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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 24, 2015

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

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

28211
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 24, 2015, Sonic Automotive, Inc. (the "Company") issued a press release announcing its financial results for its fiscal fourth quarter and fiscal year ended December 31, 2014. A copy of the press release is attached hereto as Exhibit 99.1 and a copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

Item 7.01. Regulation FD Disclosure.

On February 24, 2015, the Company issued a press release announcing the approval of a quarterly cash dividend. A copy of the press release is attached hereto as Exhibit 99.3.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

- 99.1 Press release of Sonic Automotive, Inc., dated February 24, 2015, reporting Sonic Automotive, Inc.'s financial results for the fiscal fourth quarter and fiscal year ended December 31, 2014
- 99.2 Earnings call presentation materials
- 99.3 Press release of Sonic Automotive, Inc., dated February 24, 2015, reporting quarterly cash dividend

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

SIGNATURES

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

Date: February 24, 2015

SONIC AUTOMOTIVE, INC.

By: /s/ Stephen K. Coss
Stephen K. Coss
Senior Vice President and General Counsel

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc., dated February 24, 2015, reporting Sonic Automotive, Inc.'s financial results for the fiscal fourth quarter and fiscal year ended December 31, 2014
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc., dated February 24, 2015, reporting quarterly cash dividend

*Sonic Automotive, Inc. Reports Record Results and Launch of EchoPark® Automotive!
Adjusted Continuing Operations Quarterly EPS of \$0.63*

Fourth Quarter 2014 Results

- Record Q4 new retail units of 34,755, up 2.2%, over the prior year quarter
- Record Q4 pre-owned units and gross profit of 26,406 and \$37.8 million, respectively
- Record Q4 fixed operations gross profit of \$156.3 million, up 2.4% over the prior year quarter
- Record Q4 total gross profit of \$348.5 million, up 2.9% over the prior year quarter
- EchoPark® stores in Denver open for business
- One Sonic-One Experience launched in Charlotte

Full Year 2014 Results

- Retained an annual record new retail and pre-owned units of 135,932 and 110,113, respectively
- Record annual pre-owned gross profit of \$157.2 million
- Record annual fixed operations gross profit of \$623.5 million
- Record annual total gross profit of \$1.4 billion
- Near record pre-tax income from continuing operations of \$161.7 million

CHARLOTTE, N.C. – February 24, 2015 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported adjusted net income from continuing operations for the fourth quarter of 2014 of \$32.5 million, or \$0.63 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$7.1 million, or \$0.08 per diluted share, related to the Company’s EchoPark® initiative and \$3.8 million, or \$0.05 per diluted share, related to its One Sonic-One Experience initiative.

Adjusted net income from continuing operations for the fourth quarter of 2013 was \$35.6 million, or \$0.67 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$2.2 million, or \$0.03 per diluted share, related to the Company’s EchoPark® initiative and \$2.1 million, or \$0.02 per diluted share, related to its One Sonic-One Experience initiative.

On a GAAP basis, net income from continuing operations and related diluted earnings per share for the fourth quarter 2014 were \$27.0 million and \$0.52 per share, respectively, compared to \$29.6 million and \$0.55 per diluted share for the fourth quarter of 2013. See the accompanying tables for details of quarterly adjustments.

Sonic reported full year 2014 adjusted net income from continuing operations of \$100.0 million, or \$1.90 per diluted share, that includes expenses of \$15.7 million, or \$0.18 per diluted share, related to the Company’s EchoPark® initiative and \$10.4 million, or \$0.12 per diluted share, related to its One Sonic-One Experience initiative.

For the full year of 2013, Sonic reported adjusted net income from continuing operations of \$108.4 million, or \$2.03 per diluted share that includes expenses of \$5.5 million, or \$0.07 per diluted share, related to EchoPark® and \$6.7 million, or \$0.08 per diluted share, related its One Sonic-One Experience initiative.

On a GAAP basis, net income from continuing operations for full year of 2014 was \$98.6 million, or \$1.87 per diluted share, compared to full year 2013 results of \$84.7 million, or \$1.59 per diluted share. See the accompanying tables for details of annual adjustments.

Jeff Dyke, Sonic's EVP of Operations, stated, "I could not be more pleased with our team's performance in the fourth quarter and for the year. We started 2014 with a huge calendar including launching both EchoPark® and One Sonic-One Experience all in the fourth quarter of 2014. The amount of preparation and effort that went into launching these critical programs was second to none and I want to personally thank everyone for the hard work and dedication it took to successfully bring both projects to life. We look forward to sharing our progress as the projects gain momentum. Despite the time and energy dedicated to the EchoPark® and One Sonic-One Experience initiatives, our operations team was able to turn in a record breaking quarter and year. December was the biggest gross and profit month in our Company's history for any year or store count!

We expect 2015 to be another great year as our team works diligently to deliver on our goals with EchoPark® and One Sonic-One Experience. We are confident that as the year progresses we will be able to announce our second market for both EchoPark® and One Sonic-One Experience."

2015 Outlook

B. Scott Smith, the Company's President, noted, "I am very pleased with the performance of our team in the fourth quarter, especially considering the various initiatives we have tasked the team with during the year. In addition to our internal initiatives, during the fourth quarter we purchased Cherry Creek Chevrolet and Land Rover of Roaring Fork, both located in the Denver, Colorado market. We have also been awarded Mercedes Benz and Audi add points during the year. The Mercedes Benz add point is located in McKinney, Texas and we believe it will be operational by the second quarter of 2016. The Audi add point is located in the Pensacola, Florida area and we expect opening this point in late 2016. The additions of these premium luxury brands will prove to augment our existing luxury brand portfolio. We are dedicated to our EchoPark®, One Sonic-One Experience and growth through acquisitions initiatives and will continue to invest in these initiatives in 2015. We expect 2015 to continue to be favorable to dealers and anticipate new vehicle industry volume to be between 16.5 million and 17.0 million units. We project diluted earnings per share from continuing operations for 2015 to be between \$1.85 and \$1.95 per share. Excluding the effects of EchoPark on this range, adjusted diluted earnings per share from continuing operations from our historical franchised group of stores is expected to be between \$2.01 and \$2.11 per share. We will have additional comments on our 2015 outlook in our earnings call later today."

Fourth Quarter Earnings Conference Call

Senior management will host a conference call today at 11:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on "Our Company," then "Investor Relations," then "Earnings Conference Calls."

Presentation materials for the conference call can be accessed on the Company's website at www.sonicautomotive.com by clicking on the "Investor Relations" tab under "Our Company" and choosing "Webcasts & Presentations."

The conference call will also be available live by dialing in 10 minutes prior to the start of the call at:

Domestic: 1.877.450.3867
International: 1.706.643.0958
Conference ID: 74193723

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: 1.855.859.2056
International: 1.404.537.3406
Conference ID: 74193723

About Sonic Automotive

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to anticipated future success and impacts from the implementation of our planned customer experience and stand-alone pre-owned store initiatives. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2013. The Company does not undertake any obligation to update forward-looking information.

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Contact: Heath Byrd, Chief Financial Officer (704) 566-2400
C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439

Sonic Automotive, Inc.
Results of Operations (Unaudited)

This release contains certain non-GAAP financial measures as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations and related earnings per share data. The Company has reconciled these measures to the most directly comparable GAAP measures in the release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure by providing period-to-period comparability of the Company's results from operations.

	Fourth Quarter Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
	(In thousands, except per share and unit data)			
Revenues:				
New retail vehicles	\$ 1,337,896	\$ 1,299,444	\$ 5,046,010	\$ 4,819,787
Fleet vehicles	12,899	38,254	78,019	169,398
Total new vehicles	1,350,795	1,337,698	5,124,029	4,989,185
Used vehicles	562,993	551,028	2,310,247	2,176,034
Wholesale vehicles	38,361	40,772	166,158	175,328
Total vehicles	1,952,149	1,929,498	7,600,434	7,340,547
Parts, service and collision repair	322,924	316,888	1,296,570	1,230,178
Finance, insurance and other, net	76,755	68,983	300,095	272,443
Total revenues	2,351,828	2,315,369	9,197,099	8,843,168
Gross profit	348,464	338,700	1,365,900	1,301,607
Selling, general and administrative expenses	(264,402)	(254,647)	(1,067,433)	(1,003,125)
Impairment charges	(6,379)	(9,803)	(6,594)	(9,872)
Depreciation and amortization	(15,213)	(14,986)	(58,260)	(54,007)
Operating income (loss)	62,470	59,264	233,613	234,603
Other income (expense):				
Interest expense, floor plan	(4,852)	(5,688)	(18,793)	(21,954)
Interest expense, other, net	(12,614)	(13,183)	(53,190)	(55,485)
Other income (expense), net	(2)	1	97	(28,143)
Total other income (expense)	(17,468)	(18,870)	(71,886)	(105,582)
Income (loss) from continuing operations before taxes	45,002	40,394	161,727	129,021
Provision for income taxes - benefit (expense)	(18,045)	(10,832)	(63,168)	(44,343)
Income (loss) from continuing operations	26,957	29,562	98,559	84,678
Income (loss) from discontinued operations	(831)	(1,478)	(1,342)	(3,060)
Net income (loss)	<u>\$ 26,126</u>	<u>\$ 28,084</u>	<u>\$ 97,217</u>	<u>\$ 81,618</u>
Diluted earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$ 0.52	\$ 0.55	\$ 1.87	\$ 1.59
Earnings (loss) per share from discontinued operations	(0.02)	(0.02)	(0.03)	(0.06)
Earnings (loss) per common share	<u>\$ 0.50</u>	<u>\$ 0.53</u>	<u>\$ 1.84</u>	<u>\$ 1.53</u>
Weighted average common shares outstanding	51,834	52,974	52,563	52,941
Gross Margin Data (Continuing Operations):				
New retail vehicles	5.9%	6.3%	5.7%	5.9%
Fleet vehicles	1.1%	2.2%	1.9%	2.6%
Total new vehicles	5.8%	6.2%	5.6%	5.8%
Used vehicles	6.7%	6.5%	6.8%	6.9%
Wholesale vehicles	(2.9%)	(3.9%)	(2.2%)	(4.5%)
Parts, service and collision repair	48.4%	48.2%	48.1%	48.5%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	14.8%	14.6%	14.9%	14.7%
SG&A Expenses (Continuing Operations):				
Compensation (4)	\$ 155,382	\$ 151,704	\$ 638,875	\$ 601,495
Advertising	15,409	15,327	57,437	56,609
Rent	18,384	17,632	73,707	73,976
Other (5)	75,227	69,984	297,414	271,045
Total SG&A expenses	\$ 264,402	\$ 254,647	\$ 1,067,433	\$ 1,003,125
SG&A expenses as % of gross profit	75.9%	75.2%	78.1%	77.1%
Operating Margin %	2.7%	2.6%	2.5%	2.7%
Unit Data (Continuing Operations):				
New retail units	34,755	34,001	135,932	132,363
Fleet units	352	1,250	2,485	5,911
Total new units	35,107	35,251	138,417	138,274
Used units	26,406	26,354	110,113	107,054
Wholesale units	6,912	6,670	29,946	29,961

