
**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): February 19, 2020

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 February 19, 2020, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fourth fiscal quarter and fiscal year ended December 31, 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 February 19, 2020, 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 February 19, 2019.
99.2	Earnings Call Presentation Materials.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 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.

February 19, 2020

SONIC AUTOMOTIVE, INC.

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports All-Time Record Fourth Quarter and All-Time Record Full Year 2019

*EchoPark Hits Record Revenues of \$1.2 Billion;
Sonic Announces Total Annual Revenue Target of \$20 Billion*

CHARLOTTE, N.C. – February 19, 2020 - [Sonic Automotive, Inc.](#) (“Sonic” or the “Company”) (NYSE:SAH), one of the nation’s largest automotive retailers, today reported financial results for the fourth quarter and full year ended December 31, 2019.

Fourth Quarter Highlights

- All-time record quarterly earnings per diluted share from continuing operations of \$1.04 for the fourth quarter of 2019, up 104% compared to the fourth quarter of 2018
- All-time record quarterly consolidated total revenues of \$2.7 billion and gross profit of \$393.9 million for the fourth quarter of 2019, compared to \$2.6 billion and \$370.7 million, respectively, for the fourth quarter of 2018
- EchoPark revenues of \$308.6 million, up 52% from the fourth quarter of 2018, EchoPark retail volume of 12,676 units, up 45% from the fourth quarter of 2018
- EchoPark segment income of \$2.1 million, up 145% compared to the fourth quarter of 2018
- Same Store Franchised Dealerships Segment operating results:
 - Revenues up 8.5%, gross profit up 9.4% compared to the fourth quarter of 2018
 - New vehicle unit volume up 7.5%; new vehicle gross profit per unit up 1.4%, to \$2,213 per unit
 - Retail used vehicle unit volume up 9.7%; retail used vehicle gross profit per unit up 2.6%, to \$1,269 per unit
 - Parts, service and collision repair gross profit up 6.2%, Customer Pay gross profit up 10.2% compared to the fourth quarter of 2018
 - Finance and insurance (“F&I”) gross profit up 13.7% compared to the fourth quarter of 2018 (all-time record quarterly F&I gross profit per retail unit of \$1,809 on a total Sonic consolidated basis)

Full Year Highlights

- All-time record full year earnings per diluted share from continuing operations of \$3.31, up 171% compared to 2018
- All-time record full year consolidated total revenues of \$10.5 billion and gross profit of \$1.5 billion, compared to \$10.0 billion and \$1.4 billion, respectively, for 2018
- EchoPark revenues of \$1.2 billion, up 66% from 2018, EchoPark retail volume of 49,520 units, up 68% from 2018
- EchoPark segment income of \$9.1 million, up 117% compared to 2018
- Fiscal year 2019 debt reduction of \$238 million, in line with \$300 million target by mid-to-late 2020
- Same Store Franchised Dealerships Segment operating results:
 - Revenues up 5.5%, gross profit up 6.7% compared to 2018
 - New vehicle unit volume up 0.6%; new vehicle gross profit per unit up 0.4%, to \$2,083 per unit
 - Retail used vehicle unit volume up 7.7%; retail used vehicle gross profit per unit down 1.8%, to \$1,272 per unit
 - Parts, service and collision repair gross profit up 6.0%, Customer Pay gross profit up 8.2% compared to 2018
 - F&I gross profit up 10.3% compared to 2018 (all-time record annual F&I gross profit per retail unit of \$1,743 on a total Sonic consolidated basis)

Commentary

David Smith, Sonic’s and EchoPark’s Chief Executive Officer, commented, “Our 2019 performance was exceptional, with record-breaking consolidated total revenues and earnings per diluted share from continuing operations. This was led by tremendous year-over-year annual revenue growth of 66% at EchoPark, our specialty pre-owned vehicle stores, as well as strong performance from our franchised dealerships.”

Mr. Smith continued, “During the fourth quarter, EchoPark opened its Long Beach, California store, our ninth location nationwide and our first in California. Upon opening, this location proceeded to sell over 450 vehicles within the first 45 days of operation. This is an excellent start and it speaks to the strength of our unique business model and the industry-leading guest experience our EchoPark stores provide. EchoPark experienced strong growth in 2019, and we believe it is poised for further growth in 2020 as we capitalize on opportunities to expand EchoPark’s reach into new markets, which we expect to include three new stores by the end of 2020. Taking into consideration EchoPark’s growth trajectory and the continued strength of our franchised dealerships, 2020 marks the beginning of our march towards our long-term goal of achieving \$20 billion in total annual revenues this decade.”

Jeff Dyke, Sonic’s and EchoPark’s President, commented, “In 2019, we continued improving our operational performance, driving increased gross profit to our bottom line. As a result, we achieved record net income from continuing operations of \$3.31 per diluted

share for the year. At the same time, we moved forward with our deleveraging initiatives, resulting in a total debt reduction of \$238 million. With the progress we have made, we are well on our way to reaching our stated goal of reducing debt by \$300 million by mid-to-late 2020. With our strong 2019 results and improved balance sheet, we are well positioned to execute on our growth plans for our increasingly profitable EchoPark business, even as we continue to strategically grow our core franchised business.”

Fourth Quarter 2019 Operational Summary

For the fourth quarter of 2019, Sonic consolidated total revenues were \$2.7 billion, up 7% compared to the fourth quarter of 2018. EchoPark Segment revenues were \$308.6 million for the fourth quarter of 2019, representing a 52% increase from the fourth quarter of 2018. Franchised Dealerships Segment revenues were \$2.4 billion for the fourth quarter of 2019, up 3% from the fourth quarter of 2018, despite the disposal of ten franchised dealerships in 2019 which generated revenues of \$165.7 million during the fourth quarter of 2018.

SG&A expenses were \$260.9 million in the fourth quarter of 2019, a decrease of 5% compared to the year-ago period, including the effect of items of interest below. SG&A expenses as a percentage of gross profit were 66.2% for the fourth quarter of 2019 compared to 73.9% in the fourth quarter of 2018. Excluding certain items of interest below (a non-GAAP measure), SG&A expenses as a percentage of gross profit improved 40 basis points, to 73.7%, for the fourth quarter of 2019, compared to 74.1% in the year-ago period.

Net income from continuing operations for the fourth quarter of 2019 was \$46.3 million, or \$1.04 per diluted share. Comparatively, net income from continuing operations for the fourth quarter of 2018 was \$22.0 million, or \$0.51 per diluted share. Included in the above reported fourth quarter results (unless otherwise noted) are the following pre-tax items of interest:

(In millions)	Q4 2019	Q4 2018	Income Statement Line Item
Gain on franchise disposals	\$ 29.3	\$ —	SG&A expenses
Lease exit adjustments	—	0.8	SG&A expenses
Impairment charges	(17.7)	(15.6)	Impairment charges (1)
Loss on extinguishment of debt	(7.2)	—	Other expense
Subtotal: Pre-tax items of interest	\$ 4.4	\$ (14.8)	
Tax effect of above items	(1.2)	4.1	
Tax-effected items of interest	\$ 3.2	\$ (10.7)	

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

(1) \$16.6 million in the fourth quarter of 2019 and \$1.5 million in the fourth quarter of 2018 attributed to the EchoPark Segment related to building and land held for sale at former EchoPark locations.

Full Year 2019 Operational Summary

For full year 2019, Sonic consolidated total revenues were \$10.5 billion, up 5% compared to 2018. EchoPark Segment revenues were \$1.2 billion for full year 2019, representing a 66% increase from 2018. Franchised Dealerships Segment revenues were \$9.3 billion for full year 2019, flat compared to 2018, despite the disposal of ten franchised dealerships in 2019 which generated revenues of \$656.1 million during 2018.

SG&A expenses were \$1.1 billion in 2019, a decrease of 4% compared to 2018, including the effect of items of interest below. SG&A expenses as a percentage of gross profit were 72.3% in 2019 compared to 79.2% in 2018. Excluding certain items of interest below (a non-GAAP measure), SG&A expense as a percentage of gross profit improved 210 basis points, to 76.9%, for full year 2019, compared to 79.0% in 2018. Overall SG&A expense decreased as the Company continued its focus on disciplined expense control.

Net income from continuing operations for full year 2019 was \$144.5 million, or \$3.31 per diluted share. Comparatively, net income from continuing operations for full year 2018 was \$52.4 million, or \$1.22 per diluted share. Included in the above reported full year results (unless otherwise noted) are the following pre-tax items of interest:

(In millions)			Income Statement Line Item
	FY 2019	FY 2018	
Gain on franchise disposals	\$ 76.0	\$ 38.9	SG&A expenses
Executive transition costs	(6.3)	(1.6)	SG&A expenses
Legal and storm damage charges	—	(5.7)	SG&A expenses
Long-term compensation charges	—	(32.5)	SG&A expenses (1)
Lease exit adjustments	—	(1.4)	SG&A expenses
Impairment charges	(19.6)	(29.5)	Impairment charges (2)
Loss on extinguishment of debt	(7.2)	—	Other expense
Subtotal: Pre-tax items of interest	\$ 42.9	\$ (31.8)	
Tax effect of above items	(14.2)	7.3	
Tax-effected items of interest	\$ 28.7	\$ (24.5)	

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

(1) \$32.5 million in 2018 relates to the EchoPark Segment.

(2) \$18.5 million in 2019 and \$1.6 million in 2018 attributed to the EchoPark Segment related to building and land held for sale at former EchoPark locations.

Dividend

Sonic's Board of Directors approved a quarterly cash dividend of \$0.10 per share payable on April 15, 2020 to all stockholders of record on March 13, 2020.

Fourth Quarter 2019 / Full Year 2019 Earnings Conference Call

Senior management will host a conference call today at 11:00 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" at the top of the page, then "Investor Relations," then "Earnings Conference Calls" 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: 1659619

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: 1659619

Presentation materials for the Company's earnings conference call will be accessible beginning the morning of the conference call on the Company's website at www.sonicautomotive.com by clicking on "Our Company" at the top of the page, then "Investor Relations," then "Webcasts & Presentations" at the bottom of the page.

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, North Carolina, is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

About EchoPark Automotive

EchoPark Automotive is an operating segment within the Company with nine existing locations that specialize in pre-owned vehicle sales and provide a unique guest experience unlike traditional used car stores. More information about EchoPark Automotive can be found at www.echopark.com.

Forward-Looking Statements

Included herein are forward-looking statements, including statements with respect to long-term annual revenue targets, anticipated future growth and profitability in the Company's EchoPark Segment, anticipated openings of new EchoPark stores in 2020, anticipated future performance and growth of our Franchised Dealerships Segment, and anticipated future debt reduction in 2020. 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, 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 expansion or contraction, 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 may contain certain non-GAAP financial measures as defined under SEC rules, such as SG&A expenses as a percentage of gross profit excluding certain items required to be included by GAAP. As required by SEC rules, the Company has provided reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the attached financial tables. 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.

Company Contacts

Investor Inquiries:

Heath Byrd, Executive Vice President and Chief Financial Officer (704) 566-2400
Danny Wieland, Director of Financial Reporting (704) 927-3462
ir@sonicautomotive.com

Press Inquiries:

Danielle DeVoren / Anthony Feldman
(212) 896-1272 / (347) 487-6194
sonic@kcsa.com

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2019	2018		2019	2018	
(In thousands, except per share amounts)						
Revenues:						
New vehicles	\$ 1,360,064	\$ 1,319,587	3.1 %	\$ 4,889,171	\$ 4,974,097	(1.7)%
Used vehicles	869,708	755,882	15.1 %	3,489,972	2,973,498	17.4 %
Wholesale vehicles	46,596	49,899	(6.6) %	202,946	217,625	(6.7)%
Total vehicles	2,276,368	2,125,368	7.1 %	8,582,089	8,165,220	5.1 %
Parts, service and collision repair	346,514	339,257	2.1 %	1,395,303	1,380,887	1.0 %
Finance, insurance and other, net	125,522	109,633	14.5 %	476,951	405,523	17.6 %
Total revenues	2,748,404	2,574,258	6.8 %	10,454,343	9,951,630	5.1 %
Cost of Sales:						
New vehicles	(1,292,480)	(1,253,792)	3.1 %	(4,656,084)	(4,732,595)	(1.6)%
Used vehicles	(832,877)	(722,291)	15.3 %	(3,342,576)	(2,830,510)	18.1 %
Wholesale vehicles	(47,941)	(52,069)	(7.9) %	(207,378)	(228,874)	(9.4)%
Total vehicles	(2,173,298)	(2,028,152)	7.2 %	(8,206,038)	(7,791,979)	5.3 %
Parts, service and collision repair	(181,222)	(175,391)	3.3 %	(727,288)	(713,526)	1.9 %
Total cost of sales	(2,354,520)	(2,203,543)	6.9 %	(8,933,326)	(8,505,505)	5.0 %
Gross profit	393,884	370,715	6.2 %	1,521,017	1,446,125	5.2 %
Selling, general and administrative expenses	(260,921)	(273,915)	4.7 %	(1,099,374)	(1,145,325)	4.0 %
Impairment charges	(17,692)	(15,553)	(13.8) %	(20,768)	(29,514)	29.6 %
Depreciation and amortization	(23,048)	(22,556)	(2.2) %	(93,169)	(93,623)	0.5 %
Operating income (loss)	92,223	58,691	57.1 %	307,706	177,663	73.2 %
Other income (expense):						
Interest expense, floor plan	(11,137)	(13,585)	18.0 %	(48,519)	(48,398)	(0.3)%
Interest expense, other, net	(13,458)	(13,914)	3.3 %	(52,953)	(54,059)	2.0 %
Other income (expense), net	(6,680)	—	(100.0) %	(6,589)	106	(6316.0)%
Total other income (expense)	(31,275)	(27,499)	(13.7) %	(108,061)	(102,351)	(5.6)%
Income (loss) from continuing operations before taxes	60,948	31,192	95.4 %	199,645	75,312	165.1 %
Provision for income taxes for continuing operations - benefit (expense)	(14,676)	(9,212)	(59.3) %	(55,108)	(22,922)	(140.4)%
Income (loss) from continuing operations	46,272	21,980	110.5 %	144,537	52,390	175.9 %
Discontinued operations:						
Income (loss) from discontinued operations before taxes	62	(221)	128.1 %	(554)	(1,017)	45.5 %
Provision for income taxes for discontinued operations - benefit (expense)	(27)	62	(143.5) %	154	277	(44.4)%
Income (loss) from discontinued operations	35	(159)	122.0 %	(400)	(740)	45.9 %
Net income (loss)	\$ 46,307	\$ 21,821	112.2 %	\$ 144,137	\$ 51,650	179.1 %
Basic earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 1.07	\$ 0.51	109.8 %	\$ 3.36	\$ 1.23	173.2 %
Earnings (loss) per share from discontinued operations	—	—	— %	(0.01)	(0.02)	50.0 %
Earnings (loss) per common share	\$ 1.07	\$ 0.51	109.8 %	\$ 3.35	\$ 1.21	176.9 %
Weighted-average common shares outstanding	43,078	42,710	0.9 %	43,016	42,708	0.7 %
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 1.04	\$ 0.51	103.9 %	\$ 3.31	\$ 1.22	171.3 %
Earnings (loss) per share from discontinued operations	—	—	— %	(0.01)	(0.02)	50.0 %
Earnings (loss) per common share	\$ 1.04	\$ 0.51	103.9 %	\$ 3.30	\$ 1.20	175.0 %
Weighted-average common shares outstanding	44,463	42,911	(3.6) %	43,710	42,950	(1.8)%
Dividends declared per common share	\$ 0.10	\$ 0.06	66.7 %	\$ 0.40	\$ 0.24	66.7 %

New Vehicles - Consolidated

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 1,360,064	\$ 1,319,587	\$ 40,477	3.1 %
Gross profit	\$ 67,584	\$ 65,795	\$ 1,789	2.7 %
Unit sales	30,591	31,331	(740)	(2.4) %
Revenue per unit	\$ 44,460	\$ 42,118	\$ 2,342	5.6 %
Gross profit per unit	\$ 2,209	\$ 2,100	\$ 109	5.2 %
Gross profit as a % of revenue	5.0 %	5.0 %	—	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 4,889,171	\$ 4,974,097	\$ (84,926)	(1.7) %
Gross profit	\$ 233,087	\$ 241,502	\$ (8,415)	(3.5) %
Unit sales	114,131	122,717	(8,586)	(7.0) %
Revenue per unit	\$ 42,838	\$ 40,533	\$ 2,305	5.7 %
Gross profit per unit	\$ 2,042	\$ 1,968	\$ 74	3.8 %
Gross profit as a % of revenue	4.8 %	4.9 %	(10)	bps

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 1,336,909	\$ 1,215,081	\$ 121,828	10.0 %
Gross profit	\$ 66,437	\$ 60,919	\$ 5,518	9.1 %
Unit sales	30,018	27,921	2,097	7.5 %
Revenue per unit	\$ 44,537	\$ 43,519	\$ 1,018	2.3 %
Gross profit per unit	\$ 2,213	\$ 2,182	\$ 31	1.4 %
Gross profit as a % of revenue	5.0 %	5.0 %	—	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 4,691,795	\$ 4,504,210	\$ 187,585	4.2 %
Gross profit	\$ 224,526	\$ 222,335	\$ 2,191	1.0 %
Unit sales	107,803	107,149	654	0.6 %
Revenue per unit	\$ 43,522	\$ 42,037	\$ 1,485	3.5 %
Gross profit per unit	\$ 2,083	\$ 2,075	\$ 8	0.4 %
Gross profit as a % of revenue	4.8 %	4.9 %	(10)	bps

