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

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**FORM 8-K**

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**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 16, 2022**

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**SONIC AUTOMOTIVE, INC.**

(Exact name of registrant as specified in its charter)

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**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.)

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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.

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**Item 2.02. Results of Operations and Financial Condition.**

On February 16, 2022, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fourth fiscal quarter and fiscal year ended December 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 February 16, 2022, in the Earnings Press Release, the Company announced the approval of a quarterly cash dividend.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release of Sonic Automotive, Inc., dated February 16, 2022.</a>
99.2	<a href="#">Earnings Call Presentation Materials.</a>
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.

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**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 16, 2022

**SONIC AUTOMOTIVE, INC.**

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

## Sonic Automotive Reports All-Time Record Fourth Quarter and Full Year Revenues and Earnings Per Share

*Completes RFJ Auto Acquisition, Expected to Add \$3.2 Billion in 2022 Revenues  
Raises Quarterly Cash Dividend By 108%*

CHARLOTTE, N.C. – February 16, 2022 – [Sonic Automotive, Inc.](#) (“Sonic Automotive,” “Sonic” or the “Company”) ([NYSE:SAH](#)), one of the nation’s largest automotive retailers, today reported financial results for the fourth quarter and fiscal year ended December 31, 2021.

### Key Fourth Quarter Highlights

- Record fourth quarter revenues of \$3.2 billion, up 13.8% year-over-year
- Record fourth quarter income from continuing operations before taxes of \$122.1 million, up 35.1% year-over-year
  - Record fourth quarter adjusted income from continuing operations before taxes\* of \$145.4 million, up 69.9% year-over-year
- Record fourth quarter net income from continuing operations of \$96.3 million (\$2.25 per diluted share)
  - All-time record quarterly adjusted net income from continuing operations\* of \$113.7 million (\$2.66 per diluted share)
- Record low fourth quarter selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 64.7% (57.7% on a Franchised Dealerships Segment basis, a decrease of 730 basis points year-over-year)
  - Record low fourth quarter adjusted SG&A expenses as a percentage of gross profit\* of 63.3% (57.5% on a Franchised Dealerships Segment basis, a decrease of 770 basis points year-over-year)
- All-time record quarterly total Finance & Insurance (“F&I”) gross profit per retail unit of \$2,415, up 18.9% year-over-year
- Record fourth quarter EchoPark revenues of \$579.2 million, up 49.7% year-over-year
- Sonic’s Board of Directors approved a 108% increase to the Company’s quarterly cash dividend, to \$0.25 per share, payable on April 14, 2022 to all stockholders of record on March 15, 2022
- Since the end of the third quarter of 2021, Sonic repurchased approximately one million shares of its Class A Common Stock for an aggregate purchase price of approximately \$50.4 million
- In December, Sonic completed the acquisition of RFJ Auto Partners, Inc. and its subsidiaries (collectively, “RFJ Auto”), a top-15 U.S. dealer group by total revenues, which is expected to contribute \$3.2 billion to revenues in fiscal year 2022
- In October, Sonic amended its credit facilities to increase revolver and floor plan commitments to \$2.95 billion from \$1.8 billion, in addition to completing an offering of \$1.15 billion aggregate principal amount of unsecured senior notes due 2029 and 2031 at a blended rate of 4.73% to fund the acquisition of RFJ Auto and to repay existing debt

\* Please refer to the discussion and reconciliation of Non-GAAP Financial Measures below.

### Commentary

David Smith, Chief Executive Officer of Sonic Automotive, commented, “We are very proud of our performance during the fourth quarter, which capped off a year of significant achievements for our company. Sonic delivered all-time record revenues and earnings for the full year, completed the largest acquisition in company history, and executed on our EchoPark expansion plan, exceeding our previously stated target of reaching 25% of the U.S. population by year end. We achieved these results while navigating unprecedented supply chain issues, record low levels of new vehicle inventory, record-high new and used vehicle pricing, and human capital challenges due to the ongoing pandemic. We are especially thankful to our teammates for their continued dedication and commitment, positioning our company for both top- and bottom-line growth as we move forward in the next phase of our long-term strategic growth plan for Sonic and EchoPark.”

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“In 2021, we continued the nationwide expansion of our EchoPark pre-owned vehicle brand, now reaching over 30% of the U.S. population, on our way to our goal of reaching 90% population coverage by 2025,” said Jeff Dyke, President of Sonic Automotive. “With our progress to-date in growing our EchoPark distribution and digital network, we continue to focus on modernizing our brand while providing the same high-quality, guest-centric experience. Beyond EchoPark, our landmark acquisition of RFJ Auto and five other franchised dealership acquisitions in 2021 bolstered our geographic coverage and brand portfolio, which we expect will drive continued growth in 2022 and beyond.”

Heath Byrd, Chief Financial Officer of Sonic Automotive, added, “During the fourth quarter, we continued to strengthen Sonic’s balance sheet and liquidity resources, including increasing the total capacity of our credit facilities to \$2.95 billion. We also benefited from attractive market conditions, issuing \$1.15 billion of unsecured senior notes to fund the RFJ Auto acquisition and repay existing debt. Additionally, since the end of the third quarter of 2021, Sonic has repurchased approximately one million shares of its Class A Common Stock for an aggregate purchase price of approximately \$50.4 million. As announced today, our Board of Directors declared a 108% increase of the Company’s quarterly cash dividend to \$0.25 per share. All of these actions reflect the strong performance and cash flow generation of our business model and our commitment to delivering stockholder returns.”

#### **Fourth Quarter Financial Highlights**

*The financial measures discussed below are results for the fourth quarter of 2021 with comparisons made to the fourth quarter of 2020, unless otherwise noted.*

- Record fourth quarter revenues of \$3.2 billion, up 13.8% year-over-year; record fourth quarter income from continuing operations before taxes of \$122.1 million, up 35.1% year-over-year
    - Record fourth quarter adjusted income from continuing operations before taxes\* of \$145.4 million, up 69.9% year-over-year
  - Record fourth quarter net income from continuing operations of \$96.3 million (\$2.25 per diluted share), compared to fourth quarter 2020 net income from continuing operations of \$57.5 million (\$1.31 per diluted share)
    - All-time record quarterly adjusted net income from continuing operations\* of \$113.7 million (\$2.66 per diluted share), compared to fourth quarter 2020 adjusted net income from continuing operations\* of \$65.8 million (\$1.50 per diluted share)
  - Record low fourth quarter SG&A expenses as a percentage of gross profit of 64.7%, a 190-basis point decrease from 66.6% in the fourth quarter of 2020
    - Record low fourth quarter adjusted SG&A expenses as a percentage of gross profit\* of 63.3%, a 480-basis point decrease from 68.1% in the fourth quarter of 2020
  - All-time record quarterly total F&I gross profit per retail unit of \$2,415, up 18.9% year-over-year
  - Franchised Dealerships Segment operating results include:
    - Same store revenues down 0.7%, gross profit up 28.7%
    - Same store new vehicle unit sales volume down 19.2%; same store new vehicle gross profit per unit up 127.9%, to \$6,661
    - Same store retail used vehicle unit sales volume down 13.2%; same store retail used vehicle gross profit per unit up 98.2%, to \$2,087
    - Same store parts, service and collision repair gross profit up 6.6%; same store customer pay gross profit up 18.3%; same store warranty gross profit down 13.6%; same store gross margin down 100 basis points, to 49.7%
    - Same store F&I gross profit up 0.5%; all-time record reported Franchised Dealerships Segment F&I gross profit per retail unit of \$2,349, up 19.5%
    - On a trailing quarter cost of sales basis, Franchised Dealerships Segment new vehicle inventory had approximately 16 days’ supply (11 days excluding the effect of the RFJ Auto acquisition), and Franchised Dealerships Segment used vehicle inventory had approximately 46 days’ supply (36 days excluding the effect of the RFJ Auto acquisition)
    - Franchised Dealerships Segment operating results include partial month results for the franchised dealerships included in the RFJ Auto acquisition in December 2021
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- EchoPark Segment operating results include:
  - Record fourth quarter EchoPark revenues of \$579.2 million, up 49.7% year-over-year
  - Record fourth quarter EchoPark retail used vehicle unit sales volume of 15,649, up 5.4% year-over-year
  - EchoPark market share decreased 160 basis points, to 3.2% of the 1-4-year old vehicle segment in our current markets (on a same market basis, EchoPark share was 5.6% of the 1-4-year old vehicle segment)
  - EchoPark reported pre-tax loss of \$26.8 million, adjusted pre-tax loss\* of \$20.3 million, and adjusted EBITDA\* loss of \$14.6 million (including market expansion-related losses of \$9.8 million, \$9.8 million and \$8.5 million, respectively)
  - On a trailing quarter cost of sales basis, EchoPark Segment used vehicle inventory had approximately 70 days' supply (39 days excluding the effect of the RFJ Auto acquisition in December 2021)
  - EchoPark Segment results include partial month results for 11 Northwest Motorsport pre-owned vehicle stores that were included in the RFJ Auto acquisition in December 2021

\* Please refer to the discussion and reconciliation of Non-GAAP Financial Measures below.

### **Full Year Financial Highlights**

*The financial measures discussed below are results for the full year 2021 with comparisons made to the full year 2020, unless otherwise noted.*

- All-time record revenues of \$12.4 billion, up 26.9% year-over-year; all-time record income from continuing operations before taxes of \$458.2 million, up from a loss of \$34.8 million in 2020 (including the effects of a \$268.0 million non-cash goodwill impairment charge in 2020)
    - All-time record adjusted income from continuing operations before taxes\* of \$481.5 million, up 113.8% year-over-year
  - All-time record net income from continuing operations of \$348.9 million (\$8.06 per diluted share), compared to 2020 net loss from continuing operations of \$50.7 million (loss of \$1.19 per diluted share)
    - All-time record adjusted net income from continuing operations\* of \$366.3 million (\$8.46 per diluted share), compared to 2020 adjusted net income from continuing operations\* of \$168.9 million (\$3.85 per diluted share)
  - All-time record low SG&A expenses as a percentage of gross profit of 66.6%, a 570-basis point decrease from 72.3% in 2020
    - All-time record low adjusted SG&A expenses as a percentage of gross profit\* of 66.2%, a 670-basis point decrease from 72.9% in 2020
  - All-time record total F&I gross profit per retail unit of \$2,250, up 15.3% year-over-year
  - Franchised Dealerships Segment operating results include:
    - Same store revenues up 18.5%, gross profit up 33.6%
    - Same store new vehicle unit sales volume up 7.9%; same store new vehicle gross profit per unit up 78.9%, to \$4,513
    - Same store retail used vehicle unit sales volume up 3.0%; same store retail used vehicle gross profit per unit up 38.6%, to \$1,763
    - Same store parts, service and collision repair gross profit up 13.0%; same store customer pay gross profit up 20.6%; same store warranty gross profit down 2.8%; same store gross margin up 30 basis points, to 50.2%
    - Same store F&I gross profit up 22.3%; all-time record reported Franchised Dealerships Segment F&I gross profit per retail unit of \$2,160, up 17.0%
    - Franchised Dealerships Segment operating results include partial month results for the franchised dealerships included in the RFJ Auto acquisition in December 2021
  - EchoPark Segment operating results include:
    - All-time record EchoPark revenues of \$2.3 billion, up 65.3% year-over-year
    - All-time record EchoPark retail used vehicle unit sales volume of 77,835, up 36.2% year-over-year
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- EchoPark reported pre-tax loss of \$72.1 million, adjusted pre-tax loss\* of \$65.6 million, and adjusted EBITDA\* loss of \$46.3 million (including market expansion-related losses of \$35.6 million, \$35.6 million and \$31.3 million, respectively)
- EchoPark Segment results include partial month results for 11 Northwest Motorsport pre-owned vehicle stores that were included in the RFJ Auto acquisition in December 2021

\* Please refer to the discussion and reconciliation of Non-GAAP Financial Measures below.

### **Completion of RFJ Auto Acquisition**

In December 2021, the Company completed the acquisition of RFJ Auto. This acquisition represents one of the largest transactions in automotive retail history and is expected to propel Sonic Automotive into the top-five largest dealer groups in the U.S. (as measured by total revenues). With 33 locations in seven states and a portfolio of 16 automotive brands, the acquisition of RFJ Auto adds six incremental states to Sonic's geographic coverage and five additional brands to its portfolio, including the highest volume Chrysler Dodge Jeep RAM dealer in the world in Dave Smith Motors. In addition to further expanding and diversifying Sonic's business, the transaction is expected to add \$3.2 billion in annual revenues, which are incremental to the Company's previously stated target of \$25 billion in total revenues by 2025.

### **Dividend**

Sonic's Board of Directors approved a quarterly cash dividend of \$0.25 per share payable on April 14, 2022 to all stockholders of record on March 15, 2022, raising the quarterly dividend by 108%, from \$0.12 per share.

### **Fourth Quarter 2021 Earnings Conference Call**

Senior management will hold a conference call today at 11:00 A.M. (Eastern).

Investor presentation and earnings press release materials will be accessible beginning prior to the conference call on the Company's website at [ir.sonicautomotive.com](http://ir.sonicautomotive.com).

To access the live webcast of the conference call, please go to [ir.sonicautomotive.com](http://ir.sonicautomotive.com).

For telephone access to this conference call, please register in advance using this link:

<https://www.incommglobalevents.com/registration/q4inc/9700/sonic-automotive-inc-q4-2021-earnings-conference-call/>

After registering, you will receive a confirmation that includes dial-in numbers and a unique conference call access code and PIN 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 beginning two hours following the call for 14 days at [ir.sonicautomotive.com](http://ir.sonicautomotive.com).

### **About Sonic Automotive**

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, North Carolina, is on a quest to become the most valuable automotive retailer and service brand in America. Our Company culture thrives on creating, innovating, and providing industry-leading guest experiences, driven by strategic investments in technology, teammates, and ideas that ultimately fulfill ownership dreams, enrich lives, and deliver happiness to our guests and teammates. As one of the largest automotive retailers in America, we are committed to delivering on this goal while pursuing expansive growth and taking progressive measures to be the leader in this category. Our new platforms, programs, and people are set to drive the next generation of automotive experiences. More information about Sonic Automotive can be found at [www.sonicautomotive.com](http://www.sonicautomotive.com) and [ir.sonicautomotive.com](http://ir.sonicautomotive.com).

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## **About EchoPark Automotive**

EchoPark Automotive is one of the fastest growing and most comprehensive retailers of nearly new pre-owned vehicles in America today. Our rapid growth plan is expected to bring our unique business model to 90% of the U.S. population by 2025, utilizing one of the most innovative technology-enabled sales strategies in our industry. Our approach provides a personalized and proven guest-centric buying process that consistently delivers award winning guest experiences and superior value to car buyers nationwide, with savings of up to \$3,000 versus the competition. We believe EchoPark is on pace to become the #1 retailer in the nearly new pre-owned vehicle market by 2025, and is already making its mark by earning the 2021 Consumer Satisfaction Award from DealerRater, expanding its Owner Experience Centers, developing an all-new digital ecommerce platform and focusing on growing its brand nationwide. EchoPark's mission is in its name: **Every Car** deserves a **Happy Owner**. This drives the car buying experience for guests and differentiates EchoPark from the competition. More information about EchoPark Automotive can be found at [www.echopark.com](http://www.echopark.com).

## **Forward-Looking Statements**

Included herein are forward-looking statements, including statements regarding expected future revenue from acquisitions, future revenue levels, future profitability, new and used vehicle inventory levels, the opening of additional EchoPark markets, and future population coverage. 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, supply chain disruptions and manufacturing delays, labor shortages, the impacts of inflation and increases in interest rates, 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 integration of the RFJ Auto acquisition, 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 United States 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 income from continuing operations before taxes, adjusted net income from continuing operations, adjusted earnings per diluted share from continuing operations, adjusted SG&A expenses as a percentage of gross profit, adjusted pre-tax loss 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:**

Heath Byrd, Executive Vice President and Chief Financial Officer (704) 566-2400

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### **Press Inquiries:**

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**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

Note: All reported results for the three months ended and year ended December 31, 2021 include the partial month impact of the acquisition of RFJ Auto that closed on December 6, 2021.

