



# AutoNation

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## Fourth Quarter 2025 Earnings Release

February 6, 2026

# Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Words such as "anticipates," "expects," "estimates," "intends," "goals," "targets," "projects," "plans," "believes," "continues," "may," "will," "could," and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements regarding our strategic initiatives, partnerships, and investments, including AutoNation Finance, statements regarding our expectations for shareholder returns, potential tariff-related impacts, and the future performance of our business and the automotive retail industry, including during 2026, and other statements that describe our objectives, goals, or plans, are forward-looking statements. Our forward-looking statements reflect our current expectations concerning future results and events, and they involve known and unknown risks, uncertainties, and other factors that are difficult to predict and may cause our actual results, performance, or achievements to be materially different from any future results, performance, and achievements expressed or implied by these statements. These risks, uncertainties, and other factors include, among others: economic conditions, including changes in tariffs, unemployment, interest, and/or inflation rates, consumer demand, and fuel prices; our ability to implement successfully our strategic acquisitions, initiatives, partnerships, and investments; our ability to maintain or improve gross profit margins; our ability to maintain or gain market share; legal, reputational, and financial risks resulting from cyber incidents and the potential impact on our operating results; the receipt of any insurance or other recoveries in connection with any cyber incidents; our ability to successfully implement and maintain expense controls; our ability to maintain and enhance our retail brands and reputation and to attract consumers to our own digital channels; our ability to acquire and integrate successfully new acquisitions; restrictions imposed by vehicle manufacturers and our ability to obtain manufacturer approval for franchise acquisitions; the success and financial viability and the incentive and marketing programs of vehicle manufacturers and distributors with which we hold franchises; natural disasters and other adverse weather events; the resolution of legal and administrative proceedings; changes in automotive laws and regulations affecting our business, including fuel economy requirements; factors affecting our goodwill and other intangible asset impairment testing; and other factors described in our news releases and filings made under the securities laws, including, among others, our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Forward-looking statements contained in this news release speak only as of the date of this news release, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

# Q4 2025 Overview

## HIGHLIGHTS

<b>New Vehicle Unit (SS)</b>	<b>-10%</b>	FY increased 2%, sequential Q4 margin improvement
<b>Used Vehicle Unit (SS)</b>	<b>-5%</b>	FY increased 1%, Improved YoY Used : New ratio in Q4
<b>CFS Gross Profit per Unit (SS)</b>	<b>+7%</b>	\$2,891 in Q4, FY increased 6% - record performance
<b>After-Sales Gross Profit (SS)</b>	<b>+4%</b>	Record Q4 and FY gross profit; FY margin expansion
<b>AN Finance Portfolio</b>	<b>\$2.2B</b>	Up 100%; achieved 2025 profitability \$10M in 3 <sup>rd</sup> full year
<b>Adjusted Free Cash Flow (FY)</b>	<b>\$1.05B</b>	Up 39%; sound working capital management
<b>Capital Deployment (FY)</b>	<b>\$1.6B</b>	Repurchases \$785M, Acquisitions \$459M, & CapEx \$309M



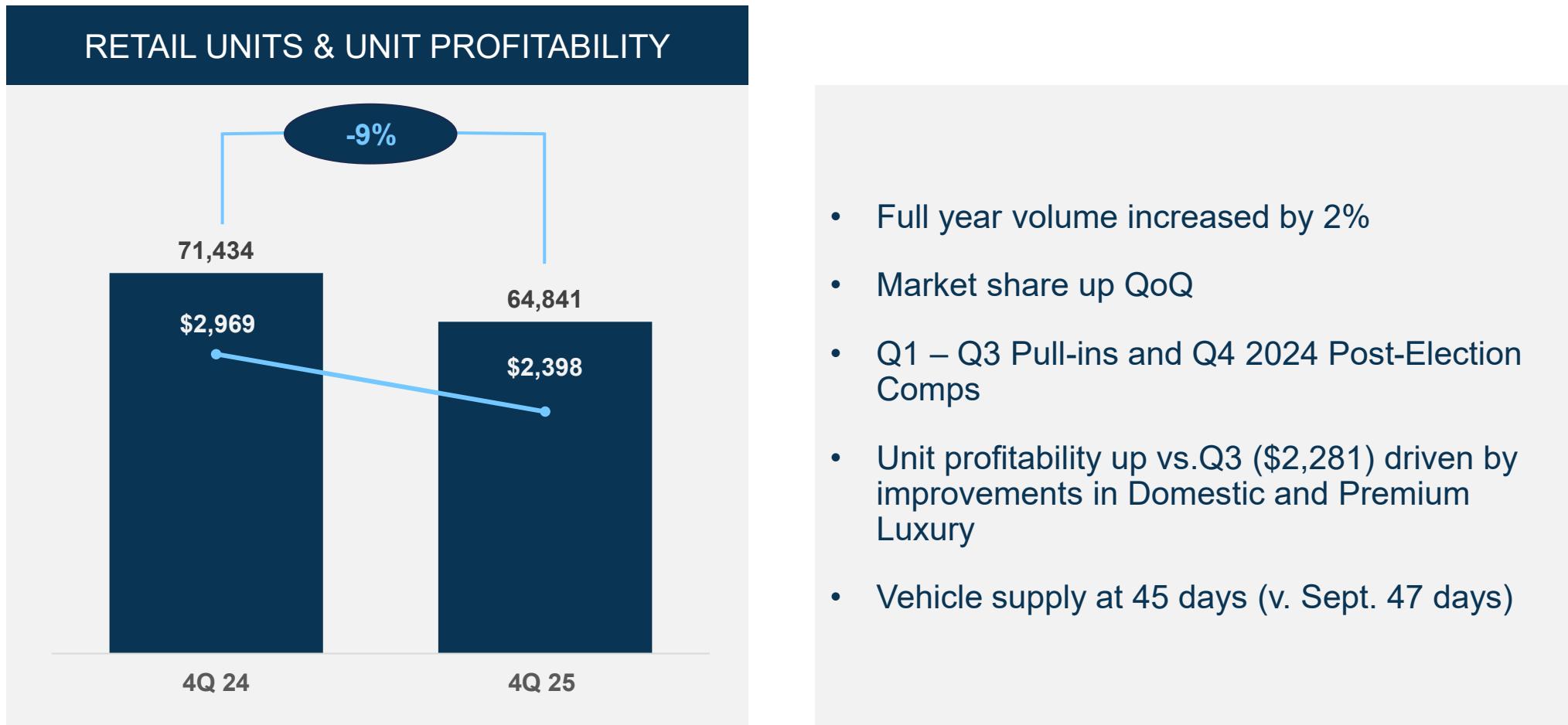
**Strong operating performance and disciplined capital deployment**

