# Second Quarter 2026

AutoNation

Earnings Release

July 31, 2026

# Forward-Looking Statements

AutoNation

This presentation 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 the future performance of our business and the automotive retail industry, including with respect to After-Sales, Customer Financial Services, new and used vehicle volume and profitability, SG&A as a percentage of total gross profit, earnings per share and shareholder returns, as well as 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; safety recalls; 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.

# What You'll Hear Today

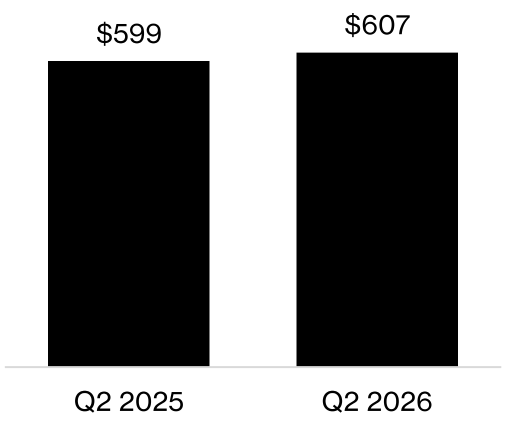
- Consumer and industry in good shape
- After Sales solid, led by Customer Pay up 7% (4% SS)
- Parts Wholesale expansion strategy, with sales up 16%
- CFS continues to power forward
- Vehicle unit profitability stabilizing, expect progress on unit volumes 2H
- SG&A on track, 160 bps sequential improvement
- Cash conversion 125%
- AutoNation Finance exceptional growth and risk management; profit up 10X
- Substantial capital allocation; four new stores and share count down 6+%

**Sixth Consecutive Quarter of YoY EPS Growth**

# Business Line Performance

49%

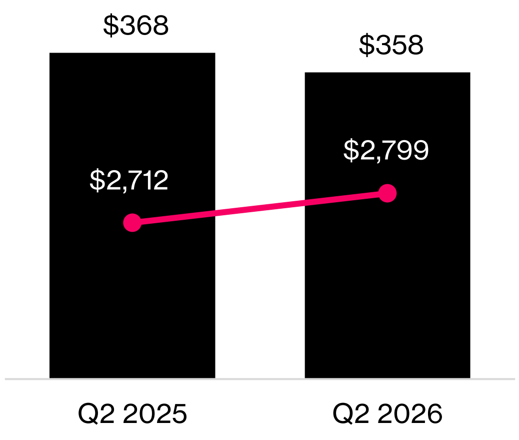
After-Sales Gross Profit ($M)




- Record performance
- Customer pay up 7%

29%

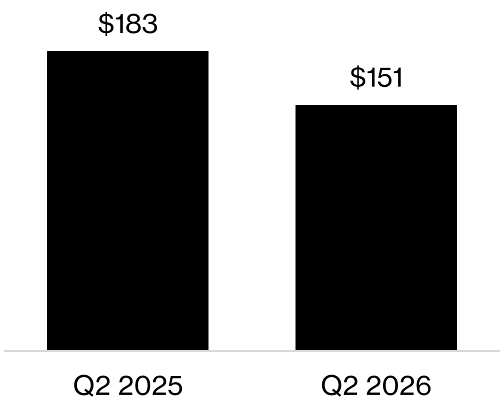
CFS Gross Profit ($M)




- Per Unit up 3%
- Enhanced value capture on product offerings

12%

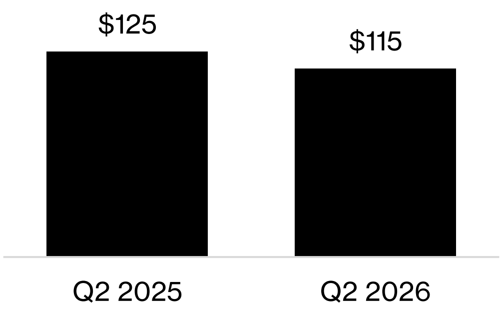
New Gross Profit ($M)




- Unit profitability stable
- Volume resilient post ’25 tariff and BEV pull ahead

10%

Used Gross Profit ($M)

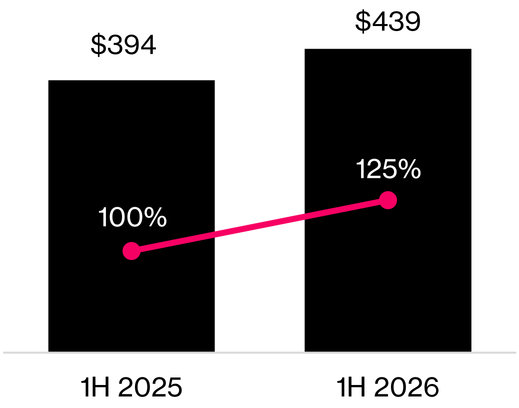



- Unit profitability stable
- Strength >$40k

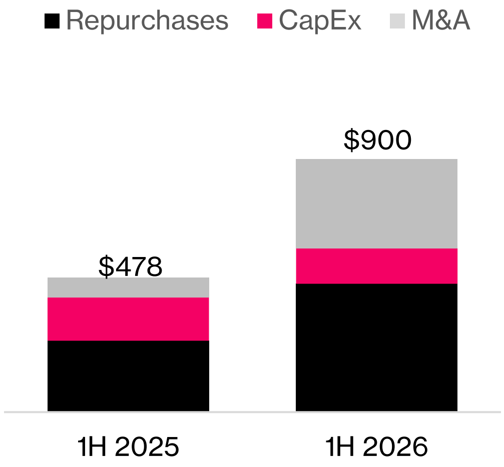
Gross Margin Q2 2026 17.8% consistent top tier performance

