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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from__________ to __________

Commission File Number: 1-13395

SONIC AUTOMOTIVE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**56-2010790**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4401 Colwick Road	
Charlotte, North Carolina	**28211**
(Address of principal executive offices)	**(Zip Code)**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	SAH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 28, 2026, there were 19,585,427 shares of the registrant's Class A Common Stock, par value $0.01 per share, and 12,029,375 shares of the registrant's Class B Common Stock, par value $0.01 per share, outstanding.

UNCERTAINTY OF FORWARD-LOOKING STATEMENTS AND INFORMATION

This report contains, and written or oral statements made from time to time by us or by our authorized officers may contain, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements address our future objectives, plans and goals, as well as our intent, beliefs and current expectations regarding future operating performance, results and events, and can generally be identified by words such as “may,” “will,” “should,” “could,” “believe,” “expect,” “estimate,” “anticipate,” “intend,” “plan,” “foresee” and other similar words or phrases.

These forward-looking statements are based on our current estimates and assumptions and involve various risks and uncertainties. As a result, you should not place undue reliance on these statements, and you are cautioned that these forward-looking statements are not guarantees of future performance, and that actual results could differ materially from those projected in these forward-looking statements. Factors which may cause actual results to differ materially from our projections include those risks described in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025 and in “Item 1A. Risk Factors” of this report and elsewhere herein, as well as:

- high levels of competition in the retail automotive industry, which not only create pricing pressures on the products and services we offer, but also on businesses we may seek to acquire;
- challenges to the business model of our franchised dealerships from existing manufacturers and new technology-focused companies;
- the inability of vehicle manufacturers and their suppliers to obtain, produce and deliver vehicles or parts and accessories to meet demand at our franchised dealerships for sale and use in our parts, service and collision repair operations;
- general economic conditions in the markets in which we operate, including fluctuations in interest rates, inflation, vehicle valuations, employment levels, the level of consumer spending and consumer credit availability;
- obstacles that prevent the efficient acquisition and liquidation of used vehicle inventory;
- the number of new and used vehicles sold in the United States, including hybrid electric vehicles and battery electric vehicles, as compared to our expectations and the expectations of the market;
- our ability to generate sufficient cash flows or to obtain additional financing to fund our business expansion, capital expenditures, our share repurchase program, dividends on our common stock, acquisitions and general operating activities;
- our business and growth strategies, including, but not limited to, our EchoPark store operations and investment in new technologies;
- the reputation and financial condition of vehicle manufacturers whose brands we represent, the financial incentives vehicle manufacturers offer and their ability to design, manufacture, deliver and market their vehicles successfully;
- our relationships with vehicle manufacturers, which may affect our ability to obtain desirable new vehicle models in inventory or to complete additional acquisitions or dispositions;
- the adverse resolution of one or more significant legal proceedings against us or our subsidiaries;
- changes in laws and regulations governing the operation of automobile franchises, accounting standards, taxation requirements and environmental laws;
- cybersecurity incidents and other disruptions to our information systems;
- changes in vehicle and parts import quotas, duties, tariffs or other restrictions, including supply shortages that could be caused by global political and economic factors or other supply chain disruptions;
- our ability to make and integrate acquisitions;
- our ability to obtain debt on commercially favorable terms;
- the rate and timing of recovery from, and the impact of future cybersecurity incidents on our business;
- the significant control that our principal stockholders exercise over us and our business matters; and
- the rate and timing of overall economic expansion or contraction.

These forward-looking statements speak only as of the date of this report or when made, and we undertake no obligation to revise or update these statements to reflect subsequent events or circumstances, except as required under the federal securities laws and the rules and regulations of the U.S. Securities and Exchange Commission.

SONIC AUTOMOTIVE, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(Dollars and shares in millions, except per share amounts)			
Revenues:				
Retail new vehicles	$ 1,769.3	$ 1,666.1	$ 3,376.8	$ 3,322.4
Fleet new vehicles	24.8	29.4	45.4	51.5
Total new vehicles	1,794.1	1,695.5	3,422.2	3,373.9
Used vehicles	1,329.7	1,180.7	2,599.3	2,405.7
Wholesale vehicles	70.5	83.3	142.1	166.1
Total vehicles	3,194.3	2,959.5	6,163.6	5,945.7
Parts, service and collision repair	530.2	495.6	1,046.9	970.0
Finance, insurance and other, net	209.5	202.1	412.0	392.8
Total revenues	3,934.0	3,657.2	7,622.5	7,308.5
Cost of sales (1):				
Retail new vehicles	(1,677.9)	(1,566.9)	(3,200.9)	(3,133.8)
Fleet new vehicles	(24.3)	(28.9)	(44.6)	(50.4)
Total new vehicles	(1,702.2)	(1,595.8)	(3,245.5)	(3,184.2)
Used vehicles	(1,283.1)	(1,132.6)	(2,504.3)	(2,311.3)
Wholesale vehicles	(73.7)	(84.9)	(146.9)	(168.8)
Total vehicles	(3,059.0)	(2,813.3)	(5,896.7)	(5,664.3)
Parts, service and collision repair	(258.8)	(241.7)	(510.9)	(475.5)
Total cost of sales	(3,317.8)	(3,055.0)	(6,407.6)	(6,139.8)
Gross profit	616.2	602.2	1,214.9	1,168.7
Selling, general and administrative expenses	(444.6)	(412.6)	(871.6)	(792.9)
Impairment charges	—	(172.4)	(0.4)	(173.8)
Depreciation and amortization	(40.0)	(40.5)	(78.6)	(80.4)
Operating income (loss)	131.6	(23.3)	264.3	121.6
Other income (expense):				
Interest expense, floor plan	(20.9)	(18.3)	(40.2)	(38.3)
Interest expense, other, net	(30.4)	(27.4)	(58.7)	(55.0)
Other income (expense), net	—	(0.1)	—	—
Total other income (expense)	(51.3)	(45.8)	(98.9)	(93.3)
Income (loss) before taxes	80.3	(69.1)	165.4	28.3
Provision for income taxes - benefit (expense)	(22.9)	23.5	(47.1)	(3.3)
Net income (loss)	$ 57.4	$ (45.6)	$ 118.3	$ 25.0
Basic earnings per common share:				
Earnings per common share	$ 1.82	$ (1.34)	$ 3.63	$ 0.74
Weighted-average common shares outstanding	31.6	34.1	32.6	34.0
Diluted earnings per common share:				
Earnings per common share	$ 1.79	$ (1.34)	$ 3.58	$ 0.72
Weighted-average common shares outstanding	32.1	34.1	33.0	34.7

(1) Cost of sales is exclusive of depreciation and amortization shown separately below.

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Net income (loss)	$ 57.4	$ (45.6)	$ 118.3	$ 25.0
Other comprehensive income (loss) before taxes:				
Change in fair value and amortization of interest rate cap agreements	0.1	(0.7)	0.4	(2.0)
Total other comprehensive income (loss) before taxes	0.1	(0.7)	0.4	(2.0)
Provision for income tax benefit (expense) related to components of other comprehensive income (loss)	—	0.2	—	0.6
Other comprehensive income (loss)	0.1	(0.5)	0.4	(1.4)
Comprehensive income	$ 57.5	$ (46.1)	$ 118.7	$ 23.6

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2026	December 31, 2025
	(Dollars in millions, except per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 19.2	$ 6.3
Receivables, net	425.6	469.0
Inventories	2,324.5	2,012.9
Other current assets	329.9	344.3
Total current assets	3,099.2	2,832.5
Property and Equipment, net	1,673.7	1,562.9
Goodwill	432.4	421.8
Other Intangible Assets, net	436.9	454.1
Operating Right-of-Use Lease Assets	262.2	279.1
Finance Right-of-Use Lease Assets	337.2	328.4
Other Assets	140.6	91.9
Total Assets	$ 6,382.2	$ 5,970.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable - floor plan - trade	$ 216.2	$ 184.6
Notes payable - floor plan - non-trade	2,023.4	1,748.1
Trade accounts payable	156.2	151.0
Operating short-term lease liabilities	30.5	33.5
Finance short-term lease liabilities	29.9	19.2
Other accrued liabilities	414.4	409.1
Current maturities of long-term debt	193.3	52.4
Total current liabilities	3,063.9	2,597.9
Long-Term Debt	1,565.5	1,563.0
Other Long-Term Liabilities	114.2	114.4
Operating Long-Term Lease Liabilities	251.1	268.3
Finance Long-Term Lease Liabilities	361.9	359.0
Commitments and Contingencies		
Stockholders' Equity:		
Class A Convertible Preferred Stock, none issued	—	—
Class A Common Stock, $0.01 par value; 100,000,000 shares authorized; 70,407,601 shares issued and 19,579,455 shares outstanding at June 30, 2026; 70,135,011 shares issued and 21,546,627 shares outstanding at December 31, 2025	0.7	0.7
Class B Common Stock, $0.01 par value; 30,000,000 shares authorized; 12,029,375 shares issued and outstanding at June 30, 2026 and December 31, 2025	0.1	0.1
Paid-in-Capital	914.5	908.2
Retained earnings	1,573.9	1,481.1
Accumulated other comprehensive income (loss)	(0.3)	(0.7)
Treasury stock, at cost; 50,828,146 Class A Common Stock shares held at June 30, 2026 and 48,588,384 Class A Common Stock shares held at December 31, 2025	(1,463.3)	(1,321.3)
Total Stockholders' Equity	1,025.6	1,068.1
Total Liabilities and Stockholders' Equity	$ 6,382.2	$ 5,970.7

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at March 31, 2025	69.7	$ 0.7	(47.8)	$ (1,274.2)	12.0	$ 0.1	$ 890.6	$ 1,470.7	$ 2.9	$ 1,090.8
Shares awarded under stock compensation plans	0.4	—	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	(0.2)	(8.8)	—	—	—	—	—	(8.8)
Effect of cash flow hedge instruments, net of tax benefit of $0.2	—	—	—	—	—	—	—	—	(0.5)	(0.5)
Stock compensation expense	—	—	—	—	—	—	5.6	—	—	5.6
Net loss	—	—	—	—	—	—	—	(45.6)	—	(45.6)
Class A dividends declared ($0.35 per share)	—	—	—	—	—	—	—	(7.7)	—	(7.7)
Class B dividends declared ($0.35 per share)	—	—	—	—	—	—	—	(4.2)	—	(4.2)
Balance at June 30, 2025	70.1	$ 0.7	(48.0)	$ (1,283.0)	12.0	$ 0.1	$ 896.2	$ 1,413.2	$ 2.4	$ 1,029.6

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at March 31, 2026	70.3	$ 0.7	(50.7)	$ (1,457.0)	12.0	$ 0.1	$ 908.5	$ 1,529.4	$ (0.4)	$ 981.3
Shares awarded under stock compensation plans	0.1	—	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	(0.1)	(6.3)	—	—	—	—	—	(6.3)
Effect of cash flow hedge instruments, net of tax expense	—	—	—	—	—	—	—	—	0.1	0.1
Stock compensation expense	—	—	—	—	—	—	6.0	—	—	6.0
Net income	—	—	—	—	—	—	—	57.4	—	57.4
Cumulative effect of change in accounting principle	—	—	—	—	—	—	—	—	—	—
Class A dividends declared ($0.41 per share)	—	—	—	—	—	—	—	(8.4)	—	(8.4)
Class B dividends declared ($0.41 per share)	—	—	—	—	—	—	—	(4.5)	—	(4.5)
Balance at June 30, 2026	70.4	$ 0.7	(50.8)	$ (1,463.3)	12.0	$ 0.1	$ 914.5	$ 1,573.9	$ (0.3)	$ 1,025.6

See notes to unaudited condensed consolidated financial statements.

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at December 31, 2024	69.4	$ 0.7	(47.3)	$ (1,238.9)	12.0	$ 0.1	$ 884.6	$ 1,412.0	$ 3.8	$ 1,062.3
Shares awarded under stock compensation plans	0.7	—	—	—	—	—	0.1	—	—	0.1
Purchases of treasury stock	—	—	(0.7)	(44.1)	—	—	—	—	—	(44.1)
Effect of cash flow hedge instruments, net of tax benefit of $0.6	—	—	—	—	—	—	—	—	(1.4)	(1.4)
Stock compensation expense	—	—	—	—	—	—	11.5	—	—	11.5
Net income	—	—	—	—	—	—	—	25.0	—	25.0
Class A dividends declared ($0.70 per share)	—	—	—	—	—	—	—	(19.6)	—	(19.6)
Class B dividends declared ($0.70 per share)	—	—	—	—	—	—	—	(4.2)	—	(4.2)
Balance at June 30, 2025	70.1	$ 0.7	(48.0)	$ (1,283.0)	12.0	$ 0.1	$ 896.2	$ 1,413.2	$ 2.4	$ 1,029.6

	Class A Common Stock		Class A Treasury Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(Dollars and shares in millions, except per share amounts)									
Balance at December 31, 2025	70.1	$ 0.7	(48.6)	$ (1,321.3)	12.0	$ 0.1	$ 908.2	$ 1,481.1	$ (0.7)	$ 1,068.1
Shares awarded under stock compensation plans	0.3	—	—	—	—	—	—	—	—	—
Purchases of treasury stock	—	—	(2.2)	(142.0)	—	—	—	—	—	(142.0)
Effect of cash flow hedge instruments, net of tax expense	—	—	—	—	—	—	—	—	0.4	0.4
Stock compensation expense	—	—	—	—	—	—	11.1	—	—	11.1
Cash settlement of shares awarded under stock compensation plans	—	—	—	—	—	—	(4.8)	—	—	(4.8)
Net income	—	—	—	—	—	—	—	118.3	—	118.3
Class A dividends declared ($0.79 per share)	—	—	—	—	—	—	—	(16.0)	—	(16.0)
Class B dividends declared ($0.79 per share)	—	—	—	—	—	—	—	(9.5)	—	(9.5)
Balance at June 30, 2026	70.4	$ 0.7	(50.8)	$ (1,463.3)	12.0	$ 0.1	$ 914.5	$ 1,573.9	$ (0.3)	$ 1,025.6

See notes to unaudited condensed consolidated financial statements.

SONIC AUTOMOTIVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	(Dollars in millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 118.3	$ 25.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	67.0	69.4
Debt issuance cost amortization	3.7	3.2
Stock-based compensation expense	11.1	11.5
Deferred income taxes	(7.3)	(55.2)
Asset impairment charges	0.4	173.8
Loss (gain) on disposal of dealerships and property and equipment	(1.1)	3.8
Other	0.3	0.6
Changes in assets and liabilities that relate to operations:		
Receivables	52.3	105.2
Inventories	(314.3)	(26.5)
Other assets	2.2	7.1
Notes payable - floor plan – trade	31.6	(3.3)
Trade accounts payable and other liabilities	(28.9)	18.0
Total adjustments	(183.0)	307.6
Net cash provided by (used in) operating activities	(64.7)	332.6
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of businesses, net of cash acquired	(66.3)	(359.9)
Purchases of land, property and equipment	(154.5)	(79.1)
Proceeds from sales of property and equipment	19.5	17.1
Proceeds from sales of dealerships	40.5	—
Net cash used in investing activities	(160.8)	(421.9)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings on notes payable - floor plan - non-trade	300.4	299.5
Borrowings on revolving credit facilities	24.6	10.2
Repayments on revolving credit facilities	(24.6)	(10.2)
Proceeds from borrowings	190.0	—
Debt issuance costs	(1.5)	(0.9)
Principal payments of long-term debt	(48.9)	(69.9)
Principal payments of long-term lease liabilities	(34.3)	(5.2)
Purchases of treasury stock	(142.0)	(44.1)
Issuance of shares under stock compensation plans	—	0.1
Dividends paid	(25.3)	(23.8)
Net cash provided by financing activities	238.4	155.7
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12.9	66.4
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6.3	44.0
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 19.2	$ 110.4
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest, including amounts capitalized	$ 97.1	$ 93.0
Income taxes	$ 52.4	$ 8.1

See notes to unaudited condensed consolidated financial statements.

1. Summary of Significant Accounting Policies

Basis of Presentation – The accompanying unaudited condensed consolidated financial statements of Sonic Automotive, Inc. and its wholly owned subsidiaries (collectively referred to herein as "Sonic," the "Company," "we," "us" or "our") for the three and six months ended June 30, 2026 and 2025 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States (the "U.S.") ("GAAP") for interim financial information and applicable rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying unaudited condensed consolidated financial statements reflect, in the opinion of management, all material normal, recurring adjustments necessary to fairly state the financial position, results of operations and cash flows for the periods presented. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025. Due to rounding, segment level financial data may not sum to consolidated results.

Recent Accounting Pronouncements – Please refer to Note 1, "Description of Business and Summary of Significant Accounting Policies," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025 for further discussion of recent accounting pronouncements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (ASC Topic 740): Improvements to Income Tax Disclosures." The amendments require the disclosure of a reconciliation between income tax expense from continuing operations and the amount computed by multiplying income from continuing operations before income taxes by the applicable statutory rate as well as an annual disaggregation of the income tax rate reconciliation between certain specified categories by both percentage and reported amounts, along with other changes to income tax disclosure requirements. The standard will be effective for fiscal years beginning after December 15, 2024, and interim periods for fiscal years beginning after December 15, 2025. We have implemented the provisions of ASU 2023-09. See Note 7, "Income Taxes," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025 for the additional disclosures required by ASC Topic 740.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)". The amendments require the disclosure of specified information about certain costs and expenses including purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil and gas producing activities. It also requires the disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively as well as the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The standard will be effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact the adoption of this ASU will have on our consolidated financial statements.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law in the United States. The bill contains a range of tax reforms affecting businesses, including the immediate expensing of research and development expenditures, 100% bonus depreciation on qualified property, and various other provisions effective in tax years 2026 through 2029. After evaluating the OBBBA's provisions, we have determined that the impact of these changes on our consolidated financial statements for the current reporting period is immaterial. Provisions taking effect in 2026 will affect the deductibility of executive compensation and charitable contributions and will contribute to a higher overall income tax rate. We will continue to monitor future guidance and assess any additional implications for subsequent periods.

Principles of Consolidation – All of our dealership and non-dealership subsidiaries are wholly owned and consolidated in the accompanying unaudited condensed consolidated financial statements. All material intercompany balances and transactions have been eliminated in the accompanying unaudited condensed consolidated financial statements. Certain amounts and percentages may not compute due to rounding.

Revenue Recognition – Revenue is recognized when a customer obtains control of promised goods or services and in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. We do not include the cost of obtaining contracts within the related revenue streams since we elected the practical expedient to expense the costs to obtain a contract when incurred.

Management has evaluated our established business processes, revenue transaction streams and accounting policies, and identified our material revenue streams to be: (1) the sale of new vehicles; (2) the sale of used vehicles to retail customers; (3) the sale of wholesale used vehicles at third-party auctions; (4) the arrangement of third-party vehicle financing and the sale of third-party service, warranty and other insurance contracts; and (5) the performance of vehicle maintenance and repair services and the sale of related parts and accessories. The transaction price for a retail vehicle sale is specified in the contract with the customer and encompasses both cash and non-cash considerations. In the context of a retail vehicle sale, customers frequently trade in their existing vehicles. The value of this trade-in is determined based on its stand-alone selling price as specified in the contract, utilizing various third-party pricing sources. There are no other non-cash forms of consideration associated with retail sales, and sales are reported net of sales tax and other similar assets. Generally, performance obligations are satisfied when the associated vehicle is either delivered to a customer and customer acceptance has occurred, over time as the maintenance and repair services are performed, or at the time of wholesale and retail parts sales. We do not have any revenue streams with significant financing components as payments are typically received within a short period of time following completion of the performance obligation(s).

Retrospective finance and insurance revenues (“F&I retro revenues”) are recognized when the product contract has been executed with the end customer and the transaction price is estimated each reporting period based on the expected value method using historical and projected data. F&I retro revenues can vary based on a variety of factors, including number of contracts and history of cancellations and claims. Accordingly, we utilize this historical and projected data to constrain the consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

We record revenue when vehicles are delivered to customers, as vehicle service work is performed and when parts are delivered. Conditions for completing a sale include having an agreement with the customer, including pricing, and it being probable that the proceeds from the sale will be collected.

The accompanying unaudited condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025 include approximately $9.8 million and $7.0 million, respectively, related to contract assets from F&I retro revenues recognition, which are recorded in receivables, net. In addition, we recorded approximately $9.3 million and $10.2 million related to contract assets from F&I retro revenues recognition in other assets as of June 30, 2026 and December 31, 2025, respectively. Changes in contract assets from December 31, 2025 to June 30, 2026 were primarily due to ordinary business activity, including the receipt of cash for amounts earned and recognized in prior periods. Please refer to Note 1, “Description of Business and Summary of Significant Accounting Policies,” to the consolidated financial statements in Sonic’s Annual Report on Form 10-K for the year ended December 31, 2025 for further discussion of our revenue recognition policies and processes.

Earnings Per Share – The calculation of diluted earnings per share considers the potential dilutive effect of outstanding restricted stock units, restricted stock and stock options granted under Sonic’s stock compensation plans (and any non-forfeitable dividends paid on such awards).

2. Business Acquisitions and Dispositions

Acquisitions

During the six months ended June 30, 2026, in an effort to expand and diversify our business, we acquired one business (consisting of six locations) in our Powersports Segment for an aggregate gross purchase price of approximately $66.3 million. The dealership locations include Falcons Fury Harley-Davidson (Conyers, Georgia), Raging Bull Harley-Davidson (Durham, North Carolina), San Diego Harley-Davidson (San Diego, California), Space Coast Harley-Davidson (Palm Bay, Florida), Treasure Coast Harley-Davidson (Stuart, Florida) in addition to one authorized retail outlet location, Cocoa Beach Harley-Davidson (Cocoa Beach, Florida). The preliminary allocation of the aggregate gross purchase price included inventory of approximately $13.2 million, property and equipment of approximately $0.8 million, real estate of approximately $40.3 million, goodwill of approximately $13.6 million, other assets of approximately $0.1 million, right-of-use assets of $7.9 million, lease liabilities of $8.0 million, and other liabilities of approximately $1.6 million.

The accompanying consolidated statements of operations include revenue and earnings attributable to the business acquired during the six months ended June 30, 2026 of approximately $19.0 million and $1.0 million, respectively. Acquisition costs recognized as an expense in the consolidated statements of operations related to this acquisition were immaterial. Additionally, the total amount of goodwill and other intangibles from the acquisition that is expected to be deductible for tax purposes related to the acquisition is approximately $13.6 million.

The following unaudited pro forma summary presents consolidated information as if the acquisition had occurred on January 1, 2025:

	Twelve Months Ended December 31, 2025	
	(In millions)	
Revenue	$	15,263.5
Income before taxes	$	174.1

The supplemental pro forma information for revenue and income before taxes of the Company as though the business combination had occurred on January 1, 2026 is impracticable to provide due to the fact that carve-out financial information for the acquired business prior to the acquisition was not available.

During the six months ended June 30, 2025, we acquiredfour businesses in our Franchised Dealerships Segment and were awardedone franchise in our Powersports Segment, which was previously an authorized retail outlet in Sturgis, South Dakota. The businesses acquired were Jaguar Land Rover Los Angeles, Jaguar Land Rover Newport Beach, Jaguar Land Rover San Jose and Land Rover Pasadena for an aggregate gross purchase price of approximately $359.9 million**.**

Dispositions

During the six months ended June 30, 2026, we disposed ofthree mid-line import franchised dealerships, one domestic franchised dealership, and one collision center. The disposal of these five locations and related real estate generated net cash of approximately $40.5 million and $19.5 million, respectively, for combined gross proceeds of $60.0 million and generated a pre-tax gain on disposal of approximately $5.1 million. During the six months ended June 30, 2025, we terminatedone domestic franchised dealership and one powersports dealership.

3. Inventories

Inventories consist of the following:

	June 30, 2026		December 31, 2025	
	(In millions)			
New vehicles	$	1,274.5	$	1,140.1
Used vehicles		671.2		523.8
Service loaners (1)		257.5		233.1
Parts, accessories and other		121.3		115.9
Inventories	$	2,324.5	$	2,012.9

(1) Service loaner inventory includes approximately $36.1 million and $35.7 million as of June 30, 2026 and December 31, 2025, respectively, related to vehicles that are leased directly from the manufacturer on a short-term basis. A corresponding liability is included within notes payable - floor plan - trade on the accompanying unaudited condensed consolidated balance sheets.

4. Property and Equipment

Property and equipment, net consists of the following:

	June 30, 2026	December 31, 2025
	(In millions)	
Land	$ 522.1	$ 470.1
Buildings and improvements	1,594.3	1,556.8
Furniture, fixtures and equipment	585.0	565.7
Construction in progress	113.1	59.3
Total, at cost	2,814.5	2,651.9
Less accumulated depreciation	(1,140.0)	(1,087.0)
Subtotal	1,674.5	1,564.9
Less assets held for sale (1)	(0.8)	(2.0)
Property and equipment, net	$ 1,673.7	$ 1,562.9

(1) Classified in other current assets in the accompanying unaudited condensed consolidated balance sheets.

Capital expenditures were approximately $117.6 million and $154.5 million in the three and six months ended June 30, 2026, respectively, and in the three and six months ended June 30, 2025 capital expenditures were approximately $34.1 million and $79.1 million, respectively. Capital expenditures in all periods were primarily related to construction of new franchised dealerships and powersports stores, and building improvements and equipment purchased for use in our franchised dealerships, EchoPark and powersports stores. Certain capital expenditures are recognized in the Franchised Dealerships Segment to better monitor project development costs prior to transferring the capitalized asset balance to the appropriate entity or operating segment upon project completion. Assets held for sale as of June 30, 2026 and December 31, 2025 consisted of real property not currently used in operations that we expect to dispose of in the next 12 months.

Fixed asset impairment charges for the six months ended June 30, 2026 were approximately $0.4 million, which was related to the impairment of a construction project that was canceled. Fixed asset impairment charges for the six months ended June 30, 2025 were approximately $0.2 million, which was related to property held for sale.

During the current quarter, the estimated useful lives of buildings and improvement assets were evaluated based on historical experience and industry practices. As a result, certain building and improvement assets were adjusted, resulting in a reduction of approximately $4.6 million and $9.2 million in depreciation expense for the three and six months ended June 30, 2026, respectively.

5. Goodwill and Intangible Assets

In accordance with Accounting Standards Codification (“ASC”) Topic 350, “Intangibles - Goodwill and Other,” we test goodwill for impairment at least annually (as of April 30 of each year) or more frequently if indications of impairment exist. The ASC also states that if an entity determines, based on an assessment of certain qualitative factors, that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative goodwill impairment test is unnecessary. We evaluated our Franchised Dealership Segment reporting unit on a qualitative basis as substantial cushion existed between the calculated fair value and associated carrying values in the prior year evaluation and there were not any meaningful events or trends which would significantly erode this cushion. We evaluated our Powersports Segment reporting unit on a quantitative basis.

In performing the quantitative test in the Powersports Segment reporting unit for impairment of goodwill, we primarily used the income approach method of valuation that includes the discounted cash flow (“DCF”) method that utilizes inputs, including projected revenues, margin, terminal growth rates, discount rates and a market capitalization reconciliation. We completed our annual impairment testing as of April 30, 2026 and determined there was no impairment of goodwill in either reporting unit evaluated.

In evaluating the recoverability of our indefinite lived franchise assets, we utilized a multi-period excess earnings method (“MPEEM”) model using unobservable inputs (Level 3) to estimate the fair value of the franchise assets for each of our franchises with recorded franchise assets. The significant assumptions in our MPEEM model include projected revenue, projected operating margins, a discount rate (and estimates in the discount rate inputs) and residual growth rates. We completed our annual impairment testing as of April 30, 2026 and determined there was no impairment in any of our indefinite lived franchise assets.

The changes in the carrying amount of goodwill for the year ended December 31, 2025 and the six months ended June 30, 2026 were as follows:

	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)			
Balance at December 31, 2024 (1)	$ 331.2	$ —	$ 27.3	$ 358.5
Additions through current-year acquisitions	64.2	—	—	64.2
Reductions from dispositions	(0.7)	—	—	(0.7)
Prior year acquisition allocations	(0.2)	—	—	(0.2)
Balance at December 31, 2025 (1)	$ 394.5	$ —	$ 27.3	$ 421.8
Additions through current-year acquisitions (2)	—	—	13.6	13.6
Reductions from dispositions	(3.0)	—	—	(3.0)
Balance at June 30, 2026 (1)	$ 391.5	$ —	$ 40.9	$ 432.4

(1) Net of accumulated impairment losses of $1.1 billion and $202.9 million related to the Franchised Dealerships Segment and the EchoPark Segment, respectively.
(2) Purchase accounting allocations for current-year acquisitions are preliminary. Amounts will be allocated from goodwill to franchise assets once the overall purchase accounting allocation is finalized.

The changes in the carrying amount of franchise assets for the year ended December 31, 2025 and the six months ended June 30, 2026 were as follows:

	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)			
Balance at December 31, 2024	$ 382.6	$ —	$ 47.7	$ 430.3
Additions through current-year acquisitions	202.0	—	—	202.0
Reductions from dispositions	(5.1)	—	(0.7)	(5.8)
Reductions from impairment	(165.9)	—	(6.5)	(172.4)
Balance at December 31, 2025	$ 413.6	$ —	$ 40.5	$ 454.1
Reductions from dispositions	(17.2)	—	—	(17.2)
Balance at June 30, 2026	$ 396.4	$ —	$ 40.5	$ 436.9

6. Long-Term Debt

Long-term debt consists of the following:

	June 30, 2026	December 31, 2025
	(In millions)	
Revolving Credit Facility (1)	$ —	$ —
4.625% Senior Notes due 2029 (the "4.625% Notes")	650.0	650.0
4.875% Senior Notes due 2031 (the "4.875% Notes")	500.0	500.0
Mortgage Facility and Sidecar Facility (2)	421.6	455.8
Bridge Facility (3)	150.0	—
Notes to finance companies - fixed rate, bearing interest at 4.40%	14.6	29.4
Notes to finance companies - variable rate, bearing interest at 1.5% above one-month term SOFR	40.0	—
Subtotal	$ 1,776.2	$ 1,635.2
Debt issuance costs	(17.4)	(19.8)
Total debt	1,758.8	1,615.4
Less current maturities	(193.3)	(52.4)
Long-term debt	$ 1,565.5	$ 1,563.0

(1) The interest rate on the Revolving Credit Facility (as defined below) was125 basis points above one-month Adjusted Term SOFR (as defined in the Credit Facilities) at both June 30, 2026 and December 31, 2025.
(2) The interest rate on the Mortgage Facility and Sidecar Facility (each as defined below) was150 basis points above one-month Adjusted Term SOFR (as defined in each of the Mortgage Facility and Sidecar Facility) at both June 30, 2026 and December 31, 2025.
(3) The interest rate on the Bridge Facility (as defined below) was250 basis points above one-month Term SOFR (as defined in the Bridge Facility) at June 30, 2026.

