

Asbury Automotive Group Reports First Quarter 2023 Financial Results

April 25, 2023

- Revenue of \$3.6 billion
- Gross profit of \$696 million
- SG&A as a percentage of gross profit of 57.9%
- Operating margin of 7.7%
- Net income of \$181 million
- EPS of \$8.37 per diluted share
- EBITDA, a non-GAAP measure, of \$294 million
- Parts & service revenue growth of 3%; same store parts & service revenue growth of 12%
- All-time record Clicklane sales of over 10,800 vehicles, increase of 28% over fourth guarter 2022
- Repurchased approximately 110,000 shares for \$21 million

DULUTH, Ga.--(BUSINESS WIRE)--Apr. 25, 2023-- Asbury Automotive Group, Inc. (NYSE: ABG) (the "Company"), one of the largest automotive retail and service companies in the U.S., reported first quarter 2023 net income of \$181 million (\$8.37 per diluted share), a decrease of 24% from \$238 million (\$10.38 per diluted share) in the prior year quarter. First quarter 2023 adjusted net income, a non-GAAP measure, decreased 15% year-over-year to \$181 million (\$8.37 per diluted share) compared to adjusted net income of \$212 million (\$9.27 per diluted share) in first quarter 2022. During 2022, the Company completed sixteen divestitures that contributed \$683 million in revenue for the year. Four of the divestitures closed in the first quarter, three in the second quarter, and nine in the fourth quarter of 2022.

"I am pleased with our performance coming off of a record year," said David Hult, Asbury's President and Chief Executive Officer. "We were, and will continue to be, opportunistic while navigating the changing auto market and macro conditions, and we believe our strong operational model and guest-centric approach will continue to power our profitability."

The financial measures discussed below include both GAAP and adjusted (non-GAAP) financial measures. Please see reconciliations for non-GAAP metrics included in the accompanying financial tables.

There were no non-GAAP adjustments to net income for the first quarter 2023.

Adjusted net income for first quarter 2022 excludes gains, net of tax, of \$25.5 million (\$1.11 per diluted share) related to a \$33.1 million (\$1.08 per diluted share) gain on the sale of four dealerships and a \$0.9 million (\$0.03 per diluted share) real estate sale-leaseback gain.

First Quarter 2023 Operational Summary

Total Company vs. 1st Quarter 2022:

- Revenue of \$3.6 billion, decrease of 8%
- Gross profit decreased 12%
- Gross margin decreased 81 bps to 19.4%
- New vehicle unit volume decreased 12%; new vehicle revenue decreased 5%; new vehicle gross profit decreased 20%
- Used vehicle retail unit volume decreased 14%; used vehicle retail revenue decreased 16%; used vehicle retail gross profit decreased 26%
- Finance and insurance (F&I) per vehicle retailed (PVR) decreased 6%
- Parts and service revenue increased 3%; gross profit increased 2%
- SG&A as a percentage of gross profit and adjusted SG&A as a percentage of gross profit both increased to 57.9%, an increase of 37 bps
- Operating income and adjusted operating income both decreased 14%
- Operating margin decreased 48 bps to 7.7% and adjusted operating margin decreased 46 bps to 7.7%

Same Store vs. 1st Quarter 2022:

- Revenue decreased 1%
- Gross profit decreased 5%
- Gross margin decreased 87 bps to 19.5%
- New vehicle unit volume decreased 4%; new vehicle revenue increased 3%; new vehicle gross profit decreased 14%
- Used vehicle retail unit volume decreased 6%; used vehicle retail revenue decreased 9%; used vehicle retail gross profit decreased 20%
- F&I PVR decreased 8%
- Parts and service revenue increased 12%; gross profit increased 11%; customer pay gross profit increased 13%

SG&A as a percentage of gross profit and adjusted SG&A as a percentage of gross profit both increased to 57.8%, an
increase of 12 bps

Clicklane Metrics:

- Over 10,800 vehicles sold, an all-time record, and an increase of 28% over fourth quarter 2022
- Total front-end PVR of \$3,601 and F&I PVR of \$2,275, resulting in total front-end yield of \$5,876
- · Conversion rate more than double that of traditional internet leads and growing sequentially
- Average transaction time of ~8 minutes for cash deals and ~14 minutes for financed deals
- Overall financing approval rate of 89%, of which 90% were instant and remainder required offline assistance
- 72% were lender-financed sales; 28% were cash sales
- 51 lenders and financial institutions enabled in our Loan Marketplace
- Average delivery within an 18.1 mile radius of the dealership
- Average customer Google review of 4.8/5 stars

Liquidity and Leverage

As of March 31, 2023, the Company had cash and floorplan offset accounts of \$1.1 billion (which excludes \$21 million of cash at TCA) and availability under the used vehicle floorplan line and revolver of \$672 million for a total of approximately \$1.7 billion in liquidity. The Company's adjusted net leverage ratio was 1.6x at quarter end, compared to 1.7x at the end of 2022.

Share Repurchases

The Company repurchased approximately 110,000 shares for \$21 million during the first quarter 2023. From April 1 through April 24, 2023, the Company repurchased approximately 32,000 shares for \$6 million pursuant to a 10b5-1 agreement.

As of April 24, 2023, the Company had \$184 million remaining on its share repurchase authorization.

