

THE HAIG REPORT®

Q4 | 2024

The Longest-Published Report in Auto Retail Tracking
Trends and Their Impact on Dealership Values

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Most auto dealers were feeling pretty excited after the last election cycle. The economy was strong and there was optimism that the incoming administration would pursue pro-growth strategies such as tax cuts, relaxation of emissions standards, and policies to reduce inflation. But President Trump has been focused more on trade imbalances and has been proposing significant tariffs on imported autos, auto parts, steel, aluminum, and other products. These policies would result in higher prices on autos and other goods in the short-term, so it's possible we will likely be seeing more inflation, not less. Perhaps there will be benefits in a year or two if manufacturing increases in the U.S. The new administration has also been focused on cutting many billions of dollars of government spending on various programs, and by reducing the headcount of the federal

government. These policies will take spending out of our economy in the short-term, although they could have long-term benefits such as shrinking our deficit. Tariffs and cutting spending are also hurting consumer confidence, which could pull more demand out of our economy. Rather than creating a booming economy, these new policies could be suppressing our growth. President Trump has even acknowledged that we might be heading for a recession. Auto dealers are asking each other, quietly, "What the heck is going on?"

Fortunately, there appears to be a consensus among many dealers that these policies are intended to create short-term shocks that could be over in the next few weeks or months if some "deals" can be made between our nation and our key trading partners. There is also a chance to create a ceasefire in Ukraine and reduce tensions in the Middle East. As a result, we have not seen any loss of confidence among auto dealers in the future of the auto retail business model, or the desire by many dealers to keep acquiring more dealerships. In just the past three weeks, five of our clients have signed letters of intent to sell their dealerships at or above values we estimated for them at the time when we were hired earlier this year. These transactions include Audi, Cadillac, Chevrolet, CDJR, GMC, Hyundai, Kia, Lexus, Mercedes-Benz, Subaru, and Toyota dealerships. Demand for almost every franchise remains high.

Given the level of buy-sell activity that we continue to see, we are optimistic that 2025 will be another strong year in auto retail. Profits are falling, slower than before, but they are still about twice the level that we enjoyed in 2019. Private dealership buyers are active in the market and Asbury has announced the acquisition of the Herb Chambers Companies, the largest dealership group in New England, for over \$1.3B. We may not set any records for the most money ever paid in blue sky for franchises in 2025, as we enjoyed while representing our clients in 2023 and 2024 who owned BMW, Honda, Kia, Stellantis, and Toyota dealerships, but based on our data, blue sky values are still close to their peak in 2022. Owners seeking to retire will find ready buyers for their dealerships. We are also seeing increased divestiture activity from larger dealer groups who are deciding that now is a good time to part with underperforming stores (particularly Nissan or CDJR), or those in outlying areas. The divested stores are being acquired by smaller and younger dealers who are seeking to "buy low" and invest their time and energy in these stores.

We know that many dealers who wanted to grow were sitting on the sidelines over the past few years as they waited for prices to fall. Now is the time to stand up! Strong stores are still bringing strong prices, but value buyers can now find more affordable stores to acquire. Haig Partners understands how the market has been shifting, and we advise our clients accordingly. Our mission is Maximizing the Value of Your Life's Work®.

BALL TOYOTA
CHARLESTON



ADVANTAGE TOYOTA
BARBOURSVILLE



SOLD TO



"I'm happy for my brother who can now **enjoy his retirement, and I'm happy for myself since now I can spend more time with my family and other interests**, such as supporting Marshall University and focusing on my farm. And I feel fortunate that I get to **remain in the Toyota family since we still own one Toyota dealership** which we are keeping for the next generation. When I began to think about selling the dealerships, **I researched Haig Partners**. I liked what I saw about them and later learned that **they have an excellent reputation in the Toyota dealer community**. It is well earned. They knew how to describe our dealerships and led a sales process that brought us an impressive buyer. **Selling dealerships is not easy**, and I'd like to thank Haig Partners for guiding us to an outcome that we are all happy with." – **Shawn Ball, Former Owner**



BUY-SELL TRENDS

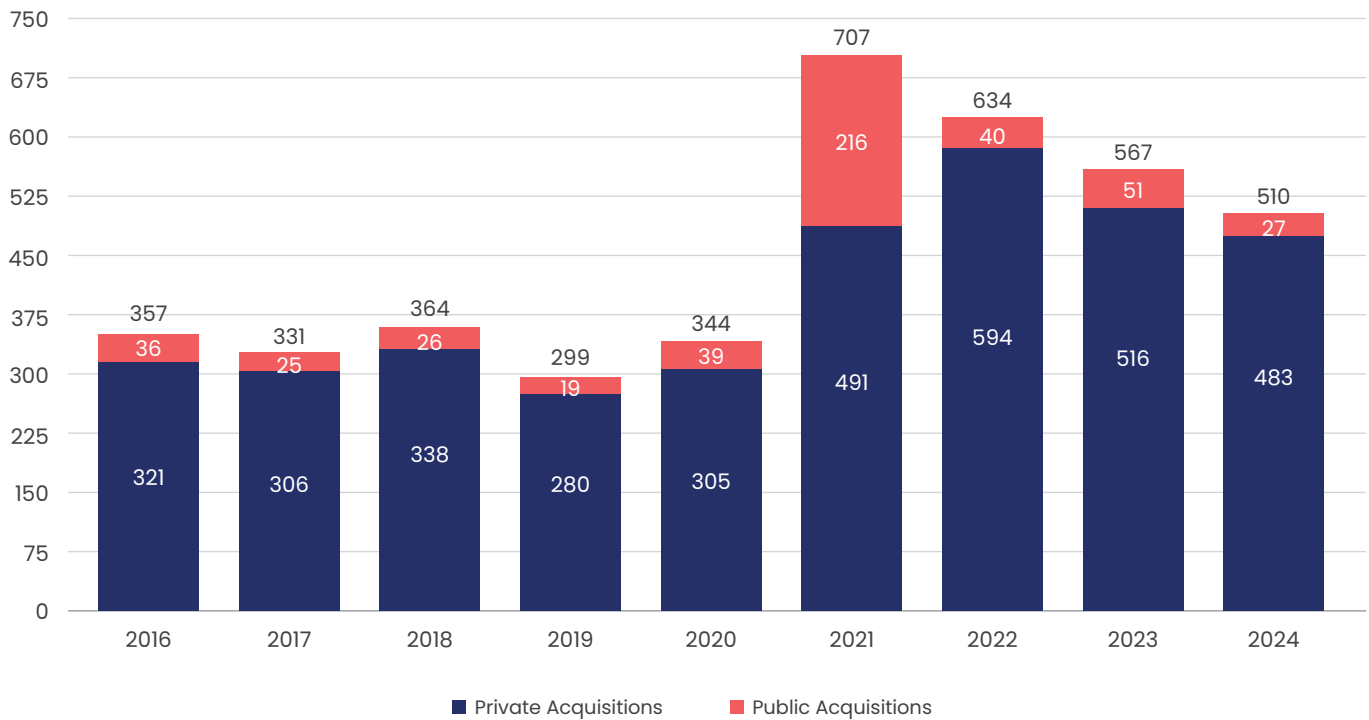
The Auto Retail M&A Landscape Remained Busy In 2024

As we predicted early last year, 2024 was the fourth busiest year for auto retail M&A on record. An estimated 510 rooftops traded hands. Private buyers, including a growing number of private equity-backed groups, dominated the market, buying 95% of the dealerships.

The buy-sell market closely tracks dealerships' performance. When profits are good, there tend to be a lot of buyers and sellers in the market, and transactions can close at a high rate. Pre-tax profits in 2024 declined significantly from their peak in 2022 but remained roughly double what they were in 2019. This decline appears to be leveling off, allowing buyers and sellers to have a clearer outlook for future profits. Greater clarity should help buyers and sellers align on blue sky values. Buyers are more confident, and sellers are more realistic.

Looking ahead, we believe 2025 will be another busy year for buy-sells. We already know public dealership groups will be acquiring more auto dealerships, as evidenced by Asbury's pending acquisition of the Herb Chambers Companies, which consists of 33 dealerships—the largest group in New England. Additionally, we know from our practice that privately owned dealership groups remain active in acquiring dealerships. Auto dealers continue to age, and fewer have viable succession plans, given that the value and complexity of their businesses have grown in recent years. At the same time, they are receiving strong offers for most of their dealerships. With strong buyer and seller activity in the market, we expect M&A activity to remain elevated.

U.S. DEALERSHIPS BOUGHT/SOLD



Note: 2023 and 2024 transaction volumes expected to rise over time as news of additional transactions reaches the public

Source: Automotive News, SEC Filings, The Banks Report, Haig Partners



“We remain focused on growth and view industry consolidation as a driver of continued strong long-term returns. With the capital engine we built, we were able to deploy our free cash flows to generate the highest returns remaining flexible to market conditions. We are maintaining our adjusted capital allocation to balance acquisitions and buybacks equally, especially given the attractive relative values of our own shares.”

- Bryan DeBoer, President and CEO (Source: Q4 2024 Earnings Call)

Public Auto Acquisitions In The U.S. Slowed In 2024

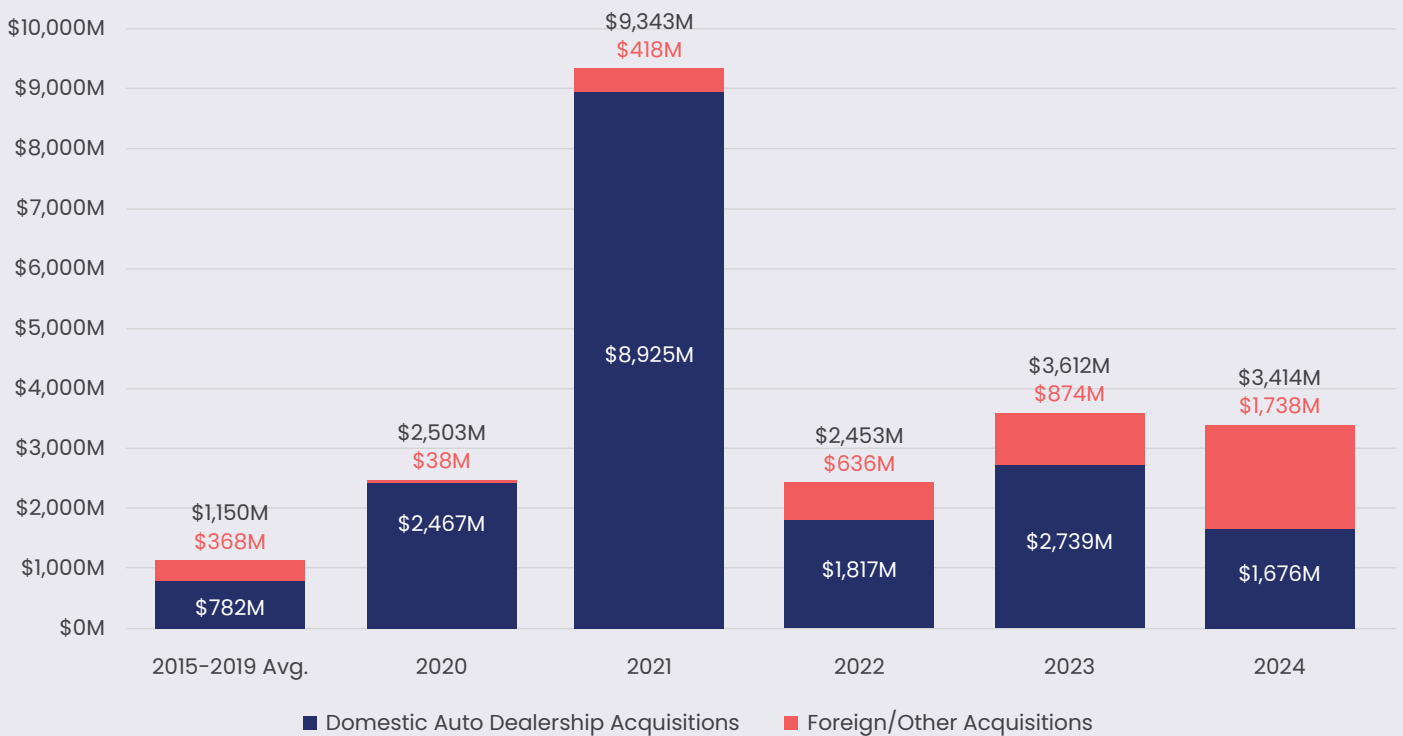
Publicly traded auto retailers spent approximately \$1.7B on U.S. auto acquisitions in 2024, with most of that occurring in a single deal early in the year. Their CEOs stated that they remained interested in expanding further in the U.S. but were waiting for auto dealership prices to moderate.