Used Vehicles - Consolidated

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 869,708	\$ 755,882	\$ 113,826	15.1 %
Gross profit	\$ 36,831	\$ 33,591	\$ 3,240	9.6 %
Unit sales	39,775	35,135	4,640	13.2 %
Revenue per unit	\$ 21,866	\$ 21,514	\$ 352	1.6 %
Gross profit per unit	\$ 926	\$ 956	\$ (30)	(3.1)%
Gross profit as a % of revenue	4.2 %	4.4 %	(20) bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 3,489,972	\$ 2,973,498	\$ 516,474	17.4 %
Gross profit	\$ 147,396	\$ 142,988	\$ 4,408	3.1 %
Unit sales	162,149	139,605	22,544	16.1 %
Revenue per unit	\$ 21,523	\$ 21,299	\$ 224	1.1 %
Gross profit per unit	\$ 909	\$ 1,024	\$ (115)	(11.2)%
Gross profit as a % of revenue	4.2 %	4.8 %	(60) bps	

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 809,993	\$ 711,494	\$ 98,499	13.8 %
Gross profit	\$ 33,604	\$ 28,127	\$ 5,477	19.5 %
Unit sales	37,174	32,446	4,728	14.6 %
Revenue per unit	\$ 21,789	\$ 21,929	\$ (140)	(0.6)%
Gross profit per unit	\$ 904	\$ 867	\$ 37	4.3 %
Gross profit as a % of revenue	4.1 %	4.0 %	10 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 3,191,404	\$ 2,759,003	\$ 432,401	15.7 %
Gross profit	\$ 131,695	\$ 124,304	\$ 7,391	5.9 %
Unit sales	146,456	126,415	20,041	15.9 %
Revenue per unit	\$ 21,791	\$ 21,825	\$ (34)	(0.2)%
Gross profit per unit	\$ 899	\$ 983	\$ (84)	(8.5)%
Gross profit as a % of revenue	4.1 %	4.5 %	(40) bps	

Wholesale Vehicles - Consolidated

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 46,596	\$ 49,899	\$ (3,303)	(6.6) %
Gross profit (loss)	\$ (1,345)	\$ (2,170)	\$ 825	38.0 %
Unit sales	7,899	8,214	(315)	(3.8) %
Revenue per unit	\$ 5,899	\$ 6,075	\$ (176)	(2.9) %
Gross profit (loss) per unit	\$ (170)	\$ (264)	\$ 94	35.5 %
Gross profit (loss) as a % of revenue	(2.9)%	(4.3)%	140	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 202,946	\$ 217,625	\$ (14,679)	(6.7) %
Gross profit (loss)	\$ (4,432)	\$ (11,249)	\$ 6,817	60.6 %
Unit sales	34,153	34,167	(14)	— %
Revenue per unit	\$ 5,942	\$ 6,369	\$ (427)	(6.7) %
Gross profit (loss) per unit	\$ (130)	\$ (329)	\$ 199	60.5 %
Gross profit (loss) as a % of revenue	(2.2)%	(5.2)%	300	bps

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 44,769	\$ 46,458	\$ (1,689)	(3.6) %
Gross profit (loss)	\$ (1,355)	\$ (1,962)	\$ 607	30.9 %
Unit sales	7,415	7,356	59	0.8 %
Revenue per unit	\$ 6,038	\$ 6,316	\$ (278)	(4.4) %
Gross profit (loss) per unit	\$ (183)	\$ (267)	\$ 84	31.5 %
Gross profit (loss) as a % of revenue	(3.0)%	(4.2)%	120	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 191,431	\$ 195,743	\$ (4,312)	(2.2) %
Gross profit (loss)	\$ (3,808)	\$ (9,792)	\$ 5,984	61.1 %
Unit sales	31,016	29,245	1,771	6.1 %
Revenue per unit	\$ 6,172	\$ 6,693	\$ (521)	(7.8) %
Gross profit (loss) per unit	\$ (123)	\$ (335)	\$ 212	63.3 %
Gross profit (loss) as a % of revenue	(2.0)%	(5.0)%	300	bps

Parts, Service and Collision Repair (*Fixed Operations*) - Consolidated

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported Fixed Operations:				
Revenue:				
Customer pay	\$ 141,442	\$ 137,690	\$ 3,752	2.7 %
Warranty	63,713	68,425	(4,712)	(6.9) %
Wholesale parts	39,934	38,302	1,632	4.3 %
Internal, sublet and other	101,425	94,840	6,585	6.9 %
Total	\$ 346,514	\$ 339,257	\$ 7,257	2.1 %
Gross profit:				
Customer pay	\$ 76,346	\$ 73,173	\$ 3,173	4.3 %
Warranty	35,302	38,411	(3,109)	(8.1) %
Wholesale parts	6,868	6,797	71	1.0 %
Internal, sublet and other	46,776	45,485	1,291	2.8 %
Total	\$ 165,292	\$ 163,866	\$ 1,426	0.9 %
Gross profit as a % of revenue:				
Customer pay	54.0 %	53.1 %	90 bps	
Warranty	55.4 %	56.1 %	(70) bps	
Wholesale parts	17.2 %	17.7 %	(50) bps	
Internal, sublet and other	46.1 %	48.0 %	(190) bps	
Total	47.7 %	48.3 %	(60) bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported Fixed Operations:				
Revenue:				
Customer pay	\$ 561,422	\$ 560,037	\$ 1,385	0.2 %
Warranty	272,389	266,644	5,745	2.2 %
Wholesale parts	157,603	161,066	(3,463)	(2.2) %
Internal, sublet and other	403,889	393,140	10,749	2.7 %
Total	\$ 1,395,303	\$ 1,380,887	\$ 14,416	1.0 %
Gross profit:				
Customer pay	\$ 304,950	\$ 299,617	\$ 5,333	1.8 %
Warranty	150,984	150,746	238	0.2 %
Wholesale parts	27,187	27,746	(559)	(2.0) %
Internal, sublet and other	184,894	189,252	(4,358)	(2.3) %
Total	\$ 668,015	\$ 667,361	\$ 654	0.1 %
Gross profit as a % of revenue:				
Customer pay	54.3 %	53.5 %	80 bps	
Warranty	55.4 %	56.5 %	(110) bps	
Wholesale parts	17.3 %	17.2 %	10 bps	
Internal, sublet and other	45.8 %	48.1 %	(230) bps	
Total	47.9 %	48.3 %	(40) bps	

Fixed Operations - Consolidated (Continued)

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue:				
Customer pay	\$ 139,273	\$ 129,217	\$ 10,056	7.8 %
Warranty	63,042	65,432	(2,390)	(3.7) %
Wholesale parts	39,398	36,483	2,915	8.0 %
Internal, sublet and other	98,942	87,904	11,038	12.6 %
Total	<u>\$ 340,655</u>	<u>\$ 319,036</u>	<u>\$ 21,619</u>	6.8 %
Gross profit:				
Customer pay	\$ 75,406	\$ 68,444	\$ 6,962	10.2 %
Warranty	35,007	36,748	(1,741)	(4.7) %
Wholesale parts	6,772	6,423	349	5.4 %
Internal, sublet and other	46,116	42,256	3,860	9.1 %
Total	<u>\$ 163,301</u>	<u>\$ 153,871</u>	<u>\$ 9,430</u>	6.1 %
Gross profit as a % of revenue:				
Customer pay	54.1 %	53.0 %	110 bps	
Warranty	55.5 %	56.2 %	(70) bps	
Wholesale parts	17.2 %	17.6 %	(40) bps	
Internal, sublet and other	46.6 %	48.1 %	(150) bps	
Total	47.9 %	48.2 %	(30) bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue:				
Customer pay	\$ 547,826	\$ 517,152	\$ 30,674	5.9 %
Warranty	264,282	250,750	13,532	5.4 %
Wholesale parts	154,166	152,030	2,136	1.4 %
Internal, sublet and other	384,584	359,441	25,143	7.0 %
Total	<u>\$ 1,350,858</u>	<u>\$ 1,279,373</u>	<u>\$ 71,485</u>	5.6 %
Gross profit:				
Customer pay	\$ 297,916	\$ 275,484	\$ 22,432	8.1 %
Warranty	146,644	140,305	6,339	4.5 %
Wholesale parts	26,542	25,972	570	2.2 %
Internal, sublet and other	177,442	172,786	4,656	2.7 %
Total	<u>\$ 648,544</u>	<u>\$ 614,547</u>	<u>\$ 33,997</u>	5.5 %
Gross profit as a % of revenue:				
Customer pay	54.4 %	53.3 %	110 bps	
Warranty	55.5 %	56.0 %	(50) bps	
Wholesale parts	17.2 %	17.1 %	10 bps	
Internal, sublet and other	46.1 %	48.1 %	(200) bps	
Total	48.0 %	48.0 %	— bps	

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

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported F&I:				
Revenue	\$ 125,522	\$ 109,633	\$ 15,889	14.5 %
Unit sales	69,376	66,102	3,274	5.0 %
Gross profit per retail unit (excludes fleet)	\$ 1,809	\$ 1,659	\$ 151	9.1 %
	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported F&I:				
Revenue	\$ 476,951	\$ 405,523	\$ 71,428	17.6 %
Unit sales	273,606	260,424	13,182	5.1 %
Gross profit per retail unit (excludes fleet)	\$ 1,743	\$ 1,557	\$ 186	11.9 %
	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store F&I:				
Revenue	\$ 115,513	\$ 98,634	\$ 16,879	17.1 %
Unit sales	66,202	60,003	6,199	10.3 %
Gross profit per retail unit (excludes fleet)	\$ 1,745	\$ 1,644	\$ 101	6.1 %
	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store F&I:				
Revenue	\$ 426,441	\$ 360,317	\$ 66,124	18.4 %
Unit sales	251,585	231,711	19,874	8.6 %
Gross profit per retail unit (excludes fleet)	\$ 1,695	\$ 1,555	\$ 140	9.0 %

New Vehicles - Franchised Dealerships Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 1,360,064	\$ 1,319,587	\$ 40,477	3.1 %
Gross profit	\$ 67,584	\$ 65,795	\$ 1,789	2.7 %
Unit sales	30,591	31,331	(740)	(2.4) %
Revenue per unit	\$ 44,460	\$ 42,118	\$ 2,342	5.6 %
Gross profit per unit	\$ 2,209	\$ 2,100	\$ 109	5.2 %
Gross profit as a % of revenue	5.0 %	5.0 %	—	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 4,889,171	\$ 4,974,097	\$ (84,926)	(1.7) %
Gross profit	\$ 233,087	\$ 241,502	\$ (8,415)	(3.5) %
Unit sales	114,131	122,717	(8,586)	(7.0) %
Revenue per unit	\$ 42,838	\$ 40,533	\$ 2,305	5.7 %
Gross profit per unit	\$ 2,042	\$ 1,968	\$ 74	3.8 %
Gross profit as a % of revenue	4.8 %	4.9 %	(10)	bps

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 1,336,909	\$ 1,215,081	\$ 121,828	10.0 %
Gross profit	\$ 66,437	\$ 60,919	\$ 5,518	9.1 %
Unit sales	30,018	27,921	2,097	7.5 %
Revenue per unit	\$ 44,537	\$ 43,519	\$ 1,018	2.3 %
Gross profit per unit	\$ 2,213	\$ 2,182	\$ 31	1.4 %
Gross profit as a % of revenue	5.0 %	5.0 %	—	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 4,691,795	\$ 4,504,210	\$ 187,585	4.2 %
Gross profit	\$ 224,526	\$ 222,335	\$ 2,191	1.0 %
Unit sales	107,803	107,149	654	0.6 %
Revenue per unit	\$ 43,522	\$ 42,037	\$ 1,485	3.5 %
Gross profit per unit	\$ 2,083	\$ 2,075	\$ 8	0.4 %
Gross profit as a % of revenue	4.8 %	4.9 %	(10)	bps

Used Vehicles - Franchised Dealerships Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 604,422	\$ 576,396	\$ 28,026	4.9 %
Gross profit	\$ 35,727	\$ 35,385	\$ 342	1.0 %
Unit sales	27,099	26,373	726	2.8 %
Revenue per unit	\$ 22,304	\$ 21,856	\$ 448	2.0 %
Gross profit per unit	\$ 1,318	\$ 1,342	\$ (24)	(1.8) %
Gross profit as a % of revenue	5.9 %	6.1 %	(24) bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 2,493,467	\$ 2,370,799	\$ 122,668	5.2 %
Gross profit	\$ 147,541	\$ 148,350	\$ (809)	(0.5) %
Unit sales	112,629	110,168	2,461	2.2 %
Revenue per unit	\$ 22,139	\$ 21,520	\$ 619	2.9 %
Gross profit per unit	\$ 1,310	\$ 1,347	\$ (37)	(2.7) %
Gross profit as a % of revenue	5.9 %	6.3 %	(40) bps	

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 586,324	\$ 543,052	\$ 43,272	8.0 %
Gross profit	\$ 33,720	\$ 29,959	\$ 3,761	12.6 %
Unit sales	26,566	24,221	2,345	9.7 %
Revenue per unit	\$ 22,070	\$ 22,421	\$ (351)	(1.6) %
Gross profit per unit	\$ 1,269	\$ 1,237	\$ 32	2.6 %
Gross profit as a % of revenue	5.8 %	5.5 %	28 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 2,394,077	\$ 2,201,382	\$ 192,695	8.8 %
Gross profit	\$ 136,077	\$ 128,648	\$ 7,429	5.8 %
Unit sales	106,998	99,335	7,663	7.7 %
Revenue per unit	\$ 22,375	\$ 22,161	\$ 214	1.0 %
Gross profit per unit	\$ 1,272	\$ 1,295	\$ (23)	(1.8) %
Gross profit as a % of revenue	5.7 %	5.8 %	(10) bps	

Wholesale Vehicles - Franchised Dealerships Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 39,250	\$ 49,145	\$ (9,895)	(20.1)%
Gross profit (loss)	\$ (1,253)	\$ (2,072)	\$ 819	39.5 %
Unit sales	6,148	8,161	(2,013)	(24.7)%
Revenue per unit	\$ 6,384	\$ 6,022	\$ 362	6.0 %
Gross profit (loss) per unit	\$ (204)	\$ (254)	\$ 50	19.7 %
Gross profit (loss) as a % of revenue	(3.2)%	(4.2)%	102 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 180,020	\$ 197,183	\$ (17,163)	(8.7)%
Gross profit (loss)	\$ (4,100)	\$ (11,779)	\$ 7,679	65.2 %
Unit sales	28,379	30,615	(2,236)	(7.3)%
Revenue per unit	\$ 6,343	\$ 6,441	\$ (98)	(1.5)%
Gross profit (loss) per unit	\$ (144)	\$ (385)	\$ 241	62.6 %
Gross profit (loss) as a % of revenue	(2.3)%	(6.0)%	370 bps	

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 38,600	\$ 45,706	\$ (7,106)	(15.5)%
Gross profit (loss)	\$ (1,269)	\$ (1,865)	\$ 596	32.0 %
Unit sales	5,920	7,303	(1,383)	(18.9)%
Revenue per unit	\$ 6,520	\$ 6,258	\$ 262	4.2 %
Gross profit (loss) per unit	\$ (214)	\$ (255)	\$ 41	16.1 %
Gross profit (loss) as a % of revenue	(3.3)%	(4.1)%	78 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 172,985	\$ 179,895	\$ (6,910)	(3.8)%
Gross profit (loss)	\$ (3,508)	\$ (10,320)	\$ 6,812	66.0 %
Unit sales	26,341	26,583	(242)	(0.9)%
Revenue per unit	\$ 6,567	\$ 6,767	\$ (200)	(3.0)%
Gross profit (loss) per unit	\$ (133)	\$ (388)	\$ 255	65.7 %
Gross profit (loss) as a % of revenue	(2.0)%	(5.7)%	370 bps	

Fixed Operations - Franchised Dealerships Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported Fixed Operations:				
Revenue:				
Customer pay	\$ 141,252	\$ 137,544	\$ 3,708	2.7 %
Warranty	63,713	68,425	(4,712)	(6.9) %
Wholesale parts	39,934	38,302	1,632	4.3 %
Internal, sublet and other	94,269	91,929	2,340	2.5 %
Total	<u>\$ 339,168</u>	<u>\$ 336,200</u>	<u>\$ 2,968</u>	0.9 %
Gross profit:				
Customer pay	\$ 76,343	\$ 73,153	\$ 3,190	4.4 %
Warranty	35,302	38,411	(3,109)	(8.1) %
Wholesale parts	6,868	6,797	71	1.0 %
Internal, sublet and other	47,133	45,747	1,386	3.0 %
Total	<u>\$ 165,646</u>	<u>\$ 164,108</u>	<u>\$ 1,538</u>	0.9 %
Gross profit as a % of revenue:				
Customer pay	54.0 %	53.2 %	80 bps	
Warranty	55.4 %	56.1 %	(70) bps	
Wholesale parts	17.2 %	17.7 %	(50) bps	
Internal, sublet and other	50.0 %	49.8 %	20 bps	
Total	48.8 %	48.8 %	— bps	
(In thousands)				
Reported Fixed Operations:				
Revenue:				
Customer pay	\$ 560,734	\$ 559,027	\$ 1,707	0.3 %
Warranty	272,389	266,644	5,745	2.2 %
Wholesale parts	157,603	161,066	(3,463)	(2.2) %
Internal, sublet and other	375,824	377,822	(1,998)	(0.5) %
Total	<u>\$ 1,366,550</u>	<u>\$ 1,364,559</u>	<u>\$ 1,991</u>	0.1 %
Gross profit:				
Customer pay	\$ 304,927	\$ 299,360	\$ 5,567	1.9 %
Warranty	150,984	150,746	238	0.2 %
Wholesale parts	27,187	27,746	(559)	(2.0) %
Internal, sublet and other	185,860	187,365	(1,505)	(0.8) %
Total	<u>\$ 668,958</u>	<u>\$ 665,217</u>	<u>\$ 3,741</u>	0.6 %
Gross profit as a % of revenue:				
Customer pay	54.4 %	53.6 %	80 bps	
Warranty	55.4 %	56.5 %	(110) bps	
Wholesale parts	17.3 %	17.2 %	10 bps	
Internal, sublet and other	49.5 %	49.6 %	(10) bps	
Total	49.0 %	48.7 %	30 bps	

Fixed Operations - Franchised Dealerships Segment (Continued)

