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): December 12, 2019 (December 11, 2019)

Asbury Automotive Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-31262	**01-0609375**
(Commission File Number)	**(IRS Employer Identification No.)**
2905 Premiere Parkway NW Suite 300 **Duluth, GA**	**30097**
(Address of principal executive offices)	**(Zip Code)**

(770) 418-8200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**ABG**	**New York Stock Exchange**

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 7.01 Regulation FD Disclosure.

On December 11, 2019, Asbury Automotive Group, LLC (“Purchaser”), a Delaware limited liability company and a wholly-owned subsidiary of Asbury Automotive Group, Inc., a Delaware corporation (the “Company”), entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) with certain members of the Park Place Dealership family of entities, Park Place Mid-Cities, Ltd., a Texas limited partnership, and the identified principal. Also on December 11, 2019, Purchaser entered into a Real Estate Purchase Agreement (the “Real Estate Purchase Agreement” and, together with the Asset Purchase Agreement, the “Transaction Agreements”) with certain members of the Park Place Dealership family of entities. Pursuant to the Transaction Agreements, Purchaser will acquire substantially all of the assets of, and certain real property related to (collectively, the “Transactions”), the businesses described in the Asset Purchase Agreement for a purchase price of approximately $1 billion (excluding vehicle inventory), reflecting $785 million of goodwill, approximately $215 million for real estate and leaseholds and approximately $30 million for parts and fixed assets, in each case subject to certain adjustments described in the Transaction Agreements.

On December 12, 2019, the Company issued a press release announcing the Transactions, a copy of which is furnished herewith as Exhibit 99.1 and incorporated herein by reference. Also on December 12, 2019, the Company posted on its website at https://www.asburyauto.com an investor presentation regarding the Transactions, a copy of which is furnished herewith as Exhibit 99.2 and incorporated herein by reference.

The information contained in this Item 7.01, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference to such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated December 12, 2019
99.2	Investor Presentation, dated December 12, 2019
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

ASBURY AUTOMOTIVE GROUP, INC.

Date: December 12, 2019

By: /s/ George A Villasana
Name: George A Villasana
Title: Senior Vice President, General Counsel and Secretary

Exhibit 99.1

ASBURY
AUTOMOTIVE GROUP

Investors & Reporters May Contact:
Matt Pettoni
VP of Finance & Treasurer
(770) 418-8219
ir@asburyauto.com

ASBURY AUTOMOTIVE GROUP ANNOUNCES
THE ACQUISITION OF PARK PLACE DEALERSHIPS

High volume, award winning luxury dealerships in high growth markets

Increases presence in Dallas, one of the nation's most desirable luxury markets

Increases luxury mix from 33% to 50%

Strong, stable margins with higher percentage of gross profit from parts and service

Generates approximately $1.9 billion in annualized revenue

Year three ROIC expected to be well above cost of capital

Expected to be accretive to 2020 earnings, excluding impact of transaction costs

DULUTH, GA, December 12, 2019 - Asbury Automotive Group, Inc. (NYSE: ABG), one of the largest automotive retail and service companies in the U.S., entered into a definitive agreement to acquire certain assets of Park Place Dealerships, one of the country's largest and most prominent luxury dealer groups, for $1 billion in an all-cash transaction, excluding vehicle inventory.

"Park Place is highly regarded as one of the best and most efficient operators of luxury stores in the industry" said David Hult, Asbury's President and Chief Executive Officer. "Their portfolio of stores comes with a strong base of loyal clients and 2,100 long-term team members throughout the high growth Dallas/Fort Worth market. We are also excited to grow our presence in Austin, Texas with a Jaguar/Land Rover open point, which is another high growth luxury market. This acquisition will transform our total portfolio to 50% luxury stores and add approximately $2 billion in expected annualized revenues."

Park Place has a unique portfolio of high volume, award winning luxury dealerships with premier real estate. Three stores are ranked among the top 10 stores in volume in the country amongst their franchise: Mercedes-Benz, Porsche, and Bentley. In addition, the Jaguar/Land Rover store and both Lexus stores are ranked in the top 15, and the Volvo store is ranked in the top 20.