Public companies allocated a record amount of capital in 2024 to acquiring auto dealerships in the U.K., as well as heavy truck and powersports dealerships in the U.S., citing

more attractive multiples compared to U.S. auto dealerships. In addition, they repurchased a significant number of their own shares to bolster stock prices.

We anticipate public company spending in 2025 to exceed 2024 levels, given that the Herb Chambers acquisition is estimated to close at approximately \$1.3B, with additional acquisitions expected later this year.

PUBLIC COMPANY ACQUISITION SPENDING



Source: SEC Filings

FACTORS IMPACTING MULTIPLES



Haig Partners National Average Blue Sky Multiples

We constantly monitor the buy-sell market to assess the desirability of various franchises. We analyze offers for transactions we are involved in and regularly speak with leading dealership buyers, as well as attorneys, bankers, and CPAs involved in acquisitions.

Most buyers base their blue sky offers on a multiple of expected future cash flows. The amount of goodwill they are willing to pay depends on their targets for return on investment, internal rate of return, payback period, or other valuation methodologies. And in Q4 2024, we observed enough activity to make a record eight changes to our National Average Blue Sky Multiples. Please note that the franchise multiples in the chart at the bottom of this page are national averages, and that multiples can be influenced by many factors. For more information on factors that can influence multiples, please review the table on page 4.

The first change we made was to Toyota, increasing the top end of its multiple range from 8.0x to 8.5x, while simultaneously decreasing the low end of its multiple range from 7.0x to 6.5x, better encompassing the broad range of Toyota transaction pricing. Next, Mazda received yet another multiple increase of 0.25x, bringing its range up to 3.75x–4.75x. Mazda’s sales have skyrocketed, and its network size has been well managed, resulting in a significant boost to average new vehicle sales—and profits—per location, increasing the attractiveness of the franchise.

GM brands also received a boost, with Chevrolet moving up 0.25x to a range of 3.75x–4.75x and Buick/GMC increasing to 3.5x–4.5x. Chevrolet’s current lineup is among the best in brand history, and its continued production of affordable units is paying dividends. Buick and GMC are

also experiencing a product renaissance, particularly Buick, which has significantly reduced its dealer count, resulting in stronger profits.

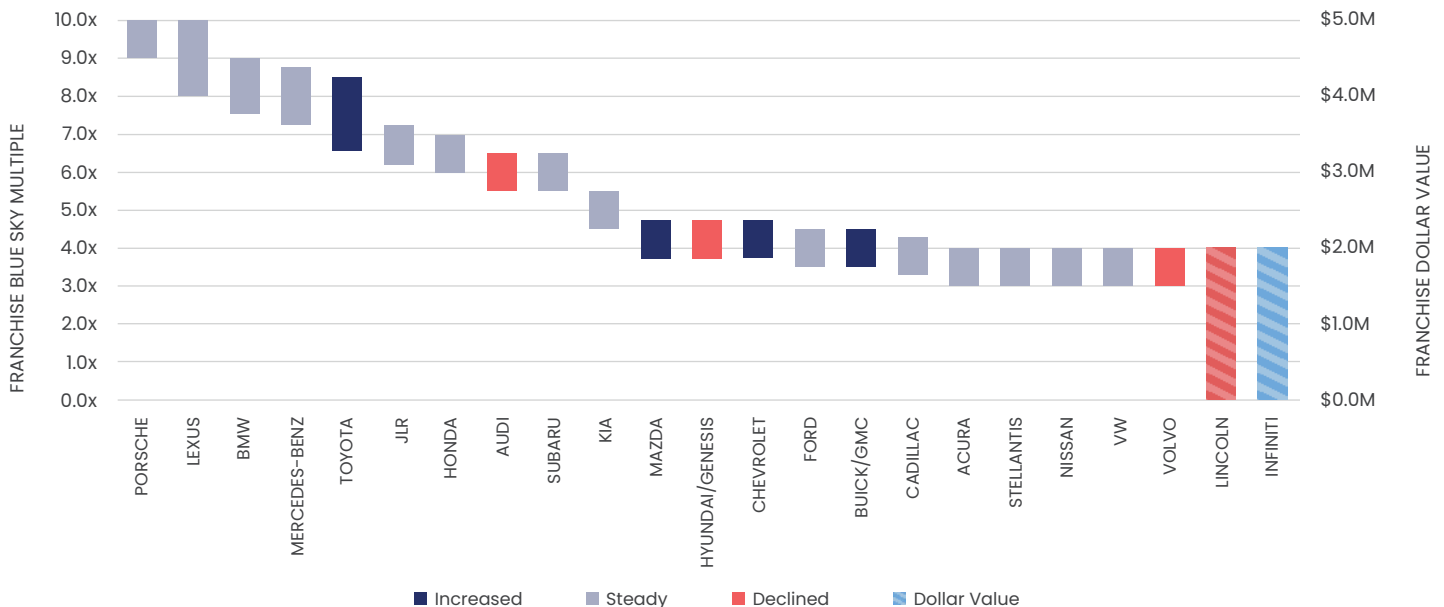
While some franchises excelled in late 2024, others faltered. Audi received a multiple decrease of 0.50x on both the high and low end of the range, dropping to 5.5x–6.5x due to product, powertrain, and pricing challenges that have led to declining sales and dealership profits, but rising inventory levels.

Hyundai/Genesis received a 0.25x decrease on both the high and low end of the multiple range, driven by reduced demand for Hyundai franchises. Hyundai has proved to be a challenging OEM partner for some dealers and a strict gatekeeper of buy-sells, reducing demand for its franchises and leading to lower goodwill offers.

Lastly, Volvo received a 0.75x decrease to both the high and low end of its multiple range and Lincoln was moved from a franchise multiple range to a franchise dollar value: a flag value of \$0–2M per location. For more information on why these changes were made, please refer to the Franchise Valuation Estimates section on page 17.

We caution potential sellers not to simply apply the multiples to their current earnings to estimate goodwill. Dealers need to understand how to adjust their earnings when sharing financials with buyers and consider what other factors will affect offers. Market conditions are highly variable today, so having access to recent transaction data is essential to understanding and predicting value. **To learn more about what your business could be worth, please contact us for a confidential, no-obligation conversation.**

HAIG PARTNERS NATIONAL AVERAGE BLUE SKY MULTIPLES



Source: Haig Partners

Blue Sky Values Are Declining But Remain Elevated



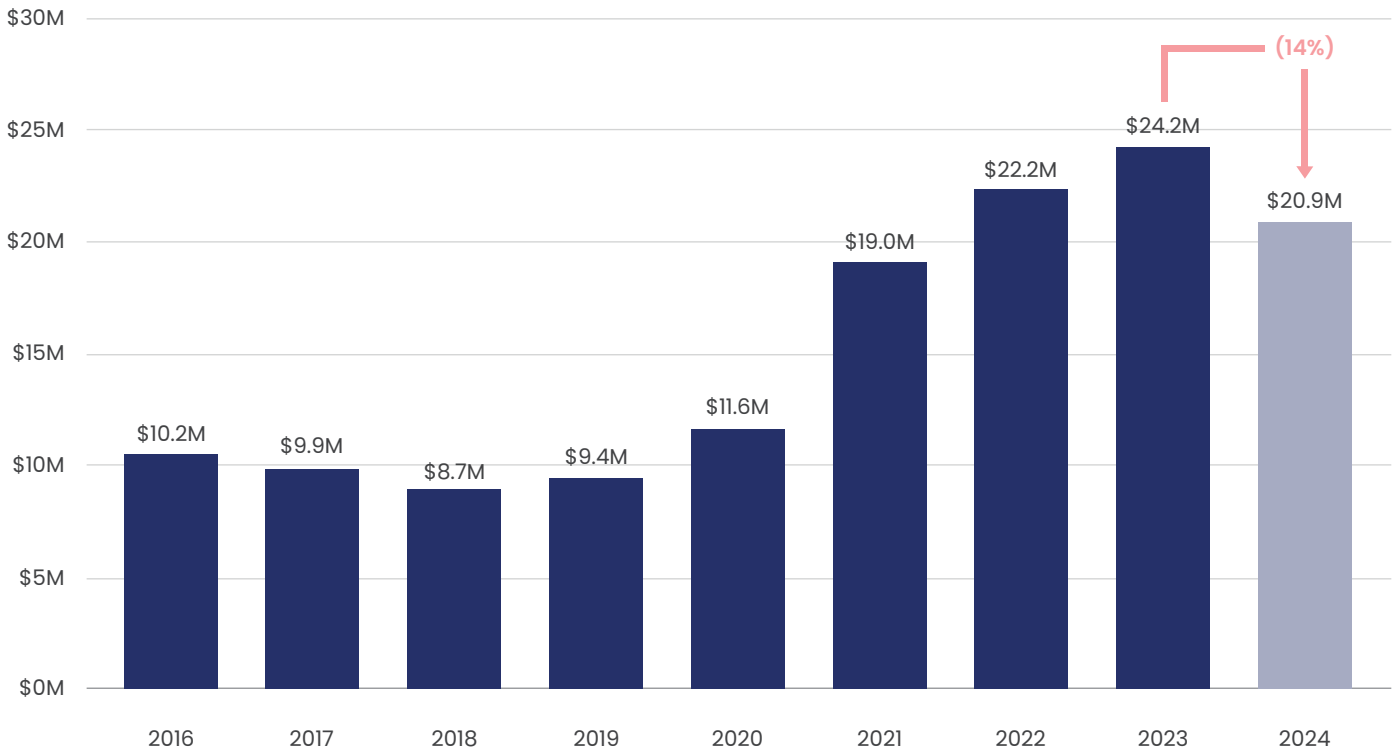
122%
higher than in 2019

We estimate that the average publicly traded auto dealership had a blue sky value of \$20.9M in 2024. While down 14% from 2023, the estimated average blue sky value per dealership was still 122% higher than in 2019, the last year before the pandemic.

Blue sky value has more than doubled because both components of the blue sky formula, pre-tax profits and multiples, were higher in 2024 than in 2019. Pre-tax profits in 2024 were \$4.0M, roughly double 2019's \$2.0M. The average multiple increased by nearly 0.50x between 2019 and 2024 as well, driving the remainder of the delta. The dealership M&A landscape has been red-hot since 2019. The resiliency and strong returns of the auto retail industry during this period appear to have had a structural impact on the prices at which car dealerships trade hands. While we are no longer at the peak of the market, sellers of single stores or even the largest groups are still receiving strong offers, with the exception of a few franchises today. To have a confidential discussion about what your dealership or dealership group could be worth, please reach out to any member of our team.