**Consolidated Results of Operations**

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2021	2020		2021	2020	
(In millions, except per share amounts)						
<b>Revenues:</b>						
New vehicles	\$ 1,351.9	\$ 1,323.4	2.2 %	\$ 5,118.0	\$ 4,281.2	19.5 %
Used vehicles	1,210.9	959.9	26.1 %	4,877.2	3,564.8	36.8 %
Wholesale vehicles	110.5	59.2	86.7 %	367.2	197.4	86.0 %
Total vehicles	2,673.3	2,342.5	14.1 %	10,362.4	8,043.4	28.8 %
Parts, service and collision repair	360.1	319.1	12.8 %	1,396.8	1,233.7	13.2 %
Finance, insurance and other, net	151.2	137.0	10.4 %	637.2	489.9	30.1 %
Total revenues	3,184.6	2,798.6	13.8 %	12,396.4	9,767.0	26.9 %
<b>Cost of Sales:</b>						
New vehicles	(1,193.9)	(1,242.8)	3.9 %	(4,656.7)	(4,047.1)	(15.1) %
Used vehicles	(1,164.3)	(941.4)	(23.7) %	(4,745.3)	(3,458.8)	(37.2) %
Wholesale vehicles	(107.3)	(62.0)	(73.1) %	(357.3)	(198.3)	(80.2) %
Total vehicles	(2,465.5)	(2,246.2)	(9.8) %	(9,759.3)	(7,704.2)	(26.7) %
Parts, service and collision repair	(188.5)	(163.3)	(15.4) %	(722.8)	(639.2)	(13.1) %
Total cost of sales	(2,654.0)	(2,409.5)	(10.1) %	(10,482.1)	(8,343.4)	(25.6) %
Gross profit	530.6	389.1	36.4 %	1,914.3	1,423.6	34.5 %
Selling, general and administrative expenses	(343.3)	(259.0)	(32.5) %	(1,274.7)	(1,028.7)	(23.9) %
Impairment charges	(0.1)	(1.2)	91.7 %	(0.1)	(270.0)	100.0 %
Depreciation and amortization	(27.4)	(23.1)	(18.6) %	(101.1)	(91.0)	(11.1) %
Operating income (loss)	159.8	105.8	51.0 %	538.4	33.9	NM
<b>Other income (expense):</b>						
Interest expense, floor plan	(4.0)	(5.4)	25.9 %	(16.7)	(27.2)	38.6 %
Interest expense, other, net	(17.8)	(10.0)	(78.0) %	(48.0)	(41.6)	(15.4) %
Other income (expense), net	(15.9)	—	(100.0) %	(15.5)	0.1	NM
Total other income (expense)	(37.7)	(15.4)	(144.8) %	(80.2)	(68.7)	(16.7) %
Income (loss) from continuing operations before taxes	122.1	90.4	35.1 %	458.2	(34.8)	NM
Provision for income taxes for continuing operations - benefit (expense)	(25.8)	(32.9)	21.6 %	(109.3)	(15.9)	(587.4) %
Income (loss) from continuing operations	96.3	57.5	67.5 %	348.9	(50.7)	788.2 %
<b>Discontinued operations:</b>						
Income (loss) from discontinued operations before taxes	—	(0.2)	100.0 %	—	(1.0)	100.0 %
Provision for income taxes for discontinued operations - benefit (expense)	—	—	— %	—	0.3	(100.0) %
Income (loss) from discontinued operations	—	(0.2)	100.0 %	—	(0.7)	100.0 %
Net income (loss)	\$ 96.3	\$ 57.3	68.1 %	\$ 348.9	\$ (51.4)	778.8 %
<b>Basic earnings (loss) per common share:</b>						
Earnings (loss) per share from continuing operations	\$ 2.35	\$ 1.37	71.5 %	\$ 8.43	\$ (1.19)	808.4 %
Earnings (loss) per share from discontinued operations	—	—	— %	—	(0.02)	100.0 %
Earnings (loss) per common share	\$ 2.35	\$ 1.37	71.5 %	\$ 8.43	\$ (1.21)	796.7 %
Weighted-average common shares outstanding	40,940	41,874	2.2 %	41,404	42,483	2.5 %
<b>Diluted earnings (loss) per common share:</b>						
Earnings (loss) per share from continuing operations	\$ 2.25	\$ 1.31	71.8 %	\$ 8.06	\$ (1.19)	777.3 %
Earnings (loss) per share from discontinued operations	—	(0.01)	100.0 %	—	(0.02)	100.0 %
Earnings (loss) per common share	\$ 2.25	\$ 1.30	73.1 %	\$ 8.06	\$ (1.21)	766.1 %
Weighted-average common shares outstanding <sup>(1)</sup>	42,786	44,022	2.8 %	43,280	42,483	(1.9) %
Dividends declared per common share	\$ 0.12	\$ 0.10	20.0 %	\$ 0.46	\$ 0.40	15.0 %

NM = Not Meaningful

(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
	2021	2020		2021	2020	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
New vehicles	\$ 1,347.3	\$ 1,323.4	1.8 %	\$ 5,109.0	\$ 4,281.2	19.3 %
Used vehicles	727.7	627.8	15.9 %	2,901.0	2,345.9	23.7 %
Wholesale vehicles	74.0	49.2	50.4 %	257.2	168.7	52.5 %
Total vehicles	2,149.0	2,000.4	7.4 %	8,267.2	6,795.8	21.7 %
Parts, service and collision repair	346.3	307.9	12.5 %	1,340.4	1,194.4	12.2 %
Finance, insurance and other, net	110.1	103.4	6.5 %	443.5	357.8	24.0 %
Total revenues	2,605.4	2,411.7	8.0 %	10,051.1	8,348.0	20.4 %
<b>Gross Profit:</b>						
New vehicles	157.3	80.6	95.2 %	460.3	234.1	96.6 %
Used vehicles	50.8	25.8	96.9 %	188.1	122.9	53.1 %
Wholesale vehicles	0.4	(2.9)	113.8 %	0.6	(0.8)	175.0 %
Total vehicles	208.5	103.5	101.4 %	649.0	356.2	82.2 %
Parts, service and collision repair	171.1	156.1	9.6 %	673.1	595.4	13.1 %
Finance, insurance and other, net	110.1	103.4	6.5 %	443.5	357.8	24.0 %
Total gross profit	489.7	363.0	34.9 %	1,765.6	1,309.4	34.8 %
Selling, general and administrative expenses	(282.8)	(235.9)	(19.9)%	(1,076.9)	(933.7)	(15.3)%
Impairment charges	—	(1.2)	100.0 %	—	(270.0)	100.0 %
Depreciation and amortization	(22.5)	(20.2)	(11.4)%	(84.8)	(79.9)	(6.1)%
<b>Operating income (loss)</b>	184.4	105.7	74.5 %	603.9	25.8	NM
<b>Other income (expense):</b>						
Interest expense, floor plan	(2.5)	(4.5)	44.4 %	(11.8)	(24.0)	50.8 %
Interest expense, other, net	(17.1)	(9.8)	(74.5)%	(46.3)	(40.7)	(13.8)%
Other income (expense), net	(15.9)	—	(100.0)%	(15.5)	0.1	NM
Total other income (expense)	(35.5)	(14.3)	(148.3)%	(73.6)	(64.6)	(13.9)%
<b>Income (loss) before taxes</b>	148.9	91.4	62.9 %	530.3	(38.8)	NM
Add: impairment charges	—	1.2	100.0 %	—	270.0	100.0 %
<b>Segment income (loss)</b>	\$ 148.9	\$ 92.6	60.8 %	\$ 530.3	\$ 231.2	129.4 %
<b>Unit Sales Volume:</b>						
New vehicles	25,721	27,566	(6.7)%	103,358	93,281	10.8 %
Used vehicles	23,397	25,490	(8.2)%	105,457	101,864	3.5 %
Wholesale vehicles	5,424	6,463	(16.1)%	25,128	24,879	1.0 %
Retail new & used vehicles	49,118	53,056	(7.4)%	208,815	195,145	7.0 %
Used:New Ratio	0.91	0.92	(1.6)%	1.02	1.09	(6.6)%
<b>Gross Profit Per Unit:</b>						
New vehicles	\$ 6,115	\$ 2,924	109.1 %	\$ 4,453	\$ 2,510	77.4 %
Used vehicles	\$ 2,172	\$ 1,014	114.2 %	\$ 1,784	\$ 1,207	47.8 %
Finance, insurance and other, net	\$ 2,349	\$ 1,965	19.5 %	\$ 2,160	\$ 1,846	17.0 %

NM = Not Meaningful

Note: Reported Franchised Dealerships Segment results include (i) same store results from the "Franchised Dealerships Segment - Same Store" table below and (ii) the effects of acquisitions, open points, dispositions and holding company impacts for the periods reported. 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.

Franchised Dealerships Segment - Same Store

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2021	2020		2021	2020	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
New vehicles	\$ 1,198.9	\$ 1,319.8	(9.2)%	\$ 4,943.3	\$ 4,246.1	16.4 %
Used vehicles	686.1	625.1	9.8 %	2,846.8	2,321.2	22.6 %
Wholesale vehicles	65.9	49.0	34.5 %	248.4	167.2	48.6 %
Total vehicles	1,950.9	1,993.9	(2.2)%	8,038.5	6,734.5	19.4 %
Parts, service and collision repair	333.2	306.5	8.7 %	1,322.0	1,178.0	12.2 %
Finance, insurance and other, net	97.8	97.3	0.5 %	409.5	334.5	22.4 %
Total revenues	2,381.9	2,397.7	(0.7)%	9,770.0	8,247.0	18.5 %
<b>Gross Profit:</b>						
New vehicles	147.8	80.3	84.1 %	448.6	232.3	93.1 %
Used vehicles	45.9	26.7	71.9 %	182.5	127.8	42.8 %
Wholesale vehicles	2.2	(2.8)	NM	7.9	(0.5)	NM
Total vehicles	195.9	104.2	88.0 %	639.0	359.6	77.7 %
Parts, service and collision repair	165.5	155.3	6.6 %	663.0	587.0	12.9 %
Finance, insurance and other, net	97.8	97.3	0.5 %	409.5	334.5	22.4 %
Total gross profit	\$ 459.2	\$ 356.8	28.7 %	\$ 1,711.5	\$ 1,281.1	33.6 %
<b>Unit Sales Volume:</b>						
New vehicles	22,186	27,467	(19.2)%	99,396	92,124	7.9 %
Used vehicles	22,006	25,360	(13.2)%	103,529	100,484	3.0 %
Wholesale vehicles	4,973	6,436	(22.7)%	24,583	24,623	(0.2) %
Retail new & used vehicles	44,192	52,827	(16.3)%	202,925	192,608	5.4 %
Used:New Ratio	0.99	0.92	7.4 %	1.04	1.09	(4.5) %
<b>Gross Profit Per Unit:</b>						
New vehicles	\$ 6,661	\$ 2,923	127.9 %	\$ 4,513	\$ 2,522	78.9 %
Used vehicles	\$ 2,087	\$ 1,053	98.2 %	\$ 1,763	\$ 1,272	38.6 %
Finance, insurance and other, net	\$ 2,228	\$ 1,857	20.0 %	\$ 2,034	\$ 1,749	16.3 %

NM = Not Meaningful

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 December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2021	2020		2021	2020	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
New vehicles	\$ 4.6	\$ —	100.0 %	\$ 9.0	\$ —	100.0 %
Used vehicles	497.0	343.3	44.8 %	2,032.6	1,258.2	61.5 %
Wholesale vehicles	36.5	10.0	265.0 %	110.0	28.7	283.3 %
Total vehicles	538.1	353.3	52.3 %	2,151.6	1,286.9	67.2 %
Finance, insurance and other, net	41.1	33.6	22.3 %	193.7	132.1	46.6 %
Total revenues	579.2	386.9	49.7 %	2,345.3	1,419.0	65.3 %
<b>Gross Profit:</b>						
New vehicles	0.7	—	100.0 %	1.1	—	100.0 %
Used vehicles	(3.7)	(7.6)	51.3 %	(55.2)	(18.0)	(206.7)%
Wholesale vehicles	2.8	0.1	NM	9.2	(0.1)	NM
Total vehicles	(0.2)	(7.5)	97.3 %	(44.9)	(18.1)	(148.1)%
Finance, insurance and other, net	41.1	33.6	22.3 %	193.7	132.1	46.6 %
Total gross profit	40.9	26.1	56.7 %	148.8	114.0	30.5 %
Selling, general and administrative expenses	(60.5)	(23.1)	(161.9)%	(197.8)	(94.9)	(108.4)%
Impairment charges	(0.1)	—	(100.0)%	(0.1)	—	(100.0)%
Depreciation and amortization	(4.8)	(2.9)	(65.5)%	(16.3)	(11.0)	(48.2)%
<b>Operating income (loss)</b>	<b>(24.5)</b>	<b>0.1</b>	<b>NM</b>	<b>(65.4)</b>	<b>8.1</b>	<b>(907.4)%</b>
<b>Other income (expense):</b>						
Interest expense, floor plan	(1.5)	(0.9)	(66.7)%	(5.0)	(3.2)	(56.3)%
Interest expense, other, net	(0.8)	(0.2)	(300.0)%	(1.7)	(0.9)	(88.9)%
Other income (expense), net	—	—	— %	—	—	NM
Total other income (expense)	(2.3)	(1.1)	(109.1)%	(6.7)	(4.1)	(63.4)%
<b>Income (loss) before taxes</b>	<b>(26.8)</b>	<b>(1.0)</b>	<b>NM</b>	<b>(72.1)</b>	<b>4.0</b>	<b>NM</b>
Add: impairment charges	0.1	—	(100.0)%	0.1	—	(100.0)%
<b>Segment income (loss)</b>	<b>\$ (26.7)</b>	<b>\$ (1.0)</b>	<b>NM</b>	<b>\$ (72.0)</b>	<b>\$ 4.0</b>	<b>NM</b>
<b>Unit Sales Volume:</b>						
New vehicles	59	—	100.0 %	128	—	100.0 %
Used vehicles	15,649	14,841	5.4 %	77,835	57,161	36.2 %
Wholesale vehicles	2,436	2,004	21.6 %	11,667	7,178	62.5 %
<b>Gross Profit Per Unit:</b>						
Total used vehicle and F&I	\$ 2,344	\$ 1,770	32.4 %	\$ 1,762	\$ 2,013	(12.5)%

NM = Not Meaningful

Note: Reported EchoPark Segment results include (i) same market results from the "EchoPark Segment - Same Market" table below and (ii) the effects of acquisitions, open points, dispositions and holding company impacts for the periods reported. 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.

*EchoPark Segment - Same Market*

	Three Months Ended December 31,		Better / (Worse) % Change	Twelve Months Ended December 31,		Better / (Worse) % Change
	2021	2020		2021	2020	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
New vehicles	\$ 4.5	\$ —	100.0 %	\$ 8.9	\$ —	100.0 %
Used vehicles	342.0	339.0	0.9 %	1,588.4	1,253.9	26.7 %
Wholesale vehicles	27.2	9.9	174.7 %	85.8	28.6	200.0 %
Total vehicles	373.7	348.9	7.1 %	1,683.1	1,282.5	31.2 %
Finance, insurance and other, net	28.5	32.9	(13.4)%	152.6	131.0	16.5 %
Total revenues	402.2	381.8	5.3 %	1,835.7	1,413.5	29.9 %
<b>Gross Profit:</b>						
New vehicles	0.4	—	100.0 %	0.8	—	100.0 %
Used vehicles	(3.4)	(11.3)	69.9 %	(43.4)	(34.6)	(25.4)%
Wholesale vehicles	2.3	0.1	NM	7.4	(0.1)	NM
Total vehicles	(0.7)	(11.2)	93.8 %	(35.2)	(34.7)	(1.4)%
Finance, insurance and other, net	28.5	32.9	(13.4)%	152.6	131.0	16.5 %
Total gross profit	\$ 27.8	\$ 21.7	28.1 %	\$ 117.4	\$ 96.3	21.9 %
<b>Unit Sales Volume:</b>						
New vehicles	59	—	100.0 %	128	—	100.0 %
Used vehicles	10,770	14,654	(26.5)%	60,815	56,974	6.7 %
Wholesale vehicles	1,644	1,980	(17.0)%	8,664	7,154	21.1 %
<b>Gross Profit Per Unit:</b>						
Total used vehicle and F&I	\$ 2,288	\$ 1,706	34.1 %	\$ 1,776	\$ 1,704	4.2 %

NM = Not Meaningful

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.

