



# INDUSTRY UPDATE

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AUTOMOTIVE  
Q4 2021

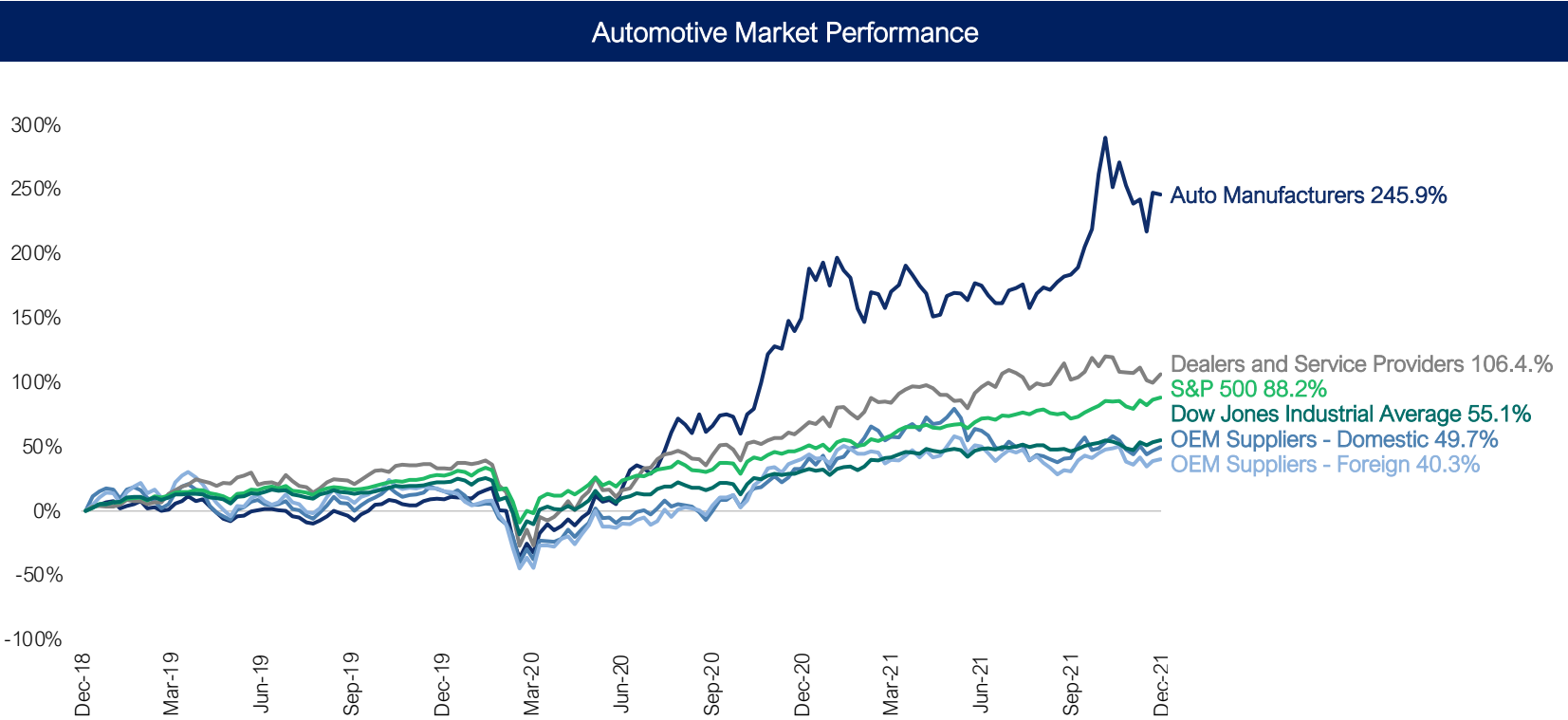


GREENWICH  
CAPITAL GROUP

# GCG Automotive Update | Q4 2021

## Public Market Performance

The broader U.S. equity market rose in Q4 2021 as stocks continued to test record highs due to strong corporate earnings, although heightened inflation concerns and the emergence of the Omicron variant led to some volatility. Automotive stocks have seen varying results depending on their sub-sector. Auto Manufacturing stocks have greatly outperformed the market even with significant supply chain issues. Consumer demand for vehicles remains high, translating to record profits for manufacturers and dealers. Auto Manufacturing stocks have gained 245.9% over the last 3-year period. Automotive Dealers and Service Providers have also remained strong recording a gain of 106.4% over the last 3-year period. OEM Suppliers both Domestic and Foreign continue to lag the overall market as supply chain shortages persist around the globe.



