

GROUP 1
AUTOMOTIVE®

Fourth Quarter 2020

Investor Presentation

February 4, 2021



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:

- general economic and business conditions;
- the level of manufacturer incentives;
- the future regulatory environment;
- our ability to obtain an inventory of desirable new and used vehicles;
- our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions;
- our cost of financing and the availability of credit for consumers;
- our ability to complete acquisitions and dispositions and the risks associated therewith;
- foreign exchange controls and currency fluctuations;
- our ability to retain key personnel;
- the impacts of COVID-19 on our business;
- the impacts of any potential global recession; and
- our ability to maintain sufficient liquidity to operate.

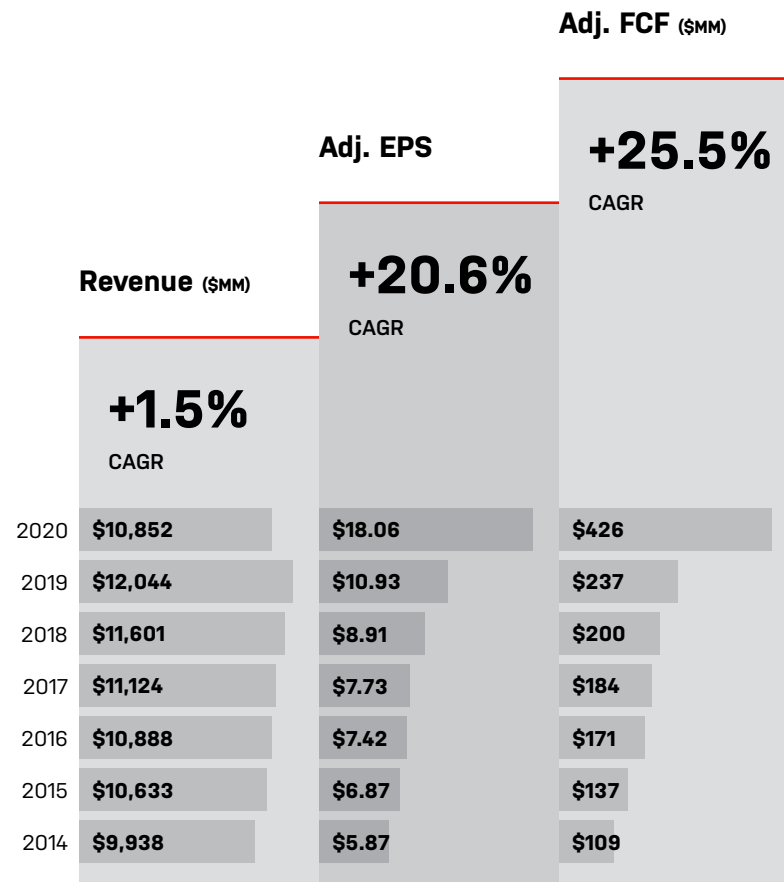
For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with the SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Readers are cautioned not 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?

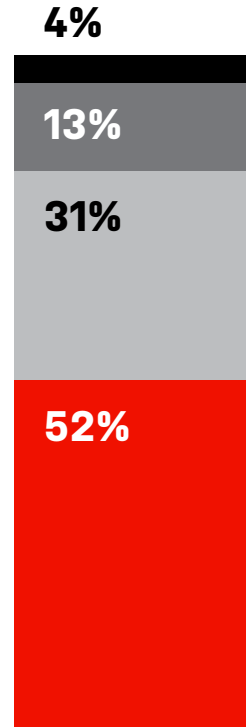
- ✔ Our consistent execution of operational growth and leverage generates strong earnings and free cash flow trajectory.
- ✔ We consistently executed continued profitability and strong cash generation over two recessions and a pandemic.
 - The company has never lost money on an operating basis in ANY quarter.
 - Adjusted operating cash flow was \$186M in 2Q20 (during the height of the pandemic and 2020 recession) and \$117M in FY09 (during the 2008-2009 recession).
- ✔ Our state-of-the-art omni-channel platform achieved significant growth despite a challenging economy.
- ✔ Among segment leaders in aftersales growth rate and cost structure.
- ✔ 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.
- ✔ #1 retailer in the state of Texas – a very strong and growing economy benefitting from numerous corporate relocations, low taxes, and low regulation.
- ✔ Very strong balance sheet with well over \$500M of immediate liquidity and a 2.3x rent-adjusted leverage ratio as of 12/31/20.



Traditional Business Mix

The Company's stable, high-margin parts and service business is the heart of the business model and generates ~45% of our total gross profit. Parts & Service has traditionally only declined around mid-single digits during a recession, which provides stability to help offset the cyclical nature of new vehicle sales.

Revenue*



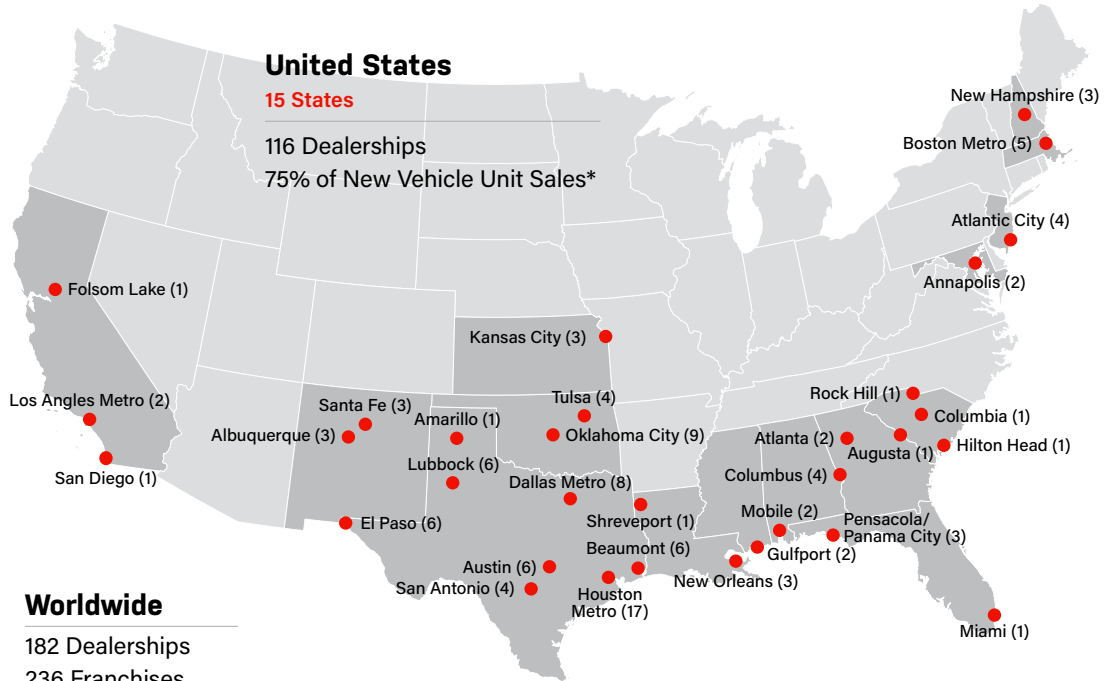
Gross Profit*



- Finance & Insurance
- Parts & Service
- Used Vehicles
- New Vehicles

*May not add to 100% due to rounding, based on 2019 full-year results.