This transaction will increase Asbury's geographic mix to 36% of revenue derived from the Texas market, and it will transform our overall portfolio to approximately 50% of revenue derived from luxury brands. The luxury segment has historically delivered strong and stable margins that are significantly above those achieved by mid-line import and domestic brands. Luxury stores tend to be more resilient in downturns, and they tend to have higher and more stable margins, fewer dealers nationwide, and a higher portion of gross profit from parts and service.

Park Place has a highly attractive mix of large dealerships with revenue comprised of 38% Mercedes-Benz, 32% Lexus, 11% Jaguar/Land Rover, 7% Porsche, 4% Volvo, and 8% other premier luxury brands.

The operating assets acquired include 17 new vehicle franchises, 15 of which are located in the attractive Dallas/Fort Worth market: 3 Mercedes-Benz, 2 Lexus, 2 Jaguar, 2 Land Rover, 1 Porsche, 1 Volvo, 1 Bentley, 1 Rolls Royce, 1 McLaren, 1 Maserati, 1 Karma, and 1 Sprinter. Included in the 17 franchises is a Jaguar/Land Rover open point in Austin, Texas that is expected to open late in the first quarter of 2020.

Financial Impact

The purchase price includes $785 million of goodwill, approximately $215 million for real estate and leasehold improvements, and approximately $30 million for parts and fixed assets. The transaction is expected to close in the first quarter of 2020, and is subject to customary closing conditions.

We expect to achieve significant synergies over the next three years through combining Park Place with Asbury. The purchase price reflects a 10x multiple on approximately $100 million of EBITDA, including expected run-rate synergies of at least $20 million. These synergies are expected to be realized over the next three years, with incremental profit coming from the Jaguar/Land Rover open point. In addition, we expect $11 million in annual cash tax savings from goodwill amortization with a present value of approximately $90 million. In all, we believe the returns on this investment well exceed our cost of capital and should deliver substantial value to our shareholders.

The acquisition of Park Place, assuming a closing date of March 31, 2020, is expected to be accretive to 2020 earnings per share by approximately $1.00 to 1.25, excluding the impact of transaction costs. Asbury also expects to incur pre-tax costs associated with the transaction of approximately $0.05 to $0.10 per share in the fourth quarter of 2019.

This transaction is expected to be funded through a combination of Asbury's existing credit facilities, cash flow from operations, and committed financing arrangements. Asbury has secured committed financing, which it expects to replace with permanent financing prior to closing. Although the transaction is expected to initially take us above our targeted leverage range, we believe that given the accretive nature of the deal, the strength of our business, and the combined free cash flow generation, we can maintain a solid credit profile and deleverage to under 3.0x by 2022.

BofA Securities served as financial advisor to Asbury Automotive Group and is providing committed financing for the transaction; Hill Ward Henderson and Jones Day acted as legal counsel to Asbury Automotive Group. The Presidio Group served as financial advisor to Park Place Dealerships and Locke Lord acted as legal counsel to Park Place Dealerships.

Additional information regarding the transaction will be provided during a conference call on December 12, 2019 at 9:00 a.m, Eastern Time. The conference call will be simulcast live on the internet and can be accessed at www.asburyauto.com/company/investor-relations . A replay will be available at these sites for 30 days.

In addition, a live audio of the call will be accessible to the public by calling (800) 367-2403 (domestic), or (334) 777-6978 (international); passcode - 5140215. Callers should dial in approximately 5 to 10 minutes before the call begins.

A conference call replay will be available two hours following the call for seven days, and can be accessed by calling (888) 203-1112 (domestic), or (719) 457-0820 (international); passcode - 5140215.

About Asbury Automotive Group, Inc.

Asbury Automotive Group, Inc. ("Asbury"), a Fortune 500 company headquartered in Duluth, GA, is one of the largest automotive retailers in the U.S. Asbury currently operates 88 dealerships, consisting of 107 franchises, representing 31 domestic and foreign brands of vehicles. Asbury also operates 25 collision repair centers. Asbury offers customers an extensive range of automotive products and services, including new and used vehicle sales and related financing and insurance, vehicle maintenance and repair services, replacement parts and service contracts.