# Q4 2025 and FY 2025 Financial Summary – A Year of Growth

(\$ in millions, except per share data)

	Q4 2024	Q4 2025	FY 2025	
Total Revenue	\$7,213	<b>\$6,929</b>	\$27,631	Full Year +3%
Gross Profit	\$1,242	<b>\$1,215</b>	\$4,949	Full Year +3%
Adj. SG&A Expense	\$824	<b>\$826</b>	\$3,328	Full Year 67.3% of gross profit
Adj. Operating Income	\$362	<b>\$335</b>	\$1,387	Full Year +3%
Adj. Net Income	\$199	<b>\$186</b>	\$770	Full Year +8%
Wtd. Avg. S/O	40.1	<b>36.6</b>	38.1	Full Year share reduction of 10%
<b>Diluted Adj. EPS</b>	<b>\$4.97</b>	<b>\$5.08</b>	<b>\$20.22</b>	Full Year +16%

# Q4 2025 New Vehicles

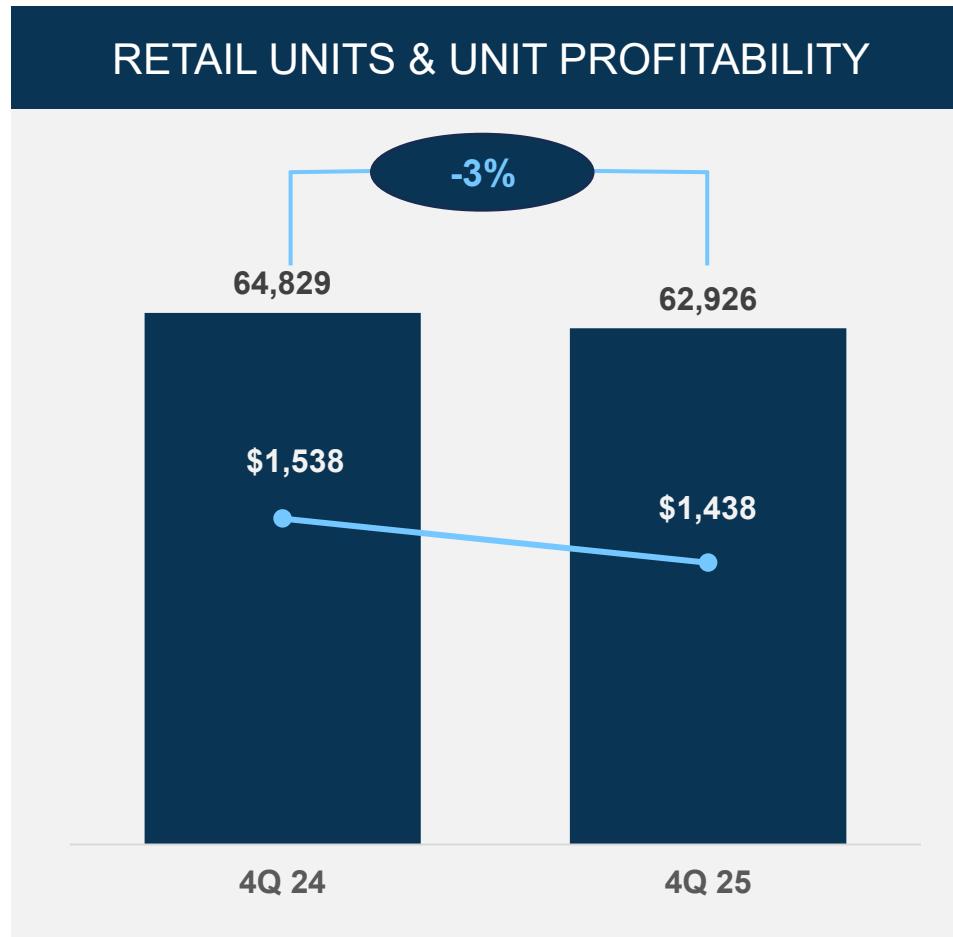


