

ASBURY
AUTOMOTIVE GROUP

Investor Presentation
Q1 2018



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.

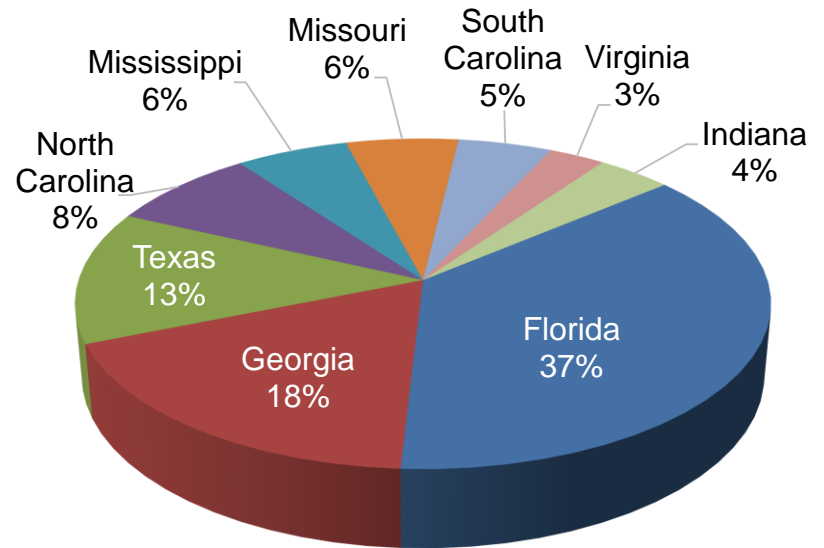
The following are some but not all of the factors that could cause actual results or events to differ materially from those anticipated, including: our ability to execute our business strategy; the annual rate of new vehicle sales in the U.S.; our ability to generate sufficient cash flows; our ability 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.

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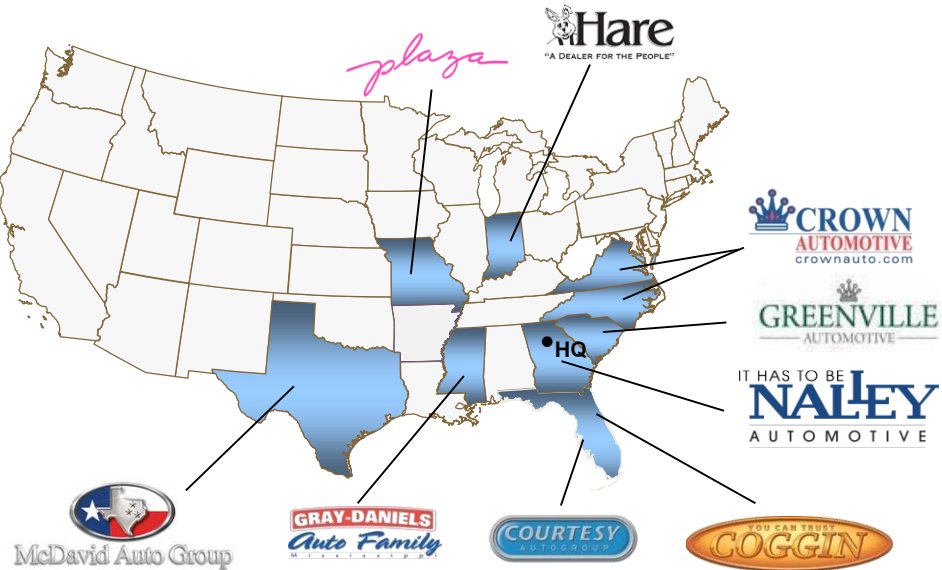
Asbury Automotive Group (NYSE:ABG)

- Fortune 500 automotive retailer
- 7th largest U.S. based franchised auto retailer
- ~\$6.5 billion in total revenues⁽¹⁾
- 81 dealership locations; 95 franchises⁽²⁾
- 29 vehicle brands (80% luxury / import)⁽²⁾
- Sold over 175,000 retail vehicles⁽¹⁾
- Handled about 2.0 million repair orders⁽¹⁾
- Operating 25 collision repair centers⁽²⁾