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Per Share Data

	Fourth Quarter Ended December 31, 2014						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Average Operations		Net Income (Loss)	
		Per Share		Per Share		Per Share	
		Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	51,272	\$26,957		\$ (831)		\$26,126	
Effect of participating securities:							
Non-vested restricted stock and stock units		(86)		—		(86)	
Basic earnings (loss) and shares	51,272	\$26,871	\$ 0.52	\$ (831)	\$ (0.01)	\$26,040	
Effect of dilutive securities:							
Stock compensation plans	562						
Diluted earnings (loss) and shares (1)	<u>51,834</u>	<u>\$26,871</u>	<u>\$ 0.52</u>	<u>\$ (831)</u>	<u>\$ (0.02)</u>	<u>\$26,040</u>	
Adjusted:							
Adjustments (net of tax):							
Fire and severe storm damage		\$ 594	\$ 0.01	\$ —	\$ —	\$ 594	
Legal and other		355	—	—	—	355	
Impairment charges		3,943	0.08	—	—	3,943	
Gain on disposal of franchises		(157)	—	—	—	(157)	
Permanent tax difference from disposals		853	0.02	—	—	853	
Total adjustments		<u>\$ 5,588</u>	<u>\$ 0.11</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,588</u>	
Earnings (loss) and							
Diluted earnings (loss) per share		\$32,545	<u>\$ 0.63</u>	\$ (831)	<u>\$ (0.02)</u>	\$31,714	

(1) Expenses attributable to the EchoPark® initiative were \$0.08 per fully diluted share in the fourth quarter of 2014.

	Fourth Quarter Ended December 31, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Per Share		Per Share		Per Share	
		Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	52,492	\$29,562		\$(1,478)		\$28,084	
Effect of participating securities:							
Non-vested restricted stock and stock units		(208)		—		(208)	
Basic earnings (loss) and shares	52,492	\$29,354	\$ 0.56	\$(1,478)	\$ (0.03)	\$27,876	
Effect of dilutive securities:							
Stock compensation plans	482						
Diluted earnings (loss) and shares (2)	<u>52,974</u>	<u>\$29,354</u>	<u>\$ 0.55</u>	<u>\$(1,478)</u>	<u>\$ (0.02)</u>	<u>\$27,876</u>	
Adjusted:							
Adjustments (net of tax):							
Impairment Charges		\$ 6,022	\$ 0.11	\$ —	\$ —	\$ 6,022	
Effect of two-class method & rounding		—	0.01	—	(0.01)	—	
Total adjustments		<u>\$ 6,022</u>	<u>\$ 0.12</u>	<u>\$ —</u>	<u>\$ (0.01)</u>	<u>\$ 6,022</u>	
Earnings (loss) and							
Diluted earnings (loss) per share		\$35,584	<u>\$ 0.67</u>	\$(1,478)	<u>\$ (0.03)</u>	\$34,106	

(2) Expenses attributable to the EchoPark® initiative were \$0.03 per fully diluted share in the fourth quarter of 2013.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Per Share Data

	Year Ended December 31, 2014						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	52,065	\$ 98,559		\$(1,342)		\$97,217	
Effect of participating securities:							
Non-vested restricted stock and stock units		(311)		—		(311)	
Basic earnings (loss) and shares	52,065	\$ 98,248	\$ 1.89	\$(1,342)	\$ (0.03)	\$96,906	\$ 1.86
Effect of dilutive securities:							
Stock compensation plans	498						
Diluted earnings (loss) and shares (3)	52,563	\$ 98,248	\$ 1.87	\$(1,342)	\$ (0.03)	\$96,906	\$ 1.84
Adjustments (net of tax):							
Fire and severe storm damage		\$ 2,685	\$ 0.05	\$ —	\$ —	\$ 2,685	\$ 0.05
Legal and other		749	0.01	—	—	749	0.01
Impairment charges		4,459	0.08	—	—	4,459	0.08
Gain on disposal of franchises		(7,273)	(0.14)	—	—	(7,273)	(0.14)
Permanent tax difference from disposals		853	0.02	—	—	853	0.02
Lease exit adjustments		—	—	(844)	(0.02)	(844)	(0.02)
Effect of two-class method & rounding		—	0.01	—	0.01	—	0.02
Total adjustments		\$ 1,473	\$ 0.03	\$ (844)	\$ (0.01)	\$ 629	\$ 0.02
Adjusted:							
Earnings (loss) and							
Diluted earnings (loss) per share		\$100,032	\$ 1.90	\$(2,186)	\$ (0.04)	\$97,846	\$ 1.86

(3) Expenses attributable to the EchoPark® initiative were \$0.18 per fully diluted share in the year ended December 31, 2014.

	Year Ended December 31, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares	52,556	\$ 84,678		\$(3,060)		\$ 81,618	
Effect of participating securities:							
Non-vested restricted stock and stock units		(601)		—		(601)	
Basic earnings (loss) and shares	52,556	\$ 84,077	\$ 1.60	\$(3,060)	\$ (0.06)	\$ 81,017	\$ 1.54
Effect of dilutive securities:							
Stock compensation plans	385						
Diluted earnings (loss) and shares (4)	52,941	\$ 84,077	\$ 1.59	\$(3,060)	\$ (0.06)	\$ 81,017	\$ 1.53
Adjustments (net of tax):							
Impairment Charges		\$ 6,022	\$ 0.11	\$ —	\$ —	\$ 6,022	\$ 0.11
Double-carry interest		17,704	0.33	—	—	17,704	0.33
Effect of two-class method & rounding		—	—	—	0.01	—	0.01
Total adjustments		\$ 23,726	\$ 0.44	\$ —	\$ 0.01	\$ 23,726	\$ 0.45
Adjusted:							
Earnings (loss) and							
Diluted earnings (loss) per share		\$108,404	\$ 2.03	\$(3,060)	\$ (0.05)	\$105,344	\$ 1.98

(4) Expenses attributable to the EchoPark® initiative were \$0.07 per fully diluted share in the year ended December 31, 2014.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 1,350,795	\$ 1,337,698	\$ 13,097	1.0%
Gross profit	\$ 78,734	\$ 82,936	\$ (4,202)	(5.1%)
Unit sales	35,107	35,251	(144)	(0.4%)
Revenue per unit	\$ 38,477	\$ 37,948	\$ 529	1.4%
Gross profit per unit	\$ 2,243	\$ 2,353	\$ (110)	(4.7%)
Gross profit as a % of revenue	5.8%	6.2%	(40) bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 5,124,029	\$ 4,989,185	\$ 134,844	2.7%
Gross profit	\$ 288,626	\$ 289,603	\$ (977)	(0.3%)
Unit sales	138,417	138,274	143	0.1%
Revenue per unit	\$ 37,019	\$ 36,082	\$ 937	2.6%
Gross profit per unit	\$ 2,085	\$ 2,094	\$ (9)	(0.4%)
Gross profit as a % of revenue	5.6%	5.8%	(20) bps	

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 1,338,612	\$ 1,292,378	\$ 46,234	3.6%
Gross profit	\$ 78,136	\$ 80,604	\$ (2,468)	(3.1%)
Unit sales	34,723	34,006	717	2.1%
Revenue per unit	\$ 38,551	\$ 38,004	\$ 547	1.4%
Gross profit per unit	\$ 2,250	\$ 2,370	\$ (120)	(5.1%)
Gross profit as a % of revenue	5.8%	6.2%	(40) bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 4,953,201	\$ 4,818,937	\$ 134,264	2.8%
Gross profit	\$ 278,938	\$ 280,225	\$ (1,287)	(0.5%)
Unit sales	134,059	133,578	481	0.4%
Revenue per unit	\$ 36,948	\$ 36,076	\$ 872	2.4%
Gross profit per unit	\$ 2,081	\$ 2,098	\$ (17)	(0.8%)
Gross profit as a % of revenue	5.6%	5.8%	(20) bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Used Vehicles

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 562,993	\$ 551,028	\$ 11,965	2.2%
Gross profit	\$ 37,834	\$ 35,784	\$ 2,050	5.7%
Unit sales	26,406	26,354	52	0.2%
Revenue per unit	\$ 21,321	\$ 20,909	\$ 412	2.0%
Gross profit per unit	\$ 1,433	\$ 1,358	\$ 75	5.5%
Gross profit as a % of revenue	6.7%	6.5%	20 bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 2,310,247	\$ 2,176,034	\$134,213	6.2%
Gross profit	\$ 157,246	\$ 150,400	\$ 6,846	4.6%
Unit sales	110,113	107,054	3,059	2.9%
Revenue per unit	\$ 20,981	\$ 20,327	\$ 654	3.2%
Gross profit per unit	\$ 1,428	\$ 1,405	\$ 23	1.6%
Gross profit as a % of revenue	6.8%	6.9%	(10) bps	

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 551,576	\$ 529,846	\$ 21,730	4.1%
Gross profit	\$ 36,945	\$ 34,255	\$ 2,690	7.9%
Unit sales	25,784	25,322	462	1.8%
Revenue per unit	\$ 21,392	\$ 20,924	\$ 468	2.2%
Gross profit per unit	\$ 1,433	\$ 1,353	\$ 80	5.9%
Gross profit as a % of revenue	6.7%	6.5%	20 bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 2,200,362	\$ 2,085,069	\$115,293	5.5%
Gross profit	\$ 150,990	\$ 144,253	\$ 6,737	4.7%
Unit sales	105,057	102,597	2,460	2.4%
Revenue per unit	\$ 20,944	\$ 20,323	\$ 621	3.1%
Gross profit per unit	\$ 1,437	\$ 1,406	\$ 31	2.2%
Gross profit as a % of revenue	6.9%	6.9%	0 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Wholesale Vehicles

