



ASBURY
AUTOMOTIVE GROUP
Fortune 500

**Investor Presentation
Q1 2017**

Forward Looking Statements and Non-GAAP Financial Information

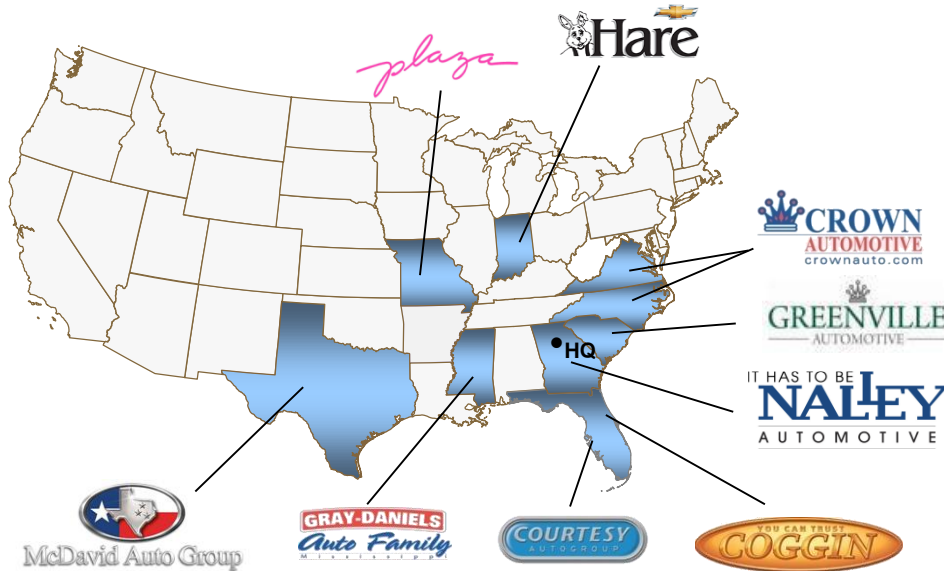
To the extent that statements in this presentation are not recitations of historical fact, such statements constitute “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation may include statements 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.

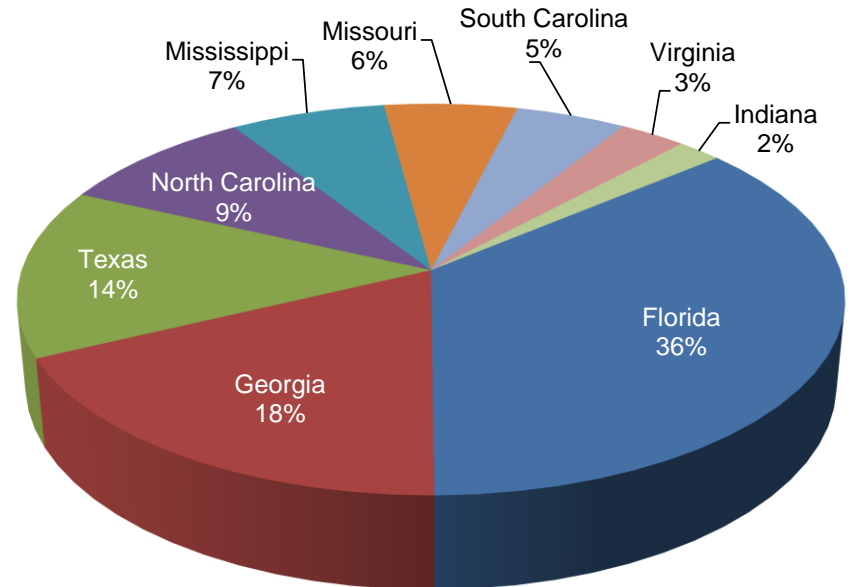
These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, whether as a result of new information,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

Asbury Automotive Group (NYSE:ABG)

