# THE HAIG REPORT

Q4 | 2022

# TRENDS IN AUTO RETAIL AND THEIR IMPACT ON DEALERSHIP VALUES

- **Profits at auto dealerships reached a new record high in 2022 but may be trending downward.**
- **M&A activity remains robust with private dealers acquiring 526 stores, a record high.**
- **Public buyers have reduced spending on dealership acquisitions but still need hundreds of acquisitions to achieve their revenue goals.**
- **Average estimated blue sky value has declined slightly but is still more than double pre-pandemic levels.**

HAIG PARTNERS
Maximizing the Value of Your Life's Work®

# OVERVIEW



Dealers enjoyed record profits in 2022 thanks to high margins and low expenses. The market began to shift in the past few months as interest rates increased and margins began to weaken. We have polled the owners of hundreds of dealerships over the past few weeks and most expect profits will decline somewhat in 2023, perhaps 10%-15% from the record levels of 2022. Normally we would cringe at this level of decline, but then we remember that if this prediction comes true, profits in 2023 will likely remain more than twice the amounts they were in 2019. Life Is Good!

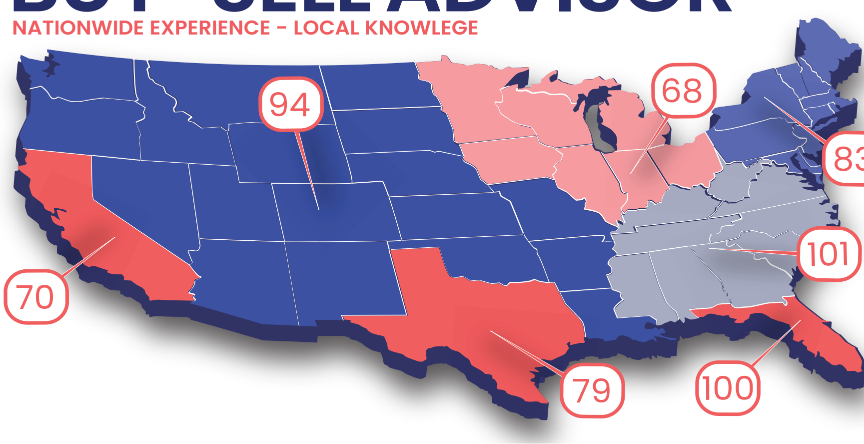
For a number of reasons, the buy-sell market was highly active in 2022. Private dealers acquired over 500 dealerships, more than in any previous year. Public companies spent much of their capital buying back stock, but they have all signaled an interest in coming back to the acquisition market to achieve their growth targets. The result of high profits and strong demand is that we have seen record high prices being paid for dealerships in 2022 and also in the first quarter of 2023. Sellers who go to market will find many buyers. But valuations will be tricky, and reaching an agreement between buyers and sellers could be difficult. Buyers may be seeking lower prices than in the past, while sellers, who are still enjoying very high profits, may want to hold out for more money.

In these times, it is more important than ever for a seller to run a competitive sale process to make sure that the Most Motivated Buyer® has an opportunity to bid for their business. Running a process will also allow a seller to reach an agreement with a buyer in a shorter amount of time, an important advantage during a time when dealership values may be slowly declining. Our clients will tell you that Haig Partners adds significant value to a sales process, far in excess of our fees.

Please contact us if you'd like to have a confidential conversation about the value of your business. Our contact information can be found on the back cover of this report or at our website, www.haigpartners.com.

## THE LEADING BUY-SELL ADVISOR

NATIONWIDE EXPERIENCE - LOCAL KNOWLEGE




**MAXIMIZING THE VALUE OF YOUR LIFE'S WORK®**

**590+** DEALERSHIPS
Bought or Sold Nationwide

WE HAVE REPRESENTED **25** OF **THE TOP 150** DEALER GROUPS. **More Than ANY Other Firm.**

EXPERTISE From **TOP** Auto Retailers & Financial Institutions.

# BUY-SELL TRENDS

## Transaction Volume Remains Elevated

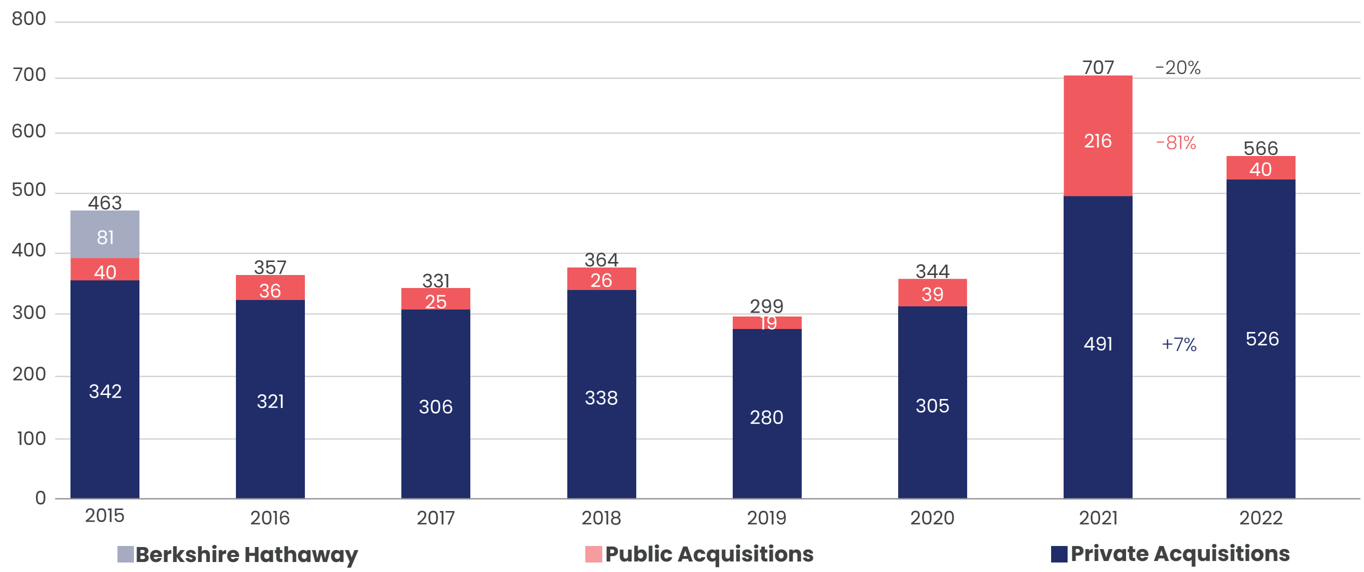
Last year was another highly active year in the buy-sell market. There were 566 dealerships acquired in 2022, the second highest number after 2021 when we saw a record 707 dealerships purchased.

Private buyers were more active in 2022, purchasing 526 dealerships which was 7% more than the number they acquired in 2021. Private dealers have always been the most active group of buyers, typically buying 90% of the stores that sell. Many of the private buyers we talked to at NADA this year told us they are eager to look at acquisitions that fit their expansion strategies. They want to reinvest their record earnings over the past few years.

Public retailers took their foot off the gas in 2022. The public companies acquired 40 stores in 2022, 81% below last year's level of 216 stores, but still the 2nd most active year for the public companies since 2015. Every public company CEO has stated that they are in the market looking to deploy their record profits into growth via acquisitions and have been actively pursuing a number of our transactions.

Based on our current pipeline of clients that we are representing and the strong interest from public and private dealership groups, we believe 2023 will be another highly-active year for dealership buy-sells.

### US DEALERSHIPS BOUGHT/SOLD




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

LITHIA & driveway NYSE:LAD

### Alan Haig Discusses Lithia's Growth Strategy with President and CEO, Bryan DeBoer

"It's been fun to grow the company the way we do and I think it was all about the customer. How do we create optionality with our customer, and we did it in multiple different ways. Alan's been a big part of our growth, I think he [and his firm] have contributed to 8% of Lithia's revenue."

***-Bryan DeBoer***

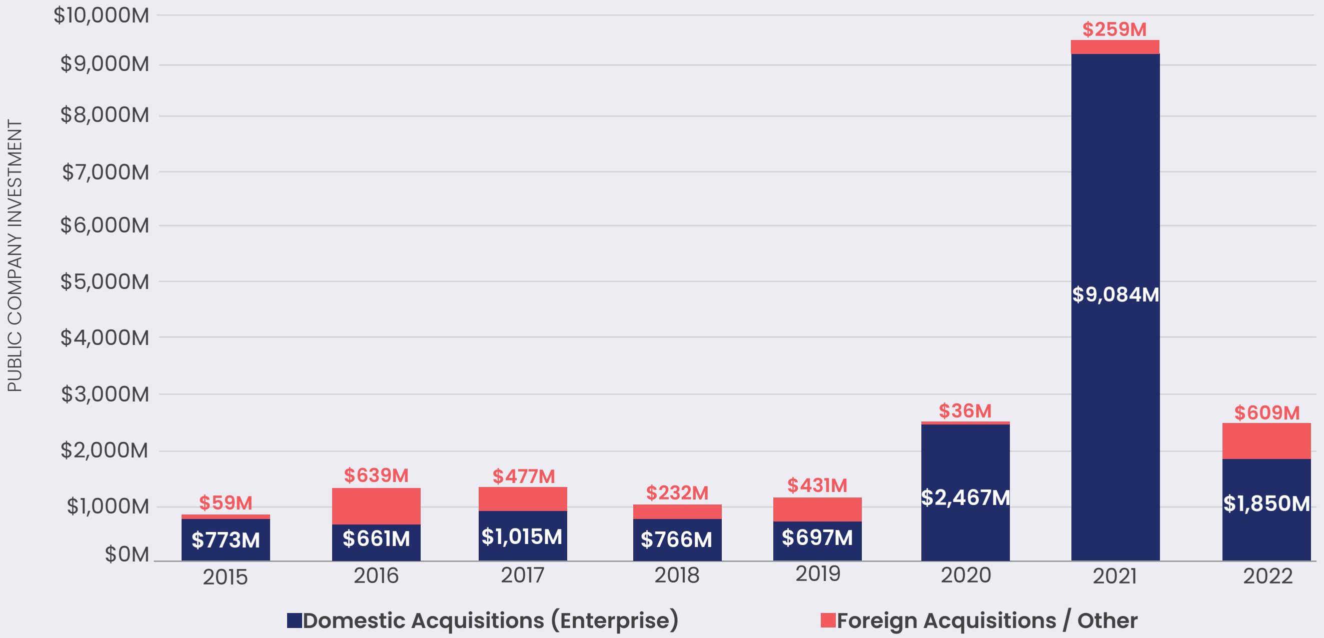
**Scan Here to Watch Interview**

## Public Company Acquisition Spending Is Still Double Pre-Pandemic Times

In 2022, we saw nearly $1.9B of spending from the publicly traded retailers, 2.4x higher than the average yearly domestic auto acquisition spending from 2015-2019. Although domestic acquisition spending did not achieve the $9.1B spent in 2021, 2022 was still one of the best years in terms of acquisition spending in history. There are a number of reasons the publics were less active. One is that they were digesting some of the blockbuster deals they bought in 2021. Another reason is with stock prices low for most of 2022, CEOs of these companies were less interested in acquisitions than stock buy-backs.

