UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended March 31, 2026

or

☐ **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 ☒ No ☐

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 ☒ No ☐

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	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

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. ☐

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

As of April 16, 2026, there were 65,749,255 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, 2026	December 31, 2025
	(Unaudited)	
	(In millions, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	$ 83.7	$ 64.7
Accounts receivable, net of allowance for doubtful accounts of $6.2 and $6.9	1,084.0	1,070.3
Inventories	4,891.5	4,814.7
Other current assets	259.4	242.9
Total current assets	6,318.6	6,192.6
Property and equipment, net	3,289.5	3,224.6
Operating lease right-of-use assets	2,529.2	2,543.8
Goodwill	2,820.1	2,435.7
Other indefinite-lived intangible assets	1,295.4	1,164.2
Equity method investments	1,962.9	1,923.7
Other long-term assets	102.5	113.1
Total assets	$ 18,318.2	$ 17,597.7
LIABILITIES AND EQUITY		
Floor plan notes payable	$ 2,513.6	$ 2,532.8
Floor plan notes payable — non-trade	1,633.7	1,561.5
Accounts payable	937.0	899.8
Accrued expenses and other current liabilities	1,046.2	930.0
Current portion of long-term debt	423.1	355.0
Total current liabilities	6,553.6	6,279.1
Long-term debt	2,213.8	1,810.5
Long-term operating lease liabilities	2,430.0	2,461.5
Deferred tax liabilities	1,198.7	1,200.4
Other long-term liabilities	239.9	265.3
Total liabilities	12,636.0	12,016.8
Commitments and contingent liabilities (Note 10)		
Equity		
Penske Automotive Group stockholders' equity:		
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; 65,749,255 shares issued and outstanding at March 31, 2026; 65,760,464 shares issued and outstanding at December 31, 2025	—	—
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	5,873.2	5,750.1
Accumulated other comprehensive loss	(209.5)	(187.7)
Total Penske Automotive Group stockholders' equity	5,663.7	5,562.4
Non-controlling interest	18.5	18.5
Total equity	5,682.2	5,580.9
Total liabilities and equity	$ 18,318.2	$ 17,597.7

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2026	**2025**
	(Unaudited)	
	(In millions, except per share amounts)	
Revenue:		
Retail automotive dealership	$ 6,967.1	$ 6,918.6
Retail commercial truck dealership	694.6	823.7
Commercial vehicle distribution and other	201.9	211.5
Total revenues	7,863.6	7,953.8
Cost of sales:		
Retail automotive dealership	5,842.1	5,782.4
Retail commercial truck dealership	566.4	682.7
Commercial vehicle distribution and other	155.7	167.3
Total cost of sales	6,564.2	6,632.4
Gross profit	1,299.4	1,321.4
Selling, general, and administrative expenses	965.6	951.4
Depreciation	44.8	40.6
Operating income	289.0	329.4
Floor plan interest expense	(38.1)	(42.0)
Other interest expense	(28.4)	(22.5)
Gain on sale of dealership	60.4	52.3
Equity in earnings of affiliates	40.8	33.3
Income before income taxes	323.7	350.5
Income taxes	(88.8)	(92.1)
Net income	234.9	258.4
Less: Income attributable to non-controlling interests	0.4	0.7
Net income attributable to Penske Automotive Group common stockholders	$ 234.5	$ 257.7
Basic earnings per share attributable to Penske Automotive Group common stockholders:		
Net income attributable to Penske Automotive Group common stockholders	$ 3.56	$ 3.86
Shares used in determining basic earnings per share	65.8	66.8
Diluted earnings per share attributable to Penske Automotive Group common stockholders:		
Net income attributable to Penske Automotive Group common stockholders	$ 3.56	$ 3.86
Shares used in determining diluted earnings per share	65.8	66.8
Amounts attributable to Penske Automotive Group common stockholders:		
Net income	$ 234.9	$ 258.4
Less: Income attributable to non-controlling interests	0.4	0.7
Net income attributable to Penske Automotive Group common stockholders	$ 234.5	$ 257.7
Cash dividends per share	$ 1.40	$ 1.22

See Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended March 31,	
	2026	2025
	(Unaudited) (In millions)	
Net income	$ 234.9	$ 258.4
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	(13.5)	55.3
Other adjustments to comprehensive income	(8.4)	(0.3)
Other comprehensive income (loss), net of tax	(21.9)	55.0
Comprehensive income	213.0	313.4
Less: Comprehensive income attributable to non-controlling interests	0.3	0.8
Comprehensive income attributable to Penske Automotive Group common stockholders	$ 212.7	$ 312.6

See Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	(Unaudited) (In millions)	
Operating Activities:		
Net income	$ 234.9	$ 258.4
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	44.8	40.6
Earnings of equity method investments	(40.8)	(33.3)
Deferred income taxes	(0.7)	(23.2)
Stock-based compensation	8.1	8.0
Gain on sale of dealership	(60.4)	(52.3)
Changes in operating assets and liabilities:		
Accounts receivable	(10.6)	(202.6)
Inventories	(74.7)	194.6
Other current assets	(16.1)	(15.7)
Floor plan notes payable	(4.2)	(71.9)
Accounts payable and accrued expenses	147.8	190.3
Other	(13.1)	(1.9)
Net cash provided by operating activities	215.0	291.0
Investing Activities:		
Purchases of property, equipment, and improvements	(62.6)	(84.7)
Proceeds from sale of dealerships	77.0	77.8
Proceeds from sale of property and equipment	20.5	4.0
Acquisitions net, including repayment of sellers' floor plan notes payable of $15.0 and $0.0, respectively	(669.7)	—
Other	0.4	(1.7)
Net cash used in investing activities	(634.4)	(4.6)
Financing Activities:		
Proceeds from borrowings under revolving U.S. credit agreement and mortgage facilities	1,701.8	1,098.6
Repayments under revolving U.S. credit agreement and mortgage facilities	(1,273.9)	(1,143.1)
Net cash borrowings (repayments) of other debt	58.2	(47.5)
Repayments of related party promissory note	(13.0)	—
Net borrowings (repayments) of floor plan notes payable — non-trade	85.6	(27.2)
Repurchases of common stock	(26.3)	(39.9)
Payments of tax withholding for stock-based compensation	(0.1)	(0.1)
Dividends	(92.6)	(81.8)
PMG distributions to partners	—	(7.0)
Payment of debt issuance costs	(0.9)	(0.3)
Other	(0.2)	—
Net cash provided by (used in) financing activities	438.6	(248.3)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	1.5
Net change in cash and cash equivalents	19.0	39.6
Cash and cash equivalents, beginning of period	64.7	83.6
Cash and cash equivalents, end of period	$ 83.7	$ 123.2
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	$ 64.0	$ 69.6
Income taxes	17.3	23.5

See Notes to Consolidated Condensed Financial Statements.

PENSKE AUTOMOTIVE GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF EQUITY

Three Months Ended March 31, 2026

(Unaudited)
(Dollars in millions)

	Voting and Non-voting Common Stock							
	Issued Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
Balance, December 31, 2025	65,760,464	$ —	$ —	$ 5,750.1	$ (187.7)	$ 5,562.4	$ 18.5	$ 5,580.9
Equity compensation	159,184	—	8.1	—	—	8.1	—	8.1
Repurchases of common stock	(170,393)	—	(8.1)	(18.8)	—	(26.9)	—	(26.9)
Dividends	—	—	—	(92.6)	—	(92.6)	—	(92.6)
Distributions to non-controlling interest	—	—	—	—	—	—	(0.3)	(0.3)
Foreign currency translation	—	—	—	—	(13.4)	(13.4)	(0.1)	(13.5)
Other	—	—	—	—	(8.4)	(8.4)	—	(8.4)
Net income	—	—	—	234.5	—	234.5	0.4	234.9
Balance, March 31, 2026	65,749,255	$ —	$ —	$ 5,873.2	$ (209.5)	$ 5,663.7	$ 18.5	$ 5,682.2

Three Months Ended March 31, 2025

(Unaudited)
(Dollars in millions)

	Voting and Non-voting Common Stock							
	Issued Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Penske Automotive Group Stockholders' Equity	Non-controlling Interest	Total Equity
Balance, December 31, 2024	66,774,651	$ —	$ 9.1	$ 5,756.4	$ (364.5)	$ 5,401.0	$ 17.5	$ 5,418.5
Equity compensation	144,590	—	8.0	—	—	8.0	—	8.0
Repurchases of common stock	(255,228)	—	(17.1)	(23.4)	—	(40.5)	—	(40.5)
Dividends	—	—	—	(81.8)	—	(81.8)	—	(81.8)
PMG distributions to partners	—	—	—	(7.0)	—	(7.0)	—	(7.0)
Distributions to non-controlling interest	—	—	—	—	—	—	(0.3)	(0.3)
Foreign currency translation	—	—	—	—	55.2	55.2	0.1	55.3
Other	—	—	—	—	(0.3)	(0.3)	—	(0.3)
Net income	—	—	—	257.7	—	257.7	0.7	258.4
Balance, March 31, 2025	66,664,013	$ —	$ —	$ 5,901.9	$ (309.6)	$ 5,592.3	$ 18.0	$ 5,610.3

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 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, 2026, we operated 368 retail automotive franchised dealerships, of which 149 are located in the U.S. and 219 are located outside of the U.S., principally in the U.K. As of March 31, 2026, we also operated 15 used vehicle dealerships, with six dealerships in the U.S. operating under the brand name CarShop, eight dealerships in the U.K. operating under the brand name Sytner Select, and one dealership in Australia operating under the brand name Penske Select. During the three months ended March 31, 2026, we acquired two retail automotive franchises and sold one retail automotive franchise in the U.S., opened one retail automotive franchise in the U.K., and opened one retail automotive franchise in Germany.

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. Some of our dealerships in the U.K. and Europe operate under an agency model where 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 with no corresponding cost of sale.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty truck retail dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across 10 U.S. states and the Canadian provinces of Ontario and Manitoba. As of March 31, 2026, PTG operated 45 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, energy solutions, 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. We also own and operate three Porsche dealerships in Melbourne, Australia, which results are included within our retail automotive segment described above.

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 businesses, which articulates the breadth of their services. PTS 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, supply chain 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, 2026 and for the three months ended March 31, 2026 and 2025 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, 2025, which are included as part of our Annual Report on Form 10-K.

On November 19, 2025, we acquired Penske Motor Group, LLC ("PMG") from a commonly controlled affiliate, which was accounted for as a transaction between entities under common control. Accordingly, our consolidated financial statements and related notes have been retrospectively recast for all historical comparative periods presented to include the operations of PMG as if the entities had been combined since the beginning of the earliest period presented. Furthermore, the assets and liabilities of PMG were recognized at the historical carrying amounts, and the difference between the consideration transferred and the carrying value of the net assets received was recorded to equity within retained earnings.

