
**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 17, 2021

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 17, 2021, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fourth fiscal quarter and fiscal year ended December 31, 2020 (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 17, 2021, 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 17, 2021.
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 17, 2021

SONIC AUTOMOTIVE, INC.

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports All-Time Record Quarterly Revenues and Pre-Tax Earnings

Record Fourth Quarter Results Reflect Strong Performance and Improved Cost Structure

CHARLOTTE, N.C. – February 17, 2021 – [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, 2020. The financial measures discussed below are results for the fourth quarter of 2020 compared to the fourth quarter of 2019, or full year 2020 compared to full year 2019, as applicable, unless otherwise noted.

Fourth Quarter Highlights

- All-time record quarterly revenues of \$2.8 billion, up 1.8%, and all-time record quarterly income from continuing operations before taxes of \$90.4 million, up 48.3%
- Reported earnings from continuing operations of \$57.5 million (\$1.31 per diluted share), compared to \$46.3 million (\$1.04 per diluted share) for the fourth quarter of 2019
- All-time record quarterly adjusted earnings from continuing operations* of \$65.8 million (\$1.50 per diluted share), an increase of 52.7% compared to \$43.1 million (\$0.97 per diluted share) for the fourth quarter of 2019
- Reported selling, general and administrative (“SG&A”) expenses as a percentage of gross profit were 66.6%, compared to 66.2% for the fourth quarter of 2019
- All-time record quarterly adjusted SG&A expenses as a percentage of gross profit* of 68.1%, compared to 73.7% for the fourth quarter of 2019, a 560-basis point improvement
- All-time record quarterly total Finance & Insurance (“F&I”) gross profit per retail unit of \$2,031, up 12.3%
- Reported EchoPark results include:
 - All-time record quarterly EchoPark revenues of \$386.9 million, up 25.4%
 - EchoPark retail sales volume of 14,841, up 17.1%
- Same store Franchised Dealerships Segment operating results include:
 - Revenues up 1.5%, gross profit up 1.7%
 - New vehicle unit sales volume down 6.9%; new vehicle gross profit per unit up 31.4%, to all-time record \$2,932
 - Retail used vehicle unit sales volume down 2.9%; retail used vehicle gross profit per unit down 24.2%, to \$972
 - Parts, service and collision repair gross profit down 3.2% (customer pay gross profit down 0.5%); gross margin up 180 basis points, to 50.7%
 - F&I gross profit up 7.8%; all-time record quarterly reported Franchised Dealerships Segment F&I gross profit per retail unit of \$1,965, up 14.9%

Full Year Highlights

- Total revenues of \$9.8 billion, down 6.6%, and gross profit of \$1.4 billion, down 6.4%,
- Reported loss from continuing operations of \$50.7 million (\$1.19 per diluted share), compared to earnings from continuing operations of \$144.5 million (\$3.31 per diluted share) for full year 2019
- All-time record annual adjusted earnings from continuing operations* of \$168.9 million (\$3.85 per diluted share), an increase of 45.9% compared to \$115.8 million (\$2.65 per diluted share) for full year 2019
- Reported SG&A expenses as a percentage of gross profit were 72.3%, compared to 72.3% for full year 2019
- Adjusted SG&A expenses as a percentage of gross profit* were 72.9%, compared to 76.9% for full year 2019, a 400-basis point improvement
- All-time record annual total F&I gross profit per retail unit of \$1,952, up 12.0%
- Reported EchoPark results include:
 - All-time record annual EchoPark revenues of \$1.4 billion, up 22.1%
 - All-time record annual EchoPark retail sales volume of 57,161 units, up 15.4%
- Same store Franchised Dealerships Segment operating results include:
 - Revenues down 6.4%, gross profit down 3.9%
 - New vehicle sales volume down 12.9%; new vehicle unit gross profit per unit up 19.0%, to all-time record \$2,508
 - Retail used vehicle unit sales volume down 4.4%; retail used vehicle gross profit per unit down 8.8%, to \$1,168
 - Parts, service and collision repair gross profit down 7.7% (customer pay gross profit down 3.6%); gross margin up 100 basis points, to 49.9%
 - F&I gross profit up 1.2%; all-time record annual reported Franchised Dealerships Segment F&I gross profit per retail unit of \$1,846, up 14.0%

Commentary

Jeff Dyke, Sonic’s and EchoPark’s President, commented, “We are extremely proud of our team for all they have accomplished in 2020, driving the highest adjusted earnings from continuing operations* in our Company’s history in the face of the challenges of a global

pandemic. Our fourth quarter and full year 2020 results reflect the continued strength and resilience of both our EchoPark and franchised dealerships segments, a significant rebound in customer activity and increasing demand for both new and used vehicles during the second half of the year, as well as fundamental improvements in our operating cost structure. These trends have continued into early 2021 and we believe we are well on the path to more than double the Company's total revenues and significantly increase profitability over the next five years."

Mr. Dyke continued, "Our EchoPark business achieved strong top-line growth during the fourth quarter, with record quarterly revenues of \$386.9 million, up 25.4% from the prior year period. EchoPark's continued growth demonstrates the significant benefits we offer our guests, who continue to see value in the excellent pricing, inventory selection and buying experience that EchoPark offers. This in-store experience, combined with our hybrid approach between online and on-site, offers consumers a full range of buying options in order to provide their ideal pre-owned vehicle purchase experience. With the opening of four new EchoPark points in the fourth quarter and the recent acquisition of two pre-owned businesses in Maryland and New York, we remain committed to developing our nationwide distribution network, which we continue to expect to retail over half a million pre-owned vehicles annually and drive \$14.0 billion in annual EchoPark revenues by 2025."

Heath Byrd, Sonic's and EchoPark's Chief Financial Officer, commented, "In 2020, we took significant steps to improve operating efficiencies and manage expenses throughout our entire organization, which drove record adjusted SG&A expenses as a percentage of gross profit* of 68.1% for the fourth quarter of 2020. Our team met the hurdles of the COVID-19 pandemic head on, initiating cost control measures to meet these challenges and remaining disciplined in this focus even as consumer demand rebounded in the second half of the year. Additionally, our balance sheet position is stronger than it has ever been, with the lowest net debt to adjusted EBITDA* ratio in our Company's history and total available liquidity of \$526.4 million as of December 31, 2020, up 88.0% from the beginning of the year."

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

Dividend

Sonic's Board of Directors approved a quarterly cash dividend of \$0.10 per share payable on April 15, 2021 to all stockholders of record on March 15, 2021.

Fourth Quarter 2020 Earnings Conference Call

Senior management will hold a conference call on Wednesday, February 17, 2021 at 11:00 A.M. (Eastern). Investor presentation and earnings press release materials will be accessible beginning the morning of the conference call on the Company's website at ir.sonicautomotive.com.

To access the live broadcast of the call over the internet, please go to ir.sonicautomotive.com. For telephone access to this conference call, please register in advance using this link: <http://www.directeventreg.com/registration/event/7083166>. After registering, you will receive a confirmation email that includes dial-in numbers and unique conference call and registrant passcodes for entry. Registration remains available through the live call, however, to ensure you are connected for the full call we suggest registering at least 10 minutes before the start of the call.

A conference call replay will be available one hour following the call for 14 days at ir.sonicautomotive.com.

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 that specializes in pre-owned vehicle sales and provides 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 future revenue levels, future profitability, projected SG&A expense levels, pre-owned vehicle sales projections and the opening of additional EchoPark points. 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 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, the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, the Company's Current Report on Form 8-K filed on February 12, 2021 and other reports and information filed with the Securities and Exchange Commission (the "SEC"). The Company does not undertake any obligation to update forward-looking information, except as required under federal securities laws and the rules and regulations of the SEC.

Non-GAAP Financial Measures

This press release and the attached financial tables contain certain non-GAAP financial measures as defined under SEC rules, such as adjusted earnings from continuing operations, adjusted earnings per diluted share from continuing operations, adjusted SG&A expenses, adjusted SG&A expenses as a percentage of gross profit and adjusted EBITDA. 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 schedules included in this press release. 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:

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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
	2020	2019		2020	2019	
(In thousands, except per share amounts)						
Revenues:						
New vehicles	\$ 1,323,429	\$ 1,360,064	(2.7) %	\$ 4,281,223	\$ 4,889,171	(12.4)%
Used vehicles	959,875	869,708	10.4 %	3,564,832	3,489,972	2.1 %
Wholesale vehicles	59,156	46,596	27.0 %	197,378	202,946	(2.7)%
Total vehicles	2,342,460	2,276,368	2.9 %	8,043,433	8,582,089	(6.3)%
Parts, service and collision repair	319,068	346,514	(7.9) %	1,233,735	1,395,303	(11.6)%
Finance, insurance and other, net	137,026	125,522	9.2 %	489,874	476,951	2.7 %
Total revenues	2,798,554	2,748,404	1.8 %	9,767,042	10,454,343	(6.6)%
Cost of Sales:						
New vehicles	(1,242,818)	(1,292,480)	3.8 %	(4,047,132)	(4,656,084)	13.1 %
Used vehicles	(941,413)	(832,877)	(13.0) %	(3,458,834)	(3,342,576)	(3.5)%
Wholesale vehicles	(61,988)	(47,941)	(29.3) %	(198,249)	(207,378)	4.4 %
Total vehicles	(2,246,219)	(2,173,298)	(3.4) %	(7,704,215)	(8,206,038)	6.1 %
Parts, service and collision repair	(163,218)	(181,222)	9.9 %	(639,182)	(727,288)	12.1 %
Total cost of sales	(2,409,437)	(2,354,520)	(2.3) %	(8,343,397)	(8,933,326)	6.6 %
Gross profit	389,117	393,884	(1.2) %	1,423,645	1,521,017	(6.4)%
Selling, general and administrative expenses						
Impairment charges	(1,158)	(17,692)	93.5 %	(270,017)	(20,768)	(1,200.2)%
Depreciation and amortization	(23,145)	(23,048)	(0.4) %	(91,023)	(93,169)	2.3 %
Operating income (loss)	105,837	92,223	14.8 %	33,939	307,706	(89.0)%
Other income (expense):						
Interest expense, floor plan	(5,406)	(11,137)	51.5 %	(27,228)	(48,519)	43.9 %
Interest expense, other, net	(10,048)	(13,458)	25.3 %	(41,572)	(52,953)	21.5 %
Other income (expense), net	(5)	(6,680)	99.9 %	97	(6,589)	101.5 %
Total other income (expense)	(15,459)	(31,275)	50.6 %	(68,703)	(108,061)	36.4 %
Income (loss) from continuing operations before taxes	90,378	60,948	48.3 %	(34,764)	199,645	(117.4)%
Provision for income taxes for continuing operations - benefit (expense)	(32,895)	(14,676)	(124.1) %	(15,900)	(55,108)	71.1 %
Income (loss) from continuing operations	57,483	46,272	24.2 %	(50,664)	144,537	(135.1)%
Discontinued operations:						
Income (loss) from discontinued operations before taxes	(194)	62	(412.9) %	(1,002)	(554)	(80.9)%
Provision for income taxes for discontinued operations - benefit (expense)	50	(27)	285.2 %	281	154	82.5 %
Income (loss) from discontinued operations	(144)	35	(511.4) %	(721)	(400)	(80.3)%
Net income (loss)	\$ 57,339	\$ 46,307	23.8 %	\$ (51,385)	\$ 144,137	(135.7)%
Basic earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 1.37	\$ 1.07	28.0 %	\$ (1.19)	\$ 3.36	(135.4)%
Earnings (loss) per share from discontinued operations	—	—	— %	(0.02)	(0.01)	(100.0)%
Earnings (loss) per common share	\$ 1.37	\$ 1.07	28.0 %	\$ (1.21)	\$ 3.35	(136.1)%
Weighted-average common shares outstanding	41,874	43,078	2.8 %	42,483	43,016	1.2 %
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 1.31	\$ 1.04	26.0 %	\$ (1.19)	\$ 3.31	(136.0)%
Earnings (loss) per share from discontinued operations	(0.01)	—	(100.0) %	(0.02)	(0.01)	(100.0)%
Earnings (loss) per common share	\$ 1.30	\$ 1.04	25.0 %	\$ (1.21)	\$ 3.30	(136.7)%
Weighted-average common shares outstanding ⁽¹⁾	44,022	44,463	1.0 %	42,483	43,710	2.8 %
Dividends declared per common share	\$ 0.10	\$ 0.10	— %	\$ 0.40	\$ 0.40	— %

(1) Basic weighted-average shares used for twelve months ended December 31, 2020 due to net loss on reported GAAP basis.

