

AutoNation[®]

INVESTOR PRESENTATION
JULY 2021



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," "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, or investments (including the planned expansion of our AutoNation USA pre-owned vehicle stores); pending acquisitions; and our investments in digital and online capabilities and other brand extension strategies; as well as statements regarding our expectations for the future performance of our business (including with respect to new and pre-owned vehicle sales targets), 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: economic conditions, including changes in consumer demand, unemployment rates, interest rates, fuel prices, and tariffs; our ability to implement successfully our strategic initiatives, partnerships, and investments, including the planned expansion of our AutoNation USA stores; our ability to identify, acquire, and build out suitable locations in a timely manner; our ability to acquire and integrate successfully new franchises; restrictions imposed by vehicle manufacturers and our ability to obtain manufacturer approval for acquisitions; our ability to develop successfully our digital and online capabilities and other brand extension strategies; supply chain disruptions and inventory availability; our ability to maintain and enhance our retail brands and reputation and to attract consumers to our own digital channels; our ability to attain planned sales volumes within our expected time frames; new and used vehicle margins; our ability to successfully implement and maintain expense controls; the success and financial viability and the incentive and marketing programs of vehicle manufacturers and distributors with which we hold franchises; the response by federal, state, and local governments and other third parties to, and the economic impacts of, the COVID-19 pandemic; 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.

About AutoNation

America's largest and most recognized automotive retailer, with over \$20 billion in annual revenue¹



Diversified business model

- Brand
- Geography
- Business Mix

Owns and operates over 300 locations from coast-to-coast, largest footprint in the U.S.



Digital capabilities drive sustainable advantage and generate cost efficiencies

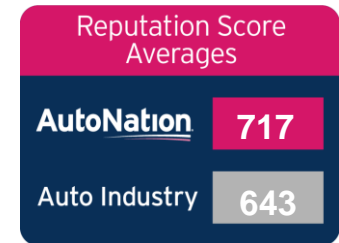
1. FY 2020

AutoNation

AutoNation // USA.

AutoNation Investment Highlights

- ▶ Largest and most recognized automotive retailer with diversified portfolio and business mix
- ▶ Industry leading brand and over 500,000 5-star reviews according to Reputation
- ▶ AutoNation USA expansion provides an attractive growth opportunity and increased Used vehicle market share
- ▶ Long-term target to retail more than 1 million units/year
- ▶ Leveraging digital capabilities to exploit new operating environment and drive cost efficiencies
- ▶ Strong, resilient cash flow generation coupled with disciplined capital allocation drives long-term value

