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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________

Commission File Number: 1-13395

SONIC AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**56-2010790**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4401 Colwick Road Charlotte, North Carolina	**28211**
(Address of principal executive offices)	**(Zip Code)**

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 22, 2025, there were 22,120,758 shares of the registrant's Class A Common Stock, par value $0.01 per share, and 12,029,375 shares of the registrant's Class B Common Stock, par value $0.01 per share, outstanding.

UNCERTAINTY OF FORWARD-LOOKING STATEMENTS AND INFORMATION

This report contains, and written or oral statements made from time to time by us or by our authorized officers may contain, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address our future objectives, plans and goals, as well as our intent, beliefs and current expectations regarding future operating performance, results and events, and can generally be identified by words such as "may," "will," "should," "could," "believe," "expect," "estimate," "anticipate," "intend," "plan," "foresee" and other similar words or phrases.

These forward-looking statements are based on our current estimates and assumptions and involve various risks and uncertainties. As a result, you should not place undue reliance on these statements, and you are cautioned that these forward-looking statements are not guarantees of future performance, and that actual results could differ materially from those projected in these forward-looking statements. Factors which may cause actual results to differ materially from our projections include those risks described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024 and in "Item 1A. Risk Factors" of this report and elsewhere herein, as well as:

- high levels of competition in the retail automotive industry, which not only create pricing pressures on the products and services we offer, but also on businesses we may seek to acquire;
- challenges to the business model of our franchised dealerships from existing manufacturers and new technology-focused companies;
- the inability of vehicle manufacturers and their suppliers to obtain, produce and deliver vehicles or parts and accessories to meet demand at our franchised dealerships for sale and use in our parts, service and collision repair operations;
- general economic conditions in the markets in which we operate, including fluctuations in interest rates, inflation, vehicle valuations, employment levels, the level of consumer spending and consumer credit availability;
- obstacles that prevent the efficient acquisition and liquidation of used vehicle inventory;
- the number of new and used vehicles sold in the United States, including hybrid electric vehicles and battery electric vehicles, as compared to our expectations and the expectations of the market;
- our ability to generate sufficient cash flows or to obtain additional financing to fund our business expansion, capital expenditures, our share repurchase program, dividends on our common stock, acquisitions and general operating activities;
- our business and growth strategies, including, but not limited to, our EchoPark store operations and investment in new technologies;
- the reputation and financial condition of vehicle manufacturers whose brands we represent, the financial incentives vehicle manufacturers offer and their ability to design, manufacture, deliver and market their vehicles successfully;
- our relationships with vehicle manufacturers, which may affect our ability to obtain desirable new vehicle models in inventory or to complete additional acquisitions or dispositions;
- the adverse resolution of one or more significant legal proceedings against us or our subsidiaries;
- changes in laws and regulations governing the operation of automobile franchises, accounting standards, taxation requirements and environmental laws;
- cybersecurity incidents and other disruptions to our information systems;
- changes in vehicle and parts import quotas, duties, tariffs or other restrictions, including supply shortages that could be caused by global political and economic factors or other supply chain disruptions;
- our ability to make and integrate acquisitions;
- our ability to obtain debt on commercially favorable terms;
- the rate and timing of recovery from, and the impact of, the CDK Global software outage and future cybersecurity incidents on our business;
- the significant control that our principal stockholders exercise over us and our business matters; and
- the rate and timing of overall economic expansion or contraction.

These forward-looking statements speak only as of the date of this report or when made, and we undertake no obligation to revise or update these statements to reflect subsequent events or circumstances, except as required under the federal securities laws and the rules and regulations of the U.S. Securities and Exchange Commission.

SONIC AUTOMOTIVE, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(Dollars and shares in millions, except per share amounts)			
Revenues:				
Retail new vehicles	$ 1,666.1	$ 1,552.6	$ 3,322.4	$ 3,008.4
Fleet new vehicles	29.4	26.2	51.5	45.8
Total new vehicles	1,695.5	1,578.8	3,373.9	3,054.2
Used vehicles	1,180.7	1,186.2	2,405.7	2,401.8
Wholesale vehicles	83.3	71.3	166.1	148.6
Total vehicles	2,959.5	2,836.3	5,945.7	5,604.6
Parts, service and collision repair	495.6	444.1	970.0	890.8
Finance, insurance and other, net	202.1	172.6	392.8	341.6
Total revenues	3,657.2	3,453.0	7,308.5	6,837.0
Cost of sales (1):				
Retail new vehicles	(1,566.9)	(1,454.8)	(3,133.8)	(2,814.2)
Fleet new vehicles	(28.9)	(25.2)	(50.4)	(44.1)
Total new vehicles	(1,595.8)	(1,480.0)	(3,184.2)	(2,858.3)
Used vehicles	(1,132.6)	(1,141.5)	(2,311.3)	(2,310.1)
Wholesale vehicles	(84.9)	(71.9)	(168.8)	(149.9)
Total vehicles	(2,813.3)	(2,693.4)	(5,664.3)	(5,318.3)
Parts, service and collision repair	(241.7)	(220.5)	(475.5)	(443.4)
Total cost of sales	(3,055.0)	(2,913.9)	(6,139.8)	(5,761.7)
Gross profit	602.2	539.1	1,168.7	1,075.3
Selling, general and administrative expenses	(412.6)	(393.0)	(792.9)	(785.3)
Impairment charges	(172.4)	(1.4)	(173.8)	(2.4)
Depreciation and amortization	(40.5)	(37.0)	(80.4)	(73.2)
Operating income (loss)	(23.3)	107.7	121.6	214.4
Other income (expense):				
Interest expense, floor plan	(18.3)	(22.2)	(38.3)	(42.5)
Interest expense, other, net	(27.4)	(29.3)	(55.0)	(58.3)
Other income (expense), net	(0.1)	(0.5)	—	(0.4)
Total other income (expense)	(45.8)	(52.0)	(93.3)	(101.2)
Income (loss) before taxes	(69.1)	55.7	28.3	113.2
Provision for income taxes - benefit (expense)	23.5	(14.5)	(3.3)	(30.0)
Net income (loss)	$ (45.6)	$ 41.2	$ 25.0	$ 83.2
Basic earnings per common share:				
Earnings per common share	$ (1.34)	$ 1.21	$ 0.74	$ 2.45
Weighted-average common shares outstanding	34.1	34.0	34.0	34.0
Diluted earnings per common share:				
Earnings per common share	$ (1.34)	$ 1.18	$ 0.72	$ 2.39
Weighted-average common shares outstanding	34.1	34.9	34.7	34.8

(1) Cost of sales is exclusive of depreciation and amortization shown separately below.

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
Net (loss) income	$ (45.6)	$ 41.2	$ 25.0	$ 83.2
Other comprehensive income (loss) before taxes:				
Change in fair value and amortization of interest rate cap agreements	(0.7)	0.5	(2.0)	1.1
Total other comprehensive income (loss) before taxes	(0.7)	0.5	(2.0)	1.1
Provision for income tax benefit (expense) related to components of other comprehensive income (loss)	0.2	(0.1)	0.6	(0.2)
Other comprehensive income (loss)	(0.5)	0.4	(1.4)	0.9
Comprehensive (loss) income	$ (46.1)	$ 41.6	$ 23.6	$ 84.1

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2025	December 31, 2024
	(Dollars in millions, except per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 110.4	$ 44.0
Receivables, net	397.9	495.9
Inventories	2,119.8	1,957.7
Other current assets	149.3	387.9
Total current assets	2,777.4	2,885.5
Property and Equipment, net	1,618.2	1,606.9
Goodwill	573.7	358.5
Other Intangible Assets, net	255.6	430.3
Operating Right-of-Use Lease Assets	255.1	224.3
Finance Right-of-Use Lease Assets	327.1	317.2
Other Assets	123.3	73.0
Total Assets	$ 5,930.4	$ 5,895.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable - floor plan - trade	$ 162.3	$ 165.6
Notes payable - floor plan - non-trade	1,833.2	1,773.7
Trade accounts payable	173.0	172.0
Operating short-term lease liabilities	37.6	25.6
Finance short-term lease liabilities	12.8	11.9
Other accrued liabilities	441.5	412.8
Current maturities of long-term debt	46.4	76.1
Total current liabilities	2,706.8	2,637.7
Long-Term Debt	1,474.0	1,511.9
Other Long-Term Liabilities	122.0	119.7
Operating Long-Term Lease Liabilities	238.6	220.1
Finance Long-Term Lease Liabilities	359.4	344.0
Commitments and Contingencies		
Stockholders' Equity:		
Class A Convertible Preferred Stock, none issued	—	—
Class A Common Stock, $0.01 par value; 100,000,000 shares authorized; 70,107,449 shares issued and 22,120,758 shares outstanding at June 30, 2025; 69,396,726 shares issued and 22,084,634 shares outstanding at December 31, 2024	0.7	0.7
Class B Common Stock, $0.01 par value; 30,000,000 shares authorized; 12,029,375 shares issued and outstanding at June 30, 2025 and December 31, 2024	0.1	0.1
Paid-in capital	896.2	884.6
Retained earnings	1,413.2	1,412.0
Accumulated other comprehensive income (loss)	2.4	3.8
Treasury stock, at cost; 47,986,691 Class A Common Stock shares held at June 30, 2025 and 47,312,092 Class A Common Stock shares held at December 31, 2024	(1,283.0)	(1,238.9)
Total Stockholders' Equity	1,029.6	1,062.3
Total Liabilities and Stockholders' Equity	$ 5,930.4	$ 5,895.7

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at March 31, 2024	69.0	$ 0.7	(47.2)	$ (1,231.5)	12.0	$ 0.1	$ 862.6	$ 1,270.4	$ 2.1	$ 904.4
Shares awarded under stock compensation plans	0.3	—	—	—	—	—	3.2	—	—	3.2
Purchases of treasury stock	—	—	—	(0.1)	—	—	—	—	—	(0.1)
Effect of cash flow hedge instruments, net of tax expense of $0.1	—	—	—	—	—	—	—	—	0.4	0.4
Stock compensation expense	—	—	—	—	—	—	5.8	—	—	5.8
Net income	—	—	—	—	—	—	—	41.2	—	41.2
Class A dividends declared ($0.30 per share)	—	—	—	—	—	—	—	(6.6)	—	(6.6)
Class B dividends declared ($0.30 per share)	—	—	—	—	—	—	—	(3.6)	—	(3.6)
Balance at June 30, 2024	69.3	$ 0.7	(47.2)	$ (1,231.6)	12.0	$ 0.1	$ 871.6	$ 1,301.4	$ 2.5	$ 944.7

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at March 31, 2025	69.7	$ 0.7	(47.8)	$ (1,274.2)	12.0	$ 0.1	$ 890.6	$ 1,470.7	$ 2.9	$ 1,090.8
Shares awarded under stock compensation plans	0.4	—	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	(0.2)	(8.8)	—	—	—	—	—	(8.8)
Effect of cash flow hedge instruments, net of tax benefit of $0.2	—	—	—	—	—	—	—	—	(0.5)	(0.5)
Stock compensation expense	—	—	—	—	—	—	5.6	—	—	5.6
Net loss	—	—	—	—	—	—	—	(45.6)	—	(45.6)
Class A dividends declared ($0.35 per share)	—	—	—	—	—	—	—	(7.7)	—	(7.7)
Class B dividends declared ($0.35 per share)	—	—	—	—	—	—	—	(4.2)	—	(4.2)
Balance at June 30, 2025	70.1	$ 0.7	(48.0)	$ (1,283.0)	12.0	$ 0.1	$ 896.2	$ 1,413.2	$ 2.4	$ 1,029.6

See notes to unaudited condensed consolidated financial statements.

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at December 31, 2023	68.6	$ 0.7	(46.7)	$ (1,204.5)	12.0	$ 0.1	$ 855.4	$ 1,238.6	$ 1.6	$ 891.9
Shares awarded under stock compensation plans	0.7	—	—	—	—	—	3.7	—	—	3.7
Purchases of treasury stock	—	—	(0.5)	(27.1)	—	—	—	—	—	(27.1)
Effect of cash flow hedge instruments, net of tax expense of $0.2	—	—	—	—	—	—	—	—	0.9	0.9
Stock compensation expense	—	—	—	—	—	—	12.5	—	—	12.5
Net income	—	—	—	—	—	—	—	83.2	—	83.2
Class A dividends declared ($0.60 per share)	—	—	—	—	—	—	—	(13.2)	—	(13.2)
Class B dividends declared ($0.60 per share)	—	—	—	—	—	—	—	(7.2)	—	(7.2)
Balance at June 30, 2024	69.3	$ 0.7	(47.2)	$ (1,231.6)	12.0	$ 0.1	$ 871.6	$ 1,301.4	$ 2.5	$ 944.7

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at December 31, 2024	69.4	$ 0.7	(47.3)	$ (1,238.9)	12.0	$ 0.1	$ 884.6	$ 1,412.0	$ 3.8	$ 1,062.3
Shares awarded under stock compensation plans	0.7	—	—	—	—	—	0.1	—	—	0.1
Purchases of treasury stock	—	—	(0.7)	(44.1)	—	—	—	—	—	(44.1)
Effect of cash flow hedge instruments, net of tax benefit of $0.6	—	—	—	—	—	—	—	—	(1.4)	(1.4)
Stock compensation expense	—	—	—	—	—	—	11.5	—	—	11.5
Net income	—	—	—	—	—	—	—	25.0	—	25.0
Class A dividends declared ($0.70 per share)	—	—	—	—	—	—	—	(19.6)	—	(19.6)
Class B dividends declared ($0.70 per share)	—	—	—	—	—	—	—	(4.2)	—	(4.2)
Balance at June 30, 2025	70.1	$ 0.7	(48.0)	$ (1,283.0)	12.0	$ 0.1	$ 896.2	$ 1,413.2	$ 2.4	$ 1,029.6

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
	(Dollars in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 25.0	$ 83.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	69.4	63.4
Debt issuance cost amortization	3.2	2.9
Stock-based compensation expense	11.5	12.5
Deferred income taxes	(55.2)	(7.2)
Asset impairment charges	173.8	2.4
Loss (gain) on disposal of dealerships and property and equipment	3.8	0.8
Other	0.6	0.9
Changes in assets and liabilities that relate to operations:		
Receivables	105.2	96.6
Inventories	(26.5)	(376.9)
Other assets	7.1	7.4
Notes payable - floor plan – trade	(3.3)	12.2
Trade accounts payable and other liabilities	18.0	35.5
Total adjustments	307.6	(149.5)
Net cash provided by (used in) operating activities	332.6	(66.3)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of businesses, net of cash acquired	(359.9)	—
Purchases of land, property and equipment	(79.1)	(92.6)
Proceeds from sales of property and equipment	17.1	27.4
Net cash used in investing activities	(421.9)	(61.8)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings on notes payable - floor plan - non-trade	299.5	186.3
Borrowings on revolving credit facilities	10.2	62.3
Repayments on revolving credit facilities	(10.2)	(62.3)
Debt issuance costs	(0.9)	(5.4)
Principal payments of long-term debt	(69.9)	(44.6)
Principal payments of long-term lease liabilities	(5.2)	(4.1)
Purchases of treasury stock	(44.1)	(27.1)
Issuance of shares under stock compensation plans	0.1	3.7
Dividends paid	(23.8)	(20.4)
Net cash provided by financing activities	155.7	166.4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66.4	38.3
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	44.0	28.9
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 110.4	$ 67.2
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest, including amounts capitalized	$ 93.0	$ 94.9
Income taxes	$ 8.1	$ 40.2

See notes to unaudited condensed consolidated financial statements.

1. Summary of Significant Accounting Policies

Basis of Presentation – The accompanying unaudited condensed consolidated financial statements of Sonic Automotive, Inc. and its wholly owned subsidiaries (collectively referred to herein as "Sonic," the "Company," "we," "us" or "our") for the three and six months ended June 30, 2025 and 2024 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States (the "U.S.") ("GAAP") for interim financial information and applicable rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect, in the opinion of management, all material normal, recurring adjustments necessary to fairly state the financial position, results of operations and cash flows for the periods presented. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024. Due to rounding, segment level financial data may not sum to consolidated results.

Recent Accounting Pronouncements – Please refer to Note 1, "Description of Business and Summary of Significant Accounting Policies," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of recent accounting pronouncements.

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendments require the disclosure of significant segment expenses as well as expanded interim disclosures, along with other changes to segment disclosure requirements. The standard will be effective for fiscal years beginning after December 15, 2023, and interim periods beginning after December 15, 2024. We have implemented the provisions of ASU 2023-07. See Note 9, "Segment Information," to the accompanying consolidated financial statements for the expanded disclosures required by ASC Topic 280.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. The standard will be effective for fiscal years beginning after December 15, 2024, and interim periods for fiscal years beginning after December 15, 2025. We are currently evaluating the impact that the adoption of the provisions of the ASU will have on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)". The amendments require the disclosure of specified information about certain costs and expenses including purchases of inventory, employee compensation, depreciation, intangible asset amortization and depreciation, depletion, and amortization recognized as part of oil and gas producing activities. It also requires the disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively as well as the total amount of selling expenses and, in annual reporting periods, an entity's description of selling expenses. The standard will be effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact that the adoption of the provisions of the ASU will have on our consolidated financial statements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law in the U.S., which contains a broad range of tax reform provisions affecting businesses. We are evaluating the full effects of the legislation on our estimated annual effective tax rate and cash tax position, but we expect that the legislation will likely not have a material impact on our financial statements. As the legislation was signed into law after the close of our second quarter, the impacts are not included in our operating results for the six months ended June 30, 2025.

Principles of Consolidation – All of our dealership and non-dealership subsidiaries are wholly owned and consolidated in the accompanying unaudited condensed consolidated financial statements, except for one 50%-owned dealership that is accounted for under the equity method for the period ended June 30, 2024. The remaining 50% of this dealership was purchased in the fourth quarter of 2024 and its balance sheet is fully consolidated as of December 31, 2024 and June 30, 2025, and its operating results are included in the consolidated statement of operations from the acquisition date through June 30, 2025. All material intercompany balances and transactions have been eliminated in the accompanying unaudited condensed consolidated financial statements. Certain amounts and percentages may not compute due to rounding.

Revenue Recognition – Revenue is recognized when a customer obtains control of promised goods or services and in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. We do not include the cost of obtaining contracts within the related revenue streams since we elected the practical expedient to expense the costs to obtain a contract when incurred.

Management has evaluated our established business processes, revenue transaction streams and accounting policies, and identified our material revenue streams to be: (1) the sale of new vehicles; (2) the sale of used vehicles to retail customers; (3) the sale of wholesale used vehicles at third-party auctions; (4) the arrangement of third-party vehicle financing and the sale of third-party service, warranty and other insurance contracts; and (5) the performance of vehicle maintenance and repair services and the sale of related parts and accessories. The transaction price for a retail vehicle sale is specified in the contract with the customer and encompasses both cash and non-cash considerations. In the context of a retail vehicle sale, customers frequently trade in their existing vehicles. The value of this trade-in is determined based on its stand-alone selling price as specified in the contract, utilizing various third-party pricing sources. There are no other non-cash forms of consideration associated with retail vehicle sales, and sales are reported net of sales tax and other similar assets. Generally, performance obligations are satisfied when the associated vehicle is delivered to a customer and customer acceptance has occurred, over time as the maintenance and repair services are performed, or at the time of wholesale and retail parts sales. We do not have any revenue streams with significant financing components, as payments are typically received within a short period of time following completion of the performance obligation(s).

Retrospective finance and insurance revenues ("F&I retro revenues") are recognized when the product contract has been executed with the end customer and the transaction price is estimated each reporting period based on the expected value method using historical and projected data. F&I retro revenues can vary based on a variety of factors, including number of contracts and history of cancellations and claims. Accordingly, we utilize this historical and projected data to constrain the consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

We record revenue when vehicles are delivered to customers, as vehicle service work is performed and when parts are delivered. Conditions for completing a sale include having an agreement with the customer, including pricing, and it being probable that the proceeds from the sale will be collected.

The accompanying unaudited condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024 include approximately $6.1 million and $8.0 million, respectively, related to contract assets from F&I retro revenues recognition, which are recorded in receivables, net. In addition, we recorded approximately $14.4 million related to contract assets from F&I retro revenues recognition in other assets as of June 30, 2025. Changes in contract assets from December 31, 2024 to June 30, 2025 were primarily due to ordinary business activity, including the receipt of cash for amounts earned and recognized in prior periods. Please refer to Note 1, "Description of Business and Summary of Significant Accounting Policies," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of our revenue recognition policies and processes.

Income Taxes – The income tax rate for the three and six month periods ended June 30, 2025 was impacted by the effect of the impairment charge discussed in Note 5 - Goodwill and Intangible Assets below. Absent the impairment charge, the effective rate for the three and six month periods ended June 30, 2025 would have been 24.8% and 26.1%, respectively.

Earnings Per Share – The calculation of diluted earnings per share considers the potential dilutive effect of outstanding restricted stock units, restricted stock and stock options granted under Sonic's stock compensation plans (and any non-forfeitable dividends paid on such awards).

2. Business Acquisitions and Dispositions

During the six months ended June 30, 2025, we acquired four businesses in our Franchised Dealerships Segment and were awarded one franchise in our Powersports Segment, which was previously an authorized retail outlet in Sturgis, South Dakota. The businesses acquired were Jaguar Land Rover Los Angeles, Jaguar Land Rover Newport Beach, Jaguar Land Rover San Jose and Land Rover Pasadena for an aggregate gross purchase price of approximately $359.9 million. The preliminary allocation of the aggregate gross purchase price included inventory of approximately $135.6 million, property and equipment of approximately $8.0 million, goodwill of approximately $215.5 million, other assets of approximately $1.5 million, and other liabilities of approximately $0.7 million.

As the businesses acquired in 2025 were purchased on the last day of the second quarter, no revenue or earnings attributable to those businesses are included in the accompanying statements of income. Acquisition costs recognized as an expense in the June 30, 2025 consolidated statements of operations related to these acquisitions were immaterial. Additionally, the total amount of goodwill from these acquisitions that is expected to be deductible for tax purposes related to these acquisitions is approximately $215.5 million.

The following unaudited pro forma summary presents consolidated information as if the 2025 acquisitions had occurred on January 1, 2024:

	Six Months Ended June 30, 2025	Twelve Months Ended December 31, 2024
	(In millions)	
Revenue	$ 7,585.3	$ 14,735.4
Income before taxes	$ 36.7	$ 283.4

We did not acquire any businesses during the six months ended June 30, 2024.

During the six months ended June 30, 2025, we terminated one domestic franchised dealership and one powersports dealership. During the six months ended June 30, 2024, we terminated two luxury franchised dealerships and disposed of one mid-line import franchised dealership, in addition to closing the remaining seven Northwest Motorsport stores within the EchoPark Segment. The disposal generated net cash of approximately $3.4 million.

3. Inventories

Inventories consist of the following:

	June 30, 2025	December 31, 2024
	(In millions)	
New vehicles	$ 1,236.1	$ 1,146.0
Used vehicles	554.3	514.4
Service loaners (1)	209.1	184.9
Parts, accessories and other	120.3	112.4
Inventories	$ 2,119.8	$ 1,957.7

(1) Service loaner inventory includes approximately $29.9 million and $31.7 million as of June 30, 2025 and December 31, 2024, respectively, related to vehicles that are leased directly from the manufacturer on a short-term basis. A corresponding liability is included within notes payable - floor plan - trade on the accompanying unaudited condensed consolidated balance sheets.

4. Property and Equipment

Property and equipment, net consists of the following:

	June 30, 2025	December 31, 2024
	(In millions)	
Land	$ 476.0	$ 484.3
Buildings and improvements	1,536.9	1,510.7
Furniture, fixtures and equipment	591.7	577.3
Construction in progress	73.1	61.6
Total, at cost	2,677.7	2,633.9
Less accumulated depreciation	(1,050.5)	(1,003.6)
Subtotal	1,627.2	1,630.3
Less assets held for sale (1)	(9.0)	(23.4)
Property and equipment, net	$ 1,618.2	$ 1,606.9

(1) Classified in other current assets in the accompanying unaudited condensed consolidated balance sheets.