# Cash Generation & Deployment

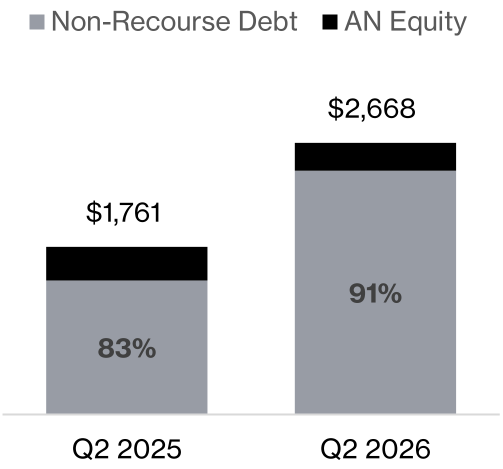
Adj. FCF ($M) / Conversion %



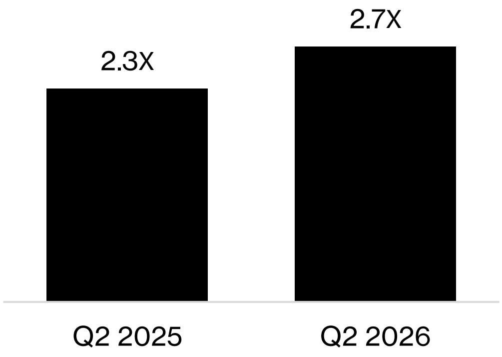

Capital Allocation ($M)




AN Finance Portfolio




Covenant Leverage (Net of Cash)




- Robust cash conversion (125%)
- Efficient working capital

- M&A +$600M revenue, adds density
- 6% of Shares Repurchased 1H 26

- 1H 26 Profit $20M vs. $2M in ‘25
- 91% Debt Funded

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

**Cash Flow and Strong Balance Sheet Provide Flexibility**

Refer to the Appendix for Non-GAAP

# Financial Summary

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($ in millions, except per share data)

| | Q2 2025 | Q1 2026 | Q2 2026 | |
|---|---|---|---|---|
| Total Revenue | $6,974 | $6,552 | **$6,930** | After-Sales growth offsets Tariff / BEV headwinds |
| Gross Profit | $1,275 | $1,211 | **$1,231** | 17.8% of revenue, continued top tier performance |
| Adj. SG&A Expense | 66.2% | 69.8% | **68.2%** | 160 bps reduction from Q1 2026 |
| AN Finance | $2 | $9 | **$11** | Scaling Portfolio and Profitability |
| Adj. Operating Income | $369 | $312 | **$343** | Consistent ~5% margin |
| **Diluted Adj. EPS** | **$5.46** | **$4.69** | **$5.56** | **Sixth consecutive quarter of YoY growth** |

