*4TH QUARTER & FULL YEAR 2022*

# INVESTOR RELATIONS PRESENTATION

## ABG | Asbury Automotive


ASBURY AUTOMOTIVE GROUP | POWERED BY

# Forward Looking Statements

**This presentation 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, business strategy and expectations of our management with respect to, among other things: changes in general economic and business conditions, including inflation, increases in interest rates and rising fuel prices, any impact of COVID-19 on the automotive industry in general, the automotive retail industry in particular and our customers, suppliers, vendors and business partners; our relationships with vehicle manufacturers; our ability to maintain our margins; operating cash flows and availability of capital; capital expenditures; the amount of our indebtedness; the completion of any 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.

**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 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 presentation. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

# Our Agenda

February 2, 2023

# COMPANY HIGHLIGHTS

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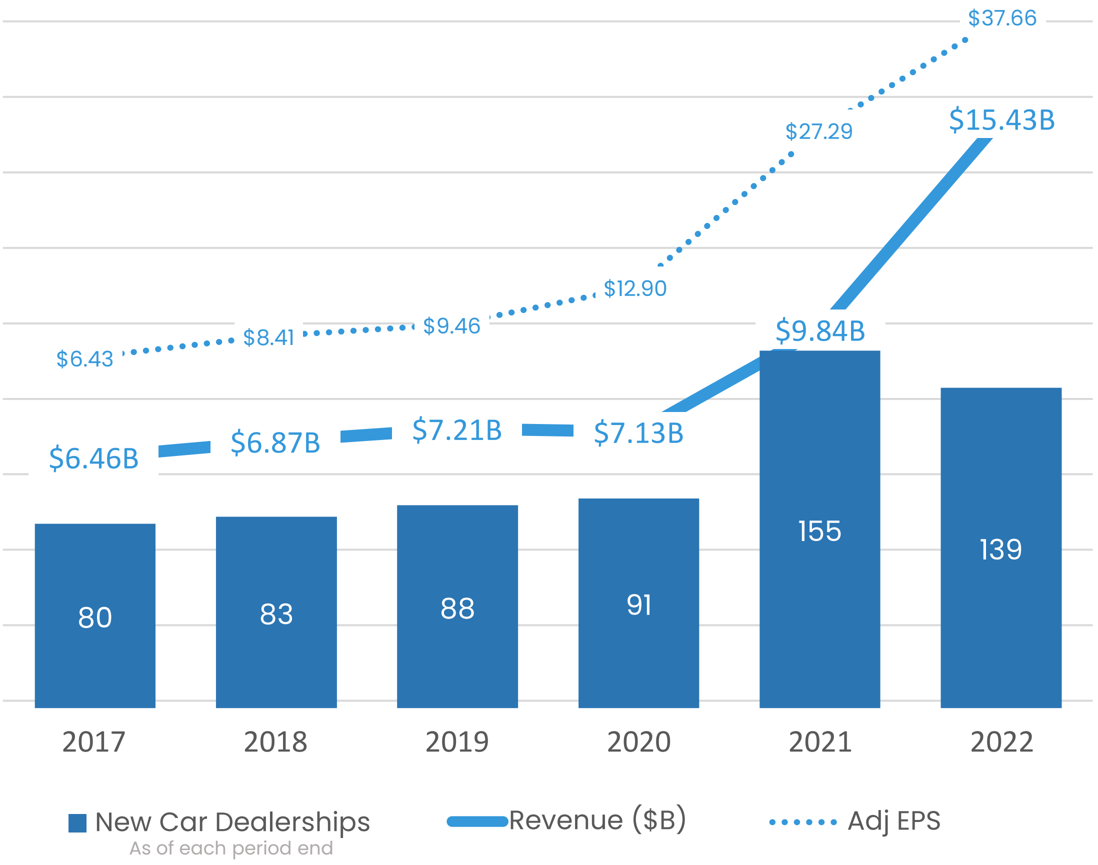
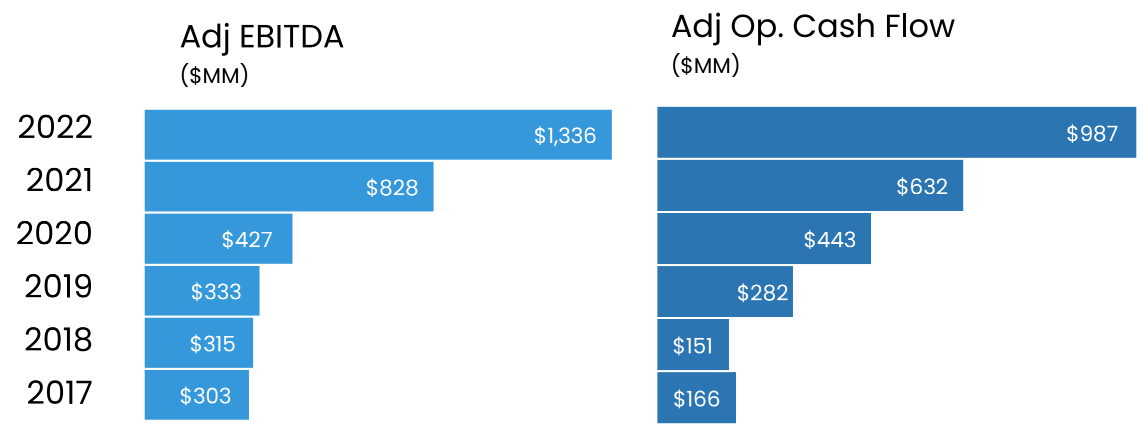
# Company Highlights




## Since 2017, Asbury has[1]

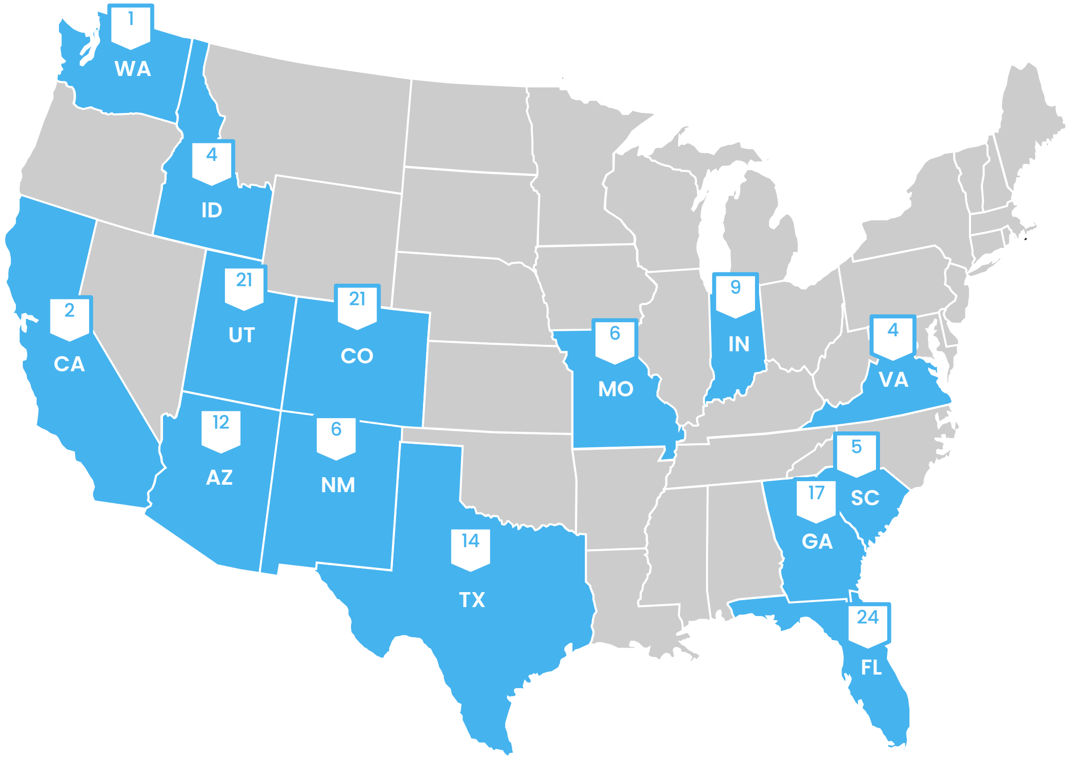
- 139% increase in revenue (19% CAGR)
- 486% increase in Adj EPS (42% CAGR)
- 74% increase in new car dealerships




**CAGR[1]** **+35%** **+43%**

(1) Comparison versus 2022; CAGR based on 5 years
See Non-GAAP Reconciliations

# Company Highlights




| 139 | 187 | 31 | 7 | 32 |
|---|---|---|---|---|
| NEW CAR DEALERSHIPS | FRANCHISES | BRANDS | USED CAR DEALERSHIPS | COLLISION CENTERS |

(as of December 31, 2022)

**TOTAL CARE AUTO**
Integrated F&I Product Provider

**$15 BILLION**
Total Revenue(1)

**300,000 +**
New and Used Vehicles Retailed

**1.7X**
Adjusted Net Leverage(2,3)

**$1.5B**
Available Liquidity(3)

**$987M**
Adjusted Op Cash Flow(2,3)

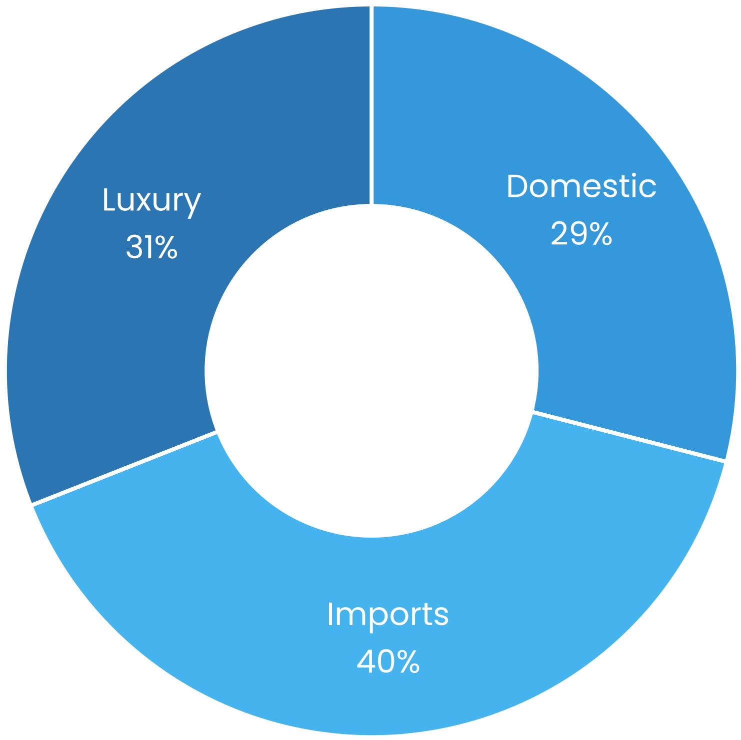
**3 MILLION +**
Cars serviced

(1) For the twelve months ending Dec 31, 2022, pro forma reflecting the impact of divestures closed in 2022
(2) As of December 31, 2022 (3) See Non-GAAP Reconciliations

