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 June 30,											
	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	$ 319.0	$ 217.6	$ 243.8	$ 138.4	$ 61.7	$ 52.0	25.3 %	37.6 %	$ 182.1	$ 86.4	$ 5.39	$ 2.26
Increase in compensation expense related to market valuation changes in deferred compensation obligations[4]	16.8	10.4	—	—	—	—			—	—	$ —	$ —
Goodwill, franchise rights, and other asset impairments[5]	—	141.3	—	141.3	—	18.5			—	122.8	$ —	$ 3.21
Items related to property and store												
Asset impairments, net of gains on sales	3.2	—	3.2	—	0.8	—			2.4	—	$ 0.07	$ —
Loss from operations of terminated stores	4.1	—	4.3	—	1.0	—			3.3	—	$ 0.10	$ —
Adjusted	$ 343.1	$ 369.3	$ 251.3	$ 279.7	$ 63.5	$ 70.5	25.3 %	25.2 %	$ 187.8	$ 209.2	$ 5.56	$ 5.46

	Three Months Ended June 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2026	2025	2026	2025
As reported	$ 856.3	$ 854.7	69.6	67.0
Excluding:				
Increase in compensation expense related to market valuation changes in deferred compensation obligations	16.8	10.4		
Adjusted	$ 839.5	$ 844.3	68.2	66.2

(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 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 (Loss), Net.*

(5) *Primarily comprised of franchise rights impairment of $71.7 million, goodwill impairment of $65.3 million, and other intangible asset impairments of $4.3 million.*

AUTONATION, INC.

NON-GAAP RECONCILIATION

($ in millions, except per share data)

Comparable Basis Reconciliations[1]

	Six Months Ended June 30,											
	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	$ 633.3	$ 553.6	$ 519.5	$ 372.4	$ 132.0	$ 110.5	25.4 %	29.7 %	$ 387.5	$ 261.9	$ 11.26	$ 6.73
Increase in compensation expense related to market valuation changes in deferred compensation obligations[4]	14.2	8.8	—	—	—	—			—	—	$ —	$ —
Goodwill, franchise rights, and other asset impairments[5]	—	141.3	—	141.3	—	18.5			—	122.8	$ —	$ 3.16
Net (gain) loss on equity investments	—	—	(54.0)	11.5	(13.2)	2.8			(40.8)	8.7	$ (1.19)	$ 0.22
Items related to property and store												
Asset impairments, net of gains on sales	3.2	—	3.2	—	0.8	—			2.4	—	$ 0.07	$ —
Loss from operations of terminated stores	4.1	—	4.3	—	1.0	—			3.3	—	$ 0.10	$ —
Adjusted	$ 654.8	$ 703.7	$ 473.0	$ 525.2	$ 120.6	$ 131.8	25.5 %	25.1 %	$ 352.4	$ 393.4	$ 10.24	$ 10.11

	Six Months Ended June 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2026	2025	2026	2025
As reported	$ 1,698.5	$ 1,676.6	69.5	67.2
Excluding:				
Increase in compensation expense related to market valuation changes in deferred compensation obligations	14.2	8.8		
Adjusted	$ 1,684.3	$ 1,667.8	69.0	66.8

(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 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 (Loss), Net.*

(5) *Primarily comprised of franchise rights impairment of $71.7 million, goodwill impairment of $65.3 million, and other intangible asset impairments of $4.3 million.*

AUTONATION, INC.

NON-GAAP RECONCILIATION

($ in millions, except per share data)

Free Cash Flow	**Six Months Ended June 30,**	
	2026	**2025**
Net cash provided by (used in) operating activities	$ (48.9)	$ (230.3)
Net proceeds from vehicle floorplan - non-trade	120.5	83.1
Increase in auto loans receivable, net	493.6	695.0
Adjusted cash provided by operating activities	565.2	547.8
Purchases of property and equipment	(126.0)	(154.2)
Adjusted free cash flow	$ 439.2	$ 393.6
Adjusted net income	$ 352.4	$ 393.4
Adjusted free cash flow conversion %	125	100

