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DELTA REPORT

10-Q

PAG - PENSKE AUTOMOTIVE GROUP,

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1073
CHANGES	420
DELETIONS	268
ADDITIONS	385

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024 June 30, 2024

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-12297

Penske Automotive Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**22-3086739**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2555 Telegraph Road **Bloomfield Hills, Michigan**	**48302-0954**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(248) 648-2500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Voting Common Stock, par value $0.0001 per share	PAG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of April 26, 2024 July 29, 2024, there were 66,879,277 66,770,941 shares of voting common stock outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements***

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2024	December 31, 2023	
	June 30, 2024	December 31, 2023	
			(In millions, except share and per share amounts)
	(Unaudited)		
ASSETS			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, net of allowance for doubtful accounts of $6.9 and $6.8			
Accounts receivable, net of allowance for doubtful accounts of $7.7 and $6.8			
Inventories			
Other current assets			
Total current assets			
Property and equipment, net			
Operating lease right-of-use assets			
Goodwill			
Other indefinite-lived intangible assets			
Equity method investments			
Other long-term assets			
Total assets			

LIABILITIES AND EQUITY		
Floor plan notes payable		
Floor plan notes payable		
Floor plan notes payable		
Floor plan notes payable — non-trade		
Accounts payable		
Accrued expenses and other current liabilities		
Current portion of long-term debt		
Total current liabilities		
Total current liabilities		
Total current liabilities		
Long-term debt		
Long-term operating lease liabilities		
Deferred tax liabilities		
Other long-term liabilities		
Total liabilities		
Commitments and contingent liabilities (Note 10)	Commitments and contingent liabilities (Note 10)	Commitments and contingent liabilities (Note 10)
Equity		
Penske Automotive Group stockholders' equity:		
Penske Automotive Group stockholders' equity:		
Penske Automotive Group stockholders' equity:		
Preferred Stock, $0.0001 par value; 100,000 shares authorized; none issued and outstanding		
Preferred Stock, $0.0001 par value; 100,000 shares authorized; none issued and outstanding		
Preferred Stock, $0.0001 par value; 100,000 shares authorized; none issued and outstanding		
Common Stock, $0.0001 par value, 240,000,000 shares authorized; 67,049,359 shares issued and outstanding at March 31, 2024; 67,111,181 shares issued and outstanding at December 31, 2023		
Common Stock, $0.0001 par value, 240,000,000 shares authorized; 66,770,815 shares issued and outstanding at June 30, 2024; 67,111,181 shares issued and outstanding at December 31, 2023		
Non-voting Common Stock, $0.0001 par value; 7,125,000 shares authorized; none issued and outstanding		
Class C Common Stock, $0.0001 par value; 20,000,000 shares authorized; none issued and outstanding		
Additional paid-in capital		
Retained earnings		
Accumulated other comprehensive income (loss)		
Total Penske Automotive Group stockholders' equity		
Non-controlling interest		
Total equity		
Total liabilities and equity		

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	2024			
	2024			

	2024		
	(Unaudited)		
	(Unaudited)		
	(Unaudited)	(Unaudited)	
	(In millions, except per share amounts)	(In millions, except per share amounts)	(In millions, except per share amounts)
Revenue:			
Retail automotive dealership			
Retail automotive dealership			
Retail automotive dealership			
Retail commercial truck dealership			
Retail commercial truck dealership			
Retail commercial truck dealership			
Commercial vehicle distribution and other			
Commercial vehicle distribution and other			
Commercial vehicle distribution and other			
Total revenues			
Total revenues			
Total revenues			
Cost of sales:			
Cost of sales:			
Cost of sales:			
Retail automotive dealership			
Retail automotive dealership			
Retail automotive dealership			
Retail commercial truck dealership			
Retail commercial truck dealership			
Retail commercial truck dealership			
Commercial vehicle distribution and other			
Commercial vehicle distribution and other			
Commercial vehicle distribution and other			
Total cost of sales			
Total cost of sales			
Total cost of sales			
Gross profit			
Gross profit			
Gross profit			
Selling, general, and administrative expenses			
Selling, general, and administrative expenses			
Selling, general, and administrative expenses			
Depreciation			
Depreciation			
Depreciation			
Operating income			
Operating income			
Operating income			
Floor plan interest expense			
Floor plan interest expense			
Floor plan interest expense			
Other interest expense			
Other interest expense			

Other interest expense
Equity in earnings of affiliates
Equity in earnings of affiliates
Equity in earnings of affiliates
Income before income taxes
Income before income taxes
Income before income taxes
Income taxes
Income taxes
Income taxes
Net income
Net income
Net income
Less: Income attributable to non-controlling interests
Less: Income attributable to non-controlling interests
Less: Income attributable to non-controlling interests
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Basic earnings per share attributable to Penske Automotive Group common stockholders:
Basic earnings per share attributable to Penske Automotive Group common stockholders:
Basic earnings per share attributable to Penske Automotive Group common stockholders:
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Shares used in determining basic earnings per share
Shares used in determining basic earnings per share
Shares used in determining basic earnings per share
Diluted earnings per share attributable to Penske Automotive Group common stockholders:
Diluted earnings per share attributable to Penske Automotive Group common stockholders:
Diluted earnings per share attributable to Penske Automotive Group common stockholders:
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Shares used in determining diluted earnings per share
Shares used in determining diluted earnings per share
Shares used in determining diluted earnings per share
Amounts attributable to Penske Automotive Group common stockholders:
Amounts attributable to Penske Automotive Group common stockholders:
Amounts attributable to Penske Automotive Group common stockholders:
Net income
Net income
Net income
Less: Income attributable to non-controlling interests
Less: Income attributable to non-controlling interests
Less: Income attributable to non-controlling interests

Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Cash dividends per share
Cash dividends per share
Cash dividends per share

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
	(Unaudited)				
	(Unaudited)				
	(Unaudited)			(Unaudited)	
	(In millions)		(In millions)		(In millions)
Net income					
Other comprehensive income, net of tax:					
Other comprehensive income, net of tax:					
Other comprehensive income, net of tax:					
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustment					
Foreign currency translation adjustment					
Foreign currency translation adjustment					
Other adjustments to comprehensive income					
Other adjustments to comprehensive income					
Other adjustments to comprehensive income					
Other comprehensive income, net of tax					
Other comprehensive income, net of tax					
Other comprehensive income, net of tax					
Comprehensive income					
Comprehensive income					
Other comprehensive income (loss), net of tax					
Comprehensive income					
Less: Comprehensive income attributable to non-controlling interests					
Less: Comprehensive income attributable to non-controlling interests					
Less: Comprehensive income attributable to non-controlling interests					
Comprehensive income attributable to Penske Automotive Group common stockholders					
Comprehensive income attributable to Penske Automotive Group common stockholders					
Comprehensive income attributable to Penske Automotive Group common stockholders					

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,			Six Months Ended June 30,	
	2024	2024	2023	2024	2023
		(Unaudited)			(In millions)
Operating Activities:					
Net income					
Net income					
Net income					
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation					
Depreciation					
Depreciation					
Earnings of equity method investments					
Earnings of equity method investments, net of distributions					
Deferred income taxes					
Deferred income taxes					
Deferred income taxes					
Changes in operating assets and liabilities:					
Changes in operating assets and liabilities:					
Changes in operating assets and liabilities:					
Accounts receivable					
Accounts receivable					
Accounts receivable					
Inventories					
Floor plan notes payable					
Accounts payable and accrued expenses					
Other					
Net cash provided by operating activities					
Investing Activities:					
Purchases of property, equipment, and improvements					
Purchases of property, equipment, and improvements					
Purchases of property, equipment, and improvements					
Acquisitions net, including repayment of sellers' floor plan notes payable of $83.1 and $0.0, respectively					
Acquisitions net, including repayment of sellers' floor plan notes payable of $83.1 and $0.0, respectively					
Acquisitions net, including repayment of sellers' floor plan notes payable of $83.1 and $0.0, respectively					
Proceeds from sale of property and equipment					
Proceeds from sale of property and equipment					
Proceeds from sale of property and equipment					
Acquisitions net, including repayment of sellers' floor plan notes payable of $101.9 and $21.3, respectively					
Other					
Net cash used in investing activities					
Financing Activities:					
Proceeds from borrowings under revolving U.S. credit agreement and mortgage facilities					
Proceeds from borrowings under revolving U.S. credit agreement and mortgage facilities					
Proceeds from borrowings under revolving U.S. credit agreement and mortgage facilities					
Repayments under revolving U.S. credit agreement and mortgage facilities					

Net borrowings (repayments) of other debt

Net repayments of floor plan notes payable — non-trade

Net borrowings of other debt

Net borrowings (repayments) of floor plan notes payable — non-trade

Repurchases of common stock

Repurchases of common stock

Repurchases of common stock

Dividends

Dividends

Payments of tax withholding for stock-based compensation

Dividends

Payment of debt issuance costs

Other

Net cash used in financing activities

Effect of exchange rate changes on cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Net change in cash and cash equivalents

Cash and cash equivalents, beginning of period

Cash and cash equivalents, end of period

Supplemental disclosures of cash flow information:

Cash paid for:

Cash paid for:

Cash paid for:

Interest

Interest

Interest

Income taxes

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

	Three Months Ended March 31, 2024								Three Months Ended June 30, 2024						
	Voting and Non-voting Common Stock	Voting and Non-voting Common Stock							Voting and Non-voting Common Stock						
	Issued Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
			(Unaudited)												
			(Unaudited)												
			(Unaudited)												
			(Dollars in millions)												
Balance, December 31, 2023															
Balance, March 31, 2024															
Equity compensation															
Equity compensation															
Equity compensation															

Repurchases of common stock
Dividends
Distributions to non-controlling interest
Distributions to non-controlling interest
Distributions to non-controlling interest
Foreign currency translation
Other
Net income
Balance, March 31, 2024
Balance, June 30, 2024

	Three Months Ended March 31, 2023								Three Months Ended June 30, 2023							
	Voting and Non-voting Common Stock	Voting and Non-voting Common Stock				Total Penske Automotive Group			Voting and Non-voting Common Stock				Total Penske Automotive Group		
	Issued Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Non-controlling Interest	Total Equity		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity	Non-controlling Interest	Total Equity
	(Unaudited)														
	(Unaudited)														
	(Unaudited)														
	(Dollars in millions)														
Balance, December 31, 2022															
Balance, March 31, 2023															
Equity compensation															
Equity compensation															
Equity compensation															
Repurchases of common stock															
Dividends															
Distributions to non-controlling interest															
Distributions to non-controlling interest															
Distributions to non-controlling interest															
Foreign currency translation															
Other															
Net income															
Balance, March 31, 2023															
Balance, June 30, 2023															

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.

CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

	Six Months Ended June 30, 2024							
	Voting and Non-voting Common Stock							
	Issued Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
	(Unaudited)							
	(Dollars in millions)							
Balance, December 31, 2023	67,111,181	$ —	$ —	$ 4,990.3	$ (264.1)	$ 4,726.2	$ 29.4	$ 4,755.6
Equity compensation	170,231	—	15.3	—	—	15.3	—	15.3
Repurchases of common stock	(510,597)	—	(15.3)	(61.3)	—	(76.6)	—	(76.6)
Dividends	—	—	—	(123.0)	—	(123.0)	—	(123.0)
Distributions to non-controlling interest	—	—	—	—	—	—	(0.5)	(0.5)
Foreign currency translation	—	—	—	—	(34.3)	(34.3)	0.1	(34.2)
Other	—	—	—	(8.1)	(1.3)	(9.4)	—	(9.4)
Net income	—	—	—	456.4	—	456.4	2.7	459.1
Balance, June 30, 2024	66,770,815	$ —	$ —	$ 5,254.3	$ (299.7)	$ 4,954.6	$ 31.7	$ 4,986.3

	Six Months Ended June 30, 2023							
	Voting and Non-voting Common Stock							
	Issued Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
	(Unaudited)							
	(Dollars in millions)							
Balance, December 31, 2022	69,681,891	$ —	$ —	$ 4,483.3	$ (335.3)	$ 4,148.0	$ 26.8	$ 4,174.8
Equity compensation	226,757	—	16.0	—	—	16.0	—	16.0
Repurchases of common stock	(2,603,559)	—	(16.0)	(337.3)	—	(353.3)	—	(353.3)
Dividends	—	—	—	(87.2)	—	(87.2)	—	(87.2)
Distributions to non-controlling interest	—	—	—	—	—	—	(2.7)	(2.7)
Foreign currency translation	—	—	—	—	51.3	51.3	0.4	51.7
Other	—	—	—	—	8.2	8.2	—	8.2
Net income	—	—	—	599.1	—	599.1	3.1	602.2
Balance, June 30, 2023	67,305,089	$ —	$ —	$ 4,657.9	$ (275.8)	$ 4,382.1	$ 27.6	$ 4,409.7

See Notes to Consolidated Condensed Financial Statements

PENSKE AUTOMOTIVE GROUP, INC.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)
(In millions, except share and per share amounts)

1. Interim Financial Statements

Unless the context otherwise requires, the use of the terms "PAG," "we," "us," and "our" in these Notes to the Consolidated Condensed Financial Statements refers to Penske Automotive Group, Inc. and its consolidated subsidiaries.

Business Overview and Concentrations

We are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. We operate dealerships in the United States, the United Kingdom, Canada, Germany, Italy, Japan, and Japan, Australia, and we are one of the largest retailers of commercial trucks in North America for Freightliner. We also distribute and retail commercial vehicles, diesel and gas engines, power systems, and related parts and services principally in Australia and New Zealand. Additionally, we own 28.9% of Penske Transportation Solutions, a business that manages one of the largest, most comprehensive and modern trucking fleets in North America with trucks, tractors, and trailers under lease, rental, and/or maintenance contracts, and provides innovative transportation, supply chain, and technology solutions to its customers.

Retail Automotive. As of March 31, 2024 June 30, 2024, we operated 360 362 retail automotive franchised dealerships, of which 152 are located in the U.S. and 208 210 are located outside of the U.S. The franchised dealerships outside of the U.S. are located primarily in the U.K. As of March 31, 2024 June 30, 2024, we also operated 18 used vehicle dealerships, with six dealerships in the U.S. and 12 , 11 dealerships in the U.K., which retailed used vehicles under a and one price, "no-haggle" methodology under the CarShop brand. dealership in Australia.

Each of our franchised dealerships offers a wide selection of new and used vehicles for sale. In addition to selling new and used vehicles, we generate higher-margin revenue at each of our dealerships through maintenance and repair services, the sale and placement of third-party finance and insurance products, third-party extended service and maintenance contracts, replacement and aftermarket automotive products, and at certain of our locations, collision repair services. We operate our franchised dealerships under franchise agreements with a number of automotive manufacturers and distributors that are subject to certain rights and restrictions typical of the industry. Beginning in 2023, we transitioned some of our dealerships in the U.K. and Europe to an agency model under which we receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue (as opposed to previously recording all of the vehicle sale price as new revenue) with no corresponding cost of sale. We continue to provide new vehicle customer service under the agency model, and the agency model at this time has not changed our used vehicle sales operations or service and parts operations, although the long-term impact of the agency model at these dealerships as well as other agency models proposed by our manufacturer partners is uncertain.

During the three six months ended March 31, 2024 June 30, 2024, we acquired 16 retail automotive franchises and opened one retail automotive franchise in the U.K., acquired one Ford dealership and one Chrysler/Dodge/Jeep/Ram dealership in the U.S., acquired two retail automotive franchises in Italy, and acquired two retail automotive franchises and one used vehicle dealership in Italy. Australia. In the U.S., we also closed one CarShop location. retail automotive franchise and one used vehicle dealership, and in the U.K., we closed one used vehicle dealership. In April July 2024, we entered into an agreement to acquire two Porsche dealerships and also acquired one Ducati motorcycle Ford dealership in Melbourne, Australia, which is expected the U.S. and divested three of our U.K. CarShop locations, and we have transitioned our remaining U.K. CarShop locations to close in Sytner Select dealerships, having incorporated them within the second quarter of 2024, subject to customary conditions. broader Sytner network.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across nine 11 U.S. states and the Canadian provinces of Ontario and Manitoba. During the six months ended June 30, 2024, we acquired three full-service dealerships and two independent repair facilities in the U.S. As of March 31, 2024 June 30, 2024, PTG operated 43 48 locations selling new and/or used trucks, performing service and parts operations, or offering collision repair services.

Penske Australia. Penske Australia is the exclusive importer and distributor of Western Star heavy-duty trucks (a Daimler brand), MAN heavy- and medium-duty trucks and buses (a VW Group brand), and Dennis Eagle refuse collection vehicles, together with associated parts, across Australia, New Zealand, and portions of the Pacific. In most of these same markets, we are also a leading distributor of diesel and gas engines and power systems, principally representing MTU (a

Rolls-Royce solution), Detroit Diesel, Allison Transmission, and Bergen Engines. Penske Australia offers products across the on- and off-highway markets, including in the trucking, mining, power generation, defense, marine, rail, and

construction sectors and supports full parts and aftersales service through a network of branches, field service locations, and dealers across the region.

Penske Transportation Solutions. We hold a 28.9% ownership interest in Penske Truck Leasing Co., L.P. ("PTL"). PTL is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui & Co., Ltd. ("Mitsui"). We account for our investment in PTL under the equity method, and we therefore record our share of PTL's earnings on our statements of income under the caption "Equity in earnings of affiliates," which also includes the results of our other equity method investments. Penske Transportation Solutions ("PTS") is the universal brand name for PTL's various business lines through which it is capable of meeting customers' needs across the supply chain with a broad product offering that includes full-service truck leasing, truck rental, and contract maintenance along with logistic services, such as dedicated contract carriage, distribution center management, freight management, and dry van truckload carrier services.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements of PAG have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in our annual financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to the SEC rules and regulations. The information presented as of March 31, 2024 June 30, 2024 and for the three and six months ended March 31, 2024 June 30, 2024 and 2023 is unaudited but includes all adjustments which our management believes to be necessary for the fair presentation of results for the periods presented. Results for interim periods are not necessarily indicative of results to be expected for the year. These consolidated condensed financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2023, which are included as part of our Annual Report on Form 10-K.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accounts requiring the use of estimates include accounts receivable, inventories, income taxes, intangible assets, leases, and certain reserves.

Fair Value of Financial Instruments

Accounting standards define fair value as the price that would be received from selling an asset, or paid to transfer a liability in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and also establishes the following three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Our financial instruments consist of cash and cash equivalents, debt, floor plan notes payable, and forward exchange contracts used to hedge future cash flows. Other than our fixed rate debt, the carrying amount of all significant financial instruments approximates fair value due either to length of maturity, the existence of variable interest rates that approximate prevailing market rates, or as a result of mark to market accounting.

Our fixed rate debt consists of amounts outstanding under our senior subordinated notes and mortgage facilities. We estimate the fair value of our senior unsecured notes using quoted prices for the identical liability (Level 2), and we estimate the fair value of our mortgage facilities using a present value technique based on our current market interest rates for similar types of financial instruments (Level 2). A summary of our fixed rate debt is as follows:

		March 31, 2024		December 31, 2023					
		June 30, 2024		December 31, 2023					
	Carrying Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
3.50% senior subordinated notes due 2025									
3.75% senior subordinated notes due 2029									
Mortgage facilities (1)									

(1) In addition to fixed rate debt, our mortgage facilities also include revolving mortgage facilities through Toyota Motor Credit Corporation that bear interest at variable rates. The fair value equals the carrying value.

(1) In addition to fixed rate debt, our mortgage facilities also include revolving mortgage facilities through Toyota Motor Credit Corporation that bear interest at variable rates. The fair value equals the carrying value.

(1) In addition to fixed rate debt, our mortgage facilities also include revolving mortgage facilities through Toyota Motor Credit Corporation that bear interest at variable rates. The fair value equals the carrying value.

Income Taxes

Tax regulations may require items to be included in our tax return at different times than when those items are reflected in our financial statements. Some of the differences are permanent, such as expenses that are not deductible on our tax return, and some are temporary differences, such as the timing of depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that will be used as a tax deduction or credit in our tax return in future years which we have already recorded in our financial statements. Deferred tax liabilities generally represent deductions taken on our tax return that have not yet been recognized as an expense in our financial statements. We establish valuation allowances for our deferred tax assets if the amount of expected future taxable income is not more likely than not to allow for the use of the deduction or credit.

Recent Accounting Pronouncements

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." This ASU provides optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. In January 2021, the

FASB issued ASU 2021-01, "Reference Rate Reform (Topic 848): Scope." This ASU refines the scope of ASC 848 and clarifies some of its guidance as part of the Board's monitoring of global reference rate reform activities. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." This ASU defers the sunset date of Topic 848 from December 31, 2022, to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. These new standards were effective upon issuance and generally can be applied to applicable contract modifications. While some of our floorplan arrangements and certain credit agreements had historically used LIBOR as a benchmark for calculating the applicable interest rate, all of our agreements previously utilizing LIBOR have transitioned to an alternative benchmark rate on or before July 1, 2023. These changes have not had a significant impact on our consolidated financial position, results of operations, and cash flows.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and also requires that public entities provide all annual disclosures about a reportable segment's profit or loss and assets in interim periods. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.

Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and disclosures.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This ASU expands public entities' annual income tax disclosures by requiring disclosure of specific categories in the rate reconciliation and disclosure of additional information for reconciling items that meet a quantitative threshold. This ASU is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis with retrospective application permitted. We are currently evaluating the impact of adopting this ASU on our consolidated financial statements and disclosures.

2. Revenues

Automotive and commercial truck dealerships generate the majority of our revenues. New and used vehicle revenues typically include sales to retail customers, to fleet customers, and to leasing companies providing consumer leasing. We generate finance and insurance revenues from sales of third-party extended service contracts, sales of third-party insurance policies, commissions relating to the sale of finance and lease contracts to third parties, and the sales of certain other products. Service and parts revenues include fees paid by customers for repair, maintenance and collision services, and the sale of replacement parts and other aftermarket accessories as well as warranty repairs that are reimbursed directly by various vehicle manufacturers. Revenues are recognized upon satisfaction of our performance obligations under contracts with our customers and are measured at the amount of consideration we expect to be entitled to in exchange for transferring goods or providing services. A discussion of revenue recognition by reportable segment is included below.

Retail Automotive and Retail Commercial Truck Dealership Revenue Recognition

Dealership Vehicle Sales. We record revenue for vehicle sales at a point in time when vehicles are delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. The amount of consideration we receive for vehicle sales, including any non-cash consideration representing the fair value of trade-in vehicles if applicable, is stated within the executed contract with our customer. Payment is typically due and collected within 30 days subsequent to transfer of control of the vehicle. For dealerships operating under an agency model, we receive a commission for each vehicle sale that we facilitate under the terms of the agency agreement with the manufacturer, which is recorded as new vehicle revenue.

Dealership Parts and Service Sales. We record revenue for vehicle service and collision work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of this revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment. The amount of consideration we receive for parts and service sales, including collision repair work, is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically less than 30 days subsequent to the completion of services for the customer. We allow for customer returns of parts sales up to 30 days after the sale; however, parts returns are not material. sale.

Dealership Finance and Insurance Sales. Subsequent to the sale of a vehicle to a customer, we sell installment sale contracts to various financial institutions on a non-recourse basis (with specified exceptions) to mitigate the risk of default. We receive a commission from the lender equal to either the difference between the interest rate charged to the customer and the interest rate set by the financing institution or a flat fee. We also receive commissions for facilitating the sale of various products to customers, including voluntary vehicle protection insurance, vehicle theft protection, and extended service contracts. These commissions are recorded as revenue at a point in time when the customer enters into the contract. Payment is typically due and collected within 30 days subsequent to the execution of the contract with the customer.

In the case of finance contracts, a customer may prepay or fail to pay their contract, thereby terminating the contract. Customers may also terminate extended service contracts and other insurance products, which are fully paid at purchase, and become eligible for refunds of unused premiums. In these circumstances, a portion of the commissions we received may be charged back based on the terms of the contracts. The revenue we record relating to these transactions is net of an estimate of the amount of chargebacks we will be required to pay. Our estimate is based upon our historical experience with similar contracts, including the impact of refinance and default rates on retail finance contracts and cancellation rates on extended service contracts and other insurance products. Aggregate reserves relating to chargeback activity were $48.4 $48.5 million and $42.7 million as of March 31, 2024 June 30, 2024, and December 31, 2023, respectively.

Commercial Vehicle Distribution and Other Revenue Recognition

Penske Australia. We record revenue from the distribution of vehicles and other products at a point in time when delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. We record revenue for service or repair work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of this revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment.

The amount of consideration we receive for vehicle and product sales is stated within the executed contract with our customer. The amount of consideration we receive for parts and service sales is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery, upon invoice, or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically within 45 days subsequent to transfer of control or invoice.

We record revenue from the distribution of engines and other products at a point in time when delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer. We record revenue for service or repair work over time as work is completed and when parts are delivered to our customers. For service and parts revenues recorded over time, we utilize a method that considers total costs incurred to date and the applicable margin in relation to total expected efforts to complete our performance obligation in order to determine the appropriate amount of revenue to recognize over time. Recognition of revenue over time reflects the amount of consideration we expect to be entitled to for the transfer of goods and services performed to date, representative of the amount for which we have a right to payment.

For our long-term power generation contracts, we record revenue over time as services are provided in accordance with contract milestones, which is considered an output method that requires judgment to determine our progress towards contract completion and the corresponding amount of revenue to recognize. Any revisions to estimates related to revenues or costs to complete contracts are recorded in the period in which the revisions to estimates are identified and the amounts can be reasonably estimated.

The amount of consideration we receive for engine, product, and power generation sales is stated within the executed contract with our customer. The amount of consideration we receive for service sales is based upon labor hours expended and parts utilized to perform and complete the necessary services to our customers. Payment is typically due upon delivery, upon invoice, or within a period of time shortly thereafter. We receive payment from our customers upon transfer of control or within a period typically within 45 days subsequent to transfer of control or invoice.

