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

FORM 8-K

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

Date of Report (Date of earliest event reported): April 26, 2017

SONIC AUTOMOTIVE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13395
(Commission
File Number)

56-2010790
(IRS Employer
Identification No.)

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

28211
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 26, 2017, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2017 (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, 2017, 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, 2017

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.

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, 2017

SONIC AUTOMOTIVE, INC.

By: /s/ HEATH R. BYRD
Heath R. Byrd
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Sonic Automotive, Inc., dated April 26, 2017
99.2	Earnings call presentation materials

Sonic Automotive, Inc. Reports First Quarter Results

CHARLOTTE, N.C. – April 26, 2017 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported financial results for the first quarter of 2017.

First Quarter 2017 Results

- EchoPark® stores retailed 1,673 units, up 77.8% over the prior year quarter
- Record Q1 pre-owned units of 30,372 contributing gross profit of \$40.8 million
- Record Q1 fixed operations gross profit of \$169.3 million, up 2.0% over the prior year quarter
- Record Q1 F&I gross profit and gross profit per retail unit of \$83.1 million and \$1,379, respectively
- Record Q1 total gross profit of \$350.3 million, up 1.5% over the prior year quarter

GAAP Basis

Net income from continuing operations for the first quarter of 2017 was \$0.0 million, or \$0.00 per diluted share. These results include charges related to the redemption of Sonic’s 7.0% Senior Subordinated Notes due 2022 (the “7.0% Notes”), weather-related physical damage costs and fixed asset impairments, offset by net settlement gains related to legal matters. The pre-tax charges related to the redemption of the 7.0% Notes totaled approximately \$15.3 million, or \$0.21 per diluted share. In conjunction with this redemption, Sonic lowered its overall borrowing costs, extended its debt maturities and increased its liquidity through a private placement (with registration rights) of \$250.0 million of 6.125% Senior Subordinated Notes due 2027 (the “6.125% Notes”). See the attached schedules for additional information related to first quarter 2017 charges. Also included in the GAAP reported amounts for the first quarter of 2017 is a net after-tax loss from operations related to EchoPark® of \$3.3 million, or \$0.07 per diluted share.

Comparatively, net income from continuing operations for the first quarter of 2016 was \$14.5 million, or \$0.31 per diluted share. The results from 2016 include charges for weather-related physical damage costs. Also included in the GAAP reported amounts for the first quarter of 2016 is a net after-tax loss from operations related to EchoPark® of \$2.2 million, or \$0.05 per diluted share.

Adjusted Basis

Adjusted net income from continuing operations and related earnings per diluted share are non-GAAP financial measures. The schedules included in this press release reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures.

Adjusted net income from continuing operations for the first quarter of 2017 and 2016 was \$10.3 million, or \$0.23 per diluted share, and \$18.2 million, or \$0.39 per diluted share, respectively. The adjustments in the 2017 quarterly period relate to the redemption of Sonic’s 7.0% Notes, weather-related physical damage costs and fixed asset impairments, offset by net settlement gains related to legal matters. The adjustments in the 2016 quarterly period are for weather-related physical damage costs.

Commentary

Jeff Dyke, Sonic's EVP of Operations, stated, "As we expected and forecasted in our internal models, the months of January and February in 2017 were difficult. Weakness was driven by a lack of new retail volume and a shorter fixed operations calendar in February. As we typically see, March was very good. In fact, we were able to set volume and gross records within the month of March. However, the month was not strong enough to offset the weakness experienced in the first two months of the year. I was particularly pleased with our pre-owned and F&I performances for the quarter, both posting record results. Our F&I performance continues improving at a rapid pace, setting an all-time PUR record in the month of March. March was also our biggest used volume month in company history, which helped support a resurgence of our business for the quarter. EchoPark® continues to make great progress and we expect to break ground in the San Antonio, Texas market in April. We also launched One Sonic One Experience ("OSOE") in a BMW store during the first quarter of 2017 and the store has ramped up nicely each month since our January install. We will continue the rollout of EchoPark® and OSOE as the performance of these initiatives continues to validate our strategy."

B. Scott Smith, the Company's Chief Executive Officer, noted, "We continue executing strategies that yield long-term benefits. We believe the refinancing of our 7.0% Notes with a 6.125% Note issuance will prove to be a big win for us as we expect interest rates to continue to gradually rise over the next several years. Although the charges incurred during the quarter relating to the redemption depressed our reported earnings, we will enjoy the benefits of this long-term financing over the next ten years. Moving forward, we are excited about the upcoming opening of our new Audi store in Pensacola, Florida and the introduction of the EchoPark® brand to the Texas market in 2017. We are committed to growing the Company through the expansion of our EchoPark® brand and through the expansion of our franchised dealerships through acquisitions and open points. We believe our strong relationships with our manufacturer partners will allow us to continue to aggressively grow this part of our business if the target fits within our acquisition strategy. We welcome the opportunity to review these types of deals."

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, 2017. The dividend will be payable on July 14, 2017.

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, then click on "Our Company," then "Investor Relations," then "Earnings Conference Calls."

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

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

Domestic: 1.877.450.3867
International: 1.706.643.0958
Conference ID: 1713085

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: 1713085

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. More information about EchoPark® Automotive can be found at www.echopark.com.

Forward Looking Statements

Included herein are forward-looking statements, including statements with respect to the anticipated benefits of our long-term financing strategy, the anticipated expansion of our EchoPark® business and our franchised dealerships, and our belief that our strong relationships with our manufacturer partners will allow us to continue to aggressively grow our franchised dealership business through strategic acquisitions and new dealership open points. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risks 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 Form 10-K for the year ended December 31, 2016. The Company does not undertake any obligation to update forward-looking information, except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission (the "SEC").

Non-GAAP Financial Measures

This press release and the attached financial tables contain certain non-GAAP financial measures as defined under SEC rules, such as adjusted net income from continuing operations and related earnings per diluted share, which exclude certain items disclosed in the attached financial tables. As required by SEC rules, the Company provides reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure, provide a meaningful presentation of the Company's results from its core business operations excluding the impact of items not related to the Company's ongoing core business operations, and improve the period-to-period comparability of the Company's results from its core business operations.

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 (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.

	Three Months Ended March 31,	
	2017	2016
(In thousands, except per share and unit data)		
Revenues:		
New retail vehicles	\$ 1,147,380	\$ 1,149,437
Fleet vehicles	24,552	15,133
Total new vehicles	1,171,932	1,164,570
Used vehicles	634,474	598,355
Wholesale vehicles	46,310	44,374
Total vehicles	1,852,716	1,807,299
Parts, service and collision repair	352,043	346,054
Finance, insurance and other, net	83,063	81,273
Total revenues	2,287,822	2,234,626
Gross profit	350,346	345,150
Selling, general and administrative expenses	(292,234)	(284,375)
Impairment charges	(510)	—
Depreciation and amortization	(21,153)	(18,470)
Operating income (loss)	36,449	42,305
Other income (expense):		
Interest expense, floor plan	(8,387)	(6,436)
Interest expense, other, net	(13,409)	(12,339)
Other income (expense), net	(14,501)	104
Total other income (expense)	(36,297)	(18,671)
Income (loss) from continuing operations before taxes	152	23,634
Provision for income taxes for continuing operations - benefit (expense)	(172)	(9,170)
Income (loss) from continuing operations	(20)	14,464
Income (loss) from discontinued operations	(521)	160
Net income (loss)	<u>\$ (541)</u>	<u>\$ 14,624</u>
Diluted earnings (loss) per common share:		
Earnings (loss) per share from continuing operations	\$ —	\$ 0.31
Earnings (loss) per share from discontinued operations	(0.01)	—
Earnings (loss) per common share	<u>\$ (0.01)</u>	<u>\$ 0.31</u>
Weighted average common shares outstanding	44,791	47,122
Gross Margin Data (Continuing Operations):		
New retail vehicles	5.1%	5.1%
Fleet vehicles	(0.9%)	0.2%
Total new vehicles	5.0%	5.0%
Used vehicles	6.4%	6.8%
Wholesale vehicles	(2.5%)	(2.4%)
Parts, service and collision repair	48.1%	48.0%
Finance, insurance and other	100.0%	100.0%
Overall gross margin	15.3%	15.4%
SG&A Expenses (Continuing Operations):		
Compensation	\$ 176,547	\$ 169,041
Advertising	15,257	15,347
Rent	18,487	18,720
Other	81,943	81,267
Total SG&A expenses	<u>\$ 292,234</u>	<u>\$ 284,375</u>
SG&A expenses as % of gross profit	83.4%	82.4%
Operating Margin %	1.6%	1.9%
Unit Data (Continuing Operations):		
New retail units	29,870	30,156
Fleet units	625	449
Total new units	30,495	30,605
Used units	30,372	29,333
Wholesale units	8,307	8,423

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Per Share Data

	Three Months Ended March 31, 2017						
	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	44,791	\$ (20)		\$ (521)		\$ (541)	
Effect of participating securities:							
Non-vested restricted stock		—		—		—	
Basic earnings (loss) and shares	<u>44,791</u>	<u>\$ (20)</u>	<u>\$ —</u>	<u>\$ (521)</u>	<u>\$ (0.01)</u>	<u>\$ (541)</u>	<u>\$ (0.01)</u>
Effect of dilutive securities:							
Stock compensation plans	—						
Diluted earnings (loss) and shares	<u><u>44,791</u></u>	<u><u>\$ (20)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (521)</u></u>	<u><u>\$ (0.01)</u></u>	<u><u>\$ (541)</u></u>	<u><u>\$ (0.01)</u></u>
Adjustments:							
Impairment charges		\$ 510		\$ —		\$ 510	
Storm damage		2,382		—		2,382	
Legal settlements		(1,149)		—		(1,149)	
Loss on debt extinguishment		15,268		—		15,268	
Total adjustments before taxes		17,011		—		17,011	
Income tax effect of above adjustments		(6,677)		—		(6,677)	
Effect of adjustments, net of income taxes		\$10,334	\$ 0.23	\$ —	\$ —	\$10,334	\$ 0.23
Adjusted:							
Earnings (loss), diluted shares and diluted earnings (loss) per share (1)	45,144	\$10,314	<u>\$ 0.23</u>	\$ (521)	<u>\$ (0.01)</u>	\$ 9,793	<u>\$ 0.22</u>

(1) Net loss attributable to EchoPark® operations was \$0.07 per fully diluted share in the three months ended March 31, 2017.

