

July 26, 2016



Sonic Automotive, Inc. Reports Quarterly Continuing Operations Earnings per Share of \$0.50

CHARLOTTE, N.C., July 26, 2016 /PRNewswire/ --

Second Quarter 2016 Highlights

- Q2 2016 same store fixed operations revenues up 3.0% over prior year quarter
- Q2 2016 same store finance and insurance revenues and gross profit up 2.9% over prior year quarter
- Q2 2016 continuing operations SG&A to gross improves 160 basis points to 78.5% compared to prior year quarter of 80.1%
- Q2 2016 continuing operations SG&A to gross improves 70 basis points to 78.5% compared to an adjusted prior year quarter of 79.2%
- Two additional Denver market EchoPark[®] stores opened in late June
- Q2 2016 EchoPark[®] stores retail 1,136 units, up 255 units, or 28.9%, from the prior year quarter

Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported net income from continuing operations for the second quarter of 2016 of \$23.0 million, or \$0.50 per diluted share. Included in these amounts are a pre-tax loss of \$3.4 million, or \$0.04 per diluted share, related to EchoPark[®] operations.

Net income from continuing operations and related diluted earnings per share for the second quarter of 2015 were \$15.1 million and \$0.30 per share, respectively. On an adjusted basis, net income from continuing operations for the second quarter of 2015 was \$23.4 million, or \$0.46 per diluted share. Included in these adjusted amounts is a pre-tax loss of \$4.1 million, or \$0.05 per diluted share, related to EchoPark[®] operations. 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 President, noted, "The automotive retail environment continues to demonstrate strength and sustainability. Historic low interest rates and a fantastic product offering by manufacturers have supported customer demand for new and pre-owned vehicles. During the quarter, our team delivered an outstanding sales and service experience to our customers and leveraged our operating costs in delivering strong operating results. In addition, we were actively repurchasing outstanding shares. During the second quarter, we repurchased 759,056 shares of our Class A common stock for approximately \$13.1 million. During the first half of 2016, we repurchased almost 10% of our shares outstanding as of the end of 2015."

"We are providing more detailed earnings guidance for the second half of the year as the third and fourth quarters' operating environments vary from year to year. Accordingly, we currently estimate diluted earnings per share from continuing operations for the third and fourth quarters will range between \$0.52 - \$0.54 and \$0.66 - \$0.69, respectively."

Jeff Dyke, Sonic's EVP of Operations, stated, "The industry was solid again this quarter and our performance reflected that. Our Sonic Automotive franchise store business continues to be supported by our team's ability to execute our playbook processes as we work to perfect the One Sonic-One Experience culture in our stores. Our guests' responses to our new process, technology and culture have been excellent as reflected in our customer satisfaction scores and the reviews we receive via Google, Yelp, etc. While we saw a decline in the new car retail SAAR in the quarter, new car margins have stabilized and heavy new car inventories from the first quarter are coming back in line with historical levels. We have worked with our manufacturer partners to develop action plans to address recall and stop-sale issues across several brands and are executing those plans. We are pleased that we will be opening several new add points this year including Mercedes Benz in McKinney, Texas (outside of Dallas), Audi in Pensacola, Florida and Nissan in Cleveland, Tennessee (outside of Chattanooga). These additional points reflect the strength of our organization and relationship with our manufacturer partners. We look forward to announcing several more add points in the coming quarters."

"We are also very pleased with the continued progress of EchoPark® as we opened two new stores in the Denver market. Our property acquisitions in the Carolinas and Texas remain active. We are beginning to see store-level profitability as our EchoPark® brand grows in Denver, and thus fueling our excitement about EchoPark® and its long-term prospects in an industry that is ripe for our guest experience model. The guest feedback at EchoPark® is remarkable, further supporting our strategic entry into this part of the pre-owned market. We have listened to our guests' needs and are delivering on those expectations."

Dividend

Sonic's Board of Directors approved a quarterly dividend of \$0.05 per share payable in cash for stockholders of record on September 15, 2016. The dividend will be payable on October 14, 2016.

Second Quarter 2016 Earnings Conference Call

Senior management will host a conference call today at 11:00 A.M. (Eastern) to discuss the quarter's results. To access the live broadcast of the call over the Internet go to: www.sonicautomotive.com, then click on "Our Company," then "Investor Relations," then "Earnings Conference Calls."

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

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

Domestic: 1.877.450.3867
International: 1.706.643.0958
Conference ID: 43691612

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: 43691612

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.