Retail Units



Gross Profit per Unit

# Q4 2025 Used Vehicles



- Full year gross profit increased by 5%
- Used units 97% of New units in Q4 25 v. 91% in Q4 24
- Full year volume increased by 1%
- Opportunity to acquire more competitively and turn more quickly
- Vehicle supply at 38 days (v. Sept. 37 days)



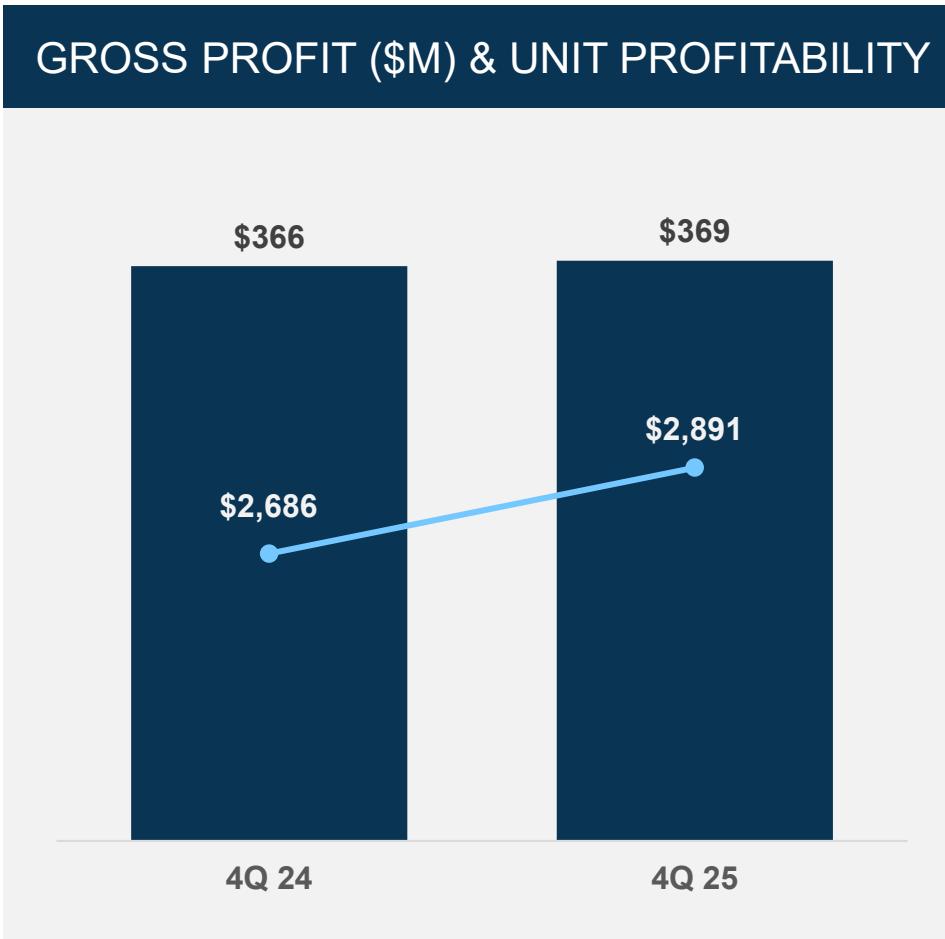
Retail Units



Gross Profit per Unit

Q4 2025

# Customer Financial Services – A Record Year



- Gross profit up 8% for Full Year
- Unit profitability up 8% Q4 25 and 6% for Full Year
- Continued growth of AN Finance – superior long-term shareholder value
- Unit profitability > \$3K adjusting for ANF impact



