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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): July 20, 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 July 20, 2015, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal second quarter ended June 30, 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 July 20, 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 July 20, 2015, reporting Sonic Automotive, Inc.’s financial results for the fiscal second quarter ended June 30, 2015
- 99.2 Earnings call presentation materials
- 99.3 Press release of Sonic Automotive, Inc., dated July 20, 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: July 20, 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 July 20, 2015, reporting Sonic Automotive, Inc.'s financial results for the fiscal second quarter ended June 30, 2015
99.2	Earnings call presentation materials
99.3	Press release of Sonic Automotive, Inc., dated July 20, 2015, reporting quarterly cash dividend

FOR IMMEDIATE RELEASE

*Sonic Automotive, Inc. Reports Quarterly Adjusted Continuing Operations Earnings per Share of \$0.46  
All-Time Record Gross Profit and Achieved 100 Pre-Owned Retail Unit Sales per Store per Month*

**Second Quarter 2015 Results**

- Record Q2 total gross profit of \$355.6 million, up 2.5% over the prior year quarter
- Achieved milestone of retailing 100 pre-owned units per store per month for the quarter on a same store basis
- All-time record quarterly pre-owned retail sales of 30,301 units, up 6.3% over the prior year quarter
- All-time record quarterly fixed operations gross profit of \$170.2 million, up 6.5% over the prior year quarter
- Echo Park® stores retail 881 units, up 221 units, or 33.5%, from the prior quarter

**CHARLOTTE, N.C.** – July 20, 2015 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported adjusted net income from continuing operations for the second quarter of 2015 of \$23.4 million, or \$0.46 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$4.1 million, or \$0.05 per diluted share, related to EchoPark® operations.

Adjusted net income from continuing operations for the second quarter of 2014 was \$23.5 million, or \$0.44 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$3.2 million, or \$0.04 per diluted share, related to EchoPark® operations.

On a GAAP basis, net income from continuing operations and related diluted earnings per share for the second quarter of 2015 were \$15.1 million and \$0.30 per share, respectively, and net income from continuing operations and related diluted earnings per share for the second quarter of 2014 were \$27.1 million and \$0.51 per share, respectively. See the accompanying tables for a reconciliation of the adjusted balances to GAAP basis amounts and further details of the quarterly adjustments.

B. Scott Smith, Sonic’s President, noted, “I’m proud of our operations team for achieving the lofty goal of retailing 100 pre-owned vehicles per store per month. We have had quarters in the past when we approached achieving this metric and several months where we surpassed this metric, but it had never been achieved on a quarterly basis. Generating this type of retail activity fuels our fixed operations and F&I areas where we are most profitable.”

“We also worked to build our fixed operations business in the quarter. In addition to the benefits we experienced through the reconditioning work performed to achieve the sale of 100 pre-owned vehicles per store per month, we were able to grow overall same store fixed operations gross profit \$13.1 million, or 8.5%, compared to the prior year quarter. Fixed operations growth was achieved in our customer pay, warranty and internal categories. This type of internal growth

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strategy is central to our One Sonic-One Experience (OSOE) initiative which is intended to grow the top-line revenue categories, generate retail activity, and realize benefits over multiple gross profit streams.”

Jeff Dyke, Sonic’s EVP of Operations, stated, “We had another very busy quarter at Sonic Automotive. From a franchise store perspective, we executed our playbook and delivered another solid operating performance allowing our team to leverage this performance while we build on our OSOE strategy and our EchoPark® business model. I am very excited about our pre-owned volume and the continued focus and execution from our team as they achieved 100 units per store per month for the quarter. Our focus on our fixed operations business, and in particular our customer pay business, is beginning to pay off and the result showed in the quarter. Warranty business was also robust.”

“Our OSOE strategy continues to make progress. The associated technology’s performance is working very well and as a result, we have decided to move ahead with the rollout of several of its technology applications that will benefit our guests and associates. Our proprietary CRM, desking and appraisal tools will be added to our stores over the next year and a half in the first wave of three planned waves that will ultimately result in the complete rollout of OSOE. We will roll out our F&I and pricing tools as part of the OSOE strategy once we are comfortable with our performance in the Charlotte test market.”

“EchoPark® made great strides again this quarter as we ramped up and executed our business plan. We are meeting our goals and have started the acquisition of properties for our next market. We plan to begin construction in this next market before the end of this year. We also plan on adding an additional five locations to our Denver market over the next twelve months. Our associates have created a culture in the stores which allows them to offer our customers an easy, transparent shopping experience and, as a result, our guest feedback is overwhelmingly positive. We expect our initial neighborhood locations in Denver will become cash flow positive prior to the end of this year and we have developed a next generation neighborhood store that further improves our guest experience and operational efficiency.”

### **Second Quarter 2015 Earnings Conference Call**

Senior management will host a conference call today at 10:00 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: 76953618

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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: 76953618

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.

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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.

	Three Months Ended June 30, 2015	2014	Six Months Ended June 30, 2015	2014
(In thousands, except per share and unit data)				
<b>Revenues:</b>				
New retail vehicles	\$ 1,285,632	\$ 1,283,231	\$ 2,475,847	\$ 2,395,521
Fleet vehicles	9,656	15,546	21,763	49,876
Total new vehicles	1,295,288	1,298,777	2,497,610	2,445,397
Used vehicles	658,794	603,868	1,252,536	1,163,684
Wholesale vehicles	41,131	44,765	82,789	86,363
Total vehicles	1,995,213	1,947,410	3,832,935	3,695,444
Parts, service and collision repair	346,164	329,134	669,358	647,905
Finance, insurance and other, net	82,363	76,736	156,963	146,317
Total revenues	2,423,740	2,353,280	4,659,256	4,489,666
Gross profit	355,554	346,947	690,513	675,947
Selling, general and administrative expenses	(284,661)	(268,914)	(555,523)	(532,887)
Impairment charges	(10,469)	(4)	(16,661)	(7)
Depreciation and amortization	(17,294)	(14,431)	(33,703)	(28,812)
Operating income (loss)	43,130	63,598	84,626	114,241
<b>Other income (expense):</b>				
Interest expense, floor plan	(5,345)	(4,846)	(10,123)	(9,535)
Interest expense, other, net	(13,054)	(13,865)	(26,274)	(27,683)
Other income (expense), net	10	3	100	100
Total other income (expense)	(18,389)	(18,708)	(36,297)	(37,118)
Income (loss) from continuing operations before taxes	24,741	44,890	48,329	77,123
Provision for income taxes for continuing operations- benefit (expense)	(9,649)	(17,829)	(18,848)	(30,078)
Income (loss) from continuing operations	15,092	27,061	29,481	47,045
Income (loss) from discontinued operations	(311)	(68)	(732)	(666)
Net income (loss)	\$ 14,781	\$ 26,993	\$ 28,749	\$ 46,379
<b>Diluted earnings (loss) per common share:</b>				
Earnings (loss) per share from continuing operations	\$ 0.30	\$ 0.51	\$ 0.57	\$ 0.89
Earnings (loss) per share from discontinued operations	(0.01)	—	(0.01)	(0.02)
Earnings (loss) per common share	\$ 0.29	\$ 0.51	\$ 0.56	\$ 0.87
Weighted average common shares outstanding	51,093	52,930	51,247	52,938
<b>Gross Margin Data (Continuing Operations):</b>				
New retail vehicles	5.1%	5.8%	5.2%	5.8%
Fleet vehicles	(0.1%)	2.3%	(0.3%)	2.5%
Total new vehicles	5.0%	5.7%	5.1%	5.8%
Used vehicles	6.2%	6.2%	6.5%	6.7%
Wholesale vehicles	(6.5%)	(2.9%)	(3.5%)	(1.6%)
Parts, service and collision repair	49.2%	48.6%	48.8%	48.2%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	14.7%	14.7%	14.8%	15.1%
<b>SG&amp;A Expenses (Continuing Operations):</b>				
Compensation	\$ 167,811	\$ 163,109	\$ 329,669	\$ 320,263
Advertising	15,358	13,864	30,689	27,982
Rent	18,246	18,643	36,500	37,178
Other	83,246	73,298	158,665	147,464
Total SG&A expenses	\$ 284,661	\$ 268,914	\$ 555,523	\$ 532,887
SG&A expenses as % of gross profit	80.1%	77.5%	80.5%	78.8%
Operating Margin %	1.8%	2.7%	1.8%	2.5%
<b>Unit Data (Continuing Operations):</b>				
New retail units	34,676	34,847	66,010	64,876
Fleet units	287	558	642	1,660
Total new units	34,963	35,405	66,652	66,536
Used units	30,301	28,514	58,436	56,171
Wholesale units	8,010	7,738	15,787	15,118