Geographic Footprint



Worldwide

182 Dealerships
 236 Franchises
 49 Collision Centers
 31 Brands

*Dealership count as of February 4, 2021.

United Kingdom

England

50 Dealerships
 21% of New Vehicle Unit Sales*



Brazil

Parana, Sao Paulo, & Santa Catarina

16 Dealerships
 4% of New Vehicle Unit Sales*

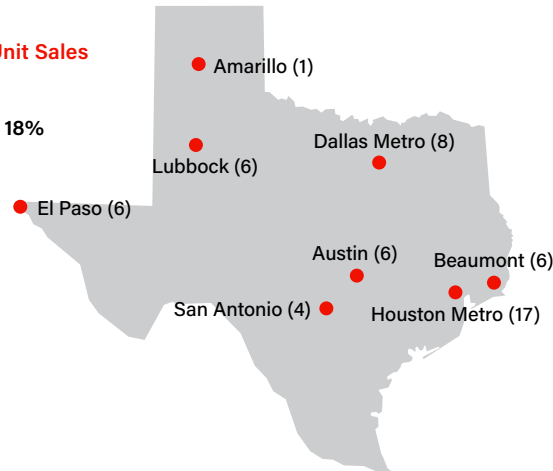
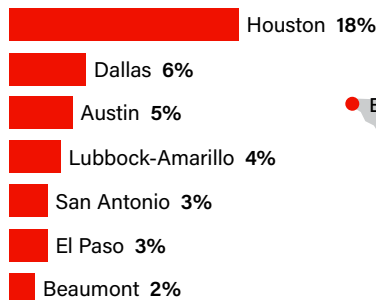


Economic Reasons to Operate in Texas*

A best-in-class business climate delivers results! Low taxes, reasonable business regulations and a very affordable cost of living add up to an economic slam dunk for business owners and operators.

GP1 Locations in Texas

41% of 4Q20 Total New Vehicle Unit Sales



*Texas Economic Development Guide, 2020 (<https://gov.texas.gov/business>)

- ✔ The fastest-growing cities in America remain in Texas. According to WalletHub, eight of the 30 fastest-growing cities in the country are in The Lone Star State—of which two cities made the top 10 list.
- ✔ CNBC named Texas the No. 1 state for business a record four years in a row; Chief Executive Magazine has named Texas the Best State for Business a record 15 years in a row; and Forbes has ranked Texas as the No. 1 Economic Climate.
- ✔ From 2012 through 2019, Texas led the nation every single year in the number of corporate facility expansion projects, as measured and reported by Site Selection Magazine.
- ✔ 52 Fortune 500 companies, including ExxonMobil, AT&T, Sysco and American Airlines, choose Texas as their home base. So do many foreign companies, such as Toyota, BAE Systems, Siemens and Shell Oil. HP, Tesla, and Oracle have all announced they are relocating their HQ from CA to TX.
- ✔ If Texas were a country, it would rank as the 10th largest economy in the world based on GDP, ahead of Australia, Mexico, Spain, Russia and many others.
- ✔ Texas also ranks as the No. 1 exporting state in the nation and the leader in high-tech exports, according to the U.S. Bureau of Economic Analysis.

Growth Strategy

Acquisitions

- First priority for capital allocation is growing the company through acquisitions
 - \$3.4 Billion in acquired revenues 2014-2020
 - Fragmented U.S. market – top 10 dealer groups sell ~8% of industry units
 - Business model generates strong adjusted free cash flow to fund growth (\$426M in 2020)
 - 12/31/20 immediate liquidity of \$548M including U.S. acquisition line
 - Leverage of 2.3x leaves plenty of cushion for additional debt borrowings if needed
-

Parts & Service

- Heart of the business model which historically contributes ~ 45% of gross profit
 - GPI led the peer group in 2019 with U.S. same store gross profit growth of 9.5%
 - Unique 4 day work week and centralized call center initiatives driving growth
 - Increasing vehicle complexity (including EV's) continues to favor franchised dealers
-

Used Vehicles

- Stable market with ~37M units sold in 2020 according to NADA
 - Very fragmented market with franchised dealers having < 40% market penetration
 - GPI grew U.S. same store used retail units by 8% in 2019
 - Franchised dealers have supply advantage through NV trade-ins, lease returns, OEM closed auctions
-

Digital Retail

- AcceleRide® digital platform with 80% year-over-year growth in December 2020
- 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

Capital Allocation 5-Year History

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|--|---|--|--|--|
| M&A | Acquisitions: \$660M (21 franchises) Dispositions: \$240M Cap Ex: \$101M | Acquisitions: \$490M (20 franchises) Dispositions: \$35M Cap Ex: \$98M | Acquisitions: \$615M (17 franchises) Dispositions: \$195M Cap Ex: \$110M | Acquisitions: \$430M (15 franchises) Dispositions: \$240M Cap Ex: \$95M | Acquisitions: N/A Dispositions: \$60M Cap Ex: \$77M |
| Dividend | Cash Dividends Paid Per Share: \$0.91 | Cash Dividends Paid Per Share: \$0.97 | Cash Dividends Paid Per Share: \$1.04 | Cash Dividends Paid Per Share: \$1.09 | Cash Dividends Paid Per Share: \$0.60 |
| Buybacks | Float Reduction: ≈10% Shares Repurchased: 2.3M shares at avg. price of \$55.90 for total of \$127.6M | Float Reduction: ≈3% Shares Repurchased: 0.6 shares at avg. price of \$61.75 for total of \$40.1M | Float Reduction: ≈14% Shares Repurchased: 2.8M shares at avg. price of \$63.75 for total of \$181.7M | Float Reduction: N/A Shares Repurchased: 0.01M shares at avg. price of \$99.98 for total of \$1.4M | Float Reduction: ≈5% Shares Repurchased: 0.9M shares at avg. price of \$92.86 for total of \$80.2M |

