



INDUSTRY UPDATE

AUTOMOTIVE
Q3 2021



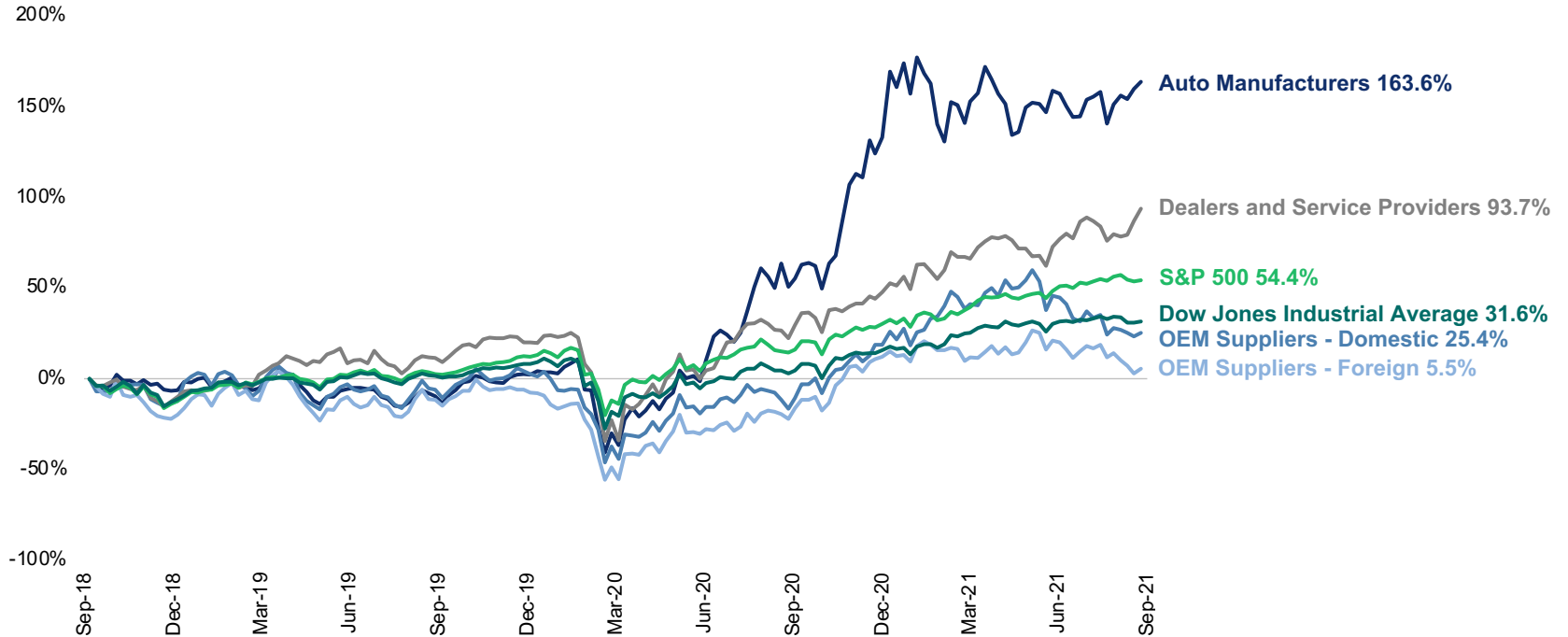
GREENWICH
CAPITAL GROUP

GCG Automotive Update | Q3 2021

Public Market Performance

The U.S. equity market showed small positive gains in Q3 2021 as stocks continued to hover near record highs, although inflation and growth concerns in September led to some turbulence in prices. Automotive stocks have seen varying results depending on their sub-sector. Auto Manufacturing (OEMs) stocks have greatly outperformed the market even with significant supply chain issues. The combination of strong sales price/mix during the last quarter as well as technology innovation has propelled the OEMs to strong performance. Auto Manufacturing stocks have gained 163.6% over the last 3-year period. Automotive Dealers and Service Providers have also remained strong recording a gain of 93.7% over the last 3-year period. OEM Suppliers both Domestic and Foreign have struggled to keep up with the overall market as they battle rising raw materials costs.

