UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-13107

AUTONATION, INC.

(Exact name of registrant as specified in its charter)

Delaware	**73-1105145**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 SW 1st Avenue **Fort Lauderdale , Florida**	**33301**
(Address of principal executive offices)	(Zip Code)

(954) 769-6000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**AN**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 28, 2026, the registrant had 31,983,552 shares of common stock outstanding.

AUTONATION, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AUTONATION, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	September 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 51.2	$ 58.6
Receivables, net	781.3	948.4
Inventory	3,674.4	3,404.9
Other current assets	227.8	235.8
Total Current Assets	4,734.7	4,647.7
AUTO LOANS RECEIVABLE, net of allowance for credit losses of $114.6 million and $95.4 million, respectively, (including auto loans receivable of consolidated variable interest entities of $1.9 billion and $551.1 million, respectively)	2,783.6	2,140.2
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $2.6 billion and $2.5 billion, respectively	4,037.9	3,956.2
OPERATING LEASE ASSETS	439.0	456.4
GOODWILL	1,422.8	1,409.3
OTHER INTANGIBLE ASSETS, NET	1,247.7	1,028.9
OTHER ASSETS	933.9	753.5
Total Assets	$ 15,599.6	$ 14,392.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Vehicle floorplan payable - trade	$ 2,263.3	$ 2,200.6
Vehicle floorplan payable - non-trade	1,756.1	1,627.7
Accounts payable	349.2	369.9
Commercial paper	555.0	200.0
Current maturities of long-term debt	75.0	74.7
Current portion of non-recourse debt	90.8	63.8
Other current liabilities	1,057.7	1,003.9
Total Current Liabilities	6,147.1	5,540.6
LONG-TERM DEBT, NET OF CURRENT MATURITIES	3,713.7	3,704.8
NON-RECOURSE DEBT, NET OF CURRENT PORTION (including non-recourse debt, net of current portion, of consolidated variable interest entities of $1.8 billion and $530.0 million, respectively)	2,495.8	1,880.8
NONCURRENT OPERATING LEASE LIABILITIES	416.2	431.8
DEFERRED INCOME TAXES	127.3	94.1
OTHER LIABILITIES	433.7	399.0
COMMITMENTS AND CONTINGENCIES (Note 16)		
SHAREHOLDERS' EQUITY:		
Common stock, par value $0.01 per share; 1,500,000,000 shares authorized; 63,562,149 shares issued at September 30, 2026, and December 31, 2025, including shares held in treasury	0.6	0.6
Additional paid-in capital	24.4	32.0
Retained earnings	6,515.4	5,976.1
Treasury stock, at cost; 31,273,860 and 28,362,366 shares held, respectively	(4,274.6)	(3,667.6)
Total Shareholders' Equity	2,265.8	2,341.1
Total Liabilities and Shareholders' Equity	$ 15,599.6	$ 14,392.2

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AUTONATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue:				
New vehicle	$ 3,330.4	$ 3,415.6	$ 9,634.1	$ 10,060.0
Used vehicle	2,035.8	2,015.7	6,011.0	5,923.1
Parts and service	1,290.0	1,226.2	3,773.9	3,611.3
Finance and insurance, net	349.0	374.8	1,058.6	1,095.0
Other	5.1	5.1	14.6	12.8
TOTAL REVENUE	7,010.3	7,037.4	20,492.2	20,702.2
Cost of sales:				
New vehicle	3,191.3	3,264.6	9,199.9	9,550.7
Used vehicle	1,931.7	1,900.8	5,670.4	5,558.3
Parts and service	673.4	629.2	1,956.8	1,848.0
Other	6.3	4.4	15.3	11.5
TOTAL COST OF SALES	5,802.7	5,799.0	16,842.4	16,968.5
Gross profit:				
New vehicle	139.1	151.0	434.2	509.3
Used vehicle	104.1	114.9	340.6	364.8
Parts and service	616.6	597.0	1,817.1	1,763.3
Finance and insurance	349.0	374.8	1,058.6	1,095.0
Other	(1.2)	0.7	(0.7)	1.3
TOTAL GROSS PROFIT	1,207.6	1,238.4	3,649.8	3,733.7
AUTONATION FINANCE INCOME	15.4	1.5	35.5	3.6
Selling, general, and administrative expenses	849.1	850.1	2,547.6	2,526.7
Depreciation and amortization	63.8	64.2	190.3	189.9
Goodwill impairment	—	—	—	65.3
Franchise rights impairment	—	—	—	71.7
Other income, net	(4.5)	(46.8)	(0.5)	(42.3)
OPERATING INCOME	314.6	372.4	947.9	926.0
Non-operating income (expense) items:				
Floorplan interest expense	(45.4)	(47.5)	(130.9)	(139.3)
Other interest expense	(51.7)	(45.1)	(149.6)	(133.6)
Other income (loss), net	(2.0)	7.8	67.6	6.9
INCOME BEFORE INCOME TAXES	215.5	287.6	735.0	660.0
Income tax provision	53.2	72.5	185.2	183.0
NET INCOME	$ 162.3	$ 215.1	$ 549.8	$ 477.0
BASIC EARNINGS PER SHARE:				
Earnings per share	$ 4.92	$ 5.72	$ 16.31	$ 12.49
Weighted average common shares outstanding	33.0	37.6	33.7	38.2
DILUTED EARNINGS PER SHARE:				
Earnings per share	$ 4.87	$ 5.65	$ 16.12	$ 12.36
Weighted average common shares outstanding	33.3	38.1	34.1	38.6
COMMON SHARES OUTSTANDING, net of treasury stock, at period end	32.3	36.9	32.3	36.9

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AUTONATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In millions, except share data)

	Nine Months Ended September 30, 2026					
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
	Shares	Amount				
BALANCE AT DECEMBER 31, 2025	63,562,149	$ 0.6	$ 32.0	$ 5,976.1	$ (3,667.6)	$ 2,341.1
Net income	—	—	—	205.4	—	205.4
Repurchases of common stock, including excise tax	—	—	—	—	(302.6)	(302.6)
Stock-based compensation expense	—	—	17.3	—	—	17.3
Shares awarded under stock-based compensation plans, net of shares withheld for taxes	—	—	(42.3)	—	18.5	(23.8)
Cumulative effect of change in accounting principle - internal-use software	—	—	—	(10.5)	—	(10.5)
BALANCE AT MARCH 31, 2026	63,562,149	$ 0.6	$ 7.0	$ 6,171.0	$ (3,951.7)	$ 2,226.9
Net income	—	—	—	182.1	—	182.1
Repurchases of common stock, including excise tax	—	—	—	—	(158.6)	(158.6)
Stock-based compensation expense	—	—	8.7	—	—	8.7
BALANCE AT JUNE 30, 2026	63,562,149	$ 0.6	$ 15.7	$ 6,353.1	$ (4,110.3)	$ 2,259.1
Net income	—	—	—	162.3	—	162.3
Repurchases of common stock, including excise tax	—	—	—	—	(164.5)	(164.5)
Stock-based compensation expense	—	—	9.3	—	—	9.3
Shares awarded under stock-based compensation plans, net of shares withheld for taxes	—	—	(0.6)	—	0.2	(0.4)
BALANCE AT SEPTEMBER 30, 2026	63,562,149	$ 0.6	$ 24.4	$ 6,515.4	$ (4,274.6)	$ 2,265.8

	Nine Months Ended September 30, 2025					
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
	Shares	Amount				
BALANCE AT DECEMBER 31, 2024	63,562,149	$ 0.6	$ 20.3	$ 5,331.8	$ (2,895.4)	$ 2,457.3
Net income	—	—	—	175.5	—	175.5
Repurchases of common stock, including excise tax	—	—	—	—	(226.6)	(226.6)
Stock-based compensation expense	—	—	16.7	—	—	16.7
Shares awarded under stock-based compensation plans, net of shares withheld for taxes	—	—	(33.7)	(4.8)	18.8	(19.7)
BALANCE AT MARCH 31, 2025	63,562,149	$ 0.6	$ 3.3	$ 5,502.5	$ (3,103.2)	$ 2,403.2
Net income	—	—	—	86.4	—	86.4
Repurchases of common stock, including excise tax	—	—	—	—	(29.3)	(29.3)
Stock-based compensation expense	—	—	8.9	—	—	8.9
Shares awarded under stock-based compensation plans, net of shares withheld for taxes	—	—	(0.3)	—	0.6	0.3
BALANCE AT JUNE 30, 2025	63,562,149	$ 0.6	$ 11.9	$ 5,588.9	$ (3,131.9)	$ 2,469.5
Net income	—	—	—	215.1	—	215.1
Repurchases of common stock, including excise tax	—	—	—	—	(182.8)	(182.8)
Stock-based compensation expense	—	—	9.9	—	—	9.9
Shares awarded under stock-based compensation plans, net of shares withheld for taxes	—	—	(0.5)	—	0.4	(0.1)
BALANCE AT SEPTEMBER 30, 2025	63,562,149	$ 0.6	$ 21.3	$ 5,804.0	$ (3,314.3)	$ 2,511.6

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AUTONATION, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Nine Months Ended September 30,	
	2026	**2025**
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income	$ 549.8	$ 477.0
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	190.3	189.9
Amortization of debt issuance costs and accretion of debt discounts	8.7	6.3
Stock-based compensation expense	35.3	35.5
Provision for credit losses on auto loans receivable	57.0	61.8
Deferred income tax provision (benefit)	36.7	15.1
Goodwill impairment	—	65.3
Franchise rights impairment	—	71.7
Non-cash impairment charges	10.6	6.7
(Gain) loss on equity investments	(54.2)	10.1
Gain on corporate-owned life insurance asset	(11.1)	(16.2)
Other	(9.0)	(7.8)
(Increase) decrease, net of effects from business acquisitions and divestitures:		
Receivables	167.1	182.2
Auto loans receivable, net	(708.4)	(972.8)
Inventory	(195.4)	(74.3)
Other assets	(32.0)	34.1
Increase (decrease), net of effects from business acquisitions and divestitures:		
Vehicle floorplan payable - trade	56.8	(40.9)
Accounts payable	(19.0)	(26.6)
Other liabilities	77.2	(55.7)
Net cash provided by (used in) operating activities	160.4	(38.6)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Purchases of property and equipment	(201.7)	(223.1)
Cash received from business divestitures, net of cash relinquished	17.4	16.1
Cash paid for business acquisitions, net of cash acquired	(316.5)	(348.4)
Collections on auto loans receivable acquired through third-party dealers	8.1	14.2
Investments in equity securities	(11.6)	(0.7)
Other	8.9	12.3
Net cash used in investing activities	(495.4)	(529.6)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Repurchases of common stock	(631.4)	(429.8)
Proceeds from 5.89% Senior Notes due 2035	—	500.0
Net proceeds from (payments of) commercial paper	355.0	(430.0)
Proceeds from non-recourse debt	2,759.4	2,007.9
Payments of non-recourse debt	(2,112.3)	(1,090.0)
Payment of debt issuance costs	(11.9)	(10.1)
Net proceeds from vehicle floorplan payable - non-trade	71.9	74.6
Payments of other debt obligations	(14.7)	(12.3)
Payments of tax withholdings for stock-based awards	(24.2)	(20.1)
Proceeds from the exercise of stock options	—	0.6
Net cash provided by financing activities	391.8	590.8
INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	56.8	22.6
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH at beginning of period	85.8	103.4
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH at end of period	$ 142.6	$ 126.0

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AUTONATION, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In millions, except per share data)

1. INTERIM FINANCIAL STATEMENTS

Business and Basis of Presentation

AutoNation, Inc., through its subsidiaries, is one of the largest automotive retailers in the United States. As of September 30, 2026, we owned and operated 319 new vehicle franchises from 242 stores located in the United States, predominantly in major metropolitan markets in the Sunbelt region. Our stores sell 30 different new vehicle brands. The major brands of new vehicles that we sell, representing approximately 88% of the new vehicles that we sold during the nine months ended September 30, 2026, are manufactured by Toyota (including Lexus), Honda, Ford, General Motors, BMW, Mercedes-Benz, Stellantis, and Volkswagen (including Audi and Porsche). As of September 30, 2026, we also owned and operated 51 AutoNation-branded collision centers, 24 AutoNation USA stores, 4 AutoNation-branded automotive auction operations, 3 parts distribution centers, and an auto finance company.

We offer a diversified range of automotive products and services, including new vehicles, used vehicles, "parts and service" (also referred to as "After-Sales"), which includes in-store and mobile automotive repair and maintenance services as well as wholesale parts and collision businesses, and automotive "finance and insurance" products (also referred to as "Customer Financial Services"), which include vehicle service and other protection products, as well as the arranging of financing for vehicle purchases through third-party finance sources. We also offer indirect financing through our captive finance company on vehicles we sell. For convenience, the terms "AutoNation," "Company," and "we" are used to refer collectively to AutoNation, Inc. and its subsidiaries, unless otherwise required by the context. Our store and other operations are conducted by our subsidiaries.

The accompanying Unaudited Condensed Consolidated Financial Statements include the accounts of AutoNation, Inc. and its subsidiaries; intercompany accounts and transactions have been eliminated. The accompanying Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. Additionally, operating results for interim periods are not necessarily indicative of the results that can be expected for a full year. The Unaudited Condensed Consolidated Financial Statements herein should be read in conjunction with our audited Consolidated Financial Statements and notes thereto included within our most recent Annual Report on Form 10-K. These Unaudited Condensed Consolidated Financial Statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to fairly state, in all material respects, our financial position and results of operations for the periods presented.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In preparing these financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ materially from these estimates. We periodically evaluate estimates and assumptions used in the preparation of the financial statements and make changes on a prospective basis when adjustments are necessary. Such estimates and assumptions affect, among other things, our goodwill, indefinite-lived intangible asset, and long-lived asset valuations; inventory valuation; equity investment valuation; assets held for sale; assessments of variable consideration and related constraints associated with retrospective commissions; accruals for chargebacks against revenue recognized from the sale of finance and insurance products; accruals related to self-insurance programs; certain legal proceedings; assessment of the annual income tax expense; valuation of deferred income taxes and income tax contingencies; the allowance for expected credit losses; and measurement of performance-based compensation costs.

Certain reclassifications of amounts previously reported have been made to the accompanying Unaudited Condensed Consolidated Financial Statements in order to maintain consistency and comparability between periods presented.

Recent Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, that requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense line item on the income statement. The accounting standard update also requires a qualitative description of other amounts included in each relevant expense line item on the income statement that are not separately disclosed. In addition, entities are required to disclose the nature and amount of selling expenses. The amendments in this accounting standard update may be applied either prospectively or retrospectively to all periods presented and are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We do not expect the adoption of this accounting standard update to have an impact on our consolidated financial statements, but it will require certain additional disclosures.

Capitalization of Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, that amends the accounting guidance on the timing of capitalization of internally-developed software costs by removing references to software development stages, and provides guidance on how to determine when it is probable that a project will be completed and the software will be used to perform the function intended. The accounting standard update must be applied using any of the following transition methods: (i) a prospective transition method, (ii) a modified transition approach based on the status of the project and whether software costs were capitalized before the date of adoption, or (iii) a retrospective transition approach.

The accounting standard update is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. We adopted the accounting standard update effective January 1, 2026, using the modified transition approach. Under this approach, the amendments are applied to new software costs on a prospective basis, except for capitalized software costs for in-process projects that did not meet the capitalization requirements under the new guidance on the date of adoption. We derecognized capitalized software costs for in-process projects through a net after-tax cumulative effect adjustment to retained earnings of $10.5 million as of the date of adoption. The adoption of the accounting standard did not have a material impact on our consolidated financial statements.

2. REVENUE RECOGNITION

Disaggregation of Revenue

The significant majority of our revenue is from contracts with customers. Taxes assessed by governmental authorities that are directly imposed on revenue transactions are excluded from revenue and expenses. In the following tables, revenue is disaggregated by major lines of goods and services and timing of transfer of goods and services. The tables also include a reconciliation of the disaggregated revenue to reportable segment revenue.

	Three Months Ended September 30, 2026				
	Domestic	Import	Premium Luxury	Corporate and other[1]	Total
Major Goods/Service Lines					
New vehicle	$ 897.4	$ 1,171.2	$ 1,261.8	$ —	$ 3,330.4
Used vehicle	505.6	594.0	778.9	157.3	2,035.8
Parts and service	297.1	361.7	480.4	150.8	1,290.0
Finance and insurance, net	106.6	122.7	108.9	10.8	349.0
Other	0.5	2.6	0.3	1.7	5.1
	$ 1,807.2	$ 2,252.2	$ 2,630.3	$ 320.6	$ 7,010.3
Timing of Revenue Recognition					
Goods and services transferred at a point in time	$ 1,581.3	$ 1,978.6	$ 2,220.7	$ 222.5	$ 6,003.1
Goods and services transferred over time[2]	225.9	273.6	409.6	98.1	1,007.2
	$ 1,807.2	$ 2,252.2	$ 2,630.3	$ 320.6	$ 7,010.3

	Three Months Ended September 30, 2025				
	Domestic	Import	Premium Luxury	Corporate and other[1]	Total
Major Goods/Service Lines					
New vehicle	$ 1,001.4	$ 1,145.3	$ 1,268.9	$ —	$ 3,415.6
Used vehicle	531.0	561.5	737.6	185.6	2,015.7
Parts and service	293.6	337.5	440.9	154.2	1,226.2
Finance and insurance, net	118.4	126.0	111.8	18.6	374.8
Other	0.9	2.8	0.2	1.2	5.1
	$ 1,945.3	$ 2,173.1	$ 2,559.4	$ 359.6	$ 7,037.4
Timing of Revenue Recognition					
Goods and services transferred at a point in time	$ 1,714.8	$ 1,905.5	$ 2,181.8	$ 252.8	$ 6,054.9
Goods and services transferred over time[2]	230.5	267.6	377.6	106.8	982.5
	$ 1,945.3	$ 2,173.1	$ 2,559.4	$ 359.6	$ 7,037.4

	Nine Months Ended September 30, 2026				
	Domestic	Import	Premium Luxury	Corporate and other[1]	Total
Major Goods/Service Lines					
New vehicle	$ 2,615.0	$ 3,376.7	$ 3,642.4	$ —	$ 9,634.1
Used vehicle	1,505.7	1,726.5	2,279.2	499.6	6,011.0
Parts and service	870.1	1,050.7	1,405.1	448.0	3,773.9
Finance and insurance, net	323.9	372.1	323.9	38.7	1,058.6
Other	2.2	7.4	0.9	4.1	14.6
	$ 5,316.9	$ 6,533.4	$ 7,651.5	$ 990.4	$ 20,492.2
Timing of Revenue Recognition					
Goods and services transferred at a point in time	$ 4,644.1	$ 5,728.9	$ 6,451.8	$ 696.5	$ 17,521.3
Goods and services transferred over time[2]	672.8	804.5	1,199.7	293.9	2,970.9
	$ 5,316.9	$ 6,533.4	$ 7,651.5	$ 990.4	$ 20,492.2

	Nine Months Ended September 30, 2025				
	Domestic	Import	Premium Luxury	Corporate and other[1]	Total
Major Goods/Service Lines					
New vehicle	$ 2,846.7	$ 3,336.9	$ 3,876.4	$ —	$ 10,060.0
Used vehicle	1,544.3	1,657.8	2,172.0	549.0	5,923.1
Parts and service	851.9	999.1	1,302.7	457.6	3,611.3
Finance and insurance, net	338.7	368.2	340.2	47.9	1,095.0
Other	1.6	6.7	0.4	4.1	12.8
	$ 5,583.2	$ 6,368.7	$ 7,691.7	$ 1,058.6	$ 20,702.2
Timing of Revenue Recognition					
Goods and services transferred at a point in time	$ 4,918.9	$ 5,566.5	$ 6,567.4	$ 743.5	$ 17,796.3
Goods and services transferred over time[2]	664.3	802.2	1,124.3	315.1	2,905.9
	$ 5,583.2	$ 6,368.7	$ 7,691.7	$ 1,058.6	$ 20,702.2

[1] "Corporate and other" is comprised of our non-franchised businesses, including AutoNation USA stores, collision centers, parts distribution centers, and auction operations.

[2] Represents revenue recognized during the period for automotive repair and maintenance services.

Transaction Price Allocated to Remaining Performance Obligations

We sell a vehicle maintenance program (the AutoNation Vehicle Care Program or "VCP") under which a customer purchases a specific number of maintenance services to be redeemed at an AutoNation location over a five-year term from the date of purchase. We satisfy our performance obligations related to this program and recognize revenue as the maintenance services are rendered, since the customer benefits when we have completed the maintenance service.

The following table includes estimated revenue expected to be recognized in the future related to VCP performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period:

	Revenue Expected to Be Recognized by Period			
	Total	Next 12 Months	13 - 36 Months	37 - 60 Months
Revenue expected to be recognized on VCP contracts sold as of period end	$ 118.9	$ 41.9	$ 57.1	$ 19.9

As a practical expedient, since all other automotive repair and maintenance services are generally performed within one year or less, we do not disclose estimated revenue expected to be recognized in the future for all other automotive repair and maintenance performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period or when we expect to recognize such revenue.

