GROUP 1 AUTOMOTIVE®

2018 First Quarter Financial Results & Overview

April 26, 2018

GPI
LISTED
NYSE

Forward Looking Statement

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which are statements related to future, not past, events and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. In this context, the forward-looking statements often include statements regarding our goals, plans, projections and guidance regarding our financial position, results of operations, market position, pending and potential future acquisitions and business strategy, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should," "foresee," "may" or "will" and similar expressions. Any such forward-looking statements are not assurances of future performance and involve risks and uncertainties that may cause actual results to differ materially from those set forth in the statements. These risks and uncertainties include, among other things, (a) general economic and business conditions, (b) the level of manufacturer incentives, (c) the future regulatory environment, (d) our ability to obtain an inventory of desirable new and used vehicles, (e) our relationship with our automobile manufacturers and the willingness of manufacturers to approve future acquisitions, (f) our cost of financing and the availability of credit for consumers, (g) our ability to complete acquisitions and dispositions and the risks associated therewith, (h) foreign exchange controls and currency fluctuations, and (i) our ability to retain key personnel. For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see our filings with SEC, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to comparable GAAP measures can be found in the Appendix to this presentation. These non-GAAP measures should not be considered an alternative to GAAP financial measures. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

1Q18 Summary

1Q 2018 Summary

- The company announced strategic initiatives related to used vehicles and aftersales that began implementation in 1Q18 as follows:
  - Val-u-Line brand of used vehicles; and
  - Flexible work schedules and revised pay plans aimed at increasing service department employee retention.
- U.S. same-store increase of 7.7% in used retail units and 2.4% in new units.
- The strategic initiatives investment added ~$3 million of cost in the quarter.
- One-time $500 employee bonus paid to tenured, non-managerial U.S. dealership employees added $3 million of cost.
- Consolidated tax rate improved to 22.4%, largely as a result of the decrease in the U.S. corporate rate from 35% to 21%.
- Acquired 11 franchises that will generate approximately $360 million in annual revenues.

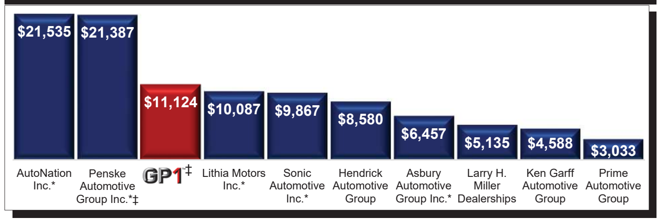
Company Overview

What Sets Group 1 Apart?

GP1

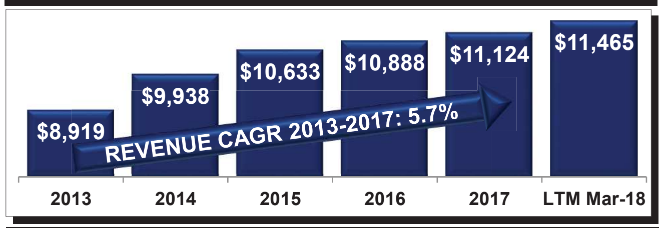
- International, Fortune 500 company with Market Cap of $1.3 Billion (period ended March 31, 2018)
- Third largest dealership group in the U.S. retailing over 300,000 new and used vehicles annually
- Committed senior management team with +230 years of automotive retailing and OEM experience
- Unlike most other automotive retailers, Group 1 has no major controlling shareholder or owner
- Well positioned for growth

Top 10 U.S. auto retailers by revenue ($mm, FY 2017)



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

Revenue ($mm)



Adj. EPS Growth ($)

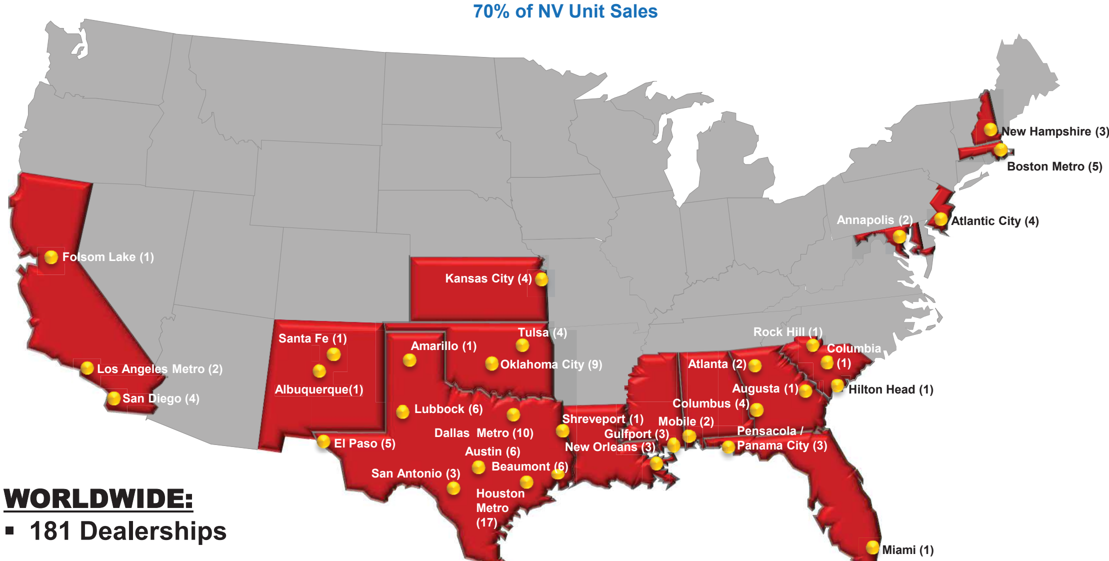
Geographic Footprint

GP1

UNITED STATES – 15 States

117 Dealerships

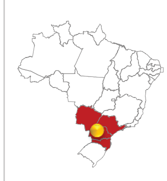
70% of NV Unit Sales



WORLDWIDE:
- **181 Dealerships**
- **239 Franchises**
- **48 Collision Centers**
- **32 Brands**

U.K.
England:
- 47 Dealerships
- 25% of NV Unit Sales

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

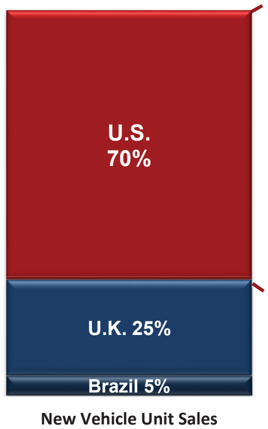


*As of April 26, 2018

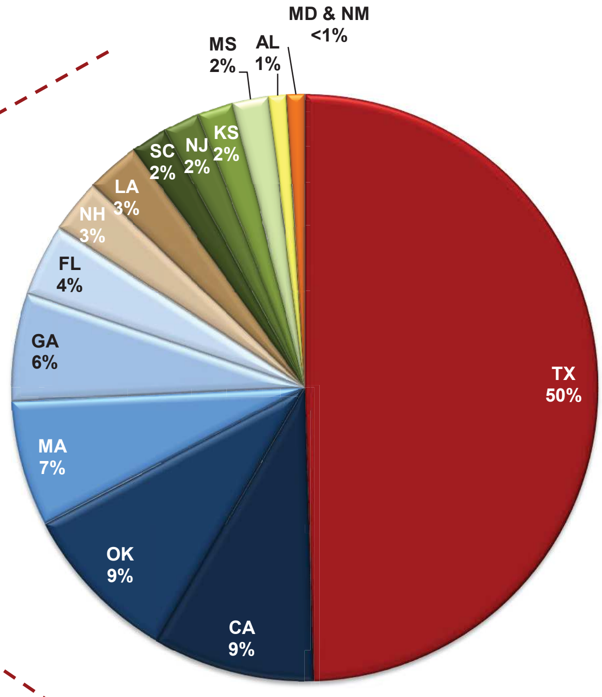
Geographic Diversity

GP1

Geographic Diversity - 1Q18
(New Vehicle Unit Sales)



New Vehicle Unit Sales



United States - 1Q18

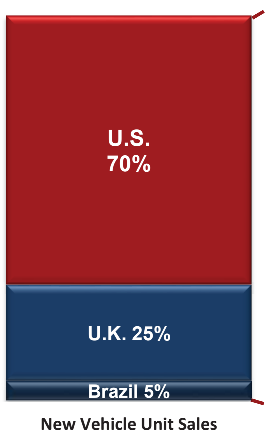
*May not add to 100% due to rounding.

Geographic Diversity – Texas

GP1

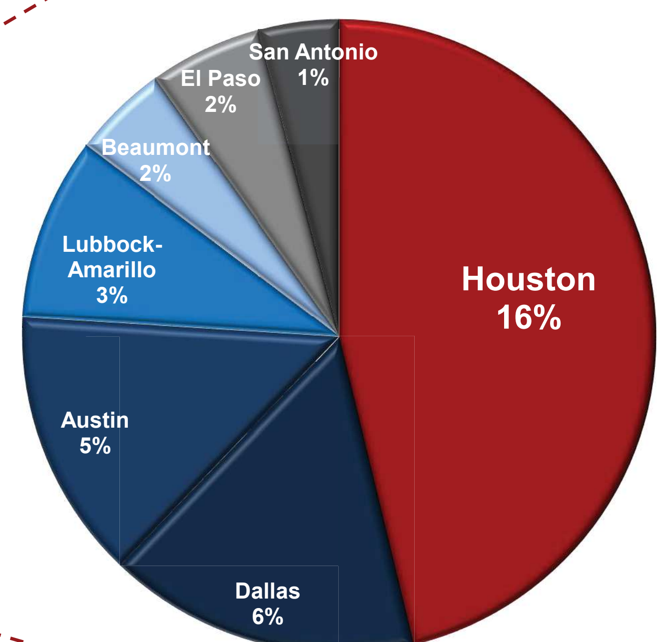
Geographic Diversity - 1Q18
(New Vehicle Unit Sales)