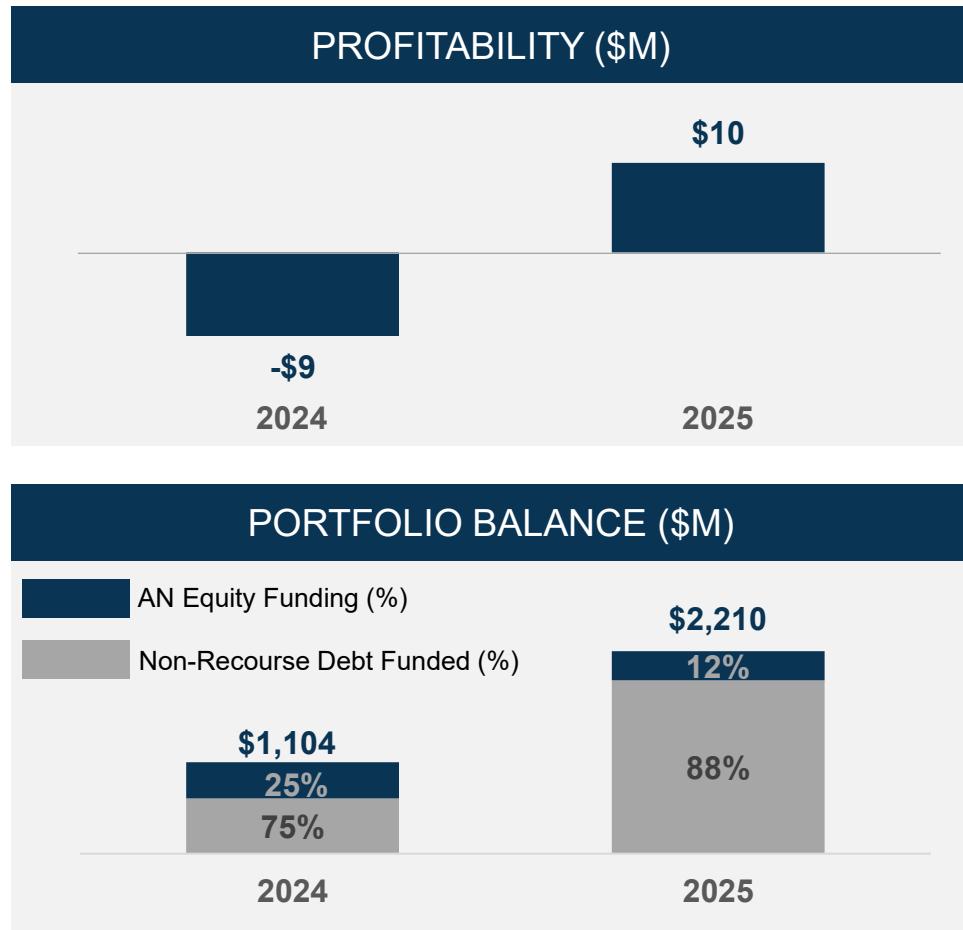
Gross Profit (\$M)



Gross Profit per Unit

Full Year 2025

# AutoNation Finance – First Full Year Profit

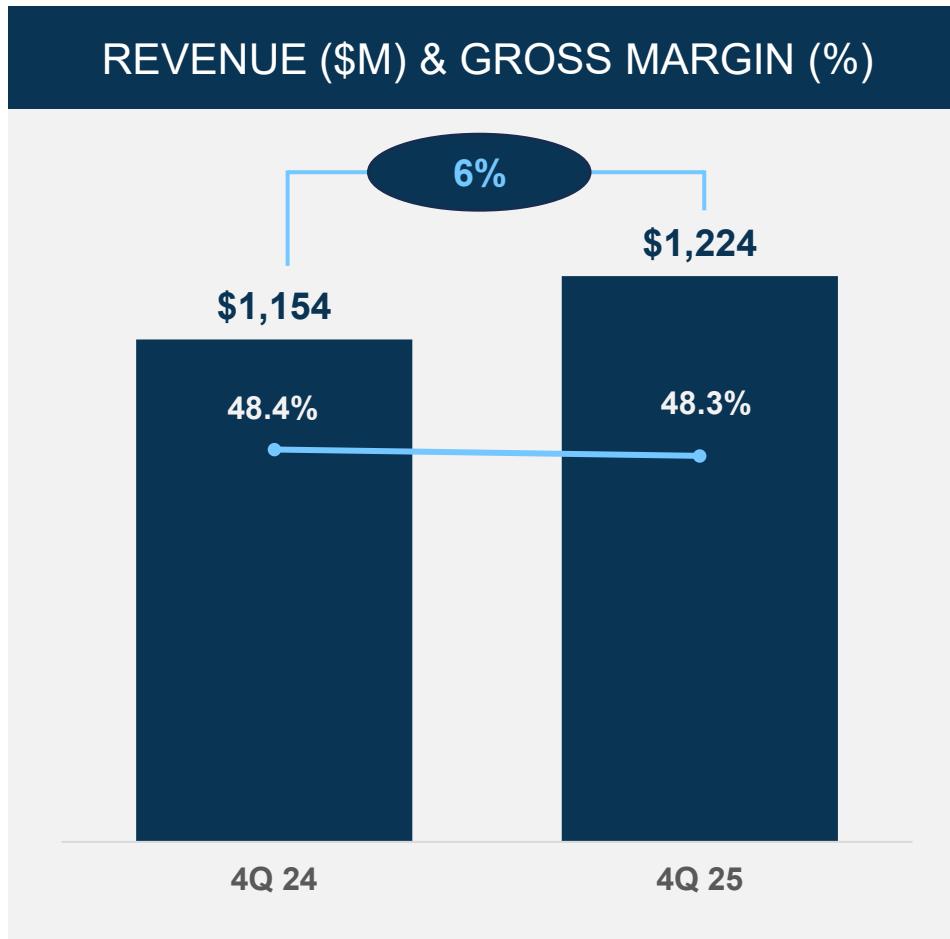


- 100% growth in portfolio YoY, with Q4 market share ~14%
- Improving credit on underwritings with FY 25 FICO ~ 696 (v 678 in FY 24 and 623 in FY 23)
- Improving funding efficiency with portfolio now 88% debt-funded (v 75% YE 24 and 59% YE 23)
- Delinquencies in line with expectations
- Financial performance benefitting from scale with Q4 25 OpEx 2.1% of portfolio (v 3.5% Q4 24)
- Second ABS closed January 2026 (~\$750M)