Contract Assets and Liabilities

When the timing of our provision of goods or services is different from the timing of payments made by our customers, we recognize either a contract asset (performance precedes contractual due date) or a contract liability (customer payment precedes performance). Contract assets primarily relate to our right to consideration for work in process not yet billed at the reporting date associated with automotive repair and maintenance services, as well as our estimate of variable consideration that has been included in the transaction price for certain finance and insurance products (retrospective commissions). These contract assets are reclassified to receivables when the right to consideration becomes unconditional. Contract liabilities primarily relate to upfront payments received from customers for the sale of VCP contracts.

Our receivables from contracts with customers are included in Receivables, net, our current contract asset is included in Other Current Assets, our long-term contract asset is included in Other Assets, our current contract liability is included in Other Current Liabilities, and our long-term contract liability is included in Other Liabilities in our Unaudited Condensed Consolidated Balance Sheets.

The following table provides the balances of our receivables from contracts with customers and our current and long-term contract assets and contract liabilities:

	September 30, 2026	December 31, 2025
Receivables from contracts with customers, net	$ 555.8	$ 693.4
Contract Asset (Current)	$ 24.7	$ 24.1
Contract Asset (Long-Term)	$ 2.7	$ 2.7
Contract Liability (Current)	$ 46.3	$ 45.2
Contract Liability (Long-Term)	$ 77.0	$ 74.7

The change in the balances of our contract assets and contract liabilities primarily results from the timing differences between our performance and the customer's payment, as well as changes in the estimated transaction price related to variable consideration for performance obligations satisfied in previous periods. The following table presents revenue recognized during the period from amounts included in the contract liability balance at the beginning of the period and adjustments to revenue related to performance obligations satisfied in previous periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Amounts included in contract liability at the beginning of the period	$ 10.1	$ 9.5	$ 32.0	$ 30.0
Performance obligations satisfied in previous periods	$ (0.8)	$ 2.5	$ (3.0)	$ 1.1

Other significant changes include contract assets reclassified to receivables of $25.0 million for the nine months ended September 30, 2026, and $20.8 million for the nine months ended September 30, 2025.

3. AUTONATION FINANCE INCOME

AutoNation Finance ("ANF"), our captive auto finance company, provides indirect financing to qualified retail customers on vehicles we sell. ANF income includes the interest and fee income generated by auto loans receivable less the interest expense associated with the debt issued or used to fund these receivables, a provision for estimated credit losses on the auto loans receivable originated or acquired, and direct expenses. Interest income on auto loans receivable is recognized over the contractual term of the related loans. ANF income does not include amortization of intercompany discounts or intercompany dealer participation fees. Direct costs associated with loan originations are capitalized and amortized using the effective interest method. The following table presents the components of AutoNation Finance income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Interest margin:				
Interest and fee income	$ 74.2	$ 55.2	$ 205.5	$ 145.7
Interest expense	(30.3)	(21.2)	(81.8)	(52.9)
Total interest margin	43.9	34.0	123.7	92.8
Provision for credit losses	(17.2)	(22.0)	(56.8)	(60.1)
Total interest margin after provision for credit losses	26.7	12.0	66.9	32.7
Direct expenses[(1)]	(11.3)	(10.5)	(31.4)	(29.1)
AutoNation Finance income	$ 15.4	$ 1.5	$ 35.5	$ 3.6

[(1)] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

We use non-recourse funding facilities, including warehouse facilities and asset-backed term funding transactions, as well as free cash flow from operations to fund the auto loans receivable of ANF. See Notes 6 and 9 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information about our auto loans receivable and related non-recourse debt, respectively.

4. EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding for the period, including vested restricted stock unit ("RSU") awards. Diluted EPS is calculated using the treasury stock method by dividing net income by the weighted average number of shares outstanding, noted above, including the effect of dilutive unvested RSU awards.

The following table presents the calculation of basic and diluted EPS:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net Income	$ 162.3	$ 215.1	$ 549.8	$ 477.0
Basic weighted average common shares outstanding	33.0	37.6	33.7	38.2
Effect of dilutive unvested RSUs	0.3	0.5	0.4	0.4
Diluted weighted average common shares outstanding	33.3	38.1	34.1	38.6
Basic EPS	$ 4.92	$ 5.72	$ 16.31	$ 12.49
Diluted EPS	$ 4.87	$ 5.65	$ 16.12	$ 12.36

Earnings per share benefited from a net gain related to minority equity investments during the nine months ended September 30, 2026, and a gain on insurance recoveries for business interruption and related losses caused by the CDK outage

that occurred in June 2024 during the three and nine months ended September 30, 2025. Earnings per share was also adversely impacted by non-cash goodwill and franchise rights impairments during the nine months ended September 30, 2025.

5. RECEIVABLES, NET

The components of receivables, net of allowances for expected credit losses, are as follows:

	September 30, 2026	December 31, 2025
Contracts-in-transit and vehicle receivables	$ 320.4	$ 485.7
Trade receivables	211.9	172.6
Manufacturer receivables	198.0	230.6
Other	54.0	62.8
	784.3	951.7
Less: allowances for expected credit losses	(3.0)	(3.3)
Receivables, net	$ 781.3	$ 948.4

Contracts-in-transit and vehicle receivables primarily represent receivables from financial institutions for the portion of the vehicle sales price financed by our customers. Trade receivables represent amounts due for parts and services sold, excluding amounts due from manufacturers, as well as receivables from finance organizations for commissions on the sale of finance and insurance products. Manufacturer receivables represent amounts due from manufacturers for holdbacks, rebates, incentives, floorplan assistance, and warranty claims. We evaluate our receivables for collectability based on past collection experience, current information, and reasonable and supportable forecasts.

6. AUTO LOANS RECEIVABLE

Auto loans receivable primarily consist of amounts due from customers related to retail vehicle sales financed through AutoNation Finance, our captive auto finance company. Auto loans receivable are presented net of an allowance for expected credit losses. Auto loans receivable represent a large group of smaller-balance homogeneous loans, which we consider to be part of one class of financing receivable and one portfolio segment for purposes of determining our allowance for expected credit losses.

Auto Loans Receivable, Net

The components of auto loans receivable, net of third-party unearned discounts and allowances for expected credit losses, at September 30, 2026, and December 31, 2025, are as follows:

	September 30, 2026	December 31, 2025
Total auto loans receivable	$ 2,864.9	$ 2,209.9
Accrued interest and fees	16.7	14.1
Deferred loan origination costs	16.7	11.8
Less: unearned discounts	(0.1)	(0.2)
Less: allowances for expected credit losses	(114.6)	(95.4)
Auto loans receivable, net	$ 2,783.6	$ 2,140.2

Credit Quality

We utilize proprietary credit scoring models to rate the risk of default for customers that apply for financing by evaluating customer credit history, including FICO scores, and certain credit application information, including information such as income, collateral, and down payment. The scoring models yield credit program tiers that reflect our internal credit risk ratings and represent the relative likelihood of repayment. The assigned credit tier influences the terms of the agreement, such as the required loan-to-value ratio and interest rate. After origination, credit tier assignments by customer are generally not updated. We monitor the credit quality of the auto loans receivable on an ongoing basis and validate the accuracy of the credit scoring models periodically. Loan performance is reviewed on a recurring basis to identify whether the assigned credit tiers adequately

reflect the customers' likelihood of repayment, and if needed, adjustments are made to the scoring models on a prospective basis.

Auto Loans Receivable by Major Credit Program

The following tables present auto loans receivable as of September 30, 2026, and December 31, 2025, disaggregated by major credit program tier, in descending order of highest likelihood of repayment:

		Fiscal Year of Origination						
As of September 30, 2026	**Weighted Average FICO Score**	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior to 2022**	**Total**
Credit Program Tier[1]:								
Palladium	735	$ 540.9	$ 419.0	$ 89.9	$ —	$ —	$ —	$ 1,049.8
Rhodium	690	466.6	282.8	70.5	7.0	—	—	826.9
Platinum	649	232.7	385.0	255.1	36.0	0.5	0.7	910.0
Gold	622	6.2	18.2	29.8	9.2	0.3	1.3	65.0
Silver	573	1.8	2.1	0.1	4.9	0.4	0.5	9.8
Bronze	547	0.6	0.8	—	1.5	—	0.2	3.1
Copper	537	0.1	0.1	—	0.1	—	—	0.3
Total auto loans receivable		$ 1,248.9	$ 1,108.0	$ 445.4	$ 58.7	$ 1.2	$ 2.7	$ 2,864.9
Current-period gross write-offs		$ 5.4	$ 42.2	$ 32.5	$ 8.8	$ 0.2	$ 1.0	$ 90.1

		Fiscal Year of Origination						
As of December 31, 2025	**Weighted Average FICO Score**	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior to 2021**	**Total**
Credit Program Tier[1]:								
Palladium	732	$ 569.6	$ 127.0	$ —	$ —	$ —	$ —	$ 696.6
Rhodium	695	369.6	98.9	10.9	—	—	—	479.4
Platinum	651	513.1	359.0	52.5	1.0	1.8	0.3	927.7
Gold	623	25.5	43.3	14.7	0.6	3.1	0.5	87.7
Silver	575	3.0	0.2	7.8	0.5	1.7	0.2	13.4
Bronze	548	1.0	0.1	2.3	0.1	0.9	0.1	4.5
Copper	549	0.3	—	0.1	—	0.2	—	0.6
Total auto loans receivable		$ 1,482.1	$ 628.5	$ 88.3	$ 2.2	$ 7.7	$ 1.1	$ 2,209.9

[1] Classified based on credit grade assigned when customer was initially approved for financing.

Allowance for Credit Losses

The allowance for credit losses represents the net credit losses expected over the remaining contractual life of our auto loans receivable. The allowance for credit losses is determined using a vintage-level statistical model that captures the relationship between historical changes in gross losses and the lifetime loss curves by month on book, credit tiers at origination, and seasonality, adjusted for expected recoveries based on historical recovery trends. The credit loss model also considers reasonable and supportable forecasts about the future based on a forecast of various macroeconomic variables that we believe are strongly correlated to evaluating and predicting expected credit losses of our auto loans receivable. We utilize a reasonable and supportable forecast period of one year, after which we immediately revert to historical experience.

We periodically consider whether the use of alternative variables would result in improved credit loss model accuracy and revise the model when appropriate. We also consider whether qualitative adjustments are necessary for factors that are not

reflected in the quantitative methods but impact the measurement of estimated credit losses. Such adjustments include the expectations of the impact of changes in underwriting standards and recent economic trends.

The net loss estimate is calculated by applying the loss rates developed using the methods described above to the amortized cost basis of the auto loans receivable including accrued interest receivable. The change in the allowance for credit losses is recognized through an adjustment to the provision for credit losses. The provision for credit losses for the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025, reflects a decrease in expected credit loss rates reflecting improved quality of new loan originations.

Rollforward of Allowance for Credit Losses

The following is a rollforward of our allowance for expected credit losses for auto loans receivable for the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30,	
	2026	**2025**
Balance as of beginning of year	$ 95.4	$ 54.8
Provision for credit losses	57.0	61.8
Write-offs	(90.1)	(54.8)
Recoveries[(1)]	52.3	27.2
Balance as of end of period	$ 114.6	$ 89.0

[(1)] Includes proceeds from the recovery of vehicle collateral, net of costs incurred.

We also estimate expected credit losses related to unfunded loan commitments and record a liability within Other Current Liabilities in our Unaudited Condensed Consolidated Balance Sheet. The change in the liability is recognized through an adjustment to the provision for credit losses. The credit loss liability totaled $0.7 million at September 30, 2026, and $0.9 million at December 31, 2025.

Past Due Auto Loans Receivable

An account is considered delinquent if 95% of the required principal and interest payments have not been received as of the date such payments were due. All loans continue to accrue interest until repayment, write-off, or when a loan reaches 75 days past due. If payment is received after a loan has stopped accruing interest due to reaching 75 days past due, the loan will be deemed current and the accrual of interest resumes. When a write-off occurs, accrued interest is written off by reversing interest income. Payments received on nonaccrual assets are recorded using a combination of the cost recovery method and the cash basis method depending on whether the related loan has been written off. In general, accounts are written off on the last business day of the month during which the earliest of the following occurs: the receivable is 120 days or more delinquent as of the last business day of the month and the related vehicle has not been repossessed, the vehicle has been repossessed and liquidated, or the related vehicle has been in repossession inventory for at least 60 days. The following table presents an age analysis of past due auto loans receivable, as of September 30, 2026, and December 31, 2025:

	September 30, 2026	**December 31, 2025**
Current	$ 2,793.8	$ 2,150.7
Past due loans:		
31-60 Days	55.0	44.2
61-90 Days	11.1	10.8
Greater than 90 Days	5.0	4.2
Total Past Due	71.1	59.2
Total	$ 2,864.9	$ 2,209.9

7. INVENTORY AND VEHICLE FLOORPLAN PAYABLE

The components of inventory are as follows:

	September 30, 2026	December 31, 2025
New vehicles	$ 2,514.3	$ 2,361.1
Used vehicles	908.2	786.7
Parts, accessories, and other	251.9	257.1
Inventory	$ 3,674.4	$ 3,404.9

The components of vehicle floorplan payable are as follows:

	September 30, 2026	December 31, 2025
Vehicle floorplan payable - trade	$ 2,263.3	$ 2,200.6
Vehicle floorplan payable - non-trade	1,756.1	1,627.7
Vehicle floorplan payable	$ 4,019.4	$ 3,828.3

Vehicle floorplan payable-trade reflects amounts borrowed to finance the purchase of specific new and, to a lesser extent, used vehicle inventories with the corresponding manufacturers' captive finance subsidiaries ("trade lenders"). Vehicle floorplan payable-non-trade represents amounts borrowed to finance the purchase of specific new and, to a lesser extent, used vehicle inventories with non-trade lenders, as well as amounts borrowed under our secured used vehicle floorplan facilities. Our service loaner and rental vehicle inventory, which is reflected in Other Assets and totaled $533.6 million and $455.4 million at September 30, 2026 and December 31, 2025, respectively, is also financed with vehicle floorplan payable-trade and non-trade. Changes in vehicle floorplan payable-trade are reported as operating cash flows and changes in vehicle floorplan payable-non-trade are reported as financing cash flows in the accompanying Unaudited Condensed Consolidated Statements of Cash Flows.

Our inventory costs are generally reduced by manufacturer holdbacks, incentives, floorplan assistance, and non-reimbursement-based manufacturer advertising rebates, while the related vehicle floorplan payables are reflective of the gross cost of the vehicle. The vehicle floorplan payables, as shown in the above table, may also be higher than the inventory cost due to the timing of the sale of a vehicle and payment of the related liability.

Vehicle floorplan facilities are due on demand, but in the case of new vehicle inventories, are generally paid within several business days after the related vehicles are sold. Vehicle floorplan facilities are primarily collateralized by vehicle inventories and related receivables.

At September 30, 2026, our new vehicle floorplan facilities utilized Prime-based and SOFR-based interest rates. Our new vehicle floorplan outstanding had a weighted-average interest rate of 5.4% at September 30, 2026, and 5.4% at December 31, 2025. As of September 30, 2026, the aggregate capacity under our new vehicle floorplan facilities to finance our new vehicle inventory was approximately $4.6 billion, of which $3.3 billion had been borrowed based on the eligible new vehicle inventory that was pledged as collateral.

At September 30, 2026, our used vehicle floorplan facilities utilized Prime-based and SOFR-based interest rates. Our used vehicle floorplan outstanding had a weighted-average interest rate of 5.4% at September 30, 2026, and 5.2% at December 31, 2025. As of September 30, 2026, the aggregate capacity under our used vehicle floorplan facilities to finance a portion of our used vehicle inventory was $775.0 million, of which $701.5 million had been borrowed. The remaining borrowing capacity of $73.5 million was limited to $0.4 million based on the eligible used vehicle inventory that could have been pledged as collateral.

8. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill and intangible assets, net, consist of the following:

	September 30, 2026	December 31, 2025
Goodwill	$ 1,422.8	$ 1,409.3
Franchise rights - indefinite-lived	$ 1,238.5	$ 1,018.6
Other intangibles	30.1	30.1
	1,268.6	1,048.7
Less: accumulated amortization	(20.9)	(19.8)
Other intangible assets, net	$ 1,247.7	$ 1,028.9

Goodwill and our franchise rights assets are tested for impairment annually as of April 30 or more frequently when events or changes in circumstances indicate that impairment may exist.

Under accounting standards, we chose to make a qualitative evaluation about the likelihood of goodwill impairment for our annual impairment testing as of April 30, 2026, for our Domestic, Import, Premium Luxury, AutoNation Finance, and Collision Center reporting units and determined that it was not more likely than not that the fair values of these reporting units were less than their carrying amounts. For our Mobile Service reporting unit, we elected to perform a quantitative goodwill impairment test as of April 30, 2026, and no impairment charges resulted from this quantitative test.

We elected to perform quantitative franchise rights impairment tests as of April 30, 2026, and no impairment charges resulted from these quantitative tests.

See Note 15 of the Notes to Unaudited Condensed Consolidated Financial Statements for information about our annual impairment tests of goodwill and franchise rights.

9. DEBT

Non-Vehicle Long-Term Debt

Non-vehicle long-term debt consisted of the following:

Debt Description	Maturity Date	Interest Payable	September 30, 2026	December 31, 2025
3.8% Senior Notes	November 15, 2027	May 15 and November 15	$ 300.0	$ 300.0
1.95% Senior Notes	August 1, 2028	February 1 and August 1	400.0	400.0
4.45% Senior Notes	January 15, 2029	January 15 and July 15	600.0	600.0
4.75% Senior Notes	June 1, 2030	June 1 and December 1	500.0	500.0
2.4% Senior Notes	August 1, 2031	February 1 and August 1	450.0	450.0
3.85% Senior Notes	March 1, 2032	March 1 and September 1	700.0	700.0
5.89% Senior Notes	March 15, 2035	March 15 and September 15	500.0	500.0
Revolving credit facility	September 14, 2031	Monthly	—	—
Finance leases and other debt	Various dates through 2051		359.3	353.9
			3,809.3	3,803.9
Less: unamortized debt discounts and debt issuance costs			(20.6)	(24.4)
Less: current maturities			(75.0)	(74.7)
Long-term debt, net of current maturities			$ 3,713.7	$ 3,704.8

Debt Refinancing Transaction

On September 14, 2026, we amended and restated our existing unsecured credit agreement. The amended and restated credit agreement, among other things, (1) increases the revolving credit facility commitment from $1.9 billion to $2.0 billion, (2) increases the limit under the accordion feature, which allows us, subject to credit availability and certain other conditions, to increase such commitment, together with any added term loans, by up to $1.0 billion in the aggregate (up from $500.0 million under the prior credit agreement), (3) provides for commitment fees and loan margins as set forth in the amended and restated credit agreement, which are the same or lower than the commitment fees and loan margins under the prior credit agreement, (4) amends our maximum leverage ratio covenant to allow for unlimited netting of unrestricted cash, and (5) extends the maturity date of the facility to September 14, 2031.

Senior Unsecured Notes and Credit Agreement

The interest rates payable on our 3.8% Senior Notes and 4.75% Senior Notes are subject to adjustment upon the occurrence of certain credit rating events as provided in the indentures for these senior unsecured notes.

Under our amended and restated credit agreement, we have a $2.0 billion revolving credit facility that matures on September 14, 2031. The credit agreement also contains an accordion feature that allows us, subject to credit availability and certain other conditions, to increase the amount of the revolving credit facility, together with any added term loans, by up to $1.0 billion in the aggregate. As of September 30, 2026, we had no borrowings outstanding under our revolving credit facility. We have a $200.0 million letter of credit sublimit as part of the revolving credit facility. The amount available to be borrowed under the revolving credit facility is reduced on a dollar-for-dollar basis by the cumulative amount of any outstanding letters of credit, which was $0.4 million at September 30, 2026, leaving a borrowing capacity under our credit agreement of $2.0 billion at September 30, 2026. As of September 30, 2026, this borrowing capacity was limited by the maximum consolidated leverage ratio contained in our credit agreement to $1.6 billion.

Our revolving credit facility provides for a commitment fee on undrawn amounts ranging from 0.10% to 0.20% and interest on borrowings at SOFR or the base rate, in each case plus an applicable margin. The applicable margin ranges from 1.00% to 1.50% for SOFR borrowings and 0.00% to 0.50% for base rate borrowings. The interest rate charged for our revolving credit facility is affected by our leverage ratio.

Within the meaning of Regulation S-X, Rule 3-10, AutoNation, Inc. (the parent company) has no independent assets or operations. If guarantees of our subsidiaries were to be issued under our existing registration statement, we expect that such guarantees would be full and unconditional and joint and several, and any subsidiaries other than the guarantor subsidiaries would be minor.