Forward Looking Statements

Included herein are forward-looking statements, including statements with respect to anticipated expansion of our EchoPark[®] business and the anticipated amount of investments related to capital expenditures. 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 views, including without limitation, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's annual report on Form 10-K for the year ending December 31, 2015. The Company does not undertake any obligation to update forward-looking information.

Non-GAAP Financial Measures

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

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--|--------------|---------------------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | (In thousands, except per share and unit data) | | | |
| Revenues: | | | | |
| New retail vehicles | \$ 1,269,843 | \$ 1,285,632 | \$ 2,419,280 | \$ 2,475,847 |
| Fleet vehicles | 16,621 | 9,656 | 31,754 | 21,763 |
| Total new vehicles | 1,286,464 | 1,295,288 | 2,451,034 | 2,497,610 |
| Used vehicles | 622,186 | 658,794 | 1,220,540 | 1,252,536 |
| Wholesale vehicles | 38,245 | 41,131 | 82,620 | 82,789 |
| Total vehicles | 1,946,895 | 1,995,213 | 3,754,194 | 3,832,935 |
| Parts, service and collision repair | 351,329 | 346,164 | 697,384 | 669,358 |
| Finance, insurance and other, net | 84,088 | 82,363 | 165,361 | 156,963 |
| Total revenues | 2,382,312 | 2,423,740 | 4,616,939 | 4,659,256 |
| Gross profit | 353,305 | 355,554 | 698,455 | 690,513 |
| Selling, general and administrative expenses | (277,204) | (284,661) | (561,580) | (555,523) |
| Impairment charges | (151) | (10,469) | (151) | (16,661) |
| Depreciation and amortization | (18,905) | (17,294) | (37,374) | (33,703) |
| Operating income (loss) | 57,045 | 43,130 | 99,350 | 84,626 |
| Other income (expense): | | | | |
| Interest expense, floor plan | (6,690) | (5,345) | (13,126) | (10,123) |
| Interest expense, other, net | (12,205) | (13,054) | (24,544) | (26,274) |
| Other income (expense), net | 6 | 10 | 110 | 100 |
| Total other income (expense) | (18,889) | (18,389) | (37,560) | (36,297) |
| Income (loss) from continuing operations before taxes | 38,156 | 24,741 | 61,790 | 48,329 |
| Provision for income taxes for continuing operations - benefit (expense) | (15,113) | (9,649) | (24,283) | (18,848) |
| Income (loss) from continuing operations | 23,043 | 15,092 | 37,507 | 29,481 |
| Income (loss) from discontinued operations | (221) | (311) | (61) | (732) |
| Net income (loss) | \$ 22,822 | \$ 14,781 | \$ 37,446 | \$ 28,749 |
| Diluted earnings (loss) per common share: | | | | |
| Earnings (loss) per share from continuing operations | \$ 0.50 | \$ 0.30 | \$ 0.81 | \$ 0.57 |
| Earnings (loss) per share from discontinued operations | - | (0.01) | (0.01) | (0.01) |
| Earnings (loss) per common share | \$ 0.50 | \$ 0.29 | \$ 0.80 | \$ 0.56 |
| Weighted average common shares outstanding | 45,924 | 51,093 | 46,523 | 51,247 |
| Gross Margin Data (Continuing Operations): | | | | |
| New retail vehicles | 5.2% | 5.1% | 5.1% | 5.2% |
| Fleet vehicles | 0.9% | (0.1%) | 0.6% | (0.3%) |
| Total new vehicles | 5.1% | 5.0% | 5.1% | 5.1% |
| Used vehicles | 5.9% | 6.2% | 6.3% | 6.5% |
| Wholesale vehicles | (4.8%) | (6.5%) | (3.5%) | (3.5%) |
| Parts, service and collision repair | 47.9% | 49.2% | 47.9% | 48.8% |
| Finance, insurance and other | 100.0% | 100.0% | 100.0% | 100.0% |
| Overall gross margin | 14.8% | 14.7% | 15.1% | 14.8% |
| SG&A Expenses (Continuing Operations): | | | | |
| Compensation | \$ 166,560 | \$ 167,811 | \$ 335,601 | \$ 329,669 |
| Advertising | 15,499 | 15,358 | 30,847 | 30,689 |

