

# GROUP 1 AUTOMOTIVE®

## 4Q21 & FY21 Financial Results

Investor Presentation

February 10, 2022



GPI  
LISTED  
NYSE

**AcceleRide®**  
BUY. SELL. BE HAPPY.

# Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are statements related to future, not past, events and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. In this context, the forward-looking statements often include statements regarding our strategic investments, goals, plans, projections and guidance regarding our financial position, results of operations, business strategy, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," "foresee," "may" or "will" and similar expressions.

While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. Any such forward-looking statements are not assurances of future performance and involve risks and uncertainties that may cause actual results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things: (a) board approval of future dividends; (b) general economic and business conditions; (c) the level of manufacturer incentives; (d) the future regulatory environment; (e) our ability to obtain an inventory of desirable new and used vehicles and impact of supply chain disruptions which occur from time to time; (f) our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions; (g) our cost of financing and the availability of credit for consumers; (h) our ability to complete acquisitions and dispositions and the risks associated therewith; (i) foreign exchange controls and currency fluctuations; (j) our ability to retain key personnel; (k) the impacts of COVID-19 on our business; (l) the impacts of any potential global recession; and (m) our ability to maintain vehicle margins, implement and maintain expense controls, and maintain sufficient liquidity to operate.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.



**GROUP 1**  
**AUTOMOTIVE®**

# Why Group 1?

## CONSISTENT PROFITABILITY & STRONG CASH FLOWS

- Group 1 has NEVER lost money on an operating basis in ANY quarter. During the height of the pandemic & 2020 recession in 2Q20, adjusted operating cash flow was \$186M. During the 2008-2009 recession, FY09 adjusted operating cashflow was \$117M.
- The Company achieved record U.K. profits despite Brexit and the pandemic and is poised to benefit from U.K. market recovery and further consolidation in that market.

## INDUSTRY PRESENCE & SCALE

- Group 1 is 100% engaged in \$2 TRILLION MARKET with FOUR business segments.
- Fragmented U.S. market – top 10 dealer groups sell ~10% of industry units.
- Among segment leaders in aftersales growth rate & cost structure.
- #1 automotive retailer in the state of Texas – a very strong and growing economy benefitting from numerous corporate relocations, low taxes, and low regulation.
- #286 Fortune 500 Company for 2021.



## TRANSFORMATIONAL GROWTH

- Completed \$2.5 billion in acquisitions in 2021.
- Geographic diversification of footprint across the U.S.
- Brazil divesture expected in 2Q22.
- Rent-adjusted leverage of 2.0x, as of December 31, 2021, leaves plenty of cushion for additional debt borrowings if needed.

## DIGITAL INNOVATION

- Our state-of-the-art omni-channel platform achieved significant growth despite a challenging economy.
- 77% growth in units sold through AcceleRide® for FY21 YoY.

## FLEXIBLE CAPITAL ALLOCATION

- No controlling shareholder.
- Balanced share repurchases & dividends.
- Opportunistic acquisitions & portfolio management.

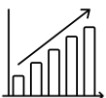
## LEADERSHIP & CORE VALUES

- Industry-seasoned leadership team.
- Corporate Governance.
- Sustainability.
- Diversity.

	REVENUE* (\$MM)	ADJ. EPS*	ADJ. FCF* (\$MM)
2021	\$13,802	\$35.02	\$656
2020	\$10,852	\$18.06	\$426
2019	\$12,044	\$10.93	\$237
2018	\$11,601	\$8.91	\$200
2017	\$11,124	\$7.73	\$184
2016	\$10,888	\$7.42	\$170
2015	\$10,633	\$6.87	\$137
2014	\$9,938	\$5.87	\$109
	<b>+4.8% CAGR</b>	<b>+29.1% CAGR</b>	<b>+29.2% CAGR</b>

\*Based on FY21 consolidated results; includes Brazil discontinued operations.

# Why Group 1? Bullish Wall Street Coverage



"All told, the combination of growth investment, cash returns to shareholders, and exit from Brazil, in our view, are all good news for GPI."

We rate GPI Buy with a price target of \$300 per share."

Michael Ward  
Benchmark



"Despite the significant drop-off in industry volumes over the past quarter (13.3mm SAAR in 3Q vs. 17.0mm in 2Q), GPI's bottom line performance moderated only slightly, helped by an ongoing focus on the Used vehicle business, continued strength in gross margins, and solid cost control."

John Murphy, CFA  
BofA



"Prime acquisition demonstrates gradual pivot to growth. We see GPI's initiative to drive higher UV growth in a flattening SAAR environment as positive. GPI's P&S initiatives to increase technician headcount & better use of existing manpower are compelling, in our view, with drop-through to the bottom line starting to show."

Rajat Gupta  
J.P. Morgan



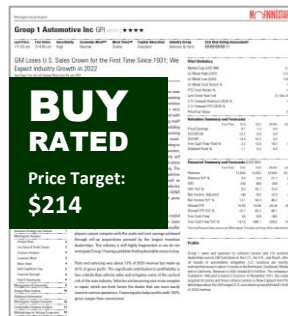
"Forecasts above consensus for 2021/2022 driven by both market conditions and cost reductions that should be maintained post the pandemic. A proven resilient cost model in the face of pandemic, continued access to capital - Emerging omni-channel strategy with clear disclosures - Expected productivity gains coming out of COVID-19 - Attractive valuation."

Adam Jonas, CFA  
Morgan Stanley



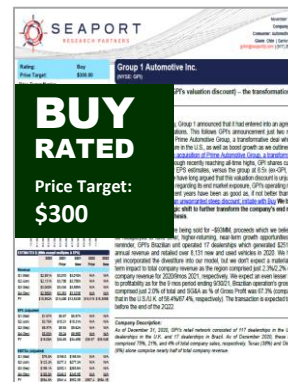
"Group 1's restructurings during the financial crisis, such as new dealer and customer systems have paid off."

David Whiston, CFA, CPA,  
CFE  
Morningstar



"No more excuses (for GPI's valuation discount) --the transformation continues."

Glenn Chin  
Seaport

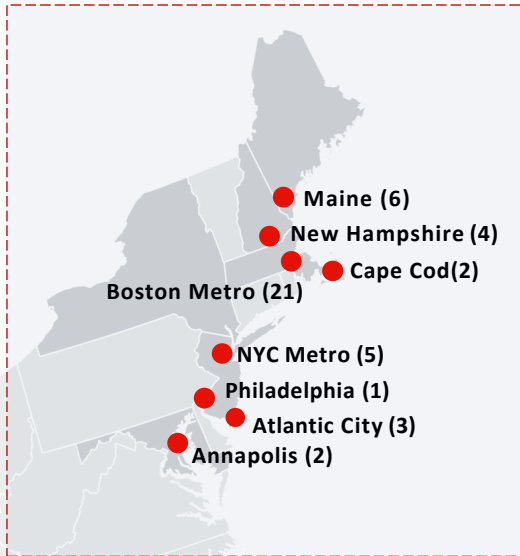
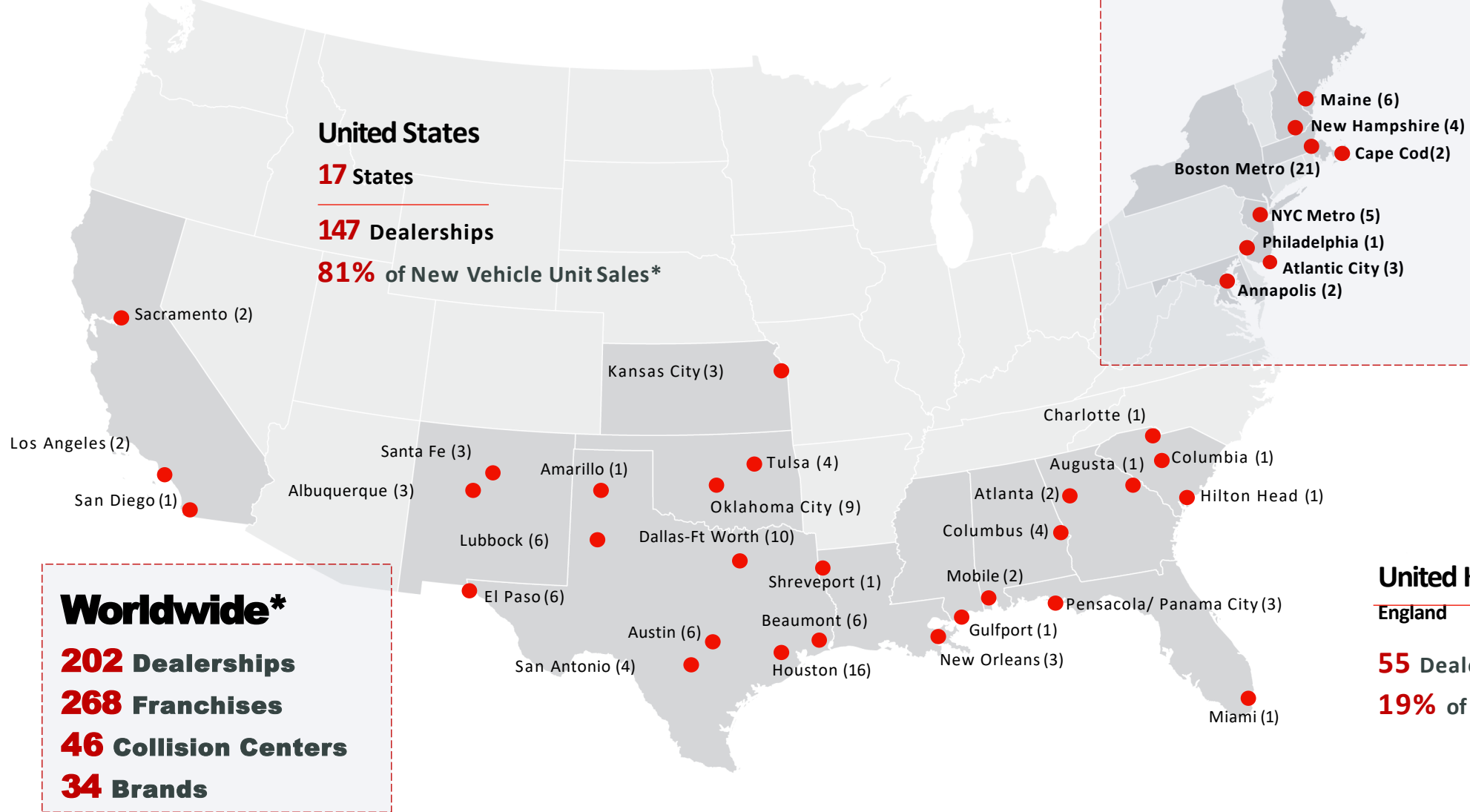


"GPI's pro forma leverage of ~2.0x provides ample flexibility for additional M&A or share repurchases; we expect a blend going forward. GPI's industry low P/E multiples remain attractive, and we reiterate our Overweight rating and \$200 price target."