Capital expenditures were approximately $34.1 million and $79.1 million in the three and six months ended June 30, 2025, respectively, and, in the three and six months ended June 30, 2024, capital expenditures were approximately $48.8

million and $92.6 million, respectively. Capital expenditures in all periods were primarily related to construction of new franchised dealerships and powersports stores, and building improvements and equipment purchased for use in our franchised dealerships and EchoPark and powersports stores. Certain capital expenditures are recognized in the Franchised Dealerships Segment to better monitor project development costs prior to transferring the capitalized asset balance to the appropriate entity or operating segment upon project completion. Assets held for sale as of June 30, 2025 and December 31, 2024 consisted of real property not currently used in operations that we expect to dispose of in the next 12 months.

Fixed asset impairment charges for the six months ended June 30, 2025 were approximately $0.2 million, which was related to property held for sale. Fixed asset impairment charges for the six months ended June 30, 2024 were approximately $2.4 million, which was related to the sale of real estate, capitalized IT project write-off costs and property associated with our decision to close the remaining Northwest Motorsport stores within the EchoPark Segment in January 2024.

5. Goodwill and Intangible Assets

In accordance with Accounting Standards Codification (“ASC”) Topic 350, “Intangibles - Goodwill and Other,” we test goodwill for impairment at least annually (as of April 30 of each year) or more frequently if indications of impairment exist. The ASC also states that if an entity determines, based on an assessment of certain qualitative factors, that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative goodwill impairment test is unnecessary. We evaluated our Franchised Dealership Segment reporting unit on a qualitative basis as substantial cushion existed between the calculated fair value and associated carrying values in the prior year evaluation and there were not any meaningful events or trends which would significantly erode this cushion. We evaluated our Powersports Segment reporting unit on a quantitative basis.

In performing the quantitative test in the Powersports Segment reporting unit for impairment of goodwill, we primarily used the income approach method of valuation that includes the discounted cash flow (“DCF”) method that utilizes inputs, including projected revenues, margin, terminal growth rates, discount rates and a market capitalization reconciliation. We completed our annual impairment testing as of April 30, 2025 and determined there was no impairment of goodwill in either reporting unit evaluated.

In evaluating the recoverability of our indefinite lived franchise assets, we utilized a multi-period excess earnings method (“MPEEM”) model using unobservable inputs (Level 3) to estimate the fair value of the franchise assets for each of our franchises with recorded franchise assets. The significant assumptions in our MPEEM model include projected revenue, projected operating margins, a discount rate (and estimates in the discount rate inputs) and residual growth rates. We completed our annual impairment testing as of April 30, 2025 and determined that several of our franchise assets’ fair values did not exceed the carrying values, resulting in a non-cash pre-tax franchise asset impairment charge of $172.4 million to reduce the carrying value to fair value as of April 30, 2025. After the effect of impairment charges, the carrying value of our franchise assets totaled approximately $255.6 million at June 30, 2025, and is included in other intangible assets, net, in the accompanying consolidated balance sheet as of such date.

The changes in the carrying amount of goodwill for the year ended December 31, 2024 and the six months ended June 30, 2025 were as follows:

	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)			
Balance at December 31, 2023 (1)	$ 229.8	$ —	$ 24.0	$ 253.8
Additions through current year acquisitions	8.1	—	3.3	11.4
Reductions from dispositions	(0.2)	—	—	(0.2)
Prior year acquisition allocations	93.5	—	—	93.5
Balance at December 31, 2024 (1)	$ 331.2	$ —	$ 27.3	$ 358.5
Additions through current year acquisitions (2)	215.5	—	—	215.5
Prior year acquisition allocations	(0.3)	—	—	(0.3)
Balance at June 30, 2025 (1)	$ 546.4	$ —	$ 27.3	$ 573.7

(1) Net of accumulated impairment losses of $1.1 billion and $202.9 million related to the Franchised Dealerships Segment and the EchoPark Segment, respectively.

(2) Purchase accounting allocations for current year acquisitions are preliminary. Amounts will be allocated from goodwill to franchise assets once the overall purchase accounting allocation is finalized.

The changes in the carrying amount of franchise assets for the year ended December 31, 2024 and the six months ended June 30, 2025 were as follows:

	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)			
Balance at December 31, 2023	$ 371.7	$ —	$ 45.7	$ 417.4
Additions through current year acquisitions	10.9	—	2.0	12.9
Balance at December 31, 2024	$ 382.6	$ —	$ 47.7	$ 430.3
Reductions from dispositions	(1.6)	—	(0.7)	(2.3)
Reductions from impairment	(165.9)	—	(6.5)	(172.4)
Balance at June 30, 2025	$ 215.1	$ —	$ 40.5	$ 255.6

6. Long-Term Debt

Long-term debt consists of the following:

	June 30, 2025	December 31, 2024
	(In millions)	
Revolving Credit Facility (1)	$ —	$ —
4.625% Senior Notes due 2029 (the "4.625% Notes")	650.0	650.0
4.875% Senior Notes due 2031 (the "4.875% Notes")	500.0	500.0
Mortgage Facility (2)	347.3	366.8
Mortgage notes to finance companies - fixed rate, bearing interest from 2.05% to 4.40%	45.6	96.1
Subtotal	$ 1,542.9	$ 1,612.9
Debt issuance costs	(22.5)	(24.9)
Total debt	1,520.4	1,588.0
Less current maturities	(46.4)	(76.1)
Long-term debt	$ 1,474.0	$ 1,511.9

(1) The interest rate on the Revolving Credit Facility (as defined below) was 125 basis points above one-month Term SOFR (as defined in the Credit Facilities) at both June 30, 2025 and December 31, 2024.
(2) The interest rate on the Mortgage Facility (as defined below) was 150 basis points above one-month Term SOFR (as defined in the Mortgage Facility) at both June 30, 2025 and December 31, 2024.

Credit Facilities

Our Credit Agreement, originally dated as of April 14, 2021, entered into by, among others, the Company and Bank of America, N.A., as administrative agent (as amended to date, the "Credit Agreement"), provides for a syndicated revolving credit facility (the “Revolving Credit Facility”) and syndicated new and used vehicle floor plan facilities (the “Floor Plan Facilities” and, together with the Revolving Credit Facility, the “Credit Facilities”). The Credit Facilities are guaranteed by the Company and certain subsidiaries and are secured by a pledge of substantially all of the guarantors' assets subject to certain exceptions, including floor plan agreements with various manufacturer-affiliated captive finance companies.

On March 13, 2024, we amended and restated our Credit Agreement (the “Sixth Credit Facility Amendment”) to extend the maturity date to March 13, 2029, with an optional one-year extension. The agreement set the aggregate commitments to $2.4 billion consisting of $1.35 billion under the new vehicle floor plan, $700.0 million under the used vehicle floor plan and $350.0 million under the Revolving Credit Facility. The amendment includes an accordion feature allowing for an increase in the commitments up to $450.0 million to be allocated between the three facilities on a pro rata basis. It also contains a provision indicating that the Revolving Credit Facility commitment can neither be reduced below $50.0 million nor consist of more than 40% of the aggregate commitments.

In addition, the Sixth Credit Facility Amendment increased the basket for unrestricted quarterly dividends from $0.12 to $0.18 per share of qualified capital stock, provided additional flexibility to make asset sales and repurchases of qualified capital stock, removed the consolidated liquidity ratio covenant, and clarified that “Adjusted Term SOFR” (as defined) is inclusive of a 10-basis point credit spread adjustment. Amounts outstanding under the Credit Facilities bear interest at Adjusted Term SOFR plus credit spreads indicated by our Consolidated Total Lease Adjusted Leverage Ratio (as defined).

Availability under the Revolving Credit Facility is the lesser of the $350.0 million commitment or a borrowing base collateralized by eligible assets, less any outstanding letters of credit and borrowings. As of June 30, 2025, the Revolving Borrowing Base was $331.8 million with $11.2 million in outstanding letters of credit and no borrowings, resulting in $320.6 million of availability.

Senior Notes

On October 27, 2021, we issued two series of Senior Notes: $650.0 million bearing interest at 4.625% and maturing on November 15, 2029 (the “4.625% Notes”) and $500.0 million bearing interest at 4.875% and maturing on November 15, 2031 (the “4.875% Notes” and together with the 4.625% Notes, the "Senior Notes"). We used the net proceeds from the issuances to fund the acquisition of RFJ Auto Partners, Inc. and its subsidiaries (the “RFJ Acquisition”) and to repay existing debt.

The notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the Company and its domestic operating subsidiaries. Under certain circumstances, the guarantees of the subsidiaries comprising the EchoPark Business (as defined in the indentures governing the Senior Notes (the "Indentures")) may be released. The Indentures contain customary restrictive covenants and default provisions. Interest on the Senior Notes is payable semi-annually in arrears on May 15 and November 15 of each year.

The Senior notes are redeemable, in whole or in part, at any time during the twelve-month period beginning on November 15 of each year at the redemption prices (expressed as percentages of the principal amount thereof) set forth below:

	Redemption Price	
Year	**4.625% Notes**	**4.875%**
2024	102.313 %	No
2025	101.156 %	No
2026	100.000 %	102.4
2027	100.000 %	101.6
2028	100.000 %	100.8
2029 and thereafter		100.0

Before November 15, 2026, we may redeem all or part of the 4.875% Notes, subject to a make-whole premium.

Mortgage Facility and Sidecar Facility

On November 22, 2019, we entered into an agreement between, among others, the Company and PNC Bank, N.A., as administrative agent, providing for both revolving credit and delayed draw term loans (as amended to date, the "Mortgage Facility").

On March 22, 2024, we amended the Mortgage Facility to conform to the terms of the Sixth A&R Credit agreement.

On May 17, 2024, we incurred a $78.0 million term loan as required under the Mortgage Facility in order to achieve full term loan utilization.

On December 27, 2024, we entered into an agreement, which established a syndicated mortgage loan facility (the "Sidecar Facility") providing an incremental $149.1 million of term loan commitments. Though the Sidecar Facility is distinct and separate from the Mortgage Facility, the two facilities contain similar terms and conditions, are coterminous, and use one month Term SOFR as a base rate with the same pricing grid.

Interest on the Mortgage Facility and Sidecar Facility is paid monthly in arrears. Amortizing principal payments are 1.875% of the cumulative amount drawn on the term loan portion of Mortgage Facility and Sidecar Facility each quarter end through September 30, 2027, with the remaining balances due on the November 17, 2027 maturity date. We have the right to prepay outstanding principal on either facility at any time without premium or penalty provided that the prepayment exceeds $0.5 million.

As of June 30, 2025, we had $347.3 million of outstanding borrowings and $95.0 million available for revolving loans under the Mortgage Facility. In addition, we had no outstanding borrowings and $149.1 million available for future term loans under the Sidecar Facility based upon the appraised value of the underlying pledged collateral.

Mortgage Notes to Finance Companies

Excluding the Mortgage Facility and Sidecar Facility, our mortgage notes had a weighted-average interest rate of 3.48% and a combined principal balance of $45.6 million as of June 30, 2025. These mortgage notes require monthly payments of principal and interest through their respective maturities, are secured by underlying properties or other collateral and contain certain cross-default provisions. Maturity dates for these mortgage notes range from 2025 to 2031.

Covenants

The Credit Facilities, Mortgage Facility and Sidecar Facility each contain covenants which could prohibit indebtedness, liens, the payment of excess dividends and other restricted payments, capital expenditures and material dispositions and acquisitions of assets. The facilities contain other covenants and default provisions, including cross defaults to other material indebtedness, change of control events and other events of default customary for commercial credit facilities. Upon the occurrence of an event of default, we could be required to repay all outstanding amounts under these facilities. The facilities permit quarterly cash dividends on our Class A and Class B Common Stock up to $0.18 per share so long as no continuing Event of Default (as defined within each facility) has occurred and provided that we remain in compliance with all financial covenants. Dividends greater than $0.18 per share are subject to the limitations on restricted payments set forth in the facilities. After giving effect to the applicable restrictions, as of June 30, 2025, we had approximately $390.4 million of net income and retained earnings free of such restrictions.

Financial covenants for the Credit Facilities, Mortgage Facility and Sidecar Facility facilities include a minimum Consolidated Fixed Charge Coverage Ratio (as defined) of 1.20 to 1.00 and a Consolidated Total Lease Adjusted Leverage Ratio (as defined) not to exceed 5.75 to 1.00. Similar financial covenants apply to our Senior Notes as well as to certain facility leases and their related guaranty agreements. We remain in compliance with all restrictive covenants as of June 30, 2025.

Derivative Instruments and Hedging Activities

As of June 30, 2025, we had interest rate cap agreements with the following notional amounts, cap rates and maturities to help limit our exposure to potentially increasing interest rates on the Floor Plan Facilities and Mortgage Facility. Settlements are evaluated monthly and paid by the counterparties when one-month Term SOFR exceeds the cap rate. Payments are calculated based on the notional amounts multiplied by the difference between one-month Term SOFR and the cap rates and are recognized as a reduction of interest expense. The total unamortized premium related to the caps was $2.6 million as of June 30, 2025 which will be amortized as interest expense over each cap's remaining term. The fair value of the outstanding caps was $0.5 million at June 30, 2025 included in other assets in the accompanying consolidated balance sheet.

Notional Amount (In millions)		Cap Rate (1)	Receive Rate (1)	Start Date	Maturing Date
$	400.0	5.500%	one-month Term SOFR	March 13, 2025	December 31, 2026
$	200.0	5.500%	one-month Term SOFR	March 17, 2025	November 17, 2027
$	400.0	5.500%	one-month Term SOFR	March 13, 2025	December 29, 2028

(1) One-month Term SOFR was approximately 4.32% at June 30, 2025.

The interest rate caps qualify and have been designated as cash flow hedges. As a result, changes in their fair value are recorded in total other comprehensive income (loss) before taxes in the accompanying consolidated statements of comprehensive operations.

For further discussion, see Note 6, "Long-Term Debt," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024.

7. Commitments and Contingencies

Guarantees and Indemnification Obligations

In accordance with the terms of our operating lease agreements, our dealership subsidiaries, acting as lessees, generally agree to indemnify the lessor from certain exposure arising as a result of the use of the leased premises, including environmental exposure and repairs to leased property upon termination of the lease. In addition, we have generally agreed to indemnify the lessor in the event of a breach of the lease by the lessee.

In connection with dealership dispositions and facility relocations, certain of our subsidiaries have assigned or sublet to the buyer their interests in real property leases associated with such dealerships. In general, the subsidiaries retain responsibility for the performance of certain obligations under such leases, including rent payments and repairs to leased property upon termination of the lease, to the extent that the assignee or the sublessee does not perform. In the event an assignee or a sublessee does not perform its obligations, Sonic remains liable for such obligations.

In accordance with the terms of agreements entered into for the sale of our dealerships, we generally agree to indemnify the buyer from certain liabilities and costs arising subsequent to the date of sale, including environmental exposure and exposure resulting from the breach of representations or warranties made in accordance with the agreements. While our exposure with respect to environmental remediation is difficult to quantify, our maximum exposure associated with these general indemnifications was approximately $1.5 million as of June 30, 2025 and $2.2 million as of December 31, 2024. These indemnifications typically expire within a period of one to three years following the date of sale. The estimated fair value of these indemnifications was not material and the amount recorded for this contingency was not significant at June 30, 2025.

Legal Matters

Sonic is involved, and expects to continue to be involved, in various legal and administrative proceedings arising out of the conduct of its business, including regulatory investigations and private civil actions brought by plaintiffs purporting to represent a potential class or for which a class has been certified. Although Sonic vigorously defends itself in all legal and administrative proceedings, the outcomes of pending and future proceedings arising out of the conduct of Sonic's business, including litigation with customers, employment-related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on Sonic's business, financial condition, results of operations, cash flows or prospects.

There were no significant liabilities recorded related to legal matters as of June 30, 2025 and December 31, 2024.

8. Fair Value Measurements

Assets and liabilities recorded at fair value in the accompanying unaudited condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024 were as follows:

	Fair Value Based on Significant Other Observable Inputs (Level 2)	
	June 30, 2025	December 31, 2024
	(In millions)	
Assets:		
Cash surrender value of life insurance policies (1)	$ 48.5	$ 47.3
Interest rate caps designated as hedges (2)	0.5	—
Total assets	$ 49.0	$ 47.3

(1) Included in other assets in the accompanying unaudited condensed consolidated balance sheets.
(2) As of June 30, 2025, approximately $0.5 million was included in other assets in the accompanying unaudited condensed consolidated balance sheet.

As of June 30, 2025 and December 31, 2024, the fair values of Sonic's financial instruments, including receivables, notes receivable from finance contracts, notes payable – floor plan, trade accounts payable, borrowings under the revolving credit facilities and certain mortgage notes, approximated their carrying values due either to length of maturity or existence of variable interest rates that approximate prevailing market rates.

As of June 30, 2025 and December 31, 2024, the fair value and the carrying value of Sonic's significant fixed rate long-term debt were as follows:

	June 30, 2025		December 31, 2024	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(In millions)			
4.875% Notes (1)	$ 473.8	$ 500.0	$ 447.5	$ 500.0
4.625% Notes (1)	$ 628.9	$ 650.0	$ 594.8	$ 650.0
Mortgage Notes (2)	$ 43.9	$ 45.6	$ 93.4	$ 96.1

(1) As determined by market quotations from similar securities as of June 30, 2025 and December 31, 2024, respectively (Level 2).
(2) As determined by the DCF method (Level 2).

For further discussion of Sonic's fair value measurements, see Note 11, "Fair Value Measurements," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024.

9. Segment Information

As of June 30, 2025, Sonic had three operating segments: (1) the Franchised Dealerships Segment; (2) the EchoPark Segment; and (3) the Powersports Segment. Refer to Note 1, "Description of Business and Summary of Significant Accounting Policies," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2024 for additional discussion of our operating segments. Sonic has determined that its operating segments also represent its reportable segments.

The reportable segments identified above are the business activities of Sonic for which discrete financial information is available and for which operating results are regularly reviewed by Sonic's chief operating decision maker to assess operating performance and allocate resources. Sonic's chief operating decision maker is a group of three individuals consisting of: (1) the Company's Chief Executive Officer; (2) the Company's President; and (3) the Company's Chief Financial Officer. The chief operating decision makers evaluate segment performance and allocate resources using metrics such as segment gross profit and segment income. These segment profit metrics are consistent across all segments and align with the way we measure profit on a consolidated basis. The accounting policies applied to segments follow those for the Company as a whole.

Reportable segment financial information for the three and six months ended June 30, 2025 and 2024 were as follows:

Franchised Dealerships Segment - Reported

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
Revenues:				
Retail new vehicles	$ 1,639.1	$ 1,530.9	$ 3,276.1	$ 2,970.8
Fleet new vehicles	29.5	26.2	51.5	45.8
Used vehicles	744.9	732.1	1,490.6	1,461.4
Wholesale vehicles	57.8	48.4	112.2	96.9
Parts, service and collision repair	484.9	434.4	952.4	874.3
Finance, insurance and other, net	144.3	124.2	274.9	243.8
Cost of sales:				
Retail new vehicles	(1,543.9)	(1,436.0)	(3,094.1)	(2,781.8)
Fleet new vehicles	(28.9)	(25.2)	(50.4)	(44.1)
Used vehicles	(705.4)	(693.4)	(1,411.2)	(1,381.8)
Wholesale vehicles	(58.7)	(48.9)	(114.1)	(97.6)
Parts, service and collision repair	(236.0)	(215.4)	(466.3)	(434.6)
Segment gross profit	$ 527.6	$ 477.3	$ 1,021.6	$ 953.1
Selling, general and administrative expenses:				
Compensation	(232.3)	(221.9)	(458.7)	(438.3)
Advertising	(16.7)	(14.3)	(32.6)	(29.6)
Rent	(9.4)	(10.3)	(19.1)	(20.4)
Other (1)	(101.8)	(101.4)	(175.7)	(198.1)
Depreciation and amortization	(34.1)	(30.4)	(67.5)	(60.2)
Other income (expense):				
Interest expense, floor plan	(15.3)	(18.0)	(31.6)	(34.0)
Interest expense, other, net	(26.3)	(27.8)	(52.9)	(55.6)
Other income (expense), net	(0.1)	(0.5)	0.1	(0.5)
Segment income	$ 91.6	$ 52.7	$ 183.6	$ 116.4

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including gain or loss on disposal of franchises, facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline and service loaners, and insurance, training, legal and information technology expenses.

EchoPark Segment - Reported

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(In millions)			
Revenues:				
Used vehicles	$ 427.4	$ 448.9	$ 901.1	$ 931.7
Wholesale vehicles	25.4	21.9	52.8	50.7
Finance, insurance and other, net	55.8	46.5	114.5	94.3
Cost of Sales:				
Used vehicles	(420.5)	(444.2)	(888.8)	(921.7)
Wholesale vehicles	(26.0)	(22.0)	(53.6)	(51.3)
Segment gross profit	$ 62.1	$ 51.1	$ 126.0	$ 103.7
Selling, general and administrative expenses:				
Compensation	(25.2)	(23.3)	(51.1)	(48.5)
Advertising	(7.3)	(7.0)	(15.1)	(13.6)
Rent	(0.7)	2.7	(1.4)	3.4
Other (1)	(9.0)	(9.6)	(19.4)	(24.1)
Depreciation and amortization	(5.2)	(5.6)	(10.5)	(11.1)
Other income (expense):				
Interest expense, floor plan	(2.6)	(3.8)	(5.8)	(7.6)
Interest expense, other, net	(0.4)	(0.7)	(0.8)	(1.3)
Other income (expense), net	—	0.1	0.1	—
Segment income (loss)	$ 11.7	$ 3.9	$ 22.0	$ 0.9

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline, and insurance, training, legal and information technology expenses.

Powersports Segment - Reported

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(In millions)			
Revenues:				
Retail new vehicles	$ 26.9	$ 21.7	$ 46.3	$ 37.5
Used vehicles	8.3	5.3	14.0	8.7
Wholesale vehicles	0.3	0.9	1.1	1.1
Parts, service and collision repair	10.6	9.7	17.6	16.5
Finance, insurance and other, net	2.0	2.0	3.4	3.5
Cost of Sales:				
Retail new vehicles	(23.0)	(18.8)	(39.7)	(32.3)
Used vehicles	(6.7)	(4.0)	(11.3)	(6.5)
Wholesale vehicles	(0.3)	(1.0)	(1.1)	(1.2)
Parts, service and collision repair	(5.6)	(5.1)	(9.2)	(8.8)
Segment gross profit	$ 12.5	$ 10.7	$ 21.1	$ 18.5
Selling, general and administrative expenses:				
Compensation	(7.3)	(5.7)	(13.5)	(11.4)
Advertising	(0.3)	(0.4)	(0.6)	(0.8)
Rent	0.3	(0.1)	0.4	(0.1)
Other (1)	(2.9)	(1.7)	(6.1)	(3.7)
Depreciation and amortization	(1.2)	(1.0)	(2.5)	(2.0)
Other income (expense):				
Interest expense, floor plan	(0.4)	(0.5)	(0.9)	(1.0)
Interest expense, other, net	(0.7)	(0.8)	(1.4)	(1.3)
Other income (expense), net	—	—	—	0.1
Segment income (loss)	$ —	$ 0.5	$ (3.5)	$ (1.7)

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including gain or loss on disposal of franchises, facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline, insurance, training, legal and information technology expenses.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(In millions)			
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 91.6	$ 52.7	$ 183.6	$ 116.4
EchoPark Segment (3)	11.7	3.9	22.0	0.9
Powersports Segment (4)	—	0.5	(3.5)	(1.7)
Total segment income	$ 103.3	$ 57.1	$ 202.1	$ 115.6
Impairment charges (5)	(172.4)	(1.4)	(173.8)	(2.4)
Income before taxes	$ (69.1)	$ 55.7	$ 28.3	$ 113.2

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges.

