GROUP 1 AUTOMOTIVE®

2019 First Quarter
Financial Results & Overview

April 25, 2019

GPI
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NYSE

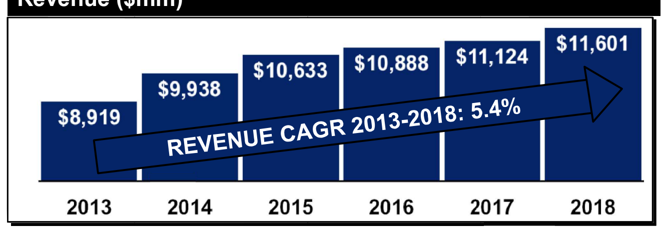
Forward Looking Statement

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. 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. In this context, the forward-looking statements often include statements regarding our goals, plans, projections and guidance regarding our financial position, results of operations, market position, pending and potential future acquisitions and business strategy, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," "foresee," "may" or "will" and similar expressions. 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) general economic and business conditions, (b) the level of manufacturer incentives, (c) the future regulatory environment, (d) our ability to obtain an inventory of desirable new and used vehicles, (e) our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions, (f) our cost of financing and the availability of credit for consumers, (g) our ability to complete acquisitions and dispositions and the risks associated therewith, (h) foreign exchange controls and currency fluctuations, and (i) our ability to retain key personnel. For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to this presentation. These non-GAAP measures should not be considered an alternative to GAAP financial measures. 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.

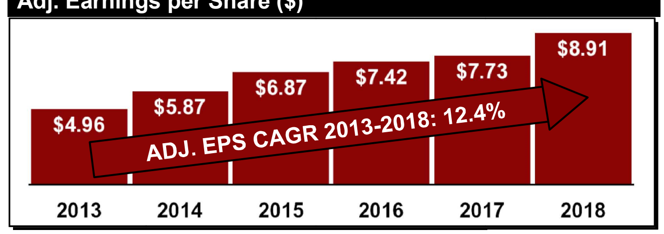
What Sets Group 1 Apart?

- **International, Fortune 500 company with Market Cap of ~ $1.2 Billion (period ended March 31, 2019)**
- **Strong earnings and free cash flow trajectory**
- **Committed senior management team with +230 years of automotive retailing and OEM experience**
- **Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner**
- **Well positioned for growth**

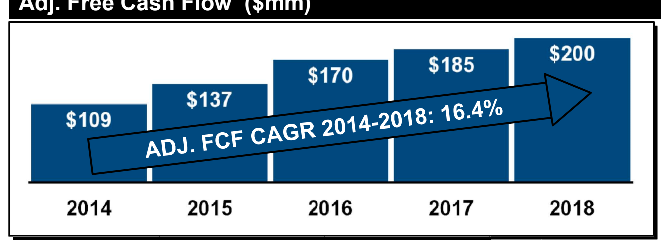
Revenue ($mm)



Adj. Earnings per Share ($)



Adj. Free Cash Flow ($mm)

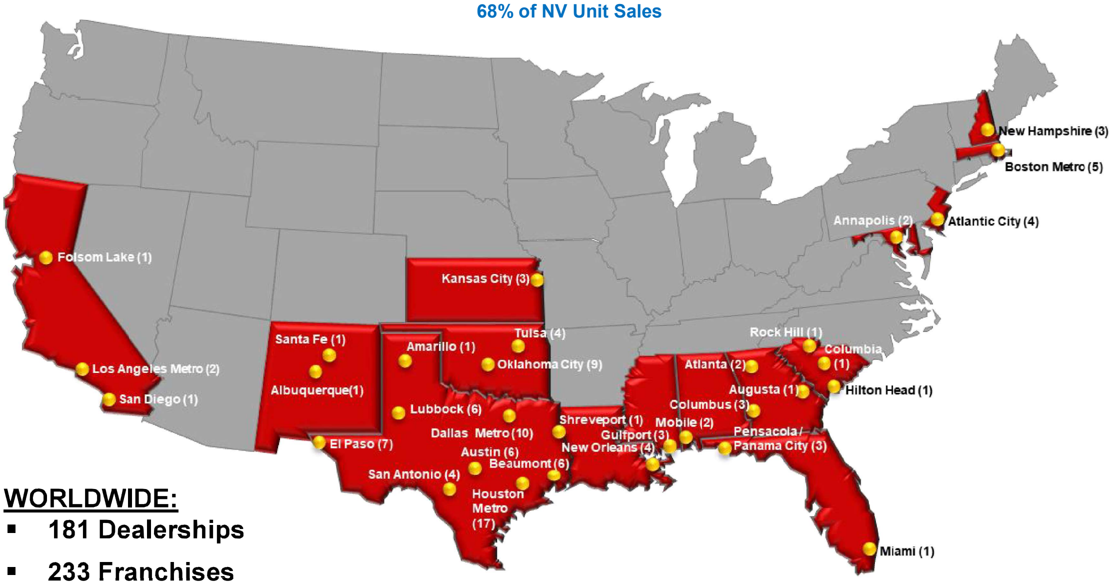


Geographic Footprint

UNITED STATES – 15 States

116 Dealerships

68% of NV Unit Sales



U.K.
England:
- 47 Dealerships
- 27% of NV Unit Sales

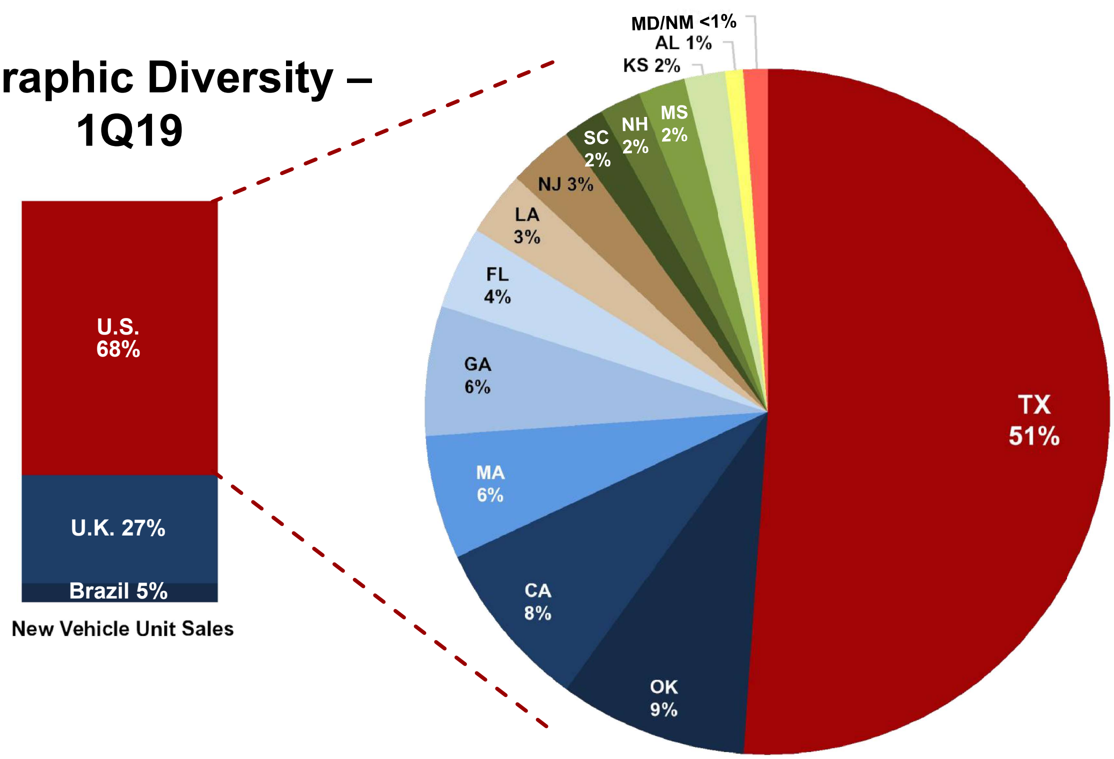
BRAZIL
Mato Grosso do Sul, Paraná, São Paulo, and Santa Catarina
- 18 Dealerships
- 5% of NV Unit Sales

