.84	(8.5)%
Income Per Share	\$ 1.42	\$ 1.58	(10.1)%	\$ 2.61	\$ 2.84	(8.1)%
Weighted Average Shares Outstanding	82.9	85.0	(2.5)%	83.7	85.5	(2.1)%

nm – not meaningful

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

	June 30, 2019	December 31, 2018
Assets:		
Cash and Cash Equivalents	\$ 43.8	\$ 39.4
Accounts Receivable, Net	944.4	929.1
Inventories	3,978.0	4,040.1
Other Current Assets	109.1	86.6
Total Current Assets	5,075.3	5,095.2
Property and Equipment, Net	2,308.9	2,250.0
Operating Lease Right-of-Use Assets	2,380.9	—
Intangibles	2,235.0	2,238.2
Other Long-Term Assets	1,361.0	1,321.1
Total Assets	<u>\$ 13,361.1</u>	<u>\$ 10,904.5</u>
Liabilities and Equity:		
Floor Plan Notes Payable	\$ 2,350.3	\$ 2,362.2
Floor Plan Notes Payable – Non-Trade	1,435.5	1,428.6
Accounts Payable	638.5	598.2
Accrued Expenses and Other Current Liabilities	651.8	566.6
Current Portion Long-Term Debt	93.3	92.0
Liabilities Held for Sale	0.5	0.7
Total Current Liabilities	5,169.9	5,048.3
Long-Term Debt	2,134.2	2,124.7
Long-Term Operating Lease Liabilities	2,330.3	—
Other Long-Term Liabilities	1,065.7	1,096.8
Total Liabilities	10,700.1	8,269.8
Equity	2,661.0	2,634.7
Total Liabilities and Equity	<u>\$ 13,361.1</u>	<u>\$ 10,904.5</u>
Supplemental Balance Sheet Information		
New vehicle days' supply	78	72
Used vehicle days' supply	47	57

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Geographic Revenue Mix:				
North America	57.9 %	55.4 %	56.4 %	54.2 %
U.K.	33.5 %	35.5 %	35.1 %	36.8 %
Other International	8.6 %	9.1 %	8.5 %	9.0 %
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
Revenue: (Amounts in Millions)				
Retail Automotive	\$5,196.3	\$5,455.5	\$10,287.5	\$10,751.5
Retail Commercial Trucks	426.8	338.8	759.1	631.2
Commercial Vehicles Australia/Power Systems and Other	132.7	146.0	273.6	304.5
Total	<u>\$5,755.8</u>	<u>\$5,940.3</u>	<u>\$11,320.2</u>	<u>\$11,687.2</u>
Gross Profit: (Amounts in Millions)				
Retail Automotive	\$ 774.9	\$ 798.0	\$ 1,536.4	\$ 1,576.3
Retail Commercial Trucks	58.5	52.4	112.9	99.0
Commercial Vehicles Australia/Power Systems and Other	34.4	39.4	70.0	78.9
Total	<u>\$ 867.8</u>	<u>\$ 889.8</u>	<u>\$ 1,719.3</u>	<u>\$ 1,754.2</u>
Gross Margin:				
Retail Automotive	14.9 %	14.6 %	14.9 %	14.7 %
Retail Commercial Trucks	13.7 %	15.5 %	14.9 %	15.7 %
Commercial Vehicles Australia/Power Systems and Other	25.9 %	27.0 %	25.6 %	25.9 %
Total	<u>15.1 %</u>	<u>15.0 %</u>	<u>15.2 %</u>	<u>15.0 %</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating Items as a Percentage of Revenue:				
Gross Profit	15.1 %	15.0 %	15.2 %	15.0 %
Selling, General and Administrative Expenses	11.6 %	11.4 %	11.8 %	11.5 %
Operating Income	3.0 %	3.2 %	2.9 %	3.1 %
Income from Continuing Operations Before Income Taxes	2.8 %	3.0 %	2.6 %	2.7 %
Operating Items as a Percentage of Total Gross Profit:				
Selling, General and Administrative Expenses	77.1 %	75.9 %	77.7 %	76.3 %
Operating Income	19.8 %	21.2 %	19.2 %	20.8 %

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
(Amounts in Millions)				
EBITDA*	\$ 217.4	\$ 230.5	\$407.5	\$430.2
Floorplan Credits	\$ 9.1	\$ 10.3	\$ 17.6	\$ 18.8
Rent Expense	\$ 57.9	\$ 59.0	\$115.1	\$116.9
Capital Expenditures	\$ 71.4	\$ 54.1	\$134.5	\$118.8
Stock Repurchases	\$ 76.2	\$ 5.8	\$130.6	\$ 55.8

* See the following Non-GAAP reconciliation table.

