

# ASBURY

AUTOMOTIVE GROUP

Shareholder Presentation  
April 17, 2019



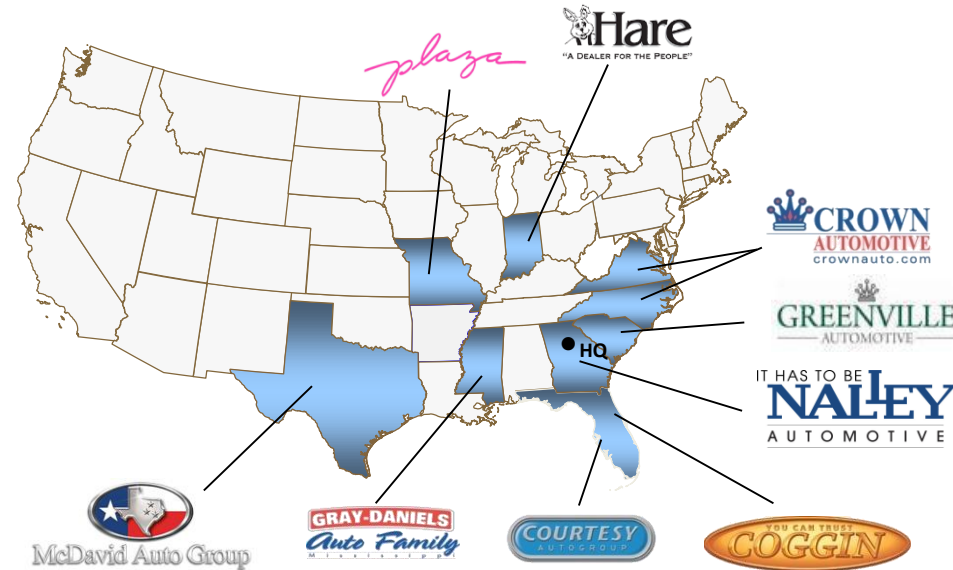
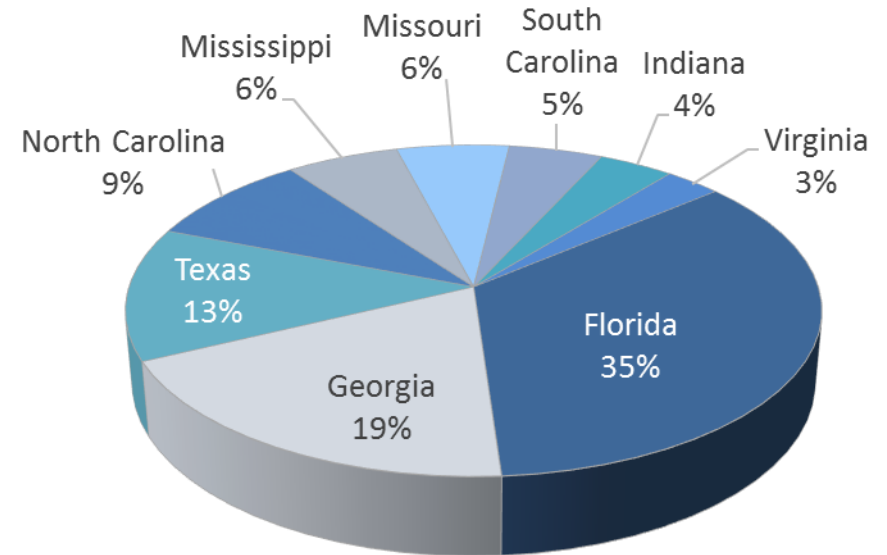
*To the extent that statements in this presentation are not recitations of historical fact, such statements constitute “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. The forward-looking statements in this presentation may include statements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

- Fortune 500 automotive retailer
- 7<sup>th</sup> largest U.S. based franchised auto retailer
- \$6.9 billion in total revenues<sup>(1)</sup>
- 83 dealership locations; 97 franchises<sup>(2)</sup>
- Best-in-class SG&A margins
- 29 vehicle brands (80% luxury / import)<sup>(2)</sup>
- Sold over 185,000 retail vehicles<sup>(1)</sup>
- Handled over 2.0 million repair orders<sup>(1)</sup>
- Operating 25 collision repair centers<sup>(2)</sup>
- Best-in-class operating margins

