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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 28, 2017**

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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))

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.

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**Item 2.02. Results of Operations and Financial Condition.**

On July 28, 2017, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal second quarter ended June 30, 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 July 28, 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 July 28, 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.

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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.

**SONIC AUTOMOTIVE, INC.**

Date: July 28, 2017

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

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**INDEX TO EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press release of Sonic Automotive, Inc., dated July 28, 2017
99.2	Earnings call presentation materials



*Sonic Automotive, Inc. Reports Second Quarter Results and EchoPark® Expansion*

CHARLOTTE, N.C. – July 28, 2017 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation’s largest automotive retailers, today reported financial results for the second quarter of 2017.

**Second Quarter 2017 Results & Announcements**

- EchoPark stores retailed 2,049 units, up 80.4% over the prior year quarter
- Accelerated expansion of an additional 15 EchoPark stores by the end of 2018
- Record Q2 pre-owned units of 30,536 contributing gross profit of \$40.0 million
- All-time record quarterly fixed operations gross profit of \$173.1 million, up 2.9% over the prior year quarter
- Record Q2 F&I gross profit and gross profit per retail unit of \$86.9 million and \$1,379, respectively
- Record Q2 total gross profit of \$360.6 million, up 2.1% over the prior year quarter
- Repurchased 1.2 million Class A shares (approximately 2.6% of outstanding stock) for \$22.0 million and declared \$0.05/share dividend
- GAAP continuing operations net income of \$12.3 million with EPS of \$0.27 per diluted share
- Adjusted continuing operations net income of \$17.9 million with adjusted EPS of \$0.40 per diluted share

GAAP Basis

Net income from continuing operations for the second quarter of 2017 was \$12.3 million, or \$0.27 per diluted share. These results include charges related to fixed asset impairments, weather-related physical damage costs, legal matters, and charges associated with closing and relocating stores. Also included in the GAAP reported amounts for the second quarter of 2017 is a net after-tax loss from operations related to EchoPark of \$4.7 million, or \$0.11 per diluted share.

Comparatively, net income from continuing operations for the second quarter of 2016 was \$23.0 million, or \$0.50 per diluted share. Included in the GAAP reported amounts for the second quarter of 2016 is a net after-tax loss from operations related to EchoPark of \$2.0 million, or \$0.04 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 second quarter of 2017 was \$17.9 million, or \$0.40 per diluted share. There were no adjustments in the second quarter of 2016. The adjustments in the 2017 quarterly period relate to fixed asset impairments, weather-related physical damage costs, legal matters, and charges associated with closing and relocating stores.

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## Commentary

Jeff Dyke, Sonic's EVP of Operations, stated, "Given our performance at EchoPark, we are accelerating our expansion into the Carolinas, Florida, Georgia and Texas markets. Our Colorado stores were cash flow positive in the quarter. Currently, we have more than 15 locations in the aforementioned markets that will break ground in 2017 and 2018."

"The new vehicle retail sales environment continues to be challenging in Houston and across certain brands. Our exposure to BMW, coupled with economic conditions in Houston's energy corridor, pressured sales and profitability in the second quarter. On a same store basis, our new vehicle unit sales declined 3.0% compared to the prior year quarter. This decline was slightly higher than the overall SAAR decline of 2.9%. Other parts of the business, however, continue to experience growth. We were able to grow used vehicle, fixed operations and F&I (finance and insurance) gross profit during the quarter which is a testament to the dealer operating model. In addition, our operations and financial management teams have been busy during the quarter adjusting our cost structure in various areas to compensate for increased competition that has pressured margins. We expect this highly competitive retail landscape to continue and possibly intensify over the next several quarters as dealers balance volume and gross per unit expectations."

B. Scott Smith, the Company's Chief Executive Officer, noted, "Our activities in the quarter continue to support our long-term growth strategies. During the second quarter, we opened our new open point Audi store in Pensacola, Florida and our sixth EchoPark store in Colorado. We believe these investments will offer strong earning streams as the underlying businesses mature. Year to date, we also invested approximately \$30 million returning capital to stockholders through dividends and share repurchases. Our facilities teams have been extremely busy as well, evidenced by the \$121 million invested in capital expenditures during the first half of 2017. We are committed to offering the best customer buying experience in the industry, which includes state of the art facilities at both our franchised dealerships and EchoPark stores."

"Based on results experienced in the first half of the year and our forecast for the remainder of 2017, we are updating our earnings guidance. We currently project adjusted diluted earnings per share from continuing operations for 2017 to be between \$1.85 and \$1.95 per share (\$1.49 and \$1.59 per diluted share, on an unadjusted GAAP basis). This range includes the effect of projected EchoPark results and expansion. We are also now projecting an adjusted loss related to EchoPark for 2017 of between \$0.29 and \$0.33 per diluted share (\$0.32 and \$0.36 per diluted share, on an unadjusted GAAP basis). We will have additional comments on our guidance in our earnings call later today."

## **Dividend**

Sonic's Board of Directors approved a quarterly dividend of \$0.05 per share payable in cash for stockholders of record on September 15, 2017. The dividend will be payable on October 13, 2017.

## **Second 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."

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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: 48697046

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: 48697046

#### 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). More information about EchoPark Automotive can be found at [www.echopark.com](http://www.echopark.com).

#### Forward Looking Statements

Included herein are forward-looking statements, including statements with respect to our 2017 earnings expectations, our long-term strategy, the anticipated expansion of our EchoPark business and our franchised dealerships, and our expectation that the highly competitive retail landscape will continue and possibly intensify over the next several quarters. 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.

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

**Results of Operations**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(In thousands, except per share and unit data)				
<b>Revenues:</b>				
New retail vehicles	\$ 1,247,318	\$ 1,269,843	\$2,394,699	\$2,419,280
Fleet vehicles	27,751	16,621	52,302	31,754
Total new vehicles	1,275,069	1,286,464	2,447,001	2,451,034
Used vehicles	641,891	622,186	1,276,364	1,220,540
Wholesale vehicles	40,765	38,245	87,076	82,620
Total vehicles	1,957,725	1,946,895	3,810,441	3,754,194
Parts, service and collision repair	361,113	351,329	713,156	697,384
Finance, insurance and other, net	86,908	84,088	169,971	165,361
Total revenues	2,405,746	2,382,312	4,693,568	4,616,939
Gross profit	360,618	353,305	710,965	698,455
Selling, general and administrative expenses	(293,931)	(277,204)	(586,165)	(561,580)
Impairment charges	(2,605)	(151)	(3,115)	(151)
Depreciation and amortization	(21,911)	(18,905)	(43,065)	(37,374)
Operating income (loss)	42,171	57,045	78,620	99,350
<b>Other income (expense):</b>				
Interest expense, floor plan	(9,144)	(6,690)	(17,531)	(13,126)
Interest expense, other, net	(12,764)	(12,205)	(26,172)	(24,544)
Other income (expense), net	7	6	(14,495)	110
Total other income (expense)	(21,901)	(18,889)	(58,198)	(37,560)
Income (loss) from continuing operations before taxes	20,270	38,156	20,422	61,790
Provision for income taxes for continuing operations - benefit (expense)	(7,956)	(15,113)	(8,128)	(24,283)
Income (loss) from continuing operations	12,314	23,043	12,294	37,507
Income (loss) from discontinued operations	(182)	(221)	(703)	(61)
Net income (loss)	<u>\$ 12,132</u>	<u>\$ 22,822</u>	<u>\$ 11,591</u>	<u>\$ 37,446</u>
<b>Diluted earnings (loss) per common share:</b>				
Earnings (loss) per share from continuing operations	\$ 0.27	\$ 0.50	\$ 0.27	\$ 0.81
Earnings (loss) per share from discontinued operations	—	—	(0.01)	(0.01)
Earnings (loss) per common share	<u>\$ 0.27</u>	<u>\$ 0.50</u>	<u>\$ 0.26</u>	<u>\$ 0.80</u>
Weighted average common shares outstanding	44,810	45,924	44,976	46,523
<b>Gross Margin Data (Continuing Operations):</b>				
New retail vehicles	5.1%	5.2%	5.1%	5.1%
Fleet vehicles	(2.8%)	0.9%	(1.9%)	0.6%
Total new vehicles	4.9%	5.1%	4.9%	5.1%
Used vehicles	6.2%	5.9%	6.3%	6.3%
Wholesale vehicles	(4.7%)	(4.8%)	(3.5%)	(3.5%)
Parts, service and collision repair	47.9%	47.9%	48.0%	47.9%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	15.0%	14.8%	15.1%	15.1%
<b>SG&amp;A Expenses (Continuing Operations):</b>				
Compensation	\$ 171,182	\$ 166,560	\$ 347,729	\$ 335,601
Advertising	15,344	15,499	30,602	30,847
Rent	19,110	18,508	37,598	37,228
Other	88,295	76,637	170,236	157,904
Total SG&A expenses	\$ 293,931	\$ 277,204	\$ 586,165	\$ 561,580
SG&A expenses as % of gross profit	81.5%	78.5%	82.4%	80.4%
Operating Margin %	1.8%	2.4%	1.7%	2.2%
<b>Unit Data (Continuing Operations):</b>				
New retail units	32,466	33,229	62,336	63,385
Fleet units	682	553	1,307	1,002
Total new units	33,148	33,782	63,643	64,387
Used units	30,536	29,287	60,908	58,620
Wholesale units	7,783	7,212	16,090	15,635

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

*Per Share Data*

	Three Months Ended June 30, 2017						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Per Share Amount		Per Share Amount		Per Share Amount	
		Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)							
<b>Reported:</b>							
Earnings (loss) and shares	44,570	\$12,314		\$ (182)		\$12,132	
Effect of participating securities:							
Non-vested restricted stock		(9)		—		(9)	
Basic earnings (loss) and shares	44,570	\$12,305	\$ 0.28	\$ (182)	\$ (0.01)	\$12,123	\$ 0.27
Effect of dilutive securities:							
Stock compensation plans	240						
Diluted earnings (loss) and shares	<u>44,810</u>	<u>\$12,305</u>	<u>\$ 0.27</u>	<u>\$ (182)</u>	<u>\$ —</u>	<u>\$12,123</u>	<u>\$ 0.27</u>
<b>Adjustments:</b>							
Impairment charges		\$ 2,605		\$ —		\$ 2,605	
Storm damage		4,618		—		4,618	
Legal accruals and settlements		1,000		—		1,000	
Lease exit adjustments		992		—		992	
Total adjustments before taxes		9,215		—		9,215	
Income tax effect of above adjustments		(3,617)		—		(3,617)	
Effect of adjustments, net of income taxes		\$ 5,598	\$ 0.13	\$ —	\$ —	\$ 5,598	\$ 0.13
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (1)		\$17,912	<u>\$ 0.40</u>	\$ (182)	<u>\$ —</u>	\$17,730	<u>\$ 0.40</u>

(1) Net loss attributable to EchoPark® operations was \$0.07 per fully diluted share in the three months ended June 30, 2017.

	Three Months Ended June 30, 2016						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Per Share Amount		Per Share Amount		Per Share Amount	
		Amount	Amount	Amount	Amount	Amount	Amount
(In thousands, except per share amounts)							
<b>Reported:</b>							
Earnings (loss) and shares	45,731	\$23,043		\$ (221)		\$22,822	
Effect of participating securities:							
Non-vested restricted stock		(13)		—		(13)	
Basic earnings (loss) and shares	45,731	\$23,030	\$ 0.50	\$ (221)	\$ —	\$22,809	\$ 0.50
Effect of dilutive securities:							
Stock compensation plans	193						
Diluted earnings (loss) and shares (2)	<u>45,924</u>	<u>\$23,030</u>	<u>\$ 0.50</u>	<u>\$ (221)</u>	<u>\$ —</u>	<u>\$22,809</u>	<u>\$ 0.50</u>

(2) Net loss attributable to EchoPark® operations was \$0.04 per fully diluted share in the three months ended June 30, 2016.