	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
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	<u>46,950</u>	<u>\$14,458</u>	<u>\$ 0.31</u>	<u>\$ 160</u>	<u>\$ —</u>	<u>\$14,618</u>	<u>\$ 0.31</u>
Effect of dilutive securities:							
Stock compensation plans	172						
Diluted earnings (loss) and shares	<u><u>47,122</u></u>	<u><u>\$14,458</u></u>	<u><u>\$ 0.31</u></u>	<u><u>\$ 160</u></u>	<u><u>\$ —</u></u>	<u><u>\$14,618</u></u>	<u><u>\$ 0.31</u></u>
Adjustments:							
Storm damage and other		\$ 6,043		\$ (523)		\$ 5,520	
Total adjustments before taxes		6,043		(523)		5,520	
Income tax effect of above adjustments		(2,345)		203		(2,142)	
Effect of adjustments, net of income taxes		\$ 3,698	\$ 0.08	\$ (320)	\$ (0.01)	\$ 3,378	\$ 0.07
Adjusted:							
Earnings (loss) and diluted earnings (loss) per share (2)		\$18,162	<u>\$ 0.39</u>	\$ (160)	<u>\$ (0.01)</u>	\$18,002	<u>\$ 0.38</u>

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

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 1,171,932	\$ 1,164,570	\$ 7,362	0.6%
Gross profit	\$ 58,278	\$ 58,424	\$ (146)	(0.2%)
Unit sales	30,495	30,605	(110)	(0.4%)
Revenue per unit	\$ 38,430	\$ 38,052	\$ 378	1.0%
Gross profit per unit	\$ 1,911	\$ 1,909	\$ 2	0.1%
Gross profit as a % of revenue	5.0%	5.0%	—	bps

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 1,158,115	\$ 1,164,570	\$(6,455)	(0.6%)
Gross profit	\$ 57,558	\$ 58,375	\$ (817)	(1.4%)
Unit sales	30,188	30,605	(417)	(1.4%)
Revenue per unit	\$ 38,363	\$ 38,052	\$ 311	0.8%
Gross profit per unit	\$ 1,907	\$ 1,907	\$ —	0.0%
Gross profit as a % of revenue	5.0%	5.0%	—	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Used Vehicles

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 634,474	\$ 598,355	\$36,119	6.0%
Gross profit	\$ 40,833	\$ 40,531	\$ 302	0.7%
Unit sales	30,372	29,333	1,039	3.5%
Revenue per unit	\$ 20,890	\$ 20,399	\$ 491	2.4%
Gross profit per unit	\$ 1,344	\$ 1,382	\$ (38)	(2.7%)
Gross profit as a % of revenue	6.4%	6.8%	(40)bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 615,391	\$ 598,355	\$17,036	2.8%
Gross profit	\$ 38,286	\$ 38,992	\$ (706)	(1.8%)
Unit sales	29,458	29,333	125	0.4%
Revenue per unit	\$ 20,890	\$ 20,399	\$ 491	2.4%
Gross profit per unit	\$ 1,300	\$ 1,329	\$ (29)	(2.2%)
Gross profit as a % of revenue	6.2%	6.5%	(30)bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Wholesale Vehicles

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 46,310	\$ 44,374	\$1,936	4.4%
Gross profit (loss)	\$ (1,172)	\$ (1,078)	\$ (94)	(8.7%)
Unit sales	8,307	8,423	(116)	(1.4%)
Revenue per unit	\$ 5,575	\$ 5,268	\$ 307	5.8%
Gross profit (loss) per unit	\$ (141)	\$ (128)	\$ (13)	(10.2%)
Gross profit (loss) as a % of revenue	(2.5%)	(2.4%)	(10)bps	

	<u>Three Months Ended March 31,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 45,260	\$ 44,353	\$ 907	2.0%
Gross profit (loss)	\$ (1,085)	\$ (1,076)	\$ (9)	(0.8%)
Unit sales	8,120	8,418	(298)	(3.5%)
Revenue per unit	\$ 5,574	\$ 5,269	\$ 305	5.8%
Gross profit (loss) per unit	\$ (134)	\$ (128)	\$ (6)	(4.7%)
Gross profit (loss) as a % of revenue	(2.4%)	(2.4%)	0 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 138,134	\$ 147,394	\$ (9,260)	(6.3%)
Warranty	69,919	57,559	12,360	21.5%
Wholesale parts	43,281	45,309	(2,028)	(4.5%)
Internal, sublet and other	100,709	95,792	4,917	5.1%
Total	<u>\$ 352,043</u>	<u>\$ 346,054</u>	<u>\$ 5,989</u>	1.7%
Gross profit				
Customer pay	\$ 73,440	\$ 80,358	\$ (6,918)	(8.6%)
Warranty	38,670	31,326	7,344	23.4%
Wholesale parts	7,550	7,941	(391)	(4.9%)
Internal, sublet and other	49,684	46,375	3,309	7.1%
Total	<u>\$ 169,344</u>	<u>\$ 166,000</u>	<u>\$ 3,344</u>	2.0%
Gross profit as a % of revenue				
Customer pay	53.2%	54.5%	(130)bps	
Warranty	55.3%	54.4%	90 bps	
Wholesale parts	17.4%	17.5%	(10)bps	
Internal, sublet and other	49.3%	48.4%	90 bps	
Total	48.1%	48.0%	10 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 137,419	\$ 147,394	\$ (9,975)	(6.8%)
Warranty	69,589	57,559	12,030	20.9%
Wholesale parts	43,228	45,309	(2,081)	(4.6%)
Internal, sublet and other	99,209	95,792	3,417	3.6%
Total	<u>\$ 349,445</u>	<u>\$ 346,054</u>	<u>\$ 3,391</u>	1.0%
Gross profit				
Customer pay	\$ 73,089	\$ 80,358	\$ (7,269)	(9.0%)
Warranty	38,439	31,282	7,157	22.9%
Wholesale parts	7,537	7,941	(404)	(5.1%)
Internal, sublet and other	48,413	46,068	2,345	5.1%
Total	<u>\$ 167,478</u>	<u>\$ 165,649</u>	<u>\$ 1,829</u>	1.1%
Gross profit as a % of revenue				
Customer pay	53.2%	54.5%	(130)bps	
Warranty	55.2%	54.3%	90 bps	
Wholesale parts	17.4%	17.5%	(10)bps	
Internal, sublet and other	48.8%	48.1%	70 bps	
Total	47.9%	47.9%	0 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 83,063	\$ 81,273	\$1,790	2.2%
Gross profit per retail unit (excludes fleet)	\$ 1,379	\$ 1,366	\$ 13	1.0%
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 80,860	\$ 80,852	\$ 8	0.0%
Gross profit per retail unit (excludes fleet)	\$ 1,370	\$ 1,359	\$ 11	0.8%

Sonic Automotive, Inc.
Results of Operations (Unaudited)

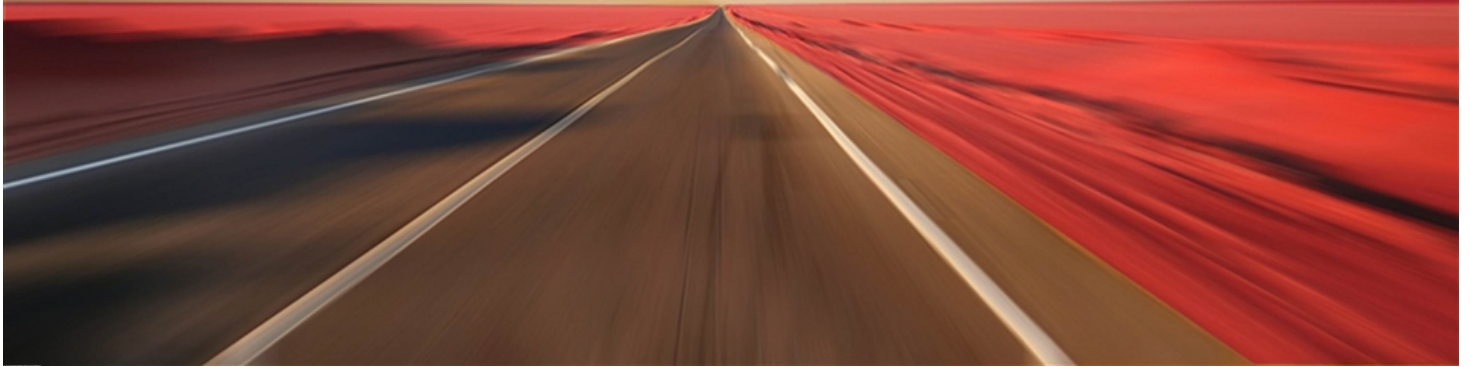
Selling, General and Administrative ("SG&A") Expenses

	Three Months Ended March 31,		Better / (Worse)	
	2017	2016	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 176,547	\$ 169,041	\$ (7,506)	(4.4%)
Advertising	15,257	15,347	90	0.6%
Rent	18,487	18,720	233	1.2%
Other	81,943	81,267	(676)	(0.8%)
Total SG&A expenses	<u>\$ 292,234</u>	<u>\$ 284,375</u>	<u>\$ (7,859)</u>	<u>(2.8%)</u>
Adjustments:				
Storm damage	\$ (2,382)	\$ (6,043)		
Legal settlements	1,149	—		
Total SG&A adjustments	<u>\$ (1,233)</u>	<u>\$ (6,043)</u>		
Adjusted:				
Total adjusted SG&A expenses	<u>\$ 291,001</u>	<u>\$ 278,332</u>	\$(12,669)	(4.6%)
Reported:				
SG&A expenses as a % of gross profit				
Compensation	50.4%	49.0%	(140)bps	
Advertising	4.4%	4.4%	0 bps	
Rent	5.3%	5.4%	10 bps	
Other	23.3%	23.6%	30 bps	
Total SG&A expenses as a % of gross profit	<u>83.4%</u>	<u>82.4%</u>	<u>(100)bps</u>	
Adjustments:				
Storm damage	(0.6%)	(1.8%)		
Legal settlements	0.3%	0.0%		
Total effect of adjustments	<u>(0.3%)</u>	<u>(1.8%)</u>		
Adjusted:				
Total adjusted SG&A as a % of gross profit	<u>83.1%</u>	<u>80.6%</u>	<u>(250)bps</u>	



Q1 2017 Investor Presentation

April 26, 2017



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 2017 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, 2017. 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, 2016.