| | | | | |
|------------------------------------|------------|------------|------------|------------|
| Rent | 18,508 | 18,246 | 37,228 | 36,500 |
| Other | 76,637 | 83,246 | 157,904 | 158,665 |
| Total SG&A expenses | | | | |
| | \$ 277,204 | \$ 284,661 | \$ 561,580 | \$ 555,523 |
| SG&A expenses as % of gross profit | 78.5% | 80.1% | 80.4% | 80.5% |
| Operating Margin % | 2.4% | 1.8% | 2.2% | 1.8% |
| Unit Data (Continuing Operations): | | | | |
| New retail units | 33,229 | 34,676 | 63,385 | 66,010 |
| Fleet units | 553 | 287 | 1,002 | 642 |
| Total new units | 33,782 | 34,963 | 64,387 | 66,652 |
| Used units | 29,287 | 30,301 | 58,620 | 58,436 |
| Wholesale units | 7,212 | 8,010 | 15,635 | 15,787 |

Sonic Automotive, Inc.
Results of Operation (Unaudited)

Per Share Data

| | Three Months Ended June 30, 2016 | | | | | | |
|--|----------------------------------|--|--|--|------------------------|-------------------|------------------------|
| | Weighted Average Shares | Income (Loss) From Continuing Operations | | Income (Loss) From Discontinued Operations | | Net Income (Loss) | |
| | | Amount | Per Share Amount | Amount | Per Share Amount | Amount | Per Share Amount |
| | | | (In thousands, except per share amounts) | | | | |
| Reported: | | | | | | | |
| Earnings (loss) and shares | 45,731 | \$ 23,043 | | \$ (221) | | \$ 22,822 | |
| Effect of participating securities: | | | | | | | |
| Non-vested restricted stock | | (13) | | - | | (13) | |
| Basic earnings (loss) and shares | 45,731 | \$ 23,030 | \$ 0.50 | \$ (221) | \$ - | \$ 22,809 | |
| Effect of dilutive securities: | | | | | | | |
| Stock compensation plans | 193 | | | | | | |
| Diluted earnings (loss) and shares (1) | 45,924 | \$ 23,030 | \$ 0.50 | \$ (221) | \$ - | \$ 22,809 | |

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

| | Three Months Ended June 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 | 50,784 | \$ 15,092 | | \$ (311) | | \$ 14,781 | |

Effect of participating securities:

| | | | | | | | |
|------------------------------------|--------|-----------|---------|----------|-----------|-----------|---------|
| Non-vested restricted stock | | (7) | | - | | (7) | |
| Basic earnings (loss) and shares | 50,784 | \$ 15,085 | \$ 0.30 | \$ (311) | \$ (0.01) | \$ 14,774 | \$ 0.29 |
| Effect of dilutive securities: | | | | | | | |
| Stock compensation plans | 309 | | | | | | |
| Diluted earnings (loss) and shares | 51,093 | \$ 15,085 | \$ 0.30 | \$ (311) | \$ (0.01) | \$ 14,774 | \$ 0.29 |

Adjustments:

| | | | | | | | |
|--|--|------------|---------|------|------|------------|---------|
| Gain on disposal | | \$ (1,057) | | \$ - | | \$ (1,057) | |
| Storm damage and other | | 4,189 | | - | | 4,189 | |
| Impairment charges | | 10,469 | | - | | 10,469 | |
| Total adjustments before taxes | | 13,601 | | - | | 13,601 | |
| Income tax effect of above adjustments | | (5,305) | | - | | (5,305) | |
| Effect of adjustments, net of income taxes | | \$ 8,296 | \$ 0.16 | \$ - | \$ - | \$ 8,296 | \$ 0.16 |

Adjusted:

| | | | | | | | |
|---------------------------------------|--|-----------|---------|----------|-----------|-----------|---------|
| Earnings (loss) and | | | | | | | |
| diluted earnings (loss) per share (2) | | \$ 23,388 | \$ 0.46 | \$ (311) | \$ (0.01) | \$ 23,077 | \$ 0.45 |

(2) Net loss attributable to EchoPark® operations was \$0.05 per fully diluted share in the three months ended June 30, 2015

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

Per Share Data

| | Six Months Ended June 30, 2016 | | | | | |
|--|--|------------------------|--|------------------------|------------------------|------------------------|
| | Income (Loss) From Continuing Operations | | Income (Loss) From Discontinued Operations | | Net Income (Loss) | |
| | Weighted Average Shares | Per Share Amount | Per Share Amount | Per Share Amount | Per Share Amount | Per Share Amount |
| | Amount | Amount | Amount | Amount | Amount | Amount |

(In thousands, except per share amounts)