We expect the public retailers will be more aggressive in the market in 2023 now that they have fully integrated all of 2021's acquisitions into their companies and, perhaps more importantly, since their stock prices have returned to near record high levels. Lithia, Asbury and Sonic all announced huge revenue goals to achieve by the end of 2025, less than three years away. Combined, the three public consolidators need $48.7B in revenue to achieve their goals. Based on today's average public company dealership, that equates to nearly 500 dealerships. This means these three public consolidators would need to acquire approximately 167 total rooftops per year to meet their revenue goals. If they are indeed that active, the public retailers would provide a robust pool of deep-pocketed buyers, which is particularly important for owners of higher value dealerships and dealership groups seeking to exit the auto retail industry.

**PUBLIC COMPANY ACQUISITION SPENDING**




*Source: SEC filings*

"It has been a great honor to work with an incredible team to build John Elway's Crown Toyota into one of the top performing Toyota dealerships. We thank all those who have contributed to its mighty success. But we are not retiring! We continue to own an equity stake in Crown Toyota and we want to continue to build our dealership group in the Mountain States and the Southwest. We enjoy the car business and are investing for the long-term. Many thanks to Alan Haig, who knew the one, very best, counterparty for us out of all the buyers in the market. His knowledge of the landscape of auto retailers is remarkable and his commitment to confidentiality and ability to navigate a smooth and successful transaction was invaluable for us during this process."

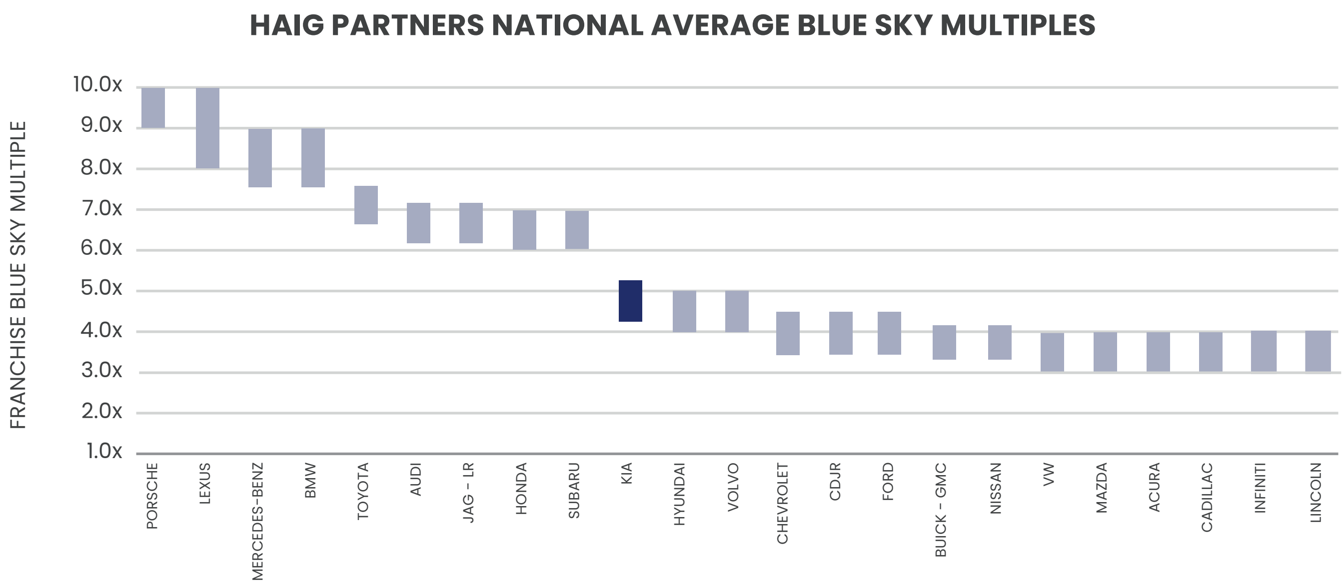
***- Mitch Pierce, President and Partner, and John Elway, Partner at Elway Dealers***

CROWN TOYOTA
A JOHN ELWAY DEALERSHIP

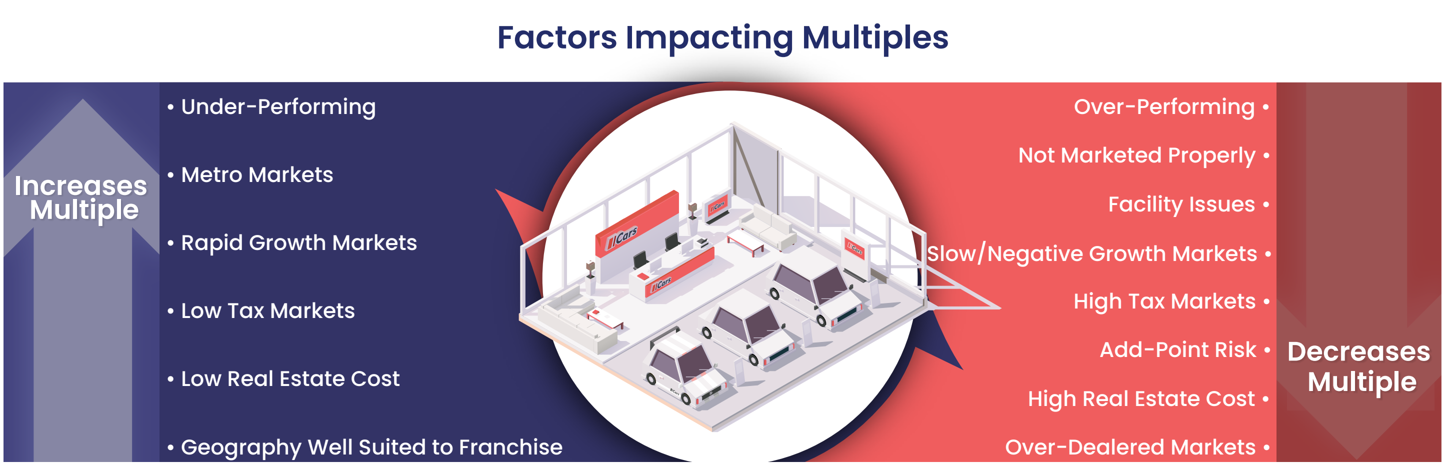
## Blue Sky Multiples By Franchise

We carefully monitor the buy-sell market to assess the desirability of various auto franchises and overall market conditions. We analyze offers for the transactions that we are involved in and regularly speak with leading buyers and many attorneys, bankers and CPAs who are involved in other acquisitions. Most buyers still base their blue sky offers on a multiple of earnings that they expect in the future – and these future expectations have varied considerably over the past few years.

The following table sets forth our expectations of what a buyer would pay as a multiple of expected pre-tax profits for the blue sky value for various franchises. We increased the blue sky multiple for Kia by 0.25x due to high demand for the franchise. Other multiples are unchanged. Prior to the pandemic, you could apply these multiples to the most recent year of adjusted pre-tax profits to derive blue sky. After the pandemic, buyers began to average in years of pre-pandemic profits with pandemic profits. Then they moved to just pandemic era earnings when making their offers. Today, buyers are using revised valuation methodologies. We caution potential sellers from simply taking the multiples and applying them to their current earnings to estimate the goodwill a buyer would be willing to pay. The offers they receive will likely fall short of their expectations. We regularly provide valuation information to our clients and potential clients. To learn more, please contact one of us for a confidential conversation.




*Source: Haig Partners*



## Blue Sky Values Have Peaked And Are Declining Slightly

Many factors drive the blue sky value of dealerships. A buyer's expectations of future profits are foremost, as are interest rates, the amount of capital a buyer has and how much financing is available.

Dealership valuations are challenging today, given the huge run-up in profits and the uncertainty of how long these good times will continue. Since NADA has discontinued its publication of private dealership financial performance, we have been using the data from the publicly traded auto retailers to estimate average profits per dealership.

Our team has spoken to many dealership buyers about how they are valuing dealerships today. We have also analyzed our recent closed transactions to reverse-engineer the offers we accepted compared to the current and historical adjusted earnings of the dealerships that we were selling.

We take these estimated profits and apply the valuation methodology that we see buyers using currently to calculate the estimated blue sky value of a publicly-owned dealership if it were to be sold on the market.

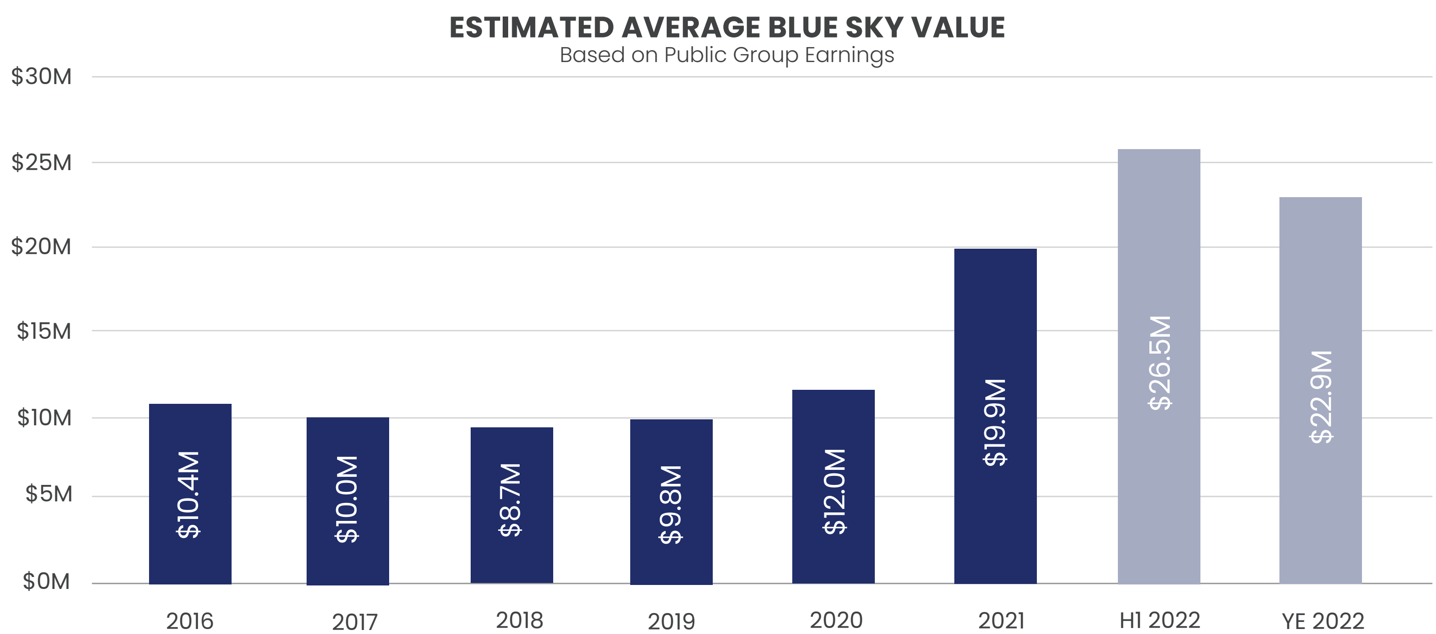
Based on our analysis and experience, we believe that dealership values peaked in the first half of 2022. We saw a decline in the second half as buyers became more concerned about the future for two main reasons:

- Lower retail gross profits and a reintroduction of floor plan interest expense began to impact the bottom line.
- Higher interest rates hurt dealership buyers since they reduce the amount of cash flow from acquisitions.

