

# ASBURY

AUTOMOTIVE GROUP  
Fortune 500



Bank of America Merrill Lynch  
2014 Leveraged Finance  
Conference  
December 3, 2014

# Forward Looking Statements

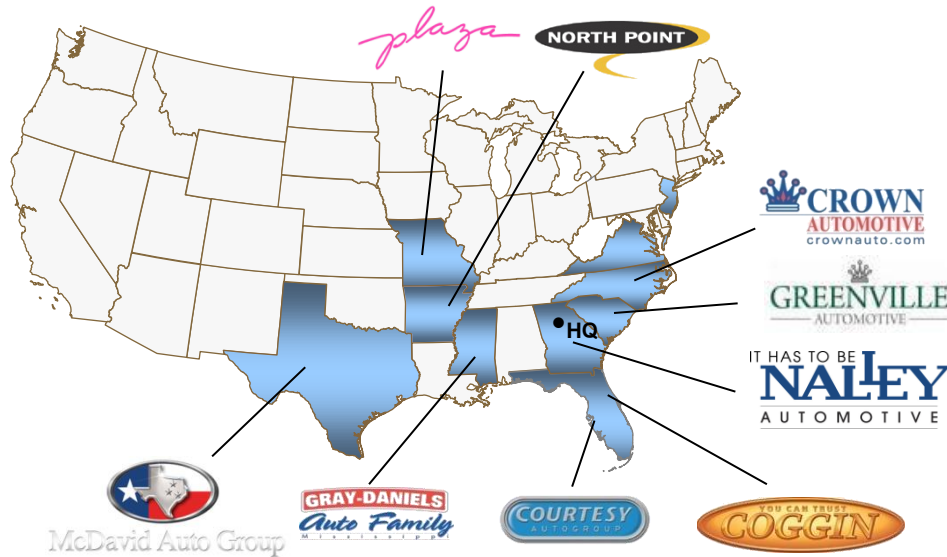
*To the extent that statements in this presentation are not recitations of historical fact, such statements constitute “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation may include statements relating to goals or plans regarding the company’s pending offering of notes, the expected use of proceeds, 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: lower than expected levels of automobile sales; our ability to generate sufficient cash flows; our ability to improve our liquidity position; market factors and conditions 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 any 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 of any 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.*

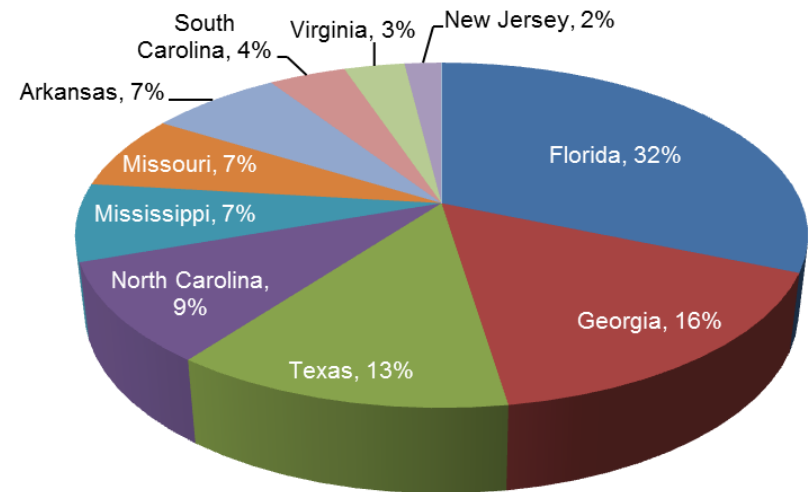
*These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this presentation. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, whether as a result of new information,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

# Asbury Automotive Group (NYSE:ABG)

- Fortune 500 automotive retailer
- 7<sup>th</sup> largest U.S. based franchised auto retailer
- Over \$5 billion in total revenues<sup>(1)</sup>
- 81 retail locations; 102 franchises;
- 3 Q auto stores
- 29 vehicle brands (87% luxury / import)
- Sold over 150,000 retail vehicles<sup>(1)</sup>
- Handled over 2.0 million repair orders<sup>(1)</sup>



