



INDUSTRY UPDATE

AUTOMOTIVE
Q4 2022

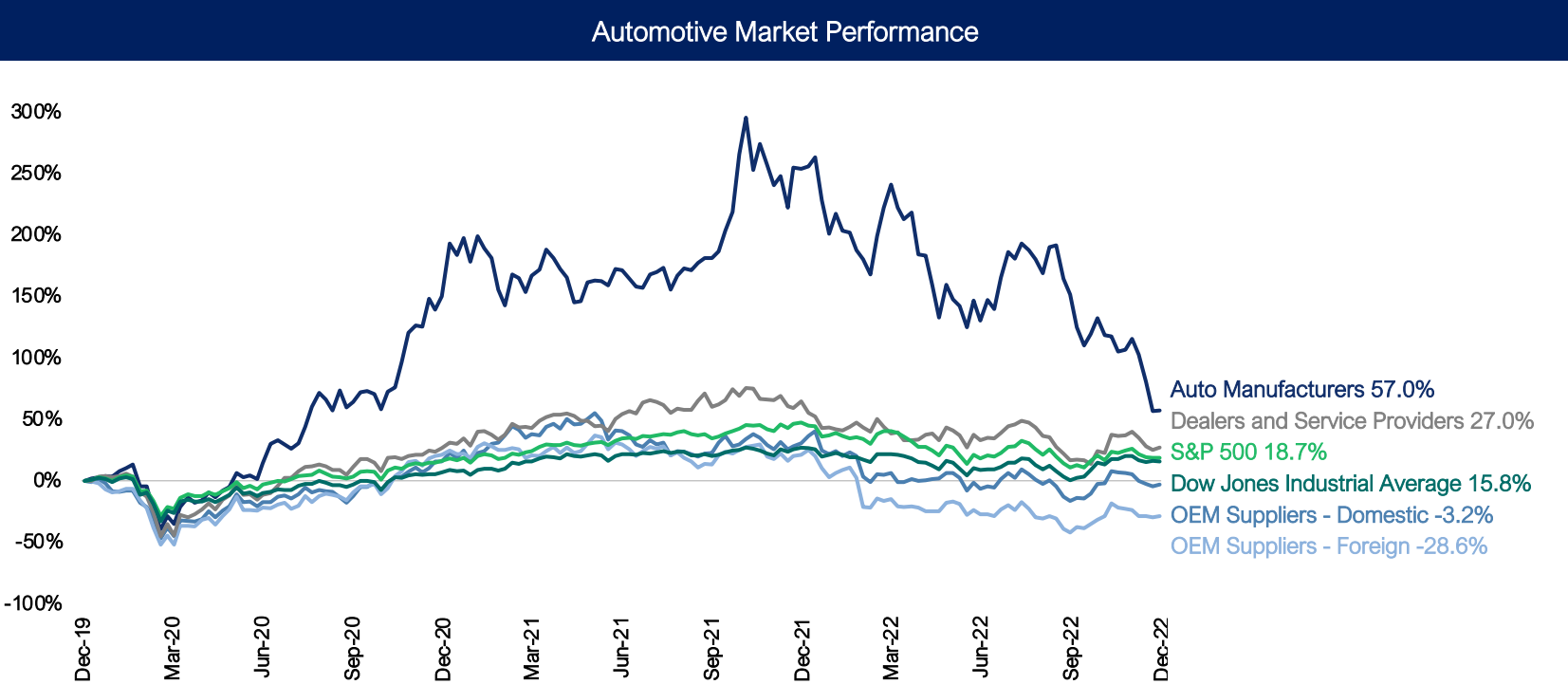


GREENWICH
CAPITAL GROUP

GCG Automotive Update | Q4 2022

3 Year Public Market Performance

The broader U.S. equity market saw continued decreases in Q4 2022 as consistent Federal Reserve rate increases create increasing caution and uncertainty in the market. Sustained inflationary pressures continue to pose a challenge across the entire Automotive sector, with companies battling rising input and material costs coupled with supply chain disruptions. Based on a selected group of Automotive companies across multiple sub-sectors, the industry experienced an average increase of 12.2% in share price over the latest 3-month period. Automotive Manufacturers continue to fight for market share in the ever-expanding electrical vehicle market, which should provide significant tailwinds for the industry in future periods. While Automotive Manufacturers gains have slowed over the latest 3-year period, this segment has outperformed other sub-sectors in the industry, posting gains of 57.0%. During the same 3-year period, both Foreign and Domestic Suppliers have declined from a return standpoint.



