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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 27, 2022

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

4401 Colwick Road
Charlotte, North Carolina
(Address of principal executive offices)

28211
(Zip Code)

Registrant's telephone number, including area code: (704) 566-2400

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	SAH	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On October 27, 2022, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal third quarter ended September 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 October 27, 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.*

Exhibit No.	Description
99.1	Press Release of Sonic Automotive, Inc., dated October 27, 2022.
99.2	Earnings Call Presentation Materials.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

SIGNATURES

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

SONIC AUTOMOTIVE, INC.

October 27, 2022

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports Record Third Quarter Results

Record Third Quarter Revenues and Gross Profit Drove Record Third Quarter Net Income

During the Third Quarter, Sonic Repurchased 3.1 Million Shares of its Class A Common Stock, or 8% of Total Shares Outstanding

Year-to-Date, Sonic Repurchased 5.2 Million Shares of its Class A Common Stock, or 13% of Total Shares Outstanding

CHARLOTTE, N.C. – October 27, 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 third quarter and nine months ended September 30, 2022.

Key Highlights

- *Record third quarter revenues of \$3.4 billion, up 12% year-over-year; record third quarter gross profit of \$580.7 million, up 23% year-over-year*
- *Record third quarter net income of \$87.3 million (\$2.23 per diluted share)*
- *Selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 68.7% (62.4% on a Franchised Dealerships Segment basis, an increase of 220 basis points year-over-year)*
- *Record third quarter total Finance & Insurance (“F&I”) gross profit per retail unit of \$2,477, up 5% year-over-year*
- *EchoPark revenues of \$607.8 million, down 8% year-over-year; record third quarter EchoPark gross profit of \$48.6 million, up 88% year-over-year*
- *During the third quarter of 2022, Sonic repurchased approximately 3.1 million shares of its Class A Common Stock (or 8% of total Class A and Class B shares outstanding as of June 30, 2022) for an aggregate purchase price of approximately \$151.5 million, resulting in \$481.0 million of remaining share repurchase authorization*
- *During the nine months ended September 30, 2022, Sonic repurchased approximately 5.2 million shares of its Class A Common Stock (or 13% of total Class A and Class B shares outstanding as of December 31, 2021) for an aggregate purchase price of approximately \$245.2 million*
- *Sonic’s Board of Directors approved a 12% increase to the Company’s quarterly cash dividend, to \$0.28 per share, payable on January 13, 2023 to all stockholders of record on December 15, 2022*

Commentary

David Smith, Chairman and Chief Executive Officer of Sonic Automotive, stated, “Our quarterly results reflect another period of solid financial performance, including record third quarter revenues, gross profit and earnings per share. During the third quarter, we continued to see persistent consumer demand for new vehicles and sustained growth in our parts and service business, driving all-time record Fixed Operations gross profit. These trends have carried over from the first half of 2022, in spite of a challenging used vehicle environment and macroeconomic headwinds such as inflation, rising interest rates, and ongoing global new vehicle supply chain constraints. We believe Sonic’s ability to successfully navigate this environment demonstrates the strength of our diversified model and our unwavering commitment to generating long-term value for our key stakeholders.”

Jeff Dyke, President of Sonic Automotive, commented, “In the third quarter, we continued to strategically expand EchoPark’s nationwide distribution network. This expansion has been achieved both by growing geographically and through the launch of our new ecommerce platform, which was successfully rolled out this past June to 100% of our nationwide traffic at [EchoPark.com](https://www.choPark.com). For the third quarter, omnichannel sales through our new ecommerce platform accounted for 31% of EchoPark’s retail unit sales volume, compared to 19% last quarter, as more guests continued to utilize our enhanced, omnichannel purchase experience. In addition to our growing digital presence, our new store openings during the quarter expanded the EchoPark Automotive brand reach to over 50% of the U.S. population. We remain committed to the expansion of the EchoPark Automotive brand and, with our progress to date, we remain well on track to reach 90% of the U.S. population by 2025.”

Heath Byrd, Chief Financial Officer of Sonic Automotive, added, “Despite supply chain challenges and today’s economic climate, our teammates continued to drive strong revenue and earnings performance throughout our organization. At the same time, our team has maintained its focus on cash flow generation and proactively managing expenses. We have made great progress related to the integration of the RFJ Auto acquisition and expect we will achieve further earnings synergies in future periods. Based on our strong financial performance, solid cash position, ample sources of liquidity and our present macroeconomic outlook, we believe Sonic remains well-positioned to build long-term value and deliver returns to our stockholders.”

Third Quarter 2022 Segment Highlights

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

- Franchised Dealerships Segment operating results include:
 - Same store revenues up 3%; same store gross profit up 5%
 - Same store retail new vehicle unit sales volume down 6%; same store retail new vehicle gross profit per unit up 28%, to \$6,571
 - Same store retail used vehicle unit sales volume down 12%; same store retail used vehicle gross profit per unit down 9%, to \$1,669
 - Same store parts, service and collision repair gross profit up 10%; same store customer pay gross profit up 12%; same store warranty gross profit up 7%; same store gross margin down 30 basis points, to 49.9%
 - Same store F&I gross profit down 5%; all-time record quarterly reported Franchised Dealerships Segment F&I gross profit per retail unit of \$2,473, up 7%
 - 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:
 - EchoPark revenues of \$607.8 million, down 8% year-over-year; record third quarter EchoPark gross profit of \$48.6 million, up 88% year-over-year
-

- EchoPark retail used vehicle unit sales volume of 15,422, down 27% year-over-year
- EchoPark retail used vehicle unit sales volume was comprised of 81% 1-4-year old vehicles and 19% 5-plus-year old vehicles
- EchoPark segment loss of \$29.9 million and adjusted EBITDA* loss of \$21.4 million (including market expansion-related losses of \$6.3 million and \$5.7 million, respectively)
- On a trailing quarter cost of sales basis, EchoPark Segment used vehicle inventory had approximately 57 days' supply (40 days for EchoPark-branded locations, excluding locations opened during the third quarter)

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

Dividend

Sonic's Board of Directors approved a 12% increase to the Company's quarterly cash dividend, to \$0.28 per share, payable on January 13, 2023 to all stockholders of record on December 15, 2022.

Third 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.

To access the live webcast of the conference call, please go to ir.sonicautomotive.com.

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

<https://www.netroadshow.com/events/login?show=893f08a9&confId=42803>

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 following the call for 14 days at ir.sonicautomotive.com.

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, North Carolina, is 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 and 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. Consumers have responded by putting EchoPark at number one in products, sales, and service based on Google Reviews between April 2021 through April 2022, while receiving the 2021 Consumer Satisfaction Award from DealerRater. EchoPark's nationwide growth will continue to leverage the unique and preferred Experience Centers in-market with a best-in-class shopping and online buying tool. EchoPark's mission is in the name: Every Car, Happy Owner. This drives the experience for guests and differentiates EchoPark from the competition. More information about EchoPark Automotive can be found at www.echopark.com.

Forward-Looking Statements

Included herein are forward-looking statements, including statements regarding EchoPark's future U.S. population coverage and future earnings synergies from the RFJ Auto acquisition. 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 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

Danny Wieland, Vice President, Investor Relations & Financial Reporting (704) 927-3462

ir@sonicautomotive.com

Press Inquiries:

Danielle DeVoren / Joshua Greenwald

212-896-1272 / 646-379-7971

ddevoren@kcsa.com/jgreenwald@kcsa.com

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations - Consolidated

	Three Months Ended September 30,		Better / (Worse) % Change	Nine Months Ended September 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except per share amounts)						
Revenues:						
Retail new vehicles	\$ 1,373.1	\$ 1,128.0	22 %	\$ 4,068.7	\$ 3,715.2	10 %
Fleet new vehicles	32.0	18.9	69 %	70.0	50.9	38 %
Total new vehicles	1,405.1	1,146.9	23 %	4,138.7	3,766.1	10 %
Used vehicles	1,358.0	1,324.8	3 %	4,178.3	3,708.9	13 %
Wholesale vehicles	114.7	97.1	18 %	404.8	256.7	58 %
Total vehicles	2,877.8	2,568.8	12 %	8,721.8	7,731.7	13 %
Parts, service and collision repair	404.7	339.9	19 %	1,183.4	994.1	19 %
Finance, insurance and other, net	165.6	164.1	1 %	505.3	486.1	4 %
Total revenues	3,448.1	3,072.8	12 %	10,410.5	9,211.9	13 %
Cost of sales:						
Retail new vehicles	(1,209.6)	(1,012.9)	(19) %	(3,569.2)	(3,412.8)	(5) %
Fleet new vehicles	(30.7)	(18.6)	(65) %	(66.9)	(50.0)	(34) %
Total new vehicles	(1,240.3)	(1,031.5)	(20) %	(3,636.1)	(3,462.8)	(5) %
Used vehicles	(1,306.6)	(1,304.6)	— %	(4,031.6)	(3,623.1)	(11) %
Wholesale vehicles	(116.8)	(95.9)	(22) %	(404.2)	(250.1)	(62) %
Total vehicles	(2,663.7)	(2,432.0)	(10) %	(8,071.9)	(7,336.0)	(10) %
Parts, service and collision repair	(203.7)	(168.8)	(21) %	(597.7)	(492.2)	(21) %
Total cost of sales	(2,867.4)	(2,600.8)	(10) %	(8,669.6)	(7,828.2)	(11) %
Gross profit	580.7	472.0	23 %	1,740.9	1,383.7	26 %
Selling, general and administrative expenses	(399.0)	(321.4)	(24) %	(1,188.8)	(931.3)	(28) %
Depreciation and amortization	(32.8)	(25.2)	(30) %	(94.0)	(73.7)	(28) %
Operating income (loss)	148.9	125.4	19 %	458.1	378.7	21 %
Other income (expense):						
Interest expense, floor plan	(9.6)	(3.3)	(191) %	(20.6)	(12.8)	(61) %
Interest expense, other, net	(22.9)	(9.8)	(134) %	(65.1)	(30.2)	(116) %
Other income (expense), net	—	(0.1)	100 %	0.1	0.1	64 %
Total other income (expense)	(32.5)	(13.2)	(146) %	(85.6)	(42.9)	(100) %
Income (loss) from continuing operations before taxes	116.4	112.2	4 %	372.5	335.8	11 %
Provision for income taxes for continuing operations - benefit (expense)	(29.1)	(27.5)	(6) %	(93.1)	(83.4)	(12) %
Income (loss) from continuing operations	87.3	84.7	3 %	279.4	252.4	11 %
Discontinued operations:						
Income (loss) from discontinued operations before taxes	—	(0.3)	100 %	—	0.2	(100) %
Provision for income taxes for discontinued operations - benefit (expense)	—	0.1	(100) %	—	—	— %
Income (loss) from discontinued operations	—	(0.2)	100 %	—	0.2	(100) %
Net income (loss)	\$ 87.3	\$ 84.5	3 %	\$ 279.4	\$ 252.6	11 %
Basic earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 2.28	\$ 2.04	12 %	\$ 7.09	\$ 6.07	17 %
Earnings (loss) per share from discontinued operations	—	(0.01)	100 %	—	0.01	(100) %
Earnings (loss) per common share	\$ 2.28	\$ 2.03	12 %	\$ 7.09	\$ 6.08	17 %
Weighted-average common shares outstanding	38.3	41.6	8 %	39.4	41.6	5 %
Diluted earnings (loss) per common share:						
Earnings (loss) per share from continuing operations	\$ 2.23	\$ 1.96	14 %	\$ 6.90	\$ 5.81	19 %
Earnings (loss) per share from discontinued operations	—	(0.01)	100 %	—	0.01	(100) %
Earnings (loss) per common share	\$ 2.23	\$ 1.95	14 %	\$ 6.90	\$ 5.82	19 %
Weighted-average common shares outstanding	39.2	43.3	9 %	40.5	43.4	7 %
Dividends declared per common share	\$ 0.25	\$ 0.12	108 %	\$ 0.62	\$ 0.34	82 %

