

EchoPark Automotive

October 20, 2021



McKinley Mall Area Incentive Zoning Law Request

Please accept this submission as EchoPark's request for approval from the Town of Hamburg's Town Board and Planning Board to allow the former Pier One store located at 3701 McKinley Parkway to be renovated and reopened as an EchoPark used car delivery center.

Amenities being offered

- The re-use/transformation of a McKinley Mall Incentive Area building;
- Creation of significant jobs and taxes

The approval of the incentive zoning request will benefit the community in the following ways: Bring a new business into an existing building that has been vacant for over a year. EchoPark will employ approximately six employees at an average wage of \$67,500.00. We expect to sell 300 cars per month at an average price of \$22,500. This would equal \$81,000,000 in annual revenue, resulting in significant sales tax revenue for the town of Hamburg.

Because the building and infrastructure are already in place, there is no risk of inadequate sewer, water, transportation, waste disposal or fire protection facilities to handle the demands of the proposed use. The amenities of revitalization of an existing building and creation of well-paying jobs with accompanying benefits implement the goals of the Master Plan by creating tax income and providing a stable employment option for the residents of Hamburg, NY. No residential buffers will be altered. The renderings/sketches contained within this slide show are representative of the project and aesthetics of the proposed use and renovations to be completed. We respectfully request the incentive of "Change in use" as the property is not currently zoned for used car sales. If approved, EchoPark is prepared to submit the first and second sketch plans to the Planning Board prior to the November 17 Planning Board meeting.

Automotive Landscape

- 17,540 New Car Dealers in the United States
- 37,500 Used Car Dealers in the United States
- ~14 to 17 Million new cars sold each year in the United States
- ~42 Million used cars sold each year in the United States

One of the nation's top dealership groups.

- Sonic Automotive is one of the nation's top automotive retailers.
- Our company has two operating segments: the franchised dealerships and EchoPark Automotive.
- EchoPark Automotive- stand alone Pre-Owned business focusing on
- 1 - 4 year old vehicles

Sonic Automotive (SAH)

Sonic Strategy

| | | | |
|---|---|---|-------------------------------------|
| <p>FY 2020 Revenues</p> <p>\$9.8 Billion</p>  | <p>250,964 Vehicles</p> <p>Retailed in FY 2020</p>  | | |
| <p>FY 2020 Adjusted EBITDA* of</p> <p>\$370.3 Million</p>  | <p>Target</p> <p>\$25 Billion</p> <p>in Total Revenues By 2025</p>  | | |
| <p>Investment Highlights</p> <p><u>Second Quarter 2021</u></p> <ul style="list-style-type: none">• EPS of \$2.63 (<i>All-Time Record</i>)• \$3.4 Billion in Total Revenues (<i>All-Time Record</i>)• \$595.6 Million in EchoPark Revenues (<i>All-Time Record</i>)• 21,261 EchoPark Vehicles Retailed (<i>All-Time Record</i>)• 10th Consecutive Quarter of Year-Over-Year EPS Growth• SG&A as % of Gross Profit Decreased 1,210 Basis Points, to 62.8% (<i>All-Time Record</i>)• Quarterly F&I Per Unit of \$2,214 (<i>All-Time Record</i>) | | | |
| <p>Franchised dealerships</p> <p>86</p> | <p>EchoPark dealerships</p> <p>29</p> | <p># of Automotive Brands</p> <p>20+</p> | <p># of States</p> <p>16</p> |

Retail Philosophy

- Each retail space we develop provides a welcoming, enjoyable atmosphere with an open concept and functional zones tailored to specific activities
- The environment empowers guests of EchoPark to shop the way they want at their desired pace.
- Full sensory environment ties the brand's digital and physical assets into a seamless, flexible and compelling shopping experience.
- Our design cues are derived from modern retail, hospitality and digital spaces.
- Our goal has always been to provide a guest experience that breaks the stereotype of the used car dealership. We are doing this with our people and technology infused facilities.
- Our retail locations source teammates from the local community providing employment opportunities and local market knowledge to the business.

Retail Environment- Delivery Centers

EchoPark's technology-enabled omnichannel strategy allows guest the choice of an on-line purchase experience, in-store visit or a fun and exciting delivery experience that is the equivalent of a car party. No other used car retailer offers their guests this level of experiences along over 20,000 vehicles to choose from with an incredible savings of up to \$3000 less than the competition.

Delivery Centers are designed for the delivery experience and do not store vehicles. Guests can complete their purchase on-line and schedule a convenient pick-up celebration at their local Delivery Center.