Historically, PMG was treated as a pass-through partnership for income tax purposes and therefore did not record income tax expense in its stand-alone financial statements. Because we have retrospectively recast prior periods to include PMG as if it had always been part of our consolidated reporting, the recast of historical periods do not reflect federal and state income taxes that would have been incurred had PMG been included in our taxable consolidated group. Beginning on the acquisition date, the results of PMG are included in our consolidated federal and state income tax filings and therefore are subject to income tax.

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, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
3.75% senior subordinated notes due 2029	497.5	474.9	497.3	481.9
Mortgage facilities (1)	971.2	957.6	792.5	777.1

(1) In addition to fixed rate debt, our mortgage facilities also include a revolving mortgage facility with Toyota Motor Credit Corporation in the U.S. and other revolving mortgage facilities 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

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." This ASU requires public business entities to disclose in the notes to financial statements specific categories within relevant expense captions presented on the face of the income statement. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is 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.

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). 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 vehicle protection products, 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 $56.1 million and $55.3 million as of March 31, 2026, and December 31, 2025, 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 months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
Retail Automotive Dealership Revenue	**2026**	**2025**
New vehicle	$ 3,080.7	$ 3,248.0
Used vehicle	2,429.4	2,264.1
Finance and insurance, net	202.3	205.4
Service and parts	863.9	825.6
Fleet and wholesale	390.8	375.5
Total retail automotive dealership revenue	$ 6,967.1	$ 6,918.6

	Three Months Ended March 31,	
Retail Automotive Dealership Revenue	**2026**	**2025**
U.S.	$ 3,880.6	$ 4,040.3
U.K.	2,347.7	2,323.2
Germany, Italy, Japan, and Australia	738.8	555.1
Total retail automotive dealership revenue	$ 6,967.1	$ 6,918.6

Retail Commercial Truck Dealership

The following table disaggregates our retail commercial truck segment revenue by product type for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
Retail Commercial Truck Dealership Revenue	**2026**	**2025**
New truck	$ 401.2	$ 527.2
Used truck	52.2	63.8
Finance and insurance, net	3.5	4.5
Service and parts	232.2	222.0
Other	5.5	6.2
Total retail commercial truck dealership revenue	$ 694.6	$ 823.7

Commercial Vehicle Distribution and Other

Our other reportable segment relates to our Penske Australia business. Commercial vehicle distribution and other revenue was $201.9 million, including $72.0 million of service and parts revenue, during the three months ended March 31, 2026, and $211.5 million, including $62.9 million of service and parts revenue, during the three months ended March 31, 2025.

Contract Balances

The following table summarizes our accounts receivable and unearned revenues as of March 31, 2026, and December 31, 2025:

	March 31, 2026	December 31, 2025
Accounts receivable		
Contracts in transit	$ 293.9	$ 272.2
Vehicle receivables	149.9	141.5
Manufacturer receivables	260.8	256.4
Trade receivables	357.9	381.6
Accrued expenses		
Unearned revenues	$ 298.9	$ 299.3

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, as well as 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, 2025, $123.2 million was recognized as revenue during the three months ended March 31, 2026.

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 as of March 31, 2026. 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 in such leases. 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 for the three months ended March 31, 2026 and 2025 was $2.2 million and $4.4 million, 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, 2026.

The following table summarizes our net operating lease cost during the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
Lease Cost		
Operating lease cost [1]	$ 71.1	$ 69.7
Variable lease cost	7.1	6.7
Sublease income	(2.2)	(4.4)
Total lease cost	$ 76.0	$ 72.0

(1) Includes short-term leases, which are immaterial.

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

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 74.4	$ 71.2
Right-of-use assets modified or obtained in exchange for operating lease liabilities, net	$ 24.6	$ (37.1)

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

	March 31, 2026	December 31, 2025
Lease Term and Discount Rate		
Weighted-average remaining lease term - operating leases	23 years	23 years
Weighted-average discount rate - operating leases	6.6 %	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, 2026:

Maturity of Lease Liabilities		**March 31, 2026**
2026 (1)	$	202.5
2027		261.4
2028		258.4
2029		249.6
2030		244.2
2031		235.0
2032 and thereafter		3,938.6
Total future minimum lease payments	$	5,389.7
Less: Imputed interest		(2,841.1)
Present value of future minimum lease payments	$	2,548.6
Current operating lease liabilities (2)	$	118.6
Long-term operating lease liabilities		2,430.0
Total operating lease liabilities	$	2,548.6

(1) Excludes the three months ended March 31, 2026.

(2) Included within "Accrued expenses and other current liabilities" on Consolidated Condensed Balance Sheet as of March 31, 2026.

4. Inventories

Inventories consisted of the following:

		March 31, 2026		December 31, 2025
Retail automotive dealership new vehicles	$	2,364.1	$	2,390.8
Retail automotive dealership used vehicles		1,304.1		1,253.5
Retail automotive parts, accessories, and other		183.2		186.3
Retail commercial truck dealership vehicles and parts		524.8		492.8
Commercial vehicle distribution vehicles, parts, and engines		515.3		491.3
Total inventories	$	4,891.5	$	4,814.7

We receive credits from certain vehicle manufacturers such as holdbacks, floorplan assistance, certain advertising assistance, and certain incentives and rebates that reduce the cost of sales when the vehicles are sold.

5. Business Combinations

During the three months ended March 31, 2026, we acquired two retail automotive franchises in the U.S., which generated $40.7 million of revenue and $3.5 million of pre-tax income from our date of acquisition through March 31, 2026. During the three months ended March 31, 2025, we made no acquisitions. 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 months ended March 31, 2026, and 2025:

	Three Months Ended March 31, 2026	2025
Accounts receivable	$ —	$ —
Inventories	23.9	—
Other current assets	—	—
Property and equipment	108.3	—
Indefinite-lived intangibles	537.6	—
Other noncurrent assets	—	—
Current liabilities	(0.1)	—
Noncurrent liabilities	—	—
Total cash used in acquisitions	$ 669.7	$ —

Our following unaudited consolidated pro forma results of operations for the three months ended March 31, 2026, and 2025 give effect to acquisitions consummated during 2026 and 2025 as if they had occurred on January 1, 2025. 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, 2026	2025
Revenues	$ 7,930.8	$ 8,075.6
Net income attributable to Penske Automotive Group common stockholders	234.9	258.1
Net income per diluted common share	$ 3.57	$ 3.86

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 months ended March 31, 2026:

	Goodwill	Other Indefinite-Lived Intangible Assets
Balance, January 1, 2026	$ 2,435.7	$ 1,164.2
Additions	400.8	136.8
Disposals	(8.1)	(2.6)
Impairment	—	(0.8)
Foreign currency translation	(8.3)	(2.2)
Balance, March 31, 2026	$ 2,820.1	$ 1,295.4

As of March 31, 2026, the goodwill balance for reporting units within our Retail Automotive, Retail Commercial Truck, and Other reportable segments was $2,242.1 million, $500.3 million, and $77.7 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. Interest rates under the arrangements are variable and increase or decrease based on changes in the prevailing benchmark interest rates in our various markets. 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 in the cost of sales as vehicles are sold.

The weighted average interest rate on floor plan borrowings was 3.8% and 4.3% for the three months ended March 31, 2026 and 2025, 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 months ended March 31, 2026 and 2025 follows:

	Three Months Ended March 31,	
	2026	2025
Weighted average number of common shares outstanding	65,779,859	66,772,412
Effect of non-participatory equity compensation	12,629	17,364
Weighted average number of common shares outstanding, including effect of dilutive securities	65,792,488	66,789,776

9. Long-Term Debt

Long-term debt consisted of the following:

	March 31, 2026	December 31, 2025
U.S. credit agreement — revolving credit line	$ 620.0	$ 333.0
U.K. credit agreement — revolving credit line	43.6	87.6
3.75% senior subordinated notes due 2029	497.5	497.3
Mortgage facilities	971.2	792.5
Other debt	504.6	455.1
Total long-term debt	2,636.9	2,165.5
Less: current portion	(423.1)	(355.0)
Net long-term debt	$ 2,213.8	$ 1,810.5

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 $1.5 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, 2028.

The interest rate on outstanding borrowings 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 a margin ranging from 1.50% to 2.00%, based on a ratio of consolidated non-vehicle debt to adjusted earnings before interest, taxes, depreciation, and amortization.

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 upon a change of control, non-payment of our 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, 2026, we had $620.0 million revolver borrowings under the U.S. credit agreement.

U.K. Credit Agreement

Our U.K. credit agreement with 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 “accordion” feature which allows the U.K. subsidiaries to request up to an additional £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. Our U.K. credit agreement expires in January 2028. As of March 31, 2026, we had £33.0 million ($43.6 million) in 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 the holding company of a majority of our international subsidiaries, PAG International Ltd. and 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 the following senior subordinated notes outstanding:

Description	Maturity Date	Interest Payment Dates	Principal Amount
3.75% Notes	June 15, 2029	June 15, December 15	$500 million

These notes are our unsecured, senior subordinated obligations and are guaranteed on an unsecured senior subordinated basis by our 100% owned U.S. subsidiaries. These notes 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. We may redeem the 3.75% Notes at the redemption prices noted in the indenture.

Mortgage Facilities

We are party to mortgages that bear interest at defined rates and require monthly principal and/or interest payments. We also have a revolving mortgage facility with Toyota Motor Credit Corporation in the U.S. In February 2026, we amended this facility principally to increase our borrowing capacity to $600.0 million from $500.0 million, contingent on our property values pledged under the mortgage facility. Our actual borrowing capacity as of March 31, 2026, was $576.2 million. Borrowings under the facility bear interest at the prime rate between minus 1.58% and 1.68%, and the facility expires in December 2028. As of March 31, 2026, we had $573.7 million in revolver borrowings under this mortgage facility. Our mortgage facilities also contain customary 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 land, 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, 2026, we owed $971.2 million of principal under all of our mortgage facilities.

Other Debt

Our other debt consists primarily of various credit agreements and working capital loans in connection with local operations outside of the U.S. and the U.K. Included within other debt is a 4.50% senior subordinated promissory note with an original principal amount of $155.8 million due November 2028 (the "Note") resulting from the PMG transaction, which requires monthly principal and interest payments (subject to the Company's right to prepay the Note in whole or in part at any time at its option without premium or penalty) and includes customary events of default. As of March 31, 2026, we owed $138.5 million, of which $51.9 million is included within current portion of long-term debt.

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, 2026, 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. As of March 31, 2026, we guaranteed or were otherwise liable for approximately $107.2 million of these lease payments, including lease payments during available renewal periods.

