

GROUP1 AUTOMOTIVE®

'VALUE DRIVEN'

2018 Second Quarter
Financial Results & Overview



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 forwardlooking 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.





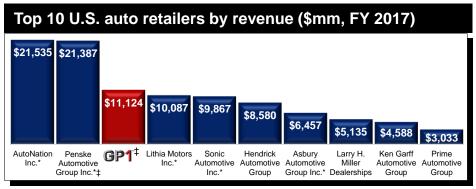
Company Overview

What Sets Group 1 Apart?

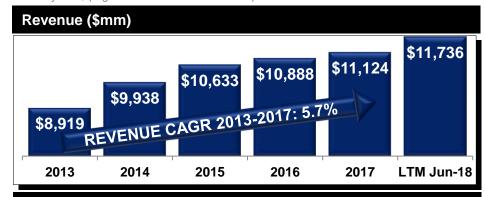


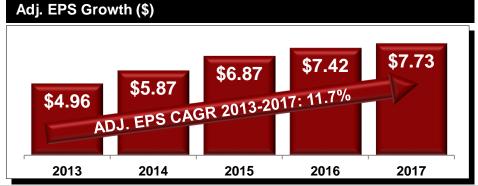
- International, Fortune 500 company with Market Cap of \$1.2 Billion (period ended June 30, 2018)
- Third largest dealership group in the U.S. retailing over 300,000 new and used vehicles annually
- Committed senior management team with +230 years of automotive retailing and OEM experience
- Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner
- Well positioned for growth





Source: Automotive News, 2017 Top 150 Dealership Groups, Crain Communications Inc. *Publicly Held; ‡Figures include data for dealerships outside the United States



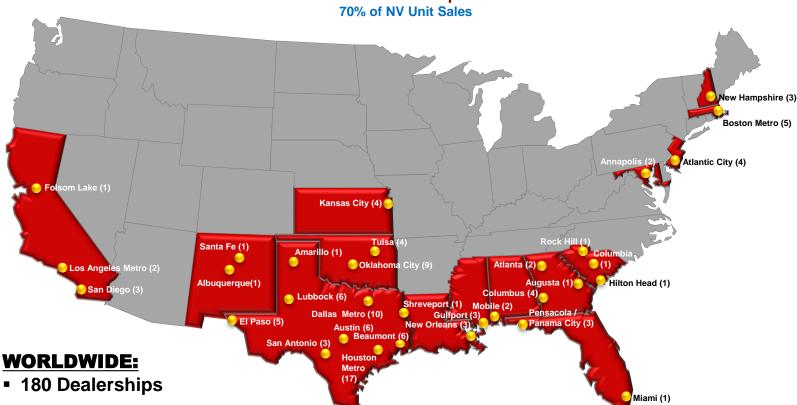


Geographic Footprint









WORLDWIDE:

- 236 Franchises
- 48 Collision Centers
- 32 Brands

England: 47 Dealerships **25% of NV Unit** Sales

U.K.

BRAZIL Mato Grosso do Sul, Paraná, São Paulo, and **Santa Catarina**

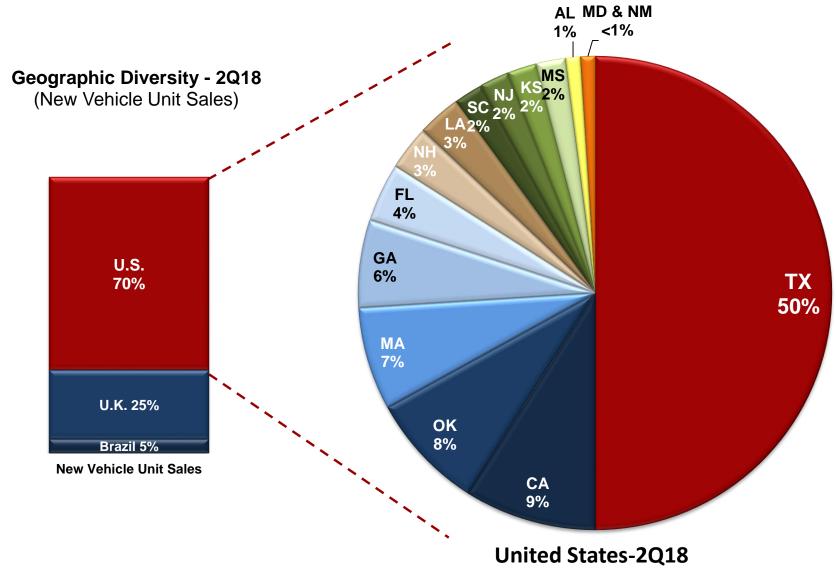
- 17 Dealerships
- 5% of NV Unit **Sales**



*As of July 26, 2018

Geographic Diversity

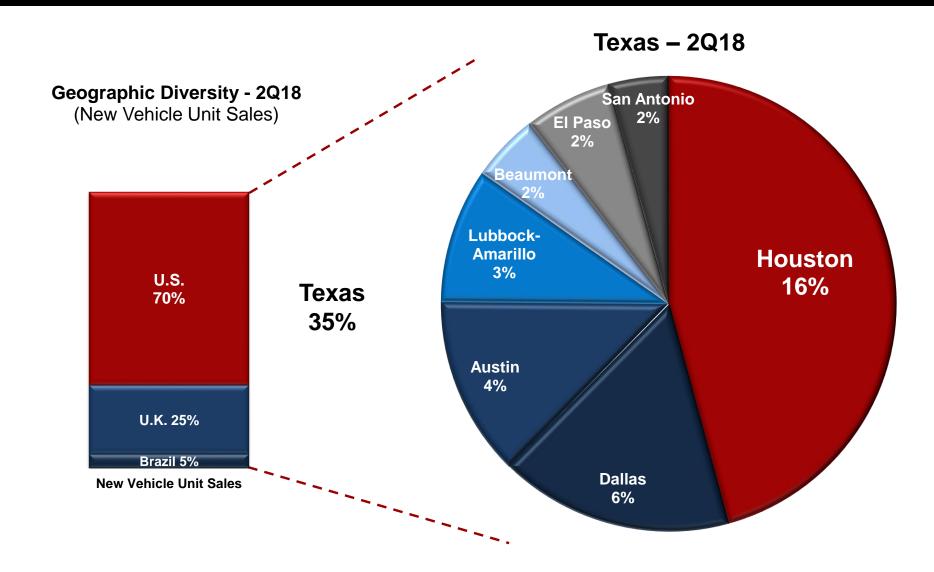




*May not add to 100% due to rounding.

Geographic Diversity – Texas

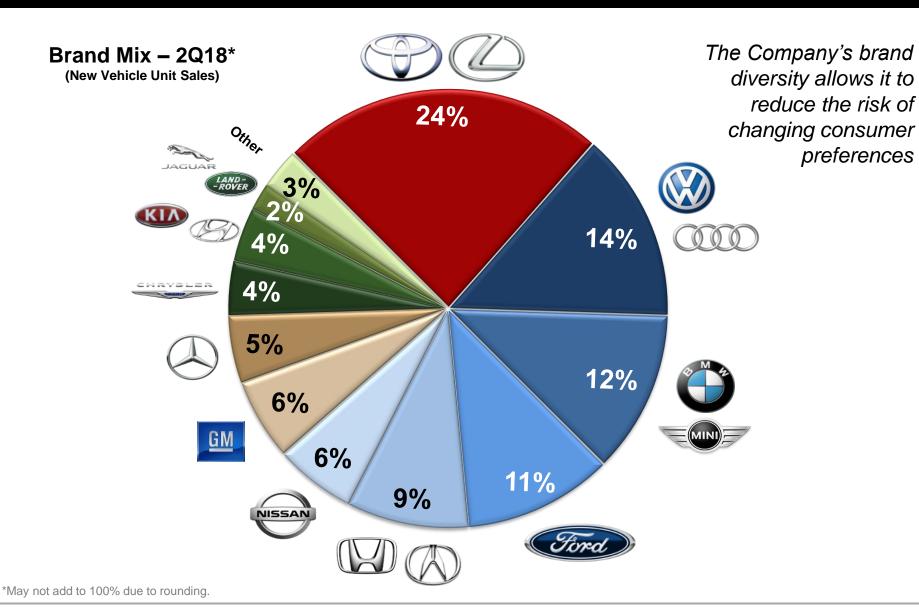




Well-Balanced Brand Portfolio

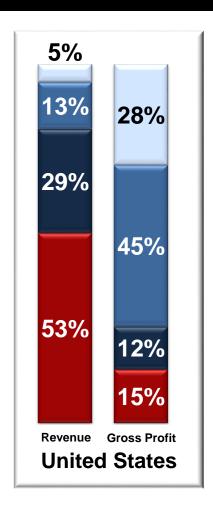


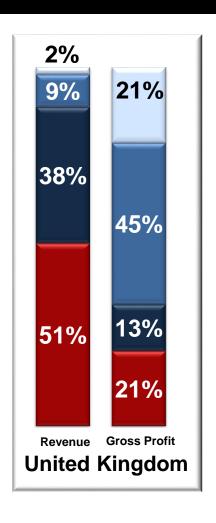
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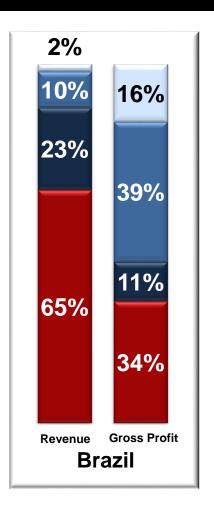