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

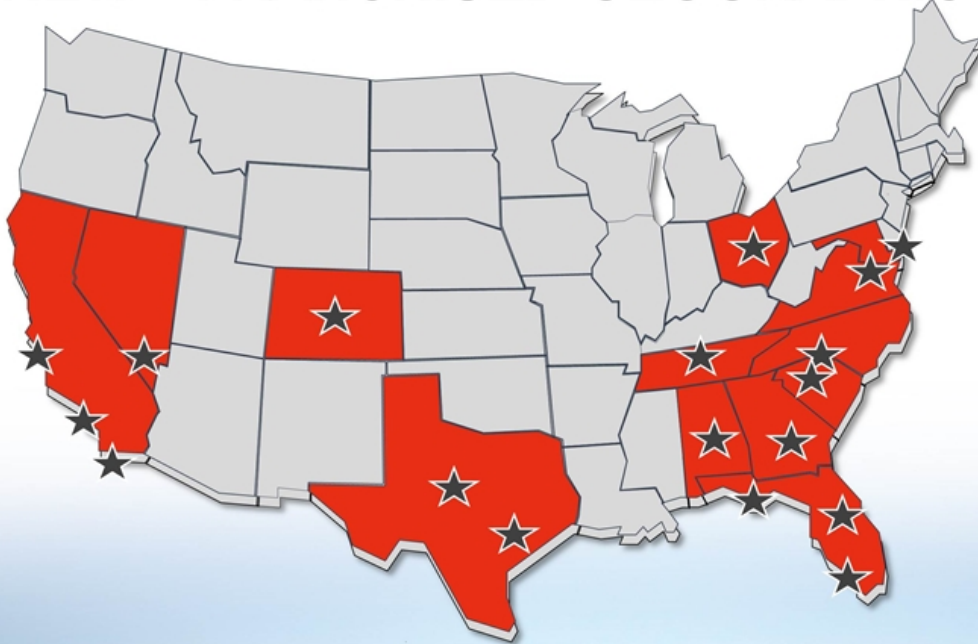
- COMPANY OVERVIEW
- STRATEGIC FOCUS
- FINANCIAL REVIEW
- OPERATIONS REVIEW
- SUMMARY & OUTLOOK

COMPANY OVERVIEW

4

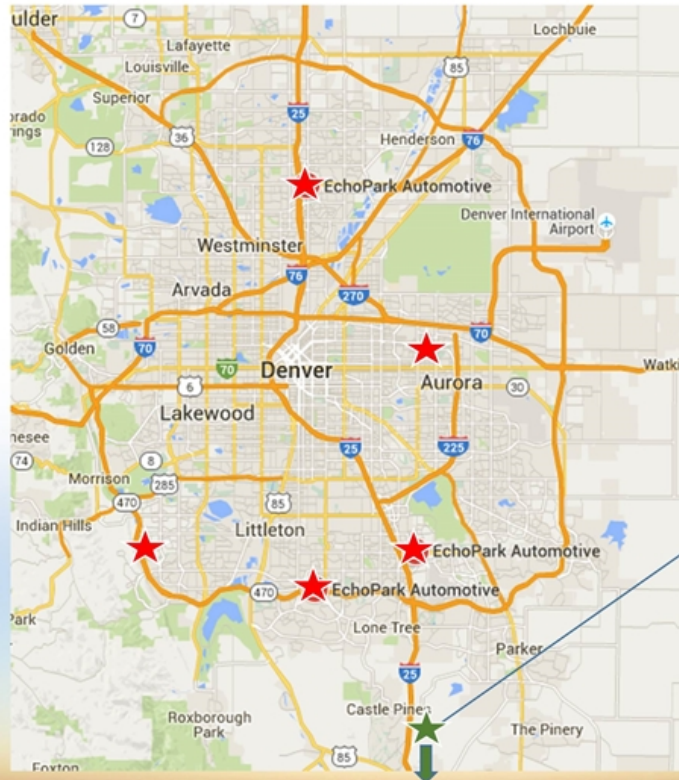


OVERVIEW – FRANCHISED GEOGRAPHIC



Based in Charlotte, NC
104 Stores, 25 Brands, 18 Collision Repair Centers
Platforms in Major Metro Markets

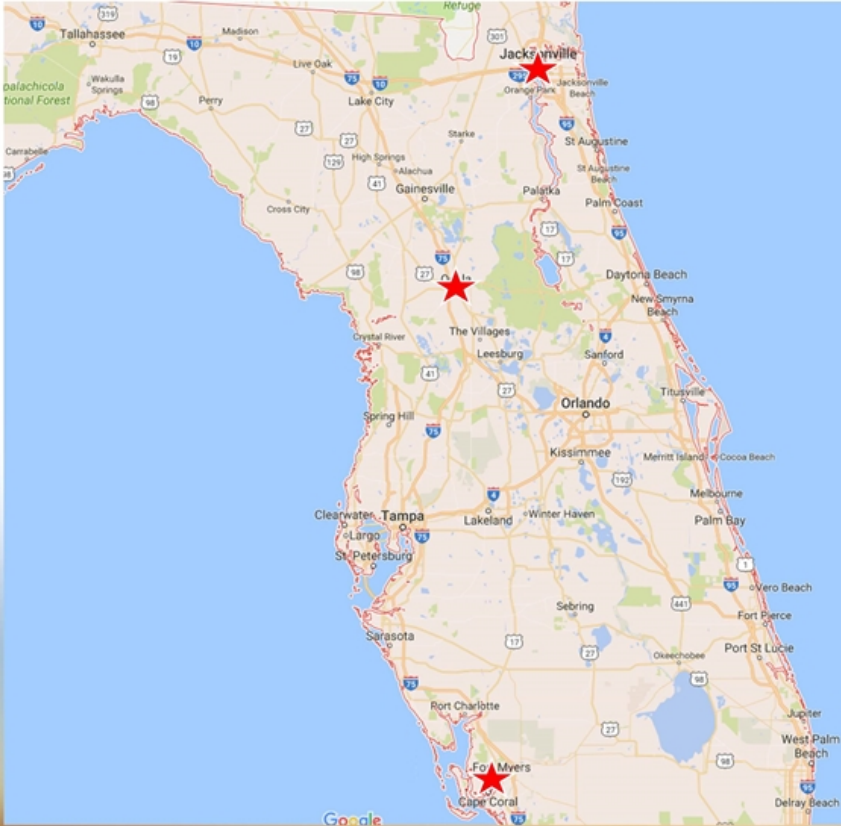
OVERVIEW – ECHOPARK[®] DENVER GEOGRAPHIC



Colorado Springs - Opens First Half of 2017



OVERVIEW – ECHOPARK® FLORIDA GEOGRAPHIC

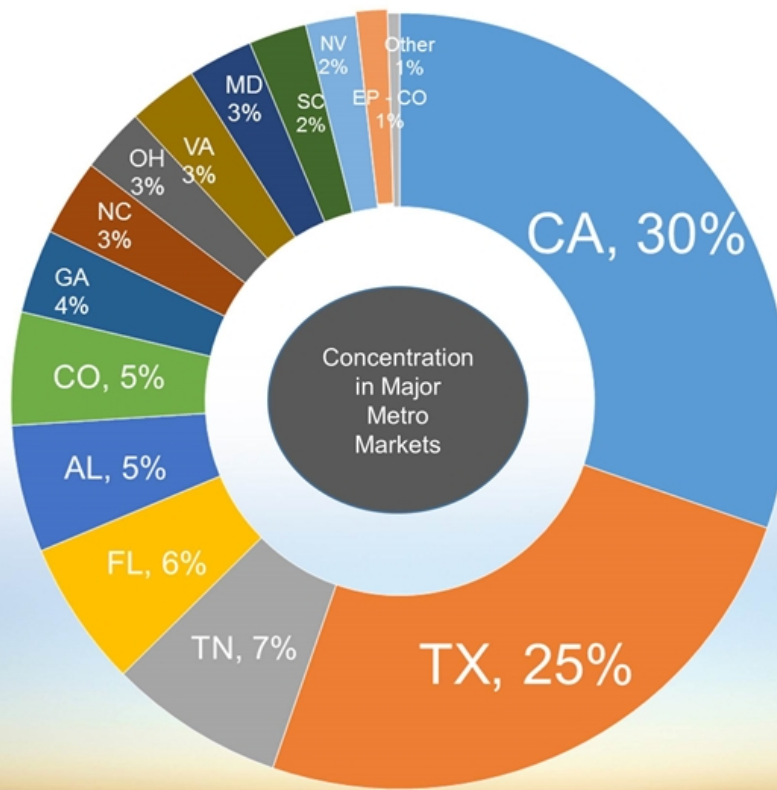


In Process of Converting
AutoMatch Stores to EchoPark®
Stores:

- Jacksonville
- Ocala
- Ft. Myers

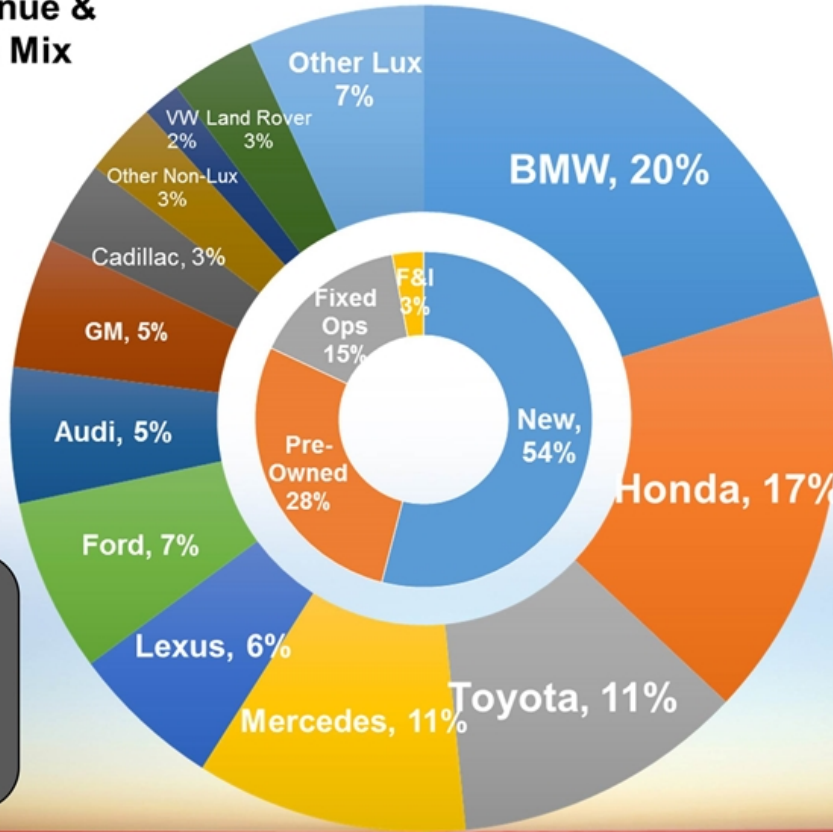
Also have property in
Savannah, GA that is being
developed.