Retail Automotive Dealership

The following tables disaggregate our retail automotive segment revenue by product type and geographic location for the three and six months ended March 31, 2024 June 30, 2024 and 2023:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
Retail Automotive Dealership Revenue					
Retail Automotive Dealership Revenue					
		Three Months Ended June 30,		Six Months Ended June 30,	
Retail Automotive Dealership Revenue	Retail Automotive Dealership Revenue	2024	2023	2024	2023
New vehicle					
New vehicle					
New vehicle					
Used vehicle					
Used vehicle					
Used vehicle					
Finance and insurance, net					
Finance and insurance, net					
Finance and insurance, net					
Service and parts					
Service and parts					
Service and parts					
Fleet and wholesale					
Fleet and wholesale					
Fleet and wholesale					
Total retail automotive dealership revenue					
Total retail automotive dealership revenue					
Total retail automotive dealership revenue					

	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
Retail Automotive Dealership Revenue				
Retail Automotive Dealership Revenue				
	Three Months Ended June 30,		Six Months Ended June 30,	
Retail Automotive Dealership Revenue **Retail Automotive Dealership Revenue**	2024	2023	2024	2023
U.S.				
U.S.				
U.S.				
U.K.				
U.K.				
U.K.				
Germany, Italy, and Japan				
Germany, Italy, and Japan				
Germany, Italy, and Japan				
Germany, Italy, Japan, and Australia				
Total retail automotive dealership revenue				
Total retail automotive dealership revenue				
Total retail automotive dealership revenue				

Retail Commercial Truck Dealership

The following table disaggregates our retail commercial truck segment revenue by product type for the three and six months ended March 31, 2024 June 30, 2024 and 2023:

	Three Months Ended March 31,			
	Three Months Ended March 31,			
	Three Months Ended March 31,			
Retail Commercial Truck Dealership Revenue				
Retail Commercial Truck Dealership Revenue				
	Three Months Ended June 30,		Six Months Ended June 30,	
Retail Commercial Truck Dealership Revenue **Retail Commercial Truck Dealership Revenue**	2024	2023	2024	2023
New truck				
New truck				
New truck				
Used truck				
Used truck				
Used truck				
Finance and insurance, net				
Finance and insurance, net				
Finance and insurance, net				
Service and parts				
Service and parts				
Service and parts				
Other				
Other				
Other				
Total retail commercial truck dealership revenue				
Total retail commercial truck dealership revenue				
Total retail commercial truck dealership revenue				

Commercial Vehicle Distribution and Other

Our other reportable segment relates to our Penske Australia business. Commercial vehicle distribution and other revenue was $178.0 million $189.0 million and $367.0 million, including $67.0 million $70.9 million and $137.9 million of service and parts revenue, during the three and six months ended March 31, 2024 June 30, 2024, and $143.6 million $143.3 million and $286.9 million, including $61.3 million $68.0 million and $129.3 million of service and parts revenue, during the three and six months ended March 31, 2023. June 30, 2023, respectively.

Contract Balances

The following table summarizes our accounts receivable and unearned revenues as of March 31, 2024 June 30, 2024, and December 31, 2023:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Accounts receivable		
Contracts in transit		
Contracts in transit		
Contracts in transit		
Vehicle receivables		
Manufacturer receivables		
Trade receivables		
Accrued expenses		
Accrued expenses		
Accrued expenses		
Unearned revenues		
Unearned revenues		
Unearned revenues		

Contracts in transit represent receivables from unaffiliated finance companies relating to the sale of customers' installment sales and lease contracts arising in connection with the sale of a vehicle by us. Vehicle receivables represent receivables for any portion of the vehicle sales price not paid by the finance company. Manufacturer receivables represent amounts due from manufacturers, including incentives, holdbacks, rebates, warranty claims, and other receivables due from the factory. Trade receivables represent receivables due from customers, including amounts due for parts and service sales as well as receivables due from finance companies and others for the commissions earned on financing and commissions earned on insurance and extended service products provided by third parties. We evaluate collectability of receivables and estimate an allowance for doubtful accounts based on the age of the receivable, contractual life, historical collection experience, current conditions, and forecasts of future economic conditions, which is recorded within "Accounts receivable" on our consolidated balance sheets with our receivables presented net of the allowance.

Unearned revenues primarily relate to payments received from customers prior to satisfaction of our performance obligations, such as refundable customer deposits, non-refundable customer deposits, and deferred revenues from operating leases. These amounts are presented within "Accrued expenses and other current liabilities" on our consolidated balance sheets. Of the amounts recorded as unearned revenues as of December 31, 2023, $112.5 million $150.0 million was recognized as revenue during the three six months ended March 31, 2024 June 30, 2024.

Additional Revenue Recognition Related Policies

We do not have any material significant payment terms associated with contracts with our customers. Payment is due and collected as previously detailed for each reportable segment. We do not offer material rights of return or service-type warranties.

Taxes collected from customers and remitted to governmental authorities are recorded on a net basis (excluded from revenue). Shipping costs incurred subsequent to transfer of control to our customers are recognized as cost of sales. Sales promotions that we offer to customers are accounted for as a reduction of revenues at the time of sale.

3. Leases

We lease land and facilities, including certain dealerships and office space. Our property leases are generally for an initial period between 5 and 20 years and are typically structured to include renewal options at our election. We include renewal options that we are reasonably certain to exercise in the measurement of our lease liabilities and right-of-use assets. We also have equipment leases that primarily relate to office and computer equipment, service and shop equipment, company vehicles, and other miscellaneous items. These leases are generally for a period of less than 5 years. We do not have any material leases, individually or in the aggregate, classified as a finance leasing arrangement.

We estimate the total undiscounted rent obligations under these leases, including any extension periods that we are reasonably certain to exercise, to be $5.4 billion $5.3 billion as of March 31, 2024 June 30, 2024. Some of our lease arrangements include rental payments that are adjusted based on an index or rate, such as the Consumer Price Index (CPI). As the rate implicit in the lease is generally not readily determinable for our operating leases, the discount rates used to determine the present value of our lease liability are based on our incremental borrowing rate at the lease commencement date and commensurate with the remaining lease term. Our incremental borrowing rate for a lease is the rate of interest we would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments in a similar economic environment. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Pursuant to the leases for some of our larger facilities, we are required to comply with specified financial ratios, including a "rent coverage" ratio and a ratio of debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA"), each as defined. For these leases, non-compliance with the ratios may require us to post collateral in the form of a letter of credit. A breach of the other lease covenants gives rise to certain remedies by the landlord, the most severe of which include the termination of the applicable lease and acceleration of the total rent payments due under the lease.

In connection with the sale, relocation, and closure of certain of our dealerships, we have entered into a number of third-party sublease agreements. The rent paid by our sub-tenants on such properties was $3.7 million and $7.6 million for the three and six months ended March 31, 2024 June 30, 2024, and 2023 was $3.9 million $4.3 million and $4.2 million $8.5 million for the three and six months ended June 30, 2023, respectively. We have in the past and may in the future enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which we sell property to third parties and agree to lease those assets back for a certain period of time. Such sales generate proceeds that vary from period to period. We do not have any material leases that have not yet commenced as of March 31, 2024 June 30, 2024.

The following table summarizes our net operating lease cost during the three and six months ended March 31, 2024 June 30, 2024 and 2023:

	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
Lease Cost					
Lease Cost					
Lease Cost					
Operating lease cost (1)					
Operating lease cost (1)					
Operating lease cost (1)					
Sublease income					
Sublease income					
Sublease income					
Total lease cost					
Total lease cost					
Total lease cost					

(1) Includes short-term leases and variable lease costs, which are immaterial.

(1) Includes short-term leases and variable lease costs, which are immaterial.

(1) Includes short-term leases and variable lease costs, which are immaterial.

The following table summarizes supplemental cash flow information related to our operating leases:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Cash paid for amounts included in the measurement of lease liabilities		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases		
Operating cash flows from operating leases		
Operating cash flows from operating leases		
Right-of-use assets modified or obtained in exchange for operating lease liabilities, net		

Supplemental balance sheet information related to the weighted average remaining lease term and discount rate of our leases is as follows:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Lease Term and Discount Rate		
Weighted-average remaining lease term - operating leases		
Weighted-average remaining lease term - operating leases		
Weighted-average remaining lease term - operating leases	24 years	24 years
	24 years	24 years
Weighted-average discount rate - operating leases		
Weighted-average discount rate - operating leases	6.7 %	6.7 %
Weighted-average discount rate - operating leases	6.7 %	6.7 %

The following table summarizes the maturity of our lease liabilities on an undiscounted cash flow basis and a reconciliation to the operating lease liabilities recognized on our consolidated condensed balance sheet as of March 31, 2024 June 30, 2024:

Maturity of Lease Liabilities	**Maturity of Lease Liabilities** March 31, 2024	**Maturity of Lease Liabilities** June 30, 2024
2024 (1)		
2025		
2026		
2027		
2028		
2029		
2030 and thereafter		
Total future minimum lease payments		
Less: Imputed interest		
Present value of future minimum lease payments		
Current operating lease liabilities (2)		
Current operating lease liabilities (2)		
Current operating lease liabilities (2)		
Long-term operating lease liabilities		
Total operating lease liabilities		

____

(1) Excludes the three months ended March 31, 2024.

(1) Excludes the three months ended March 31, 2024.

(1) Excludes the three months ended March 31, 2024.

(2) Included within "Accrued expenses and other current liabilities" on Consolidated Condensed Balance Sheet as of March 31, 2024.

(1) Excludes the six months ended June 30, 2024.

(1) Excludes the six months ended June 30, 2024.

(1) Excludes the six months ended June 30, 2024.

(2) Included within "Accrued expenses and other current liabilities" on Consolidated Condensed Balance Sheet as of June 30, 2024.

4. Inventories

Inventories consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Retail automotive dealership new vehicles		
Retail automotive dealership used vehicles		
Retail automotive parts, accessories, and other		
Retail commercial truck dealership vehicles and parts		
Commercial vehicle distribution vehicles, parts, and engines		

Total inventories

We receive credits from certain vehicle manufacturers that reduce the cost of sales when the vehicles are sold. Such credits amounted to $14.4 million $16.3 million and $13.3 million $11.4 million during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, and $30.7 million and $24.7 million during the six months ended June 30, 2024 and 2023, respectively.

5. Business Combinations

During the three six months ended March 31, 2024 June 30, 2024, we acquired 16 retail automotive franchises in the U.K., acquired two retail automotive franchises in Italy, and acquired two retail automotive franchises in Italy. Australia. We also acquired three full-service dealerships and two independent repair facilities in the U.S. adding to PTG's operations. The companies acquired during the three six months ended March 31, 2024 June 30, 2024, generated $198.9 million $418.4 million of revenue and $4.9 million $8.3 million of pre-tax income from our date of acquisition through March 31, 2024 June 30, 2024. During the three six months ended March 31, 2023 June 30, 2023, we made no acquisitions. acquired three full-service commercial truck dealerships and two service and parts centers in Canada adding to PTG's operations. Our financial statements include the results of operations of the acquired entities from the date of acquisition. The fair value of the assets acquired and liabilities assumed have been recorded in our consolidated condensed financial statements and may be subject to adjustment pending completion of final valuation. The following table summarizes the aggregate consideration paid and the aggregate amounts of the assets acquired and liabilities assumed for the three six months ended March 31, 2024: June 30, 2024 and 2023:

	Three Months Ended March 31, 2024
Accounts receivable	$ 33.6
Inventories	90.3
Other current assets	—
Property and equipment	14.9
Indefinite-lived intangibles	185.8
Other noncurrent assets	—
Current liabilities	(55.1)
Noncurrent liabilities	(25.9)
Total cash used in acquisitions	$ 243.6

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Accounts receivable	$ 33.6	$ —
Inventories	135.0	25.3
Other current assets	0.2	0.1
Property and equipment	37.0	2.8
Indefinite-lived intangibles	319.8	54.1
Other noncurrent assets	—	—
Current liabilities	(62.4)	(1.8)
Noncurrent liabilities	(22.4)	—
Total cash used in acquisitions	$ 440.8	$ 80.5

Our following unaudited consolidated pro forma results of operations for the three and six months ended March 31, 2024 June 30, 2024 and 2023 give effect to acquisitions consummated during 2024 and 2023 as if they had occurred on January 1, 2023. This pro forma information is based on historical results of operations, adjusted for the income statement effects of incremental interest expense directly resulting from the acquisitions and the related tax effects. The pro forma information is not necessarily indicative of the results that would have been achieved had the transactions occurred on the first day of each of the periods presented or that may be achieved in the future:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
	2024				
	2024				
Revenues					

Revenues
Revenues
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income attributable to Penske Automotive Group common stockholders
Net income per diluted common share
Net income per diluted common share
Net income per diluted common share

6. Intangible Assets

The following is a summary of the changes in the carrying amount of goodwill and other indefinite-lived intangible assets during the three six months ended March 31, 2024 June 30, 2024:

	Goodwill	Goodwill	Other Indefinite-Lived Intangible Assets	Goodwill	Other Indefinite-Lived Intangible Assets
Balance, January 1, 2024					
Additions					
Disposals					
Foreign currency translation					
Balance, March 31, 2024					
Balance, June 30, 2024					

As of March 31, 2024 June 30, 2024, the goodwill balance for reporting units within our Retail Automotive, Retail Commercial Truck, and Other reportable segments was $1,750.8 million $1,776.5 million, $492.3 million $504.7 million, and $73.5 million $75.2 million, respectively. There is no goodwill recorded in our Non-Automotive Investments reportable segment.

7. Vehicle Financing

We finance substantially all of the commercial vehicles we purchase for distribution, new vehicles for retail sale, and a portion of our used vehicle inventories for retail sale under floor plan and other revolving arrangements with various lenders, including the captive finance companies associated with automotive manufacturers. In the U.S., the floor plan arrangements are due on demand; however, we have not historically been required to repay floor plan advances prior to the sale of the vehicles that have been financed. We typically make monthly interest payments on the amount financed. Outside of the U.S., substantially all of the floor plan arrangements are payable on demand or have an original maturity of 90 days or less, and we are generally required to repay floor plan advances at the earlier of the sale of the vehicles that have been financed or the stated maturity.

The agreements typically grant a security interest in substantially all of the assets of our dealership and distribution subsidiaries and in the U.S., Australia, and New Zealand are guaranteed or partially guaranteed by us. Interest rates under the arrangements are variable and increase or decrease based on changes in the prime rate, the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), the Bank of England Base Rate, the Finance House Base Rate, the Euro Interbank Offered Rate, the Canadian Prime Rate, the Tokyo Interbank Offered Rate, the Australian Bank Bill Swap Rate, or the New Zealand Bank Bill Benchmark Rate. To date, we have not experienced any material limitation with respect to the amount or availability of financing from any institution providing us with vehicle financing. We also receive non-refundable credits from certain of our vehicle manufacturers, which are treated as a reduction of cost of sales as vehicles are sold.

The weighted average interest rate on floor plan borrowings was 4.9% and 4.0% 4.2% for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We classify floor plan notes payable to a party other than the manufacturer of a particular new vehicle and all floor plan notes payable relating to pre-owned vehicles as "Floor plan notes payable — non-trade" on our consolidated balance sheets and classify related cash flows as a financing activity on our consolidated statements of cash flows.

8. Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to common stockholders by the number of weighted average shares of voting common stock outstanding, including unvested restricted stock awards which contain rights to non-forfeitable dividends. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the number of weighted average shares of voting common stock outstanding, adjusted for the dilutive impact of unissued shares paid to directors during the year as compensation. A reconciliation of the number of shares used in the calculation of basic and diluted earnings per share for the three and six months ended March 31, 2024 June 30, 2024 and 2023 follows:

	Three Months Ended March 31,
	Three Months Ended March 31,
	Three Months Ended March 31,
	2024

	2024				
		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2023	2024	2023
Weighted average number of common shares outstanding					
Weighted average number of common shares outstanding					
Weighted average number of common shares outstanding					
Effect of non-participatory equity compensation					
Effect of non-participatory equity compensation					
Effect of non-participatory equity compensation					
Weighted average number of common shares outstanding, including effect of dilutive securities					
Weighted average number of common shares outstanding, including effect of dilutive securities					
Weighted average number of common shares outstanding, including effect of dilutive securities					

9. Long-Term Debt

Long-term debt consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
U.S. credit agreement — revolving credit line		
U.K. credit agreement — revolving credit line		
3.50% senior subordinated notes due 2025		
3.50% senior subordinated notes due 2025		
3.50% senior subordinated notes due 2025		
3.75% senior subordinated notes due 2029		
Canada credit agreement		
Australia credit agreement		
Australia credit agreement		
Australia credit agreement		
Mortgage facilities		
Other		
Total long-term debt		
Less: current portion		
Net long-term debt		

U.S. Credit Agreement

Our U.S. Credit Agreement with Mercedes-Benz Financial Services USA LLC, Toyota Motor Credit Corporation, and Daimler Truck Financial Services USA LLC (as amended, the "U.S. Credit Agreement") provides for up to $1.2 billion in revolving loans for working capital, acquisitions, capital expenditures, investments, and other general corporate purposes and provides up to an additional $75 million of letters of credit. The U.S. Credit Agreement provides for a maximum of $400 million of borrowings for foreign acquisitions and expires on September 30, 2026. The interest rate on revolving loans is based on an adjusted Secured Overnight Financing Rate ("SOFR") plus 1.50%, with uncollateralized borrowings in excess of a defined borrowing base bearing interest at adjusted SOFR plus 3.00%.

The U.S. credit agreement is fully and unconditionally guaranteed on a joint and several basis by substantially all of our U.S. subsidiaries and contains a number of significant operating covenants that, among other things, restrict our ability to dispose of assets, incur additional indebtedness, repay certain other indebtedness, pay dividends, create liens on assets, make investments or acquisitions, and engage in mergers or consolidations. We are also required to comply with specified financial and other tests and ratios, each as defined in the U.S. credit agreement, including a ratio of current assets to current liabilities, a fixed charge coverage ratio, a ratio of debt to stockholders' equity, and a ratio of debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA"). A breach of these requirements would give rise to certain remedies under the agreement, the most severe of which is the termination of the agreement and acceleration of the amounts owed.

The U.S. credit agreement also contains typical events of default, including change of control, non-payment of obligations, and cross-defaults to our other material indebtedness. Substantially all of our U.S. assets are subject to security interests granted to the lenders under the U.S. credit agreement. As of March 31, 2024 June 30, 2024, we had no revolver borrowings under the U.S. credit agreement.

U.K. Credit Agreement

Our U.K. credit agreement with the National Westminster Bank Plc and BMW Financial Services (GB) Limited provides up to a £200.0 million revolving line of credit to be used for working capital, acquisitions, capital expenditures, investments, and general corporate purposes. The revolving loans bear interest between defined Sterling Overnight Index Average ("SONIA") plus 1.10% and defined SONIA plus 2.10%. In addition, the U.K. credit agreement includes a £100.0 million £100.0 million "accordion" feature which allows the U.K. subsidiaries to request up to an additional £100.0 million £100.0 million of facility capacity, subject to certain limitations. The lenders may agree to provide additional capacity, and, if not, the U.K. subsidiaries may add an additional lender, if available, to the facility to provide such additional capacity. In January 2024, the lenders agreed to extend the facility by one year, and it now Our U.K. credit agreement expires in January 2028. The U.K. credit agreement is guaranteed by the holding company of a majority of our international subsidiaries, PAG International Ltd. As of March 31, 2024 June 30, 2024, we had £64.0 million £94.0 million ($80.8 118.9 million) revolver borrowings under the U.K. credit agreement.

The U.K. credit agreement is fully and unconditionally guaranteed on a joint and several basis by our U.K. subsidiaries, and contains a number of significant covenants that, among other things, limit the ability of our U.K. subsidiaries to pay dividends, dispose of assets, incur additional indebtedness, repay other indebtedness, create liens on assets, make investments or acquisitions and engage in mergers or consolidations. In addition, our U.K. subsidiaries are required to comply with defined ratios and tests, including: a ratio of earnings before interest, taxes, amortization, and rental payments ("EBITAR") to interest plus rental payments, a measurement of maximum capital expenditures, and a debt to EBITDA ratio. A breach of these requirements would give rise to certain remedies under the U.K. credit agreement, the most severe of which is the termination of the agreement and acceleration of any amounts owed.

The U.K. credit agreement also contains typical events of default, including change of control and non-payment of obligations and cross-defaults to other material indebtedness of our U.K. subsidiaries. Substantially all of our U.K. subsidiaries' assets are subject to security interests granted to the lenders under the U.K. credit agreement.

Senior Subordinated Notes

We have issued the following senior subordinated notes:

Description	Maturity Date	Interest Payment Dates	Principal Amount
3.50% Notes	September 1, 2025	February 15, August 15	$550 million
3.75% Notes	June 15, 2029	June 15, December 15	$500 million

Each of these notes are our unsecured, senior subordinated obligations and are guaranteed on an unsecured senior subordinated basis by our 100% owned U.S. subsidiaries. Each also contains customary negative covenants and events of default. If we experience certain "change of control" events specified in the indentures, holders of these notes will have the option to require us to purchase for cash all or a portion of their notes at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest. In addition, if we make certain asset sales and do not reinvest the proceeds thereof or use such proceeds to repay certain debt, we will be required to use the proceeds of such asset sales to make an offer to purchase the notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest.

Optional redemption. We may redeem the 3.50% Notes and the 3.75% Notes at the redemption prices noted in the respective indentures. Prior to June 15, 2024, we may redeem the 3.75% Notes at a redemption price equal to 100% of the principal thereof, plus an applicable make-whole premium, and any accrued and unpaid interest. In addition, we may redeem up to 40% of the Notes before June 15, 2024, with net cash proceeds from certain equity offerings at a redemption price equal to 103.750% of the principal thereof, plus accrued and unpaid interest.

Canada Credit Agreement

One of our Canadian subsidiaries is party to a CAD $150.0 million revolving line of credit with Daimler Truck Financial Services Canada Corporation ("DTFS") which we use in relation to our Canadian Premier Truck Group retail operations (the "Canada credit agreement"). The Canada credit agreement bears interest at a rate of Canadian Prime (determined by the Royal Bank of Canada) ("Canadian Prime Rate") minus 0.50%; provided that DTFS is entitled to demand repayment of any outstanding borrowings under the Canada revolving note and, following such demand, the interest rate on outstanding borrowings shall be increased to the Canadian Prime Rate plus 2.00%. The Canada credit agreement is guaranteed by PAG International Ltd. As of March 31, 2024 June 30, 2024, we had CAD $112.0 million $113.5 million ($82.7 83.0 million) of outstanding borrowings under the Canada credit agreement.

Australia Credit Agreement

Penske Australia is party to an AU $100.0 million credit agreement with Daimler Truck Financial Services Australia Pty Ltd (the "Australia credit agreement"). The Australia credit agreement provides the lender with a secured interest in all assets of these businesses, is terminable with six months' notice, and carries an interest rate of Australian BBSW 30-day Bill Rate plus 2.29%. As of March 31, 2024 June 30, 2024, we had AU $100.0 million $31.5 million ($65.1 21.0 million) outstanding borrowings under the Australia credit agreement.

Mortgage Facilities

We are party to mortgages that bear interest at defined rates and require monthly principal and interest payments. We also have a revolving mortgage facility with Toyota Motor Credit Corporation in the U.S. On April 25, 2024, we increased our Our maximum borrowing capacity under the mortgage facility to is $350.0 million, contingent on property values. Our actual borrowing capacity as of March 31, 2024 June 30, 2024, was $221.4 $258.7 million. The facility bears interest at the prime rate minus 1.68% and expires in December 2028. As of March 31, 2024 June 30, 2024, we had no $78.0 million outstanding borrowings under this mortgage facility. Our mortgage facilities also contain typical events of default, including non-payment of obligations, cross-defaults to our other material indebtedness, certain change of control events, and the loss or sale of certain dealerships operated at the properties. Substantially all of the buildings and improvements on the properties financed pursuant to the mortgage facilities are subject to security interests granted to the lender. As of March 31, 2024 June 30, 2024, we owed $359.0 million $453.7 million of principal under all of our mortgage facilities.

10. Commitments and Contingent Liabilities

We are involved in litigation which may relate to claims brought by governmental authorities, issues with customers, and employment related matters, including class action claims and purported class action claims. As of March 31, 2024 June 30, 2024, we were not party to any legal proceedings, including class action lawsuits that, individually or in the aggregate, are reasonably expected to have a material adverse effect on our results of operations, financial condition, or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our results of operations, financial condition, or cash flows.

We lease land and facilities, including certain dealerships and office space. Pursuant to the leases for some of our larger facilities, we are required to comply with specified financial ratios, including a "rent coverage" ratio and a debt to EBITDA ratio, each as defined. For these leases, non-compliance with the ratios may require us to post collateral in the form of a letter of credit. A breach of the other lease covenants gives rise to certain remedies by the landlord, the most severe of which include the termination of the applicable lease and acceleration of the total rent payments due under the lease. Refer to the disclosures provided in Note 3 for further description of our leases.

We have sold a number of dealerships to third parties and as a condition to certain of those sales, remain liable for the lease payments relating to the properties on which those businesses operate in the event of non-payment by the buyer. We are also party to lease agreements on properties that we no longer use in our retail operations that we have sublet to third parties. We rely on subtenants to pay the rent and maintain the property at these locations. In the event the subtenant does not perform as expected, we may not be able to recover amounts owed to us, and we could be required to fulfill these obligations. We believe we have made appropriate reserves relating to these locations.

Our floor plan credit agreements with Daimler Truck Financial Services Australia and Mercedes-Benz Financial Services New Zealand ("MBA") provide us revolving loans for the acquisition of commercial vehicles for distribution to our retail network. These facilities include a commitment to repurchase dealer vehicles in the event the dealer's floor plan agreement with MBA is terminated.

