

A photograph of a modern car dealership interior with several cars on display. The image is overlaid with a semi-transparent blue filter. The text is centered over the image.

AutoNation.

**Second Quarter 2025
Earnings Release**

July 25, 2025

Forward-Looking Statements

This news release 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 and AutoNation Mobile Service, statements regarding our expectations for shareholder returns, potential tariff-related impacts, 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: 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; 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.

2Q 2025 Overview

HIGHLIGHTS

New Vehicle Unit Growth (SS)	+8% YoY
Used Vehicle Gross Profit (SS)	+12%
CFS Gross Profit (SS)	+13%
After-Sales Gross Profit (SS)	+13%
AN Finance Originations	+100%
Inaugural ABS Issuance	\$700 M

5% 1Q to 2Q / Gaining Share

Higher unit sales YoY, stable margins

Continued strong unit profitability

Record gross profit; gross margin expansion >100bps

Rapid scaling of profitability

Oversubscribed, favorable interest and advance rates

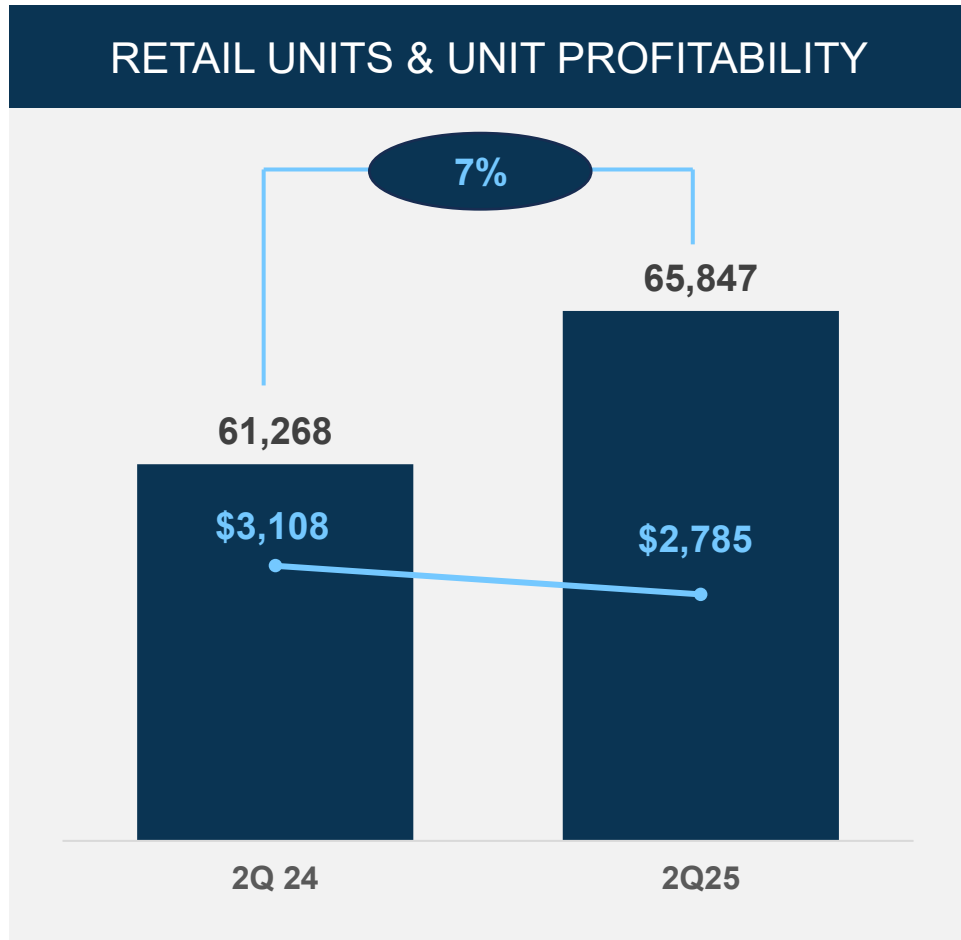
Strong Second Quarter and First Half 2025

