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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 26, 2016**

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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 26, 2016, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2016 (the “Earnings Press Release”). A copy of the Earnings Press Release is attached hereto as Exhibit 99.1 and a copy of the earnings call presentation materials is attached hereto as Exhibit 99.2.

**Item 7.01. Regulation FD Disclosure.**

On April 26, 2016, in the Earnings Press Release, the Company announced the approval of a quarterly cash dividend.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

99.1 Press release of Sonic Automotive, Inc., dated April 26, 2016

99.2 Earnings call presentation materials

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

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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 26, 2016

SONIC AUTOMOTIVE, INC.

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

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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc., dated April 26, 2016
99.2	Earnings call presentation materials



*Sonic Automotive, Inc. Reports Record Q1 Results  
Adjusted Continuing Operations EPS of \$0.39*

**First Quarter 2016 Results**

- Record Q1 pre-owned units of 29,333, up 4.3% over the prior year quarter
- Record Q1 finance and insurance (“F&I”) gross profit of \$81.3 million, up 8.9% over the prior year quarter
- Record Q1 fixed operations gross profit of \$166.0 million, up 6.2% over the prior year quarter
- Record Q1 total gross profit of \$345.2 million, up 3.0% over the prior year quarter
- EchoPark® stores retailed 941 units

**CHARLOTTE, N.C.** – April 26, 2016 – 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 2016 of \$18.2 million, or \$0.39 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$3.6 million, or \$0.05 per diluted share, related to the Company’s EchoPark® operations. Adjusted net income from continuing operations and related diluted earnings per share are non-GAAP financial measures. The schedules included in this press release reconcile these non-GAAP financial measures to the comparable GAAP financial measures.

Adjusted net income from continuing operations for the first quarter of 2015 was \$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 share, related to the Company’s EchoPark® operations.

On a GAAP basis, net income from continuing operations and related diluted earnings per share for the first quarter of 2016 were \$14.5 million and \$0.31 per share, respectively, compared to \$14.4 million and \$0.28 per diluted share, respectively, for the first quarter of 2015.

Jeff Dyke, Sonic’s EVP of Operations, stated, “We are pleased with our operating results during the quarter. Strong performances in the fixed operations and the F&I areas drove the overall increase in gross profit to record levels. We continued to see gross profit compression in new vehicles and expect this to continue until inventory supply corrects to more normalized levels. The used vehicle market continues to demonstrate its resiliency despite the compression related to new vehicles. Our EchoPark® stores continue to grow and mature. The expansion in Denver is on schedule and we anticipate opening two additional stores in the second quarter of 2016 and another by the end of the year. We are also happy to announce we will be introducing the EchoPark® brand to the Texas and Carolinas markets in 2017 where we have been actively accumulating property.”

B. Scott Smith, the Company’s Chief Executive Officer, noted, “Execution of our core strategies continued in the first quarter. Our commitment to return capital through dividends and share repurchases has rewarded our long-term stockholders. Subsequent to the end of the quarter, we repurchased an additional 363,000 shares for approximately \$6.4 million. In addition to the real estate and construction activities related to EchoPark®, we are aggressively replacing leased

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properties with image-compliant facilities on owned land. We anticipate investing approximately \$250 million in land and facilities in the current year funded by mortgages and cash generated through operations. These hard assets are the cornerstones of our long-term plan. We are maintaining our guidance of adjusted diluted earnings per share from continuing operations for 2016 to be between \$2.07 and \$2.17 per share.”

#### **Dividend**

Sonic’s Board of Directors approved a quarterly dividend of \$0.05 per share payable in cash for stockholders of record on June 15, 2016. The dividend will be payable on July 15, 2016.

#### **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 “Earnings Conference Calls.”

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: 81083014

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: 81083014

#### **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 expansion of our EchoParl® store initiatives and the anticipated amount of investments related to capital expenditures. 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 views, 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

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Form 10-K for the year ending December 31, 2015. 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 March 31,	
	2016	2015
(In thousands, except per share and unit data)		
<b>Revenues:</b>		
New retail vehicles	\$ 1,149,437	\$ 1,190,215
Fleet vehicles	15,133	12,108
Total new vehicles	1,164,570	1,202,323
Used vehicles	598,355	593,742
Wholesale vehicles	44,374	41,656
Total vehicles	1,807,299	1,837,721
Parts, service and collision repair	346,054	323,194
Finance, insurance and other, net	81,273	74,600
Total revenues	2,234,626	2,235,515
Gross profit	345,150	334,959
Selling, general and administrative expenses	(284,375)	(270,862)
Impairment charges	—	(6,192)
Depreciation and amortization	(18,470)	(16,409)
Operating income (loss)	42,305	41,496
<b>Other income (expense):</b>		
Interest expense, floor plan	(6,436)	(4,778)
Interest expense, other, net	(12,339)	(13,219)
Other income (expense), net	104	90
Total other income (expense)	(18,671)	(17,907)
Income (loss) from continuing operations before taxes	23,634	23,589
Provision for income taxes for continuing operations - benefit (expense)	(9,170)	(9,200)
Income (loss) from continuing operations	14,464	14,389
Income (loss) from discontinued operations	160	(422)
Net income (loss)	\$ 14,624	\$ 13,967
<b>Diluted earnings (loss) per common share:</b>		
Earnings (loss) per share from continuing operations	\$ 0.31	\$ 0.28
Earnings (loss) per share from discontinued operations	—	(0.01)
Earnings (loss) per common share	\$ 0.31	\$ 0.27
Weighted average common shares outstanding	47,122	51,403
<b>Gross Margin Data (Continuing Operations):</b>		
New retail vehicles	5.1%	5.3%
Fleet vehicles	0.2%	(0.6%)
Total new vehicles	5.0%	5.3%
Used vehicles	6.8%	6.9%
Wholesale vehicles	(2.4%)	(0.5%)
Parts, service and collision repair	48.0%	48.4%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.4%	15.0%
<b>SG&amp;A Expenses (Continuing Operations):</b>		
Compensation	\$ 169,041	\$ 161,858
Advertising	15,347	15,332
Rent	18,720	18,254
Other	81,267	75,418
Total SG&A expenses	\$ 284,375	\$ 270,862
SG&A expenses as % of gross profit	82.4%	80.9%
Operating Margin %	1.9%	1.9%
<b>Unit Data (Continuing Operations):</b>		
New retail units	30,156	31,334
Fleet units	449	355
Total new units	30,605	31,689
Used units	29,333	28,135
Wholesale units	8,423	7,777

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

*Per Share Data*

	Three Months Ended March 31, 2016						
	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	46,950	\$14,464		\$ 160		\$14,624	
Effect of participating securities:							
Non-vested restricted stock		(6)		—		(6)	
Basic earnings (loss) and shares	46,950	\$14,458	\$ 0.31	\$ 160	\$ —	\$14,618	\$ 0.31
Effect of dilutive securities:							
Stock compensation plans	172						
Diluted earnings (loss) and shares	47,122	\$14,458	\$ 0.31	\$ 160	\$ —	\$14,618	\$ 0.31
<b>Adjustments (net of tax):</b>							
Storm damage and other		\$ 3,698	\$ 0.08	\$ (320)	\$ (0.01)	\$ 3,378	\$ 0.07
Total adjustments		\$ 3,698	\$ 0.08	\$ (320)	\$ (0.01)	\$ 3,378	\$ 0.07
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (1)		\$18,162	\$ 0.39	\$ (160)	\$ (0.01)	\$18,002	\$ 0.38

(1) Net loss attributable to EchoPark® operations was \$0.05 per fully diluted share in the three months ended March 31, 2016.

	Three Months Ended March 31, 2015						
	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	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	51,403	\$14,384	\$ 0.28	\$ (422)	\$ (0.01)	\$13,962	\$ 0.27
<b>Adjustments (net of tax):</b>							
Storm damage and other		\$ 634	\$ 0.02	\$ —	\$ —	\$ 634	\$ 0.02
Impairment charges		3,777	0.07	—	—	3,777	0.07
Total adjustments		\$ 4,411	\$ 0.09	\$ —	\$ —	\$ 4,411	\$ 0.09
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (2)		\$18,800	\$ 0.37	\$ (422)	\$ (0.01)	\$18,378	\$ 0.36

(2) Net loss attributable to EchoPark® operations was \$0.06 per fully diluted share in the three months ended March 31, 2015.

