

# First Quarter 2026

/AutoNation

Earnings Release

May 1, 2026



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# Business Line Performance



49%

After-Sales Gross Profit (\$M)

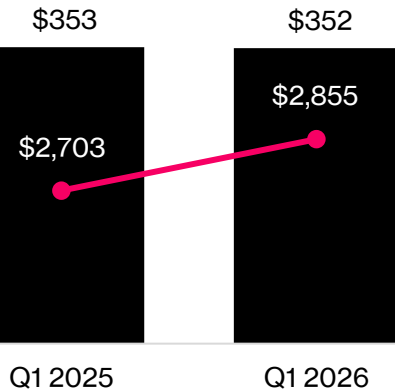


- Record Q1 performance (up 5%)
- Customer pay up 8%



29%

CFS Gross Profit (\$M)

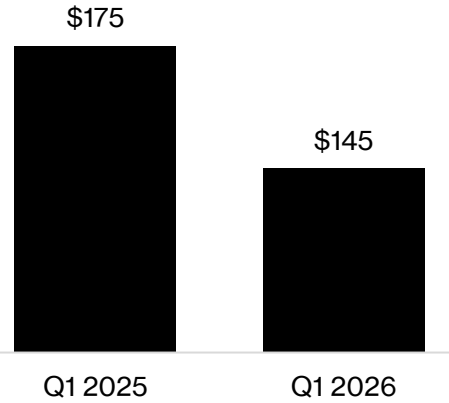


- Unit profitability up 6% YoY
- Offsets volume decline



12%

New Gross Profit (\$M)

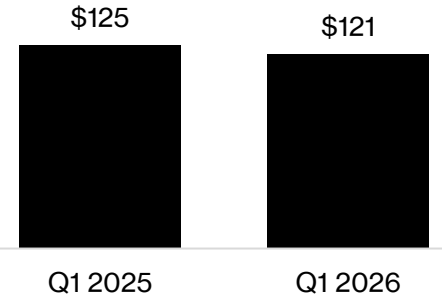


- Unit profitability up 5% QoQ
- Unit change (~9%) in-line with Retail SAAR



10%

Used Gross Profit (\$M)

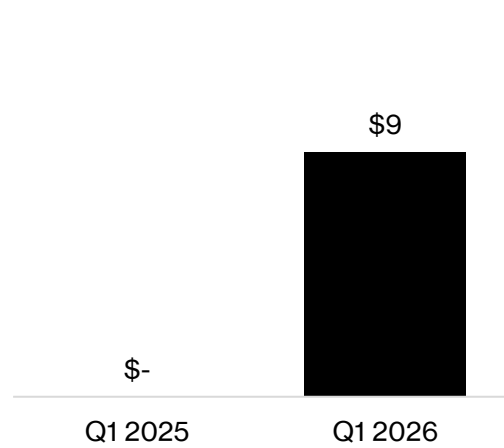


- Unit profitability up 11% QoQ
- Used : New ratio 1.15X (1.09X in Q1 2025)