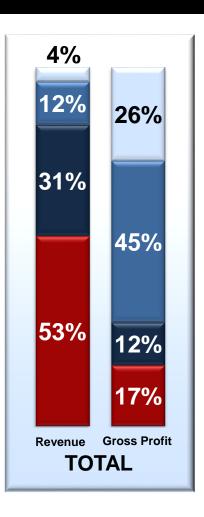
Business Mix Comp – 2Q18











■ New Vehicles

■ Used Vehicles

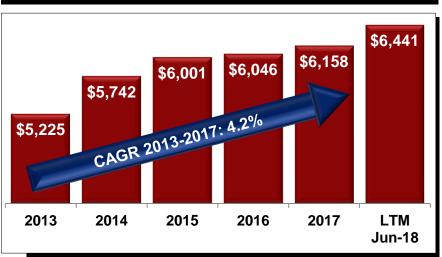
■ Parts & Service

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

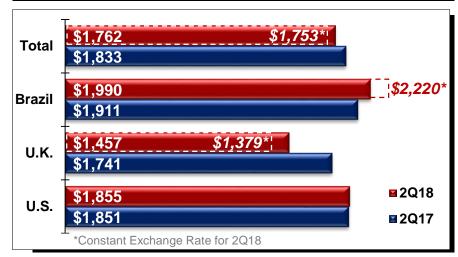
New Vehicles Overview



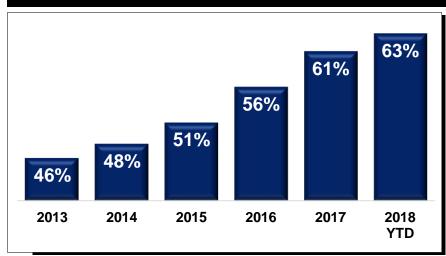
New vehicle revenue (\$mm)



New vehicle gross profit per retail unit



U.S. new vehicle truck mix

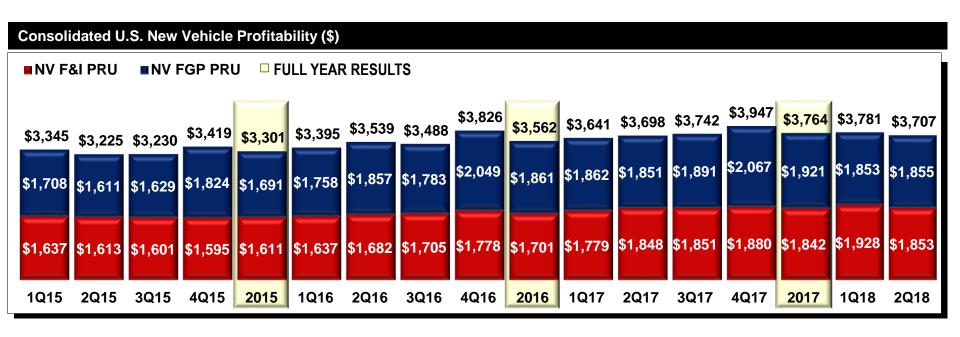


U.S. New Vehicle total profit per retail unit with F&I (YoY growth)



U.S. New Vehicle Profitability





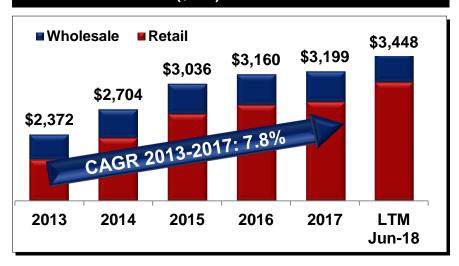
Group 1 has delivered ten straight quarters with NV total gross profit PRU YoY growth!

^{*}Adjusted, see appendix for GAAP reconciliation.

Used Vehicle Overview



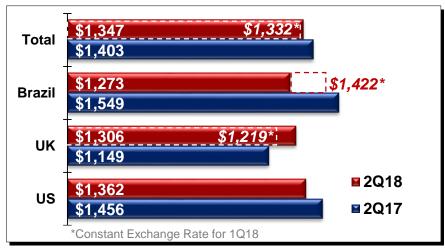
Used vehicle revenue (\$mm)



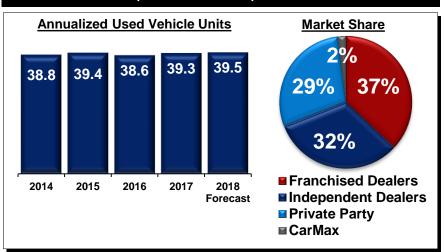
2Q18 Val-u-Line

- Total profit effect is positive
- Drove \$2.1 million incremental gross profit
- 11.1% Same Store increase in used vehicle retail units;
 26.3% decrease in wholesale vehicles
 - Over 2,000 units shifted, which drove improved total gross profit and F&I gross profit opportunities
- 10% of retail unit sales were Val-u-Line vs a 4% historical average

Retail used vehicle gross profit per retail unit



Used market size (units in millions) 1 & market share²



¹ Source: Cox Automotive 2018 Used Car Market Report & Outlook

² Source: WardsAuto Group "U.S. Market Used Vehicle Sales" Report, 2015

Trade-In Tax Impact



- 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.

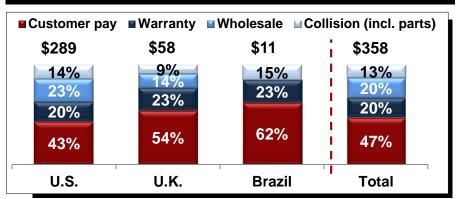
Parts & Service Overview



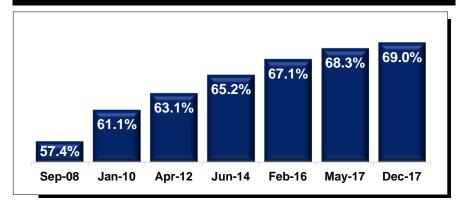
P&S revenue and gross margin (\$mm)



2Q18 P&S revenue (\$mm)



Service Retention Trend



Same store revenue growth*

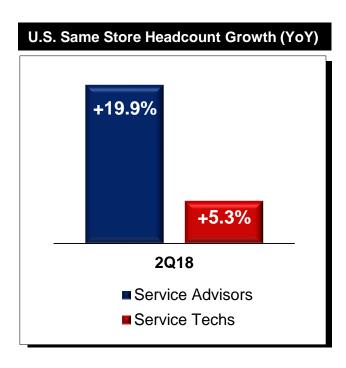


- Parts & service segment provides a stable base of free cash flow through economic cycles
- Using Customer Management Software (CMS) and technology to improve efficiencies and closing rates
- Enhancing customer touch points to improve retention / attacking points of defection
- Leveraging scale
- Improving collision business
- Strategic emphasis on customer service is driving growth above sector average in this important segment
- Focused on adding human capacity—since June 30, 2017, the Company's same store, net service advisor headcount has grown +20% in the U.S.

Strategic Initiatives: Aftersales



- 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 900 U.S. customer service personnel
 - Implementation of an in-house Service Manager University



- A four-day, flexible work schedule was fully implemented across 31 U.S. stores throughout 2Q18
 - > For the 31 stores that have fully implemented the four-day schedule, their customer pay growth was double the U.S. total.
- Employee retention rates have improved considerably
 - > Same store service advisor headcount has increased 20% year-over-year

New Technology Business Impact



- 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.