Our floor plan credit agreements with Daimler Truck Financial Services Australia and Daimler Financial Services New Zealand 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 is terminated.

We have $15.0 million of letters of credit outstanding and $26.8 million of bank guarantees as of March 31, 2026, and have posted $22.3 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,	
	2026	2025
Shares repurchased [(1)]	170,000	254,406
Aggregate purchase price in millions	$ 26.3	$ 39.9
Average purchase price per share	$ 154.83	$ 156.93
Shares acquired [(2)]	393	822
Aggregate purchase price in millions	$ 0.1	$ 0.1
Average purchase price per share	$ 164.91	$ 160.88

(1) Shares were repurchased under our securities repurchase program. We had $221.2 million in repurchase authorization remaining under the repurchase program as of March 31, 2026.

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

12. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component during the three months ended March 31, 2026 and 2025, respectively, attributable to Penske Automotive Group common stockholders follows:

Three Months Ended March 31, 2026

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Loss
Balance at December 31, 2025	$ (187.9)	$ 0.2	$ (187.7)
Other comprehensive loss, net of tax	(13.4)	(8.4)	(21.8)
Balance at March 31, 2026	$ (201.3)	$ (8.2)	$ (209.5)

Three Months Ended March 31, 2025

	Foreign Currency Translation	Other	Accumulated Other Comprehensive Loss
Balance at December 31, 2024	$ (354.0)	$ (10.5)	$ (364.5)
Other comprehensive income (loss), net of tax	55.2	(0.3)	54.9
Balance at March 31, 2025	$ (298.8)	$ (10.8)	$ (309.6)

13. Segment Information

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 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).

The following table summarizes revenues; cost of sales; selling, general, and administrative expenses; depreciation; floor plan interest expense; other interest expense; equity in earnings of affiliates; and income before income taxes, which is the measure of segment performance by which management allocates resources to its segments and which we refer to as segment income, for each of our reportable segments. Our company's Chief Operating Decision Maker ("CODM") is our Chief Executive Officer. Our CODM uses segment income to evaluate the profitability of our reportable segments, which helps guide decisions on resource allocation. Segment income is also used to analyze budget versus actual results and actual results versus the comparable prior period. This analysis is utilized in assessing the performance of our reportable segments.

Three Months Ended March 31,	Retail Automotive	Retail Commercial Truck	Other	Non-Automotive Investments	Total
Revenues					
2026	$ 6,967.1	$ 694.6	$ 201.9	$ —	$ 7,863.6
2025	6,918.6	823.7	211.5	—	7,953.8
Cost of sales					
2026	$ 5,842.1	$ 566.4	$ 155.7	$ —	$ 6,564.2
2025	5,782.4	682.7	167.3	—	6,632.4
Selling, general, and administrative expenses:					
Personnel expenses					
2026	$ 483.4	$ 63.2	$ 20.0	$ —	$ 566.6
2025	472.6	65.9	18.8	—	557.3
Advertising expenses					
2026	$ 29.8	$ 0.7	$ 0.6	$ —	$ 31.1
2025	29.7	0.9	0.3	—	30.9
Rent & related expenses					
2026	$ 105.3	$ 6.8	$ 4.4	$ —	$ 116.5
2025	99.0	6.6	3.6	—	109.2
Other expenses (1)					
2026	$ 228.2	$ 14.4	$ 8.8	$ —	$ 251.4
2025	232.6	14.9	6.5	—	254.0
Depreciation					
2026	$ 38.8	$ 4.4	$ 1.6	$ —	$ 44.8
2025	35.3	3.9	1.4	—	40.6
Floor plan interest expense					
2026	$ 34.5	$ 2.3	$ 1.3	$ —	$ 38.1
2025	36.0	3.7	2.3	—	42.0
Other interest expense					
2026	$ 26.5	$ —	$ 1.9	$ —	$ 28.4
2025	18.0	—	4.5	—	22.5
Equity in earnings of affiliates					
2026	$ —	$ —	$ —	$ 40.8	$ 40.8
2025	0.3	—	—	33.0	33.3

Segment income					
2026 (2)	$ 238.9	$ 36.4	$ 7.6	$ 40.8	$ 323.7
2025 (3)	265.6	45.1	6.8	33.0	350.5

(1) Other expenses within SG&A primarily consist of information technology expenses, customer service vehicle loaner expenses, vehicle delivery and preparation expenses, utility expenses, and various other miscellaneous expenses. These expenses are individually not significant to the performance of our segments and are not regularly used by the CODM on a disaggregated basis for purposes of evaluating segment profit or loss.

(2) Retail automotive segment income includes a gain of $60.4 million from the sale of one retail automotive franchise in the U.S.

(3) Retail automotive segment income includes a gain of $52.3 million from the sale of one retail automotive franchise in the U.S.

Total capital expenditures by reportable segment are set forth in the table below. As segment assets are not regularly provided to or used by the CODM to measure business performance or allocate resources, total segment assets are not presented.

Three Months Ended March 31,	Retail Automotive	Retail Commercial Truck	Other	Non-Automotive Investments	Total
Capital expenditures					
2026	$ 52.8	$ 8.2	$ 1.6	$ —	$ 62.6
2025	66.0	17.8	0.9	—	84.7

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, 2025, 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, disposed, 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 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 28,800 people worldwide. Additionally, we own 28.9% of Penske Transportation Solutions, a business that employs nearly 41,000 people worldwide, manages one of the largest, most comprehensive and modern trucking fleets in North America with over 387,500 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 months ended March 31, 2026, our business generated $7.9 billion in total revenue, which is comprised of approximately $7.0 billion from retail automotive dealerships, $694.6 million from retail commercial truck dealerships, and $201.9 million from commercial vehicle distribution and other operations. We generated $1.3 billion in gross profit, which is comprised of $1.1 billion from retail automotive dealerships, $128.2 million from retail commercial truck dealerships, and $46.2 million from commercial vehicle distribution and other operations.

Retail Automotive. We are one of the largest global automotive retailers as measured by the $27.5 billion in total retail automotive dealership revenue we generated in 2025. We are diversified geographically with 56% of our total retail automotive dealership revenues in the three months ended March 31, 2026, generated in the U.S. and Puerto Rico and 44% 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, Lexus, Mercedes-Benz, and Porsche, and 22% of revenue generated from volume non-U.S. brands such as Toyota and Honda in the three months ended March 31, 2026. As of March 31, 2026, we operated 368 retail automotive franchised dealerships, of which 149 are located in the U.S. and 219 are located outside of the U.S., principally in the U.K. As of March 31, 2026, we also operated 15 used vehicle dealerships, with six dealerships in the U.S. operating under the brand name CarShop, eight dealerships in the U.K. operating under the brand name Sytner Select, and one dealership in Australia operating under the brand name Penske Select. We retailed and wholesaled, including agency units, more than 147,000 vehicles in the three months ended March 31, 2026.

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. Some of our dealerships in the U.K. and Europe operate under an agency model where 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 with no corresponding cost of sale.

During the three months ended March 31, 2026, we acquired two retail automotive franchises and sold one retail automotive franchise in the U.S., opened one retail automotive franchise in the U.K., and opened one retail automotive franchise in Germany. Retail automotive dealerships represented 88.6% of our total revenues and 86.6% of our total gross profit in the three months ended March 31, 2026.

Retail Commercial Truck Dealership. We operate Premier Truck Group ("PTG"), a heavy- and medium-duty retail truck dealership group offering primarily Freightliner and Western Star trucks (both Daimler brands), with locations across 10 U.S. states and the Canadian provinces of Ontario and Manitoba. As of March 31, 2026, PTG operated 45 locations selling new and/or used trucks, performing service and parts operations, or offering collision repair services. We retailed and wholesaled 3,668 new and used trucks in the three months ended March 31, 2026. This business represented 8.8% of our total revenues and 9.9% of our total gross profit in the three months ended March 31, 2026.

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, energy solutions, 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 2.6% of our total revenues and 3.5% of our total gross profit in the three months ended March 31, 2026. We also own and operate three Porsche dealerships in Melbourne, Australia, which results are included within our retail automotive segment described above.

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 businesses, which articulates the breadth of their services. PTS 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, supply chain management, and dry van truckload carrier services. We recorded $41.1 million and $33.2 million in equity earnings from this investment for the three months ended March 31, 2026 and 2025, respectively.

Outlook/Recent Developments

Tariffs. During 2025 and continuing into 2026, the U.S. enacted various tariffs on automobiles, automobile parts, and medium- and heavy-duty trucks and related parts which have impacted certain of our automotive and commercial vehicle suppliers, as well as our and PTS' operations. In February 2026, the U.S. Supreme Court ruled that certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were not authorized under that statute, although the ruling did not disturb other previously enacted tariffs. Developments regarding U.S. trade policy and the applicability and impact of tariffs on the vehicles, trucks and parts we sell remain fluid, and we continue to monitor the potential impact of tariffs on our business and results of operations.

Macroeconomic and Geopolitical Conditions. During 2026, higher fuel and energy prices, inflation, and broader geopolitical uncertainty may result in a more challenging operating environment, weaker consumer sentiment, and cost pressures in our markets. For additional discussion, see Item 1A. Risk Factors, "Macro-economic and geo-political conditions" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Electric Vehicle ("EV") and Emissions Regulation. Federal and state governments and regulators in our markets have placed various restrictions on new retail automotive and commercial vehicles, in many cases requiring vehicle manufacturers to achieve progressively higher penetration of EVs or lower emissions of new internal combustion engine vehicle sales. The U.K. government requires in 2026 that 33% of new cars sold shall be electric vehicles (with limited allowances) and that manufacturers pay significant penalties if such amount is not achieved and has confirmed a ban on the sale of internal combustion engines in new cars and new vans beginning in 2030, while allowing hybrid vehicles to be sold until 2035 with limited exceptions. These U.K. regulations increase now through 2035 and continue to affect the profitability and mix of vehicles sold by our U.K. dealerships. In the U.S. commercial vehicle market, the EPA’s 2027 heavy-duty engine emissions standards establish more stringent requirements for model year 2027 and later heavy-duty engines, and we believe the recent clarity regarding those standards has contributed to increased order activity in recent months, with related sales expected to occur primarily in the second half of 2026 as discussed further below. For an additional discussion of certain risks associated with our business related to the EV and emissions, see Item 1A. Risk Factors, "Vehicle Emissions and Other Environmental Regulations" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Retail Automotive. During the three months ended March 31, 2026, U.S. industry new light vehicle sales decreased 6.2%, to 3.7 million units, including a 7.2% decrease in retail sales, partially offset by a 5.5% increase in fleet sales, as compared to the same period last year. In the U.S., we believe our comparative new vehicle sales overall were negatively impacted by weather-related disruptions during January and February, the benefit in the prior period from tariff-related pull-forward of retail sales, and a 61.3% decrease in our new EV sales in the U.S., driven by reduced EV and emissions regulations in the U.S. and the elimination of certain tax incentives for the purchase of vehicles, including the previous $7,500 per new vehicle tax incentive on September 30, 2025. Following the expiration of those incentives, EV sales in the U.S. have remained lower than prior-year levels. For the remainder of 2026, we expect continued lower EV sales in the U.S. as compared to 2025 and lower availability of certain products from select manufacturers as compared to 2025. We expect continued strong demand for our service and parts operations driven by the increased average age of vehicles, recall campaigns, increased miles driven, and vehicle complexity. Affordability remains a consideration for consumers, given higher average vehicle prices and the resulting impact on monthly payments.