# Attractive Brand Mix

A diversified portfolio with the right brands in the right markets

(Based on New Vehicle Revenue – FY22)




## Luxury

| | |
|---|---|
| Lexus | 9% |
| Mercedes-Benz | 8% |
| BMW | 4% |
| Acura | 2% |
| Porsche | 2% |
| Audi | 1% |
| Volvo | 1% |
| Land Rover | 1% |
| Bentley \| Genesis \| Jaguar \| Infiniti \| Lincoln | 3% |

## Imports

| | |
|---|---|
| Toyota | 17% |
| Honda | 9% |
| Hyundai | 5% |
| Nissan | 4% |
| Subaru | 2% |
| Isuzu \| Kia \| Mini \| Sprinter \| Volkswagen | 3% |

## Domestic

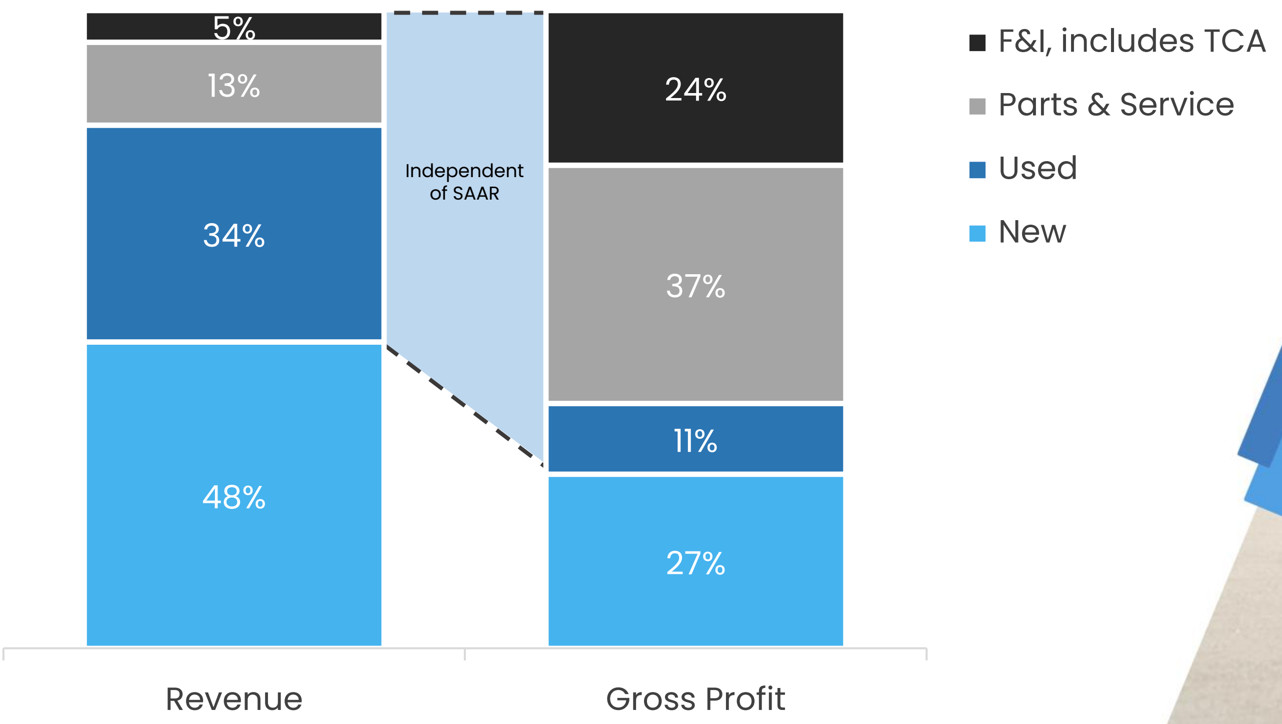
| | |
|---|---|
| Stellantis | 15% |
| Ford | 9% |
| GM | 5% |

May not add to 100% due to rounding

# The Four Key Components

Diversified business mix provides multiple profit streams

(FY22)




May not add to 100% due to rounding


# Enhancing Our Impact

We are committed to our team members
and the communities we live in

## Talent and Career Development Programs

- Piloted our guest centric training within our Atlanta market and will expand training to other markets in Q1 2023
- Launched the career path tool, starting within our operations roles to help give team members the tools to navigate their careers

## Diversity Equity and Inclusion initiatives

- Continued pilot of DEI discussions within several markets and looking to expand DEI education as part of our learning initiatives in 2023

## Asbury Cares Community Engagement Program

- Expanded program to include additional partnerships with organizations focused on four areas: Education and Youth Development, Strong Communities, Veterans and Military families and Health and Wellness
- Updated program to allow team members to use up to 8 of their 40 volunteer paid hours at a non-profit of their choice
- In 2022 we also expanded our councils and have created councils in all markets
- Team member participation in volunteer PTO usage has increased 68% year over year

# FOURTH QUARTER & FULL YEAR 2022

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# Summary

2022 Year-Over-Year Growth

| | 4Q Revenue | | FY Revenue | |
|---|---|---|---|---|
| | Total Company | Same Store | Total Company | Same Store |
| Total | 40% | 1% | 57% | (1%) |
| New Vehicle | 44% | 3% | 49% | (9%) |
| Used Vehicle Retail | 26% | (5%) | 58% | 8% |
| Finance & Insurance | 74%[(1)] | 9% | 97%[(1)] | 11% |
| Parts & Service | 56% | 12% | 75% | 12% |

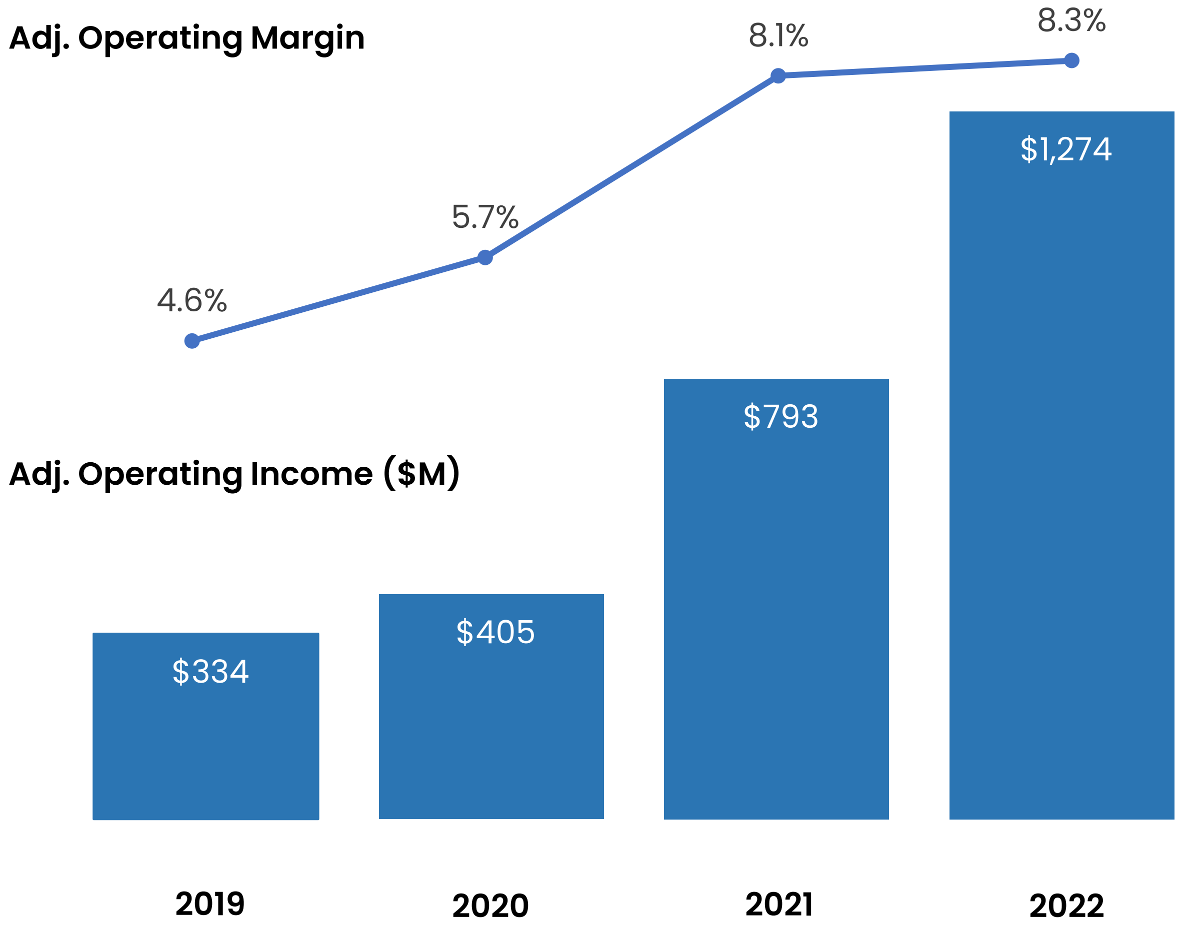
### Strategic Highlights

- Delivered **record** adjusted EPS and EBITDA for the full year
- Sold over **27,500** vehicles via Clicklane, our fully transactional online tool, in FY22
- Generated robust FY 2022 adjusted Operating Cash Flow of $**987 million**[(2)]
- Ended the fourth quarter with **$1.5 billion** of liquidity and pro forma net leverage ratio of **1.7x**[(2)]
- Repurchased **1.6 million** shares for ~$300 million in FY22; average price of $182 per share