Franchised Dealerships Segment - Reported

	Three Months Ended December 31,			Better / (Worse) % Change	Twelve Months Ended December 31,			Better / (Worse) % Change
	2020	2019			2020	2019		
(In thousands, except unit and per unit data)								
Revenues:								
New vehicles	\$ 1,323,429	\$ 1,360,064	(2.7)%	\$ 4,281,223	\$ 4,889,171	(12.4)%		
Used vehicles	627,786	604,422	3.9 %	2,345,936	2,493,467	(5.9)%		
Wholesale vehicles	49,181	39,250	25.3 %	168,655	180,020	(6.3)%		
Total vehicles	2,000,396	2,003,736	(0.2)%	6,795,814	7,562,658	(10.1)%		
Parts, service and collision repair	307,861	339,168	(9.2)%	1,194,394	1,366,550	(12.6)%		
Finance, insurance and other, net	103,383	96,947	6.6 %	357,848	363,117	(1.5)%		
Total revenues	2,411,640	2,439,851	(1.2)%	8,348,056	9,292,325	(10.2)%		
Gross Profit:								
New vehicles	80,611	67,583	19.3 %	234,091	233,087	0.4 %		
Used vehicles	25,834	35,727	(27.7)%	122,948	147,541	(16.7)%		
Wholesale vehicles	(2,905)	(1,254)	(131.7)%	(789)	(4,100)	80.8 %		
Total vehicles	103,540	102,056	1.5 %	356,250	376,528	(5.4)%		
Parts, service and collision repair	156,070	165,647	(5.8)%	595,342	668,958	(11.0)%		
Finance, insurance and other, net	103,383	96,947	6.6 %	357,848	363,117	(1.5)%		
Total gross profit	362,993	364,650	(0.5)%	1,309,440	1,408,603	(7.0)%		
Selling, general and administrative expenses	(235,941)	(237,849)	0.8 %	(933,738)	(1,011,763)	7.7 %		
Impairment charges	(1,158)	(1,075)	(7.7)%	(270,017)	(1,101)	NM		
Depreciation and amortization	(20,275)	(20,288)	0.1 %	(79,929)	(82,636)	3.3 %		
Operating income (loss)	105,619	105,438	0.2 %	25,756	313,103	(91.8)%		
Other income (expense):								
Interest expense, floor plan	(4,549)	(10,275)	55.7 %	(24,066)	(45,055)	46.6 %		
Interest expense, other, net	(9,853)	(13,019)	24.3 %	(40,624)	(51,231)	20.7 %		
Other income (expense), net	(5)	(6,680)	99.9 %	92	(6,651)	101.4 %		
Total other income (expense)	(14,407)	(29,974)	51.9 %	(64,598)	(102,937)	37.2 %		
Income (loss) before taxes	91,212	75,464	20.9 %	(38,842)	210,166	(118.5)%		
Add: impairment charges	1,158	1,075	NM	270,017	1,101	NM		
Segment income (loss)	\$ 92,370	\$ 76,539	20.7 %	\$ 231,175	\$ 211,267	9.4 %		
Unit Sales Volume:								
New vehicles	27,566	30,591	(9.9)%	93,281	114,131	(18.3)%		
Used vehicles	25,490	27,099	(5.9)%	101,864	112,629	(9.6)%		
Wholesale vehicles	6,463	6,148	5.1 %	24,879	28,379	(12.3)%		
Retail new & used vehicles	53,056	57,690	(8.0)%	195,145	226,760	(13.9)%		
Used:New Ratio	0.92	0.89	4.4 %	1.09	0.99	10.7 %		
Gross Profit Per Unit:								
New vehicles	\$ 2,924	\$ 2,209	32.4 %	\$ 2,510	\$ 2,042	22.9 %		
Used vehicles	\$ 1,014	\$ 1,318	(23.1)%	\$ 1,207	\$ 1,310	(7.9)%		
Finance, insurance and other, net	\$ 1,965	\$ 1,710	14.9 %	\$ 1,846	\$ 1,620	14.0 %		

NM = Not Meaningful

Franchised Dealerships Segment - Same Store

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2020	2019		2020	2019	
(In thousands, except unit and per unit data)						
Revenues:						
New vehicles	\$ 1,322,958	\$ 1,326,947	(0.3)%	\$ 4,258,098	\$ 4,654,982	(8.5)%
Used vehicles	627,656	582,582	7.7 %	2,332,150	2,376,141	(1.9)%
Wholesale vehicles	49,165	38,419	28.0 %	167,794	172,306	(2.6)%
Total vehicles	1,999,779	1,947,948	2.7 %	6,758,042	7,203,429	(6.2)%
Parts, service and collision repair	308,098	330,337	(6.7)%	1,184,428	1,309,201	(9.5)%
Finance, insurance and other, net	97,570	90,550	7.8 %	335,695	331,860	1.2 %
Total revenues	\$ 2,405,447	\$ 2,368,835	1.5 %	\$ 8,278,165	\$ 8,844,490	(6.4)%
Gross Profit:						
New vehicles	\$ 80,776	\$ 66,011	22.4 %	\$ 231,871	\$ 223,661	3.7 %
Used vehicles	24,768	33,646	(26.4)%	117,903	135,259	(12.8)%
Wholesale vehicles	(2,868)	(1,255)	(128.5)%	(520)	(3,382)	84.6 %
Total vehicles	102,676	98,402	4.3 %	349,254	355,538	(1.8)%
Parts, service and collision repair	156,321	161,500	(3.2)%	590,946	640,015	(7.7)%
Finance, insurance and other, net	97,570	90,550	7.8 %	335,695	331,860	1.2 %
Total gross profit	\$ 356,567	\$ 350,452	1.7 %	\$ 1,275,895	\$ 1,327,413	(3.9)%
Unit Sales Volume:						
New vehicles	27,552	29,586	(6.9)%	92,445	106,170	(12.9)%
Used vehicles	25,479	26,251	(2.9)%	100,983	105,639	(4.4)%
Wholesale vehicles	6,460	5,871	10.0 %	24,701	26,114	(5.4)%
Retail new & used vehicles	53,031	55,837	(5.0)%	193,428	211,809	(8.7)%
Used:New Ratio	0.92	0.89	4.2 %	1.09	0.99	9.8 %
Gross Profit Per Unit:						
New vehicles	\$ 2,932	\$ 2,231	31.4 %	\$ 2,508	\$ 2,107	19.0 %
Used vehicles	\$ 972	\$ 1,282	(24.2)%	\$ 1,168	\$ 1,280	(8.8)%
Finance, insurance and other, net	\$ 1,855	\$ 1,650	12.4 %	\$ 1,748	\$ 1,587	10.1 %

EchoPark Segment - Reported

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2020	2019		2020	2019	
(In thousands, except unit and per unit data)						
Revenues:						
Used vehicles	\$ 332,089	\$ 265,286	25.2 %	\$ 1,218,896	\$ 996,505	22.3 %
Wholesale vehicles	9,975	7,346	35.8 %	28,723	22,926	25.3 %
Total vehicles	342,064	272,632	25.5 %	1,247,619	1,019,431	22.4 %
Parts, service and collision repair	11,207	7,346	52.6 %	39,341	28,753	36.8 %
Finance, insurance and other, net	33,643	28,575	17.7 %	132,026	113,834	16.0 %
Total revenues	386,914	308,553	25.4 %	1,418,986	1,162,018	22.1 %
Gross Profit:						
Used	(7,372)	1,104	(767.8)%	(16,950)	(145)	(11,589.7)%
Wholesale	73	(92)	179.3 %	(82)	(332)	75.3 %
Total vehicles	(7,299)	1,012	(821.2)%	(17,032)	(477)	(3,470.6)%
Parts, service and collision repair	(220)	(354)	37.9 %	(789)	(943)	16.3 %
Finance & insurance	33,643	28,576	17.7 %	132,026	113,834	16.0 %
Total gross profit	26,124	29,234	(10.6)%	114,205	112,414	1.6 %
SG&A	(23,036)	(23,072)	0.2 %	(94,928)	(87,611)	(8.4)%
Impairment	—	(16,617)	100.0 %	—	(19,667)	100.0 %
Depreciation	(2,870)	(2,760)	(4.0)%	(11,094)	(10,533)	(5.3)%
Operating income	218	(13,215)	101.6 %	8,183	(5,397)	251.6 %
Other income (expense):						
Interest floor plan	(857)	(862)	0.6 %	(3,162)	(3,464)	8.7 %
Interest other	(195)	(439)	55.6 %	(948)	(1,722)	44.9 %
Other income (expense)	—	—	— %	5	62	(91.9)%
Total other income (expense)	(1,052)	(1,301)	19.1 %	(4,105)	(5,124)	19.9 %
Income (loss) before taxes	(834)	(14,516)	94.3 %	4,078	(10,521)	138.8 %
Less: impairment charges	—	(16,617)	NM	—	(19,667)	NM
Segment income (loss)	\$ (834)	\$ 2,101	(139.7)%	\$ 4,078	\$ 9,146	(55.4)%
Unit Sales Volume:						
Used vehicles	14,841	12,676	17.1 %	57,161	49,520	15.4 %
Wholesale vehicles	2,004	1,751	14.4 %	7,178	5,774	24.3 %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 1,770	\$ 2,341	(24.4)%	\$ 2,013	\$ 2,296	(12.3)%

NM = Not Meaningful

EchoPark Segment - Same Store

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2020	2019		2020	2019	
(In thousands, except unit and per unit data)						
Revenues:						
Used vehicles	\$ 236,074	\$ 262,913	(10.2)%	\$ 1,026,377	\$ 994,131	3.2 %
Wholesale vehicles	7,319	7,346	(0.4)%	24,737	22,927	7.9 %
Total vehicles	243,393	270,259	(9.9)%	1,051,114	1,017,058	3.3 %
Parts, service and collision repair	9,243	7,104	30.1 %	34,768	28,510	22.0 %
Finance, insurance and other, net	24,607	28,052	(12.3)%	112,403	112,891	(0.4)%
Total revenues	\$ 277,243	\$ 305,415	(9.2)%	\$ 1,198,285	\$ 1,158,459	3.4 %
Gross Profit:						
Used vehicles	\$ (6,785)	\$ (609)	(1,014.1)%	\$ (19,983)	\$ (5,831)	(242.7)%
Wholesale vehicles	(2)	(92)	97.8 %	(158)	(332)	52.4 %
Total vehicles	(6,787)	(701)	(868.2)%	(20,141)	(6,163)	(226.8)%
Parts, service and collision repair	(138)	(325)	57.5 %	(533)	(894)	40.4 %
Finance, insurance and other, net	24,607	28,052	(12.3)%	112,403	112,891	(0.4)%
Total gross profit	\$ 17,682	\$ 27,026	(34.6)%	\$ 91,729	\$ 105,834	(13.3)%
Unit Sales Volume:						
Used vehicles	10,794	12,548	(14.0)%	48,446	49,392	(1.9)%
Wholesale vehicles	1,673	1,751	(4.5)%	6,388	5,774	10.6 %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 1,651	\$ 2,187	(24.5)%	\$ 1,908	\$ 2,168	(12.0)%

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

	Three Months Ended December 31,		Better / (Worse)	
	2020	2019	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 176,050	\$ 184,455	\$ 8,405	4.6 %
Advertising	10,509	14,522	4,013	27.6 %
Rent	13,560	13,303	(257)	(1.9)%
Other	58,858	48,641	(10,217)	(21.0)%
Total SG&A expenses	\$ 258,977	\$ 260,921	\$ 1,944	0.7 %
Items of interest:				
Gain on franchise and real estate disposals	\$ 6,039	\$ 29,303		
Total SG&A adjustments	\$ 6,039	\$ 29,303		
Adjusted:				
Total adjusted SG&A expenses	\$ 265,016	\$ 290,224	\$ 25,208	8.7 %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	45.2 %	46.8 %	160 bps	
Advertising	2.7 %	3.7 %	100 bps	
Rent	3.5 %	3.4 %	(10) bps	
Other	15.2 %	12.3 %	(290) bps	
Total SG&A expenses as a % of gross profit	66.6 %	66.2 %	(40) bps	
Items of interest:				
Gain on franchise and real estate disposals	1.5 %	7.5 %		
Total effect of adjustments	1.5 %	7.5 %		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	68.1 %	73.7 %	560 bps	

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

	Twelve Months Ended December 31,		Better / (Worse)	
	2020	2019	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 659,834	\$ 733,925	\$ 74,091	10.1 %
Advertising	42,186	60,831	18,645	30.7 %
Rent	54,494	54,611	117	0.2 %
Other	272,152	250,007	(22,145)	(8.9) %
Total SG&A expenses	\$ 1,028,666	\$ 1,099,374	\$ 70,708	6.4 %
Items of interest:				
Executive transition costs	\$ —	\$ (6,264)		
Gain on franchise and real estate disposals	9,188	75,983		
Total SG&A adjustments	\$ 9,188	\$ 69,719		
Adjusted:				
Total adjusted SG&A expenses	\$ 1,037,854	\$ 1,169,093	\$ 131,239	11.2 %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	46.3 %	48.3 %	200 bps	
Advertising	3.0 %	4.0 %	100 bps	
Rent	3.8 %	3.6 %	(20) bps	
Other	19.2 %	16.4 %	(280) bps	
Total SG&A expenses as a % of gross profit	72.3 %	72.3 %	— bps	
Items of interest:				
Executive transition costs	— %	(0.4)%		
Gain on franchise and real estate disposals	0.6 %	5.0 %		
Total effect of adjustments	0.6 %	4.6 %		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	72.9 %	76.9 %	400 bps	

Earnings Per Share from Continuing Operations - Non-GAAP Reconciliation

	Three Months Ended December 31, 2020			Three Months Ended December 31, 2019		
	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	44,022	\$ 57,483	\$ 1.31	44,463	\$ 46,272	\$ 1.04
Pre-tax items of interest:						
Gain on franchise and real estate disposals		\$ (6,039)			\$ (29,303)	
Loss on debt extinguishment		—			7,157	
Impairment charges		1,158			17,692	
Total pre-tax items of interest		\$ (4,881)			\$ (4,454)	
Tax effect of above items		1,281			1,292	
Non-recurring tax items		11,941			—	
Adjusted diluted earnings (loss) and shares from continuing operations	44,022	\$ 65,824	\$ 1.50	44,463	\$ 43,110	\$ 0.97

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	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 ⁽¹⁾	42,483	\$ (50,664)	\$ (1.19)	43,710	\$ 144,537	\$ 3.31
Pre-tax items of interest:						
Gain on franchise and real estate disposals		\$ (9,188)			\$ (75,983)	
Executive transition costs		—			6,264	
Loss on debt extinguishment		—			7,157	
Impairment charges		269,158			19,618	
Total pre-tax items of interest		\$ 259,970			\$ (42,944)	
Tax effect of above items		(40,421)			14,193	
Adjusted diluted earnings (loss) and shares from continuing operations	43,903	\$ 168,885	\$ 3.85	43,710	\$ 115,786	\$ 2.65

(1) Basic weighted-average shares used for twelve months ended December 31, 2020 due to net loss on reported GAAP basis.