ESTIMATED AVERAGE BLUE SKY VALUE

Based on Public Group Earnings



Source: Haig Partners & SEC Filings



“...you probably heard some confidence in my voice 90 days ago on the call that we thought things were softening a little bit in pricing. And I guess I’m sitting here with a little bit different perspective that **there’s been some pretty high prices paid for transactions.**” – Bryan DeBoer, President and CEO (Source: Q4 2024 Earnings Call)

TRENDS IMPACTING AUTO RETAIL

DISCLAIMER: ONGOING TARIFF NEGOTIATIONS

The tariffs proposed by President Trump in early 2025 are causing a significant amount of uncertainty for the automotive industry. This report was written in mid-March 2025, when the situation was highly dynamic. Please note that policies put forth by the new administration may have changed between the writing of this report and its publication.

Labor Market Weakens, Raising Alarm

The U.S. economy added 151,000 jobs in February, which sounds pretty good, but we know that since then thousands of government jobs were lost as Elon Musk's Department of Government Efficiency ("DOGE") slashed spending. Unemployment came in worse than expected at 4.1%, slightly above the forecast of 4.0%. Because the cutoff for the February survey landed in the first half of the month – on February 12 – these numbers may not yet reflect the true scope of the sweeping changes occurring within our federal government. Analysts warn of a potentially significant deterioration in the labor market when the March jobs report is released. Additionally, private employers are expressing concerns about the economy's direction, which could lead to a slowdown in hiring.

Inflation Remains Troublesome

Inflation is still a core economic issue. Despite attempts by the Fed to tame inflation, it has remained elevated since April 2021. The Fed is currently targeting a 2.0% inflation rate, but it was stuck at 3.0% in January. If widespread tariffs are enacted, inflation will likely worsen.

Trump Tariff Talks

President Trump is proposing and imposing significant tariffs on imported automobiles and auto parts in an effort to push OEMs to shift more of their production to the U.S. While there could be long-term benefits, new factories and supply chains will take years to come online. In the meantime, auto prices could rise significantly. At the time of this writing, the tariffs were primarily directed at Mexico and Canada, negatively impacting Ford, GM, and Stellantis. No new tariffs have been proposed for vehicles made in Korea, Japan, or Germany. Additionally, President Trump has imposed a 25% tariff on imported steel and aluminum, a move that would increase the cost of vehicles manufactured in the U.S. According to The Wall Street Journal, prolonged tariffs on Mexico and Canada could increase the average new vehicle transaction price in the U.S. by approximately 7% – equating to about a \$3,000 increase on average, with highly optioned domestic pickups seeing price hikes of up to \$10,000.

Interest Rates Held Steady

The Fed held interest rates steady at the 4.25%–4.50% range during its January 2025 FOMC meeting and is expected to do the same during its next meeting in March. Inflation remains above target, leading the Fed to hold rates flat in January and likely in March as well. The market had been pricing in rate cuts in 2025, but if tariffs begin to drive higher inflation, these cuts may not happen. We might even see rate increases, which would further erode demand for vehicles.

Economic Growth Continues, But Warning Signs Appear



The U.S. economy grew at a 2.3% rate in Q4 2024, a healthy rate in line with analyst forecasts. However, full-year 2024 GDP growth

stood at 2.8%, slightly below the 2.9% pace observed in 2023, indicating a slowdown rather than acceleration. Consumer spending, government spending, business investment, and trade deficit expansion were the leading factors impacting GDP growth in Q4. The first quarter of 2025 may be taking a turn for the worse. The federal government is cutting employment and spending on many programs. In addition, tariffs will likely contract the economy as they inject significant uncertainty for both consumers and producers. When businesses are uncertain, they do not invest. When consumers are uncertain, they do not buy. Uncertainty causes the economy to slow or even contract.



"Now if we're looking at other macro issues, I think tariffs is probably one of the larger things. **And I'd probably never thought I'd be sitting here saying I'm glad I have an extra 20 days of inventory over most of the industry.**"

– Bryan DeBoer, President and CEO (Source: Q4 2024 Earnings Call)



"There's a great deal of conjecture at the moment about Washington and the impact of new administration's policies will have on retailers and OEMs. **While we don't know the outcome of the impact on changes in things like EV subsidies, taxes, tariffs or interest rates, we feel the best way to capitalize is to ensure that Group 1 stays nimble and focused on execution.**"

– Daryl Kenningham, President & CEO (Source: Q4 2024 Earnings Call)

Consumer Confidence Tumbles During Tariff Talks

Consumer sentiment fell sharply in February after rising for several months. Based on the timing, it's possible this decline in consumer sentiment is related to the new tariffs and cuts in government spending.

CONSUMER SENTIMENT



Source: University of Michigan

Bill Kidd's



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"My brother and I have known Alan Haig for nearly a decade, dating back to when we first worked with him to sell our Mercedes-Benz, Volvo, Subaru, and VW dealerships in Hunt Valley. Over the years, we stayed in touch and watched Haig Partners grow into the trusted advisory firm it is today. **When the time came to take this next step, we knew Alan and his team were the right partners for us. They took the time to deeply understand our business, crafting an investment story that highlighted the legacy and value of our dealerships.** This story resonated with a select group of highly qualified buyers who truly appreciated the caliber of what we built. Their

approach was not just about running a confidential and effective process but also about ensuring that we achieved a result that felt right for our families and the future of the business. Their guidance and expertise gave us confidence at every step, and we are deeply grateful for their dedication and care in helping us navigate this important transition."

**- Charlie Fenwick, Former Owner,
Bill Kidd's Toyota and Volvo**

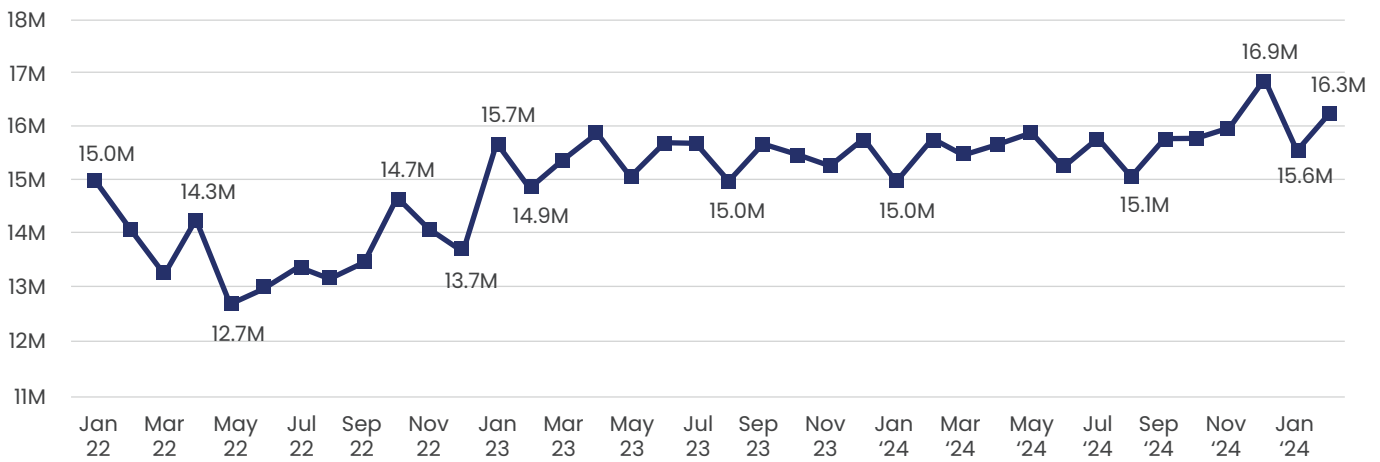


SAAR Lifts In Early 2025

SAAR is a key metric used across the auto industry that stands for “Seasonally Adjusted Annual Rate.” SAAR adjusts for seasonal factors that impact auto purchases, allowing players in the auto industry to project full-year sales with just one month of sales data. Last year ended on a strong note in terms of sales. Dealers told us they believed the bump in sales might have had several causes, including a rush to purchase EVs before tax credits were eliminated, a desire to purchase vehicles before prices rose due to tariffs, and increased consumer confidence.

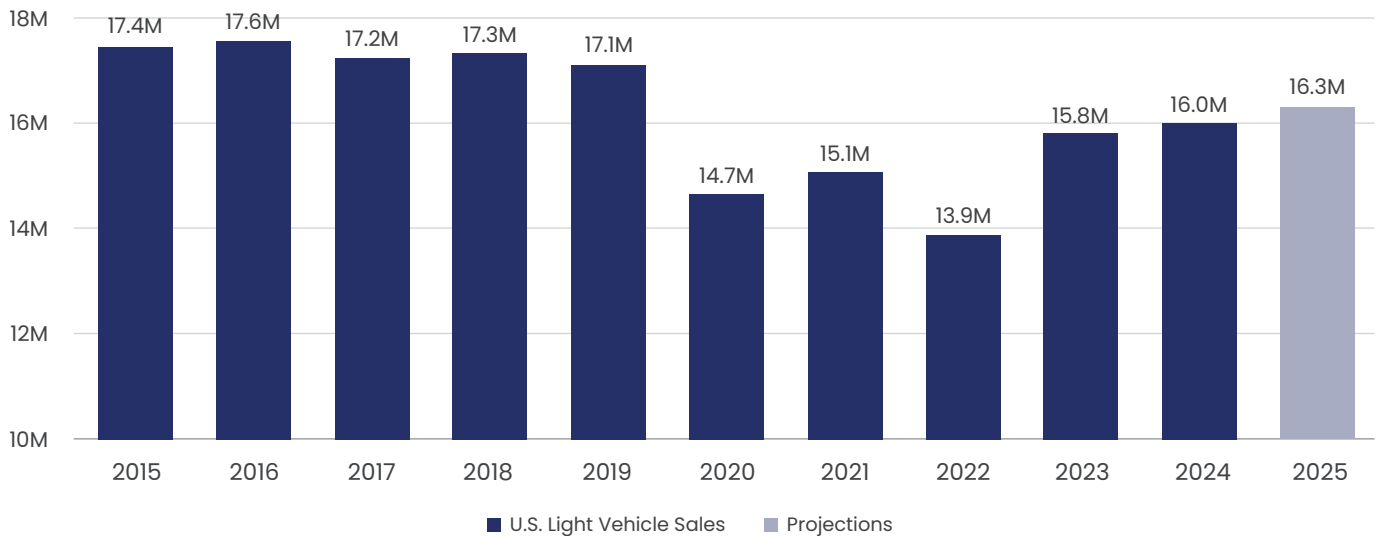
In February 2025, the SAAR jumped 4% month over month to 16.3M, recovering from a weak January and bringing sales volume in line with analyst projections. February marked the sixth consecutive month of year-over-year SAAR increases. Many analysts had predicted 16.3M new unit sales for the full year 2025. Actual results could vary significantly depending on the overall economy.