NM = Not Meaningful

Franchised Dealerships Segment - Reported

	Three Months Ended September 30,		Better / (Worse) % Change	Nine Months Ended September 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 1,359.6	\$ 1,124.5	21 %	\$ 4,047.1	\$ 3,710.8	9 %
Fleet new vehicles	32.0	18.9	69 %	70.0	50.9	38 %
Total new vehicles	1,391.6	1,143.4	22 %	4,117.1	3,761.7	9 %
Used vehicles	842.4	750.3	12 %	2,568.1	2,173.3	18 %
Wholesale vehicles	75.8	64.1	18 %	261.2	183.2	43 %
Total vehicles	2,309.8	1,957.8	18 %	6,946.4	6,118.2	14 %
Parts, service and collision repair	404.7	339.9	19 %	1,183.4	994.1	19 %
Finance, insurance and other, net	125.8	111.8	13 %	382.1	333.5	15 %
Total revenues	2,840.3	2,409.5	18 %	8,511.9	7,445.8	14 %
Gross Profit:						
Retail new vehicles	160.7	114.9	40 %	494.5	302.1	64 %
Fleet new vehicles	1.3	0.3	333 %	3.1	0.9	244 %
Total new vehicles	162.0	115.2	41 %	497.6	303.0	64 %
Used vehicles	45.4	50.1	(9) %	136.0	137.3	(1) %
Wholesale vehicles	(2.1)	(2.0)	(5) %	(3.0)	0.2	NM
Total vehicles	205.3	163.3	26 %	630.6	440.4	43 %
Parts, service and collision repair	201.0	171.1	17 %	585.7	501.9	17 %
Finance, insurance and other, net	125.8	111.8	13 %	382.1	333.5	15 %
Total gross profit	532.1	446.2	19 %	1,598.4	1,275.8	25 %
Selling, general and administrative expenses	(332.0)	(268.4)	(24) %	(974.9)	(794.1)	(23) %
Depreciation and amortization	(25.8)	(21.2)	(22) %	(75.8)	(62.3)	(22) %
Operating income (loss)	174.3	156.6	11 %	547.7	419.4	31 %
Other income (expense):						
Interest expense, floor plan	(6.6)	(2.0)	(230) %	(13.9)	(9.2)	(50) %
Interest expense, other, net	(21.4)	(9.5)	(125) %	(61.7)	(29.2)	(112) %
Other income (expense), net	—	—	— %	0.1	—	NM
Total other income (expense)	(28.0)	(11.5)	(143) %	(75.5)	(38.3)	(97) %
Income (loss) before taxes	146.3	145.1	1 %	472.2	381.1	24 %
Add: impairment charges	—	—	NM	—	—	NM
Segment income (loss)	\$ 146.3	\$ 145.1	1 %	\$ 472.2	\$ 381.1	24 %
Unit Sales Volume:						
Retail new vehicles	24,241	22,280	9 %	73,185	76,340	(4) %
Fleet new vehicles	672	511	32 %	1,454	1,297	12 %
Total new vehicles	24,913	22,791	9 %	74,639	77,637	(4) %
Used vehicles	26,647	26,274	1 %	81,881	82,060	— %
Wholesale vehicles	5,813	6,119	(5) %	18,436	19,704	(6) %
Retail new & used vehicles	50,888	48,554	5 %	155,066	158,400	(2) %
Used-to-New Ratio	1.07	1.15	(7) %	1.10	1.06	4 %
Gross Profit Per Unit:						
Retail new vehicles	\$ 6,627	\$ 5,153	29 %	\$ 6,757	\$ 3,956	71 %
Fleet new vehicles	\$ 1,955	\$ 773	153 %	\$ 2,132	\$ 745	186 %
Total new vehicles	\$ 6,501	\$ 5,055	29 %	\$ 6,667	\$ 3,903	71 %
Used vehicles	\$ 1,704	\$ 1,907	(11) %	\$ 1,661	\$ 1,673	(1) %
Finance, insurance and other, net	\$ 2,473	\$ 2,303	7 %	\$ 2,464	\$ 2,105	17 %

NM = Not Meaningful

Franchised Dealerships Segment - Same Store

	Three Months Ended September 30,		Better / (Worse) % Change	Nine Months Ended September 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 1,177.4	\$ 1,121.3	5 %	\$ 3,413.5	\$ 3,699.4	(8) %
Fleet new vehicles	27.0	18.9	43 %	57.9	51.0	14 %
Total new vehicles	1,204.4	1,140.2	6 %	3,471.4	3,750.4	(7) %
Used vehicles	736.4	747.4	(1) %	2,210.9	2,165.2	2 %
Wholesale vehicles	58.8	63.9	(8) %	196.9	182.7	8 %
Total vehicles	1,999.6	1,951.5	2 %	5,879.2	6,098.3	(4) %
Parts, service and collision repair	373.6	338.7	10 %	1,080.5	990.5	9 %
Finance, insurance and other, net	105.6	111.2	(5) %	314.6	332.2	(5) %
Total revenues	2,478.8	2,401.4	3 %	7,274.3	7,421.0	(2) %
Gross Profit:						
Retail new vehicles	136.9	114.3	20 %	413.8	300.6	38 %
Fleet new vehicles	1.0	0.4	150 %	2.4	0.9	167 %
Total new vehicles	137.9	114.7	21 %	416.2	301.5	38 %
Used vehicles	38.5	48.2	(20) %	115.9	137.2	(16) %
Wholesale vehicles	(1.7)	0.8	(313) %	(2.3)	5.8	(140) %
Total vehicles	174.7	163.7	7 %	529.8	444.5	19 %
Parts, service and collision repair	186.5	170.2	10 %	537.5	498.8	8 %
Finance, insurance and other, net	105.6	111.2	(5) %	314.6	332.2	(5) %
Total gross profit	\$ 466.8	\$ 445.1	5 %	\$ 1,381.9	\$ 1,275.5	8 %
Unit Sales Volume:						
Retail new vehicles	20,829	22,208	(6) %	61,247	76,073	(19) %
Fleet new vehicles	574	511	12 %	1,232	1,297	(5) %
Total new vehicles	21,403	22,719	(6) %	62,479	77,370	(19) %
Used vehicles	23,043	26,164	(12) %	69,315	81,713	(15) %
Wholesale vehicles	4,583	6,102	(25) %	14,258	19,634	(27) %
Retail new & used vehicles	43,872	48,372	(9) %	130,562	157,786	(17) %
Used-to-New Ratio	1.08	1.15	(7) %	1.11	1.06	5 %
Gross Profit Per Unit:						
Retail new vehicles	\$ 6,571	\$ 5,147	28 %	\$ 6,756	\$ 3,951	71 %
Fleet new vehicles	\$ 1,782	\$ 773	131 %	\$ 1,968	\$ 745	164 %
New vehicles	\$ 6,443	\$ 5,049	28 %	\$ 6,661	\$ 3,897	71 %
Used vehicles	\$ 1,669	\$ 1,844	(9) %	\$ 1,672	\$ 1,679	— %
Finance, insurance and other, net	\$ 2,406	\$ 2,300	5 %	\$ 2,410	\$ 2,106	14 %

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 September 30,		Better / (Worse) % Change	Nine Months Ended September 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 13.5	\$ 3.5	286 %	\$ 21.6	\$ 4.4	391 %
Used vehicles	515.6	574.5	(10) %	1,610.2	1,535.6	5 %
Wholesale vehicles	38.9	33.0	18 %	143.6	73.5	95 %
Total vehicles	568.0	611.0	(7) %	1,775.4	1,613.5	10 %
Finance, insurance and other, net	39.8	52.3	(24) %	123.2	152.6	(19) %
Total revenues	607.8	663.3	(8) %	1,898.6	1,766.1	8 %
Gross Profit:						
Retail new vehicles	2.8	—	100 %	5.0	0.3	NM
Used vehicles	6.0	(29.9)	120 %	10.7	(51.4)	121 %
Wholesale vehicles	—	3.2	(100) %	3.6	6.4	(44) %
Total vehicles	8.8	(26.7)	133 %	19.3	(44.7)	143 %
Finance, insurance and other, net	39.8	52.3	(24) %	123.2	152.6	(19) %
Total gross profit	48.6	25.8	88 %	142.5	107.9	32 %
Selling, general and administrative expenses	(67.0)	(53.0)	(26) %	(213.9)	(137.2)	(56) %
Depreciation and amortization	(7.0)	(4.0)	(75) %	(18.2)	(11.4)	(60) %
Operating income (loss)	(25.4)	(31.2)	19 %	(89.6)	(40.7)	(120) %
Other income (expense):						
Interest expense, floor plan	(3.0)	(1.3)	(131) %	(6.7)	(3.5)	(89) %
Interest expense, other, net	(1.5)	(0.3)	(400) %	(3.4)	(1.0)	(233) %
Total other income (expense)	(4.5)	(1.7)	(165) %	(10.1)	(4.6)	(120) %
Income (loss) before taxes	(29.9)	(32.9)	9 %	(99.7)	(45.3)	(120) %
Add: impairment charges	—	—	NM	—	—	NM
Segment income (loss)	\$ (29.9)	\$ (32.9)	9 %	\$ (99.7)	\$ (45.3)	(120) %
Unit Sales Volume:						
Retail new vehicles	535	55	NM	705	69	NM
Used vehicles	15,422	21,255	(27) %	47,025	62,186	(24) %
Wholesale vehicles	2,450	3,492	(30) %	8,793	9,231	(5) %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 2,880	\$ 1,023	182 %	\$ 2,808	\$ 1,618	74 %

NM = Not Meaningful

EchoPark Segment - Same Market

	Three Months Ended September 30,		Better / (Worse) % Change	Nine Months Ended September 30,		Better / (Worse) % Change
	2022	2021		2022	2021	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 3.4	\$ 3.5	(3) %	\$ 10.3	\$ 4.4	134 %
Used vehicles	367.8	569.7	(35) %	1,176.8	1,529.7	(23) %
Wholesale vehicles	29.6	33.0	(10) %	121.1	73.5	65 %
Total vehicles	400.8	606.2	(34) %	1,308.2	1,607.6	(19) %
Finance, insurance and other, net	27.9	52.0	(46) %	90.2	152.0	(41) %
Total revenues	428.7	658.2	(35) %	1,398.4	1,759.6	(21) %
Gross Profit:						
Retail new vehicles	0.3	0.2	50 %	0.9	0.3	50 %
Used vehicles	0.1	(29.7)	100 %	(11.3)	(51.2)	78 %
Wholesale vehicles	0.1	3.3	(97) %	3.6	6.5	(45) %
Total vehicles	0.5	(26.2)	102 %	(6.8)	(44.4)	85 %
Finance, insurance and other, net	27.9	52.0	(46) %	90.2	152.0	(41) %
Total gross profit	\$ 28.4	\$ 25.8	10 %	\$ 83.4	\$ 107.6	(22) %
Unit Sales Volume:						
Retail new vehicles	45	55	(18) %	126	69	83 %
Used vehicles	11,809	21,078	(44) %	36,960	61,970	(40) %
Wholesale vehicles	1,925	3,492	(45) %	7,452	9,231	(19) %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 2,361	\$ 1,028	130 %	\$ 2,125	\$ 1,615	32 %

