

October 24, 2019



Sonic Automotive Reports Third Quarter 2019 EPS of \$0.66, Up 83%

EchoPark Revenues Up 67.9% and Tracking \$1.2 Billion for Full Year 2019

EchoPark Pre-Tax Income Up 138.9%

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Sonic Automotive, Inc. (NYSE: SAH), one of the nation's largest automotive retailers, today reported financial results for the third quarter of 2019.

- EchoPark revenues of \$312.2 million during the third quarter of 2019, up 67.9% from the third quarter of 2018.
- EchoPark pre-tax profit improved \$7.6 million, or 138.9%, to \$2.1 million in the third quarter of 2019, compared to a pre-tax loss of \$5.5 million in the third quarter of 2018.
- EchoPark generated Adjusted EBITDA* of \$6.4 million in the third quarter of 2019, improving by \$9.4 million from the third quarter of 2018.
- EchoPark retailed 13,206 pre-owned units during the third quarter of 2019, up 71.6% from the third quarter of 2018.
- Total Sonic consolidated continuing operations earnings per diluted share of \$0.66 in the third quarter of 2019, compared to \$0.36 in the third quarter of 2018, an 83.3% increase from the third quarter of 2018.
- Total Sonic consolidated all-time quarterly record pre-owned retail unit sales of 42,453 units in the third quarter of 2019.
- Total Sonic same store Fixed Operations gross profit increased \$11.4 million in the third quarter of 2019, up 7.3% from the third quarter of 2018.
- Total Sonic consolidated all-time quarterly record F&I gross profit per retail unit of \$1,771 in the third quarter of 2019, an increase of \$266 per unit from the third quarter of 2018.
- Total Sonic consolidated all-time quarterly record F&I gross profit of \$126.8 million in the third quarter of 2019, an increase of 29.3% from the third quarter of 2018.
- SG&A to gross profit ratio of 76.7% in the third quarter of 2019, an improvement of 350 basis points compared to the third quarter of 2018.

* Adjusted EBITDA is a non-GAAP financial measure. The schedules included in this press release reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Third Quarter 2019 Results

Net income from continuing operations for the third quarter of 2019 was \$29.2 million, or \$0.66 per diluted share. Comparatively, net income from continuing operations for the third

quarter of 2018 was \$15.3 million, or \$0.36 per diluted share. Results reported for the third quarter of 2018 include pre-tax charges totaling \$3.1 million related to storm damage, executive transition costs and charges related to the disposal of franchises.

Commentary

David Smith, Sonic's and EchoPark's Chief Executive Officer, commented, "Our franchised stores and our EchoPark stores grew pre-tax income in the double and triple digits, respectively. The franchised stores segment increased pre-tax income in the third quarter of 2019 over the prior year quarter by \$10.3 million, or 36.8%, while the EchoPark segment increased pre-tax income in the third quarter of 2019 over the prior year quarter by \$7.6 million, or 138.9%."

Mr. Smith continued, "Our operations teams delivered yet another outstanding quarter that resulted in an 83% improvement in earnings per diluted share from continuing operations compared to the third quarter of 2018. Our teams delivered a solid combination of gross profit growth and cost control. Consolidated gross profit grew 7.3% while our SG&A to gross profit ratio improved by 350 basis points. These results were achieved in spite of a challenging new vehicle sales environment where our new vehicle unit sales and related gross profit decreased by 2.8% and \$6.3 million, respectively. Our pre-owned, Fixed Operations and F&I results during the quarter exceeded our expectations. We believe these favorable operating trends will continue into the fourth quarter."

Jeff Dyke, Sonic's and EchoPark's President, commented, "Our EchoPark stores had another exceptional quarter. EchoPark grew revenues by 67.9%, gross profit by 107.2% and pre-tax income by 138.9%. As we continue to grow our top-line revenues, a greater amount of incremental gross profit flows through to the bottom line, demonstrating the significant earnings upside potential in this business over the long term. Our path to opening our next EchoPark market in Long Beach, California is becoming clearer and we anticipate an opening in the latter half of the fourth quarter of this year. We are excited to introduce the EchoPark brand to the California market and look forward to continuing to execute on our plans for EchoPark growth, omni-channel selling and other digital initiatives."

Dividend

Sonic's Board of Directors approved a quarterly cash dividend of \$0.10 per share payable on January 15, 2020 to all stockholders of record on December 13, 2019.

Third Quarter 2019 Earnings Conference Call

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

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

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

Domestic: (877) 450-3867
International: (706) 643-0958
Conference ID: 5598838

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

Domestic: (855) 859-2056
International: (404) 537-3406
Conference ID: 5598838

About Sonic Automotive

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

Forward-Looking Statements

Included herein are forward-looking statements. There are many factors that affect management's views about future events and trends of the Company's business. These factors involve risks and uncertainties that could cause actual results or trends to differ materially from management's views, including, without limitation, EchoPark revenue estimates, EchoPark unit sales volume, EchoPark profit estimates, economic conditions in the markets in which we operate, new and used vehicle industry sales volume, the success of our operational strategies, the rate and timing of overall economic recovery or decline, and the risk factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's other periodic reports and information filed with the Securities and Exchange Commission (the "SEC"). The Company does not undertake any obligation to update forward-looking information, except as required under federal securities laws and the rules and regulations of the SEC.

Non-GAAP Financial Measures

This press release and the attached financial tables contain certain non-GAAP financial measures as defined under SEC rules, such as Adjusted EBITDA. As required by SEC rules, the Company provides reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures. The Company believes that these non-GAAP financial measures improve the transparency of the Company's disclosures and provide a meaningful presentation of the Company's results.

Sonic Automotive, Inc.
Results of Operations (Unaudited)

