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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): July 28, 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 July 28, 2022, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal second quarter ended June 30, 2022 (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 July 28, 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 July 28, 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.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SONIC AUTOMOTIVE, INC.**

July 28, 2022

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

## Sonic Automotive Reports Second Quarter Financial Results

*All-Time Record Quarterly Revenues and Gross Profit  
Board of Directors Increases Share Repurchase Authorization by \$500 Million for Total Availability of \$633 Million*

CHARLOTTE, N.C. – July 28, 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 second quarter and six months ended June 30, 2022.

### **Key Second Quarter 2022 Highlights**

- *All-time record quarterly revenues of \$3.7 billion, up 9% year-over-year, all-time record quarterly gross profit of \$588.8 million, up 15% year-over-year*
- *Reported net income from continuing operations of \$94.8 million (\$2.34 per diluted share)*
- *Excluding one-time charges, adjusted net income from continuing operations\* of \$99.2 million (\$2.45 per diluted share)*
- *Reported selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 68.4% (60.7% on a Franchised Dealerships Segment basis, an increase of 260 basis points year-over-year)*
- *Excluding one-time charges, adjusted SG&A expenses as a percentage of gross profit\* of 67.7% (59.9% on a Franchised Dealerships Segment basis, an increase of 180 basis points year-over-year)*
- *All-time record quarterly total Finance & Insurance (“F&I”) gross profit per retail unit of \$2,503, up 13% year-over-year*
- *All-time record quarterly EchoPark revenues of \$665.6 million, up 12% year-over-year*
- *During the second quarter of 2022, Sonic repurchased approximately 1.4 million shares of its Class A Common Stock for an aggregate purchase price of approximately \$59.4 million*
- *Sonic’s Board of Directors increased the Company’s share repurchase authorization by \$500.0 million, to a total of \$633.1 million remaining authorization*

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

### **Commentary**

David Smith, Chief Executive Officer of Sonic Automotive, stated, “Sonic achieved another quarter of record revenues and solid earnings as a result of the continued dedication of our Sonic and EchoPark teams and our strong relationships with our manufacturer and vendor partners. Despite persistent industrywide headwinds that contributed to lower new vehicle sales volume as a result of ongoing supply chain disruptions and inventory constraints, we continued to see strong new vehicle pricing and consumer demand during the second quarter. In addition, we have made significant progress on the integration of the RFJ Auto acquisition and expect to realize meaningful synergies in future periods, further demonstrating the strength of the franchised dealership model and Sonic’s capacity to reinvest in its business for long-term growth and shareholder returns.”

Jeff Dyke, President of Sonic Automotive, commented, “During the second quarter, we further expanded EchoPark’s nationwide geographic and digital network, opening three new locations and completing the rollout of our proprietary, best-in-class ecommerce platform to 100% of our nationwide traffic at [EchoPark.com](#). Our new ecommerce platform accounted for 19% of our EchoPark retail unit sales volume in the second quarter, allowing our guests to shop their way via a modern omnichannel purchase experience or a seamless end-to-end online transaction. In addition, we expanded into new customer segments by adding older model year vehicles to our EchoPark inventory at more affordable prices, driving an increase in our non-auction sourced inventory mix to 25% of sales

volume in the second quarter, up from 7% in the prior year. We continue to adapt our business in the face of ongoing challenges in the used vehicle industry, from inventory procurement to consumer affordability. With the flexibility of the EchoPark model, we remain confident in EchoPark's long-term prospects and remain on track to reach 90% U.S. population coverage by 2025."

Heath Byrd, Chief Financial Officer of Sonic Automotive, added, "We are extremely pleased with our team's ability to produce consistent top-line performance despite ongoing supply chain and affordability headwinds. Additionally, our organization remains focused on maintaining high levels of profitability and cash flows, capitalizing on the enhanced operating efficiencies we realized during the course of the COVID-19 pandemic while implementing additional strategic measures based on the latest industry trends and macroeconomic outlook. We believe our strong balance sheet and balanced capital allocation position Sonic to continue to provide long-term returns for its stockholders."

### **Second Quarter 2022 Segment Highlights**

*The financial measures discussed below are results for the second quarter of 2022 with comparisons made to the second quarter of 2021, unless otherwise noted.*

- Franchised Dealerships Segment operating results include:
  - Same store revenues down 12%, same store gross profit down 2%
  - Same store retail new vehicle unit sales volume down 33%; same store retail new vehicle gross profit per unit up 77%, to \$6,905
  - Same store retail used vehicle unit sales volume down 17%; same store retail used vehicle gross profit per unit down 15%, to \$1,622
  - Same store parts, service and collision repair gross profit up 4%; same store customer pay gross profit up 11%; same store warranty gross profit down 10%; same store gross margin down 60 basis points, to 50.0%
  - Same store F&I gross profit down 14%; all-time record quarterly reported Franchised Dealerships Segment F&I gross profit per retail unit of \$2,472, up 17%
  - On a trailing quarter cost of sales basis, Franchised Dealerships Segment new vehicle inventory had approximately 18 days' supply, and Franchised Dealerships Segment used vehicle inventory had approximately 31 days' supply
- EchoPark Segment operating results include:
  - All-time record quarterly EchoPark revenues of \$665.6 million, up 12% year-over-year, all-time record quarterly EchoPark gross profit of \$49.5 million, up 37% year-over-year
  - EchoPark retail used vehicle unit sales volume of 16,608, down 22% year-over-year
  - EchoPark retail used vehicle unit sales volume was comprised of 91% 1-4-year old vehicles and 9% 5-plus-year old vehicles
  - EchoPark market share was 2.1% of the 1-4-year old vehicle segment in our current markets (on a same market basis, EchoPark share was 3.0% of the 1-4-year old vehicle segment)
  - EchoPark pre-tax loss of \$34.9 million and adjusted EBITDA\* loss of \$27.9 million (including market expansion-related losses of \$10.3 million and \$9.7 million, respectively)
  - On a trailing quarter cost of sales basis, EchoPark Segment used vehicle inventory had approximately 53 days' supply (including the effect of building up inventory for newly opened and future locations)

### **Strategic Update**

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In July 2021, Sonic announced a review process to evaluate potential strategic alternatives for its EchoPark business. After carefully evaluating a range of alternatives, the Company has concluded its review and the Board has determined that timing and current market conditions do not align with the Company's value creation objectives for the business. Sonic will continue to execute on its expansion plans for EchoPark and will monitor market conditions and periodically consider potential opportunities to maximize long-term shareholder value as they arise. Further, while the Company remains confident in EchoPark's long-term prospects, the current market environment has caused the Company to adjust EchoPark's projected revenue growth and push back the achievement of its previously stated financial goals beyond 2025.

#### **Dividend**

Sonic's Board of Directors approved a quarterly cash dividend of \$0.25 per share payable on October 14, 2022 to all stockholders of record on September 15, 2022.

#### **Second Quarter 2022 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://ige.netroadshow.com/registration/q4inc/11305/sonic-automotive-second-quarter-2022-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).

#### **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. EchoPark is already making its mark by earning the 2021 Consumer Satisfaction Award from DealerRater, expanding its Owner Experience Centers, launching its all-new digital ecommerce platform and focusing on

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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 EchoPark's omnichannel strategy and future U.S. 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, future levels of consumer demand for new and used vehicles, 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, 2021 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 net income from continuing operations and related earnings per diluted share, adjusted SG&A expenses as a percentage of gross profit, and adjusted EBITDA. As required by SEC rules, the Company has provided reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the schedules included in this press release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosures and provide a meaningful presentation of the Company's results.

### **Company Contacts**

#### **Investor Inquiries:**

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)**

*Results of Operations - Consolidated*

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except per share amounts)						
<b>Revenues:</b>						
Retail new vehicles	\$ 1,344.3	\$ 1,453.2	(7) %	\$ 2,695.6	\$ 2,587.2	4 %
Fleet new vehicles	166.4	9.7	NM	315.0	32.0	884 %
Total new vehicles	1,510.7	1,462.9	3 %	3,010.6	2,619.2	15 %
Used vehicles	1,449.4	1,281.2	13 %	2,820.2	2,384.1	18 %
Wholesale vehicles	121.4	84.8	43 %	290.2	159.6	82 %
Total vehicles	3,081.5	2,828.9	9 %	6,121.0	5,162.9	19 %
Parts, service and collision repair	398.1	346.1	15 %	778.7	654.2	19 %
Finance, insurance and other, net	173.2	177.2	(2) %	339.7	321.9	6 %
Total revenues	3,652.8	3,352.2	9 %	7,239.4	6,139.0	18 %
<b>Cost of sales:</b>						
Retail new vehicles	(1,176.0)	(1,335.1)	12 %	(2,359.6)	(2,399.9)	2 %
Fleet new vehicles	(165.5)	(9.4)	NM	(313.2)	(31.4)	(897) %
Total new vehicles	(1,341.5)	(1,344.5)	— %	(2,672.8)	(2,431.3)	(10) %
Used vehicles	(1,402.3)	(1,246.1)	(13) %	(2,725.0)	(2,318.4)	(18) %
Wholesale vehicles	(120.2)	(80.3)	(50) %	(287.6)	(154.2)	(87) %
Total vehicles	(2,864.0)	(2,670.9)	(7) %	(5,685.4)	(4,903.9)	(16) %
Parts, service and collision repair	(200.0)	(170.5)	(17) %	(393.9)	(323.4)	(22) %
Total cost of sales	(3,064.0)	(2,841.4)	(8) %	(6,079.3)	(5,227.3)	(16) %
<b>Gross profit</b>	588.8	510.8	15 %	1,160.1	911.7	27 %
Selling, general and administrative expenses	(402.8)	(320.6)	(26) %	(789.8)	(610.0)	(29) %
Depreciation and amortization	(31.2)	(24.8)	(26) %	(61.1)	(48.4)	(26) %
<b>Operating income (loss)</b>	154.8	165.4	(6) %	309.2	253.3	22 %
<b>Other income (expense):</b>						
Interest expense, floor plan	(6.1)	(4.3)	(42) %	(11.1)	(9.4)	(18) %
Interest expense, other, net	(21.3)	(10.1)	(111) %	(42.1)	(20.4)	(106) %
Other income (expense), net	(0.2)	—	(100) %	0.1	0.1	— %
Total other income (expense)	(27.6)	(14.4)	(92) %	(53.1)	(29.7)	(79) %
<b>Income (loss) from continuing operations before taxes</b>	127.2	151.0	(16) %	256.1	223.6	15 %
Provision for income taxes for continuing operations - benefit (expense)	(32.4)	(37.0)	12 %	(64.0)	(55.9)	(14) %
<b>Income (loss) from continuing operations</b>	94.8	114.0	(17) %	192.1	167.7	15 %
Discontinued operations:						
Income (loss) from discontinued operations before taxes	—	(0.2)	100 %	—	0.5	(100) %
Provision for income taxes for discontinued operations - benefit (expense)	—	—	— %	—	(0.1)	100 %
Income (loss) from discontinued operations	—	(0.2)	100 %	—	0.4	(100) %
<b>Net income (loss)</b>	\$ 94.8	\$ 113.8	(17) %	\$ 192.1	\$ 168.1	14 %
Basic earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 2.40	\$ 2.74	(12) %	\$ 4.81	\$ 4.03	19 %
Earnings (loss) per share from discontinued operations	—	—	— %	—	0.01	(100) %
Earnings (loss) per common share	\$ 2.40	\$ 2.74	(12) %	\$ 4.81	\$ 4.04	19 %
Weighted-average common shares outstanding	39.5	41.6	5 %	40.0	41.6	4 %
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 2.34	\$ 2.63	(11) %	\$ 4.67	\$ 3.86	21 %
Earnings (loss) per share from discontinued operations	—	—	— %	—	0.01	(100) %
Earnings (loss) per common share	\$ 2.34	\$ 2.63	(11) %	\$ 4.67	\$ 3.87	21 %
Weighted-average common shares outstanding	40.5	43.4	7 %	41.2	43.5	5 %
Dividends declared per common share	\$ 0.25	\$ 0.12	108 %	\$ 0.50	\$ 0.22	127 %

