
**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): July 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 July 27, 2023, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal second quarter ended June 30, 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 July 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 July 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.

July 27, 2023

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive Reports All-Time Record Quarterly Revenues

Previously Announced Strategic Adjustments to EchoPark Business Expected to Enhance Near-Term Performance While Maintaining Long-Term Strategic Plan

CHARLOTTE, N.C. – July 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 second quarter ended June 30, 2023.

Second Quarter 2023 Financial Summary

- All-time record quarterly revenues of \$3.7 billion, up 4% year-over-year; quarterly gross profit of \$568.9 million, down 3% year-over-year
- Reported second quarter net income of \$23.4 million, down 75% year-over-year (\$0.65 earnings per diluted share, down 72% year-over-year)
 - Adjusted second quarter net income* was \$66.0 million, down 33% year-over-year (\$1.83 adjusted earnings per diluted share*, down 25% year-over-year)
- Reported selling, general and administrative (“SG&A”) expenses as a percentage of gross profit of 68.9% (59.7% on a Franchised Dealerships Segment basis)
 - Adjusted SG&A expenses as a percentage of gross profit* of 70.5% (63.3% on a Franchised Dealerships Segment basis)
- EchoPark Segment revenues of \$600.6 million, down 9% year-over-year; EchoPark Segment gross profit of \$26.8 million, down 44% year-over-year; EchoPark Segment retail used vehicle unit sales volume of 17,084, up 4% year-over-year

EchoPark Update

- Completed previously announced plan to indefinitely suspend operations at eight EchoPark retail hub locations and 14 related EchoPark delivery/buy centers, plus three Northwest Motorsport locations within the EchoPark Segment (collectively, the “closed EchoPark stores”), representing a total of \$13.2 million of segment loss in the second quarter of 2023
- Recorded a second quarter 2023 charge related to the closed EchoPark stores of approximately \$75.2 million, including \$62.6 million of non-cash impairment charges, \$2.2 million of severance, \$0.4 million of non-cash lease exit charges and \$10.0 million of non-cash inventory valuation adjustments (of which \$7.7 million relates to stores with ongoing operations)
- Expect ongoing expenses associated with the closed EchoPark stores of approximately \$2.5 million to \$3.0 million per quarter
- Reiterate previously issued guidance of an expected return to breakeven EchoPark Segment adjusted EBITDA* in the first quarter of 2024

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

Management Commentary

David Smith, Chairman and Chief Executive Officer of Sonic Automotive, stated, “Our team remains focused on executing our strategic plan and adapting our business to an evolving industry backdrop. I am extremely proud of our team's continued efforts to maximize profitability in the near-term, while positioning Sonic for long-term success. We believe the strategic investments in our business and our teammates will allow us to continue to deliver an exceptional guest experience while generating returns for our stockholders in the long run.”

Jeff Dyke, President of Sonic Automotive, commented, “Our team's combined decades of experience in the automotive retail industry has taught us that making tough business decisions in the short-term can pay dividends over time. We remain confident in the long-term potential for EchoPark and believe that the steps we have taken to improve near-term financial performance will position us to achieve our strategic goals. In the meantime, our franchised dealerships and powersports teams continue to perform at a high level, maintaining our focus on profitability enhancements and cash flow generation as market conditions begin to normalize.”

Heath Byrd, Chief Financial Officer of Sonic Automotive, added, “Our strong balance sheet and cash flows provide us with the flexibility to continue to enhance our diversified business model and adapt to changes in the macroeconomic and industry backdrop. As of June 30, 2023, we had \$864 million of liquidity, including \$407 million in cash and floor plan deposits on hand. With the improvements we have made to the EchoPark cost structure, we believe we remain well-positioned to achieve our financial goals and continue to deliver long-term returns for our stockholders.”

Second Quarter 2023 Segment Highlights

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

- Franchised Dealerships Segment operating results include:
 - Same store revenues up 6%; same store gross profit down 2%
 - Same store retail new vehicle unit sales volume up 12%; same store retail new vehicle gross profit per unit down 25%, to \$4,986
 - Same store retail used vehicle unit sales volume down 10%; same store retail used vehicle gross profit per unit down 3%, to \$1,618
 - Same store parts, service and collision repair (“Fixed Operations”) gross profit up 9%; same store customer pay gross profit up 11%; same store warranty gross profit up 6%; same store Fixed Operations gross margin down 10 basis points, to 49.6%
 - Same store finance and insurance (“F&I”) gross profit up 4%; same store F&I gross profit per retail unit of \$2,522, up 4% (all-time record quarterly Franchised Dealerships Segment F&I per unit of \$2,516, up 2%)
 - On a trailing quarter cost of sales basis, the Franchised Dealerships Segment had 30 days’ supply of new vehicle inventory (including in-transit) and 31 days’ supply of used vehicle inventory
 - EchoPark Segment operating results include:
 - Revenues of \$600.6 million, down 9%; gross profit of \$26.8 million, down 44% (reported gross profit includes a \$10.0 million charge related to used vehicle inventory valuation adjustments)
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- Revenues from the closed EchoPark stores were \$74.4 million, down 30%; gross profit from the closed EchoPark stores was \$3.1, down 37%
- Retail used vehicle unit sales volume of 17,084, up 4%
 - Retail used vehicle unit sales volume from the closed EchoPark stores was 2,324 units (14% of EchoPark Segment retail used vehicle unit sales volume)
- Reported segment loss of \$52.8 million, adjusted segment loss* of \$40.0 million, and adjusted EBITDA* loss of \$31.8 million
 - Reported segment loss from the closed EchoPark stores was \$13.2 million
- Retail used vehicle unit sales volume was comprised of 82% 1-4-year-old vehicles and 18% 5-plus-year-old vehicles, with 23% of retail used vehicle unit sales volume sourced from non-auction sources
- On a trailing quarter cost of sales basis, the EchoPark Segment had 39 days' supply of used vehicle inventory
- Powersports Segment operating results include:
 - Revenues of \$45.0 million, gross profit of \$12.8 million, gross margin of 28.5%
 - Segment income of \$2.0 million and adjusted EBITDA* of \$3.4 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, 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.

Acquisition and Disposition Activity

During the second quarter of 2023, Sonic disposed of three franchised dealerships in Alabama and North Carolina, which generated net cash from disposition of approximately \$52.3 million and a net gain on disposition of approximately \$20.9 million. These disposed stores represent projected annualized revenues of approximately \$170 million and projected annualized pre-tax income of approximately \$5 million.

Dividend

Sonic's Board of Directors approved a quarterly cash dividend of \$0.29 per share, payable on October 13, 2023 to all stockholders of record on September 15, 2023.

Second 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 (866) 682-6100 (domestic) or +1 (862) 298-0702 (international) and ask to be connected to the Sonic Automotive Second 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 most comprehensive retailers of nearly new pre-owned vehicles in America today. Our unique business model offers a best-in-class shopping and utilizes 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 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 anticipated future EchoPark profitability, anticipated future EchoPark adjusted EBITDA, and anticipated future expenses related to closed locations. 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, adjusted segment loss, and adjusted EBITDA. As required by SEC rules, the Company has provided reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the schedules included in this press release. The Company

believes that these non-GAAP financial measures improve the transparency of the Company's disclosures and provide a meaningful presentation of the Company's results.

Company Contacts

Investor Inquiries:

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Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations - Consolidated

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except per share amounts)						
Revenues:						
Retail new vehicles	\$ 1,608.2	\$ 1,344.3	20 %	\$ 3,051.0	\$ 2,695.6	13 %
Fleet new vehicles	28.3	19.8	43 %	47.1	38.0	24 %
Total new vehicles	1,636.5	1,364.1	20 %	3,098.1	2,733.6	13 %
Used vehicles	1,305.9	1,448.3	(10) %	2,650.8	2,818.4	(6) %
Wholesale vehicles	91.5	121.4	(25) %	177.0	290.2	(39) %
Total vehicles	3,033.9	2,933.8	3 %	5,925.9	5,842.2	1 %
Parts, service and collision repair	443.7	399.2	11 %	874.2	780.5	12 %
Finance, insurance and other, net	175.3	173.2	1 %	344.0	339.7	1 %
Total revenues	3,652.9	3,506.2	4 %	7,144.1	6,962.4	3 %
Cost of sales:						
Retail new vehicles	(1,466.8)	(1,176.0)	(25) %	(2,771.5)	(2,359.6)	(17) %
Fleet new vehicles	(27.0)	(18.9)	(43) %	(45.0)	(36.2)	(24) %
Total new vehicles	(1,493.8)	(1,194.9)	(25) %	(2,816.5)	(2,395.8)	(18) %
Used vehicles	(1,274.4)	(1,401.7)	9 %	(2,589.3)	(2,724.0)	5 %
Wholesale vehicles	(92.5)	(120.2)	23 %	(174.9)	(287.6)	39 %
Total vehicles	(2,860.7)	(2,716.8)	(5) %	(5,580.7)	(5,407.4)	(3) %
Parts, service and collision repair	(223.3)	(200.6)	(11) %	(440.9)	(394.9)	(12) %
Total cost of sales	(3,084.0)	(2,917.4)	(6) %	(6,021.6)	(5,802.3)	(4) %
Gross profit	568.9	588.8	(3) %	1,122.5	1,160.1	(3) %
Selling, general and administrative expenses	(391.9)	(402.8)	3 %	(804.7)	(789.8)	(2) %
Impairment charges	(62.6)	—	(100) %	(62.6)	—	(100) %
Depreciation and amortization	(36.1)	(31.2)	(16) %	(70.5)	(61.1)	(15) %
Operating income (loss)	78.3	154.8	(49) %	184.7	309.2	(40) %
Other income (expense):						
Interest expense, floor plan	(17.0)	(6.1)	(179) %	(31.5)	(11.1)	(184) %
Interest expense, other, net	(28.9)	(21.3)	(36) %	(57.3)	(42.1)	(36) %
Other income (expense), net	0.1	(0.2)	150 %	0.2	0.1	100 %
Total other income (expense)	(45.8)	(27.6)	(66) %	(88.6)	(53.1)	(67) %
Income (loss) before taxes	32.5	127.2	(74) %	96.1	256.1	(62) %
Provision for income taxes - benefit (expense)	(9.1)	(32.4)	72 %	(25.0)	(64.0)	61 %
Net income (loss)	\$ 23.4	\$ 94.8	(75) %	\$ 71.1	\$ 192.1	(63) %
Basic earnings (loss) per common share	\$ 0.66	\$ 2.40	(73) %	\$ 2.00	\$ 4.81	(58) %
Basic weighted-average common shares outstanding	35.3	39.5	11 %	35.6	40.0	11 %
Diluted earnings (loss) per common share	\$ 0.65	\$ 2.34	(72) %	\$ 1.95	\$ 4.67	(58) %
Diluted weighted-average common shares outstanding	36.0	40.5	11 %	36.5	41.2	12 %
Dividends declared per common share	\$ 0.29	\$ 0.25	16 %	\$ 0.57	\$ 0.37	54 %

Franchised Dealerships Segment - Reported

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 1,583.3	\$ 1,341.7	18 %	\$ 3,004.3	\$ 2,687.4	12 %
Fleet new vehicles	28.3	19.9	42 %	47.1	38.0	24 %
Total new vehicles	1,611.6	1,361.6	18 %	3,051.4	2,725.4	12 %
Used vehicles	774.5	871.9	(11) %	1,542.0	1,725.7	(11) %
Wholesale vehicles	55.6	79.2	(30) %	114.0	185.5	(39) %
Total vehicles	2,441.7	2,312.7	6 %	4,707.4	4,636.6	2 %
Parts, service and collision repair	433.4	398.1	9 %	857.2	778.7	10 %
Finance, insurance and other, net	132.2	129.8	2 %	249.4	256.2	(3) %
Total revenues	3,007.3	2,840.6	6 %	5,814.0	5,671.5	3 %
Gross Profit:						
Retail new vehicles	136.9	167.3	(18) %	270.9	333.8	(19) %
Fleet new vehicles	1.3	0.9	44 %	2.1	1.8	17 %
Total new vehicles	138.2	168.2	(18) %	273.0	335.6	(19) %
Used vehicles	44.5	43.7	2 %	85.3	90.6	(6) %
Wholesale vehicles	(1.0)	(0.5)	(100) %	1.0	(0.9)	211 %
Total vehicles	181.7	211.4	(14) %	359.3	425.3	(16) %
Parts, service and collision repair	215.4	198.1	9 %	425.0	384.8	10 %
Finance, insurance and other, net	132.2	129.8	2 %	249.4	256.2	(3) %
Total gross profit	529.3	539.3	(2) %	1,033.7	1,066.3	(3) %
Selling, general and administrative expenses	(316.1)	(327.5)	3 %	(647.3)	(642.9)	(1) %
Impairment charges	—	—	— %	—	—	— %
Depreciation and amortization	(27.9)	(25.3)	(10) %	(54.5)	(50.0)	(9) %
Operating income (loss)	185.3	186.5	(1) %	331.9	373.4	(11) %
Other income (expense):						
Interest expense, floor plan	(11.9)	(3.9)	(205) %	(21.8)	(7.2)	(203) %
Interest expense, other, net	(27.5)	(20.2)	(36) %	(54.4)	(40.3)	(35) %
Other income (expense), net	—	(0.3)	100 %	0.1	0.1	— %
Total other income (expense)	(39.4)	(24.4)	(61) %	(76.1)	(47.4)	(61) %
Income (loss) before taxes	145.9	162.1	(10) %	255.8	326.0	(22) %
Add: Impairment charges	—	—	— %	—	—	— %
Segment income (loss)	\$ 145.9	\$ 162.1	(10) %	\$ 255.8	\$ 326.0	(22) %
Unit Sales Volume:						
Retail new vehicles	27,358	24,342	12 %	51,897	48,944	6 %
Fleet new vehicles	590	422	40 %	1,031	782	32 %
Total new vehicles	27,948	24,764	13 %	52,928	49,726	6 %
Used vehicles	25,197	28,156	(11) %	50,304	55,234	(9) %
Wholesale vehicles	5,516	5,851	(6) %	10,999	12,623	(13) %
Retail new & used vehicles	52,555	52,498	— %	102,201	104,178	(2) %
Used-to-New Ratio	0.92	1.16	(21) %	0.97	1.13	(14) %
Gross Profit Per Unit:						
Retail new vehicles	\$ 5,003	\$ 6,871	(27) %	\$ 5,221	\$ 6,821	(23) %
Fleet new vehicles	\$ 2,099	\$ 2,235	(6) %	\$ 2,065	\$ 2,285	(10) %
New vehicles	\$ 4,942	\$ 6,792	(27) %	\$ 5,159	\$ 6,749	(24) %
Used vehicles	\$ 1,765	\$ 1,553	14 %	\$ 1,695	\$ 1,640	3 %
Finance, insurance and other, net	\$ 2,516	\$ 2,472	2 %	\$ 2,440	\$ 2,460	(1) %