Results of Operations

| | Three Months Ended September 30, | | Better / (Worse) % | Nine Months Ended September 30, | | Better / (Worse) % |
|--|-------------------------------------|--------------|--------------------------|------------------------------------|--------------|--------------------------|
| | 2019 | 2018 | Change | 2019 | 2018 | Change |
| (In thousands, except per share amounts) | | | | | | |
| Revenues: | | | | | | |
| New vehicles | \$ 1,258,018 | \$ 1,235,094 | 1.9% | \$ 3,529,106 | \$ 3,654,510 | (3.4)% |
| Used vehicles | 914,272 | 745,998 | 22.6% | 2,620,264 | 2,217,616 | 18.2% |
| Wholesale vehicles | 51,542 | 48,578 | 6.1% | 156,351 | 167,726 | (6.8)% |
| Total vehicles | 2,223,832 | 2,029,670 | 9.6% | 6,305,721 | 6,039,852 | 4.4% |
| Parts, service and collision repair | 352,047 | 343,118 | 2.6% | 1,048,789 | 1,041,630 | 0.7% |
| Finance, insurance and other, net | 126,841 | 98,061 | 29.3% | 351,429 | 295,890 | 18.8% |
| Total revenues | 2,702,720 | 2,470,849 | 9.4% | 7,705,939 | 7,377,372 | 4.5% |
| Cost of Sales: | | | | | | |
| New vehicles | (1,202,710) | (1,173,453) | 2.5% | (3,363,603) | (3,478,802) | (3.3)% |
| Used vehicles | (877,444) | (710,681) | 23.5% | (2,509,699) | (2,108,219) | 19.0% |
| Wholesale vehicles | (52,648) | (49,877) | 5.6% | (159,437) | (176,806) | (9.8)% |
| Total vehicles | (2,132,802) | (1,934,011) | 10.3% | (6,032,739) | (5,763,827) | 4.7% |
| Parts, service and collision repair | (183,107) | (176,302) | 3.9% | (546,067) | (538,135) | 1.5% |
| Total cost of sales | (2,315,909) | (2,110,313) | 9.7% | (6,578,806) | (6,301,962) | 4.4% |
| Gross profit | 386,811 | 360,536 | 7.3% | 1,127,133 | 1,075,410 | 4.8% |
| Selling, general and administrative expenses | (296,826) | (289,022) | (2.7)% | (838,453) | (871,410) | 3.8% |
| Impairment charges | (1,124) | — | (100.0)% | (3,076) | (13,961) | 78.0% |
| Depreciation and amortization | (23,665) | (23,377) | (1.2)% | (70,120) | (71,067) | 1.3% |
| Operating income (loss) | 65,196 | 48,137 | 35.4% | 215,484 | 118,972 | 81.1% |
| Other income (expense): | | | | | | |
| Interest expense, floor plan | (11,638) | (12,192) | 4.5% | (37,382) | (34,815) | (7.4)% |
| Interest expense, other, net | (13,013) | (13,313) | 2.3% | (39,494) | (40,144) | 1.6% |
| Other income (expense), net | (5) | — | (100.0)% | 90 | 107 | 15.9% |
| Total other income (expense) | (24,656) | (25,505) | 3.3% | (76,786) | (74,852) | (2.6)% |
| Income (loss) from continuing operations before taxes | 40,540 | 22,632 | 79.1% | 138,698 | 44,120 | 214.4% |
| Provision for income taxes for continuing operations - benefit (expense) | (11,372) | (7,331) | (55.1)% | (40,430) | (13,711) | (194.9)% |
| Income (loss) from continuing operations | 29,168 | 15,301 | 90.6% | 98,268 | 30,409 | 223.2% |
| Discontinued operations: | | | | | | |
| Income (loss) from discontinued operations before taxes | (223) | (252) | 11.5% | (616) | (797) | 22.7% |
| Provision for income taxes for discontinued operations - benefit (expense) | 65 | 69 | (5.8)% | 179 | 218 | (17.9)% |
| Income (loss) from discontinued operations | (158) | (183) | 13.7% | (437) | (579) | 24.5% |
| Net income (loss) | \$ 29,010 | \$ 15,118 | 91.9% | \$ 97,831 | \$ 29,830 | 228.0% |
| Basic earnings (loss) per common share: | | | | | | |
| Earnings (loss) per share from continuing operations | \$ 0.68 | \$ 0.36 | 88.9% | \$ 2.28 | \$ 0.71 | 221.1% |
| Earnings (loss) per share from discontinued operations | (0.01) | (0.01) | —% | (0.01) | (0.01) | —% |
| Earnings (loss) per common share | \$ 0.67 | \$ 0.35 | 91.4% | \$ 2.27 | \$ 0.70 | 224.3% |
| Weighted-average common shares outstanding | 43,078 | 42,673 | (0.9)% | 42,995 | 42,708 | (0.7)% |
| Diluted earnings (loss) per common share: | | | | | | |
| Earnings (loss) per share from continuing operations | \$ 0.66 | \$ 0.36 | 83.3% | \$ 2.26 | \$ 0.71 | 218.3% |
| Earnings (loss) per share from discontinued operations | — | (0.01) | 100.0% | (0.01) | (0.02) | 50.0% |
| Earnings (loss) per common share | \$ 0.66 | \$ 0.35 | 88.6% | \$ 2.25 | \$ 0.69 | 226.1% |
| Weighted-average common shares outstanding | 44,203 | 42,994 | (2.8)% | 43,456 | 42,964 | (1.1)% |
| Dividends declared per common share | \$ 0.10 | \$ 0.06 | 66.7% | \$ 0.30 | \$ 0.18 | 66.7% |

New Vehicles - Consolidated

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|------------------|--------|
| | 2019 | 2018 | Change | % Char |
| (In thousands, except unit and per unit data) | | | | |
| Reported new vehicle: | | | | |
| Revenue | \$ 1,258,018 | \$ 1,235,094 | \$ 22,924 | 1 |
| Gross profit | \$ 55,308 | \$ 61,641 | \$ (6,333) | (10.3) |
| Unit sales | 30,147 | 31,009 | (862) | (2.8) |
| Revenue per unit | \$ 41,729 | \$ 39,830 | \$ 1,899 | 4 |
| Gross profit per unit | \$ 1,835 | \$ 1,988 | \$ (153) | (7.7) |
| Gross profit as a % of revenue | 4.4% | 5.0% | (60) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---------------------------------|--------------|------------------|--------|
| | 2019 | 2018 | Change | % Char |
| (In thousands, except unit and per unit data) | | | | |
| Reported new vehicle: | | | | |
| Revenue | \$ 3,529,106 | \$ 3,654,510 | \$ (125,404) | (3.4) |
| Gross profit | \$ 165,503 | \$ 175,708 | \$ (10,205) | (5.8) |
| Unit sales | 83,540 | 91,386 | (7,846) | (8.6) |
| Revenue per unit | \$ 42,245 | \$ 39,990 | \$ 2,255 | 5 |
| Gross profit per unit | \$ 1,981 | \$ 1,923 | \$ 58 | 3 |
| Gross profit as a % of revenue | 4.7% | 4.8% | (10) bps | |

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|------------------|--------|
| | 2019 | 2018 | Change | % Char |
| (In thousands, except unit and per unit data) | | | | |
| Same store new vehicle: | | | | |
| Revenue | \$ 1,253,233 | \$ 1,174,705 | \$ 78,528 | 6 |
| Gross profit | \$ 54,823 | \$ 58,425 | \$ (3,602) | (6.2) |
| Unit sales | 30,046 | 29,139 | 907 | 3 |
| Revenue per unit | \$ 41,710 | \$ 40,314 | \$ 1,396 | 3 |
| Gross profit per unit | \$ 1,825 | \$ 2,005 | \$ (180) | (9.0) |
| Gross profit as a % of revenue | 4.4% | 5.0% | (60) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---------------------------------|--------------|------------------|--------|
| | 2019 | 2018 | Change | % Char |
| (In thousands, except unit and per unit data) | | | | |
| Same store new vehicle: | | | | |
| Revenue | \$ 3,487,153 | \$ 3,429,897 | \$ 57,256 | 1 |
| Gross profit | \$ 163,128 | \$ 167,188 | \$ (4,060) | (2.4) |
| Unit sales | 82,301 | 84,352 | (2,051) | (2.4) |
| Revenue per unit | \$ 42,371 | \$ 40,662 | \$ 1,709 | 4 |
| Gross profit per unit | \$ 1,982 | \$ 1,982 | \$ — | — |
| Gross profit as a % of revenue | 4.7% | 4.9% | (20) bps | |

Used Vehicles - Consolidated

| Three Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|--------------------------------|----|---------|----|---------|------------------|
| Reported used vehicle: | | | | | |
| Revenue | \$ | 914,272 | \$ | 745,998 | \$168,274 22.6% |
| Gross profit | \$ | 36,828 | \$ | 35,317 | \$ 1,511 4.3% |
| Unit sales | | 42,453 | | 34,952 | 7,501 21.5% |
| Revenue per unit | \$ | 21,536 | \$ | 21,343 | \$ 193 0.9% |
| Gross profit per unit | \$ | 868 | \$ | 1,010 | \$ (142) (14.1)% |
| Gross profit as a % of revenue | | 4.0% | | 4.7% | (70) bps |

| Nine Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|--------------------------------|----|-----------|----|-----------|------------------|
| Reported used vehicle: | | | | | |
| Revenue | \$ | 2,620,264 | \$ | 2,217,616 | \$402,648 18.2% |
| Gross profit | \$ | 110,565 | \$ | 109,397 | \$ 1,168 1.1% |
| Unit sales | | 122,374 | | 104,470 | 17,904 17.1% |
| Revenue per unit | \$ | 21,412 | \$ | 21,227 | \$ 185 0.9% |
| Gross profit per unit | \$ | 904 | \$ | 1,047 | \$ (143) (13.7)% |
| Gross profit as a % of revenue | | 4.2% | | 4.9% | (70) bps |

| Three Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|--------------------------------|----|---------|----|---------|------------------|
| Same store used vehicle: | | | | | |
| Revenue | \$ | 855,900 | \$ | 713,677 | \$142,223 19.9% |
| Gross profit | \$ | 33,764 | \$ | 33,088 | \$ 676 2.0% |
| Unit sales | | 39,521 | | 33,128 | 6,393 19.3% |
| Revenue per unit | \$ | 21,657 | \$ | 21,543 | \$ 114 0.5% |
| Gross profit per unit | \$ | 854 | \$ | 999 | \$ (145) (14.5)% |
| Gross profit as a % of revenue | | 3.9% | | 4.6% | (70) bps |

| Nine Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|--------------------------------|----|-----------|----|-----------|------------------|
| Same store used vehicle: | | | | | |
| Revenue | \$ | 2,440,633 | \$ | 2,102,425 | \$338,208 16.1% |
| Gross profit | \$ | 101,638 | \$ | 100,248 | \$ 1,390 1.4% |
| Unit sales | | 113,224 | | 98,028 | 15,196 15.5% |
| Revenue per unit | \$ | 21,556 | \$ | 21,447 | \$ 109 0.5% |
| Gross profit per unit | \$ | 898 | \$ | 1,023 | \$ (125) (12.2)% |
| Gross profit as a % of revenue | | 4.2% | | 4.8% | (60) bps |

