

The AutoNation logo is displayed in a bold, white, sans-serif font. A thin horizontal line is positioned directly beneath the text. The background of the slide is a photograph of a car dealership interior, featuring several cars on display and a large 'Mercedes' sign on the wall. The image is overlaid with a semi-transparent blue filter.

**AutoNation.**

# Fourth Quarter 2024 Earnings Release

February 11, 2025

# Forward-Looking Statements

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 shareholder returns and the future performance of our business and the automotive retail industry, including during 2025, and 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: our ability to implement successfully our strategic acquisitions, initiatives, partnerships, and investments, including our investments in digital and online capabilities and mobility solutions; our ability to maintain or improve gross profit margins; our ability to maintain or gain market share; 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; economic conditions, including changes in unemployment, interest, and/or inflation rates, consumer demand, fuel prices, and tariffs; 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; regulatory factors affecting our business, including fuel economy requirements; the announcement of safety recalls; 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.

# Introduction

- Strong Q4 performance concluding an exciting year
- New Vehicle per unit profitability more resilient than expected
- Improved and stable used vehicle profitability reflecting improved AN execution
- Continued steady growth and massive profit contribution from CFS and After-Sales
- Actively managed portfolio through select divestitures and AN USA additions
- Breakthrough transformational year for AN Finance
- Recognized by Fortune with “World’s Most Admired Companies” Award for 2025

**Actions and Performance Driving Shareholder Value**

# 4Q 2024 Overview

## HIGHLIGHTS

|   |                  |
|---|------------------|
| <b>New Vehicle Same Store Unit Growth</b> | <b>+12% YoY</b>  |
| <b>Used Vehicle Gross Profit</b>          | <b>+14%</b>      |
| <b>Customer Financial Services</b>        | <b>#1</b>        |
| <b>After-Sales Gross Profit</b>           | <b>\$558 M</b>   |
| <b>AN Finance YTD Originations</b>        | <b>\$1,060 M</b> |
| <b>Full Year Share Repurchases</b>        | <b>\$460 M</b>   |

- Share gains and increased unit profitability QoQ
- Unit profitability and Gross Profit up YoY
- Unit profitability increased both YoY and QoQ
- Margin expansion of >100bps YoY
- Doubled the AN Finance penetration rate YoY
- 7% share count reduction in 2024

**Strong execution – capturing new vehicle market upside**

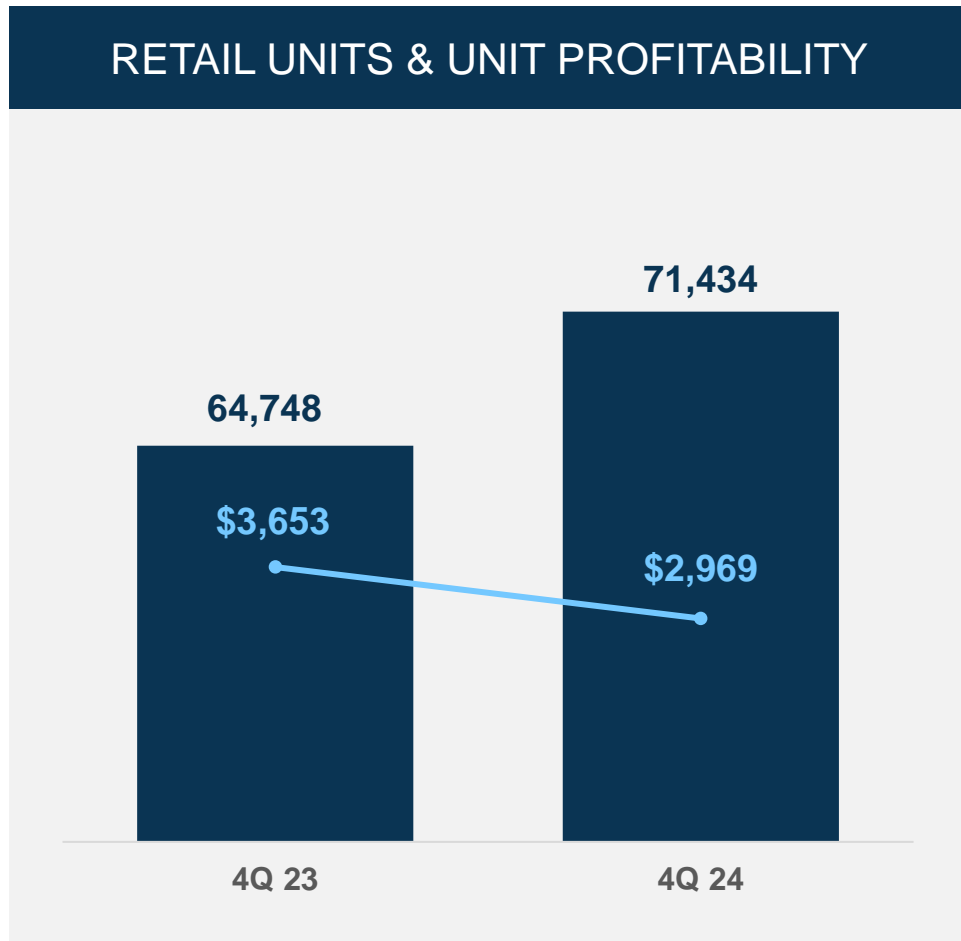
4Q 2024

# Financial Summary – Total Store

(\$ in millions, except per share data)