NM = Not Meaningful



**Franchised Dealerships Segment - Reported**

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
Retail new vehicles	\$ 1,341.7	\$ 1,452.3	(8) %	\$ 2,687.4	\$ 2,586.3	4 %
Fleet new vehicles	166.5	9.7	NM	315.0	32.0	884 %
Total new vehicles	1,508.2	1,462.0	3 %	3,002.4	2,618.3	15 %
Used vehicles	871.9	761.5	14 %	1,725.7	1,423.1	21 %
Wholesale vehicles	79.2	63.0	26 %	185.5	119.1	56 %
Total vehicles	2,459.3	2,286.5	8 %	4,913.6	4,160.5	18 %
Parts, service and collision repair	398.1	346.1	15 %	778.7	654.2	19 %
Finance, insurance and other, net	129.8	124.0	5 %	256.2	221.6	16 %
Total revenues	2,987.2	2,756.6	8 %	5,948.5	5,036.3	18 %
<b>Gross Profit:</b>						
Retail new vehicles	167.3	118.0	42 %	333.8	187.2	78 %
Fleet new vehicles	0.9	0.3	200 %	1.8	0.6	200 %
Total new vehicles	168.2	118.3	42 %	335.6	187.8	79 %
Used vehicles	43.7	55.2	(21) %	90.6	87.2	4 %
Wholesale vehicles	(0.5)	1.5	(133) %	(0.9)	2.2	(141) %
Total vehicles	211.4	175.0	21 %	425.3	277.2	53 %
Parts, service and collision repair	198.1	175.6	13 %	384.8	330.8	16 %
Finance, insurance and other, net	129.8	124.0	5 %	256.2	221.6	16 %
Total gross profit	539.3	474.6	14 %	1,066.3	829.6	29 %
Selling, general and administrative expenses	(327.5)	(275.7)	(19) %	(642.8)	(525.8)	(22) %
Depreciation and amortization	(25.3)	(20.6)	(23) %	(50.1)	(41.0)	(22) %
<b>Operating income (loss)</b>	186.5	178.3	5 %	373.4	262.8	42 %
<b>Other income (expense):</b>						
Interest expense, floor plan	(3.9)	(3.2)	(22) %	(7.2)	(7.3)	1 %
Interest expense, other, net	(20.2)	(9.7)	(108) %	(40.3)	(19.7)	(105) %
Other income (expense), net	(0.3)	—	(100) %	0.1	0.2	(50) %
Total other income (expense)	(24.4)	(12.9)	(89) %	(47.4)	(26.8)	(77) %
<b>Income (loss) before taxes</b>	162.1	165.4	(2) %	326.0	236.0	38 %
Add: impairment charges	—	—	NM	—	—	NM
<b>Segment income (loss)</b>	\$ 162.1	\$ 165.4	(2) %	\$ 326.0	\$ 236.0	38 %
<b>Unit Sales Volume:</b>						
Retail new vehicles	24,342	30,243	(20) %	48,944	54,060	(9) %
Fleet new vehicles	4,638	245	NM	9,019	786	NM
Total new vehicles	28,980	30,488	(5) %	57,963	54,846	6 %
Used vehicles	28,156	28,550	(1) %	55,234	55,786	(1) %
Wholesale vehicles	5,851	6,753	(13) %	12,623	13,585	(7) %
Retail new & used vehicles	52,498	58,793	(11) %	104,178	109,846	(5) %
Used-to-New Ratio	0.97	0.94	4 %	0.95	1.02	(6) %
<b>Gross Profit Per Unit:</b>						
Retail new vehicles	\$ 6,871	\$ 3,902	76 %	\$ 6,821	\$ 3,463	97 %
Fleet new vehicles	\$ 203	\$ 1,319	(85) %	\$ 198	\$ 727	(73) %
Total new vehicles	\$ 5,804	\$ 3,881	50 %	\$ 5,790	\$ 3,424	69 %
Used vehicles	\$ 1,553	\$ 1,934	(20) %	\$ 1,640	\$ 1,563	5 %
Finance, insurance and other, net	\$ 2,472	\$ 2,110	17 %	\$ 2,460	\$ 2,017	22 %

NM = Not Meaningful

**Franchised Dealerships Segment - Same Store**

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
Retail new vehicles	\$ 1,126.3	\$ 1,447.5	(22) %	\$ 2,236.0	\$ 2,578.2	(13) %
Fleet new vehicles	17.5	9.7	80 %	31.0	32.0	(3) %
Total new vehicles	1,143.8	1,457.2	(22) %	2,267.0	2,610.2	(13) %
Used vehicles	751.5	758.8	(1) %	1,474.5	1,417.9	4 %
Wholesale vehicles	55.4	62.7	(12) %	138.1	118.7	16 %
Total vehicles	1,950.7	2,278.7	(14) %	3,879.6	4,146.8	(6) %
Parts, service and collision repair	362.1	344.9	5 %	706.8	651.8	8 %
Finance, insurance and other, net	106.6	123.7	(14) %	209.1	221.0	(5) %
Total revenues	2,419.4	2,747.3	(12) %	4,795.5	5,019.6	(4) %
<b>Gross Profit:</b>						
Retail new vehicles	139.0	117.4	18 %	276.9	186.2	49 %
Fleet new vehicles	0.8	0.3	167 %	1.4	0.6	133 %
Total new vehicles	139.8	117.7	19 %	278.3	186.8	49 %
Used vehicles	38.2	54.5	(30) %	77.5	89.0	(13) %
Wholesale vehicles	(0.4)	4.1	(110) %	(0.8)	4.9	(116) %
Total vehicles	177.6	176.3	1 %	355.0	280.7	26 %
Parts, service and collision repair	181.2	174.5	4 %	350.9	328.8	7 %
Finance, insurance and other, net	106.6	123.7	(14) %	209.1	221.0	(5) %
Total gross profit	\$ 465.4	\$ 474.5	(2) %	\$ 915.0	\$ 830.5	10 %
<b>Unit Sales Volume:</b>						
Retail new vehicles	20,135	30,129	(33) %	40,418	53,865	(25) %
Fleet new vehicles	381	245	56 %	658	786	(16) %
Total new vehicles	20,516	30,374	(32) %	41,076	54,651	(25) %
Used vehicles	23,555	28,429	(17) %	46,272	55,549	(17) %
Wholesale vehicles	4,313	6,729	(36) %	9,675	13,532	(29) %
Retail new & used vehicles	43,690	58,558	(25) %	86,690	109,414	(21) %
Used-to-New Ratio	1.15	0.94	23 %	1.13	1.02	11 %
<b>Gross Profit Per Unit:</b>						
Retail new vehicles	\$ 6,905	\$ 3,897	77 %	\$ 6,851	\$ 3,458	98 %
Fleet new vehicles	\$ 1,973	\$ 1,319	50 %	\$ 2,130	\$ 727	193 %
New vehicles	\$ 6,813	\$ 3,876	76 %	\$ 6,775	\$ 3,418	98 %
Used vehicles	\$ 1,622	\$ 1,915	(15) %	\$ 1,674	\$ 1,602	4 %
Finance, insurance and other, net	\$ 2,440	\$ 2,113	15 %	\$ 2,412	\$ 2,020	19 %

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 June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
Retail new vehicles	\$ 2.5	\$ 0.9	178 %	\$ 8.2	\$ 0.9	811 %
Used vehicles	577.5	519.7	11 %	1,094.5	961.0	14 %
Wholesale vehicles	42.2	21.8	94 %	104.7	40.5	159 %
Total vehicles	622.2	542.4	15 %	1,207.4	1,002.4	20 %
Finance, insurance and other, net	43.4	53.2	(18) %	83.5	100.3	(17) %
Total revenues	665.6	595.6	12 %	1,290.9	1,102.7	17 %
<b>Gross Profit:</b>						
Retail new vehicles	1.0	—	100 %	2.2	0.1	NM
Used vehicles	3.4	(20.1)	117 %	4.6	(21.4)	121 %
Wholesale vehicles	1.7	3.0	(43) %	3.5	3.2	9 %
Total vehicles	6.1	(17.1)	136 %	10.3	(18.1)	157 %
Finance, insurance and other, net	43.4	53.2	(18) %	83.5	100.3	(17) %
Total gross profit	49.5	36.2	37 %	93.8	82.2	14 %
Selling, general and administrative expenses	(75.3)	(44.9)	(68) %	(147.0)	(84.2)	(75) %
Depreciation and amortization	(5.9)	(4.2)	(40) %	(11.0)	(7.4)	(49) %
<b>Operating income (loss)</b>	<b>(31.7)</b>	<b>(12.9)</b>	<b>(146) %</b>	<b>(64.2)</b>	<b>(9.4)</b>	<b>(583) %</b>
<b>Other income (expense):</b>						
Interest expense, floor plan	(2.2)	(1.1)	(100) %	(3.9)	(2.1)	(86) %
Interest expense, other, net	(1.1)	(0.4)	(175) %	(1.8)	(0.7)	(157) %
Other income (expense), net	0.1	—	100 %	—	(0.1)	100 %
Total other income (expense)	(3.2)	(1.5)	(113) %	(5.7)	(2.9)	(97) %
<b>Income (loss) before taxes</b>	<b>(34.9)</b>	<b>(14.4)</b>	<b>(142) %</b>	<b>(69.9)</b>	<b>(12.4)</b>	<b>(464) %</b>
Add: impairment charges	—	—	NM	—	—	NM
<b>Segment income (loss)</b>	<b>\$ (34.9)</b>	<b>\$ (14.4)</b>	<b>(142) %</b>	<b>\$ (69.9)</b>	<b>\$ (12.4)</b>	<b>(464) %</b>
<b>Unit Sales Volume:</b>						
Retail new vehicles	85	14	507 %	170	14	NM
Used vehicles	16,608	21,261	(22) %	31,603	40,931	(23) %
Wholesale vehicles	2,694	2,878	(6) %	6,343	5,739	11 %
<b>Gross Profit Per Unit:</b>						
Total used vehicle and F&I	\$ 2,804	\$ 1,537	82 %	\$ 2,774	\$ 1,922	44 %

NM = Not Meaningful

**EchoPark Segment - Same Market**

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
<b>Revenues:</b>						
Retail new vehicles	\$ 2.9	\$ 0.9	222 %	\$ 7.0	\$ 0.9	678 %
Used vehicles	406.3	518.6	(22) %	768.4	960.1	(20) %
Wholesale vehicles	35.0	21.9	60 %	89.3	40.5	120 %
Total vehicles	444.2	541.4	(18) %	864.7	1,001.5	(14) %
Finance, insurance and other, net	30.8	53.3	(42) %	59.4	99.9	(41) %
Total revenues	475.0	594.7	(20) %	924.1	1,101.4	(16) %
<b>Gross Profit:</b>						
Retail new vehicles	0.3	0.1	200 %	0.7	0.1	200 %
Used vehicles	(3.6)	(20.3)	82 %	(10.4)	(21.6)	52 %
Wholesale vehicles	1.5	2.8	(46) %	3.5	3.1	13 %
Total vehicles	(1.8)	(17.4)	90 %	(6.2)	(18.4)	66 %
Finance, insurance and other, net	30.8	53.3	(42) %	59.4	99.9	(41) %
Total gross profit	\$ 29.0	\$ 35.9	(19) %	\$ 53.2	\$ 81.5	(35) %
<b>Unit Sales Volume:</b>						
Retail new vehicles	37	14	164 %	81	14	479 %
Used vehicles	12,440	21,222	(41) %	23,830	40,892	(42) %
Wholesale vehicles	2,286	2,878	(21) %	5,393	5,739	(6) %
<b>Gross Profit Per Unit:</b>						
Total used vehicle and F&I	\$ 2,171	\$ 1,538	41 %	\$ 2,048	\$ 1,914	7 %