Scaling High ROE Business

Q4 2025

# After Sales – A Record Year



- Higher repair order count, value per repair order and labor productivity
- Customer pay, our largest channel, grew 8% (SS) and 11% (TS)
- Improved technician retention, franchise technician headcount growth of 3% (SS)
- Full year margin 48.7% (v. 47.9% FY 24)



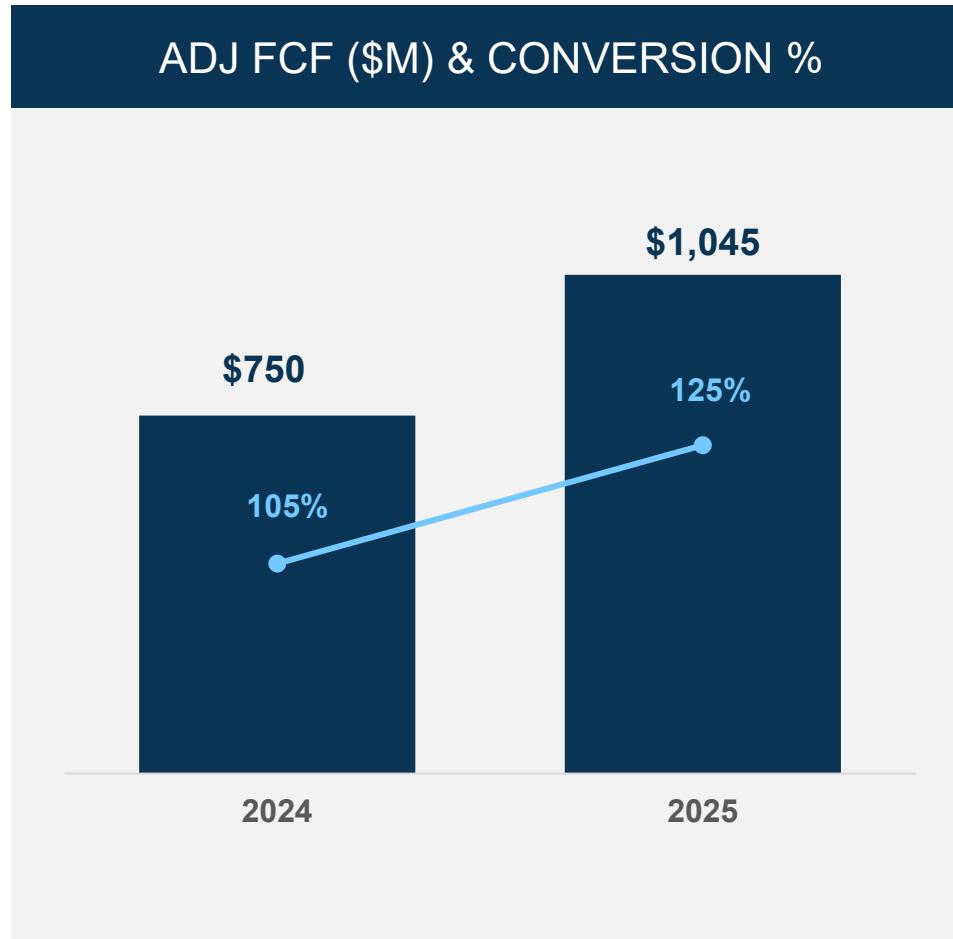
Revenue (\$M)



Gross Profit Margin (%)

Full Year 2025

# Free Cash Flow – Record Cash Conversion



- Consistent, attractive cash conversion profile (100+%)
- Focused on working capital and cycle times (e.g. billing, time-to-auction, and service WIP)
- CapEx discipline (\$~20M YoY reduction)
- CDK business interruption insurance proceeds (\$80M) and improved funded status for AN Finance portfolio



Adjusted FCF (\$M)



Conversion %

Refer to the Appendix for Non-GAAP

Cash conversion % excludes cybersecurity insurance recoveries of \$80 million received in 2025

Full Year 2025

# Capital Allocation – Shareholder Value Focused

CAPITAL ALLOCATION (\$M)		
	2024	2025
Capital Expenditures	\$329	\$309
M&A	-	\$459
Share Repurchases	\$460	\$785
<b>Total</b>	<b>\$789</b>	<b>\$1,553</b>

- Continued strong cash conversion provides optionality
- Disciplined CapEx (down 6% vs. 2024)
- Reduced shares outstanding by 10%+ from YE 24 at an average price of \$193
- Leverage 2.44x – stable from YE 2024, below the mid-point of targeted range