**Revenue by State<sup>(2)</sup>**

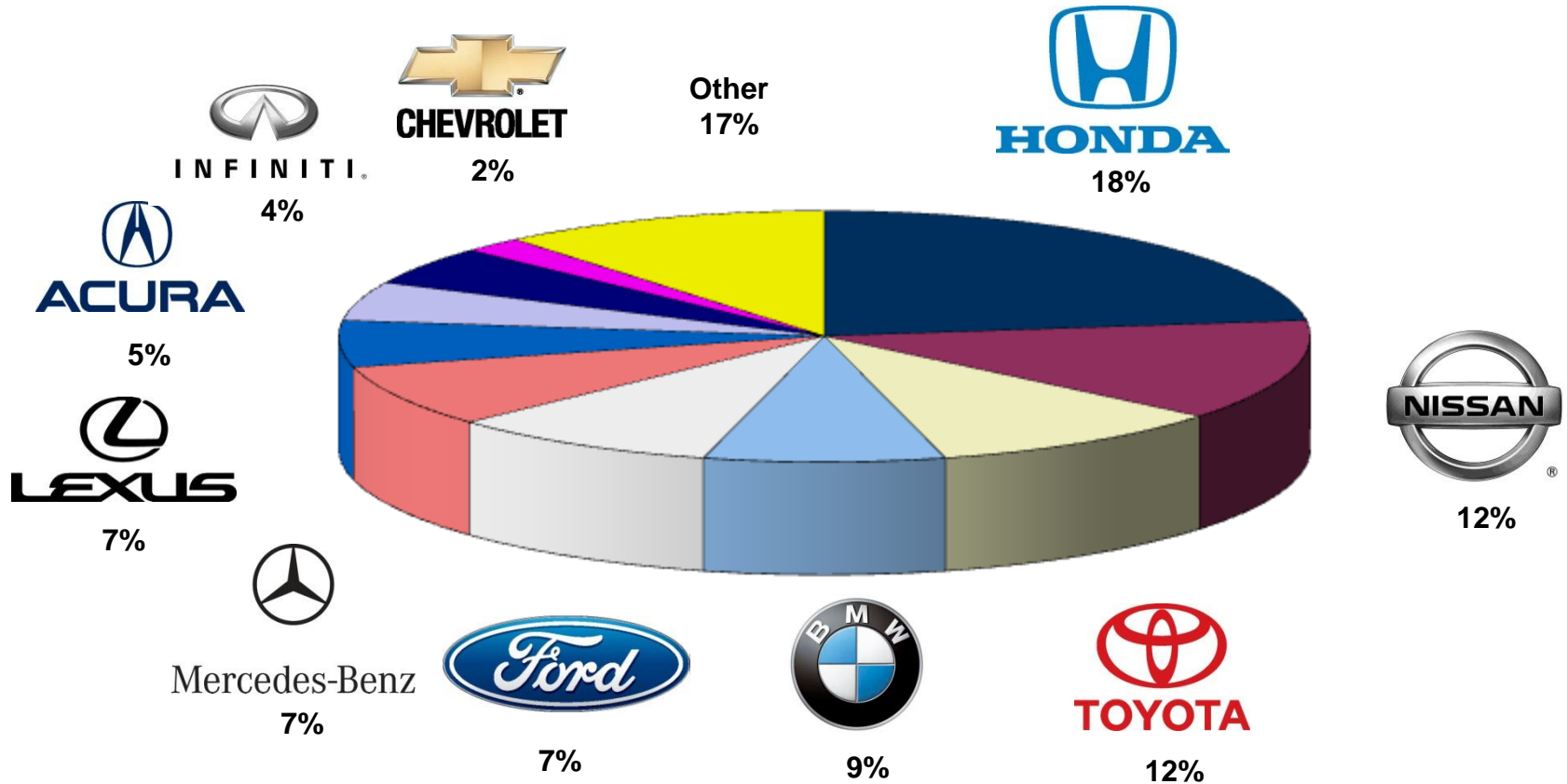


*Fortune 500 public automotive dealer group*

(1) For year ended 12/31/13

(2) Based on new vehicle revenue for year ended 12/31/13

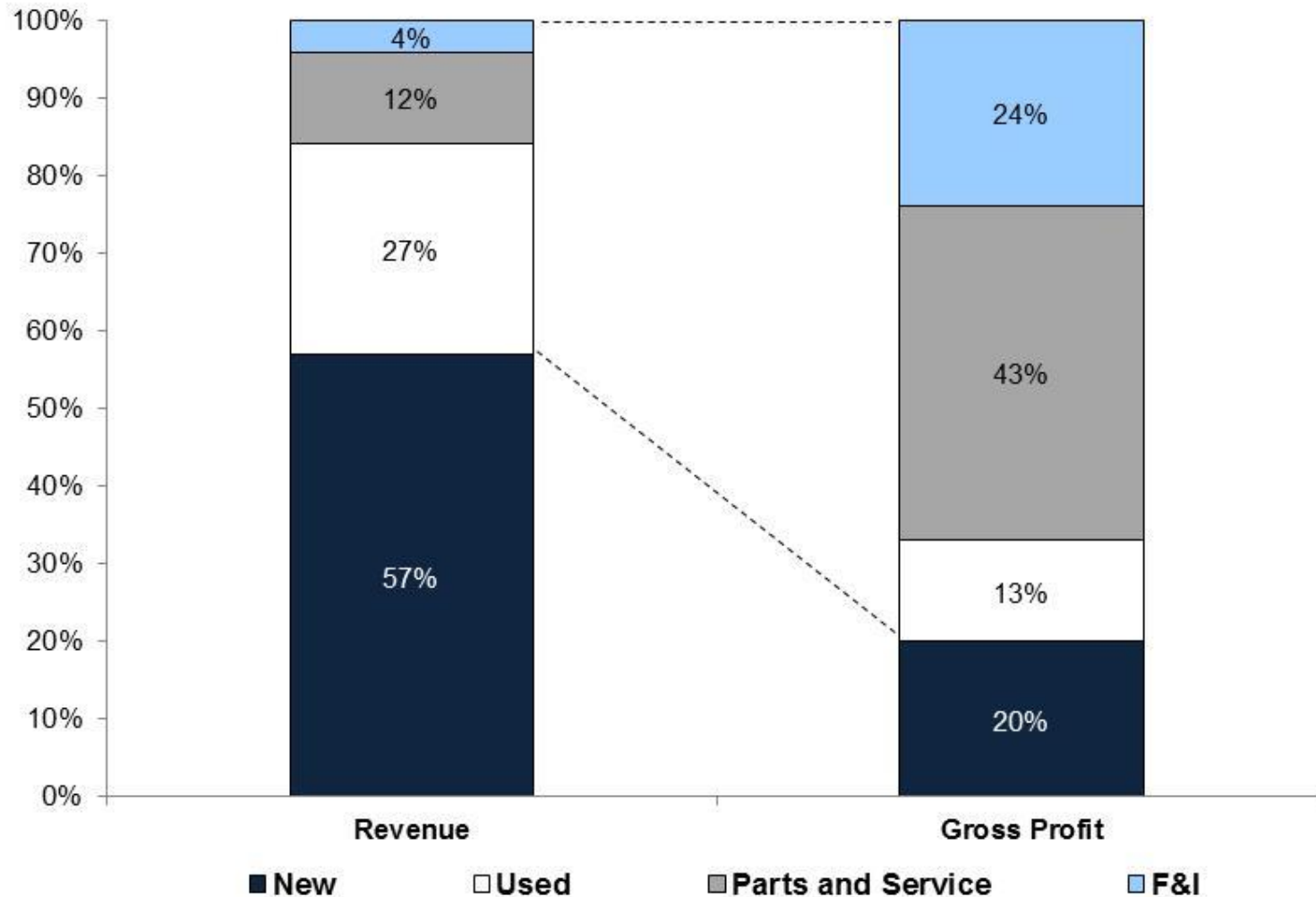
# Attractive Brand Mix



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

# The Four Key Components of Our Business

(2014 Q3, Same Store)



*Used, Parts & Service and F&I account for 43% of revenue and 80% of gross profit*

## 1. Drive Operational Excellence

- Attract and retain the best talent
- Implement best practices
- Provide an exceptional customer experience
- Automate processes and strive for continuous improvement

## 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
- Repatriate capital through our ongoing share repurchase program

*Two key principles to drive business value*

## Q3 2014 Operating Highlights

- Total revenues increased 8% to \$1.5 billion
- New vehicle retail revenues up 8%; gross profit up 6%
- Used vehicle retail revenues up 8%; gross profit up 2%
- Finance and insurance revenues up 8%
- New vehicle same store sales up 6%, used vehicle retail same store sales up 5%
- Parts and service gross profit up 12%
- Total gross profit up 9% with increases across all business lines
- SG&A expense as a percent of gross profit on a same store basis improved 120 basis points to 69.5% from prior year quarter
- Adjusted EPS up 19%