The shares may be purchased from time to time in the open market, in privately negotiated transactions or in other manners as permitted by federal securities laws and other legal and contractual requirements. The extent to which the Company repurchases its shares, the number of shares and the timing of any repurchase will depend on such factors as Asbury's stock price, general economic and market conditions, the potential impact on its capital structure, the expected return on competing uses of capital such as strategic dealership acquisitions and capital investments and other considerations. The program does not require the Company to repurchase any specific number of shares, and may be modified, suspended or terminated at any time without further notice.

Earnings Call

Additional commentary regarding the first quarter results will be provided during the earnings conference call on Tuesday, April 25, 2023, at 10:00 a.m. ET.

The conference call will be simulcast live on the internet and can be accessed by logging onto <u>https://investors.asburyauto.com</u>. A replay will be available on this site for 30 days.

In addition, live audio will be accessible to the public. Participants may enter the conference call five to ten minutes prior to the scheduled start of the call by dialing:

Domestic:	(877) 407-2988
International:	+1 (201) 389-0923
Passcode:	13737927

About Asbury Automotive Group, Inc.

Asbury Automotive Group, Inc. (NYSE: ABG), a Fortune 500 company headquartered in Duluth, GA, is one of the largest automotive retailers in the U.S. In late 2020, Asbury embarked on a five-year plan to increase revenue and profitability strategically through organic and acquisitive growth as well as their innovative Clicklane digital vehicle purchasing platform, with its guest-centric approach as Asbury's constant North Star. As of March 31, 2023, Asbury operated 139 new vehicle dealerships, consisting of 184 franchises, representing 31 domestic and foreign brands of vehicles. Asbury also operates Total Care Auto, Powered by Landcar, a leading provider of service contracts and other vehicle protection products, and 32 collision repair centers. Asbury offers an extensive range of automotive products and services, including new and used vehicles; parts and service, which includes vehicle financing through third parties and aftermarket products, such as extended service contracts, guaranteed asset protection debt cancellation, and prepaid maintenance.

For additional information, visit www.asburyauto.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements other than historical fact, and may include statements relating to goals, plans, objectives, projections regarding Asbury's financial position, liquidity, results of operations, cash flows, leverage, market position and dealership portfolio, revenue enhancement strategies, operational improvements, projections regarding the expected benefits of Clicklane, management's plans, projections and objectives for future operations, scale and performance, integration plans and expected synergies from acquisitions, capital allocation strategy and business strategy.

These statements are based on management's current expectations and beliefs and involve significant risks and uncertainties that may cause results

to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, our inability to realize the benefits expected from recently completed transactions; our inability to promptly and effectively integrate completed transactions and the diversion of management's attention from ongoing business and regular business responsibilities; our inability to complete future acquisitions or divestitures and the risks resulting therefrom; any impact from the COVID-19 pandemic on our industry and business, market factors, Asbury's relationships with, and the financial and operational stability of, vehicle manufacturers and other suppliers, acts of God, acts of war or other incidents and the shortage of semiconductor chips and other components, which may adversely impact supply from vehicle manufacturers and/or present retail sales challenges; risks associated with Asbury's indebtedness and our ability to comply with applicable covenants in our various financing agreements, or to obtain waivers of these covenants as necessary; risks related to competition in the automotive retail and service industries, general economic conditions both nationally and locally, governmental regulations, legislation, including changes in automotive state franchise laws, adverse results in litigation and other proceedings, and Asbury's ability to execute its strategic and operational strategies and initiatives, including its five-year strategic plan, Asbury's ability to leverage gains from its dealership portfolio, Asbury's ability to stay within its targeted range for capital expenditures. There can be no guarantees that Asbury's plans for future operations will be successfully implemented or that they will prove to be commercially successful.

These and other risk factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements are and will be discussed in Asbury's filings with the U.S. Securities and Exchange Commission from time to time, including its most recent annual report on Form 10-K and any subsequently filed quarterly reports on Form 10-Q. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this press release. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Disclosure and Reconciliation, Same Store Data and Other Data

In addition to evaluating the financial condition and results of our operations in accordance with GAAP, from time to time management evaluates and analyzes results and any impact on the Company of strategic decisions and actions relating to, among other things, cost reduction, growth, and profitability improvement initiatives, and other events outside of normal, or "core," business and operations, by considering certain alternative financial measures not prepared in accordance with GAAP. These measures include "Adjusted income from operations," "Adjusted net income," "Adjusted operating margins," "Adjusted EBITDA," "Adjusted diluted earnings per share ("EPS")," Adjusted operating cash flow" and "Pro forma adjusted leverage ratio." Further, management assesses the organic growth of our revenue and gross profit on a same store basis. We believe that our assessment on a same store basis represents an important indicator of comparative financial performance and provides relevant information to assess our performance at our existing locations. Non-GAAP measures do not have definitions under GAAP and may be defined differently by and not be comparable to similarly titled measures used by other companies. As a result, any non-GAAP financial measures considered and evaluated by management are reviewed in conjunction with a review of the most directly comparable measures calculated in accordance with GAAP. Management cautions investors not to place undue reliance on such non-GAAP measures, but also to consider them with the most directly comparable GAAP measures. In their evaluation of results from time to time, management excludes items that do not arise directly from core operations, or are otherwise of an unusual or non-recurring nature. Because these non-core, unusual or non-recurring charges and gains materially affect Asbury's financial condition or results in the specific period in which they are recognized, management also evaluates, and makes resource allocation and performance evaluation decisions based on, the related non-GAAP measures excluding such items. In addition to using such non-GAAP measures to evaluate results in a specific period, management believes that such measures may provide more complete and consistent comparisons of operational performance on a period-over-period historical basis and a better indication of expected future trends. Management discloses these non-GAAP measures, and the related reconciliations, because it believes investors use these metrics in evaluating longer-term period-over-period performance, and to allow investors to better understand and evaluate the information used by management to assess operating performance.