(1) Includes Total Care Auto, or "TCA"
(2) See Non-GAAP Reconciliations

# Operating Income & Margin Trend

We consistently deliver best-in-class operating efficiency



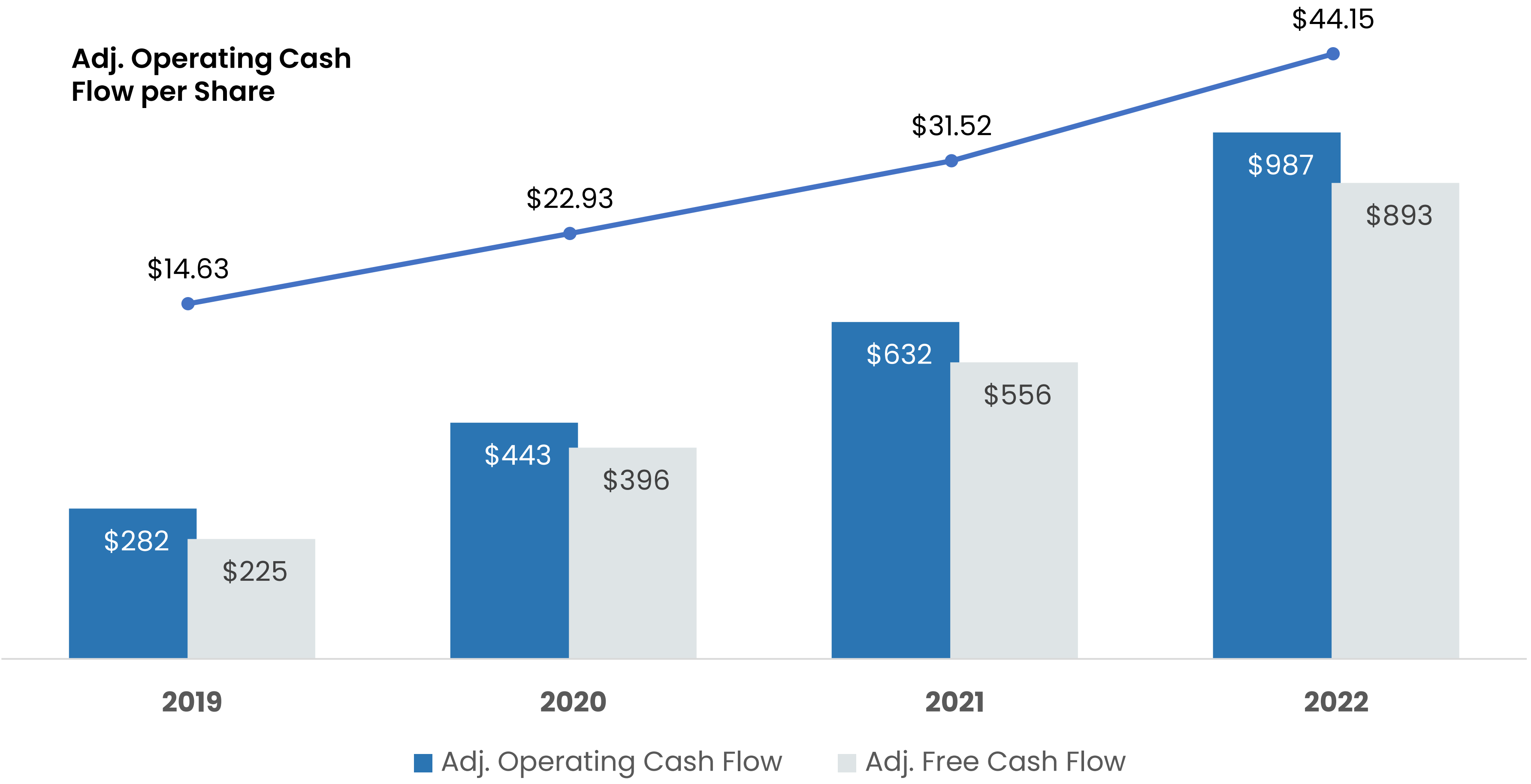

- Increased year over year:
  - adjusted operating income by **$481 million** or **61%,** and
  - adjusted operating margin by **19 bps**
- Continue to innovate and improve **efficiencies and productivity** through our disciplined approach, with Clicklane and other software applications providing future upside



See Non-GAAP Reconciliations
May not foot due to rounding

# Cash Flow Summary

As a larger company with more robust operating cash flow, we have increased capacity for capital deployment




- Increased year over year:
  - adjusted operating cash flow by **$355 million** or **56%** and
  - adjusted operating cash flow per share by **$12.63** or **40%**
- Capital expenditures of ~**$95 million**(1) in 2022
- Anticipated capital expenditures of ~**$200 million**(1) for 2023

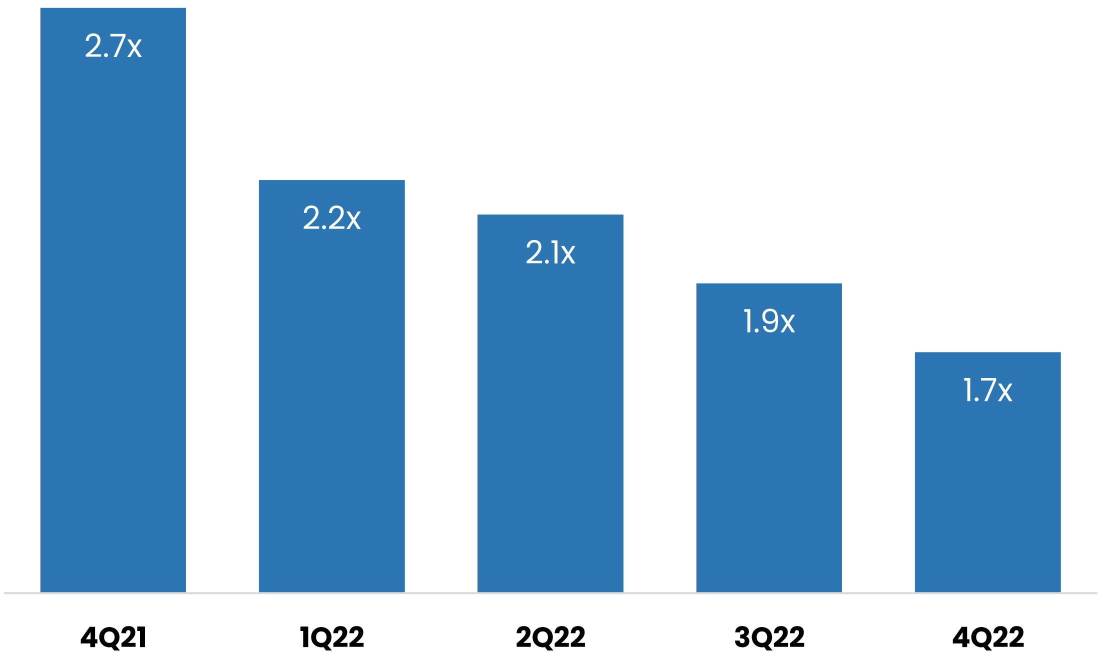


Note: See Appendix for Non-GAAP reconciliations (1) Excluding real estate purchases and lease buyouts
May not foot or tie to prior year due to rounding

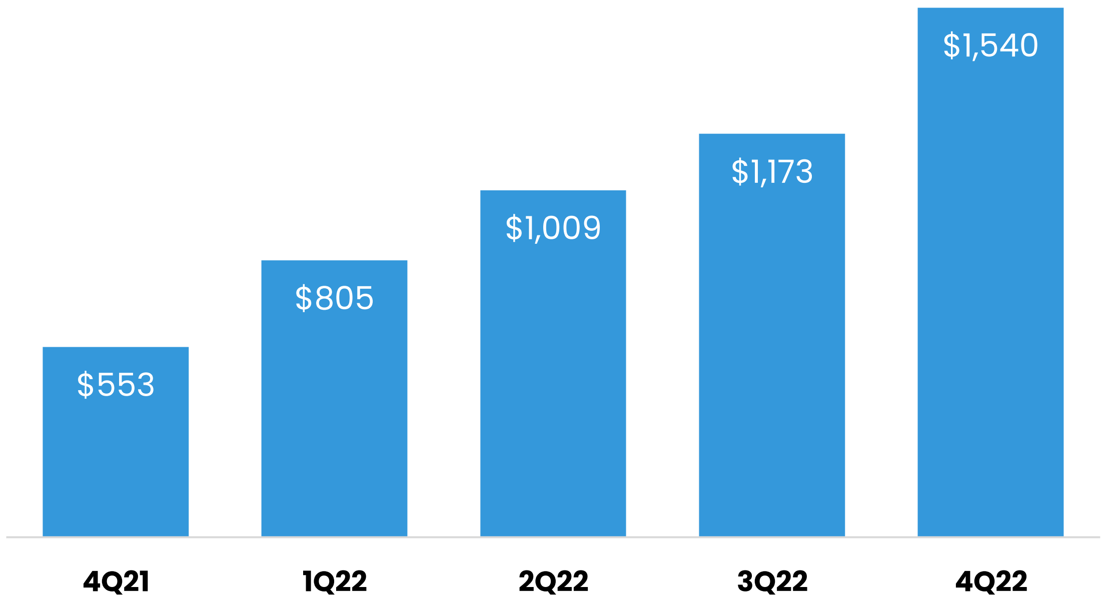
# Leverage and Liquidity

Deleveraged quickly following large acquisitions, providing opportunity for capital deployment – share repurchases and acquisitions

