

The AutoNation logo is positioned in the top right corner of the slide. It features the word "AutoNation" in a white, sans-serif font, with a horizontal line underneath the letters "o" and "n". The background of the slide is a dimly lit car dealership with several cars on display, including a prominent dark SUV in the foreground. There are colorful balloons hanging from the ceiling and promotional banners for Nissan events on the walls. The overall aesthetic is modern and professional, with a blue and pink color scheme overlaid on the image.

**AutoNation**

# Investor Presentation

Third Quarter 2022

# 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, investments, and pending acquisitions, including the planned expansion of our AutoNation USA pre-owned vehicle stores, our investments in digital and online capabilities, and our planned acquisition of the Moreland Auto Group, 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 initiatives, partnerships, investments, and pending acquisitions, 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 develop successfully our digital and online capabilities; our ability to satisfy applicable closing conditions for pending acquisitions; 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 franchises; restrictions imposed by vehicle manufacturers and our ability to obtain manufacturer approval for 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 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 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.

# Business Highlights – Q3 2022

## **Agreed to Acquire Moreland Auto Group Dealerships**

Agreement to acquire stores from the Moreland Auto Group representing nine franchises at four dealerships in Colorado with approximately \$320 million in annual revenue

## **Repurchased 3.8 Million Shares During the Quarter**

Repurchased 3.8 million shares for an aggregate purchase price of \$428 million; repurchased 10.9 million shares YTD for an aggregate purchase price of \$1.2 billion

## **Completed CIG Financial Acquisition**

Completed the previously announced acquisition of CIG Financial, an auto finance company headquartered in Irvine, CA; creating AutoNation Finance to extend customer relationships throughout vehicle ownership life cycle

## **Strong ‘Will Buy Your Car’ Results**

Purchased over 27,900 vehicles directly from customers. Self-sourced over 90% of the used vehicles acquired during the quarter

## **Financial Strength Enables Capital Allocation Flexibility**

Strong balance sheet at 1.3x net leverage including \$2.2 billion in liquidity and robust cash flow generation enable the company to opportunistically deploy capital

## **Ranked #1 by Reputation Among Public Dealers**

AutoNation was the top ranked public dealer by Reputation with a score of 779, as of September 2022

# Financial Highlights – Structural Improvements Consistently Delivering

## **EPS of \$6.31 a Third Quarter Record**

GAAP EPS of \$6.31 increased by 23% YoY  
Adjusted EPS of \$6.00 Increased 17% YoY driven by operational effectiveness and diligent capital allocation

## **After-Sales Gross Profit +13% YoY Reflecting Continued Momentum**

Consumer demand and repair content are continuing to show strength – YoY increases in customer pay, internal reconditioning, and warranty

## **Record Third Quarter Gross Profit of \$1.3 Billion**

YoY increases in New Vehicles, After-Sales and CFS more than offset the decline in Used Vehicles, demonstrating the benefits of the Franchise Dealer model

## **CFS PVR +7% YoY on Increased Penetration**

Product penetration and margin improvement continuing to drive growth and industry-leading profitability

## **SG&A as a % of Gross Profit 58.1%**

Significantly lower than pre-Pandemic levels, slightly higher than recent periods reflecting investments in technology and new business initiatives

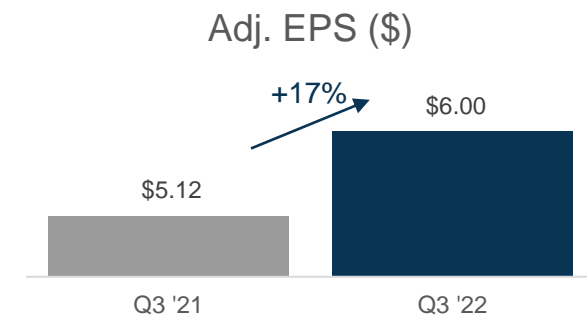
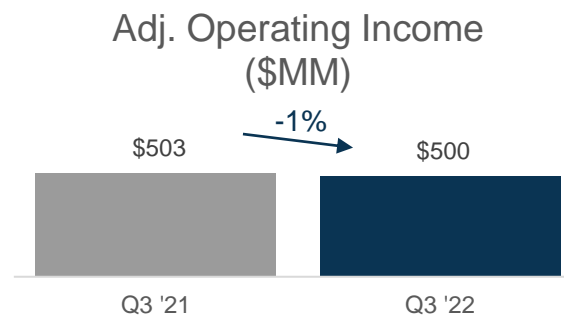
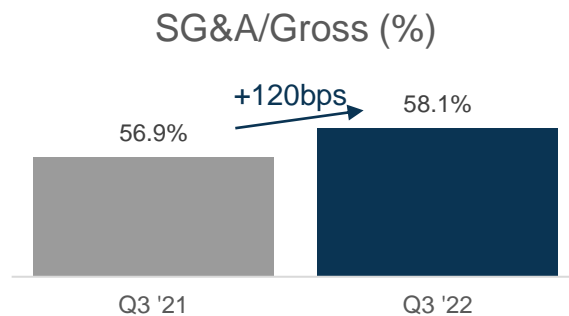
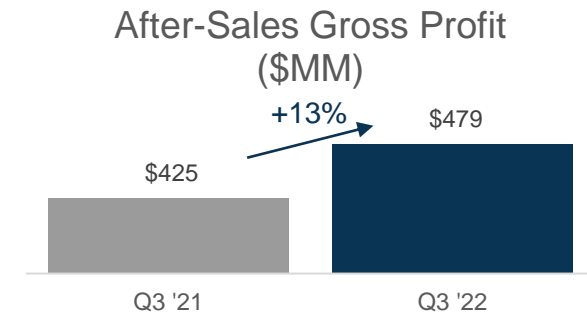
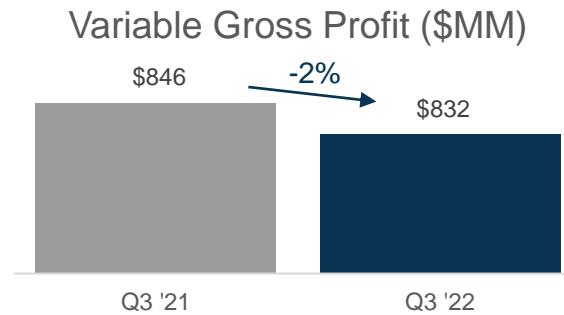
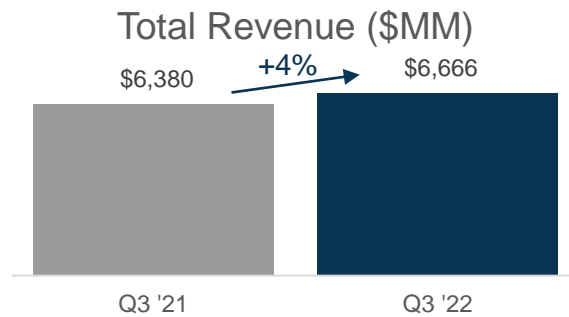
## **Continued Robust Cash Flow Generation**