NM = Not Meaningful

Franchised Dealerships Segment - Same Store

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 1,558.2	\$ 1,323.9	18 %	\$ 2,953.7	\$ 2,653.8	11 %
Fleet new vehicles	28.4	19.9	43 %	47.2	38.0	24 %
Total new vehicles	1,586.6	1,343.8	18 %	3,000.9	2,691.8	11 %
Used vehicles	761.9	857.2	(11) %	1,513.4	1,695.2	(11) %
Wholesale vehicles	54.5	78.3	(30) %	112.0	183.0	(39) %
Total vehicles	2,403.0	2,279.3	5 %	4,626.3	4,570.0	1 %
Parts, service and collision repair	427.3	392.5	9 %	843.5	767.9	10 %
Finance, insurance and other, net	130.1	124.8	4 %	245.4	246.2	— %
Total revenues	2,960.4	2,796.6	6 %	5,715.2	5,584.1	2 %
Gross Profit:						
Retail new vehicles	133.8	160.0	(16) %	265.1	319.1	(17) %
Fleet new vehicles	1.2	0.9	33 %	2.1	1.8	17 %
Total new vehicles	135.1	161.0	(16) %	267.2	320.9	(17) %
Used vehicles	40.0	45.9	(13) %	78.5	93.0	(16) %
Wholesale vehicles	(0.3)	(0.6)	50 %	1.4	(0.9)	256 %
Total vehicles	174.8	206.3	(15) %	347.1	413.0	(16) %
Parts, service and collision repair	212.0	195.2	9 %	417.5	379.1	10 %
Finance, insurance and other, net	130.1	124.8	4 %	245.4	246.2	— %
Total gross profit	\$ 516.9	\$ 526.3	(2) %	\$ 1,010.0	\$ 1,038.3	(3) %
Unit Sales Volume:						
Retail new vehicles	26,844	23,936	12 %	50,840	48,170	6 %
Fleet new vehicles	590	422	40 %	1,031	782	32 %
Total new vehicles	27,434	24,358	13 %	51,871	48,952	6 %
Used vehicles	24,737	27,596	(10) %	49,260	54,099	(9) %
Wholesale vehicles	5,418	5,764	(6) %	10,790	12,426	(13) %
Retail new & used vehicles	51,581	51,532	— %	100,100	102,269	(2) %
Used-to-New Ratio	0.92	1.15	(20) %	0.97	1.12	(13) %
Gross Profit Per Unit:						
Retail new vehicles	\$ 4,986	\$ 6,686	(25) %	\$ 5,215	\$ 6,624	(21) %
Fleet new vehicles	\$ 2,099	\$ 2,235	(6) %	\$ 2,065	\$ 2,285	(10) %
New vehicles	\$ 4,924	\$ 6,609	(25) %	\$ 5,152	\$ 6,555	(21) %
Used vehicles	\$ 1,618	\$ 1,663	(3) %	\$ 1,593	\$ 1,718	(7) %
Finance, insurance and other, net	\$ 2,522	\$ 2,422	4 %	\$ 2,452	\$ 2,407	2 %

NM = Not Meaningful

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

EchoPark Segment - Reported

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ —	\$ 1.3	(100) %	\$ 1.0	\$ 5.7	(82) %
Used vehicles	524.0	574.5	(9) %	1,096.5	1,089.8	1 %
Wholesale vehicles	35.5	42.0	(15) %	62.5	104.5	(40) %
Total vehicles	559.5	617.8	(9) %	1,160.0	1,200.0	(3) %
Finance, insurance and other, net	41.1	43.1	(5) %	91.1	83.0	10 %
Total revenues	600.6	660.9	(9) %	1,251.1	1,283.0	(2) %
Gross Profit:						
Retail new vehicles	—	0.6	(100) %	0.1	1.6	(94) %
Used vehicles	(14.3)	2.4	(696) %	(26.2)	3.1	(945) %
Wholesale vehicles	—	1.7	(100) %	1.2	3.4	(65) %
Total vehicles	(14.3)	4.7	(404) %	(24.9)	8.1	(407) %
Finance, insurance and other, net	41.1	43.1	(5) %	91.1	83.0	10 %
Total gross profit	26.8	47.8	(44) %	66.2	91.1	(27) %
Selling, general and administrative expenses	(66.6)	(73.0)	9 %	(140.4)	(144.1)	3 %
Impairment charges	(62.6)	—	(100) %	(62.6)	—	(100) %
Depreciation and amortization	(7.4)	(5.8)	(28) %	(14.4)	(10.9)	(32) %
Operating income (loss)	(109.8)	(31.0)	(254) %	(151.2)	(63.9)	(137) %
Other income (expense):						
Interest expense, floor plan	(4.8)	(2.2)	(118) %	(9.3)	(3.9)	(138) %
Interest expense, other, net	(0.9)	(1.1)	18 %	(1.8)	(1.8)	— %
Other income (expense), net	0.1	0.1	— %	—	—	— %
Total other income (expense)	(5.6)	(3.2)	(75) %	(11.1)	(5.7)	(95) %
Income (loss) before taxes	(115.4)	(34.2)	(237) %	(162.3)	(69.6)	(133) %
Add: Impairment charges	62.6	—	100 %	62.6	—	100 %
Segment income (loss)	\$ (52.8)	\$ (34.2)	(54) %	\$ (99.7)	\$ (69.6)	(43) %
Unit Sales Volume:						
Retail new vehicles	—	37	(100) %	11	81	(86) %
Used vehicles	17,084	16,496	4 %	37,064	31,427	18 %
Wholesale vehicles	3,235	2,694	20 %	6,151	6,343	(3) %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 1,569	\$ 2,751	(43) %	\$ 1,750	\$ 2,730	(36) %

NM = Not Meaningful

EchoPark Segment - Same Market

	Three Months Ended June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except unit and per unit data)						
Revenues:						
Used vehicles	\$ 422.3	\$ 338.7	25 %	\$ 875.9	\$ 621.2	41 %
Wholesale vehicles	23.7	26.8	(12) %	43.9	72.2	(39) %
Total vehicles	446.0	365.5	22 %	919.8	693.4	33 %
Finance, insurance and other, net	33.0	25.2	31 %	73.4	47.5	55 %
Total revenues	479.0	390.7	23 %	993.2	740.9	34 %
Gross Profit:						
Used vehicles	(2.2)	(2.1)	(5) %	(10.6)	(5.4)	(96) %
Wholesale vehicles	0.1	1.3	(92) %	1.1	3.0	(63) %
Total vehicles	(2.1)	(0.8)	(163) %	(9.5)	(2.4)	(296) %
Finance, insurance and other, net	33.0	25.2	31 %	73.4	47.5	55 %
Total gross profit	\$ 30.9	\$ 24.4	27 %	\$ 63.9	\$ 45.1	42 %
Unit Sales Volume:						
Used vehicles	13,732	10,104	36 %	29,823	18,791	59 %
Wholesale vehicles	2,462	1,849	33 %	4,736	4,452	6 %
Gross Profit Per Unit:						
Total used vehicle and F&I	\$ 2,244	\$ 2,290	(2) %	\$ 2,107	\$ 2,241	(6) %

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 June 30,		Better / (Worse) % Change	Six Months Ended June 30,		Better / (Worse) % Change
	2023	2022		2023	2022	
(In millions, except unit and per unit data)						
Revenues:						
Retail new vehicles	\$ 24.9	\$ 1.2	NM	\$ 45.7	\$ 2.5	NM
Used vehicles	7.4	1.9	NM	12.3	2.9	NM
Wholesale vehicles	0.4	0.2	NM	0.5	0.2	NM
Total vehicles	32.7	3.3	NM	58.5	5.6	NM
Parts, service and collision repair	10.3	1.1	NM	17.0	1.8	NM
Finance, insurance and other, net	2.0	0.3	NM	3.5	0.5	NM
Total revenues	45.0	4.7	NM	79.0	7.9	NM
Gross Profit:						
Retail new vehicles	4.5	0.4	NM	8.5	0.6	NM
Used vehicles	1.3	0.5	NM	2.4	0.7	NM
Wholesale vehicles	—	—	NM	(0.1)	—	NM
Total vehicles	5.8	0.9	NM	10.8	1.3	NM
Parts, service and collision repair	5.0	0.5	NM	8.3	0.9	NM
Finance, insurance and other, net	2.0	0.3	NM	3.5	0.5	NM
Total gross profit	12.8	1.7	NM	22.6	2.7	NM
Selling, general and administrative expenses	(9.2)	(2.3)	NM	(17.0)	(2.8)	NM
Depreciation and amortization	(0.8)	(0.1)	NM	(1.6)	(0.2)	NM
Operating income (loss)	2.8	(0.7)	NM	4.0	(0.3)	NM
Other income (expense):						
Interest expense, floor plan	(0.3)	—	NM	(0.4)	—	NM
Interest expense, other, net	(0.5)	—	NM	(1.1)	—	NM
Other income (expense), net	—	—	NM	0.1	—	NM
Total other income (expense)	(0.8)	—	NM	(1.4)	—	NM
Income (loss) before taxes	2.0	(0.7)	NM	2.6	(0.3)	NM
Add: Impairment charges	—	—	NM	—	—	NM
Segment income (loss)	\$ 2.0	\$ (0.7)	NM	\$ 2.6	\$ (0.3)	NM
Unit Sales Volume:						
Retail new vehicles	1,396	48	NM	2,503	89	NM
Used vehicles	691	112	NM	1,135	176	NM
Wholesale vehicles	50	—	NM	57	—	NM
Gross Profit Per Unit:						
Retail new vehicles	\$ 3,235	\$ 7,401	NM	\$ 3,385	\$ 7,156	NM
Used vehicles	\$ 1,942	\$ 4,196	NM	\$ 2,093	\$ 4,028	NM
Finance, insurance and other, net	\$ 952	\$ 1,933	NM	\$ 964	\$ 1,818	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 June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 261.0	\$ 266.4	\$ 5.4	2 %
Advertising	22.8	25.6	2.8	11 %
Rent	11.5	13.7	2.2	16 %
Other	96.6	97.1	0.5	1 %
Total SG&A expenses	<u>\$ 391.9</u>	<u>\$ 402.8</u>	<u>\$ 10.9</u>	<u>3 %</u>
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ 20.7	\$ —		
Hail and storm damage charges	(1.9)	—		
Lease exit charges	(0.4)	—		
Severance and long-term compensation charges	(2.2)	(4.4)		
Total SG&A adjustments	<u>\$ 16.2</u>	<u>\$ (4.4)</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 408.1</u>	<u>\$ 398.4</u>	<u>\$ (9.7)</u>	<u>(2) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	45.9 %	45.2 %	(70) bps	
Advertising	4.0 %	4.3 %	30 bps	
Rent	2.0 %	2.3 %	30 bps	
Other	17.0 %	16.6 %	(40) bps	
Total SG&A expenses as a % of gross profit	<u>68.9 %</u>	<u>68.4 %</u>	<u>(50) bps</u>	
Adjustments:				
Acquisition and disposition-related gain (loss)	2.0 %	— %		
Hail and storm damage charges	(0.2)%	— %		
Lease exit charges	— %	— %		
Severance and long-term compensation charges	(0.2)%	(0.7)%		
Total effect of adjustments	<u>1.6 %</u>	<u>(0.7)%</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>70.5 %</u>	<u>67.7 %</u>	<u>(280) bps</u>	
Reported:				
Total gross profit	\$ 568.9	\$ 588.8	\$ (19.9)	(3) %
Adjustments:				
Used vehicle inventory valuation adjustment	\$ 10.0	\$ —		
Total adjustments	<u>\$ 10.0</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted gross profit	<u>\$ 578.9</u>	<u>\$ 588.8</u>	<u>\$ (9.9)</u>	<u>(2) %</u>

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

	Six Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 519.7	\$ 518.9	\$ (0.8)	— %
Advertising	48.9	51.7	2.8	5 %
Rent	22.8	26.4	3.6	14 %
Other	213.3	192.8	(20.5)	(11) %
Total SG&A expenses	<u>\$ 804.7</u>	<u>\$ 789.8</u>	<u>\$ (14.9)</u>	<u>(2) %</u>
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ 20.7	\$ —		
Hail and storm damage charges	(1.9)	—		
Lease exit charges	(0.4)	—		
Severance and long-term compensation charges	(4.2)	(4.4)		
Total SG&A adjustments	<u>\$ 14.2</u>	<u>\$ (4.4)</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 818.9</u>	<u>\$ 785.4</u>	<u>\$ (33.5)</u>	<u>(4) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	46.3 %	44.7 %	(160) bps	
Advertising	4.4 %	4.5 %	10 bps	
Rent	2.0 %	2.3 %	30 bps	
Other	19.0 %	16.6 %	(240) bps	
Total SG&A expenses as a % of gross profit	<u>71.7 %</u>	<u>68.1 %</u>	<u>(360) bps</u>	
Adjustments:				
Acquisition and disposition-related gain (loss)	0.9 %	— %		
Hail and storm damage charges	(0.1)%	— %		
Lease exit charges	— %	— %		
Severance and long-term compensation charges	(0.2)%	(0.4)%		
Total effect of adjustments	0.6 %	(0.4)%		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>72.3 %</u>	<u>67.7 %</u>	<u>(460) bps</u>	
Reported:				
Total gross profit	\$ 1,122.5	\$ 1,160.1	\$ (37.6)	(3) %
Adjustments:				
Used vehicle inventory valuation adjustment	\$ 10.0	\$ —		
Total adjustments	<u>\$ 10.0</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted gross profit	<u>\$ 1,132.5</u>	<u>\$ 1,160.1</u>	<u>\$ (27.6)</u>	<u>(2) %</u>

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

	Three Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 219.0	\$ 225.9	\$ 6.9	3 %
Advertising	8.7	7.8	(0.9)	(12) %
Rent	9.4	11.0	1.6	15 %
Other	79.0	82.8	3.8	5 %
Total SG&A expenses	<u>\$ 316.1</u>	<u>\$ 327.5</u>	<u>\$ 11.4</u>	<u>3 %</u>
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ 20.9	\$ —		
Hail and storm damage charges	(1.9)	—		
Long-term compensation charges	—	(4.4)		
Total SG&A adjustments	<u>\$ 19.0</u>	<u>\$ (4.4)</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 335.1</u>	<u>\$ 323.1</u>	<u>\$ (12.0)</u>	<u>(4) %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	41.4 %	41.9 %	50 bps	
Advertising	1.6 %	1.4 %	(20) bps	
Rent	1.8 %	2.0 %	20 bps	
Other	14.9 %	15.4 %	50 bps	
Total SG&A expenses as a % of gross profit	<u>59.7 %</u>	<u>60.7 %</u>	<u>100 bps</u>	
Adjustments:				
Acquisition and disposition-related gain (loss)	4.0 %	— %		
Hail and storm damage charges	(0.4)%	— %		
Long-term compensation charges	— %	(0.8)%		
Total effect of adjustments	<u>3.6 %</u>	<u>(0.8)%</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>63.3 %</u>	<u>59.9 %</u>	<u>(340) bps</u>	
Reported:				
Total gross profit	\$ 529.3	\$ 539.3	\$ (10.0)	(2) %