WORLDWIDE:
- 181 Dealerships
- 233 Franchises
- 47 Collision Centers
- 30 Brands

*As of April 25, 2019

Geographic Diversity

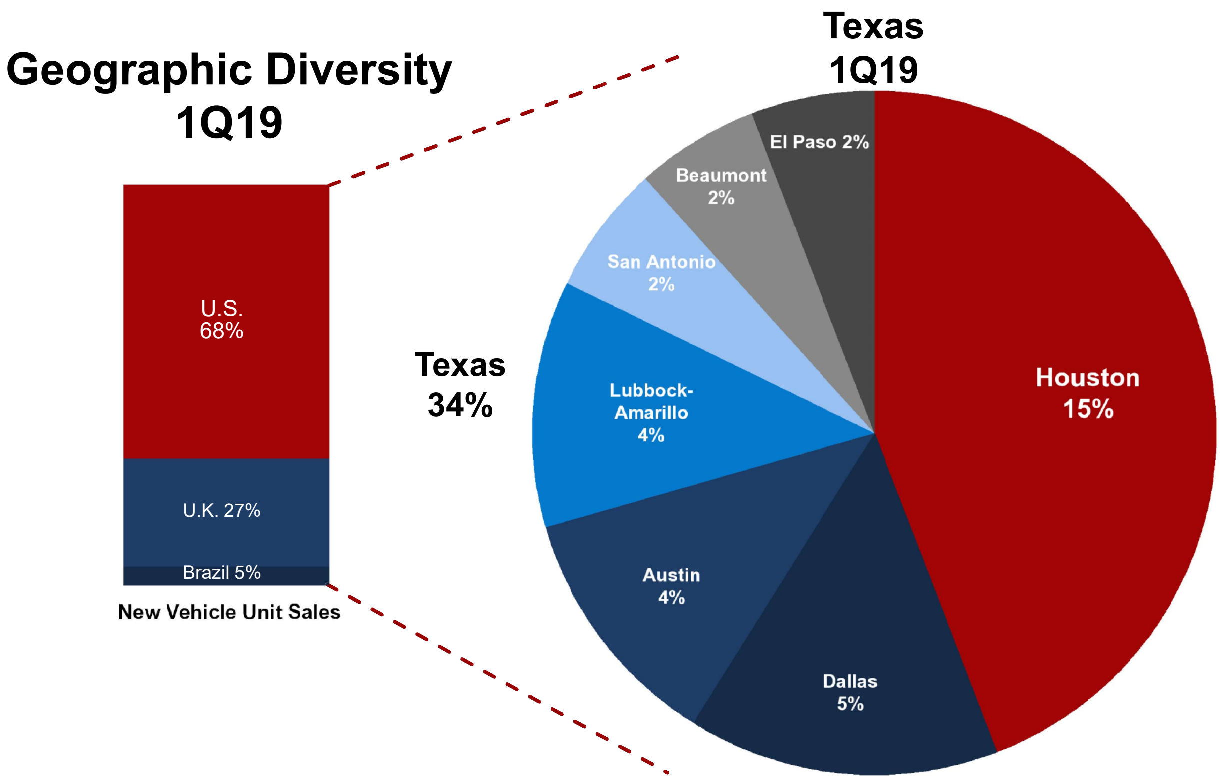
Geographic Diversity – 1Q19



United States – 1Q19*

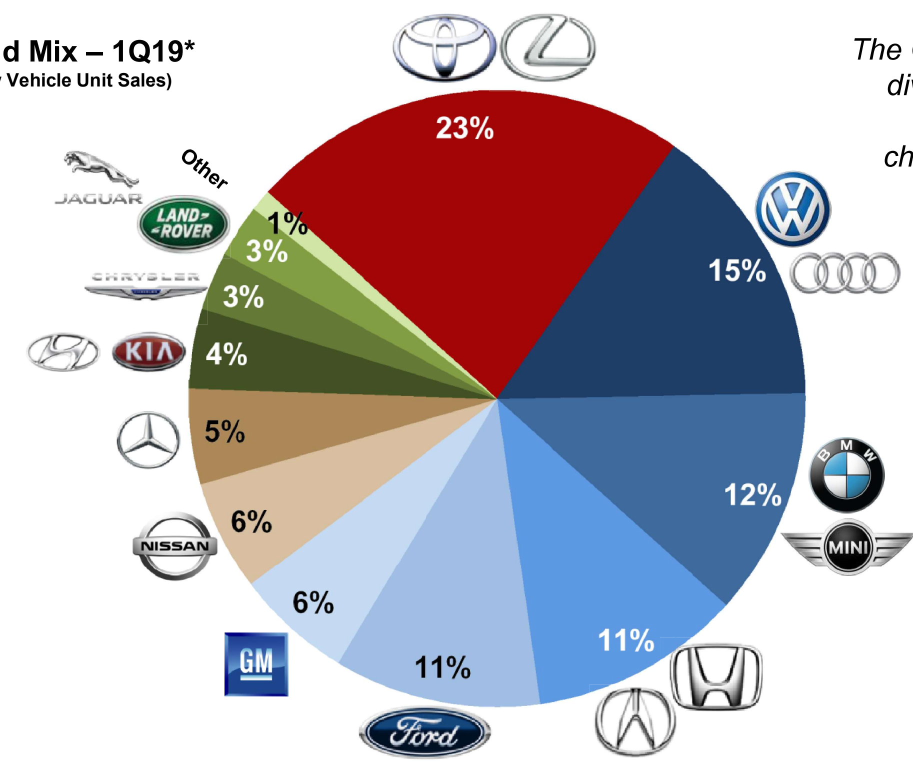
*May not add to 100% due to rounding.

Geographic Diversity – Texas



Well-Balanced Brand Portfolio

Brand Mix – 1Q19*
(New Vehicle Unit Sales)

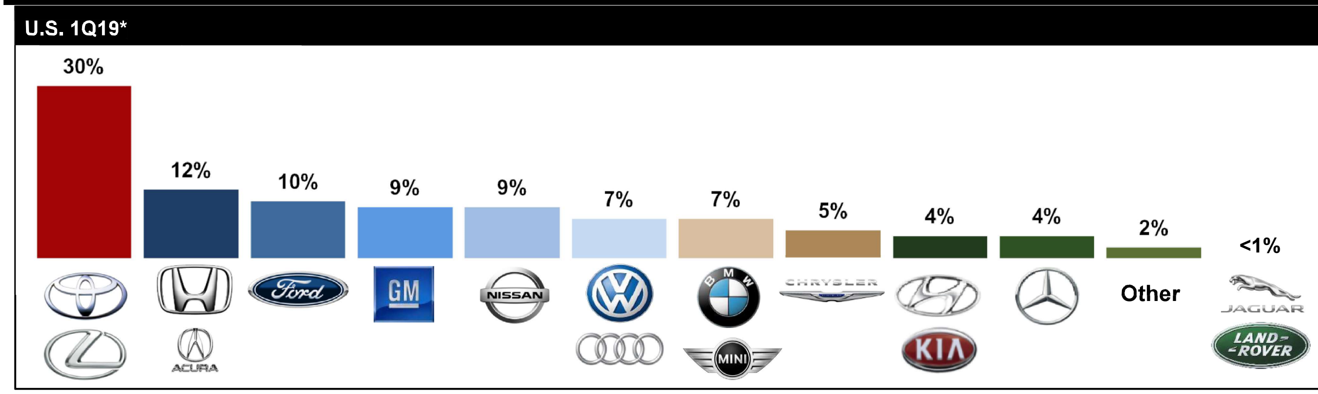


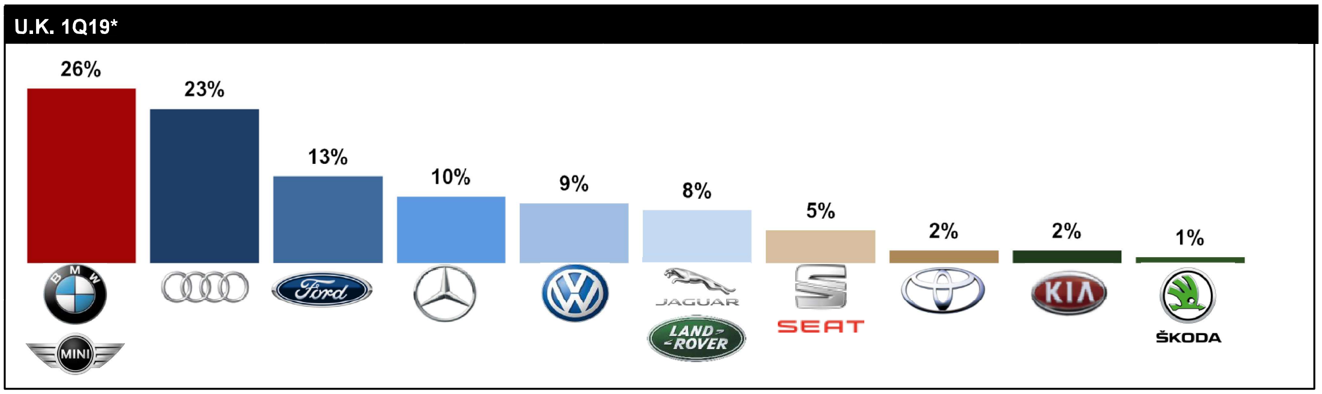
The Company's brand diversity allows it to reduce the risk of changing consumer preferences

*May not add to 100% due to rounding.

U.S. & U.K. New Vehicle Brand Mix

GP1

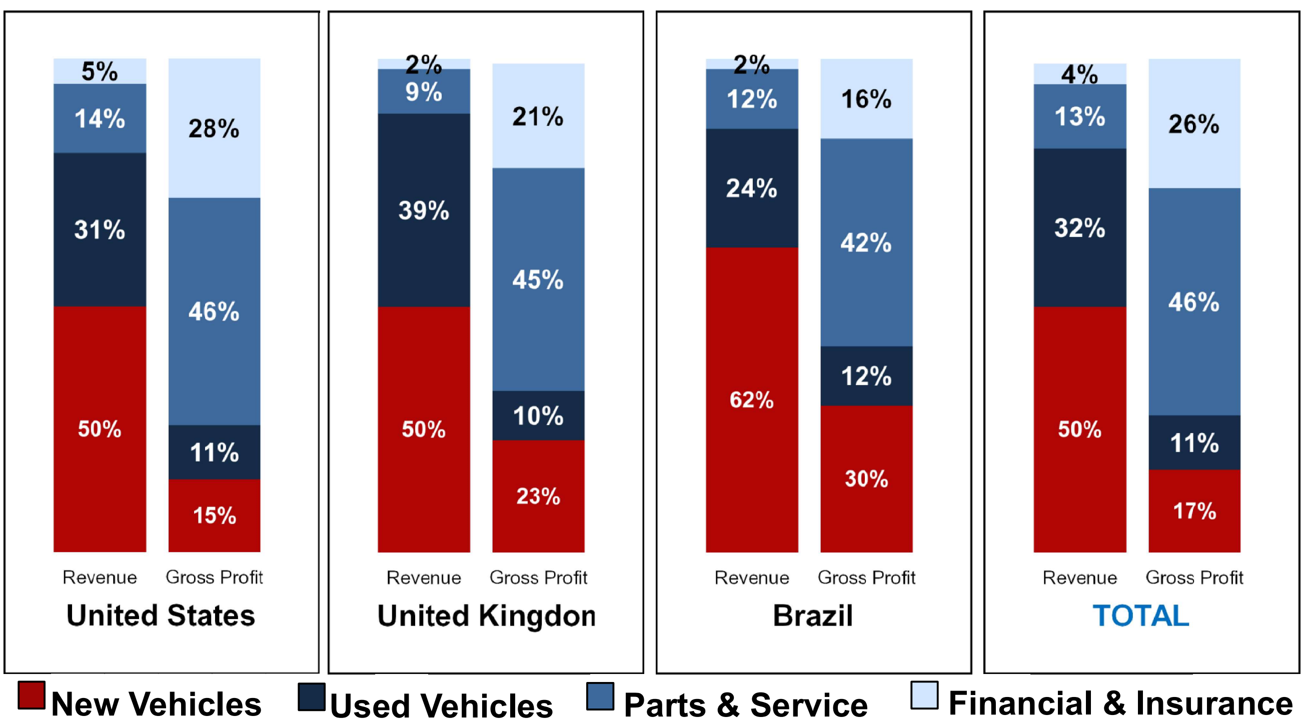




*May not add to 100% due to rounding.

Business Mix Comp – 1Q19 *

GP1



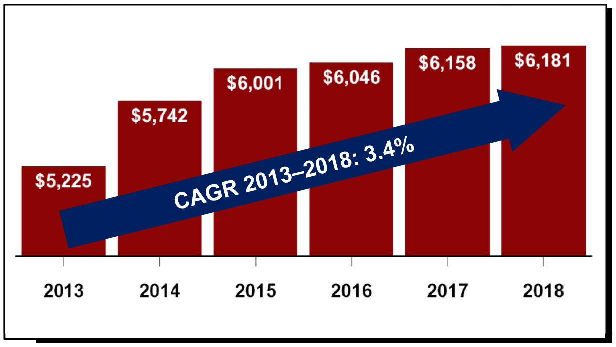
Total Company Parts & Service Gross Profit Covers 90-95% of Total Company Fixed Costs and Parts & Service Selling Expenses

*May not add to 100% due to rounding.

