

The background image shows the interior of a large, modern car dealership. Several cars are parked on a polished floor that reflects the vehicles. In the background, there are large windows and a mural of a classic Mercedes-Benz car. The text is overlaid on a semi-transparent blue geometric shape.

AutoNation.

Third Quarter Earnings Release

October 27, 2023

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," "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 USA, AutoNation Finance, and our mobile automotive repair and maintenance business, statements regarding our investments in digital and online capabilities and mobility solutions, statements regarding our expectations for the future performance of our business and the automotive retail industry, 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 identify, acquire, and build out suitable locations in a timely manner; 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; economic conditions, including changes in unemployment, interest, and/or inflation rates, consumer demand, fuel prices, and tariffs; supply chain disruptions and inventory availability; new and used vehicle margins; our ability to attain planned sales volumes within our expected time frames; our ability to successfully implement and maintain expense controls; the successful resolution of labor strikes impacting domestic vehicle manufacturers; 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 presentation speak only as of the date of this presentation, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

3Q 2023 Overview

PERFORMANCE

New Vehicles units increasing	▲ 12%
Used Vehicles sequential unit growth	▲ 5%
Customer Financial Services remains strong	#1 of competitors
After-Sales continued double digit growth	▲ 12%
Continued strong operating cash flow conversion	▲ 105%*

OTHER HIGHLIGHTS

- Expanding offerings and reach for our 11+ million customers and adding new customers
 - AN Finance, AN Mobility, autonationparts.com
- Opened AN USA Hilton Head, our 17th AN USA store
- Exceptional service — recognized as The Top Public Franchise Dealer Group by Reputation
- U.S. News and World Report recognized AutoNation as a Best Company to Work For

Solid results in an evolving environment

3Q 2023 Highlights

New Vehicle revenue up 11% YoY to \$3.2 billion

Used Vehicle revenue up 4% QoQ to \$2.2 billion

Customer Financial Services up 2% YoY to \$370 million

After-Sales Revenue up 12% YoY to \$1.2 billion

Q3 '23 EPS of \$5.54, Prior Year Adj. EPS of \$6.00

Operating Cash Flow of \$763 million YTD

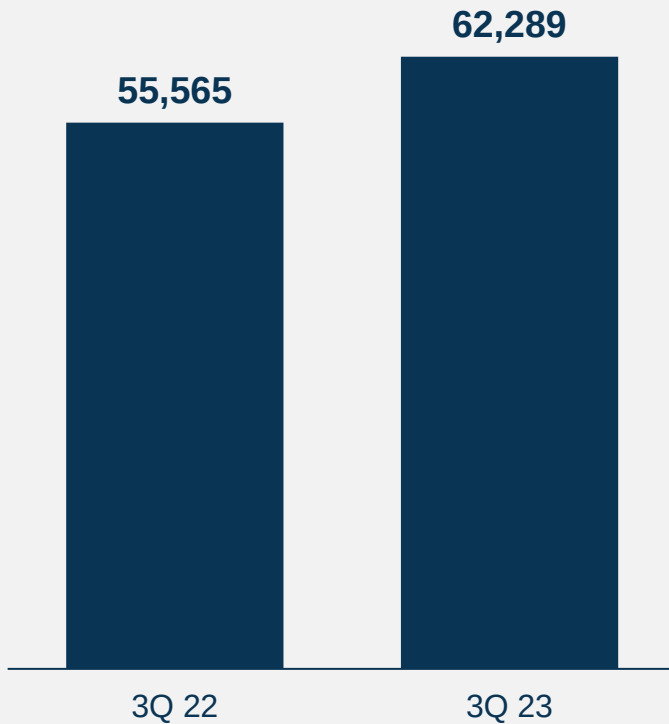
3Q 2023 Financial Summary

(\$ in millions, except per share data)