Gross Margin Q1 2026 18.5% vs. Q1 2025 18.2%

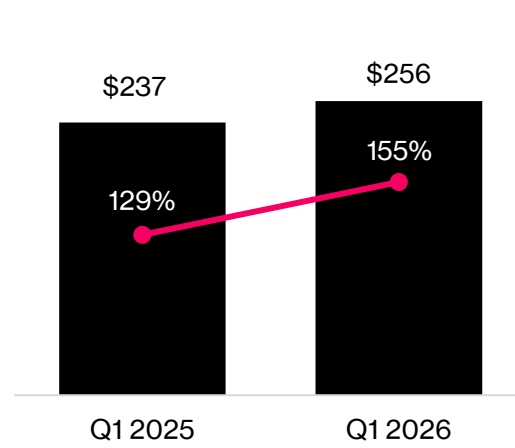
# Cash Generation & Deployment

## AN Finance Profitability (\$M)



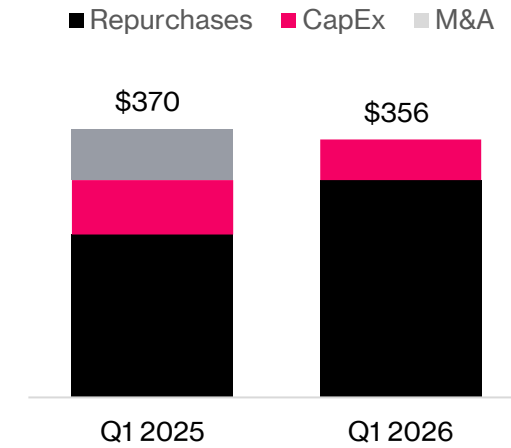
- Portfolio \$2.45B up 68%
- Debt Funded Status 90%

## Adjusted Free Cash Flow (\$M)



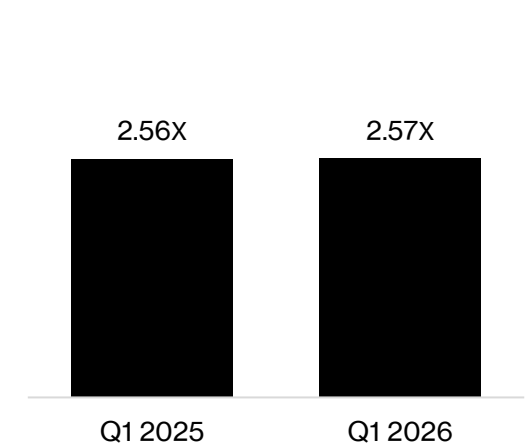
- Robust cash conversion (155%)
- Efficient working capital

## Capital Allocation (\$M)



- ~\$325M CapEx Run Rate
- 4% of Shares Repurchased in Q1

## Covenant Leverage



- Targeted 2X – 3X range
- Investment grade rating

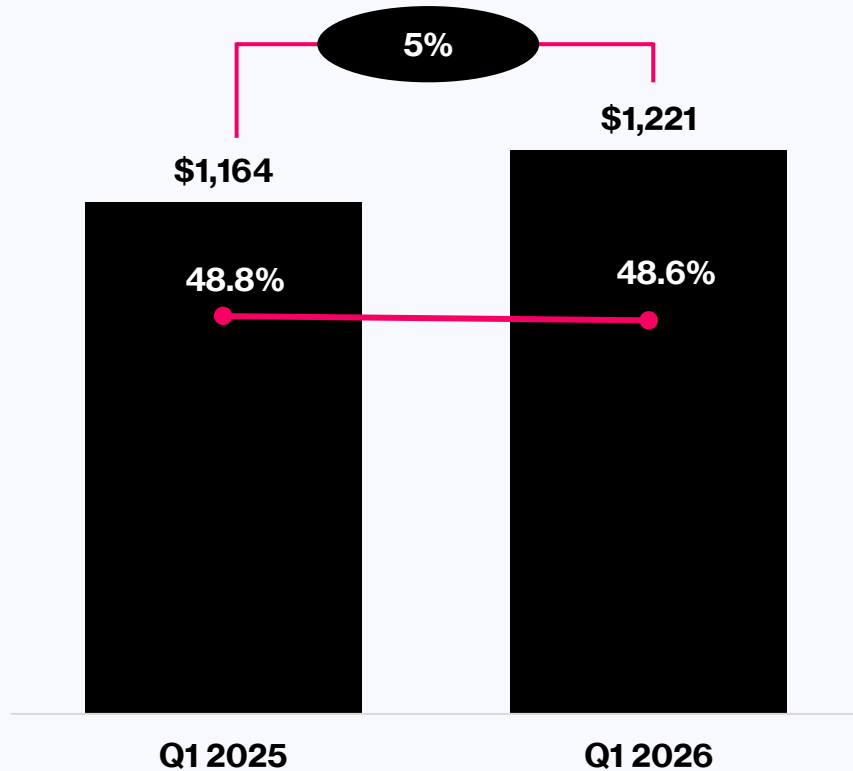
Strong Start to 2026

# Financial Summary

(\$ in millions, except per share data)