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

*Per Share Data*

	Six Months Ended June 30, 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
<b>Reported:</b>							
Earnings (loss) and shares	44,680	\$ 12,294		\$ (703)		\$ 11,591	
Effect of participating securities:							
Non-vested restricted stock		(9)		—		(9)	
Basic earnings (loss) and shares	44,680	\$ 12,285	\$ 0.27	\$ (703)	\$ (0.01)	\$ 11,582	\$ 0.26
Effect of dilutive securities:							
Stock compensation plans	296						
Diluted earnings (loss) and shares	44,976	\$ 12,285	\$ 0.27	\$ (703)	\$ (0.01)	\$ 11,582	\$ 0.26
<b>Adjustments:</b>							
Impairment charges		\$ 3,115		\$ —		\$ 3,115	
Storm damage		7,000		—		7,000	
Legal accruals and settlements		(149)		—		(149)	
Lease exit adjustments		992		—		992	
Loss on debt extinguishment		15,268		—		15,268	
Total adjustments before taxes		26,226		—		26,226	
Income tax effect of above adjustments		(10,294)		—		(10,294)	
Effect of adjustments, net of income taxes		\$ 15,932	\$ 0.36	\$ —	\$ (0.01)	\$ 15,932	\$ 0.35
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (3)		\$ 28,226	\$ 0.63	\$ (703)	\$ (0.02)	\$ 27,523	\$ 0.61

(3) Net loss attributable to EchoPark® operations was \$0.15 per fully diluted share in the six months ended June 30, 2017.

	Six Months Ended June 30, 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
<b>Reported:</b>							
Earnings (loss) and shares	46,340	\$ 37,507		\$ (61)		\$ 37,446	
Effect of participating securities:							
Non-vested restricted stock		(21)		—		(21)	
Basic earnings (loss) and shares	46,340	\$ 37,486	\$ 0.81	\$ (61)	\$ —	\$ 37,425	\$ 0.81
Effect of dilutive securities:							
Stock compensation plans	183						
Diluted earnings (loss) and shares	46,523	\$ 37,486	\$ 0.81	\$ (61)	\$ (0.01)	\$ 37,425	\$ 0.80
<b>Adjustments:</b>							
Storm damage		\$ 6,043		\$ —		\$ 6,043	
Lease exit adjustments		—		(523)		(523)	
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)	\$ —	\$ 3,378	\$ 0.08
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (4)		\$ 41,205	\$ 0.89	\$ (381)	\$ (0.01)	\$ 40,824	\$ 0.88

(4) Net loss attributable to EchoPark® operations was \$0.09 per fully diluted share in the six months ended June 30, 2016.

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

*New Vehicles*

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2017	2016	Change	% Change
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 1,275,069	\$ 1,286,464	\$(11,395)	(0.9%)
Gross profit	\$ 62,522	\$ 65,866	\$ (3,344)	(5.1%)
Unit sales	33,148	33,782	(634)	(1.9%)
Revenue per unit	\$ 38,466	\$ 38,081	\$ 385	1.0%
Gross profit per unit	\$ 1,886	\$ 1,950	\$ (64)	(3.3%)
Gross profit as a % of revenue	4.9%	5.1%	(20) bps	

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2017	2016	Change	% Change
(In thousands, except units and per unit data)				
<b>Reported:</b>				
Revenue	\$ 2,447,001	\$ 2,451,034	\$ (4,033)	(0.2%)
Gross profit	\$ 120,800	\$ 124,290	\$ (3,490)	(2.8%)
Unit sales	63,643	64,387	(744)	(1.2%)
Revenue per unit	\$ 38,449	\$ 38,067	\$ 382	1.0%
Gross profit per unit	\$ 1,898	\$ 1,930	\$ (32)	(1.7%)
Gross profit as a % of revenue	4.9%	5.1%	(20) bps	

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2017	2016	Change	% Change
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 1,258,531	\$ 1,286,464	\$(27,933)	(2.2%)
Gross profit	\$ 61,477	\$ 65,842	\$ (4,365)	(6.6%)
Unit sales	32,767	33,782	(1,015)	(3.0%)
Revenue per unit	\$ 38,408	\$ 38,081	\$ 327	0.9%
Gross profit per unit	\$ 1,876	\$ 1,949	\$ (73)	(3.7%)
Gross profit as a % of revenue	4.9%	5.1%	(20) bps	

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	2017	2016	Change	% Change
(In thousands, except units and per unit data)				
<b>Same Store:</b>				
Revenue	\$ 2,416,646	\$ 2,451,034	\$(34,388)	(1.4%)
Gross profit	\$ 119,034	\$ 124,217	\$ (5,183)	(4.2%)
Unit sales	62,955	64,387	(1,432)	(2.2%)
Revenue per unit	\$ 38,387	\$ 38,067	\$ 320	0.8%
Gross profit per unit	\$ 1,891	\$ 1,929	\$ (38)	(2.0%)
Gross profit as a % of revenue	4.9%	5.1%	(20) bps	

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

*Used Vehicles*

	<u>Three Months Ended June 30,</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)				
<b>Reported:</b>				
Revenue	\$ 641,891	\$ 622,186	\$19,705	3.2%
Gross profit	\$ 40,035	\$ 36,969	\$ 3,066	8.3%
Unit sales	30,536	29,287	1,249	4.3%
Revenue per unit	\$ 21,021	\$ 21,244	\$ (223)	(1.0%)
Gross profit per unit	\$ 1,311	\$ 1,262	\$ 49	3.9%
Gross profit as a % of revenue	6.2%	5.9%	30 bps	

	<u>Six Months Ended June 30,</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)				
<b>Reported:</b>				
Revenue	\$ 1,276,364	\$ 1,220,540	\$55,824	4.6%
Gross profit	\$ 80,867	\$ 77,499	\$ 3,368	4.3%
Unit sales	60,908	58,620	2,288	3.9%
Revenue per unit	\$ 20,956	\$ 20,821	\$ 135	0.6%
Gross profit per unit	\$ 1,328	\$ 1,322	\$ 6	0.5%
Gross profit as a % of revenue	6.3%	6.3%	0 bps	

	<u>Three Months Ended June 30,</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)				
<b>Same Store:</b>				
Revenue	\$ 618,082	\$ 621,748	\$ (3,666)	(0.6%)
Gross profit	\$ 37,209	\$ 35,919	\$ 1,290	3.6%
Unit sales	29,388	29,267	121	0.4%
Revenue per unit	\$ 21,032	\$ 21,244	\$ (212)	(1.0%)
Gross profit per unit	\$ 1,266	\$ 1,227	\$ 39	3.2%
Gross profit as a % of revenue	6.0%	5.8%	20 bps	

	<u>Six Months Ended June 30,</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)				
<b>Same Store:</b>				
Revenue	\$ 1,233,473	\$ 1,220,103	\$13,370	1.1%
Gross profit	\$ 75,495	\$ 74,910	\$ 585	0.8%
Unit sales	58,846	58,600	246	0.4%
Revenue per unit	\$ 20,961	\$ 20,821	\$ 140	0.7%
Gross profit per unit	\$ 1,283	\$ 1,278	\$ 5	0.4%
Gross profit as a % of revenue	6.1%	6.1%	0 bps	



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

*Wholesale Vehicles*

	<u>Three Months Ended June 30,</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)				
<b>Reported:</b>				
Revenue	\$ 40,765	\$ 38,245	\$2,520	6.6%
Gross profit (loss)	\$ (1,917)	\$ (1,839)	\$ (78)	(4.2%)
Unit sales	7,783	7,212	571	7.9%
Revenue per unit	\$ 5,238	\$ 5,303	\$ (65)	(1.2%)
Gross profit (loss) per unit	\$ (246)	\$ (255)	\$ 9	3.5%
Gross profit (loss) as a % of revenue	(4.7%)	(4.8%)	10 bps	

	<u>Six Months Ended June 30,</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)				
<b>Reported:</b>				
Revenue	\$ 87,076	\$ 82,620	\$4,456	5.4%
Gross profit (loss)	\$ (3,087)	\$ (2,917)	\$ (170)	(5.8%)
Unit sales	16,090	15,635	455	2.9%
Revenue per unit	\$ 5,412	\$ 5,284	\$ 128	2.4%
Gross profit (loss) per unit	\$ (192)	\$ (187)	\$ (5)	(2.7%)
Gross profit (loss) as a % of revenue	(3.5%)	(3.5%)	0 bps	

	<u>Three Months Ended June 30,</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)				
<b>Same Store:</b>				
Revenue	\$ 39,524	\$ 38,246	\$1,278	3.3%
Gross profit (loss)	\$ (1,909)	\$ (1,840)	\$ (69)	(3.8%)
Unit sales	7,577	7,212	365	5.1%
Revenue per unit	\$ 5,216	\$ 5,303	\$ (87)	(1.6%)
Gross profit (loss) per unit	\$ (252)	\$ (255)	\$ 3	1.2%
Gross profit (loss) as a % of revenue	(4.8%)	(4.8%)	0 bps	

	<u>Six Months Ended June 30,</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)				
<b>Same Store:</b>				
Revenue	\$ 84,784	\$ 82,599	\$2,185	2.6%
Gross profit (loss)	\$ (2,994)	\$ (2,915)	\$ (79)	(2.7%)
Unit sales	15,697	15,630	67	0.4%
Revenue per unit	\$ 5,401	\$ 5,285	\$ 116	2.2%
Gross profit (loss) per unit	\$ (191)	\$ (187)	\$ (4)	(2.1%)
Gross profit (loss) as a % of revenue	(3.5%)	(3.5%)	0 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 139,194	\$ 149,248	\$(10,054)	(6.7%)
Warranty	72,661	54,812	17,849	32.6%
Wholesale parts	42,806	44,021	(1,215)	(2.8%)
Internal, sublet and other	106,452	103,248	3,204	3.1%
Total	<u>\$ 361,113</u>	<u>\$ 351,329</u>	<u>\$ 9,784</u>	2.8%
Gross profit				
Customer pay	\$ 74,344	\$ 81,323	\$ (6,979)	(8.6%)
Warranty	40,319	29,449	10,870	36.9%
Wholesale parts	7,331	7,797	(466)	(6.0%)
Internal, sublet and other	51,076	49,652	1,424	2.9%
Total	<u>\$ 173,070</u>	<u>\$ 168,221</u>	<u>\$ 4,849</u>	2.9%
Gross profit as a % of revenue				
Customer pay	53.4%	54.5%	(110) bps	
Warranty	55.5%	53.7%	180 bps	
Wholesale parts	17.1%	17.7%	(60) bps	
Internal, sublet and other	48.0%	48.1%	(10) bps	
Total	47.9%	47.9%	0 bps	

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Revenue				
Customer pay	\$ 277,328	\$ 296,642	\$(19,314)	(6.5%)
Warranty	142,579	112,371	30,208	26.9%
Wholesale parts	86,087	89,331	(3,244)	(3.6%)
Internal, sublet and other	207,162	199,040	8,122	4.1%
Total	<u>\$ 713,156</u>	<u>\$ 697,384</u>	<u>\$ 15,772</u>	2.3%
Gross profit				
Customer pay	\$ 147,784	\$ 161,680	\$(13,896)	(8.6%)
Warranty	78,989	60,775	18,214	30.0%
Wholesale parts	14,881	15,738	(857)	(5.4%)
Internal, sublet and other	100,760	96,029	4,731	4.9%
Total	<u>\$ 342,414</u>	<u>\$ 334,222</u>	<u>\$ 8,192</u>	2.5%
Gross profit as a % of revenue				
Customer pay	53.3%	54.5%	(120) bps	
Warranty	55.4%	54.1%	130 bps	
Wholesale parts	17.3%	17.6%	(30) bps	
Internal, sublet and other	48.6%	48.2%	40 bps	
Total	48.0%	47.9%	10 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Same Store:</b>				
Revenue				
Customer pay	\$ 138,408	\$ 149,246	\$(10,838)	(7.3%)
Warranty	72,325	54,812	17,513	32.0%
Wholesale parts	42,478	44,021	(1,543)	(3.5%)
Internal, sublet and other	103,273	103,231	42	0.0%
Total	<u>\$ 356,484</u>	<u>\$ 351,310</u>	<u>\$ 5,174</u>	<u>1.5%</u>
Gross profit				
Customer pay	\$ 73,942	\$ 81,322	\$ (7,380)	(9.1%)
Warranty	40,129	29,543	10,586	35.8%
Wholesale parts	7,239	7,797	(558)	(7.2%)
Internal, sublet and other	49,803	49,470	333	0.7%
Total	<u>\$ 171,113</u>	<u>\$ 168,132</u>	<u>\$ 2,981</u>	<u>1.8%</u>
Gross profit as a % of revenue				
Customer pay	53.4%	54.5%	(110) bps	
Warranty	55.5%	53.9%	160 bps	
Wholesale parts	17.0%	17.7%	(70) bps	
Internal, sublet and other	48.2%	47.9%	30 bps	
Total	48.0%	47.9%	10 bps	

