
**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 25, 2019

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 25, 2019, Sonic Automotive, Inc. (the “Company”) issued a press release announcing its financial results for its fiscal first quarter ended March 31, 2019 (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 25, 2019, in the Earnings Press Release, the Company announced the approval of a quarterly cash dividend.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press Release of Sonic Automotive, Inc., dated April 25, 2019.
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.

SONIC AUTOMOTIVE, INC.

Date: April 25, 2019

By: /s/ STEPHEN K. COSS

Stephen K. Coss

Senior Vice President and General Counsel

Sonic Automotive's EchoPark Profitable and On-Track to Exceed \$1.0 Billion in 2019 Revenues

CHARLOTTE, N.C. – April 25, 2019 – Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported financial results for the first quarter of 2019.

- EchoPark revenues of \$249.6 million during the first quarter of 2019, up 89.8% from the first quarter of 2018; on-track to exceed \$1.0 billion in full year 2019 revenues.
- Total Sonic consolidated GAAP continuing operations earnings per diluted share of \$0.99 in the first quarter of 2019 compared to a continuing operations loss per diluted share of \$0.05 in the first quarter of 2018.
- Excluding the items of interest detailed below, adjusted earnings per diluted share from continuing operations* for the first quarter of 2019 were \$0.39 compared to \$0.26 for the first quarter of 2018.
- EchoPark pre-tax profit improved \$14.9 million, or 101.2%, to \$0.2 million in the first quarter of 2019 compared to a pre-tax loss of \$14.7 million in the first quarter of 2018.
- EchoPark generated positive cash flow (Adjusted EBITDA*) of \$5.0 million in the first quarter of 2019, improving by \$8.3 million, or 247.8%, from the first quarter of 2018.
- EchoPark retailed 11,051 units during the first quarter of 2019, up 100.3% from the first quarter of 2018.
- Total Sonic consolidated all-time quarterly record pre-owned retail unit sales of 38,463 units in the first quarter of 2019.
- Total Sonic consolidated all-time quarterly record F&I gross profit per retail unit of \$1,676 in the first quarter of 2019.
- Total Sonic consolidated record first quarter F&I gross profit of \$106.2 million in 2019.
- Received cash of \$121.7 million on the disposal of four franchised dealerships during the first quarter of 2019, which represent approximately \$300.0 million in annual revenues.

* Adjusted earnings per diluted share from continuing operations and Adjusted EBITDA 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.

First Quarter 2019 Results

On a GAAP basis, net income from continuing operations for the first quarter of 2019 was \$42.3 million, or \$0.99 per diluted share. Comparatively, the net loss from continuing operations for the first quarter of 2018 was \$2.0 million, or \$0.05 per diluted share.

GAAP results reported for the first quarter of 2019 and 2018 include the following pre-tax items of interest:

(In millions)	Q1 2019	Q1 2018	Income Statement Line Item
Gain (Loss) on Franchise Disposals	\$ 46.7	\$ 1.2	SG&A
Executive Transition Costs	\$ (6.3)	\$ —	SG&A (1)
Long-Term Compensation Charges	\$ —	\$ (9.2)	SG&A (2)
Impairment Charges	\$ (1.9)	\$ (3.6)	Impairment (3)
Lease Exit Charges	\$ —	\$ (4.8)	SG&A
Legal Related Matters	\$ —	\$ (1.5)	SG&A

Note: Amounts in table relate to the Franchised Dealerships Segment unless otherwise noted below.

(1) \$6.0 million of Q1 2019 amount is not deductible for tax purposes.

(2) \$9.2 million Q1 2018 amount relates to EchoPark.

(3) \$1.9 million Q1 2019 amount related to EchoPark.

Commentary

David Smith, Sonic and EchoPark's Chief Executive Officer, commented, "We are very pleased with the results for the quarter with our franchised dealerships offering a solid performance and EchoPark beginning to show what is possible from what we have developed over the last several years. We believe EchoPark revenues will eclipse the \$1.0 billion mark in 2019 as our stores are still maturing. To add perspective to the potential scale of EchoPark, its pre-owned unit sales comprised 28.7% of consolidated Sonic pre-owned unit sales in the first quarter of 2019. This is currently being accomplished through eight locations that serve a multitude of surrounding markets across the United States. As we expand our footprint into other areas across the country, we believe EchoPark will exceed the overall volumes and profitability of our franchised dealerships. We believe the combination of our customer-centric shopping experience, high quality vehicle offerings, rock-bottom pricing and transparent trade-in appraisals is disrupting the pre-owned markets that we serve. At our EchoPark stores, we continue seeing the markets we serve expand as customers have recognized the value we offer and are traveling hundreds of miles to purchase their vehicle from EchoPark."

"There were several 'firsts' for the EchoPark operations during the quarter beyond the unit and revenue growth we have become accustomed to seeing. Two of the more significant 'firsts' relate to positive cash flow and profitability. Adjusted EBITDA for EchoPark was \$5.0 million during the quarter. At the EchoPark store operating level, the contribution of Adjusted EBITDA during the first quarter was \$6.1 million, offset by negative corporate level Adjusted EBITDA of \$1.1 million. For the other significant 'first,' the pre-tax results for EchoPark were \$0.2 million for the first quarter of 2019. This is the first quarter of profitability for the entire business unit. Operationally, it performed even better than the \$0.2 million, as this amount includes an impairment charge of \$1.9 million. Absent the impairment charge, EchoPark posted a pre-tax profit of \$2.1 million. We look forward to sharing more of these 'firsts' with everyone in the future."

Jeff Dyke, Sonic and EchoPark's President, commented, "Our franchise and EchoPark leadership teams did a fantastic job giving us one of our best starts to a year that I can remember. We managed our SG&A structure, grew our gross profit and delivered above our internal forecasts in every facet of our business."

"Our EchoPark operating model has evolved over time as we continue to listen to what customers want when shopping and buying a pre-owned vehicle. Of course, customers want it to be an easy, transparent process where they get a quality product at a great price. It sounds simple, but the magic is when you can give customers exactly what they want and make money doing it. Our EchoPark stores offer a unique and customer-friendly buying experience from the time customers first type in EchoPark.com on their computer or mobile device, to the moment they sign that last document electronically so they can begin to enjoy their car or truck. We provide an exceptional guest experience and value pricing along the lines of what Costco does for its customer base, while managing inventory days' supply well below industry norms. Our proprietary inventory management and pricing tools that we have invested in for years are really paying off. We were able to sell over 11,000 vehicles in the quarter, running below a 30-day supply all-in and below a 20-day supply on our front-line inventory. This model allows us to remain very flexible and take advantage of inventory availability and valuation shifts in order to keep our pricing well below our competition. We believe in keeping our operating expenses very low so we can offer our guests the best pricing and guest experience in the industry today."

"As for our franchised dealerships in the first quarter, revenue was relatively flat compared to the prior year quarter on a same store basis despite a 4.6% decline in our new vehicle revenue driven by lower industry volumes. Gross profit for the first quarter of 2019 on a same store basis improved \$8.4 million, or 2.7%, from the prior year quarter. This ultimately resulted in an increase in operating income on a same store basis of \$3.0 million, or 5.5%. Year-over-year increases in interest costs on a same store basis increased \$4.3 million. We continue to actively manage our inventory levels in cooperation with our manufacturer partners to minimize the effect of higher interest rates on our overall profitability. We had record pre-owned volume, record F&I gross per unit and a very solid fixed operations gross performance in the quarter. Our BMW and Honda business rebounded from the prior quarter and we expect that to continue improving as we move through the year."

Heath Byrd, Sonic and EchoPark's Executive Vice President and Chief Financial Officer, noted, "Over the past year, we reduced our total long-term debt by \$139.3 million and improved our liquidity by over \$164.2 million, to \$292.2 million. Based on current store performance, we believe our current EchoPark expansion plans can generate annual incremental revenue of \$500.0 million to \$1.0 billion. We believe the improved strength of our balance sheet and the positive cash flows from our EchoPark and franchise operations will allow us to fund the expansion of EchoPark internally without the need to access capital from the public markets."

Dividend

Sonic's Board of Directors approved a quarterly dividend of \$0.10 per share payable in cash for our stockholders of record on June 14, 2019. The dividend will be payable on July 15, 2019.

First Quarter 2019 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 the "Earnings Conference Calls" link at the bottom of the page.

Presentation materials for the conference call will be accessible beginning the morning of the conference call on the Company's website at www.sonicautomotive.com by clicking on the "Investor Relations" tab under "Our Company" and choosing the "Webcasts & Presentations" link at the bottom of the page.

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

Domestic: (877) 450-3867
International: (706) 643-0958
Conference ID: 1387216

A conference call replay will be available one hour following the call for seven days and can be accessed by calling:

Domestic: (855) 859-2056
International: (404) 537-3406
Conference ID: 1387216

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. 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, EchoPark revenue estimates, EchoPark unit sales volume, EchoPark profit estimates, 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, 2018 and the Company's other periodic reports and information filed with the Securities and Exchange Commission (the "SEC"). 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 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 EBITDA for our Franchised Dealerships and EchoPark Segments. 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 and provide a meaningful presentation of the Company's results.

