



**ASBURY**  
AUTOMOTIVE GROUP  
Fortune 500

Investor Presentation  
Q3 2016

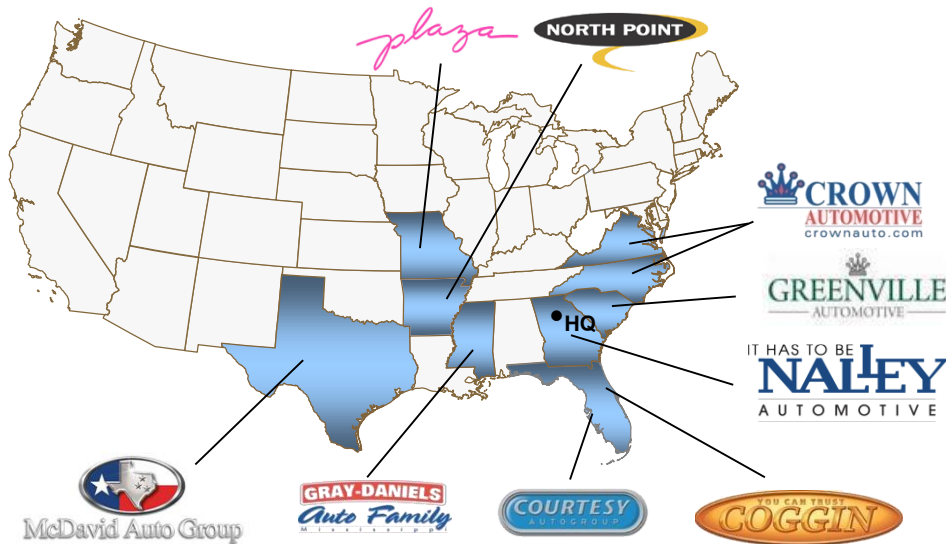
*To the extent that statements in this presentation are not recitations of historical fact, such statements constitute “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation may include statements relating to goals, plans, expectations, projections regarding our financial position, results of operations, market position, 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: 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; the loss of key personnel; 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.*

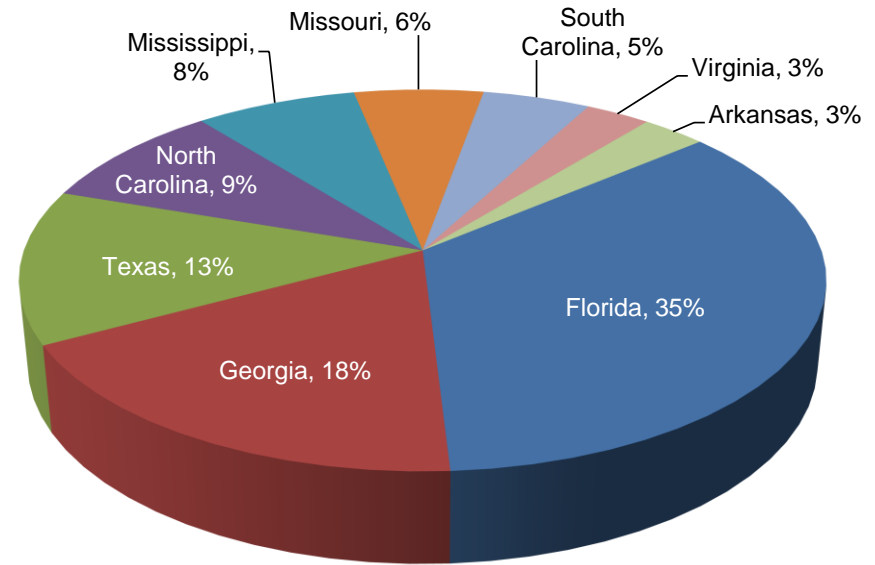
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# Asbury Automotive Group (NYSE:ABG)

- Fortune 500 automotive retailer
- 8<sup>th</sup> largest U.S. based franchised auto retailer<sup>(1)</sup>
- Over \$6.5 billion in total revenues<sup>(1)</sup>
- 81 dealership locations; 98 franchises
- 28 vehicle brands (79% luxury / import)<sup>(2)</sup>
- Sold over 185,000 retail vehicles<sup>(1)</sup>
- Handled over 2.6 million repair orders<sup>(1)</sup>
- Operating 25 collision repair centers