Texas – 1Q18



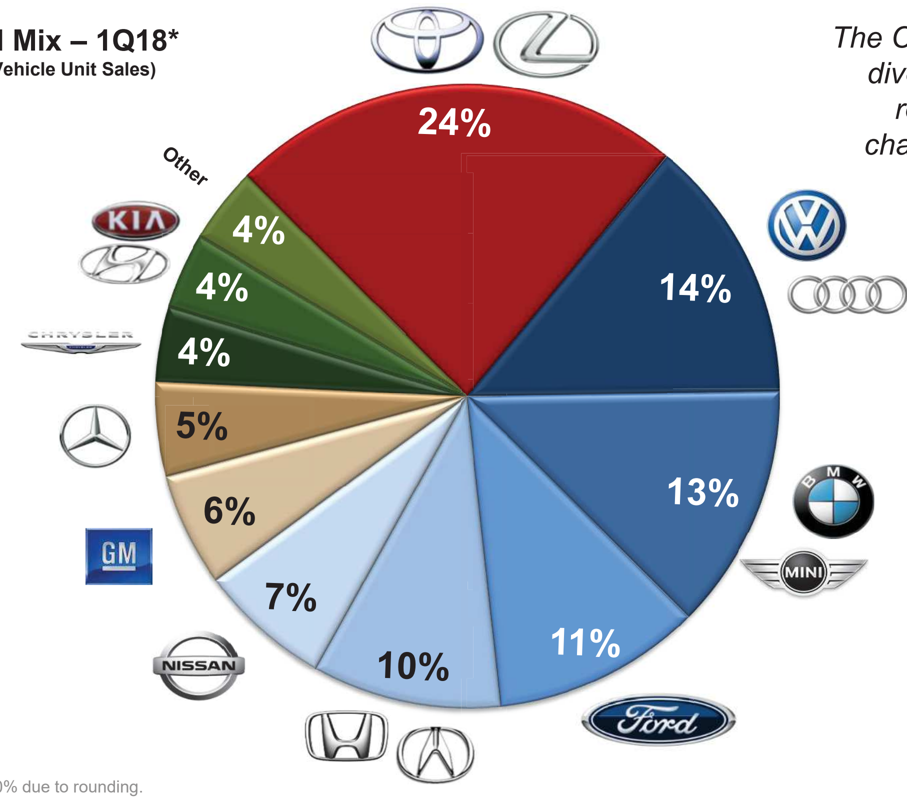
New Vehicle Unit Sales

Texas
35%



Well-Balanced Brand Portfolio

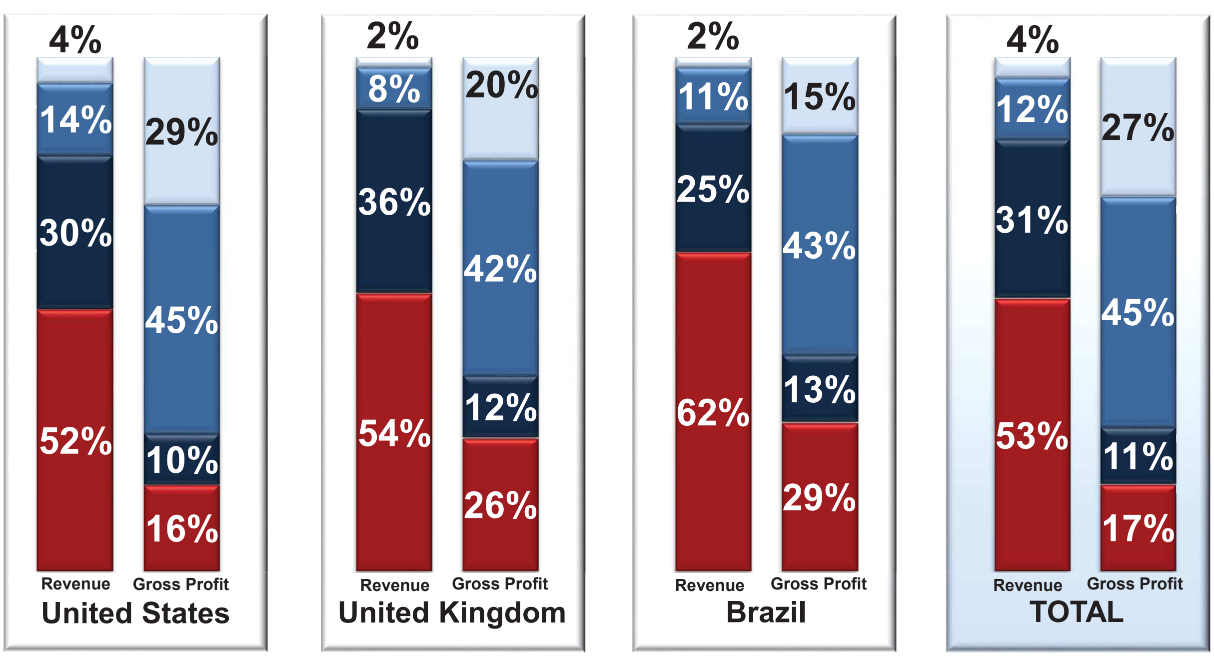
Brand Mix – 1Q18*
(New Vehicle Unit Sales)



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

*May not add to 100% due to rounding.

Business Mix Comp – 1Q18

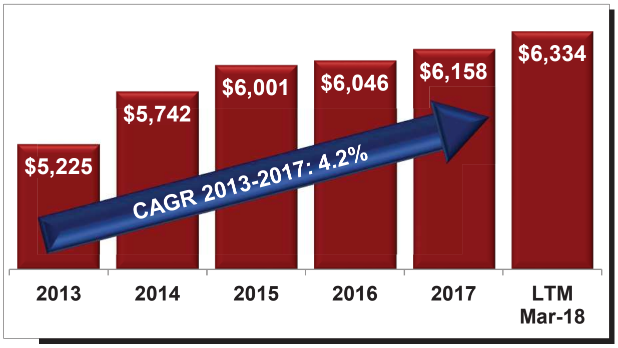


Total Company Parts & Service Gross Profit Covers ≈95% of Total Company Fixed Costs and Parts & Service Selling Expenses

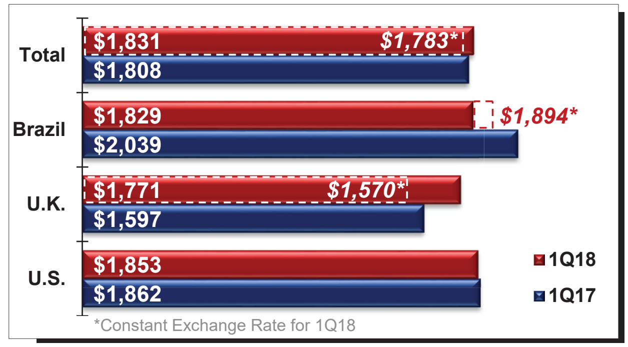
New Vehicles Overview

GP1

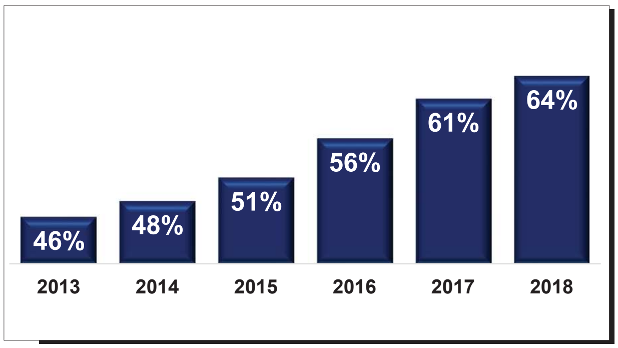
New vehicle revenue ($mm)



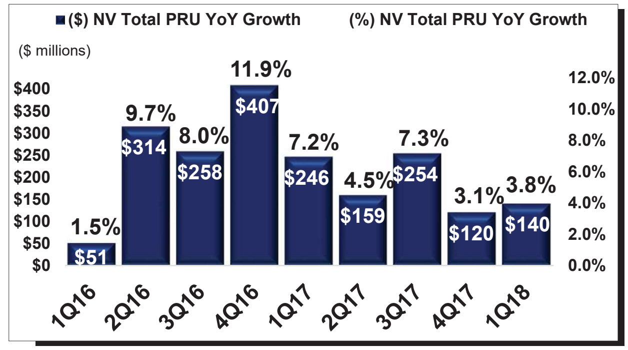
New vehicle gross profit per retail unit



U.S. new vehicle truck mix



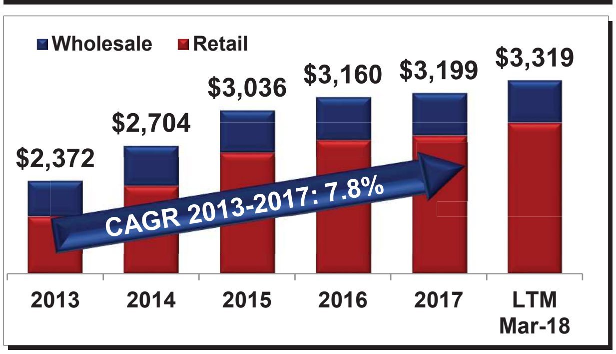
U.S. New Vehicle total profit per retail unit with F&I (YoY growth)



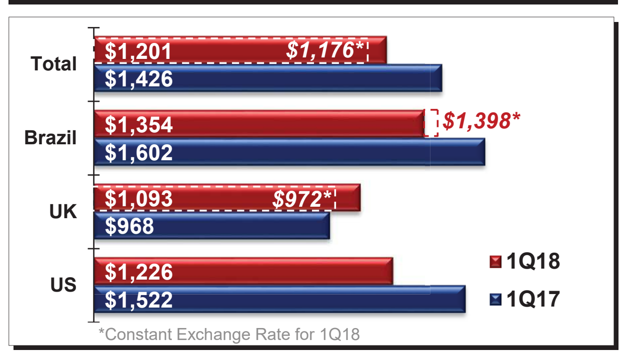
Used Vehicle Overview

GP1

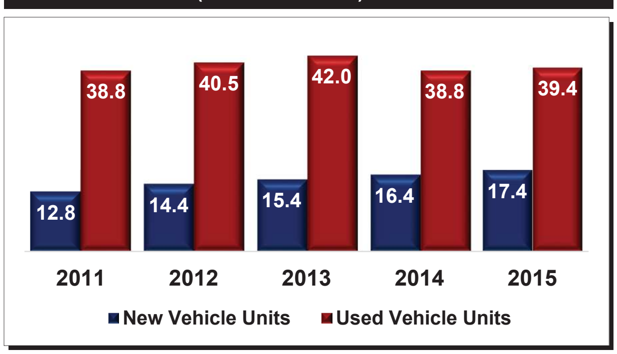
Used vehicle revenue ($mm)