Other Long-Term Debt

At September 30, 2026, we had finance leases and other debt obligations of $359.3 million, which are due at various dates through 2051.

Commercial Paper

We have a commercial paper program pursuant to which we may issue short-term, unsecured commercial paper notes on a private placement basis. In October 2026, we increased the maximum aggregate principal amount for which we may have notes outstanding under the commercial paper program at any one time from $1.9 billion to $2.0 billion. The interest rate for the commercial paper notes varies based on duration and market conditions. The maturities of the commercial paper notes may vary, but may not exceed 397 days from the date of issuance. Proceeds from the issuance of commercial paper notes are used to repay borrowings under the revolving credit facility, to finance acquisitions, and for strategic initiatives, working capital, capital expenditures, share repurchases, and/or other general corporate purposes. We use the revolving credit facility under our credit agreement as a liquidity backstop for borrowings under the commercial paper program. A downgrade in our credit ratings could negatively impact our ability to issue, or the interest rates for, commercial paper notes.

At September 30, 2026, we had $555.0 million of commercial paper notes outstanding with a weighted-average annual interest rate of 4.2% and a weighted-average remaining term of 1 day. At December 31, 2025, we had $200.0 million of commercial paper notes outstanding with a weighted-average annual interest rate of 4.1% and a weighted-average remaining term of 2 days.

Non-Recourse Debt

Non-recourse debt relates to financed auto loans receivable of our captive auto finance company funded through a combination of warehouse facilities, asset-backed term funding transactions, and free cash flows from operations.

Non-recourse debt outstanding at September 30, 2026, and December 31, 2025, consisted of the following:

	September 30, 2026	December 31, 2025
Warehouse facilities	$ 719.0	$ 1,398.7
Term securitization debt of consolidated VIEs	1,875.4	548.6
	2,594.4	1,947.3
Less: unamortized debt discounts and debt issuance costs	(7.8)	(2.7)
Less: current maturities	(90.8)	(63.8)
Non-recourse debt, net of current maturities	$ 2,495.8	$ 1,880.8

The timing of principal payments on the non-recourse debt is based on the timing of principal collections and defaults on the related auto loans receivable. The current portion of non-recourse debt represents the portion of the payments received from the auto loans receivable that are due to be distributed as principal payments on the non-recourse debt in the following period.

We recognize transfers of auto loans receivable into the warehouse facilities and term securitizations (together, "non-recourse debt") as secured borrowings, which result in recording the auto loans receivable and the related non-recourse debt on our Unaudited Condensed Consolidated Balance Sheets. The non-recourse debt is structured to legally isolate the auto loans receivable, which can only be used as collateral to settle obligations of the related non-recourse debt. The term securitization trusts and investors and the creditors of the warehouse facilities have no recourse to our assets for payment of the debt beyond the related auto loan receivables, the amounts on deposit in reserve accounts, and the restricted cash from collections on auto loans receivable.

Warehouse Facilities

As of September 30, 2026, we had three warehouse facilities with certain banking institutions through wholly-owned, bankruptcy-remote, special purpose entities, primarily to finance the purchase and origination of auto loans receivable. In October 2026, we terminated two of the existing warehouse facilities and amended and restated the third warehouse facility to establish one syndicated warehouse facility, which includes both existing and new lenders. The syndicated warehouse facility has an aggregate borrowing capacity of $1.5 billion and utilizes SOFR-based interest rates, as well as interest rates based on a lender's asset-backed commercial paper conduit. We fund auto loans receivable through this warehouse facility, which is secured by the eligible auto loans receivable pledged as collateral. The syndicated warehouse facility expires in October 2027 and we expect to renew the facility annually.

At September 30, 2026, our prior warehouse facilities utilized SOFR-based interest rates, as well as interest rates based on a lender's asset-backed commercial paper conduit. Our warehouse facilities had a weighted-average interest rate of 4.6% at September 30, 2026, and 4.7% at December 31, 2025. The aggregate capacities under our warehouse facilities as of September 30, 2026, were as follows:

	September 30, 2026
Warehouse facilities:	
November 2026 expiration	$ 400.0
December 2026 expiration	300.0
December 2026 expiration	700.0
Aggregate capacity	$ 1,400.0
Unused capacity	$ 681.0

The remaining borrowing capacity of $681.0 million was limited to $0.1 million based on the eligible auto loans receivable that have been pledged as collateral.

Term Securitizations

We have asset-backed term securitizations that were put in place to provide long-term funding for certain auto loans receivable initially funded through the warehouse facilities. In these transactions, a pool of auto loans receivable is sold to a bankruptcy-remote, special purpose entity that, in turn, transfers the receivables to a special purpose securitization trust ("term securitization trust"). The term securitization trust issues asset-backed securities, secured or otherwise supported by the transferred receivables, and the proceeds from the sale of the asset-backed securities are used to finance the securitized receivables.

We are required to evaluate the term securitization trusts for consolidation. We retain the servicing rights for the auto loans receivable that were funded through the term securitizations. In our capacity as servicer of the underlying auto loans receivable, we have the power to direct the activities of the trusts that most significantly impact the economic performance of the trusts. In addition, we have the obligation to absorb losses (subject to limitations) and the rights to receive any returns of the trusts, which could be significant. Accordingly, we are the primary beneficiary of the trusts and are required to consolidate them.

We issued non-recourse notes payable related to asset-backed term securitizations of $749.2 million in January 2026, $550.0 million in June 2026, and $439.1 million in August 2026. At September 30, 2026, non-recourse notes payable consisted of the following:

	Balance	Initial Principal Amount	Issuance Date	Interest Rate Range	Final Distribution Date
AutoNation Finance Trust 2025-1 Class A-D	$ 386.3	$ 700.0	5/21/2025	4.62% to 5.63%	Various dates through September 2032
AutoNation Finance Trust 2026-1 Class A-D	$ 570.6	$ 749.2	1/29/2026	3.95% to 5.07%	Various dates through January 2034
AutoNation Finance Trust 2026-2 Class A-D	$ 493.9	$ 550.0	6/17/2026	3.96% to 5.75%	Various dates through May 2034
AutoNation Finance Trust 2026-N1 Class A-D	$ 424.6	$ 439.1	8/26/2026	4.01% to 5.47%	Various dates through January 2034
Total non-recourse notes payable	$ 1,875.4	$ 2,438.3			

Term securitization debt is expected to become due and be paid prior to the final legal maturities based on amortization of the auto loans receivable pledged as collateral. The term securitization agreements require certain funds to be held in restricted cash accounts to provide additional collateral for the borrowings or to be applied to make payments on the securitization debt. Restricted cash of consolidated VIEs under the various term securitization agreements totaled $89.6 million as of September 30, 2026, and $25.5 million as of December 31, 2025, and is included in Other Current Assets and Other Assets in our Unaudited Condensed Consolidated Balance Sheets. Auto loans receivable pledged to the term securitization debt of consolidated VIEs totaled $1.9 billion as of September 30, 2026, and $551.1 million as of December 31, 2025.

10. INCOME TAXES

Income taxes payable included in Other Current Liabilities totaled $46.1 million and $2.6 million at September 30, 2026, and December 31, 2025, respectively.

We file income tax returns in the U.S. federal jurisdiction and various states. As a matter of course, various taxing authorities, including the IRS, regularly audit us. These audits may culminate in proposed assessments which may ultimately result in our owing additional taxes. With few exceptions, we are no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2021. Currently, the 2024 tax year is under examination by the IRS and tax years from 2021 to 2023 are under examination by U.S. state jurisdictions. We believe that our tax positions comply with applicable tax law and that we have adequately provided for these matters.

It is our policy to account for interest and penalties associated with income tax obligations as a component of Income Tax Provision in the accompanying Unaudited Condensed Consolidated Statements of Income.

11. SHAREHOLDERS' EQUITY

A summary of shares repurchased under our stock repurchase program authorized by our Board of Directors follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Shares repurchased	0.8	0.8	3.1	2.4
Aggregate purchase price [1]	$ 162.9	$ 181.0	$ 619.9	$ 434.8
Average purchase price per share	$ 193.49	$ 216.81	$ 198.68	$ 182.56

[1] Excludes the excise tax imposed under the Inflation Reduction Act of $1.6 million and $5.8 million for the three and nine months ended September 30, 2026, respectively, and $1.8 million and $3.9 million for the three and nine months ended September 30, 2025, respectively.

As of September 30, 2026, $456.0 million remained available under our stock repurchase limit authorized by our Board of Directors. In October 2026, our Board of Directors increased the share repurchase authorization by $1.0 billion. From October 1, 2026 through October 28, 2026, we repurchased 0.3 million shares of common stock for an aggregate purchase price of $47.9 million (average purchase price per share of $157.28).

We have 5.0 million authorized shares of preferred stock, par value $0.01 per share, none of which are issued or outstanding. The Board of Directors has the authority to issue the preferred stock in one or more series and to establish the rights, preferences, and dividends of such preferred stock.

The following table presents a summary of shares of common stock issued and shares surrendered to AutoNation to satisfy tax withholding obligations, each in connection with the settlement of RSUs:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In actual number of shares)	2026	2025	2026	2025
Shares issued	3,530	3,383	325,282	321,955
Shares surrendered to AutoNation to satisfy tax withholding obligations	1,357	1,314	116,406	109,948

12. STOCK-BASED COMPENSATION

In March 2026, our Board's Compensation Committee approved a maximum annual grant to employees of 0.3 million RSUs under the 2017 Employee Equity and Incentive Plan (the "2017 Plan") including time-based RSUs, performance-based RSUs, and market-based RSUs.

In January 2026, our Board, upon the recommendation of its Compensation Committee approved the AutoNation, Inc. 2026 Employee Equity and Incentive Plan (the "2026 Plan"), subject to stockholder approval at our 2026 Annual Meeting of Stockholders (the "2026 Annual Meeting"). Our stockholders approved the 2026 Plan at the 2026 Annual Meeting held on April 28, 2026. Following stockholder approval of the 2026 Plan, no additional awards may be granted under the 2017 Plan.

The 2026 Plan provides for the grant of time-based and performance-based RSUs and restricted stock, stock options, stock appreciation rights, and other stock-based and cash-based awards to employees. As of September 30, 2026, a maximum of 2.2 million shares may be issued under the 2026 Plan.

13. ACQUISITIONS AND DIVESTITURES

We purchased one Import store and three Premium Luxury stores during the nine months ended September 30, 2026. The purchase price allocations for these business combinations are preliminary and subject to final adjustments, primarily related to the valuation of working capital and residual goodwill. Acquisitions are included in the Unaudited Condensed Consolidated Financial Statements from the date of acquisition. We purchased one Domestic store, one Import store, and two Premium Luxury stores during the nine months ended September 30, 2025.

The acquisitions completed during the nine months ended September 30, 2026 and 2025, were not material to our financial condition or results of operations. Additionally, on a pro forma basis as if the results of these acquisitions had been included in our consolidated results for the respective nine months ended September 30, 2026 and 2025, revenue and net income would not have been materially different from our reported revenue and net income for these periods.

We divested two Domestic stores during the nine months ended September 30, 2026. We divested one Domestic store and one Import store during the nine months ended September 30, 2025. Gains on divestitures are included in Other Income, Net (within Operating Income) in our Unaudited Condensed Consolidated Statements of Income. The financial condition and results of operations of these businesses were not material to our consolidated financial statements.

14. CASH FLOW INFORMATION

Cash, Cash Equivalents, and Restricted Cash

The total amounts presented on our statements of cash flows include cash, cash equivalents, and restricted cash. Restricted cash includes additional collateral for non-recourse debt borrowings and collections on auto loans receivable that are due to be distributed to non-recourse debt holders in the following period. The following table provides a reconciliation of cash and cash equivalents reported on our Unaudited Condensed Consolidated Balance Sheets to the total amounts reported on our Unaudited Condensed Consolidated Statements of Cash Flows:

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 51.2	$ 58.6
Restricted cash included in Other Current Assets	78.0	25.3
Restricted cash included in Other Assets	13.4	1.9
Total cash, cash equivalents, and restricted cash	$ 142.6	$ 85.8

Non-Cash Investing and Financing Activities

We had accrued purchases of property and equipment of $19.4 million at September 30, 2026, and $20.3 million at September 30, 2025.

	Nine Months Ended September 30,	
	2026	2025
Supplemental noncash information on adjustments to right-of-use assets, including right-of-use assets obtained in exchange for new:		
Operating lease liabilities	$ 18.5	$ 108.7
Finance lease liabilities	$ 76.5	$ 57.8

Interest and Income Taxes Paid

We made interest payments, net of amounts capitalized and including interest on vehicle inventory financing and non-recourse debt, of $363.2 million during the nine months ended September 30, 2026, and $314.7 million during the nine months ended September 30, 2025. We made income tax payments, net of income tax refunds, of $104.4 million during the nine months ended September 30, 2026, and $238.0 million during the nine months ended September 30, 2025.

15. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Fair value estimates are made at a specific point in time based on relevant market information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of judgment, and therefore cannot be determined with precision.

Accounting standards define fair value as the price that would be received from selling an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and also establishes the following three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity can access at the measurement date
Level 2	Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly
Level 3	Unobservable inputs

The following methods and assumptions were used by us in estimating fair value disclosures for financial instruments:

- *Cash and cash equivalents, receivables, other current assets, vehicle floorplan payable, accounts payable, other current liabilities, commercial paper, warehouse credit facilities, and variable rate debt*: The amounts reported in the accompanying Unaudited Condensed Consolidated Balance Sheets approximate fair value due to their short-term nature or the existence of variable interest rates that approximate prevailing market rates.
- *Auto loans receivable, net*: Auto loans receivable are presented net of an allowance for expected credit losses, which we believe approximates fair value.
- *Fixed rate long-term debt*: Our fixed rate long-term debt consists primarily of amounts outstanding under our senior unsecured notes. We estimate the fair value of our senior unsecured notes using quoted prices for the identical liability (Level 1). A summary of the aggregate carrying values and fair values of our senior unsecured notes is as follows:

	September 30, 2026	December 31, 2025
Carrying value	$ 3,429.4	$ 3,425.6
Fair value	$ 3,223.1	$ 3,357.7

Investments in Equity Securities

Our investments in equity securities are primarily comprised of investments without a readily determinable fair value. Investments without readily determinable fair values are initially measured at the transaction price (generally fair value) plus transaction costs. These investments are subsequently measured using the measurement alternative as permitted by accounting standards, which is cost, less any impairment, and adjusted for observable price changes in orderly transactions for the identical or a similar investment of the same issuer, adjusted for any differences in rights and privileges of the equity securities (based on Level 3 inputs).

In January 2026, in connection with a take-private transaction of TrueCar, Inc., we exchanged our shares of TrueCar and contributed additional capital for equity interests in Fair Holdings, Inc., the privately held parent company that acquired TrueCar. As a result of the transaction, we derecognized our equity investment in TrueCar and recognized a new equity investment in Fair Holdings. This investment was recorded at a fair value of $26.0 million on the transaction date, resulting in a gain of $6.3 million.

In February 2026, we identified an observable price change for the issuance by Waymo LLC of similar equity securities to our Waymo equity investment. We recorded an upward adjustment of $46.2 million reflecting a fair value of $94.5 million based on the observable price change adjusted for differences in rights and privileges of the equity securities.

The carrying amounts of our equity investments without a readily determinable fair value totaled $123.3 million at September 30, 2026, and $50.8 million at December 31, 2025. Equity investments that do not have a readily determinable fair value reflect cumulative downward adjustments of $8.4 million and cumulative upward adjustments of $49.6 million based on observable price changes.

Our equity investments with readily determinable fair values are measured at fair value using Level 1 inputs and totaled $1.0 million at September 30, 2026, and $12.8 million at December 31, 2025.

Investments in equity securities are reported in Other Current Assets and Other Assets in the accompanying Unaudited Condensed Consolidated Balance Sheets. Realized and unrealized gains and losses are reported in Other Income (Loss), Net (non-operating) in the Unaudited Condensed Consolidated Statements of Income and in the "Corporate and other" category of our segment information.

	Nine Months Ended September 30,	
	2026	2025
Net gains (losses) recognized during the period on equity securities	$ 54.2	$ (10.1)
Less: Net gains recognized during the period on equity securities sold/exchanged during the period	1.5	—
Unrealized gains (losses) recognized during the reporting period on equity securities still held at the reporting date	$ 52.7	$ (10.1)

Nonfinancial Assets

Nonfinancial assets such as goodwill, other intangible assets, and long-lived assets held and used, are measured at fair value when there is an indicator of impairment and recorded at fair value only when impairment is recognized or for a business combination. The fair values less costs to sell of long-lived assets and disposal groups held for sale are assessed each reporting period they remain classified as held for sale. Subsequent changes in the held for sale long-lived asset's or disposal group's fair value less cost to sell (increase or decrease) are reported as an adjustment to its carrying amount, except that the adjusted carrying amount cannot exceed the carrying amount of the long-lived asset or disposal group at the time it was initially classified as held for sale.

The following table presents nonfinancial assets measured and recorded at fair value on a nonrecurring basis during the nine months ended September 30, 2026 and 2025:

	2026		2025	
Description	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Gain/(Loss)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Gain/(Loss)
Goodwill	$ —	$ —	$ 75.2	$ (65.3)
Franchise rights	$ —	$ —	$ 42.7	$ (71.7)
Right-of-use assets	$ 2.0	$ (1.1)	$ —	$ —
Long-lived assets held and used	$ 11.9	$ (9.5)	$ 13.5	$ (4.3)
Long-lived assets held for sale	$ —	$ —	$ 22.7	$ (2.4)

Goodwill

Goodwill for our reporting units is tested for impairment annually as of April 30 or more frequently when events or changes in circumstances indicate that the carrying value of a reporting unit more likely than not exceeds its fair value. Under accounting standards, we chose to make a qualitative evaluation about the likelihood of goodwill impairment as of April 30, 2026, for our Domestic, Import, Premium Luxury, AutoNation Finance, and Collision Center reporting units and determined that it was not more likely than not that the fair values of these reporting units were less than their carrying amounts. For our Mobile Service reporting unit, we elected to perform a quantitative goodwill impairment test as of April 30, 2026, and no impairment charges resulted from this quantitative test.

The quantitative goodwill impairment test requires a determination of whether the fair value of a reporting unit is less than its carrying value. We estimate the fair value of our reporting units using an "income" valuation approach, which discounts projected free cash flows of the reporting unit at a computed weighted average cost of capital as the discount rate. The income valuation approach requires the use of significant estimates and assumptions, which include the revenue growth rates and future operating margins used to calculate projected future cash flows, weighted average costs of capital, and future economic and market conditions. We base our cash flow forecasts on our knowledge of the automotive industry, our recent performance, our

expectations of our future performance, and other assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results may differ from those estimates. We also make certain judgments and assumptions in allocating shared assets and liabilities to determine the carrying values for each of our reporting units.

For our annual goodwill impairment testing as of April 30, 2025, we performed qualitative evaluations for our Domestic, Import, Premium Luxury, AutoNation Finance, and Collision Center reporting units and a quantitative evaluation for our Mobile Service reporting unit. As a result of the quantitative test, we determined that the fair value of the Mobile Service reporting unit was less than its carrying value and we recorded a non-cash goodwill impairment charge of $65.3 million during the second quarter of 2025. The non-cash impairment charge is reflected as Goodwill Impairment in the accompanying Unaudited Condensed Consolidated Statements of Income and in the "Corporate and other" category of our segment information.

Other Intangible Assets

Our principal identifiable intangible assets are individual store rights under franchise agreements with vehicle manufacturers, which have indefinite lives and are tested for impairment annually as of April 30 or more frequently when events or changes in circumstances indicate that impairment may have occurred.

We elected to perform quantitative franchise rights impairment tests as of April 30, 2026, and no impairment charges resulted from these quantitative tests.

The quantitative impairment test for franchise rights requires the comparison of the franchise rights' estimated fair value to carrying value by store. Fair values of rights under franchise agreements are estimated using Level 3 inputs by discounting expected future cash flows of the store. The forecasted cash flows contain inherent uncertainties, including significant estimates and assumptions related to growth rates, margins, working capital requirements, capital expenditures, and cost of capital, for which we utilize certain market participant-based assumptions, using third-party industry projections, economic projections, and other marketplace data we believe to be reasonable. Actual future results may differ from those estimates.

We elected to perform quantitative franchise rights impairment tests for our annual impairment tests as of April 30, 2025. As a result of the quantitative tests, we determined the franchise rights carrying values for nine stores, primarily Domestic franchises, exceeded their fair values, and we recorded non-cash franchise rights impairment charges of $71.7 million during the second quarter of 2025. The non-cash impairment charges are recorded as Franchise Rights Impairment in the accompanying Unaudited Condensed Consolidated Statements of Income and in the "Corporate and other" category of our segment information.