OVERVIEW - GEOGRAPHIC



OVERVIEW – BRAND COMPOSITION

New Retail Revenue & Overall Revenue Mix



Revenue streams and brand mix offer attractive diversification across the automotive retail space.

STRATEGIC FOCUS



STRATEGIC FOCUS

1. Growth

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

2. Own Our Properties

3. Return Capital to Shareholders

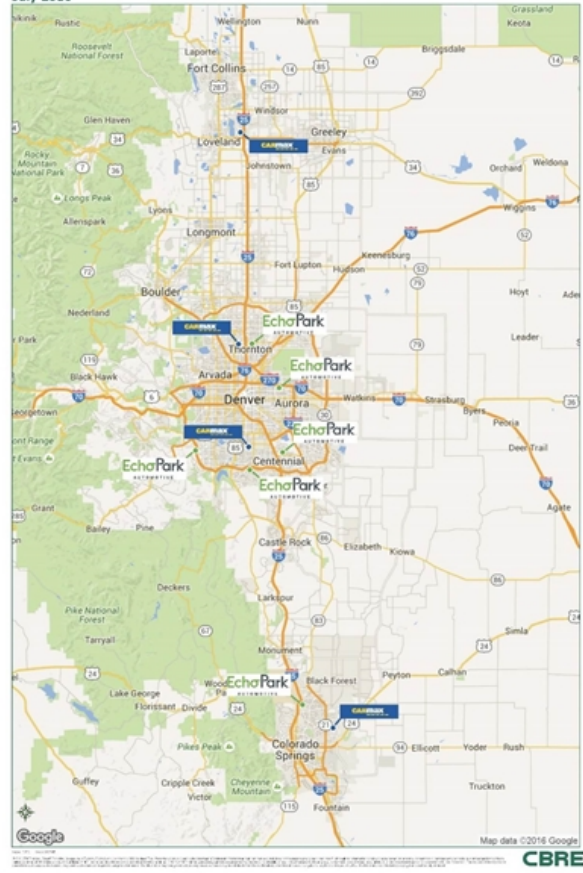
- Share Repurchases
- Dividends

STRATEGIC FOCUS

EchoPark®

- EP Revenue
 - FY 2016 revenue of \$129M
 - 68% YOY revenue growth
- Five Locations Open In Denver
 - Thornton Hub
 - Centennial
 - Highlands Ranch
 - Littleton
 - Stapleton
- One Additional Denver Market Location by 1H of 2017
- Florida AutoMatch Transition Occurring
- Acquiring Property in the Texas and Carolinas Markets
 - Expect openings in 2017

Comprehensive Property List
July 2016



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

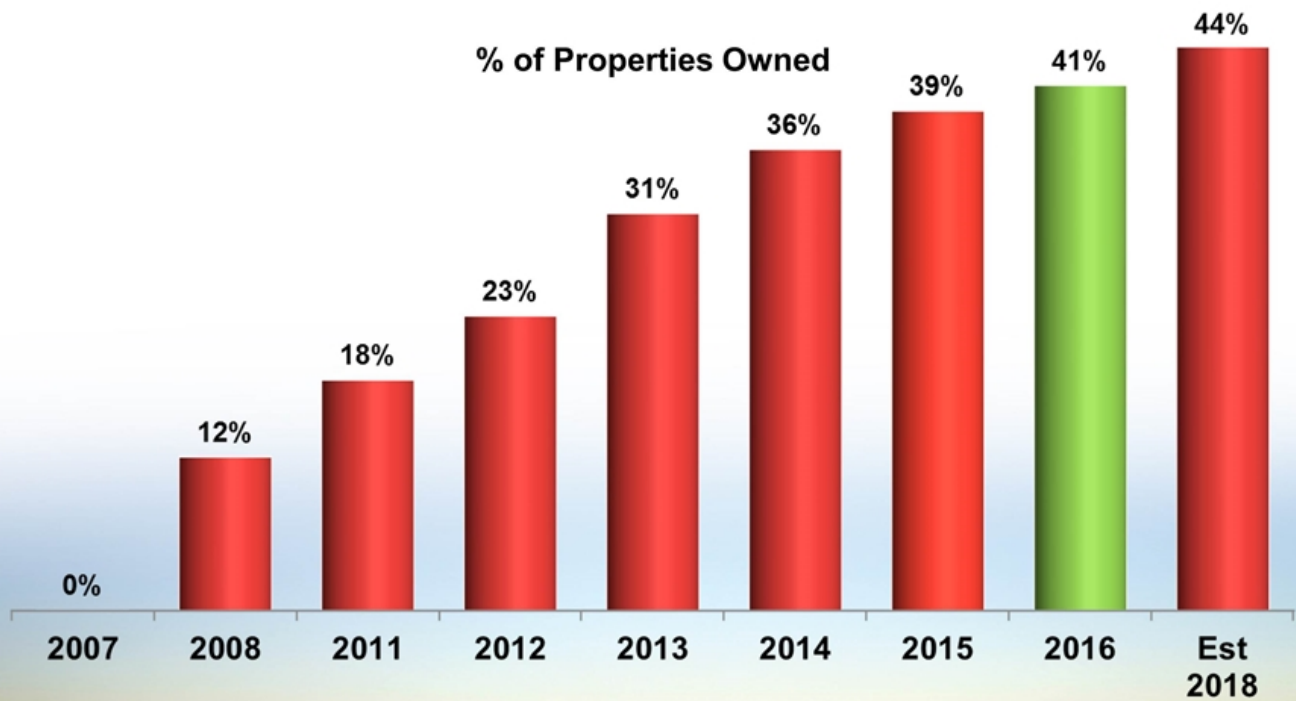
STRATEGIC FOCUS

ACQUISITIONS & OPEN POINTS

- Open Points
 - ❑ Mercedes-Benz in Dallas Market
 - Estimated Annual Revenues >\$100M
 - Operational in Q3 2016
 - ❑ Nissan in TN Market
 - Estimated Annual Revenues >\$30M
 - Operational in Q4 2016
 - ❑ Audi in Pensacola Market
 - Estimated Annual Revenues >\$50M
 - Operational in 1H of 2017
- Exploring Acquisition and Open Point Opportunities in Other Markets

STRATEGIC FOCUS

OWN OUR PROPERTIES



Increased Equity in Properties to \$281M in 2016

STRATEGIC FOCUS

RETURN CAPITAL TO SHAREHOLDERS

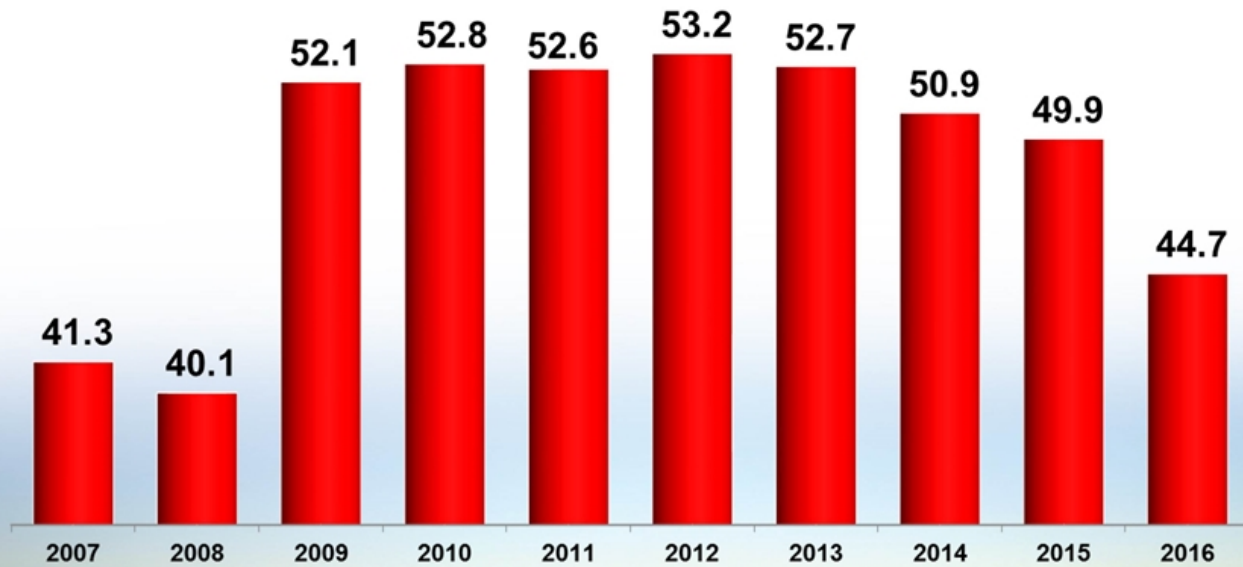
	(000's) Shares	\$/Share	(000's) \$	(000's) Availability
EOY - 2016				\$ 45,033
Q1 Activity	178	\$22.51	\$ 3,996	(3,996)
Additional BOD Authorization				100,000
Total 2017 Activity	178	\$22.51	\$ 3,996	\$ 141,036

- Quarterly Dividend at \$0.05/Share in Q1 & Q2 of 2017
- Acquired 11.2% of OS in 2016
- New Share Count = 44.7M Down from High of 53.2M (Dec 2012)
- Dividends Declared of \$9.1M in 2016

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 2017 FINANCIAL REVIEW

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Q1 2017 FINANCIAL REVIEW FRANCHISED SEGMENT

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FRANCHISED SEGMENT Q1 2017 RESULTS

(amounts in millions, except per share data)	Q1 2017 ⁽¹⁾	B/(W) than Q1 2016 ⁽¹⁾	
		\$	%
Revenue	\$2,246	\$35	1.6%
Gross Profit	\$346	\$4	1.1%
SG&A	\$282	(\$10)	(3.6%)
SG&A as % of Gross	81.7%		(200) bps
Depreciation	\$20	(2)	(12.9%)
Operating Profit	\$43	(\$8)	(16.0%)
Interest & Other	(\$21)	(\$2)	(12.3%)
Pretax	\$23	(\$11)	(31.6%)
Diluted EPS	\$0.30	(\$0.14)	(31.8%)

(1) – Q1 2017 and Q1 2016 results are adjusted – See appendix for reconciliation to GAAP amounts.