Although U.K. new vehicle registrations increased 5.9% to 0.6 million registrations, including a 9.9% increase in retail sales and a 2.8% increase in fleet sales, as compared to the same period last year, the sale of new premium brand vehicles across the U.K., representing a significant portion of our U.K. portfolio, remained flat over such period. We believe this performance relative to the broader U.K. market was driven in part by a difficult comparison to the prior year, which benefited from product releases at certain premium brands and sales pulled forward into the first quarter of 2025, coupled with higher business and consumer-related taxes and fees, including increased emissions-based charges on higher-emission vehicles, as well as the increased market share of Chinese manufacturers (which doubled their market share from 7.1% to 14.3% in the first quarter of 2026), and lower availability of certain products from select manufacturers.

Our new vehicle days' supply is 44 as of March 31, 2026, compared to 49 as of December 31, 2025. Our used vehicle days' supply is 39 as of March 31, 2026, compared to 49 as of December 31, 2025.

Retail Commercial Truck Dealership. During the three months ended March 31, 2026, North American sales of Class 6-8 medium- and heavy-duty trucks, the vehicles sold by our PTG business, decreased 17.1% from the same period last year to 85,901 units. The Class 6-7 medium-duty truck market decreased 11.1% from the same period last year to 34,192 units, and Class 8 heavy-duty trucks, the largest North American market, decreased 20.6% from the same period last year to 51,709 units. Lower order intake related to the weak freight environment during the third and fourth quarters of 2025 negatively impacted truck deliveries during the first quarter of 2026. However, order activity has begun increasing in recent months as the freight environment began to show signs of improvement, driven in part by customer orders placed ahead of anticipated 2027 emissions requirements. In addition, service and parts operations benefited from increased demand from delayed maintenance, as well as from an aging vehicle fleet. We expect related sales from increased order activity to occur primarily in the second half of 2026 and demand for service and parts operations to remain strong. As of March 31, 2026, the Class 6-8 medium- and heavy-duty truck backlog is 231,158 units according to data published by ACT Research compared to 170,568 as of December 31, 2025.

Commercial Vehicle Distribution and Other. During the three months ended March 31, 2026, the Australian heavy-duty truck market reported sales of 3,007 units, representing a decrease of 11.0% from the same period last year, while the New Zealand market reported sales of 573 units, representing a decrease of 5.4% from the same period last year. For 2026, we expect similar performance to 2025 for our on-highway businesses, with higher fuel prices and broader operating cost pressures on transport operators may continue to affect demand. We expect demand for defense and energy systems products to remain strong in 2026, in particular in providing standby power energy solutions for our data systems customers.

Penske Transportation Solutions. PTS experienced improved operating performance during the first quarter of 2026. As discussed above, in recent months we have seen increased order activity in the Class 8 market which, in addition to continued cost savings strategies, we expect will benefit PTS.

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, 2025, 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 97.4% of our revenue and 85.0% of our earnings before taxes during the three months ended March 31, 2026. Income from our PTS investment represents 12.7% of our earnings before taxes during the three months ended March 31, 2026. 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 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, the impact of tariffs and non-tariff trade barriers, 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.

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 revenue and gross profit by $227.6 million and $34.9 million, respectively, for the three months ended March 31, 2026. Foreign currency average rate fluctuations increased earnings per share by approximately $0.05 per share for the three months ended March 31, 2026. Excluding the impact of foreign currency average rate fluctuations, aggregate revenue and gross profit decreased 4.0% and decreased 4.3%, respectively, for the three months ended March 31, 2026.

Our selling expenses consist of advertising and compensation for sales personnel, including commissions and related bonuses. General and administrative expenses include compensation, finance, legal and management personnel costs, rent, insurance, information technology expenses, service vehicle loaner expenses, vehicle delivery and preparation expenses, 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 other 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 prevailing benchmark interest rates in our various markets.

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 sales of new and used vehicles, service and parts, and repair and maintenance services, 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 and other freight metrics such as spot rates or miles driven, personal discretionary spending levels, interest rates, foreign currency exchange 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, tariffs and non-tariff trade barriers, any shortages of vehicle components, international conflicts, challenges in sourcing labor or labor strikes or work stoppages, or other disruptions; the control our manufacturer partners can exert over our operations and our reliance on them for various aspects of our business; risks to our reputation and those of our manufacturer partners; changes in the retail model from direct sales by manufacturers, a transition to an agency model of sales, sales by online competitors, or from the expansion of EVs; 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 impact of tariffs targeting imported vehicles and parts, as well as changes or increases in tariffs, trade restrictions, trade disputes, or non-tariff trade barriers; 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 our 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, the cost of acquiring and the continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, including with respect to the effect of various regulations concerning its vehicle 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, emissions standards or electrification; 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, 2025, 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 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 policy applied in the preparation of our financial statements that management believes is the most dependent upon the use of estimates and assumptions is our impairment testing of goodwill and other indefinite-lived intangible assets. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Annual Report on Form 10-K for additional detail and discussion of this critical accounting estimate. There have been no material changes in critical accounting estimates as described in our most recent Annual Report.

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, 2024, the results of the acquired entity would be included in annual same-store comparisons beginning with the year ended December 31, 2026, and in quarterly same-store comparisons beginning with the quarter ended June 30, 2025.

Some of our dealerships in the U.K. and Europe operate under an agency model where 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 with no corresponding cost of sale. We have presented below units sold under this agency model as "Agency units". 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.

On November 19, 2025, we acquired PMG from a commonly controlled affiliate, which was accounted for as a transaction between entities under common control. Accordingly, our consolidated financial statements and related notes have been retrospectively recast for all historical comparative periods presented to include the operations of PMG as if the entities had been combined since the beginning of the earliest period presented. Furthermore, the assets and liabilities of PMG were recognized at the historical carrying amounts, and the difference between the consideration transferred and the carrying value of the net assets received was recorded to equity within retained earnings.

This change in reporting particularly impacts our reporting of income tax. Historically, PMG was treated as a pass-through partnership for income tax purposes and therefore did not record income tax expense in its stand-alone financial statements. Because we have retrospectively recast prior periods to include PMG as if it had always been part of our consolidated reporting, those historical periods do not reflect federal and state income taxes that would have been incurred had PMG been included in our taxable consolidated group. Beginning on the acquisition date, the results of PMG are included in our consolidated federal and state income tax filings and therefore are subject to income tax. As a result, period-over-period comparisons of net income and earnings per share may not be directly comparable due to the change in tax status of PMG.

Our results for the three months ended March 31, 2026, include a gain of $60.4 million from the sale of one retail automotive franchise in the U.S., resulting in an after-tax gain of $44.8 million, or $0.68 per share. This gain was partially offset by disposals and other charges in the first quarter of 2026 of $13.0 million (none of which was individually material), resulting in an after-tax expense of $10.9 million, or $0.17 per share. This resulted in a net after-tax gain of $33.9 million, or $0.51 per share.

Our results for the three months ended March 31, 2025, include a gain of $52.3 million from the sale of one retail automotive franchise in the U.S., resulting in an after-tax gain of $38.9 million, or $0.58 per share. This gain was partially offset by impairments and other charges of $25.2 million (none of which was individually material), resulting in an after-tax expense of $20.9 million, or $0.31 per share. This resulted in a net after-tax gain of $18.0 million, or $0.27 per share.

Three Months Ended March 31, 2026, Compared to Three Months Ended March 31, 2025

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

			2026 vs. 2025	
New Vehicle Data	**2026**	**2025**	**Change**	**% Change**
New retail unit sales (excluding agency)	50,036	55,524	(5,488)	(9.9)%
Same-store new retail unit sales (excluding agency)	49,098	54,555	(5,457)	(10.0)%
New agency unit sales	13,011	10,686	2,325	21.8 %
Same-store new agency unit sales	13,011	10,686	2,325	21.8 %
New sales revenue	$ 3,080.7	$ 3,248.0	$ (167.3)	(5.2)%
Same-store new sales revenue	$ 3,018.8	$ 3,202.9	$ (184.1)	(5.7)%
New retail sales revenue per unit (excluding agency)	$ 60,905	$ 58,021	$ 2,884	5.0 %
Same-store new retail sales revenue per unit (excluding agency)	$ 60,807	$ 58,225	$ 2,582	4.4 %
Gross profit — new	$ 270.3	$ 302.5	$ (32.2)	(10.6)%
Same-store gross profit — new	$ 263.5	$ 299.4	$ (35.9)	(12.0)%
Average gross profit per new vehicle (excluding agency)	$ 4,783	$ 5,014	$ (231)	(4.6)%
Same-store average gross profit per new vehicle (excluding agency)	$ 4,735	$ 5,046	$ (311)	(6.2)%
Gross margin % — new	8.8 %	9.3 %	(0.5)%	(5.4)%
Same-store gross margin % — new	8.7 %	9.3 %	(0.6)%	(6.5)%

Units

Retail unit deliveries of new vehicles decreased from 2025 to 2026 due to a 3,132 unit, or 4.8%, decrease in same-store new retail unit deliveries, coupled with a 31 unit decrease from net dealership acquisitions/dispositions. Same-store retail units delivered decreased 9.5% in the U.S. and increased 1.4% internationally. Overall, new retail unit deliveries decreased 9.7% in the U.S. and increased 1.8% internationally. We believe the decrease in retail unit sales in the U.S. is due to weather-related disruptions during January and February and the benefit in the prior period from tariff-related pull-forward of retail sales, as well as lower demand for electric vehicles subsequent to the elimination of certain U.S. tax incentives as of September 30, 2025. We believe the increase in retail unit deliveries internationally is primarily due to the increase of our sales from Chinese manufacturers, coupled with increases in sales of certain premium brands, partially offset by the elimination of premium vehicles from certain government incentive programs in the U.K.