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue:				
Customer pay	\$ 139,127	\$ 129,093	\$ 10,034	7.8 %
Warranty	63,042	65,432	(2,390)	(3.7) %
Wholesale parts	39,398	36,483	2,915	8.0 %
Internal, sublet and other	93,030	85,213	7,817	9.2 %
Total	\$ 334,597	\$ 316,222	\$ 18,375	5.8 %
Gross profit:				
Customer pay	\$ 75,404	\$ 68,425	\$ 6,979	10.2 %
Warranty	35,007	36,748	(1,741)	(4.7) %
Wholesale parts	6,772	6,423	349	5.4 %
Internal, sublet and other	46,406	42,513	3,893	9.2 %
Total	\$ 163,589	\$ 154,109	\$ 9,480	6.2 %
Gross profit as a % of revenue:				
Customer pay	54.2 %	53.0 %	120 bps	
Warranty	55.5 %	56.2 %	(70) bps	
Wholesale parts	17.2 %	17.6 %	(40) bps	
Internal, sublet and other	49.9 %	49.9 %	— bps	
Total	48.9 %	48.7 %	20 bps	

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue:				
Customer pay	\$ 547,344	\$ 516,572	\$ 30,772	6.0 %
Warranty	264,282	250,750	13,532	5.4 %
Wholesale parts	154,166	152,030	2,136	1.4 %
Internal, sublet and other	362,114	345,513	16,601	4.8 %
Total	\$ 1,327,906	\$ 1,264,865	\$ 63,041	5.0 %
Gross profit:				
Customer pay	\$ 297,894	\$ 275,387	\$ 22,507	8.2 %
Warranty	146,644	140,305	6,339	4.5 %
Wholesale parts	26,542	25,972	570	2.2 %
Internal, sublet and other	178,232	171,038	7,194	4.2 %
Total	\$ 649,312	\$ 612,702	\$ 36,610	6.0 %
Gross profit as a % of revenue:				
Customer pay	54.4 %	53.3 %	110 bps	
Warranty	55.5 %	56.0 %	(50) bps	
Wholesale parts	17.2 %	17.1 %	10 bps	
Internal, sublet and other	49.2 %	49.5 %	(30) bps	
Total	48.9 %	48.4 %	50 bps	

F&I - Franchised Dealerships Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except unit and per unit data)

Reported F&I:							
Revenue	\$	96,946	\$	90,341	\$	6,605	7.3 %
Unit sales		56,700		57,340		(640)	(1.1) %
Gross profit per retail unit (excludes fleet)	\$	1,710	\$	1,576	\$	134	8.5 %

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except unit and per unit data)

Reported F&I:							
Revenue	\$	363,117	\$	344,814	\$	18,303	5.3 %
Unit sales		224,086		230,987		(6,901)	(3.0) %
Gross profit per retail unit (excludes fleet)	\$	1,620	\$	1,493	\$	127	8.5 %

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except unit and per unit data)

Same store F&I:							
Revenue	\$	91,628	\$	80,579	\$	11,049	13.7 %
Unit sales		55,594		51,778		3,816	7.4 %
Gross profit per retail unit (excludes fleet)	\$	1,648	\$	1,556	\$	92	5.9 %

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change

(In thousands, except unit and per unit data)

Same store F&I:							
Revenue	\$	335,756	\$	304,293	\$	31,463	10.3 %
Unit sales		212,127		204,631		7,496	3.7 %
Gross profit per retail unit (excludes fleet)	\$	1,583	\$	1,487	\$	96	6.5 %

Used Vehicles and F&I - EchoPark Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	\$ 265,286	\$ 179,486	\$ 85,800	47.8 %
Retail used vehicle gross profit (loss)	\$ 1,104	\$ (1,794)	\$ 2,898	(161.5)%
Retail used vehicle unit sales	12,676	8,762	3,914	44.7 %
Retail used vehicle revenue per unit	\$ 20,928	\$ 20,485	\$ 443	2.2 %
F&I revenue	\$ 28,576	\$ 19,292	\$ 9,284	48.1 %
Combined retail used vehicle gross profit and F&I revenue	\$ 29,680	\$ 17,498	\$ 12,182	69.6 %
Total retail used vehicle and F&I gross profit per unit	\$ 2,341	\$ 1,997	\$ 344	17.2 %

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	\$ 996,505	\$ 602,699	\$ 393,806	65.3 %
Retail used vehicle gross profit (loss)	\$ (146)	\$ (5,362)	\$ 5,216	97.3 %
Retail used vehicle unit sales	49,520	29,437	20,083	68.2 %
Retail used vehicle revenue per unit	\$ 20,123	\$ 20,474	\$ (351)	(1.7)%
F&I revenue	\$ 113,834	\$ 60,709	\$ 53,125	87.5 %
Combined retail used vehicle gross profit and F&I revenue	\$ 113,688	\$ 55,347	\$ 58,341	105.4 %
Total retail used vehicle and F&I gross profit per unit	\$ 2,296	\$ 1,880	\$ 416	22.1 %

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store retail used vehicle and F&I:				
Retail used vehicle revenue	\$ 223,669	\$ 168,442	\$ 55,227	32.8 %
Retail used vehicle gross profit (loss)	\$ (116)	\$ (1,832)	\$ 1,716	(93.7)%
Retail used vehicle unit sales	10,608	8,225	2,383	29.0 %
Retail used vehicle revenue per unit	\$ 21,085	\$ 20,479	\$ 606	3.0 %
F&I revenue	\$ 23,885	\$ 18,055	\$ 5,830	32.3 %
Combined retail used vehicle gross profit and F&I revenue	\$ 23,769	\$ 16,223	\$ 7,546	46.5 %
Total retail used vehicle and F&I gross profit per unit	\$ 2,241	\$ 1,972	\$ 269	13.6 %

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store retail used vehicle and F&I:				
Retail used vehicle revenue	\$ 797,327	\$ 557,620	\$ 239,707	43.0 %
Retail used vehicle gross profit (loss)	\$ (4,382)	\$ (4,344)	\$ (38)	(0.9)%
Retail used vehicle unit sales	39,458	27,080	12,378	45.7 %
Retail used vehicle revenue per unit	\$ 20,207	\$ 20,592	\$ (385)	(1.9)%
F&I revenue	\$ 90,684	\$ 56,023	\$ 34,661	61.9 %
Combined retail used vehicle gross profit and F&I revenue	\$ 86,302	\$ 51,679	\$ 34,623	67.0 %
Total retail used vehicle and F&I gross profit per unit	\$ 2,187	\$ 1,908	\$ 279	14.6 %

Wholesale Vehicles - EchoPark Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 7,346	\$ 754	\$ 6,592	874.3 %
Gross profit (loss)	\$ (92)	\$ (98)	\$ 6	6.1 %
Unit sales	1,751	53	1,698	3,203.8 %
Revenue per unit	\$ 4,195	\$ 14,226	\$ (10,031)	(70.5)%
Gross profit (loss) per unit	\$ (53)	\$ (1,849)	\$ 1,796	97.1 %
Gross profit (loss) as a % of revenue	(1.3)%	(13.0)%	1,170	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 22,926	\$ 20,442	\$ 2,484	12.2 %
Gross profit (loss)	\$ (332)	\$ 530	\$ (862)	(162.6)%
Unit sales	5,774	3,552	2,222	62.6 %
Revenue per unit	\$ 3,971	\$ 5,755	\$ (1,784)	(31.0)%
Gross profit (loss) per unit	\$ (57)	\$ 149	\$ (206)	(138.3)%
Gross profit (loss) as a % of revenue	(1.4)%	2.6 %	(400)	bps

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 6,169	\$ 753	\$ 5,416	719.3 %
Gross profit (loss)	\$ (86)	\$ (97)	\$ 11	11.3 %
Unit sales	1,495	53	1,442	2,720.8 %
Revenue per unit	\$ 4,126	\$ 14,208	\$ (10,082)	(71.0)%
Gross profit (loss) per unit	\$ (58)	\$ (1,830)	\$ 1,772	96.8 %
Gross profit (loss) as a % of revenue	(1.4)%	(12.9)%	1,150	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 18,446	\$ 15,848	\$ 2,598	16.4 %
Gross profit (loss)	\$ (300)	\$ 528	\$ (828)	(156.8)%
Unit sales	4,675	2,662	2,013	75.6 %
Revenue per unit	\$ 3,946	\$ 5,953	\$ (2,007)	(33.7)%
Gross profit (loss) per unit	\$ (64)	\$ 198	\$ (262)	(132.3)%
Gross profit (loss) as a % of revenue	(1.6)%	3.3 %	(490)	bps

Fixed Operations - EchoPark Segment

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported Fixed Operations:				
Revenue	\$ 7,346	\$ 3,057	\$ 4,289	140.3 %
Gross profit (loss)	\$ (354)	\$ (242)	\$ (112)	46.3 %
Gross profit (loss) as a % of revenue	(4.8)%	(7.9)%	310	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported Fixed Operations:				
Revenue	\$ 28,753	\$ 16,328	\$ 12,425	76.1 %
Gross profit (loss)	\$ (943)	\$ 2,144	\$ (3,087)	(144.0)%
Gross profit (loss) as a % of revenue	(3.3)%	13.1 %	(1,640)	bps

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue	\$ 6,058	\$ 2,814	\$ 3,244	115.3 %
Gross profit (loss)	\$ (288)	\$ (238)	\$ (50)	21.0 %
Gross profit (loss) as a % of revenue	(4.8)%	(8.5)%	370	bps

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same store Fixed Operations:				
Revenue	\$ 22,952	\$ 14,508	\$ 8,444	58.2 %
Gross profit (loss)	\$ (768)	\$ 1,845	\$ (2,613)	(141.6)%
Gross profit (loss) as a % of revenue	(3.3)%	12.7 %	(1,600)	bps

Segment Income (Loss)

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Segment income (loss):				
Franchised Dealerships Segment	\$ 76,541	\$ 51,440	\$ 25,101	48.8 %
EchoPark Segment	2,099	(4,695)	6,794	144.7 %
Total segment income (loss)	\$ 78,640	\$ 46,745	\$ 31,895	68.2 %
Impairment charges	(17,692)	(15,553)	(2,139)	(13.8)%
Income (loss) from continuing operations before taxes	\$ 60,948	\$ 31,192	\$ 29,756	95.4 %

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Segment income (loss):				
Franchised Dealerships Segment	\$ 211,267	\$ 157,413	\$ 53,854	34.2 %
EchoPark Segment	9,146	(52,587)	61,733	117.4 %
Total segment income (loss)	\$ 220,413	\$ 104,826	\$ 115,587	110.3 %
Impairment charges	(20,768)	(29,514)	8,746	29.6 %
Income (loss) from continuing operations before taxes	\$ 199,645	\$ 75,312	\$ 124,333	165.1 %

Selling, General and Administrative (“SG&A”) Expenses - Non-GAAP Reconciliation

	Three Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 184,455	\$ 166,950	\$ (17,505)	(10.5)%
Advertising	14,522	16,196	1,674	10.3 %
Rent	13,303	13,753	450	3.3 %
Other	48,641	77,016	28,375	36.8 %
Total SG&A expenses	<u>\$ 260,921</u>	<u>\$ 273,915</u>	<u>\$ 12,994</u>	4.7 %
Items of interest:				
Gain on franchise disposals	\$ 29,303	\$ —		
Lease exit adjustments	—	800		
Total SG&A adjustments	<u>\$ 29,303</u>	<u>\$ 800</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 290,224</u>	<u>\$ 274,715</u>	<u>\$ (15,509)</u>	(5.6)%
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	46.8 %	45.0 %	(180) bps	
Advertising	3.7 %	4.4 %	70 bps	
Rent	3.4 %	3.7 %	30 bps	
Other	12.3 %	20.8 %	850 bps	
Total SG&A expenses as a % of gross profit	<u>66.2 %</u>	<u>73.9 %</u>	<u>770 bps</u>	
Items of interest:				
Gain on franchise disposals	7.5 %	— %		
Lease exit adjustments	— %	0.2 %		
Total effect of adjustments	<u>7.5 %</u>	<u>0.2 %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>73.7 %</u>	<u>74.1 %</u>	40 bps	

SG&A Expenses - Non-GAAP Reconciliation (Continued)

	Twelve Months Ended December 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 733,925	\$ 725,022	\$ (8,903)	(1.2) %
Advertising	60,831	63,134	2,303	3.6 %
Rent	54,611	64,204	9,593	14.9 %
Other	250,007	292,965	42,958	14.7 %
Total SG&A expenses	<u>\$ 1,099,374</u>	<u>\$ 1,145,325</u>	<u>\$ 45,951</u>	<u>4.0 %</u>
Items of interest:				
Legal and storm damage charges	\$ —	\$ (5,749)		
Long-term compensation charges	—	(32,522)		
Executive transition costs	(6,264)	(1,581)		
Lease exit adjustments	—	(1,435)		
Gain on franchise disposals	75,983	38,893		
Total SG&A adjustments	<u>\$ 69,719</u>	<u>\$ (2,394)</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 1,169,093</u>	<u>\$ 1,142,931</u>	\$ (26,162)	(2.3) %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	48.3 %	50.1 %	180 bps	
Advertising	4.0 %	4.4 %	40 bps	
Rent	3.6 %	4.4 %	80 bps	
Other	16.4 %	20.3 %	390 bps	
Total SG&A expenses as a % of gross profit	<u>72.3 %</u>	<u>79.2 %</u>	<u>690 bps</u>	
Items of interest:				
Legal and storm damage charges	— %	(0.5)%		
Long-term compensation charges	— %	(2.7)%		
Executive transition costs	(0.4)%	(0.1)%		
Lease exit adjustments	— %	(0.1)%		
Gain on franchise disposals	5.0 %	3.2 %		
Total effect of adjustments	<u>4.6 %</u>	<u>(0.2)%</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>76.9 %</u>	<u>79.0 %</u>	210 bps	

Earnings Per Share from Continuing Operations - Non-GAAP Reconciliation

	Three Months Ended December 31, 2019			Three Months Ended December 31, 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	44,463	\$ 46,272	\$ 1.04	42,911	\$ 21,981	\$ 0.51
Pre-tax items of interest:						
Gain on franchise disposals		\$ (29,303)			\$ —	
Lease exit adjustments		—			(800)	
Impairment charges		17,692			15,553	
Loss on debt extinguishment		7,157			—	
Total pre-tax items of interest		\$ (4,454)			\$ 14,753	
Tax effect of above items		\$ 1,292			\$ (4,020)	
Adjusted diluted earnings (loss) and shares from continuing operations	44,463	\$ 43,110	\$ 0.97	42,911	\$ 32,714	\$ 0.76

	Twelve Months Ended December 31, 2019			Twelve Months Ended December 31, 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	43,710	\$ 144,537	\$ 3.31	42,950	\$ 52,390	\$ 1.22
Pre-tax items of interest:						
Gain on franchise disposals		\$ (75,983)			\$ (38,893)	
Legal and storm damage charges		—			5,749	
Long-term compensation charges		—			32,522	
Executive transition costs		6,264			1,581	
Impairment charges		19,618			29,512	
Loss on debt extinguishment		7,157			—	
Lease exit adjustments		—			1,435	
Total pre-tax items of interest		\$ (42,944)			\$ 31,906	
Tax effect of above items		\$ 14,193			\$ (8,694)	
Non-recurring tax items		\$ —			\$ 1,313	
Adjusted diluted earnings (loss) and shares from continuing operations	43,710	\$ 115,786	\$ 2.65	42,950	\$ 76,914	\$ 1.79

Adjusted EBITDA - Non-GAAP Reconciliation

	Three Months Ended December 31, 2019				Three Months Ended December 31, 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net income (loss)	\$ 46,307				\$ 21,821			
Provision for income taxes	14,703				9,150			
Income (loss) before taxes	\$ 75,466	\$ (14,518)	\$ 62	\$ 61,010	\$ 37,388	\$ (6,196)	\$ (221)	\$ 30,971
Non-floor plan interest	12,335	435	—	12,770	12,902	423	89	13,414
Depreciation and amortization	20,972	2,765	—	23,737	21,087	2,210	—	23,297
Stock-based compensation expense	2,690	—	—	2,690	1,264	—	—	1,264
Loss (gain) on exit of leased dealerships	—	—	—	—	(1,080)	3	89	(988)
Impairment charges	1,075	16,617	—	17,692	14,053	1,500	—	15,553
Loss on debt extinguishment	6,690	—	—	6,690	—	—	—	—
Gain on franchise disposals	(29,242)	—	—	(29,242)	(158)	—	—	(158)
Adjusted EBITDA	<u>\$ 89,986</u>	<u>\$ 5,299</u>	<u>\$ 62</u>	<u>\$ 95,347</u>	<u>\$ 85,456</u>	<u>\$ (2,060)</u>	<u>\$ (43)</u>	<u>\$ 83,353</u>

	Twelve Months Ended December 31, 2019				Twelve Months Ended December 31, 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net income (loss)	\$ 144,137				\$ 51,650			
Provision for income taxes	54,954				22,645			
Income (loss) before taxes	\$ 210,167	\$ (10,522)	\$ (554)	\$ 199,091	\$ 129,481	\$ (54,169)	\$ (1,017)	\$ 74,295
Non-floor plan interest	48,774	1,701	—	50,475	50,000	1,641	408	52,049
Depreciation and amortization	85,093	10,553	—	95,646	88,857	7,795	—	96,652
Stock-based compensation expense	10,797	—	—	10,797	11,853	—	—	11,853
Loss (gain) on exit of leased dealerships	(170)	—	—	(170)	1,281	20	408	1,709
Impairment charges	1,101	19,667	—	20,768	27,931	1,583	—	29,514
Loss on debt extinguishment	6,690	—	—	6,690	—	—	—	—
Long-term compensation charges	—	—	—	—	—	32,522	—	32,522
Gain on franchise disposals	(74,812)	—	—	(74,812)	(39,307)	—	—	(39,307)
Adjusted EBITDA	<u>\$ 287,640</u>	<u>\$ 21,399</u>	<u>\$ (554)</u>	<u>\$ 308,485</u>	<u>\$ 270,096</u>	<u>\$ (10,608)</u>	<u>\$ (201)</u>	<u>\$ 259,287</u>

Sonic Automotive –
A Holistic Approach to
**Creating
Shareholder Value**



February 19, 2020

→ 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 “may,” “will,” “should,” “could,” “believe,” “expect,” “estimate,” “anticipate,” “intend,” “plan,” “foresee” and other similar words or phrases. 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, long-term annual revenue targets, anticipated future growth and profitability in our EchoPark Segment, anticipated openings of new EchoPark stores, anticipated future performance and growth of our Franchised Dealerships Segment, anticipated future debt reduction in 2020, anticipated 2020 industry new vehicle sales volume, the implementation of growth and operating strategies, including acquisitions of dealerships and properties, 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 expansion or contraction, 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”).