Parts & Service Overview

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

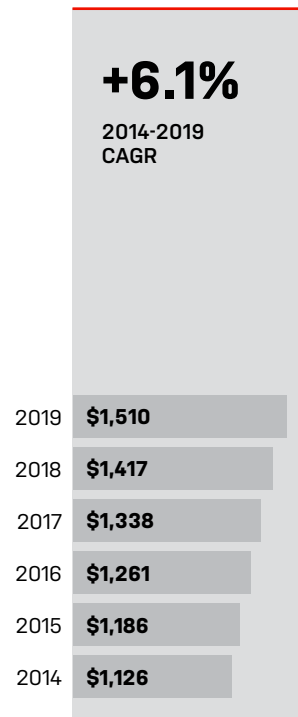
Easy online booking, status and access for customers via dealership apps

Complimentary loaner cars, retrieval/drop-off via rideshare services, and/or luxurious comforts in waiting areas

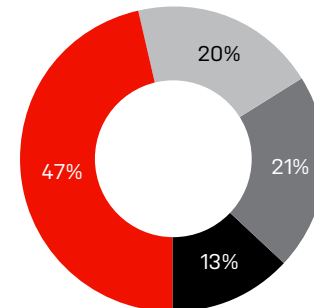
Improved efficiencies and closing rates through customer management software (CMS) and technology

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

Consolidated P&S Revenue (\$MM)



Traditional P&S Revenue Mix*



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

*May not add to 100% due to rounding, based on 2019 full-year results.

Electric Vehicle Business Impact

Our service departments can service any make and any model on the road today.

According to Edmunds.com, the 5-year maintenance cost of a 2019 Nissan Leaf BEV is \$3,041; and the 5-year maintenance cost of a 2019 Toyota Corolla is \$3,389, an immaterial difference.

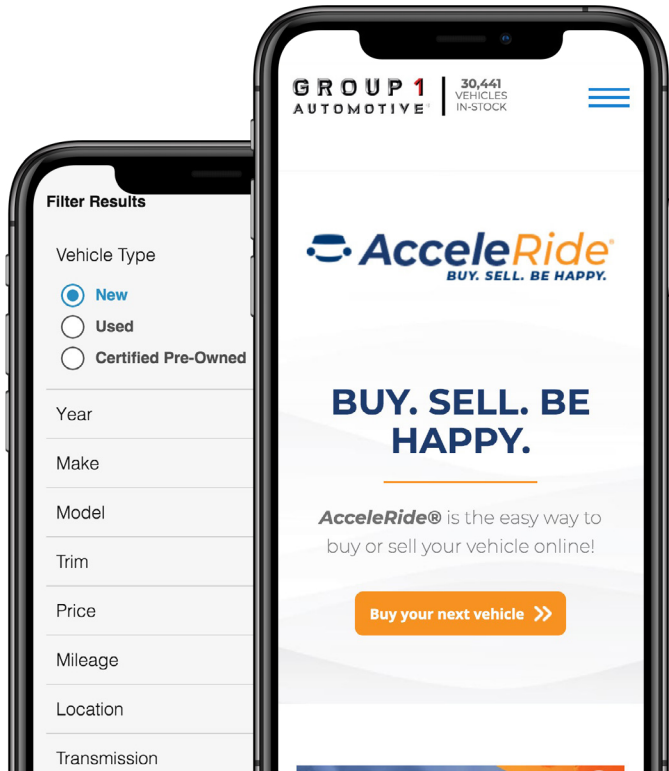
While we do not expect repair costs to materially change, over the next three generations, we expect that the components of a repair will shift. Batteries, battery coolant, power units, electrically operated engine components and accessories will gradually replace the repairs currently made to internal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

AcceleRide® Digital Platform



Buy A Ride

Inventory selection of new, certified pre-owned, and used vehicles

Online financing available via nationwide network of lenders

Home delivery anywhere in the U.S.A.; FREE local delivery or pick-up

Integrated vehicle trades

No hidden fees. Taxes & fees calculated up front based on address

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 and preferred dealership

Collision center scheduling also available

AcceleRide®

Innovative Enhancements

- ✔ Integrated customer down payments
- ✔ Initiated implementation of instant credit features
- ✔ Established Zelle® as a real-time, electronic payment feature for customers selling us their vehicle through AcceleRide®
- ✔ Launched AcceleRide® app

How AcceleRide® Compares

| | AcceleRide® | Carvana | Shift | Vroom |
|----------------------------------|-------------|---------|----------------------|-------|
| Schedule Test Drive | ✓ | ✓ | ✓ | ✓ |
| PII (Personal Identifiable Info) | ✓ | ✓ | ✓ | ✓ |
| Build Payment | ✓ | ✓ | ✓ | ✓ |
| Calculate Taxes and Fees | ✓ | ✓ | ✓ +\$995 service fee | ✓ |
| Integrate Trade-In | ✓ | ✓ | ✓ | ✓ |
| Submit Credit App | ✓ | ✓ | ✓ | ✓ |
| Select F&I | ✓ | ✓ | ✓ | ✓ |
| E-Sign | ✓ | | | ✓ |
| Upload Docs | ✓ | ✓ | | ✓ |
| Does Not Require Deposit | ✓ | ✓ | | |
| Schedule Pick-Up / Delivery | ✓ | ✓ | ✓ | ✓ |
| Schedule Service | ✓ | | | |