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

*New Vehicles*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 1,164,570	\$ 1,202,323	\$(37,753)	(3.1%)
Gross profit	\$ 58,424	\$ 63,350	\$ (4,926)	(7.8%)
Unit sales	30,605	31,689	(1,084)	(3.4%)
Revenue per unit	\$ 38,052	\$ 37,941	\$ 111	0.3%
Gross profit per unit	\$ 1,909	\$ 1,999	\$ (90)	(4.5%)
Gross profit as a % of revenue	5.0%	5.3%	(30) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 1,164,570	\$ 1,189,495	\$(24,925)	(2.1%)
Gross profit	\$ 58,375	\$ 62,498	\$ (4,123)	(6.6%)
Unit sales	30,605	31,372	(767)	(2.4%)
Revenue per unit	\$ 38,052	\$ 37,916	\$ 136	0.4%
Gross profit per unit	\$ 1,907	\$ 1,992	\$ (85)	(4.3%)
Gross profit as a % of revenue	5.0%	5.3%	(30) bps	

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

*Used Vehicles*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 598,355	\$ 593,742	\$ 4,613	0.8%
Gross profit	\$ 40,531	\$ 40,844	\$ (313)	(0.8%)
Unit sales	29,333	28,135	1,198	4.3%
Revenue per unit	\$ 20,399	\$ 21,103	\$ (704)	(3.3%)
Gross profit per unit	\$ 1,382	\$ 1,452	\$ (70)	(4.8%)
Gross profit as a % of revenue	6.8%	6.9%	(10) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 598,355	\$ 584,987	\$13,368	2.3%
Gross profit	\$ 40,690	\$ 41,008	\$ (318)	(0.8%)
Unit sales	29,333	27,687	1,646	5.9%
Revenue per unit	\$ 20,399	\$ 21,129	\$ (730)	(3.5%)
Gross profit per unit	\$ 1,387	\$ 1,481	\$ (94)	(6.3%)
Gross profit as a % of revenue	6.8%	7.0%	(20) bps	

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

*Wholesale Vehicles*

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 44,374	\$ 41,656	\$2,718	6.5%
Gross profit (loss)	\$ (1,078)	\$ (210)	\$ (868)	(413.3%)
Unit sales	8,423	7,777	646	8.3%
Revenue per unit	\$ 5,268	\$ 5,356	\$ (88)	(1.6%)
Gross profit (loss) per unit	\$ (128)	\$ (27)	\$ (101)	(374.1%)
Gross profit (loss) as a % of revenue	(2.4%)	(0.5%)	(190) bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 44,353	\$ 41,253	\$3,100	7.5%
Gross profit (loss)	\$ (1,076)	\$ (197)	\$ (879)	(446.2%)
Unit sales	8,418	7,688	730	9.5%
Revenue per unit	\$ 5,269	\$ 5,366	\$ (97)	(1.8%)
Gross profit (loss) per unit	\$ (128)	\$ (26)	\$ (102)	(392.3%)
Gross profit (loss) as a % of revenue	(2.4%)	(0.5%)	(190) bps	



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

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

	Three Months Ended March 31,		Better / (Worse)	
	2016	2015	Change	% Change
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 147,394	\$ 137,623	\$ 9,771	7.1%
Warranty	57,559	53,498	4,061	7.6%
Wholesale parts	45,309	45,012	297	0.7%
Internal, sublet and other	95,792	87,061	8,731	10.0%
Total	<u>\$ 346,054</u>	<u>\$ 323,194</u>	<u>\$22,860</u>	7.1%
Gross profit				
Customer pay	\$ 80,358	\$ 75,678	\$ 4,680	6.2%
Warranty	31,326	29,760	1,566	5.3%
Wholesale parts	7,941	8,138	(197)	(2.4%)
Internal, sublet and other	46,375	42,799	3,576	8.4%
Total	<u>\$ 166,000</u>	<u>\$ 156,375</u>	<u>\$ 9,625</u>	6.2%
Gross profit as a % of revenue				
Customer pay	54.5%	55.0%	(50) bps	
Warranty	54.4%	55.6%	(120) bps	
Wholesale parts	17.5%	18.1%	(60) bps	
Internal, sublet and other	48.4%	49.2%	(80) bps	
Total	48.0%	48.4%	(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>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 147,394	\$ 134,636	\$12,758	9.5%
Warranty	57,559	52,694	4,865	9.2%
Wholesale parts	45,309	44,201	1,108	2.5%
Internal, sublet and other	95,792	85,742	10,050	11.7%
Total	<u>\$ 346,054</u>	<u>\$ 317,273</u>	<u>\$28,781</u>	9.1%
Gross profit				
Customer pay	\$ 80,358	\$ 74,050	\$ 6,308	8.5%
Warranty	31,282	29,300	1,982	6.8%
Wholesale parts	7,941	7,988	(47)	(0.6%)
Internal, sublet and other	46,068	42,165	3,903	9.3%
Total	<u>\$ 165,649</u>	<u>\$ 153,503</u>	<u>\$12,146</u>	7.9%
Gross profit as a % of revenue				
Customer pay	54.5%	55.0%	(50) bps	
Warranty	54.3%	55.6%	(130) bps	
Wholesale parts	17.5%	18.1%	(60) bps	
Internal, sublet and other	48.1%	49.2%	(110) bps	
Total	47.9%	48.4%	(50) 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>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Reported:</b>				
Revenue	\$ 81,273	\$ 74,600	\$6,673	8.9%
Gross profit per retail unit (excludes fleet)	\$ 1,366	\$ 1,254	\$ 112	8.9%
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 80,852	\$ 73,689	\$7,163	9.7%
Gross profit per retail unit (excludes fleet)	\$ 1,359	\$ 1,255	\$ 104	8.3%

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

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

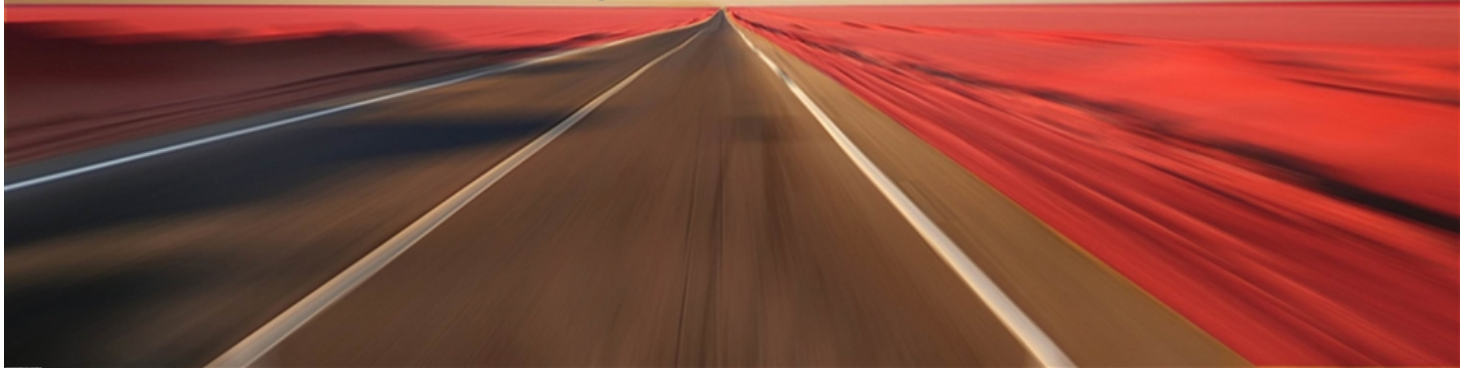
	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 169,041	\$ 161,858	\$ (7,183)	(4.4%)
Advertising	15,347	15,332	(15)	(0.1%)
Rent	18,720	18,254	(466)	(2.6%)
Other	<u>81,267</u>	<u>75,418</u>	<u>(5,849)</u>	<u>(7.8%)</u>
Total	<u>\$ 284,375</u>	<u>\$ 270,862</u>	<u>\$ (13,513)</u>	<u>(5.0%)</u>
Total pre-tax adjustments	<u>(6,042)</u>	<u>(1,051)</u>	<u>4,991</u>	<u>NM</u>
Adjusted SG&A	<u>\$ 278,333</u>	<u>\$ 269,811</u>	<u>(8,522)</u>	<u>(3.2%)</u>
<b>SG&amp;A expenses as a % of gross profit</b>				
Compensation	49.0%	48.3%	(70) bps	
Advertising	4.4%	4.6%	20 bps	
Rent	5.4%	5.4%	0 bps	
Other	<u>23.6%</u>	<u>22.6%</u>	<u>(100) bps</u>	
Total	<u>82.4%</u>	<u>80.9%</u>	<u>(150) bps</u>	
Total pre-tax adjustments	<u>(1.8%)</u>	<u>(0.3%)</u>	<u>150 bps</u>	
Adjusted SG&A as a % of gross profit	<u>80.6%</u>	<u>80.6%</u>	<u>0 bps</u>	

NM = Not meaningful



# Q1 2016 Investor Presentation

April 26, 2016



# 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 2016 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, 2016. 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, 2015.