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

*Per Share Data*

	Three Months Ended June 30, 2015						
	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)							
<b>Reported:</b>							
Earnings (loss) and shares	50,784	\$ 15,092		\$ (311)		\$ 14,781	
Effect of participating securities:							
Non-vested restricted stock and stock units		(7)		—		(7)	
Basic earnings (loss) and shares	50,784	\$ 15,085	\$ 0.30	\$ (311)	\$ (0.01)	\$ 14,774	\$ 0.29
Effect of dilutive securities:							
Stock compensation plans	309						
Diluted earnings (loss) and shares	51,093	\$ 15,085	\$ 0.30	\$ (311)	\$ (0.01)	\$ 14,774	\$ 0.29
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (645)	\$ (0.01)	\$ —	\$ —	\$ (645)	\$ (0.01)
Impairment charges		6,386	0.12	—	—	6,386	0.12
Storm damage and other		2,555	0.05	—	—	2,555	0.05
Total adjustments		\$ 8,296	\$ 0.16	\$ —	\$ —	\$ 8,296	\$ 0.16
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (1)		\$ 23,388	\$ 0.46	\$ (311)	\$ (0.01)	\$ 23,077	\$ 0.45

(1) Expenses attributable to EchoPark® operations were \$0.05 per fully diluted share in the three months ended June 30, 2015.

	Three Months Ended June 30, 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)							
<b>Reported:</b>							
Earnings (loss) and shares	52,514	\$ 27,061		\$ (68)		\$ 26,993	
Effect of participating securities:							
Non-vested restricted stock and stock units		(87)		—		(87)	
Basic earnings (loss) and shares	52,514	\$ 26,974	\$ 0.51	\$ (68)	\$ —	\$ 26,906	\$ 0.51
Effect of dilutive securities:							
Stock compensation plans	416						
Diluted earnings (loss) and shares	52,930	\$ 26,974	\$ 0.51	\$ (68)	\$ —	\$ 26,906	\$ 0.51
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (4,446)	\$ (0.08)	\$ —	\$ —	\$ (4,446)	\$ (0.08)
Storm damage and other		840	0.01	—	—	840	0.01
Total adjustments		\$ (3,606)	\$ (0.07)	\$ —	\$ —	\$ (3,606)	\$ (0.07)
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (2)		\$ 23,455	\$ 0.44	\$ (68)	\$ —	\$ 23,387	\$ 0.44

(2) Expenses attributable to EchoPark® operations were \$0.04 per fully diluted share in the three months ended June 30, 2014.

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

*Per Share Data*

	Six Months Ended June 30, 2015						
	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
<b>Reported:</b>							
Earnings (loss) and shares	50,819	\$29,481		\$ (732)		\$28,749	
Effect of participating securities:							
Non-vested restricted stock and stock units		(14)		—		(14)	
Basic earnings (loss) and shares	50,819	\$29,467	\$ 0.58	\$ (732)	\$ (0.01)	\$28,735	\$ 0.57
Effect of dilutive securities:							
Stock compensation plans	428						
Diluted earnings (loss) and shares	<u>51,247</u>	<u>\$29,467</u>	<u>\$ 0.57</u>	<u>\$ (732)</u>	<u>\$ (0.01)</u>	<u>\$28,735</u>	<u>\$ 0.56</u>
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (583)	\$ (0.01)	\$ —	\$ —	\$ (583)	\$ (0.01)
Impairment charges		10,166	0.20	—	—	10,166	0.20
Storm damage and other		3,132	0.06	—	—	3,132	0.06
Total adjustments		\$12,715	\$ 0.25	\$ —	\$ —	\$12,715	\$ 0.25
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (3)		\$42,196	<u>\$ 0.82</u>	\$ (732)	<u>\$ (0.01)</u>	\$41,464	<u>\$ 0.81</u>

(3) Expenses attributable to EchoPark® operations were \$0.11 per fully diluted share in the six months ended June 30, 2015.

	Six Months Ended June 30, 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
<b>Reported:</b>							
Earnings (loss) and shares	52,466	\$47,045		\$ (666)		\$46,379	
Effect of participating securities:							
Non-vested restricted stock and stock units		(151)		—		(151)	
Basic earnings (loss) and shares	52,466	\$46,894	\$ 0.89	\$ (666)	\$ (0.01)	\$46,228	\$ 0.88
Effect of dilutive securities:							
Stock compensation plans	472						
Diluted earnings (loss) and shares	<u>52,938</u>	<u>\$46,894</u>	<u>\$ 0.89</u>	<u>\$ (666)</u>	<u>\$ (0.02)</u>	<u>\$46,228</u>	<u>\$ 0.87</u>
<b>Adjustments (net of tax):</b>							
Gain on disposal		\$ (4,446)	\$ (0.08)	\$ —	\$ —	\$ (4,446)	\$ (0.08)
Storm damage and other		840	0.01	—	—	840	0.01
Effect of two-class method & rounding		—	—	—	0.01	—	0.01
Total adjustments		\$ (3,606)	\$ (0.07)	\$ —	\$ 0.01	\$ (3,606)	\$ (0.06)
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (4)		\$43,439	<u>\$ 0.82</u>	\$ (666)	<u>\$ (0.01)</u>	\$42,773	<u>\$ 0.81</u>

(4) Expenses attributable to EchoPark® operations were \$0.06 per fully diluted share in the six months ended June 30, 2014.

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

*New Vehicles*

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 1,295,288	\$ 1,298,777	\$ (3,489)	(0.3%)
Gross profit	\$ 64,936	\$ 74,193	\$ (9,257)	(12.5%)
Unit sales	34,963	35,405	(442)	(1.2%)
Revenue per unit	\$ 37,047	\$ 36,683	\$ 364	1.0%
Gross profit per unit	\$ 1,857	\$ 2,096	\$ (239)	(11.4%)
Gross profit as a % of revenue	5.0%	5.7%	(70)	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 2,497,610	\$ 2,445,397	\$ 52,213	2.1%
Gross profit	\$ 128,285	\$ 140,866	\$ (12,581)	(8.9%)
Unit sales	66,652	66,536	116	0.2%
Revenue per unit	\$ 37,472	\$ 36,753	\$ 719	2.0%
Gross profit per unit	\$ 1,925	\$ 2,117	\$ (192)	(9.1%)
Gross profit as a % of revenue	5.1%	5.8%	(70)	bps

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 1,282,668	\$ 1,252,870	\$ 29,798	2.4%
Gross profit	\$ 64,789	\$ 71,765	\$ (6,976)	(9.7%)
Unit sales	34,575	34,125	450	1.3%
Revenue per unit	\$ 37,098	\$ 36,714	\$ 384	1.0%
Gross profit per unit	\$ 1,874	\$ 2,103	\$ (229)	(10.9%)
Gross profit as a % of revenue	5.1%	5.7%	(60)	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 2,472,920	\$ 2,362,936	\$ 109,984	4.7%
Gross profit	\$ 127,227	\$ 136,397	\$ (9,170)	(6.7%)
Unit sales	65,911	64,207	1,704	2.7%
Revenue per unit	\$ 37,519	\$ 36,802	\$ 717	1.9%
Gross profit per unit	\$ 1,930	\$ 2,124	\$ (194)	(9.1%)
Gross profit as a % of revenue	5.1%	5.8%	(70)	bps