Revenues

New vehicle sales revenue decreased from 2025 to 2026 due to a $184.1 million, or 5.7%, decrease in same-store revenues, partially offset by a $16.8 million increase from net dealership acquisitions/dispositions. Excluding $67.7 million of favorable foreign currency fluctuations, same-store new revenue decreased 7.9%. Same-store revenue (excluding agency) decreased due to the decrease in same-store new retail unit sales, which decreased revenue by $317.7 million, partially offset by a $2,582 per unit increase in same-store comparative average retail selling price (including a $1,334 per retail unit increase attributable to favorable foreign currency fluctuations), which increased revenue by $126.8 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 2025 to 2026 due to a $35.9 million, or 12.0%, decrease in same-store gross profit, partially offset by a $3.7 million increase from net dealership acquisitions/dispositions. Excluding $6.9 million of favorable foreign currency fluctuations, same-store gross profit decreased 14.3%. Same-store gross profit (excluding agency) decreased due to the decrease in same-store new retail sales, which decreased retail gross profit by $27.5 million, coupled with a $311 per unit decrease in same-store comparative average gross profit (despite a $100 per retail unit increase attributable to favorable foreign currency fluctuations), which decreased gross profit by $15.3 million. We believe the decrease in same-store comparative average retail gross profit per unit (excluding agency) is primarily due to a highly competitive selling environment, the benefit in the prior period from tariff-related pull-forward of retail sales, and vehicle affordability considerations.

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

			2026 vs. 2025	
Used Vehicle Data	**2026**	**2025**	**Change**	**% Change**
Used retail unit sales	60,126	60,487	(361)	(0.6)%
Same-store used retail unit sales	59,552	59,138	414	0.7 %
Used retail sales revenue	$ 2,429.4	$ 2,264.1	$ 165.3	7.3 %
Same-store used retail sales revenue	$ 2,408.3	$ 2,225.9	$ 182.4	8.2 %
Used retail sales revenue per unit	$ 40,406	$ 37,431	$ 2,975	7.9 %
Same-store used retail sales revenue per unit	$ 40,441	$ 37,639	$ 2,802	7.4 %
Gross profit — used	$ 124.8	$ 128.1	$ (3.3)	(2.6)%
Same-store gross profit — used	$ 123.6	$ 126.9	$ (3.3)	(2.6)%
Average gross profit per used vehicle retailed	$ 2,076	$ 2,119	$ (43)	(2.0)%
Same-store average gross profit per used vehicle retailed	$ 2,076	$ 2,147	$ (71)	(3.3)%
Gross margin % — used	5.1 %	5.7 %	(0.6)%	(10.5)%
Same-store gross margin % — used	5.1 %	5.7 %	(0.6)%	(10.5)%

Units

Retail unit sales of used vehicles decreased from 2025 to 2026 due to a 775 unit decrease from net dealership acquisitions/dispositions, partially offset by a 414 unit, or 0.7%, increase in same-store used retail unit sales. Our same-store units decreased 2.9% in the U.S. and increased 4.4% internationally. Overall, our used units decreased 3.8% in the U.S. and increased 2.7% internationally. We believe the decrease in same-store retail sales of used units in the U.S. is primarily due to weather-related disruptions during January and February, as well as the limited availability of lower mileage, used vehicles from lower lease returns. We believe the increase in same-store retail sales of used units internationally is primarily due to increased consumer demand due to overall affordability concerns in our international markets.

Revenues

Used vehicle retail sales revenue increased from 2025 to 2026 due to a $182.4 million, or 8.2%, increase in same-store revenues, partially offset by a $17.1 million decrease from net dealership acquisitions/dispositions. Excluding $91.7 million of favorable foreign currency fluctuations, same-store used retail revenue increased 4.1%. The increase in same-store revenue is due to a $2,802 per unit increase in same-store comparative average selling price (including a $1,540 per unit increase attributable to favorable foreign currency fluctuations), which increased revenue by $165.7 million, coupled with the increase in same-store used retail unit sales discussed above, which increased revenue by $16.7 million. We believe the increase in same-store comparative average selling price is primarily due to the increased costs to acquire vehicles.

Gross Profit

Retail gross profit from used vehicle sales decreased from 2025 to 2026 due to a $3.3 million, or 2.6%, decrease in same-store gross profit. Excluding $4.8 million of favorable foreign currency fluctuations, same-store gross profit decreased 6.4%. The decrease in same-store gross profit is due to a $71 per unit decrease in same-store comparative average gross profit (despite a $80 per unit increase attributable to favorable foreign currency fluctuations), which decreased gross profit by $4.2 million, partially offset by the increase in same-store used retail unit sales, which increased gross profit by $0.9 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to higher acquisition costs of vehicles, coupled with the competitive selling environment particularly in the U.S. and U.K. markets.

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

Finance and Insurance Data	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Total retail unit sales	110,162	116,011	(5,849)	(5.0)%
Total same-store retail unit sales	108,650	113,693	(5,043)	(4.4)%
Total agency unit sales	13,011	10,686	2,325	21.8 %
Total same-store agency unit sales	13,011	10,686	2,325	21.8 %
Finance and insurance revenue	$ 202.3	$ 205.4	$ (3.1)	(1.5)%
Same-store finance and insurance revenue	$ 200.2	$ 201.9	$ (1.7)	(0.8)%
Finance and insurance revenue per unit (excluding agency)	$ 1,787	$ 1,737	$ 50	2.9 %
Same-store finance and insurance revenue per unit (excluding agency)	$ 1,807	$ 1,750	$ 57	3.3 %

Finance and insurance revenue decreased from 2025 to 2026 due to a $1.7 million, or 0.8%, decrease in same-store revenue, coupled with a $1.4 million decrease from net dealership acquisitions/dispositions. Excluding $5.0 million of favorable foreign currency fluctuations, same-store finance and insurance revenue decreased 3.3%. Same-store revenue (excluding agency) decreased due to the decrease in combined same-store new and used retail unit sales, which decreased revenue by $8.8 million, partially offset by a $57 per unit increase in same-store comparative average finance and insurance retail revenue (including a $44 per retail unit increase attributable to favorable foreign currency fluctuations), which increased revenue by $6.2 million. Same-store finance and insurance revenue per unit (excluding agency) decreased 0.6% in the U.S. and increased 9.7% in the U.K. We believe the increase in same-store finance and insurance revenue per unit (excluding agency) is primarily due to the increase in average selling price of both new and used vehicles, as well as improved finance and insurance penetration internationally.

Retail Automotive Dealership Service and Parts Data
(In millions)

Service and Parts Data	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Service and parts revenue	$ 863.9	$ 825.6	$ 38.3	4.6 %
Same-store service and parts revenue	$ 852.8	$ 815.1	$ 37.7	4.6 %
Gross profit — service and parts	$ 509.7	$ 482.4	$ 27.3	5.7 %
Same-store service and parts gross profit	$ 502.9	$ 475.8	$ 27.1	5.7 %
Gross margin % — service and parts	59.0 %	58.4 %	0.6 %	1.0 %
Same-store service and parts gross margin %	59.0 %	58.4 %	0.6 %	1.0 %

Revenues

Service and parts revenue increased from 2025 to 2026, with an increase of 2.9% in the U.S. and an increase of 7.5% internationally. The increase in service and parts revenue is due to a $37.7 million, or 4.6%, increase in same-store revenues, coupled with a $0.6 million increase from net dealership acquisitions/dispositions. Excluding $22.9 million of favorable foreign currency fluctuations, same-store revenue increased 1.8%. The increase in same-store revenue, which was partially offset by weather-related disruptions during January and February, is due to a $33.6 million, or 5.9%, increase in customer pay revenue and a $4.2 million, or 2.2%, increase in warranty revenue, partially offset by a $0.1 million, or 0.2%, decrease in vehicle preparation and body shop revenue. We believe the increase in same-store revenue is primarily due to increasing vehicle complexity, increases in effective labor rates, the retail cost of parts due to inflation and tariffs, and continuing vehicle recalls.

Gross Profit

Service and parts gross profit increased from 2025 to 2026 due to a $27.1 million, or 5.7%, increase in same-store gross profit, coupled with a $0.2 million increase from net dealership acquisitions/dispositions. Excluding $12.3 million of favorable foreign currency fluctuations, same-store gross profit increased 3.1%. The increase in same-store gross profit, which was partially offset by weather-related disruptions during January and February, is due to the increase in same-store revenues, which increased gross profit by $22.2 million, coupled with a 0.6% increase in same-store gross margin from 58.4% to 59.0%, which increased gross profit by $4.9 million. The increase in same-store gross profit is due to an $18.4 million, or 6.7%, increase in customer pay gross profit, a $5.0 million, or 4.9%, increase in warranty gross profit, and a $3.7 million, or 3.7%, increase in vehicle preparation and body shop gross profit. We believe the increase in same-store gross margin is primarily due to a change in the mix of warranty and customer pay, coupled with an increase in the effective labor rate.

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

					2026 vs. 2025		
New Commercial Truck Data		**2026**		**2025**		**Change**	**% Change**
New retail unit sales		2,786		3,739		(953)	(25.5)%
Same-store new retail unit sales		2,786		3,739		(953)	(25.5)%
New retail sales revenue	$	401.2	$	527.2	$	(126.0)	(23.9)%
Same-store new retail sales revenue	$	401.2	$	527.2	$	(126.0)	(23.9)%
New retail sales revenue per unit	$	144,019	$	140,988	$	3,031	2.1 %
Same-store new retail sales revenue per unit	$	144,019	$	140,988	$	3,031	2.1 %
Gross profit — new	$	23.2	$	33.5	$	(10.3)	(30.7)%
Same-store gross profit — new	$	23.2	$	33.5	$	(10.3)	(30.7)%
Average gross profit per new truck retailed	$	8,314	$	8,960	$	(646)	(7.2)%
Same-store average gross profit per new truck retailed	$	8,314	$	8,960	$	(646)	(7.2)%
Gross margin % — new		5.8 %		6.4 %		(0.6)%	(9.4)%
Same-store gross margin % — new		5.8 %		6.4 %		(0.6)%	(9.4)%

Units

Retail unit sales of new trucks decreased from 2025 to 2026 due to a 953 unit, or 25.5%, decrease in same-store new retail unit sales. We believe the decrease in same-store unit sales is primarily due to reduced orders during the third and fourth quarters of 2025 related to the prolonged recessionary freight rate environment and the implementation of tariffs, coupled with market uncertainty prior to the recent clarity regarding the 2027 heavy-duty emissions standards.

Revenues

New commercial truck retail sales revenue decreased from 2025 to 2026 due to a $126.0 million, or 23.9%, decrease in same-store revenues. The decrease in same-store revenue is due to the decrease in same-store new retail unit sales, which decreased revenue by $134.4 million, partially offset by a $3,031 per unit increase in same-store comparative average selling price, which increased revenue by $8.4 million. We believe the increase in same-store comparative average selling price is primarily due to standard price increases from the manufacturer, coupled with increases due to tariffs.