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 REVIEW
- OPERATIONS REVIEW
- SUMMARY & OUTLOOK

# STRATEGIC FOCUS

## 1. Growth

- EchoPark®
- One Sonic-One Experience
- Acquisitions & Open Points

## 2. Own Our Properties

## 3. Return Capital to Shareholders

- Share Repurchases
- Dividends



# STRATEGIC FOCUS

## ONE SONIC-ONE EXPERIENCE (OSOE)

- Goals
  - 1 Associate, 1 Price, 1 Hour
  - Improve Transparency; Increase Trust
  - Operational Efficiencies
  - Grow Market Share
  - Feed Fixed Operations
- Technology Being Introduced into Additional Markets (*Charlotte was Pilot*)
  - CRM, Desking & Appraisal

# STRATEGIC FOCUS

## EchoPark®

- Three Locations Open In Denver
  - Thornton Hub
  - Centennial
  - Highlands Ranch
- Locations to Open in Denver Market in First Half of 2016
  - Dakota Ridge
  - Stapleton
- One Additional Denver Market Locations by End of 2016
- Acquiring Property in the Texas and Carolinas Markets
  - Expect openings in 2017

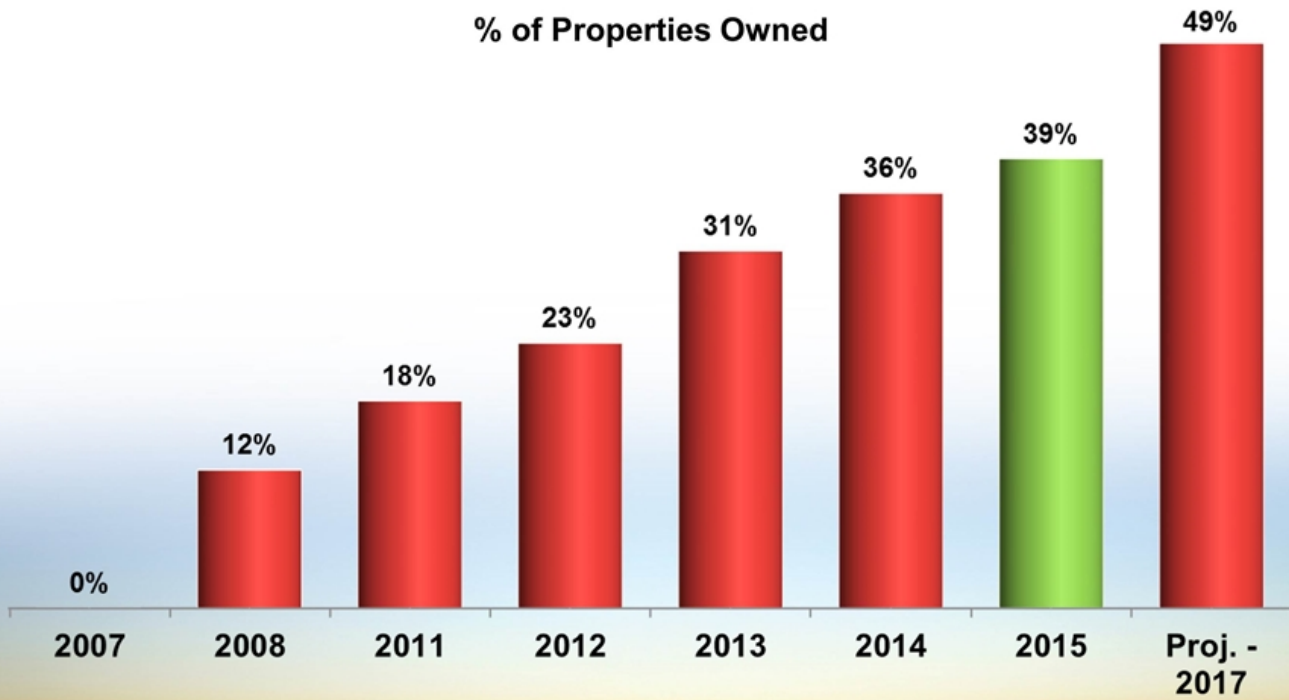
# STRATEGIC FOCUS

## 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

% of Properties Owned



# STRATEGIC FOCUS

## RETURN CAPITAL TO SHAREHOLDERS

(amounts in thousands, except per share data)

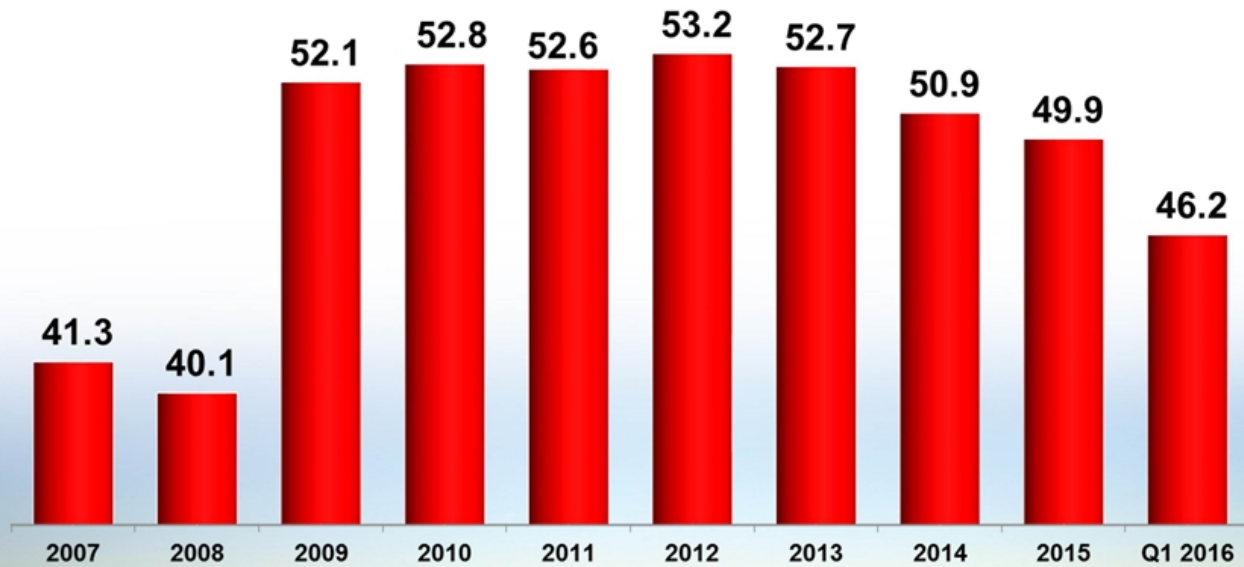
	<u>Shares</u>	<u>\$/Share</u>	<u>\$</u>	<u>Availability</u>
Q1 Activity	4,102	\$ 18.14	\$ 74,414	\$ 70,589
Q2 Activity	363	\$ 17.62	\$ 6,398	\$ 64,191
YTD	<u>4,465</u>	<u>\$ 18.10</u>	<u>\$ 80,812</u>	

Acquired 7.5% of OS in Q1  
 New Share Count = 46.2M Down from High of 53.2M (Dec 2012)  
 Q1 Accretion = 7%

# STRATEGIC FOCUS

## RETURN CAPITAL TO SHAREHOLDERS

OUTSTANDING SHARE COUNT *(in millions)*



Note – Balances are amounts outstanding at the end of the applicable period. These amounts exclude the effect of share dilution from convertible notes and equity grants outstanding.



# Q1 2016 FINANCIAL REVIEW

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# Q1 2016 FINANCIAL REVIEW FRANCHISED SEGMENT

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# FRANCHISED SEGMENT Q1 2016 RESULTS

(amounts in millions, except per share data)	Q1 2016 <sup>(1)</sup>	B/(W) than Q1 2015 <sup>(1)</sup>	
		\$	%
Revenue	\$2,211	(\$9)	(0.4%)
Gross Profit	\$342	\$9	2.6%
SG&A as % of Gross	79.7%		(50) bps
Operating Profit	\$52	(\$2)	(3.6%)
Interest & Other	(\$18)	(\$1)	(3.0%)
Pretax	\$33	(\$2)	(7.0%)
Diluted EPS	\$0.44	\$0.01	2.3%

(1) – Q1 2016 and Q1 2015 are adjusted – See appendix for reconciliation to GAAP amounts  
 Note – Continuing operations includes results of sold stores after March 31, 2014.

