

# ASBURY

AUTOMOTIVE GROUP



**Acquisition of Larry H. Miller Dealerships & Total Care Auto, Powered by Landcar  
September 29, 2021**

*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 transaction, management's plans, projections and objectives for future operations, scale and performance, integration plans and expected synergies therefrom, the timing of completion of the proposed transaction, and our financial position, results of operations, market position, capital allocation strategy, initiatives, business strategy and expectations of our management.*

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FORTUNE **500**

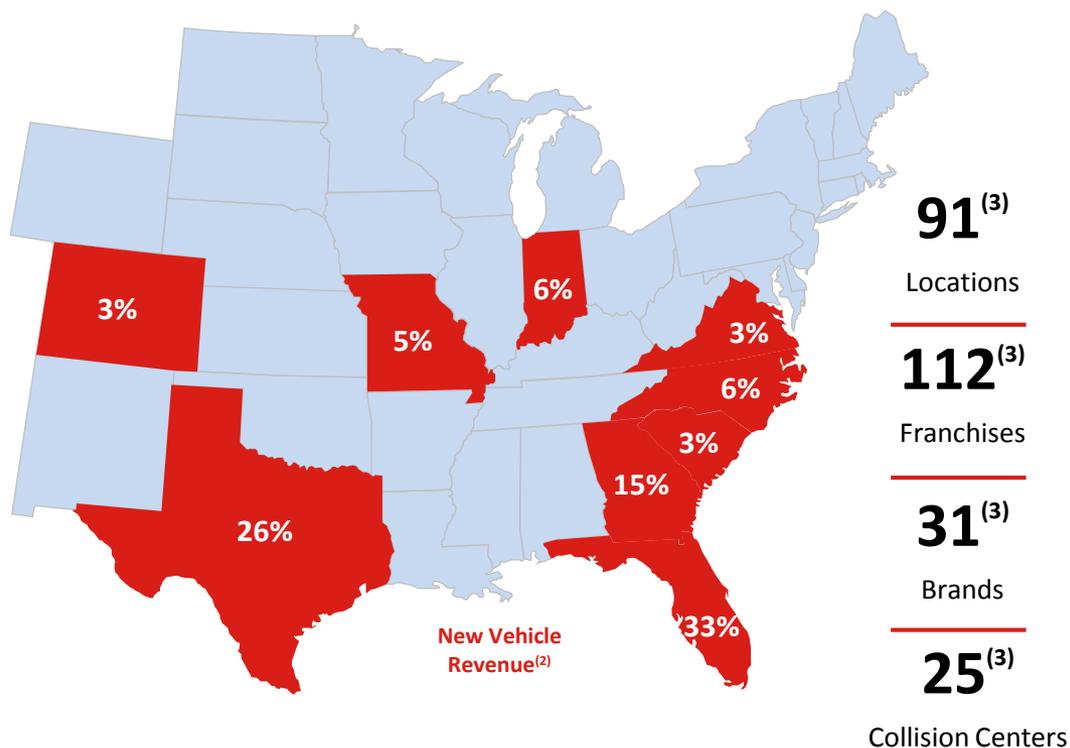
AUTOMOTIVE RETAILER

**~\$8B**

TOTAL REVENUE <sup>(1)</sup>

**~175K**

RETAIL UNITS SOLD <sup>(1)</sup>



- ✓ Best-in-class SG&A cost structure
- ✓ Best-in-class operating margins
- ✓ Operational excellence with omni-channel initiatives driving sales, efficiencies and guest experience
- ✓ Disciplined acquisition strategy targeting high quality assets with a proven integration playbook

(1) For the twelve months ending Dec 31, 2020, pro forma reflecting the impact of acquisitions and divestures closed in 2020  
 (2) For the three months ending Jun 30, 2021  
 (3) As of Jun 30, 2021