(2) For the three months ended June 30, 2025, amount includes approximately $2.4 million of pre-tax loss related to the termination of a franchise, approximately $4.1 million of pre-tax charges related to storm damage, approximately $165.9 million of non-cash pre-tax franchise asset impairment charges, and $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024. For the three months ended June 30, 2024, amount includes approximately $11.2 million of pre-tax charges related to excess compensation related to the CDK outage and approximately $3.6 million of pre-tax charges related to storm damage. For the six months ended June 30, 2025, amount includes $40.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024, approximately $5.0 million of pre-tax charges related to storm damage, approximately $165.9 million of non-cash pre-tax franchise asset impairment charges, and approximately $2.7 million of pre-tax charges related to dispositions. For the six months ended June 30, 2024, amount includes approximately $11.2 million of pre-tax charges related to excess compensation related to the CDK outage, approximately $3.6 million of pre-tax charges related to storm damage, approximately $2.2 million of pre-tax charges for severance and long-term compensation expense and approximately $1.0 million of non-cash pre-tax impairment charges related to property and equipment. Due to rounding, segment level financial data may not sum to consolidated results.

(3) For the three months ended June 30, 2025, amount includes approximately $0.8 million of pre-tax gain on sale of real estate. For the three months ended June 30, 2024, amount includes approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $1.4 million of non-cash pre-tax impairment charges related to property and equipment, approximately $0.7 million of pre-tax charges for long-term compensation expense, approximately $0.6 million pre-tax gain on acquisitions and dispositions, and approximately $0.4 million of pre-tax charges related to excess compensation related to the CDK outage. For the six months ended June 30, 2025, amount includes approximately $1.0 million of pre-tax gain on sale of real estate and approximately $0.2 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale. For the six months ended June 30, 2024, amount includes approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $2.7 million of pre-tax charges for severance and long-term compensation expense, approximately $2.2 million of pre-tax charges related to closed store accrued expenses related to the indefinite suspension of operations at certain EchoPark locations, approximately $1.4 million of non-cash pre-tax impairment charges related to property and equipment, approximately $0.6 million of pre-tax gain on acquisitions and dispositions and approximately $0.4 million of pre-tax charges related to excess compensation related to the CDK outage. Due to rounding, segment level financial data may not sum to consolidated results.

(4) For the three months ended June 30, 2025, amount includes approximately $6.5 million of non-cash pre-tax franchise asset impairment charges. For the six months ended June 30, 2025, amount includes approximately $0.9 million of pre-tax charges related to dispositions, approximately $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges, and approximately $7.2 million of non-cash pre-tax franchise asset impairment charges. Due to rounding, segment level financial data may not sum to consolidated results.

(5) For the three months ended June 30, 2025, amount includes approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment and approximately $6.5 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment. For the three months ended June 30, 2024, amount includes approximately $1.4 million of non-cash pre-tax property and equipment charges for real estate held for sale in the EchoPark Segment. For the six months ended June 30, 2025, amount includes approximately $0.2 million of non-cash pre-tax property and equipment charges for real estate held for sale in the EchoPark Segment, approximately $7.2 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment, approximately $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges for the Powersports Segment, and approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment. For the six months ended June 30, 2024, amount includes approximately $1.4 million of non-cash pre-tax property and equipment charges for real estate held for sale in the EchoPark Segment and approximately $1.0 million of non-cash pre-tax impairment charges for the Franchised Dealerships Segment. Due to rounding, segment level financial data may not sum to consolidated results.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
	(In millions)			
Segment Capital Expenditures:				
Franchised Dealerships Segment	$ 32.5	$ 48.0	$ 77.0	$ 91.1
EchoPark Segment	0.3	0.2	0.5	0.6
Powersports Segment	1.3	0.6	1.6	0.9
Total capital expenditures	$ 34.1	$ 48.8	$ 79.1	$ 92.6

	June 30, 2025	December 31, 2024
	(In millions)	
Segment Assets:		
Franchised Dealerships Segment	$ 4,927.8	$ 4,704.5
EchoPark Segment	553.4	574.5
Powersports Segment	238.8	232.7
Corporate and other:		
Cash and cash equivalents	110.4	44.0
Floor plan deposit balance	100.0	340.0
Total assets	$ 5,930.4	$ 5,895.7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes thereto, as well as the consolidated financial statements and related notes thereto, "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Unless otherwise noted, we present the discussion in this Management's Discussion and Analysis of Financial Condition and Results of Operations on a consolidated basis. To the extent that we believe a discussion of the differences among reportable segments will enhance a reader's understanding of our financial condition, cash flows and other changes in financial condition and results of operations, the differences are discussed separately. Certain amounts and percentages may not compute due to rounding.

Unless otherwise noted, all discussion of increases or decreases are for the three and six months ended June 30, 2025 compared to the three and six months ended June 30, 2024. The following discussion of Franchised Dealerships Segment new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a same store basis, except where otherwise noted. 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. The following discussion of EchoPark Segment used vehicles, wholesale vehicles, and finance, insurance and other, net is on a reported basis, except where otherwise noted. 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 or acquisition. The following discussion of Powersports Segment new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a reported basis, except where otherwise noted. All currently operating stores in the Powersports Segment are included within the same store group as of the first full month following the first anniversary of the store's opening or acquisition.

Overview

We are one of the largest automotive retailers in the U.S. (as measured by reported total revenue). As a result of the way we manage our business, we had three reportable segments as of June 30, 2025: (1) the Franchised Dealerships Segment; (2) the EchoPark Segment; and (3) the Powersports Segment. For management and operational reporting purposes, we group certain businesses together that share management and inventory (principally used vehicles) into "stores." As of June 30, 2025, we operated 111 stores in the Franchised Dealerships Segment, 18 stores in the EchoPark Segment and 14 stores in the Powersports Segment. The Franchised Dealerships Segment consists of 136 new vehicle franchises (representing 25 different brands of cars and light trucks) and 16 collision repair centers in 18 states. The EchoPark Segment consists of 18 stores in 10 states. The Powersports Segment consists of 41 franchises at 14 locations (11 full-service dealerships and three authorized retail outlets) in three states.

The Franchised Dealerships Segment provides comprehensive sales and services, including (1) sales of both new and used cars and light trucks; (2) sales of replacement parts and performance of vehicle maintenance, manufacturer warranty repairs, and paint and collision repair services (collectively, "Fixed Operations"); and (3) arrangement of third-party financing, extended warranties, service contracts, insurance and other aftermarket products (collectively, "F&I") for our guests. The EchoPark Segment sells used cars and light trucks and arranges third-party F&I product sales for our guests in pre-owned vehicle specialty retail locations and does not offer customer-facing Fixed Operations services. The Powersports Segment offers guests: (1) sales of both new and used powersports vehicles (such as motorcycles, personal watercraft and all-terrain vehicles); (2) Fixed Operations activities; and (3) F&I services. All three segments generally operate independently of one another with the exception of certain shared back-office functions and corporate overhead costs.

Executive Summary

Retail Automotive Industry Performance

The U.S. retail automotive industry’s total new vehicle (retail and fleet combined) seasonally adjusted annual rate of unit sales volume (the “total new vehicle SAAR”) increased 2% and 3% for the three and six months ended June 30, 2025, respectively, to approximately 16.0 million vehicles for both the three and six months ended June 30, 2025, compared to approximately 15.7 million and 15.6 million vehicles for the three and six months ended June 30, 2024, respectively, according to the Power Information Network (“PIN”) from J.D. Power. We currently estimate the 2025 new vehicle industry volume will be between 15.6 million vehicles (a decrease of 3% compared to 2024) and 16.3 million vehicles (an increase of 1% compared to 2024). The effects of changes in trade policy and the imposition of tariffs, interest rates, changes in consumer confidence, availability of consumer financing, manufacturer inventory production levels, incentive levels from automotive manufacturers or shifts in such levels, or timing of consumer demand as a result of economic conditions, natural disasters or other unforeseen circumstances could cause the actual 2025 new vehicle industry volume to vary from expectations. Many factors, including brand and geographic concentrations as well as the industry sales mix between retail and fleet new vehicle unit sales volume, have caused our past results to differ from the industry’s overall trend. Our new vehicle sales strategy focuses on our retail new vehicle sales (as opposed to fleet new vehicle sales) and, as a result, we believe it is appropriate to compare our retail new vehicle unit sales volume to the industry retail new vehicle seasonally adjusted annual rate of unit sales volume (the “retail new vehicle SAAR”) (which excludes fleet new vehicle sales). According to PIN from J.D. Power, the retail new vehicle SAAR increased 6% and 4% to approximately 13.4 million and 13.2 million vehicles for the three and six months ended June 30, 2025, respectively, from approximately 12.7 million vehicles for both the three and six months ended June 30, 2024. We believe some of the increase in new vehicle SAAR during the three and six months ended June 30, 2025 is attributable to advanced purchases of new vehicles ahead of changes in U.S. tariff policy announced on April 2, 2025.

CDK Outage

On June 19, 2024, CDK Global (“CDK”), a third-party provider of certain information systems, notified us that CDK had suspended certain systems used by us in response to a cybersecurity incident impacting CDK (the “CDK outage”). This outage adversely affected our business and results of operations during the second and third quarters of 2024. In connection with the CDK outage, we recognized $10.0 million in pre-tax income from cyber insurance proceeds during the three months ended December 31, 2024, $30.0 million in pre-tax income from cyber insurance proceeds during the three months ended March 31, 2025, and $10.0 million in pre-tax income from cyber insurance proceeds during the three months ended June 30, 2025, which were each recorded as a reduction to selling, general and administrative expenses.

Franchised Dealerships Segment

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores in 2024 and 2025, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores.

Same store retail new vehicle revenue increased 6% and 10% during the three and six months ended June 30, 2025, driven primarily by a 5% and 8% increase in retail new vehicle unit sales volume, respectively, coupled with a 1% and 2% increase in retail new vehicle average selling price, respectively. Retail new vehicle gross profit decreased 1% and 5% during the three and six months ended June 30, 2025, respectively, due primarily to increased price competition as a result of increasing levels of available inventory and higher inventory invoice cost, which combined to drive lower retail new vehicle gross profit per unit. Retail new vehicle gross profit per unit decreased $212 per unit, or 6%, to $3,391 per unit during the three months ended June 30, 2025 and decreased $425 per unit, or 12%, to $3,245 per unit during the six months ended June 30, 2025. On a trailing quarter cost of sales basis, our reported Franchised Dealerships Segment new vehicle inventory days’ supply was approximately 54 days as of June 30, 2025, compared to 59 days as of June 30, 2024.

Same store retail used vehicle revenue increased 1% during both the three and six months ended June 30, 2025, driven primarily by a 5% and 4% increase in retail used vehicle average selling prices, respectively, partially offset by a 4% and 3% decrease in retail used vehicle sales volume, respectively. Retail used vehicle gross profit decreased 1% and 3% during the three and six months ended June 30, 2025, respectively, primarily due to lower retail used vehicle sales volume. Retail used vehicle gross profit per unit increased $49 per unit, or 3%, to $1,590 per unit during the three months ended June 30, 2025 and remained flat at $1,573 per unit during the six months ended June 30, 2025. Same store wholesale vehicle gross loss worsened by approximately $0.3 million, to a gross loss of approximately $0.8 million during the three months ended June 30, 2025, and worsened by approximately $1.0 million, to a gross loss of approximately $1.7 million during the six months ended June 30, 2025, due primarily to a $49 per unit, or 60%, increase in wholesale vehicle gross loss per unit, and a $83 per unit, or 148%, increase in wholesale vehicle gross loss per unit, respectively, as a result of changes in pricing and demand for vehicles at wholesale auction. We generally focus on maintaining Franchised Dealerships Segment used vehicle inventory days' supply in the 25- to 35-day range, which may fluctuate seasonally, in order to limit our exposure to market pricing volatility. On a trailing quarter cost of sales basis, our reported Franchised Dealerships Segment used vehicle inventory days' supply was approximately 35 and 30 days as of June 30, 2025 and 2024, respectively.

Same store Fixed Operations revenue increased 10% and 8% during the three and six months ended June 30, 2025, respectively, driven primarily by increased service capacity as a result of additional technician headcount, and higher parts and labor costs that were passed along to consumers. Same store Fixed Operations gross profit increased 12% and 10% during the three and six months ended June 30, 2025, respectively, driven primarily by higher warranty revenue contribution and higher warranty gross margin. Same store Fixed Operations gross margin increased 90 basis points, to 51.3%, during the three months ended June 30, 2025, and increased 80 basis points, to 51.0%, during the six months ended June 30, 2025, primarily driven by an increase in warranty revenue contribution and higher warranty gross margin.

Same store F&I revenue increased 15% and 12% during the three and six months ended June 30, 2025, respectively, driven by a 14% and 9% increase in F&I gross profit per retail unit, respectively, and a 1% and 3% increase in retail new and used vehicle unit sales volume, respectively. Same store F&I gross profit per retail unit increased $335 per unit, or 14%, to $2,718 per unit during the three months ended June 30, 2025, and increased $213 per unit, or 9%, to $2,580 per unit during the six months ended June 30, 2025.

EchoPark Segment

Reported total revenues decreased 2% and 1% during the three and six months ended June 30, 2025, respectively, driven primarily by a 5% and 6% decrease in average retail used vehicle unit selling prices, respectively, partially offset by a 3% and 4% increase in total vehicle unit sales volume, respectively. Reported total gross profit increased 22% during both the three and six months ended June 30, 2025, respectively, driven primarily by a 47% and 23% increase in used vehicles gross profit, respectively.

Same market total revenues decreased 2% and remained flat during the three and six months ended June 30, 2025, respectively, attributable to a 5% and 6% decrease in average selling price per used retail unit, respectively, partially offset by a 3% and 5% increase in total vehicle unit sales volume, respectively. Same market total gross profit increased 19% during both the three and six months ended June 30, 2025, respectively, driven by a 19% and 15% increase in combined retail used vehicle and F&I gross profit per unit, respectively and a 3% and 5% increase in total vehicle unit sales volume, respectively.

Reported retail used vehicle revenue decreased 5% and 3% during the three and six months ended June 30, 2025, respectively, driven primarily by a 5% and 6% decrease in average retail used vehicle unit selling prices, respectively, partially offset by a 1% and 3% increase in retail used vehicle unit sales volume, respectively. F&I revenue increased 20% and 21% during the three and six months ended June 30, 2025, driven primarily by a 19% and 18% increase in F&I gross profit per unit. Reported combined retail used vehicle and F&I gross profit per unit increased $669 per unit, or 22%, to $3,747 per unit during the three months ended June 30, 2025, and increased $555 per unit, or 18%, to $3,569 for the six months ended June 30, 2025 due primarily to increases in F&I gross profit per unit during the three and six months ended June 30, 2025.

Reported wholesale vehicle gross loss worsened by approximately $0.5 million and $0.2 million during the three and six months ended June 30, 2025, respectively, primarily due to a 380% and 25% decline in wholesale vehicle gross loss per unit, respectively, partially offset by a 19% and 12% increase in wholesale vehicle unit sales volume during the three and six months ended June 30, 2025, respectively. We generally focus on maintaining EchoPark Segment used vehicle inventory days' supply in the 30- to 40-day range, which may fluctuate seasonally, in order to limit our exposure to market pricing volatility. On a trailing quarter cost of sales basis, our reported EchoPark Segment used vehicle inventory days' supply was approximately 41 and 38 days as of June 30, 2025 and 2024, respectively.

Powersports Segment

Reported retail new vehicle revenue increased by 24% and 23% during the during the three and six months ended June 30, 2025, respectively, primarily due to a 17% increase in retail new vehicle unit sales volume during both the three and six months ended June 30, 2025, coupled with a 6% and 5% increase in retail new vehicle average selling prices during the three and six months ended June 30, 2025, respectively. Retail new vehicle gross profit increased 34% and 27% during the three and six months ended June 30, 2025, respectively, as a result of the higher retail new vehicle unit sales volume. Retail new vehicle gross profit per unit increased $362 per unit, or 15%, to $2,828 per unit for the three months ended June 30, 2025 and increased $214 per unit, or 8%, to $2,767 per unit for the six months ended June 30, 2025.

Same store retail new vehicle revenue increased 13% and 11% during the three and six months ended June 30, 2025, respectively, driven by a 7% and 6% increase in retail new vehicle unit sales volume and a 6% and 5% increase in retail new vehicle average selling price during the three and six months ended June 30, 2025, respectively. Retail new vehicle gross profit increased 19% and 11% during the three and six months ended June 30, 2025, respectively, as a result of the increase in retail new vehicle unit sales volume and an increase in gross profit per unit. Retail new vehicle gross profit per unit increased $282 per unit, or 11%, to $2,771 for the three months ended June 30, 2025 and increased $132 per unit, or 5%, to $2,696 per unit for the six months ended June 30, 2025, due primarily to higher inventory invoice costs. On a trailing quarter cost of sales basis, our reported Powersports Segment new vehicle inventory days' supply was approximately 135 and 187 days as of June 30, 2025 and 2024, respectively, varying based on manufacturer production levels and consumer demand.

Reported retail used vehicle revenue increased 57% and 62% during the three and six months ended June 30, 2025, respectively, primarily driven by a 57% and 50% increase in retail used vehicle unit sales volume, coupled with a 1% and 8% increase in used unit prices for the three and six months ended June 30, 2025, respectively. Retail used vehicle gross profit increased 30% and 25% during the three and six months ended June 30, 2025, respectively, as a result of higher retail used vehicle unit sales volume. Retail used vehicle gross profit per unit decreased $409 per unit, or 17%, to $2,014 per unit for the three months ended June 30, 2025, and decreased $383 per unit, or 17%, to $1,935 per unit for the six months ended June 30, 2025, primarily due to higher inventory costs.

Same store used vehicle revenue increased 43% and 44% during the three and six months ended June 30, 2025, respectively, primarily driven by a 46% and 37% increase in retail used vehicle unit sales volume for the three and six months ended June 30, 2025, respectively. Retail used vehicle gross profit increased 22% and 14% during the three and six months ended June 30, 2025, respectively. Retail used vehicle gross profit per unit decreased $415 per unit, or 17%, to $2,043, for the three months ended June 30, 2025 and decreased $387 per unit, or 17%, to $1,940 per unit for the six months ended June 30, 2025, primarily due to higher inventory costs. On a trailing quarter cost of sales basis, our reported Powersports Segment used vehicle inventory days' supply was approximately 102 and 96 days as of June 30, 2025 and 2024, respectively.

Reported Fixed Operations revenue increased 9% and 7% during the three and six months ended June 30, 2025, respectively, and Fixed Operations gross profit increased 9% during both the three and six months ended June 30, 2025, driven primarily by higher repair order volume as a result of acquisitions. Fixed Operations gross margin increased 30 basis points to 47.1% and increased 70 basis points to 47.7% during the three and six months ended June 30, 2025, respectively, driven primarily by an increase in customer pay and warranty revenue contribution and customer pay gross margin.

Same store Fixed Operations revenue increased 2% and Fixed Operations gross profit increased 5% for the three months ended June 30, 2025, driven primarily by higher repair order volume during the quarter. Same store Fixed Operations revenue decreased 3% and Fixed Operations gross profit remained flat during the six months ended June 30, 2025, driven by lower repair order volume for the year-to-date period. Fixed Operations gross margin increased 70 basis points, to 48% and increased 160 basis points to 49% during the three and six months ended June 30, 2025, respectively, driven primarily by an increase in customer pay revenue contribution and customer pay gross margin.

Reported F&I revenue remained flat and decreased 1% during the three and six months ended June 30, 2025, respectively, driven primarily by a 23% and 22% decrease in F&I gross profit per retail unit in the three and six months ended June 30, 2025, respectively, offset by a 29% and 27% increase in combined retail new and used vehicle unit sales volume in the three and six months ended June 30, 2025, respectively. F&I gross profit per retail unit decreased $264 per unit, or 23%, to $889 per unit during the three months ended June 30, 2025 and decrease $260 per unit, or 22%, to $912 per unit during the six months ended June 30, 2025.

Same store F&I revenue increased 3% and remained flat during the three and six months ended June 30, 2025, respectively, driven primarily by a 19% and 15% increase in combined retail new and used vehicle unit sales volume for the three and six months ended June 30, 2025, respectively, offset by a 13% decrease in F&I gross profit per retail unit during both the three and six months ended June 30, 2025. F&I gross profit per retail unit decreased $147 per unit, or 13%, to $948 per unit during the three months ended June 30, 2025 and decreased $141 per unit, or 13%, to $984 per unit for the six months ended June 30, 2025.

Results of Operations – Consolidated

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores, EchoPark stores, and Powersports stores in 2024 and 2025, the change in consolidated reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores.

New Vehicles – Consolidated

New vehicle revenues include the sale of new vehicles, including new powersports vehicles, to retail customers, as well as the sale of fleet vehicles to businesses for use in their operations. New vehicle revenues and gross profit can be influenced by vehicle manufacturer incentives to consumers (which vary from cash-back incentives to low interest rate financing, among other things), the availability of consumer credit and the level and type of manufacturer-to-dealer incentives, as well as manufacturers providing adequate inventory allocations to our dealerships to meet consumer demand. The automobile manufacturing industry is cyclical and historically has experienced periodic downturns characterized by oversupply and weak demand, both within specific brands and in the industry as a whole. As an automotive retailer, we seek to mitigate the effects of this sales cycle by maintaining a diverse brand mix of dealerships. Our brand diversity allows us to offer a broad range of products at a wide range of prices from lower-priced economy automobiles to luxury automobiles and powersports vehicles.

The following table depicts the breakdown of our Franchised Dealerships Segment new vehicle revenues by brand for the three and six months ended June 30, 2025 and 2024:

New Vehicle Brand	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Luxury:				
BMW	23 %	25 %	23 %	25 %
Mercedes	13 %	13 %	14 %	13 %
Lexus	6 %	6 %	6 %	6 %
Audi	5 %	5 %	5 %	5 %
Land Rover	5 %	5 %	5 %	5 %
Porsche	4 %	5 %	4 %	4 %
Cadillac	4 %	2 %	3 %	2 %
Volvo	1 %	1 %	1 %	1 %
MINI	1 %	— %	1 %	1 %
Other Luxury (1)	— %	— %	— %	— %
Total Luxury	61 %	62 %	62 %	62 %
Mid-line Import:				
Honda	12 %	11 %	12 %	11 %
Toyota	9 %	10 %	9 %	9 %
Volkswagen	1 %	2 %	1 %	2 %
Hyundai	1 %	1 %	1 %	1 %
Other Mid-line Import (2)	1 %	— %	1 %	1 %
Total Mid-line Import	24 %	24 %	24 %	24 %
Domestic:				
General Motors (3)	7 %	6 %	6 %	6 %
Chrysler	3 %	3 %	3 %	4 %
Ford	5 %	5 %	5 %	4 %
Total Domestic	15 %	14 %	14 %	14 %
Total	100 %	100 %	100 %	100 %

(1) Includes Jaguar and Polestar.
(2) Includes Mazda, Nissan and Subaru.
(3) Includes Buick, Chevrolet and GMC.

The U.S. retail automotive industry's new vehicle unit sales volume below reflects all brands marketed or sold in the U.S. This industry sales volume includes brands we do not sell and markets in which we do not operate, therefore, changes in our new vehicle unit sales volume may not trend directly in line with changes in the industry new vehicle unit sales volume. We believe that the industry retail new vehicle unit sales volume is a more meaningful metric for comparing our new vehicle unit sales volume to the industry due to our minimal fleet vehicle business.

