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

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported): April 21, 2015**

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**SONIC AUTOMOTIVE, INC.**

(Exact name of registrant as specified in its charter)

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**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.)

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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 April 21, 2015, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2015. 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 April 21, 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 April 21, 2015, reporting Sonic Automotive, Inc.’s financial results for the fiscal first quarter ended March 31, 2015
- 99.2 Earnings call presentation materials
- 99.3 Press release of Sonic Automotive, Inc., dated April 21, 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.

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**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: April 21, 2015

SONIC AUTOMOTIVE, INC.

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

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**INDEX TO EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Press release of Sonic Automotive, Inc., dated April 21, 2015, reporting Sonic Automotive, Inc.'s financial results for the fiscal first quarter ended March 31, 2015
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc., dated April 21, 2015, reporting quarterly cash dividend

*Sonic Automotive, Inc. Reports Record Gross Profit  
Retailed Record Number of New and Pre-Owned Units*

**First Quarter 2015 Results**

- Record Q1 new retail units of 31,334, up 4.3%, over the prior year quarter
- Record Q1 pre-owned units and gross profit of 28,135 and \$40.8 million, respectively
- Record Q1 fixed operations gross profit of \$156.4 million, up 2.8% over the prior year quarter
- Record Q1 total gross profit of \$335.0 million, up 1.8% over the prior year quarter
- EchoPark® stores retail 660 units

**CHARLOTTE, N.C.** – April 21, 2015 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported adjusted net income from continuing operations for the first quarter of 2015 of \$18.8 million, or \$0.37 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$4.9 million, or \$0.06 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.

Net income from continuing operations for the first quarter of 2014 was \$20.0 million, or \$0.38 per diluted share. Included in these amounts are pre-tax expenses of \$1.7 million, or \$0.02 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 first quarter 2015 were \$14.4 million and \$0.28 per share, respectively. There were no adjustments in the first quarter of 2014. See the accompanying tables for details of quarterly adjustments.

Jeff Dyke, Sonic’s EVP of Operations, stated, “We had another solid record setting quarter! Our One Sonic-One Experience stores are making great progress. Our first store that adopted the process, Town & Country Toyota, has gained more than 600 basis points of market share in each of the last two months year-over-year, is tracking to do the same again in April, and has experienced steady growth in profitability. More exciting is the remaining Charlotte stores are following in the same path giving us great confidence that we are on the right track. While the change has been significant, the results from a share and guest satisfaction perspective are adding to our resolve that the decisions we have made to enhance our guest experience are right on target. We are also equally excited about EchoPark®! We sold 660 units for the quarter, just under 300 units in the month of March, and have grown the business rapidly. These results are a direct reflection of our business plan, our team’s depth of experience, our unmatched guest experience and a response from our customer base that confirms what we were trying to accomplish. As these two strategies come to life, we look for the Sonic Brand to become a household name in the retail world beyond automotive driven by an unmatched customer experience. None of this would be possible without the extraordinary effort of our remarkable team – many thanks to them! We look forward to continued success in the coming years.”

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B. Scott Smith, Sonic's President, remarked, "We have made a lot of progress in the first quarter of the year. Our Charlotte stores have migrated to our One Sonic-One Experience platform and we now have three EchoPark® retail operating locations in Denver, with progress made to open an additional location by the end of 2015. We are very pleased with how our associates and customers are embracing the technologies and improved transaction processes. Although there is still a lot of work to be done to ensure the long-term sustainability of these initiatives, the cornerstones have been set and we look forward to building upon these in the future."

#### **First 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](http://www.sonicautomotive.com), then click on "Our Company," then "Investor Relations," then "Webcasts & Presentations."

Presentation materials for the conference call can be accessed on the Company's website at [www.sonicautomotive.com](http://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: 20767539

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: 20767539

#### 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](http://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, 2014. The Company does not undertake any obligation to update forward-looking information.

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.

	Three Months Ended March 31,	
	2015	2014
	(In thousands, except per share and unit data)	
<b>Revenues:</b>		
New retail vehicles	\$ 1,190,215	\$ 1,112,291
Fleet vehicles	12,108	34,329
Total new vehicles	1,202,323	1,146,620
Used vehicles	593,742	559,816
Wholesale vehicles	41,656	41,598
Total vehicles	1,837,721	1,748,034
Parts, service and collision repair	323,194	318,771
Finance, insurance and other, net	74,600	69,581
Total revenues	2,235,515	2,136,386
Gross profit	334,959	329,000
Selling, general and administrative expenses	(270,862)	(263,973)
Impairment charges	(6,192)	(3)
Depreciation and amortization	(16,409)	(14,381)
Operating income (loss)	41,496	50,643
<b>Other income (expense):</b>		
Interest expense, floor plan	(4,778)	(4,689)
Interest expense, other, net	(13,219)	(13,818)
Other income (expense), net	90	97
Total other income (expense)	(17,907)	(18,410)
Income (loss) from continuing operations before taxes	23,589	32,233
Provision for income taxes - benefit (expense)	(9,200)	(12,249)
Income (loss) from continuing operations	14,389	19,984
Income (loss) from discontinued operations	(422)	(598)
Net income (loss)	<u>\$ 13,967</u>	<u>\$ 19,386</u>
<b>Diluted earnings (loss) per common share:</b>		
Earnings (loss) per share from continuing operations	\$ 0.28	\$ 0.38
Earnings (loss) per share from discontinued operations	(0.01)	(0.02)
Earnings (loss) per common share	<u>\$ 0.27</u>	<u>\$ 0.36</u>
Weighted average common shares outstanding	51,403	52,946
<b>Gross Margin Data (Continuing Operations):</b>		
New retail vehicles	5.3%	5.9%
Fleet vehicles	(0.6%)	2.6%
Total new vehicles	5.3%	5.8%
Used vehicles	6.9%	7.3%
Wholesale vehicles	(0.5%)	(0.2%)
Parts, service and collision repair	48.4%	47.7%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.0%	15.4%
<b>SG&amp;A Expenses (Continuing Operations):</b>		
Compensation	\$ 161,858	\$ 157,154
Advertising	15,332	14,119
Rent	18,254	18,535
Other	75,418	74,165
Total SG&A expenses	\$ 270,862	\$ 263,973
SG&A expenses as % of gross profit	80.9%	80.2%
Operating Margin %	1.9%	2.4%
<b>Unit Data (Continuing Operations):</b>		
New retail units	31,334	30,029
Fleet units	355	1,102
Total new units	31,689	31,131
Used units	28,135	27,657
Wholesale units	7,777	7,380



**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

*Per Share Data*

	Three Months Ended March 31, 2015						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Average		Net Income (Loss)	
		Per Share		Per Share		Per Share	
		Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)							
<b>Reported:</b>							
Earnings (loss) and shares	50,854	\$14,389		\$ (422)		\$13,967	
Effect of participating securities:							
Non-vested restricted stock and stock units		(5)		—		(5)	
Basic earnings (loss) and shares	50,854	\$14,384	\$ 0.28	\$ (422)	\$ (0.01)	\$13,962	\$ 0.27
Effect of dilutive securities:							
Stock compensation plans	549						
Diluted earnings (loss) and shares	<u>51,403</u>	<u>\$14,384</u>	<u>\$ 0.28</u>	<u>\$ (422)</u>	<u>\$ (0.01)</u>	<u>\$13,962</u>	<u>\$ 0.27</u>
<b>Adjustments (net of tax):</b>							
Impairment charges		\$ 3,777	\$ 0.07	—	\$ —	\$ 3,777	\$ 0.07
Other		634	0.02	—	—	634	0.02
Total adjustments		\$ 4,411	\$ 0.09	\$ —	\$ —	\$ 4,411	\$ 0.09
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (1)		\$18,800	<u>\$ 0.37</u>	\$ (422)	<u>\$ (0.01)</u>	\$18,378	<u>\$ 0.36</u>

(1) Expenses attributable to the EchoPark® initiative were \$0.06 per fully diluted share in the three months ended March 31, 2015.