Credit Facilities

Our Credit Agreement, originally dated as of April 14, 2021, entered into by, among others, the Company and Bank of America, N.A., as administrative agent (as amended to date, the "Credit Agreement"), provides for a syndicated revolving credit facility (the "Revolving Credit Facility") and syndicated new and used vehicle floor plan facilities (the "Floor Plan Facilities" and, together with the Revolving Credit Facility, the "Credit Facilities"). The Credit Facilities are guaranteed by the Company and certain of its subsidiaries and are secured by a pledge of substantially all of the guarantors' assets subject to certain exceptions, including floor plan agreements with various manufacturer-affiliated captive finance companies.

On March 13, 2024, we amended and restated our Credit Agreement (the "Sixth Credit Facility Amendment") to extend the maturity date to March 13, 2029, with an optional one-year extension. The Sixth Credit Facility Amendment currently includes aggregate commitments of $2.4 billion as well as an accordion feature allowing for an increase in future commitments of up to $450.0 million allocated between the three facilities on a pro rata basis. Under the Sixth Credit Facility Amendment, the Revolving Credit Facility commitment can neither be reduced below $50.0 million nor consist of more than 40% of the aggregate commitments under the Credit Facilities.

In addition, the Sixth Credit Facility Amendment increased the basket for unrestricted quarterly dividends from $0.12 to $0.18 per share of qualified capital stock, provided additional flexibility for the Company to make asset sales and repurchases of its qualified capital stock, removed the consolidated liquidity ratio covenant, and clarified that "Adjusted Term SOFR" (as defined in the Credit Agreement) is inclusive of a 10 basis point credit spread adjustment. Amounts outstanding under the Credit Facilities bear interest at Adjusted Term SOFR plus credit spreads indicated by our Consolidated Total Lease Adjusted Leverage Ratio (as defined in the Credit Agreement).

As of June 30, 2026, the aggregate commitments consisted of $1.5 billion for the new vehicle floor plan, $550.0 million for the used vehicle floor plan and $350.0 million for the Revolving Credit Facility. Availability under the Revolving Credit Facility is calculated as the lesser of the $ 350.0 million commitment or a borrowing base collateralized by eligible assets, less any outstanding letters of credit and borrowings. As of June 30, 2026, the Revolving Borrowing Base was $298.5 million and we had $11.6 million in outstanding letters of credit and no borrowings, resulting in $286.9 million of availability.

Senior Notes

On October 27, 2021, we issued two series of Senior Notes: $650.0 million bearing interest at 4.625% and maturing on November 15, 2029 (the "4.625% Notes") and $500.0 million bearing interest at 4.875% and maturing on November 15, 2031 (the "4.875% Notes" and together with the 4.625% Notes, the "Senior Notes"). We used the net proceeds from the issuances to fund the acquisition of RFJ Auto Partners, Inc. and its subsidiaries and to repay existing debt.

The Senior Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the Company's domestic operating subsidiaries. Under certain circumstances, the guarantees of the subsidiaries comprising the EchoPark Business (as defined in the indentures governing the Senior Notes (the "Indentures")) may be released. The Indentures contain customary restrictive covenants and default provisions. Interest on the Senior Notes is payable semi-annually in arrears on May 15 and November 15 of each year.

The Senior notes are redeemable, in whole or in part, at any time during the twelve-month period beginning on November 15 of each year at the redemption prices (expressed as percentages of the principal amount thereof) set forth below:

	Redemption Price	
Year	4.625% Notes	4.875% Notes
2025	101.156 %	No Cal
2026	100.000 %	102.438 %
2027	100.000 %	101.625 %
2028	100.000 %	100.813 %
2029 and thereafter		100.000 %

Before November 15, 2026, we may redeem all or part of the 4.875% Notes, subject to a make-whole premium.

Mortgage Facility and Sidecar Facility

On November 22, 2019, we entered into an agreement between, among others, the Company and PNC Bank, N.A., as administrative agent, providing for both revolving credit and delayed draw term loans (as amended to date, the "Mortgage Facility").

On March 22, 2024, we amended the Mortgage Facility to conform to the terms of the Sixth Credit Facility Amendment.

On May 17, 2024, we incurred a $78.0 million term loan as required under the Mortgage Facility in order to achieve full term loan utilization.

On December 27, 2024, we entered into an agreement, which established a syndicated mortgage loan facility (the "Sidecar Facility") providing an incremental $149.1 million of term loan commitments. Though the Sidecar Facility is distinct and separate from the Mortgage Facility, the two facilities contain similar terms and conditions, are coterminous, and use one month Adjusted Term SOFR as a base rate with the same pricing grid.

On October 24, 2025, we incurred an additional $149.1 million term loan as required under the Sidecar Facility in order to achieve full utilization.

Interest on the Mortgage Facility and Sidecar Facility is paid monthly in arrears. Amortizing principal payments are 1.875% of the cumulative amount drawn on the term loan portion of Mortgage Facility and Sidecar Facility each quarter end through September 30, 2027, with the remaining balances due on the November 17, 2027 maturity date. We have the right to prepay outstanding principal on either facility at any time without premium or penalty provided that the prepayment amount exceeds $0.5 million.

As of June 30, 2026, we had $284.0 million of outstanding term borrowings and $95.0 million available for revolving loans under the Mortgage Facility. In addition, we had $137.5 million of outstanding term borrowings under the Sidecar Facility.

Bridge Facility

On March 27, 2026, we entered into a Bridge Facility Credit Agreement with PNC Bank, N.A. as administrative agent and lender, which provided for a senior unsecured term loan facility in an aggregate principal amount of $150.0 million (the "Bridge Facility"). We borrowed the full $150.0 million available on the closing date. The Bridge Facility contains certain covenants and events of default which are similar to the Mortgage Facility and Sidecar Facility and will mature on the earlier of the date that is 364 days after the closing date or the occurrence of a refinancing of the Mortgage Facility. Amounts outstanding under the Bridge Facility bear interest at a rate equal to Term SOFR plus 2.50% per annum which is paid monthly in arrears. We have the right to prepay outstanding principal under the Bridge Facility at any time without premium or penalty provided that the prepayment amount exceeds $0.5 million.

Notes to Finance Companies

Our notes to finance companies (excluding the Mortgage Facility, Sidecar Facility, and Bridge Facility) had a weighted-average interest rate of4.95% and a combined principal balance of $54.6 million as of June 30, 2026. These notes require monthly payments of principal and interest through their respective maturities, are secured by underlying properties or other collateral and contain certain cross-default provisions. These notes mature between 2028 and 2034.

Covenants

The Credit Facilities, Mortgage Facility, Sidecar Facility, Bridge Facility and Senior Notes each contain covenants which could prohibit the issuance of additional indebtedness, the payment of dividends over certain limits, other restricted payments such as share repurchases, certain types of capital expenditures and asset purchases and material dispositions and acquisitions. They also contain other covenants and default provisions, including cross defaults to other material indebtedness, change of control events and other events of default customary for commercial credit facilities. Upon the occurrence of an event of default, we could be required to repay all outstanding amounts under these facilities.

Financial covenants for the Credit Facilities, Mortgage Facility, Sidecar Facility and Bridge Facility include a minimum Consolidated Fixed Charge Coverage Ratio (as defined in each agreement) of 1.20 to 1.00 and a maximum Consolidated Total Lease Adjusted Leverage Ratio (as defined in each agreement) of5.75 to 1.00. Similar financial covenants apply to our Senior Notes as well as to certain facility leases and their related guaranty agreements. We remain in compliance with all restrictive covenants as of June 30, 2026.

Derivative Instruments and Hedging Activities

As of June 30, 2026, we had interest rate cap agreements with the following notional amounts, cap rates and maturities to help limit our exposure to potentially increasing interest rates on the Floor Plan Facilities and Mortgage Facility. Settlements are evaluated monthly and paid by the counterparties when one-month Term SOFR exceeds the cap rate. Payments are calculated based on the notional amounts multiplied by the difference between one-month Term SOFR and the cap rates and are recognized as a reduction in interest expense. The total unamortized premium amount related to the outstanding interest rate caps was $2.5 million as of June 30, 2026 which will be amortized as a reduction in interest expense over each cap's remaining term. The fair value of the outstanding interest rate caps was $0.2 million at June 30, 2026 included in other assets in the accompanying unaudited condensed consolidated balance sheets.

Notional Amount (In millions)	Cap Rate (1)	Receive Rate (1)	Start Date	Maturing Date
$ 400.0	5.500%	one-month Term SOFR	March 13, 2025	December 31, 2026
$ 200.0	5.500%	one-month Term SOFR	March 17, 2025	November 17, 2027
$ 400.0	5.500%	one-month Term SOFR	March 13, 2025	December 29, 2028

(1) One-month Term SOFR was approximately3.65% at June 30, 2026.

The interest rate caps have been designated and qualify as cash flow hedges and, as a result, changes in the fair value of these instruments are recorded in total other comprehensive income (loss) before taxes in the accompanying consolidated statements of comprehensive operations.

For further discussion, see Note 6, "Long-Term Debt," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025.

7. Commitments and Contingencies

Guarantees and Indemnification Obligations

In accordance with the terms of our operating lease agreements, our dealership subsidiaries, acting as lessees, generally agree to indemnify the lessor from certain exposure arising as a result of the use of the leased premises, including environmental exposure and repairs to leased property upon termination of the lease. In addition, we have generally agreed to indemnify the lessor in the event of a breach of the lease by the lessee.

In connection with dealership dispositions and facility relocations, certain of our subsidiaries have assigned or sublet to the buyer their interests in real property leases associated with such dealerships. In general, the subsidiaries retain responsibility for the performance of certain obligations under such leases, including rent payments and repairs to leased property upon termination of the lease, to the extent that the assignee or the sublessee does not perform. In the event an assignee or a sublessee does not perform its obligations, Sonic remains liable for such obligations.

In accordance with the terms of agreements entered into for the sales of our dealerships, we generally agree to indemnify the buyer from certain liabilities and costs arising subsequent to the date of sale, including environmental exposure and exposure resulting from the breach of representations or warranties made in accordance with the agreements. While our exposure with respect to environmental remediation is difficult to quantify, our maximum exposure associated with these general indemnifications was approximately $13.7 million as of June 30, 2026 and $3.0 million as of December 31, 2025. These indemnifications typically expire within a period of one to three years following the date of sale. The estimated fair value of these indemnifications was not material and the amount recorded for this contingency was not significant at June 30, 2026.

Legal Matters

Sonic is involved, and expects to continue to be involved, in various legal and administrative proceedings arising out of the conduct of its business, including regulatory investigations and private civil actions brought by plaintiffs purporting to represent a potential class or for which a class has been certified. Although Sonic vigorously defends itself in all legal and administrative proceedings, the outcomes of pending and future proceedings arising out of the conduct of Sonic's business, including litigation with customers, employment-related lawsuits, contractual disputes, class actions, purported class actions and actions brought by governmental authorities, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on Sonic's business, financial condition, results of operations, cash flows or prospects.

There were no significant liabilities recorded related to legal matters as of June 30, 2026 and December 31, 2025.

8. Fair Value Measurements

Assets and liabilities recorded at fair value in the accompanying unaudited condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025 were as follows:

	Fair Value Based on Significant Other Observable Inputs (Level 2)	
	June 30, 2026	December 31, 2025
	(In millions)	
Assets:		
Cash surrender value of life insurance policies (1)	$ 57.4	$ 53.2
Interest rate caps designated as hedges (2)	0.2	0.1
Total assets	$ 57.6	$ 53.3

(1) Included in other assets in the accompanying unaudited condensed consolidated balance sheets.
(2) Included in other current assets in the accompanying unaudited condensed consolidated balance sheets.

As of June 30, 2026 and December 31, 2025, the fair values of Sonic's financial instruments, including receivables, notes receivable from finance contracts, notes payable – floor plan, trade accounts payable and borrowings under our variable interest rate credit facilities and variable interest notes to finance companies approximated their carrying values due either to length of maturity or existence of variable interest rates that approximate prevailing market rates.

As of June 30, 2026 and December 31, 2025, the fair value and the carrying value of Sonic's significant fixed rate long-term debt were as follows:

	June 30, 2026		December 31, 2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value
	(In millions)			
4.875% Notes (1)	$ 480.0	$ 500.0	$ 478.8	$ 500.0
4.625% Notes (1)	$ 635.4	$ 650.0	$ 630.5	$ 650.0
Notes to Finance Companies - Fixed Rate (2)	$ 14.4	$ 14.6	$ 28.7	$ 29.4

(1) As determined by market quotations from similar securities as of June 30, 2026 and December 31, 2025, respectively (Level 2).
(2) As determined by the DCF method (Level 2).

For further discussion of Sonic's fair value measurements, see Note 11, "Fair Value Measurements," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025.

9. Segment Information

As of June 30, 2026, Sonic had three operating segments: (1) the Franchised Dealerships Segment; (2) the EchoPark Segment; and (3) the Powersports Segment. Refer to Note 1, "Description of Business and Summary of Significant Accounting Policies," to the consolidated financial statements in Sonic's Annual Report on Form 10-K for the year ended December 31, 2025 for additional discussion of our operating segments. Sonic has determined that its operating segments also represent its reportable segments.

The reportable segments identified above are the business activities of Sonic for which discrete financial information is available and for which operating results are regularly reviewed by Sonic's chief operating decision maker to assess operating performance and allocate resources. Sonic's chief operating decision maker is a group of three individuals consisting of: (1) the Company's Chief Executive Officer; (2) the Company's President; and (3) the Company's Chief Financial Officer. The chief operating decision makers evaluate segment performance and allocate resources using metrics such as segment gross profit and segment income. These segment profit metrics are consistent across all segments and align with the way we measure profit on a consolidated basis. The accounting policies applied to segments follow those for the Company as a whole.

Reportable segment financial information for the three and six months ended June 30, 2026 and 2025 were as follows:

Franchised Dealerships Segment - Reported

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Retail new vehicles	$ 1,731.4	$ 1,639.1	$ 3,316.6	$ 3,276.1
Fleet new vehicles	24.8	29.5	45.4	51.5
Used vehicles	814.3	744.9	1,582.9	1,490.6
Wholesale vehicles	43.7	57.8	87.8	112.2
Parts, service and collision repair	515.5	484.9	1,024.8	952.4
Finance, insurance and other, net	147.9	144.3	287.2	274.9
Cost of sales:				
Retail new vehicles	(1,645.5)	(1,543.9)	(3,149.5)	(3,094.1)
Fleet new vehicles	(24.4)	(28.9)	(44.5)	(50.4)
Used vehicles	(777.3)	(705.4)	(1,505.4)	(1,411.2)
Wholesale vehicles	(46.6)	(58.7)	(92.5)	(114.1)
Parts, service and collision repair	(251.7)	(236.0)	(499.9)	(466.3)
Segment gross profit	$ 532.1	$ 527.6	$ 1,052.9	$ 1,021.6
Selling, general and administrative expenses:				
Compensation	(239.7)	(232.3)	(479.9)	(458.7)
Advertising	(19.7)	(16.7)	(38.4)	(32.6)
Rent	(12.0)	(9.4)	(24.4)	(19.1)
Other (1)	(111.5)	(101.8)	(214.6)	(175.7)
Depreciation and amortization	(31.9)	(34.1)	(63.7)	(67.5)
Other income (expense):				
Interest expense, floor plan	(17.3)	(15.3)	(33.3)	(31.6)
Interest expense, other, net	(29.2)	(26.3)	(56.5)	(52.9)
Other income (expense), net	(0.1)	(0.1)	—	0.1
Segment income	$ 70.7	$ 91.6	$ 142.1	$ 183.6

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including gain or loss on disposal of franchises, facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline and service loaners, and insurance, training, legal and information technology expenses.

EchoPark Segment - Reported

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Used vehicles	$ 499.0	$ 427.4	$ 990.8	$ 901.1
Wholesale vehicles	25.8	25.4	53.1	52.8
Finance, insurance and other, net	58.1	55.8	119.5	114.5
Cost of Sales:				
Used vehicles	(492.6)	(420.5)	(978.1)	(888.8)
Wholesale vehicles	(26.0)	(26.0)	(53.0)	(53.6)
Segment gross profit	$ 64.3	$ 62.1	$ 132.3	$ 126.0
Selling, general and administrative expenses:				
Compensation	(27.3)	(25.2)	(54.2)	(51.1)
Advertising	(8.2)	(7.3)	(16.5)	(15.1)
Rent	(1.1)	(0.7)	1.7	(1.4)
Other (1)	(10.7)	(9.0)	(21.0)	(19.4)
Depreciation and amortization	(6.3)	(5.2)	(12.1)	(10.5)
Other income (expense):				
Interest expense, floor plan	(3.2)	(2.6)	(6.2)	(5.8)
Interest expense, other, net	(0.3)	(0.4)	(0.6)	(0.8)
Other income (expense), net	—	—	—	0.1
Segment income	$ 7.2	$ 11.7	$ 23.4	$ 22.0

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline, and insurance, training, legal and information technology expenses.

Powersports Segment - Reported

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues:				
Retail new vehicles	$ 37.9	$ 26.9	$ 60.2	$ 46.3
Used vehicles	16.4	8.3	25.6	14.0
Wholesale vehicles	1.0	0.3	1.2	1.1
Parts, service and collision repair	14.7	10.6	22.1	17.6
Finance, insurance and other, net	3.5	2.0	5.3	3.4
Cost of Sales:				
Retail new vehicles	(32.4)	(23.0)	(51.4)	(39.7)
Used vehicles	(13.2)	(6.7)	(20.8)	(11.3)
Wholesale vehicles	(1.1)	(0.3)	(1.4)	(1.1)
Parts, service and collision repair	(7.1)	(5.6)	(11.0)	(9.2)
Segment gross profit	$ 19.7	$ 12.5	$ 29.8	$ 21.1
Selling, general and administrative expenses:				
Compensation	(10.0)	(7.3)	(17.3)	(13.5)
Advertising	(0.6)	(0.3)	(1.0)	(0.6)
Rent	—	0.3	—	0.4
Other (1)	(3.9)	(2.9)	(6.0)	(6.1)
Depreciation and amortization	(1.7)	(1.2)	(2.9)	(2.5)
Other income (expense):				
Interest expense, floor plan	(0.3)	(0.4)	(0.7)	(0.9)
Interest expense, other, net	(0.8)	(0.7)	(1.6)	(1.4)
Other income (expense), net	(0.1)	—	—	—
Segment income (loss)	$ 2.3	$ —	$ 0.3	$ (3.5)

(1) Other selling, general and administrative expenses include various fixed and variable expenses, including gain or loss on disposal of franchises, facility repairs and maintenance, utilities, property taxes, certain customer-related costs such as gasoline, insurance, training, legal and information technology expenses.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 70.7	$ 91.6	$ 142.1	$ 183.6
EchoPark Segment (3)	7.2	11.7	23.4	22.0
Powersports Segment (4)	2.3	—	0.3	(3.5)
Total segment income	$ 80.2	$ 103.3	$ 165.8	$ 202.1
Impairment charges (5)	—	(172.4)	(0.4)	(173.8)
Income (loss) before taxes	$ 80.3	$ (69.1)	$ 165.4	$ 28.3

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges. Due to rounding, segment level financial data may not sum to consolidated results.

(2) For the three months ended June 30, 2026, amount includes approximately $1.2 million of pre-tax charges related to storm damages. For the three months ended June 30, 2025, amount includes approximately $2.4 million of pre-tax loss related to the termination of a franchise, approximately $4.1 million of pre-tax charges related to storm damage. and $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024. For the six months ended June 30, 2026, approximately $5.1 million of pre-tax gain related to dispositions. For the six months ended June 30, 2025, amount includes $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024, approximately $5.0 million of pre-tax charges related to storm damage, and approximately $2.7 million of pre-tax charges related to dispositions. Due to rounding, segment level financial data may not sum to consolidated results.

(3) For the three months ended June 30, 2025, amount includes approximately $0.8 million of pre-tax gain on sale of real estate. For the six months ended June 30, 2026, amount includes approximately $3.6 million of pre-tax gain on lease terminations. For the six months ended June 30, 2025, amount includes approximately $1.0 million of pre-tax gain on sale of real estate.

(4) For the six months ended June 30, 2025, amount includes approximately $0.9 million of pre-tax charges related to dispositions. Due to rounding, segment level financial data may not sum to consolidated results.

(5) For the three months ended June 30, 2025, amount includes approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment and approximately $6.5 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment. For the six months ended June 30, 2026, amount includes approximately $0.4 million of non-cash pre-tax impairment charges related to construction-in-progress projects for the Franchised Dealerships Segment. For the six months ended June 30, 2025, amount includes approximately $0.2 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale in the EchoPark Segment and approximately $7.2 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment, $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges for the Powersports Segment, and approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Segment Capital Expenditures:				
Franchised Dealerships Segment	$ 110.3	$ 32.5	$ 141.6	$ 77.0
EchoPark Segment	6.0	0.3	11.2	0.5
Powersports Segment	1.3	1.3	1.7	1.6
Total capital expenditures	$ 117.6	$ 34.1	$ 154.5	$ 79.1

	June 30, 2026	December 31, 2025
	(In millions)	
Segment Assets:		
Franchised Dealerships Segment	$ 5,154.4	$ 4,933.9
EchoPark Segment	589.1	506.1
Powersports Segment	344.5	224.4
Corporate and other:		
Cash and cash equivalents	19.2	6.3
Floor plan deposit balance	275.0	300.0
Total assets	$ 6,382.2	$ 5,970.7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and related notes thereto, as well as the consolidated financial statements and related notes thereto, "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Unless otherwise noted, we present the discussion in this Management's Discussion and Analysis of Financial Condition and Results of Operations on a consolidated basis. To the extent that we believe a discussion of the differences among reportable segments will enhance a reader's understanding of our financial condition, cash flows and other changes in financial condition and results of operations, the differences are discussed separately. Certain amounts and percentages may not compute due to rounding.

Unless otherwise noted, all discussions of increases or decreases are for the three and six months ended June 30, 2026 compared to the three and six months ended June 30, 2025. The following discussion of Franchised Dealerships Segment new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a same store basis, except where otherwise noted. All currently operating franchised dealership stores are included within the same store group as of the first full month following the first anniversary of the store's opening or acquisition. The following discussion of EchoPark Segment used vehicles, wholesale vehicles, and finance, insurance and other, net is on a same market basis, except where otherwise noted. All currently operating EchoPark stores in a local geographic market are included within the same market group as of the first full month following the first anniversary of the market's opening or acquisition. The following discussion of Powersports Segment new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a same store basis, except where otherwise noted. All currently operating stores in the Powersports Segment are included within the same store group as of the first full month following the first anniversary of the store's opening or acquisition.

Overview

We are one of the largest automotive retailers in the U.S. (as measured by reported total revenue). As a result of the way we manage our business, we had three reportable segments as of June 30, 2026: (1) the Franchised Dealerships Segment; (2) the EchoPark Segment; and (3) the Powersports Segment. For management and operational reporting purposes, we group certain businesses together that share management and inventory (principally used vehicles) into "stores." As of June 30, 2026, we operated 107 stores in the Franchised Dealerships Segment, 18 stores in the EchoPark Segment and 20 stores in the Powersports Segment. The Franchised Dealerships Segment consists of 127 new vehicle franchises (representing 24 different brands of cars and light trucks) and 15 collision repair centers in 17 states. The EchoPark Segment consists of 18 stores in 10 states. The Powersports Segment consists of 46 franchises at 20 locations (16 full-service dealerships and four authorized retail outlets) in five states.

The Franchised Dealerships Segment provides comprehensive sales and services, including (1) sales of both new and used cars and light trucks; (2) sales of replacement parts and performance of vehicle maintenance, manufacturer warranty repairs, and paint and collision repair services (collectively, "Fixed Operations"); and (3) arrangement of third-party financing, extended warranties, service contracts, insurance and other aftermarket products (collectively, "F&I") for our guests. The EchoPark Segment sells used cars and light trucks and arranges third-party F&I product sales for our guests in pre-owned vehicle specialty retail locations and does not offer customer-facing Fixed Operations services. The Powersports Segment offers guests: (1) sales of both new and used powersports vehicles (such as motorcycles, personal watercraft and all-terrain vehicles); (2) Fixed Operations activities; and (3) F&I services. All three segments generally operate independently of one another with the exception of certain shared back-office functions and corporate overhead costs.

Executive Summary

Retail Automotive Industry Performance

The U.S. retail automotive industry's total new vehicle (retail and fleet combined) seasonally adjusted annual rate of unit sales volume (the "total new vehicle SAAR") increased 2% and decreased 2% for the three and six months ended June 30, 2026, respectively, to approximately 16.3 million and 15.9 million vehicles, respectively, compared to approximately 16.0 million and 16.3 million vehicles for the three and six months ended June 30, 2025, respectively, according to the Power Information Network ("PIN") from J.D. Power. We currently estimate the 2026 new vehicle industry volume will be between 15.5 million vehicles (a decrease of 5% compared to 2025) and 16.0 million vehicles (a decrease of 2% compared to 2025). The effects of tariffs and trade policies, interest rates, changes in consumer confidence, availability of consumer financing, manufacturer inventory production levels, incentive levels from automotive manufacturers or shifts in such levels, or timing of consumer demand in response to economic conditions, geopolitical disruptions, energy prices, natural disasters or other unforeseen circumstances could cause the actual 2026 new vehicle industry volume to vary from expectations. Many factors, including brand and geographic concentrations as well as the industry sales mix between retail and fleet new vehicle unit sales volume, have caused our past results to differ from the industry's overall trend. Our new vehicle sales strategy focuses on our retail new vehicle sales (as opposed to fleet new vehicle sales) and, as a result, we believe it is appropriate to compare our retail new vehicle unit sales volume to the industry retail new vehicle seasonally adjusted annual rate of unit sales volume (the "retail new vehicle SAAR") (which excludes fleet new vehicle sales). According to PIN from J.D. Power, the retail new vehicle SAAR increased 1% and decreased 4% to approximately 13.6 million and 13.2 million vehicles for the three and six months ended June 30, 2026, respectively, from approximately 13.4 million and 13.7 million vehicles for the three and six months ended June 30, 2025, respectively.

Franchised Dealerships Segment

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores in 2025 and 2026, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores.

Same store retail new vehicle revenue increased 1% during the three months ended June 30, 2026, driven by a 1% increase in average selling price per new retail unit. Same store retail new vehicle revenue decreased 4% during the six months ended June 30, 2026, primarily driven by a 5% decrease in retail new vehicle unit sales volume. Retail new vehicle gross profit decreased 17% and 15% during the three and six months ended June 30, 2026, respectively, due primarily to increased price competition as a result of increasing levels of available inventory and higher inventory invoice costs, which combined to drive lower retail new vehicle gross profit per unit. Retail new vehicle gross profit per unit decreased $559, or 16%, to $2,872 per unit during the three months ended June 30, 2026. Retail new vehicle gross profit per unit decreased $349 per unit, or 11%, to $2,934 per unit during the six months ended June 30, 2026. On a trailing quarter cost of sales basis, our reported Franchised Dealerships Segment new vehicle inventory days' supply was approximately 56 days as of June 30, 2026, compared to 54 days as of June 30, 2025.

Same store retail used vehicle revenue increased 9% and 5% during the three and six months ended June 30, 2026, respectively, driven primarily by a 7% and 5% increase in retail used vehicle unit sales volume, respectively. Retail used vehicle gross profit decreased 8% and 4% during the three and six months ended June 30, 2026, respectively, primarily due to lower retail used vehicle gross profit per unit. Retail used vehicle gross profit per unit decreased $214 per unit, or 13%, to $1,401 per unit during the three months ended June 30, 2026. Retail used vehicle gross profit per unit decreased $136 per unit, or 8%, to $1,467 per unit during the six months ended June 30, 2026. Same store wholesale vehicle gross loss worsened by approximately $2.0 million to a gross loss of approximately $2.8 million during the three months ended June 30, 2026, due primarily to a $456 per unit, or 404%, worsening of wholesale vehicle gross loss per unit as a result of changes in pricing and demand for vehicles at wholesale auction. Same store wholesale vehicle gross loss worsened by approximately $3.0 million, to a gross loss of approximately $4.5 million during the six months ended June 30, 2026, due primarily to a $352 per unit, or 277%, worsening of wholesale vehicle gross loss per unit as a result of changes in pricing and demand for vehicles at wholesale auction. We generally focus on maintaining Franchised Dealerships Segment used vehicle inventory days' supply in the 25- to 35-day range, which may fluctuate seasonally, in order to limit our exposure to market pricing volatility. On a trailing quarter cost of sales basis, our reported Franchised Dealerships Segment used vehicle inventory days' supply was approximately 35 days as of both June 30, 2026 and June 30, 2025.

Same store Fixed Operations revenue increased 3% and 4% during the three and six months ended June 30, 2026, respectively, driven primarily by increased service capacity as a result of additional technician headcount, and higher parts and labor costs that were passed along to consumers. Same store Fixed Operations gross profit increased 2% and 4% during the three and six months ended June 30, 2026, respectively, driven primarily by higher customer pay revenue contribution and higher warranty and internal, sublet and other gross margin contribution. Same store Fixed Operations gross margin decreased 30 basis points, to 51.0% during the three months ended June 30, 2026, and increased 10 basis points, to 51.1%, during the six months ended June 30, 2026.

Same store F&I revenue decreased 1% and remained flat during the three and six months ended June 30, 2026, respectively, driven by a 4% decrease and 1% increase in F&I gross profit per retail unit, respectively, partially offset by a 3% increase and 1% decrease in retail new and used vehicle unit sales volume, respectively. Same store F&I gross profit per retail unit decreased $108 per unit, or 4%, to $2,619 per unit during the three months ended June 30, 2026 primarily due to lower penetration rates for other aftermarket product contracts, which was partially offset by a higher penetration rate for finance contracts, higher gross profit per service contract, and changes to our F&I product cost structure. Same store F&I gross profit per retail unit increased $20 per unit, or 1%, to $2,607 per unit during the six months ended June 30, 2026, due primarily to higher gross profit per finance, service and other aftermarket contracts, increases in finance contract and service contract penetration rates, and changes to our F&I product cost structure.