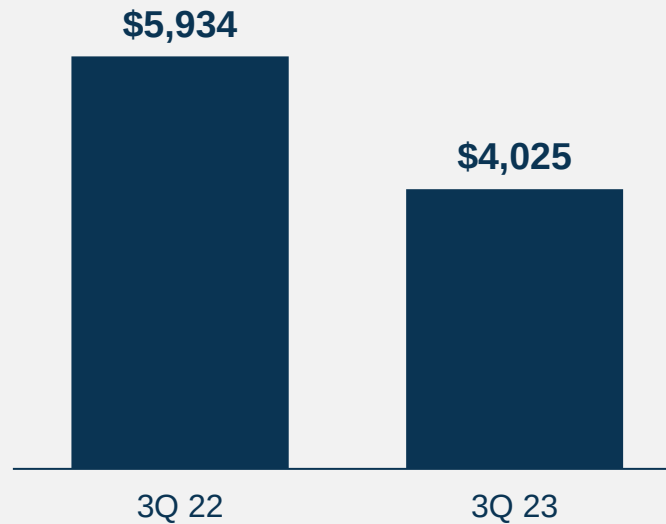
	Q3 2022	Q3 2023	YoY	COMMENTS
Total Revenue	\$6,666	\$6,893	3%	Attractive top-line growth
Gross Profit	\$1,313	\$1,295	-1%	19% Gross Profit margin, down ~90 bps
Adj. SG&A Expense	\$768	\$823	7%	Stable core SG&A, plus growth initiative spending
Adj. Operating Income	\$495	\$416	-16%	6.0% Operating Margin
Adj. Net Income	\$336	\$244	-27%	Impacted by higher interest expense
Average Shares	55.9	44.0	-21%	Repurchased 20.8 million shares, ~30% share count reduction since 2021
Adj. EPS	\$6.00	\$5.54	-8%	

