



INDUSTRY UPDATE

AUTOMOTIVE
Q3 2020



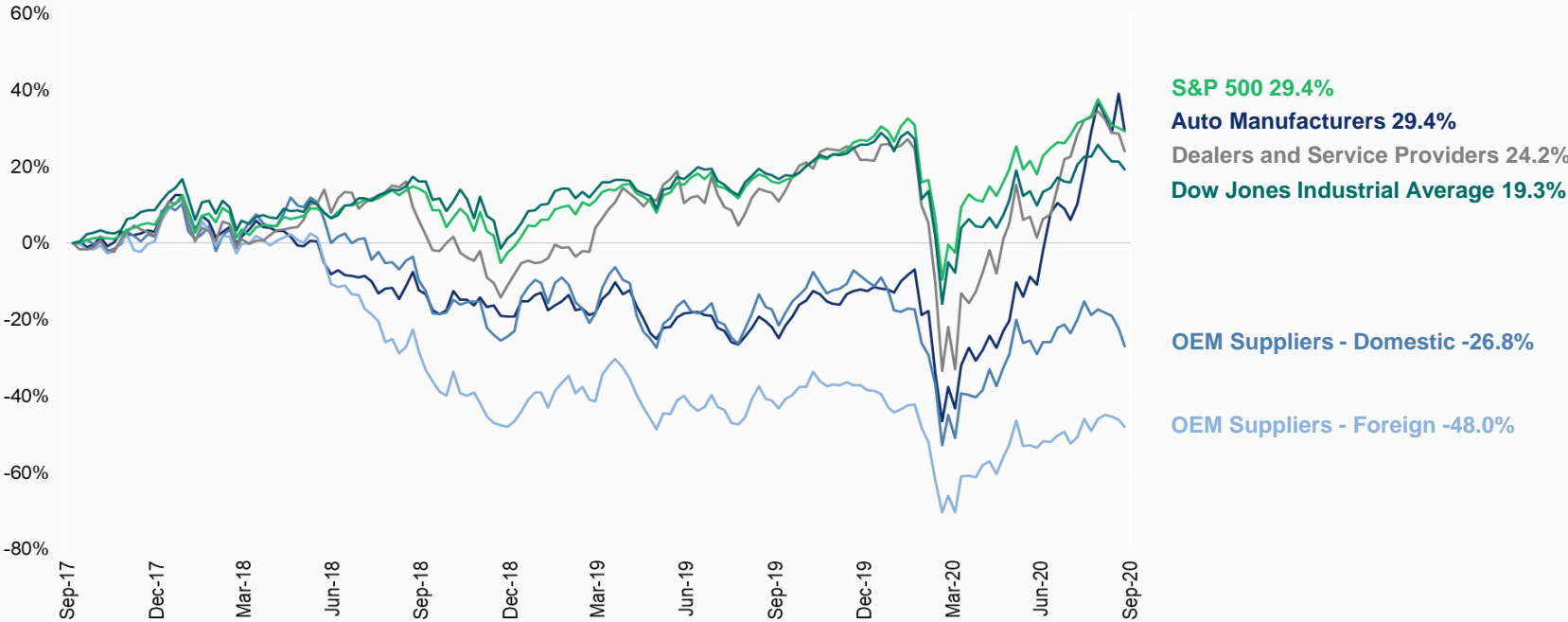
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Public Market Performance

The U.S. equity market exhibited overall positive performance in Q3 2020. The overall market as measured by the S&P 500 and Dow Jones Industrial Average restarted record-setting, positive trends in Q3 after some of the worst quarters in recent history. At the same time, Automotive Manufacturers saw a strong run up in value from their lows in March 2020. However, Automotive Suppliers, both foreign and domestic saw a relatively minor recovery from the significant drop during March 2020.