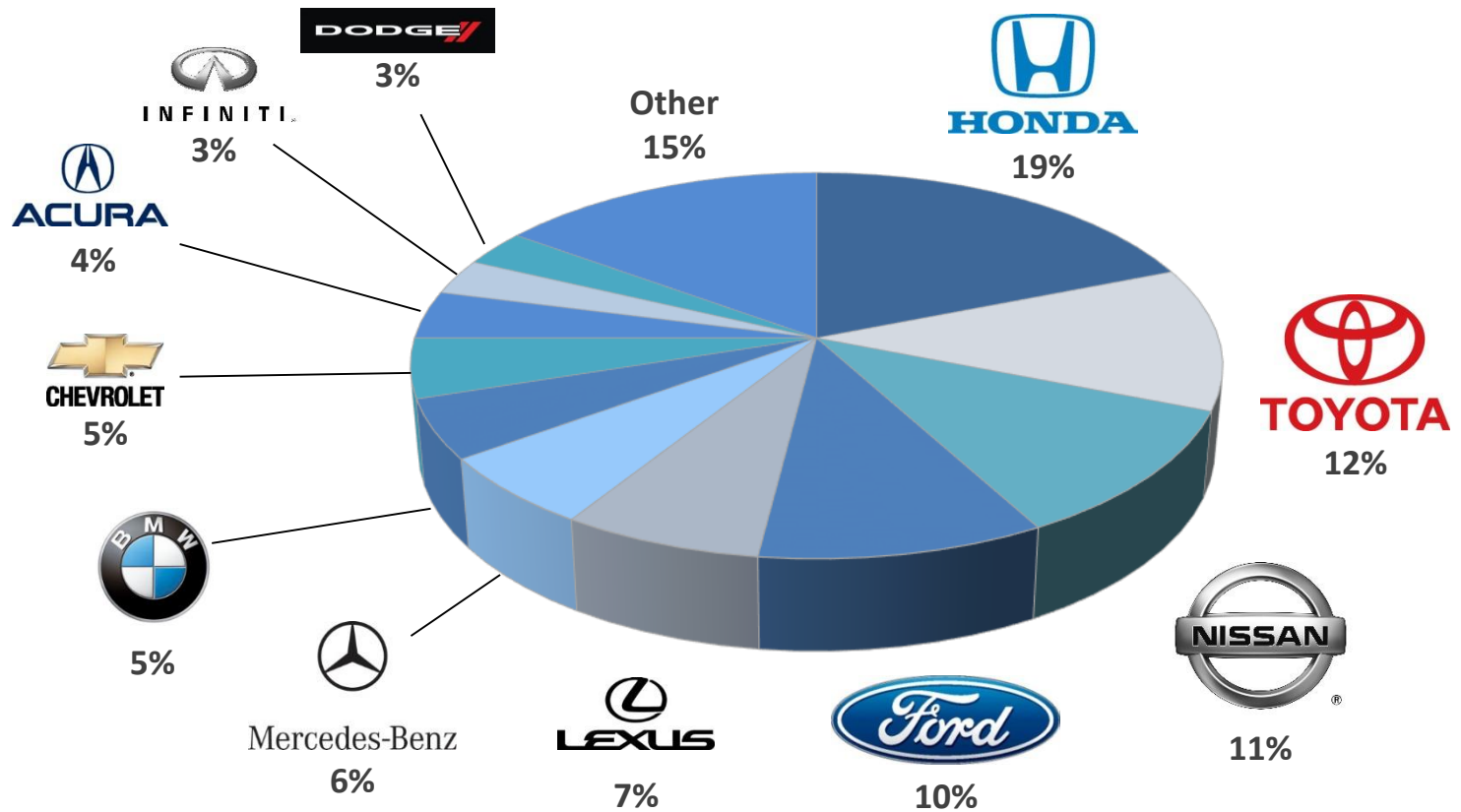
**New Vehicle Revenue by State<sup>(1)</sup>**



Fortune 500 automotive dealer group with attractive geographic presence

(1) For the year ended Dec. 31, 2018

(2) As of Dec. 31, 2018



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

### ☐ Total store:

- Revenue increased 6%; gross profit increased 4%
- New vehicle revenue increased 6%; gross profit decreased 2%
- Used vehicle retail revenue increased 9%; gross profit increased 6%
- Finance and insurance revenue and gross profit increased 6%
- Parts and service revenue increased 4%; gross profit increased 5%