EchoPark Segment

Same market total revenues increased 15% and 9% during the three and six months ended June 30, 2026, respectively, attributable to a 16% and 9% increase in total vehicle unit sales volume (retail used vehicles plus wholesale used vehicles) in the three and six months ended June 30, 2026, respectively. Same market total gross profit increased 3% and 5% during the three and six months ended June 30, 2026, respectively, primarily driven by the increase in total vehicle unit sales volume in both the three and six months ended June 30, 2026, partially offset by a 12% and 5% decrease in combined used and F&I gross profit per retail unit during the three and six months ended June 30, 2026, respectively.

Same market retail used vehicle revenue increased 17% and 10% during the three and six months ended June 30, 2026, respectively, driven primarily by a 17% and 10% increase in retail used vehicle unit sales volume in the three and six months ended June 30, 2026, respectively. F&I revenue increased 4% during both the three and six months ended June 30, 2026, driven primarily by the increase in retail used vehicle unit sales during the three and six months ended June 30, 2026, partially offset by an 11% and 5% decrease in F&I gross profit per unit in the three and six months ended June 30, 2026, respectively. Same market combined retail used vehicle and F&I gross profit per unit decreased $466 per unit, or 12%, to $3,303 for the three months ended June 30, 2026, due primarily to decreases in both used vehicle gross profit per unit and F&I gross profit per unit. Same market combined retail used vehicle and F&I gross profit per unit decreased $181 per unit, or 5%, to $3,410 for the six months ended June 30, 2026, due primarily to decreases in both used vehicle gross profit per unit and F&I gross profit per unit.

Same market wholesale vehicle gross profit improved by approximately $0.5 million and $1.0 million during the three and six months ended June 30, 2026, respectively, primarily due to a 75% and 109% increase in wholesale vehicle gross profit per unit during the three and six months ended June 30, 2026, respectively. We generally focus on maintaining EchoPark Segment used vehicle inventory days' supply in the 30- to 40-day range, which may fluctuate seasonally, in order to limit our exposure to market pricing volatility. On a trailing quarter cost of sales basis, our reported EchoPark Segment used vehicle inventory days' supply was approximately 47 and 41 days as of June 30, 2026 and 2025, respectively. The higher days' supply as of June 30, 2026, reflected a deliberate increase in inventory levels to support higher retail unit sales. This differed from a typical quarter, during which we generally maintain inventory within our targeted 30- to 40-day range.

Powersports Segment

Same store retail new vehicle revenue increased 6% and 11% during the three and six months ended June 30, 2026, respectively, driven by a 3% and 8% increase in retail new vehicle unit sales volume, respectively, coupled with a 3% increase in retail new vehicle average selling price during both the three and six months ended June 30, 2026. Retail new vehicle gross profit increased 8% and 12% during the three and six months ended June 30, 2026, respectively, as a result of the increase in retail new vehicle unit sales volume and a 4% and 5% increase in same store retail new vehicle gross profit per unit, respectively. Retail new vehicle gross profit per unit increased $103 per unit, or 4%, to $2,925 per unit for the three months ended June 30, 2026. Retail new vehicle gross profit per unit increased $134 per unit, or 5%, to $2,910 per unit for the six months ended June 30, 2026. On a trailing quarter cost of sales basis, our reported Powersports Segment new vehicle inventory days' supply was approximately 160 and 135 days as of June 30, 2026 and 2025, respectively, varying based on manufacturer production levels and consumer demand.

Same store used vehicle revenue increased 40% and 54% during the three and six months ended June 30, 2026, respectively, driven primarily by a 19% and 34% increase in retail used vehicle unit sales volume, respectively, and a 17% and 15% increase in average used vehicle selling price during the three and six months ended June 30, 2026, respectively. Retail used vehicle gross profit increased 25% and 42% during the three and six months ended June 30, 2026, respectively, driven by the increase in used vehicle unit sales volume and a 4% and 5% increase in retail used vehicle gross profit per unit, respectively. Retail used vehicle gross profit per unit increased $78 per unit, or 4%, to $2,092 per unit for the three months ended June 30, 2026. Retail used vehicle gross profit per unit increased $92 per unit, or 5%, to $2,021 per unit for the six months ended June 30, 2026. On a trailing quarter cost of sales basis, our reported Powersports Segment used vehicle inventory days’ supply was approximately 103 and 102 days as of June 30, 2026 and 2025, respectively.

Same store Fixed Operations revenue increased 5% and 7% during the three and six months ended June 30, 2026, respectively, while gross profit increased 12% and 11%, respectively. These increases were primarily driven by higher repair order volume. Fixed Operations gross margin increased 330 basis points to 49.8% during the three months ended June 30, 2026, primarily due to a more favorable revenue mix, including increased contribution from higher-margin internal, sublet, and other services, as well as improved gross margins on customer pay repairs, warranty work, wholesale parts, and internal, sublet and other repairs. Fixed Operations gross margin increased 150 basis points to 49.1% during the six months ended June 30, 2026, primarily due to a more favorable revenue mix, including increased contribution from high-margin internal, sublet, and other services, as well as improved gross margins on customer pay repairs, wholesale parts, and internal, sublet and other repairs.

Same store F&I revenue increased 20% and 24% during the three and six months ended June 30, 2026, respectively, driven primarily by a 9% and 18% increase in combined retail new and used vehicle unit sales volume, coupled with increases in F&I gross profit per retail unit for the three and six months ended June 30, 2026. F&I gross profit per retail unit increased $105 per unit, or 12%, to $995 per unit for the three months ended June 30, 2026. F&I gross profit per retail unit increased $40 per unit, or 4%, to $955 per unit for the six months ended June 30, 2026.

Results of Operations – Consolidated

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores, EchoPark stores, and powersports stores in 2025 and 2026, the change in consolidated reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores.

New Vehicles – Consolidated

New vehicle revenues include the sale of new vehicles, including new powersports vehicles, to retail customers, as well as the sale of fleet vehicles to businesses for use in their operations. New vehicle revenues and gross profit can be influenced by vehicle manufacturer incentives to consumers (which vary from cash-back incentives to low interest rate financing, among other things), the availability of consumer credit and the level and type of manufacturer-to-dealer incentives, as well as manufacturers providing adequate inventory allocations to our dealerships to meet consumer demand. The automobile manufacturing industry is cyclical and historically has experienced periodic downturns characterized by oversupply and weak demand, both within specific brands and in the industry as a whole. As an automotive retailer, we seek to mitigate the effects of this sales cycle by maintaining a diverse brand mix of dealerships. Our brand diversity allows us to offer a broad range of products at a wide range of prices from lower-priced economy automobiles to luxury automobiles and powersports vehicles.

The following table depicts the breakdown of our Franchised Dealerships Segment new vehicle revenues by brand for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
New Vehicle Brand	2026	2025	2026	2025
Luxury:				
BMW	22 %	23 %	22 %	23 %
Mercedes	12 %	13 %	12 %	14 %
Land Rover	9 %	5 %	10 %	5 %
Lexus	6 %	6 %	6 %	6 %
Audi	4 %	5 %	4 %	5 %
Porsche	4 %	4 %	4 %	4 %
Cadillac	4 %	4 %	3 %	3 %
Other Luxury (1)	1 %	1 %	1 %	2 %
Total Luxury	62 %	61 %	62 %	62 %
Mid-line Import:				
Honda	11 %	12 %	11 %	12 %
Toyota	10 %	9 %	9 %	9 %
Volkswagen	1 %	1 %	1 %	1 %
Other Mid-line Imports (2)	1 %	2 %	2 %	2 %
Total Mid-line Import	23 %	24 %	23 %	24 %
Domestic:				
General Motors (3)	7 %	7 %	7 %	6 %
Ford	5 %	3 %	5 %	3 %
Chrysler	3 %	5 %	3 %	5 %
Total Domestic	15 %	15 %	15 %	14 %
Total	100 %	100 %	100 %	100 %

(1) Includes Jaguar, MINI, Polestar and Volvo.
(2) Includes Hyundai, Nissan and Subaru.
(3) Includes Buick, Chevrolet and GMC.

The U.S. retail automotive industry's new vehicle unit sales volume below reflects all brands marketed or sold in the U.S. This industry sales volume includes brands we do not sell and markets in which we do not operate, therefore, changes in our new vehicle unit sales volume may not trend directly in line with changes in the industry new vehicle unit sales volume. We believe that the industry retail new vehicle unit sales volume is a more meaningful metric for comparing our new vehicle unit sales volume to the industry due to our minimal fleet vehicle business.

U.S. retail new vehicle SAAR, fleet new vehicle seasonally adjusted annual rate of unit sales volume (the "fleet new vehicle SAAR") and total new vehicle SAAR were as follows:

	Three Months Ended June 30,		Better / (Worse)	Six Months Ended June 30,		Better / (Worse)
	2026	2025	% Change	2026	2025	% Change
			(In millions of vehicles)			
U.S. Retail new vehicle SAAR (1)	13.6	13.4	1 %	13.2	13.7	(4) %
U.S. Fleet new vehicle SAAR	2.7	2.6	4 %	2.7	2.6	4 %
U.S. Total new vehicle SAAR (1)	16.3	16.0	2 %	15.9	16.3	(2) %

(1) Source: PIN from J.D. Power

Our consolidated reported new vehicle results (combined retail and fleet data) were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 1,769.3	$ 1,666.1	$ 103.2	6 %
Fleet new vehicle revenue	24.8	29.4	(4.6)	(16) %
Total new vehicle revenue	$ 1,794.1	$ 1,695.5	$ 98.6	6 %
Retail new vehicle gross profit	$ 91.4	$ 99.2	$ (7.8)	(8) %
Fleet new vehicle gross profit	0.5	0.5	—	— %
Total new vehicle gross profit	$ 91.9	$ 99.7	$ (7.8)	(8) %
Retail new vehicle unit sales	30,178	29,478	700	2 %
Fleet new vehicle unit sales	452	571	(119)	(21) %
Total new vehicle unit sales	30,630	30,049	581	2 %
Revenue per new retail unit	$ 58,629	$ 56,519	$ 2,110	4 %
Revenue per new fleet unit	$ 54,870	$ 51,607	$ 3,263	6 %
Total revenue per new unit	$ 58,574	$ 56,425	$ 2,149	4 %
Gross profit per new retail unit	$ 3,029	$ 3,365	$ (336)	(10) %
Gross profit per new fleet unit	$ 962	$ 918	$ 44	5 %
Total gross profit per new unit	$ 2,999	$ 3,318	$ (319)	(10) %
Retail gross profit as a % of revenue	5.2 %	6.0 %	(80) bps	
Fleet gross profit as a % of revenue	1.8 %	1.8 %	— bps	
Total new vehicle gross profit as a % of revenue	5.1 %	5.9 %	(80) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 3,376.8	$ 3,322.4	$ 54.4	2 %
Fleet new vehicle revenue	45.4	51.5	(6.1)	(12)%
Total new vehicle revenue	$ 3,422.2	$ 3,373.9	$ 48.3	1 %
Retail new vehicle gross profit	$ 175.9	$ 188.6	$ (12.7)	(7)%
Fleet new vehicle gross profit	0.8	1.1	(0.3)	(27)%
Total new vehicle gross profit	$ 176.7	$ 189.7	$ (13.0)	(7)%
Retail new vehicle unit sales	57,132	58,553	(1,421)	(2)%
Fleet new vehicle unit sales	789	954	(165)	(17)%
Total new vehicle unit sales	57,921	59,507	(1,586)	(3)%
Revenue per new retail unit	$ 59,105	$ 56,741	$ 2,364	4 %
Revenue per new fleet unit	$ 57,637	$ 53,980	$ 3,657	7 %
Total revenue per new unit	$ 59,085	$ 56,697	$ 2,388	4 %
Gross profit per new retail unit	$ 3,078	$ 3,221	$ (143)	(4)%
Gross profit per new fleet unit	$ 1,091	$ 1,129	$ (38)	(3)%
Total gross profit per new unit	$ 3,051	$ 3,187	$ (136)	(4)%
Retail gross profit as a % of revenue	5.2 %	5.7 %	(50) bps	
Fleet gross profit as a % of revenue	1.9 %	2.1 %	(20) bps	
Total new vehicle gross profit as a % of revenue	5.2 %	5.6 %	(40) bps	

For further analysis of new vehicle results on a segment basis, see the tables and discussion under the headings "New Vehicles - Franchised Dealerships Segment" and "New Vehicles - Powersports Segment" in the Franchised Dealerships Segment and Powersports Segment sections, respectively, below.

Used Vehicles – Consolidated

Used vehicle revenues include the sale of used vehicles, including used powersports vehicles, to retail customers and at wholesale. Used vehicle revenues are directly affected by a number of factors, including consumer demand for used vehicles, the pricing and level of manufacturer incentives on new vehicles, the number and quality of trade-ins and lease turn-ins available to our dealerships, the availability and pricing of used vehicles acquired at wholesale auction, and the availability of consumer credit. Depending on the mix of inventory sourcing (trade-ins or purchases from customers versus wholesale auction), the days' supply of used vehicle inventory, and the pricing strategy employed by the dealership, retail used vehicle gross profit per unit and retail used vehicle gross profit as a percentage of revenue may vary significantly from historical levels given recent trends in the used vehicle environment.

Our consolidated reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 1,329.7	$ 1,180.7	$ 149.0	13 %
Gross profit	$ 46.6	$ 48.1	$ (1.5)	(3)%
Unit sales	47,362	42,512	4,850	11 %
Revenue per unit	$ 28,075	$ 27,773	$ 302	1 %
Gross profit per unit	$ 983	$ 1,131	$ (148)	(13)%
Gross profit as a % of revenue	3.5 %	4.1 %	(60) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 2,599.3	$ 2,405.7	$ 193.6	8 %
Gross profit	$ 95.0	$ 94.4	$ 0.6	1 %
Unit sales	93,855	87,329	6,526	7 %
Revenue per unit	$ 27,695	$ 27,547	$ 148	1 %
Gross profit per unit	$ 1,012	$ 1,081	$ (69)	(6) %
Gross profit as a % of revenue	3.7 %	3.9 %	(20) bps	

For further analysis of used vehicle results on a segment basis, see the tables and discussion under the headings “Used Vehicles - Franchised Dealerships Segment,” “Used Vehicles and F&I - EchoPark Segment” and “Used Vehicles - Powersports Segment” in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Wholesale Vehicles – Consolidated

Wholesale vehicle revenues are influenced by several factors, including retail new and used vehicle unit sales volume, associated trade-in volume, and short-term, temporary, and seasonal fluctuations in wholesale auction pricing. In recent years, wholesale vehicle prices and supply at auction have experienced periods of volatility, impacting our wholesale vehicle revenues and related gross profit (loss), as well as our retail used vehicle revenues and related gross profit. We believe that the current wholesale vehicle price environment is not sustainable in the long term and expect that average wholesale vehicle pricing and related gross profit (loss) will continue to return toward long-term normalized levels in the long run, but may continue to experience volatility during 2026 or beyond. Wholesale vehicle revenues are also significantly affected by our corporate inventory management strategy and policies, which are designed to optimize our total used vehicle inventory and expected gross profit levels and minimize inventory carrying risks.

Our consolidated reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 70.5	$ 83.3	$ (12.8)	(15)%
Gross profit (loss)	$ (3.2)	$ (1.6)	$ (1.6)	(100)%
Unit sales	8,539	9,368	(829)	(9)%
Revenue per unit	$ 8,251	$ 8,900	$ (649)	(7)%
Gross profit (loss) per unit	$ (373)	$ (165)	$ (208)	(126)%
Gross profit (loss) as a % of revenue	(4.5)%	(1.9)%	(260) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 142.1	$ 166.1	$ (24.0)	(14)%
Gross profit (loss)	$ (4.8)	$ (2.7)	$ (2.1)	(78)%
Unit sales	16,428	18,773	(2,345)	(12)%
Revenue per unit	$ 8,652	$ 8,850	$ (198)	(2)%
Gross profit (loss) per unit	$ (293)	$ (146)	$ (147)	(101)%
Gross profit (loss) as a % of revenue	(3.4)%	(1.7)%	(170) bps	

For further analysis of wholesale vehicle results on a segment basis, see the tables and discussion under the headings "Wholesale Vehicles – Franchised Dealerships Segment," "Wholesale Vehicles – EchoPark Segment" and "Wholesale Vehicles – Powersports Segment" in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Fixed Operations – Consolidated

Parts, service and collision repair revenues consist of repairs and maintenance requested and paid by customers ("customer pay"), warranty repairs (manufacturer-paid), wholesale parts (sales of parts and accessories to third-party automotive repair businesses), and internal, sublet and other. Parts and service revenue is driven by the volume and mix of warranty repairs versus customer pay repairs, available service capacity (a combination of service bay count and technician availability), vehicle quality, manufacturer recalls, customer loyalty, and prepaid or manufacturer-paid maintenance programs. Internal, sublet and other primarily relates to preparation and reconditioning work performed on vehicles in inventory that are later sold to a third party and may vary based on used vehicle inventory and sales volume from period to period. When that work is performed by one of our dealerships or stores, the work is classified as internal. In the event the work is performed by a third party on our behalf, it is classified as sublet.

We believe that, over time, vehicle quality will continue to improve, but vehicle complexity and the associated demand for repairs by qualified technicians at manufacturer-affiliated dealerships may result in market share gains that could offset any revenue lost from improvement in vehicle quality. We also believe that, over the long term, we have the ability to continue to optimize service capacity and customer retention at our dealerships and stores to further increase Fixed Operations revenues. Manufacturers continue to extend new vehicle warranty periods (in particular for battery electric vehicles) and have also begun to include regular maintenance items in the warranty or complimentary maintenance program coverage. These factors, over the long term, combined with the extended manufacturer warranties on certified pre-owned vehicles, should facilitate growth in our parts and service business. Barriers to long-term growth may include reductions in the rate paid by manufacturers to dealers for warranty repair work performed, as well as the improved quality and design of vehicles that may affect the level and frequency of future customer pay or warranty-related repair revenues.

Our consolidated reported Fixed Operations results were as follows:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 243.7	$ 229.5	$ 14.2	6 %
Warranty	93.0	84.6	8.4	10 %
Wholesale parts	50.1	45.4	4.7	10 %
Internal, sublet and other	143.4	136.1	7.3	5 %
Total revenue	$ 530.2	$ 495.6	$ 34.6	7 %
Gross profit				
Customer pay	$ 135.2	$ 128.6	$ 6.6	5 %
Warranty	59.2	53.2	6.0	11 %
Wholesale parts	8.7	7.9	0.8	10 %
Internal, sublet and other	68.3	64.2	4.1	6 %
Total gross profit	$ 271.4	$ 253.9	$ 17.5	7 %
Gross profit as a % of revenue				
Customer pay	55.5 %	56.1 %	(60) bps	
Warranty	63.6 %	63.0 %	60 bps	
Wholesale parts	17.4 %	17.4 %	— bps	
Internal, sublet and other	47.6 %	47.2 %	40 bps	
Total gross profit as a % of revenue	51.2 %	51.2 %	— bps	

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 479.6	$ 444.8	$ 34.8	8 %
Warranty	190.9	170.9	20.0	12 %
Wholesale parts	101.0	92.1	8.9	10 %
Internal, sublet and other	275.4	262.2	13.2	5 %
Total revenue	$ 1,046.9	$ 970.0	$ 76.9	8 %
Gross profit				
Customer pay	$ 267.1	$ 249.3	$ 17.8	7 %
Warranty	121.3	107.3	14.0	13 %
Wholesale parts	17.4	16.0	1.4	9 %
Internal, sublet and other	130.2	121.9	8.3	7 %
Total gross profit	$ 536.0	$ 494.5	$ 41.5	8 %
Gross profit as a % of revenue				
Customer pay	55.7 %	56.0 %	(30) bps	
Warranty	63.5 %	62.8 %	70 bps	
Wholesale parts	17.2 %	17.4 %	(20) bps	
Internal, sublet and other	47.3 %	46.5 %	80 bps	
Total gross profit as a % of revenue	51.2 %	51.0 %	20 bps	

For further analysis of Fixed Operations results on a segment basis, see the tables and discussion under the headings "Fixed Operations - Franchised Dealerships Segment" and "Fixed Operations - Powersports Segment" in the Franchised Dealerships Segment and Powersports Segment sections, respectively, below.

F&I – Consolidated

Finance, insurance and other, net revenues include commissions for arranging third-party vehicle financing and insurance, sales of third-party extended warranties and service contracts for vehicles, and sales of other aftermarket products. In connection with vehicle financing, extended warranties and service contracts, other aftermarket products and insurance contracts, we receive commissions from the third-party providers for originating these contracts. We do not have direct credit risk for the vehicle financing, extended warranties and service contracts that we sell. F&I revenues are recognized net of actual and estimated future chargebacks and other costs associated with originating contracts (as a result, reported F&I revenues and F&I gross profit are the same amount, resulting in a 100% gross margin for F&I). F&I revenues are affected by the level of new and retail used vehicle unit sales volume, the age and average selling price of vehicles sold, the level of manufacturer financing specials or leasing incentives, and our F&I penetration rate for each type of F&I product. The F&I penetration rate represents the number of finance contracts, extended warranties and service contracts, other aftermarket products or insurance contracts that we are able to originate per vehicle sold, expressed as a percentage.

Yield spread premium is another term for the commission earned by our dealerships for arranging vehicle financing for consumers. The amount of the commission could be zero, a flat fee or an actual spread between the interest rate charged to the consumer and the interest rate provided by the third-party direct financing source (e.g., a commercial bank, credit union or manufacturer captive finance company). We have established caps on the potential yield spread premium our dealerships can earn with all finance sources. We believe the yield spread premium we earn for arranging vehicle financing represents value to the consumer in numerous ways, including the following:

- lower cost, below-market financing is often available only from the manufacturers' captives and franchised dealers;
- ease of access to multiple high-quality lending sources;
- lease-financing alternatives are largely available only from manufacturers' captives or other indirect lenders;

- guests with substandard credit frequently do not have direct access to potential sources of sub-prime financing; and
- guests with significant “negative equity” in their current vehicle (i.e., the guest’s current vehicle is worth less than the balance of their vehicle loan or lease obligation) frequently are unable to pay off the loan on their current vehicle and finance the purchase or lease of a replacement new or used vehicle without the assistance of a franchised dealership’s network of lending sources.

Our consolidated reported F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 209.5	$ 202.1	$ 7.4	4 %
Total combined retail new and used vehicle unit sales	77,540	71,990	5,550	8 %
Gross profit per retail unit (excludes fleet)	$ 2,702	$ 2,807	$ (105)	(4) %

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In thousands, except per unit data)			
Reported F&I:				
Revenue	$ 412.0	$ 392.8	$ 19.2	5 %
Total combined retail new and used vehicle unit sales	150,987	145,882	5,105	3 %
Gross profit per retail unit (excludes fleet)	$ 2,728	$ 2,693	$ 35	1 %

For further analysis of F&I results on a segment basis, see the tables and discussion under the headings “F&I - Franchised Dealerships Segment,” “Used Vehicles and F&I - EchoPark Segment” and “F&I - Powersports Segment” in the Franchised Dealerships Segment, EchoPark Segment and Powersports Segment sections, respectively, below.

Results of Operations – Franchised Dealerships Segment

As a result of the acquisition, disposition, termination or closure of certain franchised dealership stores in 2025 and 2026, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores. Please refer to the same store tables and discussion on the following pages for a more meaningful comparison and discussion of financial results on a comparable store basis.

New Vehicles – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for new vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail new vehicle revenue:				
Same store	$ 1,633.2	$ 1,620.4	$ 12.8	1 %
Acquisitions, open points, dispositions and holding company	98.2	18.7	79.5	NM
Total as reported	$ 1,731.4	$ 1,639.1	$ 92.3	6 %
Fleet new vehicle revenue:				
Same store	$ 23.8	$ 29.5	$ (5.7)	(19) %
Acquisitions, open points, dispositions and holding company	1.0	—	1.0	NM
Total as reported	$ 24.8	$ 29.5	$ (4.7)	(16) %
Total new vehicle revenue:				
Same store	$ 1,657.0	$ 1,649.9	$ 7.1	— %
Acquisitions, open points, dispositions and holding company	99.2	18.7	80.5	NM
Total as reported	$ 1,756.2	$ 1,668.6	$ 87.6	5 %
Retail new vehicle gross profit:				
Same store	$ 79.0	$ 94.7	$ (15.7)	(17) %
Acquisitions, open points, dispositions and holding company	6.9	0.5	6.4	NM
Total as reported	$ 85.9	$ 95.2	$ (9.3)	(10) %
Fleet new vehicle gross profit:				
Same store	$ 0.4	$ 0.5	$ (0.1)	(20) %
Acquisitions, open points, dispositions and holding company	—	0.1	(0.1)	NM
Total as reported	$ 0.4	$ 0.6	$ (0.2)	(33) %
Total new vehicle gross profit:				
Same store	$ 79.5	$ 95.3	$ (15.8)	(17) %
Acquisitions, open points, dispositions and holding company	6.8	0.5	6.3	NM
Total as reported	$ 86.3	$ 95.8	$ (9.5)	(10) %
Retail new vehicle unit sales:				
Same store	27,515	27,613	(98)	— %
Acquisitions, open points, dispositions and holding company	888	471	417	NM
Total as reported	28,403	28,084	319	1 %
Fleet new vehicle unit sales:				
Same store	443	571	(128)	(22) %
Acquisitions, open points, dispositions and holding company	9	—	9	NM
Total as reported	452	571	(119)	(21) %
Total new vehicle unit sales:				
Same store	27,958	28,184	(226)	(1) %
Acquisitions, open points, dispositions and holding company	897	471	426	NM
Total as reported	28,855	28,655	200	1 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail new vehicle revenue:				
Same store	$ 3,118.7	$ 3,237.4	$ (118.7)	(4) %
Acquisitions, open points, dispositions and holding company	197.9	38.7	159.2	NM
Total as reported	$ 3,316.6	$ 3,276.1	$ 40.5	1 %
Fleet new vehicle revenue:				
Same store	$ 42.5	$ 51.5	$ (9.0)	(17) %
Acquisitions, open points, dispositions and holding company	2.9	—	2.9	NM
Total as reported	$ 45.4	$ 51.5	$ (6.1)	(12) %
Total new vehicle revenue:				
Same store	$ 3,161.2	$ 3,288.9	$ (127.7)	(4) %
Acquisitions, open points, dispositions and holding company	200.8	38.7	162.1	NM
Total as reported	$ 3,362.0	$ 3,327.6	$ 34.4	1 %
Retail new vehicle gross profit:				
Same store	$ 153.3	$ 181.3	$ (28.0)	(15) %
Acquisitions, open points, dispositions and holding company	13.8	0.7	13.1	NM
Total as reported	$ 167.1	$ 182.0	$ (14.9)	(8) %
Fleet new vehicle gross profit:				
Same store	$ 1.0	$ 1.1	$ (0.1)	(9) %
Acquisitions, open points, dispositions and holding company	(0.1)	—	(0.1)	NM
Total as reported	$ 0.9	$ 1.1	$ (0.2)	(18) %
Total new vehicle gross profit:				
Same store	$ 154.2	$ 182.4	$ (28.2)	(15) %
Acquisitions, open points, dispositions and holding company	13.8	0.7	13.1	NM
Total as reported	$ 168.0	$ 183.1	$ (15.1)	(8) %
Retail new vehicle unit sales:				
Same store	52,240	55,211	(2,971)	(5) %
Acquisitions, open points, dispositions and holding company	1,993	955	1,038	NM
Total as reported	54,233	56,166	(1,933)	(3) %
Fleet new vehicle unit sales:				
Same store	760	954	(194)	(20) %
Acquisitions, open points, dispositions and holding company	29	—	29	NM
Total as reported	789	954	(165)	(17) %
Total new vehicle unit sales:				
Same store	53,000	56,165	(3,165)	(6) %
Acquisitions, open points, dispositions and holding company	2,022	955	1,067	NM
Total as reported	55,022	57,120	(2,098)	(4) %

NM = Not Meaningful

Our Franchised Dealerships Segment reported new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 1,731.4	$ 1,639.1	$ 92.3	6 %
Fleet new vehicle revenue	24.8	29.5	(4.7)	(16) %
Total new vehicle revenue	$ 1,756.2	$ 1,668.6	$ 87.6	5 %
Retail new vehicle gross profit	$ 85.9	$ 95.2	$ (9.3)	(10) %
Fleet new vehicle gross profit	0.4	0.6	(0.2)	(33) %
Total new vehicle gross profit	$ 86.3	$ 95.8	$ (9.5)	(10) %
Retail new vehicle unit sales	28,403	28,084	319	1 %
Fleet new vehicle unit sales	452	571	(119)	(21) %
Total new vehicle unit sales	28,855	28,655	200	1 %
Revenue per new retail unit	$ 60,958	$ 58,366	$ 2,592	4 %
Revenue per new fleet unit	$ 54,870	$ 51,607	$ 3,263	6 %
Total revenue per new unit	$ 60,863	$ 58,231	$ 2,632	5 %
Gross profit per new retail unit	$ 3,024	$ 3,391	$ (367)	(11) %
Gross profit per new fleet unit	$ 962	$ 918	$ 44	5 %
Total gross profit per new unit	$ 2,992	$ 3,342	$ (350)	(10) %
Retail gross profit as a % of revenue	5.0 %	5.8 %	(80) bps	
Fleet gross profit as a % of revenue	1.8 %	1.8 %	— bps	
Total new vehicle gross profit as a % of revenue	4.9 %	5.7 %	(80) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported new vehicle:				
Retail new vehicle revenue	$ 3,316.6	$ 3,276.1	$ 40.5	1 %
Fleet new vehicle revenue	45.4	51.5	(6.1)	(12) %
Total new vehicle revenue	$ 3,362.0	$ 3,327.6	$ 34.4	1 %
Retail new vehicle gross profit	$ 167.1	$ 182.0	$ (14.9)	(8) %
Fleet new vehicle gross profit	0.9	1.1	(0.2)	(18) %
Total new vehicle gross profit	$ 168.0	$ 183.1	$ (15.1)	(8) %
Retail new vehicle unit sales	54,233	56,166	(1,933)	(3) %
Fleet new vehicle unit sales	789	954	(165)	(17) %
Total new vehicle unit sales	55,022	57,120	(2,098)	(4) %
Revenue per new retail unit	$ 61,154	$ 58,329	$ 2,825	5 %
Revenue per new fleet unit	$ 57,637	$ 53,980	$ 3,657	7 %
Total revenue per new unit	$ 61,104	$ 58,256	$ 2,848	5 %
Gross profit per new retail unit	$ 3,081	$ 3,240	$ (159)	(5) %
Gross profit per new fleet unit	$ 1,091	$ 1,129	$ (38)	(3) %
Total gross profit per new unit	$ 3,053	$ 3,205	$ (152)	(5) %
Retail gross profit as a % of revenue	5.0 %	5.6 %	(60) bps	
Fleet gross profit as a % of revenue	1.9 %	2.1 %	(20) bps	
Total new vehicle gross profit as a % of revenue	5.0 %	5.5 %	(50) bps	

Our Franchised Dealerships Segment same store new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store new vehicle:				
Retail new vehicle revenue	$ 1,633.2	$ 1,620.4	$ 12.8	1 %
Fleet new vehicle revenue	23.8	29.5	(5.7)	(19) %
Total new vehicle revenue	$ 1,657.0	$ 1,649.9	$ 7.1	— %
Retail new vehicle gross profit	$ 79.0	$ 94.7	$ (15.7)	(17) %
Fleet new vehicle gross profit	0.4	0.5	(0.1)	(20) %
Total new vehicle gross profit	$ 79.5	$ 95.3	$ (15.8)	(17) %
Retail new vehicle unit sales	27,515	27,613	(98)	— %
Fleet new vehicle unit sales	443	571	(128)	(22) %
Total new vehicle unit sales	27,958	28,184	(226)	(1) %
Revenue per new retail unit	$ 59,356	$ 58,682	$ 674	1 %
Revenue per new fleet unit	$ 53,682	$ 51,607	$ 2,075	4 %
Total revenue per new unit	$ 59,266	$ 58,539	$ 727	1 %
Gross profit per new retail unit	$ 2,872	$ 3,431	$ (559)	(16) %
Gross profit per new fleet unit	$ 975	$ 918	$ 57	6 %
Total gross profit per new unit	$ 2,842	$ 3,380	$ (538)	(16) %
Retail gross profit as a % of revenue	4.8 %	5.8 %	(100) bps	
Fleet gross profit as a % of revenue	1.8 %	1.8 %	— bps	
Total new vehicle gross profit as a % of revenue	4.8 %	5.8 %	(100) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store new vehicle:				
Retail new vehicle revenue	$ 3,118.7	$ 3,237.4	$ (118.7)	(4) %
Fleet new vehicle revenue	42.5	51.5	(9.0)	(17) %
Total new vehicle revenue	$ 3,161.2	$ 3,288.9	$ (127.7)	(4) %
Retail new vehicle gross profit	$ 153.3	$ 181.3	$ (28.0)	(15) %
Fleet new vehicle gross profit	1.0	1.1	(0.1)	(9) %
Total new vehicle gross profit	$ 154.2	$ 182.4	$ (28.2)	(15) %
Retail new vehicle unit sales	52,240	55,211	(2,971)	(5) %
Fleet new vehicle unit sales	760	954	(194)	(20) %
Total new vehicle unit sales	53,000	56,165	(3,165)	(6) %
Revenue per new retail unit	$ 59,699	$ 58,637	$ 1,062	2 %
Revenue per new fleet unit	$ 55,968	$ 53,980	$ 1,988	4 %
Total revenue per new unit	$ 59,646	$ 58,557	$ 1,089	2 %
Gross profit per new retail unit	$ 2,934	$ 3,283	$ (349)	(11) %
Gross profit per new fleet unit	$ 1,284	$ 1,129	$ 155	14 %
Total gross profit per new unit	$ 2,910	$ 3,247	$ (337)	(10) %
Retail gross profit as a % of revenue	4.9 %	5.6 %	(70) bps	
Fleet gross profit as a % of revenue	2.3 %	2.1 %	20 bps	
Total new vehicle gross profit as a % of revenue	4.9 %	5.5 %	(60) bps	

Same Store Franchised Dealerships Segment Retail New Vehicles– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Retail new vehicle revenue increased $12.8 million, or 1%, due to a 1% increase in retail new vehicle average selling price. Retail new vehicle gross profit decreased $15.7 million, or 17%, due to a 16% decrease in retail new vehicle gross profit per unit and lower retail new vehicle sales volume. Retail new vehicle gross profit per unit decreased $559 per unit to $2,872 per unit, due primarily to increased price competition resulting from higher inventory availability and higher inventory invoice costs.