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 SEC.





COMPANY OVERVIEW



→ Sonic Automotive: Who We Are



(NYSE: SAH)
a Fortune 500
Company and One
of the Nation's
Largest Automotive
Retailers



Our Core Franchised
Dealership Business
Focuses on High Levels of
New and Used Vehicle
Sales Volume to Drive
Profit From Parts and
Service and Finance and
Insurance Products



Our Unique Approach to
Pre-Owned Car Shopping
Below-Market Pricing with
a No Haggle Purchase
Experience

QUICK FACTS

95 Franchised and
EchoPark Stores

15 Collision
Repair
Centers

20+ Different
Automobile
Brands

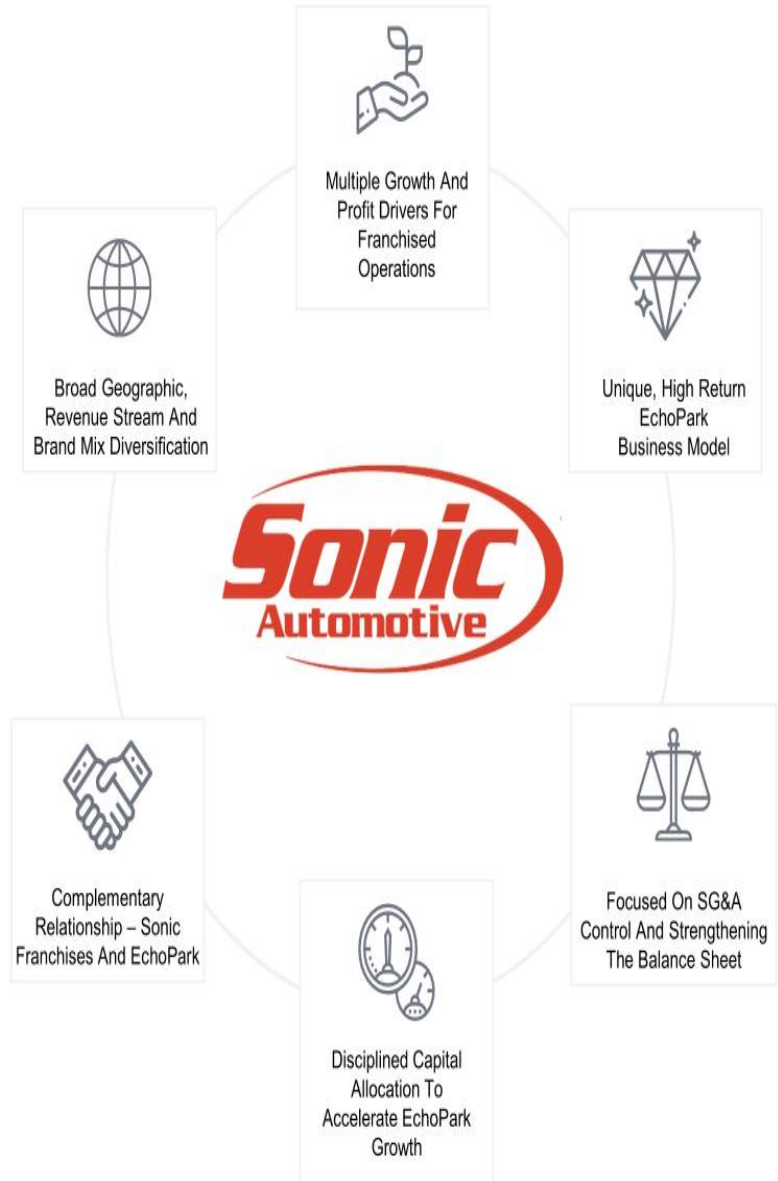
12 Different
States

\$10.5B FY 2019
Revenues

\$1.5B FY 2019
Gross
Profit



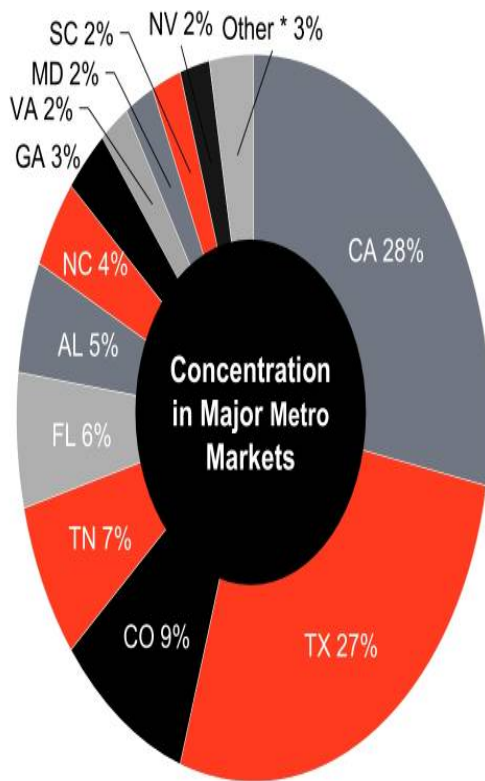
→ Investment Highlights



→ Revenue Composition

BY GEOGRAPHY

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



Note: Percentages are Percent of Total Revenue for FY 2019

* Consists of Disposed Stores and Holding Companies



→ Revenue Composition

Brand Distribution

Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	57%	BMW	23%
		Mercedes	11%
		Audi	6%
		Lexus	4%
		Land Rover	3%
		Porsche	3%
		Cadillac	3%
		MINI	2%
		Other Luxury (1)	2%
Import	24%	Honda	13%
		Toyota	8%
		Hyundai	1%
		Volkswagen	1%
		Other Import (2)	1%
EchoPark	11%	Non-Franchise	11%
Domestic	8%	Ford	4%
		General Motors (3)	4%

(1) Includes Volvo, Jaguar, Acura and Infiniti

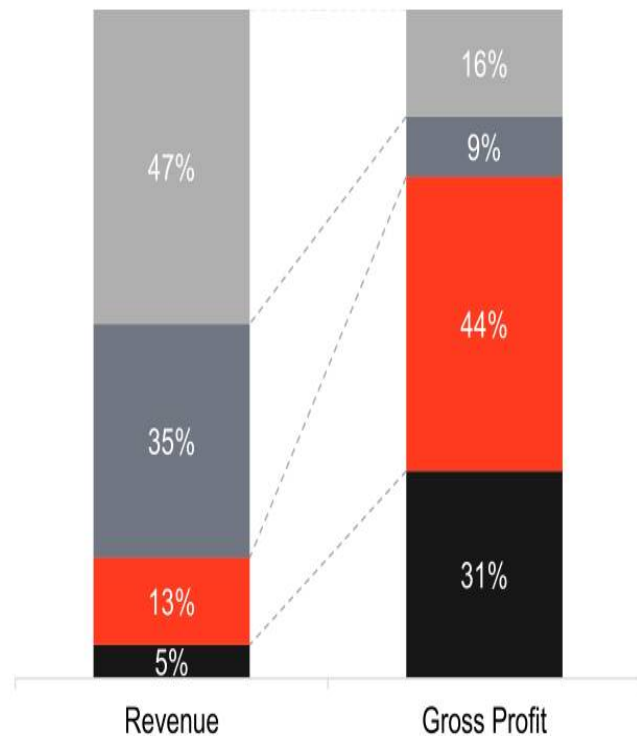
(2) Includes Nissan, Subaru and Kia

(3) Includes Chevrolet, GMC and Buick

Note: Percentages are Percent of Total Revenue for FY 2019

Business Line Mix

- New Vehicle
- Used Vehicle (Including Wholesale)
- Parts, Service & Collision
- Finance & Insurance



Note: Percentages are Percent of Total for FY 2019



→ Franchised Operations



86 Franchised
Dealerships



20+ Brands, Luxury
Weighted

New & Used Vehicle Sales
Parts & Service (P&S)
Finance & Insurance (F&I)



15 Collision
Repair Centers

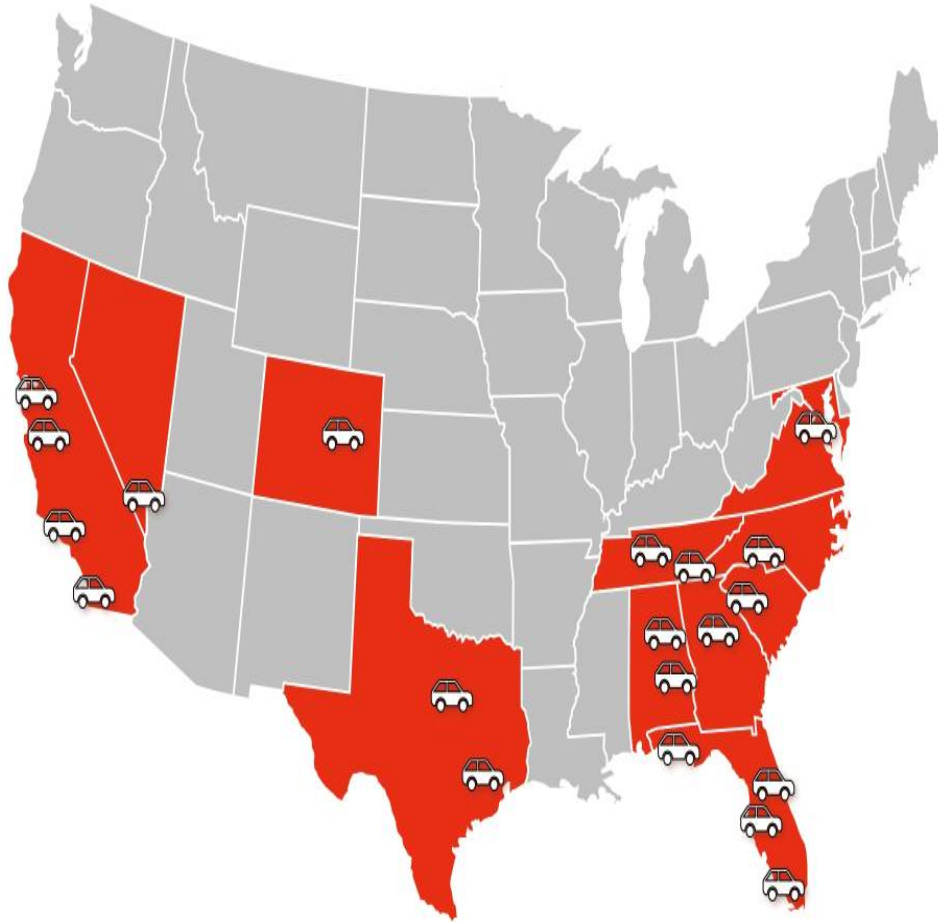


20 Major
Metropolitan
Markets

Focused On Inventory Mix and Attractive Pricing
to Drive Growth and Profitability



→ Franchised Geographic Footprint



Headquartered in
Charlotte, NC



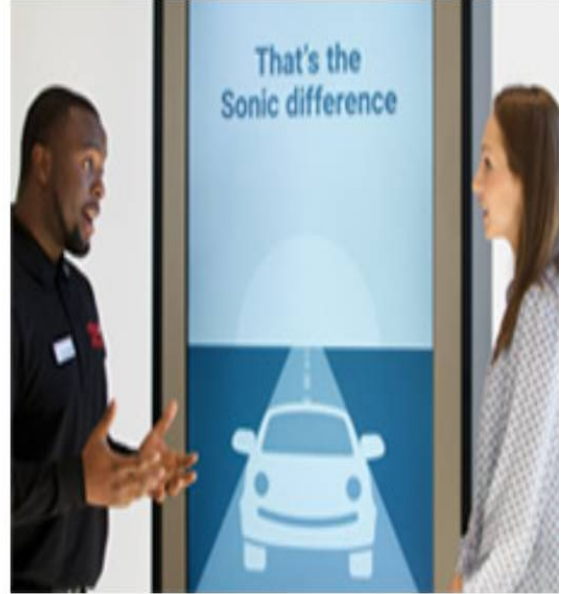
86 Stores, 20+ Brands,
15 Collision Repair Centers



Platforms in Major
Metro Markets



→ Franchised Operations – Levers



→ EchoPark Automotive



The New Car Alternative™
Get the New Car Feel Without the New Car Price

Focus On
Pre-Owned
Market – More Stable
Than New Vehicle
Market

Below Market
Pricing With Simplified, Easy
Purchase Experience

Unique, High Return
Business Model

1- 4 Year Old
Vehicles - Nearly New
With Remaining OEM
Warranty

30% of Guests
Travel More Than 30 Minutes
To Shop Our Inventory

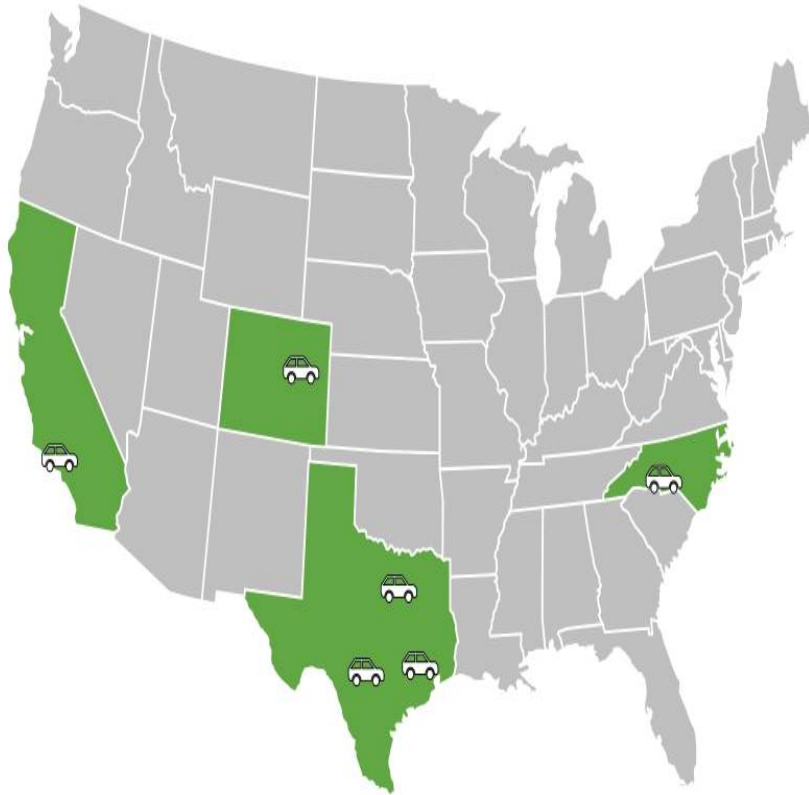
5-Year Goal of 25+ Locations



→ EchoPark Geographic Footprint

EchoPark

AUTOMOTIVE



Texas

- Grand Prairie (Dallas) – Pre-Owned Business Acquired Q3 2017
- San Antonio – Opened Q4 2017
- New Braunfels – Opened Q1 2018
- Houston – Opened December 2018

Colorado

- Thornton and Centennial (Denver) – Opened Q4 2014
- Colorado Springs – Opened Q2 2017

North Carolina

- Charlotte – Opened October 2018

California

- Long Beach – Opened December 2019



Nine Existing Stores in Six Physical Markets

Three New Locations Opening in 2020



EchoPark
AUTOMOTIVE

→ EchoPark – Modeled 4-Wall Economics At Maturity

	<u>Medium Store</u>	<u>Large Store</u>
Average Monthly Retail Unit Volume (100% Mature)	750	1,500
Average Vehicle Selling Price	\$ 20,500	\$ 20,500
Total Annual Revenues	\$ 210,000,000	\$ 420,000,000
Total Combined Gross Profit Per Unit Retailed	\$ 2,150	\$ 2,150
Target SG&A Expenses as % of Gross Profit	60%	60%
Average Monthly Pre-Tax Profit	\$ 600,000	\$ 1,200,000
Average Compensation Per Employee (with Fringe)	\$ 78,000	\$ 78,000
Total Headcount	105	170
Average Retail Unit Sales Per Head Per Month	7.1	8.8
Target Inventory Days' Supply	30 Days	30 Days
Working Capital Investment	\$ 15,000,000	\$ 31,000,000
Capital Expenditures (Varies By Market)	<u>\$ 16,000,000</u>	<u>\$ 20,000,000</u>
Total Capital Investment	<u>\$ 30,000,000</u>	<u>\$ 50,000,000</u>
Pre-Tax Return On Investment	24%+	29%+

Existing Medium Stores:

- Centennial, CO*
- Colorado Springs, CO*
- New Braunfels, TX*
- San Antonio, TX*
- Charlotte, NC
- Long Beach, CA

Existing Large Stores:

- Dallas, TX
- Thornton, CO*
- Houston, TX

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.