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, market conditions and projections regarding the expected benefits of the proposed acquisition, management plans, projections and objectives for future operations, scale and performance, integration plans and expected synergies therefrom, the timing of completion of the proposed acquisition and Asbury's financial position, liquidity, results of operations, market position and dealership portfolio. 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, the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements; the risk that the necessary manufacturer approvals may not be obtained; the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated; the risk that the proposed acquisition will not be consummated in a timely manner; risks that any of the closing conditions to the proposed acquisition may not be satisfied or may not be satisfied in a timely manner; risks related to disruption of management time from ongoing business operations due to the proposed acquisition; failure to realize the benefits expected from the proposed acquisition; failure to promptly and effectively integrate the acquisition; and the effect of the announcement of the proposed acquisition on the operating results and businesses of Asbury and Park Place Dealerships and on their ability to retain and hire key personnel, maintain relationships with suppliers; market factors; Asbury's relationships with, and the financial and operational stability of, vehicle manufacturers and other suppliers; acts of God or other incidents which may adversely impact supply from vehicle manufacturers and/or present retail sales challenges; risks associated with Asbury's indebtedness (including available borrowing capacity, compliance with its financial covenants and ability to refinance or repay such indebtedness on favorable terms or at all); Asbury's relationships with, and the financial stability of, its lenders and lessors; risks related to competition in the automotive retail and service industries; general economic conditions both nationally and locally; governmental regulations; legislation; adverse results in litigation and other proceedings; and Asbury's ability to execute its digital initiatives and other operational strategies, to leverage gains from its dealership portfolio, to capitalize on opportunities to repurchase its debt and equity securities or purchase properties that it currently leases, and 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. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Exhibit 99.2

ASBURY
AUTOMOTIVE GROUP

Acquisition of Park Place Dealerships
December 12, 2019

Forward Looking Statements

To the extent that statements in this presentation are not recitations of historical fact, such statements constitute "forward-looking statements" as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation may include statements relating to goals, plans, expectations, projections regarding the expected benefits of the proposed acquisition, managements plans, projections and objectives for future operations, scale and performance, integration plans and expected synergies therefrom, the timing of completion of the proposed acquisition, our financial position, liquidity, results of operations, market position, dealership portfolio, capital allocation strategy, business strategy and expectations of our management with respect to, among other things: our relationships with vehicle manufacturers; our ability to improve our margins; operating cash flows and availability of capital; capital expenditures; the amount of our indebtedness; the completion of pending and future acquisitions and divestitures; future return targets; future annual savings; general economic trends, including consumer confidence levels, interest rates, and fuel prices; and automotive retail industry trends.

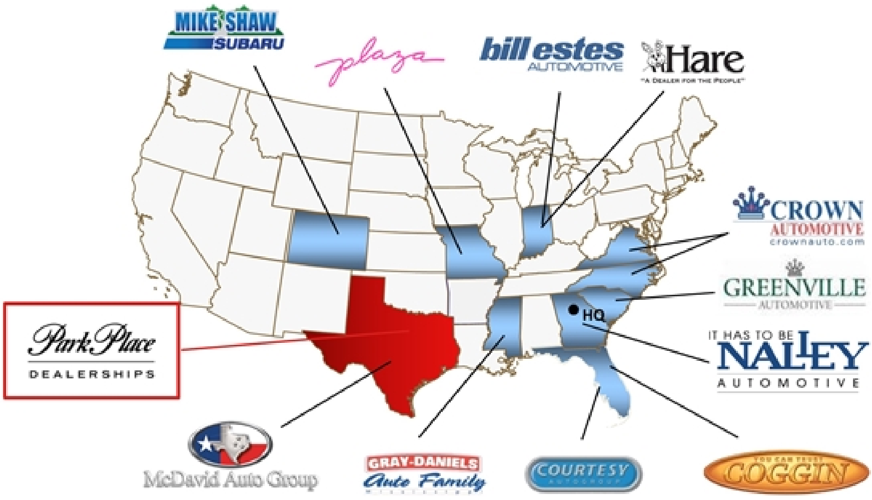
The following are some but not all of the factors that could cause actual results or events to differ materially from those anticipated, including: the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements; the risk that the necessary manufacturer approvals may not be obtained; the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated; the risk that the proposed acquisition will not be consummated in a timely manner; risks that any of the closing conditions to the proposed acquisition may not be satisfied or may not be satisfied in a timely manner; risks related to disruption of management time from ongoing business operations due to the proposed acquisition; failure to realize the benefits expected from the proposed acquisition; failure to promptly and effectively integrate the acquisition; and the effect of the announcement of the proposed acquisition on the operating results and businesses of Asbury and Park Place Dealerships and their ability to retain and hire key personnel, maintain relationships with suppliers; our ability to execute our business strategy; the annual rate of new vehicle sales in the U.S.; our ability to generate sufficient cash flows; our ability to improve our liquidity position; market factors and the future economic environment, including consumer confidence, interest rates, the price of oil and gasoline, the level of manufacturer incentives and the availability of consumer credit; the reputation and financial condition of vehicle manufacturers whose brands we represent and our relationships with such manufacturers, and their ability to design, manufacture, deliver and market their vehicles successfully; significant disruptions in the production and delivery of vehicles and parts for any reason, including natural disasters, affecting the manufacturers whose brand we sell; our ability to enter into, maintain and/or renew our framework and dealership agreements on favorable terms; the inability of our dealership operations to perform at expected levels or achieve expected return targets; our ability to successfully integrate recent and future acquisitions; changes in, failure or inability to comply with, laws and regulations governing the operation of automobile franchises, accounting standards, the environment and taxation requirements; our ability to leverage gains from our dealership portfolio; high levels of competition in the automotive retailing industry which may create pricing pressures on the products and services we offer; our ability to minimize operating expenses or adjust our cost structure; our ability to execute our capital expenditure plans; our ability to capitalize on opportunities to repurchase our debt and equity securities; our ability to achieve estimated future savings from our various cost saving initiatives and strategies; our ability to comply with our debt or lease covenants and obtain waivers for the covenants as necessary; and any negative outcome from any future litigation. These risks, uncertainties and other factors are disclosed in Asbury's Annual Report on Form 10-K, subsequent quarterly reports on Form 10-Q and other periodic and current reports filed with the Securities and Exchange Commission from time to time.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, whether as a result of new information, future events or otherwise.