Source: S&P Capital IQ  
Note: All values based on publicly available data as of 12/31/2021



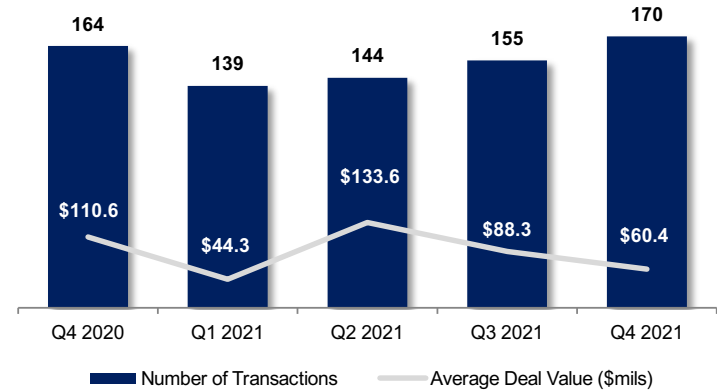
# GCG Automotive Update | Q4 2021

## Middle-Market M&A Activity

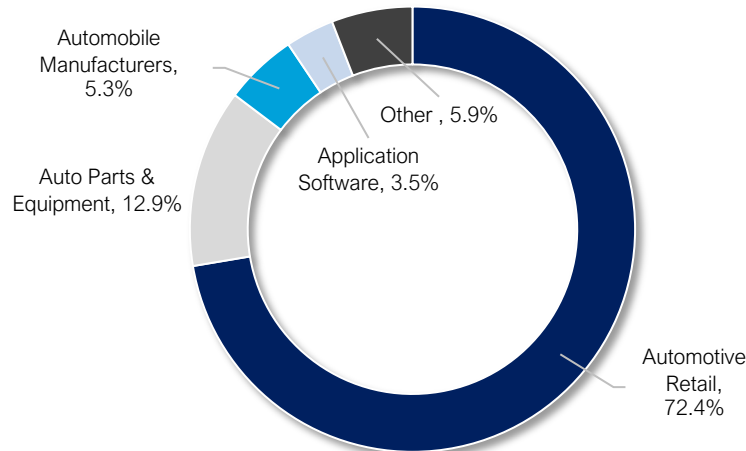
In Q4 2021, middle-market M&A activity within the Automotive sector saw an increase from Q3 in transaction volume, concluding what has been a historic year for M&A activity. Average deal value (based on reported values) saw a slight decrease from Q3 as many middle-market and lower middle-market transactions were pushed to close by year end. Strategic acquirers continued to represent the majority of buyers in Q4.

Automotive Retail was the most active sector, accounting for 72.4% of total Automotive transaction volume. This is attributed to dealerships trading at a heightened level and commanding all-time high valuations in Q4. Auto Parts & Equipment showed strong sector strength as well recording 12.9% of Automotive transaction volume in Q4.