Gross Profit

New commercial truck retail gross profit decreased from 2025 to 2026 due to a $10.3 million, or 30.7%, decrease in same-store gross profit. The decrease in same-store gross profit is due to the decrease in same-store new retail unit sales, which decreased gross profit by $8.5 million, coupled with a $646 per unit decrease in same-store comparative average gross profit, which decreased gross profit by $1.8 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to a shift in the sales mix toward larger fleets.

Used Commercial Truck Data	2026	2025	2026 vs. 2025 Change	% Change
Used retail unit sales	797	975	(178)	(18.3)%
Same-store used retail unit sales	797	975	(178)	(18.3)%
Used retail sales revenue	$ 52.2	$ 63.8	$ (11.6)	(18.2)%
Same-store used retail sales revenue	$ 52.2	$ 63.8	$ (11.6)	(18.2)%
Used retail sales revenue per unit	$ 65,494	$ 65,468	$ 26	— %
Same-store used retail sales revenue per unit	$ 65,494	$ 65,468	$ 26	— %
Gross profit — used	$ 5.5	$ 7.3	$ (1.8)	(24.7)%
Same-store gross profit — used	$ 5.5	$ 7.3	$ (1.8)	(24.7)%
Average gross profit per used truck retailed	$ 6,889	$ 7,451	$ (562)	(7.5)%
Same-store average gross profit per used truck retailed	$ 6,889	$ 7,451	$ (562)	(7.5)%
Gross margin % — used	10.5 %	11.4 %	(0.9)%	(7.9)%
Same-store gross margin % — used	10.5 %	11.4 %	(0.9)%	(7.9)%

Units

Retail unit sales of used trucks decreased from 2025 to 2026 due to a 178 unit, or 18.3%, decrease in same-store retail unit sales. We believe the decrease in same-store unit sales is primarily due to lower demand for used trucks due to market uncertainty and the prolonged recessionary freight rate environment.

Revenues

Used commercial truck retail sales revenue decreased from 2025 to 2026 due to an $11.6 million, or 18.2%, decrease in same-store revenues. The decrease in same-store revenue is primarily due to the decrease in same-store used retail unit sales, which decreased revenue by $11.7 million.

Gross Profit

Used commercial truck retail gross profit decreased from 2025 to 2026 primarily due to a $1.8 million, or 24.7%, decrease in same-store gross profit. The decrease in same-store gross profit is due to the decrease in same-store used retail unit sales, which decreased gross profit by $1.3 million, coupled with a $562 per unit decrease in same-store comparative average gross profit, which decreased gross profit by $0.5 million. We believe the decrease in same-store comparative average gross profit per unit is primarily due to a change in the mix of units sold, coupled with the prolonged recessionary freight rate environment.

Service and Parts Data	2026	2025	2026 vs. 2025 Change	% Change
Service and parts revenue	$ 232.2	$ 222.0	$ 10.2	4.6 %
Same-store service and parts revenue	$ 230.2	$ 221.2	$ 9.0	4.1 %
Gross profit — service and parts	$ 93.3	$ 92.6	$ 0.7	0.8 %
Same-store service and parts gross profit	$ 92.2	$ 92.3	$ (0.1)	(0.1)%
Gross margin % — service and parts	40.2 %	41.7 %	(1.5)%	(3.6)%
Same-store service and parts gross margin %	40.1 %	41.7 %	(1.6)%	(3.8)%

Revenues

Service and parts revenue increased from 2025 to 2026 due to a $9.0 million, or 4.1%, increase in same-store revenues, coupled with a $1.2 million increase from net dealership acquisitions/dispositions. Customer pay work represented 78.8%, warranty represented 18.1%, and collision repair represented 3.1% of PTG's service and parts revenue. The increase in same-store revenue is due to a $9.1 million, or 5.3%, increase in customer pay revenue and a $0.4 million, or 1.0%, increase in warranty revenue, partially offset by a $0.5 million, or 7.5%, decrease in body shop revenue. We believe the increase in same-store service and parts revenue is primarily due to increased demand for repairs and maintenance services driven by aging vehicle fleet and increased demand from delayed maintenance.

Gross Profit

Service and parts gross profit increased from 2025 to 2026 due to a $0.8 million increase from net dealership acquisitions/dispositions, partially offset by a $0.1 million, or 0.1%, decrease in same-store gross profit. The decrease in same-store gross profit is due to a 1.6% decrease in same-store gross margin, which decreased gross profit by $3.7 million, partially offset by the increase in same-store revenues, which increased gross profit by $3.6 million. Same-store gross profit increased $0.9 million, or 1.5%, in customer pay gross profit, offset by a $0.7 million, or 9.7%, decrease in body shop gross profit and a $0.3 million, or 1.3%, decrease in warranty gross profit.

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

			2026 vs. 2025	
Penske Australia Data	**2026**	**2025**	**Change**	**% Change**
Commercial vehicle units (wholesale and retail)	249	302	(53)	(17.5)%
Power system units	195	331	(136)	(41.1)%
Sales revenue	$ 201.9	$ 211.5	$ (9.6)	(4.5)%
Gross profit	$ 46.2	$ 44.2	$ 2.0	4.5 %

Penske Australia primarily distributes and services commercial vehicles, engines, and power systems. This business generated $201.9 million of revenue during the three months ended March 31, 2026, compared to $211.5 million of revenue in the prior year period, a decrease of 4.5%. This business also generated $46.2 million of gross profit during the three months ended March 31, 2026, compared to $44.2 million of gross profit in the prior year period, an increase of 4.5%. Excluding $19.7 million of favorable foreign currency fluctuations, revenue decreased 13.9%, and excluding $4.4 million of favorable foreign currency fluctuations, gross profit decreased 5.2%. These decreases are primarily due to a decrease in units sold related to the decline in the Australian and New Zealand heavy-duty truck market, coupled with the timing of orders on power system units.

Selling, General, and Administrative Data
(In millions)

			2026 vs. 2025	
Selling, General, and Administrative Data	**2026**	**2025**	**Change**	**% Change**
Personnel expense	$ 566.6	$ 557.3	$ 9.3	1.7 %
Advertising expense	$ 31.1	$ 30.9	$ 0.2	0.6 %
Rent & related expense	$ 116.5	$ 109.2	$ 7.3	6.7 %
Other expense	$ 251.4	$ 254.0	$ (2.6)	(1.0)%
Total SG&A expenses	$ 965.6	$ 951.4	$ 14.2	1.5 %
Same-store SG&A expenses	$ 952.5	$ 938.6	$ 13.9	1.5 %
Personnel expense as % of gross profit	43.6 %	42.2 %	1.4 %	3.3 %
Advertising expense as % of gross profit	2.4 %	2.3 %	0.1 %	4.3 %
Rent & related expense as % of gross profit	9.0 %	8.3 %	0.7 %	8.4 %
Other expense as % of gross profit	19.3 %	19.2 %	0.1 %	0.5 %
Total SG&A expenses as % of gross profit	74.3 %	72.0 %	2.3 %	3.2 %
Same-store SG&A expenses as % of same-store gross profit	74.3 %	71.8 %	2.5 %	3.5 %

Selling, general, and administrative expenses ("SG&A") increased from 2025 to 2026 due to a $13.9 million, or 1.5%, increase in same-store SG&A, coupled with a $0.3 million increase from net dealership acquisitions/dispositions. Excluding $27.0 million of unfavorable foreign currency fluctuations, same-store SG&A decreased 1.4%. SG&A expenses as a percentage of gross profit was 74.3%, an increase of 230 basis points compared to 72.0% in the prior year. SG&A expenses as a percentage of total revenue were 12.3% and 12.0% in the three months ended March 31, 2026 and 2025, respectively. We believe the increase in SG&A expenses as a percentage of gross profit is primarily due to increases in personnel expenses and rent and related expenses.

Depreciation
(In millions)

	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Depreciation	$ 44.8	$ 40.6	4.2	10.3 %

Depreciation increased from 2025 to 2026 due to a $3.9 million, or 9.6%, increase in same-store depreciation due to capital expenditures, coupled with a $0.3 million increase from net dealership acquisitions/dispositions.

Floor Plan Interest Expense
(In millions)

	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Floor plan interest expense	$ 38.1	$ 42.0	(3.9)	(9.3)%

Floor plan interest expense decreased from 2025 to 2026 due to a $3.5 million, or 8.4%, decrease in same-store floor plan interest expense, coupled with a $0.4 million decrease from net dealership acquisitions/dispositions. The overall decrease is due to decreases in applicable rates, coupled with decreases in average amounts outstanding under floor plan arrangements due to decreasing levels of inventory.

Other Interest Expense
(In millions)

	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Other interest expense	$ 28.4	$ 22.5	5.9	26.2 %

Other interest expense increased from 2025 to 2026 due to increases in average revolver borrowing amounts outstanding under our credit agreements, partially offset by decreases in applicable rates throughout the year.

Equity in Earnings of Affiliates
(In millions)

	2026	2025	2026 vs. 2025 Change	2026 vs. 2025 % Change
Equity in earnings of affiliates	$ 40.8	$ 33.3	7.5	22.5 %

Equity in earnings of affiliates increased from 2025 to 2026 due to a $7.9 million, or 23.8%, increase in earnings from our investment in PTS, partially offset by the decrease in earnings from our joint ventures primarily due to the sale of our 50% interest in our joint venture in Spain during the second quarter of 2025. We believe the increase in our PTS equity earnings was driven by improved operating performance during the first quarter of 2026, including growth in full-service leasing revenue, improved fleet utilization, and lower operating and interest expenses, including maintenance and depreciation expense, resulting from continued fleet reductions. These benefits were partially offset by continued challenging conditions in the rental market, which pressured commercial and consumer rental demand, as well as lower gain on sale of used trucks.

Income Taxes
(In millions)

	2026	2025	2026 vs. 2025 Change	% Change
Income taxes	$ 88.8	$ 92.1	(3.3)	(3.6)%

Income taxes decreased from 2025 to 2026 primarily due to a $26.8 million decrease in our pre-tax income compared to the prior year. Our effective tax rate was 27.4% during the three months ended March 31, 2026, compared to 26.3% during the three months ended March 31, 2025, primarily due to our acquisition of PMG whose earnings only became subject to corporate income taxes after our November 2025 acquisition, coupled with the 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, the impact of tariffs and non-tariff trade barriers, 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.

In October 2025, we filed an automatic shelf registration statement with the SEC that enables us to offer for sale, from time to time and as the capital markets permit, an unspecified amount of common stock, preferred stock, debt securities, warrants, subscription rights, depositary shares, stock purchase contracts, and units.