Same store amounts consist of information from dealerships for identical months in each comparative period, commencing with the first month we owned the dealership. Additionally, amounts related to divested dealerships are excluded from each comparative period.

Amounts presented herein have been calculated using non-rounded amounts for all periods presented and therefore certain amounts may not compute or tie to prior presentation due to rounding.

ASBURY AUTOMOTIVE GROUP, INC. CONSOLIDATED STATEMENTS OF INCOME (In millions, except per share data) (Unaudited)

	For the Ti Ended	%		
	2023	2022	Change	
REVENUE:				
New vehicle	\$ 1,767.7	\$ 1,855.6	(5)%	
Used vehicle:				
Retail	1,021.6	1,217.0	(16)%	
Wholesale	104.9	134.0	(22)%	
Total used vehicle	1,126.5	1,350.9	(17)%	
Parts and service	515.6	501.9	3%	
Finance and insurance, net	172.5	203.4	(15)%	
TOTAL REVENUE	3,582.3	3,911.8	(8)%	
COST OF SALES:				
New vehicle	1,588.8	1,631.6	(3)%	
Used vehicle:				
Retail	951.0	1,121.1	(15)%	

Finance and insurance14.31TOTAL COST OF SALES2,886.13,119GROSS PROFIT696.2799OPERATING EXPENSES:403.0459Selling, general, and administrative403.0459Depreciation and amortization16.7116Other operating income, net—…INCOME FROM OPERATIONS276.5320OTHER EXPENSES:321	1.6(16)%5.44%
Finance and insurance14.31TOTAL COST OF SALES2,886.13,119GROSS PROFIT696.2799OPERATING EXPENSES:403.0459Selling, general, and administrative403.0459Depreciation and amortization16.7116Other operating income, net——INCOME FROM OPERATIONS276.5324OTHER EXPENSES:321	5.4 4%
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Other operating income, net(2)INCOME FROM OPERATIONS276.5OTHER EXPENSES:276.5	5.5 (12)%
INCOME FROM OPERATIONS 276.5 320 OTHER EXPENSES:	8.4 (9)%
OTHER EXPENSES:	2.7) NM
	0.8 (14)%
Floor plan interest expense 0.6	
	2.6 (75)%
Other interest expense, net 37.3 3	7.6 (1)%
Gain on dealership divestitures, net (3	3.1) NM
Total other expenses, net 38.0	7.1 NM
INCOME BEFORE INCOME TAXES 238.5 31	3.7 (24)%
Income tax expense 57.1 70	6.0 (25)%
NET INCOME \$ 181.4 \$ 23	7.7 (24)%
EARNINGS PER SHARE:	
Basic—	
Net income \$ 8.42 \$ 10.	.43 (19)%
Diluted—	
Net income \$ 8.37 \$ 10.	.38 (19)%
WEIGHTED AVERAGE SHARES OUTSTANDING:	(10)/0
	2.8
	0.1
	2.9

NM—Not Meaningful

ASBURY AUTOMOTIVE GROUP, INC.

Additional Disclosures-Consolidated (In millions) (Unaudited)

	ırch 31, 2023	ember 31, 2022	 icrease ecrease)	% Change
SELECTED BALANCE SHEET DATA				
Cash and cash equivalents	\$ 296.8	\$ 235.3	\$ 61.5	26%
Inventory, net (a)	1,081.4	959.2	122.2	13%
Total current assets	2,050.2	1,909.8	140.4	7%
Floor plan notes payable (b)	45.6	51.0	(5.4)	(11)%
Total current liabilities	1,068.3	1,033.4	34.9	3%
CAPITALIZATION:				
Long-term debt (including current portion) (c)	\$ 3,277.9	\$ 3,301.2	\$ (23.3)	(1)%
Shareholders' equity	3,049.2	2,903.5	145.8	5%
Total	\$ 6,327.1	\$ 6,204.7	\$ 122.4	2%

(a) Excluding \$5.0 million and \$3.4 million of inventory classified as assets held for sale as of March 31, 2023 and December 31, 2022, respectively

(b) Excluding \$4.2 million and \$2.8 million of floor plan notes payable classified as liabilities associated with assets held for sale as of March 31, 2023 and December 31, 2022, respectively

(c) Excluding \$15.8 million and \$6.8 million of debt classified as liabilities associated with assets held for sale as of March 31, 2023 and December 31, 2022, respectively

March 31,	December 31,	March 31,
2023 (a)	2022 (b)	2022 (b)

New vehicle inventory	30	26	10
Used vehicle inventory	27	27	28

(a) Days supply of inventory is calculated based on new and used inventory, in units, at the end of each reporting period and a 30-day historical unit sales.