Adjusted EBITDA - Non-GAAP Reconciliation

	Twelve Months Ended December 31, 2020				Twelve Months Ended December 31, 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net income (loss)				\$ (51,385)				\$ 144,137
Provision for income taxes				15,619				54,954
Income (loss) before taxes	\$ (38,842)	\$ 4,078	\$ (1,002)	\$ (35,766)	\$ 210,167	\$ (10,522)	\$ (554)	\$ 199,091
Non-floor plan interest (1)	37,746	926	—	38,672	48,774	1,701	—	50,475
Depreciation and amortization (2)	82,807	11,115	—	93,922	85,093	10,553	—	95,646
Stock-based compensation expense	11,704	—	—	11,704	10,797	—	—	10,797
Loss (gain) on exit of leased dealerships	—	—	—	—	(170)	—	—	(170)
Asset impairment charges	270,017	—	—	270,017	1,101	19,667	—	20,768
Loss (gain) on debt extinguishment	—	—	—	—	6,690	—	—	6,690
Loss (gain) on franchise and real estate disposals	(3,095)	(5,152)	—	(8,247)	(74,812)	—	—	(74,812)
Adjusted EBITDA	\$ 360,337	\$ 10,967	\$ (1,002)	\$ 370,302	\$ 287,640	\$ 21,399	\$ (554)	\$ 308,485
Long-term debt (including current portion)				\$ 720,067				\$ 706,886
Cash and equivalents				(170,313)				(29,103)
Floor plan deposit balance				(73,180)				—
Net debt				\$ 476,574				\$ 677,783
Net debt to adjusted EBITDA ratio				1.29				2.20

- (1) Includes interest expense, other, net in the accompanying consolidated statements of operations, net of any amortization of debt issuance costs or net debt discount/premium included in (2) below.
- (2) Includes the following line items from the accompanying consolidated statements of cash flows: depreciation and amortization of property and equipment; debt issuance cost amortization; and debt discount amortization, net of premium amortization.

Sonic Automotive –
Investor Presentation
February 2021



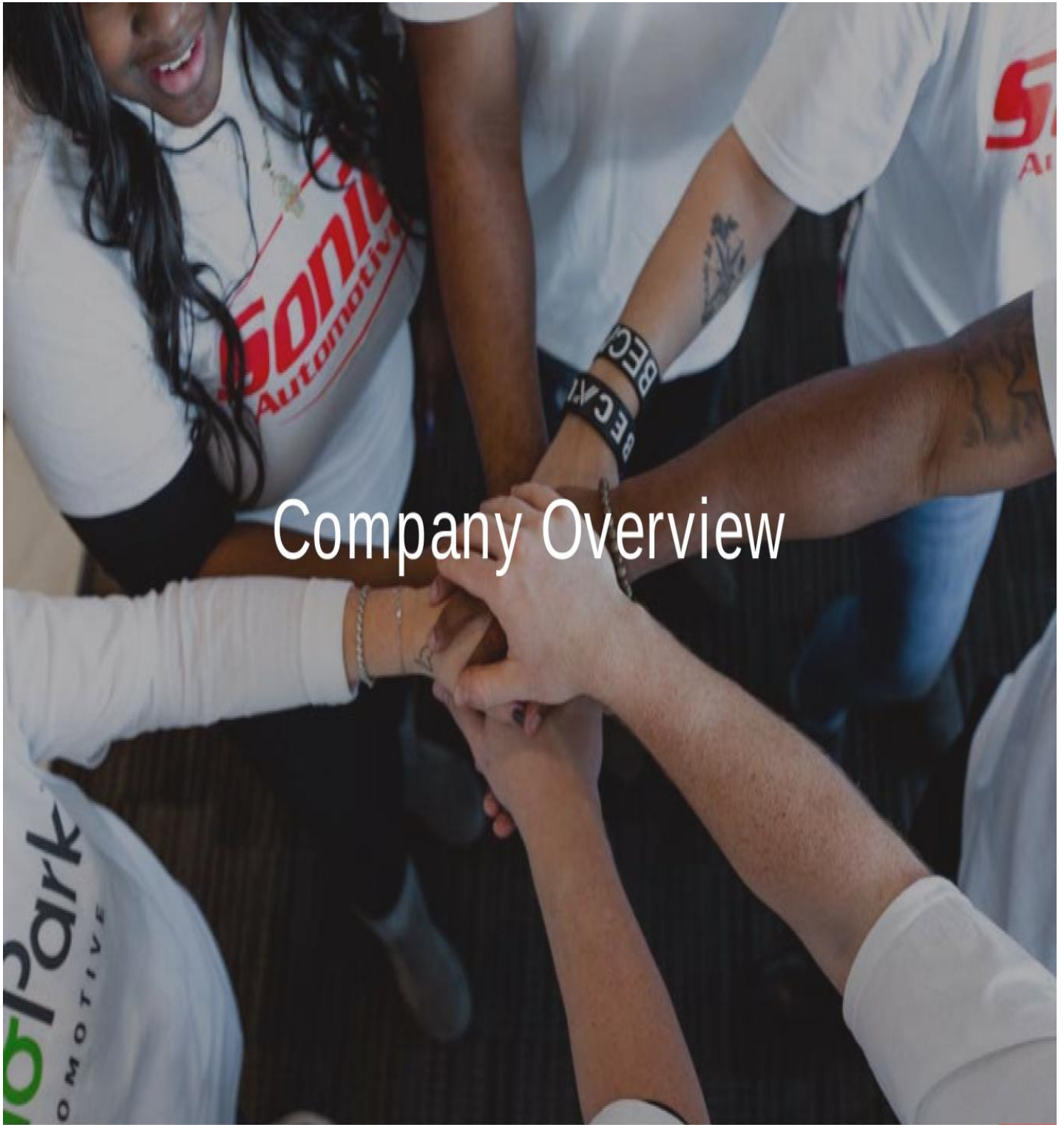
Updated February 17, 2021

→ 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 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, the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, the Company’s Current Report on Form 8-K Filed on February 12, 2021 and other 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.



→ Sonic Automotive: Who We Are



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



Our Core Franchised Dealerships Segment is a Full-Service Automotive Retailer, Selling New and Used Vehicles, Arranging F&I Product Sales, and Providing Parts, Service and Collision Repair



Our High Growth EchoPark Segment Offers a Unique Approach to Pre-Owned Vehicle and F&I Sales

Below-Market Pricing with a No Haggle Purchase Experience Drives Industry-Leading Used Vehicle Volume Throughput

QUICK FACTS

104

Locations

14

Collision Centers

20+

Automotive Brands

13

States

\$9.8B

Total Revenues

\$1.4B

Gross Profit

93K

New Vehicles Sold

159K

Used Vehicles Sold

Note: Revenue, Gross Profit, New & Used Vehicles Sold are for FY 2020



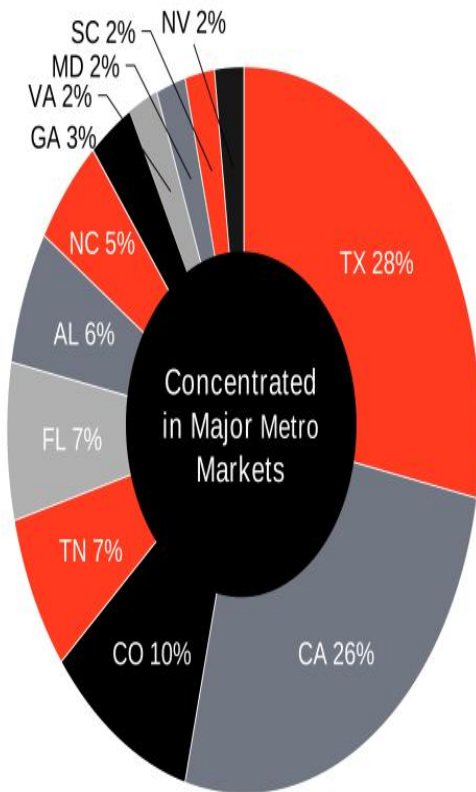
→ Investment Highlights



→ 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 2020



→ Revenue Composition – Diversified Revenue Streams

Brand Distribution

Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	55%	BMW	22%
		Mercedes	11%
		Audi	6%
		Lexus	4%
		Land Rover	4%
		Porsche	3%
		Cadillac	2%
		MINI	1%
		Other Luxury (1)	2%
Import	20%	Honda	11%
		Toyota	7%
		Hyundai	1%
		Volkswagen	1%
		Nissan	<1%
		Non-Franchise	15%
EchoPark	15%		
Domestic	10%	Ford	5%
		General Motors (2)	5%

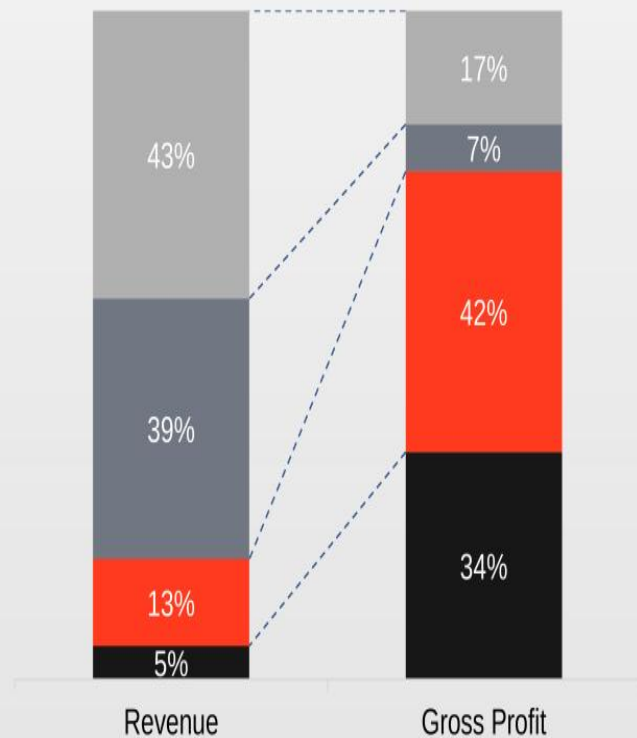
(1) Includes Volvo, Jaguar, Acura and Infiniti

(2) Includes Chevrolet, GMC and Buick

Note: Percentages are Percent of Total Revenue for FY 2020

Business Line Mix

- New Vehicle
- Used Vehicle (Including Wholesale)
- Parts, Service & Collision Repair ("Fixed Operations")
- Finance & Insurance ("F&I")



Note: Percentages are Percent of Total for FY 2020



→ EchoPark Automotive – A Unique Growth Story



The New Car Alternative™
Price. Quality. Experience.

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

**10% Below
Market**
Pricing With Simplified, Easy
Purchase Experience

Unique, High Return
Business Model

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

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

Expansion Plan For 140+ Point
Distribution Network By 2025

→ EchoPark – High Volume Model Drives Superior Returns

Ultra-Low Pricing



Attractive F&I



High Volume Throughput

May Yield Slightly Negative
Front-End Gross Profit Per
Unit

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

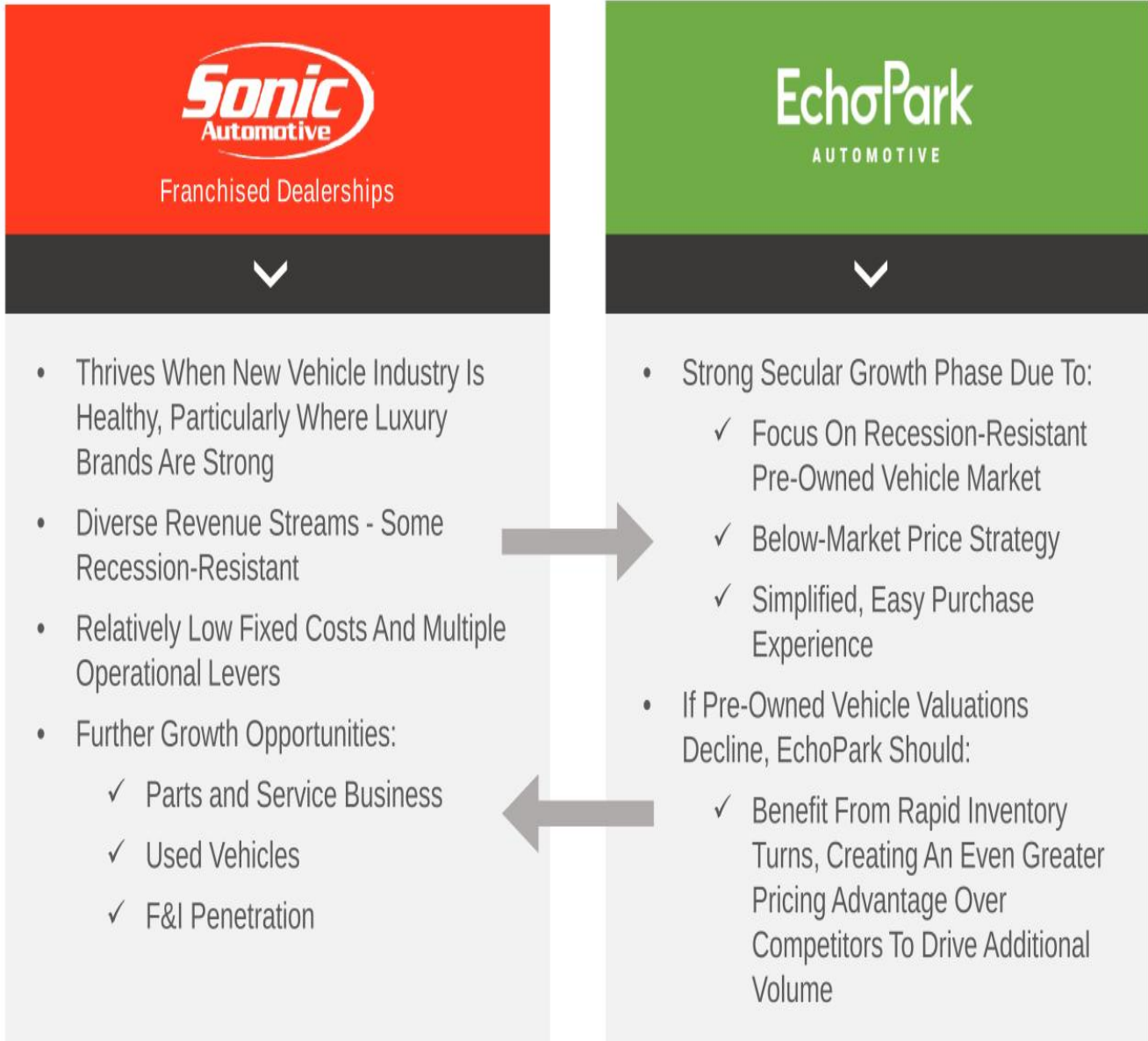
5X Volume Per Store Per
Month vs. Sonic Franchised
Stores

Gross Profit Per Unit ("GPU")	Franchised Used	EchoPark	B (W)
Front-End Used Vehicle GPU	\$1,300	\$(100)	
F&I GPU	\$1,400	\$2,250	
Parts and Service Reconditioning GPU	\$500	-	
Total Used-Related GPU	\$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.