Cash flow from operations was \$548 million during quarter and \$1.4 billion YTD; Capex was \$83 million during quarter and \$240 million YTD

# Q3 2022 Adjusted Financial Highlights

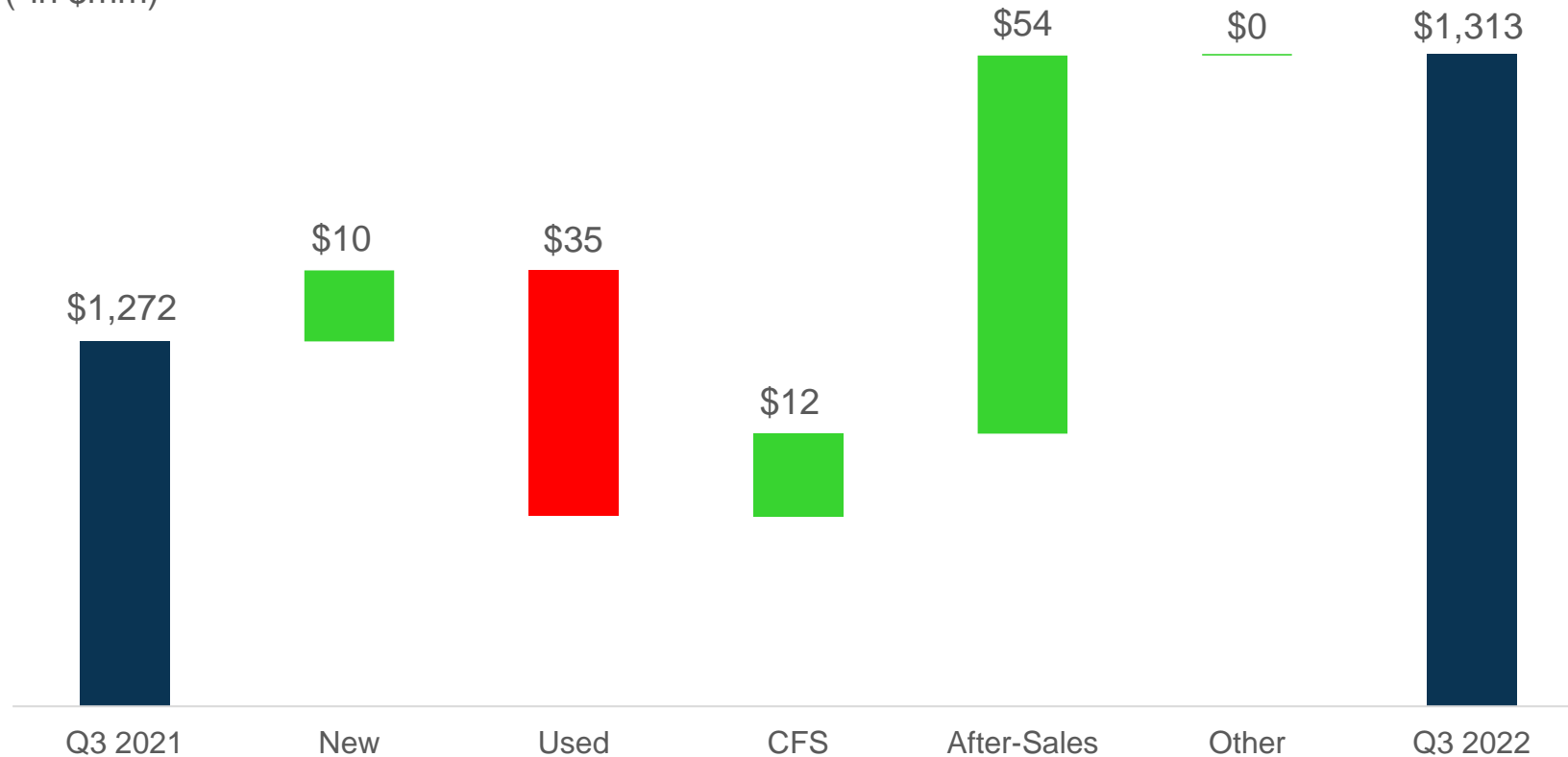
	Third Quarter		
	2022	2021	Variance
<i>(\$ in millions, except per share data)</i>			
Total revenue	\$6,666.0	\$6,379.5	4.5%
Gross profit	\$1,312.8	\$1,271.9	3.2%
Selling, general, and administrative expenses	\$763.2	\$723.7	5.5%
<i>SG&amp;A / Gross Profit</i>	<i>58.1%</i>	<i>56.9%</i>	<i>120bps</i>
Operating income	\$500.1	\$503.3	-0.6%
Net income	\$335.6	\$361.7	-7.2%
EPS	\$6.00	\$5.12	17.2%

# Q3 2022 Key Financial Metrics



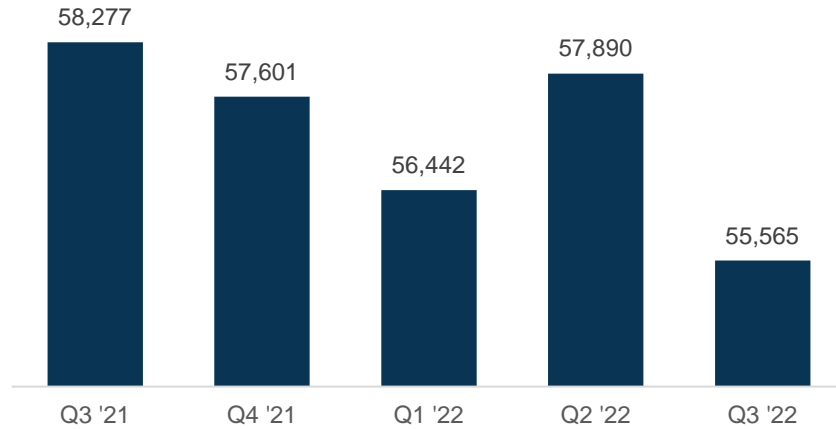
# Q3 2022 Gross Profit Walk

(\*in \$mm)