As a result of the two factors above and our recent experience, we estimate that blue sky values declined 13% in the second half of 2022 from their peak in the first half of 2022. The average publicly-owned dealership has an estimated blue sky value of $22.9M, down from $26.5M earlier in the year. But even with this decline, the average blue sky value is estimated to be 134% higher (2.34x!) than year-end 2019, and 15% higher than at year-end 2021. Sellers are still getting very strong offers for their dealerships.

Please note that there are no hard and fast rules on dealership valuations. There are situations where the buyer has decided a dealership is strategically important to them, so they are willing to pay a big premium to acquire it.

There are also situations where sellers who don't run a comprehensive sales process will not source the Most Motivated Buyer® and end up selling for below market prices.




*Source: Haig Partners & SEC Filings*

## Record High Stellantis Transaction

The recent transaction involving the sale of Lake Norman CDJR in Lake Norman, NC, to Parks Automotive Group is believed to set a record for the highest-value CDJR dealership to ever trade hands.

"Robin and I would like to thank Alan Haig and Derek Garber from Haig Partners. "**In Haig we trust,**" was a saying Robin and I had during the transaction. We wanted an advisory firm to assist us with the sale of the dealerships and the Haig team worked hard to prove that they were the right choice for us. Alan demonstrated his unmatched experience in selling dealerships at many points along the way. His honesty and excellent advice helped us to achieve all of our goals from the sale of our dealerships." ***- Jack Salzman, Former Owner of Lake Norman CDJR and Gastonia CDJR and 2018 Time Dealer of the Year.***

"Theirs is truly an American success story, and proof that hard work and determination can lead to greatness. Our whole team congratulates them both as they move on to new opportunities. We were so proud to partner with them in this record-setting transaction. The story here was complicated with a relocation to a new and much larger facility, a recently opened commercial upfitting center and a to-be-opened used vehicle superstore, so we needed all our skills to pull together the offering materials and show potential buyers the story of what is, and what could be." ***– Alan Haig, President of Haig Partners***

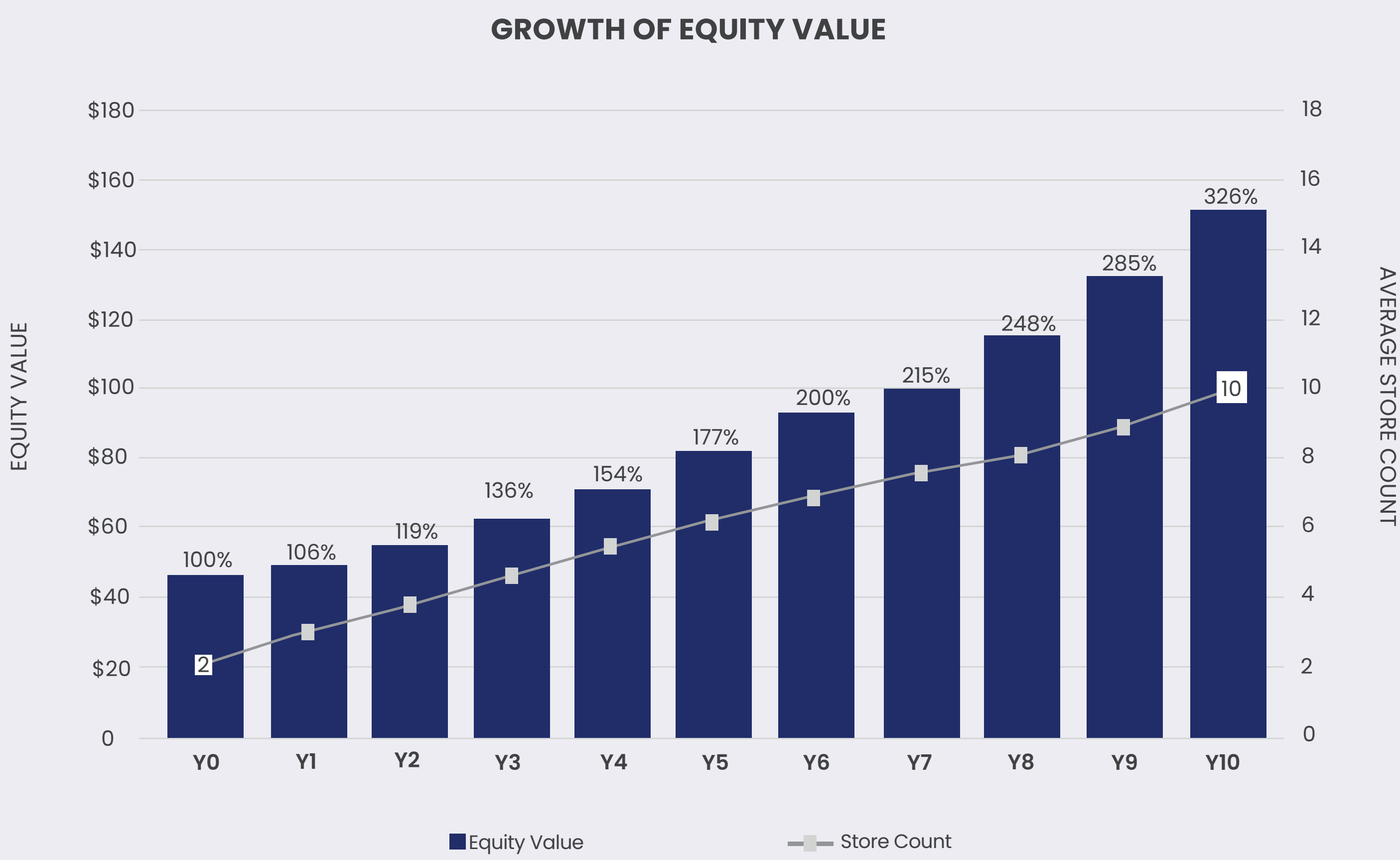
## Acquisitions Can Secure Your Future

One reason the level of acquisition activity has increased is due to the conviction that many dealers have that scale will matter more in the future than it has in the past. The pandemic accelerated the shift towards ecommerce in auto retail. Retailers discovered that a meaningful number of consumers are willing to purchase vehicles online, with minimal interaction with dealership personnel. Many consumers are increasingly purchasing goods through companies like Amazon since they can offer a large selection of many brands, excellent photos and product reviews, transparent pricing and a money back guarantee. Auto retailers that can offer these benefits to their customers are likely to thrive in the future, particularly as younger customers become a bigger part of the car-buying public.

Lithia launched its driveway.com site where it has almost 50,000 new and used vehicles available for purchase. The company also offers financing to customers via its captive finance company. Matching its growing online presence, Lithia has announced its intention to acquire and operate dealerships that are within 100 miles of every citizen of the US and could reach 500 dealerships within the next few years. These physical dealerships will service vehicle buyers who still want to do some or all of the buying process in person, as well as locations where customers can get their vehicles serviced. This "Bricks + Clicks" strategy is one that we see many leading dealership groups pursuing in their local markets. A group of ten or more stores in a local area offers customers a huge selection of vehicles of different brands and will have the scale to afford leading technology and a management team of specialists that can help all the dealerships perform better than groups without these resources. A typical dealer that has only a few stores may find it increasingly difficult to compete with larger groups that have more options for customers, and better opportunities for employees.

Fortunately, you do not have to be a massive dealership group to implement this strategy. We believe that the Bricks + Clicks strategy can be replicated in a decade or less for almost any dealer with the desire and talent to grow.

To achieve local scale, we believe dealership groups will need to grow to 10 dealerships within a local market. The benefits to dealers will be substantial. They can protect the value of their existing assets while building a much larger and more valuable enterprise. Using our assumptions listed below, a typical group of two dealerships could increase its equity value from just shy of $50 million to over $150 million in a decade.




*Source: Haig Partners*

## Key Assumptions

1. Our Town Auto Group has 2 stores that are making $4 million per location. It owns its dealership facilities and each one is worth $10 million with no mortgage outstanding. Net assets per location are worth $500,000 and Our Town AG has $10 million in cash available to invest.

2. Earnings decline 15% annually until reaching 110% of 2019 earnings in year 7; 2% growth thereafter. More optimistic projections will allow higher growth and higher returns.

3. 100% of after-tax cash flow is invested at the beginning of each year.

4. The blue sky multiples climb from 3.0x trailing 12 months pre-tax profit in the early years to 5.0x, as earnings decline, due to lower margins and higher expenses. Peak blue sky is in year 1.

5. Real estate values increase 1.8% per year net of depreciation.

6. Typical tax, amortization and depreciation rates along with industry borrowing rates assume 50% advance of blue sky and 80% advance of real estate.

7. Our Town meets its sales effectiveness requirements and customer satisfaction in all its dealerships, in all years, for the OEMs to approve its applications to acquire dealerships.

8. Facilities are image-compliant.

This analysis demonstrates how acquisitions can deliver an outstanding opportunity for families to defend the values of the dealerships they own today, as well as how they can build tremendous wealth in the future. The assumptions here seem reasonable to us, but, of course, actual results will vary substantially.

## Buy-Sell Outlook For 2023

The conditions that drive a healthy buy-sell market are still present. On the buy-side, profits are high, dealers have plenty of cash, many want to grow, and credit remains plentiful albeit at higher rates. We are seeing slightly less interest in taking on challenging transactions, particularly if they are not in markets where buyers already own stores.

On the sell-side, the high value for stores is motivating dealers to consider exiting, even if they are not at retirement age. A typical dealership today is worth around $40M including real estate and other assets. Mid-sized groups are valued in the hundreds of millions of dollars. Large groups bring billions of dollars. At these values, more dealers and their families are having conversations about the risks and capital investments required to remain dealers and deciding to take their chips off the table via a sale. Some dealers who want to grow quickly are selling a portion of their groups to investors to raise capital for acquisitions. And some are hedging their bets by selling stakes in their dealership groups to provide liquidity for diversification. These partial sellers can take advantage of elevated valuations today, with the continued benefits of being a dealer for years to come.

With plenty of buyers and sellers in the market right now, we expect 2023 to be another busy year for transactions, perhaps comparable to the level of activity we saw in 2022. Haig Partners has Benefited from these robust conditions, selling 41 high-value dealerships in 2022. We are on track for an even busier year in 2023.

One of the biggest challenges may be getting buyers and sellers to agree on pricing. Buyers will want to value dealerships based on future earnings. Sellers will want to value stores based on historical earnings. This may mean that transactions take longer to market and close. We caution sellers against having unrealistic expectations of value. If the future brings us slowly declining prices for dealerships, sellers should conduct two-to-three week competitive sales processes to maximize the value of their dealerships. Waiting for higher offers in the future may result in no-sales, or accepting offers down the road that are lower than they are today.

### MOST MOTIVATED BUYER®

Some items like milk and gasoline are commodities. They can be readily purchased and the prices are very consistent across the market since buyers will quickly migrate to the cheapest source. Sellers of these goods have little leverage since they have many competitors. **Dealerships are the opposite of a commodity.** Each one is unique. They differ by franchise, town, location within a town, performance, size and quality of facility, reputation, quality of competitors, etc. **Buyers are also unique.** They have different budgets, strategies, and styles. We know of some dealers who will only consider luxury and exotic brands; the market is secondary. Other buyers care only for stores in their own market. Some will buy any brand in any market if they believe the price is attractive. In a market like this, sellers have the advantage - if they are able to connect with the right buyer: the buyer whose strategy matches their unique dealership. This buyer will pay more than any other buyer. We refer to this buyer as the Most Motivated Buyer®. Fortunately for owners looking to sell, Haig Partners has relationships with thousands of dealers across the country.