Rick Nelson, CFA, CPA  
Stephens



# Geographic Footprint



**Acquiring Prime Automotive Group**  
*transformed*  
**Group 1's scale & U.S. footprint!**

## United Kingdom

**England**

**55 Dealerships**

**19% of New Vehicle Unit Sales\***



\*Based on FY21 consolidated results; excludes Brazil discontinued operations.

# Texas Facts: #1 in Economic Opportunity

*Group 1 is opportunistic in geographic diversification.*



**Texas has 8 of the 30 fastest-growing cities in the U.S.**

**6 Texan cities were in the top 20.<sup>1</sup>**

**FORTUNE  
500**

**49 of 2021's Fortune 500 corporations headquarter in Texas.<sup>3</sup>**

**BEST STATE FOR BUSINESS by Chief Executive Magazine since 2004.<sup>2</sup>**

**for tech workers in non-tech companies by MarketWatch.<sup>5</sup>**

**#**

**exporting state since 2002.<sup>4,6</sup>**

**1**

**in corporate facility expansion projects since 2012.<sup>2</sup>**

**for Growth Prospects by Forbes in 2021.<sup>7</sup>**

**Group 1 is the #1 auto retailer in Texas**  
GPI's Texas locations generated **40% of 4Q21 total new vehicle unit sales**



*If Texas were a country, it would rank as the 9th largest economy in the world based on GDP--ahead of Australia, Brazil, Mexico, Spain, Russia and many others.<sup>7</sup>*



- + BEST-IN-CLASS business climate
- + REASONABLE regulations
- + AFFORDABLE cost of living
- + NO PERSONAL INCOME TAX
- + LOW SALES TAX

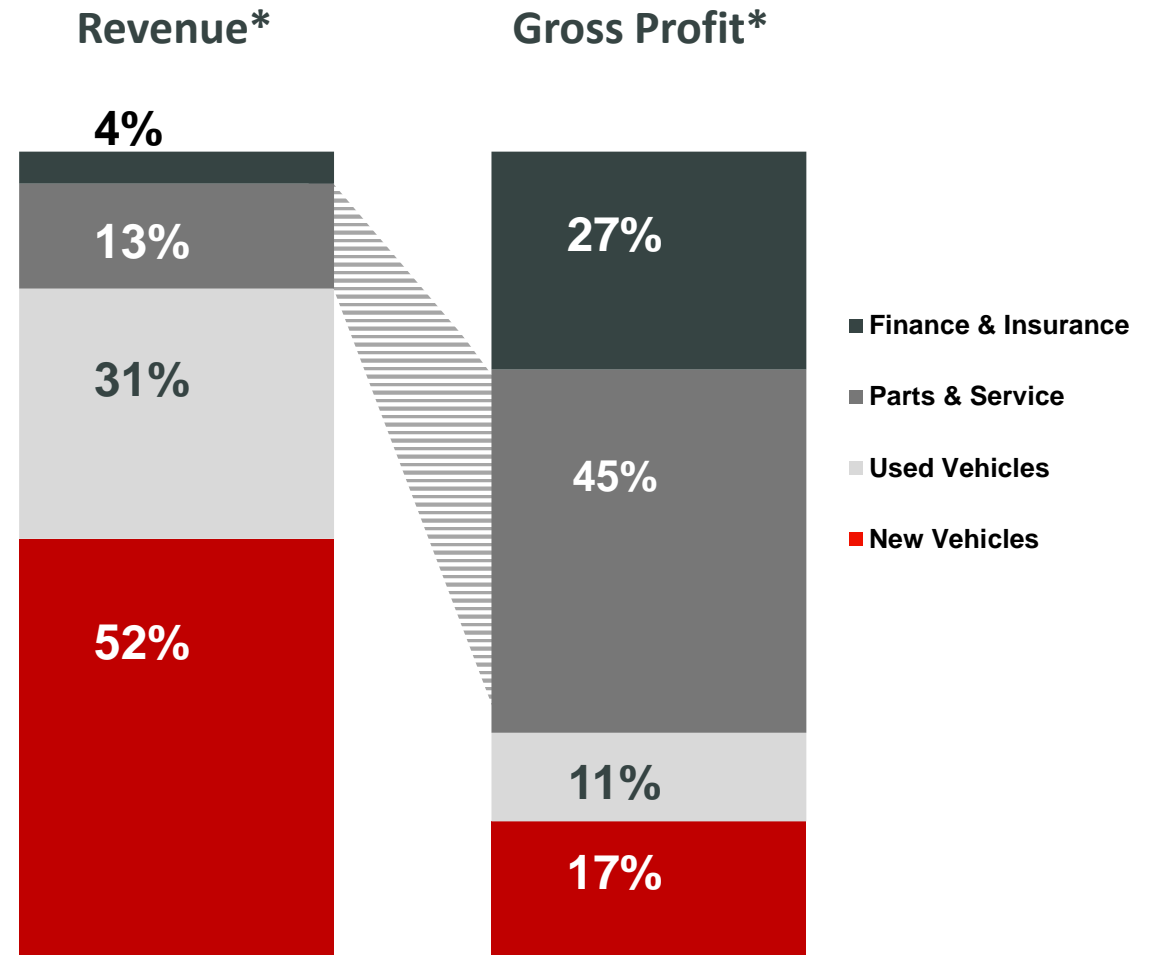
<sup>1</sup>wallethub.com/edu/fastest-growing-cities ; <sup>2</sup>Texas Bragging Rights, 2021 (<https://gov.texas.gov>); <sup>3</sup><https://fortune.com/fortune500/2021/>; <sup>4</sup>Observatory of Economic Complexity, July 2021 (<https://oec.world/en/profile/country/usa>); <sup>5</sup><https://www.marketwatch.com/story/in-the-oil-boomtown-of-houston-tech-is-building-a-new-home-in-the-shell-of-an-older-economy-11625782190>; <sup>6</sup><https://gov.texas.gov/uploads/images/business/TXataGlance.jpg>; and <sup>7</sup><https://businessintexas.com/news/texas-enters-2021-as-worlds-9th-largest-economy-by-gdp>.

# Traditional Business Mix

**Parts & Service is the heart of Group 1's business model and generates ~45% of total gross profit.**

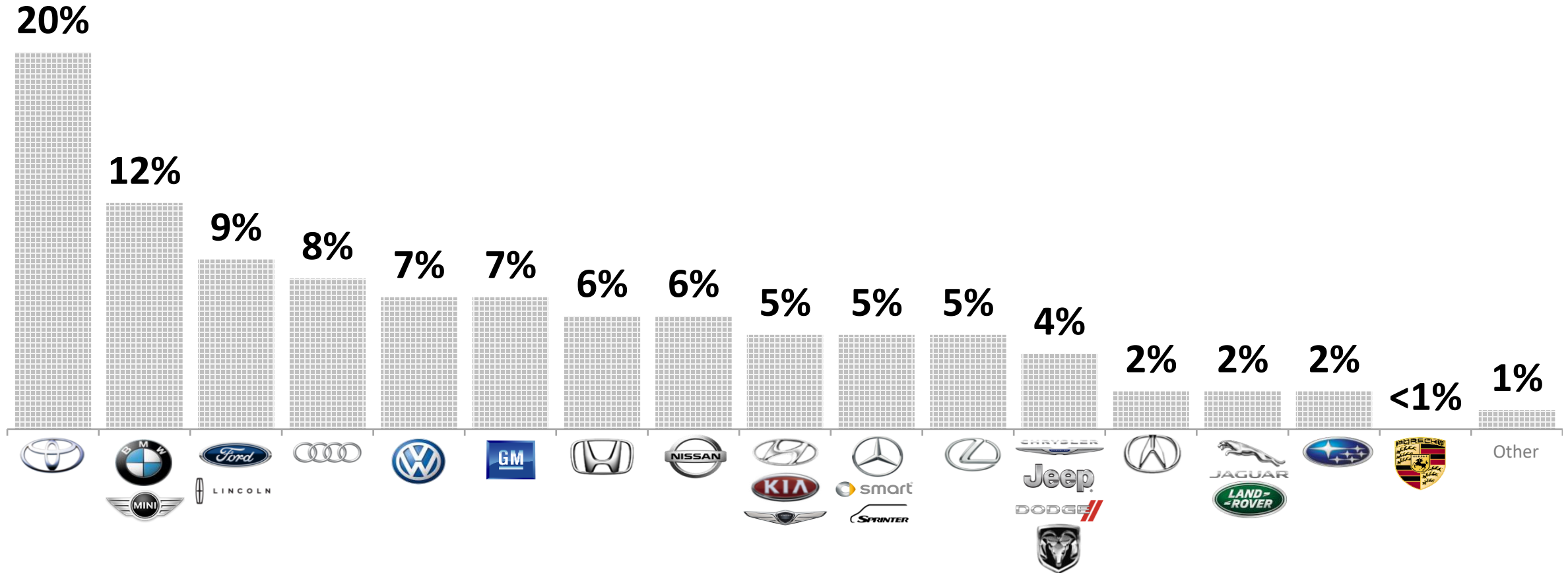
**Parts & Service has traditionally only declined around mid-single digits during a recession, which provides stable, high-margin performance to help offset the cyclical nature of new vehicle sales.**

\*May not add to 100% due to rounding; based on 2019 full-year results; includes Brazil discontinued operations.