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 September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 255.2	\$ 206.2	\$ (49.0)	(24) %
Advertising	21.1	16.7	(4.4)	(26) %
Rent	11.9	13.8	1.9	14 %
Other	110.8	84.7	(26.1)	(31) %
Total SG&A expenses	<u>\$ 399.0</u>	<u>\$ 321.4</u>	<u>\$ (77.6)</u>	(24) %

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	43.9 %	43.7 %	(20) bps	
Advertising	3.6 %	3.5 %	(10) bps	
Rent	2.1 %	2.9 %	80 bps	
Other	19.1 %	18.0 %	(110) bps	
Total SG&A expenses as a % of gross profit	<u>68.7 %</u>	<u>68.1 %</u>	<u>(60) bps</u>	

	Nine Months Ended September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 774.1	\$ 608.5	\$ (165.6)	(27) %
Advertising	72.8	44.2	(28.6)	(65) %
Rent	38.3	41.2	2.9	7 %
Other	303.6	237.4	(66.2)	(28) %
Total SG&A expenses	<u>\$ 1,188.8</u>	<u>\$ 931.3</u>	<u>\$ (257.5)</u>	(28) %

Items of interest:				
Long term compensation charges	(4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		

Adjusted:				
Total adjusted SG&A expenses	<u>\$ 1,184.4</u>	<u>\$ 931.3</u>	<u>\$ (253.1)</u>	(27) %

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	44.5 %	44.0 %	(50) bps	
Advertising	4.2 %	3.2 %	(100) bps	
Rent	2.2 %	3.0 %	80 bps	
Other	17.4 %	17.1 %	(30) bps	
Total SG&A expenses as a % of gross profit	<u>68.3 %</u>	<u>67.3 %</u>	<u>(100) bps</u>	

Items of interest:				
Long term compensation charges	(0.3)%	— %		
Total effect of adjustments	<u>(0.3)%</u>	<u>— %</u>		

Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>68.0 %</u>	<u>67.3 %</u>	<u>(70) bps</u>	

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

	Three Months Ended September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 216.2	\$ 176.6	\$ (39.6)	(22) %
Advertising	10.5	6.4	(4.1)	(64) %
Rent	10.1	11.9	1.8	15 %
Other	95.2	73.5	(21.7)	(30) %
Total SG&A expenses	<u>\$ 332.0</u>	<u>\$ 268.4</u>	<u>\$ (63.6)</u>	<u>(24) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	40.6 %	39.6 %	(100) bps	
Advertising	2.0 %	1.4 %	(60) bps	
Rent	1.9 %	2.7 %	80 bps	
Other	17.9 %	16.5 %	(140) bps	
Total SG&A expenses as a % of gross profit	<u>62.4 %</u>	<u>60.2 %</u>	<u>(220) bps</u>	

	Nine Months Ended September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 657.2	\$ 529.7	\$ (127.5)	(24) %
Advertising	26.2	19.8	(6.4)	(32) %
Rent	31.9	36.2	4.3	12 %
Other	259.6	208.4	(51.2)	(25) %
Total SG&A expenses	<u>\$ 974.9</u>	<u>\$ 794.1</u>	<u>\$ (180.8)</u>	<u>(23) %</u>
Items of interest:				
Long term compensation charges	\$ (4.4)	\$ —		
Total SG&A adjustments	<u>\$ (4.4)</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 970.5</u>	<u>\$ 794.1</u>	<u>\$ (176.4)</u>	<u>(22) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	41.1 %	41.5 %	40 bps	
Advertising	1.6 %	1.6 %	— bps	
Rent	2.0 %	2.8 %	80 bps	
Other	16.3 %	16.3 %	— bps	
Total SG&A expenses as a % of gross profit	<u>61.0 %</u>	<u>62.2 %</u>	<u>120 bps</u>	
Items of interest:				
Long term compensation charges	(0.3)%	— %		
Total effect of adjustments	<u>(0.3)%</u>	<u>— %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>60.7 %</u>	<u>62.2 %</u>	<u>150 bps</u>	

EchoPark Segment - SG&A Expenses

	Three Months Ended September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 39.0	\$ 29.6	\$ (9.4)	(32) %
Advertising	10.6	10.3	(0.3)	(3) %
Rent	1.8	1.9	0.1	5 %
Other	15.6	11.2	(4.4)	(39) %
Total SG&A expenses	<u>\$ 67.0</u>	<u>\$ 53.0</u>	<u>\$ (14.0)</u>	<u>(26) %</u>

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	80.2 %	114.7 %	3,450 bps	
Advertising	21.8 %	39.9 %	1,810 bps	
Rent	3.7 %	7.4 %	370 bps	
Other	32.2 %	43.4 %	1,120 bps	
Total SG&A expenses as a % of gross profit	<u>137.9 %</u>	<u>205.4 %</u>	<u>6,750 bps</u>	

	Nine Months Ended September 30,		Better / (Worse)	
	2022	2021	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 116.9	\$ 78.8	\$ (38.1)	(48) %
Advertising	46.6	24.4	(22.2)	(91) %
Rent	6.4	5.0	(1.4)	(28) %
Other	44.0	29.0	(15.0)	(52) %
Total SG&A expenses	<u>\$ 213.9</u>	<u>\$ 137.2</u>	<u>\$ (76.7)</u>	<u>(56) %</u>

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	82.0 %	73.0 %	(900) bps	
Advertising	32.7 %	22.6 %	(1,010) bps	
Rent	4.5 %	4.6 %	10 bps	
Other	30.9 %	27.0 %	(390) bps	
Total SG&A expenses as a % of gross profit	<u>150.1 %</u>	<u>127.2 %</u>	<u>(2,290) bps</u>	

Earnings Per Share from Continuing Operations - Non-GAAP Reconciliation

	Three Months Ended September 30, 2022			Three Months Ended September 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	39.2	\$ 87.3	\$ 2.23	43.3	\$ 84.7	\$ 1.96

	Nine Months Ended September 30, 2022			Nine Months Ended September 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	\$ 279.4	\$ 6.90	43.4	\$ 252.4	\$ 5.82
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	\$ 283.8	\$ 7.01	43.4	\$ 252.4	\$ 5.82

Adjusted EBITDA - Non-GAAP Reconciliation

Three Months Ended September 30, 2022

Three Months Ended September 30, 2021

	Three Months Ended September 30, 2022				Three Months Ended September 30, 2021			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
(In millions)								
Net income (loss)				\$ 87.3				\$ 84.5
Provision for income taxes				29.1				27.5
Income (loss) before taxes	\$ 146.3	\$ (29.9)	\$ —	\$ 116.4	\$ 145.1	\$ (32.9)	\$ (0.2)	\$ 112.0
Non-floor plan interest	19.9	1.5	—	21.4	8.8	0.3	—	9.1
Depreciation and amortization	27.3	7.0	—	34.3	21.9	4.0	—	25.9
Stock-based compensation expense	3.8	—	—	3.8	3.7	—	—	3.7
Long-term compensation charges	—	—	—	—	—	0.5	—	0.5
Loss (gain) on franchise and real estate disposals	0.5	—	—	0.5	(0.1)	(0.4)	—	(0.5)
Adjusted EBITDA	\$ 197.8	\$ (21.4)	\$ —	\$ 176.4	\$ 179.4	\$ (28.5)	\$ (0.2)	\$ 150.7

Nine Months Ended September 30, 2022

Nine Months Ended September 30, 2021

	Nine Months Ended September 30, 2022				Nine Months Ended September 30, 2021			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
(In millions)								
Net income (loss)				\$ 279.4				\$ 252.6
Provision for income taxes				93.1				83.4
Income (loss) before taxes	\$ 472.2	\$ (99.7)	\$ —	\$ 372.5	\$ 381.1	\$ (45.3)	\$ 0.2	\$ 336.0
Non-floor plan interest	58.0	3.2	—	61.2	26.8	1.0	—	27.8
Depreciation & amortization	79.6	18.1	—	97.7	64.6	11.4	—	76.0
Stock-based compensation expense	12.4	—	—	12.4	11.2	—	—	11.2
Long-term compensation charges	4.4	—	—	4.4	—	1.5	—	1.5
Loss (gain) on franchise and real estate disposals	(0.5)	—	—	(0.5)	(0.4)	(0.4)	—	(0.8)
Adjusted EBITDA	\$ 626.1	\$ (78.4)	\$ —	\$ 547.7	\$ 483.3	\$ (31.8)	\$ 0.2	\$ 451.7