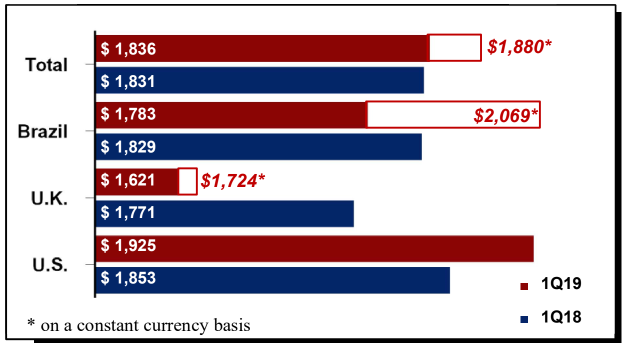
New Vehicles Overview

GP1

New Vehicle Revenue ($mm)



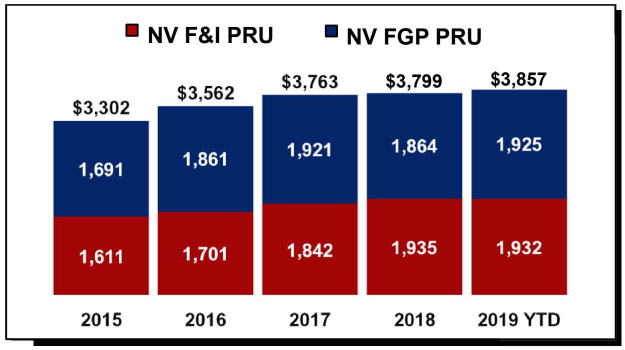
New Vehicle Gross Profit per Unit ($)



* on a constant currency basis

Total U.S. New Vehicle Profitability ($)

- On pace to grow total new vehicle gross profit PRU for the 5th consecutive year
- Continued focus on F&I processes and economies of scale
- Inventory stocking and volume bonus program discipline key to maintaining front gross profit PRU

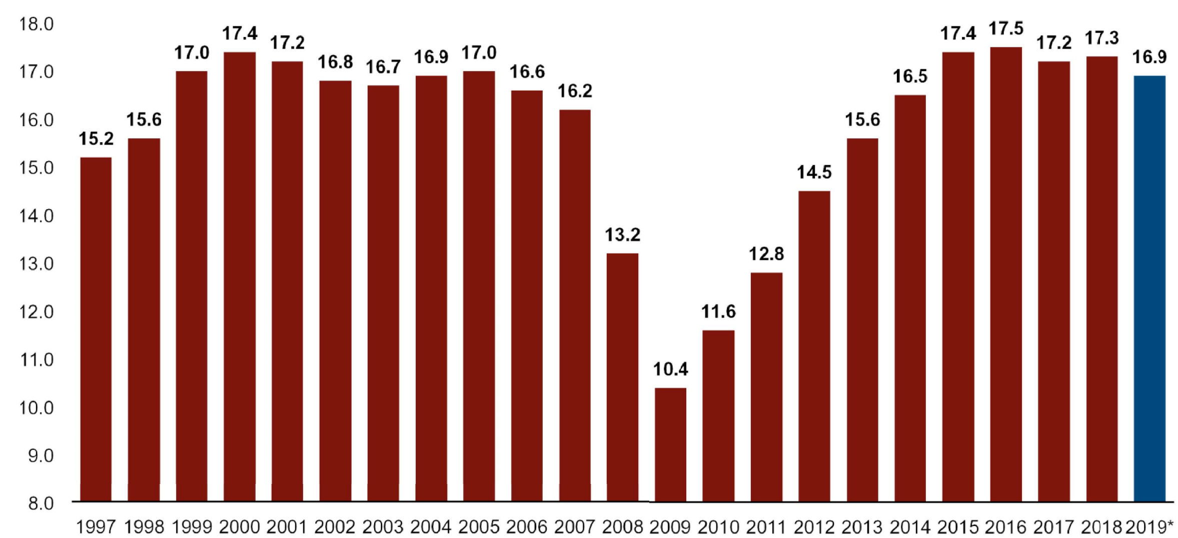


U.S. SAAR Outlook

GP1

United States

(New Vehicle Unit Sales, in millions)

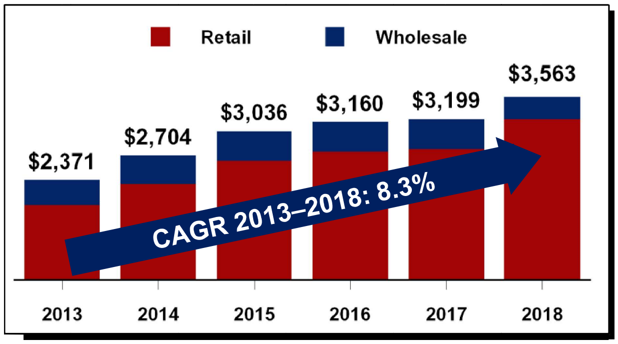


Source: LMC Automotive – U.S. New Vehicle Unit Sales Actuals
*LMC Automotive's FY19 SAAR forecast

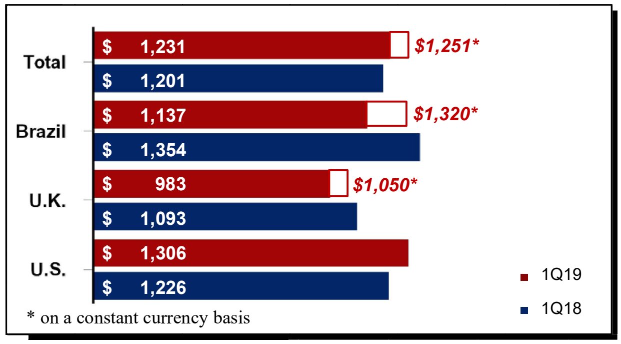
Used Vehicle Overview

GP1

Used Vehicle Revenue ($mm)



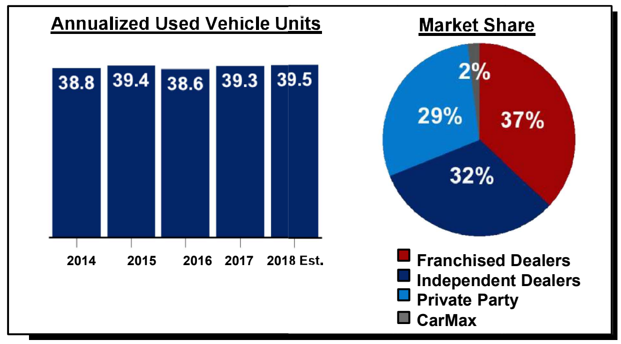
Retail Used Vehicle Gross Profit per Unit



1Q19 Val-u-Line Results

- > 11% of retail unit sales were Val-u-Line vs a 5% historical average
- Drove $1.6 million incremental gross profit
- 7% Same Store increase in used vehicle retail units; 25% decrease in wholesale units
- Shift from wholesale to retail channels drove a 13% increase in same store total used gross profit

Used Market Size (in millions)[1] & Market Share[2]

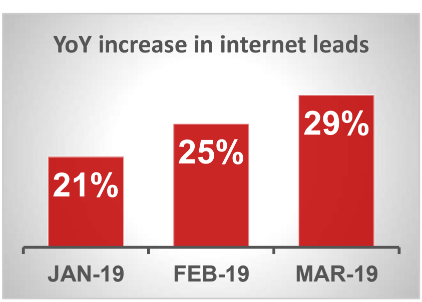


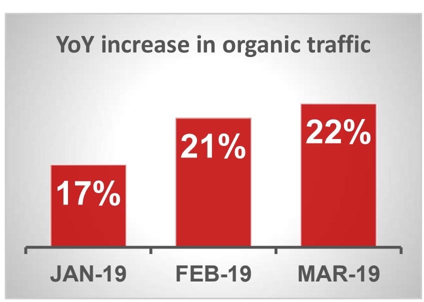
[1] Source: Cox Automotive 2018 Used Car Market Report & Outlook.
[2] Source: WardsAuto Group "U.S. Market Used Vehicle Sales" Report, 2015.

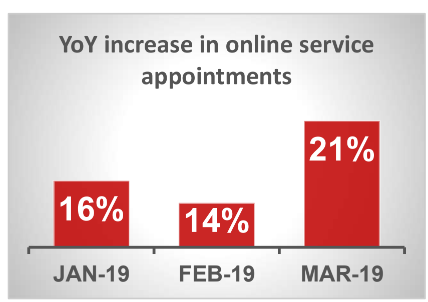
Strategic Initiatives: Online Retailing

GP1

- Online retailing initiative implemented across 47 dealerships at the end of Q1; on-track to install digital retailing at all US stores before end of Q2
- Focus on increasing internet leads and organic traffic is yielding positive results
- Online scheduling of service appointments is being well accepted by customers – 25% of all appointments scheduled online in Q1
- Increased emphasis on having industry leading ratings on Google and Facebook to become dealer of choice in terms of car buying and service experience



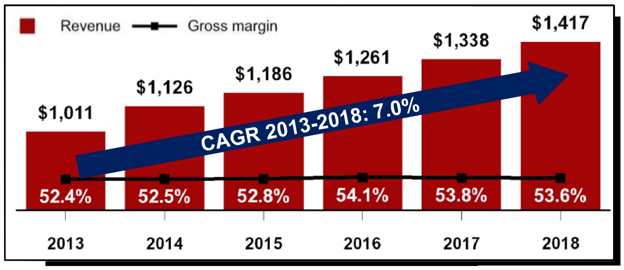




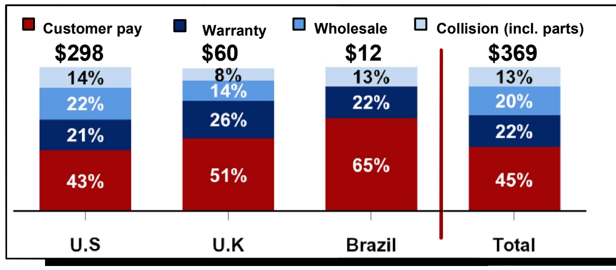
Parts & Service Overview

GP1

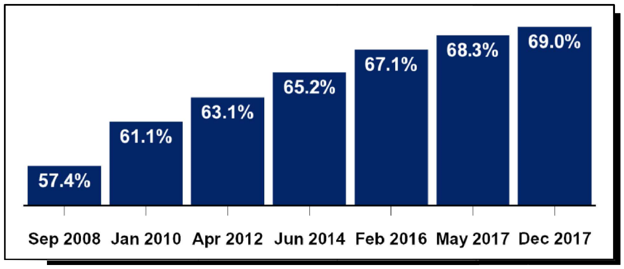
P&S Revenue and Gross Margin ($mm)



4Q18 P&S Revenue* ($mm)



