
**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): April 29, 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 April 29, 2021, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2021 (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 April 29, 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 April 29, 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.

SONIC AUTOMOTIVE, INC.

April 29, 2021

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports Record First Quarter Revenues and Earnings Per Share

First Quarter Results Reflect All-Time Record EchoPark Revenues and Retail Unit Sales Volume and Strong Franchised Dealership Performance

CHARLOTTE, N.C. – April 29, 2021 – [Sonic Automotive, Inc.](#) (“Sonic” or the “Company”) ([NYSE:SAH](#)), one of the nation’s largest automotive retailers, today reported financial results for the first quarter ended March 31, 2021. The financial measures discussed below are results for the first quarter of 2021 with comparisons made to the first quarter of 2020, unless otherwise noted. Certain metrics are also compared to the first quarter of 2019 to exclude the effects of the onset of the COVID-19 pandemic on comparative results.

First Quarter Highlights

- Record first quarter revenues of \$2.8 billion, up 20.7%, and record first quarter income from continuing operations before taxes of \$72.6 million, compared to a loss before taxes of \$243.2 million in the first quarter of 2020, which included a \$268.0 million non-cash goodwill impairment charge (excluding the effect of this prior year goodwill impairment charge, pre-tax earnings increased 193.1%)
- Record first quarter reported earnings from continuing operations of \$53.7 million (\$1.23 per diluted share), compared to a loss of \$199.1 million (loss of \$4.67 per diluted share) and adjusted earnings from continuing operations* of \$17.6 million (\$0.40 per diluted share) in the first quarter of 2020
- Record first quarter selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 72.2%, a decrease of 830 basis points from 80.5% in the first quarter of 2020
- All-time record quarterly total Finance & Insurance (“F&I”) gross profit per retail unit of \$2,045, up 8.5%
- Reported EchoPark results include:
 - All-time record quarterly EchoPark revenues of \$507.1 million, up 52.9%
 - All-time record quarterly EchoPark retail sales volume of 19,670, up 40.6%
 - EchoPark pre-tax earnings of \$2.0 million and Adjusted EBITDA* of \$6.2 million
- Same store Franchised Dealerships Segment operating results include:
 - Revenues up 16.4%, gross profit up 11.1% (up 13.9% and 12.3%, respectively, compared to the first quarter of 2019)
 - New vehicle unit sales volume up 13.8% (up 7.5% compared to the first quarter of 2019); new vehicle gross profit per unit up 34.3%, to \$2,831 (up 25.4% compared to the first quarter of 2019)
 - Retail used vehicle unit sales volume up 6.2% (up 8.6% compared to the first quarter of 2019); retail used vehicle gross profit per unit down 11.3%, to \$1,111 (down 13.0% compared to the first quarter of 2019)
 - Parts, service and collision repair gross profit down 1.8% (up 0.1% compared to the first quarter of 2019); customer pay gross profit up 1.6% (up 6.8% compared to the first quarter of 2019); gross margin up 150 basis points, to 50.2% (up 180 basis points compared to the first quarter of 2019)
 - F&I gross profit up 18.7% (up 27.4% compared to the first quarter of 2019); reported Franchised Dealerships Segment F&I gross profit per retail unit of \$1,910, up 8.5% (up 24.1% compared to the first quarter of 2019)
- Sonic’s Board of Directors approved a 20% increase to the Company’s quarterly cash dividend, to \$0.12 per share, payable on July 15, 2021 to all stockholders of record on June 15, 2021
- Sonic’s Board of Directors increased the Company’s share repurchase authorization by \$250.0 million, to a total of \$277.3 million of available authorization

Commentary

David Smith, Sonic’s and EchoPark’s Chief Executive Officer, commented, “Fiscal 2020 was a record-setting year from an adjusted earnings perspective, and this momentum has continued into 2021, where we generated record first quarter revenues and earnings driven by strong performance in both our franchised dealerships and EchoPark segments. EchoPark continues to set new records, achieving better than projected all-time record quarterly revenues and retail sales volume. The first quarter results at both our franchised dealerships and EchoPark stores reflect a strong demand environment which has persisted into the second quarter of 2021 to date. We remain confident in our goal of more than doubling total revenues to \$25.0 billion by 2025, while also substantially improving our expected profitability as we continue to apply the efficiencies we have realized over the past year.”

Jeff Dyke, Sonic’s and EchoPark’s President, commented, “We believe EchoPark’s swift growth demonstrates the long-term value proposition of this unique, pre-owned vehicle shopping concept, as a growing number of guests visit us in-store and online at [EchoPark.com](#) for the exceptional pricing, diverse inventory selection and guest-centric buying experience we offer. At the same time, we continue to develop our digital retail and delivery model, enabling consumers to purchase their next vehicle in an efficient way best tailored to their needs. With recent store openings in Phoenix, Arizona and Birmingham, Alabama, in addition to opening our latest delivery center in Charleston, South Carolina just last week, we remain committed to reaching a 140-point nationwide distribution

network by 2025, which we expect to retail over half a million pre-owned vehicles annually by that time. With our progress to date, we believe we are well on track to reach \$14.0 billion in EchoPark revenues by 2025.”

Heath Byrd, Sonic’s and EchoPark’s Chief Financial Officer, commented, “During the first quarter, we continued our commitment to fundamentally improving operating efficiencies and managing expenses throughout our entire organization, reducing SG&A expenses as a percentage of gross profit by 830 basis points compared to the first quarter of 2020. At the same time, we took steps to further strengthen our balance sheet position by replacing our existing revolving and floor plan facilities with a new four-year, \$1.8 billion revolving and floor plan credit facility. The credit facility was substantially oversubscribed, with strong support from both new and incumbent financial institutions. We are very pleased with this transaction, which has extended our debt maturities, improved our borrowing costs and increased our total available liquidity and floor plan capacity to facilitate our growth plans.”

*Adjusted earnings from continuing operations, adjusted earnings per diluted share from continuing operations 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 \$0.12 per share payable on July 15, 2021 to all stockholders of record on June 15, 2021.

First Quarter 2021 Earnings Conference Call

Senior management will hold a conference call on Thursday, April 29, 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 webcast, 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/1090549>. 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, 2020 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, 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 - Consolidated

	Three Months Ended March 31,		Better / (Worse) % Change
	2021	2020	
	(In thousands, except per share amounts)		
Revenues:			
New vehicles	\$ 1,156,317	\$ 959,489	20.5 %
Used vehicles	1,090,097	850,052	28.2 %
Wholesale vehicles	74,809	48,543	54.1 %
Total vehicles	2,321,223	1,858,084	24.9 %
Parts, service and collision repair	320,914	334,680	(4.1) %
Finance, insurance and other, net	144,661	115,292	25.5 %
Total revenues	2,786,798	2,308,056	20.7 %
Cost of sales:			
New vehicles	(1,086,852)	(914,074)	(18.9) %
Used vehicles	(1,059,229)	(817,922)	(29.5) %
Wholesale vehicles	(73,960)	(48,700)	(51.9) %
Total vehicles	(2,220,041)	(1,780,696)	(24.7) %
Parts, service and collision repair	(165,864)	(176,782)	6.2 %
Total cost of sales	(2,385,905)	(1,957,478)	(21.9) %
Gross profit	400,893	350,578	14.4 %
Selling, general and administrative expenses	(289,356)	(282,156)	(2.6) %
Impairment charges	—	(268,000)	100.0 %
Depreciation and amortization	(23,687)	(22,297)	(6.2) %
Operating income (loss)	87,850	(221,875)	139.6 %
Other income (expense):			
Interest expense, floor plan	(5,113)	(10,508)	51.3 %
Interest expense, other, net	(10,285)	(10,965)	6.2 %
Other income (expense), net	101	100	1.0 %
Total other income (expense)	(15,297)	(21,373)	28.4 %
Income (loss) from continuing operations before taxes	72,553	(243,248)	129.8 %
Provision for income taxes for continuing operations - benefit (expense)	(18,864)	44,117	(142.8) %
Income (loss) from continuing operations	53,689	(199,131)	127.0 %
Discontinued operations:			
Income (loss) from discontinued operations before taxes	720	(285)	352.6 %
Provision for income taxes for discontinued operations - benefit (expense)	(187)	83	(325.3) %
Income (loss) from discontinued operations	533	(202)	363.9 %
Net income (loss)	\$ 54,222	\$ (199,333)	127.2 %
Basic earnings (loss) per common share:			
Earnings (loss) per share from continuing operations	\$ 1.29	\$ (4.67)	127.6 %
Earnings (loss) per share from discontinued operations	0.02	(0.01)	300.0 %
Earnings (loss) per common share	\$ 1.31	\$ (4.68)	128.0 %
Weighted-average common shares outstanding	41,541	42,615	2.5 %
Diluted earnings (loss) per common share:			
Earnings (loss) per share from continuing operations	\$ 1.23	\$ (4.67)	126.3 %
Earnings (loss) per share from discontinued operations	0.02	(0.01)	300.0 %
Earnings (loss) per common share	\$ 1.25	\$ (4.68)	126.7 %
Weighted-average common shares outstanding	43,542	42,615	(2.2) %
Dividends declared per common share	\$ 0.10	\$ 0.10	— %

Franchised Dealerships Segment - Reported

	Three Months Ended March 31,		Better / (Worse) % Change
	2021	2020	
(In thousands, except unit and per unit data)			
Revenues:			
New vehicles	\$ 1,156,317	\$ 959,489	20.5 %
Used vehicles	661,534	566,888	16.7 %
Wholesale vehicles	56,204	42,440	32.4 %
Total vehicles	1,874,055	1,568,817	19.5 %
Parts, service and collision repair	308,077	324,501	(5.1)%
Finance, insurance and other, net	97,525	83,029	17.5 %
Total revenues	2,279,657	1,976,347	15.3 %
Gross Profit:			
New vehicles	69,465	45,415	53.0 %
Used vehicles	31,996	32,314	(1.0)%
Wholesale vehicles	736	(83)	986.7 %
Total vehicles	102,197	77,646	31.6 %
Parts, service and collision repair	155,265	158,096	(1.8)%
Finance, insurance and other, net	97,525	83,029	17.5 %
Total gross profit	354,987	318,771	11.4 %
Selling, general and administrative expenses	(250,076)	(256,418)	2.5 %
Impairment charges	—	(268,000)	NM
Depreciation and amortization	(20,376)	(19,589)	(4.0)%
Operating income (loss)	84,535	(225,236)	137.5 %
Other income (expense):			
Interest expense, floor plan	(4,117)	(9,608)	57.2 %
Interest expense, other, net	(9,958)	(10,599)	6.0 %
Other income (expense), net	83	99	(16.2)%
Total other income (expense)	(13,992)	(20,108)	30.4 %
Income (loss) before taxes	70,543	(245,344)	128.8 %
Add: impairment charges	—	268,000	NM
Segment income (loss)	\$ 70,543	\$ 22,656	211.4 %
Unit Sales Volume:			
New vehicles	24,358	21,724	12.1 %
Used vehicles	27,236	26,038	4.6 %
Wholesale vehicles	6,832	6,910	(1.1)%
Retail new & used vehicles	51,594	47,762	8.0 %
Used-to-New Ratio	1.12	1.20	(6.7)%
Gross Profit Per Unit:			
New vehicles	\$ 2,852	\$ 2,091	36.4 %
Used vehicles	\$ 1,175	\$ 1,241	(5.3)%
Finance, insurance and other, net	\$ 1,910	\$ 1,760	8.5 %