# Total Consolidated New Vehicle Brand Mix FY21

The Company's brand diversity allows it to reduce the risk of evolving consumer preferences.



\*May not add to 100% due to rounding; excludes Brazil discontinued operations.



# Transformational Growth Strategy

## Capital Allocation

- First priority for capital allocation is growing the company through acquisitions
- **In 2021, completed \$1.8B Prime Auto Group acquisition--the single largest transaction in company history.**
- **\$2.5B in acquired revenues in 2021;** \$5.9B in acquired revenues 2014-2021
- **For 2021, GPI repurchased 1,103,417 common shares, or ~6.0% of the Company's outstanding common shares, at an average price of \$190.82, for a total of \$210.6 million.**
- Business model generates strong adjusted free cash flow to fund growth (\$656M in 2021)\*
- Leverage of 2.0x leaves plenty of cushion for additional debt borrowings if needed

## Parts & Service

- Heart of the business model which historically contributes ~45% of gross profit
- Innovative developments, such as digital service scheduling
- Aftersales has returned to continued growth from pre-pandemic levels
- Unique 4-day work week and centralized call center initiatives driving growth
- Increasing vehicle complexity (including electric vehicles) continues to favor franchised dealers

## Used Vehicles

- Stable U.S. market with ~41M units sold in 2021 according to NADA
- Very fragmented market with franchised dealers having <40% market penetration
- GPI grew U.S. same store used retail units by 15% on a 2021 YoY basis
- Franchised dealers have supply advantage through NV trade-ins, lease returns, OEM closed auctions, and service lane marketing

## Digital Retail

- AcceleRide® digital platform with 77% YoY growth for FY21
- Customers using AcceleRide® close at a significantly higher rate than non-digital customers
- All the functionality of the used-only online retailers
- Allows for a materially lower cost structure

\*Includes Brazil discontinued operations.

# Balanced Capital Allocation

	2016	2017	2018	2019	2020	2021
<b>M&amp;A</b>	Acquisitions: <b>\$660M</b> (21 franchises)	Acquisitions: <b>\$490M</b> (20 franchises)	Acquisitions: <b>\$615M</b> (17 franchises)	Acquisitions: <b>\$430M</b> (15 franchises)	Acquisitions: <b>N/A</b>	Acquisitions: <b>\$2.5B annual revenues</b> (58 franchises)
	Dispositions: <b>\$240M</b>	Dispositions: <b>\$35M</b>	Dispositions: <b>\$195M</b>	Dispositions: <b>\$240M</b>	Dispositions: <b>\$60M</b>	Dispositions: <b>\$155M annual revenues</b>
	Capex: <b>\$101M</b>	Capex: <b>\$98M</b>	Capex: <b>\$110M</b>	Capex: <b>\$95M</b>	Capex: <b>\$77M</b>	Capex: <b>\$100M</b>
<b>Dividends</b> Cash paid per share	<b>\$0.91</b>	<b>\$0.97</b>	<b>\$1.04</b>	<b>\$1.09</b>	<b>\$0.60</b>	<b>\$1.33</b>
<b>Buybacks</b>	Float Reduction: <b>≈10%</b>	Float Reduction: <b>≈3%</b>	Float Reduction: <b>≈14%</b>	Float Reduction: <b>N/A</b>	Float Reduction: <b>≈5%</b>	Float Reduction: <b>≈6%</b>
	Shares Repurchased: <b>2.3M</b> shares at avg. price of <b>\$55.90</b> for total of <b>\$127.6M</b>	Shares Repurchased: <b>0.6M</b> shares at avg. price of <b>\$61.75</b> for total of <b>\$40.1M</b>	Shares Repurchased: <b>2.8M</b> shares at avg. price of <b>\$63.75</b> for total of <b>\$181.7M</b>	Shares Repurchased: <b>0.01M</b> shares at avg. price of <b>\$99.98</b> for total of <b>\$1.4M</b>	Shares Repurchased: <b>0.9M</b> shares at avg. price of <b>\$92.86</b> for total of <b>\$80.2M</b>	Shares Repurchased: <b>1.1M</b> shares at avg. price of <b>\$190.82</b> for total of <b>\$210.6M</b>

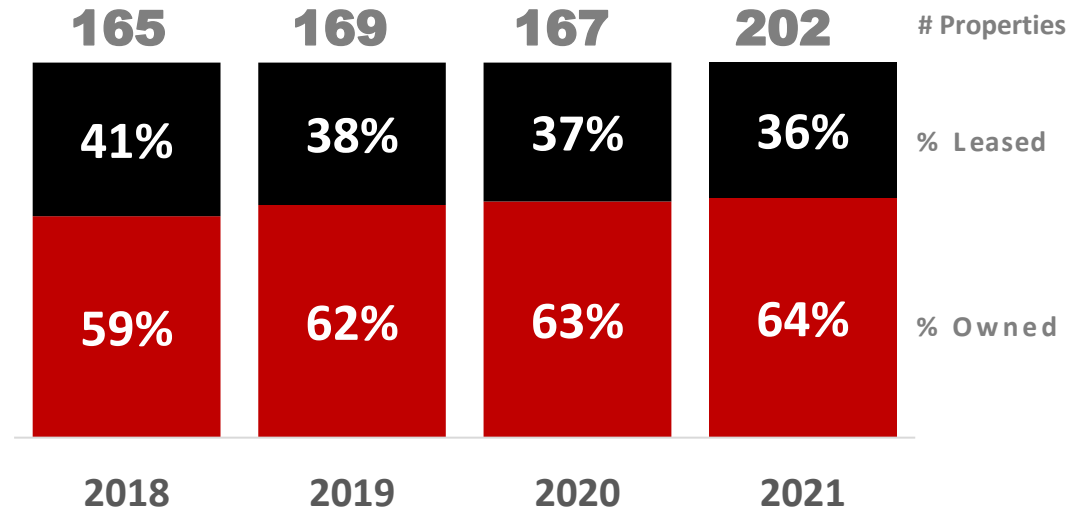
# Real Estate Strategy

## Dealership Property Breakdown by Region

(as of February 10, 2022)

Region	Dealerships	
	Owned	Leased
United States	105	42
United Kingdom	25	30
<b>Total</b>	<b>130</b>	<b>72</b>

## Owned vs. Leased Property Trend



## GPI is shifting toward owning its real estate:

Control of dealership real estate is a strong strategic asset.

Ownership means better flexibility and lower cost.

The Company looks for opportunistic real estate acquisitions in strategic locations.

**As of December 31, 2021, the Company owns ~\$1.7B of net real estate (64% of dealership locations) financed through \$628M of mortgage debt.**

\*Excludes Brazil discontinued operations.

# Parts & Service Overview

**FY21 Same Store P&S Sales  
+14.7% YoY**

Stability of free cash flow through economic cycles.

Above sector-average growth through our strategic emphasis on customer service.

Attractive benefits including a 4-day work week for service departments.

Increasing vehicle complexity favors franchised dealers.

Easy online booking, status and access for customers via dealership apps.

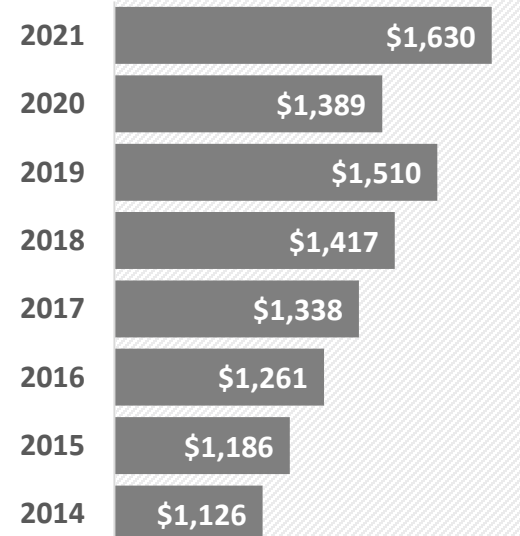
Improved efficiencies and closing rates through customer management software (CMS) and technology.

Increased retention by targeting points of defection and enhancing customer touch points.