Contact: Heath Byrd, Executive Vice President and 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)

Results of Operations

	Three Months Ended March 31,			
	2019		2018	
	(Dollars and shares in thousands, except per share amounts)			
Revenues:				
New vehicles	\$	1,066,334	\$	1,180,846
Used vehicles		820,366		709,046
Wholesale vehicles		54,770		65,398
Total vehicles		1,941,470		1,955,290
Parts, service and collision repair		341,430		351,758
Finance, insurance and other, net		106,238		93,725
Total revenues		2,389,138		2,400,773
Cost of Sales:				
New vehicles		(1,012,538)		(1,124,046)
Used vehicles		(783,358)		(672,275)
Wholesale vehicles		(56,037)		(69,823)
Total vehicles		(1,851,933)		(1,866,144)
Parts, service and collision repair		(178,194)		(182,130)
Total cost of sales		(2,030,127)		(2,048,274)
Gross profit		359,011		352,499
Selling, general and administrative expenses		(247,095)		(304,925)
Impairment charges		(1,952)		(3,643)
Depreciation and amortization		(22,649)		(23,743)
Operating income (loss)		87,315		20,188
Other income (expense):				
Interest expense, floor plan		(13,226)		(10,677)
Interest expense, other, net		(12,853)		(13,456)
Other income (expense), net		100		89
Total other income (expense)		(25,979)		(24,044)
Income (loss) from continuing operations before taxes		61,336		(3,856)
Provision for income taxes for continuing operations - benefit (expense)		(18,987)		1,842
Income (loss) from continuing operations		42,349		(2,014)
Discontinued operations:				
Income (loss) from discontinued operations before taxes		(180)		(248)
Provision for income taxes for discontinued operations - benefit (expense)		52		68
Income (loss) from discontinued operations		(128)		(180)
Net income (loss)	\$	42,221	\$	(2,194)
Basic earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$	0.99	\$	(0.05)
Earnings (loss) per share from discontinued operations		(0.01)		—
Earnings (loss) per common share	\$	0.98	\$	(0.05)
Weighted average common shares outstanding		42,838		42,789
Diluted earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$	0.99	\$	(0.05)
Earnings (loss) per share from discontinued operations		(0.01)		—
Earnings (loss) per common share	\$	0.98	\$	(0.05)
Weighted average common shares outstanding		42,888		42,789
Dividends declared per common share	\$	0.10	\$	0.06

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported new vehicle:				
Revenue	\$ 1,066,334	\$ 1,180,846	\$ (114,512)	(9.7)%
Gross profit	\$ 53,796	\$ 56,800	\$ (3,004)	(5.3)%
Unit sales	25,197	29,500	(4,303)	(14.6)%
Revenue per unit	\$ 42,320	\$ 40,029	\$ 2,291	5.7 %
Gross profit per unit	\$ 2,135	\$ 1,925	\$ 210	10.9 %
Gross profit as a % of revenue	5.0 %	4.8 %	20 bps	

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store new vehicle:				
Revenue	\$ 1,047,677	\$ 1,097,720	\$ (50,043)	(4.6)%
Gross profit	\$ 52,959	\$ 54,379	\$ (1,420)	(2.6)%
Unit sales	24,695	26,910	(2,215)	(8.2)%
Revenue per unit	\$ 42,425	\$ 40,792	\$ 1,633	4.0 %
Gross profit per unit	\$ 2,145	\$ 2,021	\$ 124	6.1 %
Gross profit as a % of revenue	5.1 %	5.0 %	10 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Used Vehicles

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported used vehicle:				
Revenue	\$ 820,366	\$ 709,046	\$ 111,320	15.7 %
Gross profit	\$ 37,008	\$ 36,771	\$ 237	0.6 %
Unit sales	38,463	33,739	4,724	14.0 %
Revenue per unit	\$ 21,329	\$ 21,016	\$ 313	1.5 %
Gross profit per unit	\$ 962	\$ 1,090	\$ (128)	(11.7)%
Gross profit as a % of revenue	4.5 %	5.2 %	(70) bps	

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store used vehicle:				
Revenue	\$ 764,621	\$ 666,097	\$ 98,524	14.8 %
Gross profit	\$ 33,723	\$ 32,800	\$ 923	2.8 %
Unit sales	35,609	31,363	4,246	13.5 %
Revenue per unit	\$ 21,473	\$ 21,238	\$ 235	1.1 %
Gross profit per unit	\$ 947	\$ 1,046	\$ (99)	(9.5)%
Gross profit as a % of revenue	4.4 %	4.9 %	(50) bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Wholesale Vehicles

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Reported wholesale vehicle:				
Revenue	\$ 54,770	\$ 65,398	\$ (10,628)	(16.3)%
Gross profit	\$ (1,267)	\$ (4,425)	\$ 3,158	71.4%
Unit sales	8,647	9,680	(1,033)	(10.7)%
Revenue per unit	\$ 6,334	\$ 6,756	\$ (422)	(6.2)%
Gross profit per unit	\$ (147)	\$ (457)	\$ 310	67.8%
Gross profit as a % of revenue	(2.3)%	(6.8)%	450 bps	

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except unit and per unit data)				
Same store wholesale vehicle:				
Revenue	\$ 53,124	\$ 60,319	\$ (7,195)	(11.9)%
Gross profit	\$ (1,142)	\$ (3,881)	\$ 2,739	70.6%
Unit sales	8,388	8,867	(479)	(5.4)%
Revenue per unit	\$ 6,333	\$ 6,803	\$ (470)	(6.9)%
Gross profit per unit	\$ (136)	\$ (438)	\$ 302	68.9%
Gross profit as a % of revenue	(2.1)%	(6.4)%	430 bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Revenue				
Customer pay	\$ 137,721	\$ 142,354	\$ (4,633)	(3.3) %
Warranty	68,973	67,601	1,372	2.0 %
Wholesale parts	39,297	42,501	(3,204)	(7.5) %
Internal, sublet and other	95,439	99,302	(3,863)	(3.9) %
Total	<u>\$ 341,430</u>	<u>\$ 351,758</u>	<u>\$ (10,328)</u>	<u>(2.9) %</u>
Gross profit				
Customer pay	\$ 74,326	\$ 76,350	\$ (2,024)	(2.7) %
Warranty	38,407	37,901	506	1.3 %
Wholesale parts	6,796	7,265	(469)	(6.5) %
Internal, sublet and other	43,707	48,112	(4,405)	(9.2) %
Total	<u>\$ 163,236</u>	<u>\$ 169,628</u>	<u>\$ (6,392)</u>	<u>(3.8) %</u>
Gross profit as a % of revenue				
Customer pay	54.0 %	53.6 %	40 bps	
Warranty	55.7 %	56.1 %	(40) bps	
Wholesale parts	17.3 %	17.1 %	20 bps	
Internal, sublet and other	45.8 %	48.5 %	(270) bps	
Total	47.8 %	48.2 %	(40) bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Same Store:				
Revenue				
Customer pay	\$ 136,093	\$ 130,728	\$ 5,365	4.1 %
Warranty	67,437	64,214	3,223	5.0 %
Wholesale parts	38,581	40,012	(1,431)	(3.6) %
Internal, sublet and other	93,077	92,601	476	0.5 %
Total	<u>\$ 335,188</u>	<u>\$ 327,555</u>	<u>\$ 7,633</u>	2.3 %
Gross profit				
Customer pay	\$ 73,435	\$ 69,809	\$ 3,626	5.2 %
Warranty	37,612	35,904	1,708	4.8 %
Wholesale parts	6,636	6,790	(154)	(2.3) %
Internal, sublet and other	42,325	44,368	(2,043)	(4.6) %
Total	<u>\$ 160,008</u>	<u>\$ 156,871</u>	<u>\$ 3,137</u>	2.0 %
Gross profit as a % of revenue				
Customer pay	54.0 %	53.4 %	60 bps	
Warranty	55.8 %	55.9 %	(10) bps	
Wholesale parts	17.2 %	17.0 %	20 bps	
Internal, sublet and other	45.5 %	47.9 %	(240) bps	
Total	47.7 %	47.9 %	(20) bps	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except per unit data)				
Reported:				
Revenue	\$ 106,238	\$ 93,725	\$ 12,513	13.4 %
Unit sales	63,381	62,916	465	0.7 %
Gross profit per retail unit (excludes fleet)	\$ 1,676	\$ 1,490	\$ 186	12.5 %

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands, except per unit data)				
Same Store:				
Revenue	\$ 97,117	\$ 85,161	\$ 11,956	14.0 %
Unit sales	60,025	57,970	2,055	3.5 %
Gross profit per retail unit (excludes fleet)	\$ 1,618	\$ 1,469	\$ 149	10.1 %

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Three Months Ended March 31,		Better / (Worse)	
	2019	2018	Change	% Change
(In thousands)				
Reported:				
Compensation	\$ 184,185	\$ 185,037	\$ 852	0.5 %
Advertising	15,050	16,016	966	6.0 %
Rent	15,250	21,868	6,618	30.3 %
Other	32,610	82,004	49,394	60.2 %
Total SG&A expenses	<u>\$ 247,095</u>	<u>\$ 304,925</u>	<u>\$ 57,830</u>	<u>19.0 %</u>
Reported:				
SG&A expenses as a % of gross profit:				
Compensation	51.3 %	52.5 %	120 bps	
Advertising	4.2 %	4.5 %	30 bps	
Rent	4.2 %	6.2 %	200 bps	
Other	9.1 %	23.3 %	1,420 bps	
Total SG&A expenses as a % of gross profit	<u>68.8 %</u>	<u>86.5 %</u>	<u>1,770 bps</u>	