Automotive Market Performance



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2020



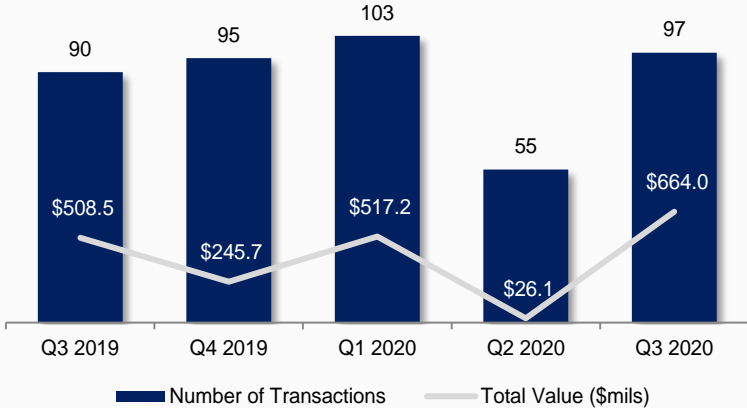
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Middle-Market M&A Activity

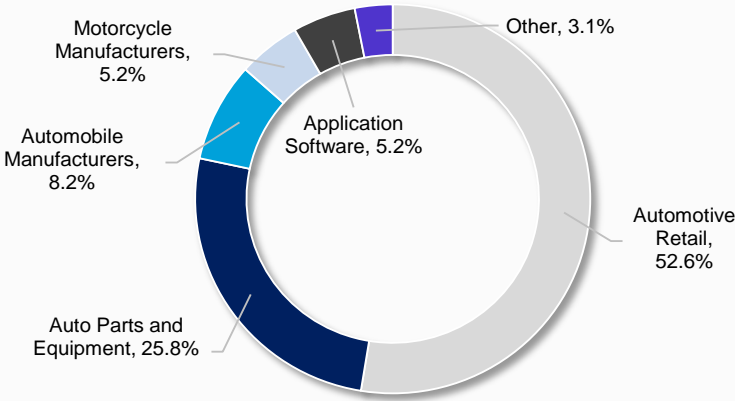
In Q3 2020, middle-market M&A activity within the Automotive sector experienced a substantial increase in deal value and volume from the previous quarter. Q3 2020 recorded the highest total deal value of any quarter over the past year in the auto sector. Strategic buyers drove overall deal activity.

Automotive Retail was by far the most active sector accounting for 52.6% of total automotive transaction volume. This can be attributed to the ongoing consolidation among dealership groups. Auto Parts and Equipment exhibited continued strength as well at 25.8% of automotive transaction volume in Q3.