Source: S&P Capital IQ
Note: All values based on publicly available data as of 12/31/2022



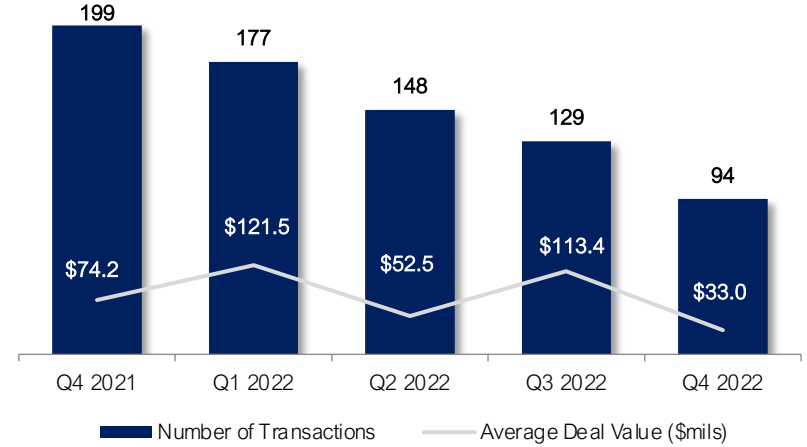
GCG Automotive Update | Q4 2022

Middle-Market M&A Activity

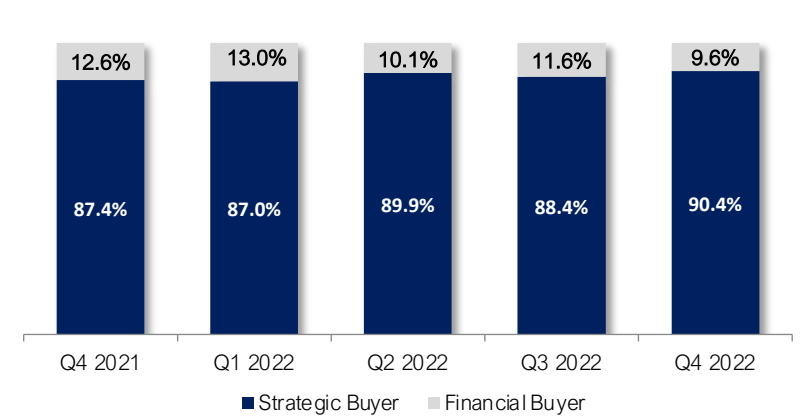
In Q4 2022, middle-market M&A activity within the Automotive sector saw a substantial decline in transaction volume compared to Q3 2022, continuing the industry's downward trend. Q4 2022 deal volume saw a dramatic decrease compared to Q4 2021, forecasting a weaker year in the middle-market M&A space for 2023. Strategic acquirers continued to represent the majority of buyers in Q4 2022, accounting for 90.4% of transaction volume. Financial buyers continue to have capital available for acquisitions as well, however, they have a very limited interest in many of the automotive subsectors.

Automotive Retail continued to remain the most active sector, accounting for 64.9% of total Automotive transaction volume. Auto Parts & Equipment showed slightly decreased sector strength, recording 16.0% of Automotive transaction volume in Q4.