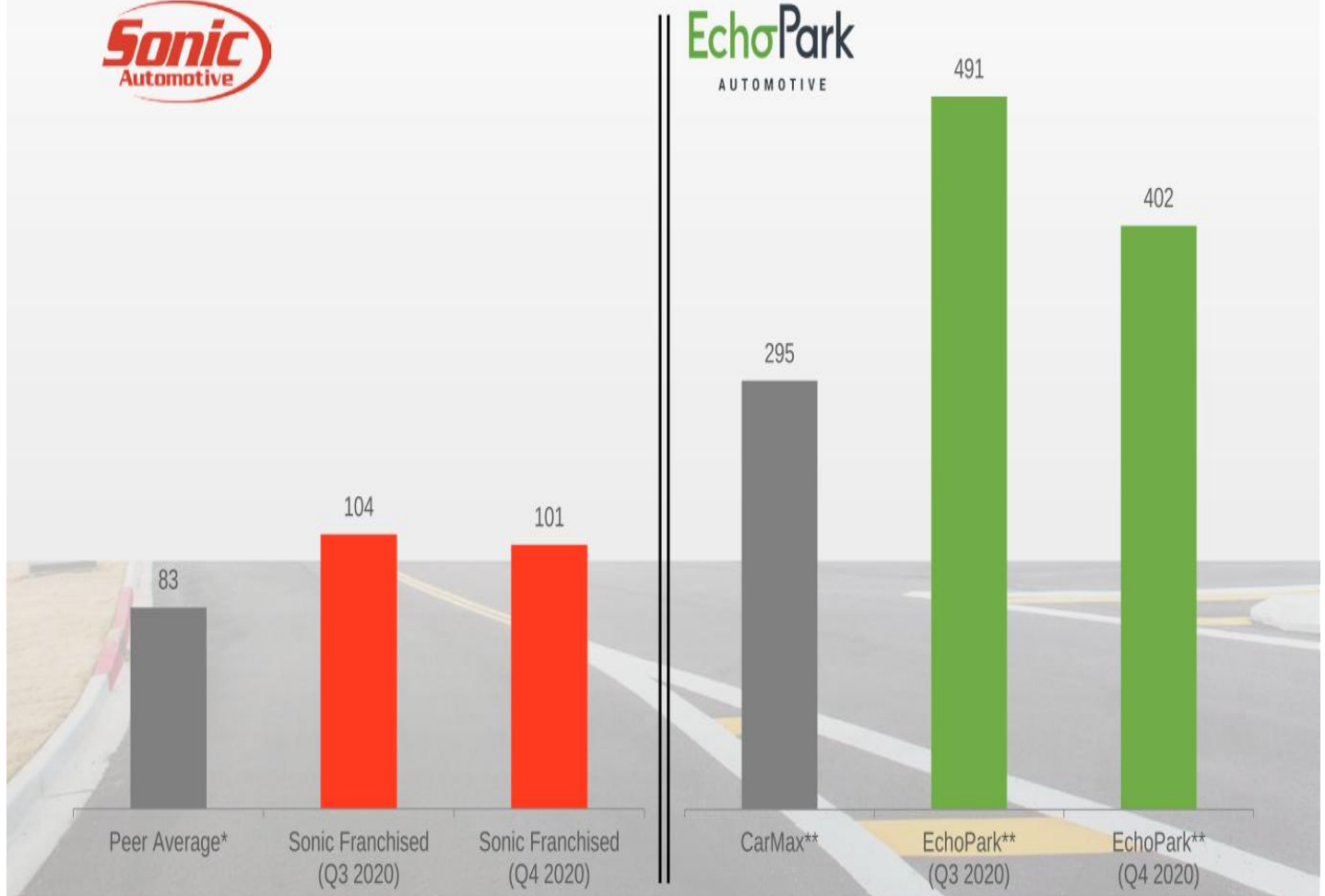


→ Complementary Relationship Between Segments



→ Industry-Leading Used Vehicle Volume Throughput

Retail Used Vehicle Unit Sales Per Store Per Month



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

* Peer Average Is Store Count As Of And Unit Sales For The Quarter Ended September 30, 2020 (Q4 2020 Data Not Available As Of Date Of This Report) For ABG, AN, GPI, LAD And PAG
** CarMax Data Is Store Count As Of And Unit Sales For The Quarter Ended November 30, 2020, EchoPark Data Includes Retail Hub Locations Open For At Least Three Full Months
Note: Data Source – Company Filings, Company Websites

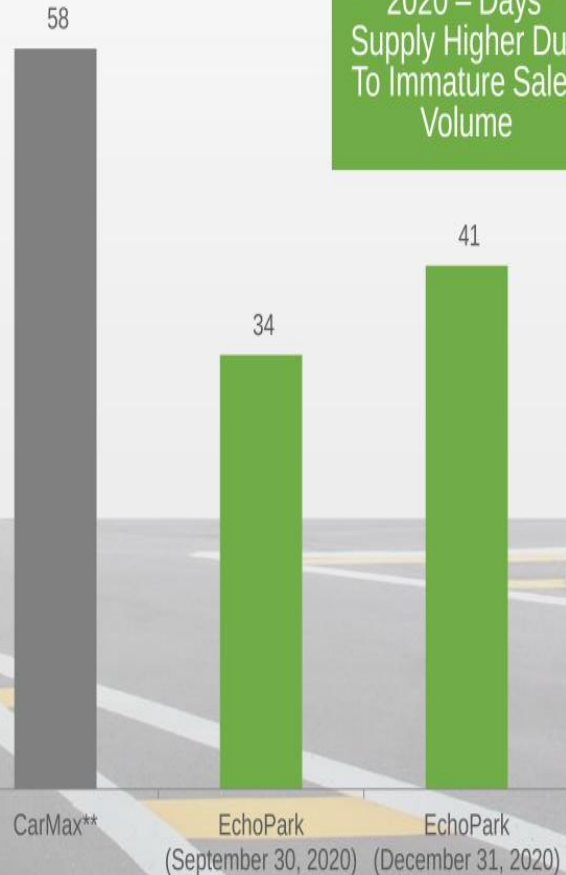
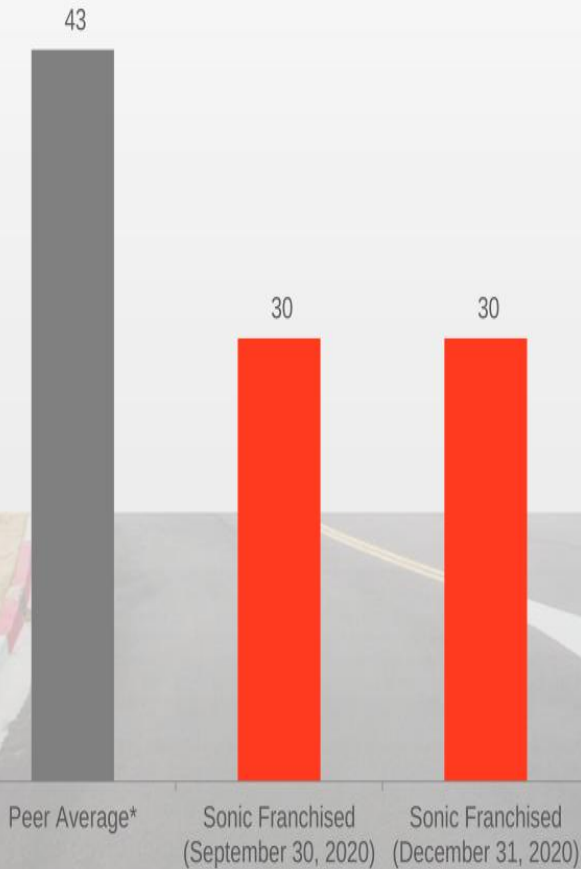


→ Inventory Management Expertise

Used Vehicle Inventory Days' Supply



Opened 4 New Locations In Q4 2020 – Days' Supply Higher Due To Immature Sales Volume



Low Inventory Days' Supply Reduces Risk Of Fluctuations In Used Vehicle Valuations
Data Analytics Tools Enable Accuracy, Consistency And Scalability Of Used Inventory Sourcing And Pricing

* Peer Average Is As Of September 30, 2020 (December 31, 2020 Data Not Available As Of Date Of This Report) For ABG, AN, GPI, LAD And PAG

** CarMax Data Is As Of November 30, 2020

Note: Data Source – Company Filings, Calculated Based On Trailing Quarter Cost Of Sales If Not Explicitly Disclosed



→ Strategic Direction

Franchised Dealerships



EchoPark



Capital Allocation

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

Early-Stage Strong Secular Growth Phase

Profitability Improving As Older Stores Continue To Mature

14 Retail Hub Locations And 2 Delivery & Buy Centers Open At December 31, 2020

Projected To Add 25 New Locations Annually In 2021-2025

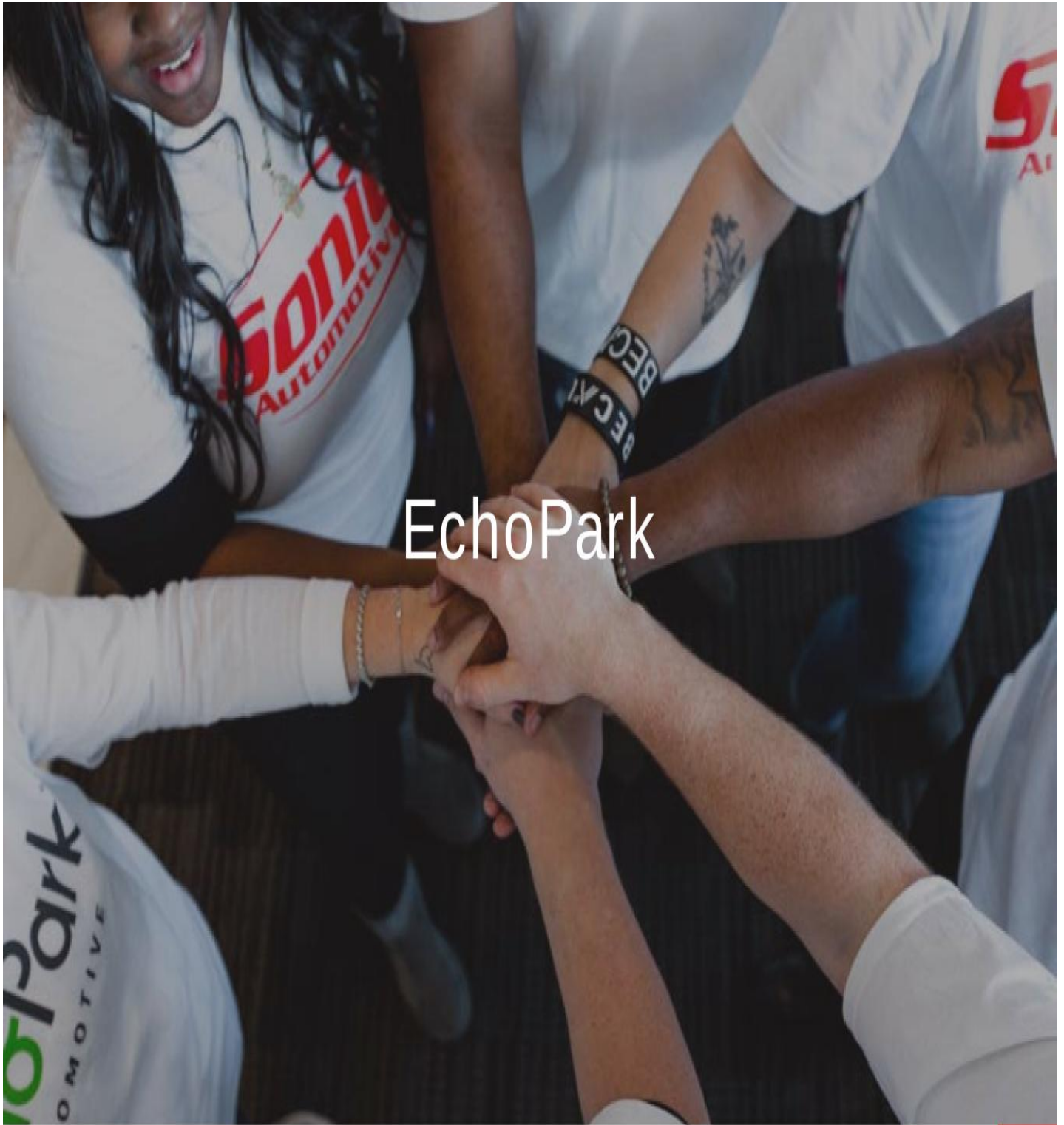
Accelerated Growth Plan For 140+ Point Distribution Network Expected To Deliver 575,000 Unit Sales Annually By 2025

Strict Capital Allocation Strategy Prioritizes Highest Return on Investment

Strategically Deploy Capital To Accelerate EchoPark's Already Strong Growth

Continue To Monitor Acquisition Opportunities As Market Evolves





EchoPark



→ EchoPark – Brand Promise

EchoPark

AUTOMOTIVE

Price. Quality. Experience.