## New Vehicle Revenue by State

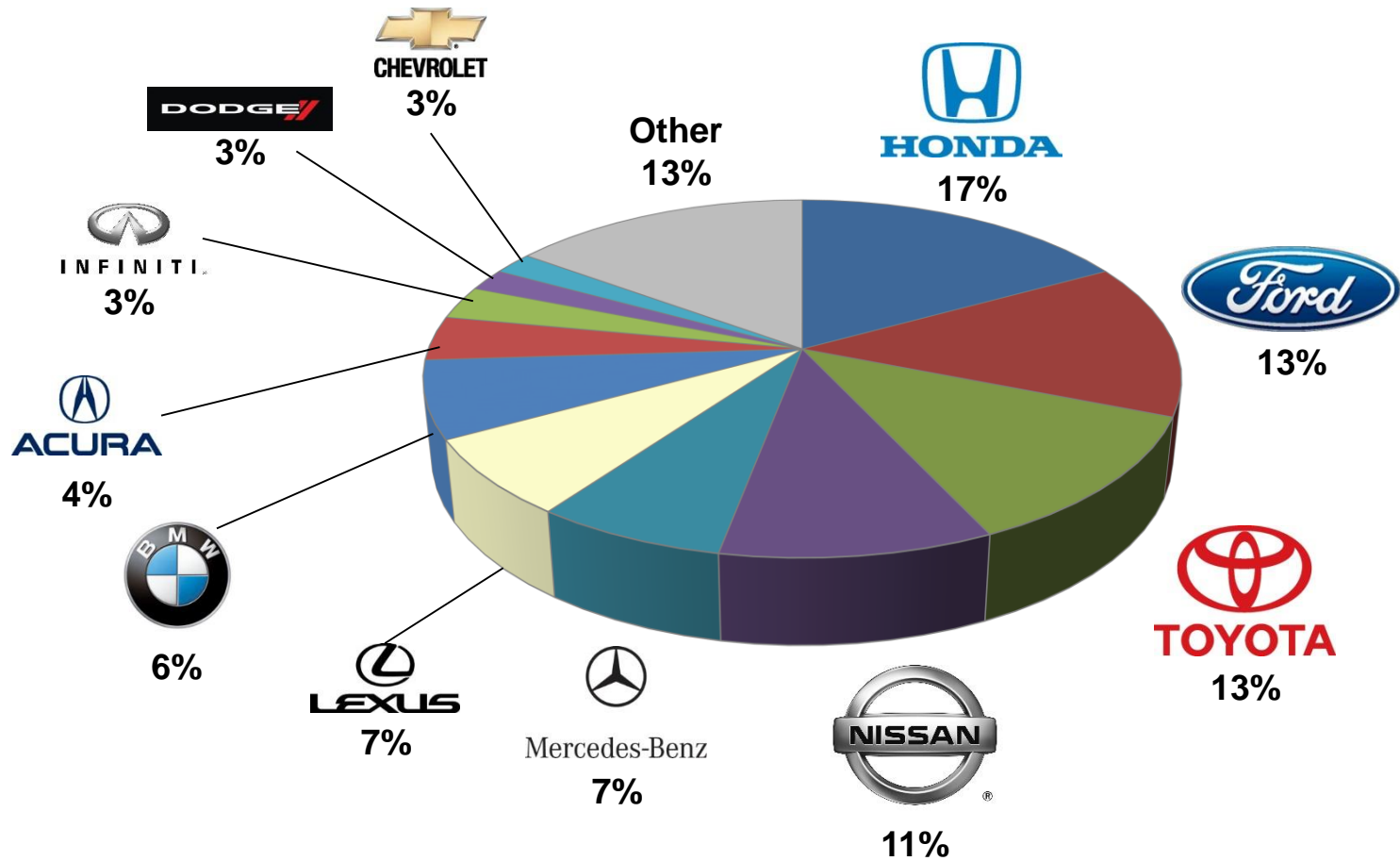


Based on New Vehicle Revenue for  
Nine Months Ended Sep. 30, 2016

*Fortune 500 public automotive dealer group*

(1) For the year ended 12/31/2015  
(2) For the nine months ended 9/30/2016

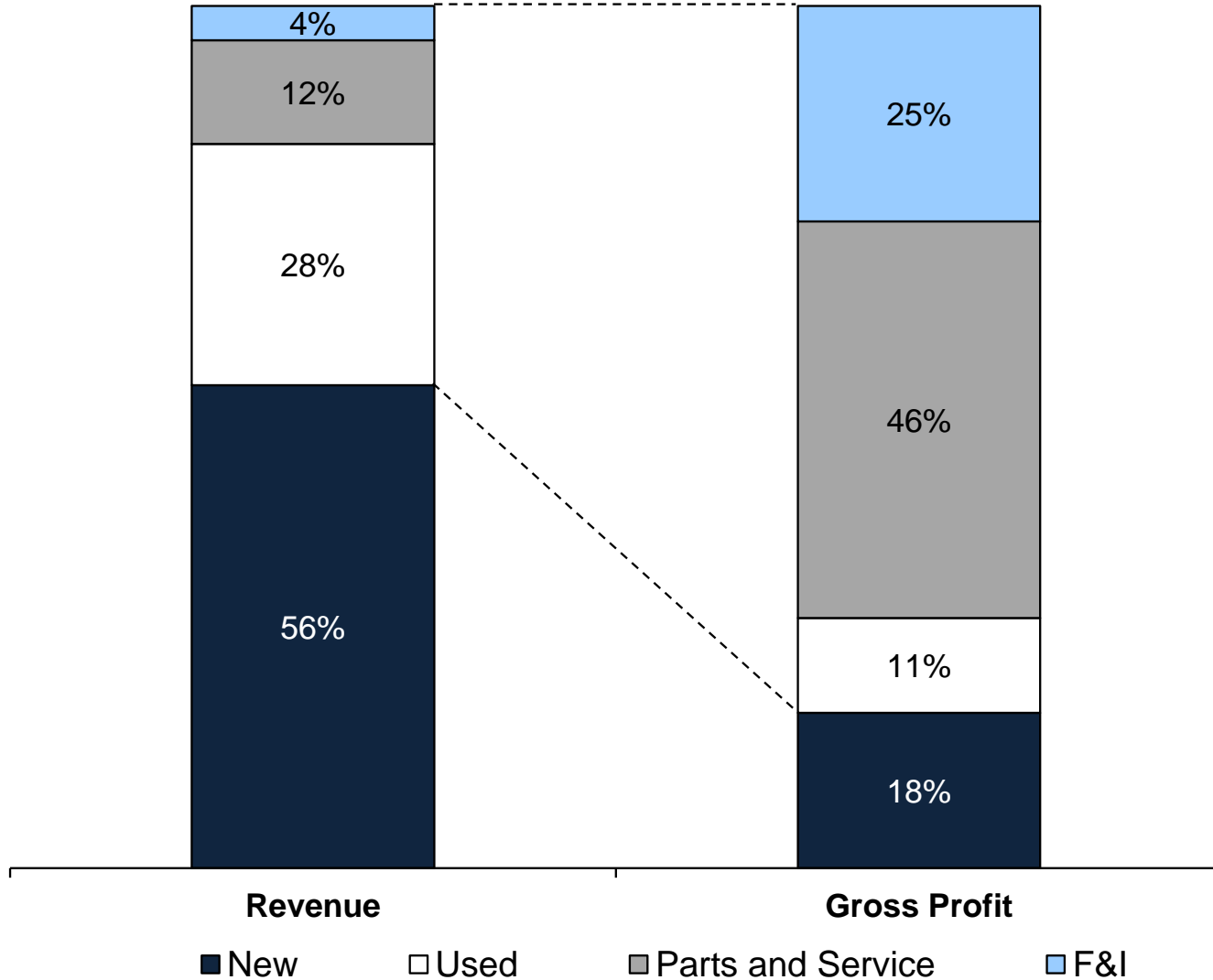
# Attractive Brand Mix



*Very attractive portfolio of brands; high concentration of import and luxury*

# The Four Key Components of Our Business

(Q3 2016)



*Used, Parts & Service and F&I account for 44% of revenue and 82% of gross profit*

# Our Strategy

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## 1. Drive Operational Excellence

- Attract and retain the best talent
- Implement best practices and improve productivity
- Provide an exceptional customer experience
- Centralize, streamline and automate processes
- Leverage our scale and cost structure to improve our operating efficiencies

## 2. Deploy Capital to Highest Returns

- Continue to invest in the business
- Continue to acquire operating assets
- Acquire dealerships meeting our criteria
- Invest in our stand-alone Q auto used vehicle stores
- Return capital to stockholders through a share repurchase program and/or dividends