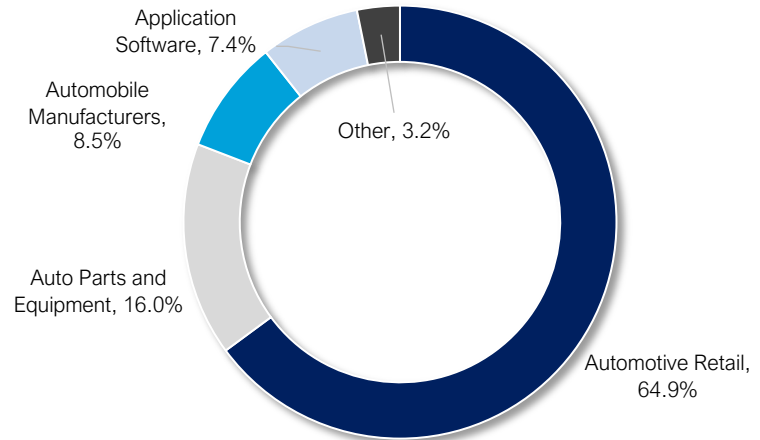
Q4 2022 Automotive M&A Activity



Q4 2022 M&A Activity by Buyer Type



Q4 2022 M&A Activity by Sector



Source: S&P Capital IQ

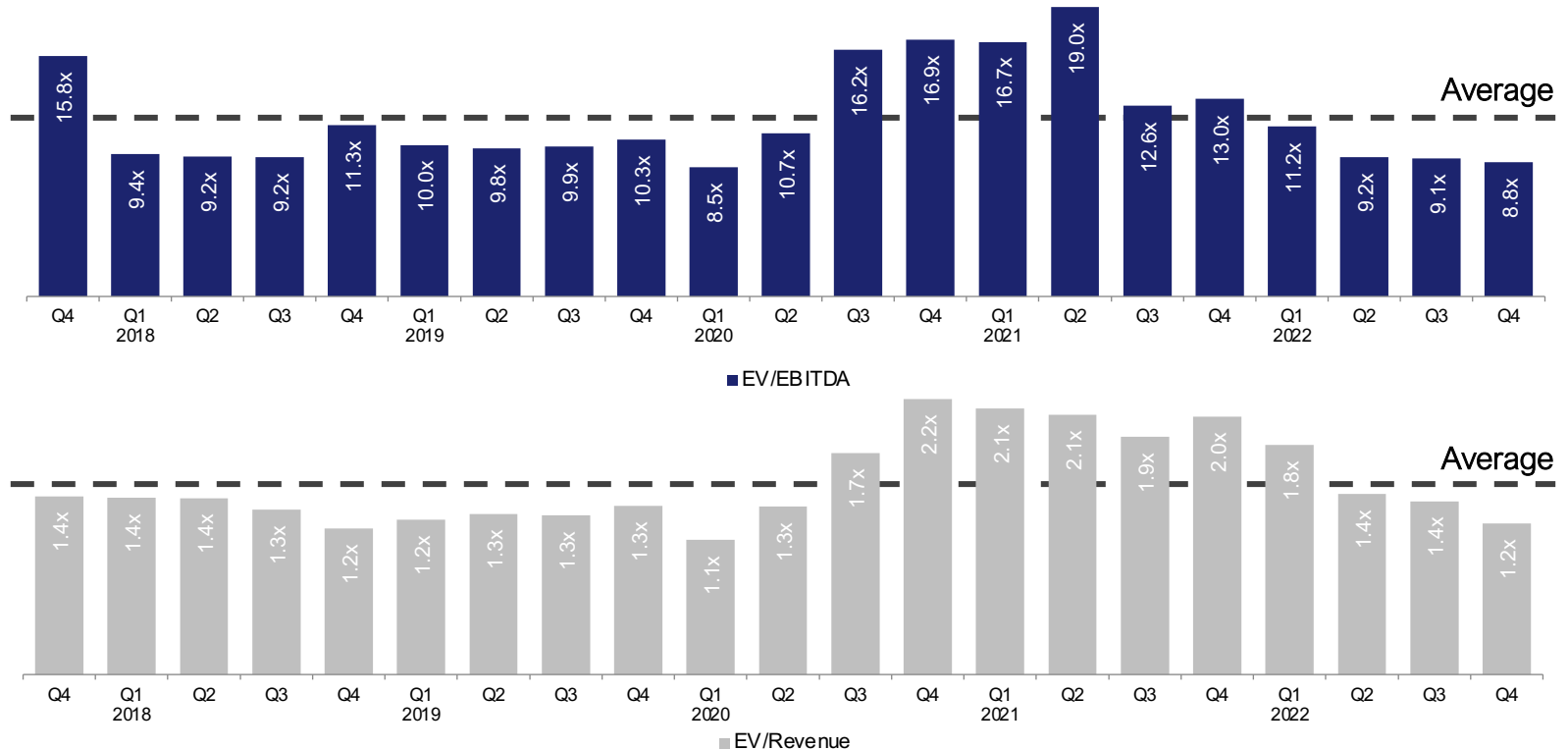
Note: All values based on publicly available data as of 12/31/2022. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



