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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 25, 2019

SONIC AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

4401 Colwick Road
Charlotte, North Carolina
(Address of principal executive offices)

28211
(Zip Code)

Registrant's telephone number, including area code: (704) 566-2400

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	SAH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2019, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal second quarter ended June 30, 2019 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and a copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

Item 7.01. Regulation FD Disclosure.

On July 25, 2019, in the Earnings Press Release, the Company announced the approval of a quarterly cash dividend.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press Release of Sonic Automotive, Inc., dated July 25, 2019.
99.2	Earnings Call Presentation Materials.

The information in this Current Report on Form 8-K, including the exhibits attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

SIGNATURES

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 hereunto duly authorized.

SONIC AUTOMOTIVE, INC.

July 25, 2019

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports EPS of \$0.62 for the Second Quarter of 2019; EchoPark Revenues Up 61.9% and Expected to Exceed \$1.1 Billion for 2019

CHARLOTTE, N.C. – July 25, 2019 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported financial results for the second quarter of 2019.

- EchoPark revenues of \$291.7 million during the second quarter of 2019, up 61.9% from the second quarter of 2018 and on-track to exceed \$1.1 billion in full year 2019 revenues.
- EchoPark pre-tax profit improved \$29.5 million, or 101.6%, to \$1.7 million in the second quarter of 2019, compared to a pre-tax loss of \$27.8 million in the second quarter of 2018.
- EchoPark generated positive cash flow (Adjusted EBITDA*) of \$4.8 million in the second quarter of 2019, improving by \$7.0 million, or 321.7%, from the second quarter of 2018.
- EchoPark retailed 12,587 units during the second quarter of 2019, up 68.7% from the second quarter of 2018.
- Total Sonic consolidated GAAP continuing operations earnings per diluted share of \$0.62 in the second quarter of 2019, compared to \$0.40 in the second quarter of 2018 (excluding the items of interest detailed below, Adjusted earnings per diluted share from continuing operations* for the second quarter of 2018 were \$0.35).
- Total Sonic consolidated all-time quarterly record pre-owned retail unit sales of 41,458 units in the second quarter of 2019.
- Total Sonic same store Fixed Operations gross increased \$10.2 million in the second quarter of 2019, up 6.4% from the second quarter of 2018.
- Total Sonic consolidated all-time quarterly record F&I gross profit per retail unit of \$1,710 in the second quarter of 2019.
- Total Sonic consolidated all-time quarterly record F&I gross profit of \$118.3 million in the second quarter of 2019.
- SG&A to gross profit ratio of 77.2% in the second quarter of 2019, an improvement of 330 basis points compared to the second quarter of 2018 (excluding the items of interest in the second quarter of 2018 detailed below).*

* Adjusted EBITDA, Adjusted earnings per diluted share from continuing operations and Adjusted SG&A to gross profit ratio are non-GAAP financial measures. The schedules included in this press release reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures.

Second Quarter 2019 Results

On a GAAP basis, net income from continuing operations for the second quarter of 2019 was \$26.8 million, or \$0.62 per diluted share. Comparatively, net income from continuing operations for the second quarter of 2018 was \$17.1 million, or \$0.40 per diluted share.

GAAP results reported for the second quarter of 2018 include the following pre-tax items of interest (there were no such items for the second quarter of 2019):

(In millions)	Q2 2018	Income Statement Line Item
Gain on franchise disposals	\$ 38.0	SG&A expenses
Legal and storm damage charges	\$ (3.1)	SG&A expenses
Long-term compensation charges	\$ (23.3)	SG&A expenses (1)
Impairment charges	\$ (10.3)	Impairment expenses
Lease exit adjustments	\$ 2.6	SG&A expenses

Note: Amounts in table relate to the Franchised Dealerships Segment unless otherwise noted below.

(1) Relates to EchoPark.

Commentary

David Smith, Sonic's and EchoPark's Chief Executive Officer, commented, "We are quite pleased with the results for the quarter. Our franchised stores posted very good results across all revenue lines and our EchoPark operations continued on the growth and profitability path experienced in the prior quarter. We are confident that this momentum will carry into the second half of the year. Even as the new vehicle market started showing signs of weakness, we still had record results in our pre-owned and F&I business lines and grew our fixed operations by 6.4%. This, once again, shows how the dynamic dealer operating model benefits from multiple revenue streams."

"We are very excited to see the maturity of our current EchoPark locations as illustrated by our most mature market, Denver, Colorado. When we enter a market, we have a clear objective of becoming the market volume leader and achieving that distinction in a profitable manner. It is very exciting to see the results when you focus on the customer and use technology and process to reduce your expenses and simplify the operational model. We believe we will be able to open an additional EchoPark store before the end of 2019 and another shortly thereafter in the first half of 2020. Our current plans include two additional EchoPark store openings in the second half of 2020."

Jeff Dyke, Sonic's and EchoPark's President, commented, "During the second quarter, EchoPark continued to grow consistent with our expectations. The combination of a 68.7% increase in unit volume and an increase of combined front-end and F&I gross per unit of 22.3% significantly contributed to the \$13.4 million increase in total gross profit in the second quarter of 2019. This represents an increase of 92.5% over the prior year quarter. At the store operating level, all of our stores improved their performance over the prior year quarter except for one, which was relocated during the current year quarter. Our team continues managing inventory levels, inventory costs and retail pricing which we believe give us a competitive advantage to the overall pre-owned industry. We believe our technology, training and execution will allow us to scale at a level that will continue to help us significantly grow revenue while remaining profitable as we add rooftops in the coming years. We continue to be very excited about our EchoPark business model as we realize and believe that the opportunity in the pre-owned market is massive."

"Equally as exciting, our franchised stores did an excellent job during the quarter. Collectively, our new car business increased local market share and improved gross per unit on a same store basis by 4.1%. Our franchised stores also really pushed pre-owned volume during the quarter. Same store used vehicle gross profit increased nearly one percent, driven by an increase in pre-owned units sold of 6.1%, offset slightly by a \$67 decline in gross per unit. Pre-owned volume also supported higher same store F&I gross profit for the second quarter, which increased 5.9% to \$86.7 million. Additionally, the results of our fixed operations business were fantastic. Same store franchise fixed operations gross for the second quarter of 2019 increased 6.8%, or \$10.9 million, compared to the prior year quarter. This included an increase of 7.9% in same store customer pay gross profit. Total gross profit from the franchised stores on a same store basis increased \$19.7 million in the second quarter, up 6.0% from the prior year quarter. Cost controls were also in play during the quarter for the franchised store group which improved its same store SG&A to gross ratio by 30 basis points, down to 76.3% for the quarter."

"Consolidated SG&A to gross during the second quarter of 2019 was 77.2%. This compares to an adjusted ratio of 80.5% in the prior year quarter. We continue to look at the business critically to ensure resources are allocated to those functions that are core to our operating strategy."

Dividend

Sonic's Board of Directors approved a quarterly dividend of \$0.10 per share payable in cash for our stockholders of record on September 13, 2019. The dividend will be payable on October 15, 2019.

Second Quarter 2019 Earnings Conference Call

Senior management will host a conference call today at 10:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on "Our Company," then "Investor Relations," then the "Earnings Conference Calls" link at the bottom of the page.

Presentation materials for the conference call will be accessible beginning the morning of the conference call on the Company's website at www.sonicautomotive.com by clicking on the "Investor Relations" tab under "Our Company" and choosing the "Webcasts & Presentations" link at the bottom of the page.

The conference call will also be available live by dialing in 10 minutes prior to the start of the call at:

Domestic: (877) 450-3867
International: (706) 643-0958
Conference ID: 7589142

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: (855) 859-2056
International: (404) 537-3406
Conference ID: 7589142

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com. More information about EchoPark Automotive can be found at www.echopark.com.

Forward-Looking Statements

Included herein are forward-looking statements. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risks and uncertainties that could cause actual results or trends to differ materially from management's views, including, without limitation, EchoPark revenue estimates, EchoPark unit sales volume, EchoPark profit estimates, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's other periodic reports and information filed with the Securities and Exchange Commission (the "SEC"). The Company does not undertake any obligation to update forward-looking information, except as required under federal securities laws and the rules and regulations of the SEC.

Non-GAAP Financial Measures

This press release and the attached financial tables contain certain non-GAAP financial measures as defined under SEC rules, such as Adjusted EBITDA, Adjusted earnings per diluted share from continuing operations and Adjusted SG&A to gross profit ratio. As required by SEC rules, the Company provides reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosures and provide a meaningful presentation of the Company's results.

Contact: Heath Byrd, Executive Vice President and Chief Financial Officer (704) 566-2400
C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
(Dollars and shares in thousands, except per share amounts)				
Revenues:				
New vehicles	\$ 1,204,754	\$ 1,238,571	\$ 2,271,088	\$ 2,419,416
Used vehicles	885,627	762,572	1,705,992	1,471,618
Wholesale vehicles	50,039	53,748	104,810	119,148
Total vehicles	2,140,420	2,054,891	4,081,890	4,010,182
Parts, service and collision repair	355,312	346,754	696,742	698,512
Finance, insurance and other, net	118,349	104,104	224,587	197,829
Total revenues	2,614,081	2,505,749	5,003,219	4,906,523
Cost of Sales:				
New vehicles	(1,148,354)	(1,181,303)	(2,160,892)	(2,305,349)
Used vehicles	(848,898)	(725,263)	(1,632,256)	(1,397,538)
Wholesale vehicles	(50,752)	(57,105)	(106,789)	(126,929)
Total vehicles	(2,048,004)	(1,963,671)	(3,899,937)	(3,829,816)
Parts, service and collision repair	(184,766)	(179,703)	(362,960)	(361,833)
Total cost of sales	(2,232,770)	(2,143,374)	(4,262,897)	(4,191,649)
Gross profit	381,311	362,375	740,322	714,874
Selling, general and administrative expenses	(294,532)	(277,462)	(541,626)	(582,387)
Impairment charges	—	(10,317)	(1,952)	(13,960)
Depreciation and amortization	(23,806)	(23,949)	(46,456)	(47,692)
Operating income (loss)	62,973	50,647	150,288	70,835
Other income (expense):				
Interest expense, floor plan	(12,518)	(11,945)	(25,744)	(22,622)
Interest expense, other, net	(13,628)	(13,375)	(26,481)	(26,831)
Other income (expense), net	(5)	17	95	106
Total other income (expense)	(26,151)	(25,303)	(52,130)	(49,347)
Income (loss) from continuing operations before taxes	36,822	25,344	98,158	21,488
Provision for income taxes for continuing operations - benefit (expense)	(10,071)	(8,222)	(29,058)	(6,380)
Income (loss) from continuing operations	26,751	17,122	69,100	15,108
Discontinued operations:				
Income (loss) from discontinued operations before taxes	(213)	(297)	(393)	(545)
Provision for income taxes for discontinued operations - benefit (expense)	61	80	114	148
Income (loss) from discontinued operations	(152)	(217)	(279)	(397)
Net income (loss)	\$ 26,599	\$ 16,905	\$ 68,821	\$ 14,711
Basic earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$ 0.62	\$ 0.40	\$ 1.61	\$ 0.35
Earnings (loss) per share from discontinued operations	—	—	(0.01)	(0.01)
Earnings (loss) per common share	\$ 0.62	\$ 0.40	\$ 1.60	\$ 0.34
Weighted-average common shares outstanding	43,066	42,662	42,953	42,725
Diluted earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$ 0.62	\$ 0.40	\$ 1.60	\$ 0.35
Earnings (loss) per share from discontinued operations	(0.01)	(0.01)	—	(0.01)
Earnings (loss) per common share	\$ 0.61	\$ 0.39	\$ 1.60	\$ 0.34
Weighted-average common shares outstanding	43,230	42,920	43,060	42,948
Dividends declared per common share	\$ 0.10	\$ 0.06	\$ 0.20	\$ 0.12