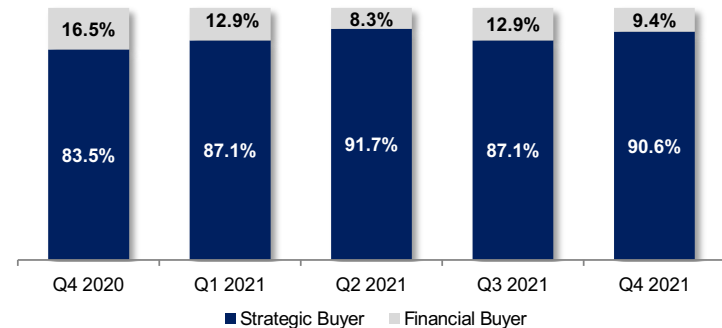
### Automotive M&A Activity



### Q4 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 12/31/2021. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.

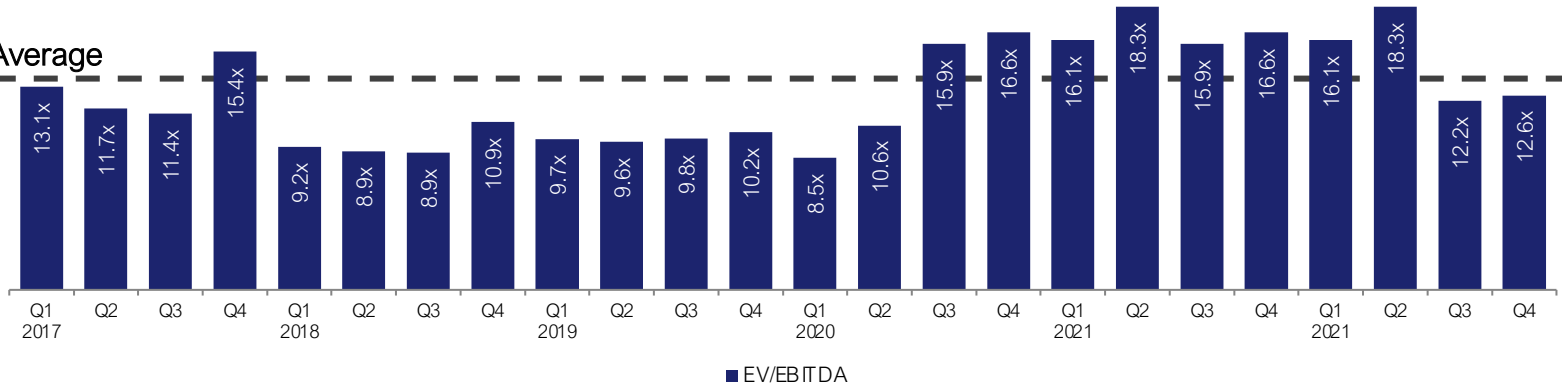


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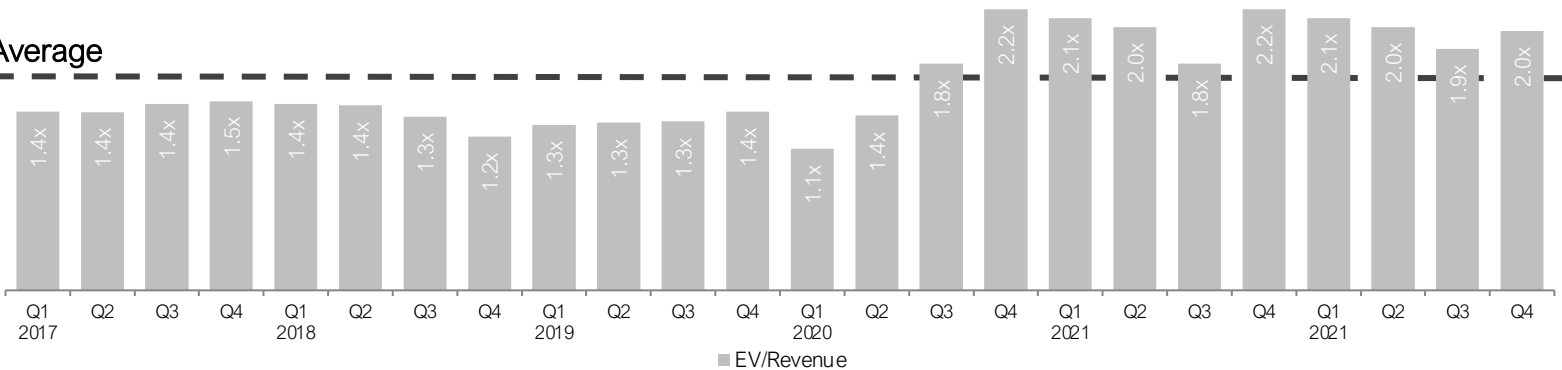
## Public Company Trading Multiples