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Non-GAAP Continuing Operations EPS Reconciliation

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
	Weighted Average Shares	Amount	Per Share Amount	Weighted Average Shares	Amount	Per Share Amount
(In thousands, except per share amounts)						
Diluted earnings (loss) and shares from continuing operations	42,888	\$ 42,349	\$ 0.99	42,789	\$ (2,014)	\$ (0.05)
Pre-tax items of interest:						
Loss (gain) on franchise disposals		\$ (46,680)			\$ (1,190)	
Executive transition costs		6,264			—	
Long-term compensation charges		—			9,189	
Impairment Charges		1,926			3,643	
Lease exit charges		—			4,814	
Legal related matters		—			1,500	
Tax effect of above items		12,902			(4,894)	
Adjusted diluted earnings (loss) and shares from continuing operations	42,888	<u>\$ 16,761</u>	<u>\$ 0.39</u>	42,789	<u>\$ 11,048</u>	<u>\$ 0.26</u>

Exhibit 99.2

Q1 2019
Investor
Presentation



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 2019 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 stockholders, 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, 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, 2018 and the Company’s other periodic reports and information filed with the Securities and Exchange Commission.

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, except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission.



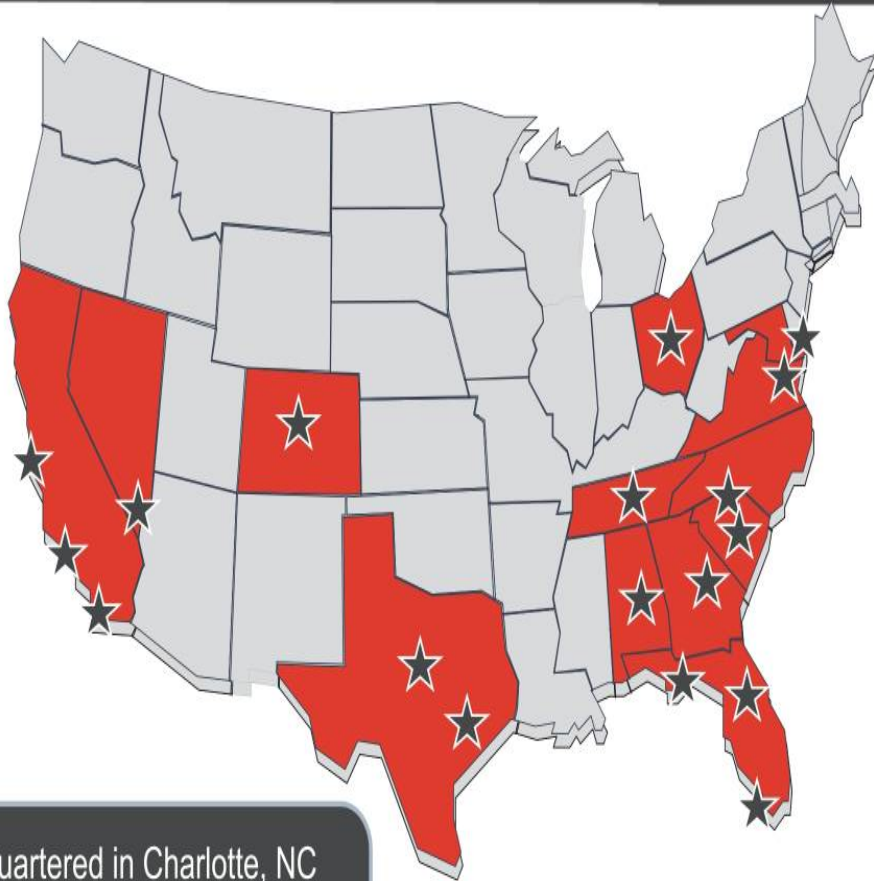
CONTENT

- COMPANY OVERVIEW
- FINANCIAL & OPERATIONS REVIEW
- APPENDIX

COMPANY OVERVIEW



OVERVIEW – FRANCHISED GEOGRAPHIC



Headquartered in Charlotte, NC
92 Stores, 23 Brands, 15 Collision
Repair Centers
Platforms in Major Metro Markets

5

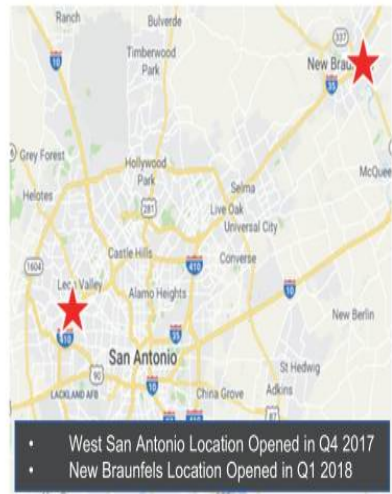
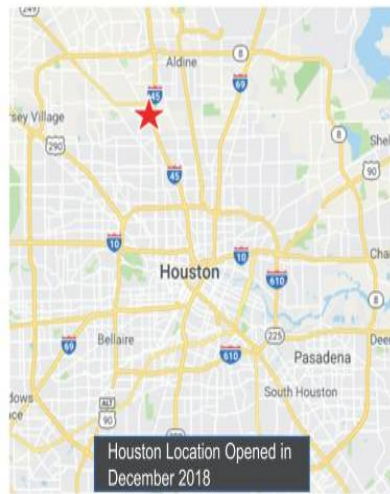
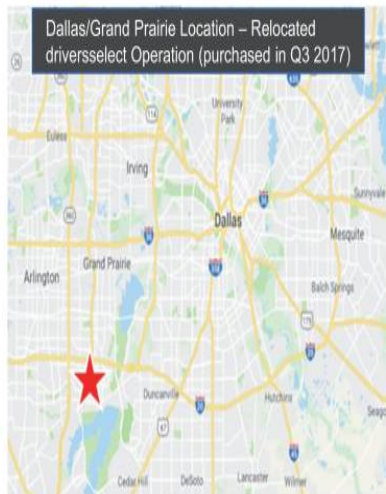
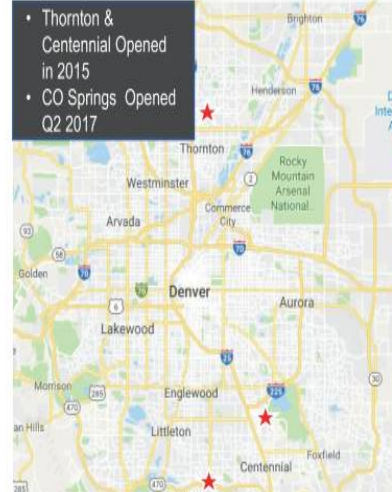
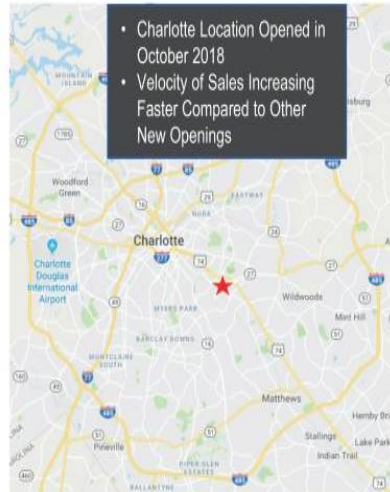