**Pro Forma Net Leverage Ratio**




**Total Liquidity ($M)**






Note: See Appendix for Non-GAAP reconciliations

# Leverage Varies Based on Business Conditions & Environment

Equilibrium leverage target range balances financial flexibility with an efficient capital structure

2.5x | Normal Target Range | 3.0x

**NET DEBT/EBITDA**

## Factors Influencing Leverage

| ← | Factor | → |
|---|---|---|
| *Top* | ECONOMIC CYCLE | *Bottom* |
| *High* | MACRO ECONOMIC RISK | *Low* |
| *Anticipated* | INVESTMENT OPPORTUNITIES | *Executed* |
| *High* | EQUITY VALUATION MULTIPLE | *Low* |
| *Unfavorable* | DEBT STRUCTURE | *Favorable* |
| *Near Term* | DEBT MATURITY | *Long Term* |
| *Small* | REAL ESTATE HOLDINGS | *Large* |

# Capital Allocation History

We have a track record of prudent capital allocation

| | '14–'17 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|
| **Acquisitions** | **$615M Revenue Acquired** | **$220M Revenue Acquired** | **$425M Revenue Acquired** | **$1.8B Revenue Acquired** | **$5.8B[2] Revenue Acquired** | **N/A** |
| | ▪ Dealerships in Jacksonville, Atlanta, and Indianapolis | ▪ Terry Lee Honda – Indiana<br>▪ Union City Toyota & Ivory Chevrolet – Atlanta Market | ▪ Estes Group and Butler Toyota – Indiana<br>▪ Shaw Subaru - Colorado | ▪ Elway CDJR – Colorado<br>▪ Park Place – Dallas Market | ▪ LHM & TCA – 7 States<br>▪ Stevinson, Arapahoe Hyundai, Greeley Subaru – Colorado<br>▪ Kahlo CDJR – Indiana | |
| **Divestitures** | **$563M Revenue Divested** | **N/A** | **$90M Revenue Divested** | **$0.6B Revenue Divested** | **$40M Revenue Divested** | **$583M [3] Revenue Divested** |
| | ▪ Dealerships in Princeton, St. Louis, and Little Rock | | ▪ McDavid Nissan – Houston Market | ▪ Gray-Daniels Platform – Mississippi<br>▪ Greenville Lexus – Greenville Market<br>▪ Nalley Nissan & Ford – Atlanta Market | ▪ Charlottesville BMW – Virginia | ▪ Crown North Carolina divestitures |
| **Share Repurchases** | **$712M Repurchased** | **$105M Repurchased** | **$15M Repurchased** | **N/A** | **N/A** | **~$300M Repurchased** |
| | ▪ 10.5M shares<br>▪ $68 avg. share price<br>▪ ***~33% of outstanding*** | ▪ 1.6M shares<br>▪ $67 avg. share price | ▪ 202k shares<br>▪ $75 avg. share price | | | ▪ 1.6M shares<br>▪ $182 avg. share price |
| **Capital Expenditures** | **$346M Total Spend** | **$62M Total Spend** | **$72M Total Spend** | **$49M Total Spend** | **$301M Total Spend** | **$105M Total Spend** |
| ***Capex excl. Real Estate*** | ▪ $254M | ▪ $40M | ▪ $58M | ▪ $47M | ▪ $76M | ▪ $95M |
| ***Real Estate and Lease Buyouts[1]*** | ▪ $92M | ▪ $22M | ▪ $14M | ▪ $2M | ▪ $225M | ▪ $10M |

(1) Excludes real estate purchased in acquisitions; (2) 2021 acquisitions are presented net of planned divestitures in 2022;
(3) 2022 revenue divested excludes LHM planned divestitures, netted from revenue, in 2021 revenue acquired. In 2022, these divestitures contributed ~$147M to revenue

# GROWTH STRATEGY UPDATE

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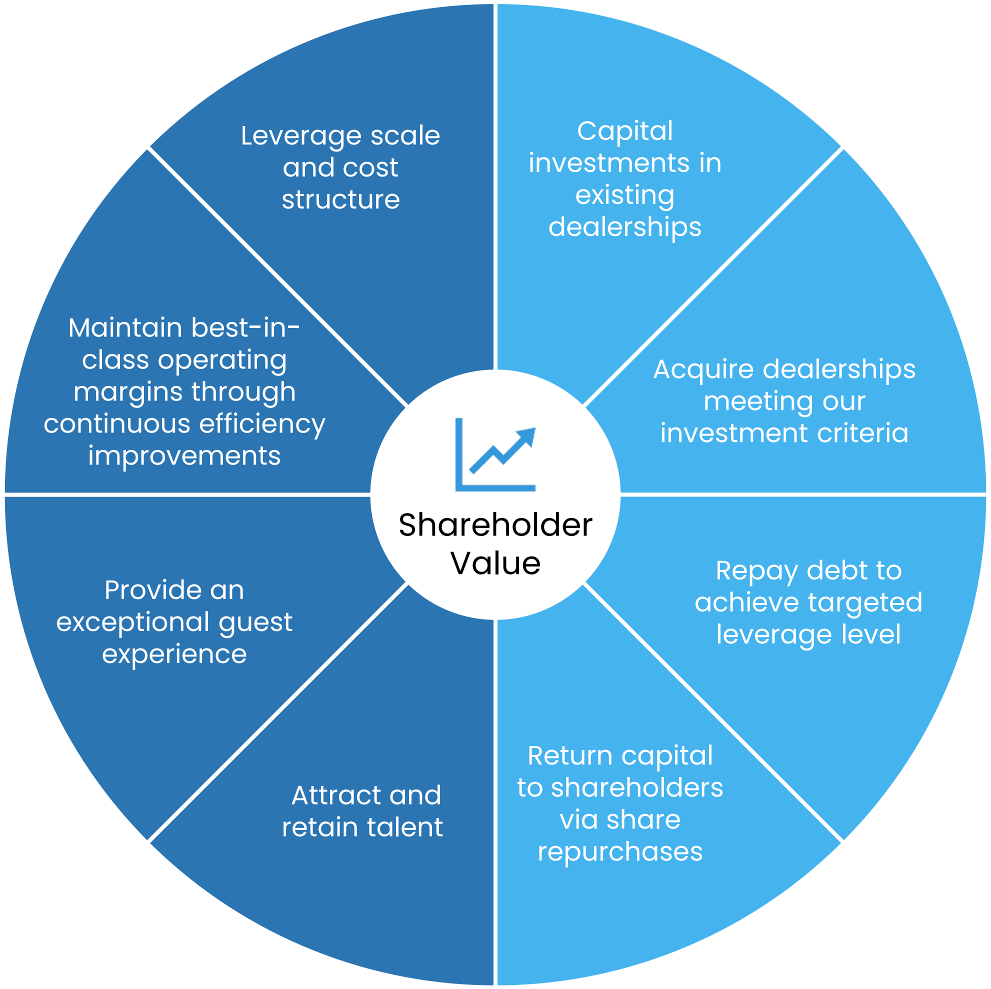
# Our Strategy

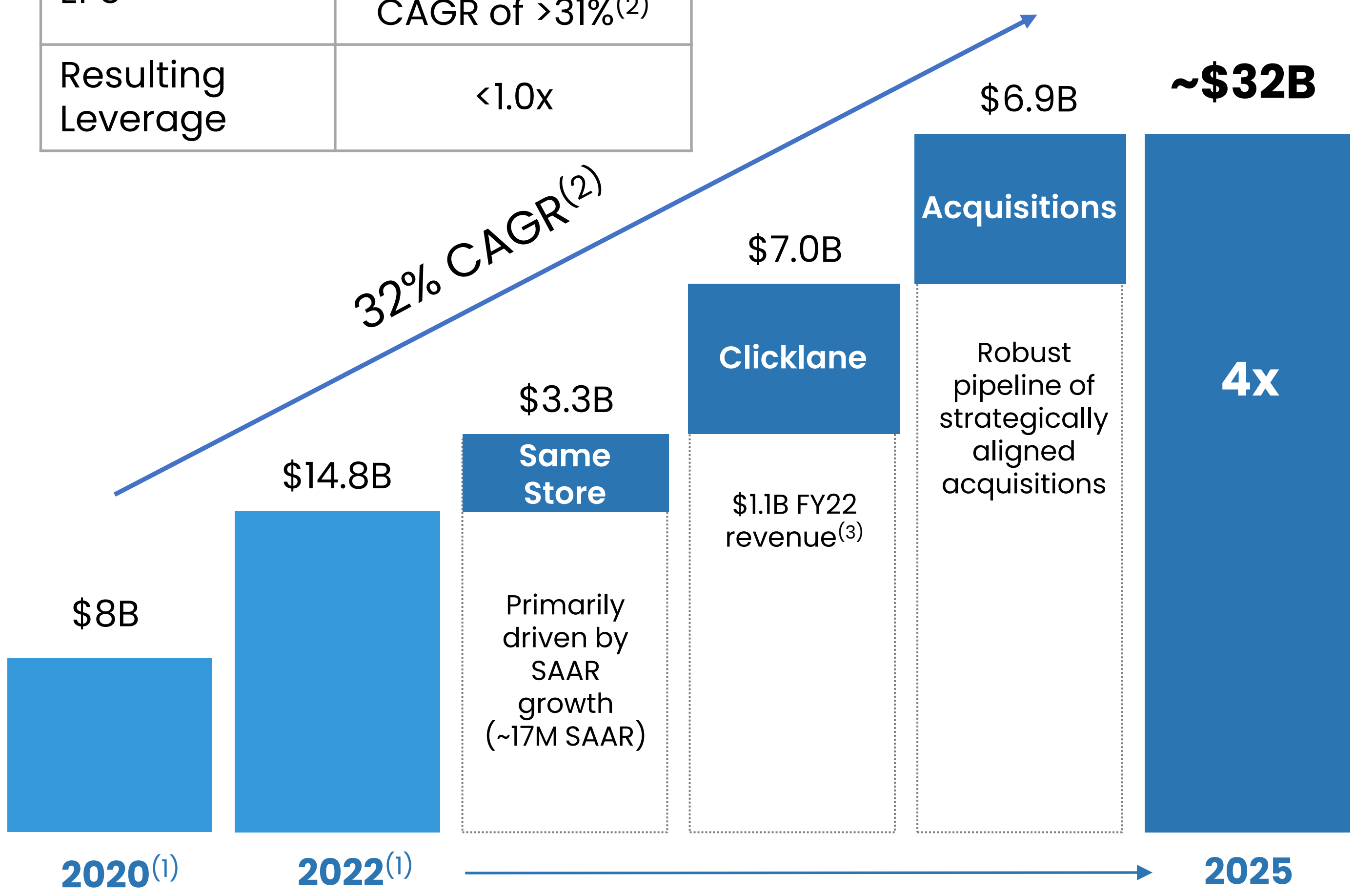
Two fundamental principles to drive shareholder value

## Operational Excellence




## Capital Deployment

| In 2025: | |
|---|---|
| EPS | >$55/Share CAGR of >31%(2) |
| Resulting Leverage | <1.0x |




## 2025 Growth Plan

We are working towards achieving our 5-year plan goal of $32 billion in revenue by 2025.