# Larry H. Miller Dealerships and Total Care Auto, Powered by Landcar<sup>(1)</sup> Overview



**8<sup>th</sup> LARGEST** dealership group in the US<sup>(2)</sup>

**FAMILY-OWNED** business since 1979

**54** new vehicle dealerships; **7** used vehicle dealerships; **11** collision centers

**18** automotive brands

**PROFITABLE F&I** product provider

**\$5.7B** in LTM revenue

**\$360M** in LTM EBITDA

**115,000+** new and used retail units sold

## Average Revenue per Rooftop of Over \$100M

Draper Ford Lincoln



American Toyota Albuquerque



Surprise CJDR



Sandy CJDR



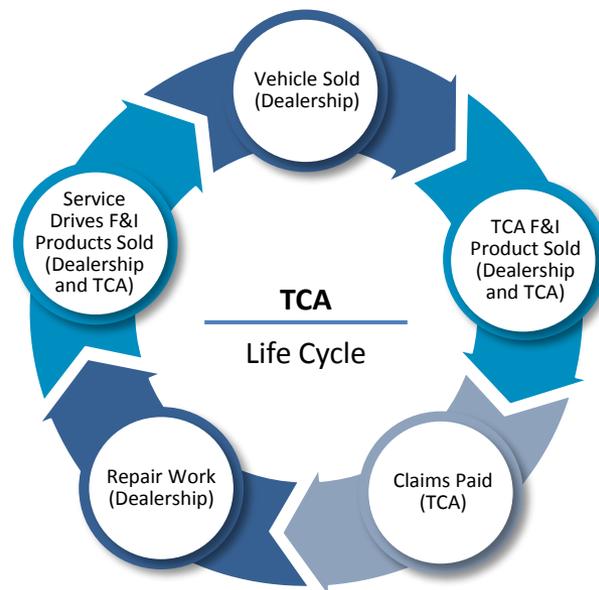
## Key Brands



Note: Larry H. Miller Dealerships numbers based on June LTM

(1) Total Care Auto, Powered by Landcar ("TCA" or "Landcar Agency")

(2) 2020 Automotive News Top 150 Dealership Groups Report



Key Statistics

<b>2.0M</b> Open contracts	<b>~\$240M</b> Revenue	<b>20%+</b> EBITDA Margins
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Key Offerings