NM = Not Meaningful

Franchised Dealerships Segment - Same Store

	Three Months Ended March 31,		Better / (Worse) % Change
	2021	2020	
(In thousands, except unit and per unit data)			
Revenues:			
New vehicles	\$ 1,156,317	\$ 950,589	21.6 %
Used vehicles	661,534	560,796	18.0 %
Wholesale vehicles	56,204	42,103	33.5 %
Total vehicles	1,874,055	1,553,488	20.6 %
Parts, service and collision repair	306,190	321,295	(4.7)%
Finance, insurance and other, net	92,246	77,692	18.7 %
Total revenues	\$ 2,272,491	\$ 1,952,475	16.4 %
Gross Profit:			
New vehicles	\$ 68,956	\$ 45,115	52.8 %
Used vehicles	30,273	32,141	(5.8)%
Wholesale vehicles	736	(49)	1,602.0 %
Total vehicles	99,965	77,207	29.5 %
Parts, service and collision repair	153,682	156,465	(1.8)%
Finance, insurance and other, net	92,246	77,692	18.7 %
Total gross profit	\$ 345,893	\$ 311,364	11.1 %
Unit Sales Volume:			
New vehicles	24,358	21,410	13.8 %
Used vehicles	27,236	25,635	6.2 %
Wholesale vehicles	6,832	6,838	(0.1)%
Retail new & used vehicles	51,594	47,045	9.7 %
Used-to-New Ratio	1.12	1.20	(6.6)%
Gross Profit Per Unit:			
New vehicles	\$ 2,831	\$ 2,107	34.4 %
Used vehicles	\$ 1,112	\$ 1,254	(11.3)%
Finance, insurance and other, net	\$ 1,807	\$ 1,672	8.1 %

Note: All currently operating franchised dealership stores are included within the same store group as of the first full month following the first anniversary of the store's opening or acquisition.

EchoPark Segment - Reported

	Three Months Ended March 31,		Better / (Worse)
	2021	2020	% Change
(In thousands, except unit and per unit data)			
Revenues:			
Used vehicles	\$ 428,563	\$ 283,164	51.3 %
Wholesale vehicles	18,605	6,103	204.9 %
Total vehicles	447,168	289,267	54.6 %
Parts, service and collision repair	12,837	10,179	26.1 %
Finance, insurance and other, net	47,136	32,263	46.1 %
Total revenues	507,141	331,709	52.9 %
Gross Profit:			
Used vehicles	(1,128)	(184)	(513.0)%
Wholesale vehicles	113	(74)	252.7 %
Total vehicles	(1,015)	(258)	(293.4)%
Parts, service and collision repair	(215)	(198)	(8.6)%
Finance, insurance and other, net	47,136	32,263	46.1 %
Total gross profit	45,906	31,807	44.3 %
Selling, general and administrative expenses	(39,280)	(25,738)	(52.6)%
Impairment charges	—	—	— %
Depreciation and amortization	(3,311)	(2,708)	(22.3)%
Operating income (loss)	3,315	3,361	(1.4)%
Other income (expense):			
Interest expense, floor plan	(996)	(900)	(10.7)%
Interest expense, other, net	(327)	(366)	10.7 %
Other income (expense), net	18	1	1,700.0 %
Total other income (expense)	(1,305)	(1,265)	(3.2)%
Income (loss) before taxes	2,010	2,096	(4.1)%
Add: impairment charges	—	—	NM
Segment income (loss)	\$ 2,010	\$ 2,096	(4.1)%
Unit Sales Volume:			
Used vehicles	19,670	13,986	40.6 %
Wholesale vehicles	2,861	1,765	62.1 %
Gross Profit Per Unit:			
Total used vehicle and F&I	\$ 2,339	\$ 2,294	2.0 %

NM = Not Meaningful

EchoPark Segment - Same Market

	Three Months Ended March 31,		Better / (Worse) % Change
	2021	2020	
(In thousands, except unit and per unit data)			
Revenues:			
Used vehicles	\$ 333,577	\$ 283,164	17.8 %
Wholesale vehicles	15,555	6,103	154.9 %
Total vehicles	349,132	289,267	20.7 %
Parts, service and collision repair	10,103	10,145	(0.4)%
Finance, insurance and other, net	36,823	32,263	14.1 %
Total revenues	\$ 396,058	\$ 331,675	19.4 %
Gross Profit:			
Used vehicles	\$ (1,485)	\$ (184)	(707.1)%
Wholesale vehicles	122	(74)	264.9 %
Total vehicles	(1,363)	(258)	(428.3)%
Parts, service and collision repair	7	(197)	103.6 %
Finance, insurance and other, net	36,823	32,263	14.1 %
Total gross profit	\$ 35,467	\$ 31,808	11.5 %
Unit Sales Volume:			
Used vehicles	15,128	13,986	8.2 %
Wholesale vehicles	2,230	1,765	26.3 %
Gross Profit Per Unit:			
Total used vehicle and F&I	\$ 2,336	\$ 2,294	1.8 %

Note: All currently operating EchoPark stores in a local geographic market are included within the same market group as of the first full month following the first anniversary of the market's opening.

Selling, General and Administrative ("SG&A") Expenses - Consolidated

	Three Months Ended March 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 188,492	\$ 174,422	\$ (14,070)	(8.1) %
Advertising	12,169	14,135	1,966	13.9 %
Rent	13,744	13,865	121	0.9 %
Other	74,951	79,734	4,783	6.0 %
Total SG&A expenses	<u>\$ 289,356</u>	<u>\$ 282,156</u>	<u>\$ (7,200)</u>	(2.6) %
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 289,356</u>	<u>\$ 282,156</u>	<u>\$ (7,200)</u>	(2.6) %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	47.0 %	49.8 %	280 bps	
Advertising	3.0 %	4.0 %	100 bps	
Rent	3.4 %	4.0 %	60 bps	
Other	18.8 %	22.7 %	390 bps	
Total SG&A expenses as a % of gross profit	<u>72.2 %</u>	<u>80.5 %</u>	<u>830 bps</u>	
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>72.2 %</u>	<u>80.5 %</u>	830 bps	

Earnings Per Share from Continuing Operations - Non-GAAP Reconciliation

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
	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⁾	43,542	\$ 53,689	\$ 1.23	42,615	\$ (199,131)	\$ (4.67)
Pre-tax items of interest:						
Impairment charges		\$ —			\$ 268,000	
Total pre-tax items of interest		\$ —			\$ 268,000	
Tax effect of above items		\$ —			\$ (51,295)	
Adjusted diluted earnings (loss) and shares from continuing operations	43,542	\$ 53,689	\$ 1.23	43,432	\$ 17,574	\$ 0.40

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

Adjusted EBITDA - Non-GAAP Reconciliation

	Three Months Ended March 31, 2021				Three Months Ended March 31, 2020			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net income (loss)				\$ 54,222				\$ (199,333)
Provision for income taxes				19,051				(44,200)
Income (loss) before taxes	\$ 70,543	\$ 2,010	\$ 720	\$ 73,273	\$ (245,344)	\$ 2,096	\$ (285)	\$ (243,533)
Non-floor plan interest	9,127	334	—	9,461	10,043	365	—	10,408
Depreciation and amortization	21,206	3,304	—	24,510	20,144	2,708	—	22,852
Stock-based compensation expense	3,485	—	—	3,485	2,427	—	—	2,427
Asset impairment charges	—	—	—	—	268,000	—	—	268,000
Long-term compensation charges	—	500	—	500	—	—	—	—
Loss (gain) on franchise and real estate disposals	(21)	14	—	(7)	—	—	—	—
Adjusted EBITDA	\$ 104,340	\$ 6,162	\$ 720	\$ 111,222	\$ 55,270	\$ 5,169	\$ (285)	\$ 60,154

Sonic Automotive –

Investor Presentation

April 2021



EchoPark
AUTOMOTIVE

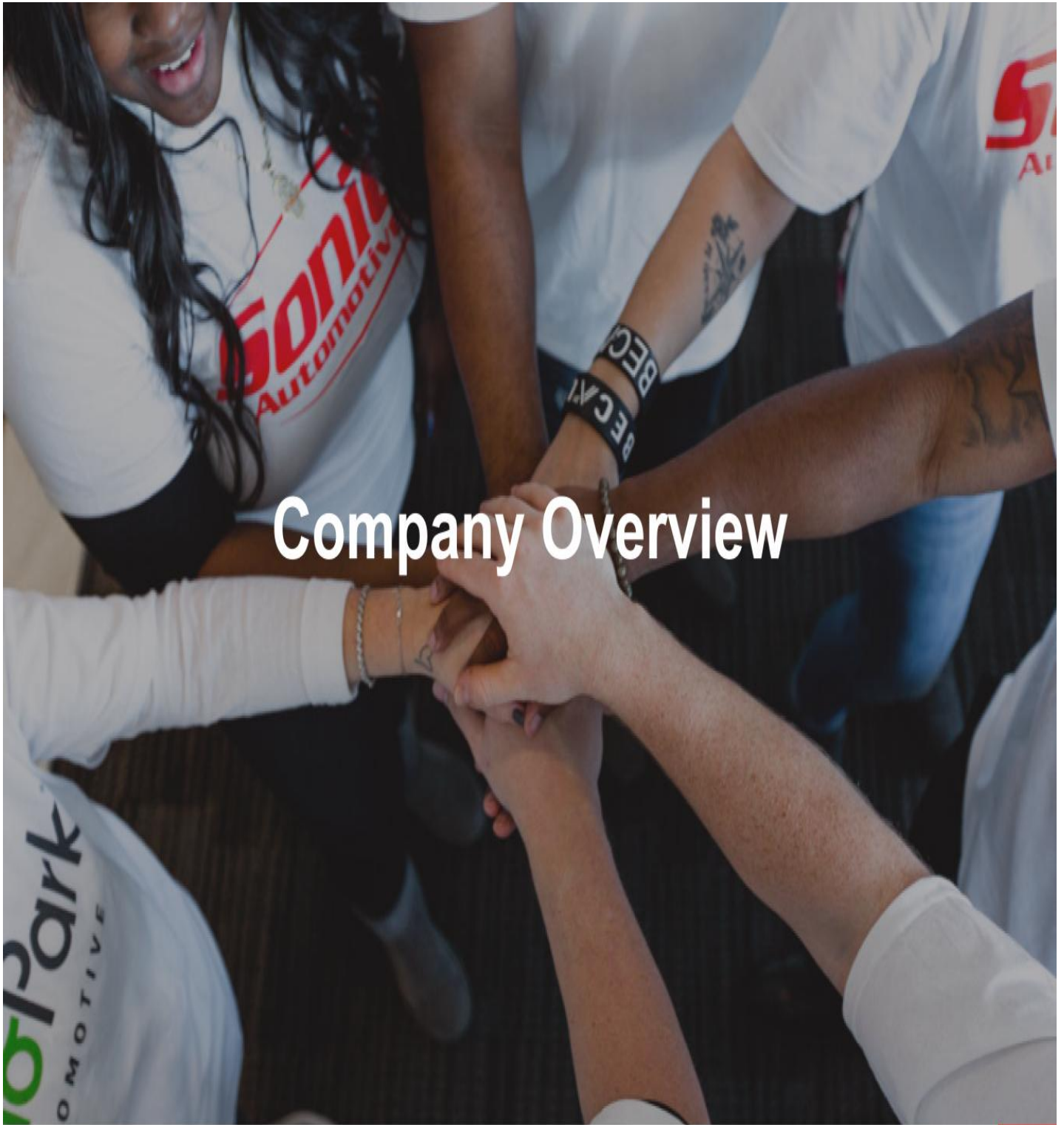
Updated April 29, 2021

→ 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, our anticipated future new vehicle unit sales volume, revenues and profitability, our anticipated future used vehicle unit sales volume, revenues and profitability, our anticipated future parts, service and collision repair (“Fixed Operations”) gross profit, our anticipated expense reductions, long-term annual revenue and profitability targets, anticipated future growth capital expenditures 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, 2020 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.