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

	Six Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
	(In millions)			
Reported:				
Compensation	\$ 432.8	\$ 441.0	\$ 8.2	2 %
Advertising	18.6	15.6	(3.0)	(19) %
Rent	19.5	21.9	2.4	11 %
Other	176.4	164.4	(12.0)	(7) %
Total SG&A expenses	\$ 647.3	\$ 642.9	\$ (4.4)	(1) %
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ 20.9	\$ —		
Hail and storm damage charges	(1.9)	—		
Long-term compensation charges	—	(4.4)		
Total SG&A adjustments	\$ 19.0	\$ (4.4)		
Adjusted:				
Total adjusted SG&A expenses	\$ 666.3	\$ 638.5	\$ (27.8)	(4) %
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	41.9 %	41.4 %	(50) bps	
Advertising	1.8 %	1.5 %	(30) bps	
Rent	1.9 %	2.1 %	20 bps	
Other	17.0 %	15.3 %	(170) bps	
Total SG&A expenses as a % of gross profit	62.6 %	60.3 %	(230) bps	
Adjustments:				
Acquisition and disposition-related gain (loss)	2.1 %	— %		
Hail and storm damage charges	(0.2)%	— %		
Long-term compensation charges	— %	(0.4)%		
Total effect of adjustments	1.9 %	(0.4)%		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	64.5 %	59.9 %	(460) bps	
Reported:				
Total gross profit	\$ 1,033.6	\$ 1,066.3	\$ (32.7)	(3) %

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

	Three Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 35.4	\$ 38.6	\$ 3.2	8 %
Advertising	13.7	17.8	4.1	23 %
Rent	2.1	2.7	0.6	22 %
Other	15.4	13.9	(1.5)	(11)%
Total SG&A expenses	<u>\$ 66.6</u>	<u>\$ 73.0</u>	<u>\$ 6.4</u>	<u>9 %</u>
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ (0.2)	\$ —		
Lease exit charges	(0.4)	—		
Severance charges	(2.2)	—		
Total SG&A adjustments	<u>\$ (2.8)</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 63.8</u>	<u>\$ 73.0</u>	<u>\$ 9.2</u>	<u>12.6 %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	132.2 %	80.8 %	NM	
Advertising	51.2 %	37.1 %	NM	
Rent	8.0 %	5.7 %	(230) bps	
Other	57.1 %	29.0 %	NM	
Total SG&A expenses as a % of gross profit	<u>248.5 %</u>	<u>152.6 %</u>	<u>NM</u>	
Adjustments:				
Acquisition and disposition-related gain (loss)	(5.4)%	— %		
Lease exit charges	(10.7)%	— %		
Severance charges	(58.9)%	— %		
Total effect of adjustments	<u>(75.0)%</u>	<u>— %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>173.5 %</u>	<u>152.6 %</u>	<u>NM</u>	
Reported:				
Total gross profit	\$ 26.8	\$ 47.8	\$ (21.0)	(44)%
Adjustments:				
Used vehicle inventory valuation adjustment	\$ 10.0	\$ —		
Total adjustments	<u>\$ 10.0</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted gross profit	<u>\$ 36.8</u>	<u>\$ 47.8</u>	<u>\$ (11.0)</u>	<u>(23)%</u>

NM = Not Meaningful

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

	Six Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 75.1	\$ 75.7	\$ 0.6	1 %
Advertising	29.5	36.0	6.5	18 %
Rent	3.2	4.5	1.3	29 %
Other	32.6	27.9	(4.7)	(17) %
Total SG&A expenses	<u>\$ 140.4</u>	<u>\$ 144.1</u>	<u>\$ 3.7</u>	<u>3 %</u>
Adjustments:				
Acquisition and disposition-related gain (loss)	\$ (0.2)	\$ —		
Lease exit charges	(0.4)	—		
Severance and long-term compensation charges	(4.2)	—		
Total SG&A adjustments	<u>\$ (4.8)</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 135.6</u>	<u>\$ 144.1</u>	<u>\$ 8.5</u>	<u>5.9 %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	113.4 %	83.1 %	NM	
Advertising	44.5 %	39.6 %	(490) bps	
Rent	4.9 %	4.9 %	— bps	
Other	49.2 %	30.6 %	NM	
Total SG&A expenses as a % of gross profit	<u>212.0 %</u>	<u>158.2 %</u>	<u>NM</u>	
Adjustments:				
Acquisition and disposition-related gain (loss)	(1.4)%	— %		
Lease exit charges	(2.8)%	— %		
Severance and long-term compensation charges	(29.8)%	— %		
Total effect of adjustments	<u>(34.1)%</u>	<u>— %</u>		
Adjusted:				
Total adjusted SG&A expenses as a % of gross profit	<u>177.9 %</u>	<u>158.2 %</u>	<u>NM</u>	
Reported:				
Total gross profit	\$ 66.2	\$ 91.1	\$ (24.9)	(27) %
Adjustments:				
Used vehicle inventory valuation adjustment	\$ 10.0	\$ —		
Total adjustments	<u>\$ 10.0</u>	<u>\$ —</u>		
Adjusted:				
Total adjusted gross profit	<u>\$ 76.2</u>	<u>\$ 91.1</u>	<u>\$ (14.9)</u>	<u>(16) %</u>

NM = Not Meaningful

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

	Three Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 6.6	\$ 1.9	\$ (4.7)	NM
Advertising	0.4	—	(0.4)	NM
Rent	—	—	—	NM
Other	2.2	0.4	(1.8)	NM
Total SG&A expenses	<u>\$ 9.2</u>	<u>\$ 2.3</u>	<u>\$ (6.9)</u>	NM

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	51.3 %	110.8 %		NM
Advertising	2.9 %	2.3 %		NM
Rent	0.2 %	— %		NM
Other	17.2 %	22.0 %		NM
Total SG&A expenses as a % of gross profit	<u>71.6 %</u>	<u>135.1 %</u>		NM

Reported:				
Total gross profit	\$ 12.8	\$ 1.7	\$ 11.1	NM

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2023	2022	Change	% Change
(In millions)				
Reported:				
Compensation	\$ 11.8	\$ 2.2	\$ (9.6)	NM
Advertising	0.8	0.1	(0.7)	NM
Rent	0.1	—	(0.1)	NM
Other	4.3	0.5	(3.8)	NM
Total SG&A expenses	<u>\$ 17.0</u>	<u>\$ 2.8</u>	<u>\$ (14.2)</u>	NM

Reported:				
SG&A expenses as a % of gross profit:				
Compensation	52.4 %	80.0 %		NM
Advertising	3.5 %	2.2 %		NM
Rent	0.3 %	— %		NM
Other	19.0 %	21.3 %		NM
Total SG&A expenses as a % of gross profit	<u>75.2 %</u>	<u>103.5 %</u>		NM

Reported:				
Total gross profit	\$ 22.6	\$ 2.7	\$ 19.9	NM

NM = Not Meaningful

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
(In millions)						
Reported:						
Income (loss) before taxes	\$ 145.9	\$ 162.1	(10) %	\$ 255.8	\$ 326.0	(22) %
Add: Impairment charges	—	—		—	—	
Segment income (loss)	\$ 145.9	\$ 162.1	(10) %	\$ 255.8	\$ 326.0	(22) %
Adjustments:						
Acquisition and disposition-related (gain) loss	\$ (20.9)	\$ —		\$ (20.9)	\$ —	
Hail and storm damage charges	1.9	—		1.9	—	
Long-term compensation charges	—	4.4		—	4.4	
Total pre-tax adjustments	\$ (19.0)	\$ 4.4		\$ (19.0)	\$ 4.4	
Adjusted:						
Segment income (loss)	\$ 126.9	\$ 166.5	(24) %	\$ 236.8	\$ 330.4	(28) %

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
(In millions)						
Reported:						
Income (loss) before taxes	\$ (115.4)	\$ (34.2)	(237) %	\$ (162.3)	\$ (69.6)	(133) %
Add: Impairment charges	62.6	—		62.6	—	
Segment income (loss)	\$ (52.8)	\$ (34.2)	(54) %	\$ (99.7)	\$ (69.6)	(43) %
Adjustments:						
Acquisition and disposition-related (gain) loss	\$ 0.2	\$ —		\$ 0.2	\$ —	
Lease exit charges	0.4	—		0.4	—	
Severance and long-term compensation charges	2.2	—		4.2	—	
Used vehicle inventory valuation adjustment	10.0	—		10.0	—	
Total pre-tax adjustments	\$ 12.8	\$ —		\$ 14.8	\$ —	
Adjusted:						
Segment income (loss)	\$ (40.0)	\$ (34.2)	(17) %	\$ (84.9)	\$ (69.6)	(22) %

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
(In millions)						
Reported:						
Income (loss) before taxes	\$ 2.0	\$ (0.7)	NM	\$ 2.6	\$ (0.3)	NM
Add: Impairment charges	—	—		—	—	
Segment income (loss)	\$ 2.0	\$ (0.7)	NM	\$ 2.6	\$ (0.3)	NM

NM = Not Meaningful

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

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Weighted-Average Shares	Amount	Per Share Amount	Weighted-Average Shares	Amount	Per Share Amount
	(In millions, except per share amounts)					
Reported net income (loss), diluted shares, and diluted earnings (loss) per share	36.0	\$ 23.4	\$ 0.65	40.5	\$ 94.8	\$ 2.34
Adjustments:						
Acquisition and disposition-related gain (loss)		\$ (20.7)			\$ —	
Hail and storm damage charges		1.9			—	
Impairment charges		62.6			—	
Lease exit charges		0.4			—	
Severance and long-term compensation charges		2.2			4.4	
Used vehicle inventory valuation adjustment		10.0			—	
Total pre-tax items of interest		\$ 56.4			\$ 4.4	
Tax effect of above items		(13.8)			—	
Adjusted net income (loss), diluted shares, and diluted earnings (loss) per share	36.0	\$ 66.0	\$ 1.83	40.5	\$ 99.2	\$ 2.45

	Six Months Ended June 30, 2023			Six Months Ended June 30, 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	36.5	\$ 71.1	\$ 1.95	41.2	\$ 192.1	\$ 4.67
Adjustments:						
Acquisition and disposition-related gain (loss)		\$ (20.7)			\$ —	
Hail and storm damage charges		1.9			—	
Impairment charges		62.6			—	
Lease exit charges		0.4			—	
Severance and long-term compensation charges		4.2			4.4	
Used vehicle inventory valuation adjustment		10.0			—	
Total pre-tax items of interest		\$ 58.4			\$ 4.4	
Tax effect of above items		(14.3)			—	
Adjusted net income (loss), diluted shares, and diluted earnings (loss) per share	36.5	\$ 115.2	\$ 3.16	41.2	\$ 196.5	\$ 4.77

Non-GAAP Reconciliation - Adjusted EBITDA

	Three Months Ended June 30, 2023				Three Months Ended June 30, 2022			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income (loss)				\$ 23.4				\$ 94.8
Provision for income taxes				9.1				32.4
Income (loss) before taxes	\$ 145.9	\$ (115.4)	\$ 2.0	\$ 32.5	\$ 162.1	\$ (34.2)	\$ (0.7)	\$ 127.2
Non-floor plan interest (1)	25.8	0.8	0.6	27.2	19.1	1.0	—	20.1
Depreciation and amortization (2)	29.5	7.4	0.8	37.7	26.4	5.9	0.1	32.4
Stock-based compensation expense	5.6	—	—	5.6	4.2	—	—	4.2
Loss (gain) on exit of leased dealerships	—	0.4	—	0.4	—	—	—	—
Impairment charges	—	62.6	—	62.6	—	—	—	—
Severance and long-term compensation charges	—	2.2	—	2.2	4.4	—	—	4.4
Acquisition and disposition related (gain) loss	(20.9)	0.2	—	(20.7)	0.1	—	—	0.1
Hail and storm damage charges	1.9	—	—	1.9	—	—	—	—
Used vehicle inventory valuation adjustment	—	10.0	—	10.0	—	—	—	—
Adjusted EBITDA	\$ 187.8	\$ (31.8)	\$ 3.4	\$ 159.4	\$ 216.3	\$ (27.3)	\$ (0.6)	\$ 188.4

	Six Months Ended June 30, 2023				Six Months Ended June 30, 2022			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income (loss)				\$ 71.1				\$ 192.1
Provision for income taxes				25.0				64.0
Income (loss) before taxes	\$ 255.8	\$ (162.3)	\$ 2.6	\$ 96.1	\$ 326.0	\$ (69.6)	\$ (0.3)	\$ 256.1
Non-floor plan interest (1)	51.2	1.7	1.2	54.1	38.1	1.7	—	39.8
Depreciation & amortization (2)	57.7	14.4	1.5	73.6	52.3	11.0	0.2	63.5
Stock-based compensation expense	10.6	—	—	10.6	8.6	—	—	8.6
Loss (gain) on exit of leased dealerships	—	0.4	—	0.4	—	—	—	—
Impairment charges	—	62.6	—	62.6	—	—	—	—
Severance and long-term compensation charges	—	4.2	—	4.2	4.4	—	—	4.4
Acquisition and disposition related (gain) loss	(20.9)	0.2	—	(20.7)	(1.0)	—	—	(1.0)
Hail and storm damage charges	1.9	—	—	1.9	—	—	—	—
Used vehicle inventory valuation adjustment	—	10.0	—	10.0	—	—	—	—
Adjusted EBITDA	\$ 356.3	\$ (68.8)	\$ 5.3	\$ 292.8	\$ 428.4	\$ (56.9)	\$ (0.1)	\$ 371.4