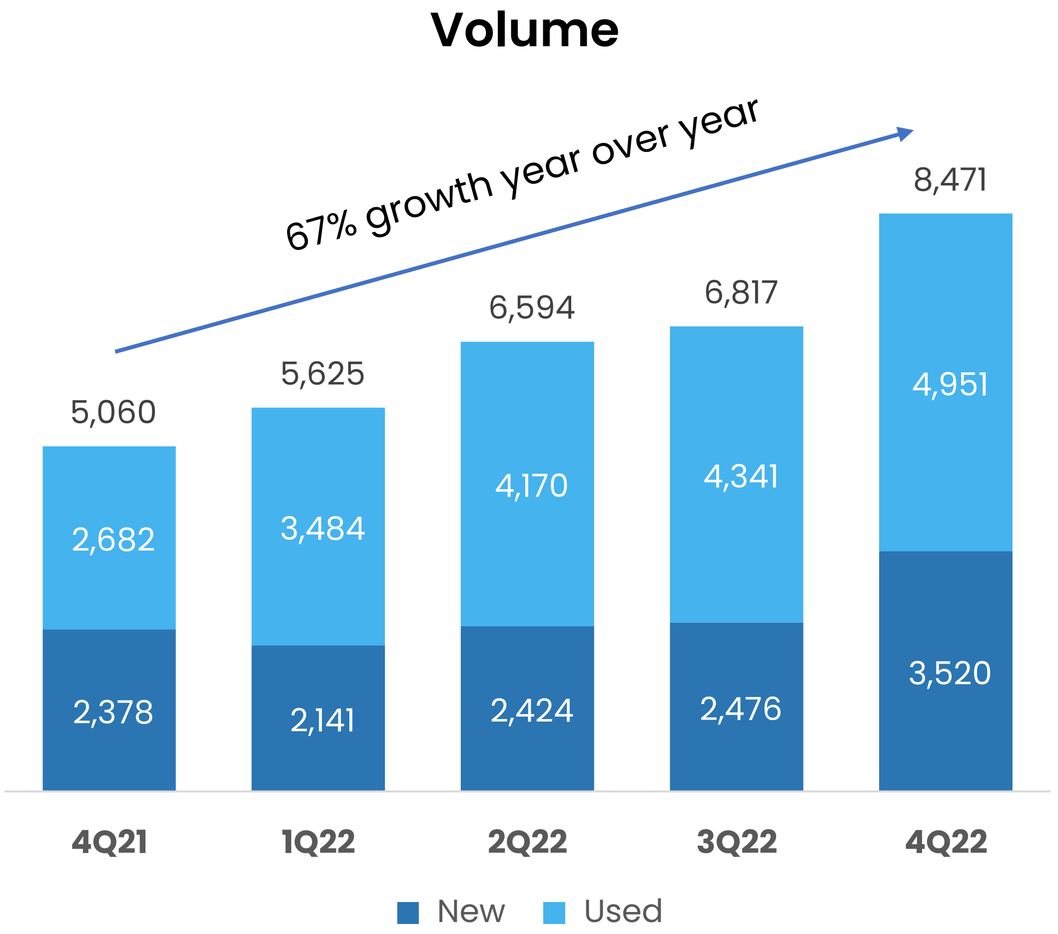
We continue to expand our digitization of tools and processes. This includes improvements for Clicklane, service, showroom experiences and TCA.

Operating cash flow and current leverage provide adequate liquidity for opportunistic capital allocation through focused, disciplined execution.

(1) Pro forma for all acquisitions and divestitures that occur in each year
(2) Based on annualized 2020
(3) Refer to 2025 Plan: Clicklane

# Clicklane Statistics & Trends

Sequential growth each quarter, potential for increased penetration of new vehicles as SAAR increases




**8,471**
4Q22 Volume
+24% increase over 3Q22

**42%**
New Vehicles Retailed

**$5.5K**
Total Front-End Yield
Total Front-End PVR $3,518
F&I PVR $2,001

**87%**
Lender Approval
87% overall lender approval rate & 77% instant approval

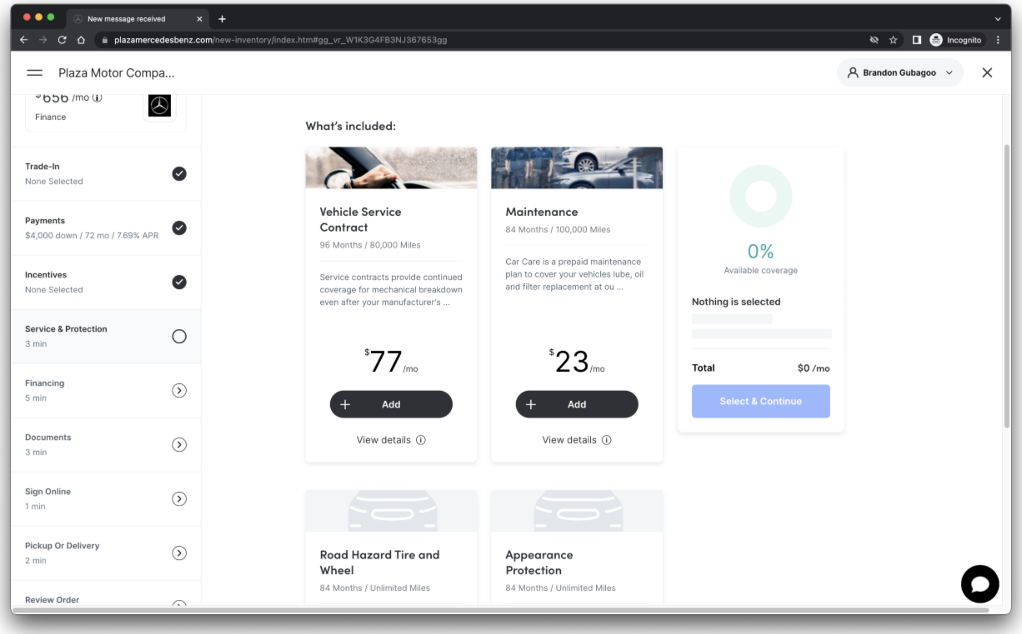
**14**
Avg Minutes (Financed Deals)
Cash deals average 8 minutes to complete online

**18.6**
Average delivery distance, in miles, from dealership

All statistics above represent 4Q22 quarterly performance

# Expanding Our Innovation

Enhancing the customer experience with dynamic Clicklane features

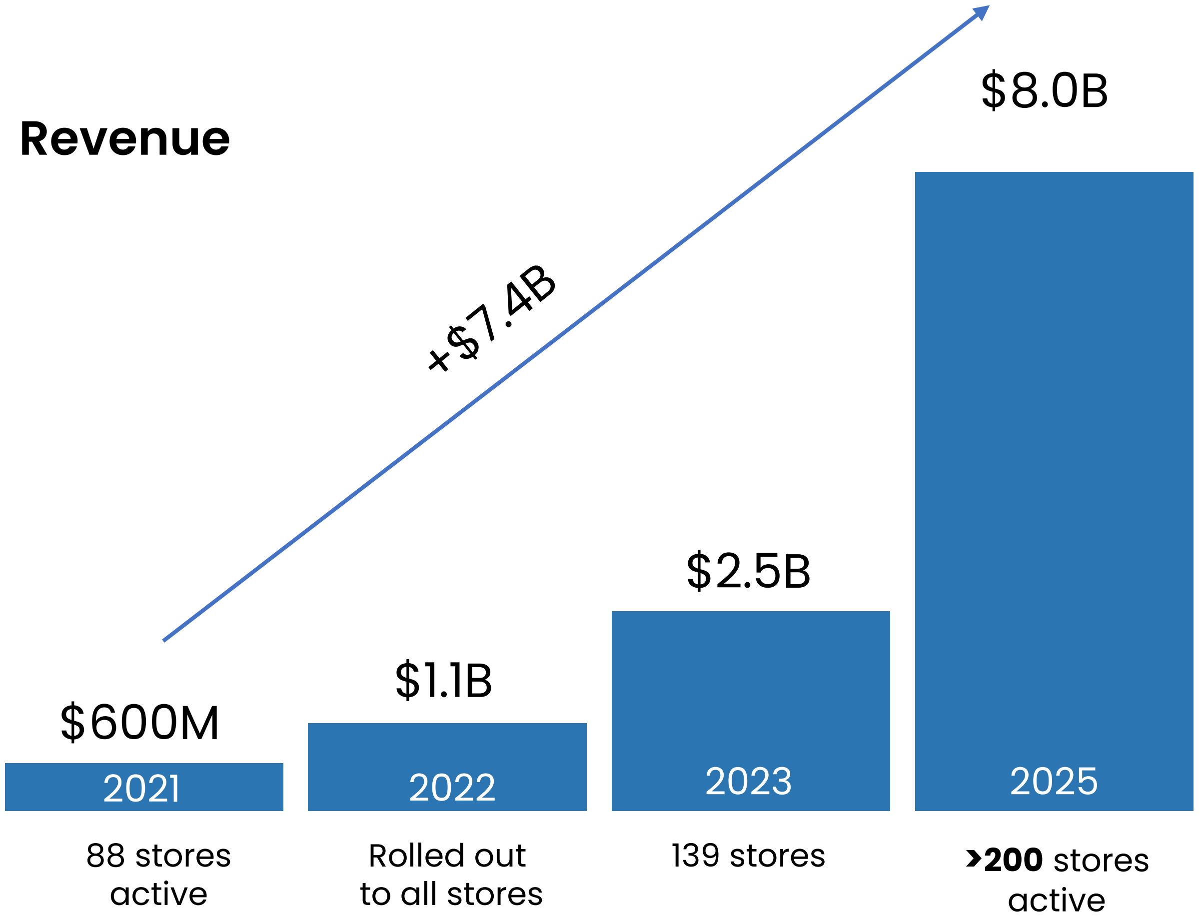



The industry's leading auto loan marketplace works with **51 lenders, banks and credit unions** to give consumers choice