- Fortune 500 automotive retailer
- 8th largest U.S. based franchised auto retailer
- Over \$6.5 billion in total revenues⁽¹⁾
- 80 dealership locations; 96 franchises⁽²⁾
- 29 vehicle brands (79% luxury / import)⁽²⁾
- Sold over 180,000 retail vehicles⁽¹⁾
- Handled over 2.6 million repair orders⁽¹⁾
- Operating 24 collision repair centers⁽²⁾



New Vehicle Revenue by State



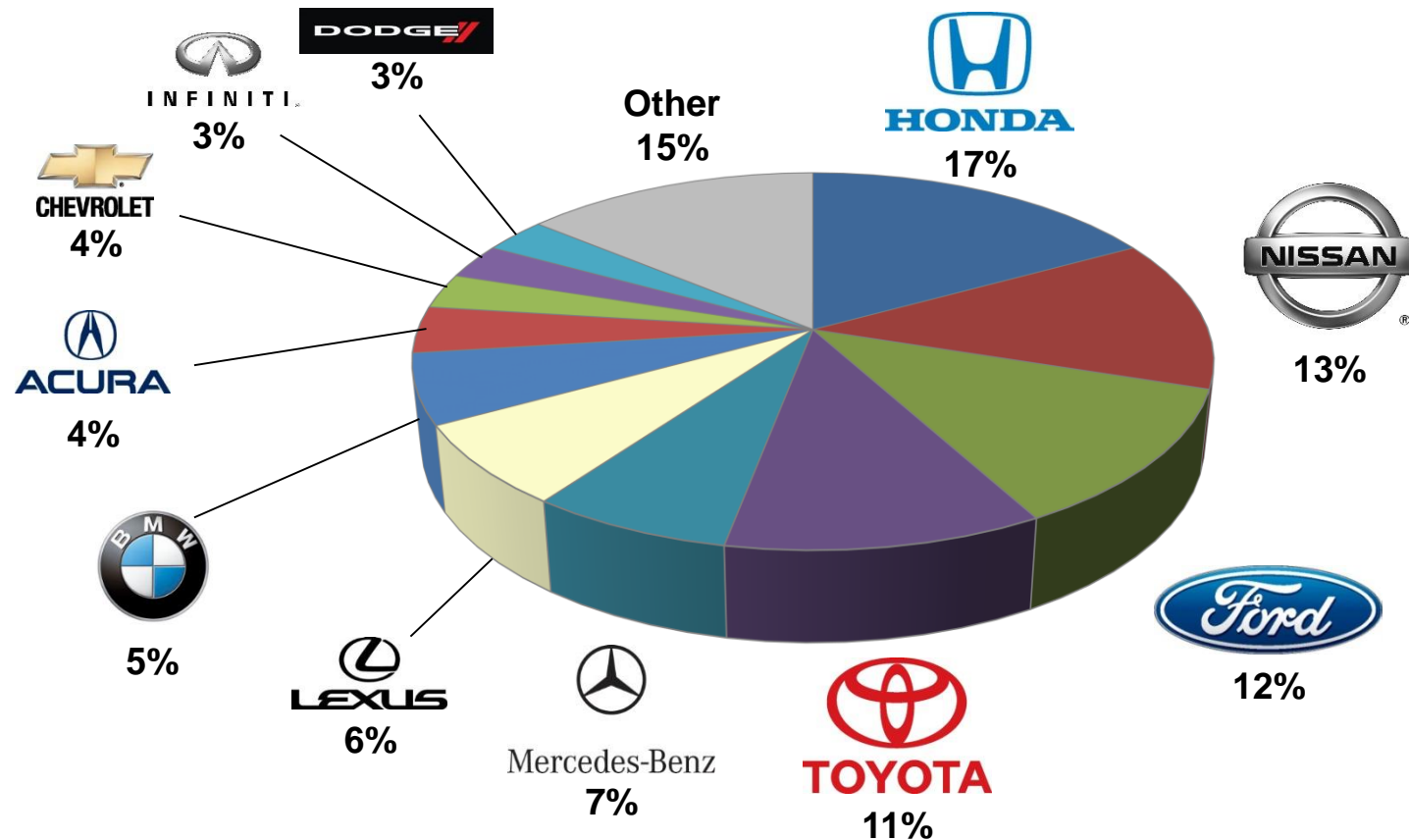
For Three Months Ended March 31, 2017

Fortune 500 public automotive dealer group

(1) For the year ended 12/31/2016

(2) Through 03/31/2017

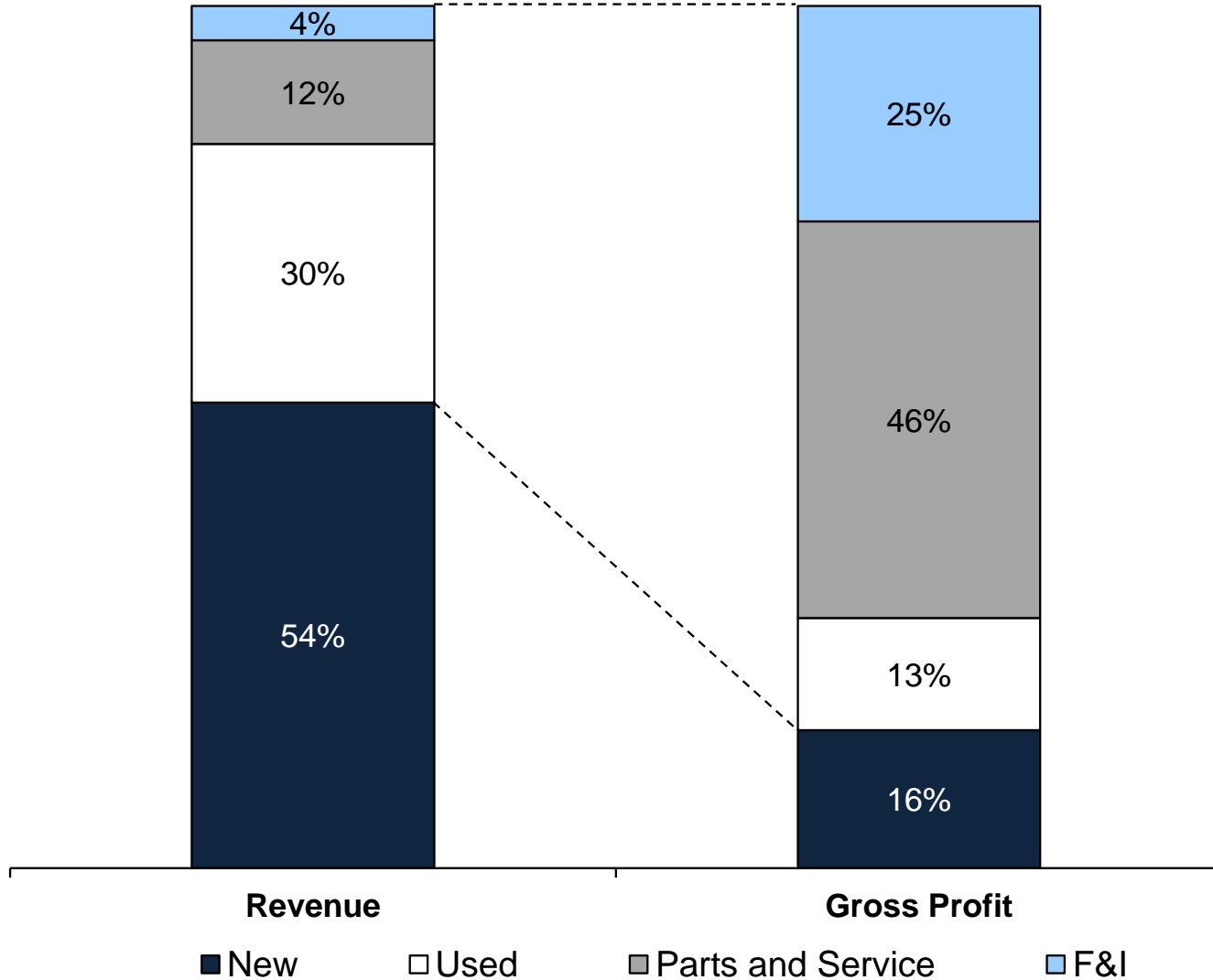
Attractive Brand Mix



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

The Four Key Components of Our Business

(Q1 2017)