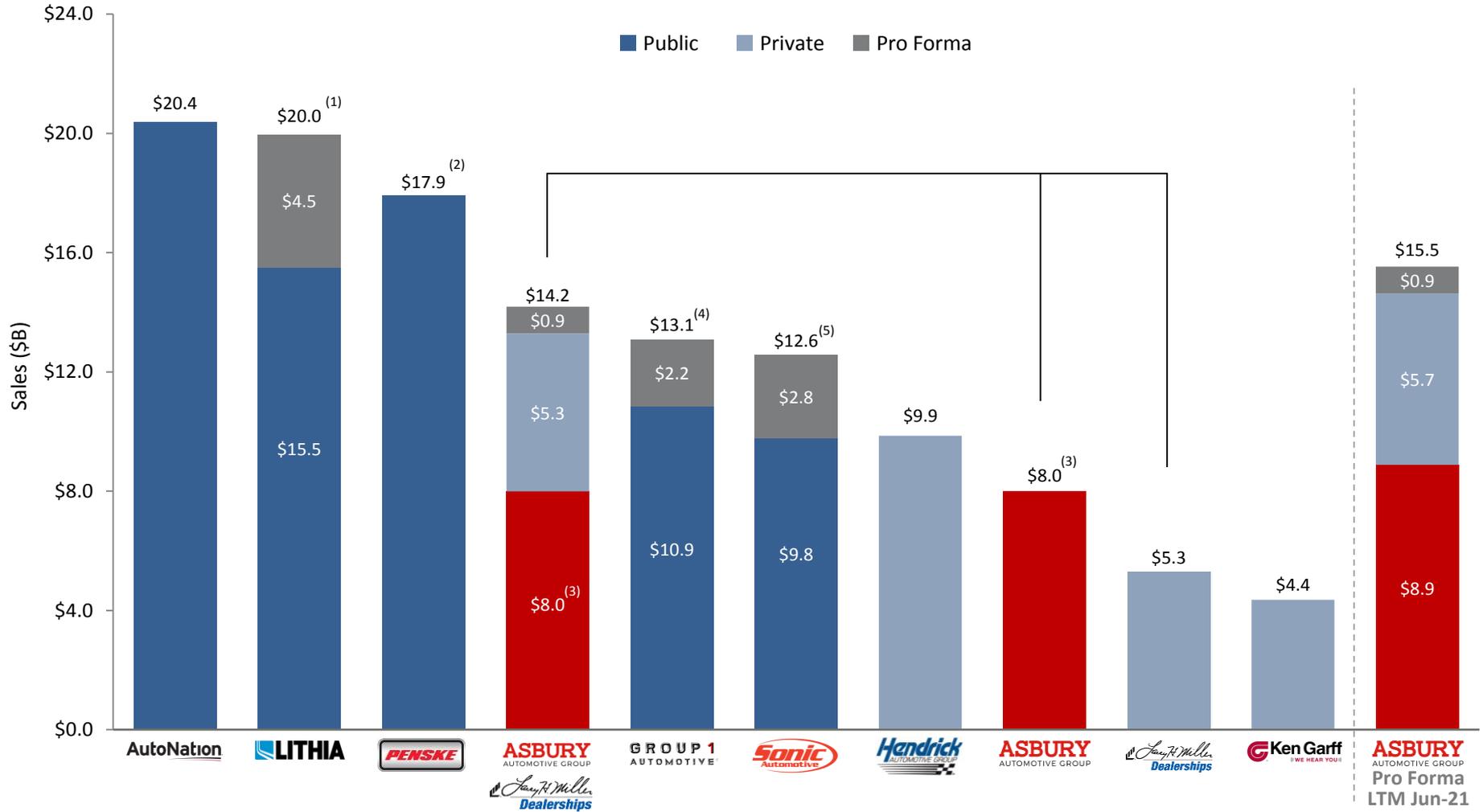
- |                                  |   |
|----------------------------------|---|
| <b>Vehicle service contracts</b> | <ul style="list-style-type: none"> <li>✓ Extensive list of vehicle parts and systems</li> <li>✓ High sales and service retention</li> </ul> |
| <b>Prepaid maintenance</b>       | <ul style="list-style-type: none"> <li>✓ Customizable plans</li> <li>✓ Oil and filter changes, lubrication</li> </ul>                       |
| <b>Protection plans</b>          | <ul style="list-style-type: none"> <li>✓ Vehicle theft assistance</li> <li>✓ Guaranteed Asset Protection</li> </ul>                         |

- |                                     |   |
|-------------------------------------|---|
| <b>Key &amp; remote replacement</b> | <ul style="list-style-type: none"> <li>✓ 24 hour emergency road service</li> <li>✓ Lost key or lockout service</li> </ul>         |
| <b>Leased vehicle protection</b>    | <ul style="list-style-type: none"> <li>✓ Interior and exterior protection</li> <li>✓ Glass protection and broken parts</li> </ul> |
| <b>Tire &amp; wheel protection</b>  | <ul style="list-style-type: none"> <li>✓ Covered road hazards</li> <li>✓ Flat tire coverage</li> </ul>                            |

High percentage of claims are serviced by Larry H. Miller Dealerships

- 1 Meaningfully increases Asbury's scale and creates the 4<sup>th</sup> largest US automotive retailer
- 2 Strong portfolio of dealerships with a long history of operational excellence and valuable brands
- 3 Enhancing presence in targeted high-growth markets with attractive demographic dynamics
- 4 Dealership portfolio is highly aligned to customer brand preferences within the markets
- 5 Leverages the Clicklane transactional tool to create a coast-to-coast, truly expansive, omni-channel platform
- 6 Ownership of TCA, a highly-scalable provider of a full-suite of F&I products, will enhance profitability with 20%+ EBITDA margins
- 7 Transaction is expected to add ~\$360M in EBITDA (expected to be accretive to 2022 EPS by ~20% when factoring in additional acquisitions under contract and by ~28% in 2024)<sup>(1)</sup>
- 8 Exceeds previously published 5-year target for M&A within the first year of the plan