3Q 2023 New Vehicles

RETAIL UNITS



GROSS PROFIT PVR

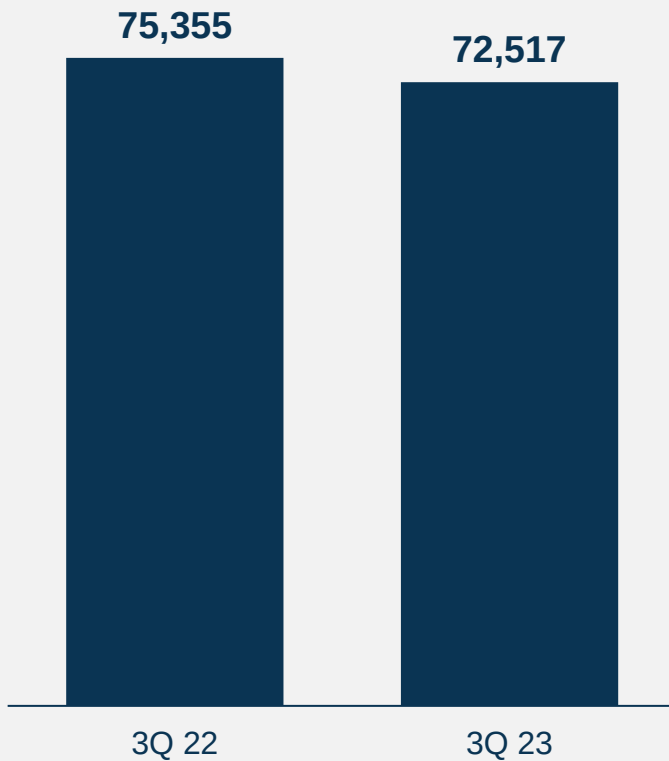


NOTES

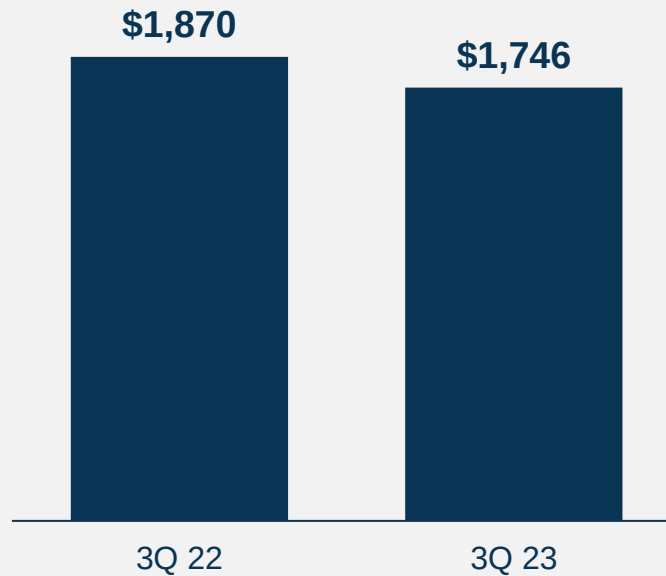
- Volume up 12% maintaining share
- Imports volume up >25%
- Inventory value up >2.2x from prior year (units up 14k to 27.5k)
- Moderating Gross Profit PVR reflects aggressive focus on unit volume to drive CFS, future After Sales and Used Car availability
- Managing the product introduction of BEVs

3Q 2023 Used Vehicles

RETAIL UNITS



GROSS PROFIT PVR

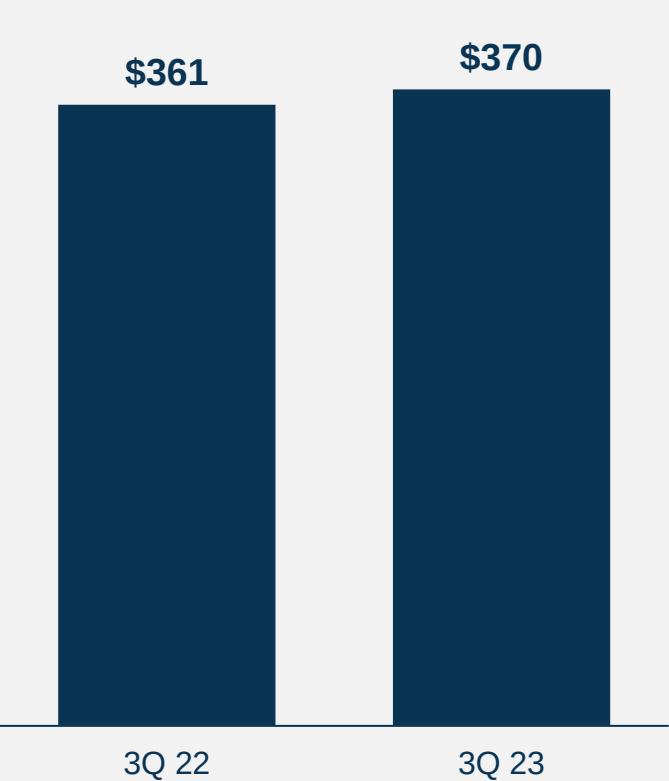
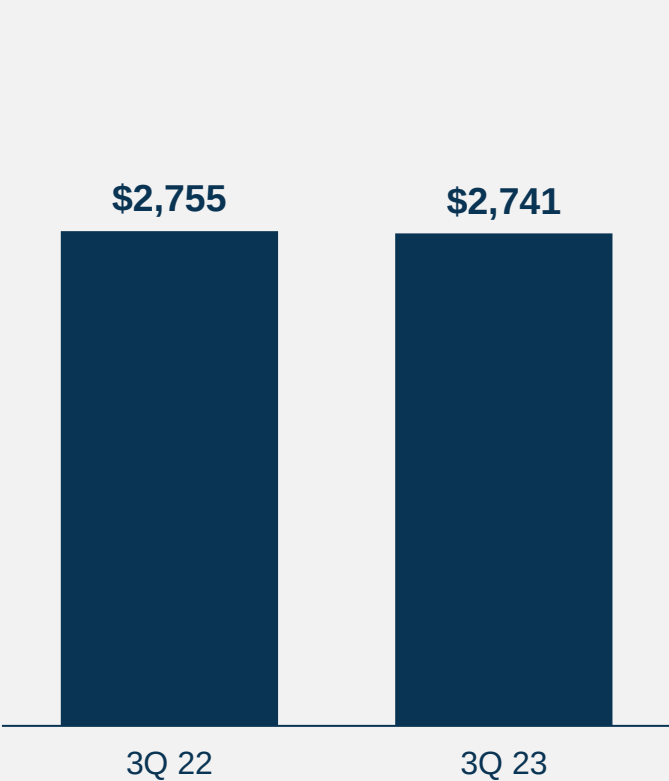