Our **redesigned F&I 2.0 menu** has driven better consumer engagement with our offerings

# 2025 Plan: Clicklane

Multiple growth drivers deliver significant revenue for Clicklane




## Expanding Clicklane

Current volume limited by inventory shortages. Planned advertising campaigns are delayed until inventory recovers.

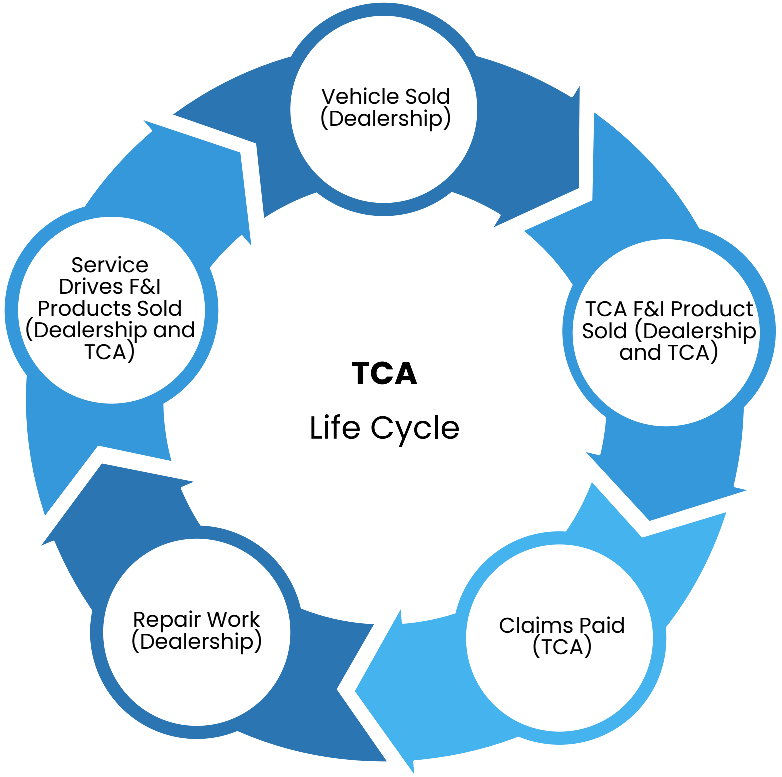
### Future growth drivers

- Increase Opportunities
- Higher Conversion
- Acquisitions
- SAAR Increase

As acquisitions are completed, the benefit to Clicklane will include a wider reach of stores in the network

# Total Care Auto

TCA is a stand-alone insurance company fully integrated with our dealerships that provides a new profit stream and customer retention tool for Asbury




### Vehicle Service Contracts
- Extensive list of vehicle parts and systems
- High sales and service retention

### Prepaid maintenance
- Customizable plans
- Oil and filter changes, lubrication

### Protection Plans
- Vehicle theft assistance
- Guaranteed Asset Protection

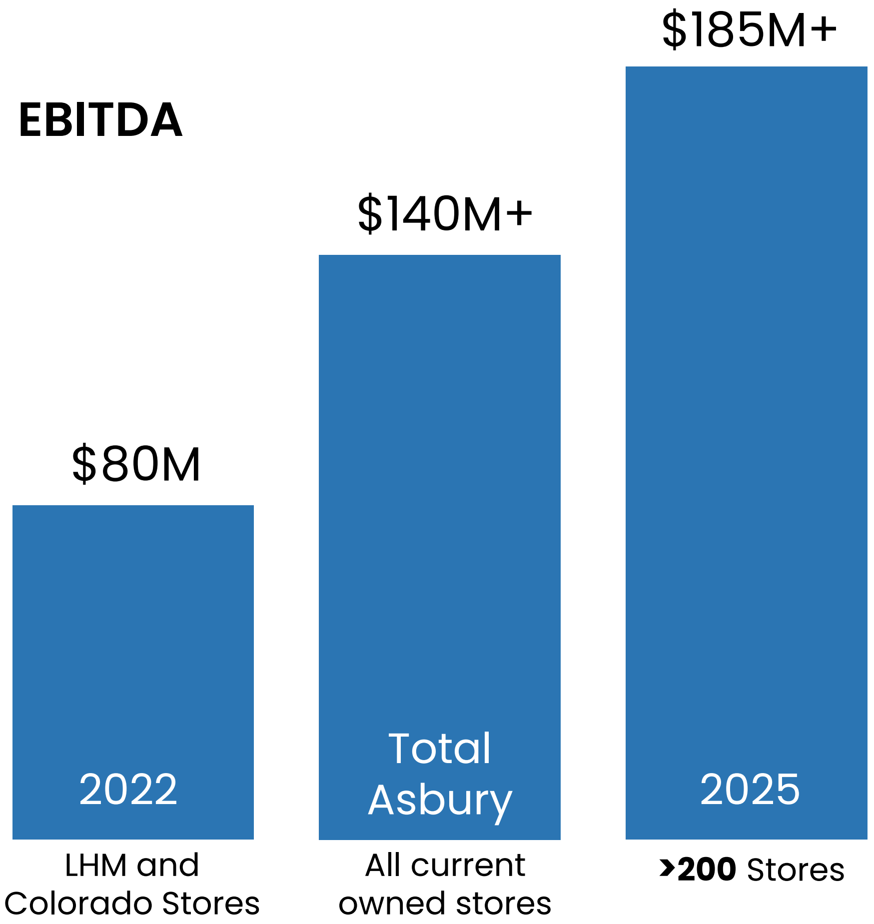
### Key & Remote Replacement
- 24-hour emergency road and service
- Lost key or lockout service

### Vehicle Protection
- Interior and exterior protection
- Glass protection and broken parts

### Tire & Wheel Protection
- Covered road hazards
- Flat tire coverage

# 2025 Plan: Total Care Auto

Integrated insurance provider increasing profitability through ownership of the full guest experience

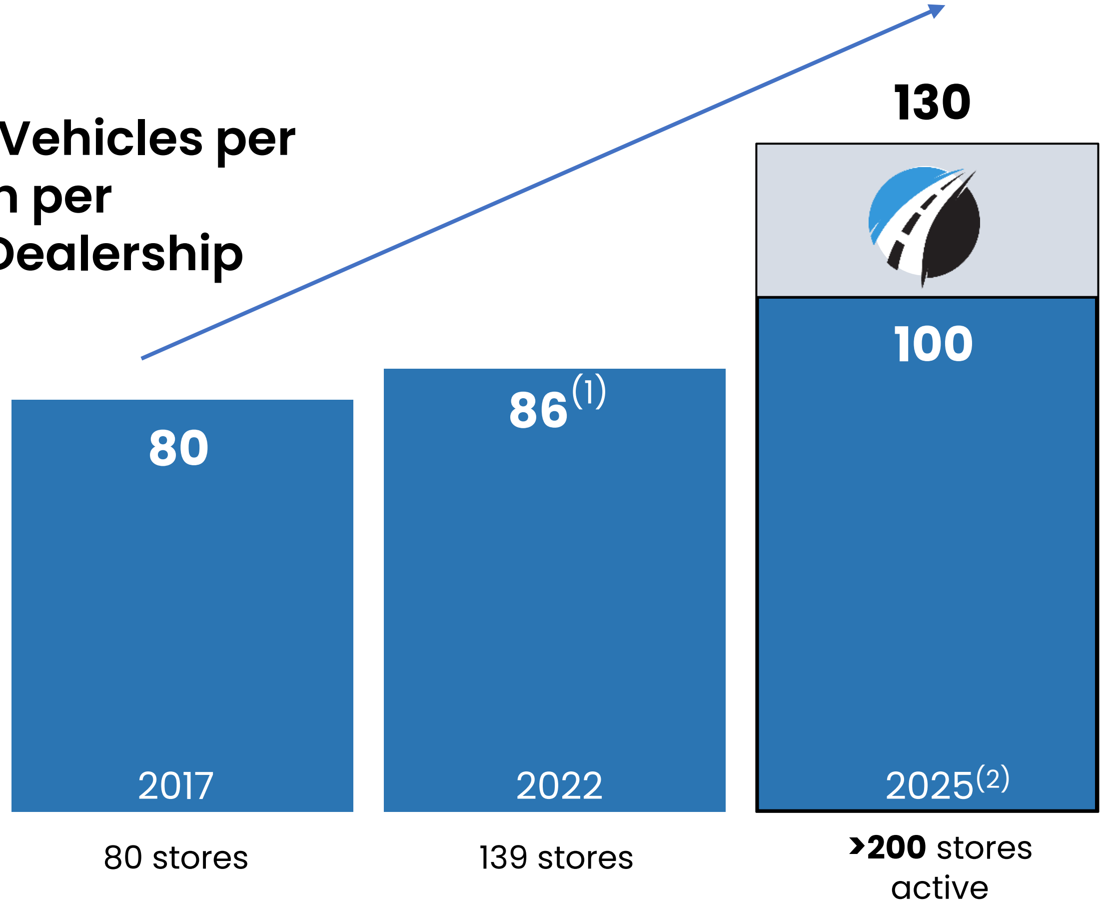



- Seasoned and experienced management team built for growth
- Integration with Clicklane provides further opportunity for growth
- Focus on increased product penetration to drive profitability at dealerships and TCA