Refer to the Appendix for Non-GAAP

# After-Sales

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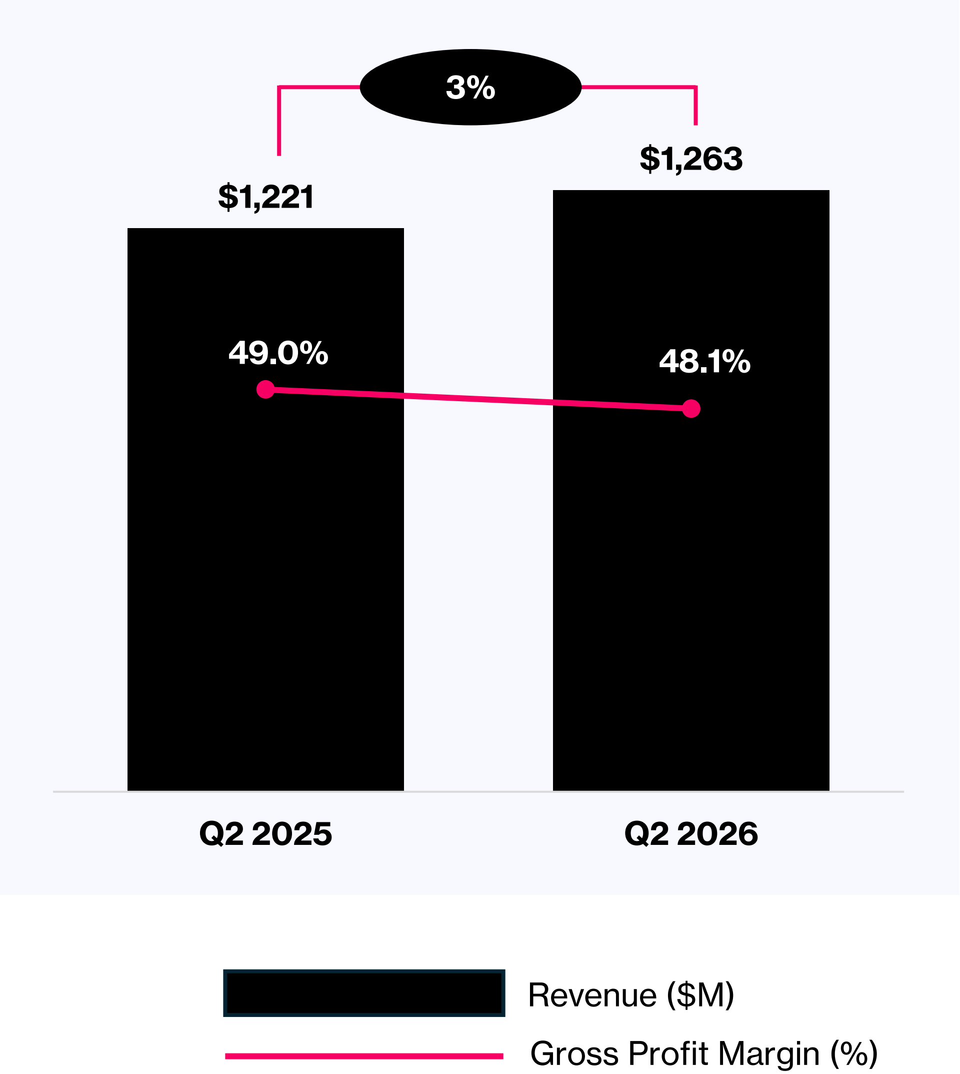
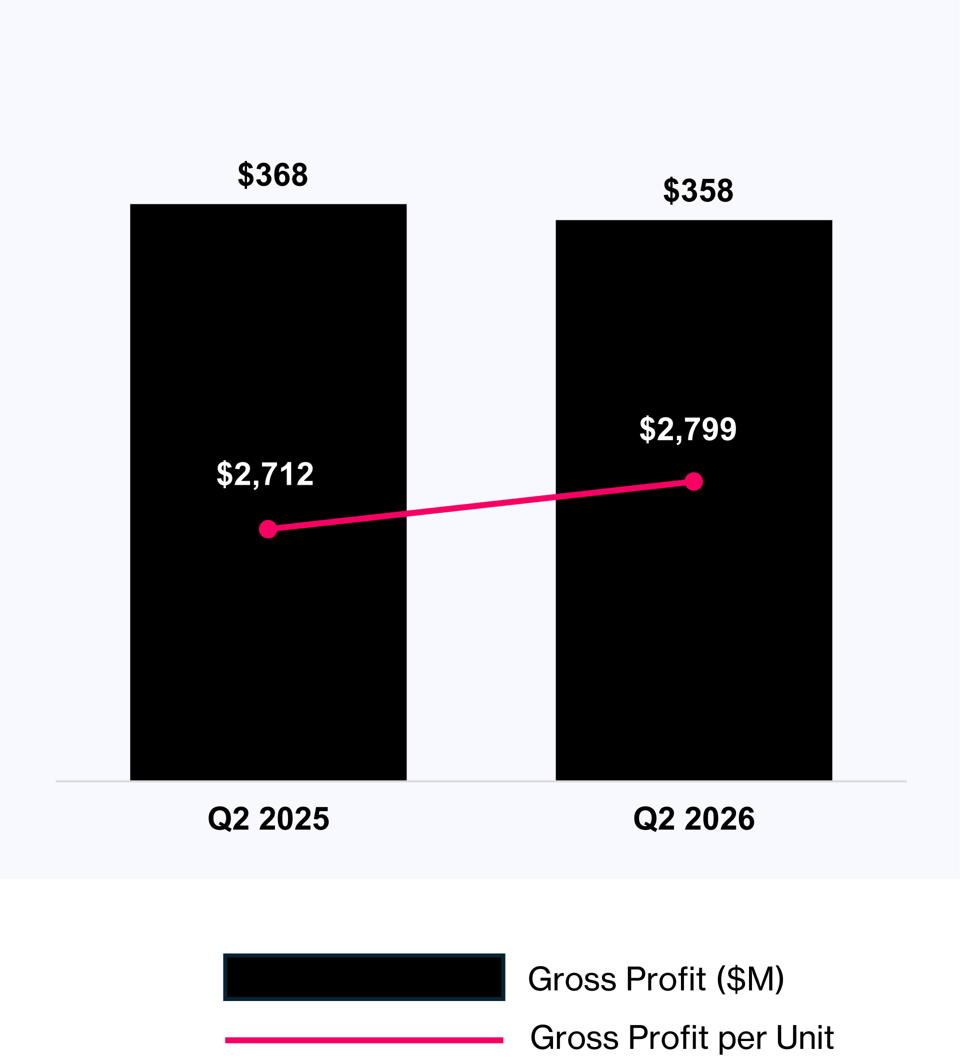
Revenue ($M) & Gross Margin (%)




- Revenue growth driven by Customer Pay +7% and Wholesale +16%
- Gross margin rate stable from Q1, YoY impacted by mix
- Record Gross Profit
- Franchise technician headcount growth of 2% (SS)

# Customer Financial Services

Gross Profit ($M) & Unit Profitability




- 3% unit profitability growth; AN Finance impact of approx. -2%
- Continued strong product and finance penetration
- Improved service contract and commission profitability