|                         | 4Q 2023       | 4Q 2024        | YoY        |   |
|-------------------------|---------------|----------------|------------|---|
| Total Revenue           | \$6,767       | <b>\$7,213</b> | 7%         | New Vehicle Revenue (+13% SS)                       |
| Gross Profit            | \$1,215       | <b>\$1,242</b> | 2%         | Used +14%, CFS +6%, After-Sales +5% (SS)            |
| Adj. SG&A Expense       | \$791         | <b>\$824</b>   | 4%         | Consistent core spending, disciplined cost controls |
| Adj. Operating Income   | \$368         | <b>\$362</b>   | -1%        | Adj. Operating Margin up 50 bps sequentially        |
| Adj. Net Income         | \$216         | <b>\$199</b>   | -8%        | Higher Floorplan Expense from 2023                  |
| Avg. Shares Outstanding | 42.9          | <b>40.1</b>    | -7%        | Continued capital allocation priority               |
| <b>Diluted Adj. EPS</b> | <b>\$5.02</b> | <b>\$4.97</b>  | <b>-1%</b> |   |

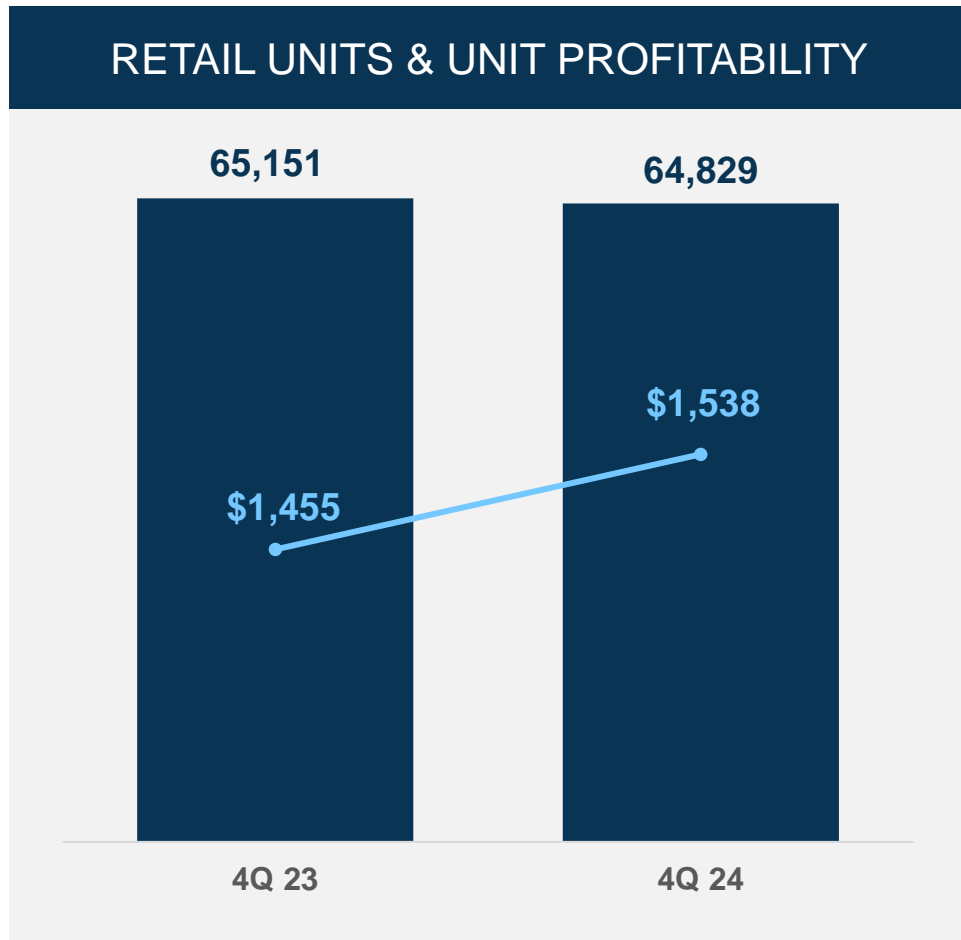
# New Vehicles



- Units increased 12% (SS) YoY, with growth in all three vehicle segments
- First sequential increase in unit profitability in twelve quarters led by Premium Luxury
- Disciplined inventory management (DSO down 25% from 3Q 24 to 39 Days)

