

October 28, 2015



Sonic Automotive, Inc. Reports Record Earnings

Q3 2015 Diluted Continuing Operations Earnings per Share of \$0.53

CHARLOTTE, N.C., Oct. 28, 2015 /PRNewswire/ --

Third Quarter 2015 Results

- Record third quarter net income from continuing operations of \$27.1 million, up \$3.1 million, or 12.7% from the prior year period quarterly adjusted amount of \$24.0 million
- All-time record quarterly new retail sales of 36,891 units, up 1.6% over the prior year quarter
- All-time record quarterly pre-owned retail sales of 30,467 units, up 10.6% over the prior year quarter – retailed 100 pre-owned units per store per month in the quarter
- All-time record quarterly pre-owned gross profit of \$41.7 million, up 1.2% over the prior year quarter
- Record third quarter fixed operations gross profit of \$169.7 million, up 9.3% over the prior year quarter
- All-time quarterly total gross profit of \$360.3 million, up 5.5% over the prior year quarter
- Echo Park[®] stores retail 920 units, up 4.4% from the prior quarter

Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported net income from continuing operations for the third quarter of 2015 of \$27.1 million, or \$0.53 per diluted share. Included in these amounts are pre-tax expenses of \$3.7 million, or \$0.04 per diluted share, related to EchoPark[®] operations.

Adjusted net income from continuing operations for the third quarter of 2014 was \$24.0 million, or \$0.46 per diluted share. Included in these adjusted amounts are pre-tax expenses of \$3.6 million, or \$0.04 per diluted share, related to EchoPark[®] operations. On a GAAP basis, net income from continuing operations and related diluted earnings per share for the third quarter of 2014 were \$24.6 million and \$0.47 per share, respectively. See the accompanying tables for a reconciliation of the adjusted balances to GAAP basis amounts and further details of the quarterly adjustments.

B. Scott Smith, Sonic's Chief Executive Officer, noted, "The overall increase in retail activity and our dedication to provide our customers with an outstanding buying and servicing experience contributed to record results during the quarter. The automotive retail environment continues to expand and present us with opportunities to strengthen and grow our business."

"We are extremely excited about the development of our EchoPark® brand. Our EchoPark® stores continue to grow and we expect two additional stores to open in the Denver market in the first half of 2016. We are in the process of acquiring property in two additional markets as we look to accelerate the EchoPark rollout in the latter part of 2016 and early 2017."

"During the quarter, our One Sonic-One Experience ("OSOE") stores experienced year-over-year net new vehicle market share gains. Our customers love the speed and ease offered by this buying experience. We have been mystery shopped by various parties over the last year and have received rave reviews, notably, a July 20, 2015 review by Matt Jones, Senior Editor for Edmunds.com entitled, "Mystery Shopping Sonic Automotive's New Sales Process." We believe customers will come to the same conclusion Mr. Jones came to in the article... that we are onto something."

Jeff Dyke, Sonic's EVP of Operations, stated, "We continue to make progress on all fronts of our business. Our core business is performing well and steps that we have taken to increase inventory levels in pre-owned and our technician count are beginning to payoff. We are gaining share across all brands in our One Sonic-One Experience stores in Charlotte and should be ready to begin phase I of our technology rollout in the first quarter of 2016. We also continue to make excellent progress at our EchoPark stores and are right on our forecast. This is a very exciting time for our team that has worked countless hours to bring us to this point as we look forward to offering our guests an experience they simply cannot get anywhere else in the industry."

Third Quarter 2015 Earnings Conference Call

Senior management will host a conference call today at 10:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on "Our Company," then "Investor Relations," then "Webcasts & Presentations."

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

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

Domestic: 1.877.450.3867
International: 1.706.643.0958
Conference ID: 30271525

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

Domestic: 1.855.859.2056
International: 1.404.537.3406
Conference ID: 30271525

[About Sonic Automotive](#)

Sonic Automotive, Inc., a Fortune 500 company based in Charlotte, N.C., is one of the nation's largest automotive retailers. Sonic can be reached on the web at www.sonicautomotive.com.