New Vehicle Revenue by State



For three months ending Mar. 31, 2018

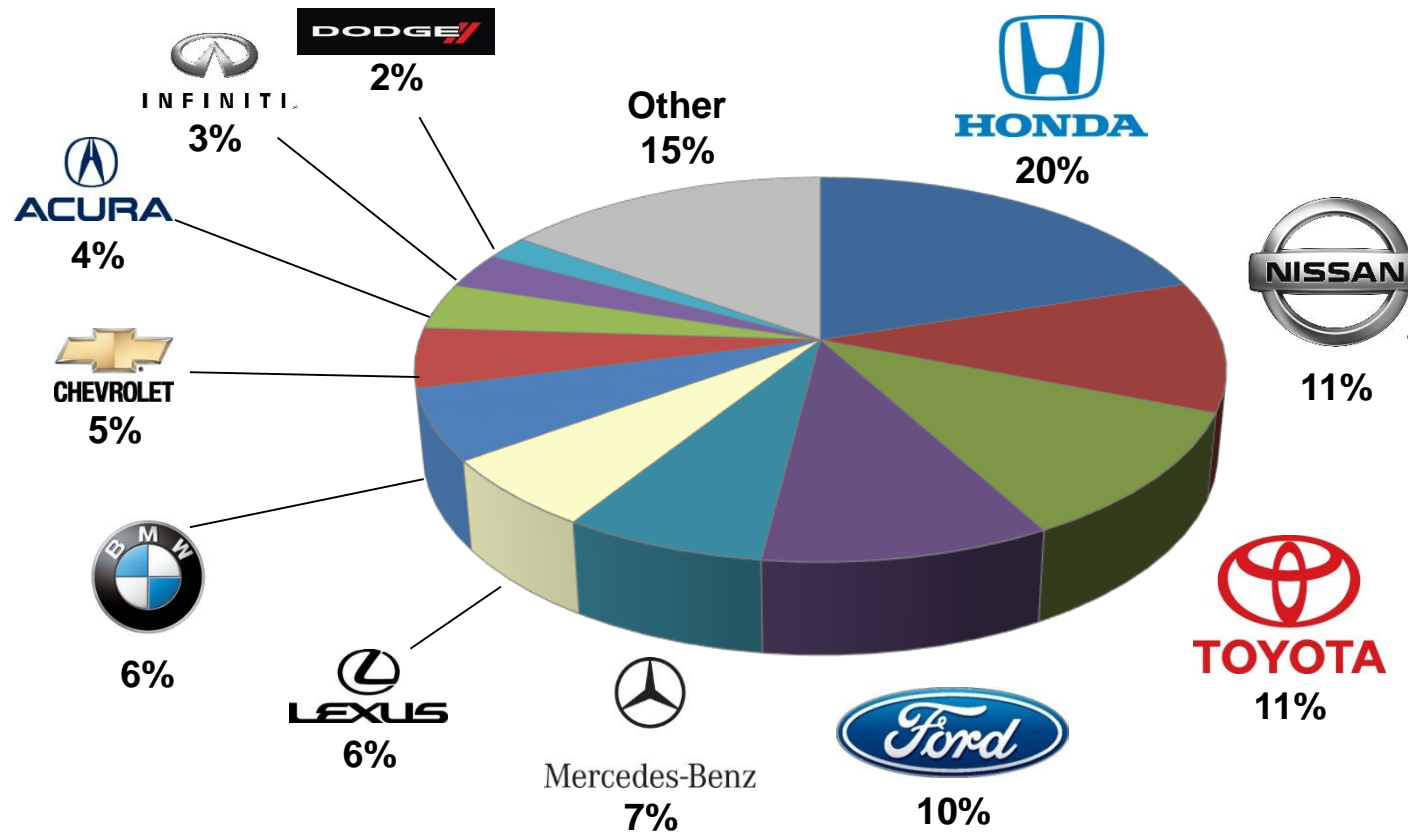


Fortune 500 automotive dealer group with attractive geographic presence

(1) For the year ended Dec. 31, 2017

(2) As of Mar. 31, 2018

Attractive Brand Mix



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

Our Strategy

1. Drive Operational Excellence

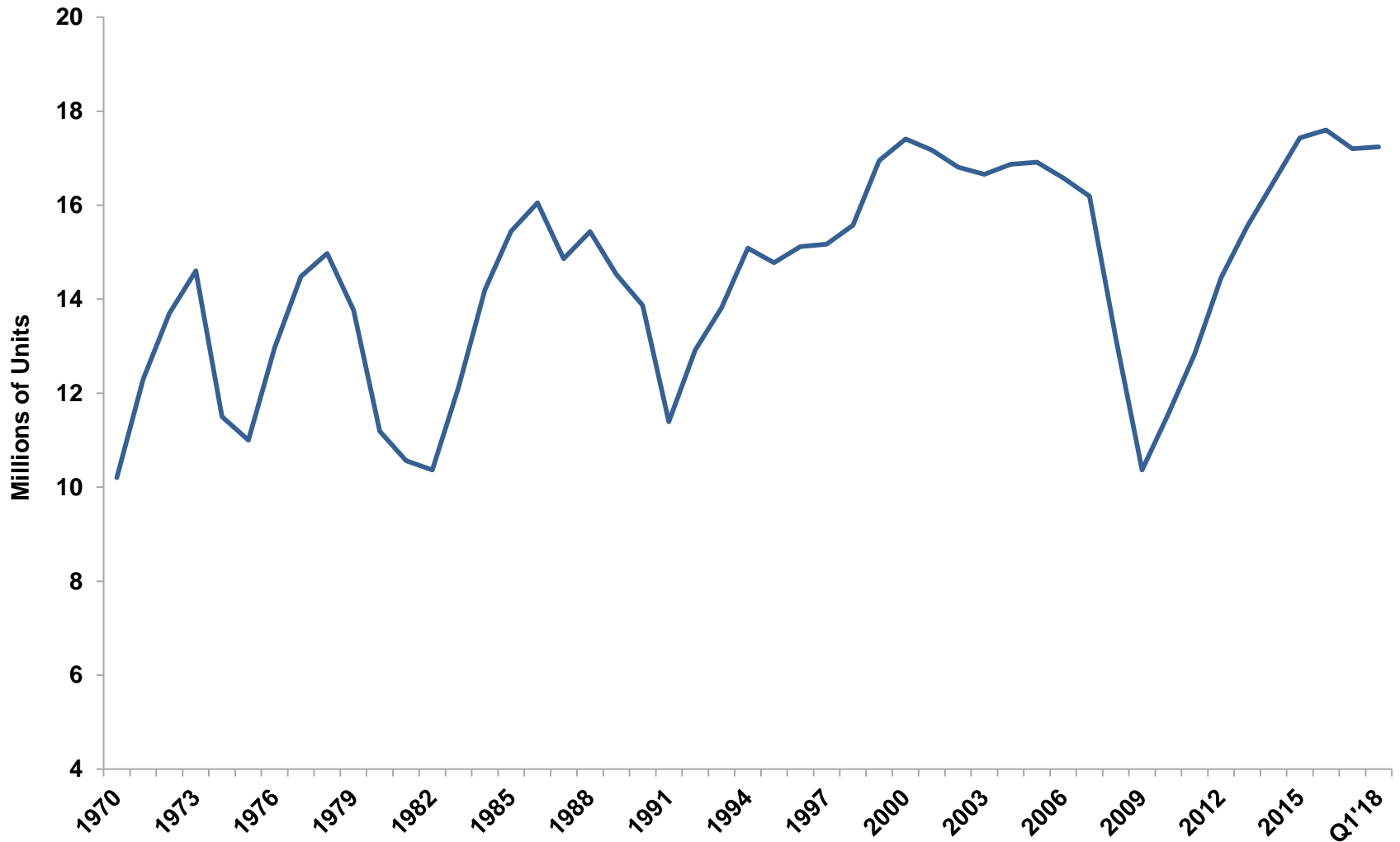
- Attract and retain the best talent
- Implement best practices and improve productivity
- Provide an exceptional customer experience
- Centralize, streamline and automate processes
- Leverage our scale and cost structure to improve our operating efficiencies