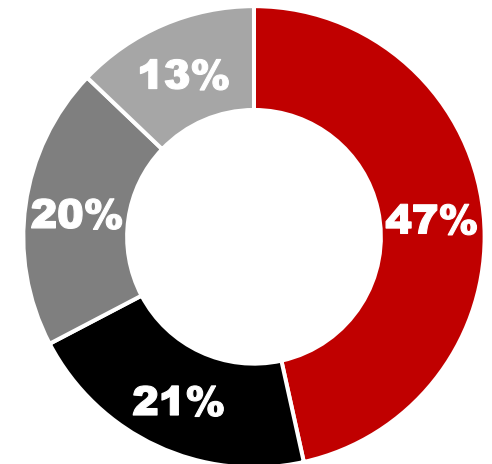
## Consolidated P&S Revenue\* (\$MM)

**+5.4%**

**2014-2021  
CAGR**



## Traditional Consolidated P&S Revenue Mix\*



- Customer Pay
- Warranty
- Wholesale
- Collision (incl. parts)

\*Includes Brazil discontinued operations.

\*May not add to 100% due to rounding, based on FY19 results.

# Evolving Electric Vehicle (“EV”) Infrastructure

Our service departments are equipped for any EV make and any model on the road today.



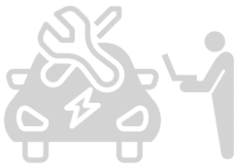
According to Edmunds.com, the 5-year maintenance cost of a 2021 Nissan Leaf is \$3,119; and the 5-year maintenance cost of a 2021 Toyota Corolla is \$3,460, an immaterial difference.

While we do not expect repair costs to materially change over the next three generations, we expect that the components of a repair will shift. Batteries, battery coolant, power units, electrically operated engine components and accessories will gradually replace the repairs currently made to internal combustion engine (“ICE”) vehicles.

As vehicle complexity continues to increase, it becomes more difficult for do-it-yourself (“DIY”) and independent service shops to compete against us.

Group 1’s analysis shows that we generate more revenue per repair order for vehicles with alternative powertrains.

Group 1’s retention rate is also higher for customers with Plug-in Hybrid Electric Vehicles (“PHEV”) & Hybrid Electric Vehicles (“HEV”) versus traditional ICE vehicles.



**Group 1 is investing in the tooling & technician training for all brands.**



**We are adding EV lifts, battery replace & repair tools, and charging stations where needed.**



**We are equipping collision centers in metro areas to repair all types of EVs, including electric delivery vans.**



**We have TWO collision centers that have been recognized for EV repair for more than 2 years.**



# AcceleRide® Digital Platform

**During 4Q21, about half of Group 1's vehicle sold utilized at least 1 component of the AcceleRide® platform.**

## Buy A Ride

Inventory selection of new, certified pre-owned, and used vehicles provide same user experience.

Online financing available via nationwide network of lenders.

Home delivery anywhere in the USA; FREE local delivery or pickup.

Integrated vehicle trades.

All taxes & fees calculated up front based on customer zip code.

E-sign online; "wet signatures" required by state can be conveniently signed at time of vehicle delivery or retrieval.

## Sell A Ride

Cash offer within 30 minutes during business hours.

Offer valid for 7 days or 250 miles.

Home pick-up is an option.

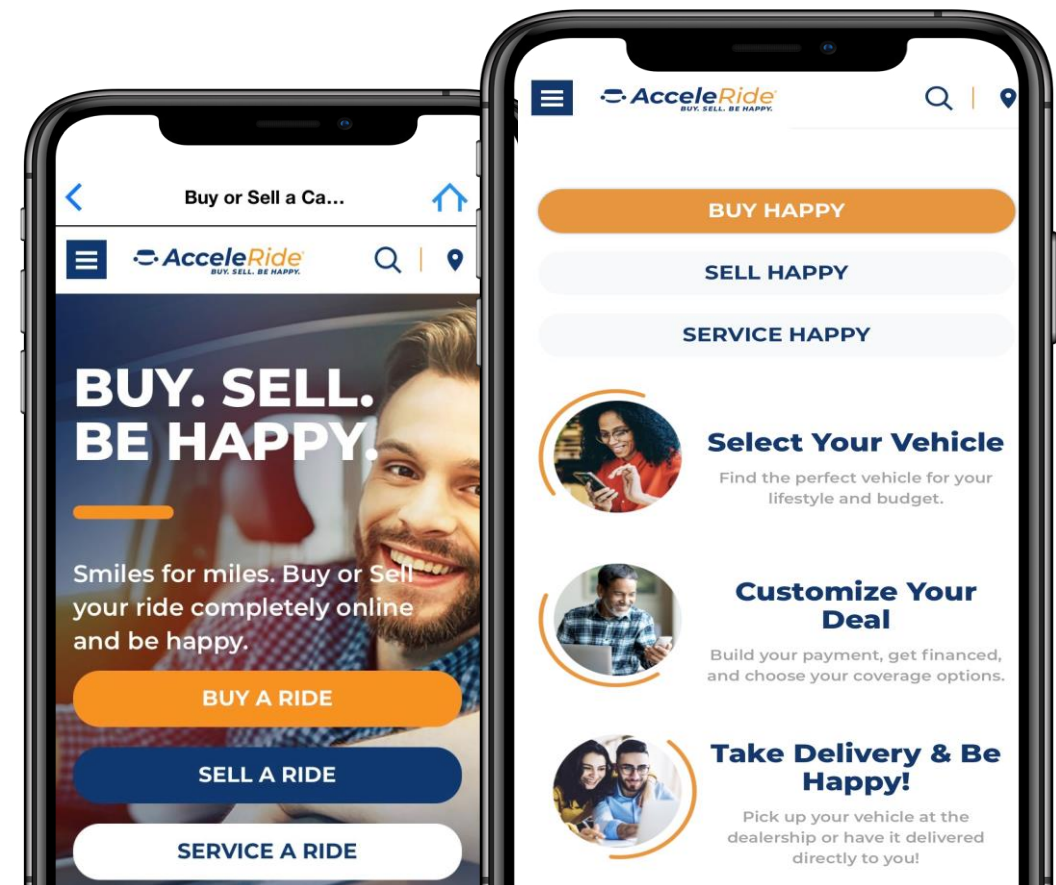
Payment available within one hour.

## Service A Ride

Intuitive online scheduling interface.

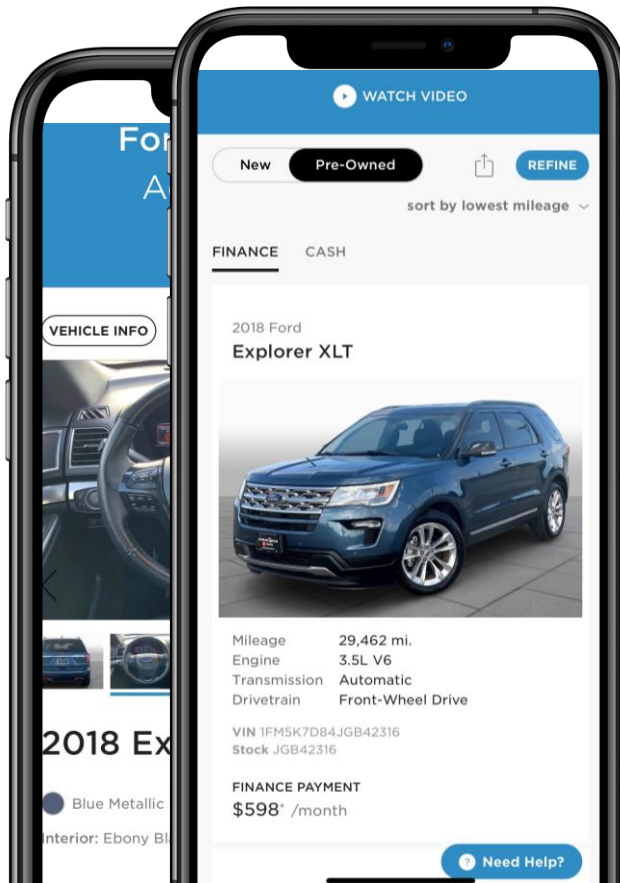
Select state & preferred dealership.

Collision center scheduling also available.



# AcceleRide® Enhancements

Group 1 Automotive's modern retailing software and process are second-to-none in the industry. We will continue to focus on enhancements that will create efficiencies and ease of use for both our customers and employees.



## Our latest innovations include:

Ability to build deals and take deposits on in-transit vehicles.

42 dealerships have integrated delivery fees with others going live in 1Q22.

Instant credit features implemented across all dealerships.

Zelle® enables real-time, electronic payment to customers selling their used vehicle through AcceleRide®.

Ability to reserve a vehicle or make down payments directly with a credit card.

Final stages of integration testing the data syncs between retailing software, CRM, and DMS; Projected to be live in all dealerships with ability to electronically push deal details and documents between those systems by 1Q22.