Used, Parts & Service and F&I account for 46% of revenue and 84% of gross profit

Note: Includes wholesale

Our Strategy

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
- Return capital to stockholders through a share repurchase program and/or dividends

Two key principles to drive shareholder value

Q1 2017 Highlights

Same Store:

- Total revenues increased 3%; gross profit increased 3%
- New vehicle revenue increased 1%; gross profit decreased 9%
- Used vehicle retail revenue increased 4%; gross profit decreased 2%
- Finance and insurance gross profit increased 9%
- Parts and service revenue increased 5%; gross profit increased 5%

Total Company:

- SG&A as a percentage of gross profit increased 10 basis points to 69.6%
- Total company adjusted income from operations (a non-GAAP measure) as a percentage of revenue was 4.6%, down 10 basis points from prior year
- Adjusted EPS from continuing operations increased 16%

Strategic Highlights:

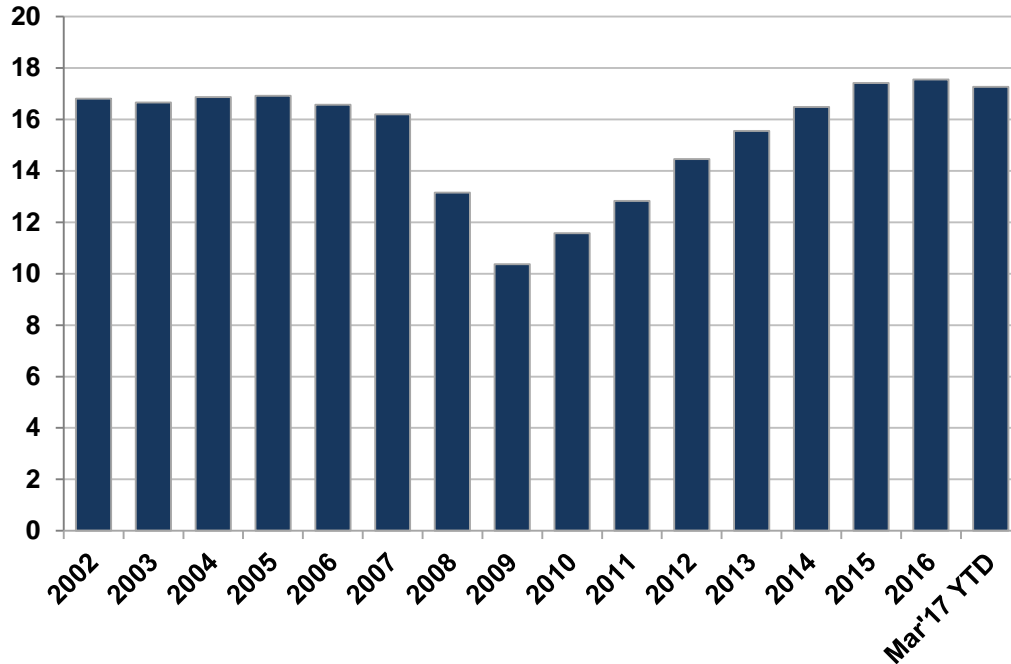
- Acquired a Chevrolet franchise and an Isuzu truck franchise in Indianapolis, Indiana
- Opened a Nissan add-point in Cumming, Georgia
- Repurchased \$15 million of common stock

Reported record first quarter adjusted EPS

New Vehicle Growth Opportunity

(U.S. SAAR in millions of units)