EchoPark
AUTOMOTIVE

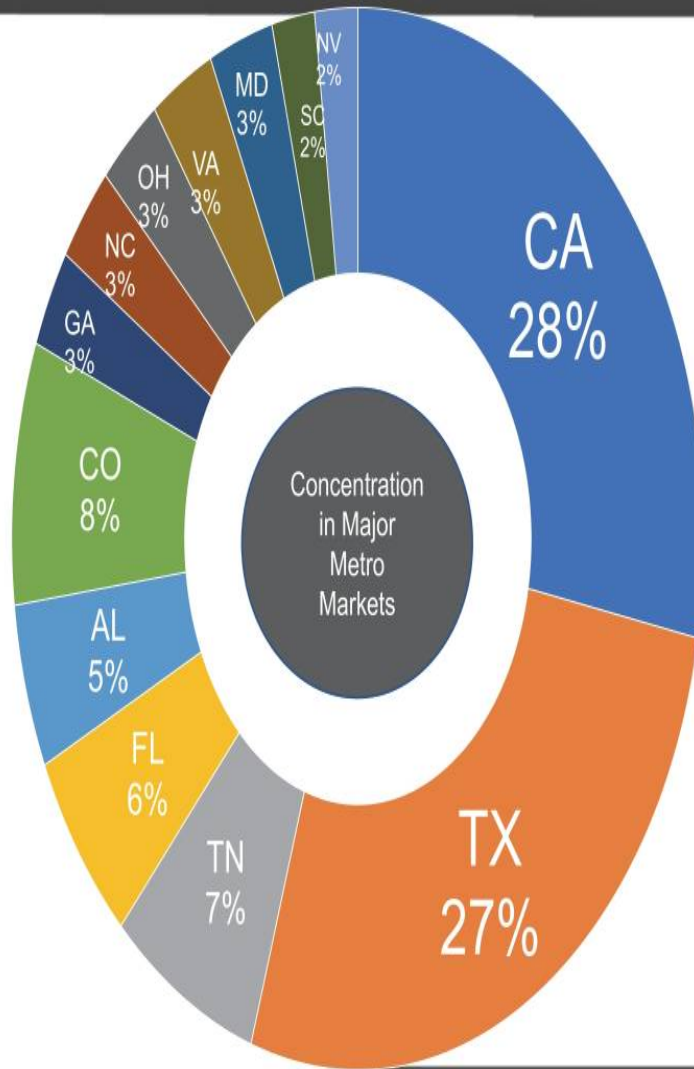


OVERVIEW – ECHOPARK GEOGRAPHIC

Texas – 4 Locations
 Denver – 3 Locations
 NC – 1 Location



OVERVIEW - GEOGRAPHIC

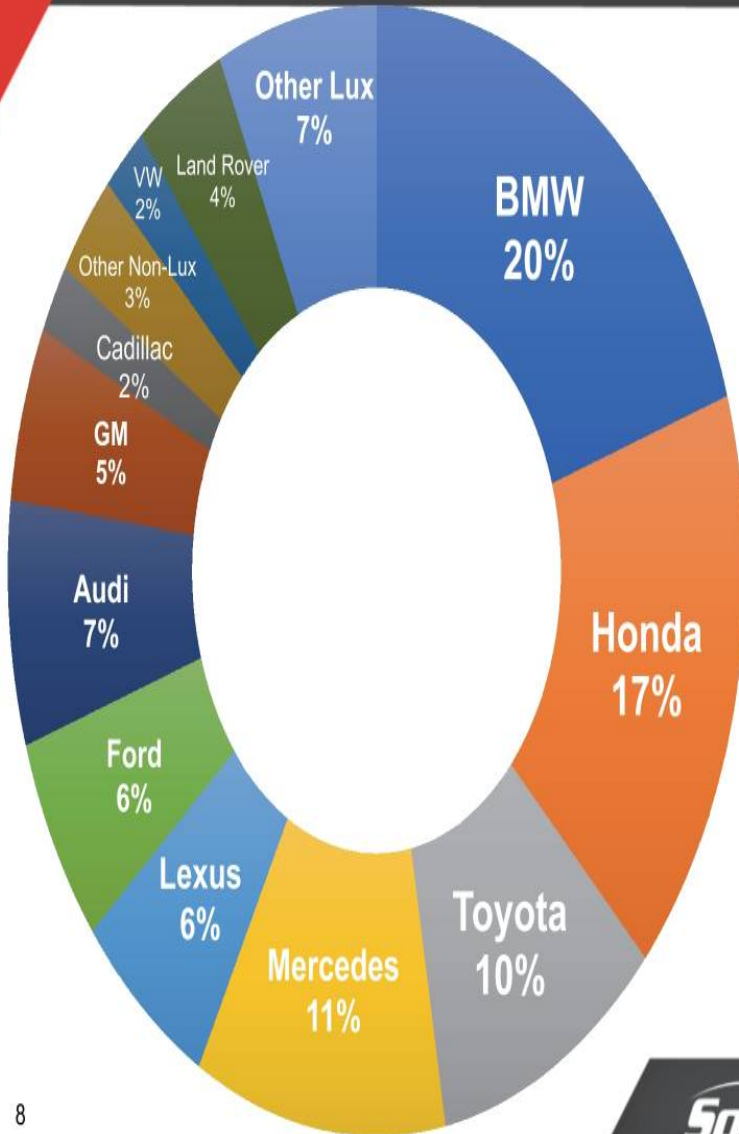


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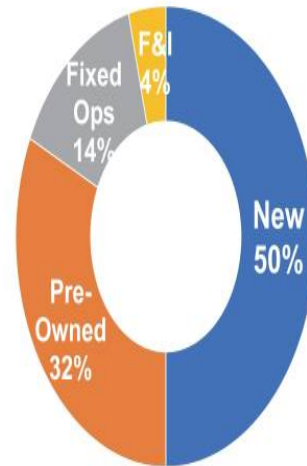
Note: Percentages are percent of total revenue for FY 2018.



OVERVIEW – BRAND & REVENUE COMPOSITION



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



Note: Percentages are for FY 2018.



Q1 2019 FINANCIAL REVIEW

FRANCHISED
SEGMENT

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FRANCHISED SEGMENT Q1 2019 RESULTS

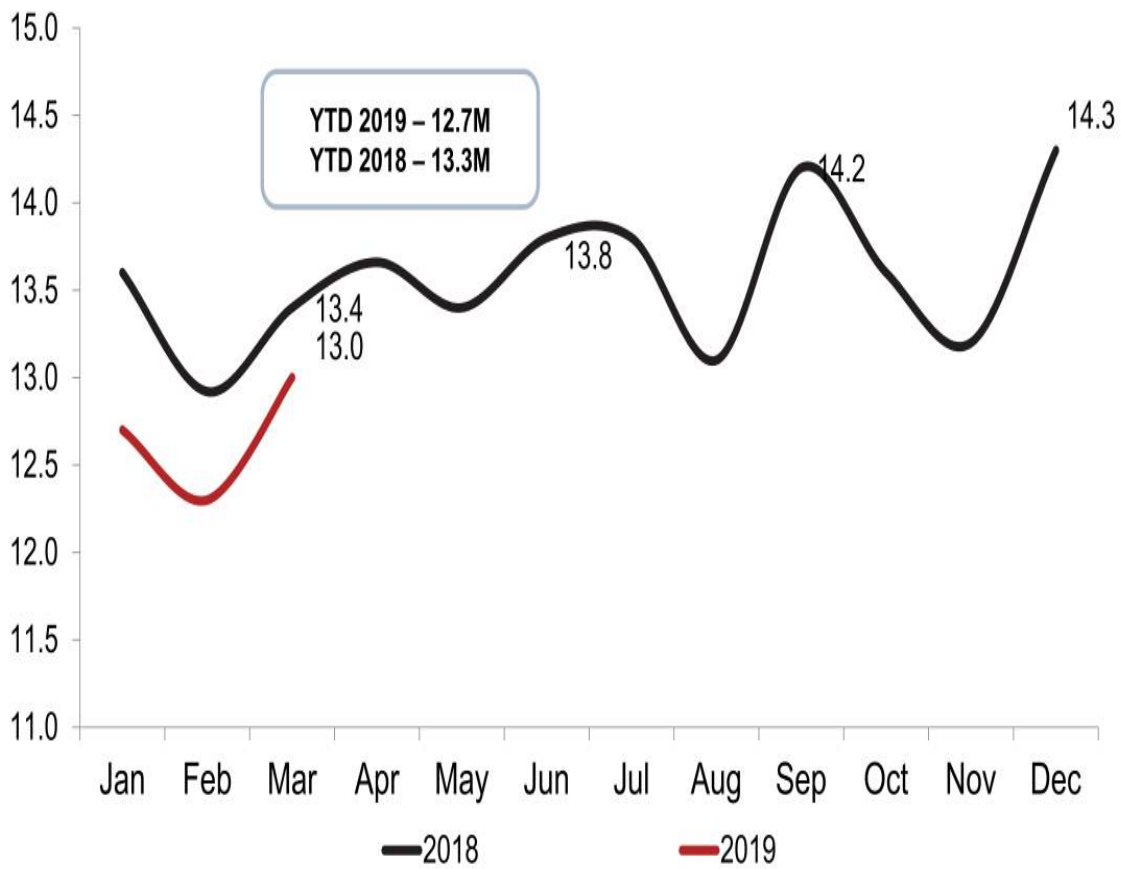
(In millions)	Q1 2019	B/(W) than Q1 2018	
		\$	%
Revenue	\$2,140	(\$130)	(5.7%)
Gross Profit	\$333	(\$7)	(2.1%)
SG&A	\$227	\$54	19.1%
SG&A as % of Gross Profit	68.1%		1,440 bps
Depreciation	\$20	\$2	8.4%
Impairment	\$0	\$4	99.3%
Operating Profit	\$86	\$52	152.6%
Interest & Other	\$25	(\$2)	(7.1%)
Pre-tax	\$61	\$50	464.7%

(In millions)	Pre-tax Items of Interest		Location
	Q1 2019	Q1 2018	
Gain (Loss) on Franchise Disposals	\$ 46.7	\$ 1.2	SG&A
Executive Transition Costs	\$ (6.3)	\$ -	SG&A (1)
Impairment Charges	\$ -	\$ (3.5)	Impairment
Lease Exit Charges	\$ -	\$ (4.8)	SG&A
Legal Related Matters	\$ -	\$ (1.5)	SG&A

(1) \$6.0 million of Q1 2019 amount is not deductible for tax purposes.