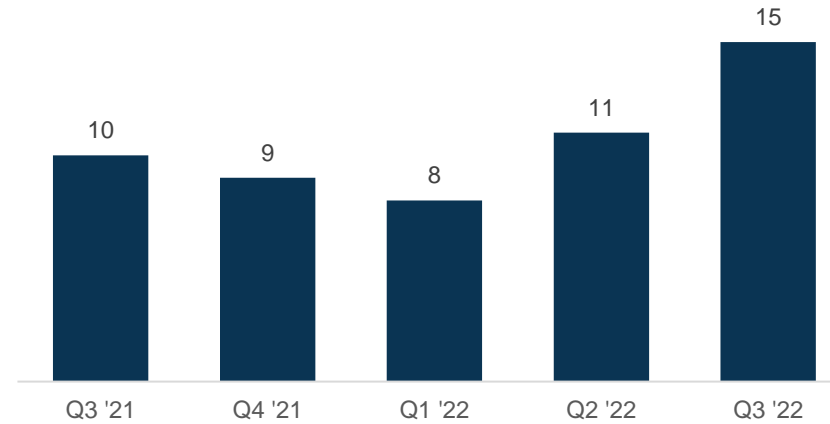


# New Vehicle Retail

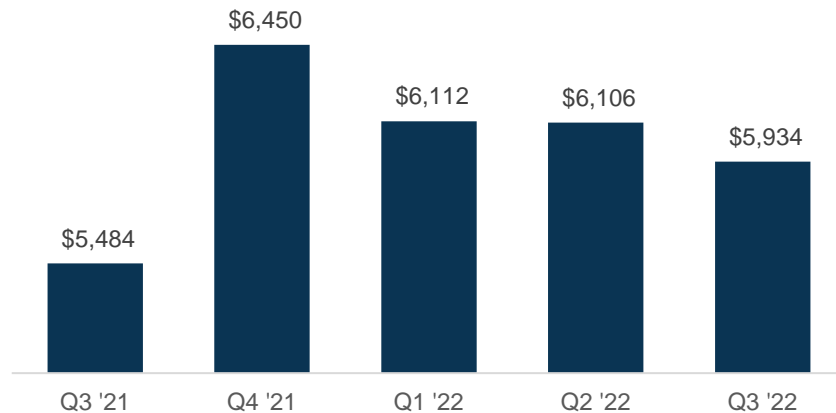
### New Retail Units



### Days Sales Outstanding (DSO)



### PVR (\$)

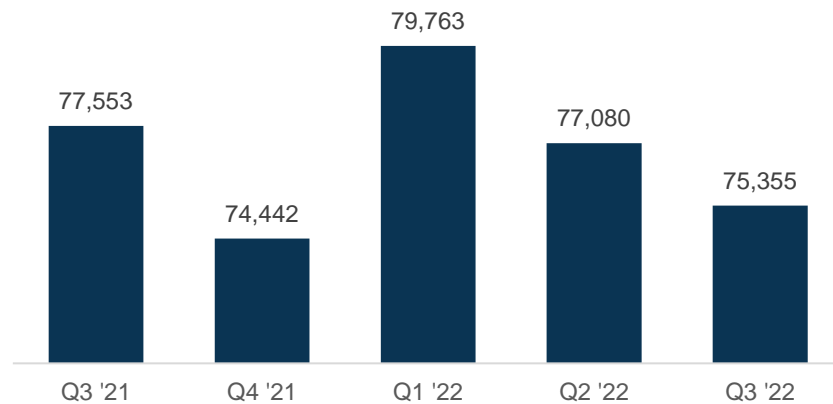


- ▶ New PVR increased \$450 YoY
- ▶ Industry Retail Units down 4% from Q3 '21  
AutoNation decline of 5% adversely impacted by brand mix
- ▶ Inventory remained constrained for significant majority of manufacturers while slightly improving for some brands