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 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 Hagggle Purchase Experience Drives Industry-Leading Used Vehicle Volume Throughput

QUICK FACTS

107

Locations

14

Collision Centers

20+

Automotive Brands

14

States

\$9.8 Billion

Total Revenues

\$1.4 Billion

Gross Profit

93K

New Vehicles Sold

159K

Used Vehicles Sold

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



→ Investment Highlights

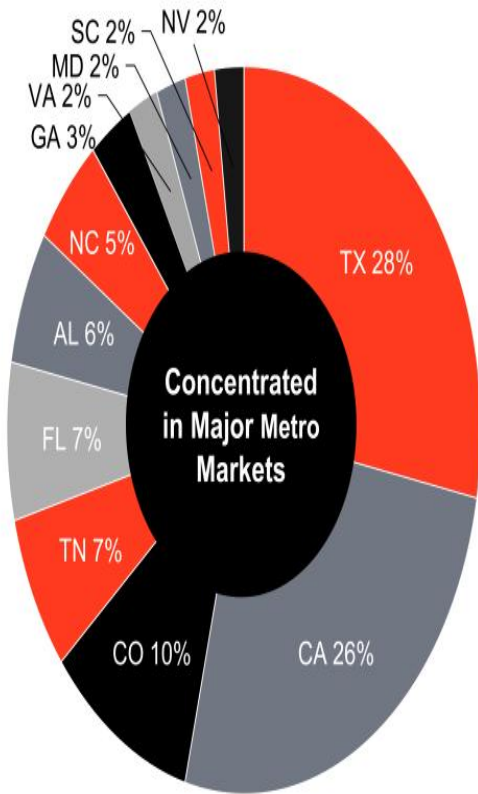


Note: Total revenue projection is estimate of future results. Actual results may differ. See "Forward-Looking Statements."

→ 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%
Import	20%	Other Luxury (1)	2%
		Honda	11%
		Toyota	7%
		Hyundai	1%
		Volkswagen	1%
		Nissan	<1%
EchoPark	15%	Non-Franchise	15%
Domestic	10%	Ford	5%
		General Motors (2)	5%

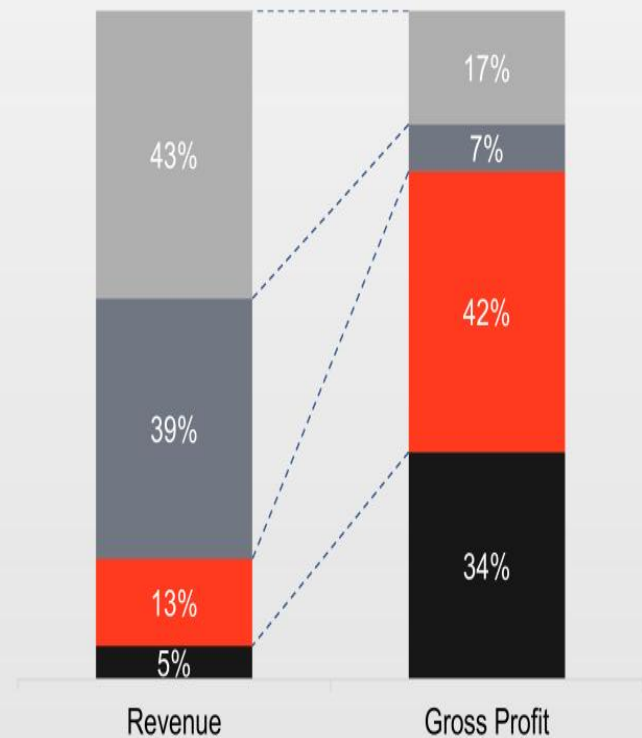
(1) Includes Volvo, Jaguar, Acura and Infiniti

(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

**Priced Up to
\$3,000 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

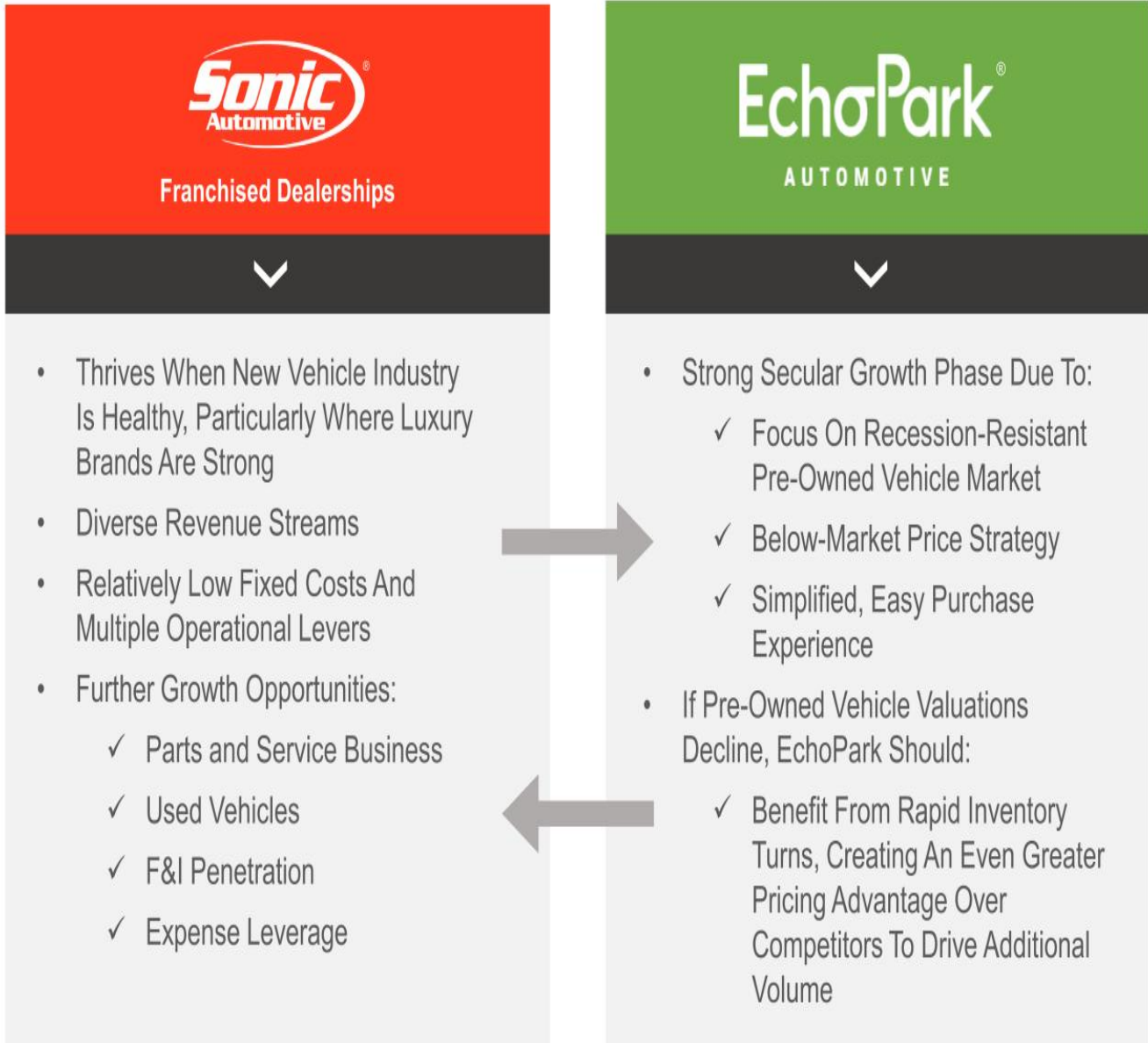
5X Volume Per Store Per Month vs. Sonic Franchised Stores

Gross Profit Per Unit ("GPU")	Franchised Used	EchoPark	B (W)
Front-End Used Vehicle GPU	\$1,300	\$(100)	
F&I GPU	\$1,600	\$2,250	
Parts and Service Reconditioning GPU	\$500	-	
Total Used-Related GPU	\$3,400	\$2,150	(\$1,250)
Volume Differential Factor	x1	X5	
Pro Forma Comparative Used-Related Gross Profit	\$3,400	\$10,750	\$7,350