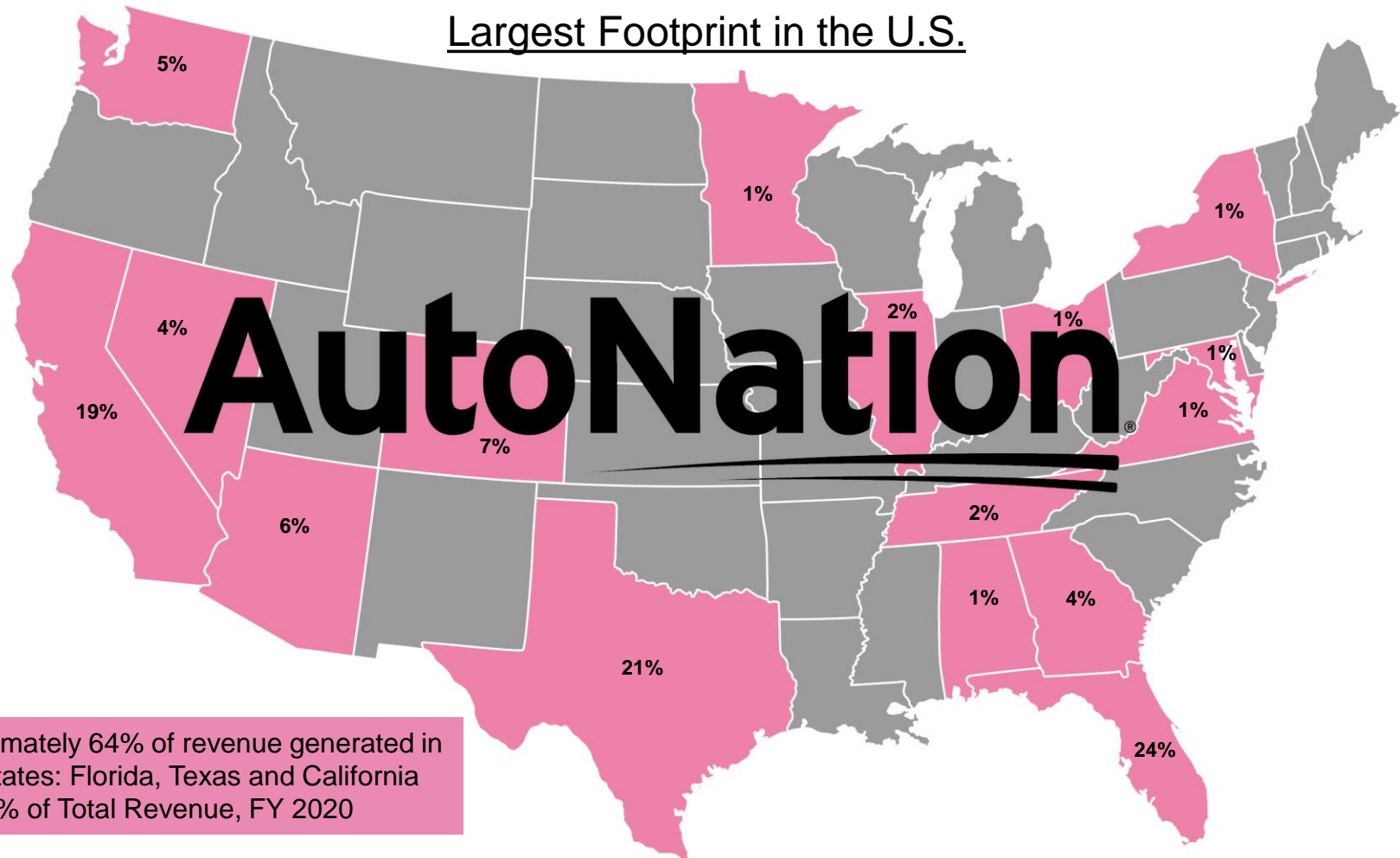


Source: Reputation,
June 2021



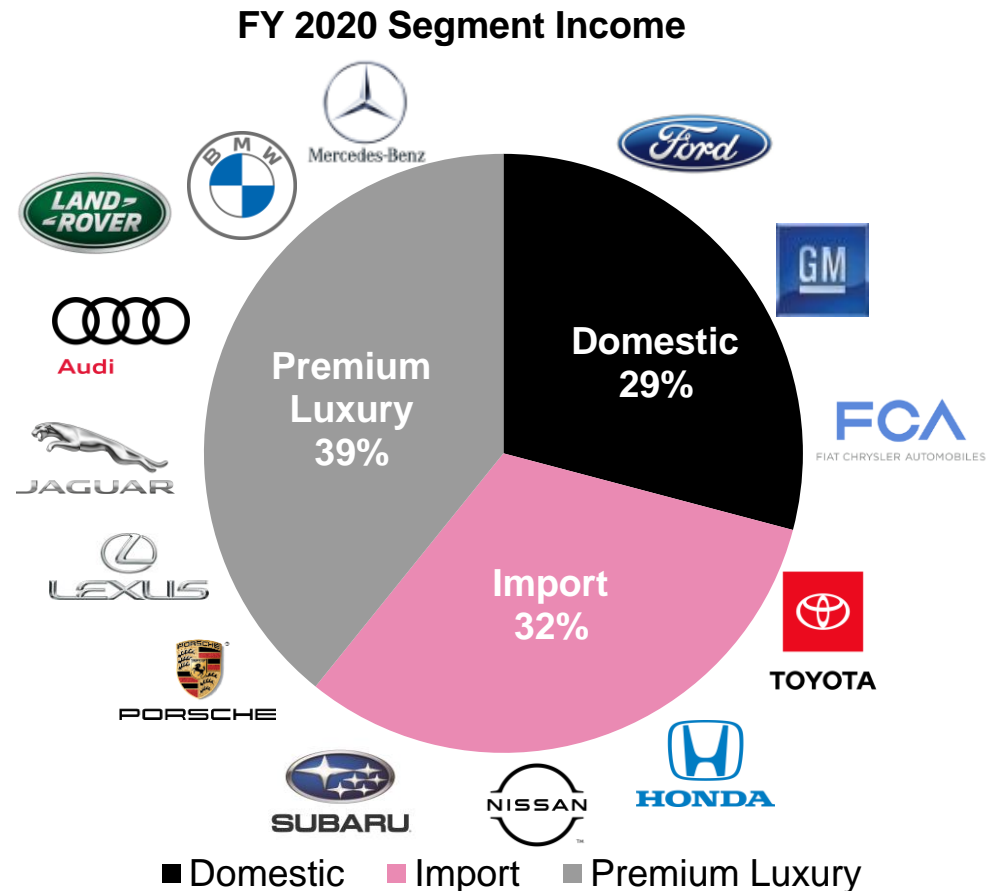
AutoNation /// **USA.**

Footprint: Predominantly Major Metro Areas in Sunbelt



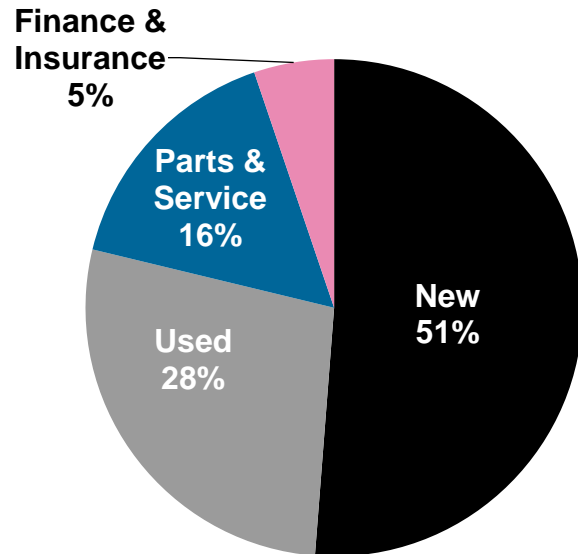
Optimal Brand Positioning within Diversified Portfolio

- ▶ Diversified portfolio allows AN to capture momentum across segments
- ▶ Established relationships with all leading OEMs
- ▶ Slightly greater profit mix towards higher-margin Premium Luxury segment



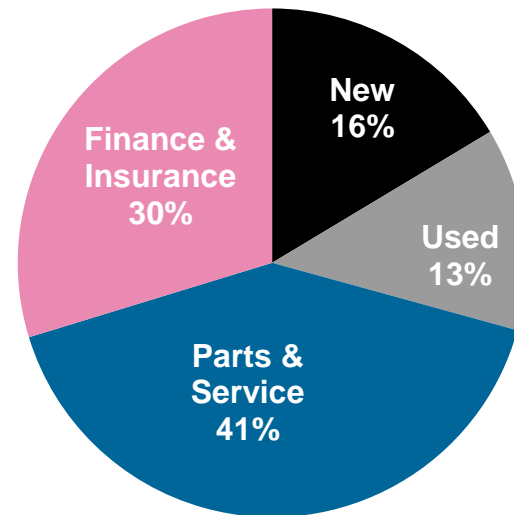
Diversified Revenue Mix Drives Profitability