# Significantly Increases Asbury's Scale



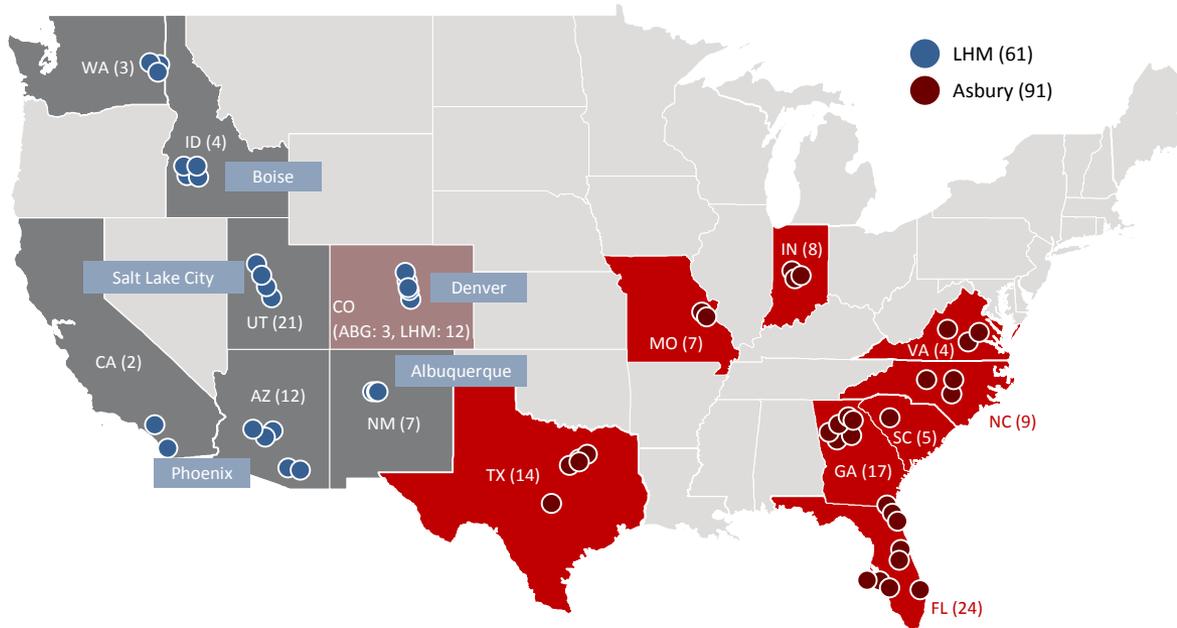
Acquisition transforms Asbury to the 4<sup>th</sup> largest auto retailer in the US

Source: 2020 Automotive News Top 150 Dealership Groups Report

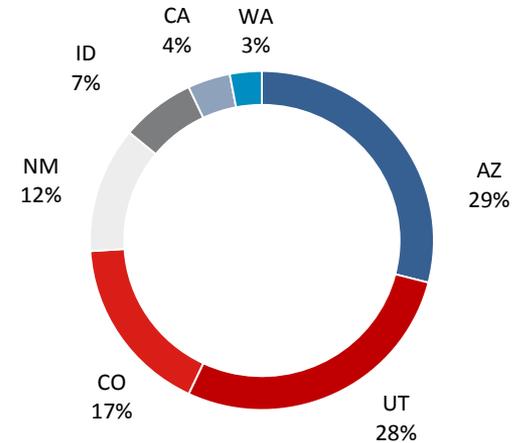
- (1) Pro forma acquisitions announced in 2020 and YTD 2021
- (2) Global auto dealership sales; US sales of \$10.3B
- (3) Pro forma acquisition of Park Place closed 08/24/2020
- (4) Pro forma acquisitions announced YTD 2021; US sales of ~\$10.3B (\$8.5B + \$1.8B from acquisition of Prime Automotive)
- (5) Pro forma acquisitions announced YTD 2021