- (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 Second Quarter 2023



Updated July 27, 2023

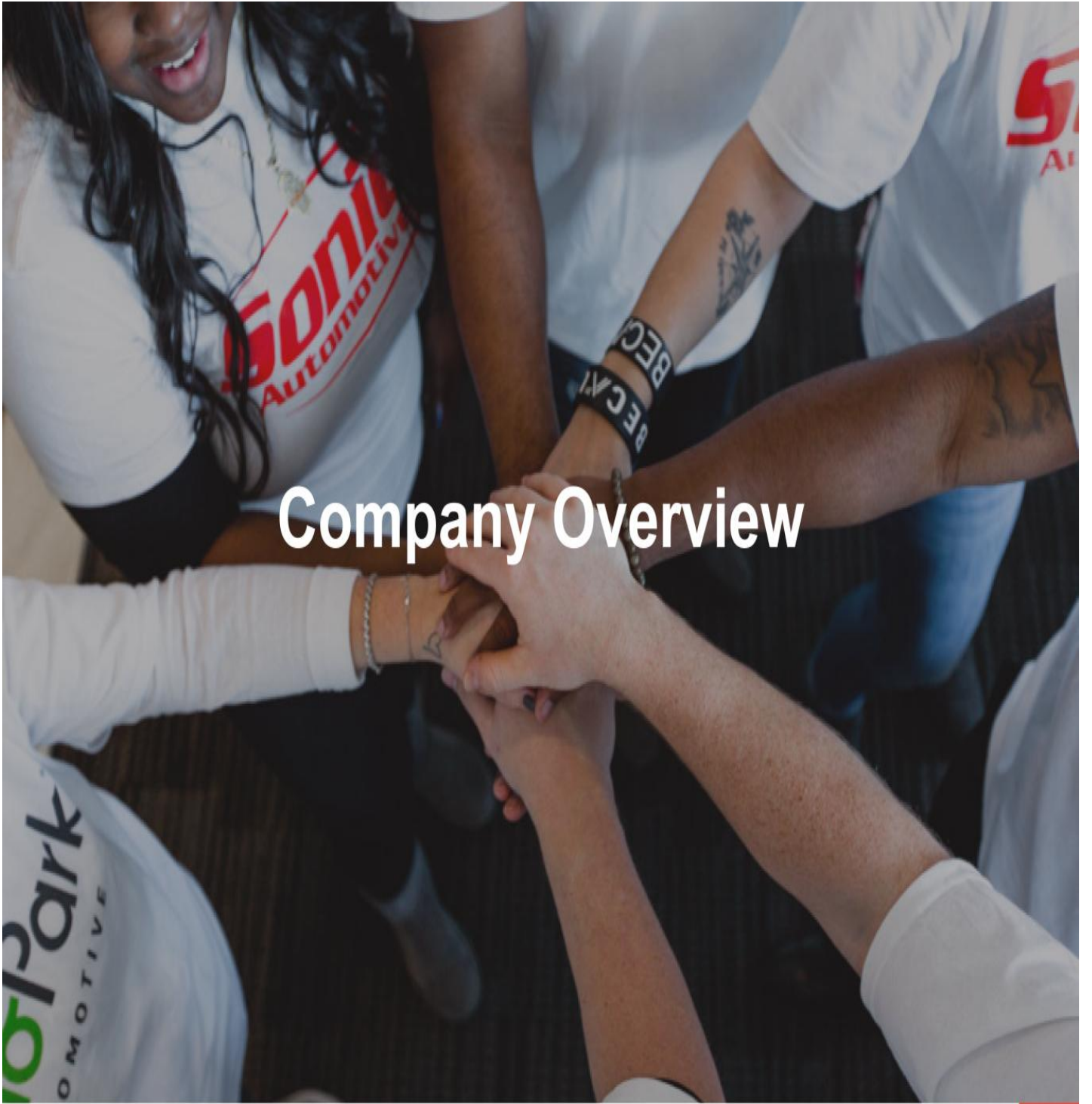
→ Forward-Looking Statements

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.

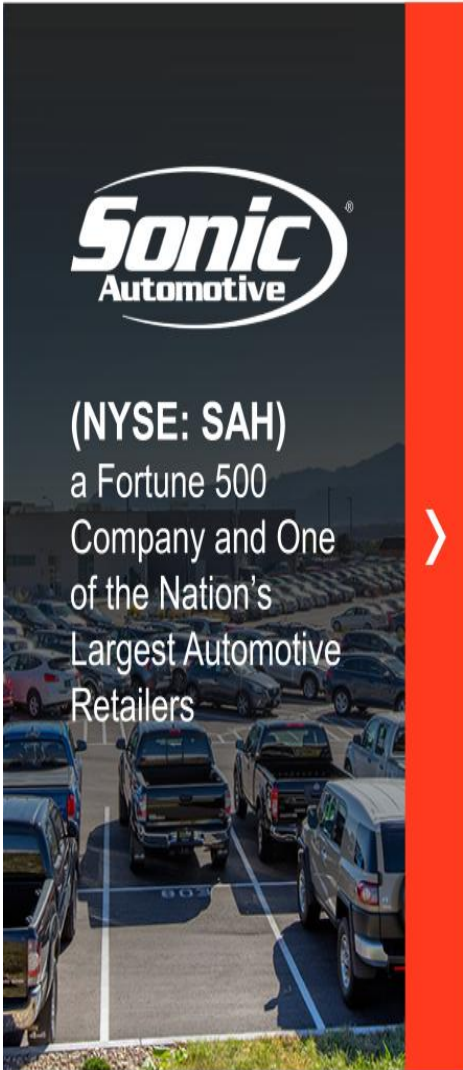




Company Overview



→ 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

146

Locations

20

States

25+

Automotive Brands

16

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 July 27, 2023
Revenues, Gross Profit, New & Used Vehicles Sold are for FY 2022



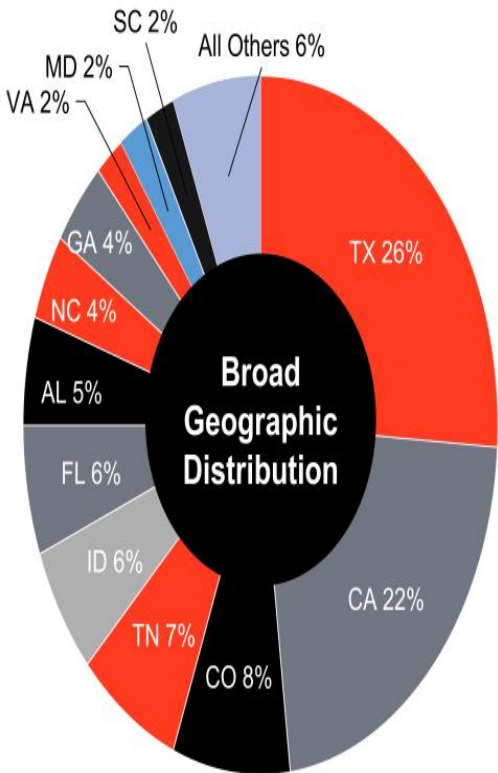
→ Investment Highlights



→ 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

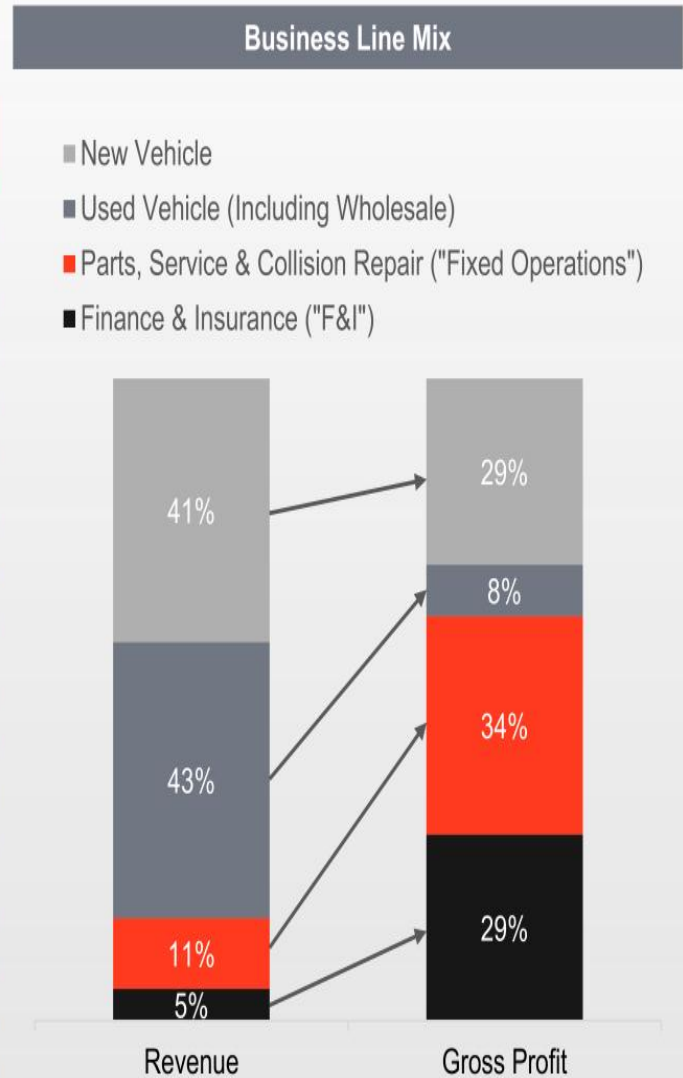
Brand Distribution			
Brand	% of Revenue	Franchise Brand	% of Revenue
Luxury	52%	BMW	21%
		Mercedes	10%
		Audi	5%
		Lexus	4%
		Porsche	3%
		Land Rover	3%
		Cadillac	2%
		Other Luxury (1)	4%
Import	18%	Honda	8%
		Toyota	7%
		Other Import (2)	3%
EchoPark	17%	Non-Franchise	17%
Domestic	13%	Chevrolet GMC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

Plan To Reach
**90% Of U.S.
Population**
At Maturity

Planned Nationwide Distribution
Network At Maturity

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)
- Targeting **Return To Breakeven EBITDA** By Q1 2024
 - Growing **eCommerce Presence** Offers Scalable Incremental Reach
 - Addressable Market Opportunity Of **2 Million Vehicles** Annually At Maturity
 - Positioned To **Resume Expansion Of EchoPark Footprint** As Used Vehicle Market Conditions Improve

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



→ Strong Balance Sheet And Liquidity

	June 30, 2023	December 31, 2022
	(In Millions)	
Cash and cash equivalents	\$ 119.7	\$ 229.2
Floor plan deposit balance	287.0	272.0
Availability under the 2021 Revolving Credit Facility	289.0	292.9
Availability under the 2019 Mortgage Facility	173.0	-
Total available liquidity resources	\$ 868.7	\$ 794.1

Cash On Hand And Total Liquidity Remain At Target Levels

	Covenant Requirement*	June 30, 2023	December 31, 2022
Liquidity ratio	≥ 1.05	1.30	1.38
Fixed charge coverage ratio	≥ 1.20	1.62	1.87
Total lease adjusted leverage ratio	≤ 5.75	2.72	2.31
Net debt to Adjusted EBITDA ratio ⁽¹⁾		2.01	1.69

Leverage Ratios Remain Within Our Internal Target Range

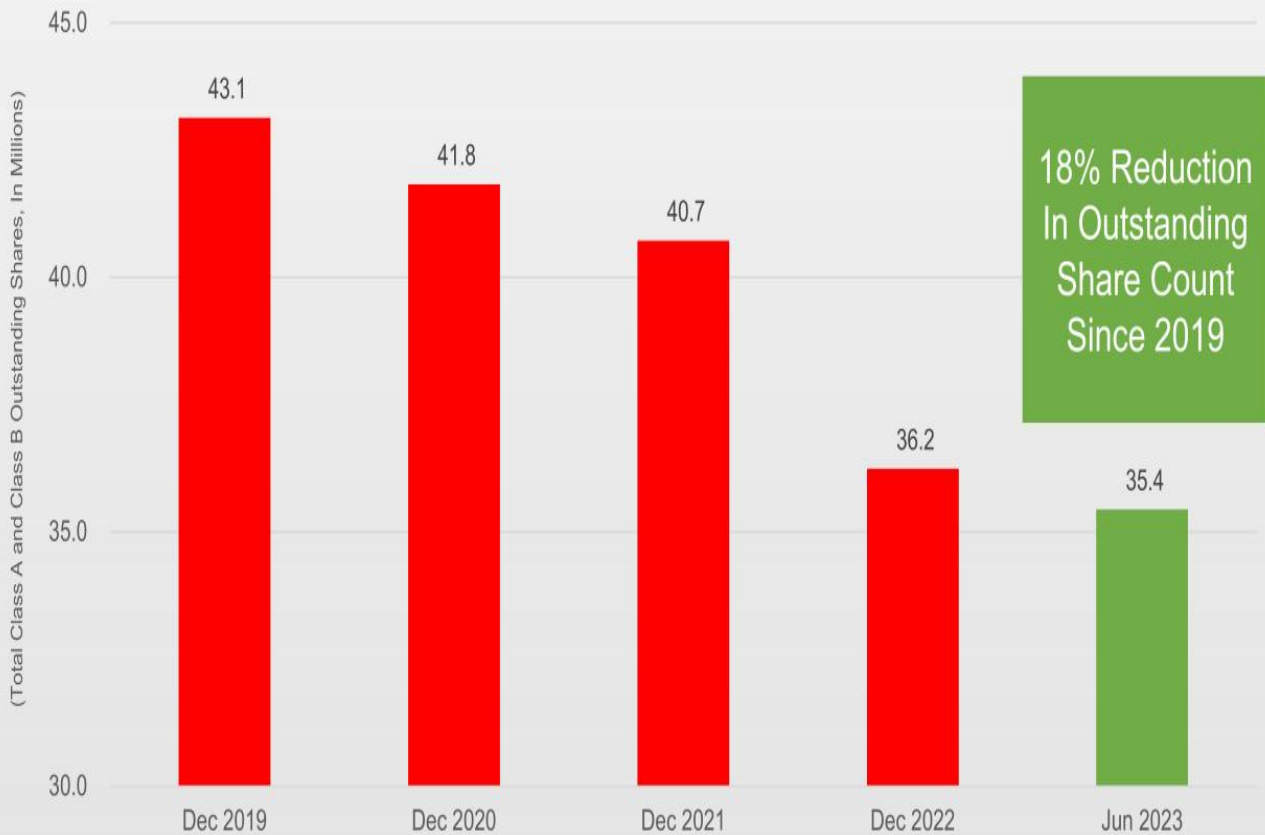
(1) Refer To Appendix For Calculation And Reconciliation of Adjusted EBITDA (A Non-GAAP Measure) and Net Debt To Adjusted EBITDA Ratio (A Non-GAAP Measure)
 * As Defined In The 2021 Revolving Credit Facility and 2019 Mortgage Facility



→ Share Repurchase Update

(\$ in Millions)