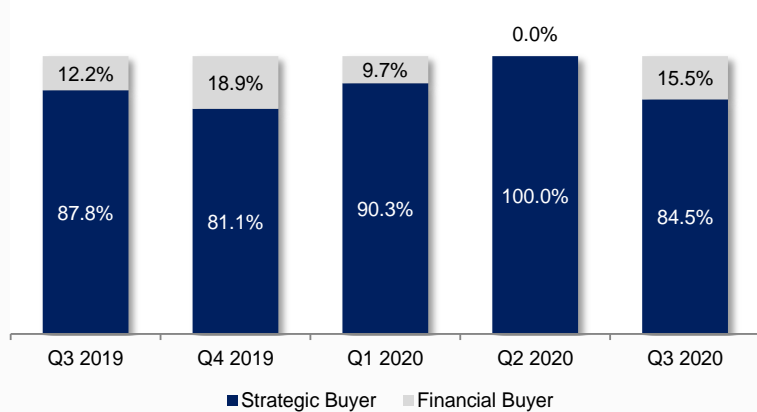
Automotive M&A Activity



Q3 2020 M&A Activity by Sector



M&A Activity by Buyer Type



Source: S&P Capital IQ

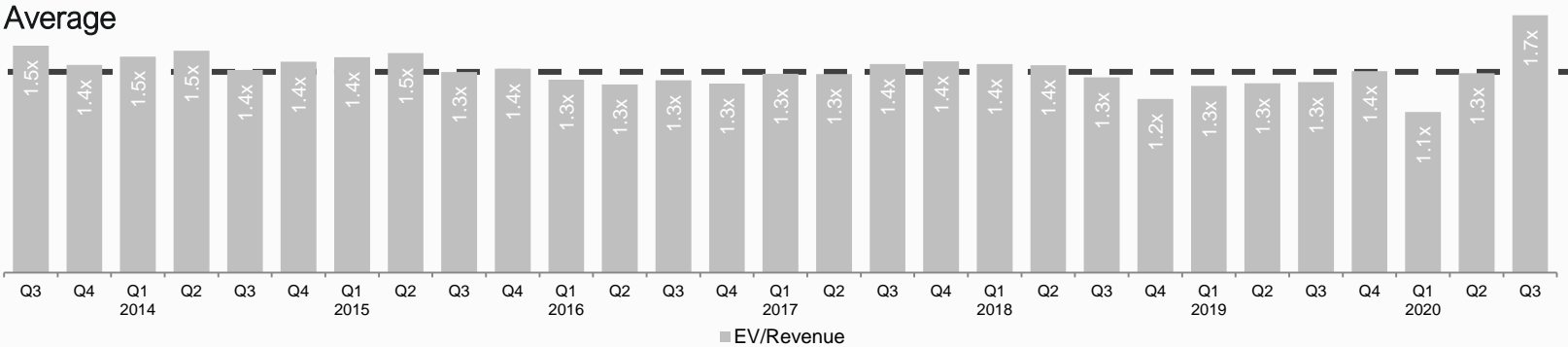
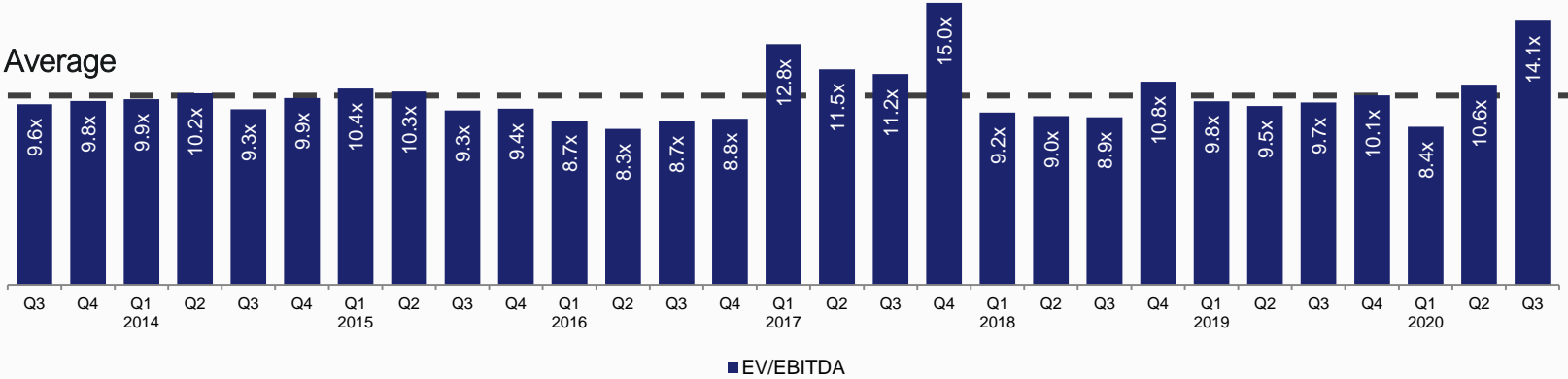
Note: All values based on publicly available data as of 9/30/2020. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



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Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Automotive industry traded at an average multiple of 14.1x EBITDA and 1.7x revenue. Trading multiples varied significantly across and within the four categories with the strongest multiples observed in the Auto Manufacturing segment, a trend that has continued for the past few quarters. Part of this increase is attributable to the reduction in EBITDA due to COVID-19. It has skewed the multiples higher during the last quarter.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2020