New Vehicles

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 1,204,754	\$ 1,238,571	\$ (33,817)	(2.7)%
Gross profit	\$ 56,400	\$ 57,268	\$ (868)	(1.5)%
Unit sales	28,196	30,877	(2,681)	(8.7)%
Revenue per unit	\$ 42,728	\$ 40,113	\$ 2,615	6.5 %
Gross profit per unit	\$ 2,000	\$ 1,855	\$ 145	7.8 %
Gross profit as a % of revenue	4.7 %	4.6 %	10 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 2,271,088	\$ 2,419,416	\$ (148,328)	(6.1)%
Gross profit	\$ 110,196	\$ 114,067	\$ (3,871)	(3.4)%
Unit sales	53,393	60,377	(6,984)	(11.6)%
Revenue per unit	\$ 42,535	\$ 40,072	\$ 2,463	6.1 %
Gross profit per unit	\$ 2,064	\$ 1,889	\$ 175	9.3 %
Gross profit as a % of revenue	4.9 %	4.7 %	20 bps	

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 1,200,352	\$ 1,170,278	\$ 30,074	2.6 %
Gross profit	\$ 55,803	\$ 54,904	\$ 899	1.6 %
Unit sales	28,134	28,826	(692)	(2.4)%
Revenue per unit	\$ 42,666	\$ 40,598	\$ 2,068	5.1 %
Gross profit per unit	\$ 1,983	\$ 1,905	\$ 78	4.1 %
Gross profit as a % of revenue	4.6 %	4.7 %	(10) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 2,248,029	\$ 2,267,998	\$ (19,969)	(0.9)%
Gross profit	\$ 108,763	\$ 109,282	\$ (519)	(0.5)%
Unit sales	52,829	55,736	(2,907)	(5.2)%
Revenue per unit	\$ 42,553	\$ 40,692	\$ 1,861	4.6 %
Gross profit per unit	\$ 2,059	\$ 1,961	\$ 98	5.0 %
Gross profit as a % of revenue	4.8 %	4.8 %	— bps	

Used Vehicles

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 885,627	\$ 762,572	\$ 123,055	16.1 %
Gross profit	\$ 36,729	\$ 37,309	\$ (580)	(1.6)%
Unit sales	41,458	35,779	5,679	15.9 %
Revenue per unit	\$ 21,362	\$ 21,313	\$ 49	0.2 %
Gross profit per unit	\$ 886	\$ 1,043	\$ (157)	(15.1)%
Gross profit as a % of revenue	4.1 %	4.9 %	(80) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 1,705,992	\$ 1,471,618	\$ 234,374	15.9 %
Gross profit	\$ 73,736	\$ 74,080	\$ (344)	(0.5)%
Unit sales	79,921	69,518	10,403	15.0 %
Revenue per unit	\$ 21,346	\$ 21,169	\$ 177	0.8 %
Gross profit per unit	\$ 923	\$ 1,066	\$ (143)	(13.4)%
Gross profit as a % of revenue	4.3 %	5.0 %	(70) bps	

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 826,666	\$ 728,393	\$ 98,273	13.5 %
Gross profit	\$ 34,540	\$ 34,677	\$ (137)	(0.4)%
Unit sales	38,517	33,930	4,587	13.5 %
Revenue per unit	\$ 21,462	\$ 21,468	\$ (6)	—%
Gross profit per unit	\$ 897	\$ 1,022	\$ (125)	(12.2)%
Gross profit as a % of revenue	4.2 %	4.8 %	(60) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 1,591,287	\$ 1,394,490	\$ 196,797	14.1 %
Gross profit	\$ 68,263	\$ 67,477	\$ 786	1.2 %
Unit sales	74,126	65,293	8,833	13.5 %
Revenue per unit	\$ 21,467	\$ 21,357	\$ 110	0.5 %
Gross profit per unit	\$ 921	\$ 1,033	\$ (112)	(10.8)%
Gross profit as a % of revenue	4.3 %	4.8 %	(50) bps	

Wholesale Vehicles

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 50,039	\$ 53,748	\$ (3,709)	(6.9)%
Gross profit (loss)	\$ (713)	\$ (3,357)	\$ 2,644	78.8 %
Unit sales	8,646	8,442	204	2.4 %
Revenue per unit	\$ 5,788	\$ 6,367	\$ (579)	(9.1)%
Gross profit (loss) per unit	\$ (82)	\$ (398)	\$ 316	79.4 %
Gross profit (loss) as a % of revenue	(1.4) %	(6.2) %	480 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 104,810	\$ 119,148	\$ (14,338)	(12.0)%
Gross profit (loss)	\$ (1,979)	\$ (7,781)	\$ 5,802	74.6 %
Unit sales	17,293	18,122	(829)	(4.6)%
Revenue per unit	\$ 6,061	\$ 6,575	\$ (514)	(7.8)%
Gross profit (loss) per unit	\$ (114)	\$ (429)	\$ 315	73.4 %
Gross profit (loss) as a % of revenue	(1.9) %	(6.5) %	460 bps	

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 48,270	\$ 48,127	\$ 143	0.3 %
Gross profit (loss)	\$ (631)	\$ (3,074)	\$ 2,443	79.5 %
Unit sales	8,230	7,460	770	10.3 %
Revenue per unit	\$ 5,865	\$ 6,451	\$ (586)	(9.1)%
Gross profit (loss) per unit	\$ (77)	\$ (412)	\$ 335	81.3 %
Gross profit (loss) as a % of revenue	(1.3) %	(6.4) %	510 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 101,394	\$ 108,446	\$ (7,052)	(6.5)%
Gross profit (loss)	\$ (1,773)	\$ (6,955)	\$ 5,182	74.5 %
Unit sales	16,618	16,327	291	1.8 %
Revenue per unit	\$ 6,101	\$ 6,642	\$ (541)	(8.1)%
Gross profit (loss) per unit	\$ (107)	\$ (426)	\$ 319	74.9 %
Gross profit (loss) as a % of revenue	(1.7) %	(6.4) %	470 bps	

Parts, Service and Collision Repair ("Fixed Operations")

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 142,113	\$ 140,351	\$ 1,762	1.3 %
Warranty	69,809	63,888	5,921	9.3 %
Wholesale parts	40,027	40,844	(817)	(2.0) %
Internal, sublet and other	103,363	101,671	1,692	1.7 %
Total	<u>\$ 355,312</u>	<u>\$ 346,754</u>	<u>\$ 8,558</u>	<u>2.5 %</u>
Gross profit				
Customer pay	\$ 77,652	\$ 75,100	\$ 2,552	3.4 %
Warranty	39,039	35,871	3,168	8.8 %
Wholesale parts	6,872	6,900	(28)	(0.4) %
Internal, sublet and other	46,983	49,180	(2,197)	(4.5) %
Total	<u>\$ 170,546</u>	<u>\$ 167,051</u>	<u>\$ 3,495</u>	<u>2.1 %</u>
Gross profit as a % of revenue				
Customer pay	54.6 %	53.5 %	110 bps	
Warranty	55.9 %	56.1 %	(20) bps	
Wholesale parts	17.2 %	16.9 %	30 bps	
Internal, sublet and other	45.5 %	48.4 %	(290) bps	
Total	48.0 %	48.2 %	(20) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 279,834	\$ 282,706	\$ (2,872)	(1.0) %
Warranty	138,782	131,489	7,293	5.5 %
Wholesale parts	79,325	83,345	(4,020)	(4.8) %
Internal, sublet and other	198,801	200,972	(2,171)	(1.1) %
Total	<u>\$ 696,742</u>	<u>\$ 698,512</u>	<u>\$ (1,770)</u>	<u>(0.3) %</u>
Gross profit				
Customer pay	\$ 151,978	\$ 151,449	\$ 529	0.3 %
Warranty	77,447	73,772	3,675	5.0 %
Wholesale parts	13,668	14,165	(497)	(3.5) %
Internal, sublet and other	90,689	97,293	(6,604)	(6.8) %
Total	<u>\$ 333,782</u>	<u>\$ 336,679</u>	<u>\$ (2,897)</u>	<u>(0.9) %</u>
Gross profit as a % of revenue				
Customer pay	54.3 %	53.6 %	70 bps	
Warranty	55.8 %	56.1 %	(30) bps	
Wholesale parts	17.2 %	17.0 %	20 bps	
Internal, sublet and other	45.6 %	48.4 %	(280) bps	
Total	47.9 %	48.2 %	(30) bps	

Parts, Service and Collision Repair ("Fixed Operations")