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

	Three Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 226.0	\$ 176.1	\$ (49.9)	(28.3)%
Advertising	17.4	10.5	(6.9)	(65.7)%
Rent	12.1	13.6	1.5	11.0 %
Other	87.8	58.8	(29.0)	(49.3)%
Total SG&A expenses	<u>\$ 343.3</u>	<u>\$ 259.0</u>	<u>\$ (84.3)</u>	<u>(32.5)%</u>
<b>Items of interest:</b>				
Long-term compensation charges	\$ (6.5)	\$ —		
Acquisition and disposition-related gain (loss)	(1.2)	6.0		
Total SG&A adjustments	<u>\$ (7.7)</u>	<u>\$ 6.0</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 335.6</u>	<u>\$ 265.0</u>	<u>\$ (70.6)</u>	<u>(26.6)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	42.6 %	45.2 %	260 bps	
Advertising	3.3 %	2.7 %	(60) bps	
Rent	2.3 %	3.5 %	120 bps	
Other	16.5 %	15.2 %	(130) bps	
Total SG&A expenses as a % of gross profit	<u>64.7 %</u>	<u>66.6 %</u>	<u>190 bps</u>	
<b>Items of interest:</b>				
Long-term compensation charges	(1.2)%	— %		
Acquisition and disposition-related gain (loss)	(0.2)%	1.5 %		
Total effect of adjustments	<u>(1.4)%</u>	<u>1.5 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>63.3 %</u>	<u>68.1 %</u>	<u>480 bps</u>	

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

	Twelve Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 834.5	\$ 659.8	\$ (174.7)	(26.5)%
Advertising	61.6	42.2	(19.4)	(46.0)%
Rent	53.2	54.5	1.3	2.4 %
Other	325.4	272.2	(53.2)	(19.5)%
Total SG&A expenses	<u>\$ 1,274.7</u>	<u>\$ 1,028.7</u>	<u>\$ (246.0)</u>	<u>(23.9)%</u>
<b>Items of interest:</b>				
Long-term compensation charges	\$ (6.5)	\$ —		
Acquisition and disposition-related gain (loss)	(1.2)	9.2		
Total SG&A adjustments	<u>\$ (7.7)</u>	<u>\$ 9.2</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 1,267.0</u>	<u>\$ 1,037.9</u>	<u>\$ (229.1)</u>	<u>(22.1)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	43.6 %	46.3 %	270 bps	
Advertising	3.2 %	3.0 %	(20) bps	
Rent	2.8 %	3.8 %	100 bps	
Other	17.0 %	19.2 %	220 bps	
Total SG&A expenses as a % of gross profit	<u>66.6 %</u>	<u>72.3 %</u>	<u>570 bps</u>	
<b>Items of interest:</b>				
Long-term compensation charges	(0.3)%	— %		
Acquisition and disposition-related gain (loss)	(0.1)%	0.6 %		
Total effect of adjustments	<u>(0.4)%</u>	<u>0.6 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>66.2 %</u>	<u>72.9 %</u>	<u>670 bps</u>	

Franchised Dealerships Segment -SG&A Expenses - Non-GAAP Reconciliation

	Three Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 189.8	\$ 160.0	\$ (29.8)	(18.6)%
Advertising	6.3	6.0	(0.3)	(5.0)%
Rent	10.4	12.2	1.8	14.8 %
Other	76.3	57.7	(18.6)	(32.2)%
Total SG&A expenses	<u>\$ 282.8</u>	<u>\$ 235.9</u>	<u>\$ (46.9)</u>	<u>(19.9)%</u>
<b>Items of interest:</b>				
Acquisition and disposition-related gain (loss)	\$ (1.2)	\$ 0.8		
Total SG&A adjustments	<u>\$ (1.2)</u>	<u>\$ 0.8</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 281.6</u>	<u>\$ 236.7</u>	<u>\$ (44.9)</u>	<u>(19.0)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	38.8 %	44.1 %	530 bps	
Advertising	1.3 %	1.7 %	40 bps	
Rent	2.1 %	3.4 %	130 bps	
Other	15.5 %	15.8 %	30 bps	
Total SG&A expenses as a % of gross profit	<u>57.7 %</u>	<u>65.0 %</u>	<u>730 bps</u>	
<b>Items of interest:</b>				
Acquisition and disposition-related gain (loss)	(0.2)%	0.2 %		
Total effect of adjustments	<u>(0.2)%</u>	<u>0.2 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>57.5 %</u>	<u>65.2 %</u>	<u>770 bps</u>	

Franchised Dealerships Segment - SG&A Expenses - Non-GAAP Reconciliation (Continued)

	Twelve Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 719.6	\$ 598.3	\$ (121.3)	(20.3)%
Advertising	26.1	30.1	4.0	13.3 %
Rent	46.6	50.1	3.5	7.0 %
Other	284.6	255.2	(29.4)	(11.5)%
Total SG&A expenses	<u>\$ 1,076.9</u>	<u>\$ 933.7</u>	<u>\$ (143.2)</u>	<u>(15.3)%</u>
<b>Items of interest:</b>				
Acquisition and disposition-related gain (loss)	\$ (1.2)	\$ 4.0		
Total SG&A adjustments	<u>\$ (1.2)</u>	<u>\$ 4.0</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 1,075.7</u>	<u>\$ 937.7</u>	<u>\$ (138.0)</u>	<u>(14.7)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	40.8 %	45.7 %	490 bps	
Advertising	1.5 %	2.3 %	80 bps	
Rent	2.6 %	3.8 %	120 bps	
Other	16.1 %	19.5 %	340 bps	
Total SG&A expenses as a % of gross profit	<u>61.0 %</u>	<u>71.3 %</u>	<u>1,030 bps</u>	
<b>Items of interest:</b>				
Acquisition and disposition-related gain (loss)	(0.1)%	0.3 %		
Total effect of adjustments	<u>(0.1)%</u>	<u>0.3 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>60.9 %</u>	<u>71.6 %</u>	<u>1,070 bps</u>	

*EchoPark Segment - SG&A Expenses - Non-GAAP Reconciliation*

	Three Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 36.2	\$ 16.1	\$ (20.1)	(124.8)%
Advertising	11.1	4.5	(6.6)	(146.7)%
Rent	1.7	1.4	(0.3)	(21.4)%
Other	11.5	1.1	(10.4)	(945.5)%
Total SG&A expenses	<u>\$ 60.5</u>	<u>\$ 23.1</u>	<u>\$ (37.4)</u>	<u>(161.9)%</u>
<b>Items of interest:</b>				
Long-term compensation charges	\$ (6.5)	\$ —		
Acquisition and disposition-related gain (loss)	—	5.2		
Total SG&A adjustments	<u>\$ (6.5)</u>	<u>\$ 5.2</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 54.0</u>	<u>\$ 28.3</u>	<u>\$ (25.7)</u>	<u>(90.8)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	88.5 %	61.7 %	(2,680) bps	
Advertising	27.1 %	17.2 %	(990) bps	
Rent	4.2 %	5.4 %	120 bps	
Other	28.3 %	3.9 %	(2,440) bps	
Total SG&A expenses as a % of gross profit	<u>148.1 %</u>	<u>88.2 %</u>	<u>(5,990) bps</u>	
<b>Items of interest:</b>				
Long-term compensation charges	(15.9)%	— %		
Acquisition and disposition-related gain (loss)	— %	19.7 %		
Total effect of adjustments	<u>(15.9)%</u>	<u>19.7 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>132.2 %</u>	<u>107.9 %</u>	<u>(2,430) bps</u>	

*EchoPark Segment - SG&A Expenses - Non-GAAP Reconciliation (Continued)*

	Twelve Months Ended December 31,		Better / (Worse)	
	2021	2020	Change	% Change
	(In millions)			
<b>Reported:</b>				
Compensation	\$ 114.9	\$ 61.5	\$ (53.4)	(86.8)%
Advertising	35.5	12.1	(23.4)	(193.4)%
Rent	6.6	4.4	(2.2)	(50.0)%
Other	40.8	16.9	(23.9)	(141.4)%
Total SG&A expenses	<u>\$ 197.8</u>	<u>\$ 94.9</u>	<u>\$ (102.9)</u>	<u>(108.4)%</u>
<b>Items of interest:</b>				
Long-term compensation charges	\$ (6.5)	\$ —		
Acquisition and disposition-related gain (loss)	—	5.2		
Total SG&A adjustments	<u>\$ (6.5)</u>	<u>\$ 5.2</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 191.3</u>	<u>\$ 100.1</u>	<u>\$ (91.2)</u>	<u>(91.1)%</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	77.2 %	53.9 %	(2,330) bps	
Advertising	23.9 %	10.6 %	(1,330) bps	
Rent	4.4 %	3.9 %	(50) bps	
Other	27.4 %	14.7 %	(1,270) bps	
Total SG&A expenses as a % of gross profit	<u>132.9 %</u>	<u>83.1 %</u>	<u>(4,980) bps</u>	
<b>Items of interest:</b>				
Long-term compensation charges	(4.3)%	— %		
Acquisition and disposition-related gain (loss)	— %	4.5 %		
Total effect of adjustments	<u>(4.3)%</u>	<u>4.5 %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>128.6 %</u>	<u>87.6 %</u>	<u>(4,100) bps</u>	

**Consolidated - Income (Loss) From Continuing Operations Before Taxes - Non-GAAP Reconciliation**

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
(In millions)						
<b>Reported:</b>						
Income (loss) from continuing operations before taxes	\$ 122.1	\$ 90.4	35.1 %	\$ 458.2	\$ (34.8)	NM
<b>Pre-tax items of interest:</b>						
Acquisition and disposition-related (gain) loss	\$ 1.2	\$ (6.0)		\$ 1.2	\$ (9.2)	
Long-term compensation charges	6.5	—		6.5	—	
Loss on debt extinguishment	15.6	—		15.6	—	
Impairment charges	—	1.2		—	269.2	
Total pre-tax items of interest	\$ 23.3	\$ (4.8)		\$ 23.3	\$ 260.0	
<b>Adjusted:</b>						
Income (loss) from continuing operations before taxes	\$ 145.4	\$ 85.6	69.9 %	\$ 481.5	\$ 225.2	113.8 %

**Franchised Dealerships Segment - Income (Loss) Before Taxes - Non-GAAP Reconciliation**

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
(In millions)						
<b>Reported:</b>						
Income (loss) before taxes	\$ 148.9	\$ 91.4	63.4 %	\$ 530.3	\$ (38.8)	NM
<b>Pre-tax items of interest:</b>						
Acquisition and disposition-related (gain) loss	\$ 1.2	\$ (0.8)		\$ 1.2	\$ (4.0)	
Loss on debt extinguishment	15.6	—		15.6	—	
Impairment charges	—	1.2		0.0	269.2	
Total pre-tax items of interest	\$ 16.8	\$ 0.4		\$ 16.8	\$ 265.2	
<b>Adjusted:</b>						
Income (loss) before taxes	\$ 165.7	\$ 91.8	80.5 %	\$ 547.1	\$ 226.4	141.7 %

**EchoPark Segment - Income (Loss) Before Taxes - Non-GAAP Reconciliation**

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
(In millions)						
<b>Reported:</b>						
Income (loss) before taxes	\$ (26.8)	\$ (1.0)	NM	\$ (72.1)	\$ 4.0	NM
<b>Pre-tax items of interest:</b>						
Acquisition and disposition-related (gain) loss	\$ —	\$ (5.2)		\$ —	\$ (5.2)	
Long-term compensation charges	6.5	—		6.5	—	
Total pre-tax items of interest	\$ 6.5	\$ (5.2)		\$ 6.5	\$ (5.2)	
<b>Adjusted:</b>						
Income (loss) before taxes	\$ (20.3)	\$ (6.2)	227.4 %	\$ (65.6)	\$ (1.2)	NM

NM = Not Meaningful

**Consolidated - Earnings (Loss) Per Share from Continuing Operations - Non-GAAP Reconciliation**

	Three Months Ended December 31, 2021			Three Months Ended December 31, 2020		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
	(In millions, except per share amounts)					
Diluted earnings (loss) and shares from continuing operations	42.8	\$ 96.3	\$ 2.25	44.0	\$ 57.5	\$ 1.31
Pre-tax items of interest:						
Acquisition and disposition-related (gain) loss		\$ 1.2			\$ (6.0)	
Long-term compensation charges		6.5			—	
Loss on debt extinguishment		15.6			—	
Impairment charges		—			1.2	
Total pre-tax items of interest		\$ 23.3			\$ (4.8)	
Tax effect of above items		(5.9)			1.2	
Non-recurring tax items		—			11.9	
Adjusted diluted earnings (loss) and shares from continuing operations	42.8	\$ 113.7	\$ 2.66	44.0	\$ 65.8	\$ 1.50

	Twelve Months Ended December 31, 2021			Twelve Months Ended December 31, 2020		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
	(In millions, except per share amounts)					
Diluted earnings (loss) and shares from continuing operations <sup>(1)</sup>	43.3	\$ 348.9	\$ 8.06	42.5	\$ (50.7)	\$ (1.19)
Pre-tax items of interest:						
Acquisition and disposition-related (gain) loss		\$ 1.2			\$ (9.2)	
Long-term compensation charges		6.5			—	
Loss on debt extinguishment		15.6			—	
Impairment charges		—			269.2	
Total pre-tax items of interest		\$ 23.3			\$ 260.0	
Tax effect of above items		(5.9)			(40.4)	
Adjusted diluted earnings (loss) and shares from continuing operations	43.3	\$ 366.3	\$ 8.46	43.9	\$ 168.9	\$ 3.85

(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**

	Three Months Ended December 31, 2021				Three Months Ended December 31, 2020			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)							
Net income (loss)				\$ 96.3				\$ 57.3
Provision for income taxes				25.8				32.8
Income (loss) before taxes	\$ 148.9	\$ (26.8)	\$ —	\$ 122.1	\$ 90.6	\$ (0.8)	\$ 0.3	\$ 90.1
Non-floor plan interest (1)	16.2	0.7	—	16.9	9.0	0.2	—	9.2
Depreciation and amortization (2)	23.4	4.9	—	28.3	21.1	2.9	—	24.0
Stock-based compensation expense	3.8	—	—	3.8	3.2	—	—	3.2
Asset impairment charges	—	0.1	—	0.1	1.2	—	—	1.2
Loss (gain) on debt extinguishment	15.6	—	—	15.6	—	—	—	—
Long-term compensation charges	—	6.5	—	6.5	—	—	—	—
Acquisition and disposition-related (gain) loss	0.5	—	—	0.5	(0.8)	(5.2)	—	(6.0)
Adjusted EBITDA	\$ 208.4	\$ (14.6)	\$ —	\$ 193.8	\$ 124.3	\$ (2.9)	\$ 0.3	\$ 121.7

	Twelve Months Ended December 31, 2021				Twelve Months Ended December 31, 2020			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)							
Net income (loss)				\$ 348.9				\$ (51.4)
Provision for income taxes				109.3				15.6
Income (loss) before taxes	\$ 530.3	\$ (72.1)	\$ —	\$ 458.2	\$ (39.4)	\$ 4.1	\$ (0.5)	\$ (35.8)
Non-floor plan interest (1)	43.0	1.7	—	44.7	37.8	0.9	—	38.7
Depreciation and amortization (2)	87.9	16.4	—	104.3	82.7	11.2	—	93.9
Stock-based compensation expense	15.0	—	—	15.0	11.7	—	—	11.7
Asset impairment charges	—	0.1	—	0.1	270.0	—	—	270.0
Loss (gain) on debt extinguishment	15.6	—	—	15.6	—	—	—	—
Long-term compensation charges	—	8.0	—	8.0	—	—	—	—
Acquisition and disposition-related (gain) loss	—	(0.4)	—	(0.4)	(3.0)	(5.2)	—	(8.2)
Adjusted EBITDA	\$ 691.8	\$ (46.3)	\$ —	\$ 645.5	\$ 359.8	\$ 11.0	\$ (0.5)	\$ 370.3

- (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 2022



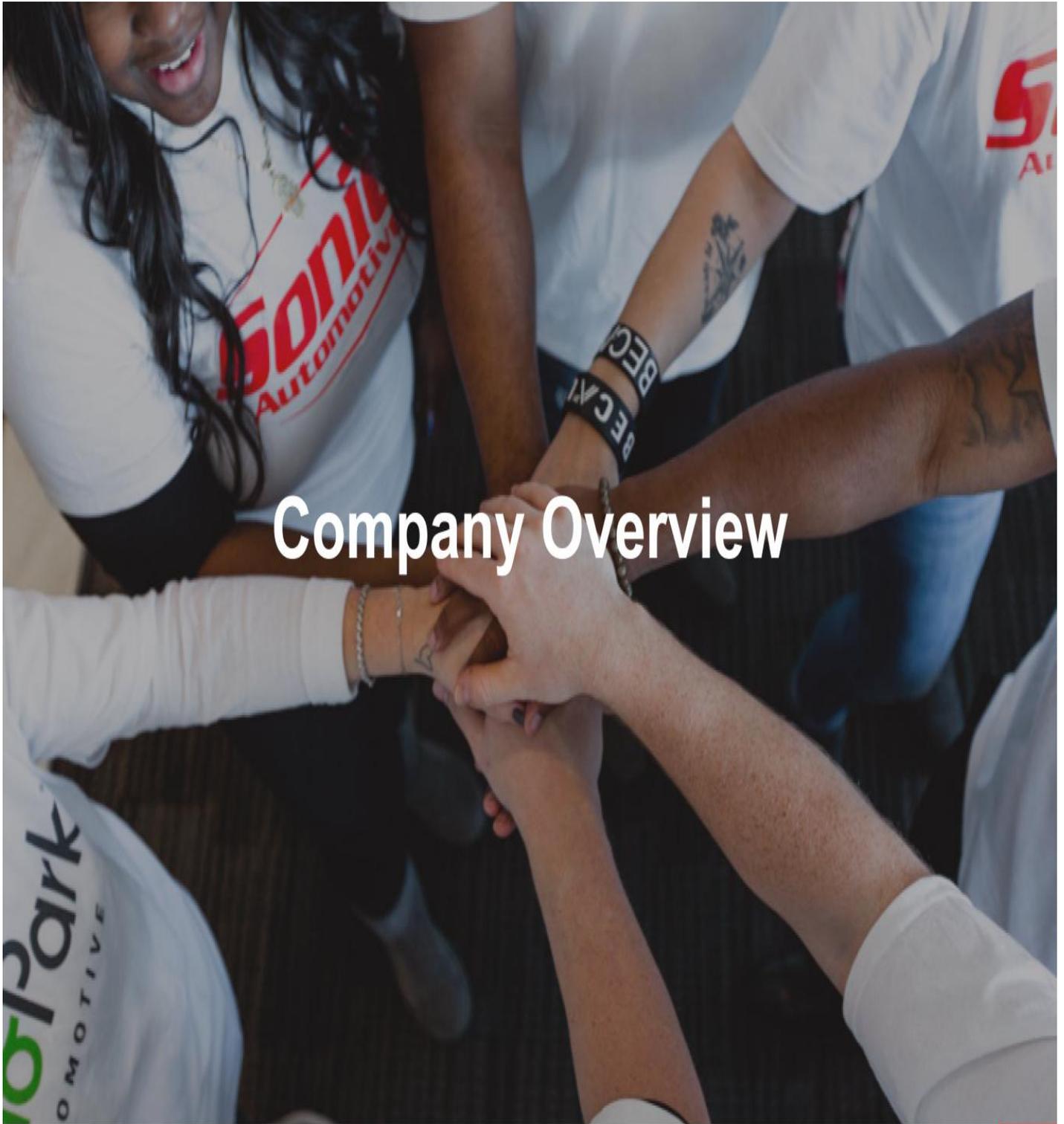
Updated February 16, 2022

## → 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 and new variants of the virus on operations, our anticipated future new vehicle unit sales volume, revenues and profitability, our anticipated future used vehicle unit sales volume, revenues and profitability, new and used vehicle inventory levels, 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, profitability and pricing expectations in our EchoPark Segment, anticipated openings of new EchoPark stores, anticipated future EchoPark population coverage, anticipated future EchoPark revenue and unit sales volume, 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, anticipated future acquisition synergies, the integration of the RFJ Auto acquisition, 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, supply chain disruptions and manufacturing delays, labor shortages, the impacts of inflation and increases in interest rates, 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 United States 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