Included herein are forward-looking statements, including statements with respect to anticipated future success and impacts from the implementation of our planned customer experience and stand-alone pre-owned store initiatives. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risk and uncertainties that could cause actual results or trends to differ materially from management's view, including without limitation, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2014. The Company does not undertake any obligation to update forward-looking information.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

This release contains certain non-GAAP financial measures as defined under SEC rules, such as, but not limited to, adjusted income from continuing operations and related earnings per share data. The Company has reconciled these measures to the most directly comparable GAAP measures in the release. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosure by providing period-to-period comparability of the Company's results from operations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	(In thousands, except per share and unit data)			
Revenues:				
	\$	\$	\$	\$
New retail vehicles	1,352,180	1,312,592	3,828,027	3,708,114
Fleet vehicles	15,849	15,245	37,612	65,120
Total new vehicles	1,368,029	1,327,837	3,865,639	3,773,234
Used vehicles	652,058	583,570	1,904,594	1,747,254
Wholesale vehicles	37,971	41,433	120,760	127,797
Total vehicles	2,058,058	1,952,840	5,890,993	5,648,285
Parts, service and collision repair	350,520	325,740	1,019,878	973,646
Finance, insurance and other, net	85,830	77,024	242,792	223,340
Total revenues	2,494,408	2,355,604	7,153,663	6,845,271
Gross profit	360,251	341,489	1,050,764	1,017,436
Selling, general and administrative expenses	(280,041)	(270,144)	(835,564)	(803,031)
Impairment charges	(37)	(208)	(16,698)	(215)
Depreciation and amortization	(17,250)	(14,235)	(50,953)	(43,047)
Operating income (loss)	62,923	56,902	147,549	171,143
Other income (expense):				
Interest expense, floor plan	(5,364)	(4,406)	(15,488)	(13,941)
Interest expense, other, net	(12,361)	(12,893)	(38,635)	(40,576)
Other income (expense), net	-	(1)	102	98
Total other income (expense)	(17,725)	(17,300)	(54,021)	(54,419)
Income (loss) from continuing operations before taxes	45,198	39,602	93,528	116,724
Provision for income taxes for continuing operations- benefit (expense)	(18,095)	(15,045)	(36,944)	(45,122)

Income (loss) from continuing operations	27,103	24,557	56,584	71,602
Income (loss) from discontinued operations	(598)	155	(1,331)	(511)
	\$	\$	\$	\$
Net income (loss)	26,505	24,712	55,253	71,091
Diluted earnings (loss) per common share:				
Earnings (loss) per share from continuing operations	\$ 0.53	\$ 0.47	\$ 1.11	\$ 1.35
Earnings (loss) per share from discontinued operations	(0.01)	-	(0.03)	(0.01)
	\$	\$	\$	\$
Earnings (loss) per common share	0.52	0.47	1.08	1.34
Weighted average common shares outstanding	50,769	52,553	51,086	52,808
Gross Margin Data (Continuing Operations):				
New retail vehicles	4.8%	5.3%	5.1%	5.6%
Fleet vehicles	(0.8%)	0.6%	(0.5%)	2.1%
Total new vehicles	4.8%	5.2%	5.0%	5.6%
Used vehicles	6.4%	7.1%	6.5%	6.8%
Wholesale vehicles	(6.5%)	(2.6%)	(4.4%)	(2.0%)
Parts, service and collision repair	48.4%	47.7%	48.7%	48.0%
Finance, insurance and other	100.0%	100.0%	100.0%	100.0%
Overall gross margin	14.4%	14.5%	14.7%	14.9%
SG&A Expenses (Continuing Operations):				
	\$	\$	\$	\$
Compensation	167,489	163,230	497,158	483,493
Advertising	15,470	14,045	46,160	42,027
Rent	18,558	18,145	55,058	55,324
Other	78,524	74,724	237,188	222,187
Total SG&A expenses	\$ 280,041	\$ 270,144	\$ 835,564	\$ 803,031
SG&A expenses as % of gross profit	77.7%	79.1%	79.5%	78.9%
Operating Margin %	2.5%	2.4%	2.1%	2.5%
Unit Data (Continuing Operations):				
New retail units	36,891	36,301	102,901	101,177
Fleet units	602	473	1,244	2,133
Total new units	37,493	36,774	104,145	103,310
Used units	30,467	27,536	88,903	83,707
Wholesale units	7,787	7,916	23,574	23,034