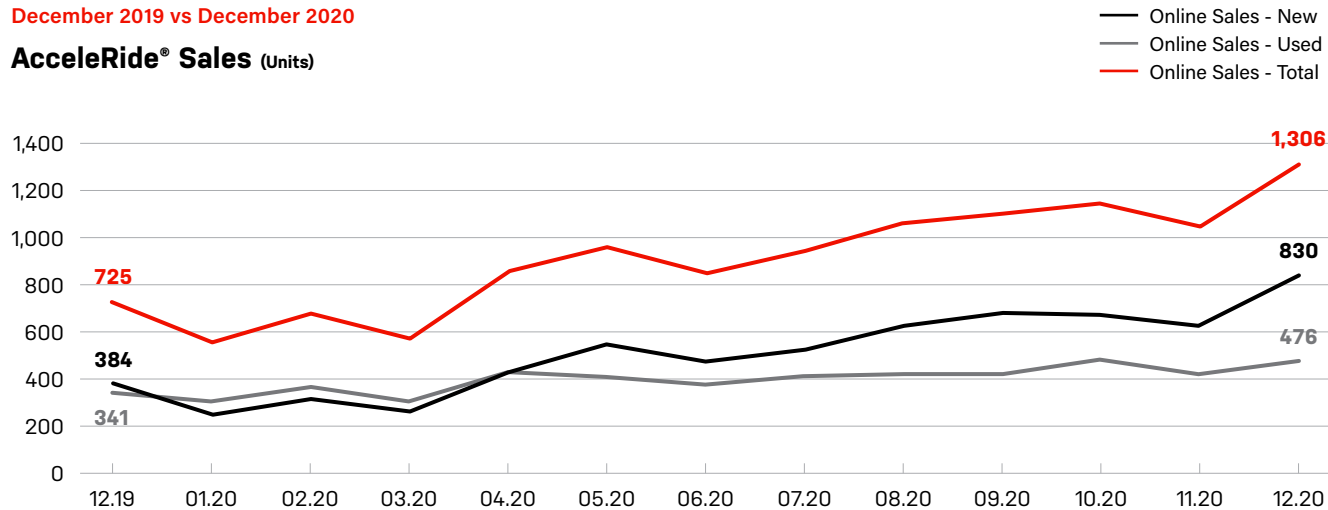
AcceleRide® Growth

+104%

YoY GROWTH
FY20 TOTAL SALES

December 2019 vs December 2020

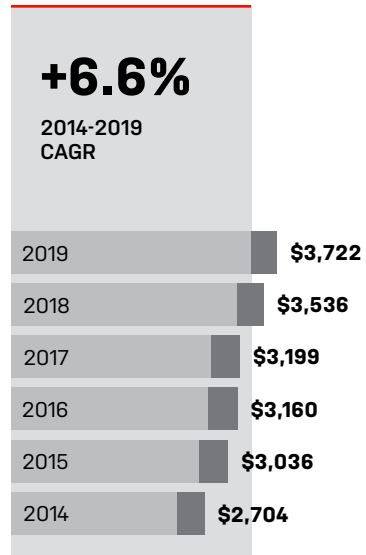
AcceleRide® Sales (Units)



Used Vehicle Overview

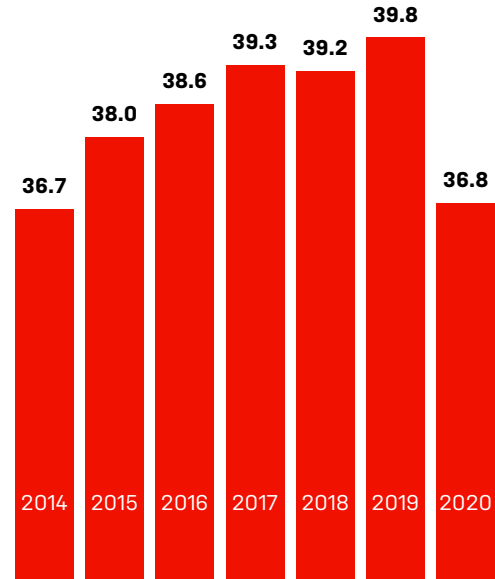
Total Used Vehicle Revenues (\$MM)

- Retail
- Wholesale



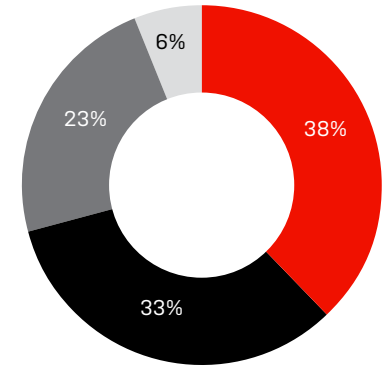
Used Market Size (MM)¹

Annualized Used Vehicle Units



¹Source: NADA-U.S. Used Vehicle Sales.

Market Share²



- Franchised Dealers
- Independent Dealers
- Auction Sales
- Online/P2P

²Source: Frost & Sullivan 2016 Used Car Market in North America.

Finance & Insurance Overview

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

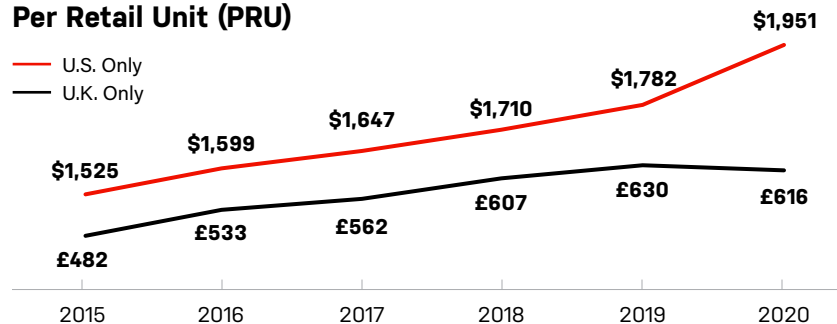
Consolidation of lender base.

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.

F&I Gross Profit Per Retail Unit (PRU)



F&I Penetration Rates and Gross Profit PRU

| | 2017 | 2018 | 2019 | 2020 | | | |
|---------------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|
| | | | | Total | U.S. | U.K. | Brazil |
| Finance | 65% | 64% | 65% | 67% | 73% | 48% | 38% |
| VSC | 32% | 31% | 32% | 34% | 44% | 4% | -% |
| GAP | 29% | 28% | 28% | 29% | 29% | 33% | -% |
| Maintenance | 12% | 11% | 11% | 11% | 14% | -% | -% |
| Sealant | 24% | 25% | 28% | 30% | 32% | 27% | -% |
| Gross Profit | \$1,420 | \$1,468 | \$1,519 | \$1,669 | \$1,951 | \$793 | \$612 |

Conclusion

- ✔ 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 is very strong, with all material debt maturities pushed out significantly during 2020.

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 respect.