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

*Used Vehicles*

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 658,794	\$ 603,868	\$54,926	9.1%
Gross profit	\$ 40,696	\$ 37,473	\$ 3,223	8.6%
Unit sales	30,301	28,514	1,787	6.3%
Revenue per unit	\$ 21,742	\$ 21,178	\$ 564	2.7%
Gross profit per unit	\$ 1,343	\$ 1,314	\$ 29	2.2%
Gross profit as a % of revenue	6.2%	6.2%	0	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 1,252,536	\$ 1,163,684	\$88,852	7.6%
Gross profit	\$ 81,540	\$ 78,167	\$ 3,373	4.3%
Unit sales	58,436	56,171	2,265	4.0%
Revenue per unit	\$ 21,434	\$ 20,717	\$ 717	3.5%
Gross profit per unit	\$ 1,395	\$ 1,392	\$ 3	0.2%
Gross profit as a % of revenue	6.5%	6.7%	(20)	bps

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 632,838	\$ 581,024	\$51,814	8.9%
Gross profit	\$ 38,884	\$ 36,647	\$ 2,237	6.1%
Unit sales	28,973	27,397	1,576	5.8%
Revenue per unit	\$ 21,842	\$ 21,208	\$ 634	3.0%
Gross profit per unit	\$ 1,342	\$ 1,338	\$ 4	0.3%
Gross profit as a % of revenue	6.1%	6.3%	(20)	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 1,205,597	\$ 1,118,663	\$86,934	7.8%
Gross profit	\$ 78,897	\$ 75,933	\$ 2,964	3.9%
Unit sales	56,052	53,998	2,054	3.8%
Revenue per unit	\$ 21,509	\$ 20,717	\$ 792	3.8%
Gross profit per unit	\$ 1,408	\$ 1,406	\$ 2	0.1%
Gross profit as a % of revenue	6.5%	6.8%	(30)	bps

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

*Wholesale Vehicles*

	<u>Three Months Ended June 30,</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)				
Reported:				
Revenue	\$ 41,131	\$ 44,765	\$(3,634)	(8.1%)
Gross profit (loss)	\$ (2,676)	\$ (1,314)	\$(1,362)	(103.7%)
Unit sales	8,010	7,738	272	3.5%
Revenue per unit	\$ 5,135	\$ 5,785	\$ (650)	(11.2%)
Gross profit (loss) per unit	\$ (334)	\$ (170)	\$ (164)	(96.5%)
Gross profit (loss) as a % of revenue	(6.5%)	(2.9%)	(360)	bps

	<u>Six Months Ended June 30,</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)				
Reported:				
Revenue	\$ 82,789	\$ 86,363	\$(3,574)	(4.1%)
Gross profit (loss)	\$ (2,884)	\$ (1,409)	\$(1,475)	(104.7%)
Unit sales	15,787	15,118	669	4.4%
Revenue per unit	\$ 5,244	\$ 5,713	\$ (469)	(8.2%)
Gross profit (loss) per unit	\$ (183)	\$ (93)	\$ (90)	(96.8%)
Gross profit (loss) as a % of revenue	(3.5%)	(1.6%)	(190)	bps

	<u>Three Months Ended June 30,</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)				
Same Store:				
Revenue	\$ 39,497	\$ 43,326	\$(3,829)	(8.8%)
Gross profit (loss)	\$ (2,344)	\$ (1,307)	\$(1,037)	(79.3%)
Unit sales	7,637	7,476	161	2.2%
Revenue per unit	\$ 5,172	\$ 5,795	\$ (623)	(10.8%)
Gross profit (loss) per unit	\$ (307)	\$ (175)	\$ (132)	(75.4%)
Gross profit (loss) as a % of revenue	(5.9%)	(3.0%)	(290)	bps

	<u>Six Months Ended June 30,</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)				
Same Store:				
Revenue	\$ 80,270	\$ 83,573	\$(3,303)	(4.0%)
Gross profit (loss)	\$ (2,530)	\$ (1,331)	\$(1,199)	(90.1%)
Unit sales	15,160	14,621	539	3.7%
Revenue per unit	\$ 5,295	\$ 5,716	\$ (421)	(7.4%)
Gross profit (loss) per unit	\$ (167)	\$ (91)	\$ (76)	(83.5%)
Gross profit (loss) as a % of revenue	(3.2%)	(1.6%)	(160)	bps

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

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

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 146,548	\$ 145,040	\$ 1,508	1.0%
Warranty	57,150	47,050	10,100	21.5%
Wholesale parts	45,850	47,145	(1,295)	(2.7%)
Internal, sublet and other	96,616	89,899	6,717	7.5%
Total	<u>\$ 346,164</u>	<u>\$ 329,134</u>	<u>\$17,030</u>	<u>5.2%</u>
Gross profit				
Customer pay	\$ 80,286	\$ 79,606	\$ 680	0.9%
Warranty	32,679	25,671	7,008	27.3%
Wholesale parts	8,148	8,308	(160)	(1.9%)
Internal, sublet and other	49,122	46,274	2,848	6.2%
Total	<u>\$ 170,235</u>	<u>\$ 159,859</u>	<u>\$10,376</u>	<u>6.5%</u>
Gross profit as a % of revenue				
Customer pay	54.8%	54.9%	(10)	bps
Warranty	57.2%	54.6%	260	bps
Wholesale parts	17.8%	17.6%	20	bps
Internal, sublet and other	50.8%	51.5%	(70)	bps
Total	49.2%	48.6%	60	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2015	2014	Change	% Change
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 284,171	\$ 286,162	\$ (1,991)	(0.7%)
Warranty	110,648	93,641	17,007	18.2%
Wholesale parts	90,862	95,089	(4,227)	(4.4%)
Internal, sublet and other	183,677	173,013	10,664	6.2%
Total	<u>\$ 669,358</u>	<u>\$ 647,905</u>	<u>\$21,453</u>	<u>3.3%</u>
Gross profit				
Customer pay	\$ 155,963	\$ 157,605	\$ (1,642)	(1.0%)
Warranty	62,440	50,909	11,531	22.7%
Wholesale parts	16,287	16,469	(182)	(1.1%)
Internal, sublet and other	91,919	87,023	4,896	5.6%
Total	<u>\$ 326,609</u>	<u>\$ 312,006</u>	<u>\$14,603</u>	<u>4.7%</u>
Gross profit as a % of revenue				
Customer pay	54.9%	55.1%	(20)	bps
Warranty	56.4%	54.4%	200	bps
Wholesale parts	17.9%	17.3%	60	bps
Internal, sublet and other	50.0%	50.3%	(30)	bps
Total	48.8%	48.2%	60	bps

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

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

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Same Store:</b>				
Revenue				
Customer pay	\$ 145,235	\$ 140,701	\$ 4,534	3.2%
Warranty	56,672	45,065	11,607	25.8%
Wholesale parts	45,502	45,855	(353)	(0.8%)
Internal, sublet and other	93,761	87,105	6,656	7.6%
Total	<u>\$ 341,170</u>	<u>\$ 318,726</u>	<u>\$22,444</u>	<u>7.0%</u>
Gross profit				
Customer pay	\$ 79,537	\$ 77,320	\$ 2,217	2.9%
Warranty	32,435	24,631	7,804	31.7%
Wholesale parts	8,082	8,064	18	0.2%
Internal, sublet and other	47,764	44,676	3,088	6.9%
Total	<u>\$ 167,818</u>	<u>\$ 154,691</u>	<u>\$13,127</u>	<u>8.5%</u>
Gross profit as a % of revenue				
Customer pay	54.8%	55.0%	(20)	bps
Warranty	57.2%	54.7%	250	bps
Wholesale parts	17.8%	17.6%	20	bps
Internal, sublet and other	50.9%	51.3%	(40)	bps
Total	49.2%	48.5%	70	bps

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Same Store:</b>				
Revenue				
Customer pay	\$ 281,002	\$ 277,187	\$ 3,815	1.4%
Warranty	109,644	89,838	19,806	22.0%
Wholesale parts	90,082	92,522	(2,440)	(2.6%)
Internal, sublet and other	178,717	167,665	11,052	6.6%
Total	<u>\$ 659,445</u>	<u>\$ 627,212</u>	<u>\$32,233</u>	<u>5.1%</u>
Gross profit				
Customer pay	\$ 154,225	\$ 152,877	\$ 1,348	0.9%
Warranty	61,892	48,901	12,991	26.6%
Wholesale parts	16,135	15,971	164	1.0%
Internal, sublet and other	89,573	83,821	5,752	6.9%
Total	<u>\$ 321,825</u>	<u>\$ 301,570</u>	<u>\$20,255</u>	<u>6.7%</u>
Gross profit as a % of revenue				
Customer pay	54.9%	55.2%	(30)	bps
Warranty	56.4%	54.4%	200	bps
Wholesale parts	17.9%	17.3%	60	bps
Internal, sublet and other	50.1%	50.0%	10	bps
Total	48.8%	48.1%	70	bps