GCG Automotive Update | Q4 2022

Public Company Trading Multiples

Industry trading multiples have declined marginally from Q3 to Q4 2022. EBITDA multiples decreased from 9.1x in Q3 2022 to 8.8x at the end of Q4 2022. Revenue multiples have also declined marginally during this period dropping from 1.4x in Q3 2022 to 1.2x in Q4 2022. Trading multiples varied significantly across the four categories with the strongest multiples observed in the Auto Manufacturing segment, with a median multiple of 9.0x EBITDA. Multiples have continued to decline but at a slower rate as companies continue to generate substantial profits due to pricing power and pent-up consumer demand for new vehicles becoming more satisfied.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022



GCG Automotive Update | Q4 2022

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	\$ 375,012	\$ 123.18	(53.6%)	(65.0%)	26.6%	22.4%	5.0x	22.4x	
Toyota Motor Corporation	\$ 352,040	\$ 136.58	4.8%	(26.3%)	17.0%	13.7%	1.4x	10.1x	
Volkswagen AG	\$ 256,871	\$ 124.42	0.4%	(38.4%)	18.5%	12.6%	0.9x	7.2x	
Ford Motor Company	\$ 144,510	\$ 11.63	3.8%	(44.0%)	11.4%	9.6%	1.0x	9.9x	
General Motors Company	\$ 141,519	\$ 33.64	4.8%	(42.6%)	13.6%	12.7%	1.0x	7.6x	
BMW	\$ 154,071	\$ 89.10	30.3%	(11.4%)	16.5%	15.0%	1.1x	7.3x	
Hyundai Motor Company	\$ 105,128	\$ 120.07	(2.3%)	(31.6%)	19.6%	10.7%	1.0x	9.2x	
Honda Motor Co., Ltd.	\$ 72,209	\$ 22.86	5.9%	(19.6%)	20.0%	15.1%	0.6x	4.0x	
Nissan Motor Co., Ltd.	\$ 59,223	\$ 3.17	(0.3%)	(34.3%)	16.0%	7.3%	0.9x	11.6x	
Renault SA	\$ 52,406	\$ 33.42	21.9%	(3.8%)	19.9%	11.7%	1.1x	9.0x	
Kia Corporation	\$ 9,489	\$ 47.15	(5.8%)	(31.7%)	20.1%	11.2%	0.1x	1.3x	
Mean	\$ 156,589	\$ 67.75	0.9%	(31.7%)	18.1%	12.9%	1.3x	9.1x	
Median	\$ 141,519	\$ 47.15	3.8%	(31.7%)	18.5%	12.6%	1.0x	9.0x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022