2Q 2025 Financial Summary

(\$ in millions, except per share data)

	2Q 2024	2Q 2025	YoY	
Total Revenue	\$6,480	\$6,974	8%	New Vehicle Revenue +9%, After-Sales +12% (SS)
Gross Profit	\$1,163	\$1,275	10%	Used +12%, CFS +13%, After-Sales +13% (SS)
Adj. SG&A Expense	\$782	\$844	8%	66.2% of Gross Profit (v. target 66 – 67%)
Adj. Operating Income	\$319	\$369	16%	Adj. Operating Margin up YoY and sequentially
Adj. Net Income	\$163	\$209	29%	Increased 14% sequentially
Avg. Shares Outstanding	40.7	38.3	-6%	Continued capital allocation priority
Diluted Adj. EPS	\$3.99	\$5.46	37%	

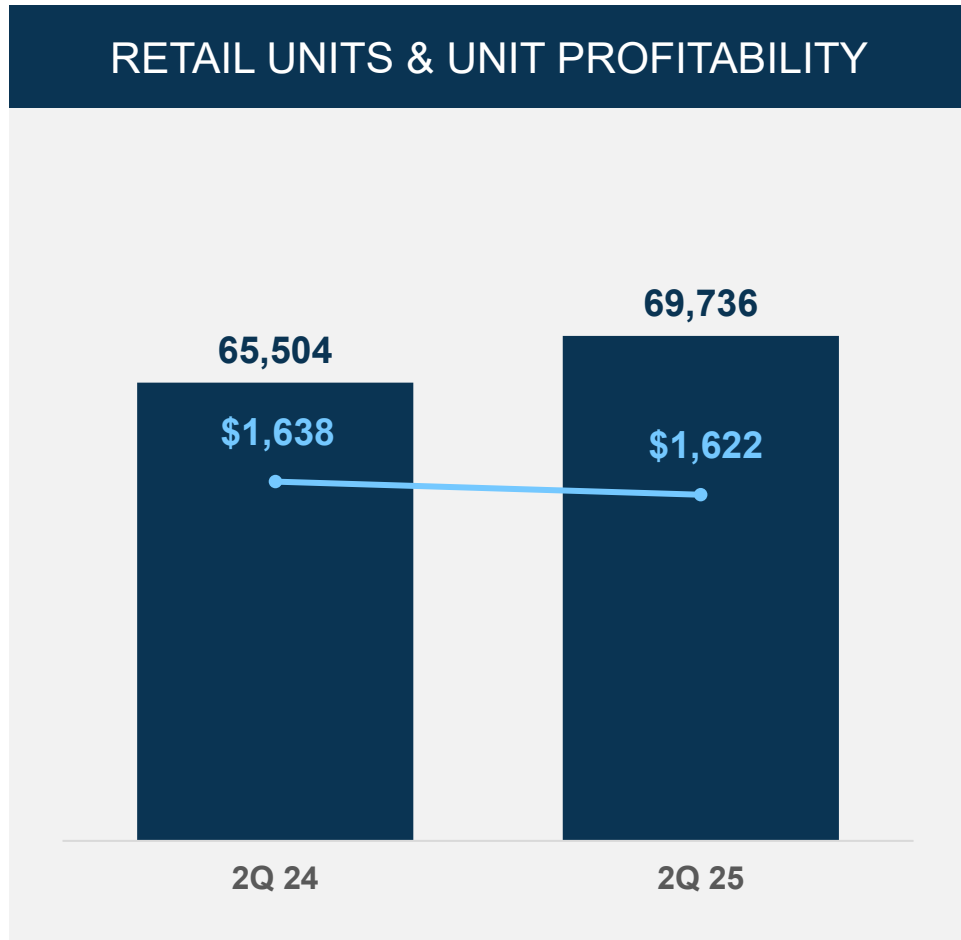
New Vehicles



- Same store units increased 8%, with growth in all three vehicle segments led by Domestic +19%
- Strong April performance post tariff announcement moderated during the quarter
- Unit profitability increased sequentially from 1Q25 in all segments
- Vehicle supply at 49 days (v. March 38 days)