U.S. retail new vehicle SAAR, fleet new vehicle seasonally adjusted annual rate of unit sales volume (the "fleet new vehicle SAAR") and total new vehicle SAAR were as follows:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Better / (Worse) % Change	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Better / (Worse) % Change
			(In millions of vehicles)			
U.S. Retail new vehicle SAAR (1)	13.4	12.7	6 %	13.2	12.7	4 %
U.S. Fleet new vehicle SAAR	2.6	3.0	(13)%	2.8	2.9	(3)%
U.S. Total new vehicle SAAR (1)	16.0	15.7	2 %	16.0	15.6	3 %

(1) Source: PIN from J.D. Power

Our consolidated reported new vehicle results (combined retail and fleet data) were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 1,666.1	$ 1,552.6	$ 113.5	7 %
Fleet new vehicle revenue	29.4	26.2	3.2	12 %
Total new vehicle revenue	$ 1,695.5	$ 1,578.8	$ 116.7	7 %
Retail new vehicle gross profit	$ 99.2	$ 97.8	$ 1.4	1 %
Fleet new vehicle gross profit	0.5	1.0	(0.5)	(50)%
Total new vehicle gross profit	$ 99.7	$ 98.8	$ 0.9	1 %
Retail new vehicle unit sales	29,478	27,705	1,773	6 %
Fleet new vehicle unit sales	571	514	57	11 %
Total new vehicle unit sales	30,049	28,219	1,830	6 %
Revenue per new retail unit	$ 56,519	$ 56,039	$ 480	1 %
Revenue per new fleet unit	$ 51,607	$ 51,006	$ 601	1 %
Total revenue per new unit	$ 56,425	$ 55,947	$ 478	1 %
Gross profit per new retail unit	$ 3,365	$ 3,531	$ (166)	(5)%
Gross profit per new fleet unit	$ 918	$ 1,885	$ (967)	(51)%
Total gross profit per new unit	$ 3,318	$ 3,501	$ (183)	(5)%
Retail gross profit as a % of revenue	6.0 %	6.3 %	(30) bps	
Fleet gross profit as a % of revenue	1.8 %	3.7 %	(190) bps	
Total new vehicle gross profit as a % of revenue	5.9 %	6.3 %	(40) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 3,322.4	$ 3,008.4	$ 314.0	10 %
Fleet new vehicle revenue	51.5	45.8	5.7	12 %
Total new vehicle revenue	$ 3,373.9	$ 3,054.2	$ 319.7	10 %
Retail new vehicle gross profit	$ 188.6	$ 194.2	$ (5.6)	(3)%
Fleet new vehicle gross profit	1.1	1.7	(0.6)	(35)%
Total new vehicle gross profit	$ 189.7	$ 195.9	$ (6.2)	(3)%
Retail new vehicle unit sales	58,553	53,847	4,706	9 %
Fleet new vehicle unit sales	954	893	61	7 %
Total new vehicle unit sales	59,507	54,740	4,767	9 %
Revenue per new retail unit	$ 56,741	$ 55,869	$ 872	2 %
Revenue per new fleet unit	$ 53,980	$ 51,304	$ 2,676	5 %
Total revenue per new unit	$ 56,697	$ 55,794	$ 903	2 %
Gross profit per new retail unit	$ 3,221	$ 3,607	$ (386)	(11)%
Gross profit per new fleet unit	$ 1,129	$ 1,809	$ (680)	(38)%
Total gross profit per new unit	$ 3,187	$ 3,578	$ (391)	(11)%
Retail gross profit as a % of revenue	5.7 %	6.5 %	(80) bps	
Fleet gross profit as a % of revenue	2.1 %	3.5 %	(140) bps	
Total new vehicle gross profit as a % of revenue	5.6 %	6.4 %	(80) bps	

For further analysis of new vehicle results on a segment basis, see the tables and discussion under the headings "New Vehicles - Franchised Dealerships Segment" and "New Vehicles - Powersports Segment" in the Franchised Dealerships Segment and Powersports Segment sections, respectively, below.

Used Vehicles – Consolidated

Used vehicle revenues include the sale of used vehicles, including used powersports vehicles, to retail customers and at wholesale. Used vehicle revenues are directly affected by a number of factors, including consumer demand for used vehicles, the pricing and level of manufacturer incentives on new vehicles, the number and quality of trade-ins and lease turn-ins available to our dealerships, the availability and pricing of used vehicles acquired at wholesale auction, and the availability of consumer credit. Depending on the mix of inventory sourcing (trade-ins or purchases from customers versus wholesale auction), the days' supply of used vehicle inventory, and the pricing strategy employed by the dealership, retail used vehicle gross profit per unit and retail used vehicle gross profit as a percentage of revenue may vary significantly from historical levels given recent trends in the used vehicle environment.

Our consolidated reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 1,180.7	$ 1,186.2	$ (5.5)	— %
Gross profit	$ 48.1	$ 44.7	$ 3.4	8 %
Unit sales	42,512	42,831	(319)	(1)%
Revenue per unit	$ 27,773	$ 27,695	$ 78	— %
Gross profit per unit	$ 1,131	$ 1,044	$ 87	8 %
Gross profit as a % of revenue	4.1 %	3.8 %	30 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 2,405.7	$ 2,401.8	$ 3.9	— %
Gross profit	$ 94.4	$ 91.7	$ 2.7	3 %
Unit sales	87,329	86,887	442	1 %
Revenue per unit	$ 27,547	$ 27,643	$ (96)	— %
Gross profit per unit	$ 1,081	$ 1,056	$ 25	2 %
Gross profit as a % of revenue	3.9 %	3.8 %	10 bps	

For further analysis of used vehicle results on a segment basis, see the tables and discussion under the headings "Used Vehicles - Franchised Dealerships Segment," "Used Vehicles and F&I - EchoPark Segment" and "Used Vehicles - Powersports Segment" in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Wholesale Vehicles – Consolidated

Wholesale vehicle revenues are influenced by several factors, including retail new and used vehicle unit sales volume, associated trade-in volume, and short-term, temporary, and seasonal fluctuations in wholesale auction pricing. In recent years, wholesale vehicle prices and supply at auction have experienced periods of volatility, impacting our wholesale vehicle revenues and related gross profit (loss), as well as our retail used vehicle revenues and related gross profit. We believe that the current wholesale vehicle price environment is not sustainable in the long term and expect that average wholesale vehicle pricing and related gross profit (loss) will continue to return toward long-term normalized levels in the long run, but may continue to experience volatility during 2025 or beyond. Wholesale vehicle revenues are also significantly affected by our corporate inventory management strategy and policies, which are designed to optimize our total used vehicle inventory and expected gross profit levels and minimize inventory carrying risks.

Our consolidated reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 83.3	$ 71.3	$ 12.0	17 %
Gross profit (loss)	$ (1.6)	$ (0.6)	$ (1.0)	(167)%
Unit sales	9,368	7,859	1,509	19 %
Revenue per unit	$ 8,900	$ 9,073	$ (173)	(2)%
Gross profit (loss) per unit	$ (165)	$ (78)	$ (87)	(112)%
Gross profit (loss) as a % of revenue	(1.9)%	(0.9)%	(100) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 166.1	$ 148.6	$ 17.5	12 %
Gross profit (loss)	$ (2.7)	$ (1.3)	$ (1.4)	(108)%
Unit sales	18,773	15,971	2,802	18 %
Revenue per unit	$ 8,850	$ 9,305	$ (455)	(5)%
Gross profit (loss) per unit	$ (146)	$ (84)	$ (62)	(74)%
Gross profit (loss) as a % of revenue	(1.7)%	(0.9)%	(80) bps	

For further analysis of wholesale vehicle results on a segment basis, see the tables and discussion under the headings “Wholesale Vehicles – Franchised Dealerships Segment,” “Wholesale Vehicles – EchoPark Segment” and “Wholesale Vehicles – Powersports Segment” in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Fixed Operations – Consolidated

Parts, service and collision repair revenues consist of repairs and maintenance requested and paid by customers (“customer pay”), warranty repairs (manufacturer-paid), wholesale parts (sales of parts and accessories to third-party automotive repair businesses), and internal, sublet and other. Parts and service revenue is driven by the volume and mix of warranty repairs versus customer pay repairs, available service capacity (a combination of service bay count and technician availability), vehicle quality, manufacturer recalls, customer loyalty, and prepaid or manufacturer-paid maintenance programs. Internal, sublet and other primarily relates to preparation and reconditioning work performed on vehicles in inventory that are later sold to a third party and may vary based on used vehicle inventory and sales volume from period to period. When that work is performed by one of our dealerships or stores, the work is classified as internal. In the event the work is performed by a third party on our behalf, it is classified as sublet.

We believe that, over time, vehicle quality will continue to improve, but vehicle complexity and the associated demand for repairs by qualified technicians at manufacturer-affiliated dealerships may result in market share gains that could offset any revenue lost from improvement in vehicle quality. We also believe that, over the long term, we have the ability to continue to optimize service capacity and customer retention at our dealerships and stores to further increase Fixed Operations revenues. Manufacturers continue to extend new vehicle warranty periods (in particular for battery electric vehicles) and have also begun to include regular maintenance items in the warranty or complimentary maintenance program coverage. These factors, over the long term, combined with the extended manufacturer warranties on certified pre-owned vehicles, should facilitate growth in our parts and service business. Barriers to long-term growth may include reductions in the rate paid by manufacturers to dealers for warranty repair work performed, as well as the improved quality and design of vehicles that may affect the level and frequency of future customer pay or warranty-related repair revenues.

Our consolidated reported Fixed Operations results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 229.5	$ 208.6	$ 20.9	10 %
Warranty	84.6	64.0	20.6	32 %
Wholesale parts	45.4	47.2	(1.8)	(4)%
Internal, sublet and other	136.1	124.3	11.8	9 %
Total revenue	$ 495.6	$ 444.1	$ 51.5	12 %
Gross profit				
Customer pay	$ 128.6	$ 116.5	$ 12.1	10 %
Warranty	53.2	39.4	13.8	35 %
Wholesale parts	7.9	8.5	(0.6)	(7)%
Internal, sublet and other	64.2	59.2	5.0	8 %
Total gross profit	$ 253.9	$ 223.6	$ 30.3	14 %
Gross profit as a % of revenue				
Customer pay	56.1 %	55.9 %	20 bps	
Warranty	63.0 %	61.5 %	150 bps	
Wholesale parts	17.4 %	17.9 %	(50) bps	
Internal, sublet and other	47.2 %	47.6 %	(43) bps	
Total gross profit as a % of revenue	51.2 %	50.3 %	90 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 444.8	$ 418.8	$ 26.0	6 %
Warranty	170.9	128.5	42.4	33 %
Wholesale parts	92.1	98.0	(5.9)	(6)%
Internal, sublet and other	262.2	245.5	16.7	7 %
Total revenue	$ 970.0	$ 890.8	$ 79.2	9 %
Gross profit				
Customer pay	$ 249.3	$ 234.6	$ 14.7	6 %
Warranty	107.3	77.9	29.4	38 %
Wholesale parts	16.0	17.4	(1.4)	(8)%
Internal, sublet and other	121.9	117.5	4.4	4 %
Total gross profit	$ 494.5	$ 447.4	$ 47.1	11 %
Gross profit as a % of revenue				
Customer pay	56.0 %	56.0 %	— bps	
Warranty	62.8 %	60.6 %	220 bps	
Wholesale parts	17.4 %	17.8 %	(40) bps	
Internal, sublet and other	46.5 %	47.9 %	(141) bps	
Total gross profit as a % of revenue	51.0 %	50.2 %	80 bps	

For further analysis of Fixed Operations results on a segment basis, see the tables and discussion under the headings "Fixed Operations - Franchised Dealerships Segment" and "Fixed Operations - Powersports Segment" in the Franchised Dealerships Segment and Powersports Segment sections, respectively, below.

F&I – Consolidated

Finance, insurance and other, net revenues include commissions for arranging third-party vehicle financing and insurance, sales of third-party extended warranties and service contracts for vehicles, and sales of other aftermarket products. In connection with vehicle financing, extended warranties and service contracts, other aftermarket products and insurance contracts, we receive commissions from the third-party providers for originating these contracts. F&I revenues are recognized net of actual and estimated future chargebacks and other costs associated with originating contracts (as a result, reported F&I revenues and F&I gross profit are the same amount, resulting in a 100% gross margin for F&I). F&I revenues are affected by the level of new and retail used vehicle unit sales volume, the age and average selling price of vehicles sold, the level of manufacturer financing specials or leasing incentives, and our F&I penetration rate for each type of F&I product. The F&I penetration rate represents the number of finance contracts, extended warranties and service contracts, other aftermarket products or insurance contracts that we are able to originate per vehicle sold, expressed as a percentage.

Yield spread premium is another term for the commission earned by our dealerships for arranging vehicle financing for consumers. The amount of the commission could be zero, a flat fee or an actual spread between the interest rate charged to the consumer and the interest rate provided by the third-party direct financing source (e.g., a commercial bank, credit union or manufacturer captive finance company). We have established caps on the potential yield spread premium our dealerships can earn with all finance sources. We believe the yield spread premium we earn for arranging vehicle financing represents value to the consumer in numerous ways, including the following:

- lower cost, below-market financing is often available only from the manufacturers' captives and franchised dealers;
- ease of access to multiple high-quality lending sources;
- lease-financing alternatives are largely available only from manufacturers' captives or other indirect lenders;
- guests with substandard credit frequently do not have direct access to potential sources of sub-prime financing; and
- guests with significant "negative equity" in their current vehicle (i.e., the guest's current vehicle is worth less than the balance of their vehicle loan or lease obligation) frequently are unable to pay off the loan on their current vehicle and finance the purchase or lease of a replacement new or used vehicle without the assistance of a franchised dealership's network of lending sources.

Our consolidated reported F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 202.1	$ 172.6	$ 29.5	17 %
Total combined retail new and used vehicle unit sales	71,990	70,536	1,454	2 %
Gross profit per retail unit (excludes fleet)	$ 2,807	$ 2,447	$ 360	15 %

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In thousands, except per unit data)			
Reported F&I:				
Revenue	$ 392.8	$ 341.6	$ 51.2	15 %
Total combined retail new and used vehicle unit sales	145,882	140,734	5,148	4 %
Gross profit per retail unit (excludes fleet)	$ 2,693	$ 2,428	$ 265	11 %

For further analysis of F&I results on a segment basis, see the tables and discussion under the headings "F&I - Franchised Dealerships Segment," "Used Vehicles and F&I - EchoPark Segment" and "F&I - Powersports Segment" in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Results of Operations – Franchised Dealerships Segment

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores in 2024 and 2025, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores. Please refer to the same store tables and discussion on the following pages for a more meaningful comparison and discussion of financial results on a comparable store basis.

New Vehicles – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for new vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail new vehicle revenue:				
Same store	$ 1,625.4	$ 1,527.3	$ 98.1	6 %
Acquisitions, open points, dispositions and holding company	13.7	3.6	10.1	NM
Total as reported	$ 1,639.1	$ 1,530.9	$ 108.2	7 %
Fleet new vehicle revenue:				
Same store	$ 29.5	$ 26.2	$ 3.3	13 %
Acquisitions, open points, dispositions and holding company	—	—	—	NM
Total as reported	$ 29.5	$ 26.2	$ 3.3	13 %
Total new vehicle revenue:				
Same store	$ 1,654.9	$ 1,553.5	$ 101.4	7 %
Acquisitions, open points, dispositions and holding company	13.7	3.6	10.1	NM
Total as reported	$ 1,668.6	$ 1,557.1	$ 111.5	7 %
Retail new vehicle gross profit:				
Same store	$ 94.5	$ 95.2	$ (0.7)	(1)%
Acquisitions, open points, dispositions and holding company	0.7	(0.3)	1.0	NM
Total as reported	$ 95.2	$ 94.9	$ 0.3	— %
Fleet new vehicle gross profit:				
Same store	$ 0.5	$ 1.0	$ (0.5)	(50)%
Acquisitions, open points, dispositions and holding company	0.1	—	0.1	NM
Total as reported	$ 0.6	$ 1.0	$ (0.4)	(40)%
Total new vehicle gross profit:				
Same store	$ 95.0	$ 96.2	$ (1.2)	(1)%
Acquisitions, open points, dispositions and holding company	0.8	(0.3)	1.1	NM
Total as reported	$ 95.8	$ 95.9	$ (0.1)	— %
Retail new vehicle unit sales:				
Same store	27,867	26,432	1,435	5 %
Acquisitions, open points, dispositions and holding company	217	80	137	NM
Total as reported	28,084	26,512	1,572	6 %
Fleet new vehicle unit sales:				
Same store	571	514	57	11 %
Acquisitions, open points, dispositions and holding company	—	—	—	NM
Total as reported	571	514	57	11 %
Total new vehicle unit sales:				
Same store	28,438	26,946	1,492	6 %
Acquisitions, open points, dispositions and holding company	217	80	137	NM
Total as reported	28,655	27,026	1,629	6 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail new vehicle revenue:				
Same store	$ 3,246.9	$ 2,963.0	$ 283.9	10 %
Acquisitions, open points, dispositions and holding company	29.2	7.8	21.4	NM
Total as reported	$ 3,276.1	$ 2,970.8	$ 305.3	10 %
Fleet new vehicle revenue:				
Same store	$ 51.5	$ 45.8	$ 5.7	12 %
Acquisitions, open points, dispositions and holding company	—	—	—	NM
Total as reported	$ 51.5	$ 45.8	$ 5.7	12 %
Total new vehicle revenue:				
Same store	$ 3,298.4	$ 3,008.8	$ 289.6	10 %
Acquisitions, open points, dispositions and holding company	29.2	7.8	21.4	NM
Total as reported	$ 3,327.6	$ 3,016.6	$ 311.0	10 %
Retail new vehicle gross profit:				
Same store	$ 180.7	$ 189.5	$ (8.8)	(5)%
Acquisitions, open points, dispositions and holding company	1.3	(0.5)	1.8	NM
Total as reported	$ 182.0	$ 189.0	$ (7.0)	(4)%
Fleet new vehicle gross profit:				
Same store	$ 1.1	$ 1.6	$ (0.5)	(31)%
Acquisitions, open points, dispositions and holding company	—	0.1	(0.1)	NM
Total as reported	$ 1.1	$ 1.7	$ (0.6)	(35)%
Total new vehicle gross profit:				
Same store	$ 181.8	$ 191.1	$ (9.3)	(5)%
Acquisitions, open points, dispositions and holding company	1.3	(0.4)	1.7	NM
Total as reported	$ 183.1	$ 190.7	$ (7.6)	(4)%
Retail new vehicle unit sales:				
Same store	55,695	51,630	4,065	8 %
Acquisitions, open points, dispositions and holding company	471	179	292	NM
Total as reported	56,166	51,809	4,357	8 %
Fleet new vehicle unit sales:				
Same store	954	893	61	7 %
Acquisitions, open points, dispositions and holding company	—	—	—	NM
Total as reported	954	893	61	7 %
Total new vehicle unit sales:				
Same store	56,649	52,523	4,126	8 %
Acquisitions, open points, dispositions and holding company	471	179	292	NM
Total as reported	57,120	52,702	4,418	8 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 1,639.1	$ 1,530.9	$ 108.2	7 %
Fleet new vehicle revenue	29.5	26.2	3.3	13 %
Total new vehicle revenue	$ 1,668.6	$ 1,557.1	$ 111.5	7 %
Retail new vehicle gross profit	$ 95.2	$ 94.9	$ 0.3	— %
Fleet new vehicle gross profit	0.6	1.0	(0.4)	(40)%
Total new vehicle gross profit	$ 95.8	$ 95.9	$ (0.1)	— %
Retail new vehicle unit sales	28,084	26,512	1,572	6 %
Fleet new vehicle unit sales	571	514	57	11 %
Total new vehicle unit sales	28,655	27,026	1,629	6 %
Revenue per new retail unit	$ 58,366	$ 57,743	$ 623	1 %
Revenue per new fleet unit	$ 51,607	$ 51,006	$ 601	1 %
Total revenue per new unit	$ 58,231	$ 57,615	$ 616	1 %
Gross profit per new retail unit	$ 3,391	$ 3,579	$ (188)	(5)%
Gross profit per new fleet unit	$ 918	$ 1,885	$ (967)	(51)%
Total gross profit per new unit	$ 3,342	$ 3,547	$ (205)	(6)%
Retail gross profit as a % of revenue	5.8 %	6.2 %	(40) bps	
Fleet gross profit as a % of revenue	1.8 %	3.7 %	(190) bps	
Total new vehicle gross profit as a % of revenue	5.7 %	6.2 %	(50) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 3,276.1	$ 2,970.8	$ 305.3	10 %
Fleet new vehicle revenue	51.5	45.8	5.7	12 %
Total new vehicle revenue	$ 3,327.6	$ 3,016.6	$ 311.0	10 %
Retail new vehicle gross profit	$ 182.0	$ 189.0	$ (7.0)	(4)%
Fleet new vehicle gross profit	1.1	1.7	(0.6)	(35)%
Total new vehicle gross profit	$ 183.1	$ 190.7	$ (7.6)	(4)%
Retail new vehicle unit sales	56,166	51,809	4,357	8 %
Fleet new vehicle unit sales	954	893	61	7 %
Total new vehicle unit sales	57,120	52,702	4,418	8 %
Revenue per new retail unit	$ 58,329	$ 57,342	$ 987	2 %
Revenue per new fleet unit	$ 53,980	$ 51,304	$ 2,676	5 %
Total revenue per new unit	$ 58,256	$ 57,240	$ 1,016	2 %
Gross profit per new retail unit	$ 3,240	$ 3,649	$ (409)	(11)%
Gross profit per new fleet unit	$ 1,129	$ 1,809	$ (680)	(38)%
Total gross profit per new unit	$ 3,205	$ 3,618	$ (413)	(11)%
Retail gross profit as a % of revenue	5.6 %	6.4 %	(80) bps	
Fleet gross profit as a % of revenue	2.1 %	3.5 %	(140) bps	
Total new vehicle gross profit as a % of revenue	5.5 %	6.3 %	(80) bps	

Our Franchised Dealerships Segment same store new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store new vehicle:				
Retail new vehicle revenue	$ 1,625.4	$ 1,527.3	$ 98.1	6 %
Fleet new vehicle revenue	29.5	26.2	3.3	13 %
Total new vehicle revenue	$ 1,654.9	$ 1,553.5	$ 101.4	7 %
Retail new vehicle gross profit	$ 94.5	$ 95.2	$ (0.7)	(1)%
Fleet new vehicle gross profit	0.5	1.0	(0.5)	(50)%
Total new vehicle gross profit	$ 95.0	$ 96.2	$ (1.2)	(1)%
Retail new vehicle unit sales	27,867	26,432	1,435	5 %
Fleet new vehicle unit sales	571	514	57	11 %
Total new vehicle unit sales	28,438	26,946	1,492	6 %
Revenue per new retail unit	$ 58,328	$ 57,782	$ 546	1 %
Revenue per new fleet unit	$ 51,607	$ 51,006	$ 601	1 %
Total revenue per new unit	$ 58,193	$ 57,653	$ 540	1 %
Gross profit per new retail unit	$ 3,391	$ 3,603	$ (212)	(6)%
Gross profit per new fleet unit	$ 918	$ 1,885	$ (967)	(51)%
Total gross profit per new unit	$ 3,342	$ 3,570	$ (228)	(6)%
Retail gross profit as a % of revenue	5.8 %	6.2 %	(40) bps	
Fleet gross profit as a % of revenue	1.8 %	3.7 %	(190) bps	
Total new vehicle gross profit as a % of revenue	5.7 %	6.2 %	(50) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store new vehicle:				
Retail new vehicle revenue	$ 3,246.9	$ 2,963.0	$ 283.9	10 %
Fleet new vehicle revenue	51.5	45.8	5.7	12 %
Total new vehicle revenue	$ 3,298.4	$ 3,008.8	$ 289.6	10 %
Retail new vehicle gross profit	$ 180.7	$ 189.5	$ (8.8)	(5)%
Fleet new vehicle gross profit	1.1	1.6	(0.5)	(31)%
Total new vehicle gross profit	$ 181.8	$ 191.1	$ (9.3)	(5)%
Retail new vehicle unit sales	55,695	51,630	4,065	8 %
Fleet new vehicle unit sales	954	893	61	7 %
Total new vehicle unit sales	56,649	52,523	4,126	8 %
Revenue per new retail unit	$ 58,298	$ 57,388	$ 910	2 %
Revenue per new fleet unit	$ 53,980	$ 51,304	$ 2,676	5 %
Total revenue per new unit	$ 58,225	$ 57,285	$ 940	2 %
Gross profit per new retail unit	$ 3,245	$ 3,670	$ (425)	(12)%
Gross profit per new fleet unit	$ 1,129	$ 1,809	$ (680)	(38)%
Total gross profit per new unit	$ 3,209	$ 3,638	$ (429)	(12)%
Retail gross profit as a % of revenue	5.6 %	6.4 %	(80) bps	
Fleet gross profit as a % of revenue	2.1 %	3.5 %	(140) bps	
Total new vehicle gross profit as a % of revenue	5.5 %	6.4 %	(90) bps	

Same Store Franchised Dealerships Segment Retail New Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Retail new vehicle revenue increased 6%, due primarily to a 5% increase in retail new vehicle unit sales volume and a 1% increase in retail new vehicle average selling prices. Retail new vehicle gross profit decreased approximately $0.7 million, or 1%, as a result of lower retail new vehicle gross profit per unit, offset partially by higher retail new vehicle unit sales volume. Retail new vehicle gross profit per unit decreased $212 per unit, or 6%, to $3,391 per unit, due primarily to increased price competition as a result of higher levels of available inventory than in the prior year period and higher inventory invoice costs.

