

## Asbury Automotive Group Reports Second Quarter 2023 Financial Results

July 25, 2023

- Revenue of \$3.7 billion
- Gross profit of \$713 million
- SG&A as a percentage of gross profit of 57.3%; adjusted SG&A as a percentage of gross profit, a non-GAAP measure, of 57.0%
- Operating margin of 7.7%; adjusted operating margin, a non-GAAP measure, of 7.8%
- Net income of \$196 million; adjusted net income, a non-GAAP measure, of \$188 million
- EPS of \$9.34 per diluted share; adjusted EPS, a non-GAAP measure, of \$8.95 per diluted share
- Adjusted EBITDA, a non-GAAP measure, of \$307 million
- Same store parts & service revenue growth of 6%
- Clicklane sales of over 11,400 vehicles, an all-time record
- Repurchased approximately 960,000 shares for \$190 million

DULUTH, Ga.--(BUSINESS WIRE)--Jul. 25, 2023-- Asbury Automotive Group, Inc. (NYSE: ABG) (the "Company"), one of the largest automotive retail and service companies in the U.S., reported second quarter 2023 net income of \$196 million (\$9.34 per diluted share), a decrease of 2% from \$201 million (\$9.07 per diluted share) in second quarter 2022. Second quarter 2023 adjusted net income, a non-GAAP measure, decreased 16% year-over-year to \$188 million (\$8.95 per diluted share) compared to adjusted net income of \$223 million (\$10.04 per diluted share) in second 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.

"Our team did an outstanding job with profitability and discipline on expense control," said David Hult, Asbury's President and Chief Executive Officer. "We continue to be adaptive in the current market conditions, with our results driven by the strength of our team members, our dealerships and our determination to deliver the best guest-centric experience."

The financial measures discussed below include both GAAP and adjusted (non-GAAP) financial measures. Please see "Non-GAAP Financial Disclosure and Reconciliation, Same Store Data and Other Data" and the reconciliations for non-GAAP metrics used herein.

Adjusted net income for second quarter 2023 excludes, net of tax, gain on divestiture of \$10.2 million (\$0.48 per diluted share), gain on legal settlement of \$1.4 million (\$0.07 per diluted share) and losses related to hail damage of \$3.2 million (\$0.15 per diluted share).

Adjusted net income for second quarter 2022 excludes losses, net of tax, of \$21.5 million (\$0.97 per diluted share) related to losses on the sale of dealerships and a collision center.

### **Second Quarter 2023 Operational Summary**

#### **Total Company vs. 2<sup>nd</sup> Quarter 2022:**

- Revenue of \$3.7 billion, decrease of 5%
- Gross profit decreased 11%
- Gross margin decreased 127 bps to 19.1%
- New vehicle unit volume decreased 1%; new vehicle revenue increased 4%; new vehicle gross profit decreased 16%
- Used vehicle retail unit volume decreased 21%; used vehicle retail revenue decreased 20%; used vehicle retail gross profit decreased 35%
- Finance and insurance (F&I) per vehicle retailed (PVR) decreased 1%
- Parts and service revenue increased 1%; gross profit increased 1%
- SG&A as a percentage of gross profit was 57.3%, an increase of 146 bps
- Adjusted SG&A as a percentage of gross profit was 57.0%, an increase of 112 bps
- Operating margin decreased 81 bps to 7.7%
- Adjusted operating margin decreased 74 bps to 7.8%

#### **Same Store vs. 2<sup>nd</sup> Quarter 2022:**

- Revenue decreased 1%
- Gross profit decreased 7%
- Gross margin decreased 127 bps to 19.1%
- New vehicle unit volume increased 3%; new vehicle revenue increased 8%; new vehicle gross profit decreased 14%
- Used vehicle retail unit volume decreased 15%; used vehicle retail revenue decreased 15%; used vehicle retail gross profit decreased 31%

