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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 27, 2023

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

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

28211
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2023, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2023 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and a copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

Item 7.01. Regulation FD Disclosure.

On April 27, 2023, 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 August 27, 2023.
99.2	Earnings Call Presentation Materials.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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

SIGNATURES

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

SONIC AUTOMOTIVE, INC.

April 27, 2023

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports Record First Quarter Revenues

Repurchased 1.6 Million Shares of Class A Common Stock, or Approximately 5% of Total Shares Outstanding as of December 31, 2022

CHARLOTTE, N.C. – April 27, 2023 – Sonic Automotive, Inc. (“Sonic Automotive,” “Sonic,” the “Company,” “we,” “us” or “our”) (NYSE:SAH), one of the nation’s largest automotive retailers, today reported financial results for the first quarter ended March 31, 2023.

First Quarter 2023 Financial Summary

- Record first quarter revenues of \$3.5 billion, up 1% year-over-year; quarterly gross profit of \$553.5 million, down 3% year-over-year
- Reported first quarter net income of \$47.7 million, down 51% year-over-year (\$1.29 earnings per diluted share, down 45% year-over-year)
 - Excluding non-recurring items, adjusted first quarter net income* was \$49.2 million, down 49% year-over-year (\$1.33 adjusted earnings per diluted share*, down 43% year-over-year)
- Reported selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 74.6% (65.7% on a Franchised Dealerships Segment basis) and adjusted SG&A expenses as a percentage of gross profit* of 74.2%
- Record first quarter EchoPark Segment revenues of \$650.5 million, up 5% year-over-year; first quarter EchoPark Segment gross profit of \$39.4 million, down 9% year-over-year; record first quarter EchoPark Segment retail used vehicle unit sales volume of 19,980, up 34%
- During the first quarter, Sonic repurchased approximately 1.6 million shares of its Class A Common Stock for an aggregate purchase price of approximately \$90.7 million, or an average of \$55.16 per share
- Sonic’s Board of Directors approved a 3.6% increase to the Company’s quarterly cash dividend, to \$0.29 per share, payable on July 14, 2023 to all stockholders of record on June 15, 2023

* Represents a non-GAAP financial measure - please refer to the discussion and reconciliation of non-GAAP financial measures below.

Commentary

David Smith, Chairman and Chief Executive Officer of Sonic Automotive, stated, “We are proud of our team’s performance in the first quarter, and are excited to build on last year’s success as we move forward in 2023. Despite ongoing challenges in the automotive retail industry, including rising interest rates and vehicle affordability concerns, we remain focused on delivering an exceptional guest experience and executing our long-term strategic plan. We are excited about the prospects for our core franchised dealerships business, and the growth opportunities at EchoPark and our growing powersports business, as we leverage our diversified portfolio to maximize future earnings potential.”

Jeff Dyke, President of Sonic Automotive, commented, “Our franchised dealerships team continues to demonstrate the adaptability of our business, achieving all-time record quarterly Fixed Operations gross profit while actively addressing ongoing challenges in the new and used vehicle retail market. We are also encouraged by the momentum we are seeing at EchoPark, with 34% growth in sales

volume year-over-year, demonstrating that our below-market pricing and exceptional guest experience continue to resonate with shoppers in the face of ongoing affordability challenges. We are committed to EchoPark's long-term earnings potential and remain focused on executing strategic enhancements to the business model in 2023 as we drive toward EchoPark's expected return to profitability in 2024."

Heath Byrd, Chief Financial Officer of Sonic Automotive, added, "Our diversified business model continues to allow us to focus on the long-term growth potential at EchoPark and our powersports business, while utilizing the cash flows from our franchised dealerships business to support our capital strategy via our dividend and share repurchases while continuing to invest in the business. We are increasingly focused on our disciplined, return-based capital allocation in the face of an uncertain macroeconomic outlook. As of March 31, 2023, we had \$893 million of liquidity, including \$432 million in cash and floor plan deposits on hand, which we believe provides us flexibility to strategically deploy capital in 2023 and beyond to continue to deliver long-term returns for our stockholders."

First Quarter 2023 Segment Highlights

The financial measures discussed below are results for the first quarter of 2023 with comparisons made to the first quarter of 2022, unless otherwise noted.

- Franchised Dealerships Segment operating results include:
 - Same store revenues down 1%; same store gross profit down 3%
 - Same store retail new vehicle unit sales volume down 1%; same store retail new vehicle gross profit per unit down 17%, to \$5,434
 - Same store retail used vehicle unit sales volume down 8%; same store retail used vehicle gross profit per unit down 12%, to \$1,560
 - Same store parts, service and collision repair ("Fixed Operations") gross profit up 12%; same store customer pay gross profit up 14%; same store warranty gross profit up 9%; same store Fixed Operations gross margin up 30 basis points, to 49.3%
 - Same store finance and insurance ("F&I") gross profit down 4%; same store F&I gross profit per retail unit of \$2,318, flat year-over-year
 - On a trailing quarter cost of sales basis, the Franchised Dealerships Segment had 31 days' supply of new vehicle inventory (including in-transit) and 29 days' supply of used vehicle inventory
 - EchoPark Segment operating results include:
 - Record first quarter revenues of \$650.5 million, up 5%; gross profit of \$39.4 million, down 9%
 - Record first quarter retail used vehicle unit sales volume of 19,980, up 34%
 - Retail used vehicle unit sales volume was comprised of 84% 1-4-year-old vehicles and 16% 5-plus-year-old vehicles, with 20% of retail used vehicle unit sales volume sourced from non-auction sources
 - Segment loss of \$46.8 million and adjusted EBITDA* loss of \$36.9 million
 - On a trailing quarter cost of sales basis, the EchoPark Segment had 48 days' supply of used vehicle inventory
 - Powersports Segment operating results include:
 - Revenues of \$34.0 million, gross profit of \$9.8 million, gross margin of 28.8%
 - Segment income of \$0.6 million and adjusted EBITDA* of \$1.9 million
 - Year-over-year comparative financial results are not meaningful due to the timing of acquisitions of Horny Toad Harley-Davidson in Temple, Texas (one store acquired in January 2022), Team Mancuso Powersports in Houston,
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Texas (seven stores acquired in August 2022), and Black Hills Harley-Davidson in Sturgis, South Dakota (five stores acquired in February 2023)

* Represents a non-GAAP financial measure - please refer to the discussion and reconciliation of non-GAAP financial measures below.

Dividend

Sonic's Board of Directors approved a quarterly cash dividend of \$0.29 per share, payable on July 14, 2023 to all stockholders of record on June 15, 2023.

First Quarter 2023 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 and select the webcast link at the top of the page. For telephone access to this conference call, please dial (877) 407-8289 (domestic) or +1 (201) 689-8341 (international) and ask to be connected to the Sonic Automotive First Quarter 2023 Earnings Conference Call. Dial-in access remains available throughout the live call; however, to ensure you are connected for the full call we suggest dialing in at least 10 minutes before the start of the call. A webcast 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 among national pre-owned vehicle retailers in products, sales, and service based on Google Reviews between April 2021 through April 2022, while receiving the 2023 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 anticipated future U.S. population coverage, anticipated future EchoPark profitability, anticipated future capital allocation and anticipated incremental growth opportunities. 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 each of our operating segments, the success of our operational strategies, the rate and timing of overall economic expansion or contraction, the integration of recent or future acquisitions, and the risk factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 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, adjusted 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:

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Press Inquiries:

Sonic Automotive Media Relations

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Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations - Consolidated

	Three Months Ended March 31,		Better / (Worse) % Change
	2023	2022	
	(In millions, except per share amounts)		
Revenues:			
Retail new vehicles	\$ 1,442.8	\$ 1,351.3	7 %
Fleet new vehicles	18.8	18.2	3 %
Total new vehicles	1,461.6	1,369.5	7 %
Used vehicles	1,344.9	1,370.1	(2) %
Wholesale vehicles	85.6	168.8	(49) %
Total vehicles	2,892.1	2,908.4	(1) %
Parts, service and collision repair	430.5	381.2	13 %
Finance, insurance and other, net	168.6	166.6	1 %
Total revenues	3,491.2	3,456.2	1 %
Cost of sales:			
Retail new vehicles	(1,304.7)	(1,183.6)	(10) %
Fleet new vehicles	(17.9)	(17.4)	(3) %
Total new vehicles	(1,322.6)	(1,201.0)	(10) %
Used vehicles	(1,314.9)	(1,322.2)	1 %
Wholesale vehicles	(82.6)	(167.4)	51 %
Total vehicles	(2,720.1)	(2,690.6)	(1) %
Parts, service and collision repair	(217.6)	(194.3)	(12) %
Total cost of sales	(2,937.7)	(2,884.9)	(2) %
Gross profit	553.5	571.3	(3) %
Selling, general and administrative expenses	(412.8)	(387.0)	(7) %
Impairment charges	—	—	— %
Depreciation and amortization	(34.3)	(29.9)	(15) %
Operating income (loss)	106.4	154.4	(31) %
Other income (expense):			
Interest expense, floor plan	(14.6)	(5.0)	(192) %
Interest expense, other, net	(28.4)	(20.8)	(37) %
Other income (expense), net	0.2	0.3	(33) %
Total other income (expense)	(42.8)	(25.5)	(68) %
Income (loss) before taxes	63.6	128.9	(51) %
Provision for income taxes - benefit (expense)	(15.9)	(31.6)	50 %
Net income (loss)	\$ 47.7	\$ 97.3	(51) %
Per share amounts:			
Basic earnings (loss) per common share	\$ 1.33	\$ 2.41	(45) %
Basic weighted-average common shares outstanding	35.9	40.4	11 %
Diluted earnings (loss) per common share	\$ 1.29	\$ 2.33	(45) %
Diluted weighted-average common shares outstanding	36.9	41.8	12 %
Dividends declared per common share	\$ 0.28	\$ 0.25	12 %

Franchised Dealerships Segment - Reported

	Three Months Ended March 31,		Better / (Worse) % Change
	2023	2022	
(In millions, except unit and per unit data)			
Revenues:			
Retail new vehicles	\$ 1,421.0	\$ 1,345.7	6 %
Fleet new vehicles	18.8	18.2	3 %
Total new vehicles	1,439.8	1,363.9	6 %
Used vehicles	767.6	853.6	(10)%
Wholesale vehicles	58.4	106.4	(45)%
Total vehicles	2,265.8	2,323.9	(3)%
Parts, service and collision repair	423.8	380.5	11 %
Finance, insurance and other, net	117.1	126.5	(7)%
Total revenues	2,806.7	2,830.9	(1)%
Gross Profit:			
Retail new vehicles	134.0	166.6	(20)%
Fleet new vehicles	0.9	0.8	13 %
Total new vehicles	134.9	167.4	(19)%
Used vehicles	40.8	46.9	(13)%
Wholesale vehicles	1.9	(0.4)	575 %
Total vehicles	177.6	213.9	(17)%
Parts, service and collision repair	209.6	186.6	12 %
Finance, insurance and other, net	117.1	126.5	(7)%
Total gross profit	504.3	527.0	(4)%
Selling, general and administrative expenses	(331.2)	(315.2)	(5)%
Impairment charges	—	—	NM
Depreciation and amortization	(26.5)	(24.9)	(6)%
Operating income (loss)	146.6	186.9	(22)%
Other income (expense):			
Interest expense, floor plan	(9.9)	(3.3)	(200)%
Interest expense, other, net	(26.9)	(20.0)	(35)%
Other income (expense), net	—	0.2	NM
Total other income (expense)	(36.8)	(23.1)	(59)%
Income (loss) before taxes	109.8	163.8	(33)%
Add: impairment charges	—	—	NM
Segment income (loss)	\$ 109.8	\$ 163.8	(33)%
Unit Sales Volume:			
Retail new vehicles	24,539	24,602	— %
Fleet new vehicles	441	360	23 %
Total new vehicles	24,980	24,962	— %
Used vehicles	25,107	27,078	(7)%
Wholesale vehicles	5,483	6,772	(19)%
Retail new & used vehicles	49,646	51,680	(4)%
Used-to-New Ratio	1.02	1.10	(7)%
Gross Profit Per Unit:			
Retail new vehicles	\$ 5,463	\$ 6,771	(19)%
Fleet new vehicles	\$ 2,020	\$ 2,344	(14)%
New vehicles	\$ 5,402	\$ 6,707	(19)%
Used vehicles	\$ 1,626	\$ 1,731	(6)%
Finance, insurance and other, net	\$ 2,360	\$ 2,448	(4)%

NM = Not Meaningful

Franchised Dealerships Segment - Same Store

	Three Months Ended March 31,		Better / (Worse) % Change
	2023	2022	
(In millions, except unit and per unit data)			
Revenues:			
Retail new vehicles	\$ 1,416.6	\$ 1,345.7	5 %
Fleet new vehicles	18.9	18.1	4 %
Total new vehicles	1,435.5	1,363.8	5 %
Used vehicles	765.0	853.7	(10) %
Wholesale vehicles	58.1	106.4	(45) %
Total vehicles	2,258.6	2,323.9	(3) %
Parts, service and collision repair	422.0	380.5	11 %
Finance, insurance and other, net	114.7	119.7	(4) %
Total revenues	2,795.3	2,824.1	(1) %
Gross Profit:			
Retail new vehicles	133.0	160.8	(17) %
Fleet new vehicles	0.8	0.9	(11) %
Total new vehicles	133.8	161.7	(17) %
Used vehicles	39.0	47.9	(19) %
Wholesale vehicles	1.8	(0.6)	400 %
Total vehicles	174.6	209.0	(16) %
Parts, service and collision repair	208.2	186.3	12 %
Finance, insurance and other, net	114.7	119.7	(4) %
Total gross profit	\$ 497.5	\$ 515.0	(3) %
Unit Sales Volume:			
Retail new vehicles	24,465	24,602	(1) %
Fleet new vehicles	441	360	23 %
Total new vehicles	24,906	24,962	— %
Used vehicles	25,023	27,078	(8) %
Wholesale vehicles	5,466	6,772	(19) %
Retail new & used vehicles	49,488	51,680	(4) %
Used-to-New Ratio	1.02	1.10	(7) %
Gross Profit Per Unit:			
Retail new vehicles	\$ 5,434	\$ 6,538	(17) %
Fleet new vehicles	\$ 2,020	\$ 2,344	(14) %
New vehicles	\$ 5,374	\$ 6,477	(17) %
Used vehicles	\$ 1,560	\$ 1,768	(12) %
Finance, insurance and other, net	\$ 2,318	\$ 2,316	— %