NEW VEHICLE SAAR - RETAIL



NEW VEHICLE SAME STORE - FRANCHISED

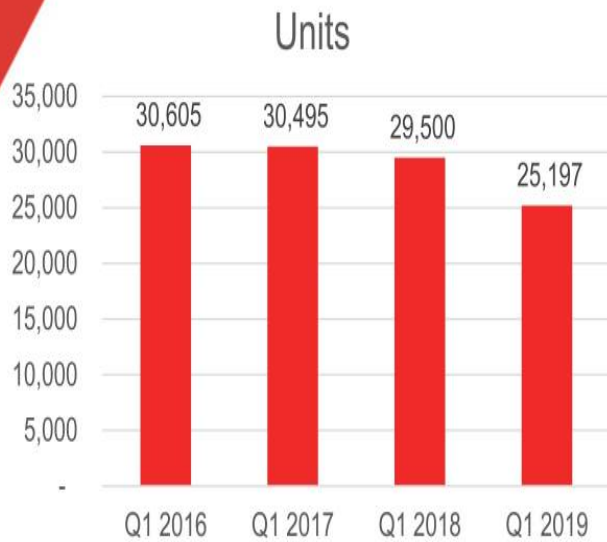
	Q1 2019	Q1 2018	B/(W)
New Unit Volume	24,695	26,910	(8.2%)
Selling Price	\$ 42,425	\$ 40,792	4.0%
Gross Margin %	5.1%	5.0%	10 bps
GPU	\$ 2,145	\$ 2,021	\$ 124
Gross Profit (millions)	\$ 53.0	\$ 54.4	(2.6%)
Retail SAAR (millions)	12.7	13.3	(4.5%)

New Unit Volume

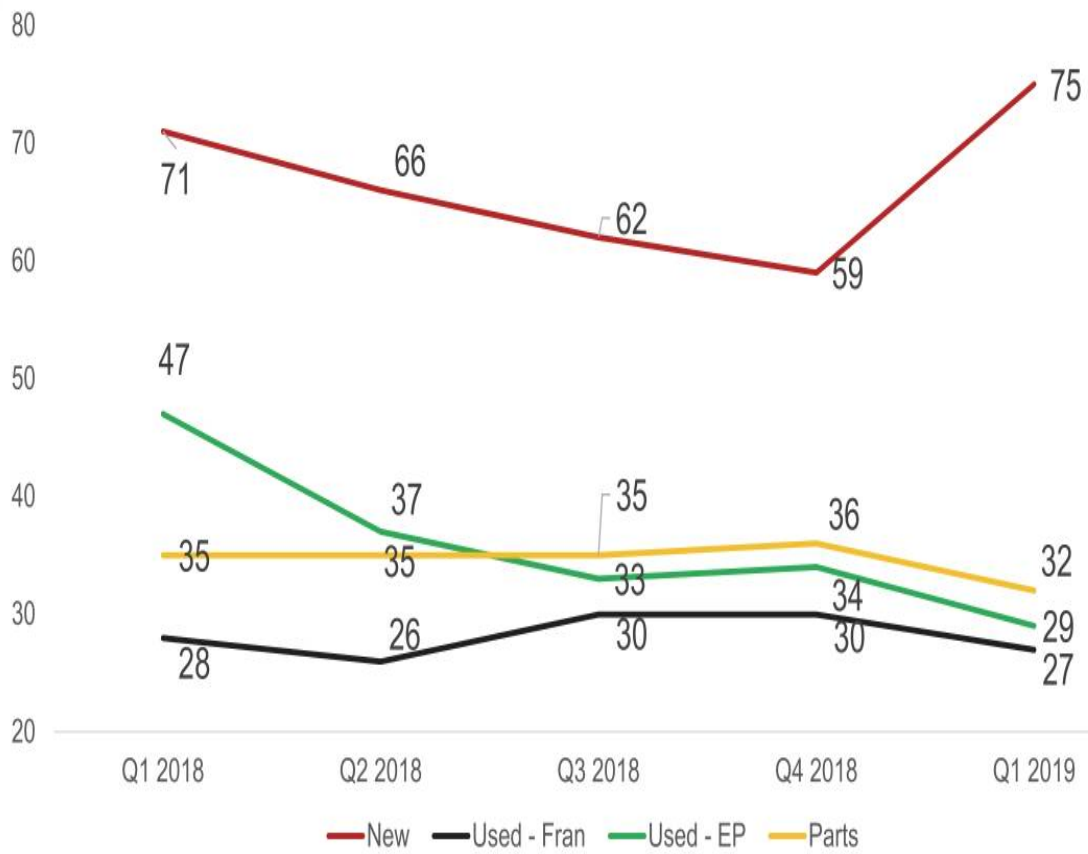
	Jan	Feb	Mar	Total
2019	7,511	7,579	9,605	24,695
2018	8,157	8,265	10,488	26,910
B/(W)	(646)	(686)	(883)	(2,215)
% B/(W)	(7.9%)	(8.3%)	(8.4%)	(8.2%)

NEW VEHICLE – UNIT, GROSS PROFIT & GPU TRENDS

Continuing Operations - Franchised



DAYS' SUPPLY



USED VEHICLE RETAIL

Franchised – Same Store

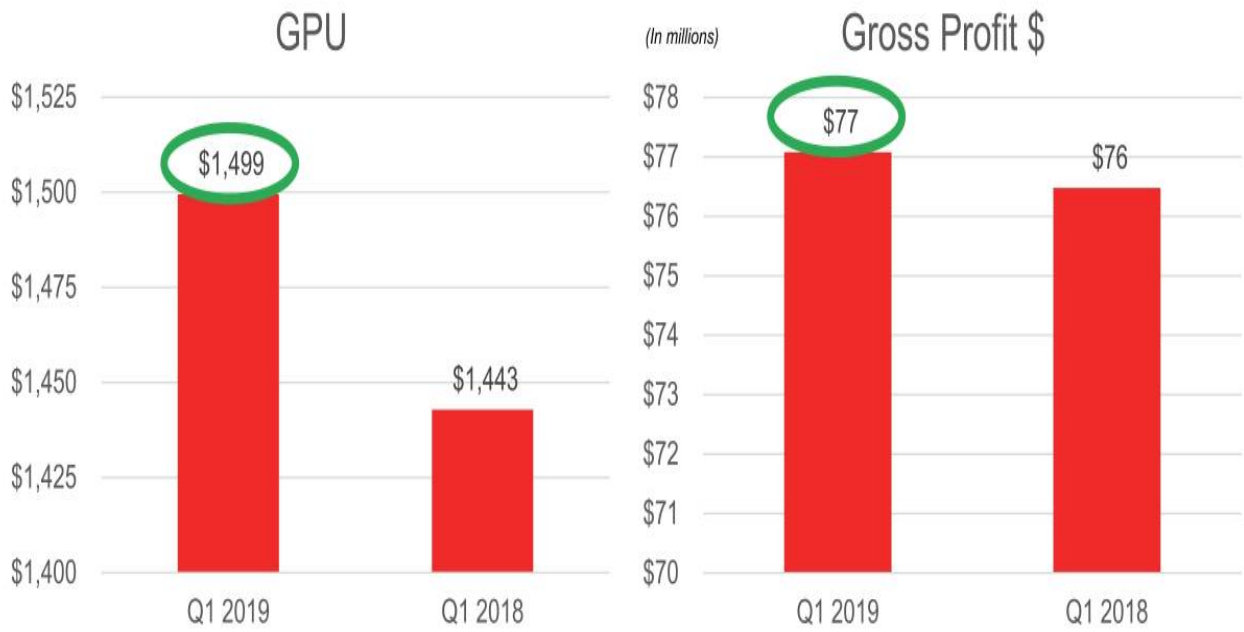
	Q1 2019	Q1 2018	B/(W)
Used Retail Unit Volume	26,987	26,397	2.2%
GPU	\$ 1,254	\$ 1,216	\$ 37
Used to New Ratio	109%	98%	1,100 bps
Units/Store/Month (91 stores)	99	97	2

Total Front-End and F&I Gross Profit

(In millions)	Jan	Feb	Mar	Total
2019	\$ 23.3	\$ 22.2	\$ 28.9	\$ 74.3
2018	21.5	21.4	27.2	70.1
B/(W)	\$ 1.7	\$ 0.8	\$ 1.6	\$ 4.1

F&I – GROSS PROFIT & GPU

Franchised – Same Store



FIXED OPERATIONS

Franchised – Same Store

(In millions)	Q1 2019	B/(W) than Q1 2018	
		\$	%
Customer Pay	\$ 73	\$ 4	5.3%
Warranty	38	2	4.8%
Wholesale Parts	7	(0)	(2.3%)
Internal, Sublet and Other	42	(1)	(2.1%)
Total Gross Profit	\$ 160	\$ 4	2.8%