MONTHLY SAAR



Source: NADA

U.S. LIGHT VEHICLE SALES



Source: COX Automotive, NADA, Toyota, S&P Global Mobility

Inventories Stack Up In January

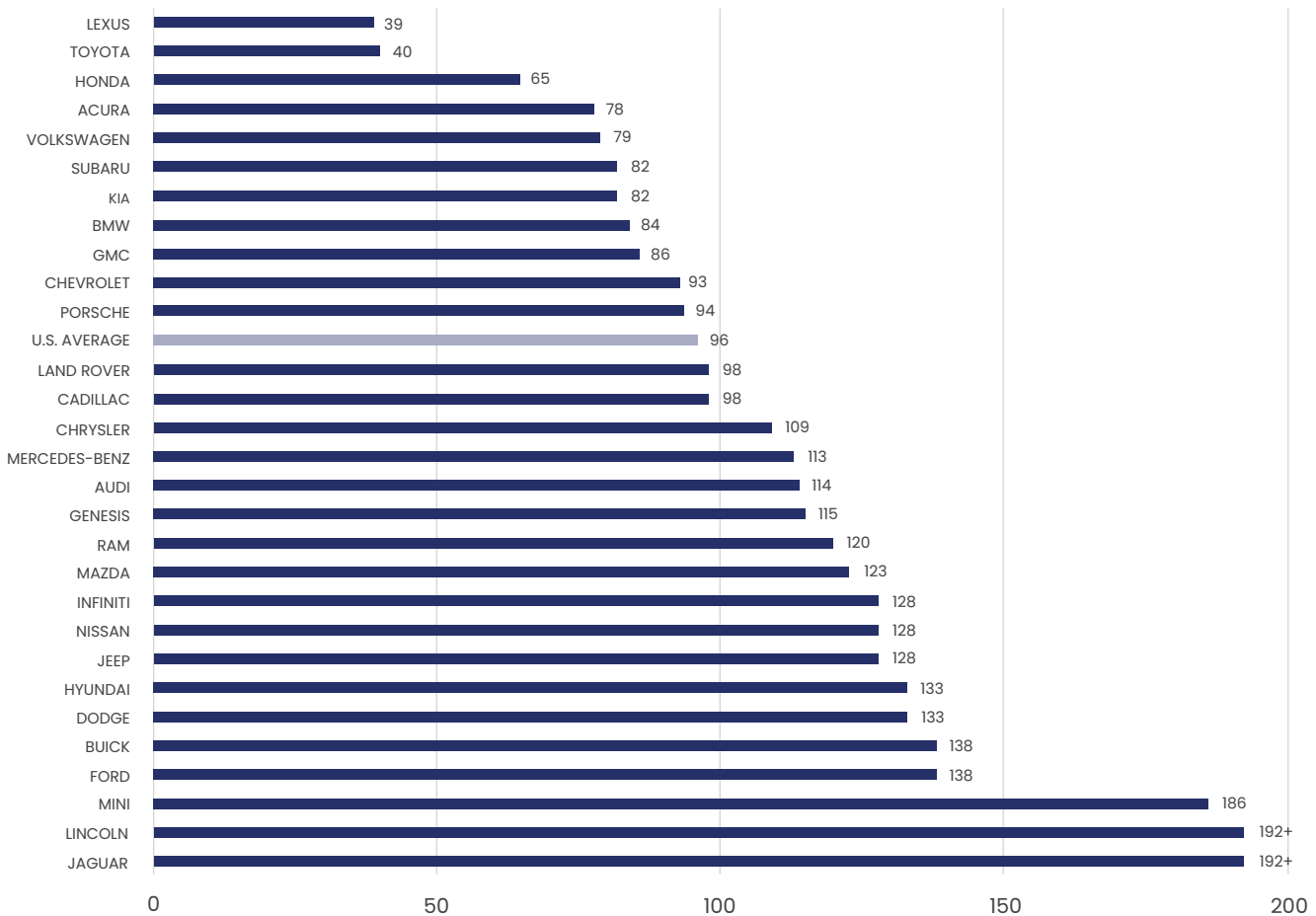


A hot end to 2024, which saw vehicles flying off lots, cooled in January. Sales have slowed since December, as is typical for the new year, but this decline was exacerbated in 2025. Total U.S. days' supply rose by 26% throughout January, according to Cox Automotive. As of February 2025, U.S. dealers had an average of 96 days' supply, including vehicles on the ground and in transit.

At the franchise level, we see a wide range of inventory days' supply, with Jaguar and Lincoln dealers holding 192+ days' supply. Desirable import and luxury franchises like Toyota, Lexus, and Honda remain at the bottom, turning inventory within 30 to 40 days thanks to pent-up demand for their popular products.

Another interesting development in January's data can be seen in Stellantis' brands. Throughout 2024, Stellantis brands like Chrysler, Dodge, Jeep, and RAM had well over twice the industry-average days' supply, often exceeding 150 days. Over the past few months, however, inventory levels have declined steadily at these franchises: Chrysler (109 days), Dodge (133 days), Jeep (128 days), and RAM (120 days). The turnaround for Stellantis is underway. Ford now has the highest new vehicle supply among all major franchises, at 138 days.

DAYS' SUPPLY BY FRANCHISE
As of January 2025



Note: Days' supply calculation includes vehicles in dealer inventory and vehicles in-transit

Source: Cox Automotive - vAuto

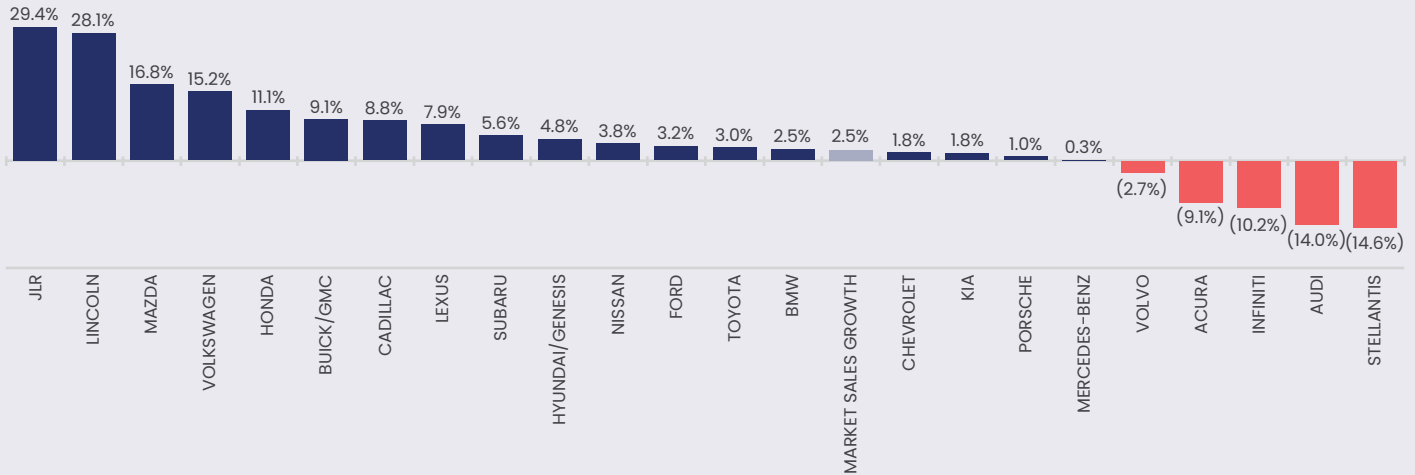


“The direct correlations there, the higher the day supply, the lower the margin. A lot of the OEMs are still being more disciplined than in the years past, which is keeping it tighter, which is great. But certainly, some OEMs have been penalized with that.” - David Hult, CEO & Director (Source: Q4 2024 Earnings Call)

Sales Increase For Almost All Brands In 2024

Sales increased in 2024 for all but five of the 23 brands we track. On a percentage basis, JLR (+29.4%), Lincoln (+28.1%), and Mazda (+16.8%) saw the greatest gains. On the other end of the spectrum, Stellantis (-14.6%), Audi (-14.0%), and Infiniti (-10.2%) experienced the largest declines, primarily due to expensive and uncompetitive products. Total U.S. sales rose 2.5% in 2024, with most brands seeing a 2–8% increase over 2023.

% CHANGE IN SALES, 2023 TO 2024



Source: Automotive News (Q4 2024 Data)

New Vehicle Affordability Improves Despite Continued Concerns

Vehicle affordability was the top concern among dealers heading into 2025, according to a January survey conducted by Automotive News. Cox Automotive and Moody’s Analytics reported that new vehicle affordability has gradually improved, with January 2025’s reading of 37.7 reflecting a 4.8% improvement compared to January 2024. Several factors contribute to this metric, including consumer incomes, vehicle prices, loan rates, incentives, and vehicle mix. Despite the recent improvement, new vehicles remain nearly 11% less affordable than the historical average. Additionally, tariffs will likely further reduce affordability for consumers.

VEHICLE AFFORDABILITY INDEX



Source: Cox Automotive/Moody’s Analytics



“However, when I think about new vehicles, I believe there is pent-up demand still. And as a result, **I think if the economic environment continues on its recent trend, we’re going to see moderate unit growth from 2024 also in the first half, less so in the second half.**” – Mike Manley, CEO (Source: Q4 2024 Earnings Call)



TRANSPORTATION FREEDOM ACT

In late February 2025, newly elected U.S. Sen. Bernie Moreno, R-Ohio, a former auto dealer, introduced the Transportation Freedom Act, a bill aimed at investing in American auto workers while making cars more affordable for everyday Americans by eliminating government mandates that have driven up vehicle prices. The Transportation Freedom Act is endorsed by Sens. Jim Banks, R-Ind.; Tim Sheehy, R-Mont.; and Jim Justice, R-W.Va., and supported by General Motors, Stellantis, Toyota, the National Automobile Dealers Association (NADA), the Alliance for Automotive Innovation, the American Trucking Associations, and others.

As proposed by Sen. Moreno: "The Transportation Freedom Act would:

- 1. Provide a historic investment in American auto workers** in the form of a 200% tax deduction for wages paid to American auto workers up to \$150,000 while preventing any company from using the funds saved for stock buybacks. This could support more auto manufacturing in the U.S.
- 2. Lower vehicle prices for consumers by eliminating burdensome mandates**, such as the EPA's 'tailpipe rule' and California's zero-emission vehicle mandate, which have made cars unaffordable for everyday Americans.
- 3. Save the federal government substantial amounts of money** and time by streamlining the nation's regulatory process."

Over the past five years, our team at Haig Partners has seen vehicle affordability become a major issue for many American families. We are also concerned about the impact on consumers and dealership owners of upcoming EV requirements established by the California Air Resources Board (CARB), which have been adopted by numerous other states. CARB mandates that 35% of new vehicles sold in those states qualify as zero-emission vehicles starting in 2026, with the requirement rising to 100% in future years. The current level of EV sales is around 9%, so consumer demand is nowhere close to the target level for next year. Automakers have stated they will not be able to supply enough vehicles to meet the requirements, nor is the infrastructure ready for such a significant shift. We support policies that improve our environment, but they need to be balanced with the realities of the marketplace. If these mandates remain in place, consumers in those states will have far fewer choices, vehicle costs will rise, and dealers will likely see reduced profits.

We urge supporters of this legislation to contact state dealer associations, their local members of Congress, and their senators to encourage them to vote in favor of this bill when it reaches the floor.

"Thanks to liberal bureaucrats who want to mandate what cars Americans can drive, states like mine are riddled with car lots filled with expensive EVs people simply don't want and dormant factories that once employed millions of American workers. The only winner is China. **It's time to make sure cars sold in America are actually made in America and give Americans the freedom to choose the cars they actually can afford and want to drive—my bill just does that.**" - Sen. Bernie Moreno



Scan here to
download
more about the
Transportation
Freedom Act.

New Vehicle Gross Profits Increase For First Time In Two Years

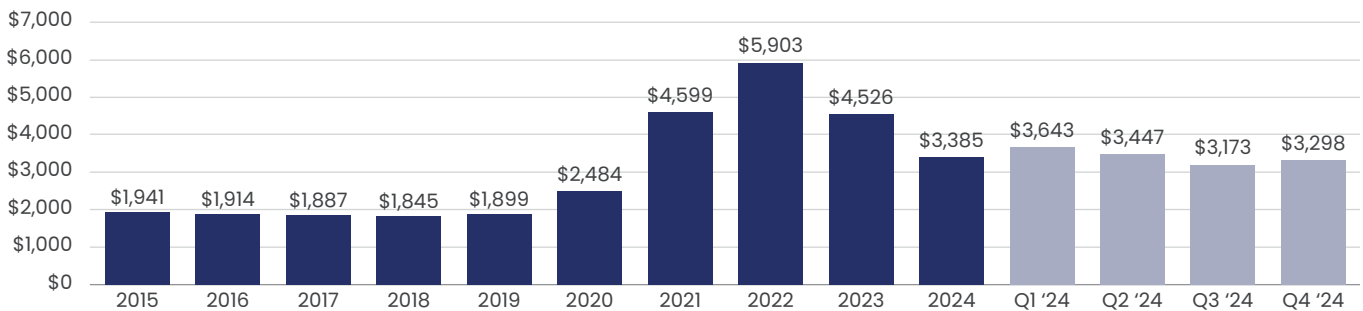
The average publicly owned dealership made an estimated \$3,298 in gross profit per new vehicle retailed (“PVR”). This \$125 improvement over the new gross PVR observed in Q3 2024 breaks a seven-quarter-long streak of declining new vehicle gross PVRs. But dealers should not celebrate just yet. An exceptional sales run—particularly in the luxury segment—took place between the election of President Donald Trump and the end of the calendar year. We believe this luxury sales push has skewed Q4 2024’s new gross PVRs to the positive and that the sequential declines in new vehicle gross PVRs observed in the preceding seven quarters could resume in Q1 2025.