Select publicly traded companies representing the key sectors across the Automotive industry traded at an average multiple of 12.6x 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. Domestic Auto Manufacturers, in particular, had strong quarters with companies such as Ford, Tesla and General Motors realizing gains of 46.7%, 36.3% and 11.2% in their share price, respectively, as they compete to gain market share in the electric vehicle arena.

### Average



### Average



Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



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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
<b>Auto Manufacturers</b>								
Tesla	\$1,059,068	\$1,056.78	36.3%	49.8%	23.1%	16.3%	22.6x	138.7x
Toyota Motor Corporation	\$406,401	\$185.30	4.2%	19.9%	19.9%	17.1%	1.5x	8.7x
Volkswagen AG	\$318,178	\$201.84	(10.1%)	8.3%	19.0%	12.6%	1.1x	8.7x
Daimler AG	\$208,219	\$76.87	(13.6%)	8.7%	21.0%	13.7%	1.1x	7.9x
Ford Motor Company	\$197,569	\$20.77	46.7%	136.3%	10.1%	7.2%	1.5x	20.2x
General Motors Company	\$182,182	\$58.63	11.2%	40.8%	14.5%	14.7%	1.4x	9.5x
Bayerische Motoren Werke Aktiengesellschaft	\$168,755	\$100.52	2.6%	13.0%	17.7%	16.3%	1.3x	8.1x
Hyundai Motor Company	\$107,386	\$175.46	3.7%	(0.5%)	18.5%	9.3%	1.1x	11.9x
Honda Motor Co., Ltd.	\$92,870	\$28.45	(7.2%)	0.7%	21.1%	16.9%	0.7x	4.4x
Nissan Motor Co., Ltd.	\$71,209	\$4.83	(4.2%)	(11.0%)	15.5%	5.4%	0.9x	17.4x
Renault SA	\$57,016	\$34.74	(3.0%)	(20.6%)	18.2%	7.9%	1.0x	13.1x
Kia Corporation	\$20,363	\$69.01	0.4%	20.4%	17.9%	11.6%	0.3x	3.0x
Mean	\$240,768	\$167.77	5.6%	22.1%	18.0%	12.4%	2.9x	21.0x
Median	\$175,468	\$72.94	1.5%	10.8%	18.3%	13.2%	1.1x	9.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2021