We have $24.8 million $23.9 million of letters of credit outstanding and $16.3 million $16.0 million of bank guarantees as of March 31, 2024 June 30, 2024, and have posted $24.1 million $18.2 million of surety bonds in the ordinary course of business.

11. Equity

A summary of shares repurchased under our securities repurchase program, and shares acquired, is as follows:

		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
	2024				
	2024				
				Six Months Ended June 30,	
		Three Months Ended June 30,			
	2024	2024	2023	2024	2023
Shares repurchased (1)					
Shares repurchased (1)					
Shares repurchased (1)					
Aggregate purchase price					
Aggregate purchase price					
Aggregate purchase price					
Average purchase price per share					
Additional Shares acquired (2)					
Additional Shares acquired (2)					
Additional Shares acquired (2)					
Aggregate purchase price					
Average purchase price per share					
Average purchase price per share					

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(1) Shares were repurchased under our securities repurchase program. We had $182.6 million in repurchase authorization remaining under the repurchase program as of March 31, 2024.

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(2) Shares were acquired from employees in connection with a net share settlement feature of employee equity awards.

12. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) by component during the three and six months ended March 31, 2024 June 30, 2024 and 2023, respectively, attributable to Penske Automotive Group common stockholders follows:

Three Months Ended March 31, 2024 June 30, 2024

	Foreign Currency Translation	Foreign Currency Translation	Foreign Currency Translation	Other	Accumulated Other Comprehensive Income (Loss)	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2023							
Balance at March 31, 2024							
Other comprehensive income (loss), net of tax							
Other comprehensive income (loss), net of tax							
Other comprehensive income (loss), net of tax							
Balance at March 31, 2024							
Balance at June 30, 2024							

Three Months Ended March 31, 2023 June 30, 2023

	Foreign Currency Translation	Foreign Currency Translation	Foreign Currency Translation	Other	Accumulated Other Comprehensive Income (Loss)	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2022							
Balance at March 31, 2023							
Other comprehensive income, net of tax							
Other comprehensive income, net of tax							
Other comprehensive income, net of tax							
Balance at March 31, 2023							
Balance at June 30, 2023							

Six Months Ended June 30, 2024

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2023	$ (262.6)	$ (1.5)	$ (264.1)

Other comprehensive loss - net of tax	(34.3)	(1.3)	(35.6)
Balance at June 30, 2024	$ (296.9)	$ (2.8)	$ (299.7)

Six Months Ended June 30, 2023

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2022	$ (328.1)	$ (7.2)	$ (335.3)
Other comprehensive income - net of tax	51.3	8.2	59.5
Balance at June 30, 2023	$ (276.8)	$ 1.0	$ (275.8)

13. Segment Information

Our operations are organized by management into operating segments by line of business and geography. We have determined that we have four reportable segments as defined in generally accepted accounting principles for segment reporting: (i) Retail Automotive, consisting of our retail automotive dealership operations; (ii) Retail Commercial Truck, consisting of our retail commercial truck dealership operations in the U.S. and Canada; (iii) Other, consisting of our commercial vehicle and power systems distribution operations; and (iv) Non-Automotive Investments, consisting of our equity method investments in non-automotive operations which includes our investment in PTS and other various investments. The Retail Automotive reportable segment includes all automotive dealerships and all departments relevant to the operation of the dealerships and our retail automotive joint ventures. The individual dealership operations included in the Retail Automotive reportable segment represent two operating segments: United States Retail Automotive and International Retail Automotive. These operating segments have been aggregated into one reportable segment as their operations (A) have similar economic characteristics (all are automotive dealerships having similar margins), (B) offer similar products and services (all sell new and/or used vehicles, service, parts, and third-party finance and insurance products), (C) have similar target markets and customers (generally individuals), and (D) have similar distribution and marketing practices (all distribute products and services through dealership facilities that market to customers in similar fashions). Revenue and segment income for the three and six months ended March 31, 2024 June 30, 2024 and 2023 follows:

Three Months Ended March 31, June 30,

	Retail Automotive Retail Automotive Retail Automotive	Retail Commercial Truck	Other	Non-Automotive Investments	Total	Retail Commercial Truck	Other	Non-Automotive Investments	Total
Revenues									
2024									
2024									
2024									
2023									
Segment income									
2024									
2024									
2024									
2023									

Six Months Ended June 30,

	Retail Automotive	Retail Commercial Truck	Other	Non-Automotive Investments	Total
Revenues					
2024	$ 13,093.4	$ 1,684.1	$ 367.0	$ —	$ 15,144.5
2023	12,705.8	$ 1,814.8	$ 286.9	$ —	$ 14,807.5
Segment income					
2024	$ 408.8	$ 102.2	$ 24.2	$ 85.1	$ 620.3
2023	517.8	$ 112.6	$ 22.5	$ 154.3	$ 807.2

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, Part II, Item 1A. "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and those in our other periodic reports filed with the Securities and Exchange Commission, and "Forward-Looking Statements." We have acquired and initiated a number of businesses during the periods presented and addressed in this Management's Discussion and Analysis of Financial Condition and Results of Operations. Our financial statements include the results of operations of those businesses from the date acquired or when they commenced operations. Our period-to-period results of operations may vary depending on the dates of acquisitions or disposals.

Overview

We are a diversified international transportation services company and one of the world's premier automotive and commercial truck retailers. We operate dealerships in the United States, the United Kingdom, Canada, Germany, Italy, Japan, and Japan, Australia, and we are one of the largest retailers of commercial trucks in North America for Freightliner. We also distribute and retail commercial vehicles, diesel and gas engines, power systems, and related parts and services principally in Australia and New Zealand. We employ over 28,500 28,850 people worldwide. Additionally, we own 28.9% of Penske Transportation Solutions, a business that employs over 44,000 people worldwide, manages one of the largest, most comprehensive and modern trucking fleets in North America with over 442,000 446,000 trucks, tractors, and trailers under lease, rental, and/or maintenance contracts, and provides innovative transportation, supply chain, and technology solutions to its customers.

Business Overview

During the three six months ended March 31, 2024 June 30, 2024, our business generated $7.4 billion $15.1 billion in total revenue, which is comprised of approximately $6.5 billion $13.1 billion from retail automotive dealerships, $791.8 million $1.7 billion from retail commercial truck dealerships, and $178.0 million $367.0 million from commercial vehicle distribution and other operations. We generated $1,245.2 million $2.5 billion in gross profit, which is comprised of $1,057.2 million $2.1 billion from retail automotive dealerships, $144.8 million $289.3 million from retail commercial truck dealerships, and $43.2 million $87.8 million from commercial vehicle distribution and other operations.

Retail Automotive. We are one of the largest global automotive retailers as measured by the $25.2 billion in total retail automotive dealership revenue we generated in 2023. We are diversified geographically with 53% 54% of our total retail automotive dealership revenues in the three six months ended March 31, 2024 June 30, 2024, generated in the U.S. and Puerto Rico and 47% 46% generated outside of the U.S. We offer over 40 vehicle brands with 72% of our retail automotive franchised dealership revenue generated from premium brands, such as Audi, BMW, Land Rover, Mercedes-Benz, and Porsche, in the three six months ended March 31, 2024 June 30, 2024. As of March 31, 2024 June 30, 2024, we operated 360 362 retail automotive franchised dealerships, of which 152 are located in the U.S. and 208 210 are located outside of the U.S. The franchised dealerships outside of the U.S. are located primarily in the U.K. As of March 31, 2024 June 30, 2024, we also operated 18 used vehicle dealerships, with six dealerships in the U.S. and 12 , 11 dealerships in the U.K., which retailed used vehicles under a and one price, "no-haggle" methodology under the CarShop brand. dealership in Australia. We retailed and wholesaled, including agency units, more than 154,000 308,000 vehicles in the three six months ended March 31, 2024 June 30, 2024.

Each of our franchised dealerships offers a wide selection of new and used vehicles for sale. In addition to selling new and used vehicles, we generate higher-margin revenue at each of our dealerships through maintenance and repair services, the sale and placement of third-party finance and insurance products, third-party extended service and maintenance contracts, replacement and aftermarket automotive products, and at certain of our locations, collision repair services. We operate our franchised dealerships under franchise agreements with a number of automotive manufacturers and distributors that are subject to certain rights and restrictions typical of the industry. Beginning in 2023, we transitioned some of our dealerships in the U.K. and Europe to an agency model under which we receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue (as opposed to previously recording all of the vehicle sale price as new revenue) with no corresponding cost of sale. We continue to provide new vehicle customer service under the agency model, and the agency model at this time has not changed our used vehicle sales operations or service and parts operations, although the long-term impact of the agency model at these dealerships as well as other agency models proposed by our manufacturer partners is uncertain.

During the three six months ended March 31, 2024 June 30, 2024, we acquired 16 retail automotive franchises and opened one retail automotive franchise in the U.K., acquired one Ford dealership and one Chrysler/Dodge/Jeep/Ram dealership in the U.S., acquired two retail automotive franchises in Italy, and acquired two retail automotive franchises and one used vehicle dealership in Italy. Australia. In the U.S., we also closed one CarShop location. retail automotive franchise and one used vehicle dealership, and in the U.K., we closed one used vehicle dealership. Retail automotive dealerships represented 87.0% 86.5% of our total revenues and 84.9% 85.0% of our total gross profit in the three six months ended March 31, 2024 June 30, 2024. In April July 2024, we entered into an agreement to acquire two Porsche dealerships and also acquired one Ducati motorcycle Ford dealership in Melbourne, Australia, which is expected the U.S. and divested three of our U.K. CarShop locations, and we have transitioned our remaining U.K. CarShop locations to close in Sytner Select dealerships, having incorporated them within the second quarter of 2024, subject to customary conditions. broader Sytner network.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across nine 11 U.S. states and the Canadian provinces of Ontario and Manitoba. During the six months ended June 30, 2024, we acquired three full-service dealerships and two independent repair facilities in the U.S. As of March 31, 2024 June 30, 2024, PTG operated 43 48 locations selling new and/or used trucks, performing service and parts operations, or offering collision repair services. We retailed and wholesaled 4,613 9,910 new and used trucks in the three six months ended March 31, 2024 June 30, 2024. This business represented 10.6% 11.1% of our total revenues and 11.6% 11.5% of our total gross profit in the three six months ended March 31, 2024 June 30, 2024.

On June 19, 2024, we became aware that CDK Global, LLC ("CDK"), a third-party provider of information systems, including dealer management software systems ("DMS") to support retail automotive and commercial truck dealership operations, was experiencing a cybersecurity incident and its systems were rendered inoperable (the "CDK Cybersecurity Incident"). Although we do not utilize CDK's DMS in our U.S. or international automotive dealership operations, our Premier Truck Group business does utilize CDK's dealer management system and was impacted by the CDK Cybersecurity Incident. On June 19th, we immediately took precautionary containment steps to protect our systems and commenced an investigation of the incident. PTG implemented its business continuity response plans and continued to operate without the DMS at all locations through manual or alternate processes developed to respond to such incidents. On July 2, PTG was able to reconnect all of its locations to CDK's DMS servers and restore core functionality of the software platform. However, key industry partners, such as Daimler Truck North America, did not immediately reconnect to the CDK systems at that time. Certain ancillary systems and integrations remain unavailable or limited, and efforts remain ongoing to restore these.

Penske Australia. Penske Australia is the exclusive importer and distributor of Western Star heavy-duty trucks (a Daimler brand), MAN heavy- and medium-duty trucks and buses (a VW Group brand), and Dennis Eagle refuse collection vehicles, together with associated parts, across Australia, New Zealand, and portions of the Pacific. In most of these same markets, we are also a leading distributor of diesel and gas engines and power systems, principally representing MTU (a Rolls-Royce solution), Detroit Diesel, Allison Transmission, and Bergen Engines. Penske Australia offers products across the on- and off-highway markets, including in the trucking, mining, power generation, defense, marine, rail, and construction sectors and supports full parts and aftersales service through a network of branches, field service locations, and dealers across the region. These businesses represented 2.4% of our total revenues and 3.5% of our total gross profit in the three six months ended March 31, 2024 June 30, 2024.

Penske Transportation Solutions. We hold a 28.9% ownership interest in Penske Truck Leasing Co., L.P. ("PTL"). PTL is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui & Co., Ltd. ("Mitsui"). We account for our investment in PTL under the equity method, and we therefore record our share of PTL's earnings on our statements of income under the caption "Equity in earnings of affiliates," which also includes the results of our other equity method investments. Penske Transportation Solutions ("PTS") is the universal brand name for PTL's various business lines through which it is capable of meeting customers' needs across the supply chain with a broad product offering that includes full-service truck leasing, truck rental, and contract maintenance along with logistics services, such as dedicated contract carriage, distribution center management, freight management, and dry van truckload carrier services. We recorded $32.5 $85.4 millionand $80.8 million $154.1 million in equity earnings from this investment for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Outlook

Retail Automotive. During the three six months ended March 31, 2024 June 30, 2024, U.S. industry new light vehicle sales increased 5.6% 2.2%, to 7.9 million units, including a 1.4% increase in fleet sales and a 2.2% increase in retail sales, as compared to the same period last year, to 3.8 million units. year. U.K. new vehicle registrations increased 10.4% 6.0% to 0.5 1.0 million registrations, including a 28.9% 22.3% increase in fleet sales and partially offset by a 9.2% 12.0% decrease in retail sales, as compared to the same period last year. New vehicle sales are being positively impacted by continued strong consumer demand, increased inventory availability, manufacturer incentives, and manufacturer incentives. government incentives on electric vehicles, partially offset by lower industry sales due to the CDK

Cybersecurity Incident discussed above. Our new vehicle days' supply is 40 52 as of March 31, 2024 June 30, 2024, compared to 39 as of December 31, 2023, as the supply of new vehicle inventory continues to increase. Our used vehicle days' supply is 36 40 as of March 31, 2024 June 30, 2024, compared to 48 as of December 31, 2023, and is being impacted by a lower supply of 1-4 year old used vehicles as a result of the lower number of new vehicles sold in recent years and fewer lease returns in the U.S. As a reference, our new and used days' supply was 71 and 52, respectively, as of December 31, 2019 (pre-COVID). While we continue to expect increasing new vehicle availability, production disruptions and supply shortages could result in suppressed new and used vehicle sales volumes, which would impact the availability and affordability of new and used vehicles. As the supply of new vehicles has improved, we have experienced, and may continue to experience, reduced new and used vehicle gross profit. The U.S. Environmental Protection Agency, as well as several U.S. states, have adopted emissions limits on new vehicles which are designed to incent adoption of electric or other zero-emissions vehicles. New vehicle sales levels could be impacted by affordability challenges, inflation, higher interest rates, regulatory mandates, or a reduction in consumer spending resulting in decreased demand. The unavailability of quality, low-mileage used vehicles for sale may adversely impact our used vehicle operations.

Representatives of the U.K. government have proposed a ban on the sale of gasoline engines and gasoline hybrid engines in new cars and new vans that would may take effect in 2035 as early as 2030 while also providing government incentives on certain electric vehicles to entice consumers to transition from internal combustion vehicles to electric vehicles. In part due to these incentives, in the U.K. new registrations of electric vehicles, excluding hybrid, represented 15.5% 16.6% of the overall market for the three six months ended March 31, 2024 June 30, 2024, compared to 15.4% 16.1% for the same period last year, and represented 19.1% 22.1% of our U.K. new unit sales, compared with 19.8% 20.0% over the same prior year period. During the three months ended March 31, 2024, 2.2% of new vehicle sales in the U.K. were sold by vehicle manufacturers directly to consumers outside of the retail automotive franchised system, principally consisting of one manufacturer. In the U.S., sales of electric vehicles increased 2.6% 7.3% to 0.3 million 0.6 million units as compared to the same period last year. Electric Vehicle sales represented 7.3% 8.0% of the overall U.S. market for the three six months ended March 31, 2024 June 30, 2024, compared to 7.2% for the same period last year. During the three six months ended March 31, 2024 June 30, 2024, 4.8% 4.4% of new vehicle sales in the U.S., and 2.3% of the new vehicle sales in the U.K., were sold by vehicle manufacturers directly to consumers outside of the retail automotive franchised system, principally consisting of one manufacturer.

Retail Commercial Truck Dealership. During the three six months ended March 31, 2024 June 30, 2024, North American sales of Class 6-8 medium- and heavy-duty trucks, the vehicles sold by our PTG business, decreased 6.7% 8.1% from the same period last year to 109,359 units. 223,991 units, primarily due to increased deliveries in 2023 as a result of deliveries expected in 2022 being delayed into 2023 due to supply constraints. The Class 6-7 medium-duty truck market decreased 8.8% 6.8% from the same period last year to 35,427 73,033 units, and Class 8 heavy-duty trucks, the largest North American market, decreased 5.6% 8.7% from the same period last year to 73,932 150,958 units. We expect replacement demand to continue throughout 2024, although a continued weak freight market may impact unit sales and service and parts demand. As of March 31, 2024 June 30, 2024, the Class 6-8 medium- and heavy-duty truck backlog is 262,572 215,156 units according to data published by ACT Research. In April 2024, a Freightliner truck supplier experienced a fire at its facility, which is expected to impact impacted the timing of vehicle deliveries to us. When the supply of commercial trucks improves to historical levels, we may experience reduced new and used commercial truck gross profit per unit together with higher sales volumes.

Commercial Vehicle Distribution and Other. During the three six months ended March 31, 2024 June 30, 2024, the Australian heavy-duty truck market reported sales of 3,789 8,769 units, representing an increase of 4.8% 0.4% from the same period last year, while the New Zealand market reported sales of 1,032 1,929 units, representing an increase a decrease of 2.7% 2.9% from the same period last year. Additionally, our power system operations continue to grow through sales in the off-highway segments such as energy solutions which provide power generation solutions systems for large data centers, mining, and military applications.

Penske Transportation Solutions. A majority of PTS' revenue is generated by multi-year contracts for full-service leasing, contract maintenance, and logistics services. PTS also rents additional trucks to commercial customers in response to demand for freight as well as consumer customers. With a managed fleet of over 442,000 446,000 vehicles at March 31, 2024 June 30, 2024, PTS regularly sells trucks in order to maintain a low fleet age as well as in response to changes in demand for truck leasing and records a gain or loss on those sales. PTS expects a sequential increase in earnings in the second quarter of 2024 as compared to the first quarter of 2024. For 2024, PTS also expects continued demand for its full-service leasing business and continued lower gain on sale of used trucks as PTS continues to optimize its fleet size and increased fleet to help reduce operating costs and increased interest expense as compared to 2023. while improving utilization.

As described in "Forward-Looking Statements," there are a number of factors that could cause actual results to differ materially from our expectations, including those discussed in Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2023, Part II, Item 1A. *Risk Factors*"Risk Factors" in this our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission.

Operating Overview

Automotive and commercial truck dealerships represent over 95% 97.6% of our revenue and 80% 82.4% of our earnings before taxes. taxes during the six months ended June 30, 2024. Income from our PTS investment represents approximately 10% 13.8% of our earnings before taxes. taxes during the six months ended June 30, 2024. New and used vehicle revenues typically include sales to retail customers, agency customers, fleet customers, and leasing companies providing consumer leasing. We generate finance and insurance revenues from sales of third-party extended service contracts, sales of third-party insurance policies, commissions relating to the sale of finance and lease contracts to third parties, and the sales of certain other products. Service and parts revenues include fees paid by customers for repair, maintenance and collision services, and the sale of replacement parts and other aftermarket accessories as well as warranty repairs that are reimbursed directly by various vehicle manufacturers.

Our gross profit tends to vary with the mix of revenues we derive from the sale of new vehicles, used vehicles, finance and insurance products, and service and parts transactions. Our gross profit varies across product lines with vehicle sales usually resulting in lower gross profit margins and our other revenues resulting in higher gross profit margins. Factors such as inventory and vehicle availability, customer demand, consumer confidence, unemployment, general economic conditions, seasonality, weather, credit availability, fuel prices, and manufacturers' advertising and incentives also impact the mix of our revenues and therefore, influence our gross profit margin. The results of our commercial vehicle distribution and other business in Australia and New Zealand are principally driven by the number and types of products and vehicles ordered by our customers. Aggregate revenue and gross profit increased $108.8 million $228.2 million, or 1.5% 3.1%, and decreased $7.1 million $8.9 million, or 0.6% 0.7%, respectively, during the three months ended March 31, 2024 June 30, 2024, and increased $337.0 million, or 2.3%, and decreased $16.0 million, or 0.6%, respectively, during the six months ended June 30, 2024, compared to the same period periods in 2023.

As exchange rates fluctuate, our revenue and results of operations as reported in U.S. Dollars fluctuate. For example, if the British Pound were to weaken against the U.S. Dollar, our U.K. results of operations would translate into less U.S. Dollar reported results. Foreign currency average rate fluctuations increased decreased revenue and gross profit by $98.1 million $0.8 million and $13.2 million $0.7 million, respectively, for the three months ended March 31, 2024 June 30, 2024, compared to and increased revenue and gross profit by $97.3 million and $12.5 million, respectively, for the same period in 2023. six months ended June 30, 2024. Foreign currency average rate fluctuations increased had no impact on earnings per share by approximately $0.02 per share for the three months ended March 31, 2024 June 30, 2024, compared to and increased earnings per share by approximately $0.01 per share for the same period in 2023. six months ended June 30, 2024. Excluding the impact of foreign currency average rate fluctuations, aggregate revenue and gross profit increased 0.1% 3.1% and decreased 1.6% 0.6%, respectively, for the three months ended March 31, 2024 June 30, 2024, when compared to the same period in 2023. last year, and increased 1.6% and decreased 1.1%, respectively, for the six months ended June 30, 2024, when compared to the same period last year.

Our selling expenses consist of advertising and compensation for sales personnel, including commissions and related bonuses. General and administrative expenses include compensation for administration, finance, legal and general management personnel, rent, insurance, utilities, and other expenses. As the majority of our selling expenses are variable and a significant portion of our general and administrative expenses are subject to our control, we believe our expenses can be adjusted over time to reflect economic trends.

Equity in earnings of affiliates principally represents our share of the earnings from PTS, along with our investments in joint ventures and other non-consolidated investments.

Floor plan interest expense relates to financing incurred in connection with the acquisition of new and used vehicle inventories that are secured by those vehicles. Other interest expense consists of interest charges on all of our interest-bearing debt, other than interest relating to floor plan financing. The cost of our variable rate indebtedness is based on the prime rate, the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), the Bank of England Base Rate, the Finance House Base Rate, the Euro Interbank Offered Rate, the Canadian Prime Rate, the Tokyo Interbank Offered Rate, the Australian Bank Bill Swap Rate, and the New Zealand Bank Bill Benchmark Rate.

The future success of our business is dependent upon, among other things, macro-economic, geo-political, and industry conditions and events, including their impact on new and used vehicle sales, the availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, demand for trucks to move freight with respect to PTS and PTG, personal discretionary spending levels, interest rates, and unemployment rates; our ability to obtain vehicles and parts from our manufacturers, especially in light of supply chain disruptions due to natural disasters, the shortage of vehicle components, international conflicts, including the war in Ukraine, challenges in sourcing labor or labor strikes or work stoppages, or other disruptions; changes in the retail model either from direct sales by manufacturers, a transition to an agency model of sales, sales by online competitors, or from the expansion of electric vehicles; disruptions to the security and availability of our information technology systems and those of our third party providers, which systems are increasingly threatened by ransomware and other cyber-attacks; the effects of a pandemic on the global economy, including our ability to react effectively to changing business conditions in light of any pandemic; the rate of inflation, including its impact on vehicle affordability; changes in interest rates and foreign currency exchange rates; our ability to consummate, integrate, and realize returns on acquisitions; with respect to PTS, changes in the financial health of its customers, labor strikes, or work stoppages by its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, changes in values of used trucks which affects PTS' profitability on truck sales and regulatory risks and related compliance costs; our ability to realize returns on our significant capital investments in new and upgraded dealership facilities; our ability to navigate a rapidly changing automotive and truck landscape; our ability to respond to new or enhanced regulations in both our domestic and international markets relating to dealerships and vehicles sales, including those related to the sales process or emissions standards, as well as changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks; the success of our distribution of commercial vehicles, engines, and power systems; natural disasters; recall initiatives or other disruptions that interrupt the supply of vehicles or parts to us; the outcome of legal and administrative matters, and other factors over which management has limited control. See Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2023, Part II, Item 1A. *Risk Factors*"Risk Factors" in this our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the application of accounting policies that often involve making estimates and employing judgments. Such judgments influence the assets, liabilities, revenues, and expenses recognized in our financial statements. Management, on an ongoing basis, reviews these estimates and assumptions. Management may determine that modifications in assumptions and estimates are required, which may result in a material change in our results of operations or financial position.

The accounting policies and estimates that we believe to be most dependent upon the use of estimates and assumptions are revenue recognition, goodwill and other indefinite-lived intangible assets, investments, income taxes, and lease recognition. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 Annual Report on Form 10-K for additional detail and discussion of these critical accounting policies and estimates. There have been no material changes in critical accounting policies and estimates as described in our most recent Annual Report.

Refer to Part I, Item 1, Note 1 and Note 3 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to lease recognition. Refer to Part I, Item 1, Note 2 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to revenue recognition. Refer to "Income Taxes" within Part I, Item 1, Note 1 of the Notes to our Consolidated Condensed Financial Statements for disclosures regarding estimates and judgments related to income taxes.

Results of Operations

The following tables present comparative financial data relating to our operating performance in the aggregate and on a "same-store" basis. Dealership results are included in same-store comparisons when we have consolidated the acquired entity during the entirety of both periods being compared. As an example, if a dealership were acquired on January 15, 2022, the results of the acquired entity would be included in annual same-store comparisons beginning with the year ended December 31, 2024, and in quarterly same-store comparisons beginning with the quarter ended June 30, 2023.