NOTES

- Modest volume decline YoY (-4%), improvement sequentially (+5%)
- Most pronounced volume decline on Domestic (-10%), Import and Premium Luxury less affected
- Self-sourced 96% of vehicles in Q3 '23
- Gross Profit PVR decline reflects mix shift to lower-priced tiers

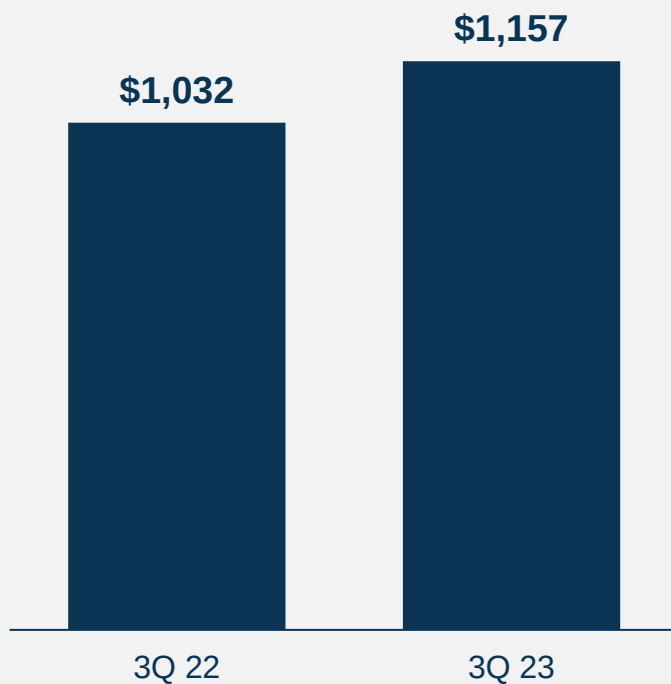
3Q 2023

Customer Financial Services

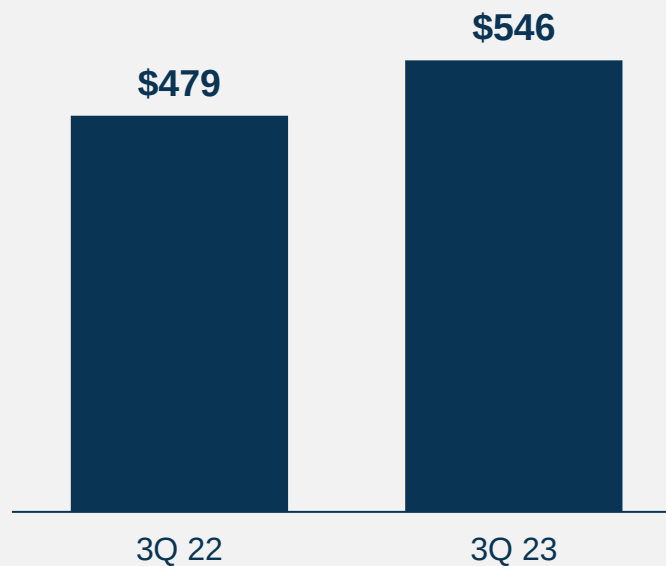
GROSS PROFIT	GROSS PROFIT PVR	NOTES												
 <table><tr><th>Period</th><th>Gross Profit</th></tr><tr><td>3Q 22</td><td>\$361</td></tr><tr><td>3Q 23</td><td>\$370</td></tr></table>	Period	Gross Profit	3Q 22	\$361	3Q 23	\$370	 <table><tr><th>Period</th><th>Gross Profit PVR</th></tr><tr><td>3Q 22</td><td>\$2,755</td></tr><tr><td>3Q 23</td><td>\$2,741</td></tr></table>	Period	Gross Profit PVR	3Q 22	\$2,755	3Q 23	\$2,741	• Industry leading CFS performance continues • Modest increase in gross profit with stable PVRs • Improving unit sales volume and penetration — more than 2 products per vehicle • Lower financing fees
Period	Gross Profit													
3Q 22	\$361													
3Q 23	\$370													
Period	Gross Profit PVR													
3Q 22	\$2,755													
3Q 23	\$2,741													