# GCG Automotive Update | Q4 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
<b>OEM Suppliers - Domestic</b>								
Magna International Inc.	\$27,676	\$80.88	7.3%	14.4%	15.0%	12.7%	0.7x	5.8x
BorgWarner Inc.	\$14,222	\$45.07	4.3%	16.6%	19.9%	16.5%	0.9x	5.7x
Lear Corporation	\$12,823	\$182.95	16.9%	15.0%	9.0%	9.7%	0.7x	6.8x
Gentex Corporation	\$7,968	\$34.85	5.7%	2.7%	37.6%	31.9%	4.3x	13.6x
Tenneco Inc.	\$5,891	\$11.30	(20.8%)	6.6%	13.6%	8.1%	0.3x	4.0x
American Axle & Manufacturing Holdings, Inc.	\$3,833	\$9.33	5.9%	11.9%	15.8%	18.7%	0.7x	3.8x
Mean	\$12,069	\$60.73	3.2%	11.2%	18.5%	16.2%	1.3x	6.6x
Median	\$10,395	\$39.96	5.8%	13.1%	15.4%	14.6%	0.7x	5.8x
<b>OEM Suppliers - Foreign</b>								
Aptiv PLC	\$46,489	\$164.95	10.7%	26.6%	16.8%	13.4%	3.0x	22.1x
Continental Aktiengesellschaft	\$26,520	\$105.89	(3.6%)	(29.7%)	23.4%	14.7%	0.6x	4.0x
Valeo SE	\$12,104	\$30.23	7.6%	(23.4%)	17.6%	9.4%	0.6x	6.2x
Faurecia S.E.	\$10,577	\$47.57	0.4%	(7.2%)	12.7%	10.2%	0.6x	5.6x
Autoliv, Inc.	\$10,332	\$103.41	20.6%	12.3%	19.1%	14.7%	1.2x	8.2x
Schaeffler AG	\$8,166	\$8.19	6.9%	(1.9%)	26.0%	16.0%	0.5x	3.2x
Adient plc	\$7,611	\$47.88	15.5%	37.7%	7.0%	17.7%	0.6x	3.1x
CIE Automotive, S.A.	\$5,537	\$31.12	23.3%	15.3%	47.4%	17.5%	1.5x	8.4x
Mean	\$15,917	\$67.41	10.2%	3.7%	21.2%	14.2%	1.1x	7.6x
Median	\$10,455	\$47.73	9.1%	5.2%	18.3%	14.7%	0.6x	5.9x

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.	\$39,596	\$130.23	1.8%	37.9%	13.1%	7.5%	1.3x	18.6x
Copart, Inc.	\$35,198	\$151.62	9.3%	19.2%	50.4%	47.0%	12.1x	25.7x
Penske Automotive Group, Inc.	\$14,197	\$107.22	6.6%	80.5%	16.6%	7.7%	0.6x	7.3x
Lithia Motors, Inc.	\$13,044	\$296.95	(6.3%)	1.5%	17.9%	8.1%	0.6x	7.8x
AutoNation, Inc.	\$11,777	\$116.85	(4.0%)	67.4%	18.4%	7.7%	0.5x	6.1x
CDK Global, Inc.	\$6,463	\$41.74	(1.9%)	(19.5%)	48.4%	33.1%	3.8x	11.5x
Asbury Automotive Group, Inc.	\$5,532	\$172.73	(12.2%)	18.5%	18.4%	8.1%	0.6x	7.2x
KAR Auction Services, Inc.	\$5,433	\$15.62	(4.7%)	(16.1%)	42.1%	19.4%	2.4x	12.5x
Group 1 Automotive, Inc.	\$5,026	\$195.22	3.9%	48.9%	17.3%	7.1%	0.4x	5.3x
Sonic Automotive, Inc.	\$3,720	\$49.45	(5.9%)	28.2%	14.8%	5.3%	0.3x	5.8x
Monro, Inc.	\$2,750	\$58.27	1.3%	9.3%	35.9%	16.9%	2.1x	12.7x
AutoCanada Inc.	\$1,729	\$33.74	(8.0%)	82.1%	17.0%	5.1%	0.5x	9.9x
Cars.com Inc.	\$1,544	\$16.09	27.2%	42.4%	69.8%	28.8%	2.5x	8.7x
Mean	\$11,231	\$106.59	0.5%	30.8%	29.2%	15.5%	2.1x	10.7x
Median	\$5,532	\$107.22	(1.9%)	28.2%	18.4%	8.1%	0.6x	8.7x
<b>Automotive Mean</b>	<b>\$82,948</b>	<b>\$110.32</b>	<b>4.5%</b>	<b>19.6%</b>	<b>22.5%</b>	<b>14.4%</b>	<b>2.0x</b>	<b>12.6x</b>
<b>Automotive Median</b>	<b>\$13,044</b>	<b>\$58.63</b>	<b>3.7%</b>	<b>14.4%</b>	<b>18.2%</b>	<b>13.4%</b>	<b>0.9x</b>	<b>8.1x</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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