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

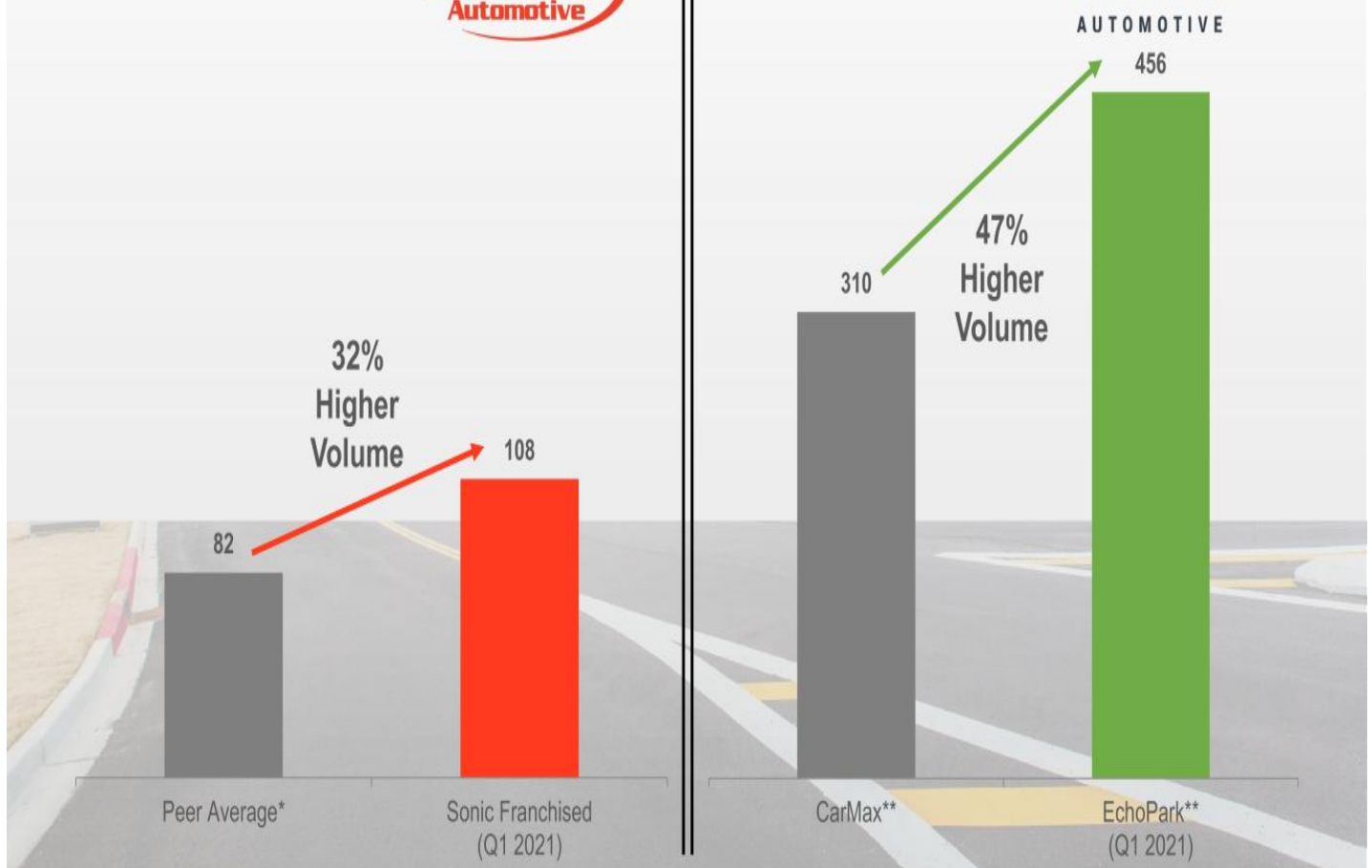


→ Complementary Relationship Between Segments



→ Industry-Leading Used Vehicle Volume Throughput

Retail Used Vehicle Unit Sales Per Store Per Month



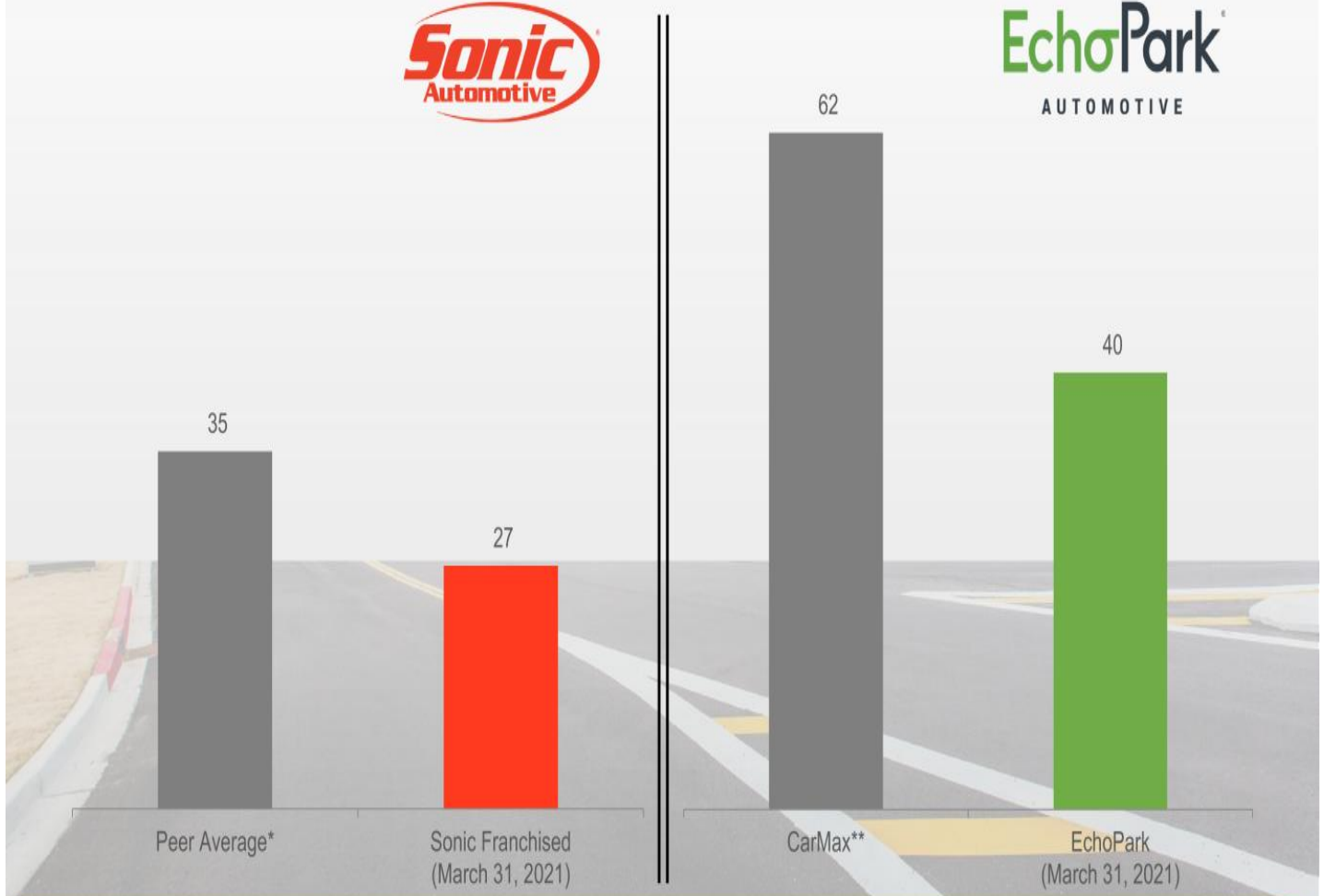
Utilize Highly Efficient Inventory Sourcing, Pricing And Selling Processes To Maximize Throughput

* Peer Average Is Store Count As Of And Unit Sales For The Quarter Ended December 31, 2020 For GPI, And As Of And For The Quarter Ended March 31, 2021 For ABG, AN, LAD And PAG
** CarMax Data Is Store Count As Of And Unit Sales For The Quarter Ended February 28, 2021, EchoPark Data Includes Retail Hub Markets Open For At Least 12 Full Months
Note: Data Source – Company Filings, Company Websites



→ Inventory Management Expertise

Used Vehicle Inventory Days' Supply



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

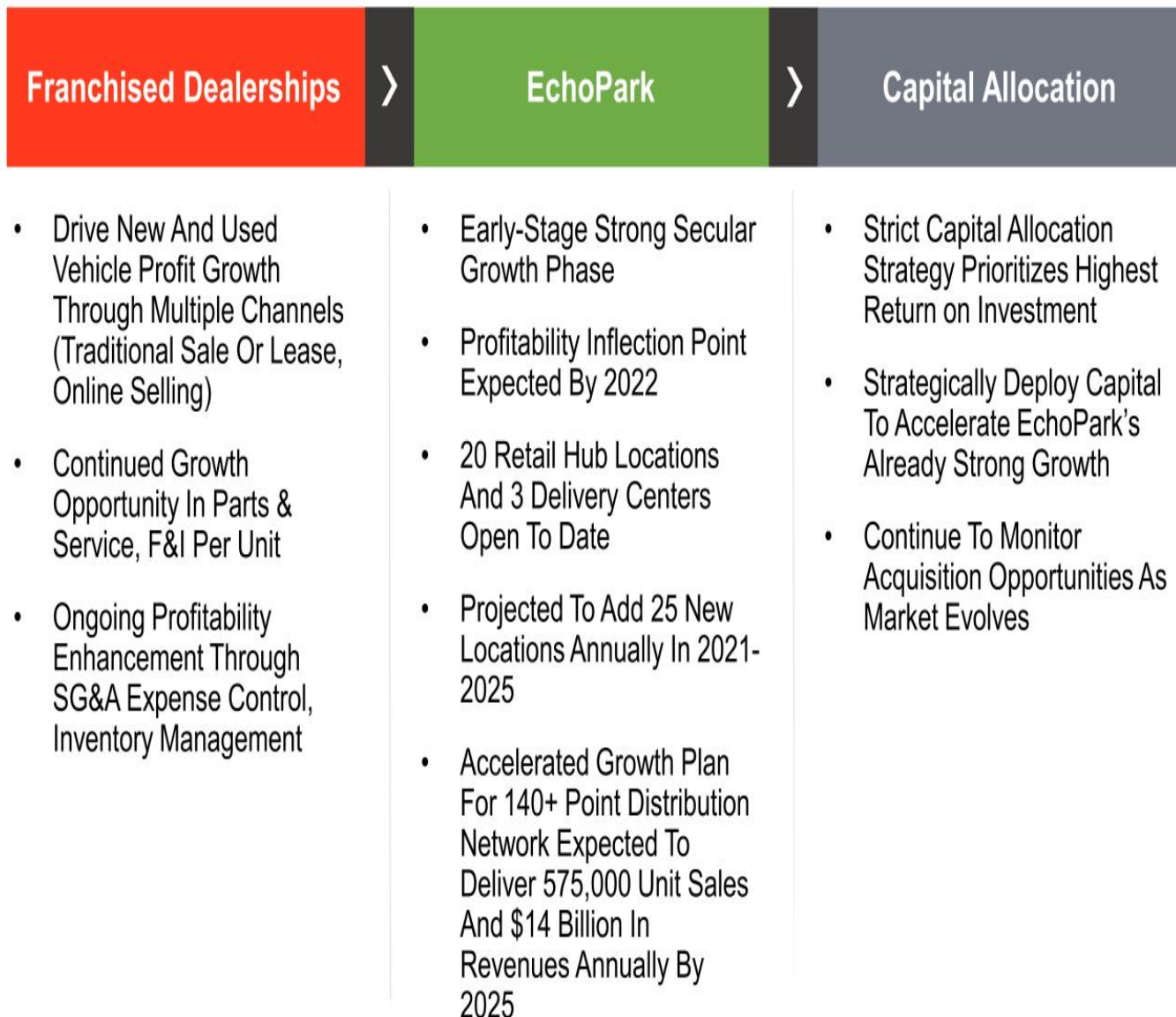
* Peer Average Is As Of December 31, 2020 For GPI, And As Of March 31, 2021 For ABG, AN, LAD And PAG