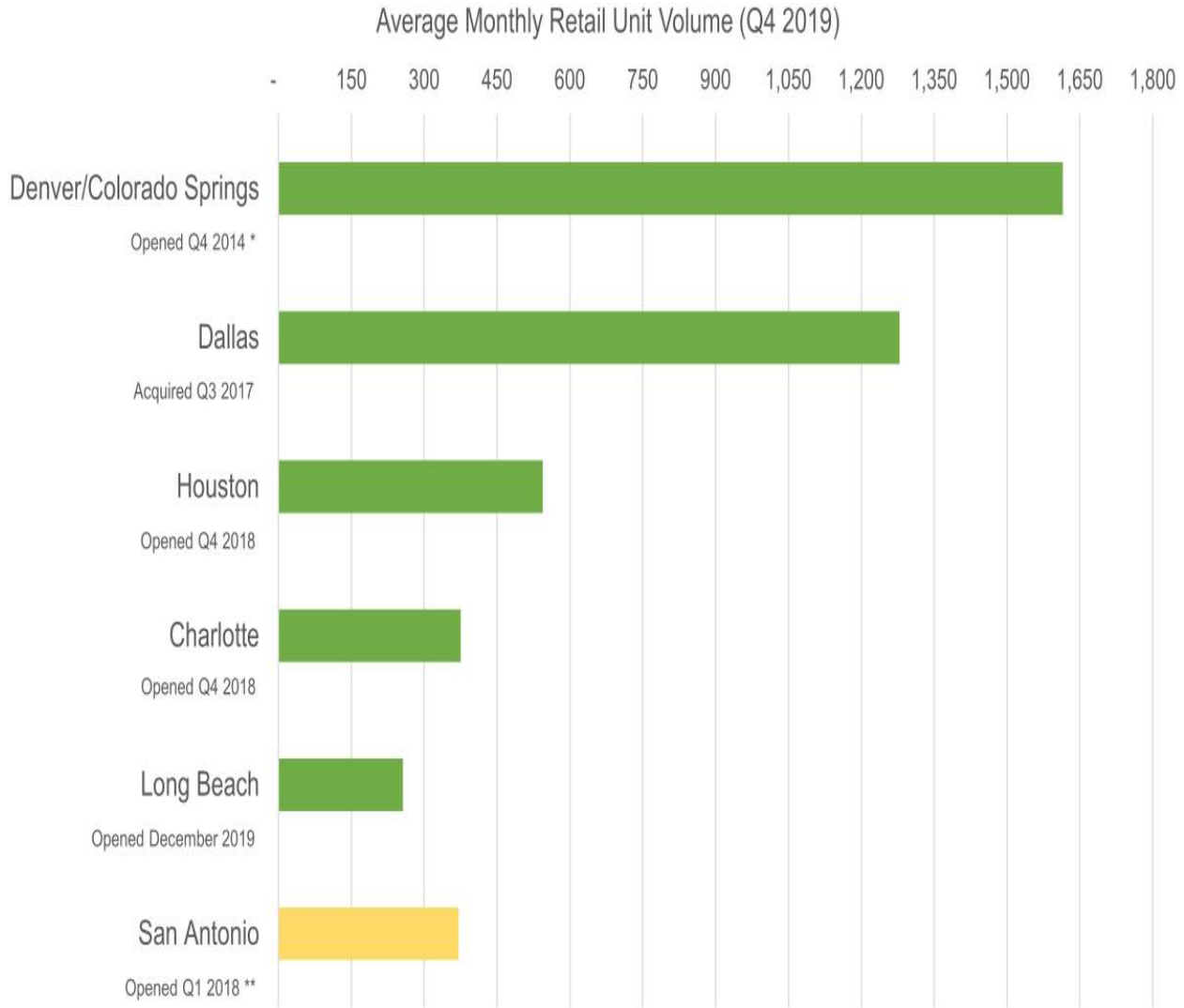
Note: Estimate average pre-tax losses of \$2M per new store opening including hiring, training and other pre-opening expenses, plus operating losses incurred prior to targeted breakeven.

Note: Amounts are estimates of future results used for comparative modeling purposes. Actual store results may differ.

* These Stores Were Established Under Previous EchoPark Operating Model and May Not Conform to the Above Model



→ EchoPark Market Maturity Comparison

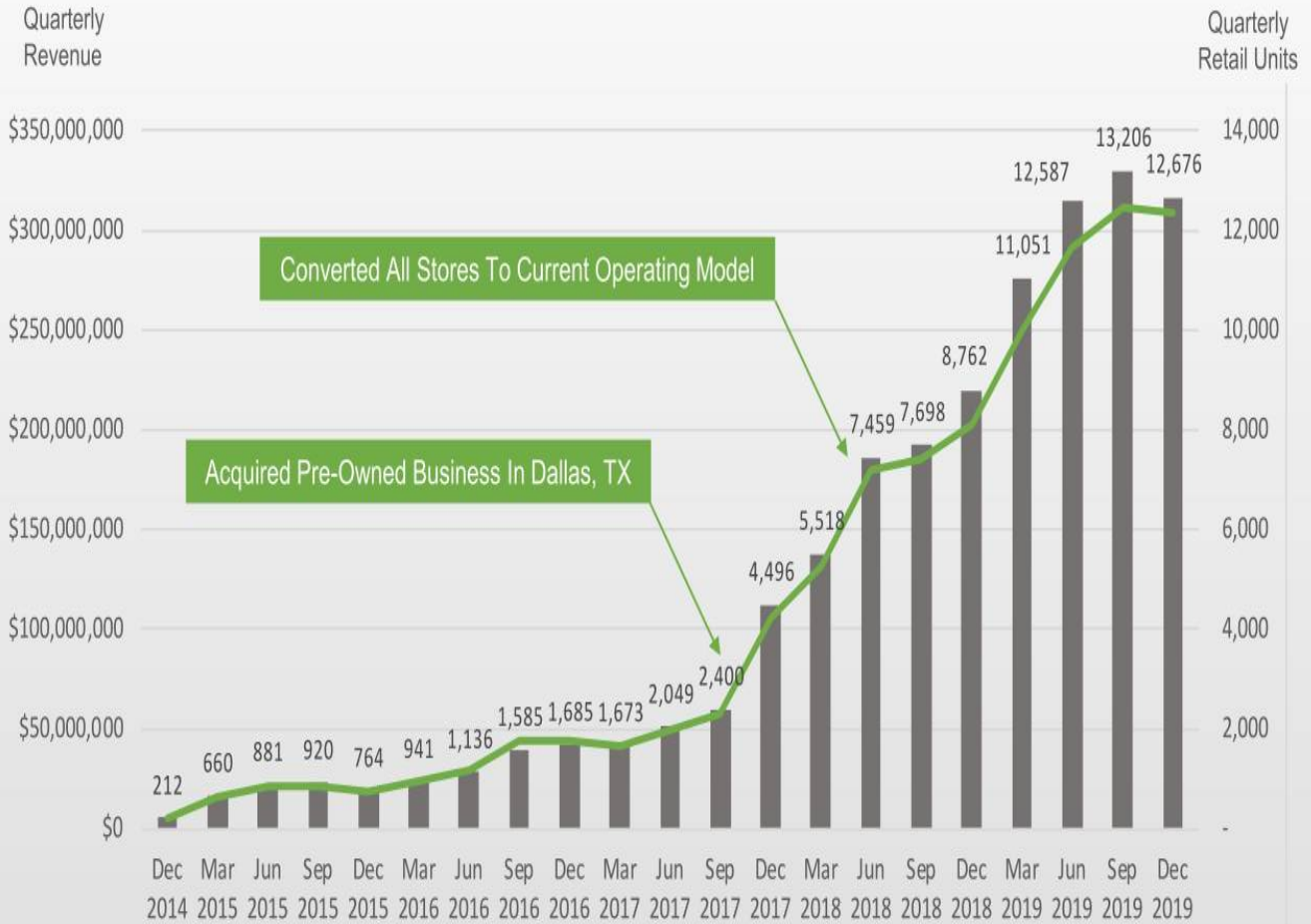


* This Market Converted To Current EchoPark 1-4 Year Old Vehicle Inventory And Pricing Model In Q2 2018

** This Market Began To Pilot An Outlet Model Selling 1-8 Year Old Vehicles In November 2019



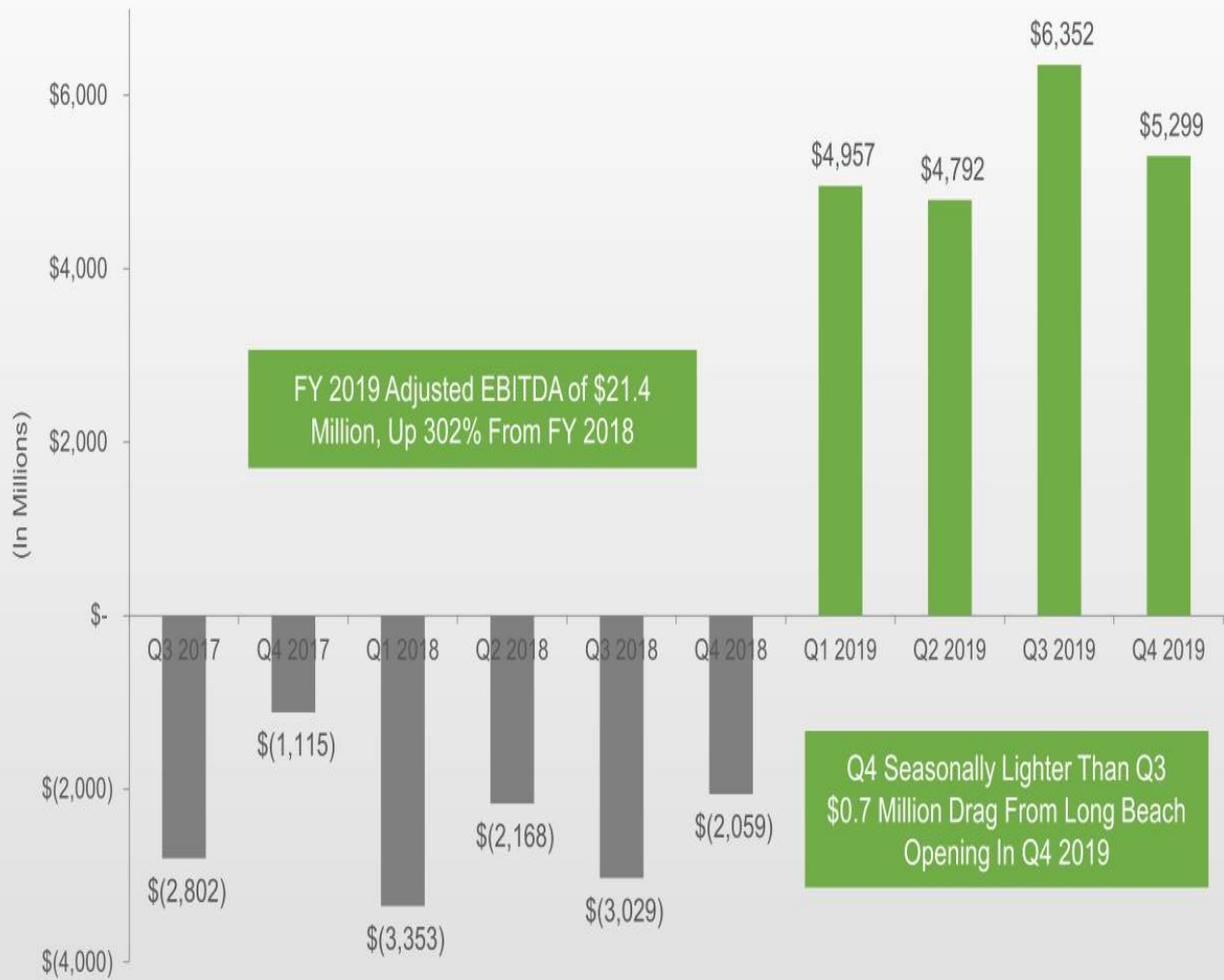
→ EchoPark Retail Unit Sales Volume Growth



FY 2019 Revenues Of \$1.2B,
49,520 Retail Unit Sales



→ EchoPark Adjusted EBITDA Trend



Current Inventory And Pricing Strategy Began In Q2 2018
 Q3 2018 And Q4 2018 Pressured By New Store Openings And Relocations

Note: Refer To Appendix For Calculation And Reconciliation of Adjusted EBITDA (A Non-GAAP Measure)



→ EchoPark Model – High Volume Drives Superior Returns



May Yield **Slightly Negative**
Front-End Gross Profit Per Unit

Higher Penetration Rates
On F&I Products
vs. Sonic Franchised Stores

5X Volume Per Store Per Month
vs. Sonic Franchised Stores

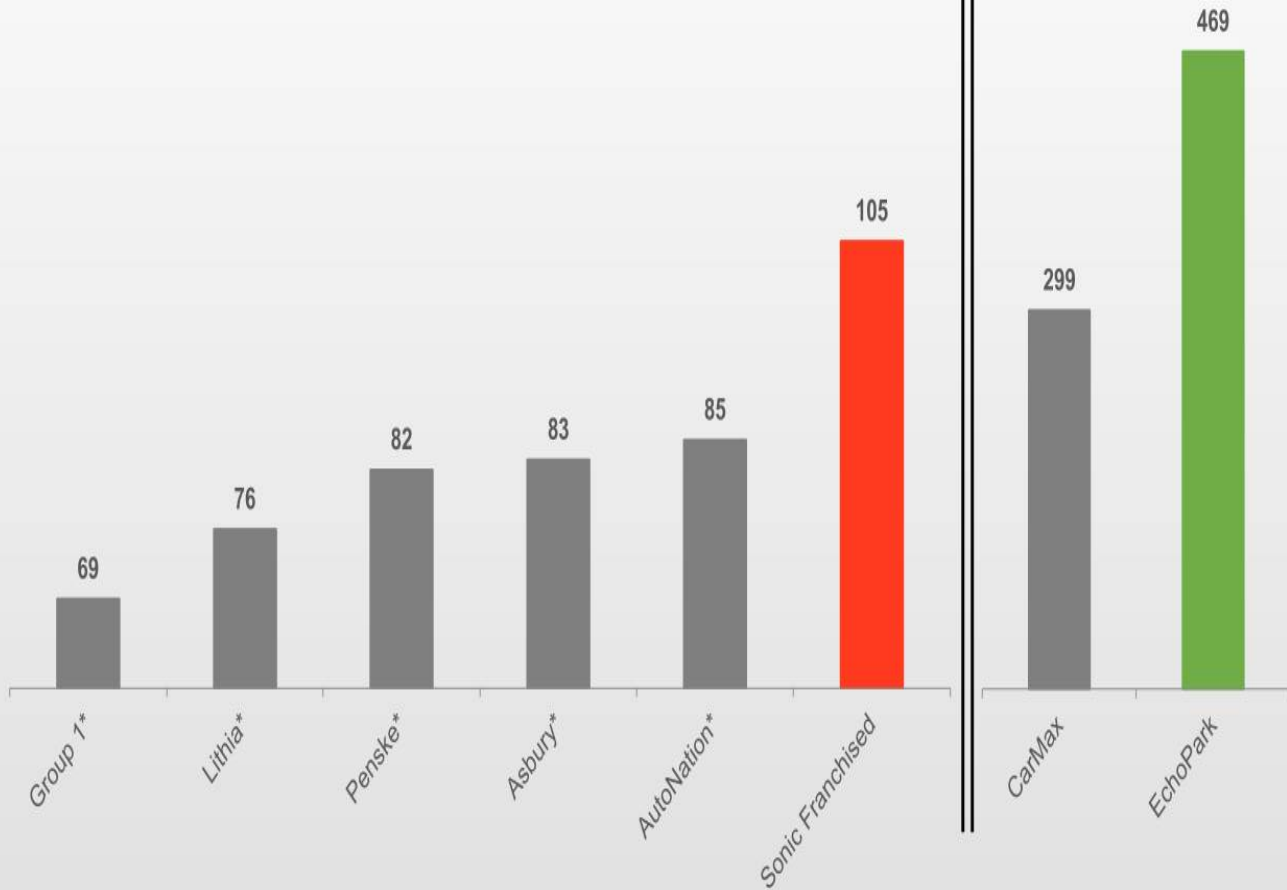
	Franchised Used	EchoPark	B (W)
Front-End Used Vehicle Gross Per Unit	\$1,300	\$(100)	
F&I Gross Per Unit	\$1,400	\$2,250	
Parts and Service Reconditioning Profit	\$500	-	
Total Used-Related Gross Per Unit	\$3,200	\$2,150	(\$1,050)
Volume Differential Factor	x1	X5	
Pro Forma Comparative Used-Related Gross Profit	\$3,200	\$10,750	\$7,550

Note: Amounts are estimates of future results used for comparative modeling purposes. Actual store results may differ.