 Retail Units  
 Gross Profit per Unit

# Used Vehicles

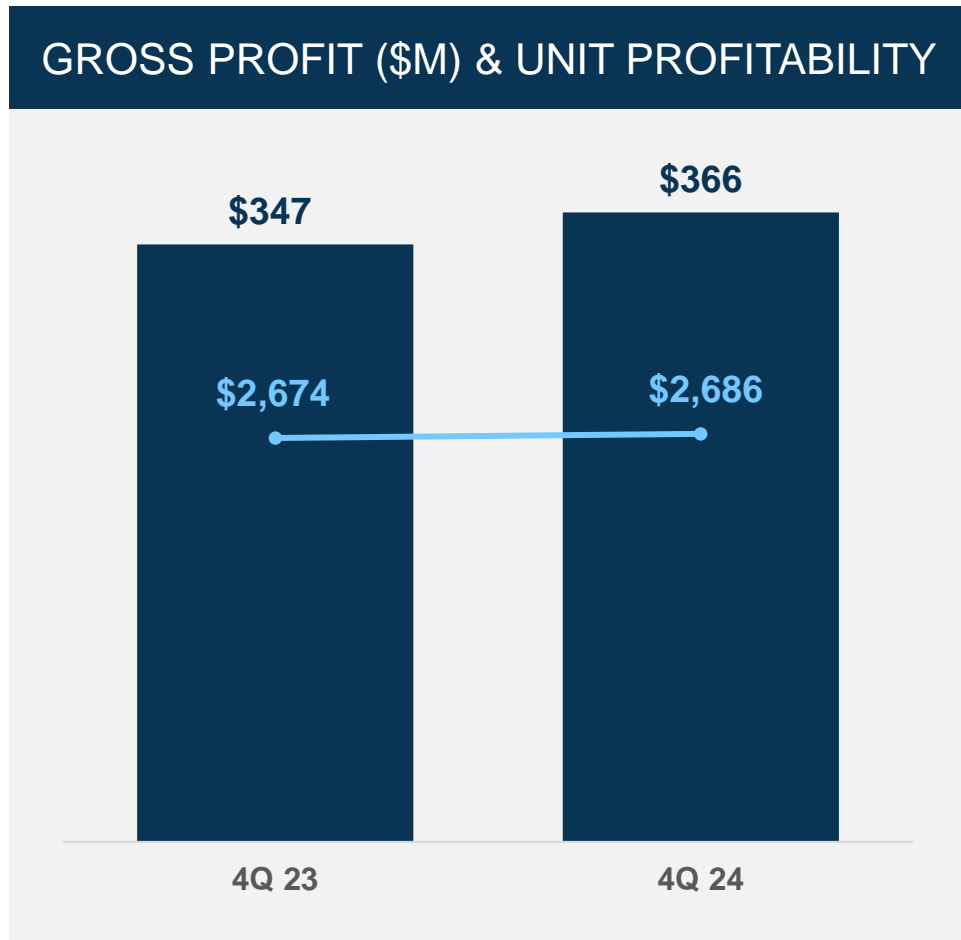


- Used market remains constrained – industry sales ~flat YoY
- Lower priced vehicles continue to outperform – sub \$20k units increased from 4Q 23
- Unit profitability up 6% from 4Q 23 and stable throughout 2H 24
- Total Used gross profit +14%, reflecting unit profitability and stronger wholesale