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





Franchised Dealerships



→ Franchised Dealerships

Stable Business With Organic And Acquisition Growth Opportunities



108 Franchised Dealerships



25+ Brands, Luxury Weighted

Diversified Revenue Streams

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



16 Collision Repair Centers



18 States

Resilient And Flexible Business Model Through Economic Cycles



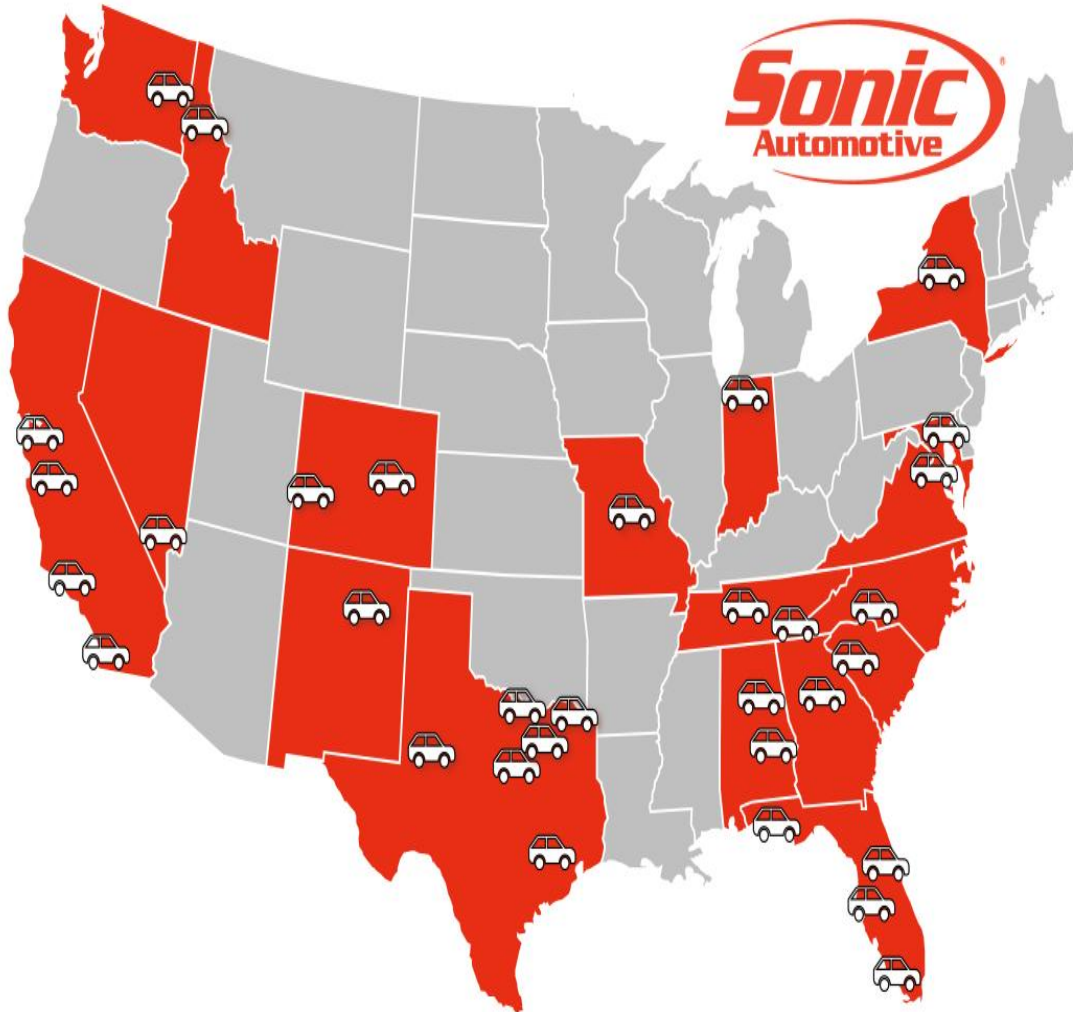
Sonic
Automotive



EchoPark
AUTOMOTIVE



→ Franchised Dealerships – Geographic Footprint



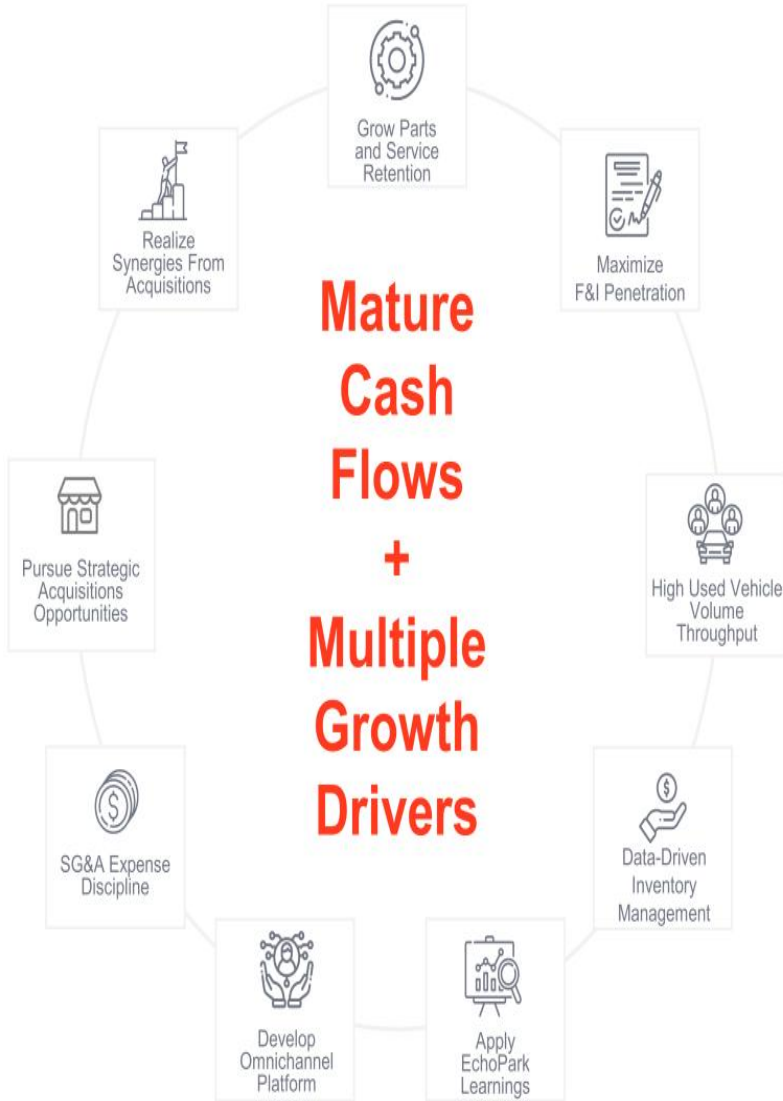
108 Stores, 25+ Brands,
16 Collision Repair Centers

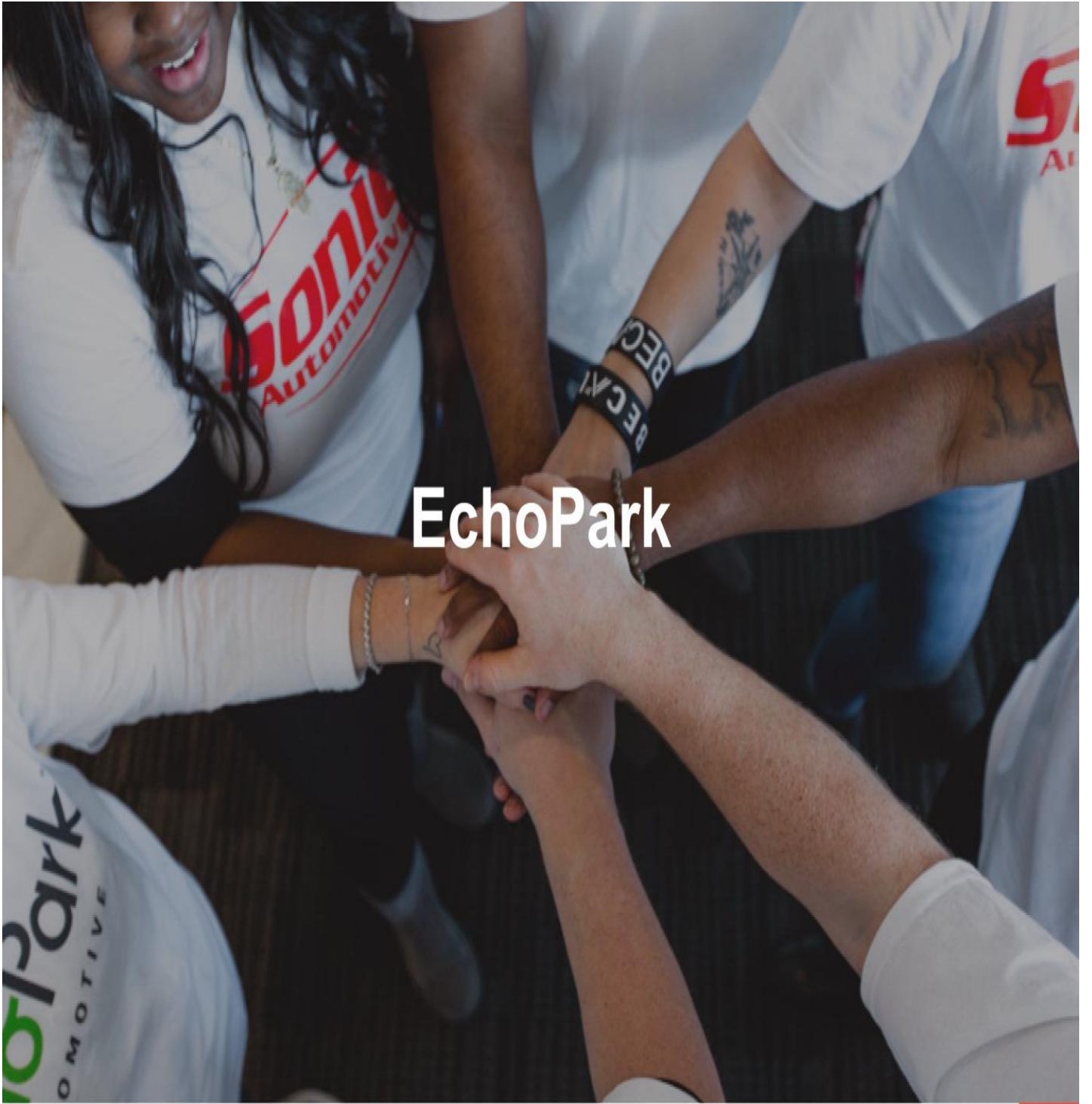


Diversified Geographic
Market Platform



→ 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

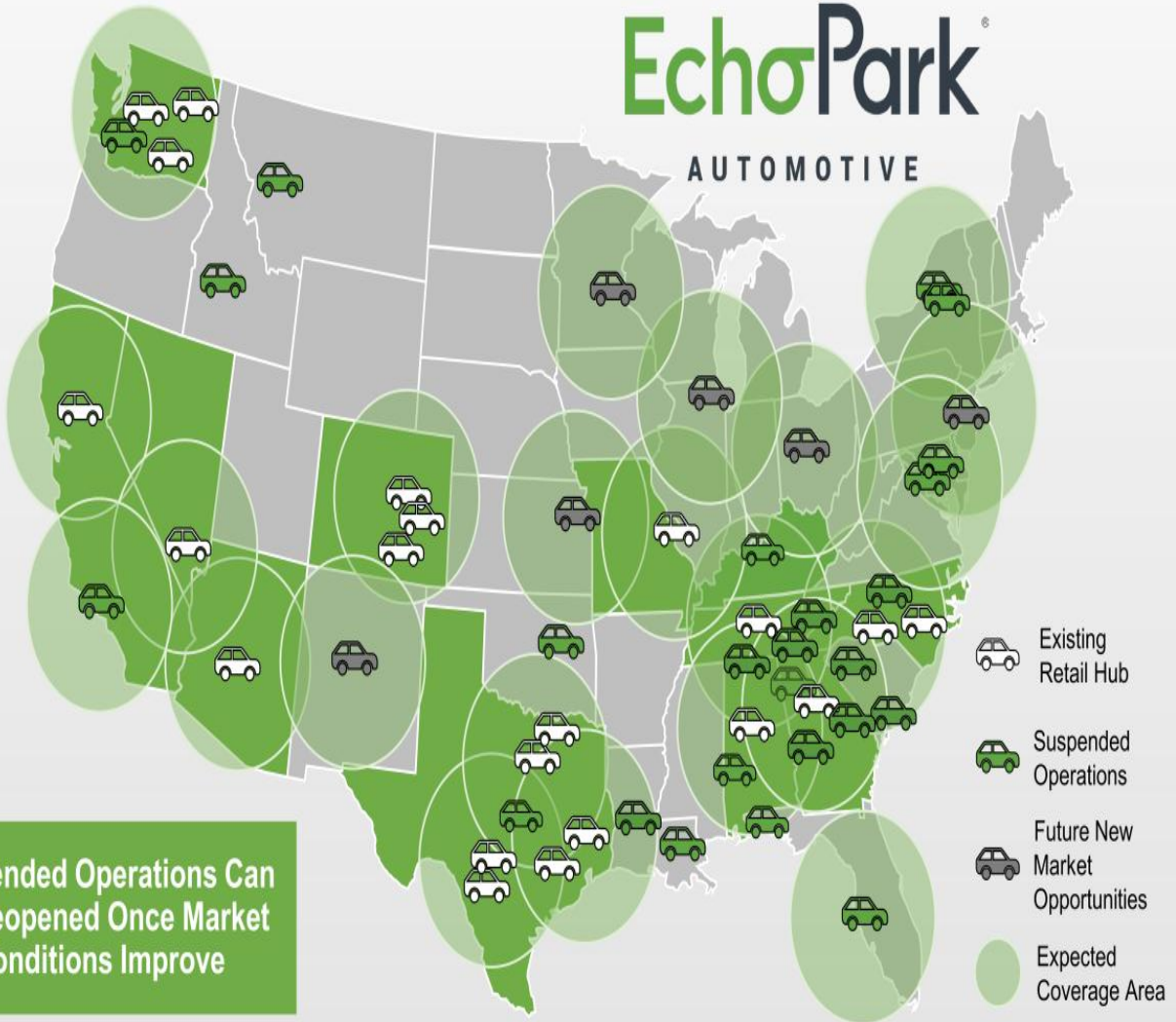


→ EchoPark – Planned Nationwide Distribution Network

Target 90% Population Coverage At Maturity

EchoPark[®]

AUTOMOTIVE

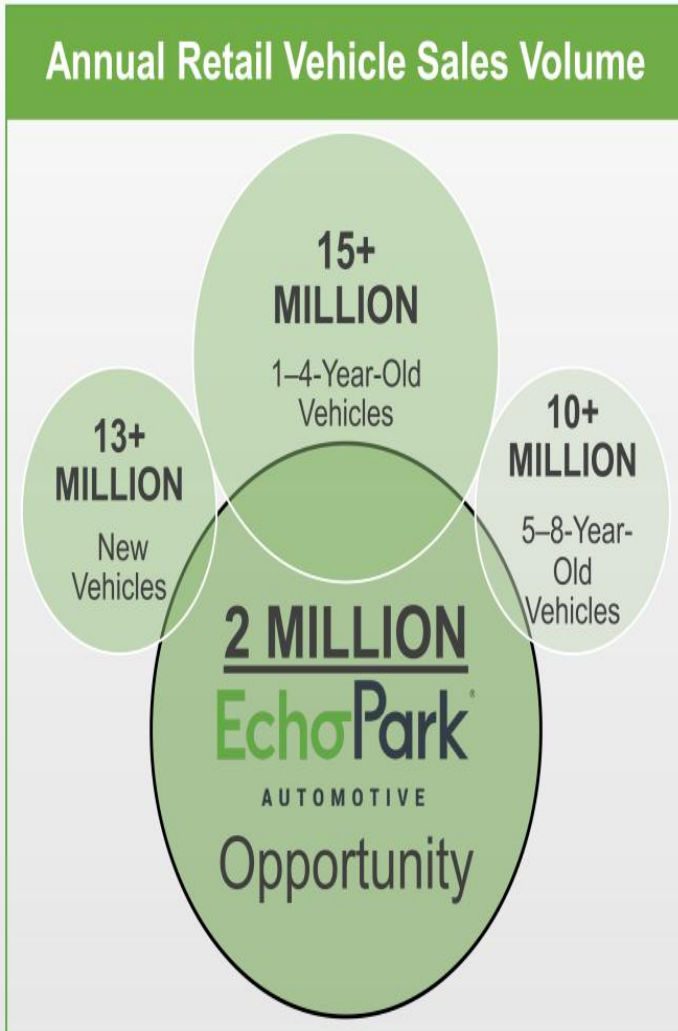


Suspended Operations Can Be Reopened Once Market Conditions Improve

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

Plan To Achieve
90% Population Coverage
At Maturity Once Market Conditions Improve