# AutoNation Finance

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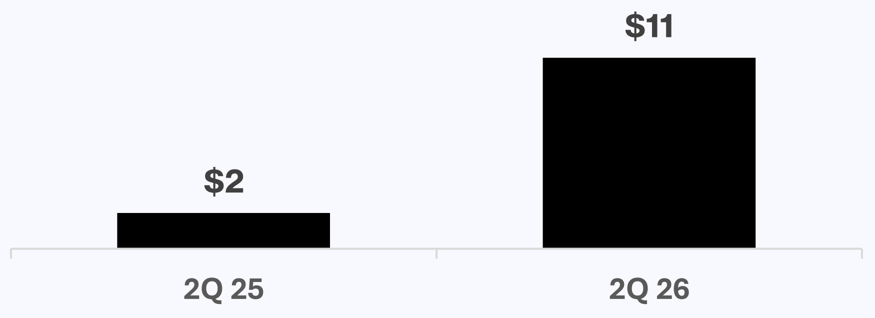
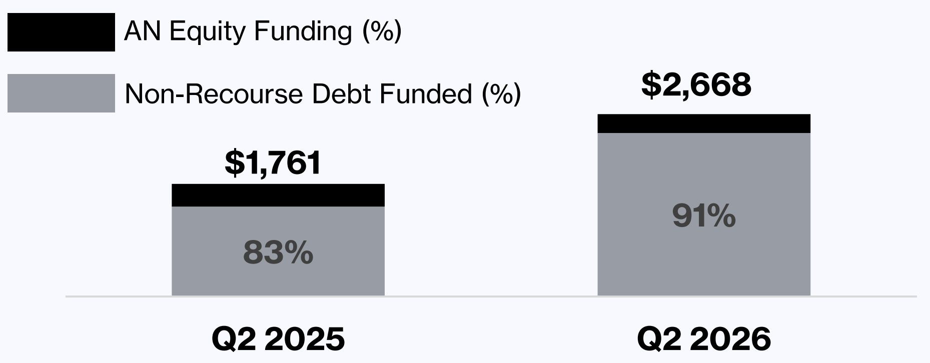
Profitability ($M)




Portfolio Balance ($M)




- Total Interest margin up $11 M (35%), volume driven
- Stable direct expenses and delinquencies
- Third ABS closed June 2026 (~$550M)
- Portfolio now 91% debt-funded (v 83% Q2 2025)

Scaling High ROE Business

# New Vehicles

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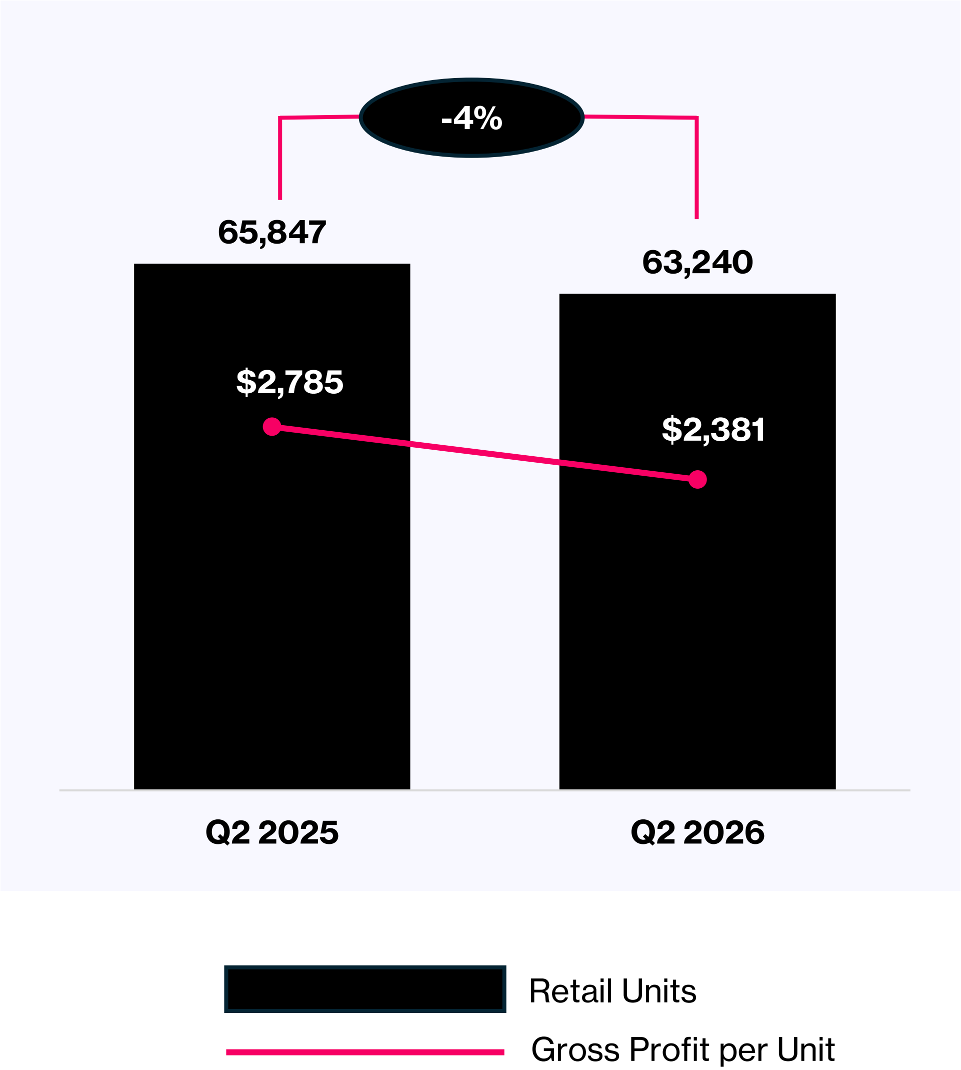
## Retail Units & Unit Profitability




- Market share performance stable with Q1
- Impacts from tariff pull-ahead (Apr. 2025) and BEV subsidies (through Sept. 2025)
- Unit profitability stable over the last year
- Healthy vehicle supply