	Three Months Ended March 31, 2014						
	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)							
<b>Reported:</b>							
Earnings (loss) and shares	52,418	\$19,984		\$ (598)		\$19,386	
Effect of participating securities:							
Non-vested restricted stock and stock units		(63)		—		(63)	
Basic earnings (loss) and shares	52,418	\$19,921	\$ 0.38	\$ (598)	\$ (0.01)	\$19,323	\$ 0.37
Effect of dilutive securities:							
Stock compensation plans	528						
Diluted earnings (loss) and shares (2)	<u>52,946</u>	<u>\$19,921</u>	<u>\$ 0.38</u>	<u>\$ (598)</u>	<u>\$ (0.02)</u>	<u>\$19,323</u>	<u>\$ 0.36</u>

(2) Expenses attributable to the EchoPark® initiative were \$0.02 per fully diluted share in the three months ended March 31, 2014.

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

*New Vehicles*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 1,202,323	\$ 1,146,620	\$55,703	4.9%
Gross profit	\$ 63,350	\$ 66,673	\$ (3,323)	(5.0%)
Unit sales	31,689	31,131	558	1.8%
Revenue per unit	\$ 37,941	\$ 36,832	\$ 1,109	3.0%
Gross profit per unit	\$ 1,999	\$ 2,142	\$ (143)	(6.7%)
Gross profit as a % of revenue	5.3%	5.8%	(50) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 1,190,252	\$ 1,110,066	\$80,186	7.2%
Gross profit	\$ 62,438	\$ 64,632	\$ (2,194)	(3.4%)
Unit sales	31,336	30,082	1,254	4.2%
Revenue per unit	\$ 37,984	\$ 36,901	\$ 1,083	2.9%
Gross profit per unit	\$ 1,993	\$ 2,149	\$ (156)	(7.3%)
Gross profit as a % of revenue	5.2%	5.8%	(60) bps	

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

*Used Vehicles*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 593,742	\$ 559,816	\$33,926	6.1%
Gross profit	\$ 40,844	\$ 40,693	\$ 151	0.4%
Unit sales	28,135	27,657	478	1.7%
Revenue per unit	\$ 21,103	\$ 20,241	\$ 862	4.3%
Gross profit per unit	\$ 1,452	\$ 1,471	\$ (19)	(1.3%)
Gross profit as a % of revenue	6.9%	7.3%	(40) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 572,759	\$ 537,639	\$35,120	6.5%
Gross profit	\$ 40,013	\$ 39,286	\$ 727	1.9%
Unit sales	27,079	26,601	478	1.8%
Revenue per unit	\$ 21,151	\$ 20,211	\$ 940	4.7%
Gross profit per unit	\$ 1,478	\$ 1,477	\$ 1	0.1%
Gross profit as a % of revenue	7.0%	7.3%	(30) bps	

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

**Wholesale Vehicles**

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 41,656	\$ 41,598	\$ 58	0.1%
Gross profit (loss)	\$ (210)	\$ (93)	\$ (117)	(125.8%)
Unit sales	7,777	7,380	397	5.4%
Revenue per unit	\$ 5,356	\$ 5,637	\$ (281)	(5.0%)
Gross profit (loss) per unit	\$ (27)	\$ (13)	\$ (14)	(107.7%)
Gross profit (loss) as a % of revenue	(0.5%)	(0.2%)	(30) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 40,773	\$ 40,246	\$ 527	1.3%
Gross profit (loss)	\$ (186)	\$ (23)	\$ (163)	(708.7%)
Unit sales	7,523	7,145	378	5.3%
Revenue per unit	\$ 5,420	\$ 5,633	\$ (213)	(3.8%)
Gross profit (loss) per unit	\$ (25)	\$ (3)	\$ (22)	(733.3%)
Gross profit (loss) as a % of revenue	(0.5%)	(0.1%)	(40) bps	

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

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

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 137,623	\$ 141,121	\$(3,498)	(2.5%)
Warranty	53,498	46,591	6,907	14.8%
Wholesale parts	45,012	47,944	(2,932)	(6.1%)
Internal, sublet and other	87,061	83,115	3,946	4.7%
Total	<u>\$ 323,194</u>	<u>\$ 318,771</u>	<u>\$ 4,423</u>	<u>1.4%</u>
Gross profit				
Customer pay	\$ 75,678	\$ 77,999	\$(2,321)	(3.0%)
Warranty	29,760	25,238	4,522	17.9%
Wholesale parts	8,138	8,161	(23)	(0.3%)
Internal, sublet and other	42,799	40,748	2,051	5.0%
Total	<u>\$ 156,375</u>	<u>\$ 152,146</u>	<u>\$ 4,229</u>	<u>2.8%</u>
Gross profit as a % of revenue				
Customer pay	55.0%	55.3%	(30) bps	
Warranty	55.6%	54.2%	140 bps	
Wholesale parts	18.1%	17.0%	110 bps	
Internal, sublet and other	49.2%	49.0%	20 bps	
Total	48.4%	47.7%	70 bps	

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

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

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 135,768	\$ 136,486	\$ (718)	(0.5%)
Warranty	52,971	44,774	8,197	18.3%
Wholesale parts	44,580	46,667	(2,087)	(4.5%)
Internal, sublet and other	84,956	80,559	4,397	5.5%
Total	<u>\$ 318,275</u>	<u>\$ 308,486</u>	<u>\$ 9,789</u>	<u>3.2%</u>
Gross profit				
Customer pay	\$ 74,689	\$ 75,558	\$ (869)	(1.2%)
Warranty	29,457	24,269	5,188	21.4%
Wholesale parts	8,052	7,907	145	1.8%
Internal, sublet and other	41,809	39,145	2,664	6.8%
Total	<u>\$ 154,007</u>	<u>\$ 146,879</u>	<u>\$ 7,128</u>	<u>4.9%</u>
Gross profit as a % of revenue				
Customer pay	55.0%	55.4%	(40) bps	
Warranty	55.6%	54.2%	140 bps	
Wholesale parts	18.1%	16.9%	120 bps	
Internal, sublet and other	49.2%	48.6%	60 bps	
Total	48.4%	47.6%	80 bps	