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

Per Share Data

Three Months Ended September 30, 2015					
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Average		Net Income (Loss)
	Amount	Per Share Amount	Amount	Per Share Amount	Per Share Amount
(In thousands, except per share amounts)					

Reported:

Earnings (loss) and shares	50,456	\$ 27,103		\$ (598)		\$ 26,505	
Effect of participating securities:							
Non-vested restricted stock							
and stock units		(13)		-		(13)	
		\$	\$	\$	\$	\$	\$
Basic earnings (loss) and shares	50,456	27,090	0.54	(598)	(0.01)	26,492	0.53
Effect of dilutive securities:							
Stock compensation plans	313						
Diluted earnings (loss) and shares (1)	50,769	27,090	0.53	(598)	(0.01)	26,492	0.52

(1) Expenses attributable to EchoPark® operations were \$0.04 per fully diluted share in the three months ended September 30, 2015.

Three Months Ended September 30, 2014							
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)		
	Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount	
(In thousands, except per share amounts)							
Reported:							
Earnings (loss) and shares	52,070	\$ 24,557		\$ 155		\$ 24,712	
Effect of participating securities:							
Non-vested restricted stock							
and stock units		(79)		-		(79)	
		\$	\$	\$	\$	\$	
Basic earnings (loss) and shares	52,070	24,478	0.47	155	-	24,633	0.47
Effect of dilutive securities:							
Stock compensation plans	483						
Diluted earnings (loss) and shares	52,553	24,478	0.47	155	-	24,633	0.47
Adjustments (net of tax):							
Gain on disposal		\$ (1,953)	\$ (0.04)	\$ -	\$ -	\$ (1,953)	\$ (0.04)
Impairment charges		126	-	-	-	126	-
Storm damage and other		1,317	0.03	-	-	1,317	0.03
Lease exit adjustments		-	-	(845)	(0.02)	(845)	(0.02)
Total adjustments		\$ (510)	\$ (0.01)	\$ (845)	\$ (0.02)	\$ (1,355)	\$ (0.03)
Adjusted:							
Earnings (loss) and							
Diluted earnings (loss) per share (2)		\$ 24,047	\$ 0.46	\$ (690)	\$ (0.02)	\$ 23,357	\$ 0.44

(2) Expenses attributable to EchoPark® operations were \$0.04 per fully diluted share in the three months ended September 30, 2014.

Results of Operations (Unaudited)

Per Share Data

Nine Months Ended September 30, 2015						
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
		(In thousands, except per share amounts)				
Reported:						
Earnings (loss) and shares	50,697	\$ 56,584		\$ (1,331)		\$ 55,253
Effect of participating securities:						
Non-vested restricted stock						
and stock units		(27)		-		(27)
Basic earnings (loss) and shares	50,697	\$ 56,557		\$ (1,331)		\$ 55,226
Effect of dilutive securities:						
Stock compensation plans	389					
Diluted earnings (loss) and shares	51,086	\$ 56,557		\$ (1,331)		\$ 55,226
Diluted earnings (loss) and shares		\$ 1.11		\$ (0.03)		\$ 1.08
Adjustments (net of tax):						
Gain on disposal		\$ (583)		\$ -		\$ (583)
Impairment charges		10,166		0.20		10,166
Storm damage and other		3,132		0.06		3,132
Total adjustments		\$ 12,715		\$ 0.25		\$ -
Adjusted:						
Earnings (loss) and						
Diluted earnings (loss) per share (3)		\$ 69,299		\$ 1.36		\$ (1,331)
				\$ (0.03)		\$ 67,968
						\$ 1.33

(3) Expenses attributable to EchoPark® operations were \$0.15 per fully diluted share in the nine months ended September 30, 2015.