Reported:

| | | | | | | |
|--|--------|--------------|------------|--------------|--------------|--------------|
| Earnings (loss) and shares | 46,340 | \$ 37,507 | \$ (61) | \$ 37,446 | | |
| Effect of participating securities: | | | | | | |
| Non-vested restricted stock | | (21) | - | (21) | | |
| Basic earnings (loss) and shares | 46,340 | \$ 37,486 | \$ 0.81 | \$ (61) | \$ - | \$ 37,425 |
| Effect of dilutive securities: | | | | | | |
| Stock compensation plans | 183 | | | | | |
| Diluted earnings (loss) and shares | 46,523 | \$ 37,486 | \$ 0.81 | \$ (61) | \$ (0.01) | \$ 37,425 |
| Adjustments: | | | | | | |
| Storm damage | | \$ 6,043 | \$ - | \$ 6,043 | | |
| Total adjustments before taxes | | 6,043 | - | 6,043 | | |
| Income tax effect of above adjustments | | (2,345) | - | (2,345) | | |
| Effect of adjustments, net of income taxes | | \$ 3,698 | \$ 0.08 | \$ - | \$ - | \$ 3,698 |
| Adjusted: | | | | | | |
| Earnings (loss) and | | | | | | |
| Diluted earnings (loss) per share (3) | | \$ 41,205 | \$ 0.89 | \$ (61) | \$ (0.01) | \$ 41,144 |

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

| | Six Months Ended June 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 | 50,819 | \$ 29,481 | \$ 0.58 | \$ (732) | \$ (0.01) | \$ 28,735 | |
| Effect of participating securities: | | | | | | | |
| Non-vested restricted stock | | (14) | - | (14) | | | |
| Basic earnings (loss) and shares | 50,819 | \$ 29,467 | \$ 0.58 | \$ (732) | \$ (0.01) | \$ 28,735 | |
| Effect of dilutive securities: | | | | | | | |

| | | | | | | | |
|--|--------|-----------|---------|----------|-----------|-----------|---------|
| Stock compensation plans | 428 | | | | | | |
| Diluted earnings (loss) and shares | 51,247 | \$ 29,467 | \$ 0.57 | \$ (732) | \$ (0.01) | \$ 28,735 | \$ 0.56 |
| Adjustments: | | | | | | | |
| Gain on disposal | | \$ (955) | | \$ - | | \$ (955) | |
| Impairment charges | | 16,661 | | - | | 16,661 | |
| Storm damage and other | | 5,138 | | - | | 5,138 | |
| Total adjustments before taxes | | 20,844 | | - | | 20,844 | |
| Income tax effect of above adjustments | | (8,129) | | - | | (8,129) | |
| Effect of adjustments, net of income taxes | | \$ 12,715 | \$ 0.25 | \$ - | \$ - | \$ 12,715 | \$ 0.25 |
| Adjusted: | | | | | | | |
| Earnings (loss) and | | | | | | | |
| Diluted earnings (loss) per share (4) | | \$ 42,196 | \$ 0.82 | \$ (732) | \$ (0.01) | \$ 41,464 | \$ 0.81 |

(4) Net loss attributable to EchoPark® operations was \$0.11 per fully diluted share in the six months ended June 30, 2015

Sonic Automotive, Inc.
Results of Operations (Unaudited)

New Vehicles

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|--------------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Reported: | | | | |
| Revenue | \$ 1,286,464 | \$ 1,295,288 | \$ (8,824) | (0.7%) |
| Gross profit | \$ 65,866 | \$ 64,936 | \$ 930 | 1.4% |
| Unit sales | 33,782 | 34,963 | (1,181) | (3.4%) |
| Revenue per unit | \$ 38,081 | \$ 37,047 | \$ 1,034 | 2.8% |
| Gross profit per unit | \$ 1,950 | \$ 1,857 | \$ 93 | 5.0% |
| Gross profit as a % of revenue | 5.1% | 5.0% | 10 | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|-------------------------|-----------------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Reported: | | | | |
| Revenue | \$ 2,451,034 | \$ 2,497,610 | \$ (46,576) | (1.9%) |
| Gross profit | \$ 124,290 | \$ 128,285 | \$ (3,995) | (3.1%) |
| Unit sales | 64,387 | 66,652 | (2,265) | (3.4%) |
| Revenue per unit | \$ 38,067 | \$ 37,472 | \$ 595 | 1.6% |
| Gross profit per unit | \$ 1,930 | \$ 1,925 | \$ 5 | 0.3% |
| Gross profit as a % of revenue | 5.1% | 5.1% | 0 | bps |