Appendix

Group 1's Management Team



Earl J. 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



Peter C. DeLongchamps

Senior Vice President, Financial Services and Manufacturer Relations

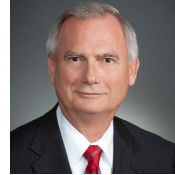
Joined GP1 July 2004
35+ Years Industry Experience
Manufacturer and Automotive Retailing Experience



Darryl M. 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



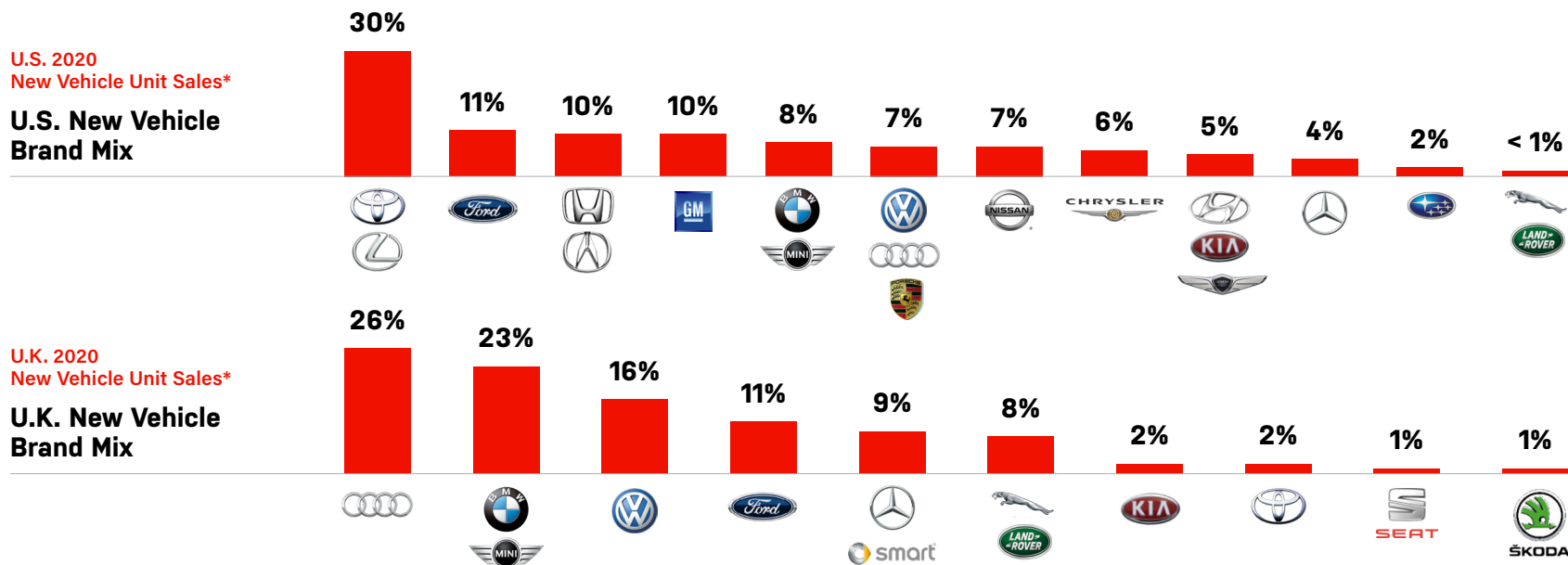
Frank Grese Jr.

Senior Vice President, Human Resources, Training and Operations Support

Joined GP1 December 2004
40+ Years Industry Experience
Manufacturer and Automotive Retailing Experience

U.S. & U.K. New Vehicle Brand Mix 2020

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



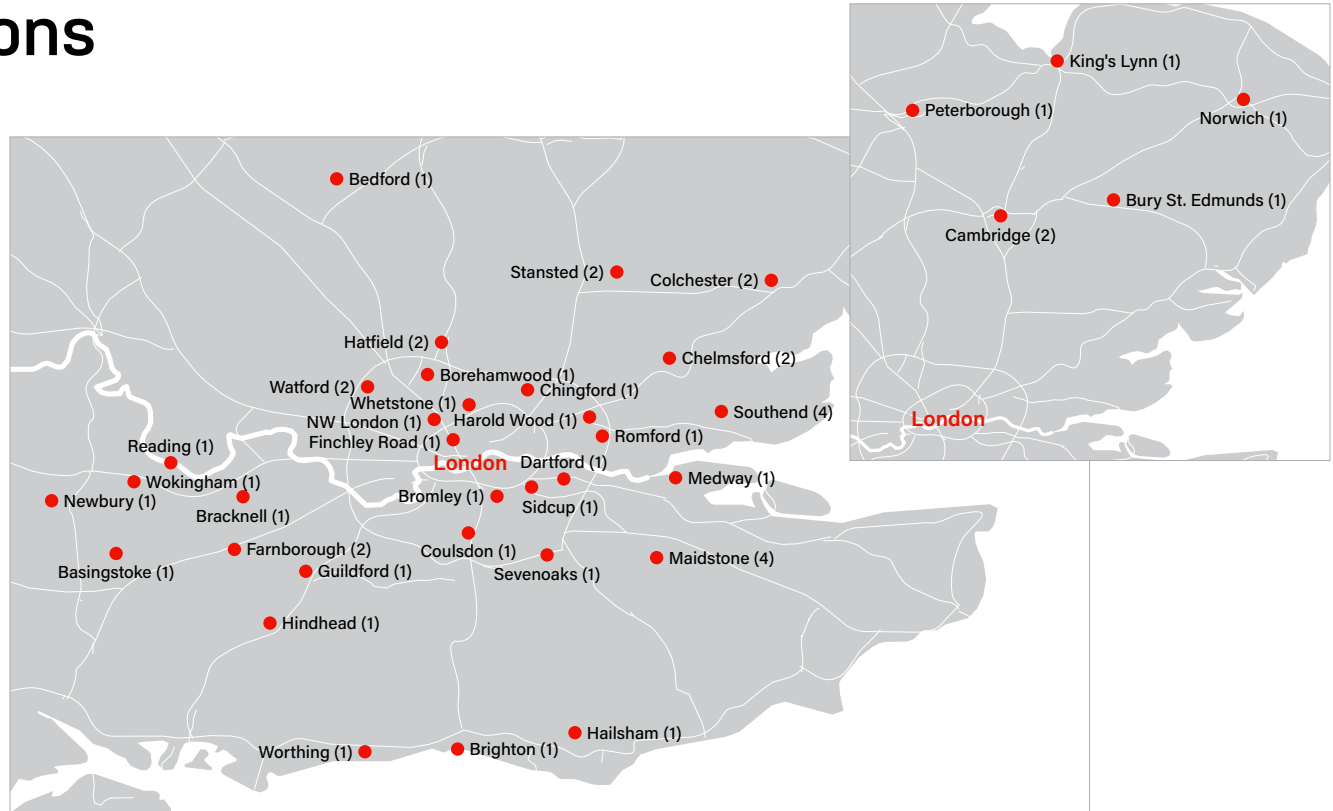
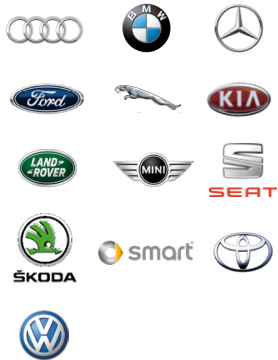
*May not add to 100% due to rounding