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 March 31,		Better / (Worse) % Change
	2023	2022	
(In millions, except unit and per unit data)			
Revenues:			
Retail new vehicles	\$ 1.0	\$ 4.4	(77)%
Used vehicles	572.5	515.4	11 %
Wholesale vehicles	27.0	62.4	(57)%
Total vehicles	600.5	582.2	3 %
Finance, insurance and other, net	50.0	39.9	25 %
Total revenues	650.5	622.1	5 %
Gross Profit:			
Retail new vehicles	0.1	0.8	(88)%
Used vehicles	(11.8)	0.7	NM
Wholesale vehicles	1.1	1.9	(42)%
Total vehicles	(10.6)	3.4	(412)%
Finance, insurance and other, net	50.0	39.9	25 %
Total gross profit	39.4	43.3	(9)%
Selling, general and administrative expenses	(73.8)	(71.2)	(4)%
Impairment charges	—	—	NM
Depreciation and amortization	(7.0)	(5.0)	(40)%
Operating income (loss)	(41.4)	(32.9)	(26)%
Other income (expense):			
Interest expense, floor plan	(4.6)	(1.7)	(171)%
Interest expense, other, net	(0.9)	(0.8)	(13)%
Other income (expense), net	0.1	0.1	NM
Total other income (expense)	(5.4)	(2.4)	(125)%
Income (loss) before taxes	(46.8)	(35.3)	(33)%
Add: impairment charges	—	—	NM
Segment income (loss)	\$ (46.8)	\$ (35.3)	(33)%
Unit Sales Volume:			
Retail new vehicles	11	44	(75)%
Used vehicles	19,980	14,931	34 %
Wholesale vehicles	2,916	3,649	(20)%
Gross Profit Per Unit:			
Total used vehicle and F&I	\$ 1,907	\$ 2,707	(30)%

NM = Not Meaningful

EchoPark Segment - Same Market

	Three Months Ended March 31,		Better / (Worse) % Change
	2023	2022	
(In millions, except unit and per unit data)			
Revenues:			
Retail new vehicles	\$ 1.0	\$ 4.5	(78)%
Used vehicles	505.7	488.7	3 %
Wholesale vehicles	23.8	62.5	(62)%
Total vehicles	530.5	555.7	(5)%
Finance, insurance and other, net	44.7	37.9	18 %
Total revenues	575.2	593.6	(3)%
Gross Profit:			
Retail new vehicles	0.1	0.8	(88)%
Used vehicles	(10.1)	1.5	NM
Wholesale vehicles	1.1	2.0	(45)%
Total vehicles	(8.9)	4.3	(307)%
Finance, insurance and other, net	44.7	37.9	18 %
Total gross profit	\$ 35.8	\$ 42.2	(15)%
Unit Sales Volume:			
Retail new vehicles	11	44	(75)%
Used vehicles	17,789	14,042	27 %
Wholesale vehicles	2,571	3,649	(30)%
Gross Profit Per Unit:			
Total used vehicle and F&I	\$ 1,940	\$ 2,802	(31)%

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.

Powersports Segment - Reported

	Three Months Ended March 31,		Better / (Worse)
	2023	2022	% Change
(In millions, except unit and per unit data)			
Revenues:			
Retail new vehicles	\$ 20.8	\$ 1.2	NM
Used vehicles	4.8	1.1	NM
Wholesale vehicles	0.2	—	NM
Total vehicles	25.8	2.3	NM
Parts, service and collision repair	6.7	0.7	NM
Finance, insurance and other, net	1.5	0.2	NM
Total revenues	34.0	3.2	NM
Gross Profit:			
Retail new vehicles	4.0	0.3	NM
Used vehicles	1.0	0.2	NM
Wholesale vehicles	—	—	NM
Total vehicles	5.0	0.5	NM
Parts, service and collision repair	3.3	0.3	NM
Finance, insurance and other, net	1.5	0.2	NM
Total gross profit	9.8	1.0	NM
Selling, general and administrative expenses	(7.8)	(0.6)	NM
Depreciation and amortization	(0.8)	—	NM
Operating income (loss)	1.2	0.4	NM
Other income (expense):			
Interest expense, floor plan	(0.1)	—	NM
Interest expense, other, net	(0.6)	—	NM
Other income (expense), net	0.1	—	NM
Total other income (expense)	(0.6)	—	NM
Income (loss) before taxes	0.6	0.4	NM
Add: impairment charges	—	—	NM
Segment income (loss)	\$ 0.6	\$ 0.4	NM
Unit Sales Volume:			
Retail new vehicles	1,107	41	NM
Used vehicles	444	64	NM
Wholesale vehicles	7	—	NM
Gross Profit Per Unit:			
Retail new vehicles	\$ 3,573	\$ 6,829	NM
Used vehicles	\$ 2,328	\$ 3,733	NM
Finance, insurance and other, net	\$ 980	\$ 1,643	NM

NM = Not Meaningful

Note: Year-over-year comparative financial results are not meaningful due to the timing of acquisitions of Horny Toad Harley-Davidson in Temple, Texas (one store acquired in January 2022), Team Mancuso Powersports in Houston, Texas (seven stores acquired in August 2022), and Black Hills Harley-Davidson in Sturgis, South Dakota (five stores acquired in February 2023).

Non-GAAP Reconciliation - Consolidated - SG&A Expenses

	Three Months Ended March 31,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 258.8	\$ 252.5	\$ (6.3)	(2) %
Advertising	26.1	26.2	0.1	— %
Rent	11.3	12.7	1.4	11 %
Other	116.6	95.6	(21.0)	(22) %
Total SG&A expenses	<u>\$ 412.8</u>	<u>\$ 387.0</u>	<u>\$ (25.8)</u>	<u>(7) %</u>
Items of interest:				
Long term compensation charges	(2.0)	—		
Total SG&A adjustments	<u>\$ (2.0)</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 410.8</u>	<u>\$ 387.0</u>	<u>\$ (23.8)</u>	<u>(6) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	46.7 %	44.2 %	(250) bps	
Advertising	4.7 %	4.6 %	(10) bps	
Rent	2.0 %	2.2 %	20 bps	
Other	21.2 %	16.7 %	(450) bps	
Total SG&A expenses as a % of gross profit	<u>74.6 %</u>	<u>67.7 %</u>	<u>(690) bps</u>	
Items of interest:				
Long term compensation charges	(0.4)%	— %		
Total effect of adjustments	<u>(0.4)%</u>	<u>— %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>74.2 %</u>	<u>67.7 %</u>	<u>(650) bps</u>	

Franchised Dealerships Segment - SG&A Expenses

	Three Months Ended March 31,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 213.8	\$ 215.1	\$ 1.3	1 %
Advertising	9.9	7.9	(2.0)	(25) %
Rent	10.2	10.9	0.7	6 %
Other	97.2	81.3	(15.9)	(20) %
Total SG&A expenses	<u>\$ 331.1</u>	<u>\$ 315.2</u>	<u>\$ (15.9)</u>	<u>(5) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	42.4 %	40.8 %	(160) bps	
Advertising	2.0 %	1.5 %	(50) bps	
Rent	2.0 %	2.1 %	10 bps	
Other	19.3 %	15.4 %	(390) bps	
Total SG&A expenses as a % of gross profit	<u>65.7 %</u>	<u>59.8 %</u>	<u>(590) bps</u>	

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

	Three Months Ended March 31,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 39.7	\$ 37.1	\$ (2.6)	(7) %
Advertising	15.8	18.3	2.5	14 %
Rent	1.1	1.8	0.7	39 %
Other	17.2	14.0	(3.2)	(23) %
Total SG&A expenses	<u>\$ 73.8</u>	<u>\$ 71.2</u>	<u>\$ (2.6)</u>	<u>(4) %</u>
Items of interest:				
Long-term compensation charges	(2.0)	—		
Total SG&A adjustments	<u>\$ (2.0)</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 71.8</u>	<u>\$ 71.2</u>	<u>\$ (0.6)</u>	<u>(0.8) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	100.6 %	85.7 %	(1,490) bps	
Advertising	40.0 %	42.2 %	220 bps	
Rent	2.7 %	4.2 %	150 bps	
Other	43.9 %	32.3 %	(1,160) bps	
Total SG&A expenses as a % of gross profit	<u>187.2 %</u>	<u>164.4 %</u>	<u>(2,280) bps</u>	
Items of interest:				
Long-term compensation charges	(5.1)%	— %		
Total effect of adjustments	<u>(5.1)%</u>	<u>— %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>182.1 %</u>	<u>164.4 %</u>	<u>(1,770) bps</u>	

NM = Not Meaningful

Powersports Segment - SG&A Expenses

	Three Months Ended March 31,		Better / (Worse)	
	2023	2022	Change	% Change
	(In millions)			
Reported:				
Compensation	\$ 5.3	\$ 0.3	\$ (5.0)	NM
Advertising	0.4	—	(0.4)	NM
Rent	—	—	—	NM
Other	2.1	0.3	(1.8)	NM
Total SG&A expenses	\$ 7.8	\$ 0.6	\$ (7.2)	NM
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	53.9 %	31.1 %	NM	
Advertising	4.2 %	2.1 %	NM	
Rent	0.4 %	— %	NM	
Other	21.6 %	20.1 %	NM	
Total SG&A expenses as a % of gross profit	80.1 %	53.3 %	NM	

NM = Not Meaningful

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

	Three Months Ended March 31,		
	2023	2022	% Change
	(In millions)		
Reported:			
Income (loss) before taxes	\$ 109.8	\$ 163.8	(33) %
Add: impairment charges	—	—	
Segment income (loss)	\$ 109.8	\$ 163.8	(33) %

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

	Three Months Ended March 31,		
	2023	2022	% Change
	(In millions)		
Reported:			
Income (loss) before taxes	\$ (46.8)	\$ (35.3)	(33) %
Add: impairment charges	—	—	
Segment income (loss)	\$ (46.8)	\$ (35.3)	(33) %
Pre-tax items of interest:			
Long-term compensation charges	2.0	—	
Total pre-tax items of interest	\$ 2.0	\$ —	
Adjusted:			
Segment income (loss)	\$ (44.8)	\$ (35.3)	(27) %

Non-GAAP Reconciliation - Powersports Segment - Income (Loss) Before Taxes and Segment Income (Loss)

	Three Months Ended March 31,		
	2023	2022	% Change
	(In millions)		
Reported:			
Income (loss) before taxes	\$ 0.6	\$ 0.4	NM
Add: impairment charges	—	—	
Segment income (loss)	\$ 0.6	\$ 0.4	NM

NM = Not Meaningful

Non-GAAP Reconciliation - Consolidated - Net Income (Loss) and Diluted Earnings (Loss) Per Share

	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	Weighted-Average Shares	Net Income (Loss)	Per Share Amount	Weighted-Average Shares	Net Income (Loss)	Per Share Amount
(In millions, except per share amounts)						
Reported net income (loss), diluted shares, and diluted earnings (loss) per share	36.9	\$ 47.7	\$ 1.29	41.8	\$ 97.3	\$ 2.33
Pre-tax items of interest:						
Long term compensation charges		\$ 2.0			\$ —	
Total pre-tax items of interest		\$ 2.0			\$ —	
Tax effect of above items		(0.5)			—	
Adjusted net income (loss), diluted shares, and diluted earnings (loss) per share	36.9	\$ 49.2	\$ 1.33	41.8	\$ 97.3	\$ 2.33

Non-GAAP Reconciliation - Adjusted EBITDA

	Three Months Ended March 31, 2023				Three Months Ended March 31, 2022			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income (loss)				\$ 47.7				\$ 97.3
Provision for income taxes				15.9				31.6
Income (loss) before taxes	\$ 109.8	\$ (46.8)	\$ 0.6	\$ 63.6	\$ 163.8	\$ (35.3)	\$ 0.4	\$ 128.9
Non-floor plan interest (1)	25.4	0.9	0.6	26.9	19.0	0.7	—	19.7
Depreciation and amortization (2)	28.2	7.0	0.7	35.9	25.9	5.1	0.1	31.1
Stock-based compensation expense	5.0	—	—	5.0	4.4	—	—	4.4
Long-term compensation charges	—	2.0	—	2.0	—	—	—	—
Loss (gain) on franchise and real estate disposals	—	—	—	—	(1.1)	—	—	(1.1)
Adjusted EBITDA	\$ 168.4	\$ (36.9)	\$ 1.9	\$ 133.4	\$ 212.0	\$ (29.5)	\$ 0.5	\$ 183.0