- F&I PVR decreased 2%
- Parts and service revenue increased 6%; gross profit increased 6%; customer pay gross profit increased 6%
- SG&A as a percentage of gross profit was 57.2%, an increase of 135 bps
- Adjusted SG&A as a percentage of gross profit was 56.9%, an increase of 101 bps

#### **Clicklane Metrics:**

- Over 11,400 vehicles sold, an all-time record
- 48% were new vehicles sold; 52% were used retail vehicles sold
- Total front-end PVR of \$3,333 and F&I PVR of \$2,408, resulting in total front-end yield of \$5,740
- Conversion rate more than double that of traditional internet leads and growing sequentially
- Overall financing approval rate of 91%, of which 78% were instant and remainder required offline assistance
- 74% were lender-financed sales; 26% were cash sales
- 51 lenders and financial institutions enabled in our Loan Marketplace
- Average delivery within a 44 mile radius of the dealership
- Average customer Google review of 4.9/5 stars

#### **Liquidity and Leverage**

As of June 30, 2023, the Company had cash and floorplan offset accounts of \$882 million (which excludes \$14 million of cash at TCA) and availability under the used vehicle floorplan line and revolver of \$707 million for a total of approximately \$1.6 billion in liquidity. The Company's adjusted net leverage ratio was 1.7x at quarter end.

#### **Share Repurchases**

The Company repurchased 960,000 shares for \$190 million during the second quarter 2023. Year-to-date 2023, the Company has repurchased 1.1 million shares for \$211 million.

On May 26, 2023, the Company announced its board of directors approved a new authorization to repurchase up to \$250 million of the Company's common stock. As of July 24, 2023, the Company had \$250 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, July 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 <https://investors.asburyauto.com>. 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:	13739938

#### **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. Asbury currently operates 138 new vehicle dealerships, consisting of 181 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 repair and maintenance services, replacement parts and collision repair services; and finance and insurance products, including arranging 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](http://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, the timing and amount of any stock repurchases, 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, 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 ongoing impact from the COVID-19 pandemic on supply chain disruptions impacting 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 capitalize on opportunities to repurchase its debt and equity securities or purchase properties that it currently leases, and 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 SG&A," "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 Three Months Ended June 30,			For the Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
REVENUE:						
New vehicle	\$ 1,942.7	\$ 1,864.6	4%	\$ 3,710.4	\$ 3,720.1	—%
Used vehicle:						
Retail	1,013.3	1,272.7	(20)%	2,034.9	2,489.7	(18)%
Wholesale	94.0	89.7	5%	198.9	223.7	(11)%
Total used vehicle	1,107.3	1,362.4	(19)%	2,233.9	2,713.4	(18)%
Parts and service	526.1	520.2	1%	1,041.7	1,022.1	2%
Finance and insurance, net	166.3	203.0	(18)%	338.9	406.4	(17)%
TOTAL REVENUE	3,742.5	3,950.1	(5)%	7,324.8	7,862.0	(7)%
COST OF SALES:						
New vehicle	1,757.7	1,644.1	7%	3,346.5	3,275.7	2%