# Geographic Expansion into Strategic High-Growth Markets with Attractive Demographics

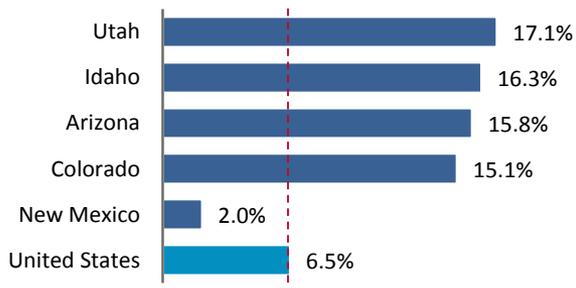
## Pro Forma Asbury / LHM Geographic Presence<sup>(1)</sup>



## 2020 LHM Dealership Revenue by State

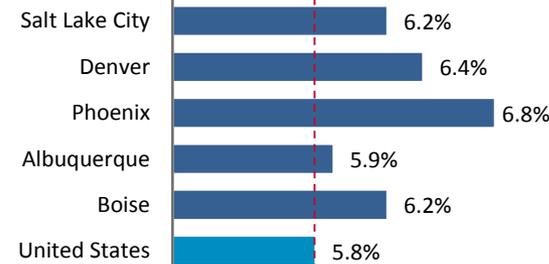


## Population Growth by State (2010 to 2020)

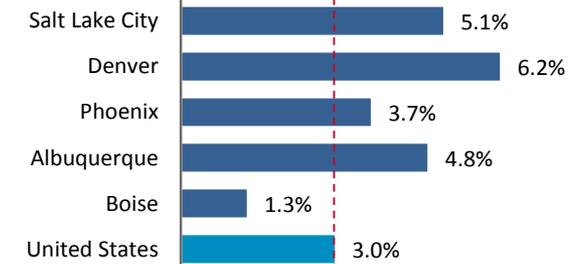


## Metropolitan Area Macro Trends ('20-'25 CAGR)

### Gross metropolitan product (GMP)



### New passenger