Service Retention Trend



Same Store Revenue Growth#

	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Customer Pay	4.3%	3.5%	3.5%	6.7%	6.2%	7.1%
Warranty	8.4%	0.4%	(3.6)%	(3.0)%	0.9%	16.2%
Wholesale	9.9%	9.9%	4.5%	2.6%	5.0%	3.9%
Collision	5.5%	(1.8)%	2.6%	0.2%	(5.5)%	2.8%
% Growth	6.5%	3.3%	2.0%	2.9%	3.2%	7.7%

In constant currency, as reported

- Parts & service segment provides a stable base of free cash flow through economic cycles
- Using Customer Management Software (CMS) and technology to improve efficiencies and closing rates
- Enhancing customer touch points to improve retention / attacking points of defection
- Strategic emphasis on customer service is driving growth above sector average in this important segment
- Focused on adding human capacity through decreased employee turnover by implementing a 4 day work week for service departments
- **The Company's U.S. year-over-year same store service advisor + technician headcount has grown a total of +14% as of 3/31/2019**

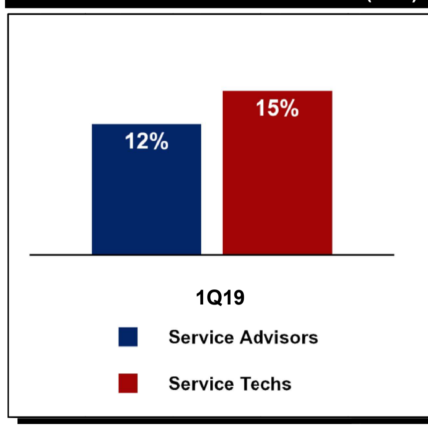
*May not add to 100% due to rounding

Strategic Initiatives: Aftersales

GP1

- **Adjustment of service personnel compensation structure as follows to address employee turnover, customer satisfaction, and to add capacity via expanded hours:**
  - ➢ Increase to fixed component of service advisor pay
  - ➢ Creation of well-defined career path for advancement
  - ➢ Launch of new, flexible work schedule featuring substantially more days off over the calendar year
  - ➢ Implementation of an in-house Service Advisor University dedicated to training the Company's approximately 1,000 U.S. customer service personnel
  - ➢ Implementation of an in-house Service Manager University

U.S. Same Store Headcount Growth (YoY)



- **A four-day, flexible work schedule was fully implemented across ~ 60 U.S. stores throughout 1Q19**
- **Approximately 15 additional stores are scheduled for implementation in 2019; 85% of service revenues will be covered after completion**
- **Employee retention rates have improved considerably**

New Technology Business Impact

GP1

- **Powertrains are constantly changing to meet CAFÉ requirements and stricter emission requirements.**
- **Consumers have a wide variety of powertrains to choose from: Internal Combustion (ICE), Hybrid (ICE/EV), Plug-in Hybrid (PHEV), Electric (EV) and 48v Micro-Hybrids.**
- **What do those changes mean to our service departments?**
  - According to Edmunds.com, the 5-year maintenance cost of a 2017 Nissan Leaf is $2,865; and the 5-year maintenance cost of a 2017 Toyota Camry is $3,094, 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 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.

2017 Nissan Leaf

5-year maintenance cost estimate: $2,865

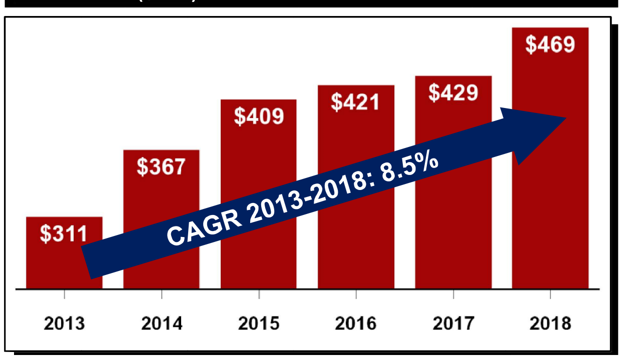
2017 Toyota Camry

5-year maintenance cost estimate: $3,094

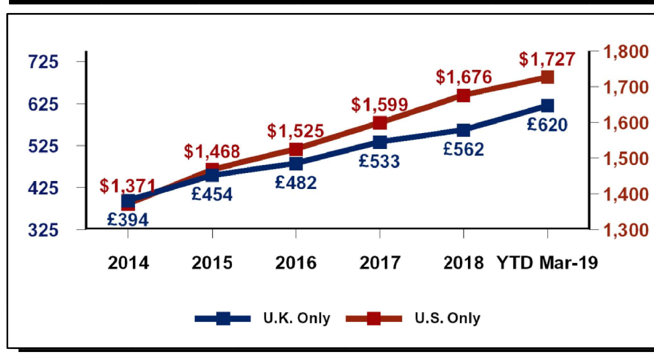
Finance & Insurance Overview

GP1

F&I revenue ($mm)



F&I gross profit per retail unit



F&I profitability growth accomplished via focus on people and processes:

- **Consolidation of lender base**
- **Consumer financing at pre-recession levels and full credit spectrum available**
- **Integration of compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers**
- **Val-u-Line impacting PRU, but delivering incremental gross profit dollars**

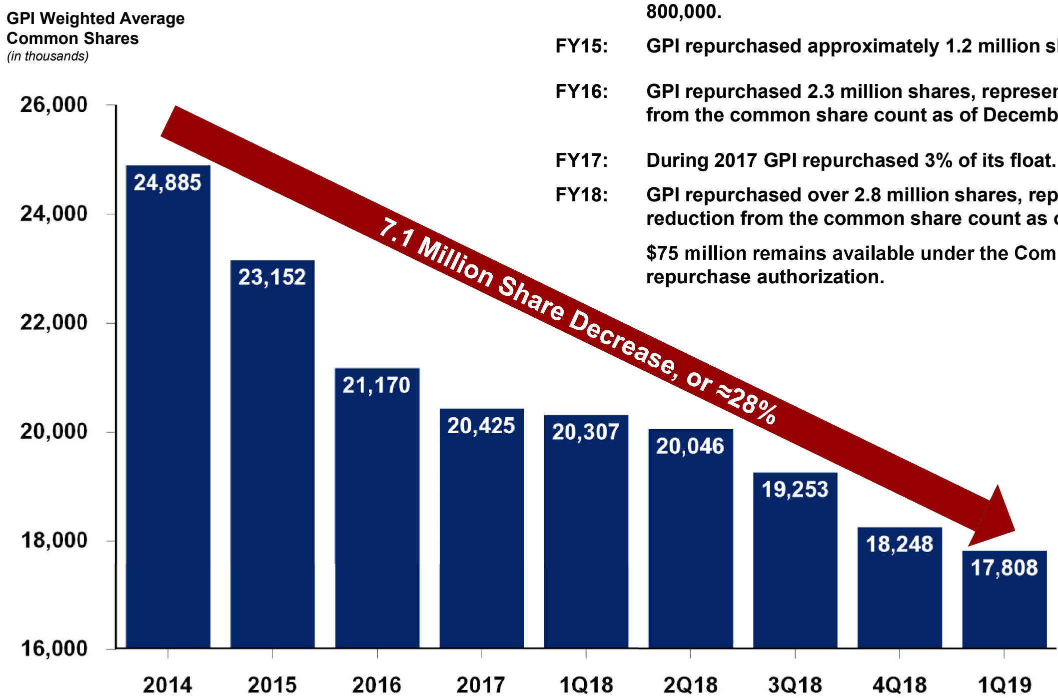
F&I gross penetration ($)

F&I Penetration Rates & PRU

	2015	2016	2017	2018	YTD Mar-19 Total	YTD Mar-19 US	YTD Mar-19 UK	YTD Mar-19 Brazil
Finance	67%	67%	67%	65%	64%	72%	48%	40%
VSC	34%	32%	32%	32%	31%	42%	4%	—%
GAP	24%	27%	28%	29%	29%	29%	35%	—%
Maintenance	9%	10%	11%	12%	10%	14%	—%	—%
Sealant	18%	21%	22%	24%	27%	28%	31%	—%
Gross Profit PRU	$1,324	$1,368	$1,397	$1,442	$1,459	$1,727	$810	$615

Share Repurchase Summary

GP1



FY14: In 2Q14, GPI repurchased 80% of its 3% Convertible Notes, reducing share count by approximately 1.9 million. In 3Q14, GPI repurchased the remaining 3% Convertible Notes and extinguished all of the 2.25% Convertible Notes, reducing share count by approximately 800,000.

FY15: GPI repurchased approximately 1.2 million shares.

FY16: GPI repurchased 2.3 million shares, representing a 10% reduction from the common share count as of December 31, 2015.

FY17: During 2017 GPI repurchased 3% of its float.

FY18: GPI repurchased over 2.8 million shares, representing a 14 percent reduction from the common share count as of 12/31/17.

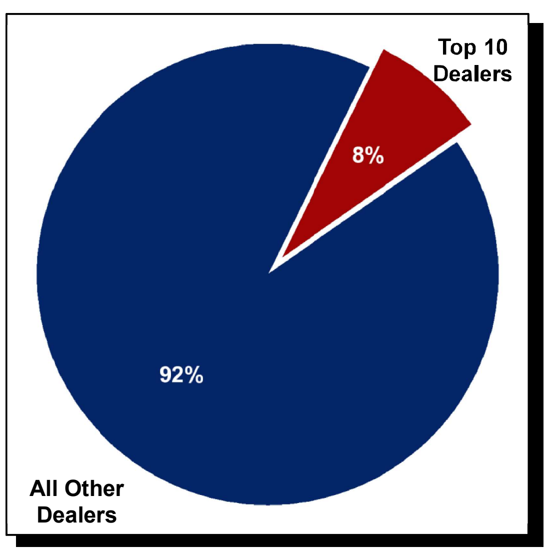
$75 million remains available under the Company's share repurchase authorization.