FY 2020 Revenue⁽¹⁾



⁽¹⁾ Excludes Other

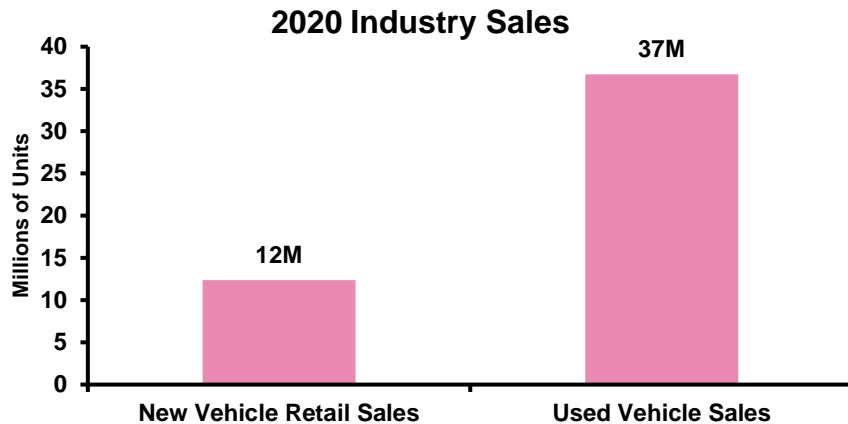
FY 2020 Gross Profit⁽¹⁾



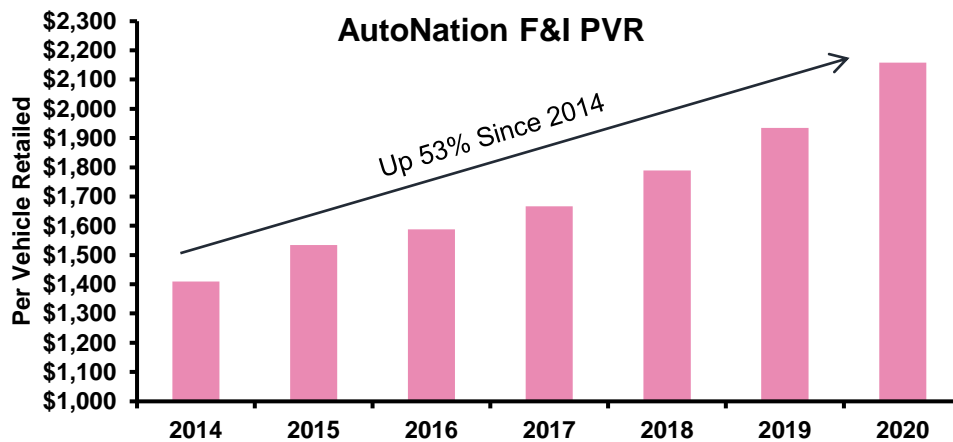
⁽¹⁾ Excludes Other

- ▶ **Vehicle sales generate 29% of gross profit and create broader profit opportunities in Finance and Insurance (F&I)**
- ▶ **Resilient Parts & Service business contributes 41% of gross profit**

Variable Operations - New/Used/F&I



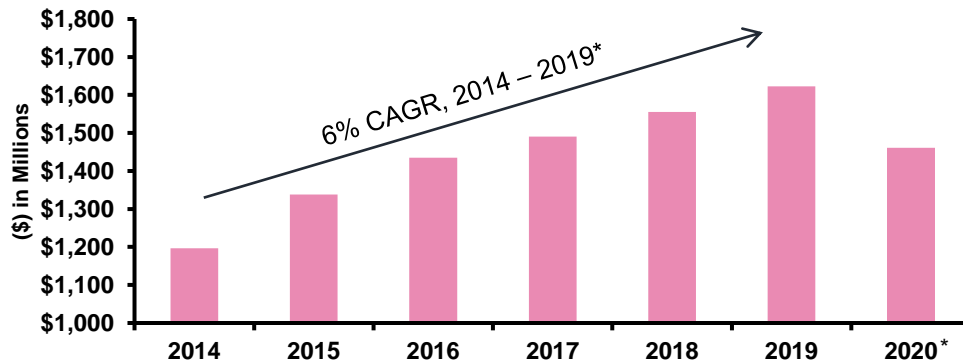
Source: LMC Automotive and Cox Automotive



- ▶ Vehicle demand remains strong, supported by low interest rates and consumer desire for personal transportation
- ▶ Large used vehicle opportunity with industry sales of approximately 37 million units/year
- ▶ AutoNation USA pre-owned vehicle stores provide opportunity to increase Used vehicle market share
- ▶ AutoNation continues to drive strong Finance & Insurance (“F&I”) sales, supported by sales of AutoNation Vehicle Protection Plan
 - ▶ Approximately 2/3 of F&I gross profit generated by vehicle protection products

Fixed Operations - Parts & Service

AutoNation P&S Gross Profit

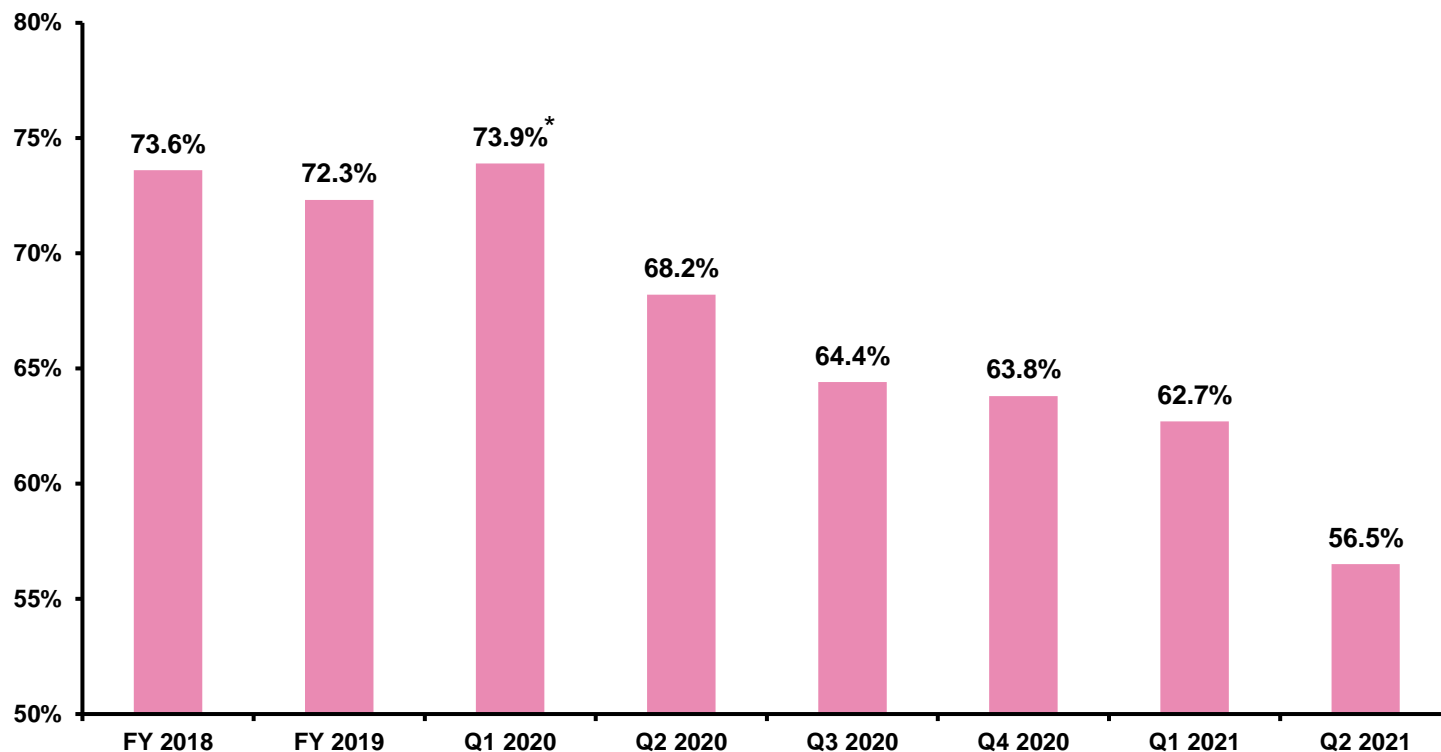


*2020 impacted by COVID-19 and shelter-in-place orders

- ▶ High margin Parts & Service (“P&S”) business provides stability throughout economic cycle
- ▶ AN’s customer retention efforts and sales performance continue to support results
- ▶ Private label parts and accessories provide incremental revenue and improved margins
- ▶ Well positioned to gain market share due to increasing technology and vehicle complexity