Used vehicle:						
Retail	947.5	1,172.0	(19)%	1,898.5	2,293.2	(17)%
Wholesale	88.9	86.3	3%	187.5	216.8	(14)%
Total used vehicle	1,036.4	1,258.3	(18)%	2,086.0	2,510.0	(17)%
Parts and service	234.1	229.7	2%	467.6	455.2	3%
Finance and insurance	1.2	15.3	(92)%	15.5	26.5	(42)%
TOTAL COST OF SALES	3,029.4	3,147.4	(4)%	5,915.5	6,267.3	(6)%
GROSS PROFIT	713.1	802.7	(11)%	1,409.3	1,594.7	(12)%
OPERATING EXPENSES:						
Selling, general, and administrative	408.6	448.2	(9)%	811.6	903.7	(10)%
Depreciation and amortization	16.8	18.1	(8)%	33.5	36.5	(8)%
Other operating expense (income), net	—	0.8	NM	—	(1.9)	NM
INCOME FROM OPERATIONS	287.7	335.5	(14)%	564.2	656.3	(14)%
OTHER EXPENSES:						
Floor plan interest expense	0.8	1.5	(47)%	1.5	4.1	(65)%
Other interest expense, net	39.3	37.6	5%	76.6	75.2	2%
(Gain) loss on dealership divestitures, net	(13.5)	28.7	NM	(13.5)	(4.4)	NM
Total other expenses, net	26.6	67.8	(61)%	64.6	74.9	(14)%
INCOME BEFORE INCOME TAXES	261.1	267.7	(2)%	499.6	581.4	(14)%
Income tax expense	64.8	66.4	(2)%	121.9	142.3	(14)%
NET INCOME	\$ 196.4	\$ 201.4	(2)%	\$ 377.7	\$ 439.1	(14)%
EARNINGS PER SHARE:						
Basic—						
Net income	\$ 9.37	\$ 9.11	3%	\$ 17.78	\$ 19.60	(9)%
Diluted—						
Net income	\$ 9.34	\$ 9.07	3%	\$ 17.70	\$ 19.52	(9)%
WEIGHTED AVERAGE SHARES OUTSTANDING:						
Basic	20.9	22.1		21.2	22.4	
Performance share units	0.1	0.1		0.1	0.1	
Diluted	21.0	22.2		21.3	22.5	

NM—Not Meaningful

ASBURY AUTOMOTIVE GROUP, INC.  
Additional Disclosures-Consolidated (In millions)  
(Unaudited)

	June 30, 2023	December 31, 2022	Increase (Decrease)	% Change
SELECTED BALANCE SHEET DATA				
Cash and cash equivalents	\$ 77.5	\$ 235.3	\$ (157.9)	(67)%
Inventory, net (a)	1,199.2	959.2	240.0	25%
Total current assets	2,003.9	1,909.8	94.1	5%
Floor plan notes payable (b)	49.3	51.0	(1.7)	(3)%
Total current liabilities	1,049.6	1,033.4	16.2	2%
CAPITALIZATION:				
Long-term debt (including current portion) (c)	\$ 3,240.5	\$ 3,301.2	\$ (60.7)	(2)%
Shareholders' equity	3,068.6	2,903.5	165.2	6%
Total	\$ 6,309.1	\$ 6,204.7	\$ 104.5	2%

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

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

(c) Excluding \$6.8 million and \$6.8 million of debt classified as liabilities associated with assets held for sale as of June 30, 2023 and December 31, 2022, respectively

	June 30, 2023 (a)	December 31, 2022 (b)	June 30, 2022 (b)
<b>Days Supply</b>			
New vehicle inventory	32	26	13

(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 Months Ended June 30,	
		2023	2022
<b><u>Luxury</u></b>			
Lexus		10 %	9 %
Mercedes-Benz		9 %	8 %
BMW		3 %	3 %
Porsche		2 %	3 %
Acura		2 %	2 %
Other luxury		6 %	6 %
Total luxury		32 %	32 %
<b><u>Imports</u></b>			
Toyota		16 %	16 %
Honda		10 %	8 %
Hyundai		4 %	5 %
Nissan		3 %	4 %
Kia		2 %	2 %
Subaru		2 %	2 %
Other imports		2 %	2 %
Total imports		40 %	39 %
<b><u>Domestic</u></b>			
Chrysler, Dodge, Jeep, Ram		13 %	9 %
Ford		10 %	16 %
Chevrolet, Buick, GMC		5 %	5 %
Total domestic		28 %	30 %
<b>Total New Vehicle Revenue</b>		100 %	100 %