Asbury Automotive Group (NYSE: ABG)

- Fortune 500 automotive retailer
- 7th largest U.S. based franchised auto retailer
- $6.9 billion in total revenues(1)
- 88 dealership locations; 107 franchises(2)
- Best-in-class SG&A margins(1)
- 31 vehicle brands (79% luxury / import)(2)
- Sold over 185,000 retail vehicles(1)
- Handled over 2.0 million repair orders(1)
- Operating 25 collision repair centers(2)
- Best-in-class operating margins(1)

Pro Forma Geographic Footprint



Fortune 500 automotive dealer group with attractive geographic presence

(1) For the year ended Dec. 31, 2018
(2) As of Sep. 30, 2019; brand mix is based on new vehicle revenue

Asbury to Acquire Park Place Dealerships

ASBURY
AUTOMOTIVE GROUP

Park Place
DEALERSHIPS

- Asbury announces acquisition of Park Place
  - $1.9 billion in annual revenue(1)
  - 10 luxury dealerships and 17 franchises
  - 9 dealerships located in Dallas, TX market
  - 1 open point located in Austin, TX
    - Opening in Q1 2020
  - Target closing in March 2020

Top — Ranked in the Largest Dealerships in the Country

Mercedes-Benz of Dallas	10
Mercedes-Benz of Fort Worth	
Mercedes-Benz of Arlington	
Lexus Grapevine	15
Lexus of Plano	15
Jaguar/Land Rover Austin – Open Point	
Jaguar/Land Rover Dallas/Fort Worth	10
Porsche Dallas	10
Volvo of Dallas	20
Park Place Premier Collection	

Asbury announces proposed acquisition of one of the top luxury dealer groups in the U.S.

