
**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): June 16, 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 7.01. Regulation FD Disclosure.

On June 16, 2020, Sonic Automotive, Inc. issued a press release announcing certain interim financial results and sales data as well as an updated forecast for the remainder of fiscal year 2020 (the "Press Release"). A copy of the Press Release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press Release of Sonic Automotive, Inc., dated June 16, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

The information in this Current Report on Form 8-K, including Exhibit 99.1 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.

June 16, 2020

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive And EchoPark Continue To See Stronger Than Expected Recovery

Updated Guidance Reflects Improved Consumer Demand And Enhanced Profitability

CHARLOTTE, N.C. – June 16, 2020 - [Sonic Automotive Inc.](#) (“Sonic” or the “Company”) (NYSE:SAH), one of the nation’s largest automotive retailers, today provided an updated outlook on anticipated vehicle sales volume and parts and service gross profit for the remainder of 2020. The information included in the presentation prepared by Sonic that updates such outlook and accompanies this press release is an update to the anticipated outlook information previously provided by Sonic on May 19, 2020, which can be found at ir.sonicautomotive.com. This updated guidance is based on Sonic’s actual, but unaudited, results in the full months of April, May and June month to date as well as the Company’s current expectations for the remainder of the year, assuming a continued path towards reopening the economy and the absence of a second wave of the COVID-19 pandemic in the United States.

	% Change Better (Worse) From Comparable Prior Year Period		
	April	May	June Month To Date
Franchised Dealerships Same Store:			
New Vehicle Unit Sales Volume	(40%)	(20%)	(10%)
Used Vehicle Unit Sales Volume	(32%)	(8%)	7%
Parts and Service Gross Profit	(43%)	(27%)	(10%)
EchoPark Same Store:			
Used Vehicle Unit Sales Volume	(36%)	(3%)	18%
EchoPark All Stores:			
Used Vehicle Unit Sales Volume	(30%)	9%	34%
Consolidated Sonic:			
Total Gross Profit	(47%)	(19%)	N/A
SG&A Expenses	32%	23%	N/A
Pre-tax Income	(241%)	20%	N/A

Based on the performance described above and current market conditions, Sonic expects to report GAAP earnings per diluted share from continuing operations for the second quarter of 2020 in the range of \$0.23 - \$0.33. Additionally, the Company reaffirmed it expects to achieve permanent SG&A expense reductions of approximately \$7.0 million per month on a go-forward basis, as compared to pre-COVID-19 levels.

David Smith, Sonic’s and EchoPark’s Chief Executive Officer, commented, “We continue to see improving operating conditions since the onset of the COVID-19 pandemic, including steadily increasing automotive retail consumer demand. Both new and used vehicle unit sales volumes, as well as fixed operations revenues, continue to meet or exceed our forecast at the outset of the pandemic, with used vehicle sales actually higher than last year in both the franchise and EchoPark locations in June. More importantly, we have continued to be disciplined in controlling expenses, allowing our franchised dealerships and EchoPark stores to generate greater than expected profitability in May and June month to date, driving our updated outlook for second quarter earnings.”

Jeff Dyke, Sonic’s and EchoPark’s President, commented, “Business conditions have continued to improve throughout the majority of our markets, with some areas already showing sales volume above pre-COVID-19 levels. This increase in consumer traffic has allowed us to begin to bring back many of our teammates to support these higher levels of business activity. At the same time, we remain committed to controlling our expense structure going forward and achieving greater return on investment through rigorous inventory and vendor service management as well as optimizing marketing expenses. We continue to see a slower recovery in California, particularly in our fixed operations business, resulting in a reduction of our fourth quarter fixed operations gross profit projections back to our original pre-pandemic forecast.”

Mr. Dyke continued, “As we anticipated, EchoPark sales have experienced a v-shaped recovery and we expect to be back to our original pre-pandemic forecast unit sales volume this month. Our guests continue to see tremendous value in the inventory selection, pricing, and purchase experience EchoPark offers. From an inventory perspective, at the end of May we had 57 days’ supply of new vehicles at our franchised dealerships and as consumer demand continues to rebound, manufacturer production challenges may drive inventory shortages over the next few months. We continue to maintain less than 30 days’ supply of used inventory at both our franchised dealerships and EchoPark stores, positioning us to meet increasing consumer demand as well as capitalize on expected near-term inventory acquisition opportunities.”

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Sonic expects to provide the next update to its 2020 outlook during the week of July 27th in conjunction with reporting financial results for the second quarter of 2020.