 Retail Units  
 Gross Profit per Unit

4Q 2024

# Customer Financial Services

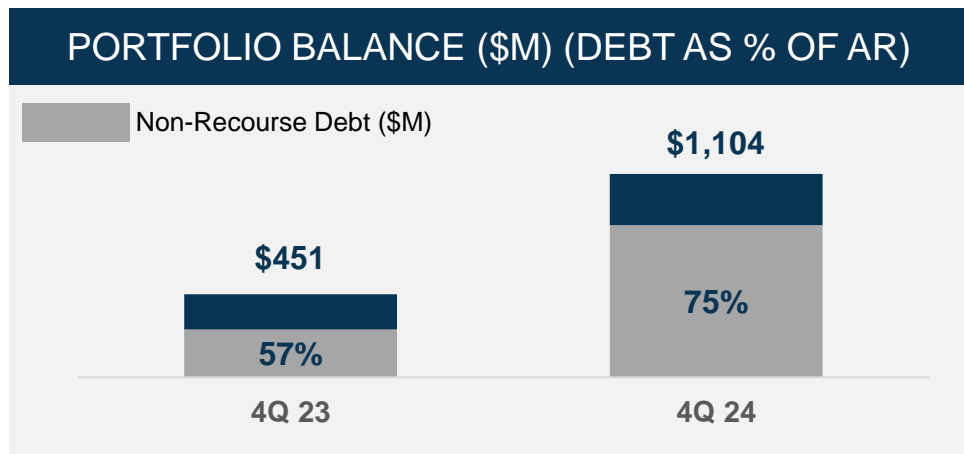
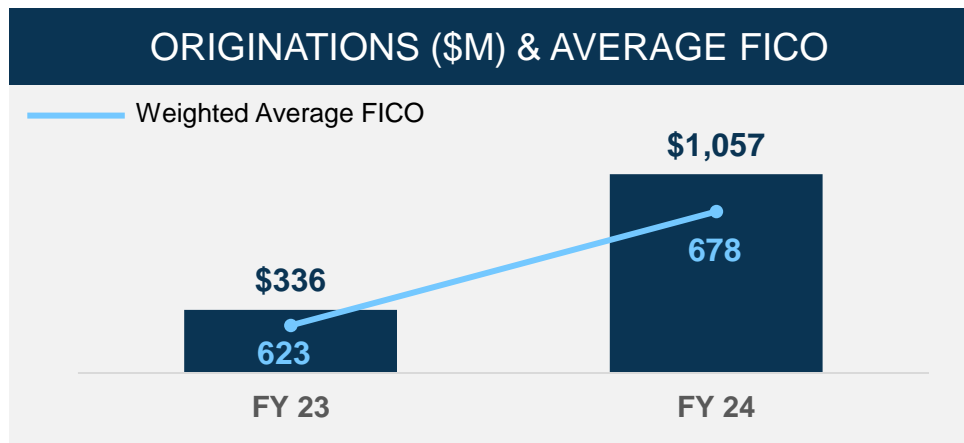


- Strong CFS performance continues – unit profitability increased sequentially by ~\$100
- Robust product attachment and finance penetration for new and used vehicles
- Continued growth of AN Finance – superior long-term shareholder value, short-term unit profitability headwind (~\$120)



4Q 2024

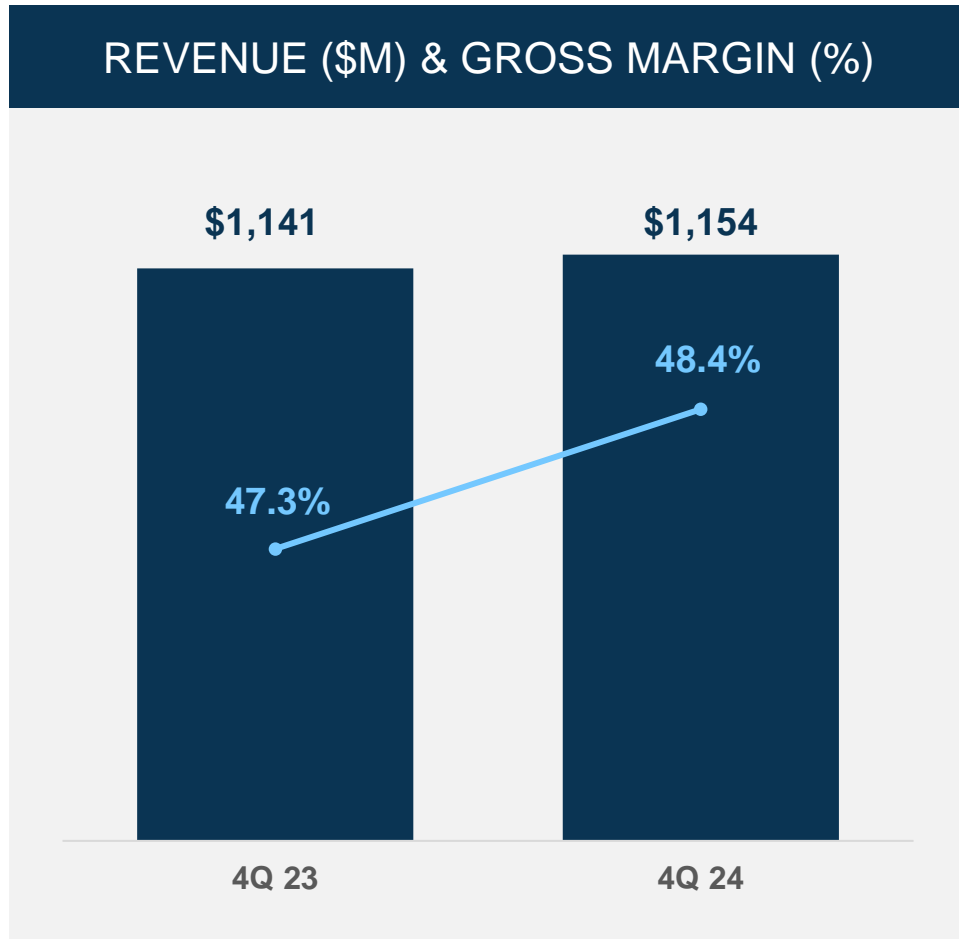
# AutoNation Finance



- FY24 \$1.1B originations, ~ 3x 2023
- Sold remaining third party, sub-prime portfolio, recognizing a \$7.4 million gain
- > 30-day Delinquencies 2.6% vs. 6.5% prior year
- Equity funding requirements down from 43% to 25%
- Operating P&L (pre-provision) up 70%
- Anticipate inaugural ABS deal ~Q2 2025

