

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 June 30,											
	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
From continuing operations, as reported	\$ 275.0	\$ 439.2	\$ 174.2	\$ 364.8	\$ 44.0	\$ 92.3	25.3%	25.3%	\$ 130.2	\$ 272.5		
Discontinued operations, net of income taxes									-	-		
As reported									130.2	272.5	\$ 3.20	\$ 6.02
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation ⁽⁴⁾	0.7	4.7	-	-	-	-			-	-	\$ -	\$ -
One-time costs associated with CDK outage ⁽⁵⁾	42.8	-	42.8	-	10.5	-			32.3	-	0.79	-
Losses from hail storm and other natural catastrophes	-	16.5	-	16.5	-	4.1			-	12.4	-	0.27
Adjusted	<u>\$ 318.5</u>	<u>\$ 460.4</u>	<u>\$ 217.0</u>	<u>\$ 381.3</u>	<u>\$ 54.5</u>	<u>\$ 96.4</u>	25.1%	25.3%	<u>\$ 162.5</u>	<u>\$ 284.9</u>	<u>\$ 3.99</u>	<u>\$ 6.29</u>

	Three Months Ended June 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2024	2023	2024	2023
As reported	\$ 825.8	\$ 842.9	71.0	63.1
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation	0.7	4.7		
One-time costs associated with CDK outage	42.8	-		
Losses from hail storm and other natural catastrophes	-	16.5		
Adjusted	<u>\$ 782.3</u>	<u>\$ 821.7</u>	67.3	61.5

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

AUTONATION, INC.
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Comparable Basis Reconciliations⁽¹⁾

	Six Months Ended June 30,											
	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
From continuing operations, as reported	\$ 615.3	\$ 882.5	\$ 427.5	\$ 745.1	\$ 107.2	\$ 184.8	25.1%	24.8%	\$ 320.3	\$ 560.3		
Discontinued operations, net of income taxes									-	0.9		
As reported									320.3	561.2	\$ 7.72	\$ 12.09
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation ⁽⁴⁾	8.0	9.9	-	-	-	-			-	-	\$ -	\$ -
One-time costs associated with CDK outage ⁽⁵⁾	42.8	-	42.8	-	10.5	-			32.3	-	0.78	-
Losses from hail storms and other natural catastrophes	-	16.5	-	16.5	-	4.1			-	12.4	\$ -	\$ 0.27
Adjusted	\$ <u>666.1</u>	\$ <u>908.9</u>	\$ <u>470.3</u>	\$ <u>761.6</u>	\$ <u>117.7</u>	\$ <u>188.9</u>	25.0%	24.8%	\$ <u>352.6</u>	\$ <u>573.6</u>	\$ 8.50	\$ 12.36

	Six Months Ended June 30,			
	SG&A		SG&A as a Percentage of Gross Profit (%)	
	2024	2023	2024	2023
As reported	\$ 1,618.9	\$ 1,625.6	68.6	62.0
Excluding:				
Increase (decrease) in compensation expense related to market valuation changes in deferred compensation	8.0	9.9		
One-time costs associated with CDK outage	42.8	-		
Losses from hail storms and other natural catastrophes	-	16.5		
Adjusted	\$ <u>1,568.1</u>	\$ <u>1,599.2</u>	66.4	61.0

⁽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⁾ Represents certain one-time costs incurred associated with the CDK outage, principally consisting of guaranteed compensation required to retain commission-based associates.