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 141,061	\$ 134,096	\$ 6,965	5.2 %
Warranty	70,283	62,323	7,960	12.8 %
Wholesale parts	39,696	39,057	639	1.6 %
Internal, sublet and other	101,345	96,806	4,539	4.7 %
Total	<u>\$ 352,385</u>	<u>\$ 332,282</u>	<u>\$ 20,103</u>	<u>6.0 %</u>
Gross profit				
Customer pay	\$ 77,079	\$ 71,426	\$ 5,653	7.9 %
Warranty	39,247	34,874	4,373	12.5 %
Wholesale parts	6,813	6,557	256	3.9 %
Internal, sublet and other	46,655	46,720	(65)	(0.1) %
Total	<u>\$ 169,794</u>	<u>\$ 159,577</u>	<u>\$ 10,217</u>	<u>6.4 %</u>
Gross profit as a % of revenue				
Customer pay	54.6 %	53.3 %	130 bps	
Warranty	55.8 %	56.0 %	(20) bps	
Wholesale parts	17.2 %	16.8 %	40 bps	
Internal, sublet and other	46.0 %	48.3 %	(230) bps	
Total	48.2 %	48.0 %	20 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 277,155	\$ 264,824	\$ 12,331	4.7 %
Warranty	137,720	126,537	11,183	8.8 %
Wholesale parts	78,277	79,069	(792)	(1.0) %
Internal, sublet and other	194,421	189,409	5,012	2.6 %
Total	<u>\$ 687,573</u>	<u>\$ 659,839</u>	<u>\$ 27,734</u>	<u>4.2 %</u>
Gross profit				
Customer pay	\$ 150,513	\$ 141,236	\$ 9,277	6.6 %
Warranty	76,859	70,778	6,081	8.6 %
Wholesale parts	13,449	13,347	102	0.8 %
Internal, sublet and other	88,981	91,086	(2,105)	(2.3) %
Total	<u>\$ 329,802</u>	<u>\$ 316,447</u>	<u>\$ 13,355</u>	<u>4.2 %</u>
Gross profit as a % of revenue				
Customer pay	54.3 %	53.3 %	100 bps	
Warranty	55.8 %	55.9 %	(10) bps	
Wholesale parts	17.2 %	16.9 %	30 bps	
Internal, sublet and other	45.8 %	48.1 %	(230) bps	
Total	48.0 %	48.0 %	— bps	

Finance, Insurance and Other, Net ("F&I")

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except per unit data)

Reported:							
Revenue	\$	118,349	\$	104,104	\$	14,245	13.7 %
Unit sales		69,213		66,238		2,975	4.5 %
Gross profit per retail unit (excludes fleet)	\$	1,710	\$	1,572	\$	138	8.8 %

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except per unit data)

Reported:							
Revenue	\$	224,587	\$	197,829	\$	26,758	13.5 %
Unit sales		132,594		129,154		3,440	2.7 %
Gross profit per retail unit (excludes fleet)	\$	1,694	\$	1,532	\$	162	10.6 %

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except per unit data)

Same Store:							
Revenue	\$	108,818	\$	95,816	\$	13,002	13.6 %
Unit sales		66,210		62,363		3,847	6.2 %
Gross profit per retail unit (excludes fleet)	\$	1,644	\$	1,536	\$	108	7.0 %

	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except per unit data)

Same Store:							
Revenue	\$	205,936	\$	180,977	\$	24,959	13.8 %
Unit sales		126,235		120,333		5,902	4.9 %
Gross profit per retail unit (excludes fleet)	\$	1,631	\$	1,504	\$	127	8.4 %

Selling, General and Administrative (“SG&A”) Expenses

	Three Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 181,197	\$ 197,641	\$ 16,444	8.3 %
Advertising	15,402	16,270	868	5.3 %
Rent	13,336	13,702	366	2.7 %
Other	84,597	49,849	(34,748)	(69.7)%
Total SG&A expenses	\$ 294,532	\$ 277,462	\$ (17,070)	(6.2)%
Adjustments:				
Gain on franchise disposals	\$ —	\$ 38,048		
Legal and storm damage charges	—	(3,064)		
Long-term compensation charges	—	(23,333)		
Lease exit charges	—	2,579		
Total SG&A adjustments	\$ —	\$ 14,230		
Adjusted:				
Total adjusted SG&A expenses	\$ 294,532	\$ 291,692	\$ (2,840)	(1.0)%
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	47.5 %	54.5 %	700 bps	
Advertising	4.0 %	4.5 %	50 bps	
Rent	3.5 %	3.8 %	30 bps	
Other	22.2 %	13.8 %	(840) bps	
Total SG&A expenses as a % of gross profit	77.2 %	76.6 %	(60) bps	
Adjustments:				
Gain on franchise disposals	— %	10.5 %		
Legal and storm damage charges	— %	(0.8) %		
Long-term compensation charges	— %	(6.5) %		
Lease exit charges	— %	0.7 %		
Total effect of adjustments	— %	3.9 %		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	77.2 %	80.5 %	330 bps	


	Six Months Ended June 30,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 365,381	\$ 382,678	\$ 17,297	4.5 %
Advertising	30,453	32,287	1,834	5.7 %
Rent	28,586	35,570	6,984	19.6 %
Other	117,206	131,852	14,646	11.1 %
Total SG&A expenses	\$ 541,626	\$ 582,387	\$ 40,761	7.0 %
Adjustments:				
Gain on franchise disposals	\$ 46,680	\$ 39,239		
Legal and storm damage charges	—	(4,564)		
Long-term compensation charges	(6,264)	(32,522)		
Lease exit charges	—	(2,235)		
Total SG&A adjustments	\$ 40,416	\$ (82)		
Total adjusted SG&A expenses	\$ 582,042	\$ 582,305	\$ 263	— %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	49.4 %	53.5 %	410 bps	
Advertising	4.1 %	4.5 %	40 bps	
Rent	3.9 %	5.0 %	110 bps	
Other	15.8 %	18.5 %	270 bps	
Total SG&A expenses as a % of gross profit	73.2 %	81.5 %	830 bps	
Adjustments:				
Gain on franchise disposals	6.3 %	5.5 %		
Legal and storm damage charges	— %	(0.7) %		
Long-term compensation charges	(0.9) %	(4.5) %		
Lease exit charges	— %	(0.3) %		
Total effect of adjustments	5.4 %	— %		
Total adjusted SG&A expenses as a % of gross profit	78.6 %	81.5 %	290 bps	

Non-GAAP Continuing Operations EPS Reconciliation

	Three Months Ended June 30, 2019			Three Months Ended June 30, 2018		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
(In thousands, except per share amounts)						
Diluted earnings (loss) and shares from continuing operations	43,230	\$ 26,751	\$ 0.62	42,920	\$ 17,122	\$ 0.40
Pre-tax items of interest:						
Gain on franchise disposals		\$ —			\$ (38,048)	
Legal and storm damage charges		—			3,064	
Long-term compensation charges		—			23,333	
Impairment charges		—			10,315	
Lease exit charges		—			(2,579)	
Tax effect of above items		—			1,617	
Adjusted diluted earnings (loss) and shares from continuing operations	43,230	\$ 26,751	\$ 0.62	42,920	\$ 14,824	\$ 0.35

	Six Months Ended June 30, 2019			Six Months Ended June 30, 2018		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
(In thousands, except per share amounts)						
Diluted earnings (loss) and shares from continuing operations	43,060	\$ 69,100	\$ 1.60	42,948	\$ 15,108	\$ 0.35
Pre-tax items of interest:						
Gain on franchise disposals		\$ (46,680)			\$ (39,239)	
Legal and storm damage charges		—			4,564	
Long-term compensation charges		—			32,522	
Executive transition costs		6,264			—	
Impairment charges		1,926			13,958	
Lease exit charges		—			2,235	
Tax effect of above items		12,902			(3,276)	
Adjusted diluted earnings (loss) and shares from continuing operations	43,060	\$ 43,512	\$ 1.01	42,948	\$ 25,872	\$ 0.60

Exhibit 99.2



Q2 2019
*Investor
Presentation*



FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events, are not historical facts and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. These statements can generally be identified by lead-in words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “may”, “will” and other similar words. Statements that describe our Company’s objectives, plans or goals are also forward-looking statements. Examples of such forward-looking information we may be discussing in this presentation include, without limitation, earnings expectations, anticipated 2019 industry new vehicle sales volume, the implementation of growth and operating strategies, including acquisitions of dealerships and properties, the development of open points and stand-alone pre-owned stores, the return of capital to stockholders, anticipated future success and impacts from the implementation of our strategic initiatives and earnings per share expectations.

You are cautioned that these forward-looking statements are not guarantees of future performance, involve risks and uncertainties and actual results may differ materially from those projected in the forward-looking statements as a result of various factors. These risks and uncertainties include, without limitation, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and the Company’s other periodic reports and information filed with the Securities and Exchange Commission.

These forward-looking statements, risks, uncertainties and additional factors speak only as of the date of this presentation. We undertake no obligation to update any such statements, except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission.



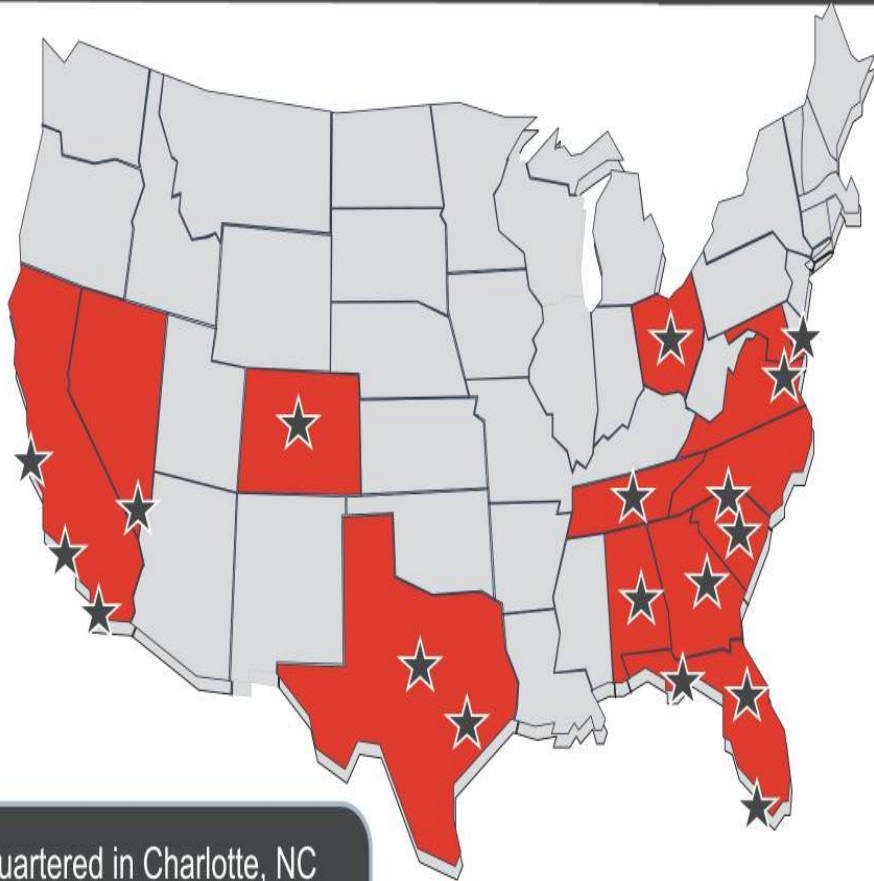
CONTENT

- COMPANY OVERVIEW
- FINANCIAL & OPERATIONS REVIEW
- APPENDIX

COMPANY OVERVIEW



OVERVIEW – FRANCHISED GEOGRAPHIC



Headquartered in Charlotte, NC
92 Stores, 23 Brands, 15 Collision
Repair Centers
Platforms in Major Metro Markets