(b) Days supply of inventory is calculated based on new and used inventory, in dollars, at the end of each reporting period and a 30-day historical cost of sales.

Brand Mix - New Vehicle Revenue by Brand

	For the Three Ended Marc	
	2023	2022
Luxury		
Lexus	10%	10%
Mercedes-Benz	9%	7%
BMW	3%	3%
Porsche	2%	1%
Acura	2%	2%
Land Rover	2%	1%
Other luxury	6%	4%
Total luxury	34%	29%
Imports		
Toyota	15%	18%
Honda	9%	10%
Hyundai	5%	5%
Nissan	4%	4%
Kia	2%	1%
Subaru	2%	2%
Other imports	2%	2%
Total imports	38%	41%
Domestic		
Chrysler, Dodge, Jeep, Ram	13%	17%
Ford	10%	8%
Chevrolet, Buick, GMC	5%	4%
Total domestic	28%	29%
Total New Vehicle Revenue	100%	100%

	For the Three Ended Marc	
	2023	2022
Revenue mix		
New vehicle	49.3%	47.4%
Used vehicle retail	28.5%	31.1%
Used vehicle wholesale	2.9%	3.4%
Parts and service	14.4%	12.8%
Finance and insurance, net	4.8%	5.2%
Total revenue	100.0%	100.0%
Gross profit mix		
New vehicle	25.7%	28.3%
Used vehicle retail	10.1%	12.1%
Used vehicle wholesale	0.9%	0.4%
Parts and service	40.5%	34.9%
Finance and insurance, net	22.7%	24.3%
Total gross profit	100.0%	100.0%

ASBURY AUTOMOTIVE GROUP, INC. OPERATING HIGHLIGHTS-CONSOLIDATED (In millions) (Unaudited)