Same Store Franchised Dealerships Segment Retail New Vehicles– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Retail new vehicle revenue decreased $118.7 million, or 4%, due primarily to a 5% decrease in retail new vehicle unit sales volume, offset partially by a 2% increase in retail new vehicle average selling prices. Retail new vehicle gross profit decreased $28.0 million, or 15%, due primarily to an 11% decrease in retail new vehicle gross profit per unit and the decrease in retail new vehicle unit sales volume. Retail new vehicle gross profit per unit decreased $349 per unit to $2,934 per unit, due primarily to increased price competition resulting from higher inventory availability and higher inventory invoice costs.

Used Vehicles – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 795.6	$ 732.7	$ 62.9	9 %
Acquisitions, open points, dispositions and holding company	18.7	12.2	6.5	NM
Total as reported	$ 814.3	$ 744.9	$ 69.4	9 %
Retail used vehicle gross profit:				
Same store	$ 36.4	$ 39.4	$ (3.0)	(8) %
Acquisitions, open points, dispositions and holding company	0.6	0.1	0.5	NM
Total as reported	$ 37.0	$ 39.5	$ (2.5)	(6) %
Retail used vehicle unit sales:				
Same store	25,990	24,397	1,593	7 %
Acquisitions, open points, dispositions and holding company	454	556	(102)	NM
Total as reported	26,444	24,953	1,491	6 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 1,541.8	$ 1,465.2	$ 76.6	5 %
Acquisitions, open points, dispositions and holding company	41.1	25.4	15.7	NM
Total as reported	$ 1,582.9	$ 1,490.6	$ 92.3	6 %
Retail used vehicle gross profit:				
Same store	$ 75.7	$ 78.9	$ (3.2)	(4) %
Acquisitions, open points, dispositions and holding company	1.8	0.5	1.3	NM
Total as reported	$ 77.5	$ 79.4	$ (1.9)	(2) %
Retail used vehicle unit sales:				
Same store	51,626	49,229	2,397	5 %
Acquisitions, open points, dispositions and holding company	1,153	1,165	(12)	NM
Total as reported	52,779	50,394	2,385	5 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 814.3	$ 744.9	$ 69.4	9 %
Gross profit	$ 37.0	$ 39.5	$ (2.5)	(6) %
Unit sales	26,444	24,953	1,491	6 %
Revenue per unit	$ 30,792	$ 29,854	$ 938	3 %
Gross profit per unit	$ 1,399	$ 1,583	$ (184)	(12) %
Gross profit as a % of revenue	4.5 %	5.3 %	(80) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 1,582.9	$ 1,490.6	$ 92.3	6 %
Gross profit	$ 77.5	$ 79.4	$ (1.9)	(2) %
Unit sales	52,779	50,394	2,385	5 %
Revenue per unit	$ 29,992	$ 29,578	$ 414	1 %
Gross profit per unit	$ 1,469	$ 1,575	$ (106)	(7) %
Gross profit as a % of revenue	4.9 %	5.3 %	(40) bps	

Our Franchised Dealerships Segment same store retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 795.6	$ 732.7	$ 62.9	9 %
Gross profit	$ 36.4	$ 39.4	$ (3.0)	(8)%
Unit sales	25,990	24,397	1,593	7 %
Revenue per unit	$ 30,611	$ 30,033	$ 578	2 %
Gross profit per unit	$ 1,401	$ 1,615	$ (214)	(13)%
Gross profit as a % of revenue	4.6 %	5.4 %	(80) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 1,541.8	$ 1,465.2	$ 76.6	5 %
Gross profit	$ 75.7	$ 78.9	$ (3.2)	(4) %
Unit sales	51,626	49,229	2,397	5 %
Revenue per unit	$ 29,864	$ 29,763	$ 101	— %
Gross profit per unit	$ 1,467	$ 1,603	$ (136)	(8) %
Gross profit as a % of revenue	4.9 %	5.4 %	(50) bps	

Same Store Franchised Dealerships Segment Retail Used Vehicles – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Retail used vehicle revenue increased $62.9 million, or 9%, driven primarily by a 7% increase in retail used vehicle unit sales volume and anincrease in revenue per unit of 2%. Retail used vehicle gross profit decreased $3.0 million, or 8%, driven primarily by a 13% decrease in retail used vehicle gross profit per unit, partially offset by a 7% increase in retail used vehicle unit sales volume.

Same Store Franchised Dealerships Segment Retail Used Vehicles – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Retail used vehicle revenue increased $76.6 million, or 5%, driven primarily by a 5% increase in retail used vehicle unit sales volume andhigher retail used vehicle revenue per unit. Retail used vehicle gross profit decreased $3.2 million, or 4%, driven primarily by a $136 per unit, or 8%, decrease in retail used vehicle gross profit per unit, partially offset by a 5% increase in retail used vehicle unit sales volume.

Wholesale Vehicles – Franchised Dealerships Segment

See the discussion under the heading "Results of Operations – Consolidated" for additional discussion of the macro drivers of wholesale vehicle revenues.

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 42.0	$ 56.7	$ (14.7)	(26)%
Acquisitions, open points, dispositions and holding company	1.7	1.1	0.6	NM
Total as reported	$ 43.7	$ 57.8	$ (14.1)	(24)%
Total wholesale vehicle gross profit (loss):				
Same store	$ (2.8)	$ (0.8)	$ (2.0)	(250)%
Acquisitions, open points, dispositions and holding company	(0.1)	(0.1)	—	NM
Total as reported	$ (2.9)	$ (0.9)	$ (2.0)	(222)%
Total wholesale vehicle unit sales:				
Same store	4,904	6,056	(1,152)	(19)%
Acquisitions, open points, dispositions and holding company	97	157	(60)	NM
Total as reported	5,001	6,213	(1,212)	(20)%

NM = Not Meaningful

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 83.3	$ 110.4	$ (27.1)	(25)%
Acquisitions, open points, dispositions and holding company	4.5	1.8	2.7	NM
Total as reported	$ 87.8	$ 112.2	$ (24.4)	(22)%
Total wholesale vehicle gross profit (loss):				
Same store	$ (4.5)	$ (1.5)	$ (3.0)	(200)%
Acquisitions, open points, dispositions and holding company	(0.2)	(0.4)	0.2	NM
Total as reported	$ (4.7)	$ (1.9)	$ (2.8)	(147)%
Total wholesale vehicle unit sales:				
Same store	9,423	12,024	(2,601)	(22)%
Acquisitions, open points, dispositions and holding company	291	384	(93)	NM
Total as reported	9,714	12,408	(2,694)	(22)%

NM = Not Meaningful

Our Franchised Dealerships Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 43.7	$ 57.8	$ (14.1)	(24)%
Gross profit (loss)	$ (2.9)	$ (0.9)	$ (2.0)	(222)%
Unit sales	5,001	6,213	(1,212)	(20)%
Revenue per unit	$ 8,741	$ 9,287	$ (546)	(6)%
Gross profit (loss) per unit	$ (583)	$ (140)	$ (443)	(316)%
Gross profit (loss) as a % of revenue	(6.7)%	(1.5)%	(520) bps	

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 87.8	$ 112.2	$ (24.4)	(22)%
Gross profit (loss)	$ (4.7)	$ (1.9)	$ (2.8)	(147)%
Unit sales	9,714	12,408	(2,694)	(22)%
Revenue per unit	$ 9,029	$ 9,054	$ (25)	— %
Gross profit (loss) per unit	$ (488)	$ (145)	$ (343)	(237)%
Gross profit (loss) as a % of revenue	(5.4)%	(1.6)%	(380) bps	

Our Franchised Dealerships Segment same store wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 42.0	$ 56.7	$ (14.7)	(26)%
Gross profit (loss)	$ (2.8)	$ (0.8)	$ (2.0)	(250)%
Unit sales	4,904	6,056	(1,152)	(19)%
Revenue per unit	$ 8,563	$ 9,371	$ (808)	(9)%
Gross profit (loss) per unit	$ (569)	$ (113)	$ (456)	(404)%
Gross profit (loss) as a % of revenue	(6.6)%	(1.2)%	(540) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 83.3	$ 110.4	$ (27.1)	(25)%
Gross profit (loss)	$ (4.5)	$ (1.5)	$ (3.0)	(200)%
Unit sales	9,423	12,024	(2,601)	(22)%
Revenue per unit	$ 8,847	$ 9,173	$ (326)	(4)%
Gross profit (loss) per unit	$ (479)	$ (127)	$ (352)	(277)%
Gross profit (loss) as a % of revenue	(5.4)%	(1.4)%	(400) bps	

Same Store Franchised Dealerships Segment Wholesale Vehicles – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Wholesale vehicle revenue decreased approximately $14.7 million, or 26%, driven primarily by a 19% decrease in wholesale vehicle unit sales volume and a 9% decrease in revenue per unit. Wholesale vehicle gross loss worsened by approximately $2.0 million, driven primarily by a $456 worsening of wholesale vehicle gross loss per unit.

Same Store Franchised Dealerships Segment Wholesale Vehicles – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Wholesale vehicle revenue decreased approximately $27.1 million, or 25%, driven primarily by a 22% decrease in wholesale vehicle unit sales volume and a 4% decrease in revenue per unit. Wholesale vehicle gross loss worsened by approximately $3.0 million, driven primarily by a $352 worsening of wholesale vehicle gross loss per unit.

Fixed Operations – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for Fixed Operations:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 492.6	$ 479.5	$ 13.1	3 %
Acquisitions, open points, dispositions and holding company	22.9	5.4	17.5	NM
Total as reported	$ 515.5	$ 484.9	$ 30.6	6 %
Total Fixed Operations gross profit:				
Same store	$ 251.5	$ 246.0	$ 5.5	2 %
Acquisitions, open points, dispositions and holding company	12.3	2.9	9.4	NM
Total as reported	$ 263.8	$ 248.9	$ 14.9	6 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 976.2	$ 941.7	$ 34.5	4 %
Acquisitions, open points, dispositions and holding company	48.6	10.7	37.9	NM
Total as reported	$ 1,024.8	$ 952.4	$ 72.4	8 %
Total Fixed Operations gross profit:				
Same store	$ 498.6	$ 480.5	$ 18.1	4 %
Acquisitions, open points, dispositions and holding company	26.3	5.6	20.7	NM
Total as reported	$ 524.9	$ 486.1	$ 38.8	8 %

NM = Not Meaningful

Our Franchised Dealerships Segment reported Fixed Operations results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 240.7	$ 227.3	$ 13.4	6 %
Warranty	91.3	83.1	8.2	10 %
Wholesale parts	49.9	45.2	4.7	10 %
Internal, sublet and other	133.6	129.3	4.3	3 %
Total revenue	$ 515.5	$ 484.9	$ 30.6	6 %
Gross profit				
Customer pay	$ 133.6	$ 127.9	$ 5.7	4 %
Warranty	58.0	52.2	5.8	11 %
Wholesale parts	8.7	7.9	0.8	10 %
Internal, sublet and other	63.5	60.9	2.6	4 %
Total gross profit	$ 263.8	$ 248.9	$ 14.9	6 %
Gross profit as a % of revenue				
Customer pay	55.5 %	56.3 %	(80) bps	
Warranty	63.5 %	62.9 %	60 bps	
Wholesale parts	17.3 %	17.4 %	(10) bps	
Internal, sublet and other	47.5 %	47.1 %	40 bps	
Total gross profit as a % of revenue	51.2 %	51.3 %	(10) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 475.0	$ 441.0	$ 34.0	8 %
Warranty	188.0	168.3	19.7	12 %
Wholesale parts	100.6	91.9	8.7	9 %
Internal, sublet and other	261.2	251.2	10.0	4 %
Total revenue	$ 1,024.8	$ 952.4	$ 72.4	8 %
Gross profit				
Customer pay	$ 264.8	$ 247.9	$ 16.9	7 %
Warranty	119.3	105.5	13.8	13 %
Wholesale parts	17.3	15.9	1.4	9 %
Internal, sublet and other	123.5	116.8	6.7	6 %
Total gross profit	$ 524.9	$ 486.1	$ 38.8	8 %
Gross profit as a % of revenue				
Customer pay	55.8 %	56.2 %	(40) bps	
Warranty	63.5 %	62.7 %	80 bps	
Wholesale parts	17.2 %	17.3 %	(10) bps	
Internal, sublet and other	47.3 %	46.5 %	80 bps	
Total gross profit as a % of revenue	51.2 %	51.0 %	20 bps	

Our Franchised Dealerships Segment same store Fixed Operations results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 232.3	$ 225.1	$ 7.2	3 %
Warranty	84.1	82.1	2.0	2 %
Wholesale parts	47.3	45.0	2.3	5 %
Internal, sublet and other	128.9	127.3	1.6	1 %
Total revenue	$ 492.6	$ 479.5	$ 13.1	3 %
Gross profit				
Customer pay	$ 128.6	$ 126.8	$ 1.8	1 %
Warranty	53.3	51.6	1.7	3 %
Wholesale parts	8.0	7.8	0.2	3 %
Internal, sublet and other	61.6	59.8	1.8	3 %
Total gross profit	$ 251.5	$ 246.0	$ 5.5	2 %
Gross profit as a % of revenue				
Customer pay	55.4 %	56.3 %	(90) bps	
Warranty	63.3 %	62.8 %	50 bps	
Wholesale parts	16.9 %	17.4 %	(50) bps	
Internal, sublet and other	47.8 %	47.0 %	80 bps	
Total gross profit as a % of revenue	51.0 %	51.3 %	(30) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 456.5	$ 437.0	$ 19.5	4 %
Warranty	173.1	166.2	6.9	4 %
Wholesale parts	95.4	91.5	3.9	4 %
Internal, sublet and other	251.2	247.0	4.2	2 %
Total revenue	$ 976.2	$ 941.7	$ 34.5	4 %
Gross profit				
Customer pay	$ 253.7	$ 245.9	$ 7.8	3 %
Warranty	109.6	104.3	5.3	5 %
Wholesale parts	16.0	15.9	0.1	1 %
Internal, sublet and other	119.3	114.4	4.9	4 %
Total gross profit	$ 498.6	$ 480.5	$ 18.1	4 %
Gross profit as a % of revenue				
Customer pay	55.6 %	56.3 %	(70) bps	
Warranty	63.3 %	62.8 %	50 bps	
Wholesale parts	16.8 %	17.4 %	(60) bps	
Internal, sublet and other	47.5 %	46.3 %	120 bps	
Total gross profit as a % of revenue	51.1 %	51.0 %	10 bps	

Same Store Franchised Dealerships Segment Fixed Operations– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Fixed Operations revenue increased approximately $13.1 million, or 3%, and Fixed Operations gross profit increased approximately $5.5 million, or 2%. Customer pay revenue increased approximately $7.2 million, or 3%, and customer pay gross profit increased approximately $1.8 million, or 1%. Warranty revenue increased approximately $2.0 million, or 2%, and warranty gross profit increased approximately $1.7 million, or 3%. Wholesale parts revenue increased approximately $2.3 million, or 5%, and wholesale parts gross profit increased approximately $0.2 million, or 3%. Internal, sublet and other revenue increased approximately $1.6 million, or 1%, and internal, sublet and other gross profit increased approximately $1.8 million, or 3%. Our Fixed Operations business has benefited from a higher level of vehicle recalls and warranty repairs, as well as additional technician headcount that has driven an increase in customer pay service capacity.

Same Store Franchised Dealerships Segment Fixed Operations– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Fixed Operations revenue increased approximately $34.5 million, or 4%, and Fixed Operations gross profit increased approximately $18.1 million, or 4%. Customer pay revenue increased approximately $19.5 million, or 4%, and customer pay gross profit increased approximately $7.8 million, or 3%. Warranty revenue increased approximately $6.9 million, or 4%, and warranty gross profit increased approximately $5.3 million, or 5%. Wholesale parts revenue increased approximately $3.9 million, or 4%, and wholesale parts gross profit increased approximately $0.1 million, or 1%. Internal, sublet and other revenue increased approximately $4.2 million, or 2%, and internal, sublet and other gross profit increased approximately $4.9 million, or 4%. Our Fixed Operations business has benefited from a higher level of vehicle recalls and warranty repairs, as well as additional technician headcount that has driven an increase in customer pay service capacity.

F&I – Franchised Dealerships Segment

The following tables provide a reconciliation of Franchised Dealerships Segment reported basis and same store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 140.1	$ 141.8	$ (1.7)	(1) %
Acquisitions, open points, dispositions and holding company	7.8	2.5	5.3	NM
Total as reported	$ 147.9	$ 144.3	$ 3.6	2 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 2,619	$ 2,727	$ (108)	(4) %
Reported	$ 2,697	$ 2,721	$ (24)	(1) %
Total combined retail new and used vehicle unit sales:				
Same store	53,505	52,010	1,495	3 %
Acquisitions, open points, dispositions and holding company	1,342	1,027	315	NM
Total as reported	54,847	53,037	1,810	3 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 270.8	$ 270.1	$ 0.7	— %
Acquisitions, open points, dispositions and holding company	16.4	4.8	11.6	NM
Total as reported	$ 287.2	$ 274.9	$ 12.3	4 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 2,607	$ 2,587	$ 20	1 %
Reported	$ 2,684	$ 2,580	$ 104	4 %
Total combined retail new and used vehicle unit sales:				
Same store	103,866	104,440	(574)	(1) %
Acquisitions, open points, dispositions and holding company	3,146	2,120	1,026	NM
Total as reported	107,012	106,560	452	— %

NM = Not Meaningful

Our Franchised Dealerships Segment reported F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 147.9	$ 144.3	$ 3.6	2 %
Total combined retail new and used vehicle unit sales	54,847	53,037	1,810	3 %
Gross profit per retail unit (excludes fleet)	$ 2,697	$ 2,721	$ (24)	(1) %

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 287.2	$ 274.9	$ 12.3	4 %
Total combined retail new and used vehicle unit sales	107,012	106,560	452	— %
Gross profit per retail unit (excludes fleet)	$ 2,684	$ 2,580	$ 104	4 %

Our Franchised Dealerships Segment same store F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 140.1	$ 141.8	$ (1.7)	(1) %
Total combined retail new and used vehicle unit sales	53,505	52,010	1,495	3 %
Gross profit per retail unit (excludes fleet)	$ 2,619	$ 2,727	$ (108)	(4) %

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 270.8	$ 270.1	$ 0.7	— %
Total combined retail new and used vehicle unit sales	103,866	104,440	(574)	-1 %
Gross profit per retail unit (excludes fleet)	$ 2,607	$ 2,587	$ 20	1 %

Same Store Franchised Dealerships Segment F&I– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

F&I revenue decreased $1.7 million, or 1%, primarily due to a 4% decrease in F&I gross profit per retail unit, partially offset by a 3% increase in total combined retail new and used vehicle unit sales volume. F&I gross profit per retail unit decreased $108 per unit, to $2,619 per unit, primarily due to lower penetration rates for other aftermarket product contracts, which was partially offset by a higher penetration rate for finance contracts, higher gross profit per service contract, and changes to our F&I product cost structure.

Finance contract revenue for combined retail new and used vehicles increased 5%, due primarily to a 5% increase in finance contract volume and a 130 basis point increase in finance contract penetration rate. Service contract revenue for combined retail new and used vehicles increased 8%, due primarily to a 7% increase in gross profit per service contract and a 1% increase in service contract volume, partially offset by an 80 basis point decrease in service contract penetration rate. Aftermarket product revenue for combined retail new and used vehicles decreased 10%, due primarily to a 2,730 basis point decrease in aftermarket product penetration rate, partially offset by a 6% increase in gross profit per aftermarket product contract.

Same Store Franchised Dealerships Segment F&I– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

F&I revenue increased $0.7 million, due primarily to a 1% increase in F&I gross profit per retail unit and partially offset by a 1% decrease in total combined retail new and used vehicle unit sales volume. F&I gross profit per retail unit increased $20 per unit, or 1%, to $2,607 per unit, due primarily to higher gross profit per finance, service and other aftermarket contracts, increases in finance contract and service contract penetration rates, and changes to our F&I product cost structure.

Finance contract revenue for combined retail new and used vehicles increased 3%, due primarily to a 210 basis point increase in finance contract penetration rate and a 1% increase in gross profit per finance contract. Service contract revenue for combined retail new and used vehicles increased 5%, due primarily to a 5% increase in gross profit per service contract and a 40 basis point increase in service contract penetration rate. Aftermarket product revenue for combined retail new and used vehicles decreased 8%, due primarily to a 1,660 basis point decrease in the aftermarket product penetration rate and an 11% decrease in total aftermarket product contracts, partially offset by a 4% increase in gross profit per other aftermarket product contract.

Results of Operations – EchoPark Segment

All currently operating EchoPark stores in a local geographic market are included within the same market group as of the first full month following the first anniversary of the market's opening or acquisition. Same market results may vary significantly from reported results due to the closure of stores that are no longer included in same market results.

Used Vehicles and F&I – EchoPark Segment

Our EchoPark operating strategy focuses on maximizing total used vehicle-related gross profit (based on a combination of retail used vehicle unit sales volume, front-end retail used vehicle gross profit (loss) per unit and F&I gross profit per retail unit sold) rather than realizing traditional levels of front-end retail used vehicle gross profit per unit. As such, we believe the best per unit measure of gross profit performance at our EchoPark stores is a combined total gross profit (loss) per retail unit, which includes both front-end retail used vehicle gross profit (loss) and F&I gross profit per retail unit sold. See the discussion under the heading "Results of Operations - Consolidated" for additional discussion of the macro drivers of used vehicle revenues and F&I revenues.

All Fixed Operations activity at our EchoPark stores supports our used vehicle inventory reconditioning operations and EchoPark stores do not currently perform customer pay repairs or maintenance work and are not permitted to perform manufacturer-paid warranty repairs. As such, reconditioning amounts that are classified as Fixed Operations revenues and cost of sales in our Franchised Dealerships Segment are presented as used vehicle cost of sales for the EchoPark Segment.

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total retail used vehicle revenue:				
Same market	$ 499.0	$ 427.5	$ 71.5	17 %
New markets/closed markets	—	(0.1)	0.1	NM
Total as reported	$ 499.0	$ 427.4	$ 71.6	17 %
Total retail used vehicle gross profit (loss):				
Same market	$ 6.4	$ 7.0	$ (0.6)	(9) %
New markets/closed markets	—	(0.1)	0.1	NM
Total as reported	$ 6.4	$ 6.9	$ (0.5)	(7) %
Total retail used vehicle unit sales:				
Same market	19,601	16,742	2,859	17 %
New markets/closed markets	—	—	—	NM
Total as reported	19,601	16,742	2,859	17 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total retail used vehicle revenue:				
Same market	$ 990.8	$ 901.2	$ 89.6	10 %
New markets/closed markets	—	(0.1)	0.1	NM
Total as reported	$ 990.8	$ 901.1	$ 89.7	10 %
Total retail used vehicle gross profit (loss):				
Same market	$ 12.8	$ 12.4	$ 0.4	3 %
Closed stores	(0.1)	(0.1)	—	NM
Total as reported	$ 12.7	$ 12.3	$ 0.4	3 %
Total retail used vehicle unit sales:				
Same market	38,927	35,540	3,387	10 %
New markets/closed markets	—	—	—	NM
Total as reported	38,927	35,540	3,387	10 %

NM = Not Meaningful

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total F&I revenue:				
Same market	$ 58.3	$ 56.1	$ 2.2	4 %
New markets/closed markets	(0.2)	(0.3)	0.1	NM
Total as reported	$ 58.1	$ 55.8	$ 2.3	4 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total F&I revenue:				
Same market	$ 119.9	$ 115.2	$ 4.7	4 %
New markets/closed markets	(0.4)	(0.7)	0.3	NM
Total as reported	$ 119.5	$ 114.5	$ 5.0	4 %

NM = Not Meaningful

Our EchoPark Segment reported retail used vehicle and F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	$ 499.0	$ 427.4	$ 71.6	17 %
Retail used vehicle gross profit (loss)	$ 6.4	$ 6.9	$ (0.5)	(7)%
Retail used vehicle unit sales	19,601	16,742	2,859	17 %
Retail used vehicle revenue per unit	$ 25,458	$ 25,530	$ (72)	— %
F&I revenue	$ 58.1	$ 55.8	$ 2.3	4 %
Combined retail used vehicle gross profit and F&I revenue	$ 64.5	$ 62.7	$ 1.8	3 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,292	$ 3,747	$ (455)	(12)%

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle and F&I:				
Retail used vehicle revenue	$ 990.8	$ 901.1	$ 89.7	10 %
Retail used vehicle gross profit (loss)	$ 12.7	$ 12.3	$ 0.4	3 %
Retail used vehicle unit sales	38,927	35,540	3,387	10 %
Retail used vehicle revenue per unit	$ 25,451	$ 25,355	$ 96	— %
F&I revenue	$ 119.5	$ 114.5	$ 5.0	4 %
Combined retail used vehicle gross profit and F&I revenue	$ 132.2	$ 126.8	$ 5.4	4 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,396	$ 3,569	$ (173)	(5) %

Our EchoPark Segment same market retail used vehicle and F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same market retail used vehicle and F&I:				
Retail used vehicle revenue	$ 499.0	$ 427.5	$ 71.5	17 %
Retail used vehicle gross profit (loss)	$ 6.4	$ 7.0	$ (0.6)	(9)%
Retail used vehicle unit sales	19,601	16,742	2,859	17 %
Retail used vehicle revenue per unit	$ 25,458	$ 25,532	$ (74)	— %
F&I revenue	$ 58.3	$ 56.1	$ 2.2	4 %
Combined retail used vehicle gross profit and F&I revenue	$ 64.7	$ 63.1	$ 1.6	3 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,303	$ 3,769	$ (466)	(12)%

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same market retail used vehicle and F&I:				
Retail used vehicle revenue	$ 990.8	$ 901.2	$ 89.6	10 %
Retail used vehicle gross profit (loss)	$ 12.8	$ 12.4	$ 0.4	3 %
Retail used vehicle unit sales	38,927	35,540	3,387	10 %
Retail used vehicle revenue per unit	$ 25,452	$ 25,356	$ 96	— %
F&I revenue	$ 119.9	$ 115.2	$ 4.7	4 %
Combined retail used vehicle gross profit and F&I revenue	$ 132.7	$ 127.6	$ 5.1	4 %
Combined retail used vehicle and F&I gross profit per unit	$ 3,410	$ 3,591	$ (181)	(5) %

Same Market EchoPark Segment Retail Used Vehicles and F&I – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Retail used vehicle revenue increased $71.5 million, or 17%, due primarily to a 17% increase in retail used vehicle unit sales volume, partially offset by a $74 decrease in retail used vehicle revenue per unit. Combined retail used vehicle gross profit and F&I revenue increased $1.6 million, or 3%, due primarily to the increase in retail used vehicle unit sales volume, offset partially by a 12% decrease in combined retail used vehicle and F&I gross profit per unit. The decrease in combined retail used vehicle and F&I gross profit per unit was due primarily to lower F&I penetration rates and lower retail used vehicle gross profit per unit, offset partially by changes to our F&I product cost structure, improvements in inventory acquisition costs as a result of sourcing a higher percentage of inventory from non-auction sources, and expanding our inventory to include older vehicles, which typically earn a higher gross profit per unit.