# 2025 A Year of Growth

- **Organic growth:** higher unit sales, higher revenue and higher After-Sales margins
- **Acquisition growth:** added 5 dealership with great brands in key markets
- **Cash flow growth:** Adjusted Free Cash Flow of more than **\$1 Billion**, up **39%**
- Increased Adjusted Net Income by **8%**
- Increased Adjusted EPS by **16%**



**Strong operating performance and disciplined capital deployment**

# Early Thoughts on 2026

- New unit sales largely in line with market – unit profitability stabilizing near 2H 2025 levels
- Used vehicle market constrained with some improvement YoY
- Customer Financial Services sustained performance
- AN Finance portfolio scaling and profitability improving
- After Sales well positioned for continued growth
- Maintain strong profit to cash conversion
- Shareholder-focused capital allocation and portfolio optimization



Poised to Continue Delivering Attractive Shareholder Returns

# Appendix

This presentation contains certain non-GAAP financial measures as defined under SEC rules, which exclude certain items disclosed in the attached financial tables. As required by SEC rules, the Company provides reconciliations of these measures to the most directly comparable GAAP measures. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure, provide a meaningful presentation of the Company's results excluding the impact of items not related to the Company's ongoing core business operations, and improve the period-to-period comparability of the Company's results from its core business operations. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated and presented in accordance with GAAP.

# Q4 2025 Balance Sheet and Other Items

(\$ in millions)

Balance Sheet and Other Highlights		12/31/24	12/31/25
Cash and cash equivalents		\$59.8	\$58.6
Inventory		\$3,360.0	\$3,404.9
Floorplan notes payable		\$3,709.7	\$3,828.3
Auto loans receivable, net		\$1,057.1	\$2,140.2
Non-recourse debt (AN Finance funding)		\$826.0	\$1,944.6
Non-vehicle debt		\$3,762.1	\$3,979.5
Equity		\$2,457.3	\$2,341.1
New days supply (industry standard of selling days)		39	45
Used days supply (trailing calendar month days)		37	38
Key Credit Agreement Covenant Compliance Calculations <sup>(1)</sup>		12/31/24	12/31/25
<b>Leverage ratio</b>	Less than or equal to	<b>2.45x</b>	<b>2.44x</b>
Covenant		3.75x	3.75x
<b>Interest coverage ratio</b>	Greater than or equal to	<b>4.24x</b>	<b>4.83x</b>
Covenant		3.00x	3.00x

1: Leverage ratio calculated in accordance with credit agreement in place at the time of filing.

# NON-GAAP RECONCILIATIONS

## Comparable Basis Reconciliations<sup>(1)</sup>

Three Months Ended December 31, 2024, and December 31, 2025

	Operating Income		Income Before Income Taxes		Income Tax Provision <sup>(2)</sup>		Effective Tax Rate		Net Income		Diluted Earnings Per Share <sup>(3)</sup>	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
As reported	339.5	313.9	241.8	224.5	55.7	52.4	23.0%	23.3%	186.1	172.1	4.64	4.70
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations <sup>(4)</sup>	(1.3)	3.2	-	-	-	-	-	-	-	-	-	-
Asset impairments and other adjustments <sup>(5)</sup>	12.5	51.4	12.5	51.4	3.1	12.5	-	-	9.4	38.9	0.23	1.06
Cybersecurity insurance recoveries <sup>(6)</sup>	-	(40.0)	-	(40.0)	-	(9.8)	-	-	(30.2)	-	-	(0.83)
Severance Expenses	5.5	6.6	5.5	6.6	1.3	1.3	-	-	4.2	5.3	0.10	0.14
Self-insurance related losses <sup>(7)</sup>	6.0	-	6.0	-	1.5	-	-	-	4.5	-	0.11	-
Income tax adjustments	-	-	-	-	5.0	-	-	-	(5.0)	-	(0.12)	-
<b>Adjusted</b>	<b>362.2</b>	<b>335.1</b>	<b>265.8</b>	<b>242.5</b>	<b>66.6</b>	<b>56.4</b>	<b>25.1%</b>	<b>23.3%</b>	<b>199.2</b>	<b>186.1</b>	<b>4.97</b>	<b>5.08</b>
Adjusted as % of Revenue	5.0%	4.8%										

	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2024	2025	2024	2025
As reported	833.7	\$835.5	67.1	68.8
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations	(1.3)	3.2		
Severance expenses	5.5	6.6		
Self-insurance related losses	6.0	-		
<b>Adjusted</b>	<b>823.5</b>	<b>825.7</b>	<b>66.3</b>	<b>68.0</b>

1. Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

2. Tax expense is determined based on the amount of additional taxes or tax benefits associated with each individual item.

3. Diluted earnings per share amounts are calculated discretely and therefore may not add up to the total due to rounding.

4. Increases and decreases in deferred compensation obligations, which are recorded in SG&A, are substantially offset by corresponding gains and losses, respectively, related to changes in the cash surrender value of corporate-owned life insurance ("COLI") for deferred compensation plan participants as a result of changes in market performance of the underlying investments; therefore, the net impact to net income and earnings per share is de minimis. Gains and losses related to the COLI are recorded in non-operating Other Income, Net.