** CarMax Data Is As Of February 28, 2021

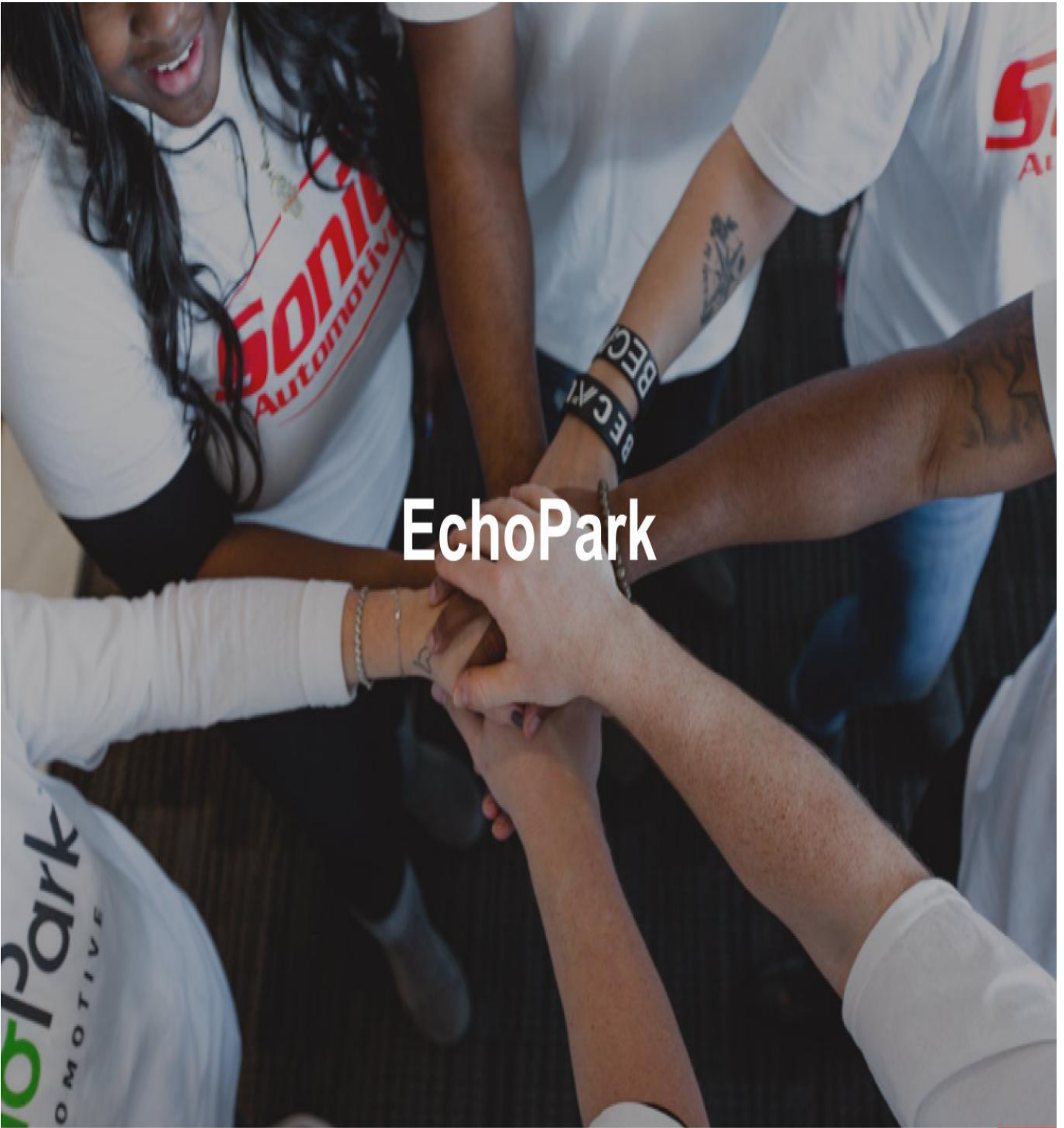
Note: Data Source – Company Filings, Calculated Based On Reported Trailing Quarter Cost Of Sales If Not Explicitly Disclosed



→ Strategic Direction



Note: Profitability and revenue projection are estimates of future results. Actual results may differ. See "Forward-Looking Statements."



→ EchoPark – Brand Promise



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

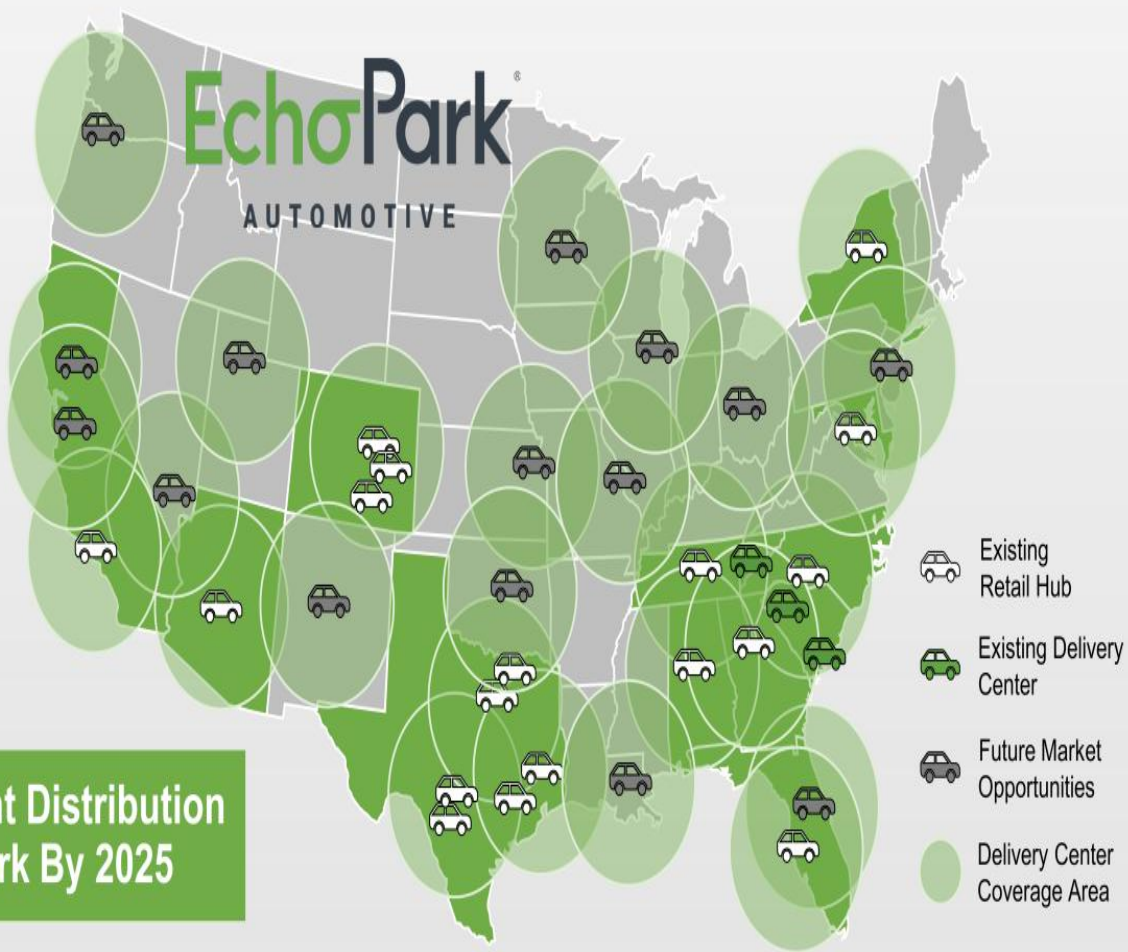


Complete Purchase
In Under An Hour

The Full Omni-Channel Option



→ EchoPark – Developing Nationwide Distribution Network



140+ Point Distribution Network By 2025

Note: Future location counts are based on projections. Actual results may differ. See "Forward-Looking Statements."

→ EchoPark – Modeled 4-Wall Economics At Maturity

(Modeled Metrics Assume 100% Maturity)	Delivery 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%+

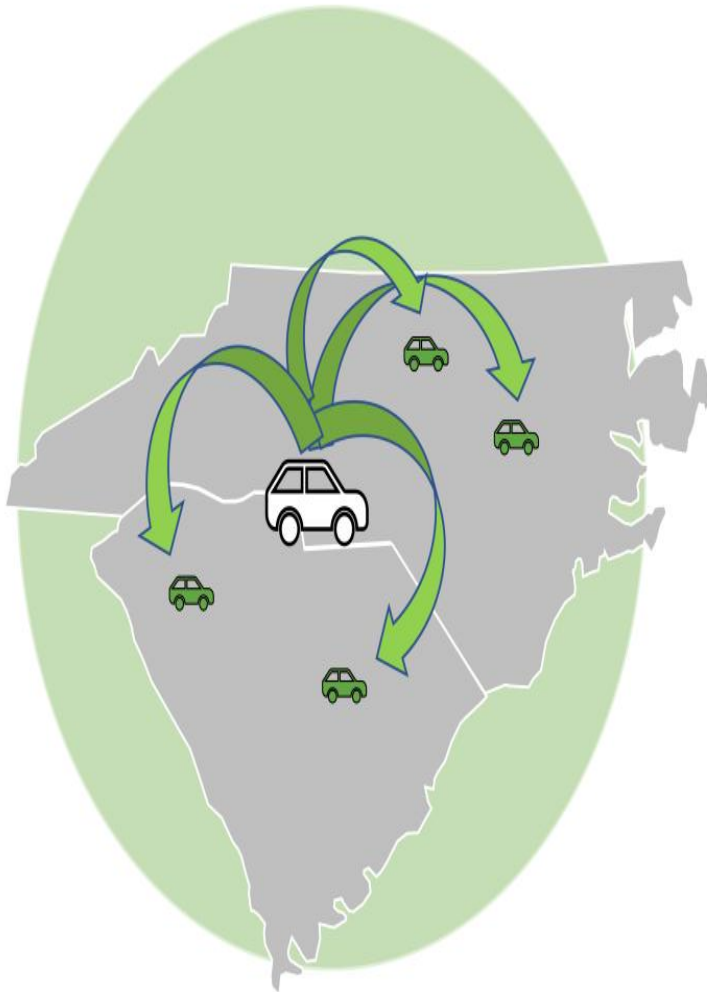
35% - 50%

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 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. See "Forward-Looking Statements."