Q1 2017 FINANCIAL REVIEW ECHOPARK® SEGMENT

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ECHOPARK® SEGMENT Q1 2017 RESULTS

(amounts in millions, except unit and per unit data)	Total EchoPark	EchoPark Only ⁽¹⁾	B/(W) than Q1 2016	
	Q1 2017	Q1 2017	\$	%
Revenue	\$42	\$34	\$10	40.0%
Gross Profit	\$5	\$4	\$1	23.4%
Operating Profit	(\$5)	(\$4)	(\$0)	(11.5%)
Interest & Other	(\$0)	(\$0)	(\$0)	(3.8%)
Pretax	(\$6)	(\$4)	(\$0)	(10.7%)
Diluted EPS	(\$0.07)			
Retail Units	1,673	1,313	372	39.5%
GPU	\$1,045	\$1,069	(321)	(23.1%)
F&I (\$/unit)	\$1,176	\$1,283	(85)	(6.2%)

(1) – Excludes the effect of AutoMatch Stores – see appendix for reconciliation.

Q1 2017 FINANCIAL REVIEW TOTAL ENTERPRISE

23



CONSOLIDATED Q1 2017 RESULTS

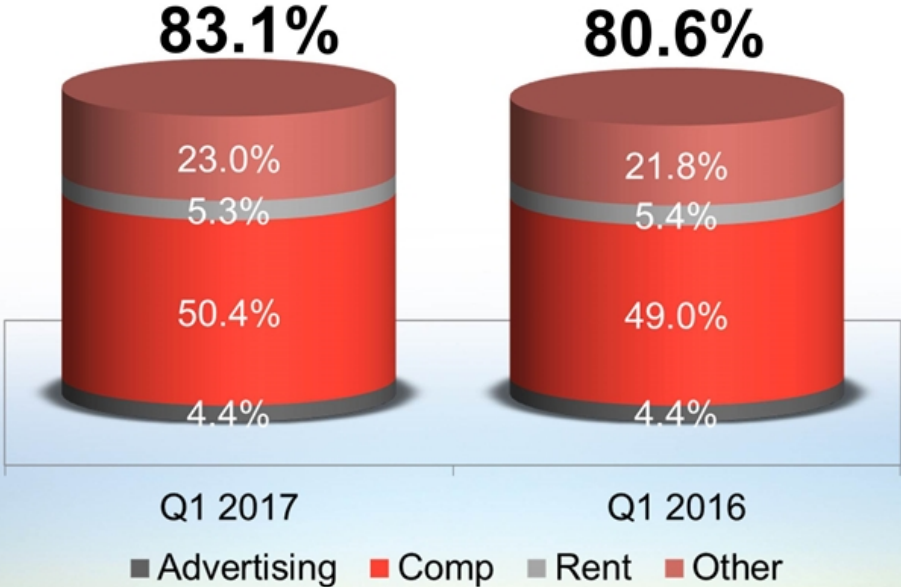
(amounts in millions, except per share data)	Q1 2017 ⁽¹⁾	B/(W) than Q1 2016 ⁽¹⁾	
		\$	%
Revenue	\$2,288	\$53	2.4%
Gross Profit	\$350	\$5	1.5%
SG&A	\$291	(\$13)	(4.6%)
SG&A as % of Gross	83.1%		(250) bps
Depreciation	\$21	(\$3)	(14.5%)
Operating Profit	\$38	(\$10)	(21.0%)
Interest & Other	(\$21)	(\$2)	(12.6%)
Continuing Ops:			
Profit (after tax)	\$10	(\$8)	(43.2%)
Diluted EPS	\$0.23	(\$0.16)	(41.0%)

(1) – Q1 2017 and Q1 2016 results are adjusted – See appendix for reconciliation to GAAP amounts.

Q1 2017 REVENUE & GROSS PROFIT

(amounts in millions, except unit and per unit data)	Q1 2017	B/(W) than Q1 2016	
		\$	%
New Retail Revenue	\$1,147	(\$2)	(0.2%)
Used Retail Revenue	\$634	\$36	6.0%
Fixed Operations Revenue	\$352	\$6	1.7%
F&I Revenue	\$83	\$2	2.2%
Total Revenue	\$2,288	\$53	2.4%
New Retail Gross	\$58	\$0	0.2%
<i>New Retail Units</i>	29,870	(286)	(0.9%)
<i>New Retail GPU</i>	\$1,958	\$22	1.1%
Used Retail Gross	\$41	\$0	0.7%
<i>Used Retail Units</i>	30,372	1,039	3.5%
<i>Used Retail GPU</i>	\$1,344	(\$37)	(2.7%)
Fixed Operations Gross	\$169	\$3	2.0%
F&I Gross	\$83	\$2	2.2%
<i>F&I GPU</i>	\$1,379	\$13	0.9%
Total Gross	\$350	\$5	1.5%

Q1 2017 SG&A TO GROSS ⁽¹⁾

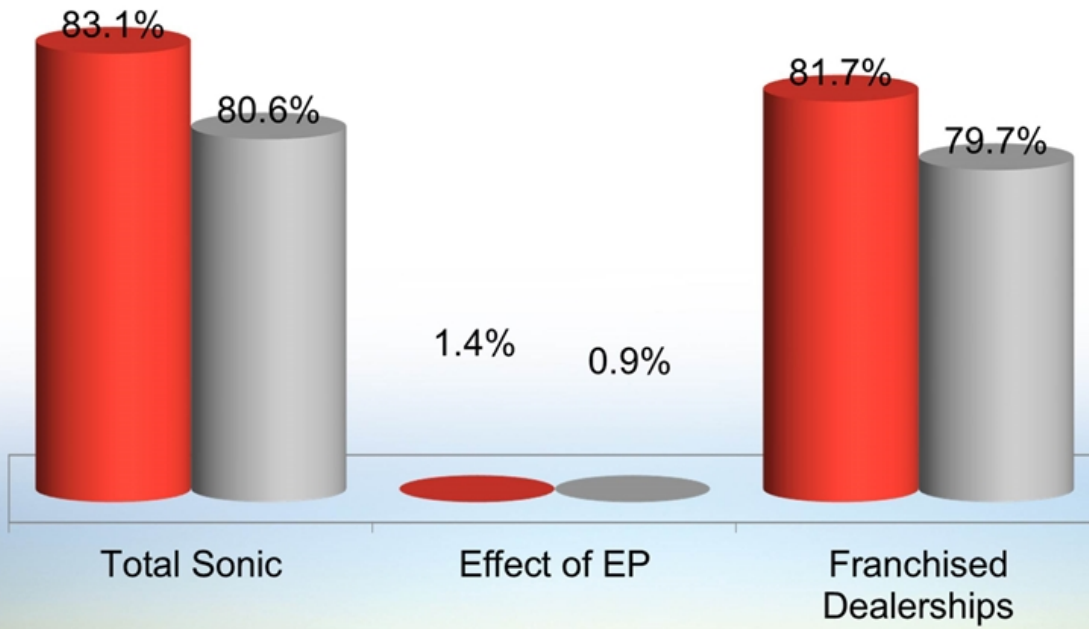


(1) – Q1 2017 & Q1 2016 are adjusted – See appendix for reconciliation to GAAP amounts.



Q1 2017 SG&A TO GROSS⁽¹⁾

■ Q1 2017 ■ Q1 2016



(1) – Q1 2017 and Q1 2016 are adjusted – See appendix for reconciliation to GAAP amounts.

Q1 2017 INTEREST EXPENSE

(amounts in millions)	Q1 2017 (1)	B/(W) than Q1 2016	
		\$	%
Floor Plan Interest Expense	\$8	(\$2)	(30.3%)
Interest Expense, Other	\$13	(\$0)	(3.3%)
Total Interest Expense	\$21	(\$2)	(12.6%)

Floor Plan Increase Due to Higher Rates

(1) – Q1 2017 is adjusted – See appendix for reconciliation to GAAP amounts.