U.K. Locations

United Kingdom England

50 Dealerships

67 Franchises



Brazil Locations

Group 1 is aligned with growing brands in Brazil

16 Dealerships (21 Franchises):

- BMW (4)
- Toyota (5)
- Honda (4)
- Jaguar (3)
- Land Rover (3)
- MINI (2)



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



Cash Flow Summary

| (unaudited, \$MM) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Income | \$ 93 | \$ 94 | \$ 147 | \$ 213 | \$ 158 | \$ 174 | \$ 286 |
| Depreciation Expense | 42 | 47 | 51 | 58 | 67 | 72 | 76 |
| Asset Impairments | 42 | 88 | 33 | 20 | 44 | 22 | 38 |
| Deferred Income Taxes | 12 | 12 | 14 | (46) | 3 | 16 | (1) |
| Stock-Based Compensation | 16 | 19 | 21 | 19 | 19 | 19 | 32 |
| Loss on Extinguishment of Debt | 46 | - | - | - | - | - | 14 |
| Amortization of Right to Use Assets | - | - | - | - | - | 28 | 24 |
| Change in Working Capital | (51) | (114) | 116 | (70) | 2 | 41 | 337 |
| Other | (3) | (5) | 2 | 2 | (23) | (1) | (0) |
| Operating Cash Flow (GAAP) | \$ 198 | \$ 141 | \$ 384 | \$ 197 | \$ 270 | \$ 371 | \$ 805 |
| Change in Floorplan notes payable — credit facilities, excluding floorplan offset account and net acquisition and disposition | 6 | 100 | (113) | 89 | 62 | (43) | (314) |
| Change in Floorplan notes payable — manufacturer affiliates associated with net acquisition and disposition related activity, excluding net activity associated with the floorplan offset account | 3 | 3 | - | (3) | (22) | 4 | 12 |
| Adjusted Operating Cash Flow (Non-GAAP) | \$ 207 | \$ 244 | \$ 271 | \$ 282 | \$ 310 | \$ 332 | \$ 504 |
| Cap Ex | (98) | (107) | (101) | (98) | (110) | (95) | (77) |
| Adjusted Free Cash Flow (Non-GAAP) | 109 | 137 | 170 | 184 | 200 | 237 | 426 |

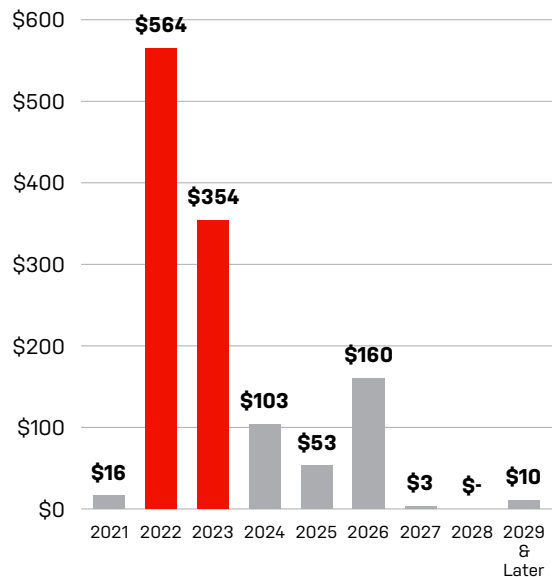
U.S. Non-Floorplan Debt Maturities

\$850M of bond debt due 2022/23 refinanced in 2020 with \$726M of bond/mortgage debt due mostly 2027/28

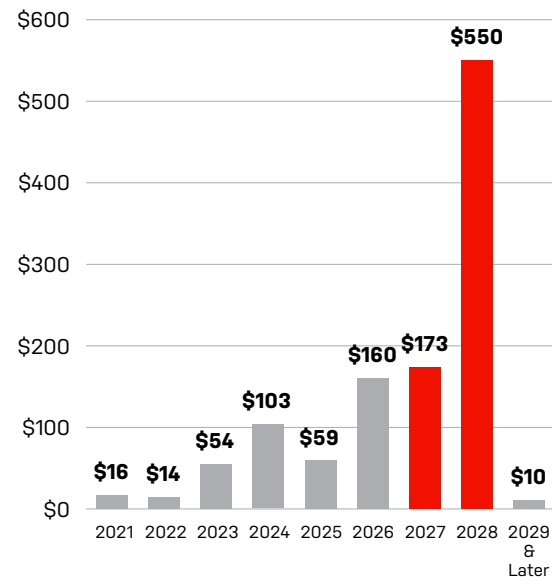
- Total annual interest savings of over \$15M

\$196M reduction in non-floorplan debt during FY20

Before Bond Transactions (\$MM)



After Bond Transactions (\$MM)



Real Estate Strategy

GPI is shifting toward owning its real estate:

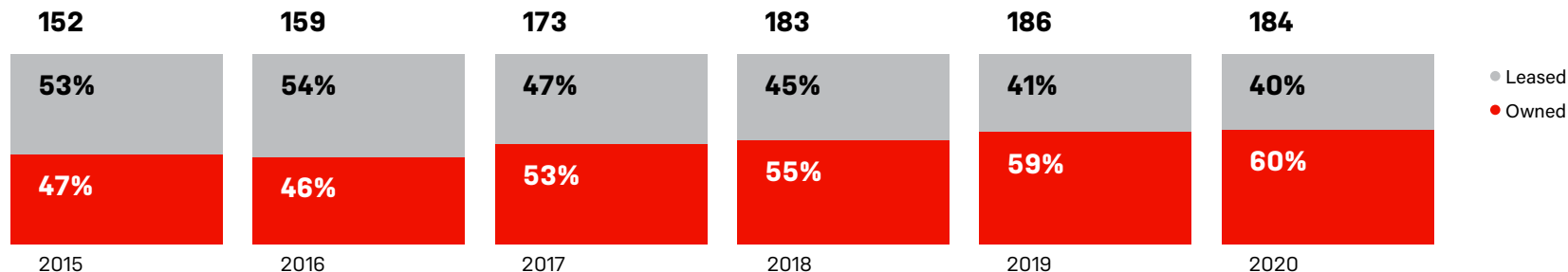
Control of dealership real estate is a strong strategic asset

Ownership means better flexibility and lower cost

The Company looks for opportunistic real estate acquisitions in strategic location

As of December 31, 2020, the Company owns ~\$1.3B of net real estate (60% of dealership locations) financed through \$620M of mortgage debt.