# Used Vehicles

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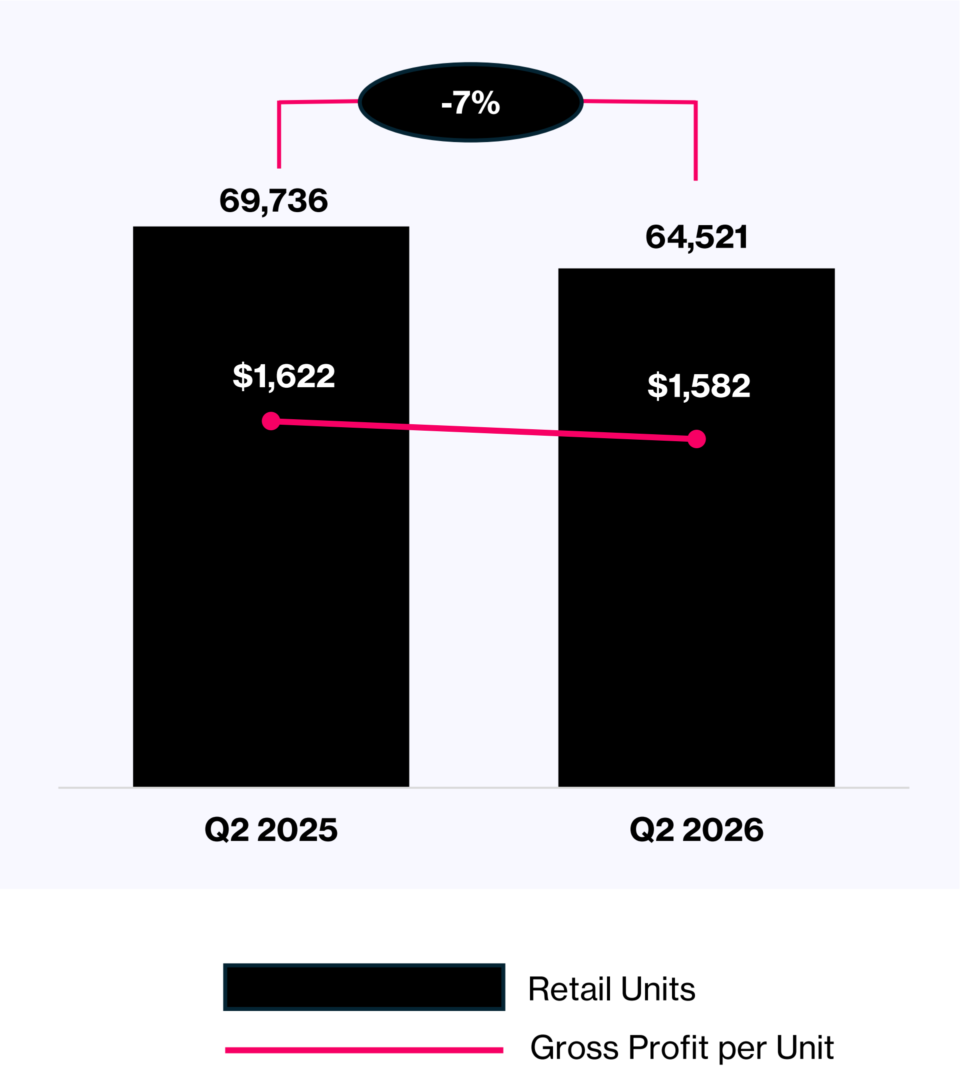
Retail Units & Unit Profitability




- Units >$40k up 10% drove overall revenue per unit +8%
- Unit profitability stable over last year
- Healthy vehicle supply, 90% internally sourced
- Off lease vehicle supply improving in 2H 2026

# Free Cash Flow

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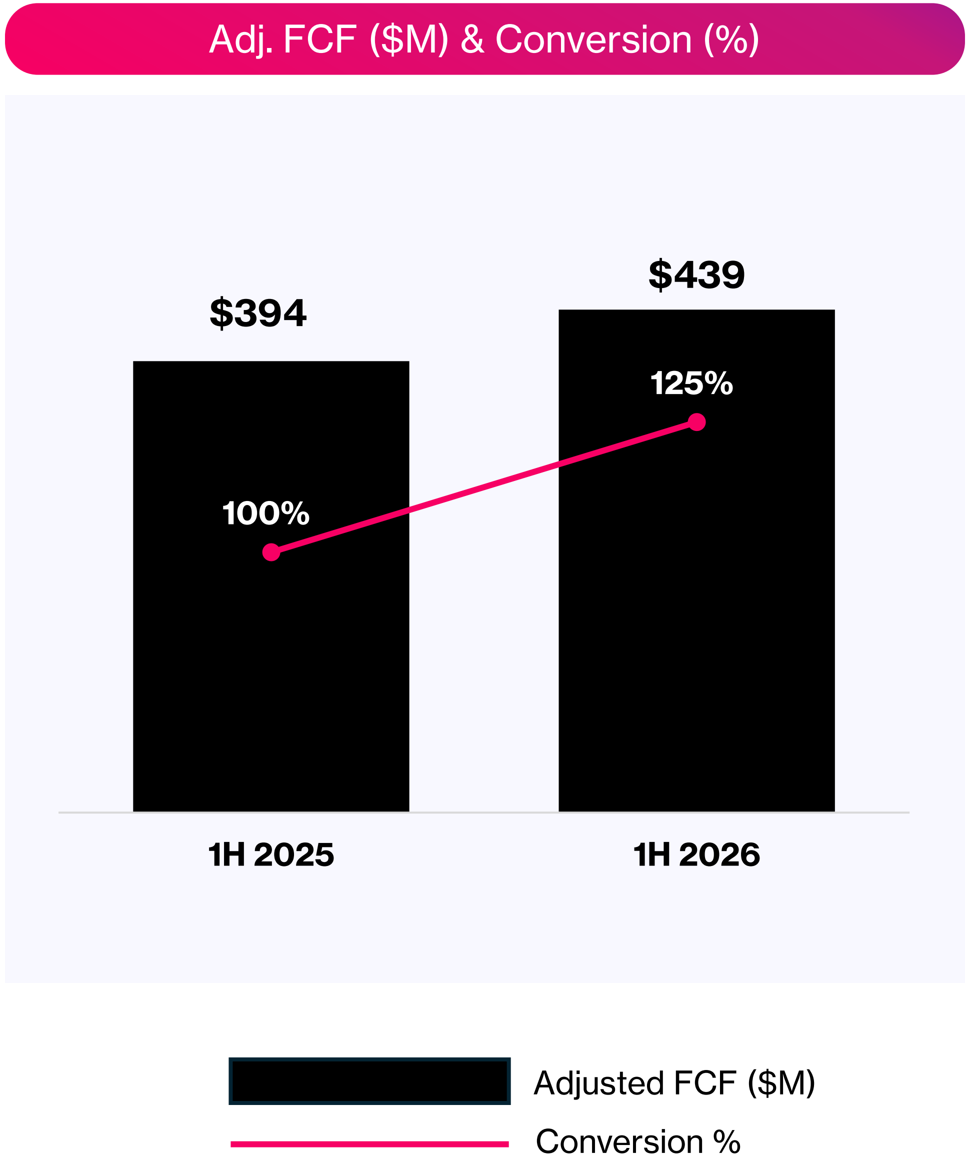