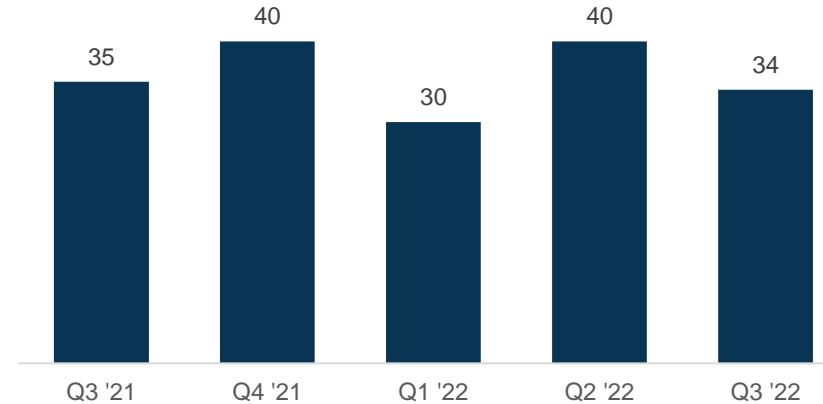


# Used Vehicle Retail

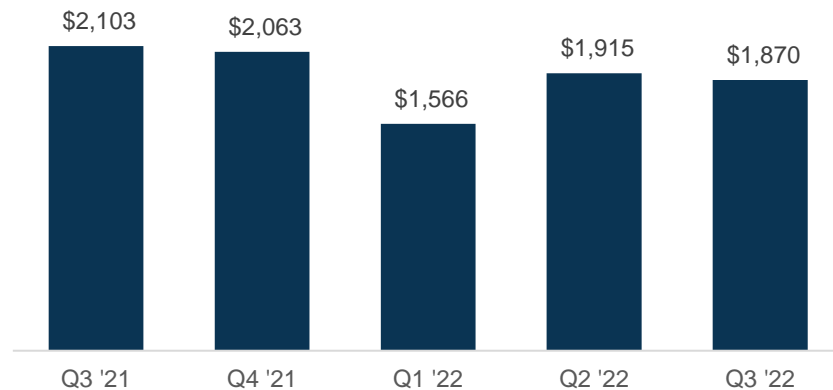
### Used Retail Units



### Days Sales Outstanding (DSO)



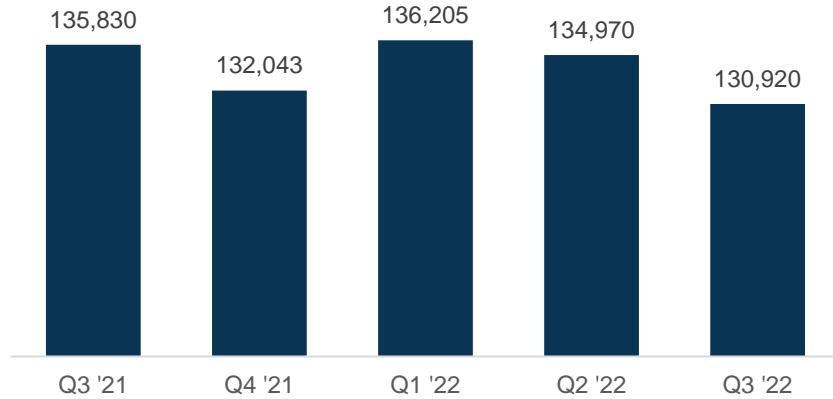
### PVR (\$)



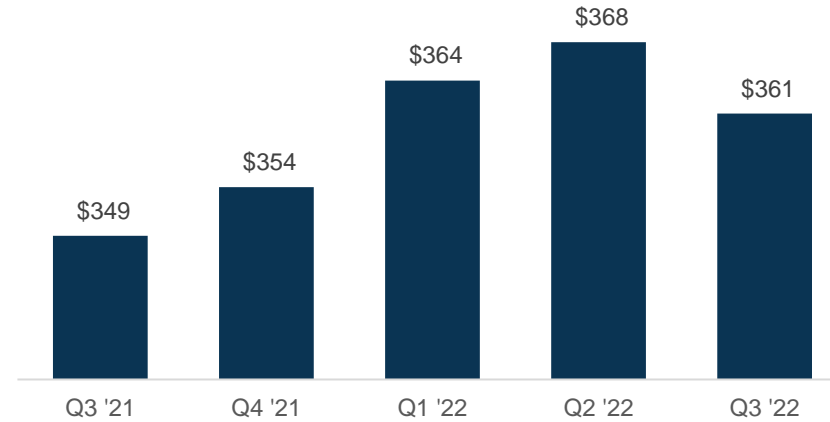
- ▶ Industry Used Retail Units declined 11% from Q3 '21; AutoNation units declined 7% same store / 3% total aided by AutoNation USA
- ▶ Used Retail PVR remained relatively in-line sequentially during the third quarter
- ▶ Used DSO remained mostly flat YoY at 34 days vs. the same period last year

# CFS

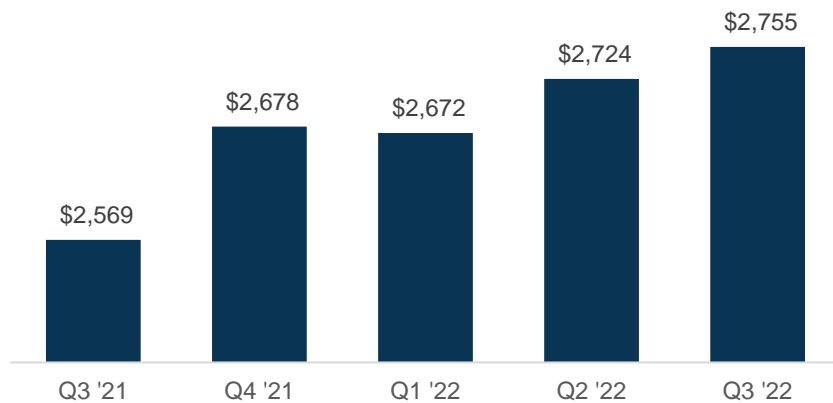
### Total Retail Units



### Revenue (\$MM)



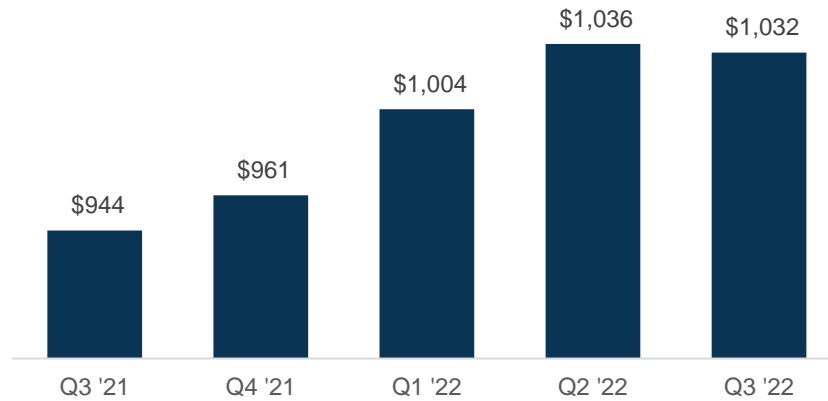
### PVR (\$)



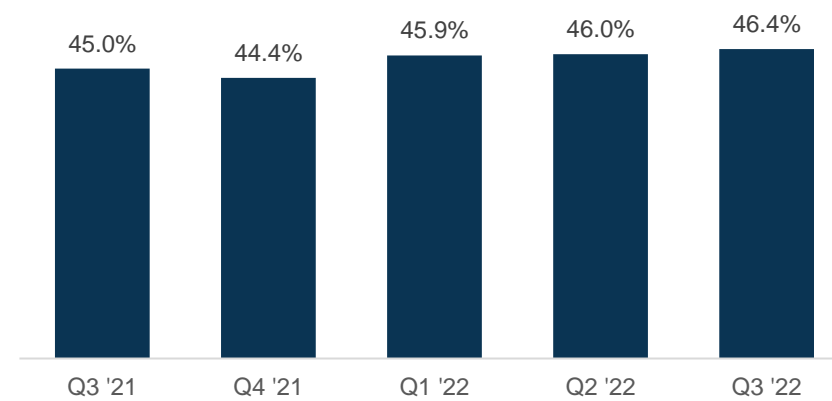
- ▶ CFS PVR increased \$186 YoY mainly due to higher margins on protection products and increased product penetration
- ▶ CFS Revenue increased 3% YoY as higher PVR more than offset lower units