2017 CAP EX

(amounts in millions)	YTD Q1 2017	Estimated FY 2017
Real Estate & Facility Related	\$ 63.8	\$ 224.8
All Other Cap Ex	12.0	19.9
Subtotal	\$ 75.8	\$ 244.7
Less: Mortgage Funding	(19.8)	(73.7)
Total Cash Used – Cap Ex	\$ 56.0	\$ 171.0

DEBT COVENANTS

	<u>Covenant</u>	<u>Q1 2017</u>
Liquidity Ratio	≥ 1.05	1.17
Fixed Charge Coverage Ratio	≥ 1.20	1.90
Total Lease Adjusted Leverage Ratio	≤ 5.75	4.25

Compliant with all Covenants

OPERATIONS REVIEW

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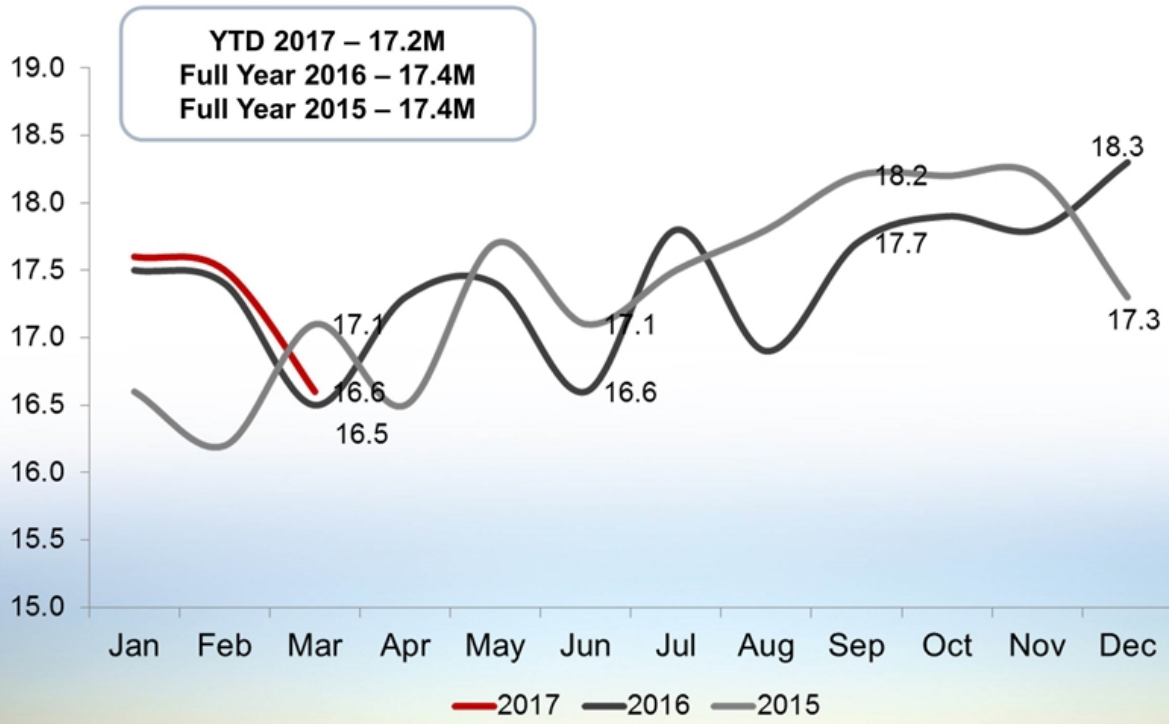
NEW VEHICLE RETAIL SAME STORE

	Q1 2017	Q1 2016	B/(W)
Retail Volume	29,563	30,156	(2.0%)
Selling Price	\$ 38,344	\$ 38,116	0.6%
Gross Margin %	5.1%	5.1%	0 bps
GPU	\$ 1,954	\$ 1,935	\$ 20
Gross Profit (millions)	\$ 57.8	\$ 58.3	(1.0%)
SAAR (millions)	17.2	17.1	0.6%

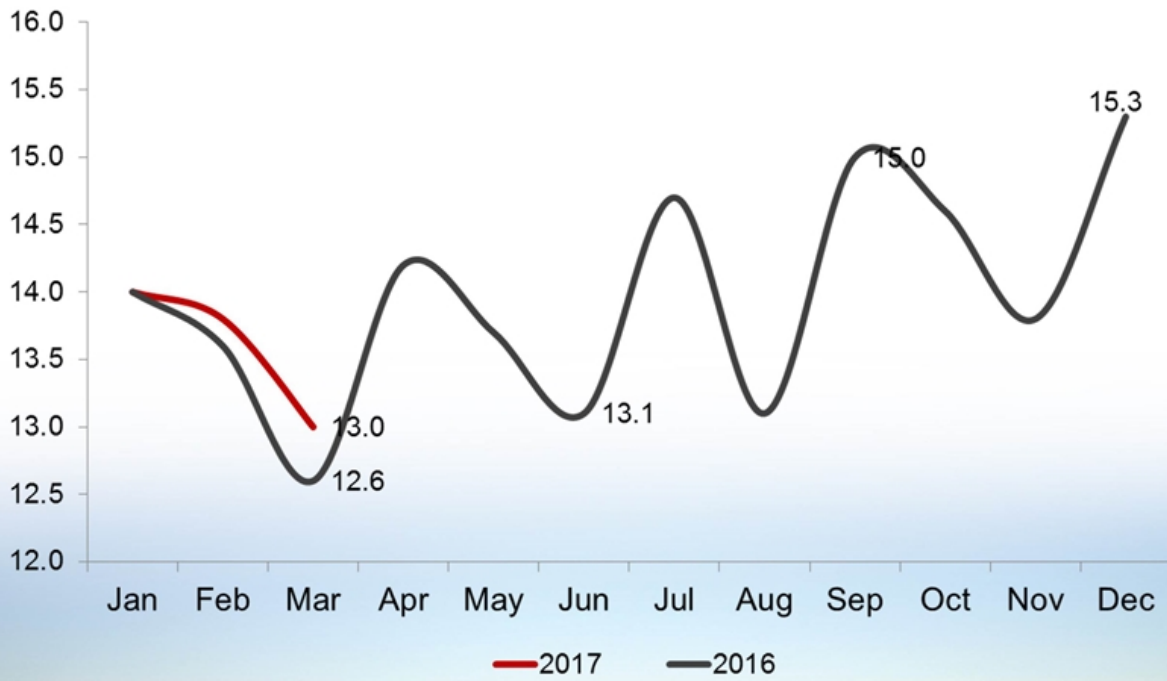
Retail Units

	Jan	Feb	Mar	Total
2017	9,505	8,917	11,141	29,563
2016	9,643	9,566	10,947	30,156
B/(W)	(138)	(649)	194	(593)