Same Store Franchised Dealerships Segment Retail New Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Retail new vehicle revenue increased 10%, due primarily to an 8% increase in retail new vehicle unit sales volume and a 2% increase in retail new vehicle average selling prices. Retail new vehicle gross profit decreased approximately $8.8 million, or 5%, as a result of lower retail new vehicle gross profit per unit, offset partially by higher retail new vehicle unit sales volume. Retail new vehicle gross profit per unit decreased $425 per unit, or 12%, to $3,245 per unit, due primarily to increased price competition as a result of higher levels of available inventory than in the prior year period and higher inventory invoice costs.

Used Vehicles – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 733.4	$ 728.5	$ 4.9	1 %
Acquisitions, open points, dispositions and holding company	11.5	3.6	7.9	NM
Total as reported	$ 744.9	$ 732.1	$ 12.8	2 %
Retail used vehicle gross profit:				
Same store	$ 39.1	$ 39.4	$ (0.3)	(1)%
Acquisitions, open points, dispositions and holding company	0.4	(0.7)	1.1	NM
Total as reported	$ 39.5	$ 38.7	$ 0.8	2 %
Retail used vehicle unit sales:				
Same store	24,584	25,545	(961)	(4)%
Acquisitions, open points, dispositions and holding company	369	123	246	NM
Total as reported	24,953	25,668	(715)	(3)%

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 1,464.2	$ 1,453.8	$ 10.4	1 %
Acquisitions, open points, dispositions and holding company	26.4	7.6	18.8	NM
Total as reported	$ 1,490.6	$ 1,461.4	$ 29.2	2 %
Retail used vehicle gross profit:				
Same store	$ 78.0	$ 80.3	$ (2.3)	(3)%
Acquisitions, open points, dispositions and holding company	1.4	(0.7)	2.1	NM
Total as reported	$ 79.4	$ 79.6	$ (0.2)	— %
Retail used vehicle unit sales:				
Same store	49,567	51,039	(1,472)	(3)%
Acquisitions, open points, dispositions and holding company	827	295	532	NM
Total as reported	50,394	51,334	(940)	(2)%

NM = Not Meaningful

Our Franchised Dealerships Segment reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 744.9	$ 732.1	$ 12.8	2 %
Gross profit	$ 39.5	$ 38.7	$ 0.8	2 %
Unit sales	24,953	25,668	(715)	(3)%
Revenue per unit	$ 29,854	$ 28,520	$ 1,334	5 %
Gross profit per unit	$ 1,583	$ 1,508	$ 75	5 %
Gross profit as a % of revenue	5.3 %	5.3 %	— bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 1,490.6	$ 1,461.4	$ 29.2	2 %
Gross profit	$ 79.4	$ 79.6	$ (0.2)	— %
Unit sales	50,394	51,334	(940)	(2)%
Revenue per unit	$ 29,578	$ 28,469	$ 1,109	4 %
Gross profit per unit	$ 1,575	$ 1,550	$ 25	2 %
Gross profit as a % of revenue	5.3 %	5.4 %	(10) bps	

Our Franchised Dealerships Segment same store retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 733.4	$ 728.5	$ 4.9	1 %
Gross profit	$ 39.1	$ 39.4	$ (0.3)	(1)%
Unit sales	24,584	25,545	(961)	(4)%
Revenue per unit	$ 29,831	$ 28,520	$ 1,311	5 %
Gross profit per unit	$ 1,590	$ 1,541	$ 49	3 %
Gross profit as a % of revenue	5.3 %	5.4 %	(10) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 1,464.2	$ 1,453.8	$ 10.4	1 %
Gross profit	$ 78.0	$ 80.3	$ (2.3)	(3)%
Unit sales	49,567	51,039	(1,472)	(3)%
Revenue per unit	$ 29,539	$ 28,483	$ 1,056	4 %
Gross profit per unit	$ 1,573	$ 1,573	$ —	— %
Gross profit as a % of revenue	5.3 %	5.5 %	(20) bps	

Same Store Franchised Dealerships Segment Retail Used Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Retail used vehicle revenue increased approximately $4.9 million, or 1%, driven primarily by a 5% increase in retail used vehicle average selling prices, partially offset by a 4% decrease in retail used vehicle unit sales volume. Retail used vehicle gross profit decreased approximately $0.3 million, or 1%, driven primarily by a 4% decrease in retail used vehicle unit sales volume, offset by a $49 per unit, or 3%, increase in retail used vehicle gross profit per unit.

Same Store Franchised Dealerships Segment Retail Used Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Retail used vehicle revenue increased approximately $10.4 million, or 1%, driven primarily by an 4% increase in retail used vehicle average selling prices, partially offset by a 3% decrease in retail used vehicle unit sales volume. Retail used vehicle gross profit decreased approximately $2.3 million, or 3%, driven primarily by a 3% decrease in retail used vehicle unit sales volume during the six months ended June 30, 2025 and flat retail used vehicle gross profit per unit.

Wholesale Vehicles – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 56.7	$ 48.1	$ 8.6	18 %
Acquisitions, open points, dispositions and holding company	1.1	0.3	0.8	NM
Total as reported	$ 57.8	$ 48.4	$ 9.4	19 %
Total wholesale vehicle gross profit (loss):				
Same store	$ (0.8)	$ (0.5)	$ (0.3)	(60)%
Acquisitions, open points, dispositions and holding company	(0.1)	—	(0.1)	NM
Total as reported	$ (0.9)	$ (0.5)	$ (0.4)	(80)%
Total wholesale vehicle unit sales:				
Same store	6,109	5,206	903	17 %
Acquisitions, open points, dispositions and holding company	104	42	62	NM
Total as reported	6,213	5,248	965	18 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 110.6	$ 95.9	$ 14.7	15 %
Acquisitions, open points, dispositions and holding company	1.6	1.0	0.6	NM
Total as reported	$ 112.2	$ 96.9	$ 15.3	16 %
Total wholesale vehicle gross profit (loss):				
Same store	$ (1.7)	$ (0.7)	$ (1.0)	(143)%
Acquisitions, open points, dispositions and holding company	(0.2)	—	(0.2)	NM
Total as reported	$ (1.9)	$ (0.7)	$ (1.2)	(171)%
Total wholesale vehicle unit sales:				
Same store	12,213	10,261	1,952	19 %
Acquisitions, open points, dispositions and holding company	195	92	103	NM
Total as reported	12,408	10,353	2,055	20 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 57.8	$ 48.4	$ 9.4	19 %
Gross profit (loss)	$ (0.9)	$ (0.5)	$ (0.4)	(80)%
Unit sales	6,213	5,248	965	18 %
Revenue per unit	$ 9,287	$ 9,229	$ 58	1 %
Gross profit (loss) per unit	$ (140)	$ (86)	$ (54)	(63)%
Gross profit (loss) as a % of revenue	(1.5)%	(0.9)%	(60) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 112.2	$ 96.9	$ 15.3	16 %
Gross profit (loss)	$ (1.9)	$ (0.7)	$ (1.2)	(171)%
Unit sales	12,408	10,353	2,055	20 %
Revenue per unit	$ 9,054	$ 9,354	$ (300)	(3)%
Gross profit (loss) per unit	$ (145)	$ (61)	$ (84)	(138)%
Gross profit (loss) as a % of revenue	(1.6)%	(0.7)%	(90) bps	

Our Franchised Dealerships Segment same store wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 56.7	$ 48.1	$ 8.6	18 %
Gross profit (loss)	$ (0.8)	$ (0.5)	$ (0.3)	(60)%
Unit sales	6,109	5,206	903	17 %
Revenue per unit	$ 9,289	$ 9,229	$ 60	1 %
Gross profit (loss) per unit	$ (131)	$ (82)	$ (49)	(60)%
Gross profit (loss) as a % of revenue	(1.4)%	(0.9)%	(50) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 110.6	$ 95.9	$ 14.7	15 %
Gross profit (loss)	$ (1.7)	$ (0.7)	$ (1.0)	(143)%
Unit sales	12,213	10,261	1,952	19 %
Revenue per unit	$ 9,056	$ 9,364	$ (308)	(3)%
Gross profit (loss) per unit	$ (139)	$ (56)	$ (83)	(148)%
Gross profit (loss) as a % of revenue	(1.5)%	(0.6)%	(90) bps	

NM = Not Meaningful

Same Store Franchised Dealerships Segment Wholesale Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Wholesale vehicle revenue increased approximately $8.6 million, or 18%, driven primarily by a 17% increase in wholesale vehicle unit sales volume coupled with a 1% increase in wholesale vehicle revenue per unit during the three months ended June 30, 2025. Wholesale vehicle gross profit (loss) worsened by approximately $0.3 million, driven primarily by a $49 per unit worsening of wholesale vehicle gross profit (loss) per unit during the second quarter of 2025.

Same Store Franchised Dealerships Segment Wholesale Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Wholesale vehicle revenue increased approximately $14.7 million, or 15%, driven primarily by a 19% increase in wholesale vehicle unit sales volume, offset slightly by a 3% decrease in wholesale vehicle revenue per unit during the first six months of 2025. Wholesale vehicle gross profit (loss) worsened approximately $1.0 million, driven primarily by a $83 per unit worsening of wholesale vehicle gross profit (loss) per unit during the first six months of 2025.

Fixed Operations – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for Fixed Operations:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 478.3	$ 433.2	$ 45.1	10 %
Acquisitions, open points, dispositions and holding company	6.6	1.2	5.4	NM
Total as reported	$ 484.9	$ 434.4	$ 50.5	12 %
Total Fixed Operations gross profit:				
Same store	$ 245.4	$ 218.3	$ 27.1	12 %
Acquisitions, open points, dispositions and holding company	3.5	0.7	2.8	NM
Total as reported	$ 248.9	$ 219.0	$ 29.9	14 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 939.5	$ 871.7	$ 67.8	8 %
Acquisitions, open points, dispositions and holding company	12.9	2.6	10.3	NM
Total as reported	$ 952.4	$ 874.3	$ 78.1	9 %
Total Fixed Operations gross profit:				
Same store	$ 479.6	$ 437.9	$ 41.7	10 %
Acquisitions, open points, dispositions and holding company	6.5	1.8	4.7	NM
Total as reported	$ 486.1	$ 439.7	$ 46.4	11 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported Fixed Operations results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 227.3	$ 206.9	$ 20.4	10 %
Warranty	83.1	62.8	20.3	32 %
Wholesale parts	45.2	47.0	(1.8)	(4)%
Internal, sublet and other	129.3	117.7	11.6	10 %
Total revenue	$ 484.9	$ 434.4	$ 50.5	12 %
Gross profit				
Customer pay	$ 127.9	$ 116.3	$ 11.6	10 %
Warranty	52.2	38.3	13.9	36 %
Wholesale parts	7.9	8.4	(0.5)	(6)%
Internal, sublet and other	60.9	56.0	4.9	9 %
Total gross profit	$ 248.9	$ 219.0	$ 29.9	14 %
Gross profit as a % of revenue				
Customer pay	56.3 %	56.2 %	10 bps	
Warranty	62.9 %	61.0 %	190 bps	
Wholesale parts	17.4 %	17.9 %	(50) bps	
Internal, sublet and other	47.1 %	47.5 %	(40) bps	
Total gross profit as a % of revenue	51.3 %	50.4 %	90 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 441.0	$ 415.3	$ 25.7	6 %
Warranty	168.3	126.8	41.5	33 %
Wholesale parts	91.9	97.6	(5.7)	(6)%
Internal, sublet and other	251.2	234.6	16.6	7 %
Total revenue	$ 952.4	$ 874.3	$ 78.1	9 %
Gross profit				
Customer pay	$ 247.9	$ 233.6	$ 14.3	6 %
Warranty	105.5	76.5	29.0	38 %
Wholesale parts	15.9	17.3	(1.4)	(8)%
Internal, sublet and other	116.8	112.3	4.5	4 %
Total gross profit	$ 486.1	$ 439.7	$ 46.4	11 %
Gross profit as a % of revenue				
Customer pay	56.2 %	56.2 %	— bps	
Warranty	62.7 %	60.3 %	240 bps	
Wholesale parts	17.3 %	17.7 %	(40) bps	
Internal, sublet and other	46.5 %	47.9 %	(140) bps	
Total gross profit as a % of revenue	51.0 %	50.3 %	70 bps	

Our Franchised Dealerships Segment same store Fixed Operations results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
		(In millions)		
Same store Fixed Operations:				
Revenue				
Customer pay	$ 224.4	$ 206.4	$ 18.0	9 %
Warranty	81.9	62.6	19.3	31 %
Wholesale parts	44.4	46.9	(2.5)	(5)%
Internal, sublet and other	127.6	117.3	10.3	9 %
Total revenue	$ 478.3	$ 433.2	$ 45.1	10 %
Gross profit				
Customer pay	$ 126.2	$ 116.0	$ 10.2	9 %
Warranty	51.4	38.3	13.1	34 %
Wholesale parts	7.7	8.4	(0.7)	(8)%
Internal, sublet and other	60.1	55.6	4.5	8 %
Total gross profit	$ 245.4	$ 218.3	$ 27.1	12 %
Gross profit as a % of revenue				
Customer pay	56.2 %	56.2 %	— bps	
Warranty	62.8 %	61.2 %	160 bps	
Wholesale parts	17.4 %	17.9 %	(50) bps	
Internal, sublet and other	47.1 %	47.4 %	(30) bps	
Total gross profit as a % of revenue	51.3 %	50.4 %	90 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
		(In millions)		
Same store Fixed Operations:				
Revenue				
Customer pay	$ 435.5	$ 414.0	$ 21.5	5 %
Warranty	166.0	126.5	39.5	31 %
Wholesale parts	90.2	97.4	(7.2)	(7)%
Internal, sublet and other	247.8	233.8	14.0	6 %
Total revenue	$ 939.5	$ 871.7	$ 67.8	8 %
Gross profit				
Customer pay	$ 244.8	$ 232.9	$ 11.9	5 %
Warranty	104.1	76.4	27.7	36 %
Wholesale parts	15.6	17.3	(1.7)	(10)%
Internal, sublet and other	115.1	111.3	3.8	3 %
Total gross profit	$ 479.6	$ 437.9	$ 41.7	10 %
Gross profit as a % of revenue				
Customer pay	56.2 %	56.3 %	(10) bps	
Warranty	62.7 %	60.4 %	230 bps	
Wholesale parts	17.3 %	17.7 %	(40) bps	
Internal, sublet and other	46.4 %	47.6 %	(116) bps	
Total gross profit as a % of revenue	51.0 %	50.2 %	80 bps	

Same Store Franchised Dealerships Segment Fixed Operations – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Fixed Operations revenue increased approximately $45.1 million, or 10%, and Fixed Operations gross profit increased approximately $27.1 million, or 12%. Customer pay gross profit increased approximately $10.2 million, or 9%, warranty gross profit increased approximately $13.1 million, or 34%, wholesale parts gross profit decreased approximately $0.7 million, or 8%, and internal, sublet and other gross profit increased approximately $4.5 million, or 8%. Our Fixed Operations business has benefited from a higher level of vehicle recalls and warranty repairs, as well as additional technician headcount that has driven an increase in customer pay service capacity.

Same Store Franchised Dealerships Segment Fixed Operations – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Fixed Operations revenue increased approximately $67.8 million, or 8%, and Fixed Operations gross profit increased approximately $41.7 million, or 10%. Customer pay gross profit increased approximately $11.9 million, or 5%, warranty gross profit increased approximately $27.7 million, or 36%, wholesale parts gross profit decreased approximately $1.7 million, or 10%, and internal, sublet and other gross profit increased approximately $3.8 million, or 3%. Our Fixed Operations business has benefited from a higher level of vehicle recalls and warranty repairs, as well as additional technician headcount that has driven an increase in customer pay service capacity.

F&I – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 142.5	$ 123.9	$ 18.6	15 %
Acquisitions, open points, dispositions and holding company	1.8	0.3	1.5	NM
Total as reported	$ 144.3	$ 124.2	$ 20.1	16 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 2,718	$ 2,383	$ 335	14 %
Reported	$ 2,721	$ 2,380	$ 341	14 %
Total combined retail new and used vehicle unit sales:				
Same store	52,451	51,977	474	1 %
Acquisitions, open points, dispositions and holding company	586	203	383	NM
Total as reported	53,037	52,180	857	2 %

NM = Not Meaningful

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 271.5	$ 243.1	$ 28.4	12 %
Acquisitions, open points, dispositions and holding company	3.4	0.7	2.7	NM
Total as reported	$ 274.9	$ 243.8	$ 31.1	13 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 2,580	$ 2,367	$ 213	9 %
Reported	$ 2,580	$ 2,364	$ 216	9 %
Total combined retail new and used vehicle unit sales:				
Same store	105,262	102,669	2,593	3 %
Acquisitions, open points, dispositions and holding company	1,298	474	824	NM
Total as reported	106,560	103,143	3,417	3 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported F&I results were as follows:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 144.3	$ 124.2	$ 20.1	16 %
Total combined retail new and used vehicle unit sales	53,037	52,180	857	2 %
Gross profit per retail unit (excludes fleet)	$ 2,721	$ 2,380	$ 341	14 %

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 274.9	$ 243.8	$ 31.1	13 %
Total combined retail new and used vehicle unit sales	106,560	103,143	3,417	3 %
Gross profit per retail unit (excludes fleet)	$ 2,580	$ 2,364	$ 216	9 %

Our Franchised Dealerships Segment same store F&I results were as follows:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 142.5	$ 123.9	$ 18.6	15 %
Total combined retail new and used vehicle unit sales	52,451	51,977	474	1 %
Gross profit per retail unit (excludes fleet)	$ 2,718	$ 2,383	$ 335	14 %

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 271.5	$ 243.1	$ 28.4	12 %
Total combined retail new and used vehicle unit sales	105,262	102,669	2,593	3 %
Gross profit per retail unit (excludes fleet)	$ 2,580	$ 2,367	$ 213	9 %

Same Store Franchised Dealerships Segment F&I – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

F&I revenue increased approximately $18.6 million, or 15%, due primarily to a 14% increase in F&I gross profit per retail unit and a 1% increase in total combined retail new and used vehicle unit sales volume. F&I gross profit per retail unit increased $335 per unit, or 14%, to $2,718 per unit, due primarily to higher gross profit per finance contract and service contract, an increase in other aftermarket contract penetration rates, and changes to our F&I product cost structure.

Finance contract revenue for combined retail new and used vehicles increase 9%, due primarily to a 7% increase in gross profit per finance contract and a 1% increase in finance contract volume. Service contract revenue for combined retail new and used vehicles increased 11%, due primarily to a 5% increase in gross profit per service contract and a 5% increase in service contract volume. Other aftermarket contract revenue for combined retail new and used vehicles increased 2%, primarily to a 3% increase in total contracts, and a 250-basis point increase in the other aftermarket contract penetration rate, offset by a 1% decrease in gross profit per other aftermarket contract.

Same Store Franchised Dealerships Segment F&I – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

F&I revenue increased approximately $28.4 million, or 12%, due primarily to a 9% increase in F&I gross profit per retail unit and a 3% increase in total combined retail new and used vehicle unit sales volume. F&I gross profit per retail unit increased $213 per unit, or 9%, to $2,580 per unit, due primarily to higher gross profit per finance contract and service contract, an increase in other aftermarket contract penetration rates, and changes to our F&I product cost structure.

Finance contract revenue for combined retail new and used vehicles increased 9%, due primarily to a 6% increase in gross profit per finance contract and a 2% increase in finance contract volume. Service contract revenue for combined retail new and used vehicles increased 10%, due primarily to a 4% increase in service contract volume and a 6% increase in gross profit per service contract. Other aftermarket contract revenue for combined retail new and used vehicles increased 4%, due primarily to a 1% increase in gross profit per other aftermarket contract, a 4% increase in total contracts, and a 140-basis point increase in the other aftermarket contract penetration rate.

Results of Operations – EchoPark Segment

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 or acquisition. Same market results may vary significantly from reported results due to the closure of stores that are no longer included in same market results.

In January 2024, we closed the remaining seven Northwest Motorsport stores within the EchoPark Segment. In light of these closures, we believe the following discussion of EchoPark Segment results on a same market basis provides a more meaningful year-over-year comparison.

Used Vehicles and F&I – EchoPark Segment

Our EchoPark operating strategy focuses on maximizing total used vehicle-related gross profit (based on a combination of retail used vehicle unit sales volume, front-end retail used vehicle gross profit (loss) per unit and F&I gross profit per retail unit sold) rather than realizing traditional levels of front-end retail used vehicle gross profit per unit. As such, we believe the best per unit measure of gross profit performance at our EchoPark stores is a combined total gross profit (loss) per retail unit, which includes both front-end retail used vehicle gross profit (loss) and F&I gross profit per retail unit sold. See the discussion under the heading "Results of Operations - Consolidated" for additional discussion of the macro drivers of used vehicle revenues and F&I revenues.

All Fixed Operations activity at our EchoPark stores supports our used vehicle inventory reconditioning operations and EchoPark stores do not currently perform customer pay repairs or maintenance work and are not permitted to perform manufacturer-paid warranty repairs. As such, reconditioning amounts that are classified as Fixed Operations revenues and cost of sales in our Franchised Dealerships Segment are presented as used vehicle cost of sales for the EchoPark Segment.