# 2025 Plan: Used Vehicles

How we plan to grow our used vehicle sales through 2025

**Used Vehicles per Month per New Dealership**



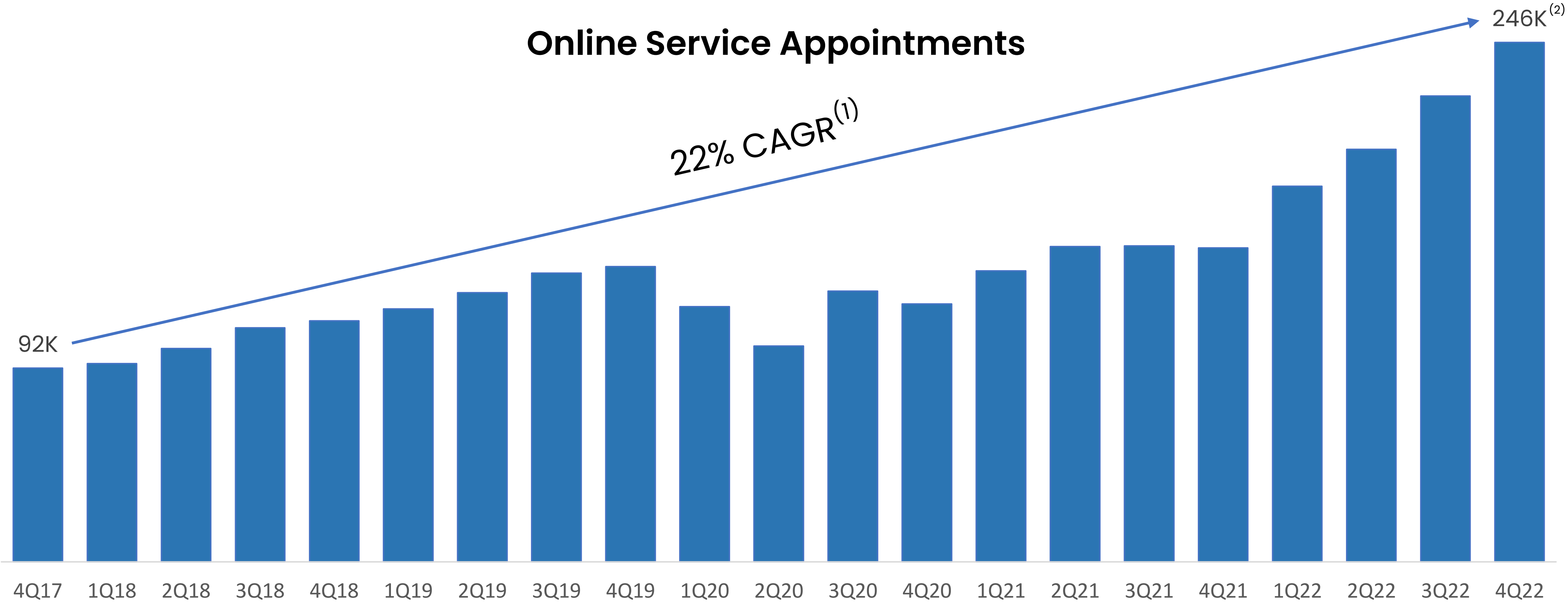

- Proprietary software utilized for strategic inventory management resulting in faster turns and higher margins
- Clicklane has proven to be a fast, transparent, and convenient online transactional tool
- Clicklane has also proven to be a reliable source for used vehicle inventory with enhanced digital disbursement of funds
- Reduce units wholesaled through strategic reconditioning process, resulting in additional units for retail of an incremental ~20,000 units in 2025
- Normalization of returns of leased vehicles and rental fleet turnover will also provide lift

(1) Pro forma for all divestitures that occurred in 2022
(2) Assumes normalized SAAR of 17M

# 2025 Plan: Parts & Service

Technology enables productivity and transparency, driving higher $'s per repair order

## Online Service Appointments




Digital is driving business growth and enhancing the customer experience leading to higher conversion rates and higher returns to our shareholders

(1) Comparison of Q4 2017 vs Q4 2022, CAGR based on 5 years; (2) 4Q 2022 is first quarter tracking LHM and last quarter to include North Carolina Crown stores

# APPENDIX

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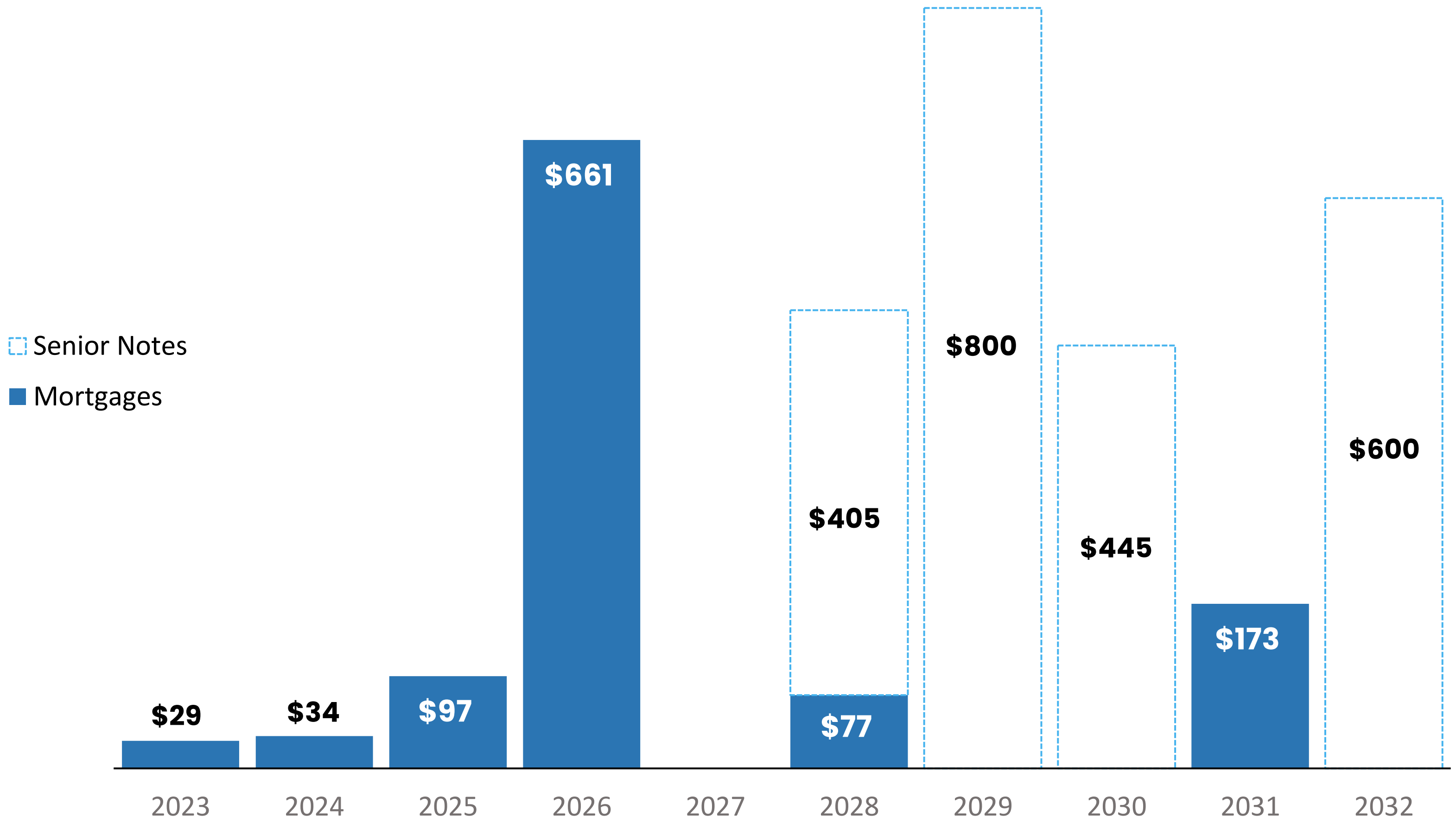
# Debt Maturity Schedule

Our near-term obligations remain minimal with no significant maturities until 2025

($ in Millions)




Note: As of 12/31/2022; Excludes $8.4M of finance leases

# Non-GAAP Financial Disclosure and Reconciliation

*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," "Adjusted operating cash flow per share, "Adjusted free 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.*

***Forward-Looking Guidance***

*With respect to our forward-looking guidance, no reconciliation between a non-GAAP measure to the closest corresponding GAAP measure is included because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts, and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, a reconciliation of forward-looking Free Cash Flow to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the amounts required to reconcile such measure. The unavailable information could have a significant impact on the company's future financial results.*

*Certain amounts in the reconciliations may not compute due to rounding. All computations have been calculated using unrounded amounts for all periods presented.*