Wholesale Vehicles - Consolidated

| Three Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|---------------------------------------|----|---------|----|---------|-----------------|
| Reported wholesale vehicle: | | | | | |
| Revenue | \$ | 51,542 | \$ | 48,578 | \$ 2,964 6.1% |
| Gross profit (loss) | \$ | (1,106) | \$ | (1,299) | \$ 193 14.9% |
| Unit sales | | 8,961 | | 7,831 | 1,130 14.4% |
| Revenue per unit | \$ | 5,752 | \$ | 6,203 | \$ (451) (7.3)% |
| Gross profit (loss) per unit | \$ | (123) | \$ | (166) | \$ 43 25.9% |
| Gross profit (loss) as a % of revenue | | (2.1)% | | (2.7)% | 60 bps |

| Nine Months Ended September 30, | | Better / (Worse) | |
|---|------|------------------|----------|
| 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | |

| | | | | | |
|-----------------------------|--|--|--|--|--|
| Reported wholesale vehicle: | | | | | |
|-----------------------------|--|--|--|--|--|

| | | | | | | |
|---------------------------------------|----|---------|----|---------|------------|--------|
| Revenue | \$ | 156,351 | \$ | 167,726 | \$(11,375) | (6.8)% |
| Gross profit (loss) | \$ | (3,086) | \$ | (9,080) | \$ 5,994 | 66.0% |
| Unit sales | | 26,254 | | 25,953 | 301 | 1.2% |
| Revenue per unit | \$ | 5,955 | \$ | 6,463 | \$ (508) | (7.9)% |
| Gross profit (loss) per unit | \$ | (118) | \$ | (350) | \$ 232 | 66.3% |
| Gross profit (loss) as a % of revenue | | (2.0)% | | (5.4)% | 340 bps | |

| Three Months Ended September 30, | | | | Better / (Worse) | |
|---|------|---------|----|------------------|-----------------|
| | 2019 | 2018 | | Change | % Change |
| (In thousands, except unit and per unit data) | | | | | |
| Same store wholesale vehicle: | | | | | |
| Revenue | \$ | 49,791 | \$ | 45,144 | \$ 4,647 10.3% |
| Gross profit (loss) | \$ | (1,009) | \$ | (1,324) | \$ 315 23.8% |
| Unit sales | | 8,559 | | 7,173 | 1,386 19.3% |
| Revenue per unit | \$ | 5,817 | \$ | 6,294 | \$ (477) (7.6)% |
| Gross profit (loss) per unit | \$ | (118) | \$ | (185) | \$ 67 36.2% |
| Gross profit (loss) as a % of revenue | | (2.0)% | | (2.9)% | 90 bps |

| Nine Months Ended September 30, | | | | Better / (Worse) | |
|---|------|---------|----|------------------|-------------------|
| | 2019 | 2018 | | Change | % Change |
| (In thousands, except unit and per unit data) | | | | | |
| Same store wholesale vehicle: | | | | | |
| Revenue | \$ | 150,890 | \$ | 152,934 | \$ (2,044) (1.3)% |
| Gross profit (loss) | \$ | (2,746) | \$ | (8,224) | \$ 5,478 66.6% |
| Unit sales | | 25,081 | | 23,367 | 1,714 7.3% |
| Revenue per unit | \$ | 6,016 | \$ | 6,545 | \$ (529) (8.1)% |
| Gross profit (loss) per unit | \$ | (109) | \$ | (352) | \$ 243 69.0% |
| Gross profit (loss) as a % of revenue | | (1.8)% | | (5.4)% | 360 bps |

Fixed Operations - Consolidated

| Three Months Ended September 30, | | | | Better / (Worse) | |
|----------------------------------|------|---------|----|------------------|----------------|
| | 2019 | 2018 | | Change | % Change |
| (In thousands) | | | | | |
| Reported: | | | | | |
| Revenue | | | | | |
| Customer pay | \$ | 140,146 | \$ | 139,642 | \$ 504 0.4% |
| Warranty | | 69,894 | | 66,730 | 3,164 4.7% |
| Wholesale parts | | 38,345 | | 39,419 | (1,074) (2.7)% |
| Internal, sublet and other | | 103,662 | | 97,327 | 6,335 6.5% |
| Total | \$ | 352,047 | \$ | 343,118 | \$ 8,929 2.6% |
| Gross profit | | | | | |
| Customer pay | \$ | 76,625 | \$ | 74,994 | \$ 1,631 2.2% |
| Warranty | | 38,235 | | 38,563 | (328) (0.9)% |
| Wholesale parts | | 6,651 | | 6,784 | (133) (2.0)% |
| Internal, sublet and other | | 47,429 | | 46,475 | 954 2.1% |
| Total | \$ | 168,940 | \$ | 166,816 | \$ 2,124 1.3% |
| Gross profit as a % of revenue | | | | | |
| Customer pay | | 54.7% | | 53.7% | 100bps |
| Warranty | | 54.7% | | 57.8% | (310)bps |
| Wholesale parts | | 17.3% | | 17.2% | 10bps |
| Internal, sublet and other | | 45.8% | | 47.8% | (200)bps |
| Total | | 48.0% | | 48.6% | (60)bps |

Nine Months Ended September 30, Better / (Worse)

| | 2019 | 2018 | Change | % Change |
|--------------------------------|---------------------|---------------------|-----------------|----------|
| | (In thousands) | | | |
| Reported: | | | | |
| Revenue | | | | |
| Customer pay | \$ 419,980 | \$ 422,348 | \$(2,368) | (0.6)% |
| Warranty | 208,676 | 198,219 | 10,457 | 5.3% |
| Wholesale parts | 117,669 | 122,763 | (5,094) | (4.1)% |
| Internal, sublet and other | 302,464 | 298,300 | 4,164 | 1.4% |
| Total | <u>\$ 1,048,789</u> | <u>\$ 1,041,630</u> | <u>\$ 7,159</u> | 0.7% |
| Gross profit | | | | |
| Customer pay | \$ 228,604 | \$ 226,443 | \$ 2,161 | 1.0% |
| Warranty | 115,682 | 112,335 | 3,347 | 3.0% |
| Wholesale parts | 20,319 | 20,949 | (630) | (3.0)% |
| Internal, sublet and other | 138,117 | 143,768 | (5,651) | (3.9)% |
| Total | <u>\$ 502,722</u> | <u>\$ 503,495</u> | <u>\$ (773)</u> | (0.2)% |
| Gross profit as a % of revenue | | | | |
| Customer pay | 54.4% | 53.6% | 80bps | |
| Warranty | 55.4% | 56.7% | (130)bps | |
| Wholesale parts | 17.3% | 17.1% | 20bps | |
| Internal, sublet and other | 45.7% | 48.2% | (250)bps | |
| Total | 47.9% | 48.3% | (40)bps | |

Fixed Operations - Consolidated

| | Three Months Ended September 30, | | Better / (Worse) | |
|--------------------------------|----------------------------------|-------------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Same Store: | | | | |
| Revenue | | | | |
| Customer pay | \$ 139,807 | \$ 131,535 | \$ 8,272 | 6.3% |
| Warranty | 69,438 | 64,048 | 5,390 | 8.4% |
| Wholesale parts | 38,018 | 38,016 | 2 | —% |
| Internal, sublet and other | 101,610 | 92,849 | 8,761 | 9.4% |
| Total | <u>\$ 348,873</u> | <u>\$ 326,448</u> | <u>\$22,425</u> | 6.9% |
| Gross profit | | | | |
| Customer pay | \$ 76,453 | \$ 70,227 | \$ 6,226 | 8.9% |
| Warranty | 37,982 | 35,569 | 2,413 | 6.8% |
| Wholesale parts | 6,594 | 6,468 | 126 | 1.9% |
| Internal, sublet and other | 47,061 | 44,410 | 2,651 | 6.0% |
| Total | <u>\$ 168,090</u> | <u>\$ 156,674</u> | <u>\$11,416</u> | 7.3% |
| Gross profit as a % of revenue | | | | |
| Customer pay | 54.7% | 53.4% | 130bps | |
| Warranty | 54.7% | 55.5% | (80)bps | |
| Wholesale parts | 17.3% | 17.0% | 30bps | |
| Internal, sublet and other | 46.3% | 47.8% | (150)bps | |
| Total | 48.2% | 48.0% | 20bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|--------------|---------------------------------|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Same Store: | | | | |
| Revenue | | | | |
| Customer pay | \$ 414,704 | \$ 393,934 | \$20,770 | 5.3% |