2. Deploy Capital to Highest Returns

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

Two key principles to drive shareholder value

U.S. SAAR 1970 to 2018

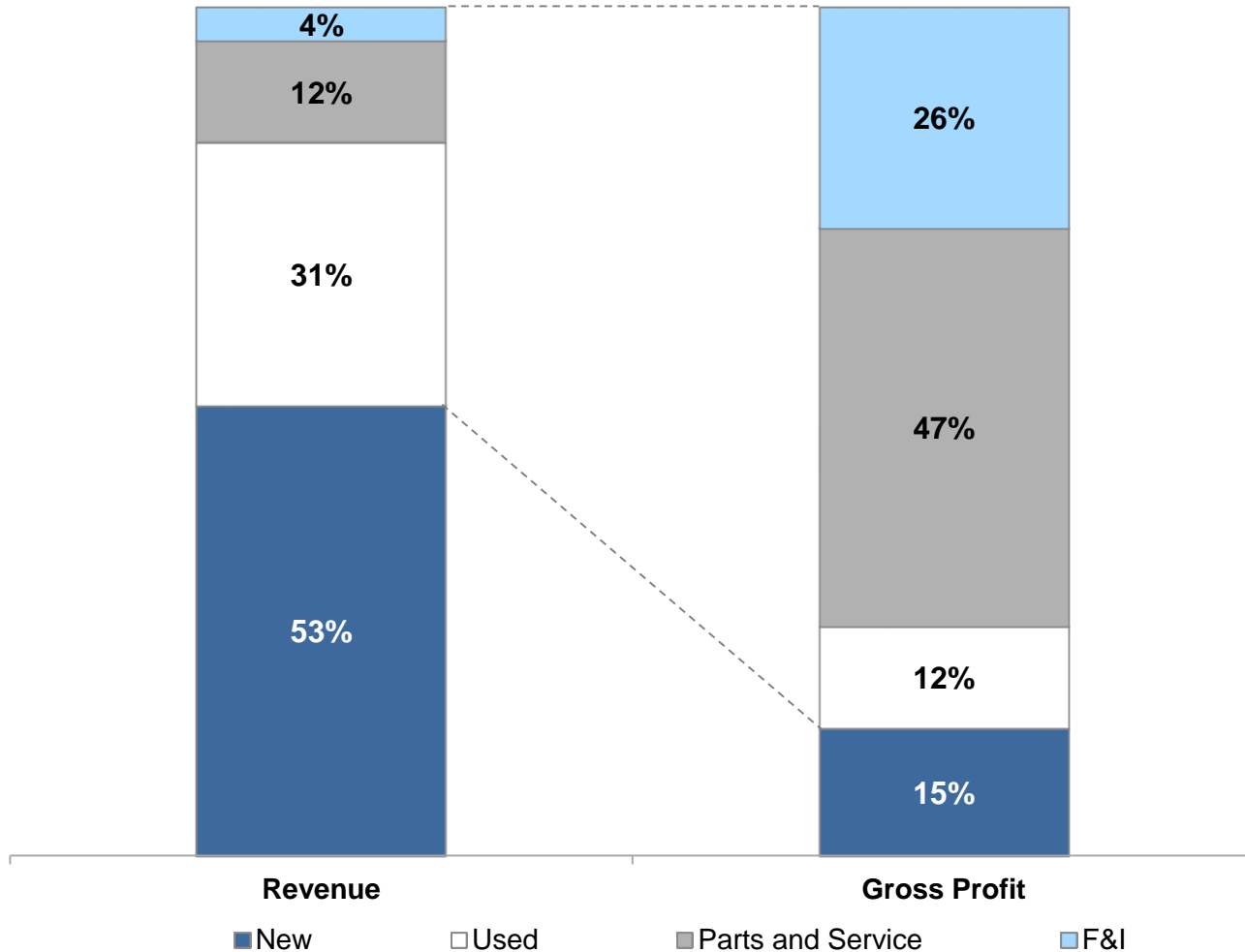


SAAR is hard to predict.