# After-Sales

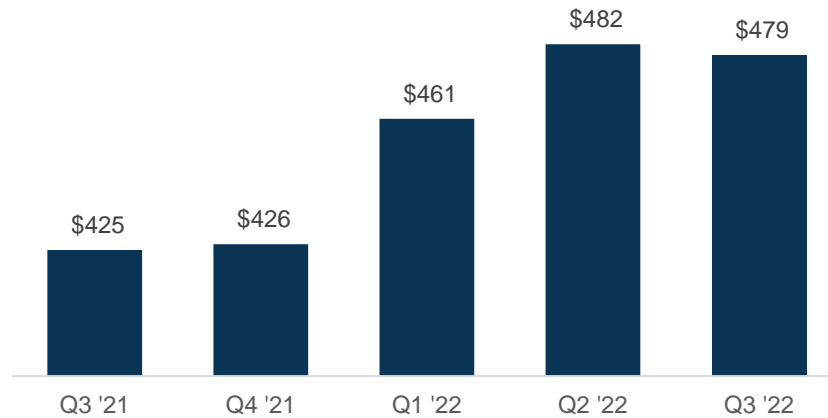
Revenue (\$MM)



Gross Margin (%)



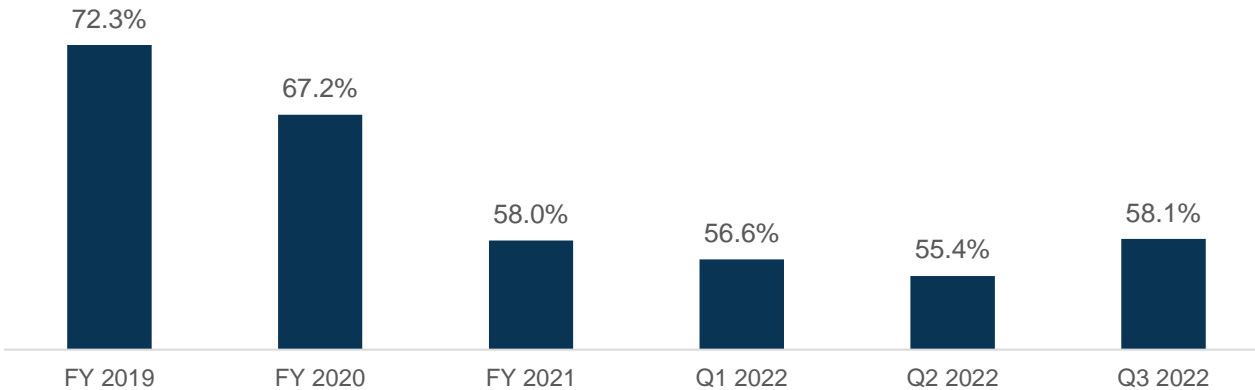
Gross Profit (\$MM)



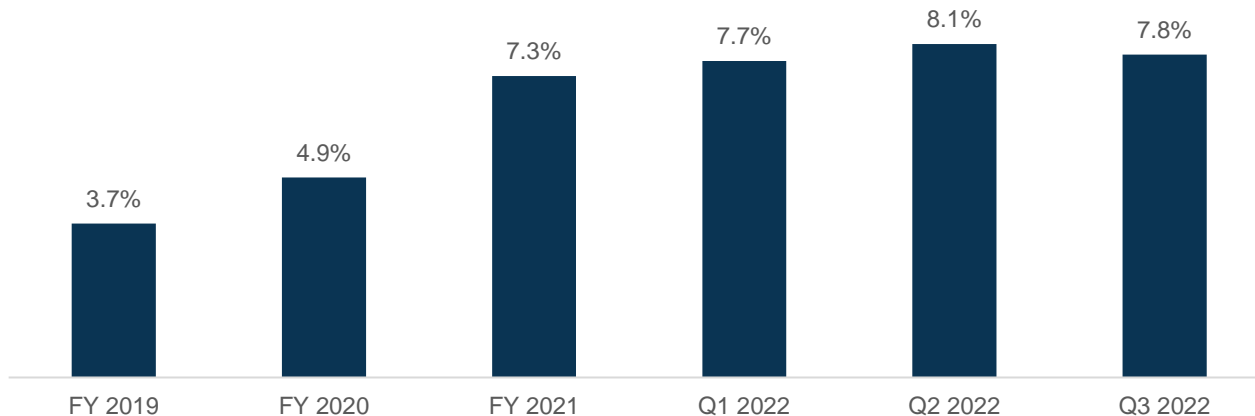
- ▶ After-Sales gross profit increased 13% YoY with growth in customer pay, internal reconditioning, and warranty
- ▶ Gross Margin increased ~140 bps YoY

# Adjusted SG&A/Gross Profit & Operating Inc Margin

Adj. SG&A / Gross Profit (%)



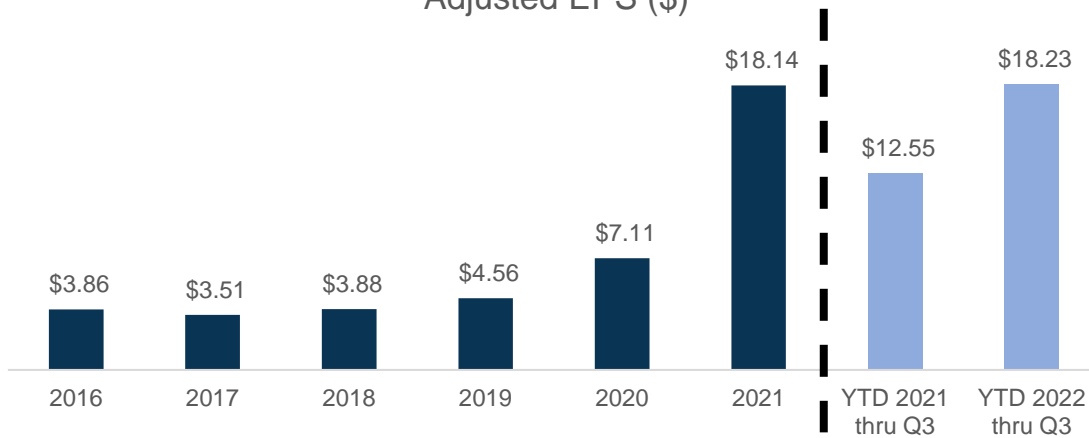
Adjusted Operating Income Margin (%)