Up To 40% Below
New Vehicle Price



Up To 10% Below
Used Vehicle Market
Price



High Quality, Low
Mileage Vehicle With
Existing Warranty



Transparent
Guest-Centric
Experience



New Car Feel
Without The New
Car Price



Zero Reported
Accidents On
CARFAX



Buy & Sell
Your Way –
On-Site Or Online

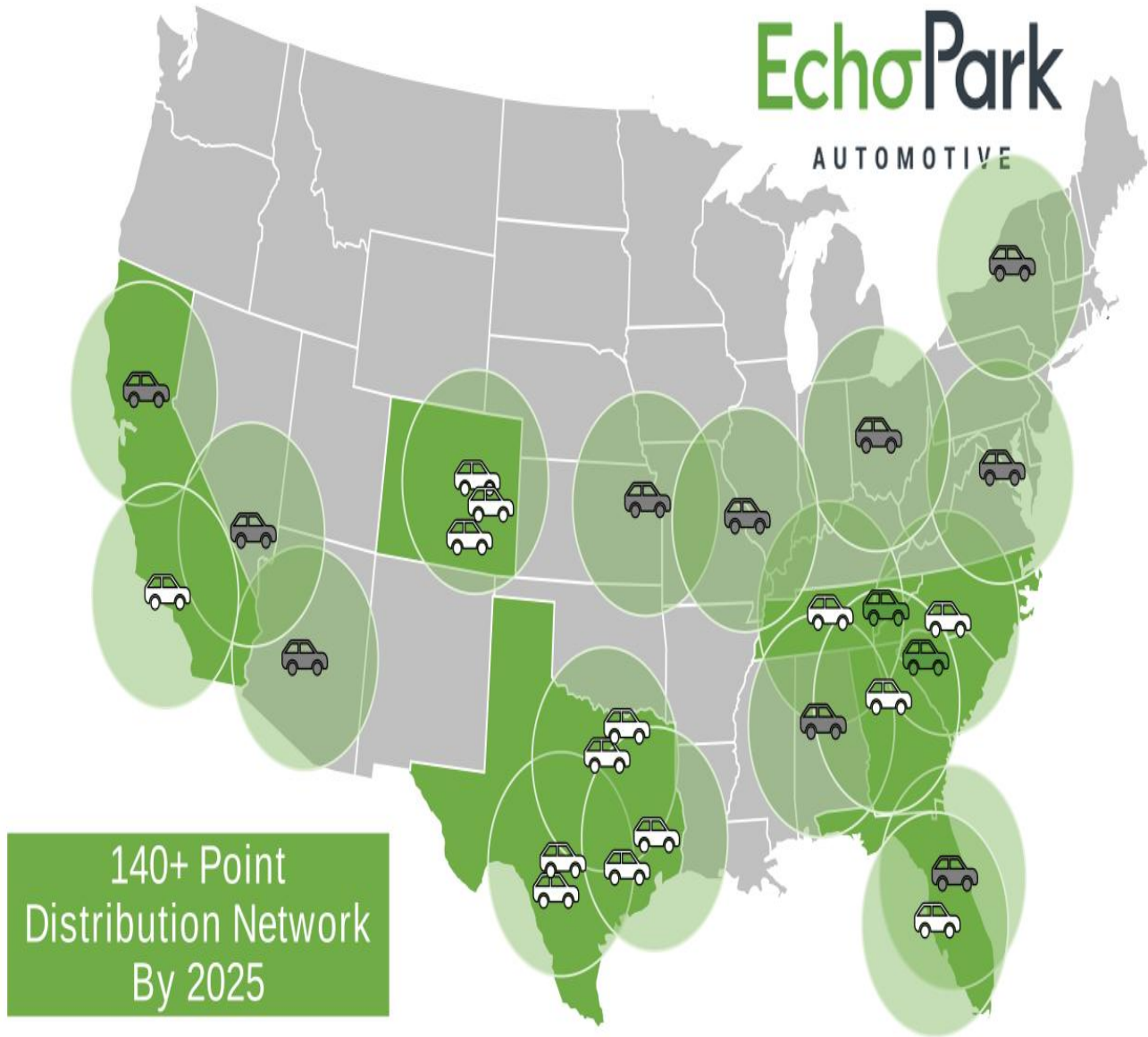


Complete Purchase
In Under An Hour

The Full Omni-Channel Option



→ EchoPark – Developing Nationwide Distribution Network



 Existing Retail Hub

 Existing Delivery & Buy Center

 New Retail Hub To Open In 2021-2022

 Delivery & Buy Center Coverage Area



→ EchoPark – Modeled 4-Wall Economics At Maturity

(Modeled Metrics Assume 100% Maturity)	Delivery & Buy Center	Medium Retail Hub	Large Retail Hub
Average Monthly Retail Unit Volume	300	750	1,500
Average Vehicle Selling Price	\$ 20,500	\$ 20,500	\$ 20,500
Total Annual Revenues	\$ 82,000,000	\$ 205,000,000	\$ 410,000,000
Total Combined Gross Profit Per Unit Retailled ("GPU")	\$ 1,700	\$ 2,150	\$ 2,150
Target SG&A Expenses as % of Gross Profit	65%	60%	60%
Annual Pre-Tax Profit	\$ 2,100,000	\$ 7,200,000	\$ 14,400,000
Average Compensation Per Employee (with Fringe)	\$ 68,000	\$ 78,000	\$ 78,000
Total Headcount	7	105	170
Sales Experience Guide ("EG") Headcount	N/A	25	50
Average Retail Unit Sales Per EG Per Month	N/A	30	30
Target Inventory Days' Supply	N/A	30 Days	30 Days
Working Capital Investment	\$ -	\$ 15,000,000	\$ 31,000,000
Inventory Floor Plan Financing	\$ -	\$ (15,000,000)	\$ (31,000,000)
Capital Expenditures, Including Land (Varies By Market)	\$1-\$2 Million	\$7-\$12 Million	\$20-\$25 Million
Estimated Months to Breakeven	3-6 Months	6-9 Months	6-9 Months
Estimated Years to Maturity	2 Years	4 Years	5 Years

Pre-Tax Return On Investment

55%+

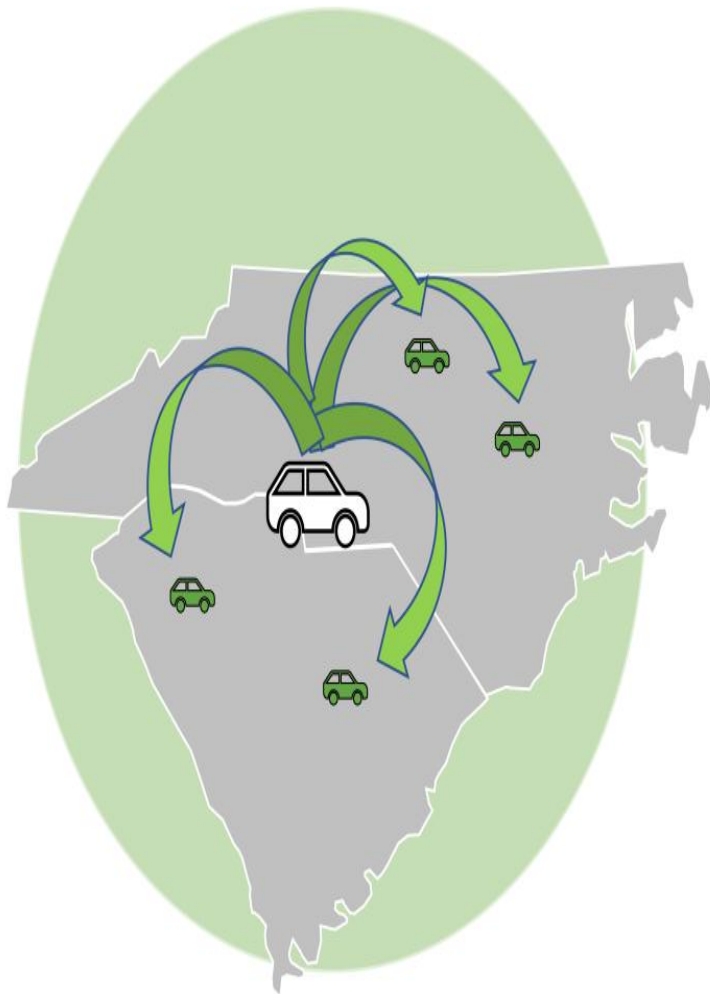
35% - 50%

28% - 33%


Note: Estimated average pre-tax losses of \$1.5 to \$2.0 million per new medium or large retail hub opening (~40% incurred in 3 months prior to opening, ~60% incurred post-opening prior to targeted breakeven). Pre-tax losses for new delivery & buy center locations are expected to be approximately \$0.2 million per location prior to targeted breakeven.
Note: Amounts are estimates of future results used for comparative modeling purposes. Actual store results may differ.



→ EchoPark – Delivery & Buy Center Model



 Existing Retail Hub

 Delivery & Buy Center Market Coverage Opportunity

Delivery & Buy Center Model

- Utilize Existing Retail Hub For Inventory Storage And Reconditioning (Asset Light Expansion)
- Advertise Inventory In Surrounding Markets
- Drive Incremental eCommerce Sales In New Markets
- Inspect & Buy Vehicles From Guests After Online Appraisal
- Arrange Next-To-Last-Mile Transit To EchoPark Delivery & Buy Center
- Guest Picks Up Vehicle At EchoPark Delivery & Buy Center Near Their Home

Strategic Advantages

- Quick Entry Into New Markets With Minimal Capital Expenditures Or Overhead Costs
- Same Guest-Centric Purchase Experience And Convenience
- Blend Of Brick And Mortar And eCommerce Distribution Network Creates Operating Leverage

Delivery & Buy Center Locations

- Greenville, SC (Opened July 2020)
- Knoxville, TN (Opened December 2020)
- Expect To Open 20 Additional Locations Annually In 2021-2025

→ EchoPark – 5-Year Accelerated Growth Forecast

Total Revenues (In Billions)



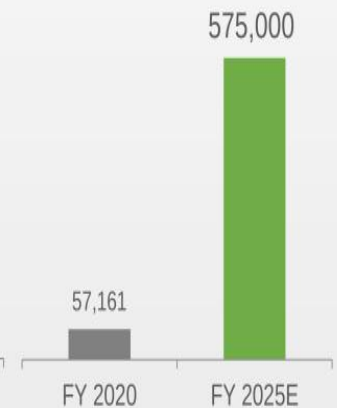
Pre-Tax Profit (Loss)
(In Millions)



EBITDA
(In Millions)



Retail Unit Sales Volume



Rate of Expansion

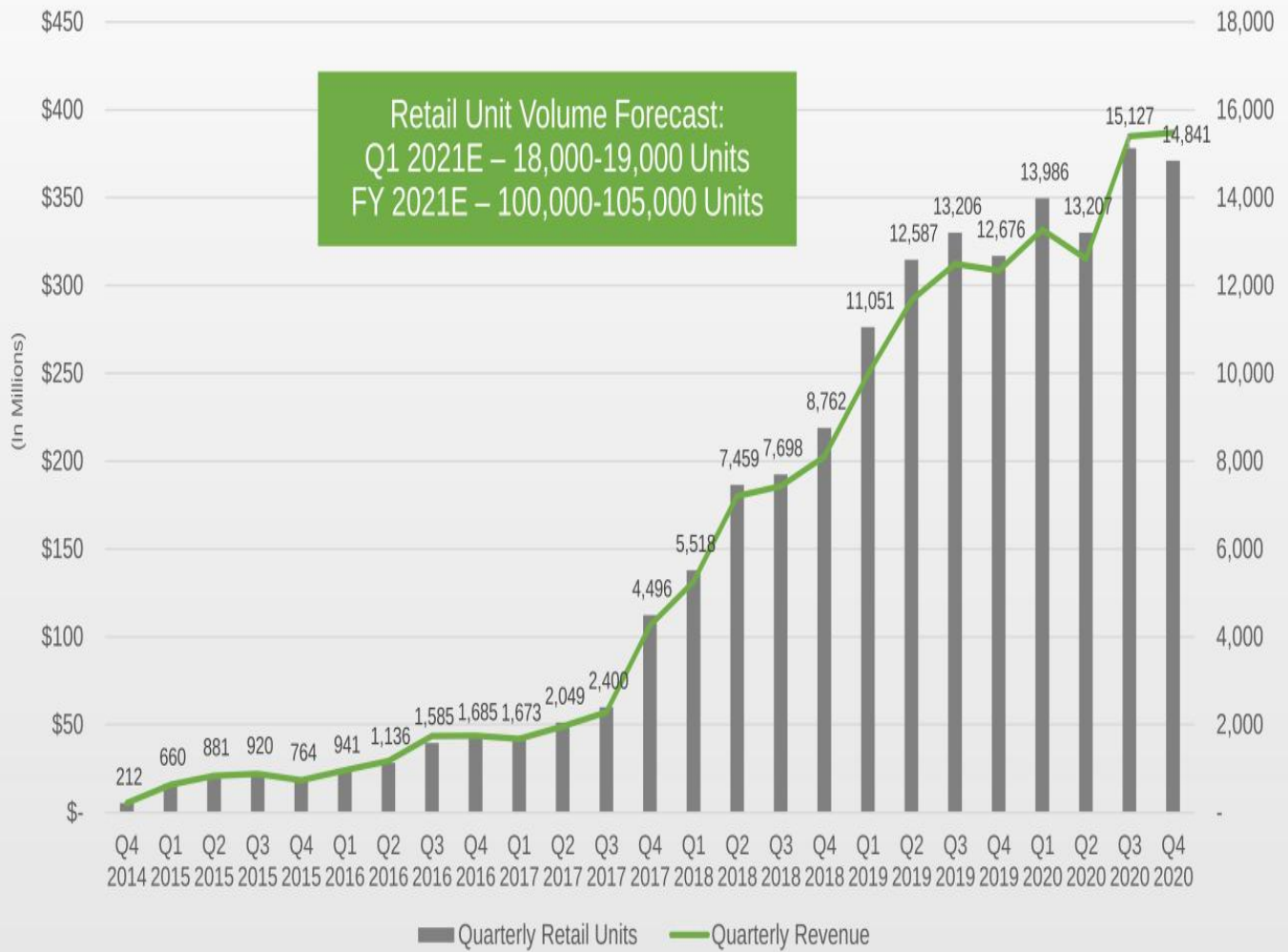
- Expect to Open 25 Locations Per Year From 2021-2025
 - 20 Delivery & Buy Centers
 - 5 Medium Or Large Retail Hubs
- See 4-Wall Model On Prior Slide

Total Addressable Market

- ~20 Million 0-4 Year Old Vehicle Transactions Annually
- Existing Stores Generate >300,000 Unique Leads On An Annualized Basis
- Rapid Expansion To Meet Current Demand And Considerable Upside Opportunity