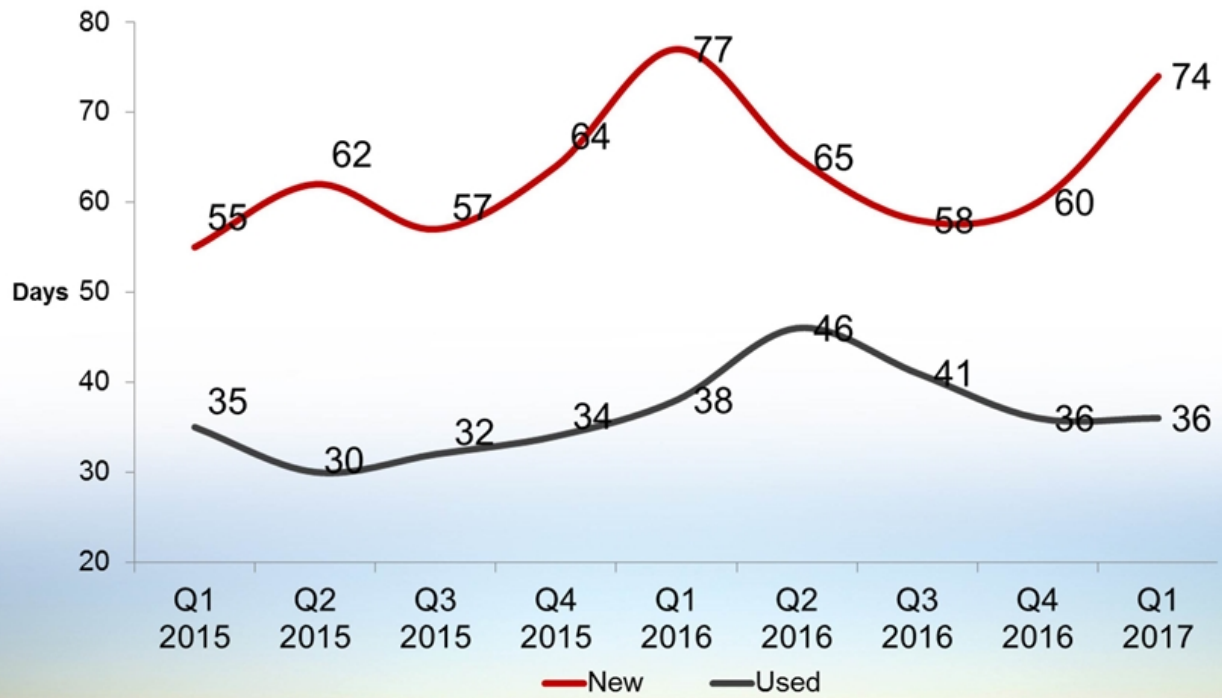
NEW VEHICLE SAAR



NEW VEHICLE SAAR - RETAIL



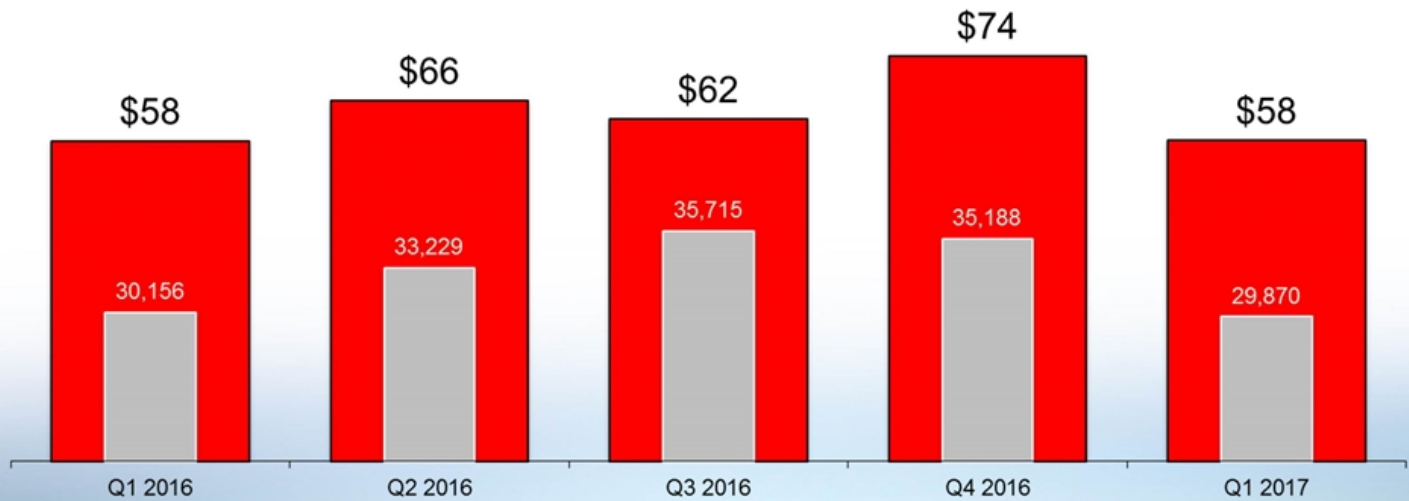
VEHICLE DAYS SUPPLY



NEW VEHICLE – GROSS & UNIT TREND

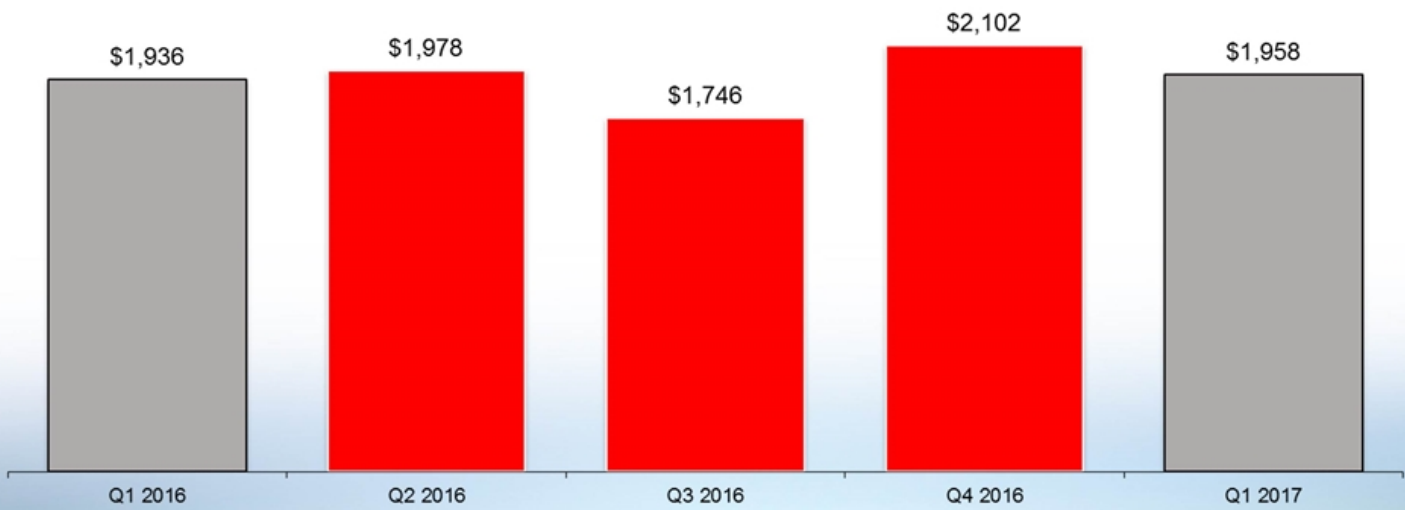
Continuing Operations

■ Gross \$ (in millions) ■ Units



NEW VEHICLE – GROSS PER UNIT

Continuing Operations



USED VEHICLE RETAIL

SAME STORE

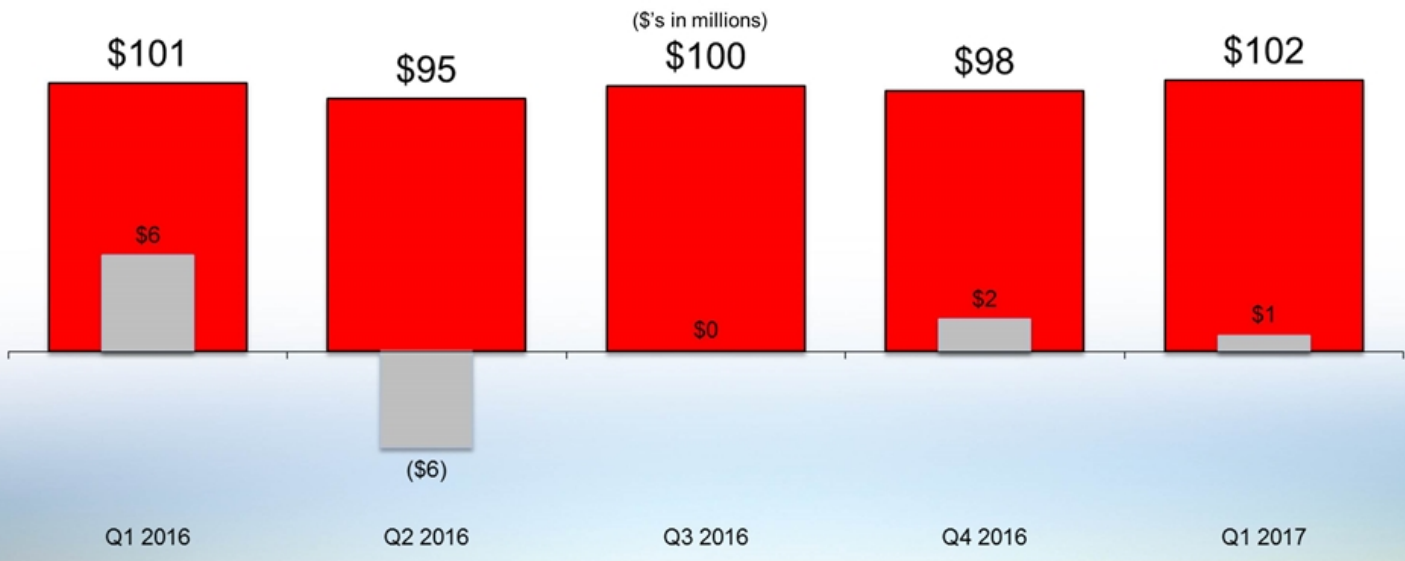
	Q1 2017	Q1 2016	B/(W)
Retail Volume	29,458	29,333	0.4%
GPU	\$ 1,300	\$ 1,329	\$ (30)
Used to New	1 to 1.00	0.97 to 1.00	0.03
Vehicles/Store/Mth (105 stores)	94	93	1



USED VEHICLE – GROSS TREND

Continuing Operations

■ Used Related Gross \$* ■ YOY Incremental Gross



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



F&I SAME STORE

Higher PUR increased gross \$0.7M, however, offset entirely by effect of lower overall retail units.

F&I Per Unit



Record
PUR

\$1,359

\$1,370

Total Gross Flat

Q1 2016

Q1 2017

Gross (millions)