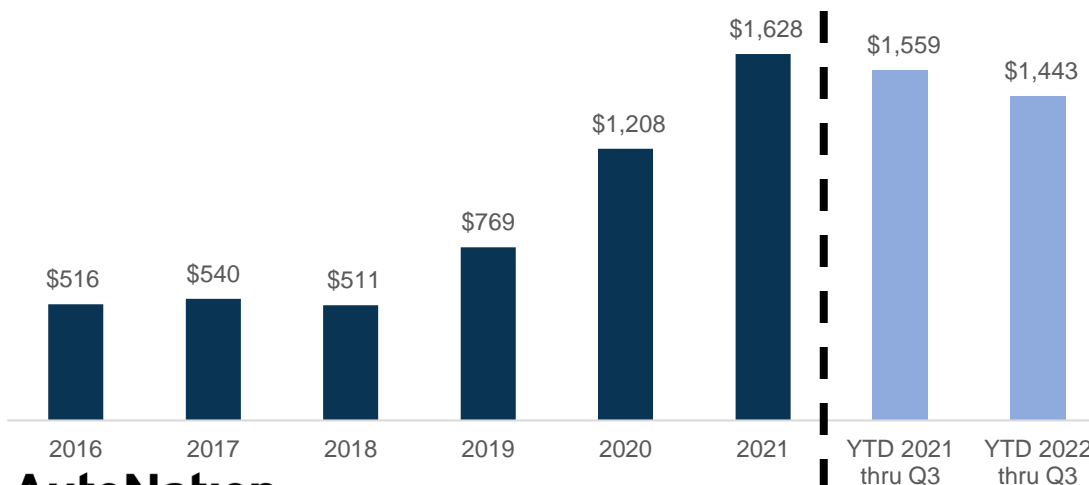
- ▶ SG&A/Gross Profit remains well below historical levels, slightly higher than recent periods reflecting investments in technology and new business initiatives
- ▶ Longer-term, AutoNation expects normalized SG&A/Gross Profit to be structurally lower than pre-pandemic levels
- ▶ Operating Income Margin remains very healthy

# EPS & Cash Flow

Adjusted EPS (\$)



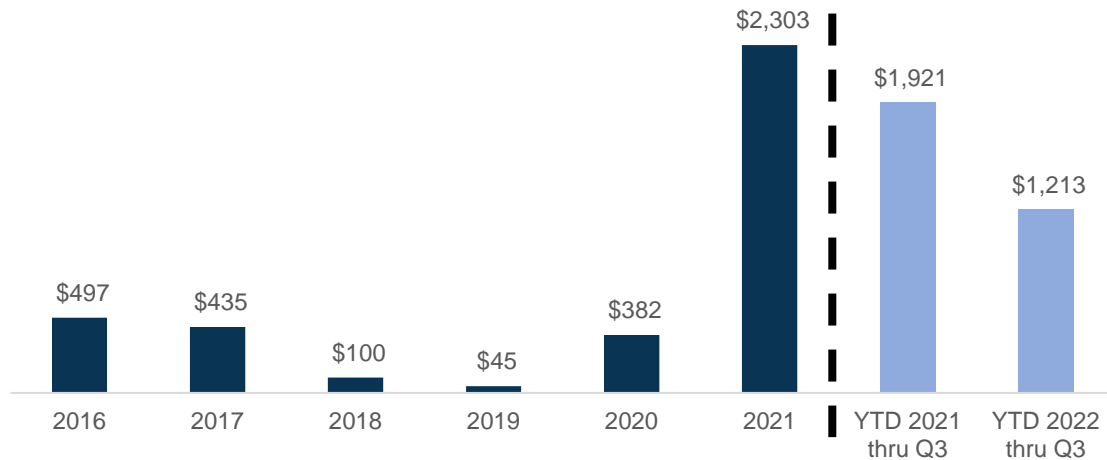
Cash Flow From Operations (\$MM)



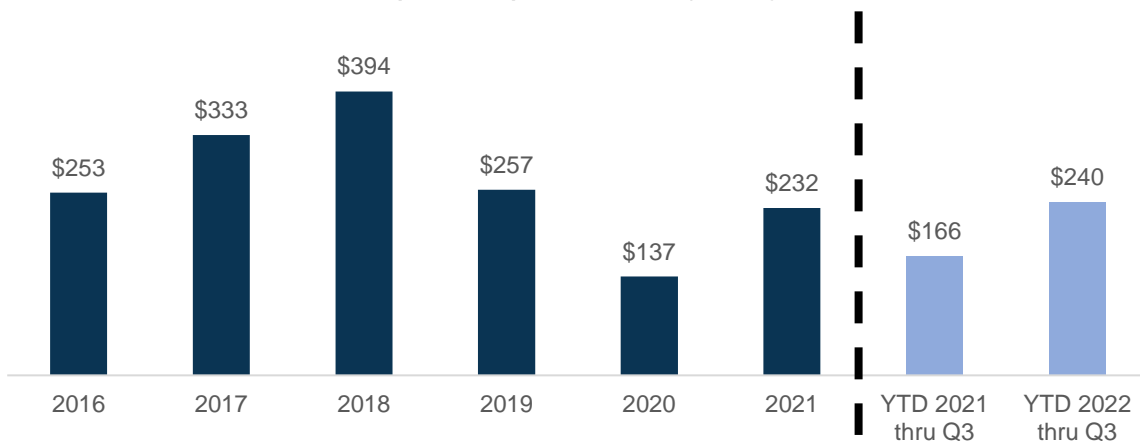
- ▶ AutoNation has eclipsed Full Year 2021 Adj. EPS during the first nine months of 2022
- ▶ EPS growth fueled by record levels of profitability and the benefit of capital allocation to share repurchases
- ▶ Strong cash flow generation supports disciplined capital allocation and drives long-term shareholder value

# Capital Allocation

Share Repurchases (\$MM)