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 38,361	\$ 40,772	\$ (2,411)	(5.9%)
Gross profit (loss)	\$ (1,122)	\$ (1,589)	\$ 467	29.4%
Unit sales	6,912	6,670	242	3.6%
Revenue per unit	\$ 5,550	\$ 6,113	\$ (563)	(9.2%)
Gross profit (loss) per unit	\$ (162)	\$ (238)	\$ 76	31.9%
Gross profit (loss) as a % of revenue	(2.9%)	(3.9%)	100 bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 166,158	\$ 175,328	\$ (9,170)	(5.2%)
Gross profit (loss)	\$ (3,616)	\$ (7,931)	\$ 4,315	54.4%
Unit sales	29,946	29,961	(15)	(0.1%)
Revenue per unit	\$ 5,549	\$ 5,852	\$ (303)	(5.2%)
Gross profit (loss) per unit	\$ (121)	\$ (265)	\$ 144	54.3%
Gross profit (loss) as a % of revenue	(2.2%)	(4.5%)	230 bps	

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 37,572	\$ 39,745	\$ (2,173)	(5.5%)
Gross profit (loss)	\$ (939)	\$ (1,493)	\$ 554	37.1%
Unit sales	6,803	6,478	325	5.0%
Revenue per unit	\$ 5,523	\$ 6,135	\$ (612)	(10.0%)
Gross profit (loss) per unit	\$ (138)	\$ (230)	\$ 92	40.0%
Gross profit (loss) as a % of revenue	(2.5%)	(3.8%)	130 bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 159,263	\$ 170,489	\$(11,226)	(6.6%)
Gross profit (loss)	\$ (3,175)	\$ (7,305)	\$ 4,130	56.5%
Unit sales	28,885	29,092	(207)	(0.7%)
Revenue per unit	\$ 5,514	\$ 5,860	\$ (346)	(5.9%)
Gross profit (loss) per unit	\$ (110)	\$ (251)	\$ 141	56.2%
Gross profit (loss) as a % of revenue	(2.0%)	(4.3%)	230 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Parts, Service and Collision Repair ("Fixed Operations")

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 137,524	\$ 139,443	\$ (1,919)	(1.4%)
Warranty	52,396	50,572	1,824	3.6%
Wholesale parts	46,615	44,468	2,147	4.8%
Internal, sublet and other	86,389	82,405	3,984	4.8%
Total	<u>\$ 322,924</u>	<u>\$ 316,888</u>	<u>\$ 6,036</u>	<u>1.9%</u>
Gross profit				
Customer pay	\$ 74,734	\$ 76,315	\$ (1,581)	(2.1%)
Warranty	29,135	26,694	2,441	9.1%
Wholesale parts	8,042	8,084	(42)	(0.5%)
Internal, sublet and other	44,353	41,493	2,860	6.9%
Total	<u>\$ 156,264</u>	<u>\$ 152,586</u>	<u>\$ 3,678</u>	<u>2.4%</u>
Gross profit as a % of revenue				
Customer pay	54.3%	54.7%	(40) bps	
Warranty	55.6%	52.8%	280 bps	
Wholesale parts	17.3%	18.2%	(90) bps	
Internal, sublet and other	51.3%	50.4%	90 bps	
Total	48.4%	48.2%	20 bps	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 565,144	\$ 546,695	\$ 18,449	3.4%
Warranty	194,468	188,061	6,407	3.4%
Wholesale parts	188,687	169,338	19,349	11.4%
Internal, sublet and other	348,271	326,084	22,187	6.8%
Total	<u>\$ 1,296,570</u>	<u>\$ 1,230,178</u>	<u>\$ 66,392</u>	<u>5.4%</u>
Gross profit				
Customer pay	\$ 309,885	\$ 300,800	\$ 9,085	3.0%
Warranty	106,298	101,351	4,947	4.9%
Wholesale parts	32,633	31,242	1,391	4.5%
Internal, sublet and other	174,733	163,699	11,034	6.7%
Total	<u>\$ 623,549</u>	<u>\$ 597,092</u>	<u>\$ 26,457</u>	<u>4.4%</u>
Gross profit as a % of revenue				
Customer pay	54.8%	55.0%	(20) bps	
Warranty	54.7%	53.9%	80 bps	
Wholesale parts	17.3%	18.4%	(110) bps	
Internal, sublet and other	50.2%	50.2%	0 bps	
Total	48.1%	48.5%	(40) bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Parts, Service and Collision Repair ("Fixed Operations")

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 135,913	\$ 134,788	\$ 1,125	0.8%
Warranty	51,832	48,565	3,267	6.7%
Wholesale parts	46,099	43,107	2,992	6.9%
Internal, sublet and other	84,174	79,693	4,481	5.6%
Total	<u>\$ 318,018</u>	<u>\$ 306,153</u>	<u>\$11,865</u>	<u>3.9%</u>
Gross profit				
Customer pay	\$ 73,891	\$ 73,824	\$ 67	0.1%
Warranty	28,861	25,736	3,125	12.1%
Wholesale parts	7,941	7,814	127	1.6%
Internal, sublet and other	43,043	39,877	3,166	7.9%
Total	<u>\$ 153,736</u>	<u>\$ 147,251</u>	<u>\$ 6,485</u>	<u>4.4%</u>
Gross profit as a % of revenue				
Customer pay	54.4%	54.8%	(40) bps	
Warranty	55.7%	53.0%	270 bps	
Wholesale parts	17.2%	18.1%	(90) bps	
Internal, sublet and other	51.1%	50.0%	110 bps	
Total	<u>48.3%</u>	<u>48.1%</u>	<u>20 bps</u>	

	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 538,930	\$ 527,034	\$11,896	2.3%
Warranty	185,526	180,125	5,401	3.0%
Wholesale parts	181,058	163,979	17,079	10.4%
Internal, sublet and other	334,166	314,529	19,637	6.2%
Total	<u>\$ 1,239,680</u>	<u>\$ 1,185,667</u>	<u>\$54,013</u>	<u>4.6%</u>
Gross profit				
Customer pay	\$ 296,160	\$ 290,238	\$ 5,922	2.0%
Warranty	101,689	97,581	4,108	4.2%
Wholesale parts	30,804	30,143	661	2.2%
Internal, sublet and other	166,909	157,123	9,786	6.2%
Total	<u>\$ 595,562</u>	<u>\$ 575,085</u>	<u>\$20,477</u>	<u>3.6%</u>
Gross profit as a % of revenue				
Customer pay	55.0%	55.1%	(10) bps	
Warranty	54.8%	54.2%	60 bps	
Wholesale parts	17.0%	18.4%	(140) bps	
Internal, sublet and other	49.9%	50.0%	(10) bps	
Total	<u>48.0%</u>	<u>48.5%</u>	<u>(50) bps</u>	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Finance, Insurance and Other, Net ("F&I")

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 76,755	\$ 68,983	\$ 7,772	11.3%
Gross profit per retail unit (excludes fleet)	\$ 1,255	\$ 1,143	\$ 112	9.8%
(In thousands, except per unit data)				
	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 300,095	\$ 272,443	\$27,652	10.1%
Gross profit per retail unit (excludes fleet)	\$ 1,220	\$ 1,138	\$ 82	7.2%
(In thousands, except per unit data)				
	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 75,745	\$ 66,476	\$ 9,269	13.9%
Gross profit per retail unit (excludes fleet)	\$ 1,259	\$ 1,145	\$ 114	10.0%
(In thousands, except per unit data)				
	<u>Year Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 289,833	\$ 263,038	\$26,795	10.2%
Gross profit per retail unit (excludes fleet)	\$ 1,225	\$ 1,142	\$ 83	7.3%

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	<u>Fourth Quarter Ended December 31,</u>		<u>Better / (Worse)</u>	
	<u>2014</u>	<u>2013</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Reported:				
Compensation	\$ 155,382	\$ 151,704	\$ (3,678)	(2.4%)
Advertising	15,409	15,327	(82)	(0.5%)
Rent	18,384	17,632	(752)	(4.3%)
Other	75,227	69,984	(5,243)	(7.5%)
Total	<u>\$ 264,402</u>	<u>\$ 254,647</u>	<u>\$ (9,755)</u>	<u>(3.8%)</u>
SG&A expenses as a % of gross profit				
Compensation	44.6%	44.8%	20 bps	
Advertising	4.4%	4.5%	10 bps	
Rent	5.3%	5.2%	(10) bps	
Other	21.6%	20.7%	(90) bps	
Total	75.9%	75.2%	(70) bps	
(In thousands)				
Reported:				
Compensation	\$ 638,875	\$ 601,495	\$(37,380)	(6.2%)
Advertising	57,437	56,609	(828)	(1.5%)
Rent	73,707	73,976	269	0.4%
Other	297,414	271,045	(26,369)	(9.7%)
Total	<u>\$ 1,067,433</u>	<u>\$ 1,003,125</u>	<u>\$(64,308)</u>	<u>(6.4%)</u>
SG&A expenses as a % of gross profit				
Compensation	46.8%	46.2%	(60) bps	
Advertising	4.2%	4.3%	10 bps	
Rent	5.4%	5.7%	30 bps	
Other	21.7%	20.9%	(80) bps	
Total	78.1%	77.1%	(100) bps	

Q4 2014 EARNINGS REVIEW

February 24, 2015



FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events, are not historical facts and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. These statements can generally be identified by lead-in words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “foresee”, “may”, “will” and other similar words. Statements that describe our Company’s objectives, plans or goals are also forward-looking statements. Examples of such forward-looking information we may be discussing in this presentation include, without limitation, anticipated 2014 industry new vehicle sales volume, the implementation of growth and operating strategies, including acquisitions of dealerships and properties, the development of open points and stand-alone pre-owned stores, the return of capital to shareholders, anticipated future success and impacts from the implementation of our strategic initiatives and earnings per share expectations.

You are cautioned that these forward-looking statements are not guarantees of future performance, involve risks and uncertainties and actual results may differ materially from those projected in the forward-looking statements as a result of various factors. These risks and uncertainties include, among other things, (a) economic conditions in the markets in which we operate, (b) the success of our operational strategies, (c) our relationships with the automobile manufacturers, (d) new and pre-owned vehicle sales volume, and (e) earnings expectations for the year ended December 31, 2014. These risks and uncertainties, as well as additional factors that could affect our forward-looking statements, are described in our Form 10-K for the year ending December 31, 2013.