External Growth Opportunities

GP1

- **Plentiful acquisition opportunities**
  - Aging franchise ownership looking for exit strategy in U.S. and Brazil
- **Very large and extremely fragmented market in U.S.**
  - $1 trillion market (1)
  - Top 10 groups represent approximately 8% of the market (2)
- **Growing market in Brazil**
  - Opportunity for open points

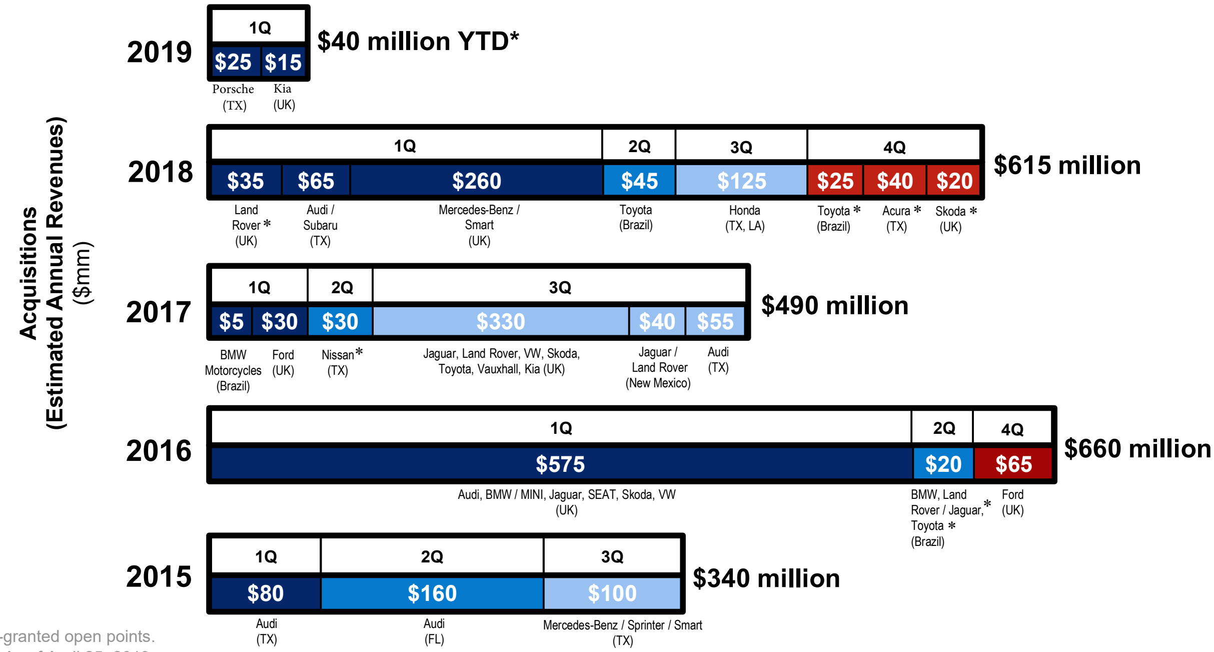
U.S. New Vehicle Unit Sales (2)



(1) Source: CNW Marketing Research
(2) Source: Based on Automotive News data

Acquisition Strategy

- **Group 1 is well positioned to take advantage of acquisition opportunities and grow scale in existing markets (U.S., U.K., and Brazil)**
- **The Company targets acquisitions that clear return hurdles (10% after-tax discounted cash flow)**



*OEM-granted open points.
Note: As of April 25, 2019.

Conclusion

GROUP 1 AUTOMOTIVE®

Why GPI?

- **Well-balanced portfolio (geography, business mix and brands)**
- **Profitability of different business units through the cycle**
  - Model proved itself during recession
  - 1Q19 results demonstrated ability to grow earnings in a stagnate / declining new vehicle sales environment
- **Streamlined business -- generating cash**
- **Strong balance sheet**
- **Increased focus on shareholder-value enhancing capital allocation strategy**
- **Operational growth and leverage**
  - Opportunity to drive growth in used vehicle and Parts & Service with process improvements in all markets
  - New Strategic initiatives launched in the U.S. aimed at growing used vehicles and increasing aftersales capacity
  - Finance & Insurance initiatives should drive further growth in the U.K. and Brazil
  - Continued leverage opportunities as gross profit increases
- **Experienced, successful and driven management team**

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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

GROUP 1 AUTOMOTIVE®

Appendix

Operating Management Team - Corporate

Earl J. Hesterberg – President and Chief Executive Officer and Director
(April 2005)
- 35+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Ford of Europe; Gulf States Toyota; Nissan Motor Corporation in U.S.A.; Nissan Europe

Daryl Kenningham – President, U.S. Operations
(July 2011)
- 35+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ascent Automotive; Gulf States Toyota; Nissan Motor Corporation in U.S.A. and Japan

John C. Rickel – Senior Vice President and Chief Financial Officer
(December 2005)
- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Ford Europe

Frank Grese Jr. – Senior Vice President, Human Resources, Training and Operations Support
(December 2004)
- 40+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Nissan Motor Corporation in U.S.A.; AutoNation; Van Tuyl

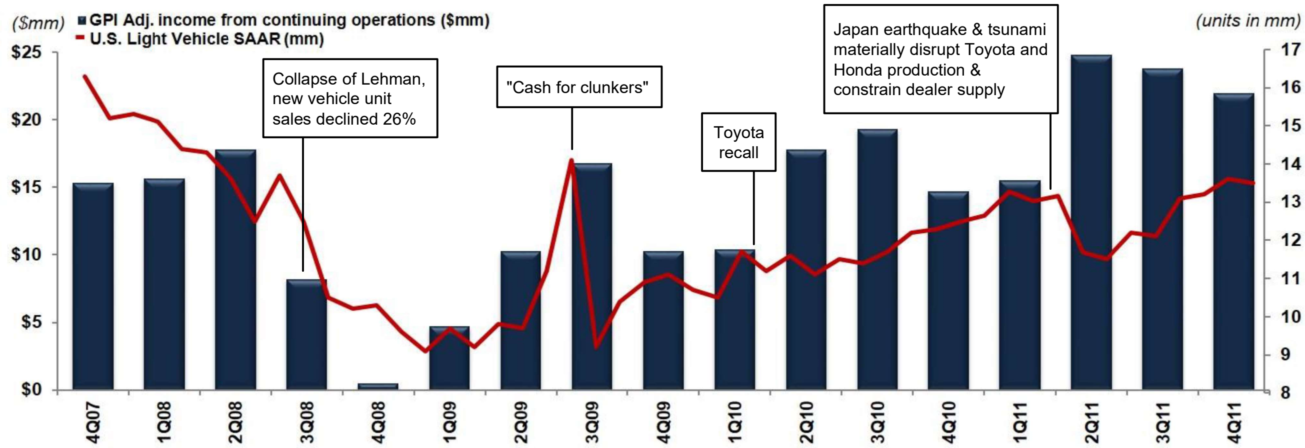
Darryl M. Burman – Senior Vice President and General Counsel
(December 2006)
- 20+ Years Industry Experience
- Automotive-related Experience: Mergers and Acquisitions; Corporate Finance; Employment and Securities Law – Epstein Becker Green Wickliff & Hall, P.C.; Fant & Burman, L.L.P.

Peter C. DeLongchamps – Senior Vice President, Financial Services and Manufacturer Relations
(July 2004)
- 30+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: General Motors Corporation; BMW of North America; Advantage BMW in Houston

Michael Jones – Senior Vice President, Aftersales
(April 2007)
- 40+ Years Industry Experience
- Automotive-related Experience: Fixed Operations - Asbury Automotive; David McDavid Automotive Group; Ryan Automotive Group

Profitable Throughout Downturn

GP1



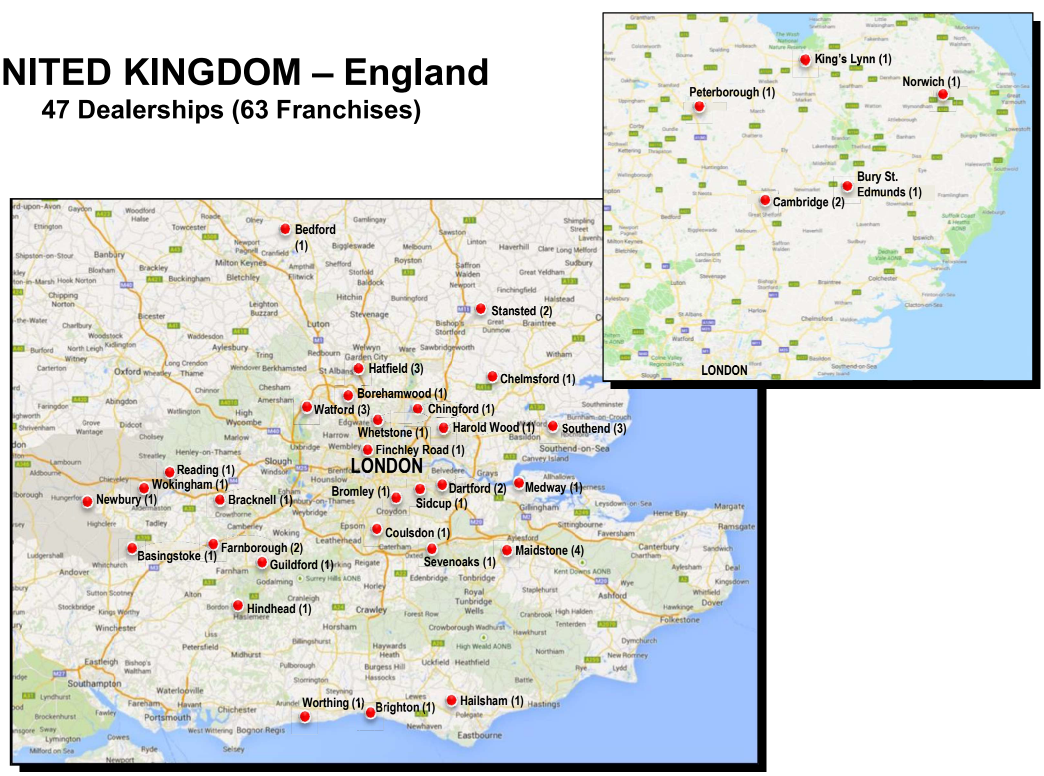
($mm)	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11
Quarterly Revenue	$ 1,134	$ 1,020	$ 1,109	$ 1,247	$ 1,150	$ 1,191	$ 1,419	$ 1,462	$ 1,438	$ 1,409	$ 1,474	$ 1,570	$ 1,626
Quarterly Adjusted EBITDA*	$ 16	$ 21	$ 31	$ 42	$ 29	$ 31	$ 41	$ 45	$ 37	$ 39	$ 55	$ 54	$ 51
Quarterly Adjusted EBIT*	$ 10	$ 15	$ 24	$ 35	$ 23	$ 24	$ 34	$ 38	$ 31	$ 33	$ 48	$ 47	$ 44
Quarterly Adjusted Net Income*	**$ 1**	**$ 5**	**$ 10**	**$ 17**	**$ 10**	**$ 10**	**$ 18**	**$ 19**	**$ 15**	**$ 16**	**$ 25**	**$ 24**	**$ 22**
LTM Adjusted EBITDAR*	$ 183	$ 163	$ 149	$ 162	$ 174	$ 183	$ 194	$ 196	$ 205	$ 213	$ 225	$ 233	$ 247
Total Rent-Adj. Debt[1] / Adj. EBITDAR*	5.7x	6.1x	6.4x	5.7x	5.3x	5.1x	4.8x	4.8x	4.7x	4.5x	4.2x	4.1x	3.9x

[1] Total debt + 8x rent expense.
* See appendix for reconciliations.

