



# INDUSTRY UPDATE

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AUTOMOTIVE  
Q1 2021

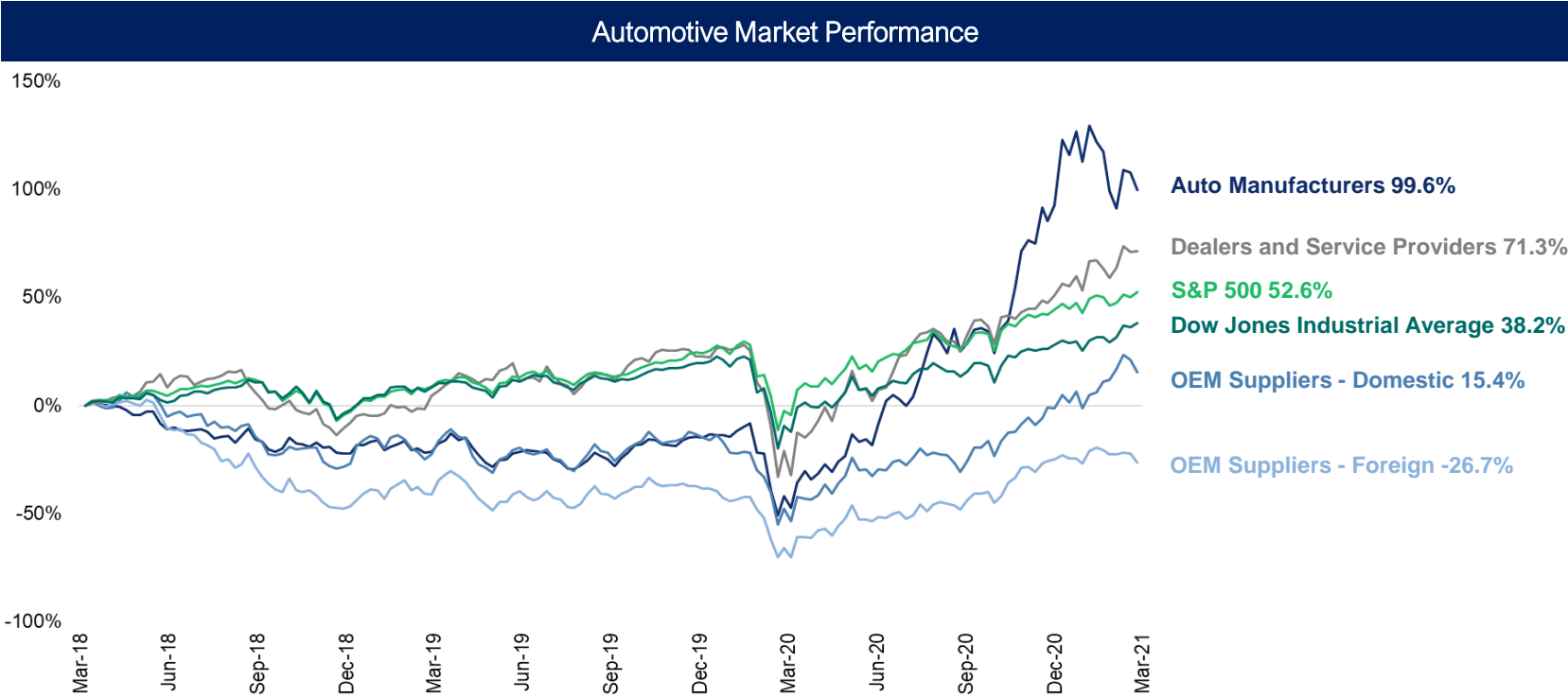


GREENWICH  
CAPITAL GROUP

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## Public Market Performance

The U.S. equity market has shown overall positive performance in Q1 2021 with continued gains from Q4 2020. The overall market as measured by the S&P 500 and Dow Jones Industrial Average continued climbing to record highs from the lows one year ago. At the same time, Automotive companies saw divergent results depending on specific parts of the Automotive sector. Automotive Manufacturers saw a strong run up in value from their lows in March 2020, reaching a peak in Q1. However, domestic and foreign Automotive Suppliers continue to underperform the broader market and other Automotive sectors. Dealers and Service Providers continue to post strong gains outperforming both the S&P 500 and the Dow Jones Industrial Average.