Automotive Market Performance



Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



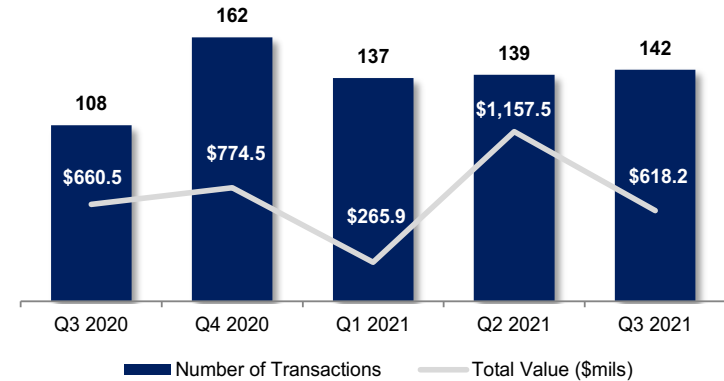
GCG Automotive Update | Q3 2021

Middle-Market M&A Activity

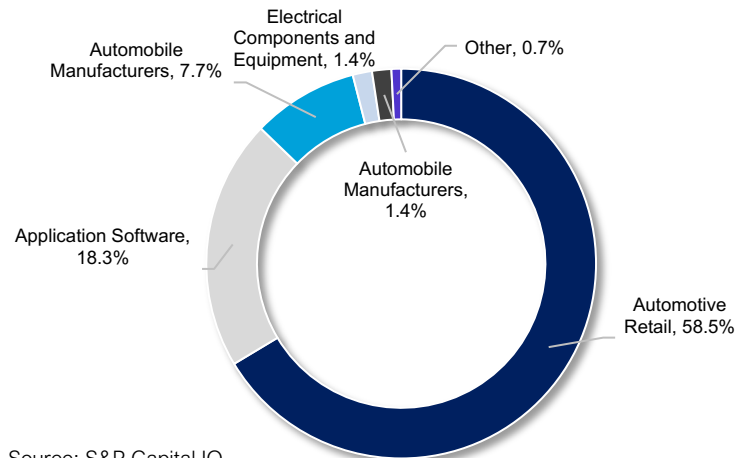
In Q3 2021, middle-market M&A activity within the Automotive sector saw a slight increase from Q2 in transaction volume and a decrease in total deal value from the previous quarter, to a level more in line with the past year. Q3 continued the trend of high levels of acquisition activity that the market has seen over the past year. This activity was largely driven by strategic buyers.

Automotive Retail was by far the most active sector accounting for 58.5% of total Automotive transaction volume. This can be attributed to the ongoing consolidation among dealership groups that has persisted over the last year. Application Software exhibited continued sector strength as well recording 18.3% of Automotive transaction volume in Q3.

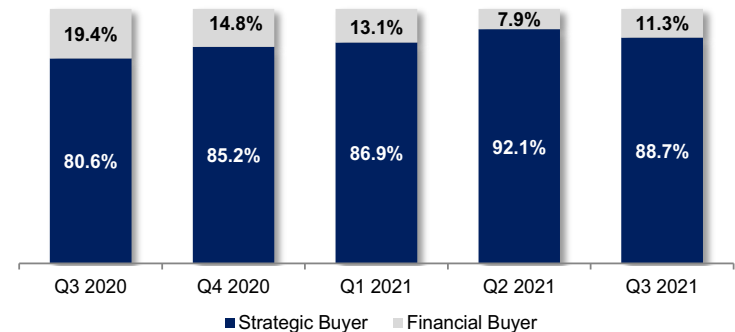
Automotive M&A Activity



Q3 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 9/30/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.