→ Industry-Leading Used Vehicle Volume Throughput

Q4 2019 Retail Used Vehicle Unit Sales Per Store Per Month



Utilize Highly Efficient Inventory Sourcing, Pricing And Selling Processes To Maximize Throughput

* Peer Average Is 79 Units Per Store Per Month Based On Store Counts As Of December 31, 2019

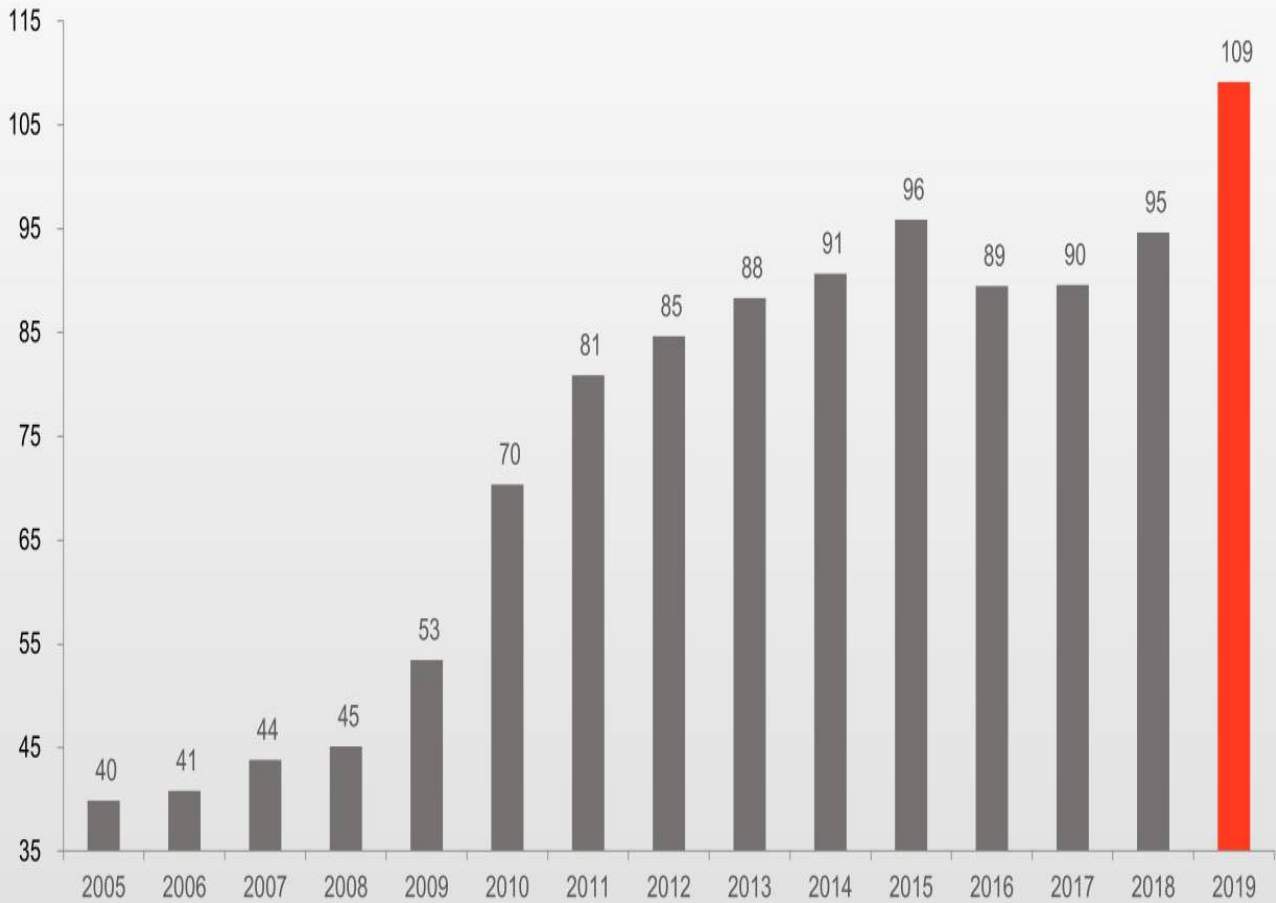
Note: Peer Data Source – Company Filings, Company Websites

Note: CarMax Data is for the Quarter Ended November 30, 2019



→ Used Vehicle Volume Throughput Trend

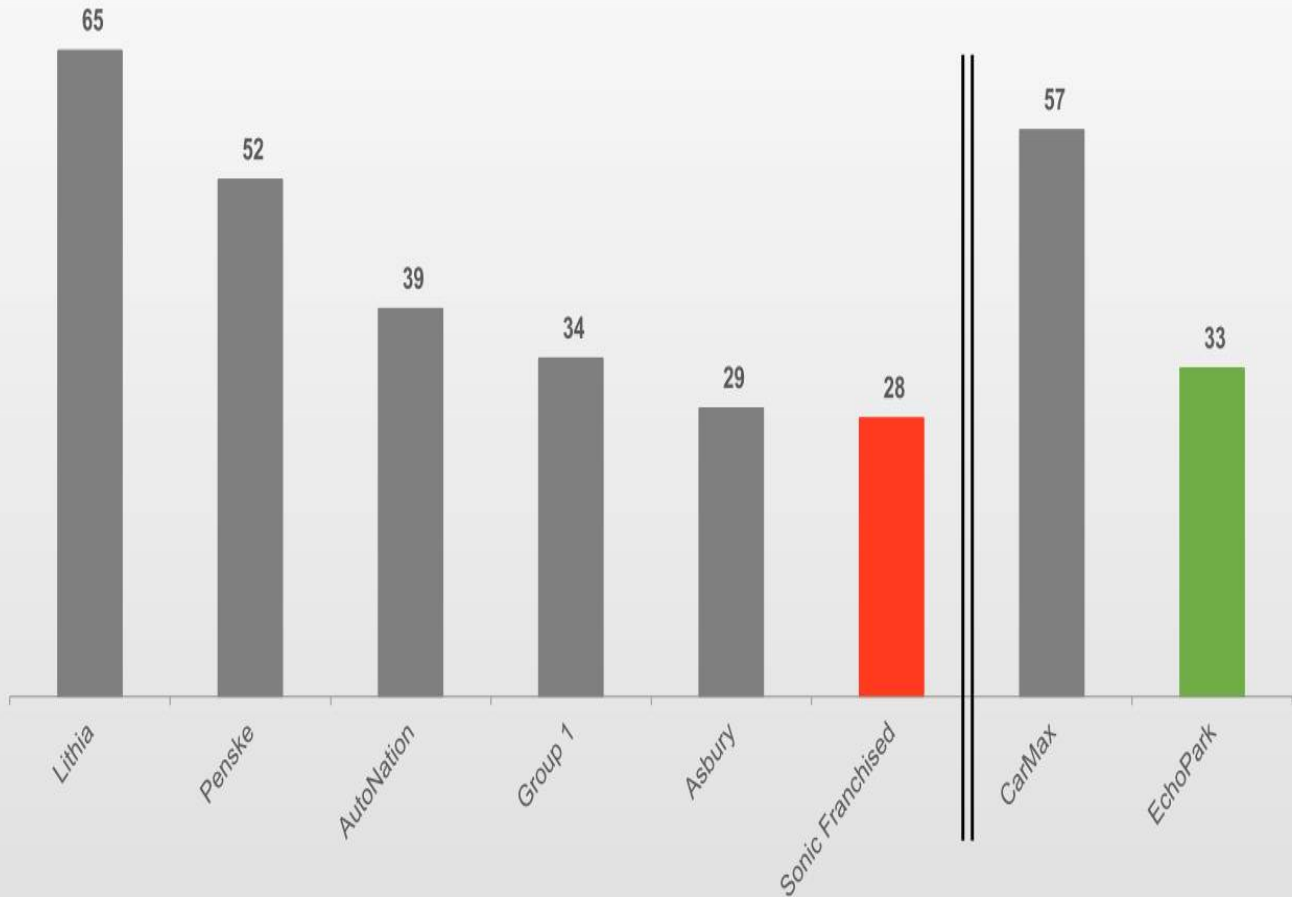
Franchised Dealerships Retail Used Vehicle Unit Sales Volume Per Store Per Month



2005-2019 – 7.4% CAGR

→ Inventory Management Expertise

Q4 2019 Used Vehicle Inventory Days' Supply



Low Inventory Days' Supply Reduces Exposure to Fluctuations in Used Vehicle Valuations

Note: Peer Data Source: Company Filings, Calculated Based on Trailing Quarter Cost of Sales If Not Explicitly Disclosed

Note: CarMax Data is for the Quarter Ended November 30, 2019



→ Vehicle Inventory Days' Supply

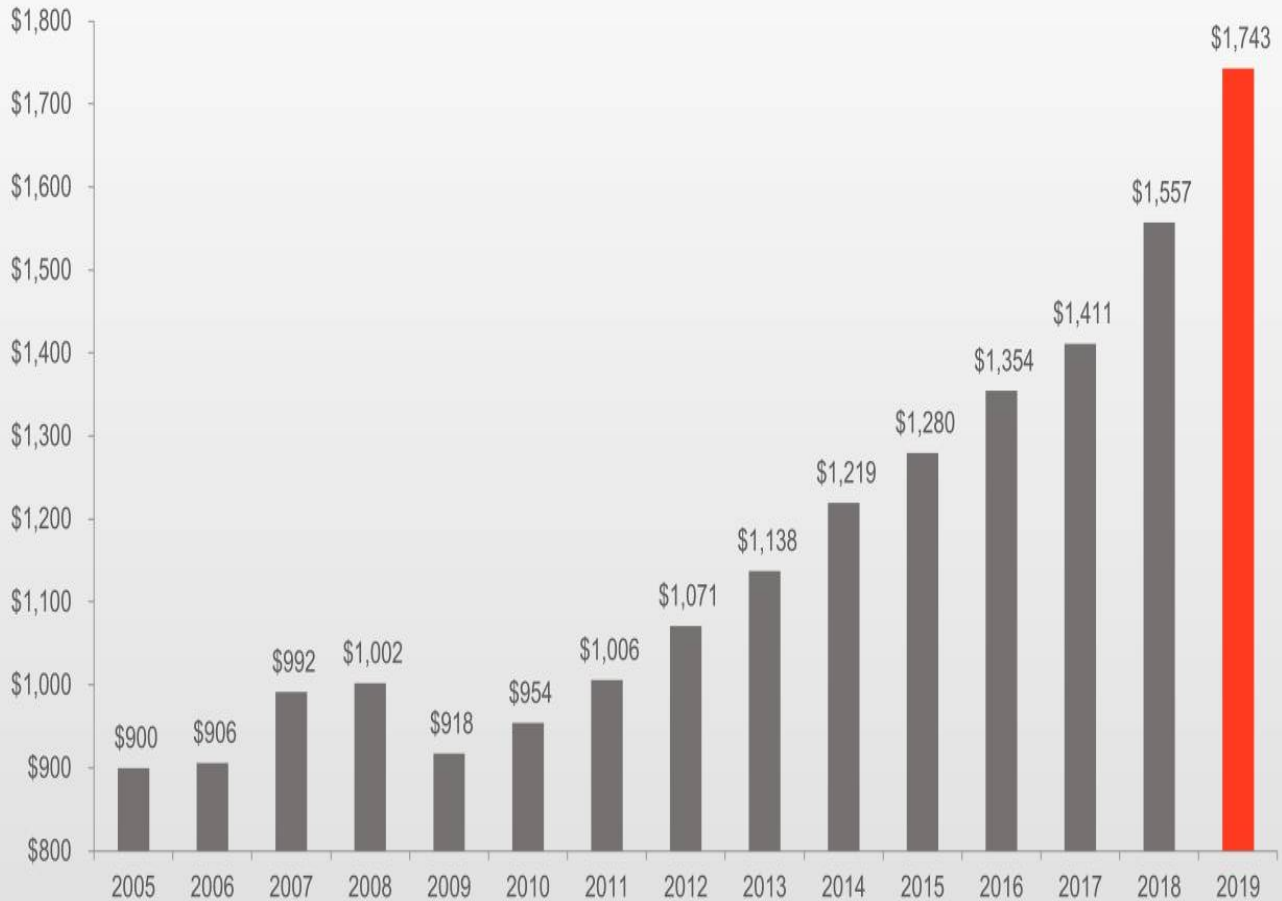


Data Analytics Tools Enable Accuracy, Consistency And Scalability Of Inventory Sourcing And Pricing



→ Consolidated F&I Per Unit Trend

Annual F&I Gross Profit Per Unit



Additional Opportunity to Continue Improving F&I Product Penetration

→ Complementary Relationship



→ Strategic Direction

Franchised Business

Drive New And Used Vehicle Profit Growth Through Multiple Channels (Traditional Sale Or Lease, Online Selling, Alternative Sources Of Inventory)

Continued Growth Opportunity In Parts & Service, F&I

Ongoing Profitability Enhancement Through SG&A Expense Control, Inventory Management

EchoPark

Early Stage Strong Secular Growth Phase

Profitability Improving As Older Stores Continue To Mature

Expect 3 New Locations By The End Of 2020 (Bringing Total to 12) - 5-Year Goal Of 25+ Total Physical Markets

Expansion To Be Self-Funding In 2-3 Years With Free Cash Flow From Existing Stores

Capital Allocation

Opportunistic Divestitures Of Underperforming Or Capital-Intensive Franchised Dealerships

Strategically Deploy Capital To Accelerate EchoPark's Already Strong Growth

SG&A And Balance Sheet

Relatively Low Fixed Cost Structure Already In Place

Explore Further Opportunities To Leverage Expenses

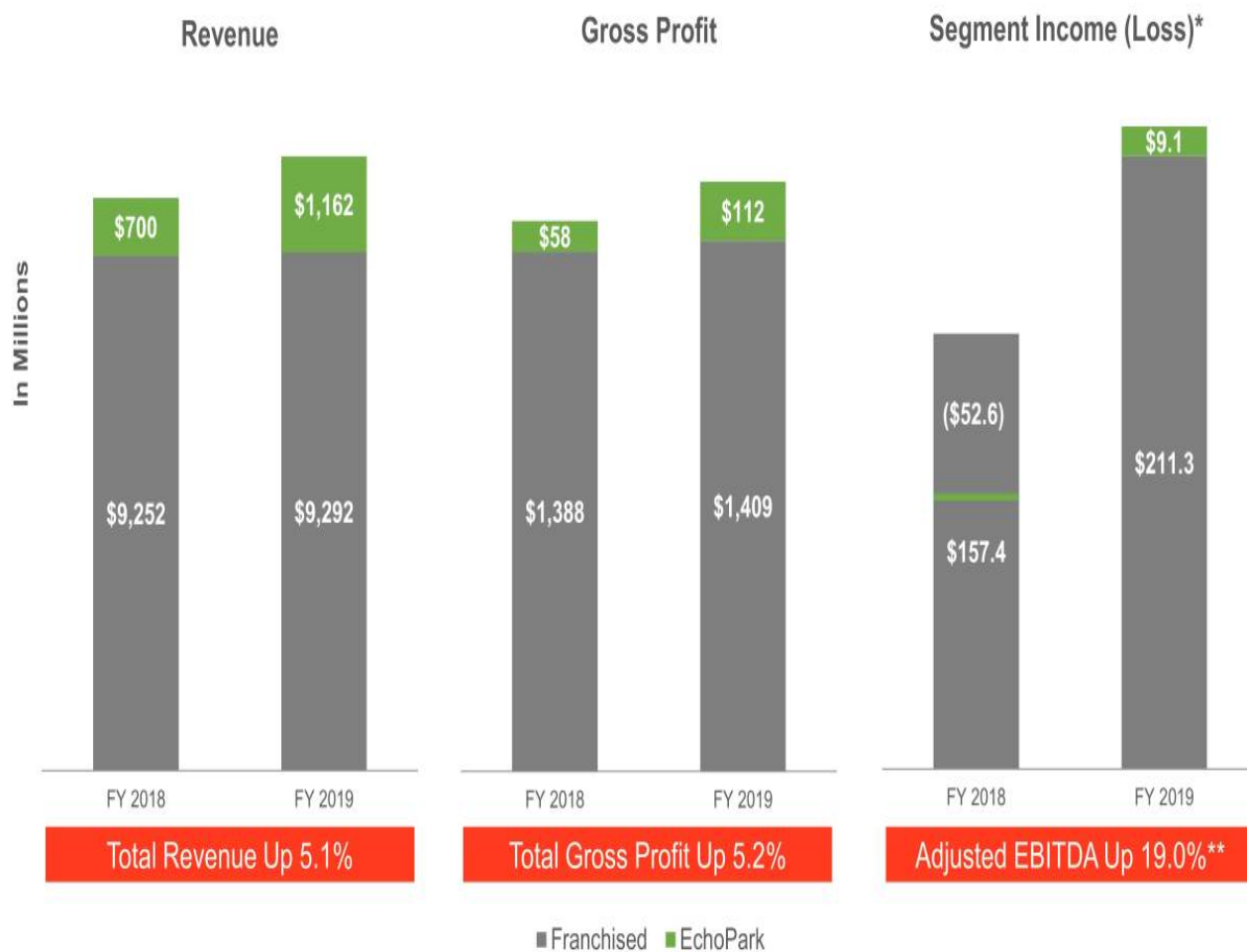
\$300M Debt Reduction By Mid-To-Late 2020 To Position Balance Sheet For Future M&A Opportunities (\$238M Reduction Achieved In FY 2019)



FINANCIAL OVERVIEW



→ FY 2019 – Consolidated Continuing Operations



FY 2019 Earnings Per Diluted Share From Continuing Operations of \$3.31, Up 171% Compared To FY 2018*

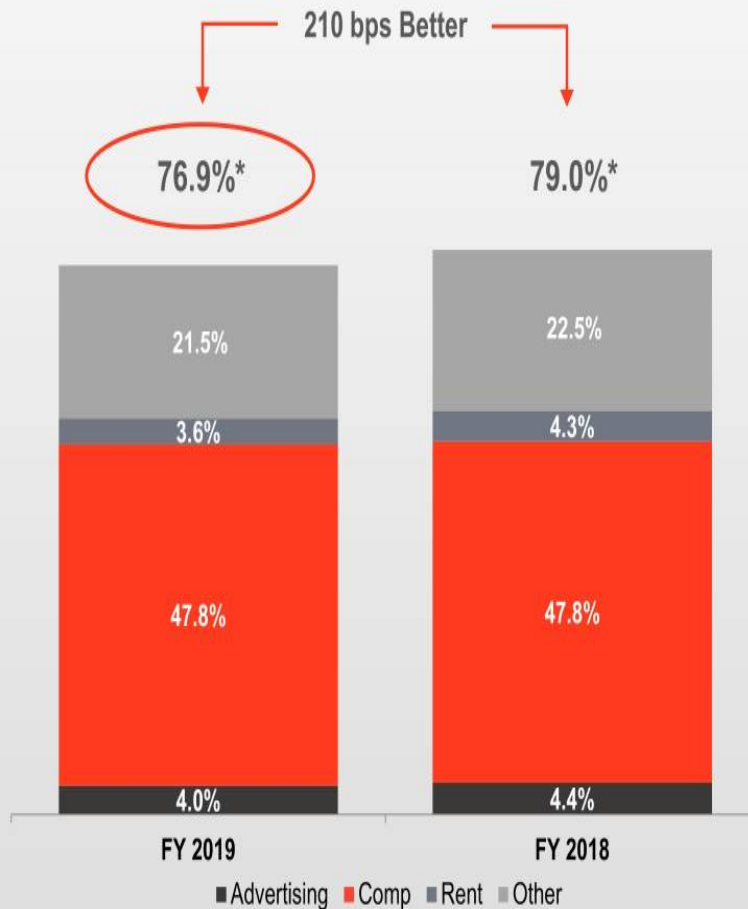
* Refer To Appendix For Items Of Interest That May Affect Comparability Of Segment Income (Loss) Amounts