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 – Industry Headwinds & Action Plan

Industry Headwinds

- Supply Chain Disruption Continues To Suppress New Vehicle Production And Inventory Levels – Began To Ease In Q1 2023 But **Nearly-New Vehicle Sourcing Challenges Are Expected To Persist Beyond 2023**
- Elevated Used Prices And Interest Rates Continue To **Negatively Impact Consumer Affordability** And Industry Sales Volume
- At Wholesale Auction, **Off-Lease/Off-Rental Inventory Supply Remains Limited And Expensive**
- Used Wholesale Pricing Volatility – After Increasing 6.3% In Q1 2023, 3-Year-Old Vehicle Manheim Prices **Decreased 6.3%** In Q2 2023 – We **Anticipate A 5-10% Decrease** In Second Half Of 2023

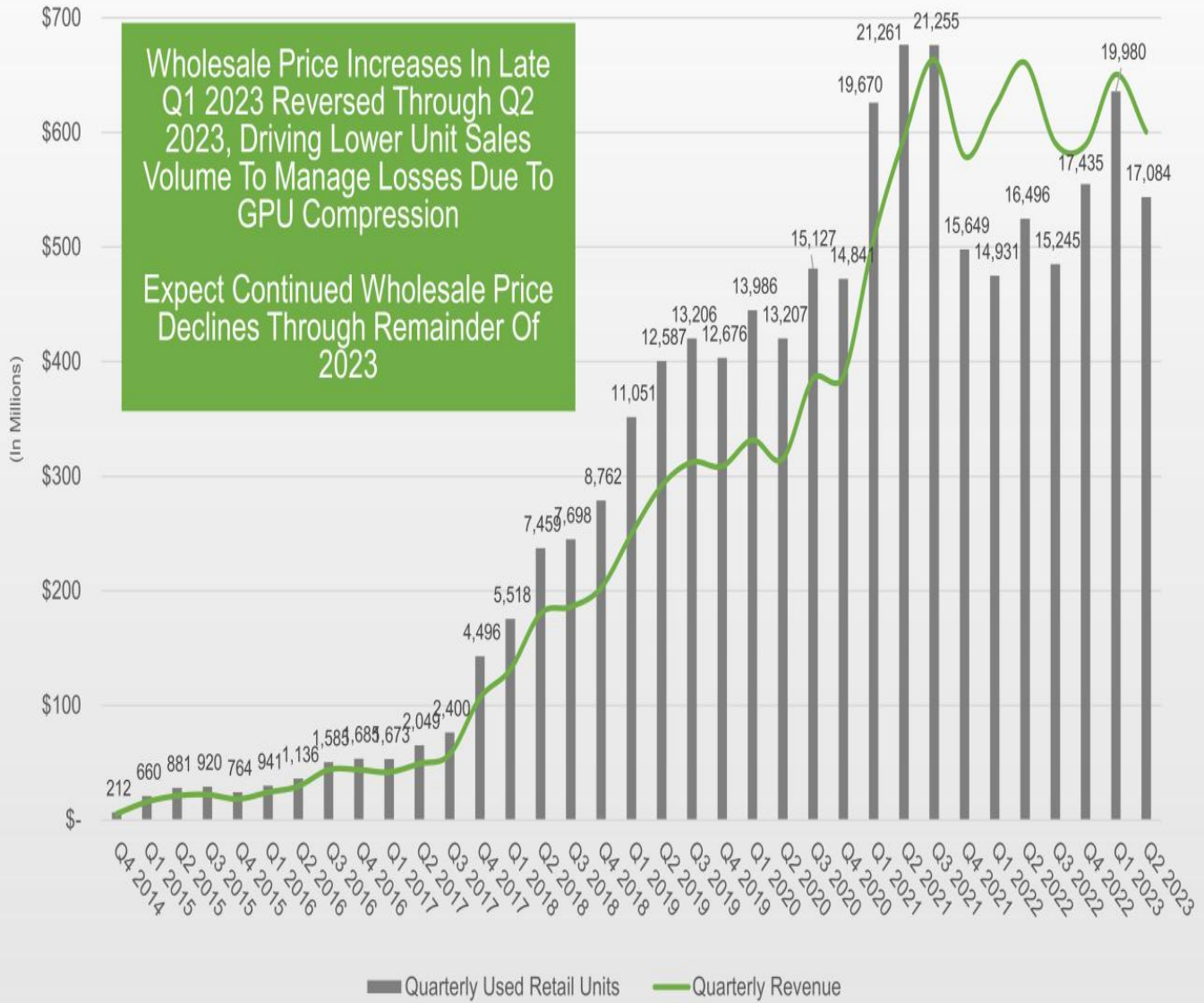
EchoPark Action Plan

- In June 2023, Indefinitely Suspended Operations At Eight EchoPark Retail Hubs And 14 Related EchoPark Delivery/Buy Centers, As Well As Three Northwest Motorsport Locations Within The EchoPark Segment (Collectively, the “Closed EchoPark Stores”), Representing A Total of **\$13.2 Million Of Q2 2023 Reported Segment Losses**
- Expect Ongoing Expenses Associated With The Closed EchoPark Stores Between **\$2.5 Million To \$3.0 Million Per Quarter**
- Anticipated Reallocation Of Inventory And Resources To Smaller Store Footprint Should **Accelerate Profitability Improvement** Despite Ongoing Used Vehicle Market Challenges
- Reiterate Expected **Return To Breakeven EchoPark Segment Adjusted EBITDA In Q1 2024**
- Plan To Resume **Disciplined Expansion Of EchoPark Nationwide Distribution Network** As Market Conditions Improve
- Remain Focused On Sourcing More Vehicles From Non-Auction Sources (**23% Of Q2 2023 Sales** vs. Historically Less Than 10%) And Expanding Inventory To Include 5+ Year-Old Vehicles (**18% of Q2 2023 Sales**), Driving Lower Inventory Acquisition Cost And **35% Lower** Retail Selling Price, Benefiting Consumer Affordability

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



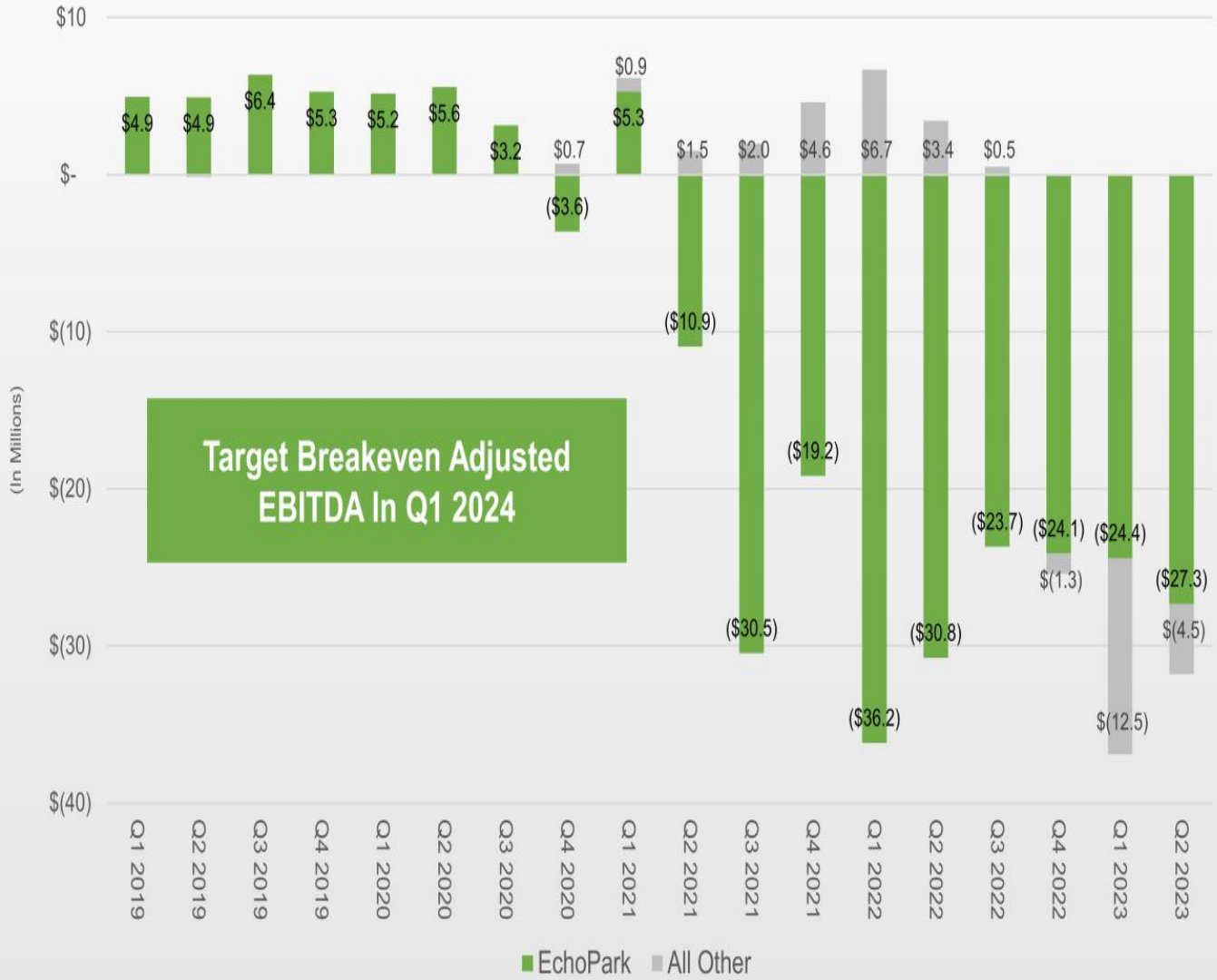
→ EchoPark Segment – Growth Path



Note: Expected 2023 Wholesale Price Declines Are Based On Projections. Actual Results May Differ. See "Forward-Looking Statements."



→ EchoPark Segment – Adjusted EBITDA Trend

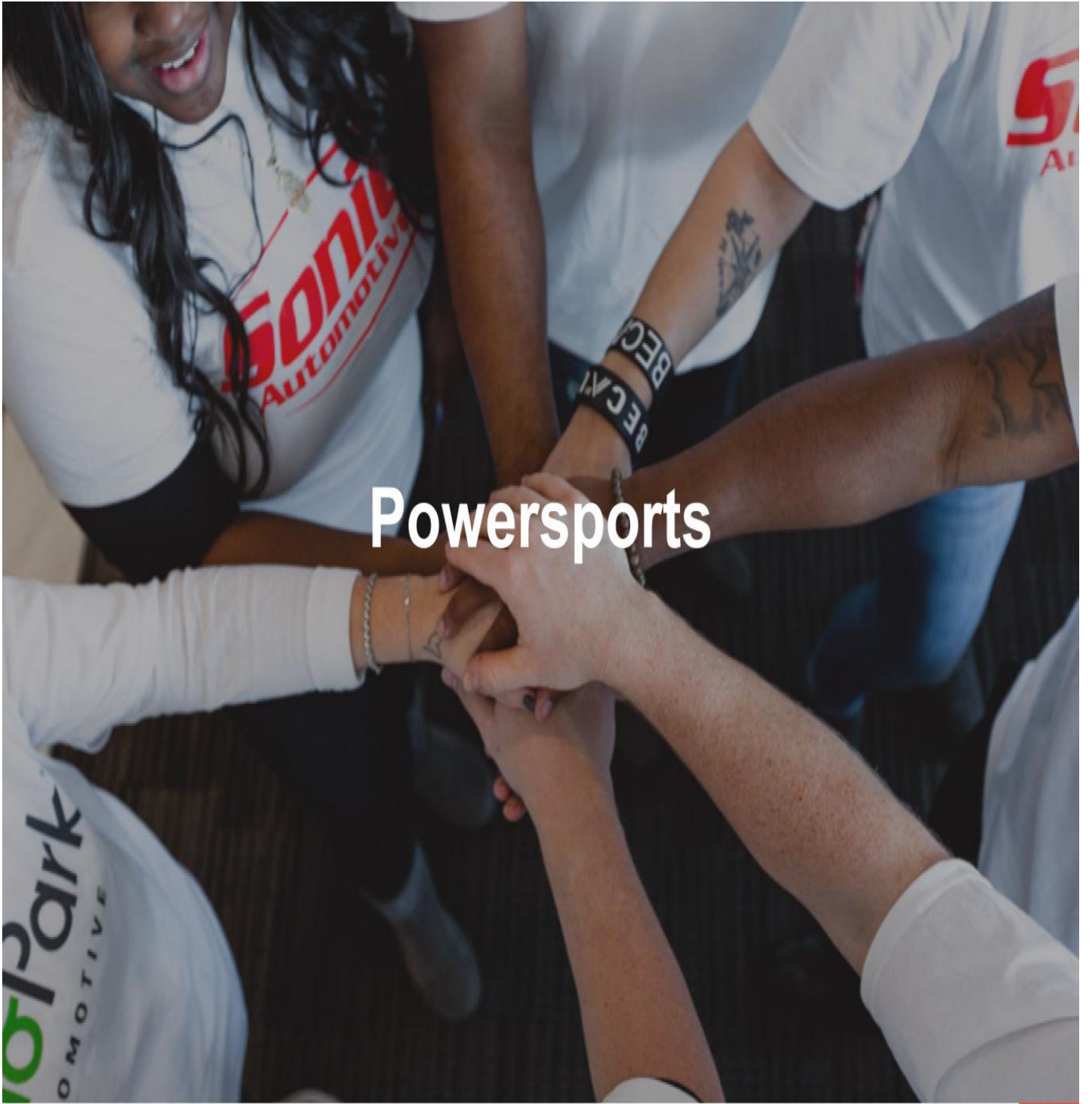


Refer To Appendix For Calculation And Reconciliation of Adjusted EBITDA (A Non-GAAP Measure).