PENSKE AUTOMOTIVE GROUP, INC.
Retail Automotive Operations
Selected Data – Revenue and Gross Profit Mix
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Retail Automotive Revenue Mix:				
Premium:				
BMW / MINI	23 %	23 %	23 %	22 %
Audi	12 %	13 %	12 %	14 %
Mercedes-Benz	10 %	9 %	10 %	9 %
Land Rover / Jaguar	9 %	9 %	9 %	9 %
Porsche	6 %	6 %	6 %	6 %
Ferrari / Maserati	3 %	3 %	3 %	3 %
Lexus	3 %	3 %	3 %	3 %
Acura	1 %	1 %	1 %	1 %
Bentley	1 %	1 %	1 %	1 %
Others	2 %	2 %	2 %	2 %
Total Premium	<u>70 %</u>	<u>70 %</u>	<u>70 %</u>	<u>70 %</u>
Volume Non-U.S.:				
Toyota	10 %	9 %	10 %	9 %
Honda	7 %	7 %	6 %	6 %
Volkswagen	4 %	4 %	4 %	4 %
Nissan	1 %	1 %	1 %	1 %
Others	1 %	1 %	2 %	2 %
Total Volume Non-U.S.	<u>23 %</u>	<u>22 %</u>	<u>23 %</u>	<u>22 %</u>
U.S.:				
General Motors / Chrysler / Ford	1 %	2 %	1 %	2 %
Stand-Alone Used	<u>6 %</u>	<u>6 %</u>	<u>6 %</u>	<u>6 %</u>
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>
Retail Automotive Geographic Revenue Mix:				
U.S.	56 %	54 %	55 %	53 %
U.K.	37 %	39 %	38 %	40 %
Other International	7 %	7 %	7 %	7 %
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>
Retail Automotive Geographic Gross Profit Mix:				
U.S.	61 %	59 %	59 %	58 %
U.K.	33 %	35 %	35 %	36 %
Other International	6 %	6 %	6 %	6 %
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Retail Automotive Units:						
New Retail	55,146	61,071	(9.7)%	109,516	120,333	(9.0)%
Used Retail	72,066	73,143	(1.5)%	144,810	146,371	(1.1)%
Total	<u>127,212</u>	<u>134,214</u>	<u>(5.2)%</u>	<u>254,326</u>	<u>266,704</u>	<u>(4.6)%</u>
Retail Automotive Revenue: (Amounts in Millions)						
New Vehicles	\$ 2,310.4	\$ 2,528.6	(8.6)%	\$ 4,541.6	\$ 4,975.4	(8.7)%
Used Vehicles	1,852.7	1,896.9	(2.3)%	3,704.7	3,763.7	(1.6)%
Finance and Insurance, Net	165.5	162.9	1.6 %	325.5	323.7	0.6 %
Service and Parts	550.7	547.8	0.5 %	1,110.5	1,091.3	1.8 %
Fleet and Wholesale	317.0	319.3	(0.7)%	605.2	597.4	1.3 %
Total Revenue	<u>\$ 5,196.3</u>	<u>\$ 5,455.5</u>	<u>(4.8)%</u>	<u>\$10,287.5</u>	<u>\$10,751.5</u>	<u>(4.3)%</u>
Retail Automotive Gross Profit: (Amounts in Millions)						
New Vehicles	\$ 174.8	\$ 189.8	(7.9)%	\$ 347.5	\$ 373.0	(6.8)%
Used Vehicles	101.6	112.5	(9.7)%	194.5	222.2	(12.5)%
Finance and Insurance, Net	165.5	162.9	1.6 %	325.5	323.7	0.6 %
Service and Parts	328.3	328.2	0.0 %	659.7	646.3	2.1 %
Fleet and Wholesale	4.7	4.6	2.2 %	9.2	11.1	(17.1)%
Total Gross Profit	<u>\$ 774.9</u>	<u>\$ 798.0</u>	<u>(2.9)%</u>	<u>\$ 1,536.4</u>	<u>\$ 1,576.3</u>	<u>(2.5)%</u>
Retail Automotive Revenue Per Vehicle Retained:						
New Vehicles	\$ 41,896	\$ 41,404	1.2 %	\$ 41,470	\$ 41,347	0.3 %
Used Vehicles	25,708	25,934	(0.9)%	25,583	25,713	(0.5)%
Retail Automotive Gross Profit Per Vehicle Retained:						
New Vehicles	\$ 3,170	\$ 3,109	2.0 %	\$ 3,173	\$ 3,100	2.4 %
Used Vehicles	1,410	1,538	(8.3)%	1,343	1,518	(11.5)%
Finance and Insurance	1,301	1,213	7.3 %	1,280	1,213	5.5 %
Retail Automotive Gross Margin:						
New Vehicles	7.6 %	7.5 %	+10 bps	7.7 %	7.5 %	+20 bps
Used Vehicles	5.5 %	5.9 %	-40 bps	5.3 %	5.9 %	-60 bps
Service and Parts	59.6 %	59.9 %	-30 bps	59.4 %	59.2 %	+20 bps
Fleet and Wholesale	1.5 %	1.4 %	+10 bps	1.5 %	1.9 %	-40 bps
Total Gross Margin	<u>14.9 %</u>	<u>14.6 %</u>	<u>+30 bps</u>	<u>14.9 %</u>	<u>14.7 %</u>	<u>+20 bps</u>
Retail Automotive Revenue Mix Percentages:						
New Vehicles	44.5 %	46.3 %	-180 bps	44.1 %	46.3 %	-220 bps
Used Vehicles	35.7 %	34.8 %	+90 bps	36.0 %	35.0 %	+100 bps
Finance and Insurance, Net	3.2 %	3.0 %	+20 bps	3.2 %	3.0 %	+20 bps
Service and Parts	10.6 %	10.0 %	+60 bps	10.8 %	10.2 %	+60 bps
Fleet and Wholesale	6.0 %	5.9 %	+10 bps	5.9 %	5.5 %	+40 bps
Total	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	
Retail Automotive Gross Profit Mix Percentages:						
New Vehicles	22.6 %	23.8 %	-120 bps	22.6 %	23.7 %	-110 bps
Used Vehicles	13.1 %	14.1 %	-100 bps	12.7 %	14.1 %	-140 bps
Finance and Insurance, Net	21.4 %	20.4 %	+100 bps	21.2 %	20.5 %	+70 bps
Service and Parts	42.4 %	41.1 %	+130 bps	42.9 %	41.0 %	+190 bps
Fleet and Wholesale	0.5 %	0.6 %	-10 bps	0.6 %	0.7 %	-10 bps
Total	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