*Reported another record third quarter*

## Acquisition and Organic Expansion

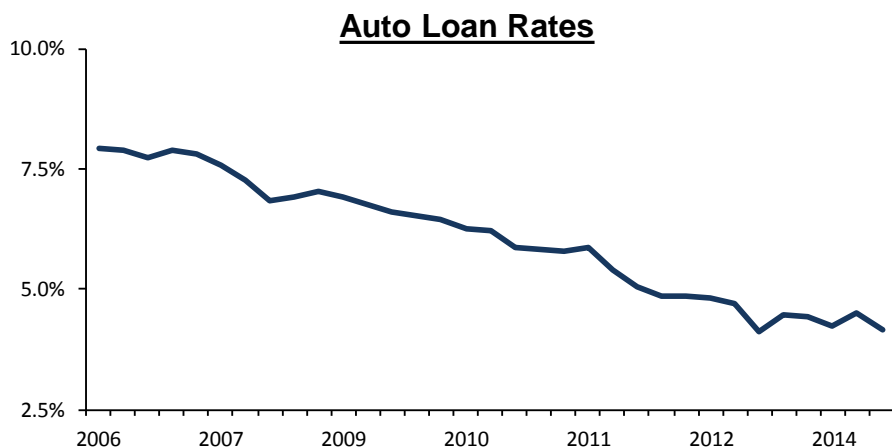
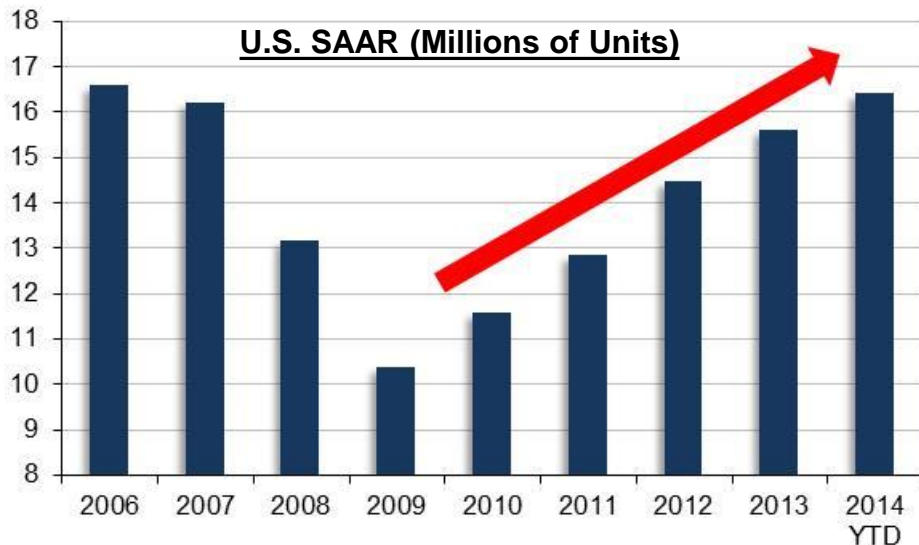
- Entered into agreements to acquire two stores approximating \$250 million of annualized revenues (pending subject to manufacturer approvals and customary closing conditions)
- Opened second stand-alone Q auto used vehicle store in Jacksonville, FL
- Announced the opening of the third stand-alone Q auto used vehicle store in Ft. Myers, FL

## Financing Activities

- Repurchased \$40 million of common stock
- Board of Directors increased our share repurchase authorization to \$200 million in October
- Closed on \$60 million of mortgages