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EchoPark
AUTOMOTIVE



OVERVIEW – ECHOPARK GEOGRAPHIC

Texas – 4 Locations
 Colorado – 3 Locations
 North Carolina – 1 Location

- Charlotte Location Opened in October 2018
- Velocity of Sales Increasing Faster Compared to Other New Openings

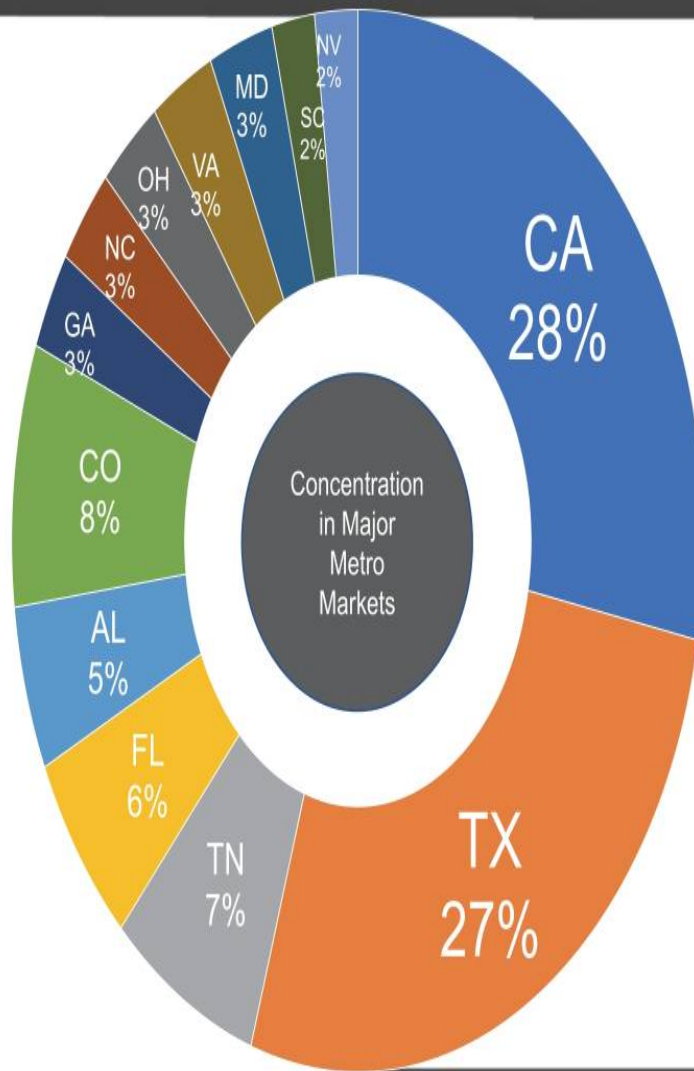
- Thornton and Centennial Opened in 2015
- Colorado Springs Opened in Q2 2017

- Dallas/Grand Prairie Location – Relocated driversselect Operation (Purchased in Q3 2017)

- Houston Location Opened in December 2018

- San Antonio Location Opened in Q4 2017
- New Braunfels Location Opened in Q1 2018

OVERVIEW - GEOGRAPHIC

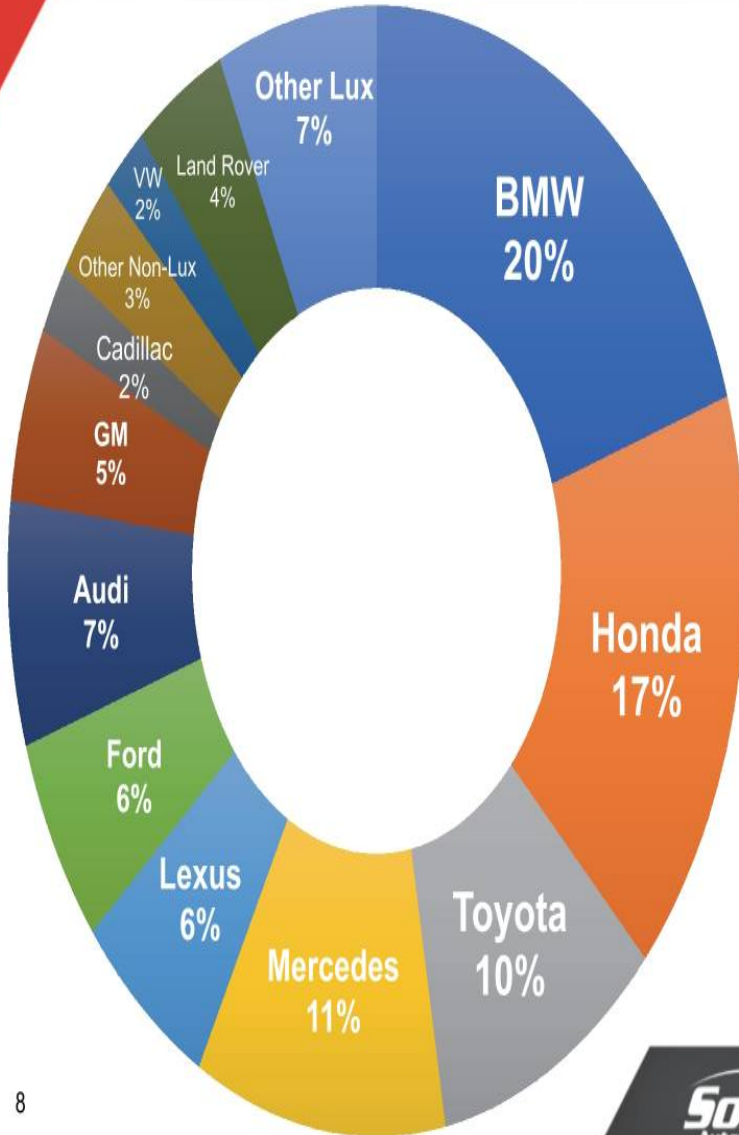


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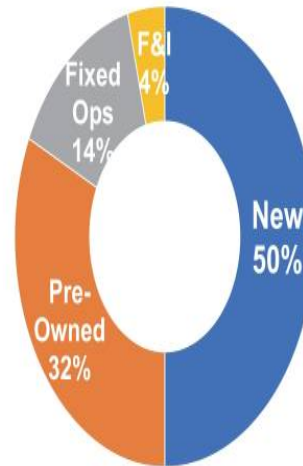
Note: Percentages are percent of total revenue for FY 2018.



OVERVIEW – BRAND & REVENUE COMPOSITION



Revenue Streams and Brand Mix Offer Attractive Diversification Across the Automotive Retail Space



Note: Percentages are for FY 2018.



Q2 2019 FINANCIAL REVIEW

FRANCHISED
SEGMENT



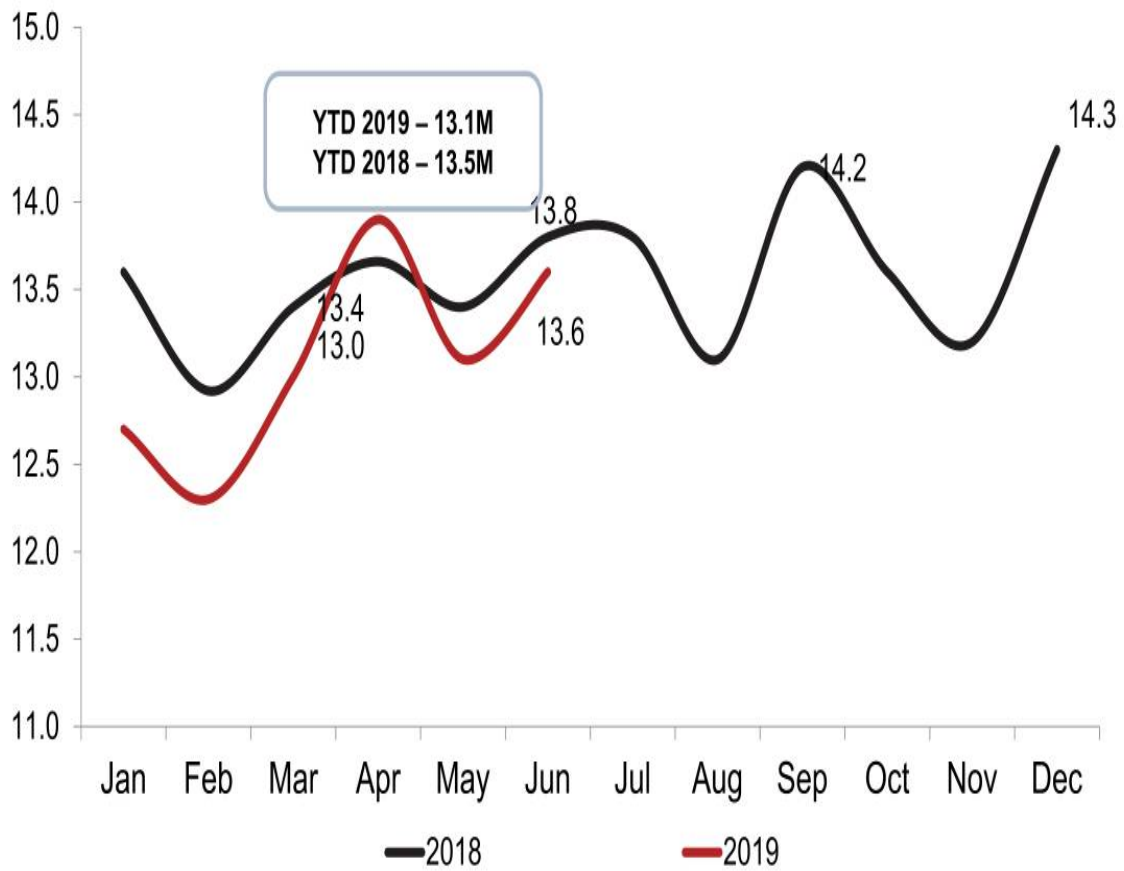
FRANCHISED SEGMENT Q2 2019 RESULTS

(In millions)	Continuing Operations			Same Store		
	Q2 2019	B/(W) than Q2 2018 ⁽¹⁾		Q2 2019	B/(W) than Q2 2018	
		\$	%		\$	%
Revenue	\$2,322	(\$3)	(0.1%)	\$2,311	\$99	4.5%
Gross Profit	\$353	\$6	1.6%	\$348	\$20	6.0%
SG&A Expenses	\$272	\$3	1.2%	\$266	(\$14)	(5.6%)
SG&A as % of Gross Profit	77.1%		210 bps	76.3%		30 bps
Depreciation	\$21	\$1	4.0%	\$11	(\$0)	(1.6%)
Operating Profit	\$60	\$10	19.4%	\$72	\$5	8.2%
Interest & Other	\$25	(\$1)	(2.1%)	\$16	(\$3)	(28.9%)
Pre-tax	\$35	\$9	35.5%	\$56	\$2	3.5%

(1) – Adjusted for Items of Interest Below. Refer to Slides at End of Presentation for Reconciliation of Non-GAAP Measures.