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 a growing operating segment within the Company with 10 current 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 regarding anticipated GAAP earnings per diluted share from continuing operations for the quarter ending June 30, 2020, anticipated permanent SG&A expense reductions, anticipated new and used vehicle sales volume for the remainder of the year ending December 31, 2020, anticipated parts and service gross profit for the remainder of the year ending December 31, 2020, anticipated new vehicle inventory shortages over the next few months, and anticipated near-term used vehicle inventory acquisition opportunities. 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, anticipated liquidity position, expected future capital expenditures, anticipated future growth in our EchoPark Segment, the success of our operational strategies, the rate and timing of overall economic expansion or contraction, the effect of the COVID-19 pandemic and related government-imposed restrictions on operations, and the risk factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 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.

Company Contacts

Investor Inquiries:

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Sonic Automotive – Update On COVID-19 Impact On 2020 Outlook



Updated June 16, 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, the effects of COVID-19 on operations, anticipated future new vehicle unit sales volume, anticipated future used vehicle unit sales volume, anticipated future parts, service and collision repair (“Fixed Operations”) gross profit, anticipated expense reductions, 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 liquidity positions, 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, 2019 and the Company’s other periodic reports and information filed with the Securities and Exchange Commission (the “SEC”).

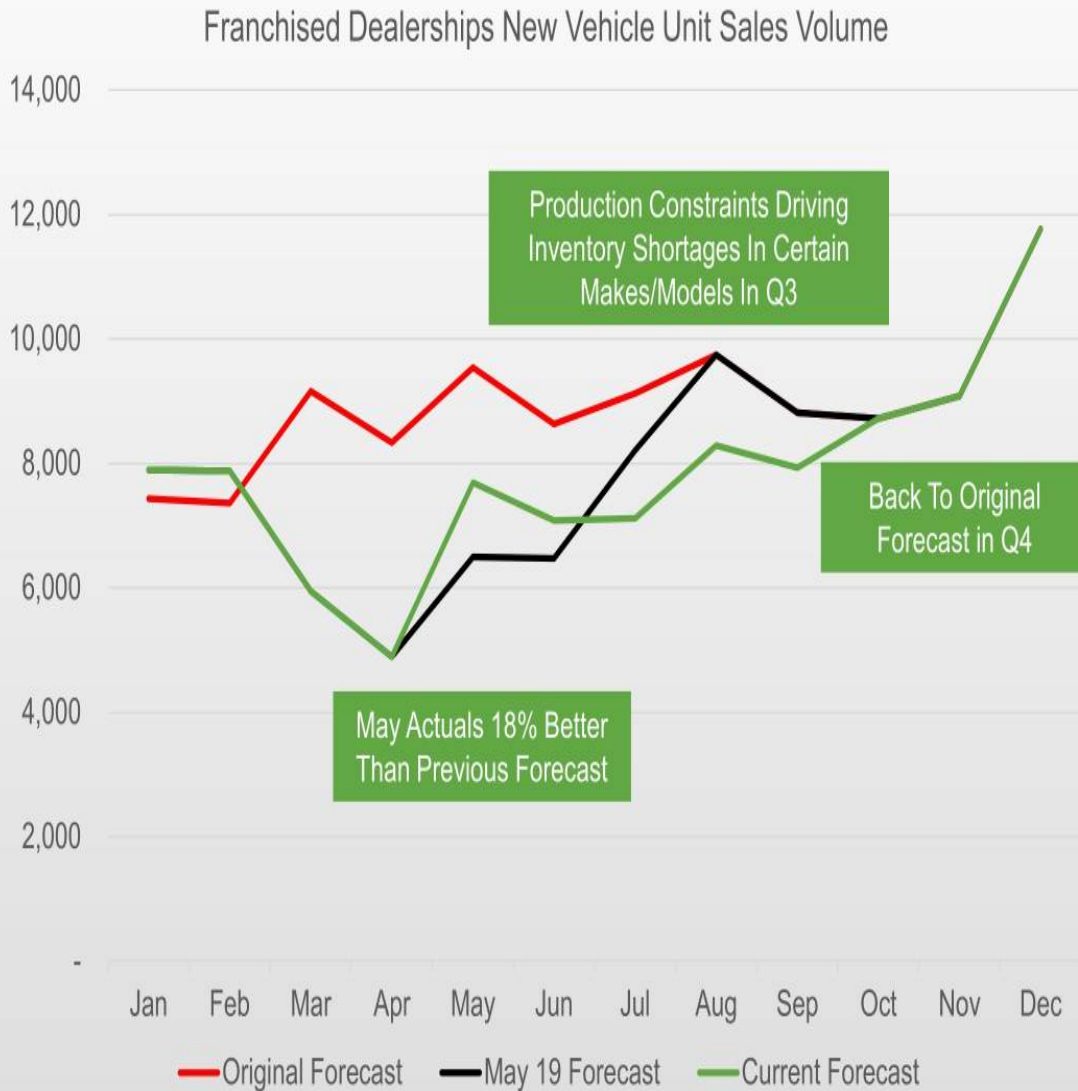
These forward-looking statements, risks, uncertainties and additional factors speak only as of the date of this presentation. We undertake no obligation to update any such statements, except as required under federal securities laws and the rules and regulations of the SEC.