Adjusted SG&A / Gross Profit

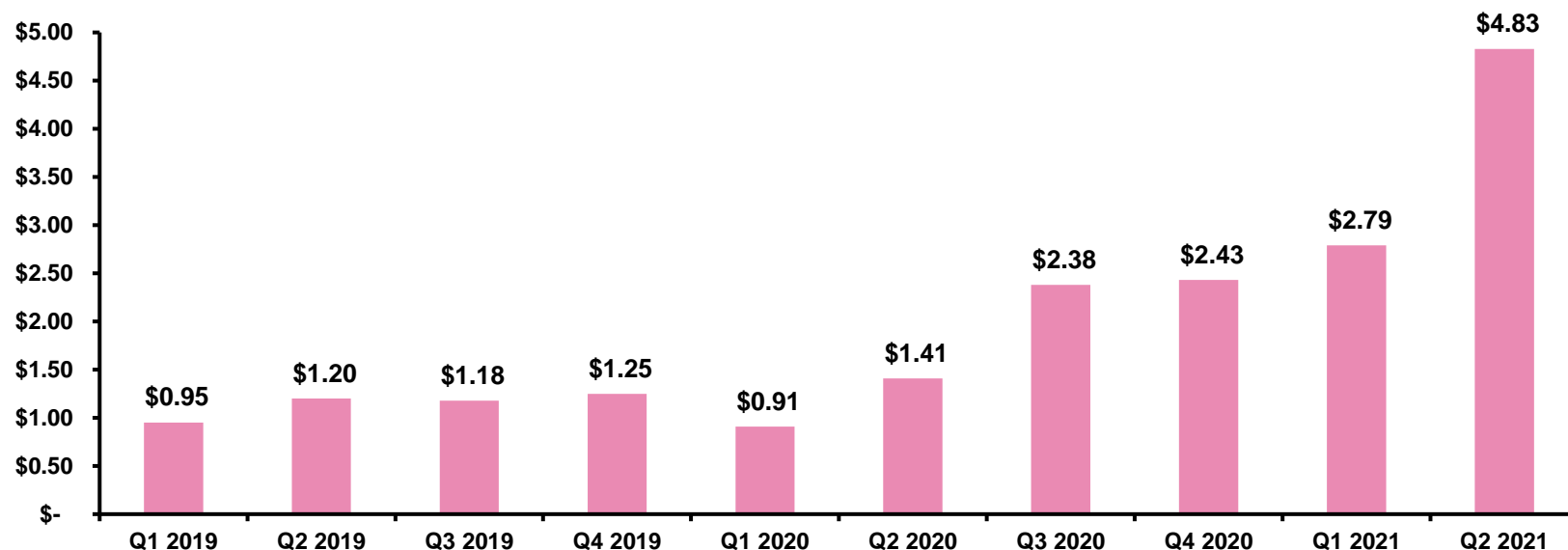


Refer to the Appendix for Non-GAAP Reconciliation

**Reflects initial impact of COVID-19 and shelter-in-place orders*

- **Current market conditions and AutoNation's digital capabilities continue to support significant expense leverage**

Adjusted EPS from Continuing Operations



Refer to the Appendix for Non-GAAP Reconciliation

- AutoNation delivered record EPS from Continuing Operations of \$4.83, up 243% year-over-year on an adjusted basis in Q2 2021, due to the current supply/demand environment, strong operational execution, and disciplined expense management

AutoNation – Brand Promise

- **VISION:** Be America's best place to buy, sell, and service cars & trucks
- **MISSION:** Deliver a peerless customer experience



1PRICE Pre-Owned Vehicles
Priced to Market



Limited Warranty on every 1PRICE
AutoNation Certified Pre-Owned vehicle



Every Vehicle Sold & Serviced
is Sanitized



5-Day /250 Mile Money-Back
Guarantee on 1PRICE
Pre-Owned Vehicles



Access to over 20,000 Pre-Owned
Vehicles, Coast to Coast



Store-to-Door Delivery to your
home or office



Shop Safely Online & In-Store



125-Point Inspection Performed on all
1PRICE Pre-Owned Vehicles



Drive Pink. Drive Safe. Drive Now.

AutoNation USA Leverages our Core Strengths



- ▶ AutoNation is America's #1 rated automotive retailer with 83% brand awareness
- ▶ 1PRICE Pre-Owned Vehicles provides customers with a simple and easy, no-pressure shopping experience at every store, including AutoNation USA & AutoNation.com
- ▶ AutoNation 1PRICE Pre-Owned Vehicles are priced to market and include a 5-Day 250 mile money back-guarantee, limited warranty & store-to-door delivery options
- ▶ Inventory sourced primarily through customer trades and our "We'll Buy Your Car" acquisition initiative
 - ▶ Centralized team using real-time data and tech to appraise over 750,000 vehicles annually to provide fast and guaranteed values to consumers
 - ▶ AutoNation network provides unique pipeline to high quality customer trades and off-lease vehicles to meet growing pre-owned vehicle demand

Source: Automotive News, JD Power, and Reputation,
2020 Automotive Report - Publicly Traded Dealer Groups
2019 AutoNation Brand Equity Monitor – GFK Research

AutoNation USA Rollout Plan

- ▶ Provides opportunity to expand geographic footprint and gain pre-owned market share
- ▶ Leverages experience from original 5 profitable pilot stores
- ▶ 6th store opened in May 2021 in San Antonio
- ▶ 4 additional stores targeted to be completed by late 2021
- ▶ 12 additional stores targeted to be completed in 2022
- ▶ Over 130 total stores targeted to be in operation by the end of 2026 (includes 5 original stores)
- ▶ 18 months from store opening to operating at initial run rate
- ▶ Next stores planned in Austin, Denver (2 stores), and Phoenix



