

AUTONATION, INC.
NON-GAAP RECONCILIATION
(\$ in millions, except per share data)

The Company may from time to time publicly disclose certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, the Company has provided reconciliations of these measures to the most directly comparable GAAP measures, which are set forth in the tables below. 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.

Comparable Basis Reconciliations⁽¹⁾

	Three Months Ended March 31,											
	Operating Income		Income Before Income Taxes		Income Tax Provision⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share⁽³⁾	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
As reported	\$ 314.3	\$ 336.0	\$ 275.7	\$ 234.0	\$ 70.3	\$ 58.5	25.5 %	25.0 %	\$ 205.4	\$ 175.5	\$ 5.85	\$ 4.45
Decrease in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	(2.6)	(1.5)	—	—	—	—			—	—	\$ —	\$ —
Net (gain) loss on equity investments	—	—	(54.0)	11.5	(13.2)	2.8			(40.8)	8.7	\$ (1.16)	\$ 0.22
Adjusted	<u>\$ 311.7</u>	<u>\$ 334.5</u>	<u>\$ 221.7</u>	<u>\$ 245.5</u>	<u>\$ 57.1</u>	<u>\$ 61.3</u>	25.8 %	25.0 %	<u>\$ 164.6</u>	<u>\$ 184.2</u>	\$ 4.69	\$ 4.68

	Three Months Ended March 31,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2026	2025	2026	2025
As reported	\$ 842.2	\$ 821.9	69.5	67.4
Excluding:				
Decrease in compensation expense related to market valuation changes in deferred compensation obligations	(2.6)	(1.5)		
Adjusted	<u>\$ 844.8</u>	<u>\$ 823.4</u>	69.8	67.5

(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) Decreases in deferred compensation obligations, which are recorded in SG&A, are substantially offset by corresponding losses 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. Losses related to the COLI are recorded in non-operating Other Income (Loss), Net.

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<u>Free Cash Flow</u>	<u>Three Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Net cash provided by (used in) operating activities	\$ 22.2	\$ (52.5)
Net proceeds from (payments of) vehicle floorplan - non-trade	36.3	(0.9)
Increase in auto loans receivable, net	253.5	365.4
Adjusted cash provided by operating activities	312.0	312.0
Purchases of property and equipment	(56.4)	(75.2)
Adjusted free cash flow	\$ 255.6	\$ 236.8
Adjusted net income	\$ 164.6	\$ 184.2
Adjusted free cash flow conversion %	155	129