→ EchoPark – Delivery Center Model



 Existing Retail Hub

 Example Delivery Center Market Coverage Opportunity

Delivery 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 Transport To EchoPark Delivery Center
- Guest Picks Up Vehicle At EchoPark Delivery Center Near Their Home (Next-To-Last-Mile Delivery)

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 Center Locations

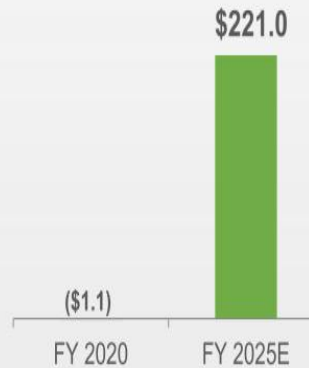
- Greenville, SC (Opened July 2020)
- Knoxville, TN (Opened December 2020)
- Charleston, SC (Opened April 2021)
- Expect To Open 20 Delivery Centers Annually From 2021-2025

→ EchoPark – 5-Year Accelerated Growth Forecast

Total Revenues (In Billions)



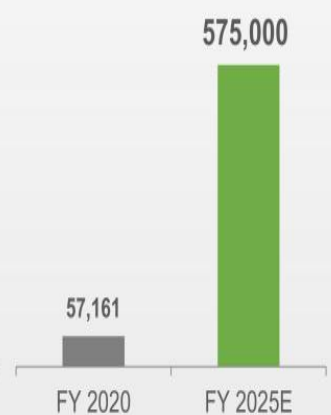
Pre-Tax Profit (Loss) (In Millions)



EBITDA (In Millions)



Retail Unit Sales Volume



Rate Of Expansion

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

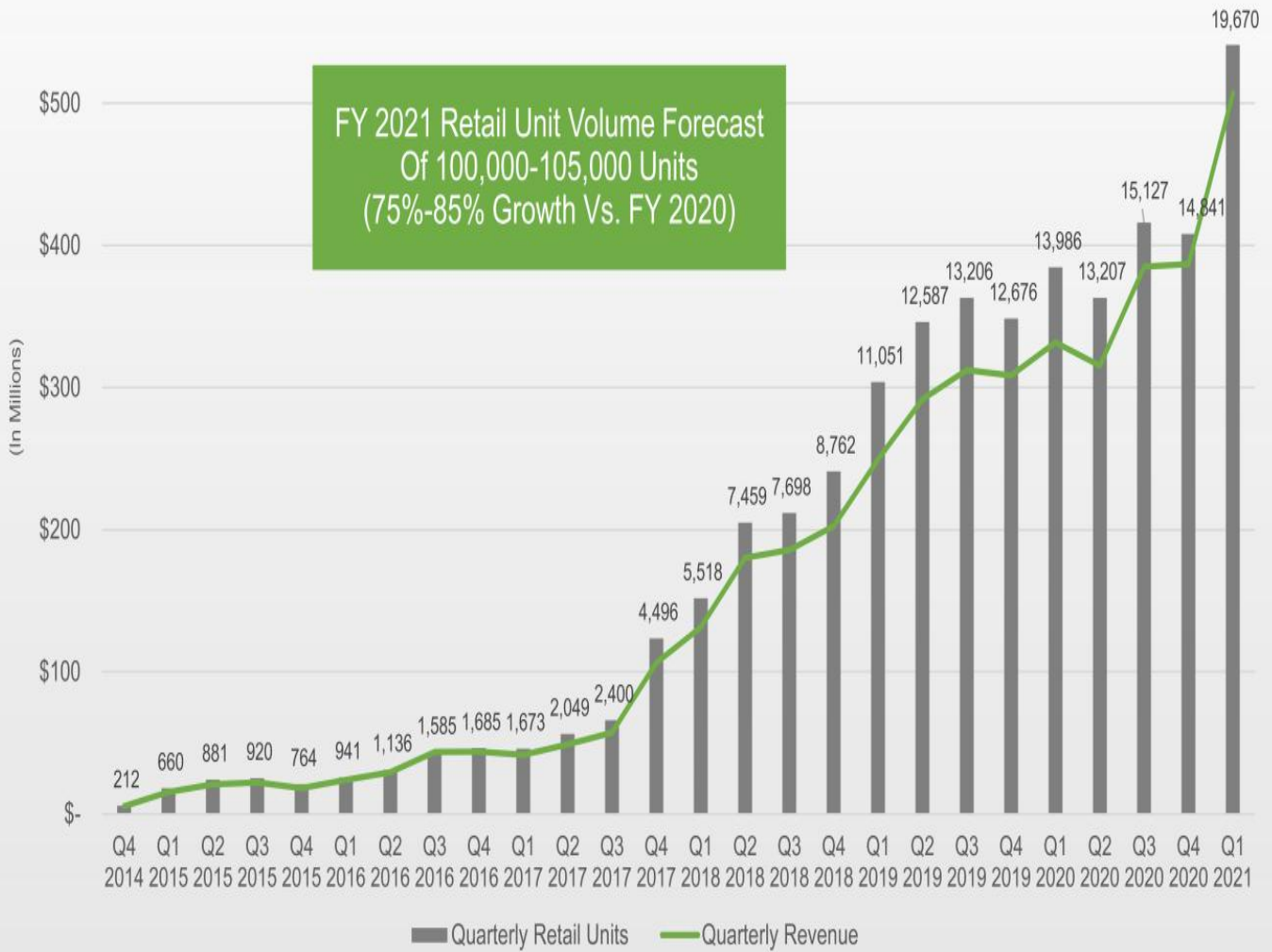
Total Addressable Market

- ~20 Million 0-4 Year Old Vehicle Transactions Annually
- Existing Stores Generate ~400,000 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.



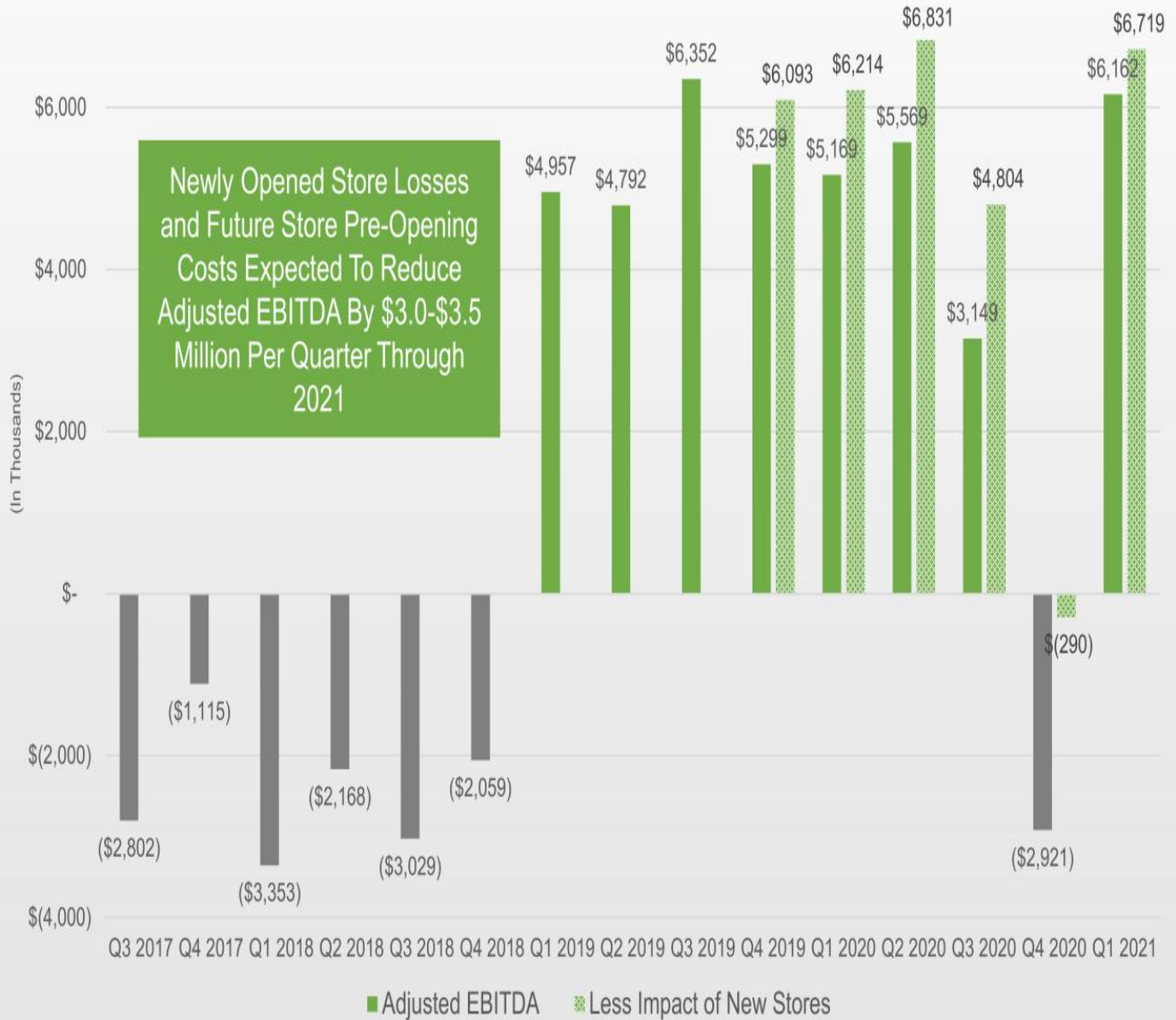
→ EchoPark – Growth Path



32.5% Sequential Unit Growth Outperformed Our Q1 2021 Forecast Volume Of 18,000-19,000 Units