Our Core Franchised Dealerships Segment is a **Full-Service** Automotive Retail Business With **Strategic Growth Levers** Across Multiple Business Lines with a **Diversified Brand Portfolio**



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

**157**

Locations

**23**

States

**25+**

Automotive Brands

**17**

Collision Centers

**\$12.4 Billion**

Total Revenues

**\$1.9 Billion**

Gross Profit

**103K**

New Vehicles Sold

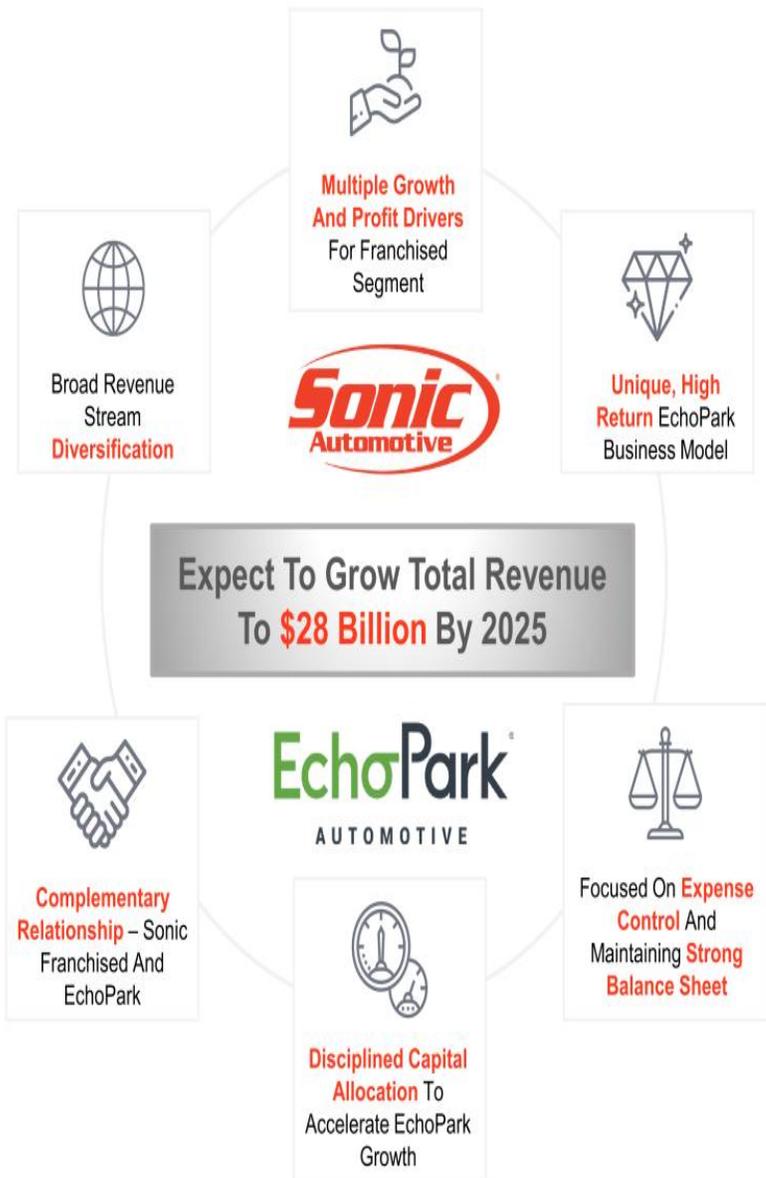
**183K**

Used Vehicles Sold

Note: Revenue, Gross Profit, New & Used Vehicles Sold are for FY 2021



## → Investment Highlights



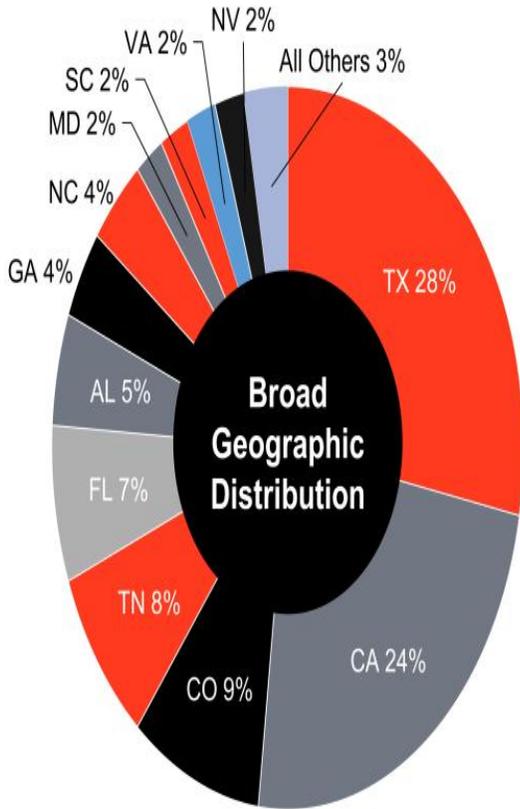
Note: Total revenue projection is estimate of future results. Actual results may differ. Anticipated 2025 revenue includes \$3.2 billion in annual revenues expected from the RFJ Auto acquisition completed in December 2021. See "Forward-Looking Statements."



# → 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 2021



## → Revenue Composition – Diversified Revenue Streams

### Brand Distribution

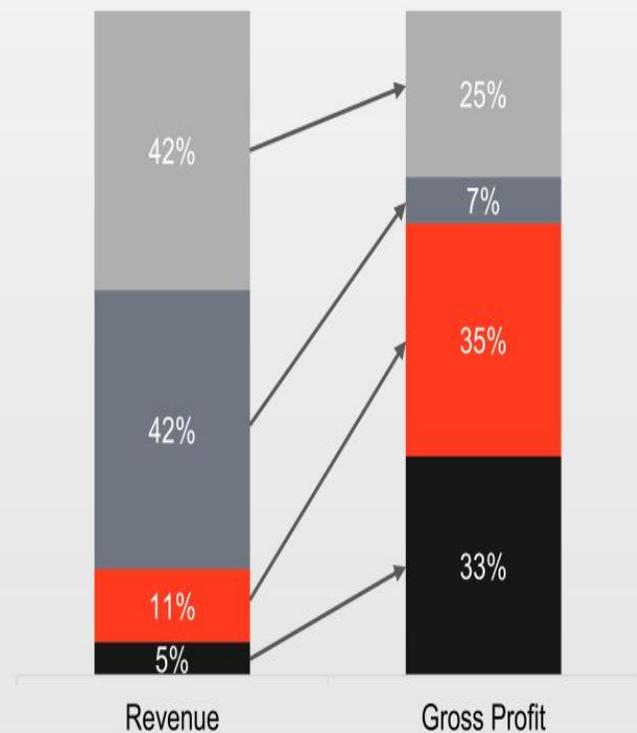
Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	52%	BMW	21%
		Mercedes	10%
		Audi	5%
		Lexus	4%
		Land Rover	3%
		Porsche	3%
		Cadillac	2%
		Volvo	1%
Import	20%	Other Luxury (1)	3%
		Honda	10%
		Toyota	6%
		Volkswagen	1%
		Hyundai	1%
		Nissan	1%
		Other Import (2)	1%
EchoPark	18%	Non-Franchise	18%
		Ford	5%
Domestic	10%	Chevrolet GMC Buick	4%

(1) Includes MINI, Maserati, Jaguar, Infiniti, Acura and Alfa Romeo  
 (2) Includes Subaru and Mazda

Note: Percentages are Percent of Total Revenue for FY 2021

### Business Line Mix

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



Majority Of Gross Profit Driven By Stable Business Lines

Note: Percentages are Percent of Total for FY 2021



## → EchoPark Automotive – A Unique Growth Story



The New Car Alternative™  
Price. Quality. Experience.

Focus On  
**Pre-Owned**  
Market – 2.5x Larger &  
More Stable Than New  
Vehicle Market

Priced Up To  
**\$3,000 Below  
Market**  
With Simplified, Easy  
Purchase Experience

Unique, High Return  
Business Model

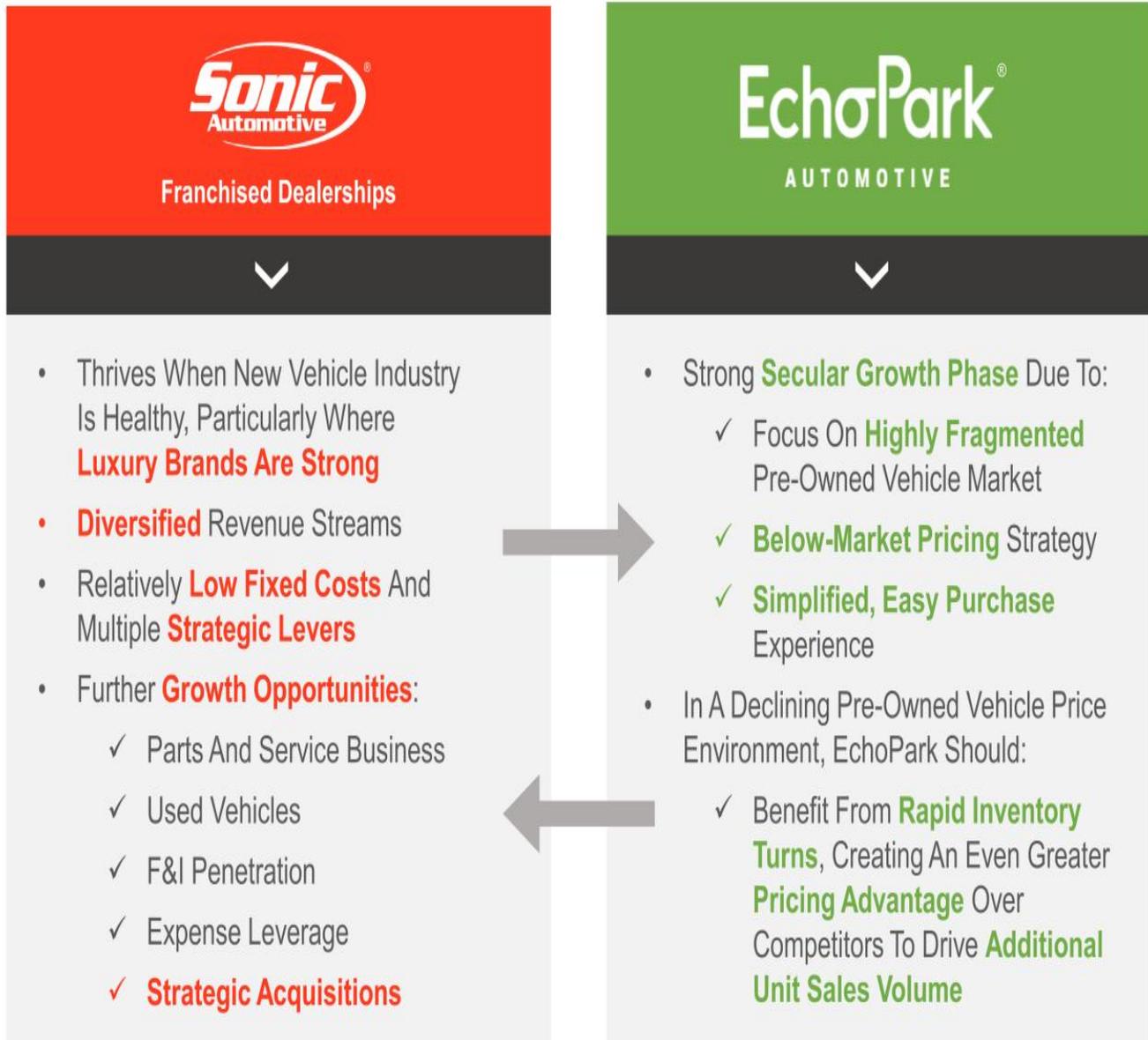
Focus On High Quality  
**1 to 4-Year-Old**  
Nearly New Vehicles

Wide Reach –  
**30% of Guests**  
Travel More Than 30 Minutes  
To Shop Our Inventory

Growing Nationwide Distribution Network  
Expected To Reach 90% Of Population By 2025



## → Complementary Relationship Between Segments



## → Strategic Direction

### Franchised Dealerships

- Continued **Growth Opportunity** In Parts & Service, F&I Per Unit
- Ongoing **Profitability Enhancement** Through SG&A Expense Control, Inventory Management
- Pursue **Strategic Acquisition Opportunities** As Market Evolves
- Utilize Existing Infrastructure To Support **Omnichannel Distribution Network**

### Strategic Drivers

- Invest In Proprietary Digital Retail Platform To Accelerate Growth
- Focus On Guest Experience To Drive Market Share Gains
- Balanced Capital Allocation Strategy Prioritizes Highest Return on Investment
- Return Of Capital To Shareholders Via Dividend And Share Repurchase Program

### EchoPark

- Early-Stage **Strong Secular Growth Phase**
- **Achieved >30%** Population Coverage By End Of 2021, Expect **90% Coverage By 2025**
- Nationwide Distribution Network Expected To Deliver **575,000 Unit Sales And \$14 Billion In Annual Revenues** By 2025
- Addressable Market Opportunity Of **2 Million Vehicles**

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



## → Focus On Strong Balance Sheet And Liquidity

	December 31, 2021	December 31, 2020
	(In Millions)	
Cash and cash equivalents	\$ 299.4	\$ 170.3
Availability under the 2021 Revolving Credit Facility <sup>(1)</sup>	281.4	214.7
Availability under the 2019 Mortgage Facility	22.2	11.2
Availability under the 2020 Line Of Credit Facility <sup>(2)</sup>	-	57.0
Floor plan deposit balance	99.8	73.2
<b>Total available liquidity resources</b>	<b>\$ 702.8</b>	<b>\$ 526.4</b>

	Covenant Requirement*	December 31, 2021	December 31, 2020
Liquidity ratio	$\geq 1.05$	1.26	1.18
Fixed charge coverage ratio	$\geq 1.20$	2.69	2.07
Total lease adjusted leverage ratio	$\leq 5.75$	2.46	2.78
<b>Net debt to Adjusted EBITDA ratio<sup>(3)</sup></b>		<b>1.80</b>	<b>1.29</b>

In October 2021, Sonic Amended Its 2021 Credit Facilities To Increase Total Revolver And Floor Plan Capacity To \$2.95 Billion

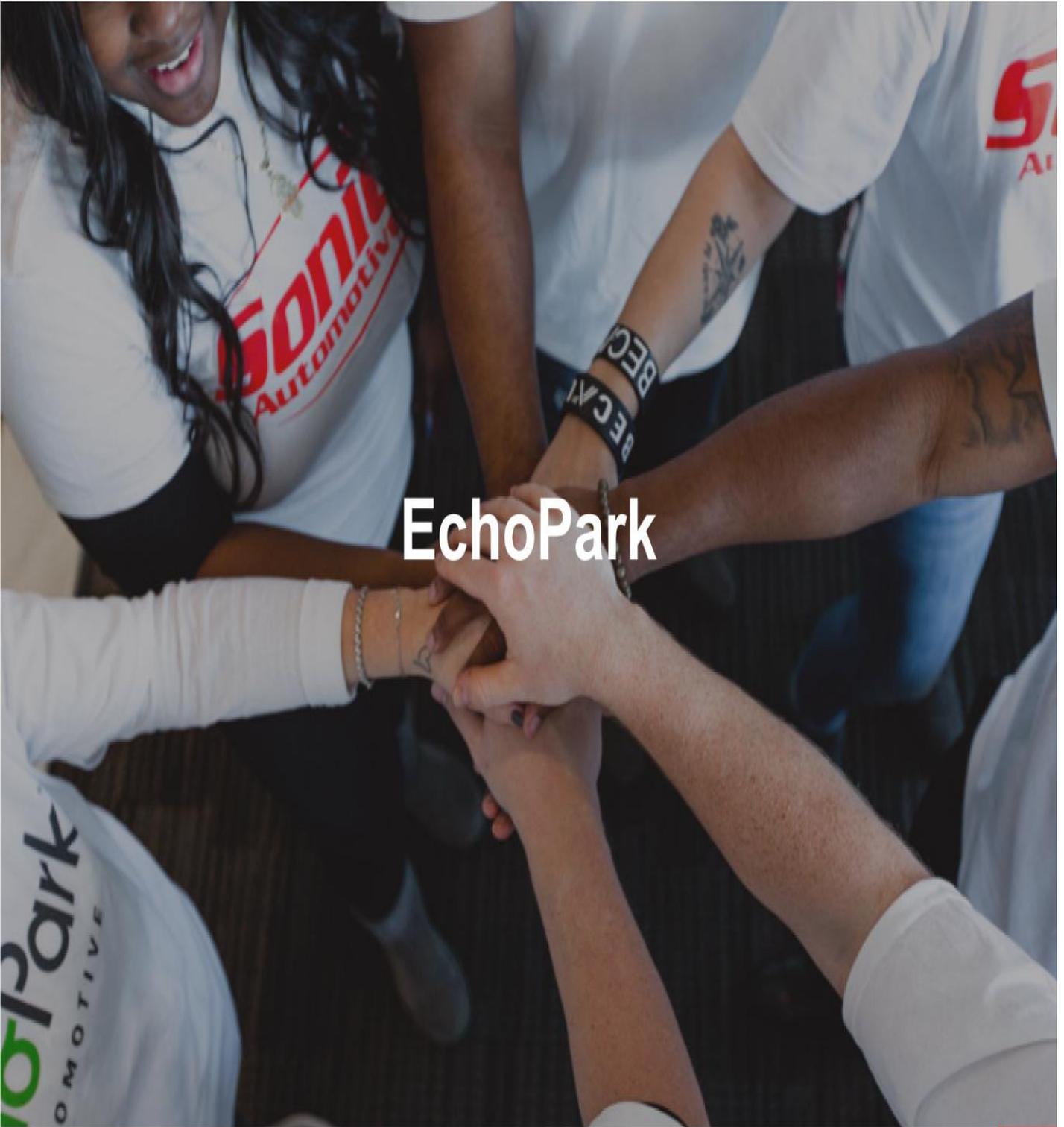
\* As Defined In The 2021 Revolving Credit Facility and 2019 Mortgage Facility

(1) Balance As Of December 31, 2020 Was Under The 2016 Revolving Credit Facility

(2) During Q4 2021 The 2020 Line Of Credit Facility Was Terminated By Sonic

(3) 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)





## → EchoPark – Brand Promise



Price. Quality. Experience.