*Continued executing on our strategy to deploy capital to its highest returns*



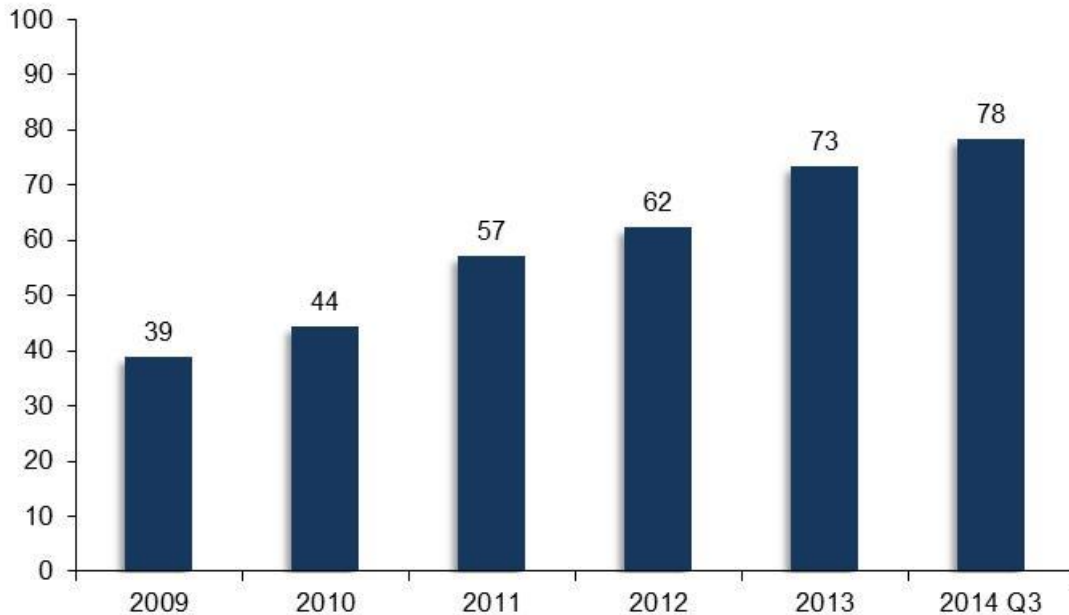


## Drivers of New Vehicle Growth

- New and exciting products
- Attractive financing environment
- Current age of vehicle fleet
- Recovery and growth of overall economy
- Large growth in southern region where Asbury is concentrated
- Elevated fuel prices driving sales of newer, more fuel efficient vehicles
- Increasing number of licensed drivers

*Industry experts are projecting continued growth in SAAR*

## Monthly Used Unit Sales Per Store



## Drivers of Used Vehicle Growth

- Expand online marketing
- Aggressive pricing strategy
- Continue used vehicle training
- Retail more units rather than sending to auction
- Q Auto concept demonstrating strong early results
- Increasing number of licensed drivers

*We have doubled our used vehicle sales per dealership over the last five years*

# “Q auto” – Stand Alone Used Vehicle Stores

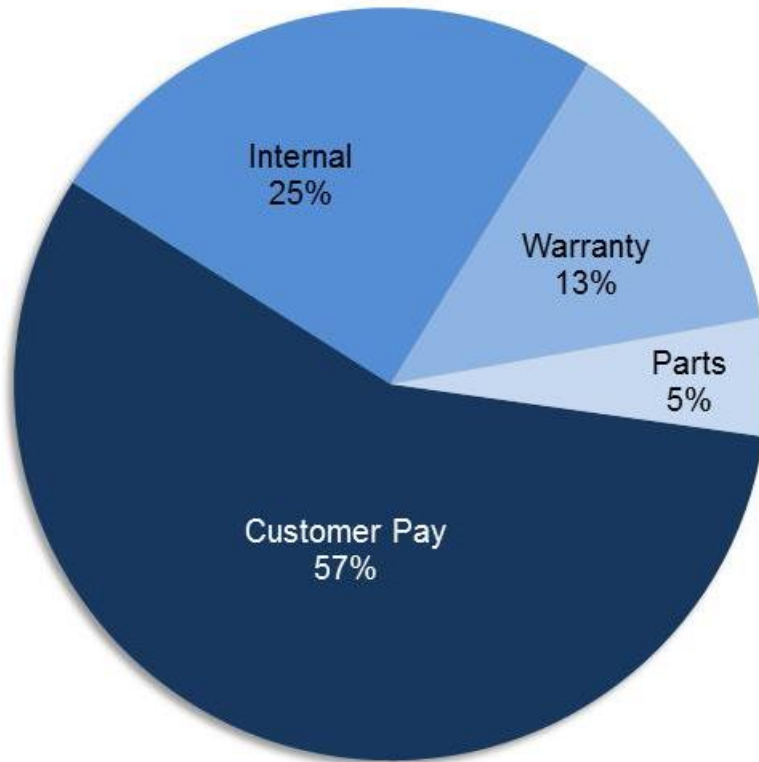
- Large used vehicle market with over 40 million in annual vehicle sales
- No “blue sky” investment to open new stores
- Potential for attractive ROI
- Opened our second Q auto store in Jacksonville, FL
- Opened our third Q auto store in Ft. Myers, FL