Watershed year of portfolio expansion and profitability growth

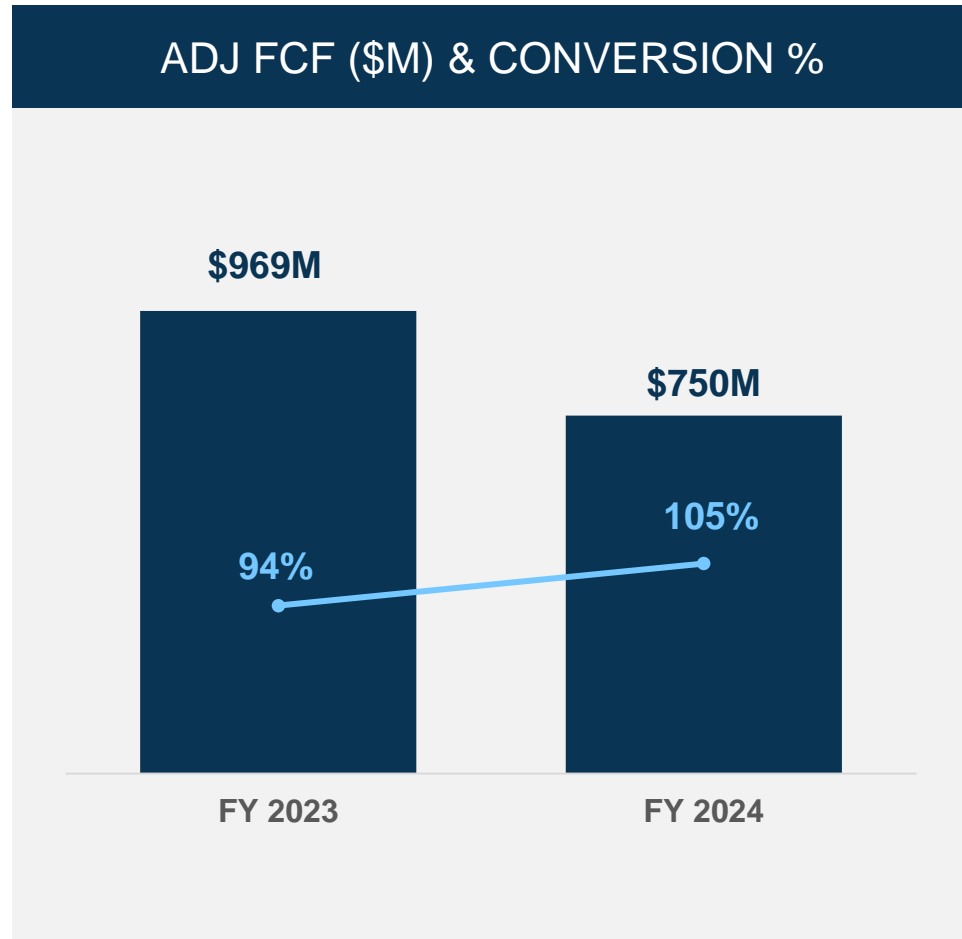
# 4Q 2024 After Sales



- Revenue growth 4% (SS), gross profit growth 5% (SS)
- Growth led by Warranty and Customer Pay
- Gross Margin up 110 bps – improved parts and labor rates, capacity utilization, and higher value orders
- Increased Technician headcount and productivity



# Full Year 2024 Free Cash Flow



- Consistent, attractive cash conversion profile
- Improved cash conversion during 2024
- Remain focused on cycle times (e.g. billing, time-to-auction, and service WIP)
- Reinvestment ratio (CapEx : Depreciation) 1.4x 2024 vs. 1.9x 2023

Adjusted FCF (\$M)  
Conversion %

# Full Year 2024 Capital Allocation

| CAPITAL ALLOCATION (\$M) |                |              |
|--------------------------|----------------|--------------|
|                          | 2023           | 2024         |
| Capital Expenditures     | \$410          | \$329        |
| M&A                      | 271            | -            |
| Share Repurchases        | 864            | 460          |
| <b>Total</b>             | <b>\$1,545</b> | <b>\$789</b> |

- Continued strong cash conversion provides optionality
- Capital Expenditures 20% lower than FY 2023
- Non-vehicle debt reduced by \$268M during 2024 (increase of \$381M in 2023)
- Portfolio optimization actions yielded \$156M of store sale proceeds
- Nearly 2.9M shares repurchased at an average price of \$161

# Early Thoughts on 2025

- Expect New vehicle unit growth with margins normalizing above historical levels
- Used vehicle market stabilization with modest unit volume increases
- Resilient CFS and continued AN Finance expansion
- Continued After Sales growth, technician retention, and development
- Maintain strong conversion of profit to cash
- Capital allocation and portfolio optimization focused on shareholder value

**Poised to Continue Delivering Attractive Shareholder Returns**

# Appendix

This presentation contains certain non-GAAP financial measures as defined under SEC rules, which exclude certain items disclosed in the attached financial tables. As required by SEC rules, the Company provides reconciliations of these measures to the most directly comparable GAAP measures. 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.