 Retail Units
 Gross Profit per Unit

Used Vehicles

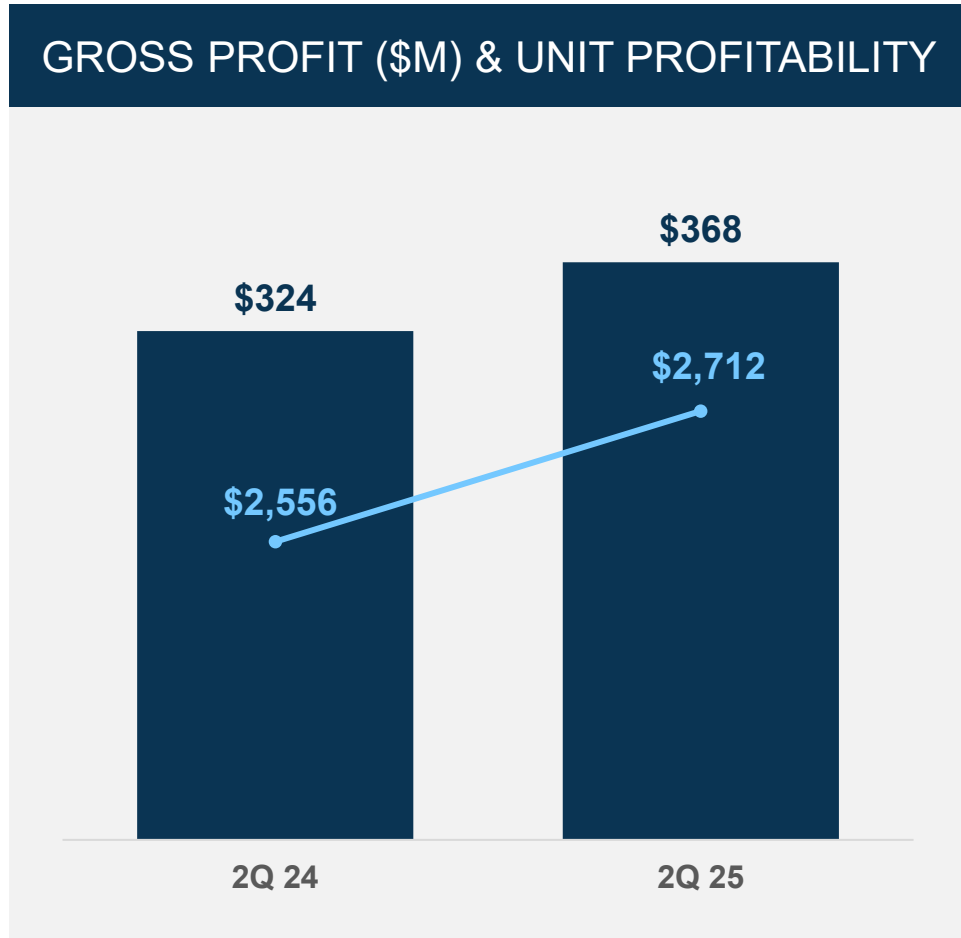


- Units sold increased 6% from 2024 and 3% sequentially with stable unit profitability
- Strong unit growth led by sub \$20k and over \$40k
- Total Used gross profit +13%, reflecting retail unit profitability and stronger wholesale
- Vehicle supply at 39 days (v. March 36 days)
- Multiple vehicle acquisition channels in constrained market for supply