car & light truck registrations

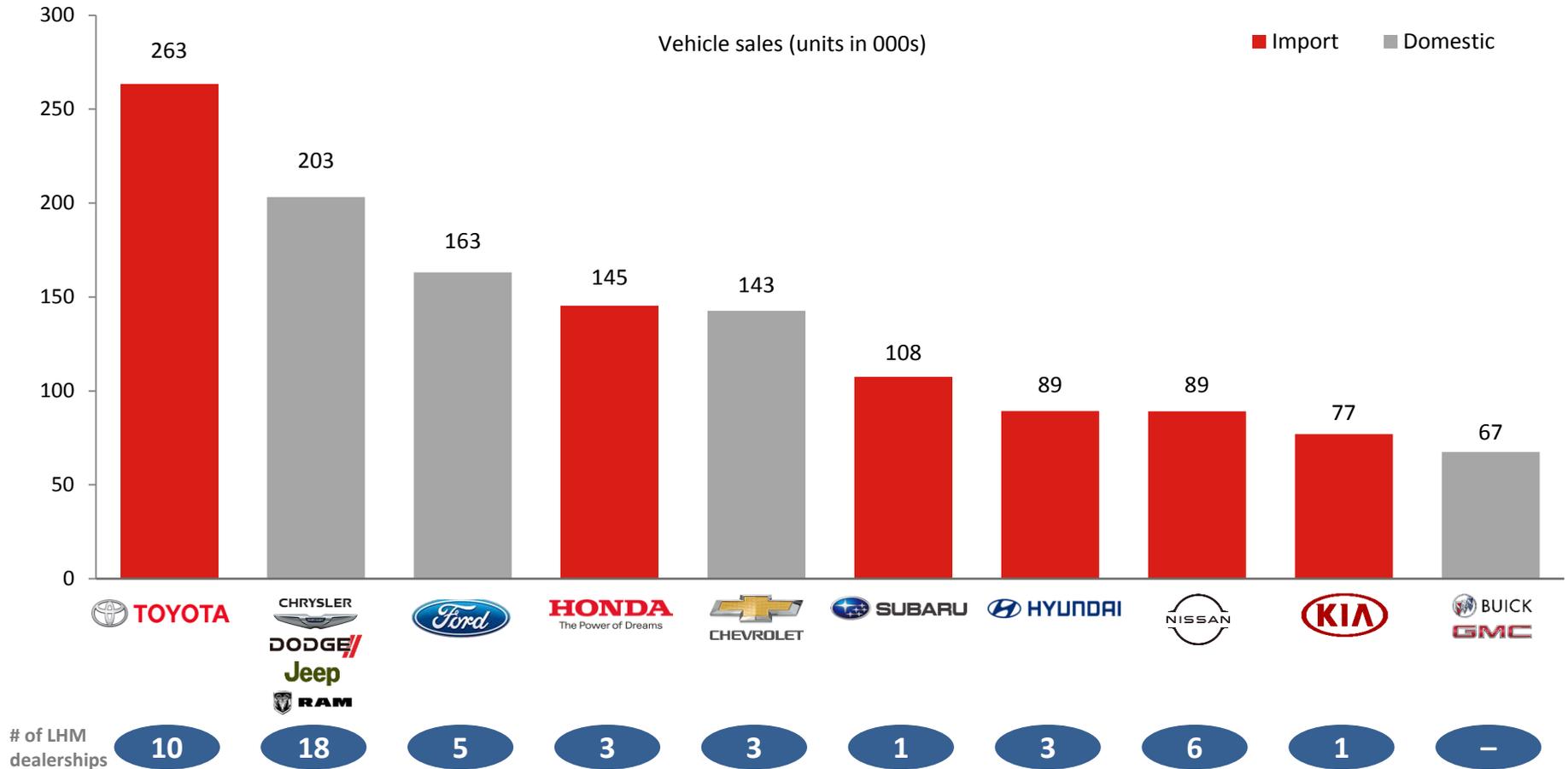


Source: IHS Markit, US Census Bureau

(1) Includes new and used dealerships; excludes collision centers

# Dealership Portfolio is Highly Aligned to Customer Brand Preferences in its Markets

## Top 10 Volume Brands in Markets With Larry H. Miller Dealerships<sup>(1)</sup>



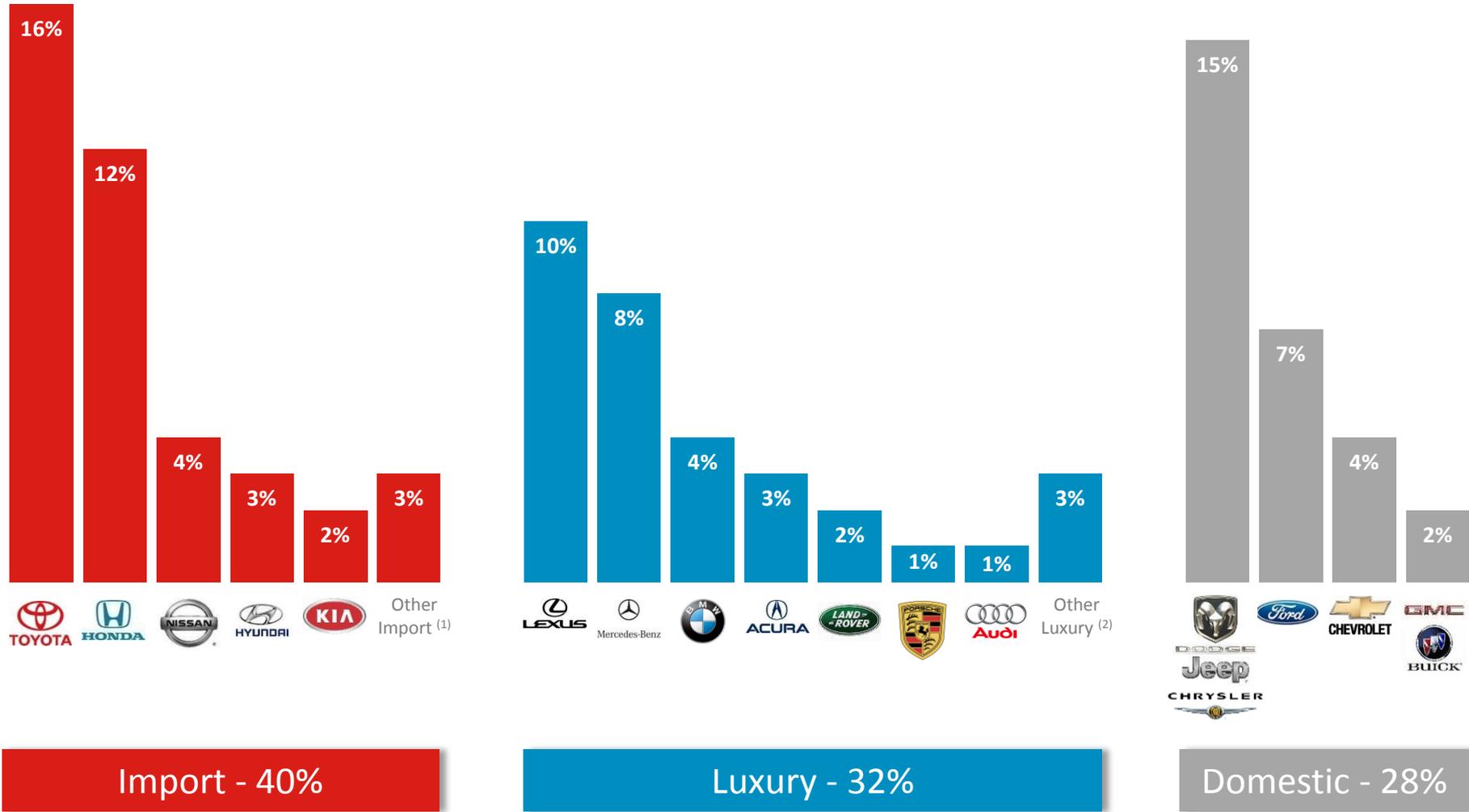
Larry H. Miller Dealerships has leading brands in high-growth, attractive markets