	Q1 2025	Q1 2026	Change	
Total Revenue	\$6,690	<b>\$6,552</b>	(2%)	Tariff driven pull ahead in 2025
Gross Profit	\$1,220	<b>\$1,211</b>	(1%)	18.5% of revenue (up 30 bps)
Adj. SG&A Expense	67.5%	<b>69.8%</b>	(3%)	Marketing, strategic investments & self-insurance
Adj. Operating Income	\$334	<b>\$312</b>	(7%)	Margin 4.8%, ~100bps up from 2019
Adj. Net Income	\$184	<b>\$165</b>	(11%)	Excludes ~\$40M gain on equity investments
Wtd. Avg. S/O	39.4	<b>35.1</b>	(11%)	\$1.1B of repurchases since year end 2024
<b>Diluted Adj. EPS</b>	<b>\$4.68</b>	<b>\$4.69</b>		<b>Fifth consecutive quarter of YoY growth</b>

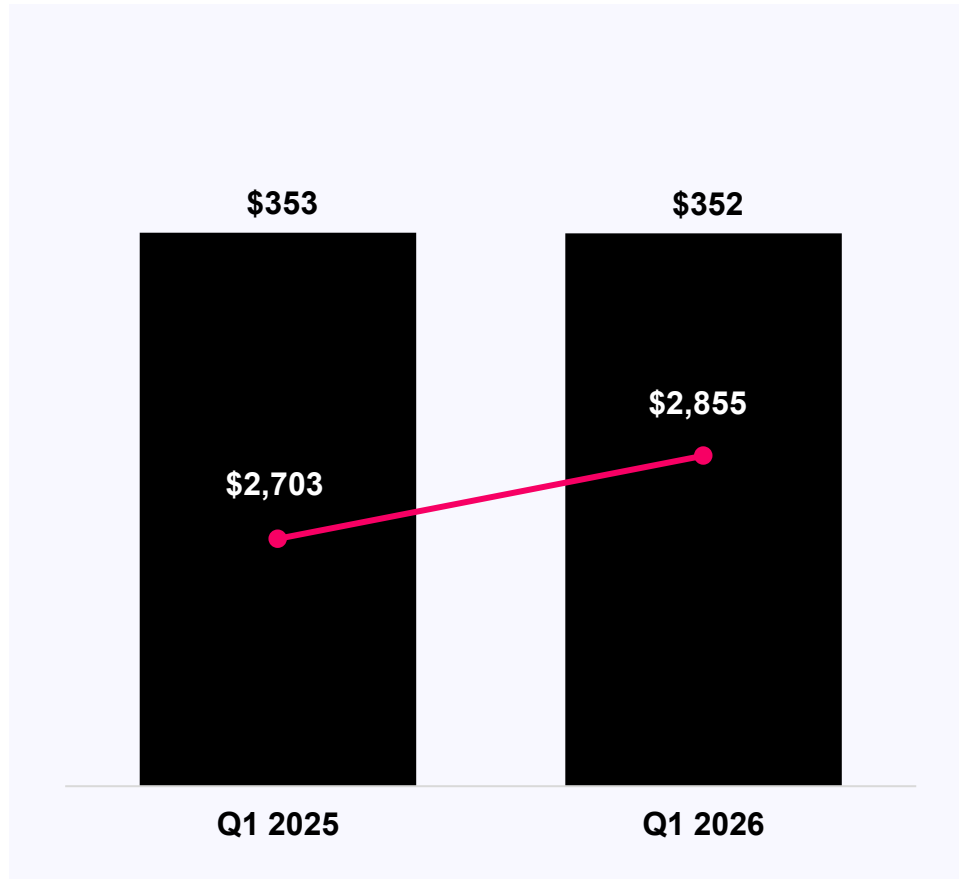
## Revenue (\$M) & Gross Margin (%)



■ Revenue (\$M)  
— Gross Profit Margin (%)