A big part of the **value we bring** to our clients is **knowing which of these buyers would be highly interested in purchasing** a business we are representing, and then running a confidential **sale process that is designed to yield the Most Motivated Buyer®.** Sometimes we find the most motivated buyer right down the street and sometimes we find them on the other side of the country.

# TRENDS IMPACTING AUTO RETAIL

This section covers general economic trends as well as others that are more specific to auto retail. The trends that were so favorable over the past couple of years have begun to shift, hurting both consumers and retailers.

## Inflation Remains Elevated

The 12-month inflation rate was 6.0% in February 2023. Consumers are paying more for almost every good or service. But wage growth is not keeping up. While demand for workers remains high, wages have grown by 5.3% over last year. As a result, consumers have less real income to afford purchases such as vehicles.

## Interest Rates Continue To Increase

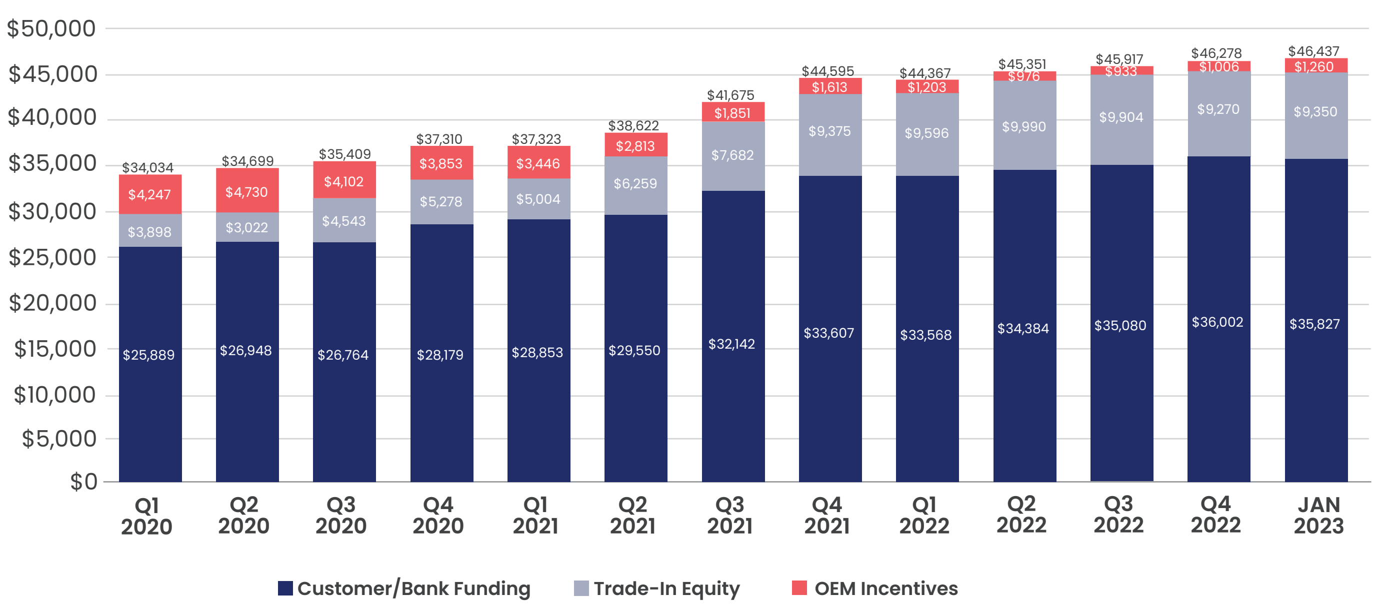
The Federal Reserve is trying to tame inflation by raising the federal funds interest rate. The latest increase was 25 basis points in February 2023, raising it to 4.75%. According to J.D. Power, rates on auto loans are expected to increase to 6.8%, 264 basis points higher than a year ago. Higher rates suppress inflation because they reduce the demand for goods. The challenge for the Federal Reserve is to orchestrate a soft landing for the economy by keeping inflation in check without pushing the US into a recession. And it's not just consumers who pay higher rates. Dealership buyers may balk at paying around 7% for acquisition financing when it was available for about half that rate a year ago. Higher rates reduce the amount of cash flow from acquisitions, so buyers may decide to pay less for dealerships.

## Auto Prices Growing Faster Than Wages

Inflation has been particularly elevated in the auto industry as prices of new vehicles grew faster than other goods. Higher purchase prices and interest rates create sticker shock for auto buyers. J.D. Power shows the average new-vehicle retail transaction price in January 2023 was $46,437 compared to $34,034 in March 2020, an increase of 36% over three years. Also, while new vehicle pricing has increased, OEM incentives decreased. OEM incentives declined to $1,260 in January 2023, 70% below January 2020's level. One factor that offsets higher prices is that consumers are benefiting from more equity on their trade-in vehicles.

The net effect of these factors is that customers need far more money to purchase vehicles than before. Customer funding on new vehicles reached $35,827 in January 2023, 6% above last years levels and 42% above pre-pandemic levels. Higher loan balances and rising interest rates have caused monthly payments on vehicles to skyrocket. J.D. Power shows the average monthly finance payment increased 24% between January 2020 and January 2023 to $723. Cox Automotive estimates that the average buyer today must work for 44 weeks to afford a new vehicle compared to 34 weeks prior to the pandemic; a 29% increase.

**New Vehicle Transaction Funding**




*Source: J.D. Power & Haig Partners*

## GDP Continues To Grow

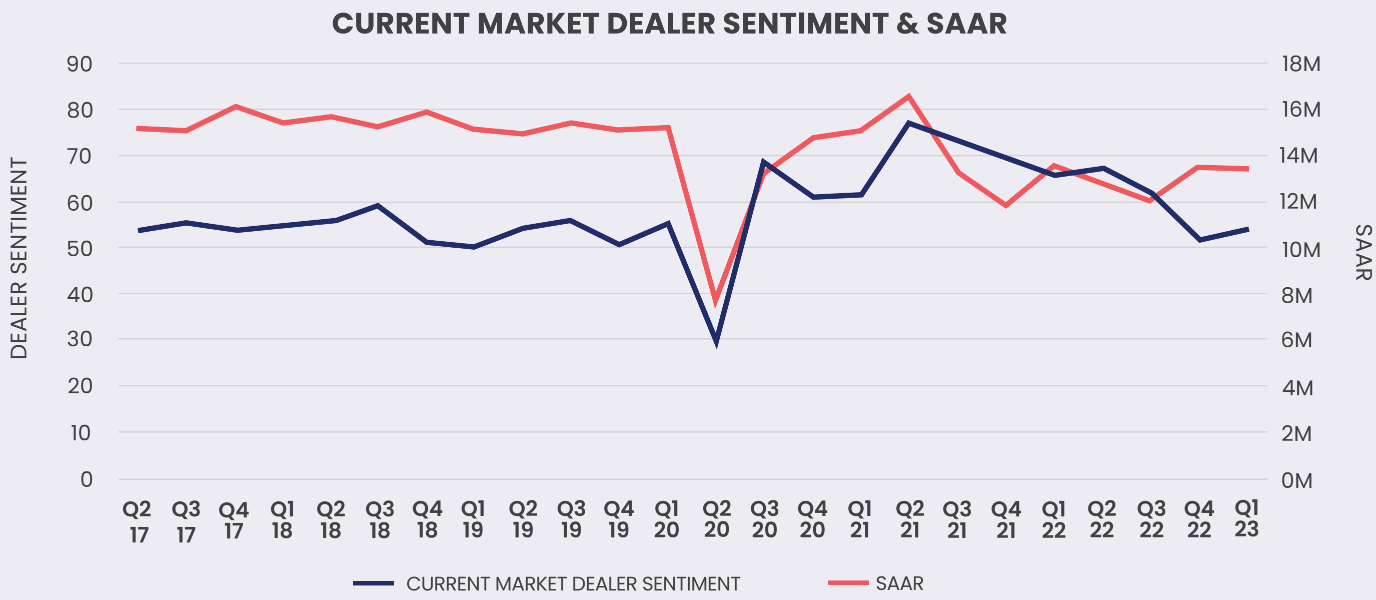
We mentioned earlier that the greatest threat we see to dealers in the near future is a deep recession. After two straight quarters of declining GDP in the first half of 2022, GDP increased for a second straight quarter at an annual rate of 2.9% in Q4 2022. Economists do not believe we are in the clear yet, as many of them are expecting some form of a recession in the coming years since the Federal Reserve is likely to continue to raise interest rates to fight inflation.

## Unemployment Remains Low

Despite the headline-grabbing announcements of large layoffs in the Tech sector, unemployment remains low at just 3.4% in January 2023, the lowest jobless level since May 1969. In December of 2022, there were 11 million job openings, a month-to-month increase of 6.7%. The strong report shows that there is a lot of pent-up demand for workers from some companies, and other companies are reluctant to cut staff since they found it hard to hire employees after the pandemic.

## Dealer Sentiment Improving

Cox Automotive surveys dealers every quarter about their optimism for the market and their outlook for the next three months. The question Cox asks dealers is, “How would you describe the current market for vehicles in the areas where you operate?” A score above 50 signifies strength, while below 50 signifies weakness. For reference, the low of the survey since 2017 was 30 in Q2 2020. The high was in Q2 2021 with a score of 77. Dealers’ sentiment in Q1 2023 was 54, the first quarter of improvement since Q2 2021. Sentiment improved due to strong profitability, better new-vehicle inventory and improvements in the used vehicle market.




*Source: COX Automotive & NADA*

## Pent-Up Demand Is Still Growing

One of the biggest questions in the industry is: how much pent-up demand is there? The drop in sales over the past few years has largely been caused by a lack of supply as demand has been strong, as evidenced by many units being sold well over MSRP. Pent-up demand has been growing each year since the pandemic and J.D. Power estimates that we ended 2022 with 7M units of cumulative lost sales (fleet & retail units).