- Consistent, attractive cash conversion profile (100+%)
- Continued working capital and cycle time focus
- On track for $325 million of full year CapEx

Refer to the Appendix for Non-GAAP

# Capital Allocation

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## Capital Allocation ($M)

| June YTD | 2025 | 2026 |
|---|---|---|
| Capital Expenditures | $154 | $126 |
| M&A | $70 | $317 |
| Share Repurchases | $254 | $457 |
| **Total** | **$478** | **$900** |
| Adj. Cash from Operations | $548 | $565 |
| % of Total Deployed | 87% | 159% |

## Approach

- Cap Ex investments, mostly maintenance-related
- Pursue select M&A opportunities which add scale and density
- All residual FCF to investors
- Maintain Investment Grade rating

Refer to the Appendix for Non-GAAP

# Question & Answer

# A Look Back and Ahead

# Setting the Pace in Auto Retail…

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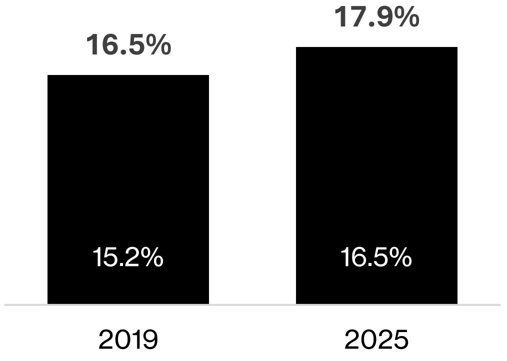
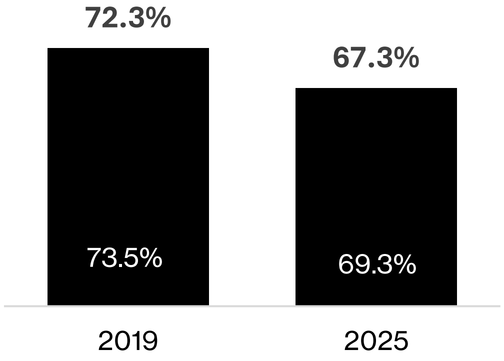
## Gross Profit Margin



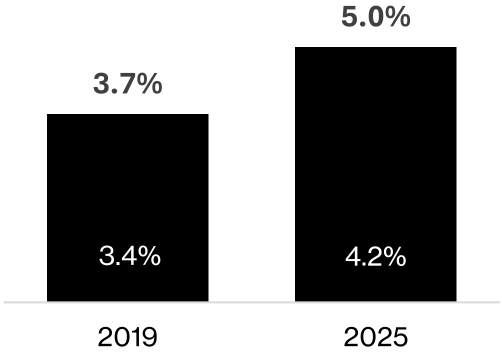

- Commercial strength and process rigor
- High margin CFS and After-Sales

## Adj. SG&A as % of Gross Profit



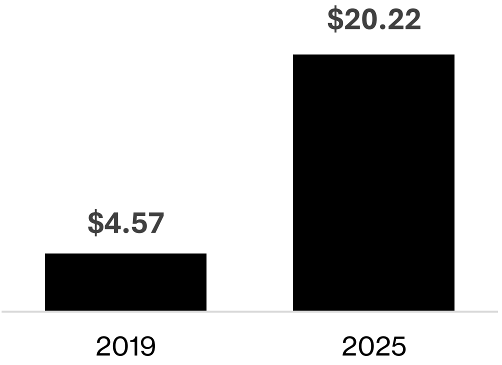

- Scale, flexible cost structure, pay for performance
- Clear path to 66-67%

## Adj. Operating Margin




- Richer gross margin and greater SGA& efficiency
- AN Finance just getting started

## Adj. EPS




- Adj. Net Income up $350+M
- Share count down >60%

Peer Average

Financial Reconciliations are available on the company's Investor Relations website
Peer Average includes: ABG, GPI, LAD, PAG, and SAH