### ☐ Same store:

- New vehicle revenue increased 3%; gross profit decreased 4%
- Used vehicle retail revenue increased 7%; gross profit increased 3%
- Finance and insurance revenue and gross profit increased 4%
- Parts and service revenue increased 2%; gross profit increased 3%

### ☐ Strategic Highlights:

- In 2018, we repurchased \$105 million of common stock
- We acquired 1 dealership in the Indianapolis market and 2 in the Atlanta market
- In Q1 2019, we acquired 4 dealerships in the Indianapolis market

In a relatively flat SAAR environment,  
we grew revenue 6% and returned \$105M of capital to shareholders

## 1. Drive Operational Excellence

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

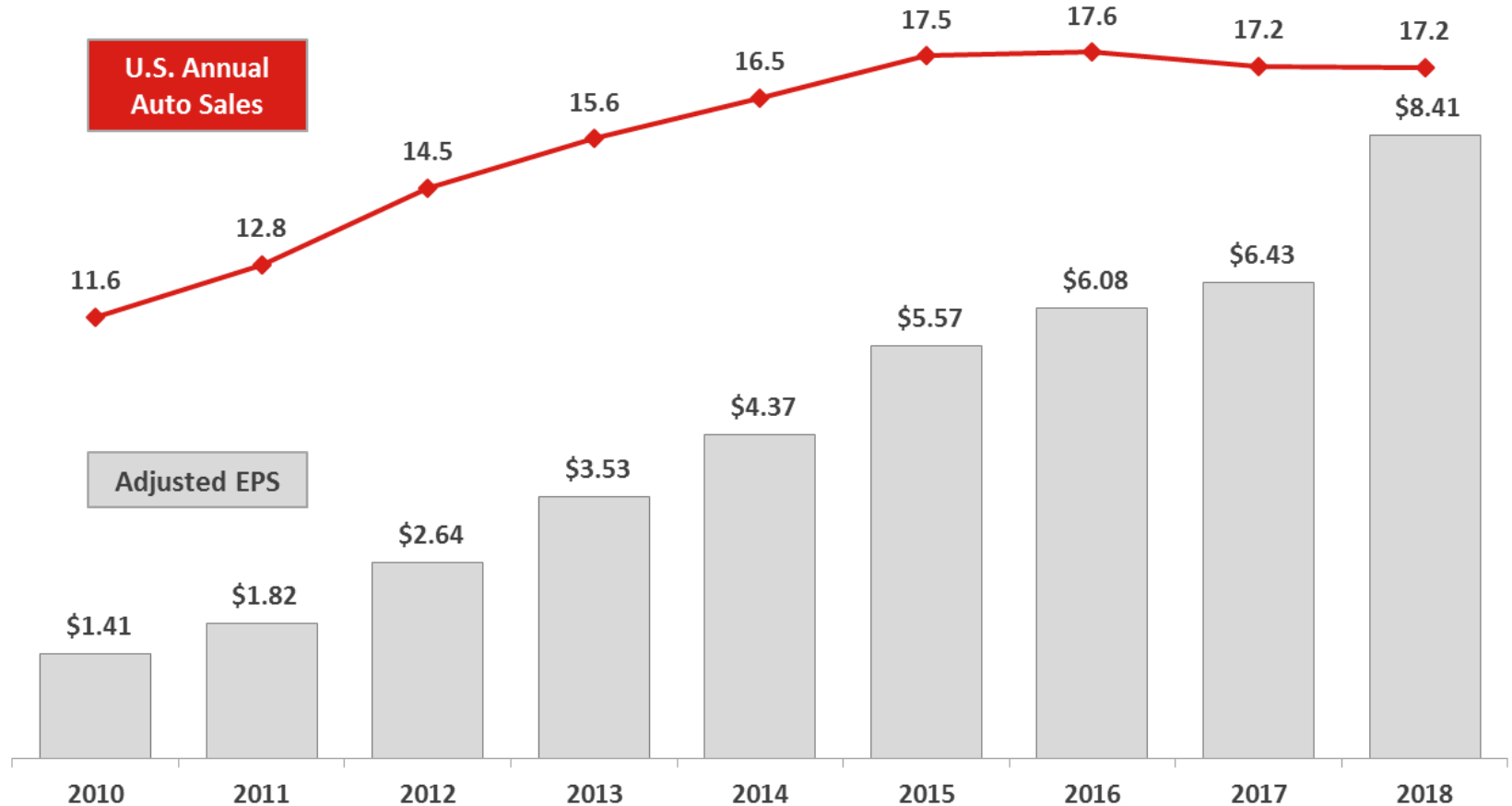
## 2. Deploy Capital to Highest Returns

- Continue to invest in the business
- Acquire dealerships meeting our criteria
- Return capital to stockholders

Two key principles to drive shareholder value

# Historical Profitability

(Adjusted Diluted EPS)



With relatively flat U.S. auto sales,  
we achieved a 31% increase in adjusted EPS in 2018

Note: Adjusted for reported non-core items; Updated for discontinued operations  
See Non-GAAP Reconciliation on page 10

# Auto Retailers' Stock Price Performance



Asbury's stock continues to outperform its peer group



# Appendix

# Non-GAAP Reconciliation – Adj. Diluted EPS

(\$M, except EPS)

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Income from continuing operations, as reported	\$ 168.0	\$ 139.1	\$ 167.2	\$ 169.4	\$ 112.0	\$ 101.1	\$ 83.3	\$ 48.0	\$ 37.4
Impairment expense	3.7	5.1	-	-	-	-	-	-	-
Real estate related charges	-	2.9	5.7	-	-	7.3	-	1.9	1.8
Investment income	-	(0.8)	-	-	-	-	-	-	-
Executive separation benefits expense	-	-	-	-	-	-	-	6.6	-
Legal settlements	(0.7)	(0.9)	(6.6)	-	-	-	-	9.0	-