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 June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 266.4	\$ 213.8	\$ (52.6)	(25) %
Advertising	25.6	15.3	(10.3)	(67) %
Rent	13.7	13.7	—	— %
Other	97.1	77.8	(19.3)	(25) %
Total SG&A expenses	<u>\$ 402.8</u>	<u>\$ 320.6</u>	<u>\$ (82.2)</u>	<u>(26) %</u>
<b>Items of interest:</b>				
Long term compensation charges	\$ (4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 398.4</u>	<u>\$ 320.6</u>	<u>\$ (77.8)</u>	<u>(24) %</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	45.2 %	41.9 %	(330) bps	
Advertising	4.3 %	3.0 %	(130) bps	
Rent	2.3 %	2.7 %	40 bps	
Other	16.6 %	15.2 %	(140) bps	
Total SG&A expenses as a % of gross profit	<u>68.4 %</u>	<u>62.8 %</u>	<u>(560) bps</u>	
<b>Items of interest:</b>				
Long term compensation charges	(0.7)%	— %		
Total effect of adjustments	<u>(0.7)%</u>	<u>— %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>67.7 %</u>	<u>62.8 %</u>	<u>(490) bps</u>	

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

	Six Months Ended June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 518.9	\$ 402.3	\$ (116.6)	(29) %
Advertising	51.7	27.5	(24.2)	(88) %
Rent	26.4	27.4	1.0	4 %
Other	192.8	152.8	(40.0)	(26) %
Total SG&A expenses	<u>\$ 789.8</u>	<u>\$ 610.0</u>	<u>\$ (179.8)</u>	<u>(29) %</u>
<b>Items of interest:</b>				
Long term compensation charges	(4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 785.4</u>	<u>\$ 610.0</u>	<u>\$ (175.4)</u>	<u>(29) %</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	44.7 %	44.1 %	(60) bps	
Advertising	4.5 %	3.0 %	(150) bps	
Rent	2.3 %	3.0 %	70 bps	
Other	16.6 %	16.8 %	20 bps	
Total SG&A expenses as a % of gross profit	<u>68.1 %</u>	<u>66.9 %</u>	<u>(120) bps</u>	
<b>Items of interest:</b>				
Long term compensation charges	(0.4)%	— %		
Total effect of adjustments	<u>(0.4)%</u>	<u>— %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>67.7 %</u>	<u>66.9 %</u>	<u>(80) bps</u>	

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

	Three Months Ended June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 225.9	\$ 187.8	\$ (38.1)	(20) %
Advertising	7.8	7.5	(0.3)	(4) %
Rent	11.0	12.1	1.1	9 %
Other	82.9	68.3	(14.6)	(21) %
Total SG&A expenses	<u>\$ 327.6</u>	<u>\$ 275.7</u>	<u>\$ (51.9)</u>	<u>(19) %</u>
<b>Items of interest:</b>				
Long term compensation charges	\$ (4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 323.2</u>	<u>\$ 275.7</u>	<u>\$ (47.5)</u>	<u>(17) %</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	41.9 %	39.6 %	(230) bps	
Advertising	1.4 %	1.6 %	20 bps	
Rent	2.0 %	2.5 %	50 bps	
Other	15.4 %	14.4 %	(100) bps	
Total SG&A expenses as a % of gross profit	<u>60.7 %</u>	<u>58.1 %</u>	<u>(260) bps</u>	
<b>Items of interest:</b>				
Long term compensation charges	(0.8)%	— %		
Total effect of adjustments	<u>(0.8)%</u>	<u>— %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>59.9 %</u>	<u>58.1 %</u>	<u>(180) bps</u>	

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

	Six Months Ended June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 441.0	\$ 353.2	\$ (87.8)	(25) %
Advertising	15.6	13.3	(2.3)	(17) %
Rent	21.9	24.2	2.3	10 %
Other	164.3	135.1	(29.2)	(22) %
Total SG&A expenses	<u>\$ 642.8</u>	<u>\$ 525.8</u>	<u>\$ (117.0)</u>	<u>(22) %</u>
<b>Items of interest:</b>				
Long term compensation charges	\$ (4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 638.4</u>	<u>\$ 525.8</u>	<u>\$ (112.6)</u>	<u>(21) %</u>
<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	41.4 %	42.6 %	120 bps	
Advertising	1.5 %	1.6 %	10 bps	
Rent	2.1 %	2.9 %	80 bps	
Other	15.3 %	16.3 %	100 bps	
Total SG&A expenses as a % of gross profit	<u>60.3 %</u>	<u>63.4 %</u>	<u>310 bps</u>	
<b>Items of interest:</b>				
Long term compensation charges	(0.4)%	— %		
Total effect of adjustments	<u>(0.4)%</u>	<u>— %</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses as a % of gross profit	<u>59.9 %</u>	<u>63.4 %</u>	<u>350 bps</u>	



*EchoPark Segment - SG&A Expenses*

	Three Months Ended June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 40.5	\$ 26.0	\$ (14.5)	(56)%
Advertising	17.8	7.8	(10.0)	(128)%
Rent	2.7	1.6	(1.1)	(69)%
Other	14.2	9.5	(4.7)	(49)%
Total SG&A expenses	<u>\$ 75.2</u>	<u>\$ 44.9</u>	<u>\$ (30.3)</u>	<u>(67)%</u>

<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	81.8 %	71.8 %	(1,000) bps	
Advertising	36.0 %	21.5 %	(1,450) bps	
Rent	5.5 %	4.4 %	(110) bps	
Other	28.6 %	26.3 %	(230) bps	
Total SG&A expenses as a % of gross profit	<u>151.9 %</u>	<u>124.0 %</u>	<u>(2,790) bps</u>	

	Six Months Ended June 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
<b>Reported:</b>				
Compensation	\$ 77.9	\$ 49.1	\$ (28.8)	(59)%
Advertising	36.1	14.2	(21.9)	(154)%
Rent	4.5	3.2	(1.3)	(41)%
Other	28.5	17.7	(10.8)	(61)%
Total SG&A expenses	<u>\$ 147.0</u>	<u>\$ 84.2</u>	<u>\$ (62.8)</u>	<u>(75)%</u>

<b>Reported:</b>				
SG&A expenses as a % of gross profit:				
Compensation	83.0 %	59.8 %	(2,320) bps	
Advertising	38.5 %	17.3 %	(2,120) bps	
Rent	4.8 %	3.9 %	(90) bps	
Other	30.4 %	21.6 %	(880) bps	
Total SG&A expenses as a % of gross profit	<u>156.7 %</u>	<u>102.6 %</u>	<u>(5,410) bps</u>	

*Earnings Per Share from Continuing Operations - Non-GAAP Reconciliation*

	Three Months Ended June 30, 2022			Three Months Ended June 30, 2021		
	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	40.5	\$ 94.8	\$ 2.34	43.4	\$ 114.0	\$ 2.63
Pre-tax items of interest:						
Long term compensation charges		\$ 4.4			\$ —	
Total pre-tax items of interest		\$ 4.4			\$ —	
Adjusted diluted earnings (loss) and shares from continuing operations	40.5	\$ 99.2	\$ 2.45	43.4	\$ 114.0	\$ 2.63

	Six Months Ended June 30, 2022			Six Months Ended June 30, 2021		
	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	41.2	\$ 192.1	\$ 4.67	43.5	\$ 167.7	\$ 3.86
Pre-tax items of interest:						
Long term compensation charges		\$ 4.4			\$ —	
Total pre-tax items of interest		\$ 4.4			\$ —	
Adjusted diluted earnings (loss) and shares from continuing operations	41.2	\$ 196.5	\$ 4.77	43.5	\$ 167.7	\$ 3.86

*Adjusted EBITDA - Non-GAAP Reconciliation*

	Three Months Ended June 30, 2022				Three Months Ended June 30, 2021			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)							
Net income (loss)				\$ 94.8				\$ 113.8
Provision for income taxes				32.4				37.0
Income (loss) before taxes	\$ 162.1	\$ (34.9)	\$ —	\$ 127.2	\$ 165.4	\$ (14.4)	\$ (0.2)	\$ 150.8
Non-floor plan interest	19.1	1.0	—	20.1	8.9	0.3	—	9.2
Depreciation and amortization	26.4	6.0	—	32.4	21.4	4.2	—	25.6
Stock-based compensation expense	4.2	—	—	4.2	4.0	—	—	4.0
Long-term compensation charges	4.4	—	—	4.4	—	0.5	—	0.5
Loss (gain) on franchise and real estate disposals	0.1	—	—	0.1	(0.4)	—	—	(0.4)
Adjusted EBITDA	<u>\$ 216.3</u>	<u>\$ (27.9)</u>	<u>\$ —</u>	<u>\$ 188.4</u>	<u>\$ 199.3</u>	<u>\$ (9.4)</u>	<u>\$ (0.2)</u>	<u>\$ 189.7</u>

	Six Months Ended June 30, 2022				Six Months Ended June 30, 2021			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)							
Net income (loss)				\$ 192.1				\$ 168.1
Provision for income taxes				64.0				56.0
Income (loss) before taxes	\$ 326.0	\$ (69.9)	\$ —	\$ 256.1	\$ 236.0	\$ (12.4)	\$ 0.5	\$ 224.1
Non-floor plan interest	38.1	1.7	—	39.8	18.0	0.7	—	18.7
Depreciation & amortization	52.3	11.2	—	63.5	42.7	7.5	—	50.2
Stock-based compensation expense	8.6	—	—	8.6	7.5	—	—	7.5
Long-term compensation charges	4.4	—	—	4.4	—	1.0	—	1.0
Loss (gain) on franchise and real estate disposals	(1.0)	—	—	(1.0)	(0.5)	—	—	(0.5)
Adjusted EBITDA	<u>\$ 428.4</u>	<u>\$ (57.0)</u>	<u>\$ —</u>	<u>\$ 371.4</u>	<u>\$ 303.7</u>	<u>\$ (3.2)</u>	<u>\$ 0.5</u>	<u>\$ 301.0</u>

# Sonic Automotive – Investor Presentation July 2022



EchoPark  
AUTOMOTIVE

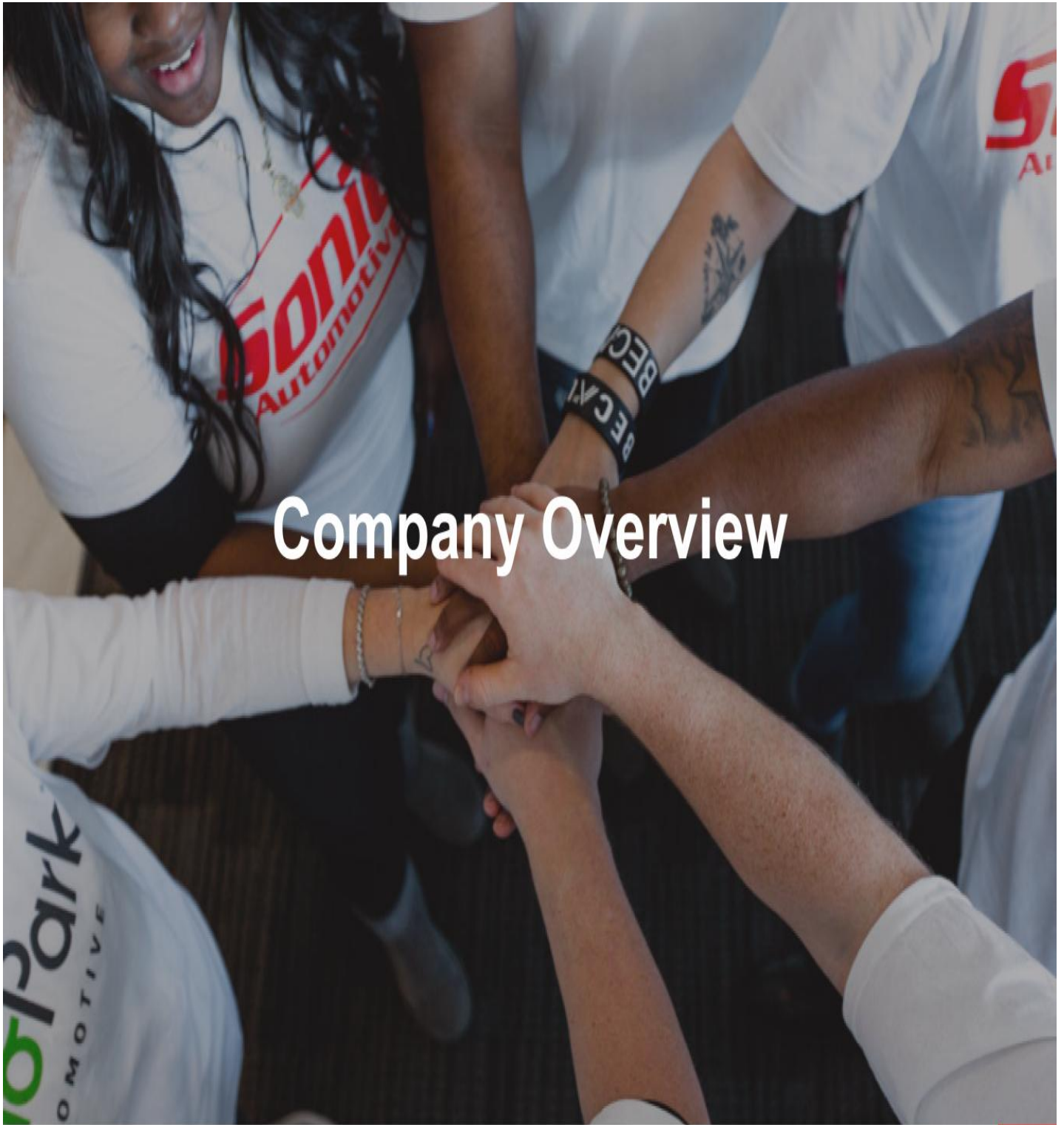
Updated July 28, 2022

## → 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,” “project,” “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, future levels of consumer demand for new and used vehicles, 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, EchoPark’s omnichannel strategy, 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, 2021 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