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

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

	<u>Three Months Ended June 30,</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	\$ 82,363	\$ 76,736	\$ 5,627	7.3%
Gross profit per retail unit (excludes fleet)	\$ 1,268	\$ 1,211	\$ 57	4.7%
(In thousands, except per unit data)				
<b>Reported:</b>				
Revenue	\$ 156,963	\$ 146,317	\$10,646	7.3%
Gross profit per retail unit (excludes fleet)	\$ 1,261	\$ 1,209	\$ 52	4.3%
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 80,573	\$ 74,237	\$ 6,336	8.5%
Gross profit per retail unit (excludes fleet)	\$ 1,274	\$ 1,218	\$ 56	4.6%
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 153,702	\$ 141,419	\$12,283	8.7%
Gross profit per retail unit (excludes fleet)	\$ 1,267	\$ 1,213	\$ 54	4.5%



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

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

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 167,811	\$ 163,109	\$ (4,702)	(2.9%)
Advertising	15,358	13,864	(1,494)	(10.8%)
Rent	18,246	18,643	397	2.1%
Other	<u>83,246</u>	<u>73,298</u>	<u>(9,948)</u>	<u>(13.6%)</u>
Total	<u>\$ 284,661</u>	<u>\$ 268,914</u>	<u>\$(15,747)</u>	<u>(5.9%)</u>
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	47.2%	47.0%	(20)	bps
Advertising	4.3%	4.0%	(30)	bps
Rent	5.1%	5.4%	30	bps
Other	<u>23.5%</u>	<u>21.1%</u>	<u>(240)</u>	<u>bps</u>
Total	80.1%	77.5%	(260)	bps
<u>Six Months Ended June 30,</u>				
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 329,669	\$ 320,263	\$ (9,406)	(2.9%)
Advertising	30,689	27,982	(2,707)	(9.7%)
Rent	36,500	37,178	678	1.8%
Other	<u>158,665</u>	<u>147,464</u>	<u>(11,201)</u>	<u>(7.6%)</u>
Total	<u>\$ 555,523</u>	<u>\$ 532,887</u>	<u>\$(22,636)</u>	<u>(4.2%)</u>
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	47.7%	47.4%	(30)	bps
Advertising	4.4%	4.1%	(30)	bps
Rent	5.3%	5.5%	20	bps
Other	<u>23.1%</u>	<u>21.8%</u>	<u>(130)</u>	<u>bps</u>
Total	80.5%	78.8%	(170)	bps

# Q2 2015 EARNINGS REVIEW

## July 20, 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®
  - Acquisitions & Open Points
2. Own Our Properties
3. Return Capital to Shareholders

# STRATEGIC FOCUS

EchoPark®



- **Denver Market with three stores open and two additional planned openings in next 12 months**
- **Currently acquiring property in another market which may include up to 10 stores**

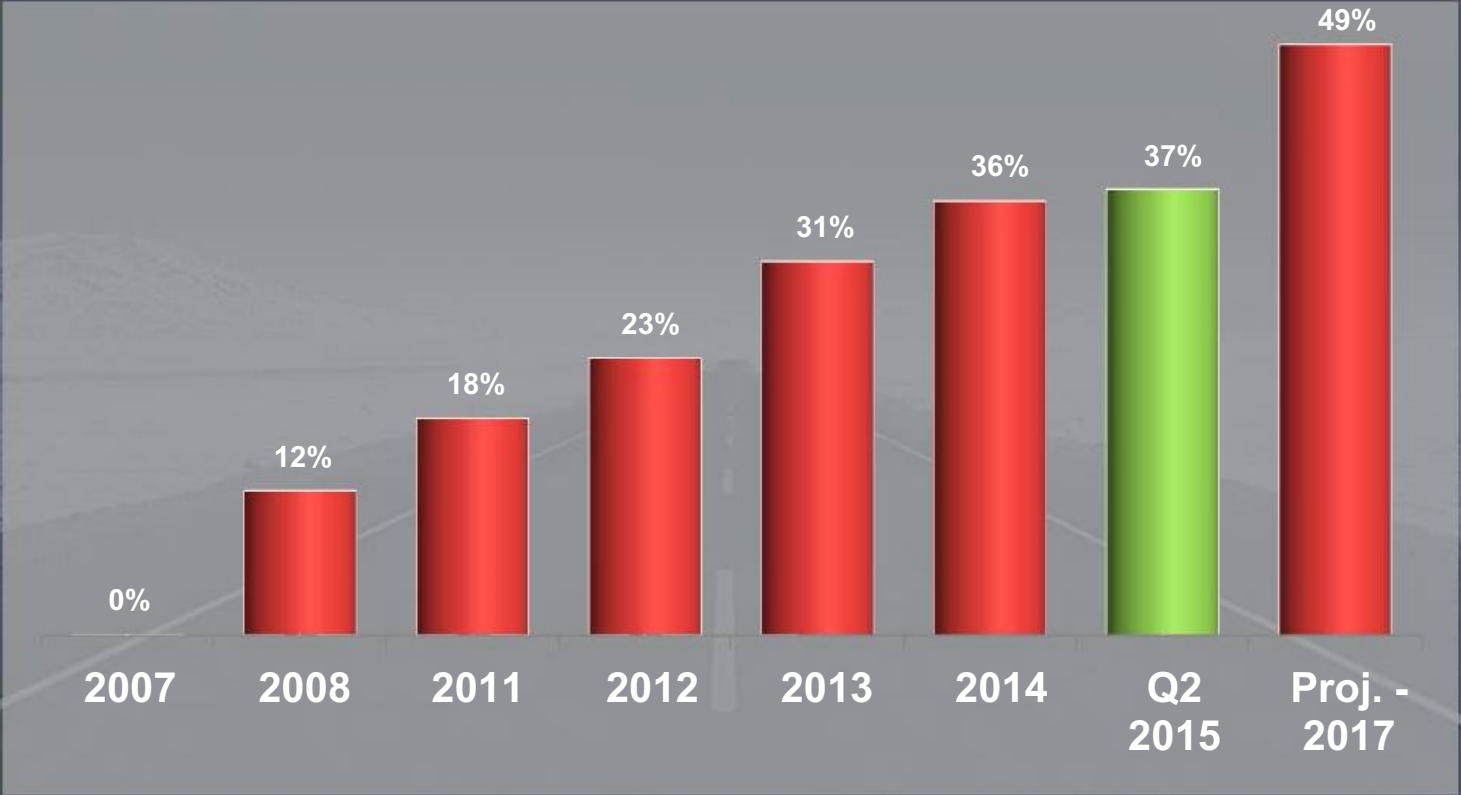
# STRATEGIC FOCUS

## 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	599	\$ 24.66	\$ 14.8

- Unused Authorization of Approximately \$ 65 million
- Quarterly Dividend of \$0.025 Per Share

An aerial photograph of a winding asphalt road that curves through a hilly, arid landscape with reddish-brown soil and sparse vegetation. The road has white and yellow lane markings. The overall color palette is dominated by warm, earthy tones.

# **Q2 2015 FINANCIAL REVIEW**





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

# **Q2 2015 FINANCIAL REVIEW FRANCHISE DEALERSHIPS**



# ADJUSTED FRANCHISED OPERATIONS

		B/(W) than Q2 2014	
(amounts in millions, except per share data)	<u>Q2 2015</u>	<u>\$</u>	<u>%</u>
Revenue	\$ 2,403	\$ 49	2.1%
Gross Profit	\$ 353	\$ 6	1.7%
SG&A as % of Gross <sup>(1)</sup>	78.2%	10 bps	
Operating Profit <sup>(1)</sup>	\$ 61	(\$ 0)	(0.7%)
Interest & Other	\$ 18	\$ 1	3.4%
Pretax <sup>(1)</sup>	\$ 42	\$ 0	0.5%
Diluted EPS <sup>(1)</sup>	\$ 0.51	\$ 0.03	6.3%

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





An aerial photograph of a winding asphalt road that curves through a hilly landscape covered in dense, reddish-brown brush and vegetation. The road has white lane markings and a double yellow line in the center. The overall scene is captured in a warm, golden-hour light.