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Same Store:</b>				
Revenue				
Customer pay	\$ 275,827	\$ 296,640	\$(20,813)	(7.0%)
Warranty	141,914	112,371	29,543	26.3%
Wholesale parts	85,705	89,331	(3,626)	(4.1%)
Internal, sublet and other	202,482	199,023	3,459	1.7%
Total	<u>\$ 705,928</u>	<u>\$ 697,365</u>	<u>\$ 8,563</u>	<u>1.2%</u>
Gross profit				
Customer pay	\$ 147,031	\$ 161,679	\$(14,648)	(9.1%)
Warranty	78,568	60,825	17,743	29.2%
Wholesale parts	14,776	15,739	(963)	(6.1%)
Internal, sublet and other	98,216	95,538	2,678	2.8%
Total	<u>\$ 338,591</u>	<u>\$ 333,781</u>	<u>\$ 4,810</u>	<u>1.4%</u>
Gross profit as a % of revenue				
Customer pay	53.3%	54.5%	(120) bps	
Warranty	55.4%	54.1%	130 bps	
Wholesale parts	17.2%	17.6%	(40) bps	
Internal, sublet and other	48.5%	48.0%	50 bps	
Total	48.0%	47.9%	10 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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Reported:</b>				
Revenue	\$ 86,908	\$ 84,088	\$2,820	3.4%
Gross profit per retail unit (excludes fleet)	\$ 1,379	\$ 1,345	\$ 34	2.5%

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Reported:</b>				
Revenue	\$ 169,971	\$ 165,361	\$4,610	2.8%
Gross profit per retail unit (excludes fleet)	\$ 1,379	\$ 1,355	\$ 24	1.8%

	<u>Three Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 84,457	\$ 83,884	\$ 573	0.7%
Gross profit per retail unit (excludes fleet)	\$ 1,374	\$ 1,342	\$ 32	2.4%

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands, except per unit data)				
<b>Same Store:</b>				
Revenue	\$ 165,318	\$ 164,736	\$ 582	0.4%
Gross profit per retail unit (excludes fleet)	\$ 1,372	\$ 1,350	\$ 22	1.6%

**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>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 171,182	\$ 166,560	\$ (4,622)	(2.8%)
Advertising	15,344	15,499	155	1.0%
Rent	19,110	18,508	(602)	(3.3%)
Other	<u>88,295</u>	<u>76,637</u>	<u>(11,658)</u>	<u>(15.2%)</u>
Total SG&A expenses	<u>\$ 293,931</u>	<u>\$ 277,204</u>	<u>\$(16,727)</u>	<u>(6.0%)</u>
<b>Adjustments:</b>				
Storm damage	\$ (4,618)	\$ —		
Legal accruals and settlements	(1,000)	—		
Lease exit adjustments	<u>(992)</u>	<u>—</u>		
Total SG&A adjustments	<u>\$ (6,610)</u>	<u>\$ —</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 287,321</u>	<u>\$ 277,204</u>	\$(10,117)	(3.6%)
<b>Reported:</b>				
SG&A expenses as a % of gross profit				
Compensation	47.5%	47.1%	(40) bps	
Advertising	4.3%	4.4%	10 bps	
Rent	5.3%	5.2%	(10) bps	
Other	<u>24.4%</u>	<u>21.8%</u>	<u>(260) bps</u>	
Total SG&A expenses as a % of gross profit	<u>81.5%</u>	<u>78.5%</u>	<u>(300) bps</u>	
<b>Adjustments:</b>				
Storm damage	(1.2%)	0.0%		
Legal accruals and settlements	(0.3%)	0.0%		
Lease exit adjustments	<u>(0.3%)</u>	<u>0.0%</u>		
Total effect of adjustments	<u>(1.8%)</u>	<u>0.0%</u>		
<b>Adjusted:</b>				
Total adjusted SG&A as a % of gross profit	<u>79.7%</u>	<u>78.5%</u>	(120) bps	

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

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

	<u>Six Months Ended June 30,</u>		<u>Better / (Worse)</u>	
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
(In thousands)				
<b>Reported:</b>				
Compensation	\$ 347,729	\$ 335,601	\$(12,128)	(3.6%)
Advertising	30,602	30,847	245	0.8%
Rent	37,598	37,228	(370)	(1.0%)
Other	<u>170,236</u>	<u>157,904</u>	<u>(12,332)</u>	<u>(7.8%)</u>
Total SG&A expenses	<u>\$ 586,165</u>	<u>\$ 561,580</u>	<u>\$(24,585)</u>	<u>(4.4%)</u>
<b>Adjustments:</b>				
Storm damage	\$ (7,000)	\$ (6,043)		
Legal accruals and settlements	149	—		
Lease exit adjustments	<u>(992)</u>	<u>—</u>		
Total SG&A adjustments	<u>\$ (7,843)</u>	<u>\$ (6,043)</u>		
<b>Adjusted:</b>				
Total adjusted SG&A expenses	<u>\$ 578,322</u>	<u>\$ 555,537</u>	\$(22,785)	(4.1%)
<b>Reported:</b>				
SG&A expenses as a % of gross profit				
Compensation	48.9%	48.0%	(90) bps	
Advertising	4.3%	4.4%	10 bps	
Rent	5.3%	5.3%	0 bps	
Other	<u>23.9%</u>	<u>22.7%</u>	<u>(120) bps</u>	
Total SG&A expenses as a % of gross profit	<u>82.4%</u>	<u>80.4%</u>	<u>(200) bps</u>	
<b>Adjustments:</b>				
Storm damage	(1.0%)	(0.9%)		
Legal accruals and settlements	0.1%	0.0%		
Lease exit adjustments	<u>(0.2%)</u>	<u>0.0%</u>		
Total effect of adjustments	<u>(1.1%)</u>	<u>(0.9%)</u>		
<b>Adjusted:</b>				
Total adjusted SG&A as a % of gross profit	<u>81.3%</u>	<u>79.5%</u>	(180) bps	

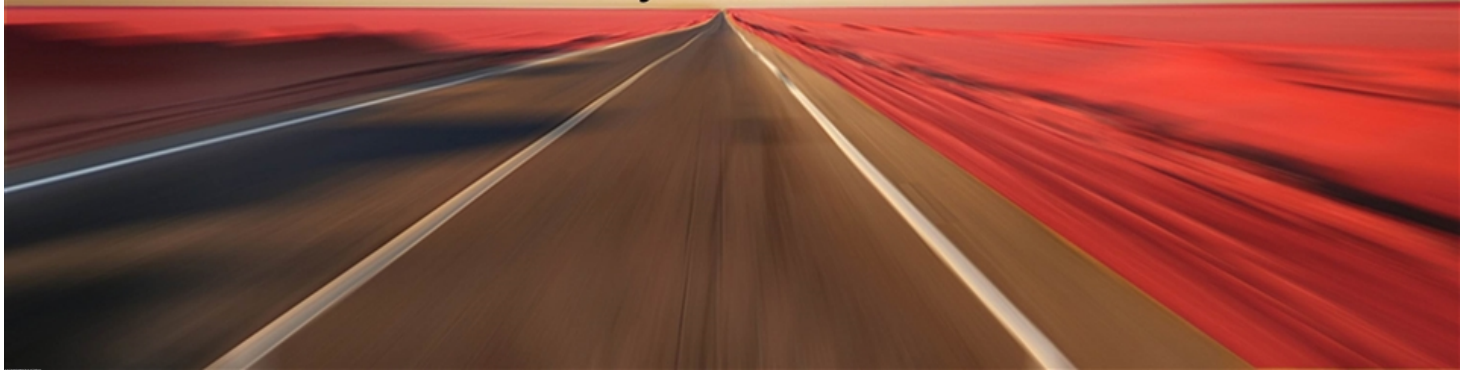
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C.G. Saffer, Vice President and Chief Accounting Officer (704) 566-2439



# Q2 2017 Investor Presentation

July 28, 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, earnings expectations, 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

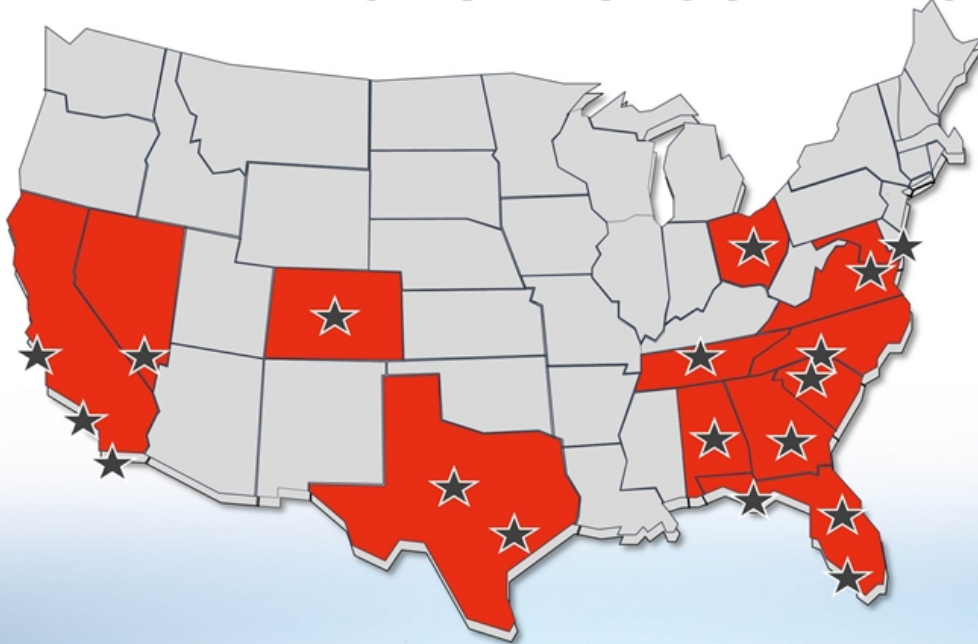
- COMPANY OVERVIEW
- STRATEGIC FOCUS
- FINANCIAL REVIEW
- OPERATIONS REVIEW
- SUMMARY & OUTLOOK

# COMPANY OVERVIEW

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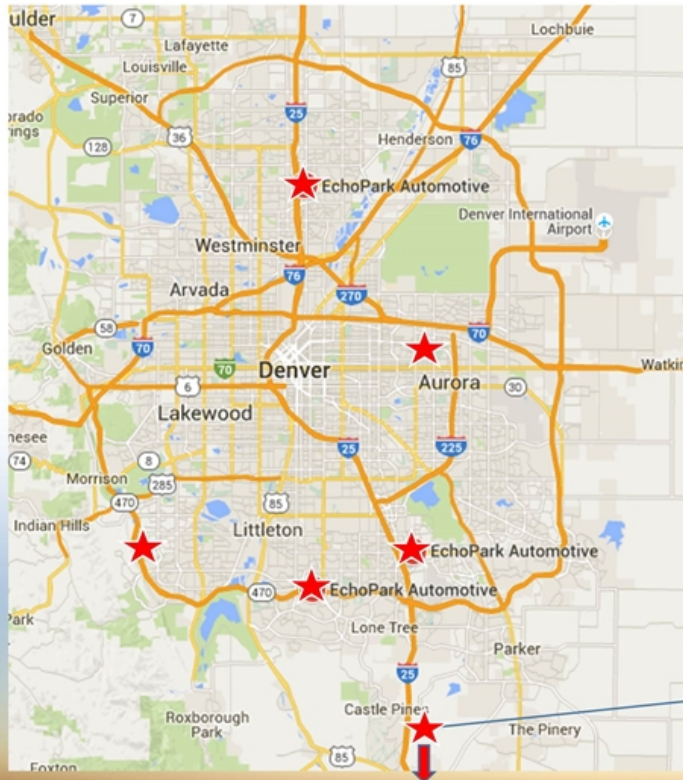


# OVERVIEW – FRANCHISED GEOGRAPHIC



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

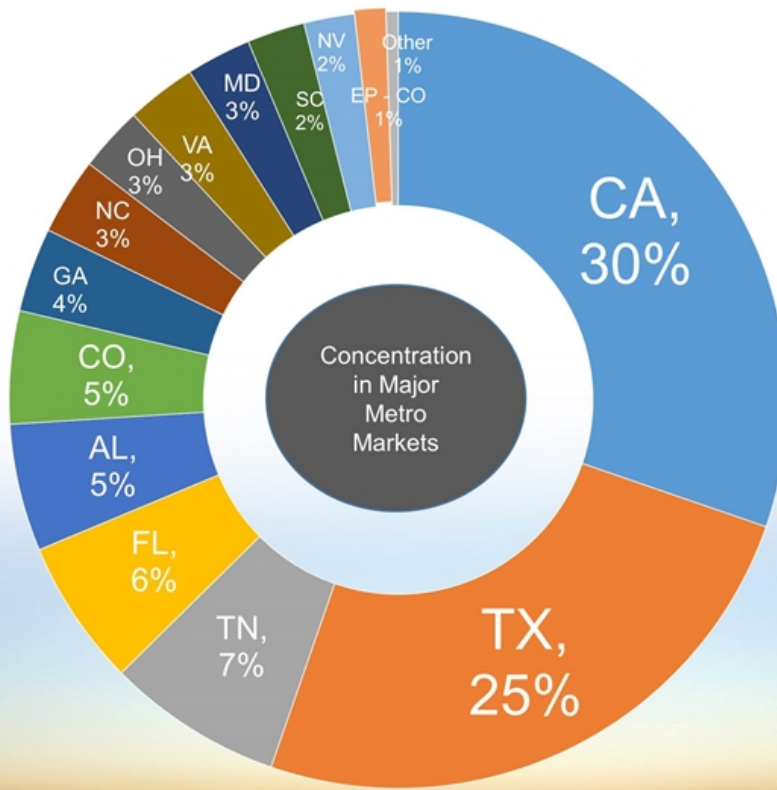
# OVERVIEW – ECHOPARK® GEOGRAPHIC



- Have purchased property in the following markets (some are under construction):
  - Dallas/Ft. Worth
  - San Antonio
  - Houston
  - Austin
  - Carolinas
- In Process of Converting Jacksonville AutoMatch Store
- Also have property in Savannah, GA that is being developed.