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Auto Manufacturers								
AUDI AG	\$62,341	\$1,878.82	7.0%	115.9%	10.3%	10.3%	1.1x	10.9x
BMW	\$162,533	\$72.80	14.0%	3.1%	13.0%	10.1%	1.4x	13.8x
Daimler AG	\$215,883	\$54.06	32.9%	8.7%	14.1%	5.6%	1.2x	20.8x
Fiat Chrysler Automobiles N.V.	\$26,225	\$12.22	19.3%	(5.6%)	12.7%	7.5%	0.3x	3.3x
Ford Motor Company	\$163,754	\$6.66	9.5%	(27.3%)	4.7%	5.0%	1.3x	25.4x
General Motors Company	\$143,811	\$29.59	17.0%	(21.1%)	8.3%	7.9%	1.2x	15.7x
Honda Motor Co., Ltd.	\$91,835	\$23.70	(7.3%)	(9.1%)	19.9%	8.5%	0.7x	8.8x
Hyundai Motor Company	\$91,704	\$153.31	88.2%	37.1%	16.8%	5.7%	1.0x	18.4x
Kia Motors Corporation	\$14,682	\$40.28	50.8%	5.9%	15.3%	6.8%	0.3x	4.4x
Nissan Motor Co., Ltd.	\$78,470	\$3.53	(4.8%)	(43.5%)	13.8%	7.0%	1.0x	13.6x
Renault SA	\$60,814	\$26.06	2.6%	(54.6%)	16.8%	(5.5%)	1.1x	NM
Tesla, Inc.	\$408,099	\$429.01	98.7%	790.5%	19.8%	15.1%	15.9x	105.3x
Toyota Motor Corporation	\$335,878	\$132.44	5.4%	(1.5%)	16.8%	12.9%	1.3x	10.2x
Volkswagen AG	\$284,105	\$161.34	6.2%	(5.2%)	15.5%	8.7%	1.1x	12.4x
Mean	\$152,867	\$215.99	24.3%	56.7%	14.1%	7.5%	2.1x	20.2x
Median	\$117,823	\$47.17	11.8%	(3.4%)	14.7%	7.7%	1.1x	13.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
OEM Suppliers - Domestic								
American Axle & Manufacturing	\$3,953	\$5.77	(24.1%)	(29.8%)	10.6%	12.2%	0.8x	6.5x
BorgWarner Inc.	\$9,237	\$38.74	9.7%	5.6%	19.3%	15.2%	1.1x	6.9x
Gentex Corporation	\$5,992	\$25.75	(0.1%)	(6.5%)	33.8%	27.6%	3.7x	13.5x
Lear Corporation	\$8,819	\$109.05	0.0%	(7.5%)	7.4%	7.9%	0.5x	6.8x
Magna International Inc.	\$19,422	\$45.73	2.9%	(14.3%)	11.8%	9.3%	0.6x	6.5x
Tenneco Inc.	\$6,407	\$6.94	(8.2%)	(44.6%)	13.0%	5.6%	0.4x	7.7x
Mean	\$8,972	\$38.66	(3.3%)	(16.2%)	16.0%	13.0%	1.2x	8.0x
Median	\$7,613	\$32.25	(0.0%)	(10.9%)	12.4%	10.8%	0.7x	6.8x
OEM Suppliers - Foreign								
Adient plc	\$5,812	\$17.33	5.5%	(24.5%)	4.3%	3.4%	0.4x	13.1x
Aptiv PLC	\$27,589	\$91.68	17.7%	4.9%	15.2%	12.3%	2.2x	18.1x
Autoliv, Inc.	\$8,366	\$72.88	13.0%	(7.6%)	16.2%	13.9%	1.2x	8.4x
CIE Automotive, S.A.	\$5,048	\$18.94	7.8%	(24.5%)	38.2%	15.0%	1.4x	9.6x
Continental Aktiengesellschaft	\$29,336	\$108.36	11.2%	(15.8%)	21.8%	4.8%	0.6x	13.6x
Faurecia S.E.	\$11,054	\$43.35	10.8%	(8.6%)	11.3%	8.1%	0.6x	7.8x
Schaeffler AG	\$7,812	\$6.16	(17.7%)	(19.9%)	22.8%	12.4%	0.5x	4.2x
Valeo SA	\$13,473	\$30.82	17.3%	(5.0%)	13.2%	4.1%	0.7x	16.8x
Mean	\$13,561	\$48.69	8.2%	(12.6%)	17.9%	9.3%	1.0x	11.5x
Median	\$9,710	\$37.09	11.0%	(12.2%)	15.7%	10.2%	0.7x	11.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Dealers and Service Providers								