“This steady decline in new vehicle GPUs should continue throughout 2024, but we continue to believe that **the new normal level of new vehicle GPU will remain structurally higher than it was pre-pandemic historically in the \$2,000 per unit range.**” - David Smith, Chairman & CEO (Source: Q4 2024 Earnings Call)

NEW GROSS PROFIT PER VEHICLE: PUBLIC COMPANY DATA

Weighted Average Same Store Performance - In Current Dollars



Source: SEC Filings



“Looking ahead in the first quarter, we expect a normal seasonal shift back to import vehicles which have lower selling prices and gross profit per vehicle than the premium luxury brand.”

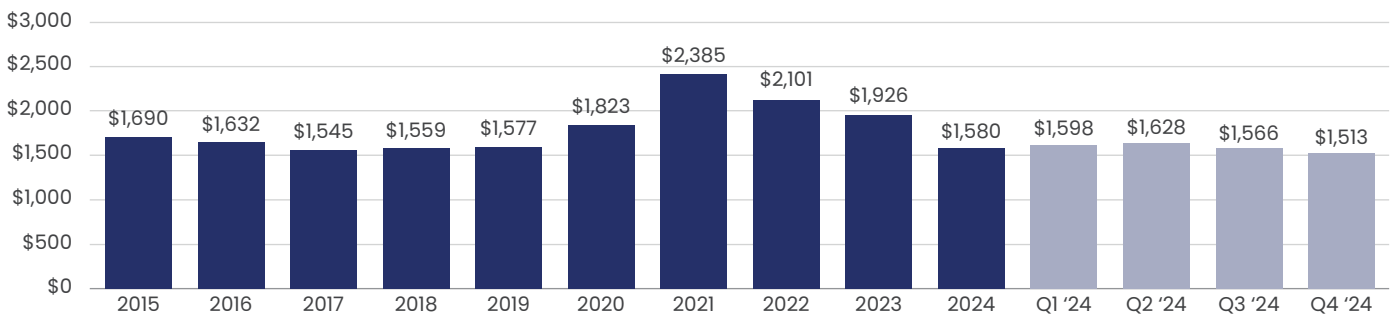
- Thomas Szlosek, Chief Financial Officer (Source: Q4 2024 Earnings Call)

Used Vehicle Gross Profits Decline Further, Returning To 2019 Levels

The average publicly owned auto dealership generated an estimated \$1,513 in front-end gross profit per vehicle retailed. While this figure is 0.1% higher than the used gross PVR recorded in Q4 2023, it is 3.4% below the preceding quarter and 36.6% below the market peak observed in 2021. The used vehicle market now feels out of balance, with gross PVRs at or below historical norms, even though the average transaction value for used units remains significantly higher than in the past.

USED GROSS PROFIT PER VEHICLE: PUBLIC COMPANY DATA

Weighted Average Same Store Performance - In Current Dollars



Source: SEC Filings



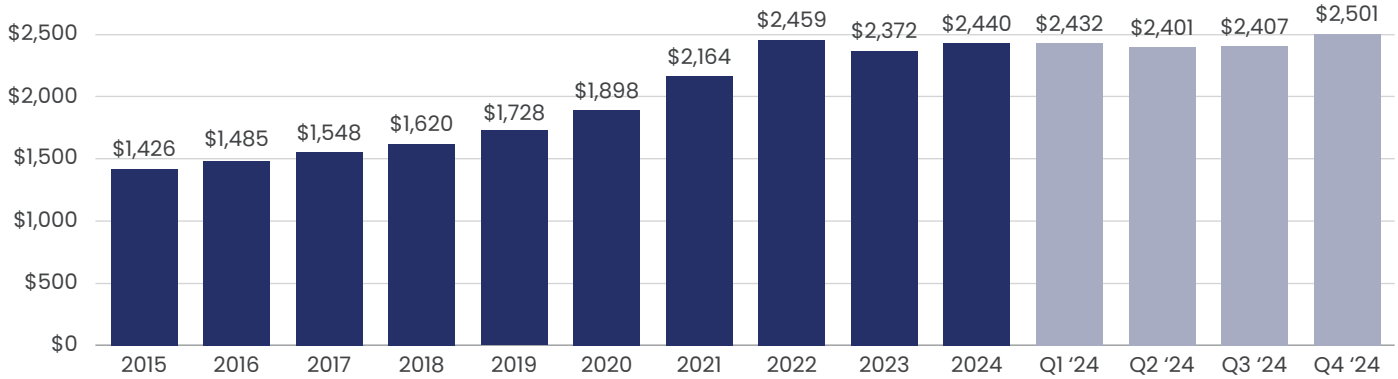
“We believe that we’ve already toughed on used, and there’s a lot of upside on used vehicle GPU that should come back over time, okay? So in our modeling, we’re assuming that there’s \$200 to \$400 of improvement in front-end gross profit on used vehicles that will offset some of the reductions in new vehicles because we are still sitting at about \$1,000 higher as an industry.” - Bryan DeBoer, President and CEO (Source: Q4 2024 Earnings Call)

F&I Gross Profit Growth Resumes

The average publicly owned auto dealership earned \$2,501 in F&I gross profit per vehicle retailed, the highest level recorded since Q3 2023. F&I sales had been under pressure since the onset of COVID due to rising affordability concerns, which squeezed aftermarket product penetration and led consumers to put down more equity. With slightly lower rates and improved affordability, F&I gross profit growth has resumed, as predicted in our reports throughout 2024. F&I gross PVR for Q4 2024 was 1.1% above Q4 2023's level and only 3.9% below the market peak of \$2,603 observed in Q3 2022.

F&I GROSS PROFIT PER VEHICLE: PUBLIC COMPANY DATA

Weighted Average Same Store Performance - In Current Dollars



Source: SEC Filings



“...for full-year 2019, our franchised F&I GPU was \$1,620, which was nearly \$800 lower than the current run rate and we expect to see continued stability in F&I GPU in 2024.” - David Smith, Chairman & CEO (Source: Q4 2024 Earnings Call)

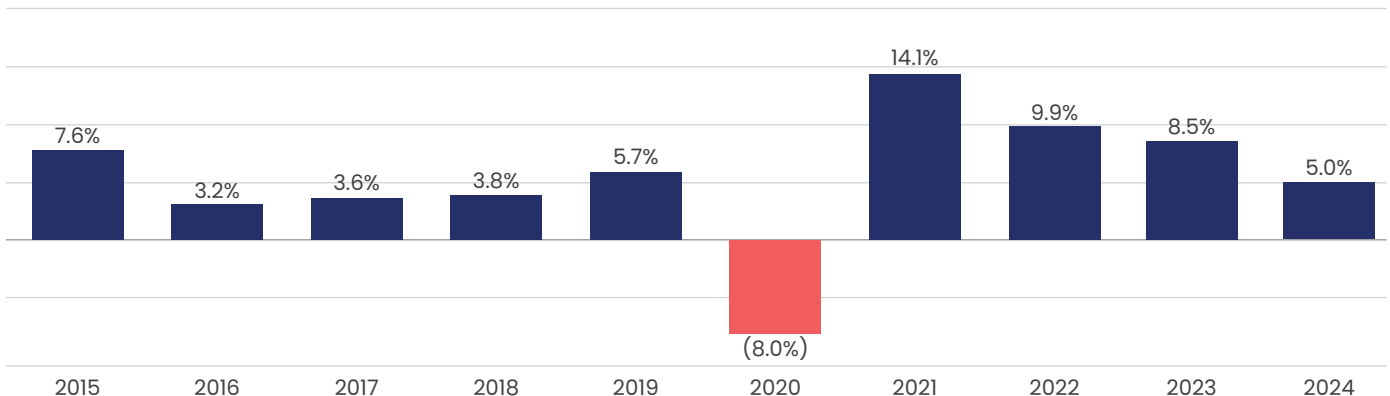
Fixed Operations Gross Profit Grows Even In Noisy 2024

The average publicly owned auto dealership earned an estimated 5.0% more in fixed operations gross profit in 2024 than in 2023. This growth rate is the lowest since 2020, the first year of the pandemic. We believe this slower growth can be attributed to several factors: a CDK outage that resulted in lost business for many dealers, rising labor and warranty rates that are increasing defection to mom & pop service shops, and the rising availability of new vehicles for consumers to

purchase. The good news is that the average car on the road today is 12.8 years old, a record high. Older vehicles require more maintenance to keep on the road, leading us to believe that the fixed operations gross profit will remain strong. Additionally, tariffs could actually benefit fixed operations, as some consumers may defer vehicle purchases and instead invest in maintaining their current vehicles.

FIXED OPERATIONS GROSS PROFIT GROWTH: PUBLIC COMPANY DATA

Same Store Performance - In Current Dollars



Source: SEC Filings

Dealership Profits Continue To Slide, But At A Much Slower Rate



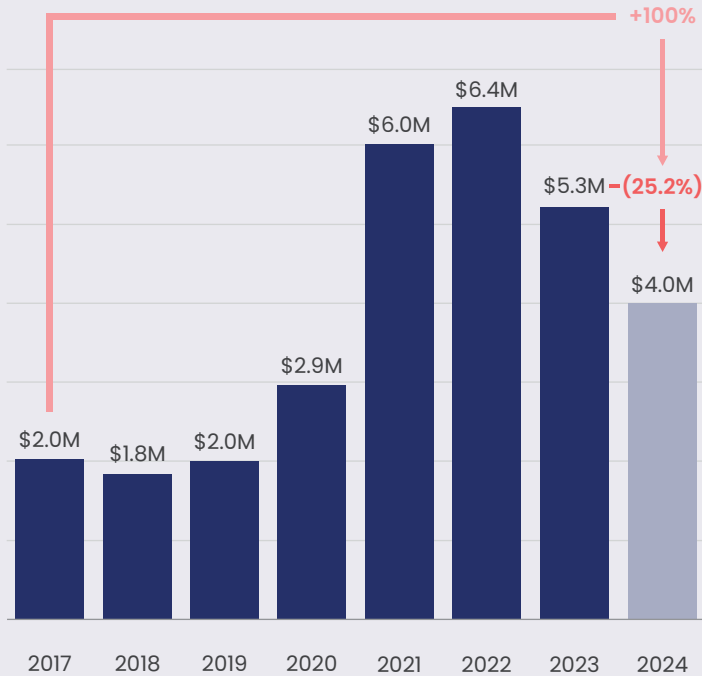
6%
decline in profits
from Q4 2023

In Q4 2024, the average publicly owned auto dealership made an estimated \$1.1M in pre-tax income, down just 6% from Q4 2023. Dealership profits had fallen quickly in the first three quarters of 2024, declining by 27%, 36%, and 29% from the corresponding quarters of 2023, respectively. There was some noise in the second and third quarters due to the large CDK outage that impacted dealership operations. We believe much of the Q4 strength

can be attributed to a significant year-end sales push driven by post-election consumer excitement and concerns about 2025 tariffs and the elimination of EV tax credits.