Loan amendment expenses	-	-	-	-	-	-	-	-	1.0
Loss on extinguishment of long-term debt	-	-	-	-	31.9	6.8	-	0.8	12.6
Gain on Divestitures	-	-	(45.5)	(34.9)	-	-	-	-	-
Tax (benefit) loss of non-core items above	(0.8)	(2.4)	17.4	13.3	(12.4)	(5.5)	-	(7.0)	(5.9)
Tax related items	0.6	(7.9)	(0.9)	(0.8)	-	-	-	-	-
Total non-core items	<u>\$ 2.8</u>	<u>\$ (4.0)</u>	<u>\$ (29.9)</u>	<u>\$ (22.4)</u>	<u>\$ 19.5</u>	<u>\$ 8.6</u>	<u>\$ -</u>	<u>\$ 11.3</u>	<u>\$ 9.5</u>
Adjusted income from continuing operations <sup>(1)</sup>	\$ 170.8	\$ 135.1	\$ 137.3	\$ 147.0	\$ 131.5	\$ 109.7	\$ 83.3	\$ 59.3	\$ 46.9
Diluted EPS from Continuing Operations, as reported	\$ 8.28	\$ 6.62	\$ 7.40	\$ 6.42	\$ 3.72	\$ 3.25	\$ 2.64	\$ 1.47	\$ 1.12
Total Non-Core Items, per Share	0.13	(0.19)	(1.32)	(0.85)	0.65	0.28	-	0.35	0.29
Adjusted Diluted EPS from Continuing Operations <sup>(1)</sup>	<u>\$ 8.41</u>	<u>\$ 6.43</u>	<u>\$ 6.08</u>	<u>\$ 5.57</u>	<u>\$ 4.37</u>	<u>\$ 3.53</u>	<u>\$ 2.64</u>	<u>\$ 1.82</u>	<u>\$ 1.41</u>
Weighted average common shares outstanding (diluted)	<u>20.3</u>	<u>21.0</u>	<u>22.6</u>	<u>26.4</u>	<u>30.1</u>	<u>31.1</u>	<u>31.5</u>	<u>32.6</u>	<u>33.3</u>

## Non-GAAP Financial Disclosure

In addition to evaluating financial condition and results of 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 continuing operations," "Adjusted diluted earnings per share ("EPS") from continuing operations", "Adjusted EBITDA", "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 connection with a review of the most directly comparable measure 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 measure.

In its 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.

(1) Data reflects the Company's as reported adjusted income from operations.

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Questions?