These forward-looking statements, risks, uncertainties and additional factors speak only as of the date of this presentation. We undertake no obligation to update any such statements.



CONTENT

- **STRATEGIC FOCUS**
- **FINANCIAL RESULTS**
- **OPERATIONS REVIEW**
- **SUMMARY AND OUTLOOK**

STRATEGIC FOCUS

1. Growth
 - One Sonic-One Experience
 - EchoPark®
 - Acquisitions & Open Points
2. Own Our Properties
3. Return Capital to Shareholders

STRATEGIC FOCUS

ONE SONIC-ONE EXPERIENCE

- Goals
 - 1 Associate, 1 Price, 1 Hour
 - Improve Transparency; Increase Trust
 - Operational Efficiencies
- Pilot Stores Underway
- 24 Month Implementation

ONE SONIC.
ONE EXPERIENCE.

Result - Increase Market Share and Customer Retention



STRATEGIC FOCUS

ONE SONIC-ONE EXPERIENCE (cont'd)

- **Speed Up the Transaction**
 - No Negotiation
- **Reduce Paperwork**
 - Electronic Signature
- **One Associate One Guest**
 - Technology Driven
 - Training Supported
- **Reduce Headcount Through Attrition**
 - Creates Significant Cost Savings
- **Create Trust & Transparency**
 - Increased CSI, ASI and Market Share
- **Brand the Retail Stores**
 - Increased Market Share & Margins
- **Creates More of a Specialty Retail Experience**
 - Apple, Starbucks, etc.

ONE SONIC¹
ONE EXPERIENCE.



STRATEGIC FOCUS

EchoPark®



- Hub Opened November 3
- 2 Neighborhood Stores Opened in January 2015
- Expect at least 2 more in 2015

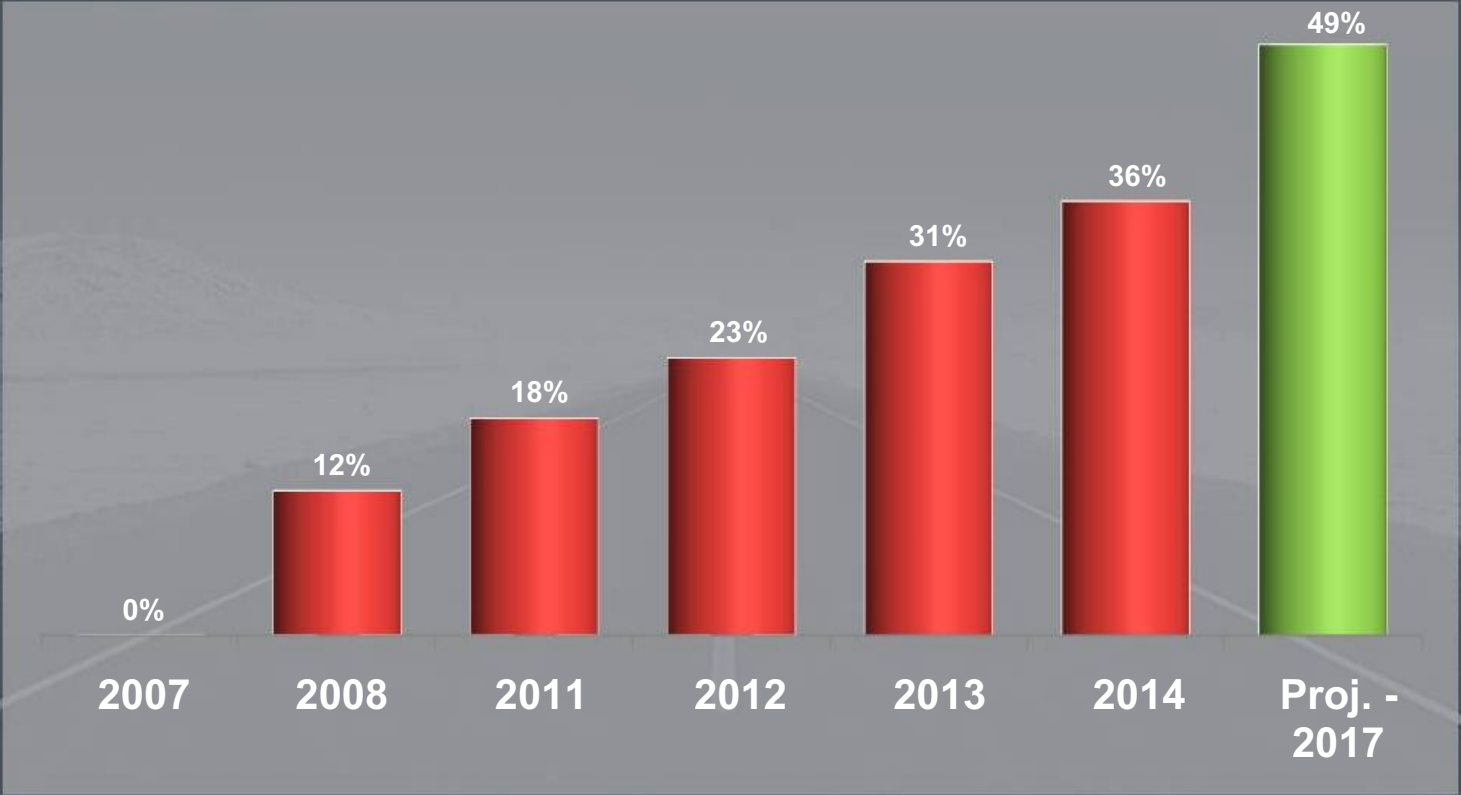
STRATEGIC FOCUS

ACQUISITIONS & OPEN POINTS

- Purchased Four Franchises: Jaguar (Q1), Nissan (Q3), Chevy and Land Rover (Q4) during 2014
 - Estimated Annual Revenues of \$156 million
- Open Points
 - Mercedes Benz in Dallas Market
 - Audi in Pensacola Market
 - Nissan in TN Market
 - Exploring Opportunities in Other Markets

STRATEGIC FOCUS

OWN OUR PROPERTIES



STRATEGIC FOCUS

RETURN CAPITAL TO SHAREHOLDERS

	Shares <small>(in thousands)</small>	Average Price / Share	\$ <small>(in millions)</small>
2014 Activity	2,256	\$ 23.51	\$ 53.0

- Unused Authorization of Approximately \$ 79 million
- Quarterly Dividend of \$0.025 Per Share

An aerial photograph of a winding asphalt road that curves through a hilly landscape. The terrain is covered in reddish-brown vegetation, possibly scrubland or dry brush. The road has white lane markings and a double yellow line in the center. The overall lighting is warm, suggesting a sunset or sunrise.

Q4 & FY 2014 FINANCIAL REVIEW



ADJUSTED Q4 & FY 2014 RESULTS

	Q4 2014	B/(W) than Q4 2013		2014	B/(W) than 2013	
		\$	%		\$	%
(amounts in millions, except per share data)						
Revenue	\$ 2,352	\$ 36	1.6%	\$ 9,197	\$ 354	4.0%
Gross Profit	\$ 349	\$ 10	2.9%	\$ 1,366	\$ 64	4.9%
Operating Profit ⁽¹⁾	\$ 70	\$ 1	1.4%	\$ 235	(\$ 10)	(4.1%)
Interest & Other ⁽¹⁾	(\$ 17)	\$ 1	7.4%	(\$ 72)	\$ 5	6.1%
Continuing Ops:						
Profit (after tax) ⁽¹⁾	\$ 33	(\$ 3)	(8.5%)	\$ 100	(\$ 8)	(7.7%)
Diluted EPS ⁽¹⁾	\$ 0.63	(\$ 0.04)	(6.0%)	\$ 1.90	(\$ 0.13)	(6.0%)
SG&A as % of Gross ⁽¹⁾	75.5%	(30 bps)		78.6%	(150 bps)	
Discontinued Ops Profit/(Loss) (after tax)	(\$ 1)	\$ 1		(\$ 2)	\$ 1	



(1) – Amounts are adjusted. See appendix for reconciliation of adjusted amounts to GAAP amounts

EPS WALK– Q4

(amounts in millions, except per share date)	Q4 2014		Q4 2013	
	Pre-Tax	EPS	Pre-Tax	EPS
Reported EPS		\$ 0.52		\$ 0.55
Storm Damage	\$ 1.5	\$ 0.03	\$ 0.0	\$ 0.00
Gain on Disposal	(\$ 0.2)	(\$ 0.00)	\$ 0.0	\$ 0.00
Impairment	\$ 6.4	<u>\$ 0.08</u>	\$ 9.9	<u>\$ 0.12</u>
Adjusted EPS		<u>\$ 0.63</u>		<u>\$ 0.67</u>
EchoPark	\$ 7.1	\$ 0.08	\$ 2.2	\$ 0.03
Comparable EPS		<u>\$ 0.71</u>		<u>\$ 0.70</u>