- Continued mid-single-digit growth
- Higher repair order count and value per repair order
- Customer Pay grew 8%
- Gross margin rate stable
- Improved technician retention, franchise technician headcount growth of 3% (SS)

## Gross Profit (\$M) & Unit Profitability



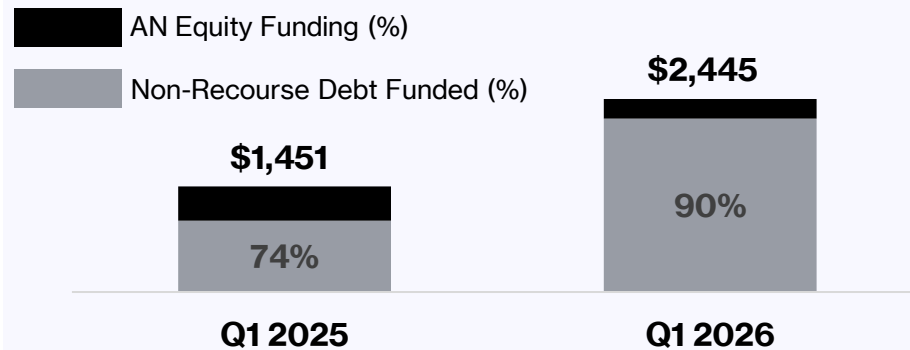
 Gross Profit (\$M)  
 Gross Profit per Unit

- Continued strong product and finance penetration
- Unit profitability up 6% YoY to a Q1 record
- Continued growth of AN Finance – superior long-term shareholder value
- Unit profitability \$~160 lower from ANF penetration impact