# Q1 2016 FINANCIAL REVIEW ECHOPARK® SEGMENT

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# ECHOPARK® SEGMENT Q1 2016 RESULTS

(amounts in millions, except per share, unit and per unit data)	Q1 2016	B/(W) than Q1 2015 (1)	
		\$	%
Revenue	\$24	\$8	NM
Gross Profit	\$3	\$1	NM
Operating Profit	(\$3)	\$2	NM
Interest & Other	(\$0)	(\$0)	NM
Pretax	(\$4)	\$1	27.2%
Diluted EPS	(\$0.05)	\$0.01	16.7%
Retail Units	941	281	42.6%
GPU	\$1,390	\$5	0.4%
F&I (\$/unit)	\$1,369	\$480	54.1%

(1) – Q1 2015 is adjusted – See appendix for reconciliation to GAAP amounts

NM – Not Meaningful

# Q1 2016 FINANCIAL REVIEW TOTAL ENTERPRISE

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# CONSOLIDATED Q1 2016 RESULTS

(amounts in millions, except per share data)	Q1 2016 (1)	B/(W) than Q1 2015 (1)	
		\$	%
Revenue	\$2,235	(\$1)	(0.0%)
Gross Profit	\$345	\$10	3.0%
SG&A as % of Gross	80.6%		- bps
Operating Profit	\$48	(\$0)	(0.8%)
Interest & Other	(\$19)	(\$1)	(4.3%)
Continuing Ops:			
Profit (after tax)	\$18	(\$1)	(3.4%)
Diluted EPS	\$0.39	\$0.02	5.4%

Depreciation Up = \$2.1M  
New Floorplan Up = \$1.7M

(1) – Q1 2016 and Q1 2015 are adjusted – See appendix for reconciliation to GAAP amounts  
Note – Continuing operations includes results of sold stores after March 31, 2014.

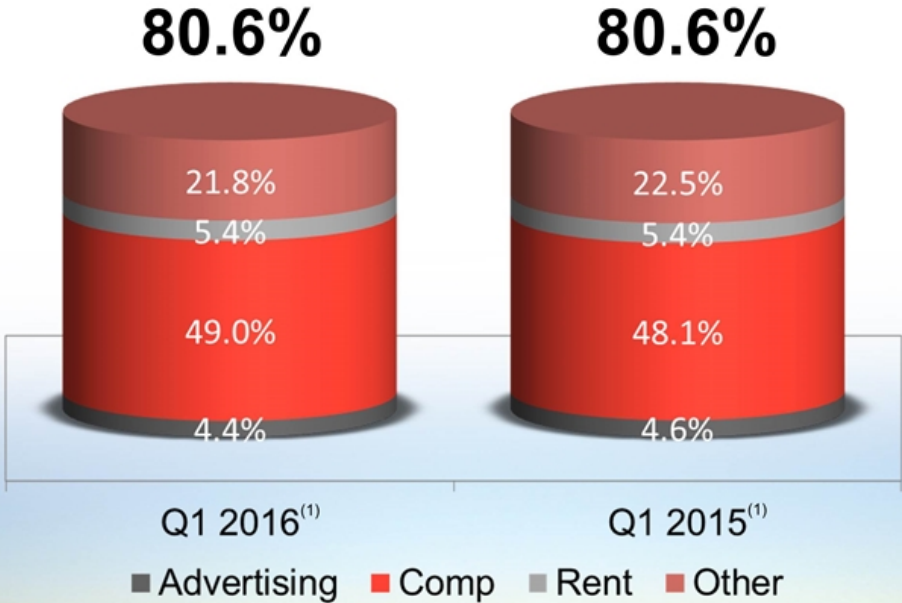
# Q1 2016 REVENUE & GROSS PROFIT

(amounts in millions, except per share data)	Q1 2016	B/(W) than Q1 2015	
		\$	%
New Retail Revenue	\$1,149	(\$41)	(3.4%)
Used Retail Revenue	\$598	\$5	0.8%
Fixed Operations Revenue	\$346	\$23	7.1%
F&I Revenue	\$81	\$7	8.9%
Total Revenue	\$2,235	(\$1)	(0.0%)
New Retail Gross	\$58	(\$5)	(7.9%)
Used Retail Gross	\$41	(\$0)	(0.8%)
Fixed Operations Gross	\$166	\$10	6.2%
F&I Gross	\$81	\$7	8.9%
Total Gross	\$345	\$10	3.0%

Strong Growth in Fixed and F&I Offset by Reduction in New Units and Lower GPU



# Q1 2016 ADJUSTED SG&A TO GROSS

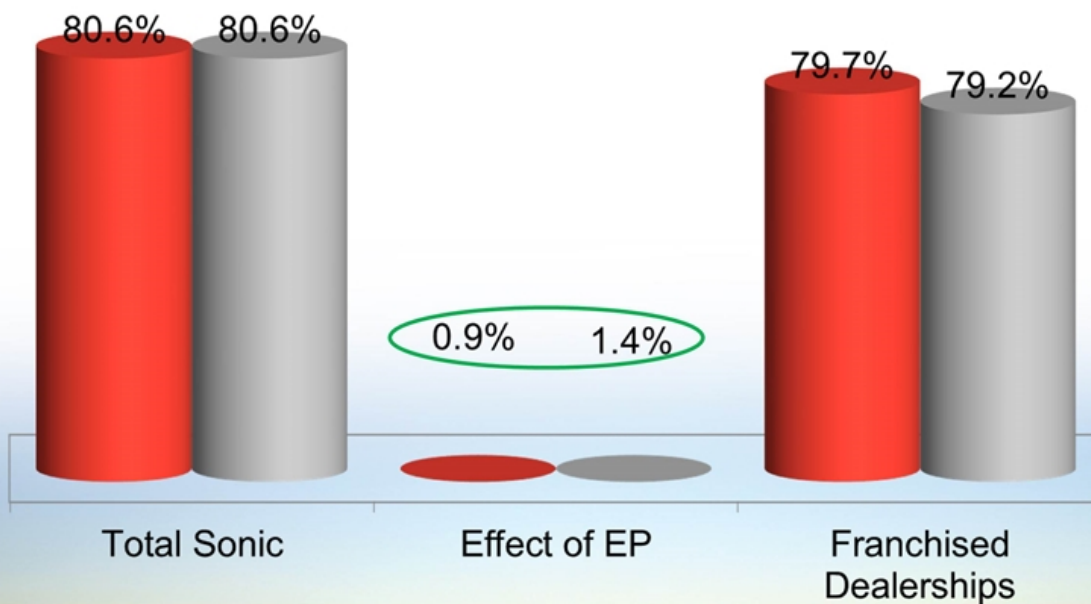


(1) – Q1 2016 and Q1 2015 are adjusted – See appendix for reconciliation to GAAP amounts



# Q1 2016 ADJUSTED SG&A TO GROSS

■ Q1 2016<sup>(1)</sup> ■ Q1 2015<sup>(1)</sup>



(1) – Q1 2016 and Q1 2015 are adjusted – See appendix for reconciliation to GAAP amounts



# INTEREST EXPENSE

## Q1 2016

(amounts in millions, except per share data)	Q1 2016	B/(W) than Q1 2015	
		\$	%
Floor Plan Interest Expense	\$6	(\$2)	(34.7%)
Interest Expense, Other	\$12	\$1	6.7%
<b>Total Interest Expense</b>	<b>\$19</b>	<b>(\$1)</b>	<b>(4.3%)</b>

Floor plan Increase Due to Higher Inventory Balances

## 2016 CAPEX

(amounts in millions)	Q1 2016	Estimated 2016
Real Estate & Facility Related	\$ 35.3	\$ 251.9
All Other Cap Ex	6.1	32.3
Subtotal	\$ 41.4	\$ 284.2
Less: Mortgage Funding	(33.7)	(167.9)
Total Cash Used – Cap Ex	\$ 7.7	\$ 116.3

# DEBT COVENANTS

	<u>Covenant</u>	<u>Actual Q1 2016</u>
Liquidity Ratio	$\geq 1.05$	1.16
Fixed Charge Coverage Ratio	$\geq 1.20$	1.76
Total Lease Adjusted Leverage Ratio	$\leq 5.50$	4.21