Beginning in 2023, we transitioned some of our dealerships in the U.K. and Europe to an agency model under which these dealerships receive a fee for facilitating the sale by the manufacturer of a new vehicle but do not hold the vehicle in inventory. Vehicles sold under this agency model are counted as new agency units sold instead of new retail units sold by us, and only the fee we receive from the manufacturer, not the price of the vehicle, is reported as new revenue (as opposed to previously recording all of the vehicle sale price as new revenue) with no corresponding cost of sale. We continue to provide new vehicle customer service under the agency model, and the agency model at this time has not changed our used vehicle sales operations or service and parts operations, although the long-term impact of the agency model at these dealerships as well as other agency models proposed by our manufacturer partners is uncertain. As a result of the foregoing, we have presented below units sold under this agency model as "Agency units" beginning in 2023. Moreover, our retail automotive revenue per unit retailed and related gross profit per unit retailed for new vehicles excludes agency unit sales and associated revenue.

Three Months Ended March 31, 2024 June 30, 2024, Compared to Three Months Ended March 31, 2023 June 30, 2023

Retail Automotive Dealership New Vehicle Data
(In millions, except unit and per unit amounts)

														2024 vs. 2023
New Vehicle Data	**New Vehicle Data**	**2024**		**2023**		**Change**		**% Change**		**New Vehicle Data**	**2024**		**2023**	**Change**
New retail unit sales (excluding agency)	New retail unit sales (excluding agency)	48,667	47,662	47,662	1,005	1,005	2.1	2.1	%	New retail unit sales (excluding agency)	50,861	49,562	49,562	1,299

Same-store new retail unit sales (excluding agency)	Same-store new retail unit sales (excluding agency)	46,807	47,566	47,566	(759)	(759)	(1.6)	(1.6) %	Same-store new retail unit sales (excluding agency)	48,923	49,507	49,507	(584)	
New agency unit sales	New agency unit sales	8,932	6,933	6,933	1,999	1,999	28.8	28.8 %	New agency unit sales	10,221	8,931	8,931	1,290	
Same-store new agency unit sales	Same-store new agency unit sales	8,528	6,893	6,893	1,635	1,635	23.7	23.7 %	Same-store new agency unit sales	9,333	8,918	8,918	415	
New sales revenue	New sales revenue	$ 2,802.6	$	$ 2,721.3	$	$ 81.3	3.0	3.0 %	New sales revenue	$ 2,995.8	$	$ 2,820.1	$	$ 17
Same-store new sales revenue	Same-store new sales revenue	$ 2,688.7	$	$ 2,718.9	$	$ (30.2)	(1.1)	(1.1) %	Same-store new sales revenue	$ 2,871.6	$	$ 2,818.7	$	$ 5
New retail sales revenue per unit (excluding agency)	New retail sales revenue per unit (excluding agency)	$ 57,176	$	$ 56,822	$	$ 354	0.6	0.6 %	New retail sales revenue per unit (excluding agency)	$ 58,437	$	$ 56,557	$	$ 1,8
Same-store new retail sales revenue per unit (excluding agency)	Same-store new retail sales revenue per unit (excluding agency)	$ 57,015	$	$ 56,887	$	$ 128	0.2	0.2 %	Same-store new retail sales revenue per unit (excluding agency)	$ 58,259	$	$ 56,592	$	$ 1,6
Gross profit — new	Gross profit — new	$ 272.4	$	$ 313.8	$	$ (41.4)	(13.2)	(13.2) %	Gross profit — new	$ 291.0	$	$ 326.8	$	$ (3
Same-store gross profit — new	Same-store gross profit — new	$ 261.0	$	$ 313.7	$	$ (52.7)	(16.8)	(16.8) %	Same-store gross profit — new	$ 277.5	$	$ 326.7	$	$ (4
Average gross profit per new vehicle (excluding agency)	Average gross profit per new vehicle (excluding agency)	$ 5,229	$	$ 6,315	$	$ (1,086)	(17.2)	(17.2) %	Average gross profit per new vehicle (excluding agency)	$ 5,302	$	$ 6,259	$	$ (9
Same-store average gross profit per new vehicle (excluding agency)	Same-store average gross profit per new vehicle (excluding agency)	$ 5,195	$	$ 6,326	$	$ (1,131)	(17.9)	(17.9) %	Same-store average gross profit per new vehicle (excluding agency)	$ 5,283	$	$ 6,265	$	$ (9

Gross margin % — new	Gross margin % — new	9.7	%	11.5	%	(1.8)	%	(15.7)	%	Gross margin % — new	9.7	%	11.6	%	(1.9)
Same-store gross margin % — new	Same-store gross margin % — new	9.7	%	11.5	%	(1.8)	%	(15.7)	%	Same-store gross margin % — new	9.7	%	11.6	%	(1.9)

Units

Retail unit deliveries of new vehicles increased from 2023 to 2024 due to a 2,128 2,758 unit increase from net dealership acquisitions, coupled with an 876 partially offset by a 169 unit, or 1.6% 0.3%, increase decrease in same-store new retail unit deliveries. Same-store retail units delivered increased 4.4% 3.5% in the U.S. and decreased 1.6% 5.0% internationally. Overall, new retail unit deliveries increased 5.2% 4.5% in the U.S. and increased 5.8% 4.3% internationally. We believe the increase in same-store retail unit sales in the U.S. is primarily due to continued consumer demand for new vehicles and increasing new vehicle availability, coupled with the pent-up demand resulting from lower vehicle availability in prior years, partially offset by manufacturer-initiated port holds on certain products. years. We believe the decrease in same-store unit sales internationally is due to limited availability of certain premium brands during the quarter as a result of limited production and product recalls. recalls, partially offset by an increase in electric and hybrid fleet vehicle sales due to government incentives.

Revenues

New vehicle sales revenue increased from 2023 to 2024 due to a $111.5 million $122.8 million increase from net dealership acquisitions, partially offset by coupled with a $30.2 million $52.9 million, or 1.1% 1.9%, decrease increase in same-store revenues. Excluding $31.4 million $0.3 million of favorable unfavorable foreign currency fluctuations, same-store new revenue decreased 2.3% increased 1.9%. Same-store revenue (excluding agency) decreased increased due to a $1,667 per unit increase in same-store comparative average retail selling price (despite an $8 per retail unit decrease attributable to unfavorable foreign currency fluctuations), which increased revenue by $81.6 million, partially offset by the decrease in same-store new retail unit sales, which decreased revenue by $43.2 million, partially offset by a $128 per unit increase in same-store comparative average retail selling price (including a $657 per retail unit increase attributable to favorable foreign currency fluctuations), which increased revenue by $6.0 million. Excluding favorable foreign currency fluctuations, we $33.0 million. We believe the decrease increase in same-store comparative average retail selling price (excluding agency) is primarily due to an improved supply the increased costs of many of acquiring vehicles from the new vehicles we sell and a change in the sales mix. manufacturer.

Gross Profit

Retail gross profit from new vehicle sales decreased from 2023 to 2024 due to a $52.7 million $49.2 million, or 16.8% 15.1%, decrease in same-store gross profit, partially offset by an $11.3 a $13.4 million increase from net dealership acquisitions. Excluding $3.1 million $0.3 million of favorable unfavorable foreign currency fluctuations, same-store gross profit decreased 17.8% 15.0%. Same-store gross profit (excluding agency) decreased due to a $1,131 $982 per unit decrease in same-store comparative average gross profit (despite a $52 (including an $8 per retail unit increase decrease attributable to favorable unfavorable foreign currency fluctuations), which decreased gross profit by $52.9 $48.0 million, coupled with the decrease in same-store new retail sales, which decreased retail gross profit by $4.8 million $3.7 million. We believe the decrease in same-store comparative average retail gross profit per unit (excluding agency) is primarily due to an improved supply of many of the new vehicles we sell and the mix of sales. We believe the resulting compression on gross margin is due to higher gross profit realized in the prior year as vehicle supply was constrained, coupled with higher consumer financing costs.

costs impacting affordability and a more competitive environment due to higher inventory levels.

Retail Automotive Dealership Used Vehicle Data
(In millions, except unit and per unit amounts)

										2024 vs. 2023						
Used Vehicle Data	**Used Vehicle Data**	**2024**		**2023**		**Change**		**% Change**	**Used Vehicle Data**	**2024**		**2023**		**Change**		**Ch**
Used retail unit sales	Used retail unit sales	69,265	67,836	67,836	1,429	1,429	2.1	2.1 %	Used retail unit sales	65,571	65,386	65,386	185	185		0.3
Same-store used retail unit sales	Same-store used retail unit sales	66,725	66,578	66,578	147	147	0.2	0.2 %	Same-store used retail unit sales	62,230	63,233	63,233	(1,003)	(1,003)		(1.6

Used retail sales revenue	Used retail sales revenue	$	2,336.2	$	$	2,297.1	$	$	39.1	1.7	1.7 %	Used retail sales revenue	$	2,275.8	$	$	2,330.3	$	$	(54.5)	(2.3)
Same-store used retail sales revenue	Same-store used retail sales revenue	$	2,237.8	$	$	2,269.6	$	$	(31.8)	(1.4)	(1.4) %	Same-store used retail sales revenue	$	2,156.6	$	$	2,284.2	$	$	(127.6)	(5.6)
Used retail sales revenue per unit	Used retail sales revenue per unit	$	33,729	$	$	33,863	$	$	(134)	(0.4)	(0.4) %	Used retail sales revenue per unit	$	34,707	$	$	35,639	$	$	(932)	(2.6)
Same-store used retail sales revenue per unit	Same-store used retail sales revenue per unit	$	33,538	$	$	34,089	$	$	(551)	(1.6)	(1.6) %	Same-store used retail sales revenue per unit	$	34,655	$	$	36,123	$	$	(1,468)	(4.1)
Gross profit — used	Gross profit — used	$	129.9	$	$	122.6	$	$	7.3	6.0	6.0 %	Gross profit — used	$	119.5	$	$	123.3	$	$	(3.8)	(3.1)
Same-store gross profit — used	Same-store gross profit — used	$	122.3	$	$	122.1	$	$	0.2	0.2	0.2 %	Same-store gross profit — used	$	113.6	$	$	121.8	$	$	(8.2)	(6.7)
Average gross profit per used vehicle retailed	Average gross profit per used vehicle retailed	$	1,876	$	$	1,808	$	$	68	3.8	3.8 %	Average gross profit per used vehicle retailed	$	1,822	$	$	1,887	$	$	(65)	(3.4)
Same-store average gross profit per used vehicle retailed	Same-store average gross profit per used vehicle retailed	$	1,833	$	$	1,834	$	$	(1)	(0.1)	(0.1) %	Same-store average gross profit per used vehicle retailed	$	1,825	$	$	1,926	$	$	(101)	(5.2)
Gross margin % — used	Gross margin % — used		5.6	%		5.3	%		0.3	%	5.7 %	Gross margin % — used	5.3	%		5.3	%		—	%	—
Same-store gross margin % — used	Same-store gross margin % — used		5.5	%		5.4	%		0.1	%	1.9 %	Same-store gross margin % — used	5.3	%		5.3	%		—	%	—

Units

Retail unit sales of used vehicles increased from 2023 to 2024 due to a 1,282 1,188 unit increase from net dealership acquisitions, coupled with partially offset by a 147 1,003 unit, or 0.2% 1.6%, increase decrease in same-store used retail unit sales. Our same-store units decreased 0.5% increased 5.1% in the U.S. and increased 0.7% decreased 6.8% internationally. Overall, our used units decreased 0.3% increased 5.4% in the U.S. and increased 3.8% decreased 3.5% internationally. Same-store unit sales are being impacted by a lower supply of 1-4 year old used vehicles due to the fewer number of new vehicles sold in recent years, lower lease returns particularly in the U.S., and higher high interest rates impacting the affordability of used vehicles.

Revenues

Used vehicle retail sales revenue increased decreased from 2023 to 2024 due to a $70.9 million $127.6 million, or 5.6%, decrease in same-store revenues, partially offset by a $73.1 million increase from net dealership acquisitions, partially offset by a $31.8 million, or 1.4%, decrease in same-store revenues. acquisitions. Excluding $48.7 million $4.8 million of favorable foreign currency fluctuations, same-store used retail revenue decreased 3.5% 5.8%. The decrease in same-store revenue is due to a $551 $1,468 per unit decrease in same-store comparative average selling price (despite a $730 $78 per unit increase attributable to favorable foreign currency fluctuations), which decreased revenue by $36.7 million $91.4 million, partially offset by coupled with the increase decrease in same-store used retail unit sales, which increased decreased revenue by $4.9 million $36.2 million. We believe the decrease in same-store comparative average selling price is primarily due to the low overall decrease in used vehicle inventory availability in acquisition costs when compared to the prior same period which caused historically high used unit prices. last year.

Gross Profit

Retail gross profit from used vehicle sales increased decreased from 2023 to 2024 due to an $8.2 million, or 6.7%, decrease in same-store gross profit, partially offset by a $7.1 million $4.4 million increase from net dealership acquisitions, coupled with a $0.2 million, or 0.2%, increase in same-store gross profit. acquisitions. Excluding $2.4 million $0.1 million of favorable foreign currency fluctuations, same-store gross profit decreased 1.8% 6.8%. The increase decrease in same-store gross profit is due to the increase in same-store used retail unit sales, which increased gross profit by $0.3 million, partially offset by a $1 $101 per unit decrease in same-store comparative average gross profit (despite a $36 $2 per unit increase attributable to favorable foreign currency fluctuations), which decreased gross profit by $0.1 million $6.3 million, coupled with the decrease in same-store used retail unit sales, which decreased gross profit by $1.9 million. During We believe the first quarter, we believe used vehicle values stabilized after experiencing valuation declines during the last half of 2023 which contributed to stable decrease in same-store comparative average gross profit per unit. unit is primarily due to high interest rates impacting the affordability of used vehicles, coupled with the decline in average transaction price.

Retail Automotive Dealership Finance and Insurance Data
(In millions, except unit and per unit amounts)

												2024 vs. 2023					
Finance and Insurance Data	**Finance and Insurance Data**	**2024**		**2023**		**Change**		**% Change**	**Finance and Insurance Data**			**2024**		**2023**		**Change**	**% Cha**
Total retail unit sales	Total retail unit sales	117,932	115,498	115,498	2,434	2,434	2.1		2.1	%	Total retail unit sales	116,432	114,948	114,948	1,484	1,484	1.3
Total same-store retail unit sales	Total same-store retail unit sales	113,532	114,144	114,144	(612)	(612)	(0.5)		(0.5)	%	Total same-store retail unit sales	111,153	112,740	112,740	(1,587)	(1,587)	(1.4)
Total agency unit sales	Total agency unit sales	8,932	6,933	6,933	1,999	1,999	28.8		28.8	%	Total agency unit sales	10,221	8,931	8,931	1,290	1,290	14.4
Total same-store agency unit sales	Total same-store agency unit sales	8,528	6,893	6,893	1,635	1,635	23.7		23.7	%	Total same-store agency unit sales	9,333	8,918	8,918	415	415	4.7
Finance and insurance revenue	Finance and insurance revenue	$ 206.0	$	$ 206.8	$	$ (0.8)	(0.4)		(0.4)	%	Finance and insurance revenue	$ 208.7	$	$ 214.1	$	$ (5.4)	(2.5)

Same-store finance and insurance revenue	Same-store finance and insurance revenue	$ 201.6	$ 205.8	$ (4.2)	(2.0)	(2.0) %	Same-store finance and insurance revenue	$ 202.7	$ 211.9	$ (9.2)	(4.3)	(
Finance and insurance revenue per unit (excluding agency)	Finance and insurance revenue per unit (excluding agency)	$ 1,719	$ 1,773	$ (54)	(3.0)	(3.0) %	Finance and insurance revenue per unit (excluding agency)	$ 1,766	$ 1,840	$ (74)	(4.0)	(
Same-store finance and insurance revenue per unit (excluding agency)	Same-store finance and insurance revenue per unit (excluding agency)	$ 1,756	$ 1,790	$ (34)	(1.9)	(1.9) %	Same-store finance and insurance revenue per unit (excluding agency)	$ 1,810	$ 1,870	$ (60)	(3.2)	(

Finance and insurance revenue decreased from 2023 to 2024 due to a $4.2 million $9.2 million, or 2.0% 4.3%, decrease in same-store revenue, partially offset by a $3.4 million $3.8 million increase from net dealership acquisitions. Excluding $3.1 million $0.4 million of favorable foreign currency fluctuations, same-store finance and insurance revenue decreased 3.5% 4.6%. Same-store revenue (excluding agency) decreased due to a $34 $60 per unit decrease in same-store comparative average finance and insurance retail revenue (despite a $27 $4 per retail unit increase attributable to favorable foreign currency fluctuations), which decreased revenue by $3.9 million $6.7 million, coupled with the decrease in combined same-store new and used retail unit sales, which decreased revenue by $1.1 million $3.0 million. Same-store finance and insurance revenue per unit (excluding agency) decreased 1.5% 2.1% in the U.S. and decreased 4.1% 8.0% in the U.K. We believe the aggregate decrease in same-store finance and insurance revenue per unit (excluding agency) is primarily due to rising interest rates impacting overall customer affordability, coupled with an increase in lease penetration and an increase in electric and hybrid fleet vehicle sales in the U.K. which limits our finance and insurance product sale opportunities.

Retail Automotive Dealership Service and Parts Data
(In millions)

								2024 vs. 2023				
Service and Parts Data	**Service and Parts Data**	**2024**	**2023**	**Change**		**% Change**	**Service and Parts Data**	**2024**	**2023**	**Change**		**% Change**
Service and parts revenue	Service and parts revenue	$ 746.1	$ 683.0	$ 63.1	9.2	9.2 %	Service and parts revenue	$ 752.8	$ 685.2	$ 67.6	9.9	9.9 %
Same-store service and parts revenue	Same-store service and parts revenue	$ 713.7	$ 680.5	$ 33.2	4.9	4.9 %	Same-store service and parts revenue	$ 717.3	$ 683.0	$ 34.3	5.0	5.0 %
Gross profit — service and parts	Gross profit — service and parts	$ 432.4	$ 398.9	$ 33.5	8.4	8.4 %	Gross profit — service and parts	$ 439.6	$ 406.5	$ 33.1	8.1	8.1 %
Same-store service and parts gross profit	Same-store service and parts gross profit	$ 417.5	$ 397.2	$ 20.3	5.1	5.1 %	Same-store service and parts gross profit	$ 422.6	$ 405.1	$ 17.5	4.3	4.3 %
Gross margin % — service and parts	Gross margin % — service and parts	58.0 %	58.4 %	(0.4)%		(0.7) %	Gross margin % — service and parts	58.4 %	59.3 %	(0.9) %		(1.5) %
Same-store service and parts gross margin %	Same-store service and parts gross margin %	58.5 %	58.4 %	0.1 %		0.2 %	Same-store service and parts gross margin %	58.9 %	59.3 %	(0.4) %		(0.7) %

Revenues

Service and parts revenue increased from 2023 to 2024, with an increase of 5.5% 5.7% in the U.S. and an increase of 15.6% 17.4% internationally. The increase in service and parts revenue is due to a $33.2 million $34.3 million, or 4.9% 5.0%, increase in same-store revenues, coupled with a $29.9 million $33.3 million increase from net dealership acquisitions. Excluding $8.1 million $0.1 million of favorable unfavorable foreign currency fluctuations, same-store revenue increased 3.7% 5.0%. The increase in same-store revenue is due to a $23.0 $16.5 million, or 4.7% 12.3%, increase in warranty revenue, a $15.3 million, or 3.1%, increase in customer pay revenue, an $8.4 million, or 5.9%, increase in warranty revenue, and a $1.8 $2.5 million, or 4.0% 5.5%, increase in vehicle preparation and body shop revenue. We believe the increase in same-store revenue is primarily due to vehicles remaining on the road longer due to affordability considerations, as well as increases in effective labor rates, the retail cost of parts due to inflation, and manufacturer recalls generating additional service. recalls.

Gross Profit

Service and parts gross profit increased from 2023 to 2024 due to a $20.3 million $17.5 million, or 5.1% 4.3%, increase in same-store gross profit, coupled with a $13.2 million $15.6 million increase from net dealership acquisitions. Excluding $4.9 million $0.2 million of favorable foreign currency fluctuations, same-store gross profit increased

3.9% 4.3%. The increase in same-store gross profit is due to the increase in same-store revenues, which increased gross profit by $19.4 million $20.2 million, coupled with partially offset by a 0.1% increase 0.4% decrease in same-store same-

store gross margin, which increased decreased gross profit by $0.9 million $2.7 million. The increase in same-store gross profit is due to an $8.6 million, or 11.7%, increase in warranty gross profit, a

$12.7 $5.2 million, or 5.4% 2.2%, increase in customer pay gross profit, and a $5.3 million $3.7 million, or 7.1%, increase in warranty gross profit, and a $2.3 million, or 2.6% 4.2%, increase in vehicle preparation and body shop gross profit. We believe the decrease in same-store gross margin is primarily due to a shift in sales mix in the U.K. from customer pay to warranty, which typically has lower gross margin.

Retail Commercial Truck Dealership Data
(In millions, except unit and per unit amounts)

			2024 vs. 2023	
New Commercial Truck Data	**2024**	**2023**	**Change**	**% Change**
New retail unit sales	3,491	4,517	(1,026)	(22.7)%
Same-store new retail unit sales	3,362	4,517	(1,155)	(25.6)%
New retail sales revenue	$ 494.2	$ 600.2	$ (106.0)	(17.7)%
Same-store new retail sales revenue	$ 474.4	$ 600.2	$ (125.8)	(21.0)%
New retail sales revenue per unit	$ 141,564	$ 132,884	$ 8,680	6.5 %
Same-store new retail sales revenue per unit	$ 141,092	$ 132,884	$ 8,208	6.2 %
Gross profit — new	$ 34.6	$ 32.5	$ 2.1	6.5 %
Same-store gross profit — new	$ 32.4	$ 32.5	$ (0.1)	(0.3)%
Average gross profit per new truck retailed	$ 9,909	$ 7,190	$ 2,719	37.8 %
Same-store average gross profit per new truck retailed	$ 9,651	$ 7,190	$ 2,461	34.2 %
Gross margin % — new	7.0 %	5.4 %	1.6 %	29.6 %
Same-store gross margin % — new	6.8 %	5.4 %	1.4 %	25.9 %

As discussed above under "Overview - Retail Commercial Truck Dealership," the CDK Cybersecurity Incident impacted PTG's operations beginning June 19, 2024 through the quarter end, primarily impacting service and parts sales, but also impacting to a lesser extent sales of used trucks.

			2024 vs. 2023	
New Commercial Truck Data	**2024**	**2023**	**Change**	**% Change**
New retail unit sales	4,483	4,539	(56)	(1.2)%
Same-store new retail unit sales	4,275	4,510	(235)	(5.2)%
New retail sales revenue	$ 615.4	$ 616.4	$ (1.0)	(0.2)%
Same-store new retail sales revenue	$ 585.1	$ 611.7	$ (26.6)	(4.3)%
New retail sales revenue per unit	$ 137,269	$ 135,798	$ 1,471	1.1 %
Same-store new retail sales revenue per unit	$ 136,857	$ 135,637	$ 1,220	0.9 %
Gross profit — new	$ 39.3	$ 37.5	$ 1.8	4.8 %
Same-store gross profit — new	$ 37.1	$ 37.0	$ 0.1	0.3 %
Average gross profit per new truck retailed	$ 8,765	$ 8,254	$ 511	6.2 %
Same-store average gross profit per new truck retailed	$ 8,684	$ 8,211	$ 473	5.8 %
Gross margin % — new	6.4 %	6.1 %	0.3 %	4.9 %
Same-store gross margin % — new	6.3 %	6.0 %	0.3 %	5.0 %

Units

Retail unit sales of new trucks decreased from 2023 to 2024 due to a 1,155 235 unit, or 25.6% 5.2%, decrease in same-store new retail unit sales, partially offset by a 129 179 unit increase from net dealership acquisitions. We believe the decrease in same-store unit sales is primarily due to the unusually high number of deliveries in the prior year period resulting from production timing and delivery delays throughout 2022 caused by manufacturer supply chain challenges, partially offset by replacement demand for medium- and heavy-duty trucks.

Revenues

New commercial truck retail sales revenue decreased from 2023 to 2024 due to a $125.8 million $26.6 million, or 21.0% 4.3%, decrease in same-store revenues, partially offset by a $19.8 million $25.6 million increase from net dealership acquisitions. The decrease in same-store revenue is due to the decrease in same-store new retail unit sales, which decreased revenue by $153.4 million $31.8 million, partially offset by an $8,208 a $1,220 per unit increase in same-store comparative average selling price, which increased revenue by $27.6 million. $5.2 million. We believe the increase in same-store comparative average selling price is primarily due to higher prices driven by replacement demand and the mix of units sold.

Gross Profit

New commercial truck retail gross profit increased from 2023 to 2024 due to a $2.2 million $1.7 million increase from net dealership acquisitions, partially offset by coupled with a $0.1 million, or 0.3%, decrease increase in same-store gross profit. The decrease increase in same-store gross profit is due to the decrease in same-store new retail unit sales, which decreased gross profit by $8.4 million, partially offset by a $2,461 $473 per unit increase in same-store comparative average gross profit, which increased gross profit by $8.3 million. $2.0 million, partially offset by the decrease in same-store new retail unit sales, which decreased gross profit by $1.9 million. We believe the increase in same-store comparative average gross profit per unit is primarily due to a change in sales mix when compared to the same period last year.