# **Q2 2015 FINANCIAL REVIEW**

## **ECHOPARK®**



# EchoPark® Q2 RESULTS

		B/(W) than Q2 2014
(amounts in millions, except per share data)	<u>Q2 2015</u>	\$
Revenue	\$ 21.0	\$21.0
Gross Profit	\$ 2.6	\$ 2.6
Operating Profit	(\$ 3.8)	(\$ 0.5)
Interest & Other	(\$ 0.3)	(\$ 0.3)
Pre-tax Profit (Loss)	(\$ 4.1)	(\$ 0.9)
Diluted EPS Impact	(\$ .05)	(\$ .01)
Store Level (retail units)	881	n/a







**Q2 2015 FINANCIAL REVIEW  
TOTAL ENTERPRISE**



# ADJUSTED Q2 2015 RESULTS

		B/(W) than Q2 2014	
(amounts in millions, except per share data)	<u>Q2 2015</u>	<u>\$</u>	<u>%</u>
Revenue	\$ 2,424	\$ 70	3.0%
Gross Profit	\$ 356	\$ 9	2.5%
Operating Profit <sup>(1)</sup>	\$ 57	(\$ 1)	(1.7%)
Interest & Other	\$ 18	\$ 0	1.7%
Continuing Ops:			
Profit (after tax) <sup>(1)</sup>	\$ 23	(\$ 0)	(1.3%)
Diluted EPS <sup>(1)</sup>	\$ 0.46	\$ 0.02	4.5%
SG&A as % of Gross <sup>(1)</sup>	79.2%	0 bps	
Discontinued Ops Profit/(Loss) (after tax)	(\$ 0.3)	(\$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



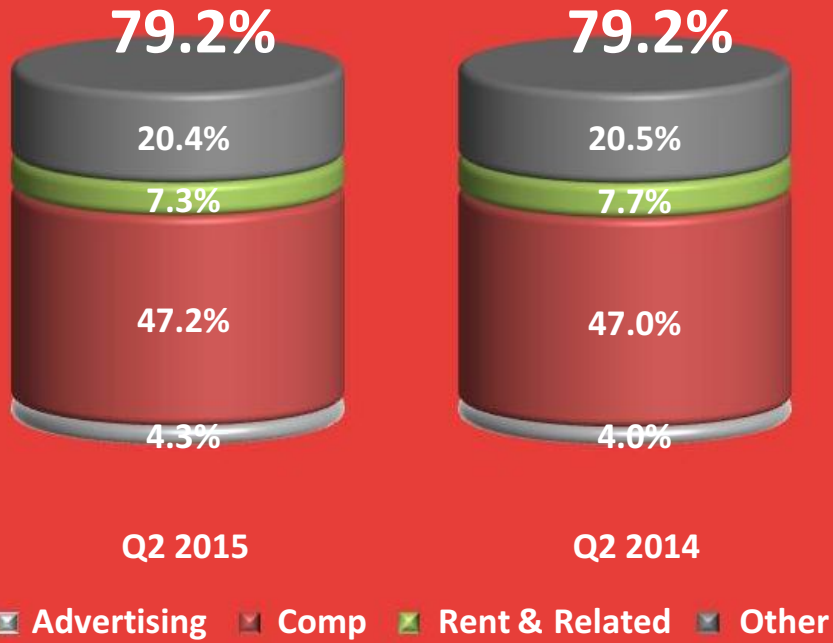


# REVENUE & GROSS PROFIT Q2 2015

		B/(W) than Q2 2014	
(amounts in millions, except per share data)	<u>Q2 2015</u>	\$	%
New Retail Revenue	\$ 1,286	\$ 2	0.2%
Used Retail Revenue	\$ 659	\$ 55	9.1%
Fixed Operations Revenue	\$ 346	\$ 17	5.2%
F&I Revenue	\$ 82	\$ 6	7.3%
Total Revenue	\$ 2,424	\$ 70	3.0%
New Retail Gross	\$ 65	(\$ 9)	(12%)
Used Retail Gross	\$ 41	\$ 3	8.6%
Fixed Operations Gross	\$ 170	\$ 10	6.5%
F&I Gross	\$ 82	\$ 6	7.3%
Total Gross	\$ 356	\$ 9	2.5%



# ADJUSTED SG&A TO GROSS



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



# ADJUSTED AND GAAP EPS SUMMARY

## Continuing Operations

(amounts in millions, except per share date)	Q2 2015		Q2 2014	
	Pre-Tax	EPS	Pre-Tax	EPS
Adjusted Franchised	\$42.4	\$ 0.51	\$ 42.2	\$ 0.48
Adjusted EchoPark®	<u>(\$4.1)</u>	<u>(\$0.05)</u>	<u>(\$ 3.2)</u>	<u>(\$ 0.04)</u>
<b>Adjusted Total</b>	<b>\$ 38.3</b>	<b>\$ 0.46</b>	<b>\$39.0</b>	<b>\$ 0.44</b>
Adjustments:				
Impairment/Disposal	(\$9.7)	(\$ 0.12)	\$ 7.3	\$ 0.08
Physical Damage	(\$3.4)	(\$0.04)	(\$ 1.1)	(\$0.01)
Other	(\$0.5)	<u>(\$ 0.00)</u>	(\$ 0.3)	<u>(\$ 0.0)</u>
<b>GAAP EPS</b>		<b><u>\$ 0.30</u></b>		<b><u>\$ 0.51</u></b>



# CAPITAL SPEND

(amounts in millions)	YTD Q2 2015	Estimated 2015
Real Estate & Facility Related	\$ 58.7	\$180.1
All Other Cap Ex	<u>24.2</u>	<u>33.8</u>
Subtotal	\$ 82.9	\$ 213.9
Less: Mortgage Funding <sup>(1)</sup>	<u>(46.0)</u>	<u>(110.4)</u>
Total Cash Used – Cap Ex	<u>\$ 36.9</u>	<u>\$ 103.5</u>

Note – Spending excludes the effect of franchise acquisitions.





# LIQUIDITY

(amounts in millions)	Q2 2015	Q4 2014
Cash	\$ 3.6	\$ 4.2
Revolver Availability	144.2	165.6
Used floor plan availability	75.0	22.6
Floor plan deposit balance	<u>54.0</u>	<u>57.5</u>
Total	<u>\$ 276.8</u>	\$ 249.9



# DEBT COVENANTS

	Covenant	Actual Q2 2015
Liquidity Ratio	$\geq 1.05$	1.19
Fixed Charge Coverage Ratio	$\geq 1.20$	1.75
Total Lease Adjusted Leverage Ratio	$\leq 5.50$	4.24

Compliant with all Covenants



# OPERATIONS REVIEW





# NEW VEHICLE RETAIL SAME STORE

	Q2 2015	Q2 2014	B/(W)
Volume	34,288	33,567	2.1%
Selling Price	\$ 37,127	\$ 36,861	0.7%
Gross Margin %	5.1%	5.8%	(70 bps)
GPU	\$ 1,890	\$ 2,127	(\$ 238)
Gross Profit	\$65 million	\$ 71 million	(9.3%)
SAAR (includes fleet)	17.1 million	16.5 million	3.6%





