

Creating A Scalable Used Vehicle Platform

December 2016



Transaction Summary

- Acquire 100% of CarSense
- Stand-Alone used vehicle dealerships
- Estimated annualized revenue of \$350 million
- Estimated accretion of \$0.07-\$0.09 in earnings per share in 2017
- Closing expected in early first quarter of 2017

Customer Focus – Trust - Integrity

- Five locations within Philadelphia, Pittsburgh and South New Jersey market areas
- Business in operation since 1997
- Scalability opportunity across unlimited market areas
- Strong e-commerce presence through www.carsense.com

Locations

Chester Springs, PA



Hatfield, PA



Cranberry Twp., PA



Robinson Twp., PA



Mount Holly, NJ



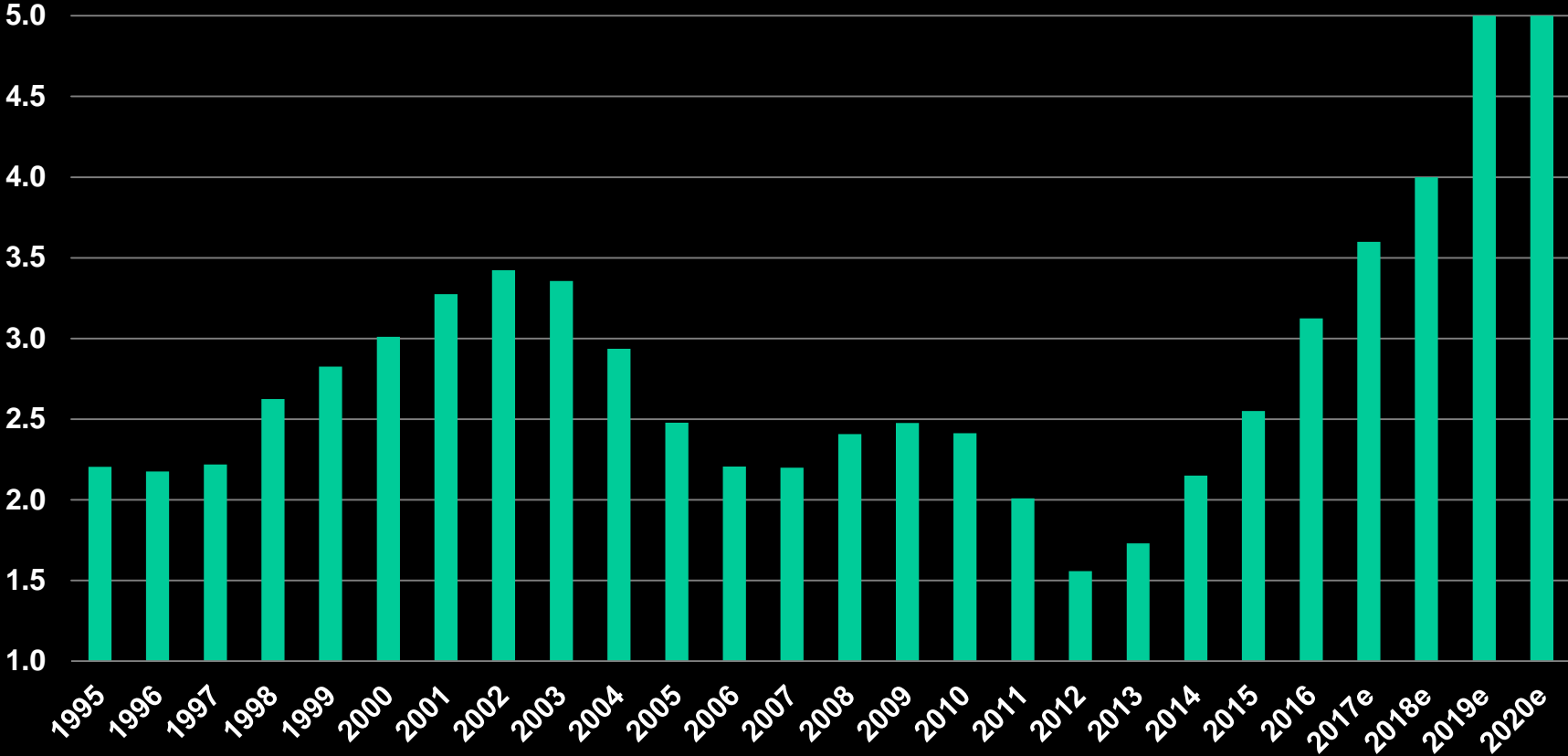
- Best-of-Breed Automotive Specialty Retailer
 - Trusted brand
 - No haggle buying experience
 - Offer like-new, low-mileage used vehicles – “no dings; no dents; no scratches”
 - Attractive customer dynamics; repeat customer base
 - Unlimited scalability across markets
 - Targets lower-middle to lower-upper class consumers
 - Friendly, comfortable, transparent and efficient buying experience

Market Opportunity

- Used vehicle sales are generally 2-3x more annually than the new vehicle sales → nearly 40 million annually
- Lease returns expected to grow from 3.1 million in 2016 to over 5 million in 2019
 - New car dealers have first access to off-lease vehicles
 - PAG scale secures strong pipeline of vehicles for CarSense model
- Used vehicle sales are usually less volatile than new vehicle sales
- Gross margin on used vehicle is typically higher than new vehicles

(Units Millions)

Off-Lease Vehicles Provide Opportunity For Growth



Source: BAML; Mannheim, JD Power/LML Automotive



- Expected to add \$350 million in estimated annualized revenue
- Estimated earnings per share accretion of \$0.07 to \$0.09 in 2017
- Expect to double the footprint of CarSense within 18 to 24 months
- Provides further diversification to PAG business model
- Capitalizes on expected growth in the used vehicle market over the next several years
- Scalable operations throughout United States