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



Our Core Franchised Dealerships Segment is a **Full-Service** Automotive 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

**161**

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: Location Counts As Of July 28, 2022. Revenues, Gross Profit, New & Used Vehicles Sold are for FY 2021



## → Investment Highlights

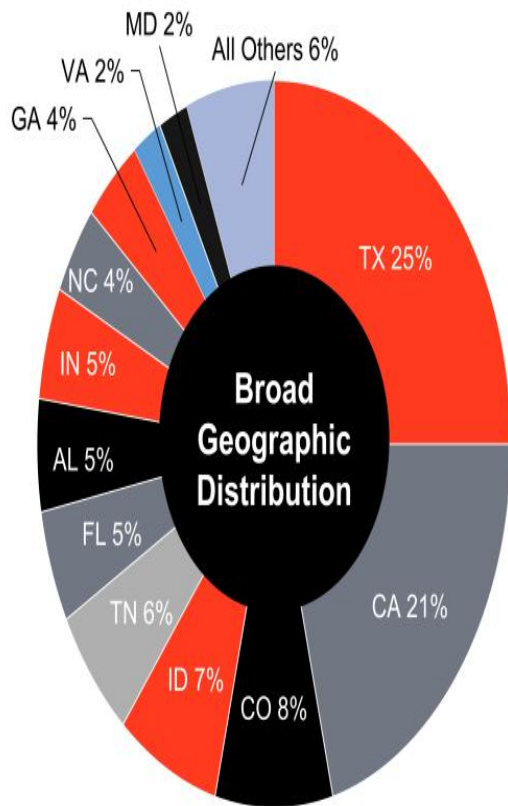




## → Revenue Composition

### BY GEOGRAPHY

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



Note: Percentages are Percent of Total Revenue for Six Months Ended June 30, 2022



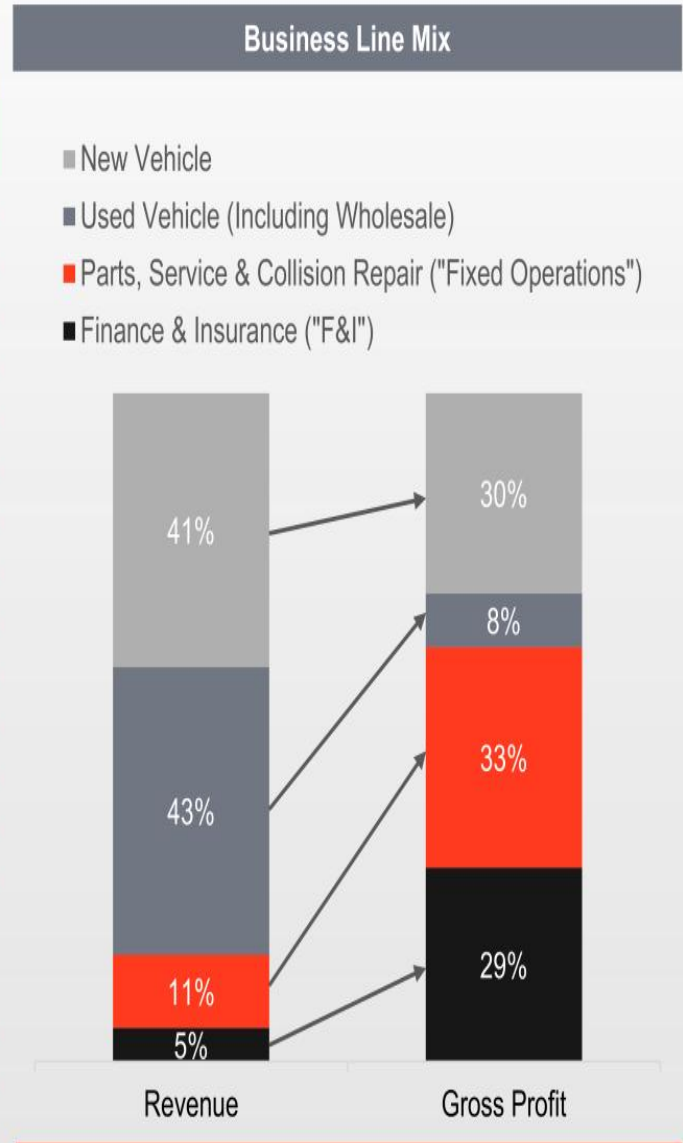
## → Revenue Composition – Diversified Revenue Streams

Brand Distribution			
Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	48%	BMW	19%
		Mercedes	10%
		Audi	5%
		Lexus	4%
		Porsche	3%
		Land Rover	2%
		Cadillac	2%
		Volvo	1%
Import	18%	Other Luxury (1)	2%
		Honda	8%
		Toyota	7%
		Volkswagen	1%
		Hyundai	1%
		Nissan	1%
		Other Import (2)	<1%
EchoPark	17%	Non-Franchise	17%
		Ford	8%
Domestic	17%	Chrysler Dodge Jeep RAM	6%
		Chevrolet GMC Buick	3%

(1) Includes Alfa Romeo, Infiniti, Jaguar, Maserati and MINI

(2) Includes Mazda and Subaru

Note: Percentages are Percent of Total Revenue for the Six Months Ended June 30, 2022



Majority Of Gross Profit Driven By Stable Business Lines

Note: Percentages are Percent of Total for the Six Months Ended June 30, 2022



## → 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  
Pre-Owned Vehicles,  
**In-Store or  
Online**

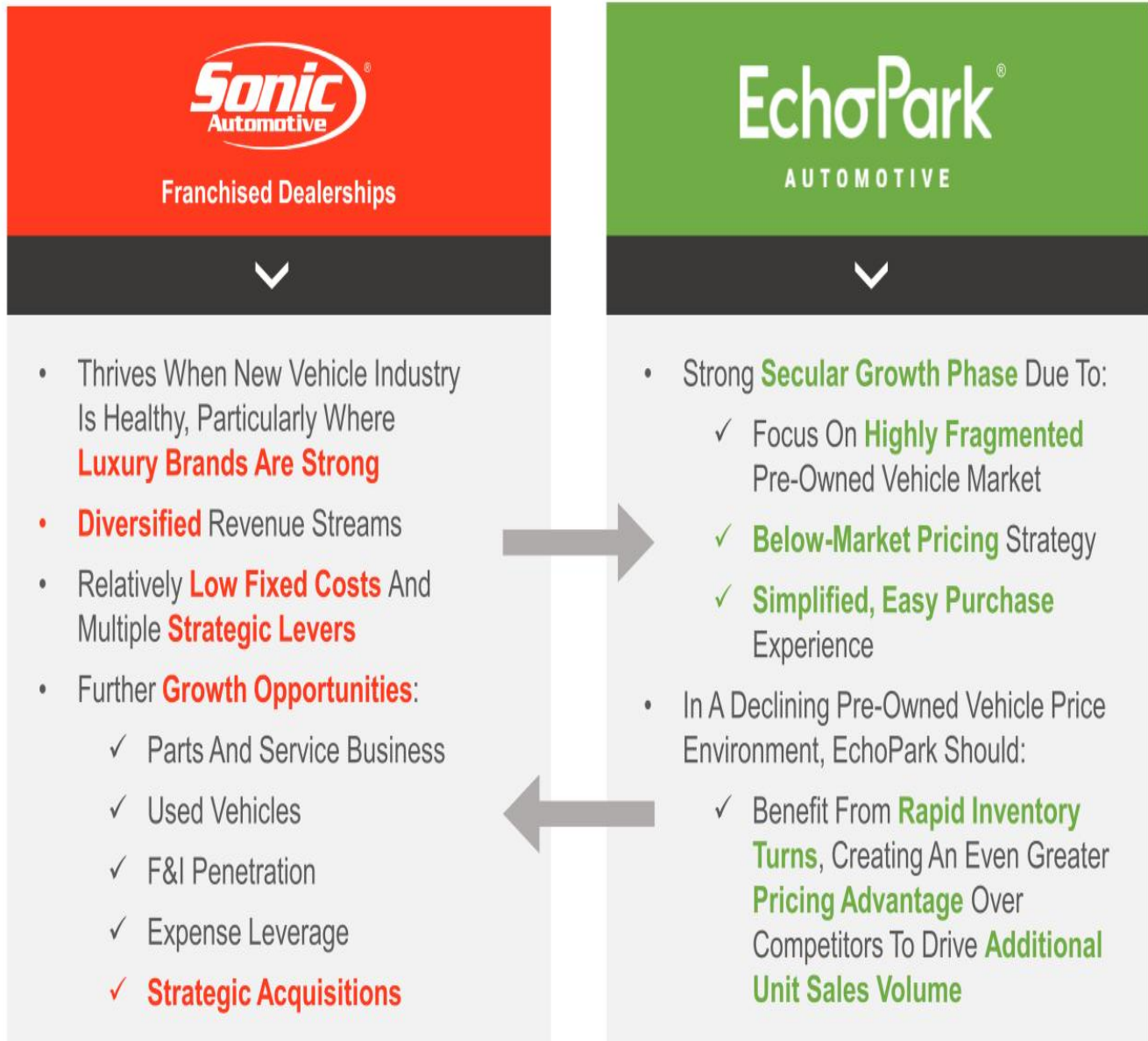
Expect To Reach  
**90% Of U.S.  
Population**  
By 2025