| | Three Months Ended June 30, | | Better / (Worse) | |
|---|------------------------------------|--------------|-------------------------|-----------------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Same Store: | | | | |
| Revenue | \$ 1,286,464 | \$ 1,282,801 | \$ 3,663 | 0.3% |
| Gross profit | \$ 65,842 | \$ 64,852 | \$ 990 | 1.5% |
| Unit sales | 33,782 | 34,639 | (857) | (2.5%) |
| Revenue per unit | \$ 38,081 | \$ 37,033 | \$ 1,048 | 2.8% |
| Gross profit per unit | \$ 1,949 | \$ 1,872 | \$ 77 | 4.1% |
| Gross profit as a % of revenue | 5.1% | 5.1% | 0 | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|-------------------------|-----------------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Same Store: | | | | |
| Revenue | \$ 2,451,034 | \$ 2,472,295 | \$ (21,261) | (0.9%) |
| Gross profit | \$ 124,217 | \$ 127,350 | \$ (3,133) | (2.5%) |
| Unit sales | 64,387 | 66,011 | (1,624) | (2.5%) |
| Revenue per unit | \$ 38,067 | \$ 37,453 | \$ 614 | 1.6% |
| Gross profit per unit | \$ 1,929 | \$ 1,929 | \$ - | 0.0% |
| Gross profit as a % of revenue | 5.1% | 5.2% | (10) | bps |

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

Used Vehicles

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|------------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Reported: | | | | |
| Revenue | \$ 622,186 | \$ 658,794 | \$ (36,608) | (5.6%) |
| Gross profit | \$ 36,969 | \$ 40,696 | \$ (3,727) | (9.2%) |
| Unit sales | 29,287 | 30,301 | (1,014) | (3.3%) |
| Revenue per unit | \$ 21,244 | \$ 21,742 | \$ (498) | (2.3%) |
| Gross profit per unit | \$ 1,262 | \$ 1,343 | \$ (81) | (6.0%) |
| Gross profit as a % of revenue | 5.9% | 6.2% | (30) | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--|---------------------------|--------------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Reported: | | | | |
| Revenue | \$ 1,220,540 | \$ 1,252,536 | \$ (31,996) | (2.6%) |
| Gross profit | \$ 77,499 | \$ 81,540 | \$ (4,041) | (5.0%) |
| Unit sales | 58,620 | 58,436 | 184 | 0.3% |
| Revenue per unit | \$ 20,821 | \$ 21,434 | \$ (613) | (2.9%) |
| Gross profit per unit | \$ 1,322 | \$ 1,395 | \$ (73) | (5.2%) |
| Gross profit as a % of revenue | 6.3% | 6.5% | (20) | bps |

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|------------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Same Store: | | | | |
| Revenue | \$ 621,748 | \$ 648,821 | \$ (27,073) | (4.2%) |
| Gross profit | \$ 37,697 | \$ 40,329 | \$ (2,632) | (6.5%) |
| Unit sales | 29,267 | 29,809 | (542) | (1.8%) |
| Revenue per unit | \$ 21,244 | \$ 21,766 | \$ (522) | (2.4%) |
| Gross profit per unit | \$ 1,288 | \$ 1,353 | \$ (65) | (4.8%) |
| Gross profit as a % of revenue | 6.1% | 6.2% | (10) | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--|---------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| (In thousands, except units and per unit data) | | | | |
| Same Store: | | | | |

| | | | | | | | |
|--------------------------------|----|-----------|----|-----------|----|----------|--------|
| Revenue | \$ | 1,220,103 | \$ | 1,233,808 | \$ | (13,705) | (1.1%) |
| Gross profit | \$ | 78,388 | \$ | 81,337 | \$ | (2,949) | (3.6%) |
| Unit sales | | 58,600 | | 57,496 | | 1,104 | 1.9% |
| Revenue per unit | \$ | 20,821 | \$ | 21,459 | \$ | (638) | (3.0%) |
| Gross profit per unit | \$ | 1,338 | \$ | 1,415 | \$ | (77) | (5.4%) |
| Gross profit as a % of revenue | | 6.4% | | 6.6% | | (20) | bps |