| | | | | |
|---------------------------------------|---------------------|-------------------|-----------------|-------------|
| Warranty | 206,691 | 190,080 | 16,611 | 8.7% |
| Wholesale parts | 116,148 | 116,866 | (718) | (0.6)% |
| Internal, sublet and other | 294,735 | 281,068 | 13,667 | 4.9% |
| Total | \$ 1,032,278 | \$ 981,948 | \$50,330 | 5.1% |
| Gross profit | | | | |
| Customer pay | \$ 225,671 | \$ 210,013 | \$15,658 | 7.5% |
| Warranty | 114,596 | 106,074 | 8,522 | 8.0% |
| Wholesale parts | 20,019 | 19,770 | 249 | 1.3% |
| Internal, sublet and other | 135,472 | 134,944 | 528 | 0.4% |
| Total | \$ 495,758 | \$ 470,801 | \$24,957 | 5.3% |
| Gross profit as a % of revenue | | | | |
| Customer pay | 54.4% | 53.3% | 110bps | |
| Warranty | 55.4% | 55.8% | (40)bps | |
| Wholesale parts | 17.2% | 16.9% | 30bps | |
| Internal, sublet and other | 46.0% | 48.0% | (200)bps | |
| Total | 48.0% | 47.9% | 10bps | |

F&I - Consolidated

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|---|-----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Reported: | | | | |
| Revenue | \$ 126,841 | \$ 98,061 | \$28,780 | 29.3% |
| Unit sales | 71,636 | 65,168 | 6,468 | 9.9% |
| Gross profit per retail unit (excludes fleet) | \$ 1,771 | \$ 1,505 | \$ 266 | 17.7% |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Reported: | | | | |
| Revenue | \$ 351,429 | \$ 295,890 | \$55,539 | 18.8% |
| Unit sales | 204,230 | 194,322 | 9,908 | 5.1% |
| Gross profit per retail unit (excludes fleet) | \$ 1,721 | \$ 1,523 | \$ 198 | 13.0% |

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|---|-----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Same Store: | | | | |
| Revenue | \$ 116,881 | \$ 92,376 | \$24,505 | 26.5% |
| Unit sales | 68,603 | 61,474 | 7,129 | 11.6% |
| Gross profit per retail unit (excludes fleet) | \$ 1,704 | \$ 1,503 | \$ 201 | 13.4% |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Same Store: | | | | |
| Revenue | \$ 322,130 | \$ 272,688 | \$49,442 | 18.1% |
| Unit sales | 193,841 | 180,891 | 12,950 | 7.2% |
| Gross profit per retail unit (excludes fleet) | \$ 1,662 | \$ 1,507 | \$ 155 | 10.3% |

New Vehicles - Franchised Dealership Segment

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported new vehicle: | | | | |
| Revenue | \$ 1,258,018 | \$ 1,235,094 | \$ 22,924 | 1.9% |
| Gross profit | \$ 55,308 | \$ 61,641 | \$ (6,333) | (10.3)% |
| Unit sales | 30,147 | 31,009 | (862) | (2.8)% |
| Revenue per unit | \$ 41,729 | \$ 39,830 | \$ 1,899 | 4.8% |
| Gross profit per unit | \$ 1,835 | \$ 1,988 | \$ (153) | (7.7)% |
| Gross profit as a % of revenue | 4.4% | 5.0% | (60) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---------------------------------|--------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported new vehicle: | | | | |
| Revenue | \$ 3,529,106 | \$ 3,654,510 | \$ (125,404) | (3.4)% |
| Gross profit | \$ 165,503 | \$ 175,708 | \$ (10,205) | (5.8)% |
| Unit sales | 83,540 | 91,386 | (7,846) | (8.6)% |
| Revenue per unit | \$ 42,245 | \$ 39,990 | \$ 2,255 | 5.6% |
| Gross profit per unit | \$ 1,981 | \$ 1,923 | \$ 58 | 3.0% |
| Gross profit as a % of revenue | 4.7% | 4.8% | (10) bps | |

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|--------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Same store new vehicle: | | | | |
| Revenue | \$ 1,253,233 | \$ 1,174,705 | \$ 78,528 | 6.7% |
| Gross profit | \$ 54,823 | \$ 58,425 | \$ (3,602) | (6.2)% |
| Unit sales | 30,046 | 29,139 | 907 | 3.1% |
| Revenue per unit | \$ 41,710 | \$ 40,314 | \$ 1,396 | 3.5% |
| Gross profit per unit | \$ 1,825 | \$ 2,005 | \$ (180) | (9.0)% |
| Gross profit as a % of revenue | 4.4% | 5.0% | (60) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---------------------------------|--------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Same store new vehicle: | | | | |
| Revenue | \$ 3,487,153 | \$ 3,429,897 | \$ 57,256 | 1.7% |
| Gross profit | \$ 163,128 | \$ 167,188 | \$ (4,060) | (2.4)% |
| Unit sales | 82,301 | 84,352 | (2,051) | (2.4)% |
| Revenue per unit | \$ 42,371 | \$ 40,662 | \$ 1,709 | 4.2% |
| Gross profit per unit | \$ 1,982 | \$ 1,982 | \$ — | —% |
| Gross profit as a % of revenue | 4.7% | 4.9% | (20) bps | |

Used Vehicles - Franchised Dealership Segment

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported used vehicle: | | | | |
| Revenue | \$ 648,006 | \$ 585,300 | \$ 62,706 | 10.7% |
| Gross profit | \$ 37,623 | \$ 37,480 | \$ 143 | 0.4% |
| Unit sales | 29,247 | 27,254 | 1,993 | 7.3% |
| Revenue per unit | \$ 22,156 | \$ 21,476 | \$ 680 | 3.2% |
| Gross profit per unit | \$ 1,286 | \$ 1,375 | \$ (89) | (6.5)% |
| Gross profit as a % of revenue | 5.8% | 6.4% | (60) bps | |

| | 2019 | 2018 | Change | % Change |
|---|------------|------------|-----------|----------|
| (In thousands, except unit and per unit data) | | | | |
| Reported used vehicle: | | | | |
| Revenue | \$ 648,006 | \$ 585,300 | \$ 62,706 | 10.7% |
| Gross profit | \$ 37,623 | \$ 37,480 | \$ 143 | 0.4% |
| Unit sales | 29,247 | 27,254 | 1,993 | 7.3% |
| Revenue per unit | \$ 22,156 | \$ 21,476 | \$ 680 | 3.2% |
| Gross profit per unit | \$ 1,286 | \$ 1,375 | \$ (89) | (6.5)% |
| Gross profit as a % of revenue | 5.8% | 6.4% | (60) bps | |

| | 2019 | 2018 | Change | % Change |
|--------------------------------|---|--------------|------------|----------|
| | (In thousands, except unit and per unit data) | | | |
| Reported used vehicle: | | | | |
| Revenue | \$ 1,889,045 | \$ 1,794,403 | \$ 94,642 | 5.3% |
| Gross profit | \$ 111,815 | \$ 112,965 | \$ (1,150) | (1.0)% |
| Unit sales | 85,530 | 83,795 | 1,735 | 2.1% |
| Revenue per unit | \$ 22,086 | \$ 21,414 | \$ 672 | 3.1% |
| Gross profit per unit | \$ 1,307 | \$ 1,348 | \$ (41) | (3.0)% |
| Gross profit as a % of revenue | 5.9% | 6.3% | (40) bps | |

| | Three Months Ended September 30, | | Better / (Worse) | | | | |
|--------------------------------|---|---------|------------------|----------|----|----------|--------|
| | 2019 | 2018 | Change | % Change | | | |
| | (In thousands, except unit and per unit data) | | | | | | |
| Same store used vehicle: | | | | | | | |
| Revenue | \$ | 643,945 | \$ | 564,190 | \$ | 79,755 | 14.1% |
| Gross profit | \$ | 35,873 | \$ | 34,665 | \$ | 1,208 | 3.5% |
| Unit sales | | 29,050 | | 26,067 | | 2,983 | 11.4% |
| Revenue per unit | \$ | 22,167 | \$ | 21,644 | \$ | 523 | 2.4% |
| Gross profit per unit | \$ | 1,235 | \$ | 1,330 | \$ | (95) | (7.1)% |
| Gross profit as a % of revenue | | 5.6% | | 6.1% | | (50) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|--------------------------------|---|--------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Same store used vehicle: | | | | |
| Revenue | \$ 1,866,976 | \$ 1,713,247 | \$153,729 | 9.0% |
| Gross profit | \$ 105,904 | \$ 102,760 | \$ 3,144 | 3.1% |
| Unit sales | 84,374 | 79,173 | 5,201 | 6.6% |
| Revenue per unit | \$ 22,127 | \$ 21,639 | \$ 488 | 2.3% |
| Gross profit per unit | \$ 1,255 | \$ 1,298 | \$ (43) | (3.3)% |
| Gross profit as a % of revenue | 5.7% | 6.0% | (30) bps | |