		For the Three Months Ended June 30,	
		2023	2022
<b><u>Revenue mix</u></b>			
New vehicle		51.9 %	47.2 %
Used vehicle retail		27.1 %	32.2 %
Used vehicle wholesale		2.5 %	2.3 %
Parts and service		14.1 %	13.2 %
Finance and insurance, net		4.4 %	5.1 %
Total revenue		100.0 %	100.0 %
<b><u>Gross profit mix</u></b>			
New vehicle		25.9 %	27.5 %
Used vehicle retail		9.2 %	12.5 %
Used vehicle wholesale		0.7 %	0.4 %
Parts and service		41.0 %	36.2 %
Finance and insurance, net		23.2 %	23.4 %
Total gross profit		100.0 %	100.0 %

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

		For the Three Months Ended June 30,		%	For the Six Months Ended June 30,		%
		2023	2022		2023	2022	
<b><u>Revenue</u></b>				Change			Change

New vehicle	\$ 1,942.7	\$ 1,864.6	4%	\$ 3,710.4	\$ 3,720.1	—%
Used vehicle:						
Retail	1,013.3	1,272.7	(20)%	2,034.9	2,489.7	(18)%
Wholesale	94.0	89.7	5%	198.9	223.7	(11)%
Total used vehicle	1,107.3	1,362.4	(19)%	2,233.9	2,713.4	(18)%
Parts and service	526.1	520.2	1%	1,041.7	1,022.1	2%
Finance and insurance, net	166.3	203.0	(18)%	338.9	406.4	(17)%
Total revenue	\$ 3,742.5	\$ 3,950.1	(5)%	\$ 7,324.8	\$ 7,862.0	(7)%
<b>Gross profit</b>						
New vehicle	\$ 185.0	\$ 220.5	(16)%	\$ 363.9	\$ 444.4	(18)%
Used vehicle:						
Retail	65.8	100.7	(35)%	136.5	196.5	(31)%
Wholesale	5.1	3.4	47%	11.4	6.9	66%
Total used vehicle	70.9	104.1	(32)%	147.9	203.4	(27)%
Parts and service	292.0	290.5	1%	574.1	566.9	1%
Finance and insurance, net	165.2	187.6	(12)%	323.4	379.9	(15)%
Total gross profit	\$ 713.1	\$ 802.7	(11)%	\$ 1,409.3	\$ 1,594.7	(12)%
<b>Unit sales</b>						
New vehicle:						
Luxury	8,925	8,899	—%	17,354	17,156	1%
Import	19,967	19,564	2%	37,356	40,242	(7)%
Domestic	9,368	10,234	(8)%	18,056	20,473	(12)%
Total new vehicle	38,260	38,697	(1)%	72,766	77,871	(7)%
Used vehicle retail	31,623	39,848	(21)%	64,612	78,154	(17)%
Used to new ratio	82.7%	103.0%		88.8%	100.4%	
<b>Average selling price</b>						
New vehicle	\$ 50,776	\$ 48,183	5%	\$ 50,990	\$ 47,773	7%
Used vehicle retail	\$ 32,044	\$ 31,939	—%	\$ 31,495	\$ 31,856	(1)%
<b>Average gross profit per unit</b>						
New vehicle:						
Luxury	\$ 7,785	\$ 8,594	(9)%	\$ 8,175	\$ 8,585	(5)%
Import	3,622	4,489	(19)%	3,650	4,554	(20)%
Domestic	4,612	5,488	(16)%	4,745	5,562	(15)%
Total new vehicle	4,835	5,697	(15)%	5,001	5,707	(12)%
Used vehicle retail	2,081	2,527	(18)%	2,112	2,515	(16)%
Finance and insurance	2,363	2,389	(1)%	2,354	2,435	(3)%
Front end yield (1)	5,952	6,478	(8)%	5,996	6,543	(8)%
<b>Gross margin</b>						
Total new vehicle	9.5%	11.8%	(230) bps	9.8%	11.9%	(214) bps
Used vehicle retail	6.5%	7.9%	(142) bps	6.7%	7.9%	(119) bps
Parts and service	55.5%	55.8%	(33) bps	55.1%	55.5%	(35) bps
Total gross profit margin	19.1%	20.3%	(127) bps	19.2%	20.3%	(104) bps
<b>Operating expenses</b>						
Selling, general, and administrative	\$ 408.6	\$ 448.2	(9)%	\$ 811.6	\$ 903.7	(10)%
Adjusted selling, general, and administrative	\$ 406.1	\$ 448.2	(9)%	\$ 809.1	\$ 903.7	(10)%
SG&A as a % of gross profit	57.3%	55.8%	146 bps	57.6%	56.7%	92 bps
Adjusted SG&A as a % of gross profit	57.0%	55.8%	112 bps	57.4%	56.7%	75 bps
Income from operations as a % of revenue	7.7%	8.5%	(81) bps	7.7%	8.3%	(65) bps
Income from operations as a % of gross profit	40.4%	41.8%	(145) bps	40.0%	41.2%	(112) bps
Adjusted income from operations as a % of revenue	7.8%	8.5%	(74) bps	7.7%	8.3%	(60) bps
Adjusted income from operations as a % of gross profit	40.7%	41.8%	(111) bps	40.2%	41.1%	(89) 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)

