

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

Comparable Basis Reconciliations⁽¹⁾

	Three Months Ended September 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	\$ 314.6	\$ 372.4	\$ 215.5	\$ 287.6	\$ 53.2	\$ 72.5	24.7 %	25.2 %	\$ 162.3	\$ 215.1	\$ 4.87	\$ 5.65
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	(2.5)	7.7	—	—	—	—			—	—	\$ —	\$ —
Self-insurance related losses ⁽⁵⁾	8.7	—	8.7	—	2.1	—			6.6	—	\$ 0.20	\$ —
Customer journey transformation costs ⁽⁶⁾	1.9	—	1.9	—	0.5	—			1.4	—	\$ 0.04	\$ —
Acquisition-related expenses	—	8.0	—	8.0	—	2.0			—	6.0	\$ —	\$ 0.16
Insurance recoveries associated with CDK outage ⁽⁷⁾	—	(40.0)	—	(40.0)	—	(9.8)			—	(30.2)	\$ —	\$ (0.79)
Adjusted	<u>\$ 322.7</u>	<u>\$ 348.1</u>	<u>\$ 226.1</u>	<u>\$ 255.6</u>	<u>\$ 55.8</u>	<u>\$ 64.7</u>	24.7 %	25.3 %	<u>\$ 170.3</u>	<u>\$ 190.9</u>	\$ 5.11	\$ 5.01

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

⁽⁵⁾ Primarily related to losses from hail storms and other natural catastrophes.

⁽⁶⁾ Represents third-party professional fees associated with discrete transformation initiatives that are incremental to our ongoing operations.

⁽⁷⁾ Insurance recoveries received under our cybersecurity insurance policies for business interruption and related losses caused by the CDK outage.

AUTONATION, INC.
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Comparable Basis Reconciliations⁽¹⁾

Nine Months Ended September 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	\$ 947.9	\$ 926.0	\$ 735.0	\$ 660.0	\$ 185.2	\$ 183.0	25.2 %	27.7 %	\$ 549.8	\$ 477.0	\$ 16.12	\$ 12.36
Increase in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	11.7	16.5	—	—	—	—			—	—	\$ —	\$ —
Self-insurance related losses ⁽⁵⁾	8.7	—	8.7	—	2.1	—			6.6	—	\$ 0.19	\$ —
Customer journey transformation costs ⁽⁶⁾	1.9	—	1.9	—	0.5	—			1.4	—	\$ 0.04	\$ —
Goodwill, franchise rights, and other asset impairments ⁽⁷⁾	—	141.3	—	141.3	—	18.5			—	122.8	\$ —	\$ 3.18
Acquisition-related expenses	—	8.0	—	8.0	—	2.0			—	6.0	\$ —	\$ 0.16
Insurance recoveries associated with CDK outage ⁽⁸⁾	—	(40.0)	—	(40.0)	—	(9.8)			—	(30.2)	\$ —	\$ (0.78)
Net (gain) loss on equity investments	—	—	(54.0)	11.5	(13.2)	2.8			(40.8)	8.7	\$ (1.20)	\$ 0.23
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	<u>\$ 977.5</u>	<u>\$ 1,051.8</u>	<u>\$ 699.1</u>	<u>\$ 780.8</u>	<u>\$ 176.4</u>	<u>\$ 196.5</u>	25.2 %	25.2 %	<u>\$ 522.7</u>	<u>\$ 584.3</u>	\$ 15.33	\$ 15.14

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

⁽⁵⁾ Primarily related to losses from hail storms and other natural catastrophes.

⁽⁶⁾ Represents third-party professional fees associated with discrete transformation initiatives that are incremental to our ongoing operations.

⁽⁷⁾ 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.

⁽⁸⁾ Insurance recoveries received under our cybersecurity insurance policies for business interruption and related losses caused by the CDK outage.

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	Three Months Ended September 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2026	2025	2026	2025
As reported	\$ 849.1	\$ 850.1	70.3	68.6
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations	(2.5)	7.7		
Self-insurance related losses	8.7	—		
Customer journey transformation costs	1.9	—		
Acquisition-related expenses	—	8.0		
Adjusted	<u>\$ 841.0</u>	<u>\$ 834.4</u>	69.6	67.4

	Nine Months Ended September 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2026	2025	2026	2025
As reported	\$ 2,547.6	\$ 2,526.7	69.8	67.7
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations	11.7	16.5		
Self-insurance related losses	8.7	—		
Customer journey transformation costs	1.9	—		
Acquisition-related expenses	—	8.0		
Adjusted	<u>\$ 2,525.3</u>	<u>\$ 2,502.2</u>	69.2	67.0

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Free Cash Flow

	<u>Nine Months Ended September 30,</u>	
	<u>2026</u>	<u>2025</u>
Net cash provided by (used in) operating activities	\$ 160.4	\$ (38.6)
Net proceeds from vehicle floorplan - non-trade	71.9	74.6
Increase in auto loans receivable, net	708.4	972.8
Adjusted cash provided by operating activities	940.7	1,008.8
Purchases of property and equipment	(201.7)	(223.1)
Adjusted free cash flow	\$ 739.0	\$ 785.7
Adjusted net income	\$ 522.7	\$ 584.3
Adjusted free cash flow conversion % ⁽¹⁾	141	128

⁽¹⁾ 2025 Excludes cybersecurity insurance recoveries of \$40 million received in the third quarter of 2025.

Free Cash Flow

	<u>Twelve months ended December 31,</u>								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net cash provided by operating activities	\$ 111.9	\$ 314.7	\$ 724.0	\$ 1,668.1	\$ 1,627.7	\$ 1,207.6	\$ 769.2	\$ 511.0	\$ 540.1
Net proceeds from (payments of) vehicle floorplan - non-trade	61.1	(113.5)	425.3	178.6	(263.9)	(233.3)	(134.3)	(34.2)	130.2
Increase in auto loans receivable, net	1,181.6	877.1	229.9	-	-	-	-	-	-
Adjusted cash provided by operating activities	\$ 1,354.6	\$ 1,078.3	\$ 1,379.2	\$ 1,846.7	\$ 1,363.8	\$ 974.3	\$ 634.9	\$ 476.8	\$ 670.3

	<u>Twelve months ended December 31,</u>								
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net cash provided by operating activities	\$ 516.0	\$ 507.2	\$ 485.1	\$ 484.1	\$ 316.6	\$ 376.4	\$ 251.8	\$ 369.3	\$ 684.2
Net proceeds from (payments of) vehicle floorplan - non-trade	153.8	(13.3)	61.6	89.0	138.1	40.1	117.0	(100.9)	7.9
Increase in auto loans receivable, net	-	-	-	-	-	-	-	-	-
Adjusted cash provided by operating activities	\$ 669.8	\$ 493.9	\$ 546.7	\$ 573.1	\$ 454.7	\$ 416.5	\$ 368.8	\$ 268.4	\$ 692.1