Asbury Automotive Group, Inc.	\$3,198	\$97.45	26.0%	(4.8%)	16.3%	5.6%	0.5x	8.4x
AutoCanada Inc.	\$1,335	\$13.61	73.0%	125.5%	15.7%	3.2%	0.6x	17.4x
AutoNation, Inc.	\$9,287	\$52.93	40.8%	4.4%	16.8%	5.1%	0.5x	9.1x
CarMax, Inc.	\$30,110	\$91.91	2.6%	4.4%	14.5%	8.1%	1.5x	18.7x
Cars.com Inc.	\$1,141	\$8.08	40.3%	(10.0%)	72.0%	21.5%	2.1x	9.6x
CDK Global, Inc.	\$7,835	\$43.59	5.2%	(9.4%)	51.0%	35.7%	4.0x	11.2x
Copart, Inc.	\$24,855	\$105.16	26.3%	30.9%	45.7%	43.0%	11.3x	26.2x
Group 1 Automotive, Inc.	\$4,241	\$88.39	34.0%	(4.2%)	15.4%	4.5%	0.4x	8.4x
KAR Auction Services, Inc.	\$4,417	\$14.40	4.7%	(41.3%)	41.1%	19.2%	1.8x	9.5x
Lithia Motors, Inc.	\$8,933	\$227.94	50.6%	72.2%	15.9%	5.8%	0.7x	12.6x
Monro, Inc.	\$2,125	\$40.57	(26.2%)	(48.7%)	36.7%	16.0%	1.8x	11.2x
Penske Automotive Group, Inc.	\$11,405	\$47.66	23.1%	0.8%	14.9%	5.1%	0.6x	11.0x
Sonic Automotive, Inc.	\$3,872	\$40.16	25.9%	27.9%	14.6%	4.3%	0.4x	9.1x
Mean	\$8,673	\$67.07	25.1%	11.4%	28.5%	13.6%	2.0x	12.5x
Median	\$4,417	\$47.66	26.0%	0.8%	16.3%	5.8%	0.7x	11.0x
Automotive Mean	\$58,908	\$110.18	17.4%	18.1%	19.7%	10.6%	1.7x	14.1x
Automotive Median	\$11,405	\$43.35	10.8%	(5.6%)	15.5%	8.1%	1.0x	10.9x

Source: S&P Capital IQ

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Automotive Expertise

Over the past 30 years, GCG's automotive-focused bankers have worked with many of the largest public companies and advised some of the most prominent private companies in the sector. Within such a rapidly changing and cyclical industry, the experience our team brings to clients has time and again been a differentiator in the market. Our professionals have seen the best and worst of times in the automotive industry and have been on the forefront of the many changes that have occurred in the industry over the last several decades.

Our team's experience is broad and comprehensive. We have worked with numerous OEMs and advised companies supplying components throughout the automotive ecosystem, including powertrain, engine, wheels, seating, interiors, class A components, fuel and exhaust systems, electronics, as well as distributors, aftermarket suppliers, dealerships, technology and service providers.

More about Greenwich Capital Group

Greenwich Capital Group ("GCG") is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. For additional perspective or to discuss M&A related opportunities in the automotive sector, please reach out to GCG's Automotive practice leader, Bob Coury. For more information, please visit www.greenwichgp.com.

Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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