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

Sonic Automotive – Investor Presentation April 2023



EchoPark
AUTOMOTIVE

Updated April 27, 2023

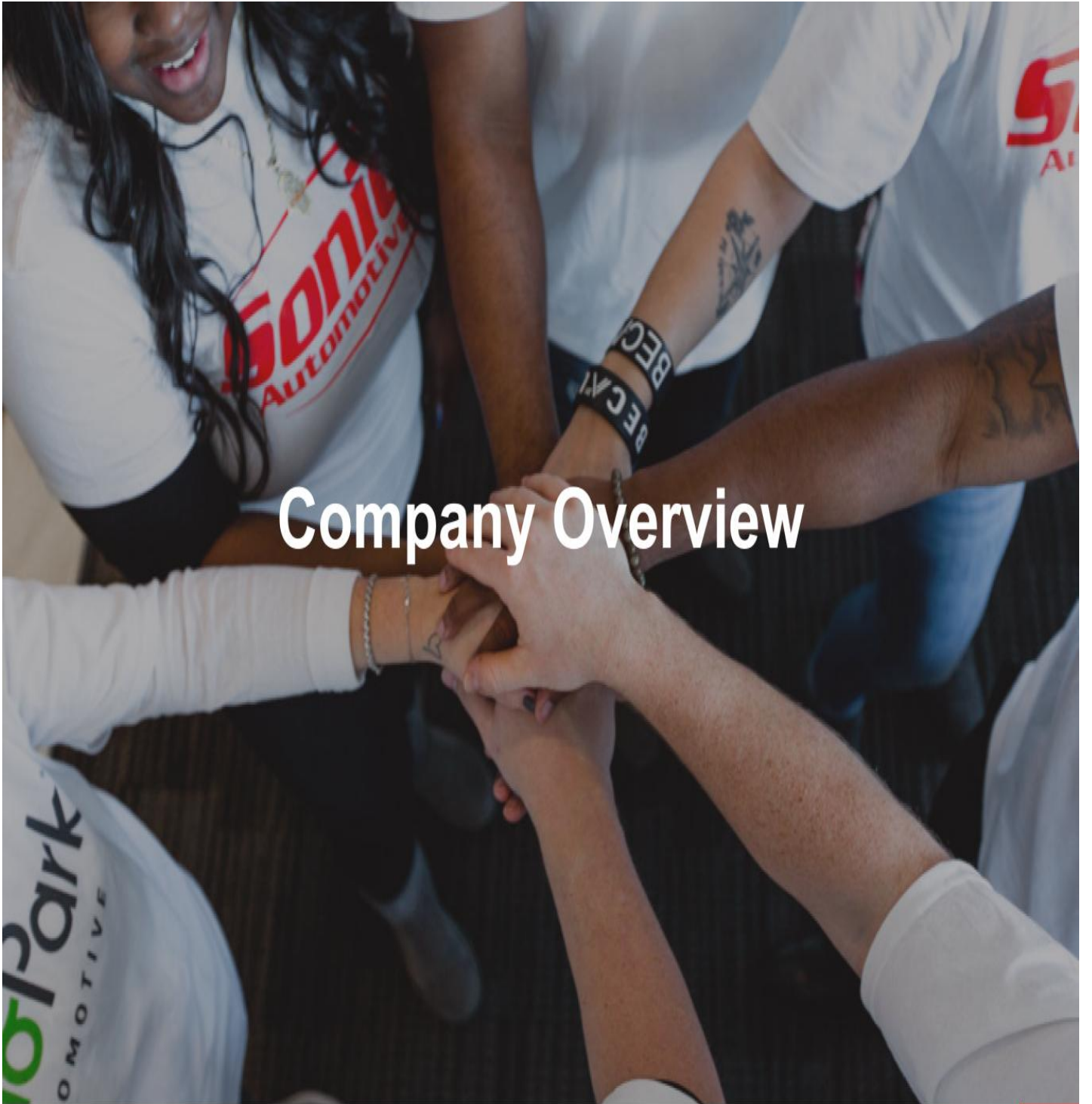
→ Forward-Looking Statements

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, 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 growth of our Powersports 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 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, 2022 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.

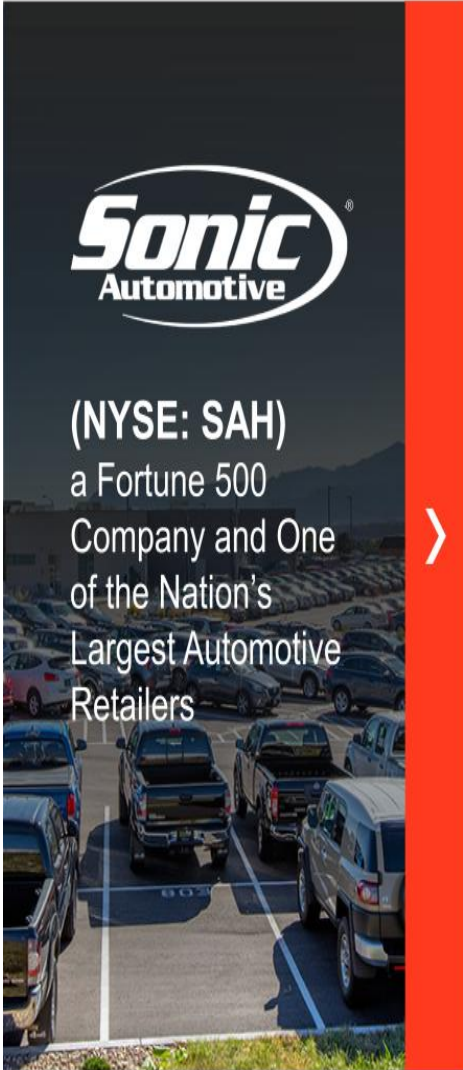




Company Overview



→ 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 And 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



Early-Stage Consolidation **Growth Opportunity** At Attractive Multiples

QUICK FACTS

173

Locations

25

States

25+

Automotive Brands

17

Collision Centers

\$14.0 Billion

Total Revenues

\$2.3 Billion

Gross Profit

103K

New Vehicles Sold

173K

Used Vehicles Sold

Note: Location Counts As Of April 27, 2023
Revenues, Gross Profit, New & Used Vehicles Sold are for FY 2022



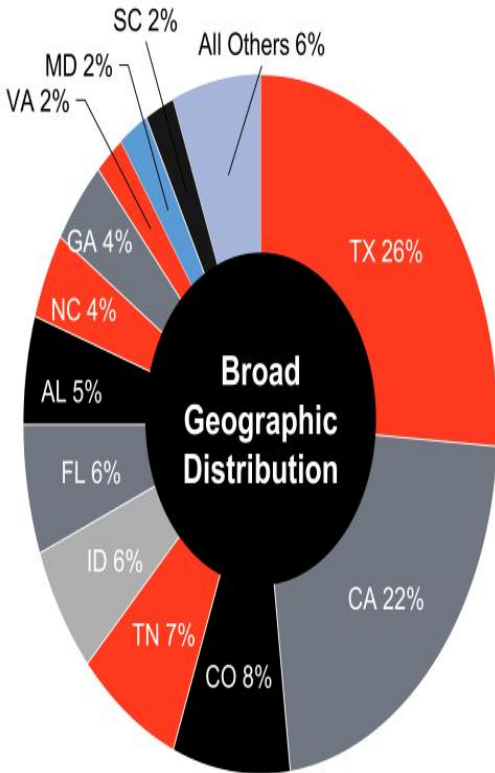
→ Investment Highlights



→ 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 Year Ended December 31, 2022



→ Revenue Composition – Diversified Revenue Streams

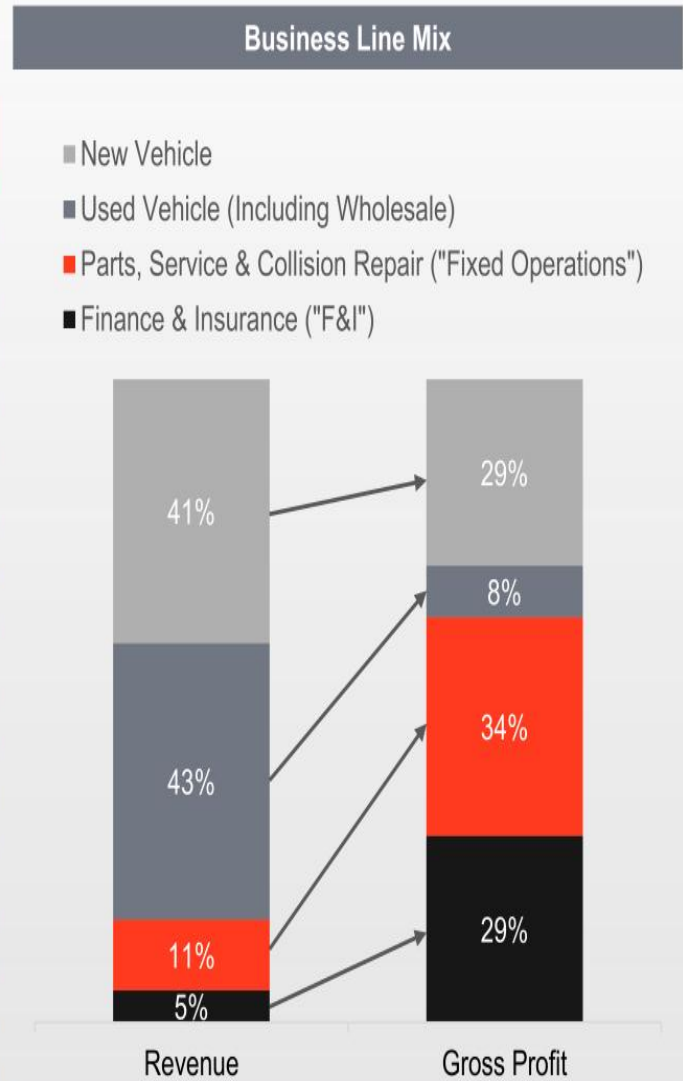
Brand Distribution			
Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	52%	BMW	21%
		Mercedes	10%
		Audi	5%
		Lexus	4%
		Porsche	3%
		Land Rover	3%
		Cadillac	2%
		Other Luxury (1)	4%
Import	18%	Honda	8%
		Toyota	7%
		Other Import (2)	3%
EchoPark	17%	Non-Franchise	17%
Domestic	13%	Chevrolet GMC Buick	5%
		Ford	4%
		Chrysler Dodge Jeep RAM	4%
Powersports	<1%	Powersports (3)	<1%

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

(2) Includes Hyundai, Nissan, Mazda, Subaru and Volkswagen

(3) Includes Harley-Davidson, Kawasaki, BRP, Polaris, Honda, Suzuki, BMW Motorrad, Yamaha, Ducati, and Indian Motorcycle

Note: Percentages are Percent of Total Revenue for the Year Ended December 31, 2022



Majority Of Gross Profit Driven By Stable Business Lines

Note: Percentages are Percent of Total for the Year Ended December 31, 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."



→ Strategic Focus



- 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**
- Focus On Guest Experience And eCommerce Opportunity 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
 - Further Diversify Business Model In Adjacent Sectors (Powersports)
- 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

	March 31, 2023	December 31, 2022
	(In Millions)	
Cash and cash equivalents	\$ 160.2	\$ 229.2
Floor plan deposit balance	272.0	272.0
Availability under the 2021 Revolving Credit Facility	294.0	292.9
Availability under the 2019 Mortgage Facility	166.4	-
Total available liquidity resources	\$ 892.6	\$ 794.1

Finalized Second Tranche Of Collateral For 2019 Mortgage Facility In March 2023, Resulting In \$166.4 Million In Incremental Liquidity
 Net Increase In Liquidity YTD Includes Effect Of \$90.7 Million In Share Repurchase Outflows

	Covenant Requirement*	March 31, 2023	December 31, 2022
Liquidity ratio	≥ 1.05	1.28	1.38
Fixed charge coverage ratio	≥ 1.20	1.70	1.87
Total lease adjusted leverage ratio	≤ 5.75	2.58	2.31
Net debt to Adjusted EBITDA ratio ⁽¹⁾		1.89	1.69

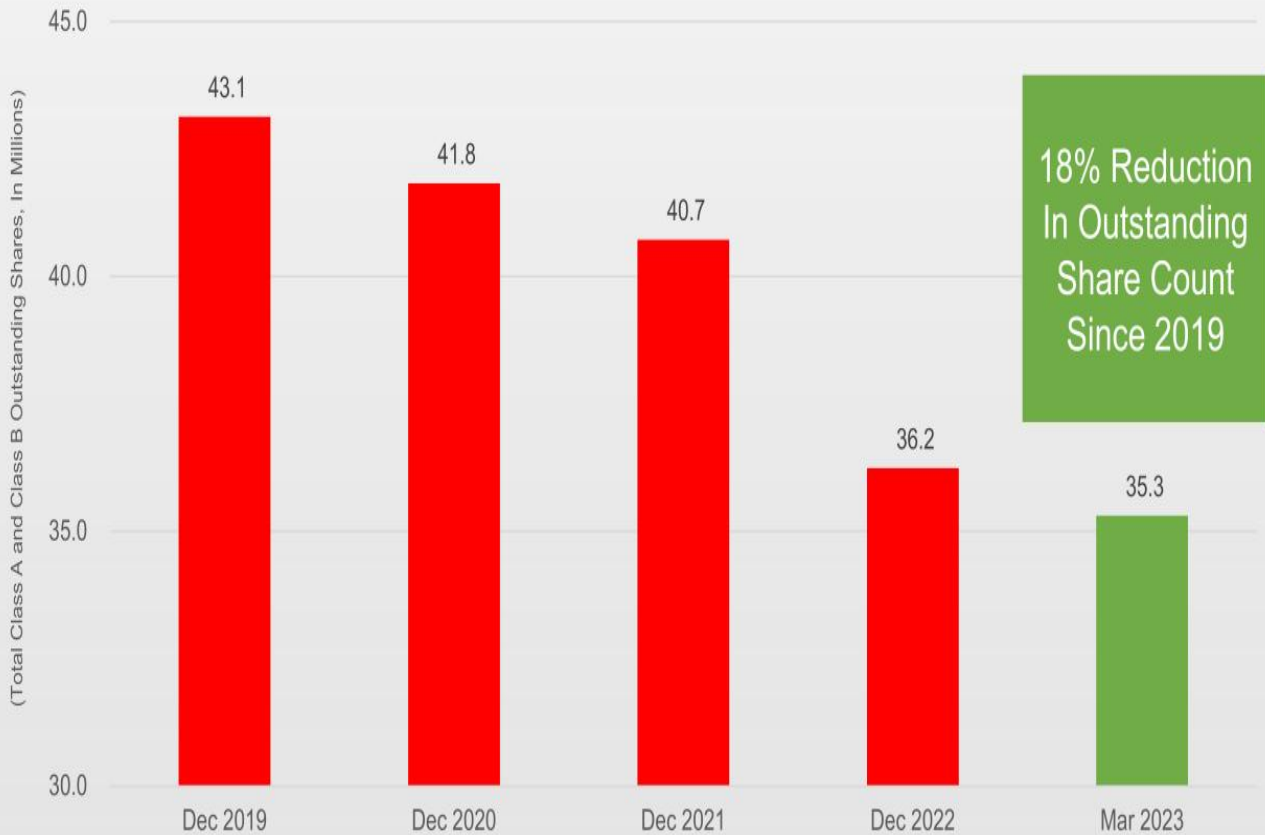
Leverage Ratios Remain Within Our Internal Target Range