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

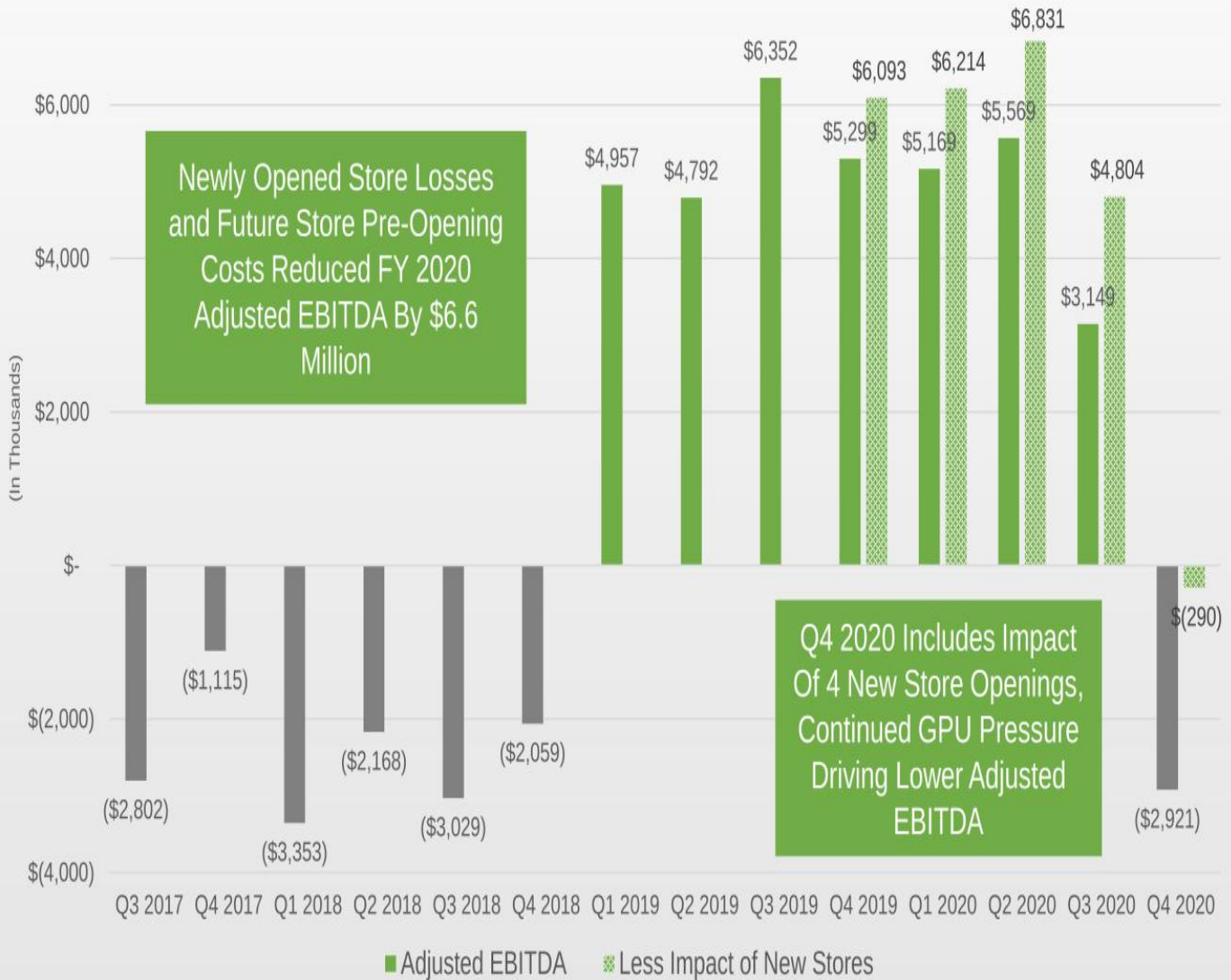
→ EchoPark – Growth Path



Despite Impact Of COVID-19, We Expect Return To High Rate Of Revenue And Unit Sales
 Volume Growth From Maturity Of Existing Markets And New Market Openings



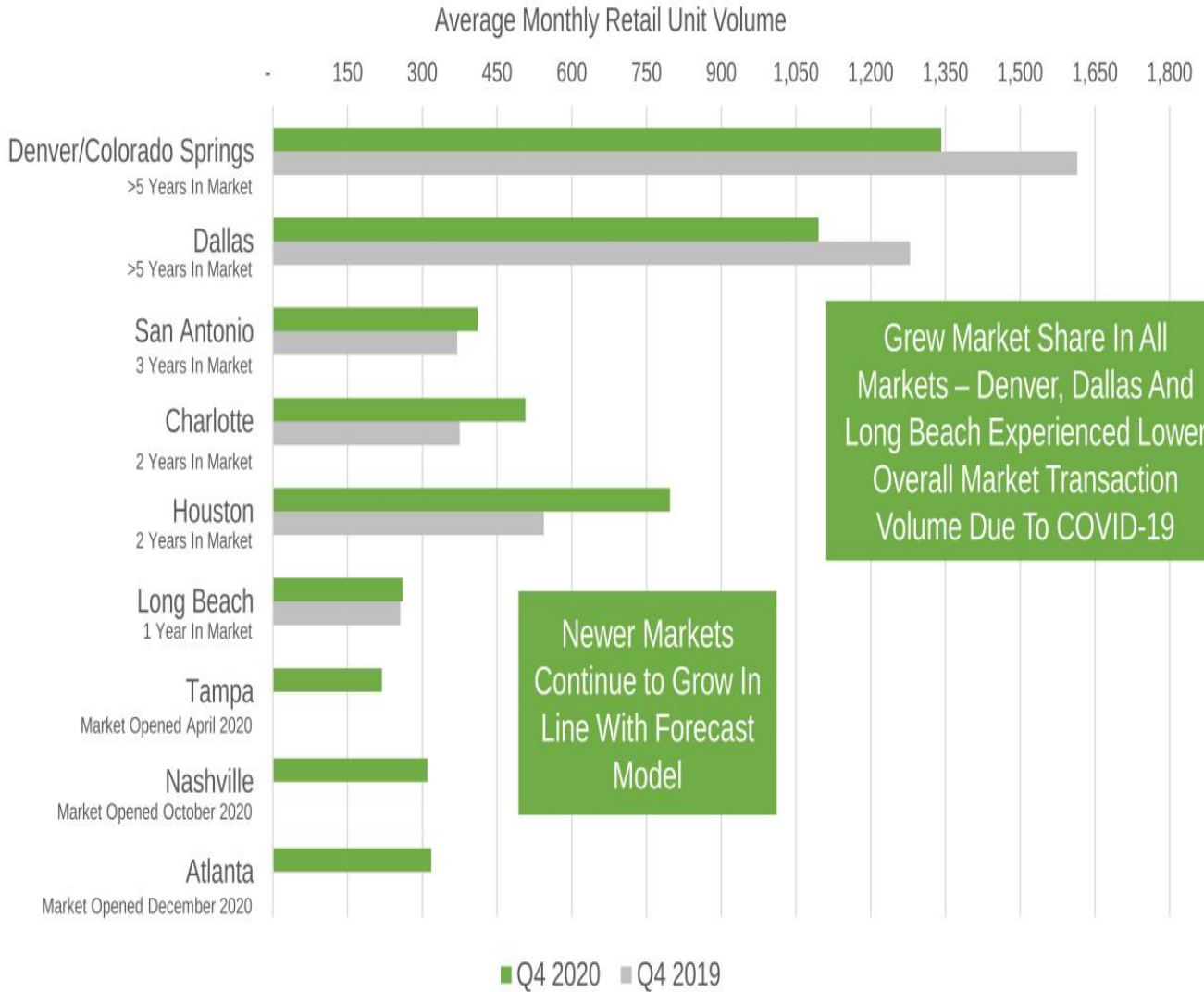
→ EchoPark – Adjusted EBITDA Trend



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



→ EchoPark – Market Maturity Comparison



Note – Delivery & Buy Center Sales are Included in the Retail Hub Market Where Inventory Resides (e.g., Greenville, SC is in the Charlotte Market)



Franchised Dealerships



→ Franchised Dealerships



84 Franchised Dealerships



20+ Brands, Luxury Weighted

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

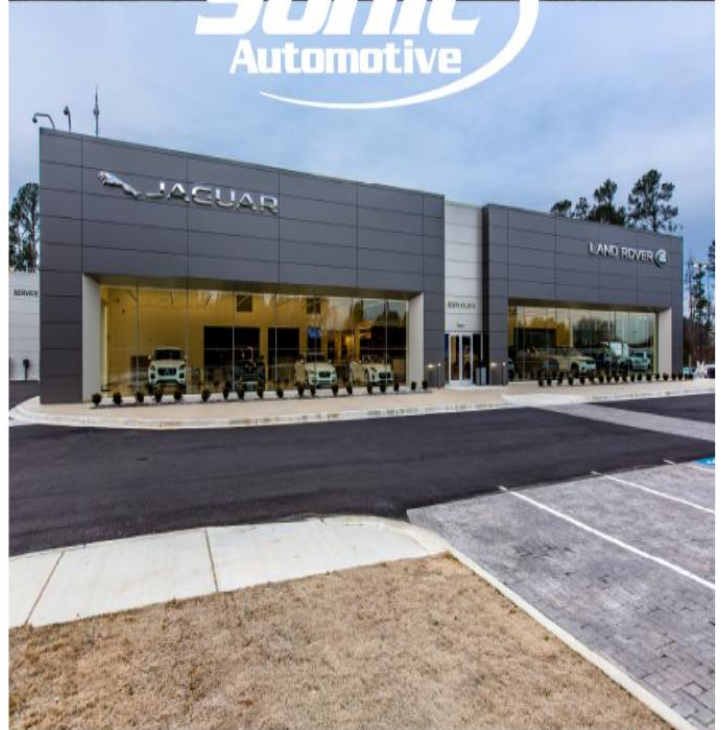


14 Collision Repair Centers

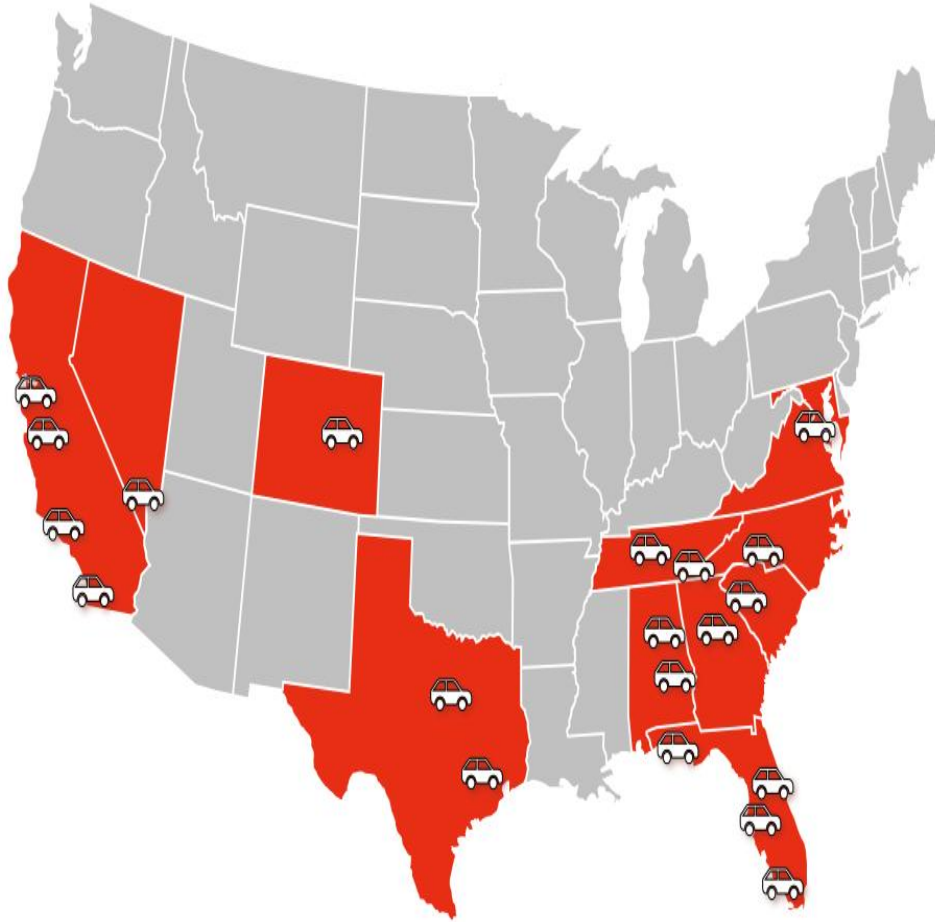


20 Major Metropolitan Markets

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



→ Franchised Dealerships – Geographic Footprint



Headquartered in
Charlotte, NC



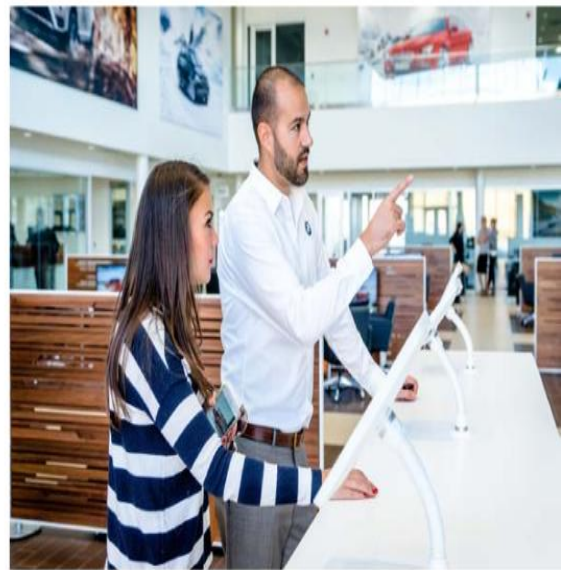
84 Stores, 20+ Brands,
14 Collision Repair Centers



Platforms in Major
Metro Markets



→ Franchised Dealerships – Strategic Levers





Omni-Channel Strategy



→ Full Omni-Channel Infrastructure



→ Buy & Sell Your Way



Buy & Sell Your Way

- Our Blend Of Brick And Mortar And eCommerce Strategies Allows Guests To Choose Their Preferred Buying Approach
- A Flexible, Guest-Centric Experience With Options
- Will Be Seamless To The Guest, Regardless of Which Path They Choose



Buy On-Site

- Complete A Traditional Vehicle Purchase Experience With A Modern, Technology-Enabled Approach
- Can Be Completed In Under An Hour