Total Gross Profit Up 4.4% Adjusted for Selling Days

Q1 2019 FINANCIAL REVIEW

ECHOPARK
SEGMENT

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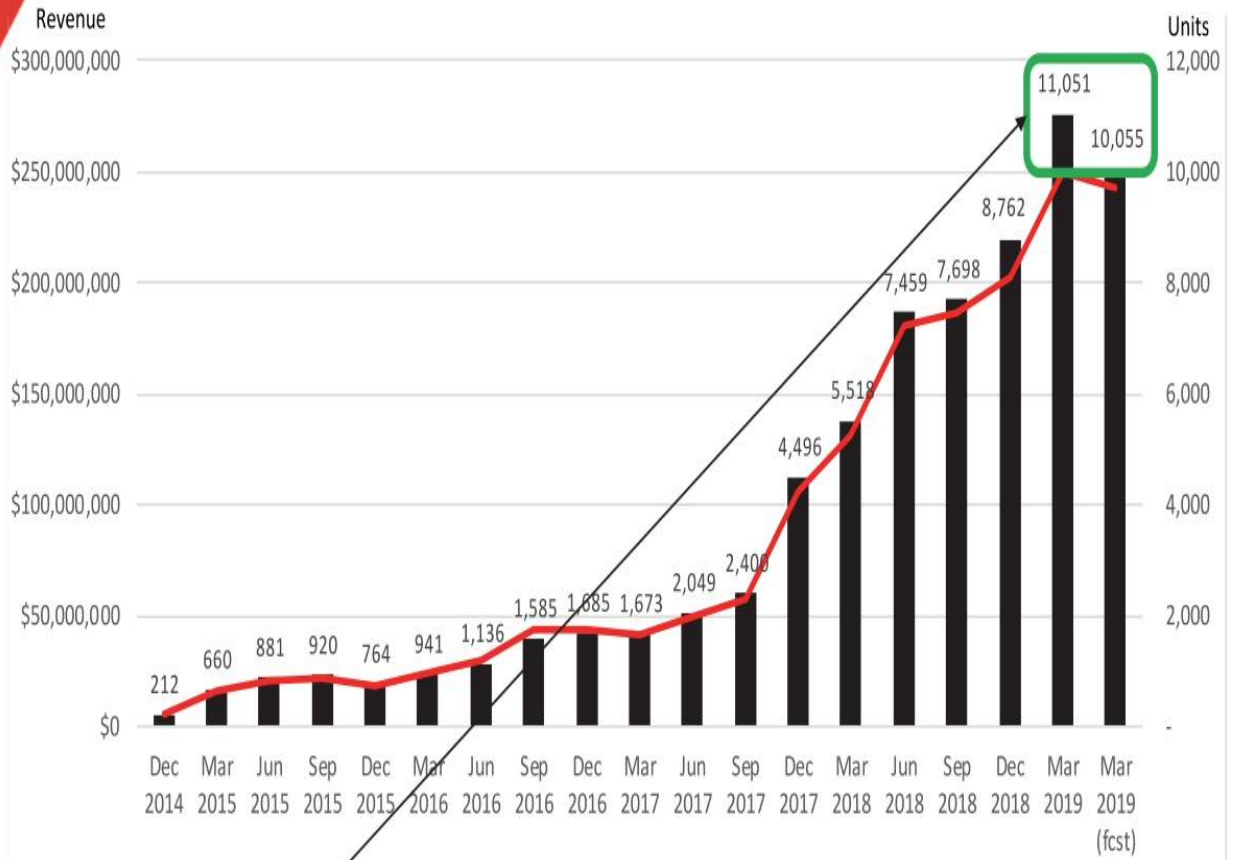
ECHOPARK SEGMENT Q1 2019 RESULTS

First
Quarter of
Profitability

	Q1 2019	B/(W) than Q1 2018	
		\$	%
(In millions, except unit and per unit data)			
Revenue	\$249.6	\$118.1	89.8%
Gross Profit	\$25.7	\$13.6	112.5%
SG&A	\$20.1	\$4.1	17.0%
SG&A as % of Gross Profit	78.2%		12,210 bps
Depreciation Expense	\$2.4	(\$0.8)	(45.2%)
Impairment	\$1.9	(\$1.8)	(2237.5%)
Operating Profit	\$1.3	\$15.1	109.2%
Interest & Other	\$1.1	(\$0.3)	(34.3%)
Pre-tax	\$0.2	\$14.9	101.2%
Retail Units	11,051	5,533	100.3%
Total Front-End and F&I Gross Profit per Unit Retailed	\$2,351	464	24.6%

Pre-tax Items of Interest			
(In millions)	Q1 2019	Q1 2018	Location
Long-Term Compensation Charges	\$ -	\$ (9.2)	SG&A
Impairment Charges	\$ (1.9)	\$ -	Impairment

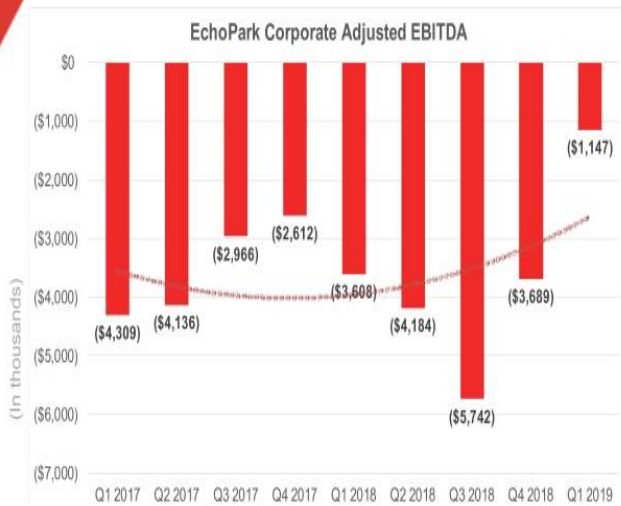
ECHOPARK RETAIL UNIT SALES GROWTH



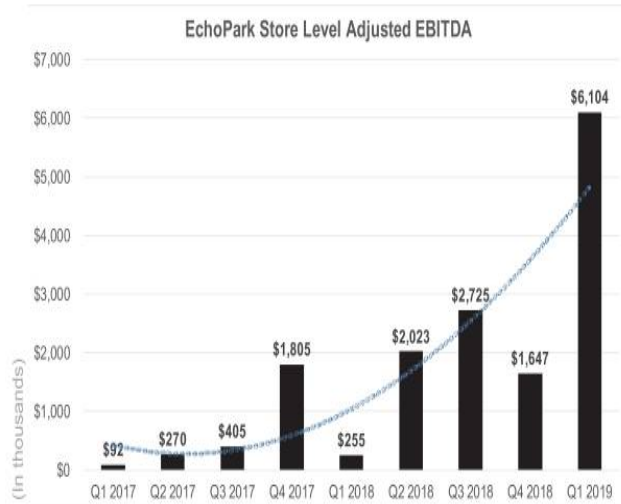
9.9% Better than Internal Forecast



ECHOPARK CASH FLOW – CORPORATE & STORE LEVEL



- Corporate Cost Structure is Maturing and Becoming More Efficient
- Expect Leveraging of Corporate Investment to Continue Improving
- May Fluctuate in Periods of Expansion



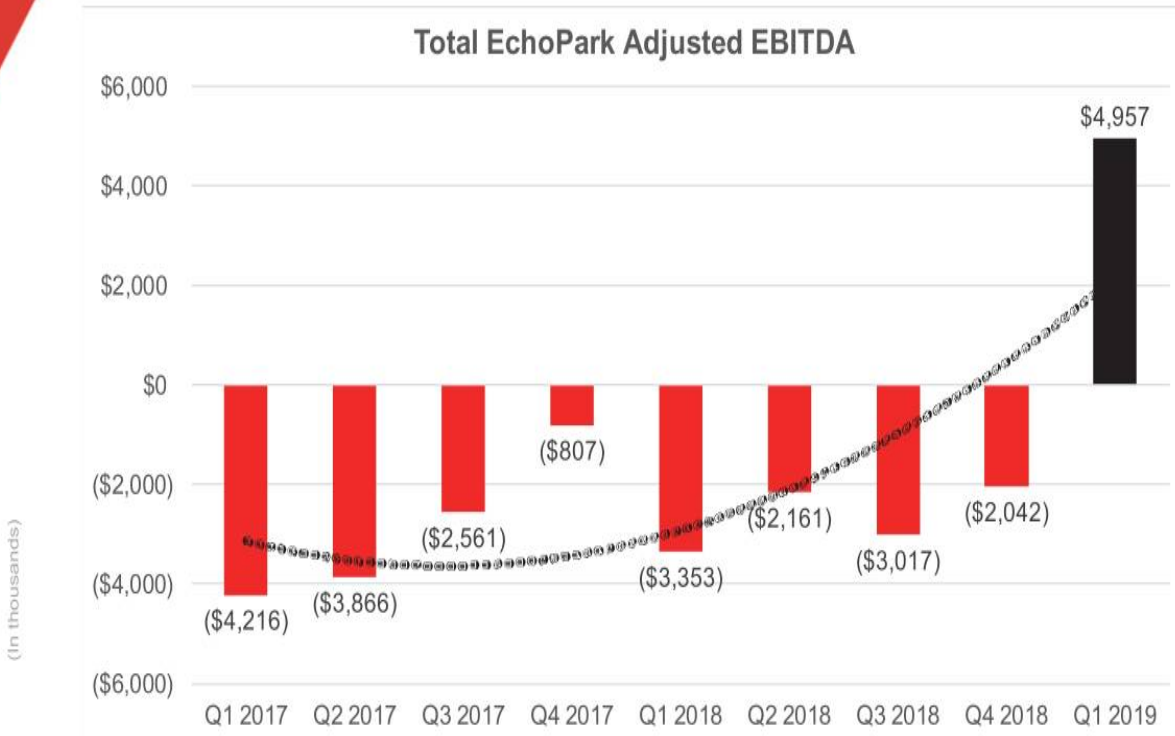
- Stores Continue Maturing
- Estimate Current Stores are on Average 50% Mature
- Expect Current Upward Trend to Continue
- Sequential Increase of 270.6% from Q4 2018
- Q4 2018 Negatively Affected by Relocation of Dallas Store