Up To **40%** Below  
New Vehicle Price



Up To **\$3,000** Below  
Used Vehicle Market  
Price



High Quality, Low  
Mileage Vehicles



Transparent  
Guest-Centric  
Experience



New Car Feel  
Without The New  
Car Price



Free CARFAX  
Report With  
Every Vehicle



Buy & Sell  
Your Way –  
On-Site Or Online



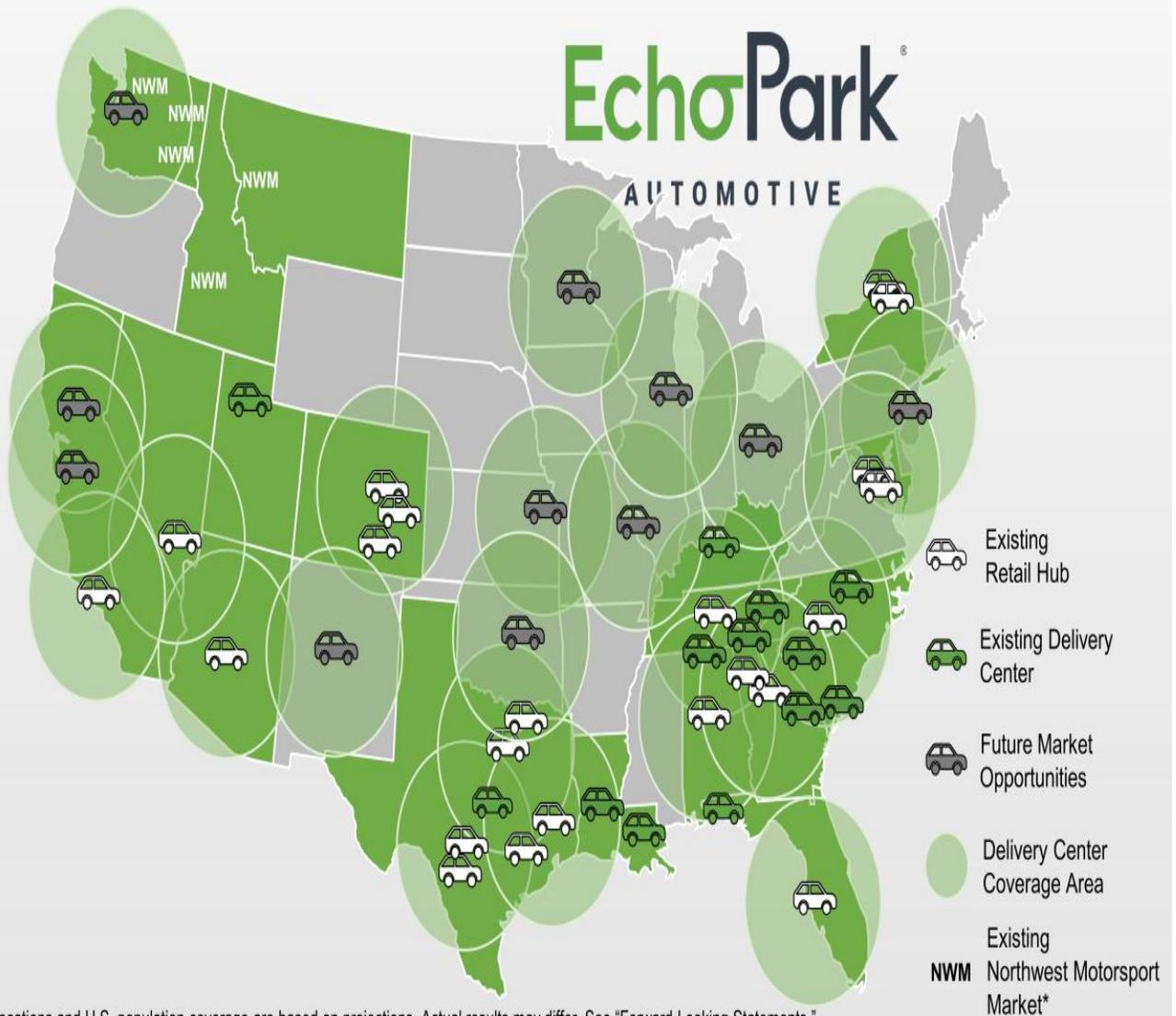
Complete Purchase  
In Under An Hour

Low Cost Omnichannel Model



# → EchoPark – Developing Nationwide Distribution Network

Over 30% Population Coverage At End Of 2021  
Target 90% Population Coverage By 2025

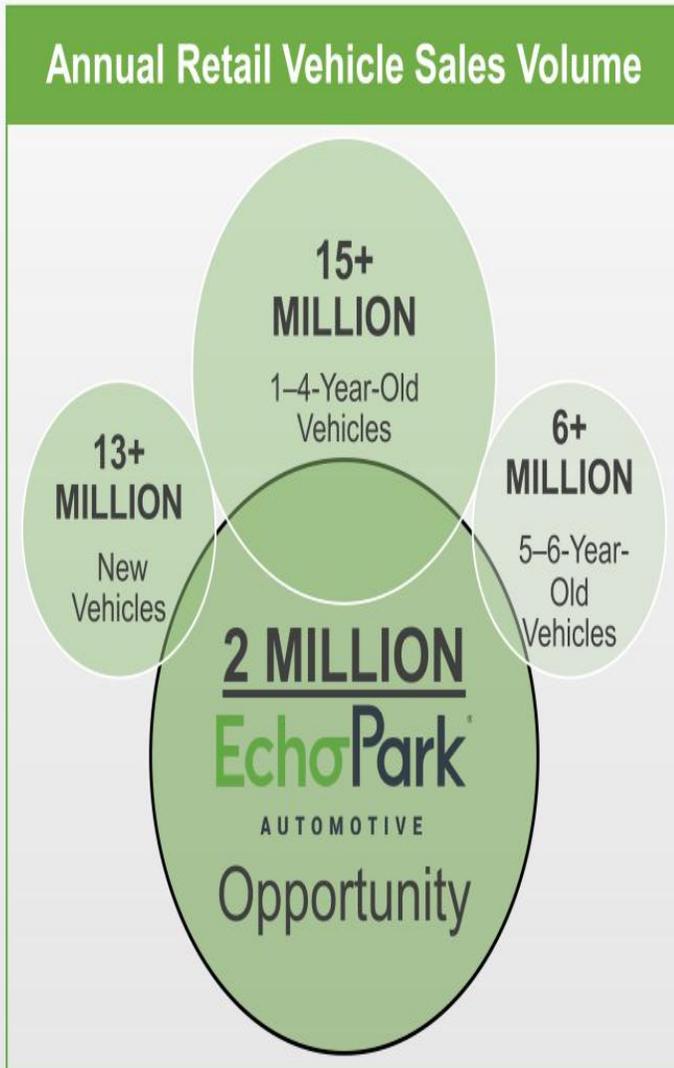


Note: Future locations and U.S. population coverage are based on projections. Actual results may differ. See "Forward-Looking Statements."

\* Northwest Motorsport consists of 11 pre-owned vehicle stores that were included in the RFJ Auto acquisition in December 2021.



## → EchoPark – Addressable Market Opportunity



# EchoPark<sup>®</sup>

**AUTOMOTIVE**

Target  
**90% Population Coverage**  
 By 2025 With Growing Nationwide Distribution Network

Target  
**10% Market Share**  
 Already Achieving This Share\* In Multiple Markets

Priced Up To  
**40% Below New**  
 Converts Prospective New Car Buyers

Priced Up to  
**\$3,000 Below Used**  
 Competes On Price vs. 5 to 6-Year-Old Vehicles, Consumer Can Buy Newer Vehicle For Same Price

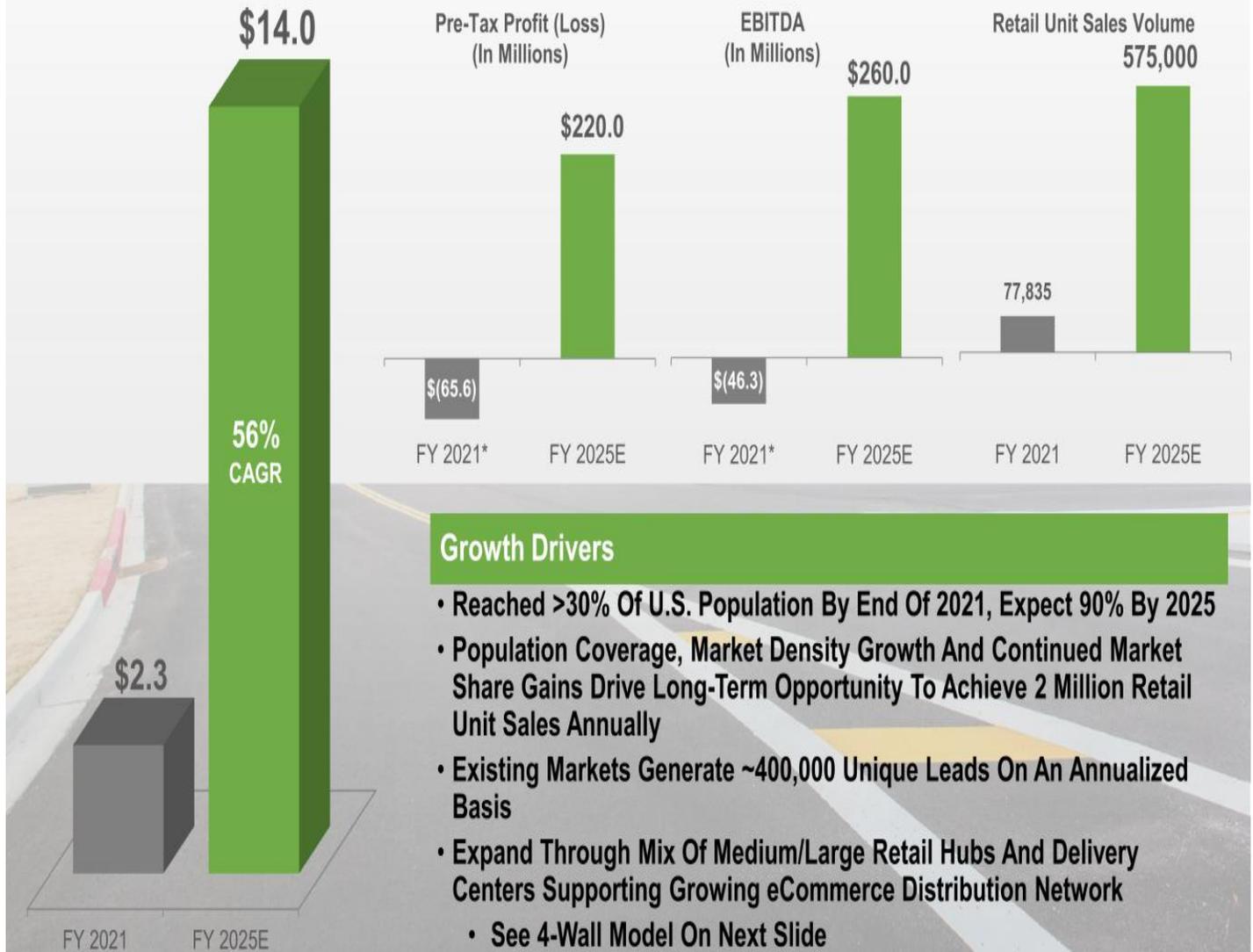
\* Share Of Vehicles That Fit Model In Existing EchoPark Markets

**3.2% Q4 2021 Average Market Share\* (5.6% Excluding New Markets)**



## → EchoPark – Growth Forecast

### Total Revenues (In Billions)



### Growth Drivers

- Reached >30% Of U.S. Population By End Of 2021, Expect 90% By 2025
- Population Coverage, Market Density Growth And Continued Market Share Gains Drive Long-Term Opportunity To Achieve 2 Million Retail Unit Sales Annually
- Existing Markets Generate ~400,000 Unique Leads On An Annualized Basis
- Expand Through Mix Of Medium/Large Retail Hubs And Delivery Centers Supporting Growing eCommerce Distribution Network
  - See 4-Wall Model On Next Slide

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

\* Refer To Appendix For Calculation And Reconciliation of Adjusted Pre-Tax Profit (Loss) and Adjusted EBITDA (Non-GAAP Measures)



## → 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%
<b>Annual Pre-Tax Profit</b>	<b>\$ 2,100,000</b>	<b>\$ 7,200,000</b>	<b>\$ 14,400,000</b>
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)
<b>Capital Expenditures, Including Land (Varies By Market)</b>	<b>\$1-2 Million</b>	<b>\$7-12 Million</b>	<b>\$20-25 Million</b>
Estimated Months to Breakeven	3-6 Months	6-9 Months	6-9 Months
Estimated Years to Maturity	2 Years	4 Years	5 Years

**Expected Pre-Tax Return On Investment**

**55%+**

**35% - 50%**

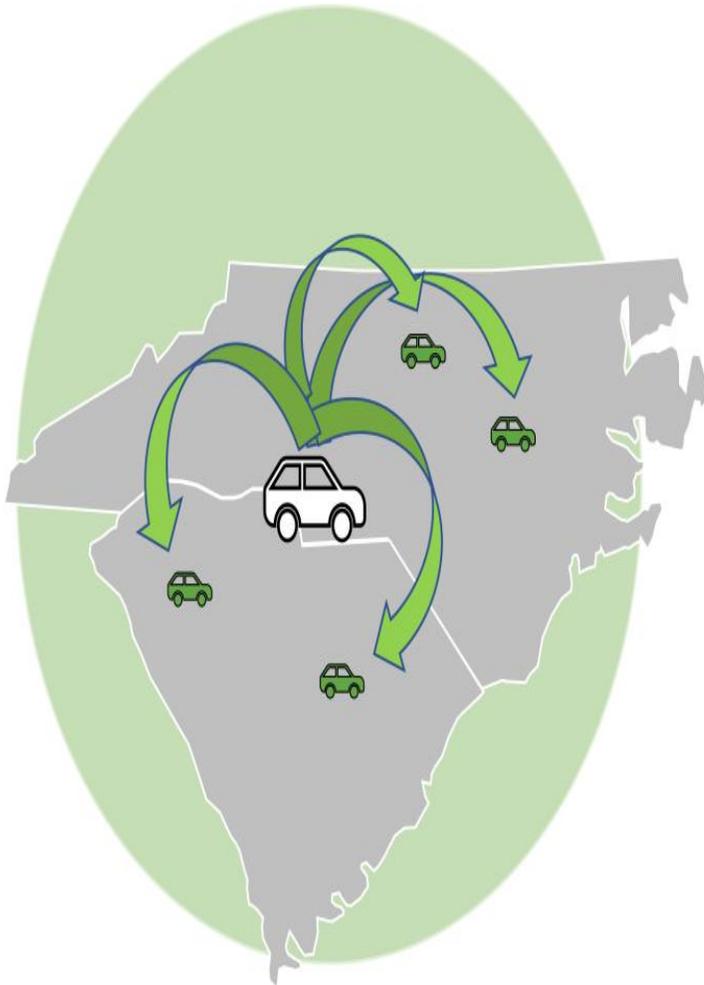
**28% - 33%**

Note: Assuming target GPU above, estimated average pre-tax losses of \$1.5 to \$2.0 million per new medium or large retail hub opening in normal used vehicle pricing environment (Approximately ~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 Nearby Retail Hub For Inventory Storage And Reconditioning (Asset Light Expansion)
- Advertise Inventory Online In Surrounding Markets
- Drive Incremental eCommerce Sales In New Markets
- Inspect & Buy Vehicles From Guests After Online Appraisal And Firm Purchase Offer
- Arrange Vehicle Transport To Delivery Center
- Guest Picks Up Vehicle At EchoPark Delivery Center Nearest Their Home (i.e. Next-To-Last-Mile Delivery)

### Strategic Advantages

- Accelerates 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 Markets

- Expect To Support 3 To 4 Delivery Centers Per Retail Hub
- Target Adjacent Secondary Markets Or Large Metro Markets Where Traditional Dealership Real Estate Is Unavailable Or Cost Prohibitive