 Retail Units
 Gross Profit per Unit

2Q 2025

Customer Financial Services

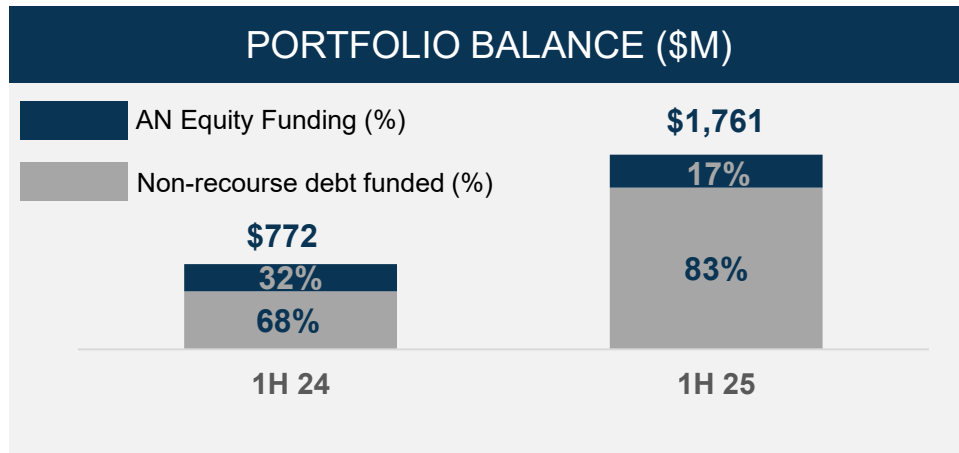
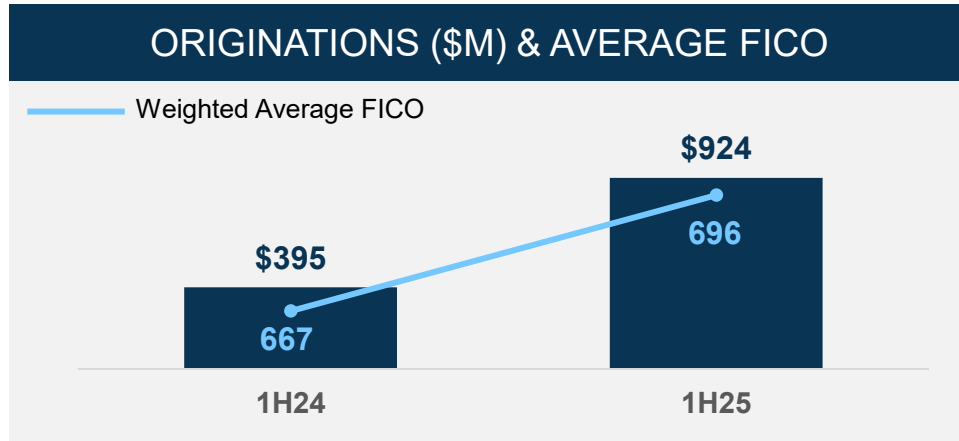


- Strong CFS performance continues – unit profitability increased YoY and QoQ
- Robust product attachment and product penetration for new and used vehicles
- Continued growth of AN Finance – superior long-term shareholder value, short-term CFS unit profitability headwind (~\$50 YoY)