Nine Months Ended September 30, 2014						
Weighted Average Shares	Income (Loss) From Continuing Operations		Income (Loss) From Discontinued Operations		Net Income (Loss)	
	Amount	Per Share Amount	Amount	Per Share Amount	Amount	Per Share Amount
		(In thousands, except per share amounts)				
Reported:						
Earnings (loss) and shares	52,333	\$ 71,602		\$ (511)		\$ 71,091
Effect of participating securities:						
Non-vested restricted stock						
and stock units		(229)		-		(229)
Basic earnings (loss) and shares	52,333	\$ 71,373		\$ (511)		\$ 70,862
Effect of dilutive securities:						
Diluted earnings (loss) per share (3)		\$ 1.36		\$ (0.01)		\$ 1.35

Stock compensation plans

	475					
Diluted earnings (loss) and shares	52,808	\$ 71,373	\$ 1.35	\$ (511)	\$ (0.01)	\$ 70,862 \$ 1.34
Adjustments (net of tax):						
		\$	\$	\$	\$	\$
Gain on disposal		(6,400)	(0.12)	-	-	(6,400) (0.12)
Impairment charges		126	-	-	-	126 -
Storm damage and other		2,158	0.04	-	-	2,158 0.04
Lease exit adjustments		-	-	(845)	(0.01)	(845) (0.01)
Total adjustments		\$ (4,116)	\$ (0.08)	\$ (845)	\$ (0.01)	\$ (4,961) \$ (0.09)
Adjusted:						
Earnings (loss) and						
Diluted earnings (loss) per share (4)		\$ 67,486	\$ 1.27	\$ (1,356)	\$ (0.02)	\$ 66,130 \$ 1.25

(4) Expenses attributable to EchoPark® operations were \$0.10 per fully diluted share in the nine months ended September 30, 2014.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 1,368,029	\$ 1,327,837	\$ 40,192	3.0%
Gross profit	\$ 65,435	\$ 69,026	\$ (3,591)	(5.2%)
Unit sales	37,493	36,774	719	2.0%
Revenue per unit	\$ 36,488	\$ 36,108	\$ 380	1.1%
Gross profit per unit	\$ 1,745	\$ 1,877	\$ (132)	(7.0%)
Gross profit as a % of revenue	4.8%	5.2%	(40)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 3,865,639	\$ 3,773,234	\$ 92,405	2.4%
Gross profit	\$ 193,720	\$ 209,892	\$ (16,172)	(7.7%)
Unit sales	104,145	103,310	835	0.8%
Revenue per unit	\$ 37,118	\$ 36,523	\$ 595	1.6%
Gross profit per unit	\$ 1,860	\$ 2,032	\$ (172)	(8.5%)
Gross profit as a % of revenue	5.0%	5.6%	(60)	bps

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 1,357,281	\$ 1,307,800	\$ 49,481	3.8%
Gross profit	\$ 64,860	\$ 67,826	\$ (2,966)	(4.4%)
Unit sales	37,147	36,143	1,004	2.8%
Revenue per unit	\$ 36,538	\$ 36,184	\$ 354	1.0%
Gross profit per unit	\$ 1,746	\$ 1,877	\$ (131)	(7.0%)

Gross profit as a % of revenue 4.8% 5.2% (40) bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 3,830,202	\$ 3,670,736	\$ 159,466	4.3%
Gross profit	\$ 192,086	\$ 204,223	\$ (12,137)	(5.9%)
Unit sales	103,058	100,350	2,708	2.7%
Revenue per unit	\$ 37,165	\$ 36,579	\$ 586	1.6%
Gross profit per unit	\$ 1,864	\$ 2,035	\$ (171)	(8.4%)
Gross profit as a % of revenue	5.0%	5.6%	(60)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Used Vehicles