Wholesale Vehicles - Franchised Dealership Segment

| | Three Months Ended September 30, | | Better / (Worse) | |
|---------------------------------------|---|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Reported wholesale vehicle: | | | | |
| Revenue | \$ 44,517 | \$ 43,381 | \$ 1,136 | 2.6% |
| Gross profit (loss) | \$ (971) | \$ (1,260) | \$ 289 | 22.9% |
| Unit sales | 7,123 | 6,906 | 217 | 3.1% |
| Revenue per unit | \$ 6,250 | \$ 6,282 | \$(32) | (0.5)% |
| Gross profit (loss) per unit | \$ (136) | \$ (182) | \$ 46 | 25.3% |
| Gross profit (loss) as a % of revenue | (2.2)% | (2.9)% | 70 bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---------------------------------------|---|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Reported wholesale vehicle: | | | | |
| Revenue | \$ 140,770 | \$ 148,037 | \$(7,267) | (4.9)% |
| Gross profit (loss) | \$ (2,845) | \$ (9,708) | \$ 6,863 | 70.7% |
| Unit sales | 22,231 | 22,454 | (223) | (1.0)% |
| Revenue per unit | \$ 6,332 | \$ 6,593 | \$(261) | (4.0)% |
| Gross profit (loss) per unit | \$ (128) | \$ (432) | \$ 304 | 70.4% |
| Gross profit (loss) as a % of revenue | (2.0)% | (6.6)% | 460 bps | |

| Three Months Ended September 30, | | Better / (Worse) | |
|----------------------------------|------|------------------|----------|
| 2019 | 2018 | Change | % Change |

(In thousands, except unit and per unit data)

| | | | | | |
|---------------------------------------|----|--------|----|---------|----------------|
| Same store wholesale vehicle: | | | | | |
| Revenue | \$ | 44,219 | \$ | 41,526 | \$ 2,693 6.5% |
| Gross profit (loss) | \$ | (890) | \$ | (1,239) | \$ 349 28.2% |
| Unit sales | | 7,088 | | 6,553 | 535 8.2% |
| Revenue per unit | \$ | 6,239 | \$ | 6,337 | \$ (98) (1.5)% |
| Gross profit (loss) per unit | \$ | (126) | \$ | (189) | \$ 63 33.3% |
| Gross profit (loss) as a % of revenue | | (2.0)% | | (3.0)% | 100 bps |

| Nine Months Ended September 30, | | Better / (Worse) | |
|---------------------------------|------|------------------|----------|
| 2019 | 2018 | Change | % Change |

(In thousands, except unit and per unit data)

| | | | | | |
|---------------------------------------|----|---------|----|---------|-----------------|
| Same store wholesale vehicle: | | | | | |
| Revenue | \$ | 138,614 | \$ | 137,838 | \$ 776 0.6% |
| Gross profit (loss) | \$ | (2,531) | \$ | (8,849) | \$ 6,318 71.4% |
| Unit sales | | 21,901 | | 20,758 | 1,143 5.5% |
| Revenue per unit | \$ | 6,329 | \$ | 6,640 | \$ (311) (4.7)% |
| Gross profit (loss) per unit | \$ | (116) | \$ | (426) | \$ 310 72.8% |
| Gross profit (loss) as a % of revenue | | (1.8)% | | (6.4)% | 460 bps |

Fixed Operations - Franchised Dealership Segment

| Three Months Ended September 30, | | Better / (Worse) | |
|----------------------------------|------|------------------|----------|
| 2019 | 2018 | Change | % Change |

(In thousands)

| | | | | | |
|--------------------------------|----|---------|----|---------|----------------|
| Reported: | | | | | |
| Revenue | | | | | |
| Customer pay | \$ | 139,969 | \$ | 139,504 | \$ 465 0.3% |
| Warranty | | 69,894 | | 66,730 | 3,164 4.7% |
| Wholesale parts | | 38,345 | | 39,419 | (1,074) (2.7)% |
| Internal, sublet and other | | 95,612 | | 93,413 | 2,199 2.4% |
| Total | \$ | 343,820 | \$ | 339,066 | \$ 4,754 1.4% |
| Gross profit | | | | | |
| Customer pay | \$ | 76,607 | \$ | 74,983 | \$ 1,624 2.2% |
| Warranty | | 38,235 | | 38,563 | (328) (0.9)% |
| Wholesale parts | | 6,651 | | 6,784 | (133) (2.0)% |
| Internal, sublet and other | | 47,665 | | 45,995 | 1,670 3.6% |
| Total | \$ | 169,158 | \$ | 166,325 | \$ 2,833 1.7% |
| Gross profit as a % of revenue | | | | | |
| Customer pay | | 54.7% | | 53.7% | 100bps |
| Warranty | | 54.7% | | 57.8% | (310)bps |
| Wholesale parts | | 17.3% | | 17.2% | 10bps |
| Internal, sublet and other | | 49.9% | | 49.2% | 70bps |
| Total | | 49.2% | | 49.1% | 10bps |

| Nine Months Ended September 30, | | Better / (Worse) | |
|---------------------------------|------|------------------|----------|
| 2019 | 2018 | Change | % Change |

(In thousands)

| | | | | | |
|----------------------------|----|-----------|----|-----------|------------------|
| Reported: | | | | | |
| Revenue | | | | | |
| Customer pay | \$ | 419,482 | \$ | 421,484 | \$(2,002) (0.5)% |
| Warranty | | 208,676 | | 198,219 | 10,457 5.3% |
| Wholesale parts | | 117,669 | | 122,763 | (5,094) (4.1)% |
| Internal, sublet and other | | 281,555 | | 285,893 | (4,338) (1.5)% |
| Total | \$ | 1,027,382 | \$ | 1,028,359 | \$ (977) (0.1)% |

| | | | | | |
|--------------------------------|----|----------------|----|----------------|----------------------|
| Gross profit | | | | | |
| Customer pay | \$ | 228,584 | \$ | 226,207 | \$ 2,377 1.1% |
| Warranty | | 115,682 | | 112,335 | 3,347 3.0% |
| Wholesale parts | | 20,319 | | 20,949 | (630) (3.0)% |
| Internal, sublet and other | | 138,726 | | 141,618 | (2,892) (2.0)% |
| Total | \$ | <u>503,311</u> | \$ | <u>501,109</u> | <u>\$ 2,202</u> 0.4% |
| Gross profit as a % of revenue | | | | | |
| Customer pay | | 54.5% | | 53.7% | 80bps |
| Warranty | | 55.4% | | 56.7% | (130)bps |
| Wholesale parts | | 17.3% | | 17.1% | 20bps |
| Internal, sublet and other | | 49.3% | | 49.5% | (20)bps |
| Total | | 49.0% | | 48.7% | 30bps |