U.K. Locations

GP1

UNITED KINGDOM – England
47 Dealerships (63 Franchises)



SEAT
ŠKODA
smart

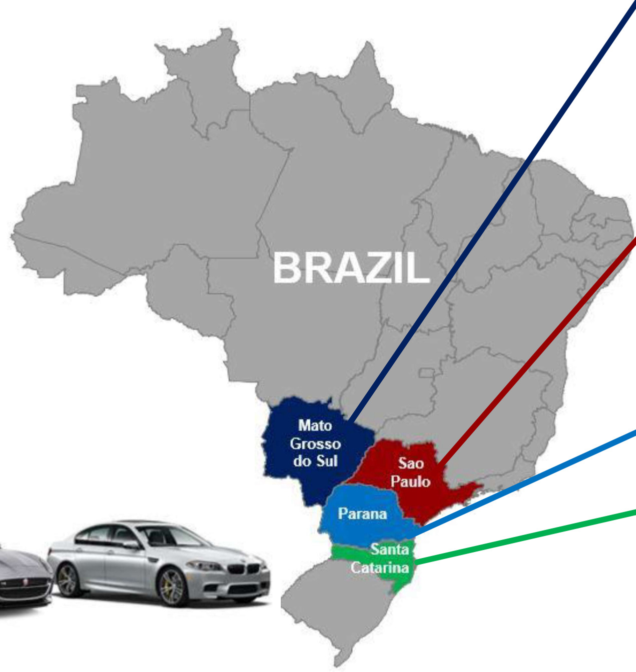
* As of April 25, 2019

Brazil Locations

GP1

Group 1 is aligned with growing brands in Brazil.

- **18 Dealerships (23 Franchises):**
  - BMW (5)
  - Toyota (5)
  - Honda (4)
  - Jaguar (3)
  - Land Rover (3)
  - MINI (2)
  - Mercedes-Benz (1)



Mato Grosso do Sul Location
- Campo Grande

São Paulo Locations
- Santo Andre
- São Bernardo do Campo
- São Caetano do Sul
- São Jose dos Campos
- São Paulo
- Taubaté

Paraná Locations
- Cascavel
- Curitiba
- Londrina
- Maringá

Santa Catarina Location
- Joinville

* As of April 25, 2019

Trade-In Tax Impact

GP1

- **The amount of tax due on a vehicle purchase depends on:**
  - Price (cash or financed amount) of the car to be purchased*
  - Value of a trade-in vehicle, if applicable
  - State's sales tax policies
- **In the United Sates, 40 states feature a tax credit on the value of a trade-in vehicle, which applies to 12 of the 15 states in which the Company operates.**
- ***Example of "with versus without trade-in" impact on vehicle purchase cost:***

VEHICLE PURCHASE EXAMPLE:	WITH TRADE-IN	WITHOUT TRADE-IN
Sales Price	$ 40,000.00	$ 40,000.00
Trade-In Allowance	$ 25,000.00	n/a
Taxable Amount	$ 15,000.00	$ 40,000.00
Tax %	6.25%	6.25%
Tax Due	$ 937.50	$ 2,500.00
COST (Vehicle + Tax):	$ 40,937.50	$ 42,500.00
TAX IMPACT on NET DIFFERENCE of COST:	$1,562.50	

*In many states, sales tax is not applied to a lease and sales tax credits are not applied to trade-in's associated with a new car lease.

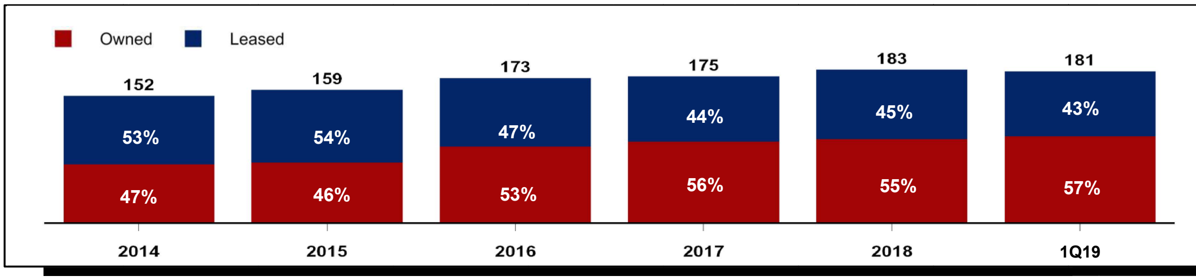
Real Estate Strategy

- **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; and**
  - **The Company looks for opportunistic real estate acquisitions in strategic locations.**
- **As of March 31, 2019, the Company owns approximately $1.1 billion of real estate (57% of dealership locations) financed through $403 million of mortgage debt.**
- **The Company has options to purchase six additional dealership properties through 2019.**

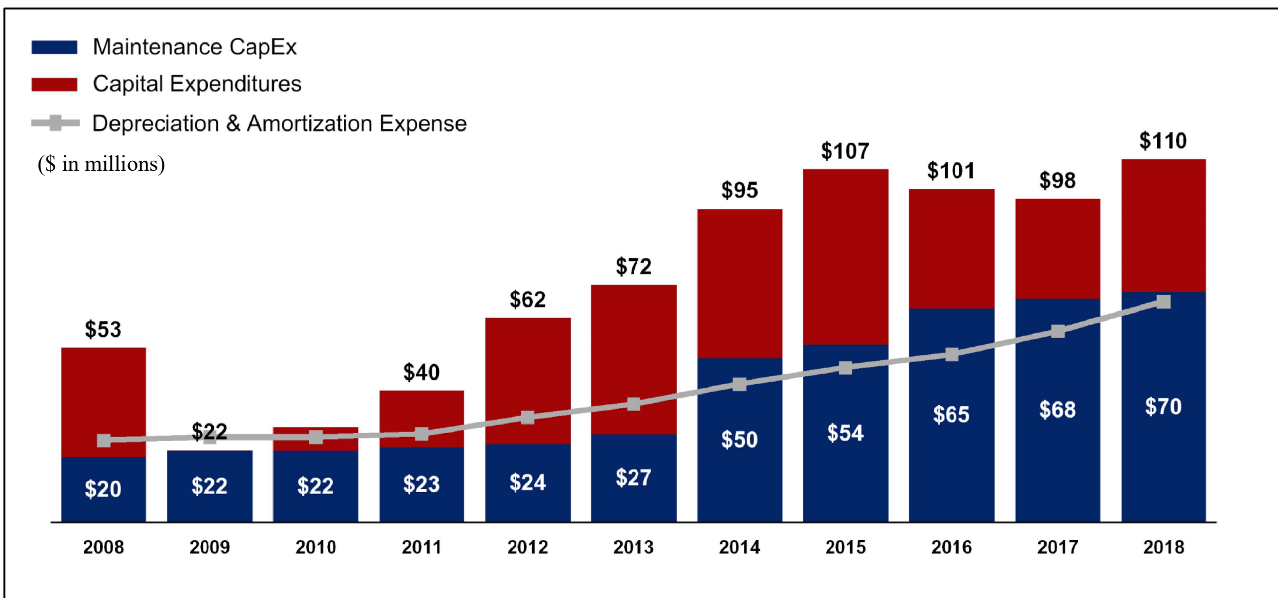
Dealership property breakdown by region (as of March 31, 2019)

	Dealerships	
Region	**Owned**	**Leased**
United States	78	38
United Kingdom	21	26
Brazil	5	13
Total	**104**	**77**

Leased vs. Owned Properties



Capital Expenditures



Consolidated Financial Results

Financial Results - Consolidated

($ in millions, except per share amounts)

	Three Months Ended			
	March 31, 2019	**March 31, 2018**	**% Change**	**C.C.(2)**
Revenues	**$ 2,808.4**	$ 2,860.0	**(1.8)**	**0.3**
Gross Profit	**$ 431.5**	$ 419.8	**2.8**	**4.4**
SG&A as a % of Gross Profit	**75.9**	77.3	**(140) bps**	
Adj. SG&A as a % of Gross Profit (1)	**76.1**	77.3	**(120) bps**	
Operating Margin	**3.1**	2.8	**30 bps**	
Adjusted Operating Margin (1)	**3.1**	2.8	**30 bps**	
Net Income	**$ 38.6**	$ 35.8	**7.9**	
Adjusted Net Income (1)	**$ 38.2**	$ 35.8	**6.6**	
Diluted EPCS	**$ 2.08**	$ 1.70	**22.4**	
Adjusted Diluted EPCS (1)	**$ 2.06**	$ 1.70	**21.2**	

(1) See appendix for GAAP reconciliation

(2) Constant currency basis

Debt Maturity

Debt Maturity Slide

(in millions)	Maturity Date	As of March 31, 2019 Actual	Available Liquidity	Funding Capacity
Cash and cash equivalents		$ 33.6	$ 33.6	
Short-Term Debt				
Inventory Financing - Credit Facility (1)	2021	$ 1,151.9	$ 72.7	$ 1,440.0
Inventory Financing - Other (2)		449.2	26.0	
Current Maturities - Long-Term Debt		96.4		
		$ 1,697.4	$ 98.7	$ 1,440.0
Available Cash			**$ 132.3** (4)	
Long-Term Debt				
Acquisition Line of Credit (1,3)	2021	29.3	305.1	360.0
5.00% Senior Unsecured Notes (Face: $550.0 Million)	2022	544.2		
5.25% Senior Unsecured Notes (Face: $300.0 Million)	2023	296.9		
Real Estate	2020 - 2034	375.5		
Other	2020 - 2028	16.7		
Total Long-Term Debt		$ 1,262.6		
Total Debt		$ 2,960.0		
			$ 437.4	$ 1,800.0

1) The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated within the overall $1.8 billion commitment. Further, the borrowings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
2) Borrowings for new, used, and rental vehicle financing not associated with the Company's domestic syndicated credit facility.
3) The available liquidity balance at December 31, 2018 considers the $25.4 million of letters of credit outstanding.
4) Available cash of $132.3 million is total of cash and cash equivalents plus the U.S. offset accounts. The U.S. offset accounts are amount of excess cash that are used to pay down floorplan but can be immediately redrawn against inventory.

Interest Rate Variability

(in millions)	Actual	Variable %
Vehicle Financing	$1,601.1	92.7%
Real Estate & Other Debt[3]	$517.9	49.6%
Senior Notes [1]	$850.0	0%
SWAPS [2][3]	$850.0	100%

[1] Face Value
[2] SWAPS range from $100-$850 million through 2030, see following slide for more details.
[3] Percentage adjusted for $52.4M of real estate interest rate SWAPS. SWAPS exclude real estate interest rate SWAPS.