Source: CAI Atlanta

(1) Total unit sales from 2019 – 2021; 2021 units annualized

# Asbury's Diverse Pro Forma Brand Portfolio Strategically Aligns to Customer Preferences Across All of its Markets

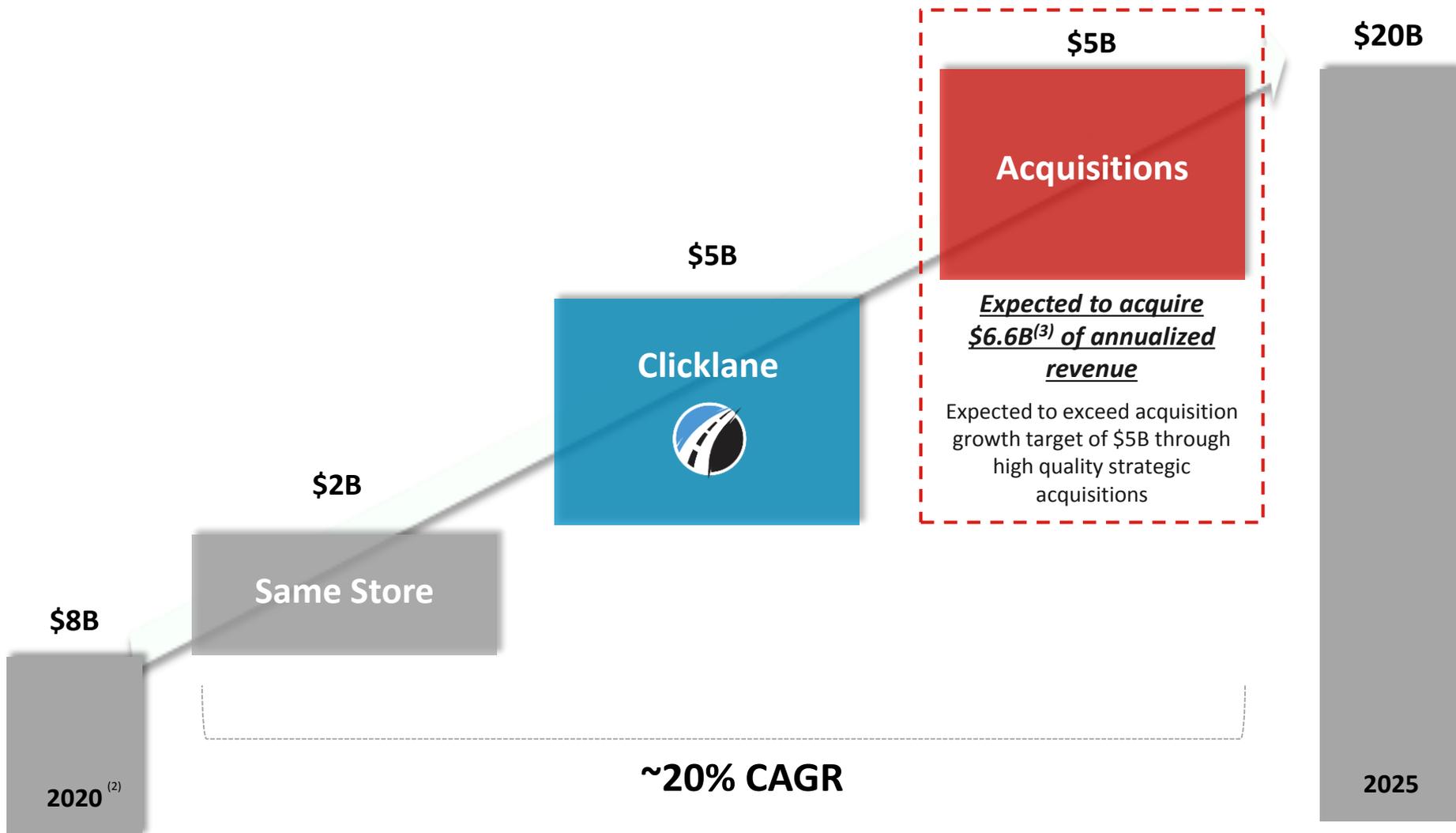
(Based on New Vehicle Revenue)