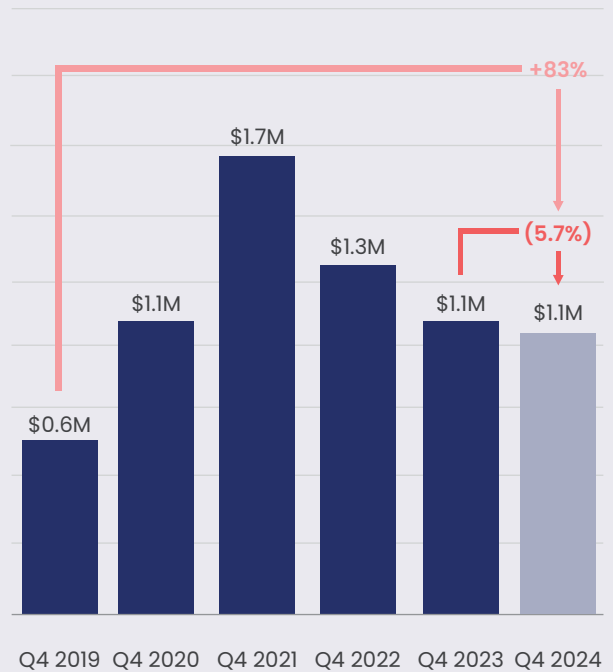
For the full year 2024, profits per dealership averaged \$4.0M. Profits have fallen almost one-third from their peak in 2022 but are still double what they were in 2019, the year before the pandemic.

ADJUSTED ANNUAL EARNINGS PER DEALERSHIP
Based On Public Group Earnings



Source: Haig Partners & SEC Filings

AVERAGE Q4 EARNINGS PER DEALERSHIP
Based on Public Group Earnings



Source: Haig Partners & SEC Filings

Public Group Earnings consists of the consolidated financial performance of AutoNation, Group 1, Asbury and Sonic. Both Lithia and Penske closed major international acquisitions in Q1 2024, skewing their Q1 2024 SEC data and preventing an accurate comparison.



JOIN OUR BUYER DATABASE

If you are adding dealerships to your existing portfolio, investing in, or looking for your first dealership, we invite you to join our exclusive buyer and investor database.

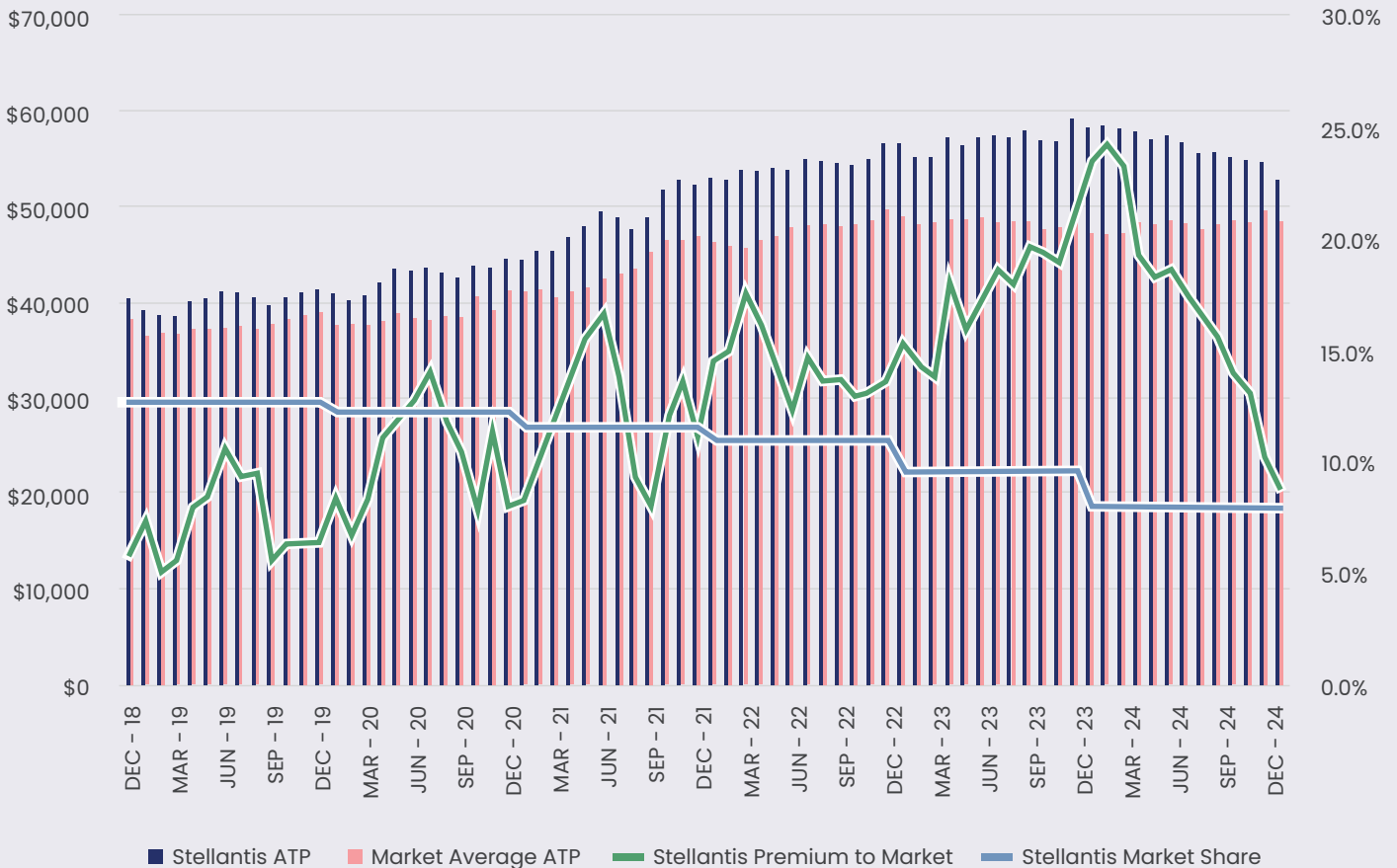


Quarterly Franchise Spotlight: Stellantis – Vehicle Pricing Is Rapidly Improving

Through a series of poorly timed decisions, the former leadership of Stellantis discontinued several high-volume models, introduced slower-selling, expensive higher-end models and increased the prices of its vehicles across the board. Stellantis has traditionally priced its vehicles above the market average due to its mix of trucks and SUVs, but this premium grew from approximately 5% to more than 20%. Many consumers declined to purchase Stellantis products at those premiums. As a result, many consumers declined to purchase Stellantis products at those elevated prices, leading to a significant decline in sales, a substantial loss of market share, and a massive accumulation of inventory.

Fortunately, there are signs pointing to a change in direction. The last two months saw average transaction prices much closer to industry averages. Additionally, CDJR inventory is no longer the highest in the market as dealers have been sold through older units and have begun purchasing newer models. We expect market share to stabilize and then grow as a Cherokee replacement and ICE versions of the Charger launch in the summer and RAM truck production improves. A year ago, Stellantis inventory at dealerships represented 17% of the total in the market inventory. Today, it accounts for 11%, bringing it much closer to the brand’s sales share.

STELLANTIS ATP PREMIUM VS. MARKET & MARKET SHARE OVER TIME



Source: Kelley Blue Book, Cox Automotive

FRANCHISE VALUATION ESTIMATES

LUXURY FRANCHISE BLUE SKY MULTIPLES

Porsche

Porsche sales increased 1.0% in 2024, setting a consecutive sales record for the U.S. market. Dealer outlook remains overall positive, but some concerns are beginning to appear around growing EV allocations and stagnant sales. The release of the Taycan in 2023 instigated a bit of a battle between dealers and the OEM, as significant numbers of the six-figure EV ended up sitting on dealer lots and required significant price cuts to move. Some dealers are worried this problem will be exacerbated by the Macan EV hits lots in 2025, priced 50% higher than its ICE counterpart (\$67K vs. \$100K). The 911 and Cayenne remain hot sellers, particularly limited editions of the 911 which continue to fetch industry-leading front-end grosses. Customers fight over those vehicles. Opinions differ on Porsche dealership profit outlooks for 2025, with some dealers seeing no movement, and others seeing downward pressure via reduced front-end grosses and bloated floor plan expenses as a result of expensive and slow-moving EV inventory. **Same multiple range: 9.0x-10.0x.**

Lexus

Lexus remains a highly desirable brand. These dealerships do not come up for sale very often so they bring strong blue sky values due to their high profits and the rock-solid partnership between dealers and Lexus management. The new GX and LX are hot, with many dealers selling them well above MSRP. Several Lexus dealers that we spoke with recently mentioned that they have just a handful of vehicles on the ground, most of which are presold. One current pain point is with used vehicle sales. Lexus dealers traditionally leased a high percentage of their vehicles because the residual values were high so monthly payments were low. Leasing declined during the pandemic so dealers are not getting many lease returns to their lots. Now they have to buy more used units at auction or directly from customers which hurt used car margins. Overall, Lexus remains very much in demand. **Same multiple range: 8.0x-10.0x.**

BMW

BMW sales increased by 2.5% in 2024, setting consecutive sales records for the U.S. market. BMW and its dealers expect additional growth in 2025 to come from ICE SUVs, as the days' supply of BEV and PHEV vehicles has steadily risen across the channel. BMW's technology-neutral "Power of Choice" strategy remains balanced and appealing to both dealers and consumers. However, there are some new risks on the horizon. Upcoming products feature aggressive styling on both the exterior and interior. Dealers have also noticed an increase in sales and service audits and are concerned that BMW is adopting a more aggressive and financially punitive stance regarding violations. **Same multiple range: 7.5x-9.0x.**

Mercedes-Benz

Mercedes-Benz sales were nearly flat in 2024, increasing 0.3% over 2023. But this still feels like success to some dealers who have been frustrated in recent years with certain decisions made by M-B. OEM leadership has begun to react

to a negative sentiment survey, making personnel changes near the top and terminating troublesome programs. M-B's Air/Land/Sea program, which provided different levels of OEM support depending on the size of a dealership, is going away so more dealers are hopeful they will receive more support. The German automaker has also sobered up on its electrification strategy, and will be cutting back on the jelly bean-shaped SUVs and transitioning to a strategy similar to BMW where models look the same but powertrains can vary. EQ badging is being dropped. Despite the turmoil, Mercedes-Benz remains a highly desirable franchise. One dealer told us, "At Mercedes, there are good years, and then there are great years." And 2025 is shaping up to be a great year for the franchise. Many of the issues causing discontent within the M-B dealer body in 2024 are being solved and M-B dealerships continue to make strong profits and bring strong blue sky offers. One challenge for buyers is that M-B management has made it clear that they intend to continue to try to shrink the number of dealers by frequently exercising its right of first refusal to assign a contract from a buyer who is not currently a M-B dealer to an existing M-B dealer. The exclusive club of Mercedes-Benz dealers will get more exclusive, which could eventually erode demand for this franchise. **Same multiple range: 7.25x-8.75x.**

JLR

JLR had a fantastic 2024, experiencing the greatest year-over-year sales growth of the brands we track at +29.4%. Range Rover and Range Rover Sport led its success. According to current dealers, front-end grosses on these units are normalizing, but remain well above pre-pandemic levels. Lower-priced models in the lineup are all aged and struggling with low demand and low margins. Dealers think Land Rover should be doing a better job marketing their PHEV offerings. There is virtually no discussion from dealers about the "J" in JLR. Many dealers dropped their Jaguar franchises in return for additional allocation of Land Rovers. Fixed operations remain a robust and growing profit center. The trucks break, but customers don't seem to mind. **Same multiple range: 6.25x-7.25x.**