EPS WALK- FY 2014

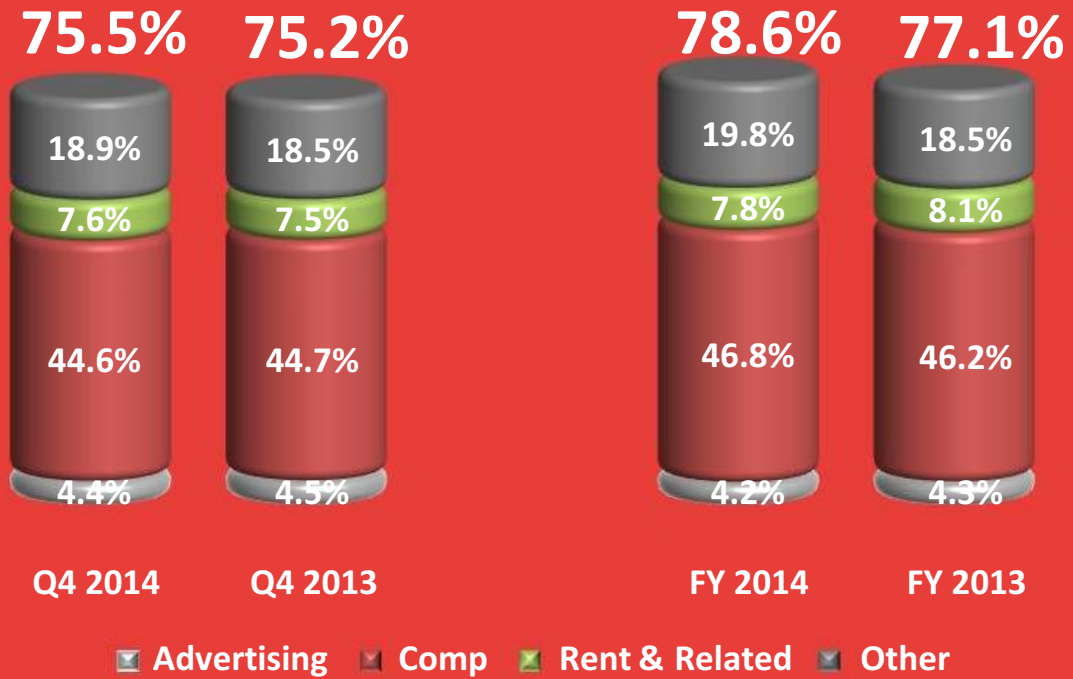
(amounts in millions, except per share date)	2014		2013	
	Pre-Tax	EPS	Pre-Tax	EPS
Reported EPS		\$ 1.87		\$ 1.59
Storm Damage	\$ 4.0	\$ 0.05	\$ 0.0	\$ 0.00
Legal	\$ 1.1	\$0.01	\$ 0.0	\$ 0.00
Gain on Disposal	(\$ 10.7)	(\$ 0.11)	\$ 0.0	\$ 0.00
Impairment	\$ 6.6	\$ 0.08	\$ 9.9	\$ 0.11
Debt Refi	\$ 0.0	<u>\$ 0.00</u>	\$ 29.0	<u>\$ 0.33</u>
Adjusted EPS		<u>\$ 1.90</u>		<u>\$ 2.03</u>
EchoPark®	\$ 15.7	\$ 0.18	\$ 5.5	\$ 0.07
Comparable EPS		<u>\$ 2.08</u>		<u>\$ 2.10</u>



ECHOPARK – Q4 & FY 2014 RESULTS

(amounts in millions, except per share data)	Q4 2014	B/(W) than Q4 2013	FY 2014	B/(W) than FY 2013
Revenue	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.4
Gross Profit	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Operating Profit	(\$ 7.0)	(\$ 4.8)	(\$ 15.6)	(\$ 10.1)
Interest & Other	(\$0.1)	(\$ 0.1)	(\$ 0.1)	(\$ 0.1)
Pre-tax Profit (Loss)	(\$ 7.1)	(\$ 4.9)	(\$ 15.7)	(\$ 10.2)

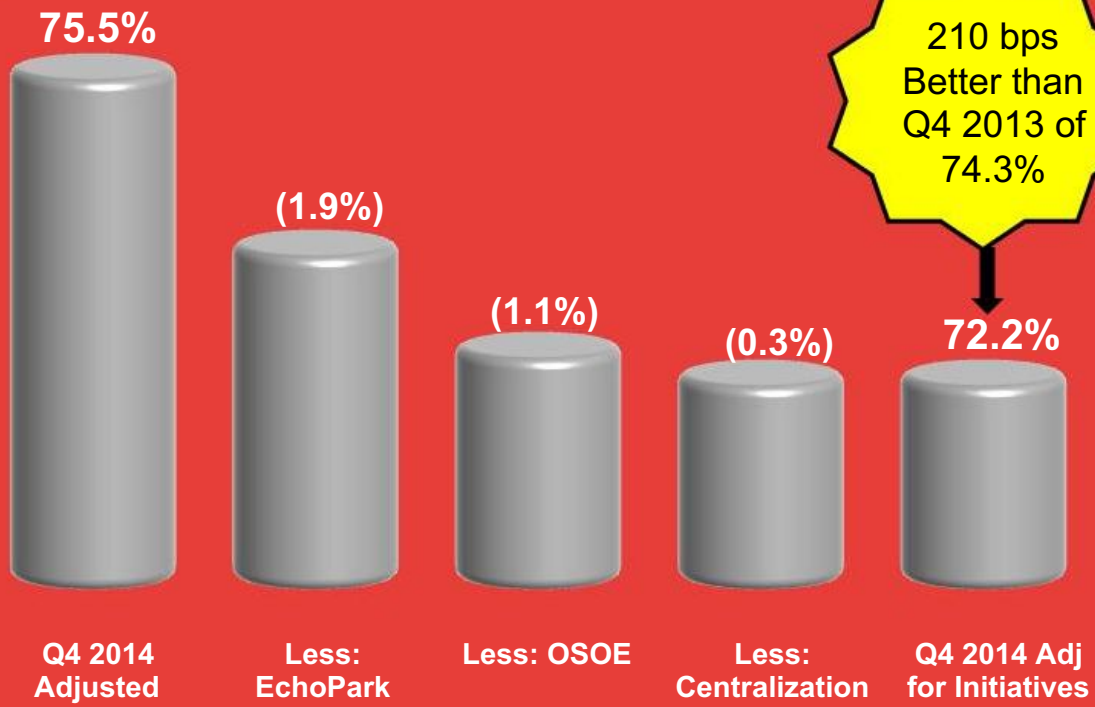
ADJUSTED SG&A TO GROSS



Note: See Appendix for reconciliation to GAAP amounts



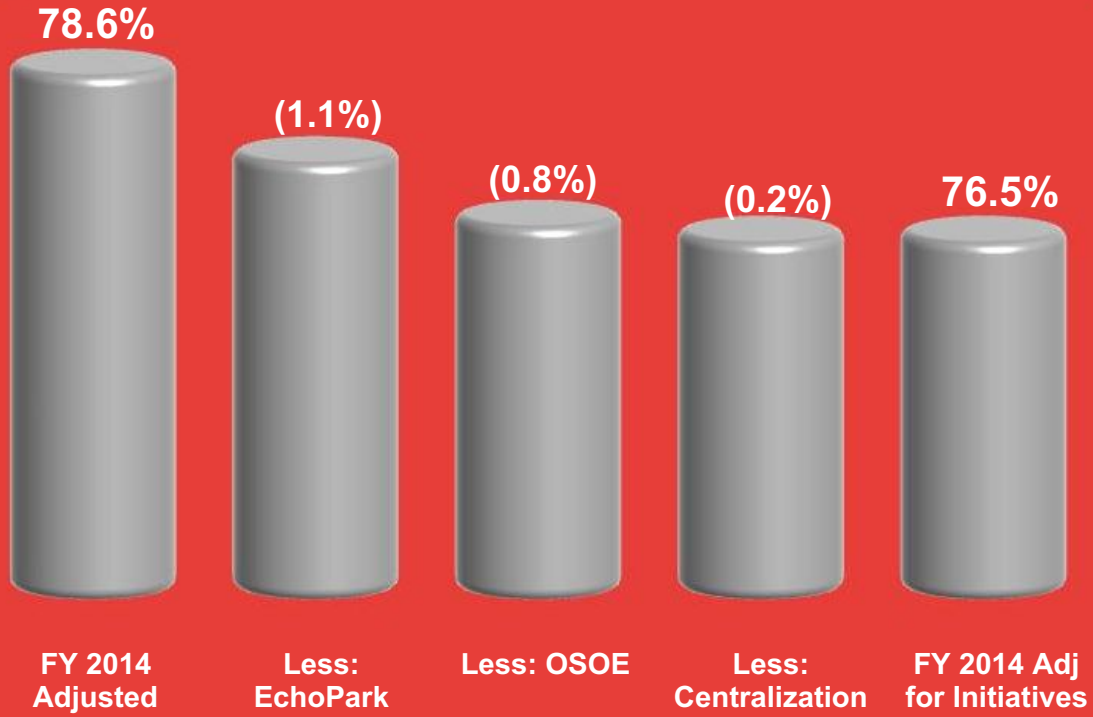
SG&A TO GROSS WALK – Q4



Note: See Appendix for reconciliation to GAAP amounts



SG&A TO GROSS WALK – FY 2014



Note: See Appendix for reconciliation to GAAP amounts



STRATEGIC INITIATIVE INVESTMENTS

(in millions)	2014	Estimated 2015
EchoPark®	\$ 15.7	\$ 13.3
One Sonic-One Experience	\$ 10.4	\$ 10.0
Centralization of Business Office	\$ 2.1	\$ 5.0



CAPITAL SPEND

(amounts in millions)	YTD 2014	Estimated 2015
Real Estate & Facility Related	\$ 124.3	\$159.1
All Other Cap Ex	<u>39.6</u>	<u>42.0</u>
Subtotal	\$ 163.9	\$ 201.1
Less: Mortgage Funding	<u>(44.4)</u>	<u>(100.6)</u>
Total Cash Used – Cap Ex	<u>\$ 119.5</u>	<u>\$ 100.5</u>

Note – Spending excludes the effect of franchise acquisitions.



LIQUIDITY

(amounts in millions)	Q4 2014	Q4 2013
Cash	\$ 4.2	\$3.0
Revolver Availability	165.4	126.0
Used floor plan availability	22.6	27.1
Floor plan deposit balance	<u>57.5</u>	<u>65.0</u>
Total	<u>\$ 249.7</u>	\$221.1



DEBT COVENANTS

	Covenant	Actual Q4 2014
Liquidity Ratio	≥ 1.05	1.20
Fixed Charge Coverage Ratio	≥ 1.20	1.61
Total Lease Adjusted Leverage Ratio	≤ 5.50	4.12

Compliant with all Covenants

An aerial photograph of a winding asphalt road through a rugged, mountainous landscape. The terrain is characterized by brownish, rocky hills and valleys. In the distance, more mountain ranges are visible under a clear sky. The road curves from the left towards the right side of the frame. Several vehicles, including cars and a truck, are visible on the road. The text "OPERATIONS REVIEW" is centered in the upper half of the image in a bold, white, sans-serif font.