Same Market EchoPark Segment Retail Used Vehicles and F&I – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Retail used vehicle revenue increased $89.6 million, or 10%, due primarily to a 10% increase in retail used vehicle unit sales volume, along with a $96 increase in retail used vehicle revenue per unit. Combined retail used vehicle gross profit and F&I revenue increased $5.1 million, or 4%, due primarily to the increase in retail used vehicle unit sales volume, offset partially by a 5% decrease in combined retail used vehicle and F&I gross profit per unit. The decrease in combined retail used vehicle and F&I gross profit per unit was due primarily to lower F&I penetration rates for service contracts and aftermarket product contracts and lower retail used vehicle gross profit per unit, offset partially by changes to our F&I product cost structure, improvements in inventory acquisition costs as a result of sourcing a higher percentage of inventory from non-auction sources, and expanding our inventory to include older vehicles, which typically earn a higher gross profit per unit.

Wholesale Vehicles – EchoPark Segment

See the discussion under the heading "Results of Operations – Consolidated" for additional discussion of the macro drivers of wholesale vehicle revenues.

The following tables provide a reconciliation of EchoPark Segment reported basis, same market basis, and closed store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same market	$ 25.8	$ 25.4	$ 0.4	2 %
Closed stores	—	—	—	NM
Total as reported	$ 25.8	$ 25.4	$ 0.4	2 %
Total wholesale vehicle gross profit (loss):				
Same market	$ (0.2)	$ (0.7)	$ 0.5	71 %
Closed stores	—	0.1	(0.1)	NM
Total as reported	$ (0.2)	$ (0.6)	$ 0.4	67 %
Total wholesale vehicle unit sales:				
Same market	3,468	3,097	371	12 %
Closed stores	—	—	—	NM
Total as reported	3,468	3,097	371	12 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same market	$ 53.2	$ 52.8	$ 0.4	1 %
New markets/closed markets	(0.1)	—	(0.1)	NM
Total as reported	$ 53.1	$ 52.8	$ 0.3	1 %
Total wholesale vehicle gross profit (loss):				
Same market	$ 0.1	$ (0.9)	$ 1.0	111 %
New markets/closed markets	—	0.1	(0.1)	NM
Total as reported	$ 0.1	$ (0.8)	$ 0.9	113 %
Total wholesale vehicle unit sales:				
Same market	6,595	6,247	348	6 %
New markets/closed markets	—	—	—	NM
Total as reported	6,595	6,247	348	6 %

NM = Not Meaningful

Our EchoPark Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 25.8	$ 25.4	$ 0.4	2 %
Gross profit (loss)	$ (0.2)	$ (0.6)	$ 0.4	67 %
Unit sales	3,468	3,097	371	12 %
Revenue per unit	$ 7,444	$ 8,212	$ (768)	(9) %
Gross profit (loss) per unit	$ (53)	$ (211)	$ 158	NM
Gross profit (loss) as a % of revenue	(0.7) %	(2.6) %	190 bps	

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 53.1	$ 52.8	$ 0.3	1 %
Gross profit (loss)	$ 0.1	$ (0.8)	$ 0.9	113 %
Unit sales	6,595	6,247	348	6 %
Revenue per unit	$ 8,067	$ 8,447	$ (380)	(4)%
Gross profit (loss) per unit	$ 12	$ (138)	$ 150	109 %
Gross profit (loss) as a % of revenue	0.1 %	(1.6)%	170 bps	

Our EchoPark Segment same market wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same market wholesale vehicle:				
Revenue	$ 25.8	$ 25.4	$ 0.4	2 %
Gross profit (loss)	$ (0.2)	$ (0.7)	$ 0.5	71 %
Unit sales	3,468	3,097	371	12 %
Revenue per unit	$ 7,444	$ 8,212	$ (768)	(9) %
Gross profit (loss) per unit	$ (53)	$ (211)	$ 158	75 %
Gross profit (loss) as a % of revenue	(0.7) %	(2.6) %	190 bps	

	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same market wholesale vehicle:				
Revenue	$ 53.2	$ 52.8	$ 0.4	1 %
Gross profit (loss)	$ 0.1	$ (0.9)	$ 1.0	111 %
Unit sales	6,595	6,247	348	6 %
Revenue per unit	$ 8,067	$ 8,447	$ (380)	(4)%
Gross profit (loss) per unit	$ 12	$ (138)	$ 150	109 %
Gross profit (loss) as a % of revenue	0.1 %	(1.6)%	170 bps	

Same Market EchoPark Segment Wholesale Vehicles – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Wholesale vehicle revenue increased approximately $0.4 million, or 2%, due primarily to a 12% increase in wholesale vehicle unit sales volume, offset partially by a 9% decrease in wholesale vehicle revenue per unit. As we adjust the inventory mix of nearly-new versus older model year vehicles sold at retail going forward, the levels of wholesale vehicle revenue and gross profit may vary.

Same Market EchoPark Segment Wholesale Vehicles – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Wholesale vehicle revenue increased approximately $0.4 million, or 1%, due primarily to a 6% increase in wholesale vehicle unit sales volume, offset partially by a 4% decrease in wholesale vehicle revenue per unit. As we adjust the inventory mix of nearly-new versus older model year vehicles sold at retail going forward, the levels of wholesale vehicle revenue and gross profit may vary.

Results of Operations – Powersports Segment

As a result of the acquisition or termination of certain powersports stores in 2025 and 2026, the change in reported amounts from period to period may not be indicative of the current or future operational or financial performance of our current group of operating stores. The following discussion of new vehicles, used vehicles, wholesale vehicles, parts, service and collision repair, and finance, insurance and other, net is on a same store basis, except where otherwise noted. Our Powersports Segment results are subject to seasonal variations, such that the second and third quarters are generally expected to contribute higher revenues and segment income than the first and fourth quarters.

New Vehicles – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for retail new vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total retail new vehicle revenue:				
Same store	$ 28.6	$ 26.9	$ 1.7	6 %
Acquisitions, open points, and terminations	9.3	—	9.3	NM
Total as reported	$ 37.9	$ 26.9	$ 11.0	41 %
Total retail new vehicle gross profit:				
Same store	$ 4.2	$ 3.9	$ 0.3	8 %
Acquisitions, open points, and terminations	1.3	—	1.3	NM
Total as reported	$ 5.5	$ 3.9	$ 1.6	41 %
Total retail new vehicle unit sales:				
Same store	1,433	1,394	39	3 %
Acquisitions, open points, and terminations	342	—	342	NM
Total as reported	1,775	1,394	381	27 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total retail new vehicle revenue:				
Same store	$ 50.8	$ 45.8	$ 5.0	11 %
Acquisitions, open points, and terminations	9.4	0.5	8.9	NM
Total as reported	$ 60.2	$ 46.3	$ 13.9	30 %
Total retail new vehicle gross profit:				
Same store	$ 7.4	$ 6.6	$ 0.8	12 %
Acquisitions, open points, and terminations	1.4	—	1.4	NM
Total as reported	$ 8.8	$ 6.6	$ 2.2	33 %
Total retail new vehicle unit sales:				
Same store	2,557	2,363	194	8 %
Acquisitions, open points, and terminations	342	24	318	NM
Total as reported	2,899	2,387	512	21 %

NM = Not Meaningful

Our Powersports Segment reported retail new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail new vehicle:				
Revenue	$ 37.9	$ 26.9	$ 11.0	41 %
Gross profit	$ 5.5	$ 3.9	$ 1.6	41 %
Unit sales	1,775	1,394	381	27 %
Revenue per unit	$ 21,366	$ 19,310	$ 2,056	11 %
Gross profit per unit	$ 3,107	$ 2,828	$ 279	10 %
Gross profit as a % of revenue	14.5 %	14.6 %	(10) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail new vehicle:				
Revenue	$ 60.2	$ 46.3	$ 13.9	30 %
Gross profit	$ 8.8	$ 6.6	$ 2.2	33 %
Unit sales	2,899	2,387	512	21 %
Revenue per unit	$ 20,765	$ 19,398	$ 1,367	7 %
Gross profit per unit	$ 3,023	$ 2,767	$ 256	9 %
Gross profit as a % of revenue	14.6 %	14.3 %	30 bps	

Our Powersports Segment same store retail new vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail new vehicle:				
Revenue	$ 28.6	$ 26.9	$ 1.7	6 %
Gross profit	$ 4.2	$ 3.9	$ 0.3	8 %
Unit sales	1,433	1,394	39	3 %
Revenue per unit	$ 19,931	$ 19,317	$ 614	3 %
Gross profit per unit	$ 2,925	$ 2,822	$ 103	4 %
Gross profit as a % of revenue	14.7 %	14.6 %	10 bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail new vehicle:				
Revenue	$ 50.8	$ 45.8	$ 5.0	11 %
Gross profit	$ 7.4	$ 6.6	$ 0.8	12 %
Unit sales	2,557	2,363	194	8 %
Revenue per unit	$ 19,881	$ 19,371	$ 510	3 %
Gross profit per unit	$ 2,910	$ 2,776	$ 134	5 %
Gross profit as a % of revenue	14.6 %	14.3 %	30 bps	

Same Store Powersports Segment Retail New Vehicles– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Retail new vehicle revenue increased 6%, primarily due to a 3% increase in retail new vehicle unit sales volume and a 3% increase in retail new vehicle average selling prices. Retail new vehicle gross profit increased 8% as a result of the 3% increase in retail new vehicle unit sales volume and a 4% increase in retail new vehicle gross profit per unit. Retail new vehicle gross profit per unit increased $103 per unit to $2,925 per unit.

Same Store Powersports Segment Retail New Vehicles– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Retail new vehicle revenue increased 11%, due primarily to a 3% increase in retail new vehicle average selling prices, along with an 8% increase in retail new vehicle unit sales volume. Retail new vehicle gross profit increased $0.8 million, or 12%, due primarily to a 5% increase in retail new vehicle gross profit per unit and the 8% increase in retail new vehicle unit sales volume. Retail new vehicle gross profit per unit increased $134 per unit to $2,910 per unit.

Used Vehicles – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for retail used vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 11.6	$ 8.3	$ 3.3	40 %
Acquisitions, open points, and terminations	4.8	—	4.8	NM
Total as reported	$ 16.4	$ 8.3	$ 8.1	98 %
Retail used vehicle gross profit:				
Same store	$ 2.0	$ 1.6	$ 0.4	25 %
Acquisitions, open points, and terminations	1.2	—	1.2	NM
Total as reported	$ 3.2	$ 1.6	$ 1.6	100 %
Retail used vehicle unit sales:				
Same store	975	817	158	19 %
Acquisitions, open points, and terminations	342	—	342	NM
Total as reported	1,317	817	500	61 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Retail used vehicle revenue:				
Same store	$ 20.8	$ 13.5	$ 7.3	54 %
Acquisitions, open points, and terminations	4.8	0.5	4.3	NM
Total as reported	$ 25.6	$ 14.0	$ 11.6	83 %
Retail used vehicle gross profit:				
Same store	$ 3.7	$ 2.6	$ 1.1	42 %
Acquisitions, open points, and terminations	1.1	0.1	1.0	NM
Total as reported	$ 4.8	$ 2.7	$ 2.1	78 %
Retail used vehicle unit sales:				
Same store	1,807	1,350	457	34 %
Acquisitions, open points, and terminations	342	45	297	NM
Total as reported	2,149	1,395	754	54 %

NM = Not Meaningful

Our Powersports Segment reported retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 16.4	$ 8.3	$ 8.1	98 %
Gross profit	$ 3.2	$ 1.6	$ 1.6	100 %
Unit sales	1,317	817	500	61 %
Revenue per unit	$ 12,463	$ 10,183	$ 2,280	22 %
Gross profit per unit	$ 2,402	$ 2,014	$ 388	19 %
Gross profit as a % of revenue	19.3 %	19.8 %	(50) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported retail used vehicle:				
Revenue	$ 25.6	$ 14.0	$ 11.6	83 %
Gross profit	$ 4.8	$ 2.7	$ 2.1	78 %
Unit sales	2,149	1,395	754	54 %
Revenue per unit	$ 11,922	$ 10,038	$ 1,884	19 %
Gross profit per unit	$ 2,222	$ 1,935	$ 287	15 %
Gross profit as a % of revenue	18.6 %	19.3 %	(70) bps	

Our Powersports Segment same store retail used vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 11.6	$ 8.3	$ 3.3	40 %
Gross profit	$ 2.0	$ 1.6	$ 0.4	25 %
Unit sales	975	817	158	19 %
Revenue per unit	$ 11,925	$ 10,183	$ 1,742	17 %
Gross profit per unit	$ 2,092	$ 2,014	$ 78	4 %
Gross profit as a % of revenue	17.5 %	19.8 %	(230) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store retail used vehicle:				
Revenue	$ 20.8	$ 13.5	$ 7.3	54 %
Gross profit	$ 3.7	$ 2.6	$ 1.1	42 %
Unit sales	1,807	1,350	457	34 %
Revenue per unit	$ 11,530	$ 9,993	$ 1,537	15 %
Gross profit per unit	$ 2,021	$ 1,929	$ 92	5 %
Gross profit as a % of revenue	17.5 %	19.3 %	(180) bps	

Same Store Powersports Segment Retail Used Vehicles – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Retail used vehicle revenue increased 40%, due primarily to a 19% increase in retail used vehicle unit sales volume, and a 17% increase in retail used vehicle average selling prices. Retail used vehicle gross profit increased 25% as a result of higher retail used vehicle unit sales volume and higher retail used vehicle gross profit per unit. Retail used vehicle gross profit per unit increased $78 per unit, or 4%, to $2,092 per unit.

Same Store Powersports Segment Retail Used Vehicles – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Retail used vehicle revenue increased 54%, due primarily to a 15% increase in retail used vehicle average selling prices, and a 34% increase in retail used vehicle unit sales volume. Retail used vehicle gross profit increased $1.1 million, or 42%, as a result of higher retail used vehicle unit sales volume. Retail used vehicle gross profit per unit increased $92 per unit, or 5%, to $2,021 per unit.

Wholesale Vehicles – Powersports Segment

See the discussion under the heading "Results of Operations – Consolidated" for additional discussion of the macro drivers of wholesale vehicle revenues.

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for wholesale vehicles:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 0.8	$ 0.3	$ 0.5	167 %
Acquisitions, open points, and terminations	0.2	—	0.2	NM
Total as reported	$ 1.0	$ 0.3	$ 0.7	233 %
Total wholesale vehicle gross profit (loss):				
Same store	$ —	$ 0.1	$ (0.1)	(100)%
Acquisitions, open points, and terminations	(0.1)	(0.1)	—	NM
Total as reported	$ (0.1)	$ —	$ (0.1)	(100)%
Total wholesale vehicle unit sales:				
Same store	58	56	2	4 %
Acquisitions, open points, and terminations	12	2	10	NM
Total as reported	70	58	12	21 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Total wholesale vehicle revenue:				
Same store	$ 1.2	$ 1.0	$ 0.2	20 %
Acquisitions, open points, and terminations	—	0.1	(0.1)	NM
Total as reported	$ 1.2	$ 1.1	$ 0.1	9 %
Total wholesale vehicle gross profit (loss):				
Same store	$ (0.2)	$ (0.1)	$ (0.1)	(100)%
Acquisitions, open points, and terminations	—	0.1	(0.1)	NM
Total as reported	$ (0.2)	$ —	$ (0.2)	(100)%
Total wholesale vehicle unit sales:				
Same store	107	116	(9)	(8)%
Acquisitions, open points, and terminations	12	2	10	NM
Total as reported	119	118	1	1 %

NM = Not Meaningful

Our Powersports Segment reported wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 1.0	$ 0.3	$ 0.7	233 %
Gross profit (loss)	$ (0.1)	$ —	$ (0.1)	(100)%
Unit sales	70	58	12	21 %
Revenue per unit	$ 13,231	$ 4,078	$ 9,153	224 %
Gross profit (loss) per unit	$ (1,157)	$ (457)	$ (700)	(153)%
Gross profit (loss) as a % of revenue	(8.7)%	(11.2)%	250 bps	

	Six months ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported wholesale vehicle:				
Revenue	$ 1.2	$ 1.1	$ 0.1	9 %
Gross profit (loss)	$ (0.2)	$ —	$ (0.2)	(100)%
Unit sales	119	118	1	1 %
Revenue per unit	$ 10,330	$ 8,799	$ 1,531	17 %
Gross profit (loss) per unit	$ (1,354)	$ (685)	$ (669)	(98)%
Gross profit (loss) as a % of revenue	(13.1)%	(7.8)%	(530) bps	

Our Powersports Segment same store wholesale vehicle results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 0.8	$ 0.3	$ 0.5	167 %
Gross profit (loss)	$ —	$ 0.1	$ (0.1)	(100)%
Unit sales	58	56	2	4 %
Revenue per unit	$ 14,485	$ 4,130	$ 10,355	251 %
Gross profit (loss) per unit	$ (1,434)	$ (194)	$ (1,240)	(639)%
Gross profit (loss) as a % of revenue	(9.9)%	(4.7)%	(520) bps	

	Six months ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store wholesale vehicle:				
Revenue	$ 1.2	$ 1.0	$ 0.2	20 %
Gross profit (loss)	$ (0.2)	$ (0.1)	$ (0.1)	(100)%
Unit sales	107	116	(9)	(8)%
Revenue per unit	$ 10,685	$ 8,906	$ 1,779	20 %
Gross profit (loss) per unit	$ (1,527)	$ (562)	$ (965)	(172)%
Gross profit (loss) as a % of revenue	(14.3)%	(6.3)%	(800) bps	

Same Store Powersports Segment Wholesale Vehicles– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Wholesale vehicle revenue increased $0.5 million and wholesale vehicle gross loss worsened by $0.1 million, driven by changes in wholesale unit sales volume and wholesale gross loss per unit.

Same Store Powersports Segment Wholesale Vehicles– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Wholesale vehicle revenue increased $0.2 million and wholesale vehicle gross loss worsened by $0.1 million, driven by changes in wholesale unit sales volume and wholesale gross loss per unit.

Fixed Operations – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for Fixed Operations:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 11.1	$ 10.6	$ 0.5	5 %
Acquisitions, open points and terminations	3.6	—	3.6	NM
Total as reported	$ 14.7	$ 10.6	$ 4.1	39 %
Total Fixed Operations gross profit:				
Same store	$ 5.5	$ 4.9	$ 0.6	12 %
Acquisitions, open points and terminations	2.1	0.1	2.0	NM
Total as reported	$ 7.6	$ 5.0	$ 2.6	52 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Total Fixed Operations revenue:				
Same store	$ 18.4	$ 17.2	$ 1.2	7 %
Acquisitions, open points, and terminations	3.7	0.4	3.3	NM
Total as reported	$ 22.1	$ 17.6	$ 4.5	26 %
Total Fixed Operations gross profit:				
Same store	$ 9.1	$ 8.2	$ 0.9	11 %
Acquisitions, open points, and terminations	2.0	0.2	1.8	NM
Total as reported	$ 11.1	$ 8.4	$ 2.7	32 %

NM = Not Meaningful

Our Powersports Segment reported Fixed Operations results were as follows:

	Three months ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 3.1	$ 2.2	$ 0.9	41 %
Warranty	1.7	1.5	0.2	13 %
Wholesale parts	0.2	0.1	0.1	100 %
Internal, sublet and other	9.7	6.8	2.9	43 %
Total revenue	$ 14.7	$ 10.6	$ 4.1	39 %
Gross profit				
Customer pay	$ 1.6	$ 0.8	$ 0.8	100 %
Warranty	1.2	1.0	0.2	20 %
Wholesale parts	0.1	—	0.1	100 %
Internal, sublet and other	4.7	3.2	1.5	47 %
Total gross profit	$ 7.6	$ 5.0	$ 2.6	52 %
Gross profit as a % of revenue				
Customer pay	52.7 %	35.2 %	1,750	bps
Warranty	68.3 %	66.2 %	210	bps
Wholesale parts	26.0 %	18.7 %	730	bps
Internal, sublet and other	48.5 %	46.8 %	170	bps
Total gross profit as a % of revenue	51.6 %	47.1 %	450	bps

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Reported Fixed Operations:				
Revenue				
Customer pay	$ 4.6	$ 3.8	$ 0.8	21 %
Warranty	2.9	2.7	0.2	7 %
Wholesale parts	0.4	0.3	0.1	33 %
Internal, sublet and other	14.2	10.8	3.4	31 %
Total revenue	$ 22.1	$ 17.6	$ 4.5	26 %
Gross profit				
Customer pay	$ 2.3	$ 1.4	$ 0.9	64 %
Warranty	1.9	1.8	0.1	6 %
Wholesale parts	0.1	0.1	—	— %
Internal, sublet and other	6.8	5.1	1.7	33 %
Total gross profit	$ 11.1	$ 8.4	$ 2.7	32 %
Gross profit as a % of revenue				
Customer pay	49.4 %	36.0 %	1,340	bps
Warranty	67.3 %	66.3 %	100	bps
Wholesale parts	23.8 %	23.3 %	50	bps
Internal, sublet and other	47.9 %	47.2 %	70	bps
Total gross profit as a % of revenue	50.5 %	47.7 %	280	bps

Our Powersports Segment same store Fixed Operations results were as follows:

	Three months ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 2.3	$ 2.2	$ 0.1	5%
Warranty	1.4	1.5	(0.1)	(7)%
Wholesale parts	0.2	0.1	0.1	100%
Internal, sublet and other	7.2	6.8	0.4	6%
Total revenue	$ 11.1	$ 10.6	$ 0.5	5%
Gross profit				
Customer pay	$ 1.0	$ 0.8	$ 0.2	25%
Warranty	0.9	1.0	(0.1)	(10)%
Wholesale parts	0.1	—	0.1	100%
Internal, sublet and other	3.5	3.1	0.4	13%
Total gross profit	$ 5.5	$ 4.9	$ 0.6	12%
Gross profit as a % of revenue				
Customer pay	45.1%	35.2%	990 bps	
Warranty	68.9%	66.2%	270 bps	
Wholesale parts	25.6%	18.7%	690 bps	
Internal, sublet and other	48.6%	45.6%	300 bps	
Total gross profit as a % of revenue	49.8%	46.5%	330 bps	

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
Same store Fixed Operations:				
Revenue				
Customer pay	$ 3.8	$ 3.7	$ 0.1	3 %
Warranty	2.5	2.7	(0.2)	(7)%
Wholesale parts	0.4	0.2	0.2	100 %
Internal, sublet and other	11.7	10.6	1.1	10 %
Total revenue	$ 18.4	$ 17.2	$ 1.2	7 %
Gross profit				
Customer pay	$ 1.7	$ 1.3	$ 0.4	31 %
Warranty	1.7	1.8	(0.1)	(6)%
Wholesale parts	0.1	—	0.1	100 %
Internal, sublet and other	5.6	5.1	0.5	10 %
Total gross profit	$ 9.1	$ 8.2	$ 0.9	11 %
Gross profit as a % of revenue				
Customer pay	44.2 %	35.8 %	840 bps	
Warranty	67.4 %	66.4 %	100 bps	
Wholesale parts	23.4 %	19.9 %	350 bps	
Internal, sublet and other	47.9 %	48.1 %	(20) bps	
Total gross profit as a % of revenue	49.1 %	47.6 %	150 bps	

Same Store Powersports Segment Fixed Operations – Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Fixed Operations revenue increased approximately $0.5 million, or 5%, and Fixed Operations gross profit increased approximately $0.6 million, or 12%. Customer pay revenue increased approximately $0.1 million, or 5%, and customer pay gross profit increased approximately $0.2 million, or 25%. Warranty revenue decreased approximately $0.1 million, or 7%, and warranty gross profit decreased approximately $0.1 million, or 10%. Wholesale parts revenue increased approximately $0.1 million, or 100%, and wholesale parts gross profit increased approximately $0.1 million, or 100%. Internal, sublet and other revenue increased approximately $0.4 million, or 6%, and internal, sublet and other gross profit increased approximately $0.4 million, or 13%.

Same Store Powersports Segment Fixed Operations – Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Fixed Operations revenue increased approximately $1.2 million, or 7%, and Fixed Operations gross profit increased approximately $0.9 million, or 11%. Customer pay revenue increased approximately $0.1 million, or 3%, and customer pay gross profit increased approximately $0.4 million, or 31%. Warranty revenue decreased approximately $0.2 million, or 7%, and warranty gross profit decreased approximately $0.1 million, or 6%. Wholesale parts revenue increased approximately $0.2 million, or 100%, and wholesale parts gross profit increased approximately $0.1 million, or 100%. Internal, sublet and other revenue increased approximately $1.1 million, or 10%, and internal, sublet and other gross profit increased approximately $0.5 million, or 10%.

F&I – Powersports Segment

The following tables provide a reconciliation of Powersports Segment reported basis and same store basis for F&I:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 2.4	$ 2.0	$ 0.4	20 %
Acquisitions, open points, and terminations	1.1	—	1.1	NM
Total as reported	$ 3.5	$ 2.0	$ 1.5	75.0 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 995	$ 890	$ 105	12 %
Reported	$ 1,125	$ 889	$ 236	27 %
Total combined retail new and used vehicle unit sales:				
Same store	2,408	2,211	197	9 %
Acquisitions, open points, and terminations	684	—	684	NM
Total as reported	3,092	2,211	881	40 %

NM = Not Meaningful

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Total F&I revenue:				
Same store	$ 4.2	$ 3.4	$ 0.8	24 %
Acquisitions, open points, and terminations	1.1	—	1.1	NM
Total as reported	$ 5.3	$ 3.4	$ 1.9	55.9 %
Total F&I gross profit per retail unit (excludes fleet):				
Same store	$ 955	$ 915	$ 40	4 %
Reported	$ 1,040	$ 912	$ 128	14 %
Total combined retail new and used vehicle unit sales:				
Same store	4,364	3,713	651	18 %
Acquisitions, open points, and terminations	684	69	615	NM
Total as reported	5,048	3,782	1,266	33 %

NM = Not Meaningful

Our Powersports Segment reported F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 3.5	$ 2.0	$ 1.5	75 %
Total combined retail new and used vehicle unit sales	3,092	2,211	881	40 %
Gross profit per retail unit (excludes fleet)	$ 1,125	$ 889	$ 236	27 %

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Reported F&I:				
Revenue	$ 5.3	$ 3.4	$ 1.9	56 %
Total combined retail new and used vehicle unit sales	5,048	3,782	1,266	33 %
Gross profit per retail unit (excludes fleet)	$ 1,040	$ 912	$ 128	14 %

Our Powersports Segment same store F&I results were as follows:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 2.4	$ 2.0	$ 0.4	20 %
Total combined retail new and used vehicle unit sales	2,408	2,211	197	9 %
Gross profit per retail unit (excludes fleet)	$ 995	$ 890	$ 105	12 %

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit and per unit data)			
Same store F&I:				
Revenue	$ 4.2	$ 3.4	$ 0.8	24 %
Total combined retail new and used vehicle unit sales	4,364	3,713	651	18 %
Gross profit per retail unit (excludes fleet)	$ 955	$ 915	$ 40	4 %

Same Store Powersports Segment F&I– Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

F&I revenue increased $0.4 million, or 20%, due primarily to a 12% increase in F&I gross profit per retail unit and a 9% increase in retail new and used vehicle unit sales volume. F&I gross profit per retail unit increased $105 per unit to $995 per unit, primarily due to higher penetration rates and unit sales volume for finance contracts, service contracts, and aftermarket products and changes to our F&I product cost structure.

Finance contract revenue increased 51%, due primarily to a 2,550 basis point increase in finance contract penetration rate, partially offset by a 14% decrease in gross profit per finance contract. Service contract revenue increased 12%, due primarily to a 1,070 basis point increase in service contract penetration rate and a 58% increase in retail new and used vehicle service contract unit sales volume, partially offset by a 29% decrease in gross profit per service contract. Aftermarket product revenue increased 17%, due primarily to a 2,940 basis point increase in the aftermarket product penetration rate and a 108% increase in aftermarket product contract volume, offset partially by a 44% decrease in gross profit per aftermarket product contract.

Same Store Powersports Segment F&I– Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

F&I revenue increased $0.8 million, or 24%, due primarily to an 18% increase in retail new and used vehicle unit sales volume and a 4% increase in F&I gross profit per retail unit. F&I gross profit per retail unit increased $40 per unit, or 4%, to $955 per unit, primarily due to higher penetration rates and unit sales volume for finance contracts, service contracts and aftermarket products and changes to our F&I product cost structure.

Finance contract revenue increased 55%, due primarily to a 1,930 basis point increase in finance contract penetration rate and a 70% increase in combined new and used vehicle finance contract volume, offset partially by a 9% decrease in gross profit per finance contract. Service contract revenue increased 5%, due primarily to a 580 basis point increase in service contract penetration rate and a 45% increase in retail new and used vehicle service contract unit sales volume, offset partially by a 27% decrease in gross profit per service contract. Aftermarket product revenue increased 31%, due primarily to a 1,860 basis point increase in the aftermarket product penetration rate and a 76% increase in aftermarket product contract volume, offset partially by a 26% decrease in gross profit per aftermarket product contract.

Segment Results Summary

In the following tables of financial data, total segment income (loss) (defined as income (loss) before taxes and impairment charges for each reportable segment) of the reportable segments is reconciled to consolidated income (loss) before taxes and impairment charges. See above for tables and discussion of results by reportable segment. Due to rounding, segment level financial data may not sum to consolidated results.