## → EchoPark – High Volume Model Drives Superior Returns

Ultra-Low Pricing



Attractive F&I



High Volume Throughput

**Below-Market Pricing**  
Drives High Customer Lead  
Volume

**Higher Penetration Rates**  
On F&I Products  
vs. Industry Average

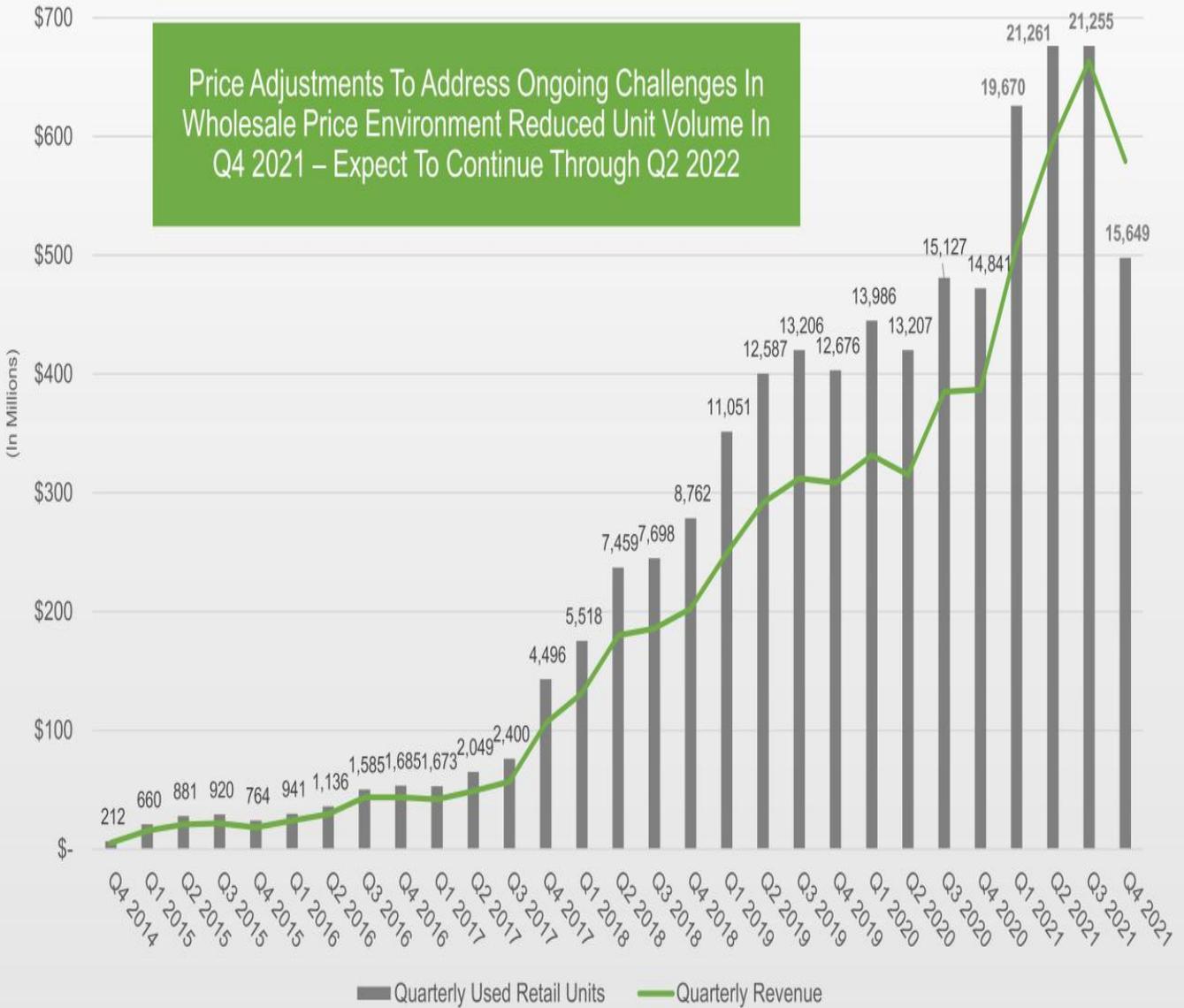
**5X Volume** Throughput Per  
Retail Hub vs. Sonic  
Franchised Stores

Gross Profit Per Unit ("GPU")	Franchised Used	EchoPark	Better / (Worse)
Front-End Used Vehicle GPU	\$1,300	\$(100)	
F&I GPU	\$1,800	\$2,250	
Parts and Service Reconditioning GPU	\$500	-	
Total Used-Related GPU	\$3,600	\$2,150	(\$1,450)
Volume Differential Factor	x1	X5	
<b>Pro Forma Comparative Used-Related Gross Profit</b>	<b>\$3,600</b>	<b>\$10,750</b>	<b>\$7,150</b>

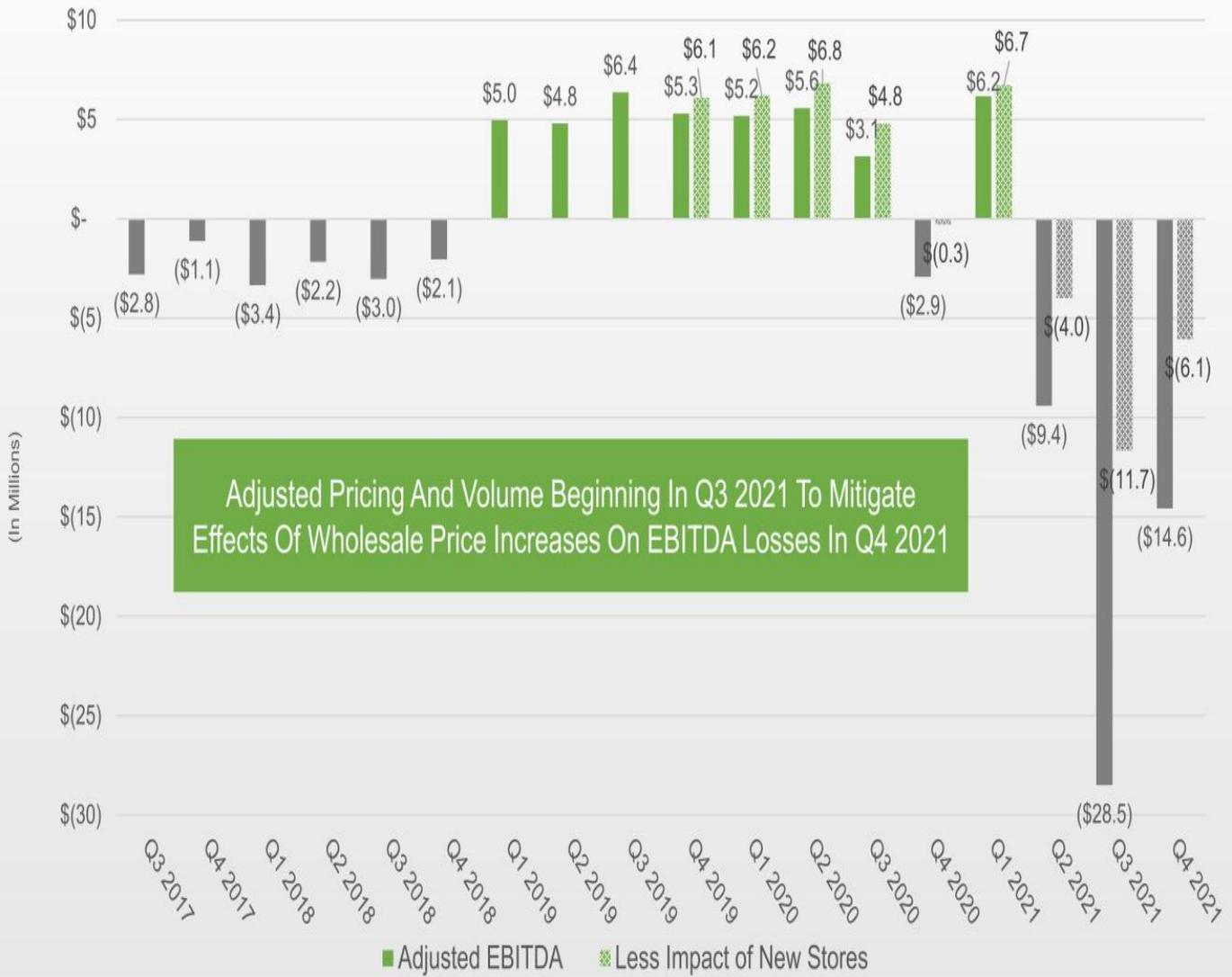
Note: Amounts are normalized estimates of future results used for comparative modeling purposes. Actual results may differ.



# EchoPark – Growth Path



# EchoPark – Adjusted EBITDA Trend



Adjusted Pricing And Volume Beginning In Q3 2021 To Mitigate Effects Of Wholesale Price Increases On EBITDA Losses In Q4 2021

Newly Opened Store Losses And Future Store Pre-Opening Costs Expected To Reduce Adjusted EBITDA By \$12-14 Million Annually, Before Impact Of Wholesale Market Price Conditions On GPU

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



# Franchised Dealerships



## → Franchised Dealerships

Stable Business With Organic And Acquisition Growth Opportunities



**111** Franchised Dealerships



**25+** Brands, Luxury Weighted

Diversified Revenue Streams

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



**17** Collision Repair Centers



**17** States

Resilient And Flexible Business Model Through Economic Cycles

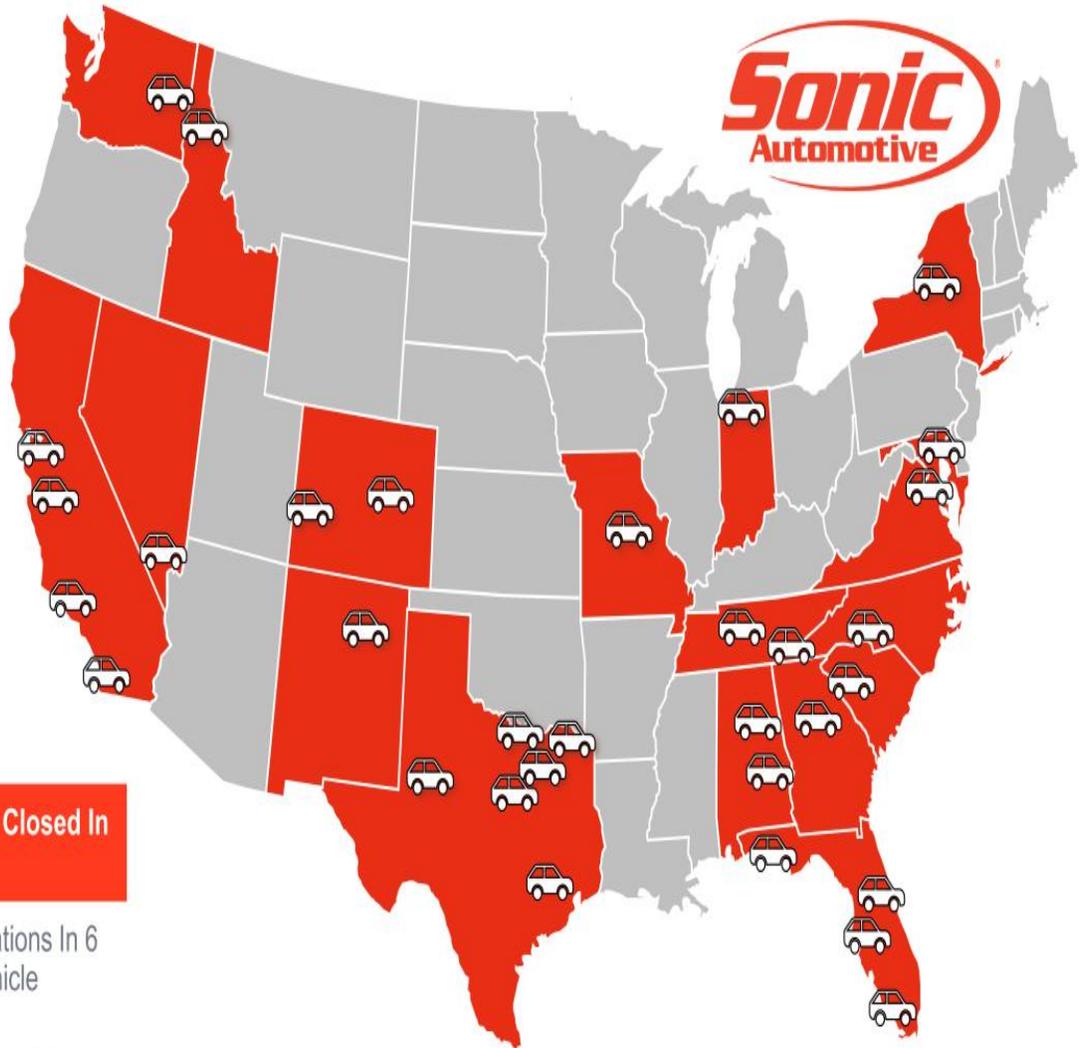


**Sonic**  
Automotive



EchoPark  
AUTOMOTIVE

## → Franchised Dealerships – Geographic Footprint



### RFJ Auto Acquisition Closed In December 2021

- 22 Franchised Locations In 6 States, 16 New Vehicle Brands
- Added 5 New States, 5 New Brands To Portfolio



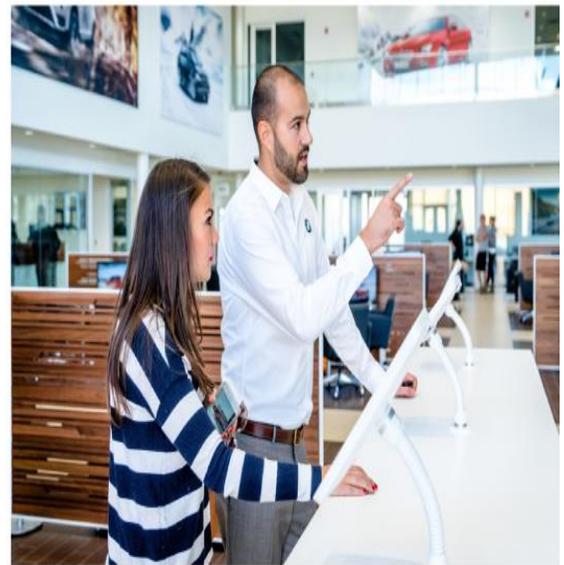
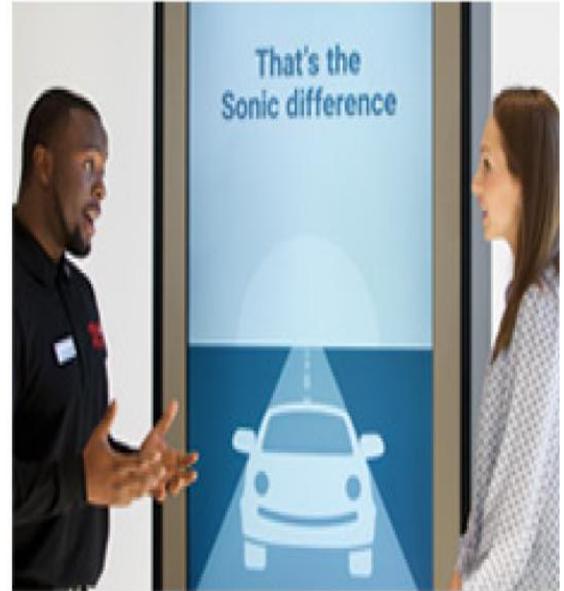
111 Stores, 25+ Brands,  
17 Collision Repair Centers



Diversified Geographic  
Market Platform



# → Franchised Dealerships – Strategic Growth Levers





# Omnichannel Strategy



## → Full Omnichannel 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**
- **Conveniently** Test Drive And Finalize Purchase At Franchised Dealership, EchoPark Retail Hub Or EchoPark Delivery Center

Represents ~10% Of Q4 2021 Vehicle Sales Transactions



# Appendix



## → Non-GAAP Reconciliation – Segment Income

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Revenues	\$ 2,605.4	\$ 2,411.7	\$ 579.2	\$ 386.9	\$ 3,184.6	\$ 2,798.6
Gross profit	\$ 489.7	\$ 363.0	\$ 40.9	\$ 26.1	\$ 530.6	\$ 389.1
SG&A expenses	\$ 282.8	\$ 235.9	\$ 60.5	\$ 23.1	\$ 343.3	\$ 259.0
Adjusted segment income	\$ 165.7	\$ 91.8	\$ (20.2)	\$ (6.2)	\$ 145.5	\$ 85.6
Acquisition and disposition-related gain (loss)	(1.2)	0.8	-	5.2	(1.2)	6.0
Long-term compensation charges	-	-	(6.5)	-	(6.5)	-
Loss on extinguishment of debt	(15.6)	-	-	-	(15.6)	-
Segment income	\$ 148.9	\$ 92.6	\$ (26.7)	\$ (1.0)	\$ 122.2	\$ 91.6
Impairment charges	-	(1.2)	(0.1)	-	(0.1)	(1.2)
Earnings (loss) from continuing operations before taxes	\$ 148.9	\$ 91.4	\$ (26.8)	\$ (1.0)	\$ 122.1	\$ 90.4
Adjusted earnings (loss) from continuing operations before taxes	\$ 165.7	\$ 91.8	\$ (20.3)	\$ (6.2)	\$ 145.4	\$ 85.6
Acquisition and disposition-related gain (loss)	(1.2)	0.8	-	5.2	(1.2)	6.0
Long-term compensation charges	-	-	(6.5)	-	(6.5)	-
Loss on extinguishment of debt	(15.6)	-	-	-	(15.6)	-
Impairment charges	-	(1.2)	-	-	-	(1.2)
Earnings (loss) from continuing operations before taxes	\$ 148.9	\$ 91.4	\$ (26.8)	\$ (1.0)	\$ 122.1	\$ 90.4
Adjusted net income (loss) from continuing operations					\$ 113.7	\$ 65.8
Acquisition and disposition-related gain (loss) (before taxes)					(1.2)	6.0
Long-term compensation charges (before taxes)					(6.5)	-
Loss on extinguishment of debt (before taxes)					(15.6)	-
Impairment charges (before taxes)					-	(1.2)
Tax effect of items of interest and non-recurring tax items					5.9	(13.1)
Net income (loss) from continuing operations					\$ 96.3	\$ 57.5
New vehicle unit sales volume	25,721	27,566	59	-	25,780	27,566
Retail used vehicle unit sales volume	23,397	25,490	15,649	14,841	39,046	40,331