Growing Nationwide Distribution Network

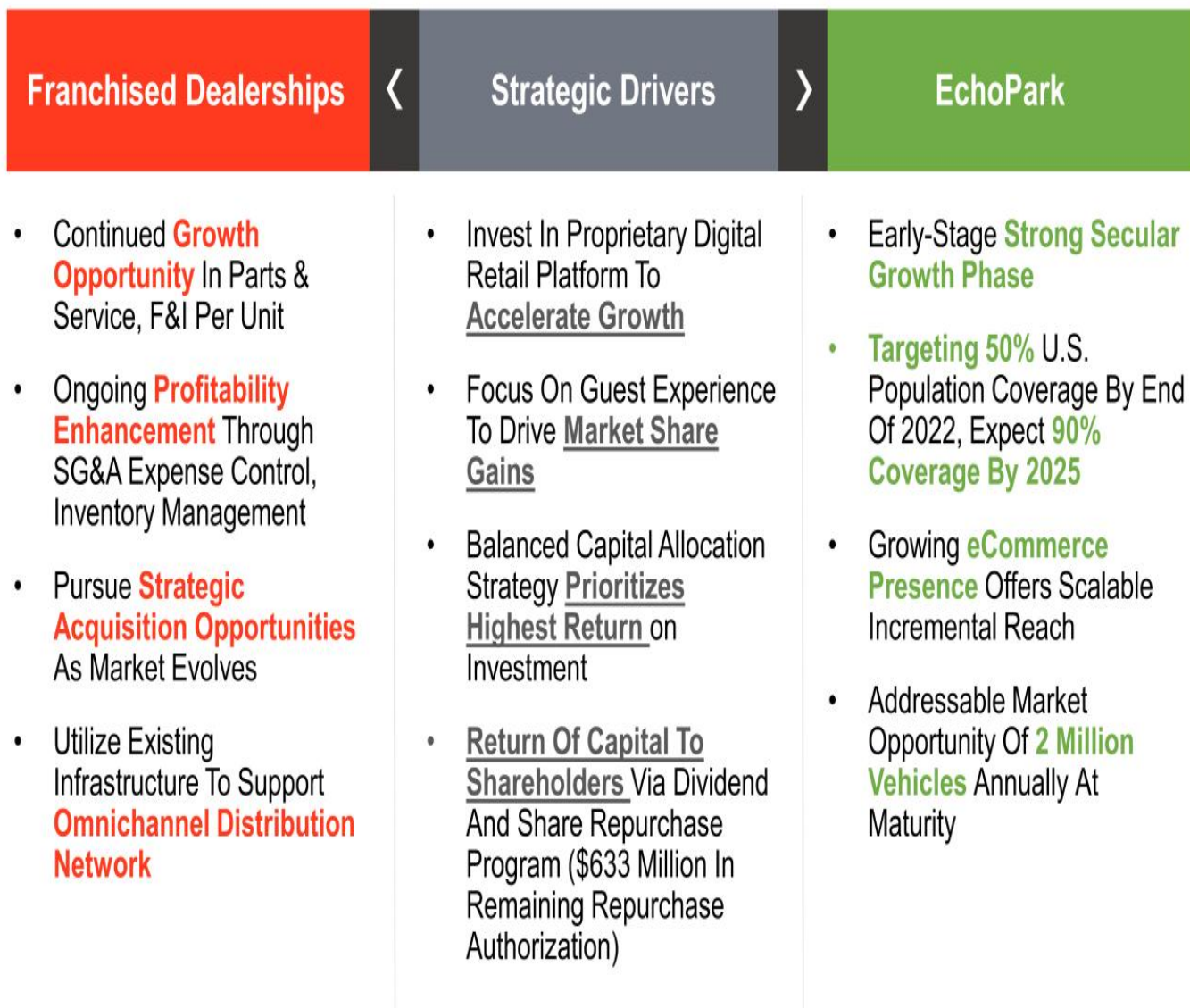
Note: Expected U.S. population reach is a projection, actual results may differ. See "Forward-Looking Statements."



## → Complementary Relationship Between Segments



## → Strategic Direction



Note: Profitability, unit sales volume and population coverage projections are estimates of future results. Actual results may differ. See "Forward-Looking Statements."



## → Strong Balance Sheet And Liquidity

	June 30, 2022		December 31, 2021	
	(In Millions)			
Cash and cash equivalents	\$	327.1	\$	299.4
Availability under the 2021 Revolving Credit Facility		274.9		281.4
Availability under the 2019 Mortgage Facility		27.7		22.2
Floor plan deposit balance		125.5		99.8
Total available liquidity resources	\$	755.2	\$	702.8

**\$53M Increase in Cash And Deposits**

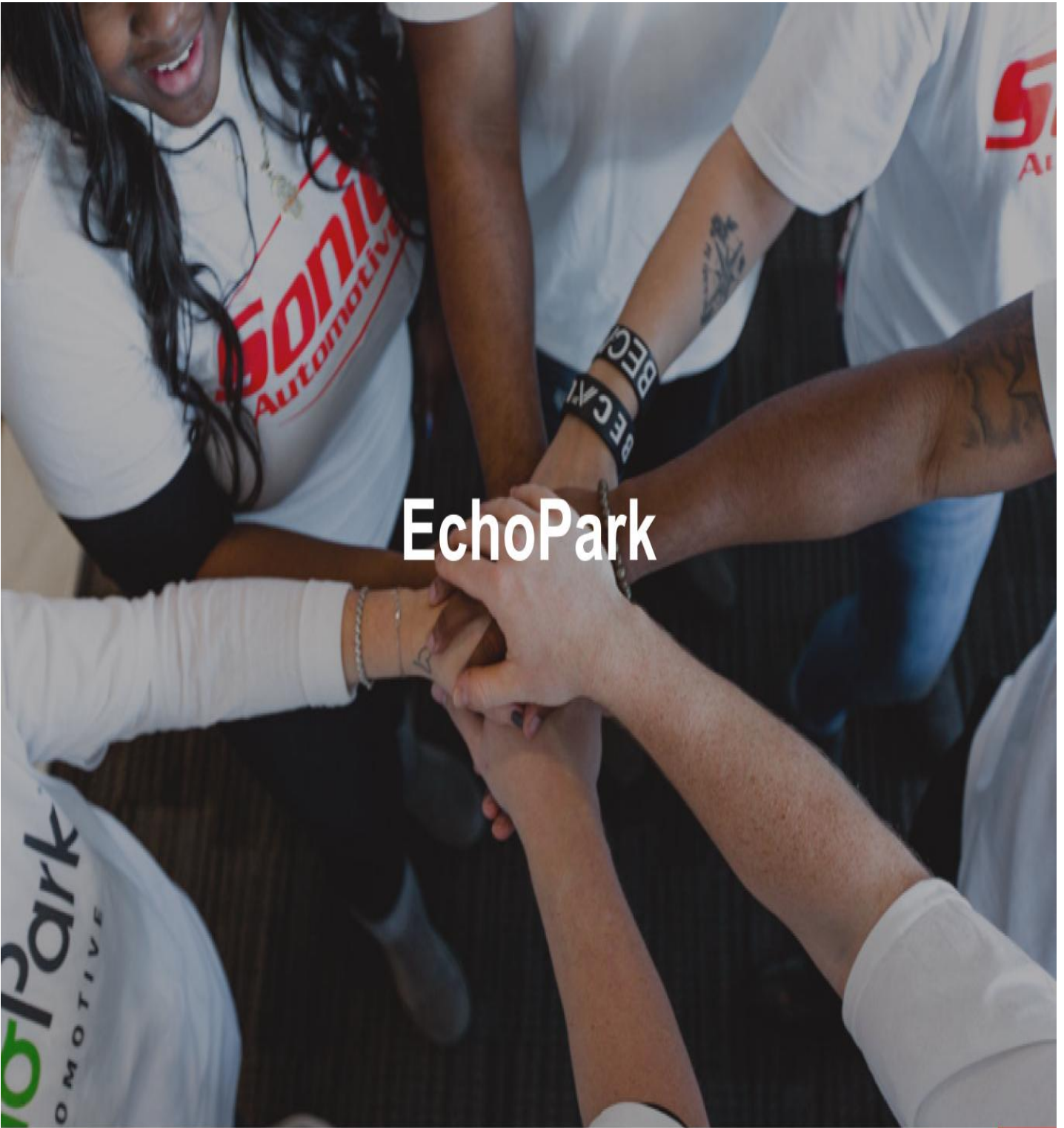
	Covenant Requirement*	June 30, 2022	December 31, 2021
Liquidity ratio	$\geq 1.05$	1.27	1.26
Fixed charge coverage ratio	$\geq 1.20$	2.62	2.69
Total lease adjusted leverage ratio	$\leq 5.75$	2.17	2.46
Net debt to Adjusted EBITDA ratio <sup>(1)</sup>		1.52	1.80

**Current Leverage Ratios Are Within Internal Target Range**

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

(1) 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  
Pre-Owned Vehicles With  
Available Warranty



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

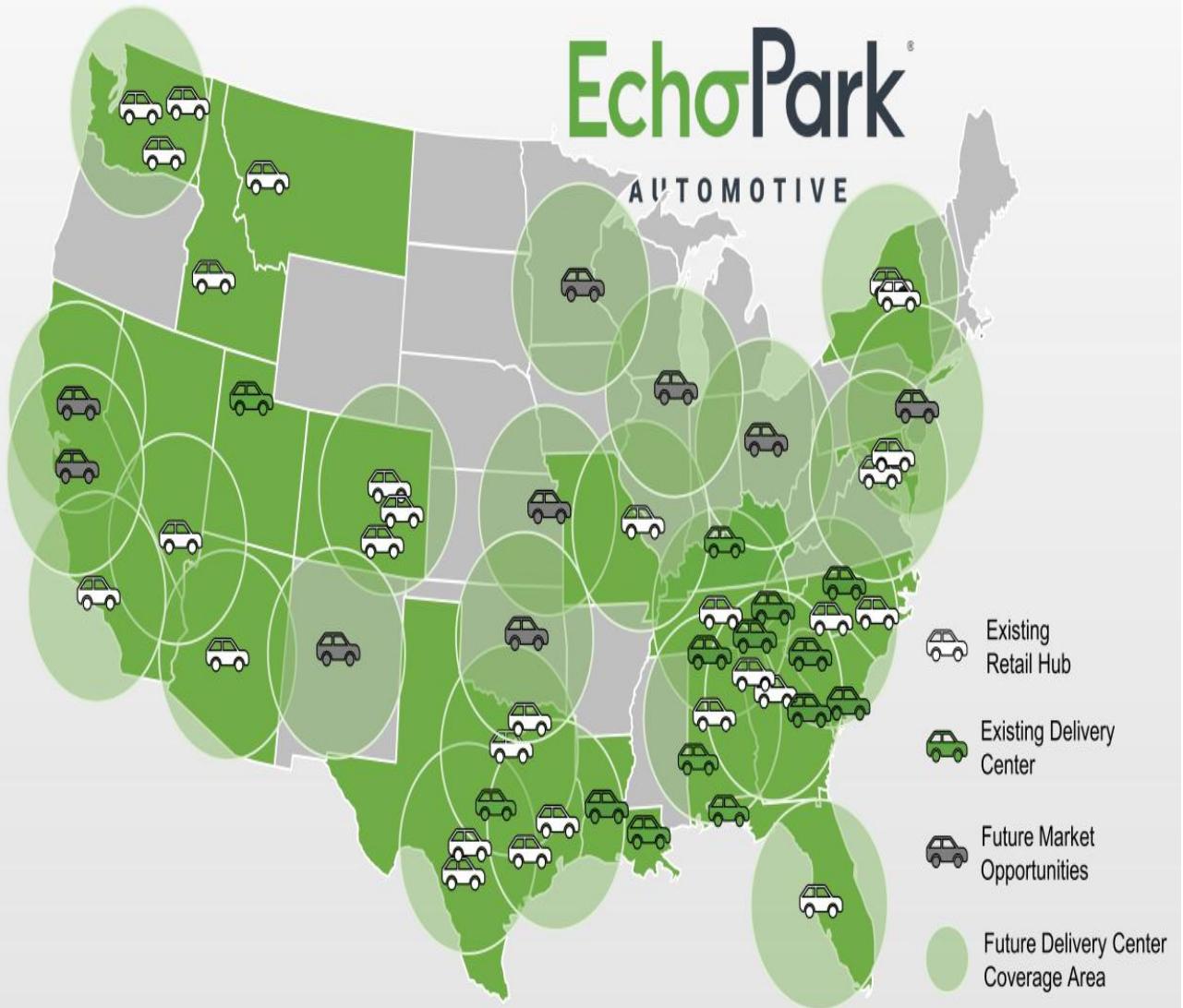
Low Cost Omnichannel Model





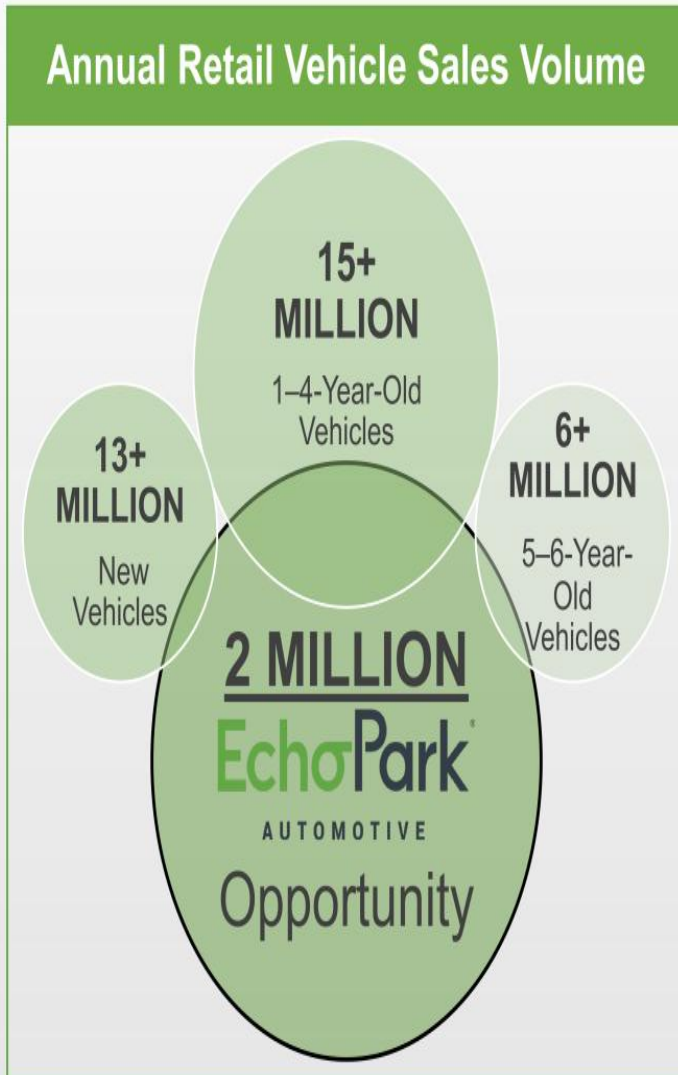
# → EchoPark – Developing Nationwide Distribution Network

Approaching 50% Population Coverage To Date  
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."