5. Primarily comprised of franchise rights impairment of \$22.0 million and other intangible assets impairment of \$28.3 million.

6. Insurance recoveries received under our cyber insurance policies for estimated business interruption and related losses caused by the CDK outage.

7. Primarily related to losses from hail storms and other natural catastrophes.

# NON-GAAP RECONCILIATIONS

## Comparable Basis Reconciliations<sup>(1)</sup>

Twelve Months Ended December 31, 2024, and December 31, 2025

	Operating Income		Income Before Income Taxes		Income Tax Provision <sup>(2)</sup>		Effective Tax Rate		Net Income		Diluted Earnings Per Share <sup>(3)</sup>	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
<b>As reported</b>												
Increase in compensation expense related to market valuation changes in deferred compensation <sup>(4)</sup>	1,305.5	1,239.9	916.7	884.5	224.5	235.4	24.5%	26.6%	692.2	649.1	16.92	17.04
Asset impairments and other adjustments <sup>(5)</sup>	15.0	19.7	-	-	-	-	-	-	-	-	-	-
Cybersecurity insurance recoveries <sup>(6)</sup>	12.5	192.7	12.5	192.7	3.1	31.0	-	-	9.4	161.7	0.23	4.24
One-time costs associated with CDK outage <sup>(7)</sup>	-	(80.0)	-	(80.0)	-	(19.5)	-	-	(60.5)	-	(1.59)	-
Acquisition-related expenses	42.8	-	42.8	-	10.5	-	-	-	32.3	-	0.79	-
Severance expenses	-	8.0	-	8.0	-	2.0	-	-	6.0	-	0.16	-
Net loss on equity investments	5.5	6.6	5.5	6.6	1.3	1.3	-	-	4.2	5.3	0.10	0.14
Self-insurance related losses <sup>(8)</sup>	-	-	6.7	11.5	1.6	2.8	-	-	5.1	8.7	0.12	0.23
Income tax adjustments	11.7	-	11.7	-	2.9	-	-	-	8.8	-	0.22	-
Business/property-related items:	-	-	-	-	5.0	-	-	-	(5.0)	-	(0.12)	-
Net gains on dispositions, net of asset impairments	(46.7)	-	(46.7)	-	(11.4)	-	-	-	(35.3)	-	(0.86)	-
Loss from operations resulting from dispositions	2.4	-	3.0	-	0.7	-	-	-	2.3	-	0.06	-
<b>Adjusted</b>	<b>1,348.7</b>	<b>1,386.9</b>	<b>952.2</b>	<b>1,023.3</b>	<b>238.2</b>	<b>253.0</b>	<b>25.0%</b>	<b>24.7%</b>	<b>714.0</b>	<b>770.3</b>	<b>17.46</b>	<b>20.22</b>
<b>Adjusted as % of Revenue</b>	<b>5.0%</b>	<b>5.0%</b>										
	SG&A		SG&A as a Percentage of Gross Profit (%)									
	2024	2025	2024	2025								
<b>As reported</b>	<b>3,263.9</b>	<b>3,362.2</b>	<b>68.2</b>	<b>67.9</b>								
<b>Excluding:</b>												
Increase in compensation expense related to market valuation changes in deferred compensation	15.0	19.7	-	-	-	-	-	-	-	-	-	-
Acquisition-related expenses	0	8.0	-	-	-	-	-	-	-	-	-	-
Severance Expenses	5.5	6.6	-	-	-	-	-	-	-	-	-	-
One-time costs associated with CDK outage	42.8	-	-	-	-	-	-	-	-	-	-	-
Insurance-related losses	11.7	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted</b>	<b>3,188.9</b>	<b>3,327.9</b>	<b>66.6</b>	<b>67.3</b>								

1. Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

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4. Increases in deferred compensation obligations, which are recorded in SG&A, are substantially offset by corresponding gains, related to changes in the cash surrender value of corporate-owned life insurance ("COLI") for deferred compensation plan participants as a result of changes in market performance of the underlying investments; therefore, the net impact to net income and earnings per share is de minimis. Gains related to the COLI are recorded in non-operating Other Income, Net.

5. Primarily comprised of franchise rights impairment of \$93.7 million, goodwill impairment of \$65.3 million and other intangible asset impairments of \$28.3 million.

6. Insurance recoveries received under our cyber insurance policies for estimated business interruption and related losses caused by the CDK outage.

7. Represents certain one-time costs incurred associated with the CDK outage, principally consisting of compensation paid to commission-based associates to ensure business continuity.