Colorado Springs -  
Opened Q2  
2017

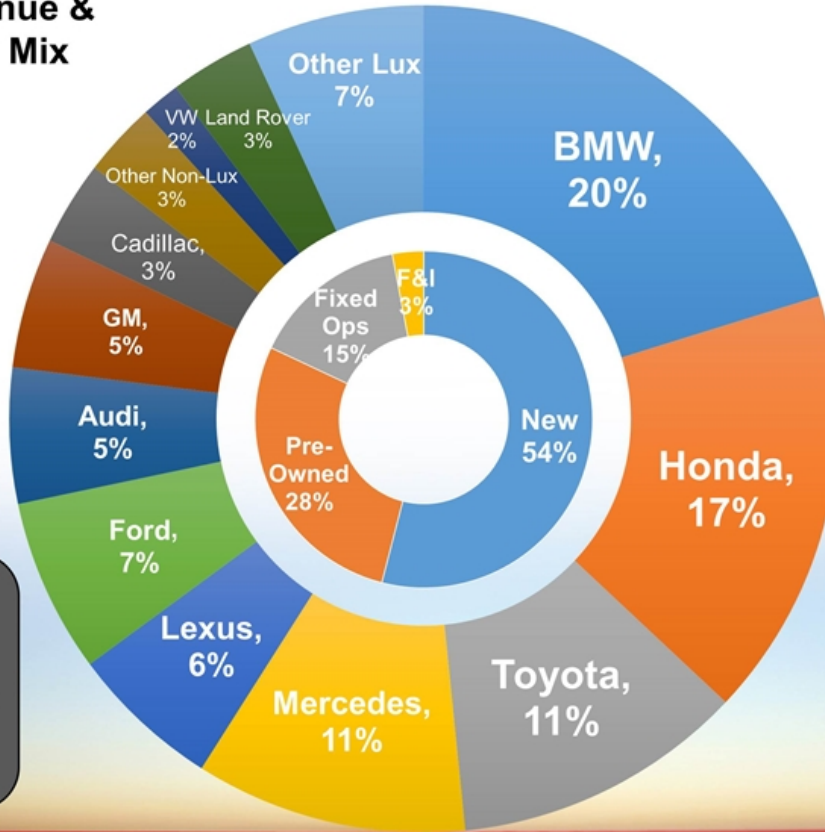
# OVERVIEW - GEOGRAPHIC





# OVERVIEW – BRAND COMPOSITION

## New Retail Revenue & Overall Revenue Mix



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

# STRATEGIC FOCUS

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# STRATEGIC FOCUS

## 1. Growth

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

## 2. Own Our Properties

## 3. Return Capital to Shareholders

- Share Repurchases
- Dividends



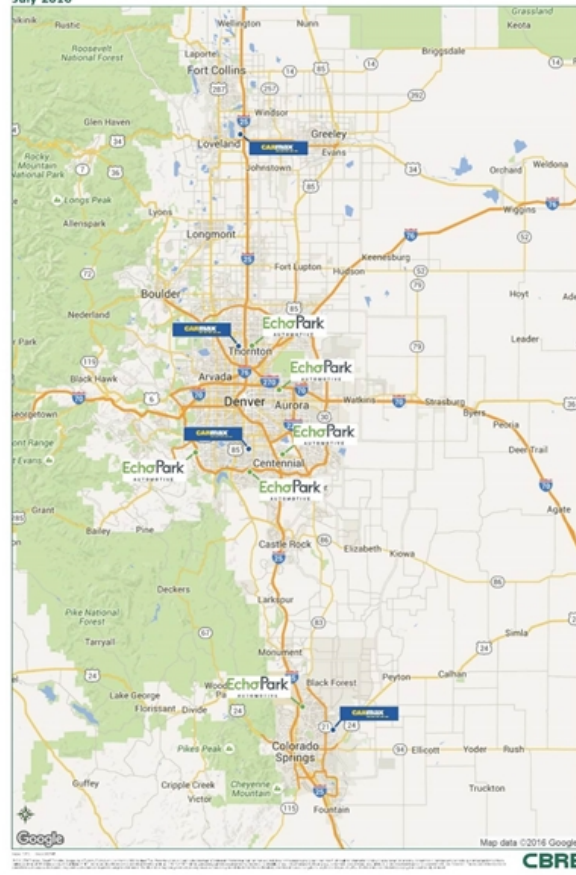
# STRATEGIC FOCUS

## EchoPark®

- EP Revenue
  - FY 2016 revenue of \$129M
  - 68% YOY revenue growth

- Six Locations Open In Colorado
  - Thornton Hub
  - Centennial
  - Highlands Ranch
  - Littleton
  - Stapleton
  - Colorado Springs
- Texas Expansion
  - Expect openings in 2017/2018
- Florida AutoMatch Transition
- Acquiring Property in the Carolinas
  - Expect openings in 2018

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

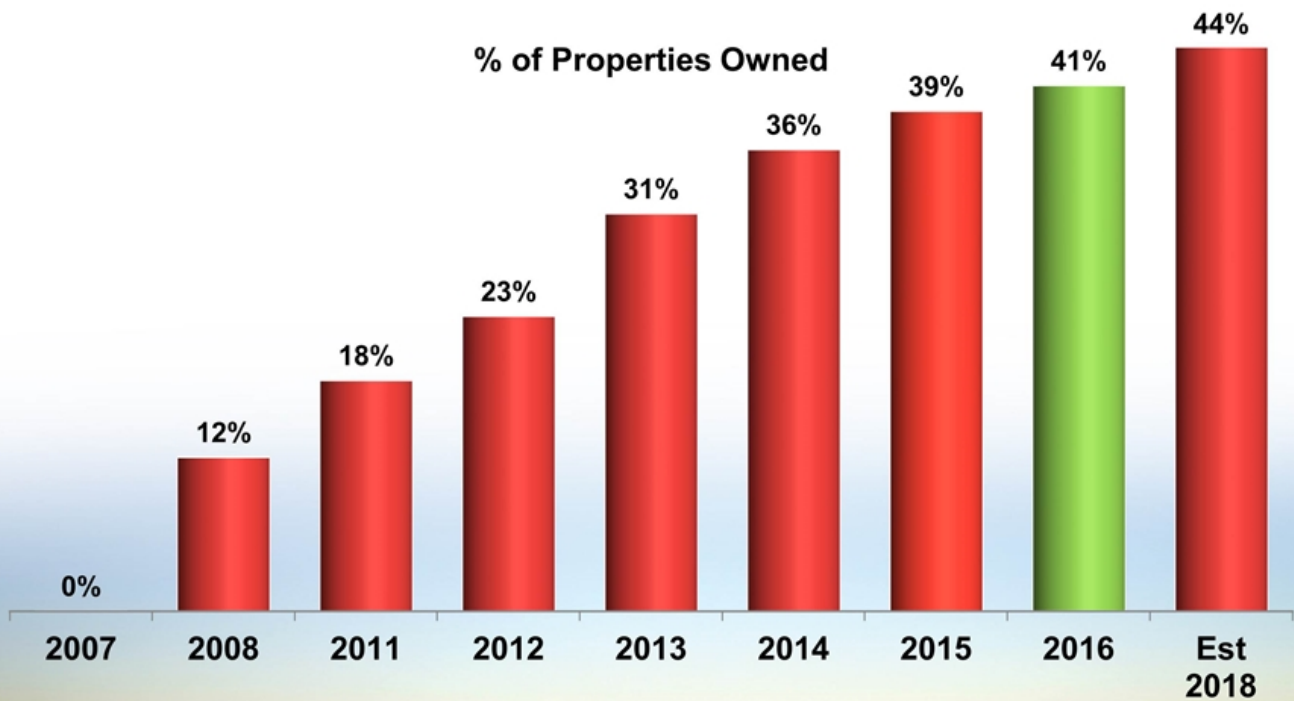
# STRATEGIC FOCUS

## 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 Q2 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
Q2 Activity	1,183	\$18.56	\$ 21,951	(21,951)
<b>Total 2017 Activity</b>	<b>1,360</b>	<b>\$19.08</b>	<b>\$ 25,948</b>	<b>\$ 119,085</b>

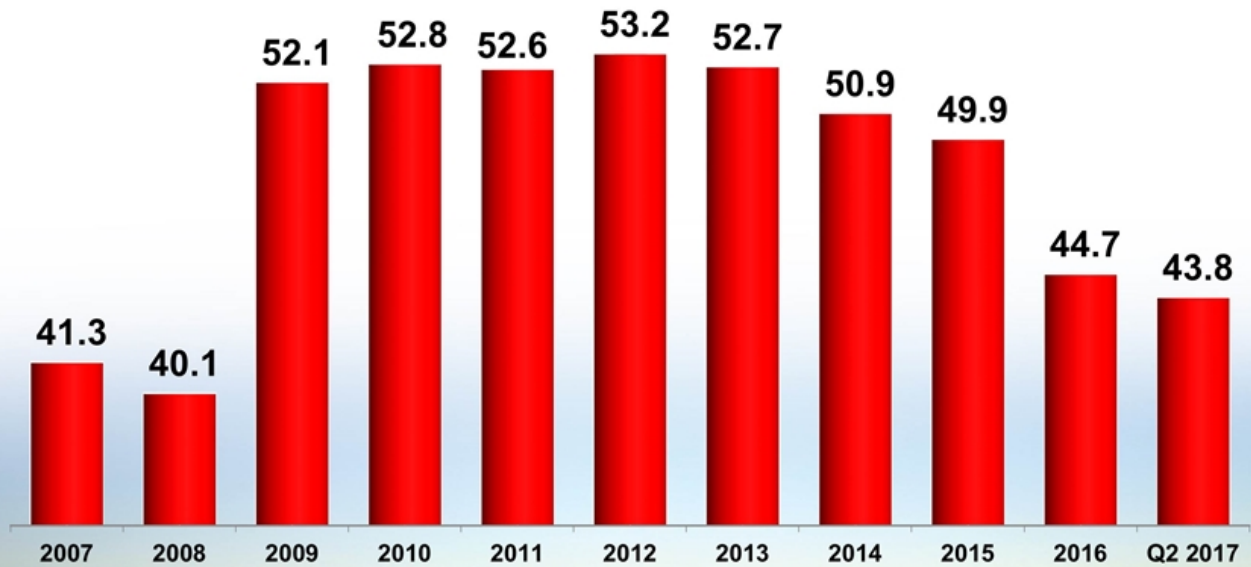
- Quarterly Dividend at \$0.05/Share in Q1 & Q2 of 2017
- Acquired 11.2% of OS in 2016, 3.0% of OS in 2017 YTD
- New Share Count = 43.8M Down from High of 53.2M (Dec 2012)
- Dividends Declared of \$9.1M in 2016



# 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.

# Q2 2017 FINANCIAL REVIEW

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# Q2 2017 FINANCIAL REVIEW FRANCHISED SEGMENT

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# FRANCHISED SEGMENT Q2 2017 RESULTS

(amounts in millions, except per share data)	Q2 2017 <sup>(1)</sup>	B/(W) than Q2 2016 <sup>(1)</sup>	
		\$	%
Revenue	\$2,357	\$4	0.2%
Gross Profit	\$355	\$5	1.5%
SG&A	\$278	(\$7)	(2.5%)
SG&A as % of Gross	78.4%		(80) bps
Depreciation	\$21	(\$3)	(13.8%)
Operating Profit	\$56	(\$4)	(6.3%)
Interest & Other	(\$21)	(\$3)	(15.6%)
Pretax	\$35	(\$7)	(16.0%)
Diluted EPS	\$0.47	(\$0.07)	(13.0%)

(1) – Q2 2017 results are adjusted – See appendix for reconciliation to GAAP amounts.