## Profitability (\$M)

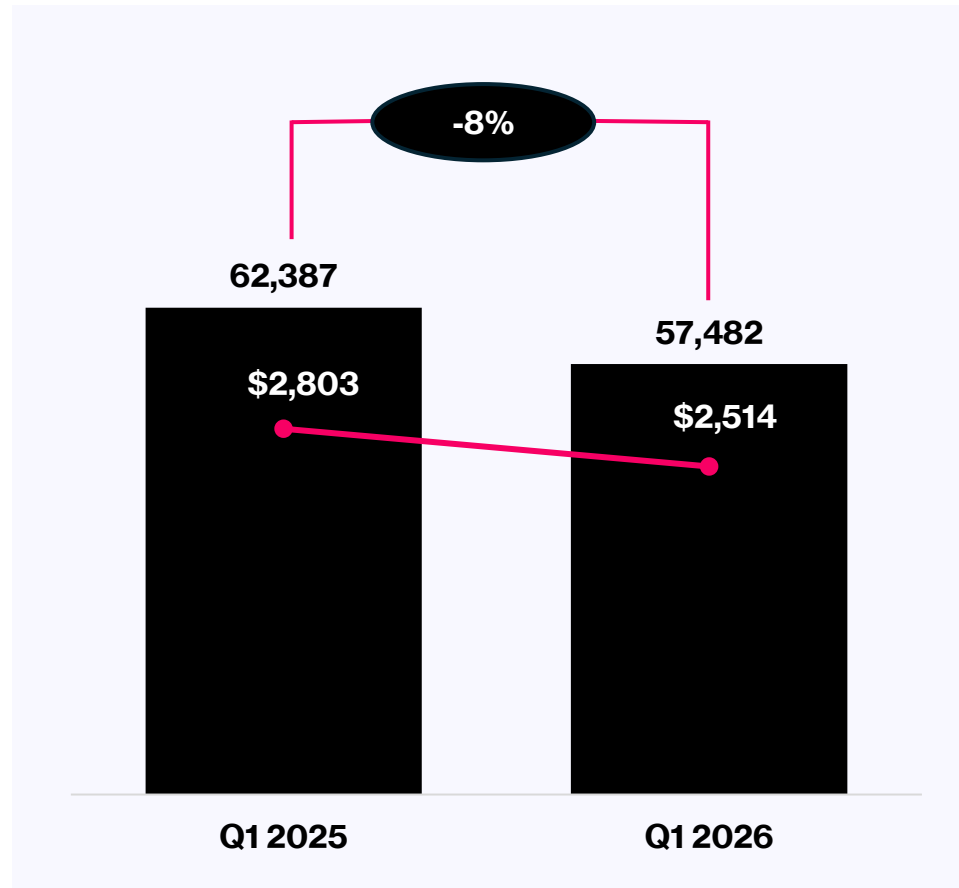


## Portfolio Balance (\$M)



- Scale benefits driving results with Q1 2026 OpEx 1.6% of portfolio (v 2.8% Q1 25)
- \$1B growth in portfolio YoY; 17% penetration of deals financed in Q1 2026
- Improving credit on underwritings – Q1 2026 FICO ~ 700
- Second ABS closed January 2026 (~\$750M)
- Improving funding efficiency with portfolio now 90% debt-funded (v 74% a year ago)
- Delinquencies in line with expectations

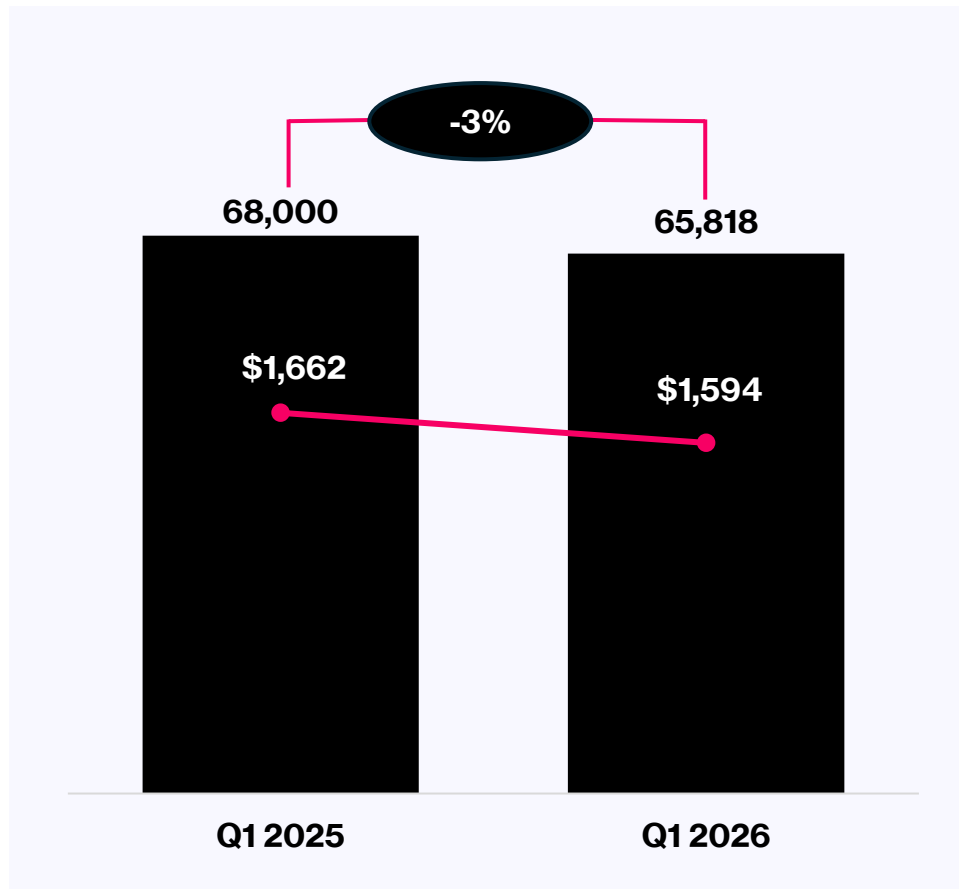
## Retail Units & Unit Profitability



 Retail Units  
 Gross Profit per Unit

- Industry retail units were down >8% YoY
- BEV decline had a disproportionate impact to AN Premium Luxury units
  - BEV -53% / HEV -11% / ICE -4%
  - Domestic -5% / Import -4% / PL -16%
- Unit profitability up 5% QoQ driven by improvements in Import and Premium Luxury
- Vehicle supply at 46 days (v. Dec. 45 days)