# SELECT HISTORICAL DATA

## Global Financial Crisis to 2024

|             |                          | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 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    | 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    | 12.3    |     |
|             | Ending LV Inventory (mm) | 3.2     | 1.9     | 2.3     | 2.4     | 3.0     | 3.4     | 3.5     | 3.5     | 3.5     | 3.9     | 3.7     | 3.8     | 3.5     | 2.7     | 1.1     | 1.7     | 2.3     | 2.8     | 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   |         |     |
|             | 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  |         |     |
|             | 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 | \$2,611 |     |
|             | 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%    | 6.6%    |     |
|             | ASP Y/Y                  |         | 3%      | 4%      | 4%      | -1%     | 2%      | 2%      | 3%      | 3%      | 2%      | 2%      | 5%      | 6%      | 10%     | 11%     | 2%      | -2%     |         |     |
|             | Days Supply              | 84      | 54      | 63      | 50      | 55      | 62      | 54      | 68      | 61      | 53      | 60      | 52      | 42      | 9       | 19      | 36      | 39      |         |     |
| 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   |         |     |
|             | 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  |         |     |
|             | 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 | \$1,617 |     |
|             | 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%    | 8.0%    |     |
|             | ASP Y/Y                  |         | 4%      | 6%      | 3%      | 0%      | 1%      | 3%      | 4%      | 3%      | -2%     | 3%      | 4%      | 4%      | 21%     | 14%     | -7%     | -5%     |         |     |
|             | Days Supply              | 30      | 41      | 42      | 31      | 35      | 35      | 38      | 43      | 44      | 43      | 42      | 39      | 39      | 40      | 31      | 39      | 37      |         |     |
| 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     |         |     |
| 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 |         |     |
|             | PVR Y/Y                  |         | 0%      | 4%      | 5%      | 6%      | 6%      | 4%      | 9%      | 4%      | 5%      | 7%      | 8%      | 12%     | 13%     | 11%     | 1%      | -5%     |         |     |
| 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 |         |     |
|             | Gross Y/Y                |         | -13%    | 3%      | 1%      | 4%      | 10%     | 8%      | 12%     | 7%      | 4%      | 4%      | 4%      | -10%    | 15%     | 14%     | 13%     | 3%      |         |     |
|             | Cash From Ops (\$mm)     | \$685   | \$370   | \$252   | \$376   | \$317   | \$484   | \$485   | \$507   | \$516   | \$540   | \$511   | \$769   | \$1,208 | \$1,628 | \$1,668 | \$724   | \$315   |         |     |
|             | CapEx (\$mm)             | \$97    | \$75    | \$150   | \$149   | \$161   | \$161   | \$209   | \$248   | \$245   | \$310   | \$387   | \$269   | \$156   | \$216   | \$329   | \$410   | \$329   |         |     |
|             | M&A (\$mm)               | \$32    | -       | \$73    | \$64    | \$142   | \$88    | \$205   | \$322   | \$410   | \$77    | \$67    | \$5     | -       | \$433   | \$192   | \$271   | -       |         |     |
|             | Share Repurchase (\$mm)  | \$54    | \$136   | \$524   | \$583   | \$581   | \$53    | \$485   | \$235   | \$497   | \$435   | \$100   | \$45    | \$382   | \$2,303 | \$1,710 | \$864   | \$460   |         |     |

\*Data as reported of continuing operations.

4Q 2024

# Balance Sheet and Other Items

(\$ in millions)

| Balance Sheet and Other Highlights                  |          |          |
|---|----------|----------|
|   | 12/31/23 | 12/31/24 |
| Cash and cash equivalents                           | 60.8     | 59.8     |
| Inventory   | 3,033.4  | 3,360.0  |
| Floorplan notes payable                             | 3,382.4  | 3,709.7  |
| Non-recourse debt (AN Finance funding)              | 258.4    | 826.0    |
| Non-vehicle debt                                    | 4,030.3  | 3,762.1  |
| Equity  | 2,211.4  | 2,457.3  |
| New days supply (industry standard of selling days) | 36 days  | 39 days  |
| Used days supply (trailing calendar month days)     | 39 days  | 37 days  |