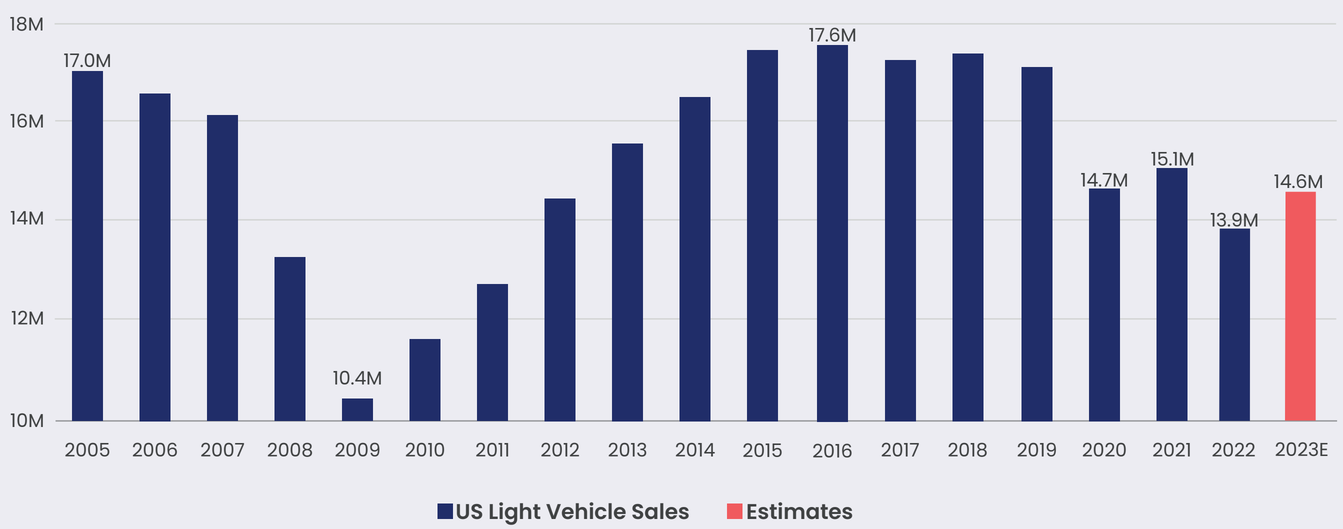
## SAAR Is Slowly Improving But Remains Well Below Historical Levels

Auto manufacturers are emerging from pandemic-induced supply chain headwinds. New light vehicle sales had a SAAR of 14.9M units in February 2023, according to NADA, up 22% since hitting a low of 12.2M SAAR in September 2021. While it is certainly difficult to forecast today, we averaged the predictions of a number of leading auto analysts to come up with an estimate of 14.6M new light vehicles to be sold in 2023. At this level, it would still be more than 20% below the levels we saw from 2014-2019.

**MONTHLY SAAR**


*Source: NADA*

**US LIGHT VEHICLE SALES**




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

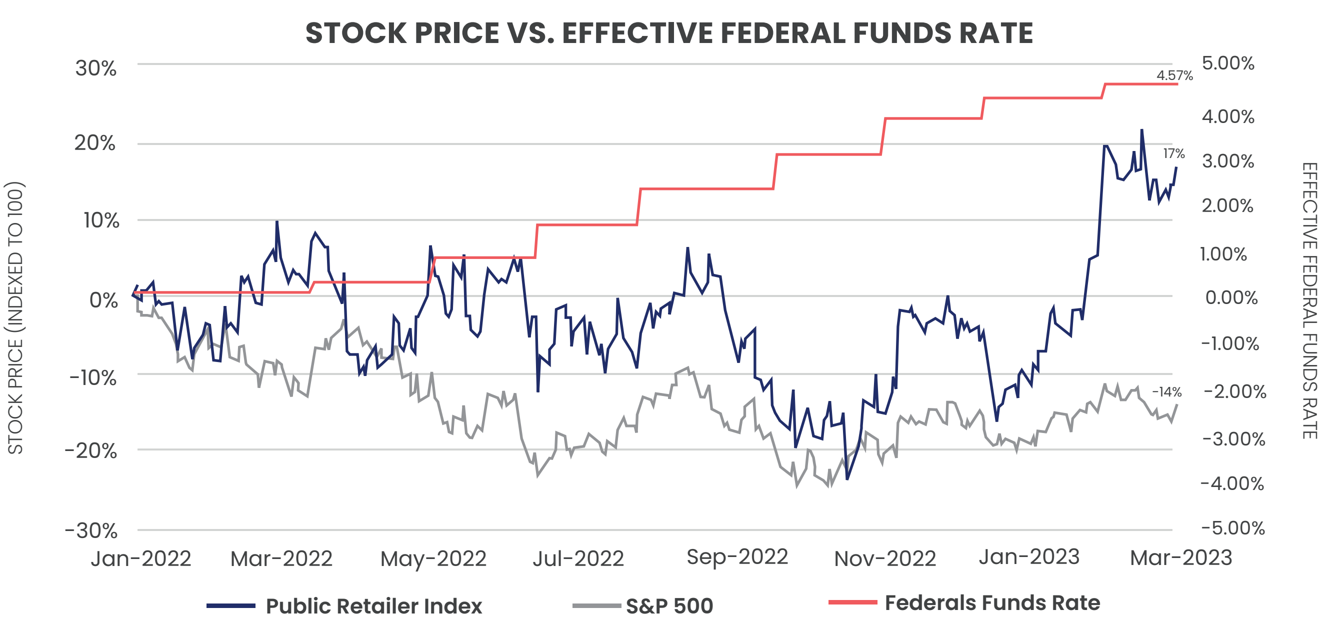
## Inventory Levels Improve At Year-End

New vehicle inventories are building. According to Cox Automotive, the number of new vehicles in the market at the end of 2022 reached 59 days' supply, 69% above the end of 2021. Although it is a big increase compared to year-ago levels, new inventory is still 28% below 2019 levels. The inventory situation varies from one franchise to another. Stellantis lots are full, while Honda and Toyota lots have almost no vehicles.

There is a plentiful supply of used vehicles with a 57 days' supply, 13% above year-ago levels. The used market experienced a significant correction in Q4 2022 as used vehicle prices fell and many dealers took write-downs on aging stock. However, this trend reversed in February 2023, as Cox Automotive's Manheim Used Vehicle Value Index rose 4.3% from January, the largest February increase since 2009. Affordability is an increasing concern to dealers as interest rate jumps often hurts used vehicle buyers the most due to their lower incomes. We believe many dealers have taken their lumps from the decline in used vehicle values and are now selling with a clean inventory so they are able to make healthy profits.

## Public Auto Retailers' Stocks Have Outperformed The Market

The past year was a down year for the stock market in general and public franchised retailer groups also suffered. The franchise retailer index was down 10% in 2022, outperforming the S&P 500 which was down 19%. Since the beginning of 2023, however, the franchise retailer index has roared back. It climbed 17.5% from January 2022 to February 2023, significantly outperforming the overall market which was down 14% over the same period. Investors have newfound confidence that auto retailers are positioned to perform well, even with a number of challenges. Investors are seeing strong profits from the retailers despite these headwinds. We are seeing similar confidence from private dealers. The chart below shows that the stock prices of the publicly traded retailers have outperformed the S&P 500. Perhaps even more impressive is that the stock prices are higher now than in January 2022 when interest rates began to rise. The Fed Funds rate has increased over 450 basis points in the past 14 months, but investors are paying high prices for auto retailer stocks. We would have expected the opposite. Public and private dealers tell us they are surprised and pleased with how well their businesses are performing right now. This excitement is materializing in the strong prices they are offering for dealerships today.

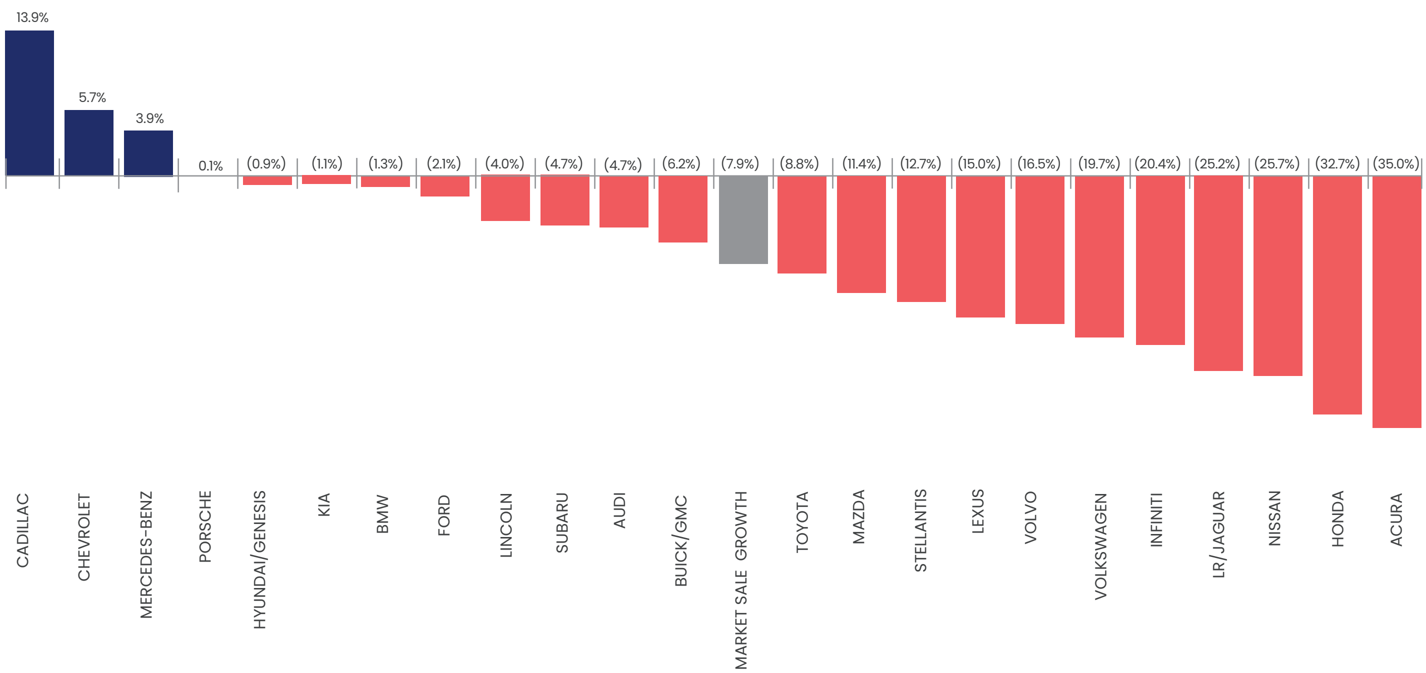



*Source: Yahoo! Finance & FRED; Data as of 3/3/2023*

## Almost All Franchises Suffered A Drop In New Vehicle Sales

The chart below shows that 20 of the 24 franchises we track showed a decline in sales in 2022 compared to 2021. Only Cadillac (+13.9), Chevrolet (+5.7%), Mercedes-Benz (+3.9%) and Porsche (+0.1%) experienced unit sales increases. The Honda/Acura family had a disastrous year with sales down around 35%. Across the market, new vehicle sales fell 7.9% in 2022 compared to 2021.

**YEAR/YEAR SALES PERFORMANCE - 2022**




*Source: Automotive News (Q4 2022 Data)*

CAPITAL LUXURY CARS
ROUTE 155

“The sale of the stores is bittersweet. Capital Volvo was my first store. I was proud of the team we built and the success we had both there and at Jaguar Land Rover Albany. However, I decided it was the right time to focus my energies and resources on the Friendly brand and stores that I own in the mid-Hudson Valley and Syracuse area. We want to thank Nate Klebacha for his expertise and good judgment in identifying Matt McGovern as the right buyer for our dealerships. He’s a great operator and in recent years has grown faster than perhaps any dealer in the Northeast. I feel confident that Matt and the Capital Luxury Cars team can continue to grow the dealerships and take them to the next level.”

***- Eric Kahn, President & CEO, Friendly Auto Group***

## New Vehicle Gross Profit Is Slowly Declining

The public companies made an average of $5,782 in front-end gross profits per vehicle in Q4 2022. While this number is high compared to gross profits before the pandemic, it is the third quarter in a row with declining gross profits. Gross profits from new units fell 4.3% since Q3 2022. Current gross profits per unit retailed are down 8.5% since Q1 2022, which brought the highest margins in auto history. As new vehicle supply continues to build and as higher interest rates make vehicles less affordable for customers, we expect that margins will continue to decrease.  Where they will level off is anyone's guess, although the high level of pent-up demand suggests to us that they could remain elevated for years.