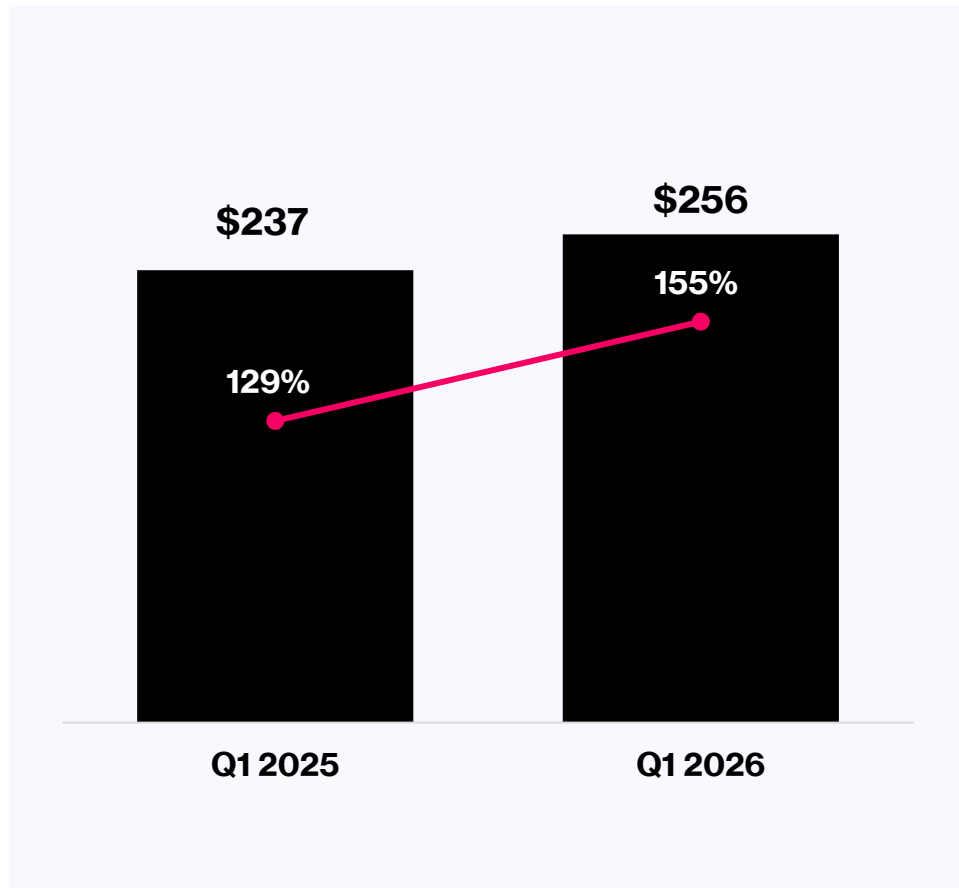
## Retail Units & Unit Profitability



■ Retail Units  
— Gross Profit per Unit

- Used : New unit ratio - 1.15X
- <\$20k units down 9%, >\$40k units up 7%
- Unit sales of 0 – 3-year-old vehicles up 6% YoY
- Unit profitability increased >\$150 QoQ
- Vehicle supply at 35 days (v. Dec. 38 days)

## Adj. FCF (\$M) & Conversion (%)



- Consistent, attractive cash conversion profile (100+%)
- Focused on working capital and cycle times (e.g. billing, time-to-auction, and service WIP)
- CapEx \$56M vs. \$75M Q1 2025

Adjusted FCF (\$M)  
Conversion %

## Capital Allocation (\$M)

First Quarter	2025	2026
Capital Expenditures	\$75	\$56
M&A	\$70	-
Share Repurchases	\$225	\$300
<b>Total</b>	<b>\$370</b>	<b>\$356</b>