# USED VEHICLE RETAIL SAME STORE

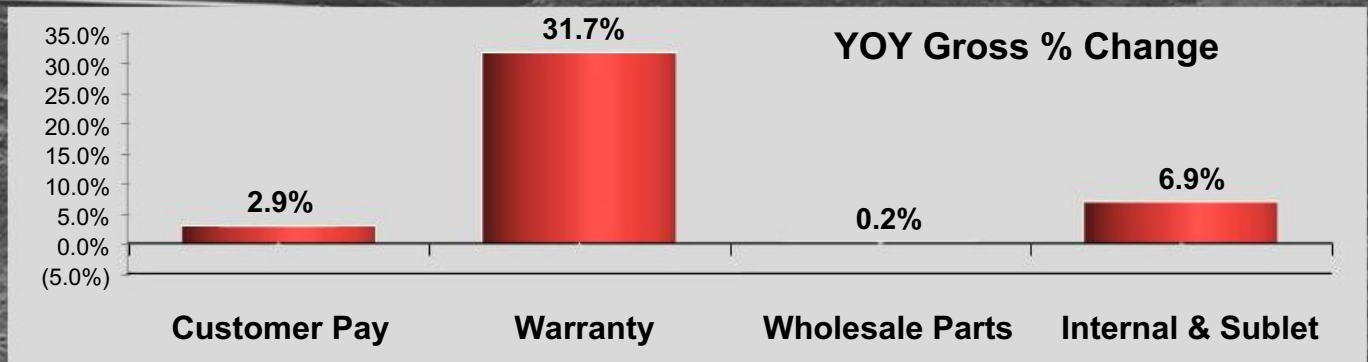
	Q2 2015	Q2 2014	B/(W)
Retail Volume	28,973	27,397	5.8%
Used Retail GPU	\$ 1,342	\$ 1,338	\$ 4
Used to New	0.84:1.00	0.82:1.00	0.02
Vehicles / store / month (97 stores)	100	94	6

1<sup>st</sup> time  
Averaging 100  
units per store  
per month for  
an entire  
quarter!

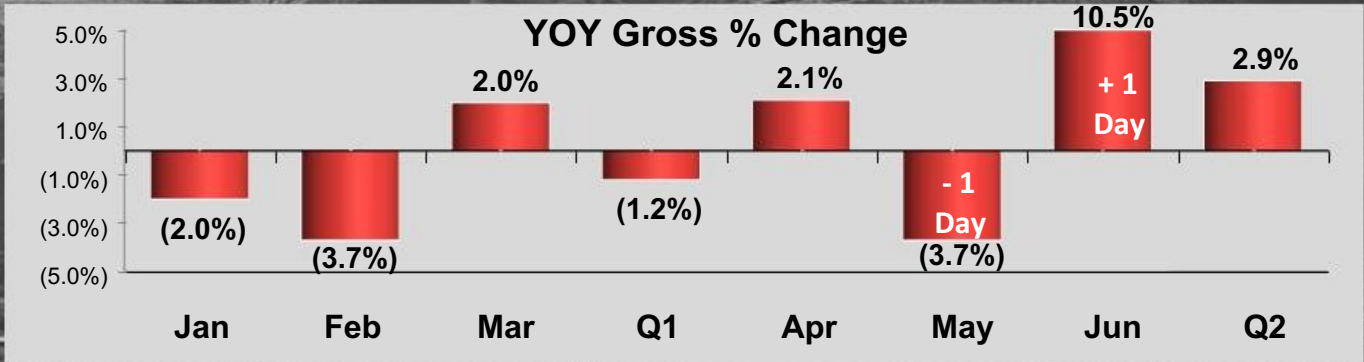


# FIXED OPS SAME STORE

	Q2 2015	B/(W) than Q2 2014	
(amounts in millions)		\$	%
Revenue	\$ 341	\$ 22	7.0%
Gross Profit	\$ 168	\$ 13	8.5%



