



# INDUSTRY UPDATE

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AUTOMOTIVE  
Q2 2021

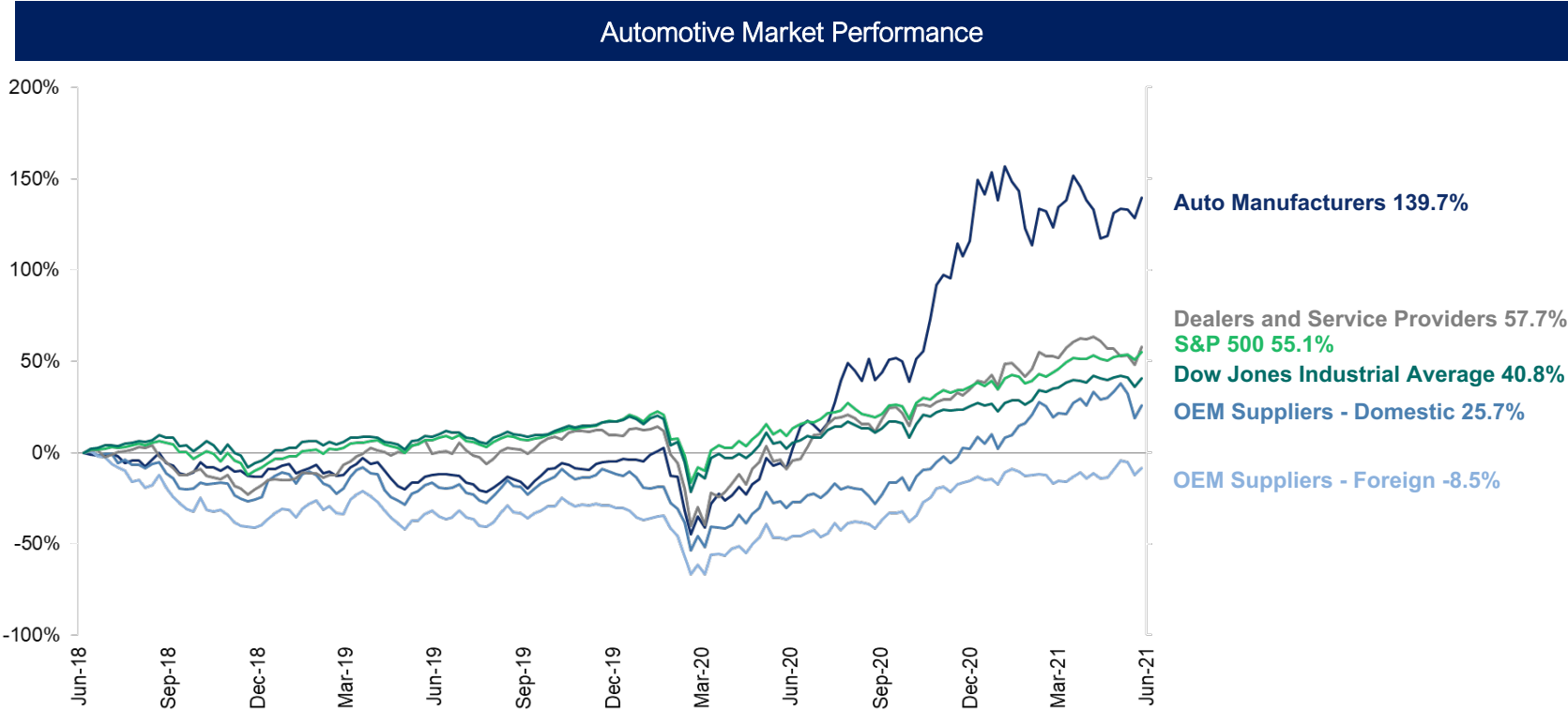


GREENWICH  
CAPITAL GROUP

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## Public Market Performance

The U.S. equity market has shown moderately positive gains in Q2 2021 as stocks continue to hover near record highs. Automotive stocks have seen varying results depending on their sub-sector. Auto Manufacturing stocks have greatly outperformed the market as they have been able to offset rising input costs with a strong sales price/mix during the last quarter. Auto Manufacturing stocks have gained 139.7% over the last 3-year period. Automotive Dealers and Service Providers have also remained strong recording a gain of 57.7% over the last 3-year period. OEM Suppliers both Domestic and Foreign have struggled to keep up with the overall market as they battle lower demand for new cars and rising raw materials costs.