Repurposing Retail

What is exciting about this location is that we will be able to teach an “old box” new tricks. We can take a shuttered store and adapt it for reuse with a guest friendly, open environment for used cars. It is a win/win for the community as the building has a new life and consumers have access to a wide selection of used cars, at great prices and industry leading experience.



Retail Environment

Before and After Examples



BEFORE



BEFORE



BEFORE



AFTER



AFTER



AFTER

Interiors



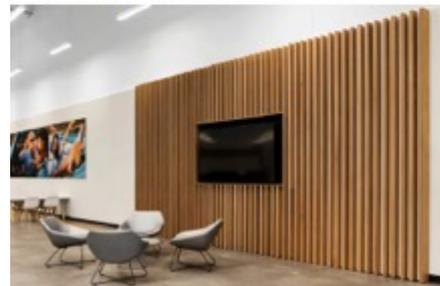
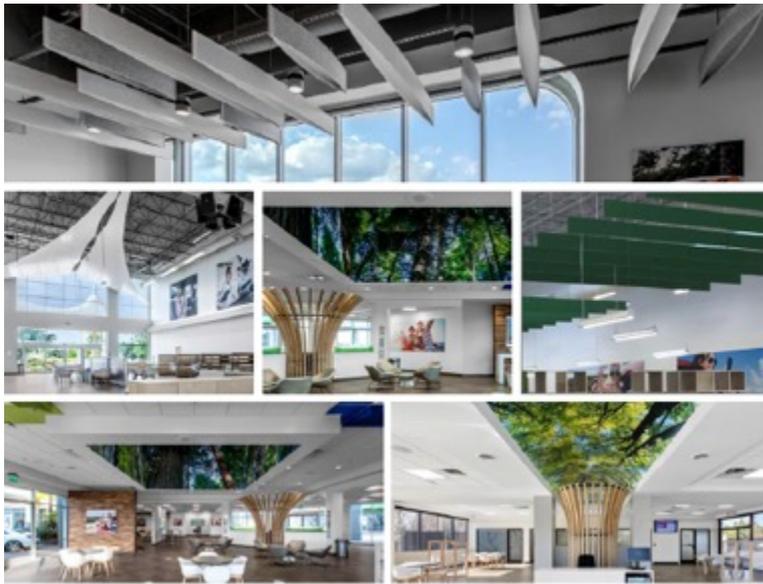
Interiors



Lifestyle Graphics



Interiors



Growth Engine

Following its 2014 launch, EchoPark Automotive has rapidly become one of the pre-owned automotive retail industry's most prominent success stories. The Company continues to expand its EchoPark footprint with plans to reach a 140-point nationwide distribution network, which is expected to retail 575,000 vehicles annually and generate \$14 billion in EchoPark revenues.

EchoPark Automotive

EchoPark Strategy

1-4

year old, nearly new,
pre-owned vehicles



Remaining

OEM WARRANTY



Priced up to

40%

below brand new

and up to

10%

below used vehicle
market price



Clean

CARFAX REPORT



NO HAGGLE
purchase experience



Focus on the recession-resistant
pre-owned market, which is

2.5x

larger than the new vehicle market



EchoPark Automotive

Company Overview

Our High Growth EchoPark Segment Offers a Unique Approach to Pre-Owned Vehicle and F&I Sales. Below-Market Pricing with a No Haggle Purchase Experience Drives Industry-Leading Used Vehicle Volume Throughput.

LOCATIONS

29

TARGET

2 million

Annual Vehicle Sales
at Maturity

STATES

14

TARGET

10% market share

Of 1-4 Year Old Vehicles
at Maturity

Q2 2021 REVENUE

\$595.6 million

Q2 2021 VEHICLES SOLD

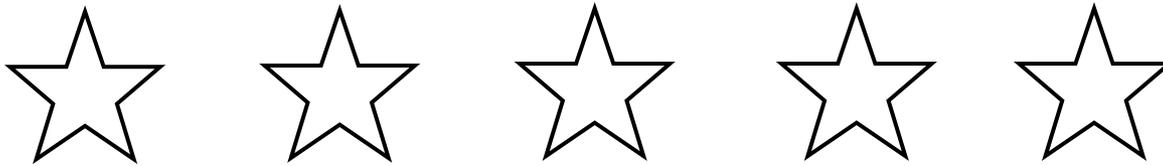
21,261 vehicles

Q2 2021

5% market share

Of 1-4 Year Old Vehicles In
Existing Markets

Voice of the Customer Over 15,000 5-Star Reviews



EchoPark[®]
AUTOMOTIVE