## → EchoPark – Addressable Market Opportunity



# EchoPark®

AUTOMOTIVE

Target  
**90% Population Coverage**

By 2025 With Growing Nationwide Distribution Network

Target  
**10% Market Share**

Already Achieving This Share\* In Most Mature Market

Pricing Up To  
**40% Below New**

Converts Prospective New Car Buyers

Pricing Up to  
**\$3,000 Below Market Price**  
Competes On Price vs. Older Vehicles, Consumer Can Buy Newer Vehicle For Same Price

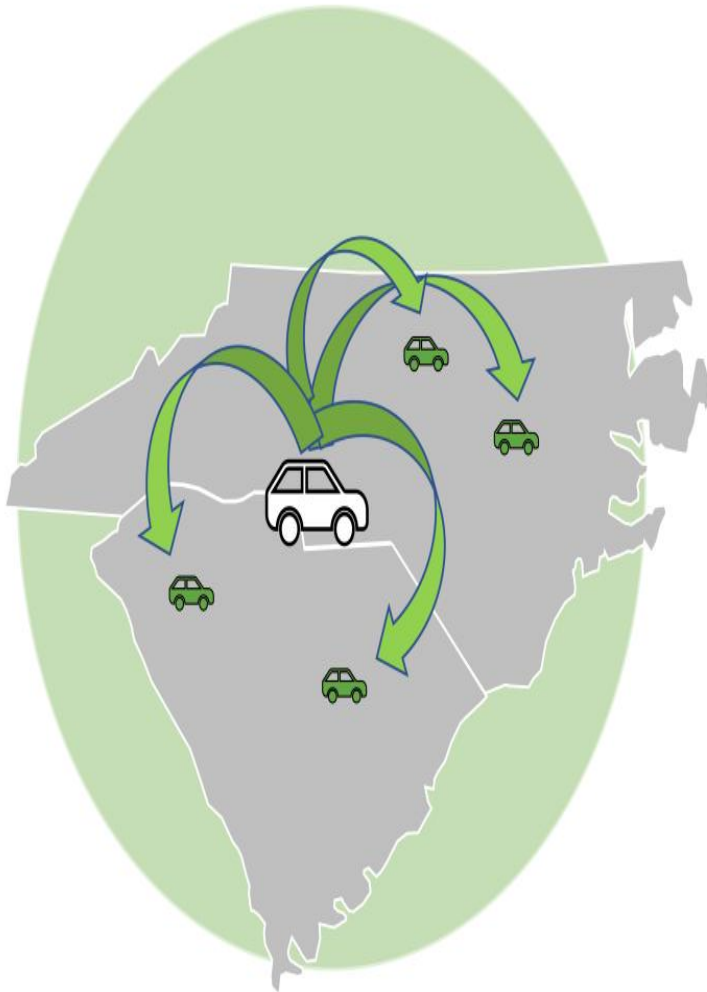
\* Share Of Vehicles That Fit 1-4-Year-Old Model In Existing EchoPark Markets

2.1% Q2 2022 Average Market Share\* (3.0% Excluding New Markets)  
Most Mature Market Had 11.3% Share\* In Q2 2022



**EchoPark**  
AUTOMOTIVE

## → 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 At Maturity
- Target Adjacent Secondary Markets Or Large Metro Markets Where Traditional Dealership Real Estate Is Unavailable Or Cost Prohibitive

## → EchoPark – Industry Headwinds & Action Plan

### Industry Headwinds

- Supply Chain Disruption Continues To Suppress New Vehicle Production And Inventory Levels, Increasing Demand For Used Vehicles At Auction
- Rental Car Companies Cannot Source Sufficient New Vehicles Directly, Turned To Used Vehicle Auction Market To Supply Their Fleet, Driving Used Vehicle Prices To All-Time Highs
- Used Price As A Percentage Of New Price At Nearly 70% (Typically In 55-60% Range) Negatively Impacts Affordability
- July To Date, 3-Year Old Vehicle Manheim Prices Decreased 3.0%, Auction “No-Sells” Climbed To ~55% Of Listings In July (Indicator Of Wholesale Demand Slowing, Risk Of Price Declines In Near Term)

### EchoPark Action Plan

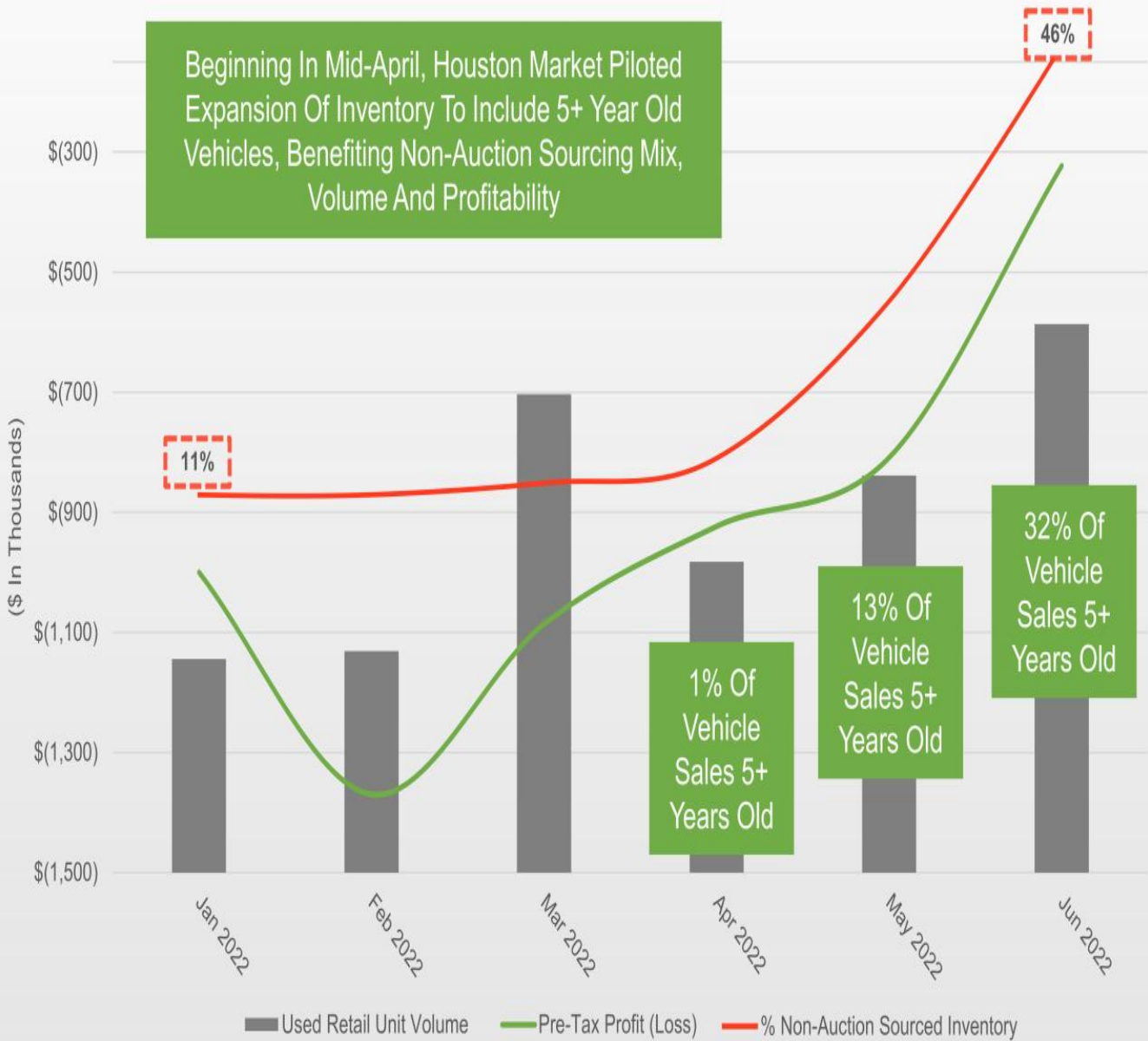
- Expanding Inventory To Include 5+ Year Old Vehicles At Lower Inventory Acquisition Cost And Lower Retail Selling Price, Expanding Customer Segments While Benefiting Consumer Affordability And Gross Profit Per Unit (“GPU”)
- Implemented Marketing Strategy To Source More Vehicles From Non-Auction Sources (Historically Less Than 10% Of Inventory)
- Piloting Enhanced Guest Experience In Select Delivery Center Markets
- Launched New EchoPark.com To Modernize eCommerce Offering And Drive Improved Sales Efficiency And Volume Throughput
- EchoPark Brand Launch – Increase Consumer Awareness And Advertising Reach Beyond Being The Low Price Leader
- Targeted Expense Reductions At EchoPark Are Expected To Drive Profitability Improvement In The Second Half Of 2022