Long-Lived Assets and Right-of-Use Assets

Fair value measurements for our long-lived assets and right-of-use assets are based on Level 3 inputs. Changes in fair value measurements are reviewed and assessed each quarter for properties and disposal groups classified as held for sale, or when an indicator of impairment exists for properties classified as held and used or for right-of-use assets. The valuation process is generally based on a combination of the market and replacement cost approaches. In certain cases, fair value measurements are based on pending agreements to sell the related assets.

In a market approach, we use transaction prices for comparable properties that have recently been sold. These transaction prices are adjusted for factors related to a specific property. We evaluate changes in local real estate markets, and/or recent market interest or negotiations related to a specific property. In a replacement cost approach, the cost to replace a specific long-lived asset is considered, which is adjusted for depreciation from physical deterioration, as well as functional and economic obsolescence, if present and measurable.

To validate the fair values determined under the valuation process noted above, we also obtain independent third-party appraisals for our properties and/or third-party brokers' opinions of value, which are generally developed using the same valuation approaches described above, and we evaluate any recent negotiations or discussions with third-party real estate brokers related to a specific long-lived asset or market.

The non-cash impairment charges related to long-lived assets are included in Other Expense, Net in our Unaudited Condensed Consolidated Statements of Income. The impairment charges related to long-lived assets for the three and nine months ended September 30, 2026, included $2.9 million recorded in the Domestic segment, $0.2 million recorded in the Premium Luxury segment, and $6.4 million recorded in the "Corporate and other" category of our segment information. The

impairment charges related to long-lived assets for the three and nine months ended September 30, 2025, were recorded in the "Corporate and other" category of our segment information.

We had net assets held for sale of $23.1 million as of September 30, 2026, and $45.3 million as of December 31, 2025, primarily related to inventory, goodwill, property, and floorplan payable of disposal groups held for sale, as well as property held for sale. Assets held for sale and liabilities held for sale are included in Other Current Assets and Other Current Liabilities, respectively, in our Unaudited Condensed Consolidated Balance Sheets.

Quantitative Information about Level 3 Fair Value Measurements

Description	Fair Value at April 30, 2025	Valuation Technique	Unobservable Input	Range (Average)
Franchise rights	$ 42.7	Discounted cash flow	Weighted average cost of capital	8.9% - 9.1% (9.0%)
			Discount rate	9.6% - 11.3% (10.4%)
			Long-term revenue growth rate	2.0%
			Long-term pretax margin	0.0% - 5.9% (2.4%)
			Contributory asset charges	5.1% - 8.4% (6.2%)

16. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are involved, and will continue to be involved, in numerous legal proceedings arising out of the conduct of our business, including litigation with customers, third-party dealers, wage and hour and other employment-related lawsuits, and actions brought by governmental authorities. Some of these lawsuits purport or may be determined to be class or collective actions and seek substantial damages or injunctive relief, or both, and some may remain unresolved for several years. We establish accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Our accruals for loss contingencies are reviewed quarterly and adjusted as additional information becomes available. We disclose the amount accrued if material or if such disclosure is necessary for our financial statements to not be misleading. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, we assess whether there is at least a reasonable possibility that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, we disclose the estimate of the possible loss or range of loss if it is material or a statement that such an estimate cannot be made. Our evaluation of whether a loss is reasonably possible or probable is based on our assessment and consultation with legal counsel regarding the ultimate outcome of the matter.

As of September 30, 2026 and 2025, we have accrued for the potential impact of loss contingencies that are probable and reasonably estimable, and there was no indication of a reasonable possibility that a material loss, or additional material loss, may have been incurred. We do not believe that the ultimate resolution of these matters will have a material adverse effect on our results of operations, financial condition, or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our results of operations, financial condition, or cash flows.

Other Matters

AutoNation, acting through its subsidiaries, is the lessee under many real estate leases that provide for the use by our subsidiaries of their respective store premises. Pursuant to these leases, we agree to indemnify the lessor and other related parties from certain liabilities arising as a result of the use of the leased premises, including environmental liabilities, or a breach of the lease by the lessee. Additionally, from time to time, we enter into agreements with third parties in connection with the sale of assets or businesses in which we agree to indemnify the purchaser or related parties from certain liabilities or costs arising in connection with the assets or business. Also, in the ordinary course of business in connection with purchases or sales of goods and services, we enter into agreements that may contain indemnification provisions. In the event that an indemnification claim is asserted, our liability would be limited by the terms of the applicable agreement.

From time to time, primarily in connection with dispositions of automotive stores, we assign or sublet to the store purchaser our interests in any real property leases associated with such stores. In general, we retain responsibility for the

performance of certain obligations under such leases to the extent that the assignee or sublessee does not perform, whether such performance is required prior to or following the assignment or subletting of the lease. Additionally, we generally remain subject to the terms of any guarantees made by us in connection with such leases. We generally have indemnification rights against the assignee or sublessee in the event of non-performance under these leases, as well as certain defenses. We presently have no reason to believe that we will be called on to perform under any such remaining assigned leases or subleases. We estimate that lessee rental payment obligations during the remaining terms of these leases with expirations ranging from 2027 to 2034 are approximately $3 million at September 30, 2026. There can be no assurance that any performance required of us under these leases would not have a material adverse effect on our business, financial condition, and cash flows.

At September 30, 2026, surety bonds, letters of credit, and cash deposits totaled $107.8 million, of which $0.4 million were letters of credit. In the ordinary course of business, we are required to post performance and surety bonds, letters of credit, and/or cash deposits as financial guarantees of our performance. We do not currently provide cash collateral for outstanding letters of credit.

In the ordinary course of business, we are subject to numerous laws and regulations, including automotive, environmental, health and safety, and other laws and regulations. We do not anticipate that the costs of compliance with such laws will have a material adverse effect on our business, results of operations, cash flows, or financial condition, although such outcome is possible given the nature of our operations and the extensive legal and regulatory framework applicable to our business. We do not have any material known environmental commitments or contingencies.

17. BUSINESS AND CREDIT CONCENTRATIONS

We own and operate franchised automotive stores in the United States pursuant to franchise agreements with vehicle manufacturers. During the nine months ended September 30, 2026, approximately 64% of our total retail new vehicle unit sales were generated by our stores in Florida, California, and Texas.

We are subject to a concentration of risk in the event of financial distress of or other adverse event related to a major vehicle manufacturer or related lender or supplier. The major brands of vehicles that we sell, representing approximately 88% of the new vehicles that we sold during the nine months ended September 30, 2026, are manufactured by Toyota (including Lexus), Honda, Ford, General Motors, BMW, Mercedes-Benz, Stellantis, and Volkswagen (including Audi and Porsche). Our business could be materially adversely impacted by a bankruptcy of or other adverse event related to a major vehicle manufacturer or related lender or supplier.

We are also subject to a concentration of risk in the event of the non-performance of third-party information technology service providers, such as the provider of our dealer management system on which we significantly rely to operate our business.

We had receivables from manufacturers or distributors of $198.0 million at September 30, 2026, and $230.6 million at December 31, 2025. Additionally, a large portion of our contracts-in-transit included in Receivables, net, in the accompanying Unaudited Condensed Consolidated Balance Sheets, are due from automotive manufacturers' captive finance subsidiaries, which provide financing directly to our new and used vehicle customers. Concentrations of credit risk with respect to non-manufacturer trade receivables are limited due to the wide variety of customers and markets in which our products are sold as well as their dispersion across many different geographic areas in the United States. Consequently, at September 30, 2026, we do not consider AutoNation to have any significant non-manufacturer concentrations of credit risk.

18. SEGMENT INFORMATION

At September 30, 2026, we had four reportable segments: (1) Domestic, (2) Import, (3) Premium Luxury, and (4) AutoNation Finance. Our Domestic segment is comprised of retail automotive franchises that sell new vehicles manufactured by Ford, General Motors, and Stellantis. Our Import segment is primarily comprised of retail automotive franchises that sell new vehicles manufactured by Toyota, Honda, Hyundai, and Subaru. Our Premium Luxury segment is primarily comprised of retail automotive franchises that sell new vehicles manufactured by Mercedes-Benz, BMW, Lexus, Audi, and Jaguar Land Rover. The franchises in each of our Domestic, Import, and Premium Luxury segments also sell used vehicles, parts and automotive services, and automotive finance and insurance products. Our AutoNation Finance segment is comprised of our captive auto finance company, which provides indirect financing to qualified retail customers on vehicles we sell.

"Corporate and other" is comprised of our non-franchised businesses, including AutoNation USA stores, collision centers, parts distribution centers, and auction operations, all of which generate revenues but do not meet the quantitative thresholds for

reportable segments, as well as unallocated corporate overhead expenses, goodwill and franchise right impairments, and other income items.

The reportable segments identified above are the business activities of the Company for which discrete financial information is available and for which operating results are regularly reviewed by our chief operating decision maker ("CODM") to allocate resources and assess performance. Our CODM for each of our reportable segments is our Chief Executive Officer. For the Domestic, Import, and Premium Luxury segments, our CODM uses Franchised Dealerships - Segment Income (defined as operating income less floorplan expense) to allocate resources to each of these segments during our annual budgeting process. Our CODM evaluates Franchised Dealerships - Segment Income actual results versus budget and prior year on a monthly basis when making decisions about allocating resources to these segments and whether to reinvest profits into each of these segments or into other parts of the Company, such as for acquisitions, strategic initiatives, or share repurchases. Our CODM also uses Franchised Dealerships - Segment Income to assess the underlying operating performance of each of these segments by comparing the results and return on investment for each of these segments.

Our CODM uses AutoNation Finance Income to allocate capital resources to the AutoNation Finance segment in our annual budgeting process and uses that measure as a basis to evaluate the underlying operating performance of this segment by monitoring the margin between interest revenue and interest expense, credit program tier distribution, portfolio quality, and the overall performance of the loan portfolio for the segment.

The following tables provide segment revenues and segment expenses that align with the segment-level information that is regularly provided to our CODM:

AUTONATION, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Three Months Ended September 30, 2026				
	Domestic	Import	Premium Luxury	AutoNation Finance	Total
Revenues from external customers:[1]					
Franchised dealerships	$ 1,807.2	$ 2,252.2	$ 2,630.3		$ 6,689.7
Corporate and other					320.6
Total consolidated revenues					7,010.3
Less segment expenses:					
Cost of sales:					
New vehicle	884.7	1,116.8	1,189.7		
Used vehicle	484.9	559.8	745.0		
Parts and service	160.1	190.7	232.1		
Other	0.3	5.8	—		
Total cost of sales	1,530.0	1,873.1	2,166.8		
Selling, general and administrative expenses:					
Compensation	118.8	154.1	166.8		
Advertising	18.9	26.5	18.6		
Store overhead	46.1	60.2	85.4		
Total selling, general, and administrative expenses	183.8	240.8	270.8		
Depreciation and amortization	11.4	14.6	22.8		
Floorplan interest expense	16.5	8.4	19.3		
Franchised dealerships - segment income	$ 65.5	$ 115.3	$ 150.6		331.4
AutoNation Finance:					
Interest and fee income				$ 74.2	
Interest expense				(30.3)	
Provision for credit losses				(17.2)	
Direct expenses[2]				(11.3)	
AutoNation Finance income				$ 15.4	15.4
Corporate and other					(77.6)
Other interest expense					(51.7)
Other income (loss), net					(2.0)
Income before income taxes					$ 215.5

[1] See Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements for detail of revenue by segment.
[2] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

AUTONATION, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Three Months Ended September 30, 2025				
	Domestic	Import	Premium Luxury	AutoNation Finance	Total
Revenues from external customers:[1]					
Franchised dealerships	$ 1,945.3	$ 2,173.1	$ 2,559.4		$ 6,677.8
Corporate and other					359.6
Total consolidated revenues					7,037.4
Less segment expenses:					
Cost of sales:					
New vehicle	980.5	1,091.5	1,192.7		
Used vehicle	505.5	526.0	700.2		
Parts and service	154.5	172.8	210.3		
Other	0.3	4.1	0.1		
Total cost of sales	1,640.8	1,794.4	2,103.3		
Selling, general and administrative expenses:					
Compensation	127.0	151.1	159.6		
Advertising	17.7	24.4	17.2		
Store overhead	48.8	56.9	79.5		
Total selling, general, and administrative expenses	193.5	232.4	256.3		
Depreciation and amortization	11.6	12.8	20.6		
Floorplan interest expense	18.1	9.9	18.3		
Other income[2]	—	(0.1)	—		
Franchised dealerships - segment income	$ 81.3	$ 123.7	$ 160.9		365.9
AutoNation Finance:					
Interest and fee income				$ 55.2	
Interest expense				(21.2)	
Provision for credit losses				(22.0)	
Direct expenses[3]				(10.5)	
AutoNation Finance income				$ 1.5	1.5
Corporate and other					(42.5)
Other interest expense					(45.1)
Other income (loss), net					7.8
Income before income taxes					$ 287.6

[1] See Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements for detail of revenue by segment.
[2] Other income includes net gains on asset dispositions.
[3] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

AUTONATION, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Nine Months Ended September 30, 2026				
	Domestic	Import	Premium Luxury	AutoNation Finance	Total
Revenues from external customers:[1]					
Franchised dealerships	$ 5,316.9	$ 6,533.4	$ 7,651.5		$ 19,501.8
Corporate and other					990.4
Total consolidated revenues					20,492.2
Less segment expenses:					
Cost of sales:					
New vehicle	2,557.4	3,216.6	3,425.8		
Used vehicle	1,433.3	1,618.9	2,171.0		
Parts and service	462.9	550.4	673.7		
Other	1.0	13.6	0.5		
Total cost of sales	4,454.6	5,399.5	6,271.0		
Selling, general and administrative expenses:					
Compensation	364.5	460.2	496.5		
Advertising	55.9	80.0	55.4		
Store overhead	139.2	172.8	247.3		
Total selling, general, and administrative expenses	559.6	713.0	799.2		
Depreciation and amortization	34.0	42.6	65.8		
Floorplan interest expense	48.2	25.7	53.0		
Other expense, net[2]	2.9	—	0.2		
Franchised dealerships - segment income	$ 217.6	$ 352.6	$ 462.3		1,032.5
AutoNation Finance:					
Interest and fee income				$ 205.5	
Interest expense				(81.8)	
Provision for credit losses				(56.8)	
Direct expenses[3]				(31.4)	
AutoNation Finance income				$ 35.5	35.5
Corporate and other					(251.0)
Other interest expense					(149.6)
Other income (loss), net					67.6
Income before income taxes					$ 735.0

[1] See Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements for detail of revenue by segment.
[2] Other expense, net includes asset impairments net of gains on asset dispositions.
[3] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

AUTONATION, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Nine Months Ended September 30, 2025				
	Domestic	Import	Premium Luxury	AutoNation Finance	Total
Revenues from external customers:[1]					
Franchised dealerships	$ 5,583.2	$ 6,368.7	$ 7,691.7		$ 19,643.6
Corporate and other					1,058.6
Total consolidated revenues					20,702.2
Less segment expenses:					
Cost of sales:					
New vehicle	2,767.9	3,164.1	3,618.8		
Used vehicle	1,463.0	1,549.6	2,049.0		
Parts and service	454.0	503.6	615.6		
Other	0.3	10.8	0.2		
Total cost of sales	4,685.2	5,228.1	6,283.6		
Selling, general and administrative expenses:					
Compensation	379.3	456.9	493.5		
Advertising	51.1	69.3	48.2		
Store overhead	139.7	165.5	231.2		
Total selling, general, and administrative expenses	570.1	691.7	772.9		
Depreciation and amortization	34.1	37.6	60.6		
Floorplan interest expense	51.5	28.1	55.0		
Other income[2]	—	(0.1)	(0.1)		
Franchised dealerships - segment income	$ 242.3	$ 383.3	$ 519.7		1,145.3
AutoNation Finance:					
Interest and fee income				$ 145.7	
Interest expense				(52.9)	
Provision for credit losses				(60.1)	
Direct expenses[3]				(29.1)	
AutoNation Finance income				$ 3.6	3.6
Corporate and other					(362.2)
Other interest expense					(133.6)
Other income (loss), net					6.9
Income before income taxes					$ 660.0

[1] See Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements for detail of revenue by segment.
[2] Other income includes net gains on asset dispositions.
[3] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

The following table provides information about segment assets:

Segment Assets[1]	September 30, 2026	December 31, 2025
Domestic	$ 2,372.7	$ 2,360.0
Import	$ 2,204.0	$ 2,209.3
Premium Luxury	$ 3,880.8	$ 3,611.2
AutoNation Finance	$ 2,895.2	$ 2,185.7

[1] Excludes capital expenditures for active construction projects, which are reflected in segment assets upon completion of the related project.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and notes thereto included under Part I, Item 1 of this Quarterly Report on Form 10-Q. In addition, reference should be made to our audited Consolidated Financial Statements and notes thereto and related "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our most recent Annual Report on Form 10-K.

Certain reclassifications of amounts previously reported have been made to the accompanying Unaudited Condensed Consolidated Financial Statements in order to maintain consistency and comparability between periods presented.

Overview

AutoNation, Inc., through its subsidiaries, is one of the largest automotive retailers in the United States. As of September 30, 2026, we owned and operated 319 new vehicle franchises from 242 stores located in the United States, predominantly in major metropolitan markets in the Sunbelt region. Our stores, which we believe include some of the most recognizable and well known in our key markets, sell 30 different new vehicle brands. The major brands of new vehicles that we sell, representing approximately 88% of the new vehicles that we sold during the nine months ended September 30, 2026, are manufactured by Toyota (including Lexus), Honda, Ford, General Motors, BMW, Mercedes-Benz, Stellantis, and Volkswagen (including Audi and Porsche). As of September 30, 2026, we also owned and operated 51 AutoNation-branded collision centers, 24 AutoNation USA stores, 4 AutoNation-branded automotive auction operations, 3 parts distribution centers, and an auto finance company.

We offer a diversified range of automotive products and services, including new vehicles, used vehicles, "parts and service" (also referred to as "After-Sales"), which includes in-store and mobile automotive repair and maintenance services as well as wholesale parts and collision businesses, and automotive "finance and insurance" products (also referred to as "Customer Financial Services"), which include vehicle service and other protection products, as well as the arranging of financing for vehicle purchases through third-party finance sources. We also offer indirect financing through our captive finance company on vehicles we sell.

At September 30, 2026, we had four reportable segments: (1) Domestic, (2) Import, (3) Premium Luxury, and (4) AutoNation Finance. Our Domestic segment is comprised of retail automotive franchises that sell new vehicles manufactured by Ford, General Motors, and Stellantis. Our Import segment is primarily comprised of retail automotive franchises that sell new vehicles manufactured by Toyota, Honda, Hyundai, and Subaru. Our Premium Luxury segment is primarily comprised of retail automotive franchises that sell new vehicles manufactured by Mercedes-Benz, BMW, Lexus, Audi, and Jaguar Land Rover. The franchises in each of our Domestic, Import, and Premium Luxury segments also sell used vehicles, parts and automotive services, and automotive finance and insurance products. AutoNation Finance is our captive auto finance company, which provides indirect financing to qualified retail customers on vehicles we sell.

For the nine months ended September 30, 2026, new vehicle sales accounted for 47% of our total revenue and 12% of our total gross profit. Used vehicle sales accounted for 29% of our total revenue and 9% of our total gross profit. Our parts and service operations, while comprising 18% of our total revenue, contributed 50% of our total gross profit. Our finance and insurance sales, while comprising 5% of our total revenue, contributed 29% of our total gross profit. Our earnings mix is increasingly shifting toward products and services with recurring income streams including parts and service operations and income generated through our captive finance company.

Market Conditions

In the third quarter of 2026, U.S. industry retail new vehicle unit sales, which includes sales in markets in which we do not compete, decreased approximately 2%, as compared to the third quarter of 2025. New vehicle unit sales in the prior year benefited from the acceleration in consumer demand for hybrid and electric vehicles resulting from the phasing out of electric vehicle ("EV") tax credits at the end of the third quarter of 2025.

Results of Operations

During the three months ended September 30, 2026, we had net income of $162.3 million and diluted earnings per share of $4.87, as compared to net income of $215.1 million and diluted earnings per share of $5.65 during the same period in 2025.

Our total gross profit decreased 2% during the third quarter of 2026, compared to the same period in the prior year, driven by decreases in new vehicle gross profit of 8%, used vehicle gross profit of 9%, and finance and insurance gross profit of 7%, partially offset by an increase in parts and service gross profit of 3%, each as compared to the third quarter of 2025. New vehicle gross profit was adversely impacted by a decrease in EV unit volume in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025, as well as a decrease in gross profit per vehicle retailed ("PVR") resulting from higher average vehicle costs. Used vehicle gross profit was adversely impacted by a decrease in wholesale gross profit and a decrease in used vehicle retail unit volume primarily due to supply constraints on lower-priced used vehicles. Finance and insurance gross profit was adversely impacted primarily by a decrease in vehicle unit volume. Parts and service results benefited primarily from increases in gross profit associated with customer-pay service of 5% and wholesale parts of 9%.