# Q2 2017 FINANCIAL REVIEW ECHOPARK® SEGMENT

20



# ECHOPARK® SEGMENT Q2 2017 RESULTS

(amounts in millions, except per share, unit and per unit data)	Q2 2017 (1)	B/(W) than Q2 2016 (1)	
		\$	%
Revenue	\$49	\$20	66.4%
Gross Profit	\$5	\$2	58.5%
Operating Profit	(\$5)	(\$2)	(64.4%)
Interest & Other	(\$1)	(\$0)	(33.2%)
Pretax	(\$5)	(\$2)	(60.7%)
Diluted EPS	(\$0.07)	(\$0.03)	(75.0%)
Retail Units	2,049	913	80.4%
GPU	\$875	(\$167)	(16.0%)
F&I (\$/unit)	\$1,041	(\$99)	(8.7%)

(1) – Q2 2017 results are adjusted – See appendix for reconciliation to GAAP amounts.

# ECHOPARK® - COLORADO STORES CASH FLOW

(amounts in thousands, except unit and per unit data)

	Q2 2017 Colorado Stores	
Retail Units		1,728
Used GPU	\$	888
F&I GPU	\$	1,017
Total Gross	\$	4,577
Cash Flow	\$	215

EchoPark Colorado was cash flow positive in Q2 \$215,000



# Q2 2017 FINANCIAL REVIEW TOTAL ENTERPRISE

23



# CONSOLIDATED Q2 2017 RESULTS

(amounts in millions, except per share data)	Q2 2017 <sup>(1)</sup>	B/(W) than Q2 2016 <sup>(1)</sup>	
		\$	%
Revenue	\$2,406	\$23	1.0%
Gross Profit	\$361	\$7	2.1%
SG&A	\$287	(\$10)	(3.6%)
SG&A as % of Gross	79.7%		(120) bps
Depreciation	\$22	(\$3)	(15.9%)
Operating Profit	\$51	(\$6)	(9.9%)
Interest & Other	(\$22)	(\$3)	(15.9%)
Continuing Ops:			
Profit (after tax)	\$18	(\$5)	(22.3%)
Diluted EPS	\$ 0.40	\$ (0.10)	(20.0%)

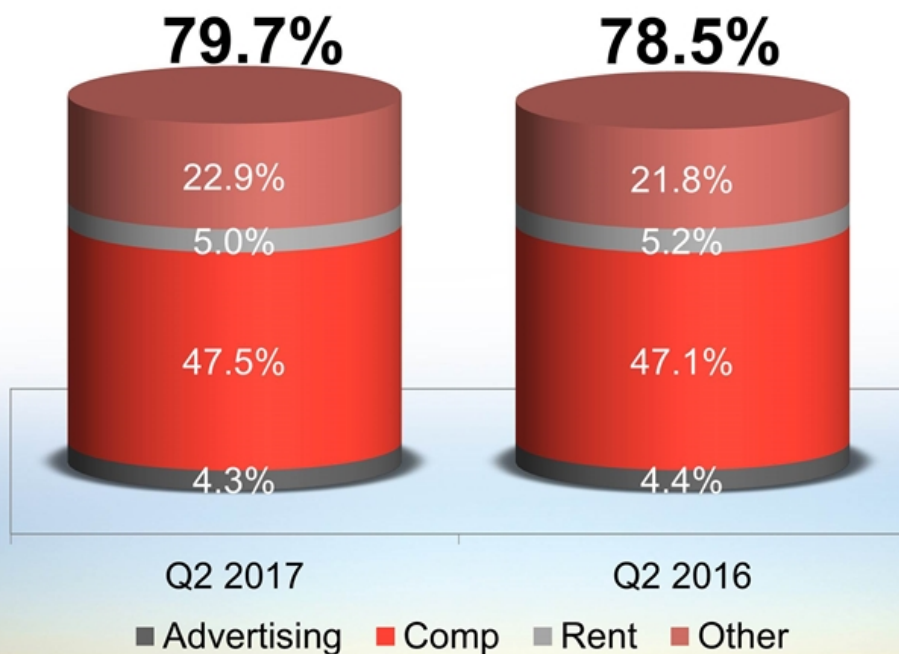
(1) – Q2 2017 results are adjusted – See appendix for reconciliation to GAAP amounts.



## Q2 2017 REVENUE & GROSS PROFIT

(amounts in millions, except units or per unit data)	Q2 2017	B/(W) than Q2 2016	
		\$	%
<b>New Retail Revenue</b>	<b>\$1,247</b>	<b>(\$23)</b>	<b>(1.8%)</b>
Used Retail Revenue	\$642	\$20	3.2%
Fixed Operations Revenue	\$361	\$10	2.8%
F&I Revenue	\$87	\$3	3.4%
<b>Total Revenue</b>	<b>\$2,406</b>	<b>\$23</b>	<b>1.0%</b>
<b>New Retail Gross</b>	<b>\$63</b>	<b>(\$2)</b>	<b>(3.7%)</b>
- Units	32,466	(763)	(2.3%)
- GPU	\$1,950	(\$28)	(1.4%)
<b>Used Retail Gross</b>	<b>\$40</b>	<b>\$3</b>	<b>8.3%</b>
- Units	30,536	1,249	4.3%
- GPU	\$1,311	\$49	3.9%
<b>F&amp;I Gross</b>	<b>\$87</b>	<b>\$3</b>	<b>3.4%</b>
- GPU	\$1,379	\$34	2.6%
<b>Fixed Operations Gross</b>	<b>\$173</b>	<b>\$5</b>	<b>2.9%</b>
<b>Total Gross</b>	<b>\$361</b>	<b>\$7</b>	<b>2.1%</b>

## Q2 2017 ADJUSTED<sup>(1)</sup> SG&A TO GROSS

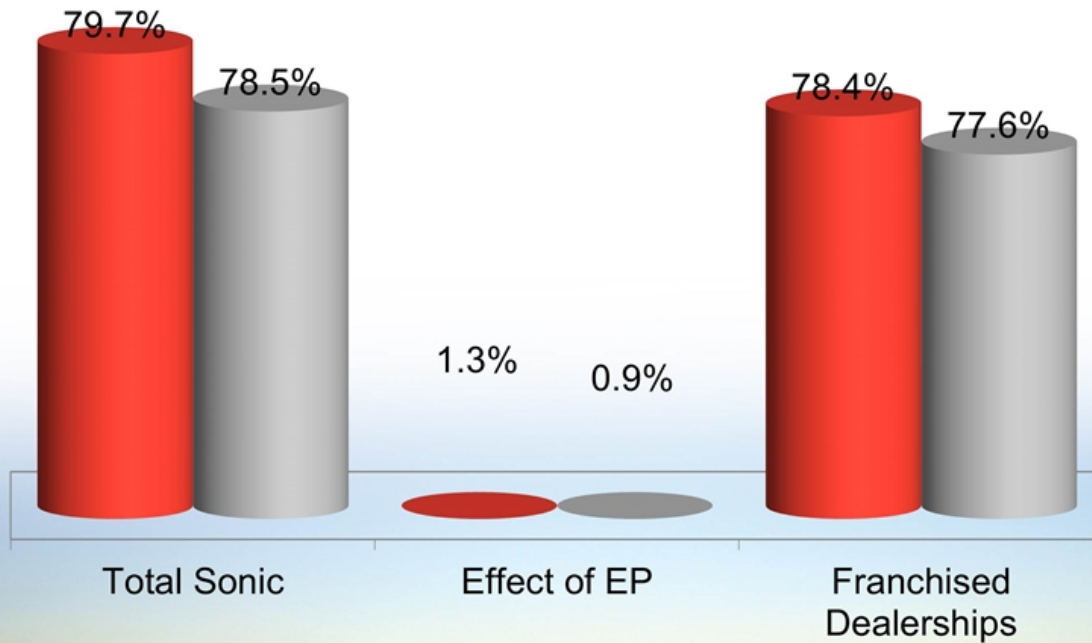


(1) – Q2 2017 is adjusted – See appendix for reconciliation to GAAP amounts.



# Q2 2017 ADJUSTED<sup>(1)</sup> SG&A TO GROSS

■ Q2 2017 ■ Q2 2016



(1) – Q2 2017 is adjusted – See appendix for reconciliation to GAAP amounts.

# Q2 2017 INTEREST EXPENSE

(amounts in millions)	Q2 2017	B/(W) than Q2 2016	
		\$	%
Floor Plan Interest Expense	\$9	(\$2)	(36.7%)
Interest Expense, Other	\$13	(\$1)	(4.6%)
<b>Total Interest Expense</b>	<b>\$22</b>	<b>(\$3)</b>	<b>(15.9%)</b>

Floor Plan Increase Due to Higher Rates and Higher New Balance



## 2017 CAP EX

(amounts in millions)	YTD Q2 2017	Estimated FY 2017
Real Estate & Facility Related	\$ 99.6	\$ 229.9
All Other Cap Ex	21.6	18.3
Subtotal	\$ 121.2	\$ 248.2
Less: Mortgage Funding	(32.5)	(55.0)
Total Cash Used – Cap Ex	\$ 88.7	\$ 193.2

# DEBT COVENANTS

	<u>Covenant</u>	<u>Q2 2017</u>
Liquidity Ratio	$\geq 1.05$	1.14
Fixed Charge Coverage Ratio	$\geq 1.20$	1.95
Total Lease Adjusted Leverage Ratio	$\leq 5.75$	4.38

Compliant with all Covenants

# OPERATIONS REVIEW



# NEW VEHICLE RETAIL

## SAME STORE - Franchised

	Q2 2017	Q2 2016	B/(W)
Retail Volume	32,086	33,229	(3.4%)
Selling Price	\$ 38,360	\$ 38,215	0.4%
Gross Margin %	5.1%	5.2%	(10) bps
GPU	\$ 1,940	\$ 1,977	\$ (37)
Gross Profit (in millions)	\$ 62.2	\$ 65.7	(5.3%)
SAAR (in millions)	16.6	17.1	(2.9%)

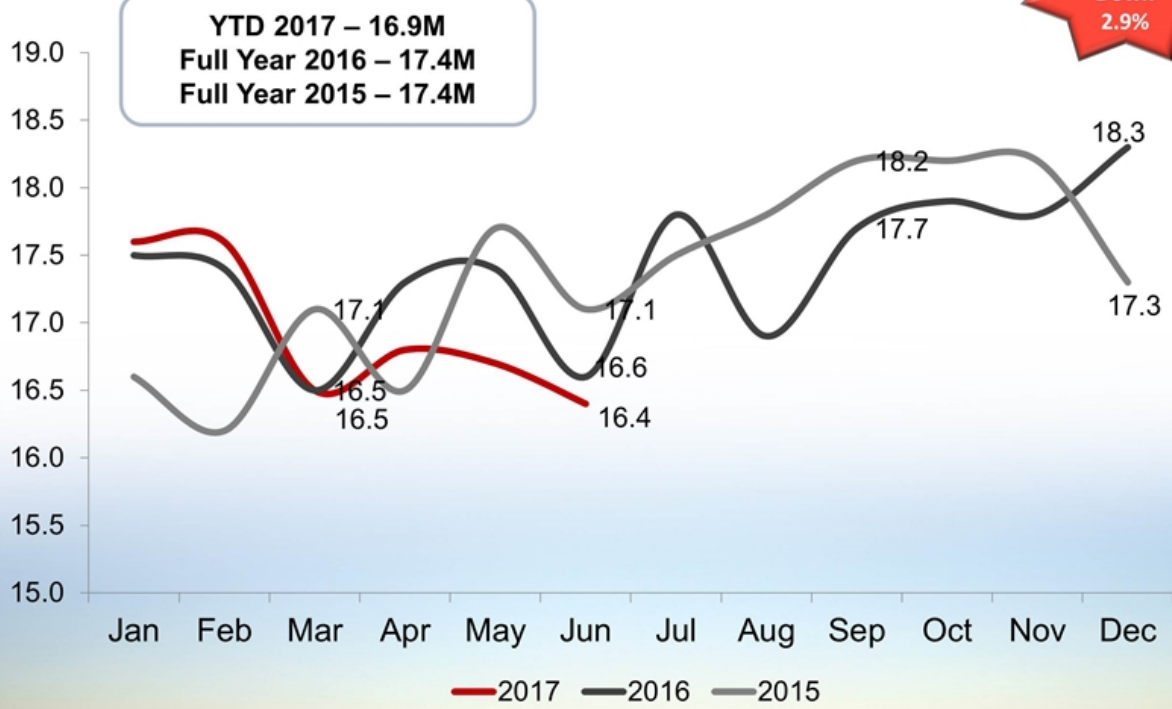
### Retail Units

	Apr	May	Jun	Total
2017	10,103	11,637	10,346	32,086
2016	10,919	11,865	10,445	33,229
B/(W)	(816)	(228)	(99)	(1,143)