GCG Automotive Update | Q4 2022

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.	\$ 20,367	\$ 56.20	17.7%	(30.5%)	12.8%	10.2%	0.5x	5.3x
BorgWarner Inc.	\$ 12,773	\$ 40.25	28.2%	(10.7%)	18.8%	14.6%	0.8x	5.7x
Lear Corporation	\$ 9,853	\$ 124.02	3.6%	(32.2%)	7.2%	7.5%	0.5x	6.4x
Genlex Corporation	\$ 6,160	\$ 27.27	14.4%	(21.8%)	32.5%	25.0%	3.3x	13.4x
American Axle & Manufacturing Holdings, Inc.	\$ 3,527	\$ 7.82	14.5%	(16.2%)	12.0%	13.9%	0.6x	4.5x
Mean	\$ 10,536	\$ 51.11	15.7%	(22.3%)	16.7%	14.2%	1.2x	7.0x
Median	\$ 9,853	\$ 40.25	14.5%	(21.8%)	12.8%	13.9%	0.6x	5.7x
OEM Suppliers - Foreign								
Aptiv PLC	\$ 27,343	\$ 93.13	19.1%	(43.5%)	14.3%	10.5%	1.6x	15.3x
Continental Aktiengesellschaft	\$ 19,144	\$ 60.23	36.6%	(43.1%)	21.2%	2.3%	0.5x	20.4x
Valeo SE	\$ 8,930	\$ 17.85	16.4%	(41.0%)	17.1%	7.8%	0.5x	6.0x
Faurecia S.E.	\$ 13,812	\$ 15.10	37.1%	(68.3%)	11.7%	8.4%	0.7x	7.9x
Autoliv, Inc.	\$ 8,025	\$ 76.58	14.9%	(25.9%)	15.8%	11.0%	0.9x	8.5x
Schaeffler AG	\$ 7,413	\$ 6.83	51.3%	(16.7%)	23.1%	13.0%	0.5x	3.5x
Adient plc	\$ 5,536	\$ 34.69	25.0%	(27.5%)	5.7%	5.7%	0.4x	6.9x
CIE Automotive, S.A.	\$ 4,568	\$ 25.71	23.2%	(17.4%)	46.3%	14.3%	1.1x	7.8x
Mean	\$ 11,846	\$ 41.27	28.0%	(35.4%)	19.4%	9.1%	0.8x	9.5x
Median	\$ 8,477	\$ 30.20	24.1%	(34.3%)	16.5%	9.5%	0.6x	7.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022



GCG Automotive Update | Q4 2022

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.	\$ 27,721	\$ 60.89	(7.8%)	(53.2%)	11.0%	4.2%	0.8x	19.8x
Copart, Inc.	\$ 27,578	\$ 60.89	14.5%	(19.7%)	45.3%	42.5%	7.7x	18.1x
Penske Automotive Group, Inc.	\$ 14,765	\$ 114.93	16.8%	7.2%	17.8%	9.1%	0.5x	6.0x
Lithia Motors, Inc.	\$ 12,745	\$ 204.74	(4.6%)	(31.1%)	18.8%	8.9%	0.5x	5.2x
AutoNation, Inc.	\$ 10,328	\$ 107.30	5.3%	(8.2%)	19.7%	8.8%	0.4x	4.4x
Asbury Automotive Group, Inc.	\$ 7,565	\$ 179.25	18.6%	3.8%	20.2%	9.1%	0.5x	5.8x
KAR Auction Services, Inc.	\$ 4,152	\$ 13.05	16.8%	(16.5%)	42.0%	19.0%	1.8x	9.5x
Group 1 Automotive, Inc.	\$ 5,462	\$ 180.37	26.2%	(7.6%)	18.6%	7.8%	0.3x	4.5x
Sonic Automotive, Inc.	\$ 4,728	\$ 49.27	13.8%	(0.4%)	16.7%	5.8%	0.3x	6.0x
Monro, Inc.	\$ 2,132	\$ 45.20	4.0%	(22.4%)	34.4%	15.5%	1.6x	10.2x
AutoCanada Inc.	\$ 1,733	\$ 17.22	4.4%	(49.0%)	17.7%	5.3%	0.4x	7.5x
Cars.com Inc.	\$ 1,381	\$ 13.77	19.7%	(14.4%)	68.6%	23.1%	2.1x	9.3x
Mean	\$ 10,024	\$ 87.24	10.7%	(17.6%)	27.6%	13.3%	1.4x	8.9x
Median	\$ 6,514	\$ 60.89	14.1%	(15.4%)	19.3%	9.0%	0.5x	6.7x
Automotive Mean	\$ 55,284	\$ 66.05	12.2%	(26.5%)	21.4%	12.4%	1.19x	8.81x
Automotive Median	\$ 12,759	\$ 48.21	14.5%	(26.1%)	18.6%	10.8%	0.8x	7.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022



GCG Automotive Update | Q4 2022

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

Office: (248) 480-2031

Mobile: (313) 919-3811