## Key Credit Agreement Covenant Compliance Calculations<sup>(1)</sup>

|                                |                          |              |
|--------------------------------|--------------------------|--------------|
| <b>Leverage ratio</b>          |                          | <b>2.45x</b> |
| Covenant                       | Less than or equal to    | 3.75x        |
| <b>Interest coverage ratio</b> |                          | <b>4.24x</b> |
| Covenant                       | Greater than or equal to | 3.00x        |

# NON-GAAP RECONCILIATIONS

## Comparable Basis Reconciliations<sup>(1)</sup>

Three Months Ended December 31, 2023, and December 31, 2024

|   | Operating Income |              | Income from Continuing Operations Before Income Taxes |              | Income Tax Provision <sup>(2)</sup> |             | Effective Tax Rate |              | Net Income   |              | Diluted Earnings Per Share <sup>(3)</sup> |             |
|---|------------------|--------------|---|--------------|-------------------------------------|-------------|--------------------|--------------|--------------|--------------|---|-------------|
|   | 2023             | 2024         | 2023  | 2024         | 2023                                | 2024        | 2023               | 2024         | 2023         | 2024         | 2023                                      | 2024        |
| From continuing operations, as reported   | 349.9            | 339.5        | 277.7   | 241.8        | 61.5                                | 55.7        | 22.1%              | 23.0%        | 216.2        | 186.1        |   |             |
| Discontinued operations, net of income taxes  |                  |              |   |              |                                     |             |                    |              | -            | -            |   |             |
| As reported   |                  |              |   |              |                                     |             |                    |              | 216.2        | 186.1        | 5.04                                      | 4.64        |
| Increase (decrease) in compensation expense related to market valuation changes in deferred compensation <sup>(4)</sup> | 11.2             | (1.3)        | -   | -            | -                                   | -           |                    |              | -            | -            | -   | -           |
| Net loss (gain) on equity investments   | -                | -            | (7.5)   | -            | (1.8)                               | -           |                    |              | (5.7)        | -            | (0.13)                                    | -           |
| Insurance-related losses <sup>(5)</sup>   | -                | 6.0          | -   | 6.0          | -                                   | 1.5         |                    |              | -            | 4.5          | -   | 0.11        |
| Severance expenses  | 6.6              | 5.5          | 6.6   | 5.5          | 1.6                                 | 1.3         |                    |              | 5.0          | 4.2          | 0.12                                      | 0.10        |
| Franchise rights impairment   | -                | 12.5         | -   | 12.5         | -                                   | 3.1         |                    |              | -            | 9.4          | -   | 0.23        |
| Income tax adjustments  | -                | -            | -   | -            | -                                   | 5.0         |                    |              | -            | (5.0)        | -   | (0.12)      |
| <b>Adjusted</b>   | <b>367.7</b>     | <b>362.2</b> | <b>276.8</b>  | <b>265.8</b> | <b>61.3</b>                         | <b>66.6</b> | <b>22.1%</b>       | <b>25.1%</b> | <b>215.5</b> | <b>199.2</b> | <b>5.02</b>                               | <b>4.97</b> |
| Adjusted as % of Revenue  | 5.4%             | 5.0%         |   |              |                                     |             |                    |              |              |              |   |             |

|  | SG&A         |              | SG&A as a Percentage of Gross Profit (%) |             |
|--|--------------|--------------|--|-------------|
|  | 2023         | 2024         | 2023                                     | 2024        |
| As reported  | 808.3        | 833.7        | 66.5                                     | 67.1        |
| Excluding:   |              |              |  |             |
| Increase (decrease) in compensation expense related to market valuation changes in deferred compensation | 11.2         | (1.3)        |  |             |
| Insurance-related losses   | -            | 6.0          |  |             |
| Severance expenses   | 6.6          | 5.5          |  |             |
| <b>Adjusted</b>  | <b>790.5</b> | <b>823.5</b> | <b>65.1</b>                              | <b>66.3</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. Increases and decreases in deferred compensation obligations, which are recorded in SG&A, are substantially offset by corresponding gains and losses, respectively, 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, 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 employee assistance and losses from hailstorms and other natural catastrophes.