Heard on the Street:

**“Management believes their digital platform with in-store integration is the best-in-class omnichannel experience (we agree).”**

— Rajat Gupta, J.P. Morgan  
06.21.21 Research Note

J.P.Morgan  
21 June 2021  
North America Equity Research  
Group 1 Automotive (GPI US)  
Page: 2144-03  
18 Jun 2021  
Takeaways from Management Conference Call

We come away from our virtual fireside chat with GPI management with broader sector themes similar to our meetings with AN and ABG. Key sector reads include: 1) solid underlying demand for both new and used vehicles driven by a favorable macro backdrop in both US and UK; 2) new vehicle inventory continues to remain tight and is likely to remain so into 2022, potentially limiting volume growth in June Q2; 3) solid used pricing environment is bolstering new vehicle demand as a result of strong trade-in equity values; 4) used inventory levels are manageable and GPI sees little downside risk from a potential moderation in used vehicle prices in 2021 as well as little profitability impact from the vehicle used pricing environment intra-quarter given low days' supply and low auction volume; 5) used vehicle GPUs are likely to stabilize higher than pre-pandemic levels given GPI's internal actions and sourcing improvements (-10% from auction vs -20% pre-pandemic); and 6) opportunity to transition to structurally higher new vehicle GPUs as OEMs switch to lesser inventories. Moving to more GPI specific takeaways, management reiterated their target of ~100bps (vs. 2019 levels) sustained blended SG&A/GP reduction post normalization of GPUs and likely higher longer-term as digital retailing is widely adopted. On M&A, management noted that while strategic M&A driven growth remains the top priority, GPI is likely to remain disciplined on handle rates and pricing given current inflated industry exchange and multiples. On P&S, strong recovery continues into Q2 driven by customer pay and collision business, while warranty remains pressured amidst an ongoing parts supply shortage (similar to comments from ABG earlier in the week) with some potential headwinds from increasing labor rates as GPI ramps up technicians lining ahead of volume rebound (and also to develop EV P&S expertise). On omnichannel initiatives, management believes their digital platform with in-store integration is the best-in-class omnichannel experience (we agree) and remain bullish of advertising AcceleRide as a standalone brand in order to prevent cannibalizing the legacy store business. On EV impact of P&S, as highlighted by AN, management expects higher retention rates and higher cost repairs coupled with share gains from independent aftermarket service providers to offset (and potentially more than offset) P&S impact due to lower parts and maintenance work. Lastly, on ongoing DTC trends by legacy OEMs, GPI sees similar gross margin profiles as dealers continue to deliver vehicles, though management expects OEMs to continue to stick to the dealer model.

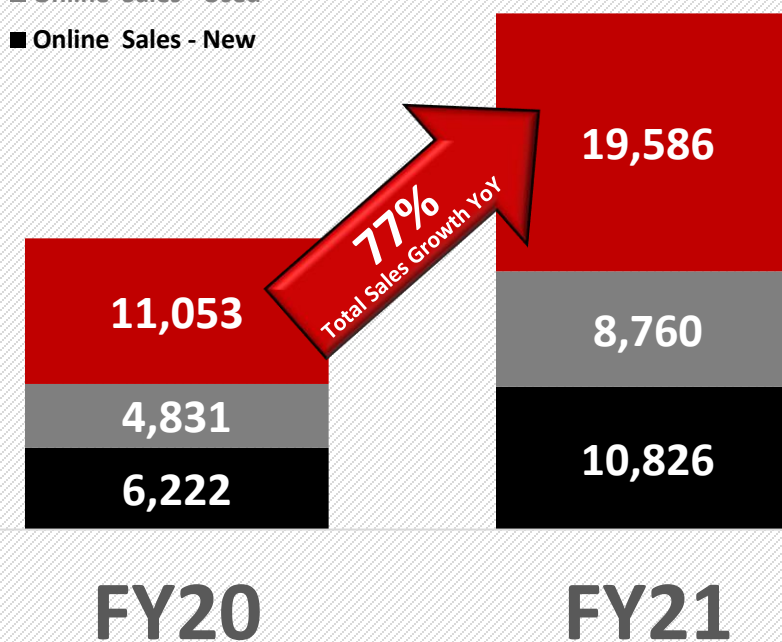
- Solid consumer demand trends partially offset by near-term inventory constraints: GPI sees robust and steady demand remaining resilient through Q2 with favorable vehicle demand backdrop likely to sustain into 2022 driven by improving consumer confidence coupled with solid consumer health. In addition, management also sees new vehicle demand bolstered by a strong used vehicle pricing environment as consumers benefit from higher trade-in equity (+80% new vehicles retail vs associated trade-in). However, new vehicle inventory continues to remain tight amidst production disruptions and as OEMs shutter factories due to semi-conductor chip shortages, GPI anticipates slight volume weakness into Q21 (though demand remains resilient) with some offsets likely to come from its high exposure towards Japanese brands (-1%, Toyota/Lexus, +9%, Honda, -1%, Nissan brand mix), which are better able to navigate through production constraints. On the flip side, GPI expects robust Q2 used vehicle performance and sees little inventory constraints despite a tight inventory market as its robust internal sourcing initiatives (including trade-in, off-lease, from rentals, and retail customer sourcing) help reduce reliance on public auctions (~10% of sourcing mix).
- Favorable UK trends likely to continue into 2022: Management noted a strong uptick in store traffic as stores opened mid-April (after ~3 months) with demand steady intra-quarter. We expect solid demand trends to continue into 2022 primarily driven by plenty of post-up demand amidst the pandemic coupled with prior uncertainty around Brexit, and as previously extended leases expire. On inventory, while management sees little near-term inventory constraints given OEMs had sufficient time to build out inventory amidst lockdown restrictions through 1Q21 and late Q20, inventory healthcheck are likely to rise in late 2021 and into 2022 as demand catches up.
- Elevated GPU strength likely to sustain in the near term with potential for structurally higher gross margins for both new and used: Management expects continued elevated GPU for the next few quarters and as used vehicle pricing eventually moderates from current record levels (Manheim Index at 203.6 in mid-June, up +36.4%.

# AcceleRide® Experience Highlights & Differentiators

- Cutting-edge, modern marketplace experience with intuitive filters that presents inventory options per customer’s selection. Similar new vehicles are automatically stacked by model, displaying only those that most fit customer criteria for ease of sorting.
- Consumers experience the same shopping interface when browsing new and/or used vehicle inventory, easily switching vehicles and seamlessly continuing the journey without starting over.
- Dynamic links shared by dealership that will adjust with inventory updates that are specific to their pre-defined criteria.
- Consistency with photo array & overall merchandising. Upfront transparency with all taxes & fees.
- Flexible checkout process; not limited to linear steps.
- Efficiencies for dealership staff with transparency of all steps consumer completed online, enabling smooth transition from online to in-person shopping without repeating steps.
- Collection of down payments / due-at-signing capabilities within the software.
- CDK acquisition of Roadster is already benefitting platform capabilities & automating data transfers. This will be a continual evolution.
- Auto responder emails that convert customers over to AcceleRide® from 3<sup>rd</sup> party websites, landing them into the experience with the same vehicle.

## FY21 vs FY20 AcceleRide® Sales (Units)

- Online Sales - Total
- Online Sales - Used
- Online Sales - New





# Used Vehicle Overview

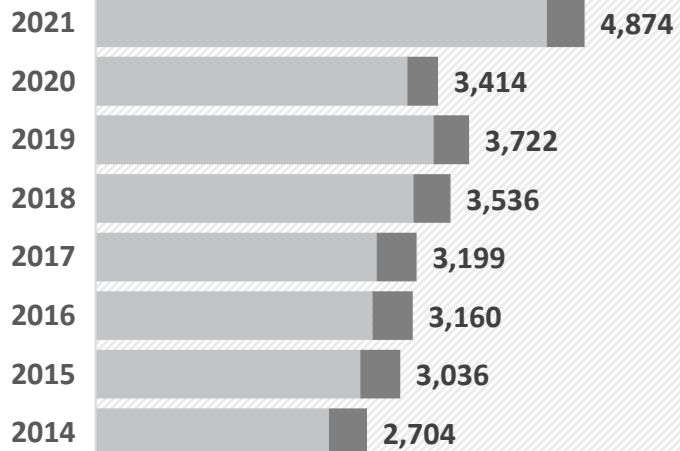
**GPI Outperforms the Used Vehicle Industry**  
 FY21 GPI U.S. Same Store Unit Sales: **+14.8% YoY**  
 FY21 U.S. Used Market Unit Sales: **+9.7% YoY**

## Total Used Vehicle Revenues (\$MM)\*

**+8.8%**

2014-2021  
CAGR

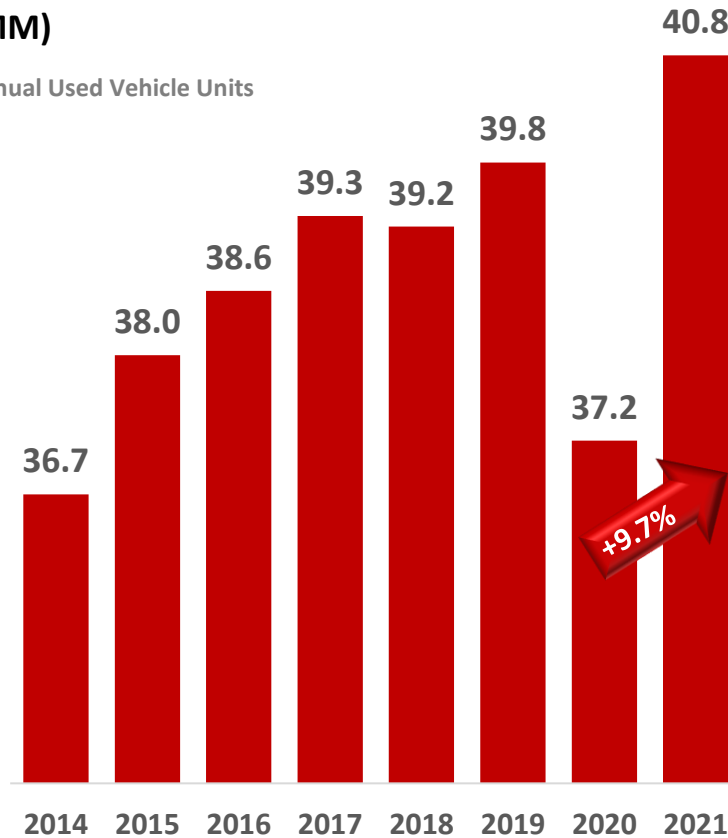
■ Retail ■ Wholesale



\*Includes Brazil discontinued operations.