We attack what we can control: Used Vehicles, F&I and Parts & Service

The Four Key Components of Our Business

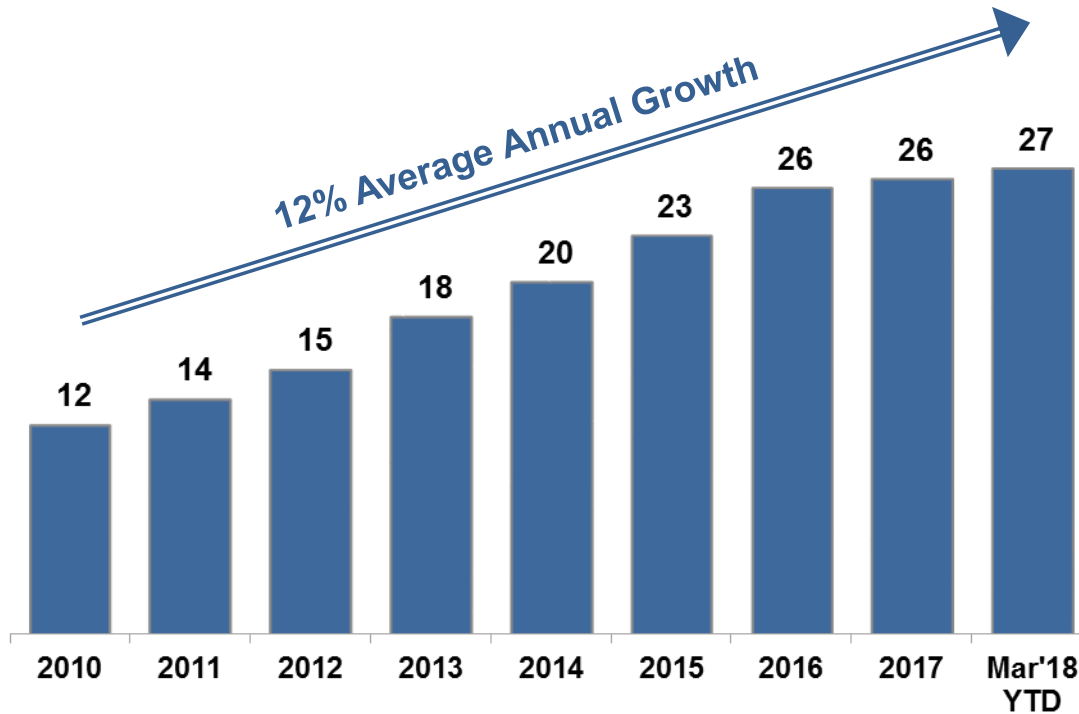
(Q1 2018)



Used, Parts & Service and F&I account for 47% of revenue and 85% of gross profit

Note: Includes wholesale

Average Monthly CPO Unit Sales per Store



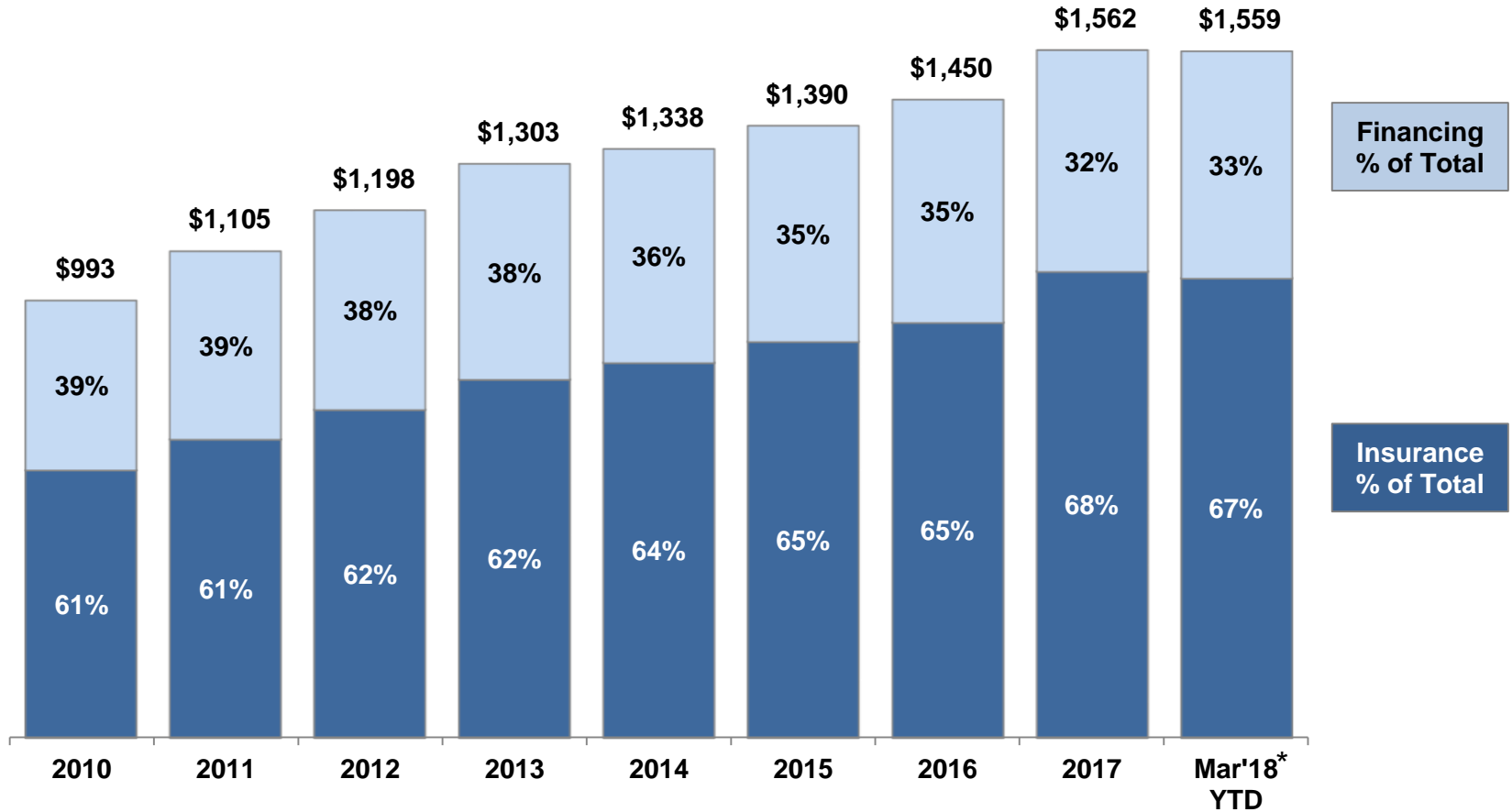
Benefits of CPO Sales:

- Higher service retention
- Improved customer loyalty
- Solid internal profit
- Strong F&I per vehicle

An increasing supply of off-lease vehicles should support continued CPO growth with ancillary benefits

F&I Gross Profit per Unit Sold

(Same-store F&I Revenue per Retail Unit Sold)

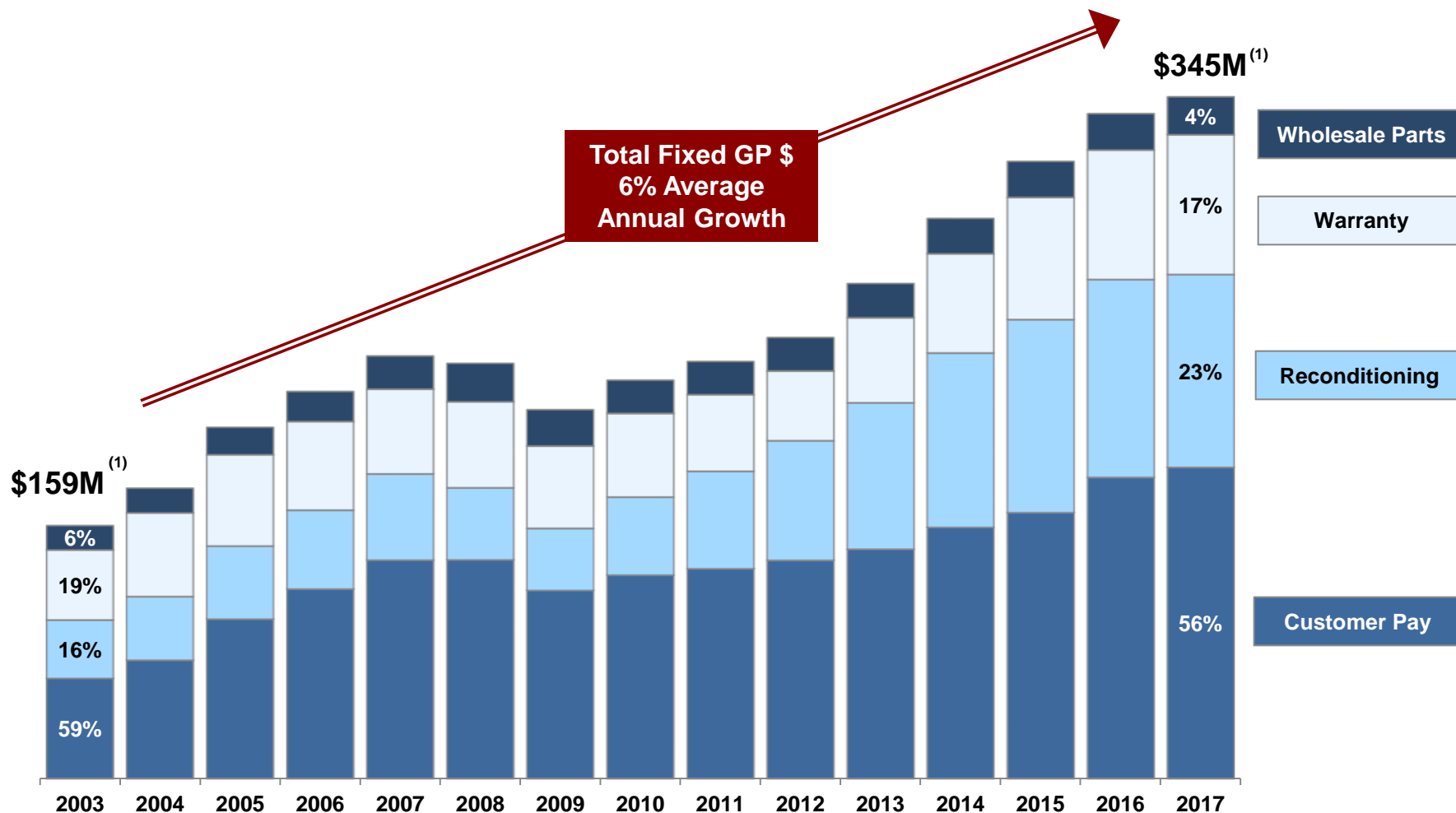


Solid training and execution continue to drive F&I growth