- Continued strong cash conversion provides optionality
- CapEx down 25% vs. Q1 2025 expected to be approx. flat for full year (~\$325M)
- Reduced shares outstanding by 11%+ from Q1 2025
- Leverage 2.57X – stable from Q1 2025, within targeted range of 2X – 3X

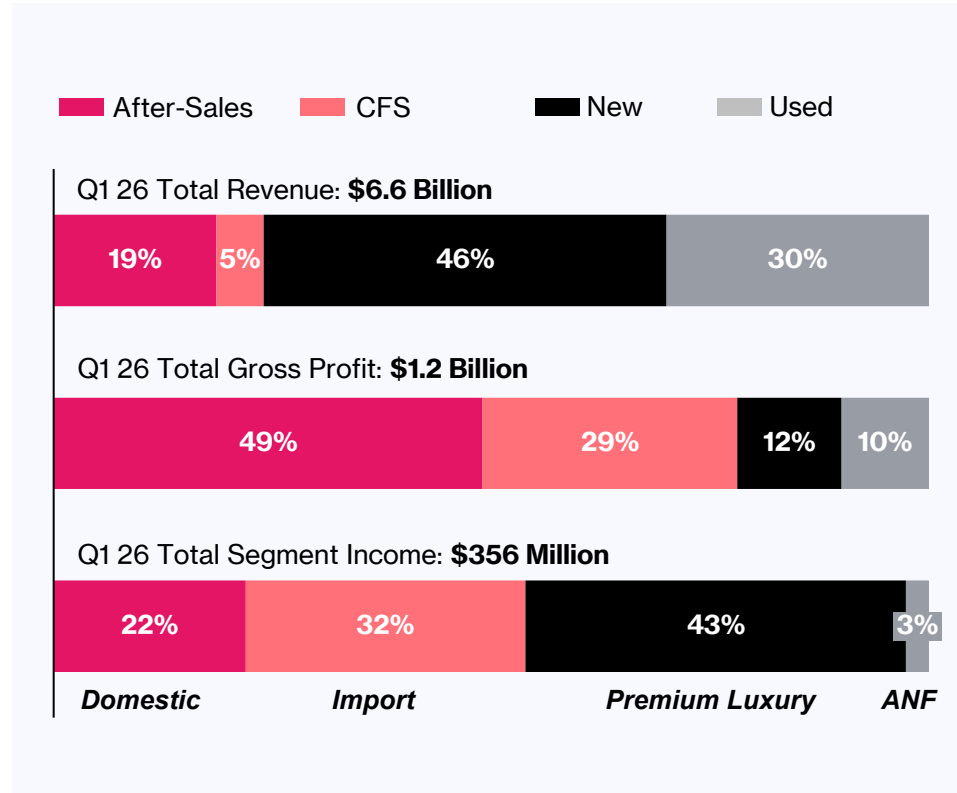
- Five consecutive quarters of increasing adjusted EPS
- After Sales well positioned for continuing growth; technician and technology focus
- Customer Financial Services sustaining performance
- AN Finance portfolio scaling and profitability improving
- Higher sequential new and used unit profitability
- Maintaining strong profit to cash conversion
- Shareholder-focused capital allocation and portfolio optimization
- Investing in customer journey to enhance market position and growth trajectory

Poised to Continue Delivering Attractive Shareholder Returns

# Appendix



## Financials



## Fundamentals

- Strong predictable cash flows with a disciplined capital allocation strategy focused on total shareholder returns
- Well positioned to capitalize on macro trends including pent-up vehicle demand, aging car PARC, population and driver growth
- Large, highly profitable, and resilient After-Sales business with continued growth opportunity
- Industry leading financing solutions complemented by a captive finance business
- Increased Used Vehicle penetration with a robust sourcing pipeline, and a used only business in AN USA
- Great franchise brands in favorable locations with solid OEM relationships
- Standardized practices and procedures, centralized store support functions

**AutoNation captures customer share of wallet and economics at multiple points of the vehicle ownership cycle**

# Balance Sheet and Other Items

(\$ in millions)