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Note: See Non-GAAP Section for Reconciliation of Adjusted EBITDA to Net Income



ECHOPARK CASH FLOW - CONSOLIDATED



- Current Inventory Acquisition and Pricing Strategy Began in Q2 2018
- New Store Openings and Relocation of Dallas Store in Q4 2018 Compressed Cash Flow
- Current Levels of Cash Flow Available to Fund Future Expansion

ECHOPARK MODEL ESTIMATES

	Medium	Large	
Average Selling Price	\$ 20,500	\$ 20,500	Medium Stores: Denver - Centennial Denver - Colorado Springs San Antonio - New Braunfels San Antonio - West Charlotte Large Stores: Dallas Denver - Thornton Houston Other Targeted Markets: Atlanta Los Angeles Phoenix Orlando
Annual Revenues	\$ 184,500,000	\$ 369,000,000	
Average Monthly Unit Volume - 100% Mature	750	1,500	
Total Front-End and F&I GPU	\$ 2,150	\$ 2,150	
Average Monthly Profitability - 100% Mature	\$ 600,000	\$ 1,200,000	
Average Compensation Per Employee (with Fringe)	\$ 78,000	\$ 78,000	
Staff (Headcount)	105	170	
Average Retail Unit Sales Per Head	7.1	8.8	
Target Inventory Days' Supply	30 Days	30 Days	
Working Capital Investment - 100% Mature	\$ 14,000,000	\$ 30,000,000	
Fixed Investment - 100% Mature	<u>\$ 16,000,000</u>	<u>\$ 20,000,000</u>	
Total Capital Investment	<u>\$ 30,000,000</u>	<u>\$ 50,000,000</u>	
Pre-tax ROI - 100% Mature	24%	29%	



Q1 2019 FINANCIAL REVIEW

CONSOLIDATED



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CONSOLIDATED Q1 2019 RESULTS

(In millions, except per share data)	Q1 2019	B/(W) than Q1 2018	
		\$	%
Revenue	\$2,389	(\$12)	(0.5%)
Gross Profit	\$359	\$7	1.8%
SG&A	\$247	\$58	19.0%
SG&A as % of Gross Profit	68.8%		1,770 bps
Depreciation	\$23	\$1	4.6%
Impairment	\$2	\$2	46.4%
Operating Profit	\$87	\$67	332.5%
Interest & Other	\$26	(\$2)	(8.0%)
Continuing Ops:			
Profit (after tax)	\$42	\$44	2202.9%
Diluted EPS	\$0.99	\$1.04	2080.0%

(In millions)	Pre-tax Items of Interest		
	Q1 2019	Q1 2018	Location
Gain (Loss) on Franchise Disposals	\$ 46.7	\$ 1.2	SG&A
Executive Transition Costs	\$ (6.3)	\$ -	SG&A (1)
Long-Term Compensation Charges	\$ -	\$ (9.2)	SG&A (2)
Impairment Charges	\$ (1.9)	\$ (3.6)	Impairment (3)
Lease Exit Charges	\$ -	\$ (4.8)	SG&A
Legal Related Matters	\$ -	\$ (1.5)	SG&A

(1) \$6.0 million of Q1 2019 amount is not deductible for tax purposes.

(2) \$9.2 million Q1 2018 amount relates to EchoPark.

(3) \$1.9 million Q1 2019 amount relates to EchoPark.



Q1 2019 CONSOLIDATED REVENUE & GROSS PROFIT

(In millions, except unit and per unit data)	Q1 2019	B/(W) than Q1 2018	
		\$	%
New Vehicle Revenue	\$1,066	(\$115)	(9.7%)
Used Retail Vehicle Revenue	\$820	\$111	15.7%
Fixed Operations Revenue	\$341	(\$10)	(2.9%)
F&I Revenue	\$106	\$13	13.4%
Total Revenue	\$2,389	(\$12)	(0.5%)
New Vehicle Gross Profit	\$54	(\$3)	(5.3%)
- Units	25,197	(4,303)	(14.6%)
- GPU	\$2,135	\$210	10.9%
Used Retail Vehicle Gross Profit	\$37	\$0	0.6%
- Units ★	38,463	4,724	14.0%
- GPU	\$962	(\$128)	(11.7%)
F&I Gross Profit	\$106	\$13	13.4%
- GPU ★	\$1,676	\$186	12.5%
Fixed Operations Gross Profit	\$163	(\$6)	(3.8%)
Total Gross Profit	\$359	\$7	1.8%

All-Time Quarterly
Record



Q1 2019 CONSOLIDATED REVENUE & GROSS PROFIT – SAME STORE

(In millions, except unit and per unit data)	Q1 2019	B/(W) than Q1 2018	
		\$	%
New Vehicle Revenue	\$1,048	(\$50)	(4.6%)
Used Retail Vehicle Revenue	\$765	\$99	14.8%
Fixed Operations Revenue	\$335	\$8	2.3%
F&I Revenue	\$97	\$12	14.0%
Total Revenue	\$2,298	\$61	2.7%
New Vehicle Gross Profit	\$53	(\$1)	(2.6%)
- Units	24,695	(2,215)	(8.2%)
- GPU	\$2,145	\$124	6.1%
Used Retail Vehicle Gross Profit	\$34	\$1	2.8%
- Units	35,609	4,246	13.5%
- GPU	\$947	(\$99)	(9.4%)
F&I Gross Profit	\$97	\$12	14.0%
- GPU	\$1,618	\$149	10.1%
Fixed Operations Gross Profit	\$160	\$3	2.0%
Total Gross Profit	\$343	\$17	5.3%

Q1 2019 CONSOLIDATED SG&A TO GROSS PROFIT



Note: See previous slides for items of interest affecting comparability.

Q1 2019 CONSOLIDATED INTEREST EXPENSE

(In millions)	Q1 2019	B/(W) than Q1 2018	
		\$	%
Floor Plan Interest Expense	\$13	(\$3)	(23.9%)
Interest Expense, Other	\$13	\$1	4.5%
Total Interest Expense	\$26	(\$2)	(8.1%)

Floor Plan Higher Due to Rate Increases

- New Up 65 bps
- Used Up 37 bps

Fed Funds Rate Increases

- March 21, 2018 – 0.25%
- June 13, 2018 – 0.25%
- September 26, 2018 – 0.25%
- December 20, 2018 – 0.25%
- Current Fed Sentiment is Holding Current

Q1 2019 CONSOLIDATED DEPRECIATION EXPENSE

(In millions)	Q1 2019	B/(W) than Q1 2018	
		\$	%
Depreciation Expense - Franchised	\$20	\$2	8.4%
Depreciation Expense - EchoPark	\$2	(\$1)	(45.2%)
Total	\$23	\$1	4.6%

2019 CAP EX

(In millions)	FY 2018	YTD Q1 2019	Estimated 2019
Real Estate & Facility Related	\$ 147.6	\$ 25.7	\$ 88.4
All Other Cap Ex	16.0	4.9	20.0
Subtotal	\$ 163.6	\$ 30.6	\$ 108.4
Less: Mortgages	(21.1)	-	-
Net Cash Used - Cap Ex	<u>\$ 142.5</u>	<u>\$ 30.6</u>	<u>\$ 108.4</u>

DEBT COVENANTS

	Covenant	Q4 2018	Q1 2019
Liquidity Ratio	≥ 1.05	1.10	1.16
Fixed Charge Coverage Ratio	≥ 1.20	1.43	1.43
Total Lease Adjusted Leverage Ratio	≤ 5.75	5.25	4.90

Compliant with all Covenants

SHARE REPURCHASES

(In thousands, except per share data)

	<u>Shares</u>	<u>\$/Share</u>	<u>\$</u>	<u>Availability</u>
As of December 31, 2018				\$ 83,575
Q1 2019 Activity	149	\$ 15.63	\$ 2,333	(2,333)
Total 2019 Activity	<u>149</u>	<u>\$ 15.63</u>	<u>\$ 2,333</u>	<u>\$ 81,242</u>

RECONCILIATION OF NON-GAAP MEASURES



ADJUSTED DILUTED EARNINGS PER SHARE

	Q1 2019		Q1 2018	
	Amount	Diluted EPS	Amount	Diluted EPS
(In thousands, except per share data)				
Reported Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 42,349	\$ 0.99	\$ (2,014)	\$ (0.05)
Pre-tax Adjustments:				
(Gain) Loss on Franchise Disposals	(46,680)		(1,190)	
Executive Transition Costs (1)	6,264		-	
Long-Term Compensation Charges	-		9,189	
Impairment Charges	1,926		3,643	
Lease Exit Charges	-		4,814	
Legal Related Matters	-		1,500	
Total Pre-tax Adjustments	\$ (38,490)		\$ 17,956	
Tax Effect of Adjustments	12,902		(4,893)	
Adjusted Net Income and Diluted Earnings Per Share from Continuing Operations	\$ 16,761	\$ 0.39	\$ 11,049	\$ 0.26

(1) \$6.0 million of Q1 2019 amount is not deductible for tax purposes.