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

→ Share Repurchase Update

(\$ in Millions)

Share Repurchase Authorization Remaining at December 31, 2022	\$ 464.3
Q1 2023 Share Repurchase Activity	(90.7)
Remaining Authorization	<u>\$ 373.6</u>





Franchised Dealerships



→ Franchised Dealerships

Stable Business With Organic And Acquisition Growth Opportunities



110 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

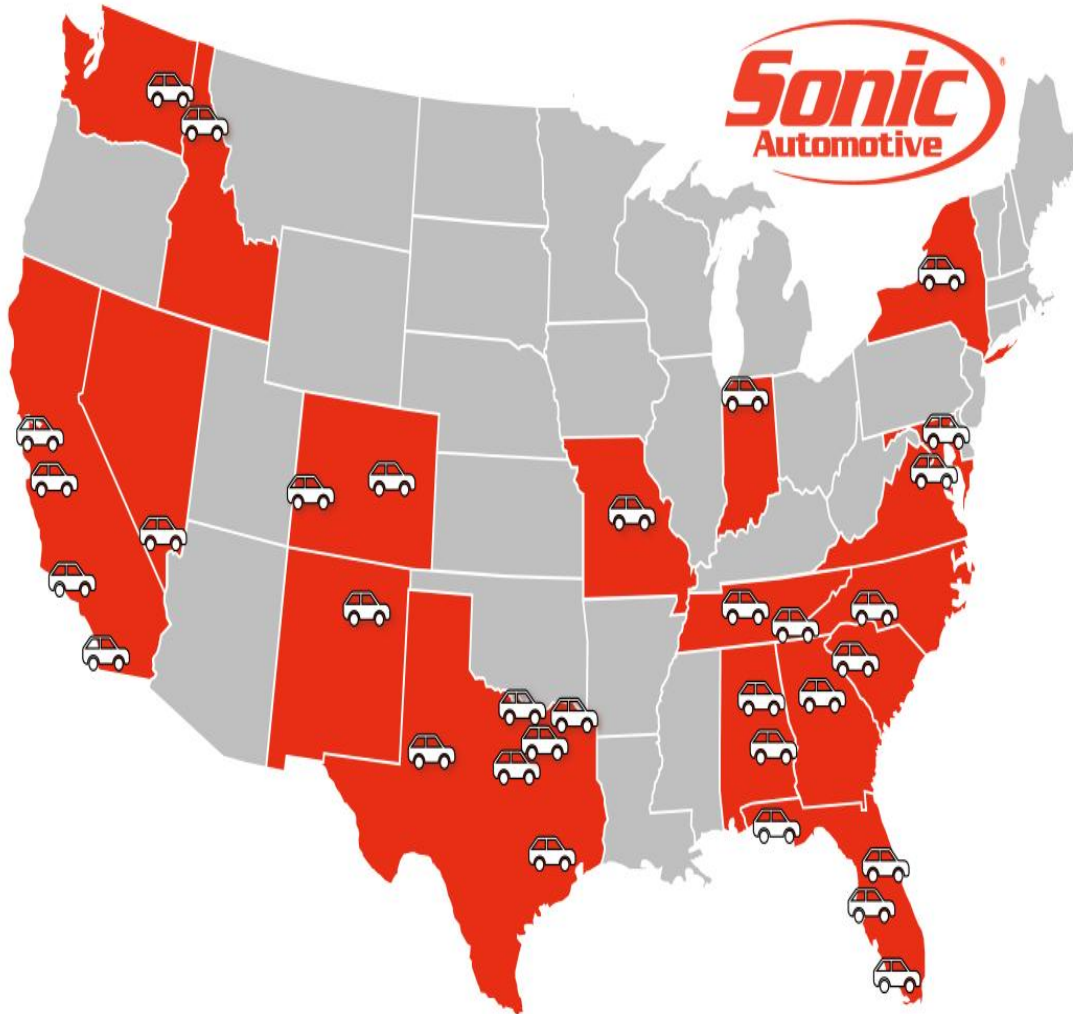


18 States

Resilient And Flexible Business Model Through Economic Cycles



→ Franchised Dealerships – Geographic Footprint



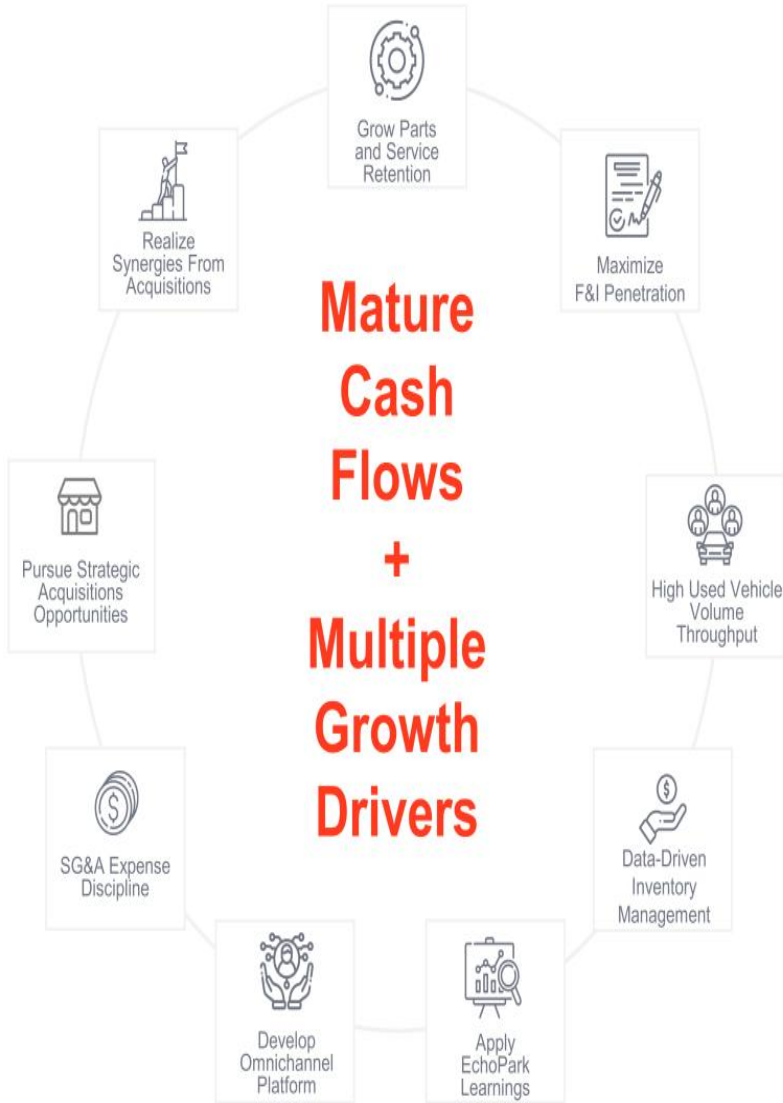
110 Stores, 25+ Brands,
17 Collision Repair Centers