Income from AutoNation Finance ("ANF"), our captive auto finance company, was $15.4 million during the third quarter of 2026, as compared to $1.5 million during the same period in 2025, reflecting an increase in interest and fee income from the growth in average managed receivables of $875.5 million and operational efficiencies as the portfolio scales. As we continue to grow our ANF business, a portion of the income related to customer financing shifts from upfront commissions recognized in finance and insurance gross profit to recurring finance income earned over the life of the loans we originate.

Net income for the three months ended September 30, 2026, was adversely impacted by after-tax self-insured losses of $6.6 million primarily related to severe weather events. Net income for the three months ended September 30, 2025, was favorably impacted by after-tax gains on insurance recoveries of $30.2 million for business interruption and related losses caused by the CDK outage that occurred in June 2024.

Earnings per share for the three months ended September 30, 2026 benefited from the repurchase of 3.1 million shares of common stock during the nine months ended September 30, 2026.

Inventory Management

Our new and used vehicle inventories are stated at the lower of cost or net realizable value in our Unaudited Condensed Consolidated Balance Sheets. We monitor our vehicle inventory levels based on current economic conditions and seasonal sales trends.

Our new vehicle inventory units at September 30, 2026 and 2025, were 43,831 and 43,215, respectively. We have typically not experienced significant losses on the sale of new vehicle inventory, in part due to incentives provided by manufacturers to promote sales of new vehicles and our inventory management practices. We monitor our new vehicle inventory values as compared to net realizable values. Our new vehicle inventory was net of cumulative write-downs of $1.6 million at September 30, 2026, and $1.2 million at December 31, 2025.

Our used vehicle inventory units at September 30, 2026 and 2025, were 35,527 and 33,911, respectively. We recondition the majority of used vehicles acquired for retail sale in our parts and service departments and capitalize the related costs to the used vehicle inventory. We monitor our used vehicle inventory values as compared to net realizable values. Typically, used vehicles that are not sold on a retail basis are sold at wholesale auctions. Our used vehicle inventory balance was net of cumulative write-downs of $6.0 million at September 30, 2026, and $5.8 million at December 31, 2025.

Parts, accessories, and other inventory are carried at the lower of cost or net realizable value. We estimate the amount of potentially damaged and/or excess and obsolete inventory based upon historical experience, manufacturer return policies, and industry trends. Our parts, accessories, and other inventory balance was net of cumulative write-downs of $7.8 million at September 30, 2026, and $9.5 million at December 31, 2025.

Critical Accounting Estimates

We prepare our Unaudited Condensed Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles ("GAAP"), which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimates on an ongoing basis, and we base our estimates on historical experience and various other assumptions we believe to be reasonable. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our Unaudited Condensed Consolidated

Financial Statements. For additional discussion of our critical accounting estimates, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K.

Goodwill

Goodwill for our reporting units is tested for impairment annually as of April 30 or more frequently when events or changes in circumstances indicate that the carrying value of a reporting unit more likely than not exceeds its fair value.

Under accounting standards, we chose to make a qualitative evaluation about the likelihood of goodwill impairment as of April 30, 2026, for our Domestic, Import, Premium Luxury, AutoNation Finance, and Collision Center reporting units and determined that it was not more likely than not that the fair values of these reporting units were less than their carrying amounts. For our Mobile Service reporting unit, we elected to perform a quantitative goodwill impairment test as of April 30, 2026, and no impairment charges resulted from this quantitative test. The fair value of the Mobile Service reporting unit substantially exceeded its carrying value as of April 30, 2026. The quantitative goodwill impairment test is dependent on many variables used to determine the fair value of a reporting unit. See Note 15 of the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on how the fair values and carrying values of our reporting units are derived for the quantitative goodwill impairment test.

As of September 30, 2026, we have $221.5 million of goodwill related to the Domestic reporting unit, $538.5 million related to the Import reporting unit, $504.6 million related to the Premium Luxury reporting unit, $75.2 million related to the Mobile Service reporting unit, $78.4 million related to the AutoNation Finance reporting unit, and $4.6 million related to the Collision Center reporting unit.

Other Intangible Assets

Our principal identifiable intangible assets are individual store rights under franchise agreements with vehicle manufacturers, which have indefinite lives and are tested for impairment annually as of April 30 or more frequently when events or changes in circumstances indicate that impairment may have occurred.

We may first perform a qualitative assessment to determine whether it is more likely than not that a franchise right asset is impaired. We elected to perform quantitative franchise rights impairment tests for our annual impairment tests as of April 30, 2026, and no impairment charges resulted from these quantitative tests. We identified 16 stores that, while they each had franchise rights fair value in excess of carrying value, had lower relative performance compared to our total store population. We will continue to monitor these stores, as well as all stores, for events or changes in circumstances that may indicate potential impairment. The remainder of our stores had franchise rights with calculated fair values that substantially exceeded their carrying values.

The quantitative franchise rights impairment test is dependent on many variables used to determine the fair value of each store's franchise rights. See Note 15 of the Notes to Unaudited Condensed Consolidated Financial Statements for a description of the valuation method and related estimates and assumptions used in our quantitative impairment testing. Based on sensitivity analyses of these estimates and assumptions, including if the fair value of each of our franchise rights had been determined to be a hypothetical 10% lower as of the valuation date, the resulting hypothetical impairment charge would have been between $3 million and $4 million. The sensitivity analyses performed are not intended to provide an estimate for every potential outcome.

As of September 30, 2026, we had 79 stores with franchise rights totaling $1.2 billion.

Reported Operating Data

Historical operating results include the results of acquired businesses from the date of acquisition.

($ in millions, except per vehicle data)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
New vehicle	$ 3,330.4	$ 3,415.6	$ (85.2)	(2.5)	$ 9,634.1	$ 10,060.0	$ (425.9)	(4.2)
Retail used vehicle	1,883.3	1,874.3	9.0	0.5	5,553.0	5,511.4	41.6	0.8
Wholesale	152.5	141.4	11.1	7.9	458.0	411.7	46.3	11.2
Used vehicle	2,035.8	2,015.7	20.1	1.0	6,011.0	5,923.1	87.9	1.5
Finance and insurance, net	349.0	374.8	(25.8)	(6.9)	1,058.6	1,095.0	(36.4)	(3.3)
Total variable operations[1]	5,715.2	5,806.1	(90.9)	(1.6)	16,703.7	17,078.1	(374.4)	(2.2)
Parts and service	1,290.0	1,226.2	63.8	5.2	3,773.9	3,611.3	162.6	4.5
Other	5.1	5.1	—		14.6	12.8	1.8	
Total revenue	$ 7,010.3	$ 7,037.4	$ (27.1)	(0.4)	$ 20,492.2	$ 20,702.2	$ (210.0)	(1.0)
Gross profit:								
New vehicle	$ 139.1	$ 151.0	$ (11.9)	(7.9)	$ 434.2	$ 509.3	$ (75.1)	(14.7)
Retail used vehicle	99.7	102.6	(2.9)	(2.8)	306.7	328.7	(22.0)	(6.7)
Wholesale	4.4	12.3	(7.9)		33.9	36.1	(2.2)	
Used vehicle	104.1	114.9	(10.8)	(9.4)	340.6	364.8	(24.2)	(6.6)
Finance and insurance	349.0	374.8	(25.8)	(6.9)	1,058.6	1,095.0	(36.4)	(3.3)
Total variable operations[1]	592.2	640.7	(48.5)	(7.6)	1,833.4	1,969.1	(135.7)	(6.9)
Parts and service	616.6	597.0	19.6	3.3	1,817.1	1,763.3	53.8	3.1
Other	(1.2)	0.7	(1.9)		(0.7)	1.3	(2.0)	
Total gross profit	1,207.6	1,238.4	(30.8)	(2.5)	3,649.8	3,733.7	(83.9)	(2.2)
AutoNation Finance income	15.4	1.5	13.9		35.5	3.6	31.9	
Selling, general, and administrative expenses	849.1	850.1	1.0	0.1	2,547.6	2,526.7	(20.9)	(0.8)
Depreciation and amortization	63.8	64.2	0.4		190.3	189.9	(0.4)	
Goodwill impairment	—	—	—		—	65.3	65.3	
Franchise rights impairment	—	—	—		—	71.7	71.7	
Other income, net	(4.5)	(46.8)	(42.3)		(0.5)	(42.3)	(41.8)	
Operating income	314.6	372.4	(57.8)	(15.5)	947.9	926.0	21.9	2.4
Non-operating income (expense) items:								
Floorplan interest expense	(45.4)	(47.5)	2.1		(130.9)	(139.3)	8.4	
Other interest expense	(51.7)	(45.1)	(6.6)		(149.6)	(133.6)	(16.0)	
Other income (loss), net	(2.0)	7.8	(9.8)		67.6	6.9	60.7	
Income before income taxes	$ 215.5	$ 287.6	$ (72.1)	(25.1)	$ 735.0	$ 660.0	$ 75.0	11.4
Retail vehicle unit sales:								
New vehicle	63,929	66,189	(2,260)	(3.4)	184,651	194,423	(9,772)	(5.0)
Used vehicle	65,410	68,896	(3,486)	(5.1)	195,749	206,632	(10,883)	(5.3)
	129,339	135,085	(5,746)	(4.3)	380,400	401,055	(20,655)	(5.2)
Revenue per vehicle retailed:								
New vehicle	$ 52,095	$ 51,604	$ 491	1.0	$ 52,175	$ 51,743	$ 432	0.8
Used vehicle	$ 28,792	$ 27,205	$ 1,587	5.8	$ 28,368	$ 26,673	$ 1,695	6.4
Gross profit per vehicle retailed:								
New vehicle	$ 2,176	$ 2,281	$ (105)	(4.6)	$ 2,351	$ 2,620	$ (269)	(10.3)
Used vehicle	$ 1,524	$ 1,489	$ 35	2.4	$ 1,567	$ 1,591	$ (24)	(1.5)
Finance and insurance	$ 2,698	$ 2,775	$ (77)	(2.8)	$ 2,783	$ 2,730	$ 53	1.9
Total variable operations[2]	$ 4,545	$ 4,652	$ (107)	(2.3)	$ 4,731	$ 4,820	$ (89)	(1.8)

[1] Total variable operations includes new vehicle, used vehicle (retail and wholesale), and finance and insurance results.

[2] Total variable operations gross profit per vehicle retailed is calculated by dividing the sum of new vehicle, retail used vehicle, and finance and insurance gross profit by total retail vehicle unit sales.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 (%)	2025 (%)	2026 (%)	2025 (%)
Revenue mix percentages:				
New vehicle	47.5	48.5	47.0	48.6
Used vehicle	29.0	28.6	29.3	28.6
Parts and service	18.4	17.4	18.4	17.4
Finance and insurance, net	5.0	5.3	5.2	5.3
Other	0.1	0.2	0.1	0.1
Total	100.0	100.0	100.0	100.0
Gross profit mix percentages:				
New vehicle	11.5	12.2	11.9	13.6
Used vehicle	8.6	9.3	9.3	9.8
Parts and service	51.1	48.2	49.8	47.2
Finance and insurance	28.9	30.3	29.0	29.3
Other	(0.1)	—	—	0.1
Total	100.0	100.0	100.0	100.0
Operating items as a percentage of revenue:				
Gross profit:				
New vehicle	4.2	4.4	4.5	5.1
Used vehicle - retail	5.3	5.5	5.5	6.0
Parts and service	47.8	48.7	48.1	48.8
Total	17.2	17.6	17.8	18.0
Selling, general, and administrative expenses	12.1	12.1	12.4	12.2
Operating income	4.5	5.3	4.6	4.5
Other operating items as a percentage of total gross profit:				
Selling, general, and administrative expenses	70.3	68.6	69.8	67.7
Operating income	26.1	30.1	26.0	24.8

	September 30,	
	2026	2025
Inventory days supply:		
New vehicle (industry standard of selling days)	52 days	47 days
Used vehicle (trailing calendar month days)	43 days	37 days

Same Store Operating Data

We have presented below our operating results on a same store basis to reflect our internal performance. The "Same Store" amounts presented below include the results of our stores for the identical months in each period presented in the comparison, commencing with the first full month in which the store was owned by us. Results from divested stores are excluded from both current and prior periods. Therefore, the amounts presented in the 2025 column may differ from the same store amounts presented for 2025 in the prior year. We believe the presentation of this information provides a meaningful comparison of period-over-period results of our operations.

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in millions, except per vehicle data)	2026	2025	Variance Favorable / (Unfavorable)	% Variance	2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
New vehicle	$ 3,237.4	$ 3,395.9	$ (158.5)	(4.7)	$ 9,415.2	$ 9,995.5	$ (580.3)	(5.8)
Retail used vehicle	1,825.7	1,850.6	(24.9)	(1.3)	5,396.0	5,440.0	(44.0)	(0.8)
Wholesale	147.1	138.6	8.5	6.1	444.7	403.8	40.9	10.1
Used vehicle	1,972.8	1,989.2	(16.4)	(0.8)	5,840.7	5,843.8	(3.1)	(0.1)
Finance and insurance, net	339.7	372.5	(32.8)	(8.8)	1,033.4	1,086.3	(52.9)	(4.9)
Total variable operations[1]	5,549.9	5,757.6	(207.7)	(3.6)	16,289.3	16,925.6	(636.3)	(3.8)
Parts and service	1,250.3	1,209.7	40.6	3.4	3,673.1	3,556.4	116.7	3.3
Other	4.9	5.2	(0.3)		14.3	12.8	1.5	
Total revenue	$ 6,805.1	$ 6,972.5	$ (167.4)	(2.4)	$ 19,976.7	$ 20,494.8	$ (518.1)	(2.5)
Gross profit:								
New vehicle	$ 133.9	$ 150.5	$ (16.6)	(11.0)	$ 422.4	$ 508.0	$ (85.6)	(16.9)
Retail used vehicle	98.0	101.6	(3.6)	(3.5)	301.5	325.3	(23.8)	(7.3)
Wholesale	5.0	12.6	(7.6)		34.9	37.1	(2.2)	
Used vehicle	103.0	114.2	(11.2)	(9.8)	336.4	362.4	(26.0)	(7.2)
Finance and insurance	339.7	372.5	(32.8)	(8.8)	1,033.4	1,086.3	(52.9)	(4.9)
Total variable operations[1]	576.6	637.2	(60.6)	(9.5)	1,792.2	1,956.7	(164.5)	(8.4)
Parts and service	594.2	589.7	4.5	0.8	1,762.0	1,741.4	20.6	1.2
Other	(1.0)	0.9	(1.9)		(0.7)	1.5	(2.2)	
Total gross profit	$ 1,169.8	$ 1,227.8	$ (58.0)	(4.7)	$ 3,553.5	$ 3,699.6	$ (146.1)	(3.9)
Retail vehicle unit sales:								
New vehicle	62,356	65,836	(3,480)	(5.3)	180,804	193,178	(12,374)	(6.4)
Used vehicle	63,703	67,988	(4,285)	(6.3)	190,674	203,654	(12,980)	(6.4)
	126,059	133,824	(7,765)	(5.8)	371,478	396,832	(25,354)	(6.4)
Revenue per vehicle retailed:								
New vehicle	$ 51,918	$ 51,581	$ 337	0.7	$ 52,074	$ 51,742	$ 332	0.6
Used vehicle	$ 28,660	$ 27,220	$ 1,440	5.3	$ 28,300	$ 26,712	$ 1,588	5.9
Gross profit per vehicle retailed:								
New vehicle	$ 2,147	$ 2,286	$ (139)	(6.1)	$ 2,336	$ 2,630	$ (294)	(11.2)
Used vehicle	$ 1,538	$ 1,494	$ 44	2.9	$ 1,581	$ 1,597	$ (16)	(1.0)
Finance and insurance	$ 2,695	$ 2,784	$ (89)	(3.2)	$ 2,782	$ 2,737	$ 45	1.6
Total variable operations[2]	$ 4,534	$ 4,667	$ (133)	(2.8)	$ 4,731	$ 4,837	$ (106)	(2.2)

[1] Total variable operations includes new vehicle, used vehicle (retail and wholesale), and finance and insurance results.

[2] Total variable operations gross profit per vehicle retailed is calculated by dividing the sum of new vehicle, retail used vehicle, and finance and insurance gross profit by total retail vehicle unit sales.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026 (%)	2025 (%)	2026 (%)	2025 (%)
Revenue mix percentages:				
New vehicle	47.6	48.7	47.1	48.8
Used vehicle	29.0	28.5	29.2	28.5
Parts and service	18.4	17.3	18.4	17.4
Finance and insurance, net	5.0	5.3	5.2	5.3
Other	—	0.2	0.1	—
Total	100.0	100.0	100.0	100.0
Gross profit mix percentages:				
New vehicle	11.4	12.3	11.9	13.7
Used vehicle	8.8	9.3	9.5	9.8
Parts and service	50.8	48.0	49.6	47.1
Finance and insurance	29.0	30.3	29.1	29.4
Other	—	0.1	(0.1)	—
Total	100.0	100.0	100.0	100.0
Operating items as a percentage of revenue:				
Gross profit:				
New vehicle	4.1	4.4	4.5	5.1
Used vehicle - retail	5.4	5.5	5.6	6.0
Parts and service	47.5	48.7	48.0	49.0
Total	17.2	17.6	17.8	18.1

The following discussions of new vehicle, used vehicle, parts and service, and finance and insurance results are on a same store basis. The differences between reported amounts and same store amounts in revenue and gross profit of these lines of business in the tables below are primarily related to acquisition and divestiture activity, as applicable.

New Vehicle

($ in millions, except per vehicle data)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Reported:								
Revenue	$ 3,330.4	$ 3,415.6	$ (85.2)	(2.5)	$ 9,634.1	$ 10,060.0	$ (425.9)	(4.2)
Gross profit	$ 139.1	$ 151.0	$ (11.9)	(7.9)	$ 434.2	$ 509.3	$ (75.1)	(14.7)
Retail vehicle unit sales	63,929	66,189	(2,260)	(3.4)	184,651	194,423	(9,772)	(5.0)
Revenue per vehicle retailed	$ 52,095	$ 51,604	$ 491	1.0	$ 52,175	$ 51,743	$ 432	0.8
Gross profit per vehicle retailed	$ 2,176	$ 2,281	$ (105)	(4.6)	$ 2,351	$ 2,620	$ (269)	(10.3)
Gross profit as a percentage of revenue	4.2%	4.4%			4.5%	5.1%		
Inventory days supply (industry standard of selling days)	52 days	47 days						

	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Same Store:								
Revenue	$ 3,237.4	$ 3,395.9	$ (158.5)	(4.7)	$ 9,415.2	$ 9,995.5	$ (580.3)	(5.8)
Gross profit	$ 133.9	$ 150.5	$ (16.6)	(11.0)	$ 422.4	$ 508.0	$ (85.6)	(16.9)
Retail vehicle unit sales	62,356	65,836	(3,480)	(5.3)	180,804	193,178	(12,374)	(6.4)
Revenue per vehicle retailed	$ 51,918	$ 51,581	$ 337	0.7	$ 52,074	$ 51,742	$ 332	0.6
Gross profit per vehicle retailed	$ 2,147	$ 2,286	$ (139)	(6.1)	$ 2,336	$ 2,630	$ (294)	(11.2)
Gross profit as a percentage of revenue	4.1%	4.4%			4.5%	5.1%		

Third Quarter 2026 compared to Third Quarter 2025

Same store new vehicle revenue decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in same store unit volume, particularly in the Domestic segment. New vehicle unit volume was adversely impacted by a decrease in EV unit volume of approximately 60% in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025.

Same store new vehicle gross profit PVR decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to an increase in average vehicle costs, particularly in the Domestic segment, due in part to a decrease in manufacturer incentives.

First Nine Months 2026 compared to First Nine Months 2025

Same store new vehicle revenue decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in same store unit volume, particularly in the Domestic and Premium Luxury segments, largely as a result of the prior year period benefiting from accelerated consumer demand in the later part of March 2025 into April 2025 following tariff-related announcements and a decrease in EV unit volume of approximately 50% in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025.

Same store new vehicle gross profit PVR decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, reflecting an increase in average vehicle costs across all franchised dealership segments due in part to a decrease in manufacturer incentives.

New Vehicle Inventory Carrying Expense

The following table details net new vehicle inventory carrying expense, consisting of new vehicle floorplan interest expense, net of floorplan assistance earned (amounts received from manufacturers specifically to support store financing of new vehicle inventory). Floorplan interest rates are variable and, therefore, increase and decrease with changes in the underlying benchmark rates. See Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information. Floorplan assistance is based on a percentage of the manufacturer's suggested retail price or a flat rate per vehicle and is accounted for as a component of new vehicle gross profit when the related vehicle is sold, in accordance with GAAP.