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 3/31/2021



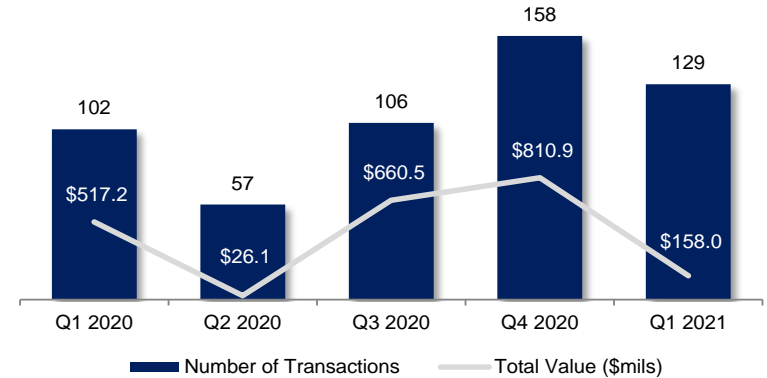
# GCG INDUSTRY UPDATE | Automotive

## Middle-Market M&A Activity

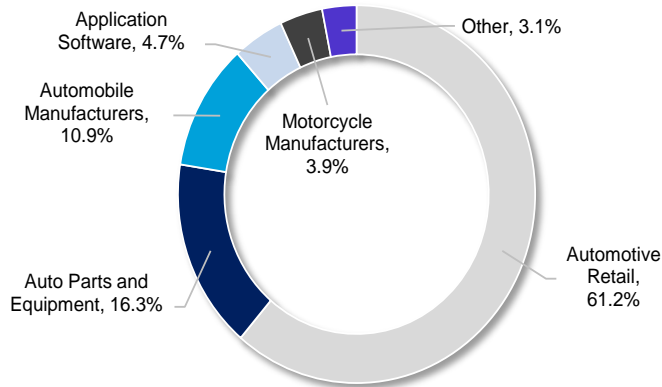
In Q1 2021, middle-market M&A activity within the Automotive sector experienced a moderate decrease in deal volume and a large decrease in deal value from the previous quarter. Q1 2021 recorded the second highest deal volume of any quarter over the past year despite the second lowest deal value. This activity was largely driven by strategic buyers.

Automotive Retail was by far the most active sector accounting for 61.2% 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 16.3% of automotive transaction volume in Q1.