- **Primary exposure is short-term interest rate changes; key exposure is one-month LIBOR**
- **Group 1 has mitigated the majority of its risk exposure for rising interest rates through a combination of the swaps and fixed rate debt.**
- **Manufacturer floorplan assistance offsets a portion of interest rate impact:**
  - As interest rates go up, manufacturers have historically offered additional interest assistance to help offset the variance
  - 82% of variable inventory financing is eligible for floorplan assistance as used vehicle; rental and most foreign financing are not eligible for floorplan assistance
  - Interest assistance is recognized in new vehicle gross profit, not in interest expense

SWAPS: Interest Expense Impact

INTEREST RATE SWAP LAYERS

$'s in millions

	2016	2017	2018	2019	2020	2021	2022-2025	2026-2030
Average Swap Balance	**$550**	**$750**	**$750**	**$850**	**$500**	**$250**	**$125**	**$100**
Interest Expense	$12.7	$11.8	$5.3	-$1.3*	—	—	—	
Average Interest Rate	**2.76%**	**2.62%**	**2.68%**	**2.33%**	**2.26%**	**1.76%**	**1.81%**	**1.85%**

* forecast assumes no further LIBOR increases

Note: Amortizing SWAPS of $52.4M associated with specific mortgages are excluded.

GROUP 1 AUTOMOTIVE®

Reconciliations

See following section for reconciliations of data denoted within this presentation

RECONCILIATION: Quarterly Adjusted EBIT, EBITDA, EBITDAR

	Three months ended,															
($mm)	**Mar-08**	**Jun-08**	**Sep-08**	**Dec-08**	**Mar-09**	**Jun-09**	**Sep-09**	**Dec-09**	**Mar-10**	**June-10**	**Sep-10**	**Dec-10**	**Mar-11**	**Jun-11**	**Sep-11**	**Dec-11**
Net Income from continuing operations	$16	$17	$(22)	$(57)	$8	$10	$18	$(2)	$8	$13	$19	$11	$15	$25	$21	$21
Provision for income taxes	10	11	(13)	(39)	6	6	10	(2)	5	8	12	6	9	15	13	13
Other interest expense, net	10	9	9	9	7	8	7	7	7	6	7	7	8	8	9	9
Non-Cash asset impairment charges	—	—	48	115	—	2	1	18	—	1	2	8	0	0	4	1
Mortgage debt refinance charges	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—
(Gain) Loss on real estate and dealership transactions	—	1	0	—	7	(1)	—	1	—	5	(1)	—	—	—	—	—
(Gain) Loss of debt redemption	0	—	0	(17)	(7)	(1)	(1)	—	4	—	—	—	—	—	—	—
Severance costs	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—
Legal settlement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
Adjusted EBIT	**$35**	**$38**	**$23**	**$10**	**$15**	**$24**	**$35**	**$23**	**$24**	**$34**	**$38**	**$31**	**$33**	**$48**	**$47**	**$44**
Depreciation Amortization expense	6	6	7	7	6	6	7	6	6	7	7	7	6	7	7	7
Adjusted EBITDA	**$41**	**$45**	**$29**	**$16**	**$21**	**$31**	**$42**	**$29**	**$31**	**$41**	**$45**	**$37**	**$39**	**$55**	**$54**	**$51**
G&A Rent Expense	14	13	13	13	13	13	13	13	13	13	13	13	12	12	12	12
Adjusted EBITDAR	**$54**	**$58**	**$42**	**$29**	**$34**	**$43**	**$55**	**$41**	**$43**	**$54**	**$57**	**$50**	**$51**	**$67**	**$66**	**$63**

Note: One time charges are pre-tax

RECONCILIATION: Quarterly Adjusted Net Income

	Three months ended,												
($mm)	**Dec-08**	**Mar-09**	**Jun-09**	**Sep-09**	**Dec-09**	**Mar-10**	**Jun-10**	**Sep-10**	**Dec-10**	**Mar-11**	**Jun-11**	**Sep-11**	**Dec-11**
Net income	$(57)	$8	$10	$18	$(2)	$8	$13	$19	$11	$15	$25	$21	$21
Non-Cash asset impairment charges	67	—	1	0	12	—	1	1	5	0	0	2	0
Mortgage debt refinance changes	—	—	0	—	—	—	—	—		—	—	—	—
(Gain) Loss on real estate and dealership transactions	—	1	(1)	—	1	—	4	(1)	—	—	—	—	—
(Gain) Loss of debt redemption	(9)	(4)	0	0	—	2	—	—	—	—	—	—	—
Severance costs	—	—	—	—	—	—	0	—	—	—	—	—	—
Income tax effect	—	—	—	(2)	—	—	—	—	(1)	—	—	—	—
Legal Settlement	—	—	—	—	—	—	—	—	—	—	—	—	1
Adjusted Net Income	**$1**	**$5**	**$10**	**$17**	**$10**	**$10**	**$18**	**$19**	**$15**	**$16**	**$25**	**$24**	**$22**

Note: One time charges are pre-tax

RECONCILIATION: Adjusted Free Cash Flow (Non-GAAP)

Reconciliation of Certain Non-GAAP Financial Measures

(Unaudited, in millions)

Operating Cash Flow Reconciliation:	**2018**	**2017**	**2016**	**2015**	**2014**
Operating Cash Flow as Reported (GAAP)	**$270**	**$197**	**384**	**141**	**198**
Change in floorplan notes payable-credit facilities, excluding floorplan offset account and net acquisition and disposition	62	88	(113)	100	6
Change in floorplan notes payable-manufacturer affiliates associated with net acquisition and disposition related activity	(22)	(3)	—	3	3
Adjusted Operating Cash Flow (Non-GAAP)	**310**	**282**	**271**	**244**	**207**
Cap Ex	**(110)**	**(97)**	**(101)**	**(107)**	**(98)**
Adjusted Free Cash Flow (Non-GAAP)	**200**	**185**	**170**	**137**	**109**

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited, in millions)

EBITDA RECONCILIATION:

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Net income (loss)	$ 38.6	$ 35.8
Other interest expense, net [(1)]	18.9	18.8
Depreciation and amortization expense	17.0	16.3
Non-cash asset impairment charges	-	-
Acquisition costs	-	-
Severance costs	-	-
Catastrophic events	2.0	-
Net (gain) loss on real estate and dealership transactions	(5.2)	-
Legal settlements	1.8	-
Income tax expense (benefit)	13.5	10.4
Adjusted EBITDA [(2)]	$ 86.6	$ 81.3

(1) Excludes Floorplan interest expense

(2) Adjusted EBITDA is defined as income (loss) plus loss on redemption of long-term debt, other interest expense, net, depreciation and amortization expense, non-cash asset impairment charges, acquisition costs, catastrophic events, net gain on real estate and dealership transactions, severance, deal costs, legal settlements, foreign transaction tax, and income tax expense (less income tax benefit). While Adjusted EBITDA should not be construed as a substitute for net income or as a better measure of liquidity than net cash provided by operating activities, which are determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”), it is included in our discussion of earnings to provide additional information regarding the amount of cash our business is generating with respect to our ability to meet future debt services, capital expenditures and working capital requirements. Adjusted EBITDA should not be used as an indicator of our operating performance. Consistent with industry practices, our management utilizes Adjusted EBITDA when valuing dealership operations. This measure may not be comparable to similarly titled measures reported by other companies. The table above shows the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to the GAAP measurement income (loss) for the periods presented in the table.

May not foot due to rounding

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in thousands)

NET INCOME (LOSS) RECONCILIATION:

	Three Months Ended:											
	09.30.12	**12.31.12**	**03.31.13**	**06.30.13**	**09.30.13**	**12.31.13**	**03.31.14**	**06.30.14**	**09.30.14**	**12.31.14**	**03.31.15**	**06.30.15**
As reported	$ 31,335	$ 17,132	$ 22,118	$ 37,388	$ 32,765	$ 21,721	$ 31,303	$ 16,862	$ 26,162	$ 18,677	$ 35,815	$ 46,310
After-tax Adjustments [1]:												
Non-cash asset impairment charges	-	4,277	-	369	349	3,319	-	1,067	6,559	19,878	-	848
(Gain) loss on real estate and dealership transactions	-	(276)	(356)	(4,785)	(230)	-	-	(316)	(8,572)	1,550	-	(601)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	20,778	17,934	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	1,219	504	6,757	158	-	-	1,039	671	-	-	593
Severance costs	-	548	-	-	454	237	-	-	388	385	-	167
Acquisition costs including related tax impact	-	1,111	6,968	-	(630)	-	-	-	-	188	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	3,629	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	274	-	-	-	610
Foreign transaction tax	-	-	-	-	-	-	-	274	-	-	-	-
Tax rate changes	-	-	-	-	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	(3,358)	-	-	-
Adjusted net income [2]	$ 31,335	$ 24,011	$ 29,234	$ 39,729	$ 32,866	$ 28,906	$ 31,303	$ 39,978	$ 39,784	$ 40,678	$ 35,815	$ 47,927

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

Adjusted net income	$ 31,335	$ 24,011	$ 29,234	$ 39,729	$ 32,866	$ 28,906	$ 31,303	$ 39,978	$ 39,784	$ 40,678	$ 35,815	$ 47,927
Less: Adjusted earnings allocated to participating securities	1,641	1,066	1,233	1,692	1,324	1,057	1,156	1,456	1,520	1,529	1,388	1,855
Adjusted net income available to diluted common shares	$ 29,694	$ 22,945	$ 28,001	$ 38,037	$ 31,542	$ 27,849	$ 30,147	$ 38,522	$ 38,264	$ 39,149	$ 34,427	$ 46,072

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

	Three Months Ended:											
	09.30.12	**12.31.12**	**03.31.13**	**06.30.13**	**09.30.13**	**12.31.13**	**03.31.14**	**06.30.14**	**09.30.14**	**12.31.14**	**03.31.15**	**06.30.15**
As reported	$ 1.32	$ 0.70	$ 0.88	$ 1.43	$ 1.19	$ 0.81	$ 1.19	$ 0.62	$ 1.03	$ 0.77	$ 1.47	$ 1.91
After-tax Adjustments:												
Non-cash asset impairment charges	-	0.18	-	0.01	0.01	0.12	-	0.04	0.26	0.81	-	0.04
(Gain) loss on real estate and dealership transactions	-	(0.01)	(0.01)	(0.18)	(0.01)	-	-	(0.01)	(0.34)	0.06	-	(0.03)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	0.76	0.71	-	-	-
Catastrophic events	-	0.05	0.02	0.26	0.01	-	-	0.04	0.03	-	-	0.02
Severance costs	-	0.02	-	-	0.02	0.01	-	-	0.01	0.02	-	0.01
Acquisition costs including related tax impact	-	0.05	0.27	-	(0.02)	-	-	-	-	0.01	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	0.14	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	0.01	-	-	-	0.03
Foreign transaction tax	-	-	-	-	-	-	-	0.01	-	-	-	-
Tax rate changes	-	-	-	-	-	-	-	-	-	-	-	-
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	(0.13)	-	-	-
Adjusted diluted income per share [2]	$ 1.32	$ 0.99	$ 1.16	$ 1.52	$ 1.20	$ 1.08	$ 1.19	$ 1.47	$ 1.57	$ 1.67	$ 1.47	$ 1.98
Weighted average dilutive common shares outstanding	22,458	23,244	24,113	24,980	26,342	25,792	25,428	26,242	24,432	23,466	23,446	23,315
Participating securities	1,245	1,091	1,072	1,112	1,100	983	963	986	971	925	932	944
Total weighted average shares outstanding	23,703	24,335	25,185	26,092	27,442	26,775	26,391	27,228	25,403	24,391	24,378	24,259

[1] Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings release schedules for specific tax benefit or tax provision information.