OPERATIONS REVIEW

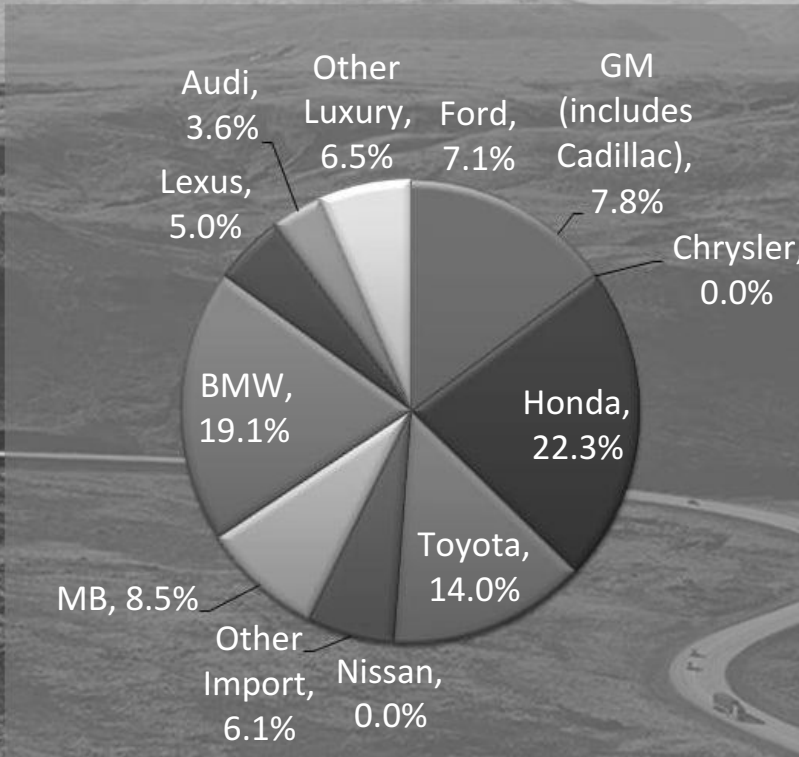


NEW VEHICLE RETAIL SAME STORE

	Q4 2014	Q4 2013	B/(W)
Volume	34,371	32,756	4.9%
Selling Price	\$ 38,571	\$ 38,287	0.7%
Gross Margin %	5.9%	6.4%	(50 bps)
GPU	\$ 2,269	\$ 2,435	(\$ 166)
Gross Profit	\$ 78 million	\$ 80 million	(2.2%)
SAAR (includes fleet)	16.8 million	15.6 million	7.2%



Q4 REVENUE MIX



	Industry Growth
Ford	(0.7%)
GM (includes Cadillac)	8.7%
Chrysler	21.0%
Honda	3.3%
Toyota	7.4%
Nissan	7.1%
MB	0.8%
BMW	6.7%
Lexus	9.2%
Audi	16.9%

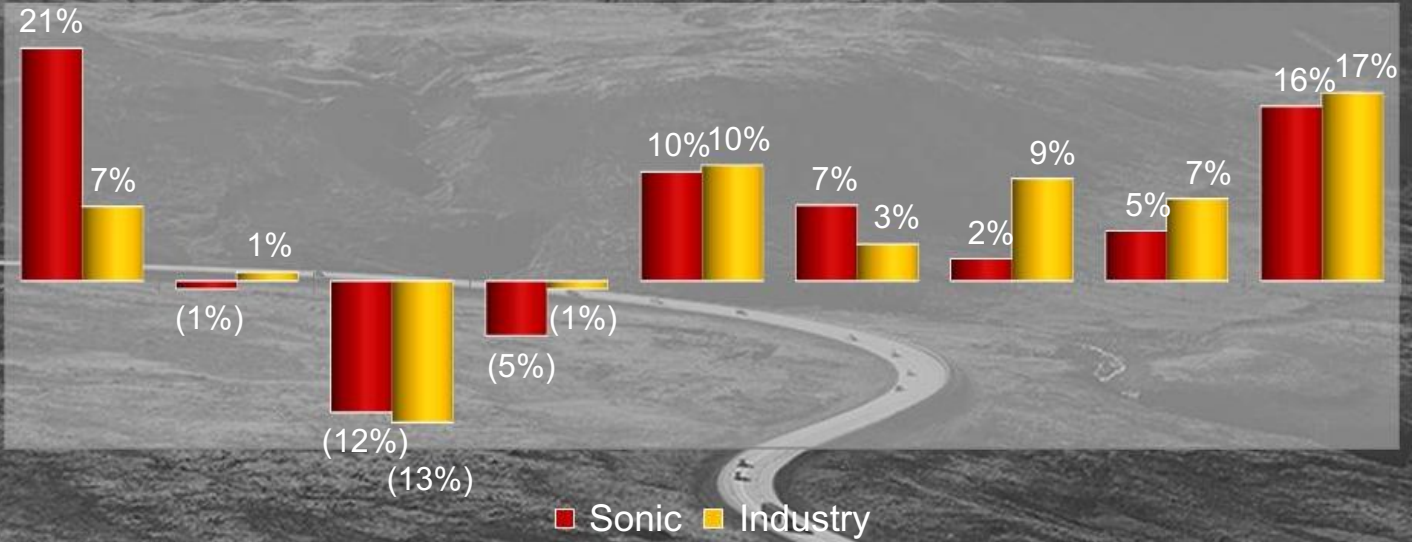


NEW VEHICLE - BRAND

Q4 2014 vs. Q4 2013

% Sonic Unit Sales

18.7%	8.0%	2.3%	7.0%	5.4%	22.5%	4.8%	13.8%	4.0%
BMW	MB	Cadillac	Ford	GM	Honda	Lexus	Toyota	Audi



USED VEHICLE RETAIL SAME STORE

	Q4 2014	Q4 2013	B/(W)
Retail Volume	25,784	25,322	1.8%
Used Retail GPU	\$ 1,433	\$ 1,353	\$ 80
Used to New	0.75 : 1	0.77 : 1	(0.02)
Vehicles / store / month (all stores)	88	86	2



FIXED OPS SAME STORE

	Q4 2014	B/(W) than 2013	
(amounts in millions)		\$	%
Revenue	\$ 318.0	\$ 11.9	3.9%
Gross Profit	\$ 153.7	\$ 6.5	4.4%

QTD YOY Gross Profit Change Breakdown:

- Customer Pay Up 0.1%
- Whsl. Parts Up 1.6%
- Internal & Sublet Up 8.1%
- Warranty Up 12.1%



OSOE



EARLY OBSERVATIONS

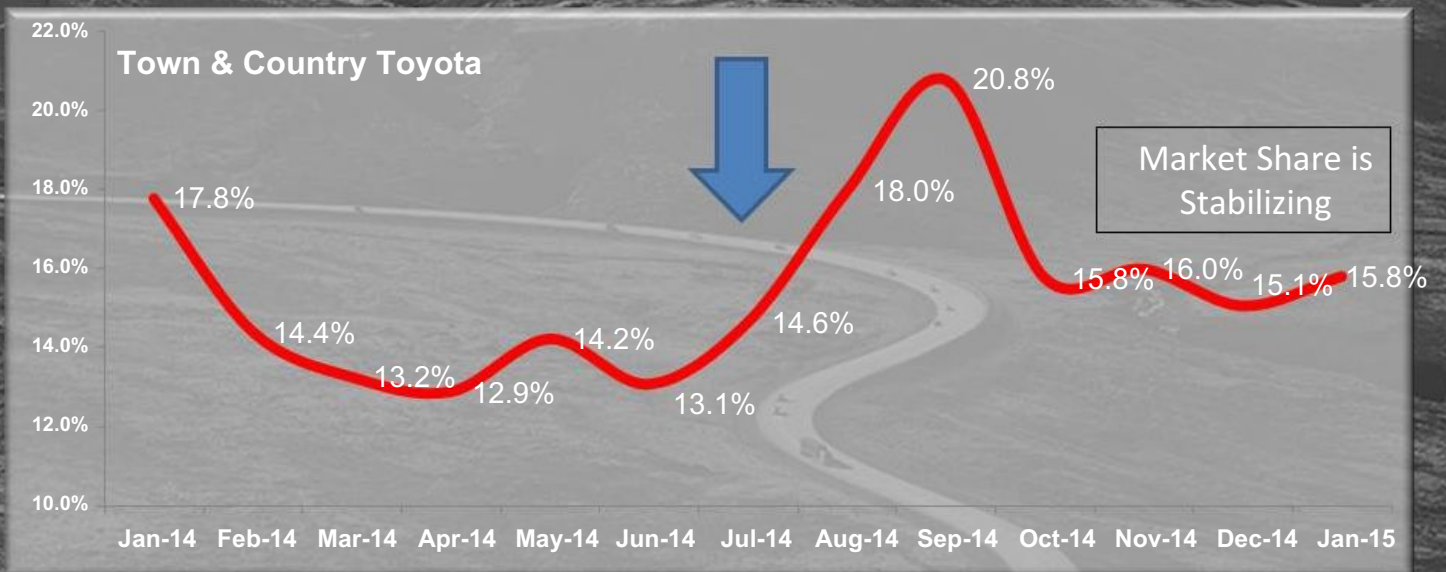
- Low turnover as a result of the changes
- January is our first full month and share is reacting positively
- We are easily doing deals in less than an hour if that is a guest wish
- Customer feedback is fantastic
- Our training is excellent
- We are attracting a new type of employee
- New CRM tool and Showroom technology is working properly and a competitive advantage
- Competition is reacting to our moves – pricing and advertising
- F&I continues to improve
- Marketing begins in February for the Charlotte Market
- No plans to move to next market until Charlotte share and profit goals are met