*Two key principles to drive shareholder value*

# Q3 2016 Earnings Highlights

## ➤ Operating Highlights\*:

### ▪ Same Store:

- Total revenues increased 1%; gross profit flat
- New vehicle revenue was flat; gross profit down 7%
- Used vehicle retail revenue down 1%; gross profit down 6%
- Finance and insurance revenue down 3%
- Parts and service revenue up 8%; gross profit up 7%
- Parts and service customer pay gross profit up 7%

### ▪ Total Store:

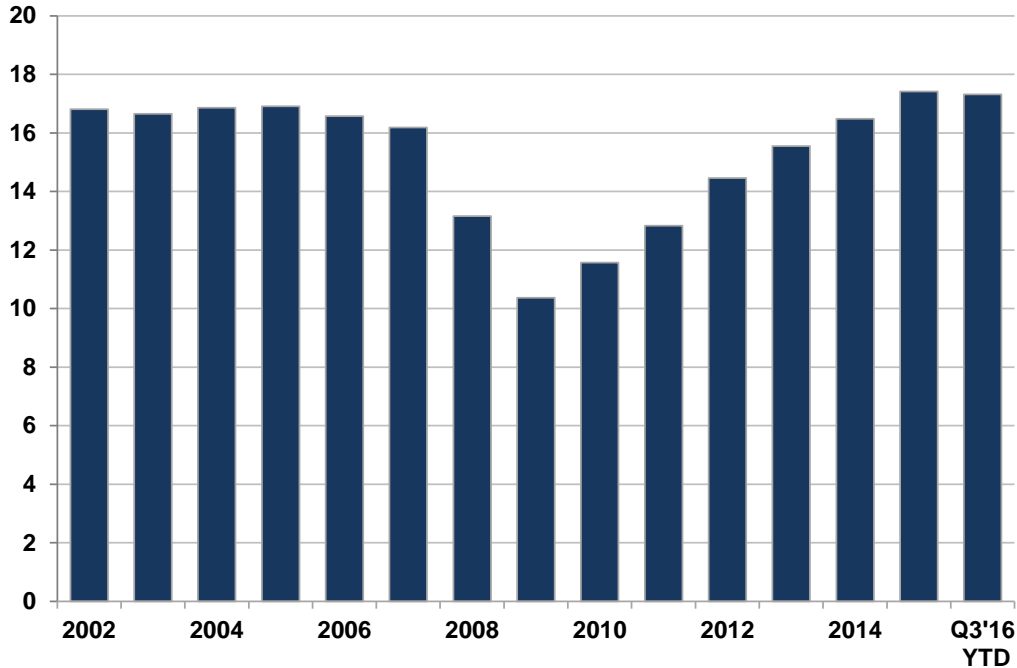
- SG&A as a percentage of gross profit was up 70 basis points to 69.9%
- Total company adjusted income from operations as a percentage of revenue was 4.3%
- Third quarter EPS from continuing operations of \$1.47 per diluted share compared to \$1.96 per diluted share in the prior year quarter
- Record third quarter adjusted EPS of \$1.52 per diluted share compared to adjusted EPS of \$1.43 per diluted share in the prior year quarter, a 6% increase

*Reported record third quarter adjusted EPS*

# New Vehicle Growth Opportunity

(U.S. SAAR in millions of units)

## SAAR



## Drivers of New Vehicle Growth

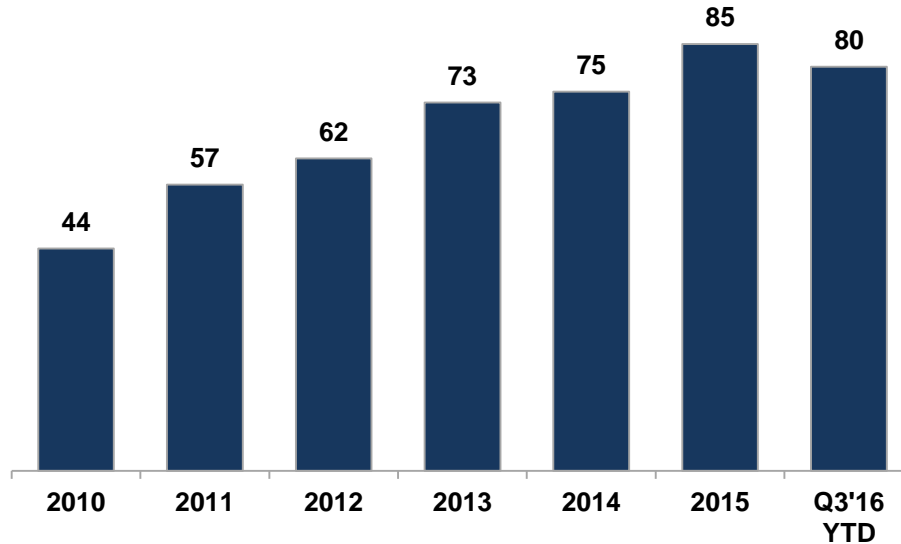
- Exciting new products
- Extremely attractive financing
- Current age of the vehicle fleet
- Increasing number of licensed drivers
- Continued economic recovery

