

# Hurricane Harvey Impact

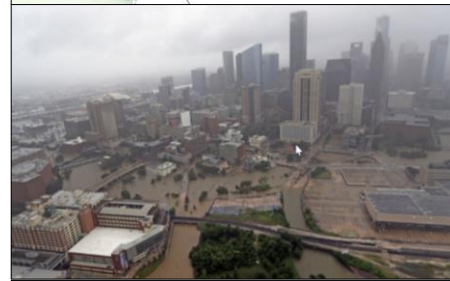
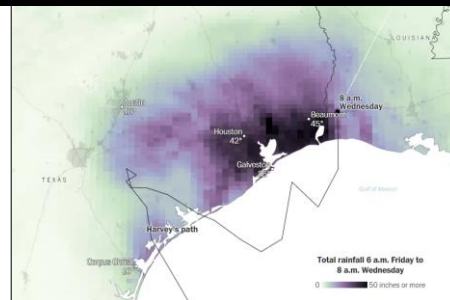


## Hurricane Harvey

- Over four days, August 25-29, 2017, Hurricane Harvey rained an estimated 19 trillion gallons across Houston and Southeast Texas. Houston's Harris County rainfall totaled 1 trillion gallons of water—the same amount of water that flows over Niagara Falls in 15 days. Some portions of Southeast Texas received 50 inches of rain over the four day period.<sup>1</sup>
- Houston emergency call services (911 calls) received 56,000 calls in just 15 hours over August 26-27<sup>th</sup>, which is seven times the normal daily average.<sup>2</sup>
- As of September 2<sup>nd</sup>, water being released from overflowing reservoirs are still threatening properties already inundated with flood water.<sup>3</sup>
- The number of estimated vehicles totaled as a result of the flooding varies from 300,000-1,000,000 units.<sup>4</sup>

## Group 1 Automotive

- Despite flooding, building closures, and highway closures, Group 1's management team gained access to corporate headquarters to begin confirmation of personnel safety and assessment of local dealerships.
- Of Group 1's 14,000 employees across the US, UK, and Brazil, approximately 3,000 employees were impacted in the greater Houston and Beaumont areas.
- Approximately 500 employees experienced some level of damage and financial hardship from flooding.
- The Company is assisting hurricane-impacted employees by providing disaster pay and further financial support from the Group 1 Foundation.
- Total damages to Group 1's real estate and inventory associated with the storm are estimated at approximately \$15 million.
- Group 1's deductible on new and used vehicle damage is \$10 million per event. The Company's flood insurance deductible is roughly \$500,000 per location in Harris County.
- In Houston and Beaumont, Group 1's 23 dealerships have 15,000+ new and used vehicle units in stock. Over 98% of this inventory was preserved by proactive risk planning & processes.
- Group 1's Houston stores reopened Wednesday, August 30, 2017. Group 1's Beaumont stores reopened Thursday, August 31, 2017.
- Third quarter results will be impacted by one-time costs and a week of business disruption across Houston, which is Group 1's largest revenue-generating market.
- All of Group 1's Houston and Beaumont dealerships are open for business.**



Sources: <sup>1</sup>Washington Post, "Harvey Unloaded 33 Trillion Gallons of Water in the U.S." Article; <sup>2</sup>Houston Office of Emergency Management; <sup>3</sup>Houston Mayor, Sylvester Turner; <sup>4</sup>Cox Automotive, Black Book.

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