Sonic Automotive – Investor Presentation October 2022



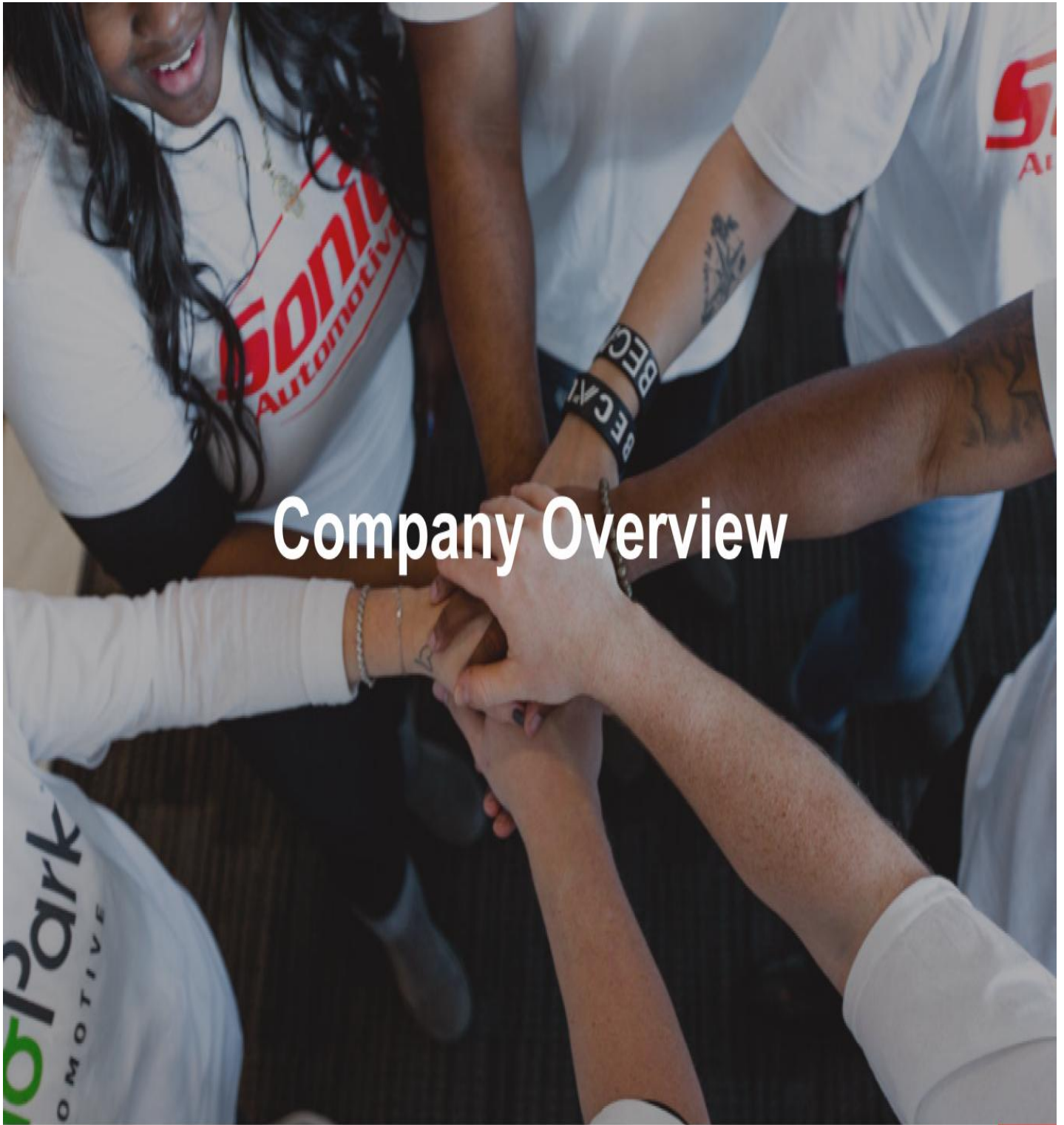
Updated October 27, 2022

→ 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 Potential** 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

163

Locations

24

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 October 27, 2022. Revenues, Gross Profit, New & Used Vehicles Sold are for FY 2021



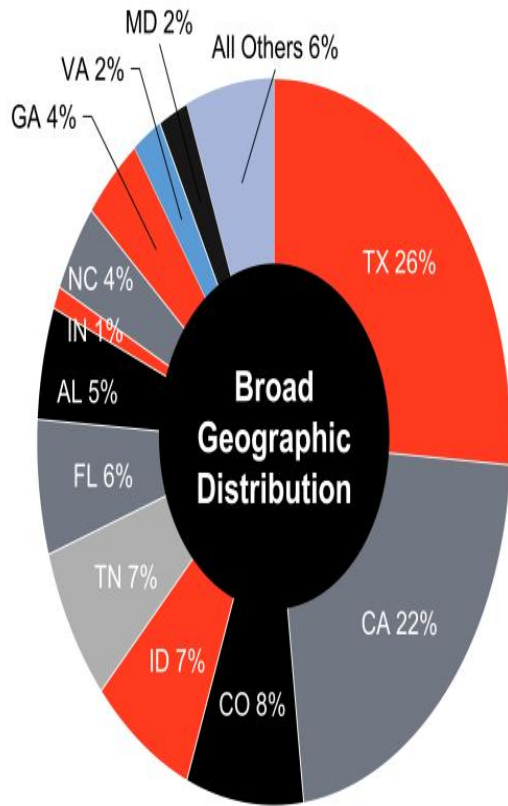
→ Investment Highlights



→ 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 Nine Months Ended September 30, 2022



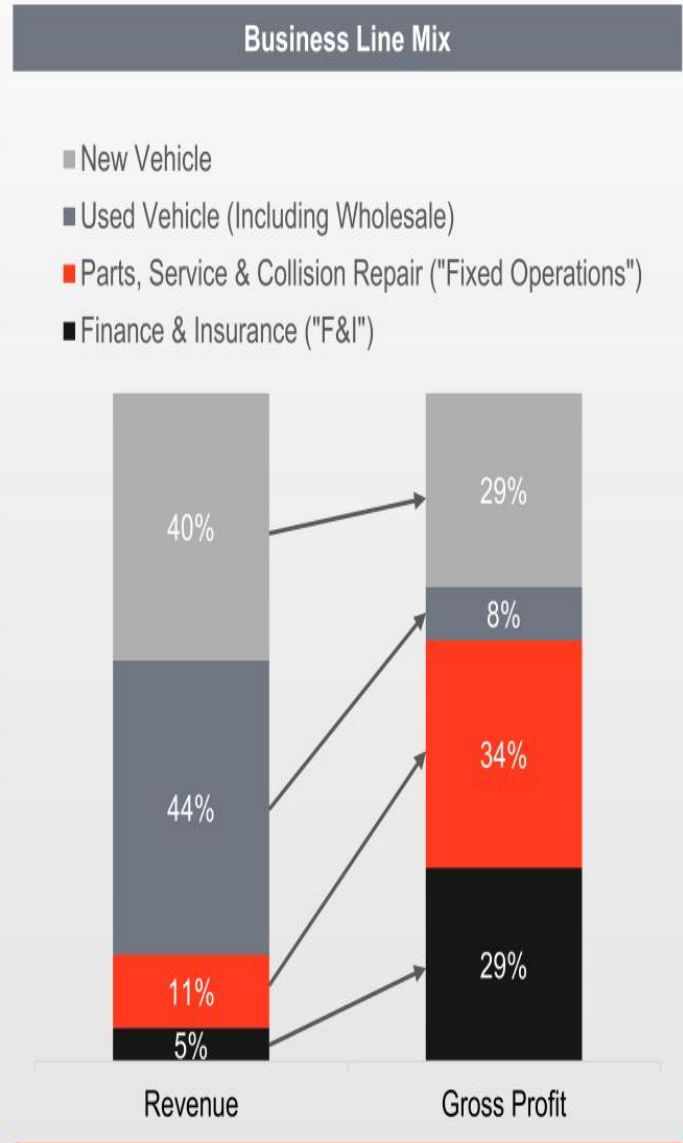
→ Revenue Composition – Diversified Revenue Streams

Brand Distribution			
Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	52%	BMW	20%
		Mercedes	10%
		Audi	5%
		Lexus	4%
		Porsche	3%
		Land Rover	3%
		Cadillac	2%
		Volvo	1%
Import	18%	Other Luxury (1)	4%
		Honda	8%
		Toyota	7%
		Volkswagen	1%
		Hyundai	1%
		Nissan	1%
		Other Import (2)	<1%
		EchoPark	17%
Ford	4%		
Domestic	13%	Chrysler Dodge Jeep RAM	4%
		Chevrolet GMC Buick	5%

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

(2) Includes Mazda and Subaru

Note: Percentages are Percent of Total Revenue for the Nine Months Ended September 30, 2022



Majority Of Gross Profit Driven By Stable Business Lines

Note: Percentages are Percent of Total for the Nine Months Ended September 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 Potential
Business Model

Focus On High Quality
Pre-Owned Vehicles,
**In-Store or
Online**

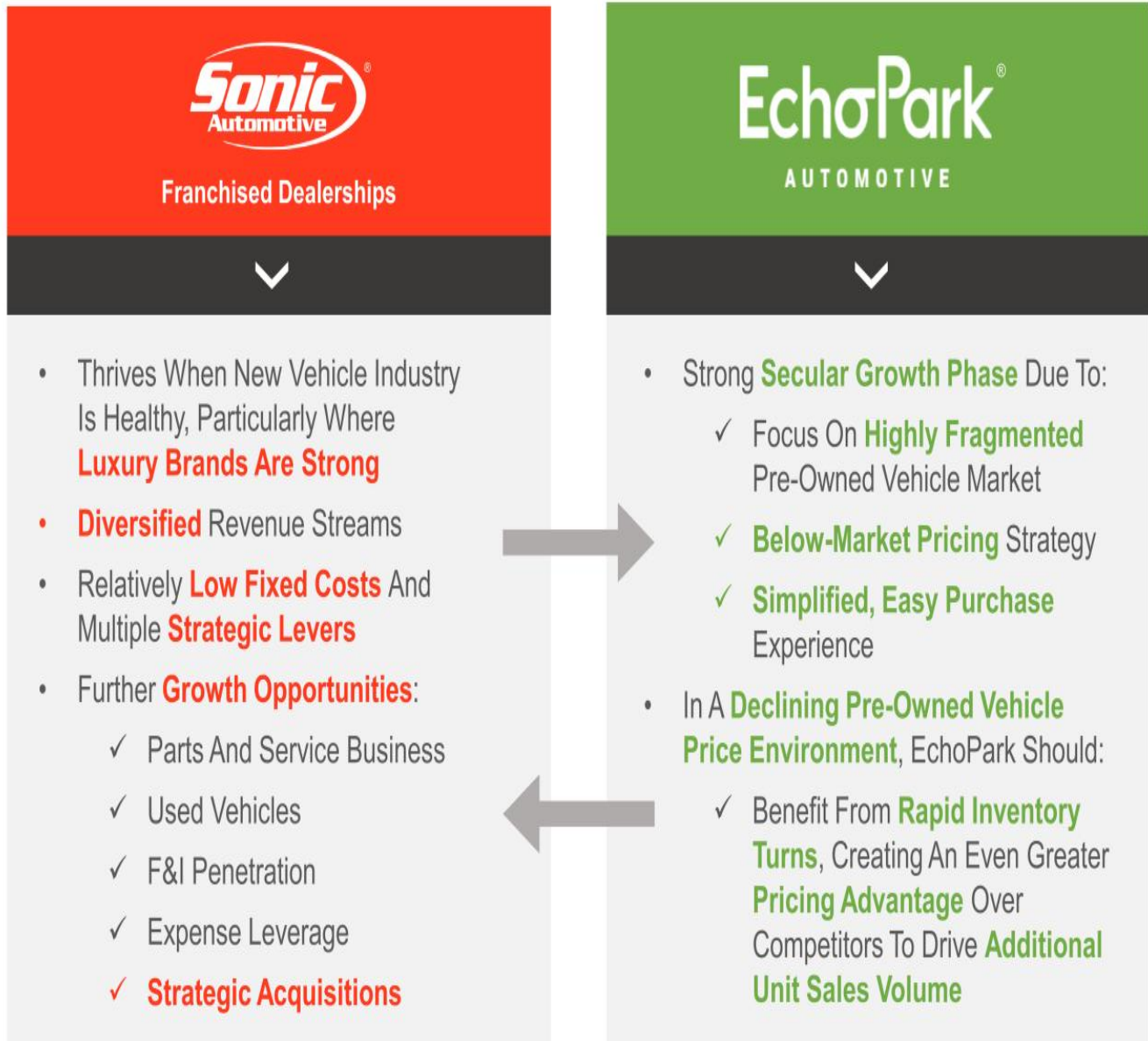
Expect To Reach
**90% Of U.S.
Population**
By 2025

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



- 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**
- 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 Share Repurchase Program And Dividend (In October 2022, Sonic's Board Approved A 12% Increase To Quarterly Cash Dividend, To \$0.28 Per Share)
- Early-Stage **Strong Secular Growth Phase**
 - **Achieved >50%** U.S. Population Coverage To Date, Expect **90% Coverage By 2025**
 - Growing **eCommerce Presence** Offers Scalable Incremental Reach
 - Addressable Market Opportunity Of **2 Million Vehicles** Annually At Maturity