*Sales of new vehicles in the U.S. have returned to the early 2000 levels*



# Used Vehicle Growth Opportunity

## Monthly Used Unit Sales Per Store



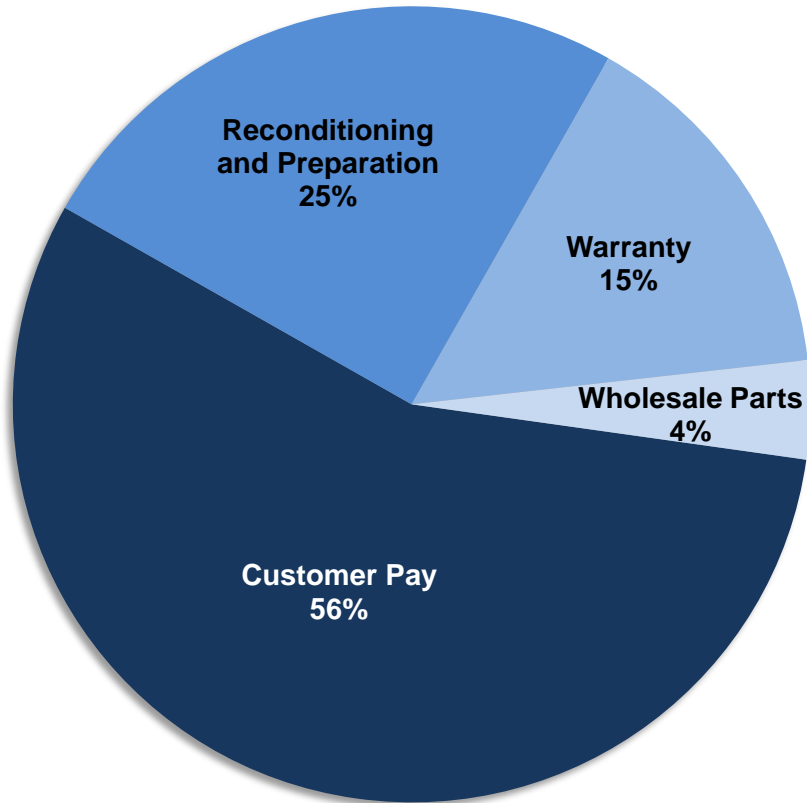
## Drivers of Used Vehicle Growth

- Expand online marketing
- Aggressive pricing strategy
- Continue used vehicle training
- Retail more units; send fewer to auction

*We have nearly doubled our used vehicle sales per dealership since 2010*

# Parts and Service Growth Opportunity

## Parts & Service Gross Profit Mix (Same Store)



## Drivers of P&S Growth

### Macro:

- Increasing SAAR
- Growing population of 3-5 year old vehicles
- Increasing vehicle complexity

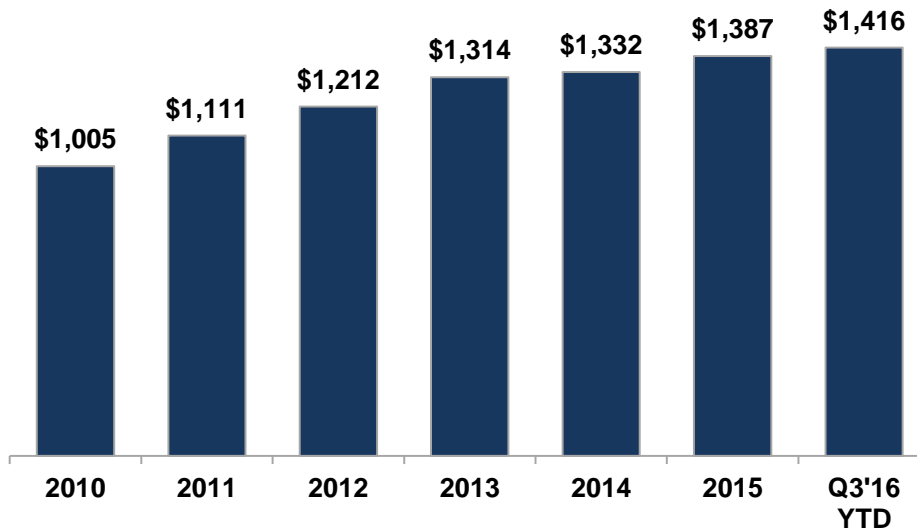
### Asbury Initiatives:

- Improve customer retention
- Improve on-line marketing
- Consistent service lane processes
- Expand service hours
- Continue driving used vehicle sales

*We are focused on growing our high margin customer pay business*

# F&I Growth Opportunity

## F&I Revenue Per Retail Unit (Same Store)



## Drivers of F&I Growth

- Continuous product presentation training
- Improve bottom third of performers
- Increase penetration of insurance products
- Insurance products account for 65% of F&I revenue

*Financing remains readily available and our  
F&I business continues to strengthen*

## “Q auto” – Stand Alone Used Vehicle Stores

- Large used vehicle market with over 40 million in annual vehicle sales
- No “blue sky” investment to open new stores
- Potential for attractive ROI



*We have the people, expertise, and technologies  
to create a value added, stand alone used car business*

# Why Asbury?

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- Attractive brand mix
- Attractive geographic footprint
- Track record of consistently improving operating performance
- Strong balance sheet
- Disciplined, transparent capital allocation strategy

*Questions?*

# Appendix

# Q3 2016 Earnings Highlights & Key Metrics

	Q3 2016	Q3 2015	Change
<b>Volume Metrics (SS)</b>			
US Auto Sales (mm)	4.5	4.5	0.0%
New Units	26,656	27,416	-2.8%
Used Retail Units	19,774	20,294	-2.6%
Used to New Ratio	74.2%	74.0%	20 bps
Fixed Gross Profit	\$ 122.2	\$ 114.7	6.5%
<b>Margin Metrics (SS)</b>			
New Margin	5.1%	5.5%	-40 bps
Used Retail Margin	7.6%	8.1%	-50 bps
Fixed Margin	61.3%	61.9%	-60 bps
F&I PVR	\$ 1,393	\$ 1,392	\$ 1
Front End PVR <sup>(1)</sup>	\$ 3,101	\$ 3,178	\$ (77)
<b>Performance Metrics</b>			
SG&A %GP	69.9%	69.2%	70 bps
EBITDA	\$ 73.5	\$ 101.4	-27.5%
EPS	\$ 1.47	\$ 1.96	-25.0%
EBITDA, Adjusted <sup>(2)</sup>	\$ 75.3	\$ 80.0	-5.9%
EPS, Adjusted <sup>(2)</sup>	\$ 1.52	\$ 1.43	6.3%

(1) Front end PVR is new vehicle gross profit, used retail gross profit, and F&I gross profit divided by new and used retail unit sales.

(2) See Non-GAAP reconciliations.