UPDATE ON COVID-19 IMPACT 2020 OUTLOOK



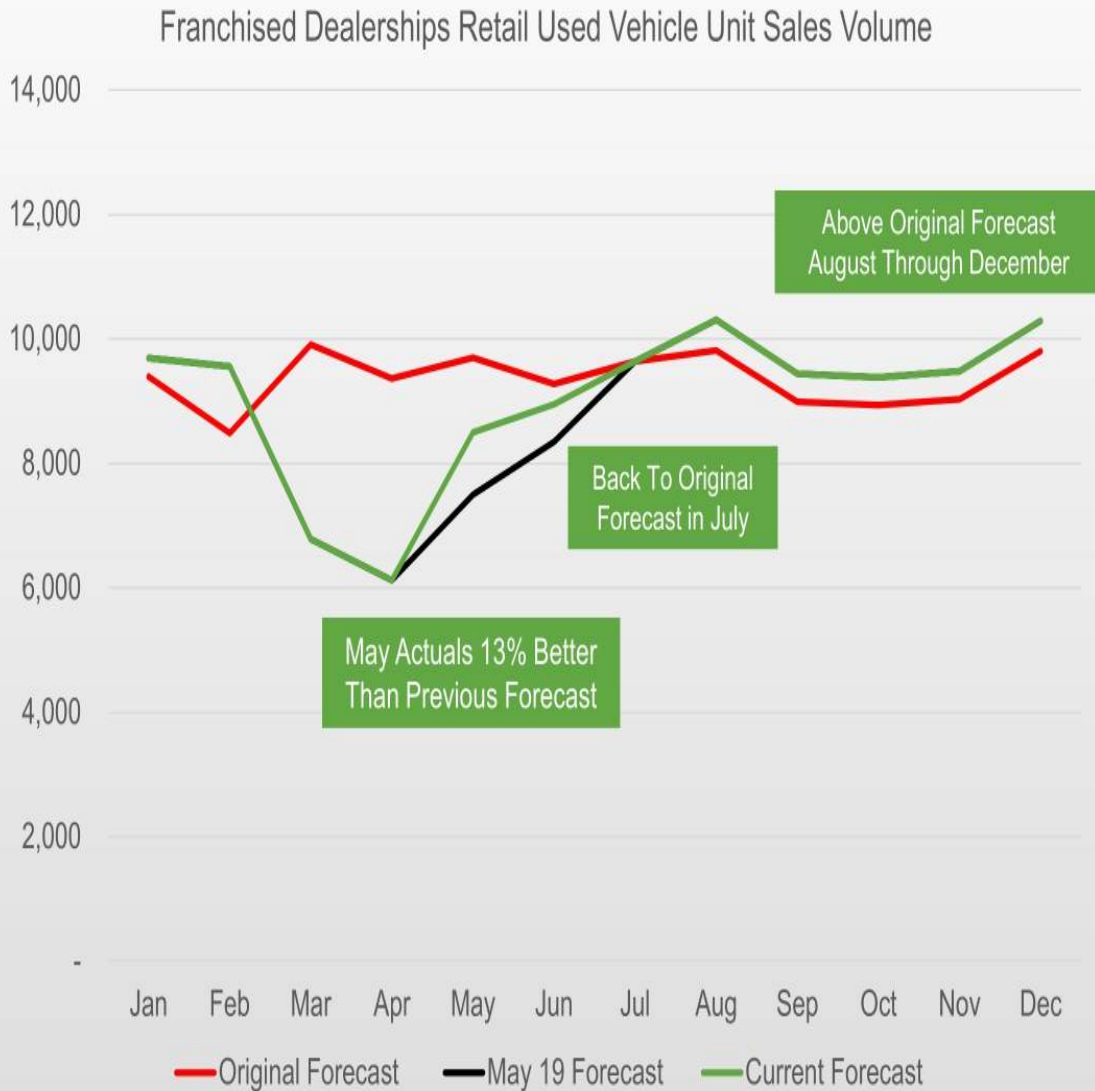
→ Outlook – Franchised New Vehicles



Due To Uncertainty Related To The COVID-19 Pandemic And The Resulting Economic Impact, Actual Results May Differ Materially From Management's Forecast