Source: S&P Capital IQ  
Note: All values based on publicly available data as of 6/30/2021



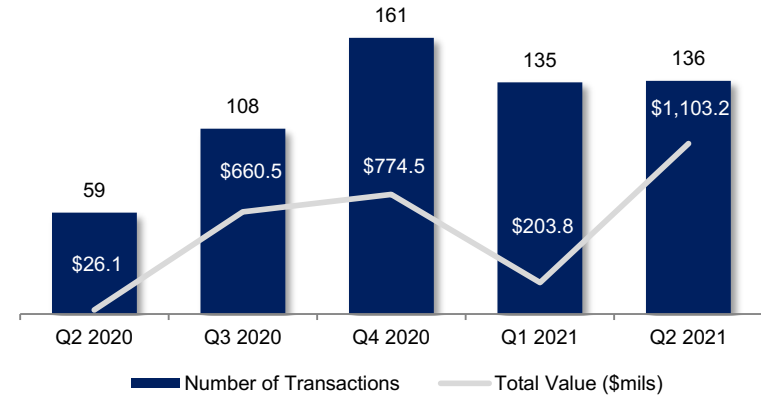
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## Middle-Market M&A Activity

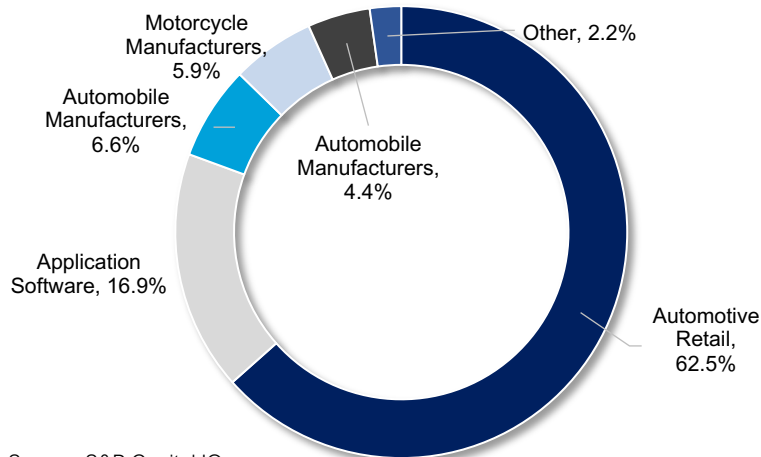
In Q2 2021, middle-market M&A activity within the Automotive sector remained steady from Q1 in transaction volume and recorded a large increase in total deal value from the previous quarter. Q2 2021 recorded the highest deal value of any quarter over the past year despite not seeing a large uptick in transaction volume. This activity was largely driven by strategic buyers.

Automotive Retail was by far the most active sector accounting for 62.5% of total automotive transaction volume. This can be attributed to the ongoing consolidation among dealership groups. Application Software exhibited continued sector strength as well recording 16.9% of automotive transaction volume in Q2.