# FIXED OPS SAME STORE – CUSTOMER PAY



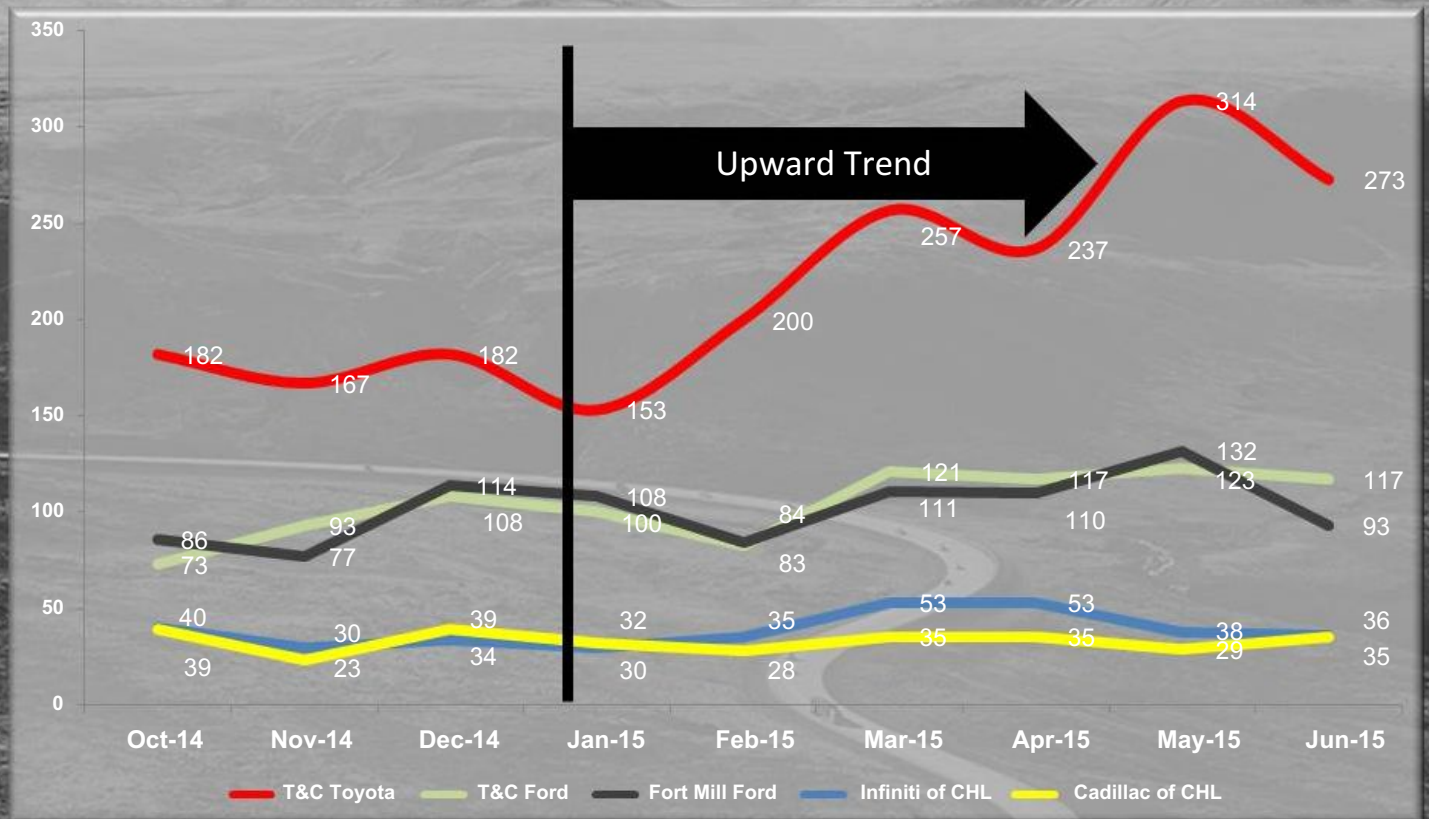
# OSOE





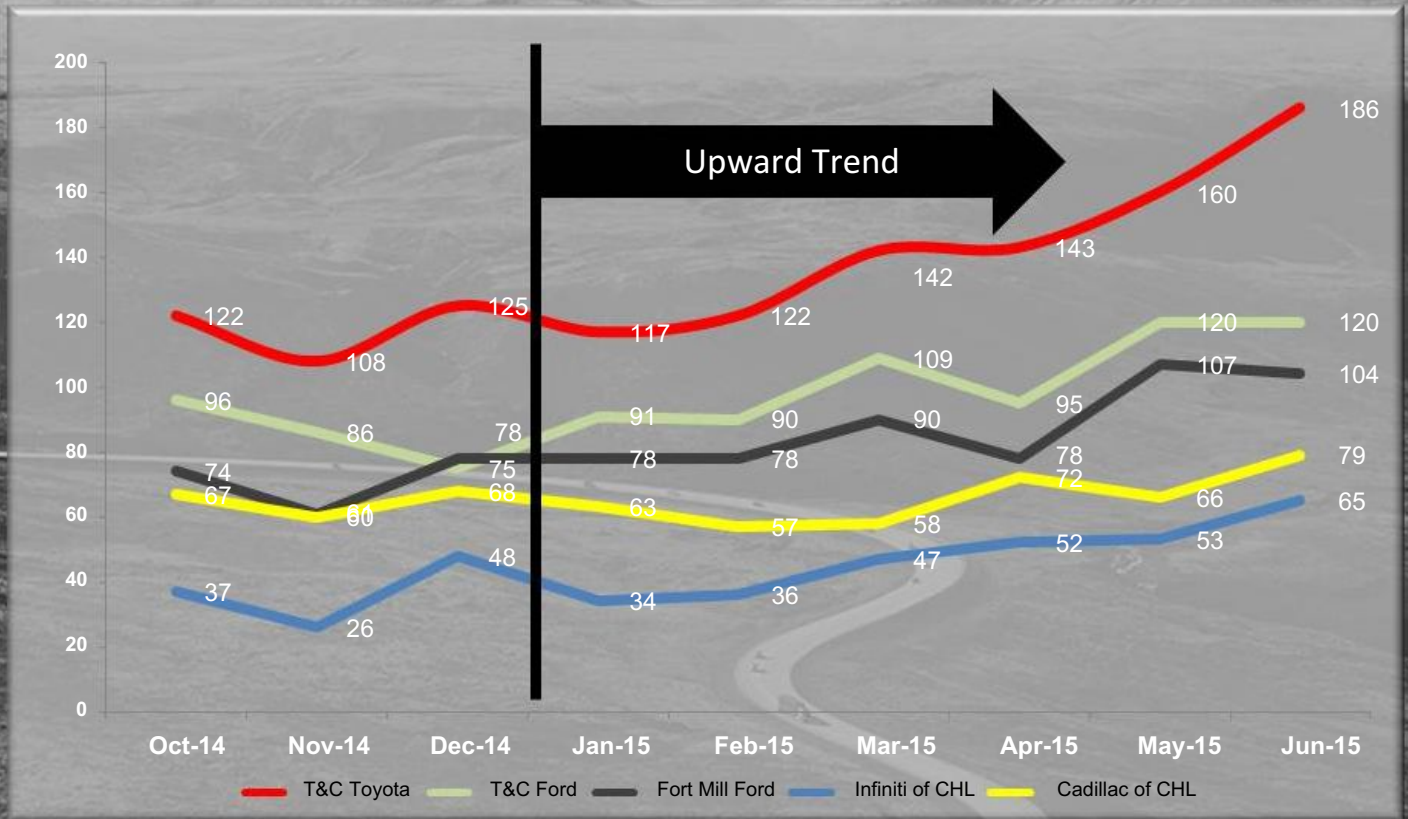
# OSOE – Operational Metrics

## New Retail Units



# OSOE – Operational Metrics

## Pre-Owned Retail Units



# OSOE – NEXT STEPS

1. Continue to focus on inventory management and pricing
2. OSOE stores continue to improve across all areas of our business
3. We continue to learn and have excellent CSI and guest feedback
4. Begin rollout of technology – CRM, Desking tool and Appraisal tool effective 8/1/15 to give stores access to this incredible technology



# EchoPark®





# EchoPark® - Total

### Retail Unit Sales



### Gross Per Retail Unit



### F&I Per Unit



# SUMMARY

- ❑ Continue to grow sales across all revenue categories
- ❑ Pre-owned milestone achieved – believe we can continue to grow volumes per store
- ❑ Fixed operations growth showed strength in customer pay and warranty
- ❑ OSOE roll out to additional markets will include portions of the technology components
- ❑ Growth plans in EchoPark® expected to accelerate in the latter half of the year



# 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 June 30,		Franchised Dealerships Three Months Ended June 30,		EchoPark® Three Months Ended June 30,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
SG&A Reconciliation:						
As Reported	\$ 284.7	\$ 268.9	\$ 279.1	\$ 265.7	\$ 5.6	\$ 3.2
Pre-tax Adjustments:						
Gain on disposal	1.1	7.3	1.1	7.3	-	-
Storm damage and other	(4.3)	(1.4)	(4.3)	(1.4)	-	-
Total pre-tax adjustments	(3.2)	5.9	(3.2)	5.9	-	-
Adjusted SG&A	\$ 281.5	\$ 274.8	\$ 275.9	\$ 271.6	\$ 5.6	\$ 3.2
SG&A as % of Gross Reconciliation:						
As Reported	80.1%	77.5%	79.1%	76.6%	NM	NM
Pre-tax Adjustments:						
Gain on disposal	0.3%	2.1%	0.3%	2.1%	NM	NM
Storm damage and other	(1.2%)	(0.4%)	(1.2%)	(0.4%)	NM	NM
Total pre-tax adjustments	(0.9%)	1.7%	(0.9%)	1.7%	NM	NM
Adjusted SG&A as % of Gross	79.2%	79.2%	78.2%	78.3%	NM	NM

NM = Not meaningful



# NON-GAAP RECONCILIATIONS

	Consolidated Three Months Ended June 30,		Franchised Dealerships Three Months Ended June 30,		EchoPark® Three Months Ended June 30,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
Operating Profit Reconciliation:						
As Reported . . . . .	\$ 43.1	\$ 63.6	\$ 46.9	\$ 66.8	\$ (3.8)	\$ (3.2)
Pre-tax Adjustments:						
SG&A . . . . .	3.2	(5.9)	3.2	(5.9)	-	-
Impairment charges . . . . .	10.4	-	10.4	-	-	-
Total pre-tax adjustments . . . . .	13.6	(5.9)	13.6	(5.9)	-	-
Adjusted Operating Profit . . . . .	\$ 56.7	\$ 57.7	\$ 60.5	\$ 60.9	\$ (3.8)	\$ (3.2)
Pre-tax Profit from Continuing Operations Reconciliation:						
As Reported . . . . .	\$ 24.7	\$ 44.9	\$ 28.8	\$ 48.1	\$ (4.1)	\$ (3.2)
Pre-tax Adjustments:						
SG&A . . . . .	3.2	(5.9)	3.2	(5.9)	-	-
Impairment charges . . . . .	10.4	-	10.4	-	-	-
Total pre-tax adjustments . . . . .	13.6	(5.9)	13.6	(5.9)	-	-
Adjusted Pre-tax Profit from Continuing Operations . . . . .	\$ 38.3	\$ 39.0	\$ 42.4	\$ 42.2	\$ (4.1)	\$ (3.2)
Profit from Continuing Operations (after-tax) Reconciliation:						
As Reported . . . . .	\$ 15.1	\$ 27.1				
After-tax Adjustments:						
SG&A . . . . .	2.0	(3.6)				
Impairment charges . . . . .	6.3	-				
Total after-tax adjustments . . . . .	8.3	(3.6)				
Adjusted Profit from Continuing Operations (after-tax) . . . . .	\$ 23.4	\$ 23.5				





# NON-GAAP RECONCILIATIONS

	Consolidated Six Months Ended June 30,		Franchised Dealerships Six Months Ended June 30,		EchoPark® Six Months Ended June 30,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
SG&A Reconciliation:						
As Reported .....	\$ 555.5	\$ 532.9	\$ 544.0	\$ 527.9	\$ 11.5	\$ 5.0
Pre-tax Adjustments:						
Gain on disposal .....	1.0	7.3	1.0	7.3	-	-
Storm damage, severance and other .....	(5.2)	(1.4)	(5.2)	(1.4)	-	-
Total pre-tax adjustments .....	(4.2)	5.9	(4.2)	5.9	-	-
Adjusted SG&A .....	<u>\$ 551.3</u>	<u>\$ 538.8</u>	<u>\$ 539.8</u>	<u>\$ 533.8</u>	<u>\$ 11.5</u>	<u>\$ 5.0</u>
SG&A as % of Gross Reconciliation:						
As Reported .....	80.5%	78.8%	79.3%	78.1%	NM	NM
Pre-tax Adjustments:						
Gain on disposal .....	0.1%	1.1%	0.1%	1.1%	NM	NM
Storm damage, severance and other .....	(0.8%)	(0.2%)	(0.7%)	(0.2%)	NM	NM
Total pre-tax adjustments .....	(0.7%)	0.9%	(0.6%)	0.9%	NM	NM
Adjusted SG&A as % of Gross .....	<u>79.8%</u>	<u>79.7%</u>	<u>78.7%</u>	<u>79.0%</u>	<u>NM</u>	<u>NM</u>