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

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

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Reported:</b>				
Revenue	\$ 74,600	\$ 69,581	\$5,019	7.2%
Gross profit per retail unit (excludes fleet)	\$ 1,254	\$ 1,206	\$ 48	4.0%
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 73,129	\$ 67,182	\$5,947	8.9%
Gross profit per retail unit (excludes fleet)	\$ 1,260	\$ 1,209	\$ 51	4.2%

**Sonic Automotive, Inc.**  
**Results of Operations (Unaudited)**

*Selling, General and Administrative (“SG&A”) Expenses*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 161,858	\$ 157,154	\$(4,704)	(3.0%)
Advertising	15,332	14,119	(1,213)	(8.6%)
Rent	18,254	18,535	281	1.5%
Other	75,418	74,165	(1,253)	(1.7%)
Total	<u>\$ 270,862</u>	<u>\$ 263,973</u>	<u>\$(6,889)</u>	<u>(2.6%)</u>
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	48.3%	47.8%	(50) bps	
Advertising	4.6%	4.3%	(30) bps	
Rent	5.4%	5.6%	20 bps	
Other	22.6%	22.5%	(10) bps	
Total	80.9%	80.2%	(70) bps	



# Q1 2015 EARNINGS REVIEW

## April 21, 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 2015 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 ending December 31, 2015. 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 ended December 31, 2014.

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<sup>®</sup>
  - Acquisitions & Open Points
2. Own Our Properties
3. Return Capital to Shareholders



# STRATEGIC FOCUS

## ONE SONIC-ONE EXPERIENCE (OSOE)

- Goals
  - 1 Associate, 1 Price, 1 Hour
  - Improve Transparency; Increase Trust
  - Operational Efficiencies
- Pilot Stores Underway
- 36 Month Implementation
- Charlotte Market Rollout in Progress

**ONE SONIC.**  
**ONE EXPERIENCE.**

Result - Increase Market Share and Customer Retention



# STRATEGIC FOCUS

## EchoPark®



- Hub Opened November 3
- 2 Neighborhood Stores Opened in January 2015
- Expect at least 1 more in 2015 and another in 2016

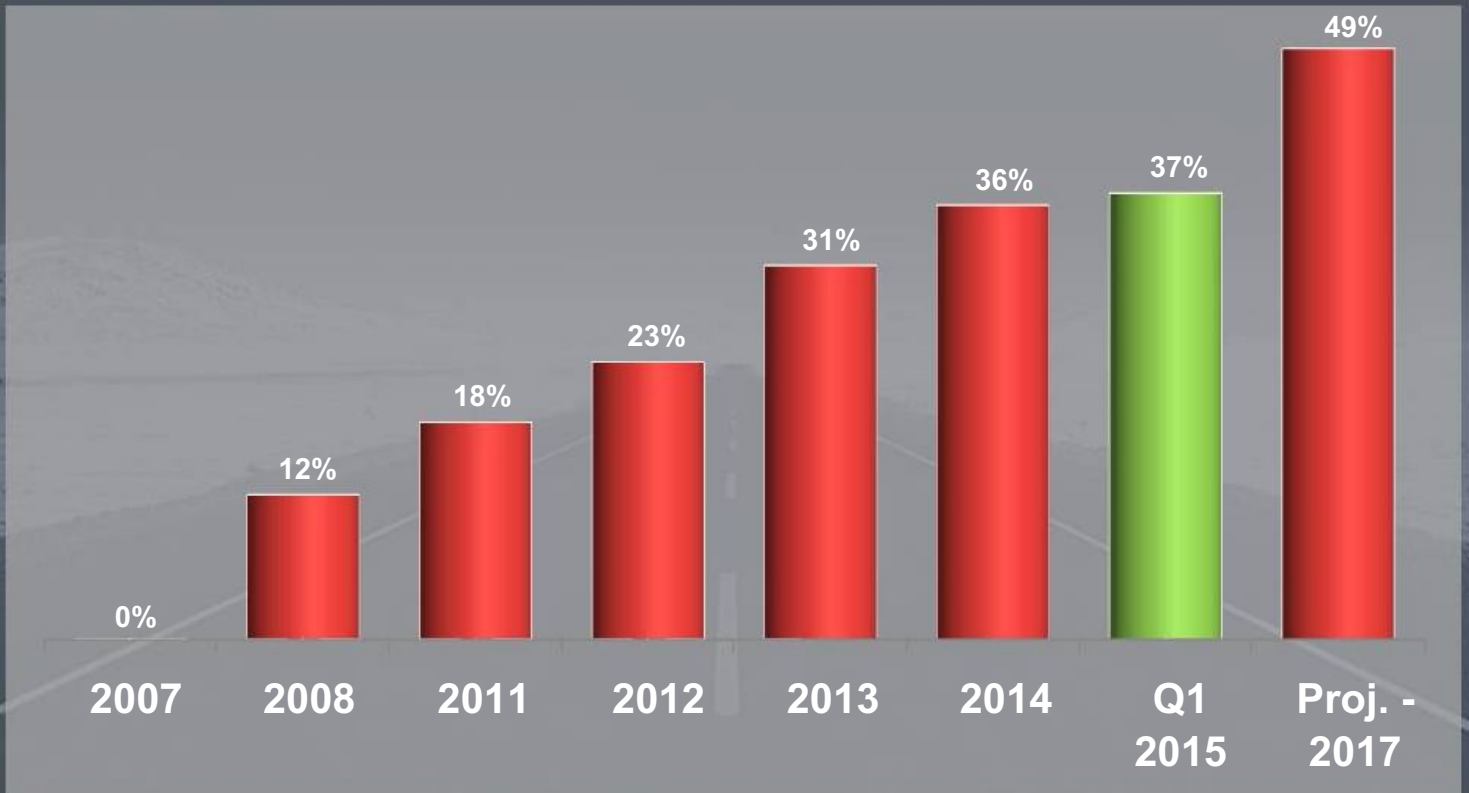
# STRATEGIC FOCUS

## ACQUISITIONS & OPEN POINTS

- Open Points
  - Mercedes Benz in Dallas Market
    - Operational in 2016
  - Audi in Pensacola Market
    - Operational in 2016
  - Nissan in TN Market
    - Operational in late 2016 / early 2017
- Exploring Acquisition and Open Point Opportunities in Other Markets

# STRATEGIC FOCUS

## OWN OUR PROPERTIES





# STRATEGIC FOCUS

## RETURN CAPITAL TO SHAREHOLDERS

	<b>Shares</b> <small>(in thousands)</small>	<b>Average Price / Share</b>	<b>\$</b> <small>(in millions)</small>
2015 Activity	447	\$ 24.89	\$ 11.1

- Unused Authorization of Approximately \$ 68 million
- Quarterly Dividend of \$0.025 Per Share

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

# **Q1 2015 FINANCIAL REVIEW**



An aerial photograph of a winding asphalt road that curves through a hilly, reddish-brown landscape. The road has white lane markings and a double yellow line in the center. The terrain is covered in sparse, dry vegetation. The overall color palette is dominated by warm, earthy tones.