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 652,058	\$ 583,570	\$ 68,488	11.7%
Gross profit	\$ 41,730	\$ 41,245	\$ 485	1.2%
Unit sales	30,467	27,536	2,931	10.6%
Revenue per unit	\$ 21,402	\$ 21,193	\$ 209	1.0%
Gross profit per unit	\$ 1,370	\$ 1,498	\$ (128)	(8.5%)
Gross profit as a % of revenue	6.4%	7.1%	(70)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Reported:				
Revenue	\$ 1,904,594	\$ 1,747,254	\$ 157,340	9.0%
Gross profit	\$ 123,271	\$ 119,412	\$ 3,859	3.2%
Unit sales	88,903	83,707	5,196	6.2%
Revenue per unit	\$ 21,423	\$ 20,873	\$ 550	2.6%
Gross profit per unit	\$ 1,387	\$ 1,427	\$ (40)	(2.8%)
Gross profit as a % of revenue	6.5%	6.8%	(30)	bps

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 625,760	\$ 571,295	\$ 54,465	9.5%
Gross profit	\$ 40,288	\$ 40,816	\$ (528)	(1.3%)
Unit sales	29,173	26,902	2,271	8.4%
Revenue per unit	\$ 21,450	\$ 21,236	\$ 214	1.0%
Gross profit per unit	\$ 1,381	\$ 1,517	\$ (136)	(9.0%)
Gross profit as a % of revenue	6.4%	7.1%	(70)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
(In thousands, except units and per unit data)				
Same Store:				
Revenue	\$ 1,831,379	\$ 1,689,958	\$ 141,421	8.4%
Gross profit	\$ 119,184	\$ 116,749	\$ 2,435	2.1%
Unit sales	85,225	80,900	4,325	5.3%
Revenue per unit	\$ 21,489	\$ 20,889	\$ 600	2.9%
Gross profit per unit	\$ 1,398	\$ 1,443	\$ (45)	(3.1%)
Gross profit as a % of revenue	6.5%	6.9%	(40)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Wholesale Vehicles

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 37,971	\$ 41,433	\$ (3,462)	(8.4%)
Gross profit (loss)	\$ (2,481)	\$ (1,086)	\$ (1,395)	(128.5%)
Unit sales	7,787	7,916	(129)	(1.6%)
Revenue per unit	\$ 4,876	\$ 5,234	\$ (358)	(6.8%)
Gross profit (loss) per unit	\$ (319)	\$ (137)	\$ (182)	(132.8%)
Gross profit (loss) as a % of revenue	(6.5%)	(2.6%)	(390)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Reported:				
Revenue	\$ 120,760	\$ 127,797	\$ (7,037)	(5.5%)
Gross profit (loss)	\$ (5,366)	\$ (2,493)	\$ (2,873)	(115.2%)
Unit sales	23,574	23,034	540	2.3%
Revenue per unit	\$ 5,123	\$ 5,548	\$ (425)	(7.7%)
Gross profit (loss) per unit	\$ (228)	\$ (108)	\$ (120)	(111.1%)
Gross profit (loss) as a % of revenue	(4.4%)	(2.0%)	(240)	bps

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 36,803	\$ 40,338	\$ (3,535)	(8.8%)
Gross profit (loss)	\$ (2,445)	\$ (1,065)	\$ (1,380)	(129.6%)
Unit sales	7,463	7,750	(287)	(3.7%)
Revenue per unit	\$ 4,931	\$ 5,205	\$ (274)	(5.3%)
Gross profit (loss) per unit	\$ (328)	\$ (137)	\$ (191)	(139.4%)
Gross profit (loss) as a % of revenue	(6.6%)	(2.6%)	(400)	bps

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except units and per unit data)			
Same Store:				
Revenue	\$ 117,037	\$ 123,910	\$ (6,873)	(5.5%)
Gross profit (loss)	\$ (4,969)	\$ (2,396)	\$ (2,573)	(107.4%)
Unit sales	22,622	22,371	251	1.1%
Revenue per unit	\$ 5,174	\$ 5,539	\$ (365)	(6.6%)
Gross profit (loss) per unit	\$ (220)	\$ (107)	\$ (113)	(105.6%)
Gross profit (loss) as a % of revenue	(4.2%)	(1.9%)	(230)	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
Reported:	(In thousands)			