** Refer To Appendix For Calculation And Reconciliation of Adjusted EBITDA (A Non-GAAP Measure)



→ FY 2019 – Consolidated SG&A Expenses to Gross Profit

On A GAAP Basis, SG&A Expenses To Gross Profit Were 72.3% For FY 2019, Compared To 79.2% For FY 2018



* Refer To Appendix For Calculation And Reconciliation of Adjusted SG&A Expenses (A Non-GAAP Measure)

→ Q4 2019 – Consolidated Continuing Operations

(In millions, except per share data)	Q4 2019	B/(W) than Q4 2018	
		\$	%
Revenues	\$2,748.4	\$174.1	6.8%
Gross profit	\$393.9	\$23.2	6.2%
SG&A expenses	\$260.9	\$13.0	4.7%
SG&A expenses as % of gross profit	66.2%		770 bps
Earnings from continuing operations before taxes	\$60.9	\$29.8	95.4%
Continuing Ops:			
Net income	\$46.3	\$24.3	110.5%
Diluted earnings per share	\$1.04	\$0.53	103.9%

Q4 2019 Comparative Results Reflect the Disposition of 10 Franchises During 2019 That Generated \$656 Million of Revenue in FY 2018

Note: Refer To Appendix For Items Of Interest That May Affect Comparability Of Amounts



→ Q4 2019 – Franchised Dealerships Segment

(In millions, except unit and per unit data)	Q4 2019	B/(W) than Q4 2018	
		\$	%
Revenues	\$2,439.9	\$68.2	2.9%
Gross profit	\$364.6	\$11.1	3.1%
SG&A expenses	\$237.8	\$17.5	6.9%
SG&A expenses as % of gross profit	65.2%		700 bps
Segment income (loss)	\$76.6	\$25.1	48.8%
New vehicle unit sales volume	30,591	(740)	(2.4%)
Retail used vehicle unit sales volume	27,099	726	2.8%
New vehicle gross profit per unit	\$2,209	\$109	5.2%
Retail used vehicle gross profit per unit	\$1,318	(\$23)	(1.7%)
F&I gross profit per unit retailed	\$1,710	\$134	8.5%

Q4 2019 Comparative Results Reflect the Disposition of 10 Franchises During 2019 That Generated \$656 Million of Revenue in FY 2018

Note: Refer To Appendix For Items Of Interest That May Affect Comparability Of Amounts



→ Q4 2019 – EchoPark Segment

(In millions, except unit and per unit data)	Q4 2019	B/(W) than Q4 2018	
		\$	%
Revenues	\$308.6	\$106.0	52.3% ←
Gross profit	\$29.2	\$12.1	70.4%
SG&A expenses	\$23.1	(\$4.5)	(24.6%)
SG&A expenses as % of gross profit	78.9%		2,900 bps
Segment income (loss)	\$2.1	\$6.8	144.7% ←
Retail used vehicle unit sales volume	12,676	3,914	44.7% ←
Total combined gross profit per unit retailed	\$2,341	\$344	17.2%

We Opened Our Ninth EchoPark Store In Long Beach, California In December 2019
Pre-Tax Losses Associated With Opening This Store Were \$0.7 Million In Q4 2019



→ Q4 2019 – Franchised Dealerships Segment Same Store

(In millions, except unit and per unit data)	Q4 2019	B/(W) than Q4 2018	
		\$	%
New vehicle revenues	\$1,337	\$122	10.0%
Retail used vehicle revenues	\$586	\$43	8.0%
Wholesale used vehicle revenues	\$39	(\$7)	(15.5%)
Parts, service and collision repair revenues	\$335	\$18	5.8%
F&I revenues	\$92	\$11	13.7%
Total revenues	\$2,388	\$187	8.5%
New vehicle gross profit	\$66	\$6	9.1% ←
<i>New vehicle unit sales volume</i>	30,018	2,097	7.5%
<i>New vehicle gross profit per unit</i>	\$2,213	\$31	1.4%
Retail used vehicle gross profit	\$34	\$4	12.6% ←
<i>Retail used vehicle unit sales volume</i>	26,566	2,345	9.7%
<i>Retail used vehicle gross profit per unit</i>	\$1,269	\$32	2.6%
Wholesale used vehicle gross profit	(\$1)	\$1	32.0%
<i>Wholesale used vehicle unit sales volume</i>	5,920	(1,383)	(18.9%)
Parts, service and collision repair gross profit	\$164	\$9	6.2%
<i>Customer Pay gross profit</i>	\$75,404	\$6,979	10.2% ←
F&I gross profit	\$92	\$11	13.7% ←
<i>F&I gross profit per unit</i>	\$1,648	\$92	5.9%
Total gross profit	\$354	\$30	9.4%

Q4 2019 Industry New Vehicle Retail SAAR Up 0.7%, Total New Vehicle SAAR Down 4.0%

→ Q4 2019 – EchoPark Segment Same Store

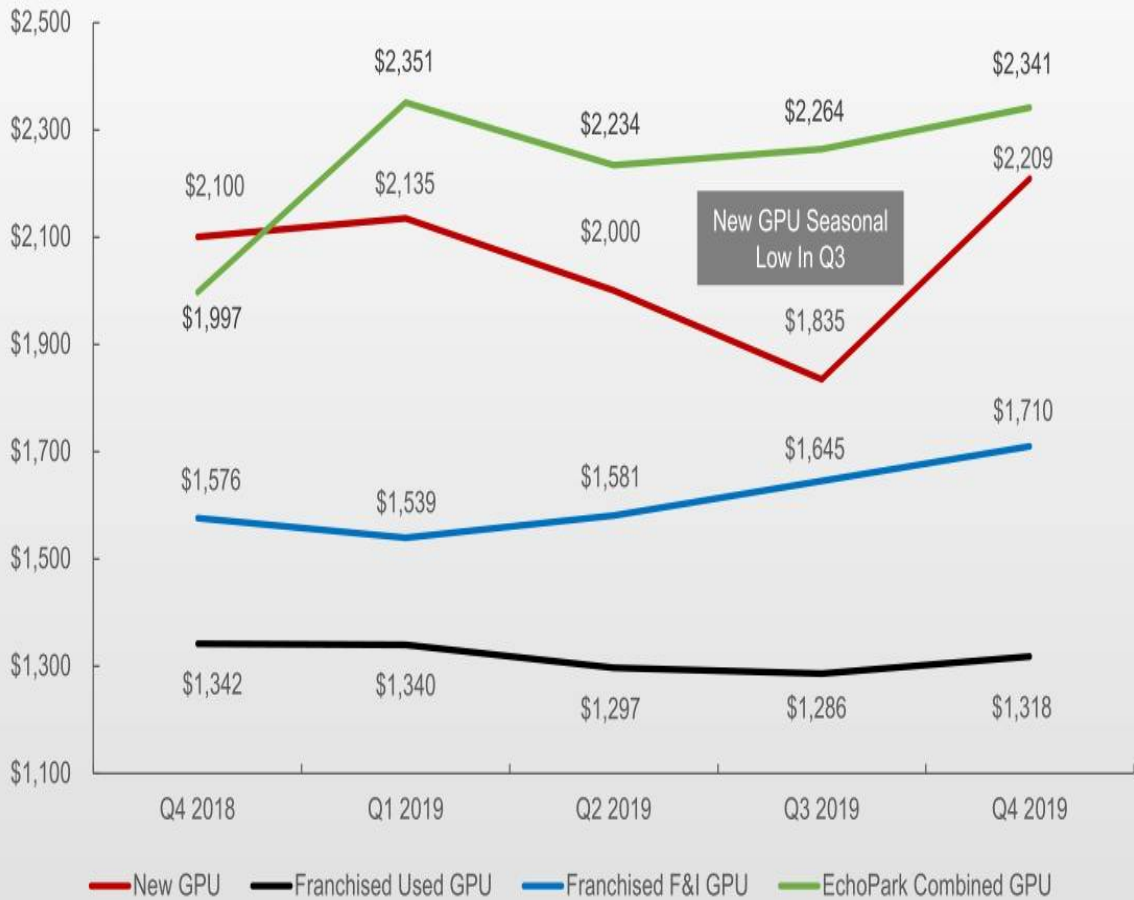
(In millions, except unit and per unit data)	Q4 2019	B/(W) than Q4 2018	
		\$	%
Retail used vehicle revenues	\$224	\$55	32.8%
Wholesale used vehicle revenues	\$6	\$5	719.3%
Parts, service and collision repair revenues	\$6	\$3	115.2%
F&I revenues	\$24	\$6	32.3%
Total revenues	\$260	\$70	36.7% ←
Combined retail used vehicle and F&I gross profit	\$24	\$8	46.5%
<i>Retail used vehicle unit sales volume</i>	10,608	2,383	29.0%
<i>Combined retail used vehicle and F&I gross profit per unit</i>	\$2,241	\$268	13.6% ←
Wholesale used vehicle gross profit	(\$0)	\$0	NM
<i>Wholesale used vehicle unit sales volume</i>	1,495	1,442	NM
Parts, service and collision repair gross profit	(\$0)	(\$0)	21.2%
Total gross profit	\$23	\$8	47.2% ←

NM = Not Meaningful

Same Store Results Exclude Houston and Long Beach EchoPark Locations



→ Gross Profit Per Unit Trend



FY 2019 Franchised: New GPU \$2,042 (Up 3.8%), Used GPU \$1,310 (Down 2.7%), F&I GPU \$1,620 (Up 8.6%)
 FY 2019 EchoPark: Combined GPU \$2,296 (Up 22.1%)



→ Strong Balance Sheet and Liquidity

		December 30, 2019	December 31, 2018
		(In thousands)	
Cash and cash equivalents	\$	\$29,103	\$5,854
Availability under the 2016 Revolving Credit Facility		230,689	223,922
Availability under our used vehicle floor plan facilities		17,090	1,979
Availability under the 2019 Mortgage Facility		3,090	-
Total available liquidity resources	\$	\$279,972	\$231,755

	Covenant Requirement*	12/31/19	12/31/18
Liquidity Ratio	>= 1.05	1.11	1.10
Fixed Charge Coverage Ratio	>= 1.20	1.60	1.43
Total Lease Adjusted Leverage Ratio	<= 5.75	3.21	5.25
Debt To Adjusted EBITDA Ratio**		2.29	3.64

Compliant With All Covenants

Total 2019 Debt Reduction Of \$238 Million
\$300 Million Goal By Mid-to-Late 2020

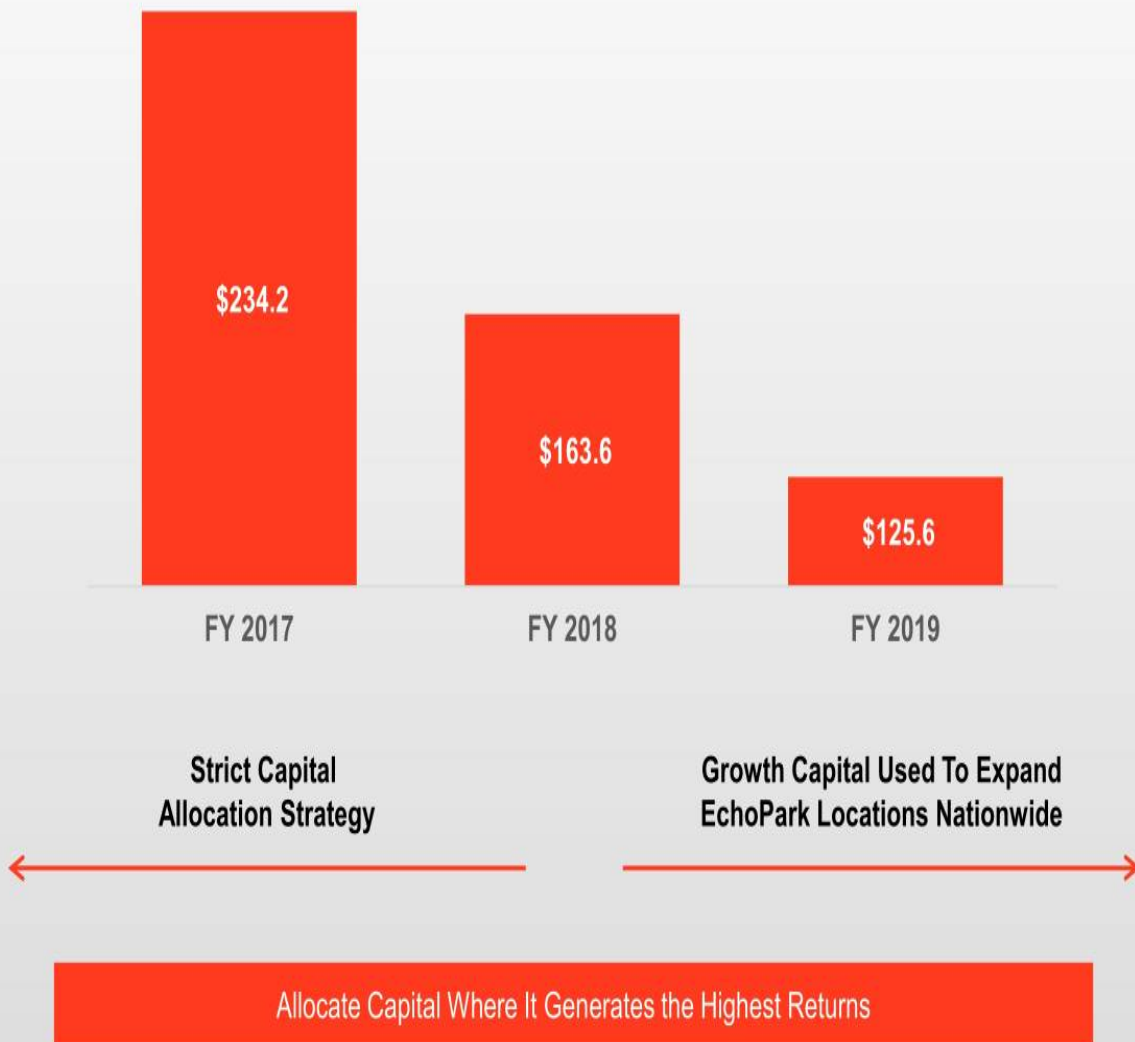
* As Defined In The 2016 Revolving Credit Facility and 2019 Mortgage Facility

** Refer To Appendix For Calculation And Reconciliation of Adjusted EBITDA (A Non-GAAP Measure) and Debt To Adjusted EBITDA Ratio (A Non-GAAP Measure)

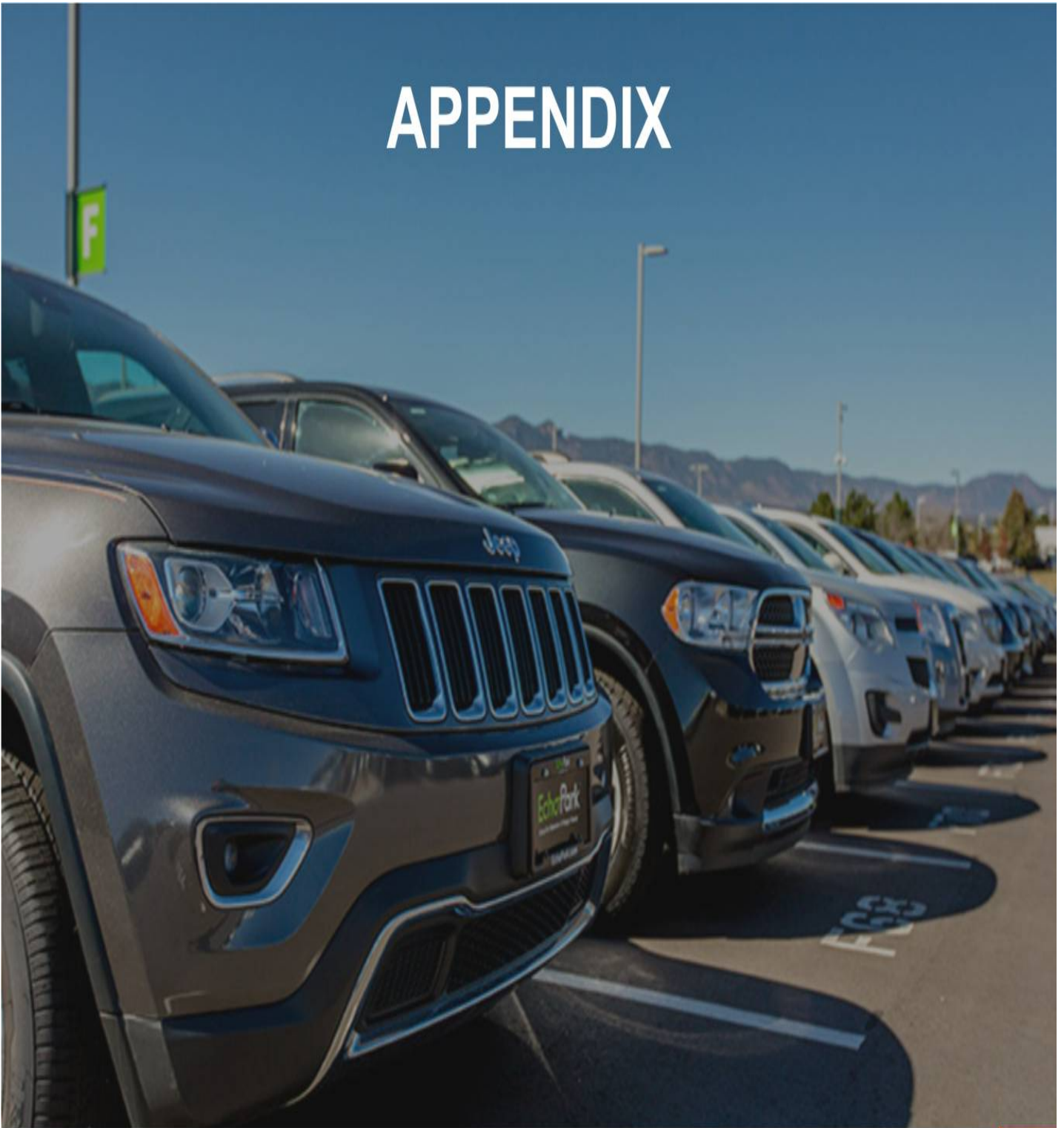


→ Capital Expenditure Discipline

Gross Capital Expenditures (In Millions)