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 repay or refinance such instruments 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 Daimler Financial Services New Zealand.

As of March 31, 2026, we had $83.7 million of cash available to fund our operations and capital commitments. In addition, we had an aggregate of approximately $1.2 billion available for borrowing under our U.S. credit agreement, U.K.

credit agreement, the revolving mortgage facility through Toyota Motor Credit Corporation in the U.S., and other various credit facilities.

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, 2026, $221.2 million remained outstanding and available for repurchases under our securities repurchase program. 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 months ended March 31, 2026.

Dividends

We paid the following cash dividends on our common stock in 2025 and 2026:

	Per Share Dividends	
2025		
First Quarter	$	1.22
Second Quarter	$	1.26
Third Quarter	$	1.32
Fourth Quarter	$	1.38
2026		
First Quarter	$	1.40

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 vehicle availability, the impact of recently announced tariffs, the rate of inflation, 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, 2026, we had the following long-term debt obligations outstanding:

(In millions)	March 31, 2026
U.S. credit agreement — revolving credit line	$ 620.0
U.K. credit agreement — revolving credit line	43.6
3.75% senior subordinated notes due 2029	497.5
Mortgage facilities	971.2
Other debt	504.6
Total long-term debt	$ 2,636.9
Less: current portion	(423.1)
Net long-term debt	$ 2,213.8

As of March 31, 2026, we were in compliance with all financial 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

As of March 31, 2026, we had five principal sources of short-term borrowings: our U.S. credit agreement (with $1.5 billion of total capacity), U.K. credit agreement, other local country credit agreements, 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. Our borrowings vary over time based on our cash flows, capital requirements and investment activities. 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. Approximately $1.2 billion was available for borrowing under our various credit facilities as of March 31, 2026. During the three months ended March 31, 2026, our outstanding revolving commitments under the U.S. credit agreement varied between $234.0 million and $934.0 million.

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 2025, we received $98.7 million of pro rata cash distributions relating to this investment. We currently expect to continue to receive future distributions from PTS quarterly, subject to its financial performance.

Investments

We account for each of our investments under the equity method, pursuant to which we record our proportionate share of the investee's income each period. The net book value of our investments was $1,962.9 million and $1,923.7 million as of March 31, 2026, and December 31, 2025, respectively, including $1,959.9 million and $1,920.6 million, respectively, relating to PTS.

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. As of March 31, 2026, we were in compliance with all financial covenants under these leases consisting principally of leases for dealerships 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 3.75% Notes (the "Senior Subordinated Notes").

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"). The Senior Subordinated Notes also contains customary negative covenants and events of default. If we experience certain "change of control" events specified in the indenture, holders of the 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. Because our consolidated financial statements have been retrospectively recast to reflect the acquisition of PMG as a transaction between entities under common control, the summarized combined financial information of PAG and the Guarantor subsidiaries includes PMG for all periods presented.

Condensed income statement information:

	PAG and Guarantor Subsidiaries	
	Three Months Ended March 31, 2026	**Twelve Months Ended December 31, 2025**
Revenues	$ 4,304.9	$ 18,852.1
Gross profit	749.3	3,179.9
Equity in earnings of affiliates	41.1	192.8
Net income	203.2	799.6
Net income attributable to Penske Automotive Group	203.2	799.6

Condensed balance sheet information:

	PAG and Guarantor Subsidiaries	
	March 31, 2026	**December 31, 2025**
Current assets	$ 2,890.8	$ 2,845.6
Property and equipment, net	1,818.6	1,707.8
Equity method investments	1,961.2	1,921.9
Other noncurrent assets (1)	4,616.4	4,122.7
Current liabilities	3,062.7	2,911.8
Noncurrent liabilities	4,797.1	4,316.5

(1) There were no amounts due from Non-Guarantor subsidiaries as of March 31, 2026, compared to $27.3 million as of December 31, 2025.

During the three months ended March 31, 2026, PAG received $60.4 million from Non-Guarantor subsidiaries. During the twelve months ended December 31, 2025, PAG received $189.8 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,	
(In millions)	**2026**	**2025**
Net cash provided by operating activities	$ 215.0	$ 291.0
Net cash used in investing activities	(634.4)	(4.6)
Net cash provided by (used in) financing activities	438.6	(248.3)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	1.5
Net change in cash and cash equivalents	$ 19.0	$ 39.6

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 had net cash provided by operating activities of $215.0 million and $291.0 million during the three months ended March 31, 2026 and 2025, respectively. The decrease of $76.0 million was primarily due to the timing of working capital related payments, including accounts receivable, inventory, and floor plan notes payable. Excluding non-cash items, these impacts were coupled with a decrease in earnings as discussed above under "Results of Operations."

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 and all floor plan notes payable relating to pre-owned vehicles 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 have prepared 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,	
(In millions)	**2026**	**2025**
Net cash provided by operating activities as reported	$ 215.0	$ 291.0
Floor plan notes payable — non-trade as reported	85.6	(27.2)
Net cash provided by operating activities including all floor plan notes payable	$ 300.6	$ 263.8

Cash Flows from Investing Activities

Cash flows from investing activities consist primarily of cash used for capital expenditures, proceeds from the sale of dealerships, proceeds from the sale of property and equipment, and cash used for net expenditures for acquisitions. Capital expenditures were $62.6 million and $84.7 million during the three months ended March 31, 2026 and 2025, 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. Proceeds from the sale of dealerships were $77.0 million and $77.8 million during the three months ended March 31, 2026 and 2025, respectively. Proceeds from the sale of property and equipment were $20.5 million and $4.0 million during the three months ended March 31, 2026 and 2025, respectively. Cash used in acquisitions, net of cash acquired, was $669.7 million and included $15.0 million of cash used to repay sellers' floor plan liabilities in such business acquisitions during the three months ended March 31, 2026, compared to no cash used in acquisitions during the three months ended March 31, 2025.

Cash Flows from Financing Activities

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

We had net borrowings of other debt of $473.1 million and net repayments of $92.0 million during the three months ended March 31, 2026 and 2025, respectively. We had net borrowings of floor plan notes payable non-trade of $85.6 million and net repayments $27.2 million during the three months ended March 31, 2026 and 2025, respectively. We repurchased 0.2 million and 0.3 million shares of common stock under our securities repurchase program for $26.3 million and $39.9 million during the three months ended March 31, 2026 and 2025, respectively. We acquired 393 and 822 shares from employees in connection with a net share settlement feature of employee equity awards for $0.1 million and $0.1 million during the three months ended March 31, 2026 and 2025, respectively. We also paid cash dividends to our stockholders of $92.6 million and $81.8 million during the three months ended March 31, 2026 and 2025, respectively. We made payments for debt issuance costs of $0.9 million and $0.3 million during the three months ended March 31, 2026, and 2025, 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 the 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 currently have and 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.

One Big Beautiful Bill Act

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act ("OBBBA"), was signed into law. The OBBBA reinstates 100% bonus depreciation for qualified property placed in service after January 19, 2025. This provision allows for immediate expensing for income tax purposes of the full cost of eligible tangible assets, including certain machinery, equipment and building improvements, which will benefit the tax treatment of PTS vehicle purchases. The bill also provides certain consumers with a tax deduction for the interest on loans for certain U.S.-assembled vehicles and eliminated federal EV tax credits for vehicles purchased or leased after September 30, 2025. Further, the OBBBA has effectively eliminated fines for automotive manufacturers who fail to meet federal fuel efficiency standards for vehicles dating back to model year 2022, which is expected to result in significant savings for vehicle manufacturers. While we expect lower new U.S. EV sales as a result of the elimination of the EV tax credits, we continue to evaluate additional impact of the OBBBA on our consolidated financial statements and any cash flow implications.

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 52% of our outstanding common stock. Mitsui & Co., Ltd. and Mitsui & Co. (USA), Inc. (collectively, "Mitsui") own approximately 20% 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 "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 Stockholders Agreement). 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. Yosuke Kawakami, 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, 2026, 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, Ferrari, Maserati, Porsche, Audi, Jaguar, Land Rover, Volvo, Mercedes-Benz, smart, Lamborghini	95.00% (A)

(A) Entity is consolidated in our financial statements.

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, freight conditions, fuel prices, utility prices, interest rates, and credit availability.

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

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. PTS' rental operations are seasonal. For commercial rental, the lowest revenue is typically generated in the first quarter of the year, with the highest revenue typically generated during the third quarter. For PTS consumer rentals, the peak season runs from Memorial Day through Labor Day.

Inflation

Many of the markets in which we operate have recently experienced higher rates of inflation when compared to historical norms. Inflation, which may include inflationary effects caused by tariffs and non-tariff trade barriers, affects the price of vehicles, the price of parts, the rate of pay of our employees, consumer credit availability, and consumer demand. 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 or in our other documents filed with the Securities and Exchange Commission, 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;
- the impact of recently announced tariffs, as well as trade restrictions, trade disputes, non-tariff trade barriers and other foreign trade risks, on our acquisition costs, consumer demand, vehicle affordability, the supply of vehicles and parts, and our gross profit with respect to affected vehicles and parts;
- 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;
- our expectations regarding new vehicle availability and the renewal of our existing franchise agreements and arrangements;
- 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;
- the rate of adoption of EVs and their effect on our business;
- our liquidity and ability to access the remaining availability under our credit agreements;
- 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, 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, 2025, 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 macro-economic and geo-political conditions, 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, foreign currency exchange rates, customer confidence, the rate of inflation, including its impact on vehicle affordability, fuel and utility prices and unemployment rates;

- many of the vehicles and parts we sell are subject to recently announced tariffs, which tariffs and related trade restrictions, trade disputes, non-tariff trade barriers and other foreign trade risks may increase the cost of vehicles and parts to us and consumers, limit the supply of certain vehicles and parts we sell, reduce consumer demand due to affordability challenges, and negatively impact our gross profit with respect to affected vehicles and parts;
- 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, challenges in sourcing labor, labor strikes, or work stoppages, the impact of tariffs or non-tariff trade barriers, 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, and the growing number of EVs;
- the effect on our businesses of the growing market share of underrepresented vehicle brands in our dealership portfolio, including Chinese brands, and mobility technologies, such as Uber and Lyft, and the development and 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 items 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, the cost of acquiring and the continued availability from truck manufacturers and suppliers of vehicles and parts for its fleet, including with respect to the effect of various regulations concerning its vehicle 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 may cause adverse financial consequences, including the termination of such agreements and acceleration of the amounts owed thereunder;
- 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 the 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;
- 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;
- 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;
- changes in tax, financial or regulatory rules, or requirements, including new regulations proposed by the governments and agencies that regulate retail automotive transactions 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, administrative, or regulatory proceedings which, if the outcomes are adverse to us, could have a material adverse effect on our business, including the result of the industry-wide motor vehicle finance consumer redress program imposed by the U.K. Financial Conduct Authority in connection with their review of vehicle financing practices, which provides for compensation from lenders (not dealers) to certain customers whose financing arrangements are deemed unfair to consumers;
- if state dealer laws in the U.S. are repealed or weakened or new manufacturers such as those selling EVs 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, 2025, 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 the prevailing benchmark interest rates in our various markets. Based on an average of the aggregate amounts outstanding under these facilities during the three months ended March 31, 2026, a 100-basis-point change in interest rates would result in an approximate $13.5 million change to our annual other interest expense.