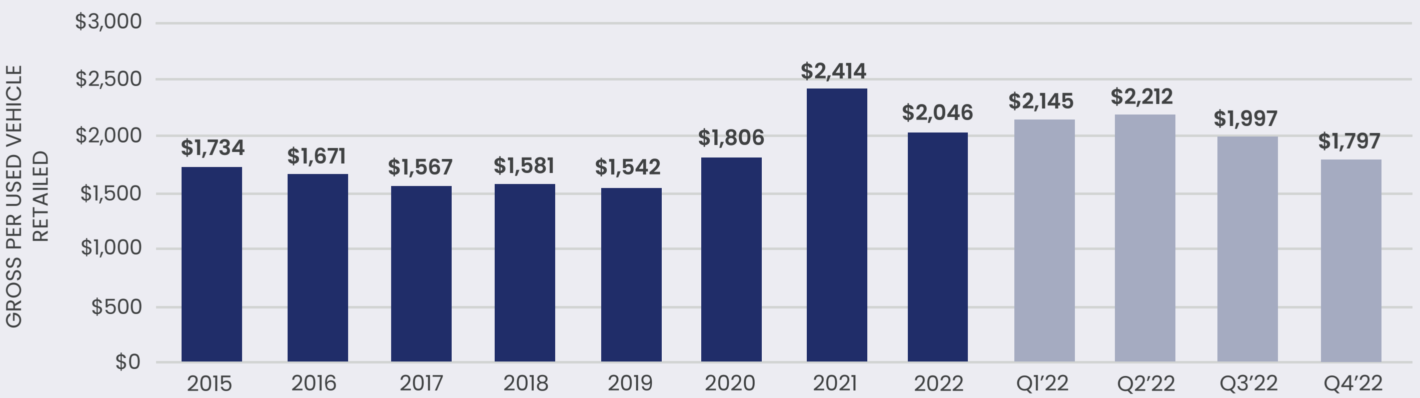
**NEW GROSS PROFITS PER VEHICLE: PUBLIC COMPANY DATA**
*(Weighted Average Same Store Performance - In Current Dollars)*


*Source: SEC filings*

## Used Vehicle Gross Profits Have Fallen But Are Still Healthy

Gross profits for used vehicles dropped consistently throughout 2022, reaching $1,797 in Q4 2022, a drop of 25.6% from their peak of $2,414 in 2021.  Gross profits per used unit sold in Q4 2022 was 10% below the Q3 2022 level. Used vehicle supply should remain low due to a small number of one to three-year-old vehicles hitting the used vehicle market over the next few years. Perhaps as a result, gross profits per used vehicle retailed is still 16.5% higher than in 2019.

**USED GROSS PROFITS PER VEHICLE: PUBLIC COMPANY DATA**
*(Weighted Average Same Store Performance - In Current Dollars)*



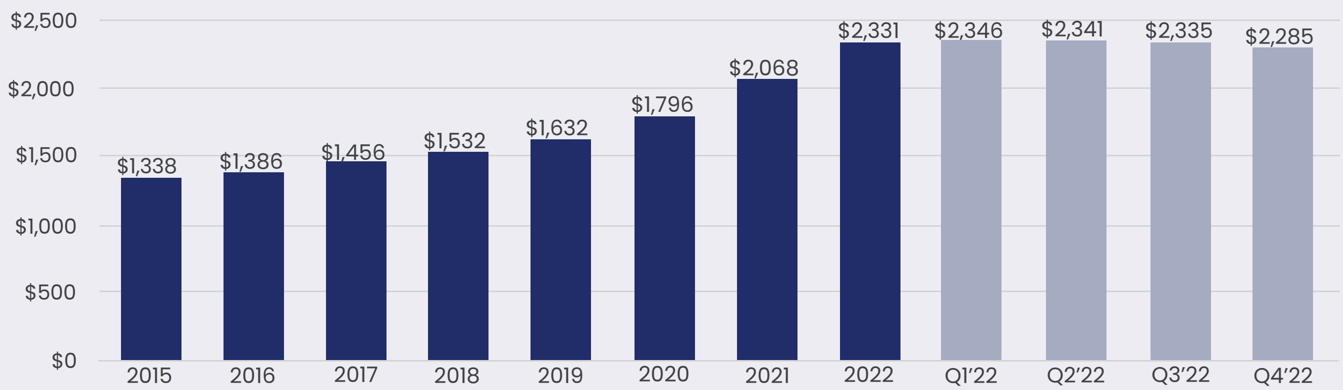

*Source: SEC filings*

## Finance & Insurance Income Per Vehicle Has Leveled Off

F&I gross profits per vehicle for the full year 2022 were $2,331 compared to $2,068 for the full year 2021. But F&I profits fell slightly throughout the year, perhaps indicating that consumers are pulling back on purchasing insurance products offered by dealers or negotiating harder on rates. F&I gross profits per vehicle increased steadily over the past decade so the decline we saw quarter over quarter in 2022 is a bit concerning.

**PUBLIC COMPANY F&I PER UNIT RETAILED**

*(Weighted Average Same Store Performance - In Current Dollars)*




*Source: SEC filings*

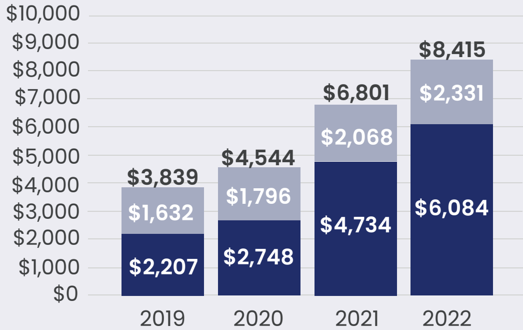
## Combined Front And Gross Profits Per Vehicle Retailed Remain High

The following tables track total profits per vehicle retailed back to 2019. In 2022, the public retailers made a whopping total of $8,415 in front and back gross profit per new vehicle retailed, up 24% from 2021. On the used side, however, public retailers made $4,377 in front and back gross profits per used vehicle retailed, down 2% from 2021. Based on trends that we saw in Q4 2022, it seems likely that we will continue to see declining total gross profits on new and used vehicles.

**PUBLIC COMPANY VEHICLE GROSS + F&I PVR**

*(Weighted Average Same Store Performance - In Current Dollars)*

**NEW Vehicle Gross**

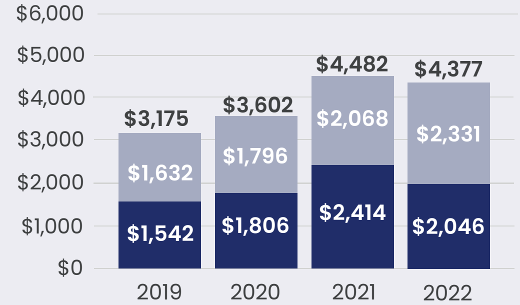



**2019 - 2022**

| NEW | F&I | TOTAL |
|---|---|---|
| +$3,877 | +$699 | +$4,576 |
| +176% | +43% | +119% |

| USED | F&I | TOTAL |
|---|---|---|
| +$504 | +$699 | +$1,202 |
| +33% | +43% | +38% |

**USED Vehicle Gross**




***Note: Front-end gross profit includes manufacturer incentives and other income.***

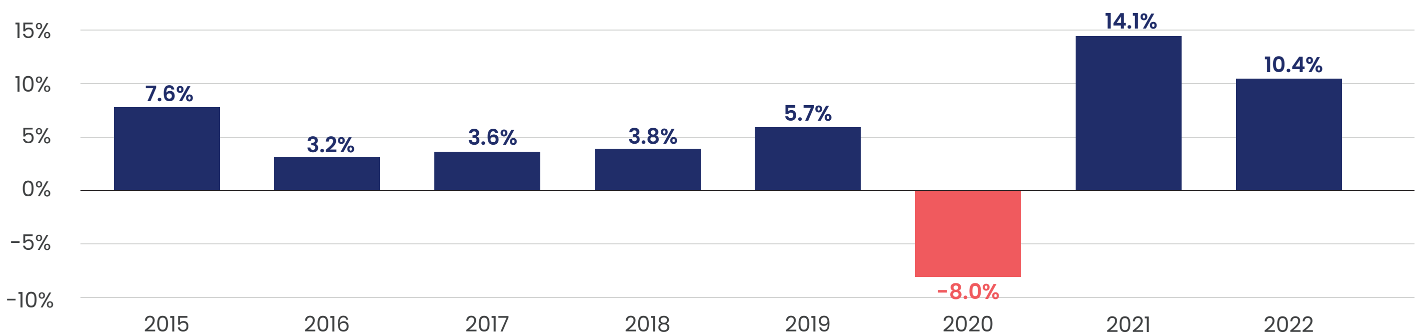
*Source: SEC filings; F&I as reported for new and used combined*
*Note: Front-end gross profit includes manufacturer and other income*

## Fixed Operations Are Higher With No Signs Of Slowing Down

Fixed operations are firing on all cylinders for dealers right now. With the lack of supply and high prices, many owners are hanging onto their vehicles longer and spending more to maintain them. The average age of a vehicle hit 12.2 years in 2022, a record high. Plus, annual miles traveled has returned to pre-pandemic levels. The combination of these factors results in more consumers returning to the dealership rather than defecting to independent shops. Recalls also went up, affecting 30.8 million vehicles in 2022 compared to 20.6 million in 2021. And, finally, due to the high demand from vehicle owners and a limited number of available workers, dealers have been charging more for their services by pushing up labor rates. As a result, gross profits are up an impressive 10.4% in 2022 compared to 2021.

**FIXED OPERATIONS GROSS PROFIT GROWTH: PUBLIC COMPANY DATA**

*Same Store Performance - In Current Dollars*

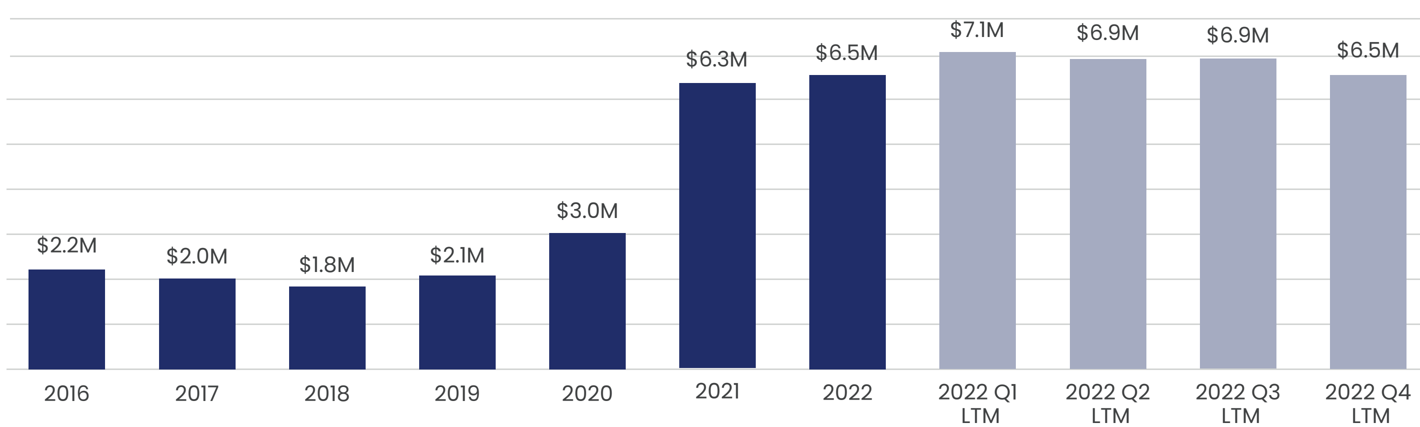



*Source: SEC Filings*

## Dealership Profits Have Peaked But Remain Very High

Dealership profits reached $6.5M in 2022, a new record. Conditions in the first half of 2022 were best, with higher margins and lower expenses. As 2022 went on we began to see a decline in quarterly profits. Despite the decline, profits per store were 216% (3.2x!) higher than 2019 and 4% higher than 2021. The table below shows the estimated earnings at publicly owned dealerships. We believe the profits at privately owned dealerships have more than tripled since 2019, based upon the financial statements of our clients.