Compliant with all Covenants

# OPERATIONS REVIEW

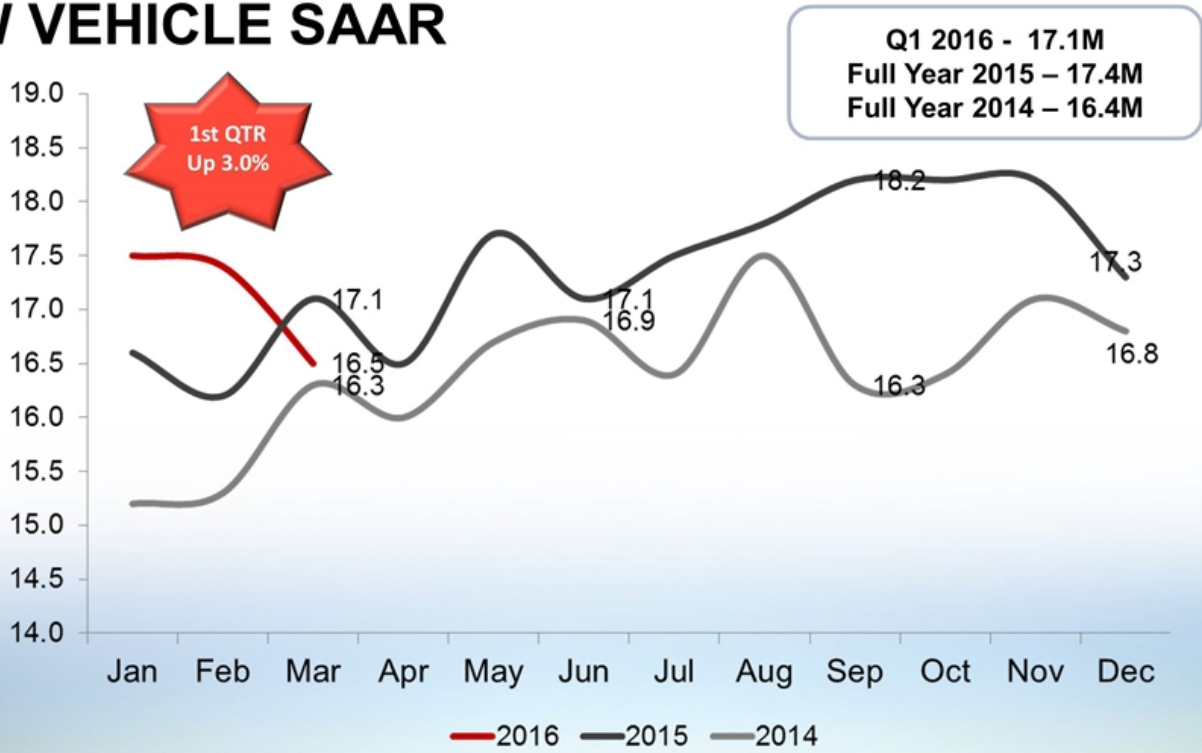


# NEW VEHICLE RETAIL SAME STORE

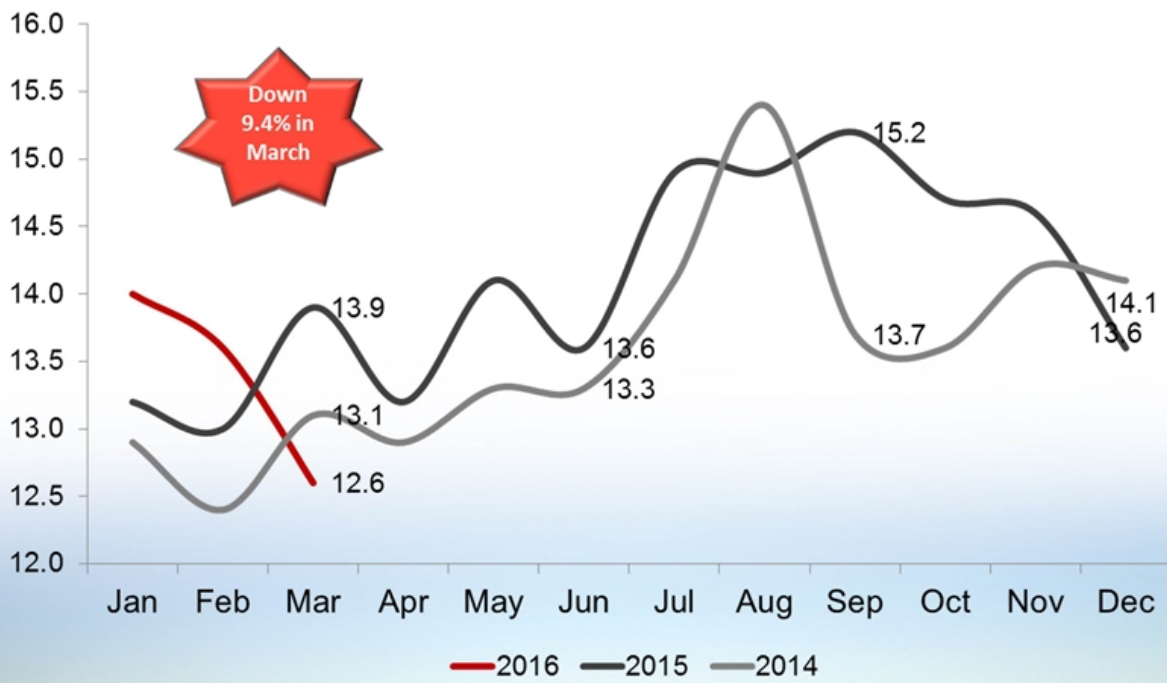
	Q1 2016	Q1 2015	B/(W)
Retail Volume	30,156	31,017	(2.8%)
Selling Price	\$ 38,116	\$ 37,959	0.4%
Gross Margin %	5.1%	5.3%	(20) bps
GPU	\$ 1,935	\$ 2,017	\$ (83)
Gross Profit	\$ 58.3	\$ 62.6	(6.8%)
SAAR (million)	17.1	16.6	3.0%

Inventory levels continue to add pressure to PUR - market continues to be hyper competitive in particular with BMW