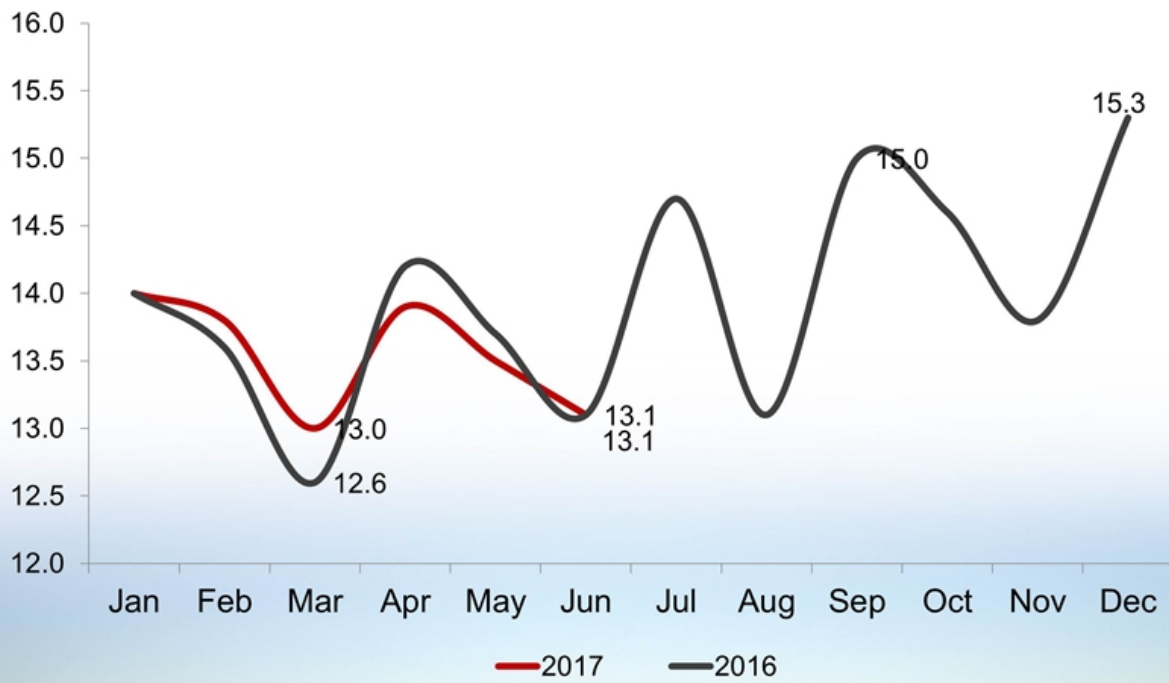


# NEW VEHICLE SAAR

2nd  
QTR  
Down  
2.9%

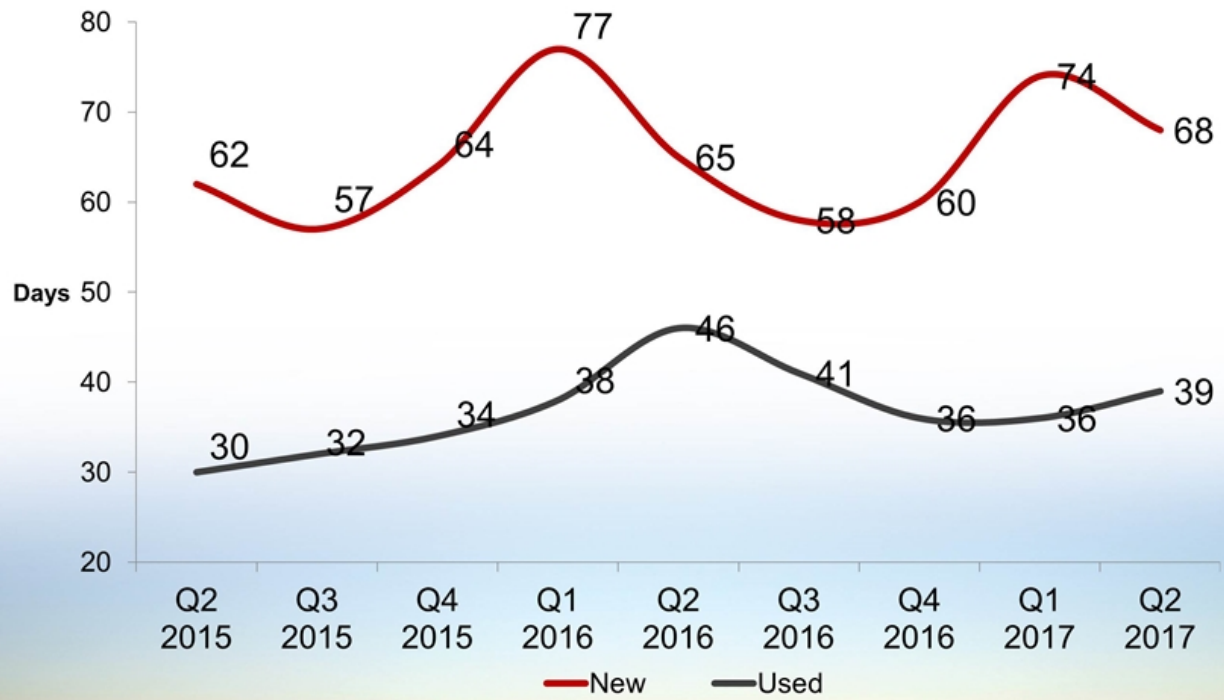


# NEW VEHICLE SAAR - RETAIL





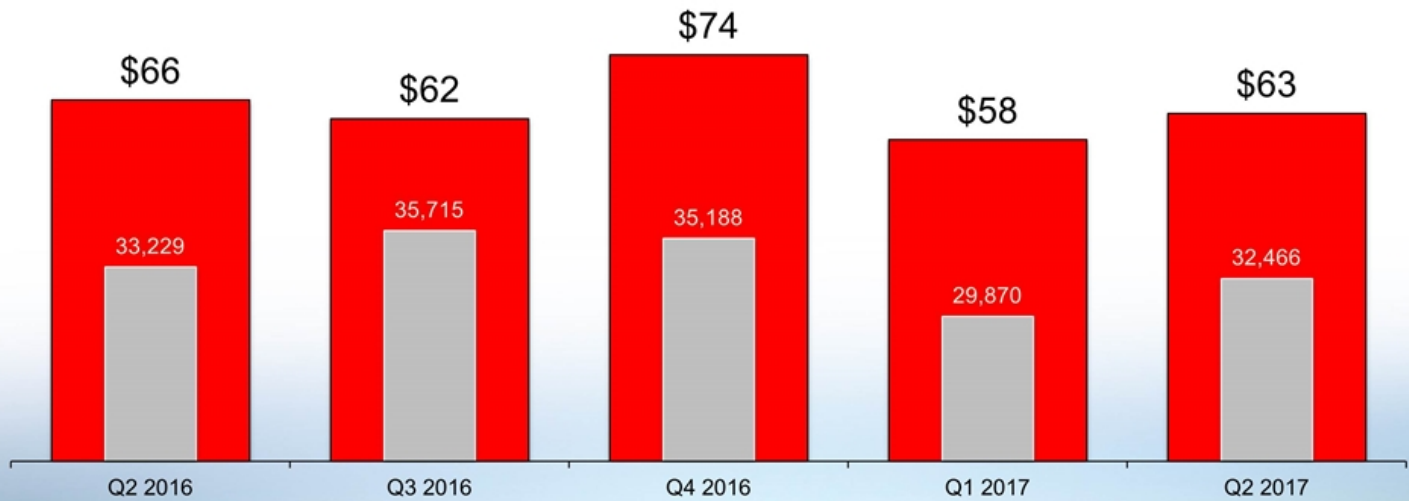
# VEHICLE DAYS' SUPPLY



# NEW VEHICLE – GROSS & UNIT TREND

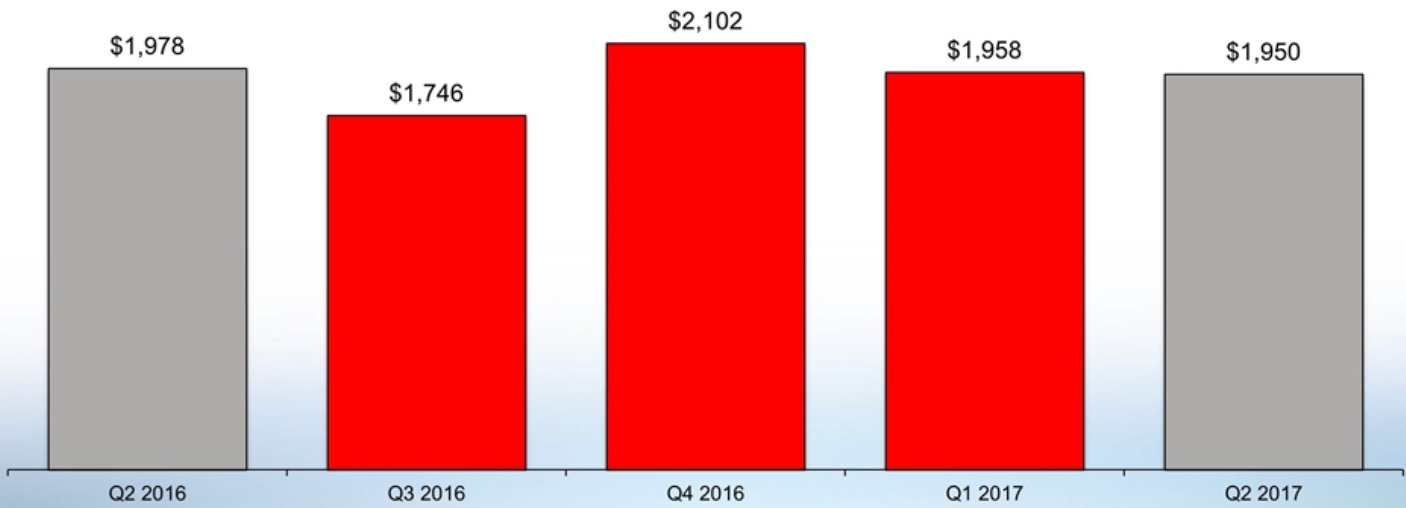
Continuing Operations - Franchised

■ Gross \$ (in millions) ■ Units



# NEW VEHICLE – GROSS PER UNIT

Continuing Operations - Franchised



# USED VEHICLE RETAIL

## Franchised

### Same Store:

	Q2 2017	Q2 2016	B/(W)
Retail Volume	28,067	28,151	(0.3%)
GPU	\$ 1,283	\$ 1,229	\$ 54
Used to New	0.87	0.85	0.02
Vehicles/Store/Mth (102 stores)	92	92	(0)