APPENDIX



→ Items of Interest – Fourth Quarter

(In millions)	Q4 2019	Q4 2018	Income Statement Line Item
Gain on franchise disposals	\$ 29.3	\$ -	SG&A expenses
Lease exit adjustments	-	0.8	SG&A expenses
Impairment charges	(17.7)	(15.6)	Impairment charges (1)
Loss on extinguishment of debt	(7.2)	-	Other expense
Subtotal: Pre-tax items of interest	\$ 4.4	\$ (14.8)	
Tax effect of above items	(1.2)	4.1	
Tax-effected items of interest	<u>\$ 3.2</u>	<u>\$ (10.7)</u>	

Note: Amounts In Table Relate To Franchised Dealerships Segment Unless Otherwise Noted

(1) \$16.6 Million In Q4 2019 and \$1.5 Million In Q4 2018 Attributed To EchoPark Segment Related to Building And Land Held For Sale At Former EchoPark Locations



→ Items of Interest – Full Year

(In millions)	FY 2019	FY 2018	Income Statement Line Item
Gain on franchise disposals	\$ 76.0	\$ 38.9	SG&A expenses
Executive transition costs	(6.3)	(1.6)	SG&A expenses
Legal and storm damage charges	-	(5.7)	SG&A expenses
Long-term compensation charges	-	(32.5)	SG&A expenses (1)
Lease exit adjustments	-	(1.4)	SG&A expenses
Impairment charges	(19.6)	(29.5)	Impairment charges (2)
Loss on extinguishment of debt	(7.2)	-	Other expense
Subtotal: Pre-tax items of interest	<u>\$ 42.9</u>	<u>\$ (31.8)</u>	
Tax effect of above items	(14.2)	7.3	
Tax-effected items of interest	<u>\$ 28.7</u>	<u>\$ (24.5)</u>	

Note: Amounts In Table Relate To Franchised Dealerships Segment Unless Otherwise Noted

(1) \$32.5 Million In FY 2019 Relates To EchoPark Segment

(2) \$18.5 Million In FY 2019 and \$1.6 Million In FY 2018 Attributed To EchoPark Segment Related to Building And Land Held For Sale At Former EchoPark Locations

→ Segment Income Reconciliation – Fourth Quarter

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
Revenues	\$ 2,439.9	\$ 2,371.7	\$ 308.6	\$ 202.6	\$ 2,748.4	\$ 2,574.3
Gross profit	\$ 364.6	\$ 353.6	\$ 29.2	\$ 17.2	\$ 393.9	\$ 370.7
SG&A expenses	\$ 237.8	\$ 255.4	\$ 23.1	\$ 18.5	\$ 260.9	\$ 273.9
Segment income (loss)	\$ 76.6	\$ 51.5	\$ 2.1	\$ (4.7)	\$ 78.7	\$ 46.8
Impairment charges	(1.1)	(14.1)	(16.6)	(1.5)	(17.7)	(15.6)
Earnings (loss) from continuing operations before taxes	\$ 75.5	\$ 37.4	\$ (14.5)	\$ (6.2)	\$ 61.0	\$ 31.2
New vehicle unit sales volume	30,591	31,331	-	-	30,591	31,331
Retail used vehicle unit sales volume	27,099	26,373	12,676	8,762	39,775	35,135

Note: Segment Income (Loss) Defined As Earnings (Loss) From Continuing Operations Before Taxes And Impairment Charges



→ Segment Income Reconciliation – Full Year

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues	\$ 9,292.3	\$ 9,251.5	\$ 1,162.0	\$ 700.2	\$ 10,454.3	\$ 9,951.6
Gross profit	\$ 1,408.6	\$ 1,388.1	\$ 112.4	\$ 58.0	\$ 1,521.0	\$ 1,446.1
SG&A expenses	\$ 1,011.8	\$ 1,046.5	\$ 87.6	\$ 98.9	\$ 1,099.4	\$ 1,145.3
Segment income (loss)	\$ 211.3	\$ 157.4	\$ 9.2	\$ (52.6)	\$ 220.5	\$ 104.8
Impairment charges	(1.1)	(27.9)	(19.7)	(1.6)	(20.8)	(29.5)
Earnings (loss) from continuing operations before taxes	\$ 210.2	\$ 129.5	\$ (10.5)	\$ (54.2)	\$ 199.7	\$ 75.3
New vehicle unit sales volume	114,131	122,717	-	-	114,131	122,717
Retail used vehicle unit sales volume	112,629	110,168	49,520	29,437	162,149	139,605

Note: Segment Income (Loss) Defined As Earnings (Loss) From Continuing Operations Before Taxes And Impairment Charges



→ Non-GAAP Reconciliations – SG&A Expenses

(In millions)	Consolidated	
	Q4 2019	Q4 2018
Gross profit	\$ 393.9	\$ 370.7
SG&A expenses	\$ 260.9	\$ 273.9
Items of interest:		
Gain on franchise disposals	\$ 29.3	\$ -
Lease exit adjustments	-	0.8
SG&A expenses (excluding items of interest)	\$ 290.2	\$ 274.7
SG&A expenses as % of gross profit	66.2%	73.9%
SG&A expenses (excluding items of interest) as % of gross profit	73.7%	74.1%

(In millions)	Consolidated	
	FY 2019	FY 2018
Gross profit	\$ 1,521.0	\$ 1,446.1
SG&A expenses	\$ 1,099.4	\$ 1,145.3
Items of interest:		
Gain on franchise disposals	\$ 76.0	\$ 38.9
Executive transition costs	(6.3)	(1.6)
Legal and storm damage charges	-	(5.7)
Long-term compensation charges	-	(32.5)
Lease exit adjustments	-	(1.4)
SG&A expenses (excluding items of interest)	\$ 1,169.1	\$ 1,143.0
SG&A expenses as % of gross profit	72.3%	79.2%
SG&A expenses (excluding items of interest) as % of gross profit	76.9%	79.0%

→ Non-GAAP Reconciliations – Earnings Per Share

	Q4 2019			Q4 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	44,463	\$ 46,272	\$ 1.04	42,911	\$ 21,981	\$ 0.51
Pre-tax items of interest:						
Gain on franchise disposals		\$ (29,303)			\$ -	
Lease exit adjustments		-			(800)	
Impairment charges		17,692			15,553	
Loss on extinguishment of debt		7,157			-	
Total pre-tax items of interest		\$ (4,454)			\$ 14,753	
Tax effect of above items		1,292			(4,020)	
Adjusted diluted earnings (loss) and shares from continuing operations	44,463	\$ 43,110	\$ 0.97	42,911	\$ 32,714	\$ 0.76

→ Non-GAAP Reconciliations – Earnings Per Share

	FY 2019			FY 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	43,710	\$ 144,537	\$ 3.31	42,950	\$ 52,390	\$ 1.22
Pre-tax items of interest:						
Gain on franchise disposals		\$ (75,983)			\$ (38,893)	
Executive transition costs		6,264			1,581	
Legal and storm damage charges		-			5,749	
Long-term compensation charges		-			32,522	
Lease exit adjustments		-			1,435	
Impairment charges		19,618			29,512	
Loss on extinguishment of debt		7,157			-	
Total pre-tax items of interest		\$ (42,944)			\$ 31,906	
Tax effect of above items		14,193			(8,694)	
Non-recurring tax items		-			1,313	
Adjusted diluted earnings (loss) and shares from continuing operations	43,710	\$ 115,786	\$ 2.65	42,950	\$ 76,915	\$ 1.79

→ Non-GAAP Reconciliations – Adjusted EBITDA

(In thousands)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Net Income (Loss)	\$ 76,254	\$ 89,101	\$ 81,618	\$ 97,217	\$ 86,311	\$ 93,193	\$ 92,983	\$ 51,650	\$ 144,137
Provision For Income Taxes	46,907	47,648	43,386	62,346	55,962	59,899	13,198	22,645	54,954
Income (Loss) Before Taxes	\$ 123,161	\$ 136,749	\$ 125,004	\$ 159,563	\$ 142,273	\$ 153,092	\$ 106,181	\$ 74,295	\$ 199,091
Non-Floor Plan Interest	63,576	58,453	55,356	52,269	49,524	48,034	50,531	52,049	50,475
Depreciation and Amortization	51,164	52,616	58,139	62,161	72,130	81,034	92,127	96,652	95,646
Stock-Based Compensation Expense	3,698	5,160	7,208	7,675	9,814	11,165	11,119	11,853	10,797
Loss (Gain) On Exit Of Leased Dealerships	4,384	4,286	2,915	302	1,848	1,386	2,157	1,709	(170)
Impairment Charges	1,151	950	9,872	6,594	17,955	8,063	9,394	29,514	20,768
Loss (Gain) On Debt Extinguishment	1,107	19,713	28,238	-	-	(6)	14,607	-	6,690
Long-Term Compensation Charges	-	-	-	-	-	-	-	32,522	-
Loss (Gain) on Franchise Disposals	386	(10,343)	457	(11,279)	(2,748)	48	(9,980)	(39,307)	(74,812)
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>\$ 308,485</u>
Long-Term Debt	\$ 533,577	\$ 615,395	\$ 734,022	\$ 758,530	\$ 814,581	\$ 882,678	\$ 1,024,703	\$ 945,083	\$ 706,886
Debt To Adjusted EBITDA Ratio	2.15	2.30	2.56	2.74	2.80	2.91	3.71	3.64	2.29

→ Non-GAAP Reconciliations – Adjusted EBITDA

	FY 2019				FY 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 144,137				\$ 51,650
Provision For Income Taxes				54,954				22,645
Income (Loss) Before Taxes	\$ 210,167	\$ (10,522)	\$ (554)	\$ 199,091	\$ 129,481	\$ (54,169)	\$ (1,017)	\$ 74,295
Non-Floor Plan Interest	48,774	1,701	-	50,475	50,000	1,641	408	52,049
Depreciation And Amortization	85,093	10,553	-	95,646	88,857	7,795	-	96,652
Stock-Based Compensation Expense	10,797	-	-	10,797	11,853	-	-	11,853
Loss (Gain) On Exit Of Leased Dealerships	(170)	-	-	(170)	1,281	20	408	1,709
Impairment Charges	1,101	19,667	-	20,768	27,931	1,583	-	29,514
Loss On Debt Extinguishment	6,690	-	-	6,690	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	32,522	-	32,522
Gain On Franchise Disposals	(74,812)	-	-	(74,812)	(39,307)	-	-	(39,307)
Adjusted EBITDA	\$ 287,640	\$ 21,399	\$ (554)	\$ 308,485	\$ 270,096	\$ (10,608)	\$ (201)	\$ 259,287

	Q4 2019				Q4 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 46,307				\$ 21,821
Provision For Income Taxes				14,703				9,150
Income (Loss) Before Taxes	\$ 75,466	\$ (14,518)	\$ 62	\$ 61,010	\$ 37,388	\$ (6,196)	\$ (221)	\$ 30,971
Non-Floor Plan Interest	12,335	435	-	12,770	12,902	423	89	13,414
Depreciation And Amortization	20,972	2,765	-	23,737	21,087	2,210	-	23,297
Stock-Based Compensation Expense	2,690	-	-	2,690	1,264	-	-	1,264
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(1,080)	3	89	(988)
Impairment Charges	1,075	16,617	-	17,692	14,053	1,500	-	15,553
Loss On Debt Extinguishment	6,690	-	-	6,690	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	-	-
Gain On Franchise Disposals	(29,242)	-	-	(29,242)	(158)	-	-	(158)
Adjusted EBITDA	\$ 89,986	\$ 5,299	\$ 62	\$ 95,347	\$ 85,456	\$ (2,060)	\$ (43)	\$ 83,353

→ Non-GAAP Reconciliations – Adjusted EBITDA

	Q3 2019				Q3 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 29,010				\$ 15,118
Provision For Income Taxes				11,307				7,262
Income (Loss) Before Taxes	\$ 38,417	\$ 2,123	\$ (223)	\$ 40,317	\$ 28,087	\$ (5,455)	\$ (252)	\$ 22,380
Non-Floor Plan Interest	12,011	402	-	12,413	12,279	423	98	12,800
Depreciation And Amortization	21,561	2,703	-	24,264	22,140	1,999	-	24,139
Stock-Based Compensation Expense	2,681	-	-	2,681	4,578	-	-	4,578
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	24	4	103	131
Impairment Charges	-	1,124	-	1,124	-	-	-	-
Gain On Franchise Disposals	823	-	-	823	88	-	-	88
Adjusted EBITDA	\$ 75,493	\$ 6,352	\$ (223)	\$ 81,622	\$ 67,196	\$ (3,029)	\$ (51)	\$ 64,116

	Q2 2019				Q2 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 26,599				\$ 16,905
Provision For Income Taxes				10,009				8,142
Income (Loss) Before Taxes	\$ 35,129	\$ 1,693	\$ (213)	\$ 36,608	\$ 53,176	\$ (27,832)	\$ (297)	\$ 25,047
Non-Floor Plan Interest	12,599	431	-	13,030	12,349	406	106	12,861
Depreciation And Amortization	21,736	2,668	-	24,404	22,801	1,919	-	24,720
Stock-Based Compensation Expense	2,612	-	-	2,612	3,049	-	-	3,049
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(2,618)	6	106	(2,506)
Impairment Charges	-	-	-	-	10,317	-	-	10,317
Long-Term Compensation Charges	-	-	-	-	-	23,333	-	23,333
Gain On Franchise Disposals	356	-	-	356	(38,047)	-	-	(38,047)
Adjusted EBITDA	\$ 72,432	\$ 4,792	\$ (213)	\$ 77,010	\$ 61,027	\$ (2,168)	\$ (85)	\$ 58,774

→ Non-GAAP Reconciliations – Adjusted EBITDA

	Q1 2019				Q1 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)							
Net Income (Loss)				\$ 42,221				\$ (2,194)
Provision For Income Taxes				18,935				(1,910)
Income (Loss) Before Taxes	\$ 61,156	\$ 180	\$ (180)	\$ 61,156	\$ 10,830	\$ (14,686)	\$ (248)	\$ (4,104)
Non-Floor Plan Interest	11,829	433	-	12,262	12,469	389	115	12,973
Depreciation And Amortization	20,823	2,417	-	23,240	22,829	1,667	-	24,496
Stock-Based Compensation Expense	2,814	-	-	2,814	2,962	-	-	2,962
Loss (Gain) On Exit Of Leased Dealerships	(170)	-	-	(170)	4,955	7	109	5,071
Impairment Charges	26	1,926	-	1,952	3,561	82	-	3,643
Long-Term Compensation Charges	-	-	-	-	-	9,189	-	9,189
Gain On Franchise Disposals	(46,750)	-	-	(46,750)	(1,190)	-	-	(1,190)
Adjusted EBITDA	\$ 49,728	\$ 4,956	\$ (180)	\$ 54,504	\$ 56,416	\$ (3,352)	\$ (24)	\$ 53,040

	Q4 2018				Q4 2017			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)							
Net Income (Loss)				\$ 21,820				\$ 61,952
Provision For Income Taxes				9,152				(8,399)
Income (Loss) Before Taxes	\$ 37,388	\$ (6,195)	\$ (221)	\$ 30,972	\$ 57,822	\$ (3,976)	\$ (293)	\$ 53,553
Non-Floor Plan Interest	12,902	423	89	13,414	12,449	276	123	12,848
Depreciation And Amortization	21,087	2,210	-	23,297	22,639	1,314	-	23,953
Stock-Based Compensation Expense	1,264	-	-	1,264	2,217	-	-	2,217
Loss (Gain) On Exit Of Leased Dealerships	(1,080)	4	89	(987)	23	-	118	141
Impairment Charges	14,053	1,500	-	15,553	6,079	-	-	6,079
Long-Term Compensation Charges	-	-	-	-	-	1,271	-	1,271
Gain On Franchise Disposals	(158)	-	-	(158)	(1,507)	-	(6)	(1,513)
Adjusted EBITDA	\$ 85,456	\$ (2,058)	\$ (43)	\$ 83,355	\$ 99,722	\$ (1,115)	\$ (58)	\$ 98,549

→ Non-GAAP Reconciliations – Adjusted EBITDA

	Q3 2018				Q3 2017			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 15,118				\$ 19,440
Provision For Income Taxes				7,262				13,935
Income (Loss) Before Taxes	\$ 28,087	\$ (5,455)	\$ (252)	\$ 22,380	\$ 38,228	\$ (4,372)	\$ (481)	\$ 33,375
Non-Floor Plan Interest	12,279	423	98	12,800	12,126	253	132	12,511
Depreciation And Amortization	22,140	1,999	-	24,139	22,179	1,317	-	23,496
Stock-Based Compensation Expense	4,578	-	-	4,578	3,179	-	-	3,179
Loss (Gain) On Exit Of Leased Dealerships	24	4	103	131	(173)	-	362	189
Impairment Charges	-	-	-	-	200	-	-	200
Gain On Franchise Disposals	88	-	-	88	(8,490)	-	-	(8,490)
Adjusted EBITDA	\$ 67,196	\$ (3,029)	\$ (51)	\$ 64,116	\$ 67,249	\$ (2,802)	\$ 13	\$ 64,460





Sonic
Automotive

EchoPark
AUTOMOTIVE



EchoPark
AUTOMOTIVE



Investor Relations Contact:

Sonic Automotive Inc. (NYSE: SAH)

Danny Wieland, Director of Financial Reporting

ir@sonicautomotive.com

(704) 927-3462

KCSA Strategic Communications

David Hanover / Scott Eckstein

sonic@kcsa.com

(212) 896-1220