Fixed Operations - Franchised Dealership Segment

| | | Three Months Ended September 30, | | Better / (Worse) | |
|--------------------------------|----|----------------------------------|------|------------------|----------------------|
| | | 2019 | 2018 | Change | % Change |
| (In thousands) | | | | | |
| Same Store: | | | | | |
| Revenue | | | | | |
| Customer pay | \$ | 139,683 | \$ | 131,413 | \$ 8,270 6.3% |
| Warranty | | 69,438 | | 64,048 | 5,390 8.4% |
| Wholesale parts | | 38,018 | | 38,016 | 2 —% |
| Internal, sublet and other | | 95,170 | | 89,303 | 5,867 6.6% |
| | \$ | <u>342,309</u> | \$ | <u>322,780</u> | <u>\$19,529</u> 6.1% |
| Gross profit | | | | | |
| Customer pay | \$ | 76,435 | \$ | 70,218 | \$ 6,217 8.9% |
| Warranty | | 37,982 | | 35,569 | 2,413 6.8% |
| Wholesale parts | | 6,594 | | 6,468 | 126 1.9% |
| Internal, sublet and other | | 47,266 | | 43,888 | 3,378 7.7% |
| | \$ | <u>168,277</u> | \$ | <u>156,143</u> | <u>\$12,134</u> 7.8% |
| Gross profit as a % of revenue | | | | | |
| Customer pay | | 54.7% | | 53.4% | 130bps |
| Warranty | | 54.7% | | 55.5% | (80)bps |
| Wholesale parts | | 17.3% | | 17.0% | 30bps |
| Internal, sublet and other | | 49.7% | | 49.1% | 60bps |
| | | 49.2% | | 48.4% | 80bps |

| | | Nine Months Ended September 30, | | Better / (Worse) | |
|----------------------------|----|---------------------------------|------|------------------|----------------------|
| | | 2019 | 2018 | Change | % Change |
| (In thousands) | | | | | |
| Same Store: | | | | | |
| Revenue | | | | | |
| Customer pay | \$ | 414,369 | \$ | 393,478 | \$20,891 5.3% |
| Warranty | | 206,691 | | 190,080 | 16,611 8.7% |
| Wholesale parts | | 116,148 | | 116,866 | (718) (0.6)% |
| Internal, sublet and other | | 278,176 | | 269,831 | 8,345 3.1% |
| | \$ | <u>1,015,384</u> | \$ | <u>970,255</u> | <u>\$45,129</u> 4.7% |
| Gross profit | | | | | |
| Customer pay | \$ | 225,651 | \$ | 209,936 | \$15,715 7.5% |
| Warranty | | 114,596 | | 106,074 | 8,522 8.0% |
| Wholesale parts | | 20,019 | | 19,770 | 249 1.3% |
| Internal, sublet and other | | 135,971 | | 132,937 | 3,034 2.3% |

| | | | | | | |
|--------------------------------|----|---------|----|---------|----------|---------|
| | \$ | 496,237 | \$ | 468,717 | \$27,520 | 5.9% |
| Gross profit as a % of revenue | | | | | | |
| Customer pay | | 54.5% | | 53.4% | | 110bps |
| Warranty | | 55.4% | | 55.8% | | (40)bps |
| Wholesale parts | | 17.2% | | 16.9% | | 30bps |
| Internal, sublet and other | | 48.9% | | 49.3% | | (40)bps |
| | | 48.9% | | 48.3% | | 60bps |

F&I - Franchised Dealership Segment

| | Three Months Ended September 30, | | Better / (Worse) | | | |
|---|---|--------|------------------|----------|----------|-------|
| | 2019 | 2018 | Change | % Change | | |
| | (In thousands, except unit and per unit data) | | | | | |
| Reported: | | | | | | |
| Revenue | \$ | 96,142 | \$ | 82,089 | \$14,053 | 17.1% |
| Unit sales | | 58,430 | | 57,470 | 960 | 1.7% |
| Gross profit per retail unit (excludes fleet) | \$ | 1,645 | \$ | 1,428 | \$ 217 | 15.2% |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Reported: | | | | |
| Revenue | \$ 266,171 | \$ 254,473 | \$ 11,698 | 4.6% |
| Unit sales | 167,386 | 173,647 | (6,261) | (3.6)% |
| Gross profit per retail unit (excludes fleet) | \$ 1,590 | \$ 1,465 | \$ 125 | 8.5% |

| | Three Months Ended September 30, | | Better / (Worse) | | | |
|---|---|--------|------------------|----------|----------|-------|
| | 2019 | 2018 | Change | % Change | | |
| | (In thousands, except unit and per unit data) | | | | | |
| Same Store: | | | | | | |
| Revenue | \$ | 92,252 | \$ | 77,040 | \$15,212 | 19.7% |
| Unit sales | | 58,132 | | 54,413 | 3,719 | 6.8% |
| Gross profit per retail unit (excludes fleet) | \$ | 1,587 | \$ | 1,416 | \$ 171 | 12.1% |

| | Nine Months Ended September 30, | | Better / (Worse) | | | |
|---|---|---------|------------------|----------|----------|------|
| | 2019 | 2018 | Change | % Change | | |
| | (In thousands, except unit and per unit data) | | | | | |
| Same Store: | | | | | | |
| Revenue | \$ | 255,331 | \$ | 234,720 | \$20,611 | 8.8% |
| Unit sales | | 164,991 | | 162,036 | 2,955 | 1.8% |
| Gross profit per retail unit (excludes fleet) | \$ | 1,548 | \$ | 1,449 | \$ 99 | 6.8% |

Used Vehicles and F&I - EchoPark Segment

| | Three Months Ended September 30, | | Better / (Worse) | | | | |
|--|---|---------|------------------|----------|-----------|--------|--------|
| | 2019 | 2018 | Change | % Change | | | |
| | (In thousands, except unit and per unit data) | | | | | | |
| Reported used vehicle and F&I: | | | | | | | |
| Used vehicle revenue | \$ | 266,266 | \$ | 160,698 | \$105,568 | 65.7% | |
| Used vehicle gross profit (loss) | \$ | (795) | \$ | (2,163) | \$ | 1,368 | 63.2% |
| Used vehicle unit sales | | 13,206 | | 7,698 | 5,508 | 71.6% | |
| Used vehicle revenue per unit | \$ | 20,163 | \$ | 20,875 | \$ | (712) | (3.4)% |
| F&I revenue | \$ | 30,699 | \$ | 15,972 | \$ | 14,727 | 92.2% |
| Combined used vehicle gross profit and F&I revenue | \$ | 29,904 | \$ | 13,809 | \$ | 16,095 | 116.6% |
| Total used vehicle and F&I gross profit per unit | \$ | 2,264 | \$ | 1,794 | \$ | 470 | 26.2% |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|--|---------------------------------|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported used vehicle: | | | | |
| Used vehicle revenue | \$ 731,219 | \$ 423,213 | \$308,006 | 72.8% |
| Used vehicle gross profit (loss) | \$ (1,250) | \$ (3,568) | \$ 2,318 | 65.0% |
| Used vehicle unit sales | 36,844 | 20,675 | 16,169 | 78.2% |
| Used vehicle revenue per unit | \$ 19,846 | \$ 20,470 | \$ (624) | (3.0)% |
| F&I revenue | \$ 85,258 | \$ 41,417 | \$ 43,841 | 105.9% |
| Combined used vehicle gross profit and F&I revenue | \$ 84,008 | \$ 37,849 | \$ 46,159 | 122.0% |
| Total used vehicle and F&I gross profit per unit | \$ 2,280 | \$ 1,831 | \$ 449 | 24.5% |

| | Three Months Ended September 30, | | Better / (Worse) | |
|--|----------------------------------|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Same store used vehicle: | | | | |
| Used vehicle revenue | \$ 211,955 | \$ 149,487 | \$ 62,468 | 41.8% |
| Used vehicle gross profit (loss) | \$ (2,109) | \$ (1,577) | \$ (532) | (33.7)% |
| Used vehicle unit sales | 10,471 | 7,061 | 3,410 | 48.3% |
| Used vehicle revenue per unit | \$ 20,242 | \$ 21,171 | \$ (929) | (4.4)% |
| F&I revenue | \$ 24,629 | \$ 15,336 | \$ 9,293 | 60.6% |
| Combined used vehicle gross profit and F&I revenue | \$ 22,520 | \$ 13,759 | \$ 8,761 | 63.7% |
| Total used vehicle and F&I gross profit per unit | \$ 2,151 | \$ 1,949 | \$ 202 | 10.4% |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|--|---------------------------------|------------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Same store used vehicle: | | | | |
| Used vehicle revenue | \$ 573,657 | \$ 389,178 | \$184,479 | 47.4% |
| Used vehicle gross profit (loss) | \$ (4,266) | \$ (2,512) | \$ (1,754) | (69.8)% |
| Used vehicle unit sales | 28,850 | 18,855 | 9,995 | 53.0% |
| Used vehicle revenue per unit | \$ 19,884 | \$ 20,641 | \$ (757) | (3.7)% |
| F&I revenue | \$ 66,799 | \$ 37,968 | \$ 28,831 | 75.9% |
| Combined used vehicle gross profit and F&I revenue | \$ 62,533 | \$ 35,456 | \$ 27,077 | 76.4% |
| Total used vehicle and F&I gross profit per unit | \$ 2,168 | \$ 1,880 | \$ 288 | 15.3% |