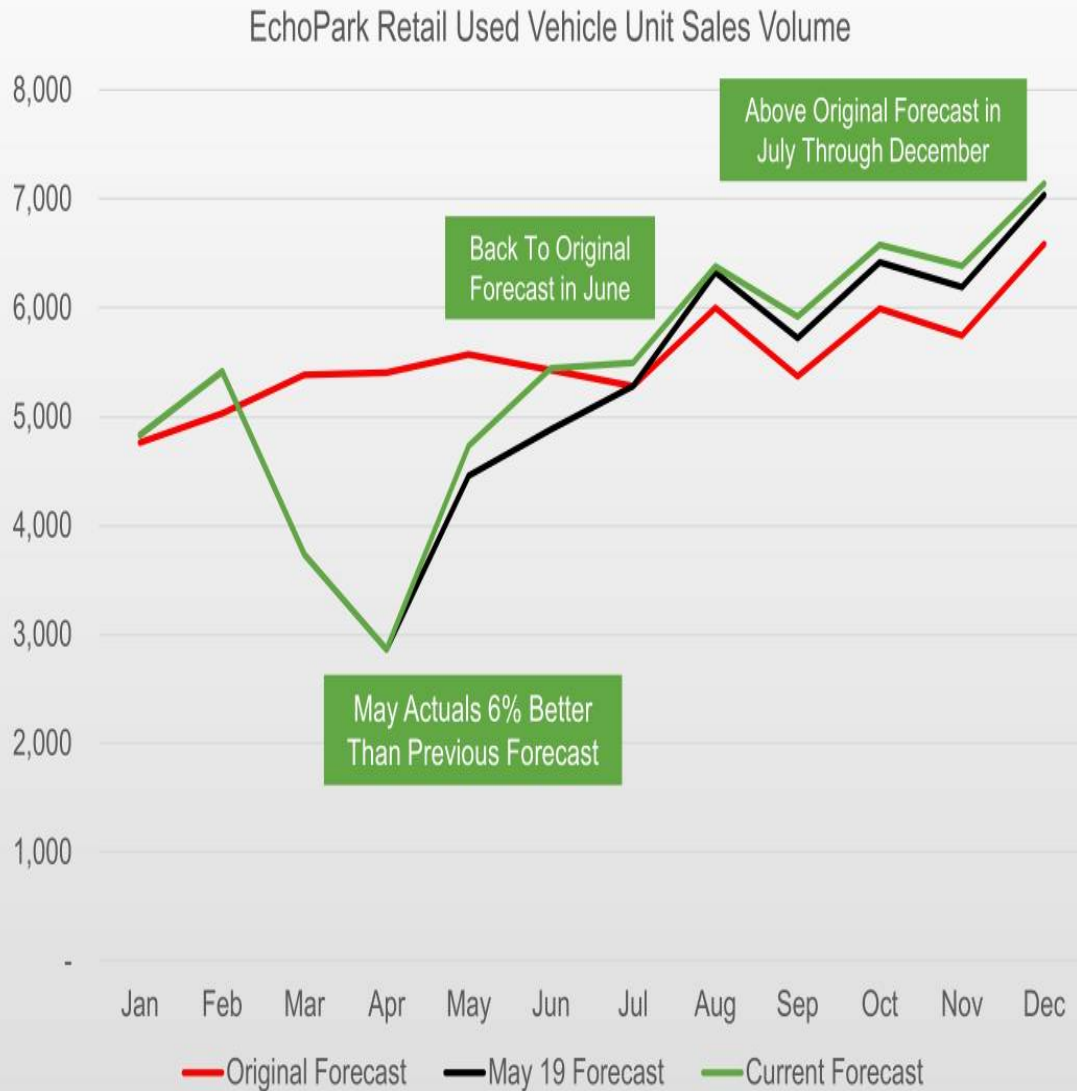
→ Outlook – Franchised Used Vehicles



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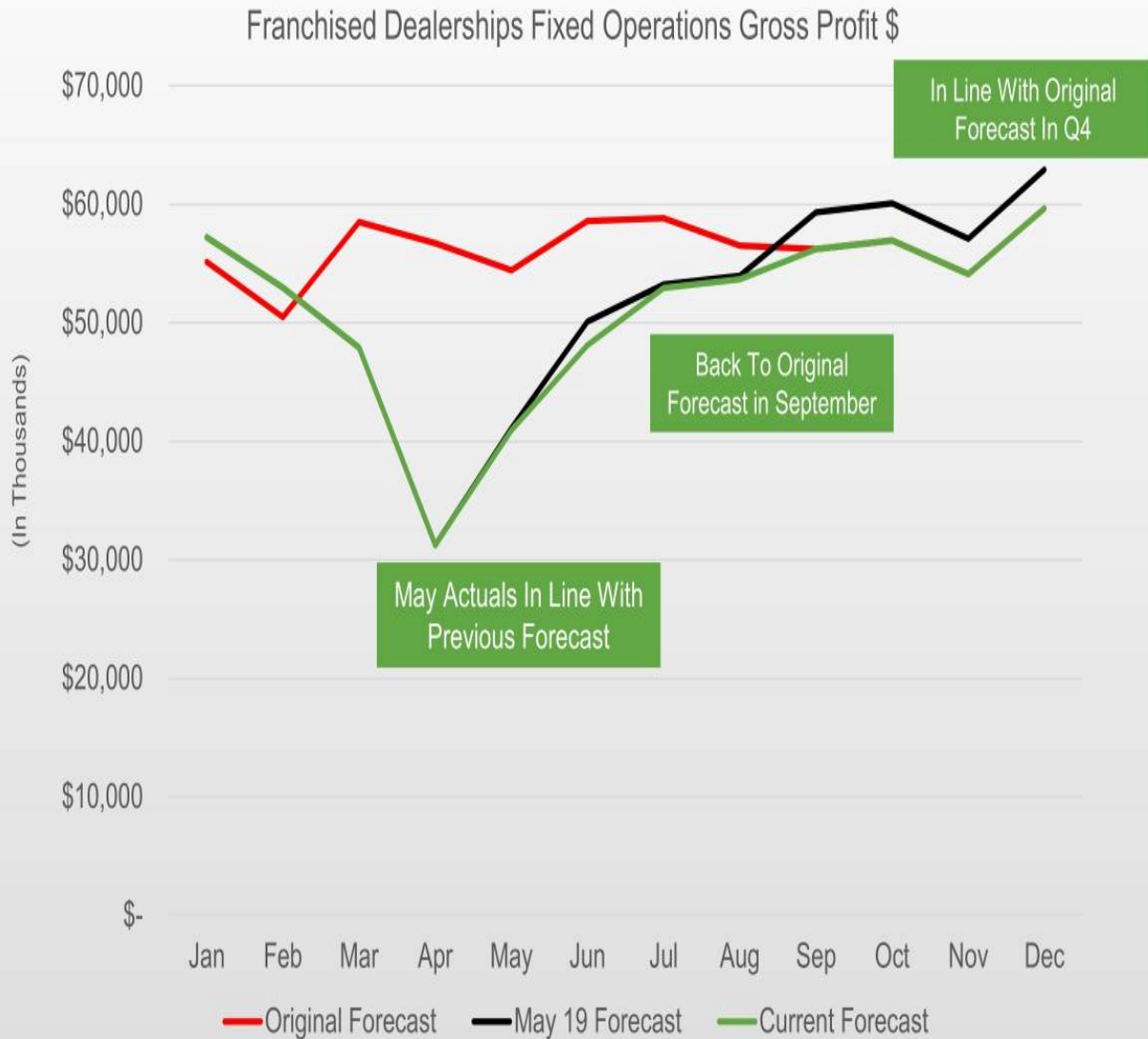
→ Outlook – EchoPark Used Vehicles



Due To Uncertainty Related To The COVID-19 Pandemic And The Resulting Economic Impact, Actual Results May Differ Materially From Management's Forecast



→ Outlook – Franchised Fixed Operations



Due To Uncertainty Related To The COVID-19 Pandemic And The Resulting Economic Impact, Actual Results May Differ Materially From Management's Forecast



EchoPark
AUTOMOTIVE



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