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

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2019	2018	Change	2019	2018	Change
Retail Automotive Same-Store Units:						
New Retail	54,540	59,938	(9.0)%	107,166	117,529	(8.8)%
Used Retail	71,411	71,804	(0.5)%	142,657	143,151	(0.3)%
Total	125,951	131,742	(4.4)%	249,823	260,680	(4.2)%
Retail Automotive Same-Store Revenue: (Amounts in Millions)						
New Vehicles	\$ 2,273.1	\$ 2,479.3	(8.3)%	\$ 4,427.4	\$ 4,861.1	(8.9)%
Used Vehicles	1,833.7	1,869.0	(1.9)%	3,650.0	3,697.3	(1.3)%
Finance and Insurance, Net	164.0	160.3	2.3 %	321.0	318.1	0.9 %
Service and Parts	541.9	536.5	1.0 %	1,086.3	1,065.1	2.0 %
Fleet and Wholesale	312.6	315.1	(0.8)%	589.2	583.2	1.0 %
Total Revenue	\$ 5,125.3	\$ 5,360.2	(4.4)%	\$ 10,073.9	\$ 10,524.8	(4.3)%
Retail Automotive Same-Store Gross Profit: (Amounts in Millions)						
New Vehicles	\$ 170.9	\$ 186.7	(8.5)%	\$ 337.2	\$ 365.6	(7.8)%
Used Vehicles	100.4	111.0	(9.5)%	194.0	218.8	(11.3)%
Finance and Insurance, Net	164.0	160.3	2.3 %	321.0	318.1	0.9 %
Service and Parts	323.2	321.9	0.4 %	645.2	630.8	2.3 %
Fleet and Wholesale	4.5	4.3	4.7 %	8.9	11.0	(19.1)%
Total Gross Profit	\$ 763.0	\$ 784.2	(2.7)%	\$ 1,506.3	\$ 1,544.3	(2.5)%
Retail Automotive Same-Store Revenue Per Vehicle Retailed:						
New Vehicles	\$ 41,678	\$ 41,365	0.8 %	\$ 41,314	\$ 41,360	(0.1)%
Used Vehicles	25,678	26,029	(1.3)%	25,586	25,828	(0.9)%
Retail Automotive Same-Store Gross Profit Per Vehicle Retailed:						
New Vehicles	\$ 3,133	\$ 3,115	0.6 %	\$ 3,146	\$ 3,111	1.1 %
Used Vehicles	1,406	1,546	(9.1)%	1,360	1,529	(11.1)%
Finance and Insurance	1,302	1,217	7.0 %	1,285	1,220	5.3 %
Retail Automotive Same-Store Gross Margin:						
New Vehicles	7.5 %	7.5 %	--- bps	7.6 %	7.5 %	+10 bps
Used Vehicles	5.5 %	5.9 %	-40 bps	5.3 %	5.9 %	-60 bps
Service and Parts	59.6 %	60.0 %	-40 bps	59.4 %	59.2 %	+20 bps
Fleet and Wholesale	1.4 %	1.4 %	--- bps	1.5 %	1.9 %	-40 bps
Total Gross Margin	14.9 %	14.6 %	+30 bps	15.0 %	14.7 %	+30 bps
Retail Automotive Revenue Mix Percentages:						
New Vehicles	44.4 %	46.3 %	-190 bps	43.9 %	46.2 %	-230 bps
Used Vehicles	35.8 %	34.9 %	+90 bps	36.2 %	35.1 %	+110 bps
Finance and Insurance, Net	3.2 %	3.0 %	+20 bps	3.2 %	3.0 %	+20 bps
Service and Parts	10.6 %	10.0 %	+60 bps	10.8 %	10.1 %	+70 bps
Fleet and Wholesale	6.0 %	5.8 %	+20 bps	5.9 %	5.6 %	+30 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	
Retail Automotive Gross Profit Mix Percentages:						
New Vehicles	22.4 %	23.8 %	-140 bps	22.4 %	23.7 %	-130 bps
Used Vehicles	13.2 %	14.2 %	-100 bps	12.9 %	14.2 %	-130 bps
Finance and Insurance, Net	21.5 %	20.4 %	+110 bps	21.3 %	20.6 %	+70 bps
Service and Parts	42.4 %	41.0 %	+140 bps	42.8 %	40.8 %	+200 bps
Fleet and Wholesale	0.5 %	0.6 %	-10 bps	0.6 %	0.7 %	-10 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	