Revenue							
Customer pay	\$	147,308	\$	141,458	\$	5,850	4.1%
Warranty		58,522		48,431		10,091	20.8%
Wholesale parts		45,832		46,983		(1,151)	(2.4%)
Internal, sublet and other		98,858		88,868		9,990	11.2%
Total	\$	350,520	\$	325,740	\$	24,780	7.6%
Gross profit							
Customer pay	\$	80,588	\$	77,546	\$	3,042	3.9%
Warranty		32,337		26,254		6,083	23.2%
Wholesale parts		8,045		8,122		(77)	(0.9%)
Internal, sublet and other		48,767		43,358		5,409	12.5%
Total	\$	169,737	\$	155,280	\$	14,457	9.3%
Gross profit as a % of revenue							
Customer pay		54.7%		54.8%		(10)	bps
Warranty		55.3%		54.2%		110	bps
Wholesale parts		17.6%		17.3%		30	bps
Internal, sublet and other		49.3%		48.8%		50	bps
Total		48.4%		47.7%		70	bps
		Nine Months Ended September 30,		Better / (Worse)			
		2015	2014	Change		% Change	
Reported:		(In thousands)					
Revenue							
Customer pay	\$	431,479	\$	427,620	\$	3,859	0.9%
Warranty		169,170		142,072		27,098	19.1%
Wholesale parts		136,693		142,071		(5,378)	(3.8%)
Internal, sublet and other		282,536		261,883		20,653	7.9%
Total	\$	1,019,878	\$	973,646	\$	46,232	4.7%
Gross profit							
Customer pay	\$	236,551	\$	235,151	\$	1,400	0.6%
Warranty		94,776		77,163		17,613	22.8%
Wholesale parts		24,332		24,590		(258)	(1.0%)

Internal, sublet and other	140,688	130,381	10,307	7.9%
Total	<u>\$ 496,347</u>	<u>\$ 467,285</u>	<u>\$ 29,062</u>	<u>6.2%</u>
Gross profit as a % of revenue				
Customer pay	54.8%	55.0%	(20)	bps
Warranty	56.0%	54.3%	170	bps
Wholesale parts	17.8%	17.3%	50	bps
Internal, sublet and other	49.8%	49.8%	0	bps
Total	48.7%	48.0%	70	bps

Sonic Automotive, Inc.
Results of Operations (Unaudited)

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

	<u>Three Months Ended September 30,</u>		<u>Better / (Worse)</u>	
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Same Store: Revenue	(In thousands)			
Customer pay	\$ 146,360	\$ 139,186	\$ 7,174	5.2%
Warranty	58,128	47,460	10,668	22.5%
Wholesale parts	45,561	46,041	(480)	(1.0%)
Internal, sublet and other	96,460	87,261	9,199	10.5%
Total	<u>\$ 346,509</u>	<u>\$ 319,948</u>	<u>\$ 26,561</u>	<u>8.3%</u>
Gross profit				
Customer pay	\$ 80,053	\$ 76,324	\$ 3,729	4.9%
Warranty	32,216	25,784	6,432	24.9%
Wholesale parts	7,979	7,941	38	0.5%
Internal, sublet and other	47,440	42,418	5,022	11.8%
Total	<u>\$ 167,688</u>	<u>\$ 152,467</u>	<u>\$ 15,221</u>	<u>10.0%</u>
Gross profit as a % of revenue				
Customer pay	54.7%	54.8%	(10)	bps
Warranty	55.4%	54.3%	110	bps