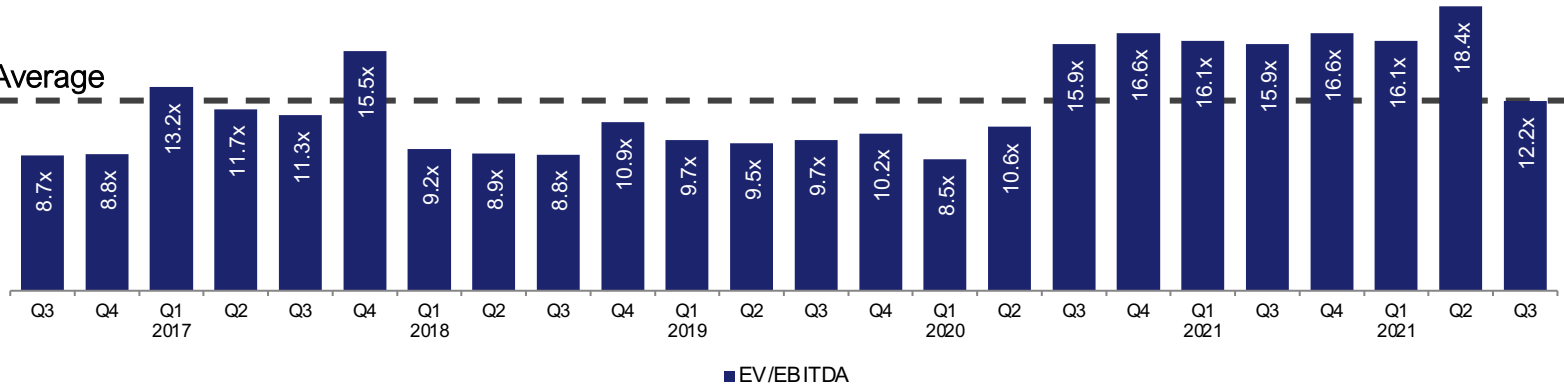


GCG Automotive Update | Q3 2021

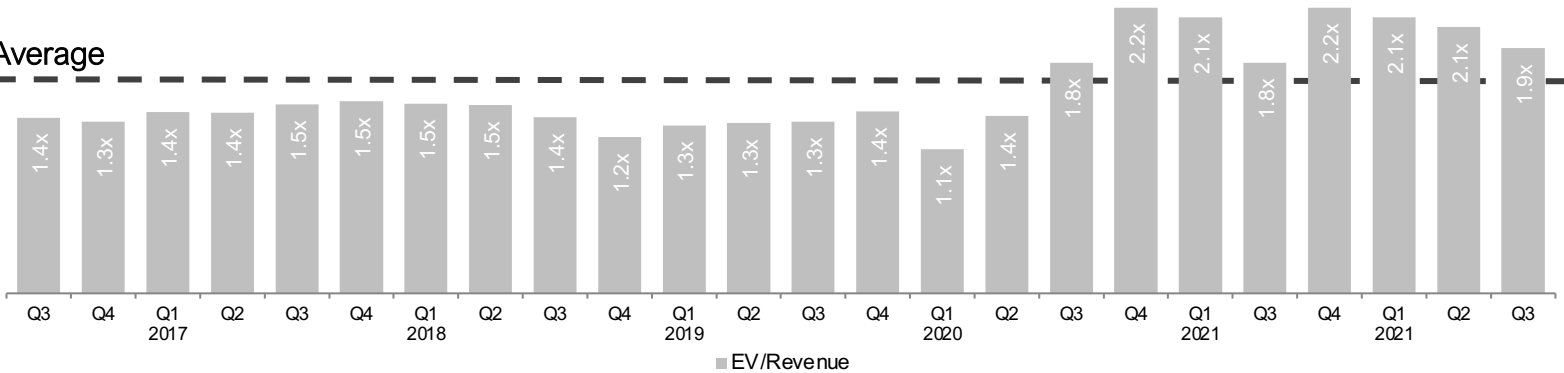
Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Automotive industry traded at an average multiple of 12.2x EBITDA and 1.9x 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. As a whole, the selected Automotive public companies saw meaningful decreases in their stock price during the quarter.

Average



Average



Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



GCG Automotive Update | Q3 2021

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								
Tesla	\$764,124	\$775.48	14.1%	80.8%	23.1%	15.3%	18.3x	123.0x
Toyota Motor Corporation	\$405,087	\$177.75	1.7%	34.2%	19.4%	16.6%	1.5x	8.9x
Volkswagen AG	\$323,545	\$224.43	(10.4%)	39.1%	19.2%	15.5%	1.1x	7.0x
Daimler AG	\$230,182	\$88.92	(0.4%)	64.5%	21.1%	14.8%	1.2x	7.8x
Ford Motor Company	\$179,869	\$14.16	(4.7%)	112.6%	10.3%	8.3%	1.3x	15.9x
General Motors Company	\$169,863	\$52.71	(10.9%)	78.1%	15.3%	15.5%	1.2x	7.9x
Bayerische Motoren Werke Aktiengesellschaft	\$163,932	\$97.94	(7.4%)	34.5%	16.8%	16.3%	1.3x	7.8x
Hyundai Motor Company	\$101,675	\$169.21	(20.1%)	10.4%	18.6%	7.2%	1.0x	14.5x
Honda Motor Co., Ltd.	\$100,127	\$30.67	(4.7%)	29.4%	21.3%	17.2%	0.8x	4.4x
Nissan Motor Co., Ltd.	\$72,097	\$5.04	1.4%	43.0%	14.8%	4.2%	0.9x	22.2x
Renault SA	\$58,217	\$35.81	(11.4%)	37.4%	18.2%	7.9%	1.0x	13.1x
Kia Corporation	\$21,003	\$68.70	(13.3%)	70.5%	17.9%	10.0%	0.4x	3.7x
Mean	\$215,810	\$145.07	(5.5%)	52.9%	18.0%	12.4%	2.5x	19.7x
Median	\$166,898	\$78.81	(6.1%)	41.0%	18.4%	15.0%	1.1x	8.4x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