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total retail used vehicle revenue:				
Same market	$ 427.5	$ 448.9	$ (21.4)	(5)%
Closed stores	(0.1)	—	(0.1)	NM
Total as reported	$ 427.4	$ 448.9	$ (21.5)	(5)%
Total retail used vehicle gross profit (loss):				
Same market	$ 6.1	$ 4.8	$ 1.3	27 %
Closed stores	0.8	(0.1)	0.9	NM
Total as reported	$ 6.9	$ 4.7	$ 2.2	47 %
Total retail used vehicle unit sales:				
Same market	16,742	16,641	101	1 %
Closed stores	—	—	—	NM
Total as reported	16,742	16,641	101	1 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total retail used vehicle revenue:				
Same market	$ 901.2	$ 922.1	$ (20.9)	(2)%
Closed stores	(0.1)	9.6	(9.7)	NM
Total as reported	$ 901.1	$ 931.7	$ (30.6)	(3)%
Total retail used vehicle gross profit (loss):				
Same market	$ 10.4	$ 10.4	$ —	— %
Closed stores	1.9	(0.4)	2.3	NM
Total as reported	$ 12.3	$ 10.0	$ 2.3	23 %
Total retail used vehicle unit sales:				
Same market	35,540	34,259	1,281	4 %
Closed stores	—	363	(363)	NM
Total as reported	35,540	34,622	918	3 %

NM = Not Meaningful

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total F&I revenue:				
Same market	$ 56.1	$ 47.3	$ 8.8	19 %
Closed stores	(0.3)	(0.8)	0.5	NM
Total as reported	$ 55.8	$ 46.5	$ 9.3	20 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total F&I revenue:				
Same market	$ 115.2	$ 94.8	$ 20.4	22 %
Closed stores	(0.7)	(0.5)	(0.2)	NM
Total as reported	$ 114.5	$ 94.3	$ 20.2	21 %

NM = Not Meaningful

Our EchoPark Segment reported retail used vehicle and F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	$ 427.4	$ 448.9	$ (21.5)	(5)%
Retail used vehicle gross profit (loss)	$ 6.9	$ 4.7	$ 2.2	47 %
Retail used vehicle unit sales	16,742	16,641	101	1 %
Retail used vehicle revenue per unit	$ 25,530	$ 26,973	$ (1,443)	(5)%
F&I revenue	$ 55.8	$ 46.5	$ 9.3	20 %
Combined retail used vehicle gross profit and F&I revenue	$ 62.7	$ 51.2	$ 11.5	22 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,747	$ 3,078	$ 669	22 %

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	$ 901.1	$ 931.7	$ (30.6)	(3)%
Retail used vehicle gross profit (loss)	$ 12.3	$ 10.0	$ 2.3	23 %
Retail used vehicle unit sales	35,540	34,622	918	3 %
Retail used vehicle revenue per unit	$ 25,355	$ 26,912	$ (1,557)	(6)%
F&I revenue	$ 114.5	$ 94.3	$ 20.2	21 %
Combined retail used vehicle gross profit and F&I revenue	$ 126.8	$ 104.3	$ 22.5	22 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,569	$ 3,014	$ 555	18 %

Our EchoPark Segment same market retail used vehicle and F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same market retail used vehicle and F&I:				
Retail used vehicle revenue	$ 427.5	$ 448.9	$ (21.4)	(5)%
Retail used vehicle gross profit (loss)	$ 6.1	$ 4.8	$ 1.3	27 %
Retail used vehicle unit sales	16,742	16,641	101	1 %
Retail used vehicle revenue per unit	$ 25,532	$ 26,973	$ (1,441)	(5)%
F&I revenue	$ 56.1	$ 47.3	$ 8.8	19 %
Combined retail used vehicle gross profit and F&I revenue	$ 62.2	$ 52.1	$ 10.1	19 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,717	$ 3,127	$ 590	19 %

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same market retail used vehicle and F&I:				
Retail used vehicle revenue	$ 901.2	$ 922.1	$ (20.9)	(2)%
Retail used vehicle gross profit (loss)	$ 10.4	$ 10.4	$ —	— %
Retail used vehicle unit sales	35,540	34,259	1,281	4 %
Retail used vehicle revenue per unit	$ 25,356	$ 26,914	$ (1,558)	(6)%
F&I revenue	$ 115.2	$ 94.8	$ 20.4	22 %
Combined retail used vehicle gross profit and F&I revenue	$ 125.6	$ 105.2	$ 20.4	19 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,535	$ 3,071	$ 464	15 %

Same Market EchoPark Segment Retail Used Vehicles and F&I – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Retail used vehicle revenue decreased approximately $21.4 million, due primarily to a 5% decrease in retail used vehicle revenue per unit, offset partially by a 1% increase in retail used vehicle unit sales volume. Combined retail used vehicle gross profit and F&I revenue increased approximately $10.1 million, or 19%, due primarily to an $8.8 million, or 19%, increase in F&I revenue and a $590, or a 19% per unit increase in combined retail used vehicle and F&I gross profit. The increase in combined retail used vehicle and F&I gross profit per unit was due primarily to higher F&I penetration rates, changes to our F&I product cost structure, an improvement in inventory acquisition costs as a result of sourcing a higher percentage of inventory from non-auction sources, and expanding our inventory to include older vehicles, which typically earn a higher gross profit per unit.

Same Market EchoPark Segment Retail Used Vehicles and F&I – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Retail used vehicle revenue decreased approximately $20.9 million, or 2%, due primarily to a 6% decrease in retail used vehicle revenue per unit, offset partially by a 4% increase in retail used vehicle unit sales volume. Combined retail used vehicle gross profit and F&I revenue increased approximately $20.4 million, or 19%, due primarily to a $20.4 million, or 22%, increase in F&I revenue and a $464, or 15% per unit increase in combined retail used vehicle and F&I gross profit. The increase in combined retail used vehicle and F&I gross profit per unit was due primarily to higher F&I penetration rates, changes to our F&I product cost structure, an improvement in inventory acquisition costs as a result of paying lower wholesale auction prices, sourcing a higher percentage of inventory from non-auction sources, and expanding our inventory to include older vehicles, which typically earn a higher gross profit per unit.

Wholesale Vehicles – EchoPark Segment

See the discussion under the heading "Results of Operations – Consolidated" for additional discussion of the macro drivers of wholesale vehicle revenues.

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same market	$ 25.4	$ 21.9	$ 3.5	16 %
Closed stores	—	—	—	NM
Total as reported	$ 25.4	$ 21.9	$ 3.5	16 %
Total wholesale vehicle gross profit (loss):				
Same market	$ (0.6)	$ (0.2)	$ (0.4)	(200)%
Closed stores	—	0.1	(0.1)	NM
Total as reported	$ (0.6)	$ (0.1)	$ (0.5)	(500)%
Total wholesale vehicle unit sales:				
Same market	3,097	2,593	504	19 %
Closed stores	—	—	—	NM
Total as reported	3,097	2,593	504	19 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same market	$ 52.8	$ 47.4	$ 5.4	11 %
Closed stores	—	3.3	(3.3)	NM
Total as reported	$ 52.8	$ 50.7	$ 2.1	4 %
Total wholesale vehicle gross profit (loss):				
Same market	$ (0.8)	$ —	$ (0.8)	(100)%
Closed stores	—	(0.6)	0.6	NM
Total as reported	$ (0.8)	$ (0.6)	$ (0.2)	(33)%
Total wholesale vehicle unit sales:				
Same market	6,247	5,378	869	16 %
Closed stores	—	209	(209)	NM
Total as reported	6,247	5,587	660	12 %

NM = Not Meaningful

Our EchoPark Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 25.4	$ 21.9	$ 3.5	16 %
Gross profit (loss)	$ (0.6)	$ (0.1)	$ (0.5)	(500)%
Unit sales	3,097	2,593	504	19 %
Revenue per unit	$ 8,212	$ 8,454	$ (242)	(3)%
Gross profit (loss) per unit	$ (211)	$ (44)	$ (167)	NM
Gross profit (loss) as a % of revenue	(2.6)%	(0.5)%	(210) bps	

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 52.8	$ 50.7	$ 2.1	4 %
Gross profit (loss)	$ (0.8)	$ (0.6)	$ (0.2)	(33)%
Unit sales	6,247	5,587	660	12 %
Revenue per unit	$ 8,447	$ 9,057	$ (610)	(7)%
Gross profit (loss) per unit	$ (138)	$ (110)	$ (28)	(25)%
Gross profit (loss) as a % of revenue	(1.6)%	(1.2)%	(40) bps	

NM = Not Meaningful

Our EchoPark Segment same market wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same market wholesale vehicle:				
Revenue	$ 25.4	$ 21.9	$ 3.5	16 %
Gross profit (loss)	$ (0.6)	$ (0.2)	$ (0.4)	(200)%
Unit sales	3,097	2,593	504	19 %
Revenue per unit	$ 8,212	$ 8,454	$ (242)	(3)%
Gross profit (loss) per unit	$ (211)	$ (34)	$ (177)	(521)%
Gross profit (loss) as a % of revenue	(2.6)%	(0.4)%	(220) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same market wholesale vehicle:				
Revenue	$ 52.8	$ 47.4	$ 5.4	11 %
Gross profit (loss)	$ (0.8)	$ —	$ (0.8)	(100)%
Unit sales	6,247	5,378	869	16 %
Revenue per unit	$ 8,447	$ 8,817	$ (370)	(4)%
Gross profit (loss) per unit	$ (138)	$ (5)	$ (133)	NM
Gross profit (loss) as a % of revenue	(1.6)%	(0.1)%	(150) bps	

Same Market EchoPark Segment Wholesale Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Same market wholesale vehicle revenue increased approximately $3.5 million, or 16%, due primarily to a 19% increase in wholesale vehicle unit sales volume, offset partially by a 3% decrease in wholesale vehicle revenue per unit. As we adjust the inventory mix of nearly new versus older model year vehicles sold at retail going forward, the levels of wholesale vehicle revenue and gross profit may vary.

Same Market EchoPark Segment Wholesale Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Same market wholesale vehicle revenue increased approximately $5.4 million, or 11%, due primarily to a 16% increase in wholesale vehicle unit sales volume, offset partially by a 4% decrease in wholesale vehicle revenue per unit. As we adjust the inventory mix of nearly new versus older model year vehicles sold at retail going forward, the levels of wholesale vehicle revenue and gross profit may vary.

Results of Operations – Powersports Segment

As a result of the acquisition and termination of certain powersports stores in 2024 and 2025, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores. The following discussion of new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a same store basis, except where otherwise noted. Our Powersports Segment results are subject to seasonal variations, such that the second and third quarters are generally expected to contribute higher revenues and segment income than the first and fourth quarters.

New Vehicles – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for retail new vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total retail new vehicle revenue:				
Same store	$ 23.5	$ 20.8	$ 2.7	13 %
Acquisitions and closed stores	3.4	0.9	2.5	NM
Total as reported	$ 26.9	$ 21.7	$ 5.2	24 %
Total retail new vehicle gross profit:				
Same store	$ 3.4	$ 2.9	$ 0.5	17 %
Acquisitions and closed stores	0.5	—	0.5	NM
Total as reported	$ 3.9	$ 2.9	$ 1.0	34 %
Total retail new vehicle unit sales:				
Same store	1,237	1,159	78	7 %
Acquisitions and closed stores	157	34	123	NM
Total as reported	1,394	1,193	201	17 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total retail new vehicle revenue:				
Same store	$ 39.8	$ 36.0	$ 3.8	11 %
Acquisitions	6.5	1.5	5.0	NM
Total as reported	$ 46.3	$ 37.5	$ 8.8	23 %
Total retail new vehicle gross profit:				
Same store	$ 5.6	$ 5.1	$ 0.5	10 %
Acquisitions	1.0	0.1	0.9	NM
Total as reported	$ 6.6	$ 5.2	$ 1.4	27 %
Total retail new vehicle unit sales:				
Same store	2,087	1,975	112	6 %
Acquisitions	300	63	237	NM
Total as reported	2,387	2,038	349	17 %

Our Powersports Segment reported retail new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail new vehicle:				
Revenue	$ 26.9	$ 21.7	$ 5.2	24 %
Gross profit	$ 3.9	$ 2.9	$ 1.0	34 %
Unit sales	1,394	1,193	201	17 %
Revenue per unit	$ 19,310	$ 18,164	$ 1,146	6 %
Gross profit per unit	$ 2,828	$ 2,466	$ 362	15 %
Gross profit as a % of revenue	14.6 %	13.6 %	100 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail new vehicle:				
Revenue	$ 46.3	$ 37.5	$ 8.8	23 %
Gross profit	$ 6.6	$ 5.2	$ 1.4	27 %
Unit sales	2,387	2,038	349	17 %
Revenue per unit	$ 19,398	$ 18,420	$ 978	5 %
Gross profit per unit	$ 2,767	$ 2,553	$ 214	8 %
Gross profit as a % of revenue	14.3 %	13.9 %	40 bps	

Our Powersports Segment same store retail new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail new vehicle:				
Revenue	$ 23.5	$ 20.8	$ 2.7	13 %
Gross profit	$ 3.4	$ 2.9	$ 0.5	19 %
Unit sales	1,237	1,159	78	7 %
Revenue per unit	$ 18,970	$ 17,950	$ 1,020	6 %
Gross profit per unit	$ 2,771	$ 2,489	$ 282	11 %
Gross profit as a % of revenue	14.6 %	13.9 %	70 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail new vehicle:				
Revenue	$ 39.8	$ 36.0	$ 3.8	11 %
Gross profit	$ 5.6	$ 5.1	$ 0.5	11 %
Unit sales	2,087	1,975	112	6 %
Revenue per unit	$ 19,092	$ 18,205	$ 887	5 %
Gross profit per unit	$ 2,696	$ 2,564	$ 132	5 %
Gross profit as a % of revenue	14.1 %	14.1 %	— bps	

Same Store Powersports Segment Retail New Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Retail new vehicle revenue increased 13%, due primarily to a 6% increase in retail new vehicle average selling prices, along with a 7% increase in retail new vehicle unit sales volume. Retail new vehicle gross profit increased 19%, as a result of higher retail new vehicle gross profit per unit and higher retail new vehicle unit sales volume. Retail new vehicle gross profit per unit increased $282 per unit, or 11%, to $2,771 per unit.

Same Store Powersports Segment Retail New Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Retail new vehicle revenue increased 11%, due primarily to a 5% increase in retail new vehicle average selling prices, along with a 6% increase in retail new vehicle unit sales volume. Retail new vehicle gross profit increased approximately $0.5 million, or 11%, as a result of higher retail new vehicle gross profit per unit and higher retail new vehicle unit sales volume. Retail new vehicle gross profit per unit increased $132 per unit, or 5%, to $2,696 per unit.

Used Vehicles – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 7.2	$ 5.0	$ 2.2	44 %
Acquisitions and closed stores	1.1	0.3	0.8	NM
Total as reported	$ 8.3	$ 5.3	$ 3.0	57 %
Retail used vehicle gross profit:				
Same store	$ 1.5	$ 1.2	$ 0.3	25 %
Acquisitions and closed stores	0.1	0.1	—	NM
Total as reported	$ 1.6	$ 1.3	$ 0.3	23 %
Retail used vehicle unit sales:				
Same store	725	495	230	46 %
Acquisitions and closed stores	92	27	65	NM
Total as reported	817	522	295	57 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 11.6	$ 8.0	$ 3.6	45 %
Acquisitions	2.4	0.7	1.7	NM
Total as reported	$ 14.0	$ 8.7	$ 5.3	61 %
Retail used vehicle gross profit:				
Same store	$ 2.3	$ 2.0	$ 0.3	15 %
Acquisitions	0.4	0.2	0.2	NM
Total as reported	$ 2.7	$ 2.2	$ 0.5	23 %
Retail used vehicle unit sales:				
Same store	1,191	869	322	37 %
Acquisitions	204	62	142	NM
Total as reported	1,395	931	464	50 %

NM = Not Meaningful

Our Powersports Segment reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 8.3	$ 5.3	$ 3.0	57 %
Gross profit	$ 1.6	$ 1.3	$ 0.3	30 %
Unit sales	817	522	295	57 %
Revenue per unit	$ 10,183	$ 10,132	$ 51	1 %
Gross profit per unit	$ 2,014	$ 2,423	$ (409)	(17)%
Gross profit as a % of revenue	19.8 %	23.9 %	(410) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 14.0	$ 8.7	$ 5.3	62 %
Gross profit	$ 2.7	$ 2.2	$ 0.5	25 %
Unit sales	1,395	931	464	50 %
Revenue per unit	$ 10,038	$ 9,300	$ 738	8 %
Gross profit per unit	$ 1,935	$ 2,318	$ (383)	(17)%
Gross profit as a % of revenue	19.3 %	24.9 %	(560) bps	

Our Powersports Segment same store retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 7.2	$ 5.0	$ 2.2	43 %
Gross profit	$ 1.5	$ 1.2	$ 0.3	22 %
Unit sales	725	495	230	46 %
Revenue per unit	$ 9,883	$ 10,117	$ (234)	(2)%
Gross profit per unit	$ 2,043	$ 2,458	$ (415)	(17)%
Gross profit as a % of revenue	20.7 %	24.3 %	(360) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 11.6	$ 8.0	$ 3.6	44 %
Gross profit	$ 2.3	$ 2.0	$ 0.3	14 %
Unit sales	1,191	869	322	37 %
Revenue per unit	$ 9,723	$ 9,239	$ 484	5 %
Gross profit per unit	$ 1,940	$ 2,327	$ (387)	(17)%
Gross profit as a % of revenue	20.0 %	25.2 %	(520) bps	

Same Store Powersports Segment Retail Used Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Retail used vehicle revenue increased 43%, due primarily to a 46% increase in retail used vehicle unit sales volume, offset by a 2% decrease in retail used vehicle average selling prices. Retail used vehicle gross profit increased 22% as a result of higher retail used vehicle unit sales volume, partially offset by a decrease in gross profit per unit. Retail used vehicle gross profit per unit decreased $415 per unit, or 17%, to $2,043 per unit.

Same Store Powersports Segment Retail Used Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Retail used vehicle revenue increased 44%, due primarily to a 37% increase in retail used vehicle unit sales volume and a 5% increase in retail used vehicle average selling prices. Retail used vehicle gross profit increased approximately $0.3 million, or 14%, as a result of higher retail used vehicle unit sales volume. Retail used vehicle gross profit per unit decreased $387 per unit, or 17%, to $1,940 per unit.

Wholesale Vehicles – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 0.1	$ 0.8	$ (0.7)	(88)%
Acquisitions and closed stores	0.2	0.1	0.1	NM
Total as reported	$ 0.3	$ 0.9	$ (0.6)	(67)%
Total wholesale vehicle gross profit (loss):				
Same store	$ —	$ —	$ —	— %
Acquisitions and closed stores	—	(0.1)	0.1	NM
Total as reported	$ —	$ (0.1)	$ 0.1	100 %
Total wholesale vehicle unit sales:				
Same store	55	18	37	206 %
Acquisitions and closed stores	3	—	3	NM
Total as reported	58	18	40	222 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 1.1	$ 0.9	$ 0.2	22 %
Acquisitions and closed stores	—	0.2	(0.2)	(100.0)%
Total as reported	$ 1.1	$ 1.1	$ —	— %
Total wholesale vehicle gross profit (loss):				
Same store	$ —	$ (0.1)	$ 0.1	100 %
Acquisitions and closed stores	—	—	—	— %
Total as reported	$ —	$ (0.1)	$ 0.1	100 %
Total wholesale vehicle unit sales:				
Same store	115	31	84	271 %
Acquisitions and closed stores	3	—	3	NM
Total as reported	118	31	87	281 %

NM = Not Meaningful

Our Powersports Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 0.3	$ 0.9	$ (0.6)	(67)%
Gross profit (loss)	$ —	$ (0.1)	$ 0.1	100 %
Unit sales	58	18	40	222 %
Revenue per unit	$ 4,078	$ 52,531	$ (48,453)	(92)%
Gross profit (loss) per unit	$ (457)	$ (2,976)	$ 2,519	85 %
Gross profit (loss) as a % of revenue	(11.2)%	(5.7)%	(550) bps	

	Six months ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 1.1	$ 1.1	$ —	— %
Gross profit (loss)	$ —	$ (0.1)	$ 0.1	100 %
Unit sales	118	31	87	281 %
Revenue per unit	$ 8,799	$ 37,802	$ (29,003)	(77)%
Gross profit (loss) per unit	$ (685)	$ (2,901)	$ 2,216	76 %
Gross profit (loss) as a % of revenue	(7.8)%	(7.7)%	(10) bps	

Our Powersports Segment same store wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 0.1	$ 0.8	$ (0.7)	(88)%
Gross profit (loss)	$ —	$ —	$ —	— %
Unit sales	55	18	37	206 %
Revenue per unit	$ 4,177	$ 40,411	$ (36,234)	(90)%
Gross profit (loss) per unit	$ (172)	$ (2,889)	$ 2,717	94 %
Gross profit (loss) as a % of revenue	(4.1)%	(7.2)%	310 bps	

	Six months ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 1.1	$ 0.9	$ 0.2	22 %
Gross profit (loss)	$ —	$ (0.1)	$ 0.1	100 %
Unit sales	115	31	84	271 %
Revenue per unit	$ 8,970	$ 30,555	$ (21,585)	(71)%
Gross profit (loss) per unit	$ (554)	$ (2,994)	$ 2,440	81 %
Gross profit (loss) as a % of revenue	(6.2)%	(9.8)%	360 bps	

Same Store Powersports Segment Wholesale Vehicles – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Same store wholesale vehicle revenue decreased approximately $0.7 million, due to a 90% decrease in wholesale vehicle revenue per unit. Same store wholesale vehicle gross loss remained flat.

Same Store Powersports Segment Wholesale Vehicles – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Same store wholesale vehicle revenue increased approximately $0.2 million, due to higher wholesale vehicle unit sales volume. Same store wholesale vehicle gross profit loss improved by approximately $0.1 million.

Fixed Operations – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for Fixed Operations:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 9.5	$ 9.3	$ 0.2	2 %
Acquisitions and closed stores	1.1	0.4	0.7	NM
Total as reported	$ 10.6	$ 9.7	$ 0.9	9 %
Total Fixed Operations gross profit:				
Same store	$ 4.6	$ 4.4	$ 0.2	5 %
Acquisitions and closed stores	0.4	0.2	0.2	NM
Total as reported	$ 5.0	$ 4.6	$ 0.4	9 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 15.2	$ 15.6	$ (0.4)	(3)%
Acquisitions and closed stores	2.4	0.9	1.5	167 %
Total as reported	$ 17.6	$ 16.5	$ 1.1	7 %
Total Fixed Operations gross profit:				
Same store	$ 7.4	$ 7.4	$ —	— %
Acquisitions and closed stores	1.0	0.3	0.7	233 %
Total as reported	$ 8.4	$ 7.7	$ 0.7	9 %

Our Powersports Segment reported Fixed Operations results were as follows:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 2.2	$ 1.7	$ 0.5	29 %
Warranty	1.5	1.2	0.3	25 %
Wholesale parts	0.1	0.2	(0.1)	(50)%
Internal, sublet and other	6.8	6.6	0.2	3 %
Total revenue	$ 10.6	$ 9.7	$ 0.9	9 %
Gross profit				
Customer pay	$ 0.8	$ 0.2	$ 0.6	300 %
Warranty	1.0	1.1	(0.1)	(9)%
Wholesale parts	—	0.1	(0.1)	(80)%
Internal, sublet and other	3.2	3.2	—	(1)%
Total gross profit	$ 5.0	$ 4.6	$ 0.4	9 %
Gross profit as a % of revenue				
Customer pay	35.2 %	11.1 %	2,410 bps	
Warranty	66.2 %	85.6 %	(1,940) bps	
Wholesale parts	18.7 %	24.5 %	(580) bps	
Internal, sublet and other	46.8 %	50.2 %	(344) bps	
Total gross profit as a % of revenue	47.1 %	47.4 %	(30) bps	

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 3.8	$ 3.5	$ 0.3	9 %
Warranty	2.7	1.7	1.0	59 %
Wholesale parts	0.3	0.4	(0.1)	(25)%
Internal, sublet and other	10.8	10.9	(0.1)	(1)%
Total revenue	$ 17.6	$ 16.5	$ 1.1	7 %
Gross profit				
Customer pay	$ 1.4	$ 1.0	$ 0.4	40 %
Warranty	1.8	1.4	0.4	29 %
Wholesale parts	0.1	0.1	—	— %
Internal, sublet and other	5.1	5.2	(0.1)	(2)%
Total gross profit	$ 8.4	$ 7.7	$ 0.7	9 %
Gross profit as a % of revenue				
Customer pay	36.0 %	28.2 %	780 bps	
Warranty	66.3 %	81.7 %	(1,540) bps	
Wholesale parts	23.3 %	25.0 %	(170) bps	
Internal, sublet and other	47.2 %	48.6 %	(138) bps	
Total gross profit as a % of revenue	47.7 %	47.0 %	70 bps	

Our Powersports Segment same store Fixed Operations results were as follows:

	Three months ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 1.9	$ 1.5	$ 0.4	27 %
Warranty	1.3	1.2	0.1	8 %
Wholesale parts	0.1	0.2	(0.1)	(50)%
Internal, sublet and other	6.2	6.4	(0.2)	(3)%
Total revenue	$ 9.5	$ 9.3	$ 0.2	2 %
Gross profit				
Customer pay	$ 0.8	$ 0.1	$ 0.7	700 %
Warranty	0.9	1.1	(0.2)	(18)%
Wholesale parts	—	0.1	(0.1)	(80)%
Internal, sublet and other	2.9	3.1	(0.2)	(7)%
Total gross profit	$ 4.6	$ 4.4	$ 0.2	5 %
Gross profit as a % of revenue				
Customer pay	40.4 %	8.3 %	3,210 bps	
Warranty	68.6 %	85.7 %	(1,710) bps	
Wholesale parts	18.5 %	26.6 %	(810) bps	
Internal, sublet and other	46.5 %	48.4 %	(199) bps	
Total gross profit as a % of revenue	48.3 %	47.6 %	70 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 3.0	$ 3.2	$ (0.2)	(6)%
Warranty	2.2	1.6	0.6	38 %
Wholesale parts	0.2	0.4	(0.2)	(50)%
Internal, sublet and other	9.8	10.4	(0.6)	(6)%
Total revenue	$ 15.2	$ 15.6	$ (0.4)	(3)%
Gross profit				
Customer pay	$ 1.2	$ 0.9	$ 0.3	33 %
Warranty	1.5	1.4	0.1	7 %
Wholesale parts	—	0.1	(0.1)	(60)%
Internal, sublet and other	4.7	5.0	(0.3)	(7)%
Total gross profit	$ 7.4	$ 7.4	$ —	— %
Gross profit as a % of revenue				
Customer pay	38.1 %	27.2 %	1,090 bps	
Warranty	69.6 %	82.2 %	(1,260) bps	
Wholesale parts	20.6 %	26.9 %	(630) bps	
Internal, sublet and other	47.6 %	48.1 %	(53) bps	
Total gross profit as a % of revenue	48.9 %	47.3 %	160 bps	

Same Store Powersports Segment Fixed Operations – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Same store Fixed Operations revenue increased approximately $0.2 million, or 2%, and same store Fixed Operations gross profit increased approximately $0.2 million, or 5%. Customer pay revenue increased approximately $0.4 million, or 27%, and customer pay gross profit increased approximately $0.7 million, or 700%. Warranty revenue increased approximately $0.1 million, or 8%, and warranty gross profit decreased approximately $0.2 million, or 18%. Wholesale parts revenue decreased approximately $0.1 million, or 50%, and wholesale parts gross profit decreased approximately $0.1 million, or 80%. Internal, sublet and other revenue decreased approximately $0.2 million, or 3%, and internal, sublet and other gross profit decreased approximately $0.2 million, or 7%.