Wholesale parts	17.5%	17.2%	30	bps
Internal, sublet and other	49.2%	48.6%	60	bps
Total	48.4%	47.7%	70	bps
	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
Same Store: Revenue	(In thousands)			
Customer pay	\$ 426,683	\$ 415,998	\$ 10,685	2.6%
Warranty	167,771	137,297	30,474	22.2%
Wholesale parts	135,643	138,563	(2,920)	(2.1%)
Internal, sublet and other	274,892	254,753	20,139	7.9%
Total	\$ 1,004,989	\$ 946,611	\$ 58,378	6.2%
Gross profit				
Customer pay	\$ 234,006	\$ 228,983	\$ 5,023	2.2%
Warranty	94,108	74,684	19,424	26.0%
Wholesale parts	24,114	23,912	202	0.8%
Internal, sublet and other	136,931	126,192	10,739	8.5%
Total	\$ 489,159	\$ 453,771	\$ 35,388	7.8%
Gross profit as a % of revenue				
Customer pay	54.8%	55.0%	(20)	bps
Warranty	56.1%	54.4%	170	bps
Wholesale parts	17.8%	17.3%	50	bps
Internal, sublet and other	49.8%	49.5%	30	bps
Total	48.7%	47.9%	80	bps

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

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

Three Months Ended September 30,	Better / (Worse)
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	2015	2014	Change	% Change
	(In thousands, except per unit data)			
Reported:				
Revenue	\$ 85,830	\$ 77,024	\$ 8,806	11.4%
Gross profit per retail unit (excludes fleet)	\$ 1,274	\$ 1,207	\$ 67	5.6%

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except per unit data)			
Reported:				
Revenue	\$ 242,792	\$ 223,340	\$ 19,452	8.7%
Gross profit per retail unit (excludes fleet)	\$ 1,266	\$ 1,208	\$ 58	4.8%

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except per unit data)			
Same Store:				
Revenue	\$ 84,052	\$ 75,797	\$ 8,255	10.9%
Gross profit per retail unit (excludes fleet)	\$ 1,279	\$ 1,211	\$ 68	5.6%

	Nine Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands, except per unit data)			
Same Store:				
Revenue	\$ 237,771	\$ 217,216	\$ 20,555	9.5%
Gross profit per retail unit (excludes fleet)	\$ 1,271	\$ 1,213	\$ 58	4.8%

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

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

	Three Months Ended September 30,		Better / (Worse)	
	2015	2014	Change	% Change
	(In thousands)			
Reported:				
Compensation	\$ 167,489	\$ 163,230	\$ (4,259)	(2.6%)
Advertising	15,470	14,045	(1,425)	(10.1%)
Rent	18,558	18,145	(413)	(2.3%)
Other	78,524	74,724	(3,800)	(5.1%)
Total	<u>\$ 280,041</u>	<u>\$ 270,144</u>	<u>\$ (9,897)</u>	<u>(3.7%)</u>
Total pre-tax adjustments	<u>-</u>	<u>1,043</u>		
Adjusted SG&A	\$ 280,041	\$ 271,187		

SG&A expenses as a % of gross profit

Compensation	46.5%	47.8%	130	bps
Advertising	4.3%	4.1%	(20)	bps
Rent	5.2%	5.3%	10	bps
Other	21.7%	21.9%	20	bps
Total	77.7%	79.1%	140	bps
Total pre-tax adjustments	0.0%	0.3%		
Adjusted SG&A as % of Gross	77.7%	79.4%		

Nine Months Ended September 30,		Better / (Worse)	
2015	2014	Change	% Change

(In thousands)

Reported:

Compensation	\$ 497,158	\$ 483,493	\$ (13,665)	(2.8%)
Advertising	46,160	42,027	(4,133)	(9.8%)
Rent	55,058	55,324	266	0.5%
Other	237,188	222,187	(15,001)	(6.8%)
Total	\$ 835,564	\$ 803,031	\$ (32,533)	(4.1%)
Total pre-tax adjustments	(4,183)	6,955		
Adjusted SG&A	\$ 831,381	\$ 809,986		

SG&A expenses as a % of gross profit

Compensation	47.3%	47.5%	20	bps
Advertising	4.4%	4.1%	(30)	bps
Rent	5.2%	5.4%	20	bps
Other	22.6%	21.9%	(70)	bps
Total	79.5%	78.9%	(60)	bps
Total pre-tax adjustments	(0.4%)	0.7%		
Adjusted SG&A as % of Gross	79.1%	79.6%		

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