(In millions)	Pre-tax Items of Interest		Location
	Q2 2019	Q2 2018	
Gain on Franchise Disposals	\$ -	\$ 38.0	SG&A Expenses
Legal and Storm Damage Charges	\$ -	\$ (3.1)	SG&A Expenses
Long-term Compensation Charges	\$ -	\$ (23.3)	SG&A Expenses
Impairment Charges	\$ -	\$ (10.3)	Impairment Charges
Lease Exit Adjustments	\$ -	\$ 2.6	SG&A Expenses

NEW VEHICLE SAAR - RETAIL



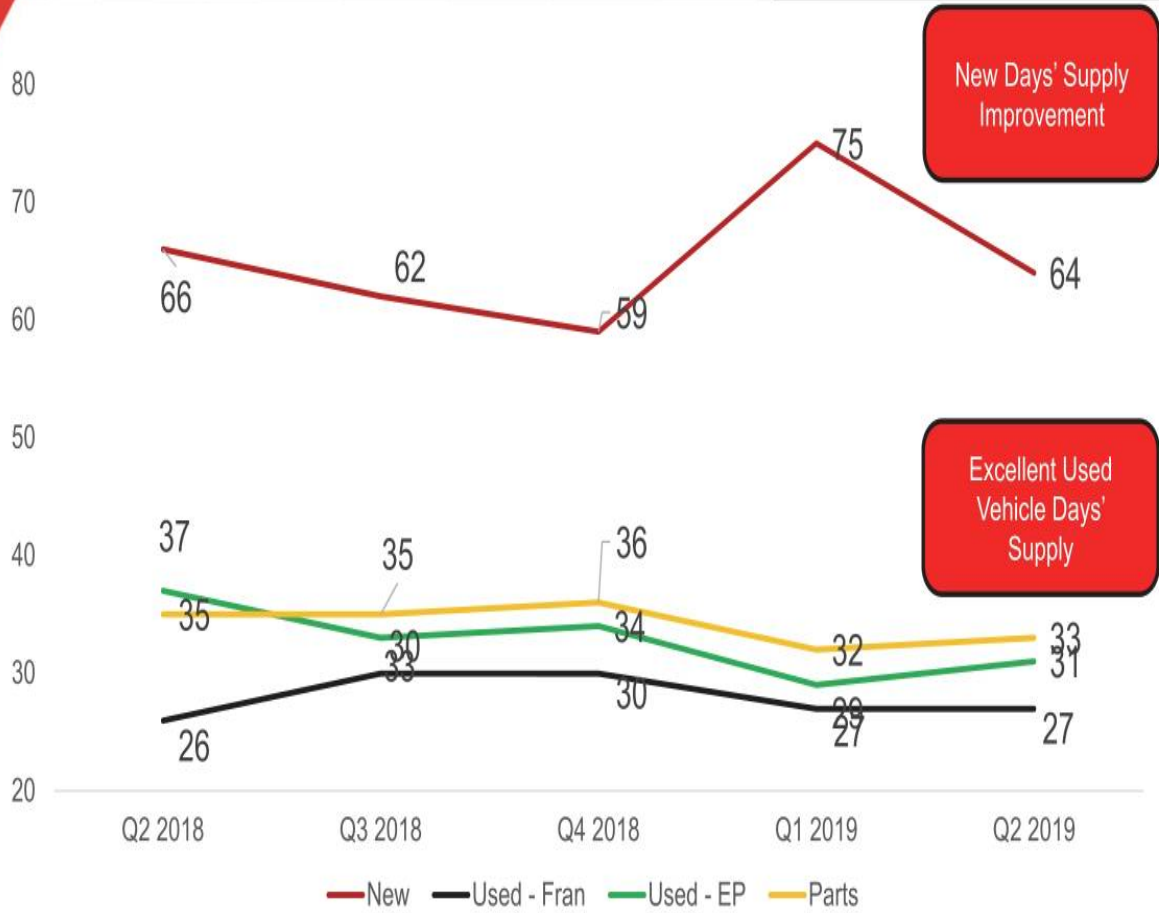
NEW VEHICLE SAME STORE - FRANCHISED

	Q2 2019	Q2 2018	B/(W)
New Volume	28,134	28,826	(2.4%)
Selling Price	\$ 42,665	\$ 40,598	5.1%
Gross Margin %	4.6%	4.7%	(10) bps
Gross Per Unit	\$ 1,983	\$ 1,905	\$ 79 ←
Gross Profit (millions)	\$ 55.8	\$ 54.9	1.6%
Retail SAAR (millions)	13.5	13.6	(0.7%)

New Units

	Apr	May	Jun	Total
2019	8,702	10,268	9,164	28,134
2018	9,096	10,448	9,282	28,826
B/(W)	(394)	(180)	(118)	(692)
% B/(W)	(4.3%)	(1.7%)	(1.3%)	(2.4%)

DAYS' SUPPLY



USED VEHICLE RETAIL

Franchised – Same Store

	Q2 2019	Q2 2018	B/(W)
Retail Volume	28,760	27,102	6.1%
Gross Per Unit	\$ 1,272	\$ 1,339	\$ (67)
Used to New Ratio	102%	94%	800 bps
Vehicles/Store/Month (91 stores)	105	99	6

Front-End Gross Profit and F&I Gross Profit

(In millions)	Apr	May	Jun	Total
2019	\$ 26.4	\$ 27.1	\$ 27.2	\$ 80.7
2018	24.3	25.3	26.7	76.3
B/(W)	\$ 2.1	\$ 1.8	\$ 0.5	\$ 4.5



F&I – GROSS PROFIT & GROSS PER UNIT

Franchised – Same Store



FIXED OPERATIONS

Franchised – Same Store

(In thousands)	Q2 2019	Q2 2018	\$ B/(W)	% B/(W)
Customer Pay	\$ 77,078	\$ 71,421	\$ 5,657	7.9%
Warranty	39,247	34,874	4,373	12.5%
Wholesale Parts	6,813	6,557	256	3.9%
Sublet	4,830	4,716	115	2.4%
Internal	27,697	28,043	(346)	(1.2%)
Other	14,254	13,438	816	6.1%
Total Gross Profit	\$ 169,919	\$ 159,049	\$ 10,871	6.8%

Q2 2019 FINANCIAL REVIEW

ECHOPARK
SEGMENT

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ECHOPARK SEGMENT Q2 2019 RESULTS

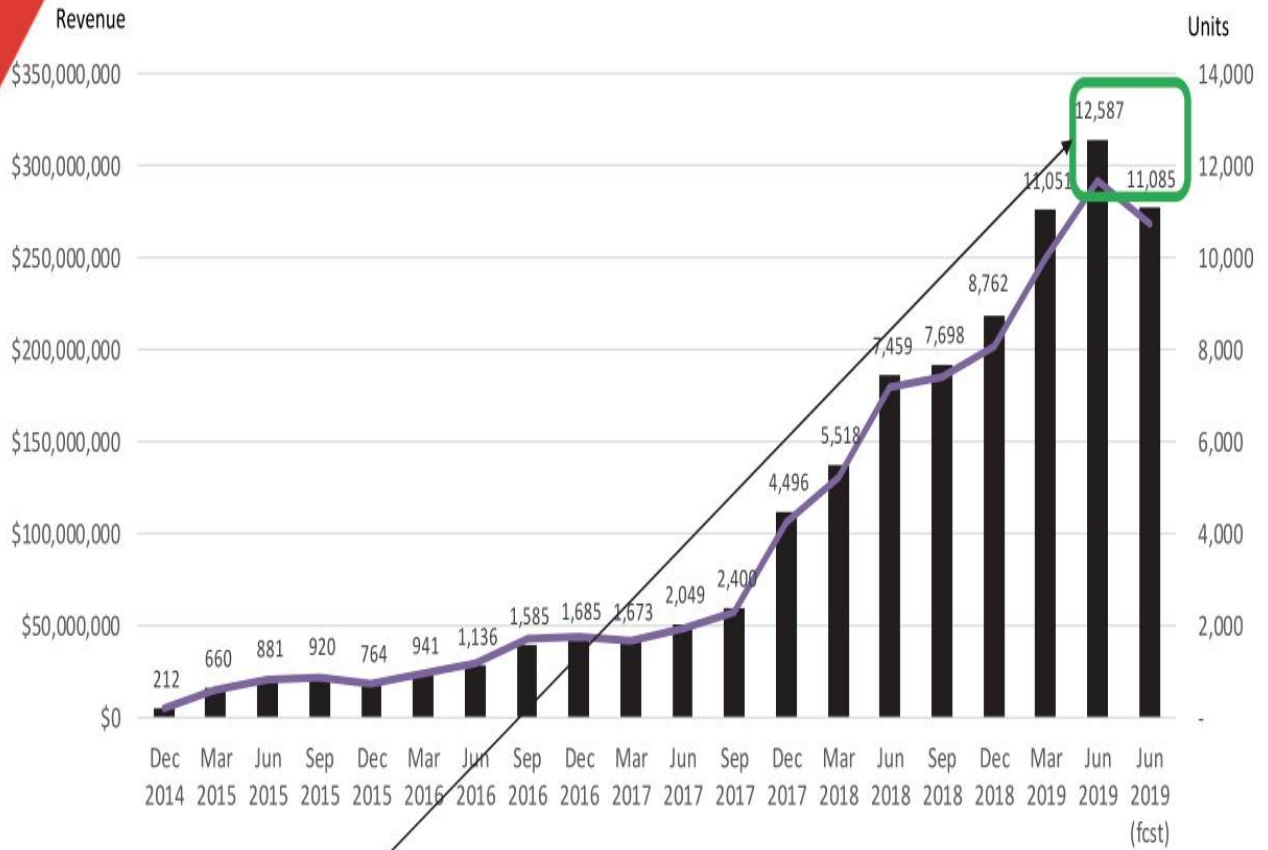
Continuing Profitability

	Q2 2019	B/(W) than Q2 2018 ⁽¹⁾	
		\$	%
(In millions, unit and per unit data)			
Revenue	\$291.7	\$111.5	61.9% ←
Gross Profit	\$27.9	\$13.4	92.5% ←
SG&A Expenses	\$22.2	(\$6.1)	(38.2%)
SG&A as % of Gross Profit	79.5%		3,120 bps
Depreciation Expense	\$2.7	(\$0.7)	(39.1%)
Operating Profit	\$3.1	\$6.5	187.8%
Interest & Other	(\$1.4)	(\$0.3)	(32.4%) ←
Pre-tax	\$1.7	\$6.2	137.6%
Retail Units	12,587	5,128	68.7% ←
Total Front and F&I Gross Per Unit Retailed	\$2,234	\$407	22.3%