\$ 80.9

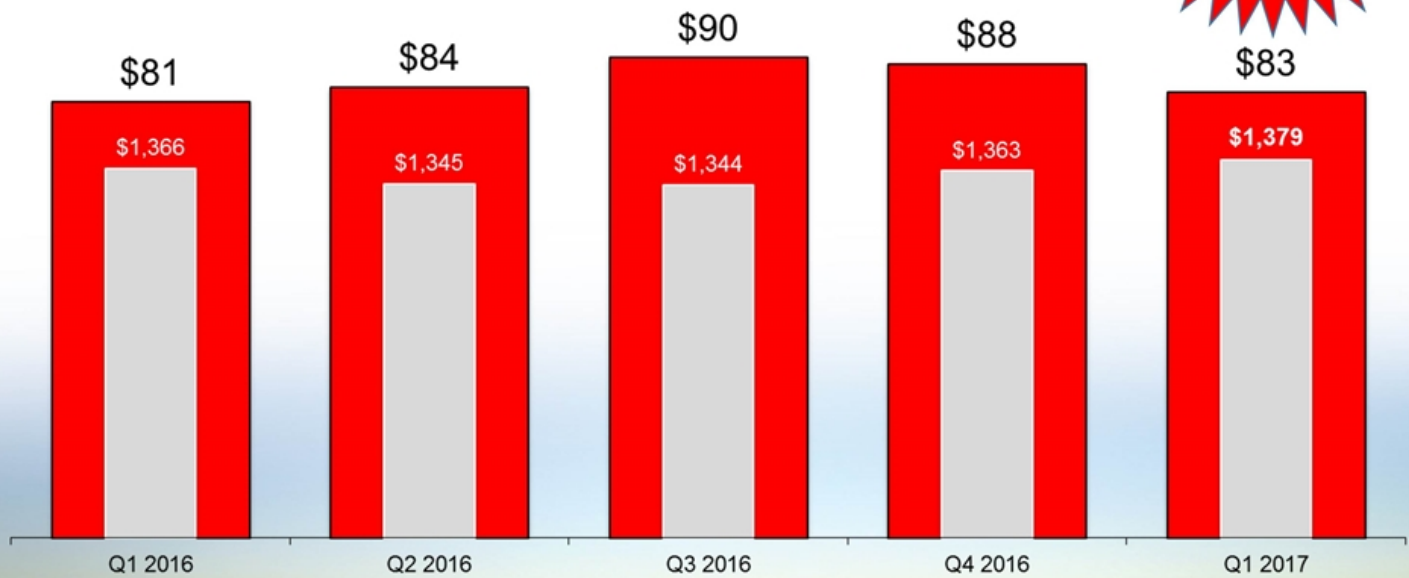
\$ 80.9

F&I – GROSS & PUR TREND

Continuing Operations



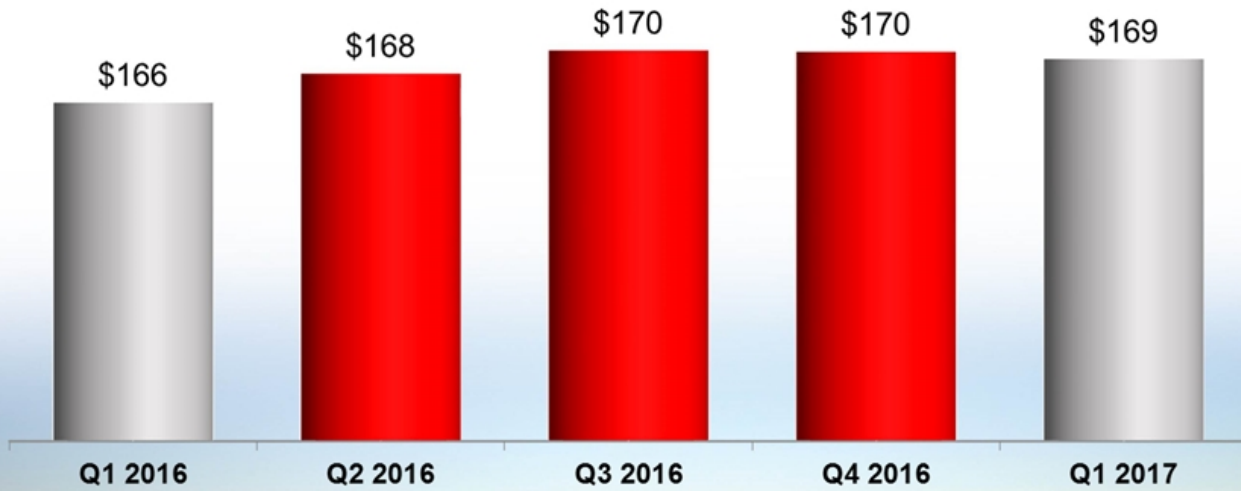
■ Gross \$ (in millions) ■ GPU\$



FIXED OPERATIONS – GROSS TREND

Continuing Operations

(\$'s in millions)



FIXED OPS SAME STORE

(amounts in millions)

	Q1 2017	Q1 2016	B/(W)
Revenue	\$ 349	\$ 346	1.0%
Gross Profit	\$ 167	\$ 166	1.1%

SUMMARY

- Challenging New Vehicles Environment
- January and February Slower than Normal – Picked Up In March
- New Vehicle GPU Leveling Off
- Used Vehicle Valuations Fairly Consistent - Slight Margin Pressure
- Fixed Operations Stable – Expect Growth Higher in Remaining Quarters
- Hail Storms Will Affect Q2 – Availability of Vehicles Salable in AL Market and Somewhat in TX
- Began AutoMatch Store Conversions to EchoPark®
- OSOE Rollout Continues – First Full Rollout in BMW

APPENDIX



NON-GAAP RECONCILIATIONS

<i>(amounts in thousands)</i>	2009	2010	2011	2012	2013	2014	2015	2016
Net Income	\$ 31,548	\$ 89,929	\$ 76,254	\$ 89,101	\$ 81,618	\$ 97,217	\$ 86,311	\$ 93,193
Non-Floorplan Interest	67,735	68,604	63,576	58,453	55,356	52,269	49,524	48,034
Depreciation & Amortization	57,036	45,827	51,164	52,616	58,139	62,161	72,130	81,034
Income Taxes	(53,900)	(19,745)	46,907	47,648	43,386	62,346	55,962	59,899
Stock Comp	1,931	2,814	3,698	5,160	7,208	7,675	9,814	11,165
Lease Exit	33,013	4,266	4,384	4,286	2,915	302	1,848	1,386
Impairment	30,038	249	1,151	950	9,872	6,594	17,955	8,063
Loss (Gain) on Debt Extinguishment	6,745	7,665	1,107	19,713	28,238	-	-	(6)
Loss (Gain) on Dealership Disposal	102	(2,615)	386	(10,343)	457	(11,279)	(2,748)	48
Adjusted EBITDA	<u>\$ 174,248</u>	<u>\$ 196,994</u>	<u>\$ 248,627</u>	<u>\$ 267,584</u>	<u>\$ 287,189</u>	<u>\$ 277,285</u>	<u>\$ 290,796</u>	<u>\$ 302,816</u>

NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Three Months Ended March 31,		Franchised Dealerships Three Months Ended March 31,		EchoPark® Three Months Ended March 31,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
Reported:						
SG&A expenses	\$ 292.2	\$ 284.4	\$ 283.6	\$ 278.7	\$ 8.6	\$ 5.7
Adjustments:						
Legal Settlements	1.1	-	1.1	-	-	-
Storm damage and other	(2.4)	(6.1)	(2.4)	(6.1)	-	-
Total SG&A adjustments	(1.2)	(6.1)	(1.2)	(6.1)	-	-
Adjusted:						
SG&A expenses	<u>\$ 291.0</u>	<u>\$ 278.3</u>	<u>\$ 282.4</u>	<u>\$ 272.6</u>	<u>\$ 8.6</u>	<u>\$ 5.7</u>
Reported:						
SG&A expenses as % of gross profit	83.4%	82.4%	82.0%	81.5%	NM	NM
Adjustments:						
Legal Settlements	0.4%	-	0.4%	-	-	-
Storm damage and other	(0.7%)	(1.8%)	(0.7%)	(1.8%)	-	-
Total SG&A adjustments	(0.3%)	(1.8%)	(0.3%)	(1.8%)	-	-
Adjusted:						
SG&A expenses as % of gross profit	<u>83.1%</u>	<u>80.6%</u>	<u>81.7%</u>	<u>79.7%</u>	<u>NM</u>	<u>NM</u>

NM = Not meaningful

NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Three Months Ended March 31,		Franchised Dealerships Three Months Ended March 31,		EchoPark® Three Months Ended March 31,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
Reported:						
Operating income	\$ 36.4	\$ 42.3	\$ 41.5	\$ 45.5	\$ (5.1)	\$ (3.2)
Adjustments (before income taxes):						
SG&A expenses	1.2	6.1	1.2	6.1	-	-
Impairment charges	0.5	-	0.5	-	-	-
Total adjustments before taxes	1.7	6.1	1.7	6.1	-	-
Adjusted:						
Operating income	\$ 38.1	\$ 48.4	\$ 43.2	\$ 51.6	\$ (5.1)	\$ (3.2)
Reported:						
Income (loss) from continuing operations before taxes	\$ 0.2	\$ 23.6	\$ 5.8	\$ 27.1	\$ (5.6)	\$ (3.5)
Adjustments (before income taxes):						
SG&A expenses	1.2	6.1	1.2	6.1	-	-
Loss on debt extinguishment	15.3	-	15.3	-	-	-
Impairment charges	0.5	-	0.5	-	-	-
Total adjustments before taxes	17.0	6.1	17.0	6.1	-	-
Adjusted:						
Income (loss) from continuing operations before taxes	\$ 17.2	\$ 29.7	\$ 22.8	\$ 33.2	\$ (5.6)	\$ (3.5)
Reported:						
Income (loss) from continuing operations	\$ -	\$ 14.5				
Adjustments (net of income taxes):						
SG&A expenses	0.7	3.7				
Loss on debt extinguishment	9.3	-				
Impairment charges	0.3	-				
Total adjustments, net of income taxes	10.3	3.7				
Adjusted:						
Income (loss) from continuing operations	\$ 10.3	\$ 18.2				

NON-GAAP RECONCILIATIONS

Three Months Ended March 31, 2017							
	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	44,791	\$ (20)		\$ (521)		\$ (541)	
Effect of participating securities:							
Non-vested restricted stock		-		-		-	
Basic earnings (loss) and shares	44,791	\$ (20)	\$ -	\$ (521)	\$ (0.01)	\$ (541)	\$ (0.01)
Effect of dilutive securities:							
Stock compensation plans		-		-		-	
Diluted earnings (loss) and shares	44,791	\$ (20)	\$ -	\$ (521)	\$ (0.01)	\$ (541)	\$ (0.01)
Adjustments:							
Impairment charges		\$ 510		\$ -		\$ 510	
Storm damage and other		2,382		-		2,382	
Legal Settlements		(1,149)		-		(1,149)	
Loss on debt extinguishment		15,268		-		15,268	
Total adjustments before taxes		17,011		-		17,011	
Income tax effect of above adjustments		(6,677)		-		(6,677)	
Effect of adjustments net of income taxes ...		\$ 10,334	\$ 0.23	\$ -	\$ -	\$ 10,334	\$ 0.23
Adjusted:							
Earnings (loss) and diluted earnings (loss) per share (1)		\$ 10,314	\$ 0.23	\$ (521)	\$ (0.01)	\$ 9,793	\$ 0.22

(1) Net loss attributable to EchoPark® operations was \$0.07 per fully diluted share in the three months ended March 31, 2017.

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
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:							
Storm damage and other		\$ 6,043		\$ (523)		\$ 5,520	
Total adjustments before taxes		6,043		(523)		5,520	
Income tax effect of above adjustments		(2,345)		203		(2,142)	
Effect of adjustments, net of income taxes ..		\$ 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, 2017 Continuing Operations			Three Months Ended March 31, 2016 Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
Reported:						
Diluted earnings (loss) per share	\$ 0.07	\$ (0.07)	\$ -	\$ 0.36	\$ (0.05)	\$ 0.31
Adjustments (net of income taxes):						
Legal Settlements	(0.02)	-	(0.02)	-	-	-
Impairment charges	0.01	-	0.01	-	-	-
Storm damage and other	0.03	-	0.03	0.08	-	0.08
Loss on debt extinguishment	0.21	-	0.21	-	-	-
Effect of adjustments, net of income taxes	0.23	-	0.23	0.08	-	0.08
Adjusted:						
Diluted earnings (loss) per share	\$ 0.30	\$ (0.07)	\$ 0.23	\$ 0.44	\$ (0.05)	\$ 0.39

NON-GAAP RECONCILIATIONS – ECHOPARK®

<small>(amounts in millions, except unit and per unit data)</small>	Total EchoPark Q1 2017	EchoPark Only Q1 2017	AutoMatch Only Q1 2017
Revenue	\$42	\$34	\$8
Gross Profit	\$5	\$4	\$1
Operating Profit	(\$5)	(\$4)	(\$2)
Interest & Other	(\$0)	(\$0)	(\$0)
Pretax	(\$6)	(\$4)	(\$2)
Retail Units	1,673	1,313	360
GPU	\$1,045	\$1,069	\$958
F&I (\$/unit)	\$1,176	\$1,283	\$784