# **Q1 2015 FINANCIAL REVIEW FRANCHISE DEALERSHIPS**



# ADJUSTED FRANCHISED OPERATIONS

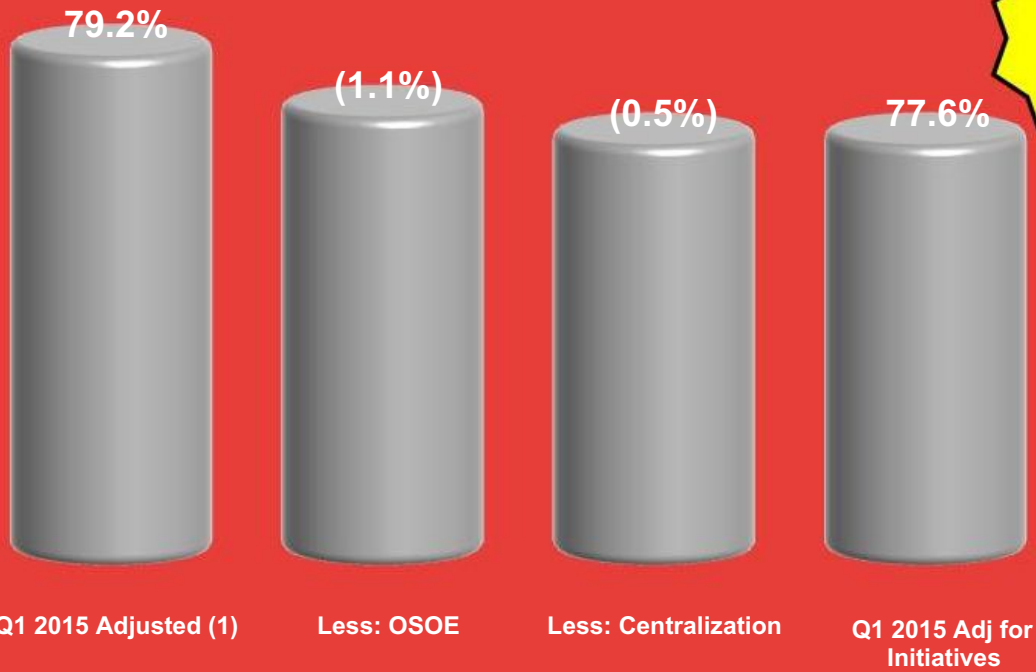
		B/(W) than Q1 2014	
(amounts in millions, except per share data)	<u>Q1 2015</u>	\$	%
Revenue	\$ 2,220	\$ 83	3.9%
Gross Profit	\$ 333	\$ 4	1.3%
SG&A as % of Gross <sup>(1)</sup>	79.2%	50 bps	
Operating Profit <sup>(1)</sup>	\$ 54	\$ 1	2.2%
Interest & Other	\$ 18	\$ 1	3.4%
Pretax <sup>(1)</sup>	\$ 36	\$ 2	5.2%
Diluted EPS <sup>(1)</sup>	\$ 0.43	\$ .03	7.5%

Note – Continuing operations includes results of sold stores after March 31, 2014.

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



# FRANCHISED SG&A TO GROSS WALK – Q1



210 bps  
Better than  
Q1 2014 of  
79.7%

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



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.

# **Q1 2015 FINANCIAL REVIEW**

## **ECHOPARK®**



# ECHOPARK<sup>®</sup> Q1 RESULTS

		B/(W) than Q1 2014
(amounts in millions, except per share data)	<u>Q1 2015</u>	\$
Revenue	\$ 15.7	\$ 15.7
Gross Profit	\$ 1.8	\$ 1.8
Operating Profit <sup>(1)</sup>	(\$ 4.8)	(\$ 3.1)
Interest & Other	(\$ 0.1)	(\$ 0.1)
Pre-tax Profit (Loss) <sup>(1)</sup>	(\$ 4.9)	(\$ 3.2)
Store Level (retail units)	660	n/a
Diluted EPS <sup>(1)</sup>	(\$ 0.06)	(\$0.04)

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



An aerial photograph of a winding asphalt road that curves through a hilly, reddish-brown landscape. The road has white lane markings and a double yellow line in the center. The terrain is covered in sparse, dry vegetation. The overall color palette is dominated by warm, earthy tones.

# **Q1 2015 FINANCIAL REVIEW TOTAL ENTERPRISE**





# ADJUSTED TOTAL Q1 2015 RESULTS

		B/(W) than Q1 2014	
(amounts in millions, except per share data)	<u>Q1 2015</u>	\$	%
Revenue	\$ 2,236	\$ 99	4.6%
Gross Profit	\$ 335	\$ 6	1.8%
Operating Profit <sup>(1)</sup>	\$ 49	(\$ 2)	(3.8%)
Interest & Other	\$ 18	\$ 1	2.7%
Continuing Ops:			
Profit (after tax) <sup>(1)</sup>	\$ 19	(\$ 1)	(5.9%)
Diluted EPS <sup>(1)</sup>	\$ 0.37	(\$ 0.01)	(2.6%)
SG&A as % of Gross <sup>(1)</sup>	80.6%	(40 bps)	
Discontinued Ops Profit/(Loss) (after tax)	(\$ 0.4)	\$ 0.2	

Note – Continuing operations includes results of sold stores after March 31, 2014.

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



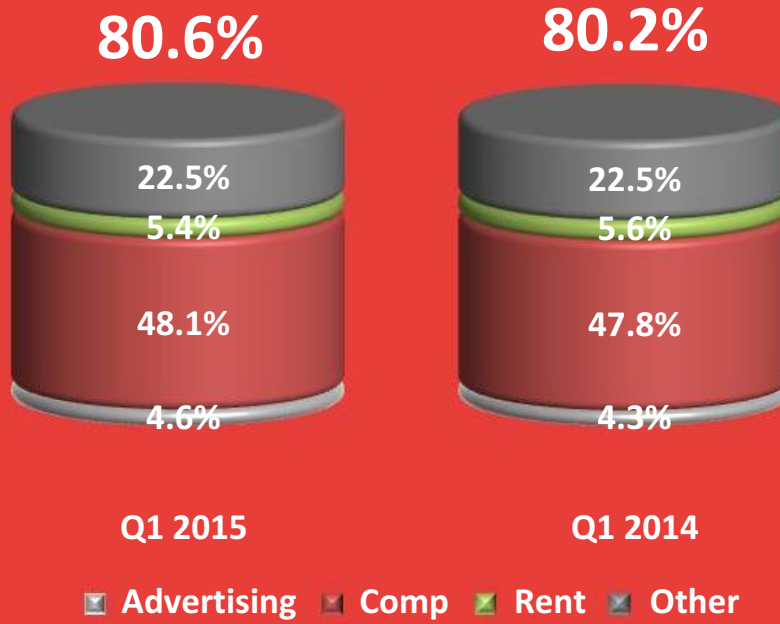
# TOTAL REVENUE & GROSS PROFIT Q1 2015

		B/(W) than Q1 2014	
(amounts in millions)	Q1 2015	\$	%
New Retail Revenue	\$ 1,190	\$ 78	7.0%
Used Retail Revenue	\$ 594	\$ 34	6.1%
Fixed Operations Revenue	\$ 323	\$ 4	1.4%
F&I Revenue	\$ 75	\$ 5	7.2%
<b>Total Revenue</b>	<b>\$ 2,236</b>	<b>\$ 99</b>	<b>4.6%</b>
New Retail Gross	\$ 63	(\$ 2)	(3.6%)
Used Retail Gross	\$ 41	\$ 0	0.4%
Fixed Operations Gross	\$ 156	\$ 4	2.8%
F&I Gross	\$ 75	\$ 5	7.2%
<b>Total Gross</b>	<b>\$ 335</b>	<b>\$ 6</b>	<b>1.8%</b>