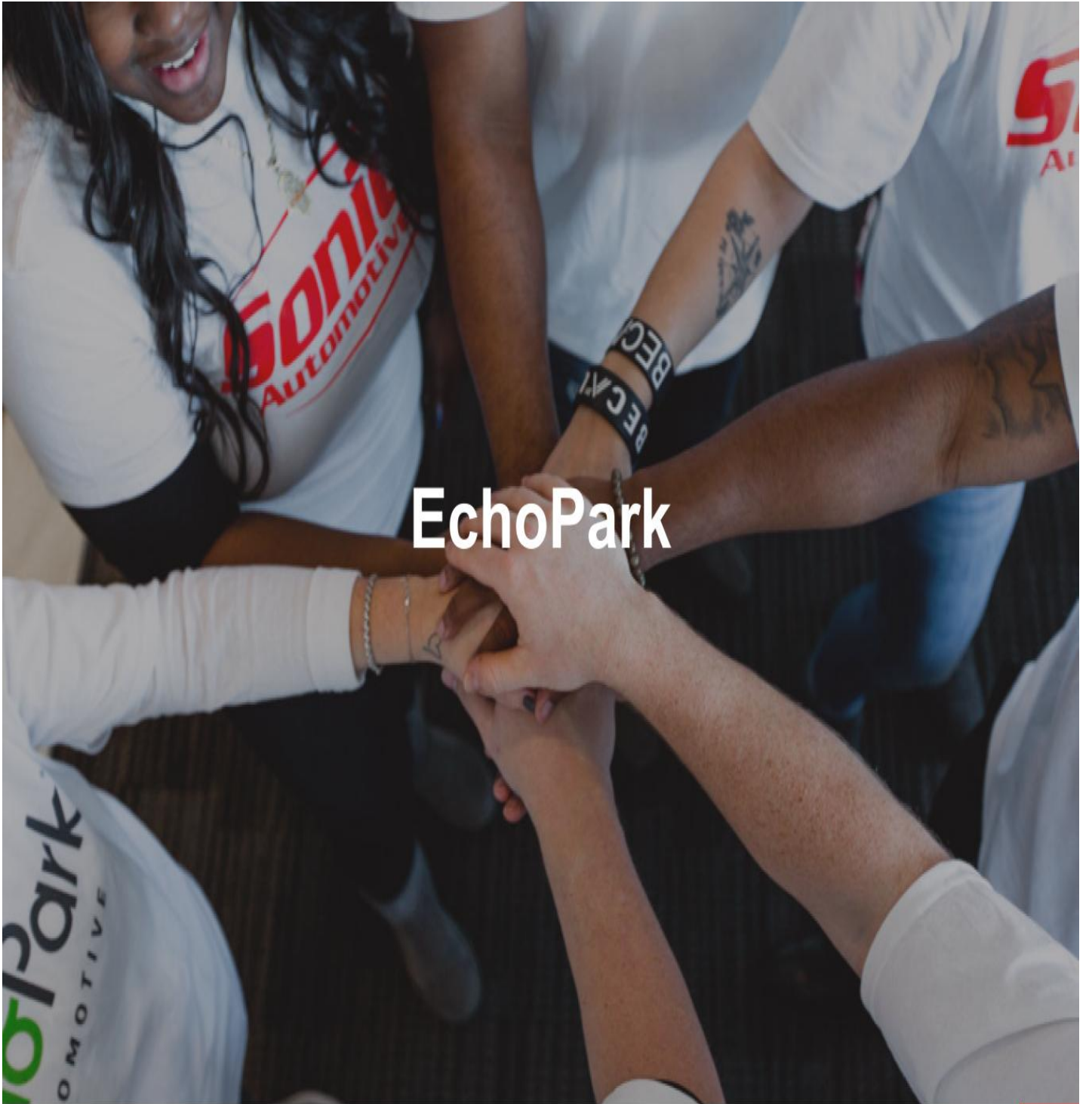


Diversified Geographic
Market Platform



→ Franchised Dealerships – Strategic Growth Levers





EchoPark



→ 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



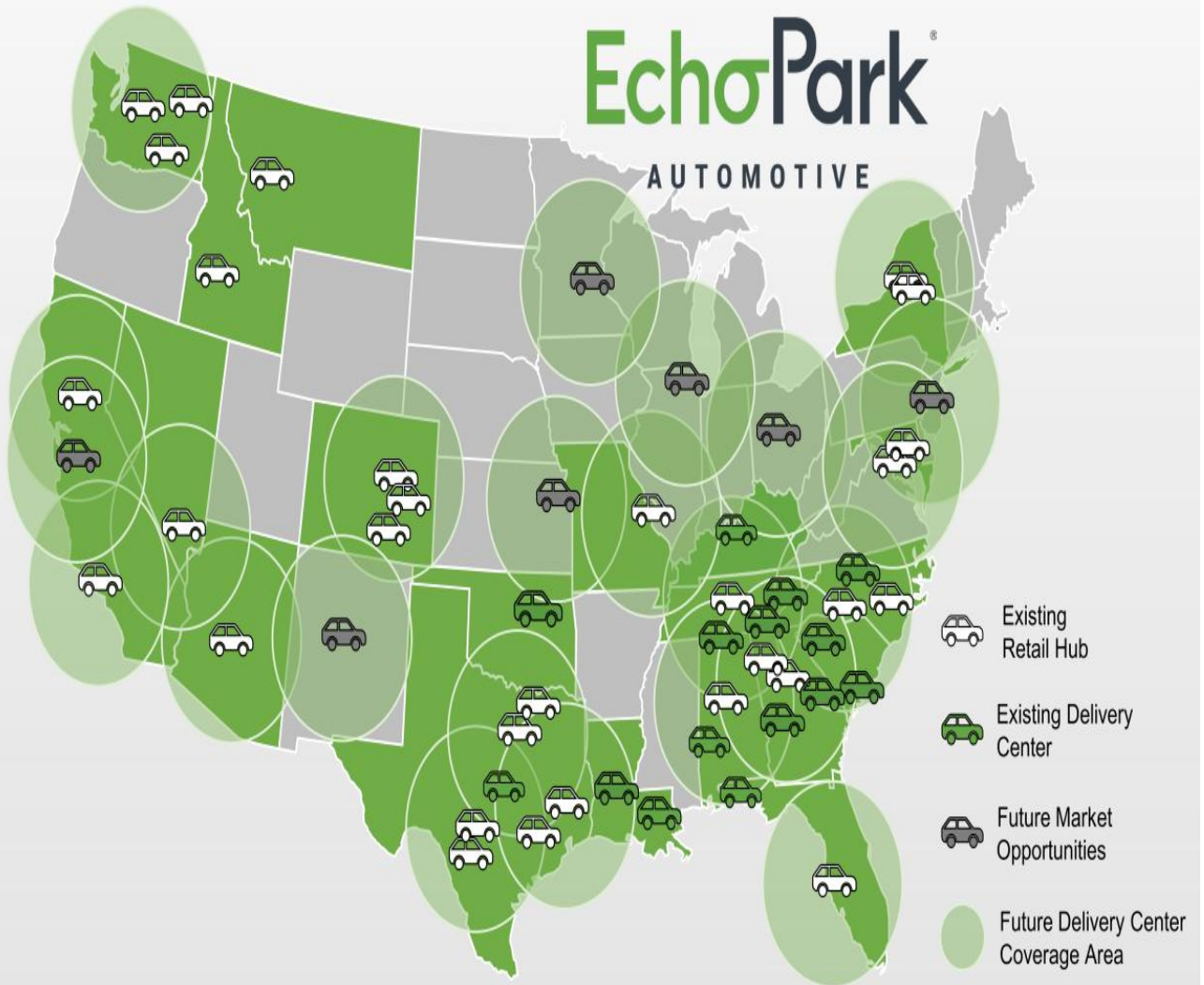
Complete Purchase
In Under An Hour

Low Cost Omnichannel Model



→ EchoPark – Developing Nationwide Distribution Network

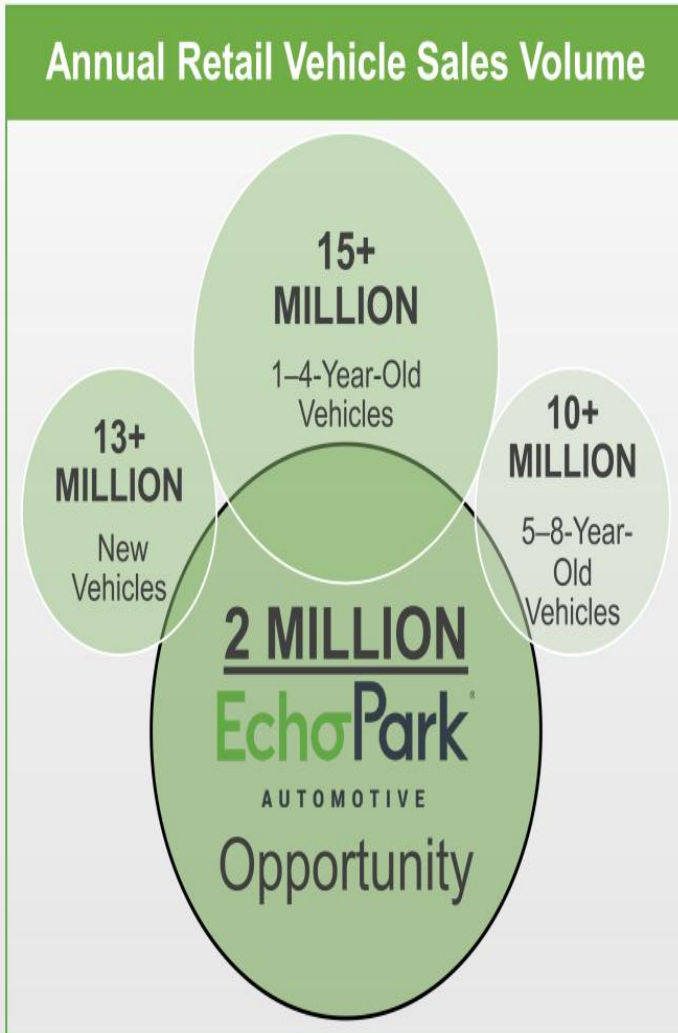
Achieved >50% Population Coverage To Date
Target 90% Population Coverage By 2025



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 Core 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

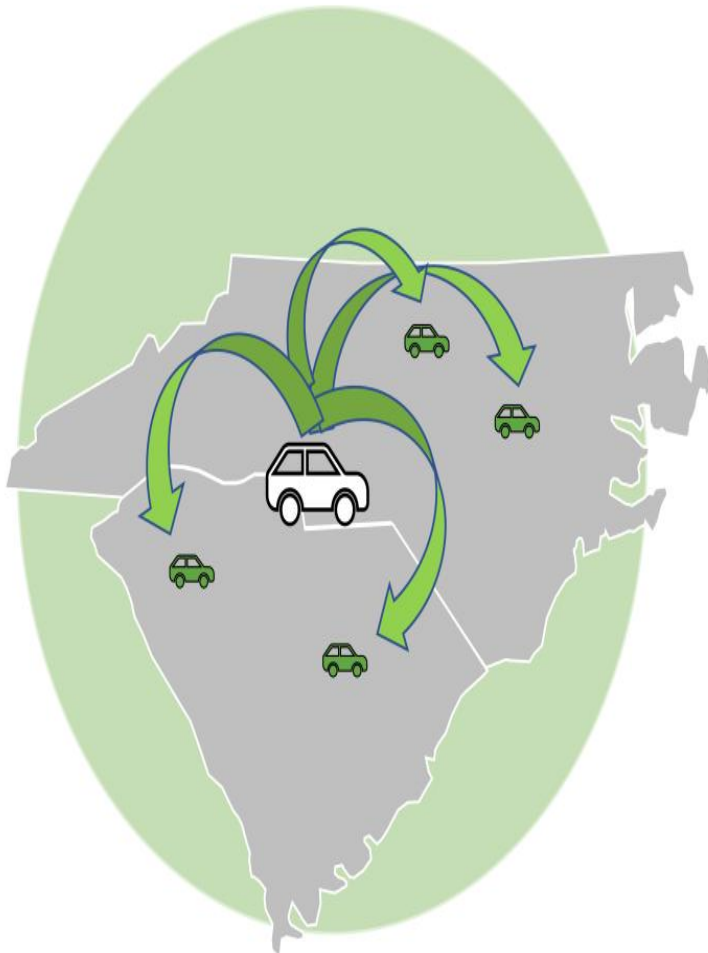
Note: Annual Retail Vehicle Sales Volume, EchoPark Volume Opportunity, Population Coverage And Market Share Targets Are Based On Projections. Actual Results May Differ. See "Forward-Looking Statements."



→ EchoPark – Delivery Center Model

EchoPark[®]

AUTOMOTIVE



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 – Began To Ease In Q1 2023
- Rental Car Companies Continue To Be Net Buyers In Used Vehicle Auction Market, But Not Paying As Much Above Market As In Early 2022 (Drove 6.3% Increase In 3-Year-Old Vehicle Manheim Prices In Q1 2023)
- Used Price As A Percentage Of New Price At 65% In March (Typically In 55-60% Range) Negatively Impacting Affordability
- Year-To-Date, 3-Year-Old Vehicle Manheim Prices **Increased 6.3%** - We **Anticipate 10-15% Decrease** In Remainder Of 2023

EchoPark Action Plan In Progress

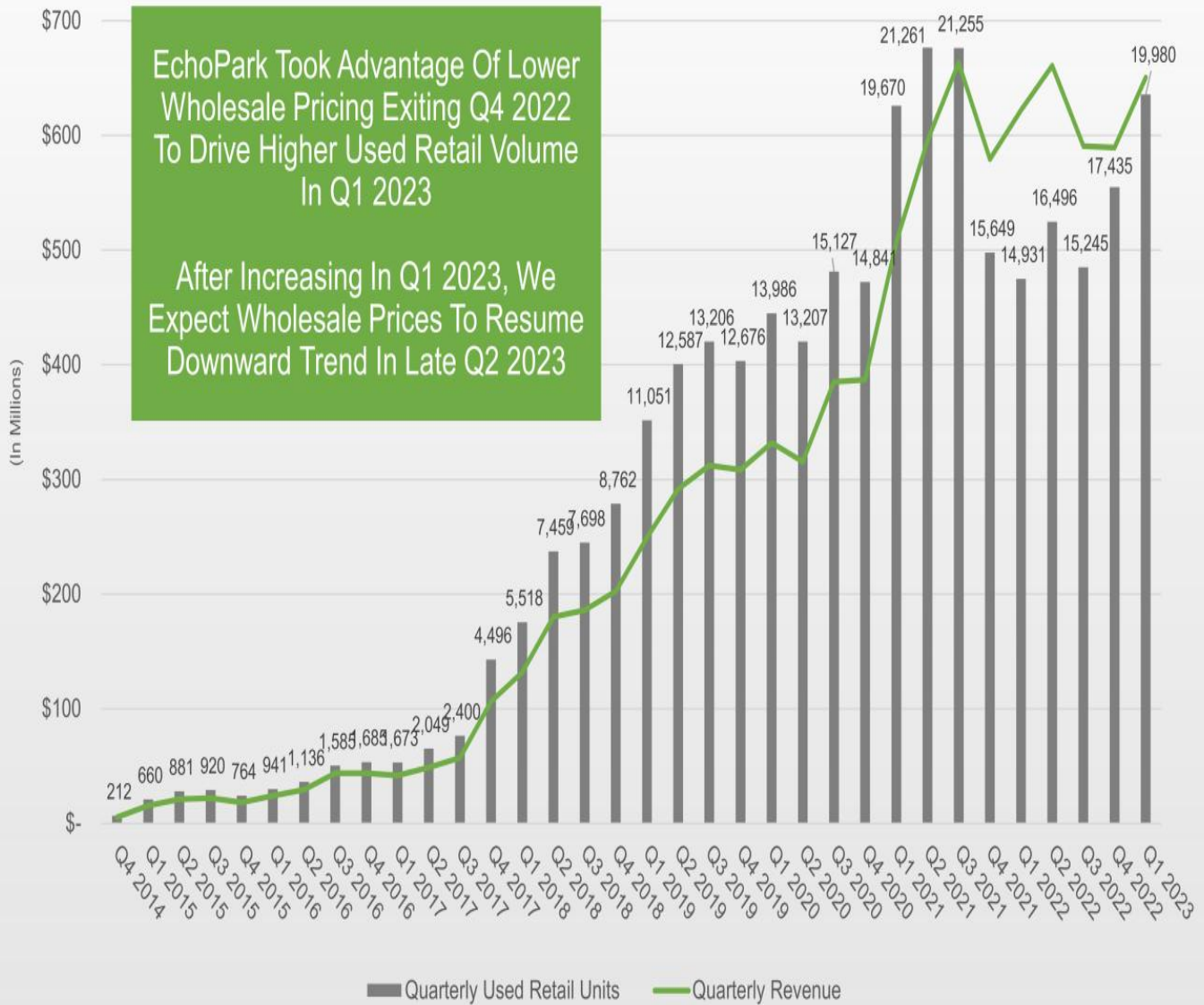
- Expanded Inventory To Include 5+ Year-Old Vehicles In All Markets, Driving Lower Inventory Acquisition Cost And Lower Retail Selling Price, Expanding Customer Segments While Benefiting Consumer Affordability And Gross Profit Per Unit (“GPU”)
- Implemented Marketing Strategy To Source More Vehicles 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 In Select Markets – Increase Consumer Awareness And Advertising Reach Beyond Being The Low Price Leader
- Pricing And Expense Optimization At EchoPark Expected To Drive Profitability Improvement Throughout 2023
- Continued Focus On Maintaining Highest Reputation Scores In The Pre-Owned Competitive Segment