8. Primarily related to losses from hailstorms and other natural catastrophes.

# Full Year 2025 Free Cash Flow Reconciliation

(\$ in millions)

Free Cash Flow Reconciliation		2024	2025
Net cash provided by (used in) operating activities		\$314.7	\$111.9
Net Proceeds from (payments of) vehicle floorplan – non-trade		(113.5)	61.1
Increase in auto loans receivable, net		877.1	1,181.6
<b>Adj. cash provided by operating activities</b>		<b>\$1,078.3</b>	<b>\$1,354.6</b>
Purchases of Property and Equipment		(328.5)	(309.4)
<b>Adj. Free Cash Flow</b>		<b>\$749.8</b>	<b>\$1,045.2</b>
<b>Adj. Net Income</b>		<b>\$714.0</b>	<b>\$770.3</b>
<b>Adj. FCF Conversion %<sup>(1)</sup></b>		<b>105%</b>	<b>125%</b>

1: Excludes cybersecurity insurance recoveries of \$80 million received in 2025.

# SELECT HISTORICAL DATA

## Global Financial Crisis to 2025

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	FY Avg.
New	Light Vehicle SAAR (mm)	13.1	10.3	11.5	12.6	14.3	15.4	16.4	17.4	17.5	17.1	17.2	17.0	14.5	14.9	13.7	15.6	15.9	16.3	15.0
	Retail SAAR (mm)	10.6	8.6	9.2	10.3	11.7	12.8	13.6	14.2	14.2	14.1	13.9	13.7	12.4	13.1	11.7	12.7	13.0	13.5	12.4
	Ending LV Inventory (mm)	3.2	1.9	2.3	2.4	3.0	3.4	3.5	3.5	3.9	3.7	3.8	3.5	2.7	1.1	1.7	2.3	2.8	2.6	2.9
New	Unit Sales (k)	255.8	183.4	206.5	224.0	267.8	292.9	318.0	339.1	337.6	329.1	310.8	282.6	249.7	262.4	230.0	244.5	254.7	259.3	
	ASP (\$k)	\$30.3	\$31.2	\$32.3	\$33.5	\$33.3	\$34.0	\$34.5	\$35.4	\$36.3	\$37.0	\$37.8	\$39.5	\$41.7	\$46.0	\$51.1	\$52.2	\$51.2	\$52.1	
	Gross PVR	\$1,997	\$2,106	\$2,185	\$2,445	\$2,164	\$2,104	\$2,044	\$1,985	\$1,883	\$1,788	\$1,660	\$1,783	\$2,340	\$4,579	\$5,942	\$4,342	\$3,045	\$2,564	\$2,609
	Margin	6.6%	6.8%	6.8%	7.3%	6.5%	6.2%	5.9%	5.6%	5.2%	4.8%	4.4%	4.5%	5.6%	9.9%	11.6%	8.3%	5.9%	4.9%	6.5%
	ASP Y/Y					-1%	2%	2%	3%	3%	2%	2%	5%	6%	10%	11%	2%	-2%	2%	
	Days Supply	84	54	63	50	55	62	54	68	61	53	60	52	42	9	19	36	39	45	
Used	Unit Sales (k)	181.3	135.3	160.1	171.1	181.0	204.6	214.9	227.3	225.7	234.1	237.7	246.1	241.2	304.4	299.8	274.0	265.9	269.6	
	ASP (\$k)	\$15.7	\$16.3	\$17.3	\$17.8	\$17.9	\$18.1	\$18.6	\$19.2	\$19.9	\$19.5	\$20.2	\$21.0	\$21.8	\$26.5	\$30.1	\$27.9	\$26.6	\$27.0	
	Gross PVR	\$1,583	\$1,664	\$1,612	\$1,640	\$1,623	\$1,590	\$1,690	\$1,577	\$1,484	\$1,315	\$1,378	\$1,409	\$1,719	\$2,045	\$1,795	\$1,800	\$1,558	\$1,555	\$1,613
	Margin	10.1%	10.2%	9.3%	9.2%	9.1%	8.8%	9.1%	8.2%	7.5%	6.7%	6.8%	6.7%	7.9%	7.7%	6.0%	6.5%	5.9%	5.8%	7.9%
	ASP Y/Y					3%	0%	1%	3%	4%	3%	-2%	3%	4%	4%	21%	14%	-7%	-5%	1%
	Days Supply	30	41	42	31	35	35	38	43	44	43	42	39	39	40	31	39	37	38	
Ratio	Used : New Units	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	1.2	1.3	1.1	1.0	1.0	
CFS	PVR	\$1,104	\$1,102	\$1,143	\$1,201	\$1,273	\$1,355	\$1,409	\$1,534	\$1,588	\$1,667	\$1,789	\$1,935	\$2,158	\$2,443	\$2,713	\$2,736	\$2,612	\$2,769	
	PVR Y/Y	0%	4%	5%	6%	6%	4%	9%	4%	5%	5%	7%	8%	12%	13%	11%	1%	-5%	6%	
After-Sales	Gross (\$mm)	\$1,072	\$935	\$963	\$970	\$1,008	\$1,106	\$1,197	\$1,338	\$1,435	\$1,491	\$1,555	\$1,623	\$1,461	\$1,673	\$1,900	\$2,139	\$2,209	\$2,355	
	Gross Y/Y	-13%	3%	1%	4%	10%	8%	12%	7%	4%	4%	4%	4%	-10%	15%	14%	13%	3%	7%	