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

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2019	2018	Change	2019	2018	Change
Retail Commercial Truck Units:						
New Retail	2,647	2,021	31.0 %	4,534	3,676	23.3 %
Used Retail	441	486	(9.3)%	857	937	(8.5)%
Total	3,088	2,507	23.2 %	5,391	4,613	16.9 %
Retail Commercial Truck Revenue: (Amounts in Millions)						
New Vehicles	\$ 296.0	\$ 210.7	40.5 %	\$ 503.4	\$ 381.1	32.1 %
Used Vehicles	27.6	27.3	1.1 %	51.7	53.8	(3.9)%
Finance and Insurance, Net	2.9	3.6	(19.4)%	5.9	6.8	(13.2)%
Service and Parts	94.6	92.2	2.6 %	186.1	182.6	1.9 %
Other	5.7	5.0	14.0 %	12.0	6.9	73.9 %
Total Revenue	\$ 426.8	\$ 338.8	26.0 %	\$ 759.1	\$ 631.2	20.3 %
Retail Commercial Truck Gross Profit: (Amounts in Millions)						
New Vehicles	\$ 11.8	\$ 9.5	24.2 %	\$ 22.0	\$ 16.2	35.8 %
Used Vehicles	2.9	3.1	(6.5)%	5.6	5.8	(3.4)%
Finance and Insurance, Net	2.9	3.6	(19.4)%	5.9	6.8	(13.2)%
Service and Parts	37.3	35.9	3.9 %	73.4	69.9	5.0 %
Other	3.6	0.3	nm	6.0	0.3	nm
Total Gross Profit	\$ 58.5	\$ 52.4	11.6 %	\$ 112.9	\$ 99.0	14.0 %
Retail Commercial Truck Revenue Per Vehicle Retailed:						
New Vehicles	\$111,818	\$104,263	7.2 %	\$111,014	\$103,685	7.1 %
Used Vehicles	62,693	56,175	11.6 %	60,430	57,394	5.3 %
Retail Commercial Truck Gross Profit Per Vehicle Retailed:						
New Vehicles	\$ 4,461	\$ 4,673	(4.5)%	\$ 4,848	\$ 4,400	10.2 %
Used Vehicles	6,575	6,469	1.6 %	6,566	6,161	6.6 %
Finance and Insurance	926	1,301	(28.8)%	1,090	1,337	(18.5)%
Retail Commercial Truck Gross Margin:						
New Vehicles	4.0 %	4.5 %	-50 bps	4.4 %	4.3 %	+10 bps
Used Vehicles	10.5 %	11.4 %	-90 bps	10.8 %	10.8 %	--- bps
Service and Parts	39.4 %	38.9 %	+50 bps	39.4 %	38.3 %	+110 bps
Total Gross Margin	13.7 %	15.5 %	-180 bps	14.9 %	15.7 %	-80 bps
Retail Commercial Truck Revenue Mix Percentages:						
New Vehicles	69.4 %	62.2 %	+720 bps	66.3 %	60.4 %	+590 bps
Used Vehicles	6.5 %	8.1 %	-160 bps	6.8 %	8.5 %	-170 bps
Finance and Insurance, Net	0.7 %	1.1 %	-40 bps	0.8 %	1.1 %	-30 bps
Service and Parts	22.2 %	27.2 %	-500 bps	24.5 %	28.9 %	-440 bps
Other	1.2 %	1.4 %	-20 bps	1.6 %	1.1 %	+50 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	
Retail Commercial Truck Gross Profit Mix Percentages:						
New Vehicles	20.2 %	18.1 %	+210 bps	19.5 %	16.4 %	+310 bps
Used Vehicles	5.0 %	5.9 %	-90 bps	5.0 %	5.9 %	-90 bps
Finance and Insurance, Net	5.0 %	6.9 %	-190 bps	5.2 %	6.9 %	-170 bps
Service and Parts	63.8 %	68.5 %	-470 bps	65.0 %	70.6 %	-560 bps