Leased vs. Owned Properties



Dealership Property Breakdown by Region

(as of December 31, 2020)

| Region | Dealerships | |
|----------------|-------------|-----------|
| | Owned | Leased |
| United States | 83 | 34 |
| United Kingdom | 23 | 27 |
| Brazil | 5 | 12 |
| Total | 111 | 73 |

Consolidated Financial Results

| Financial Results - Consolidated (\$MM) | Three Months Ended December 31, | | | | Twelve Months Ended December 31, | | | |
|---|---------------------------------|------------|-------------|---------------------|----------------------------------|-------------|-----------|---------------------|
| | 2020 | 2019 | % Change | C.C. ⁽²⁾ | 2020 | 2019 | % Change | C.C. ⁽²⁾ |
| Revenues | \$ 2,990.2 | \$ 3,111.4 | (3.9) | (3.6) | \$ 10,851.8 | \$ 12,043.8 | (9.9) | (9.4) |
| Gross Profit | \$ 481.7 | \$ 464.6 | 3.7 | 4.1 | \$ 1,769.0 | \$ 1,816.0 | (2.6) | (2.2) |
| SG&A as a % of Gross Profit | 61.9% | 72.8% | (1,080) bps | | 66.1% | 74.8% | (870) bps | |
| Adjusted SG&A as a % of Gross Profit | 63.6% | 72.9% | (930) bps | | 65.8% | 74.0% | (810) bps | |
| Net Income | \$ 100.1 | \$ 48.1 | 108.2 | | \$ 286.5 | \$ 174.0 | 64.6 | |
| Adjusted Net Income ⁽¹⁾ | \$ 104.4 | \$ 56.3 | 85.4 | | \$ 333.5 | \$ 203.6 | 63.8 | |
| Diluted EPCS | \$ 5.43 | \$ 2.57 | 111.2 | | \$ 15.51 | \$ 9.34 | 66.0 | |
| Adjusted Diluted EPCS ⁽¹⁾ | \$ 5.66 | \$ 3.01 | 88.0 | | \$ 18.06 | \$ 10.93 | 65.2 | |

⁽¹⁾ See appendix for GAAP reconciliation

⁽²⁾ Constant currency basis



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.

Reconciliation: Adjusted Earnings Per Share (Non-GAAP)

| Reconciliation of Diluted Earnings (Loss) per Share (EPS) (unaudited, \$MM) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------|---------|---------|----------|---------|----------|----------|
| As Reported EPS | \$ 3.60 | \$ 3.90 | \$ 6.67 | \$ 10.08 | \$ 7.83 | \$ 9.34 | \$ 15.51 |
| After tax adjustments: | | | | | | | |
| Non-cash asset impairment charges | 1.05 | 3.09 | 0.93 | 0.59 | 1.65 | 0.94 | 1.69 |
| (Gain) loss on real estate and dealership transactions | (0.28) | (0.21) | (0.03) | 0.03 | (0.95) | (0.13) | (0.23) |
| 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 | - |
| Severance Costs | 0.03 | 0.02 | 0.05 | 0.01 | - | - | 0.10 |
| Legal Settlements | 0.01 | 0.03 | (0.33) | (0.03) | 0.21 | 0.05 | (0.12) |
| Acquisitions costs including related tax impact | 0.01 | - | 0.02 | 0.01 | - | - | - |
| 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) | - | - |
| Out-of-period adjustments | - | - | - | - | - | - | 0.53 |
| Adjusted Diluted EPS | \$ 5.87 | \$ 6.87 | \$ 7.42 | \$ 7.73 | \$ 8.91 | \$ 10.93 | \$ 18.06 |

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 | \$ 298.4 | \$ 5.3 | \$ 2.7 | \$ — | \$ 306.5 |
| Asset impairments | \$ 13.9 | \$ — | \$ — | \$ (13.9) | \$ — |
| Income (loss) from operations | \$ 150.1 | \$ (5.3) | \$ (2.7) | \$ 13.9 | \$ 156.0 |
| Income (loss) before income taxes | \$ 128.1 | \$ (5.3) | \$ (2.7) | \$ 13.9 | \$ 134.0 |
| Less: (Benefit) provision for income taxes | 28.0 | (1.1) | (0.6) | 3.3 | 29.6 |
| Net income (loss) | 100.1 | (4.2) | (2.1) | 10.6 | 104.4 |
| Less: Earnings (loss) allocated to participating securities | 3.6 | (0.1) | (0.1) | 0.4 | 3.7 |
| Net income (loss) available to diluted common shares | \$ 96.5 | \$ (4.0) | \$ (2.1) | \$ 10.2 | \$ 100.7 |
| Diluted income (loss) per common share | \$ 5.43 | \$ (0.23) | \$ (0.12) | \$ 0.58 | \$ 5.66 |
| Effective tax rate | 21.9 % | | | | 22.1 % |
| SG&A as % gross profit ⁽¹⁾ | 61.9 % | | | | 63.6 % |
| Operating margin ⁽²⁾ | 5.0 % | | | | 5.2 % |
| Pretax margin ⁽³⁾ | 4.3 % | | | | 4.5 % |
| Same Store SG&A | \$ 299.6 | \$ — | \$ 2.7 | \$ — | \$ 302.3 |
| Same Store SG&A as % gross profit ⁽¹⁾ | 62.9 % | | | | 63.4 % |
| Same Store income (loss) from operations | \$ 148.0 | \$ — | \$ (2.7) | \$ 10.0 | \$ 155.2 |
| Same Store operating margin ⁽²⁾ | 5.0 % | | | | 5.2 % |

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

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

⁽³⁾ 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)

Three Months Ended December 31, 2019

| | U.S. GAAP | Legal matters | Asset impairments | Non-GAAP adjusted |
|---|-----------|---------------|----------------------|----------------------|
| SG&A expenses | \$ 338.1 | \$ 0.7 | \$ — | \$ 338.8 |
| Asset impairments | \$ 11.5 | \$ — | \$ (11.5) | \$ — |
| Income (loss) from operations | \$ 96.5 | \$ (0.7) | \$ 11.5 | \$ 107.3 |
| Income (loss) before income taxes | \$ 62.9 | \$ (0.7) | \$ 11.5 | \$ 73.6 |
| Less: (Benefit) provision for income taxes | 14.8 | (0.2) | 2.7 | 17.3 |
| Net income (loss) | 48.1 | (0.5) | 8.8 | 56.3 |
| Less: Earnings (loss) allocated to participating securities | 1.7 | — | 0.3 | 2.0 |
| Net income (loss) available to diluted common shares | \$ 46.3 | \$ (0.5) | \$ 8.5 | \$ 54.3 |
| Diluted income (loss) per common share | \$ 2.57 | \$ (0.03) | \$ 0.47 | \$ 3.01 |
| Effective tax rate | 23.5 % | | | 23.5 % |
| SG&A as % gross profit ⁽¹⁾ | 72.8 % | | | 72.9 % |
| Operating margin ⁽²⁾ | 3.1 % | | | 3.4 % |
| Pretax margin ⁽²⁾ | 2.0 % | | | 2.4 % |
| Same Store SG&A expenses | \$ 333.0 | \$ 0.7 | \$ — | \$ 333.8 |
| Same Store SG&A as % gross profit ⁽¹⁾ | 72.3 % | | | 72.4 % |
| Same Store income (loss) from operations | \$ 97.9 | \$ (0.7) | \$ 11.5 | \$ 108.6 |
| Same Store operating margin ⁽²⁾ | 3.2 % | | | 3.5 % |