### EchoPark Initial Results

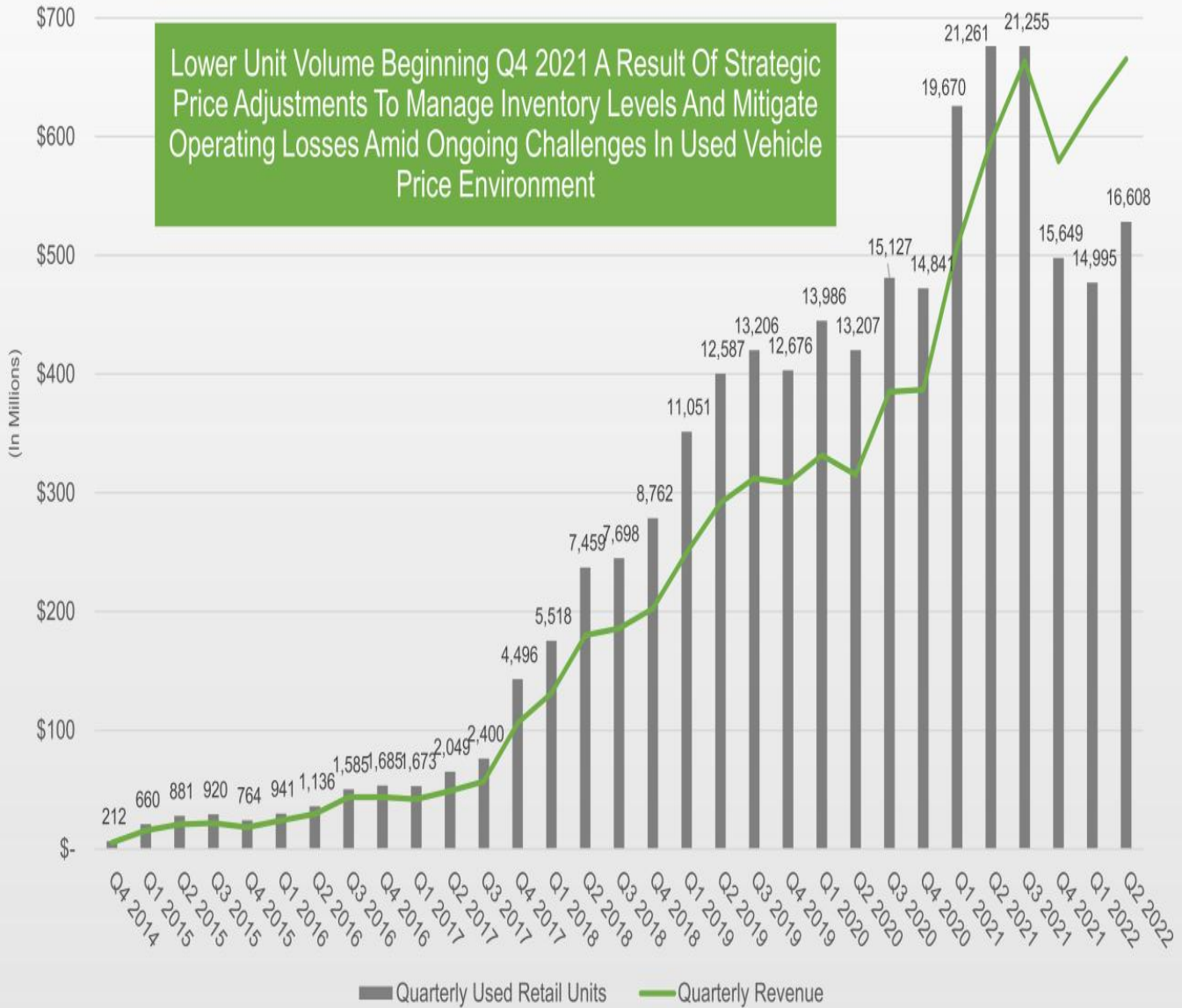
- Improved Non-Auction Sourcing Mix From 7% In Q2 2021 To 25% Of Sales In Q2 2022 – Continues To Improve In Q3 To Date
  - Sourced 57% Of Inventory From Non-Auction Sources In July To Date
- Older Model Year Cohort Vehicles (5+ Years) Represented 9% of Q2 2022 EchoPark Unit Sales Volume, Average 30% Lower Selling Price And Generate \$2,200 More In Total GPU Compared To 1-4-Year Old Vehicles
- New EchoPark.com eCommerce Results For Q2 2022 (Launched To 100% Of Web Traffic In June)
  - Accounted For 19% Of EchoPark Retail Unit Volume In Q2 2022, With 7% Of EchoPark Volume Sold End-to-End Online
  - 69% Of Units Sold Were Shipped Out Of Market
  - Online F&I Attachment Continues To Exceed Expectations, Averaging \$2,250 Per Unit
- Continued Focus On Maintaining Highest Reputation Scores In The Pre-Owned Competitive Segment



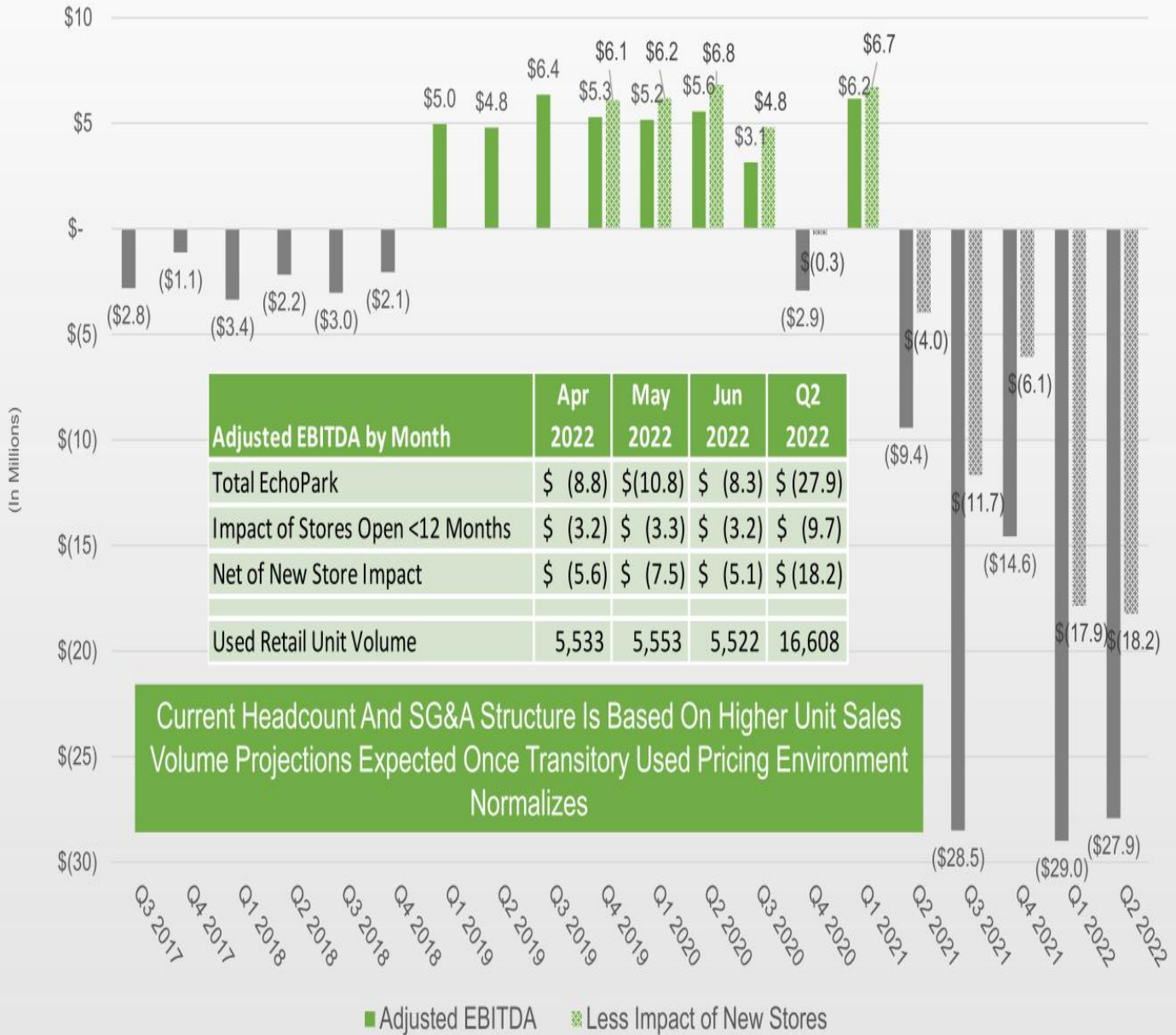
# EchoPark – Initial Results In Houston Market



# EchoPark – Growth Path



# EchoPark – Adjusted EBITDA Trend



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)

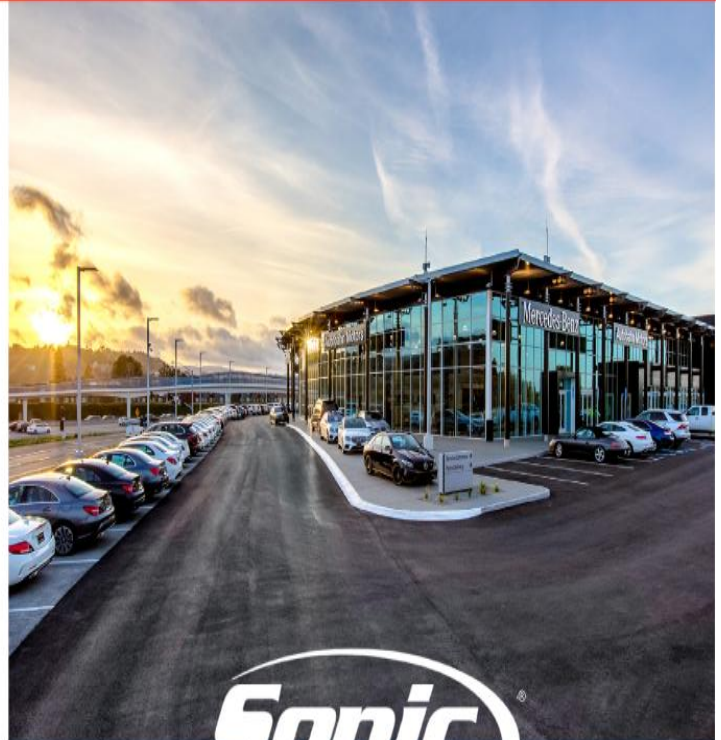


**17** Collision Repair Centers



**18** States

Resilient And Flexible Business Model Through Economic Cycles



**Sonic**  
Automotive



## → Franchised Dealerships – Geographic Footprint



111 Stores, 25+ Brands,  
17 Collision Repair Centers

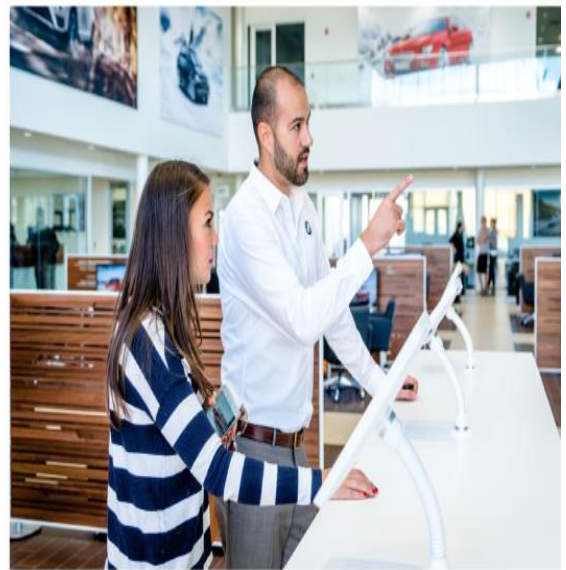
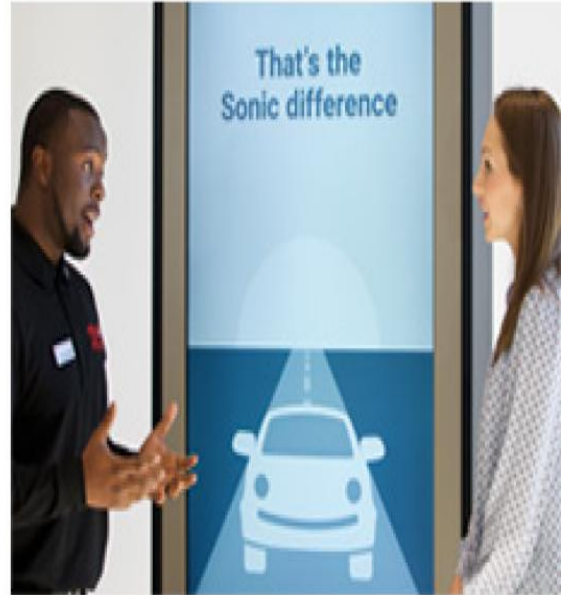
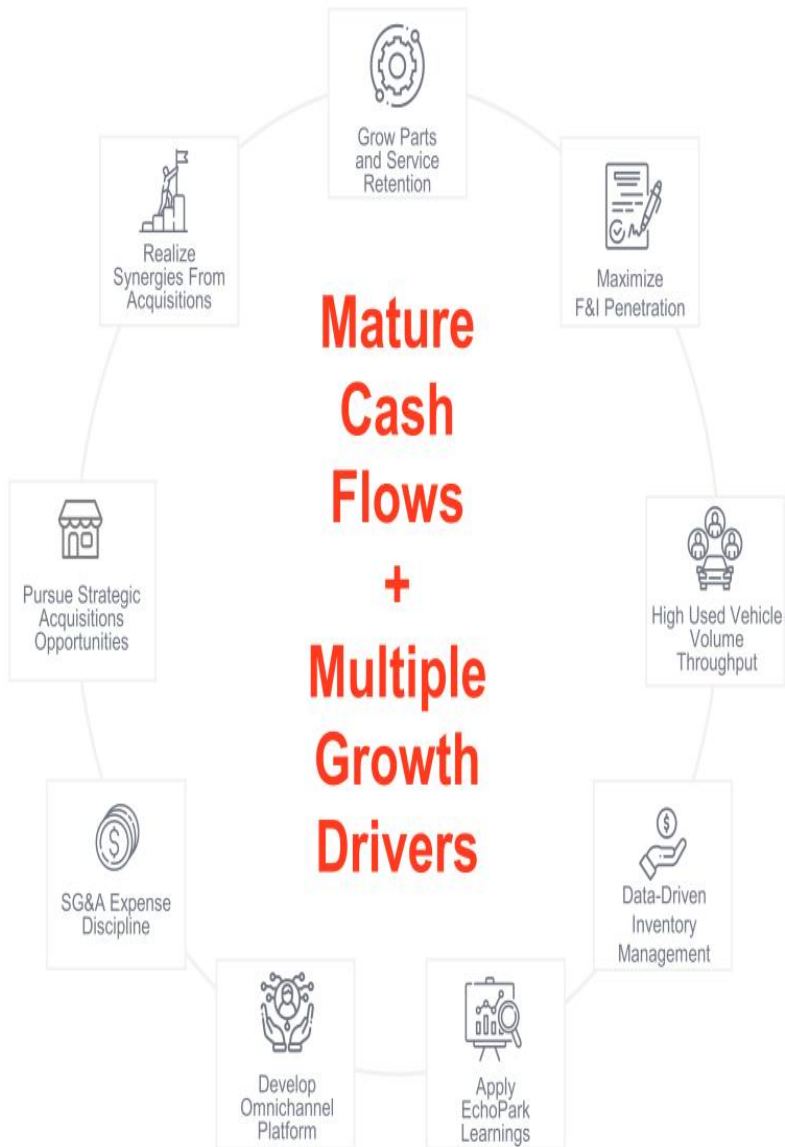