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 33% Of Q2 2023 EchoPark Unit Sales Volume



→ New EchoPark.com Results to Date

EchoPark[®]

AUTOMOTIVE

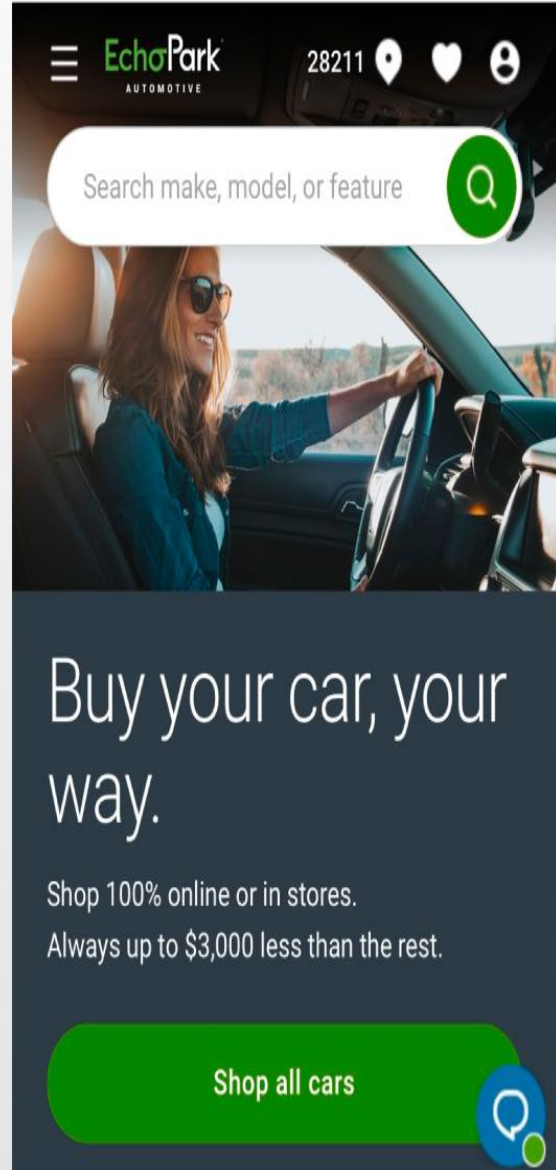
Rolled Out To
100% Of
National Web
Traffic
In June 2022

Conversion Rate
30%
Higher
Compared To
Old Website

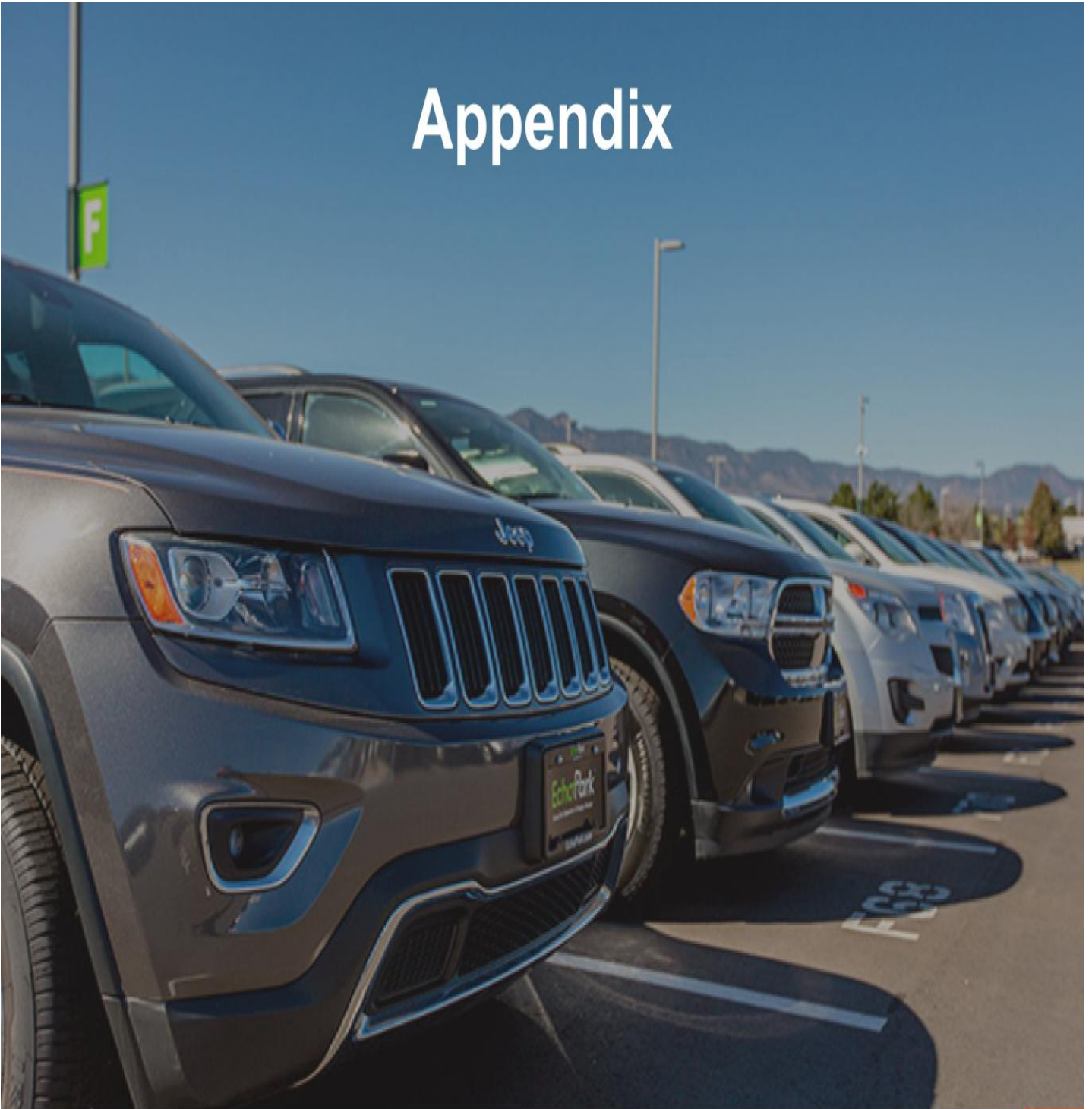
Over
30% Of
Vehicles
Sold Out Of Market In
Q2 2023, Driving
Incremental Reach

Q2 2023 F&I of
\$2,025
Per Unit
Exceeding Projections
For End-To-End Online
F&I Product Sales

4.0 Million Unique Visitors To
EchoPark.com In Q2 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 Q2 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)	\$ (32.5)	\$ 88.5	\$ 348.9	\$ (51.4)	\$ 144.1	\$ 51.7
Income tax (benefit) expense	62.5	101.5	109.3	15.6	55.0	22.6
Income (loss) before taxes	30.0	190.0	458.2	(35.8)	199.1	74.3
Non-floor plan interest	99.0	84.7	44.7	38.7	50.5	52.0
Depreciation and amortization	142.8	132.7	104.3	93.9	95.6	96.7
Stock-based compensation expense	18.0	16.0	15.0	11.7	10.8	11.9
Loss (gain) on exit of leased dealerships	0.4	-	-	-	(0.2)	1.7
Impairment charges	383.0	320.4	0.1	270.0	20.8	29.5
Loss on debt extinguishment	-	-	15.6	-	6.7	-
Long-term compensation charges	4.2	4.4	8.0	-	-	32.5
Acquisition and disposition-related (gain) loss	(29.4)	(9.7)	(0.4)	(8.2)	(74.8)	(39.3)
Adjusted EBITDA	\$ 659.9	\$ 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	(119.7)	(229.2)	(299.4)	(170.3)	(29.1)	(5.9)
Floor plan deposit balance	(287.0)	(272.0)	(99.8)	(73.2)	-	-
Net debt	\$ 1,325.8	\$ 1,250.5	\$ 1,162.0	\$ 476.6	\$ 677.8	\$ 939.2
Net debt to adjusted EBITDA ratio	2.01	1.69	1.80	1.29	2.20	3.62
Long-term debt (including current portion) to adjusted EBITDA ratio	2.63	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 Q2 2023 Are As Of June 30, 2023

NM = Not Meaningful



→ GAAP Income Statement Quarterly Trend – Consolidated

(In millions, except unit, per unit, and per share data)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 1,608.2	\$ 1,442.8	\$ 1,555.3	\$ 1,371.8	\$ 1,344.3	11%	20%
Fleet new vehicles	28.3	18.8	29.3	32.0	19.8	51%	42%
Total new vehicles	1,636.5	1,461.6	1,584.6	1,403.8	1,364.1	12%	20%
Used vehicles	1,305.9	1,344.9	1,341.1	1,355.9	1,448.3	(3%)	(10%)
Wholesale vehicles	91.5	85.6	80.0	114.6	121.4	7%	(25%)
Total vehicles	3,033.9	2,892.1	3,005.7	2,874.3	2,933.8	5%	3%
Parts, service and collision repair	443.7	430.5	411.1	408.2	399.2	3%	11%
Finance, insurance and other, net ("F&I")	175.3	168.6	173.8	165.6	173.2	4%	1%
Total revenues	3,652.9	3,491.2	3,590.6	3,448.1	3,506.2	5%	4%
Gross profit:							
Retail new vehicles	141.4	138.1	164.6	162.2	168.3	2%	(16%)
Fleet new vehicles	1.3	0.9	1.8	1.3	0.9	39%	31%
Total new vehicles	142.7	139.0	166.4	163.5	169.2	3%	(16%)
Used vehicles	31.5	30.0	35.5	51.0	46.6	5%	(32%)
Wholesale vehicles	(1.0)	3.0	(3.7)	(2.2)	1.1	(132%)	(188%)
Total vehicles	173.2	172.0	198.2	212.3	216.9	1%	(20%)
Parts, service and collision repair	220.4	212.9	204.1	202.8	198.7	4%	11%
Finance, insurance and other, net	175.3	168.6	173.8	165.6	173.2	4%	1%
Total gross profit	568.9	553.5	576.1	580.7	588.8	3%	(3%)
SG&A expenses	(391.9)	(412.8)	(366.3)	(399.0)	(402.8)	5%	3%
Impairment charges	(62.6)	-	(320.4)	-	-	NM	NM
Depreciation and amortization	(36.1)	(34.3)	(33.5)	(32.8)	(31.2)	(5%)	(16%)
Operating income (loss)	78.3	106.4	(144.1)	148.9	154.8	(26%)	(49%)
Interest expense, floor plan	(17.0)	(14.6)	(13.6)	(9.6)	(6.1)	(17%)	(176%)
Interest expense, other, net	(28.9)	(28.4)	(24.9)	(22.9)	(21.3)	(2%)	(36%)
Other income (expense), net	0.1	0.2	0.1	-	(0.2)	NM	NM
Income (loss) before taxes	32.5	63.6	(182.5)	116.4	127.2	(49%)	(74%)
Income tax benefit (expense)	(9.1)	(15.9)	(8.4)	(29.1)	(32.5)	43%	72%
Net income (loss)	\$ 23.4	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	(51%)	(75%)
Diluted weighted-average shares outstanding	36	36.9	36.5	39.2	40.5	2%	11%
Diluted earnings (loss) per share	\$ 0.65	\$ 1.29	\$ (5.22)	\$ 2.23	\$ 2.34	(50%)	(72%)
Unit sales volume:							
Retail new vehicles	28,754	25,657	27,278	24,776	24,427	12%	18%
Fleet new vehicles	590	441	661	672	422	34%	40%
Used vehicles	42,972	45,531	44,303	42,069	44,764	(6%)	(4%)
Wholesale vehicles	8,801	8,406	8,094	8,263	8,545	5%	3%
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 4,918	\$ 5,381	\$ 6,034	\$ 6,547	\$ 6,890	(9%)	(29%)
Used vehicles	\$ 732	\$ 660	\$ 800	\$ 1,211	\$ 1,041	11%	(30%)
F&I	\$ 2,445	\$ 2,369	\$ 2,428	\$ 2,477	\$ 2,503	3%	(2%)

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Reported net income (loss)	\$ 23.4	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	(51%)	(75%)
Adjustments:							
Impairment charges	\$ 62.6	\$ -	\$ 320.4	\$ -	\$ -	NM	NM
Acquisition and disposition-related (gain) loss	(20.7)	-	(9.1)	-	-	NM	NM
Severance and long-term compensation charges	2.2	2.0	-	-	4.4	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Total pre-tax adjustments	56.4	2.0	311.3	-	4.4	NM	NM
Tax effect of above items	(13.8)	(0.5)	(22.6)	-	-	NM	NM
Total net income effect of adjustments	42.6	1.5	288.7	-	4.4	NM	NM
Adjusted net income (loss)	\$ 66.0	\$ 49.2	\$ 97.8	\$ 87.3	\$ 99.2	34%	(34%)
Diluted weighted-average shares outstanding	36	36.9	37.4	39.2	40.5	2%	11%
Adjusted diluted earnings (loss) per share	\$ 1.83	\$ 1.33	\$ 2.61	\$ 2.23	\$ 2.45	38%	(25%)
Reported gross profit	\$ 568.9	\$ 553.5	\$ 576.1	\$ 580.7	\$ 588.8	3%	(3%)
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Adjusted gross profit	\$ 578.9	\$ 553.5	\$ 576.1	\$ 580.7	\$ 588.8	5%	(2%)
Reported SG&A expenses	\$ (391.9)	\$ (412.8)	\$ (366.3)	\$ (399.0)	\$ (402.8)	5%	3%
Acquisition and disposition-related (gain) loss	(20.7)	-	(9.1)	-	-	NM	NM
Severance and long-term compensation charges	2.2	2.0	-	-	4.4	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Adjusted SG&A expenses	\$ (408.1)	\$ (410.8)	\$ (375.4)	\$ (399.0)	\$ (398.4)	1%	(2%)
Adjusted SG&A expenses as a percentage of gross profit	70.5%	74.2%	65.2%	68.7%	67.7%	370 bps	(280) bps
Reported net income (loss)	\$ 23.4	\$ 47.7	\$ (190.9)	\$ 87.3	\$ 94.8	NM	NM
Income tax (benefit) expense	9.1	15.9	8.4	29.1	32.5	NM	NM
Income (loss) before taxes	32.5	63.6	(182.5)	116.4	127.2	NM	NM
Non-floor plan interest	27.2	26.9	23.5	21.4	20.1	NM	NM
Depreciation and amortization	37.7	35.9	34.9	34.3	32.4	NM	NM
Stock-based compensation expense	5.6	5.0	3.6	3.8	4.2	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Impairment charges	62.6	-	320.4	-	-	NM	NM
Severance and long-term compensation charges	2.2	2.0	-	-	4.4	NM	NM
Acquisition and disposition-related (gain) loss	(20.7)	-	(9.2)	0.5	0.1	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Adjusted EBITDA	\$ 159.4	\$ 133.4	\$ 190.7	\$ 176.4	\$ 188.4	19%	(15%)