Wholesale Vehicles - EchoPark Segment

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported wholesale vehicle: | | | | |
| Revenue | \$ 7,025 | \$ 5,197 | \$ 1,828 | 35.2% |
| Gross profit (loss) | \$ (135) | \$ (39) | \$ (96) | (246.2)% |
| Unit sales | 1,838 | 925 | 913 | 98.7% |
| Revenue per unit | \$ 3,822 | \$ 5,618 | \$ (1,796) | (32.0)% |
| Gross profit (loss) per unit | \$ (73) | \$ (42) | \$ (31) | (73.8)% |
| Gross profit (loss) as a % of revenue | (1.9)% | (0.8)% | (110) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---|---------------------------------|-----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| (In thousands, except unit and per unit data) | | | | |
| Reported wholesale vehicle: | | | | |
| Revenue | \$ 15,581 | \$ 19,689 | \$ (4,108) | (20.9)% |
| Gross profit (loss) | \$ (241) | \$ 628 | \$ (869) | (138.4)% |
| Unit sales | 4,023 | 3,499 | 524 | 15.0% |
| Revenue per unit | \$ 3,873 | \$ 5,627 | \$ (1,754) | (31.2)% |

| | | | | | | | |
|---------------------------------------|----|--------|----|------|----|-------|----------|
| Gross profit (loss) per unit | \$ | (60) | \$ | 179 | \$ | (239) | (133.5)% |
| Gross profit (loss) as a % of revenue | | (1.5)% | | 3.2% | | (470) | bps |

| | Three Months Ended September 30, | | | | Better / (Worse) | |
|---------------------------------------|---|--------|------|--------|------------------|----------|
| | 2019 | | 2018 | | Change | % Change |
| | (In thousands, except unit and per unit data) | | | | | |
| Same store wholesale vehicle: | | | | | | |
| Revenue | \$ | 5,572 | \$ | 3,618 | \$ 1,954 | 54.0% |
| Gross profit (loss) | \$ | (119) | \$ | (85) | \$ (34) | (40.0)% |
| Unit sales | | 1,471 | | 620 | 851 | 137.3% |
| Revenue per unit | \$ | 3,788 | \$ | 5,835 | \$(2,047) | (35.1)% |
| Gross profit (loss) per unit | \$ | (81) | \$ | (137) | \$ 56 | 40.9% |
| Gross profit (loss) as a % of revenue | | (2.1)% | | (2.3)% | 20 bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---------------------------------------|---|-----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands, except unit and per unit data) | | | |
| Same store wholesale vehicle: | | | | |
| Revenue | \$ 12,277 | \$ 15,095 | \$(2,818) | (18.7)% |
| Gross profit (loss) | \$ (215) | \$ 625 | \$(840) | (134.4)% |
| Unit sales | 3,180 | 2,609 | 571 | 21.9% |
| Revenue per unit | \$ 3,861 | \$ 5,786 | \$(1,925) | (33.3)% |
| Gross profit (loss) per unit | \$ (68) | \$ 240 | \$(308) | (128.3)% |
| Gross profit (loss) as a % of revenue | (1.8)% | 4.1% | (590) bps | |

Fixed Operations - EchoPark Segment

| | Three Months Ended September 30, | | Better / (Worse) | |
|---------------------------------------|----------------------------------|--------|------------------|-----------------------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Total reported Fixed Operations: | | | | |
| Revenue | \$ | 8,227 | \$ | 4,052 \$ 4,175 103.0% |
| Gross profit (loss) | \$ | (218) | \$ | 491 \$ (709) (144.4)% |
| Gross profit (loss) as a % of revenue | | (2.6)% | | 12.1% (1,470) bps |

| | Nine Months Ended September 30, | | Better / (Worse) | |
|---------------------------------------|---------------------------------|-----------|------------------|----------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Total reported Fixed Operations: | | | | |
| Revenue | \$ 21,407 | \$ 13,271 | \$ 8,136 | 61.3% |
| Gross profit (loss) | \$ (589) | \$ 2,386 | \$(2,975) | (124.7)% |
| Gross profit (loss) as a % of revenue | (2.8)% | 18.0% | (2,080) bps | |

| | Three Months Ended September 30, | | Better / (Worse) | | | |
|---------------------------------------|----------------------------------|--------|------------------|----------|-------------|----------|
| | 2019 | 2018 | Change | % Change | | |
| | (In thousands) | | | | | |
| Total same store Fixed Operations: | | | | | | |
| Revenue | \$ | 6,564 | \$ | 3,668 | \$ 2,896 | 79.0% |
| Gross profit (loss) | \$ | (187) | \$ | 531 | \$ (718) | (135.2)% |
| Gross profit (loss) as a % of revenue | | (2.8)% | | 14.5% | (1,730) bps | |

| | Nine Months Ended September 30, | | Better / (Worse) | | | |
|------------------------------------|---------------------------------|--------|------------------|----------|-----------|----------|
| | 2019 | 2018 | Change | % Change | | |
| | (In thousands) | | | | | |
| Total same store Fixed Operations: | | | | | | |
| Revenue | \$ | 16,894 | \$ | 11,693 | \$ 5,201 | 44.5% |
| Gross profit (loss) | \$ | (479) | \$ | 2,084 | \$(2,563) | (123.0)% |

Gross profit (loss) as a % of revenue (2.8)% 17.8% (2,060) bps

Selling, General and Administrative ("SG&A") Expenses - Non-GAAP Reconciliation

| | Three Months Ended September 30, | | Better / (Worse) | |
|---|----------------------------------|-------------------|--------------------|---------------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Reported: | | | | |
| Compensation | \$ 184,089 | \$ 175,393 | \$ (8,696) | (5.0)% |
| Advertising | 15,856 | 14,652 | (1,204) | (8.2)% |
| Rent | 12,721 | 14,881 | 2,160 | 14.5% |
| Other | 84,160 | 84,096 | (64) | (0.1)% |
| Total SG&A expenses | <u>\$ 296,826</u> | <u>\$ 289,022</u> | <u>\$ (7,804)</u> | <u>(2.7)%</u> |
| Items of interest: | | | | |
| Gain (loss) on franchise disposals | \$ — | \$ (346) | | |
| Storm damage charges | — | (1,185) | | |
| Executive transition costs | — | (1,581) | | |
| Total SG&A adjustments | <u>\$ —</u> | <u>\$ (3,112)</u> | | |
| Adjusted: | | | | |
| Total adjusted SG&A expenses | <u>\$ 296,826</u> | <u>\$ 285,910</u> | <u>\$ (10,916)</u> | <u>(3.8)%</u> |
| Reported: | | | | |
| SG&A expenses as a % of gross profit: | | | | |
| Compensation | 47.6% | 48.6% | 100bps | |
| Advertising | 4.1% | 4.1% | —bps | |
| Rent | 3.3% | 4.1% | 80bps | |
| Other | 21.7% | 23.4% | 170bps | |
| Total SG&A expenses as a % of gross profit | <u>76.7%</u> | <u>80.2%</u> | <u>350bps</u> | |
| Items of interest: | | | | |
| Gain (loss) on franchise disposals | —% | (0.1)% | | |
| Storm damage charges | —% | (0.3)% | | |
| Executive transition costs | —% | (0.5)% | | |
| Total effect of adjustments | <u>—%</u> | <u>(0.9)%</u> | | |
| Adjusted: | | | | |
| Total adjusted SG&A expenses as a % of gross profit | <u>76.7%</u> | <u>79.3%</u> | <u>260bps</u> | |