3Q 2023 After-Sales

REVENUE (\$M)



GROSS PROFIT (\$M)

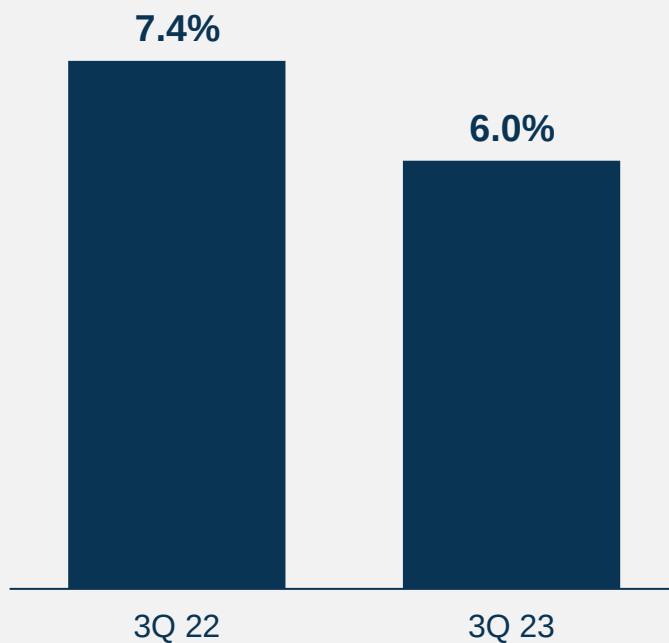


NOTES

- Revenue growth 12%, gross profit growth 14%
 - Value per repair order improving
 - Number of repair orders improving
- Increases in all major categories — Customer Pay, Internal, Warranty, and Collision
- Gross Profit margin of 47% up 80 bps
- Increased Technician headcount

3Q 2023 Operating Income

ADJ OPERATING INCOME MARGIN (%)