For the Three Months Ended June 30,		% Change	For the Six Months Ended June 30,		% Change
2023	2022		2023	2022	

**Revenue**

New vehicle	\$ 1,938.4	\$ 1,798.0	8%	\$ 3,699.5	\$ 3,501.9	6%
Used vehicle:						
Retail	1,010.4	1,195.7	(15)%	2,023.6	2,309.0	(12)%
Wholesale	93.7	86.1	9%	198.1	210.6	(6)%
Total used vehicle	1,104.1	1,281.8	(14)%	2,221.7	2,519.6	(12)%
Parts and service	525.3	494.5	6%	1,039.3	954.5	9%
Finance and insurance, net	166.3	193.4	(14)%	338.5	384.9	(12)%
Total revenue	\$ 3,734.1	\$ 3,767.8	(1)%	\$ 7,298.9	\$ 7,360.9	(1)%

**Gross profit**

New vehicle	\$ 184.5	\$ 213.3	(14)%	\$ 362.5	\$ 420.2	(14)%
Used vehicle:						
Retail	65.7	95.0	(31)%	135.9	182.6	(26)%
Wholesale	5.1	3.4	47%	11.5	6.8	71%
Total used vehicle	70.7	98.4	(28)%	147.4	189.4	(22)%
Parts and service	291.5	275.3	6%	572.6	528.7	8%
Finance and insurance, net	165.1	179.0	(8)%	323.0	358.4	(10)%
Total gross profit	\$ 711.8	\$ 766.1	(7)%	\$ 1,405.5	\$ 1,496.6	(6)%

**Unit sales**

New vehicle:						
Luxury	8,845	8,505	4%	17,156	16,146	6%
Import	19,967	18,828	6%	37,356	36,997	1%
Domestic	9,368	9,896	(5)%	18,056	19,764	(9)%
Total new vehicle	38,180	37,229	3%	72,568	72,907	—%
Used vehicle retail	31,505	37,020	(15)%	64,132	71,661	(11)%
Used to new ratio	82.5%	99.4%		88.4%	98.3%	

**Average selling price**

New vehicle	\$ 50,769	\$ 48,295	5%	\$ 50,980	\$ 48,033	6%
Used vehicle retail	\$ 32,073	\$ 32,298	(1)%	\$ 31,553	\$ 32,221	(2)%

**Average gross profit per unit**

New vehicle:						
Luxury	\$ 7,795	\$ 8,672	(10)%	\$ 8,187	\$ 8,708	(6)%
Import	3,622	4,518	(20)%	3,650	4,571	(20)%
Domestic	4,613	5,510	(16)%	4,746	5,588	(15)%
Total new vehicle	4,832	5,731	(16)%	4,995	5,763	(13)%
Used vehicle retail	2,085	2,566	(19)%	2,118	2,548	(17)%
Finance and insurance	2,369	2,411	(2)%	2,363	2,479	(5)%
Front end yield (1)	5,959	6,564	(9)%	6,009	6,649	(10)%