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Used vehicle: Visition Visition							
Retail 70.6 95.8 (26)% Wholesale .6.4 .3.5 .64% Total used vehicle .77.0 .99.3 .621% Parts and service .282.1 .276.4 .2% Finance and insurance, net .185.2 .192.3 (18)% Total gross profit \$ 6862.2 \$.792.0 (12)% Unit salsa		\$	178.9	\$	224.0	(20)%	
Wholesale 6.4 3.5 84%, Total used vehicle Parts and service 282.1 276.4 2% Finance and insurance, net 158.2 192.3 (18)% Total gross profit \$ 696.2 \$ 792.0 (12)% Unit sales							
Total used vehicle 77.0 99.3 (22)% Parts and service 282.1 276.4 2% Finance and insurance, net 158.2 192.3 (18)% Total gross profit \$ 696.2 \$ 792.0 (12)% Unit sales New vehicle: Luxury 8,429 8,257 2% Domestic 8,688 10.239 (15)% Used vehicle retail 32,989 38,306 (14)%	Retail					. ,	
Parts and service 282.1 276.4 2% Finance and insurance, net 158.2 192.3 (18)% Total gross profit \$ 696.2 \$ 792.0 (12)% Unit sales 192.3 (12)% (12)% New vehicle: 120.07 (12)% Luxury 8,429 8,257 2% (16)% 0mestic 17.389 20.678 (16)% Domestic 8,688 10.239 (15)% 0f34 (12)% 0f34 0f39,174 (12)% Used vehicle retail 34,506 39,174 (12)% 0f47 0f47 <td>Wholesale</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Wholesale						
Finance and insurance, net 158.2 192.3 (18)% Total gross profit \$ 696.2 \$ 792.0 (12)% Uhit stabes	Total used vehicle		77.0			(22)%	
Total gross profit \$ 696.2 \$ 792.0 (12)% Unit sales New vehicle:						2%	
Link sales New vehicle Luxury 8,429 8,257 2% Import 17,389 20,678 (16)% Domestic 8,688 10,239 (15)% Total new vehicle 34,506 39,174 (12)% Vesd vehicle retail 32,989 38,306 (14)% Used vehicle retail 32,989 38,306 (14)% Vesd vehicle retail 32,989 30,969 \$ 31,770 (3)% Average stilling price 5 51,228 \$ 47,367 8% Vesd vehicle retail \$ 30,969 \$ 31,770 (3)% Average storSt port punit S Secons port (16000000000000000000000000000000000000	Finance and insurance, net		158.2		192.3	(18)%	
New vehicle: k <t< td=""><td>Total gross profit</td><td>\$</td><td>696.2</td><td>\$</td><td>792.0</td><td>(12)%</td></t<>	Total gross profit	\$	696.2	\$	792.0	(12)%	
Luxury 8,429 8,257 2% Inport 17,339 20,678 (16)% Domestic 8,688 10,239 (15)% Used vehicle retail 34,506 39,174 (12)% Used vehicle retail 32,969 38,306 (14)% Average salling price 95.6% 97.8% Average salling price New vehicle \$ 51,228 \$ 47,367 8% Used vehicle retail \$ 30,969 \$ 31,770 (3)% Average gross profit per unit New vehicle:	<u>Unit sales</u>						
Import 17,389 20,678 (16)% Domestic 8,688 10,239 (15)% Total new vehicle 34,506 33,174 (12)% Used vehicle retail 32,289 38,306 (14)% Avarage selling price 95.6% 97.8% 40 New vehicle \$ 51,228 \$ 47,367 8% Used vehicle retail \$ 30,969 \$ 31,770 (3)% Avarage aross profit per unit \$ 30,969 \$ 31,770 (3)% Avarage aross profit per unit \$ 47,367 8% New vehicle \$ 30,969 \$ 31,770 (3)% Domestic 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 6,041 6,609 (9)% Front end yield (1) 6,041 6,609 (9)% Otal new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9%	New vehicle:						
Domestic 8.688 10.239 (15)% Total new vehicle 34,506 39,174 (12)% Used vehicle retail 32,989 38,306 (14)% Average selling price 95,6% 97,8% 40000 Average selling price \$51,228 \$47,367 8% New vehicle \$30,969 \$31,770 (3)% Average gross profit per unit \$30,969 \$31,770 (3)% New vehicle: \$30,969 \$31,770 (3)% Luxury \$8,588 \$8,580 -% Inport 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Vised vehicle retail 6,041 6,609 (9)% Gross margin Total new vehicle 10.1% 12,1% (15) bp Used vehicle retail 6,9% 7.9% (96) bps Poratine wehicle <t< td=""><td>Luxury</td><td></td><td>8,429</td><td></td><td>8,257</td><td>2%</td></t<>	Luxury		8,429		8,257	2%	
Total new vehicle 34,506 39,174 (12)% Used vehicle retail 32,989 38,306 (14)% Used to new ratio 95.6% 97.8% Average selling price New vehicle \$ 51,228 \$ 47,367 8% Used vehicle retail \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 31,770 (3)% New vehicle:	Import		17,389		20,678	(16)%	
Total new vehicle 34,506 39,174 (12)% Used to new ratio 32,989 38,306 (14)% Used to new ratio 95.6% 97.8% 6 Average selling price 8 51,228 \$ 47,367 8% New vehicle \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 8,580 -% Import 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 6,041 6,609 (9)% Gross margin 10.1% 12.1% (115) bps Used vehicle retail 10.1% 2.2% (81) bps Oberating expenses S 403.0 \$ 455.5 (12)	Domestic		8,688		10,239	(15)%	
Used to new ratio 95.6% 97.8% Average selling price New vehicle \$ \$51.228 \$ 47.367 8% Used vehicle retail \$ 30,669 \$ 31,770 (3)% Average gross profit per unit \$ 36,82 \$ 8,588 \$ \$.8580 -% New vehicle: \$ 3,682 4.614 (20)% Domestic 3,682 4.614 (20)% Domestic 3,682 4.614 (20)% Domestic 2,141 2,502 (14)% Front end yield (1) 6,041 6,609 (9)% Used vehicle retail 6,9% 7.9% (96) bps Used vehicle retail 6,041 6,609 (9)% Gross margin 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Used vehicle retail 9.403.0 \$ 455.5 (12)% Soling, general, and administrative \$ 403.0 \$ 455.5 (12)% Soling, general, and administrative \$ 403.0 \$ 455.5 (12)%	Total new vehicle		34,506		39,174	(12)%	
Average selling price S 51,228 S 47,367 8% New vehicle retail \$ 30,969 \$ 31,770 (3)% Average gross profit per unit \$ 30,969 \$ 31,770 (3)% New vehicle retail \$ 8,588 \$ 8,580 -% Import 3,682 4,614 (20)% 0 3,682 4,614 (20)% Domestic 3,682 4,614 5,717 (9)% 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% 10,1% 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% 60% <t< td=""><td>Used vehicle retail</td><td></td><td>32,989</td><td></td><td>38,306</td><td>(14)%</td></t<>	Used vehicle retail		32,989		38,306	(14)%	
New vehicle \$ 51,228 \$ 47,367 8% Used vehicle retail \$ 30,969 \$ 31,770 (3)% Average gross profit per unit New vehicle 5 8,588 \$ 8,580 -% Import 3,682 4,614 (20)% 0 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% 10.1% 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% 60 9)% Gross margin 10.1% 12.1% (195) bps Vasta d service 54.7% 55.1% (36) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total rew vehi	Used to new ratio		95.6%		97.8%		
Used vehicle retail \$ 30,969 \$ 31,770 (3)% Average gross profit per unit New vehicle: Luxury \$ 8,588 \$ 8,588 \$ 8,580 -% Import 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,041 6,090 9)% Used vehicle retail 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (36) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 9.4 20.2% (36) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 9.4 30.0 455.5 (12)%	Average selling price						