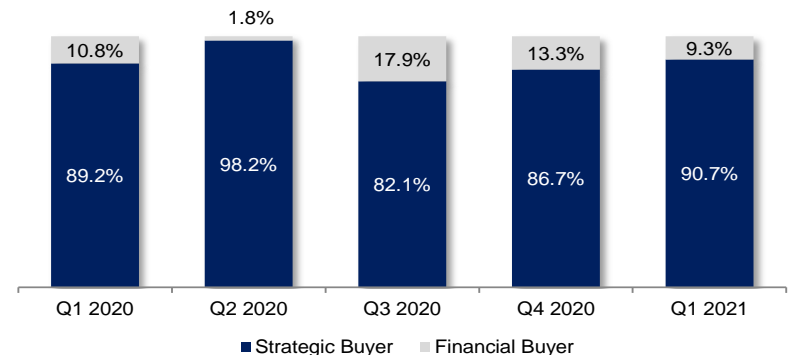
### Automotive M&A Activity



### Q1 2021 M&A Activity by Sector



### M&A Activity by Buyer Type



Source: S&P Capital IQ

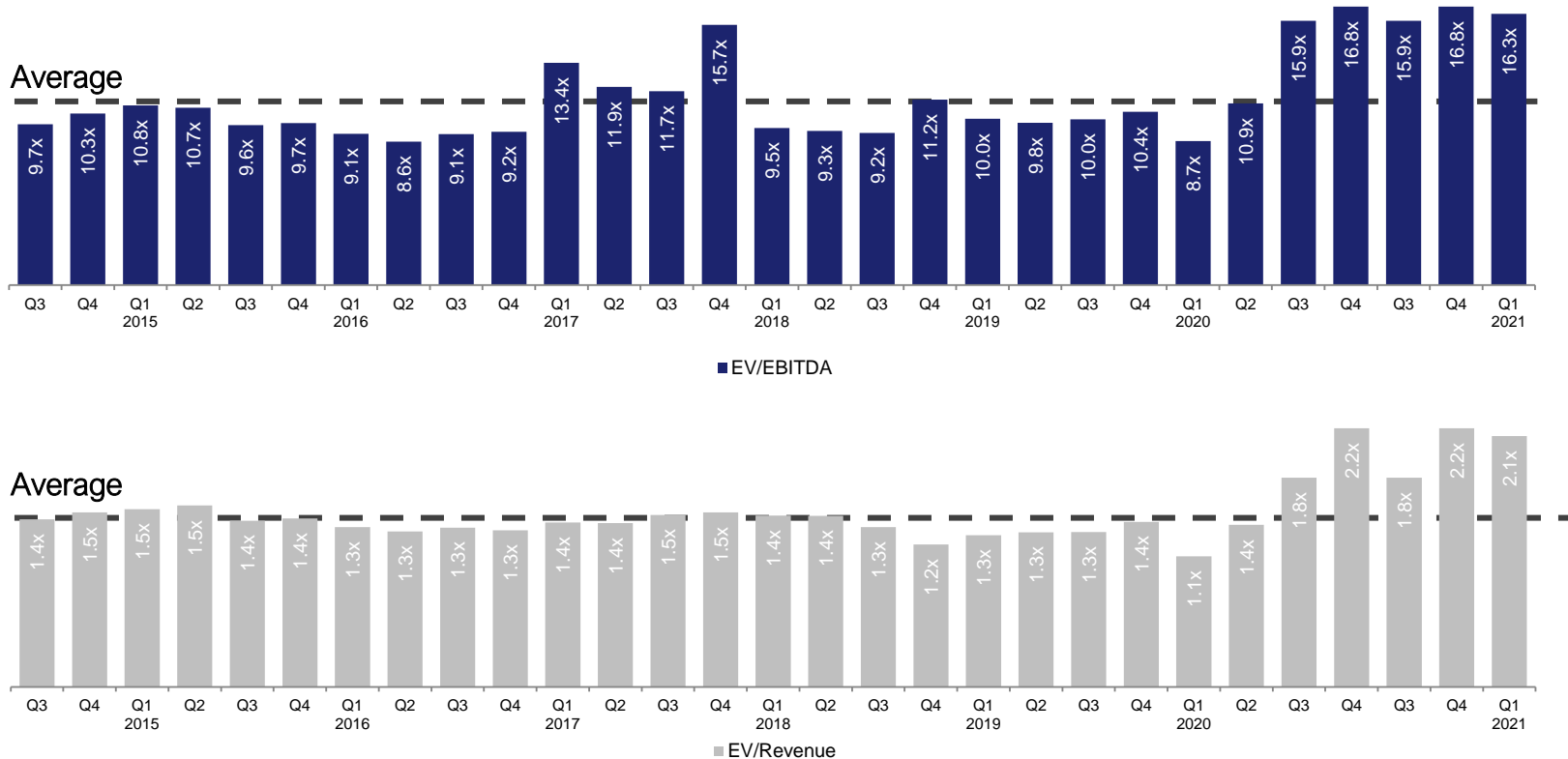
Note: All values based on publicly available data as of 3/31/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



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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 16.3x EBITDA and 2.1x 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. This trend is mostly attributed to the run up in Tesla as part of the trading group. Without Tesla, the performance is much more in line with prior quarters.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2021



# GCG INDUSTRY UPDATE | Automotive

## 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
<b>Auto Manufacturers</b>								
Tesla, Inc.	\$636,522	\$667.93	(5.3%)	537.3%	21.2%	13.9%	20.2x	134.7x
Toyota Motor Corporation	\$363,548	\$156.06	1.0%	30.1%	17.2%	13.8%	1.5x	10.9x
Volkswagen AG	\$351,773	\$280.05	50.2%	138.5%	16.5%	12.0%	1.3x	11.2x
Daimler AG	\$238,152	\$89.21	26.2%	195.0%	18.2%	12.3%	1.3x	13.2x
Ford Motor Company	\$181,106	\$12.25	39.4%	153.6%	8.1%	7.1%	1.4x	33.9x
General Motors Company	\$174,576	\$57.46	38.0%	176.5%	11.8%	11.8%	1.4x	12.0x
Bayerische Motoren Werke	\$172,826	\$103.87	16.7%	102.9%	12.3%	10.3%	1.5x	14.5x
Hyundai Motor Company	\$102,375	\$193.33	9.6%	165.0%	17.8%	5.3%	1.1x	20.8x
Honda Motor Co., Ltd.	\$97,255	\$30.20	6.9%	34.5%	20.4%	9.8%	0.8x	8.4x
Nissan Motor Co., Ltd.	\$74,824	\$5.57	2.6%	68.0%	13.2%	(0.4%)	1.1x	NM
Renault SA	\$62,646	\$43.35	(0.9%)	122.7%	16.6%	(6.3%)	1.2x	NM
Kia Corporation	\$25,567	\$73.52	28.2%	243.8%	16.7%	7.3%	0.5x	6.6x
Mean	\$206,764	\$142.73	17.7%	164.0%	15.8%	8.1%	2.8x	26.6x
Median	\$173,701	\$81.37	13.2%	146.1%	16.7%	10.0%	1.3x	12.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2021