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

⁽²⁾ Adjusted operating margin and pretax margin exclude 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, 2020

| | U.S. GAAP | Dealership and real estate transactions | Severance costs | Legal matters | Out-of-period adjustment | Asset impairments | (Gain) loss on extinguishment of debt | Non-GAAP adjusted |
|---|------------|---|-----------------|---------------|--------------------------|-------------------|---------------------------------------|-------------------|
| SG&A expenses | \$ 1,169.3 | \$ 5.3 | \$ (2.1) | \$ 2.7 | \$ (10.6) | \$ — | \$ — | \$ 1,164.7 |
| Asset impairments | \$ 37.7 | \$ — | \$ — | \$ — | \$ — | \$ (37.7) | \$ — | \$ — |
| Income (loss) from operations | \$ 486.1 | \$ (5.3) | \$ 2.1 | \$ (2.7) | \$ 10.6 | \$ 37.7 | \$ — | \$ 528.4 |
| (Gain) loss on extinguishment of debt | \$ 13.7 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (13.7) | \$ — |
| Income (loss) before income taxes | \$ 370.3 | \$ (5.3) | \$ 2.1 | \$ (2.7) | \$ 10.6 | \$ 37.7 | \$ 13.7 | \$ 426.4 |
| Less: (Benefit) provision for income taxes | 83.8 | (1.1) | 0.3 | (0.6) | 0.8 | 6.5 | 3.0 | 92.8 |
| Net income (loss) | 286.5 | (4.2) | 1.8 | (2.1) | 9.7 | 31.2 | 10.7 | 333.5 |
| Less: Earnings (loss) allocated to participating securities | 10.3 | (0.2) | 0.1 | (0.1) | 0.3 | 1.1 | 0.4 | 12.0 |
| Net income (loss) available to diluted common shares | \$ 276.2 | \$ (4.0) | \$ 1.7 | \$ (2.1) | \$ 9.4 | \$ 30.1 | \$ 10.3 | \$ 321.6 |
| Diluted income (loss) per common share | \$ 15.51 | \$ (0.23) | \$ 0.10 | \$ (0.12) | \$ 0.53 | \$ 1.69 | \$ 0.58 | \$ 18.06 |
| Effective tax rate | 22.6 % | | | | | | | 21.8 % |
| SG&A as % gross profit ⁽¹⁾ | 66.1 % | | | | | | | 65.8 % |
| Operating margin ⁽²⁾ | 4.5 % | | | | | | | 4.9 % |
| Pretax margin ⁽³⁾ | 3.4 % | | | | | | | 3.9 % |
| Same Store SG&A expenses | \$ 1,143.0 | \$ — | \$ (2.1) | \$ 2.7 | \$ (10.6) | \$ — | \$ — | \$ 1,133.0 |
| Same Store SG&A as % gross profit ⁽¹⁾ | 66.1 % | | | | | | | 65.5 % |
| Same Store income (loss) from operations | \$ 480.3 | \$ — | \$ 2.1 | \$ (2.7) | \$ 10.6 | \$ 33.8 | \$ — | \$ 524.0 |
| Same Store operating margin ⁽²⁾ | 4.5 % | | | | | | | 4.9 % |

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

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

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

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

Year Ended December 31, 2019

| | U.S. GAAP | Catastrophic events | Dealership and real estate transactions | Legal matters | Asset impairments | Non-GAAP adjusted |
|---|-----------------|------------------------|--|------------------|----------------------|----------------------|
| SG&A expenses | \$ 1,358.4 | \$ (17.8) | \$ 4.1 | \$ (1.3) | \$ — | \$ 1,343.4 |
| Asset impairments | \$ 22.2 | \$ — | \$ — | \$ — | \$ (22.2) | \$ — |
| Income (loss) from operations | \$ 363.7 | \$ 17.8 | \$ (4.1) | \$ 1.3 | \$ 22.2 | \$ 401.0 |
| Income (loss) before income taxes | \$ 227.3 | \$ 17.8 | \$ (4.1) | \$ 1.3 | \$ 22.2 | \$ 264.5 |
| Less: (Benefit) provision for income taxes | 53.3 | 4.4 | (1.7) | 0.3 | 4.7 | 61.0 |
| Net income (loss) | 174.0 | 13.4 | (2.5) | 1.0 | 17.6 | 203.6 |
| Less: Earnings (loss) allocated to participating securities | 6.4 | 0.5 | (0.1) | — | 0.7 | 7.5 |
| Net income (loss) available to diluted common shares | <u>\$ 167.6</u> | <u>\$ 12.9</u> | <u>\$ (2.4)</u> | <u>\$ 1.0</u> | <u>\$ 16.9</u> | <u>\$ 196.0</u> |
| Diluted income (loss) per common share | \$ 9.34 | \$ 0.72 | \$ (0.13) | \$ 0.05 | \$ 0.94 | \$ 10.93 |
| Effective tax rate | 23.4 % | | | | | 23.0 % |
| SG&A as % gross profit ⁽¹⁾ | 74.8 % | | | | | 74.0 % |
| Operating margin ⁽²⁾ | 3.0 % | | | | | 3.3 % |
| Pretax margin ⁽²⁾ | 1.9 % | | | | | 2.2 % |
| Same Store SG&A expenses | \$ 1,338.9 | \$ (17.8) | \$ 0.4 | \$ (1.1) | \$ — | \$ 1,320.3 |
| Same Store SG&A as % gross profit ⁽¹⁾ | 74.5 % | | | | | 73.5 % |
| Same Store income (loss) from operations | \$ 364.4 | \$ 17.8 | \$ (0.4) | \$ 1.1 | \$ 22.2 | \$ 405.2 |
| Same Store operating margin ⁽²⁾ | 3.1 % | | | | | 3.4 % |

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

⁽²⁾ Adjusted operating margin and pretax margin exclude the impact of SG&A reconciling items above and asset impairment charges.



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