# Non-GAAP Reconciliations

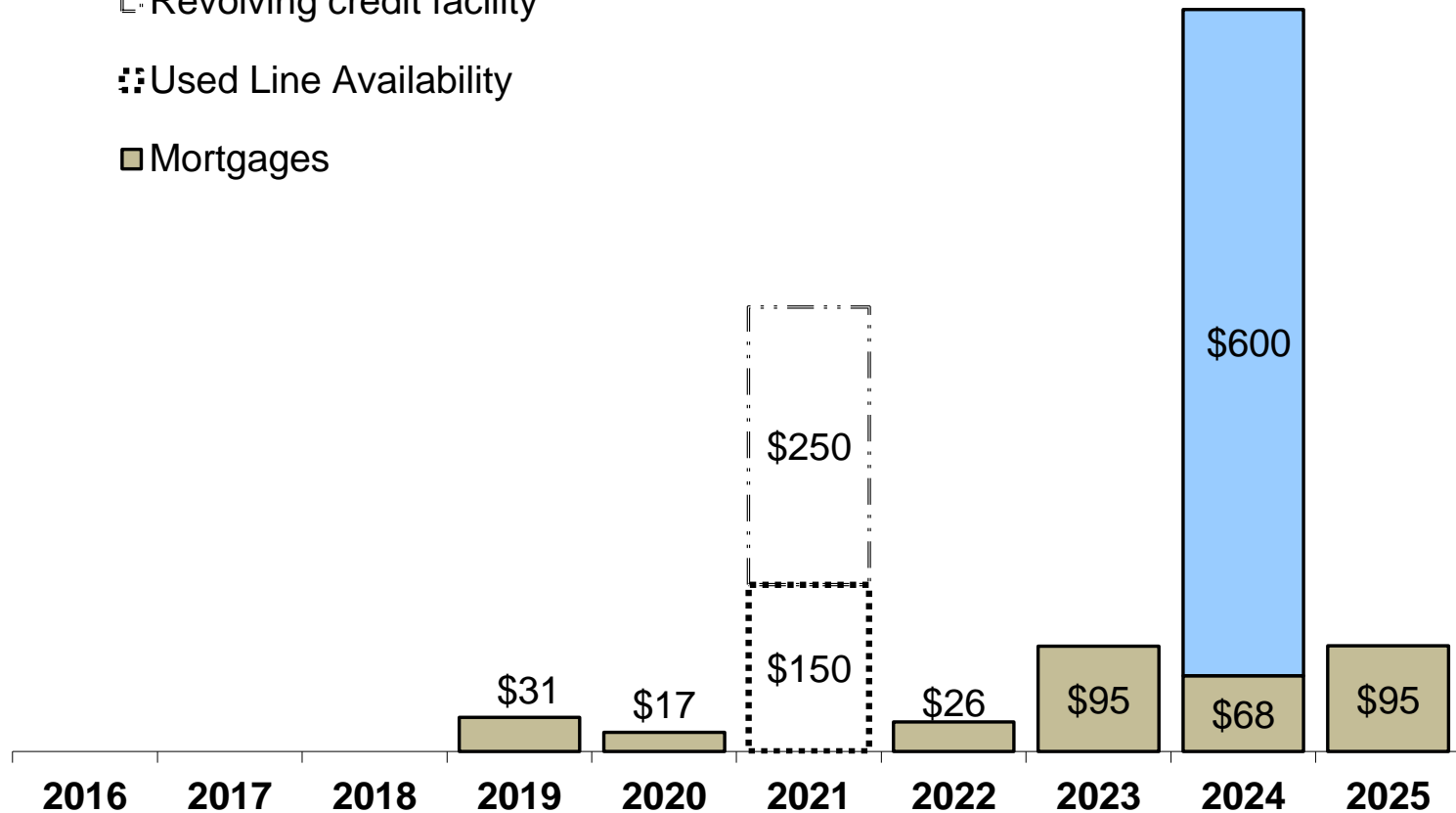
	Q3 2016	Q3 2015
<b>Adjusted EBITDA:</b>		
<b>Income from continuing operations</b>	<b>\$ 32.4</b>	<b>\$ 51.2</b>
Add:		
Depreciation and amortization	7.8	7.5
Income tax expense	19.3	31.0
Swap and other interest expense	14.0	11.7
<b>EBITDA</b>	<b>\$ 73.5</b>	<b>\$ 101.4</b>
Non-core items:		
Real estate related charges	1.8	-
Gain on divestitures	-	(21.4)
<b>Total non-core items</b>	<b>1.8</b>	<b>(21.4)</b>
<b>EBITDA, adjusted</b>	<b>\$ 75.3</b>	<b>\$ 80.0</b>
<b>Adjusted diluted EPS:</b>		
Net income	\$ 1.47	\$ 1.96
Discontinued operations, net of tax	-	-
<b>Income from continuing operations</b>	<b>\$ 1.47</b>	<b>\$ 1.96</b>
Total non-core items	0.05	(0.53)
<b>Adjusted diluted EPS</b>	<b>\$ 1.52</b>	<b>\$ 1.43</b>



# Debt Maturity Schedule

(\$ in Millions)

- Subordinated Notes
- Revolving credit facility
- ⚡ Used Line Availability
- Mortgages



*Our near-term debt maturities remain minimal, with a large “stack” in 2024*

Note: Amounts shown are the face value of debt instruments in millions. Does not include \$3.4 million capital leases that expire in 2021, Net of Deferred Financing Fees & Add-on Bond Premium of \$5.0 million and \$13.4 million of mortgages in liabilities associated with assets held for sale.