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 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues	\$ 10,051.1	\$ 8,348.0	\$ 2,345.3	\$ 1,419.0	\$ 12,396.4	\$ 9,767.0
Gross profit	\$ 1,765.6	\$ 1,309.4	\$ 148.8	\$ 114.0	\$ 1,914.3	\$ 1,423.6
SG&A expenses	\$ 1,076.9	\$ 933.7	\$ 197.8	\$ 94.9	\$ 1,274.7	\$ 1,028.7
Adjusted segment income	\$ 547.1	\$ 227.2	\$ (65.5)	\$ (1.2)	\$ 481.6	\$ 226.0
Acquisition and disposition-related gain (loss)	(1.2)	4.0	-	5.2	(1.2)	9.2
Long-term compensation charges	-	-	(6.5)	-	(6.5)	-
Loss on extinguishment of debt	(15.6)	-	-	-	(15.6)	-
Segment income	\$ 530.3	\$ 231.2	\$ (72.0)	\$ 4.0	\$ 458.3	\$ 235.2
Impairment charges	-	(270.0)	(0.1)	-	(0.1)	(270.0)
Earnings (loss) from continuing operations before taxes	\$ 530.3	\$ (38.8)	\$ (72.1)	\$ 4.0	\$ 458.2	\$ (34.8)
Adjusted earnings (loss) from continuing operations before taxes	\$ 547.1	\$ 226.4	\$ (65.6)	\$ (1.2)	\$ 481.5	\$ 225.2
Acquisition and disposition-related gain (loss)	(1.2)	4.0	-	5.2	(1.2)	9.2
Long-term compensation charges	-	-	(6.5)	-	(6.5)	-
Loss on extinguishment of debt	(15.6)	-	-	-	(15.6)	-
Impairment charges	-	(269.2)	-	-	-	(269.2)
Earnings (loss) from continuing operations before taxes	\$ 530.3	\$ (38.8)	\$ (72.1)	\$ 4.0	\$ 458.2	\$ (34.8)
Adjusted net income (loss) from continuing operations					\$ 366.3	\$ 168.9
Acquisition and disposition-related gain (loss) (before taxes)					(1.2)	9.2
Long-term compensation charges (before taxes)					(6.5)	-
Loss on extinguishment of debt (before taxes)					(15.6)	-
Impairment charges (before taxes)					-	(269.2)
Tax effect of items of interest and non-recurring tax items					5.9	40.4
Net income (loss) from continuing operations					\$ 348.9	\$ (50.7)
New vehicle unit sales volume	103,358	93,281	128	-	103,486	93,281
Retail used vehicle unit sales volume	105,457	101,864	77,835	57,161	183,292	159,025

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



## → Non-GAAP Reconciliation – Consolidated SG&A Expenses

	Q4 2021	Q4 2020	Better / (Worse)		FY 2021	FY 2020	Better / (Worse)	
			Change	% Change			Change	% Change
	(In millions)				(In millions)			
Reported:								
Compensation	\$ 226.0	\$ 176.1	\$ (49.9)	(28.3)%	\$ 834.5	\$ 659.8	\$ (174.7)	(26.5)%
Advertising	17.4	10.5	(6.9)	(65.7)%	61.6	42.2	(19.4)	(46.0)%
Rent	12.1	13.6	1.5	11.0 %	53.2	54.5	1.3	2.4 %
Other	87.8	58.8	(29.0)	(49.3)%	325.4	272.2	(53.2)	(19.5)%
Total SG&A expenses	\$ 343.3	\$ 259.0	\$ (84.3)	(32.5)%	\$ 1,274.7	\$ 1,028.7	\$ (246.0)	(23.9)%
Items of interest:								
Long-term compensation charges	\$ (6.5)	\$ -			\$ (6.5)	\$ -		
Acquisition and disposition-related gain (loss)	(1.2)	6.0			(1.2)	9.2		
Total SG&A adjustments	\$ (7.7)	\$ 6.0			\$ (7.7)	\$ 9.2		
Adjusted:								
Total adjusted SG&A expenses	\$ 335.6	\$ 265.0			\$ 1,267.0	\$ 1,037.9		
Reported:								
SG&A expenses as a % of gross profit:								
Compensation	42.6 %	45.2 %	260 bps		43.6 %	46.3 %	270 bps	
Advertising	3.3 %	2.7 %	(60) bps		3.2 %	3.0 %	(20) bps	
Rent	2.3 %	3.5 %	120 bps		2.8 %	3.8 %	100 bps	
Other	16.5 %	15.2 %	(130) bps		17.0 %	19.2 %	220 bps	
Total SG&A expenses as a % of gross profit	64.7 %	66.6 %	190 bps		66.6 %	72.3 %	570 bps	
Items of interest:								
Long-term compensation charges	(1.2)%	- %			(0.3)%	- %		
Acquisition and disposition-related gain (loss)	(0.2)%	1.5 %			(0.1)%	0.6 %		
Total effect of adjustments	(1.4)%	1.5 %			(0.4)%	0.6 %		
Adjusted:								
Total adjusted SG&A expenses as a % of gross profit	63.3 %	68.1 %			66.2 %	72.9 %		
Gross profit	\$ 530.6	\$ 389.1			\$ 1,914.3	\$ 1,423.6		

## → Non-GAAP Reconciliation – Franchised SG&A Expenses

	Q4 2021	Q4 2020	Better / (Worse)		FY 2021	FY 2020	Better / (Worse)	
			Change	% Change			Change	% Change
	(In millions)				(In millions)			
<b>Reported:</b>								
Compensation	\$ 189.8	\$ 160.0	\$ (29.8)	(18.6)%	\$ 719.6	\$ 598.3	\$ (121.3)	(20.3)%
Advertising	6.3	6.0	(0.3)	(5.0)%	26.1	30.1	4.0	13.3%
Rent	10.4	12.2	1.8	14.8%	46.6	50.1	3.5	7.0%
Other	76.3	57.7	(18.6)	(32.2)%	284.6	255.2	(29.4)	(11.5)%
Total SG&A expenses	<u>\$ 282.8</u>	<u>\$ 235.9</u>	<u>\$ (46.9)</u>	<u>(19.9)%</u>	<u>\$ 1,076.9</u>	<u>\$ 933.7</u>	<u>\$ (143.2)</u>	<u>(15.3)%</u>
<b>Items of interest:</b>								
Acquisition and disposition-related gain (loss)	\$ (1.2)	\$ 0.8			\$ (1.2)	\$ 4.0		
Total SG&A adjustments	<u>\$ (1.2)</u>	<u>\$ 0.8</u>			<u>\$ (1.2)</u>	<u>\$ 4.0</u>		
<b>Adjusted:</b>								
Total adjusted SG&A expenses	<u>\$ 281.6</u>	<u>\$ 236.7</u>			<u>\$ 1,075.7</u>	<u>\$ 937.7</u>		
<b>Reported:</b>								
SG&A expenses as a % of gross profit:								
Compensation	38.8%	44.1%	530	bps	40.8%	45.7%	490	bps
Advertising	1.3%	1.7%	40	bps	1.5%	2.3%	80	bps
Rent	2.1%	3.4%	130	bps	2.6%	3.8%	120	bps
Other	15.5%	15.8%	30	bps	16.1%	19.5%	340	bps
Total SG&A expenses as a % of gross profit	<u>57.7%</u>	<u>65.0%</u>	<u>730</u>	<u>bps</u>	<u>61.0%</u>	<u>71.3%</u>	<u>1,030</u>	<u>bps</u>
<b>Items of interest:</b>								
Acquisition and disposition-related gain (loss)	(0.2)%	0.2%			(0.1)%	0.3%		
Total effect of adjustments	<u>(0.2)%</u>	<u>0.2%</u>			<u>(0.1)%</u>	<u>0.3%</u>		
<b>Adjusted:</b>								
Total adjusted SG&A expenses as a % of gross profit	<u>57.5%</u>	<u>65.2%</u>			<u>60.9%</u>	<u>71.6%</u>		
Gross profit	\$ 489.7	\$ 363.0			\$ 1,765.6	\$ 1,309.4		

## → Non-GAAP Reconciliation – EchoPark SG&A Expenses

	Q4 2021	Q4 2020	Better / (Worse)		FY 2021	FY 2020	Better / (Worse)	
			Change	% Change			Change	% Change
	(In millions)				(In millions)			
<b>Reported:</b>								
Compensation	\$ 36.2	\$ 16.1	\$ (20.1)	(124.8)%	\$ 114.9	\$ 61.5	\$ (53.4)	(86.8)%
Advertising	11.1	4.5	(6.6)	(146.7)%	35.5	12.1	(23.4)	(193.4)%
Rent	1.7	1.4	(0.3)	(21.4)%	6.6	4.4	(2.2)	(50.0)%
Other	11.5	1.1	(10.4)	(945.5)%	40.8	16.9	(23.9)	(141.4)%
Total SG&A expenses	\$ 60.5	\$ 23.1	\$ (37.4)	(161.9)%	\$ 197.8	\$ 94.9	\$ (102.9)	(108.4)%
<b>Items of interest:</b>								
Long-term compensation charges	\$ (6.5)	\$ -			\$ (6.5)	\$ -		
Acquisition and disposition-related gain (loss)	-	5.2			-	5.2		
Total SG&A adjustments	\$ (6.5)	\$ 5.2			\$ (6.5)	\$ 5.2		
<b>Adjusted:</b>								
Total adjusted SG&A expenses	\$ 54.0	\$ 28.3			\$ 191.3	\$ 100.1		
<b>Reported:</b>								
SG&A expenses as a % of gross profit:								
Compensation	88.5 %	61.7 %	(2,680) bps		77.2 %	53.9 %	(2,330) bps	
Advertising	27.1 %	17.2 %	(990) bps		23.9 %	10.6 %	(1,330) bps	
Rent	4.2 %	5.4 %	120 bps		4.4 %	3.9 %	(50) bps	
Other	28.3 %	3.9 %	(2,440) bps		27.4 %	14.7 %	(1,270) bps	
Total SG&A expenses as a % of gross profit	148.1 %	88.2 %	(5,990) bps		132.9 %	83.1 %	(4,980) bps	
<b>Items of interest:</b>								
Long-term compensation charges	(15.9)%	- %			(4.3)%	- %		
Acquisition and disposition-related gain (loss)	- %	19.7 %			- %	4.5 %		
Total effect of adjustments	(15.9)%	19.7 %			(4.3)%	4.5 %		
<b>Adjusted:</b>								
Total adjusted SG&A expenses as a % of gross profit	132.2 %	107.9 %			128.6 %	87.6 %		
Gross profit	\$ 40.9	\$ 26.1			\$ 148.8	\$ 114.0		

## → Non-GAAP Reconciliation – Earnings Per Share

	Q4 2021			Q4 2020		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
(In millions, except per share amounts)						
Diluted earnings (loss) and shares from continuing operations	42.8	\$ 96.3	\$ 2.25	44.0	\$ 57.5	\$ 1.31
Pre-tax items of interest:						
Acquisition and disposition-related (gain) loss		\$ 1.2			\$ (6.0)	
Long-term compensation charges		6.5			-	
Loss on extinguishment of debt		15.6			-	
Impairment charges		-			1.2	
Total pre-tax items of interest		\$ 23.3			\$ (4.8)	
Tax effect of items of interest		(5.9)			1.2	
Non-recurring tax items		-			11.9	
Adjusted diluted earnings (loss) and shares from continuing operations	42.8	\$ 113.7	\$ 2.66	44.0	\$ 65.8	\$ 1.50

## → Non-GAAP Reconciliation – Earnings Per Share

	FY 2021			FY 2020		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
(In millions, except per share amounts)						
Diluted earnings (loss) and shares						
from continuing operations <sup>(1)</sup>	43.3	\$ 348.9	\$ 8.06	42.5	\$ (50.7)	\$ (1.19)
Pre-tax items of interest:						
Acquisition and disposition-related (gain) loss		\$ 1.2			\$ (9.2)	
Long-term compensation charges		6.5			-	
Loss on extinguishment of debt		15.6			-	
Impairment charges		-			269.2	
Total pre-tax items of interest		\$ 23.3			\$ 260.0	
Tax effect of items of interest		(5.9)			(40.4)	
Adjusted diluted earnings (loss) and shares from continuing operations	43.3	\$ 366.3	\$ 8.46	43.9	\$ 168.9	\$ 3.85

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

## → Non-GAAP Reconciliation – Adjusted EBITDA

(In millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Income (Loss)	\$ 93.0	\$ 51.7	\$ 144.1	\$ (51.4)	\$ 348.9
Provision For Income Taxes	13.2	22.6	55.0	15.6	109.3
Income (Loss) Before Taxes	\$ 106.2	\$ 74.3	\$ 199.1	\$ (35.8)	\$ 458.2
Non-Floor Plan Interest	50.5	52.0	50.5	38.7	44.7
Depreciation and Amortization	92.1	96.7	95.6	93.9	104.3
Stock-Based Compensation Expense	11.1	11.9	10.8	11.7	15.0
Loss (Gain) On Exit Of Leased Dealerships	2.2	1.7	(0.2)	-	-
Impairment Charges	9.4	29.5	20.8	270.0	0.1
Loss (Gain) On Debt Extinguishment	14.6	-	6.7	-	15.6
Long-Term Compensation Charges	-	32.5	-	-	8.0
Acquisition and Disposition-Related (Gain) Loss	(10.0)	(39.3)	(74.8)	(8.2)	(0.4)
Adjusted EBITDA	<u>\$ 276.1</u>	<u>\$ 259.3</u>	<u>\$ 308.5</u>	<u>\$ 370.3</u>	<u>\$ 645.5</u>
Long-Term Debt (Including Current Portion)	\$ 1,024.7	\$ 945.1	\$ 706.9	\$ 720.1	\$ 1,561.2
Cash and Equivalents	(6.4)	(5.9)	(29.1)	(170.3)	(299.4)
Floor Plan Deposit Balance	(3.0)	-	-	(73.2)	(99.8)
Net Debt	<u>\$ 1,015.3</u>	<u>\$ 939.2</u>	<u>\$ 677.8</u>	<u>\$ 476.6</u>	<u>\$ 1,162.0</u>
Net Debt To Adjusted EBITDA Ratio	3.68	3.62	2.20	1.29	1.80
Long-Term Debt (Including Current Portion) To Adjusted EBITDA Ratio	3.71	3.64	2.29	1.94	2.42

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

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q4 2021				Q4 2020			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 96.3				\$ 57.3
Provision For Income Taxes				25.8				32.8
Income (Loss) Before Taxes	\$ 148.9	\$ (26.8)	\$ -	\$ 122.1	\$ 90.6	\$ (0.8)	\$ 0.3	\$ 90.1
Non-Floor Plan Interest	16.2	0.7	-	16.9	9.0	0.2	-	9.2
Depreciation And Amortization	23.4	4.9	-	28.3	21.1	2.9	-	24.0
Stock-Based Compensation Expense	3.8	-	-	3.8	3.2	-	-	3.2
Impairment Charges	-	0.1	-	0.1	1.2	-	-	1.2
Loss On Debt Extinguishment	15.6	-	-	15.6	-	-	-	-
Long-Term Compensation Charges	-	6.5	-	6.5	-	-	-	-
Acquisition and Disposition-Related (Gain) Loss	0.5	-	-	0.5	(0.8)	(5.2)	-	(6.0)
Adjusted EBITDA	\$ 208.4	\$ (14.6)	\$ -	\$ 193.8	\$ 124.3	\$ (2.9)	\$ 0.3	\$ 121.7

	Q3 2021				Q3 2020			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 84.6				\$ 59.8
Provision For Income Taxes				27.4				20.6
Income (Loss) Before Taxes	\$ 145.1	\$ (32.9)	\$ (0.2)	\$ 112.0	\$ 80.4	\$ 0.2	\$ (0.2)	\$ 80.4
Non-Floor Plan Interest	8.8	0.3	-	9.1	9.8	0.1	-	9.9
Depreciation And Amortization	21.9	4.0	-	25.9	21.0	2.8	-	23.8
Stock-Based Compensation Expense	3.7	-	-	3.7	3.2	-	-	3.2
Impairment Charges	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	0.5	-	0.5	-	-	-	-
Gain On Franchise And Real Estate Disposals	(0.1)	(0.4)	-	(0.5)	(3.4)	-	-	(3.4)
Adjusted EBITDA	\$ 179.4	\$ (28.5)	\$ (0.2)	\$ 150.7	\$ 111.0	\$ 3.1	\$ (0.2)	\$ 113.9