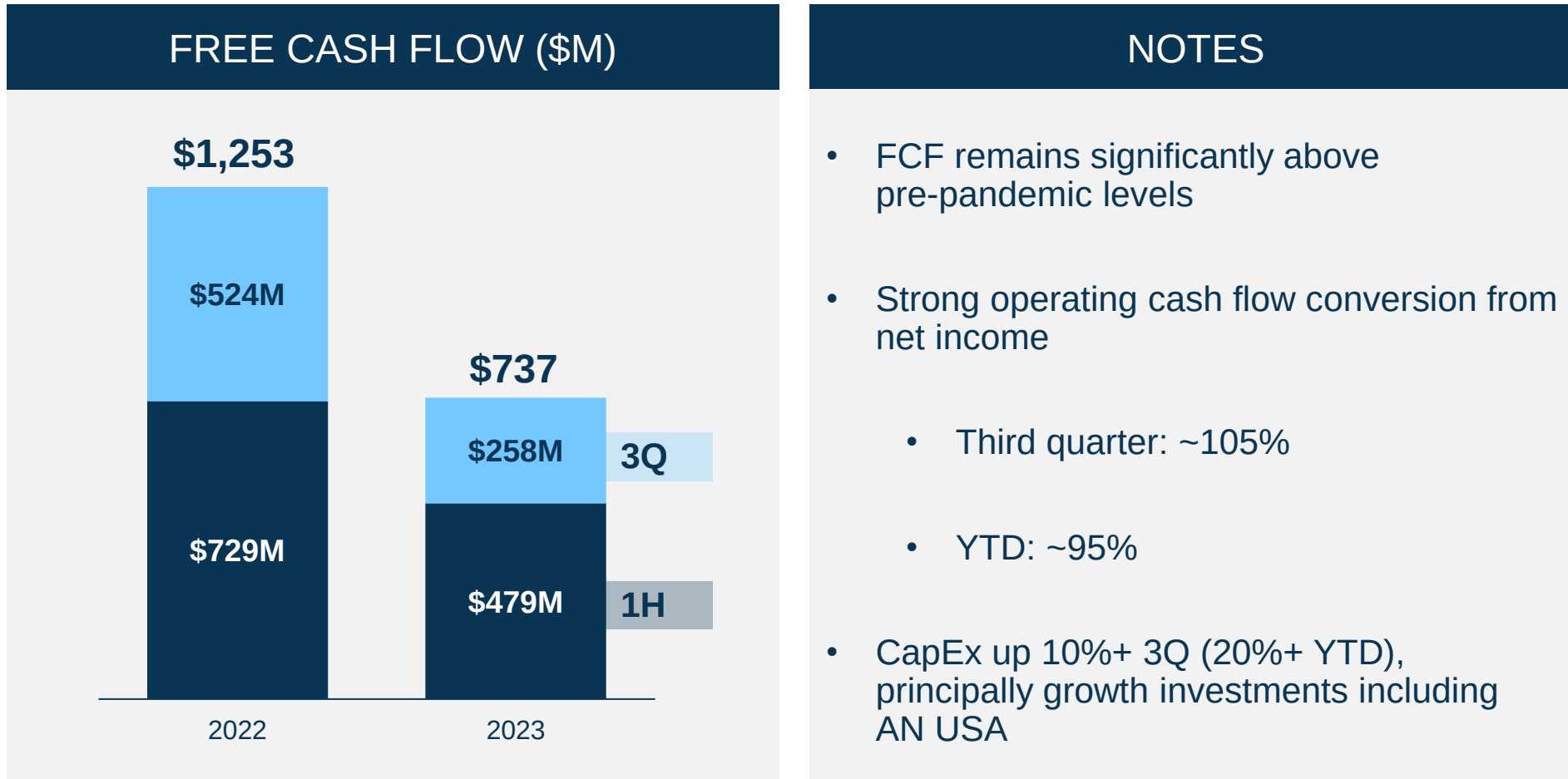


NOTES

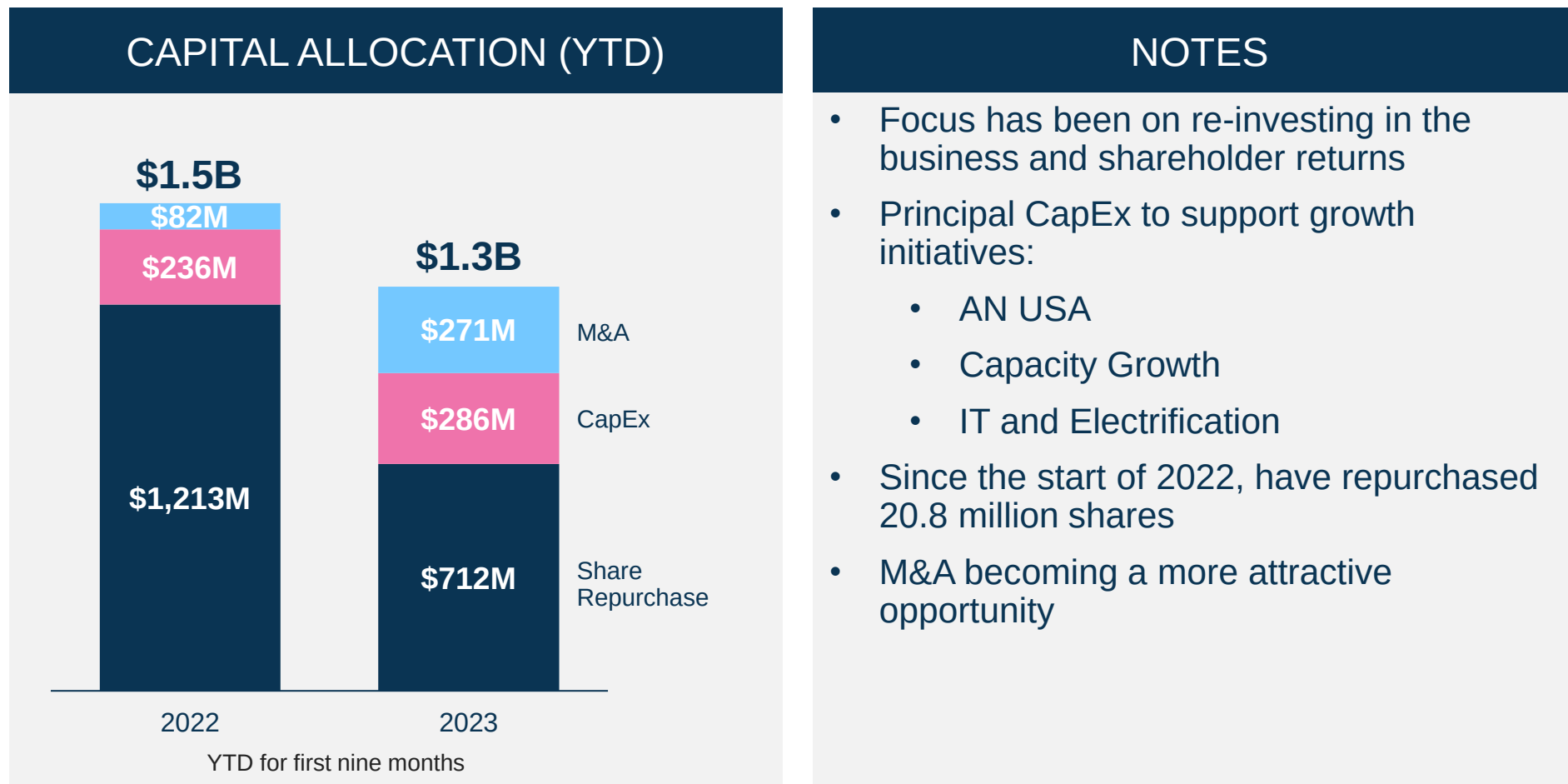
- Despite decline, well above pre-pandemic levels by 200+ bps
- Reflects moderation in New Vehicle gross profit and higher SG&A
- SG&A growth reflects:
 - Higher unit volumes
 - Investments for growth
 - Advertising to support used vehicle self-sourcing
 - Self-insurance (weather)
- Normalized SG&A as a percent of gross profit expected to be lower than pre-pandemic levels

3Q 2023

Free Cash Flow



3Q 2023 Capital Allocation



3Q 2023
AutoNation

Solid operating results
in an evolving environment

Strong cash conversion
and attractive capital deployment

Continuing to invest for growth
including processes and technology as well as CapEx

Continued confidence in AutoNation team
to deliver attractive returns to shareholders

Appendix

This presentation contains certain non-GAAP financial measures for which we have set forth below reconciliations to the most comparable GAAP measures. The Company believes that these measures improve the transparency of the Company's disclosure, provide a meaningful presentation of the Company's results from its core business operations 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.