AutoNation USA Store Economics

- ▶ Initial capital investment of \$10 million to \$11 million per store
- ▶ AutoNation USA stores expected to reach break-even in approximately 12 months from opening, and reach initial run rate in 18 months
- ▶ Model store projected to generate \$200K per month or \$2.4M annually at initial run rate

Forecasted Monthly Average per Store at Initial Run Rate

Retail Units	200
Used PVR	\$1,350
F&I PVR	\$1,725

Revenue	\$5,500,000
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Variable Gross Profit	\$610,000
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Fixed Gross Profit	\$70,000
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Total Gross Profit	\$680,000
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SG&A	\$470,000
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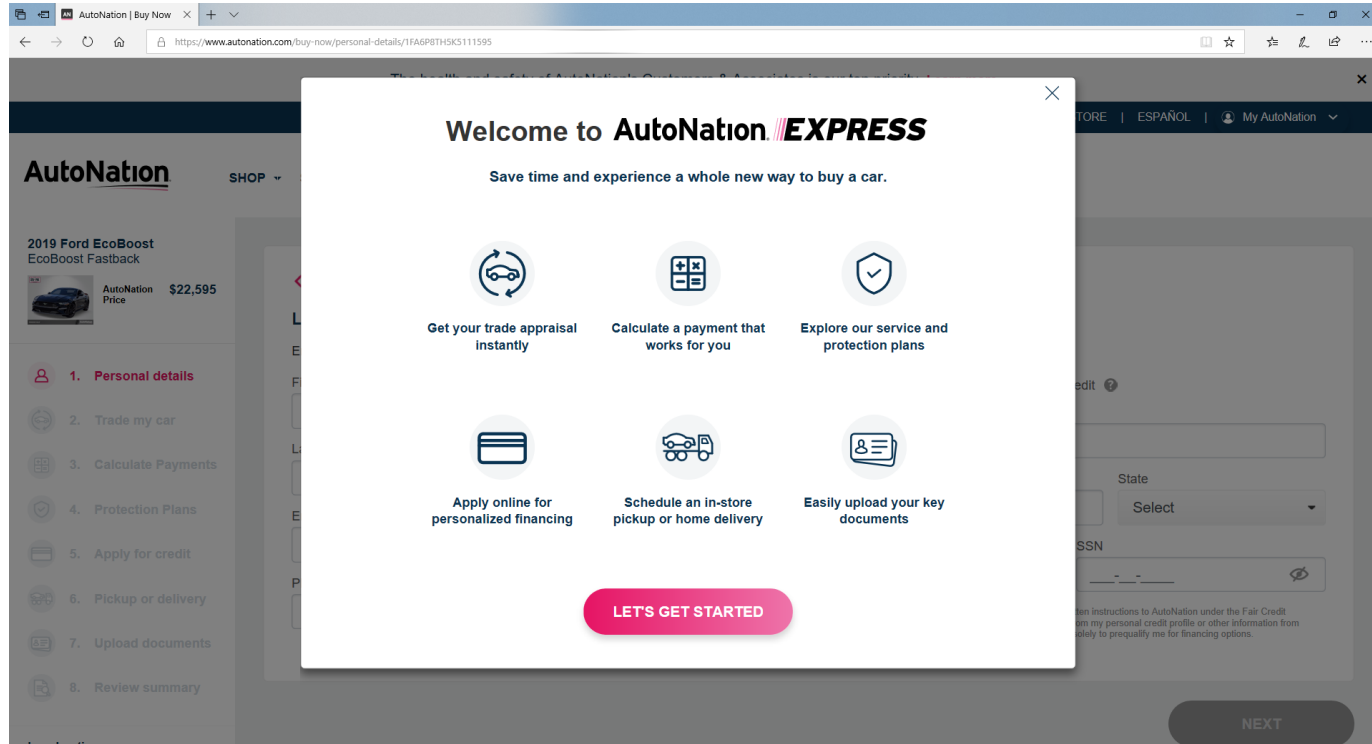
<i>SG&A/Gross Profit</i>	<i>69%</i>
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Floorplan	\$10,000
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Pre-Tax Profit	\$200,000
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\$10M - \$11M Investment/Store

AutoNation Express Omnichannel Capabilities

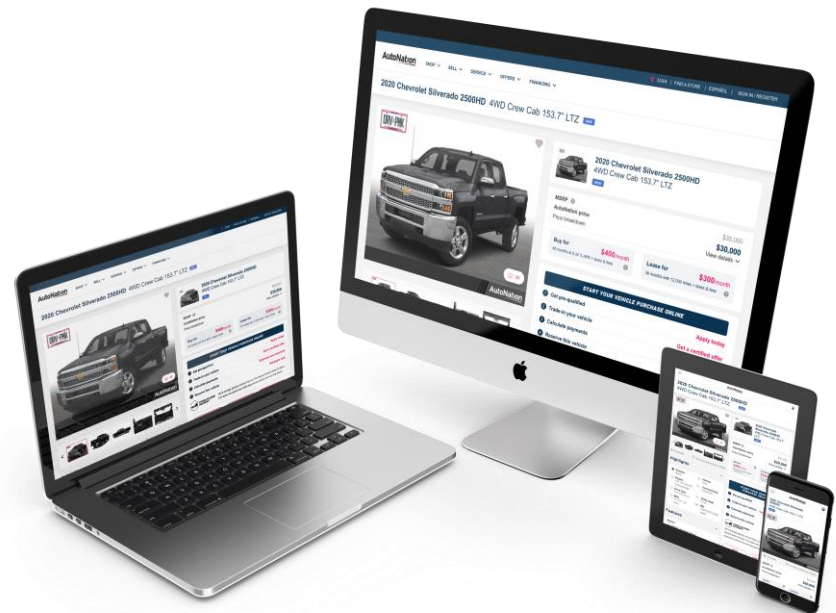


- ▶ AutoNation Express puts the Customer in the Driver's Seat with advanced digital capabilities that speed and simplify the Customer Experience, both online & in-store
- ▶ Store-to-door delivery allows customers to avoid visiting a showroom if they choose
- ▶ Digital sales leverage physical footprint for local sourcing, reconditioning, storage, and delivery