1H 2025

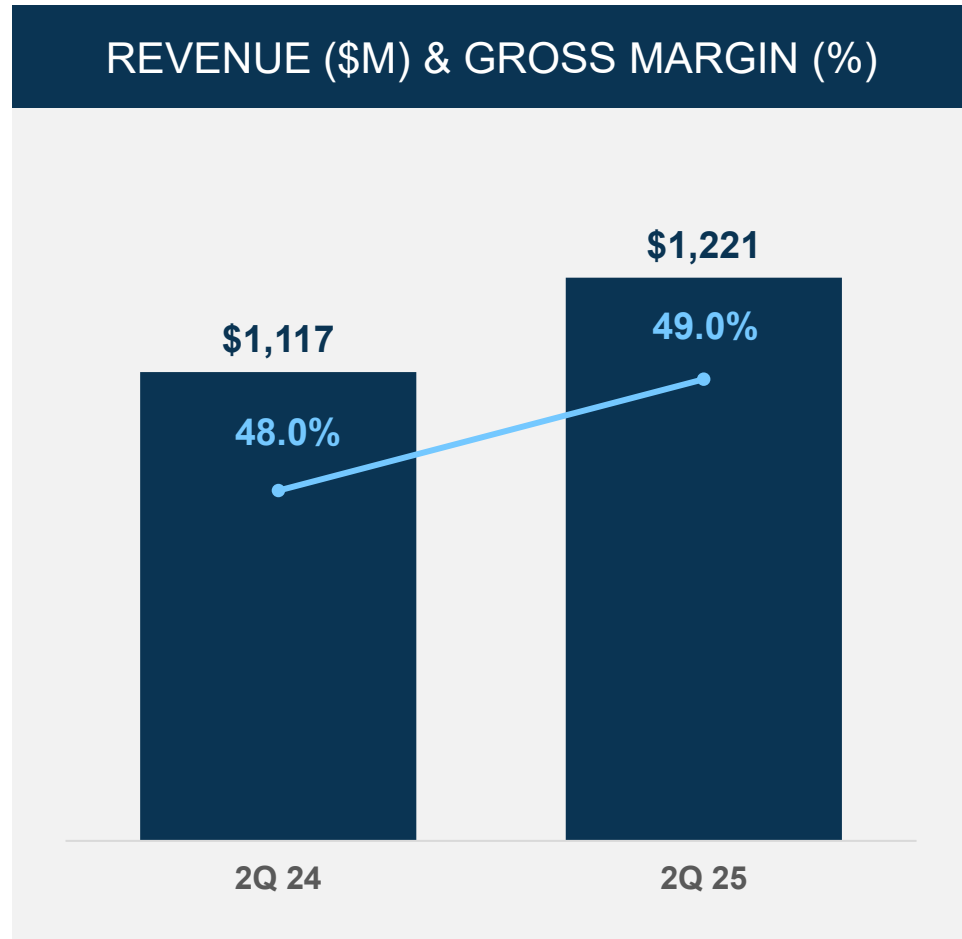
AutoNation Finance



- Attractive offerings driving strong customer take-up in high ROE business model
- Penetration rate of 10% of units sold in 2Q 25 – up from 6% in 2Q 24
- \$2.1M 1H 25 profitability (incl. \$2.0M Q2 25) v. \$4.3M loss 1H 24
- 30+ Day Delinquencies 2.4% in 2Q 25, down from 3.8% in 2Q 24
- \$700M ABS issuance – multiple long-term benefits