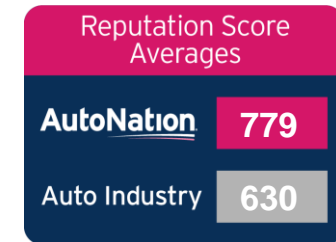
Capital Expenditures (\$MM)



- ▶ \$2.2 billion of liquidity, including \$443 million of cash and approximately \$1.8 billion of availability on our credit facilities as of September 30, 2022
- ▶ From the end of 2020 through Q3'22 have invested more than \$3.5 billion in share repurchases, reducing shares outstanding from 83 million to 52 million – additional \$1 billion authorization approved in Oct. '22
- ▶ Capital expenditures for the first nine months was \$240 million reflects spending on facility enhancements/expansion, Information Technology, EV Programs

# AutoNation Investment Highlights

- ▶ Most admired automotive retailer with diversified portfolio and business mix
- ▶ Ranked Top Dealership Group in US by *Automotive News* in 2021
- ▶ 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,  
September 2022



# AutoNation USA Rollout Plan

- ▶ Provides opportunity to expand geographic footprint and gain pre-owned market share
- ▶ Opened 12<sup>th</sup> store during the third quarter in Kennesaw, Georgia
- ▶ Overall performance of stores has exceeded planning assumptions
- ▶ Pace of store openings has been inhibited due to the challenging construction market
- ▶ Currently have two dozen facilities under development
- ▶ Targeting over 130 total stores long-term





# Select Historical Data

		Global Financial Crisis to 2021														
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	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	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	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	
	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	
	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	\$2,219
	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%	6.2%
	ASP Y/Y		3%	4%	4%	-1%	2%	2%	3%	3%	2%	2%	5%	6%	10%	3.3%
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	
	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	
	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	\$1,595
	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%	8.4%
	ASP Y/Y		4%	6%	3%	0%	1%	3%	4%	3%	-2%	3%	4%	4%	21%	4.2%
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	
	PVR Y/Y		0%	4%	5%	6%	6%	4%	9%	4%	5%	7%	8%	12%	13%	6.4%
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	
	Gross Y/Y		-13%	3%	1%	4%	10%	8%	12%	7%	4%	4%	4%	-10%	15%	3.8%
Cash from Operations (\$mm)		\$ 685	\$ 370	\$ 252	\$ 376	\$ 317	\$ 484	\$ 485	\$ 507	\$ 516	\$ 540	\$ 511	\$ 769	\$ 1,208	\$ 1,628	\$ 612

\*Data as reported of continuing operations

# 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.

# Non-GAAP Reconciliations

## Third Quarter 2022 Adjustments

### Comparable Basis Reconciliations<sup>(1)</sup>

Three Months Ended September 30,

	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision <sup>(2)</sup>		Effective Tax Rate		Net Income		Diluted Earnings Per Share <sup>(3)</sup>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	From continuing operations, as reported	\$ 522.5	\$ 503.3	\$ 473.5	\$ 473.5	\$ 120.8	\$ 111.8	25.5%	23.6%	\$ 352.7	\$ 361.7	
Discontinued operations, net of income taxes									(0.1)	-		
As reported									352.6	361.7	\$ 6.31	\$ 5.12
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	\$ 500.1	\$ 503.3	\$ 451.1	\$ 473.5	\$ 115.4	\$ 111.8	25.6%	23.6%	\$ 335.6	\$ 361.7	\$ 6.00	\$ 5.12

Nine Months Ended September 30,

	Operating Income		Income from Continuing Operations Before Income Taxes		Income Tax Provision <sup>(2)</sup>		Effective Tax Rate		Net Income		Diluted Earnings Per Share <sup>(3)</sup>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	From continuing operations, as reported	\$ 1,599.6	\$ 1,370.4	\$ 1,455.8	\$ 1,302.4	\$ 364.5	\$ 316.3	25.0%	24.3%	\$ 1,091.3	\$ 986.1	
Discontinued operations, net of income taxes									(0.3)	(0.2)		
As reported									1,091.0	985.9	\$ 18.52	\$ 12.62
Net gains on business/property dispositions	(16.1)	-	(16.1)	-	(4.0)	-			(12.1)	-	\$ (0.21)	\$ -
Legal settlement	(6.3)	-	(6.3)	-	(1.4)	-			(4.9)	-	\$ (0.08)	\$ -
Gain on equity investment	-	-	-	(7.5)	-	(1.8)			-	(5.7)	\$ -	\$ (0.07)
Adjusted	\$ 1,577.2	\$ 1,370.4	\$ 1,433.4	\$ 1,294.9	\$ 359.1	\$ 314.5	25.1%	24.3%	\$ 1,074.0	\$ 980.2	\$ 18.23	\$ 12.55

(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.

# Non-GAAP Reconciliations

## Adjusted SG&A

(\$ in millions)	Twelve Months Ended December 31, 2021		Twelve Months Ended December 31, 2020		Twelve Months Ended December 31, 2019	
	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 (%)
<b>As reported (GAAP)</b>	\$ 2,876.2	58.1	\$ 2,422.0	67.9	\$ 2,558.6	72.6
Excluding executive separation costs	5.8		5.5		11.0	
Excluding SG&A costs associated with exit of ACP business			6.9			
<b>Adjusted</b>	\$ 2,870.4	58.0	\$ 2,409.6	67.2	\$ 2,547.6	72.3

# Non-GAAP Reconciliations

## Adjusted Operating Income

(\$ in millions)	Twelve Months Ended December 31, 2021		Twelve Months Ended December 31, 2020		Twelve Months Ended December 31, 2019	
	Operating Income	Percentage of Revenue (%)	Operating Income	Percentage of Revenue (%)	Operating Income	Percentage of Revenue (%)
<b>As reported (GAAP)</b>	\$ 1,902.8	7.4%	\$ 563.2	2.8%	\$ 823.6	3.9%
Net gains on business dispositions and asset impairments	(11.6)		8.4			
Executive separation costs	5.8		5.5		11.0	
Legal settlement	(5.2)				(7.1)	
ACP inventory valuation adjustment			17.6			
SG&A costs associated with exit of ACP business <sup>(1)</sup>			6.9			
Other costs associated with exit of ACP business <sup>(2)</sup>			12.2			
Goodwill and franchise rights impairment			375.8		9.6	
Asset impairments and net gains on store/property dispositions					(39.4)	
<b>Adjusted</b>	<b>\$ 1,891.8</b>	<b>7.3%</b>	<b>\$ 989.6</b>	<b>4.9%</b>	<b>\$ 797.7</b>	<b>3.7%</b>

(1) Includes \$3.2 million related to accelerated amortization, \$1.1 million related to involuntary termination benefits, and \$2.6 million related to other closing costs.