# NEW VEHICLE SAAR



# NEW VEHICLE SAAR – RETAIL ONLY

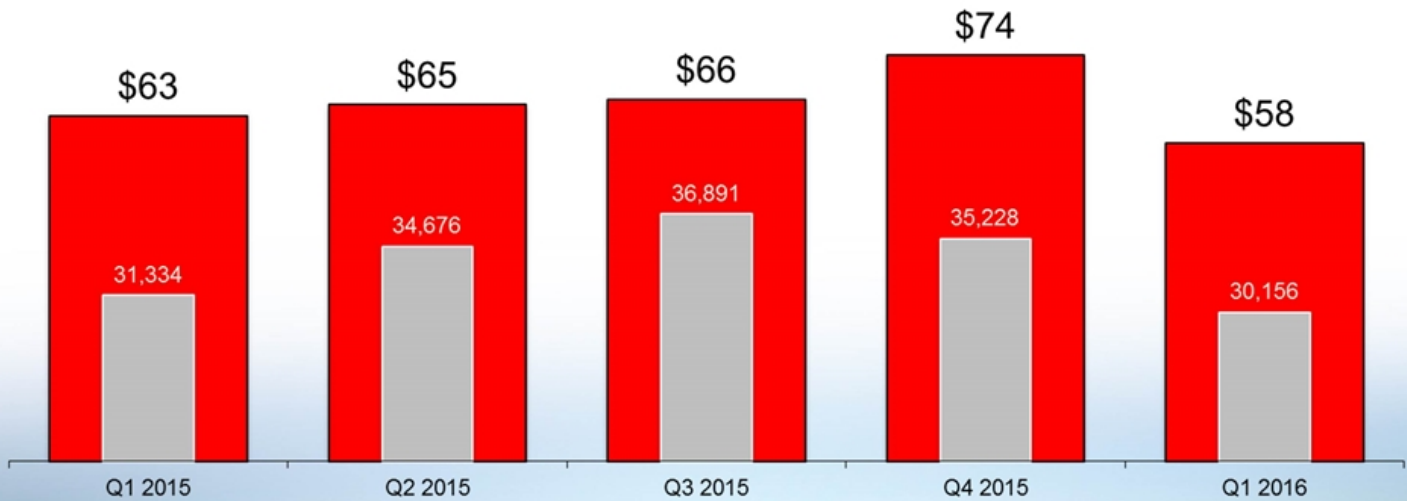




# RETAIL NEW VEHICLE – GROSS & UNIT TREND

Continuing Operations

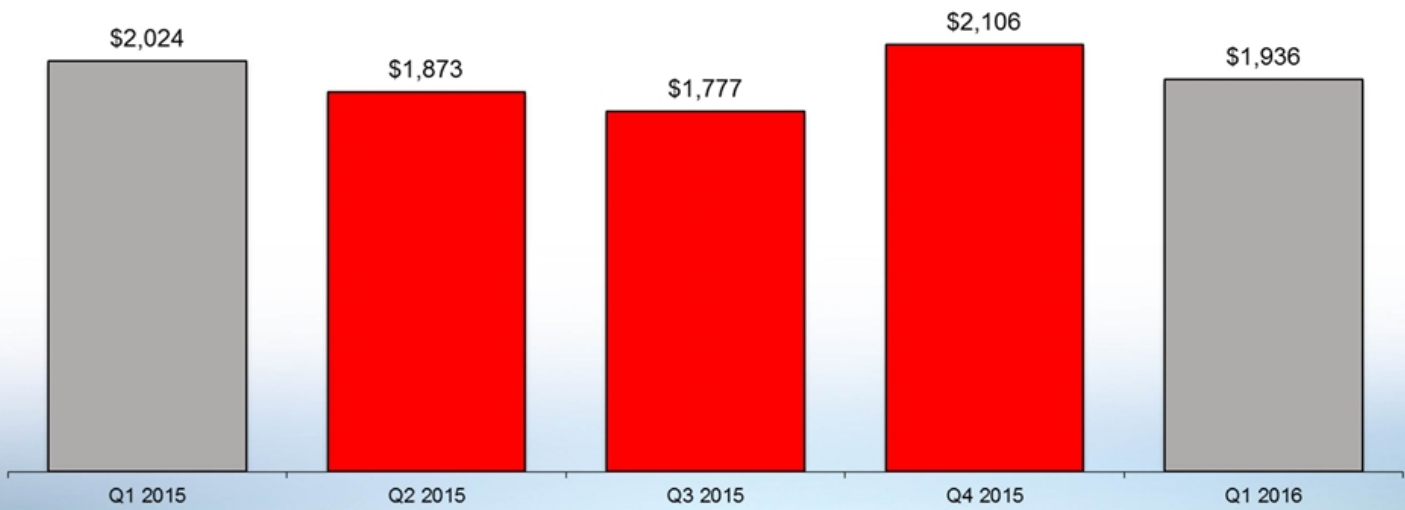
■ Gross \$ (in millions) ■ Units



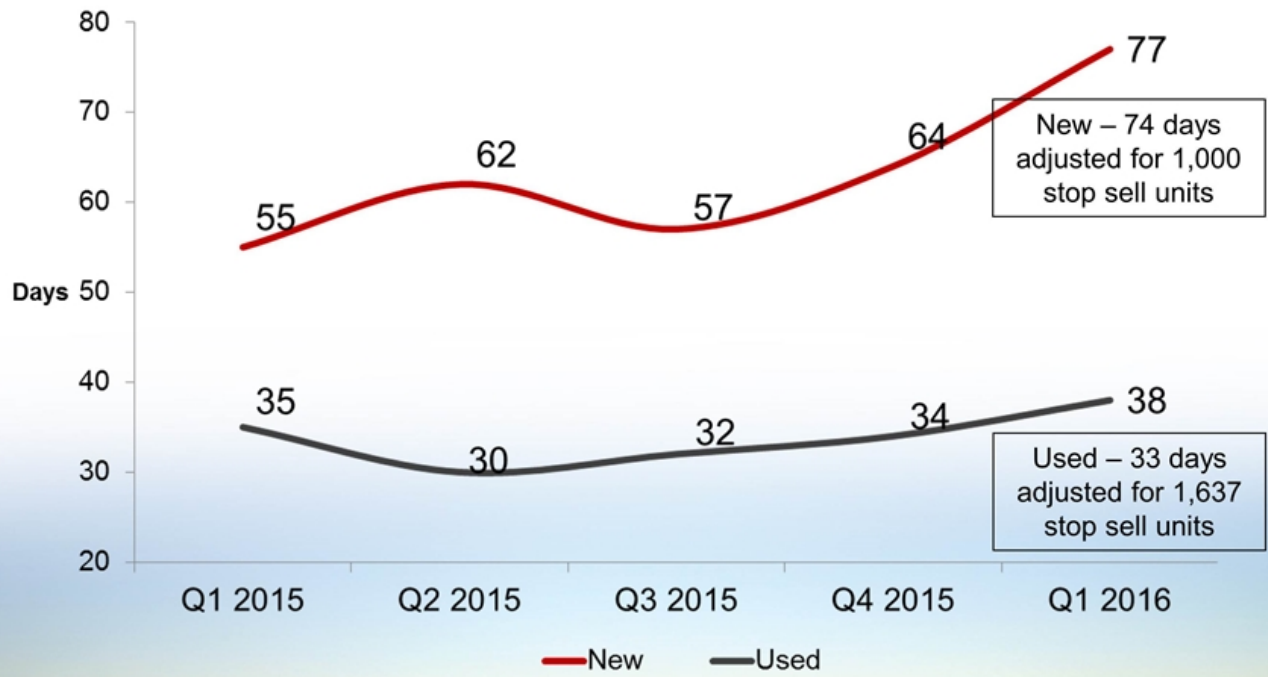


# NEW VEHICLE – GROSS PER UNIT

Continuing Operations



# VEHICLE DAYS SUPPLY



# USED VEHICLE RETAIL SAME STORE



	Q1 2016	Q1 2015	B/(W)
Retail Volume	29,333	27,687	5.9%
GPU	\$ 1,387	\$ 1,481	\$ (94)
Gross Profit	\$ 40.7	\$ 41.0	\$ (0.3)
Used to New	0.97 to 1.00	0.89 to 1.00	9.0%
Vehicles/Store/Mth (105 stores)	93	88	5

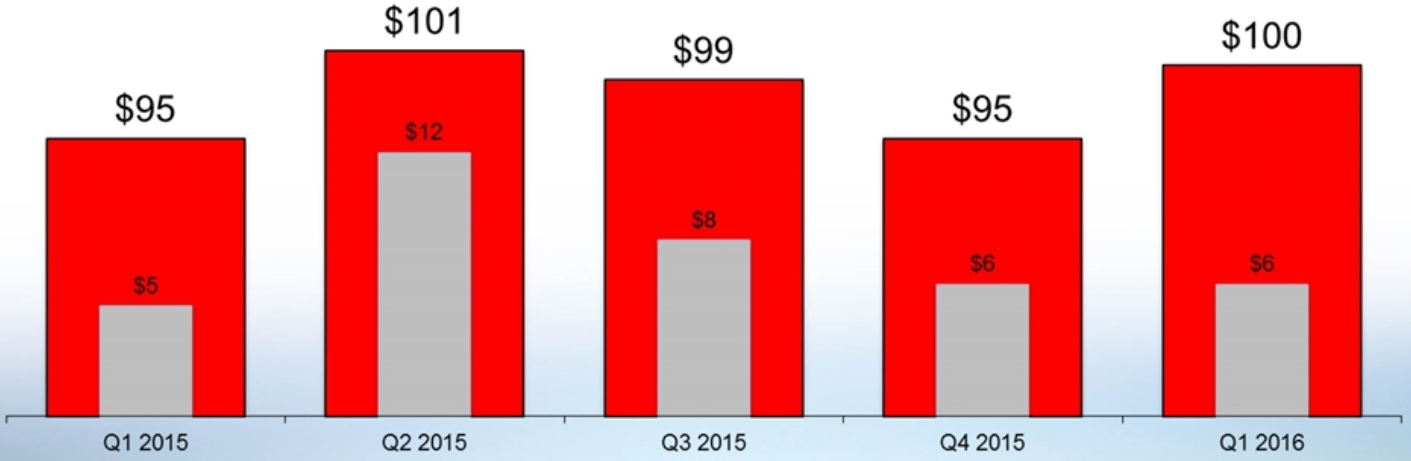
Volume Increases Offset by Lower GPU

# USED VEHICLE – GROSS & UNIT TREND

Continuing Operations



■ Used Related Gross \$\*    ■ YOY Incremental Gross  
(\$'s in millions)



\* - Used Related Gross = (Used Gross + F&I + Reconditioning)

# F&I SAME STORE

Higher PUR accounted for \$6.1M  
of the overall \$7.2M increase in  
F&I Gross

\$1,255

\$1,359

Q1 2015

Q1 2016

Gross (millions)