**PUBLIC GROUP ADJUSTED EARNINGS PER DEALERSHIP**




*Source: Haig Partners & SEC Filings*

# FRANCHISE VALUATION RANGES

## LUXURY FRANCHISE BLUE SKY MULTIPLES

### Porsche

Porsche sales were up 0.1% in 2022 compared to 2021. The Taycan EV has been received well by the market, demonstrating the demand for this technology in performance brands. Porsche dealerships continue to bring the highest blue sky multiples other than Ferrari stores thanks to their scarcity, high profits, and ease of operation. We have a long list of excellent dealers who are looking to buy Porsche dealerships anywhere in the US. **Same multiple range on average adjusted pre-tax profit: 9.0x-10.0x.**

### Lexus

Sales at Lexus were down 15.0% for the year. Management has announced a balanced approach to future powertrains, offering customers the choice of gas, hybrid, plug-in hybrid or fully electric vehicles. We believe this is a smart strategy rather than putting too much emphasis on EVs like other brands. Lexus ranked #1 in NADA's 2022 winter Dealer Attitude Survey and #2 in Consumer Reports' reliability rankings. Based on the continued confidence in the brand, and the long-term love for anything Toyota-Lexus among dealers, we are seeing very strong demand for the franchise. **Same multiple range on average adjusted pre-tax profit: 8.0x-10.0x.**

### Mercedes-Benz

Mercedes-Benz sales increased by 3.9% in 2022 compared to 2021, the third-best performance for the brands we track. The new EVs are arriving, but dealers are telling us that they are now starting to stack up on the lots due to high prices, and some customers are bringing them back complaining about range. It won't be easy to catch Tesla that has a more early-adopter clientele. MB announced a new partnership with Google to offer "super computer-like performance" navigation with automated driving sensors to become more competitive with Tesla. The silver star is still highly coveted by buyers, although we are concerned that MB management is overusing/abusing its Rights of First Refusal in buy-sells to replace the original buyers with preferred buyers. If this continues, demand in a competitive sales process may dry up for dealers outside of the MB franchise system. Reliance on just one franchise's network for potential purchasers can allow preferred MB dealers to act more boldly, suppressing prices. Currently we still see wide participation and interest in MB locations. **Same multiple range on average adjusted pre-tax profit: 7.5x-9.0x.**

### BMW

Sales were down 1.3% in 2022 compared to the prior year. Dealers are very happy with this franchise and BMW ranked #3 on NADA's recent dealer sentiment survey, jumping Porsche. BMW also ranked #3 on Consumer Reports' Reliability rankings, impressive for a brand built on performance and technology. Inventory and ordered units are flowing better, allocation has been fair and their EVs are outperforming Mercedes-Benz, largely because of the favorable price point. Leadership plans on retaining the traditional relationship between dealers and customers, unlike some other brands that are talking about selling direct to consumers. **Same multiple range on average adjusted pre-tax profit: 7.5x-9.0x.**

### Audi

Audi sales were down 4.7% in 2022 compared to last year. The products are excellent but Audi's delivery and allocation are frustrating to dealers. The OEM's lack of interest in dealership issues led one Audi dealer to say "I wouldn't look at an Audi acquisition until things improve for a while." The new EV models have been long in coming but could help add additional volume to this franchise. **Same multiple range on average adjusted pre-tax profit: 6.25x-7.25x.**

### Jaguar / Land Rover

JLR saw unit sales decrease 25.2% in 2022 compared to 2021. The demand for Range Rovers, Range Rover Sports and the new Defenders is sky-high, but JLR has struggled supplying its dealers with inventory. We have read that there is a backlog of more than 250,000 orders for Land Rover vehicles and that customers are waiting up to 18 months for delivery. Jaguar sales have been weak and the brand is transitioning to a new all electric lineup that is two years away. A number of retailers are being asked to hand back their Jaguar franchise in return for a few extra units of allocation or a small amount of cash. We can see dealers in wealthy metro markets may choose to keep their Jaguar franchise, which will be solely electric and priced far higher than current Jag products. Despite the gyrations, JLR stores remain remarkably profitable due to their extremely high gross profits on vehicles and busy service departments. **Same multiple range on average adjusted pre-tax profit: 6.25x-7.25x.**

### Volvo

Volvo saw a 16.5% decrease in sales in 2022. Some dealers are concerned by the departure of Anders Gustafsson as CEO of Volvo Car USA (effective March 1). Volvo has two planned model launches this year, the EX90 (electric seven seat crossover) and the EX30 (small electric crossover). Profits are strong and new facilities around the country are attracting higher-end customers. Many dealers are concerned about Volvo's emphasis on EVs and its interest in selling direct to consumers (the agency model). **Same multiple range on average adjusted pre-tax profit: 4.0x-5.0x.**

### Acura
Acura's sales decreased 35.0% in 2022, the worst performer of all brands we track. The one bright spot for the brand is that the Integra won the car of the year in 2023, Acura's first NACTOY victory since 2001. Acura is awaiting its first EV, the ZDX which is expected to come to market in the second half of 2024. We believe the decline in sales is directly related to the same production issues that Honda has been having. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

### Cadillac
Cadillac sales increased 13.9% in 2022 compared to 2021, the best brand of all that we track. Dealers are doing well with the SUVs and some in metro areas are reporting high interest in the just-launched Lyriq CUV, Cadillac's first EV. And there are three more EVs coming next year. Dealer investment in EV infrastructure has been in the $200k range per store. Right now dealers have an interesting mix of EV and ICE vehicles to offer customers and with fewer dealerships after the buyouts, volume throughput is pretty good for Cadillac dealers. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

### Infiniti
Infiniti sales fell 20.4% in 2022. Dealers are starving for new product and are waiting for the first Infiniti EV model which won't arrive until at least 2025. Profits per store are likely the lowest for any major franchise, and many locations are primarily used vehicle stores at this point. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

### Lincoln
Lincoln sales were down 4.0% in 2022. Its SUV/CUVs have been well-reviewed. Lincoln told dealers they need to invest $900K in charging stations and other improvements in order to sell EVs but, like Ford, this rollout has slowed. They appear to be loosening requirements and dealers are finding ways to lower the cost. Given the low volumes and zero Lincoln EVs in production, dealers are faced with a difficult decision. Some dealers have sold their franchises back instead of making these investments. Still, Haig Partners advised on the sale of a Lincoln dealership in January where buyer interest was strong. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

## MID-LINE IMPORT FRANCHISE BLUE SKY MULTIPLES

### Toyota
Toyota posted an 8.8% decrease in sales in 2022. In a recent NADA survey, dealers ranked Toyota #2 behind Lexus in terms of their optimism about the franchise and the brand ranked #1 in Consumer Reports' Reliability rankings. Dealers continue to seek out Toyota dealerships across the country. The brand's desire to "partner" with their dealers is what drives the positive relationship dealers have with the brand. Dealers trust Toyota to make the right decisions about product and powertrains so they can focus on selling and servicing Toyota products. We have had the privilege of selling some of the industry's largest Toyota franchises recently and interest from buyers is almost overwhelming. This is the franchise that all dealers want to add to their groups. **Same multiple range on average adjusted pre-tax profit: 6.5x-7.5x.**

### Honda
Honda sales were down 32.7% in 2022. Dealers are concerned over the North American leadership changes and have almost no vehicles to sell. Honda is losing lots of share to Toyota, Hyundai and Kia. Honda recently stated that inventory won't return to normal levels until at least the fall. When the supply returns, however, dealers are hopeful that they can begin to rebuild, ranking Honda #6 in terms of their optimism for the future in a recent NADA survey. Honda products remain strong sellers and the business model is nicely balanced. One recent development that concerns us is that Honda is active in exercising its Right of First Refusal to insert new buyers into buy-sells. If this continues, it will chill the demand for Honda stores as dealers outside the Honda franchise system will turn down Honda acquisition opportunities since they won't want to waste time and the risk of embarrassment of being denied at the end of a buy-sell process. **Same multiple range on average adjusted pre-tax profit: 6.0x-7.0x.**

### Subaru
Subaru reported a 4.7% decrease in sales in 2022. Subaru has long had among the lowest days' supply of any franchise, and unfortunately, it still does, down to just a few days at most lots. This is frustrating for all concerned, but as the order backlog grows, so does the promise of healthy future sales when production rebounds. Dealers are complimentary of Subaru management and the overall business model, ranking it #5 in the NADA dealer sentiment survey. We've been involved in the sale of several Subaru stores recently and demand was very high. **Same multiple range on average adjusted pre-tax profit: 6.0x-7.0x.**

### Volkswagen
Volkswagen saw unit sales decrease by 19.7% in 2022. VW has been focused on EVs as a part of its punishment for Dieselgate years ago, but so far dealers have little EV product to sell. Another area for resentment for VW dealers has to do with the Scout brand. VW acquired this long-retired auto brand as a part of an acquisition of a heavy truck manufacturer. It appears that it won't use the Scout brand on new products to be sold through current VW dealers, but may instead sell them direct to consumers, like Tesla. If so, money spent on developing and promoting new products would be siphoned away from VW dealers which could badly use some additional products to boost volumes and therefore profits. There is not a large demand for this franchise but it can be desirable as part of a larger group of dealerships or a tuck-in purchase. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

### Kia

Kia experienced a sales decrease of 1.1% in 2022. Dealers have become big fans of the Kia dealership model over the past 24 months, ranking it #7 for Dealer Attitude toward the brand. The Kia EV6 was named utility vehicle of the year by MotorWeek and the brand continues to produce great products. Kia dealership profits have jumped substantially thanks to higher volumes, better margins, and higher fixed operations. Blue sky values have grown accordingly, far more than most brands. Kia currently plans to offer all ICE and EV products through the same franchise agreements with dealers, making the future more predictable. **Increased multiple range by 0.25x on average adjusted pre-tax profit: 4.25x-5.25x.**