(1) Twelve months ended 9/30/19

Investment Highlights

ASBURY AUTOMOTIVE GROUP

1. Attractive portfolio of high volume, award winning luxury dealerships with premier real estate

2. Increases presence in the high-growth, luxury dominant Dallas/Fort Worth/Austin markets

3. Improves brand mix from 33% to 50%[(1)] luxury; luxury dramatically outperformed in 2008-2009

4. Improves less-cyclical parts and service mix; Park Place 56% P&S mix versus 48% for Asbury

5. Increases Asbury's combined revenue by approximately 30% to $9 billion[(2)]

6. Expected synergies of at least $20 million with potential upside

7. Includes a Jaguar / Land Rover open point in attractive Austin market

8. ROIC expected to be well above cost of capital in year 3; accretive to 2020 earnings, excluding transaction costs

(1) Based on Total Revenue
(2) Twelve months ended 9/30/19

Large, Well Maintained, Award Winning Dealerships

ASBURY
AUTOMOTIVE GROUP


Mercedes-Benz of Dallas


Mercedes-Benz of Fort Worth


Mercedes-Benz of Arlington


Volvo Dallas


Lexus Grapevine


Lexus Plano

Porsche Dallas

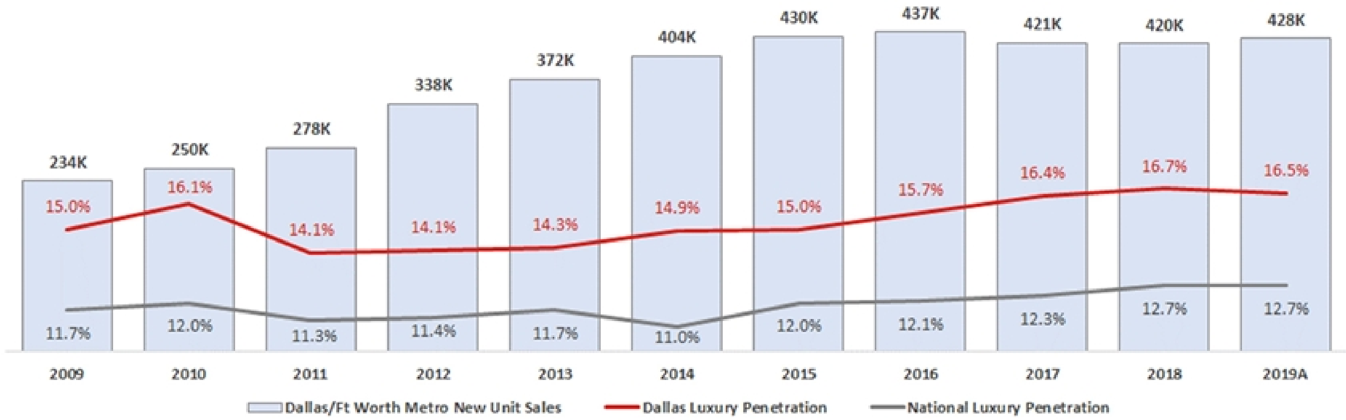

Jaguar Land Rover DFW


Park Place Premiere Collection

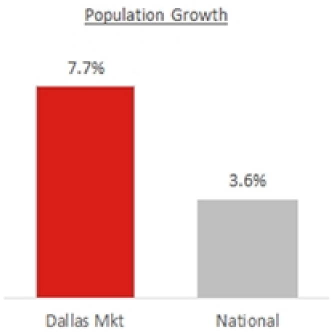
Premier real estate portfolio with ideal retail locations valued at $215 million

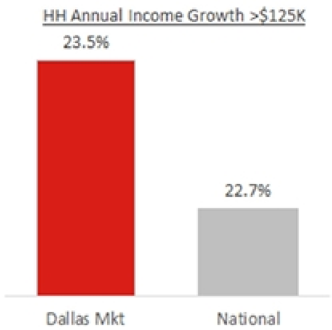
Attractive Dallas - Fort Worth - Austin Market

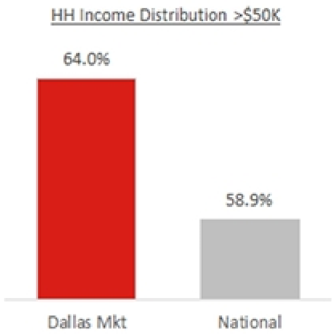
ASBURY AUTOMOTIVE GROUP



Economic Forecast 2018 – 2023(1)