\$ 73.7

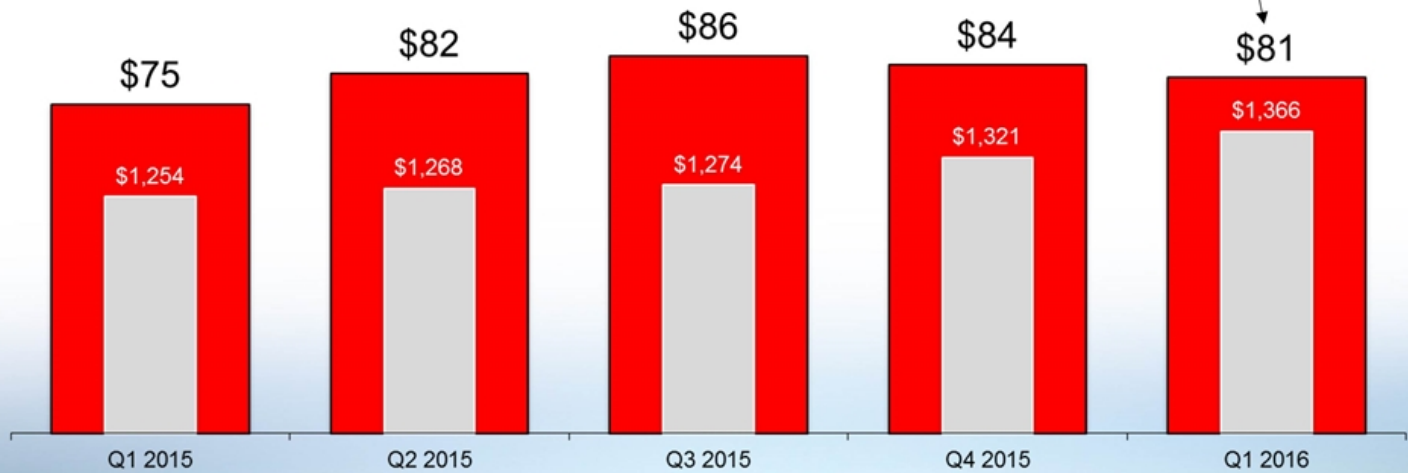
Total Gross Up 9.7%

\$ 80.9

# F&I – GROSS & PUR TREND

Continuing Operations

■ Gross \$ (in millions) ■ GPU\$

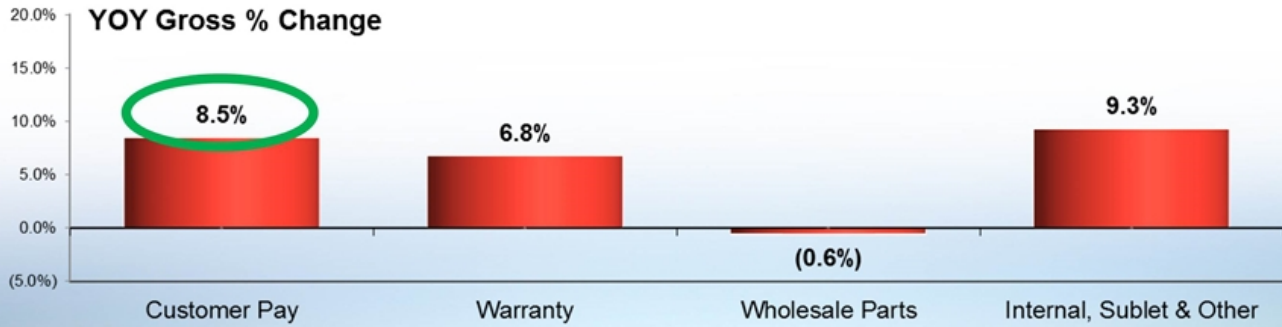




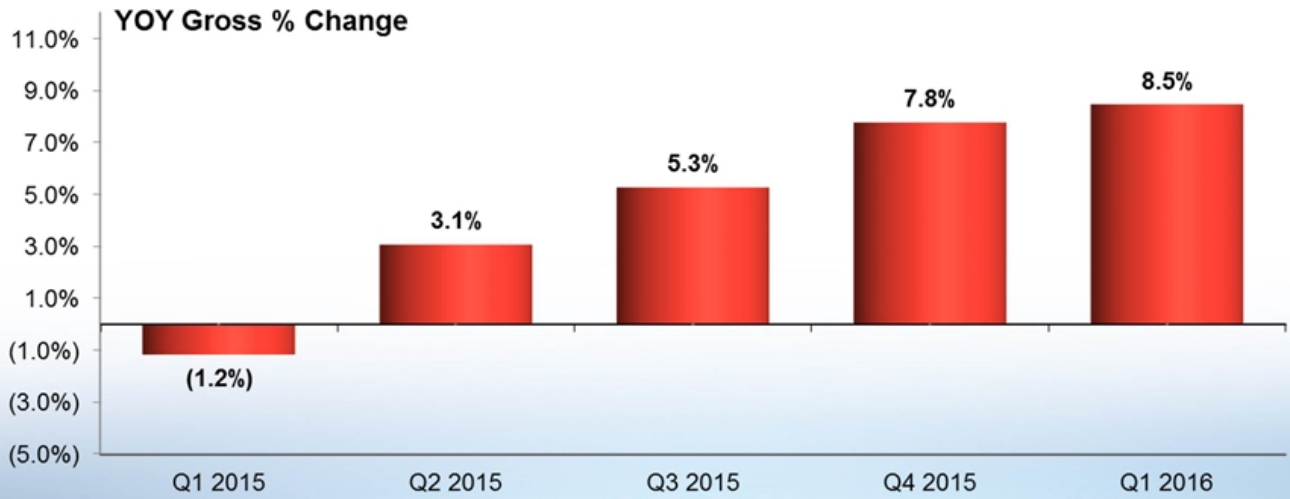
# FIXED OPS SAME STORE



	Q1 2016	Q1 2015	B/(W)
Revenue	\$ 346	\$ 317	9.1%
Gross Profit	\$ 166	\$ 154	7.9%



# FIXED OPS SAME STORE – CUSTOMER PAY



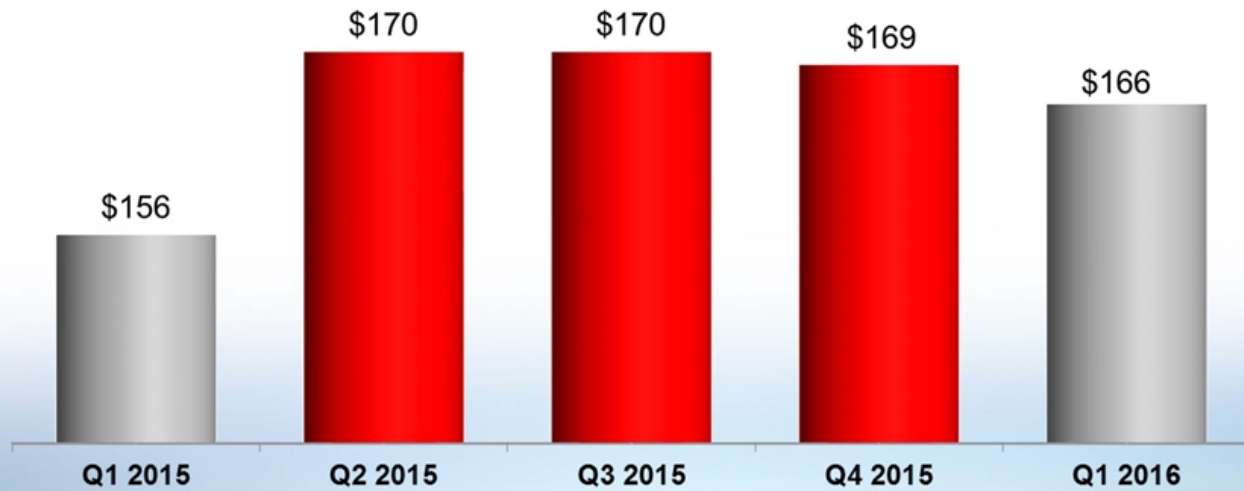
**We continue to perform better in CP – the moves we have made in our shops and the increased level of technicians is paying off**



# FIXED OPERATIONS – GROSS TREND

## Continuing Operations

(\$'s in millions)