SAAR



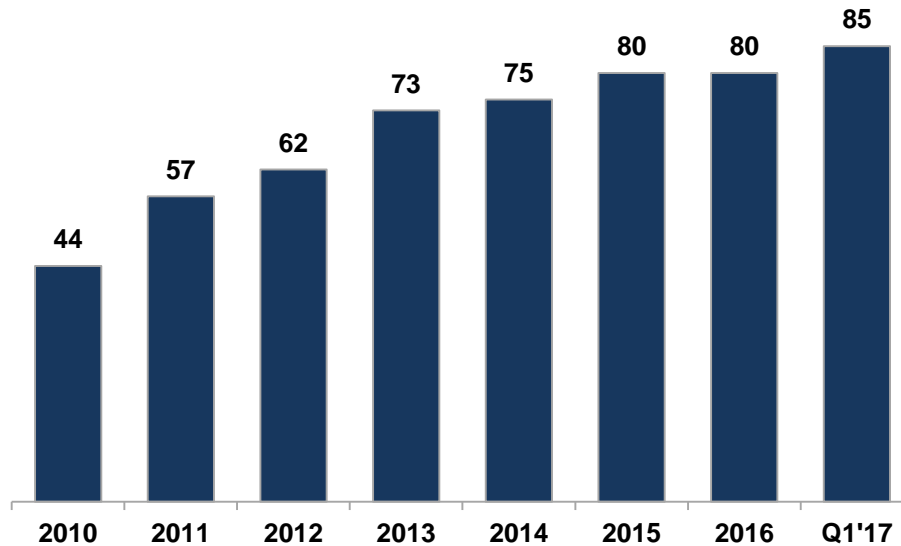
Drivers of New Vehicle Growth

- 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



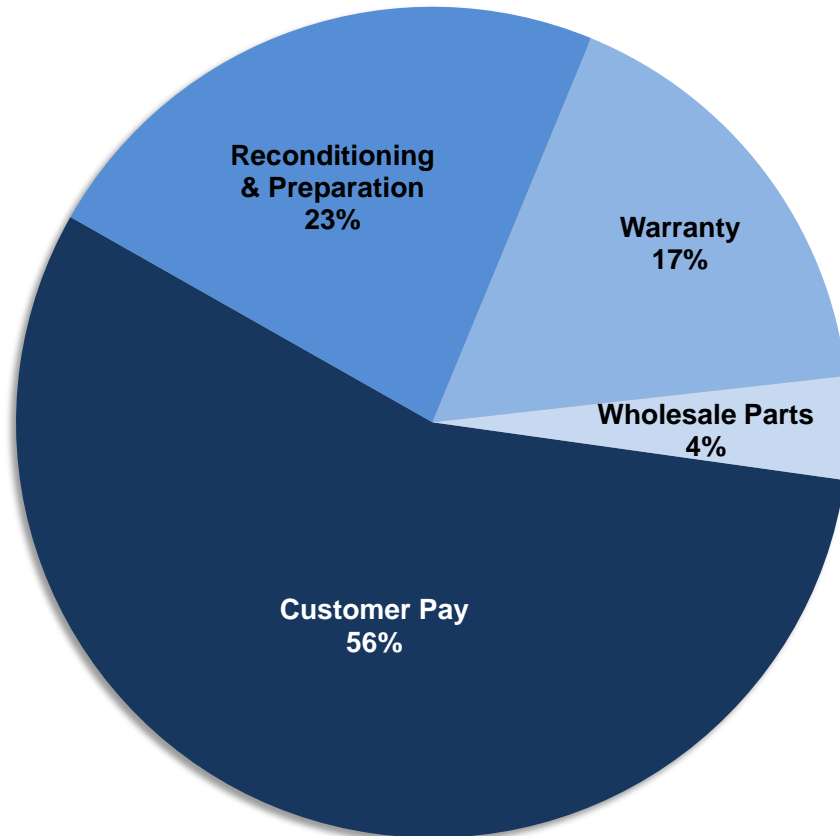
Drivers of Used Vehicle Growth

- 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:

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

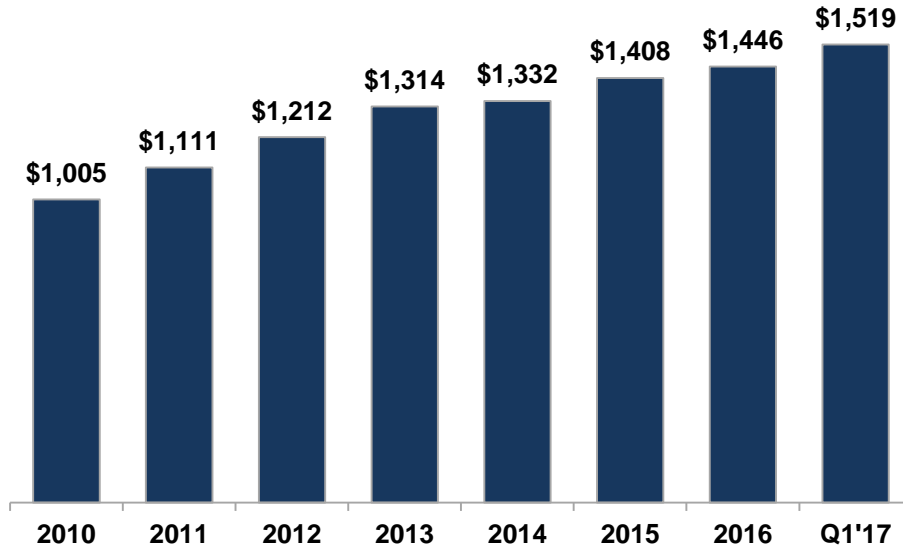
Asbury Initiatives:

- 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 68% of F&I revenue

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

Why Asbury?

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

Questions?

Appendix

Q1 2017 Earnings Highlights & Key Metrics

	Q1 2017	Q1 2016	Change
Volume Metrics (\$S)			
US Auto Sales (mm)	4.0	4.1	-2.4%
New Units	22,961	23,018	-0.2%
Used Retail Units	19,555	18,447	6.0%
Used to New Ratio	85.2%	80.1%	510 bps
Fixed Gross Profit	\$ 118.2	\$ 112.4	5.2%
Margin Metrics (\$S)			
New Margin	4.8%	5.4%	-60 bps
Used Retail Margin	7.9%	8.4%	-50 bps
Fixed Margin	62.5%	62.7%	-20 bps
F&I PVR	\$ 1,519	\$ 1,428	\$ 91
Front End PVR ⁽¹⁾	\$ 3,199	\$ 3,256	\$ (57)
Performance Metrics			
SG&A %GP	69.6%	69.5%	10 bps
EBITDA ⁽²⁾	\$ 74.9	\$ 72.0	4.0%
EPS	\$ 1.61	\$ 1.27	26.8%
Adj. EBITDA ⁽²⁾	\$ 74.0	\$ 75.4	-1.9%
Adj. EPS ⁽²⁾	\$ 1.58	\$ 1.36	16.2%