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Segment Revenues:				
Franchised Dealerships Segment revenues:				
Retail new vehicles	$ 1,731.4	$ 1,639.1	$ 92.3	6 %
Fleet new vehicles	24.8	29.5	(4.7)	(16)%
Total new vehicles	1,756.2	1,668.6	87.6	5 %
Used vehicles	814.3	744.9	69.4	9 %
Wholesale vehicles	43.7	57.8	(14.1)	(24)%
Parts, service and collision repair	515.5	484.9	30.6	6 %
Finance, insurance and other, net	147.9	144.3	3.6	2 %
Franchised Dealerships Segment revenues	$ 3,277.6	$ 3,100.5	$ 177.1	6 %
EchoPark Segment revenues:				
Used vehicles	$ 499.0	$ 427.4	$ 71.6	17 %
Wholesale vehicles	25.8	25.4	0.4	2 %
Finance, insurance and other, net	58.1	55.8	2.3	4 %
EchoPark Segment revenues	$ 582.9	$ 508.6	$ 74.3	15 %
Powersports Segment revenues:				
Retail new vehicles	$ 37.9	$ 26.9	$ 11.0	41 %
Used vehicles	16.4	8.3	8.1	98 %
Wholesale vehicles	1.0	0.3	0.7	233 %
Parts, service and collision repair	14.7	10.6	4.1	39 %
Finance, insurance and other, net	3.5	2.0	1.5	75 %
Powersports Segment revenues	$ 73.5	$ 48.1	$ 25.4	53 %
Total consolidated revenues	$ 3,934.0	$ 3,657.2	$ 276.8	8 %
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 70.7	$ 91.6	$ (20.9)	(23)%
EchoPark Segment (3)	7.2	11.7	(4.5)	(38)%
Powersports Segment (4)	2.3	—	2.3	100 %
Total segment income	$ 80.2	$ 103.3	$ (23.1)	(22)%
Impairment charges (5)	—	(172.4)	172.4	NM
Income (loss) before taxes	$ 80.3	$ (69.1)	$ 149.4	216 %
Segment Retail New and Used Vehicle Unit Sales Volume:				
Franchised Dealerships Segment	54,847	53,037	1,810	3 %
EchoPark Segment	19,601	16,742	2,859	17 %
Powersports Segment	3,092	2,211	881	40 %
Total retail new and used vehicle unit sales volume	77,540	71,990	5,550	8 %

NM = Not Meaningful

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges.
(2) For the three months ended June 30, 2026, amount includes approximately $1.2 million of pre-tax charges related to storm damages. For the three months ended June 30, 2025, amount includes approximately $2.4 million of pre-tax loss related to the termination of a franchise, approximately $4.1 million of pre-tax charges related to storm damage, and $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024.

(3) For the three months ended June 30, 2025, amount includes approximately $0.8 million of pre-tax gain on sale of real estate.
(4) For the three months ended June 30, 2026 and three months ended June 30, 2025 there was no pre-tax charges.
(5) For the three months ended June 30, 2025, amount includes approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment and approximately $6.5 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment.

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions, except unit data)			
Segment Revenues:				
Franchised Dealerships Segment revenues:				
Retail new vehicles	$ 3,316.6	$ 3,276.1	$ 40.5	1 %
Fleet new vehicles	45.4	51.5	(6.1)	(12)%
Total new vehicles	3,362.0	3,327.6	34.4	1 %
Used vehicles	1,582.9	1,490.6	92.3	6 %
Wholesale vehicles	87.8	112.2	(24.4)	(22)%
Parts, service and collision repair	1,024.8	952.4	72.4	8 %
Finance, insurance and other, net	287.2	274.9	12.3	4 %
Franchised Dealerships Segment revenues	$ 6,344.7	$ 6,157.7	$ 187.0	3 %
EchoPark Segment revenues:				
Used vehicles	$ 990.8	$ 901.1	$ 89.7	10 %
Wholesale vehicles	53.1	52.8	0.3	1 %
Finance, insurance and other, net	119.5	114.5	5.0	4 %
EchoPark Segment revenues	$ 1,163.4	$ 1,068.4	$ 95.0	9 %
Powersports Segment revenues:				
Retail new vehicles	$ 60.2	$ 46.3	$ 13.9	30 %
Used vehicles	25.6	14.0	11.6	83 %
Wholesale vehicles	1.2	1.1	0.1	9 %
Parts, service and collision repair	22.1	17.6	4.5	26 %
Finance, insurance and other, net	5.3	3.4	1.9	56 %
Powersports Segment revenues	$ 114.4	$ 82.4	$ 32.0	39 %
Total consolidated revenues	$ 7,622.5	$ 7,308.5	$ 314.0	4 %
Segment Income (Loss) (1):				
Franchised Dealerships Segment (2)	$ 142.1	$ 183.6	$ (41.5)	(23)%
EchoPark Segment (3)	23.4	22.0	1.4	6 %
Powersports Segment (4)	0.3	(3.5)	3.8	109 %
Total segment income	$ 165.8	$ 202.1	$ (36.3)	(18)%
Impairment charges (5)	(0.4)	(173.8)	173.4	NM
Income before taxes	$ 165.4	$ 28.3	$ 137.1	484 %
Segment Retail New and Used Vehicle Unit Sales Volume:				
Franchised Dealerships Segment	107,012	106,560	452	— %
EchoPark Segment	38,927	35,540	3,387	10 %
Powersports Segment	5,048	3,782	1,266	33 %
Total retail new and used vehicle unit sales volume	150,987	145,882	5,105	3 %

NM = Not Meaningful

(1) Segment income (loss) for each segment is defined as income (loss) before taxes and impairment charges.

(2) For the six months ended June 30, 2026, amount includes approximately $5.1 million of pre-tax gain related to dispositions. For the six months ended June 30, 2025, amount includes $40.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024, approximately $5.0 million of pre-tax charges related to storm damage, and approximately $2.7 million of pre-tax charges related to dispositions. Due to rounding, segment level financial data may not sum to consolidated results.

(3) For the six months ended June 30, 2026, amount includes approximately $3.6 million of pre-tax gain on lease terminations. For the six months ended June 30, 2025, amount includes approximately $1.0 million of pre-tax gain on sale of real estate. Due to rounding, segment level financial data may not sum to consolidated results.

(4) For the six months ended June 30, 2025, amount includes approximately $0.9 million of pre-tax charges related to dispositions. Due to rounding, segment level financial data may not sum to consolidated results.

(5) For the six months ended June 30, 2026, amount includes approximately $0.4 million of non-cash pre-tax impairment charges related to construction-in-progress projects for the Franchised Dealerships Segment. For the six months ended June 30, 2025, amount includes approximately $0.2 million of non-cash pre-tax property and equipment impairment charges for real estate held for sale in the EchoPark Segment and approximately $7.2 million of non-cash pre-tax franchise asset impairment charges for the Powersports Segment, $0.4 million of non-cash pre-tax property, equipment and right-of-use asset impairment charges for the Powersports Segment, and approximately $165.9 million of non-cash pre-tax franchise asset impairment charges for the Franchised Dealerships Segment. Due to rounding, segment level financial data may not sum to consolidated results.

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

SG&A expenses are comprised of four major groups: compensation expense, advertising expense, rent expense and other expense. Compensation expense primarily relates to store personnel who are paid a commission or a salary plus commission and support personnel who are generally paid a fixed salary. Commissions paid to store personnel typically vary depending on gross profits realized and sales volume objectives. Due to the salary component for certain store and corporate personnel, gross profits and compensation expense do not change in direct proportion to one another. Advertising expense and other expense vary based on the level of actual or anticipated business activity and the number of dealerships in operation. Rent expense typically varies with the number of store locations owned, investments made for facility improvements and interest rates. Other expense includes various fixed and variable expenses, including gain on the disposal of franchises, certain customer-related costs such as gasoline and service loaners, and insurance, training, legal and information technology expenses, which may not change in proportion to gross profit levels. Typically, SG&A expenses as a percentage of gross profit are highest in the first quarter of the year, due to the seasonal nature of our business and the effects of certain payroll taxes and fringe benefits that occur early in the year.

Consolidated Reported SG&A Expenses

The following tables set forth information related to our consolidated reported SG&A expenses:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 277.1	$ 264.8	$ (12.3)	(5)%
Advertising	28.5	24.4	(4.1)	(17)%
Rent	13.1	9.9	(3.2)	(32)%
Other	125.9	113.5	(12.4)	(11)%
Total SG&A expenses	$ 444.6	$ 412.6	$ (32.0)	(8)%
SG&A expenses as a % of gross profit:				
Compensation	45.0 %	44.0 %	(100) bps	
Advertising	4.6 %	4.1 %	(50) bps	
Rent	2.1 %	1.6 %	(50) bps	
Other	20.5 %	18.8 %	(170) bps	
Total SG&A expenses as a % of gross profit	72.2 %	68.5 %	(370) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 551.3	$ 523.3	$ (28.0)	(5)%
Advertising	55.8	48.2	(7.6)	(16)%
Rent	22.8	20.1	(2.7)	(13)%
Other	241.7	201.3	(40.4)	(20)%
Total SG&A expenses	$ 871.6	$ 792.9	$ (78.7)	(10)%
SG&A expenses as a % of gross profit:				
Compensation	45.4 %	44.8 %	(60) bps	
Advertising	4.6 %	4.1 %	(50) bps	
Rent	1.9 %	1.7 %	(20) bps	
Other	19.8 %	17.2 %	(260) bps	
Total SG&A expenses as a % of gross profit	71.7 %	67.8 %	(390) bps	

Consolidated Reported SG&A - Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Overall SG&A expenses increased in both dollar amount and as a percentage of gross profit, partially due to a $10.0 million pre-tax benefit from cyber insurance proceeds related to the CDK outage recorded in other SG&A expenses during the prior year period. Compensation expense increased in both dollar amount and as a percentage of gross profit, due to higher overall gross profit and based on the variable nature of our sales associate pay plans. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships as a result of acquisitions. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to the $10.0 million benefit of cyber insurance proceeds received in the prior year and $6.2 million higher costs related to product and service deliveries to customers.

Consolidated Reported SG&A - Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Overall SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to a $40.0 million pre-tax benefit from cyber insurance proceeds related to the CDK outage recorded in other SG&A expenses during the prior year period. Compensation expense increased in both dollar amount and as a percentage of gross profit, based on the variable nature of our sales associate pay plans. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships as a result of acquisitions. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to the $40 million benefit of cyber insurance proceeds received in the prior year.

Franchised Dealerships Segment Reported SG&A Expenses

The following tables set forth information related to our Franchised Dealerships Segment reported SG&A expenses:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 239.7	$ 232.3	$ (7.4)	(3) %
Advertising	19.7	16.7	(3.0)	(18) %
Rent	12.0	9.4	(2.6)	(28) %
Other	111.5	101.8	(9.7)	(10) %
Total SG&A expenses	$ 382.9	$ 360.2	$ (22.7)	(6) %
SG&A expenses as a % of gross profit:				
Compensation	45.0 %	44.0 %	(100) bps	
Advertising	3.7 %	3.2 %	(50) bps	
Rent	2.3 %	1.8 %	(50) bps	
Other	20.9 %	19.3 %	(160) bps	
Total SG&A expenses as a % of gross profit	71.9 %	68.3 %	(360) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A expenses:				
Compensation	$ 479.9	$ 458.7	$ (21.2)	(5) %
Advertising	38.4	32.6	(5.8)	(18) %
Rent	24.4	19.1	(5.3)	(28) %
Other	214.6	175.7	(38.9)	(22) %
Total SG&A expenses	$ 757.3	$ 686.1	$ (71.2)	(10) %
SG&A expenses as a % of gross profit:				
Compensation	45.6 %	44.9 %	(70) bps	
Advertising	3.6 %	3.2 %	(40) bps	
Rent	2.3 %	1.9 %	(40) bps	
Other	20.4 %	17.2 %	(320) bps	
Total SG&A expenses as a % of gross profit	71.9 %	67.2 %	(470) bps	

Franchised Dealerships Segment SG&A - Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

The Franchised Dealerships Segment’s total SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to a $10.0 million pre-tax benefit from cyber insurance proceeds related to the CDK outage recorded in other SG&A expenses during the prior year. Compensation expense increased in both dollar amount and as a percentage of gross profit due to higher overall gross profit and based on the variable nature of our sales associate pay plans. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships as a result of acquisitions. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit primarily due to the benefit of cyber insurance proceeds received in the prior year.

For the Franchised Dealerships Segment, SG&A expenses for the three months ended June 30, 2026 includes approximately $1.2 million of pre-tax charges related to storm damage. For the three months ended June 30, 2025, amount includes approximately $2.4 million of pre-tax charges related to the termination of a franchise, approximately $4.1 million of pre-tax charges related to storm damage, and approximately $10.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024.

Franchised Dealerships Segment SG&A - Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The Franchised Dealerships Segment’s total SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to a $40.0 million pre-tax benefit from cyber insurance proceeds related to the CDK outage recorded in other SG&A expenses during the prior year. Compensation expense increased in both dollar amount and as a percentage of gross profit due to acquisitions in the Franchised Dealerships Segment, an increase in bonus expenses and absentee wages, and an increase in fixed operations sales compensation related to the increase in fixed operations sales. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in dollar amount and as a percentage of gross profit, primarily due to the increase in leased dealerships as a result of acquisitions. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit primarily due to the benefit of cyber insurance proceeds received in the prior year.

For the Franchised Dealerships Segment, SG&A expenses for the six months ended June 30, 2026 includes approximately $1.2 million of pre-tax charges related to storm damage, approximately $5.1 million of pre-tax benefit related to dispositions. For the six months ended June 30, 2025, amount includes $40.0 million of pre-tax benefit from cyber insurance proceeds related to a cybersecurity incident impacting certain of our information systems provided by CDK Global in the second quarter of 2024, approximately $5.0 million of pre-tax charges related to storm damage, and approximately $2.7 million of pre-tax charges related to dispositions.

EchoPark Segment Reported SG&A Expenses

The following tables set forth information related to our EchoPark Segment reported SG&A expenses:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A Expenses:				
Compensation	$ 27.3	$ 25.2	$ (2.1)	(8) %
Advertising	8.2	7.3	(0.9)	(12) %
Rent	1.1	0.7	(0.4)	(57) %
Other	10.7	9.0	(1.7)	(19) %
Total SG&A expenses	$ 47.3	$ 42.2	$ (5.1)	(12) %
SG&A expenses as a % of gross profit:				
Compensation	42.5 %	42.7 %	20 bps	
Advertising	12.8 %	12.4 %	(40) bps	
Rent	1.7 %	1.2 %	(50) bps	
Other	16.4 %	11.7 %	(470) bps	
Total SG&A expenses as a % of gross profit	73.4 %	68.0 %	(540) bps	

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
SG&A Expenses:				
Compensation	$ 54.2	$ 51.1	$ (3.1)	(6)%
Advertising	16.5	15.1	(1.4)	(9)%
Rent	(1.7)	1.4	3.1	221 %
Other	21.0	19.4	(1.6)	(8)%
Total SG&A expenses	$ 90.0	$ 87.0	$ (3.0)	(3)%
SG&A expenses as a % of gross profit:				
Compensation	41.0 %	41.6 %	60 bps	
Advertising	12.5 %	12.3 %	(20) bps	
Rent	(1.3)%	1.1 %	240 bps	
Other	15.8 %	14.1 %	(170) bps	
Total SG&A expenses as a % of gross profit	68.0 %	69.1 %	110 bps	

EchoPark Segment SG&A - Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

The EchoPark Segment's total SG&A expenses increased in both dollar amount and as a percentage of gross profit, primarily due to increased compensation expense. Compensation expense increased in both dollar amount and as a percentage of gross profit due primarily to an increase in bonus expenses. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to a decrease in rental income. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit as a result of a gain on the sale of real estate during the prior year period.

For the three months ended June 30, 2025, amount includes approximately $0.8 million of pre-tax gain on sale of real estate.

EchoPark Segment SG&A - Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The EchoPark Segment's total SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher compensation expense, partially offset by a gain on lease terminations. Compensation expense increased in both dollar amount and as a percentage of gross profit due primarily to an increase in bonus expenses. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense decreased in both dollar amount and as a percentage of gross profit, primarily due to a gain on lease terminations. Other SG&A expenses increased in both dollar amount and as a percentage of gross profit as a result of a gain on the sale of real estate during the prior year period.

For the EchoPark Segment, SG&A expenses for the six months ended June 30, 2026, amount includes approximately $3.6 million of pre-tax gain related to lease terminations. For the six months ended June 30, 2025, amount includes approximately $1.0 million of pre-tax gain on sale of real estate.

Powersports Segment Reported SG&A Expenses

The following tables set forth information related to our Powersports Segment reported SG&A expenses:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
		(In millions)		
SG&A Expenses:				
Compensation	$ 10.0	$ 7.3	$ (2.7)	(37) %
Advertising	0.6	0.3	(0.3)	(100) %
Rent	—	(0.3)	(0.3)	(100) %
Other	3.9	2.9	(1.0)	(34) %
Total SG&A expenses	$ 14.5	$ 10.2	$ (4.3)	(42) %
SG&A expenses as a % of gross profit:				
Compensation	51.0 %	58.1 %	710 bps	
Advertising	3.2 %	2.4 %	(80) bps	
Rent	(0.1) %	(2.0) %	(190) bps	
Other	19.4 %	22.6 %	320 bps	
Total SG&A expenses as a % of gross profit	73.5 %	81.1 %	760 bps	

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Better / (Worse) Change	Better / (Worse) % Change
	(In millions)			
SG&A Expenses:				
Compensation	$ 17.3	$ 13.5	$ (3.8)	(28)%
Advertising	1.0	0.6	(0.4)	(67)%
Rent	—	(0.4)	(0.4)	(100)%
Other	6.0	6.1	0.1	2 %
Total SG&A expenses	$ 24.3	$ 19.8	$ (4.5)	(23)%
SG&A expenses as a % of gross profit:				
Compensation	58.1 %	64.0 %	590 bps	
Advertising	3.2 %	2.6 %	(60) bps	
Rent	0.1 %	(2.0)%	(210) bps	
Other	20.3 %	29.2 %	890 bps	
Total SG&A expenses as a % of gross profit	81.7 %	93.8 %	1,210 bps	

Powersports Segment SG&A - Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

The Powersports Segment's total SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher levels of gross profit that better leverage fixed expenses. Compensation expense increased in dollar amount due primarily to an increase in overall retail activity and an increase in bonus expenses, and decreased as a percentage of gross profit as a result of higher overall gross profit and favorable gross profit mix shifts in Fixed Operations and F&I. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to a decrease in rental income. Other SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher overall gross profit.

Powersports Segment SG&A - Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The Powersports Segment's total SG&A expenses increased in dollar amount and decreased as a percentage of gross profit, primarily due to higher levels of gross profit that better leverage fixed expenses. Compensation expense increased in dollar amount due primarily to an increase in overall retail activity and an increase in bonus expenses, and decreased as a percentage of gross profit as a result of higher overall gross profit and favorable gross profit mix shifts in Fixed Operations and F&I. Advertising expense increased in both dollar amount and as a percentage of gross profit, as a result of adapting our advertising spending to current retail automotive market conditions. Rent expense increased in both dollar amount and as a percentage of gross profit, primarily due to a decrease in rental income. Other SG&A expenses decreased in both dollar amount and as a percentage of gross profit, primarily due to losses related to dispositions during the first quarter of 2025.

For the six months ended June 30, 2025, amount includes approximately $0.9 million of pre-tax charges related to dispositions.

Impairment Charges – Consolidated

There were no impairment charges for the three months ended June 30, 2026. Impairment charges were approximately $0.4 million for the six months ended June 30, 2026. These charges primarily related to the write-off of construction-in-progress assets within our Franchised Dealerships Segment. Impairment charges were approximately $172.4 million and $173.8 million for the three and six months ended June 30, 2025, respectively. These charges primarily reflect the results of our annual franchise asset impairment test as of April 30, 2025, which required an impairment charge of $172.4 million.

Depreciation and Amortization – Consolidated

Depreciation and amortization expense decreased approximately $0.5 million, or 1%, and $1.8 million, or 2.2%, during the three and six months ended June 30, 2026, respectively, due primarily to changes in estimates related to the useful lives of certain buildings and improvements, resulting in lower depreciation expense.

Interest Expense, Floor Plan – Consolidated

We typically maintain a floor plan deposit balance (as shown in the table below under the heading “Liquidity and Capital Resources”) that earns interest income based on the used floor plan interest rate, effectively reducing net used vehicle floor plan interest expense. The floor plan deposit balance was $275.0 million and $100.0 million as of June 30, 2026 and June 30, 2025, respectively, and was $300.0 million and $340.0 million as of December 31, 2025 and December 31, 2024, respectively. Our interest expense, floor plan fluctuates with changes in our outstanding borrowings and associated interest rates, which are variable based on one-month Term SOFR or the U.S. prime rate, plus credit spreads specified in the applicable agreements.

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Interest expense, floor plan for new vehicles increased $0.7 million. The average interest rate applied to the new vehicle floor plan decreased in the three months ended June 30, 2026, offsetting $2.4 million of the overall increase. The average new vehicle floor plan notes payable balance increased $228.3 million, driving $3.1 million of the overall increase.

Interest expense, floor plan for used vehicles increased $1.9 million, including the effect of interest income earned on the floor plan deposit balance, driving $1.5 million of the increase. Excluding the effect of the floor plan deposit balance, interest expense, floor plan for used vehicles increased $0.4 million. The average interest rate applied to the used vehicle floor plan decreased in the three months ended June 30, 2026, offsetting $1.2 million of that increase. The average used vehicle floor plan notes payable balance increased $96.3 million, driving $1.6 million of that increase.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Interest expense, floor plan for new vehicles decreased $0.5 million. The average interest rate applied to the new vehicle floor plan decreased in the six months ended June 30, 2026, driving $4.6 million of the overall decrease. The average new vehicle floor plan notes payable balance increased $153.3 million, offsetting $4.1 million of the overall decrease.

Interest expense, floor plan for used vehicles increased $2.4 million including the effect of interest income earned on the floor plan deposit balance, driving $2.5 million of the increase. Excluding that effect, interest expense, floor plan for used vehicles decreased $0.1 million. The average interest rate applied to the used vehicle floor plan decreased in the six months ended June 30, 2026, driving $2.2 million of that decrease. The average used vehicle floor plan notes payable balance increased $62.3 million, offsetting $2.1 million of that decrease.

Interest Expense, Other, Net – Consolidated

Interest expense, other, net is summarized in the tables below:

	Three Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Stated/coupon interest	$ 20.2	$ 20.3	$ 0.1	— %
Deferred loan cost amortization	1.7	1.4	(0.3)	(21)%
Interest rate hedge expense (benefit)	0.1	—	(0.1)	(100)%
Capitalized interest	(0.8)	(0.6)	0.2	33 %
Interest on finance lease liabilities	6.5	6.1	(0.4)	(7)%
Other interest	2.7	0.2	(2.5)	(1,250)%
Total interest expense, other, net	$ 30.4	$ 27.4	$ (3.0)	(11)%

	Six Months Ended June 30,		Better / (Worse)	
	2026	2025	Change	% Change
	(In millions)			
Stated/coupon interest	$ 40.7	$ 40.8	$ 0.1	— %
Deferred loan cost amortization	3.1	2.8	(0.3)	(11)%
Interest rate hedge expense (benefit)	0.1	0.1	—	— %
Capitalized interest	(1.3)	(1.2)	0.1	8 %
Interest on finance lease liabilities	13.0	12.1	(0.9)	(7)%
Other interest	3.1	0.4	(2.7)	(675)%
Total interest expense, other, net	$ 58.7	$ 55.0	$ (3.7)	(7)%

Interest expense, other, net increased approximately $3.0 million, or 11%, during the three months ended June 30, 2026, and increased approximately $3.7 million, or 7%, during the six months ended June 30, 2026. The $3.0 million increase is primarily due to the $2.3 million interest expense related to the Bridge Facility entered into on March 27, 2026.

Income Taxes

The overall effective income tax rate was 28.5% for both the three and six months ended June 30, 2026, compared to 34.0% and 11.6% for the three and six months ended June 30, 2025, respectively. Sonic's effective income tax rate generally varies from year to year based on the level of taxable income, the distribution of taxable income between states in which the Company operates and other tax adjustments. We generally expect our overall effective tax rate to range from 27% to 30%. The prior year effective income tax rates, which are outside this range, are impacted by the effect of the $172.4 million impairment charge recorded in the three and six month periods ended June 30, 2025.

Liquidity and Capital Resources

We require cash to service debt, meet lease obligations, manage working capital requirements, make facility and other capital improvements, pay dividends on our common stock, finance acquisitions and otherwise invest in our business. We rely on cash flows from operations, borrowings under our revolving credit and floor plan facilities, real estate mortgage financing, asset sales and offerings of debt and equity securities to meet these requirements. However, our liquidity could be negatively affected by business performance and could result in a failure to comply with the financial covenants in our existing debt obligations or lease arrangements. Cash flows provided by our dealerships are derived from various sources including, primarily, individual consumers, automobile manufacturers, automobile manufacturers' captive finance subsidiaries and other financial institutions. Disruptions in these cash flows could have a material adverse impact on our operations and overall liquidity.

Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and our ability to service our obligations depend to a substantial degree on the results of operations of these subsidiaries, their contractual obligations and capital requirements, and their ability to provide us with cash.

We had the following liquidity resources available as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
	(In millions)	
Cash and cash equivalents	$ 19.2	$ 6.3
Floor plan deposit balance	275.0	300.0
Availability under the Revolving Credit Facility	286.9	300.3
Availability under the Mortgage and Sidecar Facilities	95.0	95.0
Total available liquidity resources	$ 676.1	$ 701.6

We maintain a floor plan deposit balance (as shown in the table above) that offsets interest based on the agreed upon floor plan interest rate, effectively reducing the net used vehicle floor plan interest expense. This deposit balance is not designated as a prepayment of notes payable - floor plan, nor is it our intent to use this amount to settle principal amounts owed under notes payable - floor plan in the future, although we have the right and ability to do so. The deposit balances of $275.0 million as of June 30, 2026 and $300.0 million as of December 31, 2025 are classified as other current assets in the accompanying unaudited condensed consolidated balance sheets as of June 30, 2026 and December 31, 2025.

Floor Plan Facilities

The weighted-average interest rates for our combined new and used vehicle floor plan facilities were 4.92% and 5.62% for the three months ended June 30, 2026 and 2025, respectively, and 4.97% and 5.66% for the six months ended June 30, 2026 and 2025, respectively. Excluding the effect of interest income earned on the floor plan deposit balance, the weighted-average interest rates for our combined new and used vehicle floor plan facilities were 4.97% and 5.69% for the three months ended June 30, 2026 and 2025, respectively, and 5.01% and 5.72% for the six months ended June 30, 2026 and 2025, respectively.

We receive floor plan assistance in the form of direct payments or credits from certain manufacturers. Floor plan assistance received is capitalized in inventory and recorded as a reduction of cost of sales when the associated inventory is sold. We received $16.1 million and $15.9 million in manufacturer assistance in the three months ended June 30, 2026 and 2025, respectively, and $30.6 million and $31.8 million in manufacturer assistance in the six months ended June 30, 2026 and 2025, respectively. We recognized in cost of sales $16.2 million and $16.6 million in manufacturer assistance in the three months ended June 30, 2026 and 2025, respectively and$30.1 million and $32.0 million in manufacturer assistance in thesix months ended June 30, 2026 and 2025, respectively. Interest payments under each of our floor plan facilities are due monthly and we are generally not required to make principal repayments prior to the sale of the associated vehicles. The total notes payable - floor plan balance of approximately $2.2 billion as of June 30, 2026 is classified as current liabilities in the accompanying unaudited consolidated balance sheet as of such date.

Long-Term Debt and Credit Facilities

See Note 6, “Long-Term Debt,” to the accompanying unaudited condensed consolidated financial statements for a discussion of our senior notes, mortgage notes and credit facilities and compliance with debt covenants.

Capital Expenditures

Our capital expenditures include the purchase of land and buildings, the construction of new franchised dealerships, EchoPark and powersports stores and collision repair centers, building improvements and equipment purchased for use in our franchised dealerships and EchoPark and powersports stores. We selectively construct new or improve existing franchised dealership facilities to maintain compliance with manufacturers’ image requirements. We typically finance these projects through cash flows from operations, new mortgages or our credit facilities.

Capital expenditures in the six months ended June 30, 2026 were approximately $154.5 million, including approximately $141.6 million related to our Franchised Dealerships Segment, approximately $11.2 million related to our EchoPark Segment and approximately $1.7 million related to our Powersports Segment. Of the total capital expenditures, approximately $40.7 million was related to facility construction projects, approximately $83.9 million was related to real estate projects (buildings and improvements) and approximately $29.9 million was for other fixed assets utilized in our operations.

All of the $154.5 million in gross capital expenditures in the six months ended June 30, 2026 was funded through existing cash balances. As of June 30, 2026, commitments for facility construction projects and aircraft totaled approximately $67.5 million, nearly all of which is expected to be completed or paid in the next 12 months.

Share Repurchase Program

Our Board of Directors has authorized us to repurchase shares of our Class A Common Stock. Historically, we have used share repurchases to offset dilution resulting from the exercise of stock options or the vesting of equity compensation awards and to maintain our desired capital structure. During the three months ended June 30, 2026, we repurchased 0.1 million shares of our Class A Common Stock for $6.3 million in open-market transactions at prevailing market prices and in connection with tax withholding on the vesting of equity compensation awards. During the six months ended June 30, 2026, we repurchased 2.2 million shares of our Class A Common Stock for $142.0 million in open-market transactions at prevailing market prices and in connection with tax withholding on the vesting of equity compensation awards. As of June 30, 2026, our total remaining share repurchase authorization was $527.9 million. Under the Credit Facilities and Senior Notes, share repurchases are permitted to the extent that no continuing Event of Default exists and we do not exceed the restrictions set forth within.

Our share repurchase activity is subject to the business judgment of our Board of Directors and management, taking into consideration our historical and projected results of operations, financial condition, cash flows, capital requirements and covenant compliance, the current economic environment and other factors considered by our Board of Directors and management to be relevant. These factors are considered each quarter and will be scrutinized as our Board of Directors and management determine our share repurchase policy in the future.

Dividends

During the three months ended June 30, 2026, our Board of Directors approved a cash dividend of $0.41 per share on all outstanding shares of Class A and Class B Common Stock as of June 15, 2026, which was paid on July 15, 2026. Subsequent to June 30, 2026, our Board of Directors approved a cash dividend of $0.41 per share on all outstanding shares of Class A and Class B Common Stock as of September 15, 2026 to be paid on October 15, 2026. The Credit Facilities and Senior Notes permit quarterly cash dividends on our Class A and Class B Common Stock up to certain limits so long as no continuing Event of Default has occurred and provided that we remain in compliance with all financial covenants therein. Dividends in excess of those limits are subject to the limitations on restricted payments set forth in the Credit Facilities and Senior Note Indentures. The declaration and payment of any future dividend is subject to the business judgment of our Board of Directors, taking into consideration our historical and projected results of operations, financial condition, cash flows, capital requirements and covenant compliance, share repurchases, the current economic environment and other factors considered to be relevant. These factors are considered each quarter and will be scrutinized as our Board of Directors determines our dividend policy in the future. There is no guarantee that additional dividends will be declared and paid at any time in the future. See Note 6, "Long-Term Debt," to the accompanying unaudited condensed consolidated financial statements for a description of restrictions on the payment of dividends.