EchoPark Action Plan Results To Date

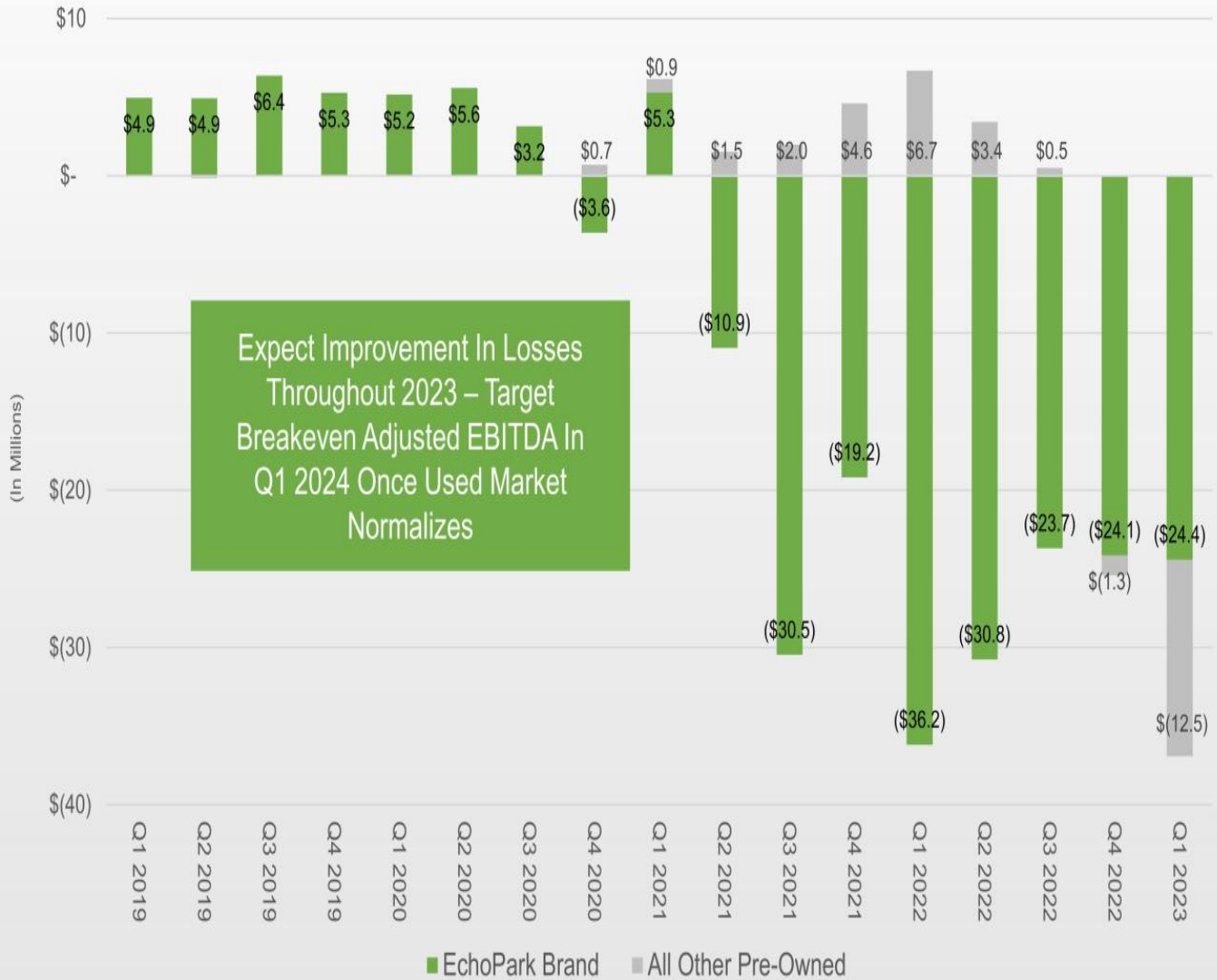
- **Non-Auction Sourcing Mix Was 20% Of Sales** In Q1 2023 Compared To 28% In Q4 2022 (Historically Less Than 10%)
- Older Model Year Cohort Vehicles (**5+ Years Old**) **Represented 16% of Q1 2023** EchoPark Unit Sales Volume (Compared to 19% In Q4 2022), **Average 35% Lower Selling Price And Generate \$1,200-\$1,500 More In Total GPU** Compared To 1-4-Year-Old Vehicles
- New EchoPark.com eCommerce Results For Q1 2023
 - **Omnichannel Transactions Accounted For 36%** Of EchoPark Retail Unit Volume (Down From 38% In Q4 2022), With 9% Of EchoPark Volume Sold End-to-End Online (Flat Compared To Q4 2022)
 - Approximately **40% Of Units Sold End-To-End Online Were Shipped Out Of Market** (Down From 50% In Q4 2022)
 - Online F&I Attachment Continues To Exceed Expectations, **Averaging \$2,120 F&I Per Unit** (Down From \$2,183 In Q4 2022)



→ EchoPark Segment – Growth Path



→ EchoPark Segment – Adjusted EBITDA Trend



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

Note: Expected Improvement In Adjusted EBITDA Losses Is Based On Projections. Actual Results May Differ. See "Forward-Looking Statements."

Note: EchoPark Brand Data Includes EchoPark-Branded Stores And Corporate/Holding Company Results. All Other Pre-Owned Data Includes Northwest Motorsport And Other Acquired Pre-Owned Businesses That Have Not Been Re-Branded As EchoPark.





Powersports



→ Powersports – Opportunistic Growth

Sonic Powersports

- Growth Via Acquisition At **Attractive Earnings Multiples**
- Consolidation Opportunity In A **\$34 Billion Market*** Where **85% Of U.S. Dealers** Own A Single Location
- Drive **Profitability Enhancement** Through Technology And Process Development
- Generate **Higher Margins** Compared To Traditional Automotive Retail



* Estimated Value Of North American Powersports Industry In 2022, Per Global Market Insights





Omnichannel Strategy



→ 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 36% Of Q1 2023 EchoPark Unit Sales Volume



→ New EchoPark.com Results to Date

EchoPark[®]

AUTOMOTIVE

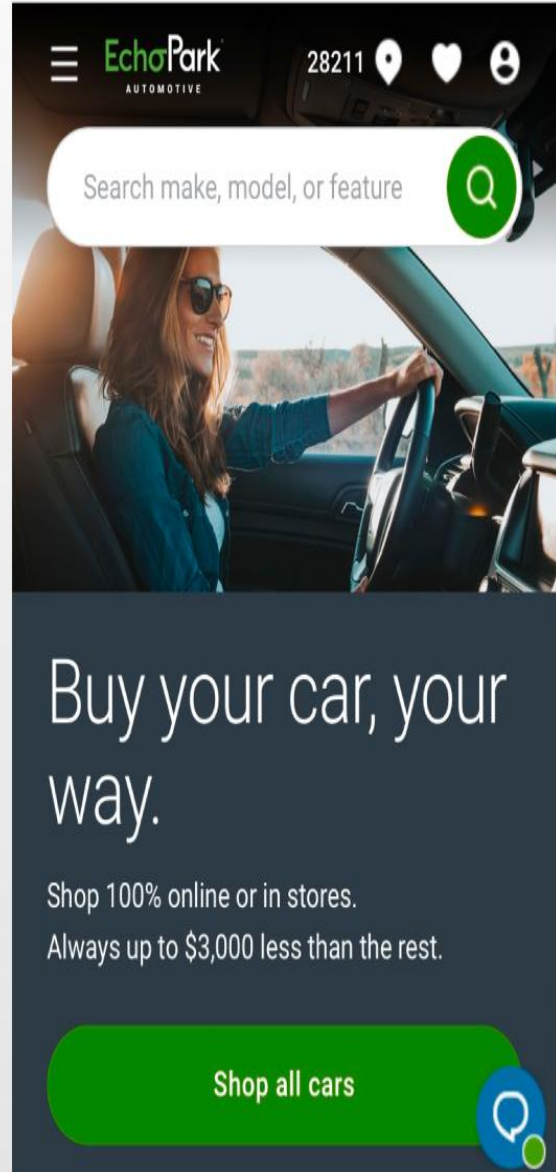
Rolled Out To
100% Of
National Web
Traffic
In June 2022

Conversion Rate
30%
Higher
Compared To
Old Website

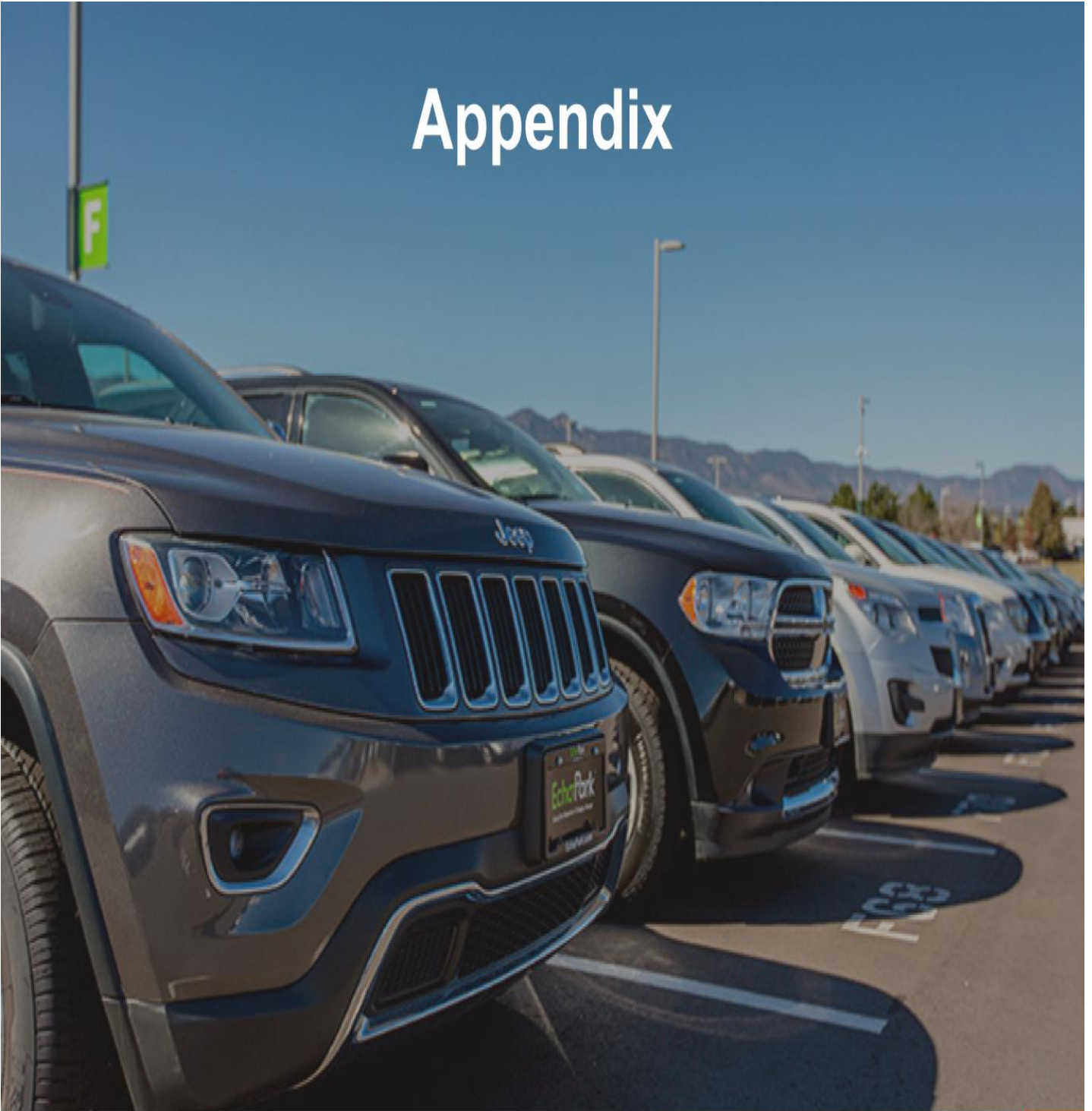
Nearly
40% Of
Vehicles
Sold Out Of Market In
Q1 2023, Driving
Incremental Reach

Q1 2023 F&I of
\$2,120
Per Unit
Exceeding Projections
For End-To-End Online
F&I Product Sales

Total Website Traffic Improved 9%, To
4.7 Million Unique Visitors, From
Q4 2022 To Q1 2023



Appendix



→ GAAP Income Statement Annual Trend – Consolidated

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2022 Better / (Worse) % Change Year-Over-Year
(In millions, except unit, per unit, and per share data)						
Revenues:						
Retail new vehicles	\$ 5,622.6	\$ 4,993.4	\$ 4,224.4	\$ 4,777.3	\$ 4,905.9	13%
Fleet new vehicles	99.4	124.6	56.8	111.9	68.2	(20%)
Total new vehicles	5,722.0	5,118.0	4,281.2	4,889.2	4,974.1	12%
Used vehicles	5,515.4	4,933.6	3,604.2	3,490.0	2,973.5	13%
Wholesale vehicles	484.9	367.2	197.4	202.8	217.6	32%
Total vehicles	11,722.3	10,418.8	8,082.8	8,582.0	8,165.2	13%
Parts, service and collision repair	1,599.7	1,340.4	1,194.3	1,395.3	1,380.9	15%
Finance, insurance and other, net ("F&I")	679.1	637.2	489.9	477.0	405.5	7%
Total revenues	14,001.1	12,396.4	9,767.0	10,454.3	9,951.6	13%
Gross profit:						
Retail new vehicles	662.8	459.8	233.2	231.7	240.5	44%
Fleet new vehicles	4.9	1.6	0.9	1.4	1.0	201%
Total new vehicles	667.7	461.4	234.1	233.1	241.5	45%
Used vehicles	180.8	133.0	105.2	147.4	143.0	37%
Wholesale vehicles	(3.1)	9.6	0.1	(4.5)	(11.3)	(131%)
Total vehicles	845.4	604.0	339.4	376.0	373.2	40%
Parts, service and collision repair	792.5	673.1	594.3	668.0	667.4	18%
Finance, insurance and other, net	679.1	637.2	489.9	477.0	405.5	7%
Total gross profit	2,317.0	1,914.3	1,423.6	1,521.0	1,446.1	21%
SG&A expenses	(1,555.1)	(1,274.7)	(1,028.7)	(1,099.4)	(1,145.3)	(22%)
Impairment charges	(320.4)	(0.1)	(270.0)	(20.8)	(29.5)	NM
Depreciation and amortization	(127.5)	(101.1)	(91.0)	(93.1)	(93.6)	(26%)
Operating income (loss)	314.0	538.4	33.9	307.7	177.7	(42%)
Interest expense, floor plan	(34.3)	(16.7)	(27.2)	(48.5)	(48.4)	(105%)
Interest expense, other, net	(89.9)	(48.0)	(41.6)	(53.0)	(54.1)	(87%)
Other income (expense), net	0.2	(15.5)	0.1	(6.6)	0.1	NM
Income (loss) from continuing operations before taxes	190.0	458.2	(34.8)	199.6	75.3	(59%)
Income tax benefit (expense)	(101.5)	(109.3)	(15.9)	(55.1)	(22.9)	7%
Net income (loss) from continuing operations	\$ 88.5	\$ 348.9	\$ (50.7)	\$ 144.5	\$ 52.4	(75%)
Diluted weighted-average shares outstanding	39.7	43.3	42.5	43.7	43.0	8%
Diluted earnings (loss) per share from continuing operations	\$ 2.23	\$ 8.06	\$ (1.19)	\$ 3.31	\$ 1.22	(72%)
Unit sales volume:						
Retail new vehicles	101,168	99,943	91,939	111,457	120,819	1%
Fleet new vehicles	2,115	3,543	1,342	2,674	1,898	(40%)
Used vehicles	173,209	183,292	159,025	162,149	139,605	(6%)
Wholesale vehicles	35,323	36,795	32,057	34,153	34,167	(4%)
Gross profit per unit ("GPU"):						
Retail new vehicles	\$ 6,552	\$ 4,600	\$ 2,536	\$ 2,078	\$ 1,991	42%
Used vehicles	\$ 1,044	\$ 720	\$ 667	\$ 909	\$ 1,024	45%
F&I	\$ 2,475	\$ 2,250	\$ 1,952	\$ 1,743	\$ 1,557	10%