Start Online, Finish On-Site Or Buy Completely Online

- Research Online, Utilize Chat, Text, Phone, Zoom To Reduce In-Person Process
- Review And Select Insurance Products And Financing Options
- Includes Online Trade-In Appraisal And Firm Purchase Offer
- Complete A Full eCommerce Transaction In Minutes
- Test Drive And Finalize Purchase At Franchised Dealership, EchoPark Retail Hub Or EchoPark Delivery & Buy Center

Represents ~10% Of Q4 2020 Vehicle Sales Transactions



Q4 & FY 2020 Financial Snapshot



→ Q4 2020 – Consolidated Continuing Operations

(In millions, except per share data)	Q4 2020	B/(W) than Q4 2019	
		\$	%
Revenues	\$2,798.6	\$50.1	1.8%
Gross profit	\$389.1	(\$4.8)	(1.2%)
SG&A expenses	\$259.0	\$1.9	0.7%
SG&A expenses as % of gross profit	66.6%		(40) bps
Earnings from continuing operations before taxes	\$90.4	\$29.4	48.3%
Continuing Ops:			
Net income	\$57.5	\$11.2	24.2%
Diluted earnings per share	\$1.31	\$0.27	26.0%

Excluding The Effect Of Franchise Disposals, Revenues Increased 3.8% & Gross Profit Increased 0.7%
Sustained Expense Reductions Drove Profit And EPS Growth In Q4 2020

Q4 2020 Adjusted SG&A Expenses As % Of Gross Profit Decreased 560 Basis Points, To 68.1%

Q4 2020 Adjusted EPS Of \$1.50, Up 54.6% Compared To Q4 2019

Refer to Appendix for Calculation of Adjusted Results and Reconciliation of Non-GAAP Measures



→ FY 2020 – Consolidated Continuing Operations

(In millions, except per share data)	FY 2020	B/(W) than FY 2019	
		\$	%
Revenues	\$9,767.0	(\$687.3)	(6.6%)
Gross profit	\$1,423.6	(\$97.4)	(6.4%)
SG&A expenses	\$1,028.7	\$70.7	6.4%
SG&A expenses as % of gross profit	72.3%		0 bps
Earnings (loss) from continuing operations before taxes	(\$34.8)	(\$234.4)	(117.4%)
Continuing Ops:			
Net income (loss)	(\$50.7)	(\$195.2)	(135.1%)
Diluted earnings (loss) per share	(\$1.19)	(\$4.50)	(136.0%)

Excluding The Effect Of Franchise Disposals, Revenues Decreased 3.2% & Gross Profit Decreased 3.3%

FY 2020 Adjusted SG&A Expenses As % Of Gross Profit Decreased 400 Basis Points, To 72.9%

FY 2020 Adjusted EPS Of \$3.85, Up 45.3% Compared To FY 2019

Refer to Appendix for Calculation of Adjusted Results and Reconciliation of Non-GAAP Measures



→ Strong Balance Sheet And Liquidity

	December 31, 2020	December 31, 2019
	(In Millions)	
Cash and cash equivalents	\$ 170.3	\$ 29.1
Availability under the 2016 Revolving Credit Facility	214.7	230.7
Availability under our used vehicle floor plan facilities ⁽¹⁾	-	17.1
Availability under the 2019 Mortgage Facility	11.2	3.1
Availability under the 2020 Line Of Credit Facility	57.0	-
Floor plan deposit balance	73.2	-
Total available liquidity resources	\$ 526.4	\$ 280.0

	Covenant Requirement*	December 31, 2020	December 31, 2019
Liquidity ratio	≥ 1.05	1.18	1.11
Fixed charge coverage ratio	≥ 1.20	2.07	1.60
Total lease adjusted leverage ratio	≤ 5.75	2.78	3.21
Net debt to Adjusted EBITDA ratio⁽²⁾		1.29	2.20

**Strategic Management Actions Have Significantly Increased Available Liquidity
During The COVID-19 Pandemic**

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

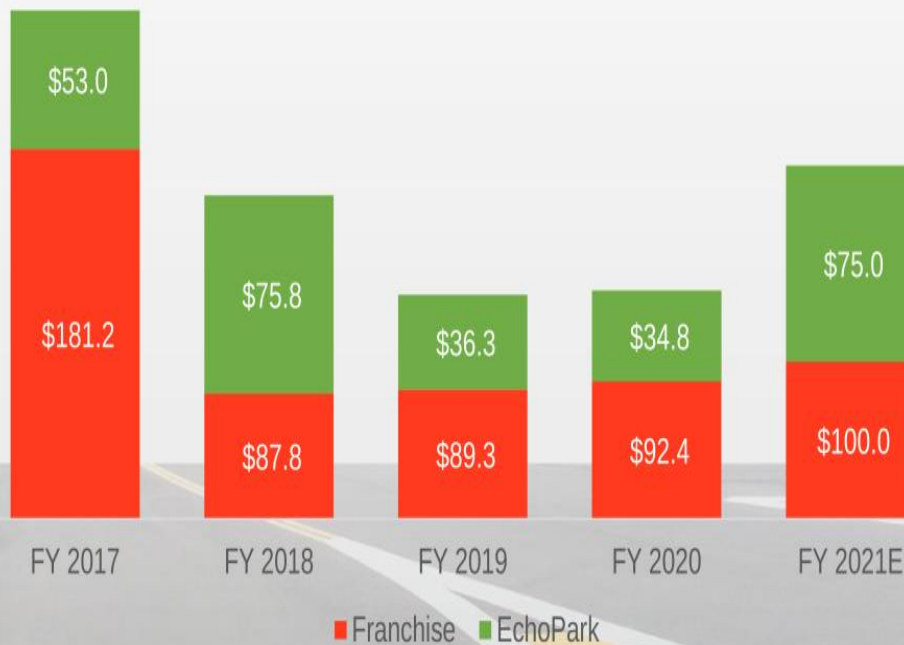
(1) During Q2 2020 Sonic Converted Its Used Vehicle Floor Plan Facilities From A Borrowing Base To A VIN-Specific Floor Plan Line. The December 31, 2020 Availability Under This Line Was \$34.6 Million.

(2) Refer to Appendix for Calculation of Adjusted Results and Reconciliation of Non-GAAP Measures



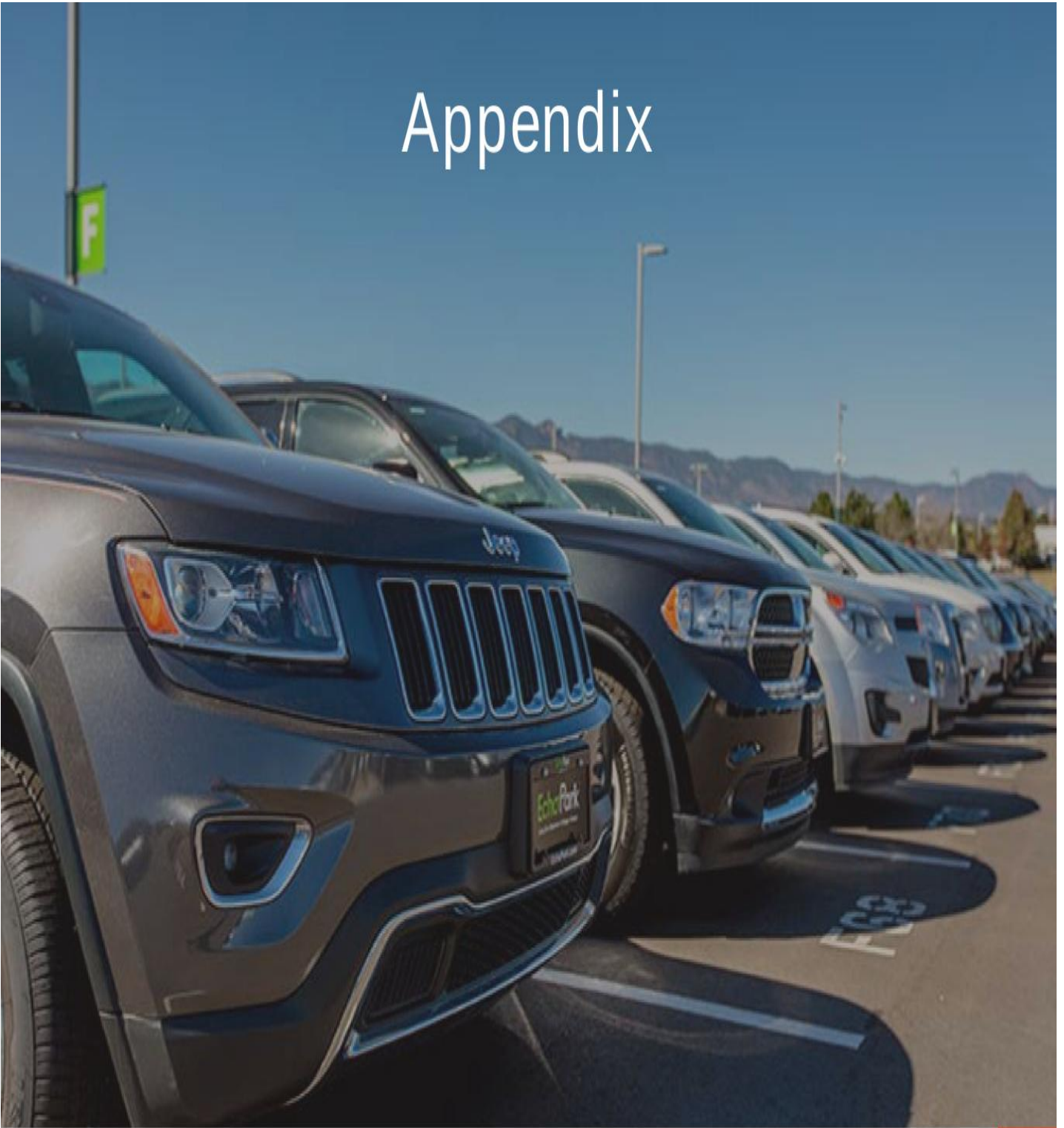
→ Capital Expenditure Discipline

Gross Capital Expenditures (In Millions)



Strict Capital Allocation Strategy Prioritizes Highest Return On Investment
Actual FY 2020 Capital Expenditures Of \$74.0 Million, Net Of Mortgage Proceeds
FY 2021E Includes Plans For 25 Additional EchoPark Locations

Appendix



→ Non-GAAP Reconciliation – Adjusted SG&A Expenses

	Q4 2020	Q4 2019	Better / (Worse)	
			Change	% Change
Reported :				
	(In millions)			
Compensation	\$ 176.1	\$ 184.5	\$ 8.4	4.6 %
Advertising	10.5	14.5	4.0	27.6 %
Rent	13.6	13.3	(0.3)	(2.3)%
Other	58.8	48.6	(10.2)	(21.0)%
Total SG&A expenses	<u>\$ 259.0</u>	<u>\$ 260.9</u>	<u>\$ 1.9</u>	0.7 %
Items of interest:				
Gain on franchise and real estate disposals	6.0	29.3		
Total SG&A Adjustments	<u>\$ 6.0</u>	<u>\$ 29.3</u>		
Adjusted :				
Total adjusted SG&A expenses	<u>\$ 265.0</u>	<u>\$ 290.2</u>	\$ 25.2	8.7 %
Reported				
SG&A expenses as a % of gross profit:				
Compensation	45.2%	46.8%	160 bps	
Advertising	2.7%	3.7%	100 bps	
Rent	3.5%	3.4%	(10) bps	
Other	15.2%	12.3%	(290) bps	
Total SG&A expenses as a % of gross profit	66.6%	66.2%	(40) bps	
Items of interest:				
Gain on franchise and real estate disposals	1.5 %	7.5 %		
Total effect of adjustments	1.5 %	7.5 %		
Adjusted				
Total SG&A expenses as a % of gross profit	<u>68.1%</u>	<u>73.7%</u>	560 bps	

→ Non-GAAP Reconciliation – Adjusted SG&A Expenses

	FY 2020	FY 2019	Better / (Worse)	
			Change	% Change
Reported :				
	(In millions)			
Compensation	\$ 659.8	\$ 733.9	\$ 74.1	10.1 %
Advertising	42.2	60.8	18.6	30.6 %
Rent	54.5	54.6	0.1	0.2 %
Other	272.8	250.1	(22.7)	(9.1)%
Total SG&A expenses	<u>\$ 1,029.3</u>	<u>\$ 1,099.4</u>	<u>\$ 70.1</u>	6.4 %
Items of interest:				
Gain on franchise and real estate disposals	9.2	76.0		
Executive transition costs	-	(6.3)		
Total SG&A Adjustments	<u>\$ 9.2</u>	<u>\$ 69.7</u>		
Adjusted :				
Total adjusted SG&A expenses	<u>\$ 1,038.5</u>	<u>\$ 1,169.1</u>	\$ 130.6	11.2 %
Reported				
SG&A expenses as a % of gross profit:				
Compensation	46.3%	48.3%	200 bps	
Advertising	3.0%	4.0%	100 bps	
Rent	3.8%	3.6%	(20) bps	
Other	19.2%	16.4%	(280) bps	
Total SG&A expenses as a % of gross profit	<u>72.3%</u>	<u>72.3%</u>	- bps	
Items of interest:				
Gain on franchise and real estate disposals	0.6 %	4.6 %		
Total effect of adjustments	0.6 %	4.6 %		
Adjusted				
Total SG&A expenses as a % of gross profit	<u>72.9%</u>	<u>76.9%</u>	400 bps	

→ Non-GAAP Reconciliation – Earnings Per Share

(In thousands, except per share amounts)	Q4 2020			Q4 2019		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
Diluted earnings (loss) and shares from continuing operations	44,022	\$ 57,483	\$ 1.31	44,463	\$ 46,270	\$ 1.04
Items of interest:						
Gain on franchise and real estate disposals		\$ (6,039)			\$ (29,303)	
Loss on debt extinguishment		-			7,157	
Impairment charges		1,158			17,692	
Total pre-tax items of interest		\$ (4,881)			\$ (4,454)	
Tax effect of above items		1,281			1,291	
Non-recurring tax items		11,941			-	
Adjusted diluted earnings (loss) and shares from continuing operations	44,022	\$ 65,824	\$ 1.50	44,463	\$ 43,107	\$ 0.97