(1) – Adjusted for Items of Interest Below. Refer to Slides at End of Presentation for Reconciliation of Non-GAAP Measures.

(In millions)	Pre-tax Items of Interest		Location
	Q2 2019	Q2 2018	
Long-Term Compensation Charges	\$ -	\$ (23.3)	SG&A Expenses

ECHOPARK RETAIL UNIT SALES GROWTH

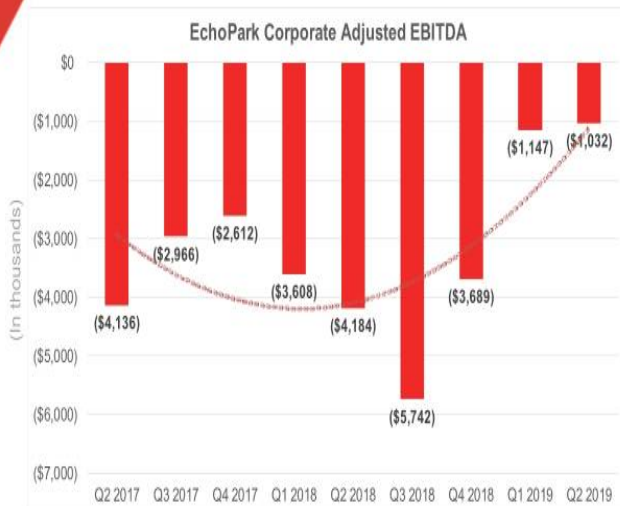


13.5% Better than Forecast

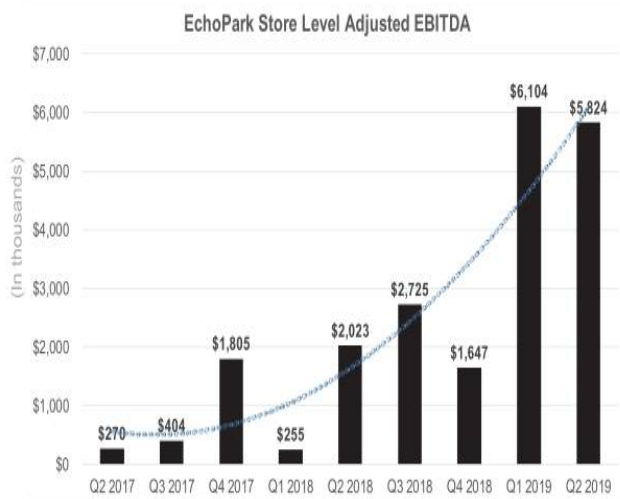
2019 Revenues Projected to Exceed \$1.1B



ECHOPARK CASH FLOW – CORPORATE & STORE LEVEL

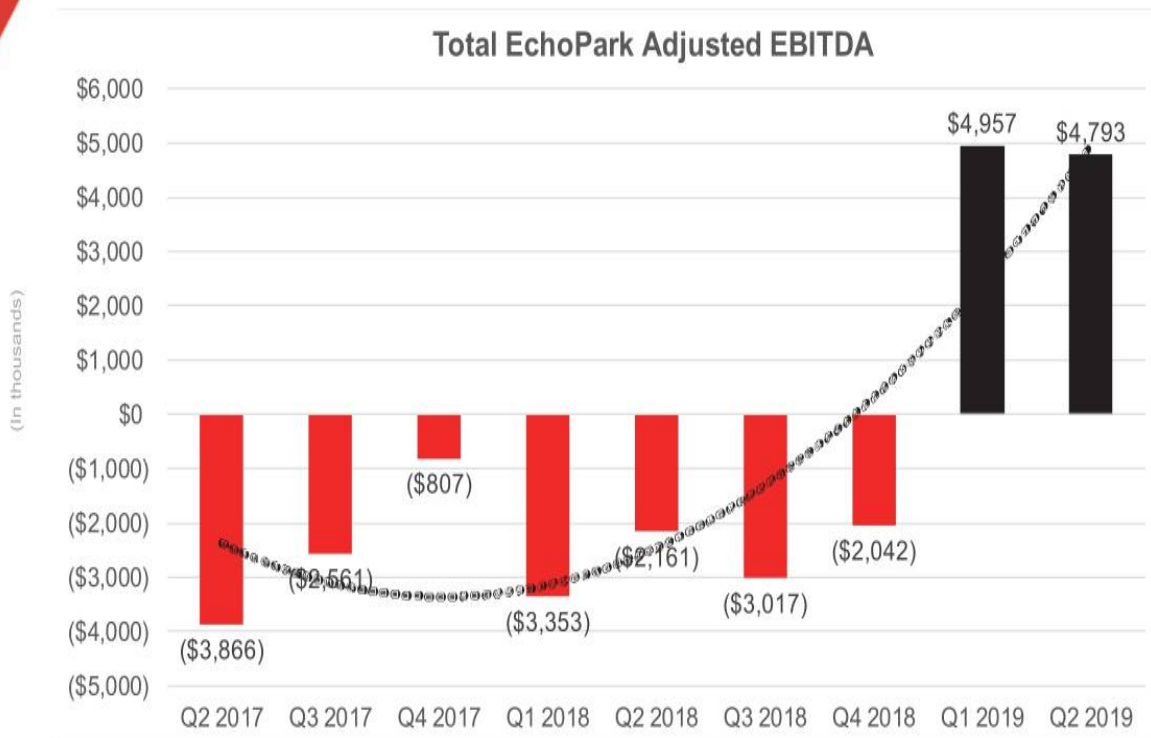


- Corporate Cost Structure is Maturing and Becoming More Efficient
- Expect Leveraging of Corporate Investment to Continue Improving
- May Fluctuate in Periods of Expansion



- Stores Continue Maturing
- Estimate Current Stores are on Average 50% Mature
- Expect Current Upward Trend Continuing

ECHOPARK CASH FLOW - CONSOLIDATED



- Current Inventory and Pricing Strategy Began in Q2 2018
- New Store Openings & Relocations in Q3 & Q4 2018 Compressed Cash Flow

Note: Refer to Slides at End of Presentation for Reconciliation of Non-GAAP Measures.