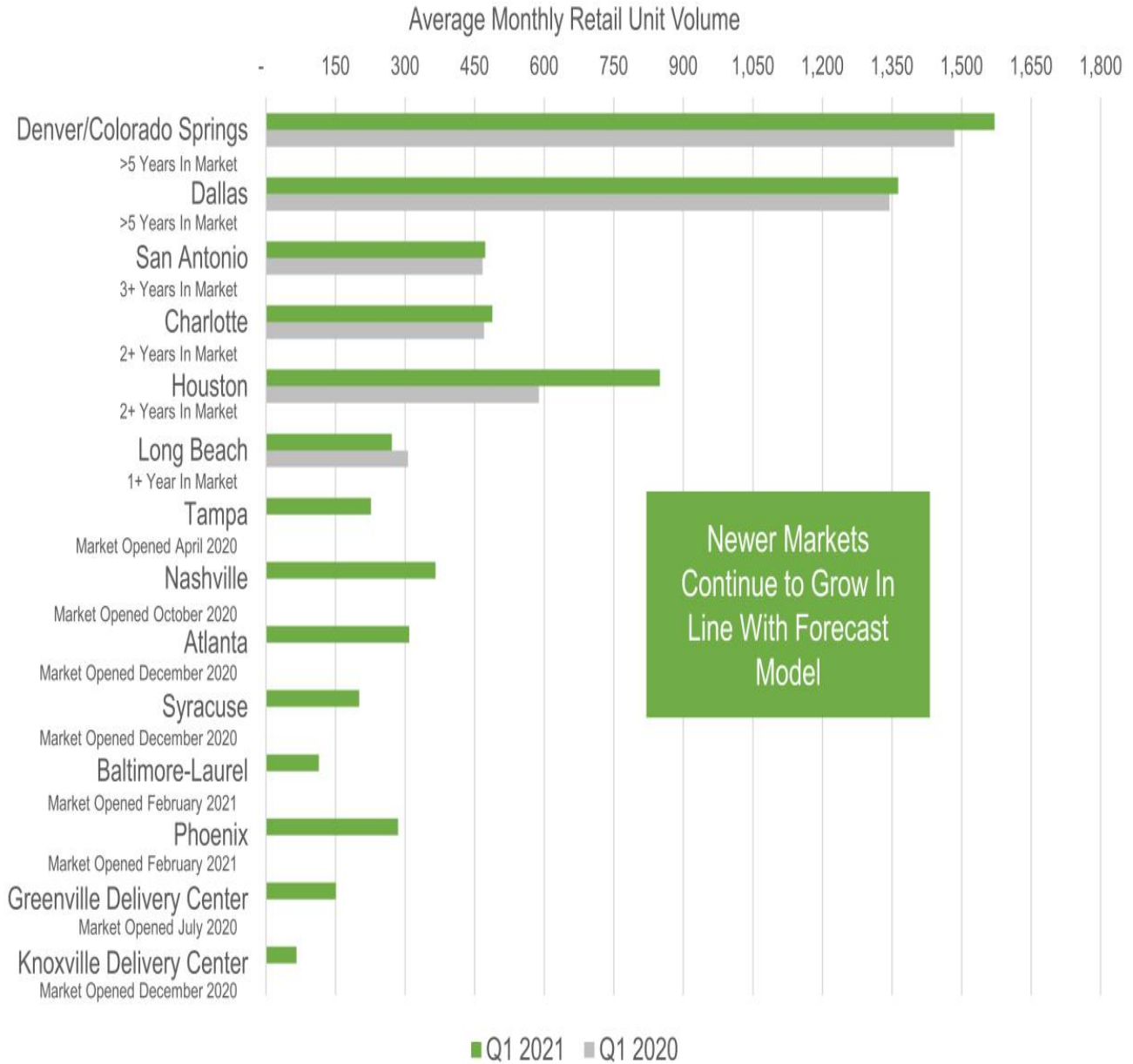
→ EchoPark – Adjusted EBITDA Trend



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



→ EchoPark – Market Maturity Comparison





Franchised Dealerships



→ Franchised Dealerships



84 Franchised Dealerships



20+ Brands, Luxury Weighted

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

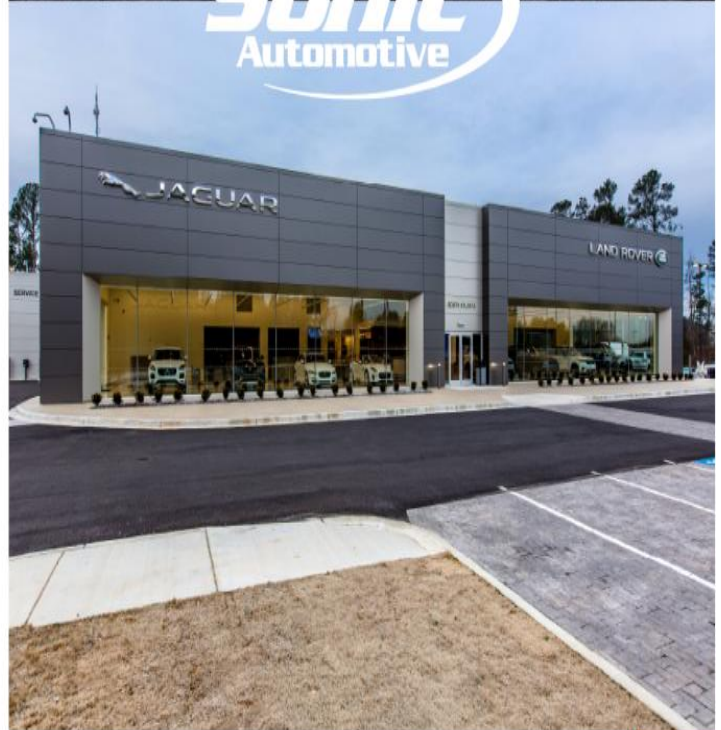


14 Collision Repair Centers

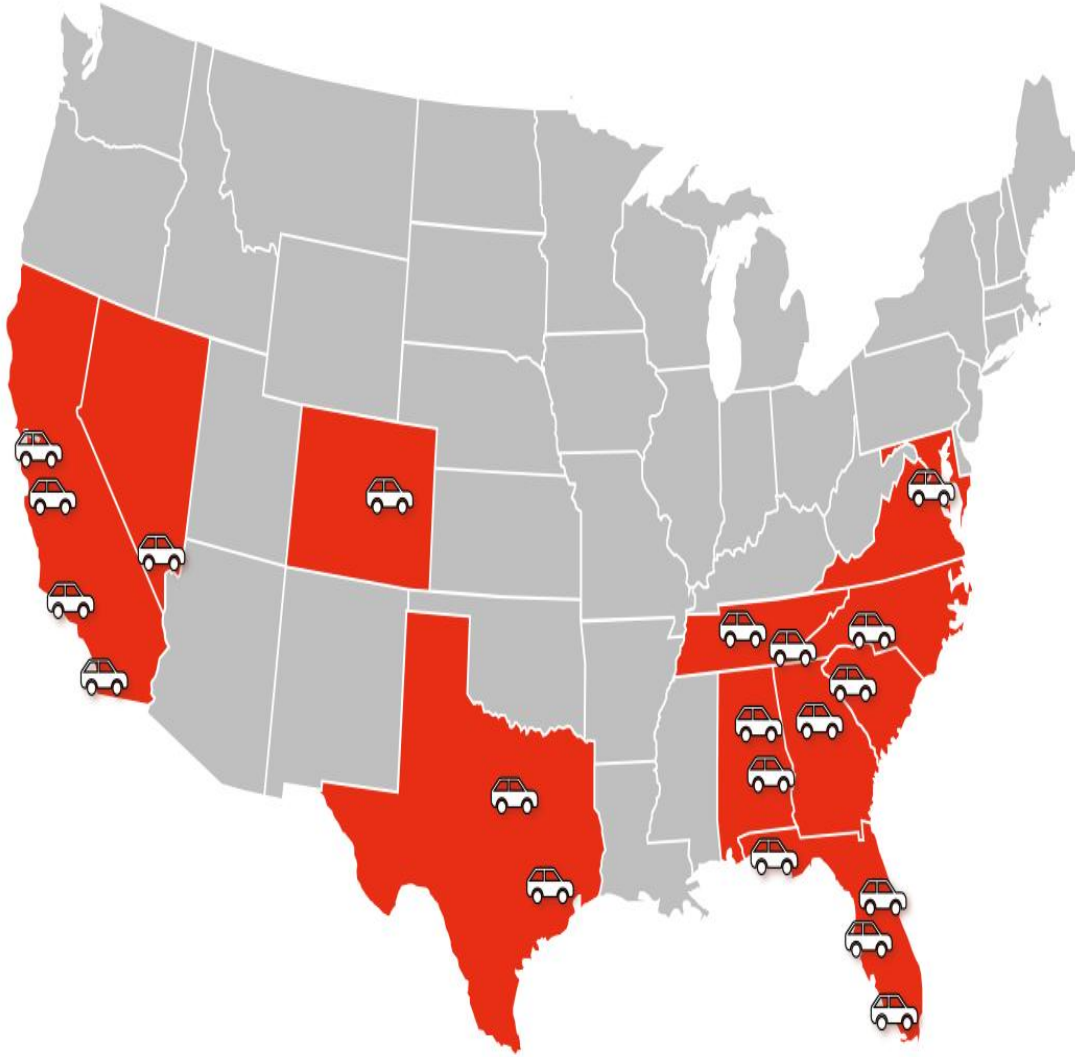


20 Major Metropolitan Markets

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



→ Franchised Dealerships – Geographic Footprint



84 Stores, 20+ Brands,
14 Collision Repair Centers

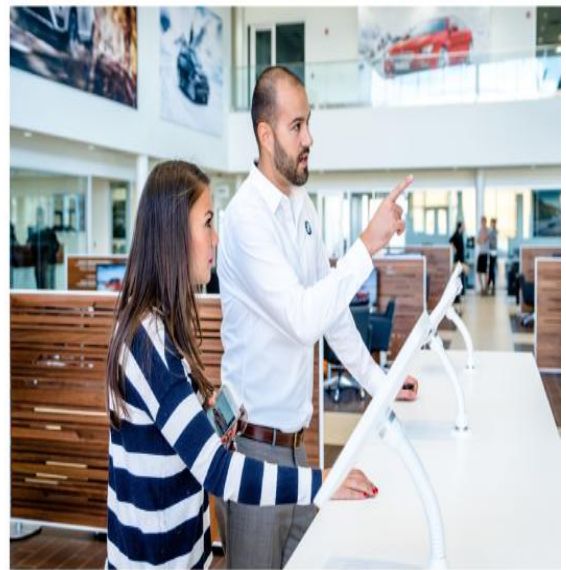
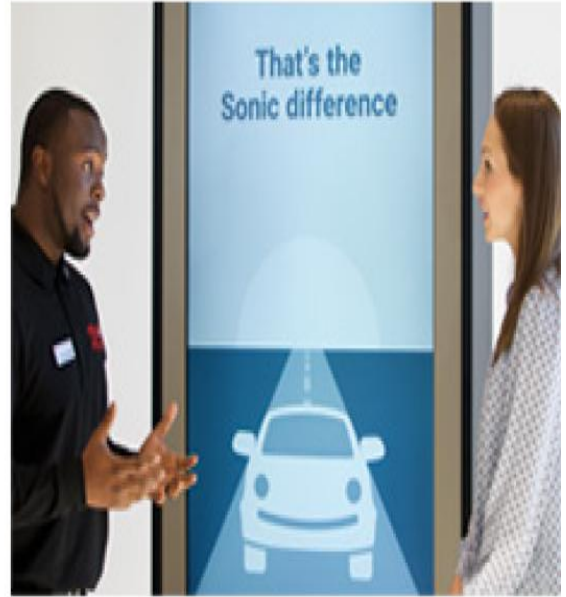


Platforms in Major
Metro Markets



EchoPark
AUTOMOTIVE

→ 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 Center

Represents ~10% Of Q1 2021 Vehicle Sales Transactions



Q1 2021 Financial Snapshot



→ Q1 2021 – Consolidated Continuing Operations

(In millions, except per share data)	Q1 2021	B/(W) than Q1 2020	
		\$	%
Revenues	\$2,786.8	\$478.7	20.7%
Gross profit	\$400.9	\$50.3	14.4%
SG&A expenses	\$289.4	(\$7.2)	(2.6%)
SG&A expenses as % of gross profit	72.2%		830 bps
Earnings from continuing operations before taxes	\$72.6	\$315.8	129.8%
Continuing Ops:			
Net income	\$53.7	\$252.8	127.0%
Diluted earnings per share	\$1.23	\$5.90	126.3%