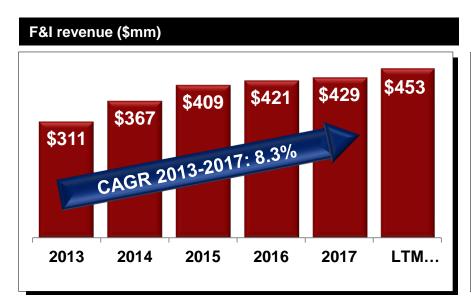
2017 Nissan Leaf 5-year maintenance cost estimate: \$2,865

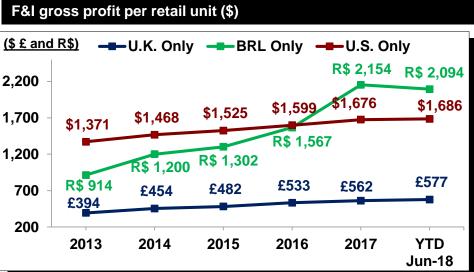


2017 Toyota Camry 5-year maintenance cost estimate: \$3,094

Finance & Insurance Overview







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 (Actual)

						20	18	
	2014	2015	2016	2017	Consol.	US	UK	Brazil
Finance	67%	67%	67%	65%	64%	72%	44%	38%
vsc	34%	32%	32%	32%	31%	42%	3%	0%
Gap Ins.	24%	27%	28%	29%	29%	29%	33%	0%
Maintenance	9%	10%	11%	12%	11%	15%	0%	0%
Sealant	18%	21%	22%	24%	25%	25%	27%	0%
Gross Profit PRU	\$1,324	\$1,368	\$1,397	\$1,442	\$1,431	\$1,686	\$793	\$611



Financial Overview

Consolidated Financial Results



Financial Results - Consolidated (\$ in millions, except per share amounts)

		,									
	2	Q18		2Q17	Ch	ange	C.C. ²	 FY18	FY17	Change	C.C. ²
Revenues	\$ 2	2,943.5	\$ 2	2,672.2	1	0.2%	9.2%	\$ 5,803.5	\$ 5,191.0	11.8%	9.9%
Gross Profit	\$	438.2	\$	404.9		8.2%	7.5%	\$ 857.9	\$ 788.4	8.8%	7.5%
SG&A as a % of Gross Profit		70.3%		73.7%		-340		73.7%	74.6%	-90	
Adj. SG&A as a % of Gross Profit (1)		73.0%		73.5%		-50		75.1%	74.7%	40	
Operating Margin		3.7%		3.5%		20		3.2%	3.3%	-10	
Adusted Operating Margin (1)		3.5%		3.5%		0		3.1%	3.3%	-20	
EBITDA	\$	111.2	\$	93.1	\$	18.1		\$ 192.6	\$ 174.9	\$ 17.7	
Adjusted EBITDA (1)	\$	103.8	\$	94.0	\$	9.8		\$ 185.2	\$ 174.0	\$ 11.2	
Total Interest Expense	\$	34.0	\$	30.5	\$	3.5		\$ 66.9	\$ 59.5	\$ 7.4	
Net Income	\$	56.5	\$	39.1	4	14.3%		\$ 92.3	\$ 73.1	26.3%	
Adjusted Net Income (1)	\$	50.8	\$	39.8	2	27.6%		\$ 86.6	\$ 72.6	19.3%	
Diluted EPCS	\$	2.72	\$	1.84	4	17.8%		\$ 4.42	\$ 3.42	29.2%	
Adjusted Diluted EPCS (1)	\$	2.45	\$	1.87	3	31.0%		\$ 4.15	\$ 3.40	22.1%	

⁽¹⁾ See appendix for GAAP reconciliation

⁽²⁾ Constant currency basis

Financial Results by Segment





Financial Results - U.S. (\$ in millions)

2Q18	2Q17	Change	FY18	FY17	Change
\$2,168.0	\$ 2,123.7	2.1%	\$ 4,256.5	\$ 4,091.4	4.0%
\$ 350.7	\$ 340.5	3.0%	\$ 686.4	\$ 661.1	3.8%
66.8%	71.6%	-480	71.0%	72.6%	-160
70.3%	71.4%	-110	72.8%	72.8%	0
4.6%	4.0%	60	4.0%	3.8%	20
4.2%	4.0%	20	3.8%	3.8%	0
\$ 30.1	\$ 28.6	\$ 1.5	\$ 59.5	\$ 55.8	\$ 3.7
3.2%	2.6%	60	2.6%	2.5%	10
2.8%	2.7%	10	2.4%	2.5%	-10
	\$ 350.7 66.8% 70.3% 4.6% 4.2% \$ 30.1 3.2%	\$2,168.0 \$2,123.7 \$ 350.7 \$ 340.5 66.8% 71.6% 70.3% 71.4% 4.6% 4.0% 4.2% 4.0% \$ 30.1 \$ 28.6 3.2% 2.6%	\$2,168.0 \$2,123.7 2.1% \$ 350.7 \$ 340.5 3.0% 66.8% 71.6% -480 70.3% 71.4% -110 4.6% 4.0% 60 4.2% 4.0% 20 \$ 30.1 \$ 28.6 \$ 1.5 3.2% 2.6% 60	\$2,168.0 \$2,123.7 2.1% \$4,256.5 \$350.7 \$340.5 3.0% \$686.4 66.8% 71.6% -480 71.0% 70.3% 71.4% -110 72.8% 4.6% 4.0% 60 4.0% 4.2% 4.0% 20 3.8% \$30.1 \$28.6 \$1.5 \$59.5 3.2% 2.6% 60 2.6%	\$2,168.0 \$ 2,123.7 \$ 2.1% \$ 4,256.5 \$ 4,091.4 \$ 350.7 \$ 340.5 3.0% \$ 686.4 \$ 661.1 66.8% 71.6% -480 71.0% 72.6% 70.3% 71.4% -110 72.8% 72.8% 4.6% 4.0% 60 4.0% 3.8% 4.2% 4.0% 20 3.8% 3.8% \$ 30.1 \$ 28.6 \$ 1.5 \$ 59.5 \$ 55.8 3.2% 2.6% 60 2.6% 2.5%

⁽¹⁾ See appendix for GAAP reconciliation

Financial Results by Segment





Financial Results - U.K. (\$ in millions)

	 2Q18	 2Q17	CI	hange	C.C. ²	 FY18	FY17	Ch	ange	C.C. ²
Revenues	\$ 666.9	\$ 437.1		52.6%	43.6%	\$ 1,327.4	\$ 887.4	4	9.6%	36.7%
Gross Profit	\$ 74.8	\$ 50.9		46.9%	38.3%	\$ 146.3	\$ 101.2	4	4.5%	32.2%
SG&A as a % of Gross Profit	83.2%	83.4%		-20		83.3%	83.1%		20	
Adj. SG&A as a % of Gross Profit (1)	83.2%	82.8%		40		83.3%	82.8%		50	
Operating Margin	1.4%	1.5%		-10		1.4%	1.5%		-10	
Adusted Operating Margin (1)	1.4%	1.6%		-20		1.4%	1.6%		-20	
Total Interest Expense	\$ 3.4	\$ 1.7	\$	1.7		\$ 6.5	\$ 3.4	\$	3.1	
Pretax Margin	0.9%	1.1%		-20		0.9%	1.2%		-30	
Adjusted Pretax Margin (1)	0.9%	1.2%		-30		0.9%	1.2%		-30	



Financial Results - Brazil (\$ in millions)

	 2Q18	 2Q17	Ch	nange	C.C. ²	 FY18	FY17	Ch	ange	C.C. ²
Revenues	\$ 108.6	\$ 111.4		-2.5%	8.8%	\$ 219.6	\$ 212.2		3.5%	11.2%
Gross Profit	\$ 12.7	\$ 13.5		-5.9%	5.0%	\$ 25.3	\$ 26.1		-3.1%	4.2%
SG&A as a % of Gross Profit	91.1%	91.0%		10		92.3%	92.5%		-20	
Adj. SG&A as a % of Gross Profit (1)	86.7%	91.0%		-430		90.1%	92.5%		-240	
Operating Margin	0.6%	0.8%		-20		0.5%	0.6%		-10	
Adusted Operating Margin (1)	1.1%	0.8%		30		0.7%	0.6%		10	
Total Interest Expense	\$ 0.4	\$ 0.2	\$	0.2		\$ 0.9	\$ 0.3	\$	0.6	
Pretax Margin	0.2%	0.6%		-40		0.1%	0.4%		-30	
Adjusted Pretax Margin (1)	0.7%	0.6%		10		0.3%	0.4%		-10	