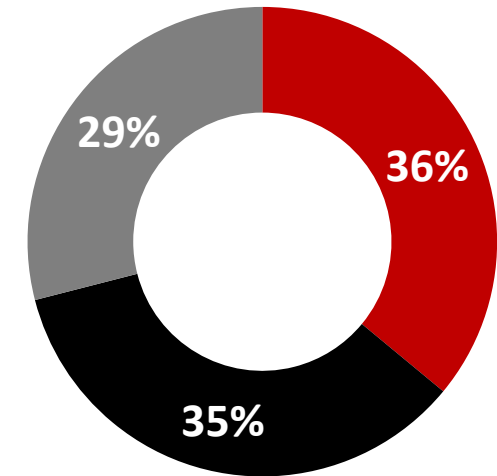
## U.S. Used Market Size<sup>1</sup> (MM)

Annual Used Vehicle Units



<sup>1</sup>Source: NADA-U.S. 2021 Used Vehicle Sales.

## U.S. Market Share<sup>1</sup>



■ New Vehicle Dealers  
 ■ Used Vehicle Dealers  
 ■ Private Party

\*May not add to 100% due to rounding.

# Finance & Insurance Overview

**4Q21 U.S. Same Store F&I GP PRU: +16.0% YoY**

**FY21 U.S. Same Store F&I GP PRU: +10.4% YoY**

## Improved F&I profitability via focus on compliance & growth includes:

Consolidation of lender base

Integration of compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers

Consistent growth in product penetration

Our F&I PRU has not been adversely impacted by the shift to online retailing

U.S. F&I Gross Profit Per Retail Unit (PRU)



## F&I Penetration Rates & Gross Profit PRU 2021

	2018	2019	2020	Total	U.S.	U.K.
<b>Finance</b>	64%	67%	68%	<b>67%</b>	<b>73%</b>	<b>47%</b>
<b>VSC</b>	31%	33%	35%	<b>36%</b>	<b>45%</b>	<b>4%</b>
<b>GAP</b>	28%	30%	30%	<b>29%</b>	<b>28%</b>	<b>33%</b>
<b>Maintenance</b>	11%	11%	11%	<b>12%</b>	<b>15%</b>	<b>-</b>
<b>Sealant</b>	25%	30%	31%	<b>36%</b>	<b>38%</b>	<b>28%</b>
<b>Gross Profit</b>	<b>\$1,468</b>	<b>\$1,562</b>	<b>\$1,701</b>	<b>\$1,888</b>	<b>\$2,155</b>	<b>\$878</b>

\*Includes Brazil discontinued operations.

# Group 1's Management Team



**Earl Hesterberg**

**President and Chief Executive Officer and Director**

**Joined GP1 April 2005**

**35+** Years Industry Experience  
Manufacturer and Automotive Retailing Experience



**Daryl Kenningham**

**President, U.S. and Brazilian Operations**

**Joined GP1 July 2011**

**35+** Years Industry Experience  
Manufacturer and Automotive Retailing Experience



**Daniel McHenry**

**Senior Vice President and Chief Financial Officer**

**Joined GP1 February 2007**

**15+** Years Industry Experience  
Public Accounting and Automotive Retailing Experience



**Pete DeLongchamps**

**Senior Vice President, Financial Services and Manufacturer Relations**

**Joined GP1 July 2004**

**35+** Years Industry Experience  
Manufacturer and Automotive Retailing Experience

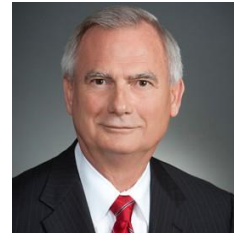


**Darryl Burman**

**Senior Vice President and General Counsel**

**Joined GP1 December 2006**

**25+** Years Industry Experience  
Automotive-related Experience



**Michael Jones**

**Senior Vice President, Aftersales**

**Joined GP1 April 2007**

**40+** Years Industry Experience  
Automotive-related Experience



**Edward McKissick**

**Senior Vice President, Chief Human Resources Officer & Chief Diversity Officer**

**Joined GP1 May 2021**

**30+** Years of HR Strategy Experience  
Manufacturer, Consumer Products, Technology, and Automotive Retailing Experience



**Frank Grese Jr.**

**Senior Vice President, Training, Operations Support and Employee Communications**

**Joined GP1 December 2004**

**40+** Years Industry Experience  
Manufacturer and Automotive Retailing Experience

# Group 1's Core Values

## Integrity

We conduct ourselves with the highest level of ethics both personally and professionally when we sell to and perform service for our customers without compromising our honesty.

## Transparency

We promote open and honest communication between each other and our customers.

## Professionalism

We set our standards high so that we can exceed expectations and strive for perfection in everything we do.

## Teamwork

We put the interest of the group first, before our individual interests, as we know that success only comes when we work together.

## Respect

We treat everyone, customers and colleagues alike, with dignity and equality.

# Conclusion

- Successful transformation of Company via largest single acquisition in company history, completion of \$2.5B in acquired revenues, and strategic divestiture of Brazil expected in 2Q22.
- Proven track record of consistent operational execution that has resulted in a strong earnings and cash flow trajectory.
- Flexibility of the business model has been proven over two recessions and a pandemic by never losing money on an operating basis in ANY quarter in the history of the company.
- State-of-the-Art digital retailing platform has grown significantly and allows for a much lower cost structure as it gains scale.
- Strong aftersales and used vehicle growth trajectory pre-pandemic.
- Concentration in the state of Texas is a tailwind based on strong population and business growth due to low taxes and regulation.
- Liquidity and leverage profile is very strong.
- Flexible & balanced capital allocation.



# Appendix & Reconciliations

# Non-GAAP Financial Measures, Same Store Data, and Other Data

In addition to evaluating the financial condition and results of our operations in accordance with U.S. GAAP, from time to time our management evaluates and analyzes results and any impact on the Company of strategic decisions and actions relating to, among other things, cost reduction, growth, profitability improvement initiatives, and other events outside of normal, or “core,” business and operations, by considering alternative financial measures not prepared in accordance with U.S. GAAP. In our evaluation of results from time to time, we exclude items that do not arise directly from core operations, such as non-cash asset impairment charges, out-of-period adjustments, legal matters, gains and losses on dealership franchise or real estate transactions, and catastrophic events, such as hailstorms, hurricanes, and snow storms. Because these non-core charges and gains materially affect the Company’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. This includes evaluating measures such as adjusted selling, general and administrative expenses, adjusted net income, adjusted diluted earnings per share, and constant currency. These adjusted measures are not measures of financial performance under U.S. GAAP, but are instead considered non-GAAP financial performance measures. Non-GAAP measures do not have definitions under U.S. 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 conjunction with a review of the most directly comparable measures calculated in accordance with U.S. GAAP. We caution investors not to place undue reliance on such non-GAAP measures, but also to consider them with the most directly comparable U.S. GAAP measures.

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. Our management also uses these adjusted measures in conjunction with U.S. GAAP financial measures to assess our business, including communication with our Board of Directors, investors, and industry analysts concerning financial performance. We disclose these non-GAAP measures, and the related reconciliations, because we believe 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. The exclusion of certain expenses in the calculation of non-GAAP financial measures should not be construed as an inference that these costs are unusual or infrequent. We anticipate excluding these expenses in the future presentation of our non-GAAP financial measures.

In addition, we evaluate our results of operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our underlying business and results of operations, consistent with how we evaluate our performance. We calculate constant currency percentages by converting our current period reported results for entities reporting in currencies other than U.S. dollars using comparative period exchange rates rather than the actual exchange rates in effect during the respective periods. The constant currency performance measures should not be considered a substitute for, or superior to, the measures of financial performance prepared in accordance with U.S. GAAP. The Same Store amounts presented include the results of dealerships for the identical months in each period presented in comparison, commencing with the first full month in which the dealership was owned by us and, in the case of dispositions, ending with the last full month it was owned by us. Same Store results also include the activities of our corporate headquarters.

Certain amounts in the financial statements may not compute due to rounding. All computations have been calculated using unrounded amounts for all periods presented.

# Cash Flow Summary

(unaudited, \$MM)

	2014	2015	2016	2017	2018	2019	2020	2021
Net Income	\$ 93	\$ 94	\$ 147	\$ 213	\$ 158	\$ 174	\$ 286	\$ 552
Depreciation Expense	42	47	51	58	67	72	76	79
Asset Impairments	42	88	33	20	44	22	38	79
Deferred Income Taxes	12	12	14	(46)	3	16	(1)	31
Stock-Based Compensation	16	19	21	19	19	19	32	28
Loss on Extinguishment of Debt	46	—	—	—	—	—	14	4
Change in Operating Lease Assets	—	—	—	—	—	28	24	25
Change in Working Capital	(51)	(114)	116	(70)	2	41	337	462
Other	(3)	(5)	2	2	(23)	(1)	—	(1)
<b>Operating Cash Flow (GAAP)</b>	<b>\$ 198</b>	<b>\$ 141</b>	<b>\$ 384</b>	<b>\$ 197</b>	<b>\$ 270</b>	<b>\$ 371</b>	<b>\$ 805</b>	<b>\$ 1,260</b>
Change in Floorplan notes payable — credit facilities and other, excluding floorplan offset account and net acquisitions and dispositions	6	100	(113)	89	62	(43)	(314)	(491)
Change in Floorplan notes payable — manufacturer affiliates associated with net acquisitions and dispositions and floorplan offset activity	3	3	—	(3)	(22)	4	12	(13)
<b>Adjusted Operating Cash Flow (Non-GAAP)</b>	<b>\$ 207</b>	<b>\$ 244</b>	<b>\$ 271</b>	<b>\$ 282</b>	<b>\$ 310</b>	<b>\$ 332</b>	<b>\$ 504</b>	<b>\$ 755</b>
Cap Ex	(98)	(107)	(101)	(98)	(110)	(95)	(77)	(100)
<b>Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$ 109</b>	<b>\$ 137</b>	<b>\$ 170</b>	<b>\$ 184</b>	<b>\$ 200</b>	<b>\$ 237</b>	<b>\$ 426</b>	<b>\$ 656</b>

\*Certain numbers may not compute due to rounding; includes Brazil discontinued operations.