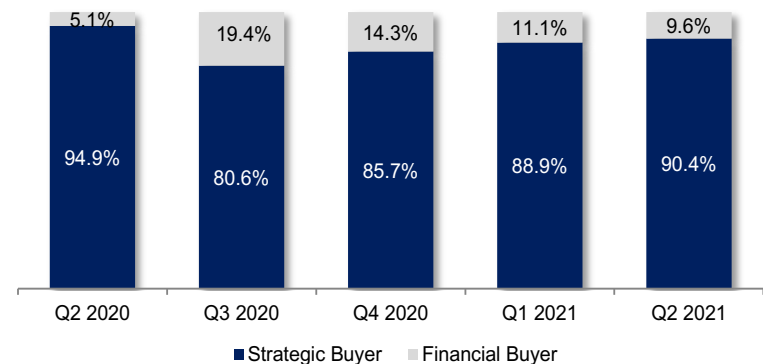
### Automotive M&A Activity



### Q2 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 6/30/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.

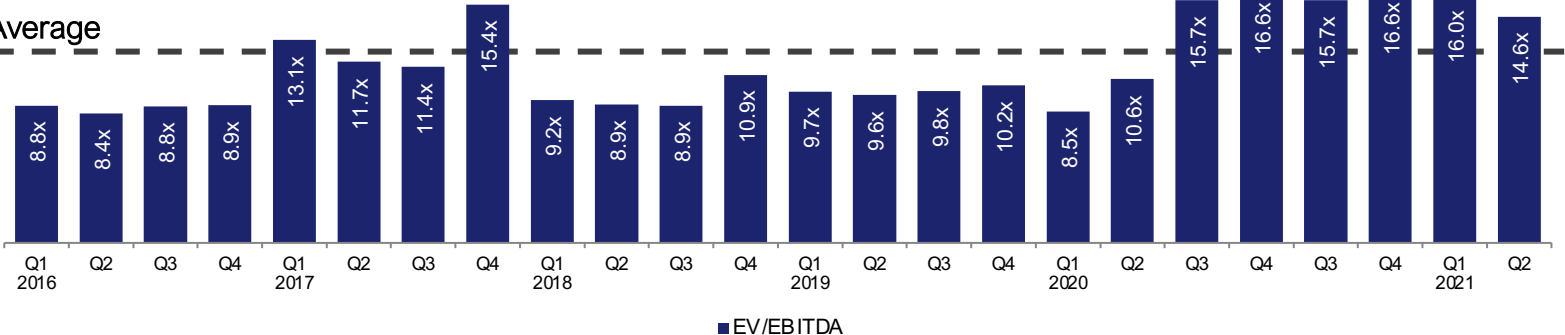


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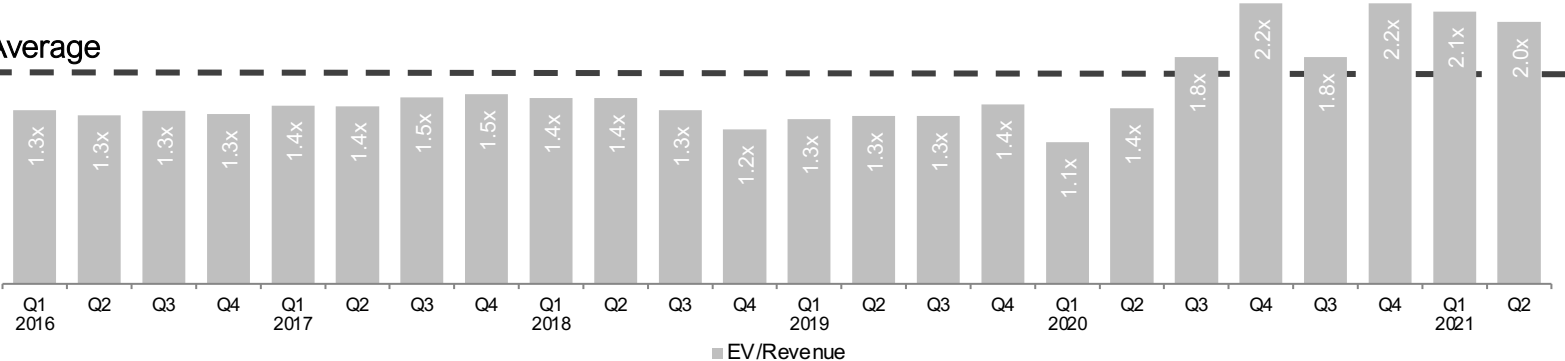
## Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Automotive industry traded at an average multiple of 14.6x EBITDA and 2.0x 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.

Average



Average



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 6/30/2021



# 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	\$651,594	\$679.70	6.9%	214.7%	21.2%	13.9%	18.1x	130.1x
Toyota Motor Corporation	\$400,659	\$174.84	13.6%	39.2%	17.8%	14.5%	1.6x	11.2x
Volkswagen AG	\$341,794	\$250.41	(11.2%)	64.9%	17.4%	13.6%	1.3x	9.2x
Daimler AG	\$238,594	\$89.28	0.3%	119.5%	18.2%	12.3%	1.3x	10.3x
Ford Motor Company	\$182,138	\$14.86	19.3%	144.4%	8.1%	7.1%	1.4x	20.0x
General Motors Company	\$181,048	\$59.17	1.1%	133.9%	13.6%	14.1%	1.5x	10.5x
Bayerische Motoren Werke Aktiengesellschaft	\$176,291	\$105.81	2.7%	65.7%	13.6%	12.0%	1.5x	12.1x
Hyundai Motor Company	\$110,061	\$211.85	9.5%	160.1%	18.2%	6.1%	1.2x	19.2x
Honda Motor Co., Ltd.	\$102,772	\$32.18	6.1%	25.9%	20.7%	16.7%	0.9x	5.2x
Nissan Motor Co., Ltd.	\$73,153	\$4.97	(10.6%)	34.2%	13.4%	6.4%	1.0x	16.2x
Renault SA	\$62,368	\$40.41	(8.5%)	59.0%	16.6%	(6.3%)	1.2x	NM
Kia Corporation	\$26,594	\$79.25	6.6%	196.6%	17.2%	8.5%	0.5x	5.8x
Mean	\$212,256	\$145.23	3.0%	104.8%	16.3%	9.9%	2.6x	22.7x
Median	\$178,670	\$84.27	4.4%	92.6%	17.3%	12.2%	1.3x	11.2x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2021



