

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 calculated and presented in accordance with GAAP.

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⁾	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As reported	\$ 372.4	\$ 350.7	\$ 287.6	\$ 247.4	\$ 72.5	\$ 61.6	25.2%	24.9%	\$ 215.1	\$ 185.8	\$ 5.65	\$ 4.61
Increase in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	7.7	8.2	—	—	—	—			—	—	\$ —	\$ —
Acquisition-related expenses	8.0	—	8.0	—	2.0	—			6.0	—	\$ 0.16	\$ —
Insurance recoveries associated with CDK outage ⁽⁵⁾	(40.0)	—	(40.0)	—	(9.8)	—			(30.2)	—	\$ (0.79)	\$ —
Net loss on equity investments	—	—	—	6.7	—	1.6			—	5.1	\$ —	\$ 0.13
Self-insurance related losses ⁽⁶⁾	—	5.7	—	5.7	—	1.4			—	4.3	\$ —	\$ 0.11
Business/property-related items:												
Net gains on dispositions, net of asset impairments	—	(46.7)	—	(46.7)	—	(11.4)			—	(35.3)	\$ —	\$ (0.88)
Loss from operations resulting from dispositions	—	2.4	—	3.0	—	0.7			—	2.3	\$ —	\$ 0.06
Adjusted	<u>\$ 348.1</u>	<u>\$ 320.3</u>	<u>\$ 255.6</u>	<u>\$ 216.1</u>	<u>\$ 64.7</u>	<u>\$ 53.9</u>	25.3%	24.9%	<u>\$ 190.9</u>	<u>\$ 162.2</u>	\$ 5.01	\$ 4.02

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	<u>Three Months Ended September 30,</u>			
	<u>SG&A</u>		<u>SG&A as a Percentage of Gross Profit (%)</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
As reported	\$ 850.1	\$ 811.3	68.6	68.6
Excluding:				
Increase in compensation expense related to market valuation changes in deferred compensation obligations	7.7	8.2		
Acquisition-related expenses	8.0	—		
Self-insurance related losses	—	5.7		
Adjusted	<u>\$ 834.4</u>	<u>\$ 797.4</u>	67.4	67.4

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

⁽⁵⁾ Insurance recoveries received under our cybersecurity insurance policies for business interruption and related losses caused by the CDK outage.

⁽⁶⁾ Primarily related to losses from hailstorms and other natural catastrophes.

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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⁾	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
As reported	\$ 926.0	\$ 966.0	\$ 660.0	\$ 674.9	\$ 183.0	\$ 168.8	27.7%	25.0%	\$ 477.0	\$ 506.1	\$ 12.36	\$ 12.31
Increase in compensation expense related to market valuation changes in deferred compensation obligations ⁽⁴⁾	16.5	16.3	—	—	—	—			—	—	\$ —	\$ —
Goodwill, franchise rights, and other asset impairments ⁽⁵⁾	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 ⁽⁶⁾	(40.0)	—	(40.0)	—	(9.8)	—			(30.2)	—	\$ (0.78)	\$ —
One-time costs associated with CDK	—	42.8	—	42.8	—	10.5			—	32.3	\$ —	\$ 0.79
Net loss on equity investments	—	—	11.5	6.7	2.8	1.6			8.7	5.1	\$ 0.23	\$ 0.12
Self-insurance related losses ⁽⁸⁾	—	5.7	—	5.7	—	1.4			—	4.3	\$ —	\$ 0.10
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
Adjusted	\$ 1,051.8	\$ 986.5	\$ 780.8	\$ 686.4	\$ 196.5	\$ 171.6	25.2%	25.0%	\$ 584.3	\$ 514.8	\$ 15.14	\$ 12.53

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	<u>Nine Months Ended September 30,</u>			
	<u>SG&A</u>		<u>SG&A as a Percentage of Gross Profit (%)</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
As reported	\$ 2,526.7	\$ 2,430.2	67.7	68.6
Excluding:				
Increase in compensation expense related to market valuation changes in deferred compensation obligations	16.5	16.3		
Acquisition-related expenses	8.0	—		
One-time costs associated with CDK	—	42.8		
Self-insurance related losses	—	5.7		
Adjusted	<u>\$ 2,502.2</u>	<u>\$ 2,365.4</u>	67.0	66.7

⁽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 related to the COLI are recorded in non-operating Other Income, 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⁾ Insurance recoveries received under our cybersecurity insurance policies for business interruption and related losses caused by the CDK outage.

⁽⁷⁾ Represents certain one-time costs incurred associated with the CDK outage, principally consisting of compensation paid to commission-based associates to ensure business continuity.

⁽⁸⁾ Primarily related to losses from hailstorms and other natural catastrophes.

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	<u>Free Cash Flow</u>		<u>Nine Months Ended September 30,</u>	
			<u>2025</u>	<u>2024</u>
Net cash provided by (used in) operating activities	\$	(38.6)	\$	164.9
Net payments of vehicle floorplan - non-trade		74.6		(24.0)
Increase in auto loans receivable, net		972.8		588.3
Adjusted cash provided by operating activities		1,008.8		729.2
Purchases of property and equipment		(223.1)		(262.2)
Adjusted free cash flow	\$	785.7	\$	467.0
Adjusted net income	\$	584.3	\$	514.8
Adjusted free cash flow conversion %		134		91