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

## Parts & Service Gross Profit

(Same Store)



## Drivers of P&S Business Growth

### Macro:

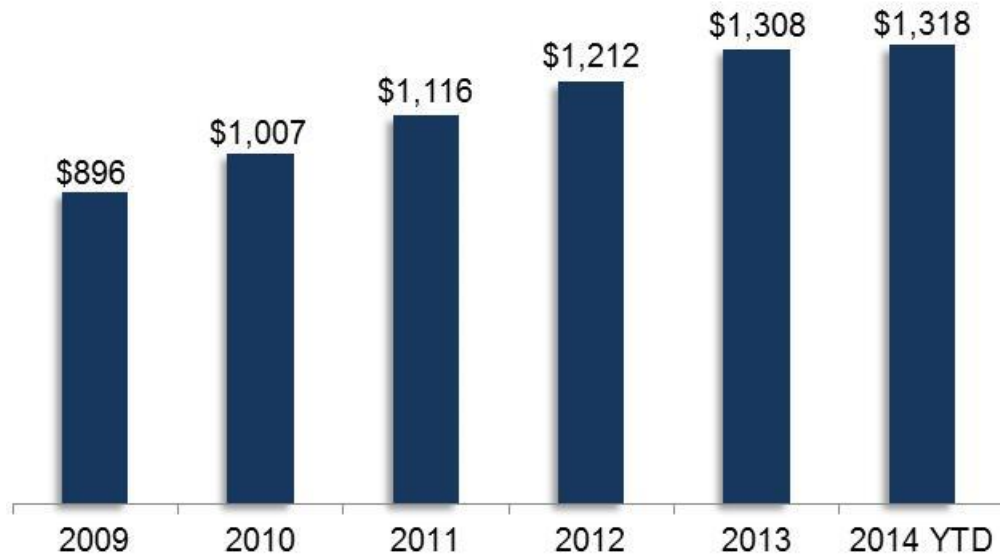
- Increasing SAAR
- Growing population of 3-5 year old vehicles
- Increasing vehicle complexity

### Asbury Initiatives:

- Improved customer retention
- Growing tire and wiper programs
- Improved on-line marketing
- Consistent service lane processes
- Expanded service hours
- Continued used vehicle sales

*Asbury has the opportunity to grow its high margin customer pay business*

## F&I Revenue Per Retail Unit



## Drivers of F&I Growth

- Train staff on product presentation
- Improve bottom third of performers
- Increase penetration of insurance products
- Insurance products account for 62% of F&I revenue

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

- Attractive industry growth characteristics
- Track record of consistently improving operating performance
- Strong balance sheet and stable cash flow generation
- Disciplined, transparent capital allocation strategy
- Talented and experienced management team

*Asbury is a market leader with significant growth opportunities and compelling financial profile*

# Appendix

# Q3 2014 Earnings Highlights & Key Metrics

	Q3 2014	Q3 2013	Delta
<b>Volume Metrics (ss)</b>			
US auto sales (mm)	4.1	3.9	5.1%
New units	24,418	22,887	6.7%
Used units	19,178	18,715	2.5%
Used to new ratio	78.5%	81.8%	-330 bps
Parts & Service gross profit	\$ 104.7	\$ 93.6	11.9%
<b>Margin Metrics</b>			
New margin	6.0%	6.1%	-10 bps
Used retail margin	8.2%	8.5%	-30 bps
Fixed margin	62.5%	60.8%	170 bps
F&I PVR	\$ 1,337	\$ 1,315	\$ 22
Frontend PVR	\$ 3,206	\$ 3,211	\$ (5)
<b>Performance Metrics</b>			
SG&A %GP	70.1%	70.7%	-60 bps
EPS, adjusted	\$ 1.08	\$ 0.91	19.0%