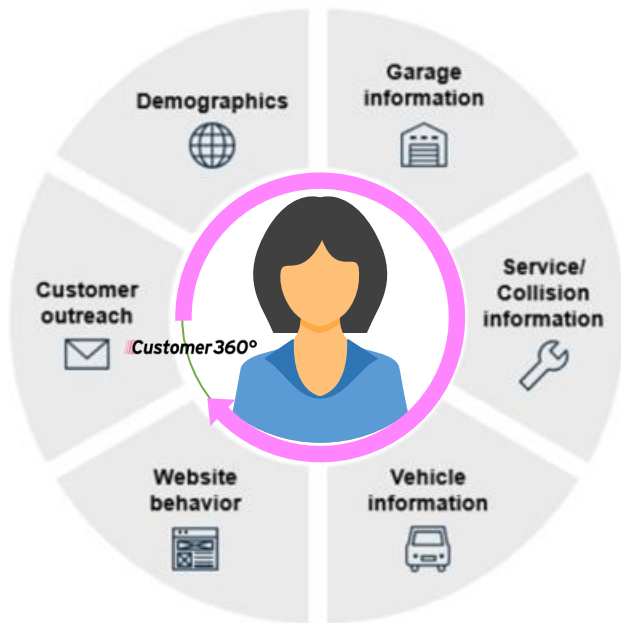
AutoNation Express Omnichannel Capabilities

- ▶ Customer friendly search of 60,000 new & used vehicles based on monthly payment and vehicle attributes
- ▶ Mobile-optimized step-by-step digital experience
 - ▶ Estimate trade-ins instantly
 - ▶ Calculate finance/lease/cash payments
 - ▶ Select vehicle protection products
 - ▶ Apply for financing
 - ▶ Schedule in-store pick up or home delivery
 - ▶ Upload key documents
- ▶ Customers can receive a certified offer and same-day, check-on-the-spot payment through the We'll Buy Your Car "WBYC" program

AutoNation. EXPRESS



Data & Analytical Tools



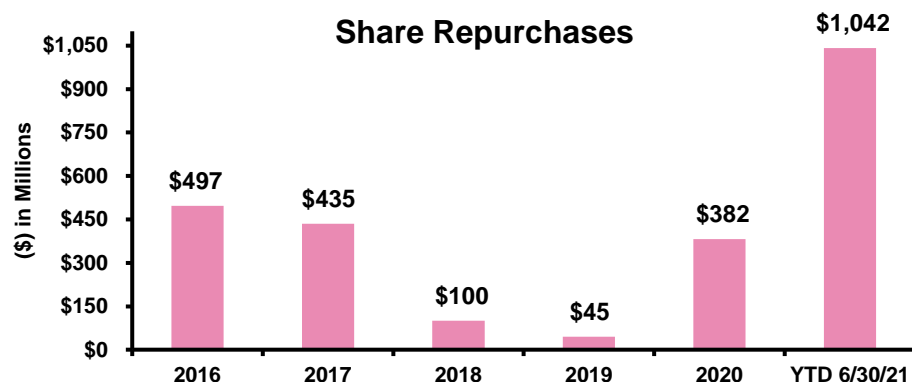
- **Customer 360 provides a complete picture of our customers, enabling us to provide a customized experience, while strengthening our relationships and identifying additional sales and service opportunities**



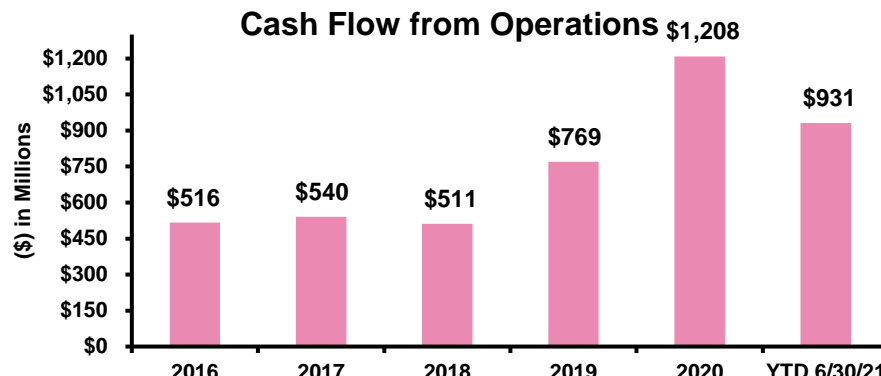
- **Proprietary Equity Mining Tool leverages millions of sales and service transactions into a central system that enables business development**

Disciplined Capital Allocation

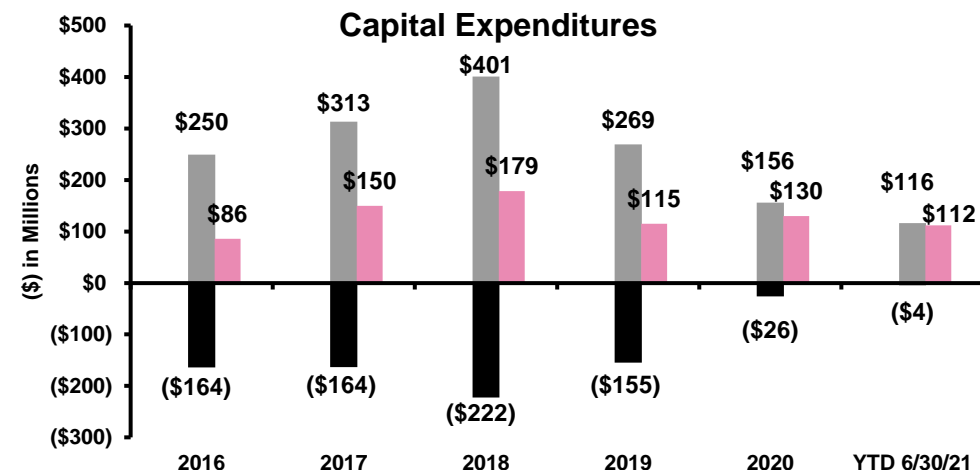
Share Repurchases



Cash Flow from Operations



Capital Expenditures



■ Purchases of Property and Equipment
 ■ Proceeds from Asset Sales
 ■ Capital Expenditures, net of Asset Sale Proceeds

- Disciplined capital allocation to exploit strong balance sheet, robust cash flow generation, and ample liquidity
- \$1.6 billion of liquidity, including \$60 million of cash and approximately \$1.6 billion of availability on our credit facilities as of June 30, 2021
- As of July 16, 2021 AutoNation had \$1 billion remaining Board authorization for share repurchases
- From 2016 – 2019, AutoNation sold underperforming assets and redeployed capital towards higher-return investments