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



# ADJUSTED TOTAL SG&A TO GROSS



Note – 2015 amounts are adjusted. See appendix for reconciliation of adjusted amounts to GAAP amounts



# ADJUSTED AND GAAP EPS SUMMARY

(amounts in millions, except per share date)	Q1 2015		Q1 2014	
	Pre-Tax	EPS	Pre-Tax	EPS
Adjusted Franchised EPS	\$35.7	\$ 0.43	\$ 34.0	\$0.40
Adjusted EchoPark® EPS	(\$4.9)	(\$0.06)	(\$ 1.7)	(\$ 0.02)
<b>Adjusted Total EPS</b>	<b>\$ 30.8</b>	<b>\$ 0.37</b>	<b>\$32.2</b>	<b>\$ 0.38</b>
Adjustments:				
Impairment	(\$ 6.2)	(\$ 0.07)	\$ 0.0	\$ 0.0
Other	(\$ 1.1)	(\$ 0.02)	\$ 0.0	\$ 0.0
<b>GAAP EPS</b>		<b><u>\$ 0.28</u></b>		<b><u>\$ 0.38</u></b>



# CAPITAL SPEND

(amounts in millions)	YTD Q1 2015	Estimated 2015
Real Estate & Facility Related	\$ 37.2	\$200.9
All Other Cap Ex	<u>9.7</u>	<u>46.3</u>
Subtotal	\$ 46.9	\$ 247.2
Less: Mortgage Funding	<u>(25.6)</u>	<u>(87.1)</u>
Total Cash Used – Cap Ex	<u>\$ 21.3</u>	<u>\$ 160.1</u>

Note – Spending excludes the effect of franchise acquisitions.



# LIQUIDITY

(amounts in millions)	Q1 2015	Q4 2014
Cash	\$4.0	\$ 4.2
Revolver Availability	161.1	165.6
Used floor plan availability	21.6	22.6
Floor plan deposit balance	<u>56.0</u>	<u>57.5</u>
Total	<u>\$242.7</u>	\$ 249.9



# DEBT COVENANTS

	Covenant	Actual Q1 2015
Liquidity Ratio	$\geq 1.05$	1.21
Fixed Charge Coverage Ratio	$\geq 1.20$	1.64
Total Lease Adjusted Leverage Ratio	$\leq 5.50$	4.16

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. Several vehicles are visible on the road, including a large truck. The sky is a pale, hazy blue. 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

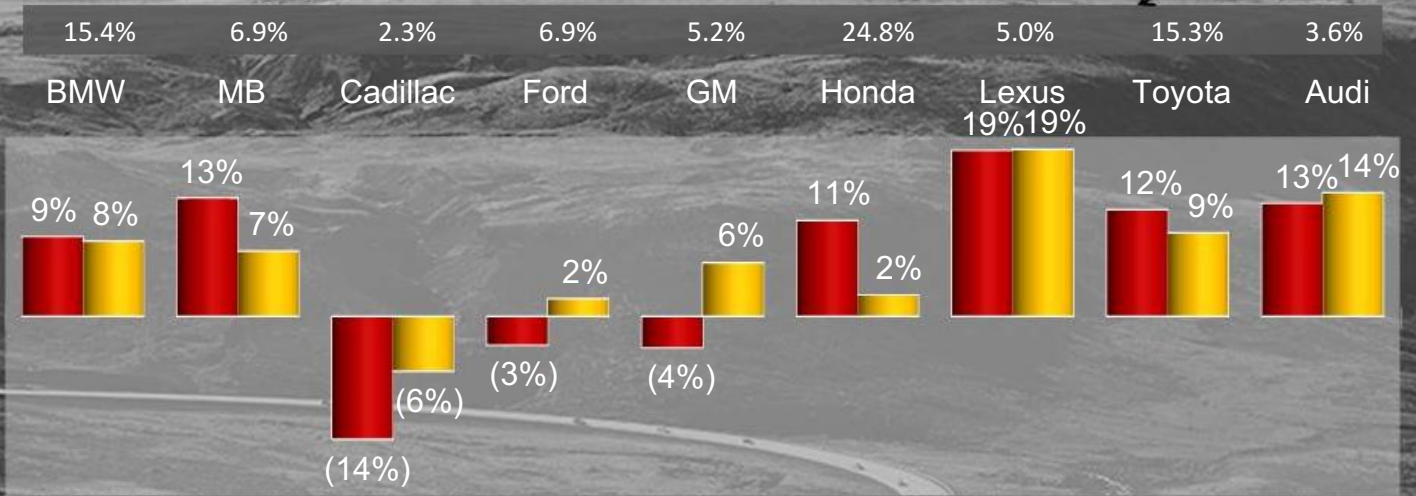
	Q1 2015	Q1 2014	B/(W)
Volume	30,981	28,980	6.9%
Selling Price	\$ 38,028	\$ 37,120	2.4%
Gross Margin %	5.3%	5.9%	(60 bps)
GPU	\$ 2,018	\$ 2,199	(\$ 182)
Gross Profit	\$ 63 million	\$ 64 million	(1.9%)
SAAR (includes fleet)	16.6 million	15.6 million	6.4%



# NEW VEHICLE - BRAND

Q1 2015 vs. Q1 2014 (1)

% Sonic Unit Sales



(1) – Industry includes fleet – Sonic does not

■ Sonic ■ Industry



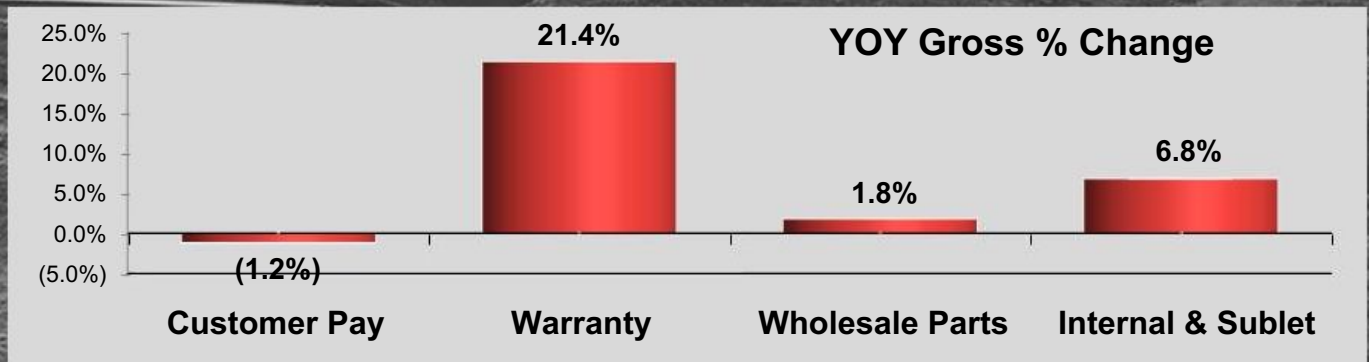
# USED VEHICLE RETAIL SAME STORE

	Q1 2015	Q1 2014	B/(W)
Retail Volume	27,079	26,601	1.8%
Used Retail GPU	\$ 1,478	\$ 1,477	\$ 1
Used to New	0.87:1.00	0.92:1.00	(0.04)
Vehicles / store / month (97 stores)	93	91	2