2024 vs. 2023

Used Commercial Truck Data	Used Commercial Truck Data	2024		2023		Change		% Change		Used Commercial Truck Data	2024		2023		Change		% (
Used retail unit sales	Used retail unit sales	1,049	655	655	394	394	60.2	60.2	%	Used retail unit sales	765	704	704	61	61		8.
Same-store used retail unit sales	Same-store used retail unit sales	1,024	655	655	369	369	56.3	56.3	%	Same-store used retail unit sales	739	701	701	38	38		5.
Used retail sales revenue	Used retail sales revenue	$ 62.4	$	$ 49.5	$	$ 12.9	26.1	26.1	%	Used retail sales revenue	$ 48.7	$	$ 52.4	$	$ (3.7)	(7.1)	
Same-store used retail sales revenue	Same-store used retail sales revenue	$ 61.1	$	$ 49.5	$	$ 11.6	23.4	23.4	%	Same-store used retail sales revenue	$ 46.9	$	$ 52.2	$	$ (5.3)	(10.2)	
Used retail sales revenue per unit	Used retail sales revenue per unit	$ 59,517	$	$ 75,640	$	$ (16,123)	(21.3)	(21.3)	%	Used retail sales revenue per unit	$ 63,665	$	$ 74,421	$	$ (10,756)	(14.5)	
Same-store used retail sales revenue per unit	Same-store used retail sales revenue per unit	$ 59,684	$	$ 75,640	$	$ (15,956)	(21.1)	(21.1)	%	Same-store used retail sales revenue per unit	$ 63,431	$	$ 74,485	$	$ (11,054)	(14.8)	
Gross profit — used	Gross profit — used	$ 3.3	$	$ 5.4	$	$ (2.1)	(38.9)	(38.9)	%	Gross profit — used	$ 3.4	$	$ 4.0	$	$ (0.6)	(15.0)	
Same-store gross profit — used	Same-store gross profit — used	$ 4.0	$	$ 5.4	$	$ (1.4)	(25.9)	(25.9)	%	Same-store gross profit — used	$ 3.8	$	$ 4.0	$	$ (0.2)	(5.0)	
Average gross profit per used truck retailed	Average gross profit per used truck retailed	$ 3,187	$	$ 8,195	$	$ (5,008)	(61.1)	(61.1)	%	Average gross profit per used truck retailed	$ 4,502	$	$ 5,722	$	$ (1,220)	(21.3)	

Same-store average gross profit per used truck retailed	Same-store average gross profit per used truck retailed	$	3,884	$	$	8,195	$	$	(4,311)	(52.6)	(52.6)	%	Same-store average gross profit per used truck retailed	$	5,140	$	$	5,733	$	$	(593) (10.3)
Gross margin % — used	Gross margin % — used	5.3	%	10.9	%	(5.6)	%	(51.4)	%	Gross margin % — used	7.0	%	7.6	%	(0.6)	%	(7.				
Same-store gross margin % — used	Same-store gross margin % — used	6.5	%	10.9	%	(4.4)	%	(40.4)	%	Same-store gross margin % — used	8.1	%	7.7	%	0.4	%	5.				

Units

Retail unit sales of used trucks increased from 2023 to 2024 due to a 369 38 unit, or 56.3% 5.4%, increase in same-store retail unit sales, coupled with a 25 23 unit increase from net dealership acquisitions. We believe the increase in same-store unit sales is primarily due to the increase in availability and affordability of used trucks when compared with the prior year period, coupled with limited availability of certain new trucks resulting in higher demand of certain used trucks.

Revenues

Used commercial truck retail sales revenue decreased from 2023 to 2024 due to a $5.3 million, or 10.2%, decrease in same-store revenues, partially offset by a $1.6 million increase from net dealership acquisitions. The decrease in same-store revenue is due to an $11,054 per unit decrease in same-store comparative average selling price, which decreased revenue by $7.7 million, partially offset by the increase in same-store used retail unit sales, which increased revenue by $2.4 million. We believe the decrease in same-store comparative average selling price is primarily due to the declining value of used trucks, including as a result of prolonged lower freight spot rates when compared to the prior year period.

Gross Profit

Used commercial truck retail gross profit decreased from 2023 to 2024 primarily due to a $0.2 million, or 5.0%, decrease in same-store gross profit. The decrease in same-store gross profit is due to a $593 per unit decrease in same-store comparative average gross profit, which decreased gross profit by $0.4 million, partially offset by the increase in same-store used retail unit sales, which increased gross profit by $0.2 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to the decreased value of used trucks over the prior year, as a result of prolonged lower freight spot rates when compared to the prior year period.

Service and Parts Data	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
Service and parts revenue	$ 219.2	$ 232.1	$ (12.9)	(5.6)%
Same-store service and parts revenue	$ 207.6	$ 229.3	$ (21.7)	(9.5)%
Gross profit — service and parts	$ 94.1	$ 95.4	$ (1.3)	(1.4)%
Same-store service and parts gross profit	$ 89.5	$ 94.3	$ (4.8)	(5.1)%
Gross margin % — service and parts	42.9 %	41.1 %	1.8 %	4.4 %
Same-store service and parts gross margin %	43.1 %	41.1 %	2.0 %	4.9 %

Revenues

Service and parts revenue decreased from 2023 to 2024 due to a $21.7 million, or 9.5%, decrease in same-store revenues, partially offset by an $8.8 million increase from net dealership acquisitions. Customer pay work represented approximately 78.5% of PTG's service and parts revenue, largely due to the significant amount of retail sales of parts and accessories. The decrease in same-store revenue is due to a $21.2 million, or 11.5%, decrease in customer pay revenue and a $1.0 million, or 12.7%, decrease in body shop revenue, partially offset by a $0.5 million, or 1.4%, increase in warranty revenue. We believe the decrease in same-store service and parts revenue is due to customers delaying maintenance costs due to prolonged lower freight spot rates, coupled with slower retail parts sales in June resulting from the CDK Cybersecurity Incident discussed above.

Gross Profit

Service and parts gross profit decreased from 2023 to 2024 due to a $4.8 million, or 5.1%, decrease in same-store gross profit, partially offset by a $3.5 million increase from net dealership acquisitions. The decrease in same-store gross profit is due to the decrease in same-store revenues, which decreased gross profit by $9.4 million, partially offset by a 2.0% increase in same-store gross margin, which increased gross profit by $4.6 million. The decrease in same-store gross profit is primarily due to a $5.1 million, or 7.6%, decrease in customer pay gross profit and a $0.2 million, or 2.5%, decrease in body shop gross profit, partially offset by a $0.5 million, or 2.5%, increase in warranty gross profit.

Commercial Vehicle Distribution and Other Data
(In millions, except unit amounts)

Penske Australia Data	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
Commercial vehicle units (wholesale and retail)	318	323	(5)	(1.5)%
Power system units	282	270	12	4.4 %
Sales revenue	$ 189.0	$ 143.3	$ 45.7	31.9 %

Gross profit	$ 44.6	$ 40.3	$ 4.3	10.7 %

Penske Australia primarily distributes and services commercial vehicles, engines, and power systems. This business generated $189.0 million of revenue during the three months ended June 30, 2024, compared to $143.3 million of revenue in the prior year, an increase of 31.9%. This business also generated $44.6 million of gross profit during the three months ended June 30, 2024, compared to $40.3 million of gross profit in the prior year, an increase of 10.7%.

Excluding $2.6 million of unfavorable foreign currency fluctuations, revenue increased 33.8% primarily due to an increase in service and parts sales revenue, coupled with an increase in overall unit sales. Excluding $0.6 million of unfavorable foreign currency fluctuations, gross profit increased 12.6% primarily due to the increase in overall unit sales and mix of products sold as compared to the same period last year, coupled with an increase in higher margin remanufacturing activity and higher margin service and parts sales.

Selling, General, and Administrative Data
(In millions)

			2024 vs. 2023	
Selling, General, and Administrative Data	**2024**	**2023**	**Change**	**% Change**
Personnel expense	$ 528.3	$ 518.3	$ 10.0	1.9 %
Advertising expense	$ 34.3	$ 35.2	$ (0.9)	(2.6)%
Rent & related expense	$ 103.7	$ 97.7	$ 6.0	6.1 %
Other expense	$ 221.2	$ 206.9	$ 14.3	6.9 %
Total SG&A expenses	$ 887.5	$ 858.1	$ 29.4	3.4 %
Same-store SG&A expenses	$ 848.5	$ 851.1	$ (2.6)	(0.3)%
Personnel expense as % of gross profit	41.8 %	40.7 %	1.1 %	2.7 %
Advertising expense as % of gross profit	2.7 %	2.8 %	(0.1)%	(3.6)%
Rent & related expense as % of gross profit	8.2 %	7.7 %	0.5 %	6.5 %
Other expense as % of gross profit	17.5 %	16.2 %	1.3 %	8.0 %
Total SG&A expenses as % of gross profit	70.2 %	67.4 %	2.8 %	4.2 %
Same-store SG&A expenses as % of same-store gross profit	69.9 %	67.2 %	2.7 %	4.0 %

Selling, general, and administrative expenses ("SG&A") increased from 2023 to 2024 due to a $32.0 million increase from net acquisitions, partially offset by a $2.6 million, or 0.3%, decrease in same-store SG&A. Excluding $0.1 million of favorable foreign currency fluctuations, same-store SG&A decreased 0.3%. SG&A as a percentage of gross profit was 70.2%, an increase of 280 basis points compared to 67.4% in the prior year. SG&A expenses as a percentage of total revenue were 11.5% and 11.5% in the three months ended June 30, 2024 and 2023, respectively. We believe the increase in SG&A as a percentage of gross profit is primarily due to personnel expenses, rent expenses, customer service vehicle loaner expenses, and information technology expenses, relative to gross profit.

Depreciation
(In millions)

			2024 vs. 2023	
	2024	**2023**	**Change**	**% Change**
Depreciation	$ 38.6	$ 34.1	4.5	13.2 %

Depreciation increased from 2023 to 2024 due to a $3.3 million, or 9.8%, increase in same-store depreciation due to capital expenditures, coupled with a $1.2 million increase from net dealership acquisitions.

Floor Plan Interest Expense
(In millions)

			2024 vs. 2023	
	2024	**2023**	**Change**	**% Change**
Floor plan interest expense	$ 46.6	$ 30.8	15.8	51.3 %

Floor plan interest expense increased from 2023 to 2024 due to a $13.9 million, or 45.3%, increase in same-store floor plan interest expense, coupled with a $1.9 million increase from net acquisitions. The overall increase is due to increases in average amounts outstanding under floor plan arrangements due to increasing levels of inventory, coupled with increases in applicable rates.

Other Interest Expense
(In millions)

	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
Other interest expense	$ 19.9	$ 24.2	(4.3)	(17.8)%

Other interest expense decreased from 2023 to 2024 due to decreases in average revolver borrowing amounts outstanding under our credit agreements, partially offset by increases in applicable rates.

Equity in Earnings of Affiliates
(In millions)

	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
Equity in earnings of affiliates	$ 54.0	$ 74.5	(20.5)	(27.5)%

Equity in earnings of affiliates decreased from 2023 to 2024 due to a $20.4 million, or 27.8%, decrease in earnings from our investment in PTS, coupled with a decrease in earnings from our other joint ventures. We believe the decrease in our PTS equity earnings is primarily due to lower commercial rental utilization, lower consumer rental revenue, higher interest rates and average debt balances, and lower gains from the sale of revenue earning vehicles, partially offset by improved operating results in full-service leasing.

Income Taxes
(In millions)

	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
Income taxes	$ 82.6	$ 97.7	(15.1)	(15.5)%

Income taxes decreased from 2023 to 2024 primarily due to a $74.8 million decrease in our pre-tax income compared to the prior year. Our effective tax rate was 25.4% during the three months ended June 30, 2024, compared to 24.4% during the three months ended June 30, 2023, primarily due to fluctuations in our geographic pre-tax income mix.

Six Months Ended June 30, 2024, Compared to Six Months Ended June 30, 2023

Retail Automotive Dealership New Vehicle Data
(In millions, except unit and per unit amounts)

New Vehicle Data	2024	2023	2024 vs. 2023 Change	2024 vs. 2023 % Change
New retail unit sales (excluding agency)	99,528	97,224	2,304	2.4 %
Same-store new retail unit sales (excluding agency)	95,730	97,073	(1,343)	(1.4)%
New agency unit sales	19,153	15,864	3,289	20.7 %
Same-store new agency unit sales	17,861	15,811	2,050	13.0 %
New sales revenue	$ 5,798.4	$ 5,541.4	$ 257.0	4.6 %
Same-store new sales revenue	$ 5,560.3	$ 5,537.7	$ 22.6	0.4 %
New retail sales revenue per unit (excluding agency)	$ 57,820	$ 56,687	$ 1,133	2.0 %
Same-store new retail sales revenue per unit (excluding agency)	$ 57,651	$ 56,737	$ 914	1.6 %
Gross profit — new	$ 563.4	$ 640.6	$ (77.2)	(12.1)%
Same-store gross profit — new	$ 538.5	$ 640.4	$ (101.9)	(15.9)%
Average gross profit per new vehicle (excluding agency)	$ 5,267	$ 6,287	$ (1,020)	(16.2)%
Same-store average gross profit per new vehicle (excluding agency)	$ 5,240	$ 6,295	$ (1,055)	(16.8)%
Gross margin % — new	9.7 %	11.6 %	(1.9)%	(16.4)%
Same-store gross margin % — new	9.7 %	11.6 %	(1.9)%	(16.4)%

Units

Retail unit deliveries of new vehicles increased from 2023 to 2024 due to a 4,886 unit increase from net dealership acquisitions, coupled with a 707 unit, or 0.6%, increase in same-store new retail unit deliveries. Same-store retail units delivered increased 3.9% in the U.S. and decreased 3.3% internationally. Overall, new retail unit deliveries increased 4.8% in the U.S. and increased 5.1% internationally. We believe the increase in same-store retail unit sales in the U.S. is primarily due to continued consumer demand for new vehicles and increasing new vehicle availability, coupled with the pent-up demand resulting from lower vehicle availability in prior years. We believe the decrease in same-store unit sales internationally is due to limited availability of certain premium brands during the quarter, partially offset by an increase in electric and hybrid fleet vehicle sales due to government incentives.

Revenues

New vehicle sales revenue increased from 2023 to 2024 due to a $234.4 million increase from net dealership acquisitions, coupled with a $22.6 million, or 0.4%, increase in same-store revenues. Excluding $31.1 million of favorable foreign currency fluctuations, same-store new revenue decreased 0.2%. Same-store revenue (excluding agency) increased due to a $914 per unit increase in same-store comparative average retail selling price (including a $317 per retail unit increase attributable to favorable foreign currency fluctuations), which increased revenue by $87.5 million, partially offset by the decrease in same-store new retail unit sales, which decreased revenue by $76.2 million. We believe the increase in same-store comparative average retail selling price (excluding agency) is primarily due to the increased costs of acquiring vehicles from the manufacturer.

Gross Profit

Retail gross profit from new vehicle sales decreased from 2023 to 2024 due to a $101.9 million, or 15.9%, decrease in same-store gross profit, partially offset by a $24.7 million increase from net dealership acquisitions. Excluding $2.8 million of favorable foreign currency fluctuations, same-store gross profit decreased 16.3%. Same-store gross profit (excluding agency) decreased due to a $1,055 per unit decrease in same-store comparative average gross profit (despite a $21 per retail unit increase attributable to favorable foreign currency fluctuations), which decreased gross profit by $101.0 million, coupled with the decrease in same-store new retail sales, which decreased retail gross profit by $8.5 million. We believe the decrease in same-store comparative average retail gross profit per unit (excluding agency) is primarily due to an improved supply of many of the new vehicles we sell and the mix of sales. We believe the resulting compression on gross margin is due to higher gross profit realized in the prior year as vehicle supply was constrained, coupled with higher consumer financing costs impacting affordability and a more competitive environment due to higher inventory levels.

Retail Automotive Dealership Used Vehicle Data
(In millions, except unit and per unit amounts)

							2024 vs. 2023	
Used Vehicle Data		**2024**		**2023**		**Change**		**% Change**
Used retail unit sales		134,836		133,222		1,614		1.2 %
Same-store used retail unit sales		127,851		128,583		(732)		(0.6)%
Used retail sales revenue	$	4,612.0	$	4,627.4	$	(15.4)		(0.3)%
Same-store used retail sales revenue	$	4,373.4	$	4,530.0	$	(156.6)		(3.5)%
Used retail sales revenue per unit	$	34,204	$	34,735	$	(531)		(1.5)%
Same-store used retail sales revenue per unit	$	34,207	$	35,230	$	(1,023)		(2.9)%
Gross profit — used	$	249.4	$	245.9	$	3.5		1.4 %
Same-store gross profit — used	$	235.0	$	243.1	$	(8.1)		(3.3)%
Average gross profit per used vehicle retailed	$	1,849	$	1,847	$	2		0.1 %
Same-store average gross profit per used vehicle retailed	$	1,838	$	1,891	$	(53)		(2.8)%
Gross margin % — used		5.4 %		5.3 %		0.1 %		1.9 %
Same-store gross margin % — used		5.4 %		5.4 %		— %		— %

Units

Retail unit sales of used vehicles increased from 2023 to 2024 due to a 2,346 unit increase from net dealership acquisitions, partially offset by a 732 unit, or 0.6%, decrease in same-store used retail unit sales. Our same-store units increased 2.3% in the U.S. and decreased 2.8% internationally. Overall, our used units increased 2.5% in the U.S. and increased 0.3% internationally. Same-store unit sales are being impacted by a lower supply of 1-4 year old used vehicles due to the fewer number of new vehicles sold in recent years, lower lease returns particularly in the U.S., and high interest rates impacting the affordability of used vehicles.

Revenues

Used vehicle retail sales revenue decreased from 2023 to 2024 due to a $156.6 million, or 3.5%, decrease in same-store revenues, partially offset by a $141.2 million increase from net dealership acquisitions. Excluding $53.5 million of favorable foreign currency fluctuations, same-store used retail revenue decreased 4.6%. The decrease in same-store revenue is due to a $1,023 per unit decrease in same-store comparative average selling price (despite a $418 per unit increase attributable to favorable foreign currency fluctuations), which decreased revenue by $130.8 million, coupled with the decrease in same-store used retail unit sales, which decreased revenue by $25.8 million. We believe the decrease in same-store comparative average selling price is primarily due to the decrease in used vehicle acquisition costs when compared to the same period last year.

Gross Profit

Retail gross profit from used vehicle sales increased from 2023 to 2024 due to an $11.6 million increase from net dealership acquisitions, partially offset by an $8.1 million, or 3.3%, decrease in same-store gross profit. Excluding $2.5 million of favorable foreign currency fluctuations, same-store gross profit decreased 4.3%. The decrease in same-store gross profit is due to a $53 per unit decrease in same-store comparative average gross profit (despite a $20 per unit increase attributable to favorable foreign currency fluctuations), which decreased gross profit by $6.8 million, coupled with the decrease in same-store used retail unit sales, which decreased gross profit by $1.3 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to high interest rates impacting the affordability of used vehicles, coupled with the decline in average transaction price.

Retail Automotive Dealership Finance and Insurance Data
(In millions, except unit and per unit amounts)

Finance and Insurance Data	2024	2023	2024 vs. 2023 Change	% Change
Total retail unit sales	234,364	230,446	3,918	1.7 %
Total same-store retail unit sales	223,581	225,656	(2,075)	(0.9)%
Total agency unit sales	19,153	15,864	3,289	20.7 %
Total same-store agency unit sales	17,861	15,811	2,050	13.0 %
Finance and insurance revenue	$ 414.7	$ 420.9	$ (6.2)	(1.5)%
Same-store finance and insurance revenue	$ 403.2	$ 416.2	$ (13.0)	(3.1)%
Finance and insurance revenue per unit (excluding agency)	$ 1,742	$ 1,806	$ (64)	(3.5)%
Same-store finance and insurance revenue per unit (excluding agency)	$ 1,794	$ 1,840	$ (46)	(2.5)%

Finance and insurance revenue decreased from 2023 to 2024 due to a $13.0 million, or 3.1%, decrease in same-store revenue, partially offset by a $6.8 million increase from net dealership acquisitions. Excluding $3.5 million of favorable foreign currency fluctuations, same-store finance and insurance revenue decreased 4.0%. Same-store revenue (excluding agency) decreased due to a $46 per unit decrease in same-store comparative average finance and insurance retail revenue (despite a $15 per retail unit increase attributable to favorable foreign currency fluctuations), which decreased revenue by $10.3 million, coupled with the decrease in combined same-store new and used retail unit sales, which decreased revenue by $3.8 million. Same-store finance and insurance revenue per unit (excluding agency) decreased 1.8% in the U.S. and decreased 5.8% in the U.K. We believe the decrease in same-store finance and insurance revenue per unit (excluding agency) is primarily due to rising interest rates impacting overall customer affordability, coupled with an increase in lease penetration and an increase in electric and hybrid fleet vehicle sales in the U.K. which limits our finance and insurance product sale opportunities.

Retail Automotive Dealership Service and Parts Data
(In millions)

Service and Parts Data	2024	2023	2024 vs. 2023 Change	% Change
Service and parts revenue	$ 1,498.9	$ 1,368.2	$ 130.7	9.6 %
Same-store service and parts revenue	$ 1,430.9	$ 1,363.3	$ 67.6	5.0 %
Gross profit — service and parts	$ 872.0	$ 805.4	$ 66.6	8.3 %
Same-store service and parts gross profit	$ 839.9	$ 802.1	$ 37.8	4.7 %
Gross margin % — service and parts	58.2 %	58.9 %	(0.7)%	(1.2)%
Same-store service and parts gross margin %	58.7 %	58.8 %	(0.1)%	(0.2)%

Revenues

Service and parts revenue increased from 2023 to 2024, with an increase of 5.6% in the U.S. and an increase of 16.5% internationally. The increase in service and parts revenue is due to a $67.6 million, or 5.0%, increase in same-store revenues, coupled with a $63.1 million increase from net dealership acquisitions. Excluding $8.1 million of favorable foreign currency fluctuations, same-store revenue increased 4.4%. The increase in same-store revenue is due to a $38.4 million, or 3.8%, increase in customer pay revenue, a $24.9 million, or 9.0%, increase in warranty revenue, and a $4.3 million, or 4.7%, increase in vehicle preparation and body shop revenue. We believe the increase in same-store revenue is primarily due to vehicles remaining on the road longer due to affordability considerations, as well as increases in effective labor rates, the retail cost of parts due to inflation, and manufacturer recalls.

Gross Profit

Service and parts gross profit increased from 2023 to 2024 due to a $37.8 million, or 4.7%, increase in same-store gross profit, coupled with a $28.8 million increase from net dealership acquisitions. Excluding $5.1 million of favorable foreign currency fluctuations, same-store gross profit increased 4.1%. The increase in same-store gross profit is due to the increase in same-store revenues, which increased gross profit by $39.7 million, partially offset by a 0.1% decrease in same-store gross margin, which decreased gross profit by $1.9 million. The increase in same-store gross profit is due to an $18.0 million, or 3.8%, increase in customer pay gross profit, a $13.9 million, or 9.4%, increase in warranty gross profit, and a $5.9 million, or 3.4%, increase in vehicle preparation and body shop gross profit. We believe the decrease in same-store gross margin is primarily due to a shift in sales mix in the U.K. from customer pay to warranty, which typically has lower gross margin.

Retail Commercial Truck Dealership Data
(In millions, except unit and per unit amounts)

As discussed above under “Overview - Retail Commercial Truck Dealership,” the CDK Cybersecurity Incident impacted PTG’s operations beginning June 19, 2024 through the quarter end, primarily impacting service and parts sales, but also impacting to a lesser extent sales of used trucks.

New Commercial Truck Data	2024	2023	2024 vs. 2023 Change	% Change
New retail unit sales	7,974	9,056	(1,082)	(11.9)%
Same-store new retail unit sales	7,637	9,027	(1,390)	(15.4)%

New retail sales revenue	$ 1,109.6	$ 1,216.6	$ (107.0)	(8.8)%
Same-store new retail sales revenue	$ 1,059.4	$ 1,212.0	$ (152.6)	(12.6)%
New retail sales revenue per unit	$ 139,150	$ 134,345	$ 4,805	3.6 %
Same-store new retail sales revenue per unit	$ 138,722	$ 134,259	$ 4,463	3.3 %
Gross profit — new	$ 73.9	$ 70.0	$ 3.9	5.6 %
Same-store gross profit — new	$ 69.6	$ 69.5	$ 0.1	0.1 %
Average gross profit per new truck retailed	$ 9,266	$ 7,723	$ 1,543	20.0 %
Same-store average gross profit per new truck retailed	$ 9,110	$ 7,700	$ 1,410	18.3 %
Gross margin % — new	6.7 %	5.8 %	0.9 %	15.5 %
Same-store gross margin % — new	6.6 %	5.7 %	0.9 %	15.8 %

Units

Retail unit sales of new trucks decreased from 2023 to 2024 due to a 1,390 unit, or 15.4%, decrease in same-store new retail unit sales, partially offset by a 308 unit increase from net dealership acquisitions. We believe the decrease in same-store unit sales is primarily due to the unusually high number of deliveries in the prior year period resulting from production timing and delivery delays throughout 2022 caused by manufacturer supply chain challenges, partially offset by replacement demand for medium- and heavy-duty trucks.

Revenues

New commercial truck retail sales revenue decreased from 2023 to 2024 due to a $152.6 million, or 12.6%, decrease in same-store revenues, partially offset by a $45.6 million increase from net dealership acquisitions. The decrease in same-store revenue is due to the decrease in same-store new retail unit sales, which decreased revenue by $186.7 million, partially offset by a $4,463 per unit increase in same-store comparative average selling price, which increased revenue by $34.1 million. We believe the increase in same-store comparative average selling price is primarily due to higher prices driven by replacement demand and the mix of units sold.

Gross Profit

New commercial truck retail gross profit increased from 2023 to 2024 due to a $3.8 million increase from net dealership acquisitions, coupled with a $0.1 million, or 0.1%, increase in same-store gross profit. The increase in same-store gross profit is due to a $1,410 per unit increase in same-store comparative average gross profit, which increased gross profit by $10.8 million, partially offset by the decrease in same-store new retail unit sales, which decreased gross profit by $10.7 million. We believe the increase in same-store comparative average gross profit per unit is primarily due to a change in sales mix when compared to the same period last year.