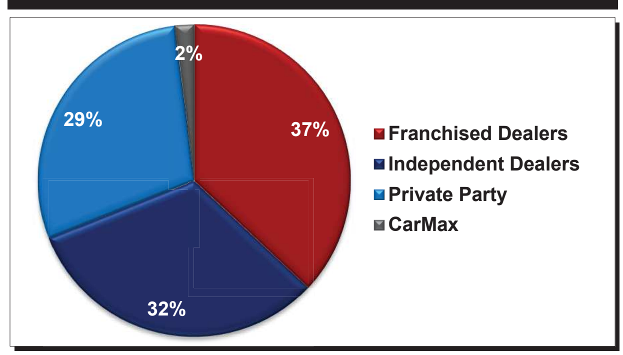
Retail used vehicle gross profit per retail unit



Used market size[1] (units in millions)



Used market share[1]



[1] Source: WardsAuto Group "U.S. Market Used Vehicle Sales" Report, 2015

Strategic Initiatives: Used Vehicles

- Introduction of Val-U-Line, a proprietary brand for older model, higher mileage pre-owned vehicles
- Expansion of used vehicle sales within existing facility footprints across U.S. non-luxury & some luxury locations
- Implementation of an all-new internal online buying center
- Upgrade of internal auction capability and a new transportation infrastructure

Group 1 expects the Val-U-Line brand to capitalize on the Company's scale, provide incremental retail volume and grow to represent at least 10 percent of the Company's used car business, which has historically been approximately 4 percent.

U.S. 1Q18 used vehicle results were as follows:

- 7.7% same store increase in retail units and 7.6% decrease in wholesale units
  - Significant shift from wholesale to retail sales in order to maximize front-end and F&I gross profit opportunities
- 9% of retail unit sales were Val-u-Line vehicles versus a 4% historical average

Trade-In Tax Impact

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

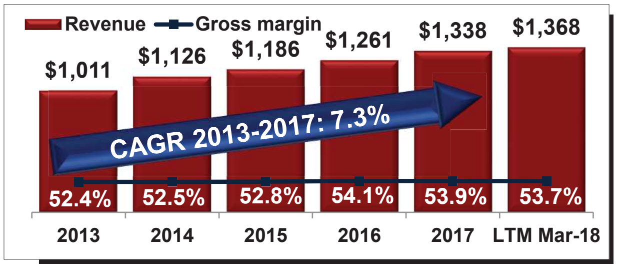
VEHICLE PURCHASE EXAMPLE:	WITH TRADE-IN	WITHOUT TRADE-IN
Sales Price	$40,000.00	$40,000.00
Trade-In Allowance	$25,000.00	n/a
Taxable Amount	$15,000.00	$40,000.00
Tax %	6.25%	6.25%
Tax Due	$937.50	$2,500.00
COST (Vehicle + Tax):	$40,937.50	$42,500.00
TAX IMPACT on NET DIFFERENCE of COST:	$1,562.50	

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

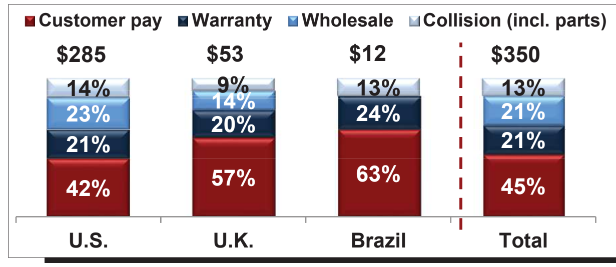
Parts & Service Overview

GP1

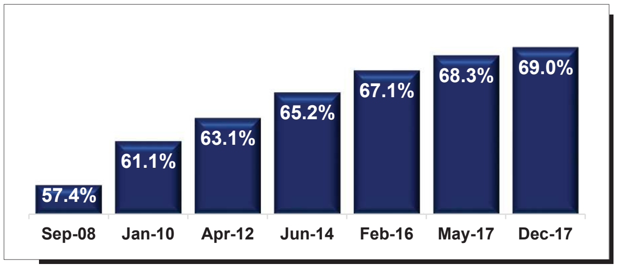
P&S revenue and gross margin ($mm)



1Q18 P&S revenue ($mm)



Service Retention Trend



Same store revenue growth*

	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Customer Pay	6.0%	4.8%	2.3%	3.6%	4.3%	3.5%
Warranty	6.9%	8.6%	15.9%	8.6%	8.4%	0.4%
Wholesale	0.7%	0.6%	1.9%	6.5%	9.9%	9.9%
Collision (incl. parts)	6.3%	4.2%	5.3%	1.9%	5.5%	-1.8%
% Growth	5.1%	4.6%	5.3%	5.0%	6.5%	3.3%

* In constant currency, as reported.

- Parts & service segment provides a stable base of free cash flow through economic cycles
- Using Customer Management Software (CMS) and technology to improve efficiencies and closing rates
- Enhancing customer touch points to improve retention / attacking points of defection
- Leveraging scale
- Improving collision business
- Strategic emphasis on customer service is driving growth above sector average in this important segment
- Focused on adding human capacity—since March 31, 2017, the Company's same store, net service advisor headcount has grown **+17%** in the U.S.

Strategic Initiatives: Aftersales

GP1

- Adjustment of service personnel compensation structure as follows to address employee turnover, customer satisfaction, and to add capacity via expanded hours:
  - Increase to fixed component of service advisor pay
  - Creation of well-defined career path for advancement
  - Launch of new, flexible work schedule featuring substantially more days off over the calendar year
  - Implementation of an in-house Service Advisor University dedicated to training the Company's approximately 900 U.S. customer service personnel
- The flexible work schedule has been implemented at 65 U.S. stores as of March 31, 2018
- Employee retention rates have improved considerably
  - Same store service advisor headcount has increased 10% from year-end

New Technology Business Impact

- **Powertrains are constantly changing to meet CAFÉ requirements and stricter emission requirements.**
- **Consumers have a wide variety of powertrains to choose from: Internal Combustion (ICE), Hybrid (ICE/EV), Plug-in Hybrid (PHEV), Electric (EV) and 48v Micro-Hybrids.**
- **What do those changes mean to our service departments?**
  - According to Edmunds.com, the 5-year maintenance cost of a 2017 Nissan Leaf is $2,865; and the 5-year maintenance cost of a 2017 Toyota Camry is $3,094, an immaterial difference.
  - While we do not expect repair costs to materially change, over the next three generations, we expect that the components of a repair will shift. Batteries, battery coolant, power units, electrically operated engine components and accessories will gradually replace the repairs currently made to ICE vehicles.
  - As vehicle complexity continues to increase, it becomes more difficult for do-it-yourself ("DIY") and independent service shops to compete against us.

2017 Nissan Leaf

5-year maintenance cost estimate: $2,865

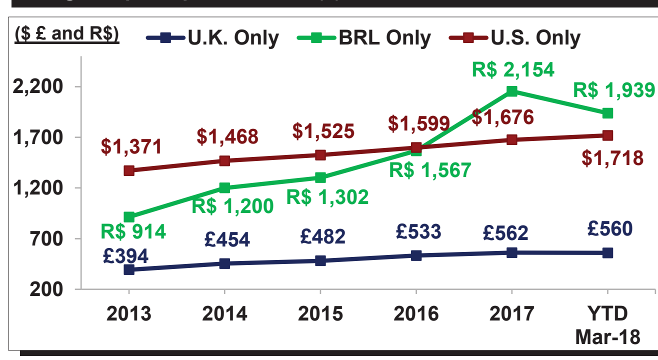
2017 Toyota Camry

5-year maintenance cost estimate: $3,094

Finance & Insurance Overview

F&I revenue ($mm)

F&I gross profit per retail unit ($)



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

- **Consolidation of lender base**
- **Consumer financing at pre-recession levels and full credit spectrum available**
- **Integration of compliance, training and benchmarking to offer a consistent and transparent experience for internal and external customers**

F&I gross penetration ($)

F&I Penetration Rates (Actual)

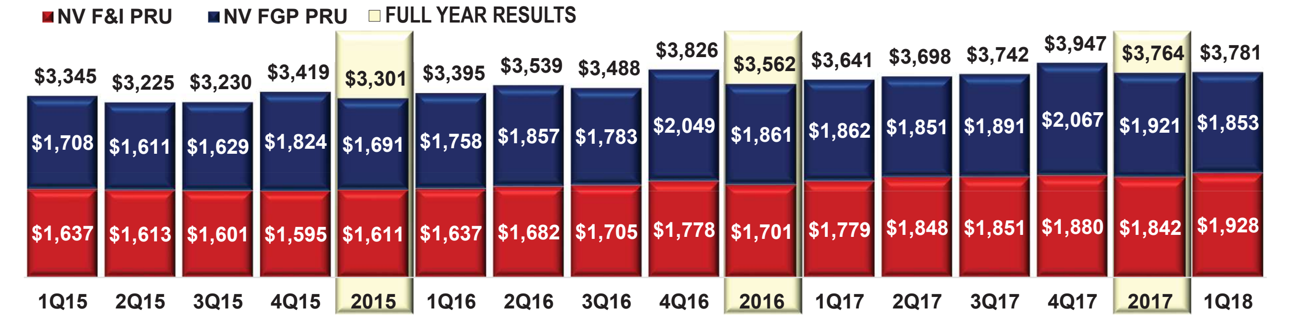
					2017			
	2014	2015	2016	2017	Consol.	US	UK	Brazil
Finance	67%	67%	67%	65%	65%	72%	46%	35%
VSC	34%	32%	32%	32%	32%	43%	3%	0%
Gap Ins.	24%	27%	28%	29%	29%	29%	34%	0%
Maintenance	9%	10%	11%	12%	11%	16%	0%	0%
Sealant	18%	21%	22%	24%	25%	25%	28%	0%
Gross Profit PRU	$1,324	$1,368	$1,397	$1,442	$1,451	$1,718	$780	$597