### Continuing:

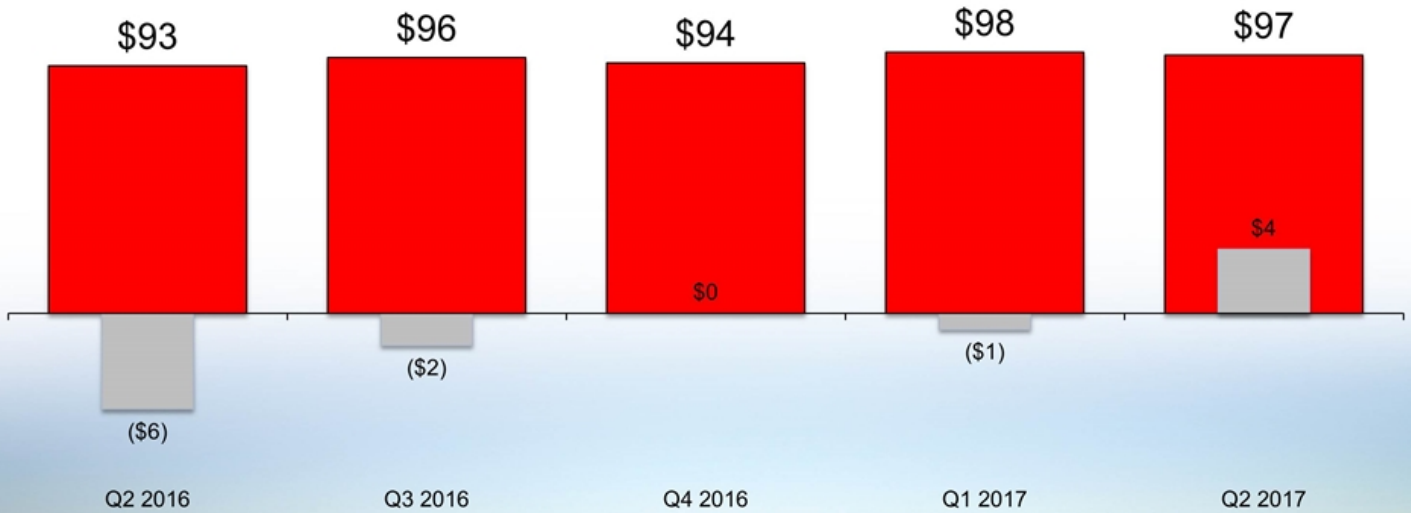
	Q2 2017	Q2 2016	B/(W)
Retail Volume	28,487	28,151	1.2%
GPU	\$ 1,342	\$ 1,271	\$ 71
Used to New	0.88	0.85	0.03
Vehicles/Store/Mth (105/102 stores)	90	92	(2)

# USED VEHICLE – GROSS TREND

Continuing Operations - Franchised

■ Used Related Gross \$\*    ■ YOY Incremental Gross

(\$'s in millions)



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

# USED VEHICLE GROSS CONTRIBUTION

Continuing Operations - Franchised  
Front End Gross and F&I

(in millions)	Apr	May	Jun	Total
2017	\$ 25.9	\$ 26.9	\$ 25.0	\$ 77.9
2016	25.4	25.5	22.9	73.8
B/(W)	\$ 0.6	\$ 1.4	\$ 2.1	\$ 4.1

F&I and Higher GPU is Supporting Front End Gross Growth

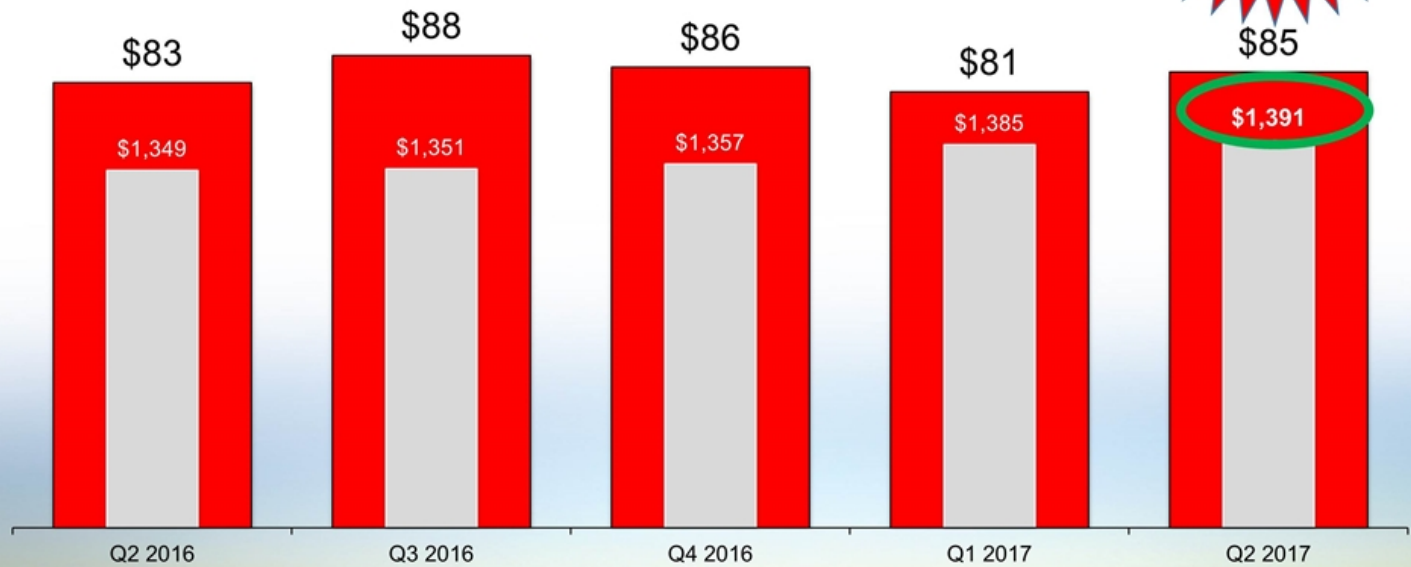


# F&I – GROSS & PUR TREND

Continuing Operations - Franchised



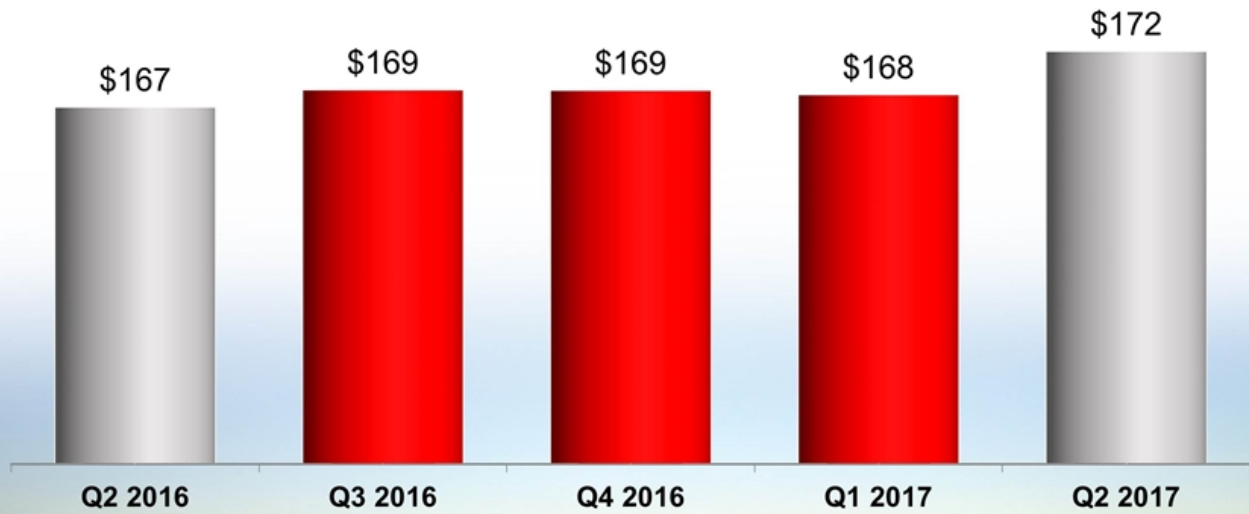
■ Gross \$ (in millions) ■ GPU \$



# FIXED OPERATIONS – GROSS TREND

## Continuing Operations – Franchised

(\$'s in millions)





# FIXED OPS

## Franchised

(\$ in millions)

<b><u>Continuing:</u></b>	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>B/(W)</u>
Revenue	\$ 358	\$ 349	2.6%
Gross Profit	\$ 172	\$ 167	2.6%

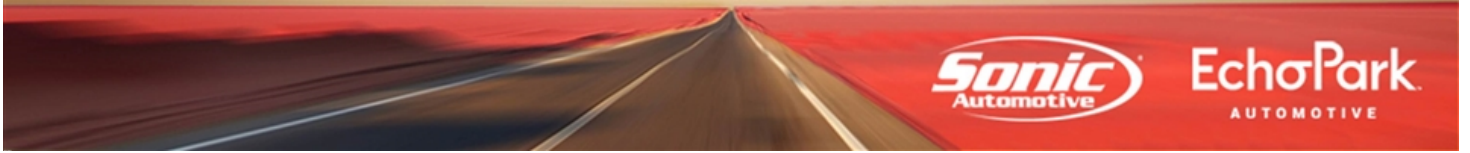
<b><u>Same Store:</u></b>	<u>Q2 2017</u>	<u>Q2 2016</u>	<u>B/(W)</u>
Revenue	\$ 354	\$ 349	1.5%
Gross Profit	\$ 170	\$ 167	1.7%

# SUMMARY & OUTLOOK

- EchoPark Continues Expansion – Ramp Up For 2018 – Additional 15 Stores
  - San Antonio
  - Dallas / Fort Worth
  - Houston
  - Austin
  - Carolinas
  - Georgia
  
- Houston Still Affecting Overall Performance
- Continuing to Challenge Cost Structure to Gain Efficiencies
- Used Vehicle Valuations Fairly Consistent - Slight Margin Pressure
- Fixed Operations Stable – Expect Growth to Continue
  
- Update of Earnings Guidance:
  - Projected Adjusted Diluted EPS from Continuing Ops for 2017 of \$1.85 - \$1.95 Per Share (\$1.49 to \$1.59, on an Unadjusted GAAP basis)
  - Range Includes Effect of Projected EchoPark® Results and Expansion
  - Projecting EchoPark Adjusted Loss for 2017 of \$0.29 to \$0.33 Per Share (\$0.32 to \$0.36, on an Unadjusted GAAP basis)

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# 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

	Three Months Ended June 30, 2017			Three Months Ended June 30, 2016		
	Continuing Operations			Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
<b>Reported:</b>						
Diluted earnings (loss) per share .....	\$ 0.38	\$ (0.11)	\$ 0.27	\$ 0.54	\$ (0.04)	\$ 0.50
<b>Adjustments (net of income taxes):</b>						
Impairment charges .....	0.01	0.03	0.04	-	-	-
Storm damage .....	0.06	-	0.06	-	-	-
Legal accruals and settlements .....	0.01	-	0.01	-	-	-
Lease exit adjustments .....	0.01	0.01	0.02	-	-	-
Effect of adjustments, net of income taxes .....	0.09	0.04	0.13	-	-	-
<b>Adjusted:</b>						
Diluted earnings (loss) per share .....	\$ 0.47	\$ (0.07)	\$ 0.40	\$ 0.54	\$ (0.04)	\$ 0.50
	Six Months Ended June 30, 2017			Six Months Ended June 30, 2016		
	Continuing Operations			Continuing Operations		
	Franchised Dealerships	EchoPark®	Consolidated	Franchised Dealerships	EchoPark®	Consolidated
<b>Reported:</b>						
Diluted earnings (loss) per share .....	\$ 0.45	\$ (0.18)	\$ 0.27	\$ 0.90	\$ (0.09)	\$ 0.81
<b>Adjustments (net of income taxes):</b>						
Impairment charges .....	0.02	0.02	0.04	-	-	-
Storm damage .....	0.09	-	0.09	0.08	-	0.08
Legal accruals and settlements .....	-	-	-	-	-	-
Lease exit adjustments .....	0.01	0.01	0.02	-	-	-
Loss on debt extinguishment .....	0.21	-	0.21	-	-	-
Effect of adjustments, net of income taxes .....	0.33	0.03	0.36	0.08	-	0.08
<b>Adjusted:</b>						
Diluted earnings (loss) per share .....	\$ 0.78	\$ (0.15)	\$ 0.63	\$ 0.98	\$ (0.09)	\$ 0.89



# NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Three Months Ended June 30,		Franchised Dealerships Three Months Ended June 30,		EchoPark® Three Months Ended June 30,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
<b>Reported:</b>						
SG&A expenses .....	\$ 293.9	\$ 277.2	\$ 284.4	\$ 271.7	\$ 9.5	\$ 5.5
<b>Adjustments:</b>						
Storm damage .....	(4.6)	-	(4.6)	-	-	-
Legal accruals and settlements .....	(1.0)	-	(1.0)	-	-	-
Lease exit adjustments .....	(1.0)	-	(0.4)	-	(0.6)	-
Total SG&A adjustments .....	(6.6)	-	(6.0)	-	(0.6)	-
<b>Adjusted:</b>						
SG&A expenses .....	\$ 287.3	\$ 277.2	\$ 278.4	\$ 271.7	\$ 8.9	\$ 5.5
<b>Reported:</b>						
SG&A expenses as % of gross profit .....	81.5%	78.5%	80.0%	77.6%	NM	NM
<b>Adjustments:</b>						
Storm damage .....	(1.2%)	-	(1.2%)	-	-	-
Legal accruals and settlements .....	(0.3%)	-	(0.3%)	-	-	-
Lease exit adjustments .....	(0.3%)	-	(0.1%)	-	-	-
Total SG&A adjustments .....	(1.8%)	-	(1.6%)	-	-	-
<b>Adjusted:</b>						
SG&A expenses as % of gross profit .....	79.7%	78.5%	78.4%	77.6%	NM	NM

NM = Not meaningful

# NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Three Months Ended June 30,		Franchised Dealerships Three Months Ended June 30,		EchoPark® Three Months Ended June 30,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
<b>Reported:</b>						
Operating income .....	\$ 42.2	\$ 57.0	\$ 49.4	\$ 60.0	\$ (7.2)	\$ (3.0)
<b>Adjustments (before income taxes):</b>						
SG&A expenses .....	6.6	-	6.0	-	0.6	-
Impairment charges .....	2.6	-	0.9	-	1.7	-
Total adjustments before taxes .....	9.2	-	6.9	-	2.3	-
<b>Adjusted:</b>						
Operating income .....	\$ 51.4	\$ 57.0	\$ 56.3	\$ 60.0	\$ (4.9)	\$ (3.0)
<b>Reported:</b>						
Income (loss) from continuing operations before taxes .....	\$ 20.3	\$ 38.2	\$ 28.0	\$ 41.6	\$ (7.7)	\$ (3.4)
<b>Adjustments (before income taxes):</b>						
SG&A expenses .....	6.6	-	6.0	-	0.6	-
Impairment charges .....	2.6	-	0.9	-	1.7	-
Total adjustments before taxes .....	9.2	-	6.9	-	2.3	-
<b>Adjusted:</b>						
Income (loss) from continuing operations before taxes .....	\$ 29.5	\$ 38.2	\$ 34.9	\$ 41.6	\$ (5.4)	\$ (3.4)
<b>Reported:</b>						
Income (loss) from continuing operations .....	\$ 12.3	\$ 23.0				
<b>Adjustments (net of income taxes):</b>						
SG&A expenses .....	4.0	-				
Impairment charges .....	1.6	-				
Total adjustments, net of income taxes .....	5.6	-				
<b>Adjusted:</b>						
Income (loss) from continuing operations .....	\$ 17.9	\$ 23.0				

# NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Six Months Ended June 30,		Franchised Dealerships Six Months Ended June 30,		EchoPark® Six Months Ended June 30,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
<b>Reported:</b>						
SG&A expenses .....	\$ 586.2	\$ 561.6	\$ 568.1	\$ 550.4	\$ 18.1	\$ 11.2
<b>Adjustments:</b>						
Storm damage .....	(7.0)	(6.0)	(7.0)	(6.0)	-	-
Legal accruals and settlements .....	0.1	-	0.1	-	-	-
Lease exit adjustments .....	(1.0)	-	(0.4)	-	(0.6)	-
Total SG&A adjustments .....	(7.9)	(6.0)	(7.3)	(6.0)	(0.6)	-
<b>Adjusted:</b>						
SG&A expenses .....	\$ 578.3	\$ 555.6	\$ 560.8	\$ 544.4	\$ 17.5	\$ 11.2
<b>Reported:</b>						
SG&A expenses as % of gross profit .....	82.4%	80.4%	81.0%	79.5%	NM	NM
<b>Adjustments:</b>						
Storm damage .....	(0.9%)	(0.9%)	(0.9%)	(0.8%)	-	-
Legal accruals and settlements .....	0.0%	-	0.0%	-	-	-
Lease exit adjustments .....	(0.2%)	-	(0.1%)	-	-	-
Total SG&A adjustments .....	(1.1%)	(0.9%)	(1.0%)	(0.8%)	-	-
<b>Adjusted:</b>						
SG&A expenses as % of gross profit .....	81.3%	79.5%	80.0%	78.7%	NM	NM

NM = Not meaningful



# NON-GAAP RECONCILIATIONS

Continuing Operations	Consolidated Six Months Ended June 30,		Franchised Dealerships Six Months Ended June 30,		EchoPark® Six Months Ended June 30,	
	2017	2016	2017	2016	2017	2016
	(In millions)					
<b>Reported:</b>						
Operating income .....	\$ 78.6	\$ 99.4	\$ 91.0	\$ 105.6	\$ (12.4)	\$ (6.2)
<b>Adjustments (before income taxes):</b>						
SG&A expenses .....	7.9	6.0	7.3	6.0	0.6	-
Impairment charges .....	3.1	-	1.4	-	1.7	-
Total adjustments before taxes .....	11.0	6.0	8.7	6.0	2.3	-
<b>Adjusted:</b>						
Operating income .....	\$ 89.6	\$ 105.4	\$ 99.7	\$ 111.6	\$ (10.1)	\$ (6.2)
<b>Reported:</b>						
Income (loss) from continuing operations before taxes .....	\$ 20.4	\$ 61.8	\$ 33.7	\$ 68.7	\$ (13.3)	\$ (6.9)
<b>Adjustments (before income taxes):</b>						
SG&A expenses .....	7.9	6.0	7.3	6.0	0.6	-
Impairment charges .....	3.1	-	1.4	-	1.7	-
Loss on debt extinguishment .....	15.2	-	15.2	-	-	-
Total adjustments before taxes .....	26.2	6.0	23.9	6.0	2.3	-
<b>Adjusted:</b>						
Income (loss) from continuing operations before taxes .....	\$ 46.6	\$ 67.8	\$ 57.6	\$ 74.7	\$ (11.0)	\$ (6.9)
<b>Reported:</b>						
Income (loss) from continuing operations .....	\$ 12.3	\$ 37.5				
<b>Adjustments (net of income taxes):</b>						
SG&A expenses .....	4.8	3.7				
Impairment charges .....	1.9	-				
Loss on debt extinguishment .....	9.2	-				
Total adjustments, net of income taxes .....	15.9	3.7				
<b>Adjusted:</b>						
Income (loss) from continuing operations .....	\$ 28.2	\$ 41.2				

# NON-GAAP RECONCILIATIONS

	Three Months Ended June 30, 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
<b>Reported:</b>							
Earnings (loss) and shares .....	44,570	\$ 12,314		\$ (182)		\$ 12,132	
Effect of participating securities:							
Non-vested restricted stock .....		(9)		-		(9)	
Basic earnings (loss) and shares .....	44,570	\$ 12,305	\$ 0.28	\$ (182)	\$ (0.01)	\$ 12,123	\$ 0.27
Effect of dilutive securities:							
Stock compensation plans .....	240						
Diluted earnings (loss) and shares .....	44,810	\$ 12,305	\$ 0.27	\$ (182)	\$ -	\$ 12,123	\$ 0.27
<b>Adjustments:</b>							
Impairment charges .....		\$ 2,605		\$ -		\$ 2,605	
Storm damage .....		4,618		-		4,618	
Legal accruals and settlements .....		1,000		-		1,000	
Lease exit adjustments .....		992		-		992	
Total adjustments before taxes .....		9,215		-		9,215	
Income tax effect of above adjustments .....		(3,617)		-		(3,617)	
Effect of adjustments net of income taxes .....		\$ 5,598	\$ 0.13	\$ -	\$ -	\$ 5,598	\$ 0.13
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (1) .....		\$ 17,912	\$ 0.40	\$ (182)	\$ -	\$ 17,730	\$ 0.40

(1) Net loss attributable to EchoPark® operations was \$0.07 per fully diluted share in the three months ended June 30, 2017.

# NON-GAAP RECONCILIATIONS

	Three Months Ended June 30, 2016						
	Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
		Amount	Per Share	Amount	Per Share	Amount	Per Share
			Amount		Amount		Amount
(In thousands, except per share amounts)							
<b>Reported:</b>							
Earnings (loss) and shares .....	45,731	\$ 23,043		\$ (221)		\$ 22,822	
Effect of participating securities:							
Non-vested restricted stock .....		(13)		-		(13)	
Basic earnings (loss) and shares .....	45,731	\$ 23,030	\$ 0.50	\$ (221)	\$ -	\$ 22,809	\$ 0.50
Effect of dilutive securities:							
Stock compensation plans .....	193						
Diluted earnings (loss) and shares .....	45,924	\$ 23,030	\$ 0.50	\$ (221)	\$ -	\$ 22,809	\$ 0.50

(2) Net loss attributable to EchoPark® operations was \$0.04 per fully diluted share in the three months ended June 30, 2016.

# NON-GAAP RECONCILIATIONS

Six Months Ended June 30, 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	
							(In thousands, except per share amounts)
<b>Reported:</b>							
Earnings (loss) and shares .....	44,680	\$ 12,294	\$ (703)		\$ 11,591		
Effect of participating securities:							
Non-vested restricted stock .....		(9)	-		(9)		
Basic earnings (loss) and shares .....	44,680	\$ 12,285	\$ (703)	\$ (0.01)	\$ 11,582	\$ 0.26	
Effect of dilutive securities:							
Stock compensation plans .....	296						
Diluted earnings (loss) and shares .....	44,976	\$ 12,285	\$ (703)	\$ (0.01)	\$ 11,582	\$ 0.26	
<b>Adjustments:</b>							
Impairment charges .....		\$ 3,115	\$ -		\$ 3,115		
Storm damage .....		7,000	-		7,000		
Legal accruals and settlements .....		(149)	-		(149)		
Lease exit adjustments .....		992	-		992		
Loss on debt extinguishment .....		15,268	-		15,268		
Total adjustments before taxes .....		26,226	-		26,226		
Income tax effect of above adjustments .....		(10,294)	-		(10,294)		
Effect of adjustments, net of income taxes ..		\$ 15,932	\$ 0.36	\$ -	\$ (0.01)	\$ 15,932	\$ 0.35
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (3) .....		\$ 28,226	\$ 0.63	\$ (703)	\$ (0.02)	\$ 27,523	\$ 0.61

(3) Net loss attributable to EchoPark® operations was \$0.15 per fully diluted share in the six months ended June 30, 2017.



# NON-GAAP RECONCILIATIONS

Six Months Ended June 30, 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
<b>Reported:</b>							
Earnings (loss) and shares .....	46,340	\$ 37,507		\$ (61)		\$ 37,446	
Effect of participating securities:							
Non-vested restricted stock .....		(21)		-		(21)	
Basic earnings (loss) and shares .....	46,340	\$ 37,486	\$ 0.81	\$ (61)	\$ -	\$ 37,425	\$ 0.81
Effect of dilutive securities:							
Stock compensation plans .....	183						
Diluted earnings (loss) and shares .....	46,523	\$ 37,486	\$ 0.81	\$ (61)	\$ (0.01)	\$ 37,425	\$ 0.80
<b>Adjustments:</b>							
Storm damage .....		\$ 6,043		\$ -		\$ 6,043	
Lease exit adjustments .....		-		(523)		(523)	
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)	\$ -	\$ 3,378	\$ 0.08
<b>Adjusted:</b>							
Earnings (loss) and diluted earnings (loss) per share (4) .....		\$ 41,205	\$ 0.89	\$ (381)	\$ (0.01)	\$ 40,824	\$ 0.88

(4) Net loss attributable to EchoPark® operations was \$0.09 per fully diluted share in the six months ended June 30, 2016.

## NON-GAAP RECONCILIATIONS – ECHOPARK®

(amounts in millions, except unit and per unit data)	Total EchoPark Q2 2017 <sup>(1)</sup>	EchoPark Only Q2 2017	AutoMatch Only Q2 2017
Revenue	\$49	\$41	\$8
Gross Profit	\$5	\$5	\$1
Operating Profit	(\$5)	(\$4)	(\$1)
Interest & Other	(\$1)	(\$0)	(\$0)
Pretax	(\$5)	(\$4)	(\$1)
Retail Units	2,049	1,728	321
GPU	\$875	\$888	\$805
F&I (\$/unit)	\$1,041	\$1,075	\$859

(1) – Q2 2017 results are adjusted – See appendix for reconciliation to GAAP amounts.