⁽¹⁾ See appendix for GAAP reconciliation

⁽²⁾ Constant currency basis

Same Store Financial Results



Same Store Financial Results - Consolidated \$ in thousands

			Thr	ee Months E	Ended			Six	Months End	ed	
	6	5/30/2018	6	/30/2017	Change	C.C. 1	6/30/2018	(6/30/2017	Change	C.C. 1
Revenues:											
New vehicle retail	\$	1,442,408	\$	1,443,260	-0.1%	-0.6%	\$ 2,849,922	\$	2,776,299	2.7%	1.4%
Used vehicle retail		750,430		683,759	9.8%	8.8%	1,474,594		1,342,311	9.9%	8.2%
Used vehicle wholesale		79,644		98,887	-19.5%	-21.1%	172,338		202,933	-15.1%	-17.8%
Total used	\$	830,074	\$	782,646	6.1%	5.0%	\$ 1,646,932	\$	1,545,244	6.6%	4.8%
Parts and service		338,212		330,250	2.4%	2.0%	671,699		648,953	3.5%	2.7%
Finance and insurance		109,159		105,757	3.2%	2.8%	215,818		201,911	6.9%	6.1%
Total	\$	2,719,853	\$	2,661,913	2.2%	1.5%	\$ 5,384,371	\$	5,172,407	4.1%	2.7%
Gross Profit	\$	412,714	\$	403,114	2.4%	1.9%	\$ 810,273	\$	785,429	3.2%	2.2%

¹ Constant currency basis



Balance Sheet

Summary Balance Sheet



Summary Balance Sheet

\$ in thousands

	As of 6/30/2018	As of 12/31/2017
Cash and cash equivalents (1)	\$41,575	\$28,787
Contracts In Transit and vehicle receivables, net	\$249,706	\$306,433
Inventories, net	\$1,721,249	\$1,763,293
Total current assets	\$2,271,826	\$2,329,186
Total assets	\$4,886,742	\$4,871,065
Floorplan notes payable	\$1,552,125	\$1,637,878
Offset account related to credit facility (1)	(\$144,062)	(\$109,047)
Other current liabilities	\$708,698	\$669,656
Total current liabilities	\$2,116,761	\$2,198,487
Long-Term Debt, net of		
current maturities	\$1,357,998	\$1,318,184
Total stockholder's equity	\$1,172,612	\$1,124,282

⁽¹⁾ Available cash of \$185.6 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 paydown floorplan but can be immediately redrawn against inventory.

Debt Maturity



Debt Maturity Slide

			As of Jun	e 30, 201	8
(in millions)	Maturity Date		Actual		ailable quidity
Cash and cash equivalents Short-Term Debt		_\$	41.6	\$	41.6
Inventory Financing - Credit Facility (1) Inventory Financing - Other (2)	2021	\$	995.6 412.5	\$	119.6 24.5
Current Maturities - Long-Term Debt		\$	76.4 1,484.4	\$	144.1
Available Cash				\$	185.6
Long-Term Debt					
Acquisition Line of Credit (1,3)	2021		39.6		295.1
5.00% Senior Unsecured Notes (Face: \$550.0 Million)	2022		542.9		
5.25% Senior Unsecured Notes (Face: \$300.0 Million)	2023		296.4		
Real Estate	2019 - 2034		454.4		
Other	2020 - 2034		24.7		
Total Long-Term Debt		\$	1,358.0		
Total Debt		\$	2,842.4		
				\$	480.7

Interest Rate Variability



	Actual	Variable %
Vehicle Financing	\$1,408.1	92.3%
Real Estate & Other Debt ⁽³⁾	\$595.1	50.2%
Senior Notes (1)	\$850.0	0.00%
SWAPS (2)(3)	\$750.0	100%
(1) Face Value (2) SWAPS range from \$100-\$850 million through 2030	D. see following slide for more details.	

- 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:

(3) Percentage adjusted for \$555M of real estate interest rate SWAPS. SWAPS exclude real estate interest rate SWAPS.

- As interest rates go up, manufacturers have historically offered additional interest assistance to offset the variance
- > 80.1% 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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2022-2025	2026-2030
Average Swap Balance	\$550	\$550	\$750	\$750	\$850	\$500	\$375	\$125	\$100
Interest Expense	\$13.2	\$12.7	\$11.8	\$5.5 *	-	-	-	-	-
Average Interest Rate	2.57%	2.76%	2.62%	2.68%	2.33%	2.26%	1.78%	1.81%	1.85%

^{*2018} interest expense projection reflects four 25-basis-point increases to the LIBOR rate (March, June, September and December 2018).

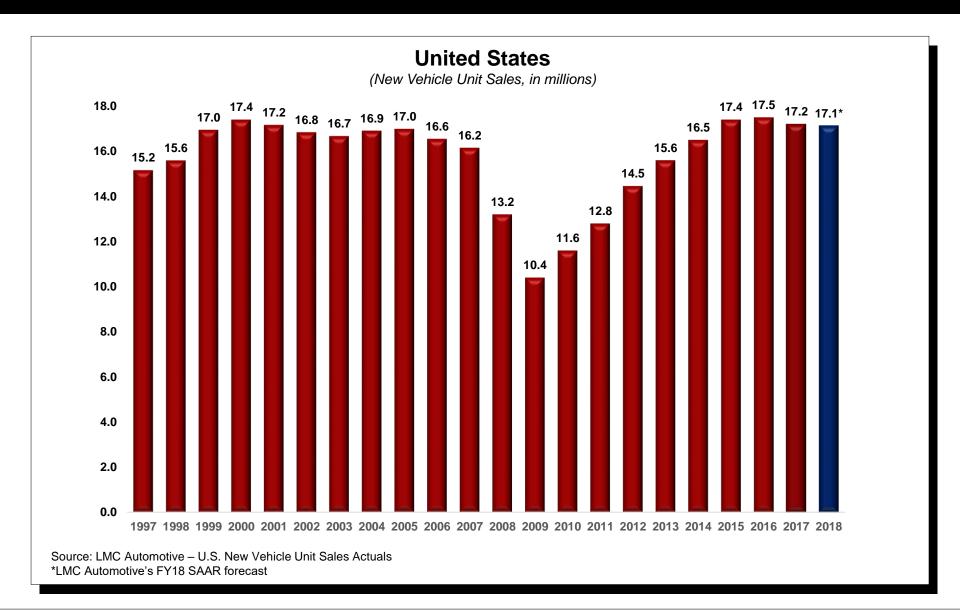
Note: Amortizing SWAPS associated with specific mortgages are excluded.



Growth Outlook

U.S. SAAR





Capital Allocation

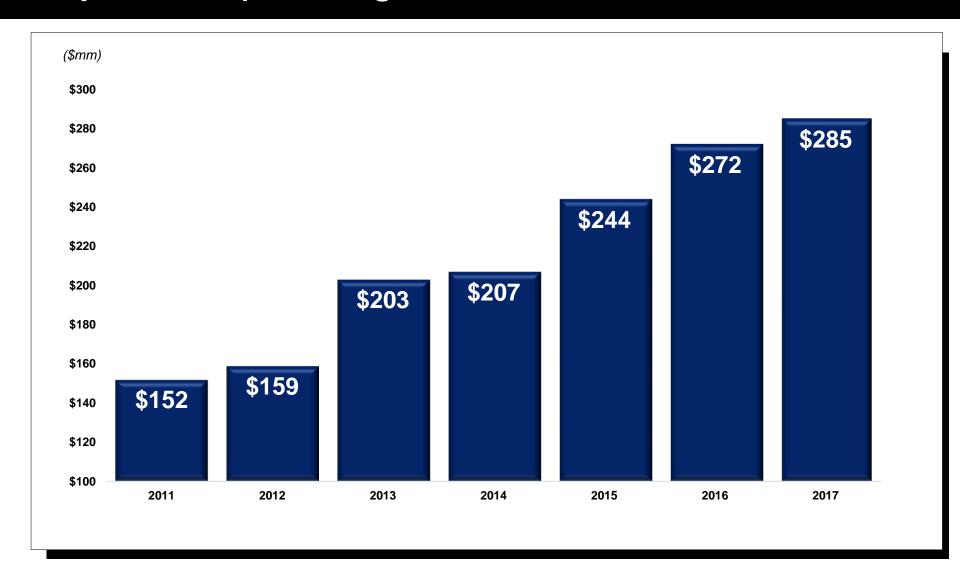


Increased focus on shareholder value drivers:

- Increased scrutiny on capital expenditures
- Disposal of underperforming assets
 - Sold large, underperforming luxury store and associated real estate in 2Q18
- Enhanced share repurchase program
- Increased focus on working capital levels