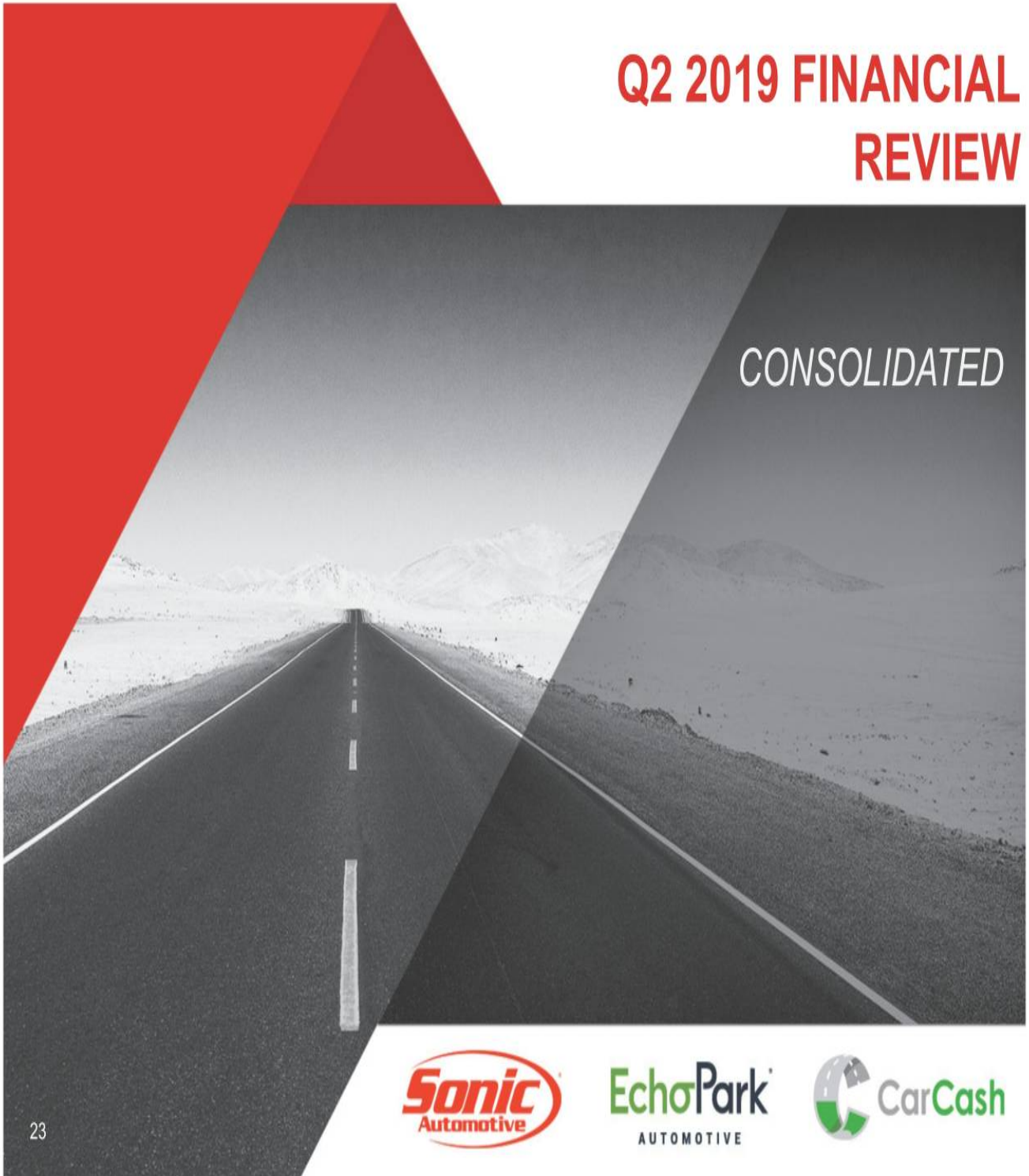
ECHOPARK MODEL ESTIMATES

	Medium	Large	
Average Selling Price	\$ 20,500	\$ 20,500	Existing Medium Stores: Centennial, CO Colorado Springs, CO New Braunfels, TX San Antonio, TX Charlotte, NC
Annual Revenues	\$ 184,500,000	\$ 369,000,000	
Average Monthly Unit Volume - 100% Mature	750	1,500	
Total Front-End and F&I GPU	\$ 2,150	\$ 2,150	
Average Monthly Profitability - 100% Mature	\$ 600,000	\$ 1,200,000	Existing Large Stores: Dallas, TX Thornton, CO Houston, TX
Average Compensation Per Employee (with Fringe)	\$ 78,000	\$ 78,000	
Staff (Headcount)	105	170	
Average Retail Unit Sales Per Head	7.1	8.8	Other Targeted Markets: Atlanta, GA Fort Lauderdale/Miami, FL Los Angeles, CA Nashville, TN Orlando, FL Philadelphia, PA Phoenix, AZ Tampa/St. Petersburg, FL Washington, D.C.
Target Inventory Days' Supply	30 Days	30 Days	
Working Capital Investment - 100% Mature	\$ 14,000,000	\$ 30,000,000	
Fixed Investment - 100% Mature	\$ 16,000,000	\$ 20,000,000	
Total Capital Investment	<u>\$ 30,000,000</u>	<u>\$ 50,000,000</u>	
Pre-tax ROI - 100% Mature	24%	29%	



Q2 2019 FINANCIAL REVIEW

CONSOLIDATED



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CONSOLIDATED Q2 2019 RESULTS

(In millions, except per share data)	Q2 2019	B/(W) than Q2 2018 ⁽¹⁾		
		\$	%	
Revenue	\$2,614	\$108	4.3%	
Gross Profit	\$381	\$19	5.2%	←
SG&A Expenses	\$295	(\$3)	(1.0%)	
SG&A as % of Gross Profit	77.2%		330 bps	←
Depreciation	\$24	\$0	0.6%	
Operating Profit	\$63	\$16	34.8%	
Interest & Other	(\$26)	(\$1)	(3.4%)	←
Continuing Ops:				
Profit (after tax)	\$27	\$12	80.5%	←
Diluted EPS	\$ 0.62	\$ 0.27	77.1%	

(1) – Adjusted for Items of Interest Below. Refer to Slides at End of Presentation for Reconciliation of Non-GAAP Measures.

(In millions)	Pre-tax Items of Interest		Location
	Q2 2019	Q2 2018	
Gain on Franchise Disposals	\$ -	\$ 38.0	SG&A Expenses
Legal and Storm Damage Charges	\$ -	\$ (3.1)	SG&A Expenses
Long-term Compensation Charges	\$ -	\$ (23.3)	SG&A Expenses (1)
Impairment Charges	\$ -	\$ (10.3)	Impairment Charges
Lease Exit Adjustments	\$ -	\$ 2.6	SG&A Expenses

(1) Relates to EchoPark Segment

CONSOLIDATED Q2 2019 REVENUE & GROSS PROFIT

(In millions, except unit and per unit data)	Q2 2019	B/(W) than Q2 2018	
		\$	%
New Revenue	\$1,205	(\$34)	(2.7%)
Used Retail Revenue	\$886	\$123	16.1%
Fixed Operations Revenue	\$355	\$9	2.5%
F&I Revenue	\$118	\$14	13.7%
Total Revenue	\$2,614	\$108	4.3%
New Gross Profit	\$56	(\$1)	(1.5%)
- Units	28,196	(2,681)	(8.7%)
- GPU	\$2,000	\$146	7.8%
Used Retail Gross Profit	\$37	(\$1)	(1.6%)
- Units ★	41,458	5,679	15.9%
- GPU	\$886	(\$157)	(15.0%)
F&I Gross Profit ★	\$118	\$14	13.7%
- GPU ★	\$1,710	\$138	8.8%
Fixed Operations Gross Profit	\$171	\$3	2.1%
Total Gross Profit	\$381	\$19	5.2%

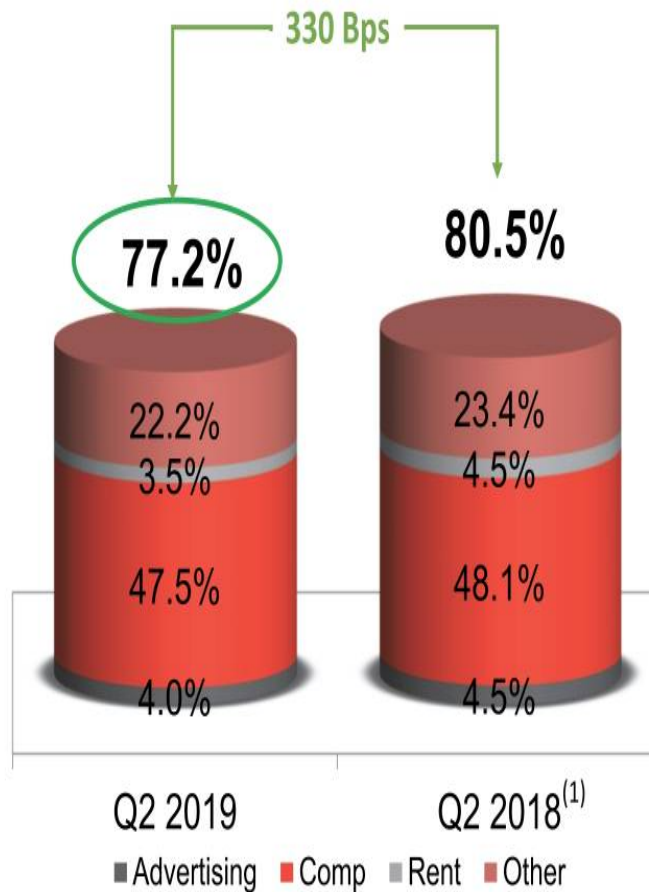
All-Time Quarterly Record



CONSOLIDATED Q2 2019 REVENUE & GROSS PROFIT – SAME STORE

(In millions, except unit and per unit data)	Q2 2019	B/(W) than Q2 2018	
		\$	%
New Revenue	\$1,200	\$30	2.6%
Used Retail Revenue	\$827	\$98	13.5%
Fixed Operations Revenue	\$352	\$20	6.0%
F&I Revenue	\$109	\$13	13.6%
Total Revenue	\$2,536	\$162	6.8%
New Gross Profit	\$56	\$1	1.6%
- Units	28,134	(692)	(2.4%)
- GPU	\$1,983	\$79	4.1%
Used Retail Gross Profit	\$35	(\$0)	(0.4%)
- Units	38,517	4,587	13.5%
- GPU	\$897	(\$125)	(12.3%)
F&I Gross Profit	\$109	\$13	13.6%
- GPU	\$1,644	\$107	7.0%
Fixed Operations Gross Profit	\$170	\$10	6.4%
Total Gross Profit	\$368	\$26	7.7%

CONSOLIDATED Q2 2019 SG&A AS % OF GROSS PROFIT



(1) – Adjusted for Items of Interest. Refer to Slides at End of Presentation for Reconciliation of Non-GAAP Measures.

CONSOLIDATED Q2 2019 INTEREST EXPENSE

(In millions)	Q2 2019	B/(W) than Q2 2018	
		\$	%
Floor Plan Interest Expense	\$13	(\$1)	(4.8%)
Interest Expense, Other	\$14	(\$0)	(1.9%)
Total Interest Expense	\$26	(\$1)	(3.3%)

Floor Plan Higher Due to Rate Increases

- New Up 8 bps
- Used Up 33 bps

Fed Funds Rate Increases

- March 21, 2018 – 0.25%
- June 13, 2018 – 0.25%
- September 26, 2018 – 0.25%
- December 20, 2018 – 0.25%
- Current Fed Sentiment Suggests Rate Cut

CONSOLIDATED Q2 2019 DEPRECIATION EXPENSE

(In millions)	Q2 2019	B/(W) than Q2 2018	
		\$	%
Depreciation Expense - Franchised	\$21	\$1	4.0%
Depreciation Expense - EchoPark	\$3	(\$1)	(39.1%)
Total	\$24	\$0	0.6%

CAPITAL EXPENDITURES

(In millions)	FY 2018	Q1 2019	Q2 2019	Estimated FY 2019
Real Estate & Facility Related	\$ 147.6	\$ 25.7	\$ 16.3	\$ 108.0
All Other Cap Ex	\$ 16.0	\$ 4.9	\$ 4.3	\$ 20.0
Subtotal	\$ 163.6	\$ 30.6	\$ 20.6	\$ 128.0
Less: Mortgages	\$ (21.1)	\$ -	\$ -	\$ -
Total Cash Used - Cap Ex	<u>\$ 142.5</u>	<u>\$ 30.6</u>	<u>\$ 20.6</u>	<u>\$ 128.0</u>

DEBT COVENANTS

	Covenant	Q4 2018	Q2 2019
Liquidity Ratio	≥ 1.05	1.10	1.17
Fixed Charge Coverage Ratio	≥ 1.20	1.43	1.55
Total Lease Adjusted Leverage Ratio	≤ 5.75	5.25	4.20