Other	6.0 %	0.6 %	+540 bps	5.3 %	0.2 %	+510 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Retail Commercial Truck Same-Store Units:						
New Retail	2,647	2,021	31.0 %	4,465	3,646	22.5 %
Used Retail	441	486	(9.3)%	846	936	(9.6)%
Total	3,088	2,507	23.2 %	5,311	4,582	15.9 %
Retail Commercial Truck Same-Store Revenue: (Amounts in Millions)						
New Vehicles	\$ 296.0	\$ 210.7	40.5 %	\$ 495.2	\$ 377.5	31.2 %
Used Vehicles	27.6	27.3	1.1 %	51.4	53.7	(4.3)%
Finance and Insurance, Net	2.9	3.6	(19.4)%	5.8	6.1	(4.9)%
Service and Parts	94.6	91.8	3.1 %	184.1	180.5	2.0 %
Other	5.7	5.0	14.0 %	12.0	7.6	57.9 %
Total Revenue	\$ 426.8	\$ 338.4	26.1 %	\$ 748.5	\$ 625.4	19.7 %
Retail Commercial Truck Same-Store Gross Profit: (Amounts in Millions)						
New Vehicles	\$ 11.8	\$ 9.5	24.2 %	\$ 21.4	\$ 15.9	34.6 %
Used Vehicles	2.9	3.1	(6.5)%	5.6	5.8	(3.4)%
Finance and Insurance, Net	2.9	3.6	(19.4)%	5.8	6.1	(4.9)%
Service and Parts	37.3	35.7	4.5 %	72.6	69.1	5.1 %
Other	3.6	0.2	nm	5.8	0.9	nm
Total Gross Profit	\$ 58.5	\$ 52.1	12.3 %	\$ 111.2	\$ 97.8	13.7 %
Retail Commercial Truck Same-Store Revenue Per Vehicle Retailed:						
New Vehicles	\$111,818	\$104,263	7.2 %	\$110,909	\$103,545	7.1 %
Used Vehicles	62,693	56,175	11.6 %	60,721	57,390	5.8 %
Retail Commercial Truck Same-Store Gross Profit Per Vehicle Retailed:						
New Vehicles	\$ 4,461	\$ 4,673	(4.5)%	\$ 4,786	\$ 4,358	9.8 %
Used Vehicles	6,575	6,469	1.6 %	6,580	6,148	7.0 %
Finance and Insurance	926	1,301	(28.8)%	1,097	1,337	(18.0)%
Retail Commercial Truck Same-Store Gross Margin:						
New Vehicles	4.0 %	4.5 %	-50 bps	4.3 %	4.2 %	+10 bps
Used Vehicles	10.5 %	11.4 %	-90 bps	10.9 %	10.8 %	+10 bps
Service and Parts	39.4 %	38.9 %	+50 bps	39.4 %	38.3 %	+110 bps
Total Gross Margin	13.7 %	15.4 %	-170 bps	14.9 %	15.6 %	-70 bps
Retail Commercial Truck Revenue Mix Percentages:						
New Vehicles	69.3 %	62.3 %	+700 bps	66.2 %	60.4 %	+580 bps
Used Vehicles	6.4 %	8.1 %	-170 bps	6.9 %	8.6 %	-170 bps
Finance and Insurance, Net	0.7 %	1.1 %	-40 bps	0.8 %	1.0 %	-20 bps
Service and Parts	22.2 %	27.1 %	-490 bps	24.6 %	28.9 %	-430 bps
Other	1.4 %	1.4 %	+0 bps	1.5 %	1.1 %	+40 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	
Retail Commercial Truck Gross Profit Mix Percentages:						
New Vehicles	20.2 %	18.2 %	+200 bps	19.2 %	16.3 %	+290 bps
Used Vehicles	5.0 %	6.0 %	-100 bps	5.0 %	5.9 %	-90 bps
Finance and Insurance, Net	5.0 %	6.9 %	-190 bps	5.2 %	6.2 %	-100 bps
Service and Parts	63.8 %	68.6 %	-480 bps	65.3 %	70.7 %	-540 bps
Other	6.0 %	0.3 %	+570 bps	5.3 %	0.9 %	+440 bps
Total	100.0 %	100.0 %		100.0 %	100.0 %	