Cash Flows

Cash Flows from Operating Activities – Net cash used in operating activities in the six months ended June 30, 2026 was approximately $64.7 million. This use of cash was comprised primarily of an increase in inventories, decrease in trade accounts payable and other liabilities, partially offset by a decrease in receivables and other assets and an increase in notes payable – floorplan – trade. Net cash provided by operating activities in the six months ended June 30, 2025 was approximately $332.6 million. This provision of cash was comprised primarily of net income less non-cash items, a decrease in receivables and trade accounts payable and other liabilities, offset by a decrease in notes payable – floor plan – trade.

We arrange our inventory floor plan financing through both manufacturer captive finance companies and a syndicate of manufacturer-affiliated finance companies and commercial banks. Our floor plan financed with manufacturer captives is recorded in the accompanying unaudited condensed consolidated balance sheets as notes payable - floor plan - trade (with the change in balance being reflected in operating cash flows). Our dealerships that obtain floor plan financing from a syndicate of manufacturer-affiliated finance companies and commercial banks record their obligation in the accompanying unaudited condensed consolidated balance sheets as notes payable - floor plan - non-trade (with the change in balance being reflected in financing cash flows).

Net cash provided by combined trade and non-trade floor plan financing was approximately $332.0 million in the six months ended June 30, 2026. Net cash provided by combined trade and non-trade floor plan financing was approximately $296.2 million in the six months ended June 30, 2025. Accordingly, if all changes in floor plan notes payable were classified as an operating activity (to align changes in floor plan liability balances with the associated changes in inventory balances for cash flow classification), the result would have been net cash provided by operating activities of approximately $235.7 million and $632.1 million in the six months ended June 30, 2026 and 2025, respectively.

Cash Flows from Investing Activities – Net cash used in investing activities in the six months ended June 30, 2026 was approximately $160.8 million. This use of cash was comprised primarily of the purchases of land, property, and equipment and the purchase of businesses, net of cash acquired, partially offset by proceeds from sales of dealerships and proceeds from sales of property and equipment. Net cash used in investing activities in the six months ended June 30, 2025 was approximately $421.9 million. This use of cash was comprised primarily of the purchase of businesses, net of cash acquired, and land, property and equipment.

Cash Flows from Financing Activities – Net cash provided by financing activities in the six months ended June 30, 2026 was approximately $238.4 million. This provision of cash was comprised primarily of net borrowings on notes payable - floor plan - non-trade and proceeds from borrowings, partially offset by purchases of treasury stock and principal payments on long-term debt. Net cash provided by financing activities in the six months ended June 30, 2025 was approximately $155.7 million. This provision of cash was comprised primarily of net borrowings on notes payable – floor plan – non-trade, partially offset by payments on long-term debt and purchases of treasury stock.

One metric that management uses to measure operating performance is Adjusted EBITDA (a non-GAAP financial measure) for each of the Company's reportable segments and on a consolidated basis. We believe Adjusted EBITDA enables our operating performance to be compared across reporting periods on a consistent basis by excluding non-floor plan financing costs, non-cash items such as depreciation and amortization, stock-based compensation expense, and impairment charges, and other items that may affect the comparability of reporting periods, including, but not limited to, gains or losses from acquisitions or dispositions, facility exit costs, severance and long-term compensation charges, and storm damage charges. This non-GAAP financial measure is reconciled to net income (the most directly comparable GAAP financial measure) in the table below:

	Three Months Ended June 30, 2026				Three Months Ended June 30, 2025			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income				$ 57.4				$ (45.6
Provision for income taxes				22.9				(23.5
Income (loss) before taxes	$ 70.7	$ 7.2	$ 2.3	$ 80.3	$ (74.3)	$ 11.7	$ (6.5)	$ (69.1
Non-floor plan interest (1)	27.3	0.3	0.8	28.4	24.7	0.4	0.7	25.8
Depreciation & amortization (2)	33.7	6.4	1.8	41.9	35.8	5.1	1.3	42.2
Stock-based compensation expense	5.9	—	—	5.9	5.7	—	—	5.7
Impairment charges	—	—	—	—	165.9	—	6.5	172.4
Cyber insurance proceeds	—	—	—	—	(10.0)	—	—	(10.0
Acquisition and disposition related (gain) loss	—	—	—	—	2.4	(0.8)	—	1.6
Storm damage charges	1.2	—	—	1.2	4.1	—	—	4.1
Adjusted EBITDA (3)	$ 138.8	$ 13.9	$ 4.9	$ 157.7	$ 154.3	$ 16.4	$ 2.0	$ 172.7

Note: Due to rounding, segment level financial data may not sum to consolidated results.

(1) Includes the following line items from the accompanying unaudited condensed consolidated statements of operations, net of any amortization of debt issuance costs or net debt discount/premium included in footnote (2) below: interest expense, other, net.

(2) Includes the following line items from the accompanying unaudited condensed consolidated statements of cash flows: depreciation and amortization of property and equipment; debt issuance cost amortization; and debt discount amortization, net of premium and other amortization.

(3) Adjusted EBITDA is a non-GAAP financial measure.

	Six Months Ended June 30, 2026				Six Months Ended June 30, 2025			
	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total	Franchised Dealerships Segment	EchoPark Segment	Powersports Segment	Total
	(In millions)							
Net income				$ 118.3				$ 25.0
Provision for income taxes				47.1				3.3
Income (loss) before taxes	$ 141.7	$ 23.4	$ 0.3	$ 165.4	$ 17.7	$ 21.8	$ (11.1)	$ 28.3
Non-floor plan interest (1)	52.9	0.6	1.5	55.0	49.6	0.9	1.4	51.9
Depreciation & amortization (2)	67.1	12.1	3.0	82.2	70.8	10.3	2.5	83.6
Stock-based compensation expense	11.1	—	—	11.1	11.5	—	—	11.5
Loss (gain) on exit of leased dealerships	—	(3.6)	—	(3.6)	—	—	—	—
Impairment charges	0.4	—	—	0.4	165.9	0.2	7.6	173.8
Cyber insurance proceeds	—	—	—	—	(40.0)	—	—	(40.0)
Acquisition and disposition related (gain) loss	(5.1)	—	—	(5.1)	2.7	(1.0)	0.9	2.6
Storm damage charges	1.2	—	—	1.2	5.0	—	—	5.0
Adjusted EBITDA (3)	$ 269.3	$ 32.5	$ 4.8	$ 306.6	$ 283.2	$ 32.2	$ 1.3	$ 316.7

Note: Due to rounding, segment level financial data may not sum to consolidated results.

(1) Includes the following line items from the accompanying unaudited condensed consolidated statements of operations, net of any amortization of debt issuance costs or net debt discount/premium included in footnote (2) below: interest expense, other, net.
(2) Includes the following line items from the accompanying unaudited condensed consolidated statements of cash flows: depreciation and amortization of property and equipment; debt issuance cost amortization; and debt discount amortization, net of premium and other amortization.
(3) Adjusted EBITDA is a non-GAAP financial measure.

Seasonality

Our operations are subject to seasonal variations. Due in part to our franchised dealerships brand mix and the seasonal nature of automotive retail, the first quarter historically has contributed less operating profit than the second and third quarters, while the fourth quarter historically has contributed the highest operating profit of any quarter. Weather conditions and the timing of manufacturer incentive programs and model changeovers cause seasonality and may adversely affect vehicle demand and, consequently, our profitability. Comparatively, parts and service demand has historically remained stable throughout the year.

Future Liquidity Outlook

We believe our best sources of liquidity for operations and debt service remain cash flows generated from operations combined with availability under our Credit Facilities (including the Floor Plan Facilities), Mortgage Facility and Sidecar Facility (or any replacements thereof), Bridge Facility, real estate mortgage financing, selected dealership and other asset sales, along with our ability to raise funds in the capital markets through offerings of debt or equity securities. Because the majority of our consolidated assets are held by our dealership subsidiaries, the majority of our cash flows from operations are generated by these subsidiaries. As a result, our cash flows and our ability to service our obligations depend to a substantial degree on the results of operations of these subsidiaries, their contractual obligations and capital requirements, and their ability to provide us with cash.

We do not currently anticipate any materially negative changes to our cost of, or access to, capital over the next 12 months.

Off-Balance Sheet Arrangements

Guarantees and Indemnification Obligations

In connection with the operation and disposition of our dealerships, we have entered into various guarantees and indemnification obligations. When we sell dealerships, we attempt to assign any related lease to the buyer of the dealership to eliminate any future liability. However, if we are unable to assign the related leases to the buyer, we will attempt to sublease the leased properties to the buyer at a rate equal to the terms of the original leases. In the event we are unable to sublease the properties to the buyer with terms at least equal to our leases, we may be required to record lease exit accruals. As of June 30, 2026, our future gross minimum lease payments related to properties subleased to buyers of sold dealerships totaled approximately $1.3 million. Future sublease payments expected to be received related to these lease payments were approximately $1.1 million at June 30, 2026.

In accordance with the terms of agreements entered into for the sale of our dealerships, we generally agree to indemnify the buyer from certain liabilities and costs arising subsequent to the date of sale, including environmental exposure and exposure resulting from the breach of representations or warranties made in accordance with the agreements. While our exposure with respect to environmental remediation is difficult to quantify, our maximum exposure associated with these general indemnifications was approximately $13.7 million as of June 30, 2026 and $3.0 million as of December 31, 2025. These indemnifications typically expire within a period of one to three years following the date of sale. The estimated fair value of these indemnifications was not material and the amount recorded for this contingency was not significant at June 30, 2026.

We expect the aggregate amount of the obligations we guarantee to fluctuate based on dealership disposition activity. Although we seek to mitigate our exposure in connection with these matters, these guarantees and indemnification obligations, including environmental exposures and the financial performance of lease assignees and sublessees, cannot be predicted with certainty. An unfavorable resolution of one or more of these matters could have a material adverse effect on our liquidity and capital resources. See Note 7, "Commitments and Contingencies," to the accompanying unaudited condensed consolidated financial statements and Note 12, "Commitments and Contingencies," to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025 for further discussion regarding these guarantees and indemnification obligations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Our variable rate debt, which includes our Floor Plan Facilities, Revolving Credit Facility, Mortgage Facility, Sidecar Facility, Bridge Facility and certain notes to finance companies, exposes us to risks caused by fluctuations in interest rates. The total outstanding balance of our variable rate debt was $2.6 billion at June 30, 2026. Based on that amount, a 1.0% change in the underlying interest rates would affect interest expense by $12.9 million over a six month period. Of that amount,$9.9 million would have resulted from the floor plan, net of offset.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures – Under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), we evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2026. Based upon that evaluation, our CEO and our CFO concluded that our disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control Over Financial Reporting – There were no changes in our internal control over financial reporting during the quarter ended June 30, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. In addition, any evaluation of the effectiveness of internal control over financial reporting in future periods is subject to risk that those internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

For information regarding legal proceedings, see the discussion under the heading “Legal Matters” in Note 7, “Commitments and Contingencies,” to the accompanying unaudited condensed consolidated financial statements.

Item 1A. Risk Factors.

There have been no material changes in our risk factors from those included in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table sets forth information about the shares of Class A Common Stock we repurchased during the three months ended June 30, 2026:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
	(In millions, except per share data)			
April 2026	0.1	$ 68.22	0.1	$ 527.9
May 2026	—	$ —	—	$ 527.9
June 2026	—	$ —	—	$ 527.9
Total	0.1		0.1	

(1) On April 30, 2026, we announced that our Board of Directors had increased the dollar amount authorized for us to repurchase shares of our Class A Common Stock pursuant to our share repurchase program. Our share repurchase program does not have an expiration date and current remaining availability under the program is as follows:

	(In millions)
July 2022 authorization	$ 500.0
April 2026 authorization	$ 500.0
Total active program repurchases prior to June 30, 2026	(472.1)
Current remaining availability as of June 30, 2026	$ 527.9

See “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a description of restrictions on share repurchases.

Item 5. Other Information.

Insider Trading Arrangements

None of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act)adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408 of Regulation S-K) during the quarter ended June 30, 2026.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated August 7, 1997 (incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 001-13395)).
3.2	Certificate of Designation, Preferences and Rights of Class A Convertible Preferred Stock, dated March 20, 1998 (incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated June 16, 1999 (incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated April 18, 2017 (incorporated by reference to Exhibit 3.4 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (File No. 001-13395)).
3.5	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated May 3, 2021 (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 filed June 8, 2021 (File No. 333-256891)).
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sonic Automotive, Inc., dated May 16, 2023 (incorporated by reference to Exhibit 3.6 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (File No. 001-13395)).
3.7	Amended and Restated Bylaws of Sonic Automotive, Inc., dated February 10, 2021 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed February 12, 2021 (File No. 001-13395)).
10.1	Sonic Automotive, Inc. 2026 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 1, 2026).
10.2*	Sonic Automotive, Inc. 2026 Equity Incentive Plan Form of Performance-Based Restricted Stock Unit Agreement.
10.3*	Sonic Automotive, Inc. 2026 Equity Incentive Plan Form of Restricted Stock Unit Agreement
31.1*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.
** Furnished herewith.

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 thereunto duly authorized.

SONIC AUTOMOTIVE, INC.

July 30, 2026	By:	/s/ DAVID BRUTON SMITH
		David Bruton Smith
		Chairman and Chief Executive Officer
July 30, 2026	By:	/s/ HEATH R. BYRD
		Heath R. Byrd
		Executive Vice President and Chief Financial Officer

Exhibit 10.2
FORM

SONIC AUTOMOTIVE, INC.
2026 EQUITY INCENTIVE PLAN

[YEAR] PERFORMANCE-BASED
RESTRICTED STOCK UNIT AGREEMENT

This Performance-Based Restricted Stock Unit Agreement (the "Restricted Stock Unit Agreement") is entered into as of [Grant Date] (the "Grant Date") between SONIC AUTOMOTIVE, INC., a Delaware corporation (the "Company"), and [Participant Name] (the "Participant").

WHEREAS, the Company has established the Sonic Automotive, Inc. 2026 Equity Incentive Plan (the "Plan"), pursuant to which the Company may, from time to time, make grants of restricted stock units ("Restricted Stock Units") to eligible employees and other individuals providing services to the Company and its Subsidiaries (as defined in the Plan);

WHEREAS, in consideration for the Participant's service to the Company and/or its Subsidiaries, the Company has determined to grant the Participant a certain number of Restricted Stock Units pursuant to the terms and conditions of the Plan and this Restricted Stock Unit Agreement; [and]

[WHEREAS, this grant of Restricted Stock Units also is in consideration for and conditioned upon the Participant entering into the Restrictive Covenants and Confidentiality Agreement that accompanies this Restricted Stock Unit Agreement] [the Participant previously executed and delivered to the Company in connection with a prior equity incentive award];

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth below, the Company and the Participant hereby agree as follows:

1. **Grant of Restricted Stock Units**. In consideration for the Participant's service to the Company and/or its Subsidiaries and subject to the terms and conditions set forth in this Restricted Stock Unit Agreement and the Plan, the Company grants to the Participant [insert number] Restricted Stock Units (the "Target Grant"). Each Restricted Stock Unit represents the contingent right to receive a share of the Company's Class A Common Stock, par value $.01 per share (the "Common Stock"), [or the cash equivalent thereof,] as described in this Restricted Stock Unit Agreement. As used in this Restricted Stock Unit Agreement, the term "Restricted Stock Units" refers to the Target Grant or the Adjusted Grant (defined in Section 2 below), as applicable.

[This grant of Restricted Stock Units also is subject to the Participant's entering into the accompanying Restrictive Covenants and Confidentiality Agreement. If the Participant has previously executed and delivered to the Company the Restrictive Covenants and Confidentiality Agreement in connection with a prior equity incentive award, the Participant shall be deemed to have satisfied such condition with respect to this grant of Restricted Stock Units.]

Capitalized terms not otherwise defined in this Restricted Stock Unit Agreement have the meanings given to them in the Plan.

2. **Performance Condition(s)**. The Target Grant shall be subject to forfeiture based on [insert performance-based criteria and related provisions]. [If the Company achieves [insert performance-based criteria and related provisions], the "Adjusted Grant" is the number of Restricted Stock Units, if any, that shall remain outstanding (but still subject to forfeiture as provided in Section 3 below and as provided elsewhere in this Restricted Stock Unit Agreement and the Plan).]

3. **Vesting Conditions**. Except as otherwise provided below in Section 4 or elsewhere in this Restricted Stock Unit Agreement, the Adjusted Grant will vest [insert vesting schedule]. Vesting on any such date is subject to the Participant's continued service with the Company through such date and subject to the other terms of this Restricted Stock Unit Agreement. Only a whole number of Restricted Stock Units will become vested as of any vesting date.

4. **Termination of Service**.

(a) Involuntary Termination Without Cause. If the Participant incurs an Involuntary Termination Without Cause prior to [full vesting date], the Adjusted Grant will become fully vested (to the extent not yet vested) on the later of (i) the date of such termination or (ii) the date that the Compensation Committee of the Company's Board of Directors determines the extent to which the performance condition[(s)] described in Section 2 have been achieved.

(b) Death or Disability. If the Participant incurs a Termination of Service prior to [full vesting date] due to the Participant's death or Disability, the Adjusted Grant will become fully vested (to the extent not yet vested) on the later of (i) the date of such Termination of Service or (ii) the date that the Compensation Committee of the Company's Board of Directors determines the extent to which the performance condition[(s)] described in Section 2 have been achieved.

(c) Termination for Cause and Other Termination of Employment. If the Participant incurs a Termination of Service for Cause or for any other reason not specifically addressed above (including voluntary resignation), all unvested Restricted Stock Units (whether under the Target Grant or the Adjusted Grant) shall be immediately and automatically forfeited by the Participant.

(d) Definitions. For purposes of this Restricted Stock Unit Agreement, the following terms have the definitions indicated:

(i) *"Cause"* means any act, action or series of acts or actions or any omission, omissions or series of omissions which result in, or which have the effect of resulting in, (A) the commission of a crime by the Participant involving moral turpitude, which crime has a material adverse impact on the Company or any Subsidiary or which is intended to result in the personal enrichment of the Participant at the expense of the Company or any Subsidiary; (B) a material violation of the Participant's responsibilities or the Participant's gross negligence or willful misconduct; (C) the continuous and willful failure by the Participant to follow the reasonable directives of the Company's Board of Directors; (D) the Participant's material violation of any employment agreement, restrictive covenant agreement and/or confidentiality agreement with the Company and/or a Subsidiary or the Participant's intentionally engaging in any activity that conflicts with or is adverse to the business or other interests of the Company; (E) conviction of a felony; or (F) the Participant's failure or refusal to cooperate with the Company or a Subsidiary in any investigation or formal proceeding with respect to which the Participant's reasonable cooperation has been requested.

(ii) *"Code"* has the meaning given to such term under the Plan.

(iii) *"Disability"* means the permanent and total disability of the Participant, determined in accordance with the Plan; provided that to the extent the Restricted Stock Units constitute or provide nonqualified deferred compensation subject to Section 409A of the Code, Disability means that the Participant is disabled within the meaning of Section 409A(a)(2)(C)(i) or (ii) of the Code.

(iv) "Involuntary Termination Without Cause" means a Termination of Service due to the dismissal of, or the request for the resignation of, the Participant either (A) by court order, order of any court-appointed liquidator or trustee of the Company, or the order or request of any creditors' committee of the Company constituted under the federal bankruptcy laws, provided that such order or request contains no specific reference to actions or omissions that would constitute Cause; or (B) by a duly authorized corporate officer of the Company or any Subsidiary, or by the Company's Board of Directors, for any reason other than for Cause.

(v) "Termination of Service" has the meaning given to such term under the Plan; provided, that to the extent the Restricted Stock Units constitute or provide nonqualified deferred compensation subject to Section 409A of the Code, the Termination of Service also must constitute a separation from service under Section 409A of the Code.

[*Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms]*

5. **Settlement of Restricted Stock Units**. The number of Restricted Stock Units that become vested as of a specified date pursuant to Section 3 above will be settled within thirty-one (31) days after such date and the number of Restricted Stock Units that become vested as of an earlier date pursuant to Section 4 because the Participant incurs a Termination of Service due to Involuntary Termination Without Cause, death or Disability will be settled within thirty-one (31) days after such date or if later, within the period from [February 1, [year] to March 15, [year]]; provided, that the Participant shall not be permitted, directly or indirectly, to designate the taxable year of the payment.

[Upon settlement, the Restricted Stock Units shall be converted to, and settled in the form of, [a single payment in the form of an equivalent number of shares of Common Stock] [in a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled.]] OR [The Compensation Committee of the Company's Board of Directors will determine, in its sole discretion, at or before the applicable time of settlement whether the vested Restricted Stock Units will be settled in the form of (a) a single payment of an equivalent number of shares of Common Stock, (b) a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled, or (c) a combination of shares of Common Stock and cash.]

Notwithstanding the foregoing, if vesting and payment are triggered by a Termination of Service due to Involuntary Termination Without Cause or Disability and the Participant is classified as of the date of such separation from service as a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code (and determined by the Company in accordance with its procedures for such purpose), such payment instead will be made on the first business day following the expiration of the six (6)-month period measured from the date of the Participant's separation from service (or, in accordance with Section 409A of the Code, an earlier date during such six-month period in the event of the Participant's death during such period). The foregoing will apply only to the extent any of the relevant Restricted Stock Units provide for a deferral of compensation under Section 409A of the Code.

[*Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms*]

6. **Change in Control**. In the event of a Change in Control (as defined in the Plan), the Restricted Stock Units will vest and become payable to the extent provided in the Plan, with such settlement within thirty (30) days following such Change in Control; provided, that to the extent any of the Restricted Stock Units provide for a deferral of compensation under Section 409A of the Code, the foregoing will apply only if such "change in control" also constitutes a "change in control event" under Section 409A of the Code.

[Upon settlement, the Restricted Stock Units shall be converted to, and settled in the form of, [a single payment in the form of an equivalent number of shares of Common Stock] [in a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled.]] OR [The Compensation Committee of the Company's Board of Directors will determine, in its sole discretion, at or before the applicable time of settlement whether the vested Restricted Stock Units will be settled in the form of (a) a single payment of an equivalent number of shares of Common Stock, (b) a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled, or (c) a combination of shares of Common Stock and cash.] *[Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms]*

7. **[No] Dividend Equivalents**. [The Participant will not be credited with or receive any dividend equivalents with respect to the Restricted Stock Units.] OR [If applicable, describe the form, time of payment and other terms of dividend equivalents to be received if the Board of Directors declares a cash dividend with respect to the Common Stock, as specified by the Compensation Committee in accordance with the Plan.]

8. **No Rights as Stockholder Prior to Settlement in Shares (If applicable)**. The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock that may be represented by the Restricted Stock Units unless and until the Participant becomes the holder of record of such Common Stock. No adjustments will be made for distributions (whether in cash, units, securities or other property) by the Company or other rights for which the record date is prior to the date that the Participant has become the holder of record of such shares of Common Stock.

9. **Restrictions on Transferability**. The Participant may not sell, assign, convey, pledge, exchange, hypothecate, alienate or otherwise dispose of or transfer the Restricted Stock Units in any manner. No attempted assignment, pledge or transfer of the Restricted Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall be effective, but immediately upon any such attempt to assign, pledge or otherwise transfer the Restricted Stock Units, the Restricted Stock Units shall be forfeited.

10. **Company Policies**. The Participant acknowledges that the Restricted Stock Units and the Participant's entitlements with respect thereto are subject to the terms and conditions of applicable law and the Plan and applicable policies and procedures adopted by the Company from time to time regarding clawbacks, forfeitures, recoupments and/or hedging. Without limiting the foregoing, by acceptance of the Restricted Stock Units, the Participant agrees to return to the Company any shares of Common Stock and pay to the Company or applicable Subsidiary any amounts that may be required to be returned, recovered or repaid pursuant to the terms of the Plan, the authority of the Committee thereunder, any such Company policies or procedures, and/or applicable law or stock exchange rules.

11. **Restrictive Covenants**. In the event that the Company determines that the Participant has violated the terms of any secrecy, confidentiality, noncompetition, no-solicit, no-hire or other restrictive covenants or clauses contained in any agreement with the Company and/or one or more Subsidiaries including but not limited to any Restrictive Covenants and Confidentiality Agreement (even if such covenants, clauses or agreements are held invalid or unenforceable), then (a) any unvested Restricted Stock Units and any shares of Common Stock or cash payments arising from vested Restricted Stock Units that have not yet been delivered to the Participant shall be immediately and automatically forfeited and rescinded upon such violation and (b) if any other Restricted Stock Units have vested after such violation or within two (2) years prior to such violation, then (without regard to tax consequences) the Participant agrees to return the previously received cash payments, and, if applicable, the previously received corresponding shares of Common Stock to the Company or if the Participant has sold or disposed of such shares, the Participant agrees to immediately pay the Company an amount equal to the fair market value of such shares at the time of such sale or disposition. Subject to applicable law, the Company and its Subsidiaries have the right to offset such payment amount against any amounts otherwise owed to the Participant by the Company or a Subsidiary (including, but not limited to, wages or other compensation, vacation pay, fringe benefits or pursuant to any other compensatory arrangement); provided, that any payment that constitutes nonqualified deferred compensation subject to Section 409A of the Code, as determined by the Company, shall be subject to offset only to the extent such offset would not give rise to a failure to comply with Section 409A of the Code. Notwithstanding the foregoing, nothing under this Section shall limit the Company's or its Subsidiaries' remedies under any such agreements containing secrecy, confidentiality, noncompetition, no-solicit and/or no-hire covenants or clauses or otherwise against the Participant for violations thereof.

12. **Forfeiture Procedures**. In the event of the forfeiture of any Restricted Stock Units, such forfeiture shall be automatic and without further act by the Participant or the Company, and neither the Company nor any Subsidiary will have any further obligation to the Participant under this Restricted Stock Unit Agreement with respect to, and the Participant shall not have any further interest in, such Restricted Stock Units. Notwithstanding the foregoing, if requested by the Company (or its agent), the Participant shall execute such documents (including, without limitation, a power of attorney in favor of the Company) and take such other action deemed necessary or desirable by the Company to evidence such forfeiture.

13. **Tax Matters (Withholding)** . The Participant shall pay or make provision for payment to the Company or a Subsidiary, as applicable, through payroll withholding (which the Participant hereby authorizes), other withholding or other means acceptable to the Committee and permissible under the Plan (including withholding of shares of Common Stock), of the amount necessary to satisfy any federal, state or local withholding requirements applicable to any taxable event arising in connection with the Restricted Stock Units (including, without limitation, vesting and settlement events). If other satisfactory withholding arrangements have not been made by the Participant and unless otherwise provided by the Committee, the Company shall retain and withhold from the cash payment or, if applicable, the shares of Common Stock otherwise deliverable to the Participant upon vesting and/or settlement of the Restricted Stock Units such cash amount necessary to satisfy the applicable tax withholding or, if applicable, such number of shares with a value sufficient to satisfy the statutory minimum required withholding amount and any remaining amount shall be otherwise satisfied as described above. The determination of the withholding amounts due shall be made by the Company and/or its Subsidiaries and shall be binding upon the Participant. The Company shall not be required to deliver any shares of Common Stock (if applicable) unless the Participant has made acceptable arrangements to satisfy any such withholding requirements. Nothing in this Section shall be construed to impose on the Company a duty to withhold where applicable law does not require such withholding.

NOTWITHSTANDING ANY ACTION THAT THE COMPANY OR A SUBSIDIARY TAKES WITH RESPECT TO ANY TAX-RELATED WITHHOLDING, THE PARTICIPANT ACKNOWLEDGES THAT THE PARTICIPANT IS AND REMAINS RESPONSIBLE FOR AND IS ADVISED TO CONSULT WITH THE PARTICIPANT'S OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THE PARTICIPANT THAT MAY ARISE IN CONNECTION WITH THE RESTRICTED STOCK UNITS. THE COMPANY DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE TREATMENT OF ANY TAXES IN CONNECTION WITH THE RESTRICTED STOCK UNITS.

14. **Adjustments**. Subject to the Plan, in the event of a reorganization, recapitalization, stock split, stock dividend, extraordinary dividend, spin-off, combination of shares, merger, consolidation or similar transaction or other change in corporate capitalization affecting the Common Stock, equitable adjustments and/or substitutions, as applicable, will be made to the outstanding Restricted Stock Units by the Committee to prevent the dilution or enlargement of rights. The Committee also will make adjustments in its discretion to eliminate any resulting fractional shares or Restricted Stock Units.

The existence of the Restricted Stock Units does not affect in any way the authority of the Company and its stockholders to exercise their corporate rights and powers, including, but not by way of limitation, the right of the Company to authorize any adjustment, reclassification, reorganization, or other change in its capital or business structure, any merger or consolidation of the Company, the dissolution or liquidation of the Company, the issuance of securities with preference ahead of or affecting the Common Stock, or any sale or transfer of all or any part of its business or assets.

15. **Nature of Arrangement**. The Participant's rights under this Restricted Stock Unit Agreement are only contractual in nature unsecured by any assets of the Company or any Subsidiary. The Company is not required to segregate any specific funds, assets or other property from its general assets with respect to the Restricted Stock Units. The Participant shall have no rights under this Restricted Stock Unit Agreement other than as an unsecured general creditor of the Company. To the extent that this Restricted Stock Unit Agreement provides for a deferral of compensation within the meaning of Section 409A of the Code, this Restricted Stock Unit Agreement is intended to comply with Section 409A of the Code and shall be interpreted consistent with such intent. References in this Restricted Stock Unit Agreement to Section 409A of the Code also shall be deemed to include reference to applicable regulations or other authoritative guidance thereunder, and any amendments or successor provisions to such section, regulations or guidance. To the extent applicable, each and every payment made pursuant to this Restricted Stock Unit Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Section 409A of the Code. Notwithstanding the foregoing, the Company does not guarantee to the Participant that this Restricted Stock Unit Agreement is exempt from or complies with Section 409A of the Code, and shall not indemnify or hold harmless the Participant with respect to any tax consequences that arise from any such failure to meet an exemption under or comply with Section 409A of the Code.