Free Cash Flow	**Twelve Months ended December 31,**	
	2025 (1)	**2019**
Net cash provided by (used in) operating activities	$ 111.9	$ 769.2
Net proceeds from vehicle floorplan - non-trade	61.1	(134.3)
Increase in auto loans receivable, net	1,181.6	-
Adjusted cash provided by operating activities	1,354.6	634.9
Purchases of property and equipment	(309.4)	(269.3)
Adjusted free cash flow	$ 1,045.2	$ 365.6
Adjusted net income	$ 770.3	$ 413.6
Adjusted free cash flow conversion %	125	88

(1) Excludes cybersecurity insurance recoveries of $80 million received in 2025.

AUTONATION, INC.

NON-GAAP RECONCILIATION

($ in millions, except per share data)

Selling, general, and administrative expenses	Twelve Months ended December 31,	
	2025	2019
As reported	$ 3,362.2	$ 2,558.6
Excluding:		
Executive separation costs	-	11.0
Increase in compensation expense related to market valuation changes in deferred compensation obligations	19.7	-
Acquisition-related expenses	8.0	-
Severance expenses	6.6	-
Adjusted	$ 3,327.9	$ 2,547.6
Gross profit	$ 4,948.5	$ 3,523.0
SG&A as a percentage of gross profit	67.9%	72.6%
Adjusted SG&A as a percentage of gross profit	67.3%	72.3%

Operating Income	Twelve Months ended December 31,	
	2025	2019
As reported	$ 1,239.9	$ 823.6
Executive separation costs	-	11.0
Goodwill and franchise rights impairment	-	9.6
Asset impairments and net gains on store/property dispositions	-	(39.4)
Legal settlements	-	(7.1)
Increase in compensation expense related to market valuation changes in deferred compensation obligations	19.7	-
Asset impairments and other adjustments	192.7	-
Cybersecurity insurance recoveries	(80.0)	-
Acquisition-related expenses	8.0	-
Severance expenses	6.6	-
Adjusted	$ 1,386.9	$ 797.7
Revenue	$ 27,631.4	$ 21,335.7
Operating income as a percentage of revenue	4.5%	3.9%
Adjusted operating income as a percentage of revenue	5.0%	3.7%

AUTONATION, INC.

NON-GAAP RECONCILIATION

($ in millions, except per share data)

	Twelve Months ended December 31,			
	Net Income		Diluted Earnings Per Share	
	2025	2019	2025	2019
As reported	$ 649.1	$ 450.0	$ 17.04	$ 4.97
Discontinued operations, net of income taxes	-	0.8	$ -	$ 0.01
From continuing operations, as reported	649.1	450.8	$ 17.04	$ 4.98
Gain on equity investment	-	(19.5)	$ -	$ (0.22)
Executive separation costs	-	10.2	$ -	$ 0.11
Goodwill and franchise rights impairment	-	7.3	$ -	$ 0.08
Asset impairments and net gains on store/property dispositions	-	(29.8)	$ -	$ (0.33)
Legal settlements	-	(5.4)	$ -	$ (0.06)
Asset impairments and other adjustments	161.7	-	$ 4.24	$ -
Cybersecurity insurance recoveries	(60.5)	-	$ (1.59)	$ -
Acquisition-related expenses	6.0	-	$ 0.16	$ -
Severance expenses	5.3	-	$ 0.14	$ -
Net loss on equity investments	8.7	-	$ 0.23	$ -
Adjusted	$ 770.3	$ 413.6	$ 20.22	$ 4.57

AUTONATION, INC.

NON-GAAP RECONCILIATION

($ in millions, except per share data)

Return on Invested Capital	**Twelve Months ended December 31,**	
	2025	**2019**
Average shareholders' equity	$ 2,399.2	$ 2,939.1
Average long-term debt	3,159.2	1,752.3
Invested capital	$ 5,558.4	$ 4,691.3
Net income	$ 649.1	$ 450.0
Return on invested capital	11.7%	9.6%
Adjusted net income	$ 770.3	$ 413.6
Adjusted return on invested capital	13.9%	8.8%