# ...Enabling Outstanding "Returns"

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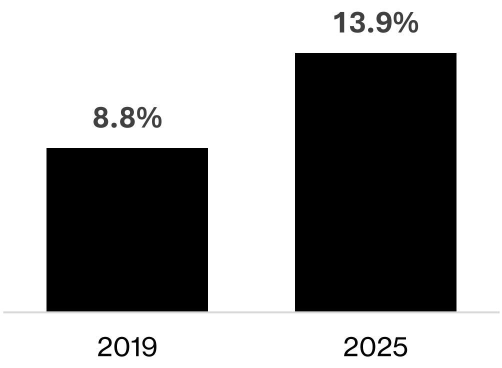
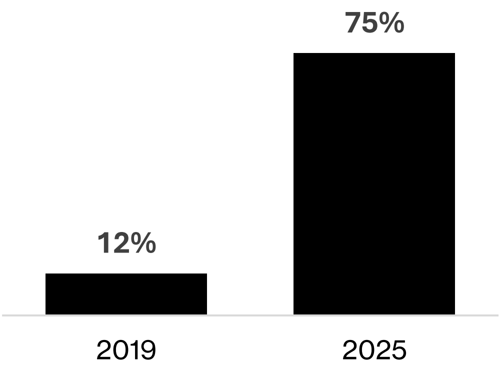
**Return** on Invested Capital




- Adj. Net income up 85%
- Invested Capital 18%

**Return** of Cash to Shareholders

Share Repurchase as % of Adj. FCF




- $6.3B of Adj. FCF 2020-2025
- $6.5B of Share Repo. 2020-2025

Financial Reconciliations are available on the company's Investor Relations website
Return on Invested Capital = Adj. Net Income / (Avg. Shareholders Equity + Avg. Long-Term Debt)

# Closing & Outlook

- Consumer and industry sales resilient
- After Sales well positioned for continued mid-single digit Customer Pay growth
- Customer Financial Services sustained leading performance
- AN Finance continued scaling of portfolio and profit growth
- Stabilizing new and used unit profitability, expect share growth
- Expect continued Adj. EPS growth in 2H 2026
- Continued strong profit to cash conversion of >100%
- Shareholder-focused capital allocation and portfolio optimization

**Poised to Continue Delivering Attractive Shareholder Returns**

# Appendix

# Global Financial Crisis to 2025

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| | | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | LTM | FY Avg. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New | Light Vehicle SAAR (M) | 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 | 16.0 | *15.0* |
| | Retail SAAR (M) | 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 | 13.3 | *12.4* |
| | Ending LV Inventory (M) | 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 | 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 | 251.8 | |
| | 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 | $52.3 | |
| | 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 | $2,390 | *$2,609* |
| | Margin | 6.6% | 6.8% | 6.8% | 7.3% | 6.5% | 6.2% | 5.9% | 5.6% | 5.2% | 4.8% | 4.4% | 4.5% | 5.6% | 9.9% | 11.6% | 8.3% | 5.9% | 4.9% | 4.6% | *6.5%* |
| | ASP Y/Y | | 3% | 4% | 4% | -1% | 2% | 2% | 3% | 3% | 2% | 2% | 5% | 6% | 10% | 11% | 2% | -2% | 2% | 1% | |
| | Days Supply | 84 | 54 | 63 | 50 | 55 | 62 | 54 | 68 | 61 | 53 | 60 | 52 | 42 | 9 | 19 | 36 | 39 | 45 | 53 | |
| Used | Unit Sales (k) | 181.3 | 135.3 | 160.1 | 171.1 | 181.0 | 204.6 | 214.9 | 227.3 | 225.7 | 234.1 | 237.7 | 246.1 | 241.2 | 304.4 | 299.8 | 274.0 | 265.9 | 269.6 | 262.2 | |
| | ASP ($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 | $27.9 | |
| | 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 | $1,526 | *$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% | 5.5% | *7.9%* |
| | ASP Y/Y | | 4% | 6% | 3% | 0% | 1% | 3% | 4% | 3% | -2% | 3% | 4% | 4% | 21% | 14% | -7% | -5% | 1% | 5% | |
| | Days Supply | 30 | 41 | 42 | 31 | 35 | 35 | 38 | 43 | 44 | 43 | 42 | 39 | 39 | 40 | 31 | 39 | 37 | 38 | 38 | |
| Ratio | Used : New Units | 0.71 | 0.74 | 0.78 | 0.76 | 0.68 | 0.68 | 0.70 | 0.68 | 0.67 | 0.71 | 0.76 | 0.87 | 0.97 | 1.16 | 1.30 | 1.12 | 1.04 | 1.04 | 1.04 | |
| 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 | $2,829 | |
| | PVR Y/Y | | 0% | 4% | 5% | 6% | 6% | 4% | 9% | 4% | 5% | 7% | 8% | 12% | 13% | 11% | 1% | -5% | 6% | 6% | |
| After-Sales | Gross ($M) | $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 | $2,389 | |
| | Gross Y/Y | | -13% | 3% | 1% | 4% | 10% | 8% | 12% | 7% | 4% | 4% | 4% | -10% | 15% | 14% | 13% | 3% | 7% | 5% | |
| | Adj. Cash From Ops ($M) | $692 | $268 | $369 | $417 | $455 | $573 | $547 | $494 | $670 | $670 | $477 | $635 | $974 | $1,364 | $1,847 | $1,379 | $1,078 | $1,355 | $1,372 | |
| | CapEx ($M) | $90 | $75 | $150 | $149 | $161 | $161 | $209 | $248 | $245 | $313 | $401 | $269 | $156 | $216 | $329 | $410 | $329 | $309 | $281 | |
| | M&A ($M) | $32 | - | $73 | $64 | $142 | $88 | $205 | $322 | $410 | $77 | $67 | $5 | - | $433 | $192 | $271 | - | $459 | $706 | |
| | **Share Repurchase ($M)** | **$54** | **$136** | **$524** | **$583** | **$581** | **$53** | **$485** | **$235** | **$497** | **$435** | **$100** | **$45** | **$382** | **$2,303** | **$1,710** | **$864** | **$460** | **$785** | **$988** | |

*Data as reported of continuing operations.