16. **Securities Laws**. Notwithstanding any provision herein to the contrary or in the Plan, if the Restricted Stock Units are to be settled in shares of Common Stock, the Company shall be under no obligation to issue any shares of Common Stock to the Participant pursuant to this Restricted Stock Unit Agreement unless and until the Company has determined that such issuance is either exempt from registration, or is registered, under the Securities Act of 1933, as amended, and is either exempt from registration and qualification, or is registered or qualified, as applicable, under all applicable state securities or "blue sky" laws. Nothing in this Restricted Stock Unit Agreement shall be construed to obligate the Company at any time to file or maintain a registration statement under the Securities Act of 1933, as amended, or to effect similar compliance under any applicable state laws with respect to any Common Stock that may be issued pursuant to this Restricted Stock Unit Agreement. The Company may require that the Participant make such representations and agreements and furnish such information as the Company deems appropriate to assure compliance with applicable legal and regulatory requirements.

17. **Resolution of Disputes; Interpretation**. Any question of interpretation, dispute or disagreement that arises under, or as a result of, this Restricted Stock Unit Agreement shall be determined by the Committee in its sole and absolute discretion, and any determination or other interpretation by the Committee in connection with this Restricted Stock Unit Agreement shall be final, binding and conclusive on all parties affected thereby.

18. **Personal Data**. The Participant acknowledges that Plan participation and receipt of awards under the Plan (including the Restricted Stock Units) involve the use and transfer, in electronic or other form, of personal data about the Participant between and among the Company, its Subsidiaries and third-party service providers. This data may include, but is not limited to, the Participant's name, home address, telephone number, date of birth, social security number, information regarding securities of the Company held by such Participant, and details of awards granted to the Participant under the Plan, including the Restricted Stock Units. By accepting the Restricted Stock Units, the Participant consents and agrees that the Company and its Subsidiaries may transfer such data to third parties assisting the Company in the administration and management of the Plan, the Restricted Stock Units and the Participant's participation in the Plan, including any requisite transfer of such data to a broker or other third party with whom the Company or the Participant may deposit any shares of Common Stock.

19. **Miscellaneous**.

(a) Binding on Successors and Representatives. Subject to the transfer restrictions applicable to the Participant hereunder and other conditions hereof, this Restricted Stock Unit Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company and the Participant's heirs, executors, administrators and personal representatives, and the parties agree, for themselves and their successors and representatives to execute any instrument that may be necessary legally to effect the terms and conditions of this Restricted Stock Unit Agreement.

(b) No Employment or Service Rights. Nothing contained in this Restricted Stock Unit Agreement shall confer upon the Participant any right to continue in the employ or service of the Company or any Subsidiary (or to continue or be retained in any particular position or capacity) nor interfere with or limit in any way the right of the Company or a Subsidiary to terminate the Participant's employment by, or performance of services for, the Company or Subsidiary at any time.

(c) Entire Agreement. This Restricted Stock Unit Agreement together with the Plan constitute the entire agreement of the parties with respect to the Restricted Stock Units and supersede any previous agreement, whether written or oral, with respect thereto. This Restricted Stock Unit Agreement has been entered into in compliance with the terms of the Plan; wherever a conflict may arise between the terms of this Restricted Stock Unit Agreement and the terms of the Plan, the terms of the Plan shall control.

(d) Amendment. Neither this Restricted Stock Unit Agreement nor any of its terms and conditions may be altered or amended orally, and amendments shall be evidenced in writing. The Company and the Committee may at any time amend the terms of this Restricted Stock Unit Agreement, but an amendment shall not adversely affect in any material way the rights of the Participant without the Participant's consent except as otherwise provided or permitted by the Plan or this Restricted Stock Unit Agreement. In addition, the Company or the Committee may, without obtaining the Participant's written consent, amend this Restricted Stock Unit Agreement in any respect either deems necessary or advisable to comply with Section 409A of the Code and applicable regulations and guidance thereunder and/or to prevent this Restricted Stock Unit Agreement from being subject to Section 409A of the Code.

(e) Construction of Terms. Any reference herein to the singular or plural shall be construed as plural or singular whenever the context requires.

(f) Notices. Except with respect to notices and other materials from the Company provided as described in Section 19(i) below, all notices required and permitted to be given hereunder shall be in writing and shall be deemed to have been given (i) if delivered by hand, when so delivered; (ii) if sent by Federal Express or other overnight express service, one (1) business day after delivery to such service; or (iii) if mailed by certified or registered mail, return receipt requested, three (3) days after delivery to the post office. In each case, all notices shall be addressed to the intended recipient as follows or at such other address as is provided by either party by notice to the other:

If to the Company:

Sonic Automotive, Inc.
Attention: Chief Financial Officer
4401 Colwick Road
Charlotte, NC 28211

With a copy to:

Sonic Automotive, Inc.
Attention: General Counsel
4401 Colwick Road
Charlotte, NC 28211

If to the Participant:

The Participant's address appearing in the Company's records.

(g) Governing Law. This Restricted Stock Unit Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina, without regard to its principles of conflict of laws. The parties agree that any action, suit or proceeding arising out of or related to this Restricted Stock Unit Agreement shall be instituted only in the state or federal courts sitting in Mecklenburg County, North Carolina.

(h) Severability. The invalidity or unenforceability of any particular provision of this Restricted Stock Unit Agreement shall not affect the other provisions hereof, and the Committee may elect in its discretion to construe such invalid or unenforceable provision in a manner which conforms to applicable law or as if such provision were omitted.

(i) Electronic Delivery, [Acceptance] and Acknowledgement. [The Participant hereby acknowledges and agrees that this Restricted Stock Unit Agreement is being accepted and agreed to by the Participant electronically. By electronically accepting this Restricted Stock Unit Agreement, the Participant agrees to be bound by all terms and provisions of this Restricted Stock Unit Agreement and the Plan.] The Participant also acknowledges and agrees that the Company may, in its discretion, deliver documents related to the Restricted Stock Units and participation in the Plan (including, without limitation, this Restricted Stock Unit Agreement, Plan documents, and disclosures that may be required by the Securities and Exchange Commission or applicable law) by electronic means, including through an on-line or electronic system (including by posting them on a website) established and maintained by the Company or a third party designated by the Company, and the Participant consents to receive documents in such manner. To the extent required by applicable law, the Participant also may request paper copies of documents delivered electronically and may withdraw consent to receive documents electronically by written notice to the Company. Notwithstanding the foregoing, the Company also may require or permit the Participant to accept and execute this Restricted Stock Unit Agreement in such hard copy form as the Company may prescribe. Regardless of whether the Company delivers and permits or requires acceptance of this Restricted Stock Unit Agreement electronically or in hard copy form, the Participant agrees to be bound by all terms and provisions of this Restricted Stock Unit Agreement and the Plan.

This Restricted Stock Unit Agreement is accepted and agreed to by the parties effective as of the day and year first written above.

SONIC AUTOMOTIVE, INC.

By:__

Title:__

PARTICIPANT: [NAME]

__

Exhibit 10.3
FORM

SONIC AUTOMOTIVE, INC.
2026 EQUITY INCENTIVE PLAN

[YEAR] RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (the “Restricted Stock Unit Agreement”) is entered into as of [Grant Date] (the “Grant Date”) between SONIC AUTOMOTIVE, INC., a Delaware corporation (the “Company”), and [Participant Name] (the “Participant”).

WHEREAS, the Company has established the Sonic Automotive, Inc. 2026 Equity Incentive Plan (the “Plan”), pursuant to which the Company may, from time to time, make grants of restricted stock units (“Restricted Stock Units”) to eligible employees and other individuals providing services to the Company and its Subsidiaries (as defined in the Plan);

WHEREAS, in consideration for the Participant’s service to the Company and/or its Subsidiaries, the Company has determined to grant the Participant a certain number of Restricted Stock Units pursuant to the terms and conditions of the Plan and this Restricted Stock Unit Agreement; [and]

[WHEREAS, this grant of Restricted Stock Units also is in consideration for and conditioned upon the Participant entering into the Restrictive Covenants and Confidentiality Agreement that accompanies this Restricted Stock Unit Agreement] [the Participant previously executed and delivered to the Company in connection with a prior equity incentive award];

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth below, the Company and the Participant hereby agree as follows:

1. **Grant of Restricted Stock Units**. In consideration for the Participant’s service to the Company and/or its Subsidiaries and subject to the terms and conditions set forth in this Restricted Stock Unit Agreement and the Plan, the Company grants to the Participant [insert number] Restricted Stock Units. Each Restricted Stock Unit represents the contingent right to receive a share of the Company’s Class A Common Stock, par value $.01 per share (the “Common Stock”), [or the cash equivalent thereof,] as described in this Restricted Stock Unit Agreement.

[This grant of Restricted Stock Units also is subject to the Participant’s entering into the accompanying Restrictive Covenants and Confidentiality Agreement. If the Participant has previously executed and delivered to the Company the Restrictive Covenants and Confidentiality Agreement in connection with a prior equity incentive award, the Participant shall be deemed to have satisfied such condition with respect to this grant of Restricted Stock Units.]

Capitalized terms not otherwise defined in this Restricted Stock Unit Agreement have the meanings given to them in the Plan.

2. **Vesting Conditions**. Except as otherwise provided below in Section 3 or elsewhere in this Restricted Stock Unit Agreement, the Restricted Stock Units will vest [insert vesting schedule]. Vesting on any such date is subject to the Participant’s continued service with the Company through such date and subject to the other terms of this Restricted Stock Unit Agreement. Only a whole number of Restricted Stock Units will become vested as of any vesting date.

3. **Termination of Service**.

(a) Involuntary Termination Without Cause. If the Participant incurs an Involuntary Termination Without Cause prior to [full vesting date], the Restricted Stock Units will become fully vested (to the extent not yet vested) on the date of such termination.

(b) Death or Disability. If the Participant incurs a Termination of Service prior to [full vesting date] due to the Participant's death or Disability, the Restricted Stock Units will become fully vested (to the extent not yet vested) on the date of such Termination of Service.

(c) Termination for Cause and Other Termination of Employment. If the Participant incurs a Termination of Service for Cause or for any other reason not specifically addressed above (including voluntary resignation), all unvested Restricted Stock Units shall be immediately and automatically forfeited by the Participant.

(d) Definitions. For purposes of this Restricted Stock Unit Agreement, the following terms have the definitions indicated:

(i) "Cause" means any act, action or series of acts or actions or any omission, omissions or series of omissions which result in, or which have the effect of resulting in, (A) the commission of a crime by the Participant involving moral turpitude, which crime has a material adverse impact on the Company or any Subsidiary or which is intended to result in the personal enrichment of the Participant at the expense of the Company or any Subsidiary; (B) a material violation of the Participant's responsibilities or the Participant's gross negligence or willful misconduct; (C) the continuous and willful failure by the Participant to follow the reasonable directives of the Company's Board of Directors; (D) the Participant's material violation of any employment agreement, restrictive covenant agreement and/or confidentiality agreement with the Company and/or a Subsidiary or the Participant's intentionally engaging in any activity that conflicts with or is adverse to the business or other interests of the Company; (E) conviction of a felony; or (F) the Participant's failure or refusal to cooperate with the Company or a Subsidiary in any investigation or formal proceeding with respect to which the Participant's reasonable cooperation has been requested.

(ii) "Code" has the meaning given to such term under the Plan.

(iii) "Disability" means the permanent and total disability of the Participant, determined in accordance with the Plan; provided that to the extent the Restricted Stock Units constitute or provide nonqualified deferred compensation subject to Section 409A of the Code, Disability means that the Participant is disabled within the meaning of Section 409A(a)(2)(C)(i) or (ii) of the Code.

(iv) "Involuntary Termination Without Cause" means a Termination of Service due to the dismissal of, or the request for the resignation of, the Participant either (A) by court order, order of any court-appointed liquidator or trustee of the Company, or the order or request of any creditors' committee of the Company constituted under the federal bankruptcy laws, provided that such order or request contains no specific reference to actions or omissions that would constitute Cause; or (B) by a duly authorized corporate officer of the Company or any Subsidiary, or by the Company's Board of Directors, for any reason other than for Cause.

(v) "Termination of Service" has the meaning given to such term under the Plan; provided, that to the extent the Restricted Stock Units constitute or provide nonqualified deferred compensation subject to Section 409A of the Code, the Termination of Service also must constitute a separation from service under Section 409A of the Code.

[*Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms]*

4. **Settlement of Restricted Stock Units**. The number of Restricted Stock Units that become vested as of a specified date pursuant to Section 2 above will be settled within thirty-one (31) days after such date and the number of Restricted Stock Units that become vested as of an earlier date pursuant to Section 3 because the Participant incurs a Termination of Service due to Involuntary Termination Without Cause, death or Disability will be settled within thirty-one (31) days after such date or if later, within the period from [February 1, [year] to March 15, [year]]; provided, that the Participant shall not be permitted, directly or indirectly, to designate the taxable year of the payment.

[Upon settlement, the Restricted Stock Units shall be converted to, and settled in the form of, [a single payment in the form of an equivalent number of shares of Common Stock] [in a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled.]] OR [The Compensation Committee of the Company's Board of Directors will determine, in its sole discretion, at or before the applicable time of settlement whether the vested Restricted Stock Units will be settled in the form of (a) a single payment of an equivalent number of shares of Common Stock, (b) a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled, or (c) a combination of shares of Common Stock and cash.]

Notwithstanding the foregoing, if vesting and payment are triggered by a Termination of Service due to Involuntary Termination Without Cause or Disability and the Participant is classified as of the date of such separation from service as a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code (and determined by the Company in accordance with its procedures for such purpose), such payment instead will be made on the first business day following the expiration of the six (6)-month period measured from the date of the Participant's separation from service (or, in accordance with Section 409A of the Code, an earlier date during such six-month period in the event of the Participant's death during such period). The foregoing will apply only to the extent any of the relevant Restricted Stock Units provide for a deferral of compensation under Section 409A of the Code.

[*Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms*]

5. **Change in Control**. In the event of a Change in Control (as defined in the Plan), the Restricted Stock Units will vest and become payable to the extent provided in the Plan, with such settlement within thirty (30) days following such Change in Control; provided, that to the extent any of the Restricted Stock Units provide for a deferral of compensation under Section 409A of the Code, the foregoing will apply only if such "change in control" also constitutes a "change in control event" under Section 409A of the Code.

[Upon settlement, the Restricted Stock Units shall be converted to, and settled in the form of, [a single payment in the form of an equivalent number of shares of Common Stock] [in a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled.]] OR [The Compensation Committee of the Company's Board of Directors will determine, in its sole discretion, at or before the applicable time of settlement whether the vested Restricted Stock Units will be settled in the form of (a) a single payment of an equivalent number of shares of Common Stock, (b) a single lump sum cash payment in an amount equal to the Fair Market Value of a share of Common Stock (as determined pursuant to the Plan) on the vesting date multiplied by the number of Restricted Stock Units to be settled, or (c) a combination of shares of Common Stock and cash.] *[Replace/revise foregoing provisions with alternative or different terms as determined by the Committee in accordance with Plan terms]*

6. **[No] Dividend Equivalents**. [The Participant will not be credited with or receive any dividend equivalents with respect to the Restricted Stock Units.] OR [If applicable, describe the form, time of payment and other terms of dividend equivalents to be received if the Board of Directors declares a cash dividend with respect to the Common Stock, as specified by the Compensation Committee in accordance with the Plan.]

7. **No Rights as Stockholder Prior to Settlement in Shares (If applicable)**. The Participant shall have no rights as a stockholder of the Company with respect to any shares of Common Stock that may be represented by the Restricted Stock Units unless and until the Participant becomes the holder of record of such Common Stock. No adjustments will be made for distributions (whether in cash, units, securities or other property) by the Company or other rights for which the record date is prior to the date that the Participant has become the holder of record of such shares of Common Stock.

8. **Restrictions on Transferability**. The Participant may not sell, assign, convey, pledge, exchange, hypothecate, alienate or otherwise dispose of or transfer the Restricted Stock Units in any manner. No attempted assignment, pledge or transfer of the Restricted Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall be effective, but immediately upon any such attempt to assign, pledge or otherwise transfer the Restricted Stock Units, the Restricted Stock Units shall be forfeited.

9. **Company Policies**. The Participant acknowledges that the Restricted Stock Units and the Participant's entitlements with respect thereto are subject to the terms and conditions of applicable law and the Plan and applicable policies and procedures adopted by the Company from time to time regarding clawbacks, forfeitures, recoupments and/or hedging. Without limiting the foregoing, by acceptance of the Restricted Stock Units, the Participant agrees to return to the Company any shares of Common Stock and pay to the Company or applicable Subsidiary any amounts that may be required to be returned, recovered or repaid pursuant to the terms of the Plan, the authority of the Committee thereunder, any such Company policies or procedures, and/or applicable law or stock exchange rules.

10. **Restrictive Covenants**. In the event that the Company determines that the Participant has violated the terms of any secrecy, confidentiality, noncompetition, no-solicit, no-hire or other restrictive covenants or clauses contained in any agreement with the Company and/or one or more Subsidiaries including but not limited to any Restrictive Covenants and Confidentiality Agreement (even if such covenants, clauses or agreements are held invalid or unenforceable), then (a) any unvested Restricted Stock Units and any shares of Common Stock or cash payments arising from vested Restricted Stock Units that have not yet been delivered to the Participant shall be immediately and automatically forfeited and rescinded upon such violation and (b) if any other Restricted Stock Units have vested after such violation or within two (2) years prior to such violation, then (without regard to tax consequences) the Participant agrees to return the previously received cash payments, and, if applicable, the previously received corresponding shares of Common Stock to the Company or if the Participant has sold or disposed of such shares, the Participant agrees to immediately pay the Company an amount equal to the fair market value of such shares at the time of such sale or disposition. Subject to applicable law, the Company and its Subsidiaries have the right to offset such payment amount against any amounts otherwise owed to the Participant by the Company or a Subsidiary (including, but not limited to, wages or other compensation, vacation pay, fringe benefits or pursuant to any other compensatory arrangement); provided, that any payment that constitutes nonqualified deferred compensation subject to Section 409A of the Code, as determined by the Company, shall be subject to offset only to the extent such offset would not give rise to a failure to comply with Section 409A of the Code. Notwithstanding the foregoing, nothing under this Section shall limit the Company's or its Subsidiaries' remedies under any such agreements containing secrecy, confidentiality, noncompetition, no-solicit and/or no-hire covenants or clauses or otherwise against the Participant for violations thereof.

11. **Forfeiture Procedures**. In the event of the forfeiture of any Restricted Stock Units, such forfeiture shall be automatic and without further act by the Participant or the Company, and neither the Company nor any Subsidiary will have any further obligation to the Participant under this Restricted Stock Unit Agreement with respect to, and the Participant shall not have any further interest in, such Restricted Stock Units. Notwithstanding the foregoing, if requested by the Company (or its agent), the Participant shall execute such documents (including, without limitation, a power of attorney in favor of the Company) and take such other action deemed necessary or desirable by the Company to evidence such forfeiture.

12. **Tax Matters (Withholding)**. The Participant shall pay or make provision for payment to the Company or a Subsidiary, as applicable, through payroll withholding (which the Participant hereby authorizes), other withholding or other means acceptable to the Committee and permissible under the Plan (including withholding of shares of Common Stock), of the amount necessary to satisfy any federal, state or local withholding requirements applicable to any taxable event arising in connection with the Restricted Stock Units (including, without limitation, vesting and settlement events). If other satisfactory withholding arrangements have not been made by the Participant and unless otherwise provided by the Committee, the Company shall retain and withhold from the cash payment or, if applicable, the shares of Common Stock otherwise deliverable to the Participant upon vesting and/or settlement of the Restricted Stock Units such cash amount necessary to satisfy the applicable tax withholding or, if applicable, such number of shares with a value sufficient to satisfy the statutory minimum required withholding amount and any remaining amount shall be otherwise satisfied as described above. The determination of the withholding amounts due shall be made by the Company and/or its Subsidiaries and shall be binding upon the Participant. The Company shall not be required to deliver any shares of Common Stock (if applicable) unless the Participant has made acceptable arrangements to satisfy any such withholding requirements. Nothing in this Section shall be construed to impose on the Company a duty to withhold where applicable law does not require such withholding.

NOTWITHSTANDING ANY ACTION THAT THE COMPANY OR A SUBSIDIARY TAKES WITH RESPECT TO ANY TAX-RELATED WITHHOLDING, THE PARTICIPANT ACKNOWLEDGES THAT THE PARTICIPANT IS AND REMAINS RESPONSIBLE FOR AND IS ADVISED TO CONSULT WITH THE PARTICIPANT'S OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THE PARTICIPANT THAT MAY ARISE IN CONNECTION WITH THE RESTRICTED STOCK UNITS. THE COMPANY DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE TREATMENT OF ANY TAXES IN CONNECTION WITH THE RESTRICTED STOCK UNITS.

13. **Adjustments**. Subject to the Plan, in the event of a reorganization, recapitalization, stock split, stock dividend, extraordinary dividend, spin-off, combination of shares, merger, consolidation or similar transaction or other change in corporate capitalization affecting the Common Stock, equitable adjustments and/or substitutions, as applicable, will be made to the outstanding Restricted Stock Units by the Committee to prevent the dilution or enlargement of rights. The Committee also will make adjustments in its discretion to eliminate any resulting fractional shares or Restricted Stock Units.

The existence of the Restricted Stock Units does not affect in any way the authority of the Company and its stockholders to exercise their corporate rights and powers, including, but not by way of limitation, the right of the Company to authorize any adjustment, reclassification, reorganization, or other change in its capital or business structure, any merger or consolidation of the Company, the dissolution or liquidation of the Company, the issuance of securities with preference ahead of or affecting the Common Stock, or any sale or transfer of all or any part of its business or assets.

14. **Nature of Arrangement**. The Participant's rights under this Restricted Stock Unit Agreement are only contractual in nature unsecured by any assets of the Company or any Subsidiary. The Company is not required to segregate any specific funds, assets or other property from its general assets with respect to the Restricted Stock Units. The Participant shall have no rights under this Restricted Stock Unit Agreement other than as an unsecured general creditor of the Company. To the extent that this Restricted Stock Unit Agreement provides for a deferral of compensation within the meaning of Section 409A of the Code, this Restricted Stock Unit Agreement is intended to comply with Section 409A of the Code and shall be interpreted consistent with such intent. References in this Restricted Stock Unit Agreement to Section 409A of the Code also shall be deemed to include reference to applicable regulations or other authoritative guidance thereunder, and any amendments or successor provisions to such section, regulations or guidance. To the extent applicable, each and every payment made pursuant to this Restricted Stock Unit Agreement shall be treated as a separate payment and not as one of a series of payments treated as a single payment for purposes of Section 409A of the Code. Notwithstanding the foregoing, the Company does not guarantee to the Participant that this Restricted Stock Unit Agreement is exempt from or complies with Section 409A of the Code, and shall not indemnify or hold harmless the Participant with respect to any tax consequences that arise from any such failure to meet an exemption under or comply with Section 409A of the Code.

15. **Securities Laws**. Notwithstanding any provision herein to the contrary or in the Plan, if the Restricted Stock Units are to be settled in shares of Common Stock, the Company shall be under no obligation to issue any shares of Common Stock to the Participant pursuant to this Restricted Stock Unit Agreement unless and until the Company has determined that such issuance is either exempt from registration, or is registered, under the Securities Act of 1933, as amended, and is either exempt from registration and qualification, or is registered or qualified, as applicable, under all applicable state securities or "blue sky" laws. Nothing in this Restricted Stock Unit Agreement shall be construed to obligate the Company at any time to file or maintain a registration statement under the Securities Act of 1933, as amended, or to effect similar compliance under any applicable state laws with respect to any Common Stock that may be issued pursuant to this Restricted Stock Unit Agreement. The Company may require that the Participant make such representations and agreements and furnish such information as the Company deems appropriate to assure compliance with applicable legal and regulatory requirements.

16. **Resolution of Disputes; Interpretation**. Any question of interpretation, dispute or disagreement that arises under, or as a result of, this Restricted Stock Unit Agreement shall be determined by the Committee in its sole and absolute discretion, and any determination or other interpretation by the Committee in connection with this Restricted Stock Unit Agreement shall be final, binding and conclusive on all parties affected thereby.

17. **Personal Data**. The Participant acknowledges that Plan participation and receipt of awards under the Plan (including the Restricted Stock Units) involve the use and transfer, in electronic or other form, of personal data about the Participant between and among the Company, its Subsidiaries and third-party service providers. This data may include, but is not limited to, the Participant's name, home address, telephone number, date of birth, social security number, information regarding securities of the Company held by such Participant, and details of awards granted to the Participant under the Plan, including the Restricted Stock Units. By accepting the Restricted Stock Units, the Participant consents and agrees that the Company and its Subsidiaries may transfer such data to third parties assisting the Company in the administration and management of the Plan, the Restricted Stock Units and the Participant's participation in the Plan, including any requisite transfer of such data to a broker or other third party with whom the Company or the Participant may deposit any shares of Common Stock.

18. **Miscellaneous**.

(a) Binding on Successors and Representatives. Subject to the transfer restrictions applicable to the Participant hereunder and other conditions hereof, this Restricted Stock Unit Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company and the Participant's heirs, executors, administrators and personal representatives, and the parties agree, for themselves and their successors and representatives to execute any instrument that may be necessary legally to effect the terms and conditions of this Restricted Stock Unit Agreement.

(b) No Employment or Service Rights. Nothing contained in this Restricted Stock Unit Agreement shall confer upon the Participant any right to continue in the employ or service of the Company or any Subsidiary (or to continue or be retained in any particular position or capacity) nor interfere with or limit in any way the right of the Company or a Subsidiary to terminate the Participant's employment by, or performance of services for, the Company or Subsidiary at any time.

(c) Entire Agreement. This Restricted Stock Unit Agreement together with the Plan constitute the entire agreement of the parties with respect to the Restricted Stock Units and supersede any previous agreement, whether written or oral, with respect thereto. This Restricted Stock Unit Agreement has been entered into in compliance with the terms of the Plan; wherever a conflict may arise between the terms of this Restricted Stock Unit Agreement and the terms of the Plan, the terms of the Plan shall control.

(d) Amendment. Neither this Restricted Stock Unit Agreement nor any of its terms and conditions may be altered or amended orally, and amendments shall be evidenced in writing. The Company and the Committee may at any time amend the terms of this Restricted Stock Unit Agreement, but an amendment shall not adversely affect in any material way the rights of the Participant without the Participant's consent except as otherwise provided or permitted by the Plan or this Restricted Stock Unit Agreement. In addition, the Company or the Committee may, without obtaining the Participant's written consent, amend this Restricted Stock Unit Agreement in any respect either deems necessary or advisable to comply with Section 409A of the Code and applicable regulations and guidance thereunder and/or to prevent this Restricted Stock Unit Agreement from being subject to Section 409A of the Code.

(e) Construction of Terms. Any reference herein to the singular or plural shall be construed as plural or singular whenever the context requires.

(f) Notices. Except with respect to notices and other materials from the Company provided as described in Section 18(i) below, all notices required and permitted to be given hereunder shall be in writing and shall be deemed to have been given (i) if delivered by hand, when so delivered; (ii) if sent by Federal Express or other overnight express service, one (1) business day after delivery to such service; or (iii) if mailed by certified or registered mail, return receipt requested, three (3) days after delivery to the post office. In each case, all notices shall be addressed to the intended recipient as follows or at such other address as is provided by either party by notice to the other:

If to the Company:	With a copy to:
Sonic Automotive, Inc. Attention: Chief Financial Officer 4401 Colwick Road Charlotte, NC 28211	Sonic Automotive, Inc. Attention: General Counsel 4401 Colwick Road Charlotte, NC 28211

If to the Participant:

The Participant's address appearing in the Company's records.

(g) Governing Law. This Restricted Stock Unit Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina, without regard to its principles of conflict of laws. The parties agree that any action, suit or proceeding arising out of or related to this Restricted Stock Unit Agreement shall be instituted only in the state or federal courts sitting in Mecklenburg County, North Carolina.

(h) Severability. The invalidity or unenforceability of any particular provision of this Restricted Stock Unit Agreement shall not affect the other provisions hereof, and the Committee may elect in its discretion to construe such invalid or unenforceable provision in a manner which conforms to applicable law or as if such provision were omitted.

(i) Electronic Delivery, [Acceptance] and Acknowledgement. [The Participant hereby acknowledges and agrees that this Restricted Stock Unit Agreement is being accepted and agreed to by the Participant electronically. By electronically accepting this Restricted Stock Unit Agreement, the Participant agrees to be bound by all terms and provisions of this Restricted Stock Unit Agreement and the Plan.] The Participant also acknowledges and agrees that the Company may, in its discretion, deliver documents related to the Restricted Stock Units and participation in the Plan (including, without limitation, this Restricted Stock Unit Agreement, Plan documents, and disclosures that may be required by the Securities and Exchange Commission or applicable law) by electronic means, including through an on-line or electronic system (including by posting them on a website) established and maintained by the Company or a third party designated by the Company, and the Participant consents to receive documents in such manner. To the extent required by applicable law, the Participant also may request paper copies of documents delivered electronically and may withdraw consent to receive documents electronically by written notice to the Company. Notwithstanding the foregoing, the Company also may require or permit the Participant to accept and execute this Restricted Stock Unit Agreement in such hard copy form as the Company may prescribe. Regardless of whether the Company delivers and permits or requires acceptance of this Restricted Stock Unit Agreement electronically or in hard copy form, the Participant agrees to be bound by all terms and provisions of this Restricted Stock Unit Agreement and the Plan.

This Restricted Stock Unit Agreement is accepted and agreed to by the parties effective as of the day and year first written above.

SONIC AUTOMOTIVE, INC.	PARTICIPANT: [NAME]
By:__	__
Title:__	

Exhibit 31.1

CERTIFICATION

I, Heath R. Byrd, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2026

By: /s/ HEATH R. BYRD

Heath R. Byrd

Executive Vice President and Chief Financial Officer

Exhibit 31.2

CERTIFICATION

I, David Bruton Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sonic Automotive, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 30, 2026

By: /s/ DAVID BRUTON SMITH

David Bruton Smith

Chairman and Chief Executive Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sonic Automotive, Inc. (the Company) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Heath R. Byrd, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ HEATH R. BYRD

Heath R. Byrd
Executive Vice President and Chief Financial Officer
July 30, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sonic Automotive, Inc. (the Company) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David Bruton Smith, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID BRUTON SMITH

David Bruton Smith
Chairman and Chief Executive Officer
July 30, 2026