**Gross margin**

Total new vehicle	9.5%	11.9%	(235) bps	9.8%	12.0%	(220) bps
Used vehicle retail	6.5%	7.9%	(145) bps	6.7%	7.9%	(119) bps
Parts and service	55.5%	55.7%	(18) bps	55.1%	55.4%	(29) bps
Total gross profit margin	19.1%	20.3%	(127) bps	19.3%	20.3%	(108) bps

**Operating expenses**

Selling, general, and administrative	\$ 407.5	\$ 428.2	(5)%	\$ 808.1	\$ 849.2	(5)%
Adjusted selling, general, and administrative	\$ 405.0	\$ 428.2	(5)%	\$ 805.7	\$ 849.2	(5)%
SG&A as a % of gross profit	57.2%	55.9%	135 bps	57.5%	56.7%	75 bps
Adjusted SG&A as a % of gross profit	56.9%	55.9%	101 bps	57.3%	56.7%	58 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.  
SEGMENT REPORTING (Unaudited)

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Dealerships	TCA After Eliminations	Total Company	Dealerships	TCA After Eliminations	Total Company
(In millions)						
<b>Revenue</b>						
New	\$ 1,942.7	\$ —	\$ 1,942.7	\$ 1,864.6	\$ —	\$ 1,864.6

Used	1,107.3	—	1,107.3	1,362.4	—	1,362.4
Parts and service	534.6	(8.5)	526.1	528.3	(8.1)	520.2
Finance and insurance, net	134.2	32.2	166.3	174.7	28.2	203.0
Total revenue	\$ 3,718.8	\$ 23.7	\$ 3,742.5	\$ 3,930.0	\$ 20.2	\$ 3,950.1
<b>Cost of sales</b>						
New	\$ 1,757.7	\$ —	\$ 1,757.7	\$ 1,644.1	\$ —	\$ 1,644.1
Used	1,036.4	—	1,036.4	1,258.3	—	1,258.3
Parts and service	238.7	(4.6)	234.1	233.9	(4.2)	229.7
Finance and insurance	(4.4)	5.6	1.2	—	15.3	15.3
Total cost of sales	\$ 3,028.5	\$ 0.9	\$ 3,029.4	\$ 3,136.3	\$ 11.1	\$ 3,147.4
<b>Gross profit</b>						
New	\$ 185.0	\$ —	\$ 185.0	\$ 220.5	\$ —	\$ 220.5
Used	70.9	—	70.9	104.1	—	104.1
Parts and service	295.9	(3.9)	292.0	294.3	(3.9)	290.5
Finance and insurance, net	138.6	26.6	165.2	174.7	12.9	187.6
Total gross profit	\$ 690.3	\$ 22.7	\$ 713.1	\$ 793.7	\$ 9.0	\$ 802.7
<b>Selling, general and administrative</b>	\$ 416.6	\$ (8.0)	\$ 408.6	\$ 455.0	\$ (6.8)	\$ 448.2
<b>Income from operations</b>	\$ 257.2	\$ 30.5	\$ 287.7	\$ 321.8	\$ 13.7	\$ 335.5