			2024 vs. 2023	
Used Commercial Truck Data	**2024**	**2023**	**Change**	**% Change**
Used retail unit sales	1,814	1,359	455	33.5 %
Same-store used retail unit sales	1,763	1,356	407	30.0 %
Used retail sales revenue	$ 111.1	$ 101.9	$ 9.2	9.0 %
Same-store used retail sales revenue	$ 108.0	$ 101.8	$ 6.2	6.1 %
Used retail sales revenue per unit	$ 61,266	$ 75,009	$ (13,743)	(18.3)%
Same-store used retail sales revenue per unit	$ 61,255	$ 75,043	$ (13,788)	(18.4)%
Gross profit — used	$ 6.7	$ 9.4	$ (2.7)	(28.7)%
Same-store gross profit — used	$ 7.8	$ 9.4	$ (1.6)	(17.0)%
Average gross profit per used truck retailed	$ 3,742	$ 6,914	$ (3,172)	(45.9)%
Same-store average gross profit per used truck retailed	$ 4,410	$ 6,922	$ (2,512)	(36.3)%
Gross margin % — used	6.0 %	9.2 %	(3.2)%	(34.8)%
Same-store gross margin % — used	7.2 %	9.2 %	(2.0)%	(21.7)%

Units

Retail unit sales of used trucks increased from 2023 to 2024 due to a 407 unit, or 30.0%, increase in same-store retail unit sales, coupled with a 48 unit increase from net dealership acquisitions. We believe the increase in same-store unit sales is primarily due to the increase in availability and affordability of used trucks when compared with the prior year period, coupled with limited availability of certain new trucks resulting in higher demand of certain used trucks.

Revenues

Used commercial truck retail sales revenue increased from 2023 to 2024 due to an $11.6 million a $6.2 million, or 23.4% 6.1%, increase in same-store revenues, coupled with a $1.3 million $3.0 million increase from net dealership acquisitions. The increase in same-store revenue is due to the increase in same-store used retail unit sales, which increased revenue by $22.1 million $24.9 million, partially offset by a $15,956 $13,788 per unit decrease in same-store comparative average selling price, which decreased revenue by

$10.5 million. $18.7 million. We believe the decrease in same-store comparative average selling price is primarily due to the declining value of used trucks, including as a result of prolonged lower freight spot rates when compared to the prior year period.

Gross Profit

Used commercial truck retail gross profit decreased from 2023 to 2024 primarily due to a $1.4 million $1.6 million, or 25.9% 17.0%, decrease in same-store gross profit. The decrease in same-store gross profit is due to a $4,311 $2,512 per unit decrease in same-store comparative average gross profit, which decreased gross profit by $2.8 million $3.4 million, partially offset by the increase in same-store used retail unit sales, which increased gross profit by $1.4 million. $1.8 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to the decreased value of used trucks over the prior year, as a result of depressed prolonged lower freight spot rates when compared to the prior year period.

				2024 vs. 2023						2024 vs. 2023		
Service and Parts Data	**Service and Parts Data**	**2024**	**2023**	**Change**		**% Change**	**Service and Parts Data**	**2024**	**2023**	**Change**		**% Change**
Service and parts revenue	Service and parts revenue	$ 223.6	$ $ 228.0	$ $ (4.4)	(1.9)	(1.9) %	Service and parts revenue	$ 442.8	$ $ 460.1	$ $ (17.3)	(3.8)	(3.8)%
Same-store service and parts revenue	Same-store service and parts revenue	$ 213.2	$ $ 228.0	$ $ (14.8)	(6.5)	(6.5) %	Same-store service and parts revenue	$ 420.8	$ $ 457.2	$ $ (36.4)	(8.0)	(8.0)%
Gross profit — service and parts	Gross profit — service and parts	$ 98.1	$ $ 98.3	$ $ (0.2)	(0.2)	(0.2) %	Gross profit — service and parts	$ 192.2	$ $ 193.7	$ $ (1.5)	(0.8)	(0.8)%
Same-store service and parts gross profit	Same-store service and parts gross profit	$ 93.8	$ $ 98.3	$ $ (4.5)	(4.6)	(4.6) %	Same-store service and parts gross profit	$ 183.4	$ $ 192.5	$ $ (9.1)	(4.7)	(4.7)%
Gross margin % — service and parts	Gross margin % — service and parts	43.9 %	43.1 %	0.8 %	1.9	%	Gross margin % — service and parts	43.4 %	42.1 %	1.3 %	3.1	%
Same-store service and parts gross margin %	Same-store service and parts gross margin %	44.0 %	43.1 %	0.9 %	2.1	%	Same-store service and parts gross margin %	43.6 %	42.1 %	1.5 %	3.6	%

Revenues

Service and parts revenue decreased from 2023 to 2024 due to a $14.8 million $36.4 million, or 6.5% 8.0%, decrease in same-store revenues, partially offset by a $10.4 million $19.1 million increase from net dealership acquisitions. Customer pay work represented approximately 77.8% 78.2% of PTG's service and parts revenue, largely due to the significant amount of retail sales of parts and accessories. The decrease in same-store revenue is primarily due to a $17.2 million $38.4 million, or 9.4% 10.4%, decrease in customer pay revenue and a $1.7 million $2.6 million, or 21.0% 16.3%, decrease in body shop revenue, partially offset by a $4.1 million $4.6 million, or 11.4% 6.3%, increase in warranty revenue. We believe the decrease in same-store service and parts revenue is due to customers delaying maintenance costs due to continued low prolonged lower freight rates. spot rates, coupled with slower retail parts sales in June resulting from the CDK Cybersecurity Incident discussed above.

Gross Profit

Service and parts gross profit decreased from 2023 to 2024 due to a $4.5 million $9.1 million, or 4.6% 4.7%, decrease in same-store gross profit, partially offset by a $4.3 million $7.6 million increase from net dealership acquisitions. The decrease in same-store gross profit is due to the decrease in same-store revenues, which decreased gross profit by $6.5 million $15.9 million, partially offset by a 0.9% 1.5% increase in same-store gross margin, which increased gross profit by $2.0 million $6.8 million. The decrease in same-store gross profit is primarily due to a $6.2 million an $11.1 million, or 8.8% 8.2%, decrease in customer pay gross profit and a $0.9 million $1.1 million, or 11.3% 6.9%, decrease in body shop gross profit, partially offset by a $2.6 million $3.1 million, or 13.1% 7.8%, increase in warranty gross profit.

Commercial Vehicle Distribution and Other Data
(In millions, except unit amounts)

						2024 vs. 2023								2024 vs. 2023		
Penske Australia Data	**Penske Australia Data**	**2024**		**2023**		**Change**		**% Change**	**Penske Australia Data**	**2024**		**2023**		**Change**		**% Change**
Commercial vehicle units (wholesale and retail)	Commercial vehicle units (wholesale and retail)	298	279	279	19	19	6.8	6.8 %	Commercial vehicle units (wholesale and retail)	616	602	602	14	14	2.3	2.3 %
Power system units	Power system units	313	304	304	9	9	3.0	3.0 %	Power system units	595	574	574	21	21	3.7	3.7 %
Sales revenue	Sales revenue	$ 178.0	$	$ 143.6	$	$ 34.4	24.0	24.0 %	Sales revenue	$ 367.0	$	$ 286.9	$	$ 80.1	27.9	27.9 %
Gross profit	Gross profit	$ 43.2	$	$ 42.7	$	$ 0.5	1.2	1.2 %	Gross profit	$ 87.8	$	$ 83.0	$	$ 4.8	5.8	5.8 %

Penske Australia primarily distributes and services commercial vehicles, engines, and power systems. This business generated $178.0 million $367.0 million of revenue during the three six months ended March 31, 2024 June 30, 2024, compared to $143.6 million $286.9 million of revenue in the prior year, an increase of 24.0% 27.9%. This business also generated $43.2 million $87.8 million of gross profit during the three six months ended March 31, 2024 June 30, 2024, compared to $42.7 million $83.0 million of gross profit in the prior year, an increase of 1.2% 5.8%.

Excluding $6.2 million $8.8 million of unfavorable foreign currency fluctuations, revenue increased 28.3% 31.0% primarily due to an increase in service and parts sales revenue, coupled with an increase in unit sales. Excluding $1.6 million $2.2 million of unfavorable foreign currency fluctuations, gross profit increased 4.5% 8.4% primarily due to the increased unit sales and mix of products sold as compared to the same period last year, coupled with an increase in higher margin remanufacturing activity and higher margin service and parts sales as a result of higher units in operation. sales.

Selling, General, and Administrative Data
(In millions)

Selling, General, and Administrative Data	Selling, General, and Administrative Data	2024	2023	Change		% Change	Selling, General, and Administrative Data	2024	2023	Change (2024 vs. 2023)		% Change (2024 vs. 2023)
Personnel expense	Personnel expense	$ 521.1	$ $ 505.7	$ $ 15.4	3.0	3.0 %	Personnel expense	$ 1,049.4 $	$ 1,023.9 $	$ 25.5	2.5	2.5 %
Advertising expense	Advertising expense	$ 33.1	$ $ 32.3	$ $ 0.8	2.5	2.5 %	Advertising expense	$ 67.5 $	$ 67.6 $	$ (0.1)	(0.1)	(0.1)%
Rent & related expense	Rent & related expense	$ 103.5	$ $ 95.4	$ $ 8.1	8.5	8.5 %	Rent & related expense	$ 207.1 $	$ 193.1 $	$ 14.0	7.3	7.3 %
Other expense	Other expense	$ 222.1	$ $ 211.5	$ $ 10.6	5.0	5.0 %	Other expense	$ 443.3 $	$ 418.4 $	$ 24.9	6.0	6.0 %
Total SG&A expenses	Total SG&A expenses	$ 879.8	$ $ 844.9	$ $ 34.9	4.1	4.1 %	Total SG&A expenses	$ 1,767.3 $	$ 1,703.0 $	$ 64.3	3.8	3.8 %
Same-store SG&A expenses	Same-store SG&A expenses	$ 845.8	$ $ 840.4	$ $ 5.4	0.6	0.6 %	Same-store SG&A expenses	$ 1,692.8 $	$ 1,689.8 $	$ 3.0	0.2	0.2 %
Personnel expense as % of gross profit												
Personnel expense as % of gross profit												
Personnel expense as % of gross profit		41.8 %	40.4 %	1.4 %		3.5 %		41.8 %	40.5 %	1.3 %		3.2 %
Advertising expense as % of gross profit	Advertising expense as % of gross profit	2.7 %	2.6 %	0.1 %		3.8 %	Advertising expense as % of gross profit	2.7 %	2.7 %	— %		— %
Rent & related expense as % of gross profit	Rent & related expense as % of gross profit	8.3 %	7.6 %	0.7 %		9.2 %	Rent & related expense as % of gross profit	8.3 %	7.6 %	0.7 %		9.2 %
Other expense as % of gross profit	Other expense as % of gross profit	17.9 %	16.9 %	1.0 %		5.9 %	Other expense as % of gross profit	17.6 %	16.6 %	1.0 %		6.0 %
Total SG&A expenses as % of gross profit	Total SG&A expenses as % of gross profit	70.7 %	67.5 %	3.2 %		4.7 %	Total SG&A expenses as % of gross profit	70.4 %	67.4 %	3.0 %		4.5 %
Same-store SG&A expenses as % of same-store gross profit	Same-store SG&A expenses as % of same-store gross profit	70.5 %	67.3 %	3.2 %		4.8 %	Same-store SG&A expenses as % of same-store gross profit	70.2 %	67.3 %	2.9 %		4.3 %

Selling, general, and administrative expenses ("SG&A") increased from 2023 to 2024 due to a $29.5 million $61.3 million increase from net acquisitions, coupled with a $5.4 million $3.0 million, or 0.6% 0.2%, increase in same-store SG&A. Excluding $9.2 million $9.1 million of unfavorable foreign currency fluctuations, same-store SG&A decreased 0.4%. SG&A as a percentage of gross profit was 70.7% 70.4%, an increase of 320 300 basis points compared to 67.5% 67.4% in the prior year. SG&A expenses as a percentage of total revenue were 11.8% 11.7% and 11.5% in the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We believe the increase in SG&A as a percentage of gross profit is primarily due to increases in personnel expenses, rent expenses, customer service vehicle loaner expenses, and information technology expenses. expenses, relative to gross profit.

Depreciation
(In millions)

		2024	2023	Change		% Change		2024	2023	Change (2024 vs. 2023)		% Change (2024 vs. 2023)
Depreciation	Depreciation	$ 37.8 $	$ 33.9	3.9	3.9	11.5	11.5 %	Depreciation	$ 76.4 $	$ 68.0	8.4	8.4	12.4	12.4 %

Depreciation increased from 2023 to 2024 due to a $2.9 million $6.3 million, or 8.8% 9.3%, increase in same-store depreciation due to capital expenditures, coupled with a $1.0 million $2.1 million increase from net dealership acquisitions.

Floor Plan Interest Expense
(In millions)

									2024 vs. 2023			
	2024	2024	2023	Change	% Change		2024		2023		Change	% Change
Floor plan interest expense	Floor plan interest expense $44.8	$	$27.9	16.9	16.9	60.6	60.6 % Floor plan interest expense $91.4	$	$58.7	32.7 32.7	55.7	55.7 %

Floor plan interest expense increased from 2023 to 2024 due to a $15.0 million $28.9 million, or 53.8% 49.4%, increase in same-store floor plan interest expense, coupled with a $1.9 million $3.8 million increase from net acquisitions. The overall increase is due to increases in average amounts outstanding under floor plan arrangements due to increasing levels of inventory, coupled with increases in applicable rates.

Other Interest Expense
(In millions)

									2024 vs. 2023			
	2024	2024	2023	Change	% Change		2024		2023		Change	% Change
Other interest expense	Other interest expense $ 21.3	$	$ 20.8	0.5	0.5	2.4	2.4 % Other interest expense $ 41.2	$	$ 45.0	(3.8) (3.8)	(8.4)	(8.4) %

Other interest expense increased decreased from 2023 to 2024 due to increases in applicable rates, coupled with increases decreases in average revolver borrowing amounts outstanding under our credit agreements. agreements, partially offset by increases in applicable rates.

Equity in Earnings of Affiliates
(In millions)

									2024 vs. 2023			
	2024	2024	2023	Change	% Change		2024		2023		Change	% Change
Equity in earnings of affiliates	Equity in earnings of affiliates $33.3	$	$82.1	(48.8)	(48.8)	(59.4)	(59.4)% Equity in earnings of affiliates $87.3	$	$156.6	(69.3) (69.3)	(44.3)	(44.3)%

Equity in earnings of affiliates decreased from 2023 to 2024 due to a $48.3 million $68.7 million, or 59.8% 44.6%, decrease in earnings from our investment in PTS, coupled with a the decrease in earnings from our retail automotive other joint ventures. We believe the decrease in our PTS equity earnings is primarily due to lower commercial rental utilization, lower consumer rental revenue, higher interest rates and average debt balances, and lower gains from the sale of revenue earning vehicles, partially offset by improved operating results in full-service leasing and distribution center management.

leasing.

Income Taxes
(In millions)

									2024 vs. 2023			
	2024	2024	2023	Change	% Change		2024		2023		Change	% Change
Income taxes	Income taxes $ 78.6	$	$ 107.3	(28.7)	(28.7)	(26.7)	(26.7) % Income taxes $ 161.2	$	$ 205.0	(43.8) (43.8)	(21.4)	(21.4) %

Income taxes decreased from 2023 to 2024 primarily due to a $112.1 million $186.9 million decrease in our pre-tax income compared to the prior year. Our effective tax rate was 26.7% 26.0% during the three six months ended March 31, 2024 June 30, 2024, compared to 26.4% 25.4% during the three six months ended March 31, 2023 June 30, 2023, primarily due to fluctuations in our geographic pre-tax income mix.

Liquidity and Capital Resources

Our cash requirements are primarily for working capital, inventory financing, the acquisition of new businesses, the improvement and expansion of existing facilities, the purchase or construction of new facilities, debt service and repayments, dividends, and potential repurchases of our outstanding securities under the program discussed below. Historically, these cash requirements have been met through cash flow from operations, borrowings under our credit agreements and floor plan arrangements, the issuance of debt securities, sale-leaseback transactions, real estate financings, and dividends and distributions from joint venture investments.

We have historically expanded our operations through organic growth and the acquisition of dealerships and other businesses. We believe that cash flow from operations, dividends and distributions from PTS and our joint venture investments, and our existing capital resources, including the liquidity provided by our credit agreements and floor plan financing arrangements, will be sufficient to fund our existing operations and current commitments for at least the next twelve months. In the event that economic conditions are more severely impacted than we expect due to geo-political conditions, any pandemic or vehicle shortages resulting from supply chain difficulties, we pursue significant acquisitions or other expansion opportunities, pursue significant repurchases of our outstanding securities, or refinance or repay existing debt, we may need to raise additional capital either through the public or private issuance of equity or debt securities or through additional borrowings, which sources of funds may not necessarily be available on terms acceptable to us, if at all. In addition, our liquidity could be negatively impacted in the event we fail to comply with the covenants under our various financing and operating agreements or in the event our floor plan financing is withdrawn. Future events, including acquisitions, divestitures, new or revised operating lease agreements, borrowings or repayments under our credit agreements and our floor plan arrangements, raising capital, and purchases or refinancing of our securities, may also impact our liquidity.

We expect that scheduled payments of our debt instruments will be funded through cash flows from operations or borrowings under our credit agreements. In the case of payments upon the maturity or termination dates of our debt instruments, we currently expect to be able to refinance such instruments in the normal course of business or otherwise fund them from cash flows from operations or borrowings under our credit agreements. Refer to the disclosures provided in Part I, Item 1, Note 9 of the Notes to our Consolidated Financial Statements set forth below for a detailed description of our long-term debt obligations and scheduled interest payments.

Floor plan notes payable are revolving inventory-secured financing arrangements. Refer to the disclosures provided in Part I, Item 1, Note 7 of the Notes to our Consolidated Financial Statements for a detailed description of financing for the vehicles we purchase, including discussion of our floor plan and other revolving arrangements.

Refer to the disclosures provided in Part I, Item 1, Note 10 of the Notes to our Consolidated Financial Statements for a description of our off-balance sheet arrangements which includes a repurchase commitment related to our floor plan credit agreement with Daimler Truck Financial Services Australia and Mercedes-Benz Financial Services New Zealand.

As of March 31, 2024 June 30, 2024, we had $116.9 million $115.1 million of cash available to fund our operations and capital commitments. In addition, we had $1.2 billion, £136.0 million £106.0 million ($171.7 134.0 million), CAD $38.0 million $36.5 million ($28.1 26.7 million), AU $68.5 million($45.7 million), and $221.4 million $180.7 million available for borrowing under our U.S. credit agreement, U.K. credit agreement, Canada credit agreement, Australia credit agreement, and the revolving mortgage facility through Toyota Motor Credit Corporation in the U.S., respectively.

Securities Repurchases

From time to time, our Board of Directors has authorized securities repurchase programs pursuant to which we may, as market conditions warrant, purchase our outstanding common stock or debt on the open market, in privately negotiated transactions, via a tender offer, through a pre-arranged trading plan, pursuant to the terms of an accelerated share repurchase program, or by other means. We have historically implemented pre-arranged trading plans as part of our securities repurchase programs. These plans authorize share repurchases based on parameters outlined in the specific plan during periods when we otherwise would not trade in our securities, such as the period approaching the end of a quarter through our public announcement of earnings. We have historically funded any such repurchases using cash flow from operations, borrowings under our U.S. credit agreement, and borrowings under our U.S. floor plan arrangements. The decision to make repurchases will be based on factors such as general economic and industry conditions, the market price of the relevant security versus our view of its intrinsic value, the potential impact of such repurchases on our capital structure, and our consideration of any alternative uses of our capital, such as for acquisitions, dividends, the repayment of our existing indebtedness, and strategic investments in our current businesses, in addition to any then-existing limits imposed by our finance agreements and securities trading policy. As of March 31, 2024 June 30, 2024, $182.6 million $157.4 million remained outstanding and available for repurchases under our securities repurchase program approved by our Board of Directors. This authority has no expiration. Refer to the disclosures provided in Part I, Item 1, Note 11 of the Notes to our Consolidated Condensed Financial Statements for a summary of shares repurchased during the three six months ended March 31, 2024 June 30, 2024.

Dividends

We paid the following cash dividends on our common stock in 2023 and 2024:

	Per Share Dividends	
2023		
First Quarter	$	0.61
Second Quarter	$	0.66
Third Quarter	$	0.72
Fourth Quarter	$	0.79
2024		
First Quarter	$	0.87
Second Quarter	$	0.96

We also announced a cash dividend of $1.07per share, payable on September 4, 2024, to stockholders of record on August 15, 2024. While future quarterly or other cash dividends will depend upon a variety of factors considered relevant by our Board of Directors, which may include our expectations regarding the severity and duration of vehicle production issues, the rate of inflation, including its impact on vehicle affordability, earnings, cash flow, capital requirements, restrictions relating to any then-existing indebtedness, financial condition, alternative uses of capital, and other factors, we currently expect to continue to pay comparable dividends in the future.

Vehicle Financing

Refer to the disclosures provided in Part I, Item I, Note 7 of the Notes to our Consolidated Condensed Financial Statements for a detailed description of financing for the vehicles we purchase, including discussion of our floor plan and other revolving arrangements.

Long-Term Debt Obligations

As of March 31, 2024 June 30, 2024, we had the following long-term debt obligations outstanding:

(In millions)	March 31, June 30, 2024
U.S. credit agreement — revolving credit line	$ —
U.K. credit agreement — revolving credit line	80.8 118.9
3.50% senior subordinated notes due 2025	548.0 548.4
3.75% senior subordinated notes due 2029	496.0 496.2
Canada credit agreement	82.7 83.0
Australia credit agreement	65.1 21.0
Mortgage facilities	359.0 453.7
Other	45.6 45.1
Total long-term debt	$ 1,677.2 1,766.3

As of March 31, 2024 June 30, 2024, we were in compliance with all covenants under our credit agreements, and we believe we will remain in compliance with such covenants for the next twelve months. Refer to the disclosures provided in Part I, Item 1, Note 9 of the Notes to our Consolidated Condensed Financial Statements for a detailed description of our long-term debt obligations.

Short-Term Borrowings

We have six principal sources of short-term borrowings: the revolving portion of the U.S. credit agreement, the revolving portion of the U.K. credit agreement, our Canada credit agreement, our Australia credit agreement, the revolving mortgage facility through Toyota Motor Credit Corporation, and the floor plan agreements that we utilize to finance our vehicle inventories. We are also able to access availability under the floor plan agreements to fund our cash needs.

During the three six months ended March 31, 2024 June 30, 2024, outstanding revolving commitments varied between $0.0 million and $90.0 million $249.0 million under the U.S. credit agreement, between £0.0 million and £150.0 million ($0.0 million and $189.4 $189.7 million) under the U.K. credit agreement's revolving credit line, between CAD $105.0 million and CAD $112.0 million $113.5 million ($77.6 76.8 million and $82.7 $83.0 million) under the Canada credit agreement, between AU $55.0 million $31.5 million and AU $100.0 million ($35.8 21.0 million and $65.1 $66.7 million) under the Australia credit agreement, and between $0.0 million and $160.0 million $210.0 million under the revolving mortgage facility through Toyota Motor Credit Corporation in the U.S. The amounts outstanding under our floor plan agreements varied based on the timing of the receipt and expenditure of cash in our operations, driven principally by the levels of our vehicle inventories.

PTS Dividends

We hold a 28.9% ownership interest in PTS as noted above. Their partnership agreement requires PTS, subject to applicable law and the terms of its credit agreements, to make quarterly distributions to the partners with respect to each fiscal year by no later than 45 days after the end of each of the first three quarters of the year and by April 15 of the following year. PTS' partnership agreement and certain of its debt agreements allow partner distributions only as long as it is not in default under those agreements and the amount it pays does not exceed 50% of its consolidated net income, unless its debt-to-equity ratio is less than 3.0 to 1.0, in which case its distributions may not exceed 80% of its consolidated net income. We receive pro rata cash distributions relating to this investment, typically in April, May, August, and November of each year. During the six months ended June 30, 2024, and 2023, we received $168.8 million $41.8 million and $90.1 million, respectively, of pro rata cash distributions relating to this investment, and we investment. We currently expect to continue to receive future distributions from PTS quarterly, subject to its financial performance.

Sale/Leaseback Arrangements

We have in the past and may in the future enter into sale-leaseback transactions to finance certain property acquisitions and capital expenditures, pursuant to which we sell property and/or leasehold improvements to third parties and agree to lease those assets back for a certain period of time. Such sales generate proceeds that vary from period to period.

Operating Leases

We estimate the total rent obligations under our operating leases, including any extension periods that we are reasonably certain to exercise at our discretion and assuming constant consumer price indices, to be $5.4 billion $5.3 billion. As of March 31, 2024 June 30, 2024, we were in compliance with all financial covenants under these leases consisting principally of leases for dealership and other properties, and we believe we will remain in compliance with such covenants for the next twelve months. Refer to the disclosures provided in Part I, Item 1, Note 3 and Note 10 of the Notes to our Consolidated Condensed Financial Statements for a description of our operating leases.

Supplemental Guarantor Financial Information

The following is a description of the terms and conditions of the guarantees with respect to senior subordinated notes of Penske Automotive Group, Inc. ("PAG") as the issuer of the 3.50% Notes and the 3.75% Notes (collectively the "Senior Subordinated Notes").

Each of the Senior Subordinated Notes are unsecured, senior subordinated obligations and are guaranteed on an unsecured senior subordinated basis by our 100% owned U.S. subsidiaries ("Guarantor subsidiaries"). Each of the Senior Subordinated Notes also contains customary negative covenants and events of default. If we experience certain "change of control" events specified in their respective indentures, holders of these Senior Subordinated Notes will have the option to require us to purchase for cash all or a portion of their Senior Subordinated Notes at a price equal to 101% of the principal amount of the Senior Subordinated Notes, plus accrued and unpaid interest. In addition, if we make certain asset sales and do not reinvest the proceeds thereof or use such proceeds to repay certain debt, we will be required to use the proceeds of such asset sales to make an offer to purchase the Senior Subordinated Notes at a price equal to 100% of the principal amount of the Senior Subordinated Notes, plus accrued and unpaid interest.