(2) Includes \$3.2 million related to contract termination charges, \$3.9 million related to accelerated depreciation, and \$5.1 million related to asset impairments.

# Non-GAAP Reconciliations

## Adjusted After-Sales Gross Profit / Adjusted D&A / Adjusted Other Income

(\$ in millions, except per share data)

	Three Months Ended December 31,								
	P&S Gross Profit			Depreciation and amortization			Other income, net		
	2021	2020	\$ Variance	2021	2020	\$ Variance	2021	2020	\$ Variance
As reported	\$ 426.4	\$ 385.4	\$ 41.0	\$ 49.9	\$ 49.9	\$ -	\$ 16.4	\$ 4.6	\$ 11.8
ACP inventory valuation adjustment	-	(3.0)		-	-		-	-	
Other costs associated with exit of ACP business <sup>(1)</sup>	-	-		-	(1.0)		-	(1.8)	
Net gains on business dispositions and asset impairments	-	-		-	-		\$ (11.6)	-	
Legal settlement	-	-		-	-		\$ (5.2)	-	
Adjusted	<u>\$ 426.4</u>	<u>\$ 382.4</u>	\$ 44.0	<u>\$ 49.9</u>	<u>\$ 48.9</u>	\$ 1.0	<u>\$ (0.4)</u>	<u>\$ 2.8</u>	\$ (3.2)

(1) 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.

# Non-GAAP Reconciliations

## Adjusted Net Income / Adjusted EPS (Annual)

Twelve Months Ended December 31,

(\$ in millions, except per share data)

	Income from Continuing Operations Before Income Taxes			Income Tax Provision <sup>(1)</sup>			Net Income			Diluted Earnings Per Share <sup>(2)</sup>		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
	As reported	\$1,808.4	\$ 550.1	\$ 612.6	\$ 435.1	\$ 168.3	\$ 161.8	\$1,373.0	\$ 381.6	\$ 450.0	\$ 18.31	\$ 4.30
Net gain related to business/property dispositions	(11.6)	8.4	(39.4)	(2.8)	2.2	(9.6)	(8.8)	6.2	(29.8)	\$ (0.12)	\$ 0.07	\$ (0.33)
Legal settlements and other	(5.2)	-	(7.1)	(1.3)	-	(1.7)	(3.9)	-	(5.4)	\$ (0.05)	-	\$ (0.06)
Executive separation costs	5.8	5.5	11.0	0.2	1.0	0.8	5.6	4.5	10.2	\$ 0.07	\$ 0.05	\$ 0.11
Gain on equity investment	(7.5)	(131.5)	(25.7)	(1.8)	(34.0)	(6.2)	(5.7)	(97.5)	(19.5)	\$ (0.08)	\$ (1.10)	\$ (0.22)
ACP inventory valuation adjustment	-	17.6	-	-	4.3	-	-	13.3	-	-	\$ 0.15	-
SG&A costs associated with exit of ACP business <sup>(3)</sup>	-	6.9	-	-	1.7	-	-	5.2	-	-	\$ 0.06	-
Other costs associated with exit of ACP business <sup>(4)</sup>	-	12.2	-	-	2.9	-	-	9.3	-	-	\$ 0.10	-
Goodwill and/or franchise rights impairment	-	375.8	9.6	-	67.4	2.3	-	308.4	7.3	-	\$ 3.48	\$ 0.08
Total YTD adjustments	(18.5)	294.9	(51.6)	(5.7)	45.5	(14.4)	(12.8)	249.4	(37.2)	\$ (0.17)	\$ 2.81	\$ (0.41)
Adjusted	\$1,789.9	\$ 845.0	\$ 561.0	\$ 429.4	\$ 213.8	\$ 147.4	\$1,360.2	\$ 631.0	\$ 412.8	\$ 18.14	\$ 7.11	\$ 4.56

(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) Includes \$3.2 million related to accelerated amortization, \$1.1 million related to involuntary termination benefits, and \$2.6 million related to other closing costs.

(4) Includes \$3.2 million related to contract termination charges, \$3.9 million related to accelerated depreciation, and \$5.1 million related to asset impairments.

# Non-GAAP Reconciliations

## Adjusted Net Income / Adjusted EPS (Annual)

(\$ in millions, except per share data)

Twelve Months Ended December 31,

	Income from Continuing Operations Before Income Taxes			Income Tax Provision <sup>(1)</sup>			Net Income			Diluted Earnings Per Share <sup>(2)</sup>		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
	As reported	\$ 529.4	\$ 636.5	\$ 702.3	\$ 133.5	\$ 201.5	\$ 270.6	\$ 396.0	\$ 434.6	\$ 430.5	\$ 4.34	\$ 4.43
Net gain related to business/property dispositions	(53.4)	(67.7)	(33.2)	(12.8)	(25.8)	(12.6)	(40.6)	(41.9)	(20.6)	\$ (0.44)	\$ (0.43)	\$ (0.20)
Legal settlements and other	(11.7)	(10.3)	(15.4)	(2.8)	(3.9)	(5.9)	(8.9)	(6.4)	(9.5)	\$ (0.10)	\$ (0.07)	\$ (0.09)
Income tax adjustment	(5.0)	(41.2)	-	-	-	-	(5.0)	(41.2)	-	\$ (0.05)	\$ (0.42)	-
Goodwill and/or franchise rights impairment	8.1	-	-	2.0	-	-	6.1	-	-	\$ 0.07	-	-
Restructuring expense	9.4	-	-	2.3	-	-	7.1	-	-	\$ 0.08	-	-
Total YTD adjustments	(52.6)	(119.2)	(48.6)	(11.3)	(29.7)	(18.5)	(41.3)	(89.5)	(30.1)	\$ (0.45)	\$ (0.91)	\$ (0.29)
Adjusted	\$ 476.8	\$ 517.3	\$ 653.7	\$ 122.2	\$ 171.8	\$ 252.1	\$ 354.7	\$ 345.1	\$ 400.4	\$ 3.88	\$ 3.51	\$ 3.86

(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.





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