Adjusted Operating Cash Flow⁽¹⁾

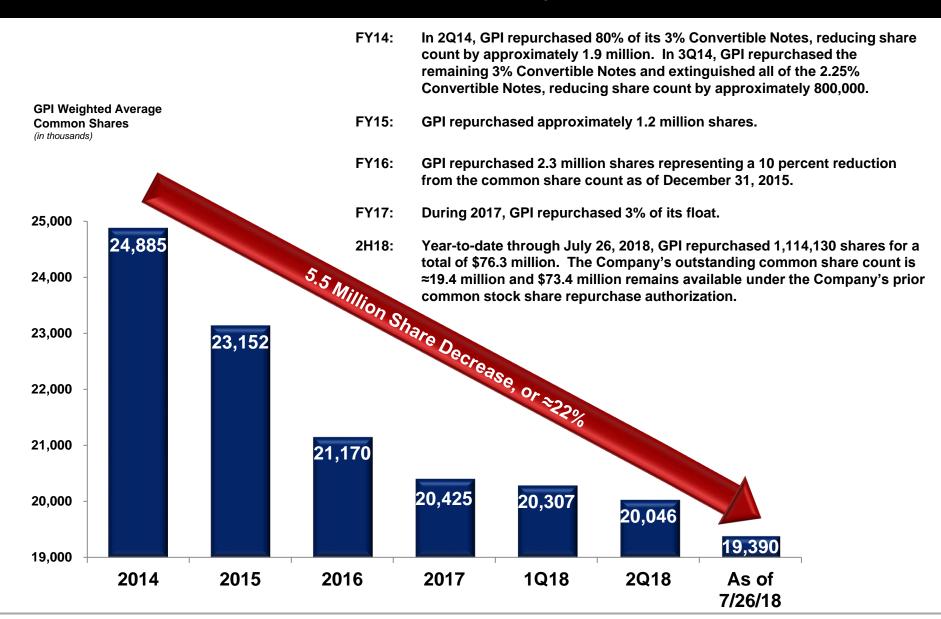




⁽¹⁾ See appendix for GAAP reconciliation

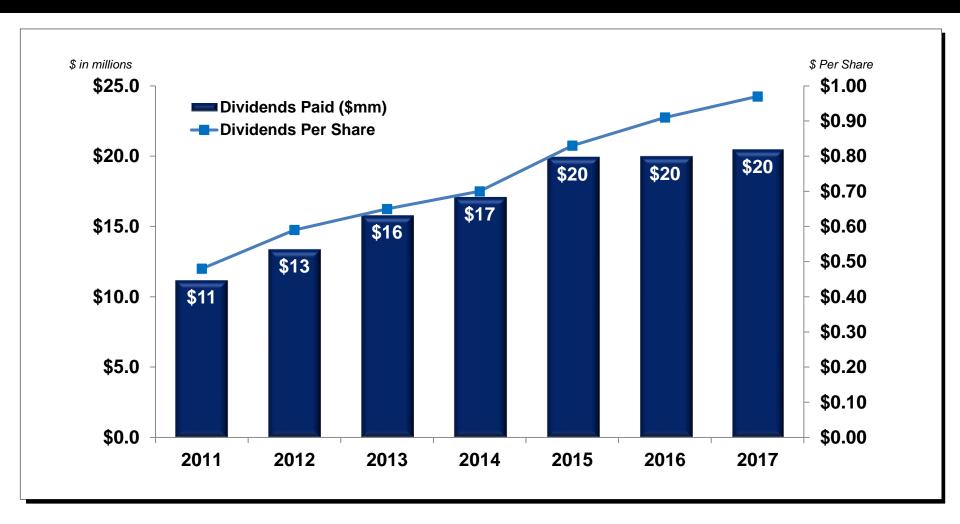
Share Repurchase Summary





Dividends

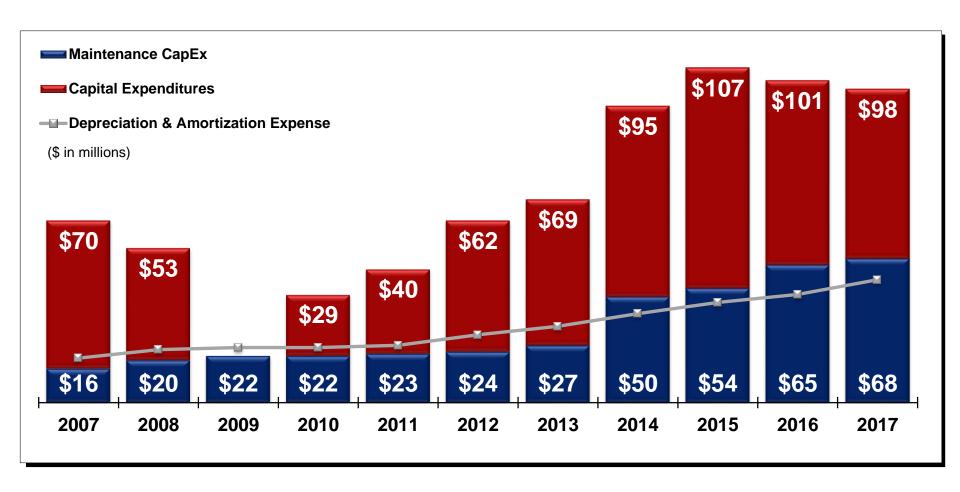




- During 1Q17, 2Q17, and 3Q17, the Company paid quarterly cash dividends of \$0.24 per share.
- During 4Q17, the Company paid quarterly cash dividends of \$0.25 per share.
- During 1Q18 and 2Q18, the Company paid quarterly cash dividends of \$0.26 per share.

Capital Expenditures

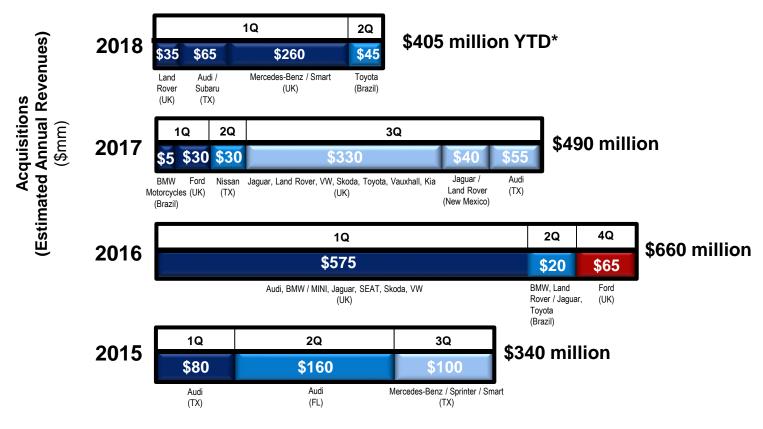




Acquisition Strategy



- 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 (10-15% after-tax discounted cash flow)



*As of July 26, 2018

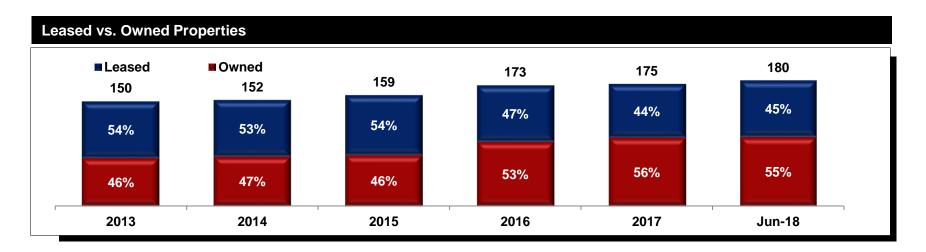
Real Estate Strategy

GP1

- 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 June 30, 2018, the Company owns approximately \$1.1 billion of real estate (55% of dealership locations) financed through approximately \$450 million of mortgage debt
- The Company has options to purchase six additional dealership properties through 2019.

Dealership property	breakdown by regio	n
(as of July 26, 2018)		

	Dealerships	
Geographic Location	Owned	Leased
United States	75	41
United Kingdom	20	27
Brazil	4	_13
Total	99	81





Conclusion

Why GPI?