Audi

Audi sales fell 14.0% in 2024, sliding across almost its entire lineup. Competitors like BMW and Mercedes-Benz have introduced new and popular models in recent years, pushing Audi down on consumers' shopping lists. However, the channel is optimistic about upcoming product, including the next generation Q5 coming this summer and the next generation A5, which is replacing the outgoing A4. These models made up 45% of Audi's total sales in 2024. Therefore, dealers should experience a lift this summer. The network is also optimistic about new OEM leadership. A push towards domestic production in the U.S. is also exciting dealers. One interesting change, Volkswagen Financial Services, which functions as the captive finance arm for U.S. Audi dealers, will continue to originate leases on Audi products, while Wells Fargo will be offering loans for purchases. Perhaps the change is intended to offer lower interest rates for buyers. **Reduced multiple range by 0.50x on low and high-end of range: 5.5x-6.5x.**

Cadillac

Cadillac sales increased 8.8% from 2023 to 2024 thanks to a Q4 sales performance that was among the best in the industry. Cadillac dealers are rare in that they are not complaining about their brand's EVs. Despite initial concerns, the Lyriq is now the second best-selling vehicle in the lineup. Cadillac dealers also seem bullish on the electrified Escalade. Cadillac dealerships perform exceedingly well in four states: Texas, California, Florida, and Michigan. In those states, multiples and blue sky values are far higher than in other parts of the country. Profitable Cadillac stores exist outside of that bubble, but the dropoff in profits outside of these states is often steep. **Same multiple range: 3.25x-4.25x.**

Volvo

Volvo sales decreased 2.7% in 2024. Volvo's profits per location are much lower than at other premium brands. It is also heavily exposed to changes in government regulations as the brand currently relies heavily on federal EV incentives to sell many of its models that are now largely EV or hybrids. If the new administration removes federal incentives, many of Volvo's products could quickly become overpriced. Barring changes in regulations, the brand remains stable, and dealers believe 2025 profits will remain in line with 2024. Dealers see this brand as a nice tuck-in to an existing platform but would not expand to a new market for a standalone Volvo operation. **Reduced multiple range by 0.75x on low and high-end of range: 3.0x-4.0x.**

Acura

Acura sales declined 9.1% from 2023 to 2024, another blow to dealers. The network has long been grumbling about American Honda Motor Company's focus on Honda dealerships over the past five years, suggesting that not enough resources were allocated to Acura dealers or Acura products. The customer base is aging, leading one current dealer to claim that Acura is "the new Buick." Sales per location have shrunk to concerning levels. That said, the brand seems positioned for a better year in 2025. Acura is targeting a 20% lift in volume thanks to the launch of the new ADX. The ADX's position in the high-growth small SUV segment should help the brand attract new customers. Days' supply remains just above Honda at 78, ranking near the lowest of all the brands we track. **Same multiple range: 3.0x-4.0x.**

Lincoln

Lincoln had the second-highest 2024 sales growth among the 23 brands at +28.1%. All Lincoln models had a good Q4, but dealers were especially happy with the Nautilus that has now become the brand's best-selling model. Dealers report strong demand for both ICE and hybrid versions, underscoring customer preferences for powertrain diversity. Dealers were eager to receive the updated Navigator as they felt the model had become uncompetitive. This franchise badly needs this additional new vehicle volume to sustain profitability. **Decreased to dollar value range: \$0M-\$2M.**

Infiniti

Infiniti is struggling. A dealer shared that only 15% of Infiniti dealers in the U.S. were profitable in 2024. New vehicle sales have dropped so much that dealers are surviving on fixed operations and used vehicles. There is some excitement within the network around Christian Meunier coming in as the Nissan Americas chairman, but dealers think it will be another difficult year for profits. Infiniti has implemented a program to improve margins by another 2% to help dealers. And Infiniti is hoping the new QX80 will attract converts to the brand. The OEM is allowing dualled facilities with Nissan if there is a dedicated showroom and in expensive real estate markets. If not, some dealers may soon begin to terminate these franchises to avoid sustaining more losses. **Same dollar value range: \$0M-\$2M.**

MID-LINE IMPORT FRANCHISE BLUE SKY MULTIPLES

Toyota

Toyota sales increased 3.0% from 2023 to 2024, setting a new U.S. sales record for the second consecutive year. Toyota will likely continue to sustain its leading market share in the mass market segment with its broad product lineup that offers multiple powertrains. The brand's lack of a true EV could come into play in 2026 in CARB states unless these regulations are rolled back. Right now, Toyota dealers are still achieving almost COVID era margins in many markets with much of their inventory being presold. Dealers have very little new inventory on the ground. Toyota remains perhaps the most desired brand in auto retail today, thanks to its balanced business model of high new and used vehicle sales, strong F&I profits, and robust fixed operations. Plus, the relationship between dealers and Toyota management remains the strongest in the industry, alongside Lexus. There are many buyers for these franchises, although some are concerned that Toyota stores have not normalized yet in terms of profits, but will eventually. We have had the pleasure of advising on the sale of many Toyota dealerships across the country and have seen the valuation range for this franchise to stretch a bit more than in the past, in both directions. **Increased high-end of multiple range by 0.5x and reduced low-end of multiple range by 0.50x: 6.5x-8.5x.**

Honda

Honda sales grew 11.1% in 2024 as inventory returned and consumer demand remained strong. Nevertheless, days' supply increased 35% from 48 to 65 between January 2024 and January 2025, a significant increase for Honda. Some of this increase appears to be a mix issue, with dealers not getting enough of the product that customers want. The increase in days supply means that gross profits on new vehicles is retracting, and floorplan costs will rise. Nevertheless, one current dealer we spoke with to inform this report claimed that he would buy a Honda store anywhere, exclaiming, "I want more of these franchises!" Fixed operations remain strong which helps solve issues on the variable side. **Same multiple range: 6.0x-7.0x.**

Subaru

Subaru sales increased 5.6% in 2024, and dealers are projecting slight volume growth in 2024. Current Subaru dealers also expect profits to remain flat year-over-year, sustained by the brand's fiercely loyal customer base that also leads to impressive fixed operations retention. The Forester continues to anchor the lineup, outperforming other models in sales and customer appeal. Subaru's balanced production footprint—50% U.S.-built and 50% imported from Japan—insulates it from tariff risks as Japanese imports currently face no new duties, providing pricing stability absent in competitors reliant on Canadian, Mexican or Chinese sourcing. While dealers praise Subaru's consistency, some express concerns over the brand's slower electrification pace compared to rivals which could hurt it if CARB regulations go into force in 2026. With no major inventory glut or incentive wars, Subaru's steady, predictable model positions it as a low-drama franchise. Dealers are actively seeking this brand if it is not already in their portfolios, and if it is, they want another one. **Same multiple range: 5.5x-6.5x.**

Kia

Kia sales experienced a small gain in sales of 1.8% in 2024, but that gain is notable because it added to another record sales year for the Korean growth machine. Kia America sold just shy of 800,000 units in the U.S. in 2024, setting a fourth consecutive sales record. Kia's product is well-suited to the current environment when low-priced products are much in demand. Its EVs and hybrids are taking share from Tesla. Also, dealers praise Kia's executives for helping their stores to be nicely profitable. **Same multiple range: 4.5x-5.5x.**

Hyundai / Genesis

Hyundai/Genesis sales increased 4.8% in 2024, setting a fourth consecutive sales record for the OEM in the U.S., like Kia. Its products are nicely styled and affordably priced, so consumers continue to gravitate to the brand. We wish that relationships between Hyundai and its dealers could be more positive. And Hyundai can also be a challenge in buy-sells, rejecting buyers or assigning purchase agreements to their favored dealers at a high rate. This kind of heavy-handedness can deter interest in the brand by dealership buyers. As a result, we are seeing enough negative pressure on buyer interest to merit a slight multiple reduction.

Reduced multiple range by 0.25x on low and high-end of range: 3.75x-4.75x.

Mazda

Mazda continues to impress as it has increased its sales per location more than any other brand since 2019. Mazda has the right mix of products and great factory-to-dealer relationships. It also has Mazda Financial Services ("MFS") in the background which has helped it improve its lease loyalty by leveraging the same strategies that Toyota has employed for years. MFS has also expanded service drive and F&I retention products available through their new captive relationship. We have been bullish on this brand for some time. The story is now out on Mazda and more buyers are asking for this brand. We have learned that 21 Mazda dealerships sold over 2,000 units in 2024 – up from only six in 2019. Mazda achieved over 424K unit sales in 2024

with less than 550 dealers, for an average of over 800 new units per year per location, making Mazda one of the higher throughput franchises in the U.S. Thanks to its strategy to keep the number of dealerships low, profits per location have risen significantly, increasing demand for Mazda dealerships. **Increased multiple range by 0.25x on low and high-end of range: 3.75x-4.75x.**

Nissan

Nissan sales increased 3.8% in 2024, a welcome piece of good news during an otherwise disappointing year for the brand. Dealers were complaining bitterly earlier in 2024 as sales had slowed due to aging products and uncompetitive prices. New management arrived at midyear at Nissan USA and is making all the right comments about Nissan's plans to improve the situation for dealership profits, which have sagged badly over the past 24 months. Nissan has no hybrids, only one slow selling EV, and little fresh products to offer consumers. Additionally, they cut global production by 20% and reduced its workforce by 6,500 trying to "right-size" its plants. Some dealers were optimistic about the potential of a merger with Honda but plans around that fell through. Nissan received more bad news from the market as all three major credit rating agencies now grade Nissan Motor Co.'s credit as junk due to "persistently low profitability, with a delayed recovery trajectory against expectations." The CEO in Japan was just ousted based upon this stream of bad news. U.S. dealers largely share this negative sentiment at the moment, with many telling us that Nissan/Infiniti are on the bottom of their wish list. We believe that Nissan can count on the support of the Japanese government and that it will be successful in improving its situation in the U.S. market. We are cheering for Christian Meunier and Vinay Shahani to be successful in their efforts to help Nissan dealers in the U.S. achieve a net profit of 2% of sales. Now could be a buying opportunity for dealers seeking to add this franchise while values are much lower than in the past. **Same multiple range: 3.0x-4.0x.**

Volkswagen

Volkswagen had the fourth highest sales increase in 2024 among the 23 brands we track, up 15.2% over 2023. But this growth may be short lived as no new hybrid vehicles, a powertrain much in demand, will be available for another two years. The ID.4 was under stop-sale for about six months last year. The ID.Buzz excites some customers and brings them into showrooms, but dealers have grown tired of VW's long product cycles (7-8 years) and would like the brand to accelerate to a 5-6 year cycle. The delays on the new Tiguan, which was delayed from Q3 2024 to perhaps Q3 2025, have added to dealers' frustrations. The Scout brand remains a major point of contention. Dealers want VW to walk back its direct-to-consumer strategy and sell Scouts through VW dealerships (we agree!). Lawsuits are going on across the country between dealers and VW, and we believe the dealers hold a strong position given state franchise laws. VW is also discussing introducing a new brand to the U.S. market, Cupra, but may do so only through Penske, raising additional questions around the brand's long-term distribution strategy in the U.S. market. **Same multiple range: 3.0x-4.0x.**

DOMESTIC FRANCHISE BLUE SKY MULTIPLES

Chevrolet

Chevrolet sales increased 1.8% in 2024, following a strong 2023. Front end gross margins normalized like they did for other brands, but its large SUVs and mid-size Colorado had huge gains in the Q4. Dealers applauded GM for not diving into EVs as Ford. Chevrolet's current lineup is arguably the best it has had in years, and its continued production of low-priced units may allow it to take share if affordability remains a challenge for consumers. Thanks to strong product, including standout offerings in the budget and six-figure range, as well as robust fixed operations growth, Chevrolet dealerships have been able to elevate themselves above Ford and Stellantis in terms of profits per dealership. **Increased multiple range by 0.25x on low and high-end of range: 3.75x-4.75x.**