Continued growth with improved profitability

2Q 2025 After Sales

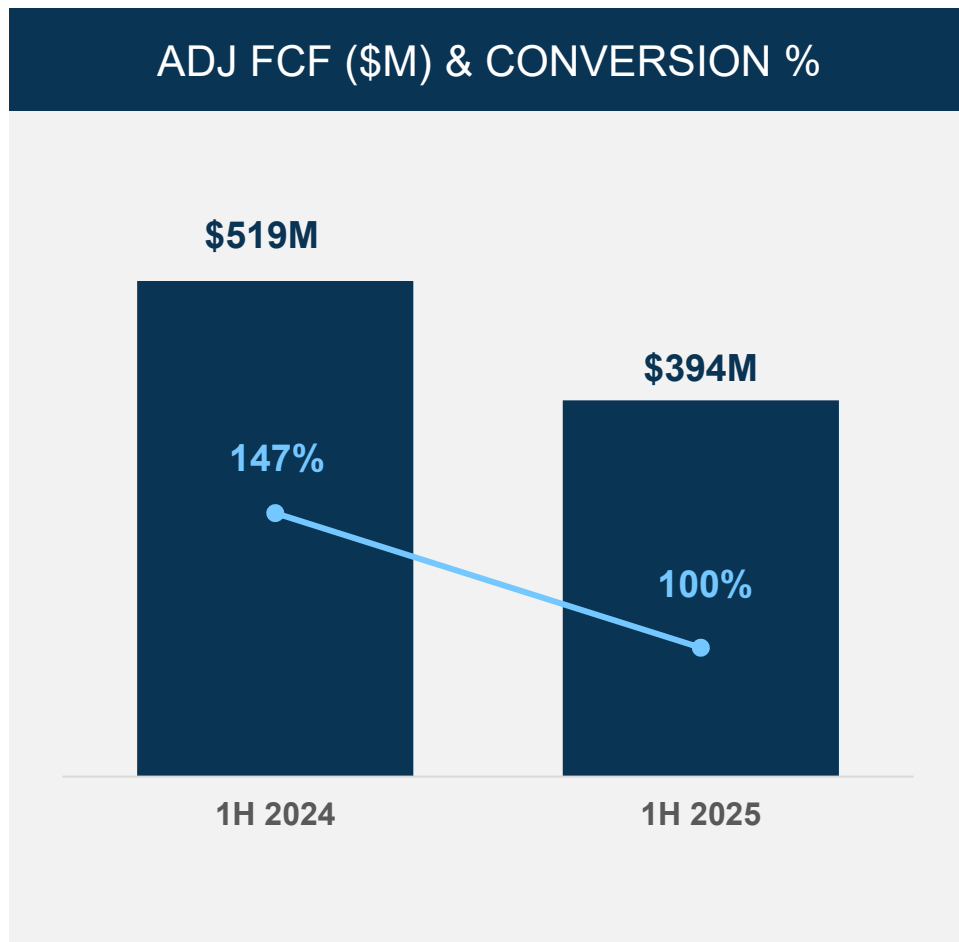


- Top-line growth 12% (SS)
- Gross profit growth 13% (SS)
- Gross Margin up 100 bps – [improved parts and labor rates, capacity utilization, and higher value orders]
- Increase in technician headcount and higher productivity

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

1H 2025

Free Cash Flow



- Consistent, attractive cash conversion profile (100%)
- YoY Reinvestment Ratio (CapEx : Depreciation) 1.2x vs. 1.5x in the prior year
- Remain focused on cycle times (e.g. billing, time-to-auction, and service WIP)

Adjusted FCF (\$M)
Conversion %

1H 2025

Capital Allocation YTD

CAPITAL ALLOCATION (\$M)		
	1H 24	1H 25
Capital Expenditures	\$181	\$154
M&A	-	\$70
Share Repurchases	\$350	\$254
Total	\$531	\$478

- Continued strong cash conversion provides optionality
- Capital Expenditures ~15% lower than 1H 24
- >1.5 million shares repurchased at an average price of \$164
- Leverage down to 2.33x (v. 2.56x Q1 25) below the mid-point of our targeted range

Closing Comments

- Strong execution and performance across all dimensions of the business
- Healthy balance sheet and robust cash conversion
- Focus on generating attractive returns through capital allocation and share repurchases
- Well positioned for success in evolving landscape

Durable business model proven in all economic environments

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 2025

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H25	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	13.7	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	2.7	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	128.2		
	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	\$51.8		
	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	\$2,794	\$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%	5.4%	6.6%	
	ASP Y/Y		3%	4%	4%	-1%	2%	2%	3%	3%	2%	2%	5%	6%	10%	11%	2%	-2%	2.0%		
	Days Supply	84	54	63	50	55	62	54	68	61	53	60	52	42	9	19	36	39	49		
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	137.7		
	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	\$26.4		
	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	\$1,642	\$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%	6.2%	8.0%	
	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	39		
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	1.1		
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	\$2,708		
	PVR Y/Y		0%	4%	5%	6%	6%	4%	9%	4%	5%	7%	8%	12%	13%	11%	1%	-5%	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	\$1,166		
	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	\$(230)		
	CapEx (\$mm)	\$97	\$75	\$150	\$149	\$161	\$161	\$209	\$248	\$245	\$310	\$387	\$269	\$156	\$216	\$329	\$410	\$329	\$154		
	M&A (\$mm)	\$32	-	\$73	\$64	\$142	\$88	\$205	\$322	\$410	\$77	\$67	\$5	-	\$433	\$192	\$271	-	\$70		
	Share Repurchase (\$mm)	\$54	\$136	\$524	\$583	\$581	\$53	\$485	\$235	\$497	\$435	\$100	\$45	\$382	\$2,303	\$1,710	\$864	\$460	\$254		

*Data as reported of continuing operations.