Average gross profit per unit New vehicle: Luxury \$ 8,588 \$ 8,580 -% Import 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% Gross margin Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Jotal new vehicle 10.1% 12.1% (195) bps Used vehicle retail 19.4% 20.2% (81) bps Total gross profit margin 19.4% 20.2% (81) bps Doreating expenses S 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% <td>New vehicle</td> <td>\$</td> <td>51,228</td> <td>\$</td> <td>47,367</td> <td>8%</td>	New vehicle	\$	51,228	\$	47,367	8%	
Average gross profit per unit New vehicle: Luxury \$ 8,583 \$ 8,580 -% Import 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,09 (9)% Otal new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 19.4% 2.02% (81) bps Total gross profit margin 19.4% 2.02% (81) bps Total gross profit margin \$ 403.0 \$ 455.5 (12)% Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Income f	Used vehicle retail		30,969		31,770	(3)%	
New vehicle: Set	<u>Average gross profit per unit</u>						
Import 3,682 4,614 (20)% Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% Gross margin 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total gross profit margin 19.4% 20.2% (81) bps Departing expenses 57.9% 57.5% 37 bps Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% Adjusted SelA as a % of gross profit 57.9% 57.5% 37 bps Adjusted SelA as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of revenue 7.7% 8.2% (48) bps Income from operations as a % of gross profit 39.7% 40	New vehicle:						
Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,069 (9)% Gross margin 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 6.9% 7.9% (96) bps Total gross profit margin 19.4% 20.2% (81) bps Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps	Luxury	\$	8,588	\$	8,580	_%	
Domestic 4,888 5,637 (13)% Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,069 (9)% Gross margin 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 6.9% 7.9% (96) bps Total gross profit margin 19.4% 20.2% (81) bps Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps	Import					(20)%	
Total new vehicle 5,184 5,717 (9)% Used vehicle retail 2,141 2,502 (14)% Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% Gross margin </td <td>Domestic</td> <td></td> <td>4,888</td> <td></td> <td></td> <td></td>	Domestic		4,888				
Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% Gross margin 7 7 (195) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total gross profit margin 19.4% 20.2% (81) bps Operating expenses 5 403.0 \$ 455.5 (12)% Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of revenue 7.7% 8.2% (48) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps	Total new vehicle					(9)%	
Finance and insurance 2,344 2,482 (6)% Front end yield (1) 6,041 6,609 (9)% Gross margin 7 7 (195) bps Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total gross profit margin 19.4% 20.2% (81) bps Operating expenses 5 403.0 \$ 455.5 (12)% Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of gross profit 39.7% 40.5% (68) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps	Used vehicle retail		2,141		2,502	(14)%	
Front end yield (1) 6,041 6,609 (9)% Gross margin <th< td=""><td>Finance and insurance</td><td></td><td></td><td></td><td></td><td>(6)%</td></th<>	Finance and insurance					(6)%	
Gross marginTotal new vehicle10.1%12.1%(195) bpsUsed vehicle retail6.9%7.9%(96) bpsParts and service54.7%55.1%(36) bpsTotal gross profit margin20.2%(81) bpsOperating expenses510.1%455.5(12)%Selling, general, and administrative\$403.0\$455.5(12)%SG&A as a % of gross profit57.9%57.5%37 bpsAdjusted SG&A as a % of gross profit57.9%57.5%37 bpsIncome from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps	Front end yield (1)						
Total new vehicle 10.1% 12.1% (195) bps Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total gross profit margin 19.4% 20.2% (81) bps Operating expenses 5 403.0 \$ 455.5 (12)% Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of revenue 7.7% 8.2% (48) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps							
Used vehicle retail 6.9% 7.9% (96) bps Parts and service 54.7% 55.1% (36) bps Total gross profit margin 19.4% 20.2% (81) bps Operating expenses 8 403.0 \$ 455.5 (12)% Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of revenue 7.7% 8.2% (48) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps	-		10.1%		12.1%	(195) bps	
Parts and service54.7%55.1%(36) bpsTotal gross profit margin19.4%20.2%(81) bpsOperating expenses </td <td>Used vehicle retail</td> <td></td> <td>6.9%</td> <td></td> <td>7.9%</td> <td></td>	Used vehicle retail		6.9%		7.9%		
Total gross profit margin19.4%20.2%(81) bpsOperating expenses19.4%20.2%(81) bpsSelling, general, and administrative\$403.0\$455.5(12)%Adjusted selling, general, and administrative\$403.0\$455.5(12)%SG&A as a % of gross profit57.9%57.5%37 bpsAdjusted SG&A as a % of gross profit57.9%57.5%37 bpsIncome from operations as a % of revenue7.7%8.2%(48) bpsIncome from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps	Parts and service		54.7%		55.1%	(36) bps	
Operating expensesSelling, general, and administrative\$ 403.0\$ 455.5(12)%Adjusted selling, general, and administrative\$ 403.0\$ 455.5(12)%SG&A as a % of gross profit57.9%57.5%37 bpsAdjusted SG&A as a % of gross profit57.9%57.5%37 bpsIncome from operations as a % of revenue7.7%8.2%(48) bpsIncome from operations as a % of revenue39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps	Total gross profit margin		19.4%		20.2%	(81) bps	
Selling, general, and administrative \$ 403.0 \$ 455.5 (12)% Adjusted selling, general, and administrative \$ 403.0 \$ 455.5 (12)% SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of gross profit 7.7% 8.2% (48) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps							
Adjusted selling, general, and administrative\$ 403.0\$ 455.5(12)%SG&A as a % of gross profit57.9%57.5%37 bpsAdjusted SG&A as a % of gross profit57.9%57.5%37 bpsIncome from operations as a % of revenue7.7%8.2%(48) bpsIncome from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps		\$	403.0	\$	455.5	(12)%	
SG&A as a % of gross profit 57.9% 57.5% 37 bps Adjusted SG&A as a % of gross profit 57.9% 57.5% 37 bps Income from operations as a % of revenue 7.7% 8.2% (48) bps Income from operations as a % of gross profit 39.7% 40.5% (80) bps Adjusted income from operations as a % of revenue 7.7% 8.2% (46) bps							
Adjusted SG&A as a % of gross profit57.9%57.5%37 bpsIncome from operations as a % of revenue7.7%8.2%(48) bpsIncome from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps			57.9%				
Income from operations as a % of revenue7.7%8.2%(48) bpsIncome from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps							
Income from operations as a % of gross profit39.7%40.5%(80) bpsAdjusted income from operations as a % of revenue7.7%8.2%(46) bps							
Adjusted income from operations as a % of revenue7.7%8.2%(46) bps							
	Adjusted income from operations as a % of gross profit		39.7%		40.4%	(40) bps (68) bps	