# GCG INDUSTRY UPDATE | Automotive

## 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
<b>OEM Suppliers - Domestic</b>								
American Axle & Manufacturing	\$29,638	\$87.99	24.4%	177.7%	13.6%	11.1%	0.9x	8.1x
BorgWarner Inc.	\$13,733	\$46.36	20.0%	90.2%	18.8%	15.4%	1.4x	8.8x
Lear Corporation	\$12,548	\$181.25	14.0%	123.1%	7.3%	7.8%	0.7x	9.4x
Gentex Corporation	\$8,244	\$35.67	5.1%	61.0%	36.8%	31.1%	4.9x	16.3x
Tenneco Inc.	\$6,127	\$10.72	1.1%	197.8%	12.9%	7.0%	0.4x	5.7x
American Axle & Manufacturing Holdings, Inc.	\$4,185	\$9.66	15.8%	167.6%	12.6%	15.9%	0.9x	5.6x
Mean	\$12,412	\$61.94	13.4%	136.2%	17.0%	14.7%	1.5x	9.0x
Median	\$10,396	\$41.02	14.9%	145.3%	13.2%	13.3%	0.9x	8.4x
<b>OEM Suppliers - Foreign</b>								
Aptiv PLC	\$39,172	\$137.90	5.8%	180.1%	15.7%	12.3%	3.0x	24.5x
Continental Aktiengesellschaft	\$32,058	\$132.63	(11.9%)	87.8%	22.8%	10.2%	0.7x	7.1x
Valeo SE	\$12,865	\$34.00	(13.9%)	102.9%	13.1%	4.1%	0.7x	16.1x
Faurecia S.E.	\$11,397	\$53.32	4.0%	77.7%	10.1%	7.3%	0.7x	9.1x
Autoliv, Inc.	\$9,501	\$92.80	0.8%	101.7%	17.5%	12.9%	1.3x	10.6x
Schaeffler AG	\$8,837	\$8.88	6.3%	45.4%	23.4%	13.9%	0.6x	4.3x
Adient plc	\$7,426	\$44.20	27.1%	387.3%	5.3%	6.6%	0.6x	8.9x
CIE Automotive, S.A.	\$5,738	\$26.20	(2.9%)	69.6%	39.1%	15.7%	1.7x	10.8x
Mean	\$15,874	\$66.24	1.9%	131.6%	18.4%	10.4%	1.2x	11.4x
Median	\$10,449	\$48.76	2.4%	94.8%	16.6%	11.2%	0.7x	9.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2021



# GCG INDUSTRY UPDATE | Automotive

## 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
<b>Dealers and Service Providers</b>								
CarMax, Inc.	\$36,827	\$132.66	40.4%	146.4%	14.6%	8.4%	1.9x	21.6x
Copart, Inc.	\$25,562	\$108.61	(14.6%)	58.5%	47.9%	46.1%	11.2x	24.2x
Lithia Motors, Inc.	\$14,443	\$390.09	33.3%	376.9%	16.9%	7.3%	1.1x	15.7x
Penske Automotive Group, Inc.	\$13,738	\$80.24	35.1%	186.6%	15.7%	6.4%	0.7x	11.3x
AutoNation, Inc.	\$12,300	\$93.22	33.6%	232.2%	17.6%	6.5%	0.6x	9.9x
CDK Global, Inc.	\$9,186	\$54.06	4.3%	64.6%	48.9%	31.5%	4.7x	15.0x
Asbury Automotive Group, Inc.	\$6,168	\$196.50	34.8%	255.8%	17.3%	7.1%	0.9x	12.9x
Group 1 Automotive, Inc.	\$5,389	\$157.79	20.3%	256.5%	16.5%	6.4%	0.5x	8.4x
KAR Auction Services, Inc.	\$5,306	\$15.00	(19.4%)	25.0%	41.3%	19.0%	2.4x	12.7x
Sonic Automotive, Inc.	\$4,244	\$49.57	28.5%	273.3%	14.4%	4.8%	0.4x	9.4x
Monro, Inc.	\$2,987	\$65.80	23.5%	50.2%	35.3%	15.3%	2.7x	17.7x
AutoCanada Inc.	\$1,682	\$24.33	31.3%	544.5%	16.4%	3.0%	0.6x	21.2x
Cars.com Inc.	\$1,435	\$12.96	14.7%	201.4%	70.4%	27.0%	2.6x	9.7x
Mean	\$10,713	\$106.22	20.4%	205.5%	28.7%	14.5%	2.3x	14.6x
Median	\$6,168	\$80.24	28.5%	201.4%	17.3%	7.3%	1.1x	12.9x
<b>Automotive Mean</b>	<b>\$72,356</b>	<b>\$102.44</b>	<b>14.7%</b>	<b>166.9%</b>	<b>20.8%</b>	<b>11.7%</b>	<b>2.1x</b>	<b>16.3x</b>
<b>Automotive Median</b>	<b>\$13,733</b>	<b>\$65.80</b>	<b>14.7%</b>	<b>146.4%</b>	<b>16.7%</b>	<b>10.2%</b>	<b>1.1x</b>	<b>11.2x</b>

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](http://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](mailto:info@greenwichgp.com).

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