<b>Balance Sheet and Other Highlights</b>		
	<b>3/31/25</b>	<b>3/31/26</b>
Cash and cash equivalents	\$70	\$65
Inventory	3,232	3,444
Floorplan notes payable	3,559	3,759
Auto loans receivable, net	1,398	2,371
Non-recourse debt (AN Finance Funding)	1,080	2,186
Non-vehicle debt	3,963	4,116
Equity	2,403	2,227
New days supply (industry standard of selling days)	38	46
Used days supply (trailing calendar month days)	36	35

<b>Key Credit Agreement Covenant Compliance Calculations<sup>(1)</sup></b>		
	<b>3/31/25</b>	<b>3/31/26</b>
<b>Leverage ratio</b>		
Covenant	Less than or equal to 3.75x	<b>2.56x</b> <b>2.57x</b>
<b>Interest coverage ratio</b>		
Covenant	Greater than or equal to 3.00x	<b>4.33x</b> <b>4.73x</b>

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

# Non-GAAP Reconciliations – Comparable Basis

Three Months Ended March 31, 2025, and March 31, 2026

	Operating Income		Income Before Income Taxes		Income Tax Provision <sup>(2)</sup>		Effective Tax Rate		Net Income		Diluted Earnings Per Share <sup>(3)</sup>	
	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026
As reported	336.0	314.3	234.0	275.7	58.5	70.3	25.0%	25.5%	175.5	205.4	4.45	5.85
Decrease in compensation expense related to market valuation changes in deferred compensation obligations <sup>(4)</sup>	(1.5)	(2.6)	-	-	-	-	-	-	-	-	-	-
Net (gain) loss on equity investments	-	-	11.5	(54.0)	2.8	(13.2)	-	-	8.7	(40.8)	0.22	(1.16)
<b>Adjusted</b>	<b>\$334.5</b>	<b>\$311.7</b>	<b>\$245.5</b>	<b>\$221.7</b>	<b>\$61.3</b>	<b>\$57.1</b>	<b>25.0%</b>	<b>25.8%</b>	<b>\$184.2</b>	<b>\$164.6</b>	<b>\$4.68</b>	<b>\$4.69</b>
Adjusted as % of Revenue	5.0%	4.8%										

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

# Free Cash Flow Reconciliation

(\$ in millions)

Free Cash Flow Reconciliation		
	2025	2026
Net cash provided by (used in) operating activities	(\$52.5)	\$22.2
Net Proceeds from (payments of) vehicle floorplan – non-trade	(0.9)	36.3
Increase in auto loans receivable, net	365.4	253.5
<b>Adj. cash provided by operating activities</b>	<b>312.0</b>	<b>312.0</b>
Purchases of Property and Equipment	(75.2)	(56.4)
<b>Adj. Free Cash Flow</b>	<b>\$236.8</b>	<b>\$255.6</b>
<b>Adj. Net Income</b>	<b>\$184.2</b>	<b>\$164.6</b>
<b>Adj. FCF Conversion %</b>	<b>129%</b>	<b>155%</b>

# 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		3%	4%	4%	-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		4%	6%	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%	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%	-10%	15%	14%	13%	3%	7%	
	Cash From Ops (\$mm)	\$685	\$370	\$252	\$376	\$317	\$484	\$485	\$507	\$516	\$540	\$511	\$769	\$1,208	\$1,628	\$1,668	\$724	\$315	\$112	
	CapEx (\$mm)	\$97	\$75	\$150	\$149	\$161	\$161	\$209	\$248	\$245	\$310	\$401	\$269	\$156	\$216	\$329	\$410	\$329	\$309	
	M&A (\$mm)	\$32	-	\$73	\$64	\$142	\$88	\$205	\$322	\$410	\$77	\$67	\$5	-	\$433	\$192	\$271	-	\$459	
	Share Repurchase (\$mm)	\$54	\$136	\$524	\$583	\$581	\$53	\$485	\$235	\$497	\$435	\$100	\$45	\$382	\$2,303	\$1,710	\$864	\$460	\$785	

\*Data as reported of continuing operations.