GCG Automotive Update | Q3 2021

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								
Magna International Inc.	\$25,468	\$75.39	(18.6%)	64.9%	15.6%	13.5%	0.7x	4.9x
BorgWarner Inc.	\$13,758	\$43.21	(11.0%)	11.5%	20.2%	16.8%	1.0x	5.7x
Lear Corporation	\$10,882	\$156.48	(10.7%)	43.5%	9.6%	10.2%	0.5x	5.3x
Gentex Corporation	\$7,516	\$32.98	(0.3%)	28.1%	38.6%	33.3%	3.9x	11.8x
Tenneco Inc.	\$6,086	\$14.27	(26.1%)	105.6%	14.2%	8.7%	0.3x	3.8x
American Axle & Manufacturing Holdings, Inc.	\$3,859	\$8.81	(14.9%)	52.7%	16.7%	19.3%	0.7x	3.6x
Mean	\$11,262	\$55.19	(13.6%)	51.0%	19.2%	17.0%	1.2x	5.9x
Median	\$9,199	\$38.10	(12.9%)	48.1%	16.2%	15.2%	0.7x	5.1x
OEM Suppliers - Foreign								
Aptiv PLC	\$42,016	\$148.97	(5.3%)	62.5%	18.3%	14.6%	2.7x	18.3x
Continental Aktiengesellschaft	\$27,378	\$109.85	(25.4%)	1.4%	24.3%	12.1%	0.6x	4.8x
Valeo SE	\$11,658	\$28.11	(6.6%)	(8.8%)	17.6%	9.4%	0.5x	5.8x
Faurecia S.E.	\$10,634	\$47.40	(3.4%)	9.3%	12.7%	10.2%	0.6x	5.5x
Autoliv, Inc.	\$8,828	\$85.72	(12.3%)	17.6%	19.8%	15.5%	1.0x	6.5x
Schaeffler AG	\$7,922	\$7.67	(17.4%)	24.4%	25.9%	16.6%	0.5x	2.9x
Adient plc	\$7,394	\$41.45	(8.3%)	139.2%	7.1%	8.5%	0.5x	6.0x
CIE Automotive, S.A.	\$5,442	\$25.24	(14.7%)	33.3%	47.4%	17.5%	1.4x	7.8x
Mean	\$15,159	\$61.80	(11.7%)	34.9%	21.6%	13.0%	1.0x	7.2x
Median	\$9,731	\$44.43	(10.3%)	21.0%	19.0%	13.4%	0.6x	5.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



GCG Automotive Update | Q3 2021

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								
CarMax, Inc.	\$38,467	\$127.96	(0.9%)	39.2%	14.0%	8.3%	1.4x	18.2x
Copart, Inc.	\$32,360	\$138.72	5.2%	31.9%	51.2%	47.8%	12.0x	25.2x
Penske Automotive Group, Inc.	\$14,494	\$100.60	33.3%	111.1%	16.1%	7.3%	0.6x	8.1x
Lithia Motors, Inc.	\$13,313	\$317.04	(7.7%)	39.1%	17.9%	7.5%	0.7x	9.5x
AutoNation, Inc.	\$12,506	\$121.76	28.4%	130.0%	18.0%	7.2%	0.5x	7.2x
CDK Global, Inc.	\$6,637	\$42.55	(14.4%)	(2.4%)	47.7%	31.9%	4.0x	12.5x
Asbury Automotive Group, Inc.	\$5,678	\$196.74	14.8%	101.9%	17.9%	7.7%	0.6x	8.3x
KAR Auction Services, Inc.	\$5,449	\$16.39	(6.6%)	13.8%	42.7%	21.1%	2.4x	11.3x
Group 1 Automotive, Inc.	\$5,216	\$187.88	21.7%	112.6%	16.8%	6.9%	0.4x	5.9x
Sonic Automotive, Inc.	\$4,049	\$52.54	17.4%	30.8%	14.6%	5.3%	0.4x	6.7x
Monro, Inc.	\$2,758	\$57.51	(9.4%)	41.8%	35.5%	17.0%	2.3x	13.3x
AutoCanada Inc.	\$1,892	\$36.69	(9.0%)	169.6%	16.8%	4.8%	0.6x	12.0x
Cars.com Inc.	\$1,373	\$12.65	(11.7%)	56.6%	70.5%	30.5%	2.3x	7.4x
Mean	\$11,092	\$108.39	4.7%	67.4%	29.2%	15.6%	2.2x	11.2x
Median	\$5,678	\$100.60	(0.9%)	41.8%	17.9%	7.7%	0.7x	9.5x
Automotive Mean	\$74,942	\$101.93	(4.6%)	53.7%	22.7%	14.3%	1.9x	12.2x
Automotive Median	\$13,313	\$57.51	(7.7%)	39.2%	18.0%	13.5%	1.0x	7.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021



GCG Automotive Update | Q3 2021

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.

Disclaimer: This publication contains general information only and Greenwich Capital Group, LLC is not, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. Greenwich Capital Group, LLC shall not be responsible for any loss whatsoever sustained by any person who relies on this publication.



Bob Coury

CEO & Managing Director

rcoury@greenwichgp.com

O: (248) 480-2031

M: (313) 919-3811