- Well-balanced portfolio (geography, business mix and brands)
- Profitability of different business units through the cycle
 - Model proved itself during recession
- Streamlined business -- generating cash
- Will significantly benefit from U.S. tax reform legislation
- 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



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



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

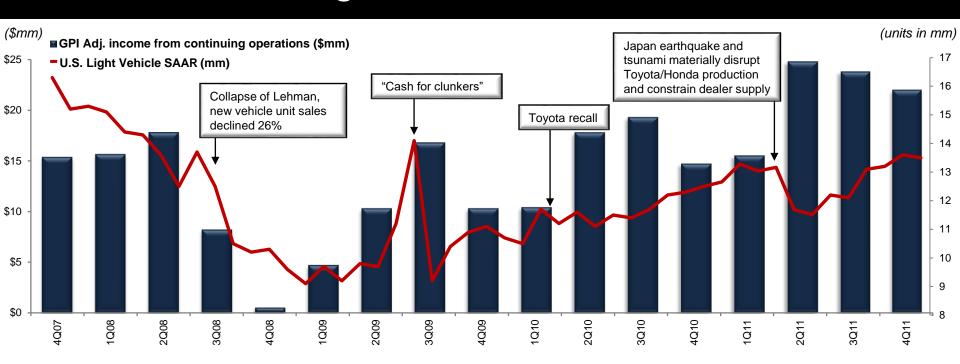


Michael Jones – Senior Vice President, Aftersales (April 2007)

- 40+ Years Industry Experience
- Automotive-related Experience: Fixed Operations Asbury Automotive; David McDavid Automotive Group; Ryan Automotive Group

Profitable Throughout Downturn





<u>(</u> \$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

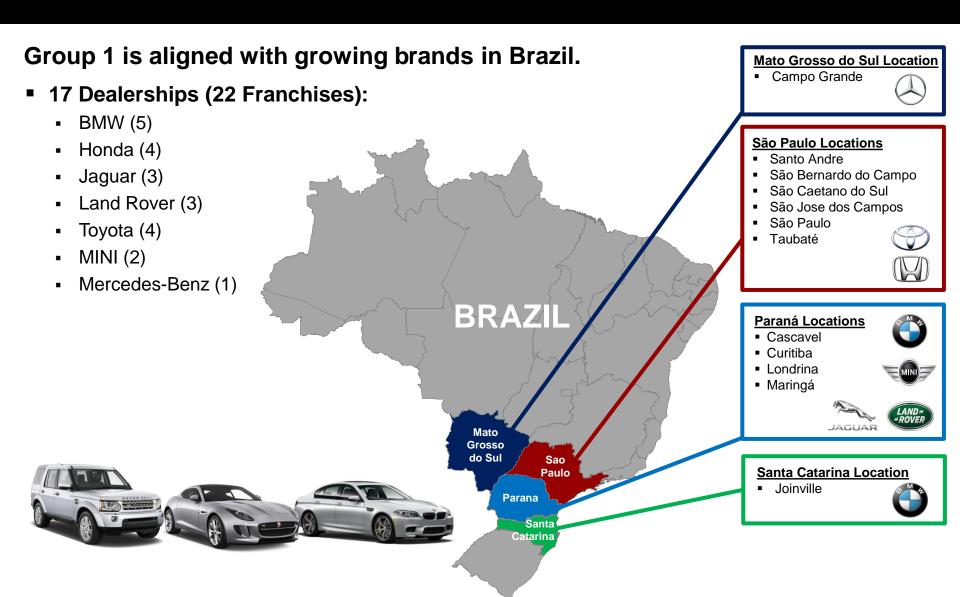


Brazil

Brazil Locations

*As of July 26, 2018







U.K.

U.K. Locations





47 Dealerships (63 Franchises)





Bury St.

*As of July 26, 2018



Reconciliations

See following section for reconciliations of data denoted within this presentation

RECONCILIATION: Quarterly Adjusted EBIT, EBITDA, EBITDAR



							Th	ree mon	ths ende	i,						
(\$mm)	Mar-08	Jun-08	Sep-08	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 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	-	1	(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 r	nonths e	nded,					
(\$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 charges	-	-	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 after-tax

RECONCILIATION: Adjusted Operating Cash Flow (Non-GAAP)



Reconciliation of Certain Non-GAAP Financial Measures

(Unaudited, in millions)

Operating Cash Flow Reconciliation:	2017	2016	2015	2014	2013	2012	2011
Operating Cash Flow as Reported (GAAP) Change in floorplan notes payable-credit facilities, excluding floorplan offset account and net acquisition and	\$ 198,925	384,857	141,047	198,288	52,372	(75,322)	199,316
disposition	88,742	(113,116)	100,302	5,881	165,404	245,544	(13,350)
Change in floorplan notes payable-manufacturer affiliates associated with net acquisition and disposition related activity	(3,000)		3,000	2,970	(14,953)	(11,028)	(33,712)
Adjusted Operating Cash Flow (Non-GAAP)	284,667	271,741	244,349	207,139	202,823	159,194	152,254
Aujusteu Operating Cash Flow (Non-GAAP)	204,007	211,141	244,349	201,139	202,023	155,154	132,234

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited, in millions)

EBITDA RECONCILIATION:

	Th	ree Months I	Ended	l June 30,	S	ix Months End	ed Jun	e 30,
		2018		2017		2018		2017
Net income	\$	56.5	\$	39.1	\$	92.3	\$	73.1
Other interest expense, net (1)		19.4		17.3		38.2		34.3
Depreciation and amortization expense		16.6		14.1		33.0		27.7
Non-cash asset impairment charges		4.3		-		4.3		-
Acquisition costs		-		0.3		-		0.3
Catastrophic events		5.8		0.6		5.8		0.6
Net loss (gain) on real estate and dealership transactions		(20.1)		-		(20.1)		-
Legal settlements		2.6		-		2.6		(1.8)
Income tax (benefit) expense		18.7		22.6	-	29.1		39.8
Adjusted EBITDA (2)	\$	103.8	\$	94.0	\$	185.2	\$	174.0

- (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:		ee Months 0.30.12	Ended: 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)		-)	_	(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		_	-,	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)	_	_	_
· ·		21 225			. 20 T20		. an and		£ 20.050			A 25.015	
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:	09	0.30.12	12.31.12	Three Month 03.31.13	s Ended: 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)	(0.34)	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		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
3 6		-,				=	= =		· ————			,- ,-	

⁽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 Month 09.30.15	Ended: 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
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
After-tax Adjustments (1):	Ψ 15,201	ψ (33,307)	Ψ 51,251	ψ 10,500	Ψ 33,300	Ψ 30,020	Ψ 55,757	Ψ 57,155	Ψ 25,001	\$ 110,100	ψ 33,011	\$ 50,105
Non-cash asset impairment charges	776	72,798	315	633	6,746	12,756			5,947	6,464		3,179
(Gain) loss on real estate and dealership transactions	-	(4,357)	212	156	(696)	(265)			497	0,404		(15,202)
(Gain) loss on repurchase of long-term debt		(4,557)	212	-	(070)	(203)		_	-			(13,202)
Income tax benefit related to tax elections for prior periods		_							_			
Catastrophic events	_	398	1,659	1,727	281	_	_	393	9,022			4,368
Severance costs	_	220	1,037	1,727	201	1,249		-	,,022	353	_	1,500
Acquisition costs including related tax impact	_	-	578		_	1,217	_	288	_	-		_
Allowance for certain deferred tax assets and uncertain tax positions	_	_	-	_	_	_		-	834	_	_	_
Legal settlements					-	(7,312)	(1,137)		450			1.982
Foreign transaction tax	_	_	_		274	(7,512)	(1,157)	_	-			1,702
Tax rate changes					271					(73,028)	_	_
Foreign deferred income tax benefit	_	_		(1,686)	_	_		_	_	(73,028)		
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
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:												
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
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
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
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
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
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
(Gain) loss on real estate and dealership transactions	-	(0.18)	0.01	0.01	(0.03)	(0.01)	-	-	0.02	-	-	(0.73)
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	-	0.02	0.07	0.08	0.01	-	-	0.02	0.44	-	-	0.21
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
Foreign transaction tax	-	-	-	-	0.01	-	-	-	-			
Tax rate changes										(3.48)	-	-
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
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
Participating securities	925	897	921	892	872	858	818	761	724	708	715	708
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
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⁽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 - U.S.