Excluding The Effect Of A \$268.0 Million Non-Cash Goodwill Impairment Charge In Q1 2020,
Adjusted Earnings From Continuing Operations Before Taxes Increased 193% And
Adjusted EPS Increased 208%, From \$0.40 In Q1 2020

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



→ Strong Balance Sheet And Liquidity

	March 31, 2021	December 31, 2020
	(In Millions)	
Cash and cash equivalents	\$ 77.2	\$ 170.3
Availability under the 2016 Revolving Credit Facility	218.8	214.7
Availability under our used vehicle floor plan facilities ⁽¹⁾	-	-
Availability under the 2019 Mortgage Facility	14.0	11.2
Availability under the 2020 Line Of Credit Facility	54.1	57.0
Floor plan deposit balance	70.8	73.2
Total available liquidity resources	\$ 434.9	\$ 526.4

	Covenant Requirement*	March 31, 2021	December 31, 2020
Liquidity ratio	≥ 1.05	1.15	1.18
Fixed charge coverage ratio	≥ 1.20	2.32	2.07
Total lease adjusted leverage ratio	≤ 5.75	2.47	2.79
Net debt to Adjusted EBITDA ratio⁽²⁾		1.34	1.29

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

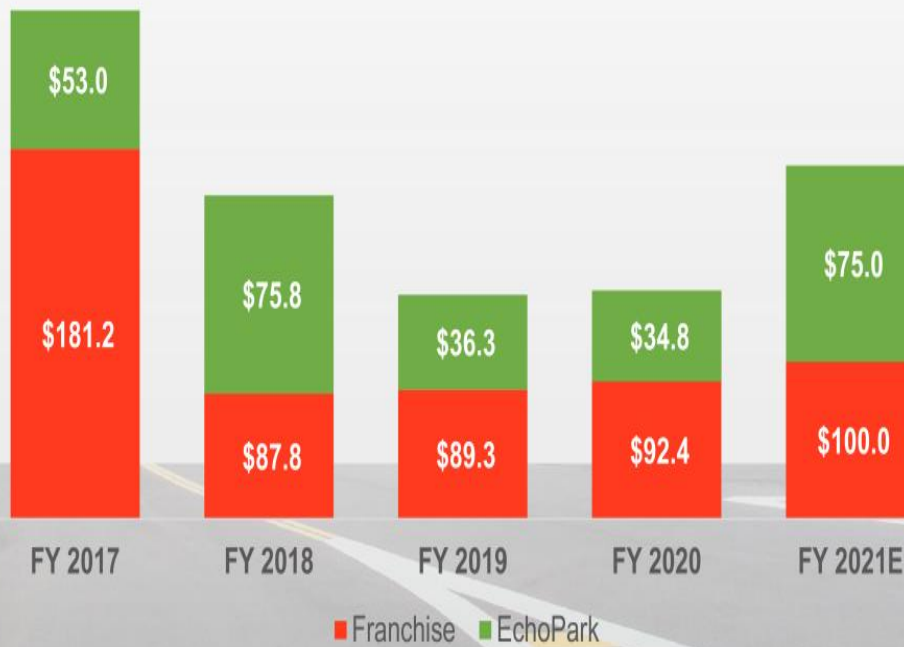
(1) During Q2 2020 Sonic Converted Its Used Vehicle Floor Plan Facilities From A Borrowing Base To A VIN-Specific Floor Plan Line. The Availability Under This Line Was \$19.2 Million And \$34.6 Million As Of March 31, 2021 and December 31, 2020, Respectively.

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



→ Capital Expenditure Discipline

Gross Capital Expenditures (In Millions)



Strict Capital Allocation Strategy Prioritizes Highest Return On Investment

Actual YTD Q1 2021 Capital Expenditures Of \$67.7 Million

FY 2021E Includes Plans For 25 New EchoPark Locations

Appendix



→ Non-GAAP Reconciliation – Earnings Per Share

	Q1 2021			Q1 2020		
	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⁾	43,542	\$ 53,689	\$ 1.23	42,615	\$(199,131)	\$ (4.67)
Pre-tax items of interest:						
Impairment charges		\$ -			\$ 268,000	
Total pre-tax items of interest		\$ -			\$ 268,000	
Tax effect of above items		-			(51,295)	
Adjusted diluted earnings (loss) and shares from continuing operations	43,542	<u>\$ 53,689</u>	\$ 1.23	43,432	<u>\$ 17,574</u>	\$ 0.40

(1) Basic Weighted-Average Shares Used For Q1 2020 Due To Net Loss On GAAP Basis

→ Non-GAAP Reconciliation – Segment Income

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Revenues	\$ 2,279.7	\$ 1,976.3	\$ 507.1	\$ 331.7	\$ 2,786.8	\$ 2,308.1
Gross profit	\$ 355.0	\$ 318.8	\$ 45.9	\$ 31.8	\$ 400.9	\$ 350.6
SG&A expenses	\$ 250.1	\$ 256.4	\$ 39.3	\$ 25.7	\$ 289.4	\$ 282.2
Segment income	\$ 70.5	\$ 22.7	\$ 2.0	\$ 2.1	\$ 72.5	\$ 24.8
Impairment charges	-	(268.0)	-	-	-	(268.0)
Earnings (loss) from continuing operations before taxes	\$ 70.5	\$ (245.3)	\$ 2.0	\$ 2.1	\$ 72.5	\$ (243.2)
Adjusted earnings (loss) from continuing operations before taxes	\$ 70.5	\$ 22.7	\$ 2.0	\$ 2.1	\$ 72.5	\$ 24.8
Impairment charges	-	(268.0)	-	-	-	(268.0)
Earnings (loss) from continuing operations before taxes	\$ 70.5	\$ (245.3)	\$ 2.0	\$ 2.1	\$ 72.5	\$ (243.2)
Adjusted net income (loss) from continuing operations					\$ 53.7	\$ 17.6
Impairment charges (before taxes)					-	(268.0)
Tax effect of items of interest and non-recurring tax items					-	51.3
Net income (loss) from continuing operations					\$ 53.7	\$ (199.1)
New vehicle unit sales volume	24,358	21,724	-	-	24,358	21,724
Retail used vehicle unit sales volume	27,236	26,038	19,670	13,986	46,906	40,024

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

→ Non-GAAP Reconciliation – Adjusted EBITDA

(In thousands)	LTM				
	FY 2017	FY 2018	FY 2019	FY 2020	Q1 2021
Net Income (Loss)	\$ 92,983	\$ 51,650	\$ 144,137	\$ (49,349)	\$ 202,170
Provision For Income Taxes	13,198	22,645	54,954	12,983	78,870
Income (Loss) Before Taxes	<u>\$ 106,181</u>	<u>\$ 74,295</u>	<u>\$ 199,091</u>	<u>\$ (36,366)</u>	<u>\$ 281,040</u>
Non-Floor Plan Interest	50,531	52,049	50,475	38,672	37,726
Depreciation and Amortization	92,127	96,652	95,646	93,922	95,578
Stock-Based Compensation Expense	11,119	11,853	10,797	11,704	12,761
Loss (Gain) On Exit Of Leased Dealerships	2,157	1,709	(170)	-	-
Impairment Charges	9,394	29,514	20,768	270,017	2,017
Loss (Gain) On Debt Extinguishment	14,607	-	6,690	-	-
Long-Term Compensation Charges	-	32,522	-	-	-
Loss (Gain) on Franchise and Real Estate Disposals	<u>(9,980)</u>	<u>(39,307)</u>	<u>(74,812)</u>	<u>(8,247)</u>	<u>(8,265)</u>
Adjusted EBITDA	<u>\$ 276,136</u>	<u>\$ 259,287</u>	<u>\$ 308,485</u>	<u>\$ 369,702</u>	<u>\$ 420,857</u>
Long-Term Debt (Including Current Portion)	\$ 1,024,703	\$ 945,083	\$ 706,886	\$ 720,066	\$ 711,897
Cash and Equivalents	(6,352)	(5,854)	(29,103)	(170,313)	(77,233)
Floor Plan Deposit Balance	(3,000)	-	-	(73,180)	(70,788)
Net Debt	<u>\$ 1,015,351</u>	<u>\$ 939,229</u>	<u>\$ 677,783</u>	<u>\$ 476,573</u>	<u>\$ 563,876</u>
Net Debt To Adjusted EBITDA Ratio	3.68	3.62	2.20	1.29	1.34

Note – Balance Sheet Amounts Are As Of December 31 for the FY Then Ended. LTM Q1 2021 Amounts Are For The Twelve-Month Period Ended March 31, 2021. Balance Sheet Amounts For LTM Q1 2021 Are As Of March 31, 2021.

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q1 2021				Q1 2020			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 54,222				\$ (199,333)
Provision For Income Taxes				19,051				(44,200)
Income (Loss) Before Taxes	\$ 70,543	\$ 2,010	\$ 720	\$ 73,273	\$ (245,344)	\$ 2,096	\$ (285)	\$ (243,533)
Non-Floor Plan Interest	9,127	334	-	9,461	10,043	365	-	10,408
Depreciation And Amortization	21,206	3,304	-	24,510	20,144	2,708	-	22,852
Stock-Based Compensation Expense	3,485	-	-	3,485	2,427	-	-	2,427
Impairment Charges	-	-	-	-	268,000	-	-	268,000
Long-Term Compensation Charges	-	500	-	500	-	-	-	-
Gain On Franchise And Real Estate Disposals	(21)	14	-	(7)	-	-	-	-
Adjusted EBITDA	\$ 104,340	\$ 6,162	\$ 720	\$ 111,222	\$ 55,270	\$ 5,169	\$ (285)	\$ 60,154

	Q4 2020				Q4 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In thousands)							
Net Income (Loss)				\$ 59,376				\$ 46,307
Provision For Income Taxes				30,208				14,703
Income (Loss) Before Taxes	\$ 90,611	\$ (833)	\$ (194)	\$ 89,584	\$ 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	\$ 124,230	\$ (2,921)	\$ (194)	\$ 121,115	\$ 89,986	\$ 5,299	\$ 62	\$ 95,347

→ Non-GAAP Reconciliation – Adjusted EBITDA

	Q3 2020				Q3 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(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	\$ 111,010	\$ 3,149	\$ (235)	\$ 113,924	\$ 75,493	\$ 6,352	\$ (223)	\$ 81,622

	Q2 2020				Q2 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(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	\$ 69,229	\$ 5,569	\$ (289)	\$ 74,509	\$ 72,432	\$ 4,792	\$ (213)	\$ 77,010

→ 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)							
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)							
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 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 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)							
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	\$ 49,729	\$ 4,957	\$ (180)	\$ 54,506	\$ 56,417	\$ (3,353)	\$ (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)	\$ 21,821				\$ 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	\$ 85,455	\$ (2,059)	\$ (43)	\$ 83,353	\$ 99,722	\$ (1,115)	\$ (58)	\$ 98,549

→ 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)							
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



EchoPark[®]
AUTOMOTIVE



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