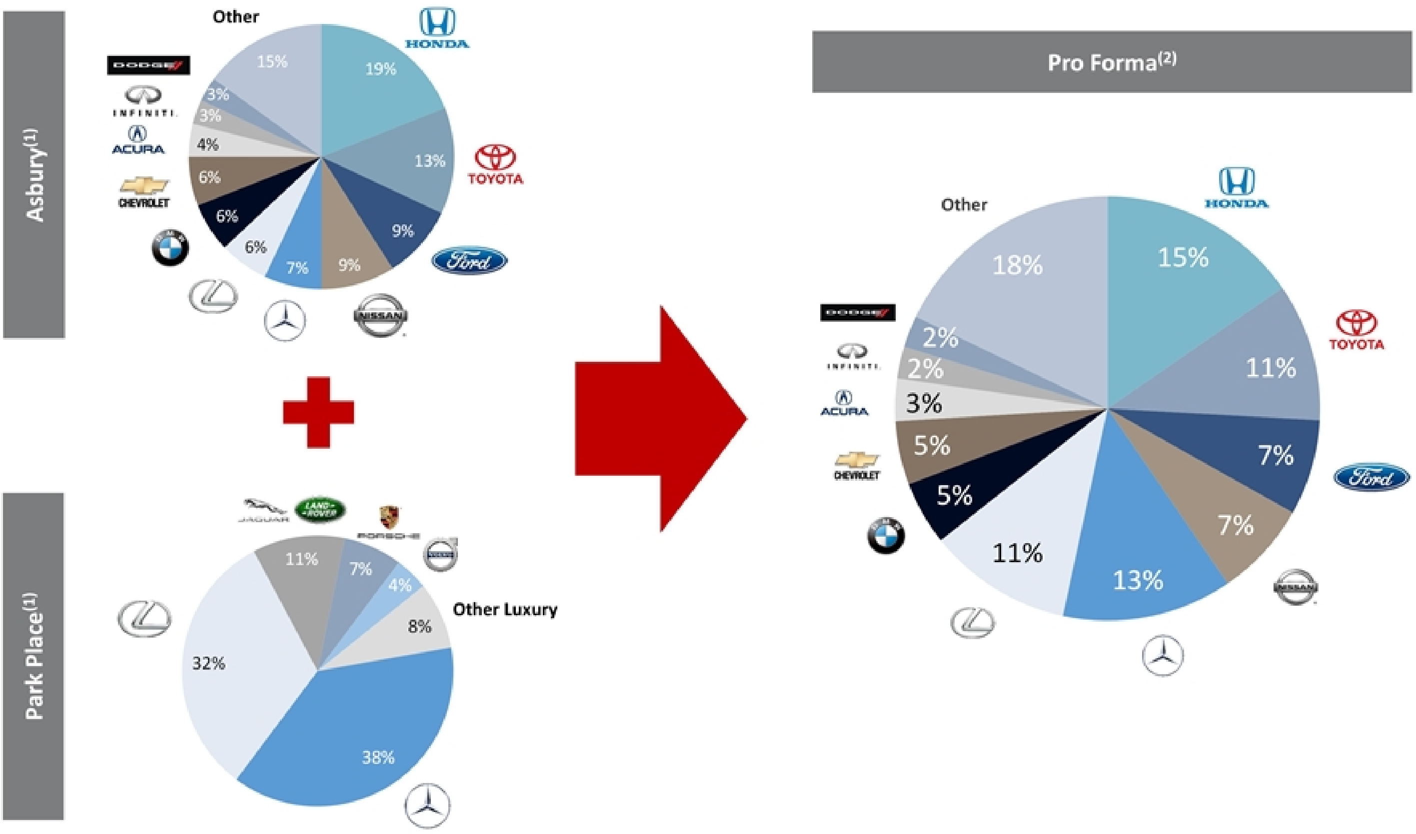




Dallas, home to 23 Fortune 500 companies, is one of the top luxury car markets in the country

(1) Source: Urban Science, Fortune

Transformational to Asbury's Brand Portfolio



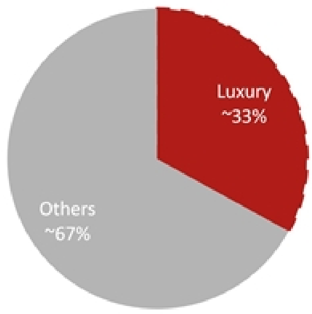
Further diversifies our brand mix

(1) Based on new vehicle revenue for nine months ended Sep. 30, 2019.
(2) Pro forma revenue based on Asbury and Park Place new vehicle revenue for LTM ended Sep. 30, 2019. Note: Total may not sum due to rounding.