(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

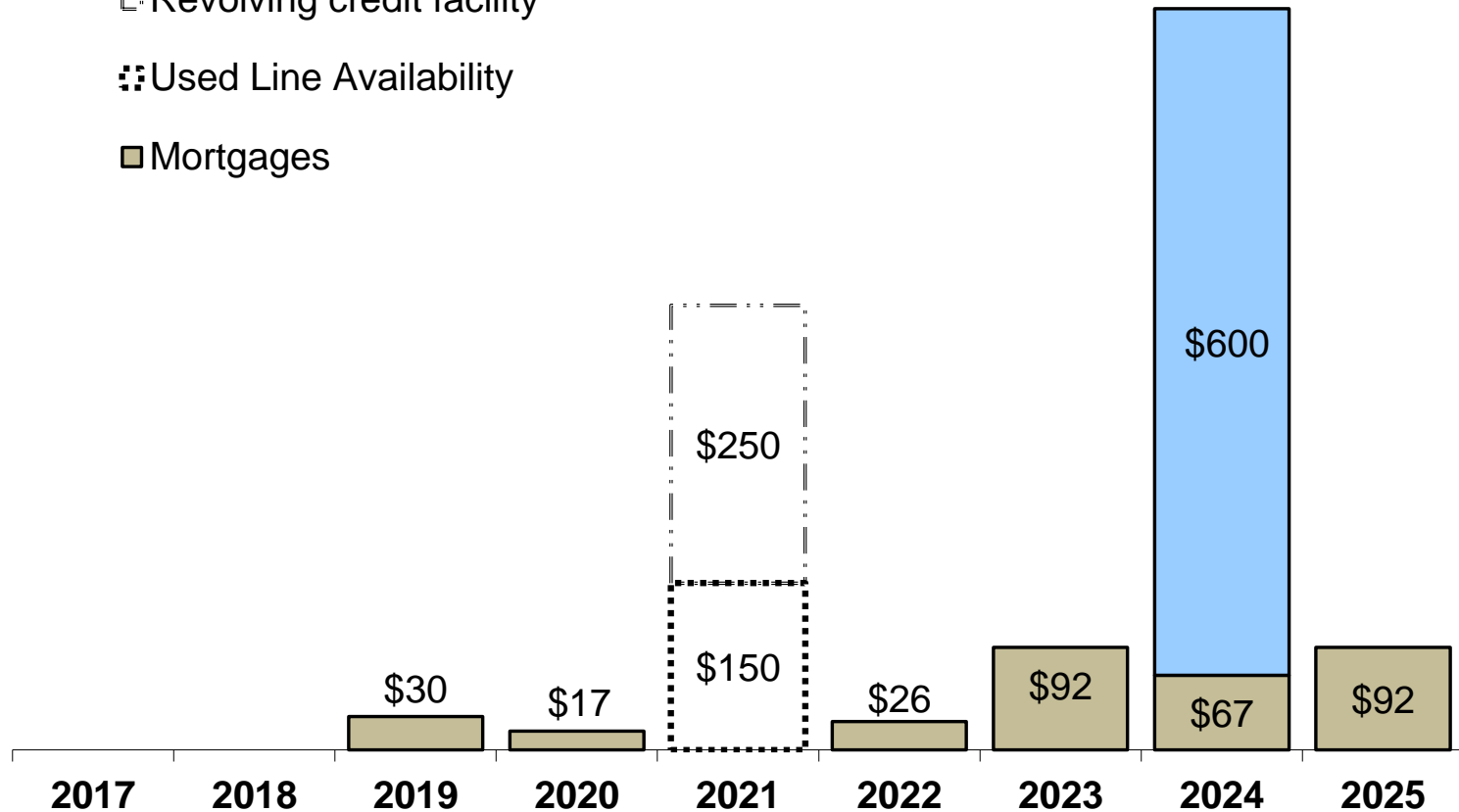
Non-GAAP Reconciliations

Adjusted EBITDA:	Q1 2017	Q1 2016
Income from continuing operations	\$ 34.0	\$ 31.1
Add:		
Depreciation and amortization	7.9	7.5
Income tax expense	19.1	19.2
Swap and other interest expense	13.9	14.2
EBITDA	\$ 74.9	\$ 72.0
Non-core items:		
Real estate related charges	-	3.4
Legal settlements	(0.9)	-
Total non-core items	(0.9)	3.4
Adjusted EBITDA	\$ 74.0	\$ 75.4
Adjusted income from operations:	Q1 2017	Q1 2016
Income from operations	\$ 72.3	\$ 68.9
Real estate-related charges	-	3.4
Legal settlements	(0.9)	-
Adjusted income from operations	\$ 71.4	\$ 72.3
Adjusted diluted EPS:	Q1 2017	Q1 2016
Net income	\$ 1.61	\$ 1.27
Discontinued operations, net of tax	-	-
Income from continuing operations	\$ 1.61	\$ 1.27
Total non-core items	(0.03)	0.09
Adjusted diluted EPS	\$ 1.58	\$ 1.36

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 \$3.3 million capital leases that expire in 2021 and Net of Deferred Financing Fees & Add-on Bond Premium of (\$4.1) million