→ Non-GAAP Reconciliation – Earnings Per Share

(In thousands, except per share amounts)	FY 2020			FY 2019		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
Diluted earnings (loss) and shares from continuing operations ⁽¹⁾	42,483	\$ (50,664)	\$ (1.19)	43,710	\$ 144,537	\$ 3.31
Items of interest:						
Gain on franchise and real estate disposals		\$ (9,188)			\$ (75,983)	
Executive transition costs		-			6,264	
Loss on debt extinguishment		-			7,157	
Impairment charges		269,158			19,618	
Total pre-tax items of interest		\$ 259,970			\$ (42,944)	
Tax effect of above items		(40,421)			14,194	
Adjusted diluted earnings (loss) and shares from continuing operations	43,903	\$ 168,885	\$ 3.85	43,710	\$ 115,787	\$ 2.65

(1) Basic Weighted-Average Shares Used For Twelve Months Ended December 31, 2020 Due To Net Loss On GAAP Basis



→ Non-GAAP Reconciliation – Segment Income

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
Revenues	\$ 2,411.6	\$ 2,439.9	\$ 386.9	\$ 308.6	\$ 2,798.6	\$ 2,748.4
Gross profit	\$ 363.0	\$ 364.6	\$ 26.1	\$ 29.2	\$ 389.1	\$ 393.9
SG&A expenses	\$ 235.9	\$ 237.8	\$ 23.0	\$ 23.1	\$ 259.0	\$ 260.9
Adjusted segment income	\$ 91.6	\$ 54.5	\$ (6.0)	\$ 2.1	\$ 85.6	\$ 56.6
Gain on franchise and real estate disposals	0.8	29.3	5.2	-	6.0	29.3
Loss on extinguishment of debt	-	(7.2)	-	-	-	(7.2)
Segment income	\$ 92.4	\$ 76.6	\$ (0.8)	\$ 2.1	\$ 91.6	\$ 78.7
Impairment charges	(1.2)	(1.1)	-	(16.6)	(1.2)	(17.7)
Earnings (loss) from continuing operations before taxes	\$ 91.2	\$ 75.5	\$ (0.8)	\$ (14.5)	\$ 90.4	\$ 61.0
Adjusted earnings (loss) from continuing operations before taxes	\$ 91.6	\$ 54.5	\$ (6.0)	\$ 2.1	\$ 85.6	\$ 56.6
Gain on franchise and real estate disposals	0.8	29.3	5.2	-	6.0	29.3
Loss on extinguishment of debt	-	(7.2)	-	-	-	(7.2)
Impairment charges	(1.2)	(1.1)	-	(16.6)	(1.2)	(17.7)
Earnings (loss) from continuing operations before taxes	\$ 91.2	\$ 75.5	\$ (0.8)	\$ (14.5)	\$ 90.4	\$ 61.0
Adjusted net income (loss) from continuing operations					\$ 65.8	\$ 43.1
Gain on franchise and real estate disposals (before taxes)					6.0	29.3
Loss on extinguishment of debt (before taxes)					-	(7.2)
Impairment charges (before taxes)					(1.2)	(17.7)
Tax effect of items of interest and non-recurring tax items					(13.1)	(1.2)
Net income (loss) from continuing operations					\$ 57.5	\$ 46.3
New vehicle unit sales volume	27,566	30,591	-	-	27,566	30,591
Retail used vehicle unit sales volume	25,490	27,099	14,841	12,676	40,331	39,775

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



→ Non-GAAP Reconciliation – Segment Income

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Revenues	\$ 8,348.1	\$ 9,292.3	\$ 1,419.0	\$ 1,162.0	\$ 9,767.0	\$ 10,454.3
Gross profit	\$ 1,309.4	\$ 1,408.6	\$ 114.2	\$ 112.4	\$ 1,423.6	\$ 1,521.0
SG&A expenses	\$ 933.7	\$ 1,011.8	\$ 94.9	\$ 87.6	\$ 1,028.7	\$ 1,099.4
Adjusted segment income	\$ 227.2	\$ 148.8	\$ (1.1)	\$ 9.2	\$ 226.1	\$ 158.0
Gain on franchise and real estate disposals	4.0	76.0	5.2	-	9.2	76.0
Executive transition costs	-	(6.3)	-	-	-	(6.3)
Loss on extinguishment of debt	-	(7.2)	-	-	-	(7.2)
Segment income	\$ 231.2	\$ 211.3	\$ 4.1	\$ 9.2	\$ 235.3	\$ 220.5
Impairment charges	(270.0)	(1.1)	-	(19.7)	(270.0)	(20.8)
Earnings (loss) from continuing operations before taxes	\$ (38.8)	\$ 210.2	\$ 4.1	\$ (10.5)	\$ (34.7)	\$ 199.7
Adjusted earnings (loss) from continuing operations before taxes	\$ 226.4	\$ 148.8	\$ (1.1)	\$ 8.0	\$ 225.3	\$ 156.8
Gain on franchise and real estate disposals	4.0	76.0	5.2	-	9.2	76.0
Executive transition costs	-	(6.3)	-	-	-	(6.3)
Loss on extinguishment of debt	-	(7.2)	-	-	-	(7.2)
Impairment charges	(269.2)	(1.1)	-	(18.5)	(269.2)	(19.6)
Earnings (loss) from continuing operations before taxes	\$ (38.8)	\$ 210.2	\$ 4.1	\$ (10.5)	\$ (34.7)	\$ 199.7
Adjusted net income (loss) from continuing operations					\$ 168.8	\$ 115.8
Gain on franchise and real estate disposals (before taxes)					9.2	76.0
Executive transition costs (before taxes)					-	(6.3)
Loss on extinguishment of debt (before taxes)					-	(7.2)
Impairment charges (before taxes)					(269.2)	(19.6)
Tax effect of items of interest and non-recurring tax items					40.5	(14.2)
Net income (loss) from continuing operations					\$ (50.7)	\$ 144.5
New vehicle unit sales volume	93,281	114,131	-	-	93,281	114,131
Retail used vehicle unit sales volume	101,864	112,629	57,161	49,520	159,025	162,149

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



→ Non-GAAP Reconciliation – Adjusted EBITDA

(In thousands)	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Net Income (Loss)	\$ 93,193	\$ 92,983	\$ 51,650	\$ 144,137	\$ (51,385)
Provision For Income Taxes	59,899	13,198	22,645	54,954	15,619
Income (Loss) Before Taxes	<u>\$ 153,092</u>	<u>\$ 106,181</u>	<u>\$ 74,295</u>	<u>\$ 199,091</u>	<u>\$ (35,766)</u>
Non-Floor Plan Interest	48,034	50,531	52,049	50,475	38,672
Depreciation and Amortization	81,034	92,127	96,652	95,646	93,922
Stock-Based Compensation Expense	11,165	11,119	11,853	10,797	11,704
Loss (Gain) On Exit Of Leased Dealerships	1,386	2,157	1,709	(170)	-
Impairment Charges	8,063	9,394	29,514	20,768	270,017
Loss (Gain) On Debt Extinguishment	(6)	14,607	-	6,690	-
Long-Term Compensation Charges	-	-	32,522	-	-
Loss (Gain) on Franchise and Real Estate Disposals	<u>48</u>	<u>(9,980)</u>	<u>(39,307)</u>	<u>(74,812)</u>	<u>(8,247)</u>
Adjusted EBITDA	<u>\$ 302,816</u>	<u>\$ 276,136</u>	<u>\$ 259,287</u>	<u>\$ 308,485</u>	<u>\$ 370,302</u>
Long-Term Debt (Including Current Portion)	\$ 882,678	\$ 1,024,703	\$ 945,083	\$ 706,886	\$ 720,067
Cash and Equivalents	(3,108)	(6,352)	(5,854)	(29,103)	(170,313)
Floor Plan Deposit Balance	(10,000)	(3,000)	-	-	(73,180)
Net Debt	<u>\$ 869,570</u>	<u>\$ 1,015,351</u>	<u>\$ 939,229</u>	<u>\$ 677,783</u>	<u>\$ 476,574</u>
Net Debt To Adjusted EBITDA Ratio	2.87	3.68	3.62	2.20	1.29

Note – Balance Sheet Amounts Are As Of December 31 for the FY Then Ended.

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q4 2020				Q4 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)				(In thousands)			
Net Income (Loss)				\$ 57,339				\$ 46,307
Provision For Income Taxes				32,845				14,703
Income (Loss) Before Taxes	\$ 91,211	\$ (833)	\$ (194)	\$ 90,184	\$ 75,466	\$ (14,518)	\$ 62	\$ 61,010
Non-Floor Plan Interest	8,963	201	-	9,164	12,335	435	-	12,770
Depreciation And Amortization	21,167	2,863	-	24,030	20,972	2,765	-	23,737
Stock-Based Compensation Expense	3,152	-	-	3,152	2,690	-	-	2,690
Impairment Charges	1,158	-	-	1,158	1,075	16,617	-	17,692
Loss On Debt Extinguishment	-	-	-	-	6,690	-	-	6,690
Gain On Franchise And Real Estate Disposals	(821)	(5,152)	-	(5,973)	(29,242)	-	-	(29,242)
Adjusted EBITDA	\$ 124,830	\$ (2,921)	\$ (194)	\$ 121,715	\$ 89,986	\$ 5,299	\$ 62	\$ 95,347

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q3 2020				Q3 2019			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(In thousands)			
Net Income (Loss)				\$ 59,818				\$ 29,010
Provision For Income Taxes				20,620				11,307
Income (Loss) Before Taxes	\$ 80,434	\$ 239	\$ (235)	\$ 80,438	\$ 38,417	\$ 2,123	\$ (223)	\$ 40,317
Non-Floor Plan Interest	9,781	147	-	9,928	12,011	402	-	12,413
Depreciation And Amortization	21,004	2,763	-	23,767	21,561	2,703	-	24,264
Stock-Based Compensation Expense	3,153	-	-	3,153	2,681	-	-	2,681
Impairment Charges	26	-	-	26	-	1,124	-	1,124
Gain On Franchise Disposals	(3,388)	-	-	(3,388)	823	-	-	823
Adjusted EBITDA	<u>\$ 111,010</u>	<u>\$ 3,149</u>	<u>\$ (235)</u>	<u>\$ 113,924</u>	<u>\$ 75,493</u>	<u>\$ 6,352</u>	<u>\$ (223)</u>	<u>\$ 81,622</u>

	Q2 2020				Q2 2019			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(In thousands)			
Net Income (Loss)				\$ 30,791				\$ 26,599
Provision For Income Taxes				6,353				10,009
Income (Loss) Before Taxes	\$ 34,856	\$ 2,577	\$ (289)	\$ 37,144	\$ 35,129	\$ 1,693	\$ (213)	\$ 36,608
Non-Floor Plan Interest	8,938	234	-	9,172	12,599	431	-	13,030
Depreciation And Amortization	20,514	2,758	-	23,272	21,736	2,668	-	24,404
Stock-Based Compensation Expense	2,971	-	-	2,971	2,612	-	-	2,612
Impairment Charges	833	-	-	833	-	-	-	-
Gain On Franchise Disposals	1,117	-	-	1,117	356	-	-	356
Adjusted EBITDA	<u>\$ 69,229</u>	<u>\$ 5,569</u>	<u>\$ (289)</u>	<u>\$ 74,509</u>	<u>\$ 72,432</u>	<u>\$ 4,792</u>	<u>\$ (213)</u>	<u>\$ 77,010</u>

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q1 2020				Q1 2019			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(In thousands)			
Net Income (Loss)				\$ (199,333)				\$ 42,221
Provision For Income Taxes				(44,200)				18,935
Income (Loss) Before Taxes	\$ (245,344)	\$ 2,096	\$ (285)	\$ (243,533)	\$ 61,156	\$ 180	\$ (180)	\$ 61,156
Non-Floor Plan Interest	10,043	365	-	10,408	11,829	433	-	12,262
Depreciation And Amortization	20,144	2,708	-	22,852	20,824	2,418	-	23,242
Stock-Based Compensation Expense	2,427	-	-	2,427	2,814	-	-	2,814
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(170)	-	-	(170)
Impairment Charges	268,000	-	-	268,000	26	1,926	-	1,952
Gain On Franchise Disposals	-	-	-	-	(46,750)	-	-	(46,750)
Adjusted EBITDA	\$ 55,270	\$ 5,169	\$ (285)	\$ 60,154	\$ 49,729	\$ 4,957	\$ (180)	\$ 54,506
	Q4 2019				Q4 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(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	21,086	2,211	-	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	\$ 89,986	\$ 5,299	\$ 62	\$ 95,347	\$ 85,455	\$ (2,059)	\$ (43)	\$ 83,353

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q3 2019				Q3 2018			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In thousands)				(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	<u>\$ 75,493</u>	<u>\$ 6,352</u>	<u>\$ (223)</u>	<u>\$ 81,622</u>	<u>\$ 67,196</u>	<u>\$ (3,029)</u>	<u>\$ (51)</u>	<u>\$ 64,116</u>
	Q2 2019				Q2 2018			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In thousands)				(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	<u>\$ 72,432</u>	<u>\$ 4,792</u>	<u>\$ (213)</u>	<u>\$ 77,010</u>	<u>\$ 61,027</u>	<u>\$ (2,168)</u>	<u>\$ (85)</u>	<u>\$ 58,774</u>

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q1 2019				Q1 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(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	20,824	2,418	-	23,242	22,830	1,666	-	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	<u>\$ 49,729</u>	<u>\$ 4,957</u>	<u>\$ (180)</u>	<u>\$ 54,506</u>	<u>\$ 56,417</u>	<u>\$ (3,353)</u>	<u>\$ (24)</u>	<u>\$ 53,040</u>
	Q4 2018				Q4 2017			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In thousands)				(In thousands)			
Net Income (Loss)				\$ 21,821				\$ 61,952
Provision For Income Taxes				9,150				(8,399)
Income (Loss) Before Taxes	\$ 37,388	\$ (6,196)	\$ (221)	\$ 30,971	\$ 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	21,086	2,211	-	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)	3	89	(988)	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	<u>\$ 85,455</u>	<u>\$ (2,059)</u>	<u>\$ (43)</u>	<u>\$ 83,353</u>	<u>\$ 99,722</u>	<u>\$ (1,115)</u>	<u>\$ (58)</u>	<u>\$ 98,549</u>

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q3 2018				Q3 2017			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)				(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



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