	Three Months Ended September 30,			Nine Months Ended September 30,		
($ in millions)	**2026**	**2025**	**Variance**	**2026**	**2025**	**Variance**
Floorplan assistance	$ 34.0	$ 34.2	$ (0.2)	$ 98.3	$ 100.0	$ (1.7)
New vehicle floorplan interest expense	(43.9)	(46.0)	2.1	(125.9)	(133.6)	7.7
Net new vehicle inventory carrying expense	$ (9.9)	$ (11.8)	$ 1.9	$ (27.6)	$ (33.6)	$ 6.0

Third Quarter 2026 compared to Third Quarter 2025

The net new vehicle inventory carrying expense decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in floorplan interest expense. Floorplan interest expense decreased as a result of lower average interest rates, partially offset by higher average vehicle floorplan balances.

First Nine Months 2026 compared to First Nine Months 2025

The net new vehicle inventory carrying expense decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in floorplan interest expense, partially offset by a decrease in floorplan assistance. Floorplan interest expense decreased as a result of lower average interest rates, partially offset by higher average vehicle floorplan balances. Floorplan assistance decreased due to lower new vehicle sales, partially offset by an increase in the average floorplan assistance per unit.

Used Vehicle

($ in millions, except per vehicle data)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Reported:								
Retail revenue	$ 1,883.3	$ 1,874.3	$ 9.0	0.5	$ 5,553.0	$ 5,511.4	$ 41.6	0.8
Wholesale revenue	152.5	141.4	11.1	7.9	458.0	411.7	46.3	11.2
Total revenue	$ 2,035.8	$ 2,015.7	$ 20.1	1.0	$ 6,011.0	$ 5,923.1	$ 87.9	1.5
Retail gross profit	$ 99.7	$ 102.6	$ (2.9)	(2.8)	$ 306.7	$ 328.7	$ (22.0)	(6.7)
Wholesale gross profit	4.4	12.3	(7.9)		33.9	36.1	(2.2)	
Total gross profit	$ 104.1	$ 114.9	$ (10.8)	(9.4)	$ 340.6	$ 364.8	$ (24.2)	(6.6)
Retail vehicle unit sales	65,410	68,896	(3,486)	(5.1)	195,749	206,632	(10,883)	(5.3)
Revenue per vehicle retailed	$ 28,792	$ 27,205	$ 1,587	5.8	$ 28,368	$ 26,673	$ 1,695	6.4
Gross profit per vehicle retailed	$ 1,524	$ 1,489	$ 35	2.4	$ 1,567	$ 1,591	$ (24)	(1.5)
Retail gross profit as a percentage of retail revenue	5.3%	5.5%			5.5%	6.0%		
Inventory days supply (trailing calendar month days)	43 days	37 days						

	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Same Store:								
Retail revenue	$ 1,825.7	$ 1,850.6	$ (24.9)	(1.3)	$ 5,396.0	$ 5,440.0	$ (44.0)	(0.8)
Wholesale revenue	147.1	138.6	8.5	6.1	444.7	403.8	40.9	10.1
Total revenue	$ 1,972.8	$ 1,989.2	$ (16.4)	(0.8)	$ 5,840.7	$ 5,843.8	$ (3.1)	(0.1)
Retail gross profit	$ 98.0	$ 101.6	$ (3.6)	(3.5)	$ 301.5	$ 325.3	$ (23.8)	(7.3)
Wholesale gross profit	5.0	12.6	(7.6)		34.9	37.1	(2.2)	
Total gross profit	$ 103.0	$ 114.2	$ (11.2)	(9.8)	$ 336.4	$ 362.4	$ (26.0)	(7.2)
Retail vehicle unit sales	63,703	67,988	(4,285)	(6.3)	190,674	203,654	(12,980)	(6.4)
Revenue per vehicle retailed	$ 28,660	$ 27,220	$ 1,440	5.3	$ 28,300	$ 26,712	$ 1,588	5.9
Gross profit per vehicle retailed	$ 1,538	$ 1,494	$ 44	2.9	$ 1,581	$ 1,597	$ (16)	(1.0)
Retail gross profit as a percentage of retail revenue	5.4%	5.5%			5.6%	6.0%		

Third Quarter 2026 compared to Third Quarter 2025

Same store retail used vehicle revenue decreased during the three months ended September 30, 2026, as compared to the same period in 2025, reflecting a decrease in same store retail unit volume primarily due to supply constraints on lower-priced used vehicles, partially offset by an increase in same store revenue PVR.

Same store used vehicle revenue PVR increased during the three months ended September 30, 2026, as compared to the same period in 2025, reflecting an increase in the average selling price of used vehicles across all franchised dealership segments primarily due to a 3% shift in mix to higher-priced vehicles including late-model and lower-mileage used vehicles.

Same store used vehicle gross profit decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in wholesale gross profit, which was adversely impacted by certain actions taken in the beginning of the third quarter of 2026 to better align used vehicle inventory with market demand and achieve a more optimal supply and mix, as well as a decrease in retail gross profit due to a decrease in retail used vehicle unit volume, partially offset by an increase in used vehicle gross profit PVR.

First Nine Months 2026 compared to First Nine Months 2025

Same store retail used vehicle revenue decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, reflecting a decrease in same store retail unit volume primarily due to supply constraints on lower-priced used vehicles, largely offset by an increase in same store revenue PVR.

Same store used vehicle revenue PVR increased during the nine months ended September 30, 2026, as compared to the same period in 2025, reflecting an increase in the average selling price of used vehicles across all franchised dealership segments primarily due to a 3% shift in mix to higher-priced vehicles including late-model and lower-mileage used vehicles.

Same store used vehicle gross profit PVR was relatively flat during the nine months ended September 30, 2026, as compared to the same period in 2025.

Parts and Service

($ in millions)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Reported:								
Revenue	$ 1,290.0	$ 1,226.2	$ 63.8	5.2	$ 3,773.9	$ 3,611.3	$ 162.6	4.5
Gross profit	$ 616.6	$ 597.0	$ 19.6	3.3	$ 1,817.1	$ 1,763.3	$ 53.8	3.1
Gross profit as a percentage of revenue	47.8%	48.7%			48.1%	48.8%		
Same Store:								
Revenue	$ 1,250.3	$ 1,209.7	$ 40.6	3.4	$ 3,673.1	$ 3,556.4	$ 116.7	3.3
Gross profit	$ 594.2	$ 589.7	$ 4.5	0.8	$ 1,762.0	$ 1,741.4	$ 20.6	1.2
Gross profit as a percentage of revenue	47.5%	48.7%			48.0%	49.0%		

Parts and service revenue is primarily derived from vehicle repairs and maintenance paid directly by customers or via reimbursement from manufacturers and others under warranty programs, as well as from wholesale parts sales, the preparation of vehicles for sale, and collision services.

Third Quarter 2026 compared to Third Quarter 2025

Same store parts and service revenue increased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases associated with wholesale parts of $38.5 million and customer-pay service of $12.8 million, partially offset by a decrease associated with the preparation of vehicles for sale of $12.9 million.

Same store parts and service gross profit increased during the three months ended September 30, 2026, as compared to the same period in 2025, reflecting increases associated with customer-pay service of $5.6 million and wholesale parts of $4.3 million, partially offset by a decrease associated with the preparation of vehicles for sale of $7.0 million. Same store gross profit as a percentage of revenue decreased to 47.5% for the three months ended September 30, 2026, as compared to 48.7% for the same period in 2025, primarily due to a shift in mix to wholesale parts, which have relatively lower margins than our core After-Sales business lines, due to an increase in wholesale parts volume driven by new commercial agreements. Absent the mix shift, gross profit as a percentage of revenue from our core After-Sales business lines was stable.

Parts and service revenue and gross profit associated with customer-pay service benefited from an increase in repair order volume due in part to an increase in technician headcount and higher value repair orders. Wholesale parts revenue and gross profit increased primarily due to an increase in volume driven by new commercial agreements. Parts and service revenue and gross profit associated with the preparation of vehicles for sale was adversely impacted by lower new and used vehicle unit volume.

First Nine Months 2026 compared to First Nine Months 2025

Same store parts and service revenue increased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases associated with wholesale parts of $105.1 million and customer-pay service of $42.5 million, partially offset by a decrease associated with the preparation of vehicles for sale of $39.0 million.

Same store parts and service gross profit increased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases associated with customer-pay service of $26.5 million and wholesale parts of $14.1 million, partially offset by a decrease associated with the preparation of vehicles for sale of $28.3 million. Same store gross profit as a percentage of revenue decreased to 48.0% during the nine months ended September 30, 2026, as compared to 49.0% the same period in 2025, primarily due to a shift in mix to wholesale parts, which have relatively lower margins than our core After-Sales business lines, due to an increase in wholesale parts volume driven by new commercial agreements. Absent the mix shift, gross profit as a percentage of revenue from our core After-Sales business lines was stable.

Parts and service revenue and gross profit associated with customer-pay service benefited from an increase in repair order volume due in part to an increase in technician headcount. Wholesale parts revenue and gross profit increased primarily due to an increase in volume driven by new commercial agreements. Parts and service revenue and gross profit associated with the preparation of vehicles for sale was adversely impacted by lower new and used vehicle unit volume and lower value repair orders.

Finance and Insurance

($ in millions, except per vehicle data)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Reported:								
Revenue and gross profit	$ 349.0	$ 374.8	$ (25.8)	(6.9)	$ 1,058.6	$ 1,095.0	$ (36.4)	(3.3)
Gross profit per vehicle retailed	$ 2,698	$ 2,775	$ (77)	(2.8)	$ 2,783	$ 2,730	$ 53	1.9
Same Store:								
Revenue and gross profit	$ 339.7	$ 372.5	$ (32.8)	(8.8)	$ 1,033.4	$ 1,086.3	$ (52.9)	(4.9)
Gross profit per vehicle retailed	$ 2,695	$ 2,784	$ (89)	(3.2)	$ 2,782	$ 2,737	$ 45	1.6

Revenue on finance and insurance products represents commissions earned by us primarily for the placement of: (i) loans and leases with third-party financial institutions in connection with customer vehicle purchases financed, (ii) vehicle service contracts with third-party providers, and (iii) other vehicle protection products with third-party providers. We sell these products on a commission basis, and we also participate in the future underwriting profit on certain products pursuant to retrospective commission arrangements with the issuers of those products.

As we continue to grow our AutoNation Finance business and increase our finance penetration rates associated with vehicles sold through our stores, we expect that upfront commission income related to arranging customer financing will shift to recurring finance income in AutoNation Finance and that the resulting decrease in finance and insurance gross profit will be offset by greater future profitability generated by our AutoNation Finance business. Interest income on financing provided through AutoNation Finance is recognized over the contractual term of the related loans. See “AutoNation Finance” for additional information.

Third Quarter 2026 compared to Third Quarter 2025

Same store finance and insurance revenue and gross profit decreased during the three months ended September 30, 2026, as compared to the same period in 2025, approximately 65% of which was due to a decrease in vehicle unit volume and 35% of which was due to a decrease in finance and insurance gross profit PVR. Finance and insurance gross profit PVR was adversely impacted by an increase in vehicle protection product cancellations and an increase in retail vehicle sales financed through AutoNation Finance, partially offset by higher realized margins on vehicle service contracts and higher gross profit per transaction associated with arranging customer financing.

First Nine Months 2026 compared to First Nine Months 2025

Same store finance and insurance revenue and gross profit decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, reflecting a decrease in vehicle unit volume, partially offset by an increase in finance and insurance gross profit PVR. Finance and insurance gross profit PVR benefited from higher realized margins on vehicle service contracts and higher gross profit per transaction associated with arranging customer financing, partially offset by an increase in vehicle protection product cancellations and an increase in retail vehicle sales financed through AutoNation Finance.

Segment Results

In the following table of financial data, revenue and segment income of our reportable segments are reconciled to consolidated revenue and consolidated operating income, respectively. The following discussions of segment results are on a reported basis.

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in millions)	2026	2025	Variance Favorable / (Unfavorable)	% Variance	2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
Domestic	$ 1,807.2	$ 1,945.3	$ (138.1)	(7.1)	$ 5,316.9	$ 5,583.2	$ (266.3)	(4.8)
Import	2,252.2	2,173.1	79.1	3.6	6,533.4	6,368.7	164.7	2.6
Premium Luxury	2,630.3	2,559.4	70.9	2.8	7,651.5	7,691.7	(40.2)	(0.5)
Total Franchised Dealerships	6,689.7	6,677.8	11.9	0.2	19,501.8	19,643.6	(141.8)	(0.7)
Corporate and other	320.6	359.6	(39.0)	(10.8)	990.4	1,058.6	(68.2)	(6.4)
Total consolidated revenue	$ 7,010.3	$ 7,037.4	$ (27.1)	(0.4)	$ 20,492.2	$ 20,702.2	$ (210.0)	(1.0)
Segment income[1]:								
Domestic	$ 65.5	$ 81.3	$ (15.8)	(19.4)	$ 217.6	$ 242.3	$ (24.7)	(10.2)
Import	115.3	123.7	(8.4)	(6.8)	352.6	383.3	(30.7)	(8.0)
Premium Luxury	150.6	160.9	(10.3)	(6.4)	462.3	519.7	(57.4)	(11.0)
Total Franchised Dealerships	331.4	365.9	(34.5)	(9.4)	1,032.5	1,145.3	(112.8)	(9.8)
AutoNation Finance income	15.4	1.5	13.9		35.5	3.6	31.9	
Corporate and other[2]	(77.6)	(42.5)	(35.1)		(251.0)	(362.2)	111.2	
Floorplan interest expense	45.4	47.5	2.1		130.9	139.3	8.4	
Operating income	$ 314.6	$ 372.4	$ (57.8)	(15.5)	$ 947.9	$ 926.0	$ 21.9	2.4
Retail new vehicle unit sales:								
Domestic	17,196	19,610	(2,414)	(12.3)	50,134	55,742	(5,608)	(10.1)
Import	30,009	29,974	35	0.1	86,848	87,725	(877)	(1.0)
Premium Luxury	16,724	16,605	119	0.7	47,669	50,956	(3,287)	(6.5)
	63,929	66,189	(2,260)	(3.4)	184,651	194,423	(9,772)	(5.0)
Retail used vehicle unit sales:								
Domestic	17,600	19,440	(1,840)	(9.5)	52,822	57,616	(4,794)	(8.3)
Import	23,391	23,368	23	0.1	69,380	69,915	(535)	(0.8)
Premium Luxury	18,422	18,638	(216)	(1.2)	54,809	56,671	(1,862)	(3.3)
Other	5,997	7,450	(1,453)	(19.5)	18,738	22,430	(3,692)	(16.5)
	65,410	68,896	(3,486)	(5.1)	195,749	206,632	(10,883)	(5.3)

[1] Segment income for the Domestic, Import, and Premium Luxury reportable segments is a non-GAAP measure and is defined as operating income less floorplan interest expense.

[2] Comprised of our non-franchised businesses, including AutoNation USA stores, collision centers, parts distribution centers, and auction operations, all of which do not meet the quantitative thresholds for reportable segments. "Corporate and other" income (loss) also includes unallocated corporate overhead expenses and other income items. "Corporate and other" income (loss) for the nine months ended September 30, 2025, also includes goodwill impairment of $65.3 million and franchise rights impairment of $71.7 million.

Domestic

The Domestic segment operating results included the following:

($ in millions)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
New vehicle	$ 897.4	$ 1,001.4	$ (104.0)	(10.4)	$ 2,615.0	$ 2,846.7	$ (231.7)	(8.1)
Used vehicle	505.6	531.0	(25.4)	(4.8)	1,505.7	1,544.3	(38.6)	(2.5)
Parts and service	297.1	293.6	3.5	1.2	870.1	851.9	18.2	2.1
Finance and insurance, net	106.6	118.4	(11.8)	(10.0)	323.9	338.7	(14.8)	(4.4)
Other	0.5	0.9	(0.4)		2.2	1.6	0.6	
Total Revenue	$ 1,807.2	$ 1,945.3	$ (138.1)	(7.1)	$ 5,316.9	$ 5,583.2	$ (266.3)	(4.8)
Gross Profit:								
New vehicle	$ 12.7	$ 20.9	$ (8.2)	(39.2)	$ 57.6	$ 78.8	$ (21.2)	(26.9)
Used vehicle	20.7	25.5	(4.8)	(18.8)	72.4	81.3	(8.9)	(10.9)
Parts and service	137.0	139.1	(2.1)	(1.5)	407.2	397.9	9.3	2.3
Finance and insurance, net	106.6	118.4	(11.8)	(10.0)	323.9	338.7	(14.8)	(4.4)
Other	0.2	0.6	(0.4)		1.2	1.3	(0.1)	
Total Gross Profit	$ 277.2	$ 304.5	$ (27.3)	(9.0)	$ 862.3	$ 898.0	$ (35.7)	(4.0)
Segment income	$ 65.5	$ 81.3	$ (15.8)	(19.4)	$ 217.6	$ 242.3	$ (24.7)	(10.2)
Retail vehicle unit sales:								
New vehicle	17,196	19,610	(2,414)	(12.3)	50,134	55,742	(5,608)	(10.1)
Used vehicle	17,600	19,440	(1,840)	(9.5)	52,822	57,616	(4,794)	(8.3)
	34,796	39,050	(4,254)	(10.9)	102,956	113,358	(10,402)	(9.2)

Third Quarter 2026 compared to Third Quarter 2025

Domestic revenue decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in new vehicle unit volume largely due to a decrease in EV unit volume of approximately 75% in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025.

Domestic segment income decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to decreases in finance and insurance gross profit and new vehicle gross profit driven by decreases in retail vehicle unit volume. Retail used vehicle unit volume was adversely impacted by supply constraints on lower-priced used vehicles. In addition, new vehicle gross profit was adversely impacted by a decrease in new vehicle gross profit PVR of $327 resulting from an increase in average vehicle costs driven in part by a decrease in manufacturer incentives. The decreases in Domestic segment income were partially offset by a decrease in SG&A expenses of $9.7 million.

First Nine Months 2026 compared to First Nine Months 2025

Domestic revenue decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in new vehicle revenue reflecting a decrease in new vehicle unit volume, partially offset by an increase in new vehicle revenue PVR. New vehicle unit volume decreased primarily due to the prior year period benefiting from accelerated consumer demand in the later part of March 2025 into April 2025 following tariff-related announcements and a decrease in EV unit volume in the current year period of approximately 60% due in part to the phasing out of EV tax credits at the end of the third quarter of 2025. New vehicle revenue benefited from an increase in manufacturers' suggested retail prices.

Domestic segment income decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to a decrease in retail vehicle unit volume, which adversely impacted new vehicle gross profit, used vehicle gross profit, and finance and insurance gross profit. Retail used vehicle unit volume decreased primarily due to supply constraints on lower-priced used vehicles. In addition, new vehicle gross profit was adversely impacted by a decrease in new vehicle gross profit PVR of $265 resulting from an increase in average vehicle costs driven in part by a decrease in manufacturer incentives. The decreases in Domestic segment income were partially offset by an increase in finance and

insurance gross profit PVR of $158 due to higher realized margins on service contracts and higher gross profit per transaction associated with arranging customer financing and a decrease in SG&A expenses of $10.5 million.

Import

The Import segment operating results included the following:

($ in millions)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
New vehicle	$ 1,171.2	$ 1,145.3	$ 25.9	2.3	$ 3,376.7	$ 3,336.9	$ 39.8	1.2
Used vehicle	594.0	561.5	32.5	5.8	1,726.5	1,657.8	68.7	4.1
Parts and service	361.7	337.5	24.2	7.2	1,050.7	999.1	51.6	5.2
Finance and insurance, net	122.7	126.0	(3.3)	(2.6)	372.1	368.2	3.9	1.1
Other	2.6	2.8	(0.2)		7.4	6.7	0.7	
Total Revenue	$ 2,252.2	$ 2,173.1	$ 79.1	3.6	$ 6,533.4	$ 6,368.7	$ 164.7	2.6
Gross Profit:								
New vehicle	$ 54.4	$ 53.8	$ 0.6	1.1	$ 160.1	$ 172.8	$ (12.7)	(7.3)
Used vehicle	34.2	35.5	(1.3)	(3.7)	107.6	108.2	(0.6)	(0.6)
Parts and service	171.0	164.7	6.3	3.8	500.3	495.5	4.8	1.0
Finance and insurance, net	122.7	126.0	(3.3)	(2.6)	372.1	368.2	3.9	1.1
Other	(3.2)	(1.3)	(1.9)		(6.2)	(4.1)	(2.1)	
Total Gross Profit	$ 379.1	$ 378.7	$ 0.4	0.1	$ 1,133.9	$ 1,140.6	$ (6.7)	(0.6)
Segment income	$ 115.3	$ 123.7	$ (8.4)	(6.8)	$ 352.6	$ 383.3	$ (30.7)	(8.0)
Retail vehicle unit sales:								
New vehicle	30,009	29,974	35	0.1	86,848	87,725	(877)	(1.0)
Used vehicle	23,391	23,368	23	0.1	69,380	69,915	(535)	(0.8)
	53,400	53,342	58	0.1	156,228	157,640	(1,412)	(0.9)

Third Quarter 2026 compared to Third Quarter 2025

Import revenue increased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases in new vehicle revenue and used vehicle revenue, which were favorably impacted by revenue from acquisitions of $38.3 million and $25.4 million, respectively. Import revenue also benefited from an increase in parts and service revenue associated with wholesale parts of $17.5 million.