ADJUSTED EBITDA – CONSOLIDATED

(In thousands)	2011	2012	2013	2014	2015	2016	2017	2018	LTM Q1 2019
Net Income	\$ 76,254	\$ 89,101	\$ 81,618	\$ 97,217	\$ 86,311	\$ 93,193	\$ 92,983	\$ 51,650	\$ 96,066
Non-Floor Plan Interest	63,576	58,453	55,356	52,269	49,524	48,034	50,531	52,049	51,337
Depreciation and Amortization	51,164	52,616	58,139	62,161	72,130	81,034	92,127	96,652	95,398
Income Taxes	46,907	47,648	43,386	62,346	55,962	59,899	13,198	22,645	43,490
Stock Compensation	3,698	5,160	7,208	7,675	9,814	11,165	11,119	11,853	11,705
Lease Exit Charges	4,384	4,286	2,915	302	1,848	1,386	2,157	1,709	(3,531)
Impairment Charges	1,151	950	9,872	6,594	17,955	8,063	9,394	29,514	27,823
Loss (Gain) on Debt Extinguishment	1,107	19,713	28,238	-	-	(6)	14,607	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	-	32,522	23,333
Loss (Gain) on Franchise Disposals	386	(10,343)	457	(11,279)	(2,748)	48	(9,980)	(39,307)	(84,866)
Adjusted EBITDA	<u>\$ 248,627</u>	<u>\$ 267,584</u>	<u>\$ 287,189</u>	<u>\$ 277,285</u>	<u>\$ 290,796</u>	<u>\$ 302,816</u>	<u>\$ 276,136</u>	<u>\$ 259,287</u>	<u>\$ 260,755</u>

ADJUSTED EBITDA BY SEGMENT – Q1 2019 VS. Q1 2018

(In thousands)	Q1 2019					Q1 2018				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 42,349	\$ (128)	\$ 42,221			\$ (2,014)	\$ (180)	\$ (2,194)
Income Taxes			18,987	(52)	18,935			(1,842)	(67)	(1,910)
Income Before Income Taxes	\$ 61,156	\$ 180	\$ 61,336	\$ (180)	\$ 61,157	\$ 10,830	\$ (14,686)	\$ (3,856)	\$ (248)	\$ (4,104)
Non-Floor Plan Interest	11,829	433	12,262	-	12,262	12,469	389	12,858	115	12,973
Depreciation and Amortization	20,823	2,417	23,240	-	23,240	22,829	1,667	24,496	-	24,496
Stock Compensation	2,814	-	2,814	-	2,814	2,962	-	2,962	-	2,962
Lease Exit Charges	(170)	-	(170)	-	(170)	4,955	7	4,961	109	5,070
Impairment Charges	26	1,926	1,952	-	1,952	3,561	82	3,643	-	3,643
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	9,189	9,189	-	9,189
Loss (Gain) on Franchise Disposals	(46,750)	-	(46,750)	-	(46,750)	(1,190)	-	(1,190)	-	(1,190)
Adjusted EBITDA	\$ 49,728	\$ 4,957	\$ 54,685	\$ (180)	\$ 54,505	\$ 56,415	\$ (3,353)	\$ 53,063	\$ (24)	\$ 53,038



EchoPark
AUTOMOTIVE



CarCash

ADJUSTED EBITDA BY SEGMENT – Q4 2018 VS. Q4 2017

(In thousands)	Q4 2018					Q4 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 21,981	\$ (161)	\$ 21,820			\$ 62,128	\$ (176)	\$ 61,952
Income Taxes			9,212	(60)	9,152			(8,283)	(116)	(8,399)
Income Before Income Taxes	\$ 37,388	\$ (6,195)	\$ 31,192	\$ (221)	\$ 30,971	\$ 58,441	\$ (4,596)	\$ 53,846	\$ (293)	\$ 53,553
Non-Floor Plan Interest	12,902	423	13,325	89	13,414	12,441	284	12,725	123	12,847
Depreciation and Amortization	21,087	2,210	23,297	-	23,297	22,598	1,354	23,953	-	23,953
Stock Compensation	1,264	-	1,264	-	1,264	2,217	-	2,217	-	2,217
Lease Exit Charges	(1,080)	4	(1,077)	89	(987)	16	8	23	118	141
Impairment Charges	14,053	1,500	15,553	-	15,553	5,890	188	6,079	-	6,079
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	-	-	-	-	-
Long-Term Compensation Charges	-	-	-	-	-	-	1,271	1,271	-	1,271
Loss (Gain) on Franchise Disposals	(158)	-	(158)	-	(158)	(1,507)	-	(1,507)	(6)	(1,513)
Adjusted EBITDA	\$ 85,456	\$ (2,059)	\$ 83,397	\$ (43)	\$ 83,355	\$ 100,095	\$ (1,490)	\$ 98,605	\$ (58)	\$ 98,548



EchoPark
AUTOMOTIVE



CarCash

ADJUSTED EBITDA BY SEGMENT – Q3 2018 VS. Q3 2017

(In thousands)	Q3 2018					Q3 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 15,301	\$ (183)	\$ 15,118			\$ 19,730	\$ (290)	\$ 19,440
Income Taxes			7,330	(69)	7,262			14,126	(192)	13,935
Income Before Income Taxes	\$ 28,087	\$ (5,455)	\$ 22,632	\$ (252)	\$ 22,380	\$ 38,723	\$ (4,866)	\$ 33,856	\$ (481)	\$ 33,375
Non-Floor Plan Interest	12,279	423	12,702	98	12,800	12,117	262	12,379	132	12,510
Depreciation and Amortization	22,141	1,999	24,139	-	24,139	22,136	1,360	23,496	-	23,496
Stock Compensation	4,578	-	4,578	-	4,578	3,179	-	3,179	-	3,179
Lease Exit Charges	24	5	29	103	132	(181)	9	(173)	362	189
Impairment Charges	0	-	0	-	0	200	-	200	-	200
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	(0)	-	(0)	-	(0)
Long-Term Compensation Charges	-	-	-	-	-	-	-	-	-	-
Loss (Gain) on Franchise Disposals	88	-	88	-	88	(8,490)	-	(8,490)	-	(8,490)
Adjusted EBITDA	\$ 67,198	\$ (3,029)	\$ 64,169	\$ (50)	\$ 64,119	\$ 67,684	\$ (3,236)	\$ 64,448	\$ 12	\$ 64,460



ADJUSTED EBITDA BY SEGMENT – Q2 2018 VS. Q2 2017

(In thousands)	Q2 2018					Q2 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ 17,122	\$ (216)	\$ 16,905			\$ 12,314	\$ (183)	\$ 12,132
Income Taxes			8,223	(81)	8,142			7,955	(118)	7,837
Income Before Income Taxes	\$ 53,176	\$ (27,832)	\$ 25,344	\$ (297)	\$ 25,047	\$ 28,088	\$ (7,818)	\$ 20,270	\$ (301)	\$ 19,969
Non-Floor Plan Interest	12,349	406	12,755	106	12,862	11,889	252	12,140	139	12,280
Depreciation and Amortization	22,801	1,919	24,720	-	24,720	21,385	1,310	22,695	-	22,695
Stock Compensation	3,049	-	3,049	-	3,049	3,138	-	3,138	-	3,138
Lease Exit Charges	(2,618)	6	(2,612)	106	(2,506)	399	675	1,074	139	1,213
Impairment Charges	10,317	-	10,317	-	10,317	890	1,715	2,605	-	2,605
Loss (Gain) on Debt Extinguishment	-	-	-	-	-	0	-	0	-	0
Long-Term Compensation Charges	-	23,333	23,333	-	23,333	-	-	-	-	-
Loss (Gain) on Franchise Disposals	(38,047)	-	(38,047)	-	(38,047)	-	-	-	-	-
Adjusted EBITDA	\$ 61,028	\$ (2,168)	\$ 58,860	\$ (84)	\$ 58,776	\$ 65,789	\$ (3,866)	\$ 61,923	\$ (22)	\$ 61,901



EchoPark
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CarCash

ADJUSTED EBITDA BY SEGMENT – Q1 2017

(In thousands)	Q1 2017				
	Franchised	EchoPark	Continuing Operations	Discontinued Operations	Total
Net Income			\$ (20)	\$ (521)	\$ (541)
Income Taxes			173	(347)	(174)
Income Before Income Taxes	\$ 5,726	\$ (5,573)	\$ 152	\$ (868)	\$ (715)
Non-Floor Plan Interest	12,568	172	12,740	153	12,893
Depreciation and Amortization	20,798	1,185	21,983	-	21,983
Stock Compensation	2,585	-	2,585	-	2,585
Lease Exit Charges	26	-	26	588	614
Impairment Charges	510	-	510	-	510
Loss (Gain) on Debt Extinguishment	14,607	-	14,607	-	14,607
Long-Term Compensation Charges	-	-	-	-	-
Loss (Gain) on Franchise Disposals	24	-	24	-	24
Adjusted EBITDA	\$ 56,843	\$ (4,216)	\$ 52,627	\$ (127)	\$ 52,500



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