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

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q2 2021				Q2 2020			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 113.8				\$ 30.8
Provision For Income Taxes				37.0				6.3
Income (Loss) Before Taxes	\$ 165.4	\$ (14.4)	\$ (0.2)	\$ 150.8	\$ 34.8	\$ 2.6	\$ (0.3)	\$ 37.1
Non-Floor Plan Interest	8.9	0.3	-	9.2	9.0	0.2	-	9.2
Depreciation And Amortization	21.4	4.2	-	25.6	20.5	2.8	-	23.3
Stock-Based Compensation Expense	4.0	-	-	4.0	3.0	-	-	3.0
Impairment Charges	-	-	-	-	0.8	-	-	0.8
Long-Term Compensation Charges	-	0.5	-	0.5	-	-	-	-
Gain On Franchise And Real Estate Disposals	(0.4)	-	-	(0.4)	1.1	-	-	1.1
Adjusted EBITDA	<u>\$ 199.3</u>	<u>\$ (9.4)</u>	<u>\$ (0.2)</u>	<u>\$ 189.7</u>	<u>\$ 69.2</u>	<u>\$ 5.6</u>	<u>\$ (0.3)</u>	<u>\$ 74.5</u>

	Q1 2021				Q1 2020			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 54.2				\$ (199.3)
Provision For Income Taxes				19.1				(44.2)
Income (Loss) Before Taxes	\$ 70.5	\$ 2.0	\$ 0.8	\$ 73.3	\$ (245.3)	\$ 2.1	\$ (0.3)	\$ (243.5)
Non-Floor Plan Interest	9.1	0.4	-	9.5	10.0	0.4	-	10.4
Depreciation And Amortization	21.2	3.3	-	24.5	20.1	2.7	-	22.8
Stock-Based Compensation Expense	3.5	-	-	3.5	2.4	-	-	2.4
Impairment Charges	-	-	-	-	268.0	-	-	268.0
Long-Term Compensation Charges	-	0.5	-	0.5	-	-	-	-
Gain On Franchise And Real Estate Disposals	-	-	-	-	-	-	-	-
Adjusted EBITDA	<u>\$ 104.3</u>	<u>\$ 6.2</u>	<u>\$ 0.8</u>	<u>\$ 111.3</u>	<u>\$ 55.2</u>	<u>\$ 5.2</u>	<u>\$ (0.3)</u>	<u>\$ 60.1</u>

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q4 2020				Q4 2019			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 57.3				\$ 46.3
Provision For Income Taxes				32.8				14.7
Income (Loss) Before Taxes	\$ 90.6	\$ (0.8)	\$ 0.3	\$ 90.1	\$ 75.5	\$ (14.5)	\$ -	\$ 61.0
Non-Floor Plan Interest	9.0	0.2	-	9.2	12.2	0.4	-	12.6
Depreciation And Amortization	21.1	2.9	-	24.0	21.0	2.8	-	23.8
Stock-Based Compensation Expense	3.2	-	-	3.2	2.7	-	-	2.7
Impairment Charges	1.2	-	-	1.2	1.1	16.6	-	17.7
Loss On Debt Extinguishment	-	-	-	-	6.7	-	-	6.7
Gain On Franchise And Real Estate Disposals	(0.8)	(5.2)	-	(6.0)	(29.2)	-	-	(29.2)
Adjusted EBITDA	\$ 124.3	\$ (2.9)	\$ 0.3	\$ 121.7	\$ 90.0	\$ 5.3	\$ -	\$ 95.3

	Q3 2020				Q3 2019			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 59.8				\$ 29.0
Provision For Income Taxes				20.6				11.3
Income (Loss) Before Taxes	\$ 80.4	\$ 0.2	\$ (0.2)	\$ 80.4	\$ 38.4	\$ 2.1	\$ (0.2)	\$ 40.3
Non-Floor Plan Interest	9.8	0.1	-	9.9	11.9	0.5	-	12.4
Depreciation And Amortization	21.0	2.8	-	23.8	21.6	2.7	-	24.3
Stock-Based Compensation Expense	3.2	-	-	3.2	2.7	-	-	2.7
Impairment Charges	-	-	-	-	-	1.1	-	1.1
Gain On Franchise Disposals	(3.4)	-	-	(3.4)	0.8	-	-	0.8
Adjusted EBITDA	\$ 111.0	\$ 3.1	\$ (0.2)	\$ 113.9	\$ 75.4	\$ 6.4	\$ (0.2)	\$ 81.6

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q2 2020				Q2 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ 30.8				\$ 26.6
Provision For Income Taxes				6.3				10.0
Income (Loss) Before Taxes	\$ 34.8	\$ 2.6	\$ (0.3)	\$ 37.1	\$ 35.1	\$ 1.7	\$ (0.2)	\$ 36.6
Non-Floor Plan Interest	9.0	0.2	-	9.2	12.6	0.4	-	13.0
Depreciation And Amortization	20.5	2.8	-	23.3	21.7	2.7	-	24.4
Stock-Based Compensation Expense	3.0	-	-	3.0	2.6	-	-	2.6
Impairment Charges	0.8	-	-	0.8	-	-	-	-
Gain On Franchise Disposals	1.1	-	-	1.1	0.4	-	-	0.4
Adjusted EBITDA	\$ 69.2	\$ 5.6	\$ (0.3)	\$ 74.5	\$ 72.4	\$ 4.8	\$ (0.2)	\$ 77.0
	Q1 2020				Q1 2019			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ (199.3)				\$ 42.2
Provision For Income Taxes				(44.2)				19.0
Income (Loss) Before Taxes	\$ (245.3)	\$ 2.1	\$ (0.3)	\$ (243.5)	\$ 61.2	\$ 0.2	\$ (0.2)	\$ 61.2
Non-Floor Plan Interest	10.0	0.4	-	10.4	11.8	0.5	-	12.3
Depreciation And Amortization	20.1	2.7	-	22.8	20.8	2.4	-	23.2
Stock-Based Compensation Expense	2.4	-	-	2.4	2.8	-	-	2.8
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(0.2)	-	-	(0.2)
Impairment Charges	268.0	-	-	268.0	-	1.9	-	1.9
Gain On Franchise Disposals	-	-	-	-	(46.7)	-	-	(46.7)
Adjusted EBITDA	\$ 55.2	\$ 5.2	\$ (0.3)	\$ 60.1	\$ 49.7	\$ 5.0	\$ (0.2)	\$ 54.5

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q4 2019				Q4 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 46.3				\$ 21.8
Provision For Income Taxes				14.7				9.2
Income (Loss) Before Taxes	\$ 75.5	\$ (14.5)	\$ -	\$ 61.0	\$ 37.4	\$ (6.2)	\$ (0.2)	\$ 31.0
Non-Floor Plan Interest	12.2	0.4	-	12.6	12.9	0.4	0.1	13.4
Depreciation And Amortization	21.0	2.8	-	23.8	21.1	2.2	-	23.3
Stock-Based Compensation Expense	2.7	-	-	2.7	1.3	-	-	1.3
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(1.1)	-	0.1	(1.0)
Impairment Charges	1.1	16.6	-	17.7	14.1	1.5	-	15.6
Loss On Debt Extinguishment	6.7	-	-	6.7	-	-	-	-
Gain On Franchise Disposals	(29.2)	-	-	(29.2)	(0.2)	-	-	(0.2)
Adjusted EBITDA	\$ 90.0	\$ 5.3	\$ -	\$ 95.3	\$ 85.5	\$ (2.1)	\$ -	\$ 83.4

	Q3 2019				Q3 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 29.0				\$ 15.1
Provision For Income Taxes				11.3				7.3
Income (Loss) Before Taxes	\$ 38.4	\$ 2.1	\$ (0.2)	\$ 40.3	\$ 28.1	\$ (5.5)	\$ (0.2)	\$ 22.4
Non-Floor Plan Interest	\$ 11.9	\$ 0.5	-	12.4	12.3	0.5	0.1	12.9
Depreciation And Amortization	\$ 21.6	\$ 2.7	-	24.3	22.1	2.0	-	24.1
Stock-Based Compensation Expense	\$ 2.7	-	-	2.7	4.6	-	-	4.6
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	-	-	0.1	0.1
Impairment Charges	-	\$ 1.1	-	1.1	-	-	-	-
Gain On Franchise Disposals	\$ 0.8	-	-	0.8	-	-	-	-
Adjusted EBITDA	\$ 75.4	\$ 6.4	\$ (0.2)	\$ 81.6	\$ 67.1	\$ (3.0)	\$ (0.0)	\$ 64.1

## → Non-GAAP Reconciliation – Adjusted EBITDA

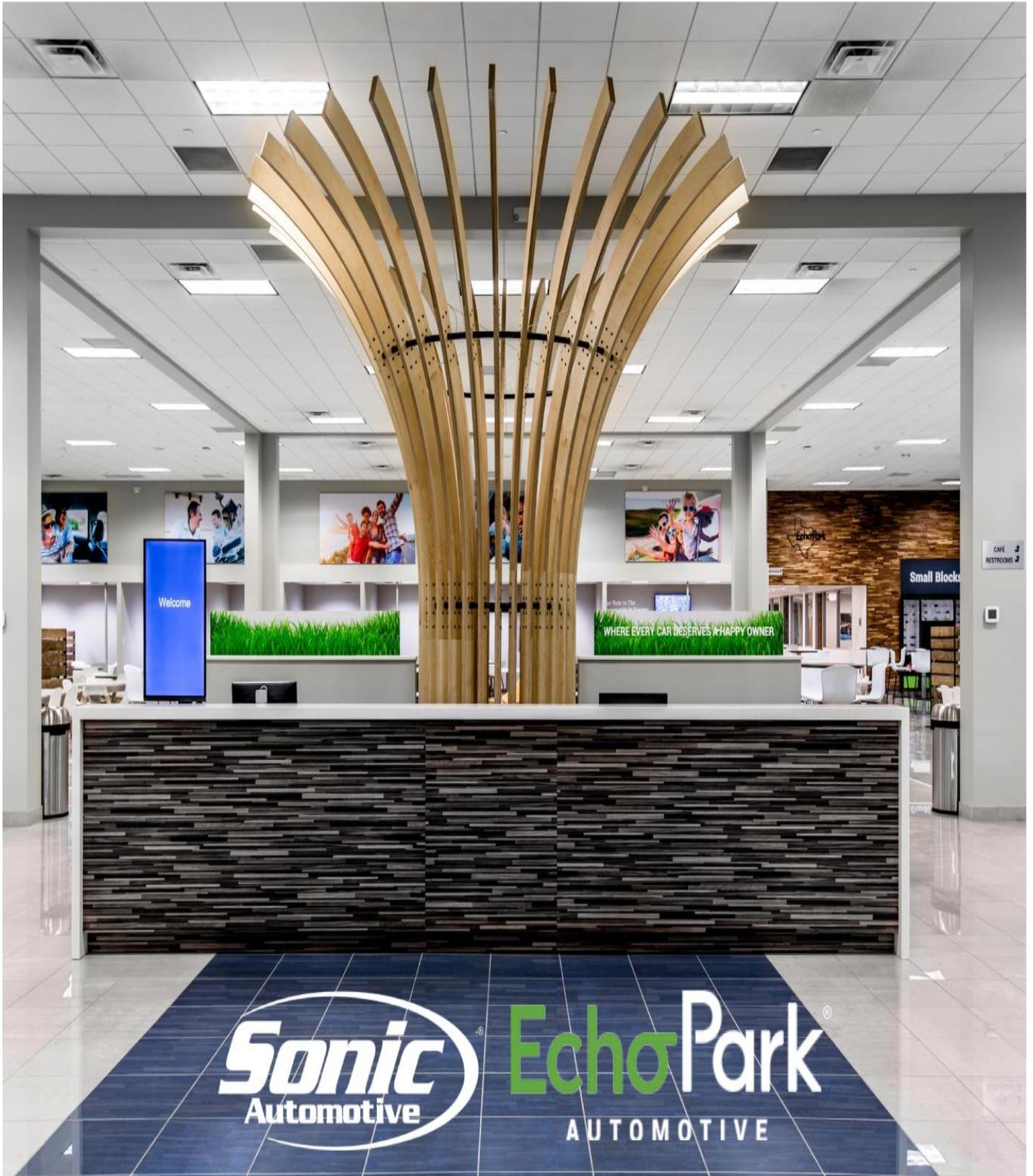
	Q2 2019				Q2 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 26.6				\$ 16.9
Provision For Income Taxes				\$ 10.0				8.1
Income (Loss) Before Taxes	\$ 35.1	\$ 1.7	\$ (0.2)	\$ 36.6	\$ 53.2	\$ (27.8)	\$ (0.4)	\$ 25.0
Non-Floor Plan Interest	\$ 12.6	\$ 0.4	-	13.0	12.3	0.4	0.1	12.8
Depreciation And Amortization	\$ 21.7	\$ 2.7	-	24.4	22.8	1.9	-	24.7
Stock-Based Compensation Expense	\$ 2.6	-	-	2.6	3.0	-	-	3.0
Loss (Gain) On Exit Of Leased Dealerships	-	-	-	-	(2.6)	-	0.1	(2.5)
Impairment Charges	-	-	-	-	10.3	-	-	10.3
Long-Term Compensation Charges	-	-	-	-	-	23.3	-	23.3
Gain On Franchise Disposals	\$ 0.4	-	-	0.4	(38.0)	-	-	(38.0)
Adjusted EBITDA	\$ 72.4	\$ 4.8	\$ (0.2)	\$ 77.0	\$ 61.0	\$ (2.2)	\$ (0.2)	\$ 58.6

	Q1 2019				Q1 2018			
	Franchised		Discontinued Operations	Total	Franchised		Discontinued Operations	Total
	Dealerships Segment	EchoPark Segment			Dealerships Segment	EchoPark Segment		
	(In millions)				(In millions)			
Net Income (Loss)				\$ 42.2				\$ (2.2)
Provision For Income Taxes				19.0				(1.9)
Income (Loss) Before Taxes	\$ 61.2	\$ 0.2	\$ (0.2)	\$ 61.2	\$ 10.8	\$ (14.7)	\$ (0.2)	\$ (4.1)
Non-Floor Plan Interest	11.8	0.5	-	12.3	12.4	0.3	0.1	12.8
Depreciation And Amortization	20.8	2.4	-	23.2	22.8	1.7	-	24.5
Stock-Based Compensation Expense	2.8	-	-	2.8	3.0	-	-	3.0
Loss (Gain) On Exit Of Leased Dealerships	(0.2)	-	-	(0.2)	5.0	-	0.1	5.1
Impairment Charges	-	1.9	-	1.9	3.6	0.1	-	3.7
Long-Term Compensation Charges	-	-	-	-	-	9.2	-	9.2
Gain On Franchise Disposals	(46.7)	-	-	(46.7)	(1.2)	-	-	(1.2)
Adjusted EBITDA	\$ 49.7	\$ 5.0	\$ (0.2)	\$ 54.5	\$ 56.4	\$ (3.4)	\$ -	\$ 53.0

## → Non-GAAP Reconciliation – Adjusted EBITDA

	Q4 2018				Q4 2017			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ 21.8				\$ 62.0
Provision For Income Taxes				9.2				(8.4)
Income (Loss) Before Taxes	\$ 37.4	\$ (6.2)	\$ (0.2)	\$ 31.0	\$ 57.8	\$ (4.0)	\$ (0.2)	\$ 53.6
Non-Floor Plan Interest	12.9	0.4	0.1	13.4	12.4	0.3	0.1	12.8
Depreciation And Amortization	21.1	2.2	-	23.3	22.6	1.3	-	23.9
Stock-Based Compensation Expense	1.3	-	-	1.3	2.2	-	-	2.2
Loss (Gain) On Exit Of Leased Dealerships	(1.1)	-	0.1	(1.0)	-	-	0.1	0.1
Impairment Charges	14.1	1.5	-	15.6	6.1	-	-	6.1
Long-Term Compensation Charges	-	-	-	-	-	1.3	-	1.3
Gain On Franchise Disposals	(0.2)	-	-	(0.2)	(1.5)	-	-	(1.5)
Adjusted EBITDA	\$ 85.5	\$ (2.1)	\$ -	\$ 83.4	\$ 99.6	\$ (1.1)	\$ 0.0	\$ 98.5

	Q3 2018				Q3 2017			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ 15.1				\$ 19.4
Provision For Income Taxes				7.3				13.9
Income (Loss) Before Taxes	\$ 28.1	\$ (5.5)	\$ (0.2)	\$ 22.4	\$ 38.2	\$ (4.4)	\$ (0.5)	\$ 33.3
Non-Floor Plan Interest	12.3	0.5	0.1	12.9	12.1	0.3	0.1	12.5
Depreciation And Amortization	22.1	2.0	-	24.1	22.2	1.3	-	23.5
Stock-Based Compensation Expense	4.6	-	-	4.6	3.2	-	-	3.2
Loss (Gain) On Exit Of Leased Dealerships	-	-	0.1	0.1	(0.2)	-	0.4	0.2
Impairment Charges	-	-	-	-	0.2	-	-	0.2
Gain On Franchise Disposals	-	-	-	-	(8.5)	-	-	(8.5)
Adjusted EBITDA	\$ 67.1	\$ (3.0)	\$ (0.0)	\$ 64.1	\$ 67.2	\$ (2.8)	\$ -	\$ 64.4



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