⁽¹⁾ Front end yield is calculated as gross profit from new vehicles, used retail vehicles and finance and insurance (net), divided by combined new and used retail unit sales.

ASBURY AUTOMOTIVE GROUP, INC. SAME STORE OPERATING HIGHLIGHTS-CONSOLIDATED (In millions)

(Unaudited)

		%			
		2023		2022	Change
Revenue					
New vehicle	\$	1,767.7	\$	1,709.4	3%
Used vehicle:					
Retail		1,020.3		1,122.0	(9)%
Wholesale		104.7		124.8	(16)%
Total used vehicle		1,125.0		1,246.8	(10)%
Parts and service		515.5		461.4	12%
Finance and insurance, net		172.9		192.1	(10)%
Total revenue	\$	3,581.0	\$	3,609.6	(1)%
Gross profit		· · · ·		· · · · ·	(1),2
New vehicle	\$	178.9	\$	207.5	(14)%
Used vehicle:	•		•		()
Retail		70.7		88.6	(20)%
Wholesale		6.5		3.3	96%
Total used vehicle		77.1		91.9	(16)%
Parts and service		282.0		254.1	11%
Finance and insurance, net		158.6		180.0	(12)%
Total gross profit	\$	696.7	\$	733.5	(12)%
Unit sales	<u> </u>	000.7	Ψ	733.5	(5)%
New vehicle:					
		8,429		7,741	9%
Luxury Import		17,389		18,169	9 % (4)%
•		8,688		9,868	
Domestic Total new vehicle		34,506		35,778	(12)%
Used vehicle retail		34,500 32,928			(4)% (6)%
				34,991	(6)%
Used to new ratio Average selling price		95.4%		97.8%	
New vehicle	\$	51,228	\$	47,777	7%
Used vehicle retail	\$	30,987	φ \$	32,065	(3)%
Average gross profit per unit	φ	30,907	φ	32,005	(3) /0
New vehicle:					
Luxury	\$	8,588	\$	8,731	(2)%
Import	Ψ	3,682	Ψ	4,626	(20)%
Domestic		4,888		4,020 5,664	(20)%
Total new vehicle		4,000 5,184		5,800	(14)%
Used vehicle retail		2,146		2,531	(11)%
Finance and insurance		2,352		2,544	(10)%
Front end yield (1)		6,053		6,728	(0)%
Gross margin		0,000		0,720	(10)/0
Total new vehicle		10.1%		12.1%	(202) bps
Used vehicle retail		6.9%		7.9%	(202) bp3 (97) bps
Parts and service		54.7%		55.1%	(36) bps
Total gross profit margin		19.5%		20.3%	(87) bps
Operating expenses		13.370		20.070	(07) 048
Selling, general, and administrative	\$	402.4	\$	422.8	(5)%
Adjusted selling, general, and administrative	\$	402.4	φ \$	422.8	(5)%
SG&A as a % of gross profit	Ψ	402.4 57.8%	Ψ	422.0 57.6%	(3) /8 12 bps
Adjusted SG&A as a % of gross profit		57.8%		57.6%	12 bps
Augustou Ocurrus u 70 or gross pront		07.070		07.070	12 043

⁽¹⁾ Front end yield is calculated as gross profit from new vehicles, used retail vehicles and finance and insurance (net), divided by combined new and used retail unit sales.

ASBURY AUTOMOTIVE GROUP, INC. SEGMENT REPORTING (Unaudited)

		Three Mo	nths E	Inded March	n 31, 2	023	Three Months Ended March 31, 2022					022
	Dealerships			CA After		Total mpany	Dea	lerships		A After inations	Total Company	
						(In mil	lions)				
Revenue												
New	\$	1,767.7	\$	—	\$	1,767.7	\$	1,855.6	\$	—	\$	1,855.6
Used		1,126.5		—		1,126.5		1,350.9		—		1,350.9
Parts and service		524.5		(9.0)		515.6		509.8		(7.9)		501.9
Finance and insurance, net		137.6		35.0		172.5		177.9		25.6		203.4
Total revenue	\$	3,556.3	\$	26.0	\$	3,582.3	\$	3,894.2	\$	17.6	\$	3,911.8
Cost of sales												
New	\$	1,588.8	\$	_	\$	1,588.8	\$	1,631.6	\$	—	\$	1,631.6
Used		1,049.5		—		1,049.5		1,251.6		—		1,251.6
Parts and service		238.4		(4.9)		233.5		229.6		(4.1)		225.4
Finance and insurance		_		14.3		14.3		_		11.2		11.2
Total cost of sales	\$	2,876.7	\$	9.4	\$	2,886.1	\$	3,112.8	\$	7.0	\$	3,119.8
Gross profit												
New	\$	178.9	\$	_	\$	178.9	\$	224.0	\$	—	\$	224.0
Used		77.0		_		77.0		99.3		—		99.3
Parts and service		286.2		(4.1)		282.1		280.3		(3.8)		276.4
Finance and insurance, net		137.6		20.7		158.2		177.9		14.4		192.3
Total gross profit	\$	679.6	\$	16.6	\$	696.2	\$	781.4	\$	10.6	\$	792.0
Selling, general, and administrative	\$	406.9	\$	(3.9)	\$	403.0	\$	462.1	\$	(6.6)	\$	455.5
Income from operations	\$	256.1	\$	20.3	\$	276.5	\$	304.9	\$	15.9	\$	320.8