Proceeds from Asset Sales includes proceeds from the sales of property and equipment, proceeds from the disposal of assets held for sale, and cash received from business divestitures, net of cash relinquished

Q2 2021 Highlights

	Second Quarter		
(\$ in millions, except per share data)	2021	2020	Variance
Total revenue	\$6,978.4	\$4,533.0	53.9%
Gross profit	\$1,326.3	\$795.0	66.8%
Adj. Selling, general, and administrative expenses ⁽¹⁾	\$748.9	\$542.4	38.1%
<i>Adj. SG&A / Gross Profit⁽¹⁾</i>	<i>56.5%</i>	<i>68.2%</i>	<i>-1,170bps</i>
Adj. Operating income ⁽¹⁾	\$530.2	\$206.9	156.3%
Adj. Net income ⁽¹⁾	\$384.9	\$123.9	210.7%
Adj. EPS ⁽¹⁾	\$4.83	\$1.41	242.6%

- **AutoNation's resilient business model, focused operational execution, and decisive cost reduction efforts drove strong results in Q2 2021**

(1) Refer to the Appendix for Non-GAAP Reconciliation

Q2 2021 Business Drivers

Same Store YoY Unit Sales

	Second Quarter		
	2021	2020	Variance
New Vehicle	77,081	54,359	41.8%
Used Vehicle	80,305	58,749	36.7%
Total Units	157,386	113,108	39.1%

Same Store YoY Gross Profit PVR

	Second Quarter		
	2021	2020	Variance
New Vehicle	\$ 4,157	\$2,198	\$1,959
Used Vehicle	\$2,240	\$1,801	\$439
Finance & Insurance	\$2,342	\$2,175	\$167
Total Variable	\$5,521	\$4,167	\$1,354

Same Store YoY Gross Profit

	Second Quarter		
(\$ in millions)	2021	2020	Variance
Total Variable	\$891.2	\$482.4	84.7%
Total Fixed (Customer Care)	\$432.0	\$307.4	40.5%

- Low interest rates and increased interest in personal ownership support demand
- Tight new vehicle inventory continued through the second quarter
- Same store Customer Financial Services gross profit per vehicle retailed improved to \$2,342, up \$167 or 8%, compared to the year-ago period in Q2 2021
- Customer Care continued to improve as the economy reopens

Appendix

This presentation contains certain non-GAAP financial measures, including Adjusted SG&A as a percentage of Gross Profit and Adjusted EPS, 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.

Non-GAAP Reconciliations

Adjusted SG&A

(\$ in millions)

	Three Months Ended June 30, 2021		Three Months Ended March 31, 2021		Three Months Ended December 31, 2020		Three Months Ended September 30, 2020		Three Months Ended June 30, 2020		Three Months Ended March 31, 2020	
	SG&A	Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)
As reported (GAAP)	\$ 748.9	56.5	\$ 647.9	62.7	\$ 632.0	64.1	\$ 641.4	66.0	\$ 547.9	68.9	\$ 600.7	73.9
Excluding executive separation costs									5.5			
Excluding restructuring												
Excluding SG&A costs associated with exit of ACP business					4.0		2.9					
Adjusted	\$ 748.9	56.5	\$ 647.9	62.7	\$ 628.0	63.8	\$ 638.5	64.4	\$ 542.4	68.2	\$ 600.7	73.9

(\$ in millions)

	Twelve Months Ended December 31, 2020		Twelve Months Ended December 31, 2019		Twelve Months Ended December 31, 2018	
	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)	SG&A	SG&A as a Percentage of Gross Profit (%)
As reported (GAAP)	\$ 2,422.0	67.9	\$ 2,558.6	72.6	\$2,509.8	73.9
Excluding executive separation costs	5.5		11.0			
Excluding restructuring					9.4	
Excluding SG&A costs associated with exit of ACP business	6.9					
Adjusted	\$ 2,409.6	67.2	\$ 2,547.6	72.3	\$2,500.4	73.6

Non-GAAP Reconciliations

Adjusted Operating Income / Adjusted Net Income

(\$ in millions, except per share data)

Comparable Basis Reconciliations⁽¹⁾

Three Months Ended June 30,

	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽²⁾	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
As reported									\$ 279.8	\$ 100.8	\$ 3.18	\$ 1.12
Discontinued operations, net of income taxes									0.1	0.2	\$ -	\$ -
From continuing operations, as reported	\$ 201.4	\$ 203.5	\$ 376.5	\$ 138.2	\$ 96.6	\$ 37.2	25.7%	26.9%	279.9	101.0	\$ 3.18	\$ 1.12
Unrealized gain on equity investment			(214.7)	-	(54.2)	-			(160.5)	-	\$ (1.82)	\$ -
Executive separation costs	5.5	-	5.5	-	1.0	-			4.5	-	\$ 0.05	\$ -
Franchise rights impairment	-	9.6	-	9.6	-	2.3			-	7.3	\$ -	\$ 0.08
Adjusted	<u>\$ 206.9</u>	<u>\$ 213.1</u>	<u>\$ 167.3</u>	<u>\$ 147.8</u>	<u>\$ 43.4</u>	<u>\$ 39.5</u>	25.9%	26.7%	<u>\$ 123.9</u>	<u>\$ 108.3</u>	\$ 1.41	\$ 1.20

(1) Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

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

Non-GAAP Reconciliations

Adjusted Operating Income / Adjusted Net Income

(\$ in millions, except per share data)

Comparable Basis Reconciliations⁽¹⁾

Three Months Ended September 30,

	Gross Profit		Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
As reported											\$ 182.6	\$ 99.5	\$ 2.05	\$ 1.10
Discontinued operations, net of income taxes											-	0.5	\$ -	\$ 0.01
From continuing operations, as reported	\$ 971.5	\$ 887.4	\$ 271.7	\$ 193.5	\$ 243.5	\$ 137.1	\$ 60.9	\$ 37.1	25.0%	27.1%	182.6	100.0	\$ 2.05	\$ 1.11
Unrealized loss on equity investment					2.0	-	0.5	-			1.5	-	\$ 0.02	\$ -
ACP inventory valuation adjustment	20.6	-	20.6	-	20.6	-	5.0	-			15.6	-	\$ 0.18	\$ -
SG&A costs associated with exit of ACP business ⁽⁴⁾			2.9	-	2.9	-	0.7	-			2.2	-	\$ 0.02	\$ -
Other costs associated with exit of ACP business ⁽⁵⁾			13.0	-	13.0	-	3.1	-			9.9	-	\$ 0.11	\$ -
Executive separation costs			-	11.0	-	11.0	-	0.8			-	10.2	\$ -	\$ 0.11
Asset impairments and net gains on store/property dispositions			-	(5.2)	-	(5.2)	-	(1.3)			-	(3.9)	\$ -	\$ (0.04)
Adjusted	<u>\$ 992.1</u>	<u>\$ 887.4</u>	<u>\$ 308.2</u>	<u>\$ 199.3</u>	<u>\$ 282.0</u>	<u>\$ 142.9</u>	<u>\$ 70.2</u>	<u>\$ 36.6</u>	24.9%	25.6%	<u>\$ 211.8</u>	<u>\$ 106.3</u>	\$ 2.38	\$ 1.18

(1) Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

(2) Tax benefit/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) Includes \$2.1 million related to accelerated amortization [of capitalized software implementation costs] and \$0.8 million related to involuntary termination benefits.