	Six Months Ended June 30, 2023			Six Months Ended June 30, 2022		
	Dealerships	TCA After Eliminations	Total Company	Dealerships	TCA After Eliminations	Total Company
	(In millions)					
<b>Revenue</b>						
New	\$ 3,710.4	\$ —	\$ 3,710.4	\$ 3,720.1	\$ —	\$ 3,720.1
Used	2,233.9	—	2,233.9	2,713.4	—	2,713.4
Parts and service	1,059.1	(17.4)	1,041.7	1,038.1	(16.0)	1,022.1
Finance and insurance, net	271.8	67.1	338.9	352.6	53.8	406.4
Total revenue	\$ 7,275.1	\$ 49.7	\$ 7,324.8	\$ 7,824.2	\$ 37.8	\$ 7,862.0
<b>Cost of sales</b>						
New	\$ 3,346.5	\$ —	\$ 3,346.5	\$ 3,275.7	\$ —	\$ 3,275.7
Used	2,086.0	—	2,086.0	2,510.0	—	2,510.0
Parts and service	477.1	(9.5)	467.6	463.5	(8.3)	455.2
Finance and insurance	(4.4)	19.9	15.5	—	26.5	26.5
Total cost of sales	\$ 5,905.2	\$ 10.3	\$ 5,915.5	\$ 6,249.1	\$ 18.2	\$ 6,267.3
<b>Gross profit</b>						
New	\$ 363.9	\$ —	\$ 363.9	\$ 444.4	\$ —	\$ 444.4
Used	147.9	—	147.9	203.4	—	203.4
Parts and service	582.1	(7.9)	574.1	574.6	(7.7)	566.9
Finance and insurance, net	276.1	47.3	323.4	352.6	27.3	379.9
Total gross profit	\$ 1,370.0	\$ 39.3	\$ 1,409.3	\$ 1,575.1	\$ 19.6	\$ 1,594.7
<b>Selling, general, and administrative</b>	\$ 823.5	\$ (11.9)	\$ 811.6	\$ 917.1	\$ (13.4)	\$ 903.7
<b>Income from operations</b>	\$ 513.3	\$ 50.9	\$ 564.2	\$ 626.7	\$ 29.6	\$ 656.3

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	
	June 30, 2023	June 30, 2022	June 30, 2023	March 31, 2023
	(Dollars in millions)			
<u>Adjusted leverage ratio:</u>				
Long-term debt (including current portion and held for sale)			\$ 3,247.3	\$ 3,293.7
Cash and floor plan offset			(895.8)	(1,072.0)
TCA cash			13.9	21.3
Availability under our used vehicle floor plan facility			(271.0)	(234.8)
Adjusted long-term net debt			<u>\$ 2,094.4</u>	<u>\$ 2,008.2</u>

Calculation of earnings before interest, taxes, depreciation and amortization ("EBITDA"):

Net income	\$	196.4	\$	201.4	\$	935.9	\$	941.0
Depreciation and amortization		16.8		18.1		66.0		67.4
Income tax expense		64.8		66.4		301.4		302.9
Swap and other interest expense		40.2		37.6		156.3		153.7
Earnings before interest, taxes, depreciation and amortization ("EBITDA")	\$	318.1	\$	323.5	\$	1,459.5	\$	1,465.0
Non-core items - expense (income):								
(Gain) loss on dealership divestitures, net	\$	(13.5)	\$	28.6	\$	(216.2)	\$	(174.1)
Legal settlement		(1.9)		—		(1.9)		—
Deal diligence cost		—		—		2.7		(2.7)
Hail damage		4.3		—		4.3		—
Total non-core items		(11.1)		28.6		(211.1)		(171.4)
Adjusted EBITDA	\$	307.0	\$	352.1	\$	1,248.4	\$	1,293.6
Pro forma impact of acquisition and divestitures on EBITDA					\$	(22.1)	\$	(31.6)
Pro forma adjusted EBITDA					\$	1,226.3	\$	1,262.0
Pro forma adjusted net leverage ratio						1.7		1.6