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

The following tables reconcile reported net income to earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the three and six months ended June 30, 2019 and 2018:

(Amounts in Millions)	Three Months Ended June 30,		2019 vs. 2018	
	2019	2018	Change	% Change
Net Income	\$ 118.5	\$ 135.2	\$ (16.7)	(12.4)%
Add: Depreciation	27.1	25.7	1.4	5.4 %
Other Interest Expense	30.4	28.6	1.8	6.3 %
Income Taxes	41.5	41.0	0.5	1.2 %
Income from Discontinued Operations, net of tax	(0.1)	—	(0.1)	—
EBITDA	<u>\$ 217.4</u>	<u>\$ 230.5</u>	<u>\$ (13.1)</u>	<u>(5.7)%</u>

(Amounts in Millions)	Six Months Ended June 30,		2019 vs. 2018	
	2019	2018	Change	% Change
Net Income	\$ 217.7	\$ 243.0	\$ (25.3)	(10.4)%
Add: Depreciation	53.5	51.3	2.2	4.3 %
Other Interest Expense	60.3	58.4	1.9	3.3 %
Income Taxes	76.2	77.6	(1.4)	(1.8)%
(Income) Loss from Discontinued Operations, net of tax	(0.2)	(0.1)	(0.1)	nm
EBITDA	<u>\$ 407.5</u>	<u>\$ 430.2</u>	<u>\$ (22.7)</u>	<u>(5.3)%</u>

nm – not meaningful

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