# Reconciliation: Adjusted Total Earnings Per Share (Non-GAAP)

Reconciliation of Total Diluted Earnings (Loss) per Share (EPS)  
(unaudited, \$MM)

	2014	2015	2016	2017	2018	2019	2020	2021
As Reported EPS	\$3.60	\$3.90	\$6.67	\$10.08	\$7.83	\$9.34	\$15.51	\$30.11
After tax adjustments:								
Non-cash asset impairment charges	1.05	3.09	0.93	0.59	1.65	0.94	1.69	0.07
(Gain) loss on real estate and dealership transactions	(0.28)	(0.21)	(0.03)	0.03	(0.95)	(0.13)	(0.23)	(0.19)
Loss on extinguishment of long-term debt	1.50	—	—	—	—	—	0.58	—
Catastrophic Events	0.07	0.04	0.17	0.45	0.20	0.72	—	0.12
Severance Costs	0.03	0.02	0.05	0.01	—	—	0.10	—
Legal Matters	0.01	0.03	(0.33)	(0.03)	0.21	0.05	(0.12)	(0.23)
Acquisitions costs including related tax impact	0.01	—	0.02	0.01	—	—	—	0.57
Non-deductible goodwill	(0.13)	—	—	—	—	—	—	—
Allowance for uncertain tax positions	—	—	—	0.04	—	—	—	—
Foreign transaction tax	0.01	—	0.01	—	—	—	—	—
Foreign deferred income tax benefit	—	—	(0.07)	—	—	—	—	—
Tax Rate Changes	—	—	—	(3.45)	(0.03)	—	—	(0.10)
Out-of-period adjustments	—	—	—	—	—	—	0.53	—
Loss on interest rate swaps	—	—	—	—	—	—	—	0.20
Discontinued operations: debt redemption and non-cash CTA losses	—	—	—	—	—	—	—	4.48
<b>Adjusted Diluted EPS</b>	<b>\$ 5.87</b>	<b>\$ 6.87</b>	<b>\$ 7.42</b>	<b>\$ 7.73</b>	<b>\$ 8.91</b>	<b>\$ 10.93</b>	<b>\$ 18.06</b>	<b>\$ 35.02</b>

\*Includes Brazil discontinued operations.

# Reconciliation: Adjusted Operating Cash Flow

*(Unaudited, \$ in millions)*

	FY09	2Q20
<b>Operating Cash Flow (GAAP)</b>	<b>\$ 355</b>	<b>\$ 644</b>
Change in Floorplan notes payable — credit facilities and other, excluding floorplan offset account and net acquisitions and dispositions	(243)	(463)
Change in Floorplan notes payable — manufacturer affiliates associated with net acquisitions and dispositions and floorplan offset activity	5	4
<b>Adjusted Operating Cash Flow (Non-GAAP)</b>	<b>\$ 117</b>	<b>\$ 186</b>

\*Includes Brazil discontinued operations.

**Group 1 Automotive, Inc.**  
**Reconciliation of Certain Non-GAAP Financial Measures - Consolidated**  
(Unaudited)  
(In millions, except per share data)

**Three Months Ended December 31, 2021**

	U.S. GAAP	Loss on interest rate swaps	Dealership and real estate transactions	Acquisition costs	Legal matters	Non-GAAP adjusted
SG&A expenses	\$ 420.9	\$ —	\$ 3.3	\$ (9.1)	\$ 0.7	\$ 415.8
Income (loss) from operations	\$ 229.7	\$ —	\$ (3.3)	\$ 9.1	\$ (0.7)	\$ 234.8
Floorplan interest expense	\$ 7.2	\$ (3.4)	\$ —	\$ —	\$ —	\$ 3.8
Income (loss) before income taxes	\$ 206.5	\$ 3.4	\$ (3.3)	\$ 9.1	\$ (0.7)	\$ 215.0
Less: Provision (benefit) for income taxes	43.3	0.7	(0.8)	2.0	(0.2)	45.2
Net income (loss) from continuing operations	163.2	2.6	(2.6)	7.1	(0.5)	169.9
Less: Earnings (loss) allocated to participating securities	5.5	0.1	(0.1)	0.2	—	5.7
Net income (loss) from continuing operations available to diluted common shares	<u>\$ 157.7</u>	<u>\$ 2.5</u>	<u>\$ (2.5)</u>	<u>\$ 6.8</u>	<u>\$ (0.5)</u>	<u>\$ 164.1</u>
Diluted earnings (loss) per common share from continuing operations	\$ 9.06	\$ 0.15	\$ (0.14)	\$ 0.39	\$ (0.03)	\$ 9.43
Effective tax rate	21.0 %					21.0 %
SG&A as % gross profit <sup>(1)</sup>	62.7 %					61.9 %
Operating margin <sup>(2)</sup>	6.6 %					6.7 %
Pretax margin <sup>(3)</sup>	5.9 %					6.2 %
Same Store SG&A expenses	\$ 377.9	\$ —	\$ 2.1	\$ (9.1)	\$ 0.7	\$ 371.6
Same Store SG&A as % gross profit <sup>(1)</sup>	62.3 %					61.2 %
Same Store income (loss) from operations	\$ 210.4	\$ —	\$ (2.1)	\$ 9.1	\$ (0.7)	\$ 216.8
Same Store operating margin <sup>(2)</sup>	6.7 %					6.9 %
				U.S. GAAP	Non-GAAP adjustments	Non-GAAP adjusted
Net (loss) income from discontinued operations				\$ (76.1)	\$ 78.0	\$ 1.9
Less: (loss) earnings allocated to participating securities				(2.6)	2.6	0.1
Net (loss) income from discontinued operations available to diluted common shares				<u>\$ (73.5)</u>	<u>\$ 75.3</u>	<u>\$ 1.8</u>
Net income				\$ 87.1	\$ 84.6	\$ 171.7
Less: earnings allocated to participating securities				2.9	2.9	5.8
Net income available to diluted common shares				<u>\$ 84.2</u>	<u>\$ 81.8</u>	<u>\$ 165.9</u>
Diluted (loss) earnings per common share from discontinued operations				\$ (4.23)	\$ 4.34	\$ 0.10
Diluted earnings per common share from continuing operations				9.06	0.37	9.43
Diluted earnings per common share				<u>\$ 4.84</u>	<u>\$ 4.70</u>	<u>\$ 9.54</u>

<sup>(1)</sup> Adjusted SG&A as % of gross profit excludes the impact of SG&A reconciling items above.

<sup>(2)</sup> Adjusted operating margin excludes the impact of SG&A reconciling items above.

<sup>(3)</sup> Adjusted pretax margin excludes the impact of SG&A reconciling items above and a loss on interest rate swaps.

**Group 1 Automotive, Inc.**  
**Reconciliation of Certain Non-GAAP Financial Measures - Consolidated**

(Unaudited)

(In millions, except per share data)

	Three Months Ended December 31, 2020				
	U.S. GAAP	Dealership and real estate transactions	Legal matters	Asset impairments	Non-GAAP adjusted
SG&A expenses	\$ 290.4	\$ 5.3	\$ 2.7	\$ —	\$ 298.5
Asset impairments	\$ 13.9	\$ —	\$ —	\$ (13.9)	\$ —
Income (loss) from operations	\$ 148.1	\$ (5.3)	\$ (2.7)	\$ 13.9	\$ 153.9
Income (loss) before income taxes	\$ 126.2	\$ (5.3)	\$ (2.7)	\$ 13.9	\$ 132.1
Less: Provision (benefit) for income taxes	27.4	(1.1)	(0.6)	3.3	29.0
Net income (loss) from continuing operations	98.8	(4.2)	(2.1)	10.6	103.1
Less: Earnings (loss) allocated to participating securities	3.5	(0.1)	(0.1)	0.4	3.7
Net income (loss) from continuing operations available to diluted common shares	<u>\$ 95.3</u>	<u>\$ (4.0)</u>	<u>\$ (2.1)</u>	<u>\$ 10.2</u>	<u>\$ 99.4</u>
Diluted earnings (loss) per common share from continuing operations	\$ 5.36	\$ (0.23)	\$ (0.12)	\$ 0.58	\$ 5.59
Effective tax rate	21.7 %				22.0 %
SG&A as % gross profit <sup>(1)</sup>	61.6 %				63.4 %
Operating margin <sup>(2)</sup>	5.1 %				5.3 %
Pretax margin <sup>(3)</sup>	4.3 %				4.5 %
Same Store SG&A expenses	\$ 290.2	\$ —	\$ 2.7	\$ —	\$ 292.9
Same Store SG&A as % gross profit <sup>(1)</sup>	62.5 %				63.1 %
Same Store income (loss) from operations	\$ 146.6	\$ —	\$ (2.7)	\$ 9.1	\$ 153.0
Same Store operating margin <sup>(2)</sup>	5.1 %				5.3 %
			U.S. GAAP	Non-GAAP adjustments	Non-GAAP adjusted
Net income from discontinued operations			\$ 1.3	\$ —	\$ 1.3
Less: earnings allocated to participating securities			—	—	—
Net income from discontinued operations available to diluted common shares			<u>\$ 1.2</u>	<u>\$ —</u>	<u>\$ 1.2</u>
Net income			\$ 100.1	\$ 4.3	\$ 104.4
Less: earnings allocated to participating securities			3.6	0.2	3.7
Net income available to diluted common shares			<u>\$ 96.5</u>	<u>\$ 4.1</u>	<u>\$ 100.7</u>
Diluted earnings per common share from discontinued operations			\$ 0.07	\$ —	\$ 0.07
Diluted earnings per common share from continuing operations			5.36	0.23	5.59
Diluted earnings per common share			<u>\$ 5.43</u>	<u>\$ 0.23</u>	<u>\$ 5.66</u>

<sup>(1)</sup> Adjusted SG&A as % of gross profit excludes the impact of SG&A reconciling items above.