ASBURY AUTOMOTIVE GROUP INC.

Supplemental Disclosures

(Unaudited)

The following tables provide reconciliations for our non-GAAP metrics:

	For the Three Months Ended				For the Twelve Months Ended					
	March 31, March 31, 2023 2022		,	N	larch 31, 2023	December 31, 2022				
				(Dollars	in mi	lions)				
Adjusted leverage ratio:										
Long-term debt (including current portion and held for sale)					\$	3,293.7	\$	3,308.0		
Cash and floor plan offset						(1,072.0)		(926.3)		
TCA cash						21.3		53.7		
Availability under our used vehicle floor plan facility						(234.8)		(230.6)		
Adjusted long-term net debt					\$	2,008.2	\$	2,204.9		
Calculation of earnings before interest, taxes, depreciation and amortization ("EBITDA"):										
Net income	\$	181.4	\$	237.7	\$	941.0	\$	997.3		
Depreciation and amortization		16.7		18.4		67.4		69.0		
Income tax expense		57.1		76.0		302.9		321.8		
Swap and other interest expense		38.4		37.6		153.7		152.9		
Earnings before interest, taxes, depreciation and amortization	\$	293.7	\$	369.7	s	1,465.0	\$	1,541.0		
("EBITDA")	Ψ	200.1	Ψ	000.7	Ψ	1,400.0	Ψ	1,041.0		
Non-core items - expense (income):										
Gain on dealership divestitures, net	\$	—	\$	(33.1)	\$	(174.1)	\$	(207.1)		
Gain on sale of real estate		_		(0.9)		_		(0.9)		
Deal diligence cost		_		_		2.7		2.7		
Total non-core items				(34.0)		(171.4)		(205.4)		

Adjusted EBITDA	\$ 293.7	\$ 335.7	\$	1,293.6	\$	1,335.7
Pro forma impact of acquisition and divestitures on EBITDA Pro forma adjusted EBITDA			\$ \$	(31.6) 1,262.0	\$ \$	(56.7) 1,278.9
Pro forma adjusted net leverage ratio				1.6		1.7

	Three Months Ended March 31, 2023											
	GAAP		Gain on divestitures, net		Real estate related gain		Income tax effect			n-GAAP djusted		
	(In millions, except per share data)											
Selling, general, and administrative	\$	403.0	\$	_	\$	_	\$	_	\$	403.0		
Income from operations	\$	276.5	\$	_	\$	_	\$	_	\$	276.5		
Net income	\$	181.4	\$	—	\$	_	\$	—	\$	181.4		
Weighted average common share outstanding -												
diluted		21.7								21.7		
Diluted EPS	\$	8.37	\$	_	\$	_	\$	_	\$	8.37		
		57.00/		0/		0/		0/		FT 00/		
SG&A as a % of gross profit		57.9%		%		%		%		57.9%		
Income from operations as a % of revenue		7.7%		%		%		%		7.7%		

	Three Months Ended March 31, 2022											
	GAAP		Gain on divestitures, net		Real estate related gain		Income tax effect			n-GAAP djusted		
	(In millions, except per share data)											
Selling, general, and administrative	\$	455.5	\$	_	\$	—	\$	_	\$	455.5		
Income from operations	\$	320.8	\$	_	\$	(0.9)	\$	_	\$	319.9		
Net income	\$	237.7	\$	(33.1)	\$	(0.9)	\$	8.5	\$	212.2		
Weighted average common share outstanding - diluted		22.9								22.9		
Diluted EPS	\$	10.38	\$	(1.44)	\$	(0.04)	\$	0.37	\$	9.27		
SG&A as a % of gross profit Income from operations as a % of revenue		57.5% 8.2%		% %		—% —%		—% —%		57.5% 8.2%		

	For the Three Months Ended March 31,				
	2023		2022		
		(In mill			
Adjusted cash flow from operations:					
Cash provided by operating activities	\$	171.7	\$	409.0	
Change in Floor Plan Notes Payable—Non-Trade, net		1.4		63.6	
Change in Floor Plan Notes Payable—Non-Trade associated with floor plan offset, used vehicle borrowing base changes adjusted for acquisition and divestitures		70.7		(69.6)	
Change in Floor Plan Notes Payable—Trade associated with floor plan offset, adjusted for acquisition and divestitures		0.1		2.5	
Adjusted cash flow provided by operating activities	\$	243.9	\$	405.5	

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