U.S. Total Vehicle Profitability

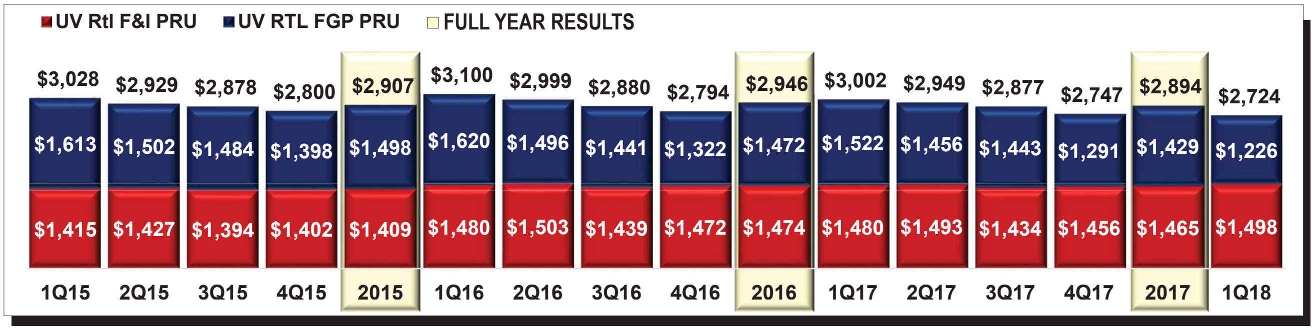
GP1

Consolidated U.S. New Vehicle Profitability ($)

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



Consolidated U.S. Used Vehicle Profitability ($)



*Adjusted, see appendix for GAAP reconciliation.

Tax Reform Impact

GP1

- **On December 22, 2017, the U.S. government enacted comprehensive tax legislation referred to as the Tax Cuts & Jobs Act (the "Tax Act").**
- **Based on components of this legislation that decreased the U.S. federal corporate tax rate from 35 percent to 21 percent, the Company estimates this change will:**
  - ***Reduce its effective tax rate from approximately 36 percent to a range of 23-24 percent;***
  - ***Improve annual cash flow by about $20 million; and***
  - ***Boost EPS by mid-to-high-teen percentage points.***
- **For 1Q18, the Company benefitted by $5.7 million of net income and $0.27 of earnings per share.**

Financial Overview

GROUP 1 AUTOMOTIVE®

Consolidated Financial Results

GP1

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

	1Q18	1Q17	Change	C.C. [2]
Revenues	**$2,860.0**	$ 2,518.8	**13.5%**	**10.8%**
Gross Profit	**$ 419.8**	$ 383.5	**9.4%**	**7.5%**
SG&A as a % of Gross Profit	**77.3%**	75.6%	**170**	
Adj. SG&A as a % of Gross Profit [(1)]	**77.3%**	76.0%	**130**	
Operating Margin	**2.8%**	3.2%	**-40**	
Adjusted Operating Margin [(1)]	**2.8%**	3.1%	**-30**	
EBITDA	**$ 81.3**	**$ 81.8**	**$ (0.5)**	
Adjusted EBITDA [(1)]	**$ 81.3**	**$ 80.0**	**$ 1.3**	
Total Interest Expense	**$ 32.9**	$ 28.9	**$ 4.0**	
Net Income	**$ 35.8**	$ 33.9	**5.5%**	
Adjusted Net Income [(1)]	**$ 35.8**	$ 32.8	**9.2%**	
Diluted EPCS	**$ 1.70**	$ 1.58	**7.6%**	
Adjusted Diluted EPCS [(1)]	**$ 1.70**	$ 1.53	**11.1%**	

(1) See appendix for GAAP reconciliation
(2) Constant currency basis

Financial Results by Segment

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

	1Q18	1Q17	Change
Revenues	**$2,088.5**	$ 1,967.7	**6.1%**
Gross Profit	**$ 335.7**	$ 320.6	**4.7%**
SG&A as a % of Gross Profit	**75.4%**	73.7%	**170**
Adj. SG&A as a % of Gross Profit (1)	**75.4%**	74.3%	**110**
Operating Margin	**3.3%**	3.7%	**-40**
Adusted Operating Margin (1)	**3.3%**	3.6%	**-30**
Total Interest Expense	**$ 29.4**	$ 27.2	**$ 2.2**
Pretax Margin	**1.9%**	2.3%	**-40**
Adjusted Pretax Margin (1)	**1.9%**	2.2%	**-30**

(1) See appendix for GAAP reconciliation

Financial Results by Segment

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

	1Q18	1Q17	Change	C.C. 2
Revenues	**$ 660.5**	$ 450.3	**46.7%**	**30.3%**
Gross Profit	**$ 71.5**	$ 50.3	**42.1%**	**26.2%**
SG&A as a % of Gross Profit	**83.4%**	82.8%	**60**	
Operating Margin	**1.3%**	1.6%	**-30**	
Total Interest Expense	**$ 3.0**	$ 1.6	**$ 1.4**	
Pretax Margin	**0.9%**	1.2%	**-30**	

Financial Results - Brazil
($ in millions)

	1Q18	1Q17	Change	C.C. 2
Revenues	**$ 111.0**	$ 100.8	**10.1%**	**13.9%**
Gross Profit	**$ 12.6**	$ 12.6	**0.0%**	**3.4%**
SG&A as a % of Gross Profit	**93.5%**	94.1%	**-60**	
Operating Margin	**0.4%**	0.4%	**0**	
Total Interest Expense	**$ 0.5**	$ 0.2	**$ 0.3**	
Pretax Margin	**-0.1%**	0.2%	**-30**	

(2) Constant currency basis

Same Store Financial Results

Same Store Financial Results - Consolidated
$ in thousands

	Three Months Ended			
	3/31/2018	**3/31/2017**	**Change**	**C.C. [1]**
Revenues:				
New vehicle retail	$ 1,407,514	$ 1,333,038	**5.6%**	**3.5%**
Used vehicle retail	724,164	658,552	**10.0%**	**7.7%**
Used vehicle wholesale	92,694	104,046	**-10.9%**	**-14.6%**
Total used	$ 816,858	$ 762,598	**7.1%**	**4.6%**
Parts and service	333,488	318,703	**4.6%**	**3.3%**
Finance and insurance	106,658	96,154	**10.9%**	**9.8%**
Total	$ 2,664,518	$ 2,510,493	**6.1%**	**4.1%**
Gross Profit	$ 397,559	$ 382,314	**4.0%**	**2.5%**

[1] Constant currency basis

Balance Sheet

Summary Balance Sheet

GP1

Summary Balance Sheet
$ in thousands

	As of 3/31/2018	As of 12/31/2017
Cash and cash equivalents (1)	$33,090	$28,787
Contracts In Transit and vehicle receivables, net	$297,885	$306,433
Inventories, net	$1,804,177	$1,763,292
Total current assets	$2,413,198	$2,329,186
Total assets	$5,058,478	$4,871,065
Floorplan notes payable	$1,620,056	$1,637,878
Offset account related to credit facility (1)	($98,359)	($109,047)
Other current liabilities	$745,461	$669,656
Total current liabilities	$2,267,158	$2,198,487
Long-Term Debt, net of current maturities	$1,376,770	$1,318,184
Total stockholder's equity	$1,178,079	$1,124,282

(1) Available cash of $131.4 million is total of cash and cash equivalents plus the U.S. offset accounts. The U.S. offset accounts are amount of excess cash that are used to paydow n floorplan but can be immediately redraw n against inventory.

Debt Maturity

GP1

Debt Maturity Slide

(in millions)	Maturity Date	As of March 31, 2018 Actual	As of March 31, 2018 Available Liquidity	Funding Capacity
Cash and cash equivalents		$ 33.1	$ 33.1	
Short-Term Debt				
Inventory Financing - Credit Facility (1)	2021	$ 1,087.0	$ 74.4	$ 1,440.0
Inventory Financing - Other (2)		434.7	24.0	
Current Maturities - Long-Term Debt		58.2		
		$ 1,579.9	$ 98.4	$ 1,440.0
Available Cash			**$ 131.4** (4)	
Long-Term Debt				
Acquisition Line of Credit (1,3)	2021	28.0	307.5	360.0
5.00% Senior Unsecured Notes (Face: $550.0 Million)	2022	542.5		
5.25% Senior Unsecured Notes (Face: $300.0 Million)	2023	296.3		
Real Estate	2018 - 2034	482.6		
Other	2018 - 2034	27.4		
Total Long-Term Debt		$ 1,376.8		
Total Debt		$ 2,956.7		
			$ 438.9	$ 1,800.0

1) The capacity under the floorplan and acquisition tranches of our credit facility can be redesignated w ithin the overall $1.8 billion commitment. Further, the borrow ings under the acquisition tranche may be limited from time to time based upon certain debt covenants.
2) Borrow ings for new , used, and rental vehicle financing not associated w ith the Company's domestic syndicated credit facility.
3) The available liquidity balance at March 31, 2018 considers the $25.0 million of letters of credit outstanding.
4) Available cash of $131.4 million is total of cash and cash equivalents plus the U.S. offset accounts. The U.S. offset accounts are amount of excess cash that are used to paydow n floorplan but can be immediately redraw n against inventory.

Interest Rate Variability

	Actual	Variable %
Vehicle Financing	$1,521.7	92.4%
Real Estate & Other Debt[3]	$596.2	48.4%
Senior Notes [1]	$850.0	0.00%
SWAPS [2][3]	$750.0	100%

[1] Face Value
[2] SWAPS range from $100-$850 million through 2030, see following slide for more details.
[3] Percentage adjusted for $75M of real estate interest rate SWAPS. SWAPS exclude real estate interest rate SWAPS.