[2] We believe that these adjusted financial measures are relevant and useful to investors because they provide additional information regarding the performance of our operations and improve period-to-period comparability. These measures are not measures of financial performance under GAAP. Accordingly, they should not be considered as substitutes for their unadjusted counterparts, which are prepared in accordance with GAAP. Although we find these non-GAAP results useful in evaluating the performance of our business, our reliance on these measures is limited because the adjustments often have a material impact on our financial statements calculated in accordance with GAAP. Therefore, we typically use these adjusted numbers in conjunction with our GAAP results to address these limitations.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in thousands)

NET INCOME (LOSS) RECONCILIATION:

	Three Months Ended: 09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	6.30.17	9.30.17	12.31.17	3.31.18	6.30.18	9.30.18	12.31.18	03.31.19
As reported	$ 45,261	$ (33,387)	$ 34,291	$ 46,580	$ 35,366	$ 30,828	$ 33,939	$ 39,133	$ 29,881	$ 110,489	$ 35,814	$ 56,463	$ 34,778	$ 30,718	$ 38,648
After-tax Adjustments [1]:															
Non-cash asset impairment charges	776	72,798	315	633	6,746	12,756	-	-	5,947	6,464	-	3,179	17,655	12,681	-
(Gain) loss on real estate and dealership transactions	-	(4,357)	212	156	(696)	(265)	-	-	497	-	-	(15,202)	(4,145)	248	(3,835)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	398	1,659	1,727	281	-	-	393	9,022	-	-	4,368	-	(356)	1,454
Severance costs	-	220	-	-	-	1,249	-	-	-	353	-	-	-	-	-
Acquisition costs including related tax impact	-	-	578	-	-	-	-	288	-	-	-	-	-	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	-	-	834	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	(7,312)	(1,137)	-	450	-	-	1,982	1,606	515	1,920
Foreign transaction tax	-	-	-	-	274	-	-	-	-	-	-	-	-	-	-
Tax rate changes	-	-	-	-	-	-	-	-	-	(73,028)	-	-	(705)	-	-
Foreign deferred income tax benefit	-	-	-	(1,686)	-	-	-	-	-	-	-	-	-	-	-
Adjusted net income [2]	$ 46,037	$ 35,672	$ 37,055	$ 47,410	$ 41,971	$ 37,256	$ 32,802	$ 39,814	$ 46,631	$ 44,278	$ 35,814	$ 50,790	$ 49,189	$ 43,806	$ 38,187

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	6.30.17	9.30.17	12.31.17	3.31.18	6.30.18	9.30.18	12.31.18	03.31.19
Adjusted net income	$ 46,037	$ 35,672	$ 37,055	$ 47,410	$ 41,971	$ 37,256	$ 32,802	$ 39,814	$ 46,631	$ 44,278	$ 35,814	$ 50,790	$ 49,189	$ 43,806	$ 38,187
Less: Adjusted earnings allocated to participating securities	1,759	1,344	1,457	1,918	1,695	1,477	1,206	1,413	1,603	1,483	1,208	1,722	1,676	1,567	1,437
Adjusted net income available to diluted common shares	$ 44,278	$ 34,328	$ 35,598	$ 45,492	$ 40,276	$ 35,779	$ 31,596	$ 38,401	$ 45,028	$ 42,795	$ 34,606	$ 49,068	$ 47,513	$ 42,239	$ 36,750

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	06.30.17	09.30.17	12.31.17	3.31.18	6.30.18	9.30.18	12.31.18	03.31.19
As reported	$ 1.88	$ (1.41)	$ 1.47	$ 2.12	$ 1.65	$ 1.44	$ 1.58	$ 1.84	$ 1.43	$ 5.27	$ 1.70	$ 2.72	$ 1.74	$ 1.62	$ 2.08
After-tax Adjustments:															
Non-cash asset impairment charges	0.03	3.07	0.01	0.03	0.32	0.59	-	-	0.28	0.30	-	0.15	0.89	0.67	-
(Gain) loss on real estate and dealership transactions	-	(0.18)	0.01	0.01	(0.03)	(0.01)	-	-	0.02	-	-	(0.73)	(0.21)	0.01	(0.20)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	0.02	0.07	0.08	0.01	-	-	0.02	0.44	-	-	0.21	-	(0.02)	0.08
Severance costs	-	0.01	-	-	-	0.06	-	-	-	0.02	-	-	-	-	-
Acquisition costs including related tax impact	-	-	0.03	-	-	-	-	0.01	-	-	-	-	-	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	-	-	0.04	-	-	-	-	-	-
Legal settlements	-	-	-	-	-	(0.34)	(0.05)	-	0.02	-	-	0.10	0.08	0.03	0.10
Foreign transaction tax	-	-	-	-	0.01	-	-	-	-		-	-	-	-	-
Tax rate changes	-	-	-	-	-	-	-	-	-	(3.48)	-	-	(0.03)	-	-
Foreign deferred income tax benefit	-	-	-	(0.08)	-	-	-	-	-	-	-	-	-	-	-
Adjusted diluted income per share [2]	$ 1.91	$ 1.51	$ 1.59	$ 2.16	$ 1.96	$ 1.74	$ 1.53	$ 1.87	$ 2.23	$ 2.11	$ 1.70	$ 2.45	$ 2.47	$ 2.31	$ 2.06
Weighted average dilutive common shares outstanding	23,137	22,718	22,453	21,070	20,578	20,592	20,698	20,522	20,225	20,261	20,307	20,046	19,261	18,255	17,849
Participating securities	925	897	921	892	872	858	818	761	724	708	715	708	684	681	701
Total weighted average shares outstanding	24,062	23,615	23,374	21,962	21,450	21,450	21,516	21,283	20,949	20,969	21,022	20,754	19,945	18,936	18,550

[1] Refer to separate reconciliations of certain non-GAAP financial measures within the respective quarterly earnings release schedules for specific tax benefit or tax provision information.

[2] We believe that these adjusted financial measures are relevant and useful to investors because they provide additional information regarding the performance of our operations and improve period-to-period comparability. These measures are not measures of financial performance under GAAP. Accordingly, they should not be considered as substitutes for their unadjusted counterparts, which are prepared in accordance with GAAP. Although we find these non-GAAP results useful in evaluating the performance of our business, our reliance on these measures is limited because the adjustments often have a material impact on our financial statements calculated in accordance with GAAP. Therefore, we typically use these adjusted numbers in conjunction with our GAAP results to address these limitations.

Group 1 Automotive, Inc.
Reconciliation of Certain Non-GAAP Financial Measures - Consolidated
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended March 31,		
	2019	**2018**	**% Increase/ (Decrease)**
NET INCOME RECONCILIATION:			
As reported			
Pretax Net Income	$ 52,176	$ 46,167	
Income Tax Provision	(13,528)	(10,353)	
Net Income	$ 38,648	$ 35,814	7.9
Effective Tax Rate	25.9%	22.4%	
Adjustments:			
Catastrophic events			
Pre-tax	$ 1,973	$ —	
Tax impact	$ (519)	$ —	
(Gain) loss on real estate and dealership transactions			
Pre-tax	$ (5,216)	$ —	
Tax impact	$ 1,381	$ —	
Legal settlements			
Pre-tax	$ 2,401	$ —	
Tax impact	$ (481)	$ —	
Adjusted			
Pretax Net Income	$ 51,334	$ 46,167	
Income Tax Provision	(13,147)	(10,353)	
Adjusted net income [1]	$ 38,187	$ 35,814	6.6
Effective Tax Rate	25.6%	22.4%	
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income [1]	$ 38,187	$ 35,814	6.6
Less: Adjusted earnings allocated to participating securities	1,437	1,208	19.0
Adjusted net income available to diluted common shares [1]	$ 36,750	$ 34,606	6.2
DILUTED (LOSS) INCOME PER COMMON SHARE RECONCILIATION:			
As reported	$ 2.08	$ 1.70	22.4
After-tax adjustments:			
Catastrophic events	0.08	—	
(Gain) loss on real estate and dealership transactions	(0.20)	—	
Legal settlements	0.10	—	
Adjusted diluted income per share [1]	$ 2.06	$ 1.70	21.2
SG&A RECONCILIATION:			
As reported	$ 327,708	$ 324,347	1.0
Pre-tax adjustments:			
Catastrophic events	(1,973)	—	
Gain (loss) on real estate and dealership transactions	5,216	—	
Legal settlements	(2,401)	—	
Adjusted SG&A [1]	$ 328,550	$ 324,347	1.3
SG&A AS % REVENUES:			
Unadjusted	11.7	11.3	
Adjusted [1]	11.7	11.3	
SG&A AS % GROSS PROFIT:			
Unadjusted	75.9	77.3	
Adjusted [1]	76.1	77.3	
OPERATING MARGIN %:			
Unadjusted	3.1	2.8	
Adjusted [1], [2]	3.1	2.8	
PRETAX MARGIN %:			
Unadjusted	1.9	1.6	
Adjusted [1], [2]	1.8	1.6	

SAME STORE SG&A RECONCILIATION:			
As reported	$ 315,637	$ 311,967	1.2
Pre-tax adjustments:			
Catastrophic events	(1,973)	—	
Gain (loss) on real estate and dealership transactions	1,076	—	
Legal settlements	(1,829)	—	
Adjusted Same Store SG&A [(1)]	$ 312,911	$ 311,967	0.3
SAME STORE SG&A AS % REVENUES:			
Unadjusted	11.8	11.3	
Adjusted [(1)]	11.7	11.3	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	76.2	76.8	
Adjusted [(1)]	75.5	76.8	
SAME STORE OPERATING MARGIN %:			
Unadjusted	3.1	2.8	
Adjusted [(1), (3)]	3.2	2.8	

(1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.
(2) Excludes the impact of SG&A reconciling items above for the three months ended March 31, 2019.
(3) Excludes the impact of Same Store SG&A reconciling items above for the three months ended March 31, 2019.

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