<sup>(2)</sup> Adjusted operating margin excludes the impact of SG&A reconciling items above and asset impairment charges.

<sup>(3)</sup> Adjusted pretax margin excludes the impact of SG&A reconciling items above and asset impairment charges.

**Group 1 Automotive, Inc.**  
**Reconciliation of Certain Non-GAAP Financial Measures - Consolidated**  
(Unaudited)  
(In millions, except per share data)

	Year Ended December 31, 2021								
	U.S. GAAP	Loss on interest rate swaps	Catastrophic events	Dealership and real estate transactions	Acquisition costs	Legal matters	Asset impairments	Tax rate changes	Non-GAAP adjusted
SG&A expenses	\$ 1,477.2	\$ —	\$ (2.8)	\$ 4.4	\$ (13.4)	\$ 5.3	\$ —	\$ —	\$ 1,470.7
Asset impairments	\$ 1.7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (1.7)	\$ —	\$ —
Income (loss) from operations	\$ 884.4	\$ —	\$ 2.8	\$ (4.4)	\$ 13.4	\$ (5.3)	\$ 1.7	\$ —	\$ 892.6
Floorplan interest expense	\$ 27.6	\$ (4.8)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22.9
Income (loss) before income taxes	\$ 800.9	\$ 4.8	\$ 2.8	\$ (4.4)	\$ 13.4	\$ (5.3)	\$ 1.7	\$ —	\$ 813.9
Less: Provision (benefit) for income taxes	175.5	1.1	0.6	(1.0)	3.0	(1.2)	0.4	1.9	180.3
Net income (loss) from continuing operations	625.4	3.7	2.2	(3.4)	10.5	(4.2)	1.3	(1.9)	633.7
Less: Earnings (loss) allocated to participating securities	21.0	0.1	0.1	(0.1)	0.4	(0.1)	—	(0.1)	21.3
Net income (loss) from continuing operations available to diluted common shares	<u>\$ 604.4</u>	<u>\$ 3.6</u>	<u>\$ 2.1</u>	<u>\$ (3.3)</u>	<u>\$ 10.1</u>	<u>\$ (4.0)</u>	<u>\$ 1.3</u>	<u>\$ (1.8)</u>	<u>\$ 612.4</u>
Diluted earnings (loss) per common share from continuing operations	\$ 34.11	\$ 0.20	\$ 0.12	\$ (0.19)	\$ 0.57	\$ (0.23)	\$ 0.07	\$ (0.10)	\$ 34.55
Effective tax rate	21.9 %								22.1 %
SG&A as % gross profit <sup>(1)</sup>	60.5 %								60.3 %
Operating margin <sup>(2)</sup>	6.6 %								6.6 %
Pretax margin <sup>(3)</sup>	5.9 %								6.0 %
Same Store SG&A expenses	\$ 1,415.9	\$ —	\$ (2.8)	\$ 2.1	\$ (13.4)	\$ 5.3	\$ —	\$ —	\$ 1,407.1
Same Store SG&A as % gross profit <sup>(1)</sup>	60.2 %								59.9 %
Same Store income (loss) from operations	\$ 858.0	\$ —	\$ 2.8	\$ (2.1)	\$ 13.4	\$ (5.3)	\$ 1.7	\$ —	\$ 868.5
Same Store operating margin <sup>(2)</sup>	6.6 %								6.7 %
					<u>U.S. GAAP</u>	<u>Non-GAAP adjustments</u>			<u>Non-GAAP adjusted</u>
Net (loss) income from discontinued operations					\$ (73.3)	\$ 81.8			\$ 8.5
Less: (loss) earnings allocated to participating securities					(2.5)	2.8			0.3
Net (loss) income from discontinued operations available to diluted common shares					<u>\$ (70.9)</u>	<u>\$ 79.1</u>			<u>\$ 8.2</u>
Net income					\$ 552.1	\$ 90.0			\$ 642.1
Less: earnings allocated to participating securities					18.5	3.0			21.6
Net income available to diluted common shares					<u>\$ 533.6</u>	<u>\$ 87.0</u>			<u>\$ 620.6</u>
Diluted (loss) earnings per common share from discontinued operations					\$ (4.00)	\$ 4.47			\$ 0.46
Diluted earnings per common share from continuing operations					34.11	0.45			34.55
Diluted earnings per common share					<u>\$ 30.11</u>	<u>\$ 4.91</u>			<u>\$ 35.02</u>

<sup>(1)</sup> Adjusted SG&A as % of gross profit excludes the impact of SG&A reconciling items above.

<sup>(2)</sup> Adjusted operating margin excludes the impact of SG&A reconciling items above and asset impairment charges.

<sup>(3)</sup> Adjusted pretax margin excludes the impact of SG&A reconciling items above, asset impairment charges and a loss on interest rate swaps.

**Group 1 Automotive, Inc.**  
**Reconciliation of Certain Non-GAAP Financial Measures - Consolidated**  
(Unaudited)  
(In millions, except per share data)

Year Ended December 31, 2020

	U.S. GAAP	Dealership and real estate transactions	Severance costs	Legal matters	Out-of-period adjustment	Asset impairments	Loss on extinguishment of debt	Non-GAAP adjusted
SG&A expenses	\$ 1,138.2	\$ 5.3	\$ (1.2)	\$ 2.7	\$ (10.6)	\$ —	\$ —	\$ 1,134.5
Asset impairments	\$ 26.7	\$ —	\$ —	\$ —	\$ —	\$ (26.7)	\$ —	\$ —
Income (loss) from operations	\$ 495.7	\$ (5.3)	\$ 1.2	\$ (2.7)	\$ 10.6	\$ 26.7	\$ —	\$ 526.1
Loss on extinguishment of debt	\$ 13.7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (13.7)	\$ —
Income (loss) before income taxes	\$ 380.8	\$ (5.3)	\$ 1.2	\$ (2.7)	\$ 10.6	\$ 26.7	\$ 13.7	\$ 424.9
Less: Provision (benefit) for income taxes	84.2	(1.1)	0.2	(0.6)	0.8	5.5	3.0	92.0
Net income (loss) from continuing operations	296.7	(4.2)	1.0	(2.1)	9.7	21.2	10.7	333.0
Less: Earnings (loss) allocated to participating securities	10.6	(0.2)	—	(0.1)	0.3	0.8	0.4	11.9
Net income (loss) from continuing operations available to diluted common shares	\$ 286.0	\$ (4.0)	\$ 1.0	\$ (2.1)	\$ 9.4	\$ 20.4	\$ 10.3	\$ 321.0
Diluted earnings (loss) per common share from continuing operations	\$ 16.06	\$ (0.23)	\$ 0.05	\$ (0.12)	\$ 0.53	\$ 1.15	\$ 0.58	\$ 18.03
Effective tax rate	22.1 %							21.6 %
SG&A as % gross profit <sup>(1)</sup>	65.6 %							65.4 %
Operating margin <sup>(2)</sup>	4.7 %							5.0 %
Pretax margin <sup>(3)</sup>	3.6 %							4.0 %
Same Store SG&A expenses	\$ 1,123.3	\$ —	\$ (1.2)	\$ 2.7	\$ (10.6)	\$ —	\$ —	\$ 1,114.2
Same Store SG&A as % gross profit <sup>(1)</sup>	65.7 %							65.1 %
Same Store income (loss) from operations	\$ 493.8	\$ —	\$ 1.2	\$ (2.7)	\$ 10.6	\$ 21.9	\$ —	\$ 524.7
Same Store operating margin <sup>(2)</sup>	4.7 %							5.0 %
Net (loss) income from discontinued operations	\$ (10.2)					\$ 10.8		\$ 0.6
Less: (loss) earnings allocated to participating securities	(0.4)					0.4		—
Net (loss) income from discontinued operations available to diluted common shares	\$ (9.8)					\$ 10.4		\$ 0.6
Net income	\$ 286.5					\$ 47.1		\$ 333.5
Less: earnings allocated to participating securities	10.3					1.7		12.0
Net income available to diluted common shares	\$ 276.2					\$ 45.4		\$ 321.6
Diluted (loss) earnings per common share from discontinued operations	\$ (0.55)					\$ 0.58		\$ 0.03
Diluted earnings per common share from continuing operations	16.06					1.97		18.03
Diluted earnings per common share	\$ 15.51					\$ 2.55		\$ 18.06

<sup>(1)</sup> Adjusted SG&A as % of gross profit excludes the impact of SG&A reconciling items above.

<sup>(2)</sup> Adjusted operating margin excludes the impact of SG&A reconciling items above and asset impairment charges.

<sup>(3)</sup> Adjusted pretax margin excludes the impact of SG&A reconciling items above, asset impairment charges and a loss on extinguishment of debt.





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