(5) Includes \$7.3 million related to contract termination charges, \$2.9 million related to accelerated depreciation, and \$2.8 million related to asset impairments.

Non-GAAP Reconciliations

Adjusted Operating Income / Adjusted Net Income

(\$ in millions, except per share data)

Comparable Basis Reconciliations⁽¹⁾

Three Months Ended December 31,														
	Gross Profit		Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision ⁽²⁾		Effective Tax Rate		Net Income		Diluted Earnings Per Share ⁽³⁾	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
As reported											\$ 151.5	\$ 157.7	\$ 1.73	\$ 1.74
Discontinued operations, net of income taxes											-	-	\$ -	\$ -
From continuing operations, as reported	\$ 986.7	\$ 895.6	\$ 309.4	\$ 235.8	\$ 201.3	\$ 211.2	\$ 49.8	\$ 53.5	24.7%	25.3%	151.5	157.7	\$ 1.73	\$ 1.74
(Gain)/loss on equity investment					81.2	(25.7)	19.7	(6.2)			61.5	(19.5)	\$ 0.70	\$ (0.21)
ACP inventory valuation adjustment	(3.0)	-	(3.0)	-	(3.0)	-	(0.7)	-			(2.3)	-	\$ (0.03)	\$ -
SG&A costs associated with exit of ACP business ⁽⁴⁾			4.0	-	4.0	-	1.0	-			3.0	-	\$ 0.03	\$ -
Other costs associated with exit of ACP business ⁽⁵⁾			(0.8)	-	(0.8)	-	(0.2)	-			(0.6)	-	\$ (0.01)	\$ -
Asset impairments and net gains on store/property dispositions			-	(25.9)	-	(25.9)	-	(6.3)			-	(19.6)	\$ -	\$ (0.22)
Legal settlements			-	(7.1)	-	(7.1)	-	(1.7)			-	(5.4)	\$ -	\$ (0.06)
Adjusted	\$ 983.7	\$ 895.6	\$ 309.6	\$ 202.8	\$ 282.7	\$ 152.5	\$ 69.6	\$ 39.3	24.6%	25.8%	\$ 213.1	\$ 113.2	\$ 2.43	\$ 1.25

(1) Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

(2) Tax benefit/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) Includes \$1.0 million related to accelerated amortization, \$0.4 million related to involuntary termination benefits, and \$2.6 million for other closing costs.

(5) Includes \$4.1 million reduced accrual related to contract termination charges, partially offset by \$2.3 million related to asset impairments and \$1.0 million related to accelerated depreciation.

(6) Both numerator and denominator are adjusted, as applicable.

Non-GAAP Reconciliations

Adjusted Operating Income / Adjusted Net Income

(\$ in millions, except per share data)

Comparable Basis Reconciliations⁽¹⁾

	Three Months Ended March 31,											
	Operating Income (Loss)		Income (Loss) from Continuing Operations Before Income Taxes		Income Tax Provision (Benefit) ⁽²⁾		Effective Tax Rate		Net Income (Loss)		Diluted Earnings (Loss) Per Share ⁽³⁾	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020 ⁽⁴⁾
As reported									\$ 239.4	\$ (232.3)	\$ 2.85	\$ (2.58)
Discontinued operations, net of income taxes									0.1	0.1	\$ -	\$ -
From continuing operations, as reported	\$ 336.9	\$ (219.3)	\$ 317.3	\$ (271.2)	\$ 77.8	\$ (39.0)	24.5%	14.4%	239.5	(232.2)	\$ 2.85	\$ (2.58)
Gain on equity investment	-	-	(7.5)	-	(1.8)	-			(5.7)	-	\$ (0.07)	\$ -
Goodwill and franchise rights impairment	-	375.8	-	375.8	-	67.4			-	308.4	\$ -	\$ 3.42
Asset impairments and net gains on store/property dispositions	-	8.4	-	8.4	-	2.2			-	6.2	\$ -	\$ 0.07
Adjusted	\$ 336.9	\$ 164.9	\$ 309.8	\$ 113.0	\$ 76.0	\$ 30.6	24.5%	27.1%	\$ 233.8	\$ 82.4	\$ 2.79	\$ 0.91

(1) Please refer to the "Non-GAAP Financial Measures" section of the Press Release.

(2) Tax benefit/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) For the three months ended March 31, 2020, the calculations of adjustment items and "adjusted" diluted earnings per share include the impact of dilutive potential common shares. These equity instruments were excluded from the calculation of "as reported" amounts in accordance with GAAP as they would be antidilutive due to the net loss reported in the period.

Non-GAAP Reconciliations

Adjusted Operating Income / Adjusted Net Income

(\$ in millions, except per share data)

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⁾	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
As reported									\$ 384.8	\$ 279.8	\$ 4.83	\$ 3.18
Discontinued operations, net of income taxes									0.1	0.1	\$ -	\$ -
From continuing operations, as reported	\$ 530.2	\$ 201.4	\$ 511.6	\$ 376.5	\$ 126.7	\$ 96.6	24.8%	25.7%	384.9	279.9	\$ 4.83	\$ 3.18
Gain on equity investment	-	-	-	(214.7)	-	(54.2)			-	(160.5)	\$ -	\$ (1.82)
Executive separation costs	-	5.5	-	5.5	-	1.0			-	4.5	\$ -	\$ 0.05
Adjusted	\$ 530.2	\$ 206.9	\$ 511.6	\$ 167.3	\$ 126.7	\$ 43.4	24.8%	25.9%	\$ 384.9	\$ 123.9	\$ 4.83	\$ 1.41

(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.