Guarantor subsidiaries are directly or indirectly 100% owned by PAG, and the guarantees are full and unconditional and joint and several. The guarantees may be released under certain circumstances upon resale or transfer by us of the stock of the related guarantor or all or substantially all of the assets of the guarantor to a non-affiliate. Non-wholly owned and foreign subsidiaries of PAG do not guarantee the Senior Subordinated Notes ("Non-Guarantor subsidiaries"). The following tables present summarized financial information for PAG and the Guarantor subsidiaries on a combined basis. The financial information of PAG and Guarantor subsidiaries is presented on a combined basis; intercompany balances and transactions between PAG and Guarantor subsidiaries have been eliminated; PAG's or Guarantor subsidiaries' amounts due from, amounts due to, and transactions with non-issuer and Non-Guarantor subsidiaries and related parties are disclosed separately.

Condensed income statement information:

	PAG and Guarantor Subsidiaries	
	Three Months Ended March 31, 2024	Twelve Months Ended December 31, 2023
	Six Months Ended June 30, 2024	Twelve Months Ended December 31, 2023
Revenues		
Gross profit		
Equity in earnings of affiliates		
Net income		
Net income		
Net income		
Net income attributable to Penske Automotive Group		

Condensed balance sheet information:

	PAG and Guarantor Subsidiaries	
	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Current assets (1)		
Property and equipment, net		
Equity method investments		
Other noncurrent assets		
Current liabilities		
Noncurrent liabilities		

(1) Includes $536.2 million $537.5 million and $535.1 million as of March 31, 2024 June 30, 2024, and December 31, 2023, respectively, due from Non-Guarantor subsidiaries.

During the three six months ended March 31, 2024 June 30, 2024, PAG received $15.1 million $46.6 million from Non-Guarantor subsidiaries. During the twelve months ended December 31, 2023, PAG received $142.9 million from Non-Guarantor subsidiaries.

Cash Flows

The following table summarizes the changes in our cash provided by (used in) operating, investing, and financing activities. The major components of these changes are discussed below.

	Three Months Ended March 31,	Six Months Ended June 30,

(In millions)	(In millions)	2024	2023	(In millions)	2024	2023
Net cash provided by operating activities						
Net cash used in investing activities						
Net cash used in financing activities						
Effect of exchange rate changes on cash and cash equivalents						
Effect of exchange rate changes on cash and cash equivalents						
Effect of exchange rate changes on cash and cash equivalents						
Net change in cash and cash equivalents						

Cash Flows from Operating Activities

Cash flows from operating activities include net income, as adjusted for non-cash items and the effects of changes in working capital.

We finance substantially all of the commercial vehicles we purchase for distribution, new vehicles for retail sale (however, see Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*, "Overview" for a discussion of the agency model of distribution), and a portion of our used vehicle inventories for retail sale under floor plan and other revolving arrangements with various lenders, including the captive finance companies associated with automotive manufacturers. We retain the right to select which, if any, financing source to utilize in connection with the procurement of vehicle inventories. Many vehicle manufacturers provide vehicle financing for the dealers representing their brands; however, it is not a requirement that we utilize this financing. Historically, our floor plan finance source has been based on aggregate pricing considerations.

In accordance with generally accepted accounting principles relating to the statement of cash flows, we report all cash flows arising in connection with floor plan notes payable with the manufacturer of a particular new vehicle as an operating activity in our statement of cash flows, and we report all cash flows arising in connection with floor plan notes payable to a party other than the manufacturer of a particular new vehicle, all floor plan notes payable relating to pre-owned vehicles, and all floor plan notes payable related to our commercial vehicles in Australia and New Zealand as a financing activity in our statement of cash flows. Currently, the majority of our non-trade vehicle financing is with other manufacturer captive lenders. To date, we have not experienced any material limitation with respect to the amount or availability of financing from any institution providing us with vehicle financing.

We believe that changes in aggregate floor plan liabilities are typically linked to changes in vehicle inventory and therefore, are an integral part of understanding changes in our working capital and operating cash flow. As a result, we prepare the following reconciliation to highlight our operating cash flows with all changes in vehicle floor plan being classified as an operating activity for informational purposes:

		Three Months Ended March 31,			Six Months Ended June 30,	
(In millions)	(In millions)	2024	2023	(In millions)	2024	2023
Net cash provided by operating activities as reported						
Floor plan notes payable — non-trade as reported						
Net cash provided by operating activities including all floor plan notes payable						

Cash Flows from Investing Activities

Cash flows from investing activities consist primarily of cash used for capital expenditures and cash used for net expenditures for acquisitions and other investments. Capital expenditures were $102.5 $201.7 million and $102.4 million $185.5 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. Capital expenditures relate primarily to improvements to our existing dealership facilities, the construction of new facilities, the acquisition of the property or buildings associated with existing leased facilities, and the acquisition of land for future development. We currently expect to finance our capital expenditures with operating cash flows or borrowings under our credit agreements. We had no proceeds from the sale of property and equipment during the six months ended June 30, 2024, compared to $9.9 million during the six months ended June 30, 2023. Cash used in acquisitions and other investments, net of cash acquired, was $243.6 $440.8 million and $80.5 million during the three six months ended March 31, 2024, June 30, 2024 and 2023, and included cash used to repay sellers' floor plan liabilities in such business acquisitions of $83.1 $101.9 million compared to no cash used in acquisitions and other investments during the three months ended March 31, 2023. $21.3 million, respectively.

Cash Flows from Financing Activities

Cash flows from financing activities include net borrowings of debt, net borrowings and repayments of floor plan notes payable non-trade, repurchases of common stock, dividends, and payments for debt issuance costs.

We had net borrowings of debt of $48.7 million $136.6 million and $75.8 million $112.6 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We had net repayments borrowings of floor plan notes payable non-trade of $30.7 $51.6 million and $133.1 million net repayments of $2.4 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We repurchased 0.2 million 0.4 million and 0.9 million 2.4 million shares of common stock under our securities repurchase program for $32.9 million $58.1 million and $110.2 million $328.1 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We acquired 0.12 million and 0.16 million shares from employees in connection with a net share settlement feature of employee equity awards for $18.3 million and $22.4 million during the six months ended June 30, 2024 and 2023, respectively. We also paid cash dividends to our stockholders of $58.6 million $123.0 million and $42.3 $87.2 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. We made payments for debt issuance costs of $0.5 $0.7 million and $2.0 million $2.0 million during the three six months ended March 31, 2024 June 30, 2024, and 2023, respectively.

Tax Developments

Global Minimum Tax

The Organization for Economic Co-operation and Development ("OECD"), an international association of thirty-eight countries including the United States, has proposed reform of international taxation known as Pillar Two, which imposes a global minimum corporate income tax rate of 15% on multinational companies. In December 2022, the European Union ("EU") Member States formally adopted a directive that implements the OECD Pillar Two framework, which is expected to be enacted into the national laws of the EU member states. Certain countries in which we operate have enacted legislation to adopt the Pillar Two framework effective for the Company for the calendar year 2024. Several other countries are also considering changes to their local tax laws to implement this framework in the future. We expect enacted Pillar Two legislation to increase tax compliance obligations; however, we do not anticipate any monetary impact from any Pillar Two legislation as all of the jurisdictions in which we operate are expected to have an effective tax rate greater than the minimum threshold of 15%. We will continue to monitor new guidance in this area including proposed and enacted legislative changes as further information becomes available.

Related Party Transactions

Stockholders Agreement

Several of our directors and officers are affiliated with Penske Corporation or related entities. Roger Penske, our Chair of the Board and Chief Executive Officer, is also Chair of the Board and Chief Executive Officer of Penske Corporation and through entities affiliated with Penske Corporation is our largest stockholder owning approximately 51.5% 51.6% of our outstanding common stock. Mitsui & Co., Ltd. and Mitsui & Co. (USA), Inc. (collectively, "Mitsui") own approximately 19.9% of our outstanding common stock. Mitsui, Penske Corporation and Penske Automotive Holdings Corp. (together with Penske Corporation, the "Penske companies") are parties to a stockholders agreement which expires March 26, 2030

(the (the "Stockholders Agreement"). Pursuant to the Stockholders Agreement, in connection with any shareholder election of directors, the Penske companies agreed to vote their shares for two directors who are representatives of Mitsui as long as Mitsui owns in excess of 20% of our outstanding common stock, and for one director as long as Mitsui owns in excess of 10% of our outstanding common stock. Mitsui agreed to vote its shares for up to fourteen directors voted for by the Penske companies.

Voting Agreement

Penske Corporation ("PC") and the Company entered into a voting agreement (the "Voting Agreement") pursuant to which PC agreed, on each matter brought to a vote at any annual or special meeting of our stockholders and in connection with any action proposed to be taken by consent of our stockholders in lieu of a meeting, to vote all shares of Voting Common Stock, or other voting or equity securities of ours which could be issued (together with the Voting Common Stock, the "Voting Securities") beneficially owned by PC, that, together with the Voting Securities held by Roger S. Penske, our Chair and Chief Executive Officer, and any entity that Roger S. Penske controls, exceed 43.57% of the outstanding Voting Securities (the "Excess Voting Securities"), in the same proportion as all votes cast by stockholders other than PC, Roger S. Penske or any entity that Roger S. Penske controls (except as otherwise required by the existing PM Shareholders Agreement described below). Any Voting Securities that are not Excess Voting Securities may be voted at the discretion of PC. The Voting Agreement will terminate per its terms at the time that PC ceases to beneficially own 30% or more of the Voting Securities then outstanding. Notwithstanding the foregoing, the Voting Agreement does not impact the provisions of the Stockholders Agreement noted above as currently in effect.

Other Related Party Interests and Transactions

Robert Kurnick, Jr., our President and a director, is also the Vice Chair and a director of Penske Corporation and an Advisory Board member of PTS. Bud Denker, our Executive Vice President, Human Resources, is also the President of Penske Corporation. Greg Penske, the Vice Chair of our Board of Directors, is the son of our Chair and is also a director of Penske Corporation. Michael Eisenson, one of our directors, is also a director of Penske Corporation and an Advisory Board member of PTS. Lisa Davis, one of our directors, is also an Advisory Board member of PTS. Kota Odagiri, one of our directors, is also an employee of Mitsui & Co.

We sometimes pay to and/or receive fees from Penske Corporation, its subsidiaries, and its affiliates for services rendered in the ordinary course of business or to reimburse payments made to third parties on each other's behalf. These transactions are reviewed periodically by our Audit Committee and reflect the provider's cost or an amount mutually agreed upon by both parties.

We own a 28.9% interest in PTS. PTS, discussed previously, is owned 41.1% by Penske Corporation, 28.9% by us, and 30.0% by Mitsui. The PTS partnership agreement, among other things, provides us with specified partner distribution and governance rights and restricts our ability to transfer our interest. The partnership has an eleven-member Advisory Board. We have the right to appoint one Advisory Board member and appointed Robert H. Kurnick, Jr., our President. Lisa Davis and Michael Eisenson, our directors, are also members of the Advisory Board. We have the right to pro rata quarterly distributions equal to at least 50% of PTS' consolidated net income, as well as specified minority rights which require our and/or Mitsui's consent for certain actions taken by PTS as specified in the PTS partnership agreement.

Joint Venture Relationships

From time to time, we enter into joint venture relationships in the ordinary course of business, pursuant to which we own and operate automotive dealerships together with other investors. We may also provide these dealerships with working capital and other debt financing at costs that are based on our incremental borrowing rate. As of March 31, 2024 June 30, 2024, our automotive joint venture relationships were as follows:

Location	Dealerships	Ownership Interest
Fairfield, Connecticut	Audi, Mercedes-Benz, Sprinter, Porsche	80.00% (A)
Greenwich, Connecticut	Mercedes-Benz	80.00% (A)
Northern Italy	BMW, MINI, Maserati, Porsche, Audi, Jaguar, Land Rover, Volvo, Mercedes-Benz, smart, Lamborghini	84.10% (A)
Kerpen, Germany	Collision Center	66.67% (A)
Frankfurt, Germany	Lexus, Toyota, Volkswagen	50.00% (B)
Barcelona, Spain	BMW, MINI	50.00% (B)

(A) Entity is consolidated in our financial statements.

(B) Entity is accounted for using the equity method of accounting.

Additionally, we are party to non-automotive joint ventures representing our investments in PTS (28.9%) and Penske Commercial Leasing Australia (28%) that are accounted for under the equity method.

Cyclicality

Unit sales of motor vehicles, particularly new vehicles, have been cyclical historically, fluctuating with general economic cycles. During economic downturns, the automotive and truck retailing industries tend to experience periods of decline and recession similar to those experienced by the general economy. We believe that these industries are influenced by general economic conditions and particularly, by consumer confidence, the level of personal discretionary spending, the rate of inflation, including its impact on vehicle affordability, fuel prices, utility prices, interest rates, and credit availability.

Our business is dependent on a number of factors, including general economic conditions, the availability of vehicle inventory, fuel prices, utility prices, the rate of inflation, including its impact on vehicle affordability, interest rate fluctuations, credit availability, labor availability, environmental and other government regulations and incentives, and customer business cycles. U.S. light vehicle sales have ranged from a low of 10.4 million units in 2009 to a high of 17.5 million units in 2016. Unit sales of new commercial vehicles have historically been subject to substantial cyclical variation based on these general economic conditions. According to data published by ACT Research, in recent years, total U.S. retail sales of new Class 8 commercial vehicles have ranged from a low of approximately 97,000 in 2009 to a high of approximately 334,000 in 2019. Through geographic diversification, concentration on higher margin regular service and parts revenues, and diversification of our customer base, we have attempted to reduce the negative impact of adverse general economic conditions or cyclical trends affecting any one industry or geographic area on our earnings.

Seasonality

Retail Automotive Dealership. Our business is modestly seasonal overall. Our U.S. operations generally experience higher volumes of vehicle sales in the second and third quarters of each year due in part to consumer buying trends and the introduction of new vehicle models. Also, vehicle demand, and to a lesser extent demand for service and parts, is generally lower during the winter months than in other seasons, particularly in regions of the U.S. where dealerships may be subject to severe winters. Our U.K. operations generally experience higher volumes of new vehicle sales in the first and third quarters of each year, due primarily to new vehicle registration practices in the U.K.

Inflation

Many of the markets in which we operate continue to experience higher rates of inflation when compared to previous years. historical norms. Inflation affects the price of vehicles, the price of parts, the rate of pay of our employees, consumer credit availability, and consumer demand. During 2022, used vehicle prices in particular experienced periods of high rates of inflation. Higher significant inflation, and higher rates of inflation may adversely affect consumer demand and increase our costs, which may materially and adversely affect us.

Forward-Looking Statements

Certain statements and information set forth herein, as well as other written or oral statements made from time to time by us or by our authorized officers on our behalf, constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "goal," "plan," "seek," "project," "continue," "will," "would," and variations of such words and similar expressions are intended to identify such forward-looking statements. We intend for our forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we set forth this statement in order to comply with such safe harbor provisions. You should note that our forward-looking statements speak only as of the date of this report or when made, and we undertake no duty or obligation to update or revise our forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements include, without limitation, statements with respect to:

- the impact of macro-economic and geo-political conditions and events, including their impact on new and used vehicle sales, availability of consumer credit, changes in consumer demand, consumer confidence levels, fuel prices, the rate of inflation, personal discretionary spending levels, consumer credit availability, interest rates, and unemployment rates;
- our future financial and operating performance;
- future dealership openings, acquisitions, and dispositions;
- future potential capital expenditures and securities repurchases;
- our ability to realize cost savings and synergies;
- our ability to respond to economic cycles;
- trends and sales levels in the automotive retail industry, commercial vehicles industries, and in the general economy in the various countries in which we operate;
- our expectations regarding any pandemic and the resolution of vehicle production and supply issues;
- the rate of adoption of electric vehicles and their effect on our business;
- our ability to access the remaining availability under our credit agreements;
- our liquidity;
- the performance of our joint ventures, including PTS;
- future foreign currency exchange rates;
- the outcome of various regulatory matters and legal proceedings;
- results of self-insurance plans or other insured matters;
- trends affecting the automotive or trucking industries generally, such as changes to an agency model of distribution in the U.K. and other European countries, and our future financial condition or results of operations; and
- our business strategy.

Forward-looking statements involve known and unknown risks and uncertainties and are not assurances of future

performance. Actual results may differ materially from anticipated results due to a variety of factors, including the factors identified in Part I, Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2023, Part II, Item 1A. *Risk Factors*"Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission. Important factors that could also cause actual results to differ materially from our expectations include the following:

- our business and the automotive retail and commercial vehicles industries in general are susceptible to adverse economic and geo-political conditions, including changes in interest rates, foreign currency exchange rates,

customer demand, customer confidence, the rate of inflation, including its impact on vehicle affordability, fuel and utility prices, unemployment rates and credit availability;

- we depend on the success, popularity and availability of the brands we sell, and adverse conditions affecting one or more of these vehicle manufacturers, including the adverse impact on the vehicle and parts supply chain due to natural disasters, the shortage of vehicle components, international conflicts, including the war in Ukraine, challenges in sourcing labor, labor strikes, or work stoppages, or other disruptions that interrupt the supply of vehicles and parts to us may negatively impact our revenues and profitability;
- the number of new and used vehicles sold in our markets, which impacts our ability to generate new and used vehicle gross profit and future service and parts operations;
- the effect on our businesses of the changing retail environment due to certain manufacturers selling direct to consumers outside the franchise system, changes to an agency model of distribution in the U.K. and other European countries, and the growing number of electric vehicles;
- the effect on our businesses of mobility technologies, such as Uber and Lyft, and the eventual availability of driverless vehicles;
- vehicle manufacturers exercise significant control over our operations, and we depend on them and the continuation of our franchise and distribution agreements in order to operate our business;

- we are subject to the risk that a substantial number of our new or used inventory may be unavailable due to inventory shortages, recalls, or other reasons;
- the success of our commercial vehicle distribution operations and engine and power systems distribution operations depends upon continued availability of the vehicles, engines, power systems, and other parts we distribute, demand for those vehicles, engines, power systems, and parts and general economic conditions in those markets;
- a restructuring of any significant vehicle manufacturer or supplier;
- our operations may be affected by severe weather or other periodic business interruptions;
- with respect to PTS, changes in the financial health of its customers, compliance costs, labor strikes or work stoppages with respect to its employees, a reduction in PTS' asset utilization rates, continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, potential decreases in the resale value of used vehicles which may affect PTS' ability to sell its used vehicles after the expiration of its customers' leases or at the end of its holding period for rental vehicles, which may affect PTS' profitability, compliance costs in regard to its trucking fleet and truck drivers, its ability to retain qualified drivers and technicians, risks associated with its participation in multi-employer pension plans, conditions in the capital markets to assure PTS' continued availability of capital to purchase trucks, the effect of changes in lease accounting rules on PTS customers' purchase/lease decisions, industry competition, new or enhanced regulatory requirements, emissions standards, vehicle mandates, changes in consumer sentiment regarding the transportation industry, and vulnerabilities with respect to its centralized information systems, each of which could impact equity earnings and distributions to us;
- we have substantial risk of loss not covered by insurance;
- we may not be able to satisfy our capital requirements for acquisitions, facility renovation projects, financing the purchase of our inventory, or refinancing of our debt when it becomes due;
- our level of indebtedness and cash required for lease obligations may limit our ability to obtain financing generally and may require that a significant portion of our cash flow be used for debt service;
- non-compliance with the financial ratios and other covenants under our credit agreements and operating leases;
- higher interest rates may significantly increase our variable rate interest costs and because many customers finance their vehicle purchases, adversely impact vehicle affordability, and decrease vehicle sales;
- our operations outside of the U.S. subject our profitability to fluctuations relating to changes in foreign currency values;
- we are dependent on continued security and availability of our information technology systems and those of certain third-party providers to avoid significant business interruptions, which systems are increasingly threatened by ransomware and other cyber-attacks, and including the CDK Cybersecurity Incident discussed above under "Overview-Retail Commercial Truck Dealership";
- we may be subject to significant litigation, fines, penalties, and other costs under applicable privacy laws and regulations if we do not maintain our confidential customer and employee information properly;
- if we lose key personnel, especially our Chief Executive Officer, or are unable to attract additional qualified personnel;
- new or enhanced regulations in both our domestic and international markets relating to automobile dealerships and vehicle sales, including those enacted in certain European countries and various U.S. states banning or taking actions to ban the sale of new vehicles with gasoline engines (with regulations in Europe proposed to start as early as 2025, and California requiring 35% of all new consumer vehicles to be emission free in 2026, 68% to be emission free by 2030, and 100% to be emission free by 2035, with some allowances for plug-in hybrid vehicles);
- new or enhanced regulations, including those related to emissions standards, or changes in consumer sentiment relating to commercial truck sales that may hinder our or PTS' ability to maintain, acquire, sell, or operate trucks;
- increased tariffs, import product restrictions, and foreign trade risks that may impair our ability to sell foreign vehicles profitably;
- changes in tax, financial or regulatory rules, or requirements, including new regulations proposed by the Federal Trade Commission for automotive dealers that would change industry-accepted practices with regard to sales and advertising, require an extensive series of oral and written disclosures to consumers in regard to the sale price of vehicles, credit terms, and voluntary protection products, and impose burdensome recordkeeping requirements that may lead to additional transaction times for the sale of vehicles, complicate the transaction process, decrease customer satisfaction, and increase compliance costs and risk, among other effects;
- we could be subject to legal and administrative proceedings which, if the outcomes are adverse to us, could have a material adverse effect on our business, including the result of the U.K. Financial Conduct Authority's investigation of discretionary commission arrangements and potential remediation measures amid concerns these

arrangements were unfair to customers;

- if state dealer laws in the U.S. are repealed or weakened or new manufacturers such as those selling electric vehicles are able to conduct significant vehicle sales outside of the franchised automotive system, our automotive dealerships may be subject to increased competition and may be more susceptible to termination, non-renewal, or renegotiation of their franchise agreements;
- we are subject to a wide range of environmental laws and regulations governing the use, generation, and disposal of materials used in our ordinary course of operations, and we face potentially significant costs relating to claims, penalties, and remediation efforts in the event of non-compliance with existing and future laws and regulations which may become more stringent in the face of climate change;
- some of our directors and officers may have conflicts of interest with respect to certain related party transactions and other business interests; and
- shares of our common stock eligible for future sale may cause the market price of our common stock to drop significantly, even if our business is doing well.

We urge you to carefully consider these risk factors and further information identified in our Annual Report on Form 10-K for the year ended December 31, 2023, Part II, Item 1A. *Risk Factors*"Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, and Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, and our other periodic reports filed with the Securities and Exchange Commission in evaluating all forward-looking statements regarding our business. Readers of this report are cautioned not to place undue reliance on the forward-looking statements contained in this report. All forward-looking statements attributable to us are qualified in their entirety by this cautionary statement. Except to the extent required by the federal securities laws and the Securities and Exchange Commission's rules and regulations, we have no intention or obligation to update publicly any forward-looking statements whether as a result of new information, future events, or otherwise.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rates. We are exposed to market risk from changes in the interest rates on a significant portion of our outstanding debt. Outstanding revolving balances under our credit agreements bear interest at variable rates based on a margin over the prime rate, SOFR, SONIA, the Bank of England Base Rate, the Canadian Prime Rate, the Tokyo Interbank Offered Rate, or the Australian Bank Bill Swap Rate. Based on an average of the aggregate amounts outstanding under these facilities during the three six months ended March 31, 2024 June 30, 2024, a 100-basis-point change in interest rates would result in an approximate $3.9 $3.6 million change to our annual other interest expense.

Similarly, amounts outstanding under floor plan financing arrangements bear interest at a variable rate based on a margin over the prime rate, SOFR, SONIA, the Bank of England Base Rate, the Finance House Base Rate, the Euro Interbank Offered Rate, the Canadian Prime Rate, the Australian Bank Bill Swap Rate, or the New Zealand Bank Bill Benchmark Rate. Based on an average of the aggregate amounts outstanding under our floor plan financing arrangements subject to variable interest payments during the three six months ended March 31, 2024 June 30, 2024, a 100-basis-point change in interest rates would result in an approximate $36.3 million $37.1 million change to our annual floor plan interest expense.

We evaluate our exposure to interest rate fluctuations and follow established policies and procedures to implement strategies designed to manage the amount of variable rate indebtedness outstanding at any point in time in an effort to mitigate the effect of interest rate fluctuations on our earnings and cash flows. These policies include:

- the maintenance of our overall debt portfolio with fixed and variable rate components;
- the use of authorized derivative instruments;
- the prohibition of using derivatives for trading or other speculative purposes; and
- the prohibition of highly leveraged derivatives, derivatives which we are unable to reliably value, or derivatives which we are unable to obtain a market quotation.

Interest rate fluctuations affect the fair market value of our fixed rate debt, including our swaps, mortgages, and certain seller financed promissory notes but with respect to such fixed rate debt instruments, do not impact our earnings or cash flows.

Foreign Currency Exchange Rates. As of March 31, 2024 June 30, 2024, we had consolidated operations in the U.K., Germany, Italy, Japan, Canada, Australia, and New Zealand. In each of these markets, the local currency is the functional currency. In the event we change our intent with respect to the investment in any of our international operations, we would expect to implement strategies designed to manage those risks in an effort to mitigate the effect of foreign currency fluctuations on our earnings and cash flows. A ten percent change in average exchange rates versus the U.S. Dollar would have resulted in an approximate $337.2 million $664.4 million change to our revenues for the three six months ended March 31, 2024 June 30, 2024.

We purchase certain of our new vehicles, parts, and other products from non-U.S. manufacturers. Although we purchase the majority of our inventories in the local functional currency, our business is subject to certain risks, including, but not limited to, differing economic conditions, changes in political climate, differing tax structures, changes in tax and tariff rates, other regulations and restrictions, and foreign currency exchange rate volatility, which may influence such manufacturers' ability to provide their products at competitive prices in the local jurisdictions. Our future results could be materially and adversely impacted by changes in these or other factors.