- **Primary exposure is short-term interest rate changes; key exposure is one-month LIBOR**
- **Group 1 has mitigated the majority of its risk exposure for rising interest rates through a combination of the swaps, fixed rate debt, and manufacturer floorplan assistance**
- **Manufacturer floorplan assistance offsets a portion of interest rate impact:**
  - As interest rates go up, typically manufactures offer additional interest assistance to offset the variance
  - 83.5% of variable inventory financing is eligible for floorplan assistance as used vehicle; rental and some foreign financing are not eligible for floorplan assistance
  - Interest assistance is recognized in new vehicle gross profit, not in interest expense

SWAPS: Interest Expense Impact

INTEREST RATE SWAP LAYERS
$'s in millions

	2015	2016	2017	2018	2019	2020	2021	2022-2025	2026-2030
Average Swap Balance	**$550**	**$550**	**$750**	**$750**	**$850**	**$500**	**$375**	**$125**	**$100**
Interest Expense	$13.2	$12.7	$11.8	$6.5*	-	-	-	-	-
Average Interest Rate	**2.57%**	**2.76%**	**2.62%**	**2.68%**	**2.33%**	**2.26%**	**1.78%**	**1.81%**	**1.85%**

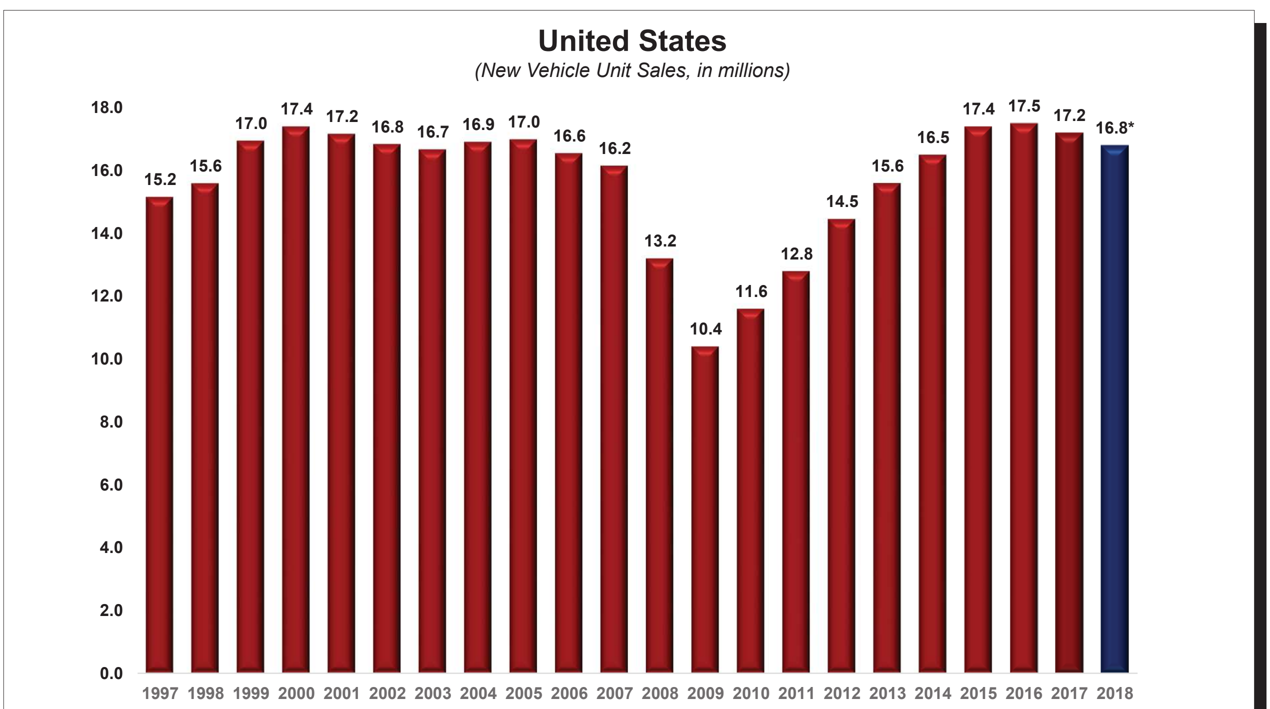
*2018 interest expense projection reflects three 25-basis-point increases to the LIBOR rate (March, June, and December 2018).

Note: Amortizing SWAPS associated with specific mortgages are excluded.

Growth Outlook

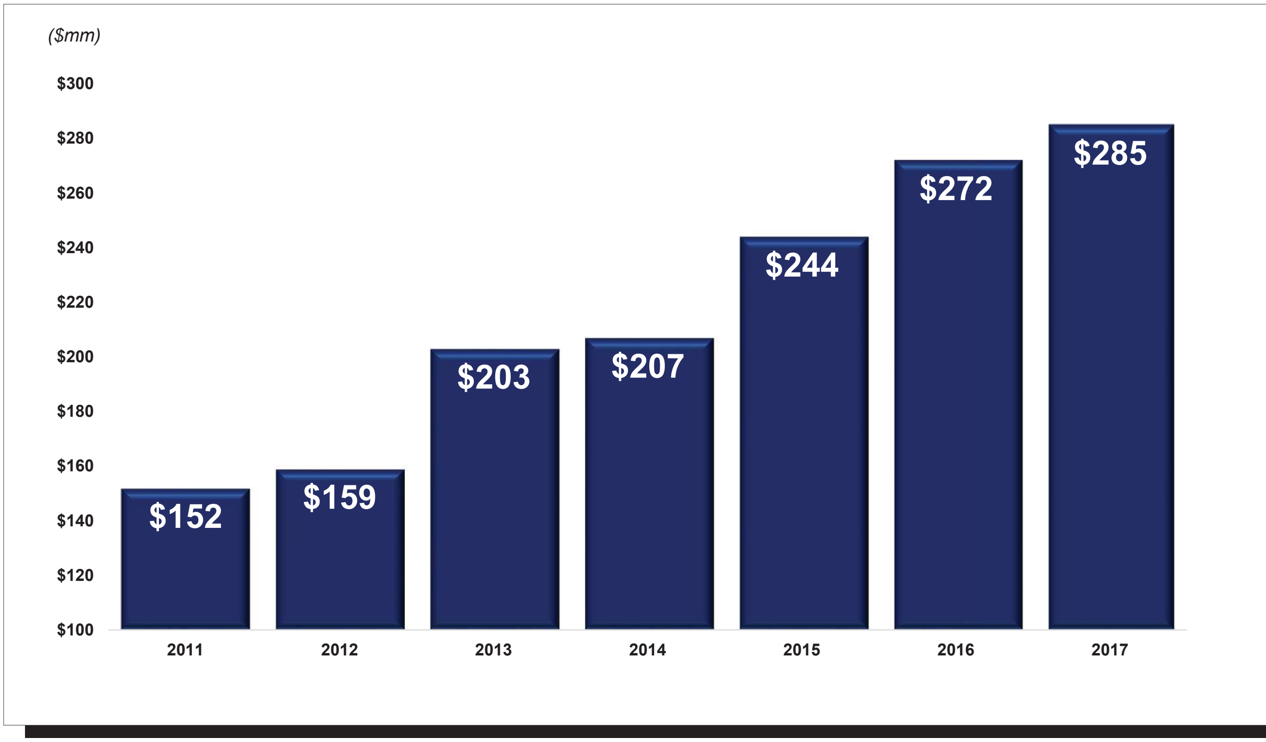
GROUP 1 AUTOMOTIVE®

U.S. SAAR



Source: LMC Automotive – U.S. New Vehicle Unit Sales Actuals
*Group 1 Estimate for 2018

Adjusted Operating Cash Flow(1)



(1) See appendix for GAAP reconciliation

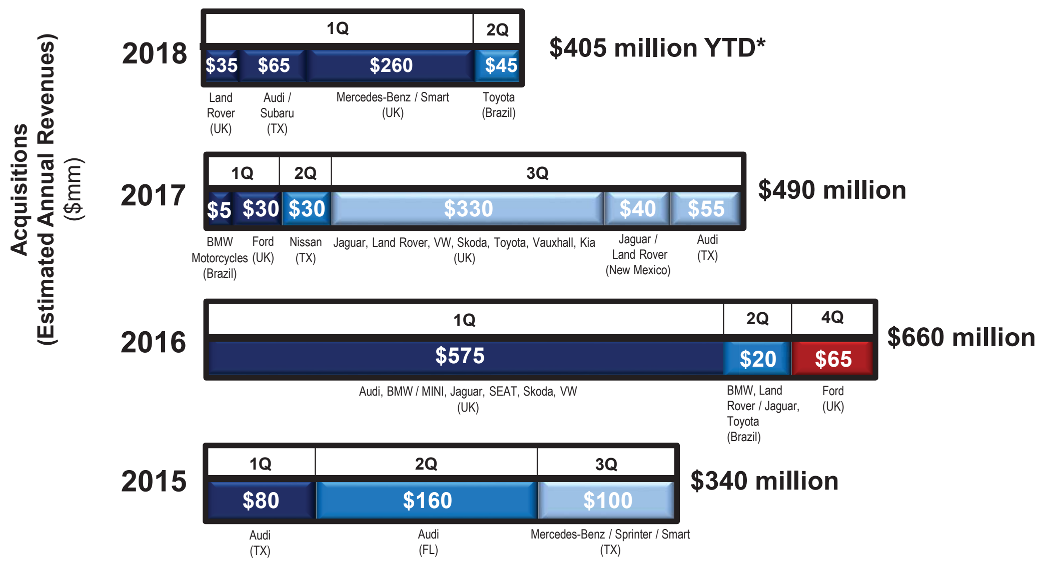
Cash Prioritization

- **Acquisitions that clear return hurdles**
  - **10-15% after-tax discounted cash flows**
- **Return cash to stockholders**
  - **Quarterly Cash Dividend**
    - $0.26 per share
  - **2018 Share Repurchases:**
    - 135,605 shares at average price of $67.83
  - **Repurchase Authorization:**
    - $40.4 million remains under Board authorization of $75 million
  - **Tax Reform:**
    - Estimated to provide over $20 million of additional annual cash flow