#### Three Months Ended June 30, 2023

	GAAP	(Gain) loss on divestitures, net	Legal settlement	Hail damage	Income tax effect	Non-GAAP adjusted
	(In millions, except per share data)					
Selling, general and administrative	\$ 408.6	\$ —	\$ 1.9	\$ (4.3)	\$ —	\$ 406.1
Income from operations	\$ 287.7	\$ —	\$ (1.9)	\$ 4.3	\$ —	\$ 290.2
Net income	\$ 196.4	\$ (13.5)	\$ (1.9)	\$ 4.3	\$ 2.7	\$ 188.0
Weighted average common share outstanding - diluted	21.0					21.0
Diluted EPS	\$ 9.34	\$ (0.48)	\$ (0.07)	\$ 0.15	\$ 0.01	\$ 8.95
SG&A as a % of gross profit	57.3%	—%	—%	—%	—%	57.0%
Income from operations as a % of revenue	7.7%	—%	—%	—%	—%	7.8%

#### Three Months Ended June 30, 2022

	GAAP	(Gain) loss on divestitures, net	Income tax effect	Non-GAAP adjusted
	(In millions, except per share data)			
Selling, general and administrative	\$ 448.2	\$ —	\$ —	\$ 448.2
Income from operations	\$ 335.5	\$ —	\$ —	\$ 335.5
Net income	\$ 201.4	\$ 28.6	\$ (7.1)	\$ 222.9
Weighted average common share outstanding - diluted	22.2			22.2
Diluted EPS	\$ 9.07	\$ 1.29	\$ (0.32)	\$ 10.04
SG&A as a % of gross profit	55.8%	—%	—%	55.8%
Income from operations as a % of revenue	8.5%	—%	—%	8.5%

#### Six Months Ended June 30, 2023

	GAAP	(Gain) loss on divestitures, net	Legal settlement	Hail damage	Income tax effect	Non-GAAP adjusted
	(In millions, except per share data)					
Selling, general, and administrative	\$ 811.6	\$ —	\$ 1.9	\$ (4.3)	\$ —	\$ 809.1
Income from operations	\$ 564.2	\$ —	\$ (1.9)	\$ 4.3	\$ —	\$ 566.7
Net income	\$ 377.7	\$ (13.5)	\$ (1.9)	\$ 4.3	\$ 2.7	\$ 369.4
Weighted average common share outstanding - diluted	21.3					21.3

Diluted EPS	\$ 17.70	\$ (0.48)	\$ (0.07)	\$ 0.15	\$ 0.01	\$ 17.31
SG&A as a % of gross profit	57.6%	—%	—%	—%	—%	57.4%
Income from operations as a % of revenue	7.7%	—%	—%	—%	—%	7.7%

	Six Months Ended June 30, 2022				
	GAAP	(Gain) loss on divestitures, net	Real estate related gain	Income tax effect	Non-GAAP adjusted
	(In millions, except per share data)				
Selling, general, and administrative	\$ 903.7	\$ —	\$ —	\$ —	\$ 903.7
Income from operations	\$ 656.3	\$ —	\$ (0.9)	\$ —	\$ 655.4
Net income	\$ 439.1	\$ (4.4)	\$ (0.9)	\$ 1.3	\$ 435.1
Weighted average common share outstanding - diluted	22.5				22.5
Diluted EPS	\$ 19.52	\$ (0.21)	\$ (0.04)	\$ 0.05	\$ 19.32
SG&A as a % of gross profit	56.7%	—%	—%	—%	56.7%
Income from operations as a % of revenue	8.3%	—%	—%	—%	8.3%

	For the Six Months Ended June 30,	
	2023	2022
	(In millions)	
<b>Adjusted cash flow from operations:</b>		
Cash provided by operating activities	\$ 221.7	\$ 496.6
Change in Floor Plan Notes Payable—Non-Trade, net	(2.8)	(203.0)
Change in Floor Plan Notes Payable—Non-Trade associated with floor plan offset, used vehicle borrowing base changes adjusted for acquisition and divestitures	171.8	246.2
Change in Floor Plan Notes Payable—Trade associated with floor plan offset, adjusted for acquisition and divestitures	27.6	4.1
Adjusted cash flow provided by operating activities	\$ 418.3	\$ 543.9

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