Note: Excludes discontinued operations

*Includes a \$13 PVR reduction due to the impact of ASC 606 revenue recognition

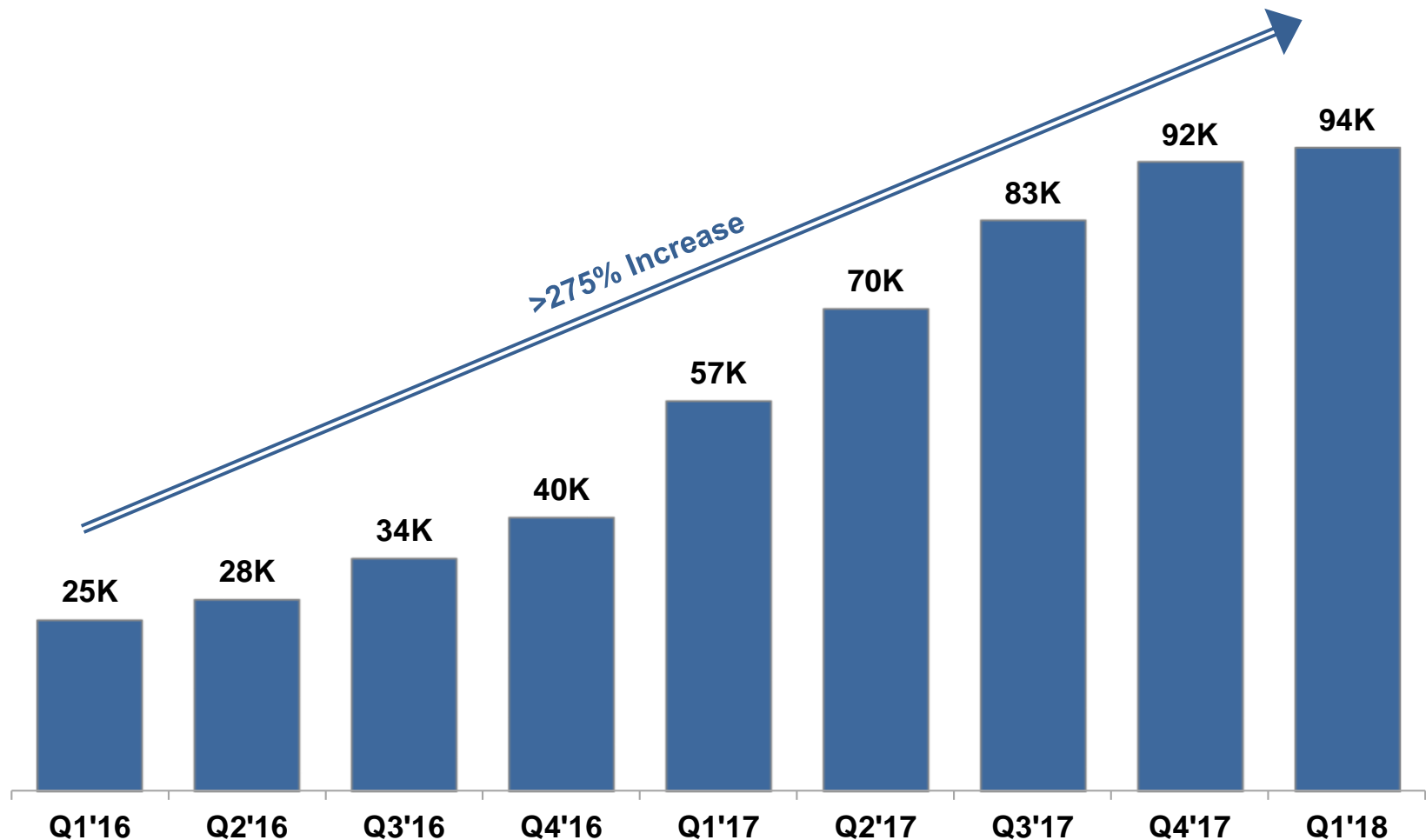
Parts & Services Gross Profit



More units in operation, online scheduling, CRM and improved technician / bay utilization should drive mid-single digit parts and service growth through economic cycle