# Balance Sheet and Other Items

($ in millions)

| Balance Sheet and Other Highlights | 6/30/25 | 6/30/26 |
|---|---|---|
| Cash and cash equivalents | $63 | $53 |
| Inventory | 3,446 | 3,738 |
| Floorplan notes payable | 3,656 | 4,059 |
| Auto loans receivable, net | 1,702 | 2,589 |
| Non-recourse debt (AN Finance Funding) | 1,465 | 2,417 |
| Non-vehicle debt | 3,765 | 4,427 |
| Equity | 2,470 | 2,259 |
| | | |
| New days supply (industry standard of selling days) | 49 | 53 |
| Used days supply (trailing calendar month days) | 39 | 38 |

| Key Credit Agreement Covenant Compliance Calculations[1] | | 6/30/25 | 6/30/26 |
|---|---|---|---|
| **Leverage ratio** Covenant | Less than or equal to 3.75x | **2.33x** | **2.77x** |
| **Interest coverage ratio** Covenant | Greater than or equal to 3.00x | **4.63x** | **4.67x** |

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

# Non-GAAP Reconciliations – Comparable Basis

Three Months Ended June 30, 2025, and June 30, 2026

| | Operating Income | | Income Before Income Taxes | | Income Tax Provision(2) | | Effective Tax Rate | | Net Income | | Diluted Earnings Per Share(3) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 |
| As reported | 217.6 | 319.0 | 138.4 | 243.8 | 52.0 | 61.7 | 37.6% | 25.3% | 86.4 | 182.1 | 2.26 | 5.39 |
| Increase in compensation expense related to market valuation changes in deferred compensation obligations(4) | 10.4 | 16.8 | - | - | - | - | | | - | - | - | - |
| Goodwill, franchise rights, and other asset impairments(5) | 141.3 | - | 141.3 | - | 18.5 | - | | | 122.8 | - | 3.21 | - |
| Items related to property and store divestitures: | | | | | | | | | | | | |
| Asset impairments, net of gains on sales | - | 3.2 | - | 3.2 | - | 0.8 | | | - | 2.4 | - | 0.07 |
| Loss from operations | - | 4.1 | - | 4.3 | - | 1.0 | | | - | 3.3 | - | 0.10 |
| **Adjusted** | **$369.3** | **$343.1** | **$279.7** | **$251.3** | **$70.5** | **$63.5** | **25.2%** | **25.3%** | **$209.2** | **$187.8** | **$5.46** | **$5.56** |

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

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/Losses related to the COLI are recorded in non-operating Other Income (Loss), Net.

# Non-GAAP Reconciliations – Comparable Basis

/AutoNation

Six Months Ended June 30, 2025, and June 30, 2026

| | Operating Income | | Income Before Income Taxes | | Income Tax Provision(2) | | Effective Tax Rate | | Net Income | | Diluted Earnings Per Share(3) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 |
| As reported | 553.6 | 633.3 | 372.4 | 519.5 | 110.5 | 132.0 | 29.7% | 25.4% | 261.9 | 387.5 | 6.73 | 11.26 |
| Increase in compensation expense related to market valuation changes in deferred compensation obligations(4) | 8.8 | 14.2 | - | - | - | - | | | - | - | - | - |
| Goodwill, franchise rights, and other asset impairments(5) | 141.3 | - | 141.3 | - | 18.5 | - | | | 122.8 | - | 3.16 | - |
| Net (gain) loss on equity investments | - | - | 11.5 | (54.0) | 2.8 | (13.2) | | | 8.7 | (40.8) | 0.22 | (1.19) |
| Items related to property and store divestitures: | | | | | | | | | | | | |
| Asset impairments, net of gains on sales | - | 3.2 | - | 3.2 | - | 0.8 | | | - | 2.4 | - | 0.07 |
| Loss from operations | - | 4.1 | - | 4.3 | - | 1.0 | | | - | 3.3 | - | 0.10 |
| **Adjusted** | **$703.7** | **$654.8** | **$525.2** | **$473.0** | **$131.8** | **$120.6** | **25.1%** | **25.5%** | **$393.4** | **$352.4** | **$10.11** | **$10.24** |

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

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/Losses related to the COLI are recorded in non-operating Other Income (Loss), Net.

# Free Cash Flow Reconciliation

AutoNation

($ in millions)

| Free Cash Flow Reconciliation | Six Months Ended June 30 | |
|---|---|---|
| | **2025** | **2026** |
| Net cash used in operating activities | ($230.3) | ($48.9) |
| Net Proceeds from vehicle floorplan – non-trade | 83.1 | 120.5 |
| Increase in auto loans receivable, net | 695.0 | 493.6 |
| **Adj. cash provided by operating activities** | **547.8** | **565.2** |
| Purchases of Property and Equipment | (154.2) | (126.0) |
| **Adj. Free Cash Flow** | **$393.6** | **$439.2** |
| **Adj. Net Income** | **$393.4** | **$352.4** |
| **Adj. FCF Conversion %** | **100%** | **125%** |