Import segment income decreased during the three months ended September 30, 2026, as compared to the same period in 2025, driven by an $8.4 million increase in SG&A expenses primarily due to acquisitions and a decrease in finance and insurance gross profit PVR of $64 due to an increase in vehicle protection product cancellations and an increase in retail vehicle sales financed through AutoNation Finance. The decreases in Import segment income were partially offset by an increase in parts and service gross profit associated with customer-pay service of $2.9 million and wholesale parts of $2.0 million.

First Nine Months 2026 compared to First Nine Months 2025

Import revenue increased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases in new vehicle revenue and used vehicle revenue, which were favorably impacted by revenue from acquisitions of $71.7 million and $45.7 million, respectively. Import revenue also benefited from an increase in parts and service revenue associated with wholesale parts of $48.2 million.

Import segment income decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, driven by a $21.3 million increase in SG&A expenses primarily due to acquisitions and a decrease in new vehicle gross profit PVR of $127 reflecting an increase in average vehicle costs driven in part by a decrease in manufacturer incentives. The decreases in Import segment income were partially offset by an increase in parts and service gross profit associated with customer-pay service of $10.7 million.

Premium Luxury

The Premium Luxury segment operating results included the following:

($ in millions)	Three Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance	Nine Months Ended September 30, 2026	2025	Variance Favorable / (Unfavorable)	% Variance
Revenue:								
New vehicle	$ 1,261.8	$ 1,268.9	$ (7.1)	(0.6)	$ 3,642.4	$ 3,876.4	$ (234.0)	(6.0)
Used vehicle	778.9	737.6	41.3	5.6	2,279.2	2,172.0	107.2	4.9
Parts and service	480.4	440.9	39.5	9.0	1,405.1	1,302.7	102.4	7.9
Finance and insurance, net	108.9	111.8	(2.9)	(2.6)	323.9	340.2	(16.3)	(4.8)
Other	0.3	0.2	0.1		0.9	0.4	0.5	
Total Revenue	$ 2,630.3	$ 2,559.4	$ 70.9	2.8	$ 7,651.5	$ 7,691.7	$ (40.2)	(0.5)
Gross Profit:								
New vehicle	$ 72.1	$ 76.2	$ (4.1)	(5.4)	$ 216.6	$ 257.6	$ (41.0)	(15.9)
Used vehicle	33.9	37.4	(3.5)	(9.4)	108.2	123.0	(14.8)	(12.0)
Parts and service	248.3	230.6	17.7	7.7	731.4	687.1	44.3	6.4
Finance and insurance, net	108.9	111.8	(2.9)	(2.6)	323.9	340.2	(16.3)	(4.8)
Other	0.3	0.1	0.2		0.4	0.2	0.2	
Total Gross Profit	$ 463.5	$ 456.1	$ 7.4	1.6	$ 1,380.5	$ 1,408.1	$ (27.6)	(2.0)
Segment income	$ 150.6	$ 160.9	$ (10.3)	(6.4)	$ 462.3	$ 519.7	$ (57.4)	(11.0)
Retail vehicle unit sales:								
New vehicle	16,724	16,605	119	0.7	47,669	50,956	(3,287)	(6.5)
Used vehicle	18,422	18,638	(216)	(1.2)	54,809	56,671	(1,862)	(3.3)
	35,146	35,243	(97)	(0.3)	102,478	107,627	(5,149)	(4.8)

Third Quarter 2026 compared to Third Quarter 2025

Premium Luxury revenue increased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to increases in used vehicle revenue and parts and service revenue, which were favorably impacted by revenue from acquisitions of $40.5 million and $27.9 million, respectively. The increases in Premium Luxury revenue were partially offset by a decrease in new vehicle revenue largely due to a decrease in EV unit volume of approximately 60% in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025, partially offset by new vehicle revenue from acquisitions of $50.3 million.

Premium Luxury segment income decreased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to a $14.5 million increase in SG&A expenses primarily due to acquisitions, and a decrease in new vehicle gross profit PVR of $278. The decreases in segment income were partially offset by an increase in parts and service gross profit associated with customer-pay service of $11.8 million.

First Nine Months 2026 compared to First Nine Months 2025

Premium Luxury revenue decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to decreases in new vehicle revenue reflecting a decrease in new vehicle unit volume primarily as a result of the prior year period benefiting from accelerated consumer demand in the later part of March 2025 into April 2025 following tariff-related announcements and a decrease in EV unit volume of approximately 55% in the current year period due in part to the phasing out of EV tax credits at the end of the third quarter of 2025, partially offset by new vehicle revenue from acquisitions of $101.6 million. The decrease in Premium Luxury revenue was partially offset by increases in used vehicle revenue and parts and service revenue, which were favorably impacted by revenue from acquisitions of $89.5 million and $62.3 million, respectively.

Premium Luxury segment income decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to decreases in new vehicle gross profit and finance and insurance gross profit driven by a decrease in vehicle unit volume. Retail used vehicle unit volume decreased primarily due to supply constraints on lower-priced

used vehicles. In addition, Premium Luxury segment income was adversely impacted by a decrease in new vehicle gross profit PVR of $511 resulting from an increase in average vehicle costs driven in part by a decrease in manufacturer incentives, and an increase in SG&A expenses of $26.3 million primarily due to acquisitions. The decreases in Premium Luxury segment income were partially offset by increases in parts and service gross profit associated with customer-pay service of $30.6 million and warranty service of $10.6 million.

AutoNation Finance

AutoNation Finance ("ANF"), our captive auto finance company, provides indirect financing to qualified retail customers on vehicles we sell. This business provides us an opportunity to extend our relationship with the customer beyond the vehicle sale and participate in the customer's entire vehicle ownership cycle. As a result, we are able to diversify our sources of income, generate additional profits, cash flows, and sales, and increase customer retention. In addition, ANF represents an increasingly important component of our earnings mix. Our integrated origination platform allows us to optimize allocations among third-party lenders, manufacturer-affiliated lenders, and ANF based on customer needs, risk-adjusted returns, and available funding capacity. As the portfolio continues to grow, we expect ANF to become a larger contributor to our earnings and cash flow.

ANF income includes the interest and fee income generated by auto loans receivable less the interest expense associated with the debt issued or used to fund these receivables, a provision for estimated credit losses on the auto loans receivable originated or acquired, and direct expenses. Interest income on auto loans receivable is recognized over the contractual term of the related loans. ANF income does not include amortization of intercompany discounts or intercompany dealer participation fees.

We use non-recourse funding facilities, including warehouse facilities and asset-backed term funding transactions, as well as free cash flows from operations to fund the auto loans receivable of ANF. See Notes 6 and 9 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information about our auto loans receivable and related non-recourse debt, respectively.

The following table presents the components of ANF income:

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in millions)	**2026**	**%[1]**	**2025**	**%[1]**	**2026**	**%[1]**	**2025**	**%[1]**
Interest margin:								
Interest and fee income	$ 74.2	10.7 %	$ 55.2	11.7 %	$ 205.5	10.8 %	$ 145.7	10.3 %
Interest expense	(30.3)	(4.4)%	(21.2)	(4.5)%	(81.8)	(4.3)%	(52.9)	(3.7)%
Total interest margin	43.9	6.3 %	34.0	7.2 %	123.7	6.5 %	92.8	6.5 %
Provision for credit losses	(17.2)	(2.5)%	(22.0)	(4.7)%	(56.8)	(3.0)%	(60.1)	(4.2)%
Total interest margin after provision for credit losses	26.7	3.9 %	12.0	2.5 %	66.9	3.5 %	32.7	2.3 %
Direct expenses[2]	(11.3)	(1.6)%	(10.5)	(2.2)%	(31.4)	(1.6)%	(29.1)	(2.1)%
AutoNation Finance income	$ 15.4	2.2 %	$ 1.5	0.3 %	$ 35.5	1.9 %	$ 3.6	0.3 %

[1] Annualized amounts as a percentage of total average managed receivables.

[2] Direct expenses are comprised primarily of compensation expense and loan administration costs incurred by our auto finance company.

Third Quarter 2026 compared to Third Quarter 2025

ANF income increased during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to an increase in interest and fee income from the growth in average managed receivables of $875.5 million as we continue to grow our ANF business and increase our finance penetration rates associated with vehicles sold through our stores. ANF continues to realize operational efficiencies as the portfolio scales, resulting in reduced direct expenses as a percentage of the managed portfolio.

ANF income also benefited from a decrease in the expected credit loss rates compared to the prior year reflecting improved credit quality of new loan originations. While we have seen improvement in our credit loss rates resulting from the improved credit quality of our portfolio, we expect our portfolio delinquency rates will continue to normalize and trend upward as our portfolio seasons.

First Nine Months 2026 compared to First Nine Months 2025

ANF income increased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to an increase in interest and fee income from the growth in average managed receivables of $1.0 billion as we continue to grow our ANF business and increase our finance penetration rates associated with vehicles sold through our stores. ANF continues to realize operational efficiencies as the portfolio scales, resulting in reduced direct expenses as a percentage of the managed portfolio.

ANF income also benefited from a decrease in the expected credit loss rates compared to the prior year reflecting improved credit quality of new loan originations. While we have seen improvement in our credit loss rates resulting from the improved credit quality of our portfolio, we expect our portfolio delinquency rates will continue to normalize and trend upward as our portfolio seasons.

The following tables present selected loan origination and loan performance information:

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Loan Origination Information				
Loans originated	$ 488.7	$ 443.2	$ 1,435.3	$ 1,367.9
Vehicle units financed	14,373	12,962	42,077	39,668
Penetration rate[1]	11.1 %	9.6 %	11.1 %	9.9 %
Weighted average contract rate	10.6 %	10.8 %	10.4 %	10.9 %
Weighted average credit score[2]	711	697	706	697
Weighted average loan-to-value[3]	100.9 %	103.1 %	102.4 %	103.5 %
Weighted average term (in months)	72	73	73	73

[1] Units financed as a percentage of total new and used retail vehicle units sold.

[2] Represents weighted average FICO scores for receivables with obligors that have a FICO score at the time of application. For receivables with co-borrowers, we use the primary borrower's FICO score. FICO scores are not a significant factor in our proprietary credit model, which relies on information from credit bureaus and other information.

[3] Front-end loan-to-value represents the ratio of the amount financed to the total collateral value, which is measured as the vehicle selling price plus applicable taxes, title, and fees.

	As of and for the Three Months Ended September 30,		As of and for the Nine Months Ended September 30,	
($ in millions)	**2026**	**2025**	**2026**	**2025**
Loan Performance Information				
Total average managed receivables	$ 2,766.2	$ 1,890.7	$ 2,546.8	$ 1,543.6
Allowance for credit losses as a percentage of ending managed receivables	4.0 %	4.4 %	4.0 %	4.4 %
Net credit losses on managed receivables	$ 12.6	$ 11.6	$ 37.8	$ 27.6
Annualized net credit losses as a percentage of total average managed receivables	1.8 %	2.5 %	2.0 %	2.4 %
Accounts greater than 30 days past due as a percentage of ending managed receivables	2.5 %	2.4 %	2.5 %	2.4 %
Average recovery rate[1]	50.2 %	51.1 %	51.6 %	50.2 %

(1) Represents the average percentage of the outstanding principal balance we receive when a vehicle is repossessed and liquidated, generally at wholesale auctions.

Selling, General, and Administrative Expenses

Our Selling, General, and Administrative ("SG&A") expenses consist primarily of compensation, including store and corporate salaries, commissions, and incentive-based compensation, as well as advertising (net of reimbursement-based manufacturer advertising rebates), and store and corporate overhead expenses, which include occupancy costs, outside service costs, information technology expenses, service loaner inventory expenses, legal, accounting, and professional services, and general corporate expenses. The following table presents the major components of our SG&A expenses.

	Three Months Ended September 30,				Nine Months Ended September 30,			
($ in millions)	2026	2025	Variance Favorable / (Unfavorable)	% Variance	2026	2025	Variance Favorable / (Unfavorable)	% Variance
Reported:								
Compensation	$ 525.3	$ 541.7	$ 16.4	3.0	$ 1,607.3	$ 1,641.1	$ 33.8	2.1
Advertising	71.0	66.9	(4.1)	(6.1)	219.1	194.4	(24.7)	(12.7)
Store and corporate overhead	252.8	241.5	(11.3)	(4.7)	721.2	691.2	(30.0)	(4.3)
Total	$ 849.1	$ 850.1	$ 1.0	0.1	$ 2,547.6	$ 2,526.7	$ (20.9)	(0.8)
SG&A as a % of total gross profit:								
Compensation	43.5	43.7	20 bps		44.0	44.0	— bps	
Advertising	5.9	5.4	(50) bps		6.0	5.2	(80) bps	
Store and corporate overhead	20.9	19.5	(140) bps		19.8	18.5	(130) bps	
Total	70.3	68.6	(170) bps		69.8	67.7	(210) bps	

Third Quarter 2026 compared to Third Quarter 2025

SG&A expenses decreased slightly during the three months ended September 30, 2026, as compared to the same period in 2025, primarily due to an $18.3 million decrease in performance-driven compensation expense, a $10.2 million decrease in deferred compensation obligations as result of changes in market performance of the underlying investments, and an $8.0 million decrease in acquisition expenses. The decreases in SG&A expenses were partially offset by the impact of acquisitions, net of divestitures, of $16.3 million, a $12.2 million increase in self-insured losses primarily related to weather-related events, and an increase in advertising costs to increase traffic in our parts and service business. As a percentage of total gross profit, SG&A expenses for the three months ended September 30, 2026, increased as compared to the same period in 2025, primarily reflecting less operating leverage resulting from lower variable operations gross profit and investments in acquisitions and growth initiatives.

First Nine Months 2026 compared to First Nine Months 2025

SG&A expenses increased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to the impact of acquisitions, net of divestitures, of $38.4 million and an increase in advertising costs to support vehicle sales and increase traffic in our parts and service business, partially offset by a $44.8 million decrease in performance-driven compensation expense. As a percentage of total gross profit, SG&A expenses increased to 69.8% for the nine months ended September 30, 2026, from 67.7% in the same period in 2025, primarily reflecting less operating leverage resulting from lower variable operations gross profit and investments in acquisitions and growth initiatives.

Other Expense, Net (Operating)

Other Expense, Net generally includes asset impairments, gains or losses associated with business/property divestitures, and legal settlements, among other items. During the three months ended September 30, 2025, we recognized $40 million in insurance recoveries received under our cybersecurity insurance policies for business interruption and related losses caused by the CDK outage that occurred in June 2024.

Non-Operating Income (Expense)

Floorplan Interest Expense

Our floorplan facilities utilize Prime-based and SOFR-based interest rates, which are variable and, therefore, our floorplan interest rates increase and decrease with changes in the underlying benchmark interest rates.

Third Quarter 2026 compared to Third Quarter 2025

Floorplan interest expense was $45.4 million for the three months ended September 30, 2026, compared to $47.5 million for the same period in 2025. The decrease in floorplan interest expense of $2.1 million was due to lower average interest rates, partially offset by higher average vehicle floorplan balances.

First Nine Months 2026 compared to First Nine Months 2025

Floorplan interest expense was $130.9 million for the nine months ended September 30, 2026, compared to $139.3 million for the same period in 2025. The decrease in floorplan interest expense of $8.4 million was primarily due to lower average interest rates, partially offset by higher average vehicle floorplan balances.

Interest Expense

Other interest expense includes the interest related to non-vehicle long-term debt, commercial paper, and finance lease obligations.

Third Quarter 2026 compared to Third Quarter 2025

Other interest expense was $51.7 million for the three months ended September 30, 2026, compared to $45.1 million for the three months ended September 30, 2025. The increase in interest expense of $6.6 million was due to higher average debt balances.

First Nine Months 2026 compared to First Nine Months 2025

Other interest expense was $149.6 million for the nine months ended September 30, 2026, compared to $133.6 million for the same period in 2025. The increase in interest expense of $16.0 million was driven by higher average debt balances.

Other Income (Loss), Net

We recognized net losses of $2.9 million and net gains of $7.7 million for the three months ended September 30, 2026 and 2025, respectively, and net gains of $11.1 million and $16.2 million for the nine months ended September 30, 2026 and 2025, 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 substantially offset by corresponding increases and decreases, respectively, in the deferred compensation obligations, which are reflected in SG&A expenses.

We recognized net gains of $0.2 million and net losses of $0.3 million for the three months ended September 30, 2026 and 2025, respectively, and net gains of $54.2 million and net losses of $10.1 million for the nine months ended September 30, 2026 and 2025, respectively, related to changes in fair value of the underlying securities of our minority equity investments, including an observable price change associated with our investment in Waymo LLC. During the period that we hold our minority equity investments, unrealized gains and losses will be recorded as the fair market values of securities with readily determinable fair values change over time, or as observable price changes are identified for securities without readily determinable fair values. See Note 15 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information.

Income Tax Provision

Income taxes are provided based upon our anticipated underlying annual blended federal and state income tax rates adjusted, as necessary, for any discrete tax matters occurring during the period. As we operate in various states, our effective tax rate is also dependent upon our geographic revenue mix.

Our effective income tax rate was 24.7% for the three months ended September 30, 2026, and 25.2% for the three months ended September 30, 2025. Our effective income tax rate was 25.2% for the nine months ended September 30, 2026, and 27.7% for the nine months ended September 30, 2025. The tax rate for the nine months ended September 30, 2025, reflects the fact that the goodwill impairment charge recorded in the second quarter of 2025 was not deductible for income tax purposes.

Liquidity and Capital Resources

We manage our liquidity to ensure access to sufficient funding at acceptable costs to fund our ongoing operating requirements and future capital expenditures while continuing to meet our financial obligations. We believe that our cash and cash equivalents, funds generated through operations, and amounts available under our revolving credit facility, commercial paper program, secured used vehicle floorplan facilities, and non-recourse warehouse facility will be sufficient to fund our working capital requirements, fund the origination of auto loans receivable, service our debt, pay our tax obligations and commitments and contingencies, and meet any seasonal operating requirements for the foreseeable future. Depending on market conditions, we may from time to time issue debt, including in private or public offerings, to augment our liquidity, to reduce our cost of capital, or for general corporate purposes. In addition, we expect to periodically securitize auto loans receivable to provide funding for our auto finance company.

Available Liquidity Resources

We had the following sources of liquidity available:

(In millions)	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 51.2	$ 58.6
Revolving credit facility	$ 1,647.7 [1][2]	$ 1,899.6

[1] As limited by the maximum consolidated leverage ratio in our credit agreement.

[2] At September 30, 2026, we had $0.4 million of letters of credit outstanding. In addition, we use the revolving credit facility under our credit agreement as a liquidity backstop for borrowings under our commercial paper program. We had $555.0 million of commercial paper notes outstanding at September 30, 2026. See Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information.

In the ordinary course of business, we are required to post performance and surety bonds, letters of credit, and/or cash deposits as financial guarantees of our performance primarily relating to insurance matters. At September 30, 2026, surety bonds, letters of credit, and cash deposits totaled $107.8 million, of which $0.4 million were letters of credit. We do not currently provide cash collateral for outstanding letters of credit.

In February 2025, we filed an automatic shelf registration statement with the SEC that enables us to offer for sale, from time to time and as the capital markets permit, an unspecified amount of common stock, preferred stock, debt securities, warrants, subscription rights, depositary shares, stock purchase contracts, and units.

In addition, we own a significant portion of our new vehicle franchise store locations and other locations associated with our non-franchised businesses, as well as other properties. At September 30, 2026, these properties had a net book value of $3.1 billion. None of these properties are mortgaged or encumbered.

Capital Allocation

Our capital allocation strategy is focused on growing long-term value per share. We invest capital in our business to maintain and upgrade our existing facilities and to build new facilities for existing franchises, as well as for other strategic and technology initiatives. We also deploy capital opportunistically to complete acquisitions or investments, build facilities for newly awarded franchises, and/or repurchase our common stock and/or debt. Our capital allocation decisions are based on factors such as the expected rate of return on our investment, the market price of our common stock versus our view of its intrinsic value, the market price of our debt, the potential impact on our capital structure, our ability to complete acquisitions that meet our strategic objectives, market and vehicle brand criteria, and/or return on investment threshold, and limitations set forth in our debt agreements.

Share Repurchases

Our Board of Directors from time to time authorizes the repurchase of shares of our common stock up to a certain monetary limit. A summary of shares repurchased under our stock repurchase program authorized by our Board of Directors follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Shares repurchased	0.8	0.8	3.1	2.4
Aggregate purchase price [1]	$ 162.9	$ 181.0	$ 619.9	$ 434.8
Average purchase price per share	$ 193.49	$ 216.81	$ 198.68	$ 182.56

(1) Excludes the excise tax imposed under the Inflation Reduction Act of $1.6 million and $5.8 million for the three and nine months ended September 30, 2026, respectively, and $1.8 million and $3.9 million for the three and nine months ended September 30, 2025, respectively.