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

	September 30, 2022		December 31, 2021	
	(In Millions)			
Cash and cash equivalents	\$	139.0	\$	299.4
Availability under the 2021 Revolving Credit Facility		286.6		281.4
Availability under the 2019 Mortgage Facility		30.4		22.2
Floor plan deposit balance		32.0		99.8
Total available liquidity resources	\$	488.0	\$	702.8

\$215 Million Decrease In Liquidity Driven By \$245 Million In YTD Share Repurchases

	Covenant Requirement*	September 30, 2022	December 31, 2021
Liquidity ratio	≥ 1.05	1.22	1.26
Fixed charge coverage ratio	≥ 1.20	2.51	2.69
Total lease adjusted leverage ratio	≤ 5.75	2.46	2.46
Net debt to Adjusted EBITDA ratio ⁽¹⁾		1.82	1.80

Current Leverage Ratios Are Within Internal Target Range

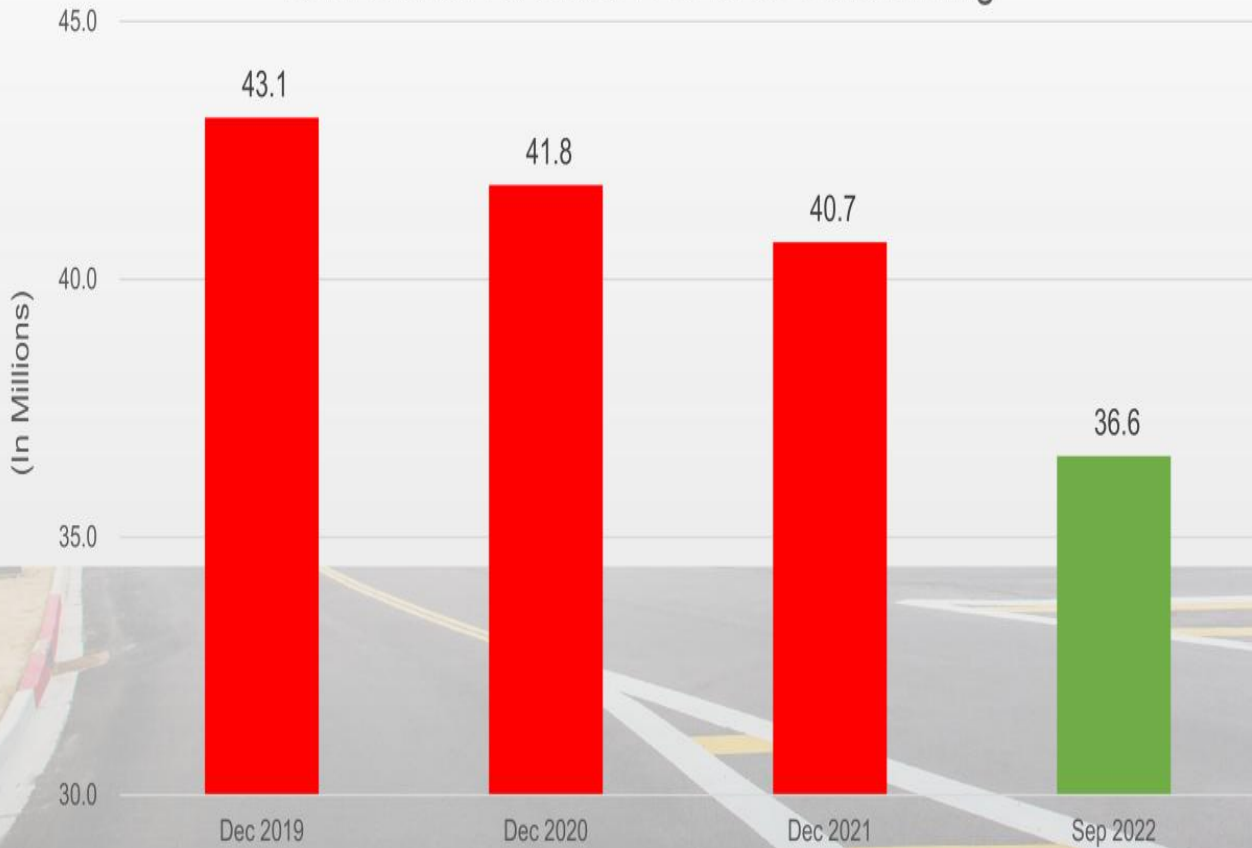
* As Defined In The 2021 Revolving Credit Facility and 2019 Mortgage Facility

(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)



→ Impact Of Share Repurchases

Total Class A & Class B Shares Outstanding



Repurchased 5.2 Million Shares YTD 2022,
Or 13% Of Total Shares Outstanding As Of December 31, 2021
\$481.0 Million Remaining Repurchase Authorization



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



EchoPark
AUTOMOTIVE

→ Franchised Dealerships – Geographic Footprint



111 Stores, 25+ Brands,
17 Collision Repair Centers

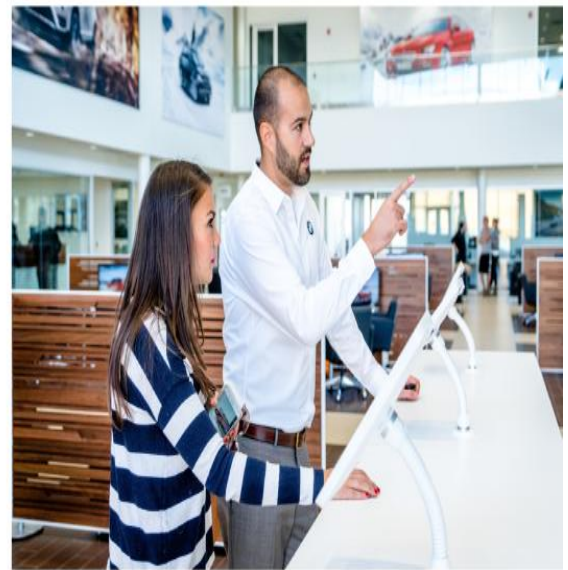
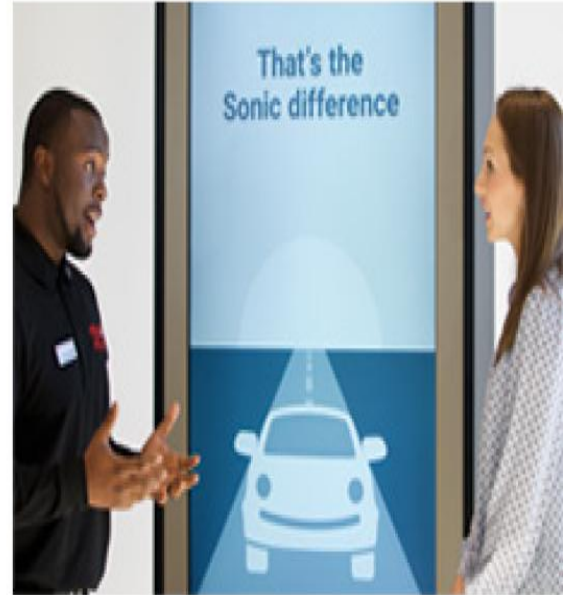
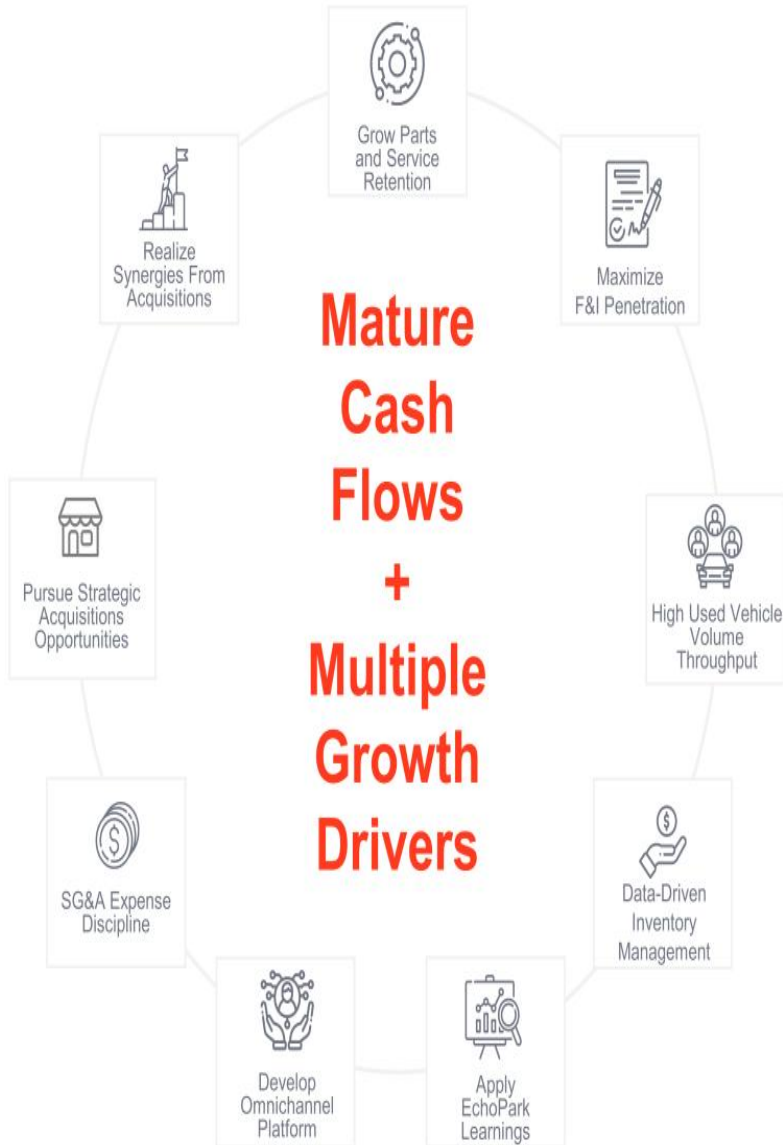