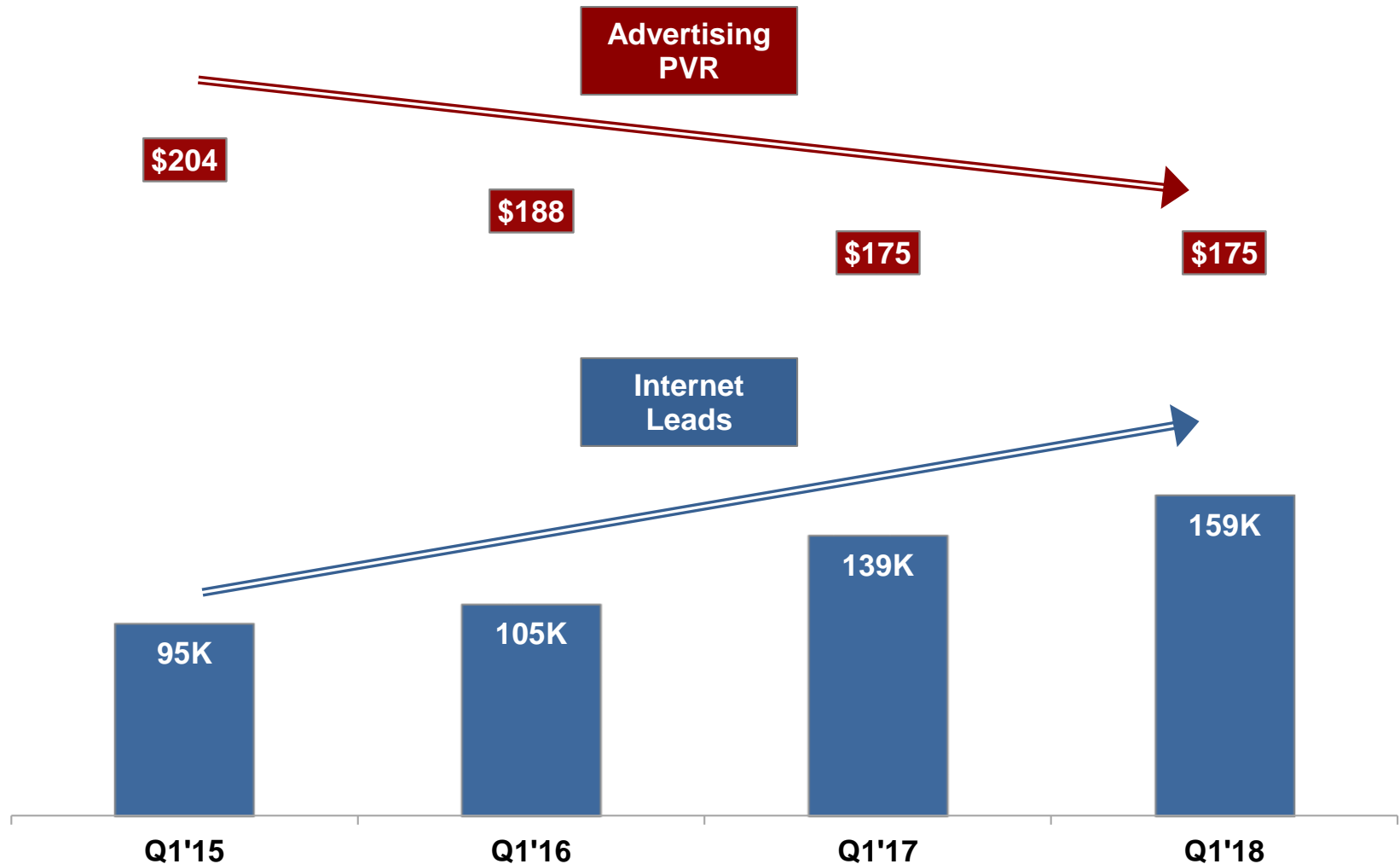
(1) Performance only for stores continuously operating since 2003

Online Service Appointments



Deploying digital technology to drive business growth and enhance the customer experience; online service appointment volume has grown over 275% since Q1'16

Advertising Spend



Digital now represents 75% of our advertising spend; Internet leads are growing, while per vehicle advertising spend is being managed below historic levels

Certified Used 2014 Ford F-150 XLT Pickup Truck V6 FFV Engine



Engine: 3.7L V6 FFV Engine
Transmission: Automatic
Mileage: 38,561 miles
EPA-Est MPG⁶: 17/23
Exterior Color: Gray
Interior Color: GRAY
Stock #: EFA71837
Location‡: Coggin Ford
VIN: 1FTEW1CM5EFA71837

Coggin Price **\$26,991**

Skip the hassle,
buy online

 **BUY NOW**



Building our omni-channel capabilities to improve the customer's experience

Why Asbury: Investment Thesis

- Attractive brand mix and geographic footprint
- Operational excellence:
 - Best in class gross margins and operating margins
 - Best in class return on equity
 - Strong growth track record
- Disciplined transparent capital allocation strategy
 - Invest where we can generate attractive ROI
(operating assets & capabilities, value added acquisitions, return of capital to shareholders)
- Strong balance sheet
 - More than \$375 million liquidity

Focused on driving shareholder value

Appendix

Q1 2018 Summary

➤ **Same store:**

- Total revenue increased 2%; gross profit increased 1%
- New vehicle revenue increased 1%; gross profit decreased 6%
- Used vehicle retail revenue increased 4%; gross profit decreased 5%
- Finance and insurance revenue and gross profit increased 2%
- Parts and service customer pay gross profit increased 5%

➤ **Total Company:**

- SG&A as a percentage of gross profit decreased 20 basis points to 69.4%
- Income from operations as a percentage of revenue was 4.5%
- Adjusted EPS from operations increased 22%

➤ **Strategic Highlights**

- Purchased a Honda dealership in the Indiana market, which should generate approximately \$120 million in annual revenue
- Repurchased \$20 million of common stock
- On track to close two acquisitions in the Atlanta market by the end of the second quarter 2018, which combined should generate approximately \$120 million in annual revenue

In a softening auto retail environment, we increased our same store gross profit by 1%, delivered industry leading operating margins and continued to invest in developing our omni-channel capabilities

Q1 2018 Earnings Highlights & Key Metrics

	Q1 '18	Q1 '17	Change
Volume Metrics (\$S)			
US Auto Sales (M)	4.11	4.03	2.0%
New Units	22,965	23,390	(1.8%)
Used Retail Units	20,000	19,770	1.2%
Used to New Ratio	87.1%	84.5%	260 bps
Fixed Gross Profit (\$M)	\$122.9	\$119.5	2.8%
Margin Metrics (\$S)			
New Margin	4.5%	4.9%	(40 bps)
Used Retail Margin	7.3%	8.0%	(70 bps)
Fixed Margin	62.6%	62.5%	10 bps
F&I PVR	\$1,559	\$1,515	\$44
Front End PVR ⁽¹⁾	\$3,163	\$3,207	(\$44)
Performance Metrics			
SG&A %GP	69.4%	69.6%	(20 bps)
EBITDA (\$M) ⁽²⁾	\$74.8	\$74.9	(0.1%)
EPS	\$1.93	\$1.61	19.9%
Adj. EBITDA (\$M) ⁽²⁾	\$74.8	\$74.0	1.1%
Adj. EPS ⁽²⁾	\$1.93	\$1.58	22.2%