2Q 2025

Balance Sheet and Other Items

(\$ in millions)

Balance Sheet and Other Highlights		
	6/30/24	6/30/25
Cash and cash equivalents	\$85.9	\$62.9
Inventory	\$3,553.9	\$3,445.6
Floorplan notes payable	\$3,959.8	\$3,655.9
Auto loans receivable, net	\$709.4	\$1,702.4
Non-recourse debt (AN Finance funding)	\$488.3	\$1,464.5
Non-vehicle debt	\$4,011.6	\$3,764.6
Equity	\$2,183.2	\$2,469.5
New days supply (industry standard of selling days)	67 Days	49 Days
Used days supply (trailing calendar month days)	34 Days	39 Days

Key Credit Agreement Covenant Compliance Calculations⁽¹⁾

Leverage ratio		2.33x
Covenant	Less than or equal to	3.75x
Interest coverage ratio		4.63x
Covenant	Greater than or equal to	3.00x

NON-GAAP RECONCILIATIONS

Comparable Basis Reconciliations⁽¹⁾

Three Months Ended June 30, 2024, and June 30, 2025

	Operating Income		Income Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
As reported	275.0	217.6	174.2	138.4	44.0	52.0	25.3%	37.6%	130.2	86.4	3.20	2.26
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	0.7	10.4	-	-	-	-	-	-	-	-	-	-
Goodwill, franchise rights and other asset impairments ⁽⁵⁾	-	141.3	-	141.3	-	18.5	-	-	-	122.8	-	3.21
One-time costs associated with CDK outage ⁽⁶⁾	42.8	-	42.8	-	10.5	-	-	-	32.3	-	0.79	-
Adjusted	318.5	369.3	217.0	279.7	54.5	70.5	25.1%	25.2%	162.5	209.2	3.99	5.46
Adjusted as % of Revenue	4.9%	5.3%										

	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2024	2025	2024	2025
As reported	825.8	854.7	71.0	67.0
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations	0.7	10.4		
One-time costs associated with CDK outage	42.8	-		
Adjusted	782.3	844.3	67.3	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, 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, 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. Includes goodwill impairment of \$65.3 million, franchise rights impairment of \$71.7 million, and other asset adjustments of \$4.3 million

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

NON-GAAP RECONCILIATIONS

Comparable Basis Reconciliations⁽¹⁾

Six Months Ended June 30, 2024, and June 30, 2025

	Operating Income		Income Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
As reported	615.3	553.6	427.5	372.4	107.2	110.5	25.1%	29.7%	320.3	261.9	7.72	6.73
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	8.0	8.8	-	-	-	-	-	-	-	-	-	-
Goodwill, franchise rights and other asset impairments ⁽⁵⁾	-	141.3	-	141.3	-	18.5	-	-	-	122.8	-	3.16
Net loss on equity investments	-	-	-	11.5	-	2.8	-	-	-	8.7	-	0.22
One-time costs associated with CDK outage ⁽⁶⁾	42.8	-	42.8	-	10.5	-	-	-	32.3	-	0.78	-
Adjusted	666.1	703.7	470.3	525.2	117.7	131.8	25.0%	25.1%	352.6	393.4	8.50	10.11
Adjusted as % of Revenue	5.1%	5.1%										

	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2024	2025	2024	2025
As reported	1,618.9	1,676.6	68.6	67.2
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation obligations	8.0	8.8		
One-time costs associated with CDK outage	42.8	-		
Adjusted	1,568.1	1,667.8	66.4	66.8

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1H 2025 Free Cash Flow Reconciliation

(\$ in millions)

Free Cash Flow Reconciliation		
	2024	2025
Net cash provided by (used in) operating activities	\$234.9	(\$230.3)
Net payments of vehicle floorplan – non-trade	94.8	83.1
Increase in auto loans receivable, net	370.6	695.0
Adj. cash provided by operating activities	\$700.3	\$547.8
Purchases of Property and Equipment	(181.2)	(154.2)
Adj. Free Cash Flow	\$519.1	\$393.6
Adj. Net Income	\$352.6	\$393.4
Adj. FCF Conversion %	147%	100%