Diversified Geographic  
Market Platform



EchoPark  
AUTOMOTIVE

## → 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 19% Of Q2 2022  
EchoPark Unit Sales Volume



## → New EchoPark.com Results to Date

# EchoPark<sup>®</sup>

AUTOMOTIVE

Rolled Out To  
**100% Of  
National Web  
Traffic**  
In June 2022

Conversion Rate  
**30%  
Higher**  
Compared To  
Old Website

Nearly  
**70% Of  
Vehicles**  
Sold Out Of Market,  
Driving Incremental  
Reach

F&I of  
**\$2,250  
Per Unit**  
Exceeding Projections  
For End-To-End Online  
F&I Product Sales

Technical Site Improvements – Bounce Rate 91%  
Better, Time On Site 33% Better, Pages Per Session  
32% Better Than Old Website

Buy your car, your way.

Shop 100% online or in stores.  
Always up to \$3,000 less than the rest.

Shop all cars



EchoPark<sup>®</sup>  
AUTOMOTIVE

# Appendix





## → Non-GAAP Reconciliation – Segment Income – QTD

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Revenues	\$ 2,987.2	\$ 2,756.6	\$ 665.6	\$ 595.6	\$ 3,652.8	\$ 3,352.2
Gross profit	\$ 539.3	\$ 474.6	\$ 49.5	\$ 36.2	\$ 588.8	\$ 510.8
SG&A expenses	\$ 327.5	\$ 275.7	\$ 75.3	\$ 44.9	\$ 402.8	\$ 320.6
Adjusted segment income	\$ 166.5	\$ 165.4	\$ (34.9)	\$ (14.4)	\$ 131.6	\$ 151.0
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Segment income	\$ 162.1	\$ 165.4	\$ (34.9)	\$ (14.4)	\$ 127.2	\$ 151.0
Impairment charges	-	-	-	-	-	-
Earnings (loss) from continuing operations before taxes	\$ 162.1	\$ 165.4	\$ (34.9)	\$ (14.4)	\$ 127.2	\$ 151.0
Adjusted earnings (loss) from continuing operations before taxes	\$ 166.5	\$ 165.4	\$ (34.9)	\$ (14.4)	\$ 131.6	\$ 151.0
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Earnings (loss) from continuing operations before taxes	\$ 162.1	\$ 165.4	\$ (34.9)	\$ (14.4)	\$ 127.2	\$ 151.0
Adjusted net income (loss) from continuing operations					\$ 99.2	\$ 114.0
Long-term compensation charges (before taxes)					(4.4)	-
Tax effect of items of interest and non-recurring tax items					-	-
Net income (loss) from continuing operations					\$ 94.8	\$ 114.0
Retail new vehicle unit sales volume	24,342	30,243	85	14	24,427	30,257
Fleet new vehicle unit sales volume	4,638	245	-	-	4,638	245
Retail used vehicle unit sales volume	28,156	28,550	16,608	21,261	44,764	49,811
Wholesale used vehicle unit sales volume	5,851	6,753	2,694	2,878	8,545	9,631

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

## → Non-GAAP Reconciliation – Segment Income – YTD

	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	YTD	YTD	YTD	YTD	YTD	YTD
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
(In millions, except unit data)						
Revenues	\$ 5,948.5	\$ 5,036.3	\$ 1,290.9	\$ 1,102.7	\$ 7,239.4	\$ 6,139.0
Gross profit	\$ 1,066.3	\$ 829.5	\$ 93.8	\$ 82.2	\$ 1,160.1	\$ 911.7
SG&A expenses	\$ 642.8	\$ 525.8	\$ 147.0	\$ 84.2	\$ 789.8	\$ 610.0
Adjusted segment income	\$ 330.4	\$ 236.0	\$ (69.9)	\$ (12.4)	\$ 260.5	\$ 223.6
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Segment income	\$ 326.0	\$ 236.0	\$ (69.9)	\$ (12.4)	\$ 256.1	\$ 223.6
Impairment charges	-	-	-	-	-	-
Earnings (loss) from continuing operations before taxes	\$ 326.0	\$ 236.0	\$ (69.9)	\$ (12.4)	\$ 256.1	\$ 223.6
Adjusted earnings (loss) from continuing operations before taxes	\$ 330.4	\$ 236.0	\$ (69.9)	\$ (12.4)	\$ 260.5	\$ 223.6
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Earnings (loss) from continuing operations before taxes	\$ 326.0	\$ 236.0	\$ (69.9)	\$ (12.4)	\$ 256.1	\$ 223.6
Adjusted net income (loss) from continuing operations					\$ 196.5	\$ 167.7
Long-term compensation charges (before taxes)					(4.4)	-
Tax effect of items of interest and non-recurring tax items					-	-
Net income (loss) from continuing operations					\$ 192.1	\$ 167.7
Retail new vehicle unit sales volume	48,944	54,060	170	14	49,114	54,074
Fleet new vehicle unit sales volume	9,019	786	-	-	9,019	786
Retail used vehicle unit sales volume	55,234	55,786	31,603	40,931	86,837	96,717
Wholesale used vehicle unit sales volume	12,623	13,585	6,343	5,739	18,966	19,324

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

## → Non-GAAP Reconciliation – Segment Income – Prior FY

(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 – Adjusted EBITDA

(In millions)	FY 2018	FY 2019	FY 2020	FY 2021	LTM Q2 2022
Net Income (Loss)	\$ 51.7	\$ 144.1	\$ (51.4)	\$ 348.9	\$ 373.0
Provision For Income Taxes	22.6	55.0	15.6	109.3	117.2
Income (Loss) Before Taxes	<u>\$ 74.3</u>	<u>\$ 199.1</u>	<u>\$ (35.8)</u>	<u>\$ 458.2</u>	<u>\$ 490.2</u>
Non-Floor Plan Interest	52.0	50.5	38.7	44.7	65.8
Depreciation and Amortization	96.7	95.6	93.9	104.3	117.7
Stock-Based Compensation Expense	11.9	10.8	11.7	15.0	16.1
Loss (Gain) On Exit Of Leased Dealerships	1.7	(0.2)	-	-	-
Impairment Charges	29.5	20.8	270.0	0.1	0.1
Loss (Gain) On Debt Extinguishment	-	6.7	-	15.6	15.6
Long-Term Compensation Charges	32.5	-	-	8.0	11.4
Acquisition and Disposition-Related (Gain) Loss	<u>(39.3)</u>	<u>(74.8)</u>	<u>(8.2)</u>	<u>(0.4)</u>	<u>(1.0)</u>
Adjusted EBITDA	<u><u>\$ 259.3</u></u>	<u><u>\$ 308.5</u></u>	<u><u>\$ 370.3</u></u>	<u><u>\$ 645.5</u></u>	<u><u>\$ 715.9</u></u>
Long-Term Debt (Including Current Portion)	\$ 945.1	\$ 706.9	\$ 720.1	\$ 1,561.2	\$ 1,538.5
Cash and Equivalents	(5.9)	(29.1)	(170.3)	(299.4)	(327.1)
Floor Plan Deposit Balance	-	-	(73.2)	(99.8)	(125.5)
Net Debt	<u><u>\$ 939.2</u></u>	<u><u>\$ 677.8</u></u>	<u><u>\$ 476.6</u></u>	<u><u>\$ 1,162.0</u></u>	<u><u>\$ 1,085.9</u></u>
Net Debt To Adjusted EBITDA Ratio	3.62	2.20	1.29	1.80	1.52
Long-Term Debt (Including Current Portion) To Adjusted EBITDA Ratio	3.64	2.29	1.94	2.42	2.15

Note – Balance Sheet Amounts Are As Of December 31 For The FY Then Ended. For The LTM Q2 2022 Period, Balance Sheet Amounts Are As Of June 30, 2022.

## → Non-GAAP Reconciliation – Adjusted EBITDA By Segment

	Q2 2022				Q2 2021			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 94.8				\$ 113.8
Provision For Income Taxes				32.4				37.0
Income (Loss) Before Taxes	\$ 162.1	\$ (34.9)	\$ -	\$ 127.2	\$ 165.4	\$ (14.4)	\$ (0.2)	\$ 150.8
Non-Floor Plan Interest	19.1	1.0	-	20.1	8.9	0.3	-	9.2
Depreciation And Amortization	26.4	6.0	-	32.4	21.4	4.2	-	25.6
Stock-Based Compensation Expense	4.2	-	-	4.2	4.0	-	-	4.0
Long-Term Compensation Charges	4.4	-	-	4.4	-	0.5	-	0.5
Gain On Franchise And Real Estate Disposals	0.1	-	-	0.1	(0.4)	-	-	(0.4)
Adjusted EBITDA	<u>\$ 216.3</u>	<u>\$ (27.9)</u>	<u>\$ -</u>	<u>\$ 188.4</u>	<u>\$ 199.3</u>	<u>\$ (9.4)</u>	<u>\$ (0.2)</u>	<u>\$ 189.7</u>

	Q1 2022				Q1 2021			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(In millions)				(In millions)			
Net Income (Loss)				\$ 97.3				\$ 54.2
Provision For Income Taxes				31.6				19.1
Income (Loss) Before Taxes	\$ 163.8	\$ (34.9)	\$ -	\$ 128.9	\$ 70.6	\$ 2.0	\$ 0.7	\$ 73.3
Non-Floor Plan Interest	19.0	0.7	-	19.7	9.1	0.4	-	9.5
Depreciation And Amortization	25.9	5.2	-	31.1	21.2	3.3	-	24.5
Stock-Based Compensation Expense	4.4	-	-	4.4	3.5	-	-	3.5
Long-Term Compensation Charges	-	-	-	-	-	0.5	-	0.5
Gain On Franchise And Real Estate Disposals	(1.1)	-	-	(1.1)	-	-	-	-
Adjusted EBITDA	<u>\$ 212.0</u>	<u>\$ (29.0)</u>	<u>\$ -</u>	<u>\$ 183.0</u>	<u>\$ 104.4</u>	<u>\$ 6.2</u>	<u>\$ 0.7</u>	<u>\$ 111.3</u>

## → Non-GAAP Reconciliation – Adjusted EBITDA By Segment

	Q4 2021				Q4 2020			
	Franchised			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(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			Total	Franchised			Total
	Dealerships Segment	EchoPark Segment	Discontinued Operations		Dealerships Segment	EchoPark Segment	Discontinued Operations	
	(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

## → Non-GAAP Reconciliation – Adjusted EBITDA By Segment

	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 By Segment

	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 By Segment

	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 By Segment

	Q4 2019				Q4 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(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 Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(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 By Segment

	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 By Segment

	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



EchoPark<sup>®</sup>  
AUTOMOTIVE



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