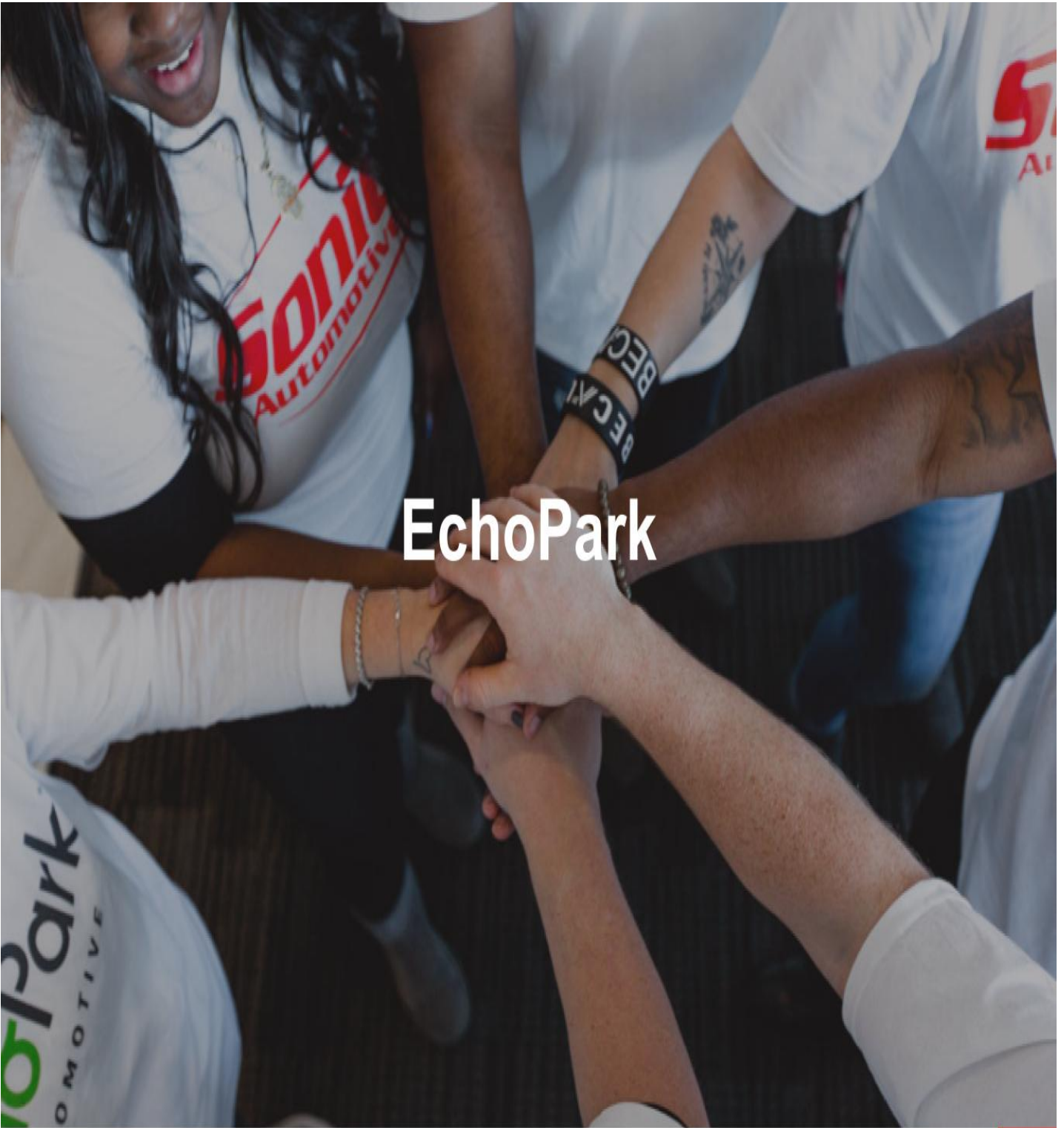
Diversified Geographic
Market Platform



EchoPark
AUTOMOTIVE

→ Franchised Dealerships – Strategic Growth Levers





→ 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



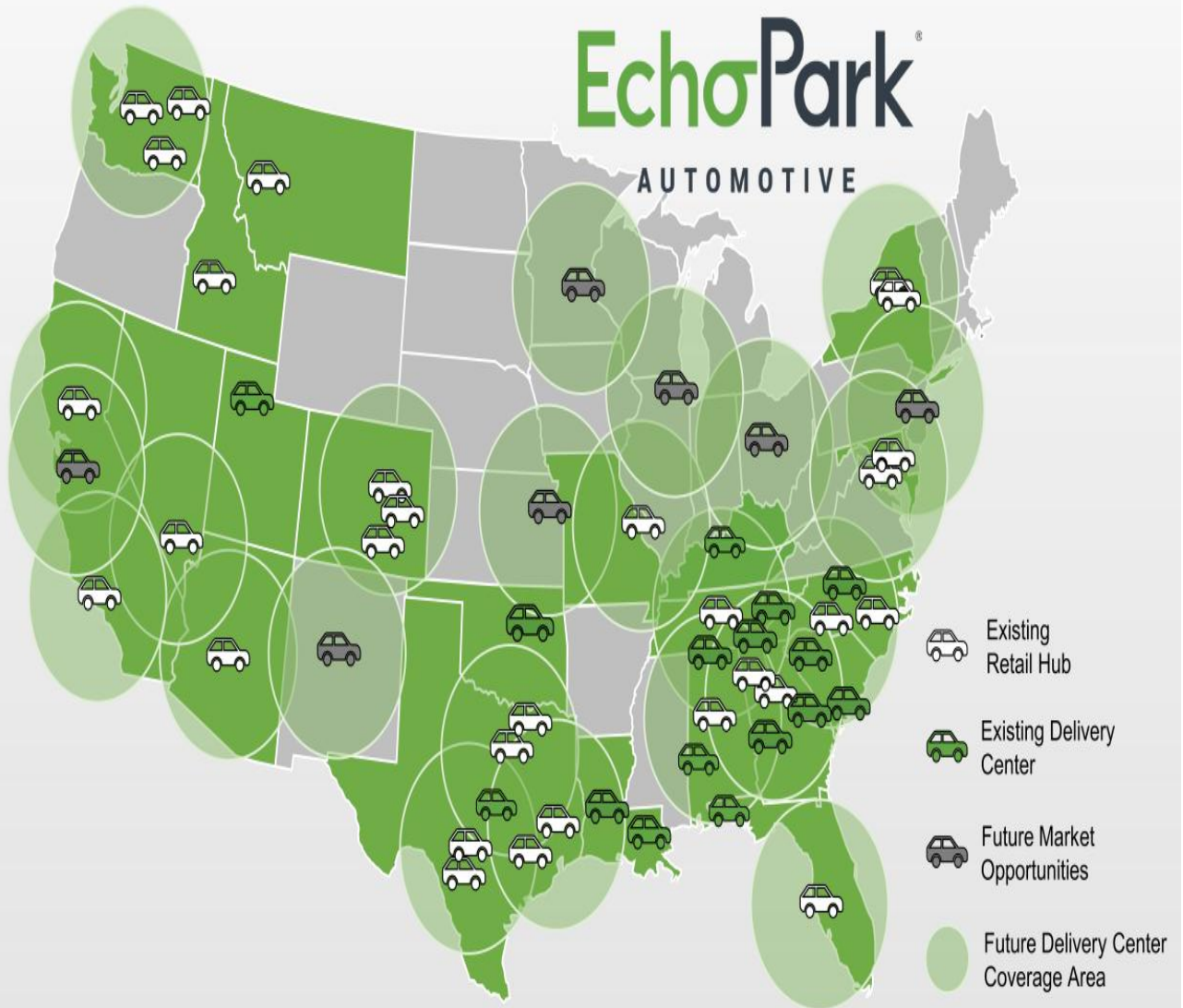
Complete Purchase
In Under An Hour

Low Cost Omnichannel Model



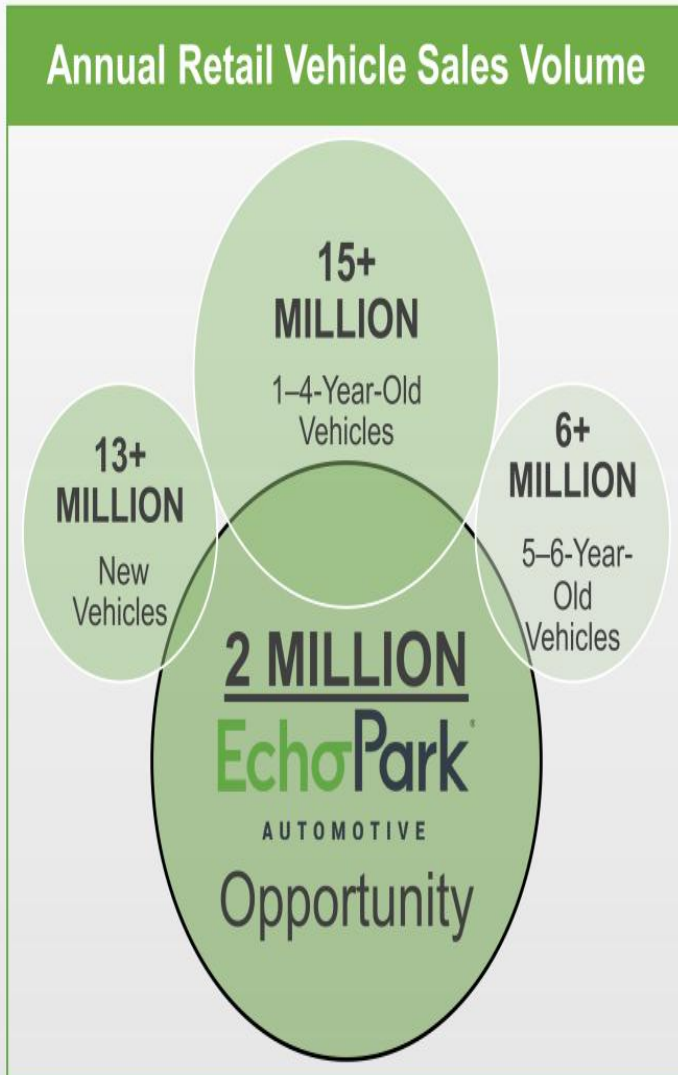
→ EchoPark – Developing Nationwide Distribution Network

Achieved >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

Priced Up to
\$3,000 Below Market Price

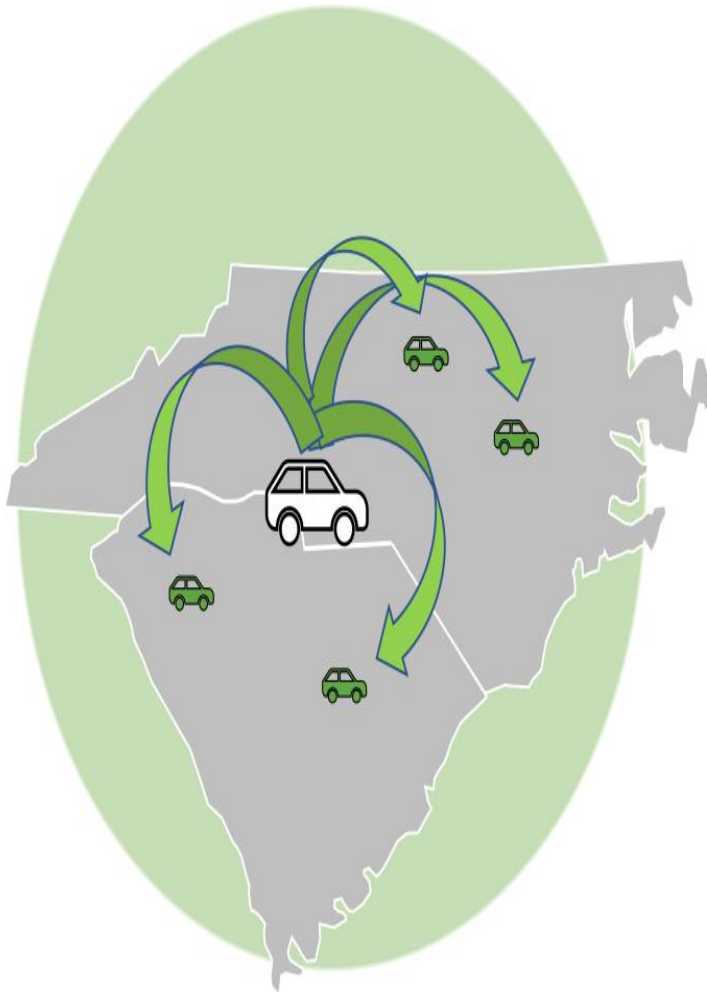
Competes On Price vs. Older Vehicles, Consumer Can Buy Newer Vehicle For Same Price