Acquisition Strategy

GP1

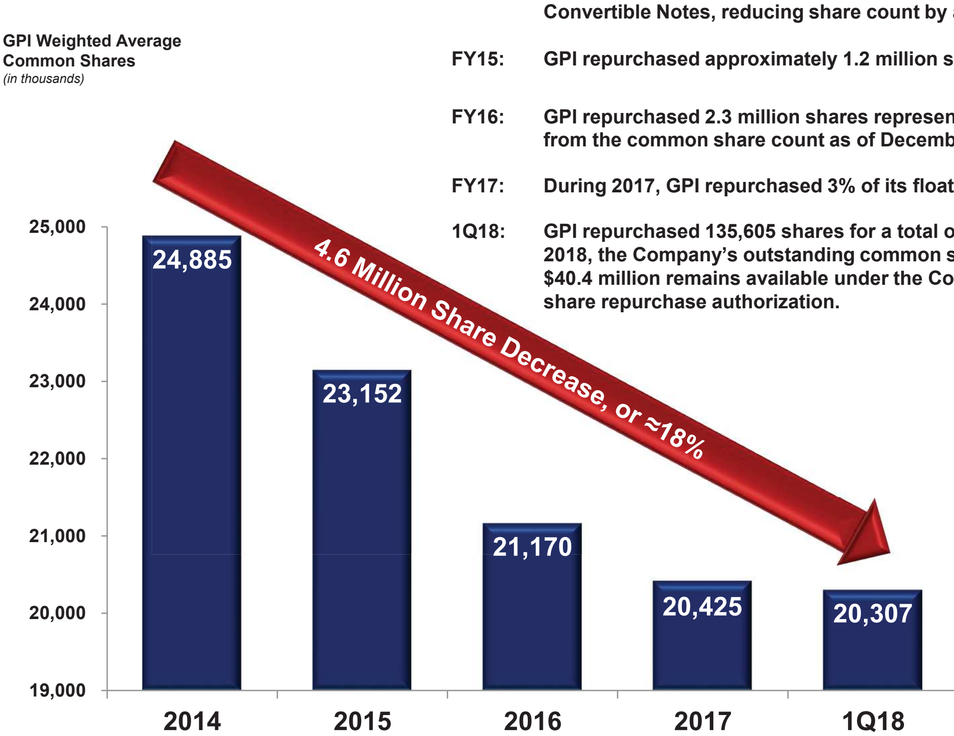
- Group 1 is well positioned to take advantage of acquisition opportunities and grow scale in existing markets (U.S., U.K., and Brazil)
- The Company targets acquisitions that clear return hurdles (10-15% after-tax discounted cash flow)



*As of April 26, 2018

Diluted Common Share Count

GP1



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

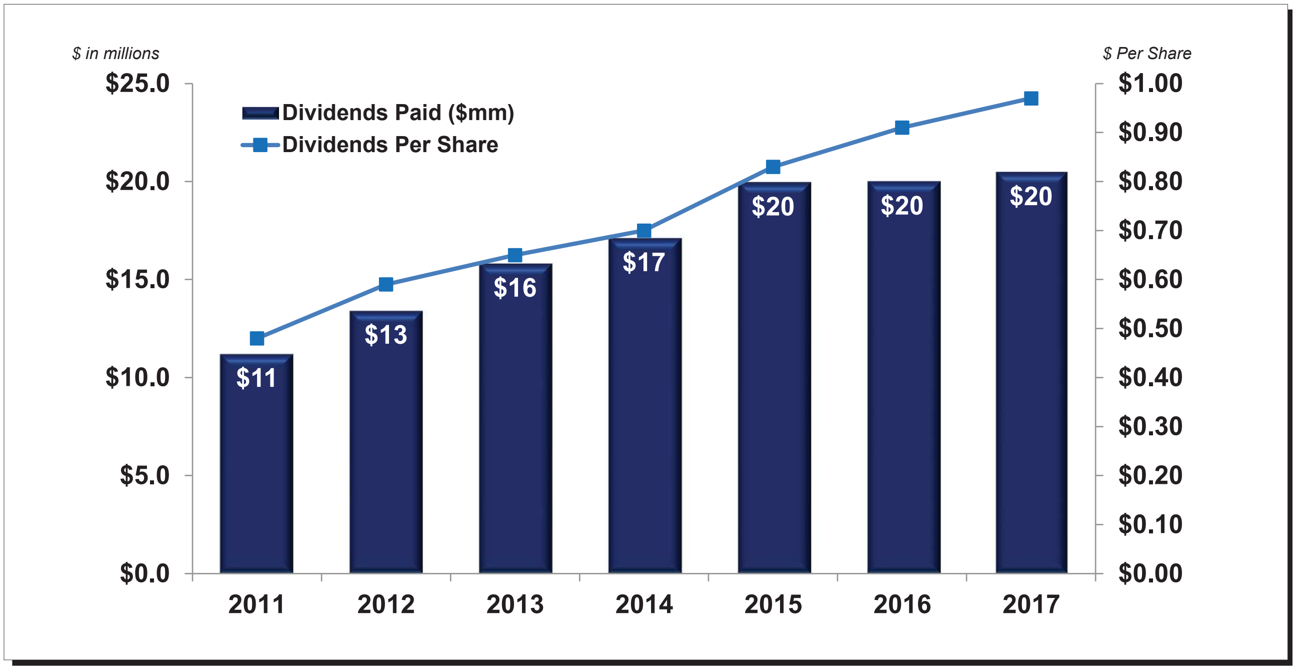
FY15: GPI repurchased approximately 1.2 million shares.

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

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

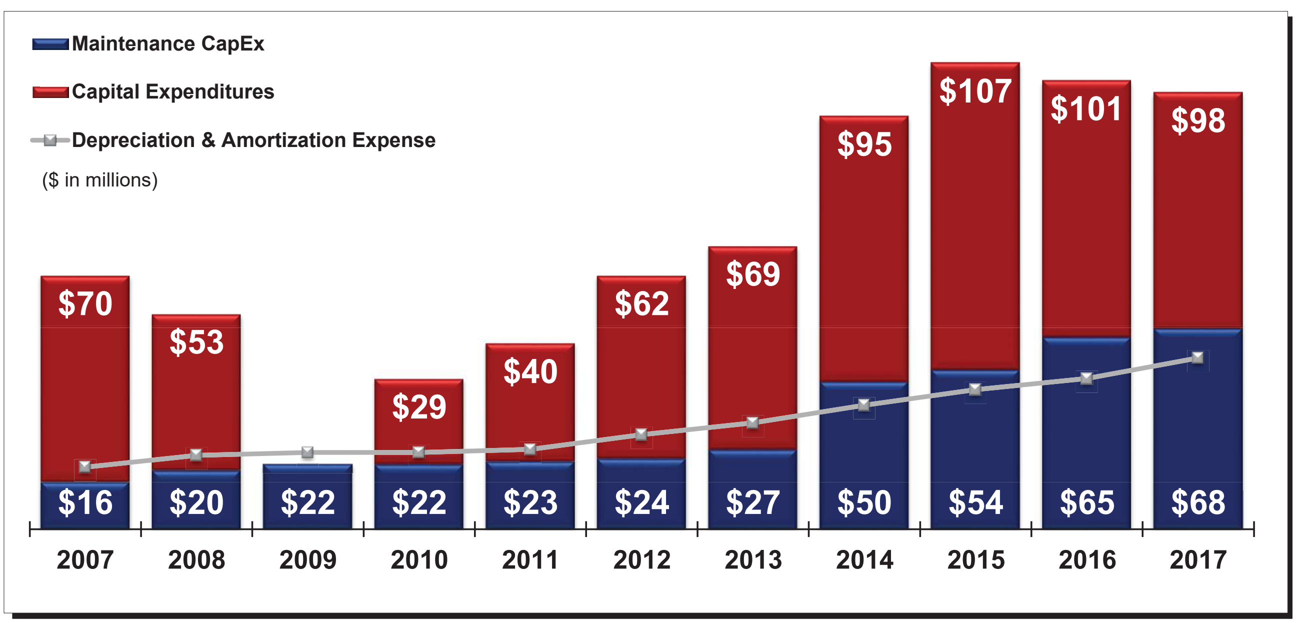
1Q18: GPI repurchased 135,605 shares for a total of $9.2 million. As of March 31, 2018, the Company's outstanding common share count is ≈20.3 million and $40.4 million remains available under the Company's prior common stock share repurchase authorization.

Dividends



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

Capital Expenditures



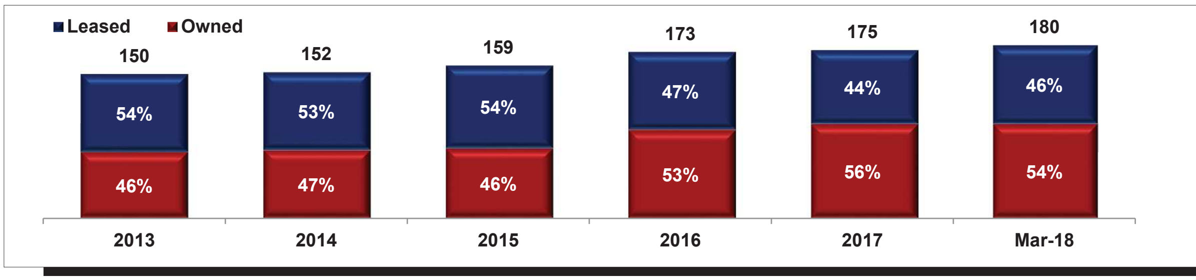
Real Estate Strategy

- GPI is shifting toward owning its real estate:
  - ➢ Control of dealership real estate is a strong strategic asset
  - ➢ Ownership means better flexibility and lower cost
  - ➢ The Company looks for opportunistic real estate acquisitions in strategic locations
- As of March 31, 2018, the Company owns approximately $1.1 billion of real estate (54% of dealership locations) financed through approximately $470 million of mortgage debt
- The Company has options to purchase six additional dealership properties through 2019.

Dealership property breakdown by region (as of March 31, 2018)

	Dealerships	
Geographic Location	Owned	Leased
United States	76	41
United Kingdom	20	27
Brazil	2	14
Total	**98**	**82**

Leased vs. Owned Properties



Conclusion

GROUP 1 AUTOMOTIVE®

Why GPI?