# FIXED OPS SAME STORE

	Q1 2015	B/(W) than 2014	
(amounts in millions)		\$	%
Revenue	\$ 318	\$ 10	3.2%
Gross Profit	\$ 154	\$ 7	4.9%



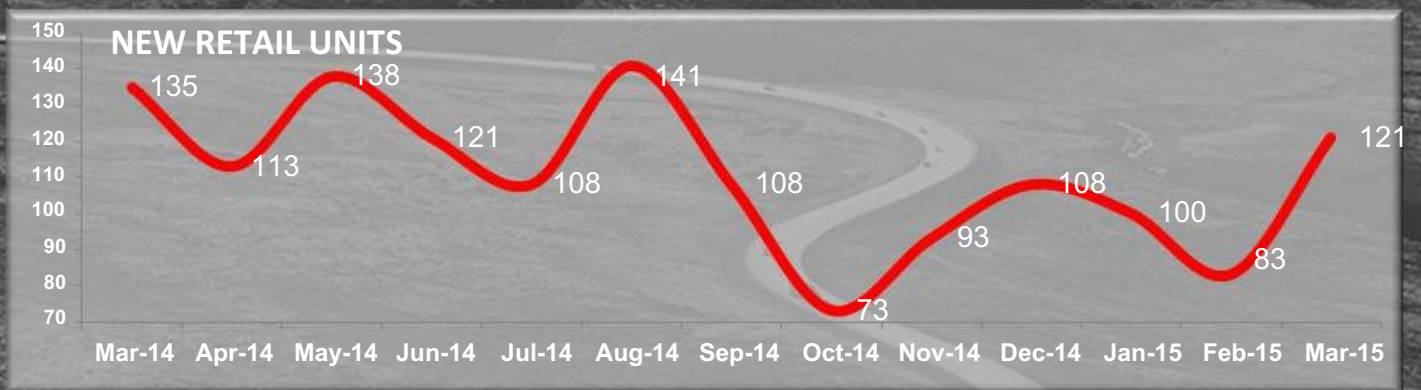
# OSOE



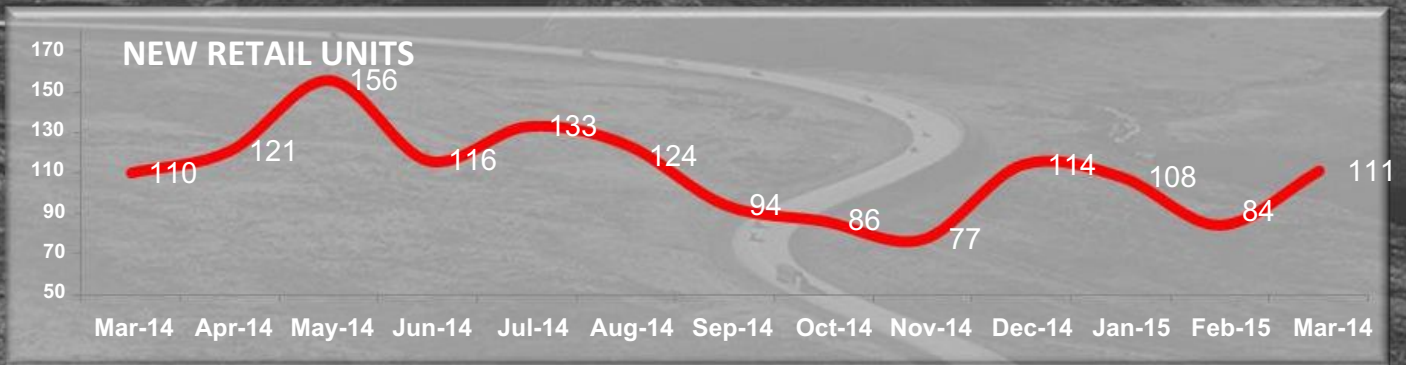
# OSOE – TOWN & COUNTRY TOYOTA



# OSOE – TOWN & COUNTRY FORD

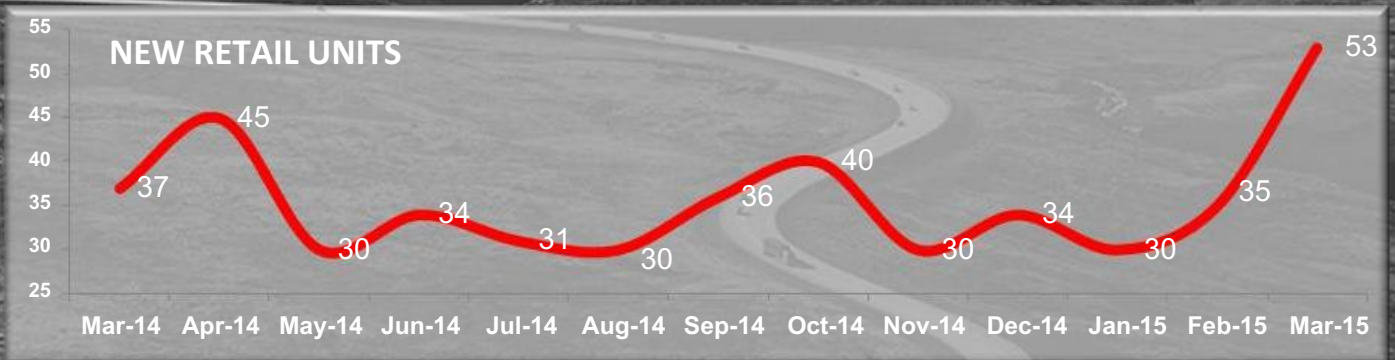
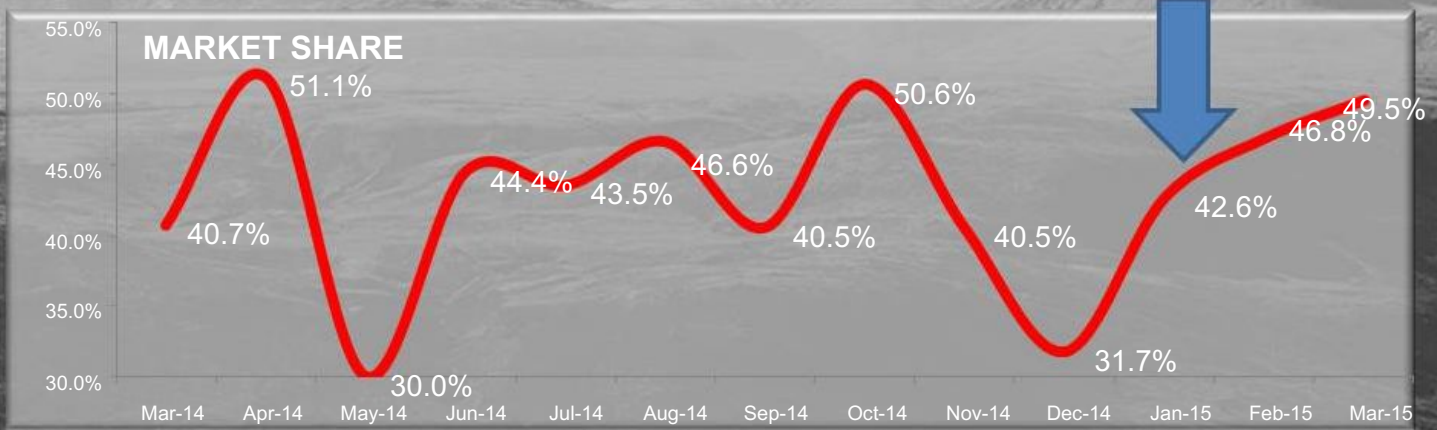