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

Long-Term Strategy Remains Focused On Nearly-New, 1-4-Year Old Vehicle Segment Despite Recent Strategic Adjustments To Include 5+ Year Old Inventory



→ 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
- Rental Car Companies Continue To Be Net Buyers In Used Vehicle Auction Market, But Not Paying As Much Above Market As During First Half Of 2022 (Driving 8.9% Decrease In 3-Year Old Vehicle Manheim Prices In Q3 2022)
- Used Price As A Percentage Of New Price At 67% (Typically In 55-60% Range) Continues To Negatively Impact Affordability
- October Month-To-Date, 3-Year Old Vehicle Manheim Prices Decreased 2.7%, Now Down 15.7% YTD 2022
- Auction “No-Sells” 55-60% Of Listings In October (Indicator Of Continued Slowing Wholesale Demand, Risk Of Further Price Declines In Near Term)

EchoPark Action Plan In Progress

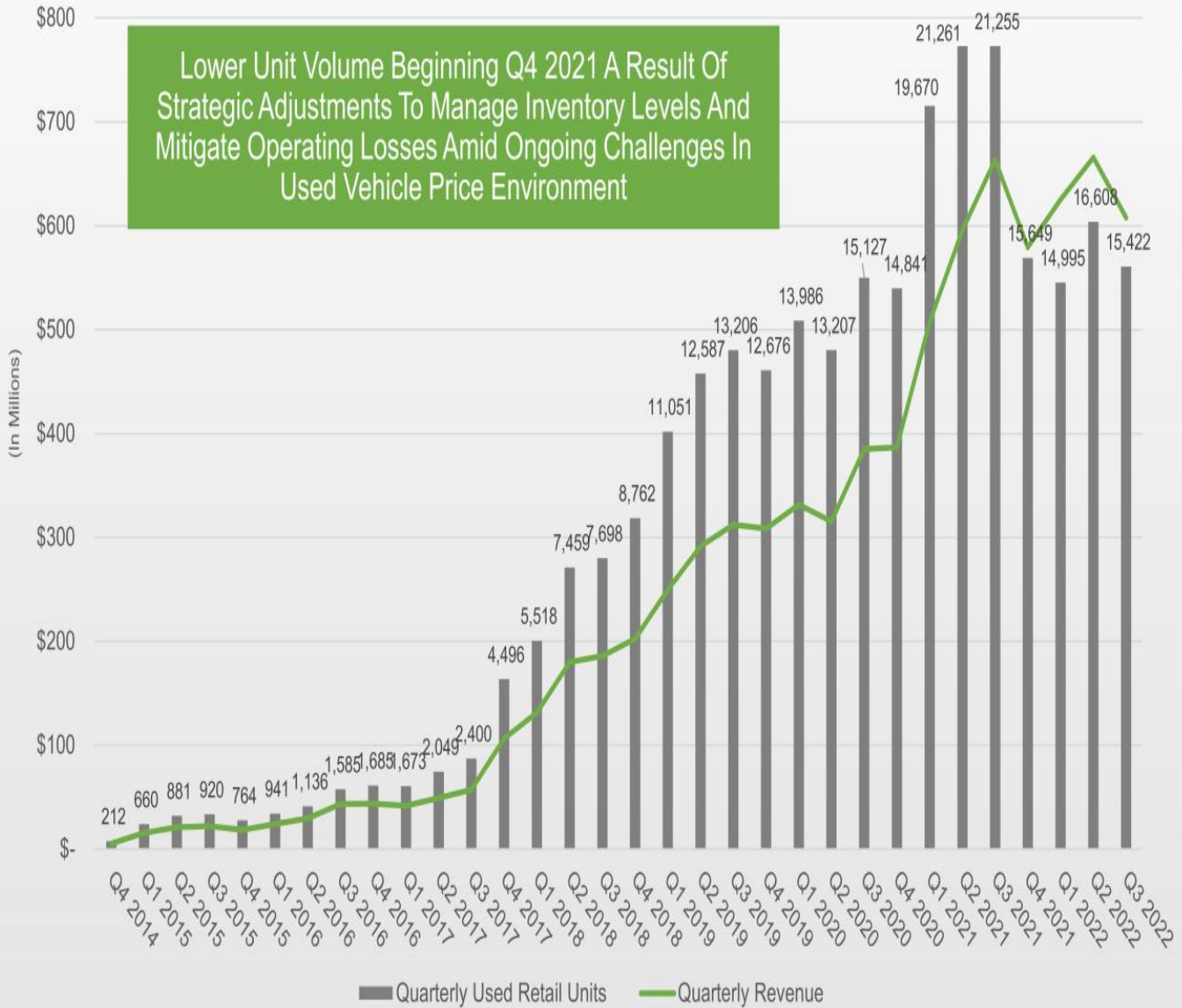
- Expanded Inventory To Include 5+ Year Old Vehicles In All Markets, Driving Lower Inventory Acquisition Cost And Lower Retail Selling Price, Expanding Customer Segments While Benefiting Consumer Affordability And Gross Profit Per Unit (“GPU”)
- Implemented Marketing Strategy To Source More Vehicles From Non-Auction Sources (Historically Less Than 10% Of Inventory)
- Launched New EchoPark.com In June 2022 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 Further Profitability Improvement In Q4 2022 And EchoPark EBITDA Breakeven In Q2 2023
- Continued Focus On Maintaining Highest Reputation Scores In The Pre-Owned Competitive Segment

EchoPark Action Plan Results To Date

- Improved Non-Auction Sourcing Mix From 25% In Q2 2022 To 32% Of Sales In Q3 2022 (Historically Less Than 10%)
- Older Model Year Cohort Vehicles (5+ Years Old) Represented 19% of Q3 2022 EchoPark Unit Sales Volume (Up From 9% In Q2 2022), Average 30% Lower Selling Price And Generate \$1,850 More In Total GPU Compared To 1-4-Year Old Vehicles
- New EchoPark.com eCommerce Results For Q3 2022 (Launched To 100% Of Web Traffic In June 2022)
 - Omnichannel Transactions Accounted For 31% Of EchoPark Retail Unit Volume In Q3 2022 (Up From 19% In Q2 2022), With 7% Of EchoPark Volume Sold End-to-End Online (Compared to 7% In Q2 2022)
 - 60% Of Units Sold Were Shipped Out Of Market
 - Online F&I Attachment Continues To Exceed Expectations, Averaging \$2,325 Per Unit (Up From \$2,250 In Q2 2022)

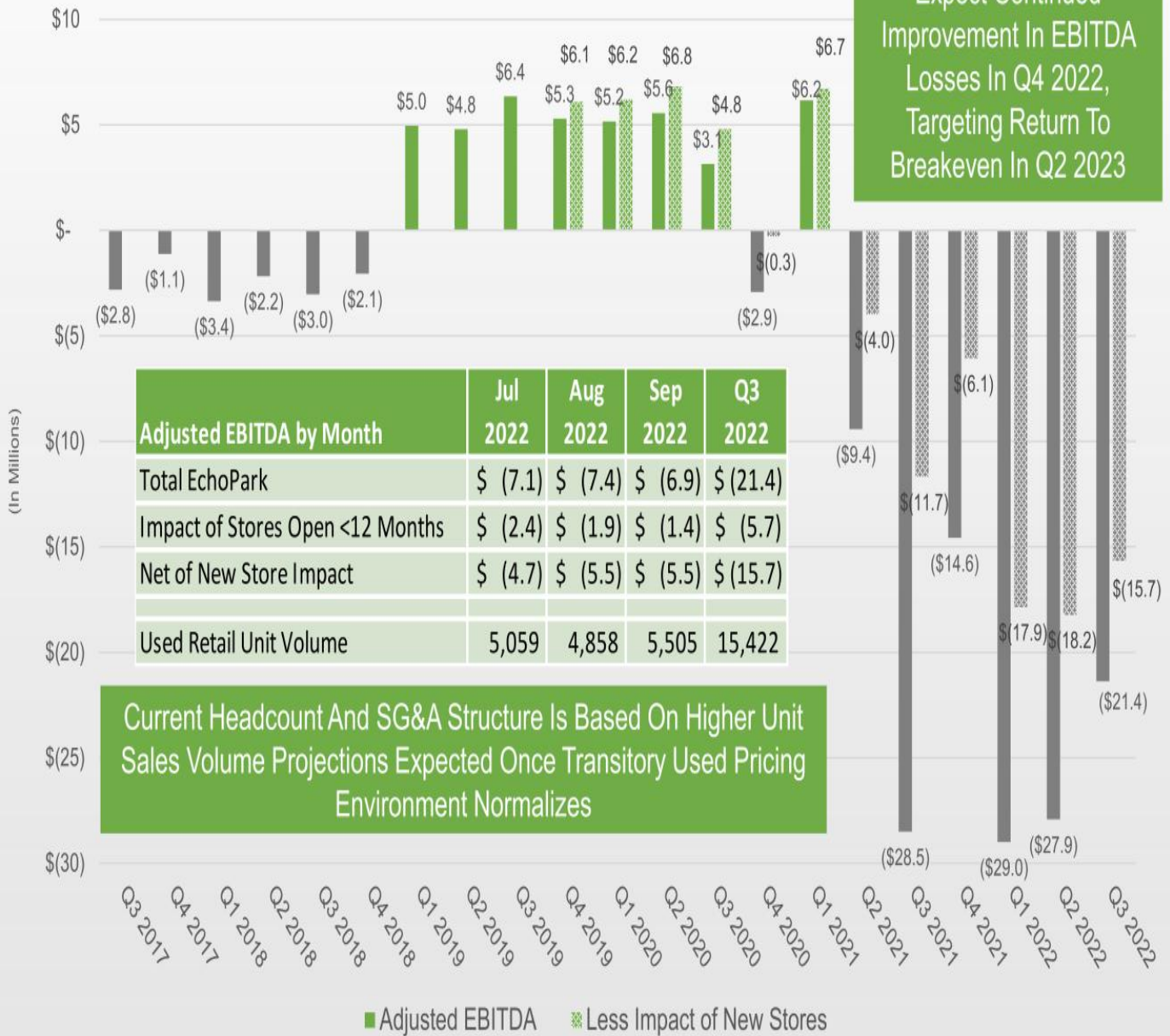


→ EchoPark – Growth Path



→ EchoPark – Adjusted EBITDA Trend

Expect Continued Improvement In EBITDA Losses In Q4 2022, Targeting Return To Breakeven In Q2 2023



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



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 31% Of Q3 2022 EchoPark Unit Sales Volume



→ New EchoPark.com Results to Date

EchoPark[®]

AUTOMOTIVE

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

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

Nearly
**60% Of
Vehicles**
Sold Out Of Market In
Q3 2022, Driving
Incremental Reach