- Well-balanced portfolio (geography, business mix and brands)
- Profitability of different business units through the cycle
  - Model proved itself during recession
- Streamlined business -- generating cash
- Will significantly benefit from U.S. tax reform legislation
- Strong balance sheet
- Opportunistic capital allocation
- Operational growth and leverage
  - Opportunity to drive growth in used vehicle and Parts & Service with process improvements in all markets
  - New Strategic initiatives launched in the U.S. aimed at growing used vehicles and increasing aftersales capacity
  - Finance & Insurance initiatives should drive further growth in the U.K. and Brazil
  - Continued leverage opportunities as gross profit increases
- Experienced, successful and driven management team

CORE VALUES

Integrity	We conduct ourselves with the highest level of ethics both personally and professionally when we sell to and perform service for our customers without compromising our honesty
Transparency	We promote open and honest communication between each other and our customers
Professionalism	We set our standards high so that we can exceed expectations and strive for perfection in everything we do
Teamwork	We put the interest of the group first, before our individual interests, as we know that success only comes when we work together

GROUP 1 AUTOMOTIVE®

GROUP 1 AUTOMOTIVE®

Appendix

Operating Management Team - Corporate

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

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

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

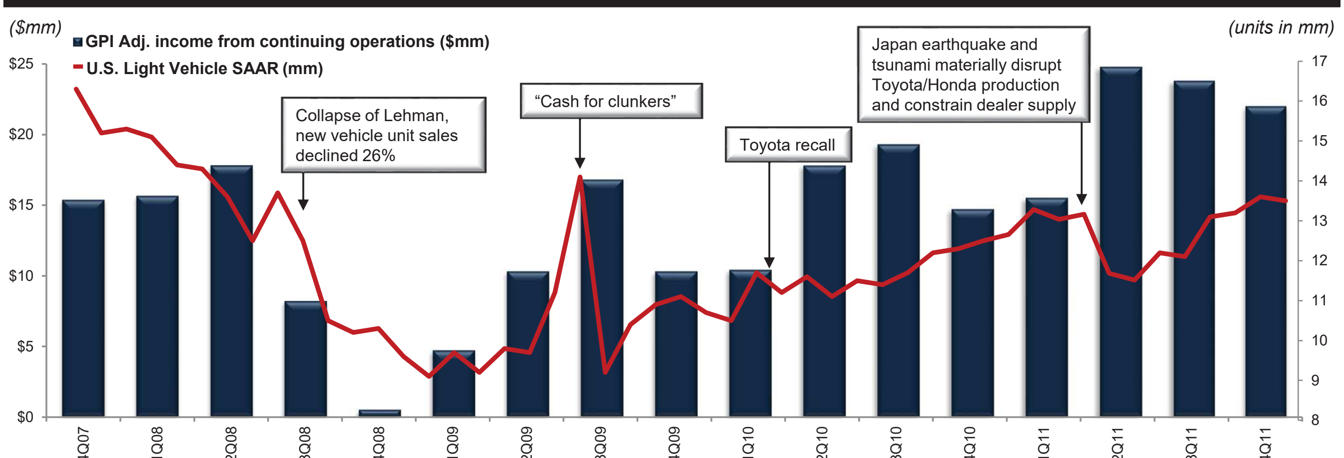
Frank Grese Jr. – Senior Vice President, Human Resources, Training and Operations Support
(December 2004)
- 40+ Years Industry Experience
- Manufacturer and Automotive Retailing Experience: Ford Motor Company; Nissan Motor Corporation in U.S.A.; AutoNation; Van Tuyl

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

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

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

Profitable Throughout Downturn



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

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

Brazil

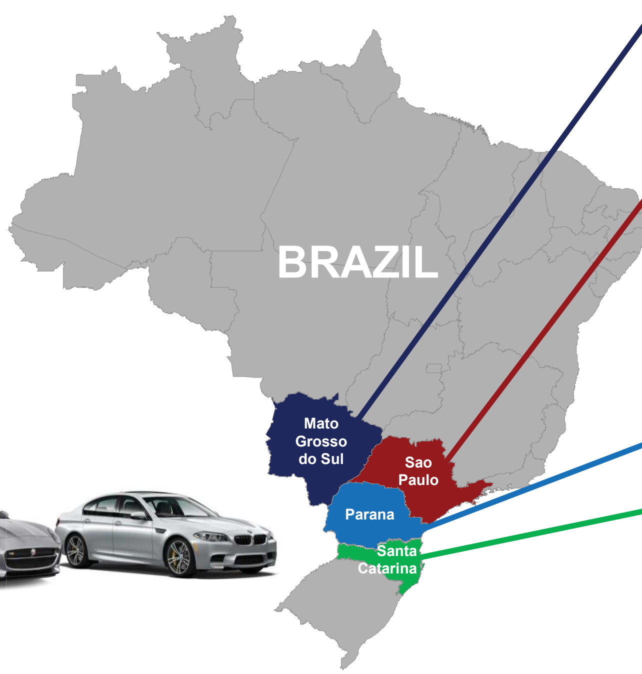
GROUP 1 AUTOMOTIVE®

Brazil Locations

GP1

Group 1 is aligned with growing brands in Brazil.

- **17 Dealerships (22 Franchises):**
  - BMW (5)
  - Honda (4)
  - Jaguar (3)
  - Land Rover (3)
  - Toyota (4)
  - MINI (2)
  - Mercedes-Benz (1)



Mato Grosso do Sul Location
- Campo Grande

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

Paraná Locations
- Cascavel
- Curitiba
- Londrina
- Maringá

Santa Catarina Location
- Joinville

*As of April 26, 2018

U.K.

GROUP 1 AUTOMOTIVE®

U.K. Locations

UNITED KINGDOM – England

47 Dealerships (64 Franchises)

*As of April 26, 2018

GROUP 1 AUTOMOTIVE®

Reconciliations

The following section contains reconciliations of data denoted within this presentation.

RECONCILIATION: Quarterly Adjusted EBIT, EBITDA, EBITDAR

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

Note: One time charges are pre-tax

RECONCILIATION: Quarterly Adjusted Net Income

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

Note: One time charges are after-tax

RECONCILIATION: Adjusted Operating Cash Flow (Non-GAAP)

Reconciliation of Certain Non-GAAP Financial Measures
(Unaudited, in millions)

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

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited, in millions)

EBITDA RECONCILIATION:

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Net income	$ 35.8	$ 33.9
Other interest expense, net [1]	18.8	17.0
Depreciation and amortization expense	16.3	13.6
Legal settlements	-	(1.8)
Income tax (benefit) expense	10.4	17.3
Adjusted EBITDA [2]	$ 81.3	$ 80.0

(1) Excludes Floorplan interest expense

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

May not foot due to rounding

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

NET INCOME (LOSS) RECONCILIATION:	**Three Months Ended: 06.30.12**	**09.30.12**	**12.31.12**	**03.31.13**	**06.30.13**	**09.30.13**	**12.31.13**	**03.31.14**	**06.30.14**	**09.30.14**	**12.31.14**	**03.31.15**
As reported	$ 28,625	$ 31,335	$ 17,132	$ 22,118	$ 37,388	$ 32,765	$ 21,721	$ 31,303	$ 16,862	$ 26,162	$ 18,677	$ 35,815
After-tax Adjustments [(1)]:												
Non-cash asset impairment charges	115	-	4,277	-	369	349	3,319	-	1,067	6,559	19,878	-
(Gain) loss on real estate and dealership transactions	(659)	-	(276)	(356)	(4,785)	(230)	-	-	(316)	(8,572)	1,550	-
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	20,778	17,934	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	1,658	-	1,219	504	6,757	158	-	-	1,039	671	-	-
Severance costs	-	-	548	-	-	454	237	-	-	388	385	-
Acquisition costs including related tax impact	-	-	1,111	6,968	-	(630)	-	-	-	-	188	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	3,629	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	-	274	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	274	-	-	-
Tax rate changes												
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	-	(3,358)	-	-
Adjusted net income [(2)]	$ 29,739	$ 31,335	$ 24,011	$ 29,234	$ 39,729	$ 32,866	$ 28,906	$ 31,303	$ 39,978	$ 39,784	$ 40,678	$ 35,815

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:	06.30.12	09.30.12	12.31.12	03.31.13	06.30.13	09.30.13	12.31.13	03.31.14	06.30.14	09.30.14	12.31.14	03.31.15
Adjusted net income	$ 29,739	$ 31,335	$ 24,011	$ 29,234	$ 39,729	$ 32,866	$ 28,906	$ 31,303	$ 39,978	$ 39,784	$ 40,678	$ 35,815
Less: Adjusted earnings allocated to participating securities	1,637	1,641	1,066	1,233	1,692	1,324	1,057	1,156	1,456	1,520	1,529	1,388
Adjusted net income available to diluted common shares	$ 28,102	$ 29,694	$ 22,945	$ 28,001	$ 38,037	$ 31,542	$ 27,849	$ 30,147	$ 38,522	$ 38,264	$ 39,149	$ 34,427

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:	**06.30.12**	**09.30.12**	**12.31.12**	**Three Months Ended: 03.31.13**	**06.30.13**	**09.30.13**	**12.31.13**	**03.31.14**	**06.30.14**	**09.30.14**	**12.31.14**	**03.31.15**
As reported	$ 1.20	$ 1.32	$ 0.70	$ 0.88	$ 1.43	$ 1.19	$ 0.81	$ 1.19	$ 0.62	$ 1.03	$ 0.77	$ 1.47
After-tax Adjustments:												
Non-cash asset impairment charges	0.01	-	0.18	-	0.01	0.01	0.12	-	0.04	0.26	0.81	-
(Gain) loss on real estate and dealership transactions	(0.03)	-	(0.01)	(0.01)	(0.18)	(0.01)	-	-	(0.01)	(0.34)	0.06	-
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	0.76	0.71	-	-
Severance costs	-	-	0.02	-	-	0.02	0.01	-	-	0.01	0.02	-
Acquisition costs including related tax impact	-	-	0.05	0.27	-	(0.02)	-	-	-	-	0.01	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	0.14	-	-	-	-	-
Legal settlements	-	-	-	-	-	-	-	-	0.01	-	-	-
Foreign transaction tax	-	-	-	-	-	-	-	-	0.01	-	-	-
Tax rate changes												
Foreign deferred income tax benefit	-	-	-	-	-	-	-	-	-	(0.13)	-	-
Adjusted diluted income per share [(2)]	$ 1.25	$ 1.32	$ 0.99	$ 1.16	$ 1.52	$ 1.20	$ 1.08	$ 1.19	$ 1.47	$ 1.57	$ 1.67	$ 1.47
Weighted average dilutive common shares outstanding	22,513	22,458	23,244	24,113	24,980	26,342	25,792	25,428	26,242	24,432	23,466	23,446
Participating securities	1,317	1,245	1,091	1,072	1,112	1,100	983	963	986	971	925	932
Total weighted average shares outstanding	23,830	23,703	24,335	25,185	26,092	27,442	26,775	26,391	27,228	25,403	24,391	24,378