In October 2026, our Board of Directors increased the share repurchase authorization by $1.0 billion. From October 1, 2026 through October 28, 2026, we repurchased 0.3 million shares of common stock for an aggregate purchase price of $47.9 million (average purchase price per share of $157.28). As of October 28, 2026, $1.4 billion remained available for share repurchases under the program.

The decision to repurchase shares at any given point in time is based on factors such as the market price of our common stock versus our view of its intrinsic value, the potential impact on our capital structure (including compliance with our maximum leverage ratio, minimum interest coverage ratio, and other financial covenants in our debt agreements as well as our available liquidity), and the expected return on competing uses of capital such as acquisitions or investments, capital investments in our current businesses, or repurchases of our debt.

Capital Expenditures

The following table sets forth information regarding our capital expenditures:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	**2025**	**2026**	**2025**
Purchases of property and equipment	$ 75.7	$ 68.9	$ 201.7	$ 223.1

Acquisitions and Divestitures

We purchased one Import store and three Premium Luxury stores during the nine months ended September 30, 2026. We purchased one Domestic store, one Import store, and two Premium Luxury stores during the nine months ended September 30, 2025.

We divested two Domestic stores during the nine months ended September 30, 2026. We divested one Domestic store and one Import store during the nine months ended September 30, 2025.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2026**	**2025**	**2026**	**2025**
Cash paid for business acquisitions, net	$ —	$ (278.8)	$ (316.5)	$ (348.4)
Cash received from business divestitures, net	$ —	$ 16.1	$ 17.4	$ 16.1

We regularly review our store portfolio and may acquire or divest stores to optimize our operations and footprint. We typically utilize proceeds related to asset sales, including business and real estate divestitures, to fund our capital investments and strategic initiatives or for other general corporate purposes.

Debt

The following table sets forth our non-vehicle long-term debt, as of September 30, 2026, and December 31, 2025.

(In millions)

Debt Description	Maturity Date	Interest Payable	September 30, 2026	December 31, 2025
3.8% Senior Notes	November 15, 2027	May 15 and November 15	$ 300.0	$ 300.
1.95% Senior Notes	August 1, 2028	February 1 and August 1	400.0	400.
4.45% Senior Notes	January 15, 2029	January 15 and July 15	600.0	600.
4.75% Senior Notes	June 1, 2030	June 1 and December 1	500.0	500.
2.4% Senior Notes	August 1, 2031	February 1 and August 1	450.0	450.
3.85% Senior Notes	March 1, 2032	March 1 and September 1	700.0	700.
5.89% Senior Notes	March 15, 2035	March 15 and September 15	500.0	500.
Revolving credit facility	September 14, 2031	Monthly	—	–
Finance leases and other debt	Various dates through 2051		359.3	353.
			3,809.3	3,803.
Less: unamortized debt discounts and debt issuance costs			(20.6)	(24.
Less: current maturities			(75.0)	(74.
Long-term debt, net of current maturities			$ 3,713.7	$ 3,704.

We had commercial paper notes outstanding of $555.0 million at September 30, 2026, and $200.0 million at December 31, 2025. In October 2026, we increased the maximum aggregate principal amount for which we may have notes outstanding under the commercial paper program at any one time from $1.9 billion to $2.0 billion.

A downgrade in our credit ratings could negatively impact the interest rate payable on our 3.8% Senior Notes and 4.75% Senior Notes, and could also negatively impact our ability to issue, or the interest rates for, commercial paper notes or other debt. Additionally, an increase in our leverage ratio could negatively impact the interest rates charged for borrowings under our revolving credit facility.

On September 14, 2026, we amended and restated our existing unsecured credit agreement. The amended and restated credit agreement, among other things, (1) increases the revolving credit facility commitment from $1.9 billion to $2.0 billion, (2) increases the limit under the accordion feature, which allows us, subject to credit availability and certain other conditions, to increase such commitment, together with any added term loans, by up to $1.0 billion in the aggregate (up from $500.0 million under the prior credit agreement), (3) provides for commitment fees and loan margins as set forth in the amended and restated credit agreement, which are the same or lower than the commitment fees and loan margins under the prior credit agreement, (4) amends our maximum leverage ratio covenant to allow for unlimited netting of unrestricted cash, and (5) extends the maturity date of the facility to September 14, 2031.

The following table sets forth our non-recourse debt, as of September 30, 2026, and December 31, 2025.

(In millions)	September 30, 2026	December 31, 2025
Warehouse facilities	$ 719.0	$ 1,398.7
Term securitization debt of consolidated VIEs	1,875.4	548.6
	2,594.4	1,947.3
Less: unamortized debt discounts and debt issuance costs	(7.8)	(2.7)
Less: current maturities	(90.8)	(63.8)
Non-recourse debt, net of current maturities	$ 2,495.8	$ 1,880.8

In October 2026, we terminated two of our existing warehouse facilities and amended and restated the third warehouse facility to establish one syndicated warehouse facility, which includes both existing and new lenders. The syndicated warehouse facility has an aggregate borrowing capacity of $1.5 billion and utilizes SOFR-based interest rates, as well as interest rates based on a lender's asset-backed commercial paper conduit. The syndicated warehouse facility expires October 2027 and we expect to renew the facility annually. The syndicated warehouse facility provides reduced cost of funds, higher advance rates, and a more diversified lending group to support AutoNation Finance's continued growth.

In January 2026, we issued non-recourse notes payable related to asset-backed term securitizations with an aggregate principal amount of $749.2 million, a weighted-average interest rate of 4.25%, and maturity dates ranging from February 2027 to January 2034.

In June 2026, we issued non-recourse notes payable related to asset-backed term securitizations with an aggregate principal amount of $550.0 million, a weighted-average interest rate of 4.76%, and maturity dates ranging from June 2027 to May 2034.

In August 2026, we issued non-recourse notes payable related to asset-backed term securitizations with an aggregate principal amount of $439.1 million, a weighted-average interest rate of 5.00%, and maturity dates ranging from August 2027 to January 2034.

See Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information on our non-vehicle long-term debt, commercial paper, and non-recourse debt.

Restrictions and Covenants

Our amended and restated credit agreement and the indentures for our senior unsecured notes contain customary covenants that place restrictions on us, including our ability to incur additional or guarantee other indebtedness, to create liens or other encumbrances, to engage in sale and leaseback transactions, to sell (or otherwise dispose of) assets, and to merge or consolidate with other entities. Our failure to comply with the covenants contained in our amended and restated credit agreement and the indentures for our senior unsecured notes could result in the acceleration of other indebtedness of AutoNation.

Under our amended and restated credit agreement, we are required to remain in compliance with a maximum leverage ratio and a minimum interest coverage ratio. The leverage ratio is a contractually defined amount principally reflecting non-vehicle debt, net of cash, divided by a measure of earnings. The interest coverage ratio is a contractually defined amount reflecting a measure of earnings divided by certain interest expense principally associated with vehicle floorplan payable and non-vehicle debt. The specific terms of the leverage and interest coverage ratios can be found in our amended and restated credit agreement, which was filed with a Current Report on Form 8-K on September 15, 2026.

As of September 30, 2026, we were in compliance with the covenants under our credit agreement and the indentures for our senior unsecured notes. At September 30, 2026, our leverage and interest coverage ratios were as follows:

	September 30, 2026	
	Requirement	**Actual**
Leverage ratio	≤ 3.75x	2.71x
Interest coverage ratio	≥ 3.00x	4.61x

Vehicle Floorplan Payable

The components of vehicle floorplan payable are as follows:

(In millions)	**September 30, 2026**	**December 31, 2025**
Vehicle floorplan payable - trade	$ 2,263.3	$ 2,200.6
Vehicle floorplan payable - non-trade	1,756.1	1,627.7
Vehicle floorplan payable	$ 4,019.4	$ 3,828.3

Vehicle floorplan facilities are due on demand, but in the case of new vehicle inventories, are generally paid within several business days after the related vehicles are sold. Vehicle floorplan facilities are primarily collateralized by vehicle

inventories and related receivables. See Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements for more information on our vehicle floorplan payable.

Cash Flows

The following table summarizes the changes in our cash provided by (used in) operating, investing, and financing activities:

	Nine Months Ended September 30,	
(In millions)	**2026**	**2025**
Net cash provided by (used in) operating activities	$ 160.4	$ (38.6)
Net cash used in investing activities	$ (495.4)	$ (529.6)
Net cash provided by financing activities	$ 391.8	$ 590.8

Cash Flows from Operating Activities

Our primary sources of operating cash flows result from the sale of vehicles, finance and insurance products, and parts and automotive repair and maintenance services, proceeds from vehicle floorplan payable-trade, and collections on auto loans receivable for vehicles sold through our stores. Our primary uses of cash from operating activities are repayments of vehicle floorplan payable-trade, purchases of inventory, personnel-related expenditures, originations of loans receivable for vehicles sold through our stores, and payments related to taxes and leased properties.

We had net cash provided by operating activities of $160.4 million for the nine months ended September 30, 2026, as compared to cash used in operating activities of $38.6 million for the same period in 2025, primarily due to a $264.4 million decrease in the net cash outflow from auto loans receivable resulting from an increase in collections. Cash provided by operating activities also benefited from a decrease in income tax payments of $133.6 million due to timing. The increases in net cash provided by operating activities was partially offset by a decrease in earnings excluding non-cash adjustments of $101.3 million and an increase in working capital requirements of approximately $124 million primarily related to inventory and accounts receivable.

Cash Flows from Investing Activities

Net cash flows from investing activities consist primarily of cash used in capital additions and activity from business acquisitions, business divestitures, property dispositions, and other transactions.

We will make facility and infrastructure upgrades and improvements from time to time as we identify projects that are required to maintain our current business or that we expect to provide us with acceptable rates of return.

Net cash used in investing activities decreased during the nine months ended September 30, 2026, as compared to the same period in 2025, primarily due to a $31.9 million decrease in cash used for acquisitions and a $21.4 million decrease in purchases of property and equipment, partially offset by a $10.9 million increase in investments in equity securities and a $6.1 million decrease in collections on auto loans receivable acquired through third-party dealers.

Cash Flows from Financing Activities

Net cash flows from financing activities primarily include repurchases of common stock, debt activity, and changes in vehicle floorplan payable-non-trade.

During the nine months ended September 30, 2026, we borrowed $2.8 billion of non-recourse debt, including issuance of $1.7 billion in non-recourse notes payable related to asset-backed term securitizations, and repaid $2.1 billion of non-recourse debt. During the nine months ended September 30, 2025, we borrowed $2.0 billion of non-recourse debt, including issuance of $700.0 million in non-recourse notes payable related to asset-backed term securitizations, and repaid $1.1 billion of non-recourse debt.

Cash flows from financing activities include changes in commercial paper notes outstanding reflecting net proceeds of $355.0 million and net payments of $430.0 million during the nine months ended September 30, 2026 and 2025, respectively.

During the nine months ended September 30, 2025, we issued $500 million aggregate principal amount of 5.89% Senior Notes due 2035.

During the nine months ended September 30, 2026, we repurchased 3.1 million shares of common stock for an aggregate purchase price of $619.9 million (average purchase price per share of $198.68), including repurchases for which settlement occurred subsequent to September 30, 2026, and excluding the excise tax imposed under the Inflation Reduction Act. During the nine months ended September 30, 2025, we repurchased 2.4 million shares of common stock for an aggregate purchase price of $434.8 million (average purchase price per share of $182.56), excluding the excise tax imposed under the Inflation Reduction Act.

Forward-Looking Statements

Our business, financial condition, results of operations, cash flows, and prospects, and the prevailing market price and performance of our common stock may be adversely affected by a number of factors, including the matters discussed below. Certain statements and information set forth in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding our strategic initiatives, partnerships, or investments, including AutoNation Finance, and statements regarding our expectations for the future performance of our business and the automotive retail industry, including the remainder of 2026, as well as other written or oral statements made from time to time by us or by our authorized executive officers on our behalf that describe our objectives, goals, or plans, constitute "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, including statements that describe our objectives, plans or goals are, or may be deemed to be, forward-looking statements. Words such as "anticipate," "expect," "estimate," "intend," "goal," "target," "project," "plan," "believe," "continue," "may," "will," "could," and variations of such words and similar expressions are intended to identify such 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, or achievements expressed or implied by these statements. These forward-looking statements speak only as of the date of this report, and we undertake no obligation to revise or update these statements to reflect subsequent events or circumstances. The risks, uncertainties, and other factors that our stockholders and prospective investors should consider include, but are not limited to, the following:

- The automotive retail industry is sensitive to changing economic conditions and various other factors, including, but not limited to, unemployment levels, consumer confidence, fuel prices, interest rates, and tariffs. Our business and results of operations are substantially dependent on new and used vehicle sales levels in the United States and in our particular geographic markets, as well as the gross profit margins that we can achieve on our sales of vehicles, all of which are very difficult to predict.
- Our new vehicle sales are impacted by the incentive, marketing, and other programs of vehicle manufacturers.
- We are dependent upon the success and continued financial viability of the vehicle manufacturers and distributors with which we hold franchises. In addition, we rely on various third-party suppliers for key products and services.
- We are subject to restrictions imposed by, and significant influence from, vehicle manufacturers that may adversely impact our business, financial condition, results of operations, cash flows, and prospects, including our ability to acquire additional stores.
- We are investing significantly in various strategic initiatives, and if they are not successful, we will have incurred significant expenses without the benefit of improved financial results.
- If we are not able to maintain and enhance our retail brands and reputation or to attract consumers to our own digital channels, or if events occur that damage our retail brands, reputation, or sales channels, our business and financial results may be harmed.
- We are subject to various risks associated with originating and servicing auto finance loans through indirect lending to customers, any of which could have an adverse effect on our business.
- New laws, regulations, or governmental policies in response to climate change, including fuel economy and greenhouse gas emission standards, or changes to existing standards, could adversely impact our business, results of operations, financial condition, cash flow, and prospects.
- We are subject to numerous legal and administrative proceedings, which, if the outcomes are adverse to us, could materially adversely affect our business, results of operations, financial condition, cash flows, and prospects.
- Our operations are subject to extensive governmental laws and regulations. If we are found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect our operations, our business, operating results, and prospects could suffer.
- We depend on information technology for our business and are subject to risks related to cybersecurity threats and incidents, including those affecting our third-party suppliers and other service providers. A failure of our information systems or any cybersecurity breaches or unauthorized disclosure of confidential information could have a material adverse effect on our business, disrupt our business, and adversely impact our reputation and results of operations.

- Our debt agreements contain certain financial ratios and other restrictions on our ability to conduct our business, and our substantial indebtedness could adversely affect our financial condition and operations and prevent us from fulfilling our debt service obligations.
- We are subject to interest rate risk in connection with our vehicle floorplan payables, revolving credit facility, commercial paper program, and warehouse facilities that could have a material adverse effect on our profitability.
- Goodwill and other intangible assets comprise a significant portion of our total assets. We must test our goodwill and other intangible assets for impairment at least annually, which could result in a material, non-cash write-down of goodwill or franchise rights and could have a material adverse impact on our results of operations and shareholders' equity.
- Our minority equity investments with readily determinable fair values are required to be measured at fair value each reporting period, which could adversely impact our results of operations and financial condition. The carrying values of our minority equity investments that do not have readily determinable fair values are required to be adjusted for observable price changes or impairments, both of which could adversely impact our results of operations and financial condition.
- Natural disasters and adverse weather events, including the effects of climate change, can disrupt our business.

Please refer to this Quarterly Report on Form 10-Q and our most recent Annual Report on Form 10-K for additional discussion of the foregoing risks. These forward-looking statements speak only as of the date of this report, and we undertake no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

Additional Information

Investors and others should note that we announce material financial information using our company website (www.autonation.com), our investor relations website (investors.autonation.com), our newsroom website (newsroom.autonation.com), SEC filings, press releases, public conference calls, and webcasts. Information about AutoNation, its business, and its results of operations may also be announced by posts on AutoNation's X feed (www.x.com/autonation).

The information that we post on our websites and social media channels could be deemed to be material information. As a result, we encourage investors, the media, and others interested in AutoNation to review the information that we post on those websites and social media channels. Our social media channels may be updated from time to time on our investor relations website. The information on or accessible through our websites and social media channels is not incorporated by reference in this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have market risk exposure on various instruments that are based on variable interest rates. Interest rate derivatives may be used to hedge a portion of our variable rate debt, when appropriate, based on market conditions.

We had $4.0 billion of variable rate vehicle floorplan payable at September 30, 2026, and $3.8 billion at December 31, 2025. Based on these amounts, a 100 basis point change in interest rates would result in an approximate change to our annual floorplan interest expense of $40.2 million at September 30, 2026, and $38.3 million at December 31, 2025. Our exposure to changes in interest rates with respect to total vehicle floorplan payable is partially mitigated by manufacturers' floorplan assistance.

We had $555.0 million of commercial paper notes outstanding at September 30, 2026, and $200.0 million at December 31, 2025. Based on the amounts outstanding, a 100 basis point change in interest rates would result in an approximate change to our annual interest expense of $5.6 million at September 30, 2026, and $2.0 million at December 31, 2025.

Our fixed rate senior unsecured notes totaled $3.4 billion and had a fair value of $3.2 billion as of September 30, 2026, and totaled $3.4 billion and had a fair value of $3.4 billion as of December 31, 2025.

As of September 30, 2026, all auto loans receivable outstanding were fixed-rate installment contracts. Financing for these receivables was achieved primarily through both variable- and fixed-rate non-recourse debt. Non-recourse debt includes warehouse facilities and asset-backed term securitizations. Borrowings under the warehouse facilities are variable-rate debt and

are secured by the related auto loans receivable. Certain auto loans receivable were funded through term securitizations, which issued notes payable that accrue interest at fixed rates, and are also secured by the related auto loans receivable.

Equity Price Risk

We are subject to equity price risk with respect to certain minority equity investments without a readily determinable fair value. These equity investments are measured using a measurement alternative as permitted by accounting standards and were initially recorded at cost, to be subsequently adjusted for observable price changes. During the period that we hold these investments, unrealized gains and losses may be recorded if we identify observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The carrying amount of our equity investments without a readily determinable fair value was $123.3 million at September 30, 2026, and $50.8 million at December 31, 2025. A hypothetical 10% observable price change for these equity investments would result in an approximate change to gain or loss of $12.3 million at September 30, 2026, and $5.1 million at December 31, 2025. The selected 10% hypothetical change in equity prices is not intended to reflect a best or worst case scenario, as equity price changes could be smaller or larger due to the nature of equity markets.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the information set forth in this Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 (our "Form 10-K"), which could materially affect our business, financial condition, or future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information with respect to shares of common stock repurchased by AutoNation, Inc. during the three months ended September 30, 2026.

Period	Total Number of Shares Purchased[1]	Avg. Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under The Plans or Programs (in millions)[1]
July 1, 2026 - July 31, 2026	90,266	$ 201.22	90,266	$ 600.8
August 1, 2026 - August 31, 2026	255,279	$ 206.31	255,279	$ 548.1
September 1, 2026 - September 30, 2026	496,368	$ 185.49	496,368	$ 456.0
Total	841,913		841,913	

(1) Our Board of Directors from time to time authorizes the repurchase of shares of our common stock up to a certain monetary limit. The most recent authorization by the Board of Directors was approved in October 2026 for repurchases of up to an additional $1.0 billion resulting in an aggregate $1.4 billion available under our stock repurchase limit at that time. During the fiscal quarter ended September 30, 2026, all of the shares that we repurchased were repurchased under our stock repurchase program. Our stock repurchase program does not have an expiration date.

ITEM 5. OTHER INFORMATION

(a)

As previously disclosed in a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission, on May 22, 2015, AutoNation, Inc. (the "Company") established a commercial paper program (the "Program") pursuant to which it may issue short-term, unsecured commercial paper notes (the "Notes") in reliance on the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

On October 27, 2026, the Company increased the size of the Program so that it may have up to $2.0 billion of Notes outstanding at any one time under the Program. Prior to this increase, the Company could have up to $1.9 billion of Notes outstanding at any one time. The maturities of the Notes may vary, but may not exceed 397 days from the date of issuance. The Company intends to continue to use its revolving credit facility as a liquidity backstop for the Company's borrowings under the Program.

The Notes have not been and will not be registered under the Securities Act or state securities laws, and the Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws. The information contained herein is neither an offer to sell nor a solicitation of an offer to buy the Notes or any other securities.

(c)

During the fiscal quarter ended September 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Fifth Amended and Restated Credit Agreement, dated September 14, 2026, by and among the Company, JPMorgan Chase Bank, N.A. as Administrative Agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on September 15, 2026).
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act.
32.1**	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350.
32.2**	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350.
101*	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.
104*	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.

* Filed herewith.

** Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AUTONATION, INC.

Date: October 30, 2026

By: /s/ Kimberly R. Dees
Kimberly R. Dees
Senior Vice President and Chief Accounting Officer
(Duly Authorized Officer and
Principal Accounting Officer)