Same Store Powersports Segment Fixed Operations – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Same Store Fixed Operations revenue decreased approximately $0.4 million, or 3%, and same store Fixed Operations gross profit was flat. Customer pay revenue decreased approximately $0.2 million or 6%, and customer pay gross profit increased approximately $0.3 million, or 33%. Warranty revenue increased approximately $0.6 million, or 38%, and warranty gross profit increased approximately $0.1 million, or 7%. Wholesale parts revenue decreased approximately $0.2 million, or 50%, and wholesale parts gross profit decreased approximately $0.1 million, or 60%. Internal, sublet and other revenue decreased approximately $0.6 million, or 6%, and internal, sublet and other gross profit decreased approximately $0.3 million, or 7%.

F&I – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 1.9	$ 1.8	$ 0.1	6 %
Acquisitions and closed stores	0.1	0.2	(0.1)	NM
Total as reported	$ 2.0	$ 2.0	$ —	— %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 948	$ 1,095	$ (147)	(13)%
Reported	$ 889	$ 1,153	$ (264)	(23)%
Total combined retail new and used vehicle unit sales:				
Same store	1,962	1,654	308	19 %
Acquisitions and closed stores	249	61	188	NM
Total as reported	2,211	1,715	496	29 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 3.2	$ 3.2	$ —	— %
Acquisitions and closed stores	0.2	0.3	(0.1)	NM
Total as reported	$ 3.4	$ 3.5	$ (0.1)	(2.9)%
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 984	$ 1,125	$ (141)	(13)%
Reported	$ 912	$ 1,172	$ (260)	(22)%
Total combined retail new and used vehicle unit sales:				
Same store	3,278	2,844	434	15 %
Acquisitions and closed stores	504	125	379	NM
Total as reported	3,782	2,969	813	27 %

NM = Not Meaningful

Our Powersports Segment reported F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 2.0	$ 2.0	$ —	— %
Total combined retail new and used vehicle unit sales	2,211	1,715	496	29 %
Gross profit per retail unit (excludes fleet)	$ 889	$ 1,153	$ (264)	(23)%

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 3.4	$ 3.5	$ (0.1)	(1)%
Total combined retail new and used vehicle unit sales	3,782	2,969	813	27 %
Gross profit per retail unit (excludes fleet)	$ 912	$ 1,172	$ (260)	(22)%

Our Powersports Segment same store F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 1.9	$ 1.8	$ 0.1	3 %
Total combined retail new and used vehicle unit sales	1,962	1,654	308	19 %
Gross profit per retail unit (excludes fleet)	$ 948	$ 1,095	$ (147)	(13)%

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 3.2	$ 3.2	$ —	— %
Total combined retail new and used vehicle unit sales	3,278	2,844	434	15 %
Gross profit per retail unit (excludes fleet)	$ 984	$ 1,125	$ (141)	(13)%

Same Store Powersports Segment F&I – Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Same store F&I revenue increased approximately $0.1 million, or 3%, due primarily to a 19% increase in retail new and used vehicle unit sales volume. F&I gross profit per retail unit decreased $147 per unit, or 13%, to $948 per unit, due primarily to a decrease in gross profit per finance and service contracts.

Same store finance contract revenue increased 7%, due primarily to a 20% increase in combined new and used vehicle finance contract volume, offset partially by a 11% decrease in gross profit per finance contract. Service contract revenue decreased 6%, due primarily to a 17% decrease in gross profit per service contract, offset partially by a 14% increase in retail new and used vehicle service contract unit sales volume. Other aftermarket contract revenue increased 19%, due primarily to a 17% increase in other aftermarket contract volume, a 2% increase in gross profit per other aftermarket contract, offset partially by a 50-basis point decrease in the other aftermarket contract penetration rate.

Same Store Powersports Segment F&I – Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Same store F&I revenue was flat, due primarily to a 15% increase in retail new and used vehicle unit sales volume, partially offset by a 13% decrease in F&I gross profit per retail unit. F&I gross profit per retail unit decreased $141 per unit, or 13%, to $984 per unit, due primarily to a decrease in gross profit per finance, service and other aftermarket contracts.

Same store finance contract revenue decreased 4%, due primarily to a 22% decrease in gross profit per finance contract, offset partially by a 23% increase in combined new and used vehicle finance contract volume. Service contract revenue decreased 5%, due primarily to a 17% decrease in gross profit per service contract, offset partially by a 14% increase in retail new and used vehicle service contract unit sales volume. Other aftermarket contract revenue increased 19%, driven primarily by a 340-basis point increase in the other aftermarket contract penetration rate and a 25% increase in other aftermarket contract volume, offset partially by a 5% decrease in gross profit per other aftermarket contract.

Segment Results Summary

In the following tables of financial data, total segment income (loss) (defined as income (loss) before taxes and impairment charges for each reportable segment) of the reportable segments is reconciled to consolidated income (loss) before taxes and impairment charges. See above for tables and discussion of results by reportable segment. Due to rounding, segment level financial data may not sum to consolidated results.

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Segment Revenues:				
Franchised Dealerships Segment revenues:				
Retail new vehicles	$ 1,639.1	$ 1,530.9	$ 108.2	7 %
Fleet new vehicles	29.5	26.2	3.3	13 %
Total new vehicles	1,668.6	1,557.1	111.5	7 %
Used vehicles	744.9	732.1	12.8	2 %
Wholesale vehicles	57.8	48.4	9.4	19 %
Parts, service and collision repair	484.9	434.4	50.5	12 %
Finance, insurance and other, net	144.3	124.2	20.1	16 %
Franchised Dealerships Segment revenues	$ 3,100.5	$ 2,896.2	$ 204.3	7 %
EchoPark Segment revenues:				
Retail new vehicles	$ —	$ —	$ —	— %
Used vehicles	427.4	448.9	(21.5)	(5)%
Wholesale vehicles	25.4	21.9	3.5	16 %
Finance, insurance and other, net	55.8	46.5	9.3	20 %
EchoPark Segment revenues	$ 508.6	$ 517.3	$ (8.7)	(2)%
Powersports Segment revenues:				
Retail new vehicles	$ 26.9	$ 21.7	$ 5.2	24 %
Used vehicles	8.3	5.3	3.0	57 %
Wholesale vehicles	0.3	0.9	(0.6)	(67)%
Parts, service and collision repair	10.6	9.7	0.9	9 %
Finance, insurance and other, net	2.0	2.0	—	— %
Powersports Segment revenues	$ 48.1	$ 39.6	$ 8.5	21 %
Total consolidated revenues	$ 3,657.2	$ 3,453.0	$ 204.2	6 %
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 91.6	$ 52.7	$ 38.9	74 %
EchoPark Segment (3)	11.7	3.9	7.8	200 %
Powersports Segment (4)	—	0.5	(0.5)	(100)%
Total segment income	$ 103.3	$ 57.1	$ 46.2	81 %
Impairment charges (5)	(172.4)	(1.4)	(171.0)	(12214)%
Income before taxes	$ (69.1)	$ 55.7	$ (124.8)	(224)%
Segment Retail New and Used Vehicle Unit Sales Volume:				
Franchised Dealerships Segment	53,037	52,180	857	2 %
EchoPark Segment	16,742	16,641	101	1 %
Powersports Segment	2,211	1,715	496	29 %
Total retail new and used vehicle unit sales volume	71,990	70,536	1,454	2 %

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges.
(2) For the three months ended June 30, 2025, amount includes approximately $2.4 million of pre-tax loss related to the termination of a franchise, approximately $4.1 million of pre-tax charges related to storm damage, approximately $165.9 million of non-cash pre-tax franchise asset impairment charges and $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024. For the three months ended June 30, 2024, amount includes approximately $11.2 million of pre-tax charges related to excess compensation related to the CDK outage and approximately $3.6 million of pre-tax charges related to and storm damage.
(3) For the three months ended June 30, 2025, amount includes approximately $0.8 million of pre-tax gain on sale of real estate. For the three months ended June 30, 2024, amount includes approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $1.4 million of non-cash pre-tax impairment charges related to property and equipment, approximately $0.7 million of pre-tax charges for long-term compensation expense, approximately $0.6 million pre-tax gain on acquisitions and dispositions and approximately $0.4 million of pre-tax charges related to excess compensation related to the CDK outage.
(4) For the three months ended June 30, 2025, amount includes approximately $6.5 million of non-cash pre-tax franchise asset impairment charges.
(5) For the three months ended June 30, 2025, amount includes approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment and approximately $6.5 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment. For the three months ended June 30, 2024, amount includes approximately $1.4 million of non-cash pre-tax property and equipment charges for real estate held for sale in the EchoPark Segment.

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions, except unit data)			
Segment Revenues:				
Franchised Dealerships Segment revenues:				
Retail new vehicles	$ 3,276.1	$ 2,970.8	$ 305.3	10 %
Fleet new vehicles	51.5	45.8	5.7	12 %
Total new vehicles	3,327.6	3,016.6	311.0	10 %
Used vehicles	1,490.6	1,461.4	29.2	2 %
Wholesale vehicles	112.2	96.9	15.3	16 %
Parts, service and collision repair	952.4	874.3	78.1	9 %
Finance, insurance and other, net	274.9	243.8	31.1	13 %
Franchised Dealerships Segment revenues	$ 6,157.7	$ 5,693.0	$ 464.7	8 %
EchoPark Segment revenues:				
Used vehicles	$ 901.1	$ 931.7	$ (30.6)	(3)%
Wholesale vehicles	52.8	50.7	2.1	4 %
Finance, insurance and other, net	114.5	94.3	20.2	21 %
EchoPark Segment revenues	$ 1,068.4	$ 1,076.7	$ (8.3)	(1)%
Powersports Segment revenues:				
Retail new vehicles	$ 46.3	$ 37.5	$ 8.8	24 %
Used vehicles	14.0	8.7	5.3	61 %
Wholesale vehicles	1.1	1.1	—	— %
Parts, service and collision repair	17.6	16.5	1.1	7 %
Finance, insurance and other, net	3.4	3.5	(0.1)	(3)%
Powersports Segment revenues	$ 82.4	$ 67.3	$ 15.1	23 %
Total consolidated revenues	$ 7,308.5	$ 6,837.0	$ 471.5	7 %
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 183.6	$ 116.4	$ 67.2	58 %
EchoPark Segment (3)	22.0	0.9	21.1	NM
Powersports Segment (4)	(3.5)	(1.7)	(1.8)	(106)%
Total segment income	$ 202.1	$ 115.6	$ 86.5	75 %
Impairment charges (5)	(173.8)	(2.4)	(171.4)	(7142)%
Income before taxes	$ 28.3	$ 113.2	$ (84.9)	(75)%
Segment Retail New and Used Vehicle Unit Sales Volume:				
Franchised Dealerships Segment	106,560	103,143	3,417	3 %
EchoPark Segment	35,540	34,622	918	3 %
Powersports Segment	3,782	2,969	813	27 %
Total retail new and used vehicle unit sales volume	145,882	140,734	5,148	4 %

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges.

(2) For the six months ended June 30, 2025, amount includes $40.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024, approximately $5.0 million of pre-tax charges related to storm damage, approximately $165.9 million of non-cash pre-tax franchise asset impairment charges, and approximately $2.7 million of pre-tax charges related to dispositions. For the six months ended June 30, 2024, amount includes approximately $11.2 million of pre-tax charges related to excess compensation related to the CDK outage, approximately $3.6 million of pre-tax charges related to storm damage, approximately $2.2 million of pre-tax charges for severance and long-term compensation expense and approximately $1.0 million of non-cash pre-tax impairment charges related to property and equipment. Due to rounding, segment level financial data may not sum to consolidated results.

(3) For the six months ended June 30, 2025, amount includes approximately $1.0 million of pre-tax gain on sale of real estate and approximately $0.2 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale. For the six months ended June 30, 2024, amount includes approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $2.7 million of pre-tax charges for severance and long-term compensation expense, approximately $2.2 million of pre-tax charges related to closed store accrued expenses related to the indefinite suspension of operations at certain EchoPark locations, approximately $1.4 million of non-cash pre-tax impairment charges related to property and equipment, approximately $0.6 million of pre-tax gain on acquisitions and dispositions and approximately $0.4 million of pre-tax charges related to excess compensation related to the CDK outage. Due to rounding, segment level financial data may not sum to consolidated results.

(4) For the six months ended June 30, 2025, amount includes approximately $0.9 million of pre-tax charges related to dispositions, approximately $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges, and approximately $7.2 million of non-cash pre-tax franchise asset impairment charges. Due to rounding, segment level financial data may not sum to consolidated results.

(5) For the six months ended June 30, 2025, amount includes approximately $0.2 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale in the EchoPark Segment and approximately $7.2 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment, $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges for the Powersports Segment, and approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment. For the six months ended June 30, 2024, amount includes approximately $1.4 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale in the EchoPark Segment and approximately $1.0 million of non-cash pre-tax impairment charges for the Franchised Dealerships Segment. Due to rounding, segment level financial data may not sum to consolidated results.

Selling, General and Administrative ("SG&A") Expenses – Consolidated

Consolidated SG&A expenses are comprised of four major groups: compensation expense, advertising expense, rent expense and other expense. Compensation expense primarily relates to store personnel who are paid a commission or a salary plus commission and support personnel who are generally paid a fixed salary. Commissions paid to store personnel typically vary depending on gross profits realized and sales volume objectives. Due to the salary component for certain store and corporate personnel, gross profits and compensation expense do not change in direct proportion to one another. Advertising expense and other expense vary based on the level of actual or anticipated business activity and the number of dealerships in operation. Rent expense typically varies with the number of store locations owned, investments made for facility improvements and interest rates. Other expense includes various fixed and variable expenses, including gain on the disposal of franchises, certain customer-related costs such as gasoline and service loaners, and insurance, training, legal and information technology expenses, which may not change in proportion to gross profit levels. Typically, SG&A expenses as a percentage of gross profit are highest in the first quarter of the year, due to the seasonal nature of our business and the effects of certain payroll taxes and fringe benefits that occur early in the year.

The following tables set forth information related to our consolidated reported SG&A expenses:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 264.8	$ 250.9	$ (13.9)	(6)%
Advertising	24.4	21.6	(2.8)	(13)%
Rent	9.9	7.7	(2.2)	(29)%
Other	113.5	112.8	(0.7)	(1)%
Total SG&A expenses	$ 412.6	$ 393.0	$ (19.6)	(5)%
SG&A expenses as a % of gross profit:				
Compensation	44.0 %	46.5 %	250 bps	
Advertising	4.1 %	4.0 %	(10) bps	
Rent	1.6 %	1.4 %	(20) bps	
Other	18.8 %	21.0 %	220 bps	
Total SG&A expenses as a % of gross profit	68.5 %	72.9 %	440 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 523.3	$ 498.1	$ (25.2)	(5)%
Advertising	48.2	43.9	(4.3)	(10)%
Rent	20.1	17.1	(3.0)	(18)%
Other	201.3	226.2	24.9	11 %
Total SG&A expenses	$ 792.9	$ 785.3	$ (7.6)	(1)%
SG&A expenses as a % of gross profit:				
Compensation	44.8 %	46.3 %	150 bps	
Advertising	4.1 %	4.1 %	— bps	
Rent	1.7 %	1.6 %	(10) bps	
Other	17.2 %	21.0 %	380 bps	
Total SG&A expenses as a % of gross profit	67.8 %	73.0 %	520 bps	

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Overall SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher compensation expenses as a result of higher gross profit levels, partially offset by a $10.0 million benefit from cyber insurance proceeds recorded in other SG&A expenses. Compensation expense increased in dollar amount and decreased as a percentage of gross profit, due to higher overall gross profit and based on the variable nature of our sales associate pay plans. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships in Q4 2024. Other SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to storm damage charges and higher gross profit dollars, offset partially by a benefit from cyber insurance proceeds.

For the Franchised Dealerships Segment, SG&A expenses for the three months ended June 30, 2025 included approximately $4.1 million of pre-tax charges related to storm damage, and approximately $2.4 million of pre-tax charges related to dispositions, offset partially by a $10.0 million pre-tax benefit related to cyber insurance proceeds from the CDK outage. For the Franchised Dealerships Segment, SG&A expenses for the three months ended June 30, 2024 included approximately $9.2 million of pre-tax charges related to excess compensation as a result of the CDK outage and approximately $3.6 million of pre-tax charges related to storm damage. For the EchoPark Segment, SG&A expenses for the three months ended June 30, 2025 included approximately $0.8 million of pre-tax gain on sale of real estate. For the EchoPark Segment, SG&A expenses for the three months ended June 30, 2024 included approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $0.7 million of pre-tax charges for severance and long-term compensation expense, approximately $0.6 million of pre-tax gain on real estate dispositions, and approximately $0.4 million of pre-tax charges related to excess compensation as a result of the CDK outage.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Overall SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher compensation expense as a result of higher gross profit levels, partially offset by a $40.0 million benefit from cyber insurance proceeds recorded in other SG&A expenses. Compensation expense increased in dollar amount and decreased as a percentage of gross profit, based on the variable nature of our sales associate pay plans. Advertising expense increased in dollar amount and was flat as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships in Q4 2024. Other SG&A expenses decreased in both dollar amount and as a percentage of gross profit, primarily due to the benefit of cyber insurance proceeds.

For the Franchised Dealerships Segment, SG&A expenses for the six months ended June 30, 2025 included approximately $5.0 million of pre-tax charges related to storm damage, and approximately $2.7 million of pre-tax charges related to dispositions, offset partially by a $40.0 million pre-tax benefit related to cyber insurance proceeds from the CDK outage. For the Franchised Dealership Segment, SG&A expenses for the six months ended June 30, 2024, included approximately $9.2 million of pre-tax charges related to excess compensation as a result of the CDK outage, approximately $3.6 million of pre-tax charges related to storm damage, and approximately $2.2 million of pre-tax charges related to severance and long-term compensation expense. For the EchoPark Segment, SG&A expenses for the six months ended June 30, 2025 included approximately $1.0 million of pre-tax gain on sale of real estate. For the EchoPark Segment, SG&A expenses for the six months ended June 30, 2024 included approximately $3.0 million of pre-tax gain on exit of leased properties, approximately $2.7 million of pre-tax charges for severance and long-term compensation expense, approximately $0.6 million of pre-tax gain on real estate dispositions, approximately $2.2 million of pre-tax charges related to closed store accrued expenses related to indefinite suspension of operations at certain EchoPark locations, and approximately $0.4 million of pre-tax charges related to excess compensation as a result of the CDK outage. For the Powersports Segment, SG&A expenses for the six months ended June 30, 2025 included approximately $0.9 million of pre-tax charges related to dispositions.

Impairment Charges – Consolidated

Impairment charges were approximately $172.4 million and $173.8 million for the three and six months ended June 30, 2025, respectively. These charges primarily reflect the results of our annual franchise asset impairment test as of April 30, 2025, which required an impairment charge of $172.4 million. Impairment charges were approximately $1.4 million and $2.4 million for the three and six months ended June 30, 2024, respectively, and were related to pre-tax property and equipment charges for the EchoPark and Franchised Dealerships Segments.

Depreciation and Amortization – Consolidated

Depreciation and amortization expense increased approximately $3.5 million, or 9%, and $7.2 million, or 10%, during the three and six months ended June 30, 2025, due primarily to completed construction projects and purchases of fixed assets for use in our franchised dealerships.

Interest Expense, Floor Plan – Consolidated

We typically maintain a floor plan deposit balance (as shown in the table below under the heading “Liquidity and Capital Resources”) that earns interest income based on the used floor plan interest rate, effectively reducing net used vehicle floor plan interest expense. The floor plan deposit balance was $100.0 million and $400.0 million as of June 30, 2025 and June 30, 2024, respectively, and was $340.0 million and $345.0 million as of December 31, 2024 and December 31, 2023, respectively. Our interest expense, floor plan fluctuates with changes in our outstanding borrowings and associated interest rates, which are variable based on one-month Term SOFR or the U.S. prime rate, plus credit spreads specified in the applicable agreements.

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

Interest expense, floor plan for new vehicles decreased $3.7 million. The average interest rate applied to the new vehicle floor plan decreased in the three months ended June 30, 2025, driving $3.5 million of the overall decrease. The average new vehicle floor plan notes payable balance decreased $17.2 million, driving $0.3 million of the overall decrease.

Interest expense, floor plan for used vehicles decreased $0.1 million, including the effect of interest income earned on the floor plan deposit balance, which offset $1.0 million of that decrease. Excluding that effect, interest expense, floor plan for used vehicles decreased $1.2 million. The average interest rate applied to the used vehicle floor plan decreased in the three months ended June 30, 2025, driving $0.7 million of that decrease. The average used vehicle floor plan notes payable balance decreased $24.9 million, driving $0.5 million of that decrease.

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Interest expense, floor plan for new vehicles decreased $3.1 million. The average interest rate applied to the new vehicle floor plan decreased in the six months ended June 30, 2025, driving $6.9 million of the overall decrease. The average new vehicle floor plan notes payable balance increased $117.1 million, offsetting $3.8 million of the overall decrease.

Interest expense, floor plan for used vehicles decreased $1.0 million including the effect of interest income earned on the floor plan deposit balance, which offset $0.9 million of that decrease. Excluding that effect, interest expense, floor plan for used vehicles decreased $1.9 million. The average interest rate applied to the used vehicle floor plan decreased in the six months ended June 30, 2025, driving $1.7 million of that decrease. The average used vehicle floor plan notes payable balance decreased $3.7 million, driving $0.1 million of that decrease.

Interest Expense, Other, Net – Consolidated

Interest expense, other, net is summarized in the tables below:

	Three Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Stated/coupon interest	$ 20.3	$ 22.7	$ 2.4	11 %
Deferred loan cost amortization	1.4	1.3	(0.1)	(8)%
Interest rate hedge expense (benefit)	—	0.1	0.1	100 %
Capitalized interest	(0.6)	(0.8)	(0.2)	(25)%
Interest on finance lease liabilities	6.1	5.7	(0.4)	(7)%
Other interest	0.2	0.3	0.1	33 %
Total interest expense, other, net	$ 27.4	$ 29.3	$ 1.9	6 %

	Six Months Ended June 30,		Better / (Worse)	
	2025	2024	Change	% Change
	(In millions)			
Stated/coupon interest	$ 40.8	$ 45.2	$ 4.4	10 %
Deferred loan cost amortization	2.8	2.9	0.1	3 %
Interest rate hedge expense (benefit)	0.1	0.2	0.1	50 %
Capitalized interest	(1.2)	(1.5)	(0.3)	(20)%
Interest on finance lease liabilities	12.1	11.0	(1.1)	(10)%
Other interest	0.4	0.5	0.1	20 %
Total interest expense, other, net	$ 55.0	$ 58.3	$ 3.3	6 %

Interest expense, other, net decreased approximately $1.9 million, or 6%, during the three months ended June 30, 2025. and decreased approximately $3.3 million, or 6%, during the six months ended June 30, 2025. These decreases primarily resulted from a comparatively lower interest rate environment in the current year.