### Hyundai/Genesis

Hyundai/Genesis unit sales decreased by 0.9% in 2022. Hyundai dealerships may have appreciated in value more recently than any franchise we track, besides Kia. But there are concerns. Dealers are complaining that Hyundai is using strong arm tactics to force dealers into pricey facility upgrades and improved sales performance. Those who refuse may see their allocation cut or add-points open nearby. Hyundai is essentially testing the agency model on its Ioniq brand for EVs. This could lead to lower overall gross profits for dealers if Ioniq models become a bigger part of Hyundai's sales. And Genesis is still a messy situation with far too many points, too few units being produced, and demands for stand-alone facilities. Despite these issues, buyers are interested in owning these stores. **Same multiple range on average adjusted pre-tax profit: 4.0x-5.0x.**

### Mazda

Mazda sales decreased by 11.4% in 2022. Dealers love the move from alternative brand to near premium. The new 2024 CX-90, fully loaded, compares to German models costing tens of thousands of dollars more. With strong backend incentives and facility dollars, dealers are happy to have this "sneaky brand as it creeps up on the luxury competition" says one of our favorite dealers. **Same multiple range on average adjusted pre-tax profit: 3.0x-4.0x.**

### Nissan

Nissan announced a 25.7% decrease in unit sales for 2022. Dealer's lots remain empty, but improved OEM relations, and some winning products are leading the way for Nissan. The updated business plan focuses on dealer profits and a sustainable growth strategy following years of turmoil and heavy discounting. The new Nissan/Renault shared ownership agreement (15%/15%) frees Nissan to focus on its own path. While many dealers still feel burned by the brand, value-seeking buyers are moving quickly to add locations at today's prices. Given the significant potential for higher profits, there may be more upside on buying a Nissan dealership than any other franchise. **Same multiple range on average adjusted pre-tax profit: 3.25x-4.25x.**

## DOMESTIC FRANCHISE BLUE SKY MULTIPLES

### Ford

Sales fell just 2.1% in 2022, partly because Ford's production numbers were so low in 2021. Ford is a confusing franchise today. The F-150 Lighting has received poor marks from owners that want to use it as a truck. Despite that, Ford plans to increase production to run rates of 150k and 210k for Lightning and Mach-E, respectively, by the end of the year. Many dealers remain concerned about CEO Jim Farley whose actions they believe threaten the long-time Ford dealer business model, and therefore make future profits more difficult to predict. Thankfully, Ford's commercial business remains strong. Dealers are finding ways to cost engineer the EV upgrades. Also, some state dealer associations are publicly and loudly pushing back on the requirements. Ford appears to be listening, as they have begun reducing and/ or slowing some of the requirements. We still see buyers for this franchise, although some are taking a "wait and see" approach. **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

### Chevrolet

Chevrolet saw sales increase by 5.7% in 2022, the second-highest growth of the franchises we track. Dealers are starting to get more product, although the mix is not always what customers are seeking. GM appears serious about matching supply to demand as it recently halted production of Silverados to better balance supply with demand. Dealers applaud this discipline, but they also want more vehicles. GM is demonstrating that while it is investing significantly in EVs, it remains committed to investing in its ICE powertrains as well. **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

### Stellantis (Chrysler-Dodge-Jeep-RAM-Fiat)

Stellantis reported a 12.7% decline in sales in 2022 Stellantis inventory is currently among the highest of any OEM. Dealers tell us they have raised their prices more than other OEMs and that they are making too many premium products. The average MSRP for a Stellantis vehicle was over $57k in 2022, the highest among the domestics. That said, many dealers are still excited about Stellantis dealerships that can post high profits. Haig Partners advised on the sale of the highest valued CDJR franchise ever in January. **Same multiple range on average adjusted pre-tax profit: 3.5x-4.5x.**

### Buick-GMC

Combined Buick-GMC sales declined 6.2% in 2022. One dealer told us Buick is basically out of business as products are dated and its EVs are not due for some time. GM estimates the investment to sell these EVs at $300-$400k, less than Ford but still significant for a low volume brand. Some dealers have been taking the buyout offers for their Buick franchises at prices they believe exceed the value of the franchise. Unlike some other brands, GM has shown no interest in circumventing the dealer network. **Same multiple range on average adjusted pre-tax profit: 3.25x-4.25x.**

# KEY TAKEAWAYS

Auto dealers continue to generate huge profits despite increases in interest rates, high inflation, and a re-valuation in the used vehicle market. The important drivers of profits have been high margins on new vehicles and big increases from fixed operations. Almost every dealer believes that we will see a decline in profits as new vehicle inventories increase, eating into the pricing power of dealers. But few believe that profits will fall quickly, or deeply. We conducted a poll during a recent webinar we conducted that had more than 100 attendees. Their consensus was that profits would fall by 25% over a 2.3 year period. If this group is correct, profits per store in 2024 would still be more than twice what they were before the pandemic hit. We would take this outcome all day and be thankful for our good fortune.

It appears that many other dealers are also optimistic about the future. The public retailers have all announced their plans to acquire more dealerships that fit their expansion strategies. And private dealer groups remain highly active, having purchased 93% of the dealerships that sold last year. We are contacted every week by groups telling us about their expansion plans and asking to see acquisition opportunities. We would not be surprised if the level of activity in 2023 matched that of 2022 when we saw over 500 dealerships sold.

We expect that the confluence of high profits and high demand for acquisitions will result in strong dealership values for the foreseeable future. Values may have peaked in the first half of 2022, but goodwill value for dealerships remains more than twice what it was before the pandemic. For families with no succession plans or that have concerns about the future of auto retail, they are able to sell their businesses today and create generational wealth.

Our firm is also enjoying these good times. Earlier this year we were proud to represent the owners of a CDJR store in NC which sold for a record high price for that franchise, according to Stellantis. And the good times are not over. Recent offers our clients have accepted in just the past couple of weeks indicate that we should set more records for franchise values later this year given how strong earnings are and the level of demand for dealerships. To the dealers who are reading this report, we would be pleased to speak with you about what we are seeing in the market, and to discuss how we may be able to assist you in Maximizing the Value of Your Life's Work.®

## How Haig Partners Adds Value

HAIG PARTNERS

**Maximizing the Value of Your Life's Work®**

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 leading retail dealer groups AutoNation and Asbury, and financial institutions including Bank of America Dealer Financial Services, FORVIS (previously DHG), Deloitte, and JP Morgan. The team at Haig Partners has advised on the purchase or sale of more than 590 dealerships totaling $9.3 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.

**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 your life's work.

# UPCOMING EVENTS

**NY Auto Forum - Speaker**
April 4, 2023 | New York City, NY

**Bank of America Global Automotive Summit - Speaker**
April 5, 2023 | New York City, NY

**OADA | Ohio Automobile Dealers Association - Sponsor**
April 14-17, 2023 | Nashville, TN

**NADC | National Association of Dealer Counsel - Sponsor**
April 30-May 2, 2023 | Amelia Island, FL

**AutoTeam America Spring Meeting**
May 16-17, 2023 | Colorado Springs, CO

**NCADA | North Carolina Automobile Dealers Association - Speaker**
June 11-14, 2023 | Grand Cayman

**VADA | Virginia Automobile Dealers Association - Sponsor**
June 19-22, 2023 | White Sulphur Springs, WV

## Another Great AutoTeam America Buy-Sell Summit and Dealer|CEO|CFO Forum

Thank you to everyone who attended the 29th Annual AutoTeam America Dealer|CEO|CFO Forum and 10th Annual Buy-Sell Summit in Dallas. The event was completely sold out and feedback from dealers has been that it was one of the best events at NADA 2023.

Nate Klebacha featured on ASOTU Livestream.

Alan Haig and Bryan DeBoer, President and CEO of Lithia Motors.

Alan Haig Presenting M&A Update.

Alan Haig and Tom Doll, President and CEO of Subaru of America, Inc.

**Scan Here To View More**

Bryan DeBoer, CEO showing off his pinball skills.

# CONGRATULATIONS AND THANK YOU TO OUR CLIENTS!

**NORTH CAROLINA**
LAKE NORMAN | GASTONIA
Chrysler Dodge Jeep Ram | Chrysler Dodge Jeep Ram
HAS BEEN ACQUIRED BY:
PARKS AUTOMOTIVE GROUP

**FLORIDA**
Lehman AUTO WORLD
Largo Honda (Florida City), Doral Hyundai (Doral), Doral Kia (Doral), Doral Genesis (Doral), Lehman Subaru (Miami), Lehman Buick-GMC (Miami), Lehman Mitsubishi (Miami), Lehman Hyundai (Miami Gardens), Lehman Genesis (Miami), Esserman Acura (Doral), Esserman VW (Doral)
HAS BEEN ACQUIRED BY:
LITHIA

**MICHIGAN**
PFEIFFER LINCOLN
HAS BEEN ACQUIRED BY:
LAFONTAINE AUTOMOTIVE GROUP

**CALIFORNIA**
PENSKE Automotive
Marin Honda
San Rafael

**OHIO**
WAIKEM
Ford, Honda, Kia, Hyundai, Subaru, Mitsubishi
ACQUIRED BY:
DIEHL

**CALIFORNIA**
CROWN TOYOTA
A JOHN ELWAY DEALERSHIP
HAS BEEN ACQUIRED BY:
SWICKARD AUTO GROUP

**TEXAS**
GROUP 1 AUTOMOTIVE
Sterling McCall Hyundai
HAS BEEN ACQUIRED BY:
Steele AUTO GROUP

**OHIO**
SUPERIOR AUTOMOTIVE GROUP
Honda, Kia, Acura, Hyundai, Hyundai — CINCINNATI
Acura, Hyundai — DAYTON
ACQUIRED BY:
Jeff Wyler AUTOMOTIVE FAMILY

**SOUTH CAROLINA**
SUMMERVILLE
Ford
HAS BEEN ACQUIRED BY:
Hudson Automotive Group

**NORTH CAROLINA**
J&M CHEVROLET
HAS BEEN ACQUIRED BY:
DAN MILLER & MARK ZURALES

**NEW YORK**
CAPITAL LUXURY CARS
ROUTE 155
Jaguar, Land Rover, Volvo
HAS BEEN ACQUIRED BY:
MCGOVERN AUTOMOTIVE GROUP

**TENNESSEE**
TOYOTA of BRISTOL
HAS BEEN ACQUIRED BY:
TAL VICKERS OF SPRINGHILL AUTOMOTIVE GROUP

**IOWA**
TOYOTA of Iowa City
HAS BEEN ACQUIRED BY:
McGrath Family of Dealerships

**CONNECTICUT**
McDERMOTT AUTO GROUP
Chevrolet, Lexus
HAS BEEN ACQUIRED BY:
PSD AUTOMOTIVE GROUP

**MISSOURI**
THE EXCHANGE
A Division of Semersky Enterprises Inc.
Audi, Porsche, Chevrolet
HAS ACQUIRED:
Audi KIRKWOOD

**VIRGINIA**
LUSTINE TOYOTA
Toyota, Chrysler, Dodge, Jeep, Ram
HAS BEEN ACQUIRED BY:
OURISMAN EST. 1921 TRUSTED TRADITION

**MINNESOTA**
FOREST LAKE AUTO GROUP
Chevrolet, Chrysler, Dodge, Jeep, Ram
HAS BEEN ACQUIRED BY:
MORRIE'S AUTO GROUP

**OHIO**
DanTobin
Chevrolet, Buick, GMC
HAS BEEN ACQUIRED BY:
RICART AUTOMOTIVE GROUP

**OHIO**
ARBOGAST RV DEPOT SINCE 1961
HAS BEEN ACQUIRED BY:
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# Contact Us Today

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