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

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

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

NET INCOME (LOSS) RECONCILIATION:

	Three Months Ended: 06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	6.30.17	9.30.17	12.31.17	3.31.18
As reported	$ 46,310	$ 45,261	$ (33,387)	$ 34,291	$ 46,580	$ 35,366	$ 30,828	$ 33,939	$ 39,133	$ 29,881	$ 110,489	$ 35,814
After-tax Adjustments [1]:												
Non-cash asset impairment charges	848	776	72,798	315	633	6,746	12,756	-	-	5,947	6,464	-
(Gain) loss on real estate and dealership transactions	(601)	-	(4,357)	212	156	(696)	(265)	-	-	497	-	-
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Income tax benefit related to tax elections for prior periods	-	-	-	-	-	-	-	-	-	-	-	-
Catastrophic events	593	-	398	1,659	1,727	281	-	-	393	9,022	-	-
Severance costs	167	-	220	-	-	-	1,249	-	-	-	353	-
Acquisition costs including related tax impact	-	-	-	578	-	-	-	-	288	-	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	-	-	-	834	-	-
Legal settlements	610	-	-	-	-	-	(7,312)	(1,137)	-	450	-	-
Foreign transaction tax	-	-	-	-	-	274	-	-	-	-	-	-
Tax rate changes											(73,028)	-
Foreign deferred income tax benefit	-	-	-	-	(1,686)	-	-	-	-	-	-	-
Adjusted net income [2]	$ 47,927	$ 46,037	$ 35,672	$ 37,055	$ 47,410	$ 41,971	$ 37,256	$ 32,802	$ 39,814	$ 46,631	$ 44,278	$ 35,814

ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:

	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	6.30.17	9.30.17	12.31.17	3.31.18
Adjusted net income	$ 47,927	$ 46,037	$ 35,672	$ 37,055	$ 47,410	$ 41,971	$ 37,256	$ 32,802	$ 39,814	$ 46,631	$ 44,278	$ 35,814
Less: Adjusted earnings allocated to participating securities	1,855	1,759	1,344	1,457	1,918	1,695	1,477	1,206	1,413	1,603	1,483	1,208
Adjusted net income available to diluted common shares	$ 46,072	$ 44,278	$ 34,328	$ 35,598	$ 45,492	$ 40,276	$ 35,779	$ 31,596	$ 38,401	$ 45,028	$ 42,795	$ 34,606

DILUTED EARNINGS (LOSS) PER SHARE RECONCILIATION:

	06.30.15	09.30.15	12.31.15	03.31.16	06.30.16	09.30.16	12.31.16	03.31.17	06.30.17	09.30.17	12.31.17	3.31.18
As reported	$ 1.91	$ 1.88	$ (1.41)	$ 1.47	$ 2.12	$ 1.65	$ 1.44	$ 1.58	$ 1.84	$ 1.43	$ 5.27	$ 1.70
After-tax Adjustments:												
Non-cash asset impairment charges	0.04	0.03	3.07	0.01	0.03	0.32	0.59	-	-	0.28	0.30	-
(Gain) loss on real estate and dealership transactions	(0.03)	-	(0.18)	0.01	0.01	(0.03)	(0.01)	-	-	0.02	-	-
(Gain) loss on repurchase of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Severance costs	0.01	-	0.01	-	-	-	0.06	-	-	-	0.02	-
Acquisition costs including related tax impact	-	-	-	0.03	-	-	-	-	0.01	-	-	-
Allowance for certain deferred tax assets and uncertain tax positions	-	-	-	-	-	-	-	-	-	0.04	-	-
Legal settlements	0.03	-	-	-	-	-	(0.34)	(0.05)	-	0.02	-	-
Foreign transaction tax	-	-	-	-	-	0.01	-	-	-	-		
Tax rate changes											(3.48)	-
Foreign deferred income tax benefit	-	-	-	-	(0.08)	-	-	-	-	-	-	-
Adjusted diluted income per share [2]	$ 1.98	$ 1.91	$ 1.51	$ 1.59	$ 2.16	$ 1.96	$ 1.74	$ 1.53	$ 1.87	$ 2.23	$ 2.11	$ 1.70
Weighted average dilutive common shares outstanding	23,315	23,137	22,718	22,453	21,070	20,578	20,592	20,698	20,522	20,225	20,261	20,307
Participating securities	944	925	897	921	892	872	858	818	761	724	708	715
Total weighted average shares outstanding	24,259	24,062	23,615	23,374	21,962	21,450	21,450	21,516	21,283	20,949	20,969	21,022

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

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

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

	Three Months Ended March 31,		
	2018	**2017**	**% Increase/ (Decrease)**
SG&A RECONCILIATION:			
As reported	$ 252,941	$ 236,273	7.1
Pre-tax adjustments:			
Legal settlements [2]	—	1,833	
Adjusted SG&A [1]	$ 252,941	$ 238,106	6.2
SG&A AS % REVENUES:			
Unadjusted	12.1	12.0	
Adjusted [1]	12.1	12.1	
SG&A AS % GROSS PROFIT:			
Unadjusted	75.4	73.7	
Adjusted [1]	75.4	74.3	
OPERATING MARGIN %			
Unadjusted	3.3	3.7	
Adjusted [1]	3.3	3.6	
PRETAX MARGIN %:			
Unadjusted	1.9	2.3	
Adjusted [1]	1.9	2.2	
SAME STORE SG&A RECONCILIATION:			
As reported	$ 247,611	$ 236,051	4.9
Pre-tax adjustments:			
Legal settlements [2]	—	1,833	
Adjusted Same Store SG&A [1]	$ 247,611	$ 237,884	4.1
SAME STORE SG&A AS % REVENUES:			
Unadjusted	12.1	12.0	
Adjusted [1]	12.1	12.1	
SAME STORE SG&A AS % GROSS PROFIT:			
Unadjusted	75.1	73.7	
Adjusted [1]	75.1	74.3	
SAME STORE OPERATING MARGIN %			
Unadjusted	3.4	3.7	
Adjusted [1]	3.4	3.6	

(1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.

(2) For the three months ended March 31, 2017, the Company recognized a net pre-tax gain related to a settlement with an OEM of $1.8 million.

Group 1 Automotive, Inc.

Reconciliation of Certain Non-GAAP Financial Measures - Consolidated

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended March 31,		
	2018	**2017**	**% Increase/ (Decrease)**
NET INCOME RECONCILIATION:			
As reported			
Pretax Net Income	$ 46,167	$ 51,196	
Income Tax Provision	(10,353)	(17,257)	
Net Income	$ 35,814	$ 33,939	5.5
Effective Tax Rate	22.4%	33.7%	
Adjustments:			
Legal settlements [2]			
Pre-tax	—	(1,833)	
Tax impact	—	696	
Adjusted			
Pretax Net Income	$ 46,167	$ 49,363	
Income Tax Provision	(10,353)	(16,561)	
Adjusted net income [1]	$ 35,814	$ 32,802	9.2
Effective Tax Rate	22.4%	33.6%	
ADJUSTED NET INCOME ATTRIBUTABLE TO DILUTED COMMON SHARES RECONCILIATION:			
Adjusted net income [1]	$ 35,814	$ 32,802	9.2
Less: Adjusted earnings allocated to participating securities	1,208	1,206	0.2
Adjusted net income available to diluted common shares [1]	$ 34,606	$ 31,596	9.5
DILUTED INCOME PER COMMON SHARE RECONCILIATION:			
As reported	$ 1.70	$ 1.58	7.6
After-tax adjustments:			
Legal settlements [2]	—	(0.05)	
Adjusted diluted income per share [1]	$ 1.70	$ 1.53	11.1
SG&A RECONCILIATION:			
As reported	$ 324,347	$ 289,779	11.9
Pre-tax adjustments:			
Legal settlements [2]	—	1,833	
Adjusted SG&A [1]	$ 324,347	$ 291,612	11.2

SG&A AS % REVENUES:					
Unadjusted		11.3		11.5	
Adjusted (1)		11.3		11.6	
SG&A AS % GROSS PROFIT:					
Unadjusted		77.3		75.6	
Adjusted (1)		77.3		76.0	
OPERATING MARGIN %					
Unadjusted		2.8		3.2	
Adjusted (1)		2.8		3.1	
PRETAX MARGIN %:					
Unadjusted		1.6		2.0	
Adjusted (1)		1.6		2.0	
SAME STORE SG&A RECONCILIATION:					
As reported	$	306,200	$	288,295	6.2
Pre-tax adjustments:					
Legal settlements (2)		—		1,833	
Adjusted Same Store SG&A (1)	$	306,200	$	290,128	5.5
SAME STORE SG&A AS % REVENUES:					
Unadjusted		11.5		11.5	
Adjusted (1)		11.5		11.6	
SAME STORE SG&A AS % GROSS PROFIT:					
Unadjusted		77.0		75.4	
Adjusted (1)		77.0		75.9	
SAME STORE OPERATING MARGIN %					
Unadjusted		2.9		3.2	
Adjusted (1)		2.9		3.1	

(1) See the section of this release entitled "Non-GAAP Financial Measures" for information regarding non-GAAP financial measures and certain selected items that the Company believes impact comparability of financial results between reporting periods.

(2) For the three months ended March 31, 2017, the Company recognized a net pre-tax gain related to a settlement with an OEM of $1.8 million.

GROUP 1 AUTOMOTIVE®

www.group1auto.com