# NON-GAAP RECONCILIATIONS

## Comparable Basis Reconciliations<sup>(1)</sup>

Twelve Months Ended December 31, 2023, and December 31, 2024

|   | Operating Income |                | Income from Continuing Operations Before Income Taxes |              | Income Tax Provision <sup>(2)</sup> |              | Effective Tax Rate |              | Net Income     |              | Diluted Earnings Per Share <sup>(3)</sup> |              |
|---|------------------|----------------|---|--------------|-------------------------------------|--------------|--------------------|--------------|----------------|--------------|---|--------------|
|   | 2023             | 2024           | 2023  | 2024         | 2023                                | 2024         | 2023               | 2024         | 2023           | 2024         | 2023                                      | 2024         |
| From continuing operations, as reported   | 1,651.9          | 1,305.5        | 1,350.2   | 916.7        | 330.0                               | 224.5        | 24.4%              | 24.5%        | 1,020.2        | 692.2        |   |              |
| Discontinued operations, net of income taxes  |                  |                |   |              |                                     |              |                    |              | 0.9            | -            |   |              |
| As reported   |                  |                |   |              |                                     |              |                    |              | 1,021.1        | 692.2        | 22.74                                     | 16.92        |
| Increase (decrease) in compensation expense related to market valuation changes in deferred compensation <sup>(4)</sup> | 17.5             | 15.0           | -   | -            | -                                   | -            |                    |              | -              | -            | -   | -            |
| Net loss (gain) on equity investments   | -                | -              | (7.5)   | 6.7          | (1.8)                               | 1.6          |                    |              | (5.7)          | 5.1          | (0.13)                                    | 0.12         |
| One-time costs associated with CDK outage <sup>(5)</sup>  | -                | 42.8           | -   | 42.8         | -                                   | 10.5         |                    |              | -              | 32.3         | -   | 0.79         |
| Insurance-related losses <sup>(6)</sup>   | 16.5             | 11.7           | 16.5  | 11.7         | 4.1                                 | 2.9          |                    |              | 12.4           | 8.8          | 0.28                                      | 0.22         |
| Severance expenses  | 6.6              | 5.5            | 6.6   | 5.5          | 1.6                                 | 1.3          |                    |              | 5.0            | 4.2          | 0.11                                      | 0.10         |
| Income tax adjustments  | -                | -              | -   | -            | -                                   | 5.0          |                    |              | -              | (5.0)        | -   | (0.12)       |
| Franchise rights impairment   | -                | 12.5           | -   | 12.5         | -                                   | 3.1          |                    |              | -              | 9.4          | -   | 0.23         |
| Business/property-related items:  |                  |                |   |              |                                     |              |                    |              |                |              |   |              |
| Net gains on dispositions, net of asset impairments   | -                | (46.7)         | -   | (46.7)       | -                                   | (11.4)       |                    |              | -              | (35.3)       | -   | (0.86)       |
| Loss from operations resulting from dispositions  | -                | 2.4            | -   | 3.0          | -                                   | 0.7          |                    |              | -              | 2.3          | -   | 0.06         |
| <b>Adjusted</b>   | <b>1,692.5</b>   | <b>1,348.7</b> | <b>1,365.8</b>  | <b>952.2</b> | <b>333.9</b>                        | <b>238.2</b> | <b>24.4%</b>       | <b>25.0%</b> | <b>1,032.8</b> | <b>714.0</b> | <b>23.00</b>                              | <b>17.46</b> |
| Adjusted as % of Revenue  | 6.3%             | 5.0%           |   |              |                                     |              |                    |              |                |              |   |              |

|  | SG&A           |                | SG&A as a Percentage of Gross Profit (%) |             |
|--|----------------|----------------|--|-------------|
|  | 2023           | 2024           | 2023                                     | 2024        |
| As reported  | 3,253.2        | 3,263.9        | 63.4                                     | 68.2        |
| Excluding:   |                |                |  |             |
| Increase (decrease) in compensation expense related to market valuation changes in deferred compensation | 17.5           | 15.0           |  |             |
| One-time costs associated with CDK outage  | -              | 42.8           |  |             |
| Insurance-related losses   | 16.5           | 11.7           |  |             |
| Severance expenses   | 6.6            | 5.5            |  |             |
| <b>Adjusted</b>  | <b>3,212.6</b> | <b>3,188.9</b> | <b>62.6</b>                              | <b>66.6</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. Increases and decreases in deferred compensation obligations, which are recorded in SG&A, are substantially offset by corresponding gains and losses, respectively, 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, 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, Net.

5. Represents certain one-time costs incurred associated with the CDK outage, principally consisting of compensation paid to commission-based associates to ensure business continuity.

6. Primarily related to employee assistance and losses from hailstorms and other natural catastrophes.

# Full Year 2024 Free Cash Flow Reconciliation

(\$ in millions)

| Free Cash Flow Reconciliation                                    |                  |                  |
|--|------------------|------------------|
|  | 2023             | 2024             |
| Net cash provided by operating activities                        | \$724.0          | \$314.7          |
| Net Proceeds from (payments of)<br>Vehicle Floorplan – non-Trade | 425.3            | (113.5)          |
| Increase in Auto loans receivable, net                           | 229.9            | 877.1            |
| <b>Adj. cash provided by operating activities</b>                | <b>\$1,379.2</b> | <b>\$1,078.3</b> |
| Purchases of Property and Equipment                              | (410.3)          | (328.5)          |
| <b>Adj. Free Cash Flow</b>                                       | <b>\$968.9</b>   | <b>\$749.8</b>   |
| <b>Adj. Net Income</b>   | <b>\$1,032.8</b> | <b>\$714.0</b>   |
| <b>Adj. FCF Conversion</b>                                       | <b>94%</b>       | <b>105%</b>      |