Q3 2022 F&I of
**\$2,325
Per Unit**
Exceeding Projections
For End-To-End Online
F&I Product Sales

Technical Site Improvements – Bounce Rate 90%
Better, Time On Site 33% Better, Pages Per Session
33% 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[®]
AUTOMOTIVE

Appendix



→ Non-GAAP Reconciliation – Segment Income – QTD

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Revenues	\$ 2,840.3	\$ 2,409.5	\$ 607.8	\$ 663.3	\$ 3,448.1	\$ 3,072.8
Gross profit	\$ 532.1	\$ 446.2	\$ 48.6	\$ 25.8	\$ 580.7	\$ 472.0
SG&A expenses	\$ 332.0	\$ 268.4	\$ 67.0	\$ 53.0	\$ 399.0	\$ 321.4
Segment income	\$ 146.3	\$ 145.1	\$ (29.9)	\$ (32.9)	\$ 116.4	\$ 112.2
Impairment charges	-	-	-	-	-	-
Earnings (loss) from continuing operations before taxes	\$ 146.3	\$ 145.1	\$ (29.9)	\$ (32.9)	\$ 116.4	\$ 112.2
Net income (loss) from continuing operations					\$ 87.3	\$ 84.7
Retail new vehicle unit sales volume	24,241	22,280	535	55	24,776	22,335
Fleet new vehicle unit sales volume	672	511	-	-	672	511
Retail used vehicle unit sales volume	26,647	26,274	15,422	21,255	42,069	47,529
Wholesale used vehicle unit sales volume	5,813	6,119	2,450	3,492	8,263	9,611

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

→ Non-GAAP Reconciliation – Segment Income – YTD

(In millions, except unit data)	Franchised Dealerships Segment		EchoPark Segment		Consolidated	
	YTD	YTD	YTD	YTD	YTD	YTD
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Revenues	\$ 8,511.9	\$ 7,445.8	\$ 1,898.6	\$ 1,766.1	\$ 10,410.5	\$ 9,211.9
Gross profit	\$ 1,598.4	\$ 1,275.8	\$ 142.5	\$ 107.9	\$ 1,740.9	\$ 1,383.7
SG&A expenses	\$ 974.9	\$ 794.1	\$ 213.9	\$ 137.2	\$ 1,188.8	\$ 931.3
Adjusted segment income	\$ 476.6	\$ 381.1	\$ (99.7)	\$ (45.3)	\$ 376.9	\$ 335.8
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Segment income	\$ 472.2	\$ 381.1	\$ (99.7)	\$ (45.3)	\$ 372.5	\$ 335.8
Impairment charges	-	-	-	-	-	-
Earnings (loss) from continuing operations before taxes	\$ 472.2	\$ 381.1	\$ (99.7)	\$ (45.3)	\$ 372.5	\$ 335.8
Adjusted earnings (loss) from continuing operations before taxes	\$ 476.6	\$ 381.1	\$ (99.7)	\$ (45.3)	\$ 376.9	\$ 335.8
Long-term compensation charges	(4.4)	-	-	-	(4.4)	-
Earnings (loss) from continuing operations before taxes	\$ 472.2	\$ 381.1	\$ (99.7)	\$ (45.3)	\$ 372.5	\$ 335.8
Adjusted net income (loss) from continuing operations					\$ 283.8	\$ 252.4
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					\$ 279.4	\$ 252.4
Retail new vehicle unit sales volume	73,185	76,340	705	69	73,890	76,409
Fleet new vehicle unit sales volume	1,454	1,297	-	-	1,454	1,297
Retail used vehicle unit sales volume	81,881	82,060	47,025	62,186	128,906	144,246
Wholesale used vehicle unit sales volume	18,436	19,704	8,793	9,231	27,229	28,935

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 Q3 2022
Net Income (Loss)	\$ 51.7	\$ 144.1	\$ (51.4)	\$ 348.9	\$ 375.7
Provision For Income Taxes	22.6	55.0	15.6	109.3	118.9
Income (Loss) Before Taxes	\$ 74.3	\$ 199.1	\$ (35.8)	\$ 458.2	\$ 494.6
Non-Floor Plan Interest	52.0	50.5	38.7	44.7	78.1
Depreciation and Amortization	96.7	95.6	93.9	104.3	126.1
Stock-Based Compensation Expense	11.9	10.8	11.7	15.0	16.2
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	10.9
Acquisition and Disposition-Related (Gain) Loss	(39.3)	(74.8)	(8.2)	(0.4)	-
Adjusted EBITDA	<u>\$ 259.3</u>	<u>\$ 308.5</u>	<u>\$ 370.3</u>	<u>\$ 645.5</u>	<u>\$ 741.6</u>
Long-Term Debt (Including Current Portion)	\$ 945.1	\$ 706.9	\$ 720.1	\$ 1,561.2	\$ 1,522.4
Cash and Equivalents	(5.9)	(29.1)	(170.3)	(299.4)	(139.0)
Floor Plan Deposit Balance	-	-	(73.2)	(99.8)	(32.0)
Net Debt	<u>\$ 939.2</u>	<u>\$ 677.8</u>	<u>\$ 476.6</u>	<u>\$ 1,162.0</u>	<u>\$ 1,351.4</u>
Net Debt To Adjusted EBITDA Ratio	3.62	2.20	1.29	1.80	1.82
Long-Term Debt (Including Current Portion) To Adjusted EBITDA Ratio	3.64	2.29	1.94	2.42	2.05

Note – Balance Sheet Amounts Are As Of December 31 For The FY Then Ended. For The LTM Q3 2022 Period, Balance Sheet Amounts Are As Of September 30, 2022.

→ Non-GAAP Reconciliation – Adjusted EBITDA By Segment

	Q3 2022				Q3 2021			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ 87.3				\$ 84.5
Provision For Income Taxes				29.1				27.5
Income (Loss) Before Taxes	\$ 146.3	\$ (29.9)	\$ -	\$ 116.4	\$ 145.1	\$ (32.9)	\$ (0.2)	\$ 112.0
Non-Floor Plan Interest	19.9	1.5	-	21.4	8.8	0.3	-	9.1
Depreciation And Amortization	27.3	7.0	-	34.3	21.9	4.0	-	25.9
Stock-Based Compensation Expense	3.8	-	-	3.8	3.7	-	-	3.7
Long-Term Compensation Charges	-	-	-	-	-	0.5	-	0.5
Gain On Franchise And Real Estate Disposals	0.5	-	-	0.5	(0.1)	(0.4)	-	(0.5)
Adjusted EBITDA	\$ 197.8	\$ (21.4)	\$ -	\$ 176.4	\$ 179.4	\$ (28.5)	\$ (0.2)	\$ 150.7

→ 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		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)				\$ 84.5				\$ 59.8
Provision For Income Taxes				27.5				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

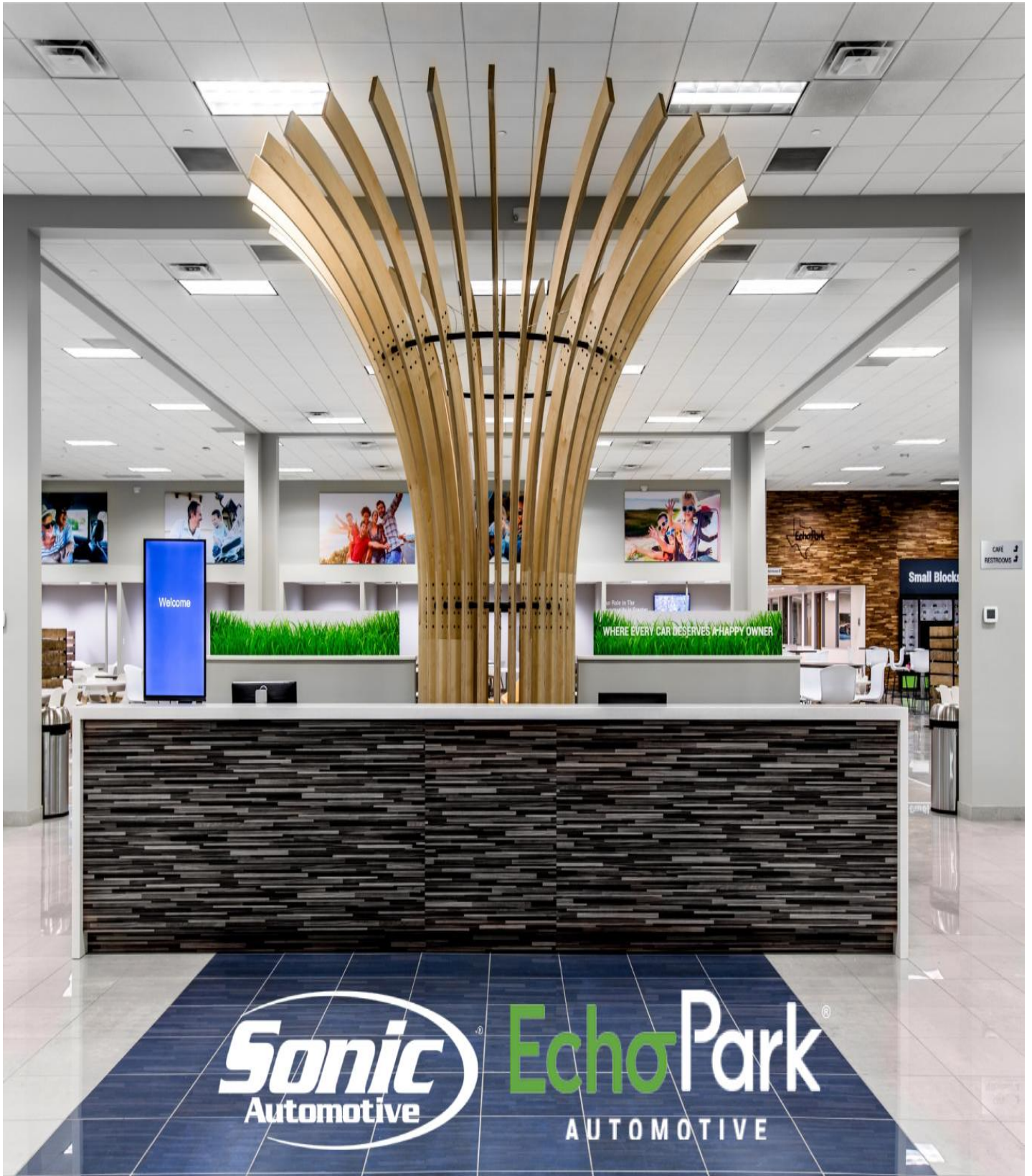
	Q2 2019				Q2 2018			
	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(In millions)				(In millions)			
Net Income (Loss)				\$ 26.6				\$ 16.9
Provision For Income Taxes				\$ 10.0				8.1
Income (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 Dealerships Segment	EchoPark Segment	Discontinued Operations	Total	Franchised Dealerships Segment	EchoPark Segment	Discontinued Operations	Total
	(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



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Investor Relations Contacts:

Sonic Automotive Inc. (NYSE: SAH)

Danny Wieland, Vice President, Investor Relations & Financial Reporting

ir@sonicautomotive.com

(704) 927-3462

KCSA Strategic Communications

David Hanover / Scott Eckstein

sonic@kcsa.com

(212) 896-1220