OPPORTUNITIES

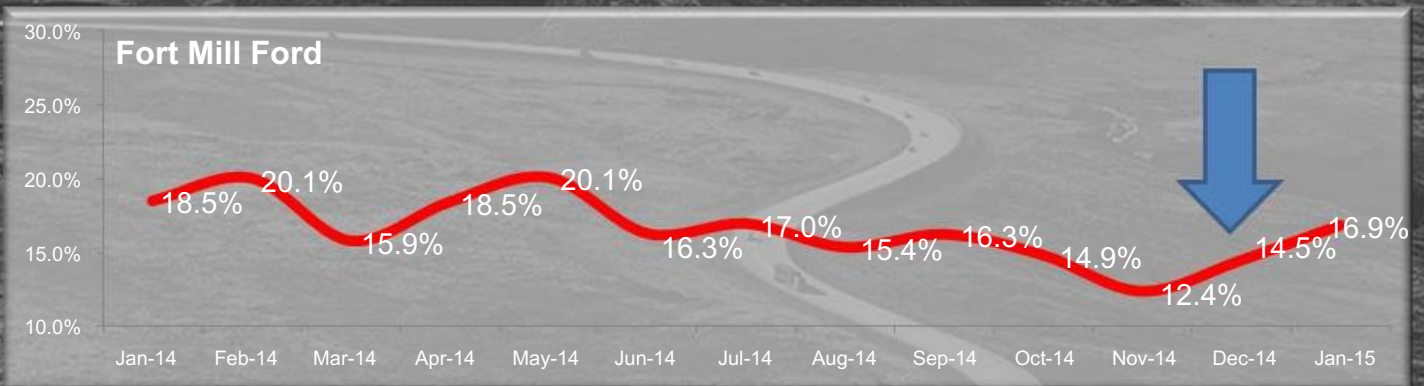
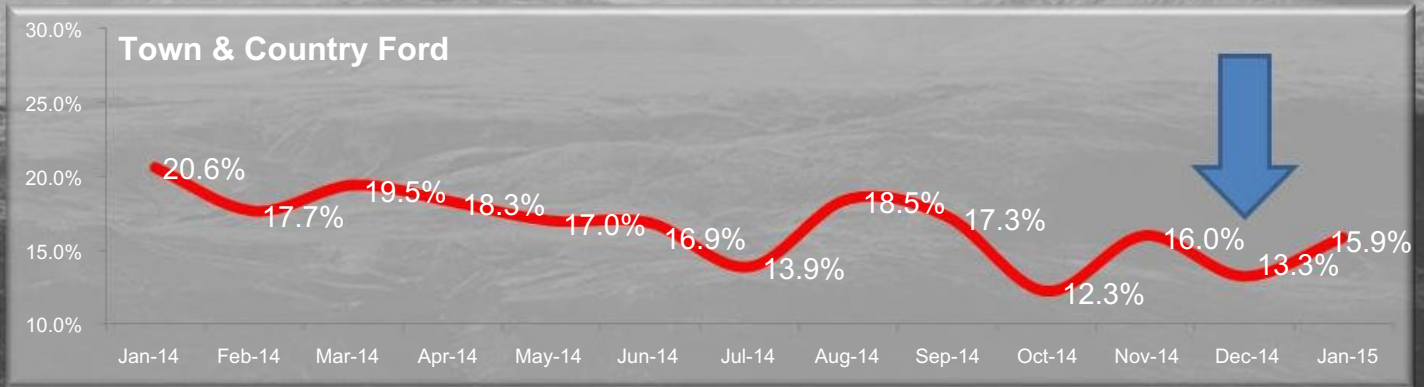
- Website performance issues (resolved)
- SEO/SEM performance issues (improving)
- BDC / GEC conversion (improving)
- Pricing tool is not complete (new car – 90 days out)
- Inventory purchase tool not complete (new car - 6 months out)

OSOE – MARKET SHARE

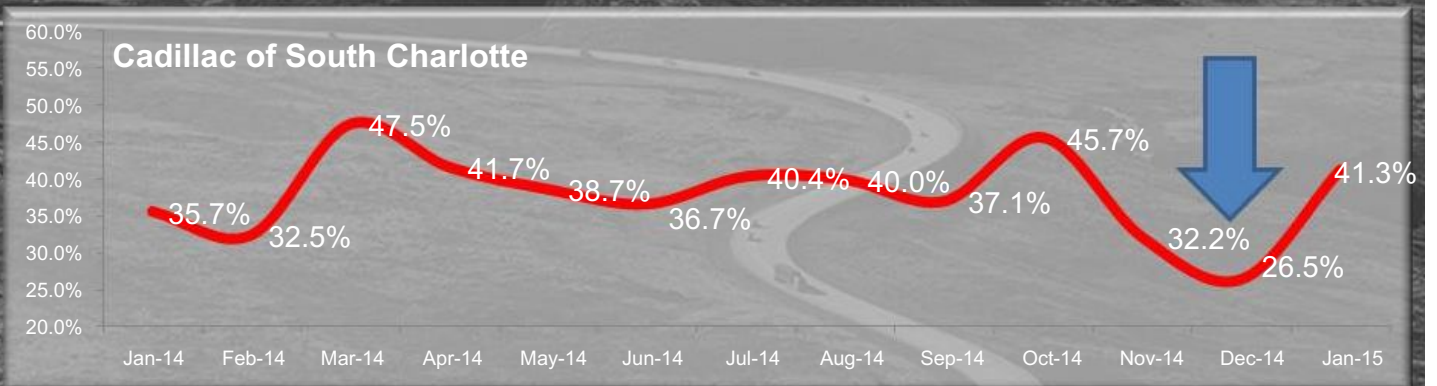
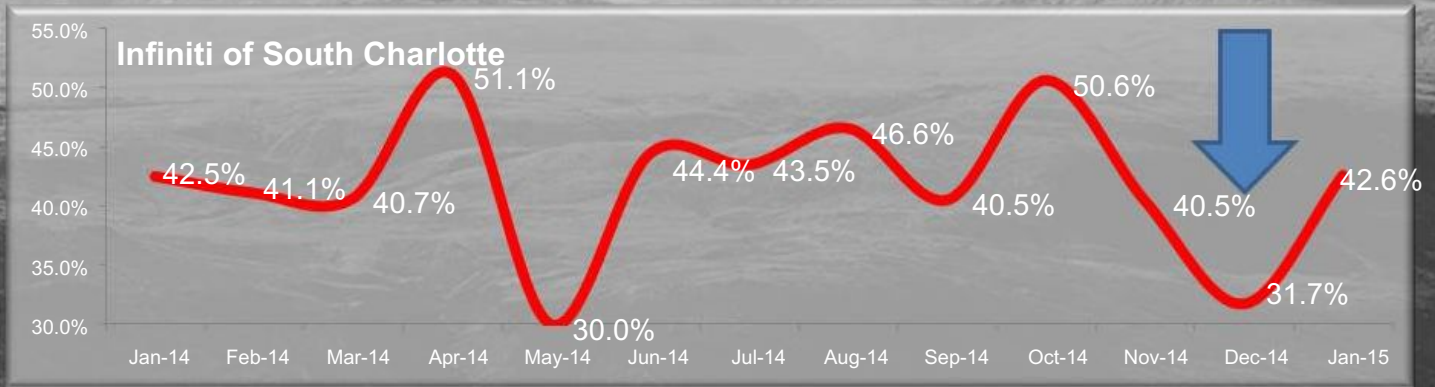
- October 2014 - T&C Toyota Soft Open
- November 2014 – First Full Month for Toyota
- December 2014 – Other Charlotte Stores Soft Open
- January 2015 – First Full Month for Other Charlotte Stores



OSOE – MARKET SHARE



OSOE – MARKET SHARE



EchoPark®



EchoPark®

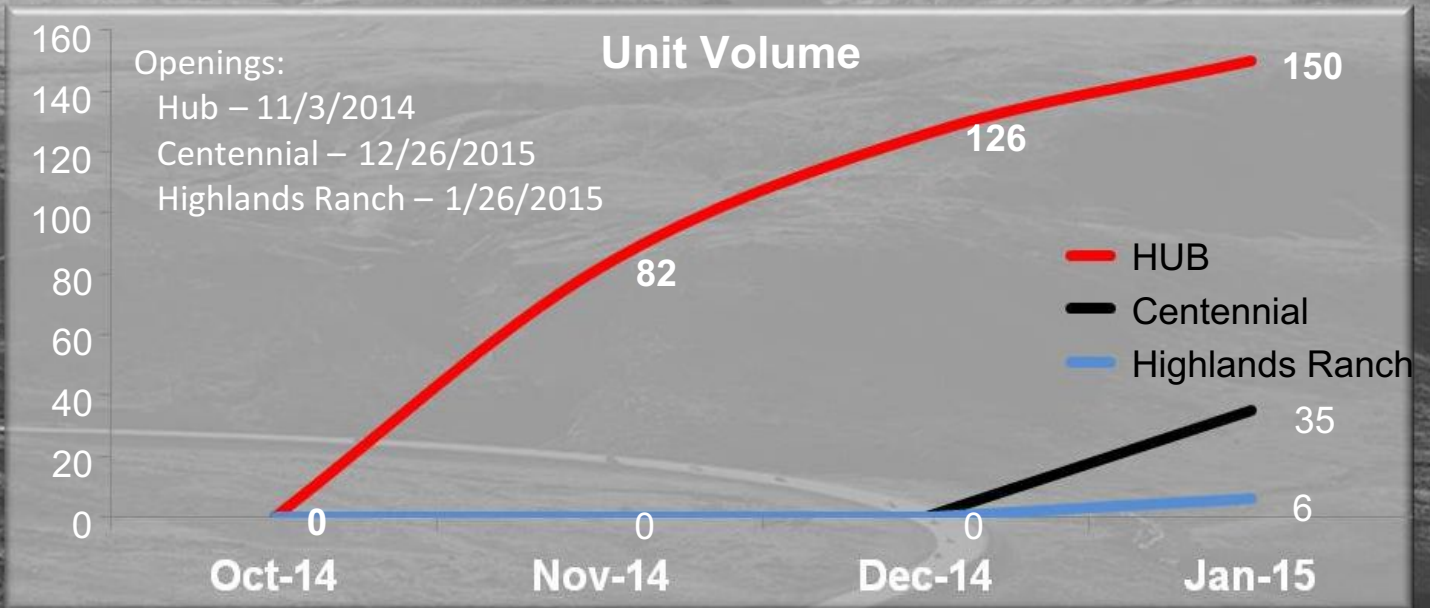
EARLY OBSERVATIONS

- Very low to no turnover
- Fantastic guest experience – take a look at the testimonials from Yelp, Yahoo, Google – that’s what we are looking for! 😊
- Reconditioning levels are very high
- F&I performance ahead of projection with no F&I office
- EchoPark SIMS - Excellent inventory management system (buying, intercompany movement) – performance is above expectations with no inventory issues
- Appraisal process – is fantastic and a favorite of our guests
- Volume has started off very well
- Store technology is strong and improving

OPPORTUNITIES

- Website performance issues (not resolved)
 - Same as OSOE Stores; working to resolve but website performance is not acceptable and will be resolved in the coming weeks
- SEO/SEM performance issues (plan being implemented)
- Weather has been a big issue – held up openings of 2 locations
- Pricing system – delayed completion will start 3/1/15





SUMMARY



SUMMARY

- ❑ Continued to grow the top-line in each revenue category achieving record results
- ❑ The franchised dealership landscape supported our operating initiatives
- ❑ Significant milestones / achievements in 2014
 - Opening of EchoPark®
 - Rollout of One Sonic-One Experience
 - Gained ground on owning properties – now at 36%
 - Returned \$82.8 million to shareholders through share repurchases and dividends

2015 PLAN

- 2015 Plan
 - ❖ Expect new car industry volume to be between 16.5M to 17.0M units
 - ❖ We will continue to increase pre-owned volume in the mid-single digits
 - ❖ Expect fixed operations to grow at mid-single digits
 - ❖ Costs related to EchoPark[®], One Sonic-One Experience, and centralization to continue

2015 Continued Ops EPS Guidance:

• New Car Franchise Business	\$2.01 - \$2.11
• Effect of EchoPark [®]	(\$0.16)
• Total Sonic	\$1.85 - \$1.95





Appendix



NON-GAAP RECONCILIATIONS

This release contains certain non-GAAP financial measures (the "Adjusted" amounts) as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations and related earnings per share data. The Company has reconciled these measures to the most directly comparable GAAP measures (the "Reported" amounts) in the release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure by providing period-to-period comparability of the Company's results from operations.