(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

(\$ in millions, except per share amounts)

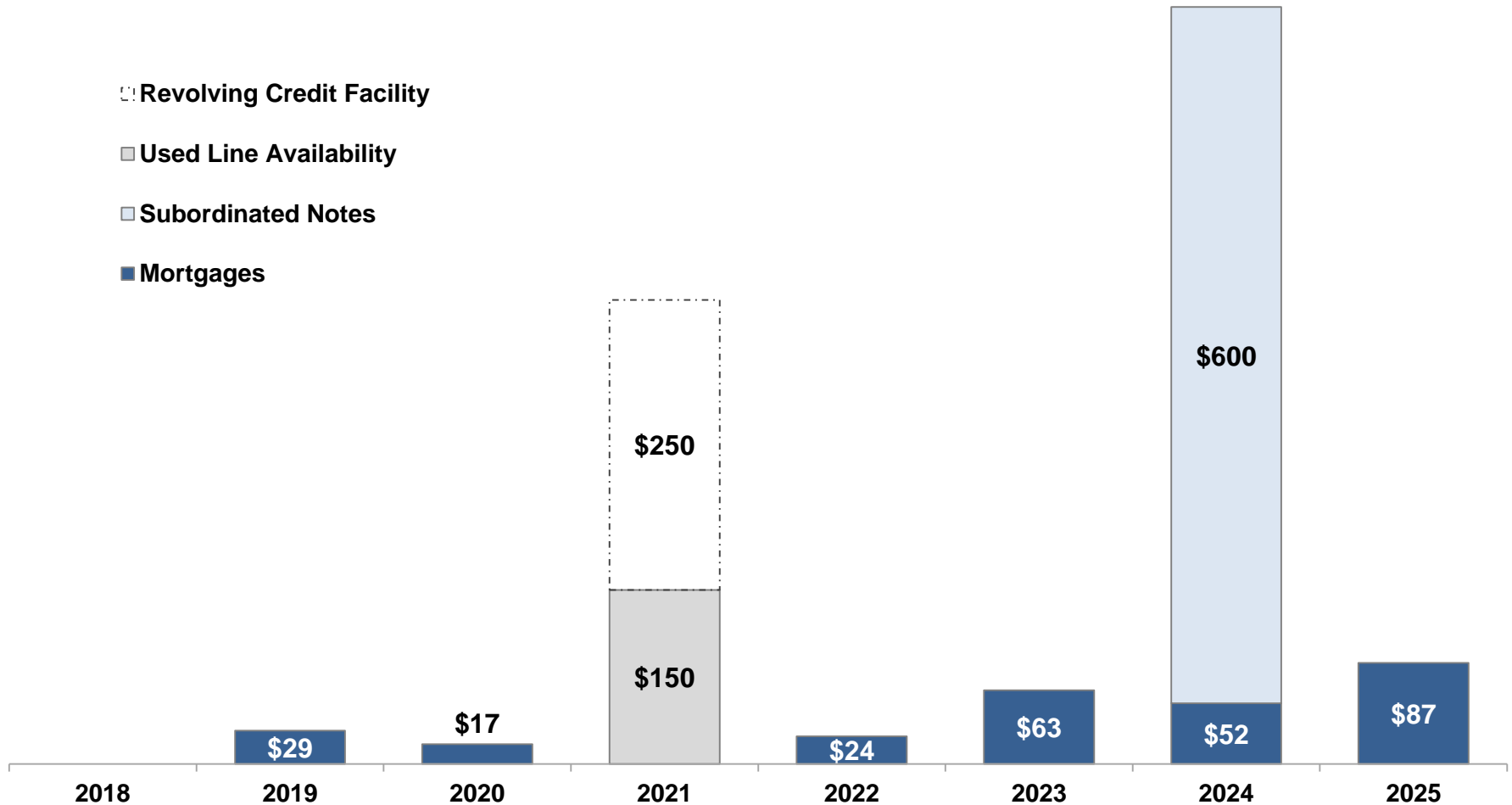
Adjusted EBITDA	Q1 '18	Q1 '17
Net Income	\$40.1	\$34.0
Add:		
Depreciation and amortization	8.2	7.9
Income tax expense	13.3	19.1
Swap and other interest expense	13.2	13.9
EBITDA	\$74.8	\$74.9
Legal settlements	-	(0.9)
Adjusted EBITDA	\$74.8	\$74.0

Operating Income	Q1 '18	Q1 '17
Income from operations	\$73.2	\$72.3
Legal settlements	-	(0.9)
Adjusted income from operations	\$73.2	\$71.4

Adjusted diluted EPS	Q1 '18	Q1 '17
Diluted EPS	\$1.93	\$1.61
Total non-core items	-	(0.03)
Adjusted diluted EPS	\$1.93	\$1.58

Debt Maturity Schedule

(\$ in Millions)



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 \$3.2 million capital leases that expire in 2021 and Net of Deferred Financing Fees & Add-on Bond Premium of (\$3.7) million