Compliant With All Covenants

RECONCILIATION OF NON-GAAP MEASURES



ADJUSTED DILUTED EARNINGS PER SHARE

	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018	
	Amount	Diluted EPS	Amount	Diluted EPS
(In thousands, except per share data)				
Reported Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 26,751	\$ 0.62	\$ 17,122	\$ 0.40
Pre-tax Adjustments:				
(Gain) Loss on Franchise Disposals	-		(38,048)	
Legal and Storm Damage Charges	-		3,064	
Long-Term Compensation Charges	-		23,333	
Impairment Charges	-		10,315	
Lease Exit Charges	-		(2,579)	
Total Pre-tax Adjustments	\$ -		\$ (3,915)	
Tax Effect of Adjustments	-		1,617	
Adjusted Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 26,751	\$ 0.62	\$ 14,824	\$ 0.35

ADJUSTED DILUTED EARNINGS PER SHARE

	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018	
	Amount	Diluted EPS	Amount	Diluted EPS
(In thousands, except per share data)				
Reported Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 69,100	\$ 1.60	\$ 15,108	\$ 0.40
Pre-tax Adjustments:				
(Gain) Loss on Franchise Disposals	(46,680)		(39,239)	
Legal and Storm Damage Charges	-		4,564	
Long-Term Compensation Charges	6,264		32,522	
Impairment Charges	1,926		13,958	
Lease Exit Charges	-		2,235	
Total Pre-tax Adjustments	\$ (38,490)		\$ 14,040	
Tax Effect of Adjustments	12,902		(3,276)	
Adjusted Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 43,512	\$ 1.01	\$ 25,872	\$ 0.60

ADJUSTED EBITDA – CONSOLIDATED

(In thousands)	2011	2012	2013	2014	2015	2016	2017	2018	LTM 6/30/2019
Net Income	\$ 76,254	\$ 89,101	\$ 81,618	\$ 97,217	\$ 86,311	\$ 93,193	\$ 92,983	\$ 51,650	\$ 105,759
Non-Floor Plan Interest	63,576	58,453	55,356	52,269	49,524	48,034	50,531	52,049	51,505
Depreciation and Amortization	51,164	52,616	58,139	62,161	72,130	81,034	92,127	96,652	95,082
Income Taxes	46,907	47,648	43,386	62,346	55,962	59,899	13,198	22,645	45,357
Stock Compensation	3,698	5,160	7,208	7,675	9,814	11,165	11,119	11,853	11,268
Lease Exit Charges	4,384	4,286	2,915	302	1,848	1,386	2,157	1,709	(1,025)
Impairment Charges	1,151	950	9,872	6,594	17,955	8,063	9,394	29,514	17,506
Loss (Gain) on Debt Extinguishment	1,107	19,713	28,238	-	-	(6)	14,607	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	-	32,522	-
Loss (Gain) on Franchise Disposals	386	(10,343)	457	(11,279)	(2,748)	48	(9,980)	(39,307)	(46,463)
Adjusted EBITDA	<u>\$ 248,627</u>	<u>\$ 267,584</u>	<u>\$ 287,189</u>	<u>\$ 277,285</u>	<u>\$ 290,796</u>	<u>\$ 302,816</u>	<u>\$ 276,136</u>	<u>\$ 259,287</u>	<u>\$ 278,989</u>

ADJUSTED EBITDA BY SEGMENT – Q2 2019 VS. Q2 2018

(In thousands)	Q2 2019					Q2 2018				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 26,751	\$ (151)	\$ 26,599			\$ 17,122	\$ (216)	\$ 16,905
Income Taxes			10,071	(61)	10,010			8,223	(81)	8,142
Income Before Income Taxes	\$ 35,129	\$ 1,693	\$ 36,822	\$ (212)	\$ 36,609	\$ 53,176	\$ (27,832)	\$ 25,344	\$ (297)	\$ 25,047
Non-Floor Plan Interest	12,013	426	12,439	-	12,439	11,757	401	12,158	106	12,264
Depreciation and Amortization	22,322	2,674	24,996	-	24,996	23,393	1,925	25,318	-	25,318
Stock Compensation	2,612	-	2,612	-	2,612	3,049	-	3,049	-	3,049
Lease Exit Charges	(170)	-	(170)	-	(170)	2,337	12	2,349	215	2,564
Impairment Charges	-	-	-	-	-	10,317	-	10,317	-	10,317
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	23,333	23,333	-	23,333
Loss (Gain) on Franchise Disposals	356	-	356	-	356	(38,047)	-	(38,047)	-	(38,047)
Adjusted EBITDA	\$ 72,262	\$ 4,793	\$ 77,055	\$ (212)	\$ 76,842	\$ 65,982	\$ (2,161)	\$ 63,821	\$ 24	\$ 63,845

ADJUSTED EBITDA BY SEGMENT – Q1 2019 VS. Q1 2018

(In thousands)	Q1 2019					Q1 2018				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 42,349	\$ (128)	\$ 42,221			\$ (2,014)	\$ (180)	\$ (2,194)
Income Taxes			18,987	(52)	18,935			(1,842)	(67)	(1,910)
Income Before Income Taxes	\$ 61,156	\$ 180	\$ 61,336	\$ (180)	\$ 61,157	\$ 10,830	\$ (14,686)	\$ (3,856)	\$ (248)	\$ (4,104)
Non-Floor Plan Interest	11,829	433	12,262	-	12,262	12,469	389	12,858	115	12,973
Depreciation and Amortization	20,823	2,417	23,240	-	23,240	22,829	1,667	24,496	-	24,496
Stock Compensation	2,814	-	2,814	-	2,814	2,962	-	2,962	-	2,962
Lease Exit Charges	(170)	-	(170)	-	(170)	4,955	7	4,961	109	5,070
Impairment Charges	26	1,926	1,952	-	1,952	3,561	82	3,643	-	3,643
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	9,189	9,189	-	9,189
Loss (Gain) on Franchise Disposals	(46,750)	-	(46,750)	-	(46,750)	(1,190)	-	(1,190)	-	(1,190)
Adjusted EBITDA	\$ 49,728	\$ 4,957	\$ 54,685	\$ (180)	\$ 54,505	\$ 56,415	\$ (3,353)	\$ 53,063	\$ (24)	\$ 53,038

ADJUSTED EBITDA BY SEGMENT – Q4 2018 VS. Q4 2017

(In thousands)	Q4 2018					Q4 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 21,981	\$ (161)	\$ 21,820			\$ 62,128	\$ (176)	\$ 61,952
Income Taxes			9,212	(60)	9,152			(8,283)	(116)	(8,399)
Income Before Income Taxes	\$ 37,388	\$ (6,195)	\$ 31,192	\$ (221)	\$ 30,971	\$ 58,441	\$ (4,596)	\$ 53,846	\$ (293)	\$ 53,553
Non-Floor Plan Interest	12,902	423	13,325	89	13,414	12,441	284	12,725	123	12,847
Depreciation and Amortization	21,087	2,210	23,297	-	23,297	22,598	1,354	23,953	-	23,953
Stock Compensation	1,264	-	1,264	-	1,264	2,217	-	2,217	-	2,217
Lease Exit Charges	(1,080)	4	(1,077)	89	(987)	16	8	23	118	141
Impairment Charges	14,053	1,500	15,553	-	15,553	5,890	188	6,079	-	6,079
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	1,271	1,271	-	1,271
Loss (Gain) on Franchise Disposals	(158)	-	(158)	-	(158)	(1,507)	-	(1,507)	(6)	(1,513)
Adjusted EBITDA	\$ 85,456	\$ (2,059)	\$ 83,397	\$ (43)	\$ 83,355	\$ 100,095	\$ (1,490)	\$ 98,605	\$ (58)	\$ 98,548

ADJUSTED EBITDA BY SEGMENT – Q3 2018 VS. Q3 2017

(In thousands)	Q3 2018					Q3 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 15,301	\$ (183)	\$ 15,118			\$ 19,730	\$ (290)	\$ 19,440
Income Taxes			7,330	(69)	7,262			14,126	(192)	13,935
Income Before Income Taxes	\$ 28,087	\$ (5,455)	\$ 22,632	\$ (252)	\$ 22,380	\$ 38,723	\$ (4,866)	\$ 33,856	\$ (481)	\$ 33,375
Non-Floor Plan Interest	12,279	423	12,702	98	12,800	12,117	262	12,379	132	12,510
Depreciation and Amortization	22,141	1,999	24,139	-	24,139	22,136	1,360	23,496	-	23,496
Stock Compensation	4,578	-	4,578	-	4,578	3,179	-	3,179	-	3,179
Lease Exit Charges	24	5	29	103	132	(181)	9	(173)	362	189
Impairment Charges	0	-	0	-	0	200	-	200	-	200
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	(0)	-	(0)	-	(0)
Long-Term Compensation Charges	-	-	-	-	-	-	-	-	-	-
Loss (Gain) on Franchise Disposals	88	-	88	-	88	(8,490)	-	(8,490)	-	(8,490)
Adjusted EBITDA	\$ 67,198	\$ (3,029)	\$ 64,169	\$ (50)	\$ 64,119	\$ 67,684	\$ (3,236)	\$ 64,448	\$ 12	\$ 64,460

ADJUSTED EBITDA BY SEGMENT – Q2 2018 VS. Q2 2017

(In thousands)	Q2 2018					Q2 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 17,122	\$ (216)	\$ 16,905			\$ 12,314	\$ (183)	\$ 12,132
Income Taxes			8,223	(81)	8,142			7,955	(118)	7,837
Income Before Income Taxes	\$ 53,176	\$ (27,832)	\$ 25,344	\$ (297)	\$ 25,047	\$ 28,088	\$ (7,818)	\$ 20,270	\$ (301)	\$ 19,969
Non-Floor Plan Interest	12,349	406	12,755	106	12,862	11,889	252	12,140	139	12,280
Depreciation and Amortization	22,801	1,919	24,720	-	24,720	21,385	1,310	22,695	-	22,695
Stock Compensation	3,049	-	3,049	-	3,049	3,138	-	3,138	-	3,138
Lease Exit Charges	(2,618)	6	(2,612)	106	(2,506)	399	675	1,074	139	1,213
Impairment Charges	10,317	-	10,317	-	10,317	890	1,715	2,605	-	2,605
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	0	-	0	-	0
Long-Term Compensation Charges	-	23,333	23,333	-	23,333	-	-	-	-	-
Loss (Gain) on Franchise Disposals	(38,047)	-	(38,047)	-	(38,047)	-	-	-	-	-
Adjusted EBITDA	\$ 61,028	\$ (2,168)	\$ 58,860	\$ (84)	\$ 58,776	\$ 65,789	\$ (3,866)	\$ 61,923	\$ (22)	\$ 61,901