(Unaudited)

(Dollars in thousands)

		Three	nths Ended	June 30,		
	_	2018		2017	% Increase/ (Decrease)	
SG&A RECONCILIATION:	Φ.	224.270	Ф	242.044	(2.0)	
As reported	\$	234,279	\$	243,844	(3.9)	
Pre-tax adjustments:		/= = ·				
Catastrophic events		(5,812)		(643)		
Gain on real estate and dealership transactions		20,119		_		
Legal settlements		(2,000)				
Adjusted SG&A (1)	\$	246,586	\$	243,201	1.4	
SG&A AS % REVENUES:						
Unadjusted		10.8		11.5		
Adjusted (1)		11.4		11.5		
SG&A AS % GROSS PROFIT:						
Unadjusted		66.8		71.6		
Adjusted (1)		70.3		71.4		
OPERATING MARGIN %:						
Unadjusted		4.6		4.0		
Adjusted (1), (2)		4.2		4.0		
PRETAX MARGIN %:						
Unadjusted		3.2		2.6		
Adjusted (1), (2)		2.8		2.7		
SAME STORE SG&A RECONCILIATION:						
As reported	\$	249,033	\$	242,559	2.7	
Pre-tax adjustments:						
Catastrophic events		(5,812)		(643)		
Legal settlements		(2,000)		_		
Adjusted Same Store SG&A (1)	\$	241,221	\$	241,916	(0.3)	
SAME STORE SG&A AS % REVENUES:					` ,	
Unadjusted		11.7		11.5		
Adjusted (1)		11.4		11.4		
SAME STORE SG&A AS % GROSS PROFIT:						
Unadjusted		72.5		71.6		
Adjusted (1)		70.3		71.4		
SAME STORE OPERATING MARGIN %:						
Unadjusted		3.7		4.0		
Adjusted (1), (3)		4.2		4.0		

Six Months Ended June 30,

		OIA I	, 101	tins Ended o	ane co,
		2018		2017	% Increase/ (Decrease)
SG&A RECONCILIATION:					
As reported	\$	487,220	\$	480,117	1.:
Pre-tax adjustments:					
Catastrophic events		(5,812)		(643)	
Gain on real estate and dealership transactions		20,119		_	
Legal settlements		(2,000)		1,833	
Adjusted SG&A (1)	\$	499,527	\$	481,307	3.
SG&A AS % REVENUES:					
Unadjusted		11.4		11.7	
Adjusted (1)		11.7		11.8	
SG&A AS % OF GROSS PROFIT:					
Unadjusted		71.0		72.6	
Adjusted (1)		72.8		72.8	
OPERATING MARGIN %:					
Unadjusted		4.0		3.8	
Adjusted (1), (2)		3.8		3.8	
PRETAX MARGIN %:					
Unadjusted		2.6		2.5	
Adjusted (1), (2)		2.4		2.5	
SAME STORE SG&A RECONCILIATION:					
As reported	\$	496,645	\$	478,610	3.
Pre-tax adjustments:					
Catastrophic events		(5,812)		(643)	
Legal settlements		(2,000)		1,833	
Adjusted Same Store SG&A (1)	\$	488,833	\$	479,800	1.
SAME STORE SG&A AS % REVENUES:					
Unadjusted		11.9		11.7	
Adjusted (1)		11.7		11.7	
SAME STORE SG&A AS % GROSS PROFIT:					
Unadjusted		73.8		72.6	
Adjusted (1)		72.6		72.8	
SAME STORE OPERATING MARGIN %:					
Unadjusted		3.5		3.9	
Adjusted (1), (3)		3.8		3.8	

⁽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, as well as non-cash asset impairment charges of \$4,268 for the three and six months ended June 30, 2018.

⁽³⁾ Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$4,022 for the three and six months ended June 30, 2018.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - U.K.

(Unaudited)

(Dollars in thousands)

	Three M	Mont	ths Ended Ju	ne 30,
	2018		2017	% Increase/ (Decrease)
SG&A RECONCILIATION:				
As reported	\$ 62,258	\$	42,456	46.6
Pre-tax adjustments:				
Acquisition costs	 _		(288)	
Adjusted SG&A (1)	\$ 62,258	\$	42,168	47.6
SG&A AS % REVENUES:				
Unadjusted	9.3		9.7	
Adjusted (1)	9.3		9.6	
SG&A AS % GROSS PROFIT:				
Unadjusted	83.2		83.4	
Adjusted (1)	83.2		82.8	
OPERATING MARGIN %:				
Unadjusted	1.4		1.5	
Adjusted (1)	1.4		1.6	
PRETAX MARGIN %:				
Unadjusted	0.9		1.1	
Adjusted (1)	0.9		1.2	
SAME STORE SG&A RECONCILIATION:				
As reported	\$ 46,319	\$	42,087	10.1
Pre-tax adjustments:				
Acquisition costs	_		(288)	
Adjusted Same Store SG&A (1)	\$ 46,319	\$	41,799	10.8
SAME STORE SG&A AS % REVENUES:				
Unadjusted	9.4		9.7	
Adjusted (1)	9.4		9.6	
SAME STORE SG&A AS % GROSS PROFIT:				
Unadjusted	81.1		83.0	
Adjusted (1)	81.1		82.5	
SAME STORE OPERATING MARGIN %:				
Unadjusted	1.7		1.6	
Adjusted (1)	1.7		1.6	

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		2018	2017	% Increase/ (Decrease)
SG&A RECONCILIATION:				
As reported	\$	121,854	\$ 84,080	44.9
Pre-tax adjustments:				
Acquisition costs		_	(288)	
Adjusted SG&A (1)	\$	121,854	\$ 83,792	45.4
SG&A AS % REVENUES:				
Unadjusted		9.2	9.5	
Adjusted (1)		9.2	9.4	
SG&A AS % OF GROSS PROFIT:				
Unadjusted		83.3	83.1	
Adjusted (1)		83.3	82.8	
OPERATING MARGIN %:				
Unadjusted		1.4	1.5	
Adjusted (1)		1.4	1.6	
PRETAX MARGIN %:				
Unadjusted		0.9	1.2	
Adjusted (1)		0.9	1.2	
SAME STORE SG&A RECONCILIATION:				
As reported	\$	93,134	\$ 83,017	12.2
Pre-tax adjustments:				
Acquisition costs		_	(288)	
Adjusted Same Store SG&A (1)	\$	93,134	\$ 82,729	12.6
SAME STORE SG&A AS % REVENUES:				
Unadjusted		9.3	9.4	
Adjusted (1)		9.3	9.4	
SAME STORE SG&A AS % GROSS PROFIT:				
Unadjusted		82.8	82.5	
Adjusted (1)		82.8	82.2	
SAME STORE OPERATING MARGIN %:				
Unadjusted		1.5	1.6	
Adjusted (1)		1.5	1.6	
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⁽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.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Brazil

(Unaudited)

(Dollars in thousands)

	Three Months Ended June 30,				
	 2018	2018		% Increase/ (Decrease)	
SG&A RECONCILIATION:					
As reported	\$ 11,555	\$	12,268	(5.8)	
Pre-tax adjustments:					
Legal settlements	(550)				
Adjusted SG&A (1)	\$ 11,005	\$	12,268	(10.3)	
SG&A AS % REVENUES:					
Unadjusted	10.6		11.0		
Adjusted (1)	10.1		11.0		
SG&A AS % GROSS PROFIT:					
Unadjusted	91.1		91.0		
Adjusted (1)	86.7		91.0		
OPERATING MARGIN %:					
Unadjusted	0.6		0.8		
Adjusted (1)	1.1		0.8		
PRETAX MARGIN %:					
Unadjusted	0.2		0.6		
Adjusted (1)	0.7		0.6		
SAME STORE SG&A RECONCILIATION:					
As reported	\$ 11,080	\$	12,031	(7.9)	
Pre-tax adjustments:					
Legal settlements	(427)		_		
Adjusted Same Store SG&A (1)	\$ 10,653	\$	12,031	(11.5)	
SAME STORE SG&A AS % REVENUES:					
Unadjusted	10.6		10.8		
Adjusted (1)	10.2		10.8		
SAME STORE SG&A AS % GROSS PROFIT:					
Unadjusted	90.0		89.4		
Adjusted (1)	86.6		89.4		
SAME STORE OPERATING MARGIN %:					
Unadjusted	0.7		1.0		
Adjusted (1)	1.1		1.0		

Six Months Ended June 30,

		2018	2017	% Increase/ (Decrease)
SG&A RECONCILIATION:				
As reported	\$	23,365	\$ 24,150	(3.3)
Pre-tax adjustments:				
Legal settlements		(550)		
Adjusted SG&A (1)	\$	22,815	\$ 24,150	(5.5)
SG&A AS % REVENUES:				
Unadjusted		10.6	11.4	
Adjusted (1)		10.4	11.4	
SG&A AS % OF GROSS PROFIT:				
Unadjusted		92.3	92.5	
Adjusted (1)		90.1	92.5	
OPERATING MARGIN %:				
Unadjusted		0.5	0.6	
Adjusted (1)		0.7	0.6	
PRETAX MARGIN %:				
Unadjusted		0.1	0.4	
Adjusted (1)		0.3	0.4	
SAME STORE SG&A RECONCILIATION:				
As reported	\$	22,853	\$ 23,346	(2.1)
Pre-tax adjustments:				
Legal settlements		(427)	_	
Adjusted Same Store SG&A (1)	\$	22,426	\$ 23,346	(3.9)
SAME STORE SG&A AS % REVENUES:				
Unadjusted		10.6	11.3	
Adjusted (1)		10.4	11.3	
SAME STORE SG&A AS % GROSS PROFIT:				
Unadjusted		91.6	91.0	
Adjusted (1)		89.9	91.0	
SAME STORE OPERATING MARGIN %:				
Unadjusted		0.6	0.8	
Adjusted (1)		0.8	0.8	
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⁽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.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited)