	Fourth Quarter Ended		Year Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(In thousands)		(In thousands)	
SG&A Reconciliation:				
As Reported	\$ 264,402	\$ 254,647	\$ 1,067,433	\$ 1,003,125
Pre-tax Adjustments:				
Fire and severe storm damage	(961)	-	(3,965)	-
Legal and other	(575)	-	(1,105)	-
Gain on disposal of franchises	254	-	10,743	-
Total pre-tax adjustments	(1,282)	-	5,673	-
Adjusted SG&A	\$ 263,120	\$ 254,647	\$ 1,073,106	\$ 1,003,125
SG&A as % of Gross Reconciliation:				
As Reported	75.9%	75.2%	78.1%	77.1%
Pre-tax Adjustments:				
Fire and severe storm damage	(0.3%)	0.0%	(0.2%)	0.0%
Legal and other	(0.2%)	0.0%	(0.1%)	0.0%
Gain on disposal of franchises	0.1%	0.0%	0.8%	0.0%
Total pre-tax adjustments	(0.4%)	0.0%	0.5%	0.0%
Adjusted SG&A as % of Gross	75.5%	75.2%	78.6%	77.1%



NON-GAAP RECONCILIATIONS

	Fourth Quarter Ended		Year Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
	(In thousands)		(In thousands)	
Operating Profit Reconciliation:				
As Reported	\$ 62,470	\$ 59,264	\$ 233,613	\$ 234,603
Pre-tax Adjustments:				
Fire and severe storm damage	961	-	3,965	-
Legal and other	575	-	1,105	-
Impairment charges	6,379	9,873	6,586	9,872
Gain on disposal of franchises	(254)	-	(10,743)	-
Total pre-tax adjustments	7,661	9,873	913	9,872
Adjusted Operating Profit	\$ 70,131	\$ 69,137	\$ 234,526	\$ 244,475
Profit from Continuing Operations (after-tax) Reconciliation:				
As Reported	\$ 26,957	\$ 29,562	\$ 98,559	\$ 84,678
After-tax Adjustments:				
Fire and severe storm damage	594	-	2,683	-
Legal and other	355	-	749	-
Impairment charges	3,943	6,022	4,459	6,022
Gain on disposal of franchises	(157)	-	(7,273)	-
Permanent tax difference from disposals	853	-	853	-
Debt Refinancing	-	-	-	17,704
Total after-tax adjustments	5,588	6,022	1,471	23,726
Adjusted Profit from Continuing Operations (after-tax)	\$ 32,545	\$ 35,584	\$ 100,030	\$ 108,404



NON-GAAP RECONCILIATIONS

	Fourth Quarter Ended December 31, 2014						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	51,272	\$ 26,957		\$ (831)		\$ 26,126	
Effect of participating securities:							
Non-vested restricted stock and stock units		(86)		-		(86)	
Basic earnings (loss) and shares	51,272	\$ 26,871	\$ 0.52	\$ (831)	\$ (0.01)	\$ 26,040	\$ 0.51
Effect of dilutive securities:							
Stock compensation plans	562						
Diluted earnings (loss) and shares (1)	51,834	\$ 26,871	\$ 0.52	\$ (831)	\$ (0.02)	\$ 26,040	\$ 0.50
Adjustments (net of tax):							
Fire and severe storm damage		\$ 594	\$ 0.01	\$ -	\$ -	\$ 594	\$ 0.01
Legal and other		355	-	-	-	355	-
Impairment charges		3,943	0.08	-	-	3,943	0.08
Gain on disposal of franchises		(157)	-	-	-	(157)	-
Permanent tax difference from disposals		853	0.02	-	-	853	0.02
Total adjustments		\$ 5,588	\$ 0.11	\$ -	\$ -	\$ 5,588	\$ 0.11
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share		\$ 32,545	\$ 0.63	\$ (831)	\$ (0.02)	\$ 31,714	\$ 0.61

(1) Expenses attributable to the EchoPark® initiative were \$0.08 per fully diluted share in the fourth quarter of 2014.

	Fourth Quarter Ended December 31, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	52,492	\$ 29,562		\$ (1,478)		\$ 28,084	
Effect of participating securities:							
Non-vested restricted stock and stock units		(208)		-		(208)	
Basic earnings (loss) and shares	52,492	\$ 29,354	\$ 0.56	\$ (1,478)	\$ (0.03)	\$ 27,876	\$ 0.53
Effect of dilutive securities:							
Stock compensation plans	482						
Diluted earnings (loss) and shares (2)	52,974	\$ 29,354	\$ 0.55	\$ (1,478)	\$ (0.02)	\$ 27,876	\$ 0.53
Adjustments (net of tax):							
Impairment Charges		\$ 6,022	\$ 0.11	\$ -	\$ -	\$ 6,022	\$ 0.11
Effect of two-class method & rounding		-	0.01	-	(0.01)	-	-
Total adjustments		\$ 6,022	\$ 0.12	\$ -	\$ (0.01)	\$ 6,022	\$ 0.11
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share		\$ 35,584	\$ 0.67	\$ (1,478)	\$ (0.03)	\$ 34,106	\$ 0.64

(2) Expenses attributable to the EchoPark® initiative were \$0.03 per fully diluted share in the fourth quarter of 2013.



NON-GAAP RECONCILIATIONS

	Year Ended December 31, 2014						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
		(In thousands, except per share amounts)					
Reported:							
Earnings (loss) and shares	52,065	\$ 98,559	\$ (1,342)		\$ 97,217		
Effect of participating securities:							
Non-vested restricted stock and stock units		(311)	-		(311)		
Basic earnings (loss) and shares	52,065	\$ 98,248	\$ 1.89	\$ (1,342)	\$ (0.03)	\$ 96,906	\$ 1.86
Effect of dilutive securities:							
Contingently convertible debt (5.0% Convertible Notes)		-	-	-	-	-	
Stock compensation plans	498						
Diluted earnings (loss) and shares (3)	52,563	\$ 98,248	\$ 1.87	\$ (1,342)	\$ (0.03)	\$ 96,906	\$ 1.84
Adjustments (net of tax):							
Fire and severe storm damage		\$ 2,685	\$ 0.05	\$ -	\$ -	\$ 2,685	\$ 0.05
Legal and other		749	0.01	-	-	749	0.01
Impairment charges		4,459	0.08	-	-	4,459	0.08
Gain on disposal of franchises		(7,273)	(0.14)	-	-	(7,273)	(0.14)
Permanent tax difference from disposals		853	0.02	-	-	853	0.02
Lease exit adjustments		-	-	(844)	(0.02)	(844)	(0.02)
Effect of two-class method & rounding		-	0.01	-	0.01	-	0.02
Total adjustments		\$ 1,473	\$ 0.03	\$ (844)	\$ (0.01)	\$ 629	\$ 0.02
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share		\$ 100,032	\$ 1.90	\$ (2,186)	\$ (0.04)	\$ 97,846	\$ 1.86

(3) Expenses attributable to the EchoPark® initiative were \$0.18 per fully diluted share in the year ended December 31, 2014.

	Year Ended December 31, 2013						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
		(In thousands, except per share amounts)					
Reported:							
Earnings (loss) and shares	52,556	\$ 84,678	\$ (3,060)		\$ 81,618		
Effect of participating securities:							
Non-vested restricted stock and stock units		(601)	-		(601)		
Basic earnings (loss) and shares	52,556	\$ 84,077	\$ 1.60	\$ (3,060)	\$ (0.06)	\$ 81,017	\$ 1.54
Effect of dilutive securities:							
Stock compensation plans	385						
Diluted earnings (loss) and shares (4)	52,941	\$ 84,077	\$ 1.59	\$ (3,060)	\$ (0.06)	\$ 81,017	\$ 1.53
Adjustments (net of tax):							
Impairment Charges		\$ 6,022	\$ 0.11	\$ -	\$ -	\$ 6,022	\$ 0.11
Double-carry interest & refinancing		17,704	0.33	-	-	17,704	0.33
Debt extinguishment charges		-	-	-	-	-	-
Effect of two-class method & rounding		-	-	-	0.01	-	0.01
Total adjustments		\$ 23,726	\$ 0.44	\$ -	\$ 0.01	\$ 23,726	\$ 0.45
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share		\$ 108,404	\$ 2.03	\$ (3,060)	\$ (0.05)	\$ 105,344	\$ 1.98

(4) Expenses attributable to the EchoPark® initiative were \$0.07 per fully diluted share in the year ended December 31, 2014.





FOR IMMEDIATE RELEASE

SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND

CHARLOTTE, N.C. – February 24, 2015 – Sonic Automotive, Inc. (NYSE: SAH), a leader in automotive retailing, today announced that its Board of Directors approved a quarterly dividend of \$0.025 per share payable in cash for stockholders of record on March 13, 2015. The dividend will be payable on April 15, 2015.

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein is a forward-looking statement pertaining to an anticipated cash dividend to shareholders. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions in the markets in which we operate, new and used vehicle sales volume, the success of our operational strategies and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2013. The Company does not undertake any obligation to update forward-looking information.

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Contact: Heath Byrd, Chief Financial Officer (704) 566-2400
C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439