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

Wholesale Vehicles

| | Three Months Ended June 30, | | Better / (Worse) | | | | |
|---------------------------------------|--|---------|------------------|----------|----|---------|---------|
| | 2016 | 2015 | Change | % Change | | | |
| | (In thousands, except units and per unit data) | | | | | | |
| Reported: | | | | | | | |
| Revenue | \$ | 38,245 | \$ | 41,131 | \$ | (2,886) | (7.0%) |
| Gross profit (loss) | \$ | (1,839) | \$ | (2,676) | \$ | 837 | 31.3% |
| Unit sales | | 7,212 | | 8,010 | | (798) | (10.0%) |
| Revenue per unit | \$ | 5,303 | \$ | 5,135 | \$ | 168 | 3.3% |
| Gross profit (loss) per unit | \$ | (255) | \$ | (334) | \$ | 79 | 23.7% |
| Gross profit (loss) as a % of revenue | | (4.8%) | | (6.5%) | | 170 | bps |

| | Six Months Ended June 30, | | Better / (Worse) | | | | |
|---------------------------------------|--|---------|------------------|----------|----|-------|--------|
| | 2016 | 2015 | Change | % Change | | | |
| | (In thousands, except units and per unit data) | | | | | | |
| Reported: | | | | | | | |
| Revenue | \$ | 82,620 | \$ | 82,789 | \$ | (169) | (0.2%) |
| Gross profit (loss) | \$ | (2,917) | \$ | (2,884) | \$ | (33) | (1.1%) |
| Unit sales | | 15,635 | | 15,787 | | (152) | (1.0%) |
| Revenue per unit | \$ | 5,284 | \$ | 5,244 | \$ | 40 | 0.8% |
| Gross profit (loss) per unit | \$ | (187) | \$ | (183) | \$ | (4) | (2.2%) |
| Gross profit (loss) as a % of revenue | | (3.5%) | | (3.5%) | | 0 | bps |

| | Three Months Ended June 30, | | Better / (Worse) | |
|--------------------|--|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| | (In thousands, except units and per unit data) | | | |
| Same Store: | | | | |

| | | | | | | | |
|---------------------------------------|----|---------|----|---------|----|---------|--------|
| Revenue | \$ | 38,245 | \$ | 40,417 | \$ | (2,172) | (5.4%) |
| Gross profit (loss) | \$ | (1,839) | \$ | (2,455) | \$ | 616 | 25.1% |
| Unit sales | | 7,212 | | 7,890 | | (678) | (8.6%) |
| Revenue per unit | \$ | 5,303 | \$ | 5,123 | \$ | 180 | 3.5% |
| Gross profit (loss) per unit | \$ | (255) | \$ | (311) | \$ | 56 | 18.0% |
| Gross profit (loss) as a % of revenue | | (4.8%) | | (6.1%) | | 130 | bps |

| Six Months Ended June 30, | | Better / (Worse) | |
|---------------------------|------|------------------|----------|
| 2016 | 2015 | Change | % Change |

(In thousands, except units and per unit data)

Same Store:

| | | | | | | | |
|---------------------------------------|----|---------|----|---------|----|-------|---------|
| Revenue | \$ | 82,599 | \$ | 81,670 | \$ | 929 | 1.1% |
| Gross profit (loss) | \$ | (2,915) | \$ | (2,651) | \$ | (264) | (10.0%) |
| Unit sales | | 15,630 | | 15,578 | | 52 | 0.3% |
| Revenue per unit | \$ | 5,285 | \$ | 5,243 | \$ | 42 | 0.8% |
| Gross profit (loss) per unit | \$ | (187) | \$ | (170) | \$ | (17) | (10.0%) |
| Gross profit (loss) as a % of revenue | | (3.5%) | | (3.2%) | | (30) | bps |

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

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

| Three Months Ended June 30, | | Better / (Worse) | |
|-----------------------------|------|------------------|----------|
| 2016 | 2015 | Change | % Change |

(In thousands)

| | | | | | | | |
|----------------------------|----|---------|----|---------|----|---------|--------|
| Revenue | | | | | | | |
| Customer pay | \$ | 149,248 | \$ | 146,548 | \$ | 2,700 | 1.8% |
| Warranty | | 54,812 | | 57,150 | | (2,338) | (4.1%) |
| Wholesale parts | | 44,021 | | 45,850 | | (1,829) | (4.0%) |
| Internal, sublet and other | | 103,248 | | 96,616 | | 6,632 | 6.9% |
| Total | \$ | 351,329 | \$ | 346,164 | \$ | 5,165 | 1.5% |
| Gross profit | | | | | | | |
| Customer pay | \$ | 81,323 | \$ | 80,286 | \$ | 1,037 | 1.3% |

| | | | | |
|----------------------------|-------|-------|-------|-----|
| Wholesale parts | 17.6% | 17.9% | (30) | bps |
| Internal, sublet and other | 48.2% | 50.0% | (180) | bps |
| Total | 47.9% | 48.8% | (90) | bps |