# OSOE – FORT MILL FORD

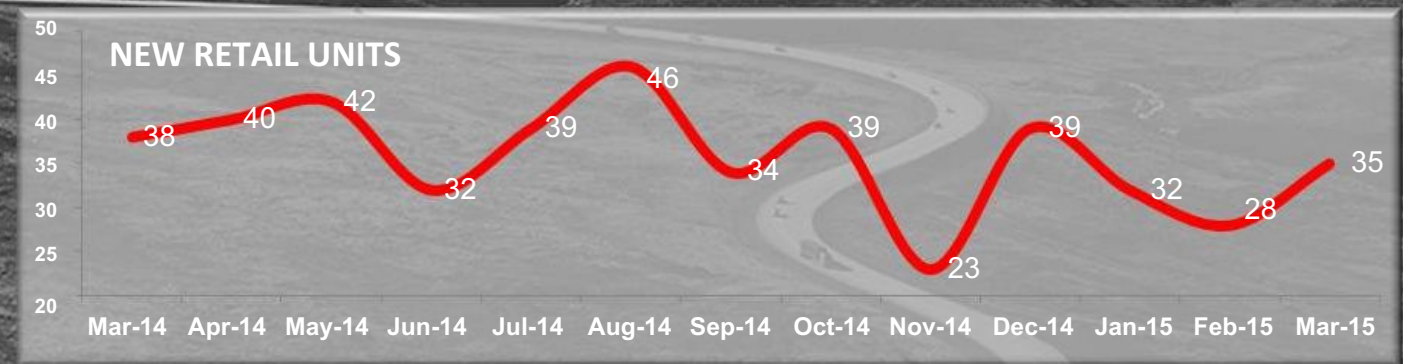
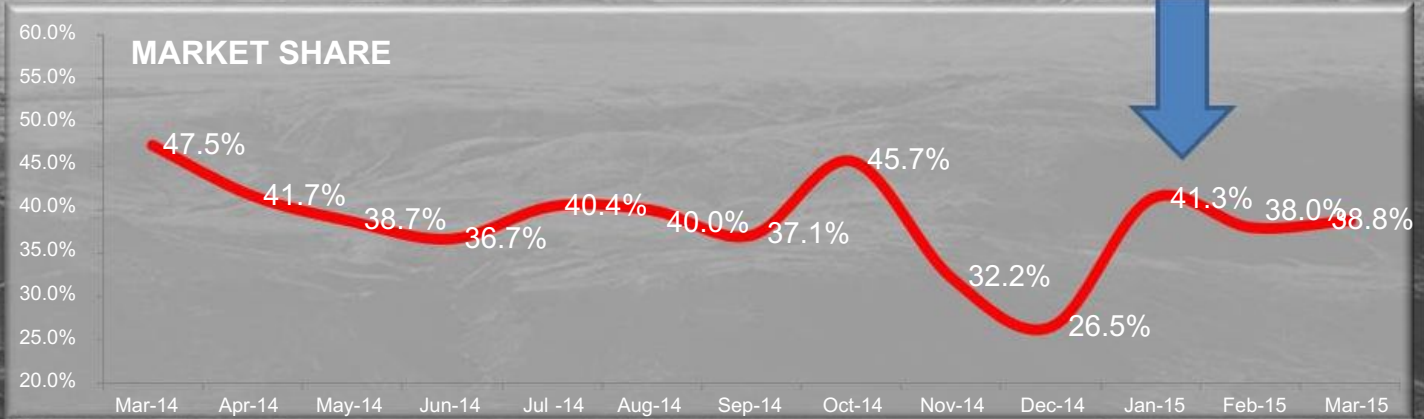