Note: Earnings (Loss) Per Share and Gross Profit Per Unit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



→ Non-GAAP Reconciliation – Annual Trend – Consolidated

(In millions, except per share data)

	LTM Q1 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Reported net income (loss) from continuing operations	\$ 88.5	\$ 348.9	\$ (50.7)	\$ 144.5	\$ 52.4	
Adjustments:						
Impairment charges	\$ 320.4	\$ -	\$ 269.2	\$ 19.6	\$ 29.5	
Acquisition and disposition-related (gain) loss	(9.1)	1.2	(9.2)	(76.0)	(38.9)	
Long-term compensation charges	4.4	6.5	-	6.3	34.1	
Loss on debt extinguishment	-	15.6	-	7.2	-	
Legal and storm damage charges	-	-	-	-	5.7	
Loss (gain) on exit of leased dealerships	-	-	-	-	1.5	
Total pre-tax adjustments	315.7	23.3	260.0	(42.9)	31.9	
Tax effect of above items	(22.6)	(5.9)	(40.4)	14.2	(7.4)	
Total net income effect of adjustments	293.1	17.4	219.6	(28.7)	24.5	
Adjusted net income (loss) from continuing operations	\$ 381.6	\$ 366.3	\$ 168.9	\$ 115.8	\$ 76.9	
Diluted weighted-average shares outstanding	39.7	43.3	43.9	43.7	43.0	
Adjusted diluted earnings (loss) per share from continuing operations	\$ 9.61	\$ 8.46	\$ 3.85	\$ 2.65	\$ 1.79	
Reported SG&A expenses	\$ (1,555.1)	\$ (1,274.7)	\$ (1,028.7)	\$ (1,099.4)	\$ (1,145.3)	
Acquisition and disposition-related (gain) loss	(9.1)	1.2	(9.2)	(76.0)	(38.9)	
Long-term compensation charges	4.4	6.5	-	6.3	34.1	
Legal and storm damage charges	-	-	-	-	5.7	
Loss (gain) on exit of leased dealerships	-	-	-	-	1.5	
Adjusted SG&A expenses	\$ (1,559.8)	\$ (1,267.0)	\$ (1,037.9)	\$ (1,169.1)	\$ (1,142.9)	
Adjusted SG&A expenses as a percentage of gross profit	67.3%	66.2%	72.9%	76.9%	79.0%	
Reported net income (loss)	\$ 38.9	\$ 88.5	\$ 348.9	\$ (51.4)	\$ 144.1	\$ 51.7
Income tax (benefit) expense	85.8	101.5	109.3	15.6	55.0	22.6
Income (loss) before taxes	124.7	190.0	458.2	(35.8)	199.1	74.3
Non-floor plan interest	91.9	84.7	44.7	38.7	50.5	52.0
Depreciation and amortization	137.5	132.7	104.3	93.9	95.6	96.7
Stock-based compensation expense	16.6	16.0	15.0	11.7	10.8	11.9
Loss (gain) on exit of leased dealerships	-	-	-	-	(0.2)	1.7
Impairment charges	320.4	320.4	0.1	270.0	20.8	29.5
Loss on debt extinguishment	-	-	15.6	-	6.7	-
Long-term compensation charges	6.4	4.4	8.0	-	-	32.5
Acquisition and disposition-related (gain) loss	(8.6)	(9.7)	(0.4)	(8.2)	(74.8)	(39.3)
Adjusted EBITDA	\$ 688.9	\$ 738.5	\$ 645.5	\$ 370.3	\$ 308.5	\$ 259.3
Long-term debt (including current portion)	\$ 1,732.5	\$ 1,751.7	\$ 1,561.2	\$ 720.1	\$ 706.9	\$ 945.1
Cash and equivalents	(160.2)	(229.2)	(299.4)	(170.3)	(29.1)	(5.9)
Floor plan deposit balance	(272.0)	(272.0)	(99.8)	(73.2)	-	-
Net debt	\$ 1,300.3	\$ 1,250.5	\$ 1,162.0	\$ 476.6	\$ 677.8	\$ 939.2
Net debt to adjusted EBITDA ratio	1.89	1.69	1.80	1.29	2.20	3.62
Long-term debt (including current portion) to adjusted EBITDA ratio	2.51	2.37	2.42	1.94	2.29	3.64

Note: Earnings (Loss) Per Share and SG&A Expenses As A Percentage Of Gross Profit Metrics Are Calculated Based On Actual Unrounded Amounts
 Note: Balance Sheet Amounts Are As Of December 31 For The FY Then Ended, Balance Sheet Amounts For LTM Q1 2023 Are As Of March 31, 2023

NM = Not Meaningful



→ GAAP Income Statement Quarterly Trend – Consolidated

(In millions, except unit, per unit, and per share data)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change	
						Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 1,442.8	\$ 1,555.3	\$ 1,371.8	\$ 1,344.3	\$ 1,351.3	(7%)	7%
Fleet new vehicles	18.8	29.3	32.0	19.8	18.2	(36%)	4%
Total new vehicles	1,461.6	1,584.6	1,403.8	1,364.1	1,369.5	(8%)	7%
Used vehicles	1,344.9	1,341.1	1,355.9	1,448.3	1,370.1	0%	(2%)
Wholesale vehicles	85.6	80.0	114.6	121.4	168.8	7%	(49%)
Total vehicles	2,892.1	3,005.7	2,874.3	2,933.8	2,908.4	(4%)	(1%)
Parts, service and collision repair	430.5	411.1	408.2	399.2	381.2	5%	13%
Finance, insurance and other, net ("F&I")	168.6	173.8	165.6	173.2	166.6	(3%)	1%
Total revenues	3,491.2	3,590.6	3,448.1	3,506.2	3,456.2	(3%)	1%
Gross profit:							
Retail new vehicles	138.1	164.6	162.2	168.3	167.7	(16%)	(18%)
Fleet new vehicles	0.9	1.8	1.3	0.9	0.8	(49%)	5%
Total new vehicles	139.0	166.4	163.5	169.2	168.5	(16%)	(18%)
Used vehicles	30.0	35.5	51.0	46.6	47.8	(15%)	(37%)
Wholesale vehicles	3.0	(3.7)	(2.2)	1.1	1.5	186%	98%
Total vehicles	172.0	198.2	212.3	216.9	217.8	(13%)	(21%)
Parts, service and collision repair	212.9	204.1	202.8	198.7	186.9	4%	14%
Finance, insurance and other, net	168.6	173.8	165.6	173.2	166.6	(3%)	1%
Total gross profit	553.5	576.1	580.7	588.8	571.3	(4%)	(3%)
SG&A expenses	(412.8)	(366.3)	(399.0)	(402.8)	(387.0)	(13%)	(7%)
Impairment charges	-	(320.4)	-	-	-	NM	NM
Depreciation and amortization	(34.3)	(33.5)	(32.8)	(31.2)	(29.9)	(2%)	(15%)
Operating income (loss)	106.4	(144.1)	148.9	154.8	154.4	174%	(31%)
Interest expense, floor plan	(14.6)	(13.6)	(9.6)	(6.1)	(4.9)	(6%)	(196%)
Interest expense, other, net	(28.4)	(24.9)	(22.9)	(21.3)	(20.8)	(14%)	(36%)
Other income (expense), net	0.2	0.1	-	(0.2)	0.2	NM	NM
Income (loss) before taxes	63.6	(182.5)	116.4	127.2	128.9	135%	(51%)
Income tax benefit (expense)	(15.9)	(8.4)	(29.1)	(32.5)	(31.6)	(89%)	50%
Net income (loss)	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	\$ 97.3	125%	(51%)
Diluted weighted-average shares outstanding	36.9	36.5	39.2	40.5	41.8	(1%)	12%
Diluted earnings (loss) per share	\$ 1.29	\$ (5.22)	\$ 2.23	\$ 2.34	\$ 2.33	125%	(45%)
Unit sales volume:							
Retail new vehicles	25,657	27,278	24,776	24,427	24,687	(6%)	4%
Fleet new vehicles	441	661	672	422	360	(33%)	23%
Used vehicles	45,531	44,303	42,069	44,764	42,073	3%	8%
Wholesale vehicles	8,406	8,094	8,263	8,545	10,421	4%	(19%)
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 5,381	\$ 6,034	\$ 6,547	\$ 6,890	\$ 6,793	(11%)	(21%)
Used vehicles	\$ 660	\$ 800	\$ 1,211	\$ 1,041	\$ 1,135	(18%)	(42%)
F&I	\$ 2,369	\$ 2,428	\$ 2,477	\$ 2,503	\$ 2,495	(2%)	(5%)

Note: Earnings (Loss) Per Share and Gross Profit Per Unit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



→ Non-GAAP Reconciliation – Quarterly Trend – Consolidated

(In millions, except per share data)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Reported net income (loss)	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	\$ 97.3	125%	(51%)
Adjustments:							
Impairment charges	\$ -	\$ 320.4	\$ -	\$ -	\$ -	NM	NM
Acquisition and disposition-related (gain) loss	-	(9.1)	-	-	-	NM	NM
Long-term compensation charges	2.0	-	-	4.4	-	NM	NM
Total pre-tax adjustments	2.0	311.3	-	4.4	-	NM	NM
Tax effect of above items	(0.5)	(22.6)	-	-	-	NM	NM
Total net income effect of adjustments	1.5	288.7	-	4.4	-	NM	NM
Adjusted net income (loss)	\$ 49.2	\$ 97.8	\$ 87.3	\$ 99.2	\$ 97.3	(50%)	(49%)
Diluted weighted-average shares outstanding	36.9	37.4	39.2	40.5	41.8	1%	12%
Adjusted diluted earnings (loss) per share	\$ 1.33	\$ 2.61	\$ 2.23	\$ 2.45	\$ 2.33	(49%)	(43%)
Reported SG&A expenses	\$ (412.8)	\$ (366.3)	\$ (399.0)	\$ (402.8)	\$ (387.0)	(13%)	(7%)
Acquisition and disposition-related (gain) loss	-	(9.1)	-	-	-	NM	NM
Long-term compensation charges	2.0	-	-	4.4	-	NM	NM
Adjusted SG&A expenses	\$ (410.8)	\$ (375.4)	\$ (399.0)	\$ (398.4)	\$ (387.0)	(9%)	(6%)
Adjusted SG&A expenses as a percentage of gross profit	74.2%	65.2%	68.7%	67.7%	67.7%	(900) bps	(650) bps
Reported net income (loss)	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	\$ 97.3	NM	NM
Income tax (benefit) expense	15.9	8.4	29.1	32.5	31.6	NM	NM
Income (loss) before taxes	63.6	(182.5)	116.4	127.2	128.9	NM	NM
Non-floor plan interest	26.9	23.5	21.4	20.1	19.7	NM	NM
Depreciation and amortization	35.9	34.9	34.3	32.4	31.1	NM	NM
Stock-based compensation expense	5.0	3.6	3.8	4.2	4.4	NM	NM
Impairment charges	-	320.4	-	-	-	NM	NM
Long-term compensation charges	2.0	-	-	4.4	-	NM	NM
Acquisition and disposition-related (gain) loss	-	(9.2)	0.5	0.1	(1.1)	NM	NM
Adjusted EBITDA	\$ 133.4	\$ 190.7	\$ 176.4	\$ 188.4	\$ 183.0	(30%)	(27%)

Note: Earnings (Loss) Per Share and SG&A Expenses As A Percentage Of Gross Profit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



GAAP Income Statement – Quarterly Trend – Franchised Dealerships Segment

(In millions, except unit and per unit data)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 1,421.0	\$ 1,534.5	\$ 1,359.6	\$ 1,341.7	\$ 1,345.7	(7%)	6%
Fleet new vehicles	18.8	29.4	32.0	19.9	18.1	(36%)	4%
Total new vehicles	1,439.8	1,563.9	1,391.6	1,361.6	1,363.8	(8%)	6%
Used vehicles	767.6	823.4	842.4	871.9	853.7	(7%)	(10%)
Wholesale vehicles	58.4	52.6	75.7	79.3	106.4	11%	(45%)
Total vehicles	2,265.8	2,439.9	2,309.7	2,312.8	2,323.9	(7%)	(3%)
Parts, service and collision repair	423.8	404.8	404.7	398.1	380.5	5%	11%
Finance, insurance and other, net ("F&I")	117.1	128.0	125.9	129.8	126.5	(8%)	(7%)
Total revenues	2,806.7	2,972.7	2,840.3	2,840.7	2,830.9	(6%)	(1%)
Gross profit:							
Retail new vehicles	134.0	160.8	160.7	167.3	166.6	(17%)	(20%)
Fleet new vehicles	0.9	1.8	1.3	0.9	0.8	(49%)	6%
Total new vehicles	134.9	162.6	162.0	168.2	167.4	(17%)	(19%)
Used vehicles	40.8	38.4	45.4	43.7	46.9	6%	(13%)
Wholesale vehicles	1.9	(3.2)	(2.1)	(0.5)	(0.4)	155%	540%
Total vehicles	177.6	197.8	205.3	211.4	213.9	(10%)	(17%)
Parts, service and collision repair	209.6	200.9	201.0	198.1	186.6	4%	12%
Finance, insurance and other, net	117.1	128.0	125.9	129.8	126.5	(8%)	(7%)
Total gross profit	504.3	526.7	532.2	539.3	527.0	(4%)	(4%)
SG&A expenses	(331.2)	(298.1)	(332.0)	(327.6)	(315.2)	(11%)	(5%)
Impairment charges	-	(115.5)	-	-	-	NM	NM
Depreciation and amortization	(26.5)	(26.0)	(25.9)	(25.2)	(24.9)	(2%)	(7%)
Operating income (loss)	146.6	87.1	174.3	186.5	186.9	68%	(22%)
Interest expense, floor plan	(9.9)	(9.8)	(6.6)	(3.9)	(3.3)	(1%)	(199%)
Interest expense, other, net	(26.9)	(23.4)	(21.4)	(20.2)	(20.0)	(15%)	(35%)
Other income (expense), net	-	-	-	(0.3)	0.2	NM	NM
Income (loss) before taxes	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	\$ 163.8	104%	(33%)
Unit sales volume:							
Retail new vehicles	24,539	26,239	24,241	24,342	24,602	(6%)	0%
Fleet new vehicles	441	661	672	422	360	(33%)	23%
Used vehicles	25,107	26,631	26,647	28,156	27,078	(6%)	(7%)
Wholesale vehicles	5,483	5,616	5,813	5,851	6,772	(2%)	(19%)
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 5,463	\$ 6,130	\$ 6,627	\$ 6,871	\$ 6,771	(11%)	(19%)
Used vehicles	\$ 1,626	\$ 1,442	\$ 1,704	\$ 1,553	\$ 1,731	13%	(6%)
F&I	\$ 2,360	\$ 2,421	\$ 2,473	\$ 2,472	\$ 2,448	(3%)	(4%)