Similarly, amounts outstanding under floor plan financing arrangements also bear interest at the prevailing benchmark interest rates in our various markets. Based on an average of the aggregate amounts outstanding under our floor plan financing arrangements subject to variable interest payments during the three months ended March 31, 2026, a 100-basis-point change in interest rates would result in an approximate $40.2 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 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, 2026, 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 $339.7 million change to our revenues for the three months ended March 31, 2026.

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 our principal executive officer and principal financial officer, 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 officer and principal financial officer, to allow timely discussions regarding required disclosure.

Based upon this evaluation, our principal executive officer and principal financial officer 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, 2025, 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 2025 Annual Report on Form 10-K:

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

Governmental regulations, claims, and legal proceedings. Governmental regulations affect almost every aspect of our business, including the fair treatment of our employees, wage and hour issues, and our financing activities with customers. We could be susceptible to claims or related actions if we fail to operate our business in accordance with applicable laws or it is determined that our long-standing compensation methods or other practices did not comply with local laws. Many laws and regulations applicable to our business were adopted prior to the introduction of online vehicle sales, the Internet and certain digital technology, generally. As a result, we are tasked with maintaining compliance in an uncertain regulatory environment. Claims arising out of actual or alleged violations of law which may be asserted against us or any of our dealers by individuals, through class actions, or by governmental entities in civil or criminal investigations and proceedings, may expose us to substantial monetary damages which may adversely affect us.

Our financing activities with customers are subject to truth-in-lending, consumer leasing, equal credit opportunity, and similar regulations as well as motor vehicle finance laws, installment finance laws, insurance laws, usury laws, and other installment sales laws. In the U.K., the Financial Conduct Authority (the "FCA") regulates financial services firms and financial markets, including our activities in acting as broker of vehicle financing. The FCA has reviewed the vehicle finance industry concerning certain practices which, in the FCA's determination, may have been unfair to customers, including with respect to vehicle financing commission disclosures. On March 30, 2026, the FCA issued its final industry-wide motor finance consumer redress program of action (the "Program") requiring lenders to compensate customers whose financing arrangements are deemed unfair because they involved an undisclosed discretionary commission arrangement, undisclosed high levels of commission paid to dealers, or an undisclosed exclusivity or similar arrangement between the lender and broker, in each case subject to exceptions. Under the Program, lenders bear primary responsibility for identifying affected customers, assessing potential liability, and administering and paying redress to customers. Dealers who acted as brokers are required to support lenders by providing relevant documentation and information necessary for lenders to implement the Program. Although the Program is subject to potential legal challenges, implementation is set to begin June 30, 2026, and by the FCA's estimate, is expected to result in £9.1 billion in total costs for lenders. We will be subject to administrative obligations in connection with the Program, and it is possible that lenders could seek to recover or directly or indirectly offset all or a portion of their redress obligations under the Program from dealers, including under existing dealer-lender agreements, through increased reserve requirements, or by reducing or eliminating future commissions payable to dealers. As a result, the Program could materially and adversely affect our business and results of operations.

Tariff and trade risk. During 2025 and continuing into 2026, the U.S. enacted various tariffs on automobiles, automobile parts, and medium- and heavy-duty trucks and related parts which have impacted certain of our automotive and commercial vehicle suppliers, as well as our and PTS' operations. These tariffs have impacted the retail price of vehicles sold by us and used in the operations of PTS. In February 2026, the U.S. Supreme Court ruled that certain tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were not authorized under that statute, although the ruling did not disturb other previously enacted tariffs. Developments regarding U.S. trade policy and the applicability and impact of tariffs on vehicles, trucks and parts we sell remain fluid. It also remains difficult to assess how these tariffs will affect our business and results of operations, particularly as each manufacturer has responded differently to the impact of tariffs with some increasing retail prices and some absorbing more of the tariff cost. Moreover, many manufacturers have announced plans to relocate production to the U.S. to mitigate the impact of the tariffs, although the timelines and implementation of such relocation plans remains uncertain. Existing or subsequently announced tariffs affecting the automotive or transportation industry may increase our cost of acquiring vehicles, trucks and parts, as well as our inventory carrying costs. This may lead to increased prices for consumers, which may decrease consumer demand and negatively impact revenue and gross profit with respect to the sale of new vehicles, trucks and related parts, particularly in light of the prolonged recessionary freight rate environment.

In October 2025, the Dutch government invoked emergency powers to seize control of Nexperia, a subsidiary of a Chinese company and an important supplier of basic chips used in vehicles, prompting the Chinese government to ban exports of the company's finished products. This shortage impacted several manufacturers, most notably, Honda, who experienced reduced production in the fourth quarter of 2025. In September 2025, a fire at a major U.S. aluminum production facility caused significant damage which impacted supplies to various manufacturers. Rare earth minerals are broadly used within the vehicle supply chain. Trade tensions have resulted in China threatening to withhold some of those minerals. These and other events could affect the timing of new vehicle deliveries to our dealerships, which may materially and adversely affect us.

Changes or increases in tariffs, trade restrictions, the negotiation of new trade agreements, non-tariff trade barriers (such as those imposed on Nexperia noted above), local content requirements, uncertainty surrounding global trade policies, and the imposition of retaliatory tariffs or trade barriers against certain countries or covering certain products, including vehicles and parts, may affect our competitive position and negatively impact our gross profit with respect to affected vehicles and parts. The ultimate impact of any tariffs on our business and results of operations is uncertain and will depend on various factors, including whether such tariffs are maintained and/or implemented, the scope and nature of applicable exemptions, the duration of the tariffs and the timing of their implementation, the amount, scope, and nature of the tariffs, and the related responses from impacted countries, manufacturers, and/or consumers.

Changes in law. New laws and regulations at the state and federal level may be enacted which could materially adversely impact our business. For example, in October 2025, California adopted the "California Combating Auto Retail Scams Act", which will change the way vehicles are advertised and sold in California. The rule, which takes effect in October 2026, mandates a new three-day right to return for certain used vehicles, requires that ads and first customer written communications about a specific vehicle include a "total vehicle price", and expands record retention and customer disclosure requirements. Moreover, in April 2026, the Federal Trade Commission ("FTC") notified auto dealers in the U.S. that the FTC's interpretation of existing rules requires auto dealers to advertise vehicle prices excluding only taxes and government fees, contrary to general industry practice. The California rule noted above or similar state laws will likely complicate the transaction process and increase our compliance costs and risk, among other effects, which could increase our customers costs and have a significant and adverse effect on us.

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

The table below sets forth information with respect to shares of common stock repurchased by the Company during the three months ended March 31, 2026.

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 (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Program (in millions) (2)
January 1 to January 31, 2026	—	$ —	—	$247.5
February 1 to February 28, 2026	393	$ 164.91	—	$247.5
March 1 to March 31, 2026	170,000	$ 154.83	170,000	$221.2
	170,393		170,000	

(1) During February 2026, 393 shares were acquired from employees in connection with a net share settlement feature of employee equity awards.

(2) From time to time, our Board of Directors authorizes the repurchase of Company securities up to a certain monetary limit. As of March 31, 2026, $221.2 million remained outstanding and available for repurchases under our securities repurchase program. This authority has no expiration. For further information with respect to repurchases of our shares by us, see Part I, Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations* — Liquidity and Capital Resources — "Securities Repurchases" and Part I, Item 1, Note 11 of the Notes to our Consolidated Condensed Financial Statements.

Item 5. *Other Information*

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2026, 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
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

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.

By: /s/ Roger Penske

Roger Penske

Date: April 30, 2026 *Chief Executive Officer*

By: /s/ Michelle Hulgrave

Michelle Hulgrave

Date: April 30, 2026 *Chief Financial Officer*

List of Guarantor Subsidiaries of Penske Automotive Group, Inc.

Penske Automotive Group, Inc. is the issuer of 3.75% senior subordinated notes due 2029 (the “Notes”). The following subsidiaries are guarantors of these Notes as of March 31, 2026:

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. LONGO, LLC
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
EL MONTE AUTOMOTIVE GROUP, LLC
EUROPA AUTO IMPORTS, INC.
FLORIDA CHRYSLER PLYMOUTH, INC.
FRN OF TULSA, LLC
GENE REED CHEVROLET, INC.
GMG MOTORS, INC.
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
LTP AUTOMOTIVE, 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 ACQUISITION 72, LLC
PAG ACQUISITION 73, LLC
PAG ACQUISITION 74, LLC
PAG ACQUISITION 75, LLC
PAG ACQUISITION 76, LLC
PAG ACQUISITION 77, LLC
PAG ACQUISITION 78, LLC
PAG ACQUISITION 79, LLC
PAG ACQUISITION 80, LLC
PAG ACQUISITION 81, 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 FLORIDA 70, 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 MICHIGAN 165, LLC

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 244, LLC
PAG TEXAS MANAGEMENT COMPANY, LLC
PAG TL1, LLC
PAG TURNERSVILLE AU, LLC
PAG WEST 293, INC.
PAG WEST, LLC
PAG WEST ACQUISITION 10, INC.
PAG WEST ACQUISITION 11, INC.
PAG WEST ACQUISITION 12, INC.
PALM AUTO PLAZA, LLC
PEACHTREE NISSAN, INC.
PENSKE COMMERCIAL VEHICLES US, LLC
PENSKE MOTOR GROUP, 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
PTG WISCONSIN, LLC
RELENTLESS PURSUIT ENTERPRISES, INC.
SA AUTOMOTIVE, LTD.
SAU AUTOMOTIVE, LTD.
SCOTTSDALE 101 MANAGEMENT, LLC
SCOTTSDALE FERRARI, LLC

SCOTTSDALE MANAGEMENT GROUP, LLC

SCOTTSDALE PAINT & BODY, LLC

SDG AUTOMOTIVE INVESTMENTS, LLC

SIGMA MOTORS INC.

SINGLE SOURCE TRUCK PARTS, LLC

S J AUTOMOTIVE, 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 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, 2026

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, 2026

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, 2026, 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, 2026

/s/ Michelle Hulgrave

Michelle Hulgrave
Chief Financial Officer

April 30, 2026

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.