Item 4. *Controls and Procedures*

Under the supervision and with the participation of our management, including the principal executive and financial officers, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our principal executive and financial officers, to allow timely discussions regarding required disclosure.

Based upon this evaluation, our principal executive and financial officers concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, we maintain internal controls designed to provide us with the information required for accounting and financial reporting purposes. There were no changes in our internal control over financial reporting that occurred during the most recent quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time, we are a party to litigation and other legal proceedings, including class action claims and purported class action claims, in the ordinary course of business. Such claims may be brought by governmental authorities, customers, vendors, stockholders, or employees. We are not a party to any legal proceedings, including class action lawsuits, that individually or in the aggregate are reasonably expected to have a material effect on us. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect.

Item 1A. *Risk Factors*

In addition to the information set forth in this Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, and Part II, Item 1A. "*Risk Factors*" in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, along with our other periodic reports filed with the Securities and Exchange Commission, which could materially affect our business, financial condition, or future results. The following disclosure further updates the risk factors included in our 2023 Annual Report on Form 10-K and the risk factors included in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024:

Adverse conditions affecting one or more significant automotive manufacturers or suppliers will affect us. Our success depends General Risks

We rely on third parties for the overall success of the automotive industry generally and in particular, on the success of the brands of vehicles that each majority of our dealerships sell. In 2023, revenue generated at our BMW/MINI, Audi/Volkswagen/Porsche/Bentley, Toyota/Lexus, information systems and Mercedes-Benz/Sprinter/smart dealerships represented 26%, 22%, 13%, and 9%, respectively, or 70% in aggregate, of our total automotive dealership revenues. In addition, our retail commercial truck operations rely principally on Freightliner and Western Star trucks (both Daimler brands).

Significant adverse geo-political events, weather-related events, supply chain issues, or other events that interrupt vehicle or parts supply to our dealerships would likely have a significant and adverse impact on the industry as a whole, including us, particularly if the events impact any of the manufacturers whose franchises generate a significant percentage of our revenue. In the first quarter of 2024, vehicle shipments of certain brands were delayed as a sub-component was determined to be violative of certain legal requirements relating to its place of origin. In March 2024, a cargo ship crashed into the Francis Scott Key Bridge in the Port of Baltimore resulting in closure of that port, which was the largest U.S. port by volume for deliveries of automotive vehicles and components. In April 2024, a Freightliner truck supplier experienced a fire at its facility. These events affected the timing of new vehicles deliveries to our dealerships and similar events may materially and adversely affect us.

Other events such as a pandemic and the war in Ukraine may impact the supply of vehicles or parts to the markets in which we operate, and our business could be materially adversely affected. The supply chain required to manufacture and supply parts for the vehicles we sell is highly complex and integrated. Any failure of that supply chain could materially and adversely affect us. Our new vehicle days' supply is 40 as of March 31, 2024, compared to 39 as of December 31, 2023. While we expect to continue to have normal levels of used vehicles for sale (our used vehicle days' supply is 36 as of March 31, 2024, compared to 48 as of December 31, 2023), the lower supply of new vehicles has contributed to higher vehicle gross profit on new vehicles sold, which contributed to our higher overall profitability in recent years. While we expect increased new vehicle availability, continued production disruptions and supply shortages could result in suppressed new and used vehicle sales volumes which would impact the availability and affordability efficient operation of new such systems are critical to the operation of our business.

Our information systems are fully integrated into our operations, and we rely on them to operate effectively, including with respect to electronic interfaces with manufacturers and other vendors, customer relationship management, sales and service efforts, data storage, and financial and operational reporting. The majority of our systems are provided by or licensed from third-party vendors and suppliers; the most significant of which are the dealer management systems (“DMS”) used vehicles across our retail operations and which are provided by a limited number of suppliers. We also rely on third-party vendors to supply other key products and services to us and our customers. One or more of these third-party vendors or suppliers may adversely experience financial distress, technology challenges, cybersecurity incidents, ransomware demands, programming errors, staffing shortages or liquidity challenges, file for bankruptcy protection, go out of business, or suffer other disruptions in their business, each of which could affect us. As the supply vendors' ability to provide services to us and our customers. If any of new vehicles has improved, we have experienced, and may continue our vendors or suppliers fail to experience, reduced new and used vehicle gross profit together with higher sales volumes.

Additional risks relating to PTS. PTS' business has additional risks to those in the retail business, including:

Regulatory Requirements and Vehicle Mandates. Increasing efforts to control emissions of carbon dioxide and certain other gases, referred to as greenhouse gases (“GHGs”), are likely to have an effect on PTS' (and PTG's) deliver their products or services for any reason, our business and results of operations and financial condition could be adversely impacted, and such failures may lead to broader disruptions or failures across our information systems which may expose us to customer, employee, manufacturing partner or third-party claims or other legal liabilities.

The failure of our information systems, the failure to protect the integrity of these systems, or the interruption of these systems as discussed herein or otherwise due to natural disasters, power loss, unexpected termination of our agreements, cyber-attacks, ransomware encryptions, or other reasons such as those which resulted from the CDK Cybersecurity Incident (described below), could significantly and adversely disrupt our business operations, impact our sales, service, inventory, customer relationship management, and accounting functions and otherwise adversely affect our results of operations. For example, on June 19, 2024, we became aware that CDK Global, LLC ("CDK"), a third-party provider of information systems, including DMS software to support retail automotive and commercial truck dealership operations, was experiencing a cybersecurity incident and its systems were rendered inoperable (the "CDK Cybersecurity Incident"). Although we do not utilize CDK's DMS in our U.S. or international automotive dealership operations, our Premier Truck Group business does utilize CDK's dealer management system and was impacted by the CDK Cybersecurity Incident. In particular, President Biden response to the CDK Cybersecurity Incident, we immediately took precautionary containment steps to protect our systems and Congressional leaders, commenced an investigation of the incident. PTG implemented its business continuity response plans and continued to operate without the DMS at all locations through manual or alternate processes developed to respond to such incidents. On July 2, PTG was able to reconnect all of its locations to CDK's DMS servers and restore core functionality of the software platform.

Even where business continuity responses and contingency plans, such as those noted above, are implemented to minimize disruptions caused by information systems failures, such mitigation efforts may result in decreased operational efficiencies and limit dealership productivity. Further, despite our efforts to assess, identify, and manage material risks from cybersecurity threats to our business and operations, including through evaluating key partners and third parties with whom we share our information as well as California, New Jersey, certain customer and employee information, we may not be able to protect our various systems from disruptions.

Cybersecurity. In the ordinary course of our business, we receive confidential information about our customers, employees, associates, and vendors. We collect, process, retain, and in some cases share this information in the normal course of our business, and such information is collected and stored primarily in our core information systems, including our DMS platforms. Our internal and third-party systems, including our DMS and customer relationship management systems, are under a heightened level of risk from state actors, cyber criminals or other individuals with malicious intent to gain unauthorized access to our systems and exploit the information, including the confidential information of our customers and employees, that we gather. Cyber-attacks, such as the CDK Cybersecurity Incident described above, and threats to information systems and network and data security are becoming increasingly diverse and sophisticated, with attacks increasing in frequency, scope, and potential harm. In addition, some of our software applications are utilized by third parties who, in turn, subcontract or otherwise outsource various processes and administrative functions to additional third parties. Such third parties may have access to confidential information that is critical to our business operations and services. While our information security program includes enhanced controls to monitor third party providers' security programs, these third parties are subject to their own risks of data breaches, cyber-attacks, and other states, events or actions that could damage, disrupt, or close down their networks or systems, which in turn may adversely impact our business operations.

Despite the security measures we have expressed support for policies limiting GHG emissions from vehicles through new regulations that require moving to zero-emission formats and/ in place or may implement in the implementation of more stringent emissions controls. For example, original equipment manufacturers future, we may be required unable to install additional engine components, additional aerodynamic features, fully detect, mitigate, or low-rolling resistance tires to comply with fuel economy regulations, which protect against cyber-attacks, ransomware attacks, computer viruses, security breaches, social engineering, malicious software, lost or misplaced data, programming errors, human errors, burglary, acts of vandalism, misdirected wire transfers or other events impacting us or our third-party service providers. Any security breach or event, whether by us directly or our third-party service providers, may result in higher an authorized party obtaining trade secrets, personally identifiable information or confidential information and may result in loss of revenue, increase the costs associated with more complex components of doing business, harm our competitiveness, reputation or customer, vendor or manufacturer relationships, and a shorter useful tread life for tires, increasing operating costs for customers, suppliers, and PTS. Additionally, the Advanced Clean Trucks rule, as adopted by the California Air Resources Board ("CARB") and several have other states, will require that certain truck manufacturers sell zero-emission trucks as an increasing

percentage of their annual sales in these states from 2024 to 2035 (and likely beyond). Furthermore, the Advanced Clean Fleet rule, issued by CARB in April 2023, and which may be adopted in other jurisdictions, will require certain larger fleets, including PTS', to purchase zero-emission trucks to comprise an increasing percentage of their fleets from 2025 to 2042. On December 28, 2023, CARB announced that it would defer enforcement of the rule, which was scheduled to become effective on January 1, 2024, while its request for a waiver from the EPA to authorize the rule is pending.

On March 29, 2024, the U.S. Environmental Protection Agency ("EPA") announced its Phase 3 Rule regarding GHG emissions standards for heavy duty vehicles which, along with EPA's other rules, requires market shifts to zero-emission technologies in certain segments of the heavy-duty vehicle sector and new, more stringent GHG emissions standards for heavy-duty engines and vehicles beginning as soon as model year 2027. The EPA initiated the first phase of the Clean Trucks Plan by issuing a final rule on December 20, 2022, which focuses on reducing emissions that form smog and soot and will apply to heavy-duty engines and vehicles beginning in model year 2027 through 2032. The Phase 3 Rule requires significant reductions in truck emissions through 2032 which may require the development of a significant volume of zero emission vehicles ("ZEV"). The current level of ZEV commercial vehicle sales is below 1%. negative operational impacts. In addition, foreign, federal, state, provincial, and local lawmakers also are considering a variety such security breaches or events resulting in the loss or exposure of other climate change proposals, including prohibiting the use of certain substances with high "global warming potential." These and any other future requirements this information could result in higher prices liabilities and other significant financial exposures, including those derived from investigations, regulatory fines, penalties for vehicles, diesel engines, materials, violations of applicable laws and fuel, as well as higher maintenance regulations, costs related to the remediation of ransomware events, litigation including consumer class actions, the imposition of penalties, or other means, any of which could have a material adverse effect on our business, results of operations or financial condition. In addition, our failure to respond quickly and uncertainty as appropriately to reliability such a security breach, or our failure to adequately test and range verify the remediation of security incidents involving third parties prior to reintegration into our information systems, could exacerbate the consequences of the new engines. Any of these factors could increase operating costs in the transportation industry, which would directly affect PTS' and PTG's customers and could reduce demand for vehicles. The new technology and legal requirements may also affect the resale values of these vehicles when PTS or PTG attempts to sell them in the future.

Regulatory Issues. We are subject to a wide variety of regulatory activities and oversight, including:

Vehicle requirements. Federal and state governments and regulators in both our domestic and international markets have increasingly placed restrictions and limitations on the vehicles sold in the market in an effort to combat perceived negative environmental effects. For example, in the U.S., automotive manufacturers are subject to federally mandated corporate average fuel economy standards, which will increase substantially through 2026. Moreover, on March 20, 2024, the EPA issued new emissions limits for light-duty and medium-duty model year 2027 through 2023 vehicles which are significantly more restrictive than existing requirements which are designed to incent an increased adoption of electric vehicles. For example, GHG emission in light-duty vehicles are required to decrease 49% for model year 2032 as compared to model year 2026. Moreover, the EPA is requiring electric batteries and related components to have at least an 8-year, 80,000-mile warranty.

Representatives of the U.K. government have proposed a ban on the sale of gasoline engines and gasoline hybrid engines in new cars and new vans that would take effect in 2035 while also providing government incentives on certain electric vehicles to entice consumers to transition from internal combustion vehicles to electric vehicles. The European Parliament recently approved a law requiring most automakers to reduce the emissions of new cars sold by 55% in 2030 and achieve a zero carbon-emission standard by 2035, effectively banning the sale of new gasoline and diesel cars and vans by 2035. Similar legislation in various states across the United States would ban the sale of new vehicles with gasoline-only engines in cars as early as 2035. The California legislation requires 35% of all new vehicles sold to meet a zero emissions standard by 2026 (with certain allowances for hybrid gas/electric vehicles), which percentage requirement increases until 2035, after which 100% of new vehicles sold must comply. Significant increases in fuel economy requirements, the new battery warranty standards, and new restrictions on emissions on vehicles and fuels could adversely affect prices, availability, and demand for the vehicles that we sell, which could materially adversely affect us.

Commercial trucks are subject to similar regulatory risks related to emissions standards and other regulatory requirements discussed above. The EPA has also recently issued revised standards to reduce GHG emissions from heavy-duty vehicles beginning in model year 2027 which is also discussed above. PTG sells new and used heavy- and medium-duty commercial trucks, parts and service, and offers collision repair services. PTS, with its broad product offering including full-service truck leasing, contract maintenance, and truck rental, along with logistics services, is one of the largest purchasers of commercial trucks in North America. Should future regulations or consumer sentiment hinder our or PTS' ability to maintain, acquire, sell, or operate trucks, we may be adversely affected.

breach.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

During the three months ended March 31, 2024 June 30, 2024, we repurchased 221,329 169,206 shares of our common stock for $32.9 million, $25.2 million, or an average of $148.72 $149.07 per share, under our securities repurchase program approved by our Board of Directors, Directors. As of which $182.6 million June 30, 2024, $157.4 million remained outstanding as and available for repurchases under this program. During the three months ended June 30, 2024, we also acquired 120,062 shares of March 31, 2024.our common stock for $18.3 million, or an average of $152.10 per share, from employees in connection with a net share settlement feature of employee equity awards.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Program (in millions)
January 1 to January 31, 2024	72,638	$ 149.36	72,638	$204.7
February 1 to February 29, 2024	148,691	$ 148.41	148,691	$182.6
March 1 to March 31, 2024	—	$ —	—	$182.6
	221,329		221,329	

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Program (in millions)
April 1 to April 30, 2024	170,702	$ 149.10	169,206	$157.4
May 1 to May 31, 2024	247	$ 156.25	—	$157.4
June 1 to June 30, 2024	118,319	$ 152.10	—	$157.4
	289,268		169,206	

(1) During April, May, and June, this includes 1,496, 247, and 118,319, respectively, of shares acquired from employees in connection with a net share settlement feature of employee equity awards

Item 5. ***Other Information***

During the three months ended March 31, 2024 June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. ***Exhibits***

EXHIBIT INDEX

Exhibit No.	Description
*10.1	Form of Restricted Stock Unit Agreement (incorporated by reference to exhibit 10.3 to our Form 10-K filed February 16, 2024).
10.2	Voting Agreement by and between us and Penske Corporation dated January 23, 2024 (incorporated by reference to exhibit 10.1 to our Form 8-K filed January 24, 2024).
22.1	List of Guarantor Subsidiaries under the Company's Senior Subordinated Notes
31.1	Rule 13(a)-14(a)/15(d)-14(a) Certification
31.2	Rule 13(a)-14(a)/15(d)-14(a) Certification
32	Section 1350 Certification
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Compensatory plans or contracts

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PENSKE AUTOMOTIVE GROUP, INC.

Date: April 30, 2024 July 31, 2024

By: /s/ Roger Penske
Roger Penske
Chief Executive Officer

Date: April 30, 2024 July 31, 2024

By: /s/ Michelle Hulgrave
Michelle Hulgrave
Chief Financial Officer

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Exhibit 22.1

List of Guarantor Subsidiaries of Penske Automotive Group, Inc.

Penske Automotive Group, Inc. is the issuer of (i) 3.50% senior subordinated notes due 2025 and (ii) 3.75% senior subordinated notes due 2029 (collectively, the "Notes"). The following subsidiaries are guarantors of these Notes as of March 31, 2024 June 30, 2024:

ATC CHATTANOOGA, LLC

ATC KNOXVILLE, LLC

ATC REALTY INVESTMENTS, LLC

ATC WEST TEXAS, LLC

AUTO MALL PAYROLL SERVICES, INC.

CARSHOP HOLDINGS, LLC

CARSHOP, LLC

CARSHOP SUPERCENTERS, LLC

CJNS, LLC

CLASSIC AUTO GROUP, INC.

CLASSIC ENTERPRISES, LLC

CLASSIC IMPORTS, INC.

CLASSIC MANAGEMENT COMPANY, INC.

CLASSIC MOTOR SALES, LLC

CLASSIC NISSAN OF TURNERSVILLE, LLC

CLASSIC OLDSMOBILE-PONTIAC-GMC TRUCK, LTD.

CLASSIC SPECIAL ADVERTISING, INC.

CLASSIC SPECIAL AUTOMOTIVE GP, LLC

CLASSIC SPECIAL AUTOMOTIVE, LTD.

CLASSIC SPECIAL HYUNDAI, LTD.

CLASSIC SPECIAL, LLC

CLASSIC TURNERSVILLE, INC.

D. YOUNG CHEVROLET, LLC

DAN YOUNG CHEVROLET, INC.

DAN YOUNG MOTORS, LLC

DANBURY AUTO PARTNERSHIP

DEALER ACCESSORIES, LLC

DIFEO NISSAN PARTNERSHIP

DIFEO PARTNERSHIP, LLC

DIFEO TENAFLY PARTNERSHIP

DON ALLEN AUTO SERVICE, INC.

ECARSHOP, LLC

EUROPA AUTO IMPORTS, INC.

FLORIDA CHRYSLER PLYMOUTH, INC.

FRN OF TULSA, LLC

GENE REED CHEVROLET, INC.

GMG MOTORS, INC.

GOODSON NORTH, LLC

GOODSON SPRING BRANCH, LLC

HBL, LLC

HILL COUNTRY IMPORTS, LTD.

HT AUTOMOTIVE, LLC

HUDSON MOTORS PARTNERSHIP

KMT/UAG, INC.

LANDERS AUTO SALES, LLC

LANDERS FORD NORTH, INC.

LATE ACQUISITION I, LLC

LATE ACQUISITION II, LLC

MOTORCARS ACQUISITION IV, LLC

MOTORCARS ACQUISITION V, LLC

MOTORCARS ACQUISITION VI, LLC

MOTORCARS ACQUISITION, LLC

OCT PARTNERSHIP

PAG ACQUISITION 27, LLC

PAG ACQUISITION 28, LLC

PAG ANNAPOLIS JL1, LLC

PAG ATLANTA MANAGEMENT, LLC

PAG AUSTIN L1, LLC

PAG AZ PROPERTIES, LLC

PAG BEDFORD A1, LLC

PAG BEDFORD P1, LLC

PAG BEDFORD PROPERTIES, LLC

PAG CENTRAL 262, LLC

PAG CENTRAL 266, LLC

PAG CHANDLER JLR, LLC

PAG CHANTILLY M1, LLC

PAG CHANTILLY P1, LLC

PAG CHARLOTTE M1, LLC

PAG CLOVIS T1, INC.

PAG CONNECTICUT LR1, LLC

PAG DAVIE P1, LLC

PAG DISTRIBUTOR S1, LLC

PAG EAST, LLC

PAG EAST 295, LLC

PAG EAST 296, LLC

PAG GOODYEAR F1, LLC

PAG GREENWICH B1, LLC

PAG GREENWICH HOLDINGS, LLC

PAG INDIANA G1, LLC

PAG INDIANA H1, LLC

PAG INTERNATIONAL SERVICES, LLC

PAG INVESTMENTS, LLC

PAG LEANDER H1, LLC

PAG LEANDER H2, LLC

PAG MADISON L1, LLC

PAG MADISON T1, LLC

PAG MARIN M1, INC.

PAG MCALLEN H1, LLC

PAG MCALLEN T1, LLC

PAG MENTOR A1, INC.

PAG NEW JERSEY A1, LLC

PAG NEW JERSEY CS, LLC

PAG NEW JERSEY JL1, LLC

PAG NEW JERSEY JL2, LLC

PAG NEW JERSEY JL3, LLC

PAG NEW JERSEY P1, LLC

PAG NORTH ORANGE A1, INC.

PAG NORTH SCOTTSDALE BE, LLC

PAG NORTH SCOTTSDALE M1, LLC

PAG NORTH SCOTTSDALE PP1, LLC

PAG NORTHERN CALIFORNIA MANAGEMENT, INC.

PAG ONTARIO B1, INC.

PAG ORANGE COUNTY L1, INC.

PAG ORANGE COUNTY MANAGEMENT COMPANY, INC.

PAG ORANGE COUNTY RR1, INC.

PAG ORANGE COUNTY S1, INC.

PAG ORLANDO GENERAL, LLC

PAG ORLANDO LIMITED, LLC

PAG ORLANDO PARTNERSHIP, LTD.

PAG PENNSYLVANIA CS, LLC

PAG ROSWELL B1, LLC

PAG SANTA ANA AVW, INC.

PAG SANTA ANA B1, INC.

PAG SURPRISE T1, LLC

PAG TEMPE M1, LLC

PAG TEXAS MANAGEMENT COMPANY, LLC

PAG TURNERSVILLE AU, LLC

PAG WEST 293, INC.

PAG WEST, LLC

PALM AUTO PLAZA, LLC

PEACHTREE NISSAN, INC.

PENSKE COMMERCIAL VEHICLES US, LLC

PETER PAN MOTORS, INC.

PMRC, LLC

PREMIER PROTECTION LICENSING, LLC

PREMIER PROTECTION PRODUCTS, LLC

PTG OF IDAHO, LLC

PTG OF UTAH, LLC

PTG MISSOURI, LLC

PTG OREGON, LLC

RELENTLESS PURSUIT ENTERPRISES, INC.

SA AUTOMOTIVE, LTD.

SAU AUTOMOTIVE, LTD.

SCOTTSDALE 101 MANAGEMENT, LLC

SCOTTSDALE FERRARI, LLC

SCOTTSDALE MANAGEMENT GROUP, LTD.

SCOTTSDALE PAINT & BODY, LLC

SDG AUTOMOTIVE INVESTMENTS, LLC

SIGMA MOTORS INC.

SINGLE SOURCE TRUCK PARTS, LLC

SK MOTORS, LLC

SL AUTOMOTIVE, LLC

SUN MOTORS, LLC

TAMBURRO ENTERPRISES, INC.

THE AROUND THE CLOCK FREIGHTLINER GROUP, LLC

UAG ATLANTA H1, LLC

UAG ATLANTA IV MOTORS, LLC

UAG CAPITOL, INC.

UAG CAROLINA, INC.

UAG CENTRAL REGION MANAGEMENT, LLC
UAG CHANTILLY AU, LLC
UAG CLASSIC, INC.
UAG CLOVIS, INC.
UAG CONNECTICUT, LLC
UAG DULUTH, INC.
UAG EAST, LLC
UAG ESCONDIDO A1, INC.
UAG ESCONDIDO H1, INC.
UAG ESCONDIDO M1, INC.
UAG FAYETTEVILLE I, LLC
UAG FAYETTEVILLE II, LLC
UAG FAYETTEVILLE III, LLC
UAG FINANCE COMPANY, INC.
UAG HOUSTON ACQUISITION, LTD.
UAG HUDSON CJD, LLC
UAG HUDSON, INC.
UAG INTERNATIONAL HOLDINGS, INC.
UAG KISSIMMEE MOTORS, LLC
UAG LANDERS SPRINGDALE, LLC
UAG LOS GATOS, INC.
UAG MARIN, INC.
UAG MEMPHIS II, INC.
UAG MEMPHIS MANAGEMENT, INC.
UAG MENTOR ACQUISITION, LLC
UAG MINNEAPOLIS B1, LLC
UAG NORTHEAST, LLC
UAG REALTY, LLC
UAG ROYAL PALM M1, LLC
UAG SAN DIEGO A1, INC.
UAG SAN DIEGO AU, INC.
UAG SAN DIEGO MANAGEMENT, INC.
UAG STEVENS CREEK II, INC.
UAG TEXAS II, INC.
UAG TEXAS, LLC
UAG TULSA HOLDINGS, LLC
UAG TURNERSVILLE REALTY, LLC
UAG VK, LLC
UAG WEST BAY AM, LLC
UAG WEST BAY IAU, LLC
UAG WEST BAY II, LLC
UAG WEST BAY IL, LLC
UAG WEST BAY IM, LLC
UAG WEST BAY IP, LLC
UAG WEST BAY IW, LLC
UAG YOUNG II, INC.
UAG-CARIBBEAN, INC.
UNITED AUTO SCOTTSDALE PROPERTY HOLDINGS, LLC
UNITED NISSAN, INC.
UNITED NISSAN, INC.
UNITED RANCH AUTOMOTIVE, LLC
UNITEDAUTO FINANCE, INC.
WEST PALM AUTO MALL, INC.
WTA MOTORS, LTD.

Exhibit 31.1

CERTIFICATION

I, Roger Penske, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Penske Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roger Penske

Roger Penske

Chief Executive Officer

April 30, July 31, 2024

Exhibit 31.2

CERTIFICATION

I, Michelle Hulgrave, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Penske Automotive Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michelle Hulgrave

Michelle Hulgrave

Chief Financial Officer

April 30, July 31, 2024

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Penske Automotive Group, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Roger Penske and Michelle Hulgrave, Principal Executive Officer and Principal Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Roger Penske

Roger Penske

Chief Executive Officer

April 30, July 31, 2024

/s/ Michelle Hulgrave

Michelle Hulgrave

Chief Financial Officer

April 30, July 31, 2024

A signed original of this written statement required by Section 906 has been provided to Penske Automotive Group, Inc. and will be retained by Penske Automotive Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

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