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

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

| | Three Months Ended June 30, | | Better / (Worse) | |
|--------------------------------|-----------------------------|-------------------|------------------|-------------|
| | 2016 | 2015 | Change | % Change |
| (In thousands) | | | | |
| Same Store: | | | | |
| Revenue | | | | |
| Customer pay | \$ 149,246 | \$ 144,293 | \$ 4,953 | 3.4% |
| Warranty | 54,812 | 56,382 | (1,570) | (2.8%) |
| Wholesale parts | 44,021 | 45,133 | (1,112) | (2.5%) |
| Internal, sublet and other | 103,231 | 95,227 | 8,004 | 8.4% |
| Total | <u>\$ 351,310</u> | <u>\$ 341,035</u> | <u>\$ 10,275</u> | <u>3.0%</u> |
| Gross profit | | | | |
| Customer pay | \$ 81,322 | \$ 79,028 | \$ 2,294 | 2.9% |
| Warranty | 29,543 | 32,272 | (2,729) | (8.5%) |
| Wholesale parts | 7,797 | 8,003 | (206) | (2.6%) |
| Internal, sublet and other | 49,470 | 48,428 | 1,042 | 2.2% |
| Total | <u>\$ 168,132</u> | <u>\$ 167,731</u> | <u>\$ 401</u> | <u>0.2%</u> |
| Gross profit as a % of revenue | | | | |
| Customer pay | 54.5% | 54.8% | (30) | bps |
| Warranty | 53.9% | 57.2% | (330) | bps |
| Wholesale parts | 17.7% | 17.7% | 0 | bps |
| Internal, sublet and other | 47.9% | 50.9% | (300) | bps |
| Total | 47.9% | 49.2% | (130) | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--------------------------------|---------------------------|-------------------|------------------|-------------|
| | 2016 | 2015 | Change | % Change |
| (In thousands) | | | | |
| Same Store: | | | | |
| Revenue | | | | |
| Customer pay | \$ 296,640 | \$ 278,930 | \$ 17,710 | 6.3% |
| Warranty | 112,371 | 109,076 | 3,295 | 3.0% |
| Wholesale parts | 89,331 | 89,334 | (3) | (0.0%) |
| Internal, sublet and other | 199,023 | 180,968 | 18,055 | 10.0% |
| Total | <u>\$ 697,365</u> | <u>\$ 658,308</u> | <u>\$ 39,057</u> | <u>5.9%</u> |
| Gross profit | | | | |
| Customer pay | \$ 161,679 | \$ 153,078 | \$ 8,601 | 5.6% |
| Warranty | 60,825 | 61,572 | (747) | (1.2%) |
| Wholesale parts | 15,739 | 15,990 | (251) | (1.6%) |
| Internal, sublet and other | 95,538 | 90,594 | 4,944 | 5.5% |
| Total | <u>\$ 333,781</u> | <u>\$ 321,234</u> | <u>\$ 12,547</u> | <u>3.9%</u> |
| Gross profit as a % of revenue | | | | |
| Customer pay | 54.5% | 54.9% | (40) | bps |
| Warranty | 54.1% | 56.4% | (230) | bps |
| Wholesale parts | 17.6% | 17.9% | (30) | bps |
| Internal, sublet and other | 48.0% | 50.1% | (210) | bps |
| Total | 47.9% | 48.8% | (90) | bps |

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

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

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |

(In thousands, except per unit data)

Reported:

| | | | | |
|---|-----------|-----------|----------|------|
| Revenue | \$ 84,088 | \$ 82,363 | \$ 1,725 | 2.1% |
| Gross profit per retail unit (excludes fleet) | \$ 1,345 | \$ 1,268 | \$ 77 | 6.1% |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--|---------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |

(In thousands, except per unit data)

Reported:

| | | | | |
|---|------------|------------|----------|------|
| Revenue | \$ 165,361 | \$ 156,963 | \$ 8,398 | 5.4% |
| Gross profit per retail unit (excludes fleet) | \$ 1,355 | \$ 1,261 | \$ 94 | 7.5% |

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |

(In thousands, except per unit data)

Same Store:

| | | | | |
|---|-----------|-----------|----------|------|
| Revenue | \$ 83,884 | \$ 81,492 | \$ 2,392 | 2.9% |
| Gross profit per retail unit (excludes fleet) | \$ 1,342 | \$ 1,270 | \$ 72 | 5.7% |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--|---------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |

(In thousands, except per unit data)

Same Store:

| | | | | |
|---|------------|------------|----------|------|
| Revenue | \$ 164,736 | \$ 155,182 | \$ 9,554 | 6.2% |
| Gross profit per retail unit (excludes fleet) | \$ 1,350 | \$ 1,263 | \$ 87 | 6.9% |

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

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

| | Three Months Ended June 30, | | Better / (Worse) | |
|--|-----------------------------|------|------------------|----------|
| | 2016 | 2015 | Change | % Change |

(In thousands)

Reported:

| | | | | |
|---------------------|------------|------------|----------|--------|
| Compensation | \$ 166,560 | \$ 167,811 | \$ 1,251 | 0.7% |
| Advertising | 15,499 | 15,358 | (141) | (0.9%) |
| Rent | 18,508 | 18,246 | (262) | (1.4%) |
| Other | 76,637 | 83,246 | 6,609 | 7.9% |
| Total SG&A expenses | \$ 277,204 | \$ 284,661 | \$ 7,457 | 2.6% |

Adjustments:

| | | | | |
|------------------------|------|----------|----------|----------|
| Gain on disposal | \$ - | \$ 1,057 | \$ 1,057 | 100.0% |
| Storm damage and other | - | (4,189) | (4,189) | (100.0%) |

| | | | | |
|--|------------|------------|------------|----------|
| Total SG&A adjustments | \$ - | \$ (3,132) | \$ (3,132) | (100.0%) |
| Adjusted: | | | | |
| Total adjusted SG&A expenses | \$ 277,204 | \$ 281,529 | \$ 4,325 | 1.5% |
| Reported: | | | | |
| SG&A expenses as a % of gross profit | | | | |
| Compensation | 47.1% | 47.2% | 10 | bps |
| Advertising | 4.4% | 4.3% | (10) | bps |
| Rent | 5.2% | 5.1% | (10) | bps |
| Other | 21.8% | 23.5% | 170 | bps |
| Total SG&A expenses as a % of gross profit | 78.5% | 80.1% | 160 | bps |
| Adjustments: | | | | |
| Gain on disposal | 0.0% | 0.3% | 30 | bps |
| Storm damage and other | 0.0% | (1.2%) | (120) | bps |
| Total effect of adjustments | 0.0% | (0.9%) | (90) | bps |
| Adjusted: | | | | |
| Total adjusted SG&A as a % of gross profit | 78.5% | 79.2% | 70 | bps |

| | Six Months Ended June 30, | | Better / (Worse) | |
|--|---------------------------|------------|------------------|----------|
| | 2016 | 2015 | Change | % Change |
| | (In thousands) | | | |
| Reported: | | | | |
| Compensation | \$ 335,601 | \$ 329,669 | \$ (5,932) | (1.8%) |
| Advertising | 30,847 | 30,689 | (158) | (0.5%) |
| Rent | 37,228 | 36,500 | (728) | (2.0%) |
| Other | 157,904 | 158,665 | 761 | 0.5% |
| Total SG&A expenses | \$ 561,580 | \$ 555,523 | \$ (6,057) | (1.1%) |
| Adjustments: | | | | |
| Gain on disposal | \$ - | \$ 955 | \$ 955 | 100.0% |
| Storm damage and other | (6,043) | (5,138) | 905 | 17.6% |
| Total SG&A adjustments | \$ (6,043) | \$ (4,183) | \$ 1,860 | 44.5% |
| Adjusted: | | | | |
| Total adjusted SG&A expenses | \$ 555,537 | \$ 551,340 | \$ (4,197) | (0.8%) |
| Reported: | | | | |
| SG&A expenses as a % of gross profit | | | | |
| Compensation | 48.0% | 47.7% | (30) | bps |
| Advertising | 4.4% | 4.4% | 0 | bps |
| Rent | 5.3% | 5.3% | 0 | bps |
| Other | 22.7% | 23.1% | 40 | bps |
| Total SG&A expenses as a % of gross profit | 80.4% | 80.5% | 10 | bps |
| Adjustments: | | | | |
| Gain on disposal | 0.0% | 0.1% | 10 | bps |
| Storm damage and other | (0.9%) | (0.8%) | 10 | bps |
| Total effect of adjustments | (0.9%) | (0.7%) | 20 | bps |
| Adjusted: | | | | |
| Total adjusted SG&A as a % of gross profit | 79.5% | 79.8% | 30 | bps |

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