Note: Based on Asbury new vehicle revenue for twelve months ended August 31, 2021 and Larry H. Miller Dealerships new vehicle revenue for FY 2020

(1) Other import includes Fiat, Isuzu, Mini, Sprinter, Subaru and Volkswagen

(2) Other luxury includes Bentley, Genesis, Infiniti, Jaguar, Lincoln and Volvo



The acquisition of Larry H. Miller Dealerships continues Asbury’s strategic plan to acquire premier assets in high-growth, desirable markets across the US

(1) These projections and targets are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results could differ materially from those contained in these projections.  
 (2) Pro forma to reflect impact of 2020 acquisitions and divestitures  
 (3) Includes acquisition of Larry H. Miller Dealerships, TCA and additional acquisitions

## Transaction Scope

- ❑ Acquisition of Larry H. Miller Dealerships, including
  - 54 new vehicle dealerships, 7 used dealerships, and 11 collision centers
  - 18 brands represented across 7 Western states
- ❑ TCA, a leading provider of F&I products, providing enhanced profitability

## Financial Impact

- ❑ Transaction valued at ~\$3.2B, including \$740M in real estate
  - Reflects ~6x multiple for Larry H. Miller Dealerships<sup>(1)</sup> and ~10x multiple for TCA
- ❑ Adds ~\$360M of EBITDA including day-one cost savings
- ❑ Expected to be accretive to 2022 EPS by ~14% and to 2024 EPS by ~20%<sup>(2)</sup>

## Financing

- ❑ Expected to be financed through a combination of debt and equity
- ❑ Intends to maintain strong credit profile with a focus on deleveraging to ~3x by 2023

## Anticipated Closing

- ❑ Transaction is expected to close by year end, subject to customary closing conditions

## Additional Acquisitions

- ❑ Additional \$900M in annualized revenue from other acquisitions under contract
- ❑ Transactions expected to be funded using existing cash on hand and existing credit facilities
- ❑ Additional acquisitions expected to drive total 2022 EPS accretion to ~20% and 2024 EPS accretion to ~28%<sup>(2)</sup>

(1) Excluding real estate

(2) Assumes impact of potential \$600M of equity financing

## Q&A