(Dollars in thousands, except per share amounts)

, , , , , , , , , , , , , , , , , , ,	Te amount	<i>'</i>	nths Ended Ju	ed June 30,		
		2018		2017	% Increase/ (Decrease)	
NET INCOME RECONCILIATION:					,	
As reported						
Pretax Net Income	\$	75,188	\$	61,690		
Income Tax Provision		(18,725)		(22,557)		
Net Income	\$	56,463	\$	39,133	44.3	
Effective Tax Rate		24.9%		36.6%		
Adjustments:						
Catastrophic events						
Pre-tax Pre-tax	\$	5,812	\$	643		
Tax impact		(1,444)		(250)		
Gain on real estate and dealership transactions						
Pre-tax Pre-tax		(20,119)		_		
Tax impact		4,917		_		
Acquisition costs						
Pre-tax Pre-tax		_		288		
Tax impact		_		_		
Legal settlements						
Pre-tax		2,550		_		
Tax impact		(568)		_		
Non-cash asset impairment						
Pre-tax Pre-tax		4,268		_		
Tax impact		(1,089)		_		
Adjusted						
Pretax Net Income	\$	67,699	\$	62,621		
Income Tax Provision		(16,909)		(22,807)		
Adjusted net income (1)	\$	50,790	\$	39,814	27.	
Effective Tax Rate		25.0%		36.4%		
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED						
COMMON SHARES RECONCILIATION:						
Adjusted net income (1)	\$	50,790	\$	39,814	27.	
Less: Adjusted earnings allocated to participating securities		1,722		1,413	21.	
Adjusted net income available to diluted common shares (1)	\$	49,068	\$	38,401	27.	
DILUTED (LOSS) INCOME PER COMMON SHARE RECONCILIATION:						
As reported	\$	2.72	\$	1.84	47.	
After-tax adjustments:						
Catastrophic events		0.21		0.02		
Gain on real estate and dealership transactions		(0.73)		_		
Acquisition costs including related tax impact		_		0.01		
Legal settlements		0.10		_		
Non-cash asset impairment		0.15		_		
Adjusted diluted income per share (1)	\$	2.45	\$	1.87	31.	

SG&A RECONCILIATION:

SG&A RECONCILIATION:	
As reported	\$ 308,092 \$ 298,568 3.2
Pre-tax adjustments:	
Catastrophic events	(5,812) (643)
Gain on real estate and dealership transactions	20,119 —
Acquisition costs	
Legal settlements	(2,550) —
Adjusted SG&A (1)	\$ 319,849 \$ 297,637 7.5
SG&A AS % REVENUES:	
Unadjusted	10.5 11.2
Adjusted (1)	10.9 11.1
SG&A AS % GROSS PROFIT:	
Unadjusted	70.3 73.7
Adjusted (1)	73.0 73.5
OPERATING MARGIN %:	
Unadjusted	3.7 3.5
Adjusted (1), (2)	3.5 3.5
PRETAX MARGIN %:	
Unadjusted	2.6 2.3
Adjusted (1), (2)	2.3 2.3
SAME STORE SG&A RECONCILIATION:	
As reported	\$ 306,432 \$ 296,677 3.3
Pre-tax adjustments:	
Catastrophic events	(5,812) (643)
Acquisition costs	
Legal settlements	(2,427) —
Adjusted Same Store SG&A (1)	\$ 298,193 \$ 295,746 0.8
SAME STORE SG&A AS % REVENUES:	
Unadjusted	11.3 11.1
Adjusted (1)	11.0 11.1
SAME STORE SG&A AS % GROSS PROFIT:	
Unadjusted	74.2 73.6
Adjusted (1)	72.3 73.4
SAME STORE OPERATING MARGIN %:	
Unadjusted	3.2 3.5
Adjusted (1), (3)	3.6 3.5

		Six Months Ended Julie 30,			
		2018		2017	% Increase/ (Decrease)
NET INCOME RECONCILIATION:					
As reported					
Pretax Net Income	\$	121,355	\$	112,886	
Income Tax Provision		(29,078)		(39,814)	
Net Income	\$	92,277	\$	73,072	26.3
Effective Tax Rate		24.0%		35.3%	
Adjustments:					
Catastrophic events					
Pre-tax Pre-tax	\$	5,812	\$	643	
Tax impact		(1,444)		(250)	
Gain on real estate and dealership transactions					
Pre-tax Pre-tax		(20,119)		_	
Tax impact		4,917		_	
Acquisition costs					
Pre-tax		_		288	
Tax impact		_		_	
Legal settlements					
Pre-tax Pre-tax		2,550		(1,833)	
Tax impact		(568)		696	
Non-cash asset impairment					
Pre-tax		4,268		_	
Tax impact		(1,089)		_	
Adjusted					
Pretax Net Income	\$	113,866	\$	111,984	
Income Tax Provision		(27,262)		(39,368)	
Adjusted net income (1)	\$	86,604	\$	72,616	19.3
Effective Tax Rate		23.9%		35.2%	
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED					
COMMON SHARES RECONCILIATION:					
Adjusted net income (1)	\$	86,604	\$	72,616	19.3
Less: Adjusted earnings allocated to participating securities		2,930		2,628	11.5
Adjusted net income available to diluted common shares (1)	\$	83,674	\$	69,988	19.6
DILUTED INCOME PER COMMON SHARE RECONCILIATION:					
As reported	\$	4.42	\$	3.42	29.2
After-tax adjustments:		_		<u> </u>	
Catastrophic events		0.21		0.02	
Gain on real estate and dealership transactions		(0.73)		<u> </u>	
Acquisition costs including related tax impact				0.01	
Legal settlements		0.10		(0.05)	
Non-cash asset impairment		0.15			
Adjusted diluted income per share (1)	\$	4.15	\$	3.40	22.1
-0 verre ber stare	4		~		

Six Months Ended June 30,

SG&A RECONCILIATION:						
As reported		632,43	9	\$ 588,3	47	7.5
Pre-tax adjustments:						
Catastrophic events		(5,81	2)	(6	43)	
Gain on real estate and dealership transactions		20,11	9		_	
Acquisition costs		_	_	(2	88)	
Legal settlements		(2,55	0)	1,8	33	
Adjusted SG&A (1)		644,19	6	\$ 589,2	49	9.3
SG&A AS % REVENUES:						
Unadjusted		10.	9	11	1.3	
Adjusted (1)		11.	1	11	1.4	
SG&A AS % OF GROSS PROFIT:						
Unadjusted		73.	7	74	1.6	
Adjusted (1)		75.	1	74	1.7	
OPERATING MARGIN %:						
Unadjusted		3.	2	3	3.3	
Adjusted (1), (2)		3.	1	3	3.3	
PRETAX MARGIN %:						
Unadjusted		2.	1	2	2.2	
Adjusted (1), (2)		2.	0	2	2.2	
SAME STORE SG&A RECONCILIATION:						
As reported	:	612,63	2	\$ 584,9	73	4.7
Pre-tax adjustments:						
Catastrophic events		(5,81	2)	(6	43)	
Acquisition costs		_	-	(2	88)	
Legal settlements		(2,42	7)	1,8	33	
Adjusted Same Store SG&A (1)		604,39	3	\$ 585,8	75	3.2
SAME STORE SG&A AS % REVENUES:						
Unadjusted		11.	4	11	1.3	
Adjusted (1)		11.	2	11	1.3	
SAME STORE SG&A AS % GROSS PROFIT:		_	_		_	
Unadjusted		75.	6	74	1.5	
Adjusted (1)		74.	6	74	1.6	
SAME STORE OPERATING MARGIN %:						
Unadjusted		3.	0	3	3.3	
Adjusted (1), (3)		3.	3	3	3.3	
1)						

⁽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, as well as non-cash asset impairment charges of \$4,268 for the three and six months ended June 30,

⁽³⁾ Excludes the impact of Same Store SG&A reconciling items above, as well as non-cash asset impairment charges of \$4,022 for the three and six months ended June 30, 2018.