Income Taxes

The overall effective income tax rate was 34.0% and 11.6% for the three and six months ended June 30, 2025, respectively, and 26.0% and 26.5% for the three and six months ended June 30, 2024, respectively. The effective income tax rates in the three and six months ended June 30, 2025 were impacted by the effect of the non-cash impairment charge related to indefinite lived franchise assets and the effect of certain permanent items on relatively low pre-tax income amounts. Absent the impairment charges, the effective income tax rate for the six months ended June 30, 2025 would have been 26.1%. Sonic's effective income tax rate varies from year to year based on the level of taxable income, the distribution of taxable income between states in which the Company operates and other tax adjustments.

Liquidity and Capital Resources

We require cash to service debt, meet lease obligations, manage working capital requirements, make facility and other capital improvements, pay dividends on our common stock, finance acquisitions and otherwise invest in our business. We rely on cash flows from operations, borrowings under our revolving credit and floor plan facilities, real estate mortgage financing, asset sales and offerings of debt and equity securities to meet these requirements. However, our liquidity could be negatively affected by business performance and could result in failure to comply with the financial covenants in our existing debt obligations or lease arrangements. After giving effect to the applicable restrictions on the payment of dividends under our debt agreements, as of June 30, 2025, we had approximately $390.4 million of net income and retained earnings free of such restrictions. Cash flows provided by our dealerships are derived from various sources. The primary sources include individual consumers, automobile manufacturers, automobile manufacturers' captive finance subsidiaries and other financial institutions. Disruptions in these cash flows could have a material adverse impact on our operations and overall liquidity.

Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and our ability to service our obligations depend to a substantial degree on the results of operations of these subsidiaries, their contractual obligations and capital requirements, and their ability to provide us with cash.

We had the following liquidity resources available as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	(In millions)	
Cash and cash equivalents	$ 110.4	$ 44.0
Floor plan deposit balance	100.0	340.0
Availability under the Revolving Credit Facility	320.6	338.5
Availability under the Mortgage and Sidecar Facilities	244.1	139.1
Total available liquidity resources	$ 775.1	$ 861.6

We maintain a floor plan deposit balance (as shown in the table above) that offsets interest based on the agreed upon floor plan interest rate, effectively reducing net used vehicle floor plan interest expense. This deposit balance is not designated as a prepayment of notes payable - floor plan, nor is it our intent to use this amount to settle principal amounts owed under notes payable - floor plan in the future, although we have the right and ability to do so. The deposit balances of $100.0 million as of June 30, 2025 and $340.0 million as of December 31, 2024 are classified as other current assets in the accompanying unaudited condensed consolidated balance sheets as of June 30, 2025 and December 31, 2024.

Floor Plan Facilities

The weighted-average interest rates for our combined new and used vehicle floor plan facilities were 5.62% and 6.66% for the three months ended June 30, 2025 and 2024, respectively, and 5.66% and 6.69% for the six months ended June 30, 2025 and 2024, respectively. Excluding the effect of interest income earned on the floor plan deposit balance, the weighted-average interest rates for our combined new and used vehicle floor plan facilities were 5.69% and 6.73% for the three months ended June 30, 2025 and 2024, respectively, and 5.72% and 6.75% for the six months ended June 30, 2025 and 2024, respectively.

We receive floor plan assistance in the form of direct payments or credits from certain manufacturers. Floor plan assistance received is capitalized in inventory and recorded as a reduction of cost of sales when the associated inventory is sold. We received approximately $15.9 million and $14.6 million in manufacturer assistance in the three months ended June 30, 2025 and 2024, respectively, and approximately $31.8 million and $29.0 million in manufacturer assistance in the six months ended June 30, 2025 and 2024, respectively. We recognized in cost of sales approximately $16.6 million and $15.5 million in manufacturer assistance in the three months ended June 30, 2025 and 2024, respectively, and $32.0 million and $30.4 million in manufacturer assistance in the six months ended June 30, 2025 and 2024, respectively. Interest payments under each of our floor plan facilities are due monthly and we are generally not required to make principal repayments prior to the sale of the associated vehicles.

Long-Term Debt and Credit Facilities

See Note 6, "Long-Term Debt," to the accompanying unaudited condensed consolidated financial statements for a discussion of our senior notes, mortgage notes and credit facilities and compliance with debt covenants.

Capital Expenditures

Our capital expenditures include the purchase of land and buildings, the construction of new franchised dealerships, EchoPark and powersports stores and collision repair centers, building improvements and equipment purchased for use in our franchised dealerships and EchoPark and powersports stores. We selectively construct new or improve existing franchised dealership facilities to maintain compliance with manufacturers' image requirements. We typically finance these projects through cash flows from operations, new mortgages or our credit facilities.

Capital expenditures in the six months ended June 30, 2025 were approximately $79.1 million, including approximately $77.0 million related to our Franchised Dealerships Segment, approximately $0.5 million related to our EchoPark Segment and approximately $1.6 million related to our Powersports Segment. Of the total capital expenditures, approximately $44.8 million was related to facility construction projects, approximately $10.2 million was related to acquisitions of real estate (land and buildings) and approximately $24.1 million was for other fixed assets utilized in our operations.

All of the $79.1 million in gross capital expenditures in the six months ended June 30, 2025 was funded through existing cash balances. As of June 30, 2025, commitments for facility construction projects totaled approximately $38.3 million, nearly all of which is expected to be completed in the next 12 months.

Share Repurchase Program

Our Board of Directors has authorized us to repurchase shares of our Class A Common Stock. Historically, we have used our share repurchase authorization to offset dilution caused by the exercise of stock options or the vesting of equity compensation awards and to maintain our desired capital structure. During the three months ended June 30, 2025, we repurchased 0.1 million shares of our Class A Common Stock for approximately $8.8 million in open-market transactions at prevailing market prices and in connection with tax withholding on the vesting of equity compensation awards. During the six months ended June 30, 2025, we repurchased approximately 0.7 million shares of our Class A Common Stock for approximately $44.1 million in open-market transactions at prevailing market prices and in connection with tax withholding on the vesting of equity compensation awards. As of June 30, 2025, our total remaining share repurchase authorization was approximately $208.2 million. Under the Credit Facilities, share repurchases are permitted to the extent that no Event of Default exists and we do not exceed the restrictions set forth in our debt agreements. After giving effect to the applicable restrictions on share repurchases and certain other transactions under our debt agreements, as of June 30, 2025, we had approximately $390.4 million of net income and retained earnings free of such restrictions.

Our share repurchase activity is subject to the business judgment of our Board of Directors and management, taking into consideration our historical and projected results of operations, financial condition, cash flows, capital requirements and covenant compliance, the current economic environment and other factors considered by our Board of Directors and management to be relevant. These factors are considered each quarter and will be scrutinized as our Board of Directors and management determine our share repurchase policy in the future.

Dividends

During the three months ended June 30, 2025, our Board of Directors approved a cash dividend of $0.35 per share on all outstanding shares of Class A and Class B Common Stock as of June 13, 2025, which was paid on July 15, 2025. Subsequent to June 30, 2025, our Board of Directors approved a $0.38 per share on all outstanding shares of Class A and Class B Common Stock as of September 15, 2025 to be paid on October 15, 2025. The Credit Facilities permit quarterly cash dividends on our Class A and Class B Common Stock up to $0.18 per share so long as no Event of Default has occurred and is continuing and provided that we remain in compliance with all financial covenants under the Credit Facilities. Additional dividends are permitted subject to the limitations on restricted payments set forth in the Credit Facilities. The 2029 Indenture and the 2031 Indenture also contain restrictions on our ability to pay dividends. After giving effect to the applicable restrictions on share repurchases and certain other transactions under our debt agreements, as of June 30, 2025, we had approximately $390.4 million of net income and retained earnings free of such restrictions. The declaration and payment of any future dividend is subject to the business judgment of our Board of Directors, taking into consideration our historical and projected results of operations, financial condition, cash flows, capital requirements and covenant compliance, share repurchases, the current economic environment and other factors considered by our Board of Directors to be relevant. These factors are considered each quarter and will be scrutinized as our Board of Directors determines our dividend policy in the future. There is no guarantee that additional dividends will be declared and paid at any time in the future. See Note 6, "Long-Term Debt," to the accompanying unaudited condensed consolidated financial statements for a description of restrictions on the payment of dividends.

Cash Flows

Cash Flows from Operating Activities – Net cash provided by operating activities in the six months ended June 30, 2025 was approximately $332.6 million. This provision of cash was comprised primarily of net income less non-cash items, a decrease in receivables and trade accounts payable and other liabilities, offset by a decrease in notes payable – floorplan – trade. Net cash used in operating activities in the six months ended June 30, 2024 was approximately $66.3 million. This use of cash was comprised primarily of an increase in inventories and other assets, partially offset by net income less non-cash items, a decrease in receivables and an increase in trade accounts payable and other liabilities.

We arrange our inventory floor plan financing through both manufacturer captive finance companies and a syndicate of manufacturer-affiliated finance companies and commercial banks. Our floor plan financed with manufacturer captives is recorded in the accompanying unaudited condensed consolidated balance sheets as notes payable - floor plan - trade (with the change in balance being reflected in operating cash flows). Our dealerships that obtain floor plan financing from a syndicate of manufacturer-affiliated finance companies and commercial banks record their obligation in the accompanying unaudited condensed consolidated balance sheets as notes payable - floor plan - non-trade (with the change in balance being reflected in financing cash flows).

Due to the presentation differences for changes in trade floor plan financing and non-trade floor plan financing in the accompanying unaudited condensed consolidated statements of cash flows, decisions made by us to move dealership floor plan financing arrangements from one finance source to another may cause significant variations in operating and financing cash flows without affecting our overall liquidity, working capital or cash flows. Upon entering into the Floor Plan Facilities in April 2021, the majority of our outstanding floor plan liabilities were reclassified from trade floor plan liabilities to non-trade floor plan liabilities, resulting in a significant reclassification of related floor plan liability cash flows from operating activities to financing activities.

Net cash provided by combined trade and non-trade floor plan financing was approximately $296.2 million in the six months ended June 30, 2025. Net cash provided by combined trade and non-trade floor plan financing was approximately $198.5 million in the six months ended June 30, 2024. Accordingly, if all changes in floor plan notes payable were classified as an operating activity (to align changes in floor plan liability balances with the associated changes in inventory balances for cash flow classification), the result would have been net cash provided by operating activities of approximately $632.1 million and $120.0 million in the six months ended June 30, 2025 and 2024, respectively.

Cash Flows from Investing Activities – Net cash used in investing activities in the six months ended June 30, 2025 was approximately $421.9 million. This use of cash was comprised primarily of the purchase of businesses, net of cash acquired, and land, property and equipment. Net cash used in investing activities in the six months ended June 30, 2024 was approximately $61.8 million. This use of cash was comprised primarily of the purchase of land, property and equipment, partially offset by the proceeds from the sale of land, property and equipment and the proceeds from the sales of dealerships.

Cash Flows from Financing Activities – Net cash provided by financing activities in the six months ended June 30, 2025 was approximately $155.7 million. This provision of cash was comprised primarily of net borrowings on notes payable – floor plan – non-trade, partially offset by payments on long-term debt and purchases of treasury stock. Net cash provided by financing activities in the six months ended June 30, 2024 was approximately $166.4 million. This provision of cash was comprised primarily of net borrowings on notes payable – floor plan – non-trade.

One metric that management uses to measure operating performance is Adjusted EBITDA (a non-GAAP financial measure) for each of the Company's reportable segments and on a consolidated basis. We believe Adjusted EBITDA enables our operating performance to be compared across reporting periods on a consistent basis by excluding non-floor plan financing costs, non-cash items such as depreciation and amortization, stock-based compensation expense, and impairment charges, and other items that may affect the comparability of reporting periods, including, but not limited to, gains or losses from acquisitions or dispositions, facility exit costs, severance and long-term compensation charges, and storm damage charges. This non-GAAP financial measure is reconciled to net income (the most directly comparable GAAP financial measure) in the table below:

	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income				$ (45.6)				$ 41.2
Provision for income taxes				(23.5)				14.5
Income (loss) before taxes	$ (74.3)	$ 11.7	$ (6.5)	$ (69.1)	$ 52.7	$ 2.5	$ 0.5	$ 55.7
Non-floor plan interest (1)	24.7	0.4	0.7	25.8	26.5	0.7	0.8	28.0
Depreciation & amortization (2)	35.8	5.1	1.3	42.2	31.6	5.4	1.0	38.0
Stock-based compensation expense	5.7	—	—	5.7	5.9	—	—	5.9
Loss (gain) on exit of leased dealerships	—	—	—	—	—	(3.0)	—	(3.0)
Impairment charges	165.9	—	6.5	172.4	—	1.4	—	1.4
Loss on debt extinguishment	—	—	—	—	0.6	—	—	0.6
Severance and long-term compensation charges	—	—	—	—	—	0.8	—	0.8
Cyber insurance proceeds	(10.0)	—	—	(10.0)	—	—	—	—
Acquisition and disposition related (gain) loss	2.4	(0.8)	—	1.6	(0.3)	(1.0)	—	(1.3)
Storm damage charges	4.1	—	—	4.1	3.6	—	—	3.6
Excess compensation related to CDK outage	—	—	—	—	11.2	0.4	—	11.6
Adjusted EBITDA (3)	$ 154.3	$ 16.4	$ 2.0	$ 172.7	$ 131.8	$ 7.2	$ 2.3	$ 141.3

Note: Due to rounding, segment level financial data may not sum to consolidated results.

(1) Includes the following line items from the accompanying unaudited condensed consolidated statements of operations, net of any amortization of debt issuance costs or net debt discount/premium included in footnote (2) below: interest expense, other, net.

(2) Includes the following line items from the accompanying unaudited condensed consolidated statements of cash flows: depreciation and amortization of property and equipment; debt issuance cost amortization; and debt discount amortization, net of premium and other amortization.

(3) Adjusted EBITDA is a non-GAAP financial measure.

	Six Months Ended June 30, 2025				Six Months Ended June 30, 2024			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income				$ 25.0				$ 83.2
Provision for income taxes				3.3				30.0
Income (loss) before taxes	$ 17.7	$ 21.8	$ (11.1)	$ 28.3	$ 115.4	$ (0.5)	$ (1.7)	$ 113.2
Non-floor plan interest (1)	49.6	0.9	1.4	51.9	52.8	1.3	1.3	55.4
Depreciation & amortization (2)	70.8	10.3	2.5	83.6	63.1	10.8	2.0	75.9
Stock-based compensation expense	11.5	—	—	11.5	10.3	—	—	10.3
Loss (gain) on exit of leased dealerships	—	—	—	—	—	(3.0)	—	(3.0)
Impairment charges	165.9	0.2	7.6	173.8	1.0	1.4	—	2.4
Loss on debt extinguishment	—	—	—	—	0.6	—	—	0.6
Severance and long-term compensation charges	—	—	—	—	2.2	2.9	—	5.1
Cyber insurance proceeds	(40.0)	—	—	(40.0)	—	—	—	—
Acquisition and disposition related (gain) loss	2.7	(1.0)	0.9	2.6	(0.3)	(1.0)	—	(1.3)
Storm damage charges	5.0	—	—	5.0	3.6	—	—	3.6
Excess compensation related to CDK outage	—	—	—	—	11.2	0.4	—	11.6
Closed store accrued expenses	—	—	—	—	—	2.1	—	2.1
Adjusted EBITDA (3)	$ 283.2	$ 32.2	$ 1.3	$ 316.7	$ 259.9	$ 14.4	$ 1.6	$ 275.9

Note: Due to rounding, segment level financial data may not sum to consolidated results.

(1) Includes the following line items from the accompanying unaudited condensed consolidated statements of operations, net of any amortization of debt issuance costs or net debt discount/premium included in footnote (2) below: interest expense, other, net.
(2) Includes the following line items from the accompanying unaudited condensed consolidated statements of cash flows: depreciation and amortization of property and equipment; debt issuance cost amortization; and debt discount amortization, net of premium and other amortization.
(3) Adjusted EBITDA is a non-GAAP financial measure.

Seasonality

Our operations are subject to seasonal variations. Due in part to our franchised dealerships brand mix and the seasonal nature of automotive retail, the first quarter historically has contributed less operating profit than the second and third quarters, while the fourth quarter historically has contributed the highest operating profit of any quarter. Weather conditions and the timing of manufacturer incentive programs and model changeovers cause seasonality and may adversely affect vehicle demand and, consequently, our profitability. Comparatively, parts and service demand has historically remained stable throughout the year.

Future Liquidity Outlook

We believe our best sources of liquidity for operations and debt service remain cash flows generated from operations combined with availability under our Credit Facilities including the Floor Plan Facilities and Mortgage and Sidecar Facilities (or any replacements thereof), real estate mortgage financing, selected dealership and other asset sales, along with our ability to raise funds in the capital markets through offerings of debt or equity securities. Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and our ability to service our obligations depend to a substantial degree on the results of operations of these subsidiaries, their contractual obligations and capital requirements, and their ability to provide us with cash.

We do not currently anticipate any materially negative changes to our cost of, or access to, capital over the next 12 months.

Off-Balance Sheet Arrangements

Guarantees and Indemnification Obligations

In connection with the operation and disposition of our dealerships, we have entered into various guarantees and indemnification obligations. When we sell dealerships, we attempt to assign any related lease to the buyer of the dealership to eliminate any future liability. However, if we are unable to assign the related leases to the buyer, we will attempt to sublease the leased properties to the buyer at a rate equal to the terms of the original leases. In the event we are unable to sublease the properties to the buyer with terms at least equal to our leases, we may be required to record lease exit accruals. As of June 30, 2025, our future gross minimum lease payments related to properties subleased to buyers of sold dealerships totaled approximately $3.0 million. Future sublease payments expected to be received related to these lease payments were approximately $2.9 million at June 30, 2025.

In accordance with the terms of agreements entered into for the sale of our dealerships, we generally agree to indemnify the buyer from certain liabilities and costs arising subsequent to the date of sale, including environmental exposure and exposure resulting from the breach of representations or warranties made in accordance with the agreements. While our exposure with respect to environmental remediation is difficult to quantify, our maximum exposure associated with these general indemnifications was approximately $1.5 million as of June 30, 2025 and $2.2 million as of December 31, 2024. These indemnifications typically expire within a period of one to three years following the date of sale. The estimated fair value of these indemnifications was not material and the amount recorded for this contingency was not significant at June 30, 2025.

We expect the aggregate amount of the obligations we guarantee to fluctuate based on dealership disposition activity. Although we seek to mitigate our exposure in connection with these matters, these guarantees and indemnification obligations, including environmental exposures and the financial performance of lease assignees and sublessees, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on our liquidity and capital resources. See Note 7, "Commitments and Contingencies," to the accompanying unaudited condensed consolidated financial statements and Note 12, "Commitments and Contingencies," to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion regarding these guarantees and indemnification obligations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Our variable rate debt, which includes our floor plan facilities, the Revolving Credit Facility, and the Mortgage and Sidecar Facilities, exposes us to risks caused by fluctuations in interest rates. The total net outstanding balance of our variable rate debt was $2.2 billion at June 30, 2025. Based on that amount, a 1.0% change in the underlying interest rates would affect interest expense by $11.3 million over a six month period. Of that amount, $9.5 million would result from the floor plan, net of offset.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures – Under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2025. Based upon that evaluation, our CEO and our CFO concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting – There were no changes in our internal control over financial reporting during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. In addition, any evaluation of the effectiveness of internal control over financial reporting in future periods is subject to risk that those internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

For information regarding legal proceedings, see the discussion under the heading "Legal Matters" in Note 7, "Commitments and Contingencies," to the accompanying unaudited condensed consolidated financial statements.

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those included in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, except as noted below, which replaces in its entirety, the risk factor “Our business may be adversely affected by tariffs, import product restrictions and foreign trade risks that may impair our ability to sell the products that we offer profitably.”

Our business may be adversely affected by tariffs, import product restrictions and foreign trade risks that may impair our ability to sell the products that we offer profitably.

A significant portion of our business involves the sale of vehicles, parts or vehicles composed of parts that are manufactured outside the U.S. As a result, our operations are subject to risks of importing merchandise, including in the relative values of currencies, import duties or tariffs, exchange controls, trade restrictions, fluctuations in the relative values of currencies, work stoppages, supply chain disruptions or production delays, inflation, increases in interest rates, and general political and socioeconomic conditions in other countries. In addition, armed conflict and increased international political or economic instability, including the escalation of trade tensions, may cause disruptions to foreign and domestic supply chains and manufacturing operations—including as a result of economic sanctions imposed by the U.S. or result in price increases that adversely impact automotive manufacturers or our business. In 2025, the U.S. government announced the imposition of various tariffs, including tariffs targeting imported automobiles and automobile parts and other tariffs on goods from specific countries and trading blocs. The U.S. has been targeted with reciprocal tariffs and other retaliatory actions in response, and although the implementation of many of these tariffs and retaliatory measures have been paused or delayed, negotiations and the state of international trade policy and relations continue to evolve. The outcome of such negotiations and the extent to which these or similar tariffs will take effect remains uncertain. These tariffs, and other quotas, duties, tariffs or other restrictions, or adjustments to presently existing quotas, duties or tariffs in the future, imposed by the U.S. or the countries from which our products are imported, may affect our operations and our ability to purchase imported vehicles and/or parts at reasonable prices, which may negatively affect affordability to consumers of certain vehicles and reduce demand for certain vehicle makes and models.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information about the shares of Class A Common Stock we repurchased during the three months ended June 30, 2025:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
	(In millions, except per share data)			
April 2025	—	$ —	—	$ 217.0
May 2025	0.1	$ 62.82	0.1	$ 208.2
June 2025	—	$ —	—	$ 208.2
Total	0.1		0.1	

(1) On July 28, 2022, we announced that our Board of Directors had increased the dollar amount authorized for us to repurchase shares of our Class A Common Stock pursuant to our share repurchase program. Our share repurchase program does not have an expiration date and current remaining availability under the program is as follows:

	(In millions)
July 2022 authorization	$ 500.0
Total active program repurchases prior to June 30, 2025	(291.8)
Current remaining availability as of June 30, 2025	$ 208.2

See “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional discussion of restrictions on share repurchases and payment of dividends.

Item 5. Other Information.

Insider Trading Arrangements

None of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408 of Regulation S-K) during the quarter ended June 30, 2025.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated August 7, 1997 (incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 001-13395)).
3.2	Certificate of Designation, Preferences and Rights of Class A Convertible Preferred Stock, dated March 20, 1998 (incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated June 16, 1999 (incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated April 18, 2017 (incorporated by reference to Exhibit 3.4 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.5	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated May 3, 2021 (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 filed June 8, 2021 (File No. 333-256891)).
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated May 16, 2023 (incorporated by reference to Exhibit 3.6 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (File No. 001-13395)).
3.7	Amended and Restated Bylaws of Sonic Automotive, Inc., dated February 10, 2021 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed February 12, 2021 (File No. 001-13395)).
31.1*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

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 thereunto duly authorized.

SONIC AUTOMOTIVE, INC.

July 24, 2025	By:	/s/ DAVID BRUTON SMITH
		David Bruton Smith
		Chairman and Chief Executive Officer
July 24, 2025	By:	/s/ HEATH R. BYRD
		Heath R. Byrd
		Executive Vice President and Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Heath R. Byrd, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

July 24, 2025

By: /s/ HEATH R. BYRD

Heath R. Byrd

Executive Vice President and Chief Financial Officer

Exhibit 31.2

CERTIFICATION

I, David Bruton Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 24, 2025

By: /s/ DAVID BRUTON SMITH

David Bruton Smith
Chairman and Chief Executive Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sonic Automotive, Inc. (the Company) on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Heath R. Byrd, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ HEATH R. BYRD

Heath R. Byrd
Executive Vice President and Chief Financial Officer
July 24, 2025

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sonic Automotive, Inc. (the Company) on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David Bruton Smith, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID BRUTON SMITH

David Bruton Smith
Chairman and Chief Executive Officer
July 24, 2025