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 1,583.3	\$ 1,421.0	\$ 1,534.5	\$ 1,359.6	\$ 1,341.7	11%	18%
Fleet new vehicles	28.3	18.8	29.4	32.0	19.9	51%	42%
Total new vehicles	1,611.6	1,439.8	1,563.9	1,391.6	1,361.6	12%	18%
Used vehicles	774.5	767.6	823.4	842.4	871.9	1%	(11%)
Wholesale vehicles	55.6	58.4	52.6	75.7	79.3	(5%)	(30%)
Total vehicles	2,441.7	2,265.8	2,439.9	2,309.7	2,312.8	8%	6%
Parts, service and collision repair	433.4	423.8	404.8	404.7	398.1	2%	9%
Finance, insurance and other, net ("F&I")	132.2	117.1	128.0	125.9	129.8	13%	2%
Total revenues	3,007.3	2,806.7	2,972.7	2,840.3	2,840.7	7%	6%
Gross profit:							
Retail new vehicles	136.9	134.0	160.8	160.7	167.3	2%	(18%)
Fleet new vehicles	1.3	0.9	1.8	1.3	0.9	39%	31%
Total new vehicles	138.2	134.9	162.6	162.0	168.2	2%	(18%)
Used vehicles	44.5	40.8	38.4	45.4	43.7	9%	2%
Wholesale vehicles	(1.0)	1.9	(3.2)	(2.1)	(0.5)	(151%)	(70%)
Total vehicles	181.7	177.6	197.8	205.3	211.4	2%	(14%)
Parts, service and collision repair	215.4	209.6	200.9	201.0	198.1	3%	9%
Finance, insurance and other, net	132.2	117.1	128.0	125.9	129.8	13%	2%
Total gross profit	529.3	504.3	526.7	532.2	539.3	5%	(2%)
SG&A expenses	(316.1)	(331.2)	(298.1)	(332.0)	(327.6)	5%	3%
Impairment charges	-	-	(115.5)	-	-	NM	NM
Depreciation and amortization	(27.9)	(26.5)	(26.0)	(25.9)	(25.2)	(5%)	(10%)
Operating income (loss)	185.3	146.6	87.1	174.3	186.5	26%	(1%)
Interest expense, floor plan	(11.9)	(9.9)	(9.8)	(6.6)	(3.9)	(20%)	(202%)
Interest expense, other, net	(27.5)	(26.9)	(23.4)	(21.4)	(20.2)	(2%)	(36%)
Other income (expense), net	-	-	-	-	(0.3)	NM	NM
Income (loss) before taxes	\$ 145.9	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	33%	(10%)
Unit sales volume:							
Retail new vehicles	27,358	24,539	26,239	24,241	24,342	11%	12%
Fleet new vehicles	590	441	661	672	422	34%	40%
Used vehicles	25,197	25,107	26,631	26,647	28,156	0%	(11%)
Wholesale vehicles	5,516	5,483	5,616	5,813	5,851	1%	(6%)
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 5,003	\$ 5,463	\$ 6,130	\$ 6,627	\$ 6,871	(8%)	(27%)
Used vehicles	\$ 1,765	\$ 1,626	\$ 1,442	\$ 1,704	\$ 1,553	9%	14%
F&I	\$ 2,516	\$ 2,360	\$ 2,421	\$ 2,473	\$ 2,472	7%	2%

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change	
						Sequential	Year-Over-Year
Reported income (loss) before taxes	\$ 145.9	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	33%	(10%)
Impairment charges	-	-	115.5	-	-	NM	NM
Segment income (loss)	\$ 145.9	\$ 109.8	\$ 169.4	\$ 146.3	\$ 162.1	33%	(10%)
Acquisition and disposition-related (gain) loss	(20.9)	-	(9.1)	-	-	NM	NM
Long-term compensation charges	-	-	-	-	4.4	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Adjusted segment income (loss)	\$ 126.9	\$ 109.8	\$ 160.3	\$ 146.3	\$ 166.5	16%	(24%)
Reported SG&A expenses	\$ (316.1)	\$ (331.2)	\$ (298.1)	\$ (332.0)	\$ (327.6)	5%	3%
Acquisition and disposition-related (gain) loss	(20.9)	-	(9.1)	-	-	NM	NM
Long-term compensation charges	-	-	-	-	4.4	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Adjusted SG&A expenses	\$ (335.1)	\$ (331.2)	\$ (307.2)	\$ (332.0)	\$ (323.2)	(1%)	(4%)
Adjusted SG&A expenses as a percentage of gross profit	63.3%	65.7%	58.3%	62.4%	59.9%	240 bps	(340) bps
Income (loss) before taxes	\$ 145.9	\$ 109.8	\$ 53.9	\$ 146.3	\$ 162.1	NM	NM
Non-floor plan interest	25.8	25.4	22.0	19.9	19.1	NM	NM
Depreciation and amortization	29.3	28.2	27.4	27.3	26.4	NM	NM
Stock-based compensation expense	5.6	5.0	3.6	3.8	4.2	NM	NM
Impairment charges	-	-	115.5	-	-	NM	NM
Long-term compensation charges	-	-	-	-	4.4	NM	NM
Acquisition and disposition-related (gain) loss	(20.7)	-	(9.2)	0.5	0.1	NM	NM
Hail and storm damage charges	1.9	-	-	-	-	NM	NM
Adjusted EBITDA	\$ 187.8	\$ 168.4	\$ 213.2	\$ 197.8	\$ 216.3	12%	(13%)

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) Sequential	% Change Year-Over-Year
Revenues:							
Retail new vehicles	\$ -	\$ 1.0	\$ 2.0	\$ 1.6	\$ 1.2	(104%)	(103%)
Used vehicles	524.0	572.5	515.5	511.4	574.5	(8%)	(9%)
Wholesale vehicles	35.5	27.0	27.3	38.9	42.2	31%	(16%)
Total vehicles	559.5	600.5	544.8	551.9	617.8	(7%)	(9%)
Finance, insurance and other, net ("F&I")	41.1	50.0	44.5	38.9	43.1	(18%)	(5%)
Total revenues	600.6	650.5	589.3	590.8	660.9	(8%)	(9%)
Gross profit:							
Retail new vehicles	-	0.1	0.2	(0.6)	0.7	(69%)	(97%)
Used vehicles	(14.3)	(11.8)	(3.6)	5.0	2.4	(21%)	(696%)
Wholesale vehicles	-	1.1	(0.3)	(0.1)	1.6	(103%)	(102%)
Total vehicles	(14.3)	(10.6)	(3.7)	4.3	4.7	(36%)	(404%)
Finance, insurance and other, net	41.1	50.0	44.5	38.9	43.1	(18%)	(5%)
Total gross profit	26.8	39.4	40.8	43.2	47.8	(32%)	(44%)
SG&A expenses	(66.6)	(73.8)	(62.3)	(63.4)	(72.9)	10%	9%
Impairment charges	(62.6)	-	(204.9)	-	-	NM	NM
Depreciation and amortization	(7.4)	(7.0)	(7.0)	(6.7)	(5.9)	(6%)	(26%)
Operating income (loss)	(109.8)	(41.4)	(233.4)	(26.9)	(31.0)	(165%)	(254%)
Interest expense, floor plan	(4.8)	(4.6)	(3.9)	(3.0)	(2.2)	(5%)	(117%)
Interest expense, other, net	(0.9)	(0.9)	(0.9)	(1.1)	(1.0)	6%	18%
Other income (expense), net	0.1	0.1	-	-	-	NM	NM
Income (loss) before taxes	\$ (115.4)	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	(147%)	(237%)
Unit sales volume:							
Retail new vehicles	-	11	26	45	37	(100%)	(100%)
Used vehicles	17,084	19,980	17,435	15,245	16,496	(14%)	4%
Wholesale vehicles	3,235	2,916	2,444	2,449	2,694	11%	20%
Gross profit per unit ("GPU"):							
Total used vehicle and F&I	\$ 1,569	\$ 1,907	\$ 2,340	\$ 2,869	\$ 2,751	(18%)	(43%)

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Reported income (loss) before taxes	\$ (115.4)	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	(147%)	(237%)
Impairment charges	62.6	-	204.9	-	-	NM	NM
Segment income (loss)	\$ (52.8)	\$ (46.8)	\$ (33.3)	\$ (31.0)	\$ (34.2)	(13%)	(54%)
Acquisition and disposition-related (gain) loss	0.2	-	-	-	-	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Severance and long-term compensation charges	2.2	2.0	-	-	-	NM	NM
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Adjusted segment income (loss)	\$ (40.0)	\$ (44.8)	\$ (33.3)	\$ (31.0)	\$ (34.2)	11%	(17%)
Reported gross profit	\$ 26.8	\$ 39.4	\$ 40.8	\$ 43.2	\$ 47.8	(32%)	(44%)
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Adjusted gross profit	\$ 36.8	\$ 39.4	\$ 40.8	\$ 43.2	\$ 47.8	(7%)	(23%)
Reported SG&A expenses	\$ (66.6)	\$ (73.8)	\$ (62.3)	\$ (63.4)	\$ (72.9)	10%	9%
Acquisition and disposition-related (gain) loss	0.2	-	-	-	-	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Severance and long-term compensation charges	2.2	2.0	-	-	-	NM	NM
Adjusted SG&A expenses	\$ (63.8)	\$ (71.8)	\$ (62.3)	\$ (63.4)	\$ (72.9)	11%	13%
Adjusted SG&A expenses as a percentage of gross profit	173.5%	182.1%	152.8%	146.8%	152.6%	860 bps	(2,090) bps
Income (loss) before taxes	\$ (115.4)	\$ (46.8)	\$ (238.2)	\$ (31.0)	\$ (34.2)	NM	NM
Non-floor plan interest	0.8	0.9	0.9	1.1	1.0	NM	NM
Depreciation and amortization	7.6	7.0	7.0	6.8	5.9	NM	NM
Lease exit charges	0.4	-	-	-	-	NM	NM
Impairment charges	62.6	-	204.9	-	-	NM	NM
Long-term compensation charges	2.2	2.0	-	-	-	NM	NM
Used vehicle inventory valuation adjustment	10.0	-	-	-	-	NM	NM
Adjusted EBITDA	\$ (31.8)	\$ (36.9)	\$ (25.4)	\$ (23.2)	\$ (27.3)	(14%)	16%

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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change Sequential	Year-Over-Year
Revenues:							
Retail new vehicles	\$ 24.9	\$ 20.8	\$ 18.8	\$ 10.6	\$ 1.3	20%	NM
Used vehicles	7.4	4.8	2.1	2.0	1.9	54%	NM
Wholesale vehicles	0.4	0.2	0.1	-	0.1	NM	NM
Total vehicles	32.7	25.8	21.0	12.6	3.3	27%	NM
Parts, service and collision repair	10.3	6.7	6.3	3.5	1.1	54%	NM
Finance, insurance and other, net ("F&I")	2.0	1.5	1.3	0.9	0.3	31%	NM
Total revenues	45.0	34.0	28.6	17.0	4.7	33%	NM
Gross profit:							
Retail new vehicles	4.5	4.0	3.6	2.1	0.4	14%	NM
Used vehicles	1.3	1.0	0.7	0.6	0.5	30%	NM
Wholesale vehicles	-	-	-	-	-	NM	NM
Total vehicles	5.8	5.0	4.3	2.7	0.9	17%	NM
Parts, service and collision repair	5.0	3.3	3.1	1.8	0.5	52%	NM
Finance, insurance and other, net	2.0	1.5	1.3	0.9	0.3	31%	NM
Total gross profit	12.8	9.8	8.7	5.4	1.7	31%	NM
SG&A expenses	(9.2)	(7.8)	(5.9)	(3.6)	(2.3)	(17%)	NM
Impairment charges	-	-	-	-	-	NM	NM
Depreciation and amortization	(0.8)	(0.8)	(0.6)	(0.2)	(0.1)	(16%)	NM
Operating income (loss)	2.8	1.2	2.2	1.6	(0.7)	128%	NM
Interest expense, floor plan	(0.3)	(0.1)	-	-	-	NM	NM
Interest expense, other, net	(0.5)	(0.6)	(0.6)	(0.4)	-	4%	NM
Other income (expense), net	-	0.1	0.2	-	-	NM	NM
Income (loss) before taxes	\$ 2.0	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	236%	NM
Unit sales volume:							
Retail new vehicles	1,396	1,107	1,013	490	48	26%	NM
Used vehicles	691	444	237	177	112	56%	NM
Wholesale vehicles	50	7	34	1	-	NM	NM
Gross profit per unit ("GPU"):							
Retail new vehicles	\$ 3,235	\$ 3,573	\$ 3,535	\$ 4,304	\$ 7,401	(9%)	NM
Used vehicles	\$ 1,942	\$ 2,328	\$ 2,860	\$ 3,328	\$ 4,196	(17%)	NM
F&I	\$ 952	\$ 980	\$ 1,026	\$ 1,297	\$ 1,933	(3%)	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)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q2 2023	
						Better / (Worse) % Change	
						Sequential	Year-Over-Year
Reported income (loss) before taxes	\$ 2.0	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	236%	NM
Impairment charges	-	-	-	-	-	NM	NM
Segment income (loss)	\$ 2.0	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	236%	NM
Reported SG&A expenses	\$ (9.2)	\$ (7.8)	\$ (5.9)	\$ (3.6)	\$ (2.3)	(17%)	NM
Reported SG&A expenses as a percentage of gross profit	71.6%	80.1%	68.4%	66.2%	135.2%	850 bps	NM
Income (loss) before taxes	\$ 2.0	\$ 0.6	\$ 1.8	\$ 1.2	\$ (0.7)	NM	NM
Non-floor plan interest	0.6	0.6	0.6	0.4	-	NM	NM
Depreciation and amortization	0.8	0.7	0.5	0.2	0.1	NM	NM
Adjusted EBITDA	\$ 3.4	\$ 1.9	\$ 2.9	\$ 1.8	\$ (0.6)	79%	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)	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Income (loss) before taxes	\$ (14.4)	\$ (32.9)	\$ (26.8)	\$ (35.3)	\$ (34.2)	\$ (31.1)	\$ (238.2)	\$ (46.8)	\$ (115.4)
Non-floor plan interest	0.3	0.3	0.7	0.7	1.0	1.1	0.9	0.9	0.8
Depreciation and amortization	4.2	4.0	4.9	5.1	5.9	6.8	7.0	7.0	7.4
Loss (gain) on exit of leased dealerships	-	-	-	-	-	-	-	-	0.4
Impairment charges	-	-	0.1	-	-	-	204.9	-	62.6
Long-term compensation charges	0.5	0.5	6.5	-	-	-	-	2.0	2.2
Acquisition and disposition-related (gain) loss	-	(0.4)	-	-	-	-	-	-	0.2
Used vehicle inventory adjustment	-	-	-	-	-	-	-	-	10.0
Adjusted EBITDA	\$ (9.4)	\$ (28.5)	\$ (14.6)	\$ (29.5)	\$ (27.3)	\$ (23.2)	\$ (25.4)	\$ (36.9)	\$ (31.8)

(In millions)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Income (loss) before taxes	\$ 0.2	\$ 1.7	\$ 2.1	\$ (14.5)	\$ 2.1	\$ 2.6	\$ 0.2	\$ (0.8)	\$ 2.0
Non-floor plan interest	0.5	0.4	0.5	0.4	0.4	0.2	0.1	0.2	0.4
Depreciation and amortization	2.4	2.7	2.7	2.8	2.7	2.8	2.8	2.9	3.3
Loss (gain) on exit of leased dealerships	-	-	-	-	-	-	-	-	-
Impairment charges	1.9	-	1.1	16.6	-	-	-	-	-
Long-term compensation charges	-	-	-	-	-	-	-	-	0.5
Acquisition and disposition-related (gain) loss	-	-	-	-	-	-	-	(5.2)	-
Used vehicle inventory adjustment	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$ 5.0	\$ 4.8	\$ 6.4	\$ 5.3	\$ 5.2	\$ 5.6	\$ 3.1	\$ (2.9)	\$ 6.2





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