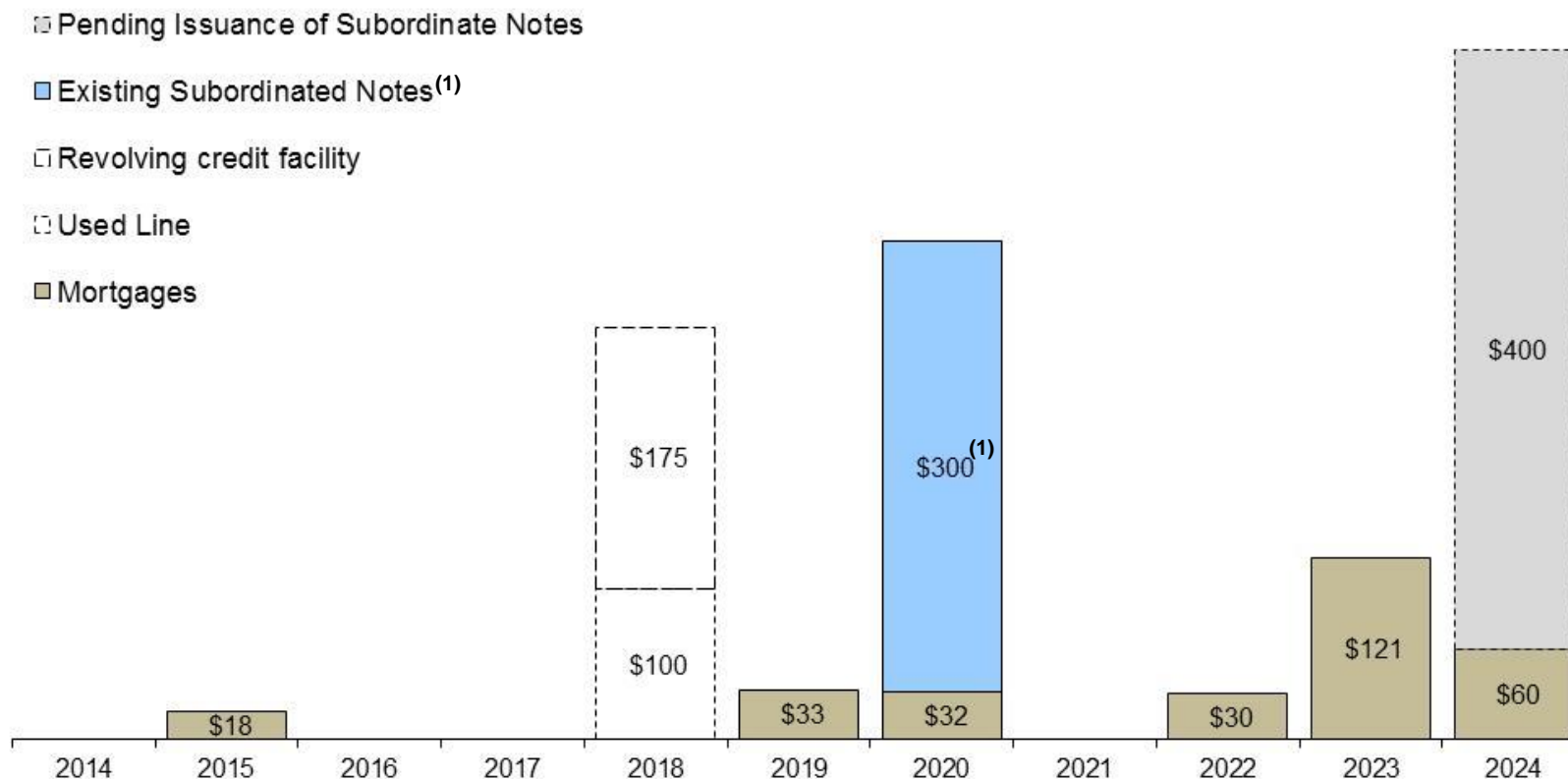
(1) Adjusted EPS from continuing operations for Q3 2013 includes EPS from continuing operations of \$0.73 plus reported non-core items of \$0.18. A reconciliation of the non-GAAP figure and an explanation thereof can be found in Asbury's earnings press release issued for the quarter ended September 30, 2014 which can be found on our web site at <http://www.asburyauto.com/pressreleases.html>. There were no reported adjustments to EPS in Q3 2014.

(2) 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



# Debt Maturity Schedule

(\$ million)



*The refinancing will significantly extend ABG's debt maturity profile*

Note: Amounts shown are the face value of debt instruments in millions. Does not include \$3.6 million capital leases that expire in 2021.

(1) Asbury has announced a tender offer for any and all of its outstanding existing senior subordinate notes. The Company intends, although it is not required, to redeem any such notes not tendered in the tender offer.