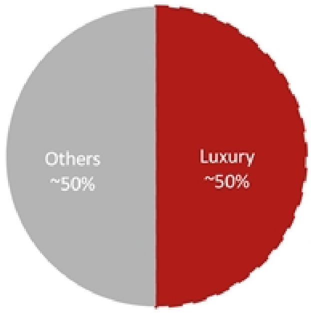
Benefits of Luxury Dealerships

ASBURY AUTOMOTIVE GROUP

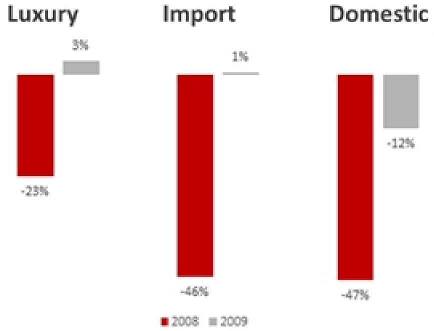
Asbury(1)



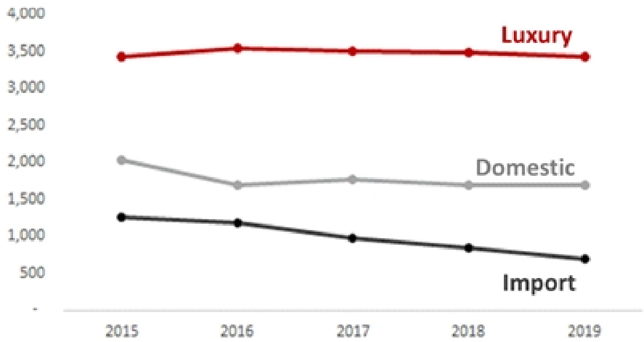
Pro Forma(2)



Asbury's Pre-tax Store Level Income(3)



Asbury's New Vehicle Gross Profit $ Per Unit



Shifts brand mix from 33% to 50% luxury; luxury stores are more resilient in downturns, tend to have higher, more stable margins, fewer dealers, and a more favorable mix of parts and service business

(1) Based on new vehicle revenue for nine months ended Sep. 30, 2019. (2) Pro forma revenue based on Asbury and Park Place new vehicle revenue for LTM ended Sep. 30, 2019.
(3) Same store year over year growth

Meaningfully Increases Scale

	ASBURY AUTOMOTIVE GROUP	Pro Forma
Dealerships	88	98
Revenue[(1)]	$7,100	$9,000
Parts & Service % of Gross Profit	48%	50%

Substantially grows business to $9 billion in revenue and increases the percentage of gross profit from parts and service to 50%

Note: $ in millions.
(1) Pro-forma revenue based on combined total revenues for LTM ended Sep. 30, 2019.

Transaction Summary

ASBURY AUTOMOTIVE GROUP

Transaction Scope	❑ Acquisition of Park Place Dealerships, including ▪ 10 luxury dealerships and 17 franchises in Dallas/Fort Worth/Austin ▪ Premier locations with first class facilities; 6 stores are in the top 20 in the U.S. ▪ Strategic growth opportunity with in-house auto auction
Consideration	❑ Transaction valued at approximately $1B in an all-cash transaction, excluding vehicles ▪ Approximately $30 mm of parts and fixed assets ▪ Approximately $215mm real estate portfolio, and ▪ $785mm Blue Sky value ❑ Reflects 10x multiple on approximately $100mm of EBITDA, including run-rate synergies ❑ $11mm annual goodwill cash tax savings - adds approximately $90 million in present value(1) ❑ Three year return on invested capital expected to be well above our cost of capital ❑ Expect to incur expenses of approximately $0.05-0.10 earnings per share in Q4 2019(2) ❑ Expected to be accretive to 2020 EPS by approximately $1.00 to $1.25, excluding transaction costs(3)
Synergy Potential & Integration Plan	❑ Synergies of at least $20 million identified with upside related to further operational improvements ❑ One-time transaction and integration costs of approximately $25 million
Financial	❑ Expected to be financed through a combination of existing credit facilities, cash flow from operations, and committed financing arrangements ❑ Maintain strong credit profile; deleverage from 4x to below 3x over 3 years ❑ Shifts brand mix to 50% luxury stores, which historically are more resilient in downturns
Anticipated Closing	❑ Transaction is expected to close in March 2020, subject to: ▪ OEM approvals ▪ Customary regulatory approvals

(1) Discounted at 9% (2) one-time transaction related (3) Assumes March 31, 2020 close