# OSOE – INFINITI OF CHARLOTTE



# OSOE – CADILLAC OF SOUTH CHARLOTTE



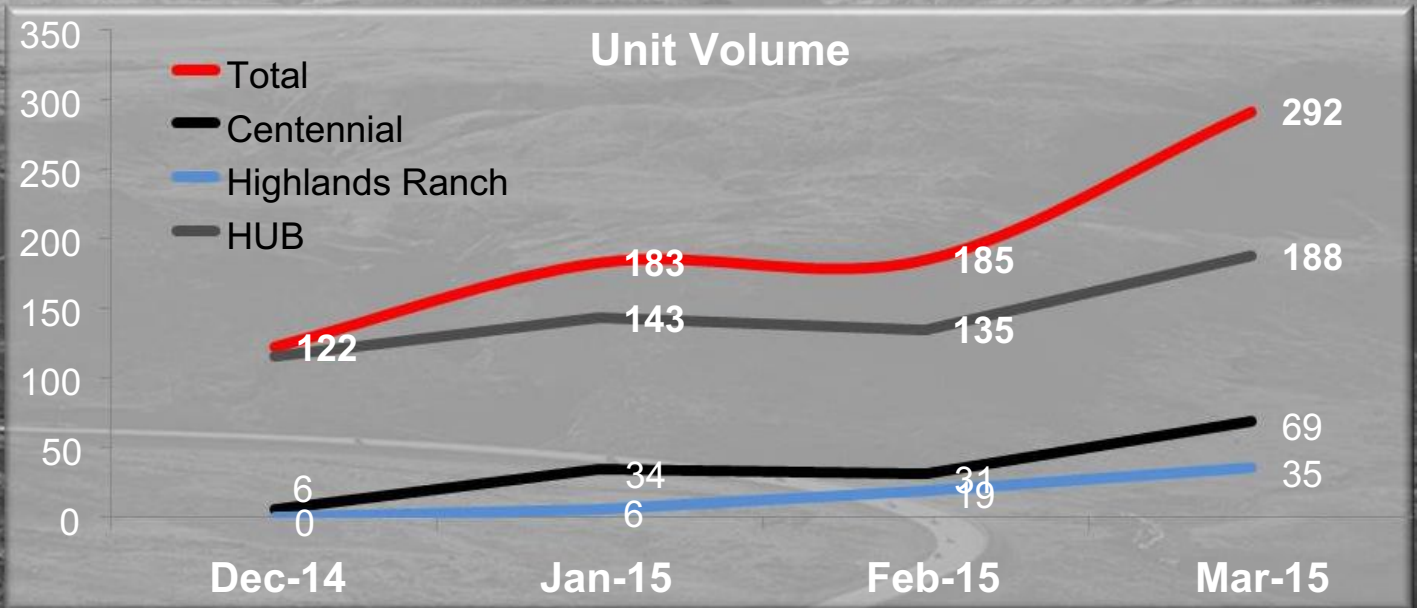
# OSOE – NEXT STEPS

1. We are still working on the pricing tool (in particular with Ford) we are a few months away from completion
  - Drivers of the slowdown are “man” hours available and new technology opportunities – simply put this is a first of its kind and we are close to breaking the code
2. CRM/Desk/F&I and Appraisal system is a major success in the stores all technologies are running at 100%
3. Operations team is requesting us to develop a two part rollout of the technology from OSOE less the pricing (until pricing tool is 100% operational)
  - Beginning in Q2 we would start the rollout of the CRM and the Desk tool
  - Followed by a rollout out of the F&I and Appraisal tools (3 months later per location)
4. A rollout plan of the technology is under development



# EchoPark®





Openings:

Hub – 11/3/2014

Centennial – 12/26/2015

Highlands Ranch – 1/23/2015



# SUMMARY

- ❑ Growth experienced in each revenue category achieving record results
- ❑ Gaining expense leverage in the franchised dealership segment including OSOE expenses
- ❑ Expect open points to drive future growth
- ❑ Continued share repurchases with excess capital
- ❑ Monitoring capital requirements as 2017 lease maturities approach



# 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.

	Consolidated Three Months Ended March 31,		Franchised Dealerships Three Months Ended March 31,		EchoPark® Three Months Ended March 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
SG&A Reconciliation:						
As Reported .....	\$ 270.9	\$ 264.0	\$ 265.0	\$ 262.3	\$ 5.9	\$ 1.7
Pre-tax Adjustments:						
Severance and other .....	(1.1)	-	(1.1)	-	-	-
Total pre-tax adjustments .....	(1.1)	-	(1.1)	-	-	-
Adjusted SG&A .....	\$ 269.8	\$ 264.0	\$ 263.9	\$ 262.3	\$ 5.9	\$ 1.7
SG&A as % of Gross Reconciliation:						
As Reported .....	80.9%	80.2%	79.5%	79.7%	NM	NM
Pre-tax Adjustments:						
Severance and other .....	(0.3%)	0.0%	(0.3%)	0.0%	NM	NM
Total pre-tax adjustments .....	(0.3%)	0.0%	(0.3%)	0.0%	NM	NM
Adjusted SG&A as % of Gross .....	80.6%	80.2%	79.2%	79.7%	NM	NM

NM = Not meaningful



# NON-GAAP RECONCILIATIONS

	Consolidated Three Months Ended March 31,		Franchised Dealerships Three Months Ended March 31,		EchoPark® Three Months Ended March 31,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
<b>Operating Profit Reconciliation:</b>						
As Reported .....	\$ 41.5	\$ 50.6	\$ 47.7	\$ 52.3	\$ (6.2)	\$ (1.7)
<b>Pre-tax Adjustments:</b>						
Severance and other .....	1.1	-	1.1	-	-	-
Impairment charges .....	6.2	-	4.8	-	1.4	-
Total pre-tax adjustments .....	7.3	-	5.9	-	1.4	-
Adjusted Operating Profit .....	\$ 48.8	\$ 50.6	\$ 53.6	\$ 52.3	\$ (4.8)	\$ (1.7)
<b>Pre-tax Profit from Continuing Operations Reconciliation:</b>						
As Reported .....	\$ 23.5	\$ 32.2	\$ 29.8	\$ 33.9	\$ (6.3)	\$ (1.7)
<b>Pre-tax Adjustments:</b>						
Severance and other .....	1.1	-	1.1	-	-	-
Impairment charges .....	6.2	-	4.8	-	1.4	-
Total after-tax adjustments .....	7.3	-	5.9	-	1.4	-
Adjusted Profit from Continuing Operations (after-tax) .....	\$ 30.8	\$ 32.2	\$ 35.7	\$ 33.9	\$ (4.9)	\$ (1.7)
<b>Profit from Continuing Operations (after-tax) Reconciliation:</b>						
As Reported .....	\$ 14.4	\$ 20.0				
<b>After-tax Adjustments:</b>						
Severance and other .....	0.6	-				
Impairment charges .....	3.8	-				
Total after-tax adjustments .....	4.4	-				
Adjusted Profit from Continuing Operations (after-tax) .....	\$ 18.8	\$ 20.0				



# NON-GAAP RECONCILIATIONS

	Three Months Ended March 31, 2015						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Average		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
Reported:							
Earnings (loss) and shares . . . . .	50.9	\$ 14.4		\$ (0.4)		\$ 14.0	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		-		-		-	
Basic earnings (loss) and shares . . . . .	50.9	\$ 14.4	\$ 0.28	\$ (0.4)	\$ (0.01)	\$ 14.0	\$ 0.27
Effect of dilutive securities:							
Stock compensation plans . . . . .	0.5						
Diluted earnings (loss) and shares . . . . .	51.4	\$ 14.4	\$ 0.28	\$ (0.4)	\$ (0.01)	\$ 14.0	\$ 0.27
Adjustments (net of tax):							
Impairment charges . . . . .		\$ 3.8	\$ 0.07	\$ -	\$ -	\$ 3.8	\$ 0.07
Other . . . . .		0.6	0.02	-	-	0.6	0.02
Total adjustments . . . . .		\$ 4.4	\$ 0.09	\$ -	\$ -	\$ 4.4	\$ 0.09
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share (1) . . . . .		\$ 18.8	\$ 0.37	\$ (0.4)	\$ (0.01)	\$ 18.4	\$ 0.36

(1) Expenses attributable to the EchoPark® initiative were \$0.06 per fully diluted share in the three months ended March 31, 2015.



# NON-GAAP RECONCILIATIONS

	Three Months Ended March 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 millions, except per share amounts)							
Reported:							
Earnings (loss) and shares . . . . .	52.4	\$ 20.0		\$ (0.6)		\$ 19.4	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(0.1)		-		(0.1)	
Basic earnings (loss) and shares . . . . .	52.4	\$ 19.9	\$ 0.38	\$ (0.6)	\$ (0.01)	\$ 19.3	\$ 0.37
Effect of dilutive securities:							
Stock compensation plans . . . . .	0.5						
Diluted earnings (loss) and shares (2) . . . . .	52.9	\$ 19.9	\$ 0.38	\$ (0.6)	\$ (0.02)	\$ 19.3	\$ 0.36

(2) Expenses attributable to the EchoPark® initiative were \$0.02 per fully diluted share in the three months ended March 31, 2014.





FOR IMMEDIATE RELEASE

***SONIC AUTOMOTIVE, INC. DECLARES QUARTERLY CASH DIVIDEND***

**CHARLOTTE, N.C.** – April 21, 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 June 15, 2015. The dividend will be payable on July 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](http://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, 2014. The Company does not undertake any obligation to update forward-looking information.

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C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439