# SUMMARY

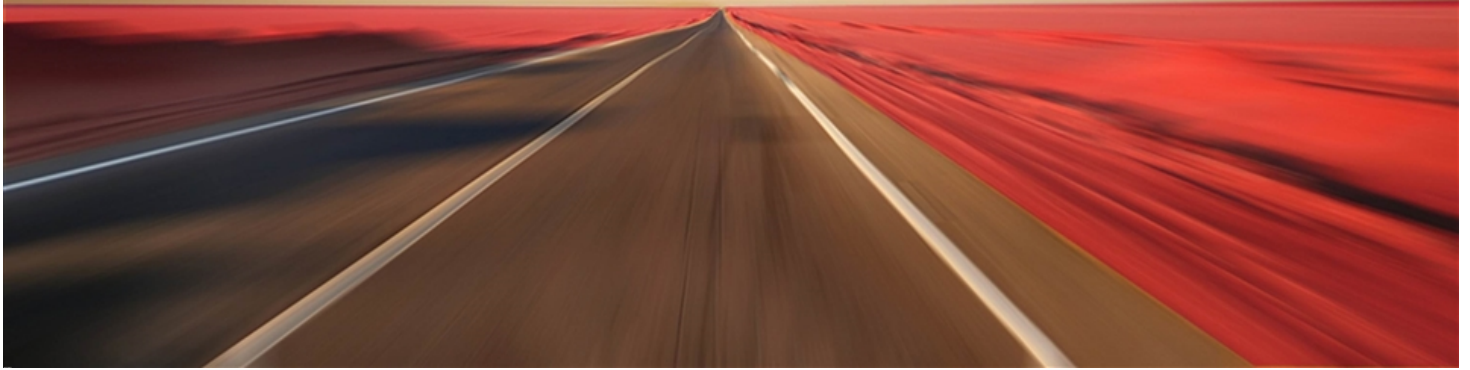
- ❑ EchoPark® entering 2 new markets – Texas & Carolinas
- ❑ Returned capital through stock purchases and dividend
- ❑ Continued to grow the top-line revenue and gross
- ❑ New vehicle GPU pressure continues – industry supply continues to be higher than historic levels
- ❑ Used environment is stable
- ❑ Fixed operations and F&I continue to grow and show strength

Maintain 2016 Adjusted Continued Ops EPS Guidance:

- New Car Franchise Business \$2.28 - \$2.40
- Effect of EchoPark® (\$0.21) – (\$0.23)
- Total Sonic \$2.07 - \$2.17



# APPENDIX



# ADJUSTMENTS BRIDGE

## Q1 2016

(amounts in millions, except per share data)

	Q1 2016		Q1 2015		Notes 2016	Notes 2015
	Pre-Tax	EPS	Pre-Tax	EPS		
Unadjusted		\$0.31		\$ 0.28		
Storm Damage	6.1	0.08	-	-	TX Hail	
Impairment	-	-	6.2	0.07		Website
Other	-	-	1.0	0.02		Severance & Loss on Disposal
Adjusted EPS		<u>\$0.39</u>		<u>\$ 0.37</u>		

# 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,	
	2016	2015	2016	2015	2016	2015
	(In millions)					
<b>SG&amp;A Reconciliation:</b>						
As Reported .....	\$ 284.4	\$ 270.9	\$ 278.7	\$ 265.0	\$ 5.7	\$ 5.9
<b>Pre-tax Adjustments:</b>						
Storm damage and other .....	(6.1)	(1.0)	(6.1)	(1.0)	-	-
Total pre-tax adjustments .....	(6.1)	(1.0)	(6.1)	(1.0)	-	-
Adjusted SG&A .....	\$ 278.3	\$ 269.9	\$ 272.6	\$ 264.0	\$ 5.7	\$ 5.9
<b>SG&amp;A as % of Gross Reconciliation:</b>						
As Reported .....	82.4%	80.9%	81.5%	79.5%	NM	NM
<b>Pre-tax Adjustments:</b>						
Storm damage and other .....	(1.8%)	(0.3%)	(1.8%)	(0.3%)	NM	NM
Total pre-tax adjustments .....	(1.8%)	(0.3%)	(1.8%)	(0.3%)	NM	NM
Adjusted SG&A as % of Gross .....	80.6%	80.6%	79.7%	79.2%	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,	
	2016	2015	2016	2015	2016	2015
	(In millions)					
<b>Operating Profit Reconciliation:</b>						
As Reported .....	\$ 42.3	\$ 41.5	\$ 45.5	\$ 47.7	\$ (3.2)	\$ (6.2)
<b>Pre-tax Adjustments:</b>						
SG&A .....	6.1	1.0	6.1	1.0	-	-
Impairment charges .....	-	6.2	-	4.7	-	1.5
Total pre-tax adjustments .....	6.1	7.2	6.1	5.7	-	1.5
Adjusted Operating Profit .....	<u>\$ 48.4</u>	<u>\$ 48.7</u>	<u>\$ 51.6</u>	<u>\$ 53.4</u>	<u>\$ (3.2)</u>	<u>\$ (4.7)</u>
<b>Pre-tax Profit from Continuing Operations Reconciliation:</b>						
As Reported .....	\$ 23.6	\$ 23.6	\$ 27.2	\$ 30.0	\$ (3.6)	\$ (6.4)
<b>Pre-tax Adjustments:</b>						
SG&A .....	6.1	1.0	6.1	1.0	-	-
Impairment charges .....	-	6.2	-	4.7	-	1.5
Total pre-tax adjustments .....	6.1	7.2	6.1	5.7	-	1.5
Adjusted Pre-tax Profit from Continuing Operations .....	<u>\$ 29.7</u>	<u>\$ 30.8</u>	<u>\$ 33.3</u>	<u>\$ 35.7</u>	<u>\$ (3.6)</u>	<u>\$ (4.9)</u>
<b>Profit from Continuing Operations (after-tax) Reconciliation:</b>						
As Reported .....	\$ 14.5	\$ 14.4				
<b>After-tax Adjustments:</b>						
SG&A .....	3.7	0.6				
Impairment charges .....	-	3.8				
Total after-tax adjustments .....	3.7	4.4				
Adjusted Profit from Continuing Operations (after-tax) .....	<u>\$ 18.2</u>	<u>\$ 18.8</u>				

# NON-GAAP RECONCILIATIONS

	Three Months Ended March 31, 2016						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares .....	46,950	\$ 14,464		\$ 160		\$ 14,624	
Effect of participating securities:							
Non-vested restricted stock .....		(6)		-		(6)	
Basic earnings (loss) and shares .....	46,950	14,458	\$ 0.31	160	\$ -	14,618	\$ 0.31
Effect of dilutive securities:							
Stock compensation plans .....	172						
Diluted earnings (loss) and shares .....	47,122	\$ 14,458	\$ 0.31	\$ 160	\$ -	\$ 14,618	\$ 0.31
Adjustments (net of tax):							
Storm damage and other .....		\$ 3,698	\$ 0.08	\$ (320)	\$ (0.01)	\$ 3,378	\$ 0.07
Total adjustments .....		\$ 3,698	\$ 0.08	\$ (320)	\$ (0.01)	\$ 3,378	\$ 0.07
Adjusted:							
Earnings (loss) and							
Diluted earnings (loss) per share (1) .....		\$ 18,162	\$ 0.39	\$ (160)	\$ (0.01)	\$ 18,002	\$ 0.38

(1) Net loss attributable to EchoPark® operations was \$0.05 per fully diluted share in the three months ended March 31, 2016.

# NON-GAAP RECONCILIATIONS

	Three Months Ended March 31, 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 .....	50,854	\$ 14,389		\$ (422)		\$ 13,967	
Effect of participating securities:							
Non-vested restricted stock .....		(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 .....	51,403	\$ 14,384	\$ 0.28	\$ (422)	\$ (0.01)	\$ 13,962	\$ 0.27
<b>Adjustments (net of tax):</b>							
Storm damage and other .....		\$ 634	\$ 0.02	\$ -	\$ -	\$ 634	\$ 0.02
Impairment charges .....		3,777	0.07	-	-	3,777	0.07
Total adjustments .....		\$ 4,411	\$ 0.09	\$ -	\$ -	\$ 4,411	\$ 0.09
<b>Adjusted:</b>							
Earnings (loss) and							
Diluted earnings (loss) per share (2) .....		\$ 18,800	\$ 0.37	\$ (422)	\$ (0.01)	\$ 18,378	\$ 0.36

(2) Net loss attributable to EchoPark® operations was \$0.06 per fully diluted share in the three months ended March 31, 2015.



# NON-GAAP RECONCILIATIONS

	Three Months Ended March 31, 2016			Three Months Ended March 31, 2015		
	Continuing Operations			Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
EPS Reconciliation:						
Reported diluted earnings (loss) and shares .....	\$ 0.36	\$ (0.05)	\$ 0.31	\$ 0.34	\$ (0.06)	\$ 0.28
Adjustments:						
Storm damage and other .....	0.08	-	0.08	0.02	-	0.02
Impairment charges .....	-	-	-	0.07	-	0.07
Adjusted diluted earnings (loss) and shares .....	<u>\$ 0.44</u>	<u>\$ (0.05)</u>	<u>\$ 0.39</u>	<u>\$ 0.43</u>	<u>\$ (0.06)</u>	<u>\$ 0.37</u>