# Non-GAAP Reconciliation

## Adjusted income from Operations and Adjusted Operating Margin

| ($ In millions) | For the Twelve Months Ended December 31, | | | |
|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2019 |
| **Adjusted income from operations:** | | | | |
| Income from operations | $ 1,272.6 | $ 791.8 | $ 370.8 | $ 325.0 |
| Deal diligence cost | 2.7 | — | — | — |
| Gain on sale of real estate | (0.9) | (1.9) | (0.3) | (0.3) |
| Legal settlements | — | (3.5) | (2.1) | (0.6) |
| Real estate-related charges | — | 2.1 | 0.7 | 0.6 |
| Professional fees associated with acquisitions | — | 4.9 | 1.3 | — |
| Park Place related costs | — | — | 11.6 | — |
| Fixed assets write-off | — | — | — | 2.4 |
| Franchise rights impairment | — | — | 23.0 | 7.1 |
| **Adjusted income from operations** | **$ 1,274.3** | **$ 793.4** | **$ 405.0** | **$ 334.2** |
| **Adjusted operating margin:** | | | | |
| Total revenue | $ 15,433.8 | $ 9,837.7 | $7,131.8 | $ 7,210.3 |
| Operating margin | 8.2% | 8.0% | 5.2% | 4.5% |
| **Adjusted operating margin** | **8.3%** | **8.1%** | **5.7%** | **4.6%** |

# Non-GAAP Reconciliation

## Adjusted EBITDA

| ($ In millions) | For the Twelve Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| **Adjusted EBITDA:** | | | | | | |
| **Calculation of earnings before interest, taxes, depreciation and amortization ("EBITDA"):** | | | | | | |
| Net Income | $ 997.3 | $ 532.4 | $ 254.4 | $ 184.4 | $ 168.0 | $ 139.1 |
| Depreciation and amortization | 69.0 | 41.9 | 38.5 | 36.2 | 33.7 | 32.1 |
| Income tax expense | 321.8 | 165.3 | 83.7 | 59.5 | 56.8 | 70.0 |
| Swap and other interest expense | 152.9 | 94.5 | 57.6 | 54.9 | 53.6 | 55.9 |
| Earnings before interest, taxes, depreciation and amortization ("EBITDA") | $ 1,541.0 | $ 834.1 | $ 434.2 | $ 335.0 | $ 312.1 | $ 297.1 |
| Non-core items - expense (income): | | | | | | |
| Gain on dealership divestitures | (207.1) | (8.0) | (62.3) | (11.7) | — | — |
| Deal Diligence Cost | 2.7 | — | — | — | — | — |
| Gain on sale of real estate | (0.9) | (1.9) | (0.3) | (0.3) | — | — |
| Legal settlements | — | (3.5) | (2.1) | (0.6) | (0.7) | (0.9) |
| Professional fees associated with acquisitions | — | 4.9 | 1.3 | — | — | — |
| Park Place related costs | — | — | 11.6 | — | — | — |
| Franchise rights impairment | — | — | 23.0 | 7.1 | 3.7 | 5.1 |
| Loss on extinguishment of debt | — | — | 20.7 | — | — | — |
| Fixed assets write-off | — | — | — | 2.4 | — | — |
| Real estate-related charges | — | 2.1 | 0.7 | 0.6 | — | 2.9 |
| Investment income | — | — | — | — | — | (0.8) |
| Total non-core items | $ (205.4) | $ (6.4) | $ (7.4) | $ (2.5) | $ 3.0 | $ 6.3 |
| **Adjusted EBITDA** | **$ 1,335.7** | **$ 827.7** | **$ 426.8** | **$ 332.5** | **$ 315.1** | **$ 303.4** |

# Non-GAAP Reconciliation

## Adjusted Net Income and Adjusted EPS

| (In millions, except per share data) | For the Twelve Months Ended December 31, 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| **Adjusted net income:** | | | | | | |
| Net income | $ 997.3 | $ 532.4 | $ 254.4 | $ 184.4 | $ 168.0 | $ 139.1 |
| Non-core items - (income) expense: | | | | | | |
| Gain on divestitures, net | (207.1) | (8.0) | (62.3) | (11.7) | — | — |
| Deal diligence cost | 2.7 | — | — | — | — | — |
| Real estate related gain | (0.9) | (1.9) | (0.3) | (0.3) | — | — |
| Legal settlements | — | (3.5) | (2.1) | (0.6) | (0.7) | (0.9) |
| Bridge commitment fee | — | 27.5 | — | — | — | — |
| Professional fees associated with acquisitions | — | 4.9 | 1.3 | — | — | — |
| Fixed assets write-off | — | — | — | 2.4 | — | — |
| Real estate related charges | — | 2.1 | 0.7 | 0.6 | — | 2.9 |
| Park Place related costs | — | — | 11.6 | — | — | — |
| Loss on extinguishment of debt | — | — | 20.7 | — | — | — |
| Franchise rights impairment | — | — | 23.0 | 7.1 | 3.7 | 5.1 |
| Investment income | — | — | — | — | — | (0.8) |
| Income tax effect on non-core items above | 50.1 | (5.0) | 1.9 | 0.6 | (0.8) | (2.4) |
| 2017 Tax Act Related Adjustments | — | — | — | — | 0.6 | (7.9) |
| Total non-core items | $ (155.2) | $ 16.1 | $ (5.5) | $ (1.9) | $ 2.8 | $ (4.0) |
| **Adjusted net income** | **$ 842.0** | **$ 548.5** | **$ 248.9** | **$ 182.5** | **$ 170.8** | **$ 135.1** |
| **Adjusted diluted earnings per share (EPS):** | | | | | | |
| Diluted EPS | $ 44.61 | $ 26.49 | $ 13.18 | $ 9.55 | $ 8.28 | $ 6.62 |
| Total non-core items | (6.94) | 0.80 | (0.28) | (0.09) | 0.13 | (0.19) |
| **Adjusted diluted EPS** | **$ 37.66** | **$ 27.29** | **$ 12.90** | **$ 9.46** | **$ 8.41** | **$ 6.43** |
| Weighted average common shares outstanding - diluted | 22.4 | 20.1 | 19.3 | 19.3 | 20.3 | 21.0 |

# Non-GAAP Reconciliation

## Pro Forma Adjusted Net Leverage Ratio

| ($ In millions) | For the Twelve Months Ended | | | | |
|---|---|---|---|---|---|
| | December 31, 2022 | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 |
| **Adjusted EBITDA:** | | | | | |
| **Calculation of earnings before interest, taxes, depreciation and amortization ("EBITDA"):** | | | | | |
| Net Income | $ 997.3 | $ 784.6 | $ 726.6 | $ 677.3 | $ 532.4 |
| Depreciation and amortization | 69.0 | 64.9 | 58.5 | 50.5 | 41.9 |
| Income tax expense | 321.8 | 253.7 | 231.2 | 214.7 | 165.3 |
| Swap and other interest expense | 152.9 | 165.1 | 141.4 | 118.2 | 94.5 |
| Earnings before interest, taxes, depreciation and amortization ("EBITDA") | $ 1,541.0 | $ 1,268.2 | $ 1,157.7 | $ 1,060.7 | $ 834.1 |
| Non-core items - expense (income): | | | | | |
| Gain on dealership divestitures | (207.1) | (4.4) | (12.4) | (41.0) | (8.0) |
| Deal Diligence Cost | 2.7 | — | — | — | — |
| Gain on sale of real estate | (0.9) | (0.9) | (0.9) | (1.7) | (1.9) |
| Legal settlements | — | — | — | — | (3.5) |
| Professional fees associated with acquisitions | — | 1.4 | 4.9 | 4.9 | 4.9 |
| Park Place related costs | — | — | — | — | — |
| Franchise rights impairment | — | — | — | — | — |
| Loss on extinguishment of debt | — | — | — | — | — |
| Fixed assets write-off | — | — | — | — | — |
| Real estate-related charges | — | — | — | 0.3 | 2.1 |
| Total non-core items | $ (205.4) | $ (3.9) | $ (8.4) | $ (37.5) | $ (6.4) |
| **Adjusted EBITDA** | **$ 1,335.7** | **$ 1,264.3** | **$ 1,149.3** | **$ 1,023.2** | **$ 827.7** |
| Pro forma impact of acquisition and divestitures on EBITDA | (56.7) | 96.3 | 214.2 | 330.7 | 440.4 |
| **Pro forma Adjusted EBITDA** | **$ 1,278.9** | **$ 1,360.6** | **$ 1,363.5** | **$ 1,353.9** | **$ 1,268.1** |
| **Pro forma adjusted net leverage ratio** | **1.7x** | **1.9x** | **2.1x** | **2.2x** | **2.7x** |

# Non-GAAP Reconciliation

## Adjusted Cash Flow from Operations, Adjusted Free Cash Flow and Adjusted Operating Cash Flow Per Share

| (In millions, except per share data) | For the Twelve Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| **Adjusted cash flow from operations:** | | | | | | |
| Cash flow from operations | $ 696.0 | $ 1,163.7 | $ 652.5 | $ 349.8 | $ 10.1 | $ 266.3 |
| Change in Floorplan Notes Payable Non-Trade, Net | (191.1) | (608.7) | (155.3) | (194.7) | 171.5 | (70.7) |
| Change in Floorplan Notes Payable Non-Trade associated with floorplan offset, UV borrowings and net acquisition and divestures | 462.4 | 131.1 | 9.1 | 138.2 | (31.1) | (25.5) |
| Change in Floorplan Notes Payable Trade associated with floorplan offset and net acquisition and divestitures | 19.7 | (54.0) | (63.7) | (11.0) | 0.7 | (4.3) |
| **Adjusted cash flow from operations** | **$ 987.1** | **$ 632.1** | **$ 442.6** | **$ 282.3** | **$ 151.2** | **$ 165.8** |
| Capital expenditures excluding real estate and lease buyouts | (94.6) | (75.7) | (46.5) | (57.6) | (40.3) | (42.3) |
| **Adjusted free cash flow** | **$ 892.5** | **$ 556.4** | **$ 396.1** | **$ 224.7** | **$ 110.9** | **$ 123.5** |
| Weighted average common shares outstanding - diluted | 22.4 | 20.1 | 19.3 | 19.3 | 20.3 | 21.0 |
| **Adjusted operating cash flow per share** | **$ 44.15** | **$ 31.52** | **$ 22.93** | **$ 14.63** | **$ 7.45** | **$ 7.90** |

# Thank You

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