Ford

Ford sales increased 3.2% from 2023 to 2024. Ford dealerships in rural or lower-income markets are facing significant affordability challenges. The discontinuation of the Escape and Edge, coupled with other factors, are driving average transaction price too high for some of these markets. The Maverick is selling very well, but dealers can't get their hands on enough of them. Super Duty trucks—previously a big profit driver—now suffer from overpricing and overproduction, leading to rising inventories. Ford dealers have told us their front-end gross profits eroded badly in 2024, and they are not seeing much better prospects in 2025. However, dealers prioritizing Ford Pro's commercial segment (fleet sales, upfitting) report healthier margins that offset their retail declines. Frustration persists over Ford's inconsistent incentive programs and its overall strategic direction, with some dealers drawing parallels to Stellantis' struggles in 2023. While overall dealer sentiment remains neutral, most expect slight profit declines over the next year. Dealers are urging Ford to make a decision: either revive affordable retail offerings (e.g., sub-\$30k models) or fully commit to commercial expansion via Ford Pro and cheaper option Super Duty trucks. **Same multiple range: 3.5x-4.5x.**

Buick-GMC

Combined Buick/GMC sales increased an impressive 9.1% in 2024. Buick's growth over the last few years continues with a 9.5% gain in Q4. Buick is still offering buyouts to dealers, and we understand a few are still taking the deals, so throughput for the remaining locations should continue to improve. GMC grew by 32% in the quarter, led by the upsized new Acadia and revised Yukon. While we believe that Buick/GMC dealerships remain slightly less valuable and desirable than Chevrolet dealerships, the improvements at Buick, continued strength with GMC full-size trucks and growing fixed operations gross have benefitted these brands. Based on input from dealers and analysis of our own transactions, we have seen enough to merit a slight multiple adjustment. **Increased multiple range by 0.25x on low and high-end of range: 3.5x-4.5x.**

Stellantis

Stellantis' woes have been well documented in 2024, including the ejection of the former CEO. Despite suffering a 6.8% sales decline in Q4 that contributed to a total sales decline of 14.6% for 2024, most dealers report feeling that Stellantis has likely hit bottom and is beginning to recover. After massive price increases in a bid to move upmarket, Stellantis average transaction prices (ATP) peaked in early 2024 at 24% above the market leading to piles of unsold vehicles. Since then, incentives and better production discipline have brought ATPs back inline and helped Stellantis reduce inventory. The supply of new vehicles at Stellantis brands has fallen by about 30 days over the past few months. Dealers are optimistic for 2025 to see ICE powered Chargers and a Jeep Cherokee on their lots again to fill big holes in their lineup. RAM truck production improvements are also helping after a bungled launch in 2024. Dealers remain concerned about the vacant CEO seat and hope an American or at least a U.S.-centric European candidate will be named. A full turnaround will likely take years. Prices have fallen significantly for these dealerships over the past two years, and we think now might be a smart buying opportunity for dealers seeking a value-priced franchise. **Same multiple range: 3.0x-4.0x.**

KEY TAKEAWAYS

We are certainly living in interesting times. Just as the impact of the pandemic began to fade, new challenges and opportunities have emerged. Predicting the future is impossible, but here's what we have observed over the past 30 days.

- 1 **Dealership Profits.** Auto dealerships continue to generate significant profits, about twice what they were in 2019.
- 2 **Dealership blue sky values.** Remain elevated, roughly double those of a typical store in 2019.
- 3 **Consolidation continues.** More than 500 dealerships traded hands last year, and we expect a similar number will sell this year.
- 4 **Franchise insights.** Most top brands – such as BMW, Lexus, Toyota, Honda, Mercedes-Benz and Subaru remain rock solid. Some brands, such as Kia and Mazda, have significantly improved in recent years.

Brands such as Nissan, Infiniti, and CDJR have struggled in recent years, creating opportunities for buyers seeking lower prices and strong returns on investment.

Tesla is losing market share as many loyal customers are put off by Elon Musk's politics, and competitors are offering new alternatives. The franchised dealership model remains dominant.



- 5 **Challenges and opportunities for auto retailers.** Risks remain for auto retailers, but solutions exist. For instance, CARB regulations that could limit sales in many states may be overturned by legislation proposed by Sen. Bernie Moreno, R-Ohio.



Haig Partners LLC helps dealers maximize the value of their businesses when they are ready to sell. We have unmatched auto retail buy-sell experience with executives from AutoNation, Sewell Automotive Companies, FORVIS, Deloitte, JP Morgan, Toyota Financial Services and Credit Suisse. The team at Haig Partners has advised on the purchase or sale of more than 500 dealerships totaling over \$10 billion. We leverage our expertise and relationships to lead clients through a confidential and customizable sales process, yielding the best price successfully.

	HIGHER PRICES	You benefit from a customized sales process. Detailed offering materials are created to provide buyers with a compelling investment thesis and a sales process is run that creates competition to generate highly attractive offers and uncovering the most motivated buyer.
	CONFIDENTIALITY	You get an additional layer of protection. You have access to potential buyers who have been carefully selected based on your goals and objectives and that have been confidentially pre-screened.
	SPEED	You can stay focused on dealership operations. You continue to stay involved in the day-to-day as we focus on the transaction from beginning to closing.
	RELATIONSHIPS WITH BUYERS	You have access to many of the best buyers. You gain the benefit of our reputation with buyers who respect our team, our process and our commitment to Maximizing the Value of Dealers.®

UPCOMING EVENTS

California New Car Dealers Association Dealer Day – Sponsor
 March 26, 2025 | Sacramento, CA

NY Auto Forum – Speaker
 April 15, 2025 | New York City, NY

Bank of America Global Auto Summit – Speaker
 April 16, 2025 | New York City, NY

National Association of Dealer Counsel Spring Conference – Speaker
 May 4-7, 2025 | Naples, FL

Ohio Automobile Dealers Association – Sponsor
 May 16-19, 2025 | Nashville, TN

South Carolina Automobile Dealers Association – Sponsor
 June 8-10, 2025 | Kiawah Island, SC

Virginia Automobile Dealers Association – Sponsor
 June 8-11, 2025 | Hot Springs, VA

Georgia Automobile Dealers Association – Speaker
 June 12-15, 2025 | Sea Island, GA

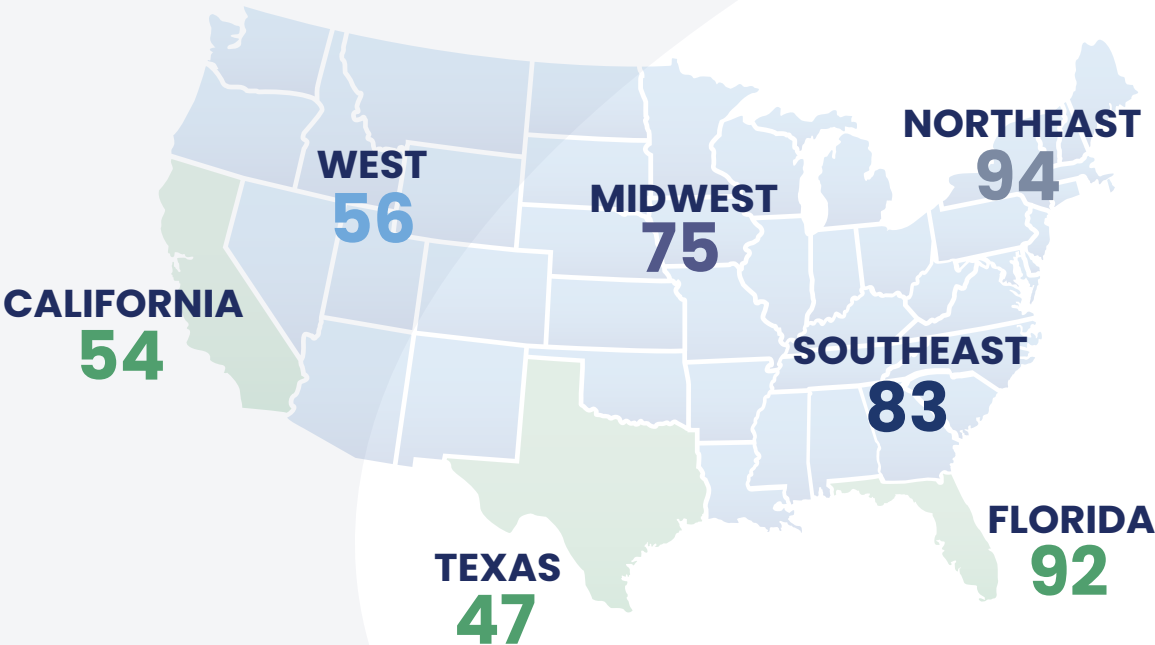
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VIRGINIA

SALE OF

BEYER  AUTO

   |   

TO

 | 

EXCLUSIVE SELL-SIDE ADVISOR | OCTOBER 2024

PENNSYLVANIA

SALE OF

 **APPLE | AUTOMOTIVE**

TO


Ciocca Automotive

EXCLUSIVE SELL-SIDE ADVISOR | JANUARY 2024

HIGHEST VALUE DEALERSHIP GROUP EVER SOLD IN PENNSYLVANIA

MISSOURI

SALE OF

 **TOYOTA**
of South County



TO



EXCLUSIVE SELL-SIDE ADVISOR
SEPTEMBER 2024

NORTH CAROLINA

SALE OF

 **TOYOTA of North Charlotte**

TO



EXCLUSIVE SELL-SIDE ADVISOR
MARCH 2024

WEST VIRGINIA

SALE OF

BALL TOYOTA CHARLESTON | **ADVANTAGE TOYOTA BARBOURSVILLE**

TO



EXCLUSIVE SELL-SIDE ADVISOR
NOVEMBER 2024

MARYLAND

SALE OF

Bill Kidd's

TO



EXCLUSIVE SELL-SIDE ADVISOR
NOVEMBER 2024

FLORIDA

SALE OF

HOLLYWOOD KIA



TO

MORGAN
AUTOMOTIVE GROUP

EXCLUSIVE SELL-SIDE ADVISOR
JUNE 2024

HIGHEST PRICE EVER PAID FOR A KIA DEALERSHIP

FLORIDA

SALE OF

DUVAL MOTOR COMPANY
Since 1918

TO



EXCLUSIVE SELL-SIDE ADVISOR
SEPTEMBER 2024

MARYLAND

SALE OF

SHOCKLEY Honda



TO

OURISMAN

EXCLUSIVE SELL-SIDE ADVISOR
JANUARY 2024

GEORGIA

SALE OF

BULLDOG Auto



TO

BUTLER
AUTOMOTIVE GROUP

EXCLUSIVE SELL-SIDE ADVISOR
SEPTEMBER 2024

NEW HAMPSHIRE

SALE OF

LEBANON
ESTABLISHED 1957



TO



EXCLUSIVE SELL-SIDE ADVISOR
MARCH 2024

TEXAS

SALE OF

GULFGATE

TO

TONY T
AUTOMOTIVE GROUP

EXCLUSIVE SELL-SIDE ADVISOR
FEBRUARY 2025

FLORIDA

SALE OF

South MOTORS | **VISTA**
Vista Motor Company

   |    

TO

MORGAN
AUTOMOTIVE GROUP

EXCLUSIVE SELL-SIDE ADVISOR | JANUARY 2024

HIGHEST PRICES PAID FOR A BMW AND HONDA DEALERSHIP

ALABAMA

SALE OF

GREENWAY OF THE SHOALS

TO



TO



EXCLUSIVE SELL-SIDE ADVISOR | MARCH 2024

To See All Of Our Transactions Visit www.haigpartners.com/transactions



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