Note: Gross Profit Per Unit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



→ Non-GAAP Reconciliation – Quarterly Trend – Franchised Dealerships Segment

(In millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Reported income (loss) before taxes	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	\$ 163.8	104%	(33%)
Impairment charges	-	115.5	-	-	-	NM	NM
Segment income (loss)	\$ 109.8	\$ 169.4	\$ 146.3	\$ 162.1	\$ 163.8	(35%)	(33%)
Acquisition and disposition-related (gain) loss	-	(9.1)	-	-	-	NM	NM
Long-term compensation charges	-	-	-	4.4	-	NM	NM
Adjusted segment income (loss)	\$ 109.8	\$ 160.3	\$ 146.3	\$ 166.5	\$ 163.8	(31%)	(33%)
Reported SG&A expenses	\$ (331.2)	\$ (298.1)	\$ (332.0)	\$ (327.6)	\$ (315.2)	(11%)	(5%)
Acquisition and disposition-related (gain) loss	-	(9.1)	-	-	-	NM	NM
Long-term compensation charges	-	-	-	4.4	-	NM	NM
Adjusted SG&A expenses	\$ (331.2)	\$ (307.2)	\$ (332.0)	\$ (323.2)	\$ (315.2)	(8%)	(5%)
Adjusted SG&A expenses as a percentage of gross profit	65.7%	58.3%	62.4%	59.9%	59.8%	(740) bps	(590) bps
Income (loss) before taxes	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	\$ 163.8	NM	NM
Non-floor plan interest	25.4	22.0	19.9	19.1	19.0	NM	NM
Depreciation and amortization	28.2	27.4	27.3	26.4	25.9	NM	NM
Stock-based compensation expense	5.0	3.6	3.8	4.2	4.4	NM	NM
Impairment charges	-	115.5	-	-	-	NM	NM
Long-term compensation charges	-	-	-	4.4	-	NM	NM
Acquisition and disposition-related (gain) loss	-	(9.2)	0.5	0.1	(1.1)	NM	NM
Adjusted EBITDA	\$ 168.4	\$ 213.2	\$ 197.8	\$ 216.3	\$ 212.0	(21%)	(21%)

Note: SG&A Expenses As A Percentage Of Gross Profit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



GAAP Income Statement – Quarterly Trend – EchoPark Segment

(In millions, except unit and per unit data)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) Sequential	% Change Year-Over-Year
Revenues:							
Retail new vehicles	\$ 1.0	\$ 2.0	\$ 1.6	\$ 1.2	\$ 4.4	(50%)	(78%)
Used vehicles	572.5	515.5	511.4	574.5	515.4	11%	11%
Wholesale vehicles	27.0	27.3	38.9	42.1	62.4	(1%)	(57%)
Total vehicles	600.5	544.8	551.9	617.8	582.2	10%	3%
Finance, insurance and other, net ("F&I")	50.0	44.5	38.9	43.1	39.9	12%	25%
Total revenues	650.5	589.3	590.8	660.9	622.1	10%	5%
Gross profit:							
Retail new vehicles	0.1	0.2	(0.6)	0.7	0.8	(64%)	(92%)
Used vehicles	(11.8)	(3.6)	5.0	2.4	0.7	(225%)	(1908%)
Wholesale vehicles	1.1	(0.3)	(0.1)	1.6	1.9	538%	(36%)
Total vehicles	(10.6)	(3.7)	4.3	4.7	3.4	(181%)	(407%)
Finance, insurance and other, net	50.0	44.5	38.9	43.1	39.9	12%	25%
Total gross profit	39.4	40.8	43.2	47.8	43.3	(3%)	(9%)
SG&A expenses	(73.8)	(62.3)	(63.4)	(72.9)	(71.2)	(18%)	(4%)
Impairment charges	-	(204.9)	-	-	-	NM	NM
Depreciation and amortization	(7.0)	(7.0)	(6.7)	(5.9)	(5.0)	0%	(39%)
Operating income (loss)	(41.4)	(233.4)	(26.9)	(31.0)	(32.9)	82%	(26%)
Interest expense, floor plan	(4.6)	(3.9)	(3.0)	(2.2)	(1.7)	(17%)	(183%)
Interest expense, other, net	(0.9)	(0.9)	(1.1)	(1.0)	(0.8)	(1%)	(12%)
Other income (expense), net	0.1	-	-	-	0.1	NM	NM
Income (loss) before taxes	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	\$ (35.3)	80%	(32%)
Unit sales volume:							
Retail new vehicles	11	26	45	37	44	(58%)	(75%)
Used vehicles	19,980	17,435	15,245	16,496	14,931	15%	34%
Wholesale vehicles	2,916	2,444	2,449	2,694	3,649	19%	(20%)
Gross profit per unit ("GPU"):							
Total used vehicle and F&I	\$ 1,907	\$ 2,340	\$ 2,869	\$ 2,751	\$ 2,707	(18%)	(30%)

Note: Gross Profit Per Unit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



Non-GAAP Reconciliation – Quarterly Trend – EchoPark Segment

(In millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Reported income (loss) before taxes	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	\$ (35.3)	80%	(32%)
Impairment charges	-	204.9	-	-	-	NM	NM
Segment income (loss)	\$ (46.8)	\$ (33.3)	\$ (31.0)	\$ (34.2)	\$ (35.3)	(41%)	(32%)
Long-term compensation charges	2.0	-	-	-	-	NM	NM
Adjusted segment income (loss)	\$ (44.8)	\$ (33.3)	\$ (31.0)	\$ (34.2)	\$ (35.3)	(35%)	(27%)
Reported SG&A expenses	\$ (73.8)	\$ (62.3)	\$ (63.4)	\$ (72.9)	\$ (71.2)	(18%)	(4%)
Long-term compensation charges	2.0	-	-	-	-	NM	NM
Adjusted SG&A expenses	\$ (71.8)	\$ (62.3)	\$ (63.4)	\$ (72.9)	\$ (71.2)	(15%)	(1%)
Adjusted SG&A expenses as a percentage of gross profit	182.1%	152.8%	146.8%	152.6%	164.4%	(2,930) bps	(1,770) bps
Income (loss) before taxes	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	\$ (35.3)	NM	NM
Non-floor plan interest	0.9	0.9	1.1	1.0	0.7	NM	NM
Depreciation and amortization	7.0	7.0	6.8	5.9	5.1	NM	NM
Impairment charges	-	204.9	-	-	-	NM	NM
Long-term compensation charges	2.0	-	-	-	-	NM	NM
Adjusted EBITDA	\$ (36.9)	\$ (25.4)	\$ (23.2)	\$ (27.3)	\$ (29.5)	45%	25%

Note: SG&A Expenses As A Percentage Of Gross Profit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



GAAP Income Statement – Quarterly Trend – Powersports Segment

(In millions, except unit and per unit data)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change	
						Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 20.8	\$ 18.8	\$ 10.6	\$ 1.3	\$ 1.2	11%	NM
Used vehicles	4.8	2.1	2.0	1.9	1.1	125%	NM
Wholesale vehicles	0.2	0.1	-	0.1	-	68%	NM
Total vehicles	25.8	21.0	12.6	3.3	2.3	23%	NM
Parts, service and collision repair	6.7	6.3	3.5	1.1	0.7	6%	NM
Finance, insurance and other, net ("F&I")	1.5	1.3	0.9	0.3	0.2	19%	NM
Total revenues	34.0	28.6	17.0	4.7	3.2	19%	NM
Gross profit:							
Retail new vehicles	4.0	3.6	2.1	0.4	0.3	10%	NM
Used vehicles	1.0	0.7	0.6	0.5	0.2	52%	NM
Wholesale vehicles	-	-	-	-	-	100%	NM
Total vehicles	5.0	4.3	2.7	0.9	0.5	17%	NM
Parts, service and collision repair	3.3	3.1	1.8	0.5	0.3	5%	NM
Finance, insurance and other, net	1.5	1.3	0.9	0.3	0.2	19%	NM
Total gross profit	9.8	8.7	5.4	1.7	1.0	13%	NM
SG&A expenses	(7.8)	(5.9)	(3.6)	(2.3)	(0.6)	(32%)	NM
Impairment charges	-	-	-	-	-	NM	NM
Depreciation and amortization	(0.8)	(0.6)	(0.2)	(0.1)	-	(39%)	NM
Operating income (loss)	1.2	2.2	1.6	(0.7)	0.4	(45%)	NM
Interest expense, floor plan	(0.1)	-	-	-	-	NM	NM
Interest expense, other, net	(0.6)	(0.6)	(0.4)	-	-	3%	NM
Other income (expense), net	0.1	0.2	-	-	-	NM	NM
Income (loss) before taxes	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	\$ 0.4	(66%)	NM
Unit sales volume:							
Retail new vehicles	1,107	1,013	490	48	41	9%	NM
Used vehicles	444	237	177	112	64	87%	NM
Wholesale vehicles	7	34	1	-	-	NM	NM
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 3,573	\$ 3,535	\$ 4,304	\$ 7,401	\$ 6,829	1%	NM
Used vehicles	\$ 2,328	\$ 2,860	\$ 3,328	\$ 4,196	\$ 3,733	(19%)	NM
F&I	\$ 980	\$ 1,026	\$ 1,297	\$ 1,933	\$ 1,643	(4%)	NM

Note: Gross Profit Per Unit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



→ Non-GAAP Reconciliation – Quarterly Trend – Powersports Segment

(In millions)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q1 2023	
						Better / (Worse) % Change Sequential	% Change Year-Over-Year
Reported income (loss) before taxes	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	\$ 0.4	(66%)	NM
Impairment charges	-	-	-	-	-	NM	NM
Segment income (loss)	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	\$ 0.4	(66%)	NM
Reported SG&A expenses	\$ (7.8)	\$ (5.9)	\$ (3.6)	\$ (2.3)	\$ (0.6)	(32%)	NM
Reported SG&A expenses as a percentage of gross profit	80.1%	68.4%	66.2%	135.2%	53.2%	(1,170) bps	NM
Income (loss) before taxes	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	\$ 0.4	NM	NM
Non-floor plan interest	0.6	0.6	0.4	-	-	NM	NM
Depreciation and amortization	0.7	0.5	0.2	0.1	0.1	NM	NM
Adjusted EBITDA	\$ 1.9	\$ 2.9	\$ 1.8	\$ (0.6)	\$ 0.5	(34%)	NM

Note: SG&A Expenses As A Percentage Of Gross Profit Metrics Are Calculated Based On Actual Unrounded Amounts

NM = Not Meaningful



→ Non-GAAP Reconciliation – Adjusted EBITDA – EchoPark Segment

(In millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Income (loss) before taxes	\$ 2.0	\$ (14.4)	\$ (32.9)	\$ (26.8)	\$ (35.3)	\$ (34.2)	\$ (31.1)	\$ (238.2)	\$ (46.8)
Non-floor plan interest	0.4	0.3	0.3	0.7	0.7	1.0	1.1	0.9	0.9
Depreciation and amortization	3.3	4.2	4.0	4.9	5.1	5.9	6.8	7.0	7.0
Impairment charges	-	-	-	0.1	-	-	-	204.9	-
Long-term compensation charges	0.5	0.5	0.5	6.5	-	-	-	-	2.0
Acquisition and disposition-related (gain) loss	-	-	(0.4)	-	-	-	-	-	-
Adjusted EBITDA	\$ 6.2	\$ (9.4)	\$ (28.5)	\$ (14.6)	\$ (29.5)	\$ (27.3)	\$ (23.2)	\$ (25.4)	\$ (36.9)

(In millions)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Income (loss) before taxes	\$ 0.2	\$ 1.7	\$ 2.1	\$ (14.5)	\$ 2.1	\$ 2.6	\$ 0.2	\$ (0.8)
Non-floor plan interest	0.5	0.4	0.5	0.4	0.4	0.2	0.1	0.2
Depreciation and amortization	2.4	2.7	2.7	2.8	2.7	2.8	2.8	2.9
Impairment charges	1.9	-	1.1	16.6	-	-	-	-
Long-term compensation charges	-	-	-	-	-	-	-	-
Acquisition and disposition-related (gain) loss	-	-	-	-	-	-	-	(5.2)
Adjusted EBITDA	\$ 5.0	\$ 4.8	\$ 6.4	\$ 5.3	\$ 5.2	\$ 5.6	\$ 3.1	\$ (2.9)







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