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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
<b>OEM Suppliers - Domestic</b>								
American Axle & Manufacturing	\$30,814	\$92.64	4.4%	108.4%	14.2%	11.8%	0.9x	7.5x
BorgWarner Inc.	\$14,158	\$48.54	4.3%	37.5%	19.2%	15.8%	1.2x	7.5x
Lear Corporation	\$12,169	\$175.28	(1.3%)	60.8%	7.9%	8.4%	0.7x	8.1x
Gentex Corporation	\$7,513	\$33.09	(7.8%)	28.4%	36.8%	31.0%	4.4x	14.1x
Tenneco Inc.	\$6,644	\$19.32	78.7%	155.6%	13.2%	7.7%	0.4x	5.3x
American Axle & Manufacturing Holdings, Inc.	\$4,160	\$10.35	6.9%	36.2%	13.0%	16.6%	0.9x	5.2x
Mean	\$12,576	\$63.20	14.2%	71.1%	17.4%	15.2%	1.4x	8.0x
Median	\$9,841	\$40.82	4.4%	49.1%	13.7%	13.8%	0.9x	7.5x
<b>OEM Suppliers - Foreign</b>								
Aptiv PLC	\$44,319	\$157.33	14.6%	101.9%	16.5%	12.9%	3.2x	24.7x
Continental Aktiengesellschaft	\$34,299	\$147.31	11.3%	51.2%	23.1%	10.5%	0.8x	7.3x
Valeo SE	\$11,971	\$30.08	(12.6%)	14.4%	13.1%	4.1%	0.6x	14.8x
Faurecia S.E.	\$10,848	\$49.05	(6.8%)	25.4%	10.1%	7.3%	0.6x	8.6x
Autoliv, Inc.	\$9,774	\$97.76	4.8%	51.5%	19.8%	15.5%	1.2x	9.7x
Schaeffler AG	\$8,916	\$9.28	6.3%	24.0%	24.2%	14.8%	0.6x	3.9x
Adient plc	\$7,681	\$45.20	2.6%	175.3%	5.7%	7.4%	0.6x	8.1x
CIE Automotive, S.A.	\$5,517	\$29.59	11.0%	68.4%	40.2%	16.0%	1.6x	9.9x
Mean	\$16,666	\$70.70	3.9%	64.0%	19.1%	11.1%	1.2x	10.9x
Median	\$10,311	\$47.13	5.5%	51.3%	18.1%	11.7%	0.7x	9.1x

Source: S&P Capital IQ

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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
<b>Dealers and Service Providers</b>								
CarMax, Inc.	\$36,949	\$129.15	(4.9%)	44.2%	15.1%	9.2%	1.5x	16.3x
Copart, Inc.	\$30,806	\$131.83	24.1%	58.3%	49.8%	48.1%	12.5x	25.9x
Lithia Motors, Inc.	\$14,470	\$343.64	(14.0%)	127.1%	16.9%	7.3%	1.0x	13.5x
Penske Automotive Group, Inc.	\$13,077	\$75.49	(8.0%)	95.0%	15.7%	6.4%	0.6x	9.6x
AutoNation, Inc.	\$11,656	\$94.81	0.0%	152.3%	17.6%	6.5%	0.5x	8.3x
CDK Global, Inc.	\$7,024	\$49.69	(7.5%)	20.0%	47.9%	29.0%	3.6x	12.4x
Asbury Automotive Group, Inc.	\$5,462	\$171.37	(14.8%)	121.6%	17.3%	7.1%	0.7x	10.0x
Group 1 Automotive, Inc.	\$5,159	\$154.43	(2.5%)	134.1%	16.5%	6.5%	0.5x	7.2x
KAR Auction Services, Inc.	\$5,466	\$17.55	16.6%	27.5%	42.4%	20.1%	2.6x	12.8x
Sonic Automotive, Inc.	\$4,052	\$44.74	(11.7%)	40.2%	14.4%	4.8%	0.4x	8.2x
Monro, Inc.	\$2,900	\$63.51	(3.7%)	15.6%	35.1%	16.5%	2.6x	15.6x
AutoCanada Inc.	\$2,209	\$40.31	71.0%	412.4%	16.6%	3.6%	0.8x	21.0x
Cars.com Inc.	\$1,472	\$14.33	11.2%	148.8%	70.0%	27.3%	2.7x	9.8x
Mean	\$10,823	\$102.37	4.3%	107.5%	28.9%	14.8%	2.3x	13.1x
Median	\$5,466	\$75.49	(3.7%)	95.0%	17.3%	7.3%	1.0x	12.4x
<b>Automotive Mean</b>	<b>\$74,271</b>	<b>\$103.04</b>	<b>5.3%</b>	<b>92.2%</b>	<b>21.2%</b>	<b>12.6%</b>	<b>2.0x</b>	<b>14.6x</b>
<b>Automotive Median</b>	<b>\$13,077</b>	<b>\$63.51</b>	<b>2.7%</b>	<b>64.9%</b>	<b>17.2%</b>	<b>11.8%</b>	<b>1.2x</b>	<b>9.9x</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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