NM = Not meaningful



# NON-GAAP RECONCILIATIONS

	Consolidated Six Months Ended June 30,		Franchised Dealerships Six Months Ended June 30,		EchoPark® Six Months Ended June 30,	
	2015	2014	2015	2014	2015	2014
	(In millions)					
Operating Profit Reconciliation:						
As Reported . . . . .	\$ 84.6	\$ 114.2	\$ 94.6	\$ 119.2	\$ (10.0)	\$ (5.0)
Pre-tax Adjustments:						
SG&A . . . . .	4.2	(5.9)	4.2	(5.9)	-	-
Impairment charges . . . . .	16.7	-	15.3	-	1.4	-
Total pre-tax adjustments . . . . .	20.9	(5.9)	19.5	(5.9)	1.4	-
Adjusted Operating Profit . . . . .	\$ 105.5	\$ 108.3	\$ 114.1	\$ 113.3	\$ (8.6)	\$ (5.0)
Pre-tax Profit from Continuing Operations Reconciliation:						
As Reported . . . . .	\$ 48.3	\$ 77.1	\$ 58.7	\$ 82.1	\$ (10.4)	\$ (5.0)
Pre-tax Adjustments:						
SG&A . . . . .	4.2	(5.9)	4.2	(5.9)	-	-
Impairment charges . . . . .	16.7	-	15.3	-	1.4	-
Total pre-tax adjustments . . . . .	20.9	(5.9)	19.5	(5.9)	1.4	-
Adjusted Pre-tax Profit from Continuing Operations . . . . .	\$ 69.2	\$ 71.2	\$ 78.2	\$ 76.2	\$ (9.0)	\$ (5.0)
Profit from Continuing Operations (after-tax) Reconciliation:						
As Reported . . . . .	\$ 29.5	\$ 47.0				
After-tax Adjustments:						
SG&A . . . . .	2.6	(3.6)				
Impairment charges . . . . .	10.2	-				
Total after-tax adjustments . . . . .	12.7	(3.6)				
Adjusted Profit from Continuing Operations (after-tax) . . . . .	\$ 42.2	\$ 43.4				



# NON-GAAP RECONCILIATIONS

	Three Months Ended June 30, 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 . . . . .	50,784	\$ 15,092		\$ (311)		\$ 14,781	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(7)		-		(7)	
Basic earnings (loss) and shares . . . . .	50,784	\$ 15,085	\$ 0.30	\$ (311)	\$ (0.01)	\$ 14,774	\$ 0.29
Effect of dilutive securities:							
Stock compensation plans . . . . .	309						
Diluted earnings (loss) and shares . . . . .	51,093	\$ 15,085	\$ 0.30	\$ (311)	\$ (0.01)	\$ 14,774	\$ 0.29
Adjustments (net of tax):							
Gain on disposal . . . . .		\$ (645)	\$ (0.01)	\$ -	\$ -	\$ (645)	\$ (0.01)
Impairment charges . . . . .		6,386	0.12	-	-	6,386	0.12
Storm damage and other . . . . .		2,555	0.05	-	-	2,555	0.05
Total adjustments . . . . .		\$ 8,296	\$ 0.16	\$ -	\$ -	\$ 8,296	\$ 0.16
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share (1) . . . . .		\$ 23,388	\$ 0.46	\$ (311)	\$ (0.01)	\$ 23,077	\$ 0.45

(1) Expenses attributable to EchoPark® operations were \$0.05 per fully diluted share in the three months ended June 30, 2015.



# NON-GAAP RECONCILIATIONS

	Three Months Ended June 30, 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 . . . . .	52,514	\$ 27,061		\$ (68)		\$ 26,993	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(87)		-		(87)	
Basic earnings (loss) and shares . . . . .	52,514	\$ 26,974	\$ 0.51	\$ (68)	\$ -	\$ 26,906	\$ 0.51
Effect of dilutive securities:							
Stock compensation plans . . . . .	416						
Diluted earnings (loss) and shares . . . . .	52,930	\$ 26,974	\$ 0.51	\$ (68)	\$ -	\$ 26,906	\$ 0.51
Adjustments (net of tax):							
Gain on disposal . . . . .		\$ (4,446)	\$ (0.08)	\$ -	\$ -	\$ (4,446)	\$ (0.08)
Storm damage and other . . . . .		840	0.01	-	-	840	0.01
Total adjustments . . . . .		\$ (3,606)	\$ (0.07)	\$ -	\$ -	\$ (3,606)	\$ (0.07)
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share (2) . . . . .		\$ 23,455	\$ 0.44	\$ (68)	\$ -	\$ 23,387	\$ 0.44

(2) Expenses attributable to EchoPark® operations were \$0.04 per fully diluted share in the three months ended June 30, 2014.



# NON-GAAP RECONCILIATIONS

	Six Months Ended June 30, 2015						
	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 . . . . .	50,819	\$ 29,481		\$ (732)		\$ 28,749	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(14)		-		(14)	
Basic earnings (loss) and shares . . . . .	50,819	\$ 29,467	\$ 0.58	\$ (732)	\$ (0.01)	\$ 28,735	\$ 0.57
Effect of dilutive securities:							
Stock compensation plans . . . . .	428						
Diluted earnings (loss) and shares . . . . .	51,247	\$ 29,467	\$ 0.57	\$ (732)	\$ (0.01)	\$ 28,735	\$ 0.56
Adjustments (net of tax):							
Gain on disposal . . . . .		\$ (583)	\$ (0.01)	\$ -	\$ -	\$ (583)	\$ (0.01)
Impairment charges . . . . .		10,166	0.20	-	-	10,166	0.20
Storm damage and other . . . . .		3,132	0.06	-	-	3,132	0.06
Total adjustments . . . . .		\$ 12,715	\$ 0.25	\$ -	\$ -	\$ 12,715	\$ 0.25
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share (3) . . . . .		\$ 42,196	\$ 0.82	\$ (732)	\$ (0.01)	\$ 41,464	\$ 0.81

(3) Expenses attributable to EchoPark® operations were \$0.11 per fully diluted share in the six months ended June 30, 2015.





# NON-GAAP RECONCILIATIONS

	Six Months Ended June 30, 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 . . . . .	52,466	\$ 47,045		\$ (666)		\$ 46,379	
Effect of participating securities:							
Non-vested restricted stock and stock units . . . . .		(151)		-		(151)	
Basic earnings (loss) and shares . . . . .	52,466	\$ 46,894	\$ 0.89	\$ (666)	\$ (0.01)	\$ 46,228	\$ 0.88
Effect of dilutive securities:							
Stock compensation plans . . . . .	472						
Diluted earnings (loss) and shares . . . . .	52,938	\$ 46,894	\$ 0.89	\$ (666)	\$ (0.02)	\$ 46,228	\$ 0.87
Adjustments (net of tax):							
Gain on disposal . . . . .		\$ (4,446)	\$ (0.08)	\$ -	\$ -	\$ (4,446)	\$ (0.08)
Storm damage and other . . . . .		840	0.01	-	-	840	0.01
Effect of two-class method & rounding . . . . .		-	-	-	0.01	-	0.01
Total adjustments . . . . .		\$ (3,606)	\$ (0.07)	\$ -	\$ 0.01	\$ (3,606)	\$ (0.06)
Adjusted:							
Earnings (loss) and Diluted earnings (loss) per share (4) . . . . .		\$ 43,439	\$ 0.82	\$ (666)	\$ (0.01)	\$ 42,773	\$ 0.81

(4) Expenses attributable to EchoPark® operations were \$0.06 per fully diluted share in the six months ended June 30, 2014.





FOR IMMEDIATE RELEASE

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

**CHARLOTTE, N.C.** – July 20, 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 September 15, 2015. The dividend will be payable on October 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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