In evaluating these non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to those for which adjustments are made in calculating these measures. Our presentation of these measures should not be construed as a basis to infer that our future results will be unaffected by unusual or non-recurring items. These non-GAAP financial measures may be different from similarly titled measures used by other companies, limiting their usefulness as comparable measures. These non-GAAP financial measures should not be considered as alternatives to net income or cash provided by operating activities or as an indicator of operating performance or liquidity.

SELECT HISTORICAL DATA

Global Financial Crisis to 2022

		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Avg.
New	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	14.9
	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	12.3
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	
	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	
	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	\$2,467
	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%	6.5%
	ASP Y/Y		3%	4%	4%	-1%	2%	2%	3%	3%	2%	2%	5%	6%	10%	11%	
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	
	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	
	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	\$1,608
	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%	8.2%
	ASP Y/Y		4%	6%	3%	0%	1%	3%	4%	3%	-2%	3%	4%	4%	21%	14%	
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	
	PVR Y/Y		0%	4%	5%	6%	6%	4%	9%	4%	5%	7%	8%	12%	13%	11%	
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	
	Gross Y/Y		-13%	3%	1%	4%	10%	8%	12%	7%	4%	4%	4%	-10%	15%	14%	
	Cash From Ops (\$mm)	\$685	\$370	\$252	\$376	\$317	\$484	\$485	\$507	\$516	\$540	\$511	\$769	\$1,208	\$1,628	\$1,668	
	CapEx (\$mm)	\$110	\$76	\$162	\$158	\$184	\$207	\$198	\$267	\$253	\$333	\$394	\$257	\$137	\$232	\$336	
	M&A (\$mm)	\$32	\$0	\$73	\$64	\$142	\$88	\$205	\$322	\$410	\$77	\$67	\$5	\$0	\$433	\$192	
	Share Repurchase (\$mm)	\$54	\$136	\$524	\$583	\$581	\$53	\$485	\$235	\$497	\$435	\$100	\$45	\$382	\$2,303	\$1,710	

*Data as reported of continuing operations

NON-GAAP RECONCILIATIONS

Comparable Basis Reconciliations

Three Months Ended September 30, 2023

	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision ⁽¹⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽²⁾	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
From continuing operations, as reported	\$522.5	\$419.5	\$473.5	\$327.4	\$120.8	\$83.7	25.5%	25.6%	\$352.7	\$243.7		
Discontinued operations, net of income taxes									(0.1)	-		
As reported									352.6	243.7	\$6.31	\$5.54
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation plans ⁽³⁾	(4.8)	(3.7)										
Net gains on business/property dispositions	(16.1)	-	(16.1)	-	(4.0)	-			(12.1)	-	(0.22)	-
Legal settlement	(6.3)	-	(6.3)	-	(1.4)	-			(4.9)	-	(0.09)	-
Adjusted	\$495.3	\$415.8	\$451.1	\$327.4	\$115.4	\$83.7	25.6%	25.6%	\$335.6	\$243.7	\$6.00	\$5.54
Adjusted as % of Revenue	7.4%	6.0%										

	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2022	2023	2022	2023
As reported	\$763.2	\$819.3	58.1	63.3
Excluding increase (decrease) in compensation expense related to market valuation changes in deferred compensation plans	(4.8)	(3.7)		
Adjusted	\$768.0	\$823.0	58.5	63.6

1: Tax expense is determined based on the amount of additional taxes or tax benefits associated with each individual item

2: Diluted earnings per share amounts are calculated discretely and therefore may not add up to the total due to rounding

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

NON-GAAP RECONCILIATIONS

Free Cash Flow

	Third Quarter		First Nine Months	
	2022	2023	2022	2023
Net cash provided by operating activities	\$548.3	\$255.6	\$1,443.3	\$762.6
Change in Vehicle Floorplan - non Trade	52.9	89.0	46.4	260.4
Adjusted Cash from Operations	600.2	344.6	1,489.7	1,023.0
Less: Purchases of Property and Equipment	75.9	87.0	236.2	286.0
Free Cash Flow	\$524.3	\$257.6	\$1253.5	\$737.0