Selling, General and Administrative ("SG&A") Expenses - Non-GAAP Reconciliation

| | Nine Months Ended September 30, | | Better / (Worse) | |
|------------------------------------|---------------------------------|-------------------|------------------|-------------|
| | 2019 | 2018 | Change | % Change |
| | (In thousands) | | | |
| Reported: | | | | |
| Compensation | \$ 549,470 | \$ 558,071 | \$ 8,601 | 1.5% |
| Advertising | 46,308 | 46,938 | 630 | 1.3% |
| Rent | 41,308 | 50,451 | 9,143 | 18.1% |
| Other | 201,367 | 215,950 | 14,583 | 6.8% |
| Total SG&A expenses | <u>\$ 838,453</u> | <u>\$ 871,410</u> | <u>\$ 32,957</u> | <u>3.8%</u> |
| Items of interest: | | | | |
| Gain (loss) on franchise disposals | \$ 46,680 | \$ 38,893 | | |
| Legal and storm damage charges | — | (5,749) | | |
| Executive transition costs | (6,264) | (1,581) | | |
| Long-term compensation charges | — | (32,522) | | |
| Lease exit charges | — | (2,235) | | |
| Total SG&A adjustments | <u>\$ 40,416</u> | <u>\$ (3,194)</u> | | |

Adjusted:

| | | | | |
|------------------------------|------------|------------|------------|--------|
| Total adjusted SG&A expenses | \$ 878,869 | \$ 868,216 | \$(10,653) | (1.2)% |
|------------------------------|------------|------------|------------|--------|

Reported:

| | | | | |
|--|-------|-------|--------|--|
| SG&A expenses as a % of gross profit: | | | | |
| Compensation | 48.7% | 51.9% | 320bps | |
| Advertising | 4.1% | 4.4% | 30bps | |
| Rent | 3.7% | 4.7% | 100bps | |
| Other | 17.9% | 20.0% | 210bps | |
| Total SG&A expenses as a % of gross profit | 74.4% | 81.0% | 660bps | |

Items of interest:

| | | | | |
|------------------------------------|--------|--------|--|--|
| Gain (loss) on franchise disposals | 4.2% | 3.7% | | |
| Legal and storm damage charges | —% | (0.5)% | | |
| Executive transition costs | —% | (0.1)% | | |
| Long-term compensation charges | (0.6)% | (3.1)% | | |
| Lease exit charges | —% | (0.2)% | | |
| Total effect of adjustments | 3.6% | (0.3)% | | |

Adjusted:

| | | | | |
|---|-------|-------|--------|--|
| Total adjusted SG&A expenses as a % of gross profit | 78.0% | 80.7% | 270bps | |
|---|-------|-------|--------|--|

Earnings per Share from Continuing Operations - Non-GAAP Reconciliation

| | Three Months Ended September 30, 2019 | | | Three Months Ended September 30, 2018 | | |
|--|--|-----------|------------------------|--|-----------|------------------------|
| | Weighted-Average Shares | Amount | Per Share Amount | Weighted-Average Shares | Amount | Per Share Amount |
| (In thousands, except per share amounts) | | | | | | |
| Diluted earnings (loss) and shares from continuing operations | 44,203 | \$ 29,168 | \$ 0.66 | 42,994 | \$ 15,301 | \$ 0.36 |
| Pre-tax items of interest: | | | | | | |
| (Gain) loss on franchise disposals | | \$ — | | | \$ 346 | |
| Storm damage charges | | — | | | 1,185 | |
| Executive transition costs | | — | | | 1,581 | |
| Total pre-tax items of interest | | — | | | 3,112 | |
| Tax effect of above items | | — | | | (848) | |
| Non-recurring tax items | | — | | | 763 | |
| Adjusted diluted earnings (loss) and shares from continuing operations | 44,203 | \$ 29,168 | \$ 0.66 | 42,994 | \$ 18,328 | \$ 0.43 |

| | Nine Months Ended September 30, 2019 | | | Nine Months Ended September 30, 2018 | | |
|---|---|-------------|------------------------|---|-------------|------------------------|
| | Weighted-Average Shares | Amount | Per Share Amount | Weighted-Average Shares | Amount | Per Share Amount |
| (In thousands, except per share amounts) | | | | | | |
| Diluted earnings (loss) and shares from continuing operations | 43,456 | \$ 98,268 | \$ 2.26 | 42,964 | \$ 30,409 | \$ 0.71 |
| Pre-tax items of interest: | | | | | | |
| (Gain) loss on franchise disposals | | \$ (46,680) | | | \$ (38,893) | |
| Legal and storm damage charges | | — | | | 5,749 | |
| Long-term compensation charges | | — | | | 32,522 | |
| Executive transition costs | | 6,264 | | | 1,581 | |
| Impairment charges | | 1,926 | | | 13,958 | |
| Lease exit charges | | — | | | 2,235 | |
| Total pre-tax items of interest | | (38,490) | | | 17,152 | |
| Tax effect of above items | | 12,902 | | | (4,674) | |
| Non-recurring tax items | | — | | | 1,313 | |

Adjusted diluted earnings (loss) and shares from continuing operations

43,456 \$ 72,680 \$ 1.67 42,964 \$ 44,200 \$ 1.03

Adjusted EBITDA - Non-GAAP Reconciliation

| | Three Months Ended September 30, 2019 | | | | Three Months Ended September 30, 2018 | | | |
|---|---------------------------------------|------------------|-------------------------|----------|---------------------------------------|------------------|-------------------------|----------|
| | Franchised Dealerships Segment | EchoPark Segment | Discontinued Operations | Total | Franchised Dealerships Segment | EchoPark Segment | Discontinued Operations | Total |
| (In thousands) | | | | | | | | |
| Net income (loss) | | | | \$29,010 | | | | \$15,118 |
| Provision for income taxes | | | | 11,307 | | | | 7,262 |
| Income (loss) before taxes | \$ 38,417 | \$ 2,123 | \$ (223) | \$40,317 | \$ 28,087 | \$ (5,455) | \$ (252) | \$22,380 |
| Non-floor plan interest | 12,011 | 402 | — | 12,413 | 12,279 | 423 | 98 | 12,800 |
| Depreciation & amortization | 21,561 | 2,703 | — | 24,264 | 22,140 | 1,999 | — | 24,139 |
| Stock-based compensation expense | 2,681 | — | — | 2,681 | 4,578 | — | — | 4,578 |
| Loss (gain) on exit of leased dealerships | — | — | — | — | 24 | 4 | 103 | 131 |
| Asset impairment charges | — | 1,124 | — | 1,124 | — | — | — | — |
| Loss (gain) on franchise disposals | 823 | — | — | 823 | 88 | — | — | 88 |
| Adjusted EBITDA | \$ 75,493 | \$ 6,352 | \$ (223) | \$81,622 | \$ 67,196 | \$ (3,029) | \$ (51) | \$64,116 |

| | Nine Months Ended September 30, 2019 | | | | Nine Months Ended September 30, 2018 | | | |
|---|--------------------------------------|------------------|-------------------------|-----------|--------------------------------------|------------------|-------------------------|-----------|
| | Franchised Dealerships Segment | EchoPark Segment | Discontinued Operations | Total | Franchised Dealerships Segment | EchoPark Segment | Discontinued Operations | Total |
| (In thousands) | | | | | | | | |
| Net income (loss) | | | | \$ 97,831 | | | | \$ 29,830 |
| Provision for income taxes | | | | 40,251 | | | | 13,493 |
| Income (loss) before taxes | \$ 134,701 | \$ 3,997 | \$ (616) | \$138,082 | \$ 92,094 | \$ (47,974) | \$ (797) | \$ 43,323 |
| Non-floor plan interest | 36,440 | 1,266 | — | 37,706 | 37,097 | 1,219 | 319 | 38,635 |
| Depreciation & amortization | 64,121 | 7,788 | — | 71,909 | 67,771 | 5,584 | — | 73,355 |
| Stock-based compensation expense | 8,107 | — | — | 8,107 | 10,589 | — | — | 10,589 |
| Loss (gain) on exit of leased dealerships | (170) | — | — | (170) | 2,361 | 18 | 318 | 2,697 |
| Asset impairment charges | 25 | 3,051 | — | 3,076 | 13,879 | 82 | — | 13,961 |
| Long-term compensation charges | — | — | — | — | — | 32,522 | — | 32,522 |
| Loss (gain) on franchise disposals | (45,570) | — | — | (45,570) | (39,149) | — | — | (39,149) |
| Adjusted EBITDA | \$ 197,